

KPIT Technologies Ltd.

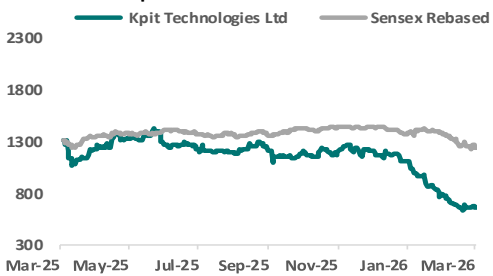
BUY

Sector: IT-Automobiles

31st March, 2026

Key Changes	Target ▼	Rating ●	Earnings ▼	Target	Rs. 776
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Small Cap	KPITTECH:IN	71,948	KPITTECH	542651	12 Months
				CMP	Rs. 635
				Return	+22%

Data as of: 30-03-2026, 18:00hrs

Company Data			
Market Cap (Rs. cr)	17,407		
52 Week High — Low (Rs.)	1,433 - 625		
Enterprise Value (Rs. cr)	15,089		
Outstanding Shares (Rs cr)	27.4		
Free Float (%)	60		
Dividend Yield (%)	1.3		
6m average volume (cr)	0.1		
Beta	1.6		
Face value (Rs)	10.0		
Shareholding (%)	Q1FY26	Q2FY26	Q3FY26
Promoters	39.5	39.4	39.4
FII's	15.5	14.3	13.6
MFs/Institutions	22.4	23.9	25.4
Public	22.7	22.4	21.6
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-46%	-45%	-50%
Absolute Sensex	-13%	-8%	-5%
Relative Return	-32%	-37%	-45%
*over or under performance to benchmark index			
			
Consolidated (Rs.cr)	FY26E	FY27E	FY28E
Sales	6,408	7,101	8,030
Growth (%)	9.7	10.8	13.1
EBITDA	1,284	1,509	1,728
Margin(%)	20	21	22
PAT Adj.	724	878	1,053
Growth (%)	-14	21	20
Adjusted EPS	27	32	39
Growth (%)	-14	21	20
P/E	25	20	17
P/B	5	4	4
EV/EBITDA	13	11	9
ROE (%)	22.7	23.1	23.1
Adj. D/E	0.0	0.0	0.0

AI-Defined Mobility Fuels Next Phase of Growth

KPIT Technologies Ltd., a digital transformation consulting & software integration company, provides cutting-edge engineering solutions to more than 150 companies & enterprises in the field of CASE mobility.

- KPIT Tech reported 10% YoY revenue growth in 9MFY26, while Q3FY26 revenue grew 9.4% YoY, primarily driven by strong performance in Europe, led by the Off-Highway, Powertrain, and Diagnostics segments.
- EBITDA margins contracted by 119 bps in 9MFY26 due to wage cost pressures and muted organic growth, while EBIT declined 2% YoY, impacted by higher depreciation arising from the Caresoft and N-Dream acquisitions.
- In Q3FY26, feature-offerings-wise, feature development & integration and cloud-based services grew by 1.3% & 29% YoY, respectively, while architecture & middleware declined by 14.6%YoY.
- In Q3FY26, reported PAT declined 3.5% YoY to Rs.180cr, primarily due to a Rs.18 crore forex loss. Excluding the one-time labour code impact of Rs.46.9cr.
- KPIT secured \$202 million in new deal wins during this quarter, led by multi-year OEM engagements across key mobility domains, though TCV moderated, declining 13% QoQ and 14% YoY.

Outlook & Valuation

KPIT remains optimistic about its transition toward AI-defined mobility, with solution-led and fixed-price programs expected to support higher-quality growth. Management expects Q4FY26 to be the strongest quarter, driven by a recovery in organic growth, while FY27 is likely to outperform FY26 on the back of steady deal wins and program ramp-ups. Growth momentum is expected to be led by the scaling of the CV and Off-highway segments, supported by Caresoft's capabilities, along with improving demand visibility across the U.S., China, the Middle East, India, and select markets in Japan and Korea. Margins are expected to remain resilient, supported by AI-led productivity gains and stabilising depreciation, despite near-term wage pressures. **We value KPIT at 20x FY28E EPS, with a target price of Rs. 776, and maintain our BUY rating at the CMP.**

Quarterly Financials Consol.

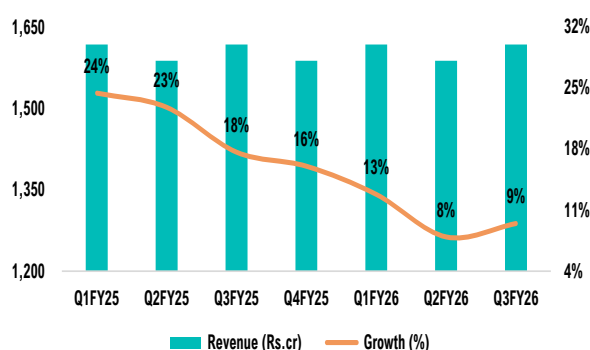
Rs.cr	Q3FY26	Q3FY25	YoY Growth (%)	Q2FY26	QoQ Growth (%)	9MFY26	9MFY25	YoY Growth (%)
Sales	1,617	1,478	9.44	1,588	1.9	4,744	4,314	10.0
EBITDA	315	312	0.95	321	-1.7	936	902	3.7
Margin (%)	19.5	21.1	-164bps	20.2	-71bps	19.7	20.9	-119bps
EBIT	234	254	-7.72	246	-4.8	717	735	-2.4
PBT	185	263	-29.54	253	-26.9	679	828	-17.9
Rep. PAT	133	187	-28.65	169	-21.1	474	595	-20.3
Adj PAT	193	187	3.29	169	14.2	534	595	-10.2
EPS (Rs)	4.9	6.6	-25.64	6.2	-21.2	17.4	21.6	-19.4



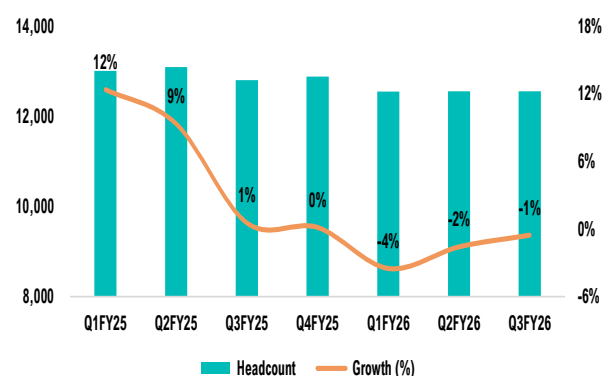
Key Concall Highlights

- KPIT announced a strategic collaboration with HMC HIVE (a Hero Motors Company) to develop next-generation Light Electric Vehicles (LEVs) for the micromobility segment, such as e-scooters and e-bicycles, while further strengthening its AIoDed mobility solution capabilities through industry recognition.
- Geography-wise, growth was led by Europe (52% of revenue mix), which grew 12.3% YoY, followed by the US (27% mix) with 4.6% YoY growth, while Asia (21% mix) declined 15.4% YoY despite management indicating positive demand discussions across key global markets.
- The fixed-price revenue mix increased to 66% from 59% last year, providing flexibility and supporting profitability, alongside an improvement in per-person revenue, reflecting better execution and operating leverage.
- KPIT invested ~US\$3.8 mn in Q3 to strengthen core capabilities (excluding AI and acquisition-related spend), reflecting disciplined, region-focused capital allocation, cautious in Europe and selectively accelerated in the US to support OEM demands for faster time-to-market and quality improvements.
- Management expects Q4FY26 to be the strongest quarter with organic growth recovery, and FY27 to outpace FY26 on the back of steady deal wins and solution-led ramp-ups, with margins supported by stabilising depreciation and interest costs.

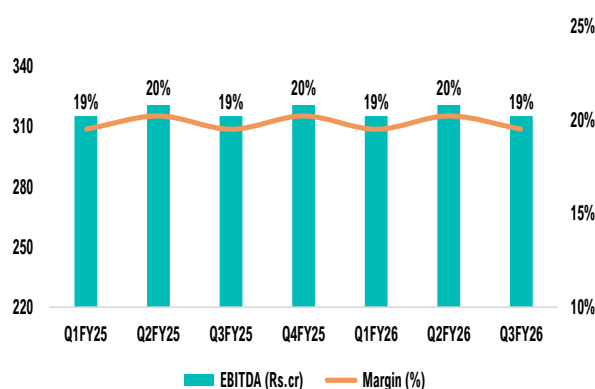
Revenue



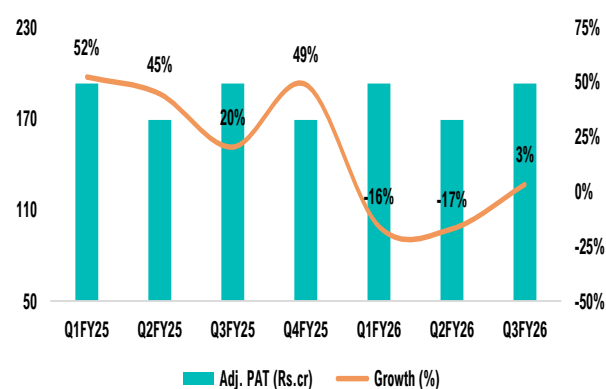
Headcount



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates			Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY28E	FY26E	FY27E
Revenue	6,030	7,100	6,408	7,101	8,030	6.3	0.02
EBITDA	1,230	1,498	1,284	1,509	1,728	4.3	0.7
Margins (%)	20.4	21.1	21.0	20.0	21.3	65bps	-107bps
Adj. PAT	781	980	724	878	1,053	-7.2	-10.4
EPS	28.5	35.7	26.7	32.3	38.8	-6.3	-9.5



Consolidated Financials

Profit & Loss

Y.E March (Rs.cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	4,872	5,842	6,408	7,101	8,030
% change	44.8	19.9	9.7	10.8	13.1
EBITDA	991	1,230	1,284	1,509	1,728
% change	56.6	24.1	4.4	17.6	14.5
Depreciation	196	225	310	342	357
EBIT	796	1,005	974	1,167	1,371
Interest	55	42	77	78	83
Other Income	60	167	86	102	141
Share of profit and Loss of JV	(1)	3	3	3	3
PBT	800	1,133	985	1,195	1,432
% change	61	41	(13)	21	20
Tax	202	293	261	317	380
Tax Rate (%)	25	26	27	27	27
Reported PAT	599	840	724	878	1,053
Adj.	0	0	0	0	0
Adj. PAT	599	840	724	878	1,053
% change	54.7	40.3	-13.7	21.3	19.9
No. of shares (cr)	27	27	27	27	27
Adj EPS (Rs)	22	31	27	32	39
% change	54	40	-14	21	20
DPS (Rs)	5	7	6	7	9

Cash Flow

Y.E March (Rs.cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	862	1,155	1,034	1,220	1,410
Non-cash adj.	56	20	77	78	83
Changes in W.C	87	217	25	59	63
C.F - Operation	1,004	1,392	1,136	1,357	1,556
Capital exp.	(155)	(130)	(124)	(57)	(30)
Change in inv.	(70)	(172)	0	0	0
Other invest.CF	(338)	(328)	(343)	(362)	(384)
C.F - Investment	(564)	(630)	(467)	(419)	(415)
Issue of equity	2	1	0	0	0
Issue/repay deBS	(93)	(131)	6	38	51
Dividends paid	(129)	(193)	(166)	(202)	(242)
Other finance.CF	(19)	(19)	(77)	(78)	(83)
C.F - Finance	(240)	(342)	(238)	(241)	(274)
Chg. in cash	201	419	431	697	867
Closing cash	655	1,074	1,506	2,202	3,070

Balance Sheet

Y.E March (Rs.cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	771	1,268	1,699	2,396	3,263
Accounts Receivable	956	890	1,012	1,121	1,268
Inventories	90	85	81	87	92
Other Cur. Assets	114	230	252	279	316
Investments	94	432	432	432	432
Gross Fixed Assets	1,410	1,564	1,657	1,708	1,745
Net Fixed Assets	543	594	605	615	624
CWIP	1	9	10	11	13
Intangible Assets	1,430	1,378	1,490	1,536	1,556
Def. Tax (Net)	79	78	86	95	108
Other Assets	91	70	88	98	110
Total Assets	4,168	5,033	5,755	6,671	7,782
Current Liabilities	758	782	976	1,073	1,184
Provisions	128	150	153	169	192
Debt Funds	45	2	2	2	2
Other Liabilities	1,074	1,187	1,155	1,280	1,448
Equity Capital	271	272	272	272	272
Reserves & Surplus	1,875	2,640	3,198	3,875	4,686
Non-Controlling Interest	17	0	0	0	0
Shareholder's Fund	2,146	2,912	3,470	4,147	4,958
Total Liabilities	4,168	5,033	5,755	6,671	7,782
BVPS (Rs.)	79	107	128	153	183

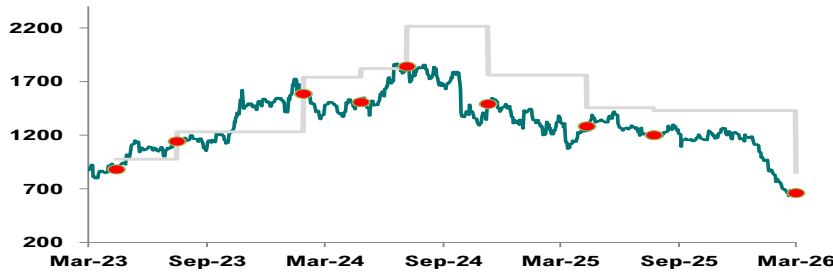
Ratios

Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	20.35	21.05	20.03	21.25	21.52
EBIT margin (%)	16.33	17.20	15.20	16.44	17.07
Net profit mgn.(%)	12.29	14.37	11.30	12.37	13.11
ROE (%)	31.3	33.1	22.7	23.1	23.1
ROCE (%)	30.3	29.1	22.4	22.5	22.1
W.C & Liquidity					
Receivables (days)	64.8	57.6	54.2	54.8	54.3
Inventory (days)	5.6	5.5	4.7	4.3	4.1
Payables (days)	15.1	13.1	15.2	19.1	18.0
Current ratio (x)	1.3	1.6	1.7	2.0	2.2
Quick ratio (x)	1.2	1.4	1.6	1.8	2.1
Turnover & Leverage					
Gross asset T.O (x)	11.1	11.8	12.5	13.8	15.6
Total asset T.O (x)	1.3	1.3	1.2	1.1	1.1
Int. coverage ratio (x)	14.5	23.7	12.6	15.0	16.6
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
Valuation					
EV/Sales (x)	8.2	5.9	2.6	2.2	1.9
EV/EBITDA (x)	40.2	28.1	12.9	10.5	8.7
P/E (x)	67.3	42.3	24.7	20.4	17.0
P/BV (x)	18.8	12.2	5.2	4.3	3.6



Recommendation Summary (Last 3 years)

Dates	Rating	Target
09.May.23	Hold	976
11.Aug.23	Hold	1,231
23.Feb.24	Accumulate	1,740
22.May.24	Buy	1,821
01.Aug.24	Buy	2,216
05.Dec.24	Buy	1,760
07.May.25	Buy	1,456
19-Aug-25	Buy	1,430
31-Mar-26	Buy	776



Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

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Geojit Investments Ltd. Registered Office: 7th Floor 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website : www.geojit.com/GIL . For investor queries: customercare@geojit.com

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