Operator: Hello, and a very warm welcome to everybody for this KPIT Technologies analyst meet. As always, we will have presentations by the KPIT leadership team, and then we will open the floor for Q&A. Since we have an extended management team present today, I would like to request Priya Hardikar to introduce the KPIT leadership team present here. Priya is a part of the leadership team as our CFO and an executive board member. She handles accounting, auditing, legal, taxation, investor relations, and compliance. Priya, please come over and introduce the leadership team. Thank you once again for joining us.

Priya Hardikar – CFO: Thank you, Sunil, and a very warm welcome to all of you. I am happy to introduce my colleagues, most of whom I am sure you know. Mr. Kishor Patil, Co-founder, CEO, and Managing Director. Kishor has led the company's transformation into a global mobility technology partner and continues to shape our long-term strategy across mobility, software, and automotive innovation. Mr. Sachin Tikekar, President and Joint Managing Director. Sachin drives our growth agenda and client relationships, playing a key role in scaling our presence and strengthening strategic OEM partnerships. Mr. Anup Sable, Whole-time Director and Chief Operating Officer. Anup oversees our technology vision, execution, and delivery excellence, focusing on the full-stack technology that helps OEMs transform their roadmaps. Mr. Chinmay Pandit, Whole-time Director and Head of Americas. Chinmay leads our Americas business, strengthening OEM relationships and expanding regional growth. Mr. Pushpahas Joshi, Head of Strategy and Growth Office and executive board member. Pushpahas leads our strategy, growth initiatives, and new mobility businesses. Mr. Omkar Panse, Chief Technology Officer. Omkar leads our global technology vision and software-defined vehicle (SDV) strategy. Mr. Gaurav Kakati, Chief Technology Officer for AI. Gaurav heads our AI strategy, focusing on generative AI, agentic solutions, and AI-led transformation of the automotive software lifecycle. Thank you, and welcome once again. Over to you, Kishor.

Kishor Patil – CEO & Managing Director: Good afternoon and a warm welcome. I am happy to have this gathering after a long time. This is the next phase of transformation and growth for KPIT Technologies. We are consolidating and furthering our thought leadership and market leadership in mobility. I will cover the FY26 performance, market trends, and our response. Anup will discuss our technology moat and differentiation. Sachin will talk about resilient growth and how we are expanding the market despite industry disruptions. Then, I will conclude with our mid-term outlook.

In terms of FY26 results, growth was a bit muted, but we had a strong Q4. We saw 1.8% growth in constant currency and 1.9% quarter-on-quarter (QoQ) growth in dollar terms. In rupee terms, that is 12% year-on-year (YoY) and 5.8% QoQ. Key highlights include $349 million in engagements closed during the quarter, reflecting strong deal momentum. Our pipeline remains satisfactory, and 21% of it now consists of products and solutions, which is our next pivot. Cash generation remains solid, with 9.6 billion in cash at the end of the quarter after dividend payouts. We have proposed a final dividend of 5.25 per share, representing a 33% payout. DSO stands at 47 days.

Looking at revenue, we saw 18% YoY growth in trucks and off-highway. Q4 growth was also led by this segment at 11.6%, followed by cloud-based connected services. Our EBITDA margin for the year was 20.8%, and for this quarter, it was 20.6%. We have never compromised on technology investments. While most companies invest less than 1% in technology, we have consistently invested more than 3%, and we have recently increased that to over 5%. Despite this, we maintain one of the best EBITDA margins in the industry.

Growth tailwinds are driven by connected vehicles, powertrain, vehicle engineering, and after-sales. Powertrain growth now includes electrification, conventional, hybrid, and hydrogen-based systems. In vehicle engineering, we have doubled down on our CareSoft acquisition. Beyond software, we help OEMs with cost reduction across the entire vehicle. We are bringing software benchmarking to hardware benchmarking to provide insights on performance and security. After-sales is another fast-growing area, as OEMs seek revenue throughout the vehicle's lifecycle. We have built strong solutions here.

We saw 9% YoY growth with our top OEM clients. While Tier 1 revenue dropped—which has never been our core focus—we strengthened our presence in China with two new OEM engagements. Although revenue from China is currently small, it is a critical market as Chinese OEMs expand globally. We also saw 18% YoY growth in trucks and off-highway and accelerated pipeline generation in AI-infused solutions. Headwinds included short-term cannibalization from AI-led transformations, though we see larger long-term opportunities. We also saw lower than expected growth in middleware and autonomous driving due to delays in new architecture programs. Many OEMs realized they could not develop their own autonomous stacks from scratch, leading to a shift toward integration and training on established stacks.

Despite near-term challenges, we expanded our foundation for the future. We achieved significant qualitative progress in AI, products, and market expansion. We secured a strategic engagement in excess of $50 million for large-scale software-defined transformation in the off-highway segment for next-generation machines. We also partnered with a leading Japanese Tier 1 to deliver next-generation digital cockpits, starting with three OEMs and expanding to five.

Regarding automotive spend outside China, McKinsey data projects R&D spend to double by 2030. ADAS and AD spend is expected to triple, making it the largest growth area. Infotainment, digital services, and E-architecture are also growing rapidly. Electrification is not necessarily the highest spender; growth is higher in other domains like connected services and security. In ADAS, the opportunity for us lies in validation, integration, and simulation.

Market trends include tariffs, geopolitical conflicts, EV policy changes in the US and Europe, supply chain disruptions, and the rapid maturity of AI. Several OEMs have faced multi-billion dollar write-offs. For example, Honda recently canceled new platform programs, which had a recent impact on us. Many European OEMs have lost market share in China, and though they are recovering slightly, their margins are under pressure. This has led to delays in vehicle programs. While this moderates near-term revenue, it builds a robust mid-term outlook as integration demand will spike when these delayed vehicles eventually launch.

Our response involves faster growth in solutions and products, with an expected growth rate of over 30%. We are expanding into adjacencies like micro-mobility, which we believe will be significant by 2032. We are focused on new geographies, including India—which we believe will be the number two or three global market in the next decade—the Middle East, and Southeast Asia. We have made strategic external investments of $400 million in M&A to create a full-stack story. This is on top of our 5% R&D investment.

We developed Beacon, a mobility intelligence product for AI-first development, integration, and validation. We use it for AI-infused solutions and also offer it as a licensed product. We have built an ecosystem of partners including chip makers, specialized Tier 1s, and software stack providers. We are also focused on leadership development, identifying 60 critical roles to drive the organization. We sent a batch of 40 leaders to China, Silicon Valley, and Europe to experience the disruption firsthand and change their mindset. There is a direct correlation between technology investment and sustainable growth, and KPIT Technologies will continue to lead in this area. Our proactive investments span the chip-to-cloud stack, including PathPartner for chips, Technica for architecture, Corex for middleware, Helm.ai for applications, and N-Dream and Somit Solutions for cloud. Our recent investment in CyMotive provides proven cyber security solutions used in millions of Volkswagen Group vehicles. Now, I will hand it over to Anup for the technology moat.

Anup Sable – COO: Good afternoon. When we talk about integration, we are talking about solving the chaos of 100 to 120 computers and multiple networks inside a vehicle. Software developers often test components in "free highway" conditions, but integration brings them into a "traffic jam" where components must handshake in real-time under safety constraints. Everything inside a vehicle is optimized to save even 50 cents or $1 per car, because for a company selling 10 million vehicles, that is $10 million in profit.

AI increases software productivity, but generating 10 times more software means finding 10 times more problems. This is where we come in. We look at the software "V-cycle." Even requirements must be validated for ambiguity and traceability. Inside the larger cycle, there are smaller V-cycles for feature development and integration. We test in labs using hardware-in-loop and then in mule vehicles. KPIT Technologies' portfolio covers the entire cycle: automotive platforms for the "dirty work" of hardware, Beacon for AI-accelerated development, and virtual validation to simulate hardware before it exists.

Beacon is our AI harness. It manages 13,000 engineers, ensuring safety, traceability, and code security while addressing the unpredictability of complex programs. Our inorganic efforts with partners like Technica help us scale globally. We bring these technologies to the rest of our customers, complementing our organic growth and supporting the entire life chain from development to after-sales. Now, I call upon Sachin.

Sachin Tikekar – Joint Managing Director: Thank you. My job, along with my team of 150 people, is to translate Anup's technology into value for purchasing organizations. For two years, we have focused on building resilience against macro shocks like pandemics, wars, and AI disruption.

Our T25 strategy focused on 25 clients, but truth be told, most growth came from eight OEMs in vehicle software. We are now going deep and wide across all 25. Our wallet share with these clients is about 10%, and we want to increase this by 20% this year. We are doing this through cross-practice offerings, combining domains like ADAS and digital cockpit to solve larger problems. We are using solutions and products to offer cost-effectiveness and shorter timeframes. We are also working with alliances—chip makers like Qualcomm and cloud players—to solve the complex ecosystem problems.

We are shifting our business model. More than 80% of our new contracts are fixed-price, and we are converting existing time-and-material contracts. This allows us to apply AI-infused solutions to create real value. We expect high growth from our five core products under various licensing models.

We added 13 new clients this year, which is a record for us. This includes four truck OEMs and six off-highway OEMs. Off-highway players are doing well and investing proactively. We secured a strategic program with a North American off-highway OEM for software-defined machines. We also broke into three large passenger car OEMs that were not previously our clients. This makes our portfolio far more balanced. T25 is becoming T40, helping us reduce variability by balancing cycles across passenger cars, trucks, and off-highway.

Geographically, we are focused on "India for India." Indian OEMs are becoming globally competitive, and global OEMs are building India-specific products. We are also helping Indian conglomerates enter the passenger car business using Chinese platforms. In China, we are learning from their ecosystem to help our global OEMs and assist Chinese OEMs in expanding internationally. Southeast Asia is our next horizon, followed by the Middle East and Africa.

We have revived our focus on micro-mobility, starting in India with a partnership with Hero Motors. For our "Horizon 3," we are scanning deep tech like aerospace, robotics, and space tech.

Regarding margins, we plan to increase our EBITDA in the mid-term. Our levers include increasing per-person revenue and contribution, moving to outcome-based models, and leading with products and solutions in new markets.

Finally, our vision is "Reimagining mobility for a cleaner, safer, and smarter world." We are committed to ESG through our Eco Voyage initiative. We are committed to science-based targets and aim to be net-zero by 2050, with a milestone of reducing our carbon footprint by 40% by 2030. We are also committed to education and energy initiatives. Now, back to Kishor for the outlook.

Kishor Patil – CEO & Managing Director: I hope I get claps too. For FY27, we see a positive environment. Two of our largest SDV programs are coming to an end, which will be a near-term headwind. Had these continued, we would have seen 4-5% sequential growth per quarter. However, we will compensate for this with growth in newly acquired accounts.

We expect solid growth from trucks, off-highway, and the US, India, and China markets. We expect 30% YoY revenue growth in solutions and products. Our EBITDA range for FY27 is 20.5% to 21.2%, accounting for increased investments in AI and new markets.

In the mid-term, we believe we have the opportunity for sustainable double-digit growth. We aim for 50% of our revenue share to come from solutions and products in the next three years, with EBITDA margins moving to the 22-24% range. We believe we can bring back significant profitable growth and build a much larger canvas for KPIT Technologies. Thank you, and we will now take questions.

Chandramouli Muthaiah – Goldman Sachs: Thank you for the detailed presentations. I have three questions. First, regarding the McKinsey data showing incremental spend in ADAS, it seems much of this is with new-age or Chinese OEMs. How will legacy players progress, and how can KPIT

Technologies leverage that? Second, on the 4-5% sequential growth opportunity through FY27 without the ramp-downs, how large is the revenue gap that needs to be covered by new accounts? Third, what are the drivers for the 22-24% EBITDA margin range?

Kishor Patil – CEO & Managing Director: On autonomous driving, legacy OEMs have realized they must source platforms from partners rather than building their own. This is where we see accelerated spend. Our opportunity is in validation, simulation, and implementation. We work with players like Momenta and Helm.ai. The second growth area for autonomy is in off-highway and commercial vehicles.

Regarding margins, growth will come from the higher gross contribution of products and solutions. Using our reusable internal assets and AI-infused solutions, we can improve margins substantially. We are also shifting to fixed-price models and using AI internally to improve SG&A efficiency.

As for the 4-5% sequential growth, this year we face a significant drop from the conclusion of those large programs, particularly in the first half of the year. We are working to cover that gap with new business from those same clients and through our newly acquired clients.

Chandramouli Muthaiah – Goldman Sachs: Just to clarify, is the 4-5% impact from Q4 to Q1? And once you lap that, is it behind you?

Kishor Patil – CEO & Managing Director: We have more pipeline with those clients, so we are going for more work. The gap won't be filled instantly, but we look to make it up through new clients.

Chandramouli Muthaiah – Goldman Sachs: And on the current spending environment, if higher oil prices affect OEM cash flow, what is the near-term impact on futuristic R&D?

Sachin Tikekar – Joint Managing Director: We haven't seen an impact on OEMs yet. If geopolitical conflicts continue beyond 3-6 months, it might have macro repercussions. Currently, clients are focused on rationalizing costs to fund future programs. It might hit the truck business faster than passenger cars, but no actions are being taken yet.

Chandramouli Muthaiah – Goldman Sachs: Lastly, on the India opportunity, what is India as a percentage of your revenue today and in the next five years?

Kishor Patil – CEO & Managing Director: India is currently about 4% of our revenue. We believe this will increase substantially, and we are doubling down to play a dominant role in this market.

Vimal Gohil – Alchemy Capital: Thank you. How are your reusable assets and solutions competing with Chinese counterparts, especially as OEMs need to be agile? Also, as OEMs move toward disciplined capital efficiency, how are you maneuvering?

Kishor Patil – CEO & Managing Director: We are increasing our wallet share by offering ready-to-use solutions where we take full ownership of innovation. While overall R&D spend is being cut in some areas, the total spend in our segments is increasing. Regarding Chinese competition, their ecosystem is successful in China but doesn't work as well outside. We are a trusted partner for OEMs outside China. With AI-based solutions, our offerings are localized and robust.

Vimal Gohil – Alchemy Capital: A clarification—some Chinese specialists have high revenue per employee but negative EBITDA margins. How do you reconcile competing with them while expanding your own EBITDA to 22-24%?

Kishor Patil – CEO & Managing Director: We compete favorably outside China. In China, we are successfully selling products like our validation and after-sales solutions to top OEMs.

Sachin Tikekar – Joint Managing Director: Chinese strengths are currently in EV platforms and batteries. We complement this by handling integration, validation, and production for OEMs working with Chinese Tier 1s. While their software stack is a potential threat, our solutions are localized and more robust for diverse global markets.

Vimal Gohil – Alchemy Capital: What percentage of revenue comes from China?

Kishor Patil – CEO & Managing Director: It is similar to the 4% we see in India.

Hiren – Analyst: Regarding the Japanese landscape—they seem to have lost their mojo recently. Your ramp-down also seems to be from a Japanese OEM. What are they thinking globally?

Sachin Tikekar – Joint Managing Director: Toyota has been resilient compared to others. They were first in hybrids and still dominate. They were slower on the SDV journey, which is an opportunity for us to help them catch up. Nissan has gone through a difficult period but is cutting costs and refocusing. Honda is making money in the US but has lost market share in China. All three are facing intense Chinese competition in Southeast Asia and Latin America. There has been a major wake-up call, and you'll see more actions from them to disrupt beyond battery electric vehicles, perhaps in hydrogen or sodium cells.

Arun – Serene Alpha: Regarding middleware and Corex, when do you expect incremental contributions?

Kishor Patil – CEO & Managing Director: It will pick up when new architecture programs start, though there are already opportunities in off-highway. It may take 1-2 years as some programs were delayed.

Anup Sable – COO: Middleware demand from KPIT Technologies' perspective isn't limited to Corex. As we do more software-defined machine programs for trucks and off-highway, middleware demand will pick up.

Arun – Serene Alpha: There was a significant jump in TCV wins this quarter. How did you manage that jump while those SDV programs were ending, and what is the new base for TCV?

Kishor Patil – CEO & Managing Director: We are happy the wins came in time, largely from off-highway and our traditional clients. It’s a process that worked out this quarter. I can't give a minimum quarterly win number, but we see stronger traction overall compared to last year.

Sachin Tikekar – Joint Managing Director: These are often multi-year deals, so there will be quarterly variability, but the yearly trend is positive.

Mohit Chandani – Ambit: In conversations with European and North American OEMs, are they focused on cost consolidation or increasing SDV spend?

Sachin Tikekar – Joint Managing Director: In Europe, the pressure is high due to tariffs and Chinese competition. Their focus is on reducing the cost of the product and production. This creates an opportunity for KPIT Technologies to provide a more efficient ecosystem than their traditional local partners. In North America, GM and Ford are more protected from Chinese competition. They are doubling down on what makes money in the US—SUVs and hybrids—while still investing in future SDV generations.

Mohit Chandani – Ambit: For off-highway, is the software requirement high enough to compensate for any decline in passenger cars?

Sachin Tikekar – Joint Managing Director: We don't see a decline in passenger car spend—there is just a reset. However, the off-highway segment is about 15 years behind in software investment, which provides several years of headroom for us to grow.

Mohit Chandani – Ambit: Were the ramp-downs you mentioned planned or strategic changes?

Sachin Tikekar – Joint Managing Director: One was a planned end to a program as it hits production; we are now signing up for life-cycle programs there. The other was a surprise—an OEM decided to scrap their EV programs and take a $15 billion hit. We don't see other programs ending abruptly like that in the foreseeable future, but we are building resilience to handle such surprises.

Abhishek Gupta – Axis Mutual Fund: Regarding the revenue decline from strategic clients this quarter, were those the SDV programs you mentioned? And on Japan, despite Honda declining, the region grew. Is that sustainable?

Sachin Tikekar – Joint Managing Director: The planned ramp-down started impacting us in Q3 and Q4. The surprise ramp-down had a small impact in Q4, but the full impact will be felt in Q1. In Japan, we are broadening our base by targeting three truck and off-highway OEMs and the remaining large passenger car OEMs.

Kishor Patil – CEO & Managing Director: The growth in the Asia segment this quarter also includes growth in the India market.

Abhishek Gupta – Axis Mutual Fund: European OEMs are cutting R&D budgets. Why is your projected spend increasing?

Sachin Tikekar – Joint Managing Director: They are cutting costs in inefficient legacy areas to spend where it matters for the future. KPIT Technologies provides that efficiency. The overall spend is also driven by the US West Coast, Detroit, China, Korea, and Japan.

Abhishek Gupta – Axis Mutual Fund: Regarding products and solutions reaching 50% of revenue, are these replacement products or new tech adoptions?

Anup Sable – COO: It is a mix. We are addressing new problems and also providing advanced versions of existing software.

Sachin Tikekar – Joint Managing Director: Our products often replace an existing provider's offering, while our solutions are more disruptive, often replacing an OEM's internal ecosystem.

Soumitra – Avendus: If you are at $730 million now and target $1 billion in three years, reaching 60% revenue from solutions and products would mean those revenues growing 3 or 4x. Is that correct?

Kishor Patil – CEO & Managing Director: Yes, we believe in that non-linear growth. Converting fixed-price business to AI-infused solutions will drive that scale.

Soumitra – Avendus: Have you seen any market share loss following competitors' acquisitions of companies like Intech or ASAP?

Kishor Patil – CEO & Managing Director: We have not seen any loss. In Europe, consolidation is actually benefiting us as a trusted offshore partner.

Kamaljit – Kotak Institutional Equities: Are you interested in assets like Bertrand or Carriad's ecosystem? And will you focus on mechanical engineering or stay on embedded software?

Kishor Patil – CEO & Managing Director: Many European assets are struggling with high costs and low efficiency. Our products are superior and more cost-competitive. Regarding mechanical engineering, our CareSoft acquisition is helping us in off-highway and passenger car cost reduction and manufacturing efficiency.

Rahul – Dalat Capital: Will wallet share expansion come from cost-effectiveness or AI?

Sachin Tikekar – Joint Managing Director: All of the above. We end up winning because we offer high reliability and a great return on investment, aided by our AI harness and products.

Rahul – Dalat Capital: Will converting services into solutions cause any short-term shrinkage?

Kishor Patil – CEO & Managing Director: Generally, no. While efficiency is created, we take on more work and larger responsibility, which compensates for it.

Moiz Chandani – Ambit: What drove the revenue gain for CyMotive in the last two years, and what is the strategy beyond Volkswagen?

Anup Sable – COO: CyMotive has an expertise in-vehicle and outside-the-vehicle that is ahead of the market. As AI and quantum computing create new cyber security challenges, their competency becomes even more relevant. We are now taking these solutions to other customers.

Kishor Patil – CEO & Managing Director: CyMotive serves as a trusted partner for Cariad. While the revenue experienced some cyclicality with Cariad's business, being in millions of vehicles already gives other OEMs the confidence to adopt their solutions through us.

Operator: Thank you. This concludes today's session. Have a great evening.