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Decent Performance; Positive outlook ahead...

About the stock: Latent View Analytics (Latent View) is a leading pure-play data analytics services company in India. It provides expertise on the entire value chain of data analytics from data and analytics consulting to business analytics and insights, advanced predictive analytics, data engineering and digital solutions.

Q1FY26 Performance: Consolidated revenue stood at of ₹236 crore, up 1.6% QoQ/ 31.9% YoY. Organic revenue was ₹213.7 crore, up 0.3% QoQ/19.4% YoY while Decision Point's revenue grew 15.6% QoQ to ₹22.2 crore. EBITDA margin came at 21.4%, down ~230 bps QoQ. PAT stood at ₹50.5 crore, down 1% QoQ/ up 30% YoY.

Investment Rationale

- **Positive outlook with commitment to profitability:** Management expects a QoQ rebound Q2 onwards, backed by a strong order pipeline, especially in tech vertical which remained flat in Q1 due to completion of one-time consulting engagements & delay in closing of follow-on work which is expected to close in Q2. Overall, **the management remains confident of delivering 18–19% YoY USD revenue growth in FY26 and reiterated its \$200 mn revenue target by FY28 (~26% CAGR over FY25-28E). Accordingly, we have baked in revenue CAGR of 22.2% over FY25-27E.** On the margins front, EBITDA margin was impacted by wage hikes (~300 bps) & higher marketing spends—the decline was partially offset by absence of visa costs vs Q4. **The company remains committed to its long-term EBITDA margin aspiration of 23–24%. Thus, we have baked in EBITDA margin of 22.7%/24% in FY26E/FY27E.**
- **Sustained growth momentum led by BFSI & GenAI opportunities:** BFSI emerged as a standout performer (+22% QoQ), supported by 2 new account wins, including one with US\$5 mn ARR potential. **Management is confident of delivering ~40% YoY growth for BFSI segment in FY26. On GenAI front, it has US\$6 million in confirmed GenAI/Agentic AI projects for the year & a further US\$8 million active pipeline.** The company expects GenAI to contribute 12–14% of overall revenue by FY26 & has set up a dedicated Center of Excellence (CoE) to accelerate growth in this space.
- **Strategic strengthening via Databricks partnership & Decision Point integration:** Latent View's partnership with Databricks is a key growth catalyst, especially in the CPG segment. The company has built a CoE for Databricks and its proprietary solutions—Migrate Mate, Connected View, and Marquee have been included in Databricks' Bridge Builder Solution portfolio, positioning it well for future engagements, including **opportunities around SAP data migration and management.** Additionally, **Decision Point (+15.6% QoQ) is being smoothly integrated, with synergy benefits beginning to reflect in performance and is expected to scale faster than the organic business.**

Rating and Target Price

- **Given sustained growth momentum & profitability we maintain a BUY rating, with revised target price of ₹520 (vs ₹470 earlier); at 40x P/E on FY27E EPS.**

Key Financial Summary

₹ Crore	FY23	FY24	FY25	5 Year CAGR (FY20-25)	FY26E	FY27E	2 Year CAGR (FY25-27E)
Net Sales	539	641	848	22.3	1,010	1,267	22.2
EBITDA	145	136	189	18.6	229	304	26.9
EBITDA Margin (%)	26.9	21.2	22.3		22.7	24.0	
Net Profit	155	159	173	19.0	199	265	23.6
EPS (₹)	7.6	7.7	7.7		9.7	12.9	
P/E	58.7	57.8	53.0		46.2	34.7	
RoNW (%)	12.9	11.5	11.3		11.5	13.2	
RoCE (%)	15.6	14.3	14.2		14.4	16.3	

Source: Company, ICICI Direct Research



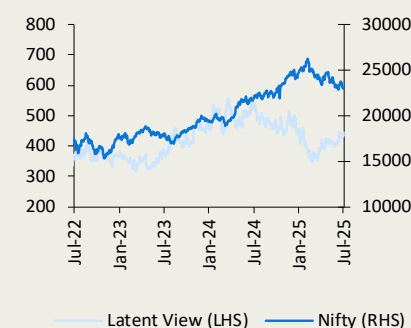
Particulars

Particulars	Amount
Market Cap (₹ Crore)	9,163
Total Debt (₹ Crore)	29
Cash & Invests (₹ Crore)	515
EV (₹ Crore)	8,676
52 week H/L	553/ 341
Equity capital (₹ Crore)	20.6
Face value (₹)	1.0

Shareholding pattern

	Sep-24	Dec-24	Mar-25	Jun-25
Promoter	65.4	65.2	65.2	65.2
FII	2.7	2.9	3.0	2.1
DII	3.6	3.7	3.3	3.3
Public	28.3	28.2	28.5	29.4

Price Chart



Key risks

- Lower than expected revenue growth;
- High vertical (Tech) and geography (US) concentration

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Performance highlights and outlook

- **Revenue Performance:** Consolidated revenue stood at of ₹236 crore, up 1.6% QoQ & 31.9% YoY. Revenue from organic business stood at ₹213.7 crore, up 0.3% QoQ & 19.4% YoY while Decision Point's revenue expanded by 15.6% sequentially to ₹22.2 crore.
- **Geography performance:** Geography wise on a QoQ basis, all the three geographies, USA (89% of the mix), Europe (2% of the mix) and RoW (9% of the mix) grew by 1%, 103% and 2% respectively.
- **Segment performance:** Vertical wise on a QoQ basis, BFSI (12% of the mix), CPG & Retail (15% of the mix) & Tech (67% of the mix) grew by 22%, 2% & 0.2% respectively while Industrial (6% of the mix) declined by 13%.
 - **BFSI:** Growth was driven by two new client wins over the past six months. One of these has the potential to scale up to a US\$5 million annual run-rate (ARR) within the next four quarters. The company remains optimistic about sustaining strong momentum in this segment and is targeting ~40% YoY growth in FY26.
 - **CPG & Retail:** Latent View is deepening its focus in this vertical through large, end-to-end engagements. These cover the full analytics value chain including R&D, supply chain optimisation, and revenue growth management (RGM), aimed at expanding wallet share and improving client stickiness.
- **Margin performance:** EBITDA margin for the quarter came at 21.4%, down ~230 bps QoQ, factoring in full impact of wage hikes (~300 bps) and higher marketing expenses which were partially offset by absence of visa costs vs Q4. PAT for the quarter stood at ₹50.5 crore, down 1% QoQ/ up 30% YoY.
- **Revenue & Margin Guidance:** The management expects a sharp sequential rebound in Q2, led by follow on work expected to close in Q2 in the tech vertical, recovery in the organic business and continued momentum in Decision Point, which is expected to grow faster due to a low base & cross-sell synergies. **For FY26, the company reiterated its guidance of 18–19% USD revenue growth**, backed by strengthening client relationships, growing traction from its Databricks partnership, & ramp-up in GenAI-led work. **LatentView remains committed to its long-term EBITDA margin range of 23–24% & reiterated its \$200 million revenue target by FY28, ~26% CAGR.**
- **GenAI/Agentic AI deal pipeline:** The management highlighted that they have secured US\$6 mn in confirmed GenAI/Agentic AI work for the current year, with another US\$8 mn in active pipeline.
- **Attrition & Employee addition:** The headcount for the quarter stood at 1,670 employees, an addition of 20 employees and attrition came at 23%, up ~100 bps QoQ.
- **AI/ GenAI:** LatentView is seeing robust demand in GenAI and anticipates revenue contribution from this segment to rise to 12–14% by end-FY26. The company has established a dedicated Center of Excellence (CoE) for GenAI and Agentic AI, currently staffed with 15 experts. Their strategic focus is centred around three platforms—Gemini, Azure AI Foundry, and Databricks—for building scalable and impactful client solutions.
- **Databricks partnership:** The Databricks alliance continues to gain traction, particularly in the consumer goods sector. LatentView has **established a CoE for Databricks** and internally elevated a leader to head this initiative, with plans to hire three senior sales leaders. Its proprietary solutions—Migrate Mate, Connected View, and Marquee—have been integrated into Databricks' Bridge Builder Solutions portfolio. **With Databricks announcing a partnership with SAP, LatentView sees a significant opportunity in managing SAP-related data migrations & management within the Databricks ecosystem.**

- **Decision point acquisition:** LatentView increased its ownership in Decision Point by acquiring an additional 10% stake during the quarter. The remaining 20% is expected to be acquired by June 2025, with the final payout being contingent on the achievement of predefined revenue and EBITDA milestones. **Transaction related expenses are expected to phase out by March 26.**

Quarter Performance					
	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Revenue	236.0	178.9	31.9	232.2	1.7
Employee expenses	160.0	121.6	31.6	149.1	7.3
Gross Margin	76.1	57.3	32.7	83.1	-8.5
Gross margin (%)	32.2	32.0	19 bps	35.8	-357 bps
Other expenses	25.6	19.0	34.5	28.2	-9.1
EBITDA	50.4	38.3	31.8	54.9	-8.2
EBITDA Margin (%)	21.4	21.4	-2 bps	23.7	-229 bps
Depreciation & amortisation	9.6	2.9	228.0	9.1	5.9
EBIT	40.8	35.3	15.6	45.9	-11.0
EBIT Margin (%)	17.3	19.8	-245 bps	19.7	-245 bps
Other income	21.1	16.8	25.9	16.4	28.8
PBT	62.0	52.1	18.9	62.3	-0.5
Tax paid	11.4	13.2	-13.6	11.0	3.6
PAT	50.6	38.9	29.9	51.3	-1.4

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 1: Profit and loss statement ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Total Revenues	641	848	1,010	1,267
Growth (%)	18.9	32.3	19.1	25.5
Employee Benefit Expense	434	561	672	830
Other Expenses	71	98	109	133
EBITDA	136	189	229	304
Growth (%)	-6.2	38.8	21.3	32.9
Depreciation	10	29	38	38
Other Income	74	76	77	81
Interest	3	7	7	7
PBT	197	229	262	340
Growth (%)	4.0	16.1	14.5	29.9
Tax	38	55	63	75
PAT before Exceptional Items	159	173	199	265
Minority interest	-	-	-	-
PAT after exceptional items	159	173	199	265
Growth (%)	2.1	9.4	14.6	33.3
Diluted EPS	7.7	7.7	9.7	12.9
EPS (Growth %)	0.7	-	26.0	33.3

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement ₹ crore

(₹ Crore)	FY24	FY25	FY26E	FY27E
Profit after tax	159	173	199	265
Finance cost	3	7	7	7
Depreciation	10	29	38	38
Others	(74)	(76)	(77)	(81)
Change in working capital	(116)	69	(40)	(98)
CF from operations	(18)	202	126	131
Other Investments	(101)	(96)	77	81
(Purchase)/Sale of FA	(12)	(37)	(38)	(38)
Intangible Assets	0	(117)	-	-
CF from investing Activities	122	(285)	40	43
Inc / (Dec) in Equity Capital	8	(11)	-	-
Inc/(Dec) in borrowings/lease liab	3	5	-	-
Dividend & Dividend tax	-	-	-	-
Interest Paid on Loans	(3)	(7)	(7)	(7)
NCI	-	-	-	-
CF from Financial Activities	8	(13)	(7)	(7)
Net change in cash	111	(95)	158	167
Opening cash	53	165	69	228
Closing cash	165	69	228	395

Source: Company, ICICI Direct Research

Exhibit 3: Balance Sheet ₹ crore

(Year-end March)	FY24	FY25	FY26E	FY27E
Equity	21	21	21	21
Reserves & Surplus	1,354	1,479	1,678	1,943
Networth	1,374	1,500	1,699	1,964
Total debt	23.99	28.76	28.76	28.76
Minority Interest	-	37	37	37
Other liabilities	9	100	104	105
Source of funds	1,408	1,666	1,868	2,135
Fixed assets	28	48	48	48
Intangible assets	-	117	117	117
Goodwill	-	245	245	245
Non current investments	329	430	430	430
Other non current assets	37	68	81	102
Current Investments	347	418	418	418
Cash & Bank Balance	416	98	256	423
Inventories				
Debtors	113	185	220	276
Other current assets	187	180	215	270
Trade payables	10	20	24	30
Other Current liabilities	38	103	138	164
Application of funds	1,408	1,666	1,868	2,135

Source: Company, ICICI Direct Research

Exhibit 4: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E
Per share data (₹)				
Diluted EPS	7.7	8.4	9.6	12.8
BV	66.8	74.4	84.1	96.9
DPS	-	-	-	-
Cash Per Share	8.0	3.4	11.0	19.1
Operating Ratios (%)				
EBITDA Margin	21.2	22.3	22.7	24.0
PAT Margin	24.8	20.5	19.7	20.9
Debtor days	64	80	80	80
Creditor days	6	9	9	9
Return Ratios (%)				
RoE	11.5	11.3	11.5	13.2
RoCE	14.3	14.2	14.4	16.3
RoIC	20.9	19.5	22.8	29.1
Valuation Ratios (x)				
P/E	57.8	53.0	46.2	34.7
EV / EBITDA	61.8	45.8	37.1	27.4
Market Cap / Sales	14.3	10.8	9.1	7.2
Price to Book Value	6.7	6.0	5.3	4.6
Solvency Ratios				
Debt/Equity	0.0	0.0	0.0	0.0
Debt / EBITDA	0.0	0.0	0.0	0.0
Current Ratio	5.7	2.8	2.5	2.7
Quick Ratio	5.7	2.8	2.5	2.7

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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