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## Consistent growth with expanding AI capabilities...

**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.

**Q2FY26 Performance:** Consolidated revenue stood at ₹257.5 crore, up 9% QoQ & 23.2% YoY. EBITDA margin for the quarter came at 21.8%, up ~40 bps QoQ. PAT for the quarter stood at ₹45.7 crore, down 9.6% QoQ/ up 12.3% YoY.

## Investment Rationale

- **Accelerating growth momentum with strong client wins:** LatentView marked its 11th consecutive quarter of sequential growth, driven by BFSI (+27% QoQ) and CPG & Retail (+31% QoQ) verticals. As per management, early-stage engagements worth US\$25k–50k are expected to scale into multi-million dollar opportunities coupled with another four deals of US\$1mn+ currently, which indicate a strong multi-year pipeline. **With 19–20% revenue growth guidance (vs 18–19% earlier) and continued expansion across Europe and RoW, Latent View remains on track to reach its 3-year US\$200–220mn target (CAGR of ~27.5% over FY25–28E). Accordingly, we have baked in revenue CAGR of 23.3% over FY25–27E.**
- **Synergies from Decision Point & operational rigor supporting margins:** Post-acquisition synergies with Decision Point are driving strong traction in CPG and nearshore markets. The firm plans to scale its nearshore headcount from 20 to 100 over the next year to support localized delivery. Despite higher visa and marketing costs, EBITDA margins remain stable at 22–23%, backed by improved utilization and operational efficiency. **EBITDA margin guidance for FY26, was revised to 22–23% from 23–24% earlier due to focused account initiatives and capability investments in AI CoE and Databricks which should further sustain growth and profitability. Thus, we have baked in EBITDA margin of 22.3%/24% in FY26E/FY27E.**
- **Expanding Databricks & AI capabilities to power future growth:** Databricks-related revenue is expected to rise from US\$11mn last year to over US\$19mn in FY26, with a US\$50mn target in three years. The company has added front-end and sales talent, built SAP capabilities on Databricks, and secured US\$1.4mn in new wins due to Databricks. Simultaneously, investments in Synthetic Data, Churn Analytics, Agentic frameworks, CRM–LLM integration are positioning LatentView as a differentiated analytics partner in the evolving enterprise AI landscape. **On GenAI front, it has US\$5.5 million in confirmed GenAI/Agentic AI revenues for the year & a further US\$7 million active pipeline.**

## Rating and Target Price

- With rising synergies from the Decision Point acquisition and growing adoption of its GenAI and Databricks solutions, LatentView remains well-positioned to sustain growth momentum in coming quarters. **We maintain a BUY rating, with revised target price of ₹500 (vs ₹520 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	1,032	1,288	23.3
EBITDA	145	136	189	18.6	230	309	28.0
EBITDA Margin (%)	26.9	21.2	22.3		22.3	24.0	
Net Profit	155	159	173	19.0	198	266	23.8
EPS (₹)	7.6	7.7	8.4		9.3	12.5	
P/E	55.4	54.5	50.0		45.2	33.6	
RoNW (%)	12.9	11.5	11.3		11.4	13.3	
RoCE (%)	15.6	14.3	14.2		14.5	16.5	

Source: Company, ICICI Direct Research



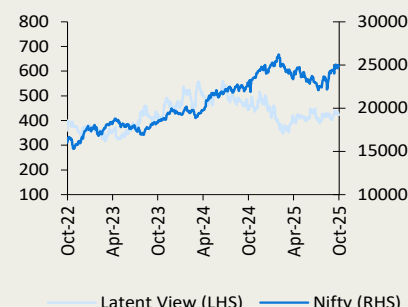
## Particulars

Particulars	Amount
Market Cap (₹ Crore)	8,792
Total Debt (₹ Crore)	29
Cash & Invests (₹ Crore)	515
EV (₹ Crore)	8,305
52 week H/L	520/ 341
Equity capital (₹ Crore)	20.6
Face value (₹)	1.0

## Shareholding pattern

	Dec-24	Mar-25	Jun-25	Sep-25
Promoter	65.2	65.2	65.2	65.2
FII	2.9	3.0	2.1	2.2
DII	3.7	3.3	3.3	3.4
Public	28.2	28.5	29.4	29.2

## 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 ₹257.5 crore, up 9% QoQ & 23.2% YoY.
- **Geography performance:** Geography wise on a QoQ basis, all the three geographies, Europe (3% of the mix), RoW (11% of the mix) and USA (86% of the mix) grew by 64%, 33% and 5% respectively
- **Segment performance:** Segment wise on a QoQ basis, CPG & Retail (18% of the mix), BFSI (14% of the mix), Industrial (6% of the mix) and Tech (62% of the mix) grew by 31%, 27%, 9% and 1% respectively.
- **Margin performance:** EBITDA margin for the quarter came at 21.8%, up ~40 bps QoQ, factoring in higher visa & marketing cost (~140 bps) which was partially offset by improvement in resource utilisation. PAT for the quarter stood at ₹45.7 crore, down 9.6% QoQ/ up 12.3% YoY.
- **Revenue & Margin Guidance:** Revenue guidance was revised marginally upwards to 19–20% vs 18–19% earlier while EBITDA margin guidance was revised to 22–23% from 23–24% earlier due to focused account initiatives and capability investments in AI CoE and Databricks which should further sustain growth and profitability. Moreover, no furloughs are expected in Q3, and company expected tailwinds from excess budgets remaining with clients to spend before the year ends.
- **GenAI/Agentic AI deal pipeline:** On GenAI front, it has US\$5.5 million in confirmed GenAI/Agentic AI revenues for the year & a further US\$7 million active pipeline.
- **Attrition & Employee addition:** The headcount for the quarter stood at 1,729 employees, an addition of 59 employees and attrition came at 22%, down ~100 bps QoQ.
- **AI/ GenAI:** The company is developing "Wiz AI", a solution for automated dashboard creation using natural language processing. The firm's new "House of AI" integrates data engineering, ML, and GenAI to solve client problems. Current focus areas include synthetic data, churn analytics, CRM–LLM integration, and an agentic AI tool optimizing multi-cloud compute and memory for efficiency and cost savings.
- **M&A:** The management remains active in pursuit of acquisitions, potentially in the data engineering space or in the AI space.

Quarter Performance					
	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)
Revenue	257.5	209.0	23.3	236.0	9.1
Employee expenses	167.9	143.3	17.2	160.0	5.0
Gross Margin	89.6	65.7	36.5	76.1	17.8
Gross margin (%)	34.8	31.4	337 bps	32.2	257 bps
Other expenses	33.5	20.4	64.2	25.6	30.7
EBITDA	56.1	45.3	24.0	50.4	11.3
EBITDA Margin (%)	21.8	21.7	13 bps	21.4	43 bps
Depreciation & amortisation	10.4	8.8	17.6	9.6	8.0
EBIT	45.8	36.5	25.5	40.8	12.1
EBIT Margin (%)	17.8	17.4	32 bps	17.3	47 bps
Other income	16.0	21.8	-26.9	21.1	-24.5
PBT	61.7	58.3	5.9	62.0	-0.4
Tax paid	16.0	17.6	-9.0	11.4	40.3
PAT	45.7	40.7	12.3	50.6	-9.6

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	1,032	1,288	
Growth (%)	18.9	32.3	21.7	24.8	
Employee Benefit Expense	434	561	680	844	
Other Expenses	71	98	122	135	
EBITDA	136	189	230	309	
Growth (%)	-6.2	38.8	21.9	34.3	
Depreciation	10	29	41	41	
Other Income	74	76	80	83	
Interest	3	7	9	9	
PBT	197	229	260	342	
Growth (%)	4.0	16.1	13.6	31.6	
Tax	38	55	62	76	
PAT before Exceptional Items	159	173	198	266	
Minority interest	-	-	-	-	
PAT after exceptional items	159	173	198	266	
Growth (%)	2.1	9.4	13.9	34.5	
Diluted EPS	7.7	8.4	9.3	12.5	
EPS (Growth %)	0.7	9.5	10.5	34.5	

Source: Company, ICICI Direct Research

Exhibit 2: Cash flow statement					₹ crore
(₹ Crore)	FY24	FY25	FY26E	FY27E	
Profit after tax	159	173	198	266	
Finance cost	3	7	9	9	
Depreciation	10	29	41	41	
Others	(74)	(76)	(80)	(83)	
Change in working capital	(116)	69	(49)	(98)	
CF from operations	(18)	202	119	135	
Other Investments	(101)	(96)	80	83	
(Purchase)/Sale of FA	(12)	(37)	(41)	(41)	
Intangible Assets	0	(117)	-	-	
CF from investing Activities	122	(285)	39	42	
Inc / (Dec) in Equity Capital	8	(11)	-	-	
Inc/(Dec) in borrowings/lease liab	3	5	-	-	
Dividend & Dividend tax	-	-	-	-	
Interest Paid on Loans	(3)	(7)	(9)	(9)	
NCI	-	-	-	-	
CF from Financial Activities	8	(13)	(9)	(9)	
Net change in cash	111	(95)	149	168	
Opening cash	53	165	69	218	
Closing cash	165	69	218	386	

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	1,677	1,943	
Networth	1,374	1,500	1,698	1,963	
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	1,867	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	83	104	
Current Investments	347	418	418	418	
Cash & Bank Balance	416	98	246	414	
Inventories					
Debtors	113	185	225	281	
Other current assets	187	180	220	274	
Trade payables	10	20	24	30	
Other Current liabilities	38	103	140	166	
Application of funds	1,408	1,666	1,867	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	9.3	12.5	
BV	66.8	74.4	81.6	94.1	
DPS	-	-	-	-	
Cash Per Share	8.0	3.4	10.3	18.2	
Operating Ratios (%)					
EBITDA Margin	21.2	22.3	22.3	24.0	
PAT Margin	24.8	20.5	19.2	20.6	
Debtor days	64	80	80	80	
Creditor days	6	9	9	9	
Return Ratios (%)					
RoE	11.5	11.3	11.4	13.3	
RoCE	14.3	14.2	14.5	16.5	
RoC	20.9	19.5	22.4	29.3	
Valuation Ratios (x)					
P/E	54.5	50.0	45.2	33.6	
EV / EBITDA	58.0	43.1	34.7	25.3	
Market Cap / Sales	13.5	10.2	8.4	6.7	
Price to Book Value	6.3	5.6	5.1	4.5	
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	2.6	2.7	
Quick Ratio	5.7	2.8	2.6	2.7	

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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