

CMP: ₹ 467

Target: ₹ 580 (24%)

Target Period: 12 months

BUY

February 3, 2026

Steady growth trajectory with positive outlook...

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.

Q3FY26 Performance: Consolidated revenue stood at ₹278 crore, up 8% QoQ & 22% YoY. Adj. EBITDA margin (ex-one off from labour code) came at 24%, up 220 bps QoQ. Adj. PAT (ex- one off from labour code) stood at ₹55.4 crore, up 21% QoQ/ 30% YoY.

Investment Rationale

- BFSI momentum driving scalable, visible growth:** The growth was driven by BFSI (16% mix) which expanded 23% QoQ, with rising share of revenue and strong scaling in recently added accounts. **Management has guided for FY26 revenue of \$119-120 mn, implying ~19–20% YoY growth. Financial Services is expected to remain the primary growth engine into FY27, supporting the long-term aspiration of reaching US\$200 mn revenue by FY28.** Renewals are healthy, pricing has held firm (including select price increases), and multi-stakeholder penetration in large BFSI accounts supports improving revenue visibility and wallet-share expansion. **Accordingly, we have baked in revenue CAGR of 22% over FY26-28E.**
- Margin resilience with operating leverage ahead:** Adjusted EBITDA margin improved to ~24% (+220 bps QoQ) factoring in severance pay (-70 bps) which were offset by forex (+230 bps) and other operating efficiencies (+50 bps). Recurring labour code impact will be limited to 10–15 bps. **Management expects ~24% full-year EBITDA margin, implying Q4 margins of ~24.5–25% as one-offs normalize, SG&A remains controlled and lower visa renewal costs in Q4. We have baked in EBITDA margin of 22.1%/23%/23.5% in FY26E/FY27E/FY28E.**
- AI, Databricks & reorganisation in consulting strengthen competitive position:** Technology (61% mix) returned to growth (+6% QoQ) while the **Databricks partnership continues to scale, contributing ~\$16–17 mn revenue with a \$50 mn medium-term target till FY28.** LatentView is expanding AI and agentic AI capabilities across conversational analytics, business process automation, and governance/observability. Its consulting model is being reorganized around industry-specific domain expertise, supporting larger deal sizes. **New logo additions (6 in Q3) and growing AI-led engagements position the company as a transformation partner as enterprises shift from insights to automation-led decision systems.**

Rating and Target Price

- Given the sustained growth momentum and positive outlook, we **maintain our BUY rating, with revised target price of ₹580 (vs ₹500 earlier); at 38x P/E on FY28E EPS (vs. 40x FY27, earlier).**

Key Financial Summary

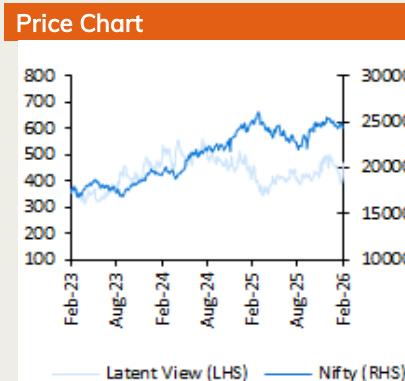
| ₹ Crore | FY23 | FY24 | FY25 | 5 Year CAGR (FY20-25) | FY26E | FY27E | FY28E | 3 Year CAGR (FY25-28E) |
|-------------------|------|------|------|-----------------------|-------|-------|-------|------------------------|
| Net Sales | 539 | 641 | 848 | 22.3 | 1,058 | 1,296 | 1,575 | 22.9 |
| EBITDA | 145 | 136 | 189 | 18.6 | 234 | 298 | 370 | 25.2 |
| EBITDA Margin (%) | 26.9 | 21.2 | 22.3 | | 22.1 | 23.0 | 23.5 | |
| Net Profit | 155 | 159 | 173 | 19.0 | 200 | 253 | 318 | 22.3 |
| EPS (₹) | 7.6 | 7.7 | 8.4 | | 9.6 | 12.1 | 15.2 | |
| P/E | 59.7 | 58.8 | 53.9 | | 47.3 | 37.3 | 29.8 | |
| RoNW (%) | 12.9 | 11.5 | 11.3 | | 11.5 | 12.7 | 13.8 | |
| RoCE (%) | 15.6 | 14.3 | 14.2 | | 14.6 | 16.0 | 16.9 | |

Source: Company, ICICI Direct Research



| Particulars | Amount |
|--------------------------|----------|
| Market Cap (₹ Crore) | 9,353 |
| Total Debt (₹ Crore) | 29 |
| Cash & Invests (₹ Crore) | 515 |
| EV (₹ Crore) | 8,866 |
| 52 week H/L | 517/ 341 |
| Equity capital (₹ Crore) | 20.6 |
| Face value (₹) | 1.0 |

| Shareholding pattern | | | | |
|----------------------|--------|--------|--------|--------|
| | Mar-25 | Jun-25 | Sep-25 | Dec-25 |
| Promoter | 65.2 | 65.2 | 65.2 | 65.1 |
| FII | 3.0 | 2.1 | 2.2 | 3.7 |
| DII | 3.3 | 3.3 | 3.4 | 4.2 |
| Public | 28.5 | 29.4 | 29.2 | 27.0 |



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 ₹278 crore, up 8% QoQ & 22% YoY.
- **Geography performance:** Geography wise on a QoQ basis, all the three geographies, USA (87% of the mix) and Europe (3% of the mix) grew by 9% and 8% while RoW (10% of the mix) de-grew by 2% respectively.
- **Segment performance:** Segment wise on a QoQ basis, BFSI (16% of the mix), Industrial (6% of the mix), Tech (61% of the mix) and CPG & Retail (17% of the mix) grew by 23%, 8%, 6% and 2% respectively.
 - **CPG & Retail:** The vertical saw a weak Q3 because, mainly due to the lack of follow-on assignments from two key clients - a major apparel manufacturer and a European FMCG player along with slower conversion of smaller opportunities at a large global beverage client.
 - **BFSI:** The BFSI vertical continues to scale strongly, supported by momentum in a few large accounts secured over the past year. Management highlighted that one such account could potentially double its revenue contribution and move into the company's top three accounts within the next two years.
 - **Technology:** In one large tech client, the company anticipates an annual revenue decline of US\$5–6 million, driven by client-led insourcing initiatives and spending consolidation.
- **Margin performance:** Reported EBITDA margin came at 22.4%, up ~55 bps QoQ, factoring in labour code impact (-160 bps) and severance pay (-70 bps) which were offset by forex (+230 bps) and Other operating efficiencies (+50 bps); Adj. EBITDA margin (ex-one off from labour code) came at 24%, up 220 bps QoQ. Reported PAT for the quarter stood at ₹50.8 crore, up 11% QoQ/ 19% YoY while Adj. PAT (ex- one off from labour code) stood at ₹55.4 crore, up 21% QoQ/ 30% YoY.
- **Revenue & Margin Guidance:** Management has guided for FY26 revenue of \$119–120 mn, implying ~19–20% YoY growth. Financial Services is expected to remain **the primary growth engine into FY27, supporting the long-term aspiration of reaching US\$200 million revenue by FY28**. Margins were impacted by new labour code (-160 bps) which shall have a 10-15 bps recurring impact going ahead. Management expects ~24% full-year EBITDA margin, implying Q4 margins of ~24.5–25% as one-offs normalize, SG&A remains controlled and lower visa renewal costs in Q4.
- **Account mining:** The company has identified 25+ "diamond" accounts as key growth levers for FY26–28. Additionally, six accounts currently running at ~US\$6 million annual revenue each have the potential to scale meaningfully, with a combined long-term opportunity of up to US\$150 million.
- **Leadership changes:** The company has appointed Mr. Venky Ramesh as Chief Client Officer for consumer, retail, and marketplaces. He brings deep CPG expertise, with prior experience at EPAM Systems and Cognizant. He will focus on driving cross-sell synergies between Decision Point and LatentView Analytics' CPG client base.
- **Attrition & Employee addition:** The headcount for the quarter stood at 1,727 employees, a reduction of 2 employees and attrition came at 24%, up ~200 bps QoQ.
- **M&A:** The management remains active in pursuit of acquisitions, potentially in the SAP Databricks consulting space.

Exhibit 1: Quarter Performance

| | Q3FY26 | Q3FY25 | YoY (%) | Q2FY26 | QoQ (%) | Comments |
|-----------------------------|--------|--------|----------|--------|----------|--|
| Revenue | 278.0 | 227.8 | 22.0 | 257.5 | 7.9 | Management has guided for FY26 revenue of \$119–120 mn, implying ~19–20% YoY growth. Financial Services is expected to remain the primary growth engine into FY27, supporting the long-term aspiration of reaching US\$200 million revenue by FY28. |
| Employee expenses | 186.3 | 146.9 | 26.8 | 167.9 | 10.9 | |
| Gross Margin | 91.7 | 80.9 | 13.3 | 89.6 | 2.3 | |
| Gross margin (%) | 33.0 | 35.5 | -253 bps | 34.8 | -181 bps | |
| Other expenses | 29.5 | 30.6 | -3.4 | 33.5 | -11.7 | |
| EBITDA | 62.1 | 50.3 | 23.5 | 56.1 | 10.7 | |
| EBITDA Margin (%) | 22.4 | 22.1 | 27 bps | 21.8 | 56 bps | <ul style="list-style-type: none"> - Adjusted EBITDA margin improved to ~24% (+220 bps QoQ) factoring in severance pay (-70 bps) which were offset by forex (+230 bps) and Other operating efficiencies (+50 bps) - Management expects ~24% full-year EBITDA margin, implying Q4 margins of ~24.5–25% as one-offs normalize, SG&A remains controlled and lower visa renewal costs in Q4. |
| Depreciation & amortisation | 10.5 | 8.5 | 23.6 | 10.4 | 1.2 | |
| EBIT | 51.7 | 41.8 | 23.5 | 45.8 | 12.9 | |
| EBIT Margin (%) | 18.6 | 18.4 | 22 bps | 17.8 | 81 bps | |
| Other income | 15.1 | 14.3 | 6.0 | 16.0 | -5.1 | |
| PBT | 66.8 | 56.1 | 19.0 | 61.7 | 8.2 | |
| Tax paid | 16.0 | 13.5 | 18.7 | 16.0 | 0.2 | |
| PAT | 50.8 | 42.6 | 19.1 | 45.7 | 11.0 | |

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

| ₹ Crore | FY26E | | | FY27E | | | FY28E |
|-------------------|-------|------|----------|-------|------|----------|------------|
| | Old | New | % Change | Old | New | % Change | Introduced |
| Revenue | 1032 | 1058 | 2.5 | 1288 | 1296 | 0.6 | 1575 |
| EBITDA | 230 | 234 | 1.5 | 309 | 298 | -3.6 | 370 |
| EBITDA Margin (%) | 22.3 | 22.1 | -21 bps | 24.0 | 23.0 | -100 bps | 23.5 |
| PAT | 198 | 200 | 1.3 | 266 | 253 | -4.6 | 318 |
| Diluted EPS (₹) | 9.4 | 9.6 | 2.2 | 12.5 | 12.1 | -4.6 | 15.2 |

Source: Company, ICICI Direct Research

Financial Summary

| Exhibit 1: Profit and loss statement | | | | ₹ crore |
|--------------------------------------|------------|------------|------------|------------|
| (Year-end March) | FY25 | FY26E | FY27E | FY28E |
| Total Revenues | 848 | 1,058 | 1,296 | 1,575 |
| Growth (%) | 32.3 | 24.8 | 22.5 | 21.6 |
| Employee Benefit Expense | 561 | 705 | 862 | 1,041 |
| Other Expenses | 98 | 120 | 136 | 164 |
| EBITDA | 189 | 234 | 298 | 370 |
| Growth (%) | 38.8 | 23.8 | 27.5 | 24.2 |
| Depreciation | 29 | 41 | 44 | 50 |
| Other Income | 76 | 79 | 83 | 92 |
| Interest | 7 | 9 | 10 | 11 |
| PBT | 229 | 262 | 327 | 401 |
| Growth (%) | 16.1 | 14.5 | 25.0 | 22.6 |
| Tax | 55 | 62 | 74 | 84 |
| PAT before Exceptional Items | 173 | 200 | 253 | 318 |
| Minority interest | - | - | - | - |
| PAT after exceptional items | 173 | 200 | 253 | 318 |
| Growth (%) | 9.4 | 15.4 | 26.6 | 25.3 |
| Diluted EPS | 8.4 | 9.6 | 12.1 | 15.2 |
| EPS (Growth %) | 9.5 | 13.9 | 26.6 | 25.3 |

Source: Company, ICICI Direct Research

| Exhibit 2: Cash flow statement | | | | | ₹ crore |
|-------------------------------------|--------------|------------|-------------|-------------|---------|
| (₹ Crore) | FY25 | FY26E | FY27E | FY28E | |
| Profit after tax | 173 | 200 | 253 | 318 | |
| Finance cost | 7 | 9 | 10 | 11 | |
| Depreciation | 29 | 41 | 44 | 50 | |
| Others | (76) | (79) | (83) | (92) | |
| Change in working capital | 69 | (59) | (91) | (107) | |
| CF from operations | 202 | 113 | 133 | 180 | |
| Other Investments | (96) | 79 | 83 | 92 | |
| (Purchase)/Sale of FA | (37) | (41) | (44) | (50) | |
| Intangible Assets | (117) | - | - | - | |
| CF from investing Activities | (285) | 37 | 39 | 42 | |
| Inc / (Dec) in Equity Capital | (11) | - | - | - | |
| Inc/(Dec) in borrowings/lease liab | 5 | - | - | - | |
| Dividend & Dividend tax | - | - | - | - | |
| Interest Paid on Loans | (7) | (9) | (10) | (11) | |
| NCI | - | - | - | - | |
| CF from Financial Activities | (13) | (9) | (10) | (11) | |
| Net change in cash | (95) | 141 | 163 | 211 | |
| Opening cash | 165 | 69 | 211 | 374 | |
| Closing cash | 69 | 211 | 374 | 585 | |

Source: Company, ICICI Direct Research

| Exhibit 3: Balance Sheet | | | | ₹ crore |
|-----------------------------|--------------|--------------|--------------|--------------|
| (Year-end March) | FY25 | FY26E | FY27E | FY28E |
| Equity | 21 | 21 | 21 | 21 |
| Reserves & Surplus | 1,479 | 1,680 | 1,933 | 2,251 |
| Networth | 1,500 | 1,700 | 1,954 | 2,271 |
| Total debt | 28.76 | 28.76 | 28.76 | 28.76 |
| Minority Interest | 37 | 37 | 37 | 37 |
| Other liabilities | 100 | 104 | 105 | 107 |
| Source of funds | 1,666 | 1,870 | 2,125 | 2,444 |
| Fixed assets | 48 | 48 | 48 | 48 |
| Intangible assets | 117 | 117 | 117 | 117 |
| Goodwill | 245 | 245 | 245 | 245 |
| Non current investments | 430 | 430 | 430 | 430 |
| Other non current assets | 68 | 85 | 104 | 127 |
| Current Investments | 418 | 418 | 418 | 418 |
| Cash & Bank Balance | 98 | 239 | 402 | 613 |
| Inventories | | | | |
| Debtors | 185 | 231 | 282 | 343 |
| Other current assets | 180 | 225 | 276 | 335 |
| Trade payables | 20 | 25 | 30 | 37 |
| Other Current liabilities | 103 | 143 | 167 | 195 |
| Application of funds | 1,666 | 1,870 | 2,125 | 2,444 |

Source: Company, ICICI Direct Research

| Exhibit 4: Key ratios | | | | |
|-----------------------------|------|-------|-------|-------|
| (Year-end March) | FY25 | FY26E | FY27E | FY28E |
| Per share data (₹) | | | | |
| Diluted EPS | 8.4 | 9.6 | 12.1 | 15.2 |
| BV | 74.4 | 83.1 | 95.3 | 110.5 |
| DPS | - | - | - | - |
| Cash Per Share | 3.4 | 10.1 | 17.9 | 28.0 |
| Operating Ratios (%) | | | | |
| EBITDA Margin | 22.3 | 22.1 | 23.0 | 23.5 |
| PAT Margin | 20.5 | 18.9 | 19.6 | 20.2 |
| Debtor days | 80 | 80 | 80 | 80 |
| Creditor days | 9 | 9 | 9 | 9 |
| Return Ratios (%) | | | | |
| RoE | 11.3 | 11.5 | 12.7 | 13.8 |
| RoCE | 14.2 | 14.6 | 16.0 | 16.9 |
| RoIC | 19.5 | 22.6 | 27.8 | 32.3 |
| Valuation Ratios (x) | | | | |
| P/E | 53.9 | 47.3 | 37.3 | 29.8 |
| EV / EBITDA | 46.8 | 37.2 | 28.6 | 22.5 |
| Market Cap / Sales | 11.0 | 8.8 | 7.2 | 5.9 |
| Price to Book Value | 6.1 | 5.4 | 4.8 | 4.1 |
| Solvency Ratios | | | | |
| Debt/Equity | 0.0 | 0.0 | 0.0 | 0.0 |
| Debt / EBITDA | 0.0 | 0.0 | 0.0 | 0.0 |
| Current Ratio | 2.8 | 2.6 | 2.7 | 2.8 |
| Quick Ratio | 2.8 | 2.6 | 2.7 | 2.8 |

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

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Sell: <-15%



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