



**PL Capital**  
PRABHUDAS LILLADHER

# Latent View Analytics (LATENTVIEW IN)

Rating: BUY | CMP: Rs402 | TP: Rs570



***Unlocking smarter, informed business decisions...***

**Pritesh Thakkar** priteshtakkar@plindia.com | 91-22-66322533

**Sujay Chavan** sujaychavan@plindia.com | 91-22-66322536

## Contents

	Page No.
Global Data Analytics Industry – Overview.....	4
DAAI market poised to grow at rapid pace .....	4
Data analytics adoption strong across all business functions .....	5
Broad-based sectoral growth to drive market expansion.....	6
Strong growth momentum across enterprise functions.....	7
Rise of Agentic AI & impact on DAAI market .....	8
Peer comparison.....	10
Story in Charts .....	12
Company Overview .....	13
LATENTVI – Riding the data & AI wave.....	13
Tech partnerships.....	14
Partnership with Databricks.....	15
Investment Rationale .....	17
Scaling smaller ticket accounts .....	17
Monetizing Databricks’ capability .....	18
Value unlocking through strategic investments .....	19
GenAI & agentic AI – Key growth drivers.....	20
Financials & Valuations.....	23
Margins to be largely maintained .....	24
Valuation and Outlook.....	25
Key Risks .....	26
Annexures.....	27
Board of Directors & KMP.....	27

## Company Initiation

Rating: BUY | CMP: Rs402 | TP: Rs570

### Unlocking smarter, informed business decisions...

#### Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	8,478	10,359	12,721	15,785
EBITDA (Rs. bn)	2,016	2,487	3,111	3,946
Margin (%)	23.8	24.0	24.5	25.0
PAT (Rs. bn)	1,848	2,091	2,528	3,146
EPS (Rs.)	9.0	10.2	12.4	15.4
Gr. (%)	16.8	13.3	20.9	24.4
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	12.7	12.8	13.5	14.6
RoCE (%)	9.1	9.6	10.3	11.4
EV/Sales (x)	9.1	7.2	5.7	4.4
EV/EBITDA (x)	38.3	30.1	23.3	17.7
PE (x)	44.5	39.3	32.5	26.1
P/BV (x)	5.4	4.7	4.1	3.6

#### Key Data

#### LATN.BO | LATENTVI IN

52-W High / Low	Rs. 520 / Rs. 340
Sensex / Nifty	80,365 / 24,635
Market Cap	Rs. 83 bn/ \$ 936 m
Shares Outstanding	207m
3M Avg. Daily Value	Rs. 198.21m

#### Shareholding Pattern (%)

Promoter's	65.20
Foreign	2.11
Domestic Institution	3.25
Public & Others	29.44
Promoter Pledge (Rs bn)	-

#### Stock Performance (%)

	1M	6M	12M
Absolute	(3.2)	9.4	(15.4)
Relative	(3.9)	5.4	(10.0)

#### Pritesh Thakkar

priteshtthakkar@plindia.com | 91-22-66322533

#### Sujay Chavan

sujaychavan@plindia.com | 91-22-66322536

We initiate coverage on Latent View Analytics (LATENTVI) with 'BUY' rating and TP of Rs 570 valuing at 40x (Sep'27E earnings), with potential upside of 40%. LATENTVI is a pure-play data analytics and AI (DAAI) service provider, operating in technology, financial services, consumer/retail and industrial domains. LATENTVI's participation in multi-functional areas and KPI analysis, makes it unique among IT outsourcing providers. It generates ~50% revenue from customer profiling, marketing analytics and promotional activities. Access to a strong data foundation through Databricks partnership, has enabled it to extend enterprise service offerings around GenAI/agentive AI. Revenue from the partnership is expected to see exponential growth of 70%+ CAGR over FY25-28E, while the GenAI/agentive AI pipeline (USD8mn+) indicates constructive uptick in value proposition. LATENTVI's next leg of growth would come from top 25 strategic accounts (Fortune 500) that are focused on building deep CXO connects across functions. Operating margin is likely to be stable at 23-25%; anything above would be re-invested to drive growth and build tech stack. We estimate USD revenue/INR EBITDA/INR PAT CAGR at 19.2%/25.1%/19.4% over FY25E-28E. Valuation remains inexpensive (~33x FY27E). We assign 40x for earnings CAGR of 19.4% over FY25-28E. Initiate with 'BUY'.

- **Scaling smaller ticket accounts:** At least 24 out of 100 active accounts have been serviced for more than 5 years. Accounts scaling effort is visible within the USD1–6mn client bucket: number of clients grew 22.4% CAGR over FY22-25. But revenue from the bucket is yet to be scaled – grew only ~13% CAGR.
- **Monetizing Databricks' capability:** With access to a strong data foundation (Databricks), LATENTVI is expanding enterprise offerings around analytics frameworks along with horizontal capabilities around diagnostics and predictive analytics. Databricks' engagements majorly involve complex computations and experimentation of POCs and use cases, which account for ~80% of work deliveries. LATENTVI generates low-double-digit revenue through these engagements. The management targets to derive substantial portion, ~25%, of revenue by FY28 through Databricks partnership, vs. ~10-12% currently (our assumption).
- **Value unlocking through strategic investments:** Revenue contribution from consumer/retail (consol) has increased to ~15% post integration of Decision Point (DP), from ~9% in FY24. The management plans to increase the share to ~20% over the next 3 years. We believe LATENTVI's core functional capability (marketing & promotions) is directly complementing DP's consumer-oriented vertical, which will unlock value for retail enterprise clients.
- **GenAI & agentive AI – Key growth drivers:** LATENTVI generates high-single-digit revenue through GenAI deployment. Despite the deflationary impact, the management claims to maintain similar budget ownership with higher SOWs across enterprise functions. The management aspires to double the revenue generated through GenAI and agentive AI capabilities in the medium-term. We expect early engagements around agentive AI to mature and soon find their way through multiple business functions, aided by mandates for building a data foundation and pivoting to outcome-based solutions for enterprises.

## Global Data Analytics Industry – Overview

### DAAI market poised to grow at rapid pace

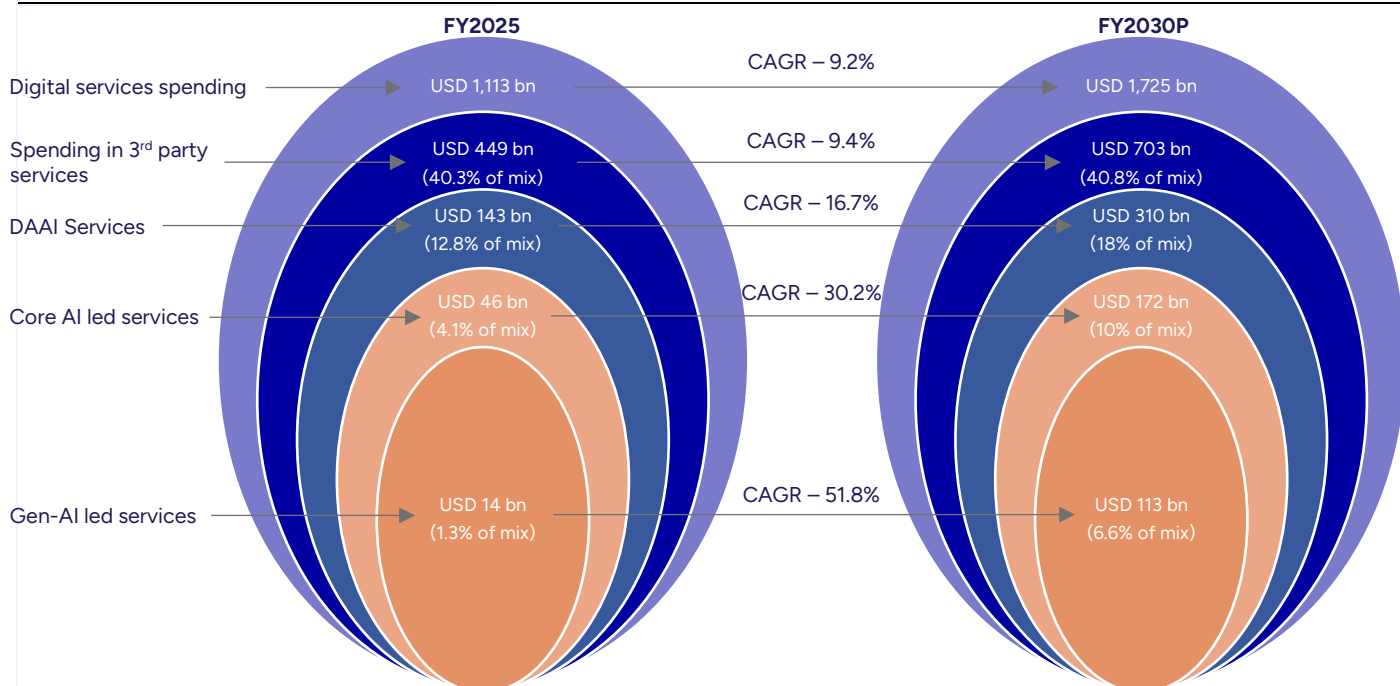
*DAAI market to grow at CAGR of 16.7% between FY25-30P with Gen AI led services expected to grow at CAGR of ~52% in the same period*

The post pandemic world has seen a sustained wave of technology adoption, with AI and, more recently, GenAI at the forefront. These technologies are enabling more intuitive business–technology interactions through conversational interfaces and are delivering measurable outcomes such as workflow automation, faster turnaround times, enriched data pipelines, content generation, and AI-driven decision-making.

To unlock greater value from data and enable enterprise-wide transformation, organizations are investing across the full spectrum of DAAI capabilities. This spans data collection, storage, modernization, advanced analytics, AI/ML model development, and large-scale deployment. Thus, the DAAI market is poised for significant growth underpinned by the following structural drivers:

- **Data explosion and rapid digitalization**, creating unprecedented demand for advanced data management
- **Shift toward data-driven decision-making**, as enterprises seek to embed analytics into core business processes
- **Cloud adoption and data modernization**, enabling scalability, cost efficiency, and seamless integration
- **Creation of industry-specific use cases**, accelerating adoption across verticals such as BFSI, healthcare, retail/CPG and manufacturing
- **Advances in AI and GenAI**, powering automation, personalization and adaptive intelligence.

**Exhibit 1: DAAI market set for strong growth with GenAI-led services growing at strongest pace**



Source: Fractal DRHP, Everest Group, PL

Total spending on DAAI is expected to double from **USD143bn in FY25 to USD310bn by FY30P**, at a healthy **16.7% CAGR**. **GenAI-led services** are projected to grow even faster, at **~52% CAGR** and expand nearly eightfold—from **USD14bn to USD113bn**.

The rapid scale-up in GenAI adoption is being driven by following key factors:

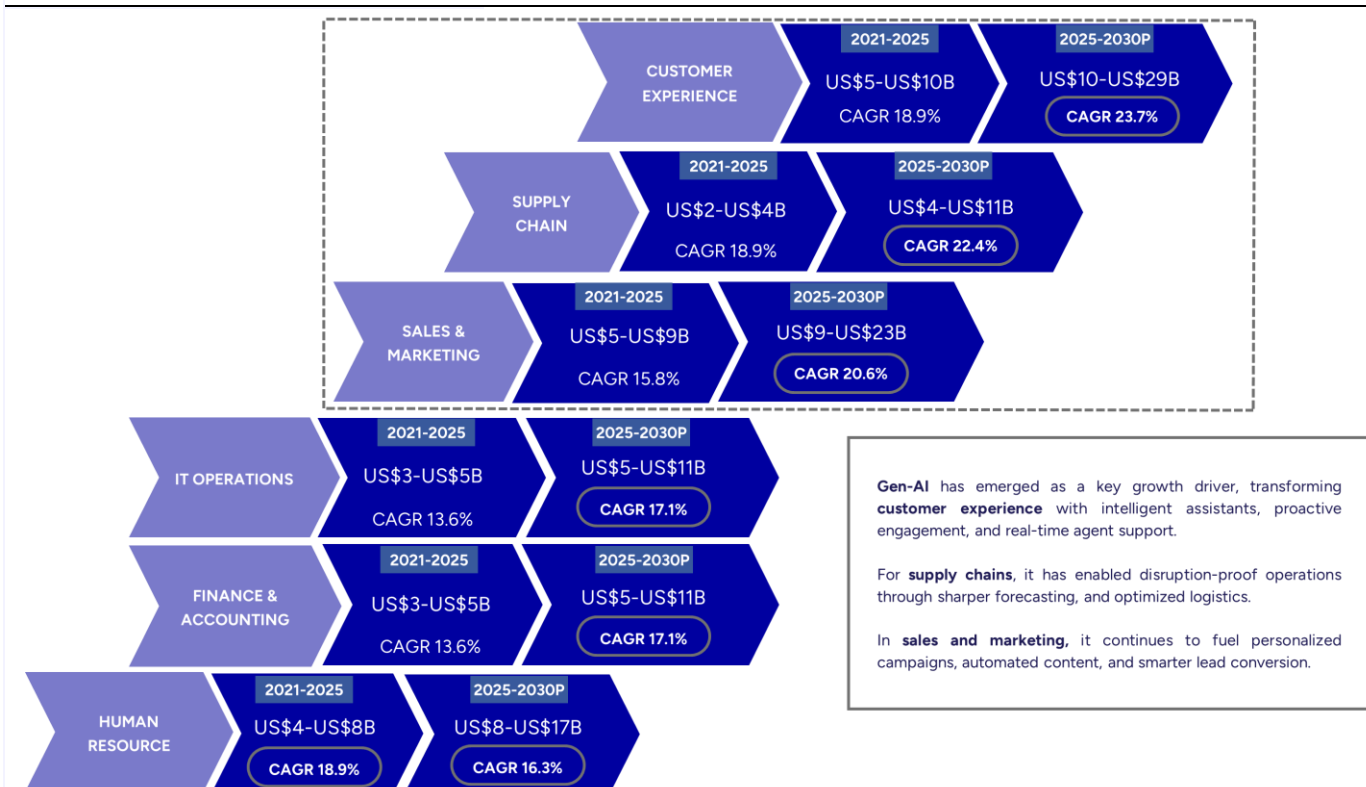
- **Advancements in foundation models**, enabling more powerful and versatile applications
- **Synthetic data generation**, addressing data scarcity, privacy, and compliance challenges
- **Rising demand for personalization and enhanced customer experience**
- **Business simulation and scenario planning**, improving decision-making and risk management
- **Ecosystem push by hyperscalers and ISVs**, accelerating enterprise-grade adoption

Reflecting this value proposition, the GenAI-led services market mix is expected to increase from 1.3% of global digital services spending in FY25 to 6.6% by FY30P.

### Data analytics adoption strong across all business functions

Adoption of data analytics accelerated across business functions during FY21–25, and the momentum is expected to strengthen further during FY25–30P, with most functions projected to sustain strong double-digit growth. Among these, customer experience, supply chain, and S&M analytics are set to lead, each growing at over 20% CAGR.

**Exhibit 2: Functions related to customer experience, S&M and supply chain to grow at strongest pace till FY30P**



Source: Fractal DRHP, Everest Group, PL

### Exhibit 3: Function-wise growth drivers

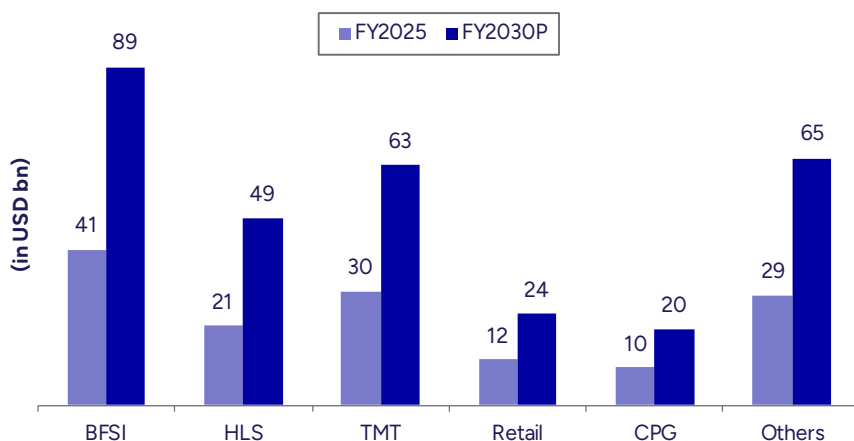
Function	Drivers
Customer experience	AI-enabled personalization, conversational platforms, and advanced experience orchestration
S&M analytics	AI-powered customer segmentation, campaign optimization, and demand forecasting
Supply chain analytics	Cost optimization, end-to-end visibility, inventory management
IT operations	Predictive maintenance, remote monitoring, increased cybersecurity
Finance & accounting	Regulatory spending, financial forecasting & planning
Human resources	Workforce management, training & development, screening & database management

Source: Industry, PL

### Broad-based sectoral growth to drive market expansion

In FY25, BFSI, HLS, retail, CPG and TMT segments collectively accounted for ~80% of the global DAAI services market. These verticals are expected to remain the dominant demand drivers through FY30P, supported by accelerated digital transformation, data modernization, and AI-led innovation. BFSI is expected to accelerate at a faster rate of ~17% CAGR over FY25-30E, attributed to rising digital transaction and tightening norms around fraud detection and compliance.

### Exhibit 4: All segments to double their market size by FY30P



Source: Fractal DRHP, Everest Group, PL

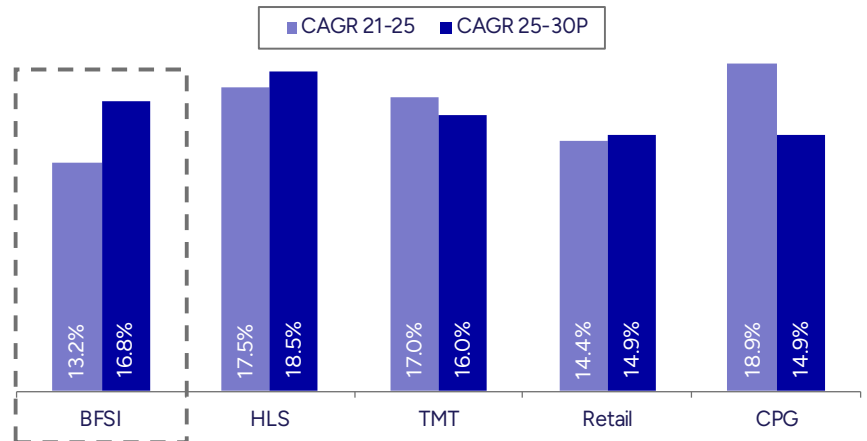
### Exhibit 5: Segment-wise growth drivers

Segment	Drivers
BFSI	Regulatory compliance, advanced risk management, and personalized digital experiences
HLS	Innovations in patient care, clinical analytics, and AI-driven drug discovery
Retail	Customer analytics, GenAI-powered personalization, and omnichannel engagement
CPG	Demand forecasting, supply chain optimization, and automation at scale
TMT	Explosive data generation, personalization & customer experience, network optimization & 5G rollout

Source: Industry, PL



Exhibit 6: BFSI expected to grow faster in FY25-30P than the previous cycle

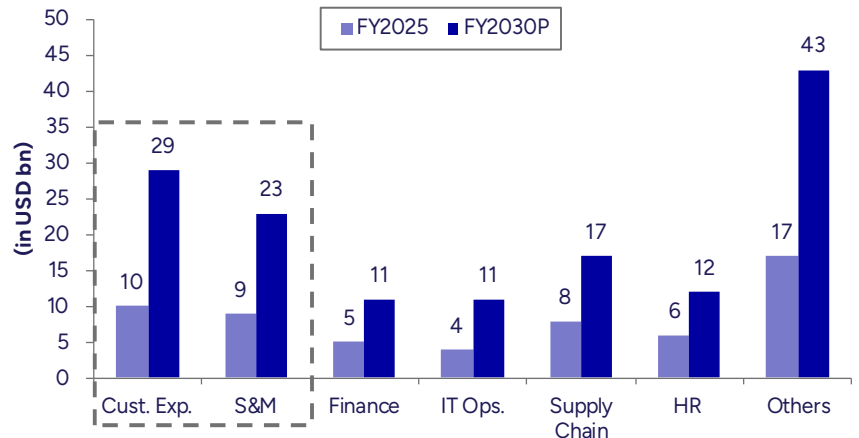


Source: Fractal DRHP, Everest Group, PL

### Strong growth momentum across enterprise functions

Customer experience and S&M will be the fastest-growing functions, with CAGR rising sharply from 18.9% and 15.8% in FY21–25 to 23.7% and 20.6% in FY25–30P, driven by AI-led personalization, conversational platforms, and experience orchestration.

Exhibit 7: Cust. Exp and S&M show exponential growth in FY30P



Source: Fractal DRHP, Everest Group, PL

### Key parameters driving customer experience

- **Smarter virtual assistants:** Handle complex, nuanced conversations with minimal human intervention
- **Proactive engagement:** Anticipates customer needs using data to deliver timely solutions and offers
- **Agent empowerment:** Provides real-time support, transcriptions, and knowledge management to boost productivity

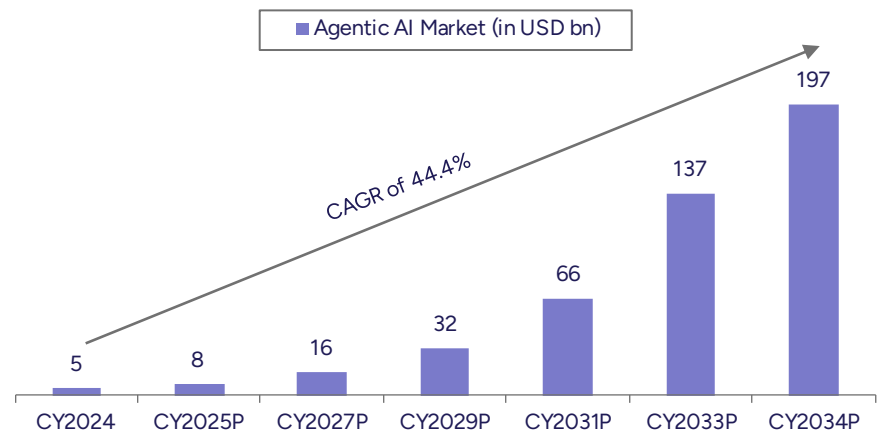
### Key parameters driving S&M

- **Efficiency improvement:** GenAI is reshaping S&M by driving creative efficiency, customer loyalty, and higher conversions.
- **Branding and campaigning:** It streamlines content creation for social media and campaigns while ensuring brand consistency and enabling deeper relationship building through personalized insights across customer journey.
- **Lead generation:** GenAI boosts lead conversion with automated scoring and AI-driven consultative sales agents that keep pipelines active.

### Rise of Agentic AI & impact on DAAI market

Agentic AI is already revolutionizing various sectors by automating repetitive tasks, streamlining processes, and improving efficiency. Increasing AI adoption, however, has led to concerns about prejudice, regulations and responsibility, warranting robust governance and oversight.

#### Exhibit 8: Global agentic AI market to reach USD197bn by CY34P



Source: Market.us, PL

Agentic AI market is at a nascent stage but growing at a rapid pace

Agentic AI is progressing at a remarkable pace, moving beyond static automation to embrace autonomous, adaptive systems that think, decide, and respond in real time—reshaping the future of industry. In 2025, 45% of Fortune 500 companies are piloting Agentic AI, which has proven capable of cutting human task time by up to 86% in multi-step workflows. By leveraging dynamic feedback loops and autonomous decision-making, these systems can execute tasks up to 12 times more complex than conventional LLMs.

Google DeepMind's SIMA agent has demonstrated proficiency in learning over 600 skills across nine game engines, while Microsoft's AutoGen framework is now utilized by 40% of Fortune 100 companies to streamline IT and compliance operations. In software engineering, Agentic AI is driving a fourfold improvement in code debugging speed, underscoring its growing strategic role in DevOps workflows.

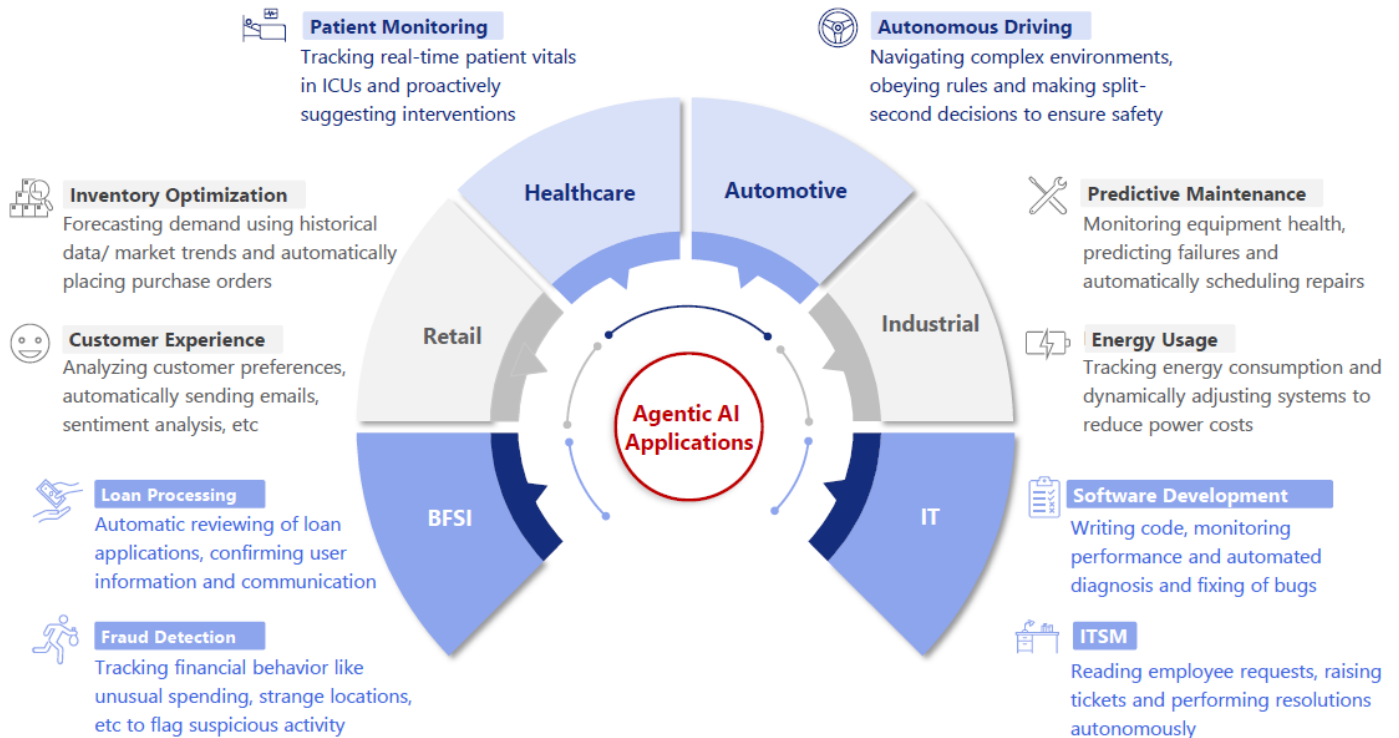
Global agentic AI market is on a steep growth trajectory and is expected to expand from **USD5.2bn in CY24** to **~USD196.6bn by CY34**, at a strong **43.8% CAGR**. Growth will be driven by industry-wide implementation of across business functions.



Exhibit 9: Agentic AI uses across segments

## Agentic AI – Use Cases Across Industries

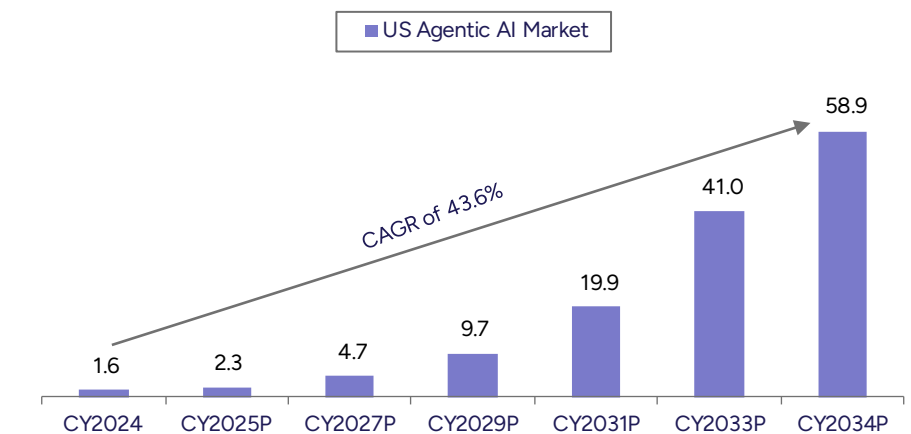
The use of agentic AI cuts across several industries and largely focuses on automating manual tasks, which are not only time consuming but also prone to human error



Source: market.us, PL

In 2024, the U.S. Agentic AI market stood at USD 1.58 billion and is projected to grow at a CAGR of 43.6%. Heavy investment from leading technology companies is accelerating both innovation and large-scale adoption of Agentic AI.

### Exhibit 10: US agentic AI market to reach ~USD59bn by CY34P



Source: Market.us, PL

## Peer comparison

Exhibit 11: Revenue growth of peers & mid cap IT services companies

	Revenue (USD mn)					YoY growth (%)			
	FY21/CY20	FY22/CY21	FY23/CY22	FY24/CY23	FY25/CY24	FY22/CY21	FY23/CY22	FY24/CY23	FY25/CY24
Latent View Analytics	41.3	54.8	66.8	77.3	100.1	32.5%	21.9%	15.7%	29.6%
Fractal Analytics	118.0	174.0	246.3	265.1	326.9	47.5%	41.5%	7.7%	23.3%
Mu Sigma	115.0	121.6	130.0	108.5	-	5.7%	6.9%	-16.6%	-
Palantir Technologies	1,092.7	1,541.9	1,905.9	2,225.0	2,865.5	41.1%	23.6%	16.7%	28.8%
Coforge	627.7	866.0	1,001.7	1,099.3	1,445.2	38.0%	15.7%	9.7%	31.5%
Persistent Systems	566.1	765.5	1,036.1	1,186.1	1,409.1	35.2%	35.3%	14.5%	18.8%
Happiest Minds	104.5	146.9	177.3	196.1	243.6	40.6%	20.6%	10.6%	24.2%

Source: Company, Bloomberg, PL

Exhibit 12: LATENTVI has high operating margin

	EBIT margin (%)				
	FY21/CY20	FY22/CY21	FY23/CY22	FY24/CY23	FY25/CY24
Latent View Analytics	31.9%	27.8%	25.3%	19.7%	20.3%
Fractal Analytics	7.6%	-10.3%	18.1%	0.6%	10.7%
Mu Sigma	46.2%	67.2%	69.8%	59.0%	-
Palantir Technologies	-107.4%	-26.7%	-8.5%	5.4%	10.8%
Coforge	16.7%	17.1%	16.0%	16.1%	14.1%
Persistent Systems	12.1%	14.0%	14.9%	14.4%	14.7%
Happiest Minds	24.7%	23.6%	25.1%	20.7%	17.2%

Source: Company, Bloomberg, PL

Exhibit 13: Vertical- & geography-wise mix

	Verticals				Geography		
	Tech	Consumer & retail	Financial services	Industrials	North America/US	Europe	Row
Latent View Analytics	67.0%	15.0%	12.0%	6.0%	90.1%	1.0%	8.9%
Fractal Analytics	27.0%	42.0%	10.0%	21.0%	66.5%	17.7%	15.7%
Coforge	0.0%	0.0%	47.9%	52.1%	54.8%	33.6%	11.5%
Persistent Systems	41.1%	0.0%	31.6%	27.3%	80.8%	8.1%	11.1%
Happiest Minds	14.5%	8.2%	22.5%	54.8%	64.6%	8.1%	27.3%
Palantir Technologies	-	-	-	-	66.3%	10.6%	23.1%

Source: Company, Bloomberg, PL

Exhibit 14: LATENTVI has high revenue per employee vs. IT services peers

	No. of emp	Rev per emp (USD)
Latent View Analytics	1,652	60,659
Fractal Analytics	5,254	62,210
Palantir Technologies	3,936	7,28,023
Coforge	33,023	43,763
Persistent Systems	24,594	57,294
Happiest Minds	6,632	36,727

Source: Company, Bloomberg, PL

Exhibit 15: RoE & RoCE comparison

	RoE (%)					RoCE (%)				
	FY21/CY20	FY22/CY21	FY23/CY22	FY24/CY23	FY25/CY24	FY21/CY20	FY22/CY21	FY23/CY22	FY24/CY23	FY25/CY24
Latent View Analytics	19.1%	12.4%	10.0%	7.9%	9.1%	23.3%	14.6%	13.9%	12.3%	12.7%
Fractal Analytics	14.5%	-22.5%	17.7%	-4.8%	17.4%	10.9%	-13.3%	23.3%	0.8%	16.1%
Mu Sigma	33.7%	69.1%	58.5%	38.6%	-	42.4%	61.7%	67.2%	48.8%	-
Palantir Technologies	-	-	-	7.0%	10.9%	-	-	-	7.0%	10.6%
Coforge	13.3%	29.2%	28.0%	29.9%	9.2%	15.3%	28.3%	30.0%	29.7%	11.7%
Persistent Systems	18.3%	20.7%	20.1%	20.6%	19.3%	23.8%	27.0%	26.7%	27.1%	26.3%
Happiest Minds	29.6%	27.8%	26.2%	16.8%	11.7%	30.3%	34.8%	30.5%	21.6%	17.1%

Source: Company, Bloomberg, PL

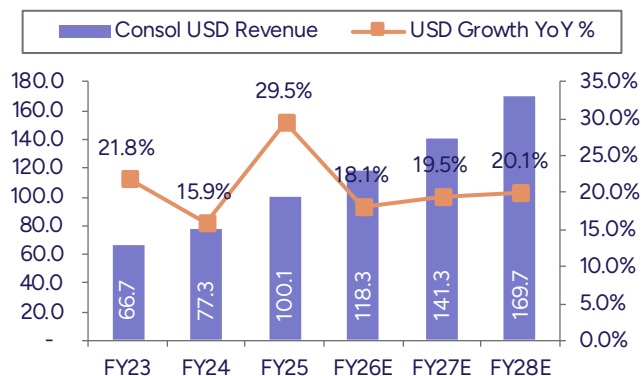
Exhibit 16: PE and EV/EBITDA valuation

	PE			EV/EBITDA		
	FY25/CY24	FY26E/CY25E	FY27E/CY26E	FY25/CY24	FY26E/CY25E	FY27E/CY26E
Latent View Analytics	45.0	39.7	32.8	38.6	30.5	23.5
Palantir Technologies	887.9	273.2	208.9	449.7	213.9	155.5
Coforge	61.0	37.2	29.6	32.4	19.3	16.3
Persistent Systems	54.9	45.1	36.2	36.8	30.4	24.4
Happiest Minds	43.7	30.3	24.4	24.8	15.5	12.7

Source: Company, Bloomberg, PL

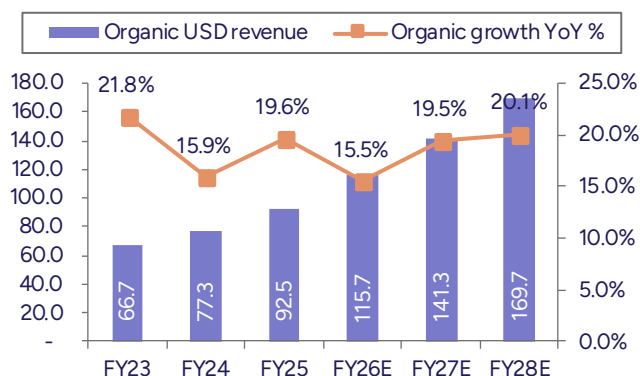
## Story in Charts

**Exhibit 17: Consolidated revenue growth remains strong**



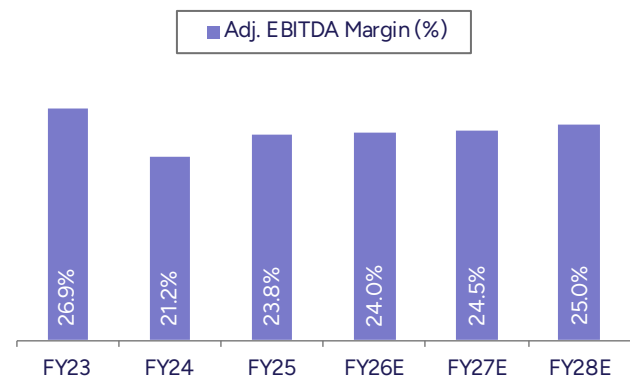
Source: Company, PL

**Exhibit 18: Organic revenue CAGR at 19% over FY22-25**



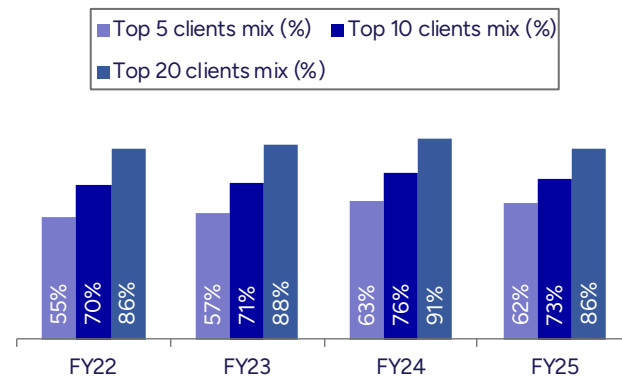
Source: Company, PL

**Exhibit 19: Margins improving from FY25**



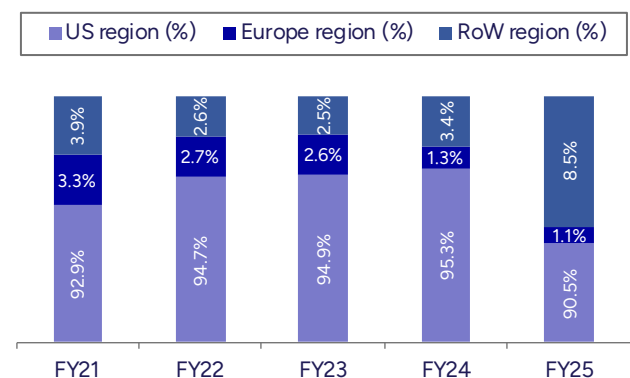
Source: Company, PL

**Exhibit 20: Client concentration remains high**



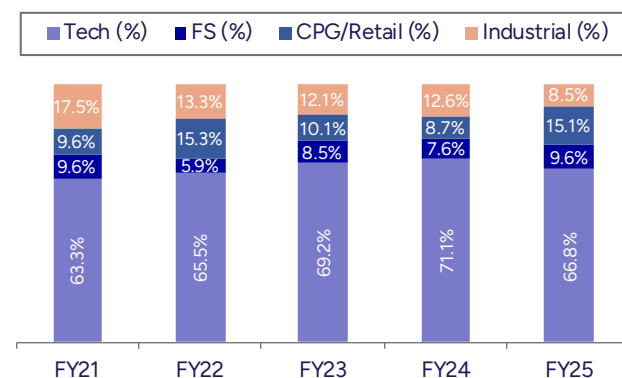
Source: Company, PL

**Exhibit 21: US region revenue concentration remains high**



Source: Company, PL

**Exhibit 22: Tech accounts for majority revenue**



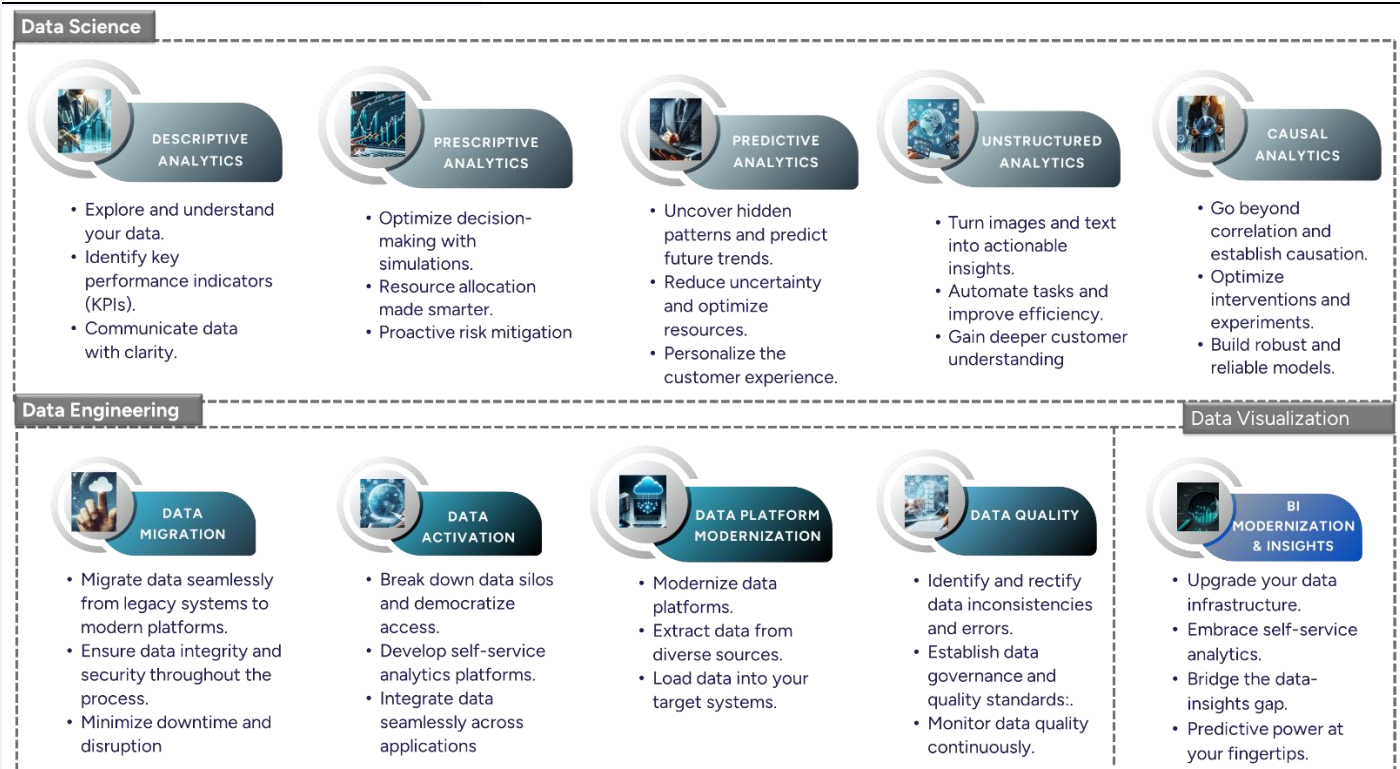
Source: Company, PL

## Company Overview

### LATENTVI – Riding the data & AI wave

LATENTVI is a pure-play data analytics and digital transformation consulting firm, founded in 2006 and headquartered in Chennai, India. It operates global delivery and client-facing offices through subsidiaries and sales teams across the US, Europe and Asia-Pacific. It differentiates itself from broader IT service providers by focusing deeply on analytics-led transformation and building strong, long-term client relationships with Fortune 500 firms. LATENTVI offers end-to-end analytics services, spanning the entire data lifecycle. The company has created proprietary productized solutions and vertical-specific analytics services, leveraging its deep expertise

**Exhibit 23: LATENTVI offers data services across industry verticals**



Source: Company, PL

Exhibit 24: Horizontal offerings of LATENTVI



Source: Company, PL

LATENTVI has a workforce of 1,600+, of which 1,300+ are delivery employees. The company generates ~67% of revenue from the technology vertical, followed by consumer & retail (~15%) and financial services (~12%).

## Tech partnerships

LATENTVI accelerates digital transformation by collaborating with best-in-class technology partners across the AI, cloud, data and analytics ecosystem. These alliances extend LATENTVI's capabilities and enable accelerated delivery of high-impact analytics solutions.

Exhibit 25: Tech partnerships by LATENTVI

Partner	Partnership type/ Services
Microsoft Azure	Azure Silver Partner; analytics engineering, DataOps, governance; Power BI dashboards
AWS	Select Tier Partner; cloud migration, infra optimization, scalable analytics
Google Cloud	Partner; looker and cloud analytics deployments
Databricks	Elite C&SI Partner; CoE, Unity Catalog migration, MLOps, data + AI architecture
Snowflake	Select Tier Partner; migration/ingestion, data platform modernization, data product & ops
Fivetran	Technology partner, data connector provider for seamless ingestion
IBM	Service & Reseller Partner of IBM Cloud Pak for data, analytics & AI services
NVIDIA	AI platform partner; accelerated AI/GenAI, LLM deployment, training
Neo4j	Official partner; upskilling certified graph professionals
Power BI	Microsoft partner ecosystem, consolidate data source, build a self-service BI reporting tool and executive dashboards

Source: Company, PL



### Partnership with Databricks

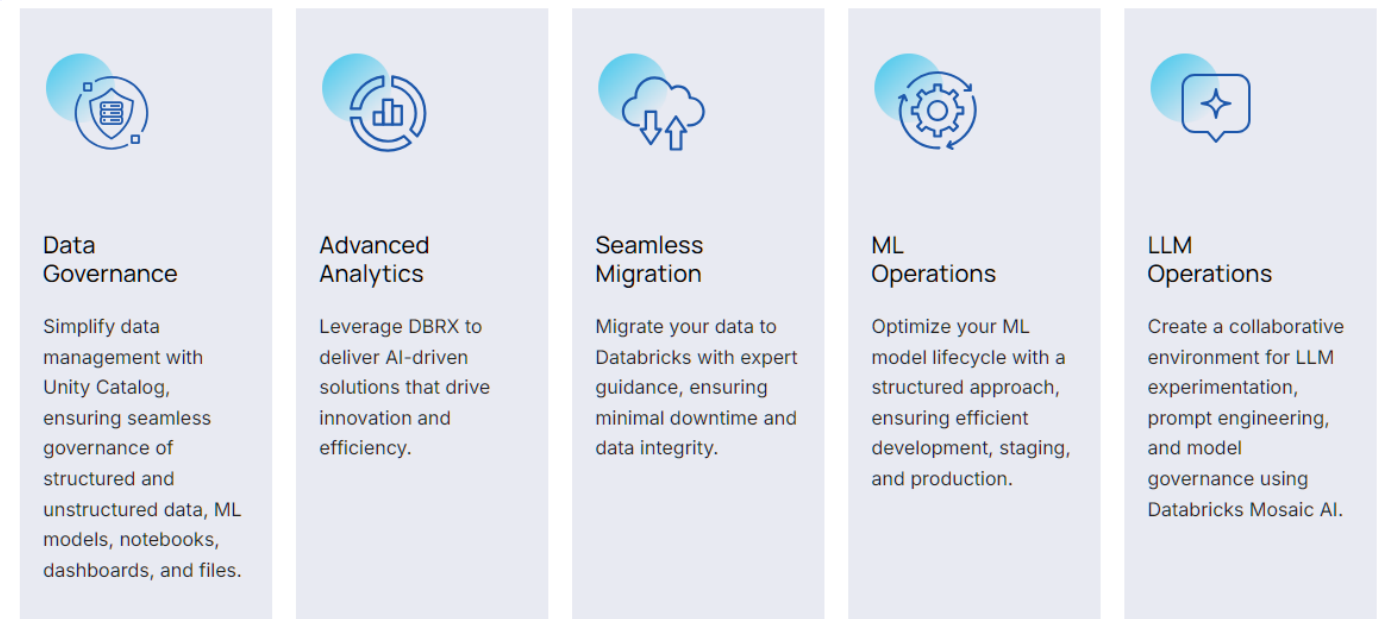
LATENTVI's partnership with Databricks is a cornerstone of its ability to deliver end-to-end data and AI transformation for enterprises. LATENTVI integrates consulting, implementation and advisory expertise with the Databricks Lakehouse Platform, which unifies data engineering, analytics and ML within a single architecture. This collaboration enables it to address critical enterprise challenges, including fragmented data estates, scalability of AI initiatives, and growing demand for real-time insights.

*LATENTVI is expanding its partnership with Databricks by investing in CoE and actively looking for acquisitions opportunities to enhance its Databricks capabilities.*

In practice, LATENTVI leverages Databricks' capabilities to design and deploy industry-specific solutions such as predictive demand forecasting in retail, supply chain optimization in logistics, customer personalization in consumer sectors, and fraud detection in BFSI. More than one-off implementations, LATENTVI integrates these solutions into clients' operating models, driving sustained improvements in efficiency, decision-making, and innovation cycles.

In essence, the LATENTVI–Databricks partnership goes beyond deploying a platform—it redefines how enterprises harness data.

**Exhibit 26: LATENTVI CoE in partnership with Databricks**



Source: Company, PL

LATENTVI's strategic partnerships with hyperscalers and Databricks enhance its ability to deliver scalable, cloud-native AI and data modernization solutions that align with enterprise transformation roadmaps. With a focused innovation agenda, agile delivery model, and expanding portfolio of AI-driven solutions, LATENTVI is well placed to benefit significantly as enterprises accelerate adoption of AI, GenAI, and advanced analytics. We believe this combination of capabilities, market positioning, and partnerships underpins LATENTVI potential to deliver sustained high growth and strengthens its investment appeal.

**Exhibit 27: LATENTVI's offerings**

Offering/Platform	Service	Case study		
		Problem	Solution	Result
Accupromo	Rapid assessment and optimization of retail promotions	Client's manual spreadsheet-based keyword bidding was inefficient and sub-optimal	Built a self-service platform with predictive modeling and daily scoring for fast-moving keywords	Delivered 20% revenue lift, adding USD10mn in year one
AI Penpal	Personalized email funnel enhancements using AI	Client's campaigns ignored past behavior, reducing effectiveness	Built look-alike models using logistic regression to target high-propensity customers	Generated USD0.5mn incremental revenue from targeted campaigns
B2B Dynamo	B2C style personalization tailored for B2B customers	Client's product segmentation relied on demographic and psychographic attributes limiting brand reach	Introduced data-driven segmentation using 'occasions of use,' modeled as micro and demand spaces	Identified new consumption hot spots driving 2–5% market share gains
ConnectedView	Real-time supply chain visibility and optimization platform. Features include a digital twin, predictive disruption alerts, and on-shelf availability enhancements	Client's siloed ML/AI processes limited supply chain efficiency and forecast accuracy for key parts	Deployed a scalable Azure Databricks platform with automated ML pipelines and 100k+ model migration	Delivered 8x faster computation, 5x cost reduction, 1.5% accuracy gains, and fully automated workflows
InsightLens	Evolved decision-making dashboards replacing static dashboards	Client's siloed platforms gave a fragmented view of marketing effectiveness slowing campaign test cycles	Built an integrated dashboard unifying paid, earned, and owned media for cross-channel insights	Reduced turnaround by 90%+ and improved conclusiveness, optimizing USD284mn marketing spend
Laser	GenAI-powered knowledge search engine	Client's cosmetics brand was losing relevance with younger women as loyal consumers aged	Built a social insights platform to mine demographic data, track trends, influencers, and competitors	Improved product launch success rate by 5% within 6 months
MatchView	Benchmarks and tests strategies for retail effectiveness	Client's campaigns were manually managed with generic product-based strategies across teams	Built an automated platform to customize offers and messages by customer life stage	Drove higher engagement, with footprint rising from 3 to 8 verticals and added USD7.5mn revenue
MigrateMate	Platform-agnostic, streamlined cloud data migration with efficiency gains	A Fortune 500 retailer wanted to retire its on-premise data setup and move to the cloud	Migrated data operations with a cloud-first approach, re-architecting pipelines and optimizing resources	Achieved 40% cost savings through the proposed POC
Markee	Agentic AI-powered performance marketing platform supporting campaign workflows, creative generation, seamless launches, and real-time tracking	Client's promotions focused on products and discounts but missed conversion targets by 15%	Used NLP on social media data to uncover drivers and barriers to purchase	Redesigned campaigns with game bundles, boosting conversions by 4%
Prism	Balances fraud prevention with genuine user friction in customer interactions	An auto client predicted warranty claims using historical averages ignoring driving behavior differences	Analyzed driving styles from usage and past claims to predict future claims accurately	Reduced warranty costs by 35% for "long pause and short trips" drivers via proactive messaging
OneCustomerView	Enables highly personalized campaign delivery through unified customer insights	Client lacked a unified view of subscription campaigns relying on manual data	Built a real-time platform using customer profiles and past behavior to track engagement	Improved campaign efficiency, enabled action-based messaging, and revealed trends for future campaigns
Smart Innovation	AI/ML-driven engine that accelerates product innovation by spotting trends and reducing time-to-market	Food manufacturer relied on costly time-consuming surveys and focus groups to identify flavor trends with limited real-world relevance	Implemented a data-driven approach to spot flavor trends faster and with broader generalization	Cut innovation cycle time by 1.5x, identified 20 new flavors at lower cost, and gained first-mover advantage

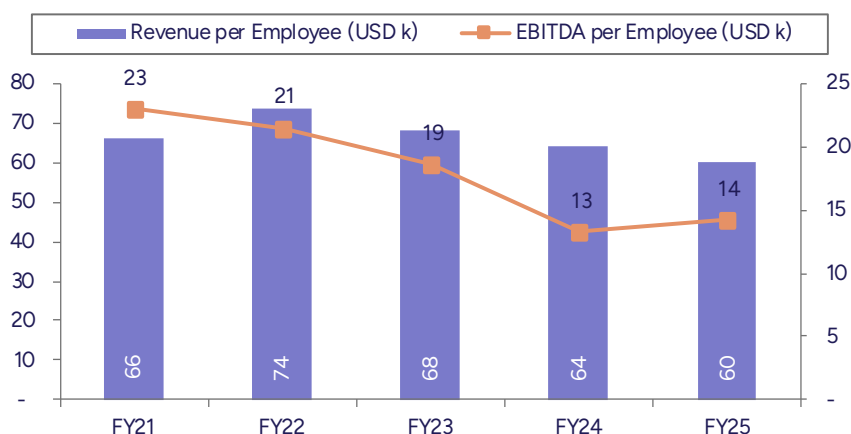
Source: Company, PL

## Investment Rationale

### Scaling smaller ticket accounts

LATENTVI generates ~80% of its revenue from accounts that are sticky in nature. Further, more than 60% of revenue is derived from accounts that have been serviced for more than 5 years. Top 3 accounts are well serviced with engagement in multiple business functions and SOW having follow-on activities. Additionally, the engagement with top accounts is on the managed services front that ensures steady workflows and eliminates sporadic deal closures.

**Exhibit 28: EBITDA per employee has stabilized**



Source: Company, PL

The company is strategically focusing on top 25 accounts, majority of which are Fortune 500 companies. At least 24 out of existing 100 active accounts have spent more than 5 years with the company. The accounts scaling effort is visible within the client bucket of USD1–6mn: number of clients increased by 22.4% CAGR in FY22-25. However, revenue from the bucket is yet to be scaled – grew just ~13% CAGR.

**Exhibit 29: Top clients growing at a stronger pace**

YoY rev growth	FY23	FY24	FY25	FY22-25 (CAGR)	Client additions FY22-25 (CAGR)
>USD6mn	36.8%	64.1%	39.0%	46.1%	14.5%
USD1-6mn	16.4%	3.9%	20.3%	13.3%	22.4%
USD0.5-1mn	11.4%	-42.1%	-13.6%	-17.7%	-14.0%
<USD0.5mn	10.8%	-22.2%	45.8%	7.9%	14.8%

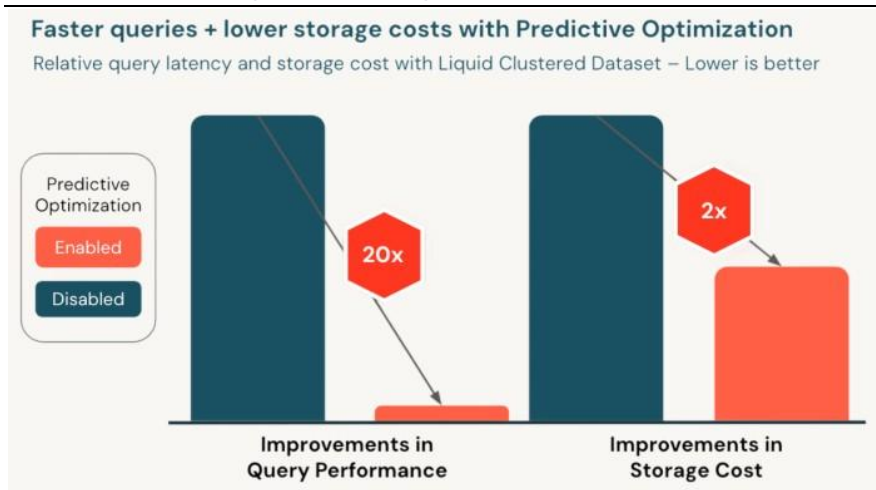
Source: Company, PL

To improve its account mining activities in the lower band (<USD6mn), the company has invested heavily in gearing up corporate functions (partly aided by DP) and Centre of Excellence (CoE) talent base, which increased 2x in FY25 YoY. The investments would help scale existing accounts, derive multi-functional referrals and build deep connections with Fortune 500 enterprises' CXOs. The early efforts are visible in scaling two potential accounts within BFS, out of which one account has propensity to scale beyond USD6m band. As part of the account mining strategy, the company is expanding its sales presence in México and Canada.

## Monetizing Databricks' capability

The company provides consulting and system integration (C&SI) services to enterprises by leveraging Databricks capabilities. With growing data governance, complexity and security, data engineering practice is expected to further accelerate from the current level.

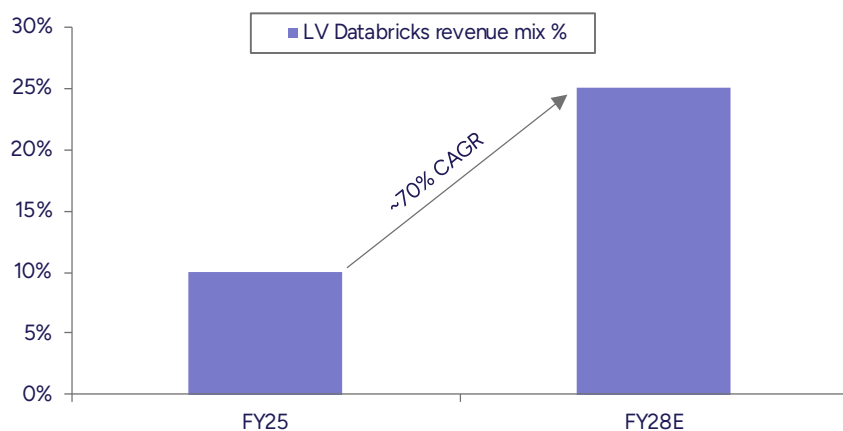
### Exhibit 30: Data storage cost reducing



Source: Databricks, PL

With access to a strong data foundation (Databricks), LATENTVI is expanding enterprise offerings around analytics frameworks and its horizontal capabilities around diagnostics and predictive analytics. Databricks' engagements majorly involve complex computations and experimentation of POCs and use cases, which account for ~80% of work deliveries. Additionally, the emerging POCs and use cases around GenAI provide further mandates for enterprises to standardize data management practices, establish guardrails and modernize their data fabric.

### Exhibit 31: Revenue from Databricks partnership to increase multifold



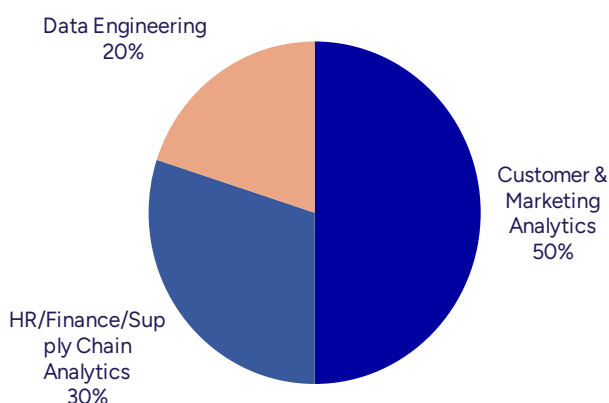
Source: Company, PL (our assumption)

The management aspires to achieve substantial portion of revenue, 25% by FY28, through Databricks partnership. The company has 250+ Databricks-certified professionals/experts who help generate low-double-digit revenue (our assumption). The appetite to drive inorganic capability further through Databricks coupled with complementary analytics services would partly support growth. Databricks' revenue grew ~50% YoY in CY23. Given the robust growth profile and visibility, we believe achieving exponential growth through strategic engagements is feasible.

### Value unlocking through strategic investments

LATENTVI's participation in front-end functional activities remains strong. It generates ~50% of revenue from customer and marketing analytics. With the recent acquisition of DP, the company has already scaled AI-led RGM offerings. RGM practice helps retail/CPG enterprises optimize S&M and inventory spends, while ensuring higher RoI through strategic pricing and offerings.

#### Exhibit 32: Customer & marketing analytics contributes about half the revenue

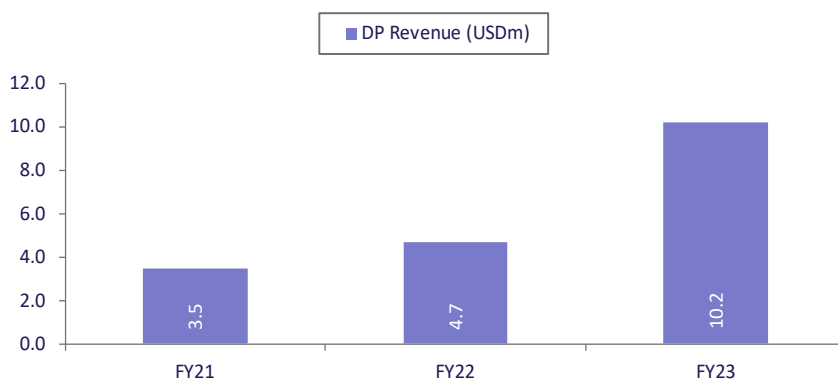


Source: Company, PL

*DP acquisition aided in diversifying segment & geography concentration*

Robust growth profile (~80% CAGR over FY21-23) and margins (EBITDAM: ~30%) further validate DP's resilience and value offerings to its existing client base. With full integration in place, LATENTVI has redefined GTM strategy along with DP to build nearshore sales presence in Canada and Mexico.

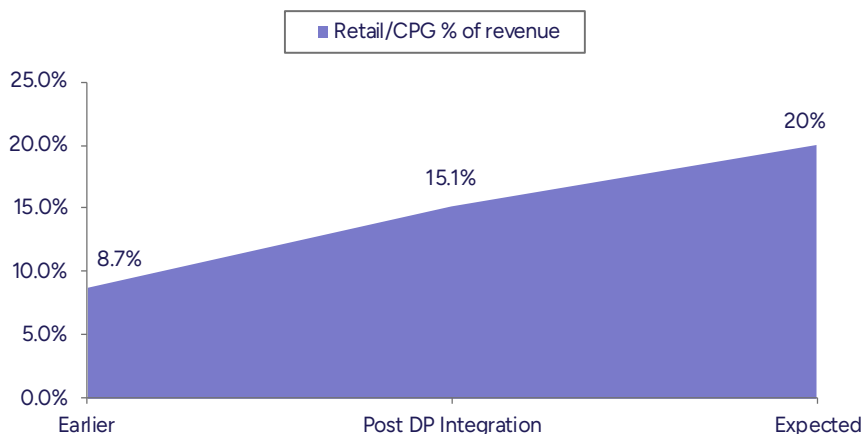
#### Exhibit 33: DP revenue CAGR at 80% (FY21-23)



Source: Company, PL

Since DP is retail/CPG dominated, revenue contribution from consumer/retail (consol) has increased to ~15% post integration from ~9% earlier. The management aspires to increase this number to ~20% over the next 3 years. We believe LATENTVI's core functional capability (marketing & promotions) is directly complementing DP's consumer-oriented vertical, which will unlock value for retail enterprise clients.

#### Exhibit 34: Broadened Retail/CPG segment Through DP acquisition



Source: Company, PL

Considering the growth and margin profile of DP, the management will be prudent in deploying capital towards future acquisitions to build inorganic capabilities. Current cash & cash equivalents of ~USD110m (~12% of market cap) is likely to be deployed to strengthen data engineering capability (Databricks) and GenAI/agent AI solutions and pursue large transformation deals.

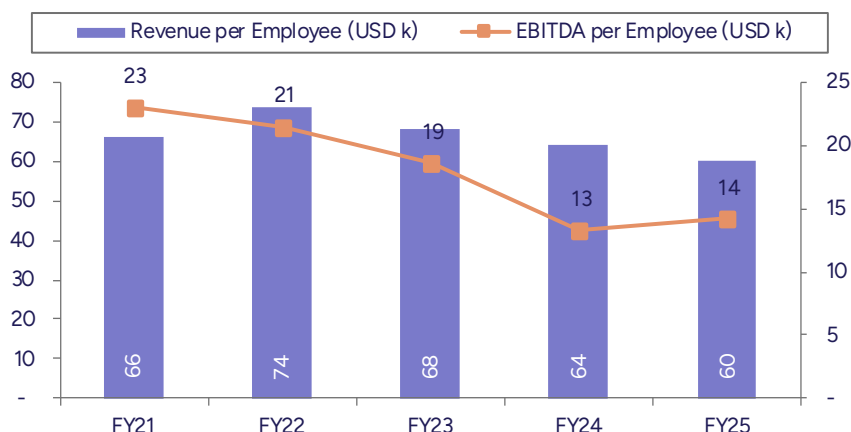
#### GenAI & agent AI – Key growth drivers

LATENTVI is already benefitting from transforming raw data into actionable BI through its data science, engineering and advanced visualization capabilities. Agent AI applies automation to certain entry-level analytics services such as data collection, basic analytics and feature engineering, thereby leading to a deflationary impact. Cost optimization mandates from enterprises are leading to deployment of a lesser number of personnel per project supplemented by automation. Despite this deflationary impact, the management claims to maintain similar budget ownership with higher SOWs across enterprise functions. The management aspires to double the revenue generated through GenAI/agent AI capabilities in the medium-term.

Global Gen AI led services within DAAI market is expected to grow at a CAGR of ~52% between FY25-30P



**Exhibit 35: Deflationary pressure stabilizes in FY25**



Source: Company, PL

**Exhibit 36: Delivering more SOW with less effort**

Data Extraction	Without GenAI	With GenAI	Use Case
Natural Language Query Processing	30–60 mins per query	Under 1 min	An e-commerce company slashed query time by 95%, empowering teams to focus on insights over syntax.
Automated Data Integration	4–8 hours	30 mins	A retail brand saved 5.5 hours/week by automating manual data merges.
Real-Time Data Insights	1–2 hours	5 mins	A digital agency reduced client report prep from 3 hours to 10 minutes.
Dynamic Report Generation	2–4 hours	5–10 mins	An ad firm used to spend 1.5 hours analyzing live campaign data—now it's just 5 minutes.
Ad-Hoc Data Exploration	Several hours	10–15 mins	A financial services firm cut customer trend analysis time from 4 hours to just 15 minutes.

Source: Company, PL

LATENTVI is increased its hiring for CoE talent and expects to reap the rewards for it in coming years

LATENTVI generates high-single-digit revenue through GenAI deployment, while agentic AI solutions are yet to hit production and derive meaningful value propositions for enterprise clients. The company invested heavily in FY24/FY25 to acquire capabilities and talent for reinforcing faster and valuable AI solutions. Since LATENTVI is actively participating in laying the data foundation for Fortune 500 enterprises, going deep into automating complex workflows and striving hyper-personalized experience through agentic AI/GenAI seem doable. However, these investments are yet to help scale focused accounts. With the acquisition of DP, the company has already scaled AI-led RGM offerings, while also empowering its core AI strength with robust hiring of CoE talent, which grew by +60% CAGR during FY23-25.

**Exhibit 37: CoE talent addition strong in FY25**

Function-wise employees	FY22	FY23	FY24	FY25
Delivery	770	942	1072	1316
S&M	38	59	78	86
Corporate functions	52	68	66	127
CoE	0	47	64	121

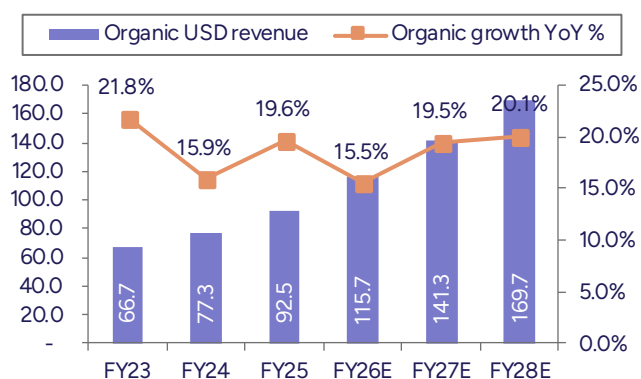
Source: Company, PL

In FY25, the company secured ~10 new client engagements in the area of agentic AI, beginning with pilots and use-cases; many of them have been identified as production-grade, especially within the technology vertical. At least 33% of the GenAI projects have reached the production phase, while the rest are being evaluated under POCs. We expect early engagements around agentic AI to mature and soon find their way through multiple business functions, aided by mandates for building a data foundation and pivoting to outcome-based solutions for enterprises. Additionally, the AI-led capabilities acquired through DP can be extrapolated to other horizontal functions beyond RPG and absorbed into core operations.

## Financials & Valuations

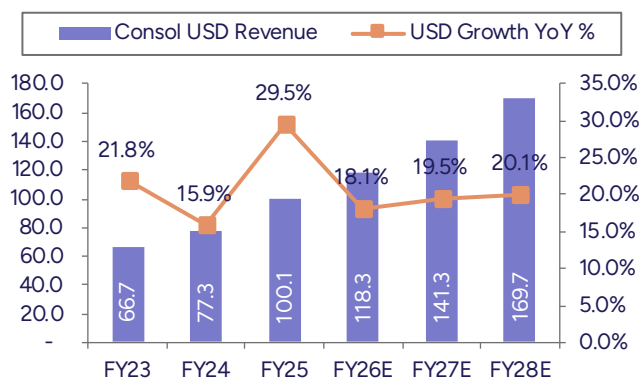
LATENTVI reported organic revenue CAGR of 19% over FY22-25, aided by strong momentum within technology and financial services, growing at 23% and 44% CAGR, respectively. The management is focused on stimulating growth within the CPG/consumer and financial services verticals, where the potential for front-end offerings (consumer, promotions and marketing) is notably high. The management is comfortable keeping trailing 12M books above 1.0x, aided by the strong pipeline building exercise around GenAI and agentic AI. Both these components have a confirmed order book of USD6mn (TTM) with a pipeline of USD8mn, which is expected to support the revenue growth in achieving guidance band of 18-19% YoY in FY26.

**Exhibit 38: Organic revenue CAGR at 19% over FY22-25**



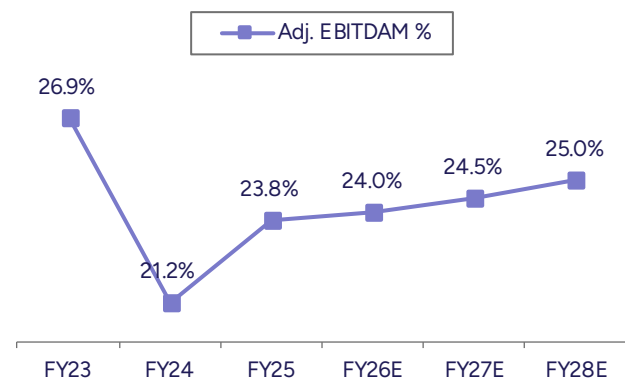
Source: Company, PL

**Exhibit 39: Consolidated growth to pick up in FY27E**



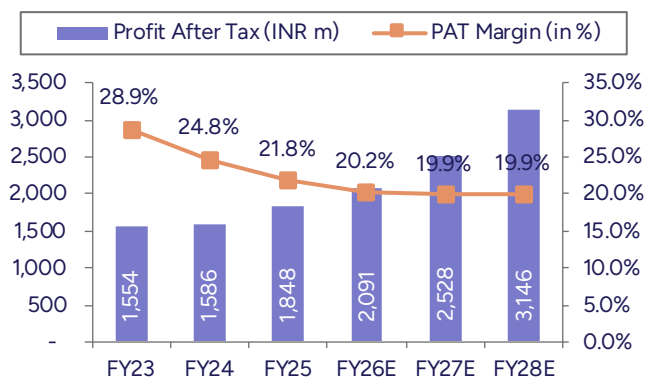
Source: Company, PL

**Exhibit 40: Adj EBITDA margin to improve from FY25**



Source: Company, PL

**Exhibit 41: PAT to increase steadily**



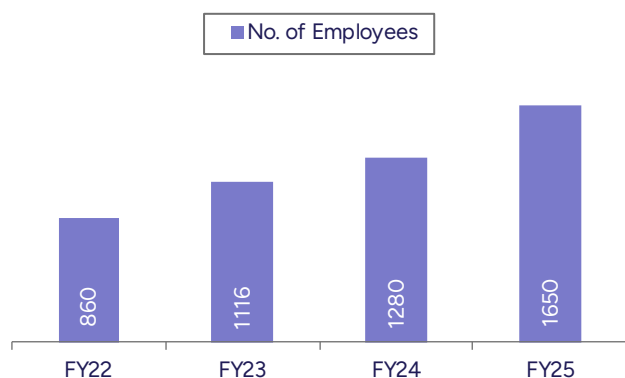
Source: Company, PL

The company actively participates in high-growth areas to reach its revenue milestone of USD200mn by FY27E/FY28E, which translates into a CAGR of 25-30%. Next leg of growth would come from the (1) partnership with Databricks (25% of revenue by FY28E), with core data engineering work continuing its momentum, while infusing complex analytics and advanced AI deliveries through robust data fabric; (2) integration of agentic AI/GenAI into enterprise business functions, investments in senior leadership hiring and building CoE yielding positive results; and (3) foray into large, transformation projects and investing in GCC practice. Being a niche player in a high-growth industry, we expect LATENTVI USD revenue to grow at a CAGR of 19.2% over FY25-28E.

## Margins to be largely maintained

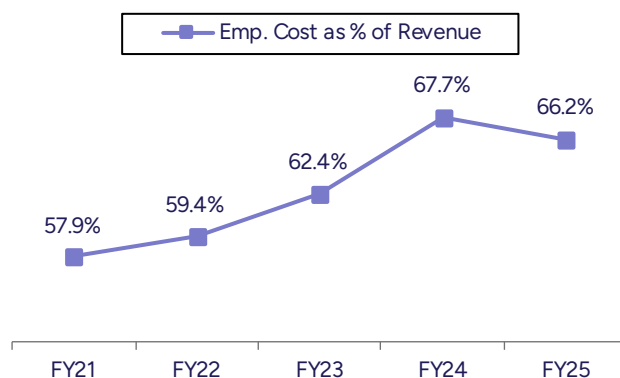
Adjusted margins have corrected over the last 3-4 years and improved to the historical trend (pre-COVID) of 24-25% EBITDA margin. Employee costs (new hiring + subsequent wage hikes) in the last couple of years have notably outpaced top-line growth by 400bps. The company invested heavily in FY24 to align with the emerging AI trend, which showed results through steady margin recovery in FY25. However, we believe given the strong mandates to invest in new and emerging technologies while continuing to hire CoE talent, margins are likely to remain within a narrow band of 24-25%.

**Exhibit 42: Emp additions strong in FY25 due to DP integration**



Source: Company, PL

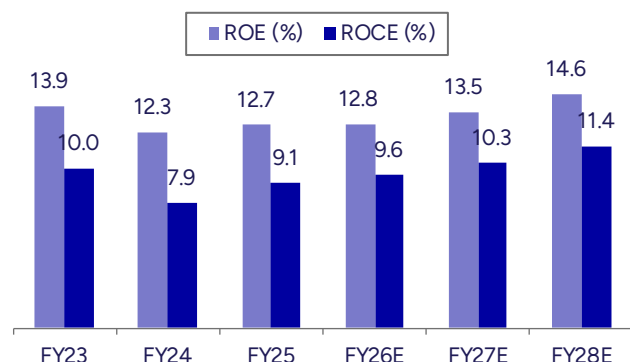
**Exhibit 43: Emp cost as % of revenue declines in FY25**



Source: Company, PL

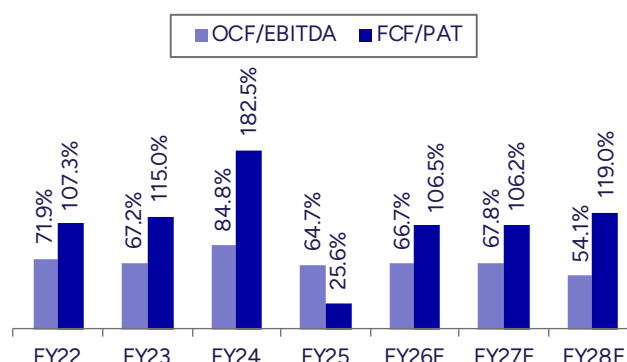
Margin improvement can be attributed to organic revenue growth. LATENTVI reported organic growth of 19.6% with margin improvement of 260bps YoY in FY25. Databricks and organic GenAI capabilities have helped expand core enterprise offerings; these require further scaling through the S&M engine to improve margins. Additionally, margin levers such as offshoring and attrition can be further optimized to capitalize and maintain margins in a steady band.

**Exhibit 44: RoE & RoCE to steadily improve from FY26E**



Source: Company, PL

**Exhibit 45: OCF & FCF to improve from FY26E**



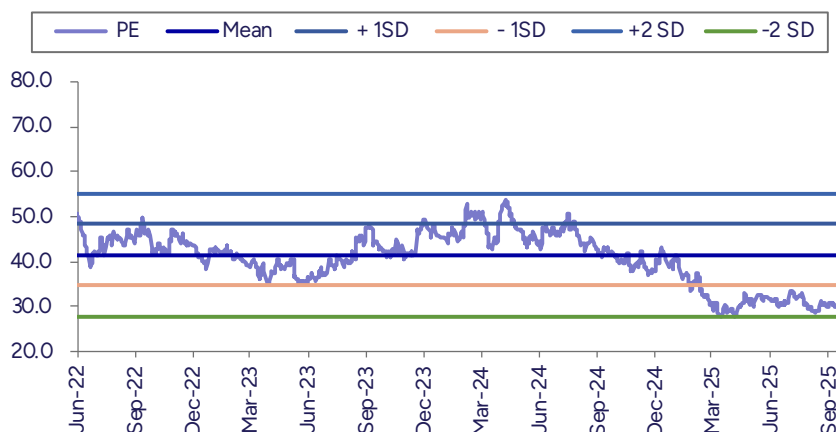
Source: Company, PL

The company has also witnessed a steady recovery in RoE/RoCE with prudent use of cash and investments in FY25. The acquisition of DP led to offloading of ~USD40mn cash from its books, evident from the slump in FCF/PAT to 25.6% in FY25. Going forward, the management has indicated that investments in acquiring Databricks capability would be similar to that of DP. The focus will be on largely maintaining existing vertical strength with an option to explore life sciences as an opportunity beyond existing pockets.

## Valuation and Outlook

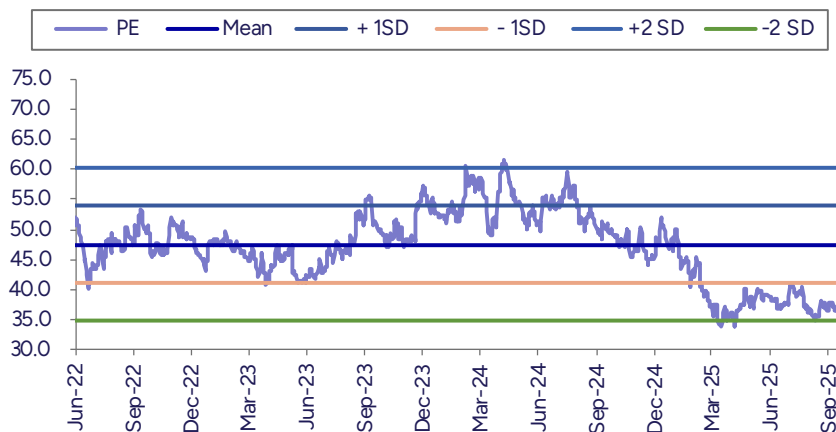
Focus on top 25 strategic accounts, Databricks engagement and solutions around GenAI/agentic AI should drive sustainable growth over FY26E-28E. Despite strong growth visibility, margin recovery is limited due to continued investments in future growth and GenAI capabilities. Our FY25-28E USD revenue/INR EBITDA/INR PAT CAGR estimates are 19.2%/25.1%/19.4%. We expect EBITDA margin improvement of 50bps each in FY26E & FY27E. Valuation remains inexpensive (~33x FY27E). We arrive at TP of Rs 570, valuing the company at 40x Sep'27E EPS. Initiate with 'BUY'.

**Exhibit 46: LATENTVI 2-year forward PE band**



Source: Company, PL

**Exhibit 47: LATENTVI 1-year forward PE band**



Source: Company, PL

## Key Risks

- LATENTVI generates significant revenue from its top 5 & 10 clients. Consequently, reduction in spending by major clients due to any economic downturn in the home country, or shift to alternative service providers could lead to a significant loss of revenue for the company.
- LATENTVI generates significant revenue from the tech vertical and US region. Consequently, any downturn in the segment or geography could impact the business.
- In FY24, LATENTVI acquired DP in a large strategic move. On its journey toward achieving revenue milestone of USD200mn by FY27E/FY28E, the company plans another sizable acquisition to strengthen its data engineering capabilities and deepen its partnership with Databricks. In addition, it is considering smaller investments to gain access to niche technologies that can augment its service offerings. We believe these plans carry integration and investment risks, as any execution challenges or unforeseen developments could adversely impact the company.
- High attrition and limited availability of talent with the right skill sets, particularly in AI/ML, remain key risks. Heightened competition for skilled professionals may also drive up employee costs, exerting pressure on profitability.
- The analytics services space is increasingly getting crowded. LATENTVI faces competition from IT consulting firms, BPO providers, and niche analytics players, which could pressure its growth and pricing power. In addition, major clients may consolidate vendors or build in-house data science teams; such 'insourcing by top clients' can potentially displace third-party providers like LATENTVI.



## Annexures

### Board of Directors & KMP

#### Exhibit 48: Board of Directors

Name	Designation
Venkat Viswanathan	Founder & Chairperson
Pramad Jandhyala	Co-founder
Anindya Ghose	Independent Director
Dipali Sheth	Independent Director
Mukesh Butani	Independent Director
R. Raghuttama Rao	Independent Director
Reed Cundiff	Independent Director

Source: Company, PL

#### Exhibit 49: KMP

Name	Designation
Rajan Sethuraman	CEO
Rajan Venkatesan	CFO
P. Srinivasan	Company Secretary
Remadevi Thottathil	CHRO
Annu Baral	Practise Head - Consulting
Anup Gunaseelan	Delivery Head – CPG & Hospitality
Boobesh Ramadurai	Practice Head - Marketing Analytics COE
Ganesh Sankaralingam	Delivery Head – Financial Services
Gaurav Kumar	Business Head – Technology
Kaushik Boruah	Business Head - CPG & Hospitality
Mahalakshmi Nageswaran	Business Head - B2B and Entertainment Technology
Parijat Banerjee	Business Head – Financial Services
Prashant Vishnupad	Business Head – Industrials
Prasun Velayudhan	Business Head - Consumer Tech
Sunder Balakrishnan	Practice Head – Supply Chain
Sunil Kalra	Practice Head – Data Engineering
Vivek Singh	Growth Head – Hi-Tech

Source: Company, PL

**Exhibit 50: Operating Metrics**

Particulars	FY21	FY22	FY23	FY24	FY25	Q1FY26
Revenue (USD mn)	41.3	54.8	66.8	77.3	100.1	27.6

**Segment mix (%)**

Tech	63.3%	65.5%	69.3%	71.1%	66.8%	67.0%
Financial services	9.6%	5.9%	8.5%	7.6%	9.6%	12.0%
CPG/Retail	9.6%	15.3%	10.1%	8.7%	15.1%	15.0%
Industrial	17.5%	13.3%	12.1%	12.6%	8.5%	6.0%

**Geography mix (%)**

US	92.9%	94.7%	94.9%	95.3%	90.5%	89.0%
Europe	3.3%	2.7%	2.6%	1.3%	1.1%	2.0%
RoW	3.9%	2.6%	2.5%	3.4%	8.5%	9.0%

**Client metrics (nos.)**

over Rs500mn	1	2	2	3	3	3
Rs100mn to Rs500mn	5	6	8	11	11	12
Rs50mn to Rs100mn	10	11	12	8	7	11
Under Rs50mn	29	37	38	39	56	74

**Top client revenue mix (%)**

Top 5	30.1%	38.0%	48.5%	61.6%	62.0%
Top 10	70.0%	71.0%	75.5%	72.8%	75.0%
Top 20	86.0%	88.0%	90.8%	86.0%	86.0%

**Employee metrics**

No. of employees	860	1116	1280	1650	1670
LTM attrition (%)	21.0%	21.0%	22.0%	22.0%	23.0%
Utilization (%)			77.0%	80.3%	82.0%

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Net Revenues</b>	<b>8,478</b>	<b>10,359</b>	<b>12,721</b>	<b>15,785</b>
YoY gr. (%)	32.3	22.2	22.8	24.1
Employee Cost	5,609	6,835	8,358	10,292
Gross Profit	2,870	3,524	4,363	5,493
Margin (%)	33.8	34.0	34.3	34.8
Other Expenses	854	1,037	1,253	1,547
<b>EBITDA</b>	<b>2,016</b>	<b>2,487</b>	<b>3,111</b>	<b>3,946</b>
YoY gr. (%)	48.2	23.4	25.1	26.9
Margin (%)	23.8	24.0	24.5	25.0
Depreciation and Amortization	293	392	471	584
<b>EBIT</b>	<b>1,723</b>	<b>2,095</b>	<b>2,640</b>	<b>3,362</b>
Margin (%)	20.3	20.2	20.8	21.3
Net Interest	-	-	-	-
Other Income	693	704	827	947
<b>Profit Before Tax</b>	<b>2,415</b>	<b>2,799</b>	<b>3,467</b>	<b>4,309</b>
Margin (%)	28.5	27.0	27.3	27.3
Total Tax	552	697	936	1,164
Effective tax rate (%)	22.9	24.9	27.0	27.0
<b>Profit after tax</b>	<b>1,863</b>	<b>2,102</b>	<b>2,531</b>	<b>3,146</b>
Minority interest	15	11	3	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>1,848</b>	<b>2,091</b>	<b>2,528</b>	<b>3,146</b>
YoY gr. (%)	16.5	13.1	20.9	24.4
Margin (%)	21.8	20.2	19.9	19.9
Extra Ord. Income / (Exp)	128	76	-	-
<b>Reported PAT</b>	<b>1,720</b>	<b>2,015</b>	<b>2,528</b>	<b>3,146</b>
YoY gr. (%)	8.4	17.1	25.5	24.4
Margin (%)	20.3	19.4	19.9	19.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,848	2,091	2,528	3,146
<b>Equity Shares O/s (bn)</b>	<b>205</b>	<b>204</b>	<b>204</b>	<b>204</b>
<b>EPS (Rs)</b>	<b>9.0</b>	<b>10.2</b>	<b>12.4</b>	<b>15.4</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>2,149</b>	<b>2,460</b>	<b>2,841</b>	<b>3,473</b>
Tangibles	824	1,135	1,516	2,148
Intangibles	1,325	1,325	1,325	1,325
<b>Acc: Dep / Amortization</b>	<b>589</b>	<b>980</b>	<b>1,450</b>	<b>2,034</b>
Tangibles	430	821	1,291	1,875
Intangibles	159	159	159	159
<b>Net fixed assets</b>	<b>1,560</b>	<b>1,480</b>	<b>1,391</b>	<b>1,439</b>
Tangibles	394	314	225	273
Intangibles	1,166	1,166	1,166	1,166
Capital Work In Progress	87	87	87	87
Goodwill	2,449	2,449	2,449	2,449
Non-Current Investments	4,301	4,301	4,301	4,301
Net Deferred tax assets	1	1	1	1
Other Non-Current Assets	682	682	682	682
<b>Current Assets</b>				
Investments	4,179	4,179	4,179	4,179
Inventories	-	-	-	-
Trade receivables	1,848	1,858	1,897	2,343
Cash & Bank Balance	976	3,027	5,580	8,032
Other Current Assets	315	254	295	347
<b>Total Assets</b>	<b>17,886</b>	<b>19,866</b>	<b>22,600</b>	<b>26,006</b>
<b>Equity</b>				
Equity Share Capital	206	206	206	206
Other Equity	15,163	17,189	19,720	22,866
<b>Total Networth</b>	<b>15,370</b>	<b>17,396</b>	<b>19,927</b>	<b>23,073</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	1	1	1	1
Provisions	21	21	21	21
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	198	232	285	351
Other current liabilities	1,129	1,048	1,199	1,393
<b>Total Equity &amp; Liabilities</b>	<b>17,886</b>	<b>19,866</b>	<b>22,600</b>	<b>26,006</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	2,287	2,799	3,467	4,309
Add. Depreciation	293	392	471	584
Add. Interest	(377)	(704)	(827)	(947)
Less Financial Other Income	693	704	827	947
Add. Other	(179)	(76)	-	-
Op. profit before WC changes	2,025	2,411	3,111	3,946
Net Changes-WC	(191)	(55)	(67)	(647)
Direct tax	(528)	(697)	(936)	(1,164)
<b>Net cash from Op. activities</b>	<b>1,305</b>	<b>1,659</b>	<b>2,108</b>	<b>2,136</b>
Capital expenditures	(3,470)	(311)	(382)	(631)
Interest / Dividend Income	539	704	827	947
Others	514	-	-	-
<b>Net Cash from Invt. activities</b>	<b>(2,417)</b>	<b>393</b>	<b>445</b>	<b>316</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	-	-	-	-
Interest paid	-	-	-	-
Others	(46)	-	-	-
<b>Net cash from Fin. activities</b>	<b>(46)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in cash</b>	<b>(1,158)</b>	<b>2,052</b>	<b>2,553</b>	<b>2,452</b>
Free Cash Flow	(2,169)	1,348	1,726	1,505

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
<b>Per Share(Rs)</b>				
EPS	9.0	10.2	12.4	15.4
CEPS	10.5	12.1	14.7	18.2
BVPS	75.1	85.1	97.5	112.9
FCF	(10.6)	6.6	8.4	7.4
DPS	-	-	-	-
<b>Return Ratio(%)</b>				
RoCE	9.1	9.6	10.3	11.4
ROIC	11.4	11.5	11.8	12.4
RoE	12.7	12.8	13.5	14.6
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.3)	(0.4)	(0.5)	(0.5)
Net Working Capital (Days)	65	64	51	46
<b>Valuation(x)</b>				
PER	44.5	39.3	32.5	26.1
P/B	5.4	4.7	4.1	3.6
P/CEPS	38.4	33.1	27.4	22.0
EV/EBITDA	38.3	30.1	23.3	17.7
EV/Sales	9.1	7.2	5.7	4.4
Dividend Yield (%)	-	-	-	-

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
<b>Net Revenue</b>	<b>2,090</b>	<b>2,278</b>	<b>2,322</b>	<b>2,360</b>
YoY gr. (%)	16.8	9.0	1.9	1.7
<b>EBITDA</b>	<b>471</b>	<b>595</b>	<b>567</b>	<b>523</b>
YoY gr. (%)	52.9	61.8	40.4	36.8
Margin (%)	22.5	26.1	24.4	22.2
Depreciation / Depletion	88	85	91	96
<b>EBIT</b>	<b>383</b>	<b>510</b>	<b>477</b>	<b>427</b>
Margin (%)	18.3	22.4	20.5	18.1
Net Interest	-	-	-	-
Other Income	218	143	164	211
<b>Profit before Tax</b>	<b>601</b>	<b>653</b>	<b>641</b>	<b>639</b>
Margin (%)	28.8	28.7	27.6	27.1
Total Tax	176	135	110	114
Effective tax rate (%)	29.2	20.7	17.2	17.8
<b>Profit after Tax</b>	<b>425</b>	<b>518</b>	<b>531</b>	<b>525</b>
Minority interest	-	(7)	22	3
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>407</b>	<b>433</b>	<b>490</b>	<b>503</b>
YoY gr. (%)	4.6	6.4	13.2	2.5
Margin (%)	19.5	19.0	21.1	21.3
Extra Ord. Income / (Exp)	18	92	18	19
<b>Reported PAT</b>	<b>425</b>	<b>525</b>	<b>508</b>	<b>522</b>
YoY gr. (%)	9.2	23.6	(3.2)	2.6
Margin (%)	20.3	23.1	21.9	22.1
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>	<b>407</b>	<b>433</b>	<b>490</b>	<b>503</b>
<b>Avg. Shares O/s (m)</b>	<b>210</b>	<b>213</b>	<b>189</b>	<b>204</b>
<b>EPS (Rs)</b>	<b>1.9</b>	<b>2.0</b>	<b>2.6</b>	<b>2.5</b>

Source: Company Data, PL Research

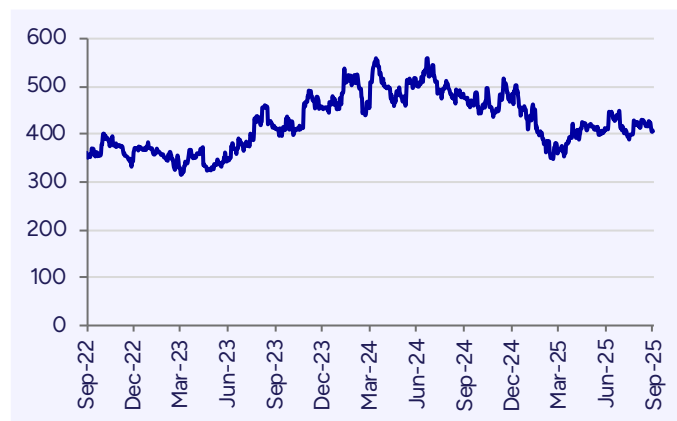
**Key Operating Metrics**

Y/e Mar	FY25	FY26E	FY27E	FY28E
Revenue (in US\$ mn)	100	118	141	170

Source: Company Data, PL Research

Price Chart

Recommendation History



No. Date Rating TP (Rs.) Share Price (Rs.)

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Cyient	Reduce	1,150	1,289
2	HCL Technologies	Hold	1,550	1,620
3	Infosys	Accumulate	1,750	1,575
4	KPIT Technologies	Accumulate	1,390	1,269
5	L&T Technology Services	Hold	4,250	4,347
6	LTIMindtree	Hold	5,340	5,195
7	Mphasis	Accumulate	2,920	2,625
8	Persistent Systems	Hold	5,890	5,606
9	Tata Consultancy Services	BUY	3,920	3,382
10	Tata Elxsi	Sell	4,750	6,138
11	Tata Technologies	Sell	570	717
12	Tech Mahindra	Reduce	1,470	1,608
13	Wipro	Hold	260	261

PL's Recommendation Nomenclature

**Buy** : >15%  
**Accumulate** : 5% to 15%  
**Hold** : +5% to -5%  
**Reduce** : -5% to -15%  
**Sell** : < -15%  
**Not Rated (NR)** : No specific call on the stock  
**Under Review (UR)** : Rating likely to change shortly

## **ANALYST CERTIFICATION**

### **(Indian Clients)**

We/I, Mr. Pritesh Thakkar- MBA Finance, Mr. Sujay Chavan- MMS-Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

### **(US Clients)**

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

## **DISCLAIMER**

### **Indian Clients**

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at [www.plindia.com](http://www.plindia.com).

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Pritesh Thakkar- MBA Finance, Mr. Sujay Chavan- MMS-Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

### **US Clients**

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

**Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

**[www.plindia.com](http://www.plindia.com)**