

LatentView Analytics Limited

Nifty: 23618 CMP: Rs. 325 Target Price: Rs. 480 Rating: Buy

Computers - Software & Consulting

LatentView Analytics delivered a healthy performance in 4QFY26, with revenue at Rs 2,886 mn (+24.3% YoY / +3.8% QoQ), driven by continued strength in the BFSI and Consumer verticals despite ongoing headwinds in certain large technology accounts. Adjusted EBITDA stood at Rs 695 mn (+22.3% YoY / +8.5% QoQ), with margins remaining robust at 24.1%, reflecting strong operating leverage even as the company continued to invest in AI capabilities, Databricks partnerships, leadership hiring, and go-to-market expansion. PAT came in at Rs 551 mn (+7.4% YoY / +8.5% QoQ), supported by operational strength though partially impacted by higher investments and lower other income. FY26 revenue crossed the Rs 10 bn milestone, marking a significant achievement with ~28% CAGR since IPO. Strategically, the company continued to strengthen its positioning as an AI-led analytics and data engineering player, with ~49% of FY26 revenues coming from AI projects. During the quarter, LatentView expanded its Agentic AI and GenAI capabilities, deepened its partnership with Databricks by attaining Gold Partner status, and made a strategic \$3 mn investment in Healthcon AI to build healthcare-focused AI orchestration capabilities.

Key Management Highlights-

- AI-led execution now contributes to nearly half of revenue, with growing traction in agentic AI, Databricks partnerships, and healthcare automation initiatives.
- The company is reducing dependence on large tech clients and the US market through strong BFSI growth, consumer vertical expansion, and wider geographic diversification.
- Management targets ~18–20% organic FY27 revenue growth, supported by AI-driven demand, BFSI momentum, and recovery in key technology accounts, while EBITDA margins are expected to remain around current levels.

Outlook and Valuation

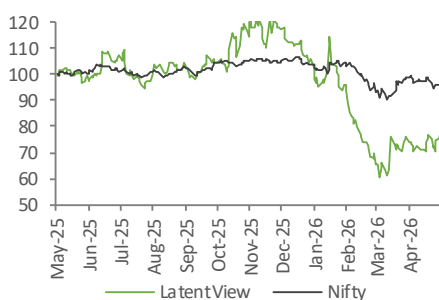
LatentView Analytics continues to command a premium valuation, supported by its strong positioning in AI-led analytics, expanding

GenAI and Agentic AI capabilities, and robust execution across BFSI and Consumer verticals. The company is increasingly evolving into an enterprise AI transformation partner, with ~28% of FY26 revenues linked to AI-led projects and nearly half of overall work involving AI in some form. Its strategic partnership with Databricks, growing traction in data engineering and cloud modernization, and recent \$3 mn investment in Healthcon AI further strengthen its long-term growth outlook.

While continued investments in AI capabilities and GTM expansion may moderate near-term margin expansion, we expect Revenue/EBITDA/PAT CAGR of ~19%/~20%/~18% over FY26-28E, driven by strong AI demand, BFSI momentum, and improving diversification. We maintain BUY, valuing the stock at 35x March-28E EPS of Rs 13.8, reflecting its premium positioning in the high-growth AI and analytics space and arrive at a target price of Rs 480. Maintain BUY.

Shareholding (%)	Mar-26
Promoters	65.10
FII's	3.15
DII's	4.13
Others	27.62

Relative Price Performance



Key Data	
BSE Code	543398
NSE Symbol	LATENTVIEW
Bloomberg Code	LATENTVIEW
Reuters Code	LATN.NS
Shares Outstanding (mn)	206
Face Value	1
Mcap (Rs. bn)	67.25
52 Week H/L	518/248
Current Market Price (Rs.)	325
Target price (Rs.)	480

Particulars (₹,1 mn)	FY26	FY27E	FY28E	CAGR (FY25-26E)
Revenue	10,602	12,522	14,915	19%
EBITDA	2,362	2,809	3,430	21%
EBITDA Margins	22.3%	22.4%	23.0%	72bps
PAT	2,020	2,376	2,844	19%
EPS (Rs. per share)	9.8	11.5	13.8	19%
PE Multiple (x)	33.2	28.3	23.6	

Management call highlights

1. AI Initiatives & Capabilities

- ~28% of total revenue last year involved traditional AI, gen AI, or agentic solutions where the AI aspect is clearly visible to and experienced by the end client.
- An additional 21% of revenue comes from projects where AI powers backend decision-making, workflow orchestration, modeling, or processing. Together, almost half (49%) of the company's total work utilizes AI in some shape or form.
- Use Case Applications: Active agentic workflows are being deployed in payments invoice reconciliation, market intelligence gathering, automated campaign execution, fraud analysis/counterfeit detection for marketplaces, and warranty claims handling in manufacturing.
- Talent Evolution: The company is building internal capability by shifting its model toward "forward deployed engineers"-professionals who combine full-stack technical competencies with data engineering, business intelligence, data science, domain knowledge, and AI orchestration skills.
- Over 200 employees have signed up for an internal cloud certification program.
- Management views OpenAI and Anthropic launching internal services arms as a strong validation that enterprise models cannot deliver value without an orchestrating services layer to handle transparency, data validation, provenance, and governance.

2. Strategic Alliances & Corporate Investments

- The Databricks partnership remains a central pillar of growth. Management is aggressively pursuing go-to-market and backend capability investments, and is exploring potential inorganic acquisitions of firms that possess robust professional services partnerships with Databricks.
- LatentView is the first investor in Healthion, a healthcare tech firm. The investment gives them early access to a technical architecture/agentic framework capable of automating 80% to 90% of Revenue Cycle Management (RCM) in the healthcare sector, which LatentView plans to leverage and reuse for other enterprise healthcare clients.
- The CEO personally leads the company's emerging partnership and ongoing traction discussions with Anthropic.

3. Client Dynamics & Revenue Recovery

- The technology industry faced rationalization headwinds in the prior quarter, causing a "gap down" or shrinkage in LatentView's largest technology account.
- Management expressed confidence in clawing back lost revenue through three large ongoing deal conversations in this top account: one \$3 million+ deal close to fructifying, and two others valued at \$1 million to \$1.5 million each.
- LatentView has engaged with this top client's vendor operations organization to provide analytics support, placing them closer to the procurement wing and increasing visibility across the broader enterprise.

4. Vertical & Geographical De-risking

- Vertical Diversification: The company significantly minimized concentration risk in its technology vertical from over 70% of revenues in 1QFY25 to 55%. This diversification was filled by the BFSI practice (which grew over 80% YoY) and the consumer space, aided by the Decision Point acquisition.
- Reliance on the US market has decreased. In 1QFY25, the US accounted for 94% of overall revenue, whereas the "Rest of the World" (including Europe) sat at 6%. The Rest of the World has now expanded to 15% of revenue.

5. Guidance

- Current high-visibility pipeline/order book supports 12-13% growth at the start of FY27. But with AI-driven deal momentum, Databricks expansion and BFSI growth, they are targeting ~18-20% organic revenue growth for FY27. Tech vertical- 5-8% YoY growth, BFSI- 40% YoY growth, consumer, 18-22% growth.
- EBITDA margins- Around current levels with investment-led pressure
- AI is increasing total work demand: Clients are not cutting budgets

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Quarterly Financials

Particulars (Rs in mn)	4QFY26	4QFY25	YOY	3QFY26	QoQ	FY26	FY25	YoY
Revenue	2,886	2,322	24%	2,780	4%	10,601.5	8,478.9	25%
Employee benefit cost	1,919	1,491	29%	1,863	3%	7,061.4	5,608.8	26%
Other Expenses	292	282	4%	295	-1%	1,177.9	981.8	20%
EBITDA	675	549	23%	621	9%	2,362.3	1,888.3	25%
EBITDA Margin (%)	23.4%	23.7%	-26bps	22.4%	105bps	22.3%	22.3%	2 bps
Dep & Amortisation	105	91	15%	105	0%	409	293	40%
EBIT	571	459	24%	517	11%	1,953	1,595	22%
Finance Cost	25	47	-46%	25	2%	100	66	52%
Other income	161	211	-24%	176	-9%	757	758	0%
PBT	706	622	14%	668	6%	2,611	2,288	14%
Tax Expenses	157	110	42%	160	-2%	590	555	6%
PAT	550	512	7%	508	8%	2,020.2	1,732.6	17%

Particulars	1QFY26	2QFY26	3QFY26	4QFY26
Revenue by geography				
USA	89.0%	86.0%	87.0%	85.0%
APAC	6.0%	7.0%	6.0%	8.0%
LATAM	3.0%	4.0%	4.0%	4.0%
Europe	2.0%	3.0%	3.0%	3.0%
Revenue by industry				
Technology	67.0%	62.0%	61.0%	55.0%
Industry	6.0%	6.0%	6.0%	7.0%
consumer & retail	15.0%	18.0%	17.0%	22.0%
Financial services	12.0%	14.0%	16.0%	16.0%
Revenue from deals				
less than Rs 50mn	11.0%	12.0%	12.0%	10.0%
between Rs 50-100 mn	8.0%	6.0%	6.0%	7.0%
between Rs 100-500mn	28.0%	25.0%	27.0%	24.0%
above Rs 500mn	53.0%	58.0%	56.0%	59.0%
client concentration				
Top 5 clients	62.0%	60.0%	61.0%	56.0%
Top 10 clients	75.0%	74.0%	74.0%	69.0%
Top 20 clients	86.0%	85.0%	86.0%	84.0%
Employees split by function				
Delivery	1,326	1,373	1,401	1,436
sales and marketing	84	91	74	74
corporate functions	124	125	117	114
Center of excellence	136	140	135	120
Utilization rate				
offshore	82%	84%	85%	89%
Attrition rate	23%	22%	24%	24%

Change in Estimates

Particulars (Y/E March) (Rs mn)	Old Estimates		New Estimates		Change in Estimates	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	12,602	15,173	12,522	14,915	-1%	-2%
EBITDA	2,926	3,789	2,809	3,430	-4%	-9%
EBITDA margin	23.2%	25.0%	22.4%	23.0%	-79bps	-198bps
PAT	2,455	3,110	2,376	2,844	-3%	-9%
EPS (Rs. per share)	11.9	15.1	11.5	13.8	-3%	-9%

Financials

Income Statement

Particulars Y/E Mar (Rs mn)	FY26	FY27E	FY28E
Net sales	10,602	12,522	14,915
Net sales growth	25.0%	18.1%	19.1%
Employee cost	7,061	8,336	9,814
Other Expenses	1,178	1,377	1,670
EBITDA	2,362	2,809	3,430
EBITDA growth	25.1%	18.9%	22.1%
EBITDAM	22.3%	22.4%	23.0%
Depreciation	409	413	488
EBIT	1,953	2,396	2,943
EBITM	18.4%	19.1%	19.7%
Other Income	757	900	1,000
Interest cost	100	120	140
Profit Before Tax	2,611	3,176	3,803
Tax	590	800	958
PAT	2,020	2,376	2,844
PAT growth	16.6%	17.6%	19.7%
Pat margin	19.1%	19.0%	19.1%
EPS (Rs per share)	9.8	11.5	13.8

Key Ratios

Particulars	FY26	FY27E	FY28E
EPS	9.8	11.5	13.8
Book value per share	86.6	98.2	112.0
ROE	12.2%	12.5%	13.1%
ROCE	14.7%	15.8%	16.6%
Ex cash ROCE	14.2%	17.6%	21.9%
EBITDA Margin	22.3%	22.4%	23.0%
Effective Tax Rate	22.6%	25.2%	25.2%
PAT Margin	19.1%	19.0%	19.1%
Net Debt/Equity	1.9%	1.6%	1.4%
Interest coverage ratio	19.61	19.97	21.02
Current Ratio	4.05	4.94	6.00
Asset Turnover Ratio	18.78	20.79	26.41
Working Capital (in days)	73	73	73
Debtors (in days)	80	80	80
Creditors (in days)	7	7	7
P/E(x)	41	35	29
P/BV(x)	5	4	4
Dividend Yield (%)	-	-	1.00
Total cash shares	12,507	14,876	17,383
cash per share	207	207	207
dep/NFA	60.54	72.00	84.14
Debt	73%	69%	86%
Debt	332	332	332
Growth rates			
Revenues	25%	18%	19%
EBITDA	25%	19%	22%
PAT	17%	18%	20%
Headcount	1,852	1,912	2,052
Revenue per employee	5.7	6.5	7.3
Cost per employee	3.8	4.4	4.8
EBITDA per employee	1.3	1.5	1.7

Balance Sheet

Particulars Y/E Mar (Rs mn)	FY26	FY27E	FY28E
Share capital	207	207	207
Reserves and surplus	17,345	19,721	22,565
Non-Controlling interest	287	287	287
Total Network	17,839	20,215	23,059
Trade Payables	198	240	286
Long term borrowings and lease liability	215	215	215
Short-term borrowing and lease liability	117	117	117
Total Debt	332	332	332
Other Liabilities	2,575	2,575	2,575
Total Liabilities	20,944	23,362	26,252
Net Fixed Assets	565	602	565
Intangibles	3,402	3,402	3,402
Investments	9,169	10,993	12,993
Trade Receivables	2,312	2,324	2,745
Cash and bank balances	3,338	3,883	4,390
Other assets	5,560	5,560	5,560
Total Assets	20,944	23,362	26,252

Cash Flow Statement

Particulars Y/E Mar (Rs mn)	FY26	FY27E	FY28E
PBT	2,611	3,176	3,803
Depreciation and amortisation expense	409	413	488
Finance costs	98	120	140
Changes in working capital	17	30	(375)
Taxes	(736)	(800)	(958)
others	(756)	-	-
Cash flow from operations (A)	1,643	2,939	3,097
Purchase of property, plant and equipment	(225)	(450)	(450)
Purchase of investments	(11,172)	(1,823)	(2,000)
Net cash (used in)/ generated from investing activities (B)	(11,397)	(2,273)	(2,450)
Finance costs paid	(21)	(120)	(140)
Net cash flow from / (used in) financing activities (C)	(21)	(120)	(140)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(9,775)	545	507
Cash and cash equivalents at the beginning of the year	696	1,587	2,130
Effect of exchange differences on restatement of foreign currency on Cash and cash equivalents	40	-	-
Cash from business combination			
Cash and cash equivalents at the end of the year	1,587	2,130	2,637
Free cash flow	1,418	2,489	2,647

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