Data Patterns (DATPAT)

CMP: ₹ 4025 | Target ₹ 4920 (22%) | Target Period: 12 months | BUY

November 10, 2026

Execution to pick-up in H2; large order pipeline supports long-term growth...

About the stock: Data Patterns (India) (DPIL) is a vertically integrated defence and aerospace electronics solutions provider. Company's domain expertise is in development & manufacturing of key electronic systems like radars, electronic warfare, communication systems, avionics, satellite and test equipment's. Customers include MoD, DRDO, DPSUs, private sector players and exports

- Company's order backlog stands at ₹ 2,698 crore as of Sep'26

Investment Rationale:

- **Strong order inflows and growing order visibility support near-term revenue growth:** The company secured fresh orders worth ₹1,046 crore during H1FY27, taking its order book to ₹2,698 crore (3.5x TTM evenue) as of Sep-26 including negotiated orders. Management also indicated an additional order pipeline of ₹1,500-2,000 crore, with opportunities across HAL, radar, electronic warfare and other defence programmes. With FY27 revenue growth guidance of 20-25% reiterated, a stronger H2 execution profile and a healthy order pipeline provide visibility for sustained growth.
- Transition towards complete defence systems expands addressable market and long-term growth opportunities: Company is increasingly moving beyond its traditional role as a supplier of components and subsystems towards developing complete indigenous defence systems. The company is investing in counter-drone systems, radars, electronic warfare, jammer pods, software-defined radios, optronics and defence satellites. Management believes that developing complete products in-house will enable direct participation in larger MoD programmes, increase value addition and reduce dependence on ToT through defence PSUs. Several products developed for DRDO are also expected to move towards production orders over the next 1-1.5 years
- **Technology investments, exports and manufacturing expansion strengthen long-term positioning:** The company continues to invest in R&D, working across product development and programme management. It is following a building-block approach to reuse technologies across programmes, helping reduce development costs and qualification timelines. Export opportunities are expanding across precision approach radars, radar front ends, radar subsystems and civil aviation avionics, with initial European deliveries expected from Dec-26 to Mar-27. The acquisition of ST Advanced Composites further strengthens its advanced composite capabilities and ability to offer integrated solutions. Planned investments in product development, testing infrastructure and manufacturing capacity are expected to support participation in larger programmes and future scale-up

Rating and Target Price:

- We believe that Data Patterns is well positioned to capture rising opportunities across defence & space electronics in the coming years. With steady execution and sustainable margins, we estimate revenue and PAT CAGR of ~25% over FY26-28E
- We maintain BUY on DATPAT with a TP of ₹ 4920 (65x FY28E EPS)

DATA PATTERNS

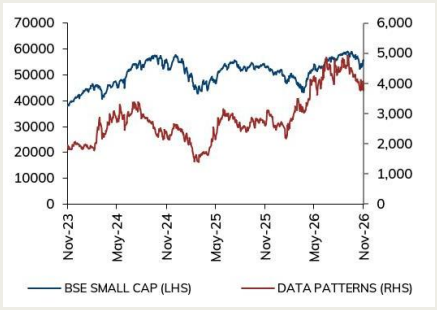
Particulars

Particular	Amount
Market Capitalisation (₹ Crore)	22,534
FY26 Gross Debt (₹ Crore)	0
FY26 Cash (₹ Crore)	94
EV (₹ Crore)	22,440
52 Week H/L (₹)	5000 / 2131
Equity Capital	11.2
Face Value	2.0

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	42.4	42.4	42.4	42.4
FII	11.5	12.5	12.5	11.3
DII	10.3	11.7	12.0	13.0
Others	35.8	33.4	33.1	33.3

Price Chart



Key risks

i. Dependent on govt contracts

ii. High working capital requirement

iii. Availability of key raw materials/ components

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Key Financials (₹ Crore)	FY23	FY24	FY25	FY26	3-year CAGR (FY23-26)	FY27E	FY28E	2-year CAGR (FY26-28E)
Revenues	453	520	708	925	26.8	1,147	1,433	24.5
EBITDA	172	222	275	374	29.6	457	573	23.8
EBITDA margin (%)	37.9	42.6	38.8	40.4		39.8	40.0	
Net Profit	124	182	222	271	29.8	338	424	24.9
Diluted EPS (Rs)	22.1	32.5	39.6	48.5		60.4	75.7	
P/E (x)	181.8	124.0	101.6	83.0		66.6	53.2	
EV/EBITDA (x)	118.1	91.2	74.3	54.7		44.8	35.6	
RoCE (%)	14.8	19.0	20.4	21.8		22.7	24.0	
RoE (%)	10.6	13.7	14.7	15.8		16.7	17.7	

Source: Company, ICICI Direct Research

Q2FY27 Result Summary

- Company reported Q2FY27 revenue from operations of ₹133.3 crore, declining 56.7% YoY (+14.8% QoQ), following exceptionally strong execution in Q2FY26.
- EBITDA declined 54.2% YoY to ₹31.4 crore, while EBITDA margin improved by 126 bps YoY to 23.5%. PAT declined 55.6% YoY (-1.1% QoQ) to ₹21.8 crore.
- For H1FY27, revenue declined 38.7% YoY to ₹249.3 crore, EBITDA stood at ₹62.7 crore and PAT declined 41.3% to ₹43.9 crore.

Q2FY27 highlights

- Management reiterated FY27 revenue growth guidance of 20-25% and EBITDA margin guidance of 35-40%. H2FY27 is expected to be stronger than H1, with execution picking up in Q3 and Q4, as the business typically has a higher Q4 contribution
- Order book stood at ₹1,742 crore, with another ₹956 crore of negotiated orders awaiting formal receipt, taking total order visibility to ₹2,698 crore. Fresh order inflows stood at ₹1,046 crore in H1FY27, including ₹929 crore in Q2FY27. The international order book stood at ₹32 crore, with management expecting it to grow during FY27
- Management indicated an additional order pipeline of ₹1,500-2,000 crore over and above the current order visibility, including opportunities with HAL and other defence programmes. Most negotiated orders are expected to be formalised over the next 1-2 months, subject to government approval processes.
- The Sukhoi-30 self-protection jammer pod is progressing well, with software, hardware and mechanical design completed in-house. Management expects the system to undergo flight testing in the coming months. However, software integration for the HAWK radar remains delayed, while its hardware is ready
- The company is increasingly focusing on developing complete defence systems rather than individual components and subsystems, enabling direct participation in larger Ministry of Defence programmes while continuing its existing business with DRDO and defence PSUs.
- The company is developing a comprehensive counter-drone portfolio, including active detection radars, passive RF detection, jamming systems and electro-optics. Initial product demonstrations and development orders are expected over the coming months, with production opportunities likely after field trials.
- The company is developing indigenous software-defined radios for the Army, Navy and Air Force, with integration across different platforms currently underway. Management is also developing next-generation COMINT systems, radar warning receivers, maritime and airborne radars and advanced optronics.
- Management has decided to enter the defence satellite segment, with plans to design and manufacture complete satellites and payloads in-house. The company has started hiring experienced personnel, including former ISRO scientists, and plans to develop 150-500 kg class satellites for domestic and international markets.
- The BrahMos seeker programme is undergoing qualification trials, following which the company expects production enquiries. The HAL Tejas Mk1A opportunity remains under negotiation, while additional opportunities across Tejas Mk2 are at the product-development stage.
- Export opportunities are expanding across precision approach radars, radar front ends and radar subsystems. European radar front-end orders are expected to begin execution between December 2026 and March 2027,

while the company is also co-developing radars with a British partner and exploring civil aviation avionics opportunities.

- Management expects several products already developed for DRDO to move towards production orders over the next 1-1.5 years, creating opportunities for repeat business. The company is also developing products through self-funded initiatives, with the objective of securing larger programmes offering 5-6 years of production visibility.
- The company acquired a 100% stake in ST Advanced Composites, strengthening its advanced composite manufacturing capabilities and ability to offer integrated solutions across defence programmes. Management indicated that investments in product development and infrastructure could exceed the previously indicated ₹150 crore over the next two years.

Exhibit 1: Q1FY27 consolidated result overview (₹ crore)

Particulars	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	Comments	H1FY27	H1FY26	YoY (%)
Revenue from operations	133.3	307.5	-56.7	116.0	14.8	Execution was normalized following a exceptionally strong execution in Q2FY26	249.3	406.8	-38.7
Other income	8.2	5.9		7.3			15.5	16.5	
Total Revenue	141.4	313.4		123.3			264.8	423.3	
Raw materials costs	41.3	189.0		24.5			65.8	209.1	
Employees Expenses	44.1	37.9		42.5			86.6	74.3	
Other Expenses	16.5	12.1		17.6			34.2	22.8	
Total Expenditure	101.9	239.0	-57.4	84.7	20.4		186.6	306.2	
EBITDA	31.4	68.5	-54.2	31.4	0.0		62.7	100.6	-37.6
EBITDA margins (%)	23.5	22.3	126 bps	27.0	-350 bps	Margins increased marginally owing to better product mix	25.2	24.7	44 bps
Interest	3.1	2.4		3.3			6.3	5.6	
Depreciation	7.1	5.7		5.9			13.0	11.1	
Tax	7.6	17.2		7.4			15.0	25.6	
PAT	21.8	49.2	-55.6	22.1	-1.1		43.9	74.7	-41.3

Source: Company, ICICI Direct Research

Financial summary

Exhibit 2: Profit and loss statement ₹ crore

(₹Crore)	FY25	FY26	FY27E	FY28E
Revenue	708.4	924.8	1,146.7	1,433.4
% Growth	36.3	30.6	24.0	25.0
Other income	46.3	28.0	29.0	33.9
Total Revenue	708.4	924.8	1,146.7	1,433.4
% Growth	36.3	30.6	24.0	25.0
Total Raw Material Costs	276	340	421	519
Employee Expenses	114	154	193	241
other expenses	43	57	76	100
Total Operating Expenditure	433.4	550.8	690.1	860.1
Operating Profit (EBITDA)	275.0	374.0	456.6	573.3
% Growth	24.1	36.0	22.1	25.6
Interest	12	12	13	13
PBDT	309	390	473	595
Depreciation	14	23	25	34
PBT before Exceptional Items	295	367	448	561
Total Tax	74	92	110	137
PAT before MI	222	271	338	424
PAT	221.8	271.4	338.1	423.6
% Growth	22.1	22.3	24.6	25.3
EPS	39.6	48.5	60.4	75.7

Source: Company, ICICI Direct Research

Exhibit 3: Cash flow statement ₹ crore

(₹Crore)	FY25	FY26	FY27E	FY28E
Profit after Tax	222	271	338	424
Depreciation	14	23	25	34
Interest	12	12	13	13
Cash Flow before WC chg	248	307	376	470
Changes in inventory	(52)	45	(65)	(85)
Changes in debtors	(198)	(131)	(120)	(173)
Changes in loans & adv	-	-	-	-
Changes in other CA	0	25	(8)	(10)
Net Incr in Current Assets	(267)	(47)	(194)	(268)
Changes in creditors	34	(7)	33	27
Changes in provisions	1	3	3	3
Net Inc in Current Liabilities	(73)	(136)	48	44
Net CF from Op activities	(92.7)	123.6	229.6	246.4
Chg in deferred tax assets	-	-	-	-
(Pur)/Sale of Fixed Assets	(112)	(61)	(80)	(100)
Net CF from Inv activities	(138.3)	(100.0)	(142.7)	(179.3)
Dividend and Dividend Tax	(34)	(41)	(49)	(58)
Net CF from Fin Activities	(49.9)	(56.1)	(61.8)	(70.9)
Net Cash flow	(281)	(33)	25	(4)
Opening Cash/Cash Eq	407	126	94	119
Closing Cash/ Cash Eq	126	94	119	115

Source: Company, ICICI Direct Research

Exhibit 4: Balance sheet ₹ crore

(₹ Crore)	FY25	FY26	FY27E	FY28E
Equity Capital	11.2	11.2	11.2	11.2
Reserve and Surplus	1,497	1,725	2,014	2,379
Total Shareholders' funds	1,508	1,736	2,025	2,390
Other Non-Current Liabilities	14.3	14.9	2.0	2.0
Total Debt	-	-	-	-
Total Liabilities	1,562.4	1,788.8	2,037.6	2,402.8
Gross Block	225	268	301	401
Acc: Depreciation	84	107	132	166
Net Block	141	161	169	235
Capital WIP	13	13	60	60
Total Fixed Assets	296	335	389	456
Non-Current Assets	91	127	149	178
Inventory	319	274	339	424
Debtors	596	728	848	1,021
Loans and Advances	58	33	41	51
Other Current Assets	126	94	119	115
Cash	1,125	1,139	1,358	1,622
Total Current Assets	84	77	110	137
Current Liabilities	12	14	10	10
Provisions	277	140	188	232
Total Current Liabilities	848	999	1,170	1,390
Net Current Assets	1,562	1,789	2,038	2,403
Total Assets	11.2	11.2	11.2	11.2

Source: Company, ICICI Direct Research

Exhibit 5: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Diluted EPS	39.6	48.5	60.4	75.7
Cash per Share	80.9	75.5	80.0	88.2
BV	269.4	310.1	361.7	426.9
Dividend per share	6.0	7.3	8.8	10.4
Dividend payout ratio	15%	15%	15%	14%
EBITDA Margin	38.8	40.4	39.8	40.0
PAT Margin	31.3	29.3	29.5	29.6
Asset turnover	0.5	0.5	0.6	0.6
Debtors Turnover Ratio	1.4	1.4	1.5	1.5
Creditors Turnover Ratio	10.6	11.5	12.3	11.6
RoIC	18.9	21.4	22.6	23.7
RoNW	14.7	15.8	16.7	17.7
RoCE	20.4	21.8	22.7	24.0
EV / EBITDA	74.3	54.7	44.8	35.6
P/E	101.6	83.0	66.6	53.2
EV / Net Sales	28.8	22.1	17.8	14.2
Sales / Equity	0.5	0.5	0.6	0.6
Market Cap / Sales	29.5	22.6	18.2	14.6
Price to Book Value	14.9	13.0	11.1	9.4
Debt / Equity	-	-	-	-
Current Ratio	10.0	10.9	9.4	9.3
Quick Ratio	6.7	8.0	6.8	6.6

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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