Latent View Analytics (LATVIE)

ICICI Direct

CMP: ₹300 | Target: ₹350 (17%) | Target Period: 12 months | BUY

August 3, 2026

AI led execution reinforces growth confidence…

About the stock: Latent View Analytics (Latent View) is a leading pure-play data analytics services company in India. It provides expertise on the entire value chain of data analytics.

Q1FY27 performance: Revenue at ₹287.0 crore, down 0.6% QoQ/ up 21.5% YoY. Dollar revenue declined 3.5% QoQ, impacted by completion of one-off Decision Point projects, delayed project extensions, client-specific insourcing in a large Technology account. Reported EBITDA margin came at 19.8%, down ~360 bps QoQ. PAT stood at ₹47.0 crore, down 14.5% QoQ / 6.8% YoY.

Investment Rationale:

- **AI-led demand & AI capabilities support medium-term growth visibility:** The management stated that **81% of engagements now AI-enabled and 35% of revenues coming from primary AI-led projects in Q1FY27 (vs 28% in FY26). Management has given FY27 revenue growth guidance of 12%,** supported by demand across BFSI, Technology (extensions worth US$15 mn), Healthcare and Retail (~US$26 mn confirmed pipeline + US$2 mn extensions), a healthy pipeline of AI-led transformation opportunities and expectations of a strong recovery from Q2FY27. **It maintained its medium-term (FY28/29) US$200 million revenue aspiration.** We believe the company's expanding partnerships (Databricks, OpenAI and Anthropic) and increasing AI monetisation should support healthy double-digit revenue growth over FY27-28E. **Accordingly, we have baked in ₹ revenue CAGR of 15.1% over FY26-28E.**
- **Transitory margin pressure: Q1 margins were impacted by wage hikes (~270 bps), lower revenues from completion of one-off CPG projects along with client-specific insourcing in a large Tech account (~190 bps) and seasonal visa & marketing costs which were partly offset by lower travel costs (~100 bps).** The company continues to invest in AI leadership, partnerships and platform capabilities through the creation of a dedicated Chief Technology & AI Officer organization and an AI Foundry platform. Management expects further 40-50 bps impact from **annual wage hikes in Q2 and expects EBITDA margins around 20–22% in FY27. AI-led productivity gains and higher adoption of outcome-based pricing over time shall improve operating leverage. We expect margins to gradually recover as revenue growth accelerates and AI-driven efficiencies scale across engagements. Accordingly, we have baked in EBITDA margins of 21.3%/22.4% in FY27E/FY28E.**
- **Strategic M&A provides an incremental growth lever:** Management indicated that it is advanced discussions (Letter of Intent signed) to evaluate inorganic growth opportunities, particularly in Healthcare, Life Sciences and Data Engineering, to strengthen domain capabilities & expand its AI led offerings. We believe, disciplined acquisition supported by the company's debt free balance sheet and healthy cash position, could help sustain it's growth momentum.

Rating and Target Price: We maintain our BUY rating with a target price of ₹350, albeit based on a lower multiple of 26x FY28E EPS (vs 30x earlier) due to softer FY27 growth expectations of ~12% YoY, which shall be supported by healthy AI-led demand and healthy pipeline.

Key Financial Summary

₹ Crore	FY25	FY26	5 Year CAGR (FY21-26)	FY27E	FY28E	2 Year CAGR (FY26-28E)
Net Sales	848	1,060	28.2	1,191	1,405	15.1
EBITDA	189	236	17.7	254	315	15.4
EBITDA Margin (%)	22.3	22.3		21.3	22.4	
Net Profit	173	202	17.2	209	269	15.3
EPS (₹)	8.4	9.4		10.4	13.3	
P/E	35.7	32.0		29.0	22.6	
RoNW (%)	11.3	11.3		10.5	11.9	
RoCE (%)	14.2	14.7		14.1	15.1	

Source: Company, ICICI Direct Research

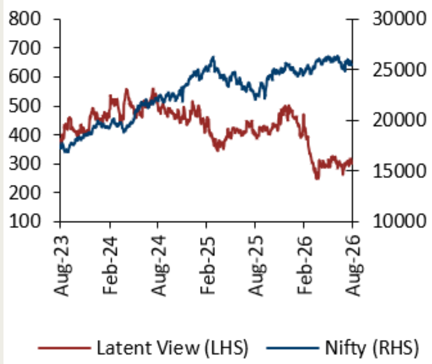
Particulars

Particulars	₹ crore
Market Cap (₹ Crore)	6,478
Total Debt (₹ Crore)	33
Cash & Invests (₹ Crore)	651
EV (₹ Crore)	5,860
52 week H/L	517/248
Equity capital (₹ Crore)	20.7
Face value (₹)	1.0

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoter	65.2	65.1	65.1	65.1
FII	2.2	3.7	3.2	2.1
DII	3.4	4.2	4.1	3.6
Public	29.2	27.0	27.6	29.2

Price Chart



Key risks

- Slower than expected recovery in revenue growth
- Lower than expected margin expansion

Research Analyst

Bhupendra Tiwary, CFA
bhupendra.tiwary@icicisecurities.com

CA Anjini Sharma
anjini.sharma@icicisecurities.com

Result Update

ICICI Securities – Retail Equity Research

Performance highlights and outlook

- **Revenue Performance:** Consolidated revenue stood at ₹287 crore, down 0.6% QoQ and up 21.6% YoY. Dollar revenue declined 3.5% QoQ, impacted by completion of one-off Decision Point projects, delayed project extensions, client-specific insourcing in a large Technology account and volume discounts extended to a large BFSI client.
- **Vertical Performance:** Vertical-wise on a QoQ basis, BFSI (20% of the mix) and Tech (58% of the mix) grew by 24% and 5%, respectively, while CPG & Retail (15% of the mix) and Industrial (7% of the mix) de-grew 32% and 1%.
  - **Technology:** Large client insourcing headwind has now largely played out. Management expects the account to return to growth from Q2 supported by a confirmed pipeline of US$15mn from project extensions & 14+ US$0.5 mn opportunities in the current year.
  - **CPG & Retail:** Sequential decline was driven by completion of one-off Decision Point projects and delayed extensions. Management expects 25%+ QoQ recovery in Q2, supported by ~US$26 million pipeline and ~US$2 million extension opportunities.
  - **BFSI:** Continued to remain the strongest growth driver with healthy client additions and strong expansion opportunities. Management expects sustained momentum through FY27.
  - **Industrial:** New client wins in AI data-center infrastructure, automotive and manufacturing analytics continue to strengthen the pipeline.
- **Geography Performance:** Geography-wise on a QoQ basis, USA (90% of the mix) grew 5%, while RoW (8% of the mix) and Europe (2% of the mix) declined 34% each.
- **Margin performance**: Reported EBITDA margin came at 19.8%, down ~360 bps QoQ, impacted by annual wage hikes (~270 bps) and lower revenues due to completion of one-off projects in Q4FY26 along with client-specific insourcing (~190 bps), partly offset by lower travel costs (~100 bps). Reported PAT for the quarter stood at ₹47 crore, down 14.5% QoQ / 6.8% YoY.
- **Demand Outlook/ Guidance: Management guided for 12% FY27 revenue growth**, supported by healthy visibility for Q2, improving pipeline conversion, over 15 AI-led opportunities, multiple large deal pursuits and strong expansion opportunities across Financial Services, Technology, Healthcare and Retail. Management indicated upside to guidance if current pipeline converts successfully. On the margins front, **management expects EBITDA margins to remain around 20-22% during FY27** despite continued investments in AI leadership, partnerships and capabilities. Productivity gains from AI are expected to increasingly offset cost pressures over the medium term.
- **AI Momentum:** AI continues to scale rapidly with 81% of engagements incorporating AI and 35% of projects classified as primary AI work. Management highlighted increasing demand across agentic AI, GenAI, customer analytics, data modernization and AI-driven enterprise transformation. It is establishing a dedicated Chief Technology & AI Officer organization & AI Foundry platform to accelerate AI-led delivery.
- **Employee Addition & Attrition:** Headcount stood at 1,727 employees, down 17 employees QoQ, while attrition declined 100 bps QoQ to 23%. Wage hikes were implemented for around 70% of employees during Q1, with the remaining impact (~40-50 bps) to flow through in Q2.
- **M&A and Capital Allocation:** Management continues to evaluate inorganic opportunities, particularly in Healthcare, Life Sciences and Data Engineering, to strengthen capabilities and accelerate its medium-term US$200 million revenue aspiration.

Exhibit 1: Quarter Performance

	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Comments
Revenue	287	236	21.5	289	-0.6	Management has guided for FY27 revenue growth of ~12% YoY
Employee expenses	197	160	23.1	192	2.6	
Gross Margin	90	76	18.2	97	-7.0	
Gross margin (%)	31.3	32.2	-88bps	33.5	-217bps	
Other expenses	33	26	29.7	29	13.9	
EBITDA	57	50	12.4	68	-16.1	
EBITDA Margin (%)	19.8	21.4	-161bps	23.4	-364bps	Management expects EBITDA margin to remain range bout at 21-22% as they continue to make investments in leadership hire (Chief AI officer, CTO), AI capabilities and partnerships.
Depreciation & amortisation	11	10	16.6	10	6.9	
EBIT	45	41	11.4	57	-20.3	
EBIT Margin (%)	15.9	17.3	-144bps	19.8	-392bps	
Other income	20	21	-6.2	14	45.1	
PBT	65	62	5.4	71	-7.7	
Tax paid	18	11	59.7	16	16.2	
PAT	47	51	-6.8	55	-14.5	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

	FY27E			FY28E		
(₹ Crore)	Old	New	% Change	Old	New	% Change
Revenue	1275	1191	-6.5	1,528	1405	-8.1
EBITDA	280	254	-9.4	342	315	-8.1
EBITDA Margin (%)	22.0	21.3	-66 bps	22.4	22.4	0 bps
PAT	239	209	-12.2	295	269	-8.8
Diluted EPS (₹)	11.0	10.4	-12.2	13.6	13.3	-8.8

Source: Company, ICICI Direct Research

Financial summary

Exhibit 3: Profit and loss statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E
Total Revenues	1,060	1,191	1,405
Growth (%)	25.0	12.4	17.9
Employee Benefit Expense	706	804	941
Other Expenses	118	133	149
EBITDA	236	254	315
Growth (%)	25.2	7.6	23.8
Depreciation	41	45	49
Other Income	76	83	89
Interest	10	8	10
PBT	**261**	**283**	**345**
Growth (%)	14.2	8.5	21.6
Tax	59	74	76
PAT before Exceptional Items	**202**	**209**	**269**
Minority interest	-	-	-
PAT after exceptional items	**202**	**209**	**269**
Growth (%)	16.5	3.6	28.3
Diluted EPS	9.4	10.4	13.3
EPS (Growth %)	**11.3**	**10.7**	**28.3**

Source: Company, ICICI Direct Research

Exhibit 4: Cash flow statement ₹ crore

(₹ Crore)	FY26	FY27E	FY28E
Profit after tax	**202**	**209**	**269**
Finance cost	10	8	10
Depreciation	41	45	49
Others	(76)	(83)	(89)
Change in working capital	71	(6)	(49)
CF from operations	**248**	**174**	**189**
Other Investments	(23)	83	89
(Purchase)/Sale of FA	(54)	(45)	(49)
Intangible Assets	21	-	-
CF from investing Activities	**(198)**	**38**	**40**
Inc / (Dec) in Equity Capital	45	-	-
Inc/(Dec) in borrowings/lease liab	4	-	-
Dividend & Dividend tax	-	-	-
Interest Paid on Loans	(10)	(8)	(10)
NCI	-	-	-
CF from Financial Activities	**39**	**(8)**	**(10)**
Net change in cash	89	203	219
Opening cash	69	159	362
Closing cash	**159**	**362**	**581**

Source: Company, ICICI Direct Research

Exhibit 5: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E
Equity	**21**	**21**	**21**
Reserves & Surplus	1,735	1,944	2,212
Networth	1,755	1,965	2,233
Total debt	33.24	33.24	33.24
Minority Interest	29	29	29
Other liabilities	43	58	63
Source of funds	**1,861**	**2,085**	**2,358**
Fixed assets	56	56	56
Intangible assets	95	95	95
Goodwill	245	245	245
Non current investments	629	629	629
Other non current assets	73	83	97
Current Investments	318	318	318
Cash & Bank Balance	334	537	756
Inventories			
Debtors	231	260	306
Other current assets	112	126	149
Trade payables	20	22	26
Other Current liabilities	214	242	268
Application of funds	**1,861**	**2,085**	**2,358**

Source: Company, ICICI Direct Research

Exhibit 6: Key ratios

(Year-end March)	FY26	FY27E	FY28E
Per share data (₹)			
Diluted EPS	9.4	10.4	13.3
BV	82.6	98.6	111.9
DPS	-	-	-
Cash Per Share	7.3	17.9	28.7
Operating Ratios (%)			
EBITDA Margin	22.3	21.3	22.4
PAT Margin	19.1	17.6	19.1
Debtor days	80	80	80
Creditor days	7	7	7
Return Ratios (%)			
RoE	11.3	10.5	11.9
RoCE	14.7	14.1	15.1
RoIC	22.4	24.0	29.6
Valuation Ratios (x)			
P/E	32.0	29.0	22.6
EV / EBITDA	24.7	22.1	17.2
Market Cap / Sales	6.1	5.4	4.6
Price to Book Value	3.6	3.0	2.7
Solvency Ratios			
Debt/Equity	0.0	0.0	0.0
Debt / EBITDA	0.0	0.0	0.0
Current Ratio	1.4	1.4	1.5
Quick Ratio	1.4	1.4	1.5

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey	Head – Research	pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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