

Retail Equity Research

Latent View Analytics Ltd

IT - Software

CMP Rs. ₹ 404
Rating: Overweight
NSE CODE: LATENTVIEW
BSE CODE: 543398

Latent View delivered a robust topline performance, with sales growing from ₹165.69 Cr in Dec-23 to ₹227.84 Cr in Dec-24, marking a strong 37% YoY expansion. The acceleration in H2, especially the 17% QoQ growth in Sep-24, reflects healthy client traction and deal wins. Operating profit rebounded strongly post a dip in Jun-24, reaching ₹50.33 Cr in Dec-24, indicating operating leverage kicking in despite rising expenses. However, net profit remained volatile, peaking at ₹46.52 Cr in Dec-23 but tapering off to ₹41.90 Cr in Dec-24 due to a 36% YoY drop in other income and elevated depreciation from recent acquisitions. Margins also came under pressure with net profit growth slipping to low single digits in H2.

Going forward, sustaining double-digit revenue growth while improving cost efficiency will be key. Focused investments in AI, deeper client mining, and a tempered acquisition strategy could support margin recovery and profitability resilience.

Company Data			
Market Cap (cr)	Rs.	8,375.51	
Enterprise Value (cr)	Rs.	10,062.76	
Outstanding Shares (cr)		20.65	
52 week high	Rs.	575.00	
52 week low	Rs.	340.00	
1m average volume (lacs)		6.57	
Face value	Rs.	1.00	
	FY22	FY23	FY24
Sales	407.82	538.76	640.68
Growth(%)	33%	32%	19%
EBITDA	165.58	200.93	210
EBITDA Margin(%)	40.6%	37.3%	32.8%
PAT	129.51	155.43	158.64
Growth(%)	42%	20%	2%
EPS	6.5	7.6	7.7
P/E	65.4	42.3	65.9
P/B	8.3	5.4	7.6
EV/EBITDA	47.1	30.2	47.9
ROE(%)	13%	12.9%	12%
ROCE(%)	15%	15.6%	14.3%
ROIC(%)	15%	21.7%	22.3%
D/E	0.03	0.02	0.02

1. Strong Business Momentum with Strategic Wins Latent View reported robust Q3 FY25 performance with operating revenue of ₹228 crore, growing 9% QoQ and 37.5% YoY, aided by the Decision Point acquisition. The company secured its largest deal to date and added 10 new logos, including several Fortune 500 firms. BFSI emerged as a strong growth driver, expected to cross \$10 million in annual revenue.

2. Headwinds in CPG and Cautious Outlook While BFSI performed well, the Consumer Packaged Goods (CPG) sector faced challenges due to consolidation and cost-cutting. Management remains cautious about this segment and has issued conservative guidance for FY26, targeting 18–20% growth, while aiming to double revenue in three years through deeper client engagement.

3. Focus on AI and Data Engineering Expansion The company saw growing traction in data engineering and Generative AI, with 10+ new AI engagements. It also advanced its Databricks partnership and remains selective in exploring acquisitions, especially in data engineering.

Key Highlights

1. Pioneering Leadership in Analytics

Latent View Analytics Ltd holds the distinction of being the first analytics company to be listed on the BSE/NSE, establishing its leadership in the Indian analytics space. This milestone not only reflects its strong industry standing but also signifies market confidence in its business model, governance, and future growth trajectory. The company's reputation is further bolstered by its consistent engagement with Fortune 500 clients, marking it as a trusted partner in the global data analytics ecosystem.

2. Comprehensive Service Portfolio Across Industries

Latent View provides an extensive range of analytics services that cater to a wide array of industries. Its offerings include data engineering, advanced predictive analytics, business insights, and digital solutions. Industry-wise, it supports Technology companies with customer and marketing analytics, Industrials with demand forecasting and predictive maintenance, Consumer and Retail with product innovation and channel strategy, and Financial Services with fraud and risk analytics. This diversified approach enables the company to cater to sector-specific needs while leveraging cross-industry expertise.

3. Strong Revenue Concentration and Global Reach

The company's revenue mix as of Q3FY24 is dominated by the Technology sector (71%), followed by Industrials (12%), CPG & Retail (9%), and Financial Services (8%). Geographically, 95% of its revenue comes from the USA, underlining its strong international presence. It has established global delivery hubs in Chennai and Bengaluru, supported by on-site teams and subsidiaries across the USA, Europe (Netherlands, Germany, UK), and APAC (Singapore). This global delivery model enables it to remain agile, close to clients, and responsive to diverse market dynamics.

4. Deep Client Relationships and Strategic Partnerships

Latent View has cultivated relationships with over 60 global clients, including 30 Fortune 500 companies, indicating a high level of trust and client retention. Notably, its top 5 clients contribute 63% of revenue, while the top 20 account for 90%, revealing significant client concentration. The firm's strategic technology alliances with Google Cloud, Adobe, Tableau, and others enhance its delivery capabilities and technology edge, allowing it to offer cutting-edge, customized analytics solutions.

5. Investment in Emerging Technologies and R&D

To stay ahead of the curve, the company integrates AI/ML technologies such as Language Learning Models (e.g., ChatGPT), Computer Vision, Graph Databases, and Generative AI-enabled low-code platforms like Microsoft Fabric and Power Platform. With an R&D spend of around ₹2 crore in FY23, Latent View demonstrates a clear commitment to innovation and continuous improvement in data-driven decision-making solutions for its clients.

6. Robust Financial Strategy and Scalable Business Model

Latent View operates on an asset-light and scalable business model backed by long-term client contracts, stable recurring revenues, and low capital expenditure. The company's investments grew significantly—₹500 crore in FY23, a 250% increase from FY22—channelled mainly into mutual funds and government securities yielding 5–9%. This strategy ensures liquidity, enhances financial strength, and supports strategic acquisitions like the recent 100% acquisition of Decision Point Pvt Ltd in March 2024, expanding capabilities and market reach.

Quarterly Financial Consolidated

Profit and loss account

(Rs Cr)

	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Sales	165.69	171.64	178.88	208.95	227.84
Growth(%)	6%	4%	4%	17%	9%
Expenses	128.91	131.25	140.62	163.68	177.51
Operating Profit	36.78	40.39	38.26	45.27	50.33
Growth(%)	19%	10%	-5%	18%	11%
Other Income	23.01	15.81	17.43	22.59	14.69
Depreciation	2.49	2.45	2.93	8.82	8.49
Interest	0.74	0.72	0.66	0.77	0.42
Profit before tax	56.56	53.03	52.10	58.27	56.11
Tax	10.03	7.79	13.18	17.57	13.50
Net profit	46.52	45.24	38.93	39.89	41.90
Growth(%)	27%	-3%	-16%	2%	5%

Financial Consolidated

Profit & Loss

(Rs Cr)

	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	310.36	305.88	407.82	538.76	640.68
Growth(%)	8%	-1%	33%	32%	19%
Expenses	229.94	201.31	285.83	393.60	504.38
Operating Profit	80.42	104.57	121.99	145.16	136.30
Growth(%)	11%	30%	17%	19%	-6%
Other Income	19.32	20.83	43.59	55.77	73.70
Depreciation	6.66	6.87	8.16	8.82	9.66
Interest	2.89	2.61	3.25	2.75	3.31
Profit before tax	90.19	115.92	154.17	189.36	197.03
Tax	17.35	24.46	24.66	33.93	38.38
Net profit	72.85	91.46	129.51	155.43	158.64
Growth(%)	22%	26%	42%	20%	2%

Balance Sheet

(Rs Cr)

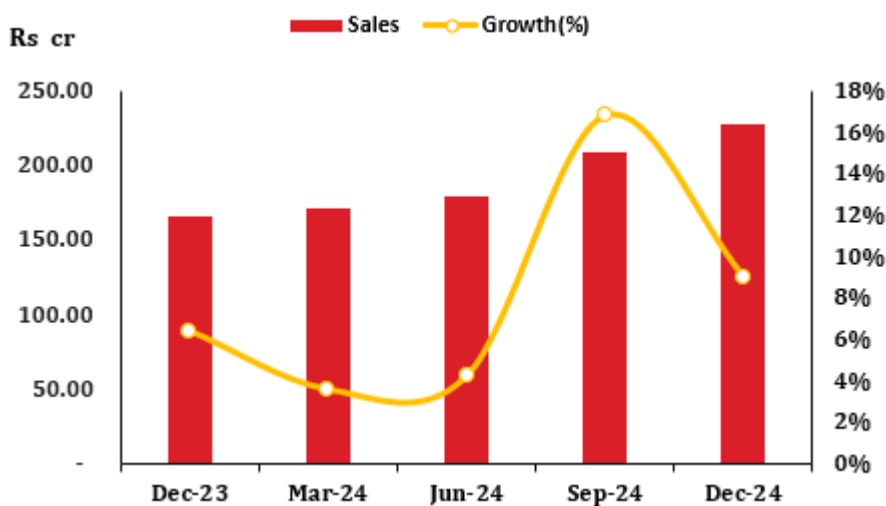
Report Date	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Equity Share Capital	0.81	0.81	20.04	20.49	20.59
Reserves	347.11	436.97	1,006.34	1,186.96	1,353.82
Borrowings	32.58	51.86	26.03	21.46	23.99
Other Liabilities	17.35	29.56	47.57	34.14	57.47
Total	397.85	519.20	1,099.98	1,263.05	1,455.87
Net Block	35.41	30.36	28.69	23.19	27.50
Capital Work in Progress	-	-	-	-	-
Investments	72.19	139.31	193.79	500.73	675.76
Other Assets	290.25	349.53	877.50	739.13	752.61
Total	397.85	519.20	1,099.98	1,263.05	1,455.87

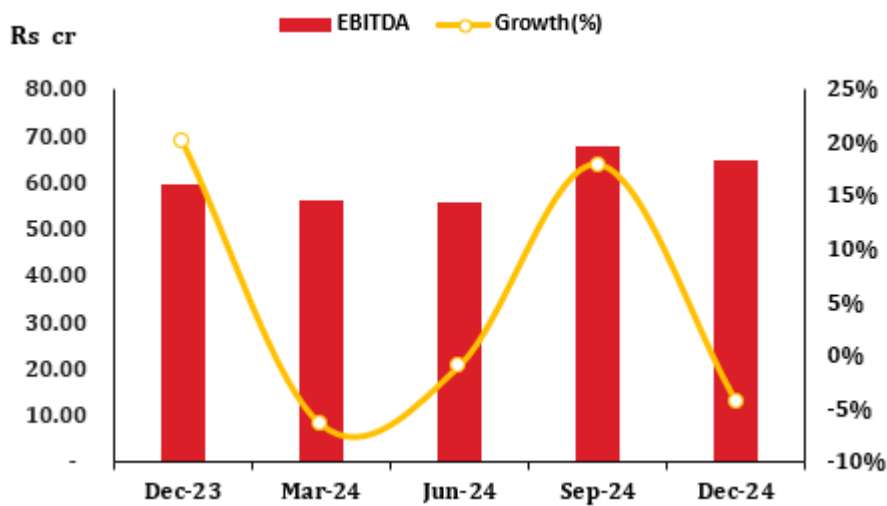
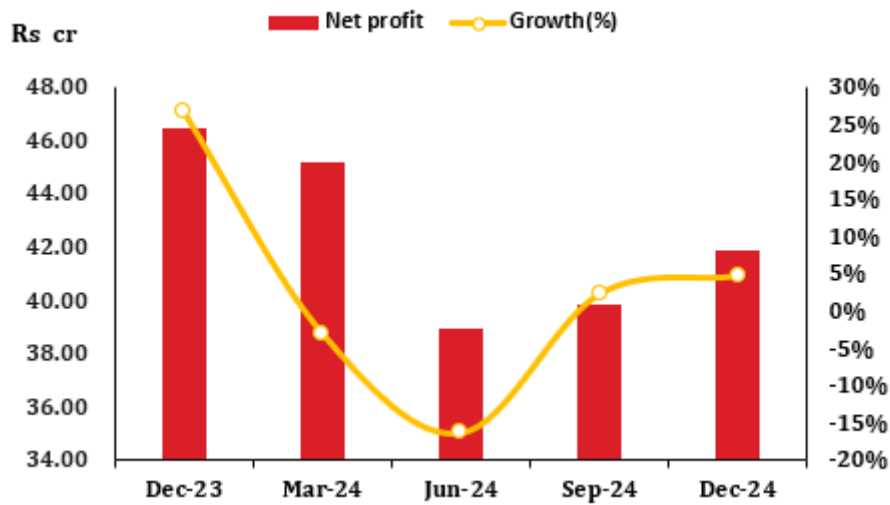
Cash Flow

(Rs Cr)

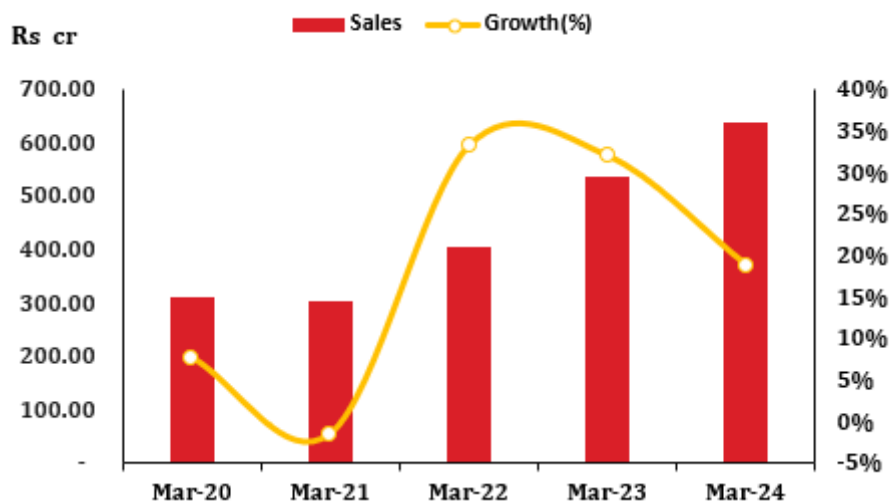
	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Cash from Operating Activity	62.97	89.89	87.43	97.44	115.37
Cash from Investing Activity	-29.48	-46.85	-434.56	-276.76	-2.79
Cash from Financing Activity	-5.41	17.33	448.82	-4.06	-1.1
Net Cash Flow	28.08	60.37	101.68	-183.38	111.48

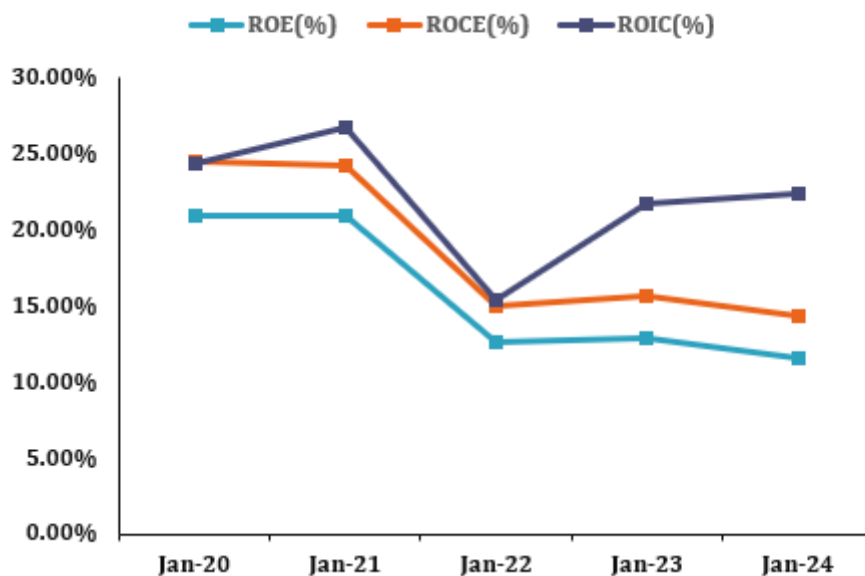
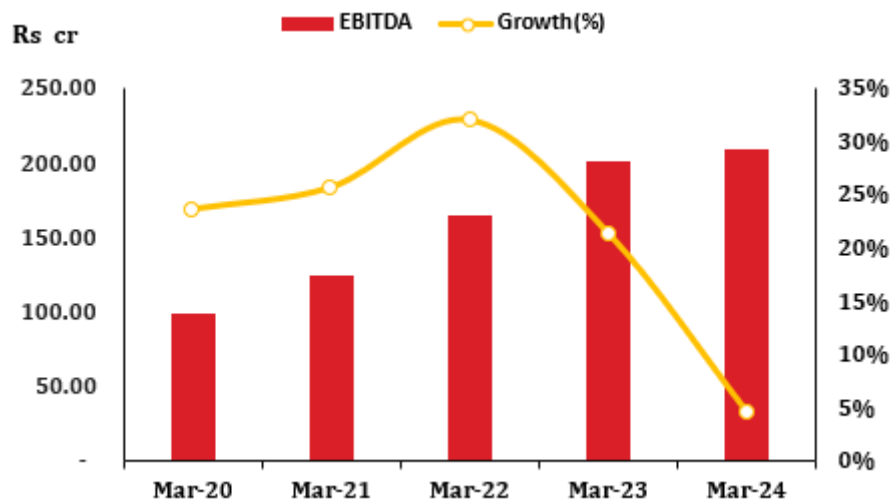
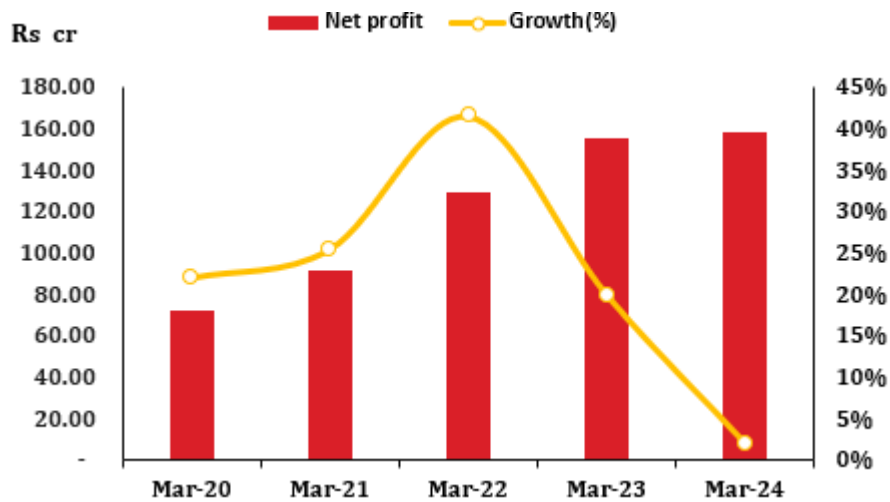
Key Metrics: Quarterly





Key Metrics: Yearly





Key Ratio:

Leverage Ratios	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
D/E	0.09	0.12	0.03	0.02	0.02
Debt/Assets	0.08	0.10	0.02	0.02	0.02
Debt/Ebitda	0.33	0.41	0.16	0.11	0.11
Debt/Capital Ratio	9%	11%	2%	2%	2%
Cash flow/Debt	1.93	1.73	3.36	4.54	4.81
Interest coverage ratio	32.21	45.41	48.44	69.86	60.53
Sales Change	8%	-1%	33%	32%	19%
Ebit Change	27%	27%	33%	22%	4%
Operating Leverage	1.37	-20.80	0.50	0.59	-0.32
Financial Leverage	1.14	1.19	1.07	1.05	1.06

Efficiency ratios					
Receivable days	62	73	75	67	64
Receivable turnover	5.88	5.02	4.87	5.47	5.66
Inventory days	-	-	-	-	-
Inventory turnover					
Net Fixed assets turnover	8.76	10.08	14.21	23.23	23.30
Sales/capital employed	0.82	0.62	0.39	0.44	0.46
Total Asset Turnover	0.78	0.59	0.37	0.43	0.44

Profitability ratios					
Ebitda	99.74	125.4	165.58	200.93	210
Ebitda margin	32%	41%	41%	37%	33%
Gross Profit	309.4	304.78	405.83	533.98	636.27
Gross Profit Margin	100%	100%	100%	99%	99%
EBIT	93.08	118.53	157.42	192.11	200.34
EBIT Margin	30%	39%	39%	36%	31%
ROE	21%	21%	13%	13%	12%
Net profit margin	23%	30%	32%	29%	25%
EPS	89.94	112.91	6.46	7.59	7.70
DU Pont ROE	21%	21%	13%	13%	12%
Net Profit Margin	23%	30%	32%	29%	25%
Sales/Total assets	0.78	0.59	0.37	0.43	0.44
Financial Leverage	1.14	1.19	1.07	1.05	1.06

DU PONT ROA	18%	18%	12%	12%	11%
Net Profit Margin	23%	30%	32%	29%	25%
Sales/Total assets	0.78	0.59	0.37	0.43	0.44

Capital Allocation Ratios	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
ROCE	18%	21%	10%	14%	12%
EBIT Margin	30%	39%	39%	36%	31%
Sales/cap employed	0.82	0.62	0.39	0.44	0.46
NOPAT	75.17	93.52	132.24	157.69	161.32
Capital employed	380.5	489.64	1052.41	1228.91	1398.4
ROIC	20%	19%	13%	13%	12%

Valuation Ratios					
Price/Earnings			65.42	42.33	65.90
Price/Book	-	-	8.25	5.45	7.61
Marketcap	-	-	8,471.91	6,579.34	10,454.57
Enterprise Value	-117.44	-169.61	7,805.86	6,059.47	10,062.76
EV/EBITDA	-1.18	-1.35	47.14	30.16	47.92

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