

CMP: ₹ 2953

Target: ₹ 3560 (21%)

Target Period: 12 months

November 13, 2025

BUY

Order intakes to gather momentum...

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 equipments. Customers include MoD, DRDO, DPSUs, private sector players and exports

- Company's order backlog stands at ₹ 1287 crore as of Sep'25

Investment Rationale:

- Order inflows momentum picking up significantly; execution is expected to remain strong:** H1FY26 revenue is up 109% YoY, led by strong execution in Q2FY26 (largely driven by completing a strategic contract worth Rs 180 crore). Management has maintained revenue growth guidance of 20-25% YoY in FY26E. Order backlog (including orders negotiated) as of Sep'25 stood healthy at ₹ 1287 crore (1.8x TTM revenue), already provides healthy revenue visibility for medium-term. Moreover, order inflows momentum is picking-up as management remains confident of ~Rs 1500 crore of orders intake in FY26E (~Rs 350 crore worth of orders received in H1FY26). Over the next 1.5-2 years, company guides orders pipeline of Rs 2,000–3,000 crores, including significant opportunities across platforms from domestic and export markets. In terms of exports, management is confident of increasing exports potential in key electronic sub-systems & components. Company's exports contribution has improved substantially to ~15% in FY25 (vs ~6% in FY24), led by increasing capabilities across product portfolio. Exports orders stood at Rs 78 crore (~12% of total order book)
- Longer term orders pipeline remains robust from both domestic and export markets:** Electronic warfare, Radars & Avionics remain the key product segments for company (contributed ~81% to total FY25 revenue and ~71% of total order backlog) for both domestic and exports markets. Moreover, company sees sizable opportunity in other key product segments also like ATE (automated test equipment), Check-out systems, Fire control systems & seekers for existing & future Brahmos missile programs. Upcoming BrahMos-II program, which is also expected to feature on platforms like upgraded Super Sukhoi, provides huge demand potential for these products in coming years. Additionally, with its avionics and electronic warfare solutions deployed in the LCA Tejas, the recent order to Hindustan Aeronautics (HAL) for 97 additional Tejas aircraft offers significant incremental revenue visibility. Further, the indigenously developed HAWK AESA radar opens new opportunities in advanced fighter jet platforms, enhancing long-term growth prospects across India's aerospace and defence modernization programs

Rating and Target Price

- Strong order-backlog, improving execution and robust pipeline provides healthy growth visibility for the coming period. We estimate revenue CAGR of ~22% over FY25-28E with EBITDA margin sustaining at 39-40%.
- We maintain BUY on Data Patterns with target price of ₹ 3560 per share (based on 50x FY28E EPS)

Key Financial Summary

(Rs crore)	FY22	FY23	FY24	FY25	3 Year CAGR (FY22-25)	FY26E	FY27E	FY28E	3 Year CAGR (FY25-28E)
Revenues	311	453	520	708	31.6	875	1,080	1,297	22.3
EBITDA	141	172	222	275	24.9	343	429	515	23.2
EBITDA margin (%)	45.4	37.9	42.6	38.8		39.2	39.7	39.7	
Net Profit	94	124	182	222	33.1	272	337	399	21.6
Diluted EPS (Rs)	16.8	22.1	32.5	39.6		48.6	60.1	71.2	
P/E (x)	162.8	123.4	84.2	69.0		56.2	45.4	38.3	
EV/EBITDA (x)	99.3	79.0	60.9	49.9		40.2	32.1	26.7	
RoCE (%)	23.8	14.8	19.0	20.4		21.5	22.8	23.0	
RoE (%)	16.4	10.6	13.7	14.7		15.6	16.6	16.9	

Source: Company, ICICI Direct Research

DATA PATTERNS

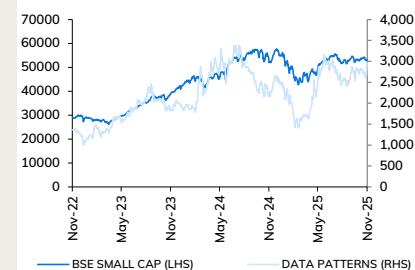
Particulars

Particular	Amount (Rs crore)
Market Capitalisation	16,532
FY25 Gross Debt	0
FY25 Cash	126
EV	16,406
52 Week H/L (Rs)	3269 / 1350
Equity Capital (Rs)	11.2
Face Value (Rs)	2.0

Shareholding pattern

	Dec-24	Mar-25	Jun-25	Sep-25
Promoter	42.4	42.4	42.4	42.4
FII	14.1	12.8	12.8	11.4
DII	8.8	7.4	8.1	9.8
Others	34.7	37.5	36.7	36.4

Price Chart



Key risks

- Dependent on govt contracts
- High working capital requirement
- Availability of key raw materials/components

Research Analyst

Vijay Goel
vijay.goel@icicisecurities.com

Kush Bhandari
kush.bhandari@icicisecurities.com

Q2 and H1FY26 Result Summary

- Revenue increased by 238% YoY (+210% QoQ) to Rs 307.5 crore in Q2FY26, led by strong execution
- EBITDA margin contracted by 1541 bps YoY (-1002 bps QoQ) to 22.3%, on account of execution of lower-margin strategic contract worth Rs. 180 crores during the quarter
- Subsequently, EBITDA was up 99.7% YoY (+113.5% QoQ) to Rs 68.5 crore. PAT increased by 62.5% YoY (+92.9% QoQ) to Rs 49.2 crore
- For H1FY26, revenue is up 108.5% YoY with EBITDA margin standing at 24.7% (vs 36.6% in H1FY25) and PAT at Rs 74.7 (+18.4% YoY).

Exhibit 1: Q2 and H1FY26 result snapshot (₹ crore)

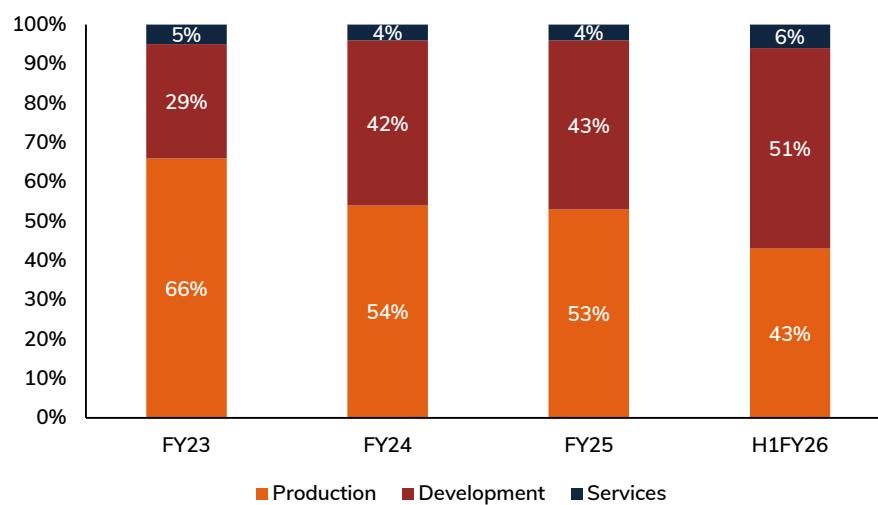
	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	Comments	H1FY26	H1FY25	YoY (%)
Revenue from operations	307.5	91.0	237.8	99.3	209.5	Execution improved significantly during Q2FY26	406.8	195.1	108.5
Other income	5.9	12.0		10.6			16.5	24.4	
Total Revenue	313.4	103.1		109.9			423.3	219.5	
Raw materials costs	189.0	21.9		20.1			209.1	50.7	
Employees Expenses	37.9	26.6		36.4			74.3	55.4	
Other Expenses	12.1	8.2		10.8			22.8	17.6	
Total Expenditure	239.0	56.7	321.3	67.3	255.4		306.2	123.6	
EBITDA	68.5	34.3	99.7	32.1	113.5		100.6	71.5	40.7
EBITDA margins (%)	22.3	37.7	-1541 bps	32.3	-1002 bps	Margins impacted during the quarter (due to execution of a lower margin contract)	24.7	36.6	-1192 bps
Interest	2.4	2.8		3.2			5.6	5.8	
Depreciation	5.7	3.5		5.5			11.1	6.6	
Tax	17.2	9.8		8.5			25.6	20.4	
PAT	49.2	30.3	62.5	25.5	92.9		74.7	63.1	18.4

Source: Company, ICICI Direct Research

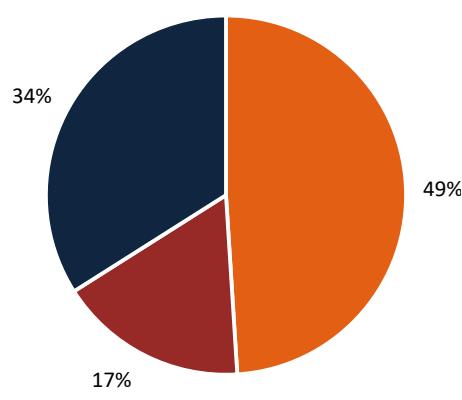
Q2FY26 Earnings call highlights

- During the quarter, the company has delivered a very strategic contract worth ~Rs 180 crore, which was taken at a competitive price considering possible long-term opportunities
- Consolidated order backlog stands at Rs 1287 crore (including orders under negotiations) with an order inflow of Rs 350.6 crore during H1FY26
- During the quarter, amongst the key contracts, company received production contract worth Rs 84 crore from ECIL for electronic warfare, production contract worth Rs 46 crore from Brahmos for fire control systems
- The orders negotiated worth Rs 552 crore are expected to be signed in the next 2-3 months. The management expects an additional order inflow of Rs 1000+ crores in the remaining part of year including significant opportunities from domestic and export markets
- For full year FY26E, management is confident of achieving ~Rs 1500 crore of order inflows
- Management reiterates its revenue growth of 20-25% with EBITDA margin at 35-40% for FY26E
- In H1FY26, ~51% of revenue was from development contract while ~43% was from production contracts and ~6% from services
- Radars contributed ~74% to total revenues in Q2FY26 followed by ~12% from EW, ~9% from avionics and balance from naval systems, automated test equipment & services
- International order book stands at Rs 78.2 crore as of Sept-25
- The company is focused on export opportunities (including development and production) across its product domains (EW, radars, avionics etc). The company is already in process of executing a key contract received from Europe
- Regarding the Brahmos seeker, the management has stated that the negotiations are completed and expecting production orders in the coming period

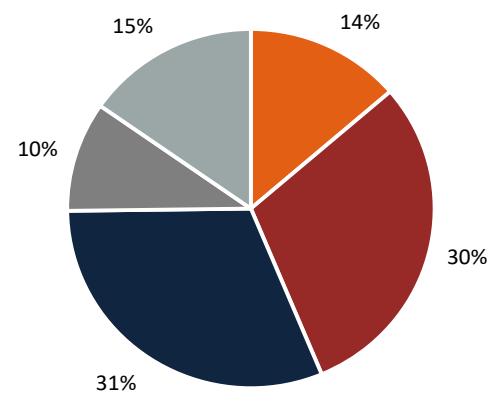
- Out of total QIP proceeds of ~Rs 488 crore, only ~50 crore is yet to be utilised (primarily for product developments)
- Management estimates total addressable market of Rs 15000-20000 crore for development contracts (including Radars, EW, jammers, drone detection systems etc)
- Working capital days stands at 343 days and expected to be at similar levels for full year
- On AMCA front, company has formed a consortium with Bharat Forge and BEML for prototypes development. However, management states that more clarity on this project will emerge after the RFP from govt

Exhibit 2: Revenue Breakup over the period


Source: Company, ICICI Direct Research

Exhibit 3: Order-book split as on Sep-25 (Segment wise)


■ Production ■ Development ■ Services

Exhibit 4: Order-book split as on Sep-25 (Product wise)


■ Radar ■ Avionics ■ AMC ■ EW ■ Others

Financial Summary

Exhibit 5: Profit and loss statement				₹ crore	Exhibit 6: Cash Flow Statement				
(Year-end March)	FY25	FY26E	FY27E	FY28E	(Year-end March)	FY25	FY26E	FY27E	FY28E
Revenue from operations	708.4	874.9	1,080.5	1,296.6	Profit after Tax	222	272	337	399
% Growth	36.3	23.5	23.5	20.0	Depreciation	14	22	31	40
Other income	46.3	53.3	62.4	68.6	Interest	12	12	12	12
Total Revenue	708.4	874.9	1,080.5	1,296.6	Cash Flow before WC changes	248	306	379	450
% Growth	36.3	23.5	23.5	20.0	Changes in inventory	(52)	(75)	(92)	(83)
Total Raw Material Costs	276	346	427	512	Changes in debtors	(198)	(123)	(110)	(148)
Employee Expenses	114	137	164	197	Changes in loans & Advances	-	-	-	-
other expenses	43	49	60	73	Changes in other current assets	0	(14)	(17)	(18)
Total Operating Expenditure	433.4	531.7	651.1	781.9	Net Inc in Current Liabilities	(267)	(211)	(219)	(249)
EBITDA	275.0	343.2	429.4	514.6	Changes in creditors	34	19	15	13
% Growth	24.1	24.8	25.1	19.9	Changes in provisions	1	1	1	1
Interest	12	12	12	12	Net CF from Op activities	(92.7)	157.6	228.9	270.2
PBDT	309	384	480	572	Changes in deferred tax assets	-	-	-	-
Depreciation	14	22	31	40	(Purchase)/Sale of Fixed Assets	(112)	(130)	(130)	(130)
PBT before Exceptional Items	295	363	449	532	Net CF from Inv activities	(138.3)	(92.7)	(156.3)	(157.6)
Total Tax	74	91	112	133	Dividend and Dividend Tax	(34)	(42)	(52)	(58)
PAT before MI	222	272	337	399	Net CF from Fin Activities	(49.9)	(53.5)	(63.9)	(69.9)
PAT	221.8	272.0	336.7	398.8	Net Cash flow	(281)	11	9	43
% Growth	22.1	22.6	23.8	18.5	Opening Cash/Cash Equivalent	407	126	138	146
EPS	39.6	48.6	60.1	71.2	Closing Cash/ Cash Equivalent	126	138	146	189

Source: Company, ICICI Direct Research

Source: Company, ICICI Direct Research

Exhibit 7: Balance Sheet				₹ crore	Exhibit 8: Key ratios				
(Year-end March)	FY25	FY26E	FY27E	FY28E	(Year-end March)	FY25	FY26E	FY27E	FY28E
Equity Capital	11.2	11.2	11.2	11.2	Per Share Data				
Reserve and Surplus	1,497	1,727	2,012	2,353	Diluted EPS	39.6	48.6	60.1	71.2
Total Shareholders funds	1,508	1,739	2,023	2,364	Cash per Share	80.9	65.1	66.6	74.3
Other Non Current Liabilities	14.3	2.0	2.0	2.0	BV	269.4	310.6	361.4	422.2
Total Debt	-	-	-	-	Dividend per share	6.0	7.4	9.3	10.4
Total Liabilities	1,562.4	1,751.4	2,036.2	2,376.6	Dividend payout ratio	15%	15%	15%	15%
Gross Block	225	318	448	578	Operating Ratios(%)				
Acc: Depreciation	84	106	137	177	EBITDA Margin	38.8	39.2	39.7	39.7
Net Block	141	212	311	401	PAT Margin	31.3	31.1	31.2	30.8
Capital WIP	13	50	50	50	Asset turnover	0.5	0.5	0.5	0.5
Total Fixed Assets	296	404	504	594	Debtors Turnover Ratio	1.4	1.3	1.4	1.4
Non Current Assets	91	113	139	167	Creditors Turnover Ratio	10.6	9.4	9.8	10.4
Inventory	319	393	485	568	Return Ratios(%)				
Debtors	596	719	829	977	RoIC	18.9	20.1	21.2	21.8
Other Current Assets	58	72	88	106	RoNW	14.7	15.6	16.6	16.9
Cash	126	138	146	189	RoCE	20.4	21.5	22.8	23.0
Total Current Assets	1,125	1,347	1,575	1,866	Valuation Ratios				
Current Liabilities	84	103	118	131	EV / EBITDA	49.9	40.2	32.1	26.7
Provisions	12	10	10	10	P/E	69.0	56.2	45.4	38.3
Total Current Liabilities	277	339	408	476	EV / Net Sales	19.4	15.8	12.8	10.6
Net Current Assets	848	1,008	1,167	1,390	Sales / Equity	0.5	0.5	0.5	0.5
Total Assets	1,562	1,751	2,036	2,377	Market Cap / Sales	20.0	16.2	13.1	10.9
Source: Company, ICICI Direct Research					Price to Book Value	10.1	8.8	7.6	6.5
					Solvency Ratios				
					Debt / Equity	-	-	-	-
					Current Ratio	10.0	10.0	10.5	11.2
					Quick Ratio	6.7	6.7	6.8	7.3

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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