

Strong orders intake to drive 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 ₹ 1868 crore as of Dec'25

Investment Rationale:

- Order intake momentum picks up significantly; execution remains strong:** Execution remains robust during the last two quarters, leading to ~86% YoY growth in revenue during 9MFY26. During Q2FY26, a strategic contract worth Rs 180 crore was executed on priority, which has also resulted into a strong growth during 9MFY26. Management has maintained revenue growth guidance of 20-25% YoY in FY26E, which implies considerable de-growth in Q4FY26E. We believe that company's medium-to-long term growth outlook remains healthy, backed by strong order inflows across defence electronics segments. Order backlog (including orders negotiated) stands healthy at ₹ 1868 crore (1.9x TTM revenue), implies Rs 1700+ crore worth of orders inflow during YTDFY26. Moreover, order inflows momentum remains healthy as management guides additional contracts worth Rs 500 crore by Mar-26. Over the next 1.5-2 years, company sees orders pipeline of Rs 2,000-3,000 crores, including sizable opportunities across platforms from domestic & exports
- Focus on better margin IP-driven contracts catering both domestic and export markets:** Electronic warfare, radars, avionics & services remain the key product segments for company as these contributed ~95% of revenue during 9MFY26 (~82% during FY25) revenue and majority of total order backlog. With a strong focus on IP-driven contracts with higher margins, company sees huge opportunity across for its products in both domestic and exports markets. We believe that company has 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. 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. The company is strengthening presence in European and US markets; leveraging lower cost of development, faster delivery cycles, and in-house IP particularly for radars and EW systems. In terms of margins, management reiterates its guidance of 35-40%

Rating and Target Price

- Strong order-backlog, improving execution and robust pipeline provides healthy growth visibility for the coming period. We estimate revenue and PAT 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)	162.2	123.0	83.9	68.7		56.1	45.3	38.2	
EV/EBITDA (x)	99.0	78.7	60.7	49.7		40.1	32.0	26.6	
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

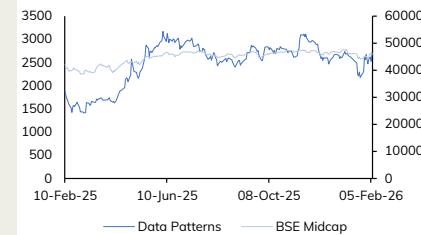
Particulars

Particular	Amount (Rs crore)
Market Capitalisation	15244.4
FY25 Gross Debt	0.0
FY25 Cash	126.4
EV	15118.0
52 Week H/L (Rs)	3269 / 1350
Equity Capital (Rs)	11.2
Face Value (Rs)	2.0

Shareholding pattern

	Mar-25	Jun-25	Sep-25	Dec-25
Promoter	42.4	42.4	42.4	42.4
FII	12.8	12.8	11.4	11.54
DII	7.4	8.1	9.8	10.3
Others	37.5	36.7	36.4	35.8

Price Chart



Key risks

- (i) Dependent on govt contracts
- (ii) High working capital requirement
- (iii) Availability of key raw materials/components

Research Analyst

Vijay Goel
vijay.goel@icicisecurities.com

Kush Bhandari
kush.bhandari@icicisecurities.com

Q3 and 9MFY26 Result Summary

- Revenue increased by 48% YoY (-43.7% QoQ) to Rs 173.1 crore in Q3FY26, with strong execution, lower sequentially due to execution bunching in Q2
- EBITDA margin expanded by 39 bps YoY (+2428 bps QoQ) to 46.5% supported by a favourable mix
- Subsequently, EBITDA was up 49.2% YoY (+17.7% QoQ) to Rs 80.6 crore. PAT increased by 37.3% YoY (+24.6% QoQ) to Rs 61.3 crore
- For 9MFY26, revenue is up 85.8% YoY with EBITDA margin standing at 31.2% (vs 40.2% in 9MFY25) and PAT at Rs 136 crore (+26.2% YoY).

Exhibit 1: Q3 and 9MFY26 result snapshot (₹ crore)

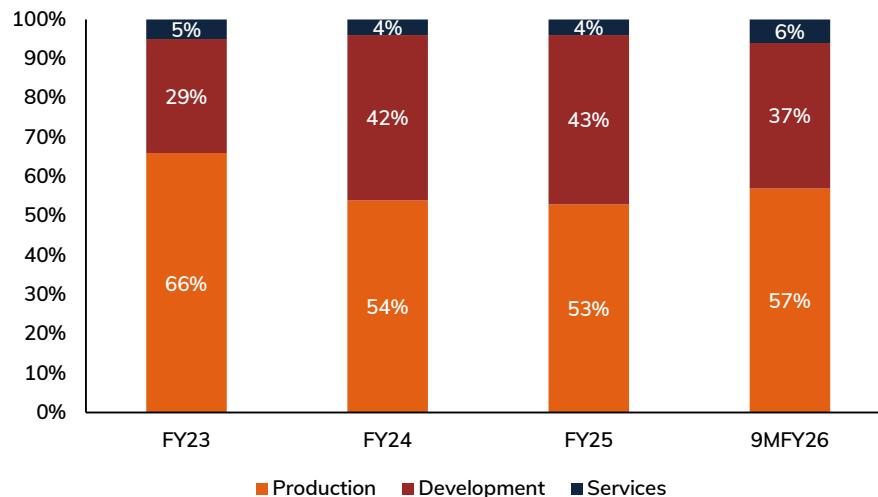
	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Comments	9MFY26	9MFY25	YoY(%)
Revenue from operations	173.1	117.0	47.9	307.5	-43.7	Execution improved significantly during Q2FY26	579.9	312.1	85.8
Other income	5.8	11.4		5.9			22.3	35.7	
Total Revenue	178.9	128.4		313.4			602.2	347.9	
Raw materials costs	39.1	23.1		189.0			248.2	73.8	
Employees Expenses	39.3	29.2		37.9			113.5	84.5	
Other Expenses	14.2	10.8		12.1			37.0	28.3	
Total Expenditure	92.5	63.0		239.0			398.8	186.6	
EBITDA	80.6	54.0	49.2	68.5	17.7		181.2	125.5	44.3
EBITDA margins (%)	46.5	46.2	39 bps	22.3	2428 bps	Margins impacted during the quarter (due to execution of a lower margin contract)	31.2	40.2	-897 bps
Interest	2.2	3.2		2.4			7.8	9.0	
Depreciation	5.9	3.5		5.7			17.1	10.0	
Tax	17.0	14.1		17.2			42.6	34.5	
PAT	61.3	44.7	37.3	49.2	24.6		136.0	107.7	26.2

Source: Company, ICICI Direct Research

Q3Y26 Earnings call highlights

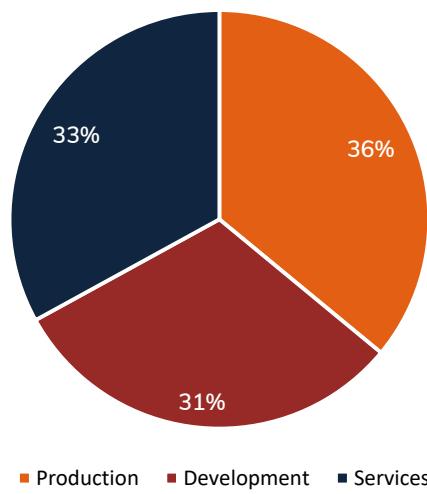
- Consolidated order backlog stands at Rs 1868 crore (including orders under negotiations) with Rs 1,100 crore orders under negotiation likely to close in next 1–2 months, with additional Rs 500–600 Cr expected in near term.
- For full year FY26E, management is confident of achieving revenue 20–25% with EBITDA margin at 35-40% for FY26E, while having a medium-term ambition of 20-25% CAGR, maintaining high margins and net debt-free status
- Long-term focus on scaling revenue is through expansion in domestic defence opportunities. Strategic co-development with Indian and global partners. Investment in infrastructure and 150+ new engineering hires to support future programs.
- During 9MFY26, amongst key contracts, large production and development orders received for Electronic Warfare (EW) suites from ECL and Ministry of Defence, while export order book remains at ₹63 Cr while export focus is a key long-term pillar with increasing global engagement
- The management has a focus on IP-driven contracts with higher margins and are having a selective approach to avoid pure “buy-and-integrate” L1 contract
- Key programs for contract procurement include smart cockpits and mission systems for LCA Mk1, infrared search & track (IRST), missile approach warning systems, and BrahMos seeker development while progressing towards repeat production orders for seekers and multiple avionics/EW systems
- Regarding exports the company is strengthening presence in European and US markets; leveraging lower cost of development, faster delivery cycles, and in-house IP along with pursuing co-development opportunities with global OEMs, particularly for radars and EW systems
- Management is currently experiencing early traction in exports and aim to build predictable and scalable international revenue over 3–5 years.
- Company has improved working capital cycle to ~340 days and the management is expecting large receivables over the next 3–4 months.

Exhibit 2: Revenue Breakup over the period



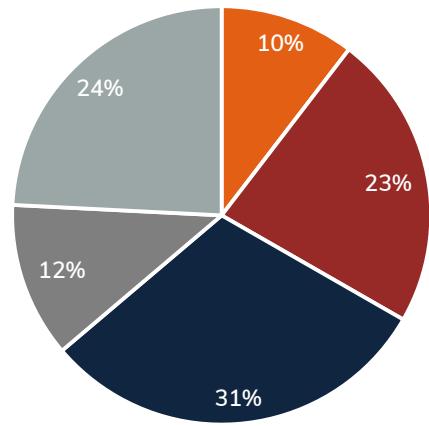
Source: Company, ICICI Direct Research

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



■ Production ■ Development ■ Services

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



■ Radar ■ Avionics ■ AMC ■ EW ■ Others

Source: Company, ICICI Direct Research

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 5: Profit and loss statement				₹ crore
(Year-end March)	FY25	FY26E	FY27E	FY28E
Revenue from operations	708.4	874.9	1,080.5	1,296.6
% Growth	36.3	23.5	23.5	20.0
Other income	46.3	53.3	62.4	68.6
Total Revenue	708.4	874.9	1,080.5	1,296.6
% Growth	36.3	23.5	23.5	20.0
Total Raw Material Costs	276	346	427	512
Employee Expenses	114	137	164	197
other expenses	43	49	60	73
Total Operating Expenditure	433.4	531.7	651.1	781.9
EBITDA	275.0	343.2	429.4	514.6
% Growth	24.1	24.8	25.1	19.9
Interest	12	12	12	12
PBTD	309	384	480	572
Depreciation	14	22	31	40
PBT before Exceptional Items	295	363	449	532
Total Tax	74	91	112	133
PAT before MI	222	272	337	399
PAT	221.8	272.0	336.7	398.8
% Growth	22.1	22.6	23.8	18.5
EPS	39.6	48.6	60.1	71.2

Source: Company, ICICI Direct Research

Exhibit 6: Cash Flow Statement				
(Year-end March)	FY25	FY26E	FY27E	FY28E
Profit after Tax	222	272	337	399
Depreciation	14	22	31	40
Interest	12	12	12	12
Cash Flow before WC changes	248	306	379	450
Changes in inventory	(52)	(75)	(92)	(83)
Changes in debtors	(198)	(123)	(110)	(148)
Changes in loans & Advances	-	-	-	-
Changes in other current assets	0	(14)	(17)	(18)
Net Increase in Current Assets	(267)	(211)	(219)	(249)
Changes in creditors	34	19	15	13
Changes in provisions	1	1	1	1
Net Inc in Current Liabilities	(73)	63	68	69
Net CF from Op activities	(92.7)	157.6	228.9	270.2
Changes in deferred tax assets	-	-	-	-
(Purchase)/Sale of Fixed Assets	(112)	(130)	(130)	(130)
Net CF from Inv activities	(138.3)	(92.7)	(156.3)	(157.6)
Dividend and Dividend Tax	(34)	(42)	(52)	(58)
Net CF from Fin Activities	(49.9)	(53.5)	(63.9)	(69.9)
Net Cash flow	(281)	11	9	43
Opening Cash/Cash Equivalent	407	126	138	146
Closing Cash/ Cash Equivalent	126	138	146	189

Source: Company, ICICI Direct Research

Exhibit 7: Balance Sheet				₹ crore
(Year-end March)	FY25	FY26E	FY27E	FY28E
Equity Capital	11.2	11.2	11.2	11.2
Reserve and Surplus	1,497	1,727	2,012	2,353
Total Shareholders funds	1,508	1,739	2,023	2,364
Other Non Current Liabilities	14.3	2.0	2.0	2.0
Total Debt	-	-	-	-
Total Liabilities	1,562.4	1,751.4	2,036.2	2,376.6
Gross Block	225	318	448	578
Acc: Depreciation	84	106	137	177
Net Block	141	212	311	401
Capital WIP	13	50	50	50
Total Fixed Assets	296	404	504	594
Non Current Assets	91	113	139	167
Inventory	319	393	485	568
Debtors	596	719	829	977
Other Current Assets	58	72	88	106
Cash	126	138	146	189
Total Current Assets	1,125	1,347	1,575	1,866
Current Liabilities	84	103	118	131
Provisions	12	10	10	10
Total Current Liabilities	277	339	408	476
Net Current Assets	848	1,008	1,167	1,390
Total Assets	1,562	1,751	2,036	2,377

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios				
(Year-end March)	FY25	FY26E	FY27E	FY28E
Per Share Data				
Diluted EPS	39.6	48.6	60.1	71.2
Cash per Share	80.9	65.1	66.6	74.3
BV	269.4	310.6	361.4	422.2
Dividend per share	6.0	7.4	9.3	10.4
Dividend payout ratio	15%	15%	15%	15%
Operating Ratios(%)				
EBITDA Margin	38.8	39.2	39.7	39.7
PAT Margin	31.3	31.1	31.2	30.8
Asset turnover	0.5	0.5	0.5	0.5
Debtors Turnover Ratio	1.4	1.3	1.4	1.4
Creditors Turnover Ratio	10.6	9.4	9.8	10.4
Return Ratios(%)				
RoIC	18.9	20.1	21.2	21.8
RoNW	14.7	15.6	16.6	16.9
RoCE	20.4	21.5	22.8	23.0
Valuation Ratios				
EV / EBITDA	49.7	40.1	32.0	26.6
P/E	68.7	56.1	45.3	38.2
EV / Net Sales	19.3	15.7	12.7	10.6
Sales / Equity	0.5	0.5	0.5	0.5
Market Cap / Sales	19.9	16.1	13.1	10.9
Price to Book Value	10.1	8.8	7.5	6.4
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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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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