

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 ₹ 2062 crore as of Mar'26

Investment Rationale:

- Order inflow momentum strengthens further; execution outlook remains robust:** Data Patterns reported strong FY26 order inflows of ~₹1,121 crore (+216% YoY), taking consolidated order backlog (including negotiated orders) to ~₹2,062 crore (2.2x FY26 revenue), providing strong multi-year revenue visibility. Management highlighted additional repeat/single-vendor opportunities worth ~₹1,900 crore expected during FY27 based on already delivered and accepted systems. Revenue execution remained healthy with FY26 revenue growing ~31% YoY despite timing-related lumpiness in quarterly execution. Management continues to maintain revenue growth guidance of 20–25% with healthy margin profile, supported by increasing indigenisation, higher content value and repeat production orders. Further, management indicated active opportunities pipeline across radar, EW, avionics and strategic electronics programs in both domestic and export markets, reinforcing confidence in medium-to-long-term growth visibility.
- Focus on high-margin IP-led defence electronics opportunities across domestic and export markets:** The company continues to focus on IP-driven businesses across electronic warfare, radars, avionics, ISR, drone defence and strategic electronics, supported by strong in-house design and manufacturing capabilities. Management reiterated focus on IP-driven programs with selective participation in strategic lower-margin contracts only where long-term platform positioning and future production visibility are meaningful with key opportunities remain strong across EW suites, airborne and maritime surveillance radars, smart cockpits, missile seekers, drone detection/jamming systems and space-based surveillance solutions. Management highlighted growing opportunities from repeat production orders, increasing localisation and rising export traction, particularly in radar and EW systems. With increasing share of proprietary products and operating leverage, management reiterated EBITDA margin guidance of ~38–40% over the medium term while continuing investments in R&D, manufacturing scale-up and advanced capability development

Rating and Target Price

- We have increased our estimates, for FY27-28E to factor in better-than-expected execution and margins considering current execution backed by strong order backlog. We estimate revenue and PAT CAGR of ~24% and ~23% over FY26-28E with EBITDA margin sustaining at 39-40%.
- We recommend HOLD on Data Patterns with target price of ₹ 4000 (based on 55x FY28E EPS)

DATA PATTERNS

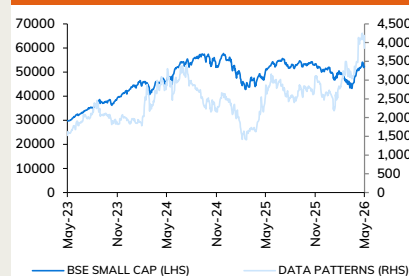
Particulars

Particular	Amount (Rs crore)
Market Capitalisation	21,498
FY26 Gross Debt	0
FY26 Cash	94
EV	21,404
52 Week H/L (Rs)	3269 / 1350
Equity Capital (Rs)	11.2
Face Value (Rs)	2.0

Shareholding pattern

	Jun-25	Sep-25	Dec-25	Mar-26
Promoter	42.4	42.4	42.4	42.4
FII	12.8	11.4	11.5	12.5
DII	8.1	9.8	10.3	11.7
Others	36.7	36.4	35.8	33.4

Price Chart



Key risks

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

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Key Financial Summary

(Rs crore)	FY22	FY23	FY24	FY25	FY26	4 Year CAGR (FY22-25)	FY27E	FY28E	2 Year CAGR (FY25-28E)
Revenues	311	453	520	708	925	31.3	1,147	1,416	23.7
EBITDA	141	172	222	275	374	27.6	458	567	23.1
EBITDA margin (%)	45.4	37.9	42.6	38.8	40.4		40.0	40.0	
Net Profit	94	124	182	222	271	30.4	331	407	22.5
Diluted EPS (Rs)	16.8	22.1	32.5	39.6	48.5		59.0	72.7	
P/E (x)	228.8	173.4	118.3	96.9	79.2		65.0	52.8	
EV/EBITDA (x)	140.1	112.5	86.9	70.8	52.1		42.6	34.5	
RoCE (%)	23.8	14.8	19.0	20.4	21.8		22.3	23.3	
RoE (%)	16.4	10.6	13.7	14.7	15.8		16.4	17.2	

Q4 and FY26 Result Summary

- Revenue stood at ₹345 crore in Q4FY26 (-13.0% YoY and +99.2% QoQ), impacted on a YoY basis due to a high base, while execution picked up sharply sequentially
- EBITDA margins improving to 55.9% (+1819 bps YoY and +937 bps QoQ) supported by favourable execution mix
- Subsequently, EBITDA increased to ₹193 crore (+29.0% YoY and +139.3% QoQ). PAT rose to ₹138 crore (+21.3% YoY and +137.4% QoQ)
- For FY26, revenue stood at ₹925 crore (+30.6% YoY), while EBITDA stood at ₹374 crore (+36.0% YoY) with EBITDA margins improving to 40.4% (+162 bps YoY) while PAT for the year stood at ₹271 crore (+22.3% YoY).

Q4 and FY26 Earnings call highlights

- Consolidated order backlog stands at ~₹2,062 crore (including negotiated orders), with FY26 order inflows of ₹1,121 crore (+216% YoY), driven by strong traction across radars, avionics, EW systems and strategic electronics programs.
- Management highlights additional repeat and single-vendor opportunities of ~₹1,900 crore over FY27 based on already delivered and accepted systems.
- Management reiterated confidence of sustaining 20–25% revenue growth in the near-to-medium term while maintaining EBITDA margins of ~38–40%, supported by higher share of IP-led products, operating leverage, ongoing investments and increasing repeat business.
- Long-term growth focus remains on scaling indigenous defence electronics capabilities across radars, EW suites, seekers, drone defence and space-based systems, while building a multi-thousand-crore scalable order pipeline.
- Management emphasized increasing localisation, in-house manufacturing and deeper participation in strategic defence programs.
- During FY26, the company witnessed strong traction in electronic warfare systems, radar programs, avionics, ISR and strategic electronics, while progressing on key opportunities related to airborne and maritime surveillance radars, self-protection jammer suites, smart cockpits and missile-related systems. Repeat production orders for already qualified systems are expected to be a key growth driver over the coming years.
- Export order book currently stands at ~₹53 crore, with successful deliveries of transportable precision approach radars to Europe. Management indicated increasing engagement with European and global OEMs for radar and EW solutions, with multiple export opportunities under active discussion and expected progress over the next 3–4 months.
- The company continues to focus on IP-driven programs and high-margin opportunities while selectively participating in strategic lower-margin contracts that can create long-term platform positioning and future production visibility. Management reiterated its strategy of avoiding pure “buy-and-integrate” business models.
- Significant investments are underway towards scaling infrastructure and manufacturing capabilities, including expansion of production facilities, seeker manufacturing and complex systems integration. Management also highlighted increasing use of AI-led tools in development and operational processes to improve efficiency and execution timelines.
- Global defence spending and geopolitical uncertainties continue to create a favourable environment for indigenous Indian defence players, particularly in radar, EW, ISR and drone countermeasure systems. Management believes India’s push for defence indigenisation and faster export acceptance are opening large long-term opportunities for companies with strong in-house IP and execution capabilities.

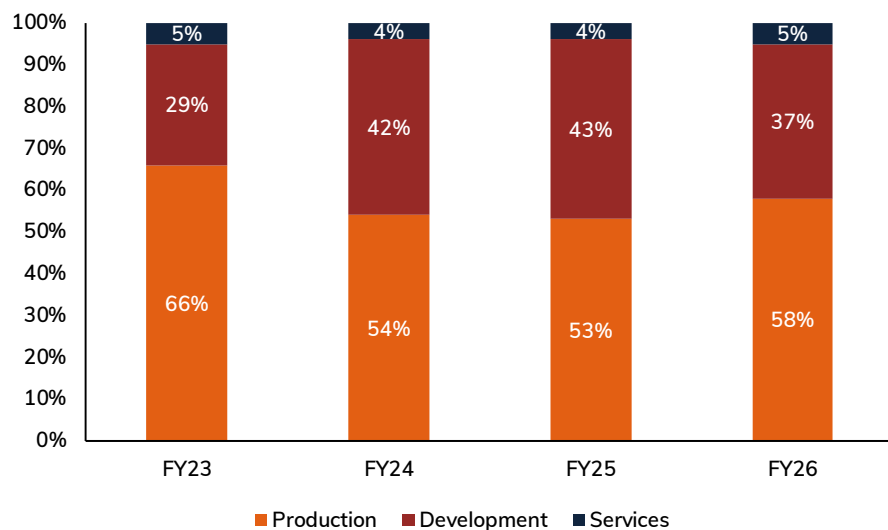
- Working capital cycle improved during FY26, with cash conversion cycle reducing to ~365 days versus ~428 days in FY25. Management expects further improvement aided by higher receivable collections and increasing scale of execution over the coming quarters

Exhibit 1: Q4 and FY26 result snapshot (₹ crore)

	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	Comments	FY26	FY25	YoY(%)
Revenue from operations	344.9	396.2	-13.0	173.1	99.2	Execution impacted on YoY basis due to higher base; sequentially sharp pick-up	924.8	708.4	30.6
Other income	5.7	10.6		5.8			28.0	46.3	
Total Revenue	350.5	406.8		178.9			952.7	754.7	
Raw materials costs	91.7	202.3		39.1			339.9	276.1	
Employees Expenses	40.7	29.5		39.3			154.3	114.1	
Other Expenses	19.6	14.9		14.2			56.6	43.2	
Total Expenditure	152.0	246.7	-38.4	92.5	64.3		550.8	433.4	
EBITDA	192.8	149.5	29.0	80.6	139.3		374.0	275.0	36.0
EBITDA margins (%)	55.9	37.7	1819 bps	46.5	937 bps	Margins improved supported by favourable mix	40.4	38.8	162 bps
Interest	4.7	3.1		2.2			12.5	12.1	
Depreciation	5.9	3.9		5.9			23.0	13.9	
Tax	49.6	39.0		17.0			92.2	73.5	
PAT	138.4	114.1	21.3	58.3	137.4		271.4	221.8	22.3

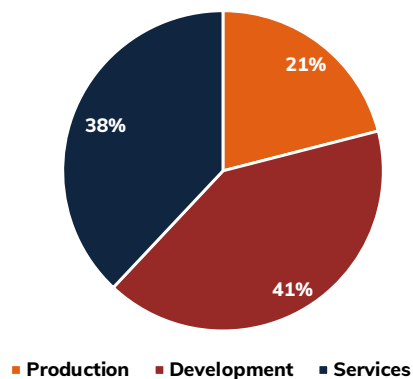
Source: Company, ICICI Direct Research

Exhibit 2: Revenue Breakup over the period



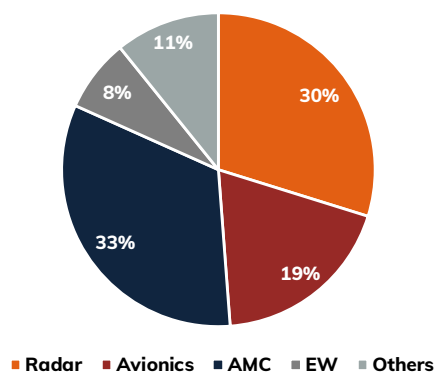
Source: Company, ICICI Direct Research

Exhibit 3: Order-book split as on Mar-26 (Segment wise)



Source: Company, ICICI Direct Research

Exhibit 4: Order-book split as on Mar-26 (Product wise)



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 5: Profit and loss statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Revenue from operations	708.4	924.8	1,146.7	1,416.2
% Growth	36.3	30.6	24.0	23.5
Other income	46.3	28.0	23.0	26.5
Total Revenue	708.4	924.8	1,146.7	1,416.2
% Growth	36.3	30.6	24.0	23.5
Total Raw Material Costs	276	340	429	537
Employee Expenses	114	154	190	228
other expenses	43	57	70	85
Total Operating Expenditure	433.4	550.8	688.3	849.4
EBITDA	275.0	374.0	458.5	566.8
% Growth	24.1	36.0	22.6	23.6
Interest	12	12	13	13
PBDT	309	390	469	581
Depreciation	14	23	31	42
PBT before Exceptional Items	295	367	438	539
Total Tax	74	92	107	132
PAT before MI	222	271	331	407
PAT	221.8	271.4	330.5	406.9
% Growth	22.1	22.3	21.8	23.1
EPS	39.6	48.5	59.0	72.7

Source: Company, ICICI Direct Research

Exhibit 6: Cash Flow Statement ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Profit after Tax	222	271	331	407
Depreciation	14	23	31	42
Interest	12	12	13	13
Cash Flow before WC changes	248	307	374	461
Changes in inventory	(52)	45	(65)	(80)
Changes in debtors	(198)	(131)	(120)	(199)
Changes in loans & Advances	-	-	-	-
Changes in other current assets	0	25	(8)	(10)
Net Increase in Current Assets	(267)	(47)	(194)	(289)
Changes in creditors	34	(7)	33	26
Changes in provisions	1	3	3	3
Net Inc in Current Liabilities	(73)	(136)	48	42
Net CF from Op activities	(92.7)	123.6	227.9	214.3
Changes in deferred tax assets	-	-	-	-
(Purchase)/Sale of Fixed Assets	(112)	(61)	(130)	(130)
Net CF from Inv activities	(138.3)	(100.0)	(192.7)	(157.5)
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)	(27)	(14)
Opening Cash/Cash Equivalent	407	126	94	67
Closing Cash/ Cash Equivalent	126	94	67	53

Source: Company, ICICI Direct Research

Exhibit 7: Balance Sheet ₹ crore

(Year-end March)	FY25	FY26	FY27E	FY28E
Equity Capital	11.2	11.2	11.2	11.2
Reserve and Surplus	1,497	1,725	2,006	2,354
Total Shareholders funds	1,508	1,736	2,017	2,366
Other Non Current Liabilities	14.3	14.9	2.0	2.0
Total Debt	-	-	-	-
Total Liabilities	1,562.4	1,788.8	2,029.9	2,378.4
Gross Block	225	268	361	491
Acc. Depreciation	84	107	138	180
Net Block	141	161	223	311
Capital WIP	13	13	50	50
Total Fixed Assets	296	335	433	522
Non Current Assets	91	127	149	177
Inventory	319	274	339	419
Debtors	596	728	848	1,048
Other Current Assets	58	33	41	51
Cash	126	94	67	53
Total Current Assets	1,125	1,139	1,306	1,581
Current Liabilities	84	77	110	136
Provisions	12	14	10	10
Total Current Liabilities	277	140	188	230
Net Current Assets	848	999	1,118	1,351
Total Assets	1,562	1,789	2,030	2,378

Source: Company, ICICI Direct Research

Exhibit 8: Key ratios

(Year-end March)	FY25	FY26	FY27E	FY28E
Per Share Data				
Diluted EPS	39.6	48.5	59.0	72.7
Cash per Share	80.9	75.5	70.8	68.2
BV	269.4	310.1	360.3	422.6
Dividend per share	6.0	7.3	8.8	10.4
Dividend payout ratio	15%	15%	15%	14%
Operating Ratios(%)				
EBITDA Margin	38.8	40.4	40.0	40.0
PAT Margin	31.3	29.3	28.8	28.7
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	11.5
Return Ratios(%)				
RoIC	18.9	21.4	21.9	22.7
RoNW	14.7	15.8	16.4	17.2
RoCE	20.4	21.8	22.3	23.3
Valuation Ratios				
EV / EBITDA	70.8	52.1	42.6	34.5
P/E	96.9	79.2	65.0	52.8
EV / Net Sales	27.5	21.1	17.0	13.8
Sales / Equity	0.5	0.5	0.6	0.6
Market Cap / Sales	28.1	21.5	17.4	14.1
Price to Book Value	14.3	12.4	10.7	9.1
Solvency Ratios				
Debt / Equity	-	-	-	-
Current Ratio	10.0	10.9	9.4	9.5
Quick Ratio	6.7	8.0	6.8	6.9

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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