SAMNIDHY
FOSTERING FORTUNES

COMPANY ANALYSIS

LATENT VIEW ANALYTICS

latentview
Actionable Insights • Accurate Decisions

LATENT VIEW ANALYTICS

Data and analytics consulting, corporate analytics and insights, sophisticated predictive analytics, data engineering, and digital solutions are just the few of the analytics services offered by Latent View Analytics Ltd. With significant technology expertise in the analytics sector, the company serves blue-chip businesses in the IT, BFSI, CPG & Retail, industrials, and other industry domains. It mixes diverse data types with cutting-edge technology and algorithms, including language learning models (ChatGPT), computer vision, graph databases, and cloud computing like Azure, AWS, and GCP, to make better judgments.

Area of Expertise: Data analytics

Industry: Information technology

LATENT VIEW ANALYTICS around the world

Current Market Capitalization

₹ 8,644 Cr.

Current P/E

55.1

Current Market Price

₹ 422

Business Model

1.Latent View Analytics Ltd is a company that provides services such as data and analytics consulting, business analytics insights, advanced predictive analytics, data engineering, and digital solutions.

2. Mainly the services are provided to blue-chip companies in Technology, BFSI, CPG & Retail, Industrials, and other industry domains.

3. It is the leading pure-play data analytics services company in India based on the expertise of the entire value chain of data analytics with a more holistic view of the business which is leveraged by its customers to guide business strategy and optimize spending decisions.

4.As it operates in several verticals , It provides options based on the type of business like:

4.1 **On-Shelf availability (OSA)** - For retailers and manufacturers Inventory management solutions, Demand forecasting solutions, Data analytics solutions are provided.

4.2 **Multi-tier supplier visibility (MTV)** - MTV is a supply chain visibility platform that offers risk management and data analytics solutions which makes it beneficial for many businesses in terms of enhanced agility, less risk, and improved decision-making.

4.3 **One Customer View (OCV)** – OCV is created by integrating data from a variety of sources, such as CRM systems, marketing automation platforms, and social media. This data is then cleansed, normalized, and aggregated to create a single view of the customer. Which helps users with Personalize the customer experience Optimize marketing campaigns Reduce churn Segment customers.

SWOT

S Strengths

- A business with no debt
- An increase in annual net profit over the previous two years indicates excellent expansion potential.

W Weakness

- Top 5 clients account for 57% of the total revenue

T Threats

- Significant concentration in one location
- Slow decision-making because of the poor global demand

O Opportunities

- Increasing Need for Data Analytics
- Venturing into more Verticals

Recent Highlights

The company has added a senior member to their advisory council who has experience working with a variety of CPG and retail businesses. They believe that his knowledge and insight will benefit the company.

The company has also picked up their first new client in Europe. They are currently involved in at least 40 conversations, most of which are with extremely reputable accounts, clients, and prospects.

Current clients include one of the major two-wheeler manufacturers in India, one of the largest QSRs in the US, and even one of the top tire manufacturers in the EU

Sector-wise Trend

01 SPENDING PROJECTIONS

Global IT spending across world will increase to 4 trillion USD In 2024 from 2.9 trillion USD in 2020 and IT spending in India is expected to increase to 110.3 billion USD in 2023 from about 81.89 billion USD in 2021.

02 CONTRACT CONVERSION CHALLENGES

The conversion of new contracts in the Indian IT industry continues to be a topic of debate due to the ongoing economic slowdown, and it will require more time for substantial commitments from key players to come to fruition

03 REGULATORY INCENTIVES

Challenges are looming on the economic horizon for businesses in general, especially for the technology sector. However, there are numerous regulatory incentives that could stimulate innovation and expansion in 2023 and beyond. To not only survive but thrive, technology companies are focusing on enhancing their supply chain operations, modernizing infrastructure, and capitalizing on growth opportunities.

04 NAVIGATING REVENUE GROWTH

Due to a slowdown in the economies of developed nations, it is anticipated that the Indian IT services sector will see a single-digit revenue growth in the current fiscal year. Additionally, operating margins are anticipated to be relatively stable throughout this fiscal year, primarily as a result of rising employee-related costs and rising expenses.

Financial Highlights

PARTICULARS	FY19-20	FY20-21	FY21-22	COMMENTS
Revenue (INR in Crores)	3296.72	3267.08	4287.89	Sharp growth in FY ending '22
Basic EPS	4	5.1	6.8	Steady growth
EBITDA Margin	32.13%	40.99%	35.02%	Fall in EBITDA after FY ending '21
RoCE	24.61%	24.33%	12.82%	Steady until steep fall in FY ending '22
ROE	20.93%	20.89%	12.61%	Steady until steep fall in FY ending '22

Ratio Analysis

The company experienced a boost in revenue for the fiscal year ending in 2022, driven by both higher income from existing clients and the addition of new clients.
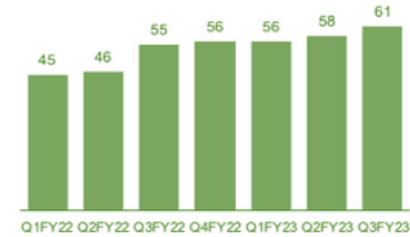
Thanks to its strong operational efficiency, efficient cost management, and upkeep of a high profit margin, the company has been steadily increasing its profits.
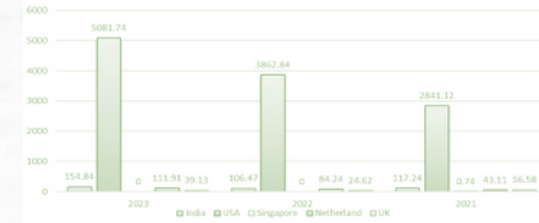
Over time, the company has expanded its client base due to its commitment to delivering high-quality services, with the revenue generated from each client remaining relatively stable.

The majority of the company's revenue is derived from the United States, which means that to some extent, the company's performance is reliant on the economic conditions in the U.S.A.

Future Outlook

1 FOR THE INDUSTRY

- Due to the Digital India and e-governance initiatives, domestic revenues are expected to increase by 9-11% and reach a range of 1445-1455 billion in the fiscal year 2023. In fiscal 2024, domestic revenues are expected to grow at a rate of 7-10%, driven by the increased utilization of data analytics, machine learning, and artificial intelligence to provide highly personalized products.
- Over the medium term spanning from FY23 to FY28, a Compound Annual Growth Rate (CAGR) of 7-9% is forecasted for the IT services industry in terms of rupee earnings. However, the growth rate may be constrained due to heightened competition in the domestic market.
- Furthermore, the central government and state governments have long-term plans to enhance their technology platforms and implement e-governance initiatives. It is anticipated that the government and its various agencies will continue to be the primary contributors to domestic IT revenue.

2 FOR THE COMPANY

- Latent View Analytics is poised for future growth. In addition to a strong track record of growth, the company has a diversified client base and a wide range of data analytics expertise. Over the next few years, the global data analytics market is expected to grow significantly. Numerous variables, such as the expanding use of cloud computing, the volume of data, and the rising need for data-driven insights are fueling this expansion.
- Latent View Analytics is in a good position to benefit from this expansionas it mainly focuses on cloud computing and provides a variety of cloud-based data analytics services. The two most significant technologies in the data analytics sector, data science and machine learning are also areas in which Latent View has significant experience.
- In addition, Latent View's clientele is spread out across a variety of industries. By diversifying, the business lowers its risk and is less susceptible to downturns in any one area.