

Techno Funda Stock



DATA PATTERNS (INDIA) LTD.

Sector : Defense & Aerospace Electronics

Recommendation
BUY

₹

Buy Price Range
₹1375 - 1450

🎯

Target Price
₹1750 - 1800

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%

Expected Return
25 - 35%

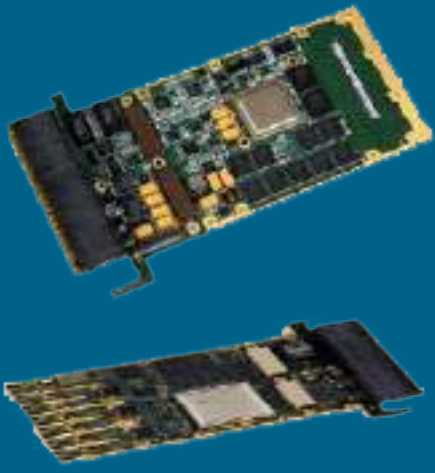
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Holding Period
1.5 - 2 Years

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Market Capitalization
₹6,927 Cr (Small-Cap)

PRODUCTS



COMMERCIAL OFF THE SHELF (COTS)

COTS modules designed to build military electronics systems quickly and easily.



AVIONICS

Avionics displays used on-

- Light Combat Aircraft (“LCA”)
- Intermediate Jet Trainers
- Light Utility Helicopters (“LUH”)



COMMUNICATIONS, ATEs AND SATELLITES

A range of communication-

- Underwater electronics / Communications / Other systems
- Automated Test Equipment (ATE)
- Small and Nano Satellites



BRAHMOS PROGRAMME

Features of BrahMos missile-

- Fire control systems
- Mobile autonomous launcher
- Airborne launcher
- Other electronic systems

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ELECTRONIC WARFARE

Signals intelligence-

- Surveillance and intelligence gathering (“SIGINT”)
- Further divided into COMINT & ELINT



RADARS

Types of Radars-

- Surveillance Radars
- Weather Radars
- Coastal Surveillance Radars

WHY TO INVEST?

Strong Order Book growth with ₹20-30 Bn worth of orders in the pipeline for the next 3-4 years ensuring high revenue visibility



'Make in India' and 'Atmanirbhar Bharat' initiatives have boosted the industry growth, benefitting the company in a long run



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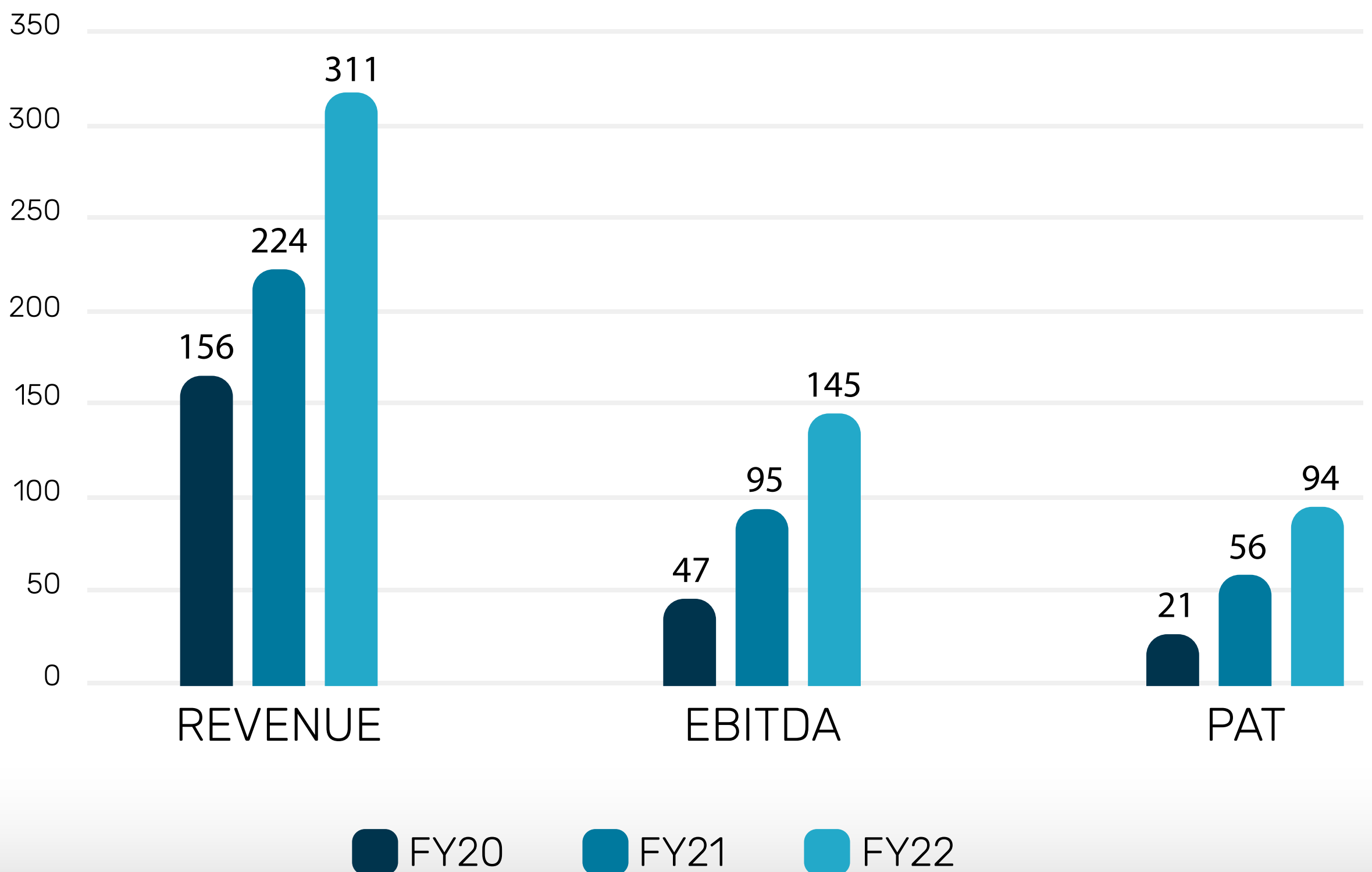
Capacity Expansion with new manufacturing facility expected to commence operations from Q3FY23



Union Budget Allocation of ₹5.25 Lakh CR. in FY23, 10% higher YoY to defense sector with a motive to push domestic manufacturing

FINANCIAL HIGHLIGHTS

(All figures are in INR Cr.)



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FY22 KEY FINANCIALS

- ▶ High ROCE **33.4%**
- ▶ EBITDA Margin **45.4%**
- ▶ PAT Margin **30.2%**
- ▶ Debt/Equity Ratio **0.02**
- ▶ 5-Year Revenue CAGR **44%**
- ▶ 5-Year PAT CAGR **163%**
- ▶ Dividend Payout **19.3%**

TECHNICAL HIGHLIGHTS



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- ▶ Consolidation breakout with high volume support
- ▶ Upward price-cycle movement
- ▶ Price action above 20, 50, 150 & 200 Daily Exponential Moving Average

RESEARCHED BY



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