

Astra Microwave Products

Analyst Recommendation: **BUY**

BSE Code: 532493

NSE: ASTRAMICRO

Investor's Rationale

CMP: Rs 923
2 Year Target - Rs 1120

Face Value	2.00
Market Cap (Crores Rs)	8,954
EV/EBITDA	28.2
Dividend Yield	0
Shares O/S (Million)	2238
Book Value per Share (Rs)	122
Nifty	25471

eseeses

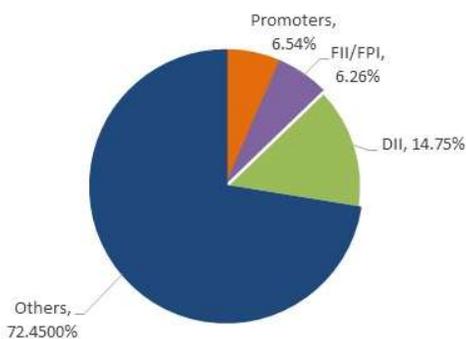
➤ **Strong domain expertise in key defence electronic systems; focus remains on higher-margin contracts:**

AMPL is strongly placed to capture a substantial share in defence G space electronics opportunity considering the company's design G development G manufacturing capabilities (critical sub-systems/systems for various airborne, naval G ground-based platforms). Company has been moving up in the value chain from manufacturing sub-systems/components to development G manufacturing of various high-end, high-value systems. Company's EBITDA growth stands at 14% YoY during 9MFY26 despite ~5% YoY growth in revenue, as the focus has shifted towards executing higher-margin contracts (including both domestic and exports). Moreover, company maintains its revenue growth guidance of 10-15% for FY26E, which implies 18%+ YoY growth in Q4FY26E. Also, focus remains on healthy order intake and improving margins through better product mix. Company aims to double its revenue to ₹ 2000 crore by FY29E (implying ~17% CAGR over FY25-29E)

➤ **Healthy order-book G robust pipeline gives strong visibility:**

Consolidated order backlog of ₹ 2566 crore as of Dec-25 (2.4x TTM revenue) provides healthy revenue visibility. Order inflows remained strong at ₹ 940 crore during 9MFY26 and management is optimistic about order inflows worth ~₹ 1400 crore in FY26E. Order pipeline remains strong (targeting Rs 8000 crore inflow over the next 4-5 years) in both domestic and export markets. Company states that major contracts like QRSAM (Quick Reaction Surface to Air Missile System), Uttam Radar, Sukhoi Upgrade and other key programs in space G defence would generate sizable orders opportunity for company's products in the coming period

Shareholding pattern as on 31st Dec 2025



Valuation

We estimate Revenue G PAT to grow at ~15% G ~20% CAGR respectively over FY25-28E. We maintain BUY on AMPL with a Target Price of ₹ 1120 (based on 40x FY28E EPS)

(Year-end March)	FY25	FY26E	FY27E	FY28E
Revenue	1051.2	1166.8	1347.7	1597
Operating Profit (EBITDA)	269	315.4	366.9	438.7
PAT	153.5	181.8	218.5	265.8
RoE	14.2	14.7	15.2	16
RoCE	16.7	19.2	19.8	20.8
RoIC	16.4	19.7	20.2	20.9
EPS	16.2	19.1	23	28
P/E	57.1	48.2	40.1	33
EV / EBITDA	33.9	28.2	24.3	20.3

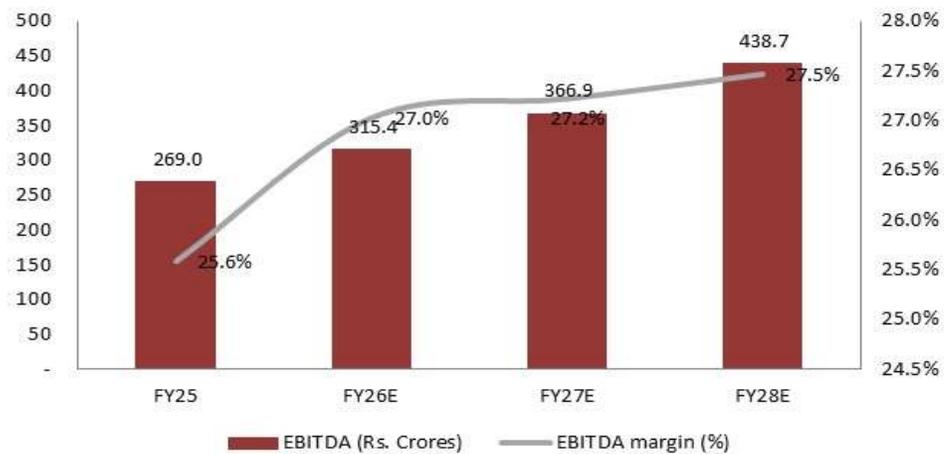
Q3FY26 Earnings call highlights

- Revenue remained flattish up by 0.7% YoY (+21.3% QoQ) at ₹ 260.2 crore, indicating considerable improvement in execution on sequential basis
 - However, EBITDA margin stood at 31.7% (+224 bps YoY, +942 bps QoQ) supported by favourable segment mix on account of execution of better- margin contracts
 - Subsequently, EBITDA increased by 8.3% YoY (+72.5% QoQ) to ₹ 82.5 crore while PAT stood at ₹ 46.8 crore, (-1.3% YoY, +95.8% QoQ).
 - For 9MFY26, revenue rose 4.9% YoY to ₹ 674.6 crore. EBITDA grew 14.6% YoY to ₹ 171.3 crore with margins at 25.4% (+217 bps YoY), while PAT increased 8.7% YoY to ₹ 87 crore.
 - Consolidated order backlog stands at ₹ 2566 crore as of Dec-25 end (Standalone order book stood at ₹ 2226 crore) which includes major orders from defence segment, the management has also concluded price negotiations for orders to the tune of ₹ 550-600 crore
 - Defence contributes ~82% of the quarterly revenue, while exports segment contributes ~12% and space, meteorological and others contribute ~6%.
 - Company has maintained its guidance of revenue at ~₹ 1150-1200 crore for FY26E. Order inflows guidance for the year is maintained at ~₹ 1400 crore (₹ 450 crore orders from defence and ₹ 150 crore orders from meteorology are expected in Q4FY26E)
 - During the quarter, the company has secured strong domestic defence focused orders (62% of total quarterly received orders) of which majority orders are from built-to-spec ensuring higher margins
 - Key deliveries during the quarter include executed modules for Aslesha and Rohini radars for Bharat Electronics (BEL), Doppler Weather radar (DWR), Astra Telemetry Radar (ATR), Software defines radio (SDR) and some products for QRSAM
 - During the year management has secured strategic wins and orders across products for EW systems for Su-30mki platform, weather radars, SDR's, advanced radio frequency, and microwave systems
 - Management expects and order inflow of ₹ 1500+ crore in FY27E, from PSU's in QRSAM and other big-ticket projects, from DRDO in RGD programmes, production orders in EW systems and sub-systems, export orders about ₹ 100-125 crore and space orders to the tune of ~₹ 50 crores
 - Regarding orders from the next 97 LCA recently placed, the management has received the RFP for the same and are awaiting negotiations to end for the placing of contracts
 - Management also expects orders to flow in for radars from Mission Mausam projects, however the finalisation on the project would take in a couple of years' time and so will the execution post contracting
 - On the exports front, the management is experiencing traction from European countries but however currently only considering projects having good margin profiles
 - On the recently released budget front, the management sees a good allocation for the space sector and hence forecast good opportunities to flow in for the segment
 - The management is positive about maximum revenue execution from current order backlog to recognise in FY28-29E with a cumulative revenue of next 4-5 years of ~₹ 7500 crore
 - The company has been investing well in RGD for the past 3-5 years and now see it translating into multiple large-scale projects, bringing in high revenue and margin visibility post FY29E
-

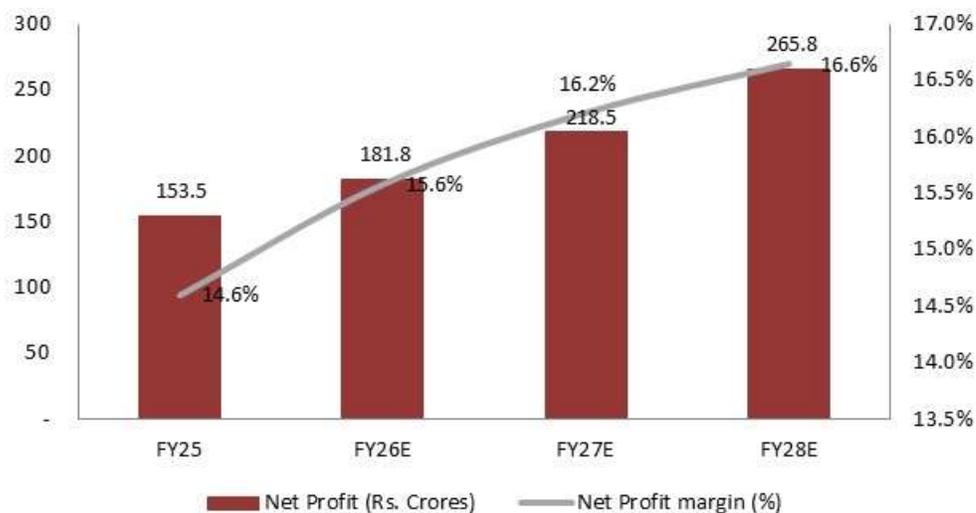
Revenue will grow moving forward



EBITDA will show growth trend



Net profit will double in 3 years





Outlook and Valuation

We estimate Revenue G PAT to grow at ~15% G ~20% CAGR respectively over FY25-28E. We maintain BUY on AMPL with a Target Price of ₹ 1120 (based on 40x FY28E EPS)

Company Overview

Astra Microwave Products is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems used in defense, space, meteorology and telecommunication. Astra is engaged in designing, developing, manufacturing, and supplying high-value-added RF and microwave super components, sub-systems, and systems finding for Defense, Space, Telecom, Meteorology, and Civil communication applications.



Balance sheet (Consolidated)

Rs in Crores

(Year-end March)	FY25	FY26E	FY27E	FY28E
Equity Capital	19	19	19	19
Reserve and Surplus	1059.1	1221.9	1413.8	1646.4
Total Shareholders funds	1078.1	1240.9	1432.8	1665.4
Total Debt	423.5	278.5	278.5	278.5
Total Liabilities	1570.5	1585.5	1777.4	2011
Gross Block	439.7	462.8	547.8	642.8
Acc: Depreciation	216.8	259.1	307.7	365.1
Net Block	222.9	203.7	240.2	277.7
Capital WIP	3.1	50	50	50
Total Fixed Assets	232	254.5	291	328.5
Non Current Assets	29.7	30.4	32.2	35.7
Inventory	615.9	607.4	683.1	787.6
Debtors	786.1	735.2	841.8	984.4
Other Current Assets	50.8	56	64.7	76.7
Cash	77.8	134	138	124.1
Total Current Assets	1537	1538.9	1733.9	1979
Current Liabilities	76.7	86.3	103.4	122.5
Provisions	90	91	92	93
Total Current Liabilities	260.4	270.4	311.8	364.3
Net Current Assets	1276.6	1268.5	1422.1	1614.7
Total Assets	1570.5	1585.6	1777.5	2011.1

Profit & Loss Account (Consolidated)

Rs in Crores

(Year-end March)	FY25	FY26E	FY27E	FY28E
Revenue	1051.2	1166.8	1347.7	1597
% Growth	15.7	11	15.5	18.5
Other income	17.5	19.3	21.2	23.3
Total Revenue	1051.2	1166.8	1347.7	1597
% Growth	15.7	11	15.5	18.5
Total Raw Material Costs	577.4	589.2	680.6	806.5
Employee Expenses	141.8	156	173.9	193.9
other expenses	63	106.1	126.3	157.9
Total Operating Expenditure	782.2	851.4	980.8	1158.3
Operating Profit (EBITDA)	269	315.4	366.9	438.7
% Growth	40.4	17.3	16.3	19.6
Interest	57.1	54.4	51.5	51.5
PBDT	229.4	280.3	336.6	410.5
Depreciation	35	42.3	48.5	57.5
PBT before Exceptional Item	194.4	238	288	353
Total Tax	50.2	70.2	85	104.1
PAT before MI	144.2	167.8	203.1	248.9
PAT	153.5	181.8	218.5	265.8
% Growth	26.8	18.4	20.2	21.7
EPS	16.2	19.1	23	28



Cash Flow (Consolidated)

Rs in Crores

(Year-end March)	FY25	FY25	FY26E	FY27E
Profit after Tax	153.5	181.8	218.5	265.8
Depreciation	35	42.3	48.5	57.5
Interest	57.1	54.4	51.5	51.5
Cash Flow before WC changes	245.7	278.5	318.5	374.8
Changes in inventory	-101.4	8.6	-75.7	-104.5
Changes in debtors	-281	50.9	-106.6	-142.6
Net Increase in Current Assets	-355.4	54.3	-190.9	-259.1
Changes in creditors	-7.2	9.6	17.1	19.1
Changes in provisions	1.1	-0.9	0.9	1
Net Inc in Current Liabilities	48.6	10	41.4	52.5
Net CF from Operating activities	-61.2	342.8	169	168.3
Changes in deferred tax assets	-0.3	0.4	-	-1
(Purchase)/Sale of Fixed Assets	-84	-70	-85	-95
Net CF from Investing activities	-79.3	-73.5	-86.8	-97.5
Dividend and Dividend Tax	-19	-19	-26.6	-33.2
Net CF from Financing Activities	83.3	-213.1	-78.1	-84.8
Net Cash flow	-57.1	56.2	4.1	-14
Opening Cash/Cash Equivalent	134.9	77.8	134	138
Closing Cash/ Cash Equivalent	77.8	134	138	124.1

Key Ratios & Valuations (Consolidated)

(Year-end March)	FY25	FY26E	FY27E	FY28E
EPS	16.2	19.1	23	28
Cash per Share	8.2	14.1	14.5	13.1
BV	113.5	130.7	150.9	175.4
EBITDA Margin	25.6	27	27.2	27.5
PAT Margin	14.6	15.6	16.2	16.6
RoE	14.2	14.7	15.2	16
RoCE	16.7	19.2	19.8	20.8
RoIC	16.4	19.7	20.2	20.9
EV / EBITDA	33.9	28.2	24.3	20.3
P/E	57.1	48.2	40.1	33
EV / Net Sales	8.7	7.6	6.6	5.6
Sales / Equity	1	0.9	0.9	1
Market Cap / Sales	8.3	7.5	6.5	5.5
Price to Book Value	8.1	7.1	6.1	5.3
Asset turnover	0.7	0.8	0.8	0.8
Debtors Turnover Ratio	1.6	1.5	1.7	1.7
Creditors Turnover Ratio	13.1	14.3	14.2	14.1
Debt / Equity	0.4	0.2	0.2	0.2
Current Ratio	13.2	11.8	11.6	11.8
Quick Ratio	7.6	6.7	6.6	6.8



Equity Research

Large Cap.	Return	Mid/Small Cap.	Return
Buy	More than equal to 10%	Buy	More than equal to 15%
Hold	Between 10% & -5%	Accumulate*	Upside between 10% & 15%
Reduce	Less than -5%	Hold	Between 0% & 10%
		Reduce/sell	Less than 0%

** To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.*



Member: BSE, NSE, MCX, MCX-SX, CDSL

Reg. office: PG-4, Rotunda Bldg, Bombay Samachar Marg, Fort, Mumbai-400001, Maharashtra, India

Corp Office: 24/26 Cama Bldg, 3rd Floor, Dalal Street, Fort Mumbai-400001, Maharashtra India

Tel: 91-22-67378001 **Fax:** 91-22-22646410

Dealing: 91-22-67378011 **Institutional Dealing:** 91-22-6737833

Email: research@mjpgdirect.com **Website:** www.mjpgdirect.com

Registration Number: SEBI- INZ000218338

Disclaimer:

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment. M J Patel Share & Stock Brokers Ltd. its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within. Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals. The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. M J Patel Share & Stock Brokers Ltd. or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. M J Patel Share & Stock Brokers Ltd. has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While M J Patel Share & Stock Brokers Ltd. endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly. M J Patel Share & Stock Brokers Ltd. and its affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

This document disclaims any warranty of any kind imputed by the laws of any jurisdiction, whether express or implied, as to any matter what so ever relating to the service, including without limitation the implied warranties of merchantability, fitness for a particular purpose and non-infringement. Any disputes are subject to the jurisdiction only of the Courts of Republic of India at Mumbai.

M J Patel Share & Stock Brokers Ltd shall not be liable for any misrepresentation, falsification and deception or for any lack of availability of services through website even if the same is advertised on the website.

Neither M J Patel Share & Stock Brokers Ltd. nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.