Astra Microwave Products (ASTMIC)

ICICI Direct

CMP: ₹ 1012 | Target: ₹ 1270 (25%) | Target Period: 12 months | BUY

August 18, 2025

Well poised to scale-up substantially…

About the stock: Astra Microwave Products is engaged in the business of design, development and manufacture of sub-systems for Radio Frequency and microwave systems used in defence, space, meteorology and telecommunication

- Product range includes radars, missile electronics, electronic warfare, satellites, MMIC (Monolithic Microwave Integrated Circuit) and communication systems
- Consolidated order book stands at Rs 2236 crore as of June 2025

Q1FY26 Result: Overall operational performance came better than expectations, led by strong execution. Revenue increased by 28.7% YoY (-51% QoQ) to Rs 199.7 crore. EBITDA margin stood at 20.5% (+504 bps YoY, -881 bps QoQ). Subsequently, EBITDA increased by 70.6% YoY (-65.7% QoQ) to Rs 41 crore while PAT was up to 126% YoY at Rs 16.3 crore.

Investment Rationale:

- Healthy order-book & robust pipeline gives strong visibility; Increasing share of higher-margin domestic contracts to drive profitability: Consolidated order backlog of ₹ 2236 crore as of Jun 2025 (2x TTM revenue) provides healthy revenue visibility. Order inflows remained strong at ₹ 260 crore during the quarter and management is optimistic about order inflows for the remaining quarters. With a strong emphasis on improving product mix and getting orders with higher complexity, company guides order inflows of ~₹ 1400 crore in FY26E. Order pipeline remains strong for AMPL in both domestic and export markets, considering the substantial opportunity in defence & space sectors. Margins and profitability are expected to improve further led by execution of higher-margin domestic contracts
- Strong domain expertise in key defence electronic systems**:** AMPL is strongly placed to capture a substantial share in defence & space electronics opportunity considering the company's design & development & manufacturing capabilities (critical sub-systems/systems for various airborne, naval & ground-based platforms). Company has been moving up in the value chain from manufacturing sub-systems/components to development & manufacturing of various high-end, high-value systems like Gallium Nitride (GaN) Transmit/Receive Modules (TRMs), NavIC (Navigation with Indian Constellation) chips and other key radars & Electronic Warfare systems etc

Rating and Target Price

- AMPL is well placed to witness healthy growth led by strong sector tailwinds. We estimate revenue & PAT to grow at ~20% & ~25% CAGR respectively over FY25-27E
- We maintain BUY on AMPL with a Target Price of Rs 1270 (based on 50x FY27E EPS)

Astra Microwave Products Limited

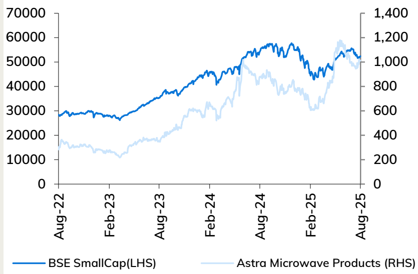
Particulars

Particular	Amount
Market Capitalisation (Rs Crore)	9,589
FY25 Gross Debt (Rs Crore)	424
FY25 Cash (Rs Crore)	98
EV (Rs Crore)	9,915
52 Week H/L (Rs)	1196 / 584
Equity Capital	19.0
Face Value	2.0

Shareholding pattern

	Sep-24	Dec-24	Mar-25	Jun-25
Promoter	6.5	6.5	6.5	6.5
FII	5.7	5.2	5.3	6.5
DII	15.0	15.4	15.3	14.4
Others	72.8	72.9	72.9	72.6

Price Chart



Key risks

(i) Dependent on govt contracts

(ii) High working capital requirement

(iii)Availability of key raw materials components

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Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

(Year-End March)	FY22	FY23	FY24	FY25	3 Year CAGR (FY22-25)	FY26E	FY27E	2 Year CAGR (FY25-27E)
Revenues	750	816	909	1,051	11.9	1,261	1,514	20.0
EBITDA	89	148	192	269	44.5	325	393	20.9
EBITDA margin (%)	11.9	18.1	21.1	25.6		25.8	26.0	
Net Profit	38	70	121	154	59.4	193	241	25.2
EPS (Rs)	4.4	8.1	12.8	16.2		20.4	25.4	
P/E (x)	231.4	125.5	79.4	62.6		49.7	39.9	
EV/EBITDA (x)	107.6	65.6	50.7	36.9		30.5	25.4	
RoCE (%)	11.2	15.6	14.8	16.5		18.1	19.3	
RoE (%)	6.5	10.9	12.5	14.0		15.2	16.1	

Source: Company, ICICI Direct Research

Q1FY26 Result Summary

- Overall operational performance came better than expectations, led by strong execution in domestic contracts. Revenue increased by 28.7% YoY to Rs 199.7 crore, led by strong growth of ~47% YoY in domestic segment (contributing 90% to revenue). Exports revenue (10% of total) declined 39% YoY
- EBITDA margin stood at 20.5% (+504 bps YoY) on account of lower raw material costs and execution of higher margin domestic contracts
- Subsequently, EBITDA increased by 70.6% YoY to Rs 41 crore while PAT was up to 126% YoY at Rs 16.3 crore.
- PAT was up to 35.1% YoY at Rs. 73.5 crore

Q1FY26 Earnings call highlights

- Consolidated order backlog stands at Rs 2236 crore as of Jun-25 end (Standalone order book stood at Rs 1891 crore) which includes higher orders from Built-To-Specification (BTS) than Built-To-Print (BTP)
- Defence contributes ~86% of the quarterly revenue, while exports segment contributes 10% and space, meteorological and others contribute 4%.
- Company has maintained its targeted guidance for revenue growth at 18-20% for FY26E with PBT margin of 18%. Order inflows guidance remains at Rs 1300-1400 crore (~Rs 260 crores order received till date)
- During the quarter, the company has secured development order for two anti-array radars for Virupaksha and various production orders for electronic warfare, meteorology, radars etc
- Apart from these orders in Astra Rafael (a subsidiary) the order book stands at Rs 400 crore with Rs 800 crore worth of orders are expected to be booked in the following quarters. The management also expects $100 million orders by Mar-26 from Software Defined Radios (SDR)
- The company has been in manufacturing MMIC chips for over 20 years now and have a portfolio of 40 such chips. The management now plans to upgrade and sell these for which they see a potential of ~$50 million over the next five years
- The company has also built modules in Ashlesh and Rohini for Bharat Electronics (BEL), MRT radar for DRDO, RF for ISRO-Defence satellite, X-band radars for meteorology and radars for defence communication
- The management has guided that they would be focusing towards working on ground station capability in the ground station segment, intending to build up significant capabilities in data monetization space to provide a complete satellite-based data ecosystem.
- The company is refining its weather products continuously where they are building indigenous software capabilities and are expecting an order book in excess of Rs 400-500 crore from the segment in the next 2 years
- Apart from weather radar, over the medium term, the management sees opportunities particularly in lightweight, low-level radars, anti-drone radars and ground penetration radars.
- The management also foresees a Rs 4000-5000 crore revenue apart from regular business as whatever has been built in the form of sub-systems will now be transitioning to build complete platforms
- In accordance to Uttam radars for LCA Mk1 the management expects 10-12 orders for the radars in the current batch being manufactured by Hindustan Aeronautics (HAL) and remains optimistic for the next batch
- The company is developing advanced anti-drone solutions with long-range detection and multidirectional jamming and is currently engaged in

over three dozen anti-drone programs, RFIs, and collaborations, while prioritizing commercialization of indigenous technologies.

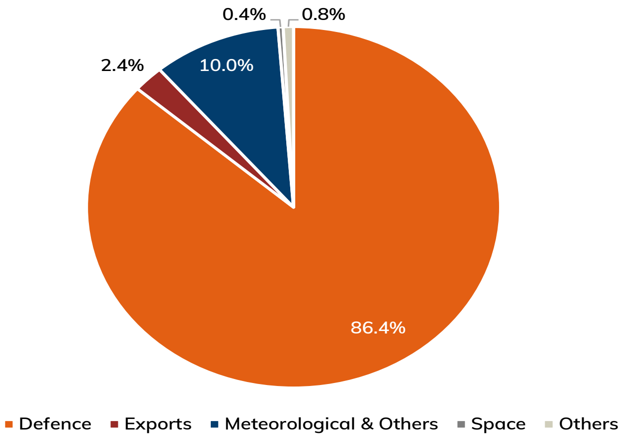
- The company is in the final stages of executing a DRDO contract for shipborne radar, with testing and acceptance expected by Dec 2025; the Navy has shown interest in similar systems.
- The company has also developed a handheld ground-penetrating radar, moving from prototype to engineering model, and is participating in related RFPs. The demo for the same would start from September – October and is likely to book a few orders at least by Mar-26
- Company is a key contributor to BEL's ₹2,000 crore Air Defence Fire Control Radar program, supplying 50–60% of subsystems including TR modules. The lightweight radar is intended for the Indian Army, with Astra expecting follow-on orders in the coming quarters.
- The development of a key module under the Navitronics JV is nearly complete and in the final stage of acceptance, with product rollout for the end-user expected shortly.
- The company has indigenously developed a handheld Ground Penetrating Radar (GPR) targeted at paramilitary forces, aiming to replace imports from Russia and Europe. The engineering model is nearing completion, with a business potential of a minimum of ~100 units annually once technically qualified.

Exhibit 1: Q1FY26 result snapshot (₹ crore)

	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Revenue from operations	199.7	155.2	28.7	407.9	-51.0
Other income	2.5	2.1		11.0	
Total Revenue	202.2	157.3		418.8	
Raw materials costs	106.4	87.2		219.9	
Employees Expenses	32.5	29.6		45.8	
Other Expenses	19.9	14.4		22.6	
Total Expenditure	158.8	131.2		288.3	
EBITDA	41.0	24.0	70.6	119.6	-65.7
EBITDA margins (%)	20.5	15.5	504 bps	29.3	-881 bps
Interest	14.6	10.4		19.2	
Depreciation	9.3	8.2		11.1	
Tax	4.8	2.1		25.6	
PAT	16.3	7.2	125.9	73.5	-77.9

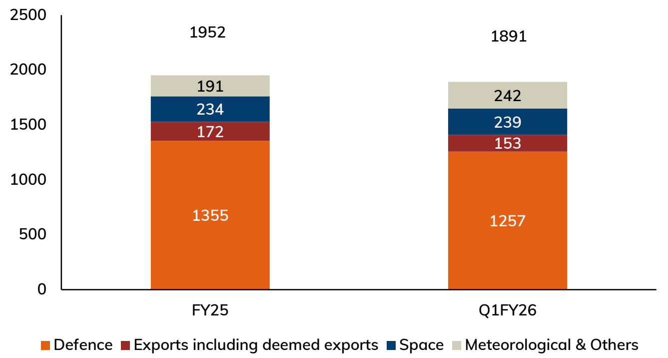
Source: Company, ICICI Direct Research

Exhibit 2: Q1FY26 revenue segment break-up



Source: Company, ICICI Direct Research

Exhibit 3: Order backlog and inflow trend (Standalone)



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 4: Profit and loss statement

(Year-end March)	FY24	FY25	FY26E	FY27E
Revenue	908.8	1,051.2	1,261.4	1,513.7
% Growth	*11.4*	*15.7*	*20.0*	*20.0*
Other income	11.7	17.5	19.3	21.2
Total Revenue	908.8	1,051.2	1,261.4	1,513.7
% Growth	*11.4*	*15.7*	*20.0*	*20.0*
Total Raw Material Costs	545.9	577.4	695.7	832.5
Employee Expenses	113.7	141.8	170.2	204.2
other expenses	57.6	63.0	70.5	83.9
Total Operating Expenditure	717.2	782.2	936.4	1,120.7
Operating Profit (EBITDA)	191.6	269.0	325.0	393.0
% Growth	*29.8*	*40.4*	*20.8*	*20.9*
Interest	31.3	57.1	62.0	61.5
PBDT	172.0	229.4	282.3	352.7
Depreciation	25.0	35.0	38.1	45.0
PBT before Exceptional Items	147.0	194.4	244.2	307.8
Total Tax	37.9	50.2	63.5	80.0
PAT before MI	109.0	144.2	180.7	227.7
PAT	121.1	153.5	193.2	240.7
% Growth	*73.4*	*26.8*	*25.9*	*24.6*
EPS	12.8	16.2	20.4	25.4

Source: Company, ICICI Direct Research

Exhibit 5: Cash Flow Statement

(Year-end March)	FY24	FY25	FY26E	FY27E
Profit after Tax	121.1	153.5	193.2	240.7
Depreciation	25.0	35.0	38.1	45.0
Interest	31.3	57.1	62.0	61.5
Cash Flow before WC changes	177.3	245.7	293.3	347.2
Changes in inventory	(95.5)	(101.4)	(75.2)	(138.2)
Changes in debtors	(221.5)	(281.0)	(43.3)	(165.9)
Changes in loans & Advances	-	-	-	-
Changes in other current assets	(41.3)	27.5	(9.7)	(12.1)
Net Increase in Current Assets	(364.0)	(355.4)	(128.3)	(316.2)
Changes in creditors	38.0	(7.2)	27.0	20.7
Changes in provisions	(0.1)	1.1	(0.0)	1.0
Net Inc in Current Liabilities	57.3	48.6	40.5	54.6
Net CF from Operating activities	(129.3)	(61.2)	205.6	85.5
Changes in deferred tax assets	(2.0)	(0.3)	0.4	-
(Purchase)/Sale of Fixed Assets	(39.3)	(83.8)	(90.0)	(90.0)
Net CF from Investing activities	(74.0)	(79.1)	(94.4)	(92.5)
Dividend and Dividend Tax	(19.0)	-	(19.0)	(19.0)
Net CF from Financing Activities	223.3	107.5	(75.7)	(80.5)
Net Cash flow	20.0	(32.7)	35.5	(87.5)
Opening Cash/Cash Equivalent	110.9	130.9	98.2	133.6
Closing Cash/ Cash Equivalent	130.9	98.2	133.6	46.1

Source: Company, ICICI Direct Research

Exhibit 6: Balance Sheet

(Year-end March)	FY24	FY25	FY26E	FY27E
Equity Capital	19.0	19.0	19.0	19.0
Reserve and Surplus	947.2	1,079.5	1,253.7	1,475.5
Total Shareholders funds	966.2	1,098.5	1,272.7	1,494.5
Total Debt	237.6	423.5	423.5	423.5
Total Liabilities	1,262.3	1,590.9	1,762.3	1,984.1
Gross Block	362.0	452.5	495.6	585.6
Acc: Depreciation	194.6	229.6	267.7	312.7
Net Block	167.4	222.9	227.9	272.9
Capital WIP	13.0	3.1	50.0	50.0
Total Fixed Assets	183.3	232.0	278.7	323.7
Non Current Assets	32.4	29.7	31.3	33.9
Inventory	514.6	615.9	691.2	829.4
Debtors	505.2	786.1	829.4	995.3
Other Current Assets	78.4	50.8	60.5	72.7
Cash	130.9	98.2	133.6	46.1
Total Current Assets	1,234.6	1,557.3	1,721.1	1,949.8
Current Liabilities	83.8	76.7	103.7	124.4
Provisions	10.2	90.0	91.0	92.0
Total Current Liabilities	211.8	260.4	300.9	355.5
Net Current Assets	1,022.8	1,297.0	1,420.2	1,594.4
Total Assets	1,262.3	1,590.9	1,762.4	1,984.1

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY24	FY25	FY26E	FY27E
EPS	12.8	16.2	20.4	25.4
Cash per Share	13.8	10.3	14.1	4.9
BV	101.8	115.7	134.0	157.4
EBITDA Margin	21.1	25.6	25.8	26.0
PAT Margin	13.3	14.6	15.3	15.9
RoE	12.5	14.0	15.2	16.1
RoCE	14.8	16.5	18.1	19.3
RoIC	15.5	16.4	18.4	18.6
EV / EBITDA	50.7	36.9	30.5	25.4
P/E	79.4	62.6	49.7	39.9
EV / Net Sales	10.7	9.5	7.8	6.6
Sales / Equity	0.9	1.0	1.0	1.0
Market Cap / Sales	10.6	9.1	7.6	6.3
Price to Book Value	9.9	8.7	7.5	6.4
Asset turnover	0.8	0.7	0.7	0.8
Debtors Turnover Ratio	2.3	1.6	1.6	1.7
Creditors Turnover Ratio	14.0	13.1	14.0	13.3
Debt / Equity	0.2	0.4	0.3	0.3
Current Ratio	10.0	13.2	11.5	12.0
Quick Ratio	5.3	7.6	6.5	6.7

Source: Company, ICICI Direct Research

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