

Astra Microwave Products Ltd.

Accumulate

Sector: Communication Equipment

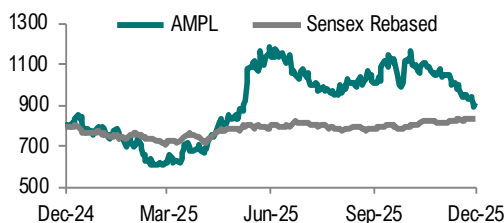
22nd December 2025

Key Changes	Target	▲	Rating	▼	Earnings	▼	Target	Rs.1067
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame		CMP	Rs.908
Small Cap	ASTM:IN	84,929	ASTRAMICRO	532493	12 Months		Return	+17.0%

Data as of: 19-12-2025, 18.00 hrs

Company Data			
Market Cap (Rs. cr.)	8,413		
52 Week High — Low (Rs.)	1,196–584		
Enterprise Value (Rs. cr)	8,816		
Outstanding Shares (Rs cr)	9.5		
Free Float (%)	87.1		
Dividend Yield (%)	0.24		
6m average volume (cr)	0.07		
Beta	1.1		
Face value (Rs)	2.0		
Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	6.5	6.5	6.5
FII's	5.3	6.5	6.5
MFs/Institutions	15.3	14.4	14.6
Public	72.9	72.6	72.4
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-10.6%	-22.6%	14.5%
Absolute Sensex	6.2%	4.0%	4.8%
Relative Return	-16.8%	-26.6%	9.6%

*over or under performance to benchmark index



Y.E March (cr)	FY26E	FY27E	FY28E
Sales	1,200	1,408	1,636
Growth (%)	14.2	17.3	16.2
EBITDA	300	342	409
EBITDA Margin (%)	25.0	25.0	25.0
PAT Adjusted	178	230	289
Growth (%)	16.1	29.0	26.0
Adjusted EPS	18.8	24.2	30.5
Growth (%)	16.1	29.0	26.0
P/E	48.4	37.5	29.8
P/B	6.9	5.9	5.0
EV/EBITDA	29.7	25.0	21.3
ROE (%)	15.1	16.9	18.1
D/E	0.2	0.1	0.0

Author: Anil R - Sr. Research Analyst

Long term strategic goal of scaling-up

Astra Microwave Products Ltd. (ASTM) is a leading designer and manufacturer of a wide array of radio frequency systems, microwave chips, and microwave-based components and subsystems for defence, telecom, and space.

- In H1FY26, revenue grew by declined by 8% YoY, due better execution.
- EBITDA grew by 21% YoY, margins expanded by 240bps YoY to 21.4%, supported by higher margins domestic order execution. Consequently, reported PAT increased by 23.3% YoY.
- The current order backlog is at Rs.1,916cr, which is ~1.6x FY26E projected sales. Anticipated order inflow for H2FY26 is at Rs1,000cr, while on a YTD basis, order inflow is Rs.376cr.
- The order pipeline looks promising, with potential opportunities within AMPL's total addressable market of Rs.25,000cr by FY28.
- We anticipate EBITDA margin in the range of ~25% for the next 2-3 years considering higher domestic order execution in defence and other sectors.

Outlook & Valuation

ASTM is set for a strong growth cycle, leveraging its leadership in radar systems, electronic warfare, and space technologies. Management targets revenue to double in 3–4 years through programs such as QRSAM, Uttam radars, Su-30 EW upgrades, and Virupaksha. The shift to full-system integration improves margin visibility, while the planned Astra SAT-1 launch within 24 months adds growth with minimal capex. We downgrade to **Accumulate** from BUY as growth remains back-ended (FY27–FY30), though Astra's technological edge and alignment with India's defense indigenization roadmap support long-term prospects. **We value the stock at 35x FY28E EPS, with a target price of Rs.1,067.**

Quarterly Financials Consol.

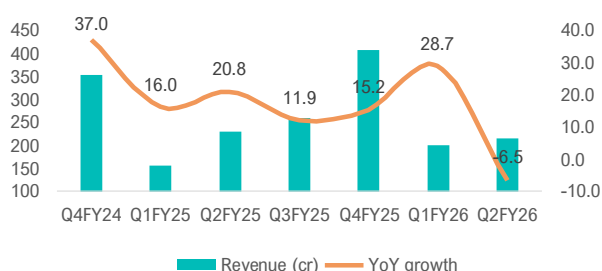
Rs. cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	215	230	(6.5)	200	7.4	414	385	7.7
EBITDA	48	49	(2.8)	41	16.8	89	73	21.2
EBITDA (%)	22.3	21.4	85bps	20.5	179bps	21.4	19.0	240bps
EBIT	38	43	(12.2)	32	19.5	69	59	17.9
PBT	30	33	(7.9)	20	53.8	50	40	23.6
Rep. PAT	24	25	(5.9)	16	46.9	40	33	23.3
Adj. PAT	24	25	(5.9)	16	46.9	40	33	23.3
EPS (Rs)	2.5	2.7	(5.9)	1.7	46.9	4.2	3.4	23.3



Key Concall Highlights

- Management targets 2x revenue in 3–4 years and 3x thereafter, driven by major defense programs – QRSAM, Uttam AESA radars, Su-30 EW upgrades, and Virupaksha series.
- Consolidated order book at Rs.2,209cr (Rs.1,916cr standalone) ensures near-term execution; additional inflows of Rs.400 cr in Q3 and Rs.600cr+ in Q4, largely from high-margin defense projects.
- Transitioning from subsystems to full-system integrator, enhancing margins and enabling multi-year production contracts.
- Bangalore satellite assembly facility commissioned; Astra SAT-1 launch within 24 months with revenue-accretive payloads. Space and near-earth orbit applications identified as key growth drivers.
- Entry into European/NATO markets via collaborations and technology partnerships, focusing on complete solutions.
- No significant near-term capex; existing facilities sufficient to support revenue doubling.
- Margin Outlook: Margins expected to remain stable with upside from systems and AMC contracts.
- Management emphasized ramp-up is back-ended, starting FY27 as large programs move into full-scale production.
- Long-Term Target: Aiming for USD 1 billion revenue, leveraging strong domestic defense demand and India's indigenization roadmap.

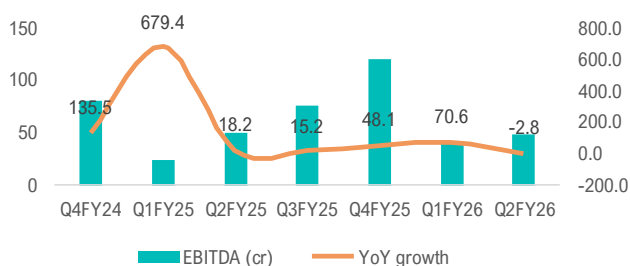
Revenue



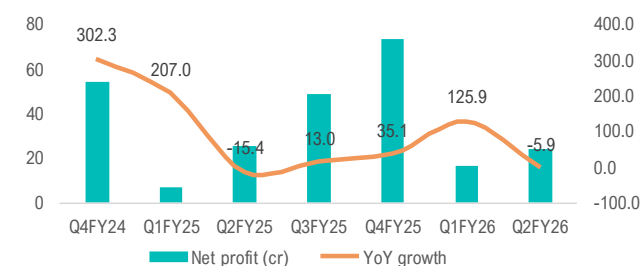
Order backlog



EBITDA



PAT



Change in Estimates

Rs.Cr	Old estimates		New estimates		Change %	
Year	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	1,361	1,557	1,200	1,408	(11.8)	(9.6)
EBITDA	335	383	300	352	(10.4)	(8.1)
Margins (%)	24.6	24.6	25.0	25.0	39bps	40bps
Adj. PAT	204	243	178	230	(12.6)	(5.5)
EPS	21.5	25.6	18.8	24.2	(12.7)	(5.5)



Consolidated Financials

Profit & Loss

Y.E March (Rs.cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	909	1,051	1,200	1,408	1,636
% change	11.4	15.7	14.2	17.3	16.2
EBITDA	192	269	300	352	409
% change	29.8	40.4	11.6	17.3	16.2
Depreciation	25	35	41	45	50
EBIT	167	234	259	307	359
Interest	31	57	59	45	26
Other Income	12	18	23	27	33
PBT	147	194	223	289	366
% change	49	32	15	30	26
Tax	37.9	50.2	57.5	74.7	94.4
Tax Rate	25.8	25.8	25.8	25.8	25.8
Profit/loss (JV/Asso.)	12	9	13	15	18
Reported PAT	121	154	178	230	289
Adj*	-	-	-	-	-
Adj PAT	121	154	178	230	289
% change	73.4	26.8	16.1	28.9	26.0
No. of shares (cr)	9.5	9.5	9.5	9.5	9.5
Adj EPS (Rs.)	12.8	16.2	18.8	24.2	30.5
% change	58.2	26.8	16.1	28.9	26.0
DPS (Rs.)	1.6	2.0	2.0	2.0	2.0

Balance Sheet

Y.E March (Rs. cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash	66	25	177	94	67
Accounts Receivable	505	786	625	771	896
Inventories	515	616	621	697	810
Other Cur. Assets	170	148	167	196	228
Investments	24	32	37	45	55
Gross Fixed Assets	353	440	485	515	545
Net Fixed Assets	167	223	227	212	192
CWIP	13	3	3	4	5
Intangible Assets	3	6	6	6	6
Def. Tax (Net)	11	11	11	11	11
Other Assets	0	0	0	0	0
Total Assets	1,474	1,851	1,874	2,038	2,270
Current Liabilities	138	172	146	172	199
Provisions	14	21	25	29	35
Debt Funds	2,313	4,036	2,751	1,701	851
Other Liabilities	1,240	1,558	1,706	1,984	2,122
Equity Capital	0	0	0	0	0
Reserves & Surplus	947	1,079	1,239	1,449	1,720
Shareholder's Fund	966	1,098	1,258	1,468	1,739
Total Liabilities	1,474	1,851	1,874	2,038	2,270
BVPS (Rs.)	101	115	132	154	182

Cash Flow

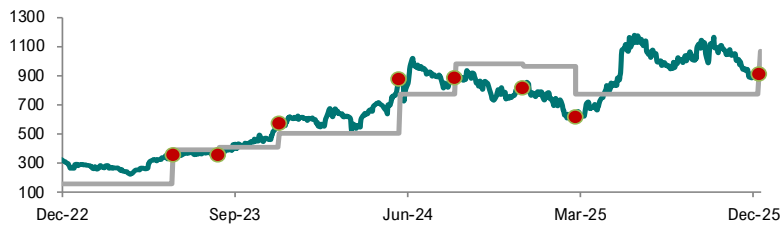
Y.E March (Rs.cr)	FY24A	FY25A	FY26E	FY27E	FY28E
Net inc. + Depn.	146	189	219	275	340
Non-cash adj.	13	33	37	18	(7)
Changes in W.C	(340)	(311)	130	(194)	(222)
C.F. Operation	(182)	(90)	386	99	110
Capital exp.	(44)	(72)	(45)	(31)	(31)
Change in inv.	(13)	(8)	(5)	(8)	(10)
Other invest.CF	7	6	23	27	33
C.F – Investment	(44)	(76)	(27)	(12)	(8)
Issue of equity	225	-	-	-	-
Issue/repay debt	49	202	(129)	(105)	(85)
Dividends paid	(15)	(19)	(19)	(19)	(19)
Other finance.CF	(19)	(41)	(59)	(45)	(26)
C.F – Finance	232	141	(207)	(169)	(130)
Chg. in cash	7	(25)	152	(82)	(28)
Closing cash	66	25	177	94	67

Ratios

Y.E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	21.1	25.6	25.0	25.0	25.0
EBIT margin (%)	18.3	22.3	21.6	21.8	21.9
Net profit mgn.(%)	14.9	16.8	16.7	18.6	20.4
ROE (%)	15.1	14.9	15.1	16.9	18.1
ROCE (%)	14.3	14.5	14.6	16.5	17.8
W.C & Liquidity					
Receivables (days)	158.4	224.2	214.5	181.0	186.1
Inventory (days)	187.5	196.3	188.0	170.8	168.1
Payables (days)	75.0	98.1	87.1	74.0	74.4
Current ratio (x)	8.2	8.1	9.3	8.8	8.6
Quick ratio (x)	4.1	4.7	5.5	5.0	4.8
Turnover & Leverage					
Gross asset T.O (x)	2.6	2.7	2.6	2.8	3.1
Total asset T.O (x)	0.7	0.6	0.6	0.7	0.8
Int. coverage ratio (x)	5.3	4.1	4.4	6.9	14.1
Adj. debt/equity (x)	0.2	0.4	0.2	0.1	0.0
Valuation					
EV/Sales (x)	9.7	8.6	7.4	6.2	5.3
EV/EBITDA (x)	46.2	33.6	29.7	25.0	21.3
P/E (x)	71.2	56.2	48.4	37.5	29.8
P/BV (x)	8.9	7.9	6.9	5.9	5.0



Recommendation Summary (last 3 years)



Dates	Rating	Target
25.June.21	Reduce	150
05.June.23	Hold	388
16.Aug.23	Accumulate	403
20.Nov.23	Reduce	500
29.May.24	Reduce	775
26.Aug.24	Accumulate	976
12.Dec.24	Buy	976
07.Mar.25	Buy	768
22.Dec.25	Accumulate	1,067

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


Not rated/Neutral


Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:

 Upgrade

 No Change

 Downgrade

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

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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