

CMP: ₹ 1017

Target: ₹ 1300 (28%)

Target Period: 12 months

November 14, 2025

BUY

Growth set to pick-up led by strong industry tailwinds...

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 2209 crore as of Sep-25

Q2FY26 Result: Overall operational performance was impacted during the quarter due to weak execution. Revenue declined by 6.5% YoY (+7.4% QoQ) to Rs 214.6 crore, mainly due to ~10% YoY de-growth in domestic defence segment. EBITDA margin stood at 22.3% (+85 bps YoY, +179 bps QoQ) while EBITDA declined by 2.8% YoY (+16.8% QoQ) to Rs 47.8 crore and PAT was down by 5.9% YoY at Rs 23.9 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 ₹ 2209 crore as of Sep-25 (2x TTM revenue) provides healthy revenue visibility. Order inflows remained strong at ₹ 320 crore during H1FY26 and management is optimistic about order inflows worth ~₹ 1000 crore for the remaining quarters. With a strong emphasis on improving product mix and getting orders with higher complexity, company guides revenue at ~₹ 1150-1200 crore in FY26E (which implies ~17% YoY growth in H2FY26). 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. With total addressable opportunity of Rs 24000-25000 till FY28E (in radars, electronic warfare etc), company targets to double its revenue to Rs 2000 crore by FY29E (implies ~17% CAGR)
- 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 ~17% & ~21% CAGR respectively over FY25-28E. We maintain BUY on AMPL with a Target Price of ₹ 1300 (based on 45x FY28E EPS)

Key Financial Summary

(Year-End March)	FY22	FY23	FY24	FY25	3 Year CAGR (FY22-25)	FY26E	FY27E	FY28E	3 Year CAGR (FY25-28E)
Revenues	750	816	909	1,051	11.9	1,209	1,414	1,662	16.5
EBITDA	89	148	192	269	44.5	270	345	431	17.0
EBITDA margin (%)	11.9	18.1	21.1	25.6		22.4	24.4	25.9	
Net Profit	38	70	121	154	59.4	157	214	274	21.3
EPS (Rs)	4.4	8.1	12.8	16.2		16.5	22.6	28.9	
P/E (x)	232.6	126.1	79.8	62.9		61.7	45.1	35.2	
EV/EBITDA (x)	108.2	65.9	50.9	37.2		36.5	28.7	23.0	
RoCE (%)	11.2	15.6	14.8	16.7		16.2	18.5	20.3	
RoE (%)	6.5	10.9	12.5	14.2		12.9	15.3	16.7	

Source: Company, ICICI Direct Research



Astra Microwave Products Limited

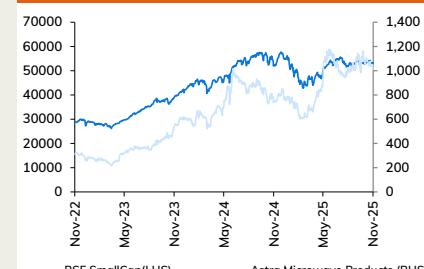
Particulars

Particular	Amount
Market Capitalisation (Rs Crore)	9,656
FY25 Gross Debt (Rs Crore)	424
FY25 Cash (Rs Crore)	78
EV (Rs Crore)	10,002
52 Week H/L (Rs)	1196 / 584
Equity Capital	19.0
Face Value	2.0

Shareholding pattern

	Dec-24	Mar-25	Jun-25	Sep-25
Promoter	6.5	6.5	6.5	6.5
FII	5.2	5.3	6.5	6.5
DII	15.4	15.3	14.4	14.6
Others	72.9	72.9	72.6	72.4

Price Chart



Key risks

- Dependent on govt contracts
- High working capital requirement
- Availability of key raw materials components

Research Analyst

Vijay Goel
vijay.goel@icicisecurities.com

Kush Bhandari
kush.bhandari@icicisecurities.com

Q2 and H1FY26 Result Summary

- Revenue declined by 6.5% YoY (+7.4% QoQ) to ₹ 214.6 crore, as defence segment revenue (77% of total) declined by 10% YoY (-4% QoQ).
- EBITDA margin stood at 22.3% (+85 bps YoY, +179 bps QoQ) on account of execution of better-margin domestic defence contracts
- Subsequently, EBITDA declined by 2.8% YoY (+16.8% QoQ) to ₹ 47.8 crore while PAT was down by 5.9% YoY at Rs 23.9 crore.
- For H1FY26, revenue is up 7.7% YoY at ₹ 414.3 crore with EBITDA margin standing at 21.4% (vs 19% in H1FY25) and PAT at ₹ 40.2 crore (+23.3% YoY)

Q2FY26 Earnings call highlights

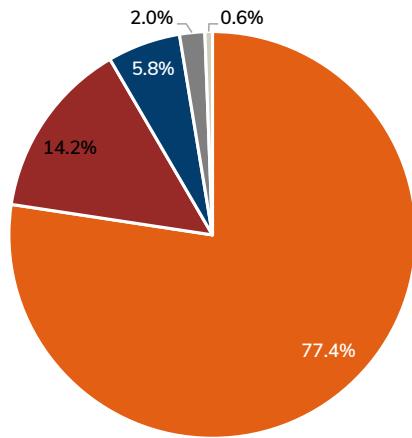
- Consolidated order backlog stands at ₹ 2209 crore as of Sep-25 end (Standalone order book stood at ₹ 1916 crore) which includes major orders from defence segment
- Defence contributes ~70% of the quarterly revenue, while exports segment contributes 7% and space, meteorological and others contribute 23%.
- Company has guided its revenue at ~₹ 1150-1200 crore for FY26E. Order inflows guidance for Q3FY26E is at ₹ 400 crore and for Q4FY26E is at ₹ 600 crore
- During the quarter, the company has secured strong domestic defence focused orders (98% 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), Central acquisition radar (3D-CAR), Multifunction phased array radar group (FLR), Medium powered radar (Arudhra), High powered radar (HPR), Software defined radio (SDR)
- Apart from these orders they have received a major order for complete electronics refurbishment of a long-range radar, initial maintenance of electro-optic products and is confident of receiving additional 20 repeat orders for seekers by Mar-26
- The company has made technical and product developments on numerous platforms such as higher-band radars (Virupaksha series and Uttam radars), SDRs for IAF and Army, ISROs CMS-03 satellite with advanced RF and microwave subsystems, EW suite for Su-30MKI etc.
- The company is constantly focusing on transitioning from subsystems to full system integrator solutions as management targets 2x revenue growth in 3-4 years and in longer term visions to scale up to 3x. Space business and near-earth orbit applications are identified as key growth drivers
- They are focusing on specialised, high value solutions in counter-drones and EW segments
- Regarding capex, the management is working on fixing production lines and building new infrastructure in Bangalore which is already calculated for and hence require no additional capex for the time being
- In the Bangalore infrastructure the company is currently building a complete satellite with multiple payloads
- With recent developments of 15-year road map and clearance of ~₹79000 crore approvals, management sees immense opportunities across EW's, space and communications portfolio
- Management expects growth to be backend-loaded and major ramp-up to begin from FY27E.
- Exports market entry will rely on collaborations with European/NATO partners

- Regarding the ARC JV's performance, the company has booked a revenue of ~₹ 78 crore with a PBT of ₹ 11 crore. The JV has also received a recent order from MoD for advanced communications systems of ₹286 crore and is expected to receive further ~₹100-150 crore in H2FY26. The revenue for the JV for FY26E is targeted at ₹ 350 crore

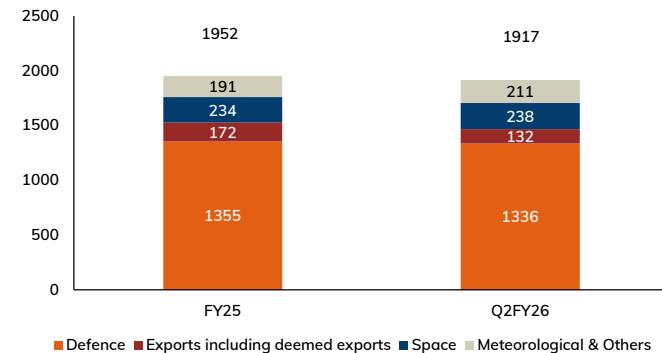
Exhibit 1: Q2 and H1FY26 result snapshot (₹ crore)

	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	Comments	H1FY26	H1FY25	YoY (%)
Revenue from operations	214.6	229.6	-6.5	199.7	7.4	Execution was subdued in the domestic defence segment	414.3	384.8	7.7
Other income	5.7	2.2		2.5			8.3	4.3	
Total Revenue	220.3	231.8		202.2			422.6	389.1	
Raw materials costs	105.6	135.8		106.4			212.0	223.0	
Employees Expenses	34.8	31.0		32.5			67.4	60.6	
Other Expenses	26.3	13.6		19.9			46.2	28.0	
Total Expenditure	166.7	180.4		158.8		EBITDA margin improved on account of execution of better-margin domestic defence contracts	325.5	311.5	
EBITDA	47.8	49.2	-2.8	41.0	16.8		88.8	73.3	21.2
EBITDA margins (%)	22.3	21.4	85 bps	20.5	179 bps		21.4	19.0	240 bps
Interest	13.5	12.6		14.6			28.1	23.0	
Depreciation	10.1	6.2		9.3			19.4	14.4	
Tax	8.5	8.3		4.8			13.3	10.5	
PAT	23.9	25.4	-5.9	16.3	46.9		40.2	32.6	23.3

Source: Company, ICICI Direct Research

Exhibit 2: Q2FY26 revenue segment break-up


■ Defence ■ Exports ■ Meteorological & Others ■ Space ■ Others

Exhibit 3: Order backlog and inflow trend (Standalone)


Source: Company, ICICI Direct Research

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 4: Profit and loss statement

(Year-end March)	FY25	FY26E	FY27E	FY28E
Revenue	1,051.2	1,208.9	1,414.4	1,661.9
% Growth	15.7	15.0	17.0	17.5
Other income	17.5	19.3	21.2	23.3
Total Revenue	1,051.2	1,208.9	1,414.4	1,661.9
% Growth	15.7	15.0	17.0	17.5
Total Raw Material Costs	577.4	683.0	785.0	914.0
Employee Expenses	141.8	156.0	173.2	192.2
other expenses	63.0	99.5	111.5	124.8
Total Operating Expenditure	782.2	938.5	1,069.6	1,231.1
Operating Profit (EBITDA)	269.0	270.3	344.8	430.8
% Growth	40.4	0.5	27.5	25.0
Interest	57.1	54.9	47.6	47.6
PBTD	229.4	234.7	318.4	406.6
Depreciation	35.0	40.0	46.7	54.8
PBT before Exceptional Item:	194.4	194.7	271.8	351.7
Total Tax	50.2	50.6	70.7	91.5
PAT before MI	144.2	144.1	201.1	260.3
PAT	153.5	156.6	214.1	274.3
% Growth	26.8	2.0	36.7	28.1
EPS	16.2	16.5	22.6	28.9

Source: Company, ICICI Direct Research

Exhibit 5: Cash Flow Statement

(Year-end March)	FY25	FY26E	FY27E	FY28E
Profit after Tax	153.5	156.6	214.1	274.3
Depreciation	35.0	40.0	46.7	54.8
Interest	57.1	54.9	47.6	47.6
Cash Flow before WC changes	245.7	251.5	308.3	376.7
Changes in inventory	(101.4)	(13.3)	(87.6)	(102.7)
Changes in debtors	(281.0)	24.4	(121.7)	(141.0)
Changes in loans & Advances	-	-	-	-
Changes in other current assets	27.5	(7.2)	(9.9)	(11.9)
Net Increase in Current Assets	(355.4)	3.9	(219.2)	(255.5)
Changes in creditors	(7.2)	12.8	19.1	19.0
Changes in provisions	1.1	(0.7)	1.0	0.9
Net Inc in Current Liabilities	48.6	18.7	46.7	52.1
Net CF from Operating activities	(61.2)	274.1	135.9	173.3
Changes in deferred tax assets	(0.3)	0.4	-	(1.0)
(Purchase)/Sale of Fixed Assets	(84.0)	(70.0)	(85.0)	(95.0)
Net CF from Investing activities	(79.3)	(73.9)	(87.1)	(97.5)
Dividend and Dividend Tax	(19.0)	(19.0)	(26.6)	(33.2)
Net CF from Financing Activities	83.3	(168.6)	(74.1)	(80.8)
Net Cash flow	(57.1)	31.6	(25.3)	(5.0)
Opening Cash/Cash Equivalent	134.9	77.8	109.4	84.0
Closing Cash/ Cash Equivalent	77.8	109.4	84.0	79.1

Source: Company, ICICI Direct Research

Exhibit 6: Balance Sheet

(Year-end March)	FY25	FY26E	FY27E	FY28E
Equity Capital	19.0	19.0	19.0	19.0
Reserve and Surplus	1,059.1	1,196.7	1,384.2	1,625.3
Total Shareholders funds	1,078.1	1,215.7	1,403.2	1,644.3
Total Debt	423.5	323.5	323.5	323.5
Total Liabilities	1,570.5	1,605.3	1,792.8	2,034.9
Gross Block	439.7	462.8	547.8	642.8
Acc: Depreciation	216.8	256.9	303.5	358.4
Net Block	222.9	206.0	244.3	284.4
Capital WIP	3.1	50.0	50.0	50.0
Total Fixed Assets	232.0	256.8	295.1	335.2
Non Current Assets	29.7	30.8	32.9	36.3
Inventory	615.9	629.3	716.9	819.6
Debtors	786.1	761.7	883.5	1,024.4
Other Current Assets	50.8	58.0	67.9	79.8
Cash	77.8	109.4	84.0	79.1
Total Current Assets	1,537.0	1,564.7	1,758.6	2,009.1
Current Liabilities	76.7	89.4	108.5	127.5
Provisions	90.0	91.0	92.0	93.0
Total Current Liabilities	260.4	279.1	325.8	378.0
Net Current Assets	1,276.6	1,285.6	1,432.7	1,631.2
Total Assets	1,570.5	1,605.4	1,792.9	2,034.9

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY25	FY26E	FY27E	FY28E
EPS	16.2	16.5	22.6	28.9
Cash per Share	8.2	11.5	8.9	8.3
BV	113.5	128.0	147.8	173.2
EBITDA Margin	25.6	22.4	24.4	25.9
PAT Margin	14.6	13.0	15.1	16.5
RoE	14.2	12.9	15.3	16.7
RoCE	16.7	16.2	18.5	20.3
RoIC	16.4	16.1	18.1	19.9
EV / EBITDA	37.2	36.5	28.7	23.0
P/E	62.9	61.7	45.1	35.2
EV / Net Sales	9.5	8.2	7.0	6.0
Sales / Equity	1.0	1.0	1.0	1.0
Market Cap / Sales	9.2	8.0	6.8	5.8
Price to Book Value	9.0	7.9	6.9	5.9
Asset turnover	0.7	0.8	0.8	0.8
Debtors Turnover Ratio	1.6	1.6	1.7	1.7
Creditors Turnover Ratio	13.1	14.6	14.3	14.1
Debt / Equity	0.4	0.3	0.2	0.2
Current Ratio	13.2	11.9	11.8	11.9
Quick Ratio	7.6	6.7	6.7	6.8

Source: Company, ICICI Direct Research

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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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Name of the Compliance Officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

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