

February 13, 2026

Poised for a steady growth...

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

Investment Rationale:

- 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 & 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. 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 & 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 & defence would generate sizable orders opportunity for company's products in the coming period

Rating and Target Price

- AMPL is well placed to witness healthy growth led by strong sector tailwinds. We trim our revenue estimates marginally to factor in lower-than-expected revenues during 9MFY26. However, we have increased our margin estimates, factoring in better margins during the year with focus remains on higher-margin contracts. Our PAT estimates are largely intact
- We estimate Revenue & PAT to grow at ~15% & ~20% CAGR respectively over FY25-28E. We maintain BUY on AMPL with a Target Price of ₹ 1120 (based on 40x FY28E EPS)



Astra Microwave Products Limited

Particulars

Particular	Amount
Market Capitalisation (Rs)	8,763
FY25 Gross Debt (Rs Crore)	424
FY25 Cash (Rs Crore)	78
EV (Rs Crore)	9,109
52 Week H/L (Rs)	1196 / 584
Equity Capital	19.0
Face Value	2.0

Shareholding pattern

	Mar-25	Jun-25	Sep-25	Dec-25
Promoter	6.5	6.5	6.5	6.5
FII	5.3	6.5	6.5	6.3
DII	15.3	14.4	14.6	14.8
Others	72.9	72.6	72.4	72.4

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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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	1,167	1,348	1,597	15.0
EBITDA	89	148	192	269	44.5	315	367	439	17.7
EBITDA margin (%)	11.9	18.1	21.1	25.6		27.0	27.2	27.5	
Net Profit	38	70	121	154	59.4	182	218	266	20.1
EPS (Rs)	4.4	8.1	12.8	16.2		19.1	23.0	28.0	
P/E (x)	211.1	114.5	72.4	57.1		48.2	40.1	33.0	
EV/EBITDA (x)	98.1	59.9	46.3	33.9		28.2	24.3	20.3	
RoCE (%)	11.2	15.6	14.8	16.7		19.2	19.8	20.8	
RoE (%)	6.5	10.9	12.5	14.2		14.7	15.2	16.0	

Source: Company, ICICI Direct Research

Q3 and 9MFY26 Result Summary

- 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.

Q3FY26 Earnings call highlights

- 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 R&D 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 R&D 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

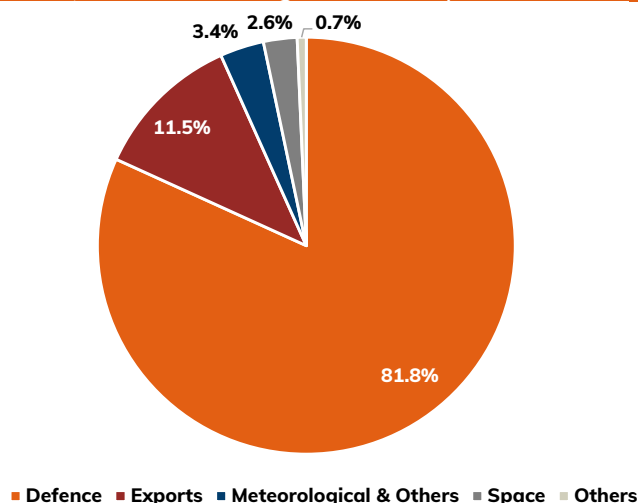
- Regarding the Advanced Multi-role Combat Aircraft (AMCA) programme, the company is partnered with DRDO and hence would see orders from the program irrespective of any of the consortium being selected
- The company also currently receives advances from customers for development orders to the tune of 20-25% order value from domestic and 30% from export customers
- Owing to the growth of current and upcoming product portfolio management recognises a Total Addressable Market (TAM) of ~₹ 30,000 crore in the next 4 years and targets a ~₹ 8000 crore share from the opportunity
- The company is constantly focusing on transitioning from subsystems to full system integrator solutions as management targets 2x revenue growth in 3-4 years. Space business and near-earth orbit applications are identified as key growth drivers
- Regarding the ARC JV's performance, the company has booked a revenue of ~₹ 80 crore. The JV has also received order from MoD in 9MFY26E of ₹286 crore and is expected to receive further ~₹100 crore in FY26E. The revenue for the JV for FY26E is targeted at ₹ 350 crore and ₹400 crore in FY27E

Exhibit 1: Q3 and 9MFY26 result snapshot (₹ crore)

	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Comments	9MFY26	9MFY25	YoY(%)
Revenue from operations	260.2	258.5	0.7	214.6	21.3		674.6	643.3	4.9
Other income	3.2	2.3		5.7			11.5	6.5	
Total Revenue	263.5	260.8		220.3			686.1	649.9	
Raw materials costs	116.4	134.4		105.6			328.3	357.4	
Employees Expenses	40.7	35.5		34.8			108.1	96.0	
Other Expenses	20.7	12.4		26.3			66.9	40.4	
Total Expenditure	177.7	182.3		166.7			503.2	493.9	
EBITDA	82.5	76.2	8.3	47.8	72.5		171.3	149.5	14.6
EBITDA margins (%)	31.7	29.5	224 bps	22.3	942 bps		25.4	23.2	217 bps
Interest	13.0	14.9		13.5			41.1	37.9	
Depreciation	11.4	9.5		10.1			30.8	24.0	
Tax	19.4	14.1		8.5			32.7	24.6	
PAT	46.8	47.4	-1.3	23.9	95.8		87.0	80.0	8.7

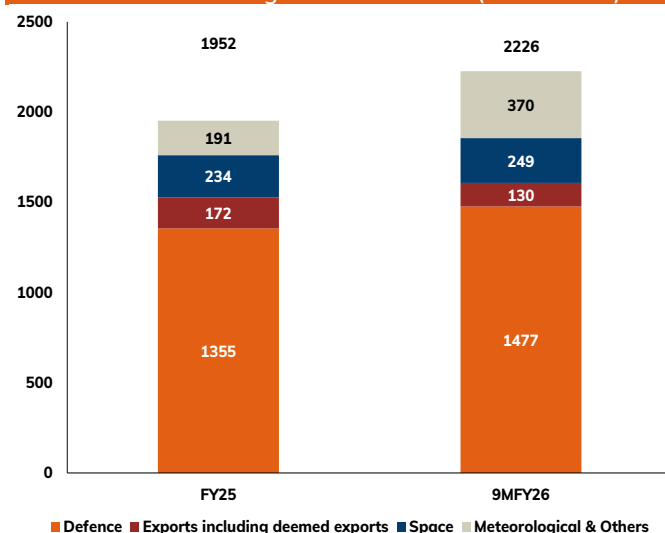
Source: Company, ICICI Direct Research

Exhibit 2: Q3FY26 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)	FY25	FY26E	FY27E	FY28E
Revenue	1,051.2	1,166.8	1,347.7	1,597.0
% Growth	15.7	11.0	15.5	18.5
Other income	17.5	19.3	21.2	23.3
Total Revenue	1,051.2	1,166.8	1,347.7	1,597.0
% Growth	15.7	11.0	15.5	18.5
Total Raw Material Costs	577.4	589.2	680.6	806.5
Employee Expenses	141.8	156.0	173.9	193.9
other expenses	63.0	106.1	126.3	157.9
Total Operating Expenditure	782.2	851.4	980.8	1,158.3
Operating Profit (EBITDA)	269.0	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	35.0	42.3	48.5	57.5
PBT before Exceptional Item:	194.4	238.0	288.0	353.0
Total Tax	50.2	70.2	85.0	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	23.0	28.0

Source: Company, ICICI Direct Research

Exhibit 5: Cash Flow Statement

(Year-end March)	FY25	FY26E	FY27E	FY28E
Profit after Tax	153.5	181.8	218.5	265.8
Depreciation	35.0	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	(281.0)	50.9	(106.6)	(142.6)
Changes in loans & Advances	-	-	-	-
Changes in other current assets	27.5	(5.2)	(8.7)	(12.0)
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	1.0
Net Inc in Current Liabilities	48.6	10.0	41.4	52.5
Net CF from Operating activities	(61.2)	342.8	169.0	168.3
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)	(73.5)	(86.8)	(97.5)
Dividend and Dividend Tax	(19.0)	(19.0)	(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	(14.0)
Opening Cash/Cash Equivalent	134.9	77.8	134.0	138.0
Closing Cash/ Cash Equivalent	77.8	134.0	138.0	124.1

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	1,221.9	1,413.8	1,646.4
Total Shareholders funds	1,078.1	1,240.9	1,432.8	1,665.4
Total Debt	423.5	278.5	278.5	278.5
Total Liabilities	1,570.5	1,585.5	1,777.4	2,011.0
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	50.0	50.0	50.0
Total Fixed Assets	232.0	254.5	291.0	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	56.0	64.7	76.7
Cash	77.8	134.0	138.0	124.1
Total Current Assets	1,537.0	1,538.9	1,733.9	1,979.0
Current Liabilities	76.7	86.3	103.4	122.5
Provisions	90.0	91.0	92.0	93.0
Total Current Liabilities	260.4	270.4	311.8	364.3
Net Current Assets	1,276.6	1,268.5	1,422.1	1,614.7
Total Assets	1,570.5	1,585.6	1,777.5	2,011.1

Source: Company, ICICI Direct Research

Exhibit 7: Key ratios

(Year-end March)	FY25	FY26E	FY27E	FY28E
EPS	16.2	19.1	23.0	28.0
Cash per Share	8.2	14.1	14.5	13.1
BV	113.5	130.7	150.9	175.4
EBITDA Margin	25.6	27.0	27.2	27.5
PAT Margin	14.6	15.6	16.2	16.6
RoE	14.2	14.7	15.2	16.0
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	33.0
EV / Net Sales	8.7	7.6	6.6	5.6
Sales / Equity	1.0	0.9	0.9	1.0
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

Source: Company, ICICI Direct Research

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