




Astra Microwave Products Ltd.

BUY

Sector: Communication Equipment

07th March 2025

Key Changes	Target		Rating		Earnings		Target	Rs.768
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs.624	
Small Cap	ASTM:IN	74,340	ASTRAMICRO	532493	12 Months	Return	+23%	

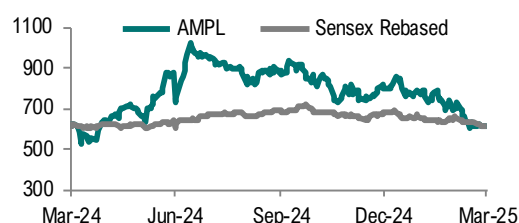
Data as of: 06-03-2025

Company Data	
Market Cap (Rs. cr.)	5,929
52 Week High — Low (Rs.)	1,060–511
Enterprise Value (Rs. cr)	6,360
Outstanding Shares (Rs cr)	9.5
Free Float (%)	87.1
Dividend Yield (%)	0.32
6m average volume (cr)	0.07
Beta	1.1
Face value (Rs)	2.0

Shareholding (%)	Q1FY25	Q2FY25	Q3FY25
Promoters	6.5	6.5	6.5
FII's	4.7	5.7	5.2
MFs/Institutions	13.6	15.0	15.4
Public	75.2	72.8	72.9
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-22.6%	-29.4%	-0.1%
Absolute Sensex	-9.8%	-9.6%	-0.2%
Relative Return	-12.7%	-19.8%	0.1%

*over or under performance to benchmark index



Y.E March (cr)	FY25E	FY25E	FY26E
Sales	1,048	1,361	1,557
Growth (%)	15.3	30.0	14.4
EBITDA	240	335	383
EBITDA Margin (%)	23.0	24.6	24.6
PAT Adjusted	140	204	243
Growth (%)	16.0	45.3	19.3
Adjusted EPS	14.8	21.5	25.6
Growth (%)	16.0	45.3	19.3
P/E	42.2	29.1	24.4
P/B	5.4	4.6	3.9
EV/EBITDA	26.5	18.9	16.4
ROE (%)	13.6	17.2	17.4
D/E	0.4	0.3	0.2

Author: Anil R - Sr. Research Analyst

Margin to expand...order pipeline to improve

Astra Microwave Products Ltd. (AMPL) 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 Q3FY25, AMPL reported a 12% increase in revenue, driven by healthy order execution, which was marginally lower than our estimates.
- EBITDA grew by 15% YoY, while margins were stable at 29.5%. Reported PAT increased by 9% YoY.
- 9MFY25 order inflow was at Rs.674cr, with ~70% of these orders are from domestic defence orders, which is expected support margins expansion.
- The current order backlog is at Rs.1,960cr, which is ~1.4x FY25E projected sales. Anticipate Rs.350cr of orders in Q4FY25.
- The order pipeline looks promising, with potential opportunities amounting to Rs.8,000cr within AMPL's total addressable market of Rs.39,000cr by FY28.
- Considering a shift in order execution mix towards domestic orders (~86% mix), we anticipate EBITDA margin in the range of ~25% for the next 2-3 years.

Outlook & Valuation

We maintain a positive outlook on AMPL as the order book is anticipated to improve going ahead, led by ongoing defence modernization. While AMPL's higher domestic order execution bodes well for margin expansion and earnings. We anticipate earnings to grow by 32% CAGR over FY25E-26E. AMPL is trading at a one-year forward P/E of ~30x (long-term average) post recent sharp correction. **We value AMPL at P/E 30x as we roll forward to FY27E and maintain a BUY rating with a target price of Rs.768.**

Quarterly Financials Consol.

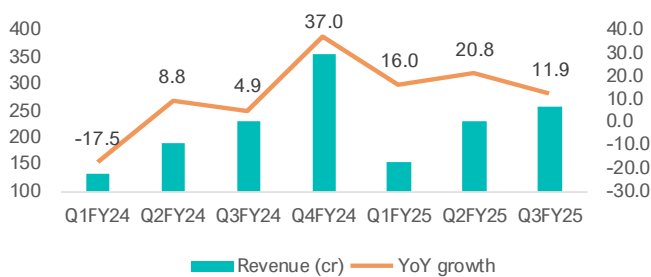
Rs.cr	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
Sales	259	231	11.9	230	12.6	643	555	15.9
EBITDA	76	66	15.2	49	54.7	149	111	34.8
EBITDA %	29.5	28.6	84bps	21.4	803bps	23.2	20.0	325bps
EBIT	67	60	12.0	43	54.9	126	92	35.9
PBT	54	55	(1.7)	33	65.4	94	79	18.4
Rep. PAT	47	43	9.3	25	86.8	80	67	20.0
Adj.PAT	49	43	13.0	25	93.0	82	67	22.4
EPS (Rs)	5.7	5.0	13.0	2.9	93.0	9.4	7.7	22.4



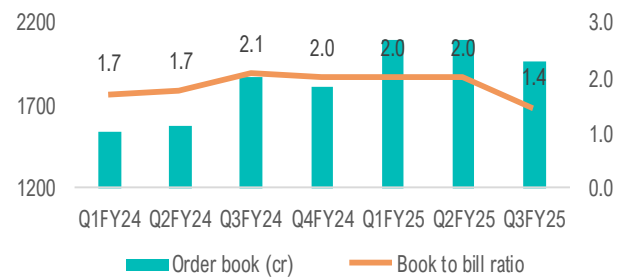
Key Concall Highlights

- AMPL has maintained its guidance for revenue growth at Rs 1,200-1,300cr for FY25E with an EBITDA margin at 25+%, with order inflows at Rs 1,100cr.
- 9MFY25 order inflow stands at Rs 674cr. The consolidated order backlog stands at Rs 2332.6cr, while the standalone order book stood at Rs 1,960cr, 1.4x FY25E projected sales.
- Management guided Rs350cr worth of orders to be received in 4QFY25. These orders are from Radars Rs60cr, EW Rs45cr, Missile & Telemetry Rs50cr, Radar upgradation Rs.120cr, Space Rs15cr, and exports around Rs50cr.
- FY26 order inflow is anticipated at Rs.1,300-1,500cr. In that, the majority of orders are from the radar segment ~Rs900-1,000cr. EW Rs.100-150cr, missile telemetry Rs100-120cr, space Rs70-80cr, metrology Rs100-150cr, exports Rs100-120cr. For FY27, management guided a 20% YoY increase in the order book.
- Manjeera JV has recently been established and is currently developing chips for NAVIC applications.
- Capex (maintenance) for FY26 is projected to be around Rs35cr.
- Interest costs saw an increase due to a rise in working capital borrowings; the short-term borrowing has increased to Rs.400cr. While long-term borrowing is at Rs.30cr, taking overall debt to Rs.430cr.

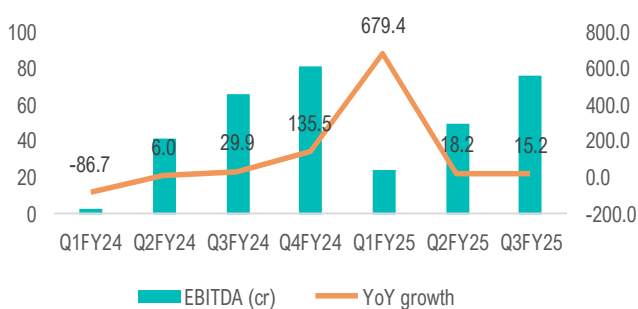
Revenue



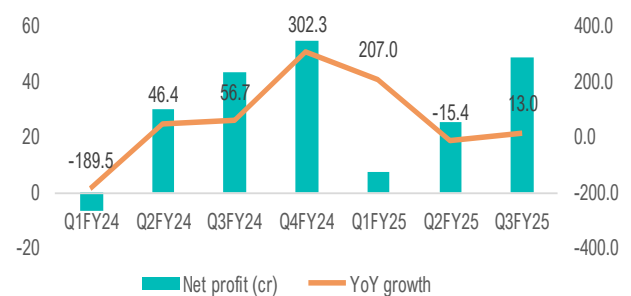
Order backlog



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates			Change (%)		
	FY25E	FY26E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue	1,093	1,361	1,048	1,361	1,557	(4.2)	-	-
EBITDA	239	306	240	335	383	0.6	9.8	-
Margins (%)	21.9	22.5	23.0	24.6	24.6	105 bps	210 bps	-
Adj. PAT	149	206	140	204	243	(5.8)	(1.0)	-
EPS	15.7	21.7	14.8	21.5	25.6	(5.8)	(1.0)	-



Consolidated Financials

Profit & Loss

Y.E March (Rs.cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Revenue	816	909	1,048	1,361	1,557
% change	8.7	11.4	15.3	29.9	14.4
EBITDA	148	192	240	335	383
% change	65.5	29.8	25.5	39.3	14.4
Depreciation	24	25	33	41	47
EBIT	124	167	207	294	336
Interest	31	31	55	74	67
Other Income	5	12	9	20	24
PBT	99	147	162	240	293
% change	89	49	10	49	22
Tax	26.1	37.9	41.2	61.2	74.7
Tax Rate	26.4	25.8	25.5	25.5	25.5
Profit/loss (JV/Asso.)	(3.0)	12	20	25	25
Reported PAT	70	121	140	204	243
Adj*	-	-	-	-	-
Adj PAT	70	121	140	204	243
% change	84.4	73.4	15.9	45.3	19.3
No. of shares (cr)	8.7	9.5	9.5	9.5	9.5
Adj EPS (Rs.)	8.1	12.8	14.8	21.5	25.6
% change	84.4	58.2	15.9	45.3	19.3
DPS (Rs.)	1.2	1.6	1.6	1.6	1.6

Cash Flow

Y.E March (Rs.cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Net inc. + Deprn.	93	146	174	245	290
Non-cash adj.	34	13	45	53	43
Changes in W.C	(153)	(340)	(126)	(250)	(185)
C.F. Operation	(25)	(182)	93	49	148
Capital exp.	(34)	(44)	(20)	(35)	(35)
Change in inv.	2	(13)	(5)	(5)	(5)
Other invest.CF	3	7	9	20	24
C.F – Investment	(28)	(44)	(16)	(20)	(16)
Issue of equity	-	225	-	-	-
Issue/repay debt	108	49	199	(40)	(40)
Dividends paid	(12)	(15)	(15)	(15)	(15)
Other finance.CF	(21)	(19)	(55)	(74)	(67)
C.F – Finance	75	232	130	(129)	(122)
Chg. in cash	21	7	207	(100)	9
Closing cash	56	66	273	173	183

Balance Sheet

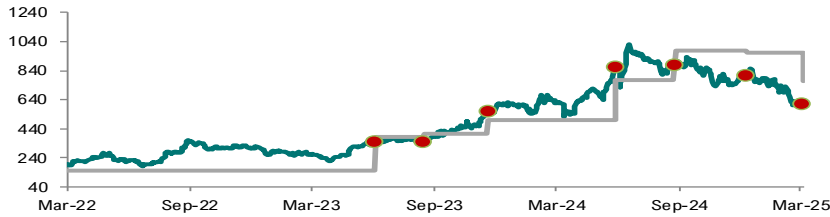
Y.E March (Rs. cr)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash	56	66	273	173	183
Accounts Receivable	284	505	580	671	768
Inventories	419	515	588	746	853
Other Cur. Assets	109	170	195	254	290
Investments	11	24	29	34	39
Gross Fixed Assets	336	353	376	411	446
Net Fixed Assets	166	167	157	151	139
CWIP	2	13	10	10	10
Intangible Assets	1	3	3	3	3
Def. Tax (Net)	9	11	11	11	11
Other Assets	0	0	0	0	0
Total Assets	1,057	1,474	1,846	2,052	2,295
Current Liabilities	86	138	160	208	238
Provisions	11	14	16	21	23
Debt Funds	1,705	2,313	4,308	3,908	3,508
Other Liabilities	1,471	1,240	1,479	1,530	1,745
Equity Capital	0	0	0	0	0
Reserves & Surplus	625	947	1,072	1,261	1,489
Shareholder's Fund	643	966	1,091	1,280	1,508
Total Liabilities	1,057	1,474	1,846	2,052	2,295
BVPS (Rs.)	74	101	115	134	158

Ratios

Y.E March	FY23A	FY24A	FY25E	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	18.1	21.1	23.0	24.6	24.6
EBIT margin (%)	15.2	18.3	19.8	21.6	21.6
Net profit mgn.(%)	11.5	14.9	14.5	16.1	17.3
ROE (%)	11.4	15.1	13.6	17.2	17.4
ROCE (%)	12.6	14.3	13.3	16.2	16.5
W.C & Liquidity					
Receivables (days)	109.4	158.4	189.0	167.7	168.7
Inventory (days)	187.6	187.5	192.0	178.7	187.4
Payables (days)	60.0	75.0	88.7	83.9	89.0
Current ratio (x)	9.0	8.2	9.3	8.1	8.0
Quick ratio (x)	3.9	4.1	5.3	4.1	4.0
Turnover & Leverage					
Gross asset T.O (x)	2.5	2.6	2.9	3.5	3.6
Total asset T.O (x)	0.8	0.7	0.6	0.7	0.7
Int. coverage ratio (x)	4.1	5.3	3.8	4.0	5.0
Adj. debt/equity (x)	0.3	0.2	0.4	0.3	0.2
Valuation					
EV/Sales (x)	6.8	6.8	6.1	4.6	4.0
EV/EBITDA (x)	37.7	32.1	26.4	18.8	16.4
P/E (x)	77.3	48.9	42.2	29.0	24.3
P/BV (x)	8.4	6.1	5.4	4.6	3.9



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

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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