

Astra Industrial Group

Sector : Healthcare

HOLD

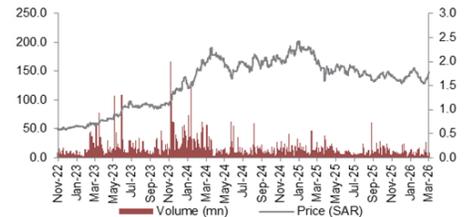
16 March 2026

- **Flattish revenue growth in 2025, broadly in line with our estimate. Core pharma growth +6.3% YoY, while steel and specialty weigh on the topline.**
- **Margin expansion cushions profitability, consolidated gross margin rises 221bps YoY in 2025.**
- **Net profit misses estimate by 4.6% but grows by 13.1% YoY in 2025.**
- **We retain our revenue and profit forecast for 2026e and revise target price at SAR 158.18 per share, recommend to HOLD.**

Target price (SAR) 158.18

Current price (SAR) 147.70

Return 7.10%



Exchange Saudi Arabia
Index weight (%) 0.3%

(mn)	SAR	USD
Market Cap	11,816	3,149
Enterprise value	11,891	3,169

Major share holders

Arab Supply & Tradin	47.1%
Al Utaibi Mohammad	2.1%
Vanguard Group Inc/T	1.8%
Others	49.0%

Valuation Summary (TTM)

PER TTM (x)	17.0
P/Book (x)	3.8
EV/EBITDA (x)	15.7
Dividend Yield (%)	2.5
Free Float (%)	49%
Shares O/S (mn)	80
YTD Return (%)	4%
Beta	0.9

Key ratios	2023	2024	2025
EPS (SAR)	5.94	7.37	8.33
BVPS (SAR)	26.64	31.64	37.02
DPS (SAR)	2.50	3.00	3.50
Payout ratio (%)	42%	41%	42%

Price performance (%)	1M	3M	12M
Astra Industrial Group Co	6%	15%	-9%
Tadawul All Share Index	-3%	4%	-8%

52 week	High	Low	CTL*
Price (SAR)	172.00	120.30	22.8

* CTL is % change in CMP to 52w k low

As expected, Astra experienced a moderation in its topline growth throughout 2025, primarily due to exiting certain geographies and business segments. The company reported revenue of SAR 3 billion, which remained largely flat compared with the same period last year. While the core pharmaceutical segment recorded modest growth of 6.3% YoY, the non-core steel segment declined by 5.6%, and specialty chemicals fell by 4.9% YoY. The pharmaceutical segment currently accounts for 50.3% of total sales and 63.2% of gross profit. Tabuk Pharma continues to maintain leadership in several therapeutic areas and remains the primary growth driver for the group. We expect higher volumes from NUPCO and continued momentum in toll manufacturing contracts. Steel and specialty have been facing macro headwinds due to the volatile nature of the business and international exposure. Geographically, the company recorded flat growth in its key Saudi market (c.70% topline), while Africa grew by 11.7% YoY. Astra has nearly exited Sudan and has seen declining contributions from Turkey which currently accounted for only 3.8% of total sales (vs 11.8% in 2022). Meanwhile, the specialty chemicals and steel segments continued their downward trajectory due to weak demand from key clients and a slowdown in the project pipeline.

Despite the flat topline performance, the company improved profitability by exiting loss-making projects and maintaining strict cost controls. Gross margin expanded by 221 bps to reach 46% during the year. While margins in the pharmaceutical and specialty segments remained stable, the steel segment's margin improved significantly to 22.6% (vs. 15.1% in 2024). The improvement in gross margin resulted in gross profit growth of 5.3% YoY. Operating costs remained broadly in line with prior periods, with no major changes. As a result, EBITDA margin improved by 90 bps to 25.1% in 2025. Astra remains debt-free, and we expect cash accumulation going forward given limited capex requirements and reduced operations in non-core segments. Net profit reached a record SAR 667 million in 2025, up 13.1% YoY, though it came in slightly below our estimate by 4.6%.

Valuation: Through its subsidiary Tabuk Pharmaceuticals, Astra operates one of the largest pharmaceutical businesses in Saudi Arabia. Over the past several years, the company has exited multiple loss-making segments to focus on its core, profitable pharmaceutical operations. We believe this reorganization is nearing completion and expect profitability to improve further going forward. Astra's valuation will increasingly be driven by its pharmaceutical business. Based on the current results, we maintain our 2026E revenue and profit forecasts. However, given the elevated risk environment, we slightly reduce our target price to SAR 158.18 per share, implying an upside of 7.1%. Accordingly, we maintain a HOLD rating on Astra Industrial.



Income Statement (In SAR mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Revenue	2,594	2,820	3,062	3,071	3,225	3,389	3,565	3,753
Cost of goods sold	-1,554	-1,637	-1,720	-1,657	-1,740	-1,812	-1,889	-1,970
Gross profit	1,040	1,182	1,342	1,414	1,484	1,577	1,677	1,784
Selling and distribution exp	-359	-376	-412	-427	-419	-441	-463	-488
General and administrative exp	-255	-234	-224	-229	-161	-169	-178	-188
Provision for impairment	-5	-14	-19	-22	-20	-23	-24	-25
Research expenses	-25	-26	-29	-41	-32	-34	-36	-38
Operating profit	396	533	658	695	851	911	976	1,046
EBITDA	470	624	739	735	933	999	1,071	1,141
Share of profit (loss) of JV	-	-	-	26	30	30	30	30
Finance costs	-47	-71	-107	-51	-57	-67	-77	-87
Other income (Net)	-12	50	75	51	25	25	25	25
PBT	337	513	626	721	850	899	954	1,014
Zakat and income tax expense	-34	-29	-73	-54	-85	-90	-95	-101
Net Profit before disc ops	303	484	553	667	765	809	859	913
Discontinued operation	183	-11	48	-	-	-	-	-
Net Profit	486	473	601	667	765	809	859	913
NCI	11	-2	12	-	-	-	-	-
Net Profit to shareholders	474	475	589	667	765	809	859	913

Balance Sheet (in SAR mn)	2022	2023	2024	2024	2026e	2027e	2028e	2029e
Property, plant and equipment	789	756	818	905	985	1,067	1,150	1,054
Intangible assets	73	77	76	55	55	55	55	55
Non-current assets	5	7	653	1,477	1,477	1,477	1,477	1,477
Non-current assets	867	840	1,547	2,437	2,517	2,598	2,681	2,586
Inventories	783	716	686	731	870	906	944	985
Trade receivables	837	944	1,121	1,010	1,129	1,186	1,248	1,314
Other current assets	200	150	128	89	94	98	103	109
Time deposits	163	563	668	103	103	103	103	103
Cash and cash equivalents	676	1,058	178	54	218	553	812	1,362
Current assets	2,658	3,432	2,781	1,988	2,413	2,846	3,210	3,872
ASSETS	3,525	4,272	4,328	4,424	4,930	5,444	5,891	6,458
Share capital	800	800	800	800	800	800	800	800
Reserves	372	377	-21	-7	-7	-7	-7	-7
Retained earnings	677	951	1,745	2,169	2,653	3,157	3,692	4,261
NCI	64	3	7	-1	-1	-1	-1	-1
EQUITY	1,913	2,131	2,531	2,961	3,446	3,949	4,485	5,054
Loans and lease liabilities	100	160	75	74	74	74	74	74
Due to related parties	-	-	6	5	-	-	-	-
Employees defined benefit liabilities	138	145	157	170	119	125	132	139
Non-current liabilities	238	305	238	249	193	199	206	213
Trade payables	242	239	236	273	261	272	283	295
Accrued expenses and other current liabilities	563	613	762	639	609	544	472	394
Loans and lease liabilities	428	812	441	159	209	259	309	359
Other current liabilities	140	172	120	143	211	221	137	143
Current liabilities	1,374	1,836	1,559	1,214	1,290	1,295	1,201	1,191
LIABILITIES	1,612	2,141	1,797	1,463	1,484	1,495	1,407	1,404
EQUITY AND LIABILITIES	3,525	4,272	4,328	4,424	4,930	5,444	5,891	6,458

Cash Flow (In SAR mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Cash from operations	357	681	729	807	651	866	923	977
Investing cash flow	572	-88	-746	-342	-258	-275	-390	-134
Financing cash flow	-364	-228	-865	-521	-230	-256	-274	-293
Change in cash	629	382	-880	-123	163	335	259	550
Beginning cash	46	676	1,058	178	55	218	553	812
Ending cash	676	1,058	178	55	218	553	812	1,362



Ratio Analysis	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Per Share								
EPS (SAR)	5.9	5.9	7.4	8.3	9.6	10.1	10.7	11.4
BVPS (SAR)	23.9	26.6	31.6	37.0	43.1	49.4	56.1	63.2
DPS (SAR)	2.5	2.5	3.0	3.5	3.8	4.0	4.3	4.6
FCF per share (SAR)	11.6	7.4	-0.2	5.8	4.9	7.4	6.7	10.5
Valuation								
Market Cap (SAR mn)	4,152	9,488	14,400	11,336	11,816	11,816	11,816	11,816
EV (SAR mn)	4,005	9,401	14,738	11,514	11,881	11,596	11,387	10,887
EBITDA	470	624	739	769	933	999	1,071	1,141
P/E (x)	8.8	20.0	24.4	17.0	15.4	14.6	13.8	12.9
EV/EBITDA (x)	8.5	15.1	19.9	15.0	12.7	11.6	10.6	9.5
Price/Book (x)	2.2	4.5	5.7	3.8	3.4	3.0	2.6	2.3
Dividend Yield (%)	4.8%	2.1%	1.7%	2.5%	2.6%	2.7%	2.9%	3.1%
Price to sales (x)	1.6	3.4	4.7	3.7	3.7	3.5	3.3	3.1
EV to sales (x)	1.5	3.3	4.8	3.7	3.7	3.4	3.2	2.9
Liquidity								
Cash Ratio (x)	0.49	0.58	0.11	0.04	0.17	0.43	0.68	1.14
Current Ratio (x)	1.93	1.87	1.78	1.64	1.87	2.20	2.67	3.25
Quick Ratio (x)	1.37	1.48	1.34	1.04	1.20	1.50	1.89	2.42
Returns Ratio								
ROA (%)	13.5%	11.1%	13.6%	15.1%	15.5%	14.9%	14.6%	14.1%
ROE (%)	24.8%	22.3%	23.3%	22.5%	22.2%	20.5%	19.1%	18.1%
ROCE (%)	22.1%	19.5%	21.3%	20.8%	21.0%	19.5%	18.3%	17.3%
Cash Cycle								
Inventory turnover (x)	2.0	2.3	2.5	2.3	2.0	2.0	2.0	2.0
Accounts Payable turnover (x)	6.4	6.8	7.3	6.1	6.7	6.7	6.7	6.7
Receivables turnover (x)	3.1	3.0	2.7	3.0	2.9	2.9	2.9	2.9
Inventory days	184	160	146	161	183	183	183	183
Payable Days	57	53	50	60	55	55	55	55
Receivables days	118	122	134	120	128	128	128	128
Cash Cycle	245	228	229	221	256	256	256	256
Profitability Ratio								
Net Margins (%)	18.3%	16.9%	19.2%	21.7%	23.7%	23.9%	24.1%	24.3%
EBITDA Margins (%)	18.1%	22.1%	24.1%	25.1%	28.9%	29.5%	30.0%	30.4%
PBT Margins (%)	13.0%	18.2%	20.4%	23.5%	26.4%	26.5%	26.8%	27.0%
EBIT Margins (%)	15.3%	18.9%	21.5%	22.6%	26.4%	26.9%	27.4%	27.9%
Effective Tax Rate (%)	10.2%	5.6%	11.7%	7.5%	10.0%	10.0%	10.0%	10.0%
Leverage								
Total Debt (SAR mn)	529	971	516	233	283	333	383	433
Net Debt (SAR mn)	-147	-87	338	178	65	-220	-429	-929
Debt/Equity (x)	0.3	0.5	0.2	0.1	0.1	0.1	0.1	0.1
Net Debt/Equity (x)	-0.1	-0.0	0.1	0.1	0.0	-0.1	-0.1	-0.2

Key contacts

Research Team

Joice Mathew	Manna Thomas ACCA	Contact Address
Sr. Manager - Research	Research Associate	P. O Box: 2566; P C 112
E-Mail: joice@usoman.com	Email: manna.t@usoman.com	Sultanate of Oman
Tel: +968 2476 3311	Tel: +968 2476 3347	Tel: +968 2476 3300

Rating Criteria and Definitions

Rating	Rating Definitions
	Strong Buy This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%
	Buy This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%
	Hold This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%
	Neutral This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between 0% to -10%
	Sell This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between -10% to -20%
	Strong Sell This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential in excess of 20%
	Not rated This recommendation used for stocks which does not form part of Coverage Universe

Disclaimer

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions. Opinion expressed is our current opinion as of the date appearing on this material only. We do not undertake to advise you as to any change of our views expressed in this document. While we endeavor to update on a reasonable basis the information discussed in this material, United Securities, its subsidiaries and associated companies, their directors and employees are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein. The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true and are for general guidance only. While every effort is made to ensure the accuracy and completeness of information contained, the company takes no guarantee and assumes no liability for any errors or omissions of the information. No one can use the information as the basis for any claim, demand or cause of action.

Recipients of this material should rely on their own investigations and take their own professional advice. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. United Securities LLC, and affiliates, including the analyst who has issued this report, may, on the date of this report, and from time to time, have long or short positions in, and buy or sell the securities of the companies mentioned herein or engage in any other transaction involving such securities and earn brokerage or compensation or act as advisor or have other potential conflict of interest with respect to company/ies mentioned herein or inconsistent with any recommendation and related information and opinions. United Securities LLC and affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.