

Result update

Astra Industrial Group

Sector : Healthcare

BUY

11 November 2025

- Overall revenue comes much in line with our estimate and grows by 6% YoY in 3Q25. Core pharma growth steady at 6%, steel segment recovers, while specialty chemicals slip during the quarter.
- Margin expansion in pharma moves the consolidated gross margin higher by +48bps YoY.
- Net profit comes in line with estimate and grows by 20% YoY in 3Q25. We retain our revenue and profit forecast for 2025e and maintain target price at SAR 160 per share. The potential upside warrants a BUY rating on the stock.

Revenue increased by a modest 6% YoY in 3Q25, coming in 2.4% above our estimate. The pharma segment, which contributed 51.4% of total revenue, grew by 6% YoY during the quarter, driven by expansion in key therapeutic areas, higher volumes from NUPCO, and continued momentum in tolling contracts. The specialty chemicals segment continued its downward trajectory, declining by 9.8% YoY in 3Q25 and marking the fourth consecutive quarter of contraction, mainly due to structural shifts in demand. Meanwhile, the steel segment remained unpredictable due to the lumpy nature of its projects, though revenue improved relative to its weak 1H25 performance. We expect pharma to remain the primary driver of value and growth, while the other two segments are likely to scale down further.

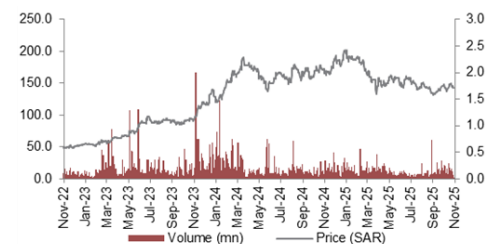
Astra has maintained consistent cost discipline, which has helped keep margins stable despite topline volatility. During the quarter, gross margin rose slightly to 47.4% (+48bps YoY), primarily due to stronger performance in the pharma segment, which now contributes around 70% of gross profit. Operating costs remained steady and in line with prior periods. EBITDA margin improved to 30.2% in 3Q25 (vs. 26.6% in 3Q24), reflecting continued margin expansion. Astra remains debt-free and holds a robust cash balance of SAR 864 million. Net profit reached SAR 167 million in 3Q25, up 19.7% YoY and in line with our forecast. For 9M25, net profit totaled SAR 528 million, representing a 15.4% YoY increase.

Valuation: Through its subsidiary Tabuk Pharmaceuticals, Astra is among the largest pharma players in Saudi Arabia and one of the country's most diversified conglomerates. As part of its reorganization, several non-core business segments have been divested, and we expect the steel and specialty chemicals divisions to eventually be spun off as well. We remain optimistic about Tabuk Pharma, given the limited number of comparable listed players of similar scale in Saudi Arabia's lucrative pharma sector. While non-core operations continue to weigh on overall valuation, we maintain our FY2025 estimates and target price at SAR 160. Although the stock has underperformed this year, we believe downside risk is limited at current levels and therefore recommend a BUY.

Target price (SAR) 160.00

Current price (SAR) 142.60

Return 12.20%



Exchange Saudi Arabia
Index weight (%) 0.2%

(mn)	SAR	USD
Market Cap	11,416	3,044
Enterprise value	11,064	2,987

Major shareholders

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)	17.7
P/Book (x)	4.1
EV/EBITDA (x)	13.8
Dividend Yield (%)	2.1
Free Float (%)	49%
Shares O/S (mn)	80
YTD Return (%)	-21%
Beta	1.1

Key ratios	2022	2023	2024
EPS (SAR)	5.93	5.94	7.37
BVPS (SAR)	23.91	26.64	31.64
DPS (SAR)	2.50	2.50	3.00
Payout ratio (%)	42%	42%	41%

Price performance (%)	1M	3M	12M
Astra Industrial Group Co	-2%	-1%	-17%
Tadawul All Share Index	-3%	3%	-7%

52 week	High	Low	CTL*
Price (SAR)	207.00	125.60	13.6

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



Income Statement (In SAR mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Revenue	2,330	2,594	2,820	3,062	3,016	3,213	3,426	3,621
Cost of goods sold	-1,436	-1,554	-1,637	-1,720	-1,631	-1,737	-1,834	-1,925
Gross profit	895	1,040	1,182	1,342	1,385	1,476	1,592	1,696
Selling and distribution exp	-334	-359	-376	-412	-414	-418	-445	-471
General and administrative exp	-185	-255	-234	-224	-167	-161	-171	-181
Provision for impairment	-22	-5	-14	-19	-3	-21	-22	-24
Research expenses	-26	-25	-26	-29	-34	-32	-34	-36
Operating profit	326	396	533	658	768	844	918	984
EBITDA	419	470	624	739	842	864	939	1,005
Finance costs	-52	-47	-71	-107	-51	-15	-5	-5
Other income (Net)	-32	-12	50	75	55	2	2	2
PBT	242	337	513	626	772	831	916	981
Zakat and income tax expense	-26	-34	-29	-73	-73	-83	-92	-98
Net Profit before disc ops	216	303	484	553	699	748	824	883
Discontinued operation	-23	183	-11	48	-	-	-	-
Net Profit	194	486	473	601	699	748	824	883
NCI	-9	11	-2	12	-	-	-	-
Net Profit to shareholders	202	474	475	589	699	748	824	883
Balance Sheet (in SAR mn)	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Property, plant and equipment	1,148	789	756	818	849	926	1,008	1,096
Intangible assets	36	73	77	76	88	88	88	88
Non-current assets	6	5	7	653	644	644	644	644
Non-current assets	1,190	867	840	1,547	1,580	1,657	1,739	1,827
Inventories	755	783	716	686	815	868	917	962
Trade receivables	767	837	944	1,121	1,056	1,124	1,199	1,267
Other current assets	129	200	150	128	188	198	209	218
Time deposits	-	163	563	668	754	754	754	754
Cash and cash equivalents	46	676	1,058	178	72	95	224	288
Current assets	1,698	2,658	3,432	2,781	2,885	3,040	3,303	3,490
ASSETS	2,888	3,525	4,272	4,328	4,465	4,697	5,042	5,316
Share capital	800	800	800	800	800	800	800	800
Reserves	330	372	377	-21	-11	-11	-11	-11
Retained earnings	322	677	951	1,745	2,204	2,672	3,197	3,750
NCI	52	64	3	7	21	21	21	21
EQUITY	1,504	1,913	2,131	2,531	3,014	3,482	4,007	4,560
Loans and lease liabilities	41	100	160	75	45	45	45	45
Due to related parties	-	-	-	6	-	-	-	-
Employees defined benefit liabilities	133	138	145	157	100	96	103	109
Non-current liabilities	174	238	305	238	145	141	148	154
Trade payables	210	242	239	236	245	261	275	289
Accrued expenses and other current liabilities	411	563	613	762	734	521	459	192
Loans and lease liabilities	488	428	812	441	223	173	23	23
Other current liabilities	101	140	172	120	105	119	131	98
Current liabilities	1,210	1,374	1,836	1,559	1,306	1,073	887	602
LIABILITIES	1,384	1,612	2,141	1,797	1,451	1,215	1,035	756
EQUITY AND LIABILITIES	2,888	3,525	4,272	4,328	4,465	4,697	5,042	5,316
Cash Flow (In SAR mn)	2021	2022	2023	2024	2025e	2026e	2027e	2027e
Cash from operations	378	357	681	729	764	503	719	588
Investing cash flow	-80	572	-88	-746	-191	-183	-189	-195
Financing cash flow	-308	-364	-228	-865	-679	-297	-401	-329
Change in cash	-8	629	382	-880	-106	23	129	65
Beginning cash	54	46	676	1,058	178	72	95	224
Ending cash	46	676	1,058	178	72	95	224	288



Ratio Analysis	2021	2022	2023	2024	2025e	2026e	2027e	2028e
Per Share								
EPS (SAR)	2.5	5.9	5.9	7.4	8.7	9.3	10.3	11.0
BVPS (SAR)	18.8	23.9	26.6	31.6	37.7	43.5	50.1	57.0
DPS (SAR)	1.5	2.5	2.5	3.0	3.5	3.7	4.1	4.4
FCF per share (SAR)	3.7	11.6	7.4	-0.2	7.2	4.0	6.6	4.9
Valuation								
Market Cap (SAR mn)	3,192	4,152	9,488	14,400	11,408	11,408	11,408	11,408
EV (SAR mn)	3,674	4,005	9,401	14,738	11,604	11,531	11,252	11,188
EBITDA	419	470	624	739	842	864	939	1,005
P/E (x)	15.8	8.8	20.0	24.4	16.3	15.3	13.8	12.9
EV/EBITDA (x)	8.8	8.5	15.1	19.9	13.8	13.4	12.0	11.1
Price/Book (x)	2.1	2.2	4.5	5.7	3.8	3.3	2.8	2.5
Dividend Yield (%)	3.8%	4.8%	2.1%	1.7%	2.4%	2.6%	2.9%	3.1%
Price to sales (x)	1.4	1.6	3.4	4.7	3.8	3.6	3.3	3.2
EV to sales (x)	1.6	1.5	3.3	4.8	3.8	3.6	3.3	3.1
Liquidity								
Cash Ratio (x)	0.04	0.49	0.58	0.11	0.06	0.09	0.25	0.48
Current Ratio (x)	1.40	1.93	1.87	1.78	2.21	2.83	3.72	5.79
Quick Ratio (x)	0.78	1.37	1.48	1.34	1.58	2.02	2.69	4.20
Returns Ratio								
ROA (%)	7.0%	13.5%	11.1%	13.6%	15.6%	15.9%	16.3%	16.6%
ROE (%)	13.5%	24.8%	22.3%	23.3%	23.2%	21.5%	20.6%	19.4%
ROCE (%)	12.1%	22.1%	19.5%	21.3%	22.1%	20.6%	19.8%	18.7%
Cash Cycle								
Inventory turnover (x)	1.9	2.0	2.3	2.5	2.0	2.0	2.0	2.0
Accounts Payable turnover (x)	6.9	6.4	6.8	7.3	6.7	6.7	6.7	6.7
Receivables turnover (x)	3.0	3.1	3.0	2.7	2.9	2.9	2.9	2.9
Inventory days	192	184	160	146	183	183	183	183
Payable Days	53	57	53	50	55	55	55	55
Receivables days	120	118	122	134	128	128	128	128
Cash Cycle	259	245	228	229	256	256	256	256
Profitability Ratio								
Net Margins (%)	8.7%	18.3%	16.9%	19.2%	23.2%	23.3%	24.1%	24.4%
EBITDA Margins (%)	18.0%	18.1%	22.1%	24.1%	27.9%	26.9%	27.4%	27.8%
PBT Margins (%)	10.4%	13.0%	18.2%	20.4%	25.6%	25.9%	26.7%	27.1%
EBIT Margins (%)	14.0%	15.3%	18.9%	21.5%	25.4%	26.3%	26.8%	27.2%
Effective Tax Rate (%)	10.6%	10.2%	5.6%	11.7%	9.5%	10.0%	10.0%	10.0%
Leverage								
Total Debt (SAR mn)	529	529	971	516	268	218	68	68
Net Debt (SAR mn)	482	-147	-87	338	196	123	-156	-220
Debt/Equity (x)	0.4	0.3	0.5	0.2	0.1	0.1	0.0	0.0
Net Debt/Equity (x)	0.3	-0.1	-0.0	0.1	0.1	0.0	-0.0	-0.0

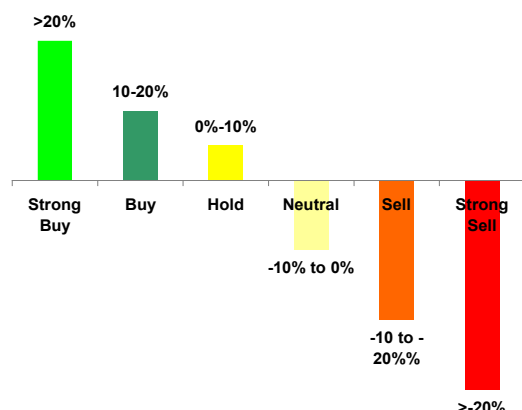
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Rating Criteria and Definitions

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



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