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Apollo Micro Systems Projected to Rise 25% in Three Months, Says Anand Rathi

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Apollo Micro Systems has caught the attention of leading brokerage firm Anand Rathi, which forecasts a 25 percent upside in the stock over the next three months. The firm has advised investors to buy the stock within the ₹165 to ₹175 price range, with a target of ₹210 and a stop-loss at ₹150 on a closing basis.

Apollo Micro Systems, based in Hyderabad, manufactures defense and aerospace electronics. The stock has seen significant growth, rising over 1,280 percent in the past five years. In 2025 alone, it has gained approximately 40 percent, currently trading at ₹172.30.

According to Anand Rathi, the stock has shown a healthy correction from its recent peak near ₹221. It is now positioned within the Ichimoku cloud, which aligns with its previous breakout levels and 100-day exponential moving average. The Fibonacci retracement support range of ₹165 to ₹175 is seen as a favorable zone for entry.

Analysts note that the daily Relative Strength Index (RSI) is hovering around 40, indicating potential for consolidation and a possible upward move if support levels hold. The firm sees this as an ideal setup for short-term gains with calculated risk.

Fundamentally, Apollo Micro Systems appears strong. Its order book stood at ₹615 crore as of March 2025, with projections indicating it could triple by the end of the financial year. The company is expanding into new areas such as heavyweight torpedoes, underwater mines, and ship rockets, supported by several defense contracts. It is also scaling up its manufacturing capabilities, including a major facility expansion of 2.5 lakh square feet.

Financially, the company has shown notable improvement. Its return on equity rose by 477 basis points to 6 percent, while return on capital employed climbed 215 basis points to 6.7 percent. From FY21 to FY25, revenue grew at a compound annual growth rate (CAGR) of 29 percent, EBITDA at 35.3 percent, and net profit at 53.4 percent.

Despite the strong outlook, analysts caution investors about the stock's high valuation. Its trailing twelve-month price-to-earnings ratio is currently above 100, significantly higher than the industry average, which could increase price volatility.