

Defense Technology Supplier

Eshan Mukherjee | 6 October 2026 | Independent portfolio sample

Executive summary

Autonomy offers growth, but procurement timing and investment intensity remain decisive. Underwrite funded awards separately from unfunded opportunities. Require margin and cash-conversion evidence before assigning mature industrial cash economics.

Historical financials are reported. Forecasts and transaction structures are illustrative analyst assumptions. No fund investment or executed transaction is implied.

Financial review

Metric (USD millions)	2024	2025	2031 base
Revenue	1,136.3	1,346.8	3,867.0
EBITDA proxy	69.3	72.7	502.7
Unrestricted cash	329.3	560.6	1,358.5

EBITDA proxy equals reported operating income plus the mapped depreciation and amortization line. It is not management-adjusted EBITDA.

Scenario	2031 revenue	2031 EBITDA	DCF enterprise value
Base	3,867.0	502.7	1,005.3
Upside	4,946.4	766.7	2,284.3
Downside	2,550.6	229.6	-399.2

The scenario comparison is a dated snapshot. The workbook selector recalculates the live schedules. Negative continuation DCF values require a restructuring or financing response.

Observed close on 2026-10-05: USD 42.02. Base DCF value before other claims: USD 13.03 per share. This is an illustrative valuation, with claim and dilution limitations shown in the workbook.

Business and transaction structure

Segments and procurement

The forecast begins with 2025 reported systems revenue of USD 1,054.8 million and uncrewed-systems revenue of USD 292.0 million. Separate segment growth assumptions feed the total. Funded and unfunded backlog conversion buckets are explicitly analyst scenarios, not reported totals.

Investment and dilution

The forecast includes capacity capex, cash taxes and stock compensation. Per-share valuation uses the dated share count and a forecast dilution schedule. Procurement delays and lower conversion rates reduce cash flow before debt financing.

Decision conditions

Reported contracts can be delayed, reduced or terminated. Valuation support requires evidence that autonomy programs convert into funded production and improving margins. The downside tests lower operating growth, weaker margins and greater investment intensity.

Evidence classes

Class	Treatment
Reported fact	Historical statement figures and dated public disclosures.
Management guidance	Qualitative outlook reviewed separately from analyst forecasts.
Analyst assumption	Growth, margins, capital intensity, discount rate and scenario drivers.
Hypothetical terms	Financing, sponsor ownership, fees, covenants and recovery assumptions.
Synthetic record	All private-startup financial history, customer accounts and staffing economics.

Historical cutoff: 2025-12-28. Latest quarterly disclosure reviewed: 2026-06-28. Information cutoff: 6 October 2026. Models calculate from saved inputs without network calls.

Investment considerations and monitoring

Principal risk	Monitoring action
Unfunded backlog is exposed to appropriations and contract timing.	Track funded awards, deliveries and government appropriations.
Production investment precedes cash recovery.	Reconcile segment margins with capacity utilization.
Stock compensation and equity financing dilute per-share outcomes.	Monitor capex and receivables against cash generation.
Program concentration creates binary procurement risk.	Break the thesis if funded conversion and margins miss for two quarters.

Model checks

The workbook includes independent balance-sheet, cash and debt roll-forward checks. Valuation sensitivities calculate from projected cash flows. Covenant breaches and cash shortfalls remain visible economic findings. Original historical statement mappings and differences are maintained outside the public portfolio.

Decision conditions

The base DCF is USD 13.03 per share versus USD 42.02 observed. Current assumptions do not support the price. Revisit on funded production awards and demonstrated cash conversion.