

Defense Technology Supplier

Eshan Mukherjee | 6 October 2026 | Independent portfolio sample

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.

Independent portfolio sample. Transactions and financing structures are hypothetical.

Business and financial overview

Business overview

USD millions	2024	2025
Revenue	1,136.3	1,346.8
Operating income	29.0	25.6
Operating cash flow	49.7	-42.1
Unrestricted cash	329.3	560.6

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Original fiscal periods. Restricted cash and other claims receive separate treatment.

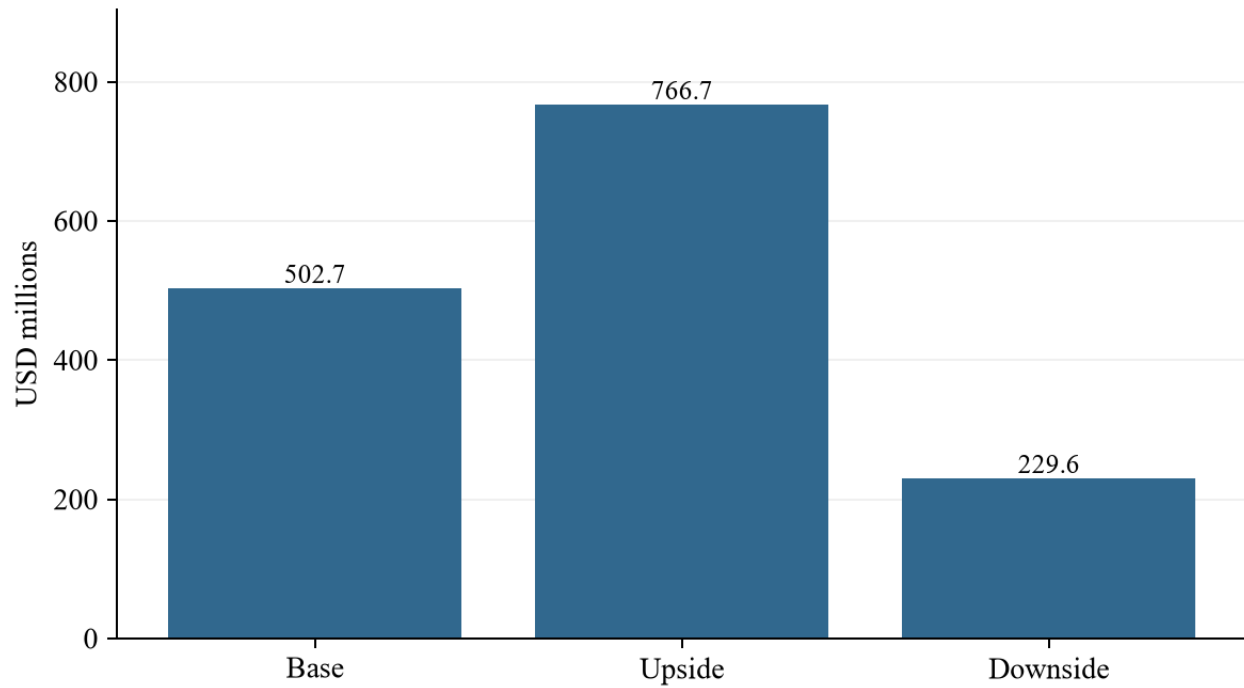
Segments and procurement

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.

2031 operating result	Base	Upside	Downside
Revenue	3,867.0	4,946.4	2,550.6
EBITDA	502.7	766.7	229.6

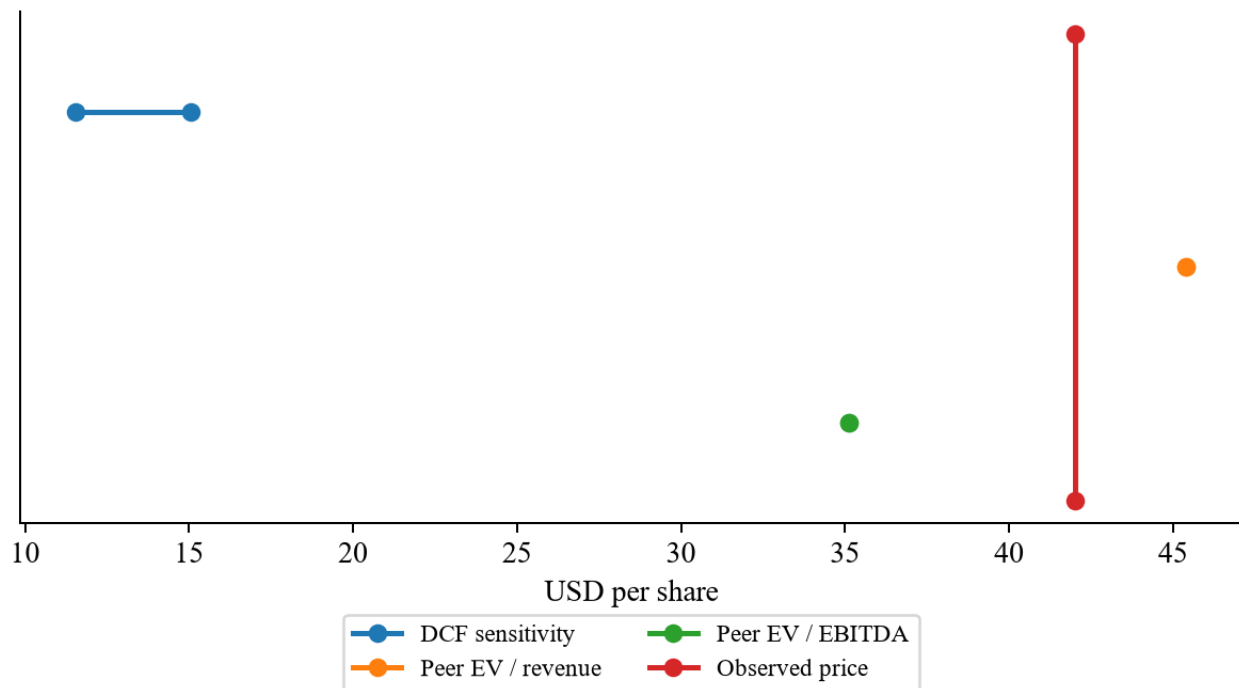
Reported history feeds analyst assumptions. Scenario comparisons are dated snapshots.

Operating outcomes depend on execution



USD millions, rounded to one decimal. EBITDA includes recurring stock compensation as an operating cost.

Valuation ranges and observed price



Method	Low	High
DCF sensitivity	11.6	15.1
Peer EV / revenue	45.4	45.4
Peer EV / EBITDA	35.1	35.1

Observed close: USD 42.02. A single available peer appears as a point. DCF ranges vary discount rate and terminal growth in the base operating case.

Downside conditions change the decision

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.

The observed market price exceeds the base DCF value. Stronger funded cash-flow growth must support the premium.

Balance sheets, cash and debt roll-forwards recalculated in native Excel across all three cases.

Risks and monitoring triggers

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.

Decision and next evidence

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.

Track funded awards, deliveries and government appropriations.

Reconcile segment margins with capacity utilization.

Monitor capex and receivables against cash generation.

Break the thesis if funded conversion and margins miss for two quarters.

Independent analysis. No executed deal or historical fund holding is asserted.