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Voyager Technologies, Inc. (VOYG)

Q2 2025 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, ladies and gentlemen, and thank you for standing by. My name is Kelvin and I will be your conference operator today. At this time, I would like to welcome everyone to the Voyager Technologies Q2 2025 Earnings Call. All lines have been placed on mute to prevent any background noise. After the speakers remarks, there will be a question-and-answer session. [Operator Instructions] Thank you.

I would now like to turn the call over to Adi Padva, Senior Vice President of Corporate Development and Investor Relations. Please go ahead.

Adi Padva

Senior Vice President-Corporate Development & Investor Relations, Voyager Technologies, Inc.

Thank you and good morning. Welcome to Voyager second quarter 2025 earnings call. I'm joined today by Dylan Taylor, our Chairman and Chief Executive Officer; and Phil De Sousa, our Chief Financial Officer. Today's call includes forward-looking statements which involve risk and uncertainties detailed in our earnings material and SEC filings, including the Risk Factors section of our IPO prospectus. We undertake no obligation to update these statements. We will also discuss non-GAAP financial measures, reconciliation of these measures is available in our earnings materials on our website.

I will now turn the call over to Dylan.

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Dylan E. Taylor

Chairman & Chief Executive Officer, Voyager Technologies, Inc.

Thank you, Adi, and good morning, everyone. It's my pleasure to welcome you to our first earnings call as a public company. I am super excited to share how Voyager is executing on the platform. We purpose built to lead the next era of defense, national security and space innovation. Voyager was founded with a clear mission to build an innovation and technology platform designed to both disrupt as well as anticipate the involving needs of the unique and mission-critical industries that we serve.

Our success is supported by three strategic pillars, which we will cover on each earnings call going forward. First, a high growth in profitable segments. Secondly, a relentless commitment to leading with innovation. And third, the transformational opportunity of Starlab Space Stations. To be specific, Voyager is a high growth platform expected to deliver an organic CAGR of over 25% with additional upside through disciplined and accretive M&A. We operate within a $179 billion addressable market spanning missile defense, space-based systems and advanced deterrent capabilities. Our robust pipeline of $3.6 billion in qualified opportunities underscores our ability to convert visible opportunities into long term revenue and create meaningful shareholder return.

We've built a company that can operate with the scale and discipline of a prime contractor, but with the agility and innovation engine of a high growth technology company, where product development, IP creation and accretive capital allocation are core to our business model. Over 18% of our revenue is invested in innovation and developing proprietary mission-critical capabilities with much of that funded by our customers.

We are also accelerating the deployment of our multi-use technologies. For example, to support Golden Dome missile defense systems, we leverage our technological capabilities from propulsion to optical sensors, navigation and controls, all of which enable us to capture new opportunities.

Importantly, we operate with a commercial business model in markets traditionally dominated by government structures, enabling us to move with speed and efficiency, whether it's smart missile defense systems and our propulsion technology or our software-enabled signals intelligence. We're advancing scalable next generation solutions to directly address the growing needs of our customers. This foundation makes Voyager fundamentally different from traditional defense and space contractors.

As a commercial platform, we are CapEx-light, IP-focused and operationally efficient. Furthermore, we maintain a fortress balance sheet with $460 million in cash, $200 million in available credit and no debt, which is highly differentiated amongst our competitors. And additionally, we offer a once in a generation opportunity through our Starlab joint venture, where Voyager is the majority owner and lead developer of a commercial replacement to the International Space Station.

Turning to slide 4. As a reminder, Voyager operates across three compelling business segments, each aligned to high growth end markets and the evolving priorities of defense, national security and space. Our Defense and National security segment is our largest and fastest growing. We are a leader in controllable solid fuel propulsion and signals intelligence technologies, driving the future of missile defense, threat detection and advanced communications.

Programs like Next Generation Interceptor, where our propulsion system recently passed Critical Design Review, highlight our alignment with mission critical defense priorities, including Golden Dome as I mentioned earlier. Our Space Solutions segment has a strong track record of enabling and expanding the space domain by delivering innovative solutions for government and commercial missions.

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Furthermore, as demand grows, we will continue to develop advanced hardware and software systems that enable critical capabilities like communications, infrastructure and mission management. And finally, Starlab Space Stations, perhaps one of the most compelling long-term growth opportunities in the commercial space market. We are the majority shareholder of the joint venture building the commercial successor to the ISS.

To date, we've been awarded over $218 million by NASA. And to emphasize Starlab is an infrastructure like project with an upfront investment to develop the station, followed by massive multi-decade free cash flow streams.

As indicated in our prospectus, once in orbit, we expect Starlab to generate over $4 billion in annual revenue and over $1.5 billion of free cash flow. Collectively, our segments provide shareholders unique access to growing mission-critical systems and programs and create multiple paths for long-term value creation.

Turning to slide 5. Our first quarter as a public company marks another step forward in our company's trajectory, driven by advancing our strategic growth priorities and executing with discipline. We completed our IPO in June, raising more than $400 million in net proceeds and establishing a $200 million credit facility, providing us with a fortress balance sheet to further support our growth strategy.

Now on to second quarter results. I am extremely pleased to share that we have posted record quarterly revenue of $46 million, up 25% year-over-year, driven by 85% growth in our Defense and National Security segment. We continue to scale our platform through targeted acquisitions that enhance our technology stack and open new market opportunities.

During the quarter, we acquired LEOcloud and Optical Physics Company. These businesses expand our vision for space-based cloud services and smart missile defense systems, strengthening our ability to pursue high-value contracts across our segments. These acquisitions reflect our disciplined approach to M&A proprietarily sourced, relationship driven, strategically aligned, and designed to create long-term accretive growth by enhancing core strategic capabilities. And on Starlab, we continue to make meaningful progress. In the second quarter alone, we achieved four key development milestones, resulting in $22.5 million in cash receipts from NASA. That brings us to 25 milestones completed to-date, each one marking tangible progress towards building the commercial replacement for the ISS that are scheduled to launch to orbit in 2029.

Over the next two slides, we highlight two visible growth drivers for Voyager. First, our advanced Throttleable Propulsion Technology selected for Next Generation Interceptor also referred to as NGI. As mentioned, we recently completed Critical Design Review for the second stage roll control system on NGI, a major technical milestone. This propulsion solution is the first of its kind, enabling precise in-flight targeting and control. Completing CDR is a critical step towards delivering a flight qualified production-ready subsystem for NGI's fielding. NGI is the premier US missile defense program, a multi-decade $1 billion plus revenue opportunity for us and a clear example of how Voyager is positioned to lead the next generation of missile defense.

On slide 7, we highlight our accretive capital deployment strategy. During the quarter, we completed two acquisitions, and today we highlight Optical Physics Company, OPC, a vertically integrated addition that strengthens our Defense and National Security segment with proprietary optical technologies. OPC extends our platform into critical subsystems used across missile defense and advanced surveillance applications. OPC's Star Tracker systems enhance our optical navigation product suite. This positions Voyager to compete for higher value programs and increases the relevance of our broader platform. Our M&A strategy is focused on identifying high impact technologies, integrating them into our platform, and driving accretive growth, while deepening our alignment with customer needs.

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In summary, we are executing with focus and momentum, supported by a platform purpose built for this market. The opportunities ahead are significant and measurable and I'm confident in our team, strategy and technology to capitalize on them.

And with that, I'll turn it over to Phil to walk through the financials in more detail.

Filipe De Sousa

Chief Financial Officer, Voyager Technologies, Inc.

Thanks, Dylan. Turning to slide 8, for the second quarter, we delivered revenue of $46 million, a 25% year-over-year increase, reflecting strong demand within our Defense and National Security segment. Excluding the planned wind down of a multiyear NASA services contract within our Space Solutions segment, overall growth for Voyager was 45%.

Adjusted EBITDA for the second quarter was a loss of $9.1 million compared to a loss of $8 million last year. The modest increase reflects strategic investment to build infrastructure systems and acquire talent to support our long-term growth trajectory as a newly formed public company. I'll emphasize here that we're executing intentionally and investing ahead of the growth curve to ensure we scale efficiently. On the bottom line, adjusted EPS was a loss of $0.60 compared to a loss of a $1.29 in the prior year period with the per share improvement reflecting IPO related dilution.

Now turning to slide 9, I'll cover off our operating performance by segment. Beginning with Defense and National Security, our largest and fastest growing segment. For the second quarter strong execution and higher volume from key programs, including Next Generation Interceptor drove an 85% increase in segment revenue. Adjusted EBITDA rose 80% to $1.8 million, primarily reflecting contribution from our top line performance.

Now switching gears to our Space Solutions segment. Revenue was $11.1 million, down 45% year-over-year. Segment adjusted EBITDA was a loss of $1.3 million with the performance reflecting the planned wind down of a multiyear NASA services contract, as I mentioned earlier. Finally, Starlab continues to show steady progress. During the second quarter, we achieved four additional key development milestones and received approximately $23 million in milestone-based cash payments. These receipts are attributed to our $280 million funded Space Act Agreement with NASA and materially offset our investment in the program. As a result, we are advancing what we believe is a transformational commercial opportunity in the evolving low earth orbit economy.

Wrapping up here, we're encouraged by the momentum we are seeing and remain confident in our ability to deliver sustainable long-term growth across all three of our core businesses.

Now let's turn to slide 10, and I'll cover off our financial position. As we embark on our journey as a public company, we do so with a fortress balance sheet, a position of financial strength that enables both focused execution today and strategic growth for the long-term. Following the successful completion of our IPO and repayment of our $58 million term loan, we ended the quarter with $469 million in cash, debt-free and with access to an undrawn $200 million revolving credit facility.

Our robust capital position provides flexibility to scale production, invest in innovation, and pursue disciplined M&A. This combined with our disciplined capital allocation strategy, CapEx-light model and the multi-decade cash generation potential of Starlab reinforces our confidence in delivering meaningful returns to shareholders.

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Now turning to slide 11, I'll cover off our outlook for fiscal year 2025. Beginning with the top line, we expect revenue in the range of $165 million to $170 million, representing year-over-year growth of 15% to 18%. Excluding the impact of the NASA services contract within Space Solutions that is winding down, year-over-year growth would be in the range of 29% to 33%. This means that for the second half we anticipate revenue of approximately $87 million at the midpoint, reflecting 9% sequential growth over the first half, 13% increase compared to the second half of 2024, or 34%, excluding the impact associated with the wind down of the NASA services contract within Space Solutions.

For the full year, we expect adjusted EBITDA between negative $60 million to $63 million. Underpinning our second half expectations is sequential improvement in both gross profit and adjusted EBITDA margins, with the fourth quarter higher than the third quarter, reflecting both the anticipated top line progression and favorable mix.

In summary, we are scaling rapidly and focused on delivering high growth, executing effectively across high priority programs, investing in mission critical innovation and driving improved financial performance. Our capital-light operating model, combined with disciplined execution, continues to support margin expansion and strong cash flow conversion potential over time, especially when layering in Starlab.

With that, I'll turn it back over to Dylan for some closing remarks.

Dylan E. Taylor

Chairman & Chief Executive Officer, Voyager Technologies, Inc.

Thanks, Phil. We entered this next chapter with strong momentum, clear alignment to long term industry priorities, and a differentiated platform built for high growth. We're executing across our existing key programs, expanding through innovation, our opportunity set, and are positioned to capitalize on the tailwinds shaping the future of defense, national security and space. We're proud of the foundation we've built and confident in our ability to deliver long-term value for our shareholders.

Operator, we're now ready to take questions.

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QUESTION AND ANSWER SECTION

Operator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. As we enter the Q&A session, we ask that you please limit your input to one question and one follow-up. [Operator Instructions] Your first question comes from the line of Ron Epstein of Bank of America. Please go ahead.

Ronald J. Epstein
Analyst, BofA Securities, Inc.

Q

Hey. Yeah, excuse me. Good morning, guys.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.

A

Good morning, Ron.

Ronald J. Epstein
Analyst, BofA Securities, Inc.

Q

If you could speak a little bit to kind of maybe a bigger picture question just more broadly on what makes you feel comfortable with the growth outlook that you guys are expecting, this quarter's numbers came in, but when we think about kind of the go forward algorithm for the company, what makes you all feel comfortable about that growth?

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.

A

Yeah. Thanks for the question, Ron. A couple of thoughts. First is the markets that were – or segments that we're playing. And so, for example, one of the growth drivers this quarter and this year, in fact, has been our Throttleable Propulsion Technology, which of course is our Next Generation Interceptor. In addition to that, we're also on Next Generation Interceptor with our Optical Navigation System and increasingly being asked for more intelligence on that system as well with software-enabled hardware.

And as we know, Golden Dome is yet to be totally defined, yet in terms of exactly what it is. But what we do know is there's a big push by the administration for additional investment in smart missile defense systems. And as we mentioned earlier, we've passed critical design review now with our Throttleable Propulsion Technology.

So if you look at all of those key drivers for generally smart missile defense systems, we're very well positioned with our technology not only for the existing volumes within NGI, which we think are very, very solid, but the possibility that those volumes will increase. And then, of course, additional smart missile defense programs, including space to space interceptors, which is a key focus area for the administration. And our technology is also relevant to that segment as well. So I think that's a big category that gives us confidence not only in the second half of the year, but 2026 and beyond.

The other thing I'll just mention is M&A. We have a very, very robust M&A pipeline. And I'm very confident, Ron, that in the back half of the year, we mentioned two acquisitions in this quarter. I don't think those will be the only acquisitions we get done in 2026. I think it's highly likely we'll have more to report on the acquisition side here in the near future.

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And then just final point, of course, everything that we're talking about would be supplemented by Starlab with future growth as well. So as I mentioned earlier we've hit all our milestones to-date. I think we just hit our 25th milestone and we anticipate hitting future milestones in the back half of the year. So those would be the key drivers that I would put forward. And Phil, do you have anything to chime in on?

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

Yeah. Sure. And Ron, thanks for the question. So again, just perhaps echoing some of Dylan's points and adding a couple of statistical data points for you all, as a reminder, we've got about $3.6 billion opportunity pipeline and that's growing. We're also excited, as Dylan mentioned, the acquisitions we did here this past quarter and anticipate here over the course of the second half, also anticipate that those acquisitions will open up new revenue opportunities for us as Voyager. As we've said, one of our M&A opportunities is to vertically integrate but also horizontally into attractive space, new spaces that $3.6 billion pipeline I mentioned earlier, heavily weighted towards the Defense and National Security segment, about three quarters of that 75%. And as a reminder, we anticipate that the Defense and National Security segment to outpace the growth of Space Solutions, Defense and National Security segment growing about 35% over the long term. And that's all supported by obviously not just Next Generation Interceptor, but the applications of propulsion technology or optical sensors into other missile defense platforms that effectively support Golden Dome.

Ronald J. Epstein
Analyst, BofA Securities, Inc.
Q

Got it. Got it. And if I – yeah, just a quick follow-up. I mean, is there anything on the radar today that concerns you guys, I mean, just, is there anything you're worried about?

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

You know, I think we might have chatted about this previously, you and I, Ron, on one-on-one. It's really just we've got to scale our technology, right. So if I look at our propulsion technology in particular, Throttleable Propulsion Technology, we're moving from the design phase to low-rate production to high-rate production.

And, with any technology, making sure that you get that right is an important milestone for the company. Now that we've passed CDR, we know the tech risk has been retired, but scaling the ability to create more of those units over time, that's one thing that we're focused on. With M&A, we've acquired eight companies since our founding. As I said, we would anticipate doing additional M&A. You always have integration. I wouldn't call it challenges, but integration tasks that you need to get right as well. So that would be another focus area. And then just lastly, I know it sounds trite, but it's true, continuing to add talent to the platform.

We've added talent here recently. I think you're aware of this from both Andro and Raytheon. Those have been terrific adds to the company. We've got at least one additional C-suite brand name, higher, if you will, from a company you would recognize that we'll announce here in the next couple of weeks, probably. So – but it's continuing to scale our team and our talent, that's another key focus area. So those would be the three areas I would offer Ron.

Ronald J. Epstein
Analyst, BofA Securities, Inc.
Q

Got it. Thank you very much.

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Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Thank you, Ron.

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

Thanks, Ron.

Operator: Your next question comes from the line of Sheila Kahyaoglu of Jefferies. Please go ahead.

Sheila Kahyaoglu
Analyst, Jefferies LLC
Q

Good morning and thank you, guys. Maybe just to continue off that theme, Defense and National Security is set to grow faster, grew 85% in the quarter. Can you maybe parse out what – how much NGI contribute and any shift to that schedule, and then how we're thinking about Golden Dome applications? Would you be sitting with suppliers, any expansion on that? Thank you.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Yes. Sure. I'm going to – Sheila I'm going to ask Phil to take the first part of that question and then I'll chime in on the second.

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

Yeah. Sheila, good morning. So, yeah, I'll provide a couple of details there. One, first, maybe just remind everyone, so Next Generation Interceptor last year our largest contributor to revenue represented about $24 million of our total revenue last year. As we look at this year, we anticipate that revenue to accelerate, increase to about $50 million on a full year basis. This past quarter, $11 million from NGI, it was an increase quarter-on-quarter from the first quarter.

As we look out over the second, second half, we anticipate NGI to continue to increase, posting well over 100% year-over-year growth. So Next Generation Interceptor, obviously a key driver to our quarterly performance here. It was not our only key program that delivered not just the revenue and the revenue growth in the quarter. We're excited about the balance of the diversified portfolio that we do have, obviously Next Generation Interceptor is in this kind of pre-phase as we kind of wrapping up the design phase and expect and anticipate from here on out as we move into production, revenue will continue to increase and it will continue to support our growth trajectory.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Yeah. And maybe just to emphasize the second part of your question, Sheila. We're really a merchant supplier on a lot of these technologies, so we're independent and we can sell to different prime contractors, which I think uniquely positions us for growth. The other thing is, as it relates to new programs, there are other programs that we're expecting on. And now that we've passed CDR and the tech risk has been retired, it's a validation that a lot of these programs that take their technology cues from NGI are much more comfortable specking in the technology, now that it's passed CDR.

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And then I mentioned in my response to Ron the space-to-space interceptor, which the administration is very focused on. They're talking about wanting to do a demonstration before this administration is over, which is obviously a very tight timeline. Our technology, both on the propulsion side and optical navigation is relevant to that capability. Yeah. And I think you asked the question, would we partner on that would we prime it. We're working through that right now in terms of exactly how we want to address that. But the good news is our technology is highly relevant to that capability, because both the propulsion technology and optical navigation really allow for that that program to work. So that's gives us high degree of confidence that one way or another, we're going to be part of that solution.

Sheila Kahyaoglu
Analyst, Jefferies LLC
Q

Great. And if I could ask another one, maybe just an update on Starlab. You mentioned 2026 milestone achieved today and cash received in the quarter. How that works towards CLD 2? Any update around timing of that decision and what's being factored into the fiscal 2026 budget proposal?

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Yeah. So in the latest bill that was passed by Congress, the funding for CLD is actually quite robust and actually in the outer years there was an increase. As far as we know, the RFP is still due to come out before the end of the year with the selection sometime in 2026. That's the latest information we have.

In terms of additional milestones for us, the next big one for us, which we would anticipate sometime in 2025 is our CDR for Starlab that are Critical Design Review. As a reminder, we've already passed PDR, Preliminary Design Review. So that's our next kind of key technical milestone. And I believe on our projects schedule, we have that for December approximately. So I would anticipate we'll pass that key milestone before the end of the year.

Sheila Kahyaoglu
Analyst, Jefferies LLC
Q

Great. Thank you.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Thanks, Sheila.

Operator: Your next question comes from the line of Seth Seifman of JPMorgan. Please go ahead.

Seth M. Seifman
Analyst, JPMorgan Securities LLC
Q

Thanks very much. And good morning.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Good morning.

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Seth M. Seifman
Analyst, JPMorgan Securities LLC

Q

I wanted to ask about the signals intelligence and ISR business, including the work you're doing with volunteer. What we should be looking for there in terms of gauging that, that effort is on track and kind of what the next milestones to watch for are there?

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.

A

Yeah. Great questions, Seth. Thanks. Thanks for the question. And of course, Palantir blew their quarter out yesterday, so we were happy to see that. Couple, a couple of thoughts. So we're partnered with Palantir in a couple of ways. One, of course, is our I'll call it software stack in general. And as part of that or ISR business is actually growing quite robustly, we're very excited about our capabilities there.

I mentioned earlier M&A pipeline, Seth, pleased to report that much of that M&A pipeline is focused on software and software enabled hardware for things like signals intelligence. So I think there's a strong possibility that we'll have an acquisition in that category to report here, hopefully very soon, that we're quite excited about. So that's one. That's one area.

Also with respect to Palantir, the other thing that we're doing with them as you'll recall is our edge computing initiative as well called VISTA. And that's the one where we're partnering with Nvidia and Palantir to create a edge computing device that we would get on the manifest with NASA and run a demonstration mission on the ISS.

One of the big trends in our industry is rather than transmitting data from hardware in orbit back down to earth via K-band or some kind of ancient communication technology, putting it into cloud, computing the answer and then sending that to the – sending that actionable answer to the end-user, end customer. The trend is, why not just compute where the hardware is collecting the data and actually just transmit the answer. And of course, in situations where it's a contested environment, signals are being jammed. This is a really important capability. So that's a key initiative with Palantir. That's moving forward. And we're excited about that. We don't yet have a date on when that would be on the manifest in terms of doing the demo mission.

And then just the last thing I'll mention, this isn't related to Palantir, but I think it's relevant is we're doing a push into cloud computing. And you saw that very small acquisition. We did LEOcloud. We did highlight it in our introductory remarks, but that also comes with a demonstration mission that we're getting very close to providing to the customer and will be flown in space. So that's another thing, Seth, that maybe on the next quarter's call, we'll have a good update for you on that. But that's another thing to monitor.

And then just final point, I just want to emphasize that, Palantir is also a partner on Starlab and is providing not only the help with the compute for Starlab and how we think about that, but also supply chain optimization and other technologies and capabilities that they have that can enhance our entire program. So very much a really important partner for us.

Seth M. Seifman
Analyst, JPMorgan Securities LLC

Q

Great. Great. Thanks. And just maybe as a follow-up, based on your comments before about the Critical Design Review for roll control on NGI, what that can mean to others. Does that bring us closer, and can we – should we expect in the not-too-distant future that you'll be able to have some content on other existing missile defense interceptors?

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Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Yes. I think we have a high degree of confidence that additional programs will spec our technology and yes.

Seth M. Seifman
Analyst, JPMorgan Securities LLC
Q

Excellent. Thanks very much.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Thank you.

Operator: Your next question comes from the line of Kristine Liwag of Morgan Stanley. Please go ahead.

Kristine Tan Liwag
Analyst, Morgan Stanley & Co. LLC
Q

Hey, guys. Good morning, everyone. Just following up on Seth's question on this on the opportunity for other programs. So when you look at your shipset content on NGI and you're able to expand out your capabilities to other parts of the missile. Can you talk about how much shipset content you could potentially increase if you see your technology applied to a larger scale? Is this 50% higher content? And also, as a follow-on to that, can you quantify the pipeline of business that you're pursuing today?

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Sure. I'll let Phil address that.

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

Yeah. So, Kristine, good morning. So I mentioned earlier the $3.6 billion opportunity pipeline. Within that, I would highlight one, Next Generation Interceptor represents about $1 billion from a production perspective. There's about another $1 billion of opportunities there. I won't articulate precisely which customer, but you can probably imagine which primes if you would, are involved in missile defense. There's not too many. We are in active discussions with all on these incremental programs, not just the ones that, as Dylan alluded to earlier, we already working on actively, but also pursuing in terms of potential future awards. That represents another $1 billion of opportunity. So it's quite significant for us out here in the forefront.

Timing of which and just to dovetail on the previous question, it's always a bit difficult. I appreciate Dylan the answer of yes. We're highly confident, we're going to see additional awards in this opportunity space, timing of which is always a bit more difficult to predict. But if not in the second half, certainly we expect 2026 to be a rich year for Voyager.

Kristine Tan Liwag
Analyst, Morgan Stanley & Co. LLC
Q

Great. Very helpful. And look, a few weeks ago, you successfully conducted a static test of the hot running advanced all at the propulsion subsystem for NGI. Can you give us some context regarding how important this

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technical milestone was and how important was this in terms of unlocking your NGI revenues for the year? And also giving you the opportunity to pursue the pipeline you just discussed?

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Yeah. It's really important. I mean, there's element of CDR 1 – one element of CDR is sort of the theoretical design and making sure that that checks the box. And that's really important for CDR. But then of course, it's really important you do a hot fire test, so hot fire and CDR really linked, Kristine, is that really the way to think about that. But I think, again, it gives a high degree of confidence not only to other prime contractors that might spec in our technology, but probably even more importantly, the end customers, right. MDA is a key customer, but there are others as well that are working on these kinds of technologies. So I think that's – yeah, they're very much intertwined, CDR and hot fire test.

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

I'd also just add, Kristine, from a NGI, and what does it mean in terms of unlocking incremental revenue, it's certainly – well, one, first and foremost, our customer, Lockheed Martin, is working well with us to make sure that we're not only on time, the extent that we can, we can accelerate our progress in wrapping up design to support their ultimate design, CDR, et cetera. The CDR passing here in the second quarter. It's not that it necessarily unlocks anything new, but we do anticipate that what it does is allow us to, as I mentioned earlier, continue to increase revenue sequentially in that program in the second half. So that provides us a lot of confidence as we look out to our second half guide.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Yeah, and just one final point I'll make. OPC, I don't know if we stressed it when we were talking about that acquisition, Optical Physics, they're actually on NGI as well, and they were technically our prime on the optical navigation system. So in a way, we were on the optical navigation system, OPC was the prime we essentially acquired the prime for the optical navigation subsystem. So to your point, we're aggregating more of the value and technology stack. They also bring additional capability in optical navigation, specifically with their star trackers, as I mentioned in my remarks. And they have very, very high-end optical systems that we did not have within our product suite. And the way think about that is it's not only NGI, but that's a product that we can further commercialize and sell into in the commercial markets as well. So we're excited about that.

Kristine Tan Liwag
Analyst, Morgan Stanley & Co. LLC
Q

Great. Thank you.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Thank you.

Operator: Your next question comes from the line of David Strauss of Barclays. Please go ahead.

David Strauss
Analyst, Barclays Capital, Inc.
Q

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Thanks. Good morning.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Good morning.

David Strauss
Analyst, Barclays Capital, Inc.
Q

So to put a finer point on all the NGI questions, I think it's part of the – your roadshow, you talked about $40 million in NGI revenue this year and now sounds like it's tracking to $50 million. Is that correct?

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

That's right, David, $50 million this year, as I mentioned just a little while ago, customers are actively working with us to ensure that not only that we can achieve on our timeline, which we've been doing all along the way, we've actually been a bright spot here, I think, for Lockheed, but also try to move as fast as we can so we can ultimately get to our production base, which we anticipate would be in 2026.

David Strauss
Analyst, Barclays Capital, Inc.
Q

Yeah. And so on that, I mean, I think you had shown kind of a leveling off in NGI in 2026 and then a ramp up to like $80 million in the annual revenue, is that still a trajectory – still a trajectory, but I guess just kind of off a higher base than you expected in 2025?

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

Correct. Yeah, nothing changes in terms of that anticipation. We do have as we wrap up design and we're wrapping it up here in the second half of this year and early next year, then there'll be a bit more of a lull, if you would, a flattening before an acceleration as we move from then design into low rate production and high rate production when you think about 2027 and beyond. So you got it now, David. Thank you.

David Strauss
Analyst, Barclays Capital, Inc.
Q

Okay. Thanks. And a quick follow up on Starlab and I guess free cash flow for this year. How should we think about free cash flow for this year? And what you're expecting potentially in additional, NASA money or outside capital contributions on Starlab?

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

Maybe I'll take the first part here, highlight, and of course, Starlab is a bit more of the wildcard in terms of how capital expenditures are made and whatnot. Do expect there to be an increase in CapEx associated with Starlab as we move through the second half of the year, that's because we're achieving on all marks. You saw the milestones already. We highlighted this quarter four achieved milestones $22.5 million of milestone cash receipts that's on top of the one significant milestone we achieved in the first quarter and $20 million of receipts. Second half of this year, we anticipate about another $30 million of milestone receipts and the balance of our fully funded $280 million NASA Space Act Agreement to come in during the first quarter of next year.

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From – I would say – I don't want to call it the core business because obviously Starlab is quite core to our thesis, but within Defense and National Security and our corporate operations, anticipate pretty consistent free cash flow performance first half, second half. You saw what we did from a second quarter free cash flow perspective, overall, $27 million of a net outflow do anticipate because of the Starlab capital expenditures in fourth quarter that we will see a tick up in cash flow. As it relates to the core business, we're pretty much steady state at this point.

David Strauss
Analyst, Barclays Capital, Inc.
Q

Thank you.

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

You bet.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Thanks, David.

Operator: Your next question comes from the line of Myles Walton of Wolfe Research. Please go ahead.

Myles Walton
Analyst, Wolfe Research LLC
Q

Thanks. Good morning.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Hey, Myles.

Myles Walton
Analyst, Wolfe Research LLC
Q

There was a quite a bit of – quite a bit of movement in the NASA budget from a White House proposal that sort of $6 billion cut to a reconciliation bill that added $10 billion to it and obviously going through the congressional process for the full appropriations bill. But Dylan can you comment on what you're seeing in the budget, where the pluses and minuses are and maybe with the Space Solution business ex the space docks contract, what that outlook for acceleration looks like?

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Yeah. Great. Great question, Myles. Yeah. So the key things that we're monitoring are the programs we're on, which is the existing ISS mission management business. And then of course, CLD, and as I mentioned earlier, the CLD funding is actually quite robust. It actually increased in the outer years compared to what was previously submitted. So that funding appears to be intact and quite solid. So no concerns there. ISS mission management revenue, it's really difficult to know because as you saw, there were some cuts in the science budget as well. And some of those missions are science related.

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What I would say is, there's always a bottleneck for getting things on the manifest with NASA, so science missions were to decrease. I think commercial missions would increase. So I don't anticipate, any impacts to our substantial impacts to our business from that change or that call it mix and change in product mix. The real ones that have been flagged as vulnerable, which is primarily SLS, would be the biggest one and to a lesser extent Gateway. Although Gateway appears to be back front and center in the latest budget. We really don't have any exposure at all on our SLS. And on Gateway, we do have some revenue on our backlog on Gateway. But as I said, it appears that Gateway has been fully restored in the latest budget, so we're not concerned there.

So I think in general, business as usual is what I would say. But the other thing that I would just point out, Myles, is the more disruption in sort of how NASA's procuring services, the more commercial NASA's thinking about things that actually plays to our strengths, because our platform, as you know, is very highly maneuverable. We're very entrepreneurial. It's easy for us to pivot. It's easy for us to bid on new opportunities. It's more difficult for the larger companies traditional aerospace primes to do that. So in some respects, the fact that there is a lot of changes happening at NASA, actually plays to our strengths, I would say.

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

And Myles just maybe tack on just from a financial planning perspective, anticipate obviously the low margin asset services wind down impact to continue here through the second half of the year impact. The second half impact will be greater than it was in the first half. Overall, we anticipate space dock to likely that contract to be down $18 million year-over-year with about $12 million of that year-over-year decline in the second half. We'll continue to face some headwinds there through the first quarter of next year. And then from that point forward, we anticipate Space Solutions to see greener pastures if you have returned to growth rates, but still a bit too early to predict 2026 from a guidance perspective.

Myles Walton
Analyst, Wolfe Research LLC
Q

Okay. And then just one follow-up on the growth within Defense and National Security. You cited NGI clearly, but there was an undisclosed contract. I imagine, it's classified, but any color you can provide as it relates to that contract, either scope, scale, duration, size, anything?

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

Sure. For a little that I can disclose. And in part, that's because I don't actually have my own clearance. But think of it as actually being our largest contract within our revenue driver within the quarter, about $40 million. It is to another prime. It is obviously a contract we can't discuss. We did see a significant acceleration sequentially in revenue associated with that contract. I don't anticipate as much revenue contribution from it over the course of the second half, but we're working closely with the customer and we see additional opportunity to potentially enhance that as we go forward. We'll provide more updates, obviously, to the extent that we can, as we move along.

Myles Walton
Analyst, Wolfe Research LLC
Q

Okay. That's great. Thanks.

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

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Yeah.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Thanks, Myles.

Operator: Your next question comes from the line of Michael Leshock of KeyBanc Capital Markets. Please go ahead.

Filipe De Sousa
Chief Financial Officer, Voyager Technologies, Inc.
A

Good morning, Mike.

Michael Leshock
Analyst, KeyBanc Capital Markets, Inc.
Q

I wanted to ask on defense spending, specifically internationally with the target for some European NATO allies to increase defense spending to 5% GDP over time. I know international is a smaller piece for Voyager today, but do you see any opportunities internationally you should budget to increase?

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Yeah. No, for sure. It's a great question. Thanks for bringing it up, Mike. Yeah. So just a reminder, Airbus is a key partner for us on Starlab. And Airbus, of course, is the largest [ph] AND (00:54:51) prime in Europe and is likely to capture a lot of this increase in defense spending in Europe. We've got a very good relationship with Airbus. We have a contract with them right now delivering software defined radios for Airbus UK that's already doing business with them in Europe. That's the lion share of the European revenue to-date. I think Airbus sees us as an innovation partner for them and someone who can help them because if you look at their challenges, they've been asked to take on this additional defense spending and then create capabilities around that. And of course, there is a supply chain in Europe that maybe not, to be fair, maybe not as much innovation in Europe happening as here in the US.

So I think we're very well positioned with Airbus or other partners like [ph] Tausi (00:55:42) in Italy and others to be an innovation partner for them. So it is a key part of our long-term strategy is to increase our global capability and revenue. Part of the challenge there is export control, as you're aware. And so thinking through what technologies we're allowed to export into those geographies, I think is an important consideration. But we're very bullish on the increase in defense spending in Europe, and I think we're going to be able to create a lot of growth vectors around that, given our relationships in that region.

Michael Leshock
Analyst, KeyBanc Capital Markets, Inc.
Q

And then maybe a follow-up on Sparlab. If we look at the ISS today, it's a lobal collaboration and that's certainly a strength for Starlab and your JV partners. But I'm wondering, are there other countries that maybe currently are represented on the ISS today, whether they built the module or operate it in some way that might not necessarily move operations directly from ISS to Starlab, and maybe they're seeking alternatives versus whoever wins the CLD award. And if that is the case, is that something that's reflected in your long-term assumptions?

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Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Yeah. So if you look at the partners, I mean, let's take Russia out for the time being. You've got the European Union, you have Canada and you have Japan. And of course, our JV partners reflect those different geographies as well. I don't anticipate any of those partners to have their own space station solution. I think that might have been part of your question, so I don't anticipate that. I think they'll be part of larger programs, and I think they see Starlab is the most international of the different CLD Phase 1 competitors. So I think we're well positioned there.

In all cases, I think our vision for LEO is multiple space stations, right. We see capacity and demand for multiple space stations over the future. I think what is more likely to happen versus geographical specialization, if you will, is probably more functional specialization things like science-dedicated space stations, manufacturing-dedicated space stations, biopharma-dedicated space stations, things like that. I think that's more likely the differentiation and subset of space stations in the future. But Starlab is very well-positioned, as you mentioned, to capture a lot of that international spend. And I think that's the beauty of the JV we've created. So we're feeling like we're very well-positioned there.

Michael Leshock
Analyst, KeyBanc Capital Markets, Inc.
Q

All right. Thank you.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.
A

Thank you. You bet.

Operator: There are no further questions at this time. With that, I will turn the call back over to Dylan Taylor, Chief Executive Officer for closing remarks. Please go ahead.

Dylan E. Taylor
Chairman & Chief Executive Officer, Voyager Technologies, Inc.

Yeah. Thank you very much, operator. So just to reiterate, we've entered the next chapter with strong momentum, clear alignment to long-term industry priorities and a differentiated platform built for high growth. We're executing across key programs, expanding through innovation, and our position to capitalize on the tailwinds shaping the future. We're very proud of the foundation we've built and confident in our ability to deliver long term value for our shareholders. I want to thank you all for joining and we look forward to speaking to you on the next earnings call, next quarter. Thanks so much.

Operator: Ladies and gentlemen, this concludes today's conference call. We thank you for participating and ask that you please disconnect your lines.

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