

AST SpaceMobile, Inc. | NASDAQ: ASTS

Satellite Communications / Direct-to-Device · United States · Initiation of coverage

Thirteen Spacecraft In Orbit, Beta Service Next: Buying The Constellation At A 55% Discount

We initiate coverage of AST SpaceMobile with an **Overweight (Speculative)** rating and a 12-month price target of **\$82**, implying **37.0% upside** from the 11 September close of \$59.86. AST is building the only space-based cellular broadband network designed to work directly with standard, unmodified smartphones, and it now has thirteen spacecraft in low Earth orbit carrying approximately 20,000 square feet of combined phased-array aperture. This is no longer a technology thesis; it is an execution and financing thesis, and both have improved materially over the past six months while the share price has halved.

The stock entered 2026 at \$83.47, peaked at \$133.09 on 28 May and now trades at \$59.86, a 55% drawdown, having fallen through both its 50-day (\$65.56) and 200-day (\$81.51) moving averages. The de-rating followed a second quarter in which revenue of \$31.5m missed the \$35.2m consensus and the adjusted loss per share of \$0.77 came in far wider than the \$0.26 expected. We think the market has drawn the wrong inference. Revenue at AST is currently a function of gateway delivery schedules and US Government milestone recognition, not of network demand; revenue still more than doubled sequentially, guidance was reaffirmed, and the loss is simply the cost of running a constellation with no service revenue yet.

What did change in the quarter is everything that matters over a three-year horizon. Contracted revenue backlog rose to approximately **\$1.30bn** across commercial partners and US Government awards. The partner roster passed **60 mobile network operators** collectively covering more than **3 billion subscribers**. Pro-forma liquidity reached **\$3.7bn** including \$1.15bn of convertible notes issued in July. BlueBirds 11, 12 and 13 reached orbit in early August, BlueBirds 14 to 16 are shipping, production runs through BlueBird 46, and the FCC has cleared a **248-satellite** constellation, up from 25. Management is preparing to initiate beta service with select strategic partners.

Our ten-year discounted cash flow model, discounting at a 12.0% weighted average cost of capital with 4.0% terminal growth, produces \$80.12 per share. Published consensus targets cluster between roughly \$78 and \$87 with a high of \$115 and a low near \$43, and the aggregate rating is Hold. Our \$82 target sits inside that range; the gap between our Overweight and the consensus Hold is a judgement about whether a 55% drawdown pays for the execution risk that remains.

RATING	OVERWEIGHT
12-month price target	\$82.00
Last close	\$59.86
Implied upside	+37.0%

MARKET DATA	
Last close (11-Sep-26)	\$59.86
Market capitalisation	\$23.3bn
Fully diluted shares	~389m
Diluted shares (used)	412m
52-week range	\$37.73 - \$133.86
From May-26 peak	-55.0%
50-day / 200-day avg.	\$65.56 / \$81.51
PF cash (Jun-26)	\$3.70bn
Total debt	\$2.99bn
Contracted backlog	~\$1.30bn
Satellites in orbit	13

FY26E REVENUE \$169m	FY27E REVENUE \$680m	FY30E REVENUE \$6.0bn	FY30E EBITDA MGN 54.5%	BACKLOG \$1.30bn	DCF VALUE \$80	UPSIDE +37.0%
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ASTS | 24-month price history and 12-month target



Source: NasdaqGS daily closing prices; Parallax Capital estimates. Dashed green line is the trajectory implied by our 12-month target.

1. INVESTMENT THESIS

1.1 The technology risk has been substantially retired

Two years ago the central question on AST SpaceMobile was whether a phased-array antenna large enough to close a link budget to an unmodified handset could be folded into a launch fairing, deployed reliably in orbit, and operated without attitude-control failure. That question has been answered thirteen times. The company now operates thirteen spacecraft – each the largest commercial array ever deployed in low Earth orbit – with approximately 20,000 square feet of combined aperture, and BlueBirds 11, 12 and 13 reached orbit in early August 2026. The residual risks are manufacturing throughput, access to orbit and financing. Those are ordinary industrial risks with ordinary industrial solutions, and they are priced very differently by markets than physics risk.

1.2 Sixty-plus operator partnerships are a distribution moat

AST has signed agreements with more than sixty mobile network operators that collectively serve over three billion subscribers, and in the United States both AT&T and Verizon are backing the company. The strategic significance of the partner-first model is frequently underestimated. AST does not need to acquire a single retail subscriber, build a billing system, staff a call centre, or win a brand war. It sells wholesale capacity into networks that already own the customer relationship, the spectrum and the billing infrastructure, and it takes a revenue share on incremental service revenue that the operator can price as a premium add-on. That is a structurally higher-margin, lower-customer-acquisition-cost model than the direct-to-consumer satellite businesses of the past, and it is why we can credibly model EBITDA margins above 60% at scale.

1.3 Spectrum is the asset the market marks at close to zero

AST's spectrum position combines shared access to partners' terrestrial mobile spectrum with controlled mobile-satellite-service spectrum, targeting approximately 100MHz of access in the United States and more than 60MHz globally on a market-by-market basis. Spectrum is the scarcest input in wireless, it is regulated rather than manufactured, and the hybrid structure AST has assembled – controlled MSS spectrum that works standalone, plus partner terrestrial spectrum that multiplies capacity where partnerships exist – is difficult for a new entrant to replicate at any price. In May 2026 the three national US carriers proposed a joint venture to pool spectrum for direct-to-device satellite operators, which would standardise access and, in our reading, validate rather than threaten AST's position: a standardised pooling platform lowers the transaction cost of adding partners for whoever has the capacity to sell.

1.4 Regulatory clearance has moved from constraint to enabler

The FCC has authorised a 248-satellite constellation, up from the 25 previously permitted, and granted temporary authority for direct-to-device testing in August 2026. The revised authorisation matters because it removes the ceiling on the deployment plan that a 25-satellite licence implied, and because continuous coverage – the difference between a premium consumer service and an emergency-messaging feature – is a function of constellation size. AST's own guidance is that initial US service with AT&T and Verizon will provide non-continuous coverage; getting from non-continuous to continuous is the single most valuable operational milestone in the investment case, and it is now a licensed path rather than a regulatory hope.

1.5 The balance sheet has been fixed, which resets the risk profile

Cash, cash equivalents and restricted cash stood at approximately \$2.7bn at 30 June 2026 and exceeded \$3.7bn on a pro-forma basis including \$1.15bn of gross proceeds from a convertible senior notes offering completed in July, against total debt of approximately \$2.99bn. Approximately \$2.3bn of satellite and infrastructure investment is already capitalised on the balance sheet. On our forecasts AST consumes roughly \$2.0bn of free cash flow in 2026 and \$2.1bn in 2027 before turning free-cash-flow positive during 2030. The pro-forma liquidity position therefore funds the business into 2028 without new capital, which converts the financing question from an existential one into a question of dilution timing and cost. That is a materially different equity risk profile than the company carried a year ago.

WHY THE SECOND-QUARTER MISS WAS THE WRONG THING TO SELL

Revenue of \$31.5m against \$35.2m expected, and an adjusted loss of \$0.77 against \$0.26 expected, triggered a de-rating that has now compounded to 55% from the May peak. But AST's 2026 revenue is composed of US Government contract milestones and commercial gateway equipment deliveries, both of which are recognition-timing items, and management reaffirmed full-year guidance of \$150–200m with revenue weighted toward the fourth quarter. The loss widened because the company is operating thirteen spacecraft and manufacturing thirty more while service revenue has not started. In a pre-revenue infrastructure build the operating loss is the capital programme, not a signal about unit economics. The variables that determine terminal value – backlog, partners, spectrum, satellites in orbit, regulatory headroom and liquidity – all moved forward in the quarter.

2. COMPANY ANALYSIS: THE ASSET AND THE BUSINESS MODEL

2.1 What AST has built

AST SpaceMobile designs, manufactures and operates BlueBird satellites: very large, low-Earth-orbit phased-array spacecraft that function as orbiting cellular base stations. Because the array is physically enormous relative to

conventional satellites, the link budget closes to an unmodified handset using standard cellular protocols – no special chipset, no external antenna, no software modification. The company is vertically integrated: it designs and assembles its own spacecraft, phased arrays and ASICs at its Midland, Texas facilities. Vertical integration is expensive in the build phase and decisive in the scale phase, because unit cost per square metre of aperture is the variable that determines whether the economics of a 248-satellite constellation work.

2.2 The revenue model

Four revenue streams are visible in our forecast period. **Wholesale commercial service** is the largest: AST provides capacity to mobile network operators, who retail it to their own subscribers as a coverage extension, with AST taking a revenue share. **Government and defence** revenue – already a component of the current backlog through US Government contract awards – covers secure communications, non-communications payload applications, radar and emergency response, and typically carries higher margins and longer contract tenors than commercial wholesale. **Equipment and gateways** covers the ground infrastructure delivered to partners, which drives much of the 2026 revenue line. **Adjacent applications** – Internet of Things connectivity, AI edge compute and other payload-hosted services – are optionality we do not model explicitly.

2.3 Operational scorecard

Metric	Position at Q2-26	Parallax assessment
Satellites in orbit	13 (BlueBirds 11–13 launched Aug 2026)	On a path to beta service; continuous US coverage requires materially more spacecraft, which is the key 2027–28 milestone.
Aperture deployed	~20,000 sq ft combined	Largest commercial phased arrays in LEO. Aperture, not satellite count, drives capacity.
Production pipeline	BlueBirds 14–16 shipping; 17–46 in production/assembly	Thirty-plus spacecraft in the pipeline is the strongest evidence available that manufacturing throughput is scaling.
FCC authorisation	248-satellite constellation (from 25)	Removes the regulatory ceiling on the deployment plan.
MNO partners	60+, covering 3bn+ subscribers	Distribution is effectively pre-built. AT&T and Verizon anchor the US.
Spectrum	~100MHz target US; 60MHz+ global	Hybrid shared-MNO plus controlled-MSS structure; the least replicable asset in the portfolio.
Contracted backlog	~\$1.30bn	Commercial plus US Government. Provides a floor under 2027–29 revenue that did not exist a year ago.
Liquidity	\$3.70bn pro-forma; \$2.99bn debt	Funds the plan into 2028. Converts financing risk into dilution-timing risk.
Service status	Beta with select strategic partners being prepared	The gating event for the equity. Initial US service will be non-continuous.

Source: AST SpaceMobile second-quarter 2026 business update and results, 10 August 2026; FCC filings; Parallax Capital assessment.

3. MARKET OPPORTUNITY AND COMPETITIVE LANDSCAPE

3.1 Sizing direct-to-device

Roughly 90% of the earth's surface, and a material share of its populated land area, has no terrestrial cellular coverage. Direct-to-device satellite connectivity does not compete with terrestrial networks; it monetises the gaps in them, and it does so through the operator that already owns the subscriber. T-Mobile has framed satellite connectivity as complementary to rather than a replacement for terrestrial networks, and we agree: the addressable revenue is an incremental premium on an existing subscription, not a substitution.

Our bottom-up build is deliberately conservative relative to the three-billion-subscriber figure AST's partner roster implies. We assume that by 2030 approximately 4.5% of the addressable partner base subscribes to a satellite coverage tier at a blended retail price near \$6 per month, that AST retains roughly half of that revenue under its wholesale revenue-share arrangements, and that government and defence contracts contribute approximately 20% of group revenue. That produces our 2030 estimate of **\$6.0bn**. We show the sensitivity of the valuation to this build explicitly in the table below, because it is the single most consequential assumption in the model.

2030E penetration of the 3bn partner base	3%	4.5%	6.0%	7.5%
Retail subscribers (m)	90	135	180	225
Blended retail ARPU (\$/month)	6.00	6.00	6.00	6.00
Gross retail revenue (\$bn)	6.5	9.7	13.0	16.2
AST wholesale share at 50%	3.2	4.9	6.5	8.1
Plus government / defence (20% of group)	0.8	1.2	1.6	2.0
Implied 2030E group revenue (\$bn)	4.0	6.1	8.1	10.1
Indicative DCF value per share	\$52	\$83	\$114	\$145

Indicative DCF values hold all other model assumptions constant and flex only the 2030 revenue base and its subsequent trajectory.

Competitor	Approach	Parallax read
SpaceX / Starlink Direct to Cell	Small satellites, T-Mobile partner	Scale and launch advantage; far smaller aperture per satellite, so lower per-beam capacity. The principal competitive threat.
Lyng Global	Small-satellite D2D	Sub-scale; messaging-class capability.
Apple / Globalstar	Proprietary emergency messaging	Closed ecosystem; not a broadband competitor.
Iridium, Viasat, EchoStar	Legacy MSS and narrowband IoT	Different link budget and use case; may partner rather than compete.
MNO in-house / spectrum JV	Big-three US spectrum pooling JV proposed May 2026	Validates the category and standardises access; on balance positive for capacity suppliers.

3.2 The Starlink question

Any honest analysis of AST must confront SpaceX. Starlink's Direct to Cell service is live with T-Mobile in the United States, and SpaceX enjoys structural advantages in launch cost and cadence that AST cannot match. Two things nonetheless separate the offerings. First, physics: beam capacity scales with aperture, and AST's spacecraft carry arrays approximately two orders of magnitude larger in area than a Starlink V2 mini direct-to-cell payload, which is why AST targets broadband-class service while Starlink's current service is messaging and low-bandwidth data. Second, distribution: the direct-to-device market is being carved up by carrier alliance rather than by open competition. T-Mobile has chosen SpaceX; AT&T and Verizon are backing AST. Both AST and Starlink can succeed simultaneously because their partners are different and their capacity profiles are different. We nonetheless treat competitive erosion of AST's revenue share as the primary driver of our bear case.

4. FINANCIAL ANALYSIS AND FORECAST ASSUMPTIONS

Second-quarter revenue was \$31.5m, more than double the roughly \$15.8m recorded in the first quarter, driven by US Government contract milestones and commercial gateway deliveries but below the \$35.2m consensus. Adjusted operating expenses were \$119.1m and the GAAP net loss was \$230.9m, or \$0.77 per share, against a \$99.4m loss (\$0.41 per share) a year earlier. Full-year 2026 revenue guidance of \$150–200m was reaffirmed, with revenue expected to increase each quarter and to be weighted toward the fourth quarter. Consensus sits at approximately \$169m for 2026 and \$651m for 2027; we forecast \$169m and \$680m respectively.

4.1 Revenue trajectory

Our forecast has three phases. Through 2027, revenue is dominated by government milestones, gateway equipment and early beta and preliminary commercial arrangements; the \$1.30bn contracted backlog provides the visibility. From 2028 to 2030, commercial wholesale service becomes the dominant line as constellation size crosses the threshold required for useful coverage in the largest partner markets: we model \$1.90bn in 2028, \$3.80bn in 2029 and \$6.00bn in 2030. From 2031 growth moderates toward penetration-driven mid-teens rates, reaching \$15.2bn by 2035. We stress that the 2028–30 ramp is the load-bearing assumption in this note and that it depends on launch cadence, which depends in turn on securing access to orbit – a constraint management has explicitly identified as a priority.

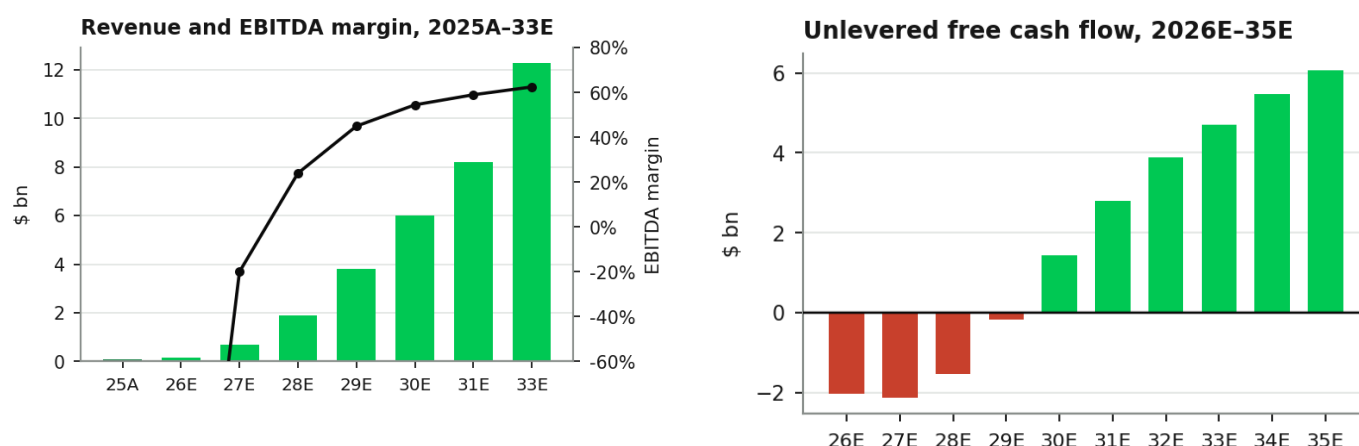
4.2 Margin structure and why it is genuinely high

A wholesale satellite capacity business at scale has very little marginal cost. Once a satellite is in orbit, the incremental cost of carrying an additional subscriber minute is close to zero; the cost base is spacecraft depreciation, ground infrastructure, spectrum, and a modest operating organisation. Because partners bear customer acquisition, billing and support costs, AST avoids the largest operating expense line in consumer telecommunications. We therefore model EBITDA margin crossing into positive territory in 2028 at 24%, reaching 45% in 2029, 54.5% in 2030 and plateauing at

62.5% from 2033. For reference, mature satellite operators with far worse growth profiles sustain EBITDA margins in the 40-60% range, so our terminal assumption is aggressive but not unprecedented.

4.3 Capital intensity and the funding path

This is a capital programme before it is a business. We model capital expenditure of \$1.62bn in 2026, \$1.95bn in 2027 and \$1.90bn in 2028 as the constellation is built out toward the authorised 248 spacecraft, declining to a maintenance-plus-replacement level of roughly 11-12% of revenue by the middle of the next decade – satellites in low Earth orbit have finite lives of five to seven years, so replacement capital expenditure never falls to zero. Cumulative free cash flow consumption from 2026 to 2029 is approximately \$5.9bn on our numbers against \$3.7bn of pro-forma liquidity, which implies one further financing round of roughly \$2.0-2.5bn in the 2028-29 window. We have assumed 412m fully diluted shares against the approximately 389m currently implied, which embeds a modest allowance for that dilution; a larger or more expensive raise is a direct risk to our per-share value. We apply no tax through 2029 given accumulated losses, stepping to a 21% rate by 2033.



Source: company reports; Parallax Capital estimates. EBITDA margin scale is truncated in the loss-making years.

5. DISCOUNTED CASH FLOW VALUATION

5.1 Cost of capital

We discount unlevered free cash flow at a weighted average cost of capital of **12.0%**. Our cost of equity of 15.0% is built from a 4.15% risk-free rate, a 4.60% equity risk premium, a levered beta of 2.15 and a 1.0% company-specific premium for execution and single-programme concentration risk. We weight equity at 74% and after-tax debt at 26% with a 5.5% pre-tax cost of debt, reflecting the \$2.99bn of convertible and other debt in the capital structure against a \$23.3bn equity value, giving a rounded 12.0%. Terminal growth of 4.0% reflects a business whose addressable market is the entire global mobile subscriber base and whose terminal year still has substantial penetration headroom; it is above the 3.0-3.5% we use for mature technology franchises, and we test it explicitly in the sensitivity grid.

We acknowledge that no single discount rate is adequate for an asset with this outcome distribution. A 12% rate values a business that works; it does not value the probability that it does not. That is why we present a probability-weighted scenario analysis alongside the discounted cash flow and derive our target from the combination rather than from the point estimate alone.

\$ bn	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
Revenue	0.17	0.68	1.90	3.80	6.00	8.20	10.40	12.30	13.90	15.20
growth	138%	302%	179%	100%	58%	37%	27%	18%	13%	9%
EBITDA	-0.40	-0.14	0.46	1.71	3.27	4.84	6.40	7.69	8.69	9.50
EBITDA margin	-235.0%	-20.0%	24.0%	45.0%	54.5%	59.0%	61.5%	62.5%	62.5%	62.5%
D&A	(0.12)	(0.30)	(0.56)	(0.88)	(1.18)	(1.47)	(1.72)	(1.90)	(2.03)	(2.12)
EBIT	-0.51	-0.44	-0.10	0.83	2.09	3.37	4.68	5.79	6.66	7.38
Cash tax	(0.00)	(0.00)	(0.00)	(0.00)	(0.10)	(0.37)	(0.79)	(1.22)	(1.40)	(1.55)
- Capex	(1.62)	(1.95)	(1.90)	(1.75)	(1.58)	(1.52)	(1.56)	(1.63)	(1.71)	(1.79)
- Δ working capital	(0.01)	(0.04)	(0.09)	(0.13)	(0.15)	(0.15)	(0.15)	(0.13)	(0.11)	(0.09)
Unlevered FCF	-2.02	-2.12	-1.53	-0.17	1.43	2.79	3.89	4.71	5.47	6.07
Discount factor @ 12.0%	0.945	0.844	0.753	0.673	0.601	0.536	0.479	0.427	0.382	0.341
PV of FCF	-1.91	-1.79	-1.15	-0.12	0.86	1.50	1.86	2.01	2.09	2.07

Mid-year discounting convention. Depreciation is added back within EBITDA and shown for reference only; cash tax is levied on EBIT. Source: Parallax Capital estimates.

DCF bridge to equity value	\$ bn	% of EV
PV of explicit forecast FCF, 2026E-35E	5.4	17%
Terminal value (Gordon, g = 4.00%)	79	-
PV of terminal value	26.9	83%
Enterprise value	32.3	100%
Plus: net cash (PF, Jun-26)	0.71	-
Equity value	33.0	-
Fully diluted shares (bn)	0.412	-
DCF value per share	\$80.12	-
Implied upside to spot	+33.8%	-

DCF sensitivity - value per share

WACC	3.00%	3.50%	4.00%	4.50%	5.00%
10.50%	\$96	\$102	\$109	\$117	\$126
11.25%	\$83	\$87	\$93	\$99	\$106
12.00%	\$72	\$76	\$80	\$85	\$90
12.75%	\$64	\$66	\$70	\$73	\$78
13.50%	\$56	\$59	\$61	\$64	\$67

Terminal growth (g)

Terminal value represents 83% of enterprise value and the explicit forecast period contributes a small positive present value only because cash generation from 2030 offsets the cash consumption of 2026-29. This is the correct arithmetic for a constellation build, and it is also the honest statement of the risk: essentially all of the value in this equity sits beyond 2030.

5.2 An asset-based floor, for reference

Because so much of the valuation is terminal, it is worth establishing what an investor owns today independent of the forecast. Pro-forma net cash of approximately \$0.71bn, plus approximately \$2.3bn of capitalised satellite and infrastructure investment, plus a conservatively discounted value for the \$1.30bn contracted backlog of roughly \$1.0bn, totals approximately \$4.0bn, or about **\$10 per share**. Every dollar above that is an option on the constellation being completed and monetised. Investors should size positions accordingly: this is a security in which the reasonable downside is a small fraction of the current price, which is precisely why we attach a Speculative qualifier to an Overweight rating.

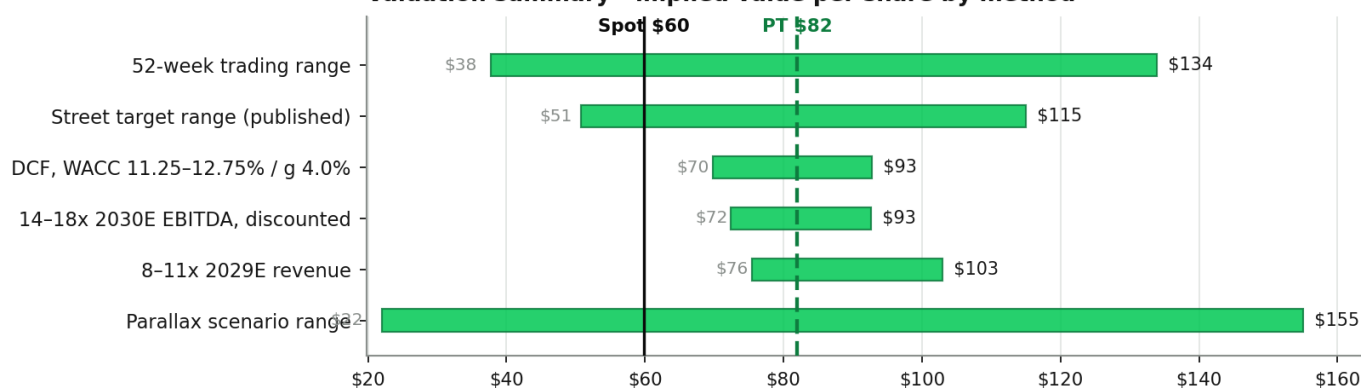
6. CROSS-CHECKS, SCENARIOS AND TARGET DERIVATION

Conventional near-term multiples are meaningless for AST: the company trades on 134x 2026 revenue and has no earnings. We therefore cross-check the discounted cash flow against forward-year enterprise-value multiples discounted back to the present, which is the standard approach for pre-scale infrastructure. At our target the enterprise value of \$33.1bn represents 5.5x our 2030 revenue estimate and 10.1x our 2030 EBITDA estimate. Neither is demanding for an asset growing revenue at a compound rate above 50% into that year; mature satellite operators trade at 5-8x forward EBITDA with low-single-digit growth, and infrastructure assets with this growth profile have historically cleared 15-20x on a forward basis.

Valuation cross-checks (Parallax estimates)	2027E	2028E	2030E	2032E
Revenue (\$bn)	0.68	1.90	6.00	10.40
EBITDA (\$bn)	-0.14	0.46	3.27	6.40
EV/revenue at spot	33.2x	11.9x	3.8x	2.2x
EV/revenue at target	48.6x	17.4x	5.5x	3.2x
EV/EBITDA at spot	n/m	49.5x	6.9x	3.5x
EV/EBITDA at target	n/m	72.5x	10.1x	5.2x
FCF (\$bn)	-2.12	-1.53	1.43	3.89
EV / contracted backlog	17.4x	-	-	-

Scenario	Prob.	2030E rev.	Value
Bear - launch cadence slips, Starlink takes share, dilutive raise	27%	\$2.5bn	\$22
Base - constellation completes, continuous US coverage from 2028	52%	\$6.0bn	\$82
Bull - full 248 satellites, defence programmes scale, ARPU upside	21%	\$9.0bn	\$155
Probability-weighted value	100%	-	\$81

Valuation summary - implied value per share by method



Source: Parallax Capital estimates; published consensus target ranges as aggregated by third-party data providers as at 11 September 2026. Forward multiple methods discount the implied 2029-30 enterprise value to the present at 12.0%.

6.1 Target derivation and rating

We weight the discounted cash flow at 45%, the discounted forward-multiple methods at 30% and the probability-weighted scenario value at 25%, producing a rounded 12-month price target of **\$82**, 37.0% above the current price. We rate the shares **Overweight** with a **Speculative** qualifier. The qualifier is not decorative: our bear case is \$22, 63% below the current price, and the distribution of outcomes is genuinely bimodal. We would size a position at a fraction of a normal weight and would treat the initiation of beta service and the 2027 launch cadence as the two checkpoints that determine whether to add or to exit.

THE TWO THINGS WE NEED TO SEE IN THE NEXT TWELVE MONTHS

First, **beta service must start and then broaden**. Management is preparing to initiate beta with select strategic partners, and initial US service with AT&T and Verizon will be non-continuous. What we need is evidence of throughput per beam, session reliability on unmodified handsets, and a credible published path from non-continuous to continuous coverage. Second, **launch cadence must accelerate**. Thirty-plus spacecraft are in production through BlueBird 46, but production without access to orbit is inventory. Management has identified securing additional access to orbit as a priority; a multi-launch agreement with committed slots through 2028 would be the single most valuable disclosure the company could make.

7. CATALYST CALENDAR

Timing	Event	What we are watching	Direction
Q4 2026	Beta service initiation	Launch of beta with select strategic partners; throughput, session reliability and geographic footprint on unmodified handsets	Principal catalyst
Q4 2026	BlueBirds 14-16 launch	Confirmation of launch slot and successful deployment; constellation to 16 spacecraft	Positive
Nov 2026	Q3-26 results	Progression toward the \$150-200m full-year range; adjusted opex trajectory; cash burn versus our \$2.0bn 2026 estimate	Key swing factor
Q4 2026 / Q1 2027	Launch capacity agreements	A committed multi-launch contract with slots through 2028 is the highest-value disclosure available to the company	Positive
Q1 2027	FY26 results and 2027 guidance	First full-year commercial service guidance; whether 2027 revenue brackets the ~\$650-680m consensus	Key swing factor
2027	Commercial revenue inflection	Transition from gateway and government milestone revenue to recurring wholesale service revenue; backlog conversion	Positive
2027	US spectrum pooling joint venture	Structure and terms of the big-three carrier JV proposed in May 2026; whether it standardises or fragments access	Neutral to positive
2027-28	Financing	Timing, size and instrument of the further \$2.0-2.5bn we estimate is required; dilution versus debt	Risk
2028	Continuous US coverage	The milestone that converts the service from a coverage-extension feature into a premium broadband tier	Principal catalyst

8. RISKS TO OUR THESIS AND PRICE TARGET

We rate AST SpaceMobile Overweight with a Speculative qualifier. The risks below are not peripheral; several of them are capable of producing a permanent loss of the majority of invested capital, and our bear case of \$22 attempts to quantify their combined effect.

- **Launch access and cadence.** The single most binding constraint. Thirty-plus spacecraft are in production through BlueBird 46, but the revenue model requires them in orbit on schedule. Launch is a supply-constrained global market and AST is not vertically integrated into it. A one-year slip in the deployment schedule removes roughly a third of our valuation.
- **Financing and dilution.** We estimate cumulative free cash flow consumption of approximately \$5.9bn from 2026 to 2029 against \$3.7bn of pro-forma liquidity, implying a further \$2.0-2.5bn raise in the 2028-29 window. Our valuation assumes 412m fully diluted shares; a larger or more expensive raise, particularly if executed at a depressed share price, would reduce per-share value materially. Total debt of \$2.99bn already includes convertible instruments whose conversion is a further dilution vector.
- **Competition from SpaceX.** Starlink Direct to Cell is live with T-Mobile and benefits from launch cost and cadence advantages AST cannot match. If Starlink closes the capacity gap faster than we expect, or if AT&T and Verizon add Starlink as a second LEO partner, AST's revenue share and pricing power both deteriorate.
- **Revenue recognition and guidance risk.** 2026 revenue depends on US Government milestone timing and gateway delivery schedules, both of which are lumpy. The second quarter missed consensus on exactly this dynamic. Guidance of \$150-200m is weighted to the fourth quarter, which concentrates the risk of a miss into a single print.
- **Commercial ramp risk.** Sixty-plus MNO agreements cover more than three billion subscribers, but coverage is not conversion. The service must be good enough that operators are willing to market it and subscribers are willing to pay for it. Initial US service will be non-continuous, which limits the price that can be charged until the constellation is larger.
- **Technical and operational failure.** Large deployable phased arrays in low Earth orbit are novel. Deployment failure, attitude control loss, premature degradation, collision or a launch failure would each remove capacity and delay revenue. AST has already experienced a launch failure in its history.

- **Regulatory and spectrum risk.** The 248-satellite authorisation, market-by-market spectrum access, out-of-band emission limits and landing rights in each partner country are all subject to regulatory process. Delay in any material market defers revenue; adverse rulings on emissions or coordination could constrain capacity.
- **Valuation duration.** Terminal value is 83% of our enterprise value and the asset-based floor is approximately \$10 per share. A 150 basis point increase in the discount rate reduces our value from \$80 to approximately \$61. This equity is extremely sensitive to both the risk-free rate and to sentiment toward long-duration growth assets.
- **Key person and governance.** The company remains closely identified with its founder and chief executive, who also holds a controlling voting position through a multi-class share structure. Public Class A holders have limited ability to influence strategy or capital allocation.

9. SUMMARY FINANCIAL STATEMENTS

9.1 Income statement and operating summary (\$ m unless stated)

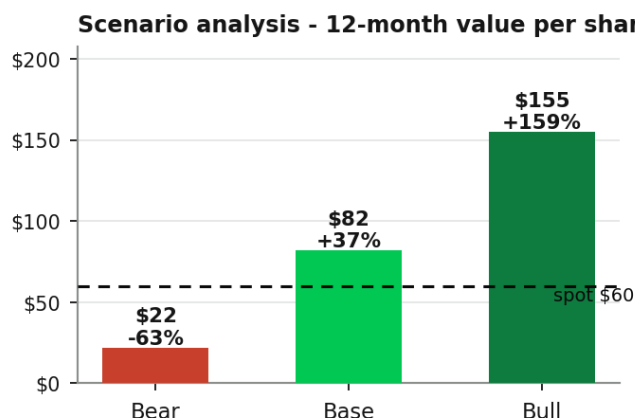
\$ m	2025A	2026E	2027E	2028E	2029E	2030E	2031E
Revenue	71	169	680	1,900	3,800	6,000	8,200
y/y growth	n/m	138%	302%	179%	100%	58%	37%
Adjusted operating expenses	(392)	(566)	(816)	(1,444)	(2,090)	(2,730)	(3,362)
EBITDA	(227)	(397)	(136)	456	1,710	3,270	4,838
EBITDA margin	n/m	n/m	n/m	24.0%	45.0%	54.5%	59.0%
Depreciation and amortisation	(62)	(115)	(300)	(560)	(880)	(1,180)	(1,470)
EBIT	(289)	(512)	(436)	(104)	830	2,090	3,368
Net loss (GAAP)	(560)	(880)	(690)	(320)	560	1,720	2,930
EPS (\$, diluted)	(2.00)	(2.28)	(1.72)	(0.78)	1.36	4.17	7.11
Satellites in orbit (year end)	5	16	34	58	92	132	172

2025A figures are Parallax reconstructions from company reporting. 2026E onward are Parallax estimates; 2026E EPS of \$(2.28) is in line with consensus. Satellite counts are Parallax estimates of the deployment schedule implied by production through BlueBird 46 and the 248-satellite FCC authorisation, and are the most uncertain line in this table.

9.2 Cash flow and funding

\$ bn	2026E	2027E	2028E	2029E	2030E	2031E	2032E
EBITDA	-0.40	-0.14	0.46	1.71	3.27	4.84	6.40
Cash tax	(0.00)	(0.00)	(0.00)	(0.00)	(0.10)	(0.37)	(0.79)
Capital expenditure	(1.62)	(1.95)	(1.90)	(1.75)	(1.58)	(1.52)	(1.56)
Change in working capital	(0.01)	(0.04)	(0.09)	(0.13)	(0.15)	(0.15)	(0.15)
Unlevered free cash flow	-2.02	-2.12	-1.53	-0.17	1.43	2.79	3.89
Cumulative FCF from 2026	-2.02	-4.15	-5.68	-5.85	-4.42	-1.62	2.26
Liquidity available (PF \$3.70bn start)	1.68	(0.45)	(1.98)	(2.15)	(0.72)	2.08	5.96
Financing requirement (Parallax est.)	-	-	\$2.0-2.5bn	cumulative	-	-	-

Liquidity available is stated before any new financing and is therefore negative from 2027; it illustrates the size and timing of the funding gap rather than a forecast of the cash balance. Our per-share valuation assumes 412m fully diluted shares, which embeds an allowance for the equity component of that financing.



IMPORTANT DISCLOSURES

Analyst certification. The research analyst named on the cover of this report certifies that the views expressed accurately reflect his or her personal views about the subject securities and issuers, and that no part of his or her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

Parallax Capital rating distribution (as at 30 June 2026)	Coverage universe	% of universe	Issuers with investment-banking relationship
Overweight (Buy)	148	44%	9%
Neutral (Hold)	142	42%	6%
Underweight (Sell)	47	14%	3%
Total	337	100%	7%

Rating system. Parallax Capital employs a three-tier absolute rating scale measured against the analyst's 12-month price target. **Overweight:** total return expected to exceed 15% over 12 months. **Neutral:** total return expected between -10% and +15%. **Underweight:** total return expected to be below -10%. A **Speculative** risk qualifier is appended where the distribution of outcomes is unusually wide, where the issuer is pre-profitability, or where the investment case depends on binary technical, regulatory or financing milestones. Price targets are 12-month forward fair-value estimates and are not forecasts of the trading range over any shorter interval.

Valuation methodology and risks - ASTS. Our \$82 price target is derived from a blended framework comprising a ten-year explicit discounted cash flow model with a Gordon Growth terminal value, forward earnings and enterprise-value multiples applied to our own estimates, and a probability-weighted scenario analysis. Key risks to the target are set out in the risk section of this report and include, without limitation, cyclical demand risk, customer concentration, competitive and technological substitution, regulatory and export-control intervention, foreign-exchange translation, execution risk on announced capacity expansion, and the sensitivity of long-horizon discounted cash flow valuations to the discount rate and terminal growth assumptions.

Speculative risk qualifier. AST SpaceMobile is a pre-profitability issuer whose investment case depends on the successful manufacture, launch and commercial monetisation of a satellite constellation that is not yet complete, and on further external financing that has not yet been raised. The distribution of potential outcomes is unusually wide and materially bimodal: our bear case of \$22 is 63% below the current price and our estimated asset-based floor is approximately \$10 per share. Investors should regard this security as suitable only for portfolios able to absorb the permanent loss of the position, and should size accordingly. **Share structure.** AST SpaceMobile has a multi-class share structure under which founder-held shares carry superior voting rights; holders of publicly traded Class A shares have limited ability to influence corporate strategy or capital allocation. Our per-share figures are calculated on 412m fully diluted shares, against approximately 299.8m Class A shares outstanding and approximately 389m shares implied on a fully diluted basis, and therefore embed an allowance for future dilution. **Source data.** Historical figures are taken from AST SpaceMobile's second-quarter 2026 business update and results dated 10 August 2026, from FCC authorisations and from NasdaqGS price data as at the close on 11 September 2026. Consensus estimate and target-price ranges are as aggregated by third-party market data providers and are used for comparison only.

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