Spire Global, Inc.
First Quarter 2025 Earnings Conference Call
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Presenters
Ben Hackman, Head of Investor Relations
Theresa Condor, Chief Executive Officer
Ali Engel, Chief Financial Officer

Q&A Participants
Erik Rasmussen - Stifel
Jeff Meuler - Baird
Jeff Van Rhee - Craig-Hallum Capital Group
Brian Kinstlinger - Alliance Global Partners
Austin Moeller - Canaccord Genuity
Chris Quilty - Quilty Space Inc.

Operator
Greetings, and welcome to Spire Global First Quarter 2025 Earnings Conference Call.

At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press "*", "0" on your telephone keypad.

Please note, this conference is being recorded.

I will now turn the conference over to your host, Ben Hackman, Head of Investor Relations. Thank you. You may begin.

Ben Hackman
Thank you. Hello, everyone, and thank you for joining Spire's First Quarter 2025 Earnings Conference Call. Our earnings press release and related SEC filings are posted on the company's IR website. A replay of today's call will also be made available. With me on the call today is Theresa Condor, CEO; and Ali Engel, CFO.

As a reminder, our commentary today will include non-GAAP items. Reconciliations between our GAAP and non-GAAP results, as well as our guidance, can be found in our earnings press release, which can be found on our IR website. Some of our comments today contain forward-looking statements that are subject to risks, uncertainties and assumptions.

In particular, our expectations around our results of operations and financial conditions are uncertain and subject to change. Should any of these expectations fail to materialize or should our assumptions prove to be incorrect, actual company results could differ, materially, from these forward-looking statements. A description of these risks, uncertainties and assumptions and other factors that could affect our financial results is included in our SEC filings.

With that, let me hand the call over to Theresa.

Theresa Condor
Thank you, Ben. Good afternoon, and thank you for joining us, today. I want to start by discussing the powerful drivers for Spire's business and the transforming landscape for space and defense technologies.

On our last call, we highlighted a fundamental approach to the U.S. Space Force procurement strategy-buying what they can, only building what they must. This shift has not just continued, it has accelerated.

In April, the U.S. administration released an executive order designed to revolutionize and accelerate defense acquisitions. It established commercial solutions as the first choice, creating new opportunity for innovators like Spire. To further this vision, the administration also included a 13% increase in defense spending in its proposed budget for fiscal year 2026.

In early March, we mentioned the Space Test Experiments Platform. Spire was recently notified of its selection to participate in this initiative, where commercial innovation meets national security, potentially unlocking up to $237 million for participating companies, over multiple years.

This program serves as the Defense Department and other agencies proving ground for new space technologies with over 300 successful program missions that have redefined what's possible in orbit. Our selection represents validation of Spire's capabilities and an opportunity to accelerate development of cutting-edge space technologies for the joint war fighter.

Outside the United States, we continue to see opportunities in the U.K., Europe and Canada. Britain's defense industrial strategy has highlighted the focus on local procurement partnerships and the expectation that defense capabilities also drive growth, across the country. With our long-standing small satellite manufacturing and test facilities in Scotland and existing government contracts, Spire is a key player in the U.K. space ecosystem.

In Germany, the new government of Friedrich Merz is set to establish a Ministry for Space and NATO has indicated its intention to be a leader in the integration of commercial capabilities with its first commercial space strategy expected soon. Intelligence, surveillance and reconnaissance capabilities, which Spire offers today within orbit assets, is on the short list of critical infrastructure for sovereign advantage across many defense and intelligence agencies.

As of 2025, the United States has over 200 operational surveillance satellites, whereas Europe has fewer than 20.

With a global base of customers and expanding capabilities to build satellites in the United States, Canada, the United Kingdom and Germany, Spire is well equipped to be a long-term reliable partner and is strategically positioned to offer local solutions for sovereign space capabilities.

The market's growing confidence in our capabilities is reflected in Spire's recent contract awards. During the first quarter, we secured our most significant contract to date, a CAD 72 million contract from the Canadian Space Agency to design and develop a dedicated satellite constellation for comprehensive wildfire monitoring, across Canada. This achievement represents both technical recognition and a meaningful contribution to environmental protection efforts.

Spire also established a new relationship with a non-U.S. government customer for daily radio frequency collections with signal geolocation. These diverse partnerships underscore the expanding trust in our solutions across borders and disciplines, as we continue to address complex challenges through innovative space-based technologies.

During our last call, we discussed the radio occultation modeling experiment, which revealed how forecast accuracy steadily improves as more radio occultation measurements are incorporated. In a significant development, NOAA has committed to the study's recommendation of 20,000 RO profiles per day, a meaningful increase from the 3,300 profiles currently sourced from the commercial space industry. For Spire, this shift opens a promising path forward in 2025 and the coming years.

Despite NOAA's ongoing organizational changes that have drawn media attention, we expect commercial data procurements that enhance forecast capabilities will continue to receive priority funding and sustained focus, even as resources tighten elsewhere within the agency.

This cultivation of vital weather data from commercial partners represents both scientific progress and a thoughtful investment in our shared future.

Beyond our government partnerships, Spire continues to provide space services solutions for commercial entities seeking to establish and expand their presence in space. These relationships often begin modestly, perhaps with initial design work or access on a single satellite before evolving into deeper collaborations, over time. Our comprehensive technology platform and proven operational heritage positions us as a trusted long-term partner for these growing ventures.

Myriota's recent agreement for 16 additional satellites illustrates this journey of mutual growth, bringing the total constellation we have deployed on their behalf to more than 40 satellites. This enduring partnership reflects not just transactional success, but the confidence clients place in our ability to support their ambitious vision, from concept to orbital reality.

Last month, Spire finalized the strategic sale of our maritime business, a decisive moment that has transformed our financial landscape. This transaction enabled us to eliminate our entire debt burden and provided relief from substantial interest payments. It strengthened our balance sheet by over $100 million, creating a clear path toward our fundamental goal of becoming adjusted EBITDA and free cash flow positive.

Our fortified financial position provides not just immediate stability, but the meaningful assurance that we can reach these critical financial milestones, without requiring additional capital.

The past nine months have tested Spire through a convergence of extraordinary challenges, navigating a protracted restatement process, while managing the distracting timing considerations of our maritime transaction. Amid this complexity, leadership transitioned to an entirely new executive team.

These internal changes unfolded against a backdrop of mounting geopolitical tensions, policy shifts following the U.S. government transition and growing economic uncertainty. Yet through these compounding pressures, Spire's business model has demonstrated remarkable resilience.

While we acknowledge the impact these challenges have had on our momentum, we remain steadfast in rebuilding our trajectory toward medium-to-long-term 20% revenue growth targets and an unwavering focus on achieving profitability. This period of adversity has revealed Spire's capacity to emerge with renewed clarity and purpose.

As we continue our journey toward greater efficiency and renewed market focus, the executive team has undertaken a comprehensive review of our organizational structure and cost base. As part of the Maritime transaction, a number of employees transitioned to the acquiring organization. Spire also made further adjustments to our headcount in the second quarter, and we now have approximately 380 employees. This is down from approximately 450 employees at the end of 2024.

We are also streamlining our office footprint to better support our evolving business needs. We will be closing our San Francisco office in the second quarter and our Singapore office by mid-2026.

Spire is expanding manufacturing capabilities at our Boulder and Munich locations to better support our U.S. government and European customers. The compact design of our satellites allows us to expand these sites efficiently and cost effectively, ensuring Spire can scale production, while maintaining high standards of quality and innovation. These strategic investments underscore our commitment to delivering exceptional value and reliability to our customers across key markets.

With these headcount and facility adjustments, along with improvements in managing procurement and cost tracking, we expect to achieve breakeven to positive operating cash flow in the second half of the year and make meaningful progress towards profitability. We expect to finish the year with over $100 million of cash, cash equivalents and marketable securities on the balance sheet.

We are in a new moment for Spire, and we are steadfast in driving profitable growth, enhancing operational efficiency and ensuring reliable execution.

With that, I will turn it over to Ali.

Ali Engel
Thank you, Theresa. I will be discussing non-GAAP financial measures, unless otherwise stated. We have provided a reconciliation of GAAP to non-GAAP financials in our earnings release, which is available on our Investor Relations website and should be reviewed in conjunction with this earnings call. As a reminder, Spire's Q1 2025 results and prior quarter's results include portions of the Maritime business, which was sold at the end of April.

GAAP revenue for the first quarter was $23.9 million, reflecting $2.2 million, or 10% sequential growth from the fourth quarter of 2024. The first quarter 2025 revenue compares to revenue of $34.8 million in the first quarter of 2024. As a reminder, Q1 2024, revenue included approximately $9.6 million of revenue associated with a single performance obligation for a space services customer.

Revenue in the first quarter associated with the portion of the maritime business sold was a little over $10 million.

Non-GAAP operating loss was negative $11.5 million for the first quarter of 2025, as compared to negative $7.1 million in the first quarter of 2024. Adjusted EBITDA was negative $7.9 million for the first quarter of 2025, compared to negative $1.2 million for the first quarter of 2024.

First quarter costs remained elevated but improved, as compared to Q4 2024.

Moving now to the balance sheet. In the first quarter of 2025, we utilized $17.3 million of free cash flow and ended the quarter with $35.9 million of cash and cash equivalents. The cash balance was at the top end of our projections for the quarter. As of the end of April, we had cash and cash equivalents of approximately $136 million and zero debt.

As we now discuss our outlook for the rest of the year, I want to take a moment to provide some insights into our business and how new awards lead to revenue recognition.

For our space services contracts, we typically recognize revenue during the data delivery phase of our contract. While the type of mission can impact the time frame, typically, it will take between 12 to 18 months to deploy a satellite from contract signature.

When we can, we try to announce our larger contracts. This can be helpful for our investors to determine the start of the 12-to-18-month period.

We also try to share the launch of satellites when we can. The launch of a satellite indicates we are nearing the data delivery phase. Between launch and the data delivery phase, there is a period of time in which we are commissioning and completing on-orbit verification of the satellite. Once data delivery starts, we typically begin to recognize revenue.

While we typically wait to recognize revenue until the data delivery phase, it's important to remember, we receive payments during the pre-space phase of the contracts to fund satellite development and construction.

As a quick reminder, we had approximately 20 satellites launched in the first quarter. Roughly half of those satellites contained payloads for space services customers, which gives us clarity into the revenue ramp-up in the second half of the year. The other half contained payloads to support our data and analytics business, including weather data. These deployments enhance the quality and types of weather data available to support current and future opportunities.

I also want to touch briefly on the potential impacts of tariffs on our business, which we have been analyzing. Given the relatively low cost of our satellites, we do not foresee a material impact to our business based on current tariff levels. Any impact is largely due to U.S. launch activities, and we are working to minimize the impact.

For the second quarter, we expect revenue to range between $18 million to $20 million. This includes approximately $3 million of revenue in April for the portion of the maritime business that we sold. For the full year, we expect revenue to range between $85 million and $95 million, which includes approximately $14 million of revenue for the portion of the maritime business we sold. This range is consistent with the expectations we provided on the last earnings call.

We continue to expect revenue from our remaining business to accelerate in the second half of the year upon the on-orbit verification and data delivery of recently launched satellites.

As we look to 2026, we continue to expect approximately 20% revenue growth over 2025 for our remaining business.

We anticipate second quarter non-GAAP operating loss to range between negative $13 million and negative $11 million and second quarter adjusted EBITDA to be in the range of negative $8.5 million and negative $6.5 million.

Given the adjustments we are making to headcount and offices, we expect both non-GAAP operating loss and adjusted EBITDA loss to continue to reduce in the second half of the year. We anticipate full year non-GAAP operating loss to range between negative $43 million and negative $35 million and full year adjusted EBITDA to range between negative $24 million and negative $16 million.

Over the past couple of years, we have spent at the low end of the range for Spire-funded CapEx. We expect to have modest growth in Spire-funded CapEx for this year to a range of $8 million to $10 million as we complete some ground station maintenance and deploy LEMUR satellites to support revenue growth.

During the second quarter, we will have elevated operating cash usage associated with transaction costs. However, we expect to achieve breakeven to positive operating cash flow in the second half of the year and end the year with over $100 million on our balance sheet.

For non-GAAP loss per share, we expect a range from negative $0.49 to negative $0.42 for the second quarter, which assumes a basic weighted average share count of approximately 31.2 million shares. For the full year, we expect a range from negative $1.80 to negative $1.51, which assumes a basic weighted average share count of approximately 30.4 million shares.

Now I would like to open the call for questions.

Operator
Thank you. And at this time, we will conduct our question-and-answer session. If you would like to ask a question, please press "*", "1" on your telephone keypad. A confirmation tone will indicate that your line is in the question queue. You may press "*", "2" if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset, before pressing the star keys.

Our first question comes from Erik Rasmussen with Stifel. Please state your question.

Erik Rasmussen
Yeah, thanks for all the details on the quarter. Glad to see a lot of the issues behind the company, and we can actually start looking at the business on a go-forward basis. Maybe just in your guidance for the year, $90 million at the midpoint suggests a second half pickup and ramp. How should we think about the sequential growth rates in the back half of the year?

Theresa Condor

Yeah, hi, Eric. Thanks for the nice words about the go-forward process. We're super excited to have some of these things behind us and really look forward. We really feel good about the growth that is going to come in the second half of the year. And I'm going to let Ali answer and talk to specific patterns of sequential growth. But I really want to just make a few comments on demand and how good we feel about what that's going to look like in the second half of the year.

We talked about it a little bit on the other call and all of those things around government demand, increasing defense budgets, Spire's ability to achieve growth and offer customer solutions, both in Europe and rest of world, as well as the United States, the expectation of commercial partnerships coming out of the U.S. government.

All of that is going to contribute to what we see in outer quarters and going into 2026, as well as all of the revenue recognition we'll get from satellites that have launched in the early part of this year and that are yet to come.

Ali, do you have anything you want to add to that?

Ali Engel
Yeah, hey, Eric, good to talk to you, today. I mean, I think in the back half of the year, we're seeing growth rates that are in the midpoint of our 12% to 17% range, the mid to high point of that, so 15% to 17% and thinking about really focused on sequential quarter-over-quarter growth, which happened this quarter when we compare to the fourth quarter of 2024 and continuing to ramp up in that manner.

Erik Rasmussen
Great. And it sounds like you're going to potentially hit breakeven or a positive operating cash flow, sometime in the second half of the year. But I think you're right now at an adjusted EBITDA with your guidance in Q2 and what you did in Q1 of about $15.5 million, and you're looking at about $20 million for the year of a negative adjusted EBITDA.

Could you actually hit positive adjusted EBITDA by the end of the year, or is that more of an exit the year run rate? And obviously, then it depends on the top line and some of the efficiencies you talked about. I just want to get a sense of how you're thinking about how we should be modeling maybe adjusted EBITDA.

Ali Engel
Yes. Thanks for that. I think we are looking at breakeven kind of going into 2026, right now. So again, sequential improvement quarter-over-quarter for adjusted EBITDA and then going into 2026, hopefully, we will be in a positive adjusted EBITDA position. And definitely in the back half of the year, cash from operating activities, we're hoping to be in a positive position in the back half of the year.

Erik Rasmussen
Great. Maybe just a couple on the business. You talked about NOAA. I think we're all aware of some of the cuts that--to the funding there that are being contemplated. But for any upcoming awards though, what's your confidence level that you can maybe achieve a higher award value and maybe regain some of that performance requirements and reestablish yourselves with that customer?

Theresa Condor
Yeah, I feel quite confident of that. Our expectation is that, despite a lot of these high-profile cuts that have been happening, the focus on getting data in to improve forecasting, number one, is something that has continued to be reiterated as important for NOAA. And for the administration as a whole, the continued focus on partnering and working with commercial companies.

So, my expectation is that the budgets will continue to increase at NOAA. And my expectation is that the move from I think it's currently 3,300 profiles per day of radio occultation that NOAA is purchasing from the two available suppliers, they are expecting to grow that and have stated that 20,000 per day is the kind of the minimum right number, and all of the studies we referenced last time have shown that.

So, I feel very good that this administration understands the importance of purchasing this type of data as well, as working with all of the available commercial companies that can provide something of value.

Erik Rasmussen
Great. Maybe just my last one. Any updates on the Thales opportunity that you closed the deal with Kpler and I think importantly, avoided an extended legal battle, which I think you've mentioned drew some hesitancy there.

Theresa Condor
Yeah, so I'll say, across the board, having the restatement completed, having all of the sale of the maritime business and the litigation behind us and having all of the cash on the balance sheet, it just--it puts us in such a different position with all of our customers, across the board. Everyone is just ready to look at go forward.

So we have a good relationship with Thales. We are continuing to work through all of the next steps. We also continue to partner with them on the EURIALO Project that is kind of interrelated with the Thales opportunity, and we continue to put out news on progress that we're making there on LinkedIn. And so, this is moving forward, but I don't have further details that I can share at the moment.

Erik Rasmussen
Great. Appreciate all the info. Good luck.

Theresa Condor
Thank you.

Ali Engel
Thanks.

Operator
Your next question comes from Jeff Meuler with Baird. Please state your question.

Jeff Meuler
Thank you. I appreciate the geographic breakdown, but can you give us any sort of go-forward revenue mix, even approximate for like space services, aviation, weather, not sure if wildfire is separate from that. But just any sort of use case or end market type of breakdown?

Theresa Condor
So we're generally not giving the breakdown across each one of those businesses. We're giving it in aggregate and across the geographical area. So I think what I can say is that all of those areas between space services, between what we do in space reconnaissance, what we're doing in weather and climate and what we're doing in aviation are all important areas for us, and they are all growth areas.

We've given the breakdown between Europe and U.S. and Asia Pacific. I think you have those numbers with strong representation with customers in the United States and next coming in Europe, where we have a strong presence.

Jeff Meuler
Okay. And then maybe to just put a finer point on Erik's first question. I think the Q2 guidance at the midpoint, ex maritime contribution, is something like $16 million of revenue, and the back half on average at the midpoint implies a step-up from $16 million to like $23.5 million. That looks like a pretty sizable underlying step-up normalized for the April maritime contribution.

I guess, how much of that is those 20 space services satellites that have launched and are starting to deliver data in the near term? I don't know how much contribution there is from the Canadian wildfire contract in the back half, or just anything else you can say to increase confidence from the outside and the magnitude of the step-up?

Theresa Condor
Yeah, so I think we do have confidence because of satellites that we've launched that will start to generate revenue. We have quite a few other launches for space services customers also coming up, throughout the year. We do have the wildfire SAT contract that is in implementation and will contribute to revenue. So that's just a matter of the execution.

And then as we also mentioned, we've been replenishing the satellite fleet, and that allows us to continue to serve customers with the space reconnaissance solutions and the weather and climate. We just talked about NOAA and our expectation that there will be increasing numbers of RO procurement. And so, all of those satellites also contribute to our ability to deliver on those type of customer expectations.

Jeff Meuler
Okay. And then it sounds like you're going to be in a pretty good position from a cash flow and adjusted EBITDA perspective kind of getting into 2026. Is there any sort of framework you can give us for how to think about incremental margins or marked annualized margin expansion, over an intermediate-term horizon?

And then I guess the second part of the question would be, just as you think about pursuing some of these larger opportunities, like what could that entail in terms of investment? Is there the potential for kind of a step back in EBITDA to pursue one of those larger opportunities, before we get back to margin expansion? Thank you.

Ali Engel
Yes. I mean, we're definitely looking at expansion of the non-GAAP operating margin in the back half of the year, and it's coming from increase in the top line and reduction in cost. We're obviously focused on both. I think Theresa has talked about, quite a bit about the revenue growth. But on the cost side, we've taken some steps in terms of reducing our headcount, reducing our office space. We have another office we're closing, by mid-2026. So it's--there is improvement in the margin, and it's coming from both the top line and the cost side, as well.

Jeff Meuler
Yeah, I was wondering if you can give any sort of like intermediate-term margin expansion framework or address if the larger opportunities that you're pursuing could cause any headwinds to kind of that view?

Ali Engel
I don't think we're prepared, right now, to provide that detail. I know that we talked about that--we've talked about that in the past. And so we'll take that under advisement but I don't have that detail to provide, today.

Theresa Condor
And the only other comment I can give you because you asked again about larger opportunities is that we've talked about the manufacturing capabilities that are in process of being built out in Germany and in Boulder that allow us, in fact, to take advantage of these opportunities. And we already mentioned the Canadian wildfire SAT and the facilities we're building out there. All of that is built into our numbers on our expectations.

And so, I think the biggest thing in allowing us to pursue these larger opportunities is putting ourselves in a stable footing with a solid balance sheet, having these difficulties behind us and going in and showing that we can execute, that we can maintain careful cost control. And we are really seeing customers respond to that and to our long heritage of being able to innovate and put stuff in orbit and generate real value for customers.

Jeff Meuler
Got it. Thank you.

Theresa Condor
Thanks.

Operator
And your next question comes from Jeff Van Rhee with Craig-Hallum. Please state your question.

Jeff Van Rhee
Hey, guys, thanks. Thanks for taking the questions. Congrats on getting the maritime sale completed; just a fantastic outcome. Theresa, a number of questions. But Theresa, as you step into the CEO role, what are the critical things that you've got top of list that you have to accomplish this year?

Theresa Condor
Yeah, so I think the first critical thing was closing that maritime transaction. So that is a huge thing, and I want to keep coming back to that because it just puts us in such a different position. The second thing was getting my executive team in place. And now we've got Ali here for the first earnings call, and I think we've made great progress in getting great people in the door. Celia and Gabriel are doing a really good job. They've been really part of the work that we've been doing around efficiency and managing our costs.

It's also top of mind to make sure that we are setting ourselves up to appropriately take advantage of the demand that we see. And so, I think we are doing some of that with the manufacturing facilities that we've set up. I think we need to look at further investment in our sales and marketing and make sure that we've got the right people in the right places to really push forward and take advantage of that demand.

And what you see with all of the satellites that are being launched, this year, is that I also want to make sure that we are maintaining the satellite network and our infrastructure and best-in-class capabilities there so that we can also execute on all the demand that we're seeing.

And of course, the pathway to profitability, I shouldn't neglect to mention that. That's something that we had talked about all the time for the last two years, and that is still very much top of mind.

Jeff Van Rhee
Very helpful. And on the revenue guide, what has to happen to be at the low end versus the high end? Just talk to the variability, $10 million gap between the two. What are the primary things that we should be keeping an eye on?

Theresa Condor
Yeah, I think there's some variability in there. Number one, just because the world is so uncertain and we're coming out of a restatement with very new accounting policies for how we do revenue recognition with those space services contracts. And so, I think we want to make sure we're very careful in understanding how that works and how that plays out, given that this is a new way of doing things.

I think the RFGL demand we're seeing is very strong, and our ability to go close those contracts and deliver on that data has a powerful difference in our ability to generate the revenue. And I think the difference is also potentially on, ultimately, how much NOAA does decide to procure this year in terms of the radio application numbers.

Jeff Van Rhee
Okay. That's helpful. And then I guess just lastly, on the space services, I mean, obviously, those can be serious needle-moving deals. I think earlier, somebody touched on the Thales and you referenced EURIALO. Maybe you can just briefly revisit if it's out there, I didn't catch it on LinkedIn, what the latest update is on EURIALO. And then also in that context, just any glimpses into space services pipeline?

I realize things probably paused during the restatement of the sale and a lot of complications. But just a sense, even broadly, of how possible it is or how frequent it is to get deals in that pipe that are eight or nine figures. You've certainly announced some. You did the Canadian wildfire deal here, EURIALO, etc. So maybe just comment on EURIALO and then just the strength and depth of the pipeline in Space Services.

Theresa Condor
Yeah, the EURIALO one is moving along, and we just recently completed, I don't know, a critical design review phase. Now I'm going to mess up the exact wording on this, Jeff. But we're moving through certain phases of it that we announced, which is basically checking off, stuff is moving along. So that program is progressing.

There continues to be work done on what a next phase of EURIALO would look like, which is something that goes through the European Space Agency and work that happens later this year. So those are all things that we continue to do in partnership with Thales. And I expect that we keep having news coming out of that.

From the space services demand side, we have a nice pipeline of that. This is a pipeline that is working with commercial entities, is a pipeline that is also working with government entities.

And quite often, they, like we mentioned with the Myriota one in the comments earlier, they will start smaller as someone starts to work with us. And then as you saw with Myriota, they start to get bigger and bigger as those organizations start to want to deploy further assets after they start working with us. So I think you'll continue to see growth in space services, as we go through the year.

Jeff Van Rhee
Great. That's helpful. And congrats, real defining window for you guys. Great to see you coming out from under the debt and able to go execute. So appreciate it.

Theresa Condor
Thanks, Jeff.

Operator
Your next question comes from Brian Kinstlinger with Alliance Global Partners. Please state your question.

Brian Kinstlinger
Hey, great. Thanks so much. I'm curious if there's any way to quantify the pipeline, maybe TCV of bids you're looking at in the next year or two and how this compares to a year ago. And if you can't give numbers, which you haven't traditionally given, maybe just speak to the level of growth in the pipeline or overall trends in the pipeline.

Theresa Condor
Yeah, we don't give straight--we don't give pipeline numbers. As you said, we haven't historically done that. I don't think that we will give specific numbers on that. So I think all that I can tell you is to, again, share how good we feel about the demand that we're seeing, right now. And I can say that it's across all of the products and solutions that we have.

And in particular, we're seeing growth in demand on the government side. And that's on the government side, both U.S. government side and rest of world, and we're seeing that across all of our products and services. So it's not just going to be space services or space reconnaissance that we see it. It's really across all products and services.

So, I really do feel good about the demand that we have. I do want to have further investment in our sales and marketing. And I think that just grows the pipeline even further, as we get more people in the door who are out there talking to customers.

Brian Kinstlinger
Great. A follow-up would be on the NOAA contract. Is there a one-to-one relationship with ROs

requested versus revenue? Or is it fixed price? Just remind us the way that plays out.

Theresa Condor
So, the way that it is priced is usually a price per radio occultation sounding, and then NOAA will determine how many soundings they want to buy. And then that is the price of the contract. And then we or any other commercial company has to then go and deliver that particular number of soundings. So this is why, as you have NOAA going from their current 3,300 RO soundings that they purchased and indicating that they want to increase that number.

And this is why it was so important that we talked about that study that happened the last time and that everyone agrees the impact that radio occultation has on forecast accuracy and that procurement of larger numbers of RO is the strategy and the expectation, then you just immediately have a higher amount of revenue coming from RO.

Of course, we have to sell it with NOAA and then we have to deliver the RO, which is important and part of all of the deployment of satellites that we do this year.

Brian Kinstlinger
Great, thank you.

Operator
Thank you. Just a reminder, to ask a question, press "*", "1". To remove yourself from the queue, press "*", "2". Our next question co0mes from Austin Moeller with Canaccord Genuity. Please state your question.

Austin Moeller
HI, good afternoon, Therasa and Ali. So, just my first question here, your $3.8 million NOAA contract expires in September, 2025. Does that get automatically renewed at prior contract value because of the 1-year continuing resolution for 2025, or does it get renegotiated on price?

Theresa Condor
It's going to get redone, and that means price and it means number of soundings that are requested to purchase. So this is not something where you just expect an automatic amount at the same number that it currently is. We expect this to be different.

Austin Moeller
Okay. And just on the high-definition weather forecast using NVIDIA Earth 2 data, do you have any additional information you can share on customer demand or uptake for that product?

Theresa Condor
So I don't have something specific that I can tell you other than we announced it at the last one, which was a month ago; we had a lot of these earnings calls, recently. And so, the team is out

there now building out the demand for it. And I think what I can share is that there is demand, both on the commercial side and there is demand on the government side, as well.

Austin Moeller
Okay. And then just if we think about 2026, does your view of 20% top line growth, is that still a reasonable assumption?

Theresa Condor
Absolutely, yes. Austin, did you hear that answer? It was absolutely.

Austin Moeller
Yes. Great, thank you.

Theresa Condor
Sorry, you didn't hear us the first time. We answered too quickly.

Operator
Thank you. And our next question comes from Chris Quilty with Quilty Space. Please state your question

Chris Quilty
Can I get a 30%?

Ali Engel
Can you get a 30%? We will try.

Chris Quilty
I did want to clarify. I mean, I think you were saying that on the soundings with NOAA, you pay per soundings. I'm not expecting that as the number of soundings go up 7x, the revenues are going 7x. But should we think about the contracting opportunity as maybe the revenues under this new regime or the revenue contribution, does it double, or does it go up 20%? When you--or have you seen anything in the budget documents that would indicate what they're indicating to pay for the stepped-up soundings?

Theresa Condor
Yeah, so there's a few things. There is indication and expectation that the budgets that are put specifically against radio occultation will be increasing and moved around within NOAA, right, but with radio occultation and commercial procurement a very key part of this.

So when it comes to the pricing of radio occultation soundings, this has been a bit all over the place in the past, which is where you've seen a changing number of soundings and the changing price per sounding. And I expect that to be something that is different in how NOAA does procurement of radio occultation going into the future, that this will start to get a little bit more consistent and a little bit more expected.

And this is also because like in the last procurement that happened, there is an expectation to work with all of the industry in doing this. So, as you have higher number of soundings, you will have higher revenue. And I do expect the government to pay a reasonable price for radio occultation data.

This is not a kind of price to the bottom. This is like we want long-term partnerships that are going to give us valuable data that impact forecast accuracy and is for the good of the nation and the world.

Chris Quilty
Great. A macro question, if we're looking for 20% growth this year and next year, now that I think about the maritime business and sort of take that out and try to understand which pieces are moving at which rates, where would you expect the biggest growth drivers are, or driver, let's say, we'll just pick one, this year versus next year, or is it consistent? Is it all coming from weather as the driver? Is it more on the space services business? Or is it something else in air traffic?

Theresa Condor
So, maritime was a good business for us. Maritime was also our slowest growing business. So I do expect that we're going to have growth coming from all areas of our business. And I would say at different periods of time, historically, we've seen different parts of the business growing differently, right? So when we are in the middle of COVID and everyone stopped flying, that was impacting the aviation business a little bit. But in other areas, it was then compensated for.

What I can say is that I think across the product areas, growth in sales to government customers, U.S. and rest of world is where you're going to see a lot of the growth drivers coming from in the second half of this year and into 2026. I do expect that the space reconnaissance piece or the radio frequency geolocation is also going to be a strong area for us.

Chris Quilty
Great. One final question, which is the space services business, which is now about 50% of revenues. When you look at the business and the prospects for growing it, do you consider at this point either vertically integrating forward or backward more into the components business to increase your strength bidding programs, or forward integrating into things like an orbital transfer vehicle or something so you can take more of an end-to-end delivery of the system? Or do you expect that most of the capital investment will be directed towards the analytics side of the business?

Theresa Condor

Yeah, so I am very focused on our organic growth and meeting what I consider quite strong demand in space services and across our other areas. And so, I don't necessarily want to go into vertically integrating on the component side or otherwise. Right now, we just came out of a difficult 9-month period.

We want to focus, focus, focus, and we really want to pay attention to our efficiency and our profitability and really get down to that nice steady growth that everyone wants to see. So I think we have enough on our plate to have the growth that we want and the focus that we want, without worrying about going in different directions right now.

Chris Quilty
Very good. And congrats on the new clean slate, going forward.

Theresa Condor
Thank you and thanks very much.

Operator
Thank you. And ladies and gentlemen, there are no further questions at this time. This concludes Spire Global's First Quarter 2025 Earnings Conference Call. You may disconnect your lines at this time. Thank you all for your participation.