

Redwire Corporation
Q1 2026 Earnings Call
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Presenters

Peter Cannito, CEO

Chris Edmunds, CFO

Alex Curatolo, Senior Director of IR

Q&A Participants

Suji Desilva - Roth Capital

Griffin Boss - B Riley Securities

Austin Moeller - Canaccord Genuity

Ceara Perry - Jefferies

Alexandra Mandry - Truist Securities

Michael Leshock - KeyBanc Capital Markets

Alex Preston - Bank of America

Operator

Greetings and welcome to the Redwire Corporation Q1 2026 Earnings 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, please press "*" "0" on your telephone keypad. As a reminder, this conference is being recorded. It is now my pleasure to introduce your host, Alex Curatolo, Senior Director of Investor Relations. Thank you. You may begin.

Alex Curatolo

Good morning, and thank you, Chemaly. Welcome to Redwire's First Quarter 2026 Earnings Call. We hope that you have seen our earnings release, which we issued yesterday afternoon. It has also been posted in the Investor Relations section of our website at rdw.com.

Let me remind everyone that during the call, Redwire management may make forward-looking statements that reflect our beliefs, expectations, intentions, or predictions of the future. Our forward-looking statements are subject to risks and uncertainties that are described in more detail on slides two and three. Additionally, to the extent we discuss non-GAAP measures during the call, please see slide three and the appendix, our earnings release, or the investor presentation on our website for the calculation of these measures and their reconciliation to U.S. GAAP measures.

I am Alex Curatolo, Redwire's Senior Director of Investor Relations. Joining me on today's call are Peter Cannito, Redwire's Chairman and Chief Executive Officer, and Chris Edmunds, Redwire's Chief Financial Officer. With that, I would like to turn the call over to Pete. Pete?

Peter Cannito

Thank you, Alex. During today's call, I will outline our key accomplishments during the first quarter of 2026, after which Chris will present the financial highlights for the same period and discuss our outlook for the remainder of 2026. We will then open the call for Q&A.

Please turn to slide six. During the first quarter of 2026, Redwire saw strong demand across our differentiated products. During the quarter, Redwire achieved a strong book-to-bill ratio of 1.92, and as a result, ended the quarter with record contracted backlog of \$498.1 million, providing confidence in our forecast as we move further into 2026. We sharpened our operational performance and portfolio management, resulting in sequential and year-over-year improvement in gross margin, moving from 9.6% in Q4 2025 and 14.7% in Q1 2025 up to 26.6% in Q1 2026.

And finally, we accelerated investing in large procurement opportunities across our portfolio, such as Andromeda, the Commercial Lunar Payload Services Program, or CLPS, the Quantum Key Distribution Satellite, often referred to as QKDSat, and the Army's Long Range Reconnaissance Program for Group 2 Unmanned Aerial Systems, or LRR. Each of these programs have significant growth potential and are gaining momentum. To summarize the quarter, we returned to strong growth in areas with better gross margins, and therefore, we will continue to invest in our highest potential opportunities where we are well positioned with differentiated capabilities.

Please turn to slide 7. Next, I would like to briefly touch on a highlight or two from the first quarter for each of our five value drivers to underscore our continued value creation in each area. We will start with our Space segment, which encompasses next-generation spacecraft, large space infrastructure, and microgravity development, and then turn to our Defense Tech segment, which encompasses combat-proven UAS and sensors and payloads.

Please turn to slide 8. In Q1, Redwire achieved a significant milestone in our spacecraft strategy as we continued to move up the value chain in the Space segment. In April, we were selected as one of 14 vendors out of a total of 32 bids on the Space Systems Command \$1.8 billion 10-year Andromeda Indefinite Delivery Indefinite Quantity, or IDIQ, contract. And earlier this week, Space Systems Command provided a notice of its intent to raise the total shared ceiling for the Andromeda IDIQ to more than \$6 billion to meet increased demand.

The Andromeda contract vehicle is focused on rapidly fielding proliferated space domain awareness capabilities in geosynchronous orbit. We see this as a proof point for the success of our moving up the value chain strategy and further validation that we are strategically positioned as a trusted prime contractor on next-generation spacecraft. We now have 10 years in a limited competition pool to monetize this multi-billion-dollar contract as we invest in our Mako next-generation maneuverable, refuellable, autonomous spacecraft in GEO.

Please turn to slide 9. During the first quarter, Redwire was awarded a contract to continue development on a quantum-secure satellite under ESA's QKDSat program. For QKDSat, Redwire

will manufacture and deliver its European-built Hammerhead spacecraft, equipped with a quantum key distribution payload and Redwire's proprietary ADPMS-3 suite of avionics, leveraging our experience in spacecraft development and avionics in support of this critical program. This program has the potential to grow into a constellation-sized opportunity.

During the period, Redwire was also awarded a prime contract for the Belgian Ministry of Defence to build and deliver Belgium's first national security satellite to provide secure, resilient, and independent access to critical space-based services in support of national defense priorities. We see this as an early entry point in European space-based defense capabilities, as the trend towards increased organic European investment in both space and defense gains significant momentum, and Redwire is seen as a trusted partner.

Please turn to slide 10. Turning to large space infrastructure, you may remember that on our last earnings call, I introduced ELSA, our new high-performance low-mass solar array for high-quantity constellations of smallsats. I am proud to say that during the first quarter, Redwire made its first sale of this new product with a \$12.8 million contract to deliver ELSA solar arrays to Moog. These ELSA arrays will be integrated with Moog's METEOR satellite bus in support of a low Earth orbit mission for an undisclosed national security customer and have also been baselined as a standard component for the METEOR line of spacecraft. With the introduction of ELSA, our power product portfolio now spans the total addressable market from large constellations in LEO to the lunar surface and beyond.

Please turn to slide 11. Turning to our microgravity development value driver, during the quarter, Redwire received an additional \$4 million from NASA to support drug development investigations on the International Space Station using Redwire's proven pharmaceutical manufacturing solution, PIL-BOX. This additional funding expands an existing task order under a \$25 million five-year IDIQ through NASA's In Space Productions Applications, or InSPA program. During the quarter, Redwire's PIL-BOX also supported a cancer therapy investigation led by Aspera Biomedicines that launched aboard the Crew 12 mission. NASA sees the groundbreaking potential and continues to invest in PIL-BOX, and by supporting partners like Aspera, Redwire is helping to usher in a new era of biotechnology where microgravity is used to unlock insights that can improve treatments for some of the world's most challenging diseases.

Please turn to slide 12. Turning next to our combat-proven UAS value driver, which falls within our Defense Tech segment. During the quarter, Redwire was awarded more than \$20 million in follow-on purchase orders to deliver standard and advanced navigation stalker systems supporting the Navy and Marine Corps' Small UAS Program Management Office. This award in support of the Long Range Tactical program of record encompasses the Marine Corps' first acquisition of the advanced navigation version of Stalker Block 30. These new systems will join the approximately 250 existing Stalker aircraft already fielded by the Marine Corps as our trusted combat proven platform continues to scale for the most demanding customers. This is not a demonstration. This is not an experiment. This is scaling a field-proven capability.

Please turn to slide 13. In addition, during the first quarter, Stalker continued integration efforts with the U.S. Army's Next Generation Command and Control, or NGC2 Tactical Network, during the Ivy Sting exercises, further integrating the platform into U.S. Army's future concepts of operations. Continued integration is expected at upcoming events to enhance situational awareness and decision-making across the battlefield. Stalker was the only fixed-wing VTOL to support this exercise, underscoring the criticality of our Stalker as a platform for the warfighter.

Please turn to slide 14. Lastly, moving to our sensors and payloads value driver. Building on the extensive heritage of our avionics and sensor products, on April 1st, Redwire's advanced imaging and navigation technology launched aboard NASA's Artemis II mission, the first crewed mission for the Artemis program. Through these images, everyone here on Earth was able to take part in Artemis II's historic journey of discovery. Once again, Redwire is proud to be a trusted partner on the most important missions on and off Earth.

Please turn to slide 15. As part of our transformation over the last two years, both moving up the value chain and expanding into multi-domain technologies, Redwire has become very well positioned at the ground floor of some emerging opportunities with asymmetric upside potential. As a result, we have begun to ramp investment with a more than \$10 million increase in research and development expense during the first quarter on a year-over-year basis. We are in quality growth mode.

In Q1, we demonstrated the ability to grow while simultaneously increasing our gross margin. This is the focus. Therefore, as you can see from this slide, net of discretionary IRAD spending, we would have had positive Adjusted EBITDA for the quarter. We are currently investing in quality growth.

As to where we plan to invest, we are specifically increasing investment in six critical opportunities with outsized potential, most of which we have already spoken about today. These opportunities include VLEO in the United States and Europe with our SaberSat and Phantom spacecraft, QKDSat for a quantum secure constellation, maneuverable, refuellable GEO spacecraft for programs like Andromeda, lunar infrastructure, including such opportunities as a lunar power grid and future CLPS lunar lander missions, SpaceMD, including PIL-BOX and bioprinting, and finally our next generation Stalker Block 40 and Penguin MK3 aircraft. These are investments to strengthen our positioning supported by identified opportunities with existing customers.

Please turn to slide 16. With that, I'd now like to turn the call over to Chris Edmunds, Redwire's Chief Financial Officer, to discuss the financial results for the first quarter of 2026.

Chris Edmunds

Thank you, Pete. Before turning to slide 17, I want to highlight this incredible image of the Orion capsule with a lunar eclipse taken by a Redwire camera during the Artemis II mission. Now let's turn to the financial results.

Please turn to slide 17. During the first quarter, in line with our expectations, we reported total revenue of \$97 million, a 57.9% increase on a quarterly year-over-year basis. Our Space segment recorded revenue of \$52.7 million, and our Defense Tech segment recorded revenue of \$44.3 million. I would note that the contributions from the acquisition of Edge Autonomy were the primary driver behind the significant increase for Defense Tech on a quarterly year-over-year basis. With more than \$350 million in bookings during the last two quarters, we expect our revenue to build as we move through 2026.

Please turn to slide 18. As we mentioned on our year-end earnings call, gross margin improvement is a significant focus area for Redwire, and I'm pleased to report that in line with our expectations, we achieved gross margin of 26.6% during the quarter, representing an 11.9 point improvement on a year-over-year basis and a 17 point improvement on a sequential basis.

Our first quarter 2026 net loss was \$76.5 million, which was impacted by more than \$44 million in non-recurring activity, \$42.5 million of which was the non-cash, non-dilutive impact from the accelerated vesting of the equity incentive units assumed through the Edge Autonomy acquisition.

Our first quarter Adjusted EBITDA was negative \$9.2 million, a decrease on a year-over-year basis, but a sequential increase. Notably, the unfavorable impact from net EACs decreased to \$1.1 million during the first quarter, a marked improvement. We are proud of the progress we've made. Cost control and program execution remain a key focus.

Finally, Redwire remains highly focused on capital allocation. Based on the signals we are receiving from the market and our customers, we have significantly increased our internal research and development investment from under \$1 million in Q1 2025 to \$12.6 million in Q1 2026. We see this investment as accelerating the maturation of our products and solutions to meet current demand, like the recent \$1.8 billion Andromeda IDIQ.

Please turn to slide 19. Turning next to a discussion of liquidity and capital structure, we ended the first quarter of 2026 with record total liquidity of \$175.2 million, comprised of \$145.2 million of cash, cash equivalents, and restricted cash, and \$30 million in undrawn revolver capacity, a significant year-over-year improvement. Redwire saw a meaningful reduction in net cash used in operating activity on both a sequential and a year-over-year basis to \$6.7 million. This improvement is largely related to improvement in gross margin, disciplined cost control, and positive working capital contribution. With improvement in quarterly Free Cash Flow of more than \$36 million on a year-over-year basis and \$17 million on a sequential basis, we have reduced our cash burn.

As mentioned on our previous call, during the first quarter, the company amended its credit agreement, extending the maturity to May 2029 and lowering the interest spread from SOFR plus 700 to SOFR plus 375, resulting in an annualized interest savings of approximately \$3 million, contributing to a total estimated annual interest savings of more than \$17 million from delevering and refinancing activities completed in 2025 and the first quarter of 2026.

Finally, we remain committed to a disciplined approach to responsibly fund growth initiatives like those Pete spoke about earlier. With scalable opportunities for investment, we've entered into another at-the-market or ATM program to allow us to opportunistically fund emerging technologies across our portfolio. We are investing in quality growth.

Please turn to slide 20. During the first quarter, we saw a continuation of the positive trend in contracts awarded with bookings of \$186.5 million, a significant increase on both a year-over-year and sequential basis, resulting in a Book-to-Bill ratio for the quarter of 1.92, with a Book-to-Bill ratio of 1.54 on a last twelve months basis. Turning to bookings by segment, Space bookings were \$114.6 million driven by strong demand for power solutions, including the first sale of ELSA and an approximate \$50 million follow-on production order for ROSA wings. Defense Tech bookings were \$72 million, driven by demand for our Stalker and Penguin aircraft.

Turning to Backlog, we once again saw strong growth in the metric as Backlog increased by 21.1% on a sequential basis and 71.1% on a year-over-year basis to a record \$498.1 million. As of March 31, 2026, Space Backlog was \$359.7 million, and Defense Tech Backlog was \$138.4 million. As a reminder, the majority of Defense Tech revenue is recognized at a point in time, whereas in our Space segment, the majority of revenue is recognized over time, driving different backlog profiles. With further line of sight into 2026, we remain pleased with the continued positive change in our trend line of contracts awarded and believe our pipeline of new opportunities across Space and Defense Tech around the globe remains strong, bolstering our confidence in continued growth through the year.

Please turn to slide 21 for a brief discussion of the outlook for the remainder of 2026. Having achieved first quarter revenue in line with our expectations plus another quarter of acceleration in our contracts awarded, confidence provided by our record Backlog of \$498.1 million in a supportive macro environment, we are reaffirming our full year 2026 revenue forecast in the range of \$450 to \$500 million, which represents 41.6% year-over-year growth at the midpoint. With more than \$350 million in bookings during the last two quarters, we expect our revenue to build as we move through 2026.

With that, please turn to slide 22, and I'll now turn the call back over to Pete.

Peter Cannito

Thank you, Chris. To summarize the quarter, we returned to strong growth in areas with better gross margins, and therefore we will continue to invest in our highest potential opportunities where we are well positioned with differentiated capabilities. With that, I want to thank the entire Redwire team for their achievements during the first quarter of 2026. We will now open the floor for questions.

Operator

Thank you. We will now be conducting a question-and-answer session. If you would like to ask a question, please press "*" "1" on your telephone keypad. A confirmation tone will indicate your

line is in the question queue. You may press "*" "2" remove your phone. from the queue. For participants using speaker equipment, and maybe necessary to pick up the handset before pressing the "*" keys.

We ask that all of those in the queue to please limit themselves to only one question to allow others a chance to ask theirs. One moment, please, while we poll for questions. Our first question comes from the line of Suji Desilva with Roth Capital Partners. Please proceed with your question.

Suji Desilva

Hi, Pete. Hi, Chris. Congratulations on the progress here. My question is about the Andromeda Space Force Program, the IDIQ program. How is Redwire positioned in this program and how are you planning to invest specifically for this program? I appreciate the presentation of the five areas of investment you had, but how is this one going to be targeted with the investment? Thanks.

Peter Cannito

Hey, Suji. Thank you, it's a great question. I mean, this Andromeda opportunity, as I noted in my speaking portion of today, is a real significant milestone for us. To have 32 bids go in and be selected as 1 of 14 vendors really just underscores the progress we've made on moving up the value chain, particularly in this unique white space that's emerging around highly maneuverable, refuelable GEO spacecraft.

And therefore, we've got to invest. If you look at our 14 competitors, it's a limited competition pool, but many of them are doing raises, are going out there and investing heavily. So it's going to be—so Redwire has to do the same. And I think that's one of the keys to both increasing our overall IRAD investment run rate, as I believe Chris noted, going from only \$1 million in IRAD Q1 last year to now ramping up to approximately \$12 million in this year. And we're going out there and using the ATM, which we believe is a really efficient low cost of capital opportunity, to, much like our peers on that Andromeda opportunity, raise the money to make sure that we can deliver the best capability for the program.

So super excited about this win. It's 10 years, so it's got a lot of period performance to it. And by them raising the ceiling from \$1.8 billion to \$6 billion, that really underscores that this is an area where the government is making significant investment.

Suji Desilva

Thanks, Pete.

Operator

Thank you. Our next question comes from the line of Griffin Boss with B. Riley Securities. Please proceed with your question.

Griffin Boss

Hey. Good morning, everyone. Thanks for taking my question. I guess I would love to get an update on your VLEO platforms. Obviously, that's one area where you're ramping quality growth

investment. But just curious if you could kind of discuss what kind of traction you're seeing or any new developments on that front. I think that's a great area of growth for the company.

Peter Cannito

Hey, Griffin. Yes, thanks for that question. So VLEO, as I mentioned, is one of the areas where we're continuing to ramp up investment. VLEO is probably, I would say, the number one area where we're going to play strongly in Golden Dome, in my opinion.

I think that particular orbital regime has something unique to bring to the fight in Golden Dome, and I think Redwire is really well positioned there. It can be difficult to talk about some specifics around our concepts of employment there. But again, much like highly maneuverable, reusable GEO, our moving up the value chain spacecraft strategy is not a me-too strategy.

We've specifically picked areas where Redwire can lead, where there is no one who's in a dominant position. And I think VLEO is in particular one of those areas where with the award of Otter and other programs over the last year, we have a nice jump start and we think it has a lot of potential in Golden Dome. So we're investing in maturing the technology with our partners at DARPA, AFRL and others, and super excited about that.

And again, one of the things I want to underscore so at the risk of repeating myself, there's a little bit of a pivot happening here. We're accelerating because we feel like we're so well positioned on these new opportunities. And because we've been now able to execute with better cross control and more operational execution, we can go out and we can do a nice ATM raise and start applying that money to these high gross margin, high growth rate opportunities. And so that's our current strategy.

Griffin Boss

Got it. Thank you for that, Pete. And great to see the gross margin expansion. Thanks a lot.

Chris Edmunds

Thanks, Griffin.

Operator

Thank you. Our next question comes from the line of Austin Moeller with Canaccord Genuity. Please proceed with your question.

Austin Moeller

Hi. Good morning, Pete and Chris. So just touching on that VLEO opportunity, if you were to compete on Golden Dome as a satellite bus manufacturer or a prime, can you talk about the specific layers of the Golden Dome architecture that you're targeting to bid on? Is that like tracking of hypersonic vehicles in the atmosphere and should we expect contract awards for that in the second half of this year or 27?

Peter Cannito

Hey, Austin. So it's an interesting question. The government has not put a lot of information out publicly about the Golden Dome architecture. I think to provide an answer without just saying we can't talk about certain things, at the high level, I believe that Golden Dome is going to be a multi-orbit, all-of-the-above type strategy. It's not one space-based interceptor or one killer app technology, so to speak.

So that's exciting for us because there's opportunities for us to participate. I mentioned already in VLEO. If it's going to be a multi-orbit, all-of-the-above resilient architecture. VLEO adds another orbital regime where the government can use to enhance the overall Golden Dome capability. I also think that this highly maneuverable, refueled GEO also has interesting areas it can play in the Golden Dome architecture as well. And I think that I won't speak for the government, but things like increasing the total ceiling on that program to from \$1.8 billion to \$6 billion underscores how important that orbital regime is as well.

And for the layperson, when I talk about these orbital regimes, I talk about there's going to be something relevant in VLEO, we believe, there's going to be things that are relevant in LEO, we believe, there's going to be things relevant in GEO, right? So Redwire is positioning itself to be a leader in the VLEO and GEO, and for those who are building large, proliferated constellations in LEO, we're acting as a merchant supplier. So prime lead in VLEO, prime lead in highly maneuverable, refueled GEO, merchant supplier in LEO. And that's our Golden Dome high-level positioning, if that helps answer your question.

Austin Moeller

That's very helpful. Thank you.

Operator

Thank you. Our next question comes from the line of Greg Konrad with Jefferies. Please proceed with your question.

Ceara Perry

Good morning everyone. This is Ceara on for Greg. So really strong gross margins in the quarter, but EBITDA was still negative. How do you think about leverage in the business and expectations around gross margins and OPEX going forward? Is it mostly about volume and is there a certain level of sales where we would expect Adjusted EBITDA to turn? Thank you.

Peter Cannito

I appreciate the question and I'm going to give Chris a chance here because we want to make sure he has some airtime. So I'll briefly just say our goal as we achieved this quarter and our goal for the remainder going forward is to have positive EBITDA net of IRAD. We are in quality growth mode, but we have to invest. But what we want to show is that we're not funding losses, but that we're actually funding investment. And therefore, if we're positioned that way, no matter what happens in the future macro environment, we can turn that dial on IRAD up or down based on opportunities. Chris, anything you want to add there?

Chris Edmunds

We're super excited about where we came in this quarter at 26%, which is the impact of a lot of different things. We've had strong bookings the last several quarters that have replenished our order book with higher margin profiles. As we've moved capabilities from development into low rate and full rate production as we talked about on our last call, that's a contributor.

Also excited that we managed the EACs much tighter this quarter with a net \$1 million impact, which is a marked improvement. Those two points are really helping bolster that gross margin. And as Pete said, as we're managing growth, managing that investment without the IRAD, we would have had positive Adjusted EBITDA.

Now, we do see that we will probably have a little bit of modest SG&A growth, but there should be expanded operating margins as we continue to grow the top line revenue this year. We are expecting revenue to scale throughout the year. And as we continue to hold the portfolio in a similar position, that additional gross profit will help cover and expand our profitability at the bottom line, again managing the IRAD, which could then offset some of that additional gross profit.

Ceara Perry

That's helpful. Thank you so much.

Chris Edmunds

Thank you.

Operator

Thank you. Our next question comes from the line of Alexandra Mandry with Truist Securities. Please proceed with your question.

Alexandra Mandry

Good morning and thank you for taking my question. What do the R&D investments include for the six opportunities mentioned? Is it labor, facilities, material, inventory? And what is the expected R&D cadence for the remainder of the year? Thanks.

Peter Cannito

So the first answer to your question is yes. So it's all of those things. It's going to be deployment of the capital in a way that is outlined in detailed plans as part of our execution strategy. And it is a mix of all those things that you mentioned. In terms of the template for going forward, what I'm trying to underscore is that we have a lot of these opportunities that we're well positioned for.

And whether it be driving towards a constellation of QKDSats, you know, delivering a strong capability for Golden Dome, monetizing the \$6 billion, roughly, Andromeda opportunity, all these things, we're going to be dialing IRAD up or down based on how those strategies are playing out.

So it's opportunistic and it'll be market dependent, but I think we're positioned in these areas, but they're going to take some investment to fully realize the potential.

But the potential for each one of these is strong and the demand signal out there is really strong. And we're really excited about how many paths to victory we have on these opportunities that have basically been born of the strategy we've been talking about for well over a year now of moving up the value chain and becoming a multi-domain company. So we're not providing any like future overall guidance for IRAD for the year, but as you can see this quarter, we are ramping. Chris, do you want to add anything there?

Chris Edmunds

Nothing, you got it.

Operator

Thank you. Our next question comes from the line of Michael Leshock with KeyBanc Capital Markets. Please proceed with your question.

Michael Leshock

Hey, good morning. I wanted to ask on NASA's accelerated lunar initiatives and the goal of building a lunar base and establishing a permanent presence on the moon. What would you say is the biggest opportunity for Redwire specifically as it relates to the moon base and the lunar economy? I know there's a lot of opportunities there, but curious if there's one or two things that you're most excited about for the lunar economy?

Peter Cannito

That's a great question, and thank you for that. It's really simple. There's two areas that I think we're really well-positioned for. One is to be the prime to build a lunar grid. We are a power company. We have, I believe, and I'm obviously biased, the best heritage there is out there in space power on the solar side with our ROSAs and now our ELSAs to include being the power provider with our ROSAs on the International Space Station.

So one of our primary objectives, and I mentioned it as one of the areas we're investing in is positioning to build a lunar grid for this infrastructure that's going to come there with ROSA as the underpinning, the Roll Out Solar Arrays as the underpinning technology. So that's super exciting. This pivot to the moon, I think, has incredible opportunities.

The second is, we don't spend a lot of time, and we haven't in the past, talking about the fact that Redwire's in fact a CLPS prime and CLPS the commercial lunar payload services contract has been a key highlight for NASA administrator Isaacman recently where he sees that as ramping up, I think, he mentioned one a month. So previously, Redwire wasn't really active on CLPS because we didn't have a baseline where we could achieve the economics that we wanted for the limited amount of launches that were occurring. But now that this is a really big focus for NASA, we're going to start leveraging that prime contract position and investing there because

we think there's a bigger total addressable market than there has been in the past, which presents us with the right kind of investment profile we want to go after.

So those are the two, lunar grid and CLPS. But we're also obviously a merchant supplier of key things like mating technologies and just space infrastructure in general. So I think there'll be other opportunities as well. But those are the two big ones.

Michael Leshock

Great. Thanks so much.

Peter Cannito

Thank you.

Operator

Thank you. Our next question comes from the line of Alex Preston with Bank of America. Please proceed with your question.

Alex Preston

Hey, good morning. Thanks for taking the question. I wanted to turn things to Edge Autonomy. You're coming close to a year since the acquisition. I was wondering if you could walk through maybe what's performing as planned or above expectation, things that might be behind schedule, any synergies you realize that you could note on costs or contracts. And then, I guess on margins as well, Edge seemed like it was hovering around call it 30% EBITDA margins when you got it. Defense Tech is printing 12% this quarter. I get it's not 100% Edge anymore. But sort of what's driving the differential there and how do you see the margins trending from here? Sort of any color there would be really helpful.

Peter Cannito

Yeah, that was a rapid fire. I'll try to make sure—correct me if I don't hit every part of that question. So we're really excited about what we've been able to do with Edge, which we don't call Edge anymore. It's fully branded now as Redwire, which for those who have been involved in M&A is a key cultural milestone and culture in many ways drives success in M&A. So we're excited about how rapidly they've been able to become part of Redwire.

As you noted on the margin side, Defense Tech is not representative of just the legacy Edge Autonomy. It includes other defense aspects of our portfolio that were previously part of legacy Redwire Space. So yeah, we're pleased with their direction that it's headed. As we've talked about in previous quarters, they like everybody else ran into government shutdown in the second half of 2025.

But the 2026 you can see is starting to ramp again and the government has a budget now. And there's a lot of opportunities that now that the Marine Corps, for instance, has a budget, they're

adding to our existing 250 aircraft with more. So those and others are really bullish signs that the Stalker is an important part of our platform.

And in fact, I think in Europe, you know, we're seeing a lot of defense budget scale as well. So Penguin has a really bright future in our eyes as well. And overall, based on the timeline, we're really comfortable with the way it's gone so far. Chris, anything you want to add?

Chris Edmunds

Yeah, I mean, just to echo that, they did have \$72 million in bookings this quarter, which was an increase in where we have been, obviously impacted by some of the government budget matters this past year. So happy to see them return to a stronger Book-to-Bill for the quarter. Yeah, we do continue to see that product line holding good gross margin consistent where they have been historically. I think that's important to note that we are continuing to hold quality gross margin.

Similar to what we've talked about earlier today, we have increased the rate of investment into the three major product groups there that came along with that acquisition. And that has consumed some of the net EBITDA margin. But again, as we look at the pipeline and the future opportunity set, we are investing in good quality growth there. And the important point is that the gross margins are holding.

Alex Preston

Got it. Thank you for the color. Appreciate it.

Operator

Thank you. And we have reached the end of the question-and-answer session. I'd like to turn the floor back to Peter Cannito for closing remarks.

Peter Cannito

All right. Well, thank you all for your questions and your active engagement. With that, We appreciate everyone taking the time to listen today and go Redwire.

Operator

Thank you. This does conclude today's conference. You may disconnect your lines at this time. We thank you for your participation.