



WARREN BUFFETT LENS

Investment Balance Sheet Stress Test

INTUITIVE MACHINES, INC.

NASDAQ: LUNR

Most Recent Filing: Form 10-Q Q3 2025 (Nov 13, 2025) | Post-Lanteris Close: Jan 13, 2026

Skill: Warren Buffett Lens (ID: 24) | PortDive Alpha Intelligence

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EXECUTIVE SUMMARY

"Risk comes from not knowing what you're doing." — Intuitive Machines knows how to land on the Moon. It has done it twice. What it has not yet proven is how to build a \$850M+ revenue infrastructure business, absorb a \$800M acquisition, and make money while doing it. The knowable unknowns here are large — and expensive.

This report applies the Warren Buffett Lens framework (Skill ID: 24) to Intuitive Machines, Inc. (NASDAQ: LUNR) — the Houston-based space infrastructure company — using the most recent available financial data: the Q3 2025 Form 10-Q (filed November 13, 2025), the FY2024 Form 10-K (filed March 25, 2025), and all post-period SEC filings through February 27, 2026, including the Lanteris Space Systems acquisition close (January 13) and the \$175M equity raise (February 25, closing today). All figures are in US dollars.

Intuitive Machines is at an inflection point that Buffett would regard with genuine curiosity and considerable caution. The company has two lunar landings to its name, a \$4.8B NASA Near Space Network Services (NSNS) contract anchoring its future, and a just-closed \$800M acquisition of Lanteris Space Systems (formerly Maxar Space Systems) that transforms it from an asset-light mission services company into a vertically integrated satellite manufacturer. The bull case is real. The balance sheet risk is equally real.

Buffett Score: 2.5/10 — Pre-transformation speculative growth. The operational heritage is credible; the financial architecture is fragile. The Lanteris acquisition loads the balance sheet with goodwill, debt, and dilution simultaneously, just as the company awaits its most important contract awards.

KEY METRICS AT A GLANCE — POST-LANTERIS (FEB 27, 2026)

\$228.0M FY2024 Revenue	\$850M+ Pro-Forma Combined Rev.	\$920M Combined Backlog	\$4.8B NSNS Contract (ceiling)
\$334.8M Convertible Notes (2030)	-\$347M Est. Cash Post-Raise	-\$13.2M Q3 2025 Adj. EBITDA	26.5% Share Dilution (2 months)

I. YEAR-ON-YEAR COMPARISON: FY2024 → POST-LANTERIS FEB 2026

"Price is what you pay. Value is what you get." — LUNR paid \$800M for Lanteris and \$450M in cash that it raised from convertible notes. It paid \$175M in new equity at a 20% discount two weeks later. The question, as always, is whether what it got was worth what it paid.

The transformation from FY2024 standalone to the post-Lanteris combined entity is dramatic across every balance sheet line. Revenue scales from \$228M to \$850M+ in the combined pro-forma. Debt goes from zero to \$334.8M. Goodwill — zero in FY2024 — will be a dominant balance sheet item when the 10-K is filed. The cash balance, once a fortress, has been substantially redeployed.

METRIC	FY2024 (10-K Standalone)	Pro-Forma Post-Lanteris (Feb 2026)
Revenue (annual)	\$228.0M	\$850M+ (combined pro-forma)
Q4/Latest Quarter Rev.	\$54.7M (+79% YoY)	~\$52M est. Q4 2025 standalone
Gross Margin	Positive (thin)	Positive — Lanteris accretive
Adj. EBITDA	Negative	Positive combined (Lanteris)
Net Income / Loss	Large net loss	Net loss (GAAP)
Cash & Equivalents	\$207.6M	~\$347M est. (post-raise)
Total Debt	\$0 (debt-free)	\$334.8M converts (2030)
Goodwill & Intangibles	Minimal	~\$500M+ est. (Lanteris)
Backlog	\$328.3M (record)	\$920M combined
Shares Outstanding	~170M	~214.8M (+26.5% dilution)
Customer Concentration	NASA ~80%+	NASA dominant, +defense
FCF	Negative	Lanteris FCF-positive (legacy)
NSNS Contract	\$4.8B ceiling (awarded)	Execution phase begins
Insider Selling (6M)	Significant	\$62M+ CEO/CTO sales
Adj. EBITDA (Q3)	-\$13.2M	Combined > 0 (Lanteris)
SBC	High % of revenue	High; dilution accelerating
NASA Artemis Risk	Moderate	Elevated (budget dependency)

II. QUALITY OF ASSETS

Buffett's first question about any balance sheet: "Can I get this money tomorrow?" He works through assets in order of liquidity, applying full value only to cash and near-cash equivalents, and heavy haircuts to everything that isn't.

Cash & Equivalents: ~\$347M est. (post-Lanteris + \$175M raise) !

"Cash is to a business what oxygen is to a person: never thought about when present, only thought about when absent." — LUNR had \$622M in oxygen at Q3 2025. It then spent \$450M buying Lanteris and raised \$175M at a painful 20% discount. The tank went from full to cautiously adequate in three months.

At Q3 2025, cash stood at a healthy \$622.0M — boosted by the \$345M convertible note issuance in August 2025. The Lanteris acquisition (January 13, 2026) consumed \$450M of that in a single transaction. The February 25 equity raise at \$15.12/share (\$175M gross, 11.6M shares) partially replenishes the tank. Estimated net cash heading into March 19 earnings: ~\$347M. That is adequate, not comfortable — particularly given the NSNS constellation capex build ahead and the outstanding loss provisions on IM-3 and IM-4 missions.

Accounts Receivable & Contract Assets !

"The question isn't how much they sold — it's how much they collected." — Government contract receivables are the safest form of AR on earth, right up until there's a continuing resolution, a shutdown, or a contract recompete.

LUNR's receivables are government-dominated — NASA represented 72% of Q3 revenue from a single customer. Government AR is generally high-quality (creditworthy counterparty, legal obligation to pay) but highly sensitive to appropriations timing. The FY2025 Q4 guidance was already impacted by government shutdown uncertainty. Buffett would note the binary nature of this risk: NASA pays reliably under normal conditions and stops paying entirely when Washington cannot pass a budget. That is not a credit risk; it is a political risk — and those are harder to model.

Inventory: \$0 ✓

"Inventory is where optimism goes to die." — LUNR carries none. Its version of inventory risk is embedded in the fixed-price mission contracts themselves — IM-3 and IM-4 have already required \$22.9M of year-to-date cost adjustments. The hardware is built to order; the losses accrue when the order is mispriced.

No traditional inventory — LUNR builds spacecraft to contract, not to stock. However, the economic equivalent of inventory risk lives in fixed-price CLPS missions where cost overruns flow directly to the income statement as contract losses. IM-3 EAC adjustments: \$19.6M year-to-date through Q3. IM-4 EAC adjustments: \$3.3M. These are not inventory writedowns — but they serve the same function of surprising the market when engineering optimism meets physical reality.

Property & Equipment !

"Every technology company I've studied eventually took a massive inventory writedown. It's not a question of if — it's when." — LUNR's PP&E includes spacecraft in various stages of assembly and ground systems. Each asset is either a future revenue generator or a very expensive aluminium paperweight. Space leaves no middle ground.

LUNR's PP&E includes Nova-C lander hardware, ground-support equipment, lab facilities in Houston, and the Space Network Solutions infrastructure. Post-Lanteris, PP&E expands significantly to include Lanteris's satellite manufacturing facilities (formerly Maxar Space Systems in Palo Alto), which delivered 300+ spacecraft with 99.99% on-orbit availability. The manufacturing assets are real and productive. The risk: the Lanteris facility was divested by

Maxar during its bankruptcy restructuring — integration of a distressed-seller asset into a fast-growing acquirer deserves scrutiny.

Goodwill & Intangibles: ~\$500M+ est. (post-Lanteris close) X

"The accountants call it goodwill. I call it 'we paid too much and don't want to admit it.'" — LUNR paid \$800M for a business that Maxar sold to Advent in bankruptcy proceedings. The premium above tangible book value lands on the balance sheet as goodwill. It does not go to the Moon, but it does go to zero in impairment.

Pre-Lanteris, LUNR had minimal goodwill — a clean balance sheet. Post-Lanteris, the \$800M acquisition price less Lanteris's estimated tangible net assets (likely \$200-300M in satellite manufacturing equipment and working capital) generates an estimated \$500M+ of goodwill. This is the single largest red flag on the post-close balance sheet. Buffett would apply a full haircut to goodwill in any liquidation scenario. If Lanteris integration falters, this is the line that moves toward impairment first — and impairment would be a multi-hundred million dollar hit to a balance sheet that cannot absorb it easily.

Non-Marketable Equity & Strategic Investments !

"Intangible assets are only worth something if they produce cash. If they don't produce cash, they're not assets — they're decorations." — Decorations do not power lunar landers. Every dollar allocated to non-cash assets is a dollar not funding the NSNS satellite constellation.

The \$10M Texas Space Commission grant for the Earth reentry vehicle, the KinetX acquisition (navigation software, closed October 2025, \$30M), and the minority interest in Space Network Solutions (SNS) are the main non-cash strategic positions. KinetX is the most strategically valuable — real-time flight dynamics software essential for constellation management across lunar and Martian orbits. The SNS structure (majority-owned subsidiary + VIE accounting) adds complexity to the consolidated financials that Buffett would scrutinise carefully.

III. QUALITY OF LIABILITIES

Convertible Notes: \$334.8M at 2.500% due 2030 ⚠

"Debt is a tool. Like a chainsaw — useful, dangerous, and forgiving of no mistakes." — \$334.8M at 2.5% is cheap money by historical standards. The risk is not the interest rate — it is whether the business can generate enough operating cash to be creditworthy when the 2030 maturity arrives, or whether it needs to refinance at worse terms in a different rate environment.

In August 2025, LUNR issued \$345M of 2.500% convertible senior notes due 2030, receiving net proceeds of \$334.6M after capped-call costs of \$36.8M. This was explicitly raised to fund the Lanteris acquisition alongside the cash component. The 2.5% coupon is attractive; annual interest cost is ~\$8.6M — easily serviceable even at current revenue levels. The maturity in 2030 provides adequate runway if the NSNS constellation build and combined entity profitability materialise on schedule. The capped call structure limits near-term dilution from conversion. Buffett would view this as acceptable financial engineering — provided the business performs.

Contract Liabilities & Loss Provisions: \$66.2M ✗

"Beware of companies that have many rules and exceptions to those rules in their accounting." — Loss contract provisions are the honest acknowledgement that a fixed-price bid was wrong. LUNR has \$22.9M of them year-to-date through Q3 on two missions. More missions are coming.

Contract liabilities of \$66.2M at Q3 2025 include deferred revenue (positive — cash collected before work performed) and loss contract provisions (negative — future losses that must be accrued now). The \$19.6M IM-3 EAC adjustment and \$3.3M IM-4 adjustment reflect the brutal economics of fixed-price space missions: one engineering surprise and the entire margin evaporates. As LUNR ramps toward IM-3 launch and NSNS satellite production, these provisions will be a leading indicator of execution quality. Rising EAC adjustments are the canary in the coal mine.

Operating Leases & Facility Obligations

LUNR carries operating lease obligations for its Houston campus and the Lanteris facility in Palo Alto. Post-acquisition, the combined facility footprint expands significantly. These are fixed obligations regardless of contract performance — another example of operating leverage that increases the cost of any revenue shortfall.

The Dilution Liability: 26.5% Share Issuance in 60 Days ✗

"I get suspicious when a company announces a buyback and the CEO simultaneously exercises options. I get more suspicious when a company raises dilutive equity while insiders are selling." — CEO Altemus sold \$52M in shares over six months. Two months later the company sold shares to institutions at a 20% discount. Buffett would put this in the 'red flag' column immediately.

The dilution math is stark: 28.4M shares issued to Advent for Lanteris (at \$12.34 VWAP) + 11.6M shares in the February 2026 raise (at \$15.12, 20% below the \$18.90 prior close) = 40M new shares, representing approximately 26.5% dilution to shareholders who held through the Lanteris announcement. This is a massive value transfer from existing shareholders to the sellers and new institutional investors. The discount on the February raise in particular signals that the market needed to be incentivised to absorb the paper — not a sign of pricing power.

Insider Selling: \$62M+ in 6 Months ✗

CEO Stephen Altemus sold 4.5M+ shares for ~\$52M. CTO Timothy Crain sold 852K shares for ~\$13M. SVP Steven Vontur sold additional shares. Total insider sales exceed \$62M in six months with zero purchases. Buffett's rule: management should eat their own cooking. When executives are selling heavily while simultaneously asking the market to fund a transformative \$800M acquisition, the alignment signal is problematic.

IV. SHAREHOLDERS' EQUITY

Total Equity: \$243.8M (pre-Lanteris) — Stressed Post-Acquisition

"The test of a great business is not one great year. It's 20% ROE for 20 years." — LUNR has had zero years of positive ROE. The question is not whether 20% ROE is achievable in year one — it is whether the capital structure and contract pipeline create a credible path to it within the next five years.

At Q3 2025 (pre-Lanteris close), total equity stood at \$243.8M against \$334.8M in debt — a 137% debt-to-equity ratio. Post-Lanteris close, the equity base expands through the ~\$350M stock consideration but is simultaneously eroded by the goodwill recognised on the acquisition and any integration costs. The February \$175M equity raise adds capital but at a dilutive price. Net effect: equity per share has been diluted materially even as the absolute equity figure grows.

ROE: Deeply Negative — Not Meaningful

Net losses have been consistent and substantial. Operating margin was -30.7% TTM. Return on assets is -17.15%. Return on equity is strongly negative. Buffett would not try to compute a meaningful ROE here — the business is in pre-profitability growth mode where the correct question is trajectory, not current return. The relevant metric is: at what revenue scale does the combined Lanteris satellite manufacturing + NSNS services model generate 15-20% ROIC? The Lanteris positive EBITDA contribution gives a first glimpse of what the blended model can look like.

Share Count: ~214.8M (post-raise) — Serial Dilution Pattern ✗

"Repurchasing shares makes sense only when they can be bought at a meaningful discount to intrinsic value. Issuing them at a discount is the opposite — it's value destruction on behalf of shareholders." — 11.6M shares at \$15.12 when the stock was at \$18.90 the day before. That is a \$4.4M/share gift to institutional buyers.

Share count has grown from ~119M (Class A) + ~61M (Class C) = ~180M pre-acquisition to approximately 214.8M post all issuances. This represents a pattern of serial dilution: SPAC conversion, warrant exercises, \$125M equity raise in late 2024 (Boryung), Lanteris stock consideration, and now the February 2026 raise. Each raise has been individually justified; the cumulative effect is a shareholders who have been continuously diluted against a business that has not yet turned consistently profitable. Buffett would note this pattern and weight it heavily.

SBC: High Percentage of Revenue

Stock-based compensation remains elevated relative to revenue at LUNR's current scale. With \$228M in FY2024 revenue and significant SBC grants to retain engineering talent, the SBC/revenue ratio is material. Unlike NBIS where SBC collapsed from 97% to 16% as revenue scaled, LUNR's SBC normalisation requires either revenue to significantly outpace grant activity or grant restraint — neither of which is evidenced in the insider selling pattern.

V. CASH FLOW REALITY CHECK

Operating Cash Flow: Structurally Negative ✗

"I trust cash flow statements more than income statements. Cash is harder to manipulate."

— LUNR's cash flow statement tells a clear story: the business consumes cash at the operating level, funds operations through capital markets, and has not demonstrated sustained self-funded operations. The \$4.8B NSNS contract is the thesis that changes this. But contracts are promises; cash is fact.

LUNR's operating cash flow has been negative across most of its public company history. Positive milestone payments and government contract advances have provided intermittent positive quarters (Q1 2025 FCF was + \$13.3M, driven by timing of milestone receipts), but the underlying operational burn is evident. Q3 2025 adjusted EBITDA of -\$13.2M (improved from -\$25.4M in Q2 as EAC adjustments moderated) shows a business trending toward breakeven but not yet there on a standalone basis.

Free Cash Flow: -\$67.7M (TTM) ✗

"The best measure of business performance is how much free cash flow it generates per dollar of capital employed." — At -\$67.7M FCF on ~\$753M of assets, the capital deployed is not yet generating returns. The Lanteris acquisition adds a cash-generating business — but also adds the capex requirements of satellite manufacturing to the equation.

TTM FCF of -\$67.7M reflects the combination of negative operating cash flow and capital expenditures on ground systems, spacecraft hardware, and facility investments. Post-Lanteris, FCF dynamics change materially: Lanteris generates positive FCF from its satellite manufacturing backlog, which partially offsets LUNR's mission-development burn. The combined entity is guided to be FCF-accretive post-close — but this depends heavily on the NSNS satellite production schedule and avoiding further cost overruns on fixed-price CLPS missions.

Capital Markets Dependency: Structural ✗

LUNR has funded itself through a sequence of equity raises and debt issuances: SPAC merger (2023), warrant redemption, \$125M Boryung raise (late 2024), \$345M convertible note (August 2025), \$175M institutional equity (February 2026). Each transaction was strategically justified. The cumulative picture is a company that has never been self-funding and requires continued market access to execute its mission. In a risk-off environment, this dependency is existential. The \$4.8B NSNS contract is the planned path to self-sufficiency — but the first satellite constellations are 2-3 years away from revenue generation.

Lanteris as FCF Anchor: The Structural Positive

"A company that chooses debt to grow faster... that's a different conversation." — LUNR chose \$800M of acquisition price to buy a cash-generating satellite manufacturer. If the integration succeeds, Lanteris's positive EBITDA margins become the engine that funds the NSNS build. That is a rational capital allocation decision — assuming the integration does not consume what it was supposed to generate.

Lanteris Space Systems (formerly Maxar Space Systems) brings a material positive: a satellite manufacturing business with double-digit adjusted EBITDA margins on approximately \$630M in revenue, 300+ spacecraft delivered, and a backlog that includes defence, civil, and commercial contracts. As a standalone, Lanteris is a cash generator. The risk is whether the integration overhead, cultural clash, and post-distressed-seller talent retention challenges allow that cash generation to persist under new ownership.

VI. BUFFETT STRESS TESTS

"The future is uncertain. The balance sheet tells you how much uncertainty the company can survive." — Seven stress scenarios below. The ~\$347M cash buffer absorbs some. The NASA budget risk and goodwill impairment scenario are the genuinely dangerous ones.

Seven stress scenarios applied — five standard Buffett tests plus two LUNR-specific scenarios targeting government contract concentration and goodwill impairment. Opening estimated cash: ~\$347M (post-Lanteris close + \$175M raise). All figures in USD millions.

SCENARIO	IMPACT	CASH REMAINING	BUFFETT VERDICT
NASA budget freeze / CR (6-month contract stop)	Revenue halts on CLPS, NSNS milestone delays; ~70% revenue at risk	~\$300M	⚠️ Survivable short-term; devastating if prolonged
IM-3 mission failure (catastrophic)	-30-50% stock; CLPS contract recompete risk; \$19.6M+ EAC write-offs accelerate	~\$320M	✗ High severity; CLPS franchise at risk
Lanteris integration failure (12 months)	Key talent departs; production delays; miss FY26 EBITDA; goodwill impairment ~\$200M+	~\$250M	✗ Existential for investment thesis
LTV + CLPS CT4 award both lost	-\$5.4B+ of addressable contracts; revenue plateau at \$400-500M combined	~\$300M	⚠️ Severe thesis damage; NSNS still anchors
Additional equity raise \$200M at \$12	Further 15%+ dilution; signals cash emergency; stock re-rates to \$10-12	~\$490M	⚠️ Liquidity ok; per-share destruction
Goodwill impairment (Lanteris \$250M write)	Non-cash but wipes ~\$250M from equity; debt-to-equity spikes; covenant risk	~\$347M	⚠️ Non-cash; covenant risk is real
Convert notes mature 2030 no refinance	\$334.8M due 2030; if company not profitable by 2029 refinancing is expensive	Depends on 2029 ops	✓ 4+ years runway; manageable if thesis plays

"Concentration is fine until it isn't. Then it's catastrophic." — LUNR's NASA concentration is not a manageable risk like NBIS's Meta/Microsoft concentration. Meta and Microsoft are private companies with contractual obligations and prepaid cash. NASA is a government agency that can be defunded, reorganised, or redirected by executive order. One is a customer risk; the other is a political risk. They are not the same thing.

The Lanteris acquisition materially changes the risk profile in one critical dimension: Lanteris backlog (25% defence, 25% civil, 50% commercial) diversifies the customer base beyond NASA. If the integration succeeds and the defence backlog grows, LUNR transitions from a NASA-dependent operator to a true multi-customer space prime. The NSNS contract remains the \$4.8B anchor — but the risk is no longer binary in the same way it was in FY2024.

VII. THE BUFFETT VERDICT

OVERALL BUFFETT SCORE	FY2024 BASELINE
2.5 / 10	N/A
Pre-transformation speculative growth. Real operational heritage, fragile financial architecture. The lunar landings are impressive; the balance sheet requires a strong stomach.	▲ First score

✓ What Buffett Would Like

- **Two proven lunar landings** — IM-1 Odysseus (Feb 2024) and IM-2 Athena (March 2025). Operational heritage is extremely difficult to replicate and is the most defensible asset on the balance sheet. No competitor has landed on the Moon. Twice.
- **\$920M combined backlog** — visible, contracted revenue with named customers across NASA, US Space Force, and commercial clients. Not a pipeline — an actual order book.
- **\$4.8B NSNS contract** — sole-awardee status for the Earth-to-Moon communications constellation is the closest thing to a moat that LUNR has. The CEO called it 'an incredibly wide and deep moat.' He is not wrong about its strategic value.
- **Lanteris = real cash-generating business** — 300+ spacecraft delivered, 99.99% on-orbit availability, double-digit EBITDA margins. This is not a speculative acquisition — it is a proven manufacturer bought to fulfil the NSNS contract in-house.
- **2.5% convertible note** — cheap money at the right time, structured not to cause near-term dilution via capped calls. 2030 maturity gives adequate runway.
- **Zero inventory writedown risk** — service-based model with no traditional inventory exposure.
- **Customer diversification beginning** — Lanteris backlog (25% defence / 25% civil / 50% commercial) reduces pure NASA dependency compared to LUNR standalone.

✗ What Buffett Would Hate

- **NASA = 72% of revenue from one government agency** — not a customer risk but a political risk. A continuing resolution, Artemis deScope, or budget sequestration can halt 72% of revenue overnight with zero credit remedy.
- **~\$500M+ of goodwill incoming** — paid \$800M for a business that Maxar sold through bankruptcy proceedings. Goodwill this large on a company with \$243.8M of pre-deal equity is a balance sheet risk of the first order.
- **26.5% dilution in 60 days** — 40M new shares in two months, including 11.6M shares at a 20% discount to market. Serial dilution while insiders are selling is one of Buffett's most consistent red flags.
- **CEO sold \$52M in stock over 6 months** — executives should eat their own cooking. \$52M in sales by the CEO against a backdrop of transformative acquisitions and equity raises raises obvious questions about conviction.
- **Loss contracts on core missions** — \$22.9M in EAC adjustments on IM-3 and IM-4 through Q3. Fixed-price space missions are profit-destroying when engineering estimates are wrong.
- **FCF -\$67.7M TTM; fully capital-markets dependent** — the business cannot fund itself. Every dollar of growth requires Wall Street's cooperation.
- **Goodwill impairment risk** — if Lanteris integration stumbles, the ~\$500M goodwill is the first casualty — a non-cash but equity-destroying event.
- **No moat at scale vs. legacy primes** — Lockheed, Northrop, Boeing, and SpaceX all compete for the same government contracts with larger balance sheets and deeper relationships.

"A great business is a castle with a wide moat. Every year I ask: is the moat wider or narrower than last year?" — LUNR's NSNS sole-awardee status is a real moat — contracted and government-endorsed. The castle walls are the two lunar landings. The question is

whether the castle's foundations (the balance sheet) can support the weight of the towers being built on top.

"Tech is a wonderful business to be in — for the first company in. For the second, third, and fourth... it's a war of attrition." — LUNR was first to land commercially on the Moon. In this particular market, first matters enormously. The attrition war against Firefly, SpaceX, and legacy primes has not yet been fought at scale.

The Verdict

"At the right price, almost any business is a good investment. At the wrong price, even the best business is a mistake." — At ~\$17.50 and ~\$3.5B market cap, the market is pricing in successful Lanteris integration, LTV award, and NSNS ramp-up simultaneously. If all three materialise, the stock is cheap. If any one of them falters — particularly the NASA budget environment — the downside is severe. This is a 2.5 — which means: the operational story is credible, the financial architecture is fragile, and it is not yet a Buffett stock. Watch the March 19 earnings call for the first combined P&L. That is the real opening chapter.

VIII. BALANCED SCORECARD

18 dimensions assessed across the Warren Buffett Lens framework. FY2024 standalone is the baseline; Post-Lanteris February 2026 reflects the combined entity and all capital markets activity through today.

DIMENSION	FY2024 Standalone	Post-Lanteris Feb 2026
Cash & Liquidity	🟡 Caution	🟡 Caution
Receivables Quality	🟡 Caution	🟡 Caution
Inventory Risk	🟢 Strong	🟢 Strong
PP&E / Asset Quality	🟡 Caution	🟡 Caution
Goodwill & Intangibles	🟢 Strong	🔴 Red Flag
Debt Level	🟢 Strong	🟡 Caution
Dilution / Share Count	🟡 Caution	🔴 Red Flag
Deferred Revenue / Float	🟡 Caution	🟡 Caution
Customer Concentration	🔴 Red Flag	🟡 Caution
Gross Margin	🟡 Caution	🟡 Caution
Operating Margin	🔴 Red Flag	🔴 Red Flag
FCF Generation	🔴 Red Flag	🟡 Caution
ROE / ROIC	🔴 Red Flag	🔴 Red Flag
SBC as % of Revenue	🔴 Red Flag	🟡 Caution
Insider Alignment	🟡 Caution	🔴 Red Flag
Backlog Visibility	🟢 Strong	🟢 Strong
Moat / Competitive Position	🟡 Caution	🟡 Caution
Management Accounting Quality	🟡 Caution	🟡 Caution

IX. THE ONE QUESTION THAT MATTERS

"I'd rather be approximately right than precisely wrong." — We cannot model NASA's FY2027 appropriations, the LTV award timeline, or SpaceX's competitive pricing with precision. But the directional question is clear enough: can LUNR convert its \$4.8B contracted ceiling into satellite deployments and recurring service revenue before the capital markets tire of funding the gap?

THE CORE QUESTION

Can Intuitive Machines convert the \$4.8B NSNS contract into deployed satellite infrastructure and recurring service revenue fast enough to become self-funding before the NASA Artemis programme becomes a political football — and before the capital markets grow impatient with serial dilution?

What Has to Go Right

- Lanteris integration succeeds — Palo Alto satellite manufacturing maintains its 99.99% on-orbit availability track record under new ownership
- NSNS constellation deployment begins on schedule in 2026-2027 — first satellites in orbit, first recurring service revenue recognisable
- LTV award (\$600-800M Phase 1, \$4.6B total) lands in H1 2026 — the single largest outstanding catalyst for revenue re-rating
- CLPS CT4 award won — maintains LUNR's position as dominant CLPS operator against Firefly
- NASA Artemis III crewed mission proceeds — sustains political and budgetary momentum for the entire cislunar economy
- Combined entity reaches positive adjusted EBITDA in FY2026 as guided — the first proof that the Lanteris margins and LUNR revenue are genuinely additive

What Could Go Wrong

"If one customer can fire you and put you out of business, you don't have a business — you have a job." — NASA cannot 'fire' LUNR from the NSNS contract without triggering significant legal consequences. But a continuing resolution that freezes spending doesn't need to fire anyone. It just stops paying.

- Continuing resolution / government shutdown freezes NSNS milestone payments for 3-6 months — cash runway stress
- IM-3 mission failure damages CLPS franchise — triggers NASA programme review and potential recompete of CT4
- Lanteris goodwill impairment (\$200-500M) triggered by production delays or integration costs — equity destroyed non-cash but real
- Third equity raise required in 2026 (>\$200M) at below-market prices — serial dilution destroys per-share value even with revenue growth
- SpaceX / Starship offers bundled launch+lunar delivery at prices LUNR cannot match — collapses CLPS margin
- CEO selling acceleration — management alignment deteriorates further

8 Metrics to Monitor (March 19 Earnings Call and Beyond)

- Combined Q4 2025 + FY2025 revenue vs \$850M+ pro-forma claim — the first real test of the Lanteris thesis
- Goodwill recognised on Lanteris close — the exact figure will define how much balance sheet risk was absorbed

- NSNS satellite production schedule — units contracted vs. units in production vs. first launch date
- LTV contract award — expected imminently; worth \$600-800M Phase 1; the largest single near-term catalyst
- IM-3 launch date and mission outcome — Q2 2026 expected; a critical confidence event
- Adjusted EBITDA quarterly trajectory — needs to demonstrate persistent improvement not one-off Lanteris contribution
- Insider trading Form 4 filings — any purchases would be a genuine positive signal; continued sales are a negative
- Backlog burn rate guidance — updated 2026/2027 projections for combined entity essential context

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Sources: Intuitive Machines Form 10-Q Q3 2025 (Nov 13, 2025) | Form 10-K FY2024 (Mar 25, 2025) | Form 8-K Lanteris close (Jan 13, 2026) | Form 8-K \$175M raise (Feb 25, 2026) | Q3 2025 Earnings Call Transcript | PortDive Thesis ID: 8 | Warren Buffett Lens Skill ID: 24