AST SpaceMobile, Inc. (NASDAQ: ASTS)

Initiation of Coverage — April 2026

Rating	Weighted Fair Value	Fair Value Range	Current Price	Date
HOLD	**~$60**	$6 - $124	~$85	April 2026

Summary & Rating Rationale

We initiate coverage of AST SpaceMobile with a HOLD rating and a probability-weighted fair value of approximately $60, which sits below the current price of around $85, and we therefore regard the shares as fully valued rather than offering a margin of safety at this level. AST is attempting something genuinely novel, in that it is building a constellation of unusually large low-earth-orbit satellites designed to connect directly to standard, unmodified smartphones, and if it succeeds the addressable market is very large, given that its mobile network operator partners collectively serve close to three billion subscribers. The reason we stop short of a Buy, despite this potential, is that the company remains essentially pre-commercial, in that it generated only $71m of revenue in 2025 against a net loss of $342m, which means that almost the entire value of the equity rests on execution that has not yet taken place. Our central argument is therefore that the market is already pricing an outcome close to the optimistic end of the range we model, and as such there is little room left for the launch delays, further dilution, or competitive pressure that are realistic features of a business at this stage of its development.

Key Financials & Operational Milestones

Metric	FY2025A	FY2026E	FY2027E	FY2028E
Revenue ($m)	**71**	**175**	**650**	**1,400**
Net Loss ($m)	(342)	(470)	(250)	(20)
Satellites in orbit (year-end)	6	~45	~90	~130
Cash & liquidity ($bn)	3.9	~2.5	~1.5	~1.5
Contracted commitments ($bn)	1.2	-	-	-

A = actual (FY2025 reported March 2026). E = RoadToCFA estimates, which sit below management's own longer-term targets.

The Opportunity — Direct-to-Cell from Space

The core of the investment case is that AST is building a network that allows an ordinary mobile phone to connect directly to a satellite, without any specialised hardware, which is a meaningful distinction in that it removes the main barrier to mass adoption that has historically limited satellite communications. The way the economics are intended to work is that AST partners with existing mobile network operators, uses their licensed spectrum, and shares the resulting service revenue with them on a roughly fifty-fifty basis, which allows it to reach customers through the operators' existing billing and distribution rather than having to acquire them directly. The scale of the partner base is the attraction here, in that agreements span around fifty to sixty operators covering close to three billion subscribers, and even a low single-digit percentage of those subscribers paying a few dollars a month for supplementary coverage would represent a substantial revenue pool. It is also worth noting that the company holds a sizeable intellectual property position, with roughly 3,900 patent and patent-pending claims, and had demonstrated peak data speeds approaching 100 Mbps to standard handsets, which lends some technical credibility to the proposition.

Why We Are Cautious — Pre-Commercial Status and Cash Burn

The difficulty is that none of this has yet been proven at commercial scale, and the gap between the current state of the business and the state required to justify the share price is very wide. At the end of 2025 the company had only around six satellites in orbit, whereas continuous commercial service requires a constellation many times larger, and the path to that constellation depends on a sustained campaign of successful and expensive launches. The financial position reflects this, in that the company is burning cash heavily, funded by a liquidity balance of approximately $3.9bn that has itself been built through dilutive equity and convertible issuance, and we expect further capital to be required before the network is complete. As such, even a shareholder who is correct about the long-term opportunity faces meaningful dilution along the way, which is why our scenario analysis assumes a higher share count at maturity than exists today. The honest summary is that this is a venture-style investment wearing the clothing of a listed equity, and it should be sized and understood accordingly.

Competitive Landscape

A further reason for caution is that AST is not alone, and the competitive position has hardened considerably. Starlink, operated by SpaceX, is already deploying direct-to-cell capability at scale, with a constellation of over 650 satellites and regulatory approval to provide certain direct-to-cell services in the United States, and it benefits from a launch capability that AST does not possess in-house. Amazon is separately building out its own low-earth-orbit network. The significance of this is twofold, in that it both compresses the window in which AST can establish itself and raises the risk that the eventual market is shared rather than dominated, which matters a great deal for a company whose valuation depends on capturing a large share of a new market. We do not regard AST's technology as inferior, and its direct-to-standard-handset approach is differentiated, but the presence of far better-capitalised competitors is a genuine constraint on the upside that we are willing to underwrite.

Valuation

Because AST is pre-commercial, we do not believe a conventional discounted cash flow analysis is meaningful, in that almost all of the value would sit in a terminal period built on assumptions that cannot yet be tested, and the result would be a number dressed up as analysis rather than analysis itself. We have therefore valued the company on a scenario basis, modelling a mature state in 2031 under bear, base and bull cases, in which we vary the penetration of the partner subscriber base, the average revenue per user, the margin at scale and the exit multiple, and then discount the resulting enterprise value back to today at a rate of 14% to reflect the execution and dilution risk. This approach produces an implied value of approximately $6 per share in the bear case, $37 in the base case and $124 in the bull case, and a probability-weighted central estimate of around $60. The breadth of that range is itself the most important output, in that it reflects genuine binary uncertainty rather than false precision, and the fact that the weighted figure sits below the prevailing price of around $85 tells us that the market is already discounting an outcome towards the upper end of what we consider plausible. The full scenario model is available alongside this note.

Key Risks

Risk	Description	Severity
Launch & deployment	The constellation depends on a long campaign of successful rocket launches, and any failure or delay pushes back commercial activation, as the company itself has flagged.	High
Funding & dilution	The company is deeply loss-making and will need to raise further capital to complete the constellation, which dilutes existing shareholders and is reflected in our scenario share counts.	High
Competition	Starlink is already deploying direct-to-cell at scale with over 650 satellites and FCC approval, and Amazon is building its own constellation, which compresses the window of opportunity.	High
Commercialisation	The take-up rate and ARPU of a satellite add-on service are unproven, and the entire investment case rests on assumptions that have not yet been tested at scale.	High
Regulatory & spectrum	The service depends on continued FCC and international approvals and on access to partner spectrum, some of which is granted but not all of which is secured globally.	Medium