Intermap Technologies Corporation - Q3 2026 Earnings Call

Monday, November 16, 2026 5:00 PM

Event Participants

Attendees (1)

Sean Peasgood

Executives (2)

Patrick Blott, Jennifer Bakken

Sean Peasgood

Good afternoon, and thank you for joining Intermap Technologies conference call to discuss third quarter of 2026 results.

On the call today are CEO, Patrick Blott; and CFO, Jennifer Bakken. We'll review the quarter, discuss the PCI acquisition completed post the quarter, and we'll end the call with questions. Please enter questions through the webinar Q&A function at any time during the call.

Before we begin, certain information discussed today constitutes forward-looking statements. This includes PCI integration and anticipated benefits, government opportunities, Indonesia procurement and revenue timing, commercial growth, capital deployment and future performance. These statements rely on assumptions about liquidity, demand, integration and contract execution. Risks include access to capital, procurement delays, customer concentration, competition, technology, cybersecurity and geopolitical developments. Actual results may differ materially.

Please review the risks in Intermap's public filings. We undertake no obligation to update forward-looking statements, except as required by law. All amounts discussed are in U.S. dollars unless otherwise stated.

I'll now turn the call over to Patrick. Go ahead, Patrick.

Patrick Blott

Thank you, and good afternoon. I want to begin by again welcoming Michael Rolland and Terry Ryan to Intermap's Board of Directors and John McNamara to Intermap's Federal Services Advisory Board. These appointments bring experience directly relevant to the next stage of Intermap's growth. These highly accomplished individuals add specific relationships that complement our priority customer acquisitions along Intermap's growth road map. Our one-of-a-kind integrated now multi-domain and edge-enabled processing advantage is really unmatched for this purpose.

These talented additions accelerate our opportunity to compete for larger government programs and commercial contracts.

For the second consecutive quarter now, Intermap achieved the highest commercial recurring revenue in its history. Value-added Data was a clear area of growth this quarter. Total revenue increased 5% to $1.8 million. Software and Solutions revenue was $1.2 million compared to $1.3 million. Acquisition Services revenue remained 0.

Excluding Acquisition Services, which relates to Indonesia, Q3 revenue increased 12% and revenue for the first 9 months increased 2% compared with the same period in 2025.

On October 7, we completed our acquisition of PCI Geomatics for $7.7 million in cash. We're excited about what we'll do together as a combined company. Pro forma revenue for the combined company for the first 9 months of the year exceeded $10 million, mostly recurring. Pro forma total assets at September 30 approximated $30 million and pro forma total debt at September 30 was $1.9 million, and that's comprised primarily of office and computer leases and deferred revenue. Excluding the transaction costs, the accounting, the tax effects, we estimate PCI contributed approximately $2 million of cash to adjusted earnings.

We're maintaining our 2027 commercial and defense revenue guidance, targeting $12 million to $15 million of revenue with roughly $5 million in adjusted EBITDA, driven by AI-powered insurance analytics, telecommunications and critical infrastructure vertical markets and defense and intelligence requirements. The company expanded its portfolio of defense contracts during the quarter with a new U.S. SOCOM OTA, where we will focus on multi-domain geospatial intelligence products. Our guidance excludes pending government mapping procurements in 2026 and 2027, including Indonesia until formal contract awards occur.

PCI, I'm on Slide 5, adds satellite and aerial image processing technology to Intermap's risk management solutions, orthorectification and analytics capabilities. PCI software provides rapid image processing for satellites, spacecraft, airborne and drone sensor operators and analysis capabilities to thousands of value-added resellers who use the imagery to produce GEOINT for their customers. We will continue to monetize that channel with innovative dual-use technologies and multi-domain multisensor GEOINT products.

During the quarter, Intermap was placed on a new contract with the U.S. Military under its other transaction authority to develop multi-domain GEOINT solutions. In addition, Defense Advanced Research Product (sic) [Projects] Agency, DARPA, one of Intermap's longest serving defense industry partners, they extended Intermap's current contract while they are architecting an expanded scope for follow-on contracting expected in Q1 next year.

Our customers, including Indonesia and the Defense Department, are asking for integrated GEOINT so they can solve larger problems faster with more software and automation and have the flexibility to do more on-premise in secure locations of their choosing all over the world. Our platform currently services millions of machine-to-machine 3D calls a month for exquisite GEOINT products. PCI adds nearly 3 million new images processed daily to that capability. No single commercial satellite operator handles that volume. That offers potential for incredible refresh rates.

The acceleration is making markets by expanding use cases. We're seeing that early in our Value-added Data segment with expanding growth. We know it from experience with our insurance business where some of the large accounts this year are digging deeper into the data and renewing term contracts with as much as 180% upsells.

A quick update on Indonesia. They need a world-class map. Accordingly, they've upgraded oversight of their ILAS program. and put the procurement under the jurisdiction of the Attorney General. That's an important step forward.

Intermap has the past performance, the technology, capability and expertise to help BIG successfully complete this program on time and within budget. It will be a step change upgrade in domestic technology and capacity for them, and we will continue to invest and support that government customer as long as the program remains financially viable.

I will now turn the call over to Jen to review financial results.

Jennifer Bakken

Thank you, Patrick. Quarterly net loss was $4 million or $0.05 per basic and diluted share compared with $1.5 million or $0.02 per share in the third quarter of 2025. Operating loss was $4 million compared with $1.4 million in the third quarter '25. The loss reflects delayed Indonesia procurement, commitments to the Indonesia tendering process and higher costs associated with the PCI acquisition. Personnel expense increased to $3.3 million from $1.7 million in the third quarter of '25 and $2.1 million in the second quarter of '26.

The $1.2 million increase from Q2 primarily reflected the $1.1 million of incentive compensation tied to the PCI acquisition and Indonesia readiness.

Personnel expense was $3.2 million in Q4 '25 compared with $2.1 million in Q4 '24 before the Indonesia mapping tender. Purchased services and materials increased to $1.6 million from $800,000 in the third quarter of '25. Business acquisition costs were $400,000 in Q3 and $500,000 for the 9 months for professional and accounting services. For the 9 months, net loss was $9.2 million compared with $3.5 million in the prior year. That increase reflected our investment in platform, technology and personnel to prepare for countrywide Acquisition Services in Indonesia.

Excluding capital upgrades, Intermap budgets approximately $1 million of investment per quarter to pursue Indonesia. We ended September with $12 million in cash, $8.4 million in working capital and $13.9 million in shareholders' equity. Cash used in operations during the first 9 months was $5.5 million compared with $200,000 in '25. Investing cash outflow totaled $1.8 million, consisting of $1.2 million for technology and platform upgrades and $605,000 for hardware additions. Those cash flow amounts should not be confused with total capital additions, which can include finance purchases.

These balances are before the October PCI acquisition.

For the first 9 months, we used $2.8 million in financing activities, including $2.3 million to purchase dilutive securities at an average price of $0.93 per share, $200,000 for lease payments and $300,000 for loan repayments. The number of dilutive securities declined from 2,429,000 at year-end to 1,338,000 at

September 30. Including incentive compensation, settlement of share-based awards, PCI acquisition costs, capital investment in the airplane and sensor, monthly cash burn for the first 9 months of '26 averaged $500,000 per month compared with 0 prior to the Indonesia procurement.

I will now turn the call back to Patrick.

Patrick Blott

Thank you, Jennifer. A few takeaways from this quarter. We're investing in our high-growth, high-margin commercial business with this PCI deal. There's a great opportunity for introducing bundled products, multi-domain products for defense, especially. We've hired space vertical-focused sales reps and marketing professionals to build out that front end for that business.

This investment makes sense, and it approximates the amount of investment we've made in the collection and the government business, specifically for Indonesia. Those dollars are almost dollar-for-dollar capital invested.

Indonesia is taking positive steps forward, and we continue to invest there to support that program. We're going to see a new VP soon, who's very confident and aligned with the President and the President's objectives, I expect. The U.S. government has become a demand pull. They're supporting our product development with new contracts.

The large dollars are somewhat still tethered to Indonesia because we can't, at the moment anyway, be two places at once, given our commitments to Indonesia. And all approvals to use dual-use technologies lead to the U.S. government. NVIDIA is learning that lesson the hard way, real-time. We have real opportunities to expand the wallet with NGA, where many of PCI's main customers are critical suppliers to the U.S.

government. So we'll be opening that door for them, too.

We will now take questions.

Sean Peasgood

Great. Thanks, Patrick. [Operator Instructions] Right, our first question: Since your last call, the Indonesian project schedule has seen additional weekly postponements for the next major milestone, the issue notice of intention to award date. Can you elaborate on what you are hearing with respect to the process and where the bottleneck or choke point is now?

Patrick Blott

Yes. I think I've mentioned that. I mean they've completely moved the authority for that decision to the Attorney General. So that's a pretty big step.

Sean Peasgood

Next, there's a couple here on Indonesia. Your last update says Sulawesi was successfully audited in 2025 and the data was accepted as better than specification. Can you confirm whether all deliverables received formal acceptance and whether any outstanding quality issues or financial disputes remain?

Patrick Blott

No outstanding.

Sean Peasgood

Okay. Next one. With approximately $1 million being invested quarterly to maintain readiness, what is the maximum additional financial commitment Intermap is prepared to make without a finalized award? And how confident is management that this investment will translate into contracted revenue? I mean you kind of commented on that already.

And then they're asking for some specifics about what that $1 million is covering as far as costs?

Patrick Blott

I mean we are in a process with commitments where we have a readiness and a timetable and a capability, right? This is the whole country. It's a big -- we've done 10% of the country. This is 90% of the country outstanding. And so in order to do that and meet those commitments, we have to maintain a certain amount of both capital and human resource allocated to the country.

I've said that several times before. So what that means?

Well, it means, one, we need to make sure that the process is moving along and that we have high confidence that those awards are on track. And number two, it means that we need to make sure that we're not going to overstay if we get the feeling that, that isn't going to happen because it's not free. So delays cost money. We watch it really closely. We look for progress, and we look for legitimate reasons for delay.

And I think in both cases, we're seeing progress, and we have seen legitimate reasons for delay. Look at what happened to our share price and money a few months ago. It's absurd.

So we've seen legitimate reasons for delay. We've seen progress in terms of the procurement there, and we're allocating capital accordingly. And if we ever felt differently, we wouldn't do that. And I'll remind everybody that Intermap, like other dual-use companies, operates with U.S. government permits.

So if a process indicator suggests that we wouldn't get those permits, that would change the outcome, too.

Sean Peasgood

Okay. As a follow-up here, I won't repeat the first part, but have other bidders also made the similar types of commitments?

Patrick Blott

Yes, I can't talk to the other bidders, and I don't talk to the other bidders.

Sean Peasgood

Yes, fair. Okay. On the PCI acquisition, understanding the 2 companies knew each other well pre-transaction, how has the integration played out relative to your expectations so far?

Patrick Blott

Yes, that's a good -- I mean, firstly, this is a transaction that's years, not months in the making. It developed over several years because we've known each other well. And why is it happening now? Because the customers is saying they want multi-domain GEOINT. The market is driving the timing of that transaction.

It's been in development for a very long time. It's happening now, and it's happening now for reasons.

So first and foremost, that product, that market, that customer is a target. And then secondly, we have operational and we have other verticals and other opportunities along with that. By the way, some of this capability, distributed processing is part of Intermap's technology road map. It's a requirement in Indonesia, for example, but Indonesia is not the only country that has that requirement. The U.S.

government also does. On-premise data sovereignty is a big deal in the industry right now. And we had an opportunity to do this transaction and acquire PCI with a whole bunch of other customers and products in addition to the product that we would have otherwise probably spent more building ourselves as part of those requirements. So all of that's to say, on many dimensions, this deal is working out very favorably. We're all very excited about it on both sides of the company -- of both companies.

Sean Peasgood

And then sticking to PCI, the PCI acquisition has likely drawn notice from other potential acquisition targets. Can you talk about your appetite for more M&A and what types of companies, if there are any, that you'd like to add?

Patrick Blott

We have very clear filters, right? I mean we're very vertically focused as opposed to horizontally focused. So we have vertical markets that we care a lot about. We've chosen them carefully. We've matched our product to the demand pull in each of those vertical markets carefully.

On the commercial side, we talk about, obviously, insurance; we talk about telecommunications; we talk about strategic infrastructure, critical infrastructure. And so where opportunities match those vertical markets, either in terms of customers or in terms of the breadth of product in our insurance business, we're seeing -- I think I talked about it in the quarterly release, we're seeing incredible upsells because we've improved the mix of GEOINT product that our customers -- existing customers can buy, and it's opening up markets to new customers.

So that kind of very carefully selected, call it, complementary or bolt-on acquisitions we're interested in, and that works on both sides of the business, government and commercial.

Sean Peasgood

As a combined company, how are you thinking about the ideal revenue mix in terms of government, defense and commercial revenue?

Patrick Blott

Yes. I've said for a very long time, and I really believe this is the way to do it, that we want our mix and our capital allocation mix to reflect sort of the industry and the industry growth dynamic. And that today, if you tee it up, is about 70% government, maybe a little more, and 30% commercial. Commercial is growing at a

faster -- that TAM is growing at a much faster rate. So it's always fun and it has high margins, but it has to be balanced against the pacing because a lot of the technology gets set on the government side, and on that side, most of it gets set in the classified domain.

So it's very important to pace with the industry. We try to match our pacing that way, too, with a 70-30 split. And I think if Indonesia was on schedule, that's what our profile would look like. So it doesn't look like that today because of idiosyncratic things going on. But as a medium-term objective, that's the way we manage the business.

Sean Peasgood

Can you talk about the opportunities you're seeing in defense, both in the U.S. and anything you can participate internationally in? With the U.S. operating under a continuing resolution right now, how much of an impediment is that to winning new business?

Patrick Blott

Yes, that's a very good question because I think a lot of people don't -- and just for the benefit of everybody, there's a defense budget, right, in the United States, and it gets proposed by the Secretary and the President and then there's the defense authorization that allows for the spending. And so those numbers may or may not align. So right now, the government is operating under continuing resolution, which basically means they're carrying forward their budget from last year, which is in the realm of $850-or-so billion.

The constraints on that means there's constraints on new programs. So they're allowed to continue to carry forward last year's spending at the levels and they're restricted because they have to allocate internally from one to -- they have to take from one to add to the other under continuing resolution. It's very complicated. So it's a good question. And it does affect some of the new program business.

Our core customers have urgent requirements and Intermap is a very unique company because of where it fits with those urgent requirements and they find budget under other transaction authority, and that's -- those are the contracts that we're currently operating on.

So the programs of records, which are the line items in the defense budget, those are operating under continuing resolution, not much activity there. We're on vehicles with NGA, several of them, several other departments, somewhat frozen until the defense budget gets approved and the Defense Authorization Act gets approved. But in the meantime, our core customers are working under OTAs and keeping us going and helping us evolve that product road map.

Sean Peasgood

Okay. Great. In the past, you've mentioned other national mapping programs that you were potentially working on. Can you update people on opportunities outside of Indonesia?

Patrick Blott

There's a lot and growing all the time. And it does take a bunch of our focus and time to do that, but again, when you have these commitments and these assets that are pointed, it does stagger the deck a little bit.

So that's what we're facing with. We are very, very busy. We're adding new jurisdictions, especially in Southeast Asia and South America.

And -- but we do need a decision one way or the other on Indonesia.

Sean Peasgood

Okay. And then any updates on NGA Luno, any of the defense programs that beyond kind of what you just mentioned? Is there any update there on the things that we've already announced?

Patrick Blott

The only thing I will mention that I think is important because they are obviously caught in this whole defense budgeting process. However, with PCI, one of the very important and exciting aspects of that is their main customers are all critical providers to NGA. And so the opportunity for them to expand that wallet and for us to help them do that with their existing customer base in terms of the GEOINT products, right? I'm not talking about launching birds in the space. I'm talking about using the data that comes off of them.

The opportunities to expand into that GEOINT product and do that with PCI's customer base is a big deal for PCI and for Intermap and for the customers as well because there's very complementary capabilities there.

Sean Peasgood

Okay. Great. Kind of nailed most of these questions.

Patrick Blott

And you know what, Sean, maybe I'll just mention one because I mean, it's important, right? Like when you're talking about, let's say, satellites, it's not just satellites because drones is another area, very important; in addition to airplanes, which is what we do a lot of. But when -- PCI has got a capability right now where they're processing north of 3 million images a day, there isn't a provider out there at that volume, right? So when you talk about multi-domain GEOINT and integrating these massive volumes from different platforms, some in space, some in the air, some drones, the capacity to be able to do that, Intermap's capacity to be able to do country scale at the high resolutions, the 1 to 5,000 scale map, the mil-spec resolutions, that capacity to handle the processing is a big, big deal. And these -- both of these companies do that.

And combined, I don't think there's anyone out there that can do it at that kind of volume for multi-domain geospatial intelligence.

Sean Peasgood

Okay. That's great. Patrick, I think we'll leave it there on the questions. If you have any further questions, feel free to reach out to any of us that are listed on the bottom of the press release. We're happy to address them.

I'll turn the call back to Patrick for closing remarks.

Patrick Blott

Thank you, Sean, and thank you, everyone, for joining us on today's call and for your continued interest in Intermap. We look forward to updating you on our progress as we go.

Sean Peasgood

Thank you for joining today's call. This concludes Intermap's Third Quarter 2026 Conference Call. Thank you for participating.