

MIND Technology Inc. (MIND:NASDAQ)

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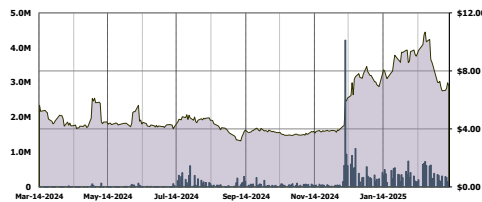
All figures in USD unless otherwise stated

MIND Technology Inc.	MIND:NASDAQ
Share Price	\$7.23
Average Daily Volume (K)	343.1
Shares Outstanding (M)	8.0
Market Cap (\$M)	\$57.6
Cash (\$M)	\$3.5
Debt (\$M)	\$1.5
Enterprise Value (\$M)	\$55.6

FYE Jan 31	FY23A	FY24A	FY25E
Sales (\$M)	\$25.0	\$36.5	\$44.0
Sales Growth (YoY %)	8%	46%	21%
Gross Margin (%)	40%	44%	N/A
EBITDA (\$M)	(\$4.3)	\$1.7	\$7.4
EBITDA Margin (%)	(17%)	5%	17%
Net Income (\$M)	(\$8.8)	\$0.3	N/A

Valuation	FY23A	FY24A	FY25E
EV/EBITDA	N/A	32.8x	7.5x
P/E	N/A	N/A	N/A
EV/Sales	2.2x	1.5x	1.3x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



MIND Technology Inc. provides technology to the oceanographic, hydrographic, defense, seismic and security industries. Headquartered in The Woodlands, Texas, MIND has a global presence with key operating locations in the United States, Singapore, Malaysia, and the United Kingdom. Its Seamap unit designs, manufactures and sells specialized, high performance, marine exploration and survey equipment.

What you need to know:

- MIND Technology is a provider of advanced marine technology solutions, servicing energy, military, and research organizations.
- The Company has excellent tailwinds in its markets, supporting 46% revenue growth in FY24 and forecasted 21% growth in FY25.
- In 2023, MIND sold off its Klein Sonar Unit to streamline its operations, and in late 2024, MIND completed a preferred shares to equity conversion. These transactions supported EBITDA margins scaling from (17%) in FY23 to 5% in FY24 and 17% in FY25E.
- Watch clips of the interview [here](#).

Company Overview

MIND is a provider of advanced marine technology solutions, specializing in high-performance sonar and seismic equipment for military, commercial, and research applications. The Company designs and manufactures a range of underwater exploration and imaging products, including side-scan sonar, sub-bottom profilers, and seismic survey systems used for hydrographic mapping, offshore energy exploration, and defense operations. MIND is well-known for its innovative sonar solutions that enhance underwater situational awareness and data acquisition.

Headquartered in Texas, the Company's focus on research and development has led to the creation of next-generation sonar and seismic solutions designed to operate in challenging underwater environments. By leveraging its expertise in acoustics and signal processing, MIND Technology continues to expand its offerings in maritime security, underwater exploration, and oceanographic research, positioning itself as a key player in the growing offshore energy and defense sectors.

Investment Thesis

Favourable Macro Environment & Tailwinds. Global capex on subsea facilities is expected to grow at a 10% CAGR from 2024 to 2027 while the offshore wind market is expected to grow at a 7% CAGR through 2030.

Strong Revenue Growth. These tailwinds have allowed the Company to grow revenue 46% in FY23, while consensus expects 21% growth in FY25. MIND ended the fiscal year with a \$38.4M backlog vs. \$15.7M in FY23.

New Focus on Profitability. MIND sold off its Klein Sonar Unit in August 2023 and streamlined its operations, before completing a preferred share to equity conversion in September 2024. This allowed the Company to focus on margins; EBITDA margins expanded from (17%) in 2023 to 17% in 2025E.

Management. President & CEO Robert Capps served as a board member since 2004 before taking on the role of Co-CEO in 2015 and CEO in 2022. He brings decades of experience in the defense, energy, industrial sectors.

Valuation. MIND currently trades at 7.5x FY25E EBITDA and 1.3x FY25E sales.

Conference Takeaways

- MIND is growing existing segments, focusing on what it does well and carefully looking at M&A for similar businesses and product lines.
- Manufacturing in Singapore and Malaysia, moving more over to Malaysia to benefit from cheaper labour. Additionally, this reduces exposure as there is little to know manufacturing in the US.
- Experienced management team positioned the Company for strong growth in 2024 and targeting profitability in 2025 and expecting margins to grow.