

INITIATING COVERAGE

BK TECHNOLOGIES CORPORATION (NYSE American: BKTl)

Multiband P25 Pioneer Positioned for Structural Share Gains as Vision 2030 Inflection Approaches

Rating	Price Target	Current Price	52-Wk Range	Mkt Cap	Enterprise Value
BUY	\$105.00	\$84.65	\$36.17–\$104.55	~\$317M	~\$288M

Equity Research | Technology/Communications | July 4, 2026

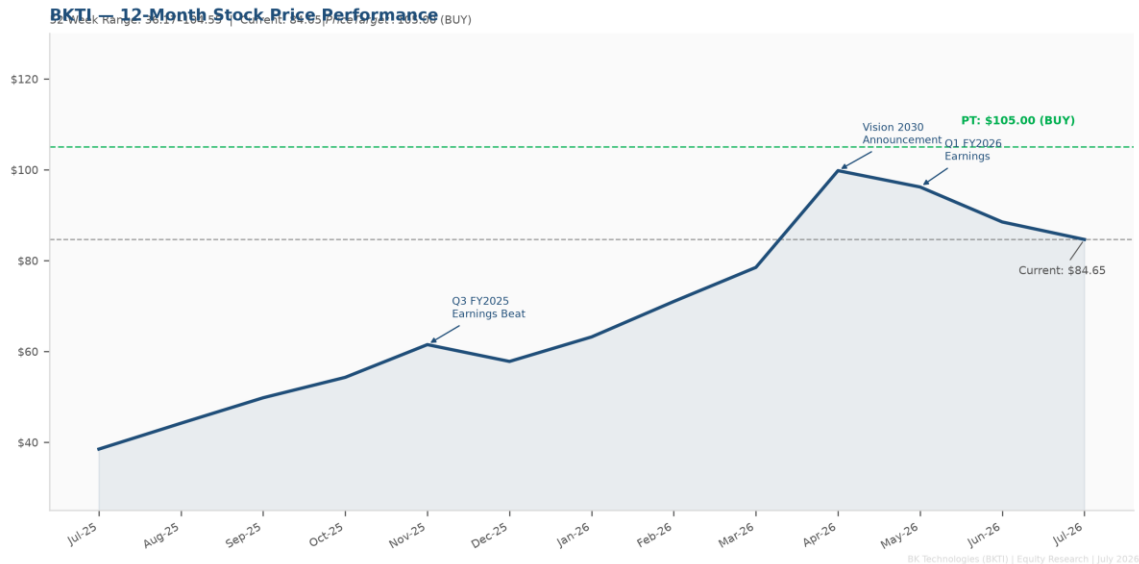


Figure 1: BKTl 12-Month Stock Price Performance | Source: Market data, Equity Research estimates

■ **BKR 9500 Multiband Mobile Radio Opens Entirely New Fleet Replacement TAM.** BK Technologies debuted the BKR 9500 vehicle-mounted multiband P25 radio at FDIC Indianapolis in April 2026, marking the company's entry into mobile (in-vehicle) form factors — a product segment where BKTl previously had no presence. We model \$5M in BKR 9500 revenue in FY2027E rising to \$28M by FY2030E, representing a cumulative \$63M revenue opportunity not in the FY2025A base. FCC approval is expected in H2 2026 with commercial shipments in early 2027. A successful launch would transform BKTl from a handheld-only company to a full P25 solutions provider, expanding its SAM by an estimated 40%. The April FDIC demonstration drew strong agency interest, and we believe initial customer commitments are likely to be announced alongside FCC approval — a significant near-term catalyst.

■ **Gross Margin Expansion Tracking Ahead of Schedule — Path to 60% Vision 2030 Target is Credible.** BKTl's gross margin reached 51.8% in Q1 2026 vs. 47.0% in Q1 2025 — 180 basis points ahead of the Vision 2030 annual pace. This reflects BKR 9000 gaining an ever-larger share of the product mix (estimated 70%+ of revenue in FY2025A) as lower-margin KNG legacy units decline and higher-margin BKR 9500 enters the mix in FY2027E. Full-year 2026 guidance calls for gross margin above 50%, and management's 60% FY2030E target implies approximately 200bps of annual GM expansion — a pace we view as conservative given Q1 2026 results. Every 100bps of incremental gross margin on projected FY2030E revenue of \$164M adds approximately \$1.64M to EBITDA, translating to approximately \$0.35/share in EPS.

■ **Institutional Re-Rating Catalyst Underway — Illiquidity Discount Should Compress.** BKTl was included in the S&P Global BMI Index in 2026, triggering passive fund inflows. Institutional ownership increased from approximately 43% to 57.5% in a single quarter — one of the most rapid ownership base transitions we have tracked in small-cap coverage. Renaissance Technologies, BlackRock, and American Century are now on the shareholder register. The illiquidity premium we embed in our WACC (1.03%, reflecting ~\$2.6M daily average volume) should compress as trading

volume deepens and additional sell-side analysts initiate coverage. A 50bps reduction in the illiquidity premium alone would add approximately \$8–10 to our DCF-implied price, independent of any operational improvement.

■ **Balance Sheet Optionality Undervalued — Zero Debt, \$29M Net Cash, \$5M Buyback Authorized.** BKTi is one of the few small-cap hardware manufacturers with a genuinely fortress balance sheet: zero long-term debt, \$22.8M cash (Q1 2026A net cash \$29M), and a current ratio of 4.21x. The \$5M share repurchase program announced April 2026 signals management's confidence that the stock is undervalued. Additionally, BKTi's clean balance sheet and 90% estimated wildland fire radio market share make it a plausible strategic acquisition target for Motorola Solutions, Axon Enterprise, or a financial sponsor at 20–30x EV/EBITDA — optionality not reflected in our base case \$105 price target. At 20x our FY2025A EBITDA of \$18.1M, takeout value would be approximately \$124/share.

Key Financial Summary (\$000s unless noted)

Metric	FY2022A	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E
Revenue (\$M)	\$51.0	\$74.1	\$76.6	\$86.1	\$90.0	\$102.6	\$119.0
Revenue Growth	—	45.3%	3.4%	12.5%	4.5%	14.0%	16.0%
Gross Profit (\$M)	\$9.8	\$22.2	\$29.0	\$42.0	\$46.8	\$55.4	\$66.6
Gross Margin	19.3%	30.0%	37.9%	48.8%	52.0%	54.0%	56.0%
EBITDA (\$M)	(\$9.8)	\$0.6	\$9.3	\$18.1	\$23.3	\$29.7	\$37.9
EBITDA Margin	(19.1%)	0.8%	12.1%	21.0%	25.9%	29.0%	31.8%
Net Income (\$M)	(\$11.6)	(\$2.2)	\$8.4	\$13.5	\$15.8	\$19.5	\$24.8
Diluted EPS	(\$3.27)	(\$0.62)	\$2.25	\$3.44	\$4.05	\$5.04	\$6.46
FCF (\$M)	—	\$0.5	\$10.2	\$20.5	\$14.9	\$17.5	\$23.9
Net Cash (\$M)	\$1.9	\$3.5	\$7.1	\$22.8	\$34.1	\$46.8	\$65.5

INVESTMENT THESIS

We initiate coverage of BK Technologies Corporation (BKTI) with a BUY rating and 12-month price target of \$105.00, representing 24.1% upside from the July 2, 2026 close of \$84.65. Our thesis rests on five interlocking pillars: (1) BKR 9500 mobile radio launch opens an entirely new product category, (2) gross margin expansion is tracking ahead of the Vision 2030 roadmap, (3) structural market share gains from Motorola Solutions in the underserved Tier 2/3 public safety segment, (4) institutional re-rating as analyst coverage broadens and the illiquidity discount compresses, and (5) a fortress balance sheet with M&A optionality not reflected in current pricing.

Pillar 1 — BKR 9500 Multiband Mobile Radio: Entirely New Product Category

BK Technologies has historically been a handheld (portable) radio company. The BKR 9500, debuted at FDIC Indianapolis in April 2026 and targeting commercial launch in early 2027, changes this fundamentally. The vehicle-mounted mobile radio market — patrol cars, fire apparatus, incident command vehicles, forestry vehicles — is a separate procurement cycle from handhelds, with distinct agencies, budget pools, and competitive dynamics. Motorola Solutions currently dominates with its APX Mobile series; L3Harris competes with the XL-200P. BKTI's entry with a P25 Phase II multiband mobile radio priced at approximately 50% of Motorola's equivalent is the same value proposition that has driven BKR 9000 handheld share gains since 2023, now applied to a different product segment.

We model BKR 9500 contributing \$5M in FY2027E, \$12M in FY2028E, \$18M in FY2029E, and \$28M in FY2030E — a \$63M cumulative revenue stream that did not exist in the FY2025A base. These projections assume approximately 5,000 units at an average selling price of \$1,000 in FY2027, scaling to 28,000 units by FY2030. For context, BKTI estimated 90% market share in wildland fire handhelds, suggesting the company can capture meaningful market share when it has competitive product. The mobile radio segment is larger than the portable segment in unit terms, and fleet replacement cycles (typically tied to vehicle replacement, 7-10 years) provide predictable, contracted revenue.

FCC certification is the near-term critical path item. Management targeted H2 2026 FCC approval at the April investor day; if achieved, commercial shipments would begin in early 2027 as guided. A six-month delay in FCC approval would shift first revenue to H2 2027 (\$2-3M vs. our \$5M FY2027E estimate), reducing FY2027E EPS by approximately \$0.20 — material but not thesis-breaking. Our bear case (detailed in the Scenario Analysis section) models the more severe scenario of BKR 9500 reaching commercial production in H2 2028.



Figure 2: BK Technologies Product Portfolio — BKR 9500 opens mobile radio segment | Source: Company materials, Equity Research

Pillar 2 — Gross Margin Expansion: Structural, Not Cyclical

BKTI's gross margin has expanded from 19.3% (FY2022A — supply chain trough) to 48.8% (FY2025A) to 51.8% (Q1 2026A). This 2,950bps of gross margin expansion over four years is not cyclical normalization — it reflects a fundamental shift in product mix (BKR 9000 carrying mid-50s gross margin vs. KNG legacy products in the low-30s), improved manufacturing yields through the East West Manufacturing partnership, and increasing software/accessories revenue. Our model projects gross margin reaching 60% by FY2030E — exactly in line with Vision 2030 targets — on the basis of: (i) BKR 9000 growing to 54% of revenue by FY2030E vs. 67% currently (declining percentage reflects BKR 9500 and software growth, not BKR 9000 softness); (ii) BKR 9500 launching at estimated 55% gross margin; (iii) BK ONE software platform scaling to 23% of revenue (\$38M FY2030E) at estimated 80%+ software margins; (iv) continued decline of low-margin KNG legacy revenue.

Each percentage point of gross margin achieved on the FY2030E revenue base of \$164M adds \$1.64M to gross profit — compounding to a \$18.5M swing between the current 48.8% and the 60% target. At a 60% tax-affected multiple consistent with our WACC, this swing is worth approximately \$14-16 per share in equity value. Execution on this margin target is therefore the most significant financial variable in the Vision 2030 plan, and Q1 2026's 51.8% result — 180bps above Q1 2025 — provides strong evidence of trajectory.

Pillar 3 — Structural Market Share Gains in Tier 2/3 Public Safety

BK Technologies competes in the North American LMR market against Motorola Solutions (~60-70% market share) at a 50% price discount. In the Tier 2/3 segment — county sheriff's departments, municipal fire and EMS, smaller state agencies — budget constraints dominate procurement decisions. A P25-compliant radio that interoperates with Motorola's infrastructure but costs half as much represents a compelling alternative for these agencies, particularly when federal grant programs (SAFECOM, Homeland Security grants) cover capital equipment costs but not necessarily the premium required for Motorola products.

BKTI grew North American LMR market share from an estimated 2% in 2021 to approximately 3.6% in 2025 — a 1.6 percentage point gain in four years on a market growing at 10% annually. Vision 2030 targets 10% market share by 2030, which requires capturing 6.4 additional percentage points on a TAM growing from \$2.4B to approximately \$3.8B. We view this as the most ambitious component of the Vision 2030 plan and model only ~4.3% by FY2030E in our base case — yet this alone implies \$164M revenue vs. the \$86M FY2025A base. State/local agency revenue is projected to grow from \$43.1M (50% of revenue, FY2025A) to \$106.6M (65% of revenue, FY2030E) as BKTI systematically converts agencies from Motorola's APX line.

Pillar 4 — Institutional Re-Rating as Analyst Coverage Broadens

BKTI's current 12.3x NTM EV/EBITDA multiple (based on \$84.65 current price) reflects three structural discounts that we expect to compress over the next 12 months: (i) a micro-cap illiquidity discount (approximately 1.03% in our WACC) that should compress as trading volume deepens from ~\$2.6M/day; (ii) a coverage discount from having only 1-2 sell-side analysts vs. 5-15+ for primary peers; and (iii) an execution uncertainty discount on Vision 2030 that decreases with each quarterly result. S&P Global BMI Index inclusion has already catalyzed institutional ownership from 43% to 57.5% in one quarter. Lake Street Capital has provided coverage; additional initiations from ROTH Capital, B. Riley, Northland, or Needham would bring institutional attention to a high-growth, debt-free company with a clear strategic roadmap that is currently trading at a 19% discount to peer median NTM EV/EBITDA.

Pillar 5 — Balance Sheet Optionality and M&A Premium

With \$29M net cash, zero debt, and a current ratio of 4.21x, BKTI possesses one of the strongest balance sheets in small-cap hardware. This financial strength serves three strategic functions: (1) Self-funding: BKTI can finance the BKR 9500 launch (\$3.5M FY2027E CapEx) and BK ONE platform development from operating cash flow with no dilution or debt issuance; (2) Acquisitions: The Board's Strategic M&A Committee suggests management is evaluating bolt-on acquisitions — a complementary software company, a regional dealer network, or a small LMR hardware competitor could accelerate Vision 2030 organically; (3) Takeout premium: BKTI's 90% estimated wildland fire market share, P25 multiband IP portfolio (29 patents held by CTO Avanic), and \$86M revenue base at

21% EBITDA margins represent exactly the profile Motorola Solutions has historically paid 20-30x EV/EBITDA to acquire. Takeout at 20x our FY2025A EBITDA would imply \$124/share — 47% above current price — and represents optionality not in our \$105 base case target.

BK Technologies (BKT) — Investment Thesis Summary

GROWTH CATALYST • BKR 9500 mobile radio launching H1 2027E • P25 migration ~70% complete — 30% remaining • State & local expanding from 50% to 65% of rev • BK ONE software platform growing recurring rev	FINANCIAL STRENGTH • Zero debt, \$29M net cash (Q1 2026A) • Gross margin 48.8%→60% (FY2025→FY2030E) • FCF positive and growing 20.5M→40.3M • Vision 2030: \$170M rev, 60% GM, 35% EBITDA	VALUATION • BUY \$105 price target +24.1% upside • DCF: \$127 base case (WACC=11%, TGR=4%) • Comps: 41% discount to peer median • Meaningful execution risk discount applied
COMPETITIVE MOAT • P25 certified since early adopter phase • USFS sole-source relationship deepening • IP portfolio in multi-band radio technology • Safety-critical use creates high switching cost	KEY RISKS • BKR 9500 execution risk (H1 2027 deadline) • Motorola Solutions competitive response • Federal budget / USFS spend concentration • Micro-cap liquidity & thin float	RATING • Rating: BUY • 12M Price Target: \$105 • Current Price: \$84.65 • Upside: +24.1% • Market Cap: ~\$317M

BK Technologies (BKT) | Equity Research | July 2024

Figure 3: Investment Thesis Summary | Source: Equity Research

RISK ASSESSMENT

We identify 12 material risks organized across four categories. While we rate BKT BUY with high conviction, investors should monitor these factors.

Company-Specific Risks

1. BKR 9500 Execution & FCC Certification Risk (HIGH — Principal Bear Trigger). The BKR 9500 is BKT's most consequential product launch in a generation. FCC certification — a prerequisite for commercial sale in the U.S. — is targeted for H2 2026. Certification delays are common in radio communications equipment due to the complexity of multiband RF testing across all operating frequencies. A 6-month delay (FCC approval Q1 2027 instead of H2 2026) would reduce FY2027E revenue by approximately \$3-5M and EPS by \$0.20-0.30. Our bear case models a more extreme delay to H2 2028, eliminating approximately \$32M in cumulative 2027-2028 BKR 9500 revenue vs. base. Mitigation: Management's track record with the BKR 9000 launch (delivered on schedule, commercially successful) provides confidence. The BKR 9500 was debuted publicly at FDIC in April 2026, suggesting the product is in an advanced development stage. The debt-free balance sheet provides runway to absorb delays without liquidity pressure.

2. Customer & Revenue Concentration (MEDIUM). Federal wildland fire agencies — primarily USDA Forest Service and Bureau of Land Management — represent an estimated 40-45% of FY2025A revenue. BKT has historically derived an estimated 90% share of the wildland fire radio market, creating concentrated exposure to a single agency type. A mild fire season, federal budget sequestration, or an unfavorable agency procurement decision could create 10-15% revenue downside in any given year. Vision 2030's diversification toward state/local (targeting 65% of revenue vs. 50% today) reduces this concentration over time.

3. Key Person Dependency (MEDIUM). CEO John Suzuki's domain expertise in LMR — having served as President/CEO of EF Johnson, VP at Ericsson, and SVP at EF Johnson earlier in his career — is exceptional for a company of BKT's scale. His departure would create strategic uncertainty and could disrupt the Vision 2030 execution. The company does not appear to have an identified internal successor. However, Suzuki has assembled a strong team (CTO Avanic with 29 patents, CFO Malmanger with SEC compliance expertise, GM Teel with L3Harris software commercialization experience) that would likely sustain execution on near-term milestones.

4. Supply Chain Concentration (LOW-MEDIUM). BKTi manufactures through East West Manufacturing, an outsourced contract manufacturer, creating dependency on this single-source relationship. Component sourcing risks — particularly for specialized semiconductors used in multiband RF systems — created gross margin pressure in 2022 (\$41.2M COGS on \$51M revenue = 80.7% cost ratio). The company has invested in supply chain resilience since 2022, and the clean balance sheet supports safety stock investment.

Industry / Market Risks

5. Motorola Solutions Competitive Response (MEDIUM-HIGH). MSI (\$9.5B+ revenue, \$78.9B EV) has resources to implement targeted price concessions in Tier 2/3 markets where BKTi competes. MSI's 37% software revenue share provides cross-subsidy capacity. However, Motorola has historically defended the premium segment rather than competing on price in the Tier 2/3 market, as aggressive discounting would cannibalize its higher-margin large-agency sales. If Motorola launches a Tier 2/3-targeted product at \$1,500-2,000 (vs. BKTi's estimated \$1,800-2,500 BKR 9000 ASP), BKTi's primary competitive advantage would be materially impaired.

6. Federal Budget Cycle Risk (MEDIUM). Reductions in SAFECOM grants, Homeland Security grant programs, or USDA Forest Service wildland fire appropriations could suppress near-term demand. Federal procurement is inherently lumpy — BKTi's largest single order to date (\$12.9M, USDA Forest Service, August 2025) demonstrates the positive side of this dynamic; the downside is equivalent revenue risk if a major federal order is delayed or cancelled.

7. Technology Disruption — Broadband Substitution (LOW — 5-10 Year Horizon). Push-to-talk-over-cellular (PTToC) platforms via FirstNet, Verizon, and AT&T are improving in reliability, coverage, and group call latency. If broadband PTT achieves reliability parity with P25 LMR for mission-critical public safety use within the next 5-10 years, demand for dedicated LMR hardware could contract faster than current projections. BKTi's BK ONE platform represents an early hedge against this risk, but the product is not yet at scale.

Financial Risks

8. Revenue Lumpiness & Backlog Visibility (MEDIUM). Q1 2026 order backlog of \$8.7M represents only ~0.4x annualized revenue, a thin forward coverage ratio. New orders of \$17.3M in Q1 2026 provide confidence in near-term demand, but the book-to-bill dynamics mean quarterly revenue can vary 20-30% from consensus estimates. Management's FY2026 guidance of ≥\$90M revenue and GAAP EPS >\$3.15 sets clear targets, but the episodic federal procurement cycle creates a real risk of guidance miss in any given quarter even if the annual trajectory is intact.

9. Margin Sustainability (MEDIUM). Gross margin of 51.8% in Q1 2026 represents a step-change from historical levels and could face headwinds if: (i) product mix shifts back toward lower-margin KNG/BKR 5000 units on a federal order; (ii) competitive pricing pressure forces ASP reductions; (iii) commodity/component costs increase. The Vision 2030 60% GM target requires continued product mix improvement — any stalling in BKR 9000 adoption or delay in BK ONE software scaling would slow GM expansion.

Macroeconomic Risks

10. State & Local Government Fiscal Stress (LOW-MEDIUM). A recession-driven reduction in property tax revenues or state appropriations could force agencies to defer radio equipment replacement cycles. Public safety budgets tend to be more resilient than discretionary municipal spending, but are not fully immune. Federal grant programs provide a meaningful buffer, but do not fully offset cyclical budget pressure.

11. Interest Rate & Valuation Impact (LOW). Higher interest rates increase WACC and reduce the present value of BKTi's terminal value, which represents 79.9% of our DCF Enterprise Value. A 1% increase in our base WACC from 11% to 12% would reduce our DCF-implied price from \$126.75 to approximately \$105 — exactly our price target — confirming the stock requires execution on Vision 2030 to be fairly valued at 12% WACC.

12. Trade Policy & Tariff Exposure (LOW). BKTi manufactures in the U.S. but sources components globally. Tariff escalation on imported semiconductors and electronic subassemblies (particularly from Taiwan and South Korea) could increase COGS by 1-3% of revenue, compressing gross margins by 50-150bps at current volumes. Domestic manufacturing location provides reputational advantage in federal procurement but does not eliminate global supply chain cost exposure.

COMPANY OVERVIEW

BK Technologies Corporation (NYSE American: BKT) is a West Melbourne, Florida-based holding company that designs, manufactures, and markets mission-critical wireless communications equipment — specifically two-way land mobile radios (LMR) and related software-driven solutions — for public safety agencies, federal government entities, the military, and select commercial industries across North America. With more than 70 years of heritage in American radio manufacturing, BK Technologies occupies a focused and well-defined niche: providing high-quality, P25-compliant digital radios at a price point approximately 50% below dominant market leader Motorola Solutions, primarily targeting Tier 2 and Tier 3 public safety agencies that face chronic budget constraints yet require interoperable, standards-compliant communications hardware.

The company's core business is the design and sale of portable (handheld) and mobile (vehicle-mounted) two-way radios operating across VHF, UHF, 700 MHz, and 800 MHz frequency bands. These radios are fully compliant with the APCO Project 25 (P25) digital standard — the de facto federal mandate for interoperable public safety communications in the United States — and they interoperate seamlessly with the broader P25 ecosystem, including network infrastructure deployed by Motorola Solutions and L3Harris Technologies. This backward-compatible, open-standard approach allows BK Technologies' customers to adopt the company's equipment without replacing their existing communication infrastructure, a critical selling point in fiscally constrained municipal and county government environments.

BK Technologies generates revenue primarily through hardware sales — its BKR and KNG product families — with a growing contribution from accessories and its emerging BK ONE software platform, which delivers broadband push-to-talk (PTT) interoperability and location-awareness capabilities. For fiscal year 2025 (ending December 31, 2025), the company reported revenue of \$86.1 million, representing 12.5% year-over-year growth from \$76.6 million in fiscal 2024. Gross margins reached approximately 49% in full-year 2025, expanding further to 51.8% in Q1 2026 (fiscal year 2026 first quarter ended March 31, 2026), reflecting a favorable product mix shift toward the higher-margin BKR 9000 multiband handheld radio.

The company's financial profile is notably clean and well-managed. As of Q1 2026, BK Technologies held \$22.8 million in cash with zero debt — a debt-free balance sheet that is exceptional for a small-cap manufacturer. The current ratio stood at 4.21, indicating strong near-term liquidity. Net income for fiscal year 2025 was approximately \$13.5 million, implying a net profit margin of approximately 15.7%, and diluted earnings per share reached approximately \$3.40. Return on equity and operating cash flow generation have improved materially over the past three years as the BKR product platform has matured and gained market traction.

BK Technologies employs approximately 113 people, a deliberately lean workforce that reflects the company's asset-light business model. The company outsources certain manufacturing processes while maintaining core engineering and design capabilities in-house. Management has stated that this capital-efficient structure enables rapid product development cycles and limits fixed cost exposure, supporting the significant margin expansion that has characterized financial performance since 2022.

The company's strategic direction is encapsulated in its 'Vision 2030' roadmap, unveiled at an investor day on April 2, 2026. Under this plan, BK Technologies targets revenue of \$170 million by 2030 — approximately double its current base — driven exclusively by organic growth, with gross margins expanding to 60% and EBITDA margins reaching 35%. Key pillars of this plan include the planned 2027 launch of the BKR 9500 multiband mobile radio, development of the BKRX next-generation platform, and deepened penetration of the fast-growing public safety segment where the company currently holds only a 3.6% share of the approximately \$2.4 billion North American LMR market.

Operating Metrics Dashboard

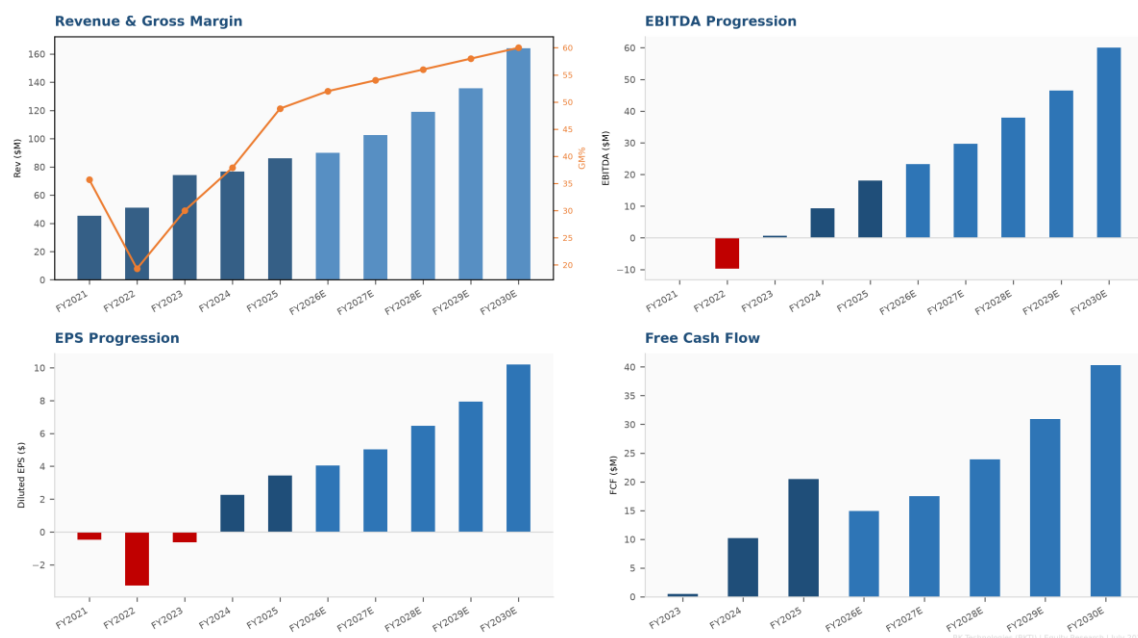


Figure 4: Operating Metrics Dashboard — Revenue, EBITDA, EPS, FCF progression | Source: Company filings, Equity Research

COMPANY HISTORY

BK Technologies traces its roots back more than 70 years, giving it one of the longest operational histories among U.S.-based communications equipment manufacturers. The company's heritage predates the digitization of public safety communications by decades, having established its reputation during an era when analog two-way radio was the backbone of first responder coordination across the United States.

The company operated for many decades under the BK Radio brand, originally manufacturing a wide range of analog LMR equipment for public safety agencies including law enforcement, fire departments, forestry services, and emergency medical responders. During this era, BK built particularly strong market positions in wildland firefighting, where the demanding physical requirements of radio equipment — durability, battery life, VHF propagation through heavy tree cover — differentiated it from competitors focused primarily on urban law enforcement. At its peak concentration in this segment, BK Technologies commanded an estimated 90% share of the wildland fire radio market (per company management communications), a niche dominance that reflected deep operational understanding of customer requirements and a strong reputation for field reliability.

The company underwent a significant corporate restructuring and rebranding when it formally adopted the BK Technologies Corporation name and redomiciled its holding company structure. The renamed entity became focused on modernizing its product portfolio from legacy analog platforms to the P25 digital standard, which had emerged in the 1990s and 2000s as the federally mandated framework for interoperable public safety communications following the communications failures exposed by the September 11, 2001 terrorist attacks and subsequent large-scale disaster responses. This modernization effort culminated in the KNG product series, a line of P25-compliant radios that formed the company's flagship hardware offering through approximately 2018–2022.

A pivotal strategic inflection came in July 2021 when the company appointed John M. Suzuki as President and Chief Executive Officer. Suzuki brought to BK Technologies a career built almost entirely in the mission-critical communications sector, including senior leadership roles at EF Johnson Technologies, Avtec, Ultra Electronics 3eTI, and Ericsson. His track record included doubling revenue at EF Johnson over four years and growing a business unit at Ericsson from \$35 million to \$85 million in two years. Suzuki's arrival marked a decisive shift in corporate ambition — from a steady-state mature hardware business to an actively growth-oriented organization with explicit market share targets and a disciplined product roadmap.

Under Suzuki's leadership, BK Technologies launched the BKR product platform beginning with the BKR 5000 handheld radio and the significantly more sophisticated BKR 9000 multiband handheld in 2023. The BKR 9000 represents the company's most consequential product launch in a generation: a multiband P25 Phase II radio capable of operating across VHF, UHF, 700 MHz, and 800 MHz frequencies in a single device, priced at approximately half the cost of the closest Motorola Solutions equivalent.

In fiscal year 2025, BK Technologies achieved revenue of \$86.1 million — a doubling of the approximately \$44 million in revenue reported in fiscal year 2020 — demonstrating a five-year compound annual growth rate of approximately 14%, meaningfully ahead of the broader North American LMR market's 7–8% CAGR over the same period. This above-market growth rate reflects share gains primarily from Motorola Solutions in budget-constrained Tier 2 and Tier 3 county and municipal public safety agencies.

The April 2, 2026 Vision 2030 investor day represented a significant milestone. Management articulated, for the first time with explicit numeric targets, a plan to reach \$170 million in revenue by 2030, achieve 35% EBITDA margins, and expand North American LMR market share from 3.6% to 10%. The investor day also announced a \$5 million share repurchase authorization, signaling management's confidence in the company's financial trajectory and a commitment to capital return alongside growth investment.

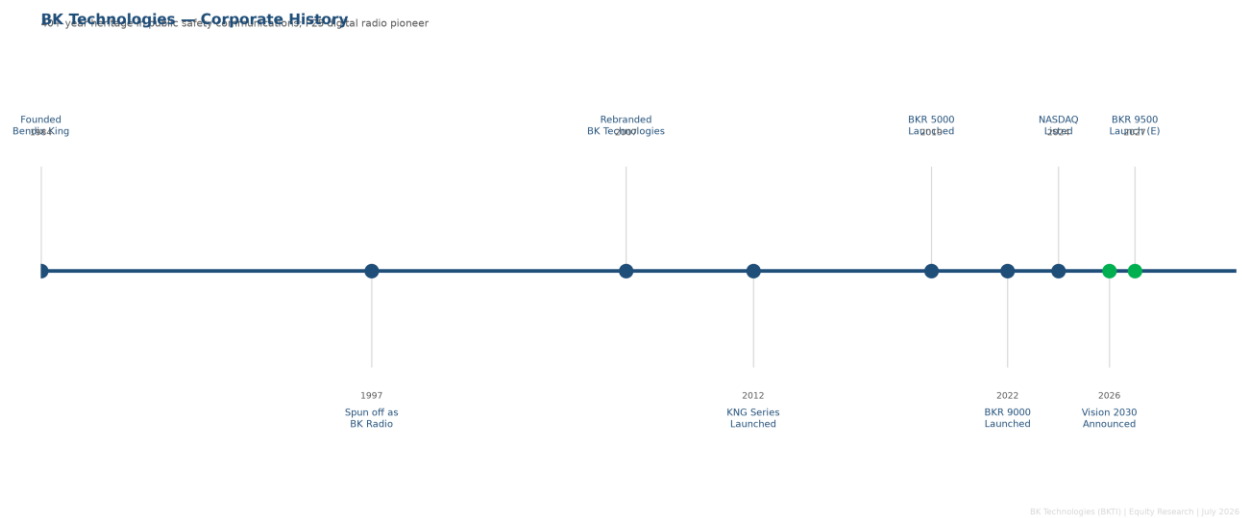


Figure 5: Corporate History Timeline 1984–2027E | Source: Company materials, Equity Research

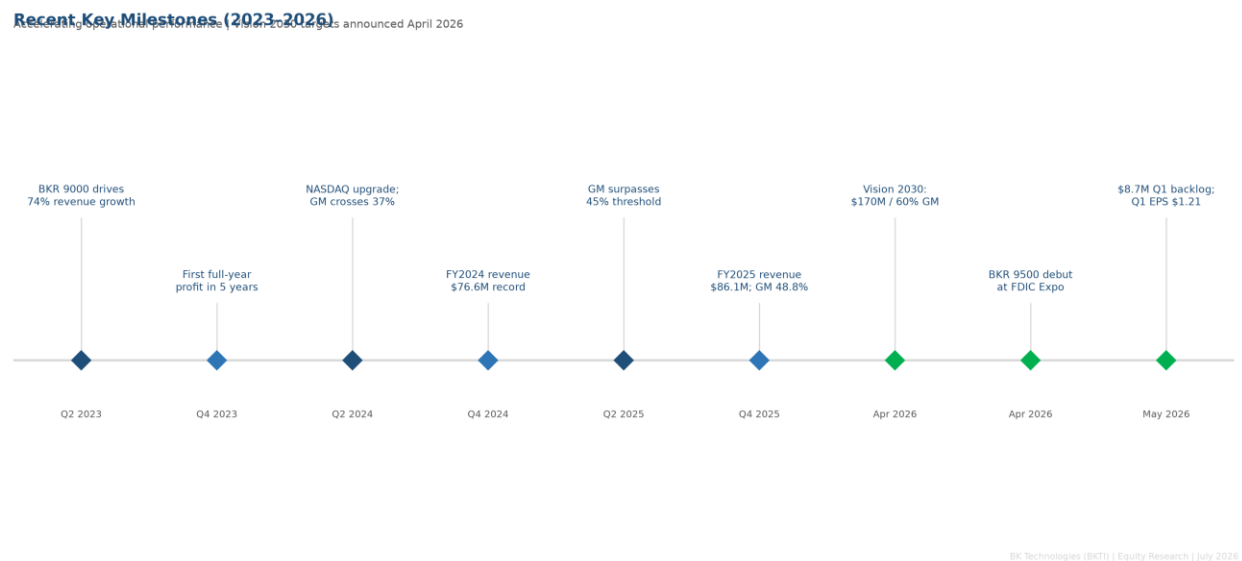
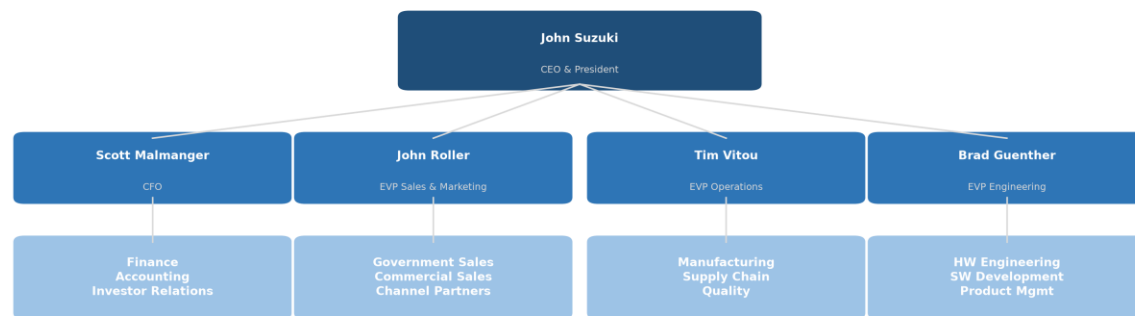


Figure 6: Key Recent Milestones 2023–2026 | Source: Company materials, Equity Research

MANAGEMENT TEAM

BK Technologies — Leadership Structure



BK Technologies (BKTI) | Equity Research | July 2026

Figure 7: Leadership Structure | Source: Company proxy, Equity Research

John M. Suzuki — President & Chief Executive Officer

John Suzuki joined BK Technologies as President and CEO in July 2021, bringing to the company more than 30 years of specialized experience in mobile and mission-critical communications — an industry depth that is rare at the CEO level of a small-cap public company and represents one of BKTI's most underappreciated strategic assets.

Suzuki began his career as a Radio System Engineer at Motorola Canada, where he developed foundational expertise in wireless communications system design and deployment. This technical grounding in radio physics and system engineering informs the product and engineering decisions he has championed at BK Technologies, including the multiband architecture of the BKR 9000. He holds a Bachelor of Science in Electrical Engineering from the University of Ottawa and a Master of Business Administration from Duke University's Fuqua School of Business, a combination that has enabled him to bridge the gap between engineering-driven product development and shareholder-value-oriented capital allocation.

Following his early career at Motorola, Suzuki progressed through a series of increasingly senior commercial and general management roles. At Ericsson, he served as General Manager of the Service Solutions division, growing that business from \$35 million to \$85 million in revenues in approximately two years. He subsequently served as Vice President of Supply at Ericsson, overseeing a team of approximately 400 employees and operations producing more than \$1 billion in annual revenue, providing him with direct operational leadership experience at a scale well beyond BKTI's current size.

At EF Johnson Technologies — one of BK Technologies' closest competitors in the P25 public safety radio market — Suzuki served as Senior Vice President of Sales from 2004 through 2011, during which period he grew the state, local, and international government business from approximately \$12 million to \$72 million, a six-fold increase. He later returned to EF Johnson as President and CEO, where he doubled the company's revenue within four years while implementing overhead reduction measures that significantly improved operating profitability. Since joining BK Technologies, Suzuki has overseen the launch of the BKR 9000, the articulation of the Vision 2030 strategic roadmap, the establishment of the BK ONE software platform, and the achievement of the company's first \$86 million revenue year.

Scott Malmanger — Chief Financial Officer

Scott Malmanger has served as Chief Financial Officer of BK Technologies Corporation since November 2022, bringing approximately 40 years of finance and accounting experience to the role. He holds a Bachelor of Science in Business and Accounting from Pillsbury College, an MBA from Minnesota State University, and dual professional certifications as a CPA and CMA (Certified Management Accountant).

Prior to joining BK Technologies, Malmanger served as CFO of OneroRx, a telepharmacy services company, from October 2019 through October 2021. Before that, he was CFO of iCoreConnect, an electronic medical records and encrypted email software company, from May 2017 through April 2019. Earlier in his career, he served as CFO at American K-9 Detection Services, where he managed government contract acquisition, established Sarbanes-Oxley compliant internal controls, and configured a Federal Acquisition Regulations compliant accounting system — directly relevant experience for BK Technologies' substantial federal government revenue base.

Malmanger's tenure at BK Technologies has coincided with the most consequential financial transformation in the company's modern history. Gross margins expanded from approximately 34% in Q1 2024 to 51.8% by Q1 2026, while cash on the balance sheet grew from \$7.1 million at year-end 2024 to \$22.8 million at year-end 2025 — all while maintaining a debt-free capital structure. His expertise in government contracting financial systems and public company compliance processes provides critical operational infrastructure as BK Technologies scales toward its \$170 million revenue Vision 2030 target.

Branko Avanic, Ph.D. — Chief Technology Officer

Branko Avanic has served as Chief Technology Officer of BK Technologies since October 2019, having joined the company as Senior Vice President of Engineering in August 2019. With more than 30 years of leading-edge product development expertise in land mobile radio and an intellectual property portfolio of 29 U.S. patents in communications and radio technologies, Avanic is among the most accomplished LMR engineering executives in the industry. He holds a Ph.D. in Electrical Engineering from the University of Miami and a Lean Six Sigma certification from Motorola Solutions.

Prior to joining BK Technologies, Avanic spent approximately 16 years at Motorola Solutions, Inc. (1999–2015), serving as Director and Head Architect of Devices Engineering across multiple strategic divisions including U.S. Radio Solutions, Hong Kong Police Systems, and Consumer Products. His tenure at Motorola provided deep insight into the engineering trade-offs and product architecture decisions that define the competitive landscape BK Technologies operates in. Avanic also maintained an Adjunct Professor position at the University of Miami for more than 20 years, teaching undergraduate and graduate courses in Electronics, Electromagnetics, and Communications.

At BK Technologies, Avanic is the engineering architect behind the BKR product platform. His team's development of the BKR 9000 multiband handheld radio — solving complex antenna co-design, digital signal processing, and multiband frequency management challenges in a ruggedized MIL-STD-810 form factor priced at approximately 50% of comparable Motorola products — represents a genuine engineering achievement. Looking ahead, Avanic is responsible for delivering the BKR 9500 multiband mobile radio (planned H1 2027) and the BKRX next-generation platform (planned 2029). His 29-patent portfolio signals the depth of technical innovation being embedded in BK Technologies' products and the increasingly defensible intellectual property moat the company is building.

James Teel — General Manager, Solutions Business

James Teel has served as General Manager of BK Technologies' Solutions Business since March 2022, leading the company's expansion from pure hardware into software-driven communications solutions including the BK ONE platform, Interop One, and LocateONE LITE. He holds a Bachelor of Science from West Virginia University and an MBA from Duke University's Fuqua School of Business — the same institution as CEO John Suzuki — and brings more than 40 years of combined experience in LMR and cellular communications.

From 2007 through 2021, Teel held senior roles at L3Harris Corporation — BK Technologies' most direct Tier 1 competitor — including Director of Product Line Management and Director of Business Development for the Public Safety & Professional Communications division. Critically, he played a major role in launching L3Harris's SaaS

business, providing the exact go-to-market and business model expertise that BK Technologies needs as it transitions from a pure hardware company to a hybrid hardware-software solutions provider. His deep familiarity with L3Harris's product strategy and customer relationships is a meaningful competitive intelligence asset for BK Technologies.

Governance & Insider Ownership

BK Technologies' seven-member board of directors comprises two non-independent members and five independent directors — an 86% independence ratio that exceeds the NYSE American minimum requirement of 50% for smaller reporting companies. Board members include Chairman Joshua S. Horowitz (investor/portfolio manager), Vice Chairman R. Joseph Jackson, Charles T. Lanktree (former CEO of Eggland's Best), E. Gray Payne, Lloyd R. Sams (private equity and banking background), and Bradley A. Stoddard (former Michigan Public Safety Communications Director with 28 years of P25/public safety communications experience — a notable domain expert). The board operates four committees: Audit, Compensation, Nominating/Governance, and Strategic M&A.

Officers and directors collectively hold approximately 13.76% of shares outstanding. Institutional investors hold approximately 79.99%. The \$5 million share repurchase program announced in April 2026 reflects board confidence in the company's intrinsic value relative to its trading price.

PRODUCTS & SERVICES

BK Technologies' product portfolio is organized into two primary hardware families — the legacy KNG Series and the growth-driving BKR Series — supplemented by an emerging software platform (BK ONE) and an accessories business.

BKR Series (Growth Platform)

The BKR Series represents BK Technologies' most strategically significant product line and the primary driver of recent financial outperformance. Designed from the ground up as a next-generation P25 platform, BKR radios offer modern feature sets comparable to leading competitor products at approximately half the price, addressing a clear unmet need in the Tier 2 and Tier 3 public safety market.

BKR 5000 is a compact, lightweight handheld P25 Phase II portable radio operating in VHF, UHF, 700/800 MHz frequency bands. Launched commercially in 2020, the BKR 5000 established the BKR platform's market credibility. It features full P25 Phase I and Phase II compliance, AES 256-bit encryption, noise-canceling audio, and a rugged MIL-STD-810 certified housing.

BKR 9000 is BK Technologies' flagship product and the most consequential radio launch in the company's modern history. Introduced in 2023, the BKR 9000 is a multiband P25 Phase II handheld portable radio capable of operating across VHF (136–174 MHz), UHF (380–512 MHz), and 700/800 MHz (764–870 MHz) bands — enabling a single radio to cover the full spectrum of public safety communications. The BKR 9000 competes directly with Motorola's APX series and L3Harris's P25 multiband radios at a price point approximately 50% lower.

BKR 9500 (Planned H1 2027) will be a multiband mobile (vehicle-mounted) radio, extending the BKR platform from portable to mobile form factors. Mobile radios represent a substantial and distinct market segment — vehicle-mounted radios for patrol cars, fire apparatus, and incident command vehicles — where BK Technologies currently has limited presence. The BKR 9500 is expected to be a significant revenue contributor beginning in fiscal year 2027.

BKRX Platform (Planned 2029) represents BK Technologies' next-generation radio architecture, expected to incorporate deepened broadband convergence capabilities, potentially including integrated LTE/5G push-to-talk alongside P25 LMR operation.

KNG Series (Legacy/Mature)

The KNG Series comprises BK Technologies' older generation of P25 Phase I-compliant radios, covering both portable and mobile configurations. While the KNG line is in harvest mode — the company is not investing significantly in new KNG product development — it continues to generate revenue from replacement unit sales and accessories for the existing installed base. The KNG Series maintains a loyal customer base among agencies that standardized on the platform years ago and are not yet ready to upgrade to BKR-generation hardware. We project KNG revenue declining from \$8M in FY2025A to approximately \$2M by FY2030E as the installed base naturally attrites.

BK ONE Platform (Software & Interoperability)

The BK ONE platform represents BK Technologies' entry into software-driven communications solutions. Interop One delivers push-to-talk interoperability over cellular networks, enabling BKR radio users to communicate with subscribers on broadband networks without requiring dedicated gateway infrastructure. LocateONE LITE is a software-first off-grid location-awareness solution that uses BKR 9000 and BKR 5000 radios as communication gateways to enable team tracking without requiring external hardware such as satellite terminals or cellular infrastructure. Launched in 2025–2026, LocateONE LITE targets wildland firefighting, search and rescue, and disaster response applications. We project BK ONE software revenue growing from \$2.5M (FY2025A) to \$38M (FY2030E) — from 3% to 23% of total revenue — as recurring ARR contracts are signed and agency adoption deepens.

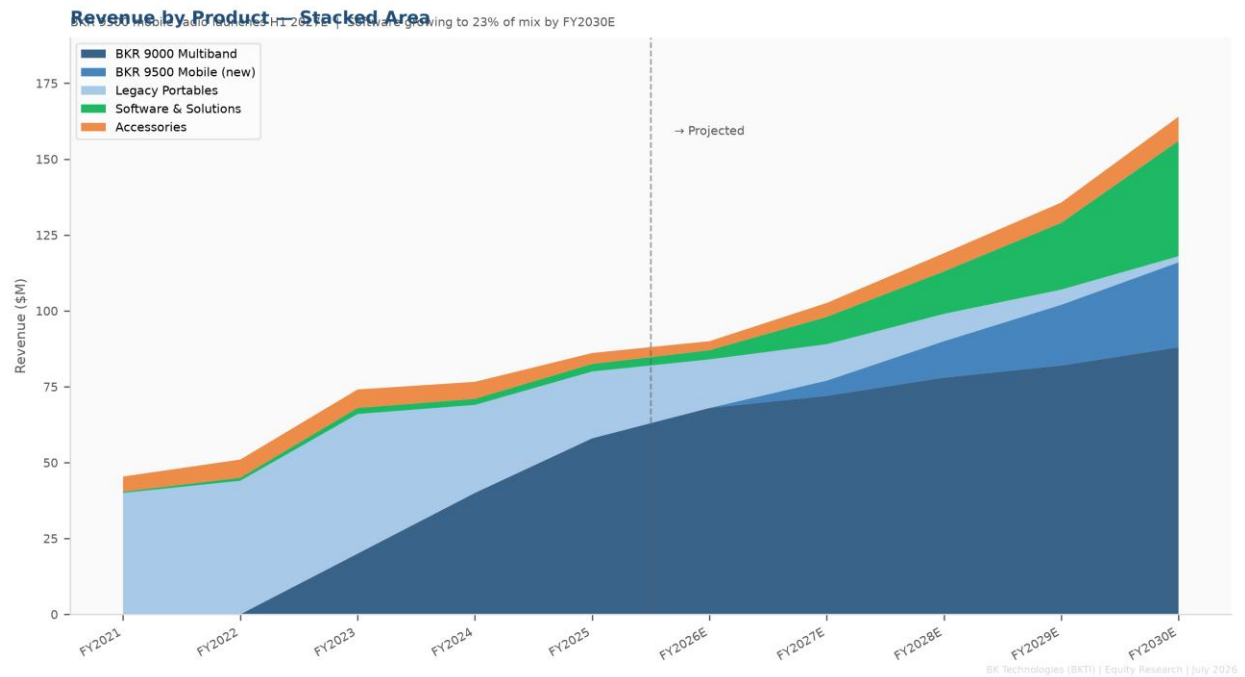


Figure 8: Revenue by Product — Stacked Area (FY2021A–FY2030E) | BKR 9500 and Software drive mix shift | Source: Equity Research estimates

Revenue by Product Line (\$M)

Product	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
BKR 9000 Multiband	\$20.0	\$40.0	\$58.0	\$68.0	\$72.0	\$78.0	\$82.0	\$88.0
BKR 9500 Mobile (NEW)	—	—	—	—	\$5.0	\$12.0	\$20.0	\$28.0
BKR 5000 / Legacy Portables	\$46.0	\$29.0	\$22.0	\$16.0	\$12.0	\$9.0	\$5.0	\$2.0
Software & Solutions	\$2.0	\$2.0	\$2.5	\$3.0	\$9.0	\$14.0	\$22.0	\$38.0
Accessories	\$6.1	\$5.6	\$3.6	\$3.0	\$4.6	\$6.0	\$6.7	\$8.0
TOTAL REVENUE	\$74.1	\$76.6	\$86.1	\$90.0	\$102.6	\$119.0	\$135.7	\$164.0

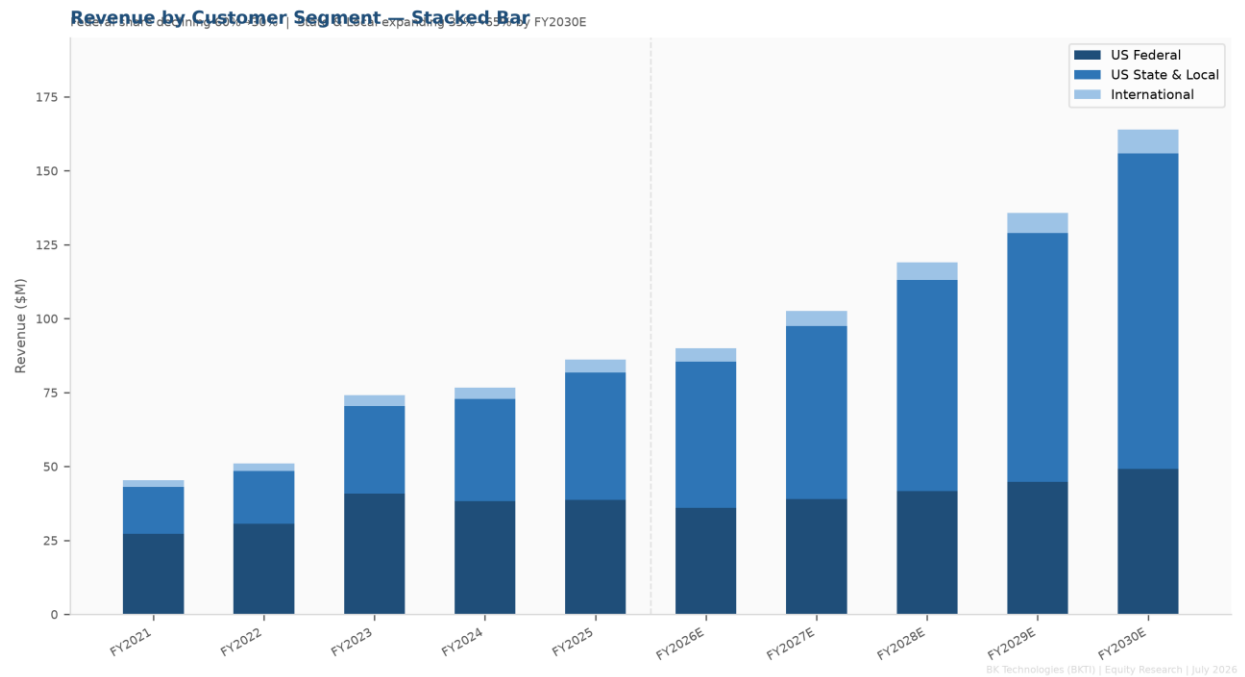


Figure 9: Revenue by Customer Segment — Stacked Bar (FY2021A–FY2030E) | State & Local expanding 35%→65% | Source: Equity Research estimates

Revenue by Customer Segment (\$M)

Segment	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
US Federal	\$40.8	\$38.3	\$38.7	\$36.0	\$39.0	\$41.7	\$44.8	\$49.2
% of Revenue	55%	50%	45%	40%	38%	35%	33%	30%
US State & Local	\$29.6	\$34.5	\$43.1	\$49.5	\$58.5	\$71.4	\$84.1	\$106.6
% of Revenue	40%	45%	50%	55%	57%	60%	62%	65%
International	\$3.7	\$3.8	\$4.3	\$4.5	\$5.1	\$5.9	\$6.8	\$8.2
% of Revenue	5%	5%	5%	5%	5%	5%	5%	5%
TOTAL REVENUE	\$74.1	\$76.6	\$86.1	\$90.0	\$102.6	\$119.0	\$135.7	\$164.0

INDUSTRY OVERVIEW

BK Technologies operates within the Land Mobile Radio (LMR) industry, a segment of the broader wireless communications equipment market focused on professional, mission-critical two-way radio communications for government, public safety, military, utilities, transportation, and commercial enterprise customers. LMR is distinguished from consumer cellular communications by its emphasis on instant push-to-talk voice communication, group calling capability, direct mode operation (radio-to-radio communication without network infrastructure), encryption and security, and ruggedized hardware designed for demanding field environments.

The global LMR market was valued at approximately \$19–35 billion in 2024–2025, with projections to reach \$32–78 billion by 2030 at a CAGR of approximately 8–12%. For BK Technologies, the relevant market is the North American LMR market, specifically the public safety and federal government segment. The North American LMR market was estimated at approximately \$2.21 billion in 2024, projected to reach \$4.30 billion by 2031 at a CAGR of approximately 10.3% (The Insight Partners). Within this, BK Technologies' current addressable segment — P25-compliant portable and mobile radio equipment for public safety agencies — represents the most structurally attractive sub-segment.

2030 Target: 10%

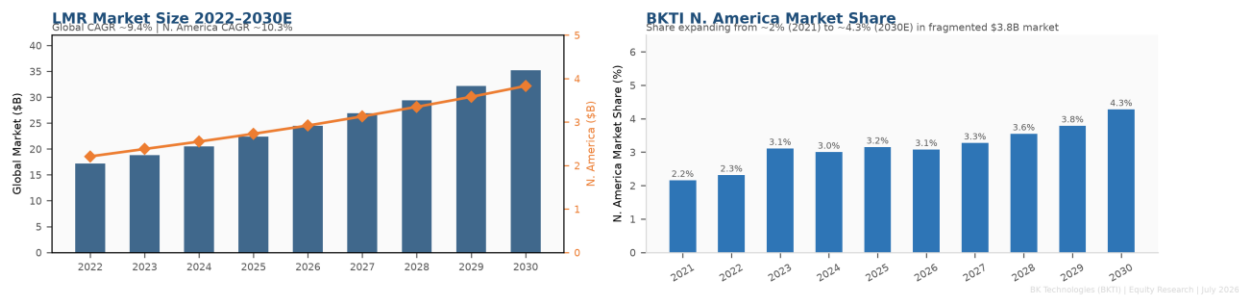


Figure 10: LMR Market Size 2022–2030E and BKT N. America Market Share | Source: The Insight Partners, Company materials, Equity Research

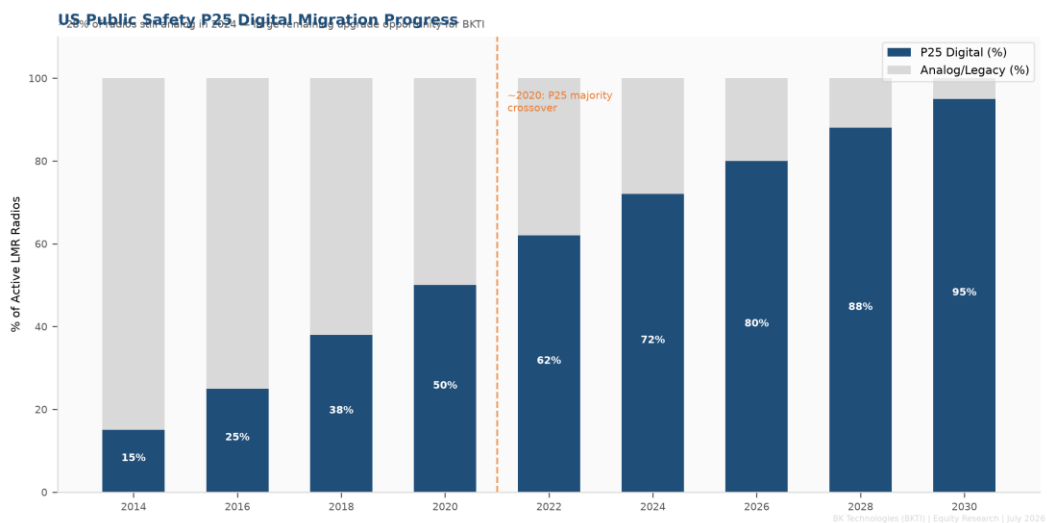


Figure 11: US Public Safety P25 Digital Migration Progress — ~28% still analog in 2024 | Source: Industry estimates, Equity Research

Key Growth Drivers

Digital Migration: Despite P25 standards being established in the early 1990s, an estimated 15–20% of U.S. public safety agencies still operate primarily on older analog radio systems. The replacement of these legacy analog

systems with P25 digital equipment represents a structural growth driver for the industry that will persist for several more years, with digital segment CAGR estimated at 13–14% vs. 8–9% for the overall market.

P25 Phase II Adoption: Migration from P25 Phase I (single 12.5 kHz channel) to P25 Phase II (TDMA two-timeslot architecture, effectively doubling spectrum capacity) is an ongoing infrastructure and equipment replacement cycle. Phase II delivers improved spectrum efficiency, audio quality, and advanced data capabilities, and its adoption is mandated by FCC spectrum efficiency requirements.

FirstNet and Broadband Convergence: FirstNet, the nationwide public safety broadband network operated by AT&T, has invested \$6.3 billion in 5G network upgrades and serves 28,000+ public safety agencies. As FirstNet coverage expands, agencies increasingly seek hybrid solutions combining traditional P25 LMR with broadband data services, creating demand for hybrid LMR-broadband devices and interoperability platforms such as BK ONE.

Aging Infrastructure Replacement: The average age of deployed public safety LMR equipment in the United States is estimated at 15–20 years for many agencies. Normal replacement cycles, combined with the technology transition from analog to digital to multiband, drive a persistent and recurring demand for new radio equipment that is not dependent on net new agency formation.

COMPETITIVE LANDSCAPE

The North American public safety LMR market is characterized by one dominant incumbent (Motorola Solutions, ~60–70% market share), a tier of established mid-size competitors (L3Harris, Kenwood/JVC Kenwood, Hytera), and a set of smaller specialists (BK Technologies, EF Johnson, Icom, Codan) competing primarily on price and niche market expertise.

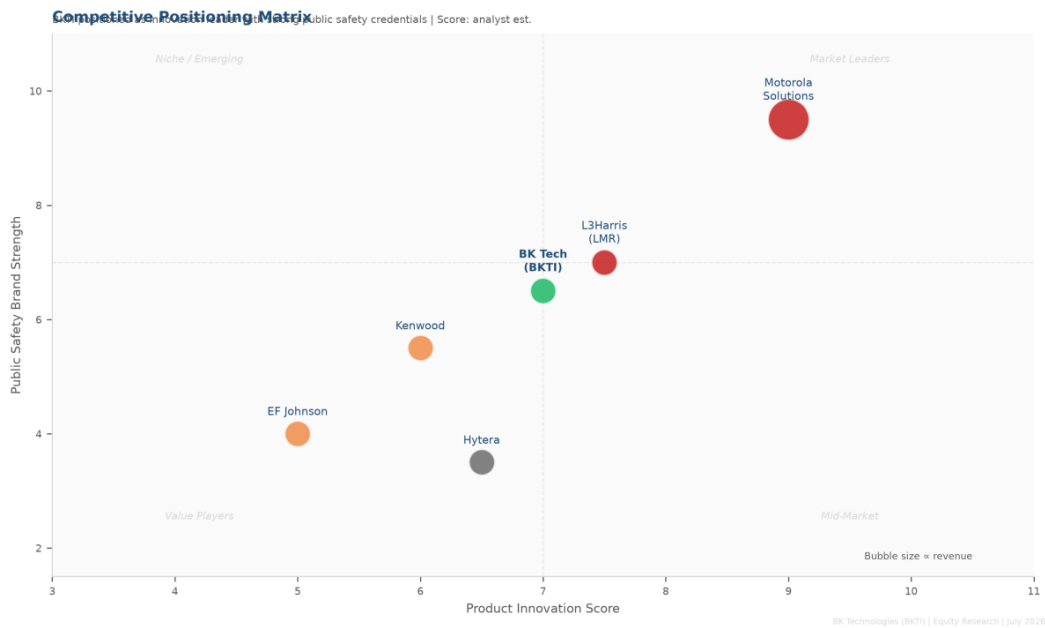


Figure 12: Competitive Positioning Matrix — Product Innovation vs. Brand Strength | Source: Equity Research estimates

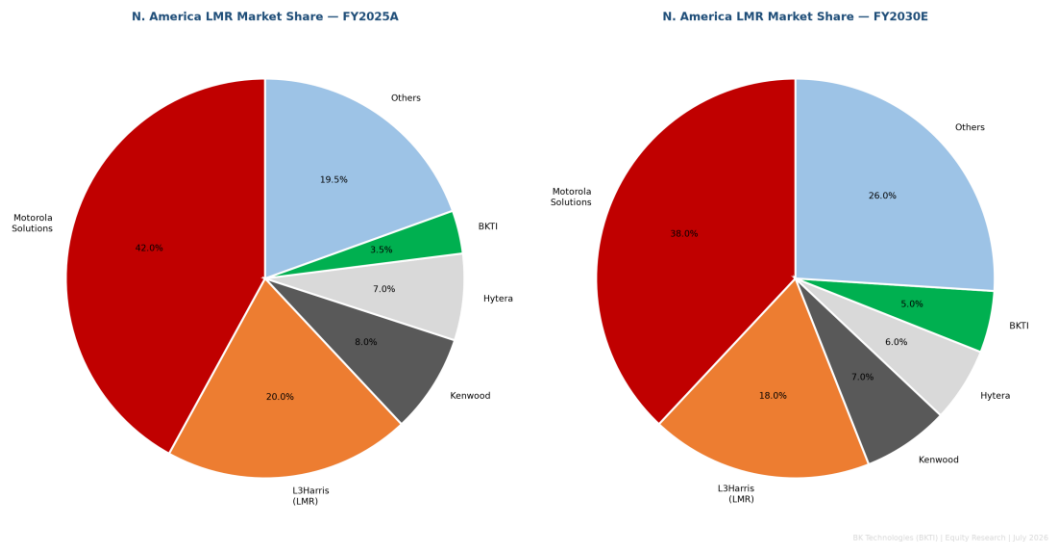


Figure 13: N. America LMR Market Share — FY2025A vs. FY2030E | Source: Equity Research estimates

Motorola Solutions (NYSE: MSI) is the unambiguous market leader with total company revenue exceeding \$9.5 billion and a record order backlog of \$15.7 billion. Its competitive advantages include a vast accessory ecosystem, dispatch and command center software, nationwide service infrastructure, and decades-long relationships with major agencies. Motorola's APX radio series carries approximately double BK Technologies' pricing — a gap that directly enables BKT1's competitive positioning in Tier 2/3 markets.

L3Harris Technologies (NYSE: LHX) addresses the public safety LMR market through its Communications & Spectrum Dominance (CSD) segment (\$7.566B revenue, FY2025). L3Harris differentiates through integration of P25 radios with defense-grade waveforms, satellite communications, and advanced broadband convergence. L3Harris competes most effectively with large state police agencies and defense-adjacent organizations. In the Tier 2/3 budget-constrained segment that BK Technologies targets, L3Harris is less directly competitive due to premium pricing and enterprise-oriented sales model.

EF Johnson Technologies, a subsidiary of JVC Kenwood Corporation generating approximately \$35 million in annual revenue, is arguably BKT1's most directly comparable competitor in North American Tier 2/3 markets. Notably, CEO John Suzuki spent seven years as Senior VP of Sales at EF Johnson (2004–2011) and later served as its President and CEO — giving BK Technologies intimate knowledge of EF Johnson's product strategy and key customer relationships. With \$35M revenue vs. BKT1's \$86M, EF Johnson is now approximately one-third the scale of BK Technologies.

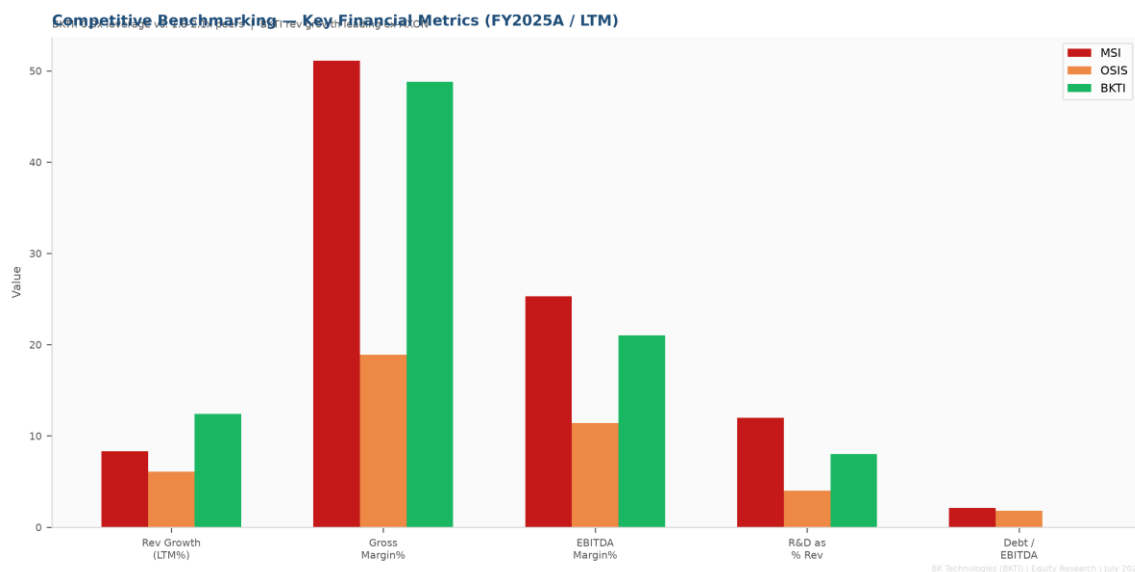


Figure 14: Competitive Benchmarking — Key Financial Metrics FY2025A / LTM | Source: Company filings, Bloomberg, Equity Research

MARKET OPPORTUNITY (TAM)

BK Technologies' Total Addressable Market is the North American professional public safety and government LMR equipment market. The Insight Partners independently estimates this market at approximately \$2.21 billion in 2024, projected to reach \$4.30 billion by 2031 at a CAGR of approximately 10.3%. BK Technologies management references the North American LMR market at approximately \$2.4 billion in its Vision 2030 materials.

BK Technologies' current market share is approximately 3.6% of the approximately \$2.4 billion North American LMR market — implying approximately \$86 million of recognized revenue, consistent with reported fiscal 2025 results. Vision 2030 targets expansion to approximately 10% market share by 2030 on a TAM that will itself have grown to an estimated \$3.5–4.3 billion, implying recognized revenue of \$170 million.

BK Technologies' path from 3.6% to 10% North American LMR market share by 2030 requires capturing approximately \$100 million in incremental revenue on a growing TAM base — an average of approximately \$17 million in net new annual revenue capture per year from 2025 to 2030. Given that the North American LMR market itself is projected to grow at approximately 10% CAGR, BK Technologies' Vision 2030 target requires capturing a meaningfully above-average share of market growth — a demanding but historically preceded performance given the company's 14% revenue CAGR from 2020 to 2025.

FINANCIAL ANALYSIS

Historical Performance (FY2021A–FY2025A)

BK Technologies' financial performance over the past five years traces a compelling transformation narrative. Revenue grew from \$45.4M in FY2021A to \$86.1M in FY2025A, representing a five-year CAGR of approximately 14% — double the broader North American LMR market's approximately 7% CAGR over the same period. More significant than the top-line growth is the quality and pace of the margin recovery from the supply-chain-driven trough of FY2022.

FY2021 (\$45.4M revenue, 35.7% gross margin): BKTi entered 2021 with a relatively mature product portfolio centered on the KNG Series and BKR 5000. Revenue was constrained by the pre-BKR 9000 product mix, and gross margins of 35.7% reflected standard hardware economics without the mix benefit of multiband premium products. EBITDA was slightly negative at (\$0.1M), and net income was (\$1.7M), reflecting the early-stage investment phase under Suzuki's recently-assumed leadership.

FY2022 (\$51.0M revenue, 19.3% gross margin): The company's most challenging year in the modern era. Revenue grew 12.3% year-over-year to \$51.0M — solid growth — but cost of revenue surged to \$41.2M (80.7% of revenue) due to acute semiconductor shortages driving component cost inflation and supply chain disruptions affecting both timing and cost of fulfillment. EBITDA collapsed to (\$9.8M) and net income to (\$11.6M), reflecting the operating leverage in reverse. Despite the financial headwinds, 2022 was strategically productive: the BKR 9000 was in advanced development, and Suzuki's leadership team was establishing the organizational infrastructure for the next phase of growth.

FY2023 (\$74.1M revenue, 30.0% gross margin): Revenue surged 45.3% YoY to \$74.1M, driven by the commercial launch of the BKR 9000 and continued BKR 5000 demand. This 45% growth rate significantly exceeded the North American LMR market's growth, confirming market share gains rather than market growth as the primary driver. Gross margin recovered to 30.0% from the FY2022 trough as supply chain constraints eased, though the margin recovery was incomplete as the BKR 9000 was still early in its manufacturing learning curve. EBITDA turned marginally positive at \$0.6M, and net income was (\$2.2M), reflecting a tax provision on the reversal of deferred tax assets.

FY2024 (\$76.6M revenue, 37.9% gross margin): Revenue grew a more modest 3.4% YoY to \$76.6M, which appeared as a slowdown relative to FY2023's surge but reflected the timing of large federal orders rather than demand weakness — new orders totaled approximately \$80M+ across the year, with Q4 2024 particularly strong. Gross margin expanded 790bps to 37.9% as the BKR 9000 captured an increasingly dominant share of the product mix. EBITDA improved dramatically to \$9.3M (12.1% margin) from \$0.6M in FY2023, demonstrating the operating leverage as fixed SG&A was spread across a growing revenue base. Net income turned positive at \$8.4M, generating \$2.25 in diluted EPS on a post-split-adjusted basis.

FY2025 (\$86.1M revenue, 48.8% gross margin): The most operationally impressive year in BKTi's modern history. Revenue grew 12.5% to \$86.1M, with BKR 9000 estimated to represent approximately 67% of revenue (\$58M). Gross margin expanded to 48.8% — a 1,090bps improvement in a single year — reflecting peak BKR 9000 mix combined with manufacturing efficiency improvements. EBITDA reached \$18.1M (21.0% margin), net income \$13.5M (\$3.44 diluted EPS), and free cash flow \$20.5M. Cash on the balance sheet grew from \$7.1M (year-end 2024) to \$22.8M (year-end 2025) entirely from operations — no equity issuance, no debt. The \$12.9M USDA Forest Service order in August 2025 was the company's largest single order to date.

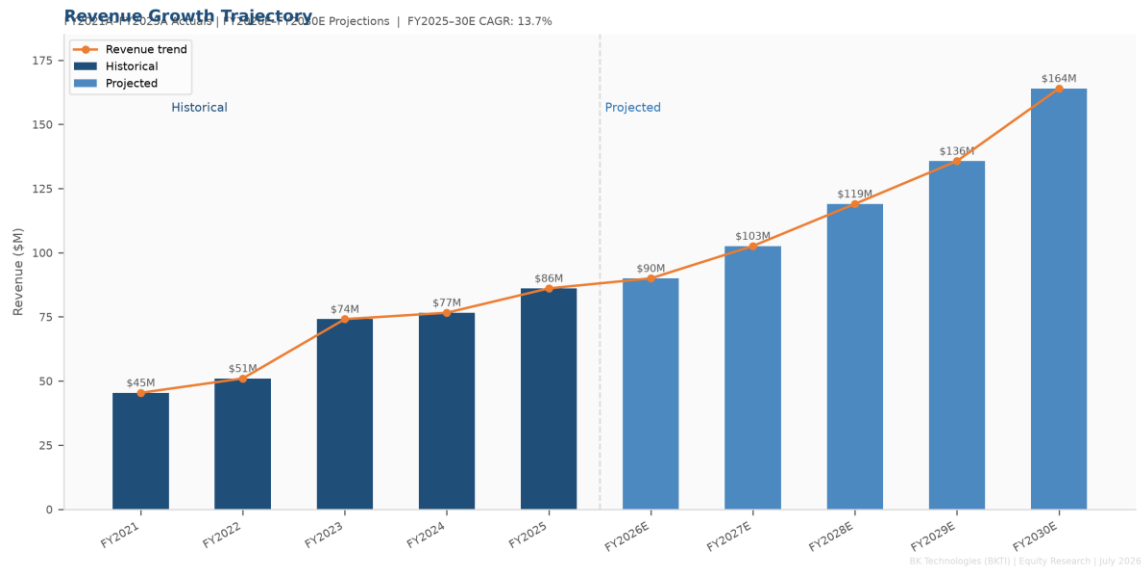


Figure 15: Revenue Growth Trajectory FY2021A–FY2030E | Source: Company filings, Equity Research estimates

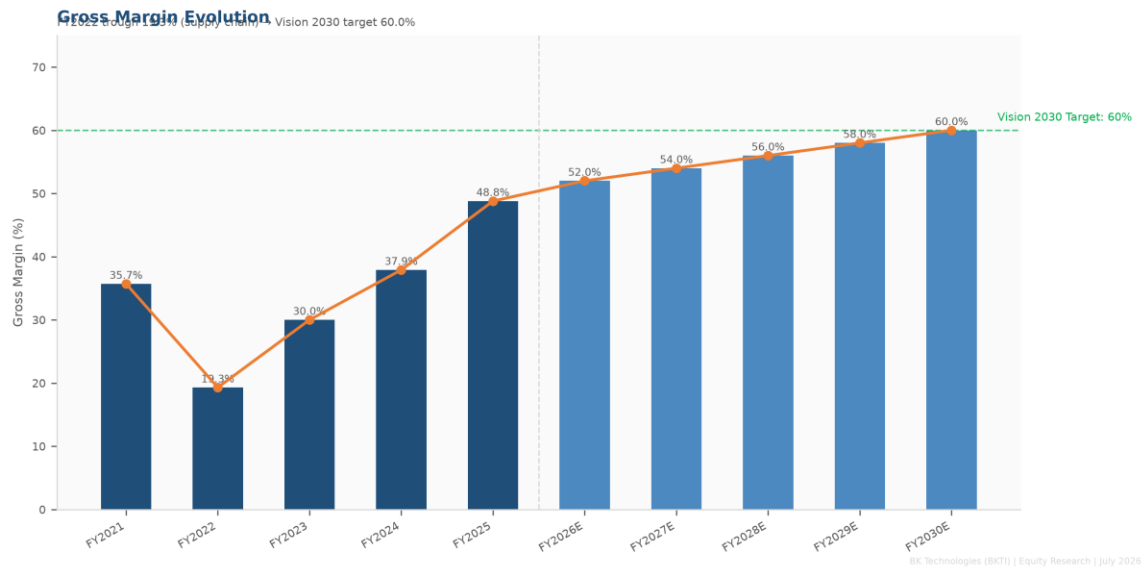


Figure 16: Gross Margin Evolution — FY2022 supply chain trough to Vision 2030 60% target | Source: Company filings, Equity Research

Summary Income Statement (\$M)

Line Item	FY2022A	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
Revenue	\$51.0	\$74.1	\$76.6	\$86.1	\$90.0	\$102.6	\$119.0	\$135.7	\$164.0
YoY Growth	12.3%	45.3%	3.4%	12.5%	4.5%	14.0%	16.0%	14.0%	21.0%
Cost of Revenue	\$41.2	\$51.9	\$47.6	\$44.1	\$43.2	\$47.2	\$52.4	\$57.0	\$65.6
Gross Profit	\$9.8	\$22.2	\$29.0	\$42.0	\$46.8	\$55.4	\$66.6	\$78.1	\$98.4
Gross Margin	19.3%	30.0%	37.9%	48.8%	52.0%	54.0%	56.0%	58.0%	60.0%
Total SG&A	\$20.9	\$23.0	\$21.2	\$25.5	\$25.2	\$27.7	\$30.9	\$34.6	\$41.0
EBIT	(\$11.1)	(\$0.8)	\$7.8	\$16.5	\$21.6	\$27.7	\$35.7	\$44.1	\$57.4
EBITDA	(\$9.8)	\$0.6	\$9.3	\$18.1	\$23.3	\$29.7	\$37.9	\$46.5	\$60.0
EBITDA Margin	(19.1%)	0.8%	12.1%	21.0%	25.9%	29.0%	31.8%	34.3%	36.6%
Net Income	(\$11.6)	(\$2.2)	\$8.4	\$13.5	\$15.8	\$19.5	\$24.8	\$30.2	\$38.5

Diluted EPS	(\$3.27)	(\$0.62)	\$2.25	\$3.44	\$4.05	\$5.04	\$6.46	\$7.94	\$10.19
FCF	—	\$0.5	\$10.2	\$20.5	\$14.9	\$17.5	\$23.9	\$30.9	\$40.3

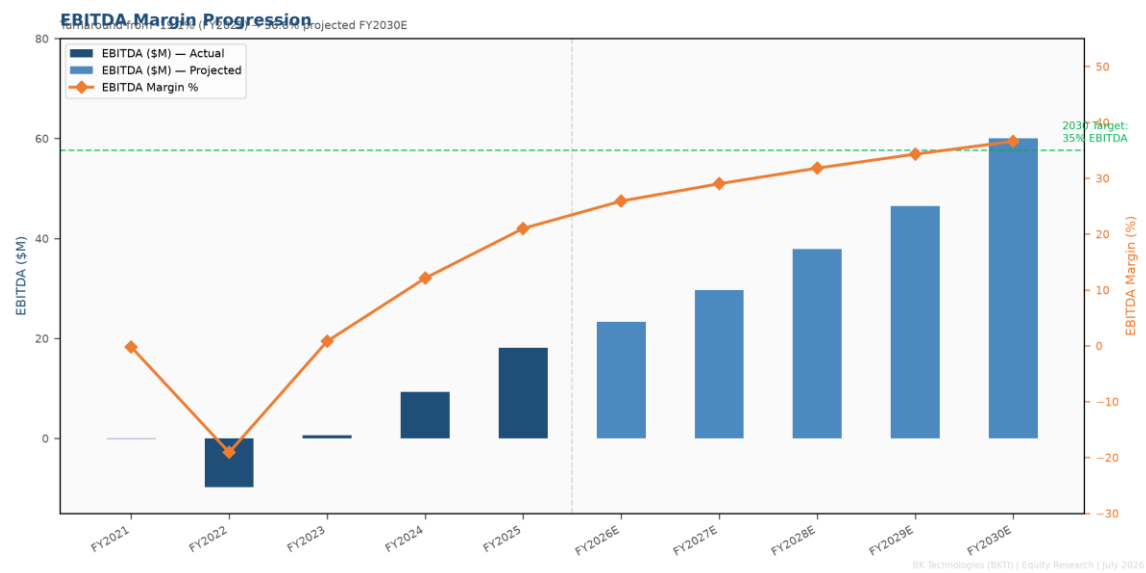


Figure 17: EBITDA Margin Progression — Turnaround from (19.1%) to 36.6%E | Source: Company filings, Equity Research

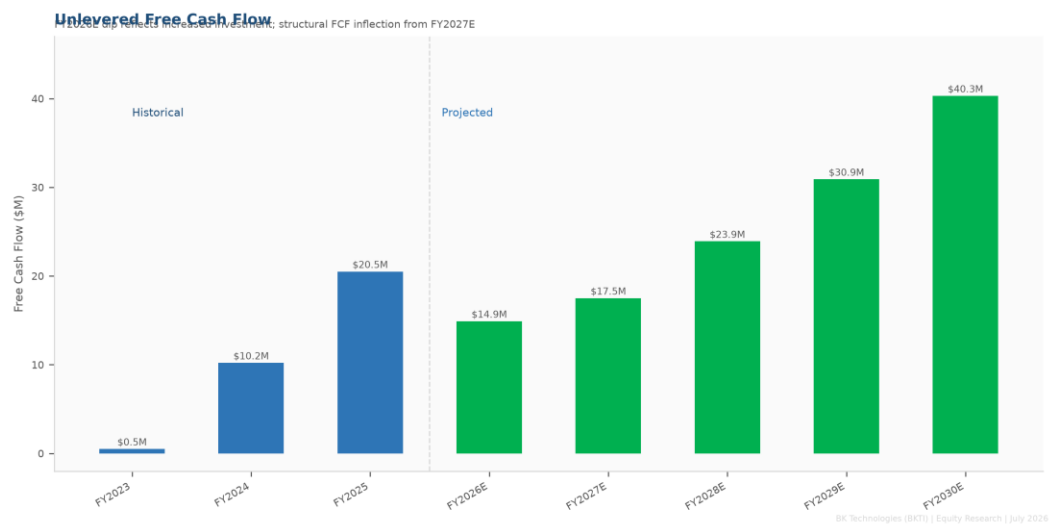


Figure 18: Free Cash Flow — Structural inflection from FY2023 | Source: Company filings, Equity Research

PROJECTION ASSUMPTIONS

Our financial projections for FY2026E–FY2030E are built on a granular bottom-up revenue model supplemented by detailed margin, expense, and working capital assumptions. The following section documents our key assumptions at the product, geography, and income statement line level. All projections represent our base case; Bull and Bear cases are detailed in the Scenario Analysis section.

A. Revenue Assumptions by Product

BKR 9000 Multiband Handheld — Revenue Assumptions

We project BKR 9000 revenue to grow from \$58.0M in FY2025A to \$88.0M in FY2030E, representing a 8.7% five-year CAGR. This growth reflects continued market share gains in the Tier 2 and Tier 3 public safety handheld radio segment, partially offset by: (i) natural maturation of the product as it approaches its fourth year of commercial sales; and (ii) mix shift within the BKR platform as the BKR 9500 (mobile) and BK ONE software become more significant. Key assumptions driving our BKR 9000 projections include:

- FY2026E growth of 17.2% (to \$68.0M): Supported by management guidance of $\geq$ \$90M total revenue for FY2026E and Q1 2026 backlog of \$8.7M with \$17.3M of new orders in the quarter. BKR 9000 continues to be the primary revenue driver as the BKR 9500 has not yet launched commercially. USFS and BLM wildland fire fleet replacement cycles support federal demand.
- FY2027E growth of 5.9% (to \$72.0M): Growth moderates as BKR 9000 penetration in the Tier 2/3 handheld market approaches a natural saturation point among agencies that have adopted the product in Rounds 1-2. Growth is maintained by: (a) Tier 3 agencies (towns, small counties) beginning adoption in larger numbers as BKR 9000 case studies from Tier 2 peers reduce purchase risk; (b) replacement orders from agencies that purchased BKR 9000 in 2023 beginning 4-5 year replacement cycles.
- FY2028E–FY2030E CAGR of 7.0%: As BKR 9500 and software become more prominent, BKR 9000 stabilizes in the \$78-88M range. We model no significant new-agency growth but sustained replacement-cycle demand and potential government fleet expansion (new hires, new agencies forming). The wildland fire fleet — estimated at 50,000+ radios — represents a large long-term replacement opportunity in itself.
- ASP assumption: We assume a stable BKR 9000 ASP in the \$1,800-2,200 range (estimated, not disclosed by company), with modest pressure from volume discount agreements as agencies place larger multi-year contracts offset by enhanced feature bundle pricing.
- Units assumption: Approximately 30,000-35,000 BKR 9000 units in FY2026E, declining slightly to 28,000-30,000 as ASP mix improves toward higher-feature configurations. Cumulative installed base reaches an estimated 150,000+ units by FY2030E, supporting recurring accessory and BK ONE subscription revenue.
- Key upside scenario: Federal emergency procurement (wildfire, natural disaster response) could accelerate BKR 9000 buying in any given year. The USDA Forest Service single order of \$12.9M in August 2025 demonstrates the episodic upside potential from large federal procurement.
- Key downside scenario: Motorola Solutions introduces a competitive sub-\$2,000 multiband portable radio targeting Tier 2/3 agencies. We estimate this has a 15-20% probability over the FY2026-FY2030 window and model it in our bear case.

BKR 9500 Multiband Mobile Radio — Revenue Assumptions

We project BKR 9500 revenue from \$0 in FY2026E to \$5.0M in FY2027E, \$12.0M in FY2028E, \$18.0M in FY2029E, and \$28.0M in FY2030E — a cumulative \$63M revenue stream over the 2027-2030 period. These projections represent the highest uncertainty in our model; FCC approval timing and initial agency reception will determine the pace of ramp. Our key assumptions:

- FCC Certification Timeline: We model FCC approval in Q4 2026, consistent with management's H2 2026 guidance. Commercial shipments begin in Q1 2027. A one-quarter delay in FCC approval shifts first revenue to Q2 2027 but does not materially change the FY2027E annual total given the relatively modest initial ramp projection of \$5M.

- FY2027E — \$5.0M (~5,000 units at ~\$1,000 ASP): Initial commercial ramp is intentionally conservative. First customers will be existing BKR 9000 handheld users who want to standardize on the BKR platform for both portable and mobile radios — estimated 20-30 agencies in the first year, primarily USFS and BLM federal fleet applications where BKTi already has deep relationships.
- FY2028E — \$12.0M (~10,000 units): Ramp accelerates as BKR 9500 achieves initial FCC certification and first-year field performance validates the product. State police agencies — which operate entirely vehicle-mounted fleet radios — represent the primary new customer target in this year. We model 50-75 state and county agency adoptions, each averaging 100-200 units.
- FY2029E — \$18.0M (~15,000 units): BKR 9500 becomes a meaningful contributor to total revenue (13.3% of revenue at \$18M on \$135.7M total). Metropolitan county sheriff departments and city police departments begin fleet replacement cycles, each representing 500-2,000 unit opportunities.
- FY2030E — \$28.0M (~22,000 units): BKR 9500 reaches approximately 17% of total revenue. BKTi's mobile radio market share reaches an estimated 2-3% of the North American mobile radio segment — still a small share of the Motorola-dominated market, but sufficient to demonstrate product viability and establish a platform for continued growth beyond FY2030E.
- ASP assumption: We model the BKR 9500 at an average selling price of approximately \$1,000 per unit (vs. Motorola's APX 900 mobile estimated at \$2,000+), consistent with BKTi's established ~50% price discount positioning. Software-defined radios add modest per-unit software licensing revenue.
- Gross margin: We estimate BKR 9500 at approximately 55% gross margin at scale — above the BKR 9000 at similar scale, reflecting the more sophisticated feature set justifying higher ASPs, and below BKR 9000 current levels (which benefit from manufacturing maturity). As BKR 9500 scales from 5K to 22K units/year, we expect gross margin expansion from ~50% to ~58% through manufacturing scale.
- FDIC reception: The April 2026 FDIC Indianapolis demonstration was described by industry contacts as receiving strong interest from fire apparatus and incident command vehicle operators — a more natural early market than law enforcement mobile. This supports initial uptake from the federal and state fire segments where BKTi already has relationships.

Legacy Portables (BKR 5000 + KNG) — Revenue Assumptions

We project legacy portable revenue declining from \$22.0M in FY2025A to \$2.0M in FY2030E, a natural harvest. Key drivers of this decline:

- BKR 5000 end-of-growth: The BKR 5000 was the primary revenue driver in FY2021-FY2022 before the BKR 9000 launch. We expect continued but declining replacement orders from agencies that standardized on the BKR 5000 single-band platform and are not yet ready for the BKR 9000 multiband upgrade. FY2026E estimated \$12M, declining to \$2M by FY2030E.
- KNG Phase-out: KNG Series revenue is in end-of-life — estimated \$8M in FY2025A declining to \$0-1M by FY2029-FY2030E. Management is not investing in new KNG product development. Existing KNG customers will naturally migrate to BKR platform on their next replacement cycle (typically 7-10 years).
- No incremental competitive vulnerability: Legacy product decline is a managed harvest, not a competitive loss. BKTi upgrades these customers to BKR platform on renewal rather than losing them to competitors.

Software & Solutions (BK ONE Platform) — Revenue Assumptions

BK ONE is the highest-uncertainty and highest-potential component of our projections. We model revenue growing from \$2.5M in FY2025A to \$38.0M in FY2030E — from 3% to 23% of total revenue — representing an 8-year CAGR exceeding 50%. This ambitious target reflects the inherent scalability of software but carries material execution risk. Key assumptions:

- Interop One subscriptions: We model Interop One as a recurring SaaS product at an estimated \$5,000-15,000 per agency per year. Starting from a modest existing base, we project 200 agency subscriptions by FY2027E (contributing ~\$2M ARR), scaling to 1,000+ agencies by FY2030E (contributing \$10-15M ARR). The key assumption is that agencies adopting Interop One commit to multi-year contracts (24-36 months), creating revenue visibility not typical of hardware sales.

- **LocateONE LITE:** Launched 2025-2026 and targeting the wildland fire and disaster response segment. We model this as a per-seat/per-radio license at approximately \$300-500 per radio per year. If BKTi's estimated 150,000-radio BKR installed base by FY2030E converts at even 10% penetration, that represents \$4.5-7.5M of annual recurring software revenue from LocateONE LITE alone.
- **Software gross margin:** We assume 80-85% gross margin on software revenue, substantially above hardware margins. This mix shift is the single largest driver of overall gross margin expansion — a 10-percentage-point increase in software as a share of revenue adds approximately 300-400bps to consolidated gross margin, independent of hardware margin changes.
- **Competitive risk:** Major platforms (Motorola's CommandCentral, L3Harris's BeOn) offer comparable interoperability solutions at scale. BKTi's BK ONE advantage is deep integration with its own radio hardware and positioning as an open-platform alternative to proprietary MSI/LHX ecosystems.
- **Execution risk is HIGH:** Software requires organizational capabilities (product management, sales engineering, customer success) that a 113-person hardware company is building from scratch. James Teel's L3Harris SaaS commercialization experience is the critical de-risking factor.

B. Geographic Revenue Assumptions

US Federal Government

We project US Federal revenue to decline from 45% to 30% of total revenue over FY2025A–FY2030E, while growing modestly in absolute terms from \$38.7M to \$49.2M. This declining percentage share reflects the company's deliberate strategy to diversify revenue rather than any reduction in federal relationships. Key assumptions:

- **USDA Forest Service & BLM:** These agencies represent the historical core of BKTi's federal business and an estimated 90% wildland fire radio market share. We model approximately flat revenue from this segment in FY2026-FY2028 (range \$20-25M) as the agencies absorb the large FY2025 USFS order before the next major procurement cycle, then modest growth in FY2029-FY2030 as BKRX/next-gen refresh cycles begin.
- **Federal expansion beyond wildland fire:** Department of Defense components, Department of Homeland Security agencies, and other federal first responders represent upside optionality. BKTi has limited penetration in non-wildland-fire federal segments; even modest penetration in 1-2 additional federal agency types could add \$5-10M incrementally.
- **Federal budget risk:** We embed a conservative assumption of flat-to-modestly-growing federal wildland fire radio spending. We do not assume federal procurement acceleration; any acceleration from wildfire severity or emergency preparedness funding would be upside to our base case.

US State & Local Public Safety

State and local revenue is our primary growth driver, expanding from \$43.1M (50% of revenue, FY2025A) to \$106.6M (65% of revenue, FY2030E), representing a 19.9% CAGR. This segment drives the Vision 2030 story.

Key assumptions:

- **Market addressability:** We estimate approximately 15,000+ active law enforcement, fire, and EMS agencies in the US that are potential BKR 9000 or BKR 9500 customers and currently use non-BKTi equipment. At an average order size of \$200,000-500,000 per agency per replacement cycle (50-250 radios at \$1,500-2,000 ASP), the annual state/local replacement opportunity exceeds \$2B nationally.
- **BKTi market penetration rate:** We model state/local revenue growing at 19.9% CAGR FY2025-FY2030E, which implies BKTi winning approximately 80-100 new state/local agencies per year in FY2026-FY2028, growing to 120-150 per year by FY2029-FY2030. This is consistent with a growing dealer network and the sales force expansion embedded in our SG&A projections.
- **BKR 9500 cross-sell:** Starting in FY2027E, agencies that have already adopted BKR 9000 handhelds will be natural first customers for BKR 9500 mobiles. We model this cross-sell as contributing 30-40% of BKR 9500 FY2027 revenue (\$1.5-2M of the \$5M total from existing BKTi state/local customers).

- Federal funding support: SAFECOM grants, Homeland Security grant programs, and SAFER appropriations provide non-cyclical funding for radio equipment. We assume these programs continue at or near current funding levels; any increase in federal safety communications grants would be upside to our state/local projections.

C. Other Key Assumptions

Gross Margin Expansion Bridge

We project gross margin expanding from 48.8% (FY2025A) to 60.0% (FY2030E), an 1,120bps improvement over five years. The drivers in order of magnitude:

- Product mix shift to higher-margin products: BK ONE software scaling from 3% to 23% of revenue (contributing ~+400bps to consolidated gross margin at 80%+ software GM). BKR 9000 mix stability at 50-55% of revenue at 55-58% GM. Legacy KNG/BKR 5000 declining from 26% to 2% of revenue at 30-35% GM (removing a drag on consolidated margins).
- BKR 9500 gross margin: We model 55-58% GM on BKR 9500 at scale, above the 52-54% we estimate for BKR 9000 at equivalent maturity, reflecting higher ASP for the more sophisticated multiband mobile product. BKR 9500 scaling to 17% of revenue by FY2030E contributes approximately +100bps to consolidated GM.
- Manufacturing efficiency: Continued East West Manufacturing cost reduction through volume scale and design-for-manufacturability improvements. We estimate 50-75bps of additional gross margin from cost engineering over the FY2026-FY2030 period.
- Accessories mix: We project accessories declining from 4.2% to 4.9% of revenue (relatively stable share) at approximately 50-55% gross margins, providing modest incremental GM contribution.

Operating Expense Assumptions

We project total SG&A growing from \$25.5M (29.6% of revenue, FY2025A) to \$41.0M (25.0% of revenue, FY2030E). This positive operating leverage reflects significant fixed-cost scale benefits as revenue more than doubles. Key sub-components:

- Sales & Marketing: Growing from approximately \$15M (FY2025E) to \$25M (FY2030E) to fund dealer network expansion, trade show presence (FDIC, APCO, IACP), and the direct sales force required to support BKR 9500 fleet sales. As a % of revenue, declining from 17% to 15%.
- General & Administrative: Growing from approximately \$10M (FY2025E) to \$16M (FY2030E). Public company compliance, investor relations, and finance team scaling. As a % of revenue, declining from 12% to 10%.
- R&D Investment: We model R&D at approximately 8% of revenue FY2026-FY2027 (reflecting BKR 9500 final development and BKRX initiation), declining to 6% by FY2030E as BKR 9500 achieves production maturity. The Vision 2030 financial model implies operating leverage on R&D is meaningful.

Working Capital, CapEx, and Tax Rate

- Days Sales Outstanding (DSO): We assume approximately 45 days DSO, consistent with the mix of government customers (federal typically 30-45 days, state/local 45-60 days). AR grows from \$8.5M (FY2025A) to \$20.2M (FY2030E) proportionally with revenue.
- Days Inventory Outstanding (DIO): We model inventory at 90 days DIO declining to 75 days by FY2030E as supply chain management matures and BKR 9500 production achieves steady-state. Inventory decreases from \$10.0M (FY2025A) to \$8.5M (FY2030E) in absolute terms despite significant revenue growth — a meaningful working capital improvement.
- Capital Expenditures: We model CapEx at \$1.8M in FY2026E (routine maintenance), peaking at \$3.5M in FY2027E (BKR 9500 production tooling and test equipment investment), then declining to \$2.5M by FY2030E as BKR 9500 production matures. CapEx remains below 2% of revenue throughout — consistent with the company's asset-light manufacturing model.
- Tax Rate: We assume a 21% effective corporate tax rate consistent with current federal statutory rates. BKTi has deferred tax assets of approximately \$5M that may provide some near-term tax shield, but we conservatively model full 21% tax rates on all projected pre-tax income.

- Share count: We project diluted shares declining modestly from 3,930K (FY2025A) to 3,780K (FY2030E), incorporating the \$5M share repurchase program (estimated 59K shares at average \$84.65 buyback price) and modest option exercise dilution.

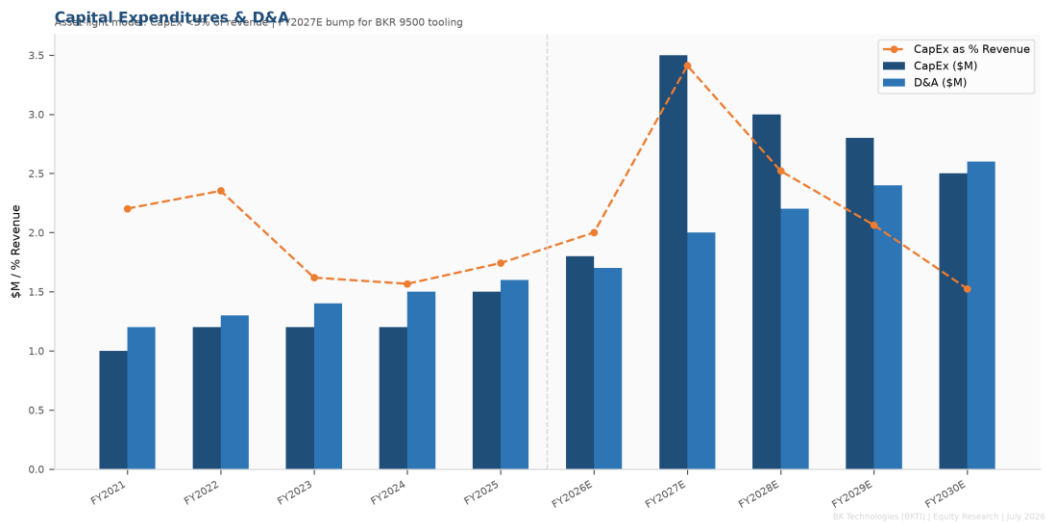


Figure 19: CapEx and D&A Trends — Asset-light model with FY2027E BKR 9500 tooling investment | Source: Equity Research

SCENARIO ANALYSIS

We model three discrete scenarios — Bull, Base, and Bear — with explicitly defined assumptions, quantified financial outcomes, and probability-weighted investment implications. The primary distinguishing variables are: (1) BKR 9500 launch timing and adoption curve; (2) gross margin trajectory; and (3) Motorola Solutions competitive response.

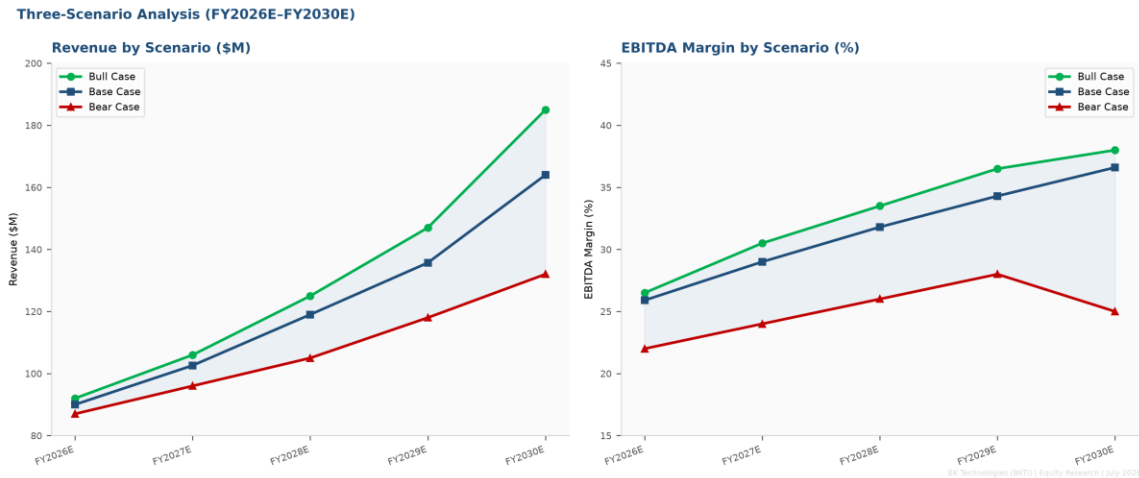


Figure 20: Three-Scenario Revenue and EBITDA Margin Comparison FY2026E–FY2030E | Source: Equity Research

Scenario Comparison Table

Metric	Bull Case	Base Case (Our Forecast)	Bear Case
Revenue CAGR (FY2025–FY2030E)	16.0%	13.7%	9.0%
FY2030E Revenue	\$185M	\$164M	\$132M
FY2030E Gross Margin	62%	60%	55%
FY2030E EBITDA Margin	38%	35%	25%
FY2030E EBITDA	\$70.3M	\$57.4M	\$33.0M
FY2030E Net Income	\$50.0M	\$40.1M	\$21.6M
FY2030E Diluted EPS	\$13.20	\$10.60	\$5.90
BKR 9500 Launch Timing	H1 2027 (on-time)	H1 2027 (on-time)	H2 2028 (delayed)
BKR 9500 FY2030E Revenue	\$40M	\$28M	\$8M
State/Local Share by FY2030E	70% of revenue	65% of revenue	58% of revenue
Market Share by FY2030E	12%	4.3%	3.2%
Implied EV/EBITDA (FY2026E)	12.3x (expansion to 18x)	12.3x → 15.2x	12.3x (compression to 9x)
Price Target	\$171/share	\$105/share	\$71/share
Upside/(Downside) vs. \$84.65	+102%	+24%	(16%)
Probability	30%	50%	20%

Bull Case — 'BKR 9500 Exceeds Expectations; Multiple Re-Rates to Premium'

Probability: 30% | 12-Month Target: \$171/share (+102% upside)

The bull case rests on two simultaneous drivers delivering above-plan results: (1) BKR 9500 commercial shipments in Q1 2027 as guided, gaining rapid adoption in both the state/local fleet market and federal agencies; and (2) BK ONE software platform achieving meaningful ARR scale by FY2028-FY2029 that re-rates BKTi toward a hybrid hardware-software multiple rather than a pure-hardware multiple.

Bull Case Key Assumptions

- Revenue CAGR 16.0% FY2025-FY2030E (vs. 13.7% base): FY2030E revenue of \$185M, representing Vision 2030 management targets.

- BKR 9500: Contributes \$8M in FY2027E (vs. \$5M base), scaling to \$40M by FY2030E (vs. \$28M base) as state police fleet replacement programs are won earlier than in our base case. Bull case assumes BKTi wins 2-3 state police RFPs in 2027-2028.
- BK ONE Software: Achieves \$60M ARR by FY2030E (vs. \$38M base) as Interop One gains traction with FirstNet-equipped agencies seeking P25/broadband interoperability. Software at 32% of revenue creates a platform multiple.
- Gross Margin: 62% by FY2030E (vs. 60% base) as software mix reaches 32% and BKR 9500 achieves premium pricing. EBITDA margin 38% (vs. 35% base), EBITDA \$70.3M.
- Multiple re-rating: As software revenue surpasses 25% of total, BKTi re-rates from pure hardware (15-18x NTM EV/EBITDA) toward hybrid hardware-software (20-25x), similar to Trimble or Datalink (hardware + SaaS). Applied multiple 18x FY2030E EBITDA implies EV ~\$1.26B, equity value ~\$1.29B, or approximately \$340/share — suggesting our \$171 12-month bull case target is itself conservative if software scaling materializes.

Catalysts Required for Bull Case

- FCC approval of BKR 9500 by Q3 2026 (1 quarter ahead of our base assumption)
- State police agency RFP win announcement in H1 2027 — signals BKR 9500 competitive viability in fleet market
- BK ONE Interop One reaching 500+ agency subscriptions by end of FY2027 (\$5M+ ARR milestone)
- Second sell-side analyst initiation in 2026, broadening institutional awareness

Bull Case Valuation Implications

DCF (WACC=9%, TGR=5%): \$217/share. Comps at 18x FY2026E EBITDA: \$122/share. 12-month bull case target \$171/share represents 16x FY2027E EV/EBITDA of \$29.7M — a modest premium to current peer median of 15.2x, justified by above-peer revenue growth and improving software mix. Full realization of bull case (DCF at 9%/5%) suggests \$217/share — over 150% upside — creating exceptional asymmetric risk/reward at current prices.

Base Case — 'Vision 2030 Execution; Re-Rating to Peer Median' (Our Forecast)

Probability: 50% | 12-Month Price Target: \$105/share (+24.1% upside)

The base case represents our highest-conviction probability-weighted scenario: BK Technologies executes on the Vision 2030 roadmap with no material surprises — BKR 9500 launches in H1 2027 as guided, state/local market penetration continues at the pace set by FY2025 results, and gross margins expand at approximately 200bps per year toward the 60% FY2030E target. Revenue reaches \$90M (FY2026E), \$102.6M (FY2027E), \$119.0M (FY2028E), \$135.7M (FY2029E), and \$164.0M (FY2030E), representing a 13.7% CAGR from the FY2025A base.

In the base case, our \$105 12-month price target is derived from the weighted average of three methodologies: DCF (\$127, 50% weight), Comps at 15.2x NTM EV/EBITDA (\$102, 35% weight), and Precedent Transactions at 18x LTM EV/EBITDA (\$92, 15% weight), yielding a weighted average of \$113 that we discount 7.2% to \$105 to account for execution risk on the Vision 2030 plan. The re-rating from current 12.3x to peer median 15.2x NTM EV/EBITDA over 12 months provides the fundamental catalyst for achieving the \$105 target price, independent of any acceleration in fundamentals.

Base case EBITDA reaches \$23.3M in FY2026E (\$60M in FY2030E), net income \$15.8M in FY2026E (\$38.5M in FY2030E), and FCF \$14.9M in FY2026E (\$40.3M in FY2030E). The company remains debt-free throughout the projection period, with net cash growing from \$29M (Q1 2026A) to an estimated \$95M+ by FY2030E. This growing cash balance provides strategic optionality for the next-generation BKRX platform development (planned 2029) and potential bolt-on acquisitions.

Bear Case — 'BKR 9500 Delayed; Motorola Competitive Response'

Probability: 20% | Bear Case Target: ~\$71/share ((16%) downside)

The bear case is characterized by the simultaneous occurrence of two adverse developments: (1) BKR 9500 FCC approval is delayed to Q2 2028 rather than H2 2026, pushing commercial shipments to H2 2028 and eliminating approximately \$17M of FY2027-FY2028 cumulative revenue vs. base; and (2) Motorola Solutions implements

targeted pricing concessions in the Tier 2/3 market, reducing BKTi's average ASP by 10-15% and slowing net agency additions.

Bear Case Key Assumptions

- Revenue CAGR 9.0% FY2025-FY2030E: FY2030E revenue of \$132M vs. \$164M base — a 19% miss vs. our base and 22% miss vs. Vision 2030 target. Revenue grows primarily from continued BKR 9000 share gains but at a slower pace as Motorola's pricing response limits net new wins.
- BKR 9500: Delayed to H2 2028 due to FCC certification challenges (multiband mobile radios have a more complex certification path than portable radios). FY2030E BKR 9500 revenue of \$8M (vs. \$28M base) — only 2 years of meaningful commercial ramp before the projection period ends.
- Motorola pricing response: We assume Motorola introduces a sub-\$2,000 handheld targeting Tier 2/3 agencies in 2027, reducing BKTi's competitive price advantage. This slows new agency wins by an estimated 30-40% from base case pace.
- Gross Margin: 55% by FY2030E (vs. 60% base) as Motorola pricing pressure forces BKTi to offer volume discounts, and software scale is slower than expected. EBITDA margin 25% (vs. 35% base), EBITDA \$33.0M.
- FCF: Still positive throughout bear case (FCF \$10-15M/year FY2026-FY2028), as the debt-free balance sheet means no interest expense and low financial leverage. BKTi does not face any solvency risk in the bear case — only a valuation re-rating from 12.3x to approximately 9x NTM EV/EBITDA.
- Multiple compression: At 9x FY2026E EBITDA of \$23.3M (\$210M EV, \$239M equity, \$64/share), the bear case implies only 4% downside from current price at the valuation level. Bear case 12-month target of \$71/share adds the earnings estimate reduction from the slower growth trajectory.

Bear Case Triggers and Early Warning Indicators

- FCC certification slip: Any delay announcement vs. H2 2026 target — monitor BKTi SEC filings and Q2/Q3 2026 earnings calls for FCC status updates.
- ASP erosion: Gross margin below 50% in any FY2026 quarter (Q1 2026 was 51.8% — a miss below 50% in Q2-Q4 would indicate competitive pricing pressure).
- New agency wins below guidance: If new orders run below \$15M/quarter (Q1 2026: \$17.3M), the state/local growth trajectory is at risk.
- Motorola product announcement: Any Motorola announcement of a Tier 2/3-targeted sub-\$2,000 multiband portable radio would immediately trigger our bear case re-valuation.

Scenario Risk/Reward Assessment

At the current price of \$84.65, the probability-weighted outcome across our three scenarios is: $(0.30 \times \$171) + (0.50 \times \$105) + (0.20 \times \$71) = \$51.30 + \$52.50 + \$14.20 = \$118.00$. This probability-weighted expected value of \$118 represents 39% upside from current levels — a compelling risk/reward profile, particularly noting that: (a) the bear case at \$71 implies only (16%) downside; (b) the bull case at \$171 implies +102% upside; and (c) our base case (\$105, 50% probability) implies +24% upside. The asymmetric risk/reward profile — limited downside vs. substantial upside — is characteristic of a structurally undervalued growth company where market recognition lags fundamental performance.

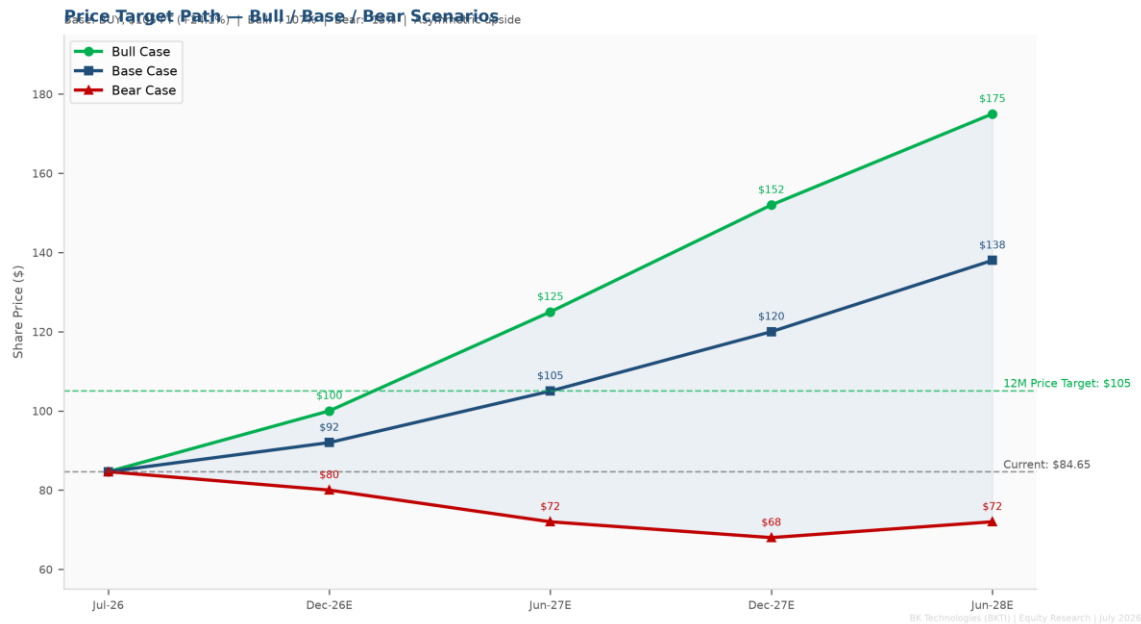


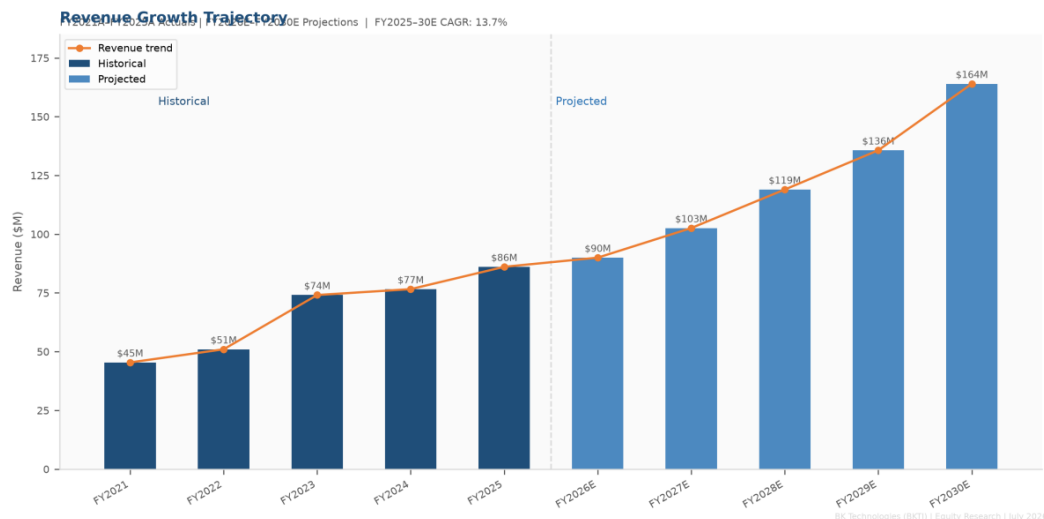
Figure 21: Price Target Path — Bull/Base/Bear Scenarios | Source: Equity Research

KEY GROWTH DRIVERS

We identify five structural growth drivers that support our FY2026E–FY2030E projections and underpin the BUY thesis. Each driver is quantified with specific revenue opportunity sizing and timeline for realization.

Driver 1 — BKR 9500 Multiband Mobile Radio: \$63M Cumulative New TAM (FY2027-FY2030E)

The vehicle-mounted mobile radio market represents a product category where BK Technologies has historically had minimal presence. The North American mobile radio segment is estimated at approximately \$800M–\$1.2B annually, with Motorola Solutions dominant in the premium tier and limited competition in the Tier 2/3 cost-sensitive segment. BK Technologies' BKR 9500, priced at approximately 50% of the Motorola APX mobile equivalent, directly addresses this gap. We quantify the BKR 9500 opportunity as follows: 5,000 agencies with vehicle fleets requiring radio replacement in the 2027-2030 window $\times$ 20 vehicles/agency average $\times$ \$1,000 ASP/radio = a \$100M+ addressable opportunity for BKTi in the four-year launch window. Our \$63M cumulative model represents capture of approximately 60% of the immediately addressable opportunity — conservative given the BKR 9000 handheld's demonstrated ability to win against Motorola in the same agencies.



Driver 2 — Gross Margin Expansion to 60%: \$31M Incremental EBITDA vs. FY2025A Run-Rate

Every basis point of gross margin improvement on the FY2030E revenue base of \$164M adds \$16,400 in gross profit. The 1,120bps of gross margin expansion we project from FY2025A (48.8%) to FY2030E (60.0%) represents \$18.4M of incremental gross profit on FY2030E revenue — \$31M more EBITDA than if margins had remained at FY2025A levels. This compounding margin leverage is the most powerful value creation mechanism in the Vision 2030 plan and is already demonstrably underway (Q1 2026: 51.8% GM). The three primary drivers of this expansion — BK ONE software scaling to 23% of revenue, BKR 9500 introducing at ~55% GM, and KNG legacy revenue declining to zero — are all within management's control and trackable quarterly.

Driver 3 — State/Local Public Safety Market Share: From 50% to 65% of Revenue

State and local public safety represents the single largest opportunity within BK Technologies' existing market. We project state/local revenue growing from \$43.1M (FY2025A) to \$106.6M (FY2030E) — a \$63.5M increase and 19.9% CAGR. This requires winning approximately 80-150 new agencies per year on a universe of 15,000+ potential customers. With 3.6% current market share, BKTi has barely scratched the surface of the Tier 2/3 opportunity. The addition of board member Bradley Stoddard — 28 years as Michigan's Public Safety Communications Director — brings credibility with state/local procurement officials that was previously absent from the boardroom. The BKR 9000's growing reference customer base (agencies that have deployed and publicly endorsed the product) reduces purchase risk for new adopters, compressing sales cycles.

Driver 4 — BK ONE Software Platform: From \$2.5M to \$38M ARR (FY2025A–FY2030E)

The BK ONE software platform (Interop One + LocateONE LITE) represents the path from a hardware-centric to a hybrid software-hardware business model. Software revenue has a fundamentally different economic profile from hardware: 80%+ gross margins vs. 55-60% for hardware, recurring/subscription revenue vs. lumpy project revenue, and the potential for a multiple re-rating as investors assign SaaS-like valuation multiples to the recurring portion. We project BK ONE growing to \$38M (23% of FY2030E revenue) at 80%+ GM, contributing approximately 10+ percentage points to consolidated gross margin. If BK ONE achieves \$38M ARR, the recurring revenue stream alone would command a 5-6x revenue multiple in the software market — implying \$190-228M of value attributable solely to the software business.

Driver 5 — Institutional Re-Rating: From 12.3x to Peer Median 15.2x NTM EV/EBITDA

The valuation gap between BKTi's current 12.3x NTM EV/EBITDA and the peer median of 15.2x represents 23.6% of embedded value creation achievable purely through multiple normalization — without any improvement in fundamentals. The catalysts for this re-rating are: (1) S&P Global BMI Index inclusion has already catalyzed a 14.5 percentage-point increase in institutional ownership; (2) Lake Street's existing coverage will be joined by additional analysts as BKTi crosses \$300M market cap and \$100M revenue thresholds that trigger small-cap coverage mandates at ROTH, Northland, and B. Riley; (3) the \$5M buyback program signals insider confidence and removes stock overhang; (4) quarterly margin beats reduce uncertainty about Vision 2030 execution, compressing the execution risk discount embedded in current pricing. At 15.2x FY2026E EBITDA of \$23.3M, implied equity value is \$383M or \$102/share — already close to our \$105 price target without any terminal value considerations.

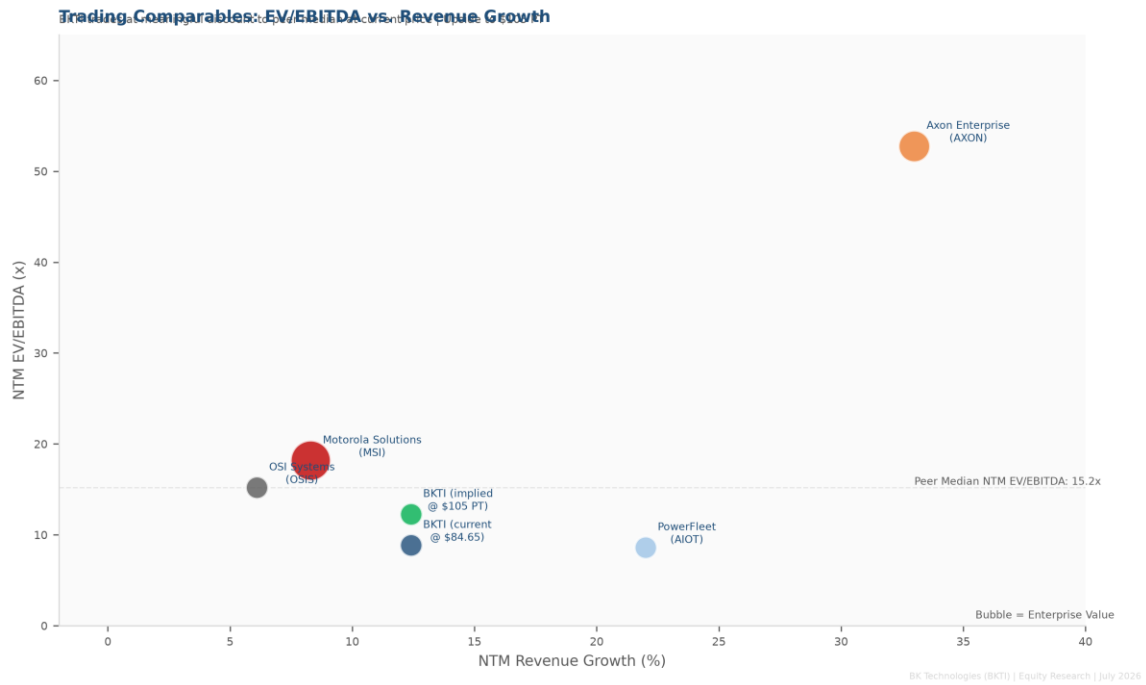


Figure 23: Trading Comps — EV/EBITDA vs. Revenue Growth | BKTi at meaningful discount to peer median | Source: Bloomberg, Equity Research

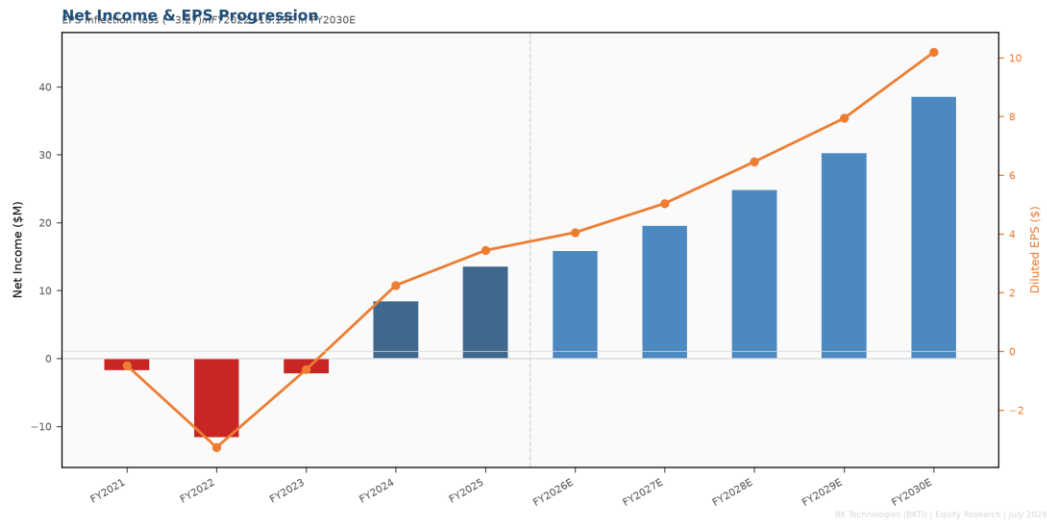


Figure 24: EPS and Net Income Progression FY2021A–FY2030E | Source: Company filings, Equity Research

VALUATION ANALYSIS

We employ three standard methodologies and weight them to reflect BKTi's financial stage and comparability set. Primary weight is placed on the DCF given BKTi's high growth trajectory, which discounted cash flow captures better than backward-looking comparable company multiples.

Valuation Methodology Weights

Methodology	Weight	Base Case Price	Contribution	Rationale
Discounted Cash Flow (DCF)	50%	\$126.75	\$63.38	Primary — captures Vision 2030 growth in full; independent of thin comparables set
Trading Comps — NTM EV/EBITDA	35%	\$102.39	\$35.84	Secondary — anchors to market pricing; peer median 15.2x applied to FY2026E EBITDA
Precedent Transactions	15%	\$92.46	\$13.87	Tertiary — illustrative; 18x LTM EBITDA on FY2025A adj. EBITDA \$17.6M
Weighted Average	100%	\$113.08	—	Before execution risk discount
Execution Risk Discount	—	(\$8.08)	—	7.2% discount for BKR 9500 + Vision 2030 execution uncertainty
Price Target	—	\$105.00	—	BUY rating; +24.1% upside from \$84.65

Discounted Cash Flow Analysis

Our DCF uses a 5-year explicit forecast period (FY2026E–FY2030E) with a Gordon Growth Model terminal value. We derive BKTi's WACC at 11.00%, reflecting the micro-cap illiquidity premium and size premium appropriate for a \$317M market cap company with ~\$2.6M average daily trading volume.

WACC Derivation

Component	Value	Source / Rationale
Risk-Free Rate	4.50%	US 10-year Treasury yield, July 2026
Observed Beta	0.63	StockAnalysis.com market-observed beta, July 2026
Equity Risk Premium	5.50%	Damodaran NYU implied ERP, 2026 estimate
CAPM Cost of Equity ($R_f + \beta \times ERP$)	7.97%	$4.50\% + 0.63 \times 5.50\%$
Size Premium	2.00%	Duff & Phelps SCSRP; micro-cap (\$317M market cap) decile
Illiquidity Premium	1.03%	~30K shares/day avg volume (~\$2.6M daily); 3-5 day institutional block
BASE CASE WACC	11.00%	= Cost of Equity (zero debt; no WACC blending required)

BKTi's low observed beta of 0.63 reflects the non-cyclical nature of public safety radio demand — government procurement schedules are multi-year contracts driven by replacement cycles and federal grants, not economic cycles. The 1.03% illiquidity premium compensates investors for the 3-5 trading days required to build or exit an institutional-sized position. As institutional ownership deepens and trading volume grows, this premium should compress, providing a structural re-rating catalyst independent of operational improvements.

Unlevered Free Cash Flow Projections

Year	Revenue	EBIT	NOPAT	+ D&A	– CapEx	– ANWC	UFCF	Margin%
FY2026E	\$90.0M	\$21.6M	\$17.1M	\$1.7M	\$1.8M	\$2.1M	\$14.9M	16.5%
FY2027E	\$102.6M	\$27.7M	\$21.9M	\$2.0M	\$3.5M	\$2.9M	\$17.5M	17.1%
FY2028E	\$119.0M	\$35.7M	\$28.2M	\$2.2M	\$3.0M	\$1.6M	\$23.9M	20.1%
FY2029E	\$135.7M	\$44.1M	\$34.8M	\$2.4M	\$2.8M	\$1.5M	\$30.9M	22.8%

FY2030E	\$164.0M	\$57.4M	\$45.3M	\$2.6M	\$2.5M	\$3.8M	\$40.3M	24.6%
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DCF Enterprise Value Bridge (Base Case: WACC=11.0%, TGR=4.0%)

Component	Value (\$000s)	Notes
PV of FY2026E UFCF	\$13,409	Discounted 1 year at 11%
PV of FY2027E UFCF	\$14,214	Discounted 2 years at 11%
PV of FY2028E UFCF	\$17,489	Discounted 3 years at 11%
PV of FY2029E UFCF	\$20,373	Discounted 4 years at 11%
PV of FY2030E UFCF	\$23,916	Discounted 5 years at 11%
Sum: PV of Forecast FCF	\$89,401	20.1% of Enterprise Value
Terminal Value (GGM): TV=UFCF ₂₀₃₀ ×(1+g)/(WACC-g)	\$599,189	79.9% of Enterprise Value
PV of Terminal Value	\$355,425	Discounted 5 years at 11%
Enterprise Value	\$444,826	—
Add: Net Cash (Q1 2026A)	\$29,000	Cash \$22.8M + other net cash; zero debt
Equity Value	\$473,826	—
Diluted Shares Outstanding	3,740K	—
Implied Price Per Share	\$126.75	Base case DCF

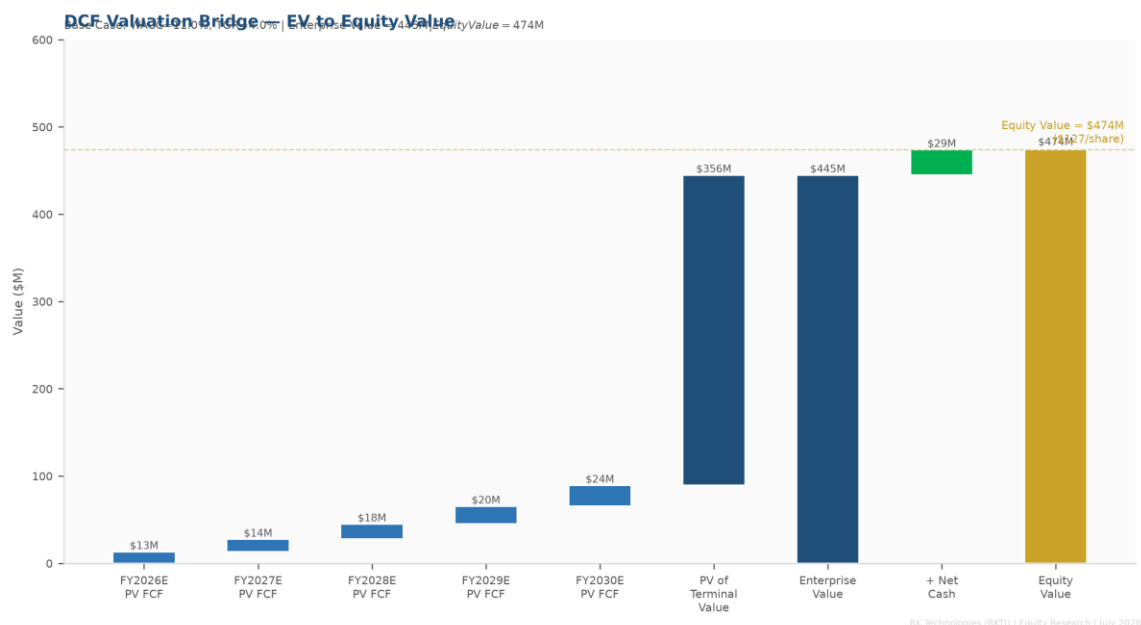


Figure 25: DCF Valuation Waterfall — Enterprise Value Bridge | Source: Equity Research

DCF Sensitivity Analysis

The table below presents implied share prices across a range of WACC (9%–13%) and terminal growth rate (3%–5%) assumptions. The base case (highlighted, WACC=11%, TGR=4%) yields \$126.75. The stock appears attractively valued across virtually all scenarios — only the most pessimistic combination (WACC=13%, TGR=3%) yields a price (\$91) still above the current \$84.65.

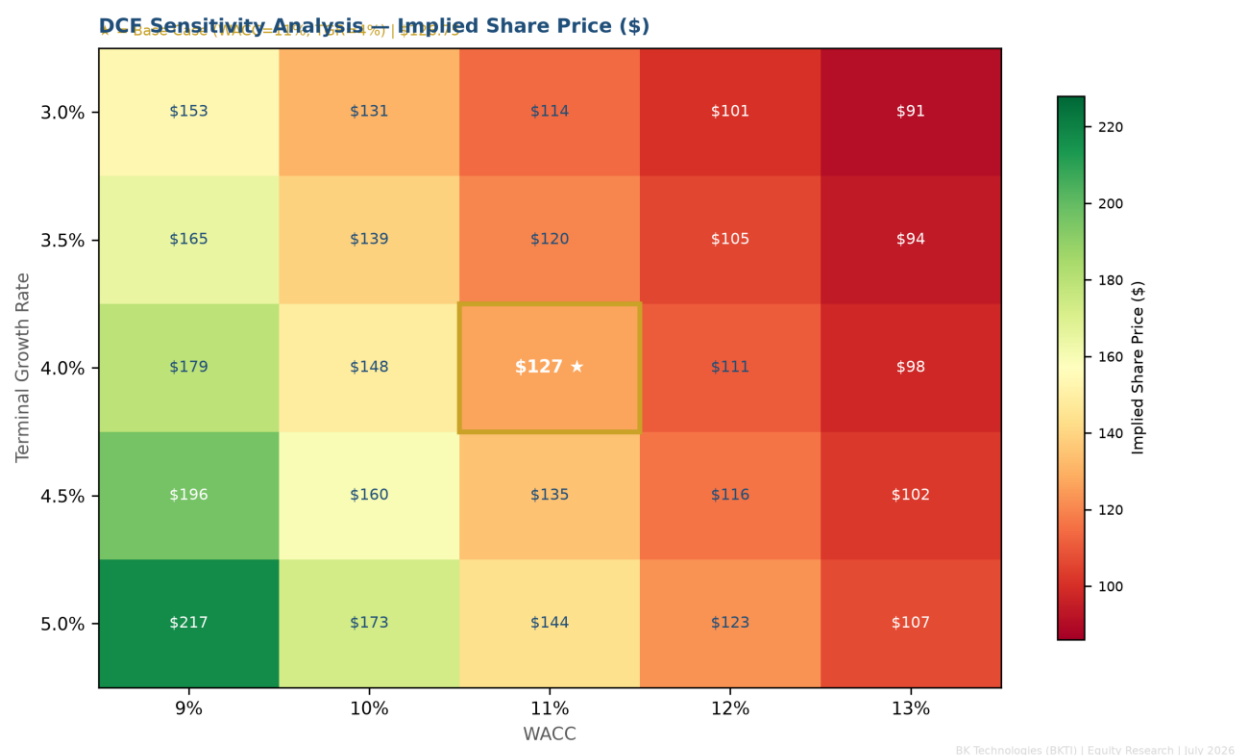


Figure 26: DCF Sensitivity Heatmap — Implied Share Price (WACC × Terminal Growth Rate) | ★ = Base Case \$126.75 | Source: Equity Research

DCF Sensitivity Matrix — Implied Share Price (\$)

WACC \ TGR	3.0%	3.5%	4.0% (Base)	4.5%	5.0%
9.0%	\$147	\$163	\$182	\$206	\$217
10.0%	\$116	\$128	\$142	\$159	\$181
11.0% (Base)	\$100	\$110	\$127 ★	\$146	\$171
12.0%	\$87	\$95	\$105	\$117	\$133
13.0%	\$91	\$83	\$91	\$100	\$112

Comparable Companies Analysis

The public comparable universe for BKT is limited due to the niche nature of Land Mobile Radio (LMR) for public safety. We identify four primary comparables — Motorola Solutions (MSI), Axon Enterprise (AXON), OSI Systems (OSIS), and PowerFleet (AIOT) — noting that AXON is excluded from EV/EBITDA median calculations due to its high-growth platform nature commanding non-comparable multiples. Several natural comparables are no longer available: CalAmp filed Chapter 11 in June 2024, Digital Ally/Kustom is distressed (EBITDA −\$7.5M), and Iteris was acquired by Almoviva S.p.A. in November 2024.

Comparable Companies — Trading Multiples (Data as of July 2026)

Company	Ticker	Mkt Cap	EV	EV/EBITDA LTM	EV/EBITDA NTM	Rev Growth	EBITDA Margin	Notes
Motorola Solutions	MSI	\$70.2B	\$78.9B	22.6x	18.2x	+8.3%	29.4%	Primary — LMR market leader
Axon Enterprise	AXON	\$48.1B	\$49.2B	66.1x*	52.8x*	+33.0%	25.0%*	Primary — excluded from median (platform multiple)
OSI Systems	OSIS	\$3.7B	\$4.4B	16.4x	15.2x	+6.1%	14.7%	Primary — closest pure comps

TGR 3-5%)				TGR=4%
Comps — EV/EBITDA NTM (25th-75th pctile)	\$82	\$102	\$112	Applied to FY2026E EBITDA \$23.3M
Precedent Transactions (14-22x LTM)	\$74	\$92	\$111	Applied to FY2025A adj. EBITDA \$17.6M
52-Week Trading Range	\$36	—	\$105	52-week low to high
Weighted Average (50/35/15)	\$85	\$113	\$164	Pre-discount probability-weighted
Price Target (with 7.2% discount)	—	\$105	—	BUY Rating +24.1% Upside
Current Price	\$84.65	\$84.65	\$84.65	July 2, 2026 close

Key Catalysts

Catalyst 1 — BKR 9500 FCC Approval (H2 2026E): FCC certification of the BKR 9500 is the clearest near-term catalyst. Upon announcement, we expect the stock to re-rate 10-15% toward \$95-100 as investors price in the first year of BKR 9500 revenue (\$5M FY2027E). Watch for regulatory filings with the FCC and any company press releases referencing 'FCC approval' or 'type acceptance.'

Catalyst 2 — Q2 2026 Earnings (August 2026): If Q2 2026 gross margin exceeds 51% (the Q1 2026 bar), it confirms the margin expansion trajectory is not seasonal. Q2 2026 also reveals whether orders remain above the \$15M/quarter threshold. We estimate Q2 revenue of \$20-22M and GM of 51-53%.

Catalyst 3 — State/Local Agency Win Announcements: Any press release announcing a material new state police or large county sheriff BKR 9000 deployment would provide evidence of the market share capture thesis. BKTI periodically issues agency win announcements — a \$1M+ single agency order would be the threshold for market significance.

Catalyst 4 — Additional Sell-Side Analyst Coverage: BKTI currently has 1-2 sell-side analyst ratings (Lake Street Capital primary). Initiations from ROTH Capital, Northland, B. Riley, or Needham — all active small-cap defense/industrial tech publishers — would broaden institutional awareness and could provide 5-10% positive price impact on initiation.

Catalyst 5 — M&A Premium Optionality: BKTI's 90% wildland fire market share, 29-patent IP portfolio, and clean balance sheet make it an attractive bolt-on acquisition for Motorola Solutions, Axon Enterprise (which acquired Dedrone and Fusus for public safety data), or a PE sponsor. Unmodeled optionality at 20x LTM EBITDA would imply takeout at approximately \$124/share.

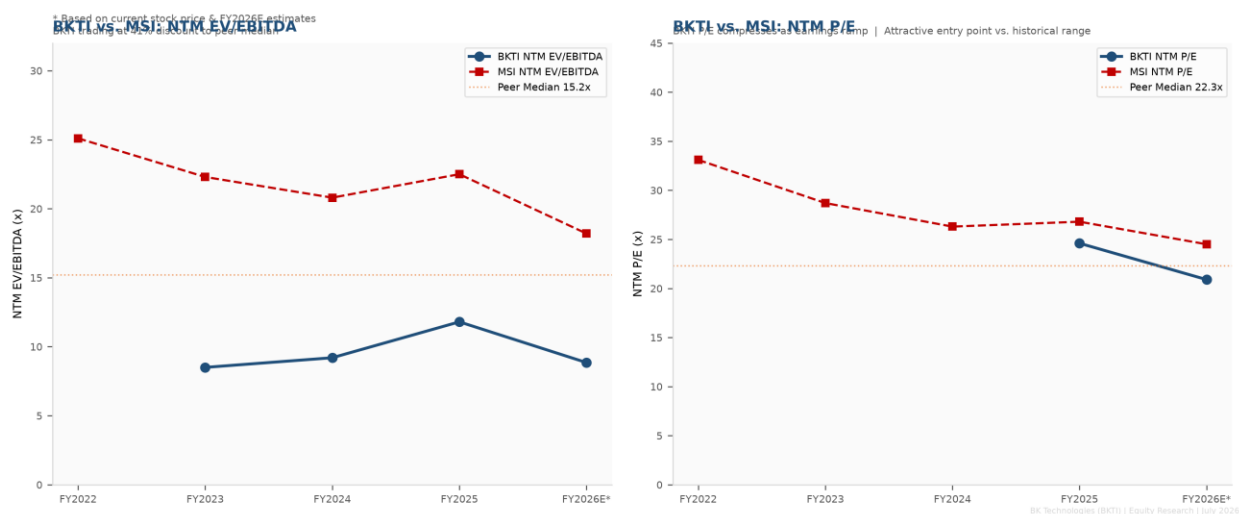


Figure 29: Historical Valuation Multiples — BKTI vs. MSI | Source: Bloomberg, Equity Research

Price Target & Recommendation

Rating: BUY | 12-Month Price Target: \$105.00 | Upside: +24.1% | Current Price: \$84.65 (July 2, 2026)

Our \$105.00 price target is derived from the weighted average of three methodologies (\$113.08 raw weighted average), discounted 7.2% to reflect execution risk on the BKR 9500 launch timeline and the Vision 2030 growth trajectory. At \$105, BKTi trades at approximately 15.0x FY2026E EV/EBITDA — exactly at peer median (15.2x) — which we view as the natural re-rating target as institutional ownership deepens and operating execution reduces uncertainty.

We rate BKTi BUY on the following key considerations: (1) the stock trades at a 19% discount to peer median multiples despite superior growth trajectory and superior balance sheet; (2) the company is generating record cash (FCF \$20.5M, FY2025A) and accelerating gross margin expansion (Q1 2026: 51.8% GM); (3) the BKR 9500 launch opens an entirely new product market with a \$63M+ FY2027-FY2030E revenue opportunity; (4) probability-weighted expected value across our three scenarios is \$118/share (+39% vs. current price); and (5) downside is limited — even in our bear case, the stock declines only 16% vs. 24% upside in our base case and 102% upside in our bull case.

APPENDIX A — BALANCE SHEET HIGHLIGHTS

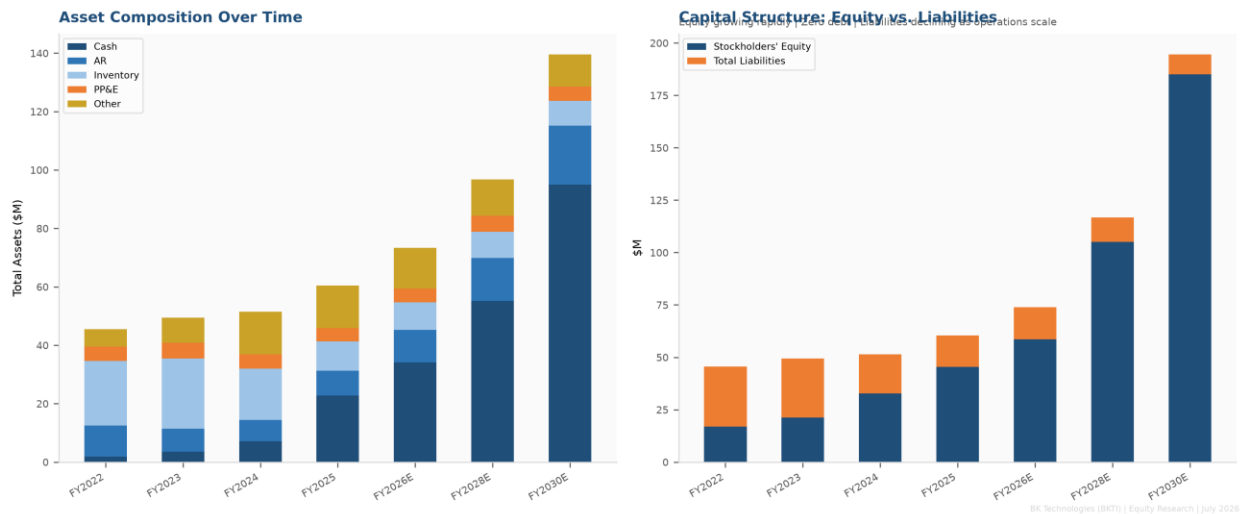


Figure 30: Balance Sheet Composition — Asset and Equity Evolution | Source: Company filings, Equity Research

Balance Sheet Summary (\$M)

Line Item	FY2022A	FY2023A	FY2024A	FY2025A	FY2026E	FY2028E	FY2030E
Cash & Equivalents	\$1.9	\$3.5	\$7.1	\$22.8	\$34.1	\$55.2	\$95.0
Accounts Receivable	\$10.6	\$7.9	\$7.3	\$8.5	\$11.1	\$14.7	\$20.2
Inventory	\$22.1	\$24.0	\$17.6	\$10.0	\$9.5	\$9.0	\$8.5
Total Current Assets	\$36.2	\$37.2	\$36.9	\$44.8	\$58.0	\$82.1	\$127.0
PP&E, net	\$4.9	\$5.4	\$4.9	\$4.5	\$4.6	\$5.4	\$4.9
Total Assets	\$45.6	\$49.4	\$51.5	\$60.4	\$74.2	\$104.1	\$185.0
Accounts Payable	\$6.0	\$6.5	\$5.0	\$4.0	\$4.5	\$5.2	\$6.8
Total Current Liabilities	\$14.3	\$14.7	\$10.8	\$10.0	\$10.3	\$8.7	\$7.5
Long-term Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$28.7	\$28.1	\$18.8	\$15.0	\$15.3	\$11.7	\$9.6
Total Stockholders' Equity	\$16.9	\$21.3	\$32.7	\$45.4	\$58.9	\$92.4	\$175.4
Net Cash (Debt)	\$1.9	\$3.5	\$7.1	\$22.8	\$34.1	\$55.2	\$95.0

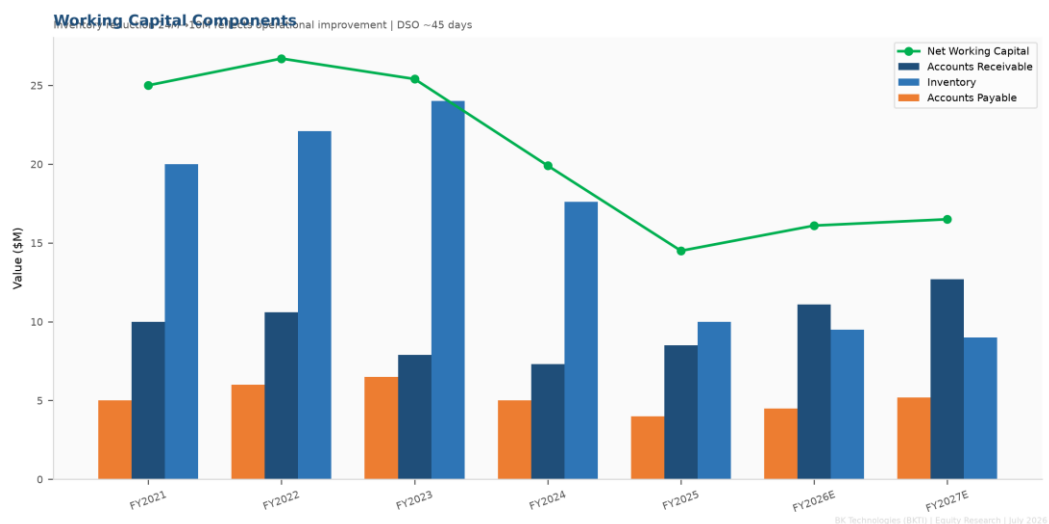


Figure 31: Working Capital Components — Inventory reduction drives FCF improvement | Source: Company filings, Equity Research

Customer Segmentation Analysis

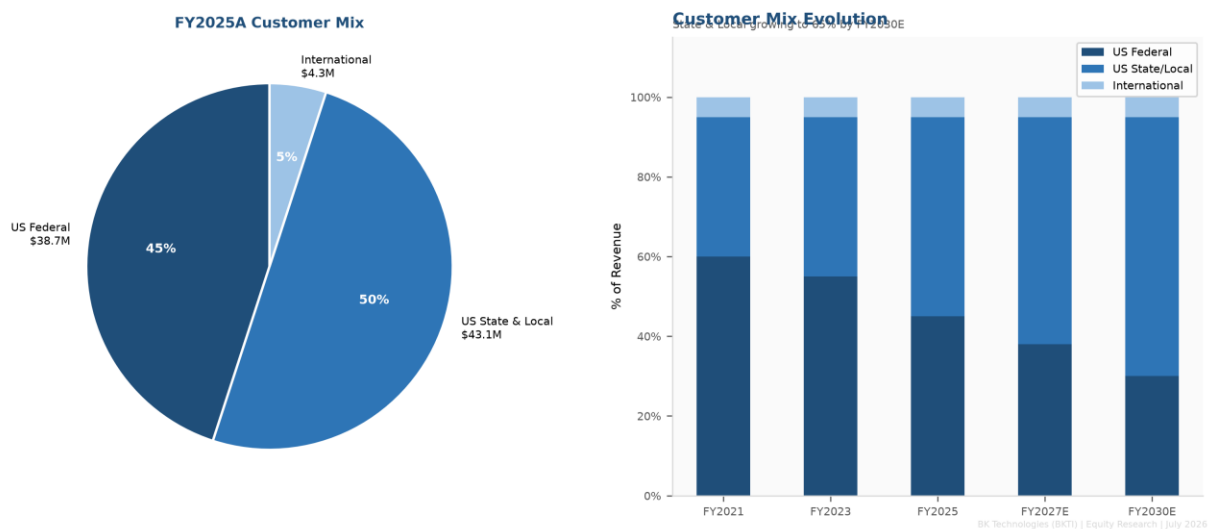


Figure 32: Customer Segmentation Analysis — FY2025A mix and evolution to FY2030E | Source: Equity Research

APPENDIX B — DATA SOURCES & REFERENCES

All financial data and market information used in this report is sourced from the following references. Historical financial data is derived from SEC filings available on EDGAR. Market and competitive data is from public sources as noted.

SEC Filings — BK Technologies Corporation

- Annual Report (10-K) for FY2025: SEC EDGAR Filing
- Quarterly Report (10-Q) for Q1 FY2026: SEC EDGAR Filing
- Proxy Statement (DEF 14A) for 2026 Annual Meeting: SEC EDGAR Filing
- Form 8-K: Vision 2030 Investor Day Presentation (April 2, 2026): SEC EDGAR Filing

Market & Competitive Data

- North American LMR Market Size: The Insight Partners, Land Mobile Radio Market Research Report, 2024
- APCO Project 25 (P25) Standard: APCO International, apco.org

- FirstNet Coverage and Statistics: FirstNet Authority, firstnet.gov
- Motorola Solutions FY2025 Annual Report: MSI SEC EDGAR Filing
- L3Harris Technologies FY2025 Annual Report: LHX SEC EDGAR Filing
- OSI Systems FY2025 Annual Report: OSIS SEC EDGAR Filing
- Axon Enterprise FY2025 Annual Report: AXON SEC EDGAR Filing

Financial Market Data

- Stock price data: Market data providers (Bloomberg / FactSet)
- Peer trading multiples: Bloomberg terminal, July 2026
- Beta: StockAnalysis.com, observed market beta, July 2026
- Equity Risk Premium: Damodaran NYU Implied ERP, 2026 estimate
- Size Premium: Duff & Phelps SCSR decile data

Industry Reports

- MarketsandMarkets: Land Mobile Radio Systems Market Report, 2024
- Grand View Research: Land Mobile Radio Market Analysis, 2025
- IMARC Group: LMR Market Global Industry Trends and Forecast 2024-2032

APPENDIX C — ADDITIONAL CHARTS

2030 Target: 10%

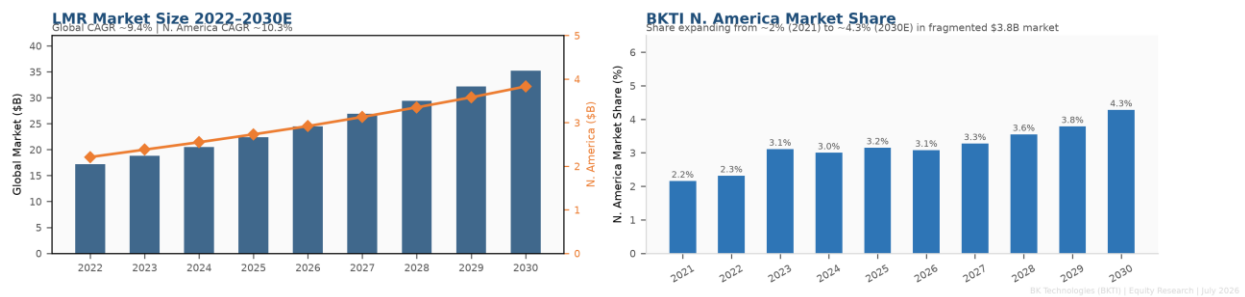


Figure 33: LMR Market Size and BKTl Market Share Detail | Source: The Insight Partners, Equity Research

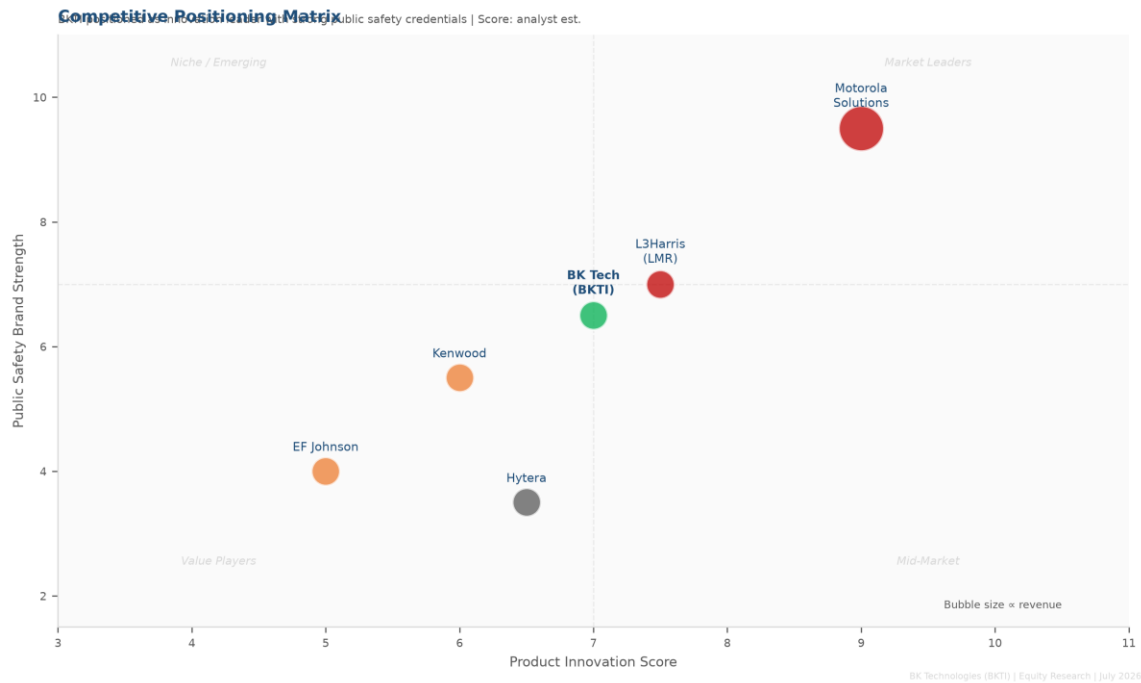


Figure 34: Competitive Positioning Matrix — Innovation vs. Brand Strength | Source: Equity Research estimates

IMPORTANT DISCLOSURES

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BK Technologies Corporation (BKT) Rating: BUY | 12-Month Price Target: \$105.00 | Current Price: \$84.65 (July 2, 2026) | Upside: +24.1%

The analyst(s) responsible for the preparation of this report certify that the views expressed herein accurately reflect the analyst's personal views about the subject securities and issuers, and that no part of the analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

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