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RESEARCH

SKYX Platforms Corp.

NASDAQ – SKYX

August 12, 2026

Skyx Reports 2Q Momentum, Even Prior to Mandates - Buy

Analyst: Barry M. Sine, CFA, CMT

- **Growth Continues:** 2Q revenue rose 10% YoY and 14% sequentially to $25.3 million, marking another quarter of solid growth as SKYX expands commercial adoption.
- **Customers Aren't Waiting for Mandates:** Major hotel, lighting, builder, and retail customers continue adopting SkyPlug based on its cost, convenience, and safety advantages.
- **Licensing Model Taking Shape**: New licensing agreements support our long-term thesis that SKYX can evolve toward a Qualcomm-like model with very high gross margins.
- **Near-Term Catalysts:** Building an AI-driven overhaul of roughly 60 retail websites should improve sell-through and margins, while expanding the web channel to builders and hotels.
- **New Products Broaden the Opportunity:** SkyFan/Turbo Heater distribution is expanding ahead of heating season, while Gen-3 smart SkyPlug demonstration units are now undergoing evaluation.
- **We reiterate our Buy rating and $5 price target** as we believe a mandate could at least double the stock price.

Rating	BUY
Target Price	$5.00
Ticker Symbol	SKYX
Market	NASDAQ
Stock Price	$1.21
52 wk High	$3.29
52 wk Low	$0.95
Shares Outstanding:	134.1 M
Public Market Float:	96.0 M
Avg. Daily Volume	1,518,493
Market Capitalization:	$163 M
Institutional Holdings:	21.2%
Dividend Yield:	0.0%

Earnings Per Share	**Normalized to exclude unusual items**			
FYE - December	**2025E**	**2026E**	**2027E**	**2028E**
1Q - March	($0.09)	($0.07) A		
2Q - June	($0.08)	($0.06) A		
3Q - September	($0.07)	($0.03)		
4Q - December	$0.00	($0.03)		
Year	**($0.22)**	**($0.20)**	**($0.03)**	**$0.03**
Revenue ($mm)	**$92.0**	**$117.4**	**$140.0**	**$200.0**
EV/Rev	127.0X	127.0X	127.0X	127.0X
EBITDA ($mm)	**($11.8)**	**($5.7)**	**$13.7**	**$24.2**
EV/EBITDA			127.0X	5.2X

Risks/Valuation

- **Risk Factors:** While the company's first and second generation products are available now, the key risk is that they may not gain widespread acceptance.
- **Valuation:** We value SKYX shares based on a multiple of future revenue using a group of other companies that are valued mainly on their intellectual property as comps.

Company description: SKYX Platforms has developed a new technology for light and ceiling fan fixture installations that is faster, safer, cheaper, and easier, and has already won acceptance by key industry panels such as the National Electrical Code. Its next-gen products move it to a smart home hub where we see significant product licensing potential.

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Momentum Without Mandates

SKYX reported stronger-than-expected revenue growth, with revenue of $25.3 million, up 10% YoY and 14% sequentially. EPS came in at a loss of six cents, in line with our estimate. Cash was $27.2 million at the end of June, bringing the company to fully funded status before hitting free cash flow positive next year. We note that SKYX enjoys a Dell-like negative cash conversion cycle, meaning it brings in cash from customers before it pays suppliers, typically Asian manufacturers.

Each quarter, the company announces more major commercial customers despite not yet receiving the regulatory or insurance-industry mandates it is working toward. The reason for this is, in our opinion, simple: customers see the clear cost, convenience, and safety benefits of its SkyPlug technology, which makes installing light or fan fixtures as easy as plugging into an outlet. It now has signed customers that should take 1 million units, with 100,000 expected by the end of 2026. As we have previously noted, we expect regulatory and/or insurance mandates to be the major catalysts for the stock. Nothing imminent was discussed on the call, but management did note slow but steady progress.

In 2Q, the company signed a contract with a major hotel group in Europe to standardize on its SkyPlug fixtures and with a major lighting manufacturer to license its technology. As we wrote in our initiation report in October 2025, we expect the company to move more toward a pure licensing model, with corresponding very high gross margins, much the way Qualcomm does today versus its early days of making its own hardware to support its new intellectual property.

A near-term catalyst is the revamp of the company's roughly 60 retail websites, which today comprise the bulk of its revenue, to use AI. This is expected to improve sell-through and margins. Management also noted that it is looking to use its web channel to service builder and hotel clients as well, which is a new development and should increase utilization of its products.

We were also encouraged by the introduction of two new products. First, its SkyFan / Turbo Heater is selling well even in the summer months, with widespread distribution now available via Home Depot, Amazon, Lowe's, Canada Lighting, Wayfair and Target, as well as the company's own websites. Management is planning new SKUs with additional sizes for the upcoming heating season, in addition to the four color choices offered today. Last year, the product was only available later in the heating season. This year, it already has an impressive lineup of retailers and new products in the pipeline, so it should see a greater revenue contribution in the September through March quarters.

The second product is the third-generation smart SkyPlug, which will incorporate features such as Bluetooth and Wi-Fi access, speakers for music and announcements in MDUs, lighting controls and other features. This is the product the new Miami Smart City is designed around. First demonstration units have arrived at the company's Florida headquarters for evaluation.

In short, SKYX seems to be making progress on multiple fronts. Despite the slow process of having its products mandated in the building code, it has found effective near-term workarounds, and the industry is coming around to adopting its products on their own merits even before mandates. The retail website revamp is on track, as are the new products.

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SKYX Platforms Corp. Income Forecast

Dollars in thousands, except per share data			2025					2026E			2027E	2028E	2029E	2030E
Fiscal years ended December 31	1Q	2Q	3Q	4Q	YEAR	1QA	2Q	3Q	4Q	YEAR	YEAR	YEAR	YEAR	YEAR
	March	June	September	December		March	June	September	December					
Revenue	**20,113,938**	**23,061,655**	**23,891,537**	**24,942,819**	**92,009,949**	**22,094,389**	**25,270,500**	**30,000,000**	**40,000,000**	**117,364,889**	**140,000,000**	**200,000,000**	**250,000,000**	**300,000,000**
YoY growth	6.0%	7.5%	7.8%	5.3%	6.6%	9.8%	9.6%	25.6%	60.4%	27.6%	19.3%	42.9%	25.0%	20.0%
Seq growth	-15.1%	14.7%	3.6%	4.4%		-11.4%	14.4%	18.7%	33.3%					
Cost of services	14,402,488	16,064,486	16,323,277	17,923,619	64,713,870	15,468,946	17,977,665	19,500,000	26,000,000	78,946,611	84,000,000	110,000,000	125,000,000	150,000,000
As a percent of revenue	71.6%	69.7%	68.3%	71.9%	70.3%	70.0%	71.1%	65.0%	65.0%	67.3%	60.0%	55.0%	50.0%	50.0%
Gross Profit	5,711,450	6,997,169	7,568,260	7,019,200	27,296,079	6,625,443	7,292,835	10,500,000	14,000,000	38,418,278	56,000,000	90,000,000	125,000,000	150,000,000
Gross Margin	28.4%	30.3%	31.7%	28.1%	29.7%	30.0%	28.9%	35.0%	35.0%	32.7%	40.0%	45.0%	50.0%	50.0%
Selling and marketing	6,827,420	6,185,017	6,099,700	6,589,528	25,701,665	7,067,829	6,785,963	6,000,000	7,200,000	27,053,792	28,000,000	40,000,000	50,000,000	60,000,000
As a percent of revenue	33.9%	26.8%	25.5%	26.4%	27.9%	32.0%	26.9%	20.0%	18.0%	23.1%	20.0%	20.0%	20.0%	20.0%
General and administrative	6,597,055	8,333,265	8,232,175	8,084,309	31,246,804	7,719,774	7,578,762	7,200,000	9,600,000	32,098,536	30,800,000	44,000,000	55,000,000	66,000,000
As a percent of revenue	32.8%	36.1%	34.5%	32.4%	34.0%	34.9%	30.0%	24.0%	24.0%	27.3%	22.0%	22.0%	22.0%	22.0%
Operating income	**(7,713,025)**	**(7,521,113)**	**(6,763,615)**	**(7,654,637)**	**(29,652,390)**	**(8,162,160)**	**(7,071,890)**	**(2,700,000)**	**(2,800,000)**	**(20,734,050)**	**(2,800,000)**	**6,000,000**	**20,000,000**	**24,000,000**
Operating margin	-38.3%	-32.6%	-28.3%	-30.7%	-32.2%	-36.9%	-28.0%	-9.0%	-7.0%	-17.7%	-2.0%	3.0%	8.0%	8.0%
Other														
Interest expense, net	(1,339,103)	(1,305,816)	(852,308)	7,800,441	4,303,214	(1,113,417)	(1,152,194)	(1,300,000)	(1,300,000)	(4,865,611)	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)
Gain on debt extinguishment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pretax Income	(9,052,128)	(8,826,929)	(7,615,923)	145,804	(25,349,176)	(9,275,577)	(8,224,084)	(4,000,000)	(4,100,000)	(25,599,661)	(4,100,000)	4,700,000	18,700,000	22,700,000
Taxes	-	-	-		-	-	-	-	-	-	-	-	-	-
As a percent of revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Preferred dividends	(219,148)	(269,226)	(287,000)	-	1,059,175	(249,545)	(256,500)	(270,000)	(270,000)	**(1,046,045)**	(270,000)	(270,000)	(270,000)	(270,000)
Net income to common	**(9,271,276)**	**(9,096,155)**	**(7,902,923)**	**145,804**	**(24,290,001)**	**(9,525,122)**	**(8,480,584)**	**(4,270,000)**	**(4,370,000)**	**(26,645,706)**	**(4,370,000)**	**4,430,000**	**18,430,000**	**22,430,000**
Net income margin	-46.1%	-39.4%	-33.1%	0.6%	-26.4%	-43.1%	-33.6%	-14.2%	-10.9%	-22.7%	-3.1%	2.2%	7.4%	7.5%
Diluted shares outstanding	103,548,494	107,117,216	112,021,945	112,340,641	108,757,074	129,441,468	134,536,560	134,786,560	135,036,560	133,450,287	135,536,560	136,036,560	136,536,560	137,036,560
Seq change	2,524,912	3,568,722	4,904,729	318,696		17,100,827	5,095,092	250,000	250,000		500,000	500,000	500,000	500,000
EPS diluted - continuing	**($0.09)**	**($0.08)**	**($0.07)**	**$0.00**	**($0.22)**	**($0.07)**	**($0.06)**	**($0.03)**	**($0.03)**	**($0.20)**	**($0.03)**	**$0.03**	**$0.13**	**$0.16**
EBITDA														
Net income	(9,052,128)	(8,826,929)	(7,615,923)	145,804	(25,349,176)	(9,275,577)	(8,224,084)	(4,000,000)	(4,100,000)	(25,599,661)	(4,100,000)	4,700,000	18,700,000	22,700,000
Addback				-										
Share-based payments	3,041,157	3,612,364	3,373,895	3,533,164	13,560,580	3,097,885	2,536,609	2,536,609	2,536,609	10,707,712	11,778,483	12,956,332	14,251,965	15,677,161
Interest expense	1,339,103	1,305,816	852,308	(7,800,441)	(4,303,214)	1,113,417	1,152,194	1,300,000	1,300,000	4,865,611	1,300,000	1,300,000	1,300,000	1,300,000
Impairment	-			-	-	-								
D&A	1,007,817	1,272,337	2,141,160	(100,976)	4,320,338	1,179,223	1,001,961	1,001,961	1,001,961	4,320,337	4,752,371	5,227,608	5,750,368	6,325,405
Transaction costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	**(3,664,051)**	**(2,636,412)**	**(1,248,560)**	**(4,222,449)**	**(11,771,472)**	**(3,885,052)**	**(3,533,320)**	**838,570**	**738,570**	**(5,706,001)**	**13,730,854**	**24,183,939**	**40,002,333**	**46,002,566**
YoY growth											NM	76.1%	65.4%	15.0%
EBITDA margin	-18.2%	-11.4%	-5.2%	-16.9%	-12.8%	-17.6%	-14.0%	2.8%	1.8%	-4.9%	9.8%	12.1%	16.0%	15.3%

Source: Company reports and Litchfield Hills Research

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