



WE ARE EXPERIENCING “INFINITE
DEMAND” FOR OUR DRONE PARTS,
SAID THE CEO OF UNUSUAL
MACHINES – \$30 PRICE TARGET

March 31, 2026



RESEARCH SUMMARY

-Unusual Machines (UMAC) has a critical role in the US Department of War's \$1.1B Drone Dominance Program (DDP) by supplying essential, NDAA-compliant components for low-cost, attritable drones.

-Mainly from the DDP, UMAC has "Infinite Demand" for its drone parts, according to UMAC's CEO Dr. Allan Evans.

- The DDP is expected to earn \$250M in revenue for UMAC in 2027.

- In addition to the DDP, UMAC is contracted to sell parts for other drone programs as well. Such as counter drones, and the US Army's PBAS program.

- UMAC is on track to order \$70M worth of parts in 2 weeks, and expects to make a \$150M order in September/October of this year.

- Because of the massive demand and need for more space, UMAC now has 5 buildings in Orlando and will add several more by the end of Q226.

- 80-90% of UMAC's parts go to drones for the military.

- During the week of 3/12/26 through 3/18/26, UMAC was trading over \$20. Dr. Evans had an open trading window where he could've sold over 1M shares. He didn't sell a single share and also cancelled his 10b5-1 plan. That shows his confidence and optimism in the company.

- A discounted cash flow analysis puts UMAC's value at \$30, assuming massive 2027 growth mainly due to UMAC's DDP contract and other programs. UMAC's gross margin is about 40%, and EBITDA margin is expected to be about 15% in 2027.

Unusual Machines (UMAC) sells drone parts to drone manufacturers, primarily in the United States. On 3/20/26, UMAC did a big equity offering of \$150M at \$17 per share. We were surprised to see the stock has gotten crushed since that offering. On 3/30/26, the stock fell 25% below the \$17 offering price. That offering was big, and had savvy institutional investors take part in it, including Ondas (ONDS), which is likely a customer of UMAC.

We wanted to see what was going on with the stock, so we reached out to the CEO of UMAC, Dr. Allan Evans, PhD. He gave us a brief interview. What we learned from that interview blew our minds. We became more bullish on UMAC than we could've imagined.

The following are the highlights of the interview. We have the full transcript in our archives [here](#).

White Diamond Research Interview with Dr. Allan Evans, PhD on 3/30/26

White Diamond Research (WDR): Everything we're talking about now I can publish? It's all public info?

Dr. Evans: Yeah, it's all public info. And you'll see more jobs posted on our site. We keep hiring, we keep scaling.

Here are the job openings at UMAC: <https://apply.workable.com/unusual-machines/>

What Unusual Machines Will Use The Money For That They Received In the \$150M Equity Raise on 3/20/26

WDR: You did a pretty big raise overall, \$150M, what are you going to use that money for?

Evans: We'll invest, it's all for scale and capital. We just need a huge working capital stake, bigger than we had before. We don't lose money. We just cap-ex scale, working capital faster. We need about a years worth of forward looking revenue to do it. We didn't need the money today but we needed it by the end of the year. So we saw an opportunity to take it and put ourselves in a position to keep scaling faster.

WDR: What are you able to do now after doing the raise that you couldn't do before?

Evans: As an example, for Drone Dominance, in a few weeks we have a \$70M order for raw materials. That keeps stacking up as we keep scaling. So that allows us to maintain credit terms and material flow. So this cycle we could've afforded but next cycle it will double again so we'll get a \$150M order in September or October. So this lets us not get jammed up.

Unusual Machines Is Experiencing “Infinite Demand”

WDR: OK, compared to if we didn't attack Iran, how much more revenue would the Iran war give the company?

Evans: We're running max rate. We don't have any of our parts in stock. We are scaling as fast as we can. War in Ukraine, war in Iran, starting or stopping won't have a positive or negative effect on our revenue for the next 18 months because we're scaling as fast as possible.

WDR: But aren't your customers going to make more drones because of the Iran war?

Evans: What I'm saying is, we are selling as many parts as humanly possible. Just the Drone Dominance program and some of the other programs swallow all of the shit we can possibly make as we scale as fast as possible. We're not demand limited, we're supply limited. So you can assume infinite demand for the next 18 months as we scale as fast as we can.

WDR: I'm having a hard time understanding “infinite demand”, so your saying you can't get more customers now because your already at capacity?

Evans: Yes. And we're scaling capacity as fast as we possibly can.

WDR: Wow. Wow!

Evans: Yes, I'm expecting functionally infinite demand for the next 18 months.

WDR: Even if there's a recession, it wouldn't slow you down?

Evans: No.

Most of Unusual Machines Products Are Sold For Drones For the Military

WDR: And what percentage of your parts go to the military?

Evans: Our parts go to drone manufacturers that sell to the military. So about 80-90%. But again, that one program (Drone Dominance) which isn't supplying Iran or anywhere else, and is already fully funded, we have to scale as fast as possible just to service that single program and there's way more programs than that, there's counter drones that use our products, there's other programs like PBAS, there's a ton of other demand. The demand from that one program is a \$250M revenue potential in 2027. We're just scaling as fast as we humanly can.

Unusual Machines Constantly Needing To Increase Space

WDR: Are you increasing space in your factory?

Evans: We keep adding space. We have 70,000 sq ft now, I expect we'll be 100,000 sq ft by the end of Q2, bigger by the end of Q4. We keep getting new buildings and adding new stuff to each of those buildings as fast as we can go.

WDR: You keep renting new buildings?

Evans: yes, all in the same area.

WDR: How many buildings do you have right now?

Evans: 5 in Orlando.

Should We Go All-In On Unusual Machines?

WDR: Interesting. That's good to know. Someone could just fully invest in your company and do extremely well. What if I said I want to put all my money in Unusual Machines?

Evans: Yes. It's a hedge on the drone industry, half the companies in Drone Dominance are customers of ours. We don't lose now.

WDR: Well, you do lose money, you aren't profitable yet.

Evans: We aren't profitable but if you look our cash burn is real low. All our losses are equity comp. It's not cash loss. So we aren't going to cash zero. From a GAAP perspective we lose money but we don't burn cash.

The discounted cash flow analysis says the stock is worth \$30 per share.

WDR: Do you feel good about other drone companies too or you just don't know enough about the other drone companies? Like Red Cat.

Evans: I don't know enough about their specific dynamics.

Evans' Had An Open Trading Window And Didn't Sell A Single Share Over \$20

WDR: It's crazy how volatile your stock is. I've been watching it over the past 6 months, and it goes up and down 50% within a week. I mean it could go back to \$15 next week.

Evans: When the stock was at \$23, I was in an open trading window for a million and a half shares. I didn't sell any. I could've sold equity. In fact I cancelled my 10b5-1. I didn't even sell shares to pay taxes when we were at \$20 per share.

We were in an open window, I cancelled my 10b5-1, and you saw the other 10b5-1 filings hit. And I had 1.5M shares, a lot of them unlocked, I didn't sell a single share. Instead I wanted to raise money because I saw it going faster. If I was worried at all, wouldn't I have cleared generational wealth? I would've made \$20M by just selling a chunk of my position, because we had the liquidity that would've supported it. That's the choice I made.

So you can see all that and assume he has reasonable confidence. And I do, I feel really good about what we're doing, we're in a very good spot.

The stock is one thing, and I can appreciate it. But the business is another thing and the business is doing *great*.



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