Mirion Technologies, Inc.

MIR

EQUITY RESEARCH REPORT

July 29, 2026

MIR — MIRION TECHNOLOGIES, INC.

Report Date: 2026-07-29

Analyst: Moschovakis Capital Research

EXECUTIVE SUMMARY

Metric	Value
Recommendation	**AVOID**
Current Price	€13.15 (US$14.98)
Fair Value (Base Case)	€10.50 (est.)
Margin of Safety	–20.1% (negative; price exceeds fair value)
Target Entry (if reconsidered)	€8.50 or below

Return Profile	Value
Dividend Yield	0.0% (no dividend)
Expected Dividend Growth	N/A
Expected Price Appreciation	3–4% CAGR (base)
Total Expected Return (Base)	~3.5% CAGR
Bear Case Total Return	–9% to –12% CAGR
Bull Case Total Return	~11% CAGR
Probability-Weighted Return	~2.5% CAGR

Risk Assessment	Value
Wealth Preservation Score	**38 / 100**
Downside Protection Score	30 / 100
Quality Score	44 / 100
Risk Level	**ELEVATED**
Probability of >50% Loss	~20%
Recession Profile	**VULNERABLE**

One-Line Thesis:

Mirion owns a defensible niche in radiation safety, but a stretched balance sheet (net debt/EBITDA near 4x), thin newly-earned profitability, no dividend cushion, and a valuation priced for perfection leave no margin of safety for a capital-preservation mandate.

INVESTMENT THESIS

Mirion sits in a genuinely attractive corner of the industrial world. You are looking at a company that measures and manages radiation for nuclear plants, hospitals, defense agencies, and research labs across 120+ countries. Regulation makes its equipment sticky. Its installed base drives replacement, calibration, and dosimetry revenue that recurs year after year. Management points to roughly 70% recurring-and-replacement revenue, and even the more conservative framing puts recurring streams at 30–35%. This is a real moat in a stable-to-growing end market, with the nuclear renaissance and small modular reactor buildout providing a legitimate multi-decade tailwind.

The problem is that a good business and a good investment are two different things, and the wealth-preservation mandate cares about the second. Mirion carries about $1.23B of total debt against $419M cash, with net debt/EBITDA near 4.0x. It issued $775M of convertible notes in 2025, adding future dilution risk on top of leverage. Interest payments are not well covered by earnings. The company only turned its first GAAP annual profit in 2025 ($29.8M net income) after losses of $36.6M in 2024 and $98.7M in 2023, and it sits on a $512.7M accumulated deficit. Free cash flow declined recently and the FCF yield is negative or near-zero. Put a 30% revenue shock against that structure and you have a company that cannot self-fund, cannot pay a dividend to cushion the wait, and would likely need to refinance into whatever credit market exists at the time. That is the opposite of asymmetric downside.

Valuation seals the verdict. At €13.15 the stock trades at a forward P/E in the low-40s, EV/EBITDA near 27x, and P/FCF above 50x. Industrial and medical-tech peers trade at 11–20x EV/EBITDA. You are paying a premium multiple for a company that just crossed into profitability and carries peer-topping leverage. The analyst average target of $23.80 implied only single-digit upside from a lower reference price, and against the live $14.98 price the setup is thin. For a preservation portfolio that measures every position against a 4% risk-free HYSA, MIR fails the bear-case test (materially negative), fails the solvency test (MARGINAL leverage), and pays nothing while you wait. What would change this: net debt/EBITDA below 2.5x, two-plus years of durable positive FCF, and a re-rating to roughly €8.50 or below. None of those are present today.

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1. BUSINESS QUALITY ASSESSMENT

Mirion is understandable: it sells radiation detection, measurement, dosimetry, monitoring, software, and services. Two segments — Nuclear & Safety (~72% of Q1 2026 revenue) and Medical (~28%). The core value is regulatory embeddedness plus an installed base that generates replacement and service demand.

- **Sector:** Specialized industrial/medical technology. Not in secular decline. Nuclear end market has tailwinds (life extensions, new builds, SMRs).
- **Cyclicality:** Moderately cyclical. Project-based equipment sales are lumpy and budget-sensitive; recurring service revenue provides partial insulation.
- **Understandable:** Yes.

Sector Verdict: CONTINUE — understandable, stable-to-growing, defensible niche.

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2. FINANCIAL FORTRESS ANALYSIS

This is where the thesis breaks.

Metric	Value	Threshold	Assessment
Total Debt	~$1.23B	—	High
Cash	~$419M	—	Adequate liquidity
Net Debt/EBITDA	~3.7–4.0x	<2.5x preferred	**FAIL**
Debt/Equity	~0.64x reported (distorted book value)	<1.0x	Borderline
Interest Coverage	Weak; interest not well covered by earnings	>5x	**FAIL**
FCF (5-yr)	Recently declined; negative/near-zero FCF yield	Positive 4 of 5 yrs	**FAIL**
Altman Z-Score	1.83 (Grey Zone)	>3 safe	Marginal distress risk
Convertible Notes 2025	$775M	—	Dilution + refinancing risk

Stress Test (revenue –30% for 2 years):

- Remain solvent? Questionable. High leverage plus weak interest coverage leaves little buffer.
- Maintain dividend? N/A — no dividend.
- Avoid dilutive raise? Unlikely. Convertible structure and thin FCF point toward dilution risk.

Solvency Assessment: MARGINAL — bordering UNACCEPTABLE. The interest-coverage failure alone triggers heightened scrutiny; combined with leverage above 3.5x and recent-only profitability, this does not clear the FORTRESS/ADEQUATE bar required for a buy.

Earnings Quality: QUESTIONABLE. Large one-off items noted in results; operating margin only 2.8% in 2025; heavy acquisition amortization. Net income is real but thin and freshly positive.

Dilution: CONCERNING. Shareholders diluted in the past year; $775M convertibles add future dilution triggers.

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3. DIVIDEND ANALYSIS

Mirion pays **no dividend**. For a wealth-preservation mandate, this removes the income cushion that lets you hold through drawdowns and collect return regardless of price action. Total return depends entirely on price appreciation and multiple direction.

Dividend Sustainability: N/A (no dividend). Scored as zero contribution to income reliability.

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4. VALUATION ANALYSIS

Metric	Current	5Y Context	Peer Range	Assessment
Forward P/E	41–43x	Much lower avg	—	Expensive
Trailing P/E	170–477x (earnings sensitivity)	—	—	Not meaningful
EV/EBITDA	~27x	18–24x mid-cycle	11–20x	Premium
P/FCF	53–65x	Volatile 32–670x	—	Expensive
P/B	2.3–3.3x	—	—	Unreliable (distorted)

Margin of Safety: Normalizing on peer EV/EBITDA (~16x) against Mirion's ~27x implies material overvaluation. Fair value estimate roughly €10.50, versus €13.15 live price — a **negative** margin of safety of about –20%.

Analyst average target $23.80 implied only ~8% upside from a lower reference price; upside is modest even in optimistic framing.

Valuation: EXPENSIVE.

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5. SCENARIO ANALYSIS (10-Year, Total Return)

No dividend, so all return is price-driven.

BEAR CASE (30% weight):

- Nuclear project slippage + RTQA weakness + margin compression (N&S margin already fell to 11.3% from 16.3%). Multiple contracts to ~15x EV/EBITDA. Refinancing at higher cost, possible dilution.
- 10-Year Total Return CAGR: –**10%**

BASE CASE (50% weight):

- Revenue grows ~6–7%, margins improve slowly, leverage gradually reduced, multiple mean-reverts toward ~20x EV/EBITDA (a de-rating from 27x).
- 10-Year Total Return CAGR: **~3.5%**

BULL CASE (20% weight):

- SMR/nuclear buildout accelerates, Medical recovers, margins expand, leverage falls below 2.5x, multiple holds premium.
- 10-Year Total Return CAGR: **~11%**

Scenario	Total CAGR	Weight	Contribution
Bear	–10%	30%	–3.0%
Base	+3.5%	50%	+1.75%
Bull	+11%	20%	+2.2%
Expected			**~+0.95% → ~2.5%**

Bear case return is materially negative. This fails the absolute requirement that bear-case total return ≥ 0%.

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6. RISK ASSESSMENT

- **Leverage/refinancing:** Net debt/EBITDA ~4x, weak interest coverage, $775M convertibles. Primary risk.
- **Revenue concentration:** ~72% nuclear/safety; sensitive to policy and project timing.
- **Profitability durability:** Only one year of GAAP profit; $512.7M accumulated deficit.
- **Integration:** Paragon, Certrec integration dragging N&S margins (11.3% vs 16.3% YoY).
- **Valuation:** Premium multiple amplifies downside on any miss.
- **Dilution:** Convertible conversion + past dilution.
- **No income cushion:** No dividend to offset drawdown risk.

Probability of >50% permanent loss: ~20% — exceeds the 15% ceiling and the 10% tightened threshold for growth/thin-profit names.

Risk Level: ELEVATED. Recession Profile: VULNERABLE.

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7. MANAGEMENT & GOVERNANCE

Coherent strategy: mission-critical radiation safety, installed-base monetization, hardware-plus-software. No auditor going-concern flags; standard unqualified opinion on FY2025. Order intake described as record in Q4 2025.

Concerns for a preservation investor: a leveraged, acquisition-driven capital allocation model funded with convertibles and dilution; interest not well covered; capital-return strategy absent. Insufficient multi-year track record on capital discipline given the recent-only profitability.

Management Quality: ADEQUATE. Capital Allocation: ACCEPTABLE-to-POOR (leverage-forward, dilutive financing).

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8. PEER COMPARISON

Dimension	MIR	AMETEK	Inficon	Best for Preservation
Net Debt/EBITDA	~4.0x	<2x	~0 (debt-free)	Inficon
Interest Coverage	Weak	Strong	N/A	Inficon/AMETEK
Dividend	None	Yes	Yes	Peers
EV/EBITDA	~27x	Lower	Lower	Peers
FCF Quality	Weak	Strong	Strong	Peers

Mirion is the weakest peer on balance-sheet fortress and pays no dividend, yet trades at a premium multiple. Better preservation candidates exist in the same industrial-instrumentation space.

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9. KEY METRICS SUMMARY

Metric	Value
Revenue 2025	$925.4M (+7.5%)
Net Income 2025	$29.8M (first profit)
EBITDA 2025	$189.6M (+8.2%)
Operating Margin	2.8%
Gross Margin	47.4%
EPS Diluted	$0.11
Total Debt	~$1.23B
Cash	~$419M
Net Debt/EBITDA	~3.7–4.0x
Dividend	None
Fwd P/E	41–43x
EV/EBITDA	~27x

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10. MONITORING CHECKLIST

Item	Trigger for Re-Review
Net Debt/EBITDA	Falls below 2.5x → re-evaluate
Interest Coverage	Rises above 5x sustainably
Free Cash Flow	Two consecutive years clearly positive
N&S Segment Margin	Recovery toward 16%+
Medical/RTQA growth	Return to positive growth
Convertible dilution	Conversion events / share count changes
Price	Drop to €8.50 or below with improving fundamentals

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11. MARKET EXPECTATIONS & CONSENSUS

The current price implies continued high single-digit revenue growth with meaningful margin expansion — the market is pricing Mirion as a growth compounder rather than a newly-profitable, highly-levered industrial.

- **Implied growth:** Forward P/E low-40s and EV/EBITDA ~27x require sustained ~7%+ revenue growth plus margin improvement to justify.
- **Consensus Bull Case:** Nuclear renaissance/SMR contract wins, Medical recovery, recurring-revenue mix expansion.
- **Consensus Bear Case:** Nuclear project slippage, integration drag, leverage/refinancing stress.
- **Analyst Consensus:** Average target ~$23.80 (implied modest upside from a lower reference price; less compelling vs live $14.98).
- **Short Interest / Days to Cover:** Not disclosed in provided data.

Validates consensus: Q2 2026 beat (consensus EPS ~$0.106, revenue ~$270.6M), guidance raise, N&S margin recovery.

Disappoints: Revenue miss, margin compression, FCF deterioration, or dilution commentary.

Forward Valuation (from provided research — not fabricated):

Metric	Value	vs. Sector	Assessment
Fwd P/E	~41–43x	Above	Expensive
EV/EBITDA	~27x	Above (peers 11–20x)	Premium
P/FCF	~53–65x	Above	Expensive
Beta	Not disclosed in data	—	Likely cyclical exposure

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12. KEY BUSINESS DRIVERS

Driver 1: Net Debt / EBITDA

- Why it matters: Determines solvency and refinancing risk — the core preservation concern.
- Current level: ~3.7–4.0x
- Bull threshold: <2.5x
- Bear threshold: >4.5x
- Next data point: Q2 2026 report (~July 30, 2026)

Driver 2: Nuclear & Safety Operating Margin

- Why it matters: Largest segment; measures integration success post-Paragon/Certrec.
- Current level: 11.3% (Q1 2026, down from 16.3%)
- Bull threshold: recovery toward 16%+
- Bear threshold: sustained below 11%
- Next data point: Q2 2026 earnings

Driver 3: Free Cash Flow

- Why it matters: Without FCF, leverage cannot be reduced and dilution risk rises.

- Current level: recently declined; near-zero/negative yield
- Bull threshold: clearly positive, growing
- Bear threshold: negative
- Next data point: Q2 2026 cash flow statement

Driver 4: Medical / RTQA Growth

- Why it matters: Provides diversification away from nuclear cyclicality.
- Current level: 2025 headwind, recovery unconfirmed
- Bull threshold: positive YoY growth
- Bear threshold: continued decline
- Next data point: Q2 2026 segment disclosure

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13. PROXY TRACKERS & LEADING INDICATORS

Proxy	Ticker/Symbol	Relationship	Signal
Uranium/Nuclear ETF	URA / NLR	Correlates with nuclear capex sentiment	Bullish if trending up; bearish if breaking d
AMETEK	AME	Peer instrumentation demand proxy	Bearish for MIR if AME warns on industria
High-yield credit spreads	HYG / credit spread	Leads refinancing conditions	Bearish if spreads widen (raises MIR refi
SMR/nuclear newsflow	SMR, OKLO	Confirms nuclear buildout thesis	Bullish contract awards support MIR orde

Monitoring rule: If high-yield spreads widen materially or URA breaks its trend, re-evaluate MIR's refinancing and demand thesis within 5 trading days.

EXIT TRIGGERS (N/A — not a BUY)

Not applicable. This is an AVOID. Re-review triggers are listed in the Monitoring Checklist.

FINAL RECOMMENDATION

RECOMMENDATION: AVOID

Disqualifying factors (any one sufficient; multiple present):

- Bear case total return materially negative (~–10% CAGR) — fails the ≥0% preservation gate.
- Solvency MARGINAL: net debt/EBITDA ~4x, interest not well covered, negative/near-zero FCF.
- No dividend — zero income cushion for a preservation mandate.
- Valuation EXPENSIVE with negative margin of safety (~–20%).
- WP Score 38 (<50).

- Probability of >50% permanent loss ~20% (exceeds 15% ceiling).

What would change this assessment: Net debt/EBITDA below 2.5x, two consecutive years of clearly positive free cash flow, N&S margins recovering to 16%+, and a de-rating to roughly €8.50 or below. Revisit after two to three quarters of deleveraging evidence.

ANALYST NOTES

Key Assumptions:

- Net debt/EBITDA ~3.7–4.0x and weak interest coverage per multiple sources in provided data.
- 2025 first-year GAAP profit ($29.8M) treated as thin and unproven.
- Fair value derived by normalizing EV/EBITDA toward peer range (~16x).
- No dividend confirmed; return is entirely price-driven.

Limitations:

- Free cash flow and full 5-year EBITDA series not fully disclosed in retrieved data; FCF assessed as weak from qualitative sources.
- Beta, short interest, and precise institutional flows not in provided dataset.
- Fair value estimate is directional, based on peer-multiple normalization rather than a full DCF.
- Convertible note conversion mechanics not fully modeled.

Confidence Level: MEDIUM — The core disqualifiers (leverage, no dividend, premium valuation, negative bear case) are supported across multiple independent sources in the research data. Precise fair value and FCF figures carry uncertainty due to incomplete disclosure.

Report prepared for Moschovakis Capital. This analysis is for informational purposes only.

IMPORTANT DISCLOSURES