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American Defense Systems (OTC:ADFS) Releases Plans and Projections for 2021

If ADFS initiates a ‘Stock Buyback Program’ under the Strategic Investments Operation, it would impact undervaluation, and key financial ratios.

CHARLOTTE, NC, UNITED STATES, December 6, 2020 /EINPresswire.com/ -- American Defense Systems Inc. (OTC:ADFS), a renowned armor-making defense contractor since 2002, released its business plan and projections for fiscal year 2021. (Find a complete version of the report at www.adfsnews.com or www.adfsinc.com)

The report read, in part, that “…during the course of the current fiscal year 2020, the Corporation completed its revival with the State of Delaware; completed the filing of tax returns up to the current fiscal year; established new bank accounts; reactivated our institutional credit history; established a brokerage account; and submitted paperwork for updating of its information with the OTC board…

“The Corporation shall operate in four market segments: ‘Crisis & Disaster Preparation & Aid’; ‘Strategic Investments’; ‘Real Estate Holding’; and ‘Maritime Support Services’…

“Planned Leases & Purchases: Our current commitments for the next year are to: (a) lease pre-existing warehouses with a current budget ceiling of $28,800 per annum, and a respective projected gross income of at least $48,000 per annum; (b) purchase approximately 600 acres of land with a current budget ceiling of $12,500,00, using commercial mortgages, and a respective projected gross income of at least $1,803,000 per annum; (c) purchase approximately 24 acres of land with a current budget ceiling of $13,000,000 for the land, and $96,000,000 for construction, using a commercial mortgage; with a respective projected gross income of at least $13.5 million from the land sales, and $132 million from home sales; and (d) lease maritime facilities, paying rents from $12,000 to $100,000 per annum, with a renovation budget of $7 million; and a respective projected gross income of at least $750,000 per annum after completion of renovation…

“Cashflow Projections: Our current targets for the executive and management teams, for the next year are to: (a) secure approximately $128,540,800 in financing, primarily through private loans and commercial debt in the form of approved mortgages; (b) secure the two respective commercial property leases with a maximum expense of $40,000 for the year; (c) purchase the two respective development properties for a maximum total of $25.5 million; (d) receive a minimum of $1,851,000 in commercial rents; (e) begin $7 million in renovations and $96 million in new constructions; and (f) execute contracts, and receive a minimum of 10% deposits for the pre-sale of at least 37 housing units for a minimum contract total of at least $71.78 million…

“Projected Assets, Liabilities & Revenue: If the preceding targets are met for the Corporation, by the end of the year 2021, we project: (a) total debt, including mortgages, should be less than $130 million; (b) total real estate portfolio should be valued at no less than $170 million; (c) gross revenue for the year should be a minimum of approximately $9.1 million; all subject to unforeseeable market changes or events.

“OER & NOI Targets: (a) In consideration of the management’s recommendations, the Corporation shall target an operating expense ratio of no more than 80% for the year 2021; (b) use the projected 80% OER in our forecasts, to remain conservative; (c) which means, if the Corporation targets a minimum gross revenue of $9.1 million for year 2021, the management will target a net operating income of approximately $1.82 million for year 2021.
ADFS CEO, Gary Sidorsky stated that additional information on the value of the investments, the respective commercial mortgages, and projected returns will be available after updated inspections, assessments, and appraisals of the targeted real estate investments. According to the CEO, “the Corporation now needs to focus on achieving the following: consolidate and verify shareholder listings; produce an updated audited financial report; secure partnerships to further our market penetration strategies; secure real estate leases, purchases, and subleases to ensure the Corporation has predictable cashflow; fund the Capital Reserve and Brokerage Accounts to improve the liquidity of the Corporation; increase our asset-base to improve the net-worth and valuations of the Corporation; and make the Corporation more attractive to long-term investors.”

In specific reference to how ADFS can achieve its fundraising and liquidity goals without diluting shareholder equity, Mr. Sidorsky noted that “when a stock is dramatically undervalued, the issuing company can repurchase some of its shares at this reduced price and then re-issue them once the market has corrected, thereby increasing its equity capital without issuing any additional shares or further diluting company ownership. So, small public companies, like ours, typically use stock buyback programs for company consolidation, equity value increase, and to look more financially attractive.”

“There’s no doubt that if we initiated a ‘Stock Buyback Program’ under our Strategic Investments Operation, it would positively impact the Corporation’s consolidation, undervaluation, and key financial ratios; as long as we do not finance the Program with interest bearing debt, which can strain cash flow. In such a case we could continue buying back for as long as ADFS’ net income or market share continues expanding.”

The Treasurer, Osita Iroku has also added an announcement of his retirement from the company, saying, “We achieved all we set out to achieve this year, and now it’s time to hand over to a new administrative team to take ADFS to the next level.” The company is set to announce the appointment of new executives and officers later this month, although Gary Sidorsky is scheduled to stay on as CEO.

Certain statements in this report; statements relating to the development, production, rates, features, and timing of existing and future products and services; statements regarding market growth and locations, and repair capabilities; statements regarding business growth, and the means to achieve such growth; statements regarding market opportunities; statements regarding revenue, cash availability and generation, cash flow, gross margins, pricing, spending, capital expenditures and profitability targets; statements regarding productivity improvements, cost reductions and capacity expansion plans, such as for customer deliveries, logistics and vehicle servicing; and statements regarding our investment in and the impact of changes to our customer delivery infrastructure, are “forward-looking statements” that are subject to risks and uncertainties. These forward-looking statements are based on management’s current expectations, and due to certain risks and uncertainties, actual results may differ materially from those projected.

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