LITCHFIELD HILLS RESEARCH

Faraday Future Intelligent Electric, Inc.

FFAI- Buy-USD $5 PT

Action Summary – 20 November 2025

Analyst Theodore R. O'Neill – Initiating coverage of Faraday Future Intelligent Electric, with a Buy rating and $5 PT

Faraday Future stands apart from other EV companies. You would be forgiven for thinking that FFAI was just another EV company competing in a market that, until recently, was dominated by Tesla (TSLA-NR) and is soon to be dominated by Chinese manufacturers. FFAI has blazed a manufacturing and marketing trail that we think could lead to serious market share gains in the near-term in the high-end and ultimately the whole range of EV market.

Well thought out customer focused marketing strategy. FF Co-creation is a platform where users collaborate with the company to accelerate product upgrades, technological transformation, branding, and user self-fission by involving users in the whole FF business process. The platform is based on a partnership philosophy, the sharing economy theory, and an Open Ecosystem model. We know of no other car company that has developed a holistic engagement platform.

Clever approach to manufacturing, minimizing tariff impacts. The company has a "dual home" strategy that leverages the manufacturing strength of both China, where costs are low, and the U.S. where tariffs are high. It has a manufacturing facility in California, where it assembles and paints its vehicles using parts sourced from China.

Valuation appears attractive. As we look into 2027, the shares appear to be undervalued relative to peers. If the current multiples of sales (3.11 average market cap/sales and 3.15 EV/sales) hold in 2026, the shares would be undervalued by a little more than half. At our target price, the multiples would be above average but not by more than a single standard deviation. We would argue that the shares deserve to sell at an above average multiple due to what we believe will be better than market growth.

11/19 price: $1.02	**Market cap: $154MM**	**2027 Market Cap/Sales: 1.28x**	**2027 EV / Sales: 1.49x**
Shares outstanding: 151MM	**Insider ownership: 7%**	**3-mo. avg. trading volume: >5,000,000**	**Dividend/Yield: NA/NA**

GAAP estimates (EPS in $ – Revenue in $millions)

Period	EPS	Revenue	Op. Margin
FY23A	$(1,792.44)	$0.8	NM
FY24A	$(19.61)	$0.5	NM
FY25E	$(3.67)	$0.5	NM
FY26E	$(1.26)	$15.6	NM
FY27E	$(0.45)	$128.0	(56)%

Note: Numbers may not add due to rounding. See our full model at the back of this report.

Cash balance (in $millions)

2023A	$4.0
2024A	$7.1
2025E	$3.3
2026E	$21.2
2027E	$55.8

Short and long-term debt (in $millions)

2023A	$100.9
2024A	$54.8
2025E	$84.0
2026E	$85.0
2027E	$90.0

Risks/Valuation

- Risks include limited operating history, competition, likely to need additional capital, potential issues with production ramp and scaling, supplier engagement, government regulations and trade policies to name a few.
- Our $5.00 target is derived using a discounted future earnings model.

Company description: Faraday Future is a California-based global shared intelligent electric mobility ecosystem company. Founded in 2014, the Company's mission is to disrupt the automotive industry by creating a user-centric, technology-first, and smart driving experience. Faraday Future's flagship model, the FF91, exemplifies its vision for luxury, innovation, and performance. The FX strategy aims to introduce mass production models equipped with state-of-the-art luxury technology similar to the FF 91, targeting a broader market with middle-to-low price range offerings. FF is committed to redefining mobility through AI innovation.

Figure 1 – Faraday Future Intelligent Electric, Inc. – One-Year Trading snapshot

Source: FactSet

Investment Thesis

Faraday Future stands apart from other EV companies. You would be forgiven for thinking that FFAI was just another EV company competing in a market that, until recently, was dominated by Tesla (TSLA-NR) and is soon to be dominated by Chinese manufacturers. FFAI has blazed a manufacturing and marketing trail that we think could lead to serious market share gains in the near-term in the high-end and ultimately the whole range of EV market.

Well thought out customer focused marketing strategy. FF Co-creation is a platform where users collaborate with the company to accelerate product upgrades, technological transformation, branding, and user self-fission by involving users in the whole FF business process. The platform is based on a partnership philosophy, the sharing economy theory, and an Open Ecosystem model. While these are a lot of fancy words, the point is clear that FFAI both welcomes design ideas from customers, allows them to engage with the company through its own self-built eco-system. We know of no other car company that has developed a holistic engagement platform.

Clever approach to manufacturing, minimizing tariff impacts. The company has a "dual home" strategy that leverages the manufacturing strength of both China, where costs are low, and the U.S. where tariffs are high. It has a manufacturing facility in California, where it assembles and paints its vehicles using parts sourced from China. We believe this strategy effectively leverages EV and autonomous driving technology from around the globe, while avoiding the bulk of tariffs and all of the software restrictions.

Valuation appears attractive. As we look into 2027, the shares appear to be undervalued relative to peers. If current multiples of sales (3.11 average market cap/sales and 3.15 EV/sales) hold in 2026, the shares would be undervalued by a little more than half. At our target price, the multiples would be above average but not by more than a single standard deviation. We would argue that the shares deserve to sell at an above average multiple due to what we believe will be better than market growth.

What are investors missing?

Shares behave very much like 2012 Tesla (TSLA-NR). Before it rolled out the Model S in the summer of 2012, very few believed that Tesla could be successful. We see similarities and differences, but we believe the outcomes will be similar once production begins. The Tesla Model S was a success because Venture capitalists and bankers (influencers of the time) could use the high-occupancy only highway lanes in single occupancy vehicles without looking like a dork in a Prius. The Model S solved a huge logistics problem for the wealthy by giving them a car that solved a practical problem and looked good. We see uncanny parallels in FFAI. Yes, production must begin to truly engage investors, but the cars (initially) are specifically marketed to influencers, and the company is actively engaged with customers to solve the shortfalls of other car makers either in or out of the EV space. EVs have evolved beyond getting its drivers in the HOV lanes, they must now deliver on a range of driver expectations, and we believe FFAI is well ahead in all of this.

What is the Bear Case?

As we see it, the bear case is that this is all smoke and mirrors. This is a relatively easy case to make when you are a manufacturing company that isn't yet in production or you are marketing your products in a way that is unusual for the industry you are in, or the perception is that this is an industry that is so dominated by incumbents that there is no chance it can gain share. But have you looked at the incumbents? What future is there for the way Ford (F-NR), GM (GM-NR) or Stellantis (STLAM-NR) sells cars? The argument that the management team is focused on marketing and linking influencers and AI and crypto sounds nothing like an established automobile manufacturer, but if you want to sell to younger affluent people, this is the future. Management doesn't have a lot of cars out there and isn't at the point where it can start talking about demand exceeding production, but we believe it will. At the end of the day, all of the bear case arguments vanish when the company starts taking share, which we believe it will.

Business and Company Background

Faraday Future Intelligent Electric Inc. is a California-based global shared intelligent mobility ecosystem company with a vision to disrupt the automotive industry. With headquarters in Gardena, California, the Company designs and engineers next-generation intelligent, connected, electric vehicles, which include both the FF Series and the FX Series. The Company manufactures vehicles at its production facility in Hanford, California, known as "FF ieFactory California". The Company has additional engineering, sales, and operational capabilities in China and is in the process of establishing a vehicle assembly facility in the United Arab Emirates ("UAE") to support sales of FF and FX vehicles and to expand the Company's market presence in the region. Since the Company's founding, the Company has developed innovations in technology and products and followed a business model focused on users.

The Company operates under a dual-home market strategy, leveraging the strengths of both the U.S. and Chinese automotive industries. This approach combines U.S.-based technological innovation and vehicle development with China's supply chain and production capabilities to support long-term growth in both markets.

The Company is in the process of establishing a vehicle assembly facility and a sales office in the UAE. While not yet fully operational, these planned facilities align with the Company's global expansion strategy and are expected to strengthen its footprint in the UAE market.

This global structure allows the Company to compete effectively across multiple markets, tailoring the Company's vehicle lineup and business approach to the specific needs of each region while integrating expertise and resources from the dual-home strategy.

Technology

The Company has developed an extensive portfolio of proprietary technologies that will be embedded and integrated in its vehicles. The Company's technology is designed to enhance vehicle performance, user experience, and the intelligent mobility ecosystem. The Company has developed a proprietary platform architecture – Variable Platform Architecture ("VPA"), advanced propulsion systems, and a proprietary intelligent computing ecosystem – Internet, Autonomous Driving, and Intelligence ("I.A.I.") systems – to support the Company's electric vehicle lineup. These innovations enable scalable product development, high-performance drivetrain capabilities, and personalized user interactions. The Company continues to advance its technology through ongoing system upgrades, over-the-air ("OTA") updates, and an expanding intellectual property portfolio, reinforcing the Company's position in the intelligent electric vehicle market.

The VPA is a modular skateboard-like platform that can be sized to accommodate various motor and powertrain configurations, enabling fast and capital efficient product development for both passenger and commercial vehicle segments. The Company's propulsion system includes an industry-leading inverter design, which helps provide a propulsion system with a competitive edge in electric drivetrain performance. The advanced I.A.I. technology offers high-performance computing, high speed internet connectivity, OTA updates, an open ecosystem for third party application integration, and an advanced autonomous driving-ready system, in addition to several other proprietary innovations that enable the Company to build a highly personalized user experience.

Since the Company's inception, the Company has developed a differentiated portfolio of valuable intellectual property. As of December 31, 2024, the Company had been granted approximately 660 patents (with approximately one-third issued in the U.S., and slightly less than two-thirds issued in China, and the remaining issued in other jurisdictions). Key patents include the Company's inverter assembly, integrated drive and motor assemblies, methods and apparatus for generating current commands for an interior permanent magnet ("IPM") motor, and a keyless vehicle entry system.

Products

Production Models

The FF 91 series represents the Company's first production vehicle and is positioned as an AI-enhanced ultra-luxury EV (see Figure 2). The FF 91 is designed to compete with high-end models such as the Maybach, Bentley Bentayga, Lamborghini Urus, Ferrari Purosangue, Mercedes S-Class, Rolls-Royce Spectre, Porsche Taycan, and BMW 7-Series. On May 31, 2023, the Company launched the FF 91 2.0 Futurist Alliance, along with the eco product FF aiHypercar+, both of which became available for reservations in the United States and China. On August 12, 2023, the Company delivered the first FF 91 2.0 Futurist Alliance to a Developer Co-Creator, and as of the date of this filing, the Company has delivered 16 vehicles. The FF 91 series is available in multiple configurations, including a limited-edition model. The "Futurist" versions of the vehicle emphasize the Company's core brand values, including design excellence, superior driving performance, and a personalized AI-driven user experience enabled by the Company's proprietary I.A.I technologies. The flagship FF 91 series will define the FF brand DNA. At the top end, the Futurist configurations of each of these series will be designed to push the core brand values to the maximum. With this brand DNA, the Company believes its products will be ahead of the competition in their respective segments in terms of design, driving experience, interior comfort, connectivity, and user experience.

With a wheelbase of 3,200 mm (126 inches), FF 91, the Company's flagship vehicle, is designed to be a high-performance luxury electric vehicle in the E-segment/Executive/Full-Size or F-segment/Full-size luxury vehicle segment. The Company believes that FF 91 represents a "new species" of electric mobility that combines high performance, precise handling, the comfort of a luxury passenger vehicle, and an intelligent, connected user interface that provides a unique mobility experience to both driver and passenger. It leverages the Company's proprietary VPA. This integrated platform provides measurable improvements in overall vehicle structural performance, safety, and handling. FF 91 features a multi-motor configuration and an all-wheel drive system. With three electric motors (one in the front and two in the rear), the top configuration (the FF 91 Futurist) is designed to produce 1,050 horsepower and 12,510 Nm of torque to all four wheels.

Figure 2 – Faraday Future – FF 91

Source: Company presentation

Pipeline Models

The Company is developing the FX series, with production planned at the FF ieFactory California. The series consists of three planned models – the FX 5, the FX 6, and the FX Super One (see Figure 3) – targeting the mass-market EV sector. The FX 5 is designed as an entry-level EV, aimed at young professionals and first-time EV buyers. The FX 6 is positioned as a family-friendly AI-enhanced vehicle, featuring premium safety features and smart AI technology. The FX Super One is a premium AI-driven Multi-Purpose Vehicle ("MPV") designed for high-profile individuals and professionals, combining luxury, versatility, and advanced AI integration to support mobility, business, and lifestyle needs (see Figure 4). It is positioned to compete with Mercedes EQV, Cadillac Escalade, Rivian R1S, and Volkswagen ID. Buzz.

Each model in the FX series is engineered to deliver advanced technology, connectivity, and performance, aligning with the Company's vision for intelligent electric mobility.

Figure 3 – Faraday Future – FX Super One

Source: Company presentation

Figure 4 – Faraday Future – FX Super One Model Interior Option

Source: Company presentation

Charging

The company has adopted the North American Charging Systems (NACS), giving its vehicles access to 28,00+ Tesla superchargers.

Hybrid Manufacturing Strategy

To implement a capital-light business model, the Company has adopted a hybrid global manufacturing strategy consisting of the Company's refurbished manufacturing facility in Hanford, California and potential manufacturing capacity in China. Additionally, the Company is planning manufacturing and sales operations in strategic markets to expand its global footprint. Locations currently include:

- The 1.1 million ft^2 FF ieFactory California in Hanford, California, with an expected production capacity of approximately 30,000 vehicles per year; and;
- The Company has established the entity Faraday Future Middle East FZ-LLC, leasing a 108,000 ft^2 facility in the UAE through an agreement with the Ras Al Khaimah Economic Zone ("RAKEZ"). This expansion supports the Company's "third pole" strategy, complementing its dual home markets of the U.S. and China.

The Company builds its FF 91 series vehicles at FF ieFactory California, its manufacturing facility in Hanford, California, which has an estimated annual capacity of 30,000 vehicles. The facility supports key manufacturing operations, including body assembly, paint operations (see Figure 5), final vehicle assembly, and end-of-line testing for the FF 91. The Company also plans to manufacture the FX 5 series, FX 6 series, and FX Super One series at FF ieFactory California, leveraging its existing infrastructure to support production. These models will be integrated into the facility's flexible manufacturing system, allowing for efficient scaling of production as demand grows.

Figure 5 – Faraday Future – FX Super One Model Interior Option

Source: Company presentation

Suppliers

The Company has built a strong global supply chain, partnering with reputable suppliers across North America, Europe, and Asia to source systems, components, raw materials, parts, manufacturing equipment, and essential services. The Company has successfully onboarded suppliers for all FF 91 components, ensuring a streamlined production process. In November 2024, the Company entered into definitive agreements, through its subsidiary Faraday X, with leading OEMs in Asia to support development, testing, regulatory compliance, supply chain management, and production planning of the new FX models.

To strengthen supplier relationships, the Company launched the Vendor Trust Program, offering enhanced collateral and repayment protections to key suppliers in exchange for their commitment to supporting the Company's production goals. These strategic partnerships and initiatives reinforce the Company's mission to deliver high-quality electric vehicles to the market. (Analyst Note: This is something that would have helped TSLA in its early production of the Model S because its suppliers did not believe the build program.)

Variable Platform Architecture VPA

The Company believes one of its core technology competencies is its proprietary VPA. The VPA is a flexible and adaptable skateboard-like platform featuring a monocoque vehicle structure with integrated chassis and body. The platform directly houses the critical components of an electric vehicle, including all-wheel steering, suspension system, brakes, wheels, electric propulsion system, electronic control units and high voltage battery, among others. Each of these component systems has been engineered in-house or in collaboration with suppliers and has been integrated into the Company vehicle design with a view to optimizing performance, packaging, and functional integration.

As an integrated structure, the skateboard-like platform can be shortened or lengthened to allow various wheelbases and battery pack sizes along with other options to fit into the platform. It is designed to accommodate up to three motors and support single or dual rear motors and a single front motor. The VPA can be configured in front-wheel-drive (“FWD”), rear-wheel-drive (“RWD”) or all-wheel-drive (“AWD”) configurations. The platform enables scalable vehicle design and improves manufacturing flexibility as well as capital efficiency and allows continuous improvement across product generations. It is also designed to reduce development time for future models by leveraging the platforms’ already approved crash structure and enabling five-star and equivalent safety performance. The modular design of the VPA is adaptable to support a wide range of the Company vehicles for both consumer and commercial vehicle markets.

Distribution Model

The Company launched its first passenger vehicles in the U.S. in 2023. Additional markets may be added thereafter. The Company plans to utilize a direct sales model integrating online and offline sales channels to drive sales and user (including customers, drivers, and passengers of FF series vehicles) operations to continuously create value. The Company’s offline sales are planned through partnerships with dealers. The self-owned stores are expected to help establish the FF and FX brands and provide a seamless vehicle purchase experience, while the partner-owned stores and showrooms will enable expansion of the sales and distribution network without substantial capital investment.

Product performance with propulsion technology

The Company’s propulsion system includes an industry-leading inverter design and proprietary drive propulsion system. The proprietary FF Echelon Inverter has the technological advantage of driving a large amount of current in a small space using proprietary parallel Insulated Gate Bipolar Transistors (“IGBTs”), achieving low inverter losses and high efficiency. The propulsion system has high torque accuracy with fast transient response. The electric motor drive units are fully integrated with the inverter, transmission and control unit to create industry-leading volume and design efficiency. Propelled by an integrated the Company’s designed powertrain, its vehicles can achieve leading horsepower, efficiency, and acceleration performance as recently attested by the U.S. Environmental Protection Agency (“EPA”) and California’s Air Resources Board (“CARB”) by confirming a range of 381 miles on a single charge and internally measured acceleration of 2.27 seconds from 0 to 60 mph for the FF 91.

Internet, Autonomous Driving, and Intelligence (“I.A.I”) Technology

The Company’s advanced I.A.I. technology offers high-performance computing, high-speed internet connectivity, OTA updates, an open ecosystem for third party application integration, and an advanced autonomous driving-ready system, in addition to several other proprietary innovations that enable the Company to build an advanced highly personalized user experience. The FF 91 series will feature a high-performance dual systems-on-a-chip (“SoC”) computing platform for in-vehicle infotainment, a NVIDIA based autonomous driving hardware platform, and a high-speed connectivity system that will be capable of up to three simultaneous 5G connections. Together, these systems will deliver a highly intelligent voice-first user experience, and seamless cloud connectivity and a vehicle that is Level 3 highway autonomous driving ready.

Intellectual property portfolio

The Company has significant capabilities in the areas of vehicle engineering, vehicle design and development, as well as software, internet, and AI. The Company has also developed a number of proprietary processes, systems and technologies that enhance the driver's experience.

Marketing and Sales Approach Through User Co-Creation

The company has a novel marketing approach it calls "Co-Creation." Rather than the traditional one-way sales and marketing approach common in the automotive industry, the Company is establishing a direct and reciprocal relationship with its user base to strengthen brand awareness. On August 12, 2023, the Company delivered the first FF 91 2.0 Futurist Alliance to its inaugural industry expert Developer Co-Creator. Since then, the program has promoted its brands, while creative insights and feedback from its Co-Creators continue to refine the features and functionality of its vehicles. These initiatives do more than just elevate the brands' presence; they cultivate a deep connection between the Company and its community, offering an enriched brand journey. At the core, Co-Creation transcends mere collaboration; it's the manifestation of the Company's commitment to centering its users in all the Company's endeavors. Through collaborative partnerships with Co-Creators, the Company believes that substantial value can be accessed across various aspects such as product development, technological development, brand amplification, trust and loyalty, pricing power, strategic positioning, and brand marketing. This paradigm sets the Company apart in the dynamic EV landscape, ensuring its offerings are not merely technologically superior but also resonate with the ever-evolving expectations and aspirations of the Company's clientele.

Corporate Formation and Structure

Faraday Future Intelligent Electric Inc. is a holding company incorporated in the State of Delaware, conducting its operations through its wholly owned subsidiaries. The Company has no material operations of its own and relies on its subsidiaries to execute its business strategy and operations.

U.S. Operations

The Company's primary U.S. operating subsidiary, FF U.S., was incorporated in the State of California in May 2014. Since its founding, the Company has focused on designing and engineering next-generation intelligent, connected, and electric vehicles, including the FF Series and the FX Series.

China Operations and PRC Subsidiaries

The Company operates under a dual-home market strategy, leveraging both the U.S. and Chinese automotive industries. The Company integrates U.S.-based technological innovation and vehicle development with China's supply chain and production capabilities to support long-term growth in both markets. The Company is also evaluating opportunities to expand its manufacturing capabilities in China, including potential joint ventures or other strategic partnerships with local OEMs and suppliers.

Third Pole Strategy

In addition to the Company's U.S. and China operations, the Company has implemented a "third pole" strategy, complementing the dual-home markets. The Company is in the process of establishing a facility in the UAE; while not yet fully operational, it aligns with the Company's global expansion strategy and is expected to strengthen the Company's footprint in the UAE market.

Milestones

Significant milestones in the Company's historical development and commercialization of the Company's electric vehicles include the following:

- In 2015, the Company completed its first test mule, an early-stage development vehicle used to evaluate core systems and components, followed by a fully developed Beta prototype electric vehicle in August 2016.
- In January 2016, the Company debuted the FF Zero 1 at the 2016 Consumer Electronics Show ("CES") and obtained a U.S. patent for the proprietary power inverter, the "FF Echelon Inverter." In November 2016, the Company obtained an autonomous vehicle testing permit issued by the State of California, which allowed the Company to test self-driving vehicles on public roads with the presence of a safety driver.
- In January 2017, the Company revealed FF 91, the luxury electric crossover vehicle, at CES 2017. FF 91's beta prototype set the fastest production-electric vehicle record at the Pikes Peak International Hill Climb in 2017, with a time of 11 minutes and 25.083 seconds.
- In August 2018, the Company completed its first pre-production build of FF 91 at the FF ieFactory California manufacturing facility in Hanford, California.
- In January 2021, Legacy FF, FF Automotive (Zhuhai) Co., Ltd. And FF Hong Kong Holding Limited entered into a cooperation framework agreement with Zhejiang Geely Holding Group Co., Ltd. Pursuant to which Geely Holding agreed to explore the possibility of joint investment in the technology licensing, contract manufacturing and joint venture with the Company and the city, as well as to pursue the possibility of further business cooperation with the joint venture. The joint venture and contract manufacturing projects with Geely Holding are on hold.
- In January 2021, the Company entered into a definitive agreement for a business combination with PSAC.
- In July 2021, the Company completed its merger with PSAC, renaming the combined company Faraday Future Intelligent Electric Inc. The Company's Class A Common Stock and Public Warrants began trading on The Nasdaq Stock Market on July 22, 2021, under the symbols "FFIE" and "FFIEW," respectively. Effective March 10, 2025, the Company's stock and warrants currently trade under the new ticker symbols "FFAI" and "FFAIW" on The Nasdaq Stock Market.
- In September 2021, the Company completed the installation of pilot equipment in the pre-production build area of its ieFactory California manufacturing facility in Hanford, California.
- In October 2021, the Company received its final Certificate of Occupancy ("CO") for a dedicated area for pre-production manufacturing at FF ieFactory California manufacturing facility in Hanford, California.
- In December 2021, the Company started foundation construction for all remaining production areas in FF's ieFactory California manufacturing facility in Hanford, California, including body, propulsion, warehouse and vehicle assembly. Interior foundation work in the production area is complete, major mechanical systems, including electrical and plumbing, have been installed and equipment installation is underway.
- In February 2022, the Company unveiled the first production-intent FF 91 EV manufactured at its Hanford, California plant.
- In September 2022, the Company confirmed that the FF 91 Futurist was officially certified to have a robust rating of 381 miles of EV range from the U.S. Environmental Protection Agency.
- In November 2022, the Company received certification from the California Air Resources Board ("CARB") designating the FF 91 Futurist as a zero-emissions vehicle ("ZEV"). The ZEV program is part of CARB's Advanced Clean Cars package, which regulates smog-causing pollutants and greenhouse gas emissions for passenger vehicles in California.
- In March 2023, the Company successfully started the production of the flagship FF 91 vehicle.
- In April 2023, the first production FF 91 vehicle rolled off the line at the FF ieFactory California.

- In May 2023, the Company reported that the FF 91 successfully passed U.S. Federal Motor Vehicle Safety Standards ("FMVSS") crash test requirements, and the first phase of the delivery plan began on May 31, 2023.
- In May 2023, the Company launched FF 91 2.0 Futurist Alliance as well as the eco product aiHypercar+, open for reservations in both the United States and China.
- In August 2023, the Company delivered the first FF 91 2.0 Futurist Alliance to its first industry expert Developer Co-Creation Officer.
- In November 2023, the Company entered the Middle East market, signing strategic cooperation agreements with Master Investment Group and Siraj Holding LLC, and introduced the FF 91 2.0 Futurist aiFalcon Limited Edition for the region.
- In July 2024, the Company introduced its Bridge Strategy, a two-brand approach with the Faraday Future brand ("FF" brand) focusing on the luxury EV market, and the Faraday X brand ("FX" brand) targeting the affordable EV segment, leveraging the Company's existing technology and platform to expand its product lineup and market reach.
- In September 2024, the Company launched its FX brand, along with plans for two new models expected to be priced between $20,000 and $50,000, incorporating public input.
- In November 2024, the Company's wholly owned subsidiary, Faraday X aiEV Inc. (FX), finalized definitive agreements with leading Asian OEMs to support the development, testing, regulatory compliance, supply chain management, and production planning of the new FX models.
- In March 2025, Future AIHER AI Hybrid Extended-Range Electric Powertrain System Inc. was incorporated in the State of Delaware as a subsidiary of the Company. This subsidiary focuses on the design and development of AI hybrid extended-range electric powertrain systems.

I.A.I. Technology

The Company utilizes an industry-leading automotive grade dual-chip computing system running the Android Automotive operating system. The Company's I.A.I system is built on an enhanced Android Automotive code base and is upgraded with each release of Google's platform. The Company vehicles are designed with software OTA capabilities, which allow software and applications in the vehicle to be updated and upgraded wirelessly to deliver continuous enhancements. The vehicles are designed to be always connected to the Company's information cloud. When there is a firmware or software update available, the Company's cloud will push an update message to the vehicle to notify the driver to schedule an update. Upgrades will be wirelessly downloaded to the vehicle, installed, and enabled, including updates for firmware, operating systems, middleware, and applications. The Company's patented Future OS operating system allows multiple users to login through FF 91, preparing preferences per their cloud based FFID profiles.

For autonomous driving, the Company's advanced autonomous driving-ready system ("ADAS") will deliver multiple ADAS features through a combination of its own as well as industry partners' applications. The Company plans to devote resources to autonomous driving research and development and to work with partners to deliver full autonomous-driving capabilities in highway and urban driving, as well as parking, across its vehicle lines in the future.

The Company's Artificial Intelligence system can actively learn preferences, habits, entertainment, and navigation routines of a user, and associates them with the user's unique FFID (the Company's proprietary user ID). FFID provides a unique user profile that ensures consistent experience across the FF Ecosystem, as the user goes from one seat to another or even from one vehicle to another. The seamless design and interface of the in-vehicle infotainment system planned in FF series vehicles will offer multiple human-machine interface ("HMI") options and facilitate a personalized user experience for each seat in the vehicle. The enhanced user experience platform powered by Android enables seamless access to third party applications. The Company's patented Intelligent Aggregation Engine can pull content from multiple video applications and displays content in a single area, removing the need to access multiple applications. The Intelligent Recommendation Engine that may be integrated in certain FF and FX series learns each passenger or driver's digital media preferences across multiple video applications and provide personalized recommendations. The User Recognition function is embedded in each seat through facial or voice recognition to deliver a suite of personalized content and preferences.

Intellectual Property

The Company has significant capabilities in vehicle engineering, development, and design, with a strong portfolio of proprietary systems and technologies. As of December 31, 2024, the Company had been granted approximately 660 patents, covering a broad range of innovations. Of these, approximately one-third were issued in the U.S., nearly two-thirds in China, and the remainder in other jurisdictions. These patents are held across multiple Company entities, including FFIE (currently referred to as FFIA), FF U.S., FF Automotive (China) Co., Ltd., Leka Automotive Intelligent Technology (Beijing) Co., Ltd., and LeEco Eco-Car (Zhejiang) Co., Ltd.

The Company's patented technology spans UI/UX, powertrain, advanced driver-assistance systems ("ADAS"), vehicle body, hardware/software platforms, and chassis. Key patents include the inverter assembly, integrated drive and motor assemblies, methods and apparatus for generating current commands for an interior permanent magnet ("IPM") motor, and a seamless vehicle access system. These patents provide a technological edge in powertrain efficiency, user experience, and autonomous driving capabilities. The Company plans to continue filing new patent applications to expand and protect the intellectual property portfolio.

Sales, Delivery, and Servicing of Vehicle

The Company initiated delivery of the first FF 91s in 2023. The Company is adopting a direct sales model that integrates online and offline sales channels to drive sales. The Company's offline sales network will consist of the self-operated experience centers and partner-owned experience centers. The self-operated experience centers are expected to establish brand awareness and provide a seamless vehicle purchase experience, while the partner-owned experience centers (established dealerships) are expected to expand the sales and distribution network without substantial capital investment by the Company.

The Company is developing experience centers in the U.S., China and the Middle East. These locations would operate as experiential showrooms for the Company's electric vehicle models, offering sales, after-sales, and charging services. Additionally, Company Partner-owned stores and showrooms would support its online-to-offline sales model, vehicle delivery, charging service and other user operations.

All purchase transactions will be processed online through the Company's website or mobile apps, while Company Partners will support the process (including demonstration drives and providing vehicle information) and receive compensation based on a revenue sharing model and territory and/or services performed. Users accessing FF.com can directly purchase the vehicle online and can choose their closest self-operated experience centers or partner-owned experience centers and showrooms for support.

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After-Sales and Service

The Company U.S. has engaged Somit Solutions ("KPIT") to support the development of the underlying after-sales Service Systems (U.S. and China), plans to further engage a U.S. based national automotive services provider to support aftersales operations (U.S. only), and has engaged Salesforce (U.S. only) to deliver and service in compliance with governmental agencies and to support critical path alignment with the Company's user journeys.

Governmental Regulations, Programs and Incentives

The Company operates in an industry that is subject to extensive environmental regulation, which has become more stringent over time. The laws and regulations to which the Company is subject govern, among others, vehicle emissions, battery safety, energy efficiency, data security, and the storage, handling, treatment, transportation, and disposal of hazardous materials.

Vehicle Safety and Testing

FFAI's vehicles are subject to, and must comply with, numerous regulatory requirements established by the National Highway Traffic Safety Administration ("NHTSA"), including all applicable Federal Motor Vehicle Safety Standards (FMVSS). As a manufacturer, the Company self-certifies that its vehicles meet all applicable FMVSSs before the vehicles can be sold in the U.S.

Vehicles sold outside of the U.S. will be subject to similar foreign safety, environmental, and other regulations. If those regulations and standards are different from those applicable in the U.S., the Company will redesign and/or retest the vehicles. For example, the European Union ("E.U.") has published new Vehicle General Safety Regulations, applying from July 6, 2022, which introduced a range of mandatory advanced driver assistant systems to improve road safety and established the legal framework for the approval of automated and fully driverless vehicles in the EU. Vehicles sold in China will be subject to compulsory product certification by certification authorities designated by the State Certification and Accreditation Administration Committee. Additionally, for Company vehicles to be approved for manufacture and sale in China, the vehicles will need to be added to the Announcement of Vehicle Manufacturers and Products issued by the Ministry of Industry and Information Technology ("MIIT") of China, by showing compliance with the relevant safety and technical requirements and other conditions, including among others, the Administrative Rules on the Admission of New Energy Vehicle Manufacturers and Products and the Administrative Rules on the Admission of Passenger Vehicles Manufacturer and Products, and passing the review by the MIIT.

Environmental Credits

In connection with the production, delivery, and placement into service of the Company's zero-emission vehicles, the Company may earn tradable credits under certain governmental programs designed to incentivize such activities. The Company may sell the Company's future credits to automotive companies and other regulated entities who can use the credits to comply with emission standards and other regulatory requirements.

Automobile Manufacturer and Dealer Regulation

U.S. state laws regulate the manufacture, distribution and sale of automobiles, and generally require motor vehicle manufacturers and dealers to be licensed in order to sell vehicles directly to consumers in the state. The Company will need to secure dealer licenses (or their equivalent) to engage in sales activities for its self-operated experience centers and service centers, while partners in certain states will support by providing services via partner-owned experience centers and showrooms. The Company has received its dealer license from the State of California and is able to sell automobiles across the U.S.

In China, automobile suppliers and dealers are required to receive a business license and file and update the relevant information through the information management system for the national automobile circulation operated by the competent commerce department in China.

Competition

The market is highly competitive if all you are doing is putting an electric motor in a car like platform. That isn't the case here. We believe FFAI's unique marketing and manufacturing approach put it (for now) in a class by itself. It's a class that is highly driver/customer focused and seeks to build in features customers are not aware they need until presented with them.

Management

The Company is led by a management team with a combination of automotive, communication, and internet experience.

Matthias Aydt, Global Co-CEO

Mr. Matthias Aydt has served as FF's Global Chief Executive Officer since September 29, 2023. Mr. Aydt served as FF's Senior Vice President of Business Development and Product Definition since November 2019, overseeing business development of FF's business to business sales, technology licensing and strategic cooperation as well as leading its product strategy for future products. Mr. Aydt has also served in various leadership roles at FF, including Senior Vice President of Product Execution, Vice President of Vehicle Engineering and Vehicle Chief Engineer and Head of Hardware Architecture. Mr. Aydt has extensive experience in the automotive industry. Prior to joining FF in July 2016, Mr. Aydt served as the Vice President of Vehicle Engineering of Qoros Auto Co. Ltd. From January 2015 to May 2016, he held various positions at Magna Steyr from 2006 to 2014, including Branch Manager and Head of Project Management at Magna Steyr China. Mr. Aydt received his Bachelor of Science degree from Fachhochschule Ulm – Hochschule für Technik. Mr. Aydt also serves on FF's board of directors. Mr. Aydt has also received over 15 registered patents during his career and is deeply committed to the Company, its employees, users, and investors in fulfilling the vision for a sustainable transportation future.

YT Jia, Global Co-CEO

YT Jia (YT), the founder of FF, was appointed as the Chief Product and User Ecosystem Officer in March of 2023. Mr. Jia is a trailblazer and a revolutionary of the Internet eco model and the smart mobility model, a forward-thinking world-class strategist, a serial entrepreneur who excels in cross-boundary innovation in disruptive products and technology through breaking boundaries and creating eco chemistry, who has successfully built a global user ecosystem that attracted nearly 1 billion users.

He set up the next gen shared smart mobility ecosystem strategy featuring "AI + Platform + Hardware + Software+ Application + Sharing" back in 2013 and started to make plans to enter the global Internet smart auto industry. He founded Faraday Future (FF) – a global Internet smart mobility eco company – in California, the global innovation epicenter. The "Four Future Trends" theory featuring "electrification, intelligence, Internet and sharing" proposed by YT 6 years ago is fueling the transformation of the global auto industry by setting a new industry standard for such transformation.

YT believes that the next-gen auto industry is the biggest application in the age of AI and presents the greatest opportunities for industrialization and commercialization. As the founder and CPUO, YT is leading the team to build the Internet ecosystem and the AI-powered shared mobility ecosystem that integrates Platform, Hardware, Software and Application. He also leads activities in AI, product definition, user acquisition, user experience and user operation. Regarding product and technology, he focuses on breaking the boundaries between the Internet, AI, consumer electronics and automobiles, creating eco chemistry and new species. With respect to users, his priority is to create a user-centric Internet eco O2O model that encompasses user acquisition and user operation.

Jery Wang, Global President

Jerry (Jiawei) Wang has been serving as Global President of Faraday Future Intelligent Electric (Nasdaq: FFAI, "FF") since March 2025. Also, he has been serving as Partner and President of FF Global Partners, the founding shareholder of FF that consists of key FF executives since 2022. He was FF's Vice President of Global Capital Markets at Faraday Future from May 2018 to April 2022. Prior to that, he was Global Head of Capital Markets from January 2018 to May 2018, and General Manager of China Capital Markets from March 2017 to January 2018.

During his career at FF and as one of the founding members, he led all FF capital markets activities, including secured ~$4 billion financing in multiple public and private rounds, successfully closed one of the largest EV SPAC IPO ($1 billion raised with $4 billion post-closing valuation), successfully closed several large strategic / joint venture partnerships etc.

He is the Co-Founder and Chairman of AIBOT Inc. since 2022. AIBOT is a California based, AI-driven, intelligent eVTOL aircraft developer with the vision to disrupt the next generation of mobility and integrate flying into the daily lives of humanity. AIBOT has been ranked as Top 10 innovation technology company by the California government in 2024.

Before joining FF, Jerry worked at LeEco as Director of Corporate Development from 2015 to 2017. He co-founded Global Galaxy Inc., a private investment firm in September 2013 and worked as a private equity analyst at Knights Investment Group from December 2013 to February 2014. Jerry received a bachelor's degree in finance from Central University of Finance and Economics (CUFE) in Beijing and was studying at New York University for Master of Economics (dropped out).

Koti Meka, CFO

Koti has been a valued member of the Faraday Future team since February 2016, where he managed finance operations, led financial planning and analysis, and supported initiatives in process improvement, target setting, and cost reduction. Before joining FF, Koti spent 14 years at Ford Motor Company in various roles focused on cost optimization, product development finance, and corporate finance. His experience also includes work as a Management Consultant at Accenture and as a Product & Application Engineer at Detroit Diesel. Koti holds an MBA from the University of Michigan-Dearborn, an M.S. in Mechanical Engineering from Wayne State University, and a B.Tech. in Mechanical Engineering from Jawaharlal Nehru Technological University, India.

Valuation Methodology

We believe FFAI is undervalued, and we support that belief with an absolute and relative valuation. To determine our price target, we use a discounted future earnings model. The following valuation techniques are being used:

1) The discounted value of all future earnings was used for our price target (see Figure 6)
2) Valuation relative to peers (see Figure 7)

Discounted Future Earnings – Basis for Price Target

Our 12-month price target of $5.00 is based on a discounted earnings model. For valuation purposes, we sum up all future earnings discounted at 10%, which we feel adequately addresses the risk. We assume the company exhibits orderly revenue growth annually, but there could be significant swings quarter-to-quarter. Our valuation model is shown in Figure 6 below. Note, this model understates future new products and growth through acquisitions and probably understates the tax benefits, but offsetting that, the earnings never have a down year. The implied share price is $5.46, which we round to $5.00.

Figure 6 – Faraday Future Intelligent Electric, Inc. – Price Target Calculation

Discounted Future Value		$5.46
		Discounted
Year	EPS	EPS
2026	(1.26)	(1.26)
2027	(0.45)	(0.40)
2028	(0.10)	(0.08)
2029	0.00	0.00
2030	0.20	0.13
	Terminal Value:	7.07

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

Figure 7 is a summary of our FFAI peer comparison. If it were to trade at $5.00, its Market Cap/Sales multiple would be ~6X, which would be above average, but only by a single standard deviation. This broadly confirms our view that, along with our discounted earnings model, the shares are undervalued.

Figure 7 – Faraday Future Intelligent Electric, Inc. – Comp Tables

FactSet Ticker	Company Name	Closing Price	Market Cap $MM	EV $MM	2026 Consensus Market Cap / Sales	2026 Consensus EV /Sales	
TSLA-US	Tesla Inc	$401.25	1,334,485	1,425,020	12.26	12.75	
RACE-IT	Ferrari N.V. (IT Listing)	$396.34	99,318	72,617	11.06	8.05	
MBG-DE	Mercedes-Benz Group AG (DE Listing)	$65.47	63,044	121,583	0.40	1.00	
BMW-DE	Bayerische Motoren Werke AG (BMW) (Ordina	$98.05	59,938	108,532	0.37	1.00	
P911-DE	Porsche AG (DE Listing)	$51.37	46,693	56,130	1.08	1.19	
;32977-IN	Bajaj Auto Ltd.	$100.60	28,094	28,096	3.88	4.09	
9868-HK	XPeng, Inc. (Class A)	$11.04	21,088	19,532	1.44	1.22	
;05200-IN	Eicher Motors	$76.87	21,084	20,458	7.35	7.26	
2015-HK	Li Auto Inc (Class A 2:1)	$9.40	20,133	3,908	0.86	0.30	
RIVN-US	Rivian Automotive, Inc.	$14.99	18,378	17,174	2.57	2.25	
;00182-IN	Hero MotoCorp Ltd.	$65.44	13,092	11,509	2.40	2.20	
9866-HK	NIO Inc. (Class A (HK))	$6.12	12,817	12,748	0.71	0.81	
LCID-US	Lucid Group, Inc.	$12.97	4,203	6,449	1.67	2.59	
PSNY-US	Polestar Automotive Holding UK PLC	$0.57	1,327	5,310	0.30	1.41	
AML-GB	Aston Martin Lagonda Global Holdings plc	$0.78	794	2,564	0.35	1.09	
	AVERAGE				3.11	3.15	
FFAI	Faraday Future Intelligent Electric, Inc.	$1.11	163	191	1.28	1.49	2027
	FFAI Premium/(Discount) to peers:				**-59%**	**-53%**	

Source: Litchfield Hills Research LLC and FactSet

Financial Estimates and Guidance

The company does not provide financial guidance. Our model assumes that 2026 is a transition year as it moves into production and 2027 is a solid ramp in demand. We believe it is likely that the company will need to raise additional capital in 2026 and in 2027 will need more in order to fund working capital growth.

Figure 8 – Faraday Future Intelligent Electric, Inc. – Income Statement ($000)

December ending year					
	2023A Year	2024A Year	2025E Year	2026E Year	2027E Year
Total Revenue	$784	$539	$507	$15,600	$128,000
YoY growth		*-31%*	*-6%*	*2977%*	*721%*
Total cost of revenue	$42,607	$84,029	$97,549	$67,000	$95,000
Total Gross Profit	($41,823)	($83,490)	($97,042)	($51,400)	$33,000
Operating expenses:					
R&D	132,021	25,227	24,563	26,800	19,000
Sales & Marketing	22,836	9,278	17,382	23,200	16,000
General and administrative	82,888	43,164	67,461	72,000	66,000
Other operating expenses	6,486	(11,421)	142,898	4,000	4,000
Total Operating Expenses	244,231	66,248	252,304	126,000	105,000
Operating income	(286,054)	(149,738)	(349,346)	(177,400)	(72,000)
Operating income %	NA	NA	NA	-1137%	-56%
Total other income/(expense)	(145,581)	(206,376)	(93,380)	(20,000)	(4,000)
	(431,635)	(356,114)	(442,726)	(197,400)	(76,000)
Earnings before taxes	109	(267)	15	400	400
Net Income	($431,744)	($355,847)	($442,741)	($197,800)	($76,400)
EPS (includes impact of dividend)	($1,792.44)	($19.61)	($3.67)	($1.26)	($0.45)
Dividend	0	7,576			
Diluted common shares	241	18,530	120,616	157,500	168,500

Source: Company reports and Litchfield Hills Research LLC

Figure 9 – Faraday Future Intelligent Electric, Inc. – Balance Sheet ($000)

December ending year	FY2027E	FY2026E	FY2025E	FY2024A	FY2023A
Balance sheet					
Current Assets					
Cash and S.T.I.	$55,830	$21,230	$3,330	$7,174	$4,025
Accounts receivable	10,000	1,000	600	0	7
Inventories	30,000	20,000	13,000	27,486	34,229
Other assets	30,000	26,000	25,000	37,221	53,103
Total Current Assets	**125,830**	**68,230**	**41,930**	**71,881**	**91,364**
Net PP&E	180,000	175,000	165,000	348,587	417,812
Right-to-use asset	7,000	6,000	6,000	1,761	16,486
Other non-current	30,000	30,000	30,000	3,171	4,877
Total Assets	**$342,830**	**$279,230**	**$242,930**	**$425,400**	**$530,539**
Current Liabilities					
Accounts and accrued payable	$225,000	$200,000	$135,000	$128,168	$155,561
Warrant liabilities	45,000	45,000	45,000	28,864	285
Other short term	30,000	28,000	25,000	26,141	4,420
Short-term debt	10,000	10,000	10,000	9,534	100,910
Total current liabilities	**310,000**	**283,000**	**215,000**	**192,707**	**261,176**
Financing and lease liabilities	55,000	50,000	50,000	38,712	39,789
Notes payable	80,000	75,000	74,000	45,264	0
Total Liabilities	**473,000**	**433,000**	**359,000**	**310,433**	**302,303**
Stockholders' Equity					
Preferred stock	1	1	1	0	0
Common stock	16	16	16	6	0
Additional paid-in-capital	4,900,000	4,800,000	4,600,000	4,421,563	4,180,873
Retained earnings	(5,031,287)	(4,954,887)	(4,757,087)	(4,314,346)	(3,958,499)
Cum. trans. adj. and treasury stock	1,100	1,100	41,000	7,744	5,862
Total stockholders' equity	(130,170)	(153,770)	(116,070)	114,967	228,236
Total Liabilities and equity	**$342,830**	**$279,230**	**$242,930**	**$425,400**	**$530,539**

Source: Company reports and Litchfield Hills Research LLC

Figure 10 – Faraday Future Intelligent Electric, Inc. – Cash Flow ($000)

	FY27E	FY26E	FY25E	FY24A
Net Income	($76,400)	($197,800)	($442,741)	($355,847)
Receivables	($9,000)	($400)	($600)	$7
Inventories	($10,000)	($7,000)	$14,486	$6,743
Other assets	($4,000)	($1,000)	$12,221	$15,882
Net PP&E	($5,000)	($10,000)	$183,587	$69,225
Right-to-use asset	($1,000)	$0	($4,239)	$14,725
Other non-current	$0	$0	($26,829)	$1,706
Accounts and accrued payable	$25,000	$65,000	$6,832	($27,393)
Warrant liabilities	$0	$0	$16,136	$28,579
Other short term	$2,000	$3,000	($1,141)	$21,721
Short-term debt	$0	$0	$466	($91,376)
Financing and lease liabilities	$5,000	$0	$11,288	($1,077)
Notes payable	$5,000	$1,000	$28,736	$45,264
Other long term liabilities	$3,000	$5,000	($13,750)	$32,412
Preferred stock	$0	$0	$1	$0
Common stock	$0	$0	$10	$6
Additional paid-in-capital	$100,000	$200,000	$178,437	$240,690
Accum. Other and Treasury	$0	($39,900)	$33,256	$1,882
Dividends and transition adjustments			$0	$0
Total Cash Flow	$34,600	$17,900	($3,844)	$3,149

Source: Litchfield Hills Research LLC

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