

Action Summary – 20 January 2026

Analyst Theodore R. O'Neill – FFAI Holds First Stockholders Day in Las Vegas during CES

Achieving and setting new milestones on the way to production. On January 7, the company held its first ever Stockholders' Day during the CES in Las Vegas summarizing its operational plans.

Executing on long- and short-term plan. FX Super One certification expected in 1Q26, followed by a delivery launch expected by 2Q26. Looking for positive EBITDA within three years and a five-year plan of selling 400K to 500K cars.

FX Super One 2026 milestones include 1H26 certification complete; 2Q26 deliveries to co-creation partners; 3Q26 expanded deliveries to industry leaders and B2B partners; 4Q26 beginning of full-scale U.S. delivery.

More news next month on its Robotics debut. The company talked about its robotics initiative, which will be covered in more detail at the National Automobile Dealers Association (NADA) Show in Las Vegas on February 4. As part of its Embodied AI Robotics rollout, FFAI aims to become the first company in the U.S. to deliver humanoid robot products to the market with a positive contribution margin.

Growing a portfolio of complementary investments. The company owns ~6% of AixCrypto Holdings (AIXC-NR). Aix Crypto focuses on building an ecosystem integrating AI, Cryptocurrency and blockchain. Currently valued at \$14MM.

Adjustment to earnings per share. Share count increases require us to adjust EPS, but we are making no other changes. For 2025, our EPS loss declines to \$3.35 from a loss of \$3.67. For 2026, our EPS loss declines to \$0.99 from a loss of \$1.26. For 2027, the EPS loss declines to \$0.37 from a loss of \$0.45.

Valuation appears attractive. As we look into 2027, the shares appear to be undervalued relative to peers. At our target price, the multiples would be above average but by a little 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.

1/16 price: \$1.06	Market cap: \$210MM	2027 Market Cap/Sales: 1.64x	2027 EV / Sales: 2.10x
Shares outstanding: 198MM	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	<u>\$(1,792.44)</u>	<u>\$0.8</u>	<u>NM</u>
FY24A	<u>\$(19.61)</u>	<u>\$0.5</u>	<u>NM</u>
FY25E	<u>\$(3.35)</u>	<u>\$0.5</u>	<u>NM</u>
FY26E	<u>\$(0.99)</u>	<u>\$15.6</u>	<u>NM</u>
FY27E	<u>\$(0.37)</u>	<u>\$128.0</u>	<u>(56) %</u>

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

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 2)
- 2) Valuation relative to peers (see Figure 3)

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 ~12%, 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 2 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 \$5.49, which we round to \$5.00.

Figure 2 – Faraday Future Intelligent Electric, Inc. – Price Target Calculation

Discounted Future Value		\$5.49
Discounted		
Year	EPS	EPS
2026	(0.99)	(0.99)
2027	(0.37)	(0.33)
2028	(0.10)	(0.08)
2029	0.00	0.00
2030	0.20	0.13
Terminal Value:		6.76

Source: Litchfield Hills Research LLC

Valuation Relative to Peers

Figure 3 is a summary of our FFAI peer comparison. The shares currently sell at a discount to peer averages. If it were to trade at \$5.00, its Market Cap/Sales multiple would be ~7.7X, which would be above average but not an outlier and not by much more than a single standard deviation. This broadly confirms our view that, along with our discounted earnings model, the shares are undervalued.

Figure 3 – Faraday Future Intelligent Electric, Inc. – Comp Tables

FactSet Ticker	Company Name	Closing Price	Market Cap \$MM	EV \$MM	2027 Consensus	
					Market Cap / Sales	EV /Sales
TSLA-US	Tesla Inc (US Listing)	\$437.50	1,455,046	1,558,070	11.59	12.07
RACE-IT	Ferrari N.V. (IT Listing)	\$347.97	87,197	63,914	9.31	6.80
MBG-DE	Mercedes-Benz Group AG (DE Listing)	\$68.20	65,672	124,276	0.40	0.98
BMW-DE	Bayerische Motoren Werke AG (BMW) (Ordinary)	\$102.87	63,348	111,866	0.37	0.99
P911-DE	Porsche AG (DE Listing)	\$48.94	44,490	53,938	1.01	1.12
i32977-IN	Bajaj Auto Ltd.	\$104.32	29,158	29,168	3.72	3.90
j05200-IN	Eicher Motors	\$80.49	22,079	21,476	6.91	6.83
RIVN-US	Rivian Automotive, Inc.	\$16.67	20,437	19,497	1.86	1.66
9868-HK	XPeng, Inc. (Class A)	\$10.31	19,718	18,151	1.01	0.94
2015-HK	Li Auto Inc (Class A 2:1)	\$8.05	17,238	1,888	0.72	0.20
j00182-IN	Hero MotoCorp Ltd.	\$62.18	12,441	10,895	2.09	1.91
9866-HK	NIO Inc. (Class A (HK))	\$4.70	10,559	9,167	0.49	0.53
LCID-US	Lucid Group, Inc.	\$10.12	3,281	5,500	0.72	1.22
PSNY-US	Polestar Automotive Holding UK PLC	\$22.24	2,076	5,717	0.34	1.07
AML-GB	Aston Martin Lagonda Global Holdings plc	\$0.85	860	2,663	<u>0.35</u>	<u>1.06</u>
AVERAGE					2.73	2.75
FFAI	Faraday Future Intelligent Electric, Inc.	\$1.06	210	269	1.64	2.10
FFAI Premium/(Discount) to peers:					-40%	-24%

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 to fund working capital growth.

Figure 4 – 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	<u>\$42,607</u>	<u>\$84,029</u>	<u>\$97,549</u>	<u>\$67,000</u>	<u>\$95,000</u>
Total Gross Profit	<u>(\$41,823)</u>	<u>(\$83,490)</u>	<u>(\$97,042)</u>	<u>(\$51,400)</u>	<u>\$33,000</u>
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	<u>6,486</u>	<u>(11,421)</u>	<u>142,898</u>	<u>4,000</u>	<u>4,000</u>
Total Operating Expenses	244,231	66,248	252,304	126,000	105,000
Operating income	<u>(286,054)</u>	<u>(149,738)</u>	<u>(349,346)</u>	<u>(177,400)</u>	<u>(72,000)</u>
Operating income %	NA	NA	NA	-1137%	-56%
Total other income/(expense)	<u>(145,581)</u>	<u>(206,376)</u>	<u>(93,380)</u>	<u>(20,000)</u>	<u>(4,000)</u>
	<u>(431,635)</u>	<u>(356,114)</u>	<u>(442,726)</u>	<u>(197,400)</u>	<u>(76,000)</u>
Earnings before taxes	<u>109</u>	<u>(267)</u>	<u>15</u>	<u>400</u>	<u>400</u>
Net Income	<u>(\$431,744)</u>	<u>(\$355,847)</u>	<u>(\$442,741)</u>	<u>(\$197,800)</u>	<u>(\$76,400)</u>
EPS (includes impact of dividend)	<u>(\$1,792.44)</u>	<u>(\$19.61)</u>	<u>(\$3.35)</u>	<u>(\$0.99)</u>	<u>(\$0.37)</u>
Dividend	0	7,576			
Diluted common shares	241	18,530	132,191	200,250	204,500

Source: Company reports and Litchfield Hills Research LLC

Figure 5 – 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 6 – 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

Disclosures:

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