

Action Summary – 15 April 2026

Analyst Theodore R. O'Neill – Substantial beat 4Q25

Solid beat to 4Q25 estimates. On March 31, the company reported revenue and an EPS loss of \$129K and \$0.19, respectively, which beat our estimates of revenue and an EPS loss of \$100K and \$0.43. Company results also beat the estimates of the one other analyst. Looking at our estimates, the \$0.24 positive EPS variance was primarily due to lower operating and non-operating expenses.

Remarkable pivot in results and strategy. Recognizing near-term macro constraints and the broader applicability of its technology platform, the company decided to redirect its focus from EVs into robotics. While this shift resulted in non-cash charges in 3Q, the underlying assets remain available for future EV deployment, preserving strategic optionality. Importantly, early execution in robotics has been encouraging, with initial sales recorded, certification requirements met (April 2), and management guiding to positive gross margins in 1Q26. Taken together, this reflects disciplined pivot toward near-term revenue opportunities without impairing long-term EV positioning. All of this led to:

- 1) A substantial improvement in operations from what we expected
- 2) A robotics business that has already racked up sales met all certification requirements (April 2) and;
- 3) Will show positive gross margins in 1Q26 according to the company

Revision to estimates. For 2026, our EPS loss improves to \$0.87 from \$0.99. For 2027, the EPS loss falls by \$0.01 and declines to \$0.38 from \$0.37. Revenue estimates for both years are unchanged.

Valuation appears attractive. Our comp table includes both auto and robotic makers and we believe their shares deserve to trade above the average of its peers. This is because it is positioned more like Tesla (TSLA-NR) than Rivian (RIVN-NR). At our target price, the multiples would be above average but by little more than a single standard deviation.

4/14 price: \$0.31	Market cap: \$85MM	2027 Market Cap/Sales: 0.67x	2027 EV / Sales: 1.18x
Shares outstanding: 249MM	Insider ownership: 7%	3-mo. avg. trading volume: >10,000,000	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>
FY25A	<u>\$(3.14)</u>	<u>\$0.5</u>	<u>NM</u>
FY26E	<u>\$(0.87)</u>	<u>\$15.6</u>	<u>NM</u>
FY27E	<u>\$(0.38)</u>	<u>\$128.0</u>	<u>(57)%</u>

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

Cash & Eq. balance (in \$millions)

• 2023A	• \$4.0
• 2024A	• \$7.1
• 2025A	• \$45.2
• 2026E	• \$97.8
• 2027E	• \$131.4

Long-term notes/debt (in \$millions)

• 2023A	• \$0.0
• 2024A	• \$45.3
• 2025E	• \$56.2
• 2026E	• \$75.0
• 2027E	• \$80.0

Risks/Valuation

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

Company description: Faraday Future is a California-based global intelligent Company founded in 2014 and is dedicated to reshaping the future of mobility through vehicle electrification, intelligent technologies, and AI innovation. Its flagship vehicle, the FF 91, began deliveries in 2023 and reflects the brand's pursuit of ultra-luxury, cutting-edge technology, and high performance. FF's second brand, FX, targets the high-volume mainstream vehicle market. Its first model, Super One, is positioned as a first-class EAI-MPV, with deliveries planned to begin in 2026. FF recently announced its entry into the Embodied AI Robotics business with sales beginning this year, connecting its future strategy of bringing a new era of EAI vehicles and EAI robotics.

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 \$5.43, which we round to \$5.00.

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

Discounted Future Value		\$5.43
Year	EPS	Discounted EPS
2026	(0.87)	(0.87)
2027	(0.38)	(0.34)
2028	(0.10)	(0.08)
2029	0.00	0.00
2030	0.20	0.13
Terminal Value:		6.58

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 ~10X, 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)	\$352.42	1,322,432	1,550,277	11.39	10.47
RACE-IT	Ferrari N.V. (IT Listing)	\$350.32	87,786	64,353	9.41	6.86
MBG-DE	Mercedes-Benz Group AG (DE Listing)	\$63.47	61,116	123,875	0.38	0.98
BMW-DE	Bayerische Motoren Werke AG (BMW) (Ordinary)	\$98.23	60,462	113,023	0.36	0.99
P911-DE	Porsche AG (DE Listing)	\$48.59	44,044	50,887	1.09	1.21
532977-IN	Bajaj Auto Ltd.	\$105.07	29,367	30,860	3.78	3.96
505200-IN	Eicher Motors	\$75.51	20,713	20,478	6.42	6.34
2015-HK	Li Auto Inc (Class A 2:1)	\$9.41	20,356	4,969	0.87	0.45
RIVN-US	Rivian Automotive, Inc.	\$15.90	19,732	19,549	1.70	1.55
9866-HK	NIO Inc. (Class A (HK))	\$6.69	16,571	13,720	0.61	0.63
9868-HK	XPeng, Inc. (Class A)	\$8.63	16,521	15,709	0.90	0.89
500182-IN	Hero MotoCorp Ltd.	\$56.18	11,242	10,147	1.91	1.73
LCID-US	Lucid Group, Inc.	\$9.24	3,028	6,299	0.65	1.48
PSNY-US	Polestar Automotive Holding UK PLC	\$20.40	1,904	5,572	0.32	1.04
SERV-US	Serve Robotics Inc	\$8.49	643	489	8.98	4.37
AML-GB	Aston Martin Lagonda Global Holdings plc	\$0.55	555	2,301	0.28	1.11
RR-US	Richtech Robotics Inc.	\$2.08	465	137	32.50	7.37
CRNC-US	Cerence Inc	\$7.58	341	462	1.21	1.54
PDYN-US	Palladyne AI Corp	\$6.52	303	298	7.28	5.70
KSCP-US	Knightscope, Inc.	\$3.36	55	38	1.01	0.29
ARAI-US	Arrive AI Inc.	\$0.89	32	34	7.97	7.66
PMEC-US	Primech Holdings Ltd.	\$0.69	26	35		
CYN-US	Cyngn Inc.	\$1.59	22	(5)		
RVSN-US	Rail Vision Ltd.	\$8.59	19	0		
KITT-US	Nauticus Robotics, Inc.	\$0.49	14	38		
AIIO-US	Robo.ai Inc. Class B	\$0.68	13	23		
EVTV-US	Envirotech Vehicles Inc	\$1.90	9	13		
	AVERAGE				4.71	3.17
FFAI	Faraday Future Intelligent Electric, Inc.	\$0.34	85	151	0.67	1.18
FFAI Premium/(Discount) to peers:					-86%	-63%

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.

Figure 4 – Faraday Future Intelligent Electric, Inc. – Income Statement (\$000)

December ending year	2023A Year	2024A Year	2025A Year	2026E Year	2027E Year
Total Revenue	\$784	\$539	\$536	\$15,600	\$128,000
YoY growth		-31%	-1%	2810%	721%
Total cost of revenue	<u>\$42,607</u>	<u>\$84,029</u>	<u>\$98,302</u>	<u>\$67,000</u>	<u>\$95,000</u>
Total Gross Profit	<u>(\$41,823)</u>	<u>(\$83,490)</u>	<u>(\$97,766)</u>	<u>(\$51,400)</u>	\$33,000
Operating expenses:					
R&D	132,021	25,227	16,603	17,500	19,000
Sales & Marketing	22,836	9,278	12,310	18,000	17,000
General and administrative	82,888	43,164	55,733	62,000	66,000
Other operating expenses	<u>6,486</u>	<u>(11,421)</u>	<u>148,638</u>	<u>4,000</u>	<u>4,000</u>
Total Operating Expenses	244,231	66,248	233,284	101,500	106,000
Operating income	<u>(286,054)</u>	<u>(149,738)</u>	<u>(331,050)</u>	<u>(152,900)</u>	<u>(73,000)</u>
Operating income %	NA	NA	NA	-980%	-57%
Total other income/(expense)	<u>(145,581)</u>	<u>(206,376)</u>	<u>(59,583)</u>	<u>(20,000)</u>	<u>(4,000)</u>
Earnings before taxes	<u>(431,635)</u>	<u>(356,114)</u>	<u>(390,633)</u>	<u>(172,900)</u>	<u>(77,000)</u>
Tax expense/(benefit)	109	(267)	63	400	400
Net Income	<u>(\$431,744)</u>	<u>(\$355,847)</u>	<u>(\$390,696)</u>	<u>(\$173,300)</u>	<u>(\$77,400)</u>
EPS (includes impact of dividend)	<u>(\$1,792.44)</u>	<u>(\$19.61)</u>	<u>(\$3.14)</u>	<u>(\$0.87)</u>	<u>(\$0.38)</u>
Dividend	0	7,576			
Diluted common shares	241	18,530	124,300	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	FY2025A	FY2024A	FY2023A
Balance sheet					
Current Assets					
Cash and S.T.I.	\$131,375	\$97,775	\$45,204	\$7,174	\$4,025
Accounts receivable	10,000	1,000	600	0	7
Inventories	30,000	20,000	3,258	27,486	34,229
Other assets	<u>30,000</u>	<u>26,000</u>	<u>19,462</u>	<u>37,221</u>	<u>53,103</u>
Total Current Assets	201,375	144,775	68,524	71,881	91,364
Net PP&E	180,000	175,000	155,303	348,587	417,812
Right-to-use asset	7,000	6,000	4,950	1,761	16,486
Other non-current	<u>30,000</u>	<u>30,000</u>	<u>49,085</u>	<u>3,171</u>	<u>4,877</u>
Total Assets	<u>\$418,375</u>	<u>\$355,775</u>	<u>\$277,862</u>	<u>\$425,400</u>	<u>\$530,539</u>
Current Liabilities					
Accounts and accrued payable	\$225,000	\$200,000	\$115,955	\$128,168	\$155,561
Warrant liabilities	45,000	45,000	1,950	28,864	285
Other short term	30,000	28,000	22,327	26,141	4,420
Short-term debt	<u>10,000</u>	<u>10,000</u>	<u>7,939</u>	<u>9,534</u>	<u>100,910</u>
Total current liabilities	310,000	283,000	148,171	192,707	261,176
Financing and lease liabilities	55,000	50,000	50,338	38,712	39,789
Notes payable	<u>80,000</u>	<u>75,000</u>	<u>56,234</u>	<u>45,264</u>	<u>0</u>
Total Liabilities	473,000	433,000	270,103	310,433	302,303
Stockholders' Equity					
Preferred stock	1	1	0	0	0
Common stock	16	16	21	6	0
Additional paid-in-capital	4,900,000	4,800,000	4,673,866	4,421,563	4,180,873
Retained earnings	(4,955,742)	(4,878,342)	(4,705,042)	(4,314,346)	(3,958,499)
Cum. trans. adj. and treasury stock	<u>1,100</u>	<u>1,100</u>	<u>38,914</u>	<u>7,744</u>	<u>5,862</u>
Total stockholders' equity	<u>(54,625)</u>	<u>(77,225)</u>	<u>7,759</u>	<u>114,967</u>	<u>228,236</u>
Total Liabilities and equity	<u>\$418,375</u>	<u>\$355,775</u>	<u>\$277,862</u>	<u>\$425,400</u>	<u>\$530,539</u>

Source: Company reports and Litchfield Hills Research LLC

Figure 6 – Faraday Future Intelligent Electric, Inc. – Cash Flow (\$000)

	FY27E	FY26E	FY25A	FY24A
Net Income	(\$77,400)	(\$173,300)	(\$390,696)	(\$355,847)
Receivables	(\$9,000)	(\$400)	(\$600)	\$7
Inventories	(\$10,000)	(\$16,742)	\$24,228	\$6,743
Other assets	(\$4,000)	(\$6,538)	\$17,759	\$15,882
Net PP&E	(\$5,000)	(\$19,697)	\$193,284	\$69,225
Right-to-use asset	(\$1,000)	(\$1,050)	(\$3,189)	\$14,725
Other non-current	\$0	\$19,085	(\$45,914)	\$1,706
Accounts and accrued payable	\$25,000	\$84,045	(\$12,213)	(\$27,393)
Warrant liabilities	\$0	\$43,050	(\$26,914)	\$28,579
Other short term	\$2,000	\$5,673	(\$3,814)	\$21,721
Short-term debt	\$0	\$2,061	(\$1,595)	(\$91,376)
Financing and lease liabilities	\$5,000	(\$338)	\$11,626	(\$1,077)
Notes payable	\$5,000	\$18,766	\$10,970	\$45,264
Other long term liabilities	\$3,000	\$9,640	(\$18,390)	\$32,412
Preferred stock	\$0	\$1	\$0	\$0
Common stock	\$0	(\$5)	\$15	\$6
Additional paid-in-capital	\$100,000	\$126,134	\$252,303	\$240,690
Accum. Other and Treasury	\$0	(\$37,814)	\$31,170	\$1,882
Dividends and transition adjustments			\$0	\$0
Total Cash Flow	\$33,600	\$52,571	\$38,030	\$3,149

Source: Litchfield Hills Research LLC

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