AEye, Inc. (Nasdaq: LIDR)

Rating: Buy

Price Target: $6.00
Share Price: $2.67

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September 15, 2025

Company Data	
Average Daily Volume (M)	19.32
52-Week Range	0.49-6.44
Shares Outstanding (M)	40.56
Market Cap (M)	105.85
Enterprise Value (M)	89.70
Total Cash (M), mrq	19.21
Total Debt (M)	3.06
Total Debt to Cap	23.10%

Estimates			
FYE: Dec		2025E	2026E
EPS	Q1	($0.33)A	($0.16)
	Q2	($0.35)A	($0.16)
	Q3	($0.18)	($0.16)
	Q4	($0.17)	($0.15)
	FY	($1.03)	($0.63)
P/E		NA	NA
Rev (M)	Q1	$0.064A	$0.275
	Q2	$0.022A	$1.018
	Q3	$0.045	$1.547
	Q4	$0.085	$3.093
	FY	$0.216	$5.932
EV/Sales		NM	15.2x

One-Year Performance Chart

As of September 12, 2025. Source: E-Trade.

LiDAR Innovator Advancing Toward Scalable, Capital-Light Commercialization

Initiating coverage with a Buy rating and $6 price target

Summary

We are initiating coverage of AEye, Inc. with a Buy rating and a $6.00 12-month price target. AEye is a developer of software-definable Light Detection and Ranging (LiDAR) technology built on its proprietary 4Sight™ Intelligent Sensing Platform, enabling high-quality range, resolution, and configurability for automotive and non-automotive markets. We believe that the launch of Apollo, the first member of the 4Sight™ Flex family, represents an inflection point in commercialization, offering OEMs a production-ready, compact, and cost-effective LiDAR solution with significant integration advantages. With strong intellectual property, a capital-light business model, and exposure to high-growth end markets such as Advanced Driver-Assistance Systems (ADAS), autonomy, defense, and smart infrastructure, we believe AEye is well-positioned to emerge as one of the more defensible LiDAR platforms in the industry.

4Sight™ platform and Apollo reinforce product leadership. AEye's software-definable 4Sight™ Intelligent Sensing Platform delivers industry-leading range, resolution, and flexibility. The launch of Apollo, the first sensor in the 4Sight™ Flex family, represents a major step in product maturity, being compact, highly integrable, and scalable through Tier 1 partners. As OEMs increasingly demand software-defined LiDAR that can be updated post-deployment, Apollo enhances AEye's ability to drive adoption across both ADAS and autonomous markets.

- **Diversification beyond automotive enhances near-term revenue capture.** While the automotive LiDAR market remains the largest long-term opportunity for the Company, adoption timelines have been slower than initially forecast. AEye's expansion into non-automotive verticals, including defense, smart infrastructure, aviation safety, and industrial automation, we believe, creates additional revenue channels that validate its technology today. This diversification not only mitigates dependence on the auto cycle but also accelerates the path to meaningful revenues relative to peers who remain singularly focused on the automotive vertical.

- **A large and expanding total addressable market (TAM) supports long-term upside.** The global LiDAR market is a multi-billion-dollar opportunity, underpinned by accelerating adoption of ADAS, autonomous driving, and smart infrastructure. Incremental demand from defense and aerospace sensing further expands the addressable market. With its flexible, software-defined platform and multi-vertical strategy, AEye is well positioned to capture a meaningful share of this growing market, we believe.

- **Capital-light model and cost advantage support scalability.** Unlike peers that have invested heavily in manufacturing infrastructure, AEye follows a licensing model, partnering with Tier 1 suppliers for production. This approach reduces fixed costs, enhances scalability, and preserves liquidity, resulting in a cost structure up to 11x leaner than competitors. Combined with prudent cash management and a strong IP portfolio, AEye maintains a longer operational runway and more favorable operating leverage as adoption scales, positioning the Company to grow efficiently into a multi-vertical LiDAR leader.

- **Disciplined cash management extends operating runway despite modest revenues.** AEye reported nascent 2Q25 revenue of $22,000 but showcased financial discipline by cutting quarterly cash burn to $6.4M (from an average of ~$9M per quarter in 2024) and maintaining cash reserves of $19.2M, extending runway into late 2026, including anticipated capital-raising activities. Management guided FY25 burn to $27–29M, with expenses expected to trend lower in H2 as cost controls take hold. Relative to peers, AEye's capital-light model enhances sustainability and preserves flexibility to fund product development, scale deployments, and position the business for meaningful revenue contributions beginning in 2026–2027.

- **We believe AEye shares remain attractively valued.** The stock trades at ~18× our FY26 sales estimate, well below LiDAR peers that command substantially higher multiples. Our $6 price target is based on a forward P/S multiple of ~30× FY26E revenues, supported by AEye's differentiated IP, $30M OEM contract visibility, and strategic partnerships, while still implying a discount to peers with multi-billion-dollar market capitalizations.

Company Overview

AEye, Inc. is a provider of high-performance, software-defined LiDAR solutions designed for autonomous vehicles, advanced driver-assistance systems (ADAS), and intelligent infrastructure. Founded in 2013 and headquartered in Dublin, California, the Company has pioneered adaptive sensing technologies including its flagship 4Sight™ Intelligent Sensing Platform and intelligent Detection and Ranging (iDAR™), an active sensor fusion platform for autonomous vehicles, which integrate agile scanning, artificial intelligence, and advanced signal processing to deliver precise, real-time 3D vision. Operating through a capital-light model and partnering with Tier 1 automotive suppliers, AEye serves global automotive OEMs, industrial automation providers, logistics operators, and smart city developers. Its flexible, software-configurable LiDAR systems are deployed across automotive, trucking, rail, robotics, and infrastructure markets, enabling enhanced safety, efficiency, and situational awareness in dynamic environments. With strong R&D capabilities, a broad patent portfolio, and collaborations with technology leaders such as NVIDIA, AEye is positioned as a scalable, future-ready player driving adoption of next-generation LiDAR solutions worldwide.

AEye's Core Technology and Solutions

4Sight™ Intelligent Sensing Platform

The Company's core technology is the 4Sight™ Intelligent Sensing Platform, a proprietary architecture engineered to deliver precision, adaptability, and efficiency. This platform serves as the foundation for AEye's product portfolio, enabling advanced sensing capabilities that can be tailored to automotive, industrial, and defense applications. By combining software-defined flexibility with high-performance hardware, 4Sight™ positions AEye to scale its solutions across multiple end markets.

Key differentiators include:

- **Software-Defined Architecture** – Enables reconfiguration of field-of-view, resolution, and scanning patterns through software, extending hardware life and supporting multiple applications from a single design.
- **Adaptive SmartScan** – Dynamically prioritizes regions of interest, enhancing detection accuracy while reducing compute and power requirements.
- **Patented Bistatic Design** – Separates transmit and receive optical paths, improving range, refresh rate, and resolution compared to traditional coaxial LiDAR.
- **1550nm Fiber Laser** – Provides a photon budget over 100x higher than 905nm systems, offering safe, long-range performance (up to 1 km/0.6 miles).
- **Custom Micro-Electro-Mechanical Systems (MEMS) Mirrors** – Automotive-grade scanning components engineered for durability in harsh environments.

- **On-Sensor Processing** – Integrates edge compute capability, lowering the load on central vehicle systems and improving response times.

Together, these features make 4Sight™ not just a sensor, but an intelligent perception platform capable of evolving with customer needs through over-the-air software updates.

AEye 4Sight LiDAR technology vs. Camera

Source: Company Presentation

Apollo Sensor Series

Apollo, the first sensor in AEye's 4Sight™ Flex family, represents a breakthrough in LiDAR performance and integration.

Key Attributes:

- Ultra-long-range detection (up to 1 km/0.6 miles) with high resolution.
- Software-defined adaptability for multiple operational profiles.
- Flexible installation (behind windshield, roof, or grille).
- Wide horizontal field of view (up to 120°).
- Designed with ISO 26262 functional safety compliance in mind.

AEye demonstrated record-breaking behind-windshield performance of Apollo at CES 2025

Source: Company Presentation

Target Applications:

- SAE Level 2–5 autonomy, particularly highway pilot and hub-to-hub trucking.
- Advanced ADAS features such as hazard detection, adaptive cruise, and automatic emergency braking (AEB).

Apollo positions AEye as a front-runner in automotive LiDAR, offering Tier 1 partners a sensor with superior performance and scalable industrialization potential.

Automotive Solutions

AEye's automotive products are designed to meet rising safety requirements and regulatory pressures while supporting the transition toward higher autonomy.

- **Passenger Vehicles (ADAS):** Improved safety via precise object detection, highway autonomy, and better collision avoidance systems.
- **Commercial Vehicles (Trucking/Freight):** Long-range, high-duty cycle sensing for early hazard detection, fatigue reduction, and operational efficiency.

The automotive business is executed via Tier 1 partners, with AEye generating revenue through licensing, royalties, or profit-sharing agreements, ensuring scalability without heavy capital investment.

Non-Automotive Solutions

AEye also addresses a broad set of industrial, infrastructure, and defense markets, revitalized through the Apollo platform.

- **Rail:** Detection of debris and anomalies on tracks, safety monitoring at stations.
- **Construction, Mining & Agriculture:** Personnel and obstacle detection for heavy autonomous machinery.

- **Aerospace & Defense:** Airborne threat detection, logistics vehicle navigation, and situational awareness.
- **Security & Foreign Object Detection:** Applications in aviation, manufacturing, and perimeter defense.
- **Smart Infrastructure:** Tolling automation, traffic management, smart parking, and work-zone safety.

In these markets, AEye operates via direct sales and system integrators, supported by contract manufacturing for scalable production.

Key Investment Considerations

Proprietary 4Sight™ Intelligent Sensing Platform

We believe AEye's competitive edge lies in its patented 4Sight™ Intelligent Sensing Platform, a software-definable, solid-state LiDAR system with adaptive SmartScan technology and AI-driven processing. Its differentiated bistatic design, separating transmit and receive optical paths, combined with an eye-safe 1550nm fiber laser and MEMS scanning mirrors, enables ultra-long-range detection up to 1 km/0.6 miles with superior accuracy in adverse conditions. This scalable architecture positions AEye as a leader across both automotive and non-automotive applications, creating a durable technology moat.

LiDAR Technology: Unmatched 3D Vision and Nighttime Clarity

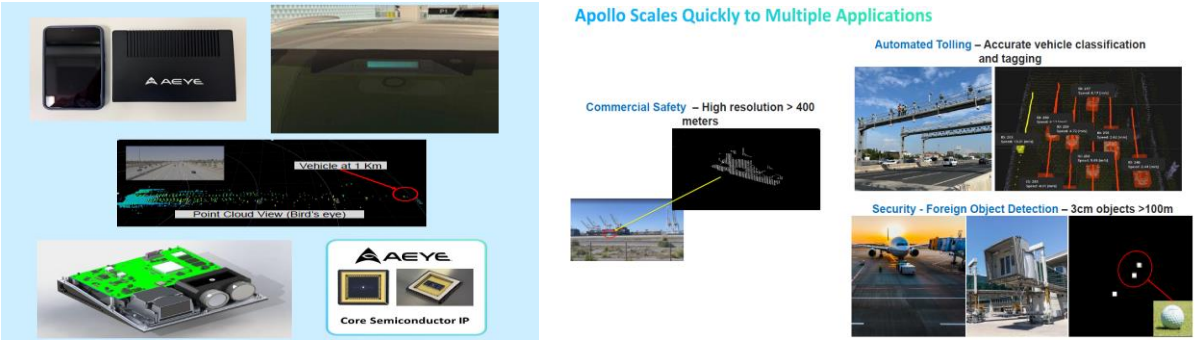
Source: Company Presentation

For automotive safety, 4Sight™ provides redundancy beyond cameras and radar, reduces false alarms, and meets evolving National Highway Traffic Safety Administration (NHTSA) regulatory requirements, offering critical protection at high speeds. For autonomy, LiDAR delivers unmatched 3D vision and nighttime clarity, addressing sensor blind spots and enabling reliable AI-driven decision-making. Together, these attributes establish AEye as a differentiated player with a durable technology moat, reinforcing the strategic necessity of LiDAR as adoption accelerates.

Product Leadership with Apollo

The launch of Apollo, the first sensor in AEye's 4Sight™ Flex family, represents a pivotal inflection point in the Company's commercialization journey. Apollo combines class-leading range (1 km/0.6-mile vehicle detection), compact design, and software-defined configurability, allowing OEMs to integrate advanced sensing without significant design trade-offs. By offering a scalable, cell phone-sized platform backed by a world-class manufacturing partner, Apollo reduces barriers to adoption while ensuring production readiness.

Integration into NVIDIA DRIVE AGX Orin strengthens AEye's credibility in the automotive ecosystem and broadens OEM engagement opportunities. Its near-infinite configurability and rapid software-based customization deliver unmatched flexibility compared to traditional LiDAR competitors. Together, these factors position Apollo as a differentiated platform with the potential to drive design wins and accelerate AEye's revenue trajectory.



Source: Company Presentation

Strong Intellectual Property Portfolio

As of February 2025, AEye holds 94 issued patents and 44 pending applications covering LiDAR architectures, adaptive scanning, and perception technologies. This robust IP portfolio reinforces AEye's competitive defensibility, supports its licensing-driven business model, and creates high barriers to entry for competitors. The Company's proprietary bistatic design and software-definable sensing establish long-term technological leadership.

AEye has built a formidable IP portfolio across adaptive scanning, bistatic architectures, AI-driven perception, and fiber-laser LiDAR technologies. This is strategically significant for three reasons:

1. **Competitive Moat** – competitors cannot easily replicate AEye's adaptive scanning approach.
2. **Licensing Opportunities** – IP can be monetized even in markets where AEye does not sell directly.
3. **Defensive Shield** – protects against lawsuits and gives leverage in potential M&A scenarios (many LiDAR peers are acquisition targets for OEMs and Tier 1 suppliers).

By comparison, some peers like Luminar or Ouster have larger portfolios by sheer volume, but AEye's focus on adaptive and software-defined LiDAR creates stronger defensibility in its niche.

Strategic Collaborations

AEye has forged strategic partnerships with NVIDIA, GM, Tier 1 suppliers, and Chinese distributors, accelerating commercialization. Integration into NVIDIA's DRIVE AGX Orin and compatibility with Hyperion expands visibility with global OEMs, while participation in GM's WinTOR initiative offers sourcing advantages. Partnerships with Accelight Technologies and LighTekton enable penetration into China's fast-growing LiDAR market, positioning AEye for global scale.

Partnerships are central to AEye's commercialization strategy. Key highlights:

- **NVIDIA**: AEye's LiDAR is integrated into NVIDIA's DRIVE Orin & Hyperion platforms, giving exposure to OEMs using NVIDIA's ADAS stack.
- **GM WinTOR Program**: Being part of GM's preferred sourcing initiative enhances the likelihood of production contracts.
- **Chinese Market Partnerships**: Distribution agreements with Accelight and LighTekton provide direct access to China's fast-growing LiDAR demand.

These collaborations reduce go-to-market friction, validate AEye's technology with global leaders, and provide potential revenue channels without AEye having to build direct sales capacity worldwide.

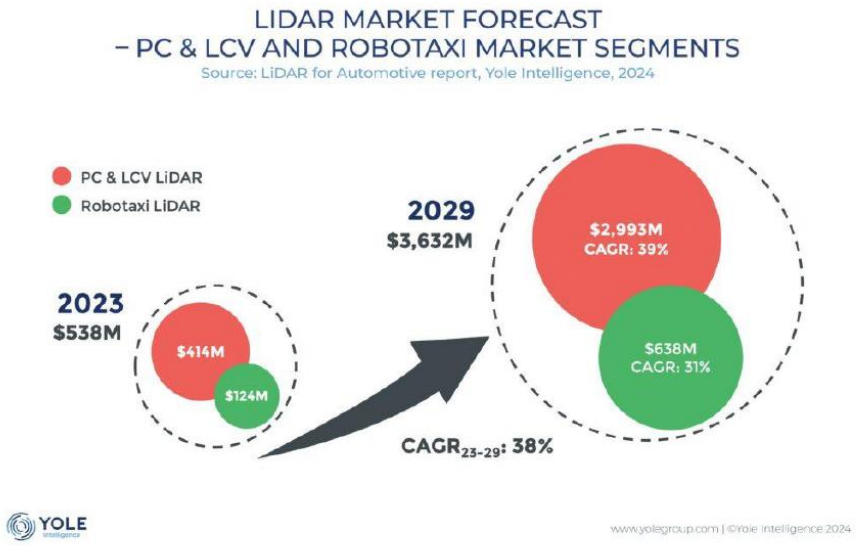
AEye's Partners and Investors

Source: Company Presentation

Large and Growing Addressable Market

LiDAR represents a multi-billion-dollar opportunity, with a total addressable market (TAM) totaling $5 billion across all verticals, according to industry researcher Yole Group. Automotive ADAS alone accounts for $3.6 billion, the fastest-growing segment. China has emerged as the global leader in adoption, capturing over 90% of automotive design awards and driving the next phase of industry growth.

The global LiDAR market is projected to grow at a 20%+ compound annual growth rate (CAGR) through 2034, fueled by regulatory mandates, accelerated ADAS adoption, and the transition toward higher levels of autonomy. In the U.S., NHTSA's automatic emergency braking (AEB) requirements act as a key catalyst, while in China, rapid deployment is expected to create a $2.5 billion market within three years. These dynamics provide strong tailwinds for suppliers of high-performance LiDAR solutions.



Source: Yole Group

Exposure to High-Growth Markets

AEye is positioned in multiple high-growth verticals, including autonomous vehicles, smart infrastructure, logistics, and defense, all of which are expected to see robust demand for LiDAR and AI-driven perception. The Company's flexible solutions make it a prime beneficiary of automation, safety, and AI adoption trends.

AEye is well-positioned across multiple high-growth verticals:

- **Automotive ADAS/Autonomy** – forecasted to represent 60%+ of LiDAR demand by 2030.
- **Smart Infrastructure** – airports, highways, and smart cities deploying LiDAR for monitoring and safety.

- **Defense** – rising demand for LiDAR-based drone detection and battlefield surveillance.
- **Logistics & Robotics** – warehouses and delivery automation rely heavily on LiDAR for navigation.

The convergence of AI, autonomy, and safety regulations creates structural demand growth for LiDAR, with AEye's software-defined architecture allowing it to participate in diverse use cases without redesigning hardware for each market.

Diversification Beyond Automotive

While automotive adoption is AEye's primary growth driver, the Company is actively expanding into rail, construction, mining, agriculture, aerospace, and defense markets. Apollo's ability to detect small objects at long distances and operate in rugged conditions makes it well-suited for critical infrastructure monitoring, autonomous machinery, and security applications. This diversification broadens revenue opportunities and reduces dependence on the slower automotive adoption cycle.

Unlike many LiDAR peers that are almost exclusively reliant on automotive adoption, AEye is strategically diversifying into non-automotive verticals. These include:

- **Railways**: Apollo can detect obstructions (fallen trees, animals, equipment) several hundred meters ahead, enhancing railway safety.
- **Construction & Mining**: LiDAR enables autonomous machinery operation in hazardous conditions where cameras fail.
- **Agriculture**: Precision LiDAR scanning improves automated harvesting and planting.
- **Defense & Aerospace**: Long-range detection aids in drone countermeasures, surveillance, and target acquisition.

This diversification is critical for near-term revenue stability, as automotive LiDAR adoption has proven slower than expected (most OEM deployments are pushed out to 2027 or later). AEye's wins in airport safety, perimeter security, and logistics with its OPTIS™ platform validate the non-automotive strategy and diversify risk.

Growing Commercial Traction

AEye is building meaningful commercial momentum, tripling new contract wins from 2 to 6 in 1H25, including a landmark $30M agreement with a global transportation OEM. These wins not only validate the competitiveness of AEye's LiDAR technology but also demonstrate increasing customer confidence across both automotive and non-automotive applications. Importantly, deployments of AEye's OPTIS™ platform in airport safety, perimeter security, and logistics expand the Company's addressable market and diversify revenue sources.

Integration into NVIDIA DRIVE AGX Orin enhances OEM engagement opportunities and positions AEye for potential inclusion in NVIDIA's Hyperion reference architecture, a key pathway to broader industry adoption. Participation in the GM-sponsored WinTOR initiative further solidifies strategic positioning and provides sourcing advantages for future OEM programs. With a growing backlog, expanding non-automotive visibility, and recently raised growth capital, AEye is well-positioned to execute on its commercialization roadmap.

Capital-Light Business Model

AEye operates a capital-light business model, licensing its LiDAR designs and IP to Tier 1 suppliers who handle manufacturing, integration, and OEM sales. This reduces fixed costs, working capital requirements, and exposure to manufacturing risks while enabling scalable global adoption through established automotive supply chains. Revenue streams include royalties, per-unit fees, and profit-sharing, giving AEye an efficient pathway to scale as LiDAR adoption accelerates.

This structure benefits AEye in three key ways:

1. **Reduced Capital Expenditure** – peers like Luminar and Velodyne invested heavily in production capacity, burning hundreds of millions in cash. AEye outsources this, conserving liquidity.
2. **Faster OEM Adoption** – automotive OEMs prefer validated Tier 1 suppliers for sourcing. By embedding into their supply chain, AEye avoids long validation cycles and accelerates commercial deployment.
3. **Scalable Revenue Model** – AEye earns royalties, per-unit license fees, and a share of potential profits without incurring proportional costs, leading to improved operating leverage once volumes ramp up.

This model is particularly advantageous in a competitive LiDAR market where unit economics remain challenging. AEye's lean structure enables survival and scaling, while many LiDAR peers face consolidation pressures.

Significant Cost Efficiency Versus Industry Peers

AEye operates with a cost structure up to ~11x leaner than peers, underscoring its capital-light business model and disciplined execution. This efficiency enhances resilience through the industry shakeout and positions the Company to deliver superior shareholder returns as revenues scale. With a low-cost, highly flexible manufacturing line built on over a decade of supply chain engineering, AEye is strategically positioned to achieve profitability and long-term growth more efficiently than its competitors.

All comparisons exclude China-based peers; TTM figures as of March 31, 2025

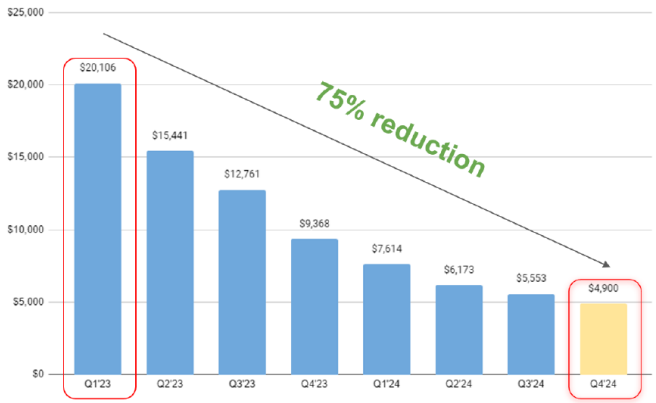
Source: Company Presentation

Prudent Cash Management with Extended Runway

AEye demonstrates strong financial discipline with a cash-efficient operating model. In Q2 2025, the Company reduced cash burn to $6.4M (down from an average of ~$9M per quarter in 2024), with cash reserves of $19.2M, providing sufficient runway into late 2026 including anticipated capital-raising activities. Management has guided full-year 2025 cash burn of $27–$29M, with spending expected to trend lower in the second half due to tighter cost controls. Compared to peers with cost structures up to 11x higher, AEye's capital-light model supports sustainability while preserving growth capital to execute on its strategic plan.

AEye remains loss-making but is showing discipline in cash burn reduction. In Q2 2025:

- **Cash Burn**: $6.4M (down from an average of ~$9M per quarter in 2024).
- **Cash Reserves**: $19.2M, sufficient runway into late 2026, including anticipated capital-raising activities.
- **Full-Year Guidance**: $27–29M, with lower H2 burn due to cost controls.



*Cash burn does not include inflows from fundraising activities in Q2'24
**Cash savings after Q3'24 driven primarily by facility and professional fee related savings

Source: Company Presentation

2Q25 Results and 2025 Guidance

AEye reported second-quarter 2025 revenue of $22,000 compared to $32,000 in the prior year, reflecting the early stage of commercial ramp. GAAP net loss widened to ($9.3) million, or $(0.48) per share, versus $(8.0) million, or $(0.46) per share, in 2Q24, while non-GAAP net loss improved to $(6.7) million from $(8.7) million last year. Operating expenses rose to $8.6 million from $6.8 million, primarily due to increased product development and personnel costs, partly offset by lower stock-based compensation. Cash and equivalents stood at $19.2 million, more than tripling from the prior quarter and extending the cash runway while quarterly cash burn trended to $6.4 million during 2Q25. Commercially, AEye signed six new contracts, tripling wins year-over-year, was selected by a global transportation OEM for a $30 million program, integrated its 4Sight™ platform into NVIDIA DRIVE Orin, launched OPTIS™ with traction in airports and logistics, and secured inclusion in GM's WinTOR initiative.

Guidance: Management reiterated its expectation for FY25 cash burn to be at the higher end of the $27–29 million range as the Company continues to invest in product development and scaling deployments. Revenue growth is expected to accelerate in the second half of 2025, supported by the recently secured OEM contract and expanding adoption of OPTIS™ across non-automotive verticals. The NVIDIA integration and GM initiative are anticipated to provide additional long-term growth avenues, while disciplined cash management and a capital-light model give AEye the flexibility to execute on its pipeline. Management emphasized sequential revenue expansion through the year and positioned 2025 as a foundational year leading to meaningful top-line contributions in 2026–2027.

Management Overview

Matt Fisch was appointed AEye's Chief Executive Officer in February 2023. He is a seasoned technology leader with more than 30 years of experience driving product innovation and scaling global software organizations. Prior to AEye, Fisch served as Chief Technology Officer at Gentherm, Executive Vice President of Global R&D at Verifone, and Vice President of R&D at Harman International, following a 22-year career at Intel in senior engineering and management roles. He holds both an MS in Computer Engineering and a BS in Electrical Engineering from Cornell University. At AEye, he is leading the Company's transition from technology development to commercial scaling and global partnerships, while also serving as Chairman of the Board.

Conor Tierney became AEye's Chief Financial Officer in 2022 after initially joining the Company as Corporate Controller. He has more than 20 years of finance leadership experience in technology-driven businesses, including roles as Head of Finance and Corporate Controller at Alphabet's Wing Aviation and Corporate Controller at Glu Mobile. Earlier in his career, he worked at Deloitte and PwC. A Certified Public Accountant, Tierney holds a BSc in Accounting from University College Cork.

Erica Allen joined AEye as Chief People Officer in 2023. She brings over two decades of senior HR leadership at global technology firms including Hewlett-Packard and Extreme Networks. Allen specializes in aligning organizational culture, talent development, and employee engagement with business growth,

and at AEye she is responsible for building a scalable people strategy to support innovation and expansion.

Andrew Hughes serves as AEye's General Counsel, a role he assumed in 2023. He has held senior legal positions at Renesas Electronics (U.S.), Intersil, Ikanos, Bell Microproducts, and LSI Logic, bringing deep expertise in technology transactions, intellectual property, and regulatory matters. Hughes holds both a JD and an MBA from Santa Clara University, as well as a BA in Sociology from UCLA. At AEye, he oversees legal, compliance, and corporate governance while supporting strategic partnerships.

Valuation

We initiate coverage with a target price of $6 per share for AEye, Inc., implying ~110% upside from the current trading range of ~$2.65. Our valuation framework is based on a forward Price-to-Sales (P/S) multiple of ~30× FY2026E revenues, which we view as justified given the Company's early-stage position, differentiated IP portfolio, and the visibility provided by its $30 million OEM production contract. This premium multiple reflects both the scarcity value of high-performance LiDAR players with Tier-1/OEM traction and the significant optionality from partnerships with NVIDIA and others.

At our target price, AEye's market capitalization would expand to approximately $220 million, still modest relative to LiDAR peers trading at multi-billion valuations despite similar revenue run-rates. Though profitability is not yet in sight, strong execution of OEM programs has the potential to accelerate revenue growth and trigger a significant re-rating. Key risks to our valuation include delays in adoption, potential equity dilution from future capital raises, and persistent volatility across the autonomous vehicle supply chain.

Peer Group Valuation

LiDAR Technology Enablers

($ in Millions, except per share)		Price 9/12/2025	Cap (M)	EV (M)	Revenue (M) 2025E	Revenue (M) 2026E	EPS (non-GAAP) 2025E	EPS (non-GAAP) 2026E	Forward P/E 2025E	Forward P/E 2026E	EV / Revenue 2025E	EV / Revenue 2026E	Price/ Rev'26	P/Book	ROE (TTM)
Aeye Inc.	**LIDR**	**$ 2.67**	**$107**	**$90**	**$0.216**	**$5.932**	**($1.03)**	**($0.63)**	**NM**	**NM**	**417.5x**	**15.2x**	**18.0x**	**5.3**	**-222.90%**
Luminar Technologies, Inc.	LAZR	$ 1.88	$120	$464	$70	$79	($4.46)	($2.37)	NM	NM	6.6x	5.9x	1.5x	-0.4	0.00%
Ouster, Inc.	OUST	$ 28.95	$1,674	$1,465	$145	$198	($0.61)	($0.38)	NM	NM	10.1x	7.4x	8.4x	7.6	-46.96%
Innoviz Technologies, Ltd.	INVZ	$ 1.85	$371	$327	$59	$131	($0.31)	($0.27)	NM	NM	5.5x	2.5x	2.8x	4.0	-72.45%
Aeva Technologies, Inc.	AEVA	$ 16.03	$903	$855	$19	$37	($1.80)	($1.72)	NM	NM	45.9x	23.3x	24.6x	-7.5	-1441.64%
Hesai Group	HSAI	$ 28.57	$3,047	$1,038	$3,230	$4,780	$2.25	$4.63	12.7x	6.2x	0.3x	0.2x	0.6x	0.9	2.54%
MicroVision, Inc.	MVIS	$ 1.14	$343	$303	$3	$25	($0.26)	($0.17)	NM	NM	116.4x	12.2x	13.8x	4.1	-115.11%
Robosense Technology Co.	2498.HK	$ 43.38	$20,444	$17,507	$2,220	$3,570	($0.32)	$0.28	NM	154.9x	7.9x	4.9x	5.7x	2.7	-10.41%
AVERAGE									**12.7x**	**80.5x**	**76.3x**	**8.9x**	**9.4x**	**2.1**	-238.37%

Source: Factset, CapitalIQ, Kingswood Capital Partners Estimates

All figures in thousands of U.S. Dollars except % and per share items

AEYE, INC. (LIDR-NASDAQ)	Dec'24 FY	Mar'25 Q1	Jun'25 Q2	Sep'25 Q3E	Dec'25 Q4E	Dec'25 FYE	Mar'26 Q1E	Jun'26 Q2E	Sep'26 Q3E	Dec'26 Q4E	Dec'26 FYE
Revenue:	**202**	**64**	**22**	**45**	**85**	**216**	**275**	**1,018**	**1,547**	**3,093**	**5,932**
Prototype sales	97	64	22	45	85	216	275	1,018	1,547	3,093	5,932
Development contracts	105	-	-	-	-	-	-	-	-	-	-
Revenue Growth (%):											
Year/Year	*-86.2%*	*220.0%*	*-31.3%*	*-56.7%*	*84.8%*	*6.9%*	*329.7%*	*4525.0%*	*3336.9%*	*3539.1%*	*2646.4%*
Quarter/Quarter	*NA*	*39.1%*	*-65.6%*	*104.5%*	*88.9%*	*NA*	*223.5%*	*270.0%*	*52.0%*	*100.0%*	*NA*
Cost of Revenue	778	96	108	110	130	444	300	1,000	1,400	2,500	5,200
Gross Income	**(576)**	**(32)**	**(86)**	**(65)**	**(45)**	**(228)**	**(25)**	**18**	**147**	**593**	**732**
Gross Margin:	*-285.1%*	*-50.0%*	*-390.9%*	*-144.4%*	*-52.9%*	*-105.6%*	*-9.1%*	*1.7%*	*9.5%*	*19.2%*	*12.3%*
OPERATING EXPENSES	**35,252**	**6,768**	**8,619**	**8,932**	**9,239**	**33,557**	**9,331**	**9,674**	**10,032**	**10,407**	**39,444**
Pct of Sales:											
Research and development	16,389	3,490	3,670	3,854	4,046	15,060	4,087	4,291	4,506	4,731	17,614
Sales and marketing	551	383	601	643	669	2,296	675	723	773	827	2,999
General and administrative	18,312	2,895	4,348	4,435	4,524	16,202	4,569	4,660	4,753	4,849	18,831
Impairment of long-lived assets	-	-	-	-	-	-	-	-	-	-	-
EBIT (Operational Income)	**(35,828)**	**(6,800)**	**(8,705)**	**(8,997)**	**(9,284)**	**(33,785)**	**(9,356)**	**(9,657)**	**(9,886)**	**(9,814)**	**(38,712)**
Other Income (Net)	**366**	(1,214)	(565)	(520)	(470)	**(2,769)**	(270)	(70)	(70)	(70)	**(480)**
Change in fair value of convertible note a	-	680	(593)	(600)	(600)	(1,113)	(400)	(200)	(200)	(200)	(1,000)
Interest income and other	799	214	393	380	400	1,387	400	400	400	400	1,600
Interest expense and other	(433)	(2,108)	(365)	(300)	(270)	(3,043)	(270)	(270)	(270)	(270)	(1,080)
Pretax Income	**(35,462)**	**(8,014)**	**(9,270)**	**(9,517)**	**(9,754)**	**(36,554)**	**(9,626)**	**(9,727)**	**(9,956)**	**(9,884)**	**(39,192)**
Income Taxes	(2)	2	-	-	-	2	-	-	-	-	-
Tax %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net Income (GAAP)	**(35,460)**	**(8,016)**	**(9,270)**	**(9,517)**	**(9,754)**	**(36,556)**	**(9,626)**	**(9,727)**	**(9,956)**	**(9,884)**	**(39,192)**
Non-GAAP Adjustments	9,680	2,231	2,600	2,500	2,500	9,831	2,600	2,700	2,700	2,800	10,800
Net Income (Non-GAAP)	**(25,780)**	**(5,785)**	**(6,670)**	**(7,017)**	**(7,254)**	**(26,725)**	**(7,026)**	**(7,027)**	**(7,256)**	**(7,084)**	**(28,392)**
Per Share											
EPS (GAAP)	(4.89)	(0.46)	(0.48)	(0.24)	(0.24)	(1.24)	(0.22)	(0.22)	(0.22)	(0.21)	(0.87)
EPS (Non-GAAP)	**(3.55)**	**(0.33)**	**(0.35)**	**(0.18)**	**(0.17)**	**(1.03)**	**(0.16)**	**(0.16)**	**(0.16)**	**(0.15)**	**(0.63)**
Diluted Shares Outstanding	7,253,683	17,448,617	19,125,970	40,000,000	41,500,000	29,518,647	43,000,000	44,500,000	46,000,000	47,500,000	45,250,000
Adjusted EBITDA	**(25,696)**	(5,947)	(6,891)	(6,567)	(6,804)	**(33,785)**	(6,576)	(6,577)	(6,806)	(6,634)	**(38,712)**

Source: Compsny reports and Kingswood Capital Partners estimates.
All figures in millions of U.S. Dollars except % and per share items

Source: Company Reports

Risks to Price Target

AEye may continue to incur significant losses and require additional capital to fund operations. The Company remains unprofitable and expects to incur losses for the foreseeable future, underscoring ongoing pressure on liquidity and margins. As of June 30, 2025, the Company held ~$19.2 million in cash, cash equivalents, and marketable securities, but continues to burn cash through operations and relies heavily on external financing to sustain growth. The need to raise capital on acceptable terms creates execution risk should market conditions deteriorate or investor appetite weaken.

AEye's reliance on Tier 1 suppliers and design wins creates execution risk. The Company's strategy hinges on securing and converting design wins through Tier 1 automotive suppliers into OEM-level engagements. Its limited operational history further compounds the challenge of scaling adoption and reliably forecasting growth. Consequently, any delays or breakdowns in partner relationships could materially impair its revenue trajectory.

AEye faces intense competition and uncertain market adoption in LiDAR. The broader LiDAR market is intensely competitive, threatened not only by peer LiDAR providers but also by alternative sensing modalities such as radar and cameras. Adoption of autonomous driving and ADAS technologies remains nascent, meaning slower-than-anticipated integration could delay revenue generation and depress long-term growth assumptions. Macroeconomic factors like trade tensions, geopolitical risks, and potential regulatory changes further cloud the demand outlook.

AEye's dependence on limited suppliers exposes it to supply chain and operational vulnerabilities. It depends on a limited number of or single source suppliers for key components and raw materials, which exposes it to supply disruptions, cost volatility, and potential delays in product delivery. Inventory impairments highlight execution complexity during its strategic pivot toward the Apollo platform. Moreover, restructuring efforts, including office lease termination settlements, indicate ongoing cost-management initiatives that may still leave residual operational risks.

AEye's complex technology and reliance on software integration create product and cybersecurity risks. The integration of advanced AI-driven hardware and software introduces risks of undetected defects, reliability issues, or delays in product rollouts, all of which could impact adoption rates, brand reputation, and expose the Company to liability. Cybersecurity threats and system vulnerabilities, especially those affecting operational systems and data processing, pose a tangible risk. Although AEye has strong governance structures in place, persistent cyber threat exposure could disrupt operations or erode stakeholder trust.

AEye may be adversely affected by litigation, shareholder activism, and regulatory uncertainty. Litigation and legal claims demonstrate ongoing contingent liabilities that could be costly or distracting. Shareholder activism or proxy challenges may increase public scrutiny, impose financial costs, and divert management focus. Furthermore, evolving regulatory and economic headwinds, ranging from tariffs to industry-specific regulation, add layers of uncertainty that could interfere with execution across sectors.

DISCLOSURES

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I, Greg Mesniaeff, certify that (1) the views expressed in this report accurately reflect my own views about any and all of the subject companies and securities; and (2) no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by me in this report.

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Buy - Buy-rated stocks are expected to have a total return of at least 15% over the following 12 months and are the most attractive stocks in the sector coverage area.

Hold - We believe this stock will perform in line with the average return of others in its industry over the following 12 months.

Sell - Sell-rated stocks are expected to have a negative total return of at least 15% over the following 12 months and are the least attractive stocks in the sector coverage area.

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Company-Specific Disclosures

Distribution of Ratings Kingswood Capital Partners, LLC			Investment Banking Services/Past 12 Months	
Rating	**Count**	**Percent**	**Count**	**Percent**
BUY	10	83.33	2	20.00
HOLD	1	8.33	0	0.00
SELL	0	0.00	0	0.00
NOT RATED	1	8.33	0	100.00

As of August 2025.

Kingswood Capital Partners has not received compensation from AEye, Inc. during the past 12 months. Kingswood is not currently engaged by AEye to provide investment banking or advisory services.

AEye, Inc. Rating History as of September 12, 2025

Source: E-Trade.

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