November 25, 2026

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Brian Lantier
312-265-9153
blantier@zacks.com

scr.zacks.com
101 N. Wacker Drive, Chicago, IL 60606

Lotus Technology Inc (NASDAQ: LOT)

LOT: Luxury Vehicles Remain a Story of the Haves and Have Nots. Adjusting Our Target Valuation to Reflect The Difficult Macroeconomic Backdrop.

As a result of lower valuations across the sector and higher financing risk, we are lowering our target valuation to $1.10. The Lotus UK acquisition complicates the valuation picture and will require a thorough analysis of pro forma financials when available.

Current Price (11/24/26)	$0.19
Valuation:	**$1.10**

OUTLOOK

Lotus Technology has continued to demonstrate improvement in deliveries, and its product pipeline is strong, but we can't overlook the fact that the stock has been one of the worst performers in the sector over the past three months. Concerns around the weaker Chinese auto market, operating losses, and capital needs have, coupled with technical factors like the stock dipping below $1/share, led to a negative reinforcement loop that sent the shares to a new 52-week low of $0.18/share last week. We continue to see a bright future for Lotus, but the current decline in the share price has made it more challenging for the company to achieve its goals.

SUMMARY DATA

52-Week High	**$1.63**
52-Week Low	**$0.18**
One-Year Return (%)	**-84%**
Beta	**0.71**
Average Daily Volume (sh)	**491,107**
Shares Outstanding (mil)	**645**
Market Capitalization ($mil)	**$123**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**N/A**
Insider Ownership (%)	**88%**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2026 Estimate	**N/A**
P/E using 2027 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**Above Avg.**
Type of Stock	**Small Cap Value**
Industry	**Autos/EVs**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	173 A	225 A	255 A	272 A	924 A
2025	93 A	126 A	137 A	163 A	519 A
2026		268 A		274 E	542 E
2027	197 E	211 E	208 E	257 E	873 E

Earnings Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-$0.47 A	-$0.30 A	-$0.30 A	-$0.66 A	-$1.72 A
2025	-$0.28 A	-$0.20 A	-$0.10 A	-$0.14 A	-$0.72 A
2026		-$0.23 A		-$0.31 E	-$0.55 E
2027	-$0.16 E	-$0.15 E	-$0.15 E	-$0.14 E	-$0.62 E

Quarterly estimates may not sum to equal annual estimates due to rounding.
2026 half year results presented as the company suspended quarterly reports.

© Copyright 2026, Zacks Investment Research. All Rights Reserved.

WHAT'S NEW

Even 1000 Horsepower Can't Outrun the Market

Lotus made a key shift in recent years, recognizing that in the luxury auto market, PHEV (plug-in hybrid) models were likely to see greater demand than pure BEV (battery electric vehicle) models. To address this reality, the company pivoted from a previous plan to offer an all-electric lineup to include a PHEV SUV that has been well received by buyers, according to industry observers. Unfortunately, even a modest success of a model can be overwhelmed by market realities.

Luxury auto sales were down 29% year-over-year in China in September, and the consensus is that consumers there are struggling across the economic spectrum (the broad Chinese tech sector stock index has fallen in 13 of the last 14 weeks and is down roughly 25% in the past few months). Within the luxury auto market in China, trends that we have noted for most of 2026 – strength of technology-driven domestic brands and weakness in foreign legacy brands - have continued in most recent reports. Foreign brands accounted for less than 30% of deliveries in China in September. While the majority of Lotus sales in China are vehicles manufactured in China and thus should be classified as a tech-forward domestic brand, its legacy branding means Lotus is still seen as a European brand in China.

Since this is largely a perception rather than the reality of the Lotus brand, given that its EVs and PHEVs are manufactured in China, it may be challenging for the company to overcome this view. However, we would note that there is precedent for a European brand becoming widely adopted by Chinese consumers. SAIC acquired the MG brand in the mid-2000's, and today it is popular both in China and internationally, where it is one of China's most popular exports. We would note that MG elected to market its vehicles in China under the "Míngjué" brand, which may have helped it with domestic buyers.

Lotus has not indicated that it will deviate from its branding at all. Still, we wonder whether the company's decision to use two different names for the Lotus PHEV (Lotus Eletre X internationally and Lotus For Me in China) might foreshadow a future rebranding of its lineup in China. Still, for the foreseeable future, the company will likely continue to market under the Lotus brand both domestically and internationally.

The market slowdown in China has affected all brands, but we believe the equity market's reaction to this slowdown has been surprisingly uneven and partly related to Lotus's ownership structure.

Figure 1: Selected Auto Stock Performance

Company	3-month return
Lotus Technology	**-87.20%**
Polestar	*-84.40%*
Aston Martin	-52.60%
Lucid	-52.50%
NIO	-35.80%
BYD	-26.30%
Geely Automobile	-24.70%
Rivian	-20.70%
XPeng	-20.50%
Li Auto	-6.20%
SAIC Motor	-1.00%
Ferrari	**4.20%**

Source: Yahoofinance.com

When reviewing Figure 1, the most obvious point is that both Polestar and Lotus Technology are down more than 80% over the past three months. It is worth noting that both Polestar and Lotus are majority-

owned by Geely Auto (and Geely's founder), with relatively small public floats (coincidentally, Geely also owns 14-17% of Aston Martin, we believe).

The Chinese EV stocks – NIO, BYD, Geely and Xpeng - are all down 20-35% over the past three months, which seems to fit with the consensus around the contraction in the market.
Li Auto and SAIC Motor have outperformed largely because both companies are seen as gaining market share in China and potentially gaining share in international markets.

Just this week Audi (a subsidiary of Volkswagen) noted that it expects to lose $550 million on a single plant this year in China as falling demand has led capacity utilization to fall to just 10%.

However, Ferrari continues to outperform the market, as its above-average margins and strong demand across all markets allow it to distinguish itself.

Overall, we feel as if the decline in Lotus's shares is disproportionate to the actual change in its business over the past three months. In an effort to address the market's concerns, Geely announced on November 17 that it intends to help Lotus secure up to RMB500 million (roughly $75 million) in debt financing over the next six months. This announcement caused Lotus's shares to spike roughly 25% initially; however, by the end of the day, they had fully retraced those gains.

Recent news
In addition to the prospective financing news noted above, the company has released news offering insights into its planned expansion of the product lineup.

In November, Lotus reported that it will use a new 4.0-liter twin-turbo V8 engine developed by Horse Powertrain (Geely and Renault each hold a 45% stake in Horse Powertrain). Horse has indicated that the engine will deliver 670 bhp and Lotus is targeting close to 1000 when combined with the hybrid energy system. While this vehicle is still on track for a 2028 release, the early consumer enthusiasm has been very strong. There is a good deal of online speculation that the Type 135 will be branded as a Lotus Esprit (the company re-registered the name in Europe in 2025). We continue to believe that the Lotus Type 135 could be a flagship product for the Lotus brand, with incredibly strong demand when it enters the market.

Figure 2: Lotus Type 135



Source: Company presentation

In early November, the company disclosed that the NASDAQ had notified it that it was not in compliance with the $1.00 minimum bid requirement. The company has until April 2027 to address this issue. The rapid decline in the company's shares will make it challenging for the stock to regain $1.00 (an increase of more than 400%) in the next 6 months without a meaningful buyback or a potential reverse stock split.

We continue to believe that even in difficult economic conditions, premium vehicles will attract demand if they offer a differentiated, attractive product. Ferrari, Lamborghini, and Porsche's 911 all continue to see strong demand despite global economic turmoil because they are top-of-the-line exotic sports cars. We think the Type 135 has the potential to be that same type of vehicle for Lotus.

VALUATION

Valuing Lotus Technology has become more challenging due to the stock's decline of more than 80% over the past three months. We would argue that the company's turnaround plan is still progressing and that there is significant value in the Lotus brand, but investors are facing a stock at risk of losing its NASDAQ listing unless it can boost its share price dramatically over the next six months. That overhang is likely to have a bigger impact on the stock than any incremental improvements in the business.

One of the key aspects of our investment thesis in Lotus Technology is the belief that 2025-2026 represented the bottom of the cycle for Lotus. We think that is likely to be the case as the company's models appear to be taking share – particularly the new PHEV SUV. However, it's not clear today that the market will remain patient through this turnaround.

As a heritage luxury brand within a large, growing auto family like Geely, Lotus offers significant value to Geely, and we are encouraged by the continued financial support Lotus has received. However, as painful as it may be to consider, we think that the primary shareholders of Lotus may have to seek a strategic investment in the firm to change the public's perception of Lotus. We can think of several potential partners, including luxury goods manufacturers, AI/Technology companies, and automation companies, that could be a good strategic fit for Lotus. Geely and its management can open the right doors to secure that investment, but it will require significant work on management's part to find the right partner.

We have changed our target multiples to reflect lower valuations across the industry and the near-term concerns facing Lotus's shares. We are adjusting our 12-month target valuation to $1.10/share.

OVERVIEW

Source: Lotus Technology

Lotus Technology, through its various subsidiaries, is a luxury vehicle manufacturer that develops and markets premium vehicles under the Lotus brand nameplate. The company released its first fully electric vehicle, a luxury SUV called the Eletre, in 2022, and followed it with the Emeya sedan in 2023. The company manufactures its lifestyle models (Emeya and Eletre) under a contract manufacturing agreement with Geely Holding (the founder of Geely, Li Shufu, holds a controlling interest in Lotus Technology through various investment partnerships). The company has an existing relationship to distribute Lotus sports cars produced by Lotus UK. Lotus Technology expects to complete the acquisition of Lotus UK in 2026 which will bring all of the Lotus vehicles under the Lotus Technology banner.

The company's product lines are broken down into "lifestyle models" and "sports cars". The lifestyle models are the Eletre (a premium battery-electric SUV) and the Emeya (a premium battery-electric sedan). The company's sports cars are the Emira (a two-door, two-seat internal combustion engine car) and the Evija (a limited-production, battery-electric hypercar), both manufactured by Lotus UK but distributed by Lotus Technology. In 2026. the company launched its first PHEV which is being marketed as the Eletre For Me in China and Eletre X in other markets.

Figure 3: The Eletre



Source: Company SEC filings

The Eletre, a full-size, luxury battery-electric vehicle powered by a 112 kWh battery pack, and the company claims that with a rapid charger, it can charge from 10% to 80% in roughly 20 minutes. The vehicle is viewed as a relative value in the luxury market in China, compared to imports that often incur costly import duties, but may be considered an expensive heritage brand when compared to emerging Chinese luxury brands.

Figure 4: The Emeya



Source: Company SEC filings

The company's Emeya is a full-size battery electric sedan that competes with other luxury EVs like the Porsche Taycan, Tesla Model S and the Audi RS e-Tron.

Together, the Emeya and Eletre represent what Lotus calls its lifestyle vehicles and accounted for 70% of all vehicle deliveries in the 2025.

Sportscars

Lotus Technology currently has a distribution agreement with Lotus Cars Limited (the Lotus UK sports car manufacturing division), making Lotus Technology the exclusive global distributor for Lotus sports cars. As part of this agreement, existing Lotus UK stores and dealers were transferred to Lotus Technology, resulting in the company having over 200 stores and dealers around the globe.

Figure 5: The Emira



Source: https://www.lotuscars.com/en-US/emira

If you have seen a recent Lotus on the streets of your neighborhood in the U.S., it was most likely an Emira, which is believed to be the company's final internal combustion engine vehicle (though we think this may be an ongoing debate within Lotus). Drivers value the Emira as an "affordable" supercar alternative, priced generally between $95k and $120k, with engine outputs of 360-400 horsepower from a 2.0 turbo inline-four cylinder engine or a supercharged V6. Several leading auto publications have

indicated that the power steering, exceptional handling, and drivability make this sports car a unique value in the field. The new Emira 420 Sport has been very well received by automotive publications.

The Evija is an extremely limited-edition hypercar built for a narrow market of high-net-worth individuals seeking a unique performance vehicle or private collectors. The price of the Evija ranges from $2.3 to $3 million, and the company has indicated production will be limited to 130 units. The Evija is one of the world's first BEV hypercars, with four electric motors generating roughly 2,000 hp and a 0-120 mph time of less than six seconds.

Eletre PHEV

The company held a major technical launch event in China in the first week of March 2026 for its Eletre PHEV. Early reviewers seem to be impressed with the approach by Lotus which delivers effectively a full EV experience with the range extender benefits of a 2.0 liter, four-cylinder turbo engine. The combined output of the gas and electric systems is just over 950bhp and the company claims that it can go from 0-100km/h in 3.3 seconds.

The shift to PHEV models by Lotus counters current trends in some markets, where BEVs continue to gain popularity, but we believe that, within a specific subsegment of the luxury market, the added range and rapid charging of the new PHEV models from Lotus could prove a popular option.

RISKS

Lotus Technology is facing several operational, regulatory, and financial risks, including but not limited to:

➢The automotive market is highly competitive, and many of the company's competitors have significantly greater resources (both financial and human talent) than the company.

➢ While the company's relationship with Geely enables its asset-light model, these R&D, procurement, manufacturing, and engineering agreements put the company at risk if Geely reallocates resources away from Lotus. Additionally, the relationship with Geely could prevent Lotus from partnering with other auto companies in the industry.

➢ While the Lotus brand has been around for more than 78 years, the current operations, particularly in China, are relatively new, and market acceptance of the company's products outside of China is still uncertain.

➢ The company has incurred significant losses since its inception, and there remains a great deal of uncertainty around the company's profit margins after the acquisition of Lotus UK. If the company cannot improve its cash flow, its ability to continue as a going concern will be at risk.

➢ The company disclosed a material weakness in UK subsidiary's accounting practices in 2023 and while remediation efforts were undertaken in 2024, the addition of new staff delayed the implementation of controls designed to address the previous deficiency and the complete remediation could not be completed before the end of the 2024 fiscal year.

➢ At the end of 2025, the company announced that it was changing auditors from KPMG Huazhen to Grant Thornton Zhitong. While the change in auditor does not inherently signal any greater risk, and Grant Thornton has been auditing Geely for more than a decade, any late auditor change carries risk for investors.

➢ In November 2026, the company received a notification from the NASDAQ that its shares did not meet the $1.00 minimum bid requirement. The company has until April 2027 to address this deficiency.

PROJECTED INCOME STATEMENT

Lotus Technology Inc.
8/27/26

(USD in 000's: December Year-End)	2023A	2024A	2025A	1st Half 2026	2nd Half 2026	2026E	1Q27E	2Q27E	3Q27E	4Q27E	2027E
Sales	**679,008**	**924,349**	**519,098**	268,099	273,790	**541,889**	197,209	211,185	207,671	257,098	**873,163**
% change (yoy)		**36%**	**-44%**			**4%**	75%	65%	60%	78%	**61%**
Cost of Revenues	576,827	894,723	473,888	241,807	242,233	484,040	175,910	186,899	182,751	225,218	770,777
Gross Profit	102,181	29,626	45,210	26,292	31,558	54,859	21,299	24,286	24,921	31,880	102,385
		-71%	53%			21%					87%
Gross Profit Margin	**15.0%**	**3.2%**	**8.7%**	**9.8%**	**10.2%**	**10.1%**	**10.8%**	**11.5%**	**12.0%**	**12.4%**	**11.7%**
Operating Expenses:											
Research and Development	368,729	274,801	170,960	(1,565)	81,265	79,700	40,214	38,203	40,113	40,916	159,447
Sales and marketing	328,935	322,310	148,261	82,932	81,343	164,275	35,414	30,810	32,351	33,968	132,543
General and Administrative	144,533	227,475	135,850	46,176	48,485	94,661	45,386	45,840	46,298	46,761	184,284
Other Operating income			(33,512)	(3,839)		(3,839)					
Government Grants	(4,077)	(8,638)	(4,951)	-	-	-	-	-	-	-	-
Total Operating Expenses	838,120	815,948	416,608	123,704	211,093	334,797	121,014	114,853	118,762	121,645	476,274
% of Sales	123.4%	88.3%	80.3%	46.1%	77.1%	61.8%	61.4%	54.4%	57.2%	47.3%	54.5%
Operating Income (Loss)	**(735,939)**	**(786,322)**	**(371,398)**	**(97,412)**	**(179,535)**	**(279,937)**	**(99,715)**	**(90,567)**	**(93,842)**	**(89,765)**	**(373,888)**
Impairment of long-lived assets	-	-	(51,800)				-	-	-	-	-
Interest Expenses	(10,200)	(58,218)	(63,338)	(34,300)	(35,117)	(69,417)	(18,051)	(18,773)	(19,524)	(21,086)	(77,435)
Interest Income	9,204	22,289	28,143	15,202	15,404	30,606	8,318	8,152	7,826	8,452	32,747
Investment Income (losses), net	(1,162)	14,232	10,740	(453)	-	(453)	0	0	0	0	0
Foreign currency exchange (losses) gains, net	42	(11,664)	25,709	(21,817)	-	(21,817)	5,306	5,200	4,992	5,391	20,889
Changes in fair values of liabilities	(10,039)	(285,423)	(28,319)	(9,948)	0	(9,948)	0	0	0	0	-
Loss before Income Taxes	**(749,142)**	**(1,105,277)**	**(450,263)**	**(148,728)**	**(199,248)**	**(350,966)**	**(104,142)**	**(95,989)**	**(100,548)**	**(97,008)**	**(397,687)**
Loss (income) attributable to non-controlling interests	(8,254)	(2,364)	2	0	0	-	0	0	0	0	-
Accretion of Redeembal Convertible Preferred Shares	(15,121)	(2,979)		0	0						
Share of results of equity method investments	-		1,987	(2,878)	0						
Income tax (expense)/credit	(1,113)	(2,012)	(15,946)	664	(4,041)	(8,130)	(2,065)	(2,024)	(1,943)	(2,098)	(8,130)
Net Income (Loss) attributable to LOT	**(757,122)**	**(1,107,904)**	**(464,220)**	**(150,942)**	**(203,289)**	**(359,096)**	**(106,207)**	**(98,012)**	**(102,491)**	**(99,106)**	**(405,817)**
EPS reported	**(1.60)**	**(1.72)**	**(0.72)**	**(0.23)**	**(0.31)**	**(0.55)**	**(0.16)**	**(0.15)**	**(0.16)**	**(0.15)**	**(0.62)**
Diluted Shares (weighted average)	**474622**	**645227**	**648535**	645542	649409	**648704**	651358	652660	653966	655274	**653314**
Margins:											
Gross Margin	**15.0%**	**3.2%**	**8.7%**	9.8%	10.2%	**10.1%**	10.8%	11.5%	12.0%	12.4%	**11.7%**

Source: Zacks SCR, Brian Lantier, Company Filings

© Copyright 2026, Zacks Investment Research. All Rights Reserved.

BALANCE SHEET

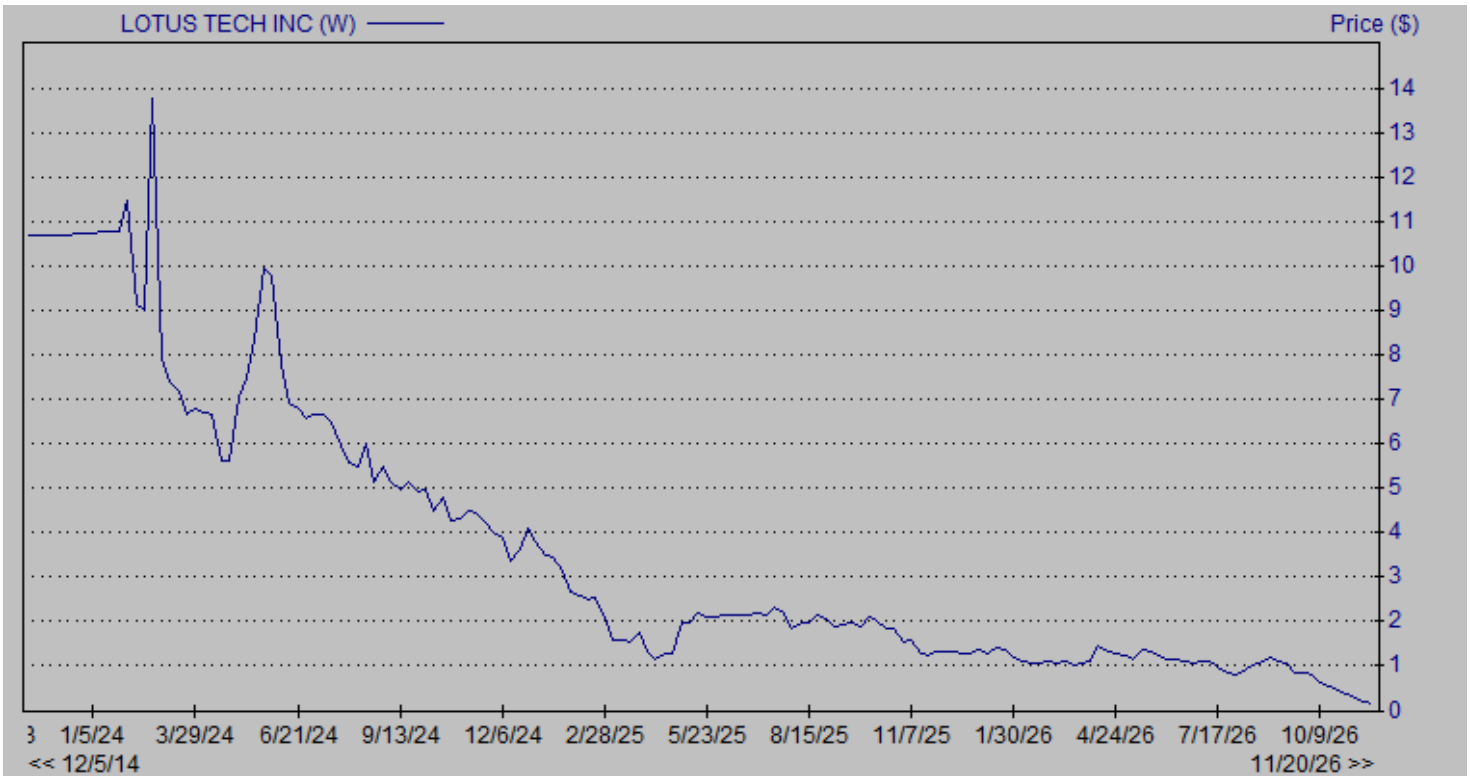
Lotus Technology Inc.
Balance Sheet in 000s USD
6/30/26

Assets	
Current Assets	
Cash	80,378
Restricted cash	269,593
Accounts receivable, third parties	30,584
Accounts receivable, related parties	59,734
Inventories	170,371
Prepayments and other current assets, third parties	85,925
Prepayments and other current assets, related parties	112,784
Total current assets	**809,369**
Restricted cash	209,490
Long-Term Investments	58,298
Loan receivable from related party	368,584
Property, equipment and software, net	177,600
Intangible assets	116,372
Operating lease right-of-use assets	96,879
Other non-current assets, third parties	66,867
Other non-current assets, related parties	587
Total non-current assets	**1,094,677**
Total Assets	**1,904,046**
Liabilities	
Current Liabilities	
Short-term borrowings - third parties	402,744
Short-term borrowings - related parties	863,776
Accounts payable - third parties	23,666
Accounts payable - related parties	633,627
Contract liabilities - third parties	26,598
Operating lease liabilities - third parties	9,146
Accrued expenses and other current liabilities -third parties	215,523
Accrued expenses and other current liabilities -related parties	136,886
Convertible note - related parties	207,075
Total current liabilities	**2,519,041**
Non-Current Liabilities	
Long-term borrowings	204,644
Contract liabilities - third parties	7,578
Operating lease liabilities - third parties	47,653
Operating lease liabilities - related parties	2,219
Warrant liabilities	845
Exchangeable notes	0
Convertible note - third parties	61,972
Convertible note - related parties	0
Deferred tax liabilities	0
Deferred Income	330,334
Other non-currrent liabilities - third parties	58,527
Other non-currrent liabilities - related parties	0
Total Liabilities	**3,232,813**
Shareholder's Equity	
Ordinary shares	7
Additional Paid-in Capital	2,118,627
Treasury Stock	(130,921)
Accumulated other comprehensive income	-4,772
Accumulated deficit	(3,308,860)
Non-controlling interest	(2,838)
Shareholder's Equity (Deficiency)	**(1,328,757)**
Total Liabilities & Shareholder's Equity	**1,904,056**

Source: Company filing

© Copyright 2026, Zacks Investment Research. All Rights Reserved.

HISTORICAL STOCK PRICE



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, Brian Lantier, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.
Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.
SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.