Mobileye Global Inc. (MBLY)

Execution on robotaxi and robotics in focus; estimates moving higher from new government R&D incentive; 2Q26 wrap

MBLY	12m Price Target: **$9.00**	Price: **$7.47**	Upside: **20.5%**

NEUTRAL

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Key takeaways and implications

Mobileye reported 2Q results above the Street excluding a new Israeli government R&D incentive (which was a $93 mn tailwind in the quarter), and the company raised its 2026 guidance for both revenue and adjusted EBIT (though EBIT guidance ex the R&D incentive is now slightly lower at the midpoint). The R&D benefit has no scheduled expiration date. Specifically, 2Q revenue/EBIT/non-GAAP EPS of $508 mn/$155 mn/$0.19 was above FactSet consensus at $481 mn/$43 mn/$0.06 and GS at $481 mn/$43 mn/$0.05. Implied 2H revenue and core EBIT guidance (ex. the R&D incentive) of $929 mn/$48 mn are below the Street at $946 mn/$77 mn.

The company also announced that its CEO and Founder, Professor Amnon Shashua informed the board of his intention to step down at CEO upon the appointment of a successor.

We maintain our Neutral rating on the stock. Positively, Mobileye's awards suggest its eyes-on ADAS business will improve, with the cloud-enhanced ADAS award with Stellantis following recent awards for Surround ADAS at VW and GM, and we expect this to support improved ASPs especially from 2028 onward. In addition, Mobileye has opportunities in eyes-off consumer vehicles, AVs, and humanoid robotics that could be material over the medium to longer-term. However, we believe there is increased execution risk for Mobileye as it now plans to enter the robotaxi business directly (which will put it into competition with VW, although Mobileye also suggested VW could benefit from the added resources for the effort). In addition, award activity for Mobileye's advanced ADAS products (e.g. SuperVision, Chauffeur) continues to be limited. We believe the company's ability to execute on its opportunities in AVs and humanoids, and award activity in autonomy/ADAS, will be key for how the stock trades.

Key Data

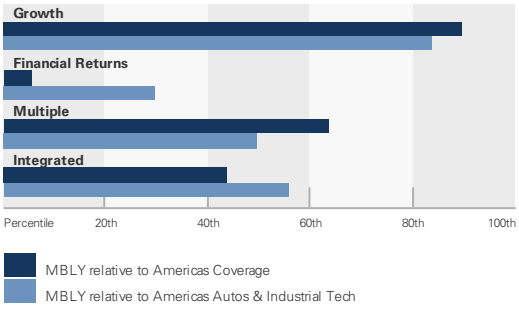
Market cap: $6.1bn
Enterprise value: $4.8bn
3m ADTV: $63.1mn
United States
Americas Autos & Industrial Tech
M&A Rank: 3

GS Forecast

	12/25	12/26E	12/27E	12/28E
Revenue ($ mn) New	**1,894.0**	**1,993.1**	**2,131.4**	**2,328.7**
Revenue ($ mn) Old	1,894.0	1,985.4	2,113.5	2,335.7
EBITDA ($ mn)	77.0	121.7	135.4	203.9
EBIT ($ mn)	3.0	39.7	47.4	97.9
EPS ($) New	**0.01**	**0.05**	**0.05**	**0.10**
EPS ($) Old	0.01	(0.20)	(0.20)	(0.10)
P/E (X)	NM	158.2	165.0	72.3
Dividend yield (%)	0.0	990.6	1,338.7	1,338.7
Net debt/EBITDA (X)	(23.8)	(11.0)	(10.8)	(9.3)

	6/26	9/26E	12/26E	3/27E
EPS ($)	0.08	(0.01)	(0.03)	(0.00)

GS Factor Profile



Source: Company data, Goldman Sachs Research estimates.
See disclosures for details.

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NEUTRAL

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Rating since Jun 9, 2025

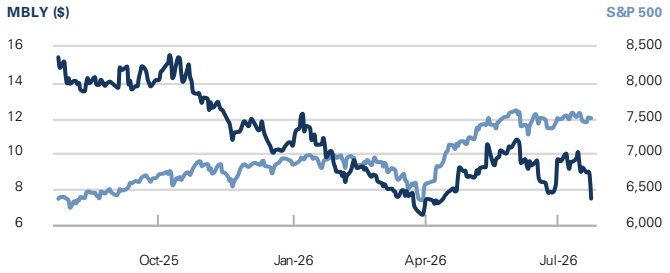
Ratios & Valuation

	12/25	12/26E	12/27E	12/28E
P/E (X)	NM	158.2	165.0	72.3
EV/EBITDA (X)	131.5	39.3	34.7	21.1
EV/sales (X)	5.3	2.4	2.2	1.8
FCF yield (%)	4.4	3.8	3.7	8.6
EV/DACF (X)	26.8	11.2	12.6	5.6
CROCI (%)	2.8	3.6	3.5	7.0
ROE (%)	0.1	0.4	0.5	1.1
Net debt/EBITDA (X)	(23.8)	(11.0)	(10.8)	(9.3)
Net debt/equity (%)	(15.5)	(16.4)	(18.1)	(23.3)
Interest cover (X)	NM	NM	NM	NM
Inventory days	220.9	172.5	171.9	168.9
Receivable days	33.1	25.6	27.4	29.2
Days payable outstanding	124.4	114.7	116.9	132.0

Growth & Margins (%)

	12/25	12/26E	12/27E	12/28E
Total revenue growth	14.5	5.2	6.9	9.3
EBITDA growth	420.8	58.0	11.2	50.6
EPS growth	112.1	326.4	(4.1)	128.2
DPS growth	NM	NM	35.1	0.0
Gross margin	67.6	65.8	66.0	65.5
EBIT margin	0.2	2.0	2.2	4.2

Price Performance



	3m	6m	12m
Absolute	(14.1)%	(23.8)%	(53.6)%
Rel. to the S&P 500	(18.6)%	(29.7)%	(60.7)%

Source: FactSet. Price as of 23 Jul 2026 close.

Income Statement ($ mn)

	12/25	12/26E	12/27E	12/28E
Total revenue	1,894.0	1,993.1	2,131.4	2,328.7
Cost of goods sold	(613.0)	(681.4)	(724.0)	(803.9)
SG&A	(127.0)	(162.0)	(182.0)	(200.0)
R&D	(1,151.0)	(1,110.0)	(1,178.0)	(1,227.0)
Other operating inc./(exp.)	–	–	–	–
EBITDA	**77.0**	**121.7**	**135.4**	**203.9**
Depreciation & amortization	(74.0)	(82.0)	(88.0)	(106.0)
EBIT	**3.0**	**39.7**	**47.4**	**97.9**
Net interest inc./(exp.)	–	–	–	–
Income/(loss) from associates	–	–	–	–
Pre-tax profit	**66.0**	**92.7**	**99.4**	**153.9**
Provision for taxes	(57.0)	(54.0)	(62.0)	(68.0)
Minority interest	–	–	–	–
Preferred dividends	–	–	–	–
Net inc. (pre-exceptionals)	**9.0**	**38.7**	**37.4**	**85.9**
Net inc. (post-exceptionals)	**(392.0)**	**(282.3)**	**(274.6)**	**(226.1)**
EPS (basic, pre-except) ($)	**0.01**	**0.05**	**0.05**	**0.10**
EPS (diluted, pre-except) ($)	**0.01**	**0.05**	**0.05**	**0.10**
EPS (ex-ESO exp., dil.) ($)	**--**	**--**	**--**	**--**
DPS ($)	0.00	74.00	100.00	100.00
Div. payout ratio (%)	0.0	156,752.4	220,855.6	96,778.8
Wtd avg shares out. (basic) (mn)	813.0	819.3	825.1	831.1
Wtd avg shares out. (diluted) (mn)	813.0	819.3	825.1	831.1

Balance Sheet ($ mn)

	12/25	12/26E	12/27E	12/28E
Cash & cash equivalents	1,836.0	1,336.3	1,466.7	1,901.4
Accounts receivable	131.0	148.5	172.1	200.3
Inventory	327.0	317.3	364.7	379.2
Other current assets	184.0	252.0	252.0	252.0
Total current assets	**2,478.0**	**2,054.1**	**2,255.4**	**2,732.9**
Net PP&E	473.0	482.0	529.0	663.0
Net intangibles	9,366.0	5,778.0	5,430.0	5,082.0
Total investments	0.0	0.0	0.0	0.0
Other long-term assets	175.0	387.0	547.0	387.0
Total assets	**12,492.0**	**8,701.1**	**8,761.4**	**8,864.9**
Accounts payable	228.0	200.4	263.4	318.0
Short-term debt	–	–	–	–
Current lease liabilities	–	–	–	–
Other current liabilities	178.0	201.0	201.0	201.0
Total current liabilities	**406.0**	**401.4**	**464.4**	**519.0**
Long-term debt	–	–	–	–
Non-current lease liabilities	–	–	–	–
Other long-term liabilities	205.0	176.0	176.0	176.0
Total long-term liabilities	**205.0**	**176.0**	**176.0**	**176.0**
Total liabilities	**611.0**	**577.4**	**640.4**	**695.0**
Preferred shares	–	–	–	–
Total common equity	**11,881.0**	**8,123.7**	**8,121.0**	**8,169.9**
Minority interest	–	–	–	–
Total liabilities & equity	**12,492.0**	**8,701.1**	**8,761.4**	**8,864.9**
BVPS ($)	14.61	9.92	9.84	9.83

Cash Flow ($ mn)

	12/25	12/26E	12/27E	12/28E
Net income	(392.0)	(4,059.3)	(274.6)	(226.1)
D&A add-back	74.0	82.0	88.0	106.0
Minority interest add-back	–	–	–	–
Net (inc)/dec working capital	224.0	(93.4)	(8.0)	11.9
Others	696.0	4,406.0	560.0	883.0
Cash flow from operations	**602.0**	**335.3**	**365.3**	**774.8**
Capital expenditures	(79.0)	(101.0)	(135.0)	(240.0)
Acquisitions	–	(591.0)	–	–
Divestitures	–	–	–	–
Others	(12.0)	(77.0)	–	–
Cash flow from investing	**(91.0)**	**(769.0)**	**(135.0)**	**(240.0)**
Dividends paid	–	0.0	0.0	0.0
Share issuance/(repurchase)	(100.0)	(74.0)	(100.0)	(100.0)
Inc/(dec) in debt	–	–	–	–
Others	(1.0)	8.0	–	–
Cash flow from financing	**(101.0)**	**(66.0)**	**(100.0)**	**(100.0)**
Total cash flow	**410.0**	**(499.7)**	**130.3**	**434.8**
Free cash flow	523.0	234.3	230.3	534.8
Free cash flow per share (basic) ($)	0.64	0.29	0.28	0.64

Source: Company data, Goldman Sachs Research estimates.

Results

Mobileye reported 2Q26 revenue of $508 mn (down 9% qoq and about flat yoy), which was above both GS and the Street (FactSet) at $481 mn. The company commented that revenue reflected an increase in volume of systems shipped, offset by a lower EyeQ ASP due to higher than expected China OEM export volumes.

Adjusted gross margin in the quarter decreased by ~300 bps yoy to ~65.6%, compared to GS at 66.1%. The company commented that the yoy decrease was primarily due a reduction in the EyeQ ASP due to higher China OEM volumes and a higher portion of SuperVision related revenue.

Adjusted operating margin in the quarter was up yoy from 20.9% to ~30.5%, compared to GS and the Street at 8.9%. The company commented that the yoy increase was primarily due to a new R&D incentive passed into law recently in Israel, and the company recognized the entire 1H26 amount in 2Q which totaled ~$93 mn (with the amount attributable to Q1 and Q2 roughly equivalent). We estimate that the operating margin excluding the R&D offset would have been 12.2%. Per the company, the R&D law benefit has no scheduled expiration date.

Non-GAAP EPS (ex. SBC) was $0.19, compared to GS at $0.05 and the Street at $0.06. Excluding the R&D expense incentive, we estimate non-GAAP EPS would have been ~$0.08-$0.09.

Including SBC, EPS was $0.08 vs. GS at -$0.07.

The company ended 2Q26 with $1.4 bn in cash and cash equivalents and repurchased $24 mn in shares in the quarter.

Business updates

In a separate press release, Mobileye announced that its CEO and Founder Professor Amnon Shashua informed the board of his intention to step down as CEO upon the appointment of a successor. Prof. Shashua will remain a director of the company, and the Board has offered Prof. Shashua the role of Chairman once a new CEO has been appointed.

For robotaxis, Mobileye highlighted its recent plan to launch its vertically integrated robotaxi fleet in 2027 starting with 100 vehicles in a major US metro and then expand to ~17,000 vehicles over the following five years. Recall in June the company announced its intention to utilize its AV technology (Mobileye Drive) to enter the robotaxi business more directly. Also, recall Mobileye would leverage its Moovit subsidiary for aspects such as its consumer facing application, fleet management, and teleoperation support.

The company also commented that its preparations for commercial robotaxi services with VW and MOIA continued on-track throughout the quarter with MOIA recently beginning public user testing in Hamburg, Germany with safety drivers in vehicles equipped with Mobileye's self-driving-system. Per management, VW remains on track for its 2H26 launch in Orlando, though Los Angeles is now expected to start in 2027 (from by the end of 2026 prior).

Mobileye also discussed its recent win with Stellantis to integrate Mobileye's REM production, which is its crowdsourced mapping technology that creates HD digital maps, with the first planned application expected in select US models next and additional

integration to follow.

On Mentee, the company believes it is on track for a 2028 commercial launch of its v4 robot (expecting ~500 units), with v3 expected later this year and v4 production intent units in 1Q27.

Guidance

Mobileye increased its FY26 revenue guidance to $1,970-$2020 mn (up 4% to up 7% yoy) from $1,935-$2,015 mn (up 2% to up 6% yoy) prior, which is slightly above both GS prior at $1,985 mn and the Street at $1,984 mn at the midpoint. 3Q revenue is expected be down 5-6% yoy.

SuperVision shipments in 2Q were 20k, above company expectations, but Mobileye maintained its just under 60k outlook for the full year, citing potential inventory build in the quarter. The company now expects 2026 EyeQ shipments to be around 39 mn (up from 38 mn prior) reflecting the 2Q upside (with the company guiding 3Q EyeQ shipments to 9.3-9.5 mn, which implies 8.6-8.8 mn in 4Q).

Mobileye also increased its FY26 adjusted operating income guidance to $365-$425 mn from $185-$235 mn prior, which is above GS prior at $212 mn and above the Street at $215 mn. The implied operating margin at the midpoint is 19.8% vs 10.6% prior which compares to GS at 10.7% and the Street at 10.8%.

The new guide includes $180-200 mn of a full year R&D incentive, and the new EBIT guidance at the midpoint excluding this would have been at $205 mn at the midpoint vs. the Street at $215 mn (and compared to the prior midpoint of $210 mn).

On the R&D incentive, management noted that the cash inflow from the refund would be on a lag, with the company expecting cash for its 2026 incentives to start in 2028.

Exhibit 1: MBLY variance summary
$ mn, except for EPS and margins

	2Q26			Variance	
	Actual	GS	Street (FactSet)	vs. GS	vs. Street
Total Revenue	**508.0**	**480.6**	**481.0**	5.7%	5.6%
QoQ	*(9.0%)*	*(13.9%)*	*(13.8%)*		
YoY	*0.4%*	*(5.0%)*	*(4.9%)*		
Adjusted gross profit inc. SBC	**332.0**	**316.7**			
% margin	65.4%	65.9%			
Adjusted gross profit ex. SBC	**333.0**	**317.5**	**305.0**	4.9%	9.2%
% margin	*65.6%*	*66.1%*	*63.4%*	*-50 bps*	*214 bps*
Operating income (Non-GAAP, inc. SBC)	**67.0**	**(53.3)**			
% margin	*13.2%*	*(11.1%)*		*2428 bps*	
Operating income (Non-GAAP, ex. SBC)	**155.0**	**42.7**	**43.0**	262.9%	260.5%
% margin	*30.5%*	*8.9%*	*8.9%*	*2162 bps*	*2157 bps*
EPS (Non-GAAP, inc. SBC)	**$0.08**	**($0.07)**		$0.15	
EPS (Non-GAAP, ex. SBC)	**$0.19**	**$0.05**	**$0.06**	$0.14	

We note that operating income benefited from $93 mn of R&D reimbursement

Source: Company data, Goldman Sachs Global Investment Research, FactSet



Exhibit 2: MBLY EyeQ & SuperVision shipments and average ASP vs GS

	2Q26			Variance	
	Actual	GS	Street (FactSet)	vs. GS	vs. Street
EyeQ & SuperVision systems shipped (in mns)	10.0	9.3	9.3	7.4%	7.5%
QoQ	(7.4%)	(13.8%)	(13.9%)		
YoY	3.1%	(4.0%)	(4.1%)		
Average ASP	$48.5	$49.1	$49.7	(1.3%)	(2.4%)
QoQ	(1.6%)	(0.4%)	0.8%		
YoY	(1.0%)	0.3%	1.4%		

Source: Company data, Goldman Sachs Global Investment Research

Exhibit 3: MBLY guidance summary
$mn

	2026 Guidance			Estimates		Variance at Midpoint	
	Low	High	Midpoint	GS	Street (FactSet)	vs. GS	vs.Street
Total Revenue	**1,970.0**	**2,020.0**	**1,995.0**	**1,985.4**	**1,984.0**	0.5%	0.6%
YoY	*4.0%*	*6.7%*	*5.3%*	*4.8%*	4.8%		
Operating income (Non-GAAP, ex. SBC)	**365.0**	**425.0**	**395.0**	**212.3**	**215.0**	86.0%	83.7%
Implied margin	*18.5%*	*21.0%*	*19.8%*	*10.7%*	*10.8%*	*910 bps*	*900 bps*

We note operating income guidance assumes $180-$200 mn benefit from the R&D reimbursement

Source: Company data, Goldman Sachs Global Investment Research, FactSet

Updated estimates, valuation, and price target

We increase our EPS estimates including SBC to $0.05/$0.05/$0.10 from -$0.20/-$0.20/-$0.10 prior, reflecting lower R&D tied to the government incentive. Our EPS estimates excluding SBC are now $0.48/$0.50/$0.55.

We remain Neutral rated on MBLY shares. Our 12-month price target is still $9, which is based on 12X (from 18X prior, reflecting the degree of EBIT/earnings coming from government R&D incentives, and higher capex for the direct AV effort) applied to our updated Q5-Q8 EBITDA estimate (ex. SBC).

Key risks relate to: 1) the success it has (positively or negatively) with new design wins and if the company is able to secure more or fewer wins than we anticipate this could lead to more/less upside than our current expectations; 2) the rate of ADAS/AV penetration in the market with more penetration potentially driving more upside and less penetration potentially driving more downside, 3) more or less growth in auto production relative to our expectations could lead to more or less chip shipments from Mobileye than we expect, 4) Financials - lower or higher ASPs/margins, and 5) corporate actions, including potential stock sell down by its controlling shareholder.