



INITIATION OF COVERAGE · 22 OCTOBER 2026

The trusted lidar, at a full price.

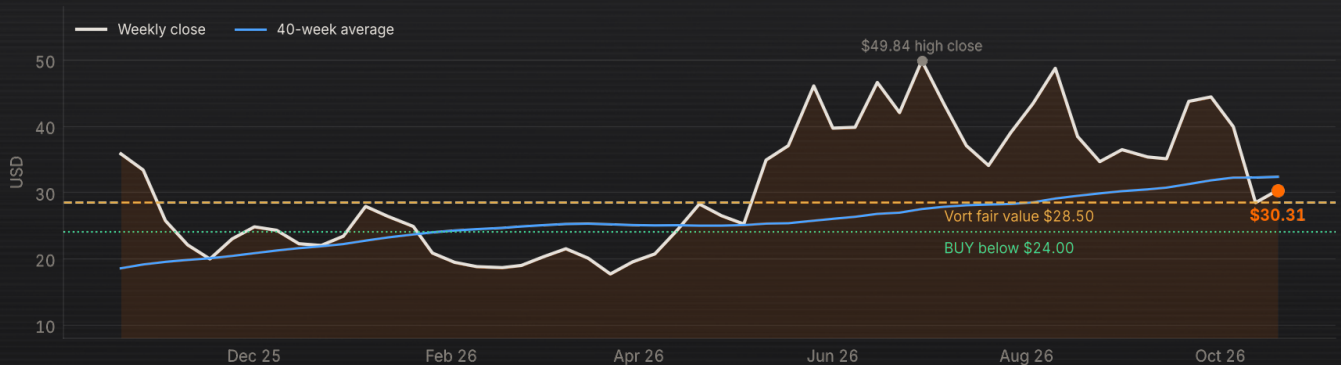
After a 39% fall from June the shares are fair, not cheap: \$30.31 still needs 40% growth a year to 2030.

Our view

- Growth is real. Q2 revenue \$54.6m (+56%); lidar units +70%. Rev8, the first native-colour lidar, ramps this half.
- The moat is trust, not cost. Own chips and a US passport: the Pentagon may no longer buy Chinese lidar. Hesai ships 70 times the units.
- The margin is c. 39%. Q2's 49% included a one-off refund; one customer was 32% of revenue.
- Fair, not cheap. Base case \$23.66, weighted \$28.50. We buy below \$24, or on an infrastructure ban becoming law.

Rating	HOLD «spec.»
Fair value	\$28.50
Price (21 Oct 2026)	\$30.31
Implied downside	-6%
Buy below	\$24.00
Key data	
Market cap	\$2.19bn
Net cash*	\$0.44bn, no debt
EV / sales TTM*	8.5x
From June 2026 high	-39%
Consensus target	\$59.40

Exhibit 1: Share price over twelve months, with the Vort fair value and buy level



Source: IBKR weekly closes to 21 October 2026; Vort Research.

Bear case	Base case	Bull case	Buy below	Sell above
\$8.42 -72% · Hesai wins on price	\$23.66 -22% · 30% growth a year	\$58.26 +92% · US bans, defence	\$24.00 15% under fair value	\$33.00 15% over fair value

What decides it

When	Catalyst
3 Nov 2026	Q3 results — margin without one-offs, Customer E
Q4 2026	Rev8 volume; Blue UAS approval for Rev8
2026–27	Bills to ban Chinese lidar in infrastructure
2027	Adjusted EBITDA break-even target

Moat and ownership, in brief

- Moat score 5.1/10*: strong in technology and trust, weak in cost and scale.
- Index funds hold c. 21%; 13F filers c. 59%; short interest 10.5% of the float.
- The co-founder and CTO sold c. \$30m of shares in 2026; one director bought.

THE FULL REPORT — VORT PLUS

The complete 14-page initiation covers the business and the moat source by source, US lidar rules and defence, Hesai and the competition, cash and dilution, the 2030 scenario model with a sensitivity grid, 13F holders and insider sales, financials, technical levels and the risk map. Available to Vort Plus subscribers at vortresearch.com.

Vort Research summary of its initiation on Ouster, Inc. (NASDAQ: OUST) dated 22 October 2026. Reference price \$30.31, close 21 October 2026 (IBKR). Sources: Ouster results releases, Q2 2026 10-Q and call, July 2026 offering, FY2025 NDAA §164, Hesai results, SEC Form 4 and 13F filings, IBKR, StockAnalysis; figures marked * are Vort estimates. This is an investment recommendation under MAR Art. 20, not personalised advice; Vort Research holds no position in OUST. Rating scale: BUY > +15%, HOLD ±15%, SELL < -15%, 12–24 months; «spec.» marks very wide scenario ranges. © 2026 Vort Research.