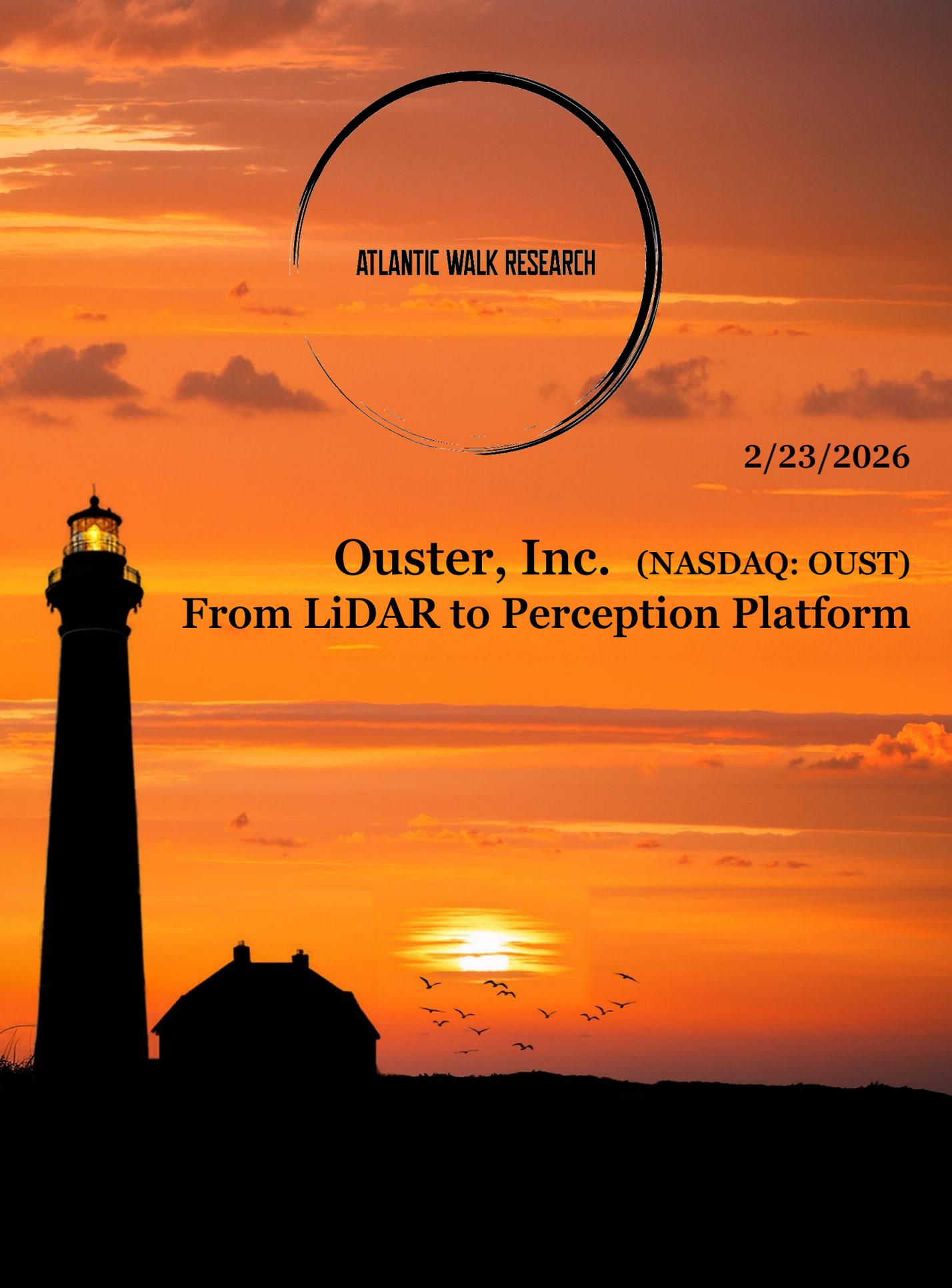




ATLANTIC WALK RESEARCH

2/23/2026



**Ouster, Inc. (NASDAQ: OUST)
From LiDAR to Perception Platform**



Ouster, Inc. – From LiDAR to Full-Stack Perception 2/23/2026



Key Stats	
Initiation Date	2/23/2026
Initiation Price	\$21.06
Price	\$18.62
Price Target	\$35.07
52 Week High - Low	\$6.34 - \$41.65
Shares Outstanding - Mil	52.56
Market Cap - Mil	\$ 1,120
Book Value / Share	\$4.18
Cash per Share	\$3.67
Dividend	N/A

Key Catalysts

- **Feb 2026:** FY25 results and FY26 guidance, margin and opex framework update.
- **1H26:** StereoLabs integration, first bundled LiDAR plus camera customer wins.
- **2026:** L4 rollout and cost-down, design wins in industrial and robotics.
- **2026:** Smart infrastructure expansion, new multi-intersection deployments.
- **2026:** Defense channel traction, incremental Blue UAS follow-on orders.

Investment Thesis

Ouster is building a differentiated Physical AI perception platform at a moment when perception performance and integration speed are increasingly the bottlenecks for real-world autonomy. The market tends to value LiDAR primarily through the lens of automated vehicles and long-dated robotaxi timelines, but Ouster is already monetizing across robotics, industrial automation, smart infrastructure, and defense-adjacent deployments where buying decisions are driven by deployment velocity and validated performance rather than sensor specifications alone. The StereoLabs acquisition pulls camera-based perception and sensor fusion in-house, moving Ouster beyond “LiDAR plus optional software” to full-stack perception systems where customers buy outcomes and time-to-deployment. On their 2/9 conference call, management indicated that the full-stack perception system is available to customers today. While competition exists, the Western public pure-play cohort is thin and subscale. The most visible at-scale rivals are China-based, facing added friction in Western defense and security-sensitive infrastructure channels where trust and



supply-chain assurances narrow the practical vendor set. We see this reinforced by Ouster’s OS1 approval under the DoD Blue UAS Framework.

Meanwhile, near-term dollars are being earned outside automated vehicles, and Ouster is proving unit scale with record shipments as gross margin holds in the mid-to-high 30% range and management signals operating expense discipline, setting the stage for EBITDA inflection.

If the integrated perception stack increases attach rates, switching costs, and wallet share, Ouster has a credible path to compounding sensor revenue while layering higher-margin recurring software and analytics on top.

The stock is priced as if perception demand is still trapped in auto timelines and as if Ouster remains a component vendor, but our view is that near-term commercial deployments and an integrated perception stack can drive earlier operating leverage and a higher-quality revenue mix. We adopt our median implied share price of \$35.07 as our price target.



StereoLabs Acquisition

Ouster’s acquisition of StereoLabs is a capability add that pulls a new modality and a mature developer toolchain into the platform. StereoLabs brings a stereo-vision hardware and software ecosystem that includes depth sensing, tracking, and camera-native perception modules packaged for robotics deployments, along with an established SDK workflow used by developers integrating vision into autonomy stacks. Within

Ouster, this enables a single-vendor reference architecture spanning LiDAR plus stereo vision, with sensor fusion owned in-house rather than delegated to partners or the customer’s internal team.

Stereolabs also brings a mature vision-perception model layer that is already productized inside the ZED SDK. Ouster’s existing AI stack is LiDAR-native. Gemini and BlueCity use deep-learning perception to detect, classify, and track objects from point-cloud streams, and management has disclosed training scale of roughly four million labeled objects across eight hundred sites for its smart-infrastructure model. StereoLabs contributes camera-native AI modules, including 3D object detection and tracking and body tracking built on neural networks, creating a credible pathway to multi-modal perception where LiDAR and vision models can be fused within a single supported workflow rather than integrated ad hoc by the customer.

The commercial purpose is straightforward: broaden the addressable bill of materials per program, increase software attach opportunities, and reduce integration friction for customers who would otherwise have to stitch modalities together. The acquisition should be monitored with a simple scorecard: attach signals, bundle mix, and incremental disclosure around software-attached bookings or recurring analytics as the combined go-to-market matures. We view early bundled wins and repeat orders tied to LiDAR-plus-camera configurations as the cleanest proof that the acquisition is translating into platform economics.

Strategic Positioning

Ouster’s strategic positioning is built around the reality of Physical AI: perception quality and integration speed are the primary bottlenecks for deploying autonomy in the real world. As robotics, industrial automation, smart infrastructure, and defense-adjacent systems scale, customers increasingly buy turnkey, validated perception outcomes rather than isolated sensor specifications, and LiDAR is typically one modality inside a broader multi-sensor perception stack.

With camera perception and sensor fusion now in-house, the long-stated software thesis becomes more concrete, because it brings camera-based, AI-trained perception and sensor-fusion capability in-house, moving Ouster beyond “LiDAR plus optional software” to a unified sensing-and-perception platform. Instead of pitching Gemini and BlueCity as optional add-ons, Ouster now owns a fused perception pipeline that accelerates integration, increases attach rates and wallet share, deepening switching costs once customers standardize on the combined LiDAR + camera stack.

In parallel, Ouster is leaning into end markets where Western vendor trust and supply-chain assurances matter most. Defense and security-sensitive infrastructure deployments often impose procurement and cybersecurity constraints that narrow the viable vendor set. Ouster’s OS1 approval under the DoD Blue



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UAS Framework can reduce friction in defense-adjacent procurement and act as a broader credibility signal in other high-sensitivity channels.

Finally, the go-to-market emphasis is aligned with where monetization is actually happening. While autonomous vehicles remain a longer-dated opportunity, current dollars are being earned in industrial automation, robotics, smart infrastructure, and defense-adjacent programs. By capitalizing on near-term opportunities with an integrated perception stack and recurring software and analytics layers, Ouster is positioning itself as a credible contender to become a default perception platform for Physical AI and autonomous deployments in the West.

Ouster, Inc. - Net Operating Loss	Units:	Historical					Projected:				
		FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
Beginning NOLs Balance	\$T	-	461,681	595,299	667,823	701,611	786,933	840,255	864,319	837,912	762,956
(+) NOLs Created	\$T	461,681	133,618	72,524	33,788	85,322	53,322	24,064	-	-	-
(-) NOLs Used	\$T	-	-	-	-	-	-	-	(26,407)	(74,956)	(131,313)
Ending Balance	\$T	461,681	595,299	667,823	701,611	786,933	840,255	864,319	837,912	762,956	631,643
Taxable Income After NOL	\$T	-	-	-	(33,788)	(1,263)	(1,319)	(1,377)	24,958	73,604	129,939
Cash Taxes Payable	\$T	-	-	-	-	-	-	-	5,241	15,457	27,287
NOL Utilization Limit (% of EBT)	%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%

Net Operating Loss

Ouster's valuation is supported by a sizable net operating loss position that meaningfully defers cash taxes as profitability emerges. In our framework, NOLs build from approximately \$462 million to a peak of roughly \$864 million by FY28 as losses persist through the ramp, then begin to be utilized once taxable income turns positive. To remain conservative, we assume NOL utilization is capped at 80% of EBT, which drives NOL usage of \$26 million in FY28, \$75 million in FY29, and \$131 million in FY30, reducing the NOL balance to approximately \$632 million by FY30. As a result, taxable income after NOLs remains negative through FY27 and becomes positive in FY28, with cash taxes payable rising to \$5.2 million in FY28, \$15.5 million in FY29, and \$27.3 million in FY30 as the company's tax shields are only partially able to offset taxable income under the utilization cap. This tax shielding effectively accelerates the free cash flow inflection by keeping incremental operating profit in the business during the early years of profitability, supporting reinvestment and reducing the need for incremental external financing as scale economics begin to compound.

Competitive Landscape

The competitive landscape for LiDAR is deeper than the public "pure-play" peer set implies, but the listed comps make one point clear: scale competition is highly concentrated, and the Western public cohort is financially weak. Hesai and Robosense are the only scaled public pure-play peers with meaningful revenue, and both are China-based. By contrast, the U.S.-listed long tail remains structurally subscale and heavily loss-making, with Innoviz at roughly \$48 million of LTM revenue, Aeva at roughly \$15 million, MicroVision at roughly \$3 million, and AEye effectively de minimis. This dispersion indicates that the public peer group is not thin because competition is absent, but because most Western LiDAR pure-plays are failing to achieve scale, leaving the most visible competition disproportionately China-based.

Hesai is predominantly a LiDAR hardware vendor, while RoboSense markets a LiDAR plus perception-software approach, underscoring that the focus is shifting from component performance to integrated perception outcomes.



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Against that backdrop, Ouster’s differentiation is not that it operates in an uncontested market, but that it is attempting to compete on a different axis than most LiDAR-only vendors by positioning itself as a full-stack perception platform.

The strategic conclusion is that LiDAR comps should be treated primarily as a reference for category risk pricing rather than a clean valuation benchmark, because the peer set is either dominated by one scaled incumbent or populated by micro-cap, pre-profit companies whose multiples are unstable and uninformative about steady-state competitive positioning.

Valuation Statistics:			Capitalization		Enterprise Value /			Enterprise Value /			P / E Multiple		
Company Name	Ticker	Share Price	Equity	Enterprise	Revenue			EBITDA			P / E Multiple		
			Value	Value	LTM	FY25	FY26	LTM	FY25	FY26	LTM	FY25	FY26
Hesai Group	HSAI	\$ 25.13	\$ 4,021	\$ 3,082	8.0x	6.9x	4.8x	19.3x	16.5x	11.9x	66.6x	70.5x	44.7x
Innoviz Technologies, Ltd.	INVZ	\$ 1.04	\$ 217	\$ 177	3.7x	3.1x	2.1x	15.6x	13.7x	12.7x	NM	NM	NM
Aeva Technologies, Inc.	AEVA	\$ 14.34	\$ 917	\$ 874	57.7x	51.4x	31.2x	NM	NM	N/A	NM	NM	NM
Luminar Technologies, Inc.	LAZR	\$ 0.08	\$ 11	\$ 454	6.0x	N/A	N/A	NM	N/A	N/A	NM	N/A	N/A
MicroVision, Inc.	MVIS	\$ 0.85	\$ 276	\$ 223	84.8x	74.5x	14.9x	NM	NM	66.2x	NM	NM	NM
Aeye, Inc.	LIDR	\$ 1.85	\$ 83	\$ (0)	NM	N/A	37.2x	NM	7.4x	NM	NM	NM	NM
Maximum			\$4,020.8	\$ 3,081.9	84.8x	74.5x	37.2x	19.3x	16.5x	66.2x	66.6x	70.5x	44.7x
75th Percentile			756.8	769.2	57.7x	57.2x	31.2x	18.4x	15.1x	39.4x	66.6x	70.5x	44.7x
Median			246.7	338.7	8.0x	29.2x	14.9x	17.5x	13.7x	12.7x	66.6x	70.5x	44.7x
25th Percentile			116.7	189.0	6.0x	6.0x	4.8x	16.5x	10.5x	12.3x	66.6x	70.5x	44.7x
Minimum			11.2	(0.2)	3.7x	3.1x	2.1x	15.6x	7.4x	11.9x	66.6x	70.5x	44.7x
Ouster, Inc.	OUST		\$ 1,119	\$ 1,041	9.4x	6.5x	4.6x	25.7x	16.1x	11.5x	NM	NM	NM

DCF - Implied Share Prices		
	Multiples Method	Perpetuity
Upside	\$ 62.72	\$ 63.20
	197.8%	200.1%
Base	\$ 35.95	\$ 34.18
	70.7%	62.3%
Downside	\$ 17.58	\$ 16.13
	-16.5%	-23.4%
Median		\$ 35.07

Valuation

Our upside case yields a range of \$62.72 to \$63.20, base \$34.18 to \$35.95, and downside \$16.13 to \$17.58, with the median at \$35.07, which we adopt as our price target. Our scenario analysis frames Ouster’s value around the pace of scale and the quality of the margin bridge as the company transitions from a LiDAR component supplier to an integrated sensing-and-perception platform. In the base case, Ouster executes to a disciplined operating leverage path and reaches a durable profitability profile in

line with management guidance. In the upside case, faster commercialization and stronger platform pull-through drive higher revenue compounding and better contribution margins. In the downside case, adoption and margin expansion arrive more slowly and the free cash flow inflection is delayed, but the business still reaches sustainable profitability.

We value Ouster using a discounted cash flow model that forecasts unlevered free cash flow through FY30 and applies terminal value using both an exit multiple method and a perpetuity growth cross check. In the base case, the model uses a 10.8% WACC and we apply a 21% normalized tax rate for terminal economics, while cash taxes in the explicit period are largely deferred by NOLs (modeled with an 80% utilization cap). Under the terminal multiple approach, a 15.5x terminal TEV/EBITDA multiple implies a \$1.7 billion enterprise value and \$1.89 billion equity value after adding \$193 million of cash and investments, or \$35.95 per diluted share on 52.6 million diluted shares outstanding.



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Under the perpetuity method, a 2.0% terminal free cash flow growth rate implies a \$1.51 billion enterprise value and a \$1.71 billion equity value, or \$34.18 per share.

We also present a scenario framework to reflect the range of outcomes inherent in an early operating leverage story. In the upside case, stronger platform pull-through and faster margin expansion support implied value of \$62.72 per share under the multiples method and \$63.20 per share under the perpetuity method. In the downside case, commercialization and margin expansion arrive more slowly and the free cash flow inflection is delayed, yielding implied value of \$17.58 per share under the multiples method and \$16.13 per share under the perpetuity method. Relative to the \$21 current share price assumption, the base case implies 62–70% upside, while the downside implies approximately 17-23% downside and the upside implies approximately 197-200% upside.

The operating path embedded in the model is grounded in tangible evidence that unit scale is no longer theoretical. Ouster shipped more than 7,200 sensors in Q3 2025, a record quarter, reinforcing that shipments can compound as deployments progress from pilots to rollouts. Against that backdrop, the model scales revenue from \$111.1 million in FY24 to \$779.2 million by FY30, while holding operating expenses at approximately \$155 million annually across the out years. This cost discipline is consistent with management’s guidance on operating leverage, which targets roughly 40% gross margin alongside operating expenses at or below Q3 2023 levels, creating a setup where incremental gross profit can flow through at high contribution margins as revenue scales. This structure drives EBIT breakeven in FY28 and expands EBITDA to \$162.3 million by FY30, equivalent to a 20.8% EBITDA margin. Unlevered free cash flow remains negative through FY28, turns positive in FY29, and reaches \$183.6 million by FY30, as operating profitability emerges and working capital and capital expenditure demands stabilize.

Ouster, Inc. - Financial Drivers	Units:	Historical				Projected:					
		FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30
INCOMESTATEMENT											
Cost of product % Revenue	%	73%	73%	90%	64%	60%	60%	60%	60%	60%	60%
Upside	%					60%	59%	56%	55%	55%	55%
Base	%					60%	60%	60%	60%	60%	60%
Downside	%					63%	62%	61%	62%	63%	64%

Sensitivity analysis highlights that the equity value is most levered to margin assumptions and the discount rate. On the exit multiple framework, implied value ranges from the low teens in the downside case to roughly \$63 per share in the upside case, driven primarily by differences in the slope of revenue compounding and the durability of the margin bridge. Under the perpetuity framework, implied value ranges from the mid teens to the low \$60s, with outcomes similarly governed by the timing of the free cash flow inflection and the terminal growth assumption. The central risk is not the arithmetic of the model, but whether Ouster can sustain shipment momentum while maintaining the gross margin and operating expense discipline required to translate revenue growth into durable free cash flow.

	\$	Discount Rate: (WACC)										
		33.92	10.3%	10.4%	10.5%	10.6%	10.7%	10.8%	10.9%	11.0%	11.1%	11.2%
COGS	55.0%	43.36	43.17	42.99	42.80	42.62	42.43	42.25	42.07	41.89	41.71	41.53
	56.0%	41.63	41.45	41.27	41.10	40.92	40.74	40.57	40.39	40.22	40.05	39.87
	57.0%	39.90	39.73	39.56	39.39	39.22	39.05	38.88	38.71	38.55	38.38	38.22
	58.0%	38.17	38.01	37.84	37.68	37.52	37.36	37.19	37.03	36.88	36.72	36.56
	59.0%	36.44	36.29	36.13	35.97	35.82	35.66	35.51	35.36	35.20	35.05	34.90
	60.0%	34.71	34.56	34.41	34.27	34.12	33.97	33.82	33.68	33.53	33.39	33.24
	61.0%	32.99	32.84	32.70	32.56	32.42	32.28	32.14	32.00	31.86	31.72	31.59
	62.0%	31.26	31.12	30.98	30.85	30.72	30.58	30.45	30.32	30.19	30.06	29.93
	63.0%	29.53	29.40	29.27	29.14	29.02	28.89	28.77	28.64	28.52	28.39	28.27
	64.0%	27.80	27.68	27.56	27.44	27.32	27.20	27.08	26.96	26.85	26.73	26.61
	65.0%	26.07	25.95	25.84	25.73	25.62	25.50	25.39	25.28	25.17	25.06	24.96



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Ouster, Inc. - Discounted Cash Flow Analysis		Units:	Historical			Projected:				
			FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Scenario:	Base	Terminal Value - Multiples Method:			Terminal Value - Perpetuity Growth Method:					
Bundle:	yes	Median LTM TEV / EBITDA of Comps:			17.5x	Expected Long-Term GDP Growth:				1.5%
Uplift:	Base	Median LTM TEV / EBITDA of Target:			NM					
Company Name:	Name Ouster, Inc.	Baseline Terminal EBITDA Multiple:			15.5x	Baseline Terminal FCF Growth Rate:				2.0%
Ticker:	Name OUST	Upside:			16.5x	Upside:				3.0%
Current Share Price:	\$/Share \$ 21.06	Base:			15.5x	Base:				2.0%
Diluted Shares Outstanding:	M Shares 52.6	Downside:			14.5x	Downside:				1.0%
Effective Tax Rate:	% 21.0%	Baseline Terminal Value:			\$ 2,516	Baseline Terminal Value:				\$ 2,215
Discount Rate (WACC):	% 10.8%	Implied Terminal FCF Growth Rate:			10.84%	Implied Terminal EBITDA Multiple:				13.6x
		(+ Present Value of Terminal Value:			\$ 1,504	(+ Present Value of Terminal Value:				\$ 1,324
		(+ Present Value of UFCF:			\$ 192	(+ Present Value of UFCF:				\$ 192
Current Equity Value:	\$ 1,107	Implied Enterprise Value:			\$ 1,696	Implied Enterprise Value:				\$ 1,516
(-) Cash & Investments:	(193)	% of implied TEV from Terminal Value:			88.7%	% of implied TEV from Terminal Value:				87.3%
(-) Net Operating Losses:	-	(+ Cash and Investments:			193	(+ Cash and Investments:				193
(+) Debt & Finance Leases:	-	(+ Net Operating Losses:			-	(+ Net Operating Losses:				-
(+) Preferred Stock:	-	(-) Debt and Finance Leases:			-	(-) Debt and Finance Leases:				-
(+) Operating Leases:	-	(-) Preferred Stock:			-	(-) Preferred Stock:				-
(+) Noncontrolling Interests:	-	(-) Operating Leases:			-	(-) Operating Leases:				-
(+) Unfunded Pensions:	-	(-) Noncontrolling Interests:			-	(-) Noncontrolling Interests:				-
		(-) Unfunded Pensions:			-	(-) Unfunded Pensions:				-
Current Enterprise Value:	\$ 914	Implied Equity Value:			\$ 1,890	Implied Equity Value:				\$ 1,710
		Diluted Shares Outstanding:			52.6	Diluted Shares Outstanding:				52.6
		Implied Share Price from DCF:			\$ 35.95	Implied Share Price from DCF:				\$ 32.54
		Premium / (Discount) to Current:			70.7%	Premium / (Discount) to Current:				54.5%

KPIs to Monitor

The thesis is measurable, and we focus on a small KPI set that maps directly to platform adoption and operating leverage.

Gross margin durability, gross profit dollars, and operating expense run-rate are visible each quarter and determine the slope of EBITDA and free cash flow inflection.

We also monitor unit shipments when disclosed and, more importantly, management commentary and customer wins that signal conversion from pilots to repeat production orders.

The key proof point for the StereoLabs platform strategy is evidence of bundled LiDAR-plus-camera deployments and software attach proxies such as software-attached bookings, expanding deal sizes, and increasing repeat orders as customers standardize on a fused perception stack.

Finally, we track cash burn and liquidity to confirm the path to a durable free cash flow profile as profitability emerges.

Catalysts

The primary catalyst for Ouster is the market's recognition that the company is evolving from a LiDAR component supplier into a unified sensing-and-perception platform. The StereoLabs acquisition is the first concrete step that makes the long-discussed software thesis investable: instead of positioning Gemini and BlueCity as optional, incremental software layers, Ouster now offers an integrated perception stack that combines digital lidar and camera inputs with sensor fusion and AI-trained perception.

This matters because many robotics, automation, and defense-adjacent programs are awarded on validated perception performance and integration speed rather than sensor specifications alone. As the combined product set is commercialized, the key near-term catalyst is evidence of higher attach



rates and wallet share, reflected in larger deal sizes, faster conversions from pilot to rollout, and expanding repeat orders as customers standardize on a fused perception stack.

A second catalyst is continued progress in end markets where procurement and vendor-trust constraints narrow the realistic competitive set. Ouster’s positioning in defense and security-sensitive infrastructure, reinforced by OS1 approval under the DoD Blue UAS Framework, can translate into incremental program wins and follow-on deployments, and success here should also serve as a credibility signal for other high-sensitivity Western customers.

A third catalyst is confirmation of operating leverage as revenue scales, with investors increasingly focused on the company’s ability to sustain ~40% gross margins while maintaining operating expenses at or below the targeted run-rate, accelerating the timeline to EBITDA inflection and positive free cash flow.

Finally, the company’s own reporting cadence can become a catalyst: each quarter that shows record shipments, improving margin mix, and clearer commentary on how fused perception offerings are being adopted will tighten the debate from a matter of LiDAR scalability to how large and how profitable Ouster can become as a perception platform.

Risks

The central risk is execution on the transition from a LiDAR component vendor to an integrated sensing-and-perception platform. StereoLabs and Ouster can articulate a compelling “unified stack” narrative, but the burden of proof is commercial: customers must adopt fused perception offerings in a way that is measurable in higher attach rates, larger deal sizes, and faster conversions from pilot programs to scaled rollouts. If the integration is slower than expected, if product roadmaps diverge, or if the combined solution fails to deliver a clear step-up in validated perception performance and integration speed, the company may remain valued as a hardware supplier with limited platform upside.

Closely related is go-to-market risk: the buyers that care most about integrated perception outcomes often have long qualification cycles, complex integration requirements, and high switching costs, which can delay revenue realization even when technical value is evident.

Competitive risk remains significant despite the weakness of the U.S.-listed peer set. At-scale LiDAR competition is concentrated among China-based vendors such as Hesai and RoboSense, and the broader landscape includes diversified Tier-1 suppliers and private companies that can bundle sensors into larger autonomy platforms. Even in Western markets, barriers to Chinese participation are not absolute; many industrial and commercial customers prioritize cost and performance, and pricing pressure could rise if Chinese suppliers seek share through aggressive ASP cuts.

The financial model is also exposed to operating leverage assumptions. The valuation depends on Ouster achieving and sustaining a ~40% gross margin profile and holding operating expenses near the targeted run-rate as revenue scales. Any deterioration in gross margin from pricing pressure, product mix shifts, higher warranty/returns, or manufacturing yields would delay EBITDA inflection.



Similarly, if operating expenses rise materially to support R&D, go-to-market expansion, or StereoLabs integration, the timeline to positive free cash flow could slip and increase financing risk. The company's path to scale remains capital-sensitive, and additional equity issuance or other financing could dilute shareholders if cash burn persists longer than expected.

Finally, end-market concentration and regulatory dynamics represent ongoing risk. The near-term opportunity is concentrated in industrial automation, robotics, smart infrastructure, and defense-adjacent deployments rather than long-dated autonomous vehicle volumes. These markets can be cyclical, dependent on capex budgets, and sensitive to project timing, which can create lumpiness in orders and quarterly results. While defense and security-sensitive channels can provide strategic advantage, they also introduce procurement complexity, compliance burdens, and policy risk, and program timelines can shift independent of product competitiveness.

Conclusion

Ouster is at an inflection point where the debate is shifting from whether LiDAR can scale to whether Ouster can translate demonstrable unit momentum into a durable, higher-value perception platform. The company has established that scale is becoming tangible, and the financial setup is increasingly defined by operating leverage: if gross margins stabilize in the ~40% range and operating expenses remain disciplined, incremental revenue should drive a rapid improvement in EBITDA and free cash flow once the business crosses breakeven.

The StereoLabs acquisition is the strategic step that can make that outcome meaningfully larger by moving Ouster from “best-in-class sensor” to a unified sensing-and-perception stack, where customers buy validated performance and integration speed and where software attach, switching costs, and recurring analytics revenue become credible over time.

In our view, the market's tendency to frame LiDAR through the lens of autonomous vehicles understates the near-term monetization occurring in robotics, industrial automation, smart infrastructure, and defense-adjacent deployments, where Ouster's Western positioning and procurement credibility can matter.

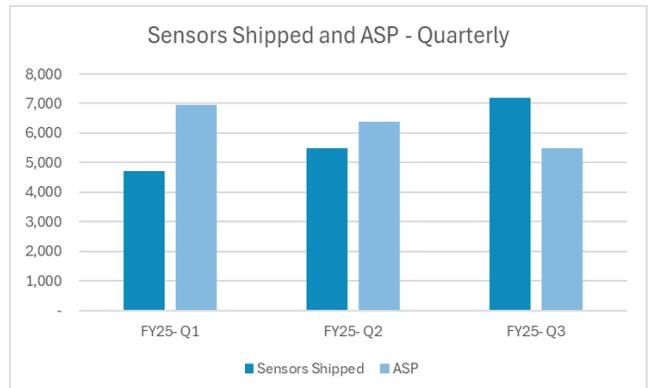
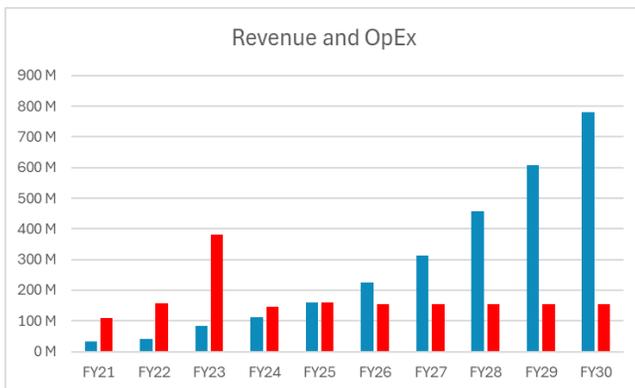
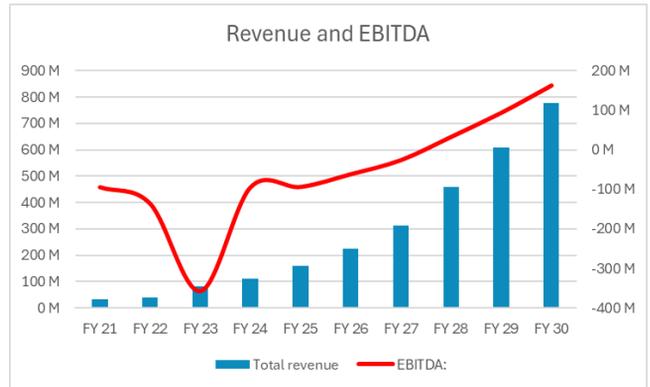
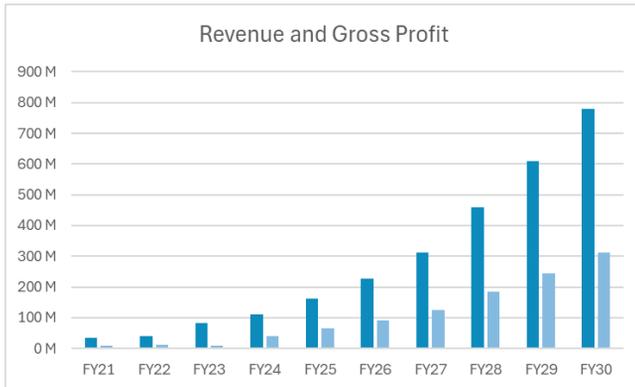
We adopt our median implied share price of \$35.07 as our price target.

The opportunity is therefore asymmetric: if Ouster executes on integration and maintains margin and opex discipline, the company can compound shipments into platform-level economics. If it fails, the stock will be valued as a commodity hardware supplier with limited strategic differentiation.



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