



CHARDAN

Company Update

March 19, 2019

Industrial & Consumer Technology

Arcimoto, Inc. (FUV - \$3.89 - Buy)**COMPANY NOTE****JAMES McILREE, CFA**, Senior Research Analyst, +1-646-465-9034
jmcilree@chardan.com**Sales and trading** 7 a.m. to 7 p.m. ET, (646) 465-9090**Sales and trading** 7 p.m. to 7 a.m. ET, (646) 465-9063

Stock Data	03/19/19
Price	\$3.89
52 Week Range	(\$1.55 - \$7.35)
Price Target	\$10.00
Market Cap (mil)	\$62.35
Shares out (mil)	16.03
3-Mo Avg Vol	295,214
Cash (mil)	\$4.6
Total Debt (mil)	\$1.9

Revenues (\$ millions)					
Yr Dec	2017A	2018E		2019E	
	Actual	Curr	Prev	Curr	Prev
Mar	0.0	0.0A	–	0.2	–
Jun	0.0	0.1A	–	0.3	–
Sep	0.0	0.0A	–	1.1	–
Dec	0.1	0.1	–	3.0	–
YEAR	0.1	0.2	–	4.7	–

EPS (\$)					
Yr Dec	2017A	2018E		2019E	
	Actual	Curr	Prev	Curr	Prev
Mar	(0.04)	(0.13)A	–	(0.24)	–
Jun	(0.05)	(0.14)A	–	(0.21)	–
Sep	(0.05)	(0.20)A	–	(0.18)	–
Dec	(0.10)	(0.19)	–	(0.16)	–
YEAR	(0.24)	(0.66)	–	(0.78)	–

One year price history FUV

Created by BlueMatrix

FUV (Buy PT\$10) Announces Delivery Vehicle

Arcimoto announced it will begin taking orders for a local delivery vehicle, with production beginning next year. This is the third vehicle to be built on the company's three-wheeled EV platform.

The Deliverator, joins the Rapid Responder for the first responder market and the FUV Evergreen Edition, the company's consumer and vacation/resort model. Each of the vehicles is built on the same platform at the company's facility in Eugene, Oregon. The delivery vehicle has a carrying capacity of 350-pounds in a 20+ cubic feet cargo cube at the rear of the vehicle. The delivery vehicle will have significant advantages over current delivery vehicles in terms of maneuverability, fuel, maintenance and size.

Currently the company is taking inbound orders only while it builds out its fleet sales force that can target the resort/vacation, first responder and delivery verticals. As of year-end Arcimoto had pre-orders for 3,250 vehicles, worth \$65 million at the \$19,900 list price. The company plans on delivering the first 100 vehicles by the end of June and all of the current US based pre-orders by the end of Q2 2020. If this is achieved it would be far in excess of our current estimates.

Valuation:

Our price target is based on capitalizing the mid-year 2019 estimated retail value of the reservations at 2.5x, or \$150 million.

Risks to achievement of target price:

Risks to achieving our price target include rising interest rates leading lower economic growth, greater competition, manufacturing issues, parts and labor shortages, and building distribution outlets.

Arcimoto Income Statement
(\$ in 000's except per share data)

(\$ in 000's) (except per share data)	31-Dec-17 FY2017	31-Mar-18 FQ12018	30-Jun-18 FQ22018	30-Sep-18 FQ32018	31-Dec-18 FQ42018E	31-Dec-18 FY2018E	31-Mar-19 FQ12019E	30-Jun-19 FQ22019E	30-Sep-19 FQ32019E	31-Dec-19 FQ42019E	31-Dec-19 FY2019E	31-Dec-20 FY2020E
Revenue	127	1	85	6	90	182	225	300	1,125	3,000	4,650	60,000
COGS	78	1,048	96	32	100	1,275	140	280	1,013	2,700	4,133	47,850
Gross Profit	49	(1,047)	(10)	(26)	(10)	(1,093)	85	20	113	300	518	12,150
R&D	1,451	1,048	364	779	800	2,991	1,000	1,000	1,000	1,000	4,000	6,000
Sales & Marketing	828	356	418	386	800	1,959	1,000	1,000	1,000	1,000	4,000	6,000
G&A	1,064	642	1,400	2,054	1,500	5,596	2,000	2,000	2,000	2,000	8,000	9,000
Opex	3,343	2,045	2,182	3,219	3,100	10,546	4,000	4,000	4,000	4,000	16,000	21,000
Operating Income	(3,294)	(2,045)	(2,192)	(3,245)	(3,110)	(11,640)	(3,915)	(3,980)	(3,888)	(3,700)	(15,483)	(8,850)
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0
Interest Expense	(34)	(4)	(17)	(37)	(37)	(94)	(37)	(37)	(37)	(37)	(148)	(148)
Other		0	40	36	36	112	36	36	36	36	143	143
Pretax Income	(3,315)	(2,048)	(2,169)	(3,246)	(3,111)	(10,574)	(3,916)	(3,981)	(3,889)	(3,701)	(15,487)	(8,855)
Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Net Income	(3,315)	(2,048)	(2,169)	(3,246)	(3,111)	(10,574)	(3,916)	(3,981)	(3,889)	(3,701)	(15,487)	(8,855)
Basic Shares	13,554	15,897	15,919	15,974	16,525	16,079	18,237	19,483	20,728	21,973	20,105	26,090
Diluted Shares	13,554	15,897	15,919	15,974	16,525	16,079	18,237	19,483	20,728	21,973	20,105	26,090
Basic EPS	\$ (0.24)	\$ (0.13)	\$ (0.14)	\$ (0.20)	\$ (0.19)	\$ (0.66)	\$ (0.21)	\$ (0.20)	\$ (0.19)	\$ (0.17)	\$ (0.77)	\$ (0.34)
Diluted EPS	\$ (0.24)	\$ (0.13)	\$ (0.14)	\$ (0.20)	\$ (0.19)	\$ (0.66)	\$ (0.21)	\$ (0.20)	\$ (0.19)	\$ (0.17)	\$ (0.77)	\$ (0.34)
Operating Income	(3,294)	(2,045)	(2,192)	(3,245)	(3,110)	(10,592)	(3,915)	(3,980)	(3,888)	(3,700)	(15,483)	(8,850)
Depreciation	20	74	87	121	150	432	150	150	150	150	600	600
Stock Comp	204	114	52	216	250	631	250	250	250	250	1,000	1,000
EBITDA	(3,071)	(1,858)	(2,054)	(2,908)	(2,710)	(9,529)	(3,515)	(3,580)	(3,488)	(3,300)	(13,883)	(7,250)

Arcimoto Balance Sheet & Cash Flow Statement
(\$ in 000's)

(\$ in 000's)	31-Dec-17 FY2017	31-Mar-18 FQ12018	30-Jun-18 FQ22018	30-Sep-18 FQ32018	31-Dec-18 FQ42018E	31-Dec-18 FY2018E	31-Dec-19 FY2019E	31-Dec-20 FY2020E
Cash	7,824	1,425	2,137	2,372	3,707	3,707	3,738	1,343
Certificates of Deposit	6,247	9,746	5,248	750	750	750	750	750
A/R	1	1	0	1	10	10	1,200	9,600
Inventory	195	617	1,291	1,908	2,500	2,500	3,000	13,000
Other	401	666	1,035	1,618	1,618	1,618	2,500	2,500
Current Assets	14,667	12,455	9,710	6,648	8,585	8,585	11,188	27,193
PP&E	2,434	3,407	4,556	5,128	5,128	5,128	5,128	5,128
Other	0	0	39	39	39	39	39	39
Total Assets	17,101	15,863	14,304	11,815	13,752	13,752	16,355	32,360
A/P	664	375	30	98	150	150	180	780
Accrued Liabilities	256	255	471	627	750	750	900	3,900
Customer Deposits	400	432	371	395	425	425	545	545
Capital Lease	0	150	297	368	368	368	368	368
Warranty Accrual	0	0	0	8	10	10	240	960
Current Liabilities	1,320	1,212	1,169	1,497	1,703	1,703	2,233	6,553
Capital Lease	0	774	1,376	1,573	1,723	1,723	2,323	2,923
Warranty Accrual	0	0	0	17	20	20	480	1,920
LTD	0	0	0	0	3,000	3,000	3,000	0
Equity	15,782	13,876	11,759	8,729	7,305	7,305	8,318	20,964
Total Liabilities & Equity	17,101	15,863	14,304	11,815	13,752	13,752	16,355	32,360

	31-Dec-17 FY2017	31-Mar-18 FQ12018	30-Jun-18 FQ22018	30-Sep-18 FQ32018	31-Dec-18 FQ42018E	31-Dec-18 FY2018E	31-Dec-19 FY2019E	31-Dec-20 FY2020E
Net Income	(3,315)	(2,048)	(2,169)	(3,246)	(3,111)	(10,574)	(15,487)	(8,855)
Depreciation	20	74	87	121	150	432	600	600
Stock Comp	204	114	52	216	250	631	1,000	1,000
Working Capital	(253)	(946)	(1,078)	(1,108)	(392)	(3,523)	(1,582)	(12,640)
Operating CF	(3,344)	(2,788)	(3,103)	(4,017)	(3,103)	(13,035)	(15,469)	(19,895)
Certificates of Deposit	(6,247)	(3,500)	4,500	4,500	0	5,500	0	0
Capx	(1,960)	(65)	(644)	(169)	(150)	(1,028)	(600)	(600)
Other	0	0	(39)	0	0	(39)	0	0
Investing Activities	(8,207)	(3,565)	3,817	4,331	(150)	4,433	(600)	(600)
Equity	19,147	29	0	(0)	1,438	1,468	15,500	20,500
Debt	(125)	(75)	(3)	(80)	3,150	2,992	600	(2,400)
Financing	18,961	(46)	(3)	(80)	4,588	4,460	16,100	18,100
FX	0	0	0	0	0	0	0	0
Change in Cash	7,410	(6,399)	712	235	1,335	(4,117)	31	(2,395)

Required Research Disclosures



**Distribution of Ratings/IB Services
Chardan Capital Markets**

Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
BUY [BUY]	65	66.33	17	26.15
HOLD [NEUTRAL]	25	25.51	2	8.00
SELL [SELL]	0	0.00	0	0.00
NOT RATED [NR]	8	8.16	0	0.00

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Neutral: Returns expected to be in line with sector average over 12 months and indicates total return between negative 10% and 10% over the next 12 months.

Sell: Returns expected to be materially below sector average over 12 months and indicates total price decline of at least 10% over the next 12 months.

Arcimoto, Inc. (FUV - \$3.89 - Buy)

Price Target \$10.00

VALUATION:

Our price target is based on capitalizing the mid- year 2019 estimated retail value of the reservations at 2.5x, or \$150 million.

RISKS TO ACHIEVEMENT OF TARGET PRICE:

Risks to achieving our price target include rising interest rates leading lower economic growth, greater competition, manufacturing issues, parts and labor shortages, and building distribution outlets.

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