

The background of the entire page is a dark, textured overlay of various financial charts. In the upper right, there is a line chart with a peak and a subsequent decline, labeled with '52.34%'. Below this, there are several bar charts and candlestick patterns, some in blue and some in orange/yellow, set against a grid. The overall aesthetic is professional and data-driven.

# HAVEN

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## EQUITIES

### Equity Research Report

# Research Standards

## HAVEN Report Standards (Mandatory)

### 1. Structure

- Do not remove sections.
- Pages may be duplicated for depth.
- Every report must include thesis, industry, financials, valuation, risks, and conclusion.

### 2. Clarity

- Use bullet points, not long paragraphs.
- If crowded → create a new page.
- Visuals > text walls.

### 3. Evidence

All claims must be supported by:

- Financial data
- Industry comparisons
- Historical performance
- Valuation logic

### 4. Professional Formatting

- Maintain layout, fonts, and spacing.
- No casual language.
- No opinions without reasoning.

## Equity Research Report



### Aehr Test Systems(AEHR) Technology | Semiconductor Equipment

Written By: Chirag Jangid  
Date: 11th March, 2026

*This report is prepared by Haven Equities for educational and informational purposes only and does not constitute investment advice or a recommendation to buy or sell any security.*

# Investment Overview

## Aehr Test Systems (AEHR)

Sector: Technology | Industry: Semiconductor Equipment | Price: \$41.96

### Thesis:

Aehr Test Systems is well-positioned to benefit from increased demand for silicon carbide and artificial intelligence semiconductor testing as electric vehicles and data center markets continue to grow. The wafer-level burn-in FOX system offers a niche technological advantage in reliability testing. As semiconductor devices become more complex and global semiconductor production increases, Aehr Test Systems can benefit from increased order growth and revenue expansion over the long term despite volatility often experienced by small-cap semiconductor equipment companies.

### Key Drivers:

- AI data center optical connectivity demand
- Silicon photonics adoption, production ramp from existing customers
- Aehr's wafer-level burn-in capability

### Key Risks:

- Semiconductor industry cycles
- Customer concentration
- Competitive pressure
- Revenue volatility

**Haven Rating:** 7/10

**Recommendation:** BUY

**Time Horizon:** 12-24 Months

**Risk Level:** High

**Catalyst Driven:** Yes

### Catalysts (Next 1-6 Months):

- Updates on new potential orders for silicon carbide wafer-level test systems from EV semiconductor manufacturers.
- Updates on bookings or backlog increases for FOX XP wafer-level burn-in systems.
- Earnings reports with revenue and/or margin growth.
- Increases in AI and data center semiconductor demand driving wafer-level test system orders.
- Updates on new partnerships or customer successes in the power semiconductor market segment.

### Quick Stats:

- **Price:** \$41.96
- **P/E Ratio:** -4049
- **Market Cap:** 1.091B
- **Enterprise Value:** 1.07B
- **Revenue (TTM):** \$53.25M
- **Cash:** ~\$30M
- **FCF:** \$3.31M
- **Beta (5Y):** 2.31

# Business Overview

## Company Snapshot

### Business Description:

Aehr Test Systems offers wafer-level test and burn-in products like its FOX XP system, which aids chipmakers in identifying faulty chips and making their chips more reliable before packaging.

- The products are used in the production of chips for AI data centers, silicon carbide power chips, electric vehicle systems, and optical networking. The growing need for AI chips and optical data center interconnects is fueling the demand for testing solutions.

### Revenue Model:

- The primary way it makes money is by selling semiconductor test and burn-in systems, such as FOX-XP and FOX-NP, along with associated hardware used by chip manufacturers to test their wafers and packaged products during production
- Revenue is largely a one-time sale, but Aehr also makes recurring sales from sales of consumables, replacement contactors, upgrade products, and support products that customers need to buy repeatedly as their production volumes grow

## Operating Segments

| Segment                              | % of Revenue |
|--------------------------------------|--------------|
| Semiconductor Test & Burn-In Systems | 100%         |

- The firm considers that it has one business segment for reporting purposes and therefore does not report segment information by product line or end market in its consolidated financial statements. Revenue is primarily generated from sales of semiconductor test systems and related consumables within this segment

## Key Operating Metrics

- Dollar value of new system orders received during a specific period
- Dollar value of confirmed customer orders that are not yet delivered
- Total revenue generated from sales of semiconductor test system and consumption products (~\$58M in FY 2025), reflecting the demand for the company's products

# Industry & Competition

## Industry Overview

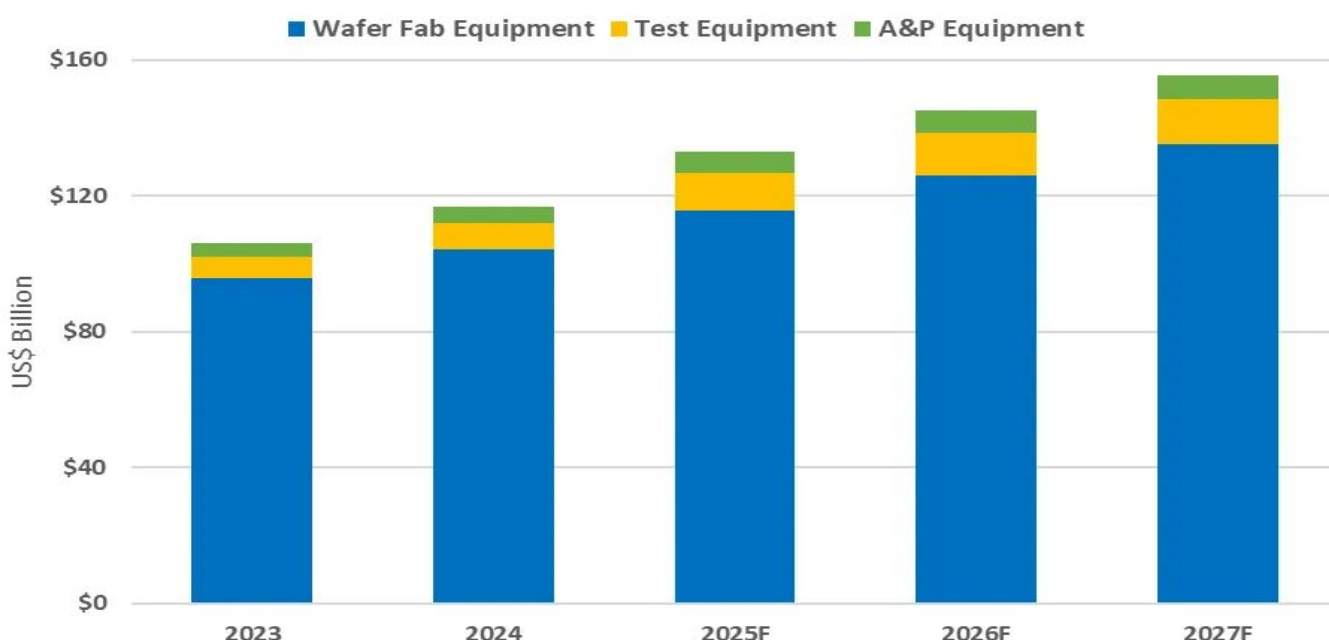
- The semiconductor test equipment industry deals with equipment designed to test whether semiconductor chips are working properly before they are sold to the market.
- These equipment are designed to test the working of the chip during various stages of production.
- As the chip has applications in devices like smartphones, electric cars, and data centers, the working of the chip is very important.
- Since the complexity of the chip has increased over time, the requirement for the latest equipment to test the chip has also increased.

## Market Growth & Projections

According to the forecasts given in SEMI, it is seen that the size of the semiconductor test equipment market is expected to rise from a figure of \$9 billion to a figure of \$12 billion during the period ranging from 2024 to 2027, with a CAGR of 10%.

- This is because of the increased demand for high-end chips, which are being used in applications such as AI, high-performance computing, and electric cars.
- Since the complexity of the chip has increased over time, the requirement for the latest equipment to test the chip has also increased.

Total\* Semiconductor Equipment Market  
by Segment, 2023-2027F



Source: SEMI, 2025 Year-End Semiconductor Equipment Forecast - OEM Perspective

\*Total equipment includes new wafer fab, test, assembly, and packaging, but does not include wafer manufacturing equipment.

Totals may not add due to rounding.

# Industry & Competition

## Trends

- Increase in demand for advanced semiconductor technology in artificial intelligence systems, high-performance computing, and EVs is generating more demand for test equipment; semiconductor sales are expected to exceed \$1 trillion by 2030.
- Government initiatives such as the CHIPS and Science Act, where \$52 billion is allocated to improve semiconductor production facilities, are generating more demand for semiconductor equipment as new fabrication plants are built.
- The shift towards more sophisticated semiconductor technology with respect to chip nodes, chiplet technology, and packaging technology is creating more complexity in chips and increasing demand for advanced test equipment.
- Increasing demand for smartphones, cloud computing, artificial intelligence, and electric vehicles is increasing semiconductor usage across industries, thereby indirectly increasing the requirement for semiconductor testing solutions.

## Main Competitors

| Competitor | Ticker | Market Cap | Additional Notes                     |
|------------|--------|------------|--------------------------------------|
| Teradyne   | TER    | \$42.75B   | Market leader in automated testing   |
| FormFactor | FORM   | \$6.623B   | Specialized wafer probe solution     |
| Cohu       | COHU   | \$1.3B     | Test handlers and inspection systems |

## Company Positioning

- **Teradyne** - Positioned as a strong alternative but smaller in scale and market reach.
- **FormFactor**- Competes through niche specialization and differentiated technology.
- **Cohu**- Operates in a similar segment with comparable capabilities but a narrower product portfolio.

# Valuation

| Current Valuation |            |              |                       |
|-------------------|------------|--------------|-----------------------|
|                   | Prev. Year | Current Year | Next Year (Projected) |
| EV/Revenue        | 4.3x       | 20.07x       | 21.8x                 |
| P/S               | 5.1x       | 19.98x       | 22.4x                 |
| Market Cap        | \$ 334M    | \$ 1.091B    | No Reliable Source    |

| Peer Comparison   |            |        |            |
|-------------------|------------|--------|------------|
|                   | EV/Revenue | P/S    | Market Cap |
| Aehr Test Systems | 20.07x     | 19.98x | \$ 1.091B  |
| Teradyne          | 14.98x     | 15.3x  | \$ 42.75B  |
| FormFactor        | 8.13x      | 8.48x  | \$ 6.623B  |
| Cohu              | 2.52x      | 2.85x  | \$ 1.3B    |

| Valuation Scenarios |                                           |               |                 |
|---------------------|-------------------------------------------|---------------|-----------------|
| Scenario            | Assumption                                | Implied Value | Upside/Downside |
| Base Case           | Trades at peer average P/S $\approx$ 8.5x | ~\$560M       | ~+15%           |
| Bull Case           | Premium growth multiple P/S $\approx$ 12x | ~\$790M       | ~+65%           |
| Bear Case           | Industry Slowdown P/S $\approx$ 5x        | ~\$330M       | ~-25%           |

# Fundamental Analysis

## Quantitative Analysis (Financial Health)

### Income Statement:

- For the year ending May 2025, Aehr Test Systems recorded revenue of about \$53.8 million.
- Gross profit was about \$26.3 million, indicating a gross margin of roughly 49%.
- Total operating expenses were around \$35 million.
- The company reported an operating loss of about \$8–9 million.

### Balance Sheet:

- For the year ending May 2025, Aehr Test Systems recorded total assets of about \$173 million.
- Cash and cash equivalents were about \$49 million.
- Total liabilities were roughly \$24 million.
- Shareholders' equity was approximately \$149 million.

### Cash Flow Statement:

- For FY 2025, Aehr Test Systems reported negative operating cash flow due to lower sales and higher operating expenses.
- Investing cash flow remained negative mainly because of equipment purchases and investments.
- Financing cash flow remained minimal, reflecting low debt usage.  
The company still maintained cash reserves of roughly \$49 million.

# Fundamental Analysis

## Key Ratios

- **Valuation:** P/E: -4049 , P/S: 24.13, P/B: 9.83
- **Profitability:** ROE: -7.08%, ROA: -5.01%, Net Profit Margin: ~ -16%
- **Liquidity & Solvency:** Current Ratio: 10.62, Debt-to-Equity: 0.08
- **Growth Metrics:** Revenue Growth: ~ -3%

## Quantitative Analysis (Business Fundamentals)

- **Management Effectiveness:** Gayn Erickson has been at the helm of Aehr Test Systems for over a decade, offering stability and strategic direction to the company.
- The company has diversified into silicon carbide and wafer-level burn-in services during his tenure, focusing on high-growth opportunities like electric vehicles and AI infrastructure.
- **Competitive Advantage:** Aehr Test Systems has approximately 22% revenue share in the silicon carbide wafer burn-in system market globally (2024). The reason for the revenue share is the adoption of the FOX wafer-level test and burn-in products.
- Aehr Test Systems' wafer-level burn-in technology and FOX-XP system allow for the testing of multiple wafers at the same time, reducing the cost of testing silicon carbide semiconductor reliability screening.
- **Business Model:**
  - The company mainly generates revenue from the sale of semiconductor test systems to chip makers.
  - Other revenue is generated from consumables like the company's WaferPak contactors and system upgrades.
- **Industry Trends:** The semiconductor test equipment market is expected to grow from \$9B in 2024 to \$12B in 2027.  
This is due to the increase in demand for AI processor chips, electric vehicle chips, and data center chips due to the complexity of the chips

# Technical Analysis

## Price Action and Charts

### Historical price trend:

- From October to December 2025, the stock price declined in a downtrend, from \$30 to \$32 in early October to almost \$20 by December 2025.
- However, from January 2026 onwards, the stock price reversed its trend and moved in an uptrend, touching almost \$40 by March 2026.

### Volume confirmation:

In the stock exchange, the volume has increased during the significant price movements. This is evident in October 2025 during the fall and in February-March 2026 during the rise.

### Support and resistance:

From the chart, it is evident that the stock has a notable level of support around \$20, where the stock found support in December 2025 and early January 2026. Also, the resistance level around \$30 and \$33 was visible in the stock's price before the stock rose above this level in the February run-up.

### Trendlines and channels:

The price has traded in an uptrend channel from January to December 2025 and then began reversing the trend in early 2026. Since January, the stock has registered higher highs and higher lows, indicating the emergence of an uptrend channel.



# Technical Analysis

## Common Technical Indicators

- From Oct to Dec 2025, the stock's prices were below the 50-Day Moving Average, as the stock prices declined from around \$32 to approximately \$20. In early 2026, the stock's prices rose above the 50-Day Moving Average and approached the 200-Day Moving Average, as the stock prices rose from around \$23 in early 2026 to around \$40 by March 2026.
- While the stock prices rose from around \$24 in early February 2026 to around \$42 in early March 2026, the Relative Strength Index is likely to be close to 70, indicating that the stock is close to being 'overbought.'
- A bullish crossover is likely to have occurred in early 2026, as the stock prices began to reverse from around \$20 to \$22 levels and began to rise.
- While the stock prices rose from around \$28 in mid-February 2026 to above \$40 in March 2026, the Bollinger Bands are likely to be wider, indicating high volatility in stock prices.

## Core Assumption

Discounts all information in the market: The current stock price for AeHR Test Systems (~\$40 in Mar 2026) is a reflection of all publicly available information about the company's earnings, growth in the industry, etc.

Prices always trend: Looking at the chart for AEHR from Oct 2025 to Mar 2026, we can clearly see trends in the stock price movement - a clear downtrend from \$32 to \$20, followed by a very clear uptrend from \$23 to \$40 - this shows that stocks generally trend in a particular direction.

History repeats itself: The consolidation in the price from \$20-\$23 in Dec 2025 followed by a clear breakout above \$30 in Feb 2026 is a reflection of normal market behavior where investor behavior repeats over time.

# Conclusion/Recommendation

## Investment Recommendation

BUY

## Core Thesis Summary

Aehr Test Systems is benefiting from the rising demand for wafer-level burn-in tests, which is becoming critical as semiconductor chips are becoming complex.

- The company is benefiting from the rising demand for silicon carbide chips in EVs, the rise of AI and high-performance computers, and the rising need for advanced semiconductor test equipment. The rise in the company's stock price from ~\$20 in late 2025 to ~\$40 in early 2026 indicates short-term opportunities, and the rising demand from EVs and advanced semiconductors indicates long-term opportunities.

## Key Risks:

- Export restrictions could limit semiconductor equipment sales globally.
- Larger competitors may pressure pricing and market share.
- Semiconductor cycles and demand slowdowns impact revenue growth

## Target Price & Potential Returns

Target Price: \$50.00  
Potential Upside: ~19.2%

## Key Catalysts

New FOX wafer-level burn-in systems expansion.  
Growing SiC partnerships with EV chip manufacturers

## Key Financial Metrics

Revenue: \$ 53.25M  
EBITDA Margin: -16.5%  
Cash Balance: \$ 30M  
Market Cap: \$ 1.09B  
P/E Ratio: -4049  
EPS: \$-0.14

## Company Snapshot

Ticker: AEHR  
Current Price: \$ 41.96

## Stock Type

Asset Class: Growth  
Size: Small Cap  
Dividend: No

## Company Filings

- Aehr Test Systems **Form 10-K (FY 2025 and FY 2024 Annual Report)**, U.S. Securities and Exchange Commission (SEC)
- Aehr Test Systems **Form 10-Q (Latest Quarterly Filings)**, SEC
- Aehr Test Systems **Earnings Press Releases & Investor Presentations**

## Financial Data & Market Information

- **Yahoo Finance** – AEHR (stock price, historical charts, valuation metrics)
- **Nasdaq.com** – AEHR Historical Price & Market Data
- **StockAnalysis.com** – AEHR Financial Ratios & Statistics
- **MacroTrends** – AEHR Historical Revenue & Financial Metrics

## Industry & Competitive Landscape

- **SEMI (Semiconductor Equipment and Materials International)** – Global Semiconductor Equipment Market Reports
- **SEMI Press Release**
- Company filings and financial data of peer firms:
  - Teradyne
  - FormFactor
  - Cohu

## Macroeconomic Data

- **Semiconductor Industry Association (SIA)** – Global Semiconductor Sales Forecasts
- **CHIPS and Science Act (U.S. Government / Department of Commerce)** – Semiconductor manufacturing investment initiatives

## Technical Analysis & Chart Data

- **Yahoo Finance** – AEHR Historical Price Charts
- **TradingView** – Technical Chart Indicators and Trend Analysis