

AI in the FASTLANE:

My Top Stock in the \$400 Billion Autonomous Vehicle Industry



AI In the Fastlane: My Top Stock In the \$400 Billion Autonomous Vehicle Industry

By Ian King • Editor, *Strategic Fortunes*

THE ocean was on my right. Mountains to my left. My car was cruising through the curvy California freeway from Los Angeles to Palm Springs. Then, I took my hands off the wheel...
I found myself itching to grab for it as the car headed 70 mph into the first turn.

Almost like magic, the car gracefully navigated the turn. It even slowed down to keep a safe following distance from the car in front of me.

Even though I put my hands back on the steering wheel, I didn't need to touch the gas or the brake for nearly two hours!

This was my first time driving a Tesla Model 3.

That was in 2018. It was the first time I realized that artificial intelligence would be a game-changer.

And now, we're in the dawn of the Autonomous Age!

This is a new era where our daily lives will interact with machines, robots and drones that are accomplishing tasks formerly done by people.

At the time, AI was already becoming part of my daily life. But it was relegated to asking Alexa questions like: "Can dogs eat avocado?"

Like Netflix suggesting what show to watch next, or Gmail offering up a suggested response to an email.

But this experience with AI was totally different ... and it blew me away.

It felt like the car had its own brain; its own way of making decisions and navigating the road.

Cars have several moving parts.

There's more risk of AI getting something wrong when it makes a split-second decision at 70 mph. (Although getting the wrong answer on what's safe to feed a dog from Alexa can be terrible as well. That's a "no" on giving your dog avocados, by the way.)

Elon Musk missed his prediction of when fully autonomous vehicles would be on the road by a few years. But the reality is that we are only a few more years away from mass commercialization.

If there's one thing that I've learned as a tech investor over the past few decades, it's that *change happens gradually, then suddenly*.

- Smartphones barely existed 15 years ago. Now we never leave home without one. The average American spends 5 hours and 24 minutes on their phone each day!
- Electric vehicles (EVs) were only 1.3% of new cars sold just six years ago. In 2023, that jumped to 7.6% in the U.S. alone. And it's set to grow dramatically this decade.

- I joined Facebook in 2005 when there were only a few million users. Now the world's largest social media company boasts 3 billion monthly active users!
- AI is poised to reach mass adoption even faster. ChatGPT already saw the fastest adoption of a technology in human history when it added 100 million users in a two-month period from December 2022 to February 2023!

Automated vehicles are part of this trend too. It's been changing gradually for over a decade. But it's about to change suddenly.

Today, we are at AI's tipping point.

Those who fail to see, or choose to ignore this reality will pay a price.

However, those who see the writing on the wall, *and* position themselves now, well...

They could have the chance to make huge investment gains — and live a life full of abundance.

The Future Is Autonomous

One off-the-radar mega tech trend that will see a sudden change is **autonomous vehicles (AVs)**.

It's no secret that AI has already begun to make its way into cars, trucks and semitrailers...

If you have a newer car with adaptive cruise control, that's AI.

If your pickup truck warns you when you begin to drift out of your lane, that's also AI.

If your car parallel parks itself for you, that's certainly AI.

Teslas ... Ford F-150s ... Mustang Mach-Es ... Cadillac Escalades ... BMW X5s ... and several other cars pretty much drive themselves already.

Soon, vehicles will be fully autonomous.

The first driverless semitrailers are slated to begin trial runs on commercial routes in Texas later this year.

That alone is a \$30 billion market.

And fully automated cars and pickups won't be far behind...

In a recent study, consulting firm McKinsey & Company estimated up to **57%** of all cars sold in 2035 will have AI technology.

Can you imagine how much money that would mean?

I'll tell you how much...

By 2035, AI-operated vehicles could create between \$300 billion and \$400 billion in revenue.

Think of it this way: \$400 billion is more money than Microsoft and Meta make each year ... *combined*.

To make it happen, these vehicles rely on technology like AI, sensors, cameras, GPS, radar and lidar to navigate their environment.

It can go anywhere a traditional car goes and do everything that an experienced human driver does.

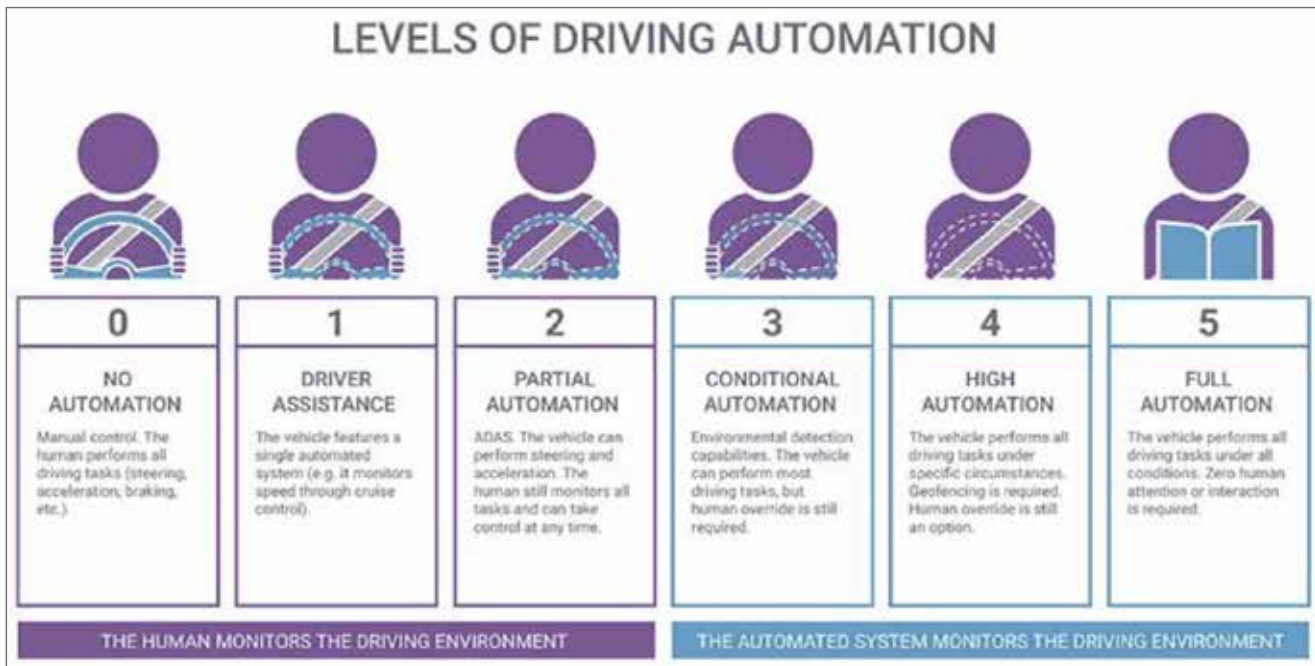
Levels of Automation

Autonomous driving has six levels.

For over a century, there was no automation. It's only in the past decade that technologies like lane and parking assistance moved the needle toward some automation.

Right now, fully autonomous (level 5) cars are being tested around the world. And there's one company at the forefront...

That company is **Mobileye Global (Nasdaq: MBLY)**.



Time-Saving Technology

About 70 billion hours. This is how much time drivers spend on the roadways each year in the U.S. alone.

On average, these drivers traveled 11,498 miles annually — the near equivalent of making two roundtrip drives from New York City to Los Angeles.

Now imagine having 70 billion collective hours spent commuting or in traffic congestion freed up by an autonomous vehicle!

How would you spend your free time?

Maybe reading a few pages of a favorite book. Binge-watching a new TV show. Getting ahead at work. Or simply relaxing and taking in the views...

All while your autonomous vehicle seamlessly drives you to your next destination.

I say *seamlessly* because AVs could also eliminate as much as 40% of travel time due to their ability to navigate the roadways.

How? Let's face it. Most traffic jams are created by humans because we are known to create stop-and-go traffic situations and bottlenecks.

But with the introduction and use of AVs, a constant safe distance and orderly driving would become the norm.

That's where this "AI in the Fastlane" pick comes in... Mobileye Global provides software and hardware technologies for automobiles.

The company specializes in the development and deployment of advanced driver assist (ADAS) and autonomous driving technologies and solutions.



In fact, Mobileye was created based on one fundamental idea:

“A single, inexpensive sensor, the camera, could be the basis for life-saving technology.”

Professor Amnon Shashua founded the company in 1999. He was a computer scientist with a Ph.D. in brain and cognitive sciences from the Massachusetts Institute of Technology.

He spent his academic career researching a system with the capability of detecting vehicles using only a camera and software algorithms on a processor.

In 1999, ADAS was a new concept. Today, it’s installed on most new cars.

And thanks to Mobileye’s extensive innovative research and development, ADAS has fine-tuned vehicle collision avoidance technologies — such as:

- Lane departure warning.
- Blind spot applications.
- Night vision.
- Adaptive cruise control.

Today, more than 125 million vehicles are equipped with Mobileye’s computer vision technology.

So what exactly is this technology, and how is it paving the way for an autonomous vehicle future?

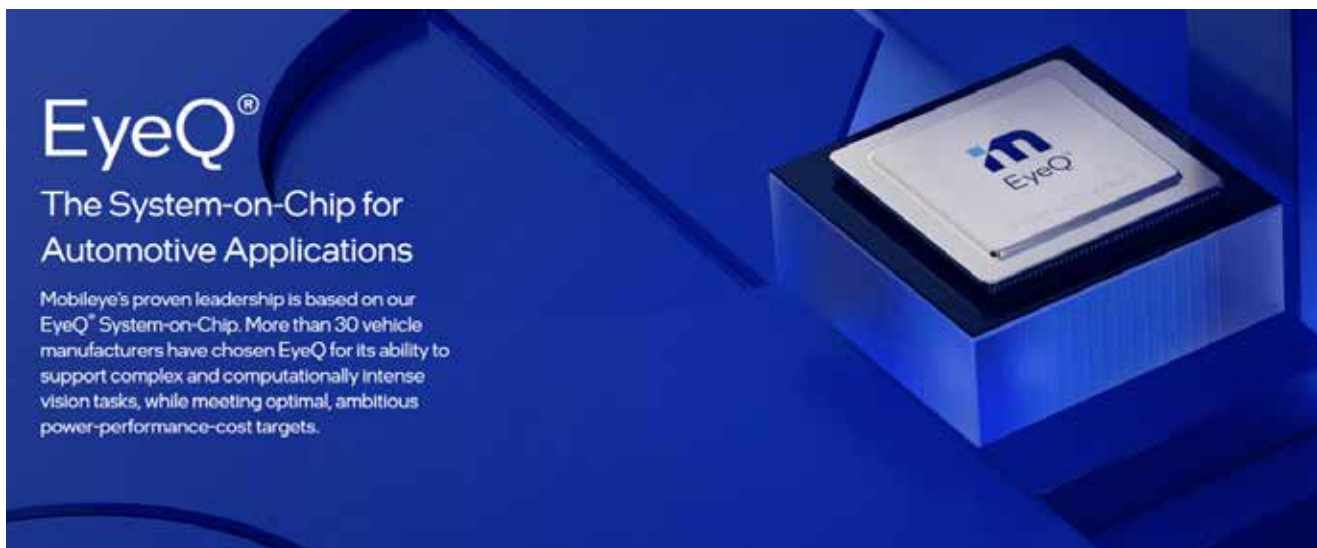
Mobileye: A Vehicle Camera Pioneer

Mobileye’s product lineup is based on pioneering camera technology.

Prof. Shashua and his team realized that all advanced vehicle safety tasks could be achieved using a single camera, also known as monovision.

The team found that installing a highly efficient camera on the windshield of a vehicle would transform the auto industry and make ADAS tech available to the masses.

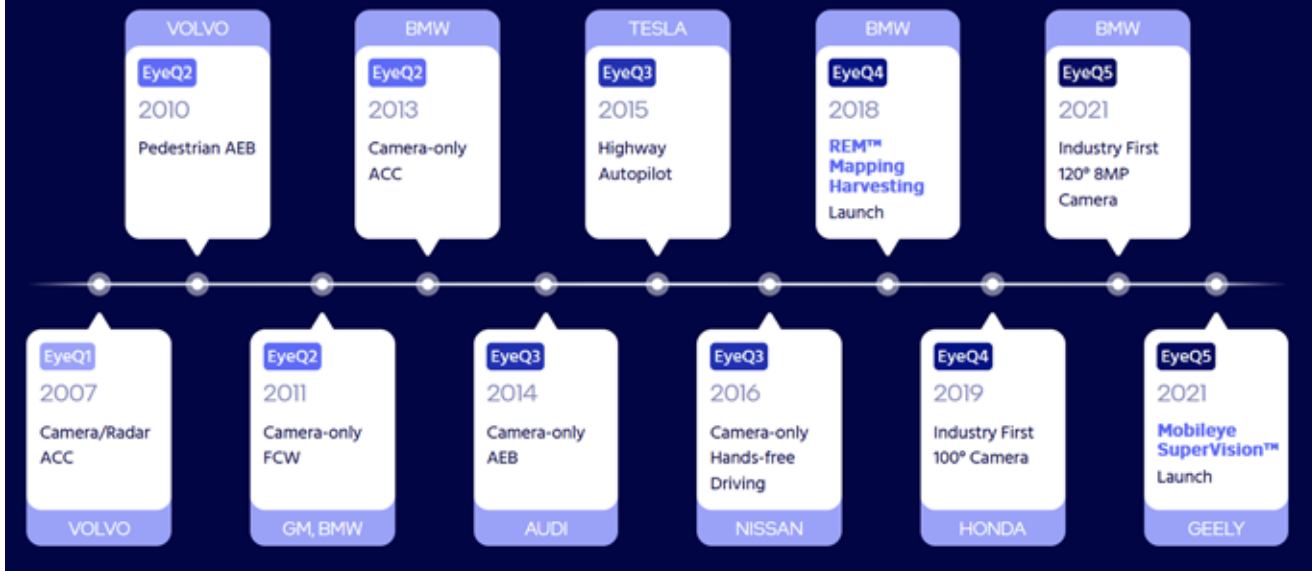
Today, Mobileye’s flagship technology is known as EyeQ. It’s used by more than 30 vehicle manufacturers. EyeQ is the brain behind Mobileye.



EyeQ uses a single camera sensor to provide passive and active ADAS which includes features like automatic emergency braking, adaptive cruise control, lane-keeping assist and forward collision warning.

Over the past 20 years, EyeQ has become the leader in processing advanced mobility technologies.

Industry Firsts for Over a Decade



To date, more than 140 million EyeQs have shipped and are installed in over 800 vehicle models across 50+ automakers.

20 Years, More than 140 Million Vehicles on the Road

In over 20 years of technological advancement, EyeQ™ has emerged as the trusted solution for processing advanced mobility technologies.

140M EyeQs shipped to date	800+ Models on the market incorporating EyeQ™
50+ Automakers place their trust in EyeQ™	6 Generations of EyeQ™



Now in its sixth generation, Mobileye's EyeQ6 comes in two versions: EyeQ6 Lite and EyeQ6 High. Each version is designed for a different type of ADAS application.

EyeQ6 Lite — known for its high efficiency for core ADAS — supports level 1 to 2 driver assistance.

This System-on-Chip (SoC) automotive application combines high performance, low power consumption and optimal cost efficiency. As a one-box windshield solution, EyeQ6 Lite supports all core ADAS applications.

EyeQ6 High is a centralized chip for premium ADAS.

This chip is built to power level 2+ systems and above.

It's the "ultimate compute platform for premium driver-assistance and partial autonomous driving."

EyeQ6 High offers 3X the compute power of the preceding EyeQ5H chip, while consuming just 25% more power.

It can support full-surround cameras for driver assistance features and visualization for the human driver.

Beyond its EyeQ product solutions, Mobileye's end-to-end SuperVision system is paving the way toward autonomous driving.

Mobileye SuperVision is its most advanced driver assistance system — currently on over 100,000 vehicles.

It provides "hands-off" navigation capabilities of an AV and is designed to handle standard driving functions on all regular road types at up to 80 miles per hour. (Faster than I was going in my first Tesla ride!)

Simply put, a vehicle equipped with Mobileye SuperVision can function largely like an AV, while still performing under a driver's watchful eye.


To enable such self-driving functionality, Mobileye continues to develop a broad range of technologies.

For example, Mobileye SuperVision incorporates the latest EyeQ SoCs, 11 cameras, driving policy, maps, processors and sensors.





How Does Mobileye SuperVision™ Work?

Mobileye SuperVision's end-to-end system is enabled by:

 Full surround high-definition computer vision perception (11 cameras)

 Road Experience Management™ (REM)-based AV maps

 Responsibility-Sensitive-Safety™ (RSS) safety model & driving policy

 2 EyeQ™ 5/6 High SoCs



Camera Set

1X Main	120°	8MP
1X Narrow	28°	8MP
2 X Wing Front	100°	8MP
2 X Wing Rear	100°	8MP
1X Rear	60°	8MP
4 X Svc	195°	3MP
1X LR/SR Radar		

- Camera
- Parking Camera
- Front LRR/MRR
- Corner SRR (Optional)

Plus, we have a few events gaining traction for Mobileye. SuperVision launched Polestar 4 — a compact luxury crossover electric vehicle SUV — in fourth quarter 2023. And plans with traditional original equipment manufacturers (OEMs) for SuperVision.

There are also a number of headwinds lowering EV demand in China. Last year, Mobileye reduced its SuperVision shipment forecast.

As a result, the company's share price dove as much as 30% in one day's trading at the tail end of 2023. Shares have still yet to recover.

However, I agree with the president and CEO, Prof. Amnon Shashua, that these headwinds are “a temporary issue that should not impact the potential for this business to accelerate top- and bottom-line growth as it scales, diversifies and becomes more predictable with additional OEMs and vehicle launches.”

Mobileye clearly overcame this challenge in 2023 with the launch of its advanced solutions.

I see this as a temporary price setback and a great opportunity for you to buy in. That's because this trend will take years to play out. You don't need to treat this as a stock to buy for a fast gain.

Mobileye Beats the Street

I look at certain “tipping-point trends” criteria when recommending a stock for the *Strategic Fortunes* model portfolio.

Those criteria include:

- **Tipping-point trend.** A catalyst that's going to be bigger than people realize. Something that's going to impact all industries, like social networks, smartphones and PCs did.
- **X-factor.** A unique edge that no other company has. It could be something like an auto parts supplier that's the only company manufacturing a vital component for autonomous vehicles or an e-commerce company located in the fastest-growing country in the world.
- **Beat the Street.** I want to see a company that is consistently beating Wall Street's earnings estimates. This tells me that “the Street” is underestimating the company's growth potential.

Even if a stock doesn't meet all of my criteria, meeting just one could put us in a great position for big gains in the years ahead.

Now, here's how Mobileye fits in...

• **TIPPING-POINT TREND**

Does Mobileye meet my tipping-point trend? **Yes.**

A report from McKinsey & Co. that focuses on the future of mobility forecasts that within the next decade, the mobility ecosystem will undergo a major transformation and embrace AVs and shared mobility.

Mobility is one of the hottest sectors right now and the technology continues to develop. The company's growing backlog is a testament to the rising interest in autonomous vehicles.

And a survey by McKinsey & Co. found that 70% of people were willing to use shared autonomous shuttles with up to three other travelers ... and 42% would like to use AVs as their private vehicle. This is a potential big win for Mobileye and its market position.

The ADAS market is massive and continues to grow quickly.

According to Fortune Business Insights, the ADAS market is forecasted to grow from \$44 billion in 2022 to \$124 billion in 2029, representing a compound annual growth rate of 16%.

Mobileye's market share currently holds 69% market share in ADAS.

The company's market share for autonomous driving is estimated to be \$50 to \$70 billion by 2030.

• X-FACTOR

Is there an X-factor for Mobileye? *Also yes.*

According to Prof. Shashua, he expects its SuperVision product to be “a very large growth driver.”

Mobileye has many relationships on the demand side with transportation network companies and public transit operators. The company also has a relationship with three vehicle builders, which are developing purpose-built vehicle platforms that integrate Mobileye Drive self-driving systems.

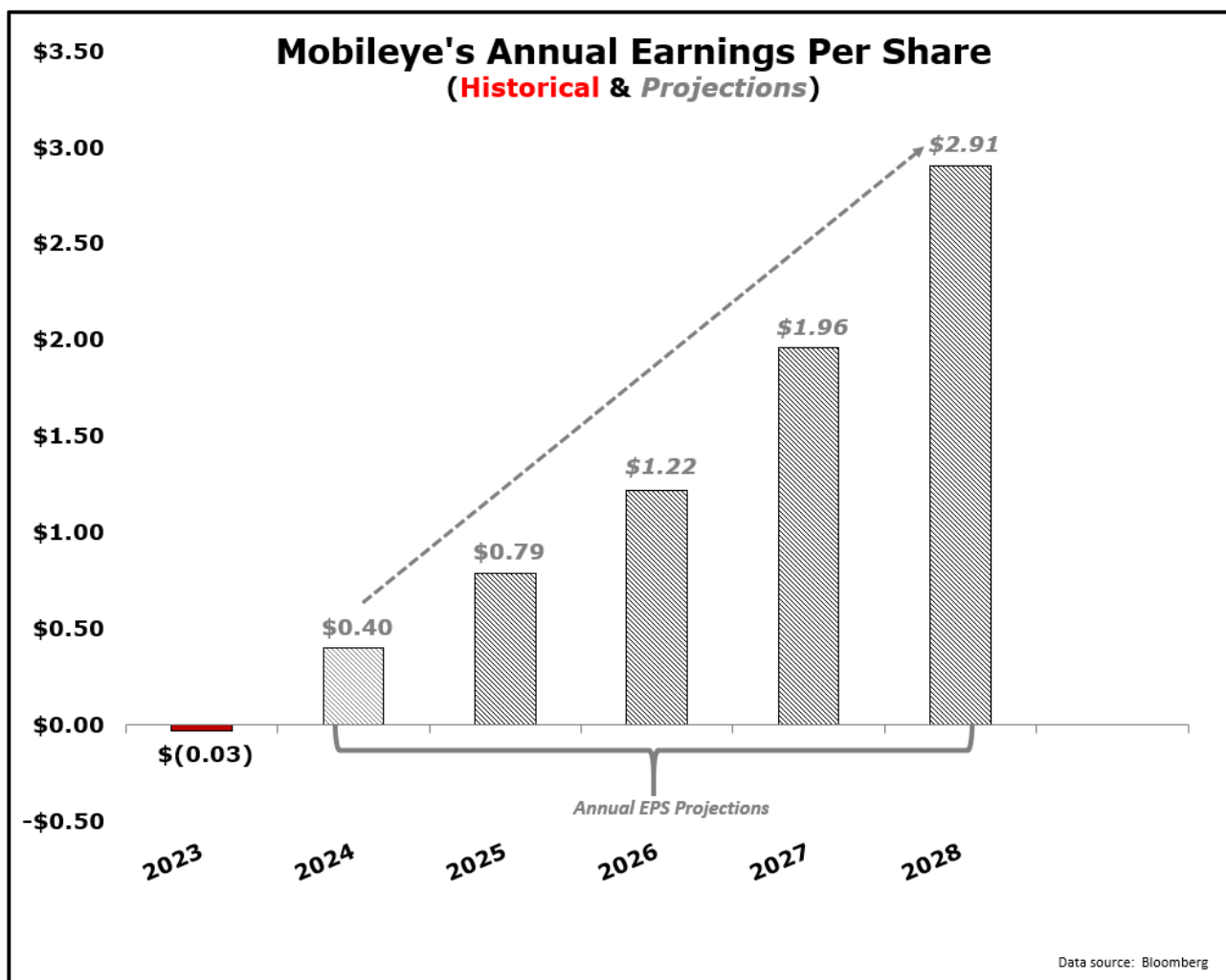
In all, the company's “supply side relationships have orders for self-driving systems that total an estimated \$3.5 billion of future revenue through 2028.”

• BEAT THE STREET

Does Mobileye Global beat the Street?

Yes, MBLY is consistently beating earnings estimates. Out of the last six quarters, Mobileye has beaten adjusted earnings six times. A 100%-win rate.

On an annual basis, after reporting an earnings per share (EPS) loss of \$0.03 in 2023, projections show that its earnings could reverse and reach an impressive \$2.29 in 2028.



That's why I think shares of MBLY could double within the next two years, and go on to greater gains from there.

Harness the Future of AI In the Fastlane

We're at the tipping point of the biggest trend of our lifetime — artificial intelligence.

With artificial intelligence, the gap between the winners and the losers stands to be bigger than ever before...

As the CEO of Nvidia put it: “[AI] is bigger than the PC. It's bigger than mobile, and it's gonna be bigger than the internet, by far.”

And Sundar Pichai, the CEO of Google agrees. He said AI is: “More profound than fire, electricity or anything we have done in the past.”

Simply put, AI will be more disruptive than any other mega trend in history.

And I want you to be on the winning side...

It all starts with companies like Mobileye, which is developing technologies to free up billions of hours that have been spent commuting and traveling.

But you need to act *now*, because the stakes are much bigger than anything we've ever witnessed.

AI isn't just a trend. It's a massive mega trend. A technology that is already radically changing our lives on a global scale ... just like electricity, the combustion engine, personal computers and the internet did.

And its application to AVs is just one facet of this trend.

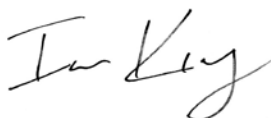
True mega trends have the power to make or break a person's future on a scale that no other market force can.

As we enter into the next phase of the autonomous age, I believe Mobileye is a company that will help revolutionize the future of the AV market.

Even better, it will enrich today's early investors who have the foresight to profit from this trend.

Action to Take: Buy Mobileye Global (Nasdaq: MBLY).

Regards,



Ian King
Editor, *Strategic Fortunes*



Banyan Hill

P.O. Box 8378

Delray Beach, FL 33482 USA

USA Toll Free Tel.: (866) 584-4096

Email: <http://banyanhill.com/contact-us>

Website: www.banyanhill.com

LEGAL NOTICE: This work is based on what we've learned as financial journalists. It may contain errors and you should not base investment decisions solely on what you read here. It's your money and your responsibility. Nothing herein should be considered personalized investment advice. Although our employees may answer general customer service questions, they are not licensed to address your particular investment situation. Our track record is based on hypothetical results and may not reflect the same results as actual trades. Likewise, past performance is no guarantee of future returns. Certain investments carry large potential rewards but also large potential risk. Don't trade in these markets with money you can't afford to lose. Banyan Hill Publishing permits editors of a publication to recommend a security to subscribers that they own themselves. However, in no circumstance may an editor sell a security before our subscribers have a fair opportunity to exit. Any exit after a buy recommendation is made and prior to issuing a sell notification is forbidden. The length of time an editor must wait after subscribers have been advised to exit a play depends on the type of publication.

(c) 2024 Banyan Hill Publishing. All Rights Reserved. Protected by copyright laws of the United States and treaties. This report may only be used pursuant to the subscription agreement. Any reproduction, copying, or redistribution, (electronic or otherwise) in whole or in part, is strictly prohibited without the express written permission of Banyan Hill Publishing. P.O. Box 8378, Delray Beach, FL 33482 USA. (TEL.: 866-584-4096)