

Peraso, Inc. (PRSO)

Expanding Momentum Across FWA, Defense, and Emerging Edge AI; Maintain Buy and \$3PT

► PRSO's business continues to gain momentum with strengthening adoption trends across core and adjacent markets including FWA, military/defense, and emerging Edge AI applications. Products in pre-production increased to 12 from 7 last quarter, a new record, highlighting the expanding commercial pipeline. During the quarter, the company secured an important order from a leading global FWA equipment provider serving major service operators, creating meaningful new avenues for customer engagement. Rising interest in 6 GHz is opening additional opportunities, while recently completed field trials for next-generation tactical communications are helping drive increased inbound activity from defense customers. Adjacent markets such as Edge AI, last-mile delivery, drones, and autonomous vehicles continue to develop, with multiple early-stage customer evaluations underway. The qualified pipeline remains robust at 30+ SKUs, now refined to focus on the highest-probability near- and intermediate-term programs. With inventory largely normalized and new development cycles beginning to translate into customer adoption, we believe revenue visibility is improving with line of sight to several new product launches over the coming quarters. Given the strengthening fundamentals and expanding opportunity set, we reiterate our Buy rating and maintain our \$3 price target.

► **One of the most intriguing emerging use cases is in Edge AI for autonomous vehicles** during charging cycles. Robotaxi fleets generate massive volumes of sensor data, 40TB+ per vehicle per day that must be offloaded, processed, and updated to the driving model while the vehicle is parked and recharging. In these highly data-intensive, connection-dense environments, Wi-Fi becomes a significant bottleneck. PRSO's high-bandwidth, beamforming mmWave technology, however, is uniquely capable of handling this requirement. We view this as a compelling example of a use case where mmWave is not just advantageous but essential, and one where PRSO is particularly well positioned to capitalize.

► **We are particularly encouraged by Verizon's recent acquisition of Starry**, which we believe was driven by the strength of Starry's product architecture and its leadership in FWA deployments across dense urban environments, particularly multi-dwelling units. We believe PRSO is the sole-source provider of Starry's 60GHz mmWave technology, which is purpose-built to deliver high-bandwidth, low-latency broadband in settings where traditional fiber is either cost-prohibitive or impractical. The platform has been validated at scale, demonstrating consistently strong performance, streamlined deployment economics, and a highly competitive alternative to wired broadband.

► **Beyond FWA, Peraso is developing a substantial opportunity pipeline in tactical military communications** where the company recently completed successful initial field trials with a lead defense customer. These systems require highly complex, ultra-low power mmWave solutions, which PRSO reduced power consumption by 20x vs standard platforms. Production revenue is expected to begin in 2H26, with procurement orders likely placed well ahead of that timeline given the typical 5 to 6 quarter engagement-to-production cycle. Management notes that defense customer interest has increased meaningfully, and the most recent engagement is expected to catalyze broader activity over the coming quarters.

Change in Earnings Forecast
Rating: Speculative Buy

David Williams
(214) 455-0099
dwilliams@benchmarkcompany.com

Price Chart



Current Price	\$0.95
Price Target	\$3.00
52-Week Range	\$0.52 - \$2.37
Shares Outstanding (mm)	10.2
Market Cap (mm)	\$8.76
Enterprise Value (mm)	\$14
Average Volume (000s)	272
Net Cash/Share	\$0.18
Sector Weight	Market Weight

Year to 31 Dec	2024A	1Q25A	2Q25A	3Q25A	4Q25E	2025E	2026E
New - EPS	\$(1.83)	\$(0.08)	\$(0.28)	\$(0.15)	\$(0.20)	\$(0.72)	\$(0.20)
Old - EPS	-	-	-	\$(0.25)	\$(0.18)	\$(0.82)	\$(0.04)
Consensus EPS	\$(1.93)	\$(0.38)	\$(0.46)	\$(0.25)	\$(0.18)	\$(1.10)	\$(0.25)
Delta % (+/-) v. Cons.	(5.18%)	(78.95%)	(39.13%)	(40.00%)	11.11%	(34.55%)	(20.00%)
P/E	-0.5x					-1.3x	-4.6x
Revenue (m)	\$14.43	\$3.80	\$2.22	\$3.23	\$2.91	\$12.16	\$19.52
Consensus Revenue	\$15.80	\$3.70	\$2.00	\$3.00	\$3.70	\$12.60	\$16.90

FWA remains the company's dominant growth engine and the clearest driver of YoY expansion in FY26. Customer activity has strengthened as the broader inventory correction winds down, and Peraso is winning directly against incumbent solutions, including cases where OEMs abandoned less performant 60GHz competitor offerings (e.g., Qualcomm EOL, Murata exiting antennas, Sivers lacking baseband support, and European players like FaroTech closed). Importantly, new OEMs are switching to Peraso, including a \$0.9M initial production order this quarter and accelerating interest from service providers deploying high-density urban broadband.

In 3Q, revenue was \$3.2M with product sales contributing to \$3.1M (vs. \$2.2M QoQ) driven by record mmWave shipments, now at 2.2M units cumulatively, far ahead of any competitor. Gross margin expanded significantly to 56.2% (from 48.3% QoQ), benefiting from favorable product mix, sales of previously written down inventory, and modest memory NRE contribution. Operating expenses were up modestly QoQ to \$2.9M, reflecting continued cost discipline. Cash improved modestly to \$1.9M on warrant proceeds and ATM usage. Adjusted EBITDA loss improved meaningfully QoQ as operational efficiency continues to trend in the right direction. Management reiterated confidence in maintaining GM near the 50% range over the near term with additional memory sales and richer margin contribution from written down inventory.

Our \$3.00 price target equates to a 1X sales multiple on our FY26E revenue estimate of \$19.5M, assuming 7.3M shares outstanding. While we view PRSO's balance sheet and current macro conditions as key short-term risks, we believe our valuation is appropriately adjusted given the sizeable market opportunity the FWA market represents and the accelerating pace of WISP deployment and customer adoption. We think the carrier migration from mid-band to mmWave spectrum will prove to be a significant catalyst for PRSO revenue growth longer term, which is not yet reflected in our model. Additionally, the new military application has the potential to develop quickly and represents a \$500M TAM opportunity.

Peraso, Inc. (PRSO) NASDAQ

David N. Williams | 972-564-8416 | dwilliams@benchmarkcompany.com

P&L (\$M)	1Q23A MAR-23	2Q23A JUN-23	3Q23A SEP-23	4Q23A DEC-23	FY23A DEC-23	1Q24A MAR-24	2Q24A JUN-24	3Q24A SEP-24	4Q24A DEC-24	FY24A DEC-24	1Q25A MAR-25	2Q25A JUN-25	3Q25A SEP-25	4Q25E DEC-25	FY25E DEC-25	1Q26E MAR-26	2Q26E JUN-26	3Q26E SEP-26	4Q26E DEC-26	FY26E DEC-26
Total Revenue	5.0	2.4	4.5	1.8	13.7	2.7	4.2	3.8	3.7	14.4	3.8	2.2	3.2	2.9	12.2	3.6	4.4	5.2	6.3	19.5
COGS	-3.1	-1.8	-2.4	-4.5	-11.9	-1.5	-1.9	-2.0	-1.6	-7.0	-1.2	-1.1	-1.4	-1.5	-5.2	-1.7	-2.1	-2.5	-2.9	-9.2
Adjusted Gross Profit	2.3	1.1	2.6	-2.1	3.9	1.9	2.9	2.4	2.6	9.8	2.7	1.1	1.8	1.5	7.0	1.9	2.3	2.8	3.3	10.3
R&D	-3.9	-3.7	-3.5	-3.4	-14.4	-2.8	-2.6	-2.2	-1.6	-9.3	-1.6	-1.7	-1.5	-1.5	-6.3	-1.6	-1.6	-1.6	-1.6	-6.3
SG&A	-2.2	-2.0	-2.1	-2.2	-8.5	-2.1	-4.2	-2.3	-2.1	-10.7	-1.6	-1.4	-1.5	-1.5	-6.0	-1.5	-1.5	-1.5	-1.6	-6.1
Total Opex	-5.7	-5.6	-5.6	-5.5	-22.5	-4.9	-6.8	-4.5	-3.7	-20.0	-3.2	-2.9	-3.0	-3.0	-12.1	-3.1	-3.1	-3.1	-3.2	-12.5
Adjusted Opex	-4.3	-4.1	-4.0	-4.0	-16.4	-3.5	-5.4	-3.3	-3.2	-15.4	-3.1	-2.7	-2.9	-2.9	-11.6	-2.9	-3.0	-3.0	-3.0	-11.9
EBIT	-3.8	-5.0	-3.6	-8.2	-20.6	-3.6	-4.5	-2.7	-1.6	-12.4	-0.5	-1.8	-1.2	-1.6	-5.1	-1.2	-0.8	-0.4	0.2	-2.1
Adjusted EBIT	-2.0	-3.0	-1.4	-6.1	-12.5	-1.6	-2.1	-0.9	-0.6	-5.2	-0.4	-1.6	-1.1	-1.5	-4.5	-1.0	-0.7	-0.2	0.3	-1.6
Adjusted EBITDA	-1.8	-2.7	-0.9	-5.9	-11.2	-1.4	-1.9	-0.8	-0.4	-4.4	-0.3	-1.6	-1.0	-1.4	-4.3	-0.9	-0.6	-0.1	0.4	-1.2
Interest expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income / expense, net	0.6	1.0	2.9	-0.7	3.8	0.0	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Loss / income before income tax	-3.1	-4.1	-0.6	-8.9	-16.8	-3.6	-4.5	-2.7	-1.6	-12.5	-0.5	-1.8	-1.2	-1.6	-5.1	-1.1	-0.8	-0.3	0.2	-2.0
Adjusted EBT	-2.0	-3.0	-1.1	-6.8	-12.9	-1.6	-2.1	-0.9	-0.6	-5.2	-0.4	-1.6	-1.1	-1.5	-4.5	-1.0	-0.6	-0.2	0.4	-1.5
Income tax provision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
GAAP Net Income (Loss)	-3.1	-4.1	-0.6	-8.9	-16.8	-3.6	-4.4	-2.7	-1.6	-12.3	-0.5	-1.8	-1.2	-1.6	-5.1	-1.1	-0.8	-0.3	0.2	-2.0
Adjusted Net Income	-2.0	-3.0	-1.1	-6.1	-12.2	-1.6	-2.1	-0.9	-0.6	-5.2	-0.4	-1.7	-1.0	-1.5	-4.6	-1.0	-0.6	-0.2	0.4	-1.5
GAAP Diluted	-\$4.40	-\$5.71	-\$0.87	-\$12.48	-\$26.00	-\$1.90	-\$1.88	-\$0.98	-\$0.37	-\$4.36	-\$0.11	-\$0.31	-\$0.16	-\$0.22	-\$0.81	-\$0.16	-\$0.11	-\$0.04	\$0.03	-\$0.28
Adj. Diluted EPS	-\$2.77	-\$4.16	-\$1.56	-\$8.58	-\$18.97	-\$0.83	-\$0.88	-\$0.34	-\$0.13	-\$1.83	-\$0.08	-\$0.28	-\$0.15	-\$0.20	-\$0.72	-\$0.14	-\$0.09	-\$0.03	\$0.05	-\$0.20
Diluted S/O	0.7	0.7	0.7	0.7	0.6	1.9	2.4	2.8	4.3	2.8	4.8	6.0	7.3	7.3	6.3	7.3	7.3	7.3	7.3	7.3
Revenue YoY	47.9%	(43.9%)	36.0%	(52.9%)	(7.5%)	(46.8%)	76.4%	(14.3%)	100.8%	5.0%	42.0%	(47.6%)	(15.8%)	(20.9%)	(15.7%)	(4.3%)	96.4%	61.9%	116.0%	60.5%
Revenue QoQ	29.5%	(52.3%)	86.5%	(59.1%)	N/A	46.1%	58.4%	(9.4%)	(4.2%)	N/A	3.3%	(41.5%)	45.5%	(5.0%)	N/A	N/A	N/A	N/A	N/A	N/A
Cost of Revenue	54.6%	54.1%	42.0%	216.6%	72.0%	30.2%	31.2%	38.3%	28.4%	32.2%	29.5%	51.7%	43.8%	50.0%	42.3%	47.5%	47.3%	47.0%	46.8%	47.1%
Adjusted Gross Margin	45.4%	45.9%	58.0%	(116.6%)	28.0%	69.8%	68.8%	61.7%	71.6%	67.8%	70.5%	48.3%	56.2%	50.0%	57.7%	52.5%	52.8%	53.0%	53.3%	52.9%
Incremental Gross Margin	18.2%	44.9%	72.0%	178.8%	362.0%	474.5%	67.0%	137.0%	(160.7%)	867.8%	38.5%	101.8%	73.5%	111.5%	122%	470.5%	57.4%	47.9%	56.1%	45%
GAAP Gross Margin	38.3%	25.3%	45.4%	(147.3%)	13.6%	48.8%	55.5%	47.0%	56.3%	52.2%	70.5%	48.3%	56.2%	50.0%	57.7%	52.5%	52.8%	53.0%	53.3%	52.9%
R&D	77.2%	152.6%	77.8%	183.4%	104.7%	105.9%	62.4%	56.2%	44.0%	64.1%	41.7%	74.8%	47.2%	53.1%	51.9%	42.9%	36.1%	30.4%	25.6%	32.4%
SG&A	44.5%	82.3%	47.1%	118.7%	61.9%	78.6%	98.7%	61.2%	56.6%	74.2%	42.4%	63.5%	45.7%	51.4%	49.3%	41.5%	34.9%	29.4%	24.7%	31.4%
R&D Δ QoQ	(5.9%)	(5.6%)	(5.0%)	(3.6%)	N/A	(15.6%)	(6.7%)	(18.4%)	(25.1%)	N/A	(2.1%)	5.0%	6.2%	1.0%	N/A	N/A	N/A	N/A	N/A	N/A
SG&A Δ QoQ	3.2%	(11.8%)	6.8%	2.9%	N/A	(3.3%)	99.0%	(43.8%)	(11.4%)	N/A	(22.6%)	(12.4%)	6.2%	1.0%	N/A	N/A	N/A	N/A	N/A	N/A
Adjusted Opex Δ QoQ	(10.8%)	(4.2%)	(1.0%)	(0.9%)	N/A	(13.5%)	56.5%	(39.2%)	(3.1%)	N/A	(3.9%)	(11.7%)	6.2%	1.0%	N/A	N/A	N/A	N/A	N/A	N/A
Adjusted Opex Δ YoY	(38.0%)	(38.4%)	9.8%	(16.1%)	(25.3%)	(18.6%)	32.9%	(18.4%)	(20.2%)	(6.1%)	(11.4%)	(50.0%)	(12.7%)	(9.1%)	(24.8%)	(4.4%)	9.4%	4.1%	4.1%	3.1%
Adjusted Opex Margin	84.6%	169.7%	90.1%	218.4%	119.1%	129.4%	127.9%	85.8%	86.8%	106.5%	80.8%	121.9%	88.9%	99.9%	95.0%	80.7%	67.9%	57.2%	48.1%	61.0%
Adjusted Operating Margin	(39.2%)	(123.8%)	(32.1%)	(335.0%)	(91.1%)	(59.6%)	(49.1%)	(24.1%)	(15.3%)	(35.8%)	(10.2%)	(73.6%)	(32.7%)	(49.9%)	(37.3%)	(28.2%)	(15.2%)	(4.2%)	5.1%	(8.1%)
EBITDA Margin	(36.4%)	(113.4%)	(19.3%)	(322.2%)	(81.6%)	(52.5%)	(45.0%)	(19.7%)	(10.3%)	(30.8%)	(9.2%)	(72.4%)	(30.3%)	(47.7%)	(35.6%)	(26.0%)	(13.2%)	(2.5%)	6.6%	(6.3%)

Source: Company Reports and TBC estimates

12/5/25



Important Disclosures

Analyst Certification

The Benchmark Company, LLC ("Benchmark") analyst(s) whose name(s) appears on the front page of this research report certifies that the recommendations and opinions expressed herein accurately reflect the research analyst's personal views about any and all of the subject securities or issues discussed herein. Furthermore, no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the research analyst(s) in this research report.

Equity Research Ratings System

Firm, Wide Stock Ratings Distribution

As of September 30, 2025

	All Covered Companies		Investment Banking Clients	
Buy	256	74.4%	54	15.7%
Hold	69	20.1%	4	1.2%
Speculative Buy	17	4.9%	11	3.2%
Sell	2	0.6%	0	0.0%

Company Ratings

Buy: Stock is expected to outperform the analyst's defined Sector/Industry Index* over the following 6 to 12 months.

Speculative Buy: The stock has a market value below \$100M and/or a higher financial risk profile. It is expected to outperform the analyst's defined sector/industry index over the following 6 to 12 months.

Hold: Stock is expected to perform in, line with the analyst's defined Sector/Industry Index* over the following 6 to 12 months.

Sell: Stock is expected to underperform the analyst's defined Sector/Industry Index* over the following 6 to 12 months.

Industry Ratings

Overweight: Analyst's defined Sector/Industry Index* is expected to outperform the S&P 500 over the following 6 to 12 months.

Market Weight: Analyst's defined Sector/Industry Index* is expected to perform in, line with the S&P 500 over the following 6 to 12 months.

Underweight: Analyst's defined Sector/Industry Index* is expected to underperform the S&P 500 over the following 6 to 12 months.

Benchmark Disclosures as of December 5, 2025

Company	Disclosure
Peraso, Inc.	3

Research Disclosure Legend

1. In the past 12 months, Benchmark and its affiliates have received compensation for investment banking services from the subject company.
2. In the past 12 months, Benchmark and its affiliates have managed or co-managed a public offering of securities for the subject company.
3. Benchmark and its affiliates expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months.
4. The research analyst, a member of the research analyst's household, any associate of the research analyst, or any individual directly involved in the preparation of this report has a long position in the shares or derivatives of the subject company.

5. The research analyst, a member of the research analyst's household, any associate of the research analyst, or any individual directly involved in preparation of this report has a short position in the shares or derivatives of this subject company.
6. A member of the research analyst's household serves as an officer, director or advisory board member of the subject company.
7. As of the month end immediately preceding the date of publication of this report, or the prior month end if publication is within 10 days following a month end, Benchmark and its affiliates, in the aggregate, beneficially owned 1% or more of any class of equity securities of the subject company.
8. A partner, director, officer, employee or agent of Benchmark, or a member of his/her household, is an officer, director or advisor, board member of the subject company and/or one of its subsidiaries.
9. Benchmark makes a market in the securities of the subject company.
10. In the past 12 months, Benchmark, its partners, affiliates, officers or directors, or any analyst involved in the preparation of this report, has provided non, investment banking securities, related services to the subject company for remuneration.
11. In the past 12 months, Benchmark, its partners, affiliates, officers or directors, or any analyst involved in the preparation of this report, has provided non, securities related services to the subject company for remuneration.

Investment Risk

The company's mmWave and memory business customer mix is concentrated, thus PRSO is highly dependent on individual customer order trends and success; 2) WeLink is a major customer and has a history of missed and/or late payments, which negatively impacts working capital and cash flow 3) Peraso will likely require additional financial capital in the next 9-12 months; We expect losses to persist through much of 2023 with minimal cash balances unlikely sufficient to bridge to profitability; Current market conditions and PRSO's financial position may impact ability to raise capital with favorable terms; 4) The FWA market is developing quickly with many existing competitors. The market is largely dominated by incumbent wireless carriers with substantially greater resources and brand awareness than new, smaller Wireless Internet Service Providers deploying 60 GHz solutions; 5) Revenue from the memory business remains a considerable portion of total revenue, but is expected to decline over time as existing design wins run-off and no further investment to develop new products; The customer mix is highly concentrated and would be significantly impacted if displaced or designed out of upcoming platforms; 6) Gross margin on core mmWave products remains well below target levels and recent actions to improve the margin profile may be insufficient or provide only incremental improvement, unfavorably affecting our estimates 7) If he company fails to secure orders for its mmWave modules and IC products as expected, or if adoption fails to materialize, the company will require additional capital to continue operations, potentially having a substantial negative impact to our estimates, outlook, and rating.



Valuation Methodology

Our \$3.00 price target equates to a 1X sales multiple on our FY26E revenue estimate of \$19.5M, assuming 7.3M shares outstanding. While we view PRSO's balance sheet and current macro conditions as key short-term risks, we believe our valuation is appropriately adjusted given the sizeable market opportunity the FWA market represents and the accelerating pace of WISP deployment and customer adoption. We think the carrier migration from mid-band to mmWave spectrum will prove to be a significant catalyst for PRSO revenue growth longer term, which is not yet reflected in our model. Additionally, the new military application has the potential to develop quickly and represents a \$500M TAM opportunity.

Price Charts

Benchmark's disclosure price charts are updated within the first fifteen days of each new calendar quarter per FINRA regulations. Price charts for companies initiated upon in the current quarter, and rating and target price changes occurring in the current quarter, will not be displayed until the following quarter. Additional information on recommended securities is available on request.



This publication is being furnished to you for informational purposes only and on the condition that it will not form a primary basis for any investment decision. Each investor must make its own determination of the appropriateness of an investment in any securities referred to herein based on the legal, tax and accounting considerations applicable to such investor and its own investment strategy. By virtue of this publication, none of The Benchmark Company, LLC or any of its employees shall be responsible for any investment decision.

This report may discuss numerous securities, some of which may not be qualified for sale in certain states and may therefore not be offered to investors in such states.

The "Recent Price" stated on the cover page reflects the nearest closing price prior to the date of publication.

For additional disclosure information regarding the companies in this report, please contact The Benchmark Company, LLC, 150 East 58th Street, New York, NY 10155, 212, 312, 6770.

The Benchmark Company, LLC is not in any way affiliated with or endorsed by the Menlo Park, California venture capital firm Benchmark Capital.

This report may not be reproduced, distributed, or published without the prior consent of The Benchmark Company, LLC. Copyright ©2025. All rights reserved by The Benchmark Company, LLC.

General Disclosures

The Benchmark Company, LLC. ("Benchmark" or "the Firm") compensates research analysts, like other Firm employees, based on the Firm's overall revenue and profitability, which includes revenues from the Firm's institutional sales, trading, and investment banking departments. No portion of the analyst's compensation is based on a specific banking transaction. Analyst compensation is based upon a variety of factors, including the quality of analysis, performance of recommendations and overall service to the Firm's institutional clients.

This publication does not constitute an offer or solicitation of any transaction in any securities referred to herein. Ratings that use the "Speculative" risk qualifier are considered higher risk. Any recommendation contained herein may not be suitable for all investors.

The Benchmark Company, LLC makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. We have no obligation to disclose when information in this report changes apart from when we intend to discontinue research coverage of a subject company. Although the information contained in the subject report has been obtained from sources, we believe to be reliable, its accuracy and completeness cannot be guaranteed.

This publication and any recommendation contained herein speak only as of the date hereof and are subject to change without notice. The Benchmark Company, LLC and its affiliated companies and employees shall have no obligation to update or amend any information herein.

