

## *MobilEye Securities Litigation*

**COURT:** United States District Court for the Southern District of New York  
**CASE NUMBER:** 1:24-cv-00310-DLC; 1:24-cv-03190-DLC  
**CLASS PERIOD:** 01/26/2023 - 01/03/2024  
**CASE LEADERS:** John Rizio-Hamilton, Jesse L. Jensen  
**CASE TEAM:** Mathews R. de Carvalho

Mobileye is an Israel-based technology company that develops advanced driver assistance systems (“ADAS”) and autonomous driving software and hardware products. Its core product is its EyeQ SoC, a computer chip used in vehicles for driver-assistance and partial autonomous driving. Mobileye generates most of its revenue from selling its EyeQ chip to Tier 1 automotive suppliers which, in turn, sell the product to vehicle manufacturers.

Throughout the Class Period, Mobileye repeatedly assured investors that “management is monitoring inventory levels on an ongoing basis” and that the Company would only sell product to customers based on market conditions. In truth, Mobileye sold millions of EyeQ chips to its customers in excess of true market demand, which caused its customers to build up massive amounts of unused inventory. Because of the buildup of excess inventory that Mobileye had forced into the channel, the Company’s customers would need to buy less product in the future as they worked through the excess volume first.

The truth began to emerge on January 4, 2024, when Mobileye shocked the market by issuing guidance for 2024 that missed analysts’ expectations substantially. The Company disclosed, for the first time, that since 2021, its largest customers had built up excess inventory of between 6 and 7 million units of Mobileye’s EyeQ chips, which those customers would first need to destock before ordering additional units from the Company. As a result, the Company revealed that lower-than-expected volumes of EyeQ chip sales would negatively impact Mobileye’s profitability. The Company also revealed that, for the first quarter of 2024, its revenue would decline by approximately 50% year-over-year. For the 2024 fiscal year, Mobileye expected significantly lower revenue than the Company had reported for 2023. This dismal guidance was primarily driven by the Company’s expected shipment of between just 31 and 33 million EyeQ units during 2024, as compared to the 37 million units Mobileye shipped to customers in 2023. As a result of these disclosures, the price of Mobileye stock declined by \$9.75 per share, or 24.5%, from \$39.72 per share to \$29.97 per share, wiping out almost \$900 million in shareholder value. Mobileye then revealed the full extent of the inventory problems on August 1, 2024, when it announced that it expected to sell just 28-29 million units for the year, down from the 31-33 million units previously guided. On this news, Mobileye’s stock price dropped significantly once again, from \$21.00 to \$16.28, or 22.5%.

On July 12, 2024, the Honorable Denise L. Cote appointed the Retirement Plan for Chicago Transit Authority Employees as Lead Plaintiff and BLB&G as Lead Counsel. On September 13, 2024, Lead Plaintiff filed the operative complaint. Defendants’ motion to dismiss is due on October 25, 2024.

### **Case Documents**

- November 22, 2024 - Second Amended Class Action Complaint