SIKULI CAPITAL

Conviction through contrarian research

Astera Labs (ALAB)

Valuation Snapshot — Fair Value Range

As of May 20, 2026 | *PCIe + AI connectivity silicon*

CURRENT PRICE	PROBABILITY-WEIGHTED FAIR VALUE	FAIR VALUE RANGE
$273.02	**~$210**	**$135 – $290**
May 2026	*Bull 25% / Base 50% / Bear 25%*	*Approximately fair; PT $200-$297*

Verdict: ALAB delivered record Q1 2026 revenue of $308M (+93% YoY, +14% QoQ) with adj EPS of $0.61 (beat $0.54). Q2 guide of $355-365M (+15-18% QoQ) and 73% non-GAAP GM continues the AI infra growth narrative[1]. Scorpio X/P PCIe 6 family now drives 30%+ of quarterly revenue growth. At forward EV/Sales ~26-28x[2], valuation is rich but consistent with AI infra peers. Analyst PT range $200-$297. Bull case requires Scorpio scaling + share gains in PCIe Gen 7; bear case is multiple compression on any growth deceleration.

CURRENT SNAPSHOT

Metric	Value	Notes / Source
Stock price	**$213.91**	Post-earnings AH [3]
Market cap	**$34.25B**	[3]
Q1 2026 revenue	**$308.4M (+93%)**	+14% QoQ [1]
Q1 2026 adj EPS	**$0.61**	Beat $0.54 [1]
Q2 2026 revenue guide	**$355M – $365M**	+15-18% QoQ [1]
Q2 2026 non-GAAP GM guide	**~73%**	[1]
Forward EV/Sales	**~26-28x**	[2]
Analyst PT range	**$200 – $297**	[2]

BULL / BASE / BEAR SCENARIOS

Scenario (weight)	Assumptions	Fair Value
Bull (25%)	Scorpio scales to $1B+ ARR, PCIe Gen 7 design wins, multiple stays premium	**$290**
Base (50%)	Hit Q2 guide, +75% growth FY26, multiple holds at 25x EV/Sales	**$210**

Scenario (weight)	Assumptions	Fair Value
Bear (25%)	AI capex slows, multiple compresses to 16x EV/Sales	**$135**
Probability-weighted	*AI connectivity leader; valuation full but supported by execution.*	**~$210**

Key Risks

- **Hyperscaler capex:** AI infra spending the dominant demand driver; pause hits hard.
- **Competition:** Broadcom, Marvell, Credo all compete; in-house ASIC at hyperscalers possible.
- **Multiple compression:** EV/Sales >25x leaves no margin for error.
- **Customer concentration:** Top customers represent large share; loss material.

What Would Change Our View

- **Upside:** Q2 beat above $365M, PCIe Gen 7 design win, FY26 guide raise.
- **Downside:** Q2 miss, customer concentration loss, AI capex pause.

Sources

[1] https://www.sec.gov/Archives/edgar/data/0001736297/000173629726000017/q126exhibit991.htm
[2] https://seekingalpha.com/article/4899124-astera-labs-stock-superb-q1-but-faster-times-ahead
[3] https://finance.yahoo.com/quote/ALAB/

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