EQUITY RESEARCH — INITIATING COVERAGE

T1 Energy Inc. (NYSE: TE)

America's Vertically Integrated Solar & Storage Powerhouse

RATING	CURRENT PRICE	12-MO TARGET
BUY	**$9.13**	**$16.00**

Market Cap	EV	Shares Out	52-Wk Range
$2.55B	$3.45B	279.3M	$1.06 – $12.49

2026E Revenue	2026E EBITDA	2027E EBITDA	Net Debt
~$700–800M	$25–50M	$375–465M	$503M

Date: June 8, 2026 | Analyst: Independent Research | Sector: Clean Energy / Domestic Manufacturing

EXECUTIVE SUMMARY & INVESTMENT THESIS

T1 Energy is one of the most asymmetric risk/reward opportunities in the U.S. clean energy space today. The company is executing a high-conviction bet on domestic solar manufacturing at precisely the moment U.S. policy, AI-driven power demand, and trade protectionism are converging to create a structural tailwind that is unlikely to be replicated.

We initiate coverage with a BUY rating and a 12-month price target of $16.00, representing approximately 75% upside from current levels. Our thesis rests on five pillars:

- **1.** G1 Dallas is a proven, producing asset generating real EBITDA — the operational risk is already de-risked.
- **2.** G2 Austin, once funded and online, transforms T1 into a vertically integrated manufacturer with 3x the EBITDA capacity of G1 alone.
- **3.** Section 232 tariffs on foreign polysilicon represent a binary policy catalyst that could structurally reprice the entire domestic solar manufacturing sector.
- **4.** The KORE acquisition adds a $15–20M EBITDA business in 2027, positions T1 as a solar-plus-storage platform for hyperscalers, and opens a new addressable market.
- **5.** Demand already exceeds 100% of 2027–2028 combined G1/G2 capacity — this is a supply-constrained story, not a demand problem.

The primary near-term risk is the pending $225M debt financing for G2 Austin, which management committed to announce in Q2 2026 (by June 30). A parallel short seller campaign and DOJ/SEC subpoenas create headline risk. However, management's track record of upsizing every prior capital raise, combined with today's institutional accumulation pattern, suggests the deal is close to announcement.

COMPANY OVERVIEW

Corporate History & Transformation

T1 Energy Inc. (formerly FREYR Battery) completed a transformative pivot in December 2024, acquiring the G1 Dallas solar module manufacturing facility from Trina Solar and rebranding from a Norwegian battery SPAC into a U.S.-focused solar and energy storage manufacturer. The transformation was rapid and decisive — within 12 months the company went from near-zero revenue to $755M in annual sales.

CEO Dan Barcelo, a CFA charterholder with energy sector and capital markets experience, has led the company since November 2024. His compensation structure — 94% equity-linked — aligns him squarely with shareholders. Management owns meaningful stakes in the company and has demonstrated a consistent willingness to deliver on stated milestones.

Operating Assets

Asset	Location	Capacity	Status
G1 Dallas	Texas	5 GW modules/yr	Fully Operational
G2 Austin (Ph.1)	Rockdale, TX	2.1 GW cells/yr	Under Construction — Q4 2026E
G2 Austin (Ph.2)	Rockdale, TX	3.2 GW cells/yr	Planned (post-2027)
T1 NRI (KORE)	U.S. Nationwide	1,100+ BESS Projects	Acquisition Q2 2026

FINANCIAL SNAPSHOT

Current State — 2026 Bridge Year

2026 is explicitly a bridge year for T1. The company is investing heavily in G2 Austin while G1 Dallas generates improving but not yet transformative EBITDA. Q1 2026 was a landmark quarter — the first with meaningful positive metrics:

Metric	Q1 2026	Q1 2025
Net Sales	$177.6M	$53.5M
Net Income (Cont. Ops)	$3.9M	-$17.1M
Adjusted EBITDA	$9.1M (record)	-
Gross Margin	~17%	~5%
G1 Production	683 MW (2.7GW ann.)	~400 MW

The shift from merchant sales to fixed-margin and cost-plus offtake contracts is the key driver of margin improvement. With 3 GW contracted for 2026 (1 GW cost-plus, 2 GW fixed-margin), revenue and EBITDA are becoming more predictable. We estimate full-year 2026 revenue of $700–800M and EBITDA of $25–50M from G1 operations alone.

Capital Structure

Item	Amount
Total Debt	$549.8M
Cash & Equivalents	$46.4M
Net Debt	$503.4M
4.00% Conv. Notes Due 2031 (April 2026)	$174.7M net proceeds
Remaining G2 Ph.1 CapEx Needed	~$225M (debt targeted Q2 2026)
Shares Outstanding	279.3M
Short Interest	49.1M shares (17.6% of float)
Days to Cover	11.44 days

Valuation — Current vs. Target

Metric	Current	Base (2027E)	Bull (2027E)
EBITDA	$9.1M (Q1 ann.)	$390M midpoint	$465M+
EV/EBITDA Multiple	~95x (TTM)	10x	12–15x
Implied EV	$3.45B	$3.9B	$5.6–7.0B
Implied Price/Share	$9.13 (actual)	$12–14	$18–25
P/S Ratio	2.6x (vs 4x peers)	—	—
DCF Fair Value	—	$13.07 (SWS est.)	—

G2 AUSTIN — THE TRANSFORMATIONAL ASSET

Why G2 Austin Changes Everything

G2 Austin is not simply an expansion — it is the missing link in the domestic solar supply chain. Currently, T1's G1 Dallas manufactures modules but must source solar cells from overseas suppliers. G2 Austin, once operational, will manufacture the cells domestically using U.S.-sourced polysilicon (Hemlock) and wafers (Corning), creating a fully vertically integrated supply chain that no other U.S. company currently possesses at scale.

Phase 1 of G2 Austin, at 2.1 GW annual capacity, will by itself be larger than the entire existing U.S. capacity to manufacture silicon-based solar cells — making T1 the dominant domestic cell manufacturer from day one of production.

G2 Construction & Financing Status

Milestone	Status	Timeline
Total Phase 1 CapEx	$400–425M	—
Capital Raised (Equity/Convert.)	~$200M+ deployed	Through Q1 2026
April 2026 Conv. Note Offering	$174.7M net proceeds	Completed — upsized
Remaining Debt Financing Needed	~$225M	Target: Q2 2026 (June)
Ground Works / Infrastructure	Complete	Q1 2026
Steel Package Ordered	Complete	Q1 2026
Concrete Works Commenced	Underway	April 2026
Structural Steel Erection	Commenced May 2026	May–Q3 2026
Initial Cell Production Target	On Schedule	Q4 2026

Production & EBITDA Impact

The impact of G2 Phase 1 coming online is dramatic and non-linear. Integrating cell production with module manufacturing eliminates the largest single cost component — purchased solar cells — dramatically expanding margins:

Scenario	G1 Capacity	G2 Ph.1	Total GW	EBITDA Target
2026 (G1 Only)	3.1–4.2 GW	0	3.1–4.2 GW	$25–50M
2027 (G1 + G2 Ph.1)	~5 GW	2.1 GW	~7 GW	$375–450M
Long-Term (Fully Integrated)	5 GW	5.3 GW	~10 GW	$650–700M

The step-change from ~$40M to ~$412M EBITDA in a single year (2026 to 2027) is exceptional. It reflects the vertical integration premium — selling fully integrated U.S.-made modules carries significantly higher margins than assembling modules from imported cells. This is the core of the bull case.

DEMAND & BACKLOG

Offtake & Commercial Pipeline

T1's commercial position is arguably the strongest part of the investment thesis. Demand is not the risk here — supply is. The company has confirmed that indicative customer demand for combined G1/G2 production already exceeds 100% of anticipated capacity for 2027–2028. This is before a single cell rolls out of G2 Austin.

Commercial Item	Detail	Significance
Treaty Oak Clean Energy	3-yr contract, min 900 MW/yr	Anchor offtake starting 2027
Trina Group Offtake	$90M deferred revenue (Q1'26)	Related-party sales base
G1 2026 Contracted Volume	3 GW (1 GW cost+, 2 GW fixed)	Predictable 2026 revenue
Total Opportunity Pipeline	41 GW identified across stages	Enormous funnel vs capacity
Advanced Offtake Pursuits	10+ GW	High-probability conversions
Merchant Sales Pipeline	~13 GW under discussion	Upside to contracted base
G1/G2 2027-28 Demand Coverage	>100% of capacity	Supply-constrained story

The 41 GW total opportunity pipeline dwarfs T1's ~7 GW near-term production capacity, providing management with significant pricing power and the ability to be selective on contract terms. The shift from merchant sales (commodity pricing) to fixed-margin and cost-plus structures is already visible in Q1 2026 margin improvement.

SECTION 232 — THE POLICY CATALYST

What Is It?

On July 1, 2025, the U.S. Department of Commerce launched a national security investigation into imported polysilicon and its derivatives — including silicon wafers, solar cells, and modules — under Section 232 of the Trade Expansion Act of 1962. The investigation was initiated on the grounds that U.S. dependence on Chinese-controlled polysilicon supply chains represents a national security threat.

The investigation is expected to result in either tariffs, tariff-rate quotas (TRQs), price floors, or a combination thereof on imported polysilicon and derivative products. A Section 232 ruling is a presidential proclamation — once Commerce submits its report, the President has 90 days to act.

Why T1 Is Positioned to Win

T1 Energy is almost uniquely positioned to benefit from a Section 232 ruling. Its competitive advantage is structural:

- U.S. polysilicon supply agreement with Hemlock Semiconductor (Michigan) — one of only two U.S. solar-grade polysilicon producers
- U.S. wafer supply agreement with Corning Inc. (New York)
- G2 Austin cell manufacturing using this domestic polysilicon chain
- G1 Dallas module manufacturing completing the integrated domestic pipeline

Foreign competitors — primarily Chinese-linked manufacturers — would face steep tariffs or quota restrictions on their polysilicon supply, raising their cost structure and making T1's domestically-sourced product competitively superior. This is not a marginal advantage; it could be the difference between a viable and non-viable business model for Chinese-linked competitors in the U.S. market.

Financial Impact Scenarios

Scenario	Tariff Structure	T1 Price Uplift	EBITDA Impact
Status Quo	No ruling	None	Base case only
Moderate 232	TRQ + 25% tariff	+$0.02–0.04/W	+$40–80M to 2027E
Aggressive 232	TRQ + 50%+ tariff	+$0.05–0.10/W	+$100M+ to 2027E
Extreme 232	Near-prohibition on imports	Dominant pricing power	Transforms earnings model

The investigation is accelerating due to China's rare earth export controls, which the White House has treated as a national security provocation. This increases the probability of a meaningful ruling before year-end 2026. A Section 232 outcome is not in consensus models — it represents pure upside to current analyst estimates.

KORE POWER ACQUISITION — STRATEGIC RATIONALE

Transaction Summary

On June 3, 2026, T1 announced the acquisition of KORE Power Inc. for an enterprise value of approximately $32 million (equity, cash, and assumed debt), with up to $9.6 million in equity-based earnouts tied to 2026–2027 performance. The transaction is expected to close in Q2 2026, pending KORE shareholder approval. T1 plans to rebrand KORE as "T1 NRI."

What KORE Brings

- NRI Division: 50+ year history designing, deploying, and operating utility-scale BESS systems. Over 1,100 BESS projects deployed globally.
- Government & Institutional Relationships: Existing customer base includes U.S. Government, National Labs, utilities, and developers — relationships T1 could not build from scratch quickly.
- Domestic Software & Controls: All software and controls development performed in the U.S. — critical for FEOC compliance and government contracting.
- AI Data Center Pipeline: KORE's NRI division is specifically focused on hyperscaler and industrial power needs — precisely the customer segment driving T1's offtake demand.

Financial Contribution

Item	Estimate
Acquisition Price	~$32M EV + $9.6M earnout
2026 EBITDA Contribution	Positive (management guided)
2027 EBITDA Contribution	$15–20M
Combined 2027E EBITDA (incl. KORE)	$390–470M
U.S. BESS Market (2035E, Rystad)	143 GWh (from 45 GWh today)

Strategic Logic

The acquisition is strategically coherent, not opportunistic. AI data centers require 24/7 reliable power. Solar alone cannot deliver this. By combining T1's solar manufacturing with KORE's storage integration capability, T1 can offer a turnkey solar-plus-storage solution — the product hyperscalers actually want to buy.

At $32M, the acquisition price is modest relative to the strategic optionality it creates. KORE's 1,100-project track record and 50-year operating history would cost multiples of this to replicate organically. The $15–20M 2027 EBITDA contribution implies a purchase multiple of under 2x 2027 EBITDA — an exceptional entry price.

The timing concern — acquiring a company while still closing a $225M debt deal — is addressed by management's apparent confidence in the financing timeline. If anything, announcing KORE alongside an imminent debt deal announcement signals that management considers the financing essentially done.

KEY RISKS & BEAR CASE

Risk Matrix

Risk	Probability	Severity	Mitigation
G2 Debt Deal Delayed/Fails	Medium	HIGH	Management committed publicly; every prior raise upsized
FEOC Non-Compliance (Fuzzy Panda)	Low-Medium	HIGH	Roth Capital rebutted point-by-point; T1 sold $160M in credits successfully
DOJ/SEC Subpoenas	Ongoing	MEDIUM	Subpoenas are investigatory, not charges; common in complex manufacturing
G2 Construction Delay	Low-Medium	HIGH	Management reconfirmed Q4 schedule; concrete + steel underway
45X Tax Credit Risk	Low	MEDIUM	Already monetized $160M; standard accounting per Roth Capital
Section 232 No Ruling	Low-Medium	MEDIUM	Even without 232, demand exceeds capacity at current pricing
Dilution Risk	Medium	LOW-MED	Shelf registration in place; but every raise has been at premium
Trina Solar Concentration	Ongoing	MEDIUM	99% Q1 revenue from Trina group; diversification is G2's purpose

The Fuzzy Panda Short Report — Our Assessment

On May 19, 2026, short seller Fuzzy Panda Research published a report alleging FEOC non-compliance, improper tax credit accounting, and G2 construction delays. The stock dropped 11% on the day, recovered 26% the following day after Roth Capital's rebuttal.

Our assessment of the key allegations:

- **FEOC Risk:** FEOC / Evervolt Allegation: Fuzzy Panda claims T1's IP transfer to Singapore-based Evervolt missed the IRS July 2025 deadline (dated December 2025). This is the most serious allegation. However, T1 successfully sold $160M in 45X credits to an investment-grade buyer — a sophisticated counterparty that would have conducted extensive FEOC due diligence before transacting. This is the strongest counter-evidence to the compliance concern.
- **45X Accounting:** Tax Credit Accounting: Roth Capital confirmed that booking 45X credits as a non-cash offset to COGS is standard practice once eligible products are produced and sold, with receipt reasonably assured. This allegation appears to mischaracterize standard GAAP treatment.
- **G2 Delay Claim:** G2 Construction: Drone footage from early May showing "limited progress" is consistent with what you'd expect to see weeks after concrete works commenced. Management's Q1 call described exactly this construction phase as on-schedule.
- **DOJ/SEC Subpoenas:** The DOJ/SEC subpoenas are real and represent genuine tail risk. However, they are investigatory, not indicative of charges. Many complex manufacturing and tax credit situations attract regulatory scrutiny.

PRICE TARGET & SCENARIO ANALYSIS

Valuation Framework

We value T1 Energy on a forward EV/EBITDA basis, using 2027 management guidance as the anchor. Given the company is in a heavy build phase, trailing metrics are not meaningful. Our 12-month price target of $16.00 represents a 10x EV/EBITDA multiple on the midpoint of 2027E EBITDA guidance, inclusive of KORE contribution.

Scenario	2027E EBITDA	EV/EBITDA	Implied Price	Key Assumption
Bear Case	$200M	8x	~$5–6	Debt delayed, 45X credits impaired
Base Case	$390M	10x	~$12–14	G2 on time, no Section 232
Our Target	$412M	10x	$16.00	G2 on time + KORE + modest 232
Bull Case	$465M	12x	~$18–22	Full execution + aggressive 232
Blue Sky	$550M+	15x+	$25–30+	All above + squeeze + re-rating

Near-Term Catalysts & Timeline

Timing	Catalyst	Bull Impact	Bear Impact
June 2026	$225M Debt Deal Announced	+20–35% re-rate	If delayed: -15 to -25%
Q2 2026	KORE Acquisition Closes	+5–10% multiple expansion	Earnout disputes: minimal
H2 2026	Section 232 Ruling	+15–40% pricing uplift thesis	No ruling: neutral to slight neg
Q4 2026	G2 Austin First Cells Produced	+25–40% milestone de-risk	Delay: -20 to -30%
2027	G1/G2 EBITDA Ramp Begins	Re-rating to $14–18	Miss guidance: -30%+
Ongoing	New Offtake Signings	Demand narrative strengthens	Minimal — already >100% covered

TODAY'S MARKET DYNAMICS (June 8, 2026)

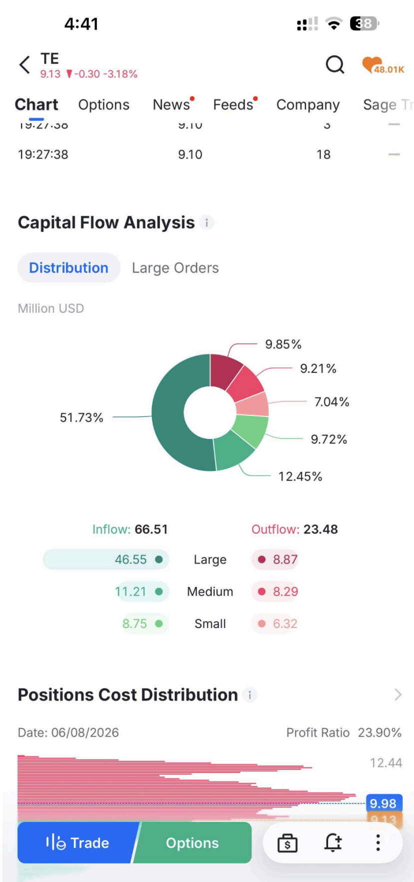
Capital Flow Signal — Highly Unusual

Today's trading session presents a technically significant setup that warrants attention independent of the fundamental thesis:

- Large order net inflow: $37.69M — the largest single-day institutional inflow in the past week by a wide margin
- Stock price: Down 3.18% ($9.13) despite this inflow — classic accumulation into seller pressure
- Short interest: 49.1M shares (17.6% of float), 11.44 days to cover — extremely elevated
- Capital flow distribution: Large orders $46.55M inflow vs $8.87M outflow — institutions buying overwhelmingly

When institutional buyers absorb $37M+ in selling pressure and price still declines, it indicates a large seller (likely a short seller defending position) is actively supplying stock. This is textbook pre-catalyst accumulation — informed buyers loading up before an announcement while shorts attempt to keep the price suppressed.

With 11.44 days to cover, any positive catalyst — particularly the debt financing announcement expected this month — could trigger a mechanical short squeeze that dramatically accelerates the move beyond what fundamentals alone would produce on the timeline.



CONCLUSION & RECOMMENDATION

RATING	PRICE TARGET	UPSIDE
BUY	**$16.00**	**~75%**

T1 Energy represents a rare convergence of operational execution, policy tailwinds, supply-demand imbalance, and near-term binary catalysts. The company has transformed from a Norwegian battery SPAC into the most advanced vertically integrated domestic solar manufacturer in the United States — in under 18 months.

The investment is not without risk. The DOJ/SEC subpoenas, the Fuzzy Panda FEOC allegations, and the pending debt financing create meaningful near-term uncertainty. However, the weight of evidence — management's track record of delivering on and upsizing capital commitments, G1's operational proof, the demand backlog exceeding 100% of 2027–2028 capacity, and today's institutional accumulation signal — points toward a favorable resolution.

The $16.00 price target is not a stretch. It requires only that management delivers what it has publicly committed to: debt financing closed, G2 Austin on schedule for Q4 2026 first production, and the 2027 EBITDA ramp proceeding broadly in line with guidance. At 10x 2027E EBITDA including KORE, this is a conservative multiple for a domestically dominant manufacturing franchise with contractual revenue, policy protection, and a customer pipeline that exceeds its supply capacity.

For investors with appropriate risk tolerance, the current price represents an attractive entry point with the debt financing catalyst potentially weeks away.