

# GSI Technology Inc.

## Equity Research Report

Independent Analysis

October 7, 2025

### **Abstract**

This report presents a comprehensive equity analysis of GSI Technology Inc. (NASDAQ: GSIT), covering financial performance from 2011 to 2025. The analysis includes trend analysis, valuation assessment, scenario modeling, and strategic evaluation to provide an informed investment recommendation.

## Contents

# 1 Executive Summary

**Company:** GSI Technology Inc. (NASDAQ: GSIT)

**Analysis Date:** 2025-10-07

**Investment Recommendation:** SELL

**Confidence Level:** Medium

**Investment Score:** -2/10

## 1.1 Key Findings

- Revenue declining at -15.0% 3-year CAGR
- Gross margins remain strong at 63.9%
- Operating margins negative at -73.2%
- Cash position critical at \$995K

## 1.2 Investment Suitability

High-risk/high-reward opportunity investors

## 2 Financial Performance Analysis

### 2.1 Revenue Analysis

Table 1: Revenue Growth Metrics (10-Year)

Year	Revenue	Revenue Growth Yoy	Revenue Cagr 3Y
2,016.00	52,736.00	-9.97	-7.21
2,017.00	52,736.00	0.00	-3.44
2,018.00	42,643.00	-19.14	-6.84
2,019.00	51,486.00	20.74	-0.80
2,020.00	43,343.00	-15.82	0.54
2,021.00	43,343.00	0.00	-5.58
2,022.00	27,729.00	-36.02	-13.83
2,023.00	33,384.00	20.39	-8.33
2,024.00	21,765.00	-34.80	-7.76
2,025.00	20,518.00	-5.73	-14.98

### 2.2 Profitability Analysis

Table 2: Profitability Margins (10-Year)

Year	Revenue	Gross Margin	Operating Margin	Net Margin
2,016.00	52,736.00	47.64	-11.46	4.11
2,017.00	52,736.00	50.09	-1.00	0.22
2,018.00	42,643.00	61.95	-1.24	—
2,019.00	51,486.00	43.56	-8.68	0.32
2,020.00	43,343.00	72.97	-0.42	23.85
2,021.00	43,343.00	30.49	-49.06	23.85
2,022.00	27,729.00	66.85	-58.97	—
2,023.00	33,384.00	52.96	-47.35	—
2,024.00	21,765.00	81.24	-72.63	—
2,025.00	20,518.00	57.62	-99.58	—

### 2.3 Balance Sheet Strength

Table 3: Balance Sheet Metrics (10-Year)

Year	Cash	Total Assets	Current Ratio	Debt To Equity
2,016.00	4,813.00	—	7.79	0.00
2,017.00	1,773.00	—	6.52	—
2,018.00	6,505.00	—	9.63	—
2,019.00	2,254.00	—	8.86	—
2,020.00	9,011.00	—	9.58	—
2,021.00	44,234.00	87,612.00	8.50	—
2,022.00	36,971.00	76,422.00	8.50	—
2,023.00	27,212.00	59,876.00	6.17	—
2,024.00	12,783.00	42,464.00	5.61	—
2,025.00	995.00	43,317.00	3.32	—

### 3 Scenario Analysis

Three scenarios have been modeled to assess potential outcomes:

Table 4: Investment Scenarios - Bull/Base/Bear Analysis

Name	Probability	Five Year Revenue	Five Year Cagr	Implied Enterprise
Bull Case - Successful Turnaround	25	33,044.44	10.00	99,
Base Case - Stabilization	50	22,420.57	1.79	33,
Bear Case - Continued Decline	25	12,115.67	-10.00	6,

#### 3.1 Scenario Implications

**Bull Case - Successful Turnaround** (25% probability) 5-Year Revenue: \$33,044K, CAGR: 10.0%, Valuation: \$99,133K

**Base Case - Stabilization** (50% probability) 5-Year Revenue: \$22,421K, CAGR: 1.8%, Valuation: \$33,631K

**Bear Case - Continued Decline** (25% probability) 5-Year Revenue: \$12,116K, CAGR: -10.0%, Valuation: \$6,058K

## **4 Investment Recommendation**

### **4.1 Primary Recommendation: SELL**

#### **4.1.1 Recommendation by Time Horizon**

- **Short-term (1-2 years): SPECULATIVE**
- **Medium-term (3-5 years): HOLD**
- **Long-term (5+ years): SPECULATIVE BUY**

### **4.2 Risk Factors**

- Revenue decline: -53% over 5 years
- Negative operating margins averaging -73%
- Critical cash position of \$1M with 12-month runway
- High stock-based compensation (14.8% of revenue)

### **4.3 Investment Opportunities**

- Strong gross margins (64% average)
- Potential acquisition target
- APU technology AI/ML applications
- Undervalued based on book value