



WidePoint Corporation

WYY (NYSE American) - Buy \$6 Price Target

3Q Results – November 18, 2024

Reiterate Buy as WidePoint Likely to Exceed '24 Guide with a Plethora of Contracts on Tap

Analyst: Barry M. Sine, CFA, CMT

- WidePoint is a cybersecurity-focused SaaS (software as a service) company serving mainly highly sensitive government agencies such as the DoD and DHS.
- It reported much better than expected 3Q results and is on track to exceed the high end of guidance for the year with our estimate of 28% revenue growth and positive EBITDA and free cash flow.
- As we discuss in this report, there are three major contracts likely to drive growth from 2025, one of which has already been awarded and another that we think it is highly likely to win for the third time.
- The company is also now cash flow positive with EBITDA more than covering minimal CAPX. The free cash flow yield is an attractive 9% on our 2025 FCF estimate.
- WidePoint operates as a SaaS company, but the stock trades at a 75% discount to the lofty 34x EV/EBITDA multiple of SaaS stocks (comps table at the end of this report).
- Our \$6 target implies a multiple of just 15x on our 2025 EBITDA estimate.

Rating	Buy	Earnings Per Share				Normalized to exclude unusual items			
Target Price	\$6.00	FYE - December				2023	2024E	2025E	2026E
Ticker Symbol	WYY	1Q - March	(\$0.11)	(\$0.07) A	(\$0.03)	\$0.03			
Market	NASDAQ	2Q - June	(\$0.10)	(\$0.05) A	(\$0.03)	\$0.01			
Stock Price	\$3.71	3Q - September	(\$0.10)	(\$0.04) A	(\$0.13)	(\$0.10)			
52 wk High	\$4.55	4Q - December	(\$0.15)	(\$0.07)	(\$0.00)	\$0.05			
52 wk Low	\$1.65	Year	(\$0.46)	(\$0.24)	(\$0.20)	(\$0.01)			
Shares Outstanding:	9.8 M	Revenue (\$mm)	106.0	136.0	150.9	167.9			
Public Market Float:	7.6 M	EV/Rev	0.3X	0.2X	0.2X	0.2X			
Avg. Daily Volume	59,448	EBITDA (\$mm)	0.8	2.3	3.5	4.6			
Market Capitalization:	\$36.4 M	EV/EBITDA	38.8X	13.6X	8.7X	6.7X			
Institutional Holdings:	11.1%								
Dividend Yield:	0.0%								

Risks/Valuation

- The key risk we see is cyber security risks as nearly all of the company's services are provided over the internet and it serves some high visibility customers such as the DoD and DHS.
- We value WYY shares on an EV/EBITDA multiple basis and assume that the current wide valuation gap with larger SaaS comps will narrow as WidePoint's results look more SaaS-like.

Company description: WidePoint is a Fairfax, Virginia-based SaaS company with 80% of its revenue from the U.S. government and 20% from commercial, state, and local customers. Its four product categories are telecom lifecycle management, identity management, telecom billing analytics, and IT as a service.



WidePoint Corporation

WYY (NYSE American) - Buy \$6 Price Target

Reiterate Buy as WidePoint Likely to Exceed '24 Guidance with a Plethora of Contracts on Tap

In the wake of WidePoint's third-quarter results, we reiterate our Buy rating as we expect the company to exceed the high end of its 2024 guidance of \$133 million in revenue and \$2.4 million in EBITDA. But more importantly, the company has a number of major contracts it is vying for, with a good chance of success, in our view:

- The first is the third iteration of the Department of Homeland Security (DHS) Carrier Managed Wireless Services (CWMS). The company won both the first and second iterations and the language from DHS suggests that it is happy with the incumbent. CWMS was originally a five-year, \$500 million contract vehicle and it has now been raised by 51% to \$754 million. CWMS is expected to be a 10-year contract and if we just double where CWMS 2.0 ended, we get to a \$1.5 billion contract size. If this too increases by 51% over its term, the size would be around \$2.2 billion. We think this is likely given the missions of DHS including FEMA, CBP, and ICE, and the President-elect's campaign platform which called for a significant increase in immigration enforcement. We expect DHS to issue a request for proposals next summer and, hopefully, an award by year-end 2025. We assign a very high probability of WidePoint winning this contract.
- The company has already been awarded one of seven participants in the U.S. Navy's Spiral 4 contract which is worth \$2.7 billion over ten years. It is still early, but the company is already seeing activity under this contract.
- The next potential major win is NASA's SEWP 6 contract platform which is to be \$60 billion over ten years. Under this contract, NASA procures services for other government agencies, due to its relative efficiency compared to other government agencies. We also expect RFP and award activity on this contract next year. However, we have little data on which to handicap WidePoint's chances, so we assign it a low probability. Even if the company does not prevail, there are still annual on-ramps to enter this contract platform annually.
- The company has also won and deployed its innovative new Mobile Anchor product to two government agencies, but these have not yet been publicly posted by the government, so we don't know who they are yet.

Overall, the company is tracking to grow revenue above the 25% implied by the high end of guidance and we estimate 28% growth. This strong revenue growth is also driving EBITDA which came in at \$574k for the quarter and is tracking to meet or exceed the \$2.4 million high end of guidance. Our estimate is \$2.3 million for the year.

And with the 2023 surge in CAPX past, the company is solidly free cash flow positive and on track to generate \$2.1 million this year. Thus, the company's cash balance is now at \$5.6 million or about \$0.60 per share. The company is still adjusting its receivables process for several new customers, so receivables should come down, and cash up, by year-end.

Finally, WidePoint posted an EPS loss of four cents for the quarter and is still at least a year or two away from positive EPS due to elevated depreciation expenses from the 2023 CAPX surge. Some of the equipment purchased has yet to go online, and thus enter the depreciable base, so this is likely to pressure EPS for some time.

WidePoint Corporation

WYY (NYSE American) - Buy \$6 Price Target

WYY Shares Trade at an 80% Discount to SaaS Comps on an EV/EBITDA Basis

Ticker	Company	Price Last	Cap \$ millions	EV \$ millions	Gross Margin	2023 EBITDA	2024E EBITDA\$	Growth vs. 2022E	2025E EBITDA\$	Growth vs. 2024E	EV/EBITDA 2025
WYY	WidePoint Corporation	\$3.71	36.36	27.60	33%	(1) 0.79	2.26	185.7%	3.54	56.4%	7.8x
WYY	WidePoint Corporation	\$6.00	58.81	50.05	33%	(1) 0.79	2.26	185.7%	3.54	56.4%	14.2x
CRM	Salesforce, Inc.	\$325.26	310,949	317,838	67%	6,401.00	15,330	139.5%	16,730	9.1%	19.0x
ADBE	Adobe Inc.	\$503.37	221,583	223,823	87%	7,055.00	10,616	50.5%	11,664	9.9%	19.2x
INTU	Intuit Inc.	\$687.87	192,804	202,705	76%	4,043.00	6,561	62.3%	7,481	14.0%	27.1x
NOW	ServiceNow, Inc.	\$1,011.39	208,346	210,935	79%	768.00	3,690	380.5%	4,646	25.9%	45.4x
CRWD	CrowdStrike Holdings, Inc. Class A	\$336.75	82,551	83,346	75%	(40.75)	947	-2424.0%	1,188	25.4%	70.2x
SHOP	Shopify, Inc. Class A	\$108.49	140,140	137,067	49%	(3,528.83)	1,491	-142.3%	2,021	35.5%	67.8x
WDAY	Workday, Inc. Class A	\$259.41	69,003	68,967	75%	206.76	2,401	1061.3%	2,898	20.7%	23.8x
PLTR	Palantir Technologies Inc. Class A	\$65.77	149,825	163,384	81%	(334.45)	1,074	-421.1%	1,348	25.5%	121.2x
ADSK	Autodesk, Inc.	\$299.15	64,317	66,260	90%	1,165.00	2,290	96.6%	2,518	9.9%	26.3x
SNOW	Snowflake, Inc. Class A	\$125.96	42,222	44,566	66%	(752.46)	258	-134.3%	379	46.9%	117.7x
TEAM	Atlassian Corp Class A	\$240.04	62,759	66,422	81%	(239.97)	1,073	-547.1%	1,221	13.8%	54.4x
SQ	Block, Inc. Class A	\$84.30	51,870	52,689	33%	(58.76)	2,995	-5197.7%	3,688	23.1%	14.3x
HUBS	HubSpot, Inc.	\$677.07	34,953	35,534	84%	(38.53)	543	-1509.7%	644	18.5%	55.2x
VEEV	Veeva Systems Inc Class A	\$213.36	34,550	30,506	71%	546.76	1,106	102.3%	1,251	13.1%	24.4x
ZS	Zscaler, Inc.	\$201.47	30,722	31,889	78%	(76.72)	504	-757.3%	630	24.9%	50.6x
NET	Cloudflare Inc Class A	\$89.77	30,825	31,917	76%	(92.13)	342	-471.1%	441	28.9%	72.4x
ZM	Zoom Video Communications, Inc. Cla	\$81.14	24,974	19,691	70%	590.97	1,904	222.1%	1,945	2.2%	10.1x
IOT	Samsara, Inc. Class A	\$49.51	27,545	28,683	74%	(167.10)	37	-121.9%	93	153.5%	308.9x
MDB	MongoDB, Inc. Class A	\$279.77	20,666	21,160	74%	(294.28)	204	-169.3%	311	52.3%	68.1x
BSY	Bentley Systems, Incorporated Class E	\$46.59	14,082	15,556	75%	297.63	472	58.6%	543	15.1%	28.3x
OKTA	Okta, Inc. Class A	\$73.66	12,512	12,171	74%	(676.00)	586	-186.6%	649	10.9%	18.7x
DT	Dynatrace, Inc.	\$52.35	15,626	15,323	80%	144.58	491	239.7%	576	17.3%	26.6x
AKAM	Akamai Technologies, Inc.	\$87.43	13,134	15,406	57%	1,261.85	1,665	31.9%	1,763	5.9%	8.7x
ESTC	Elastic NV	\$86.32	8,869	8,976	74%	(171.49)	192	-212.0%	251	30.9%	35.7x
ZI	ZoomInfo Technologies Inc	\$10.23	3,513	4,749	84%	330.00	455	37.9%	470	3.3%	10.1x
MNDY	mondia.com Ltd.	\$262.89	13,107	12,610	89%	(120.10)	134	-211.9%	172	28.2%	73.2x
GWRE	Guidewire Software, Inc.	\$192.22	16,054	16,361	59%	(101.21)	116	-214.8%	186	59.8%	88.1x
DOCU	DocuSign, Inc.	\$79.11	16,057	17,611	79%	2.76	949	34229.7%	1,048	10.5%	16.8x
TWLO	Twilio, Inc. Class A	\$96.59	14,815	14,578	47%	(917.35)	847	-192.3%	975	15.1%	14.9x
FFIV	F5, Inc.	\$238.36	13,893	12,933	80%	636.40	1,018	60.0%	1,124	10.4%	11.5x
PCOR	Procure Technologies Inc	\$69.15	10,280	10,237	80%	(211.12)	183	-186.9%	224	22.0%	45.8x
WIX	Wix.com Ltd.	\$180.01	10,017	10,702	66%	(439.05)	362	-182.5%	492	35.9%	21.7x
PAYC	Paycom Software, Inc.	\$219.88	12,288	12,302	74%	571.17	749	31.1%	825	10.2%	14.9x
APPF	AppFolio Inc Class A	\$230.02	8,357	8,584	57%	(30.41)	219	-819.4%	278	27.0%	30.9x
CFLT	Confluent Inc Class A	\$27.07	8,879	9,216	70%	(430.03)	42	-109.7%	94	125.3%	97.9x
DAY	Dayforce, Inc.	\$74.56	11,758	13,046	52%	54.70	501	816.0%	612	22.1%	21.3x
PCTY	PayLOCITY Holding Corp.	\$197.79	11,026	10,994	68%	220.23	506	129.6%	537	6.2%	20.5x
DSGX	Descartes Systems Group Inc.	\$111.41	9,523	9,528	65%	200.30	284	41.9%	322	13.1%	29.6x
GTLB	Gitlab, Inc. Class A	\$59.87	9,607	9,647	90%	(172.21)	62	-136.3%	103	64.7%	93.8x
DBX	Dropbox, Inc. Class A	\$27.06	8,395	8,884	81%	362.30	1,062	193.0%	1,108	4.4%	8.0x
PATH	UiPath, Inc. Class A	\$12.37	6,803	5,519	85%	(287.16)	187	-165.3%	232	24.0%	23.7x
SPSC	SPS Commerce, Inc.	\$176.59	6,634	6,582	63%	99.51	185	86.4%	220	18.4%	30.0x
HCP	HashiCorp, Inc. Class A	\$33.74	6,846	6,180	81%	(265.84)	(13)	-95.2%	24	-285.7%	260.7x
U	Unity Software, Inc.	\$17.34	6,985	8,667	67%	(663.45)	367	-155.3%	398	8.5%	21.8x
SMAR	Smartsheet, Inc. Class A	\$55.85	7,780	7,565	81%	(169.87)	213	-225.5%	263	23.2%	28.8x
KVYO	Klaviyo, Inc. Class A	\$35.16	9,480	10,324	75%	(40.03)	122	-404.5%	155	27.4%	66.5x
BILL	BILL Holdings, Inc.	\$84.69	8,765	8,581	77%	(102.54)	204	-298.6%	209	2.5%	41.1x
QLYS	Qualys, Inc.	\$145.52	5,325	4,943	81%	168.32	272	61.4%	281	3.5%	17.6x
WK	Workiva Inc. Class A	\$91.28	5,063	5,378	76%	(72.75)	38	-152.4%	63	65.7%	85.2x
BOX	Box, Inc. Class A	\$33.53	4,802	5,997	75%	100.40	323	221.4%	365	13.2%	16.4x
FRSH	Freshworks, Inc. Class A	\$15.73	4,603	4,133	83%	(203.09)	57	-128.2%	105	84.1%	39.2x
BRZE	Braze, Inc. Class A	\$35.06	3,602	3,438	69%	(135.55)	1	-100.6%	25	2797.7%	136.4x
QTWO	Q2 Holdings, Inc.	\$97.12	5,866	6,317	45%	(26.24)	123	-569.6%	160	29.5%	39.6x
FROG	JFrog Ltd.	\$30.72	3,427	3,390	77%	(62.73)	67	-206.3%	84	26.2%	40.3x
NCNO	nCino Inc	\$40.22	4,648	4,855	54%	(56.47)	96	-269.5%	126	31.2%	38.6x
DOCN	DigitalOcean Holdings, Inc.	\$36.85	3,401	4,703	59%	86.74	314	261.8%	349	11.4%	13.5x
FIVN	Five9, Inc.	\$38.07	2,863	3,261	51%	13.31	189	1316.7%	221	17.2%	14.8x
RNG	RingCentral, Inc. Class A	\$35.78	3,236	5,208	70%	(602.78)	591	-198.1%	686	16.0%	7.6x
ASAN	Asana, Inc. Class A	\$13.90	3,171	3,129	90%	(388.22)	(40)	-89.7%	(4)	-89.6%	-755.4x
BL	BlackLine, Inc.	\$59.31	3,706	4,013	74%	1.26	164	12949.9%	181	10.8%	22.1x
CXM	Sprinklr, Inc. Class A	\$7.67	1,944	1,605	75%	(28.83)	103	-457.6%	121	17.7%	13.2x
SEMR	SEMrush Holdings, Inc. Class A	\$13.37	1,961	1,852	83%	(21.75)	54	-349.2%	67	23.0%	27.8x
PYCR	Paycor HCM, Inc.	\$16.40	2,946	2,912	52%	77.56	220	183.6%	250	13.6%	11.6x
RAMP	LiveRamp Holdings, Inc.	\$27.89	1,820	1,637	73%	(98.07)	137	-240.1%	166	21.0%	9.8x
APPN	Appian Corporation Class A	\$36.43	2,692	2,873	72%	(141.26)	6	-104.6%	39	502.5%	73.4x
JAMF	Jamf Holding Corp	\$14.84	1,906	2,260	71%	(64.41)	108	-268.0%	161	48.9%	14.0x
SPT	Sprout Social, Inc. Class A	\$28.64	1,644	1,719	77%	(44.79)	35	-177.5%	51	45.9%	33.9x
PD	PagerDuty, Inc.	\$18.65	1,736	1,815	77%	(83.88)	89	-205.9%	101	14.1%	17.9x
ZUO	Zuora, Inc. Class A	\$9.90	1,520	1,496	66%	(146.15)	104	-171.2%	121	16.7%	12.3x
FSLY	Fastly, Inc. Class A	\$6.41	899	1,044	50%	(81.85)	28	-134.7%	48	68.9%	21.8x
AMPL	Amplitude Inc Class A	\$9.59	1,224	904	74%	(84.19)	0	-100.4%	8	2420.4%	119.9x
ZIP	ZipRecruiter, Inc. Class A	\$9.11	890	1,035	89%	113.26	73	-35.7%	70	-3.9%	14.8x
OLO	Olo, Inc. Class A	\$6.42	1,051	804	61%	(41.05)	36	-187.2%	45	24.5%	18.0x
YEXT	Yext, Inc.	\$7.78	995	874	78%	(36.89)	66	-279.2%	105	59.3%	8.3x
BIGC	BigCommerce Holdings Inc	\$6.05	474	558	72%	(125.17)	20	-116.4%	31	50.9%	18.1x
CCSI	Consensus Cloud Solutions, Inc.	\$25.30	488	1,084	81%	166.97	187	11.7%	188	0.6%	5.8x
DOMO	Domo, Inc. Class B	\$8.46	327	433	71%	(78.86)	1	-101.8%	10	606.1%	42.1x
ASUR	Asure Software, Inc.	\$8.66	230	232	60%	10.49	23	115.3%	30	34.4%	7.6x
MCHX	Marchex, Inc. Class B	\$1.70	74	62	52%	(3.07)	(0)	-91.9%	0	-280.0%	138.2x
Average					71.6%					96.3%	34.3x

Source: Litchfield Hills Research and Company reports



WidePoint Corporation

WYY (NYSE American) - Buy \$6 Price Target

Glossary

ABaaS - Analytics & Billing as a Service

BPA – Blanket purchase agreement. A U.S. government contract term that allows the contract agency a blanket agreement to purchase goods or services.

COOP – Continuity of Operations Plan

CWMS - Cellular Wireless Managed Services

DB – digital billing

DB&A – digital billing and analytics

DHS – Department of Homeland Security

DoJ – Department of Justice

FedRAMP – Federal Risk and Authorization Management Program is a standardized government program run by the General Services Administration for security assessment, authorization, and continuous monitoring of cloud services provided to government agencies. The GSA established the FedRAMP management office in 2012 to create a unified government standard and disparate programs at individual agencies.

IAM - Identity and Access Management

IDIQ – Indefinite delivery, indefinite quantity. A government term for contract vehicles that allow the agency to buy as much of the good or service they want, on any schedule they want.

IdM – Identity management

ITA – IT Authorities – Tampa-based IT services company acquired in October 2021 for \$8.0 million.

ITaaS - IT as a Service

ITMS – a trademarked term for the Intelligent Telecommunications Management System WidePoint provides to the Department of Homeland Security

MMS - Managed Mobility Services

SEWP - Solutions for Enterprise-Wide Procurement

TLM – telecom lifecycle management

TM2 – trusted mobility management

TaaS – technology management as a service. It allows customers to securely manage the entire lifecycle of their mobile communications assets such as laptops, smartphones, and tablets.

UCA – unified communications analytics

WidePoint Corporation

WYY (NYSE American) - Buy \$6 Price Target

WidePoint Corporation – Income Forecast

Dollars in thousands, except per share data

Fiscal years ended December 31

	2024E					2025E					2026E				
	1QA	2QA	3QA	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR	1Q	2Q	4,618	4Q	YEAR
Carrier services	19,382,669	20,403,280	22,412,970	17,321,359	79,520,278	20,739,456	21,831,510	23,981,878	18,533,854	85,086,697	22,191,218	23,359,715	25,660,609	19,831,224	91,042,766
YoY growth	42.5%	43.3%	53.0%	10.0%	36.6%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Managed services	14,824,610	15,637,493	12,207,463	13,760,423	56,429,989	17,048,302	17,983,117	14,282,732	16,512,507	65,826,657	19,605,547	20,680,584	16,710,796	19,815,008	76,811,936
YoY growth	27.0%	24.9%	10.1%	10.0%	18.1%	15.0%	15.0%	17.0%	20.0%	16.7%	15.0%	15.0%	17.0%	20.0%	16.7%
Revenue	34,207,279	36,040,773	34,620,433	31,081,782	135,950,267	37,787,757	39,814,627	38,264,610	35,046,361	150,913,355	41,796,764	44,040,300	42,371,405	39,646,232	167,854,702
YoY growth	35.3%	34.7%	34.5%	10.0%	28.2%	10.5%	10.5%	10.5%	12.8%	11.0%	10.6%	10.6%	10.7%	13.1%	11.2%
Seq growth	21.1%	5.4%	-3.9%	-10.2%		21.6%	5.4%	-3.9%	-8.4%		19.3%	5.4%	-3.8%	-6.4%	
Cost of services															
Carrier	19,382,669	20,403,280	22,412,970	17,321,359	79,520,278	20,739,456	21,831,510	23,981,878	18,533,854	85,086,697	22,191,218	23,359,715	25,660,609	19,831,224	91,042,766
Gross margin %	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%
Managed services	10,158,719	10,744,269	7,515,097	9,494,692	37,912,777	11,592,845	12,228,520	9,640,844	11,145,942	44,608,151	13,135,716	13,855,992	11,196,233	13,276,056	51,463,997
Gross margin %	31.5%	31.3%	38.4%	31.0%	32.8%	32.0%	32.0%	32.5%	32.5%	32.2%	33.0%	33.0%	33.0%	33.0%	33.0%
Total cost of revenue	29,541,388	31,147,549	29,928,067	26,816,051	117,433,055	32,332,301	34,060,029	33,622,722	29,679,796	129,694,848	35,326,934	37,215,707	36,856,843	33,107,280	142,506,763
As a percent of revenue	86.4%	86.4%	86.4%	86.3%	86.4%	85.6%	85.5%	87.9%	84.7%	85.9%	84.5%	84.5%	87.0%	83.5%	84.9%
Gross margin	4,665,891	4,893,224	4,692,366	4,265,731	18,517,212	5,455,456	5,754,597	4,641,888	5,366,565	21,218,506	6,469,830	6,824,593	5,514,563	6,538,953	25,347,939
As a percent of revenue	13.6%	13.6%	13.6%	13.7%	13.6%	14.4%	14.5%	12.1%	15.3%	14.1%	15.5%	15.5%	13.0%	16.5%	15.1%
Sales and marketing	611,893	559,926	530,391	621,636	2,323,846	755,755	796,293	765,292	700,927	3,018,267	835,935	1,101,007	1,059,285	991,156	3,987,384
As a percent of revenue	1.8%	1.6%	1.5%	2.0%	1.7%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.5%	2.5%	2.5%	2.4%
General and administrative	4,448,483	4,542,769	4,352,980	4,040,632	17,384,864	4,723,470	4,976,828	4,783,076	4,380,795	18,864,169	5,015,612	5,284,836	5,084,569	4,757,548	20,142,564
As a percent of revenue	13.0%	12.6%	12.6%	13.0%	12.8%	12.5%	12.5%	12.5%	12.5%	12.5%	12.0%	12.0%	12.0%	12.0%	12.0%
Impairment															
Depreciation and amortization	256,534	252,112	259,980	300,000	1,068,626	300,000	300,000	300,000	300,000	1,200,000	300,000	300,000	300,000	300,000	1,200,000
Operating income	(651,019)	(461,583)	(450,985)	(696,536)	(2,260,123)	(323,768)	(318,523)	(1,206,481)	(15,158)	(1,863,930)	318,283	138,749	(929,291)	490,249	17,991
Operating margin	-1.9%	-1.3%	-1.3%	-2.2%	-1.7%	-0.9%	-0.8%	-3.2%	-0.0%	-1.2%	0.8%	0.3%	-2.2%	1.2%	0.0%
Interest income	49,426	51,725	59,882	50,000	211,033	50,000	50,000	50,000	50,000	200,000	25,000	25,000	25,000	25,000	100,000
Interest expense	(58,737)	(72,331)	(52,911)	(55,000)	(238,979)	(55,000)	(55,000)	(55,000)	(55,000)	(220,000)	(55,000)	(55,000)	(55,000)	(55,000)	(220,000)
Other income	(34,781)	(1,534)	99	(2,000)	(38,216)	(2,000)	(2,000)	(2,000)	(2,000)	(8,000)	-	-	-	-	-
Pretax income	(695,111)	(483,723)	(443,915)	(703,536)	(2,326,285)	(330,768)	(325,523)	(1,213,481)	(22,158)	(1,891,930)	288,283	108,749	(959,291)	460,249	(102,009)
Taxes	(42,091)	15,828	(18,705)	-	(44,968)	-	-	-	-	-	-	-	-	-	-
Tax rate	6.1%	-3.3%	4.2%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income to common	(653,020)	(499,551)	(425,210)	(703,536)	(2,281,317)	(330,768)	(325,523)	(1,213,481)	(22,158)	(1,891,930)	288,283	108,749	(959,291)	460,249	(102,009)
Net income margin	-1.9%	-1.4%	-1.2%	-2.3%	-1.7%	-0.9%	-0.8%	-3.2%	-0.1%	-1.3%	0.7%	0.2%	-2.3%	1.2%	-0.1%
Diluted shares outstanding	8,897,819	9,390,154	9,485,508	9,485,508	9,314,747	9,485,508	9,485,508	9,485,508	9,485,508	9,485,508	9,575,508	9,665,508	9,755,508	9,845,508	9,710,508
Seq change	(87,071)	492,335	95,354	-	-	-	-	-	-	-	90,000	90,000	90,000	90,000	90,000
EPS diluted - continuing	(\$0.07)	(\$0.05)	(\$0.04)	(\$0.07)	(\$0.24)	(\$0.03)	(\$0.03)	(\$0.13)	(\$0.00)	(\$0.20)	\$0.03	\$0.01	(\$0.10)	\$0.05	(\$0.01)
EBITDA															
Net loss	(653,020)	(499,551)	(425,210)	(703,536)	(2,281,317)	(330,768)	(325,523)	(1,213,481)	(22,158)	(1,891,930)	288,283	108,749	(959,291)	460,249	(102,009)
Depreciation and amortization	833,300	906,900	821,700	800,000	3,361,900	900,000	900,000	900,000	900,000	3,600,000	900,000	900,000	900,000	900,000	3,600,000
Income tax	(42,091)	15,800	(18,700)	-	(44,991)	-	-	-	-	-	-	-	-	-	-
Interest income	(49,426)	(51,725)	(59,882)	(50,000)	(211,033)	(50,000)	(50,000)	(50,000)	(50,000)	(200,000)	(25,000)	(25,000)	(25,000)	(25,000)	(100,000)
Interest expense	58,737	72,400	52,900	55,000	239,037	55,000	55,000	55,000	55,000	220,000	55,000	55,000	55,000	55,000	220,000
Other income	-	-	-	2,000	2,000	2,000	2,000	2,000	2,000	8,000	-	-	-	-	-
EBITDA	147,500	443,824	370,808	103,464	1,065,596	576,232	581,477	(306,481)	884,842	1,736,070	1,218,283	1,038,749	(29,291)	1,390,249	3,617,991
Loss on factoring receivables	7,282	1,666	-	-	8,948	-	-	-	-	-	-	-	-	-	-
Stock based comp	417,800	365,900	202,600	200,000	1,186,300	450,000	450,000	450,000	450,000	1,800,000	250,000	250,000	250,000	250,000	1,000,000
Adjusted EBITDA	572,582	811,390	573,408	303,464	2,260,844	1,026,232	1,031,477	143,519	1,334,842	3,536,070	1,468,283	1,288,749	220,709	1,640,249	4,617,991
EBITDA margin	1.7%	2.3%	1.7%	1.0%	1.7%	2.7%	2.6%	0.4%	3.8%	2.3%	3.5%	2.9%	0.5%	4.1%	2.8%
YoY growth	2776.6%	477.8%	153.1%	-25.0%	185.7%	79.2%	27.1%	-75.0%	339.9%	56.4%	43.1%	24.9%	53.8%	22.9%	30.6%
CAPX	6,494	11,507	62,701	50,000	130,702	100,000	20,000	20,000	20,000	160,000	100,000	20,000	20,000	20,000	160,000
Free Cash Flow	566,088	799,883	510,707	253,464	2,130,142	926,232	1,011,477	123,519	1,314,842	3,376,070	1,368,283	1,268,749	200,709	1,620,249	4,457,991
As a percent of revenue	1.7%	2.2%	1.5%	0.8%	1.6%	2.5%	2.5%	0.3%	3.8%	2.2%	3.3%	2.9%	0.5%	4.1%	2.7%

Source: Company reports and Litchfield Hills Research LLC

WYY (NYSE American) - Buy \$6 Price Target

Disclosures:

Analyst Certification

We, the Litchfield Hills Research Department, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject company and the underlying securities.

FINRA Compliant Research Report

We, the Litchfield Hills Research Department, hereby certify that this report is compliant with FINRA research rules 2241, 3110.

MiFID II Compliant Research Report

Our research is classified as minor non-monetary benefit under MiFID II. This applies to all forms of transmission, including email, website, and financial platforms such as Bloomberg, FactSet, S&P Global, Refinitiv, and 13 others. We do not seek payment from the asset management community and do not have any execution function. Investors can continue to receive our research under the MiFID II regime without the need for a contract for services to be put in place. This applies to all forms of transmission, including email, website, and financial platforms.

Litchfield Hills Research LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Other Disclosures

Litchfield Hills Research, LLC ("LHR") is not a U.S. broker-dealer registered with the U.S. Securities and Exchange Commission nor a member of the Financial Industry Regulatory Authority. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country, or other jurisdiction where such distribution, publication, availability, or use would be contrary to law or regulation or which would subject LHR or any divisions, subsidiaries or affiliates to any registration or licensing requirement within such jurisdiction.

All material presented in this report, unless specifically indicated otherwise, is under copyright to LHR and the subject company. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied, or distributed to any other party, without the prior express written permission of LHR or the subject company. All trademarks, service marks, and logos used in this report are trademarks, service marks, registered trademarks, or service marks of LHR or its affiliates. The information, tools, and material presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities or other financial instruments. LHR may not have taken any steps to ensure that the securities referred to in this report are suitable for any particular investor. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about such investments or investment services. Nothing in this report constitutes investment, legal, accounting, or tax advice or a representation that any investment or strategy is suitable, appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. LHR does not offer advice on the tax consequences of investment, and you are advised to contact an independent tax adviser. LHR believes the information and opinions in the Disclosure Appendix of this report are accurate and complete. Information and opinions presented in this report were obtained or derived from sources LHR believes are reliable, but LHR makes no representations as to their accuracy or completeness.

Ownership and Material Conflicts of Interest

The analyst owns no shares of the subject company. The analyst and his family have no known material conflicts of interest in authoring this report.

Investment Banking and Fees for Services

Litchfield Hills Research has not received compensation for advisory or investment banking services from the Company in the past 12 months. Litchfield Hills Research LLC has received compensation from the subject company for distribution and investor targeting services.

Market Making

Litchfield Hills Research, LLC does not make a market in the subject company's securities.

Additional information is available upon request. LHR accepts no liability for loss arising from the use of the material presented in this report, except that this exclusion of liability does not apply to the extent that liability arises under specific statutes or regulations applicable to LHR. This report is not to be relied upon in substitution for the exercise of independent judgment.