

WidePoint Corporation

WYY (NYSE American) - Buy \$8 Price Target

June 3, 2025

The Quants Taketh and the Quants Giveth Back - Reiterate Buy

Analyst: Barry M. Sine, CFA, CMT

- Last week, we spoke with WidePoint management regarding recent developments.
- Since the company reported 1Q results on May 15th, the stock is down roughly 50%, and we have fielded calls from a number of investors.
- The issue was a one-time accounting adjustment to reverse \$2.7 million in revenue that was recognized too early in 2024 and that resulted in 0% reported revenue growth.
- This led to aggressive algorithmic trading by quant funds, sending the shares lower.
- But this revenue is due to be re-recognized over the course of this year, and will likely have a positive impact on trading.
- Meanwhile, fundamentals are strong. Its core DHS CWMS contract continues to grow, and we believe the company will renew it for a longer term and a higher amount later this year. And it is starting to see contracts come in for the U.S. Navy Spiral 4 program, which it was selected for last year.
- WidePoint is also actively working with a large number of major government contractors and is seeing some success.
- Longer-term, it is seeking to replicate its cornerstone DHS contract for device lifecycle management with agencies including DoD, DoJ, HHS, DoE, and GSA. It is also trying to get the attention of the DOGE team, as it already has commercial solutions to many of the issues DOGE has raised.
- We see this as an ideal buying opportunity as the selloff appears to have ended with a rebound starting. WYY shares trade at less than half the EV/EBITDA multiple of SaaS comps.
- We reiterate our Buy rating and \$8 price target.

Rating	Buy	Earnings Per Share				Normalized to exclude unusual items			
Target Price	\$8.00	FYE - December				2023	2024	2025E	2026E
Ticker Symbol	WYY	1Q - March				(\$0.11)	(\$0.07)	(\$0.08) A	(\$0.08)
Market	NASDAQ	2Q - June				(\$0.10)	(\$0.05)	\$0.03	\$0.07
Stock Price	\$3.80	3Q - September				(\$0.10)	(\$0.04)	(\$0.04)	\$0.05
52 wk High	\$6.25	4Q - December				(\$0.15)	(\$0.04)	(\$0.04)	\$0.09
52 wk Low	\$2.19	Year				(\$0.46)	(\$0.21)	(\$0.13)	\$0.13
Shares Outstanding:	9.8 M	Revenue (\$mm)				106.0	142.6	158.0	178.0
Public Market Float:	8.1 M	EV/Rev				0.3X	0.2X	0.2X	0.2X
Avg. Daily Volume	100,262	EBITDA (\$mm)				0.8	2.6	2.9	6.0
Market Capitalization:	\$37.2 M	EV/EBITDA				41.5X	12.7X	11.4X	5.5X
Institutional Holdings:	13.1%								
Dividend Yield:	0.0%								

Risks/Valuation

- The key risk we identify is cybersecurity risk, as nearly all of the company's services are provided over the internet, and it serves high-visibility customers, including 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.

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WidePoint: Temporary Setback Creates Strategic Buying Opportunity

We recently spoke with WidePoint's CEO and CFO to gain insight following the company's 1Q earnings release on May 16th. Since that report, shares have fallen nearly 50%, prompting a wave of inbound calls from concerned investors. We believe this sharp selloff was driven less by fundamentals and more by mechanical trading, particularly from quant funds reacting to headline revenue growth of 0%. In our view, this created a short-term dislocation and a compelling opportunity.

Accounting Adjustment, Not Business Deterioration

The flat revenue figure was largely the result of a \$2.7 million accounting reversal related to revenue that had been recognized prematurely in the prior year. This is a non-operational, non-cash event—the services continue to be delivered, and management has confirmed the \$2.7 million will be fully re-recognized across 2025. As this revenue flows back into reported results, we expect algorithmic trading strategies that previously sold the stock to act in reverse, potentially driving a recovery in the share price.

Positioned for Scaled Federal Expansion

WidePoint's core growth strategy is taking shape. The company is embedding itself deeper into the federal IT ecosystem by partnering with top-tier systems integrators that win massive government contracts. In turn, these larger players subcontract to WidePoint, where it brings specialized expertise, notably in identity management and end-to-end mobile device lifecycle services.

The flagship contract with the Department of Homeland Security (DHS) remains WidePoint's cornerstone. Through its custom-built Intelligent Technology Management System (ITMS)—recently certified under the U.S. government's rigorous FedRAMP cybersecurity program—WidePoint is managing an integrated mobile device solution at scale. This DHS contract is up for renewal in 2024, and we expect not only a renewal but a potentially larger, longer-term award.

A \$1B+ Revenue Opportunity Hiding in Plain Sight

Why hasn't WidePoint replicated its DHS success more broadly across other agencies? The answer is nuanced. Many agencies currently manage mobile endpoints through bundled IT contracts using inefficient ad hoc tools like Excel, Access, or generic asset trackers. This is a massive inefficiency.

WidePoint's turnkey solution spans procurement, custom configuration, secure delivery, lifecycle support, and end-of-life recycling—a capability unmatched by typical federal contractors. We see this as a significant, under-tapped market that could ultimately scale revenue well beyond \$1 billion annually.

In our conversations, management discussed engagements with numerous federal departments:

- Department of Defense (DoD)
- Department of Justice (DoJ), including the FBI
- Department of Health and Human Services (HHS)

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- Department of Energy (DoE)
- General Services Administration (GSA)
- Department of Government Efficiency (DOGE) – where WidePoint can offer tools to eliminate waste in telecom and software subscriptions, though bureaucratic inertia has slowed adoption.

Partnering with the Giants

WidePoint is also building strategic partnerships with major government contractors. These relationships are already producing real business and positioning WidePoint favorably for future bids:

- Lockheed Martin (LMT) – joint bidding in progress
- General Dynamics (GD) – uses WidePoint's identity solutions internally
- CDW (CDW) – tapped WidePoint for the 2020 Census; it hopes for a 2030 repeat
- Leidos (LDOS) – joint work on several government programs, including past NASA wins
- TD Synnex (SNX) – identity management partner
- SAIC (SAIC) – utilizes WidePoint for the U.S. Army Corps of Engineers
- TytoAthene (private) – \$20M annual ITMS contract with a quasi-government entity in execution
- Hyperion (private) – newly finalized contract
- Peraton (private) – uses WidePoint for employee identity solutions
- BroadSat (private) – collaboration underway on projects including international cybersecurity delivery

Valuation Disconnect: Opportunity for Investors

With WYY shares now stabilizing, we believe the worst of the technical selloff is behind us. Selling volume has subsided, suggesting a bottom may be in place. The underlying business fundamentals remain strong, led by:

- Continued momentum with the DHS contract
- Ramp-up of the U.S. Navy Spiral 4 win

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- Expanding opportunities across the federal ecosystem
- Strategic traction with Tier 1 contractors

In our view, WidePoint is being overlooked due to a temporary accounting artifact, not deteriorating fundamentals. With revenue growth set to accelerate over the remainder of 2025 and substantial long-term optionality from agency expansion and private-sector partnerships, we see the current weakness as a strategic buying opportunity. As is shown on the comps table on the following page, WYY shares trade at less than half the EV/EBITDA multiple of SaaS comps, and even at our \$8 target, would still be at a 30% discount.

WYY Shares Fell 50% After 1Q Results on Accounting Charge



Source: Factset Research Systems



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WYY Shares Trade at 50% Discount to SaaS Comps

Ticker	Company	Price Last	Cap \$ millions	EV \$ millions	Gross Margin	2023 EBITDA	2024 EBITDA\$	Growth vs. 2022E	2025E EBITDA\$	Growth vs. 2024	EV/EBITDA 2025
WYY	WidePoint Corporation	\$3.01	29.44	32.87	35% (1)	0.79	2.58	225.9%	2.90	12.3%	11.4x
WYY	WYY at our price target	\$8.00	78.24	81.67	35% (1)	0.79	2.58	225.9%	2.90	12.3%	28.2x
CRM	Salesforce, Inc.	\$265.37	253,694	253,111	69%	10,834.00	15,352	41.7%	17,047	11.0%	14.8x
ADBE	Adobe Inc.	\$415.09	176,911	179,741	88%	7,851.00	10,632	35.4%	11,476	7.9%	15.7x
INTU	Intuit Inc.	\$753.47	210,178	217,062	76%	4,043.00	6,561	62.3%	7,894	20.3%	27.5x
NOW	ServiceNow, Inc.	\$1,011.09	209,278	210,961	79%	1,489.00	3,682	147.3%	4,543	23.4%	46.4x
CRWD	CrowdStrike Holdings, Inc. Class A	\$471.37	117,406	119,639	75%	293.83	925	214.8%	1,186	28.3%	100.9x
SHOP	Shopify, Inc. Class A	\$107.22	139,105	134,244	50%	255.00	1,493	485.4%	1,863	24.8%	72.1x
WDAY	Workday, Inc. Class A	\$247.71	66,139	65,457	75%	752.00	2,489	231.0%	3,049	22.5%	21.5x
PLTR	Palantir Technologies Inc. Class A	\$131.78	310,990	333,932	80%	273.92	1,151	320.3%	1,732	50.5%	192.8x
ADSK	Autodesk, Inc.	\$296.12	63,370	65,079	90%	1,273.00	2,366	85.9%	2,710	14.6%	24.0x
SNOW	Snowflake, Inc. Class A	\$205.67	68,623	65,073	65%	(729.32)	414	-156.8%	531	28.2%	122.5x
TEAM	Atlassian Corp Class A	\$207.63	54,659	56,364	81%	(239.97)	1,073	-547.1%	1,310	22.1%	43.0x
SQ	Block, Inc. Class A	\$61.75	37,979	37,350	36%	379.42	3,029	698.3%	3,429	13.2%	10.9x
HUBS	HubSpot, Inc.	\$589.90	31,110	30,880	85%	(66.67)	553	-928.8%	671	21.3%	46.0x
VEEV	Veeva Systems Inc Class A	\$279.70	45,578	41,249	74%	625.17	1,147	83.5%	1,348	17.4%	30.6x
ZS	Zscaler, Inc.	\$275.70	42,925	44,876	78%	(76.72)	504	-757.3%	674	33.7%	66.6x
NET	Cloudflare Inc Class A	\$165.89	57,499	59,946	77%	(42.62)	324	-859.5%	449	38.6%	133.7x
ZM	Zoom Communications, Inc. Class A	\$81.25	24,582	18,555	70%	1,207.46	1,963	62.5%	2,009	2.4%	9.2x
IOT	Samsara, Inc. Class A	\$46.54	26,496	27,071	76%	(171.08)	134	-178.4%	192	43.0%	141.2x
MDB	MongoDB, Inc. Class A	\$188.83	15,430	13,891	73%	(122.34)	311	-353.9%	236	-24.1%	58.9x
BSY	Bentley Systems, Incorporated Class I	\$47.73	14,480	15,808	79%	288.45	465	61.3%	526	12.9%	30.1x
OKTA	Okta, Inc. Class A	\$103.17	18,062	17,154	76%	(230.00)	601	-361.4%	763	26.9%	22.5x
DT	Dynatrace, Inc.	\$54.01	16,185	15,679	80%	209.86	524	149.6%	593	13.3%	26.4x
AKAM	Akamai Technologies, Inc.	\$75.93	11,101	13,890	55%	1,241.01	1,682	35.5%	1,716	2.0%	8.1x
ESTC	Elastic NV	\$80.87	8,444	8,257	74%	(78.63)	234	-398.0%	276	17.9%	29.9x
ZI	ZoomInfo Technologies Inc	\$9.55	3,141	4,357	83%	514.60	474	-7.9%	480	1.2%	9.1x
MNDY	monday.com Ltd.	\$297.49	15,105	14,346	89%	12.79	124	866.6%	163	31.6%	88.1x
GWRE	Guidewire Software, Inc.	\$215.02	18,036	18,607	59%	(101.21)	116	-214.8%	203	74.7%	91.7x
DOCU	DocuSign, Inc.	\$88.61	17,944	19,401	79%	195.59	915	367.7%	1,015	11.0%	19.1x
TWLO	Twilio, Inc. Class A	\$117.70	17,970	17,979	50%	(685.35)	807	-217.8%	997	23.5%	18.0x
FFIV	F5, Inc.	\$285.38	16,390	15,381	79%	636.40	1,018	60.0%	1,140	11.9%	13.5x
PCOR	Procore Technologies Inc	\$67.17	10,020	10,194	81%	(119.49)	183	-253.0%	259	41.7%	39.4x
WIX	Wix.com Ltd.	\$148.95	8,292	8,475	66%	69.11	394	469.8%	481	22.1%	17.6x
PAYC	Paycom Software, Inc.	\$259.09	14,981	14,982	71%	695.67	775	11.5%	851	9.8%	17.6x
APPF	AppFolio Inc Class A	\$211.17	7,608	7,616	62%	39.12	216	452.8%	252	16.7%	30.2x
CFLT	Confluent, Inc. Class A	\$23.03	7,839	7,926	73%	(384.97)	49	-112.8%	91	85.3%	87.1x
DAY	Dayforce, Inc.	\$59.08	9,446	10,519	52%	264.60	502	89.5%	619	23.5%	17.0x
PCTY	Paylocity Holding Corp.	\$190.90	10,543	10,642	68%	220.23	506	129.6%	573	13.4%	18.6x
DSGX	Descartes Systems Group Inc.	\$115.94	9,900	9,901	65%	218.49	285	30.3%	323	13.5%	30.6x
GTLB	Gitlab, Inc. Class A	\$45.51	7,520	7,284	89%	(157.86)	83	-152.8%	123	47.8%	59.2x
DBX	Dropbox, Inc. Class A	\$28.86	8,124	9,945	83%	739.70	1,065	43.9%	1,111	4.3%	9.0x
PATH	UiPath, Inc. Class A	\$13.31	7,119	5,965	83%	(53.22)	253	-575.5%	321	26.8%	18.6x
SPSC	SPS Commerce, Inc.	\$140.76	5,346	5,373	63%	120.31	187	55.1%	231	23.9%	23.2x
U	Unity Software, Inc.	\$26.08	10,841	12,611	74%	(209.35)	390	-286.2%	354	-9.2%	35.6x
KVYO	Klaviyo, Inc. Class A	\$34.00	9,384	10,111	76%	(293.35)	129	-144.1%	154	19.4%	65.5x
BILL	BILL Holdings, Inc.	\$43.68	4,500	4,198	77%	(102.54)	204	-298.6%	241	18.2%	17.4x
QLYS	Qualys, Inc.	\$138.55	5,033	4,556	82%	205.64	278	35.4%	281	0.8%	16.2x
WK	Workiva Inc. Class A	\$67.29	3,750	4,005	77%	(59.32)	38	-164.5%	53	37.7%	76.0x
BOX	Box, Inc. Class A	\$37.82	5,477	6,852	79%	113.83	321	182.3%	353	9.8%	19.4x
FRSH	Freshworks, Inc. Class A	\$15.27	4,505	3,901	84%	(111.63)	112	-200.7%	163	45.3%	23.9x
BRZE	Braze, Inc. Class A	\$36.80	3,969	3,765	69%	(121.51)	8	-106.3%	40	430.0%	93.4x
QTWO	Q2 Holdings, Inc.	\$87.52	5,453	5,722	48%	29.02	125	331.9%	174	38.5%	33.0x
FROG	JFrog Ltd.	\$42.94	4,920	4,930	76%	(39.21)	77	-295.4%	93	21.2%	53.1x
NCNO	nCino Inc	\$26.30	3,049	3,287	57%	7.46	102	1269.7%	119	16.8%	27.5x
DOCN	DigitalOcean Holdings, Inc.	\$28.30	2,576	3,893	60%	153.59	328	113.9%	347	5.7%	11.2x
FIVN	Five9, Inc.	\$26.51	2,022	2,360	53%	44.76	196	338.8%	238	21.2%	9.9x
RNG	RingCentral, Inc. Class A	\$25.93	2,332	4,023	71%	133.56	590	341.7%	650	10.2%	6.2x
ASAN	Asana, Inc. Class A	\$17.91	4,217	4,267	89%	(235.03)	(23)	-90.1%	58	-350.5%	73.3x
BL	BlackLine, Inc.	\$55.93	3,486	3,703	74%	116.51	164	40.7%	187	13.8%	19.9x
CXM	Sprinklr, Inc. Class A	\$8.44	2,176	1,849	72%	75.99	103	35.6%	154	49.2%	12.0x
SEMR	SEMrush Holdings, Inc. Class A	\$9.84	1,458	1,274	83%	11.44	58	410.0%	65	10.9%	19.7x
RAMP	LiveRamp Holdings, Inc.	\$32.58	2,117	1,846	71%	45.87	142	210.0%	186	30.8%	9.9x
APPN	Appian Corporation Class A	\$31.50	2,338	2,419	74%	(80.90)	20	-125.0%	44	115.6%	55.4x
JAMF	Jamf Holding Corp	\$10.50	1,385	1,710	72%	(57.51)	112	-294.4%	159	42.5%	10.7x
SPT	Sprout Social, Inc. Class A	\$21.83	1,271	1,301	77%	(54.79)	38	-169.0%	51	33.7%	25.7x
PD	PagerDuty, Inc.	\$14.26	1,314	1,313	82%	(30.16)	105	-447.4%	119	13.3%	11.1x
FSLY	Fastly, Inc. Class A	\$7.28	1,054	1,196	51%	(19.01)	28	-244.7%	42	54.3%	28.2x
AMPL	Amplitude Inc Class A	\$12.39	1,622	1,654	74%	(83.47)	1	-101.8%	10	576.5%	167.0x
ZIP	ZipRecruiter, Inc. Class A	\$5.97	555	693	88%	111.57	78	-30.1%	27	-65.8%	26.0x
OLO	Olo, Inc. Class A	\$8.71	1,456	1,278	55%	(47.56)	38	-180.8%	55	42.7%	23.3x
YEXT	Yext, Inc.	\$6.71	836	796	77%	24.74	67	171.0%	101	51.0%	7.9x
BIGC	BigCommerce Holdings Inc	\$5.04	404	470	73%	(49.31)	14	-128.8%	29	104.1%	16.2x
CCSI	Consensus Cloud Solutions, Inc.	\$21.97	429	1,005	80%	165.95	188	13.5%	185	-2.0%	5.4x
DOMO	Domo, Inc. Class B	\$12.70	511	645	69%	(30.62)	9	-129.7%	19	109.9%	33.8x
ASUR	Asure Software, Inc.	\$9.70	263	273	55%	15.81	23	42.3%	32	41.1%	8.6x
Average					72.4%					33.7%	39.8x
WidePoint GM vs comps					48.3%						

Source: Litchfield Hills Research



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WidePoint Corporation – Income Forecast

Dollars in thousands, except per share data

Fiscal years ended December 31

	2024					2025E					2026E				
	1Q	2Q	3Q	4Q	YEAR	1QA	2Q	3Q	4Q	YEAR	1Q	2Q	6,018	4Q	YEAR
Carrier services	19,382,669	20,403,280	22,412,970	24,594,810	86,793,729	22,401,299	22,443,608	24,654,267	27,054,291	96,553,465	24,641,429	24,687,969	27,119,694	29,759,720	106,208,812
YoY growth	42.5%	43.3%	53.0%	56.2%	49.0%	15.6%	10.0%	10.0%	10.0%	11.2%	10.0%	10.0%	10.0%	10.0%	10.0%
Managed services	14,824,610	15,637,493	12,207,463	13,108,454	55,778,020	11,816,440	17,983,117	15,259,329	16,385,568	61,444,453	13,588,906	20,680,584	17,853,415	19,662,681	71,785,586
YoY growth	27.0%	24.9%	10.1%	4.8%	16.7%	-20.3%	15.0%	25.0%	25.0%	10.2%	15.0%	15.0%	17.0%	20.0%	16.8%
Revenue	34,207,279	36,040,773	34,620,433	37,703,264	142,571,749	34,217,739	40,426,725	39,913,596	43,439,859	157,997,918	38,230,335	45,368,553	44,973,108	49,422,401	177,994,398
YoY growth	35.3%	34.7%	34.5%	33.4%	34.5%	0.0%	12.2%	15.3%	15.2%	10.8%	11.7%	12.2%	12.7%	13.8%	12.7%
Seq growth	21.1%	5.4%	-3.9%	8.9%		-9.2%	18.1%	-1.3%	8.8%		-12.0%	18.7%	-0.9%	9.9%	
Cost of services															
Carrier	19,382,669	20,403,280	22,412,970	24,594,810	86,793,729	22,401,299	22,443,608	24,654,267	27,054,291	96,553,465	24,641,429	24,687,969	27,119,694	29,759,720	106,208,812
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	8,355,530	36,773,615	7,037,919	11,689,026	9,918,564	10,650,619	39,296,128	8,832,789	13,442,380	11,604,720	12,780,743	46,660,631
Gross margin %	31.5%	31.3%	38.4%	36.3%	34.1%	40.4%	35.0%	35.0%	35.0%	36.0%	35.0%	35.0%	35.0%	35.0%	35.0%
Total cost of revenue	29,541,388	31,147,549	29,928,067	32,950,340	123,567,344	29,439,218	34,132,634	34,572,831	37,704,910	135,849,593	33,474,218	38,130,349	38,724,413	42,540,463	152,869,442
As a percent of revenue	86.4%	86.4%	86.4%	87.4%	86.7%	86.0%	84.4%	86.6%	86.8%	86.0%	87.6%	84.0%	86.1%	86.1%	85.9%
Gross margin	4,665,891	4,893,224	4,692,366	4,752,924	19,004,405	4,778,521	6,294,091	5,340,765	5,734,949	22,148,326	4,756,117	7,238,205	6,248,695	6,881,938	25,124,955
As a percent of revenue	13.6%	13.6%	13.6%	12.6%	13.3%	14.0%	15.6%	13.4%	13.2%	14.0%	12.4%	16.0%	13.9%	13.9%	14.1%
Sales and marketing	611,893	559,926	530,391	560,056	2,262,266	639,482	727,681	478,963	434,399	2,280,525	688,146	816,634	539,677	494,224	2,538,681
As a percent of revenue	1.8%	1.6%	1.5%	1.5%	1.6%	1.9%	1.8%	1.2%	1.0%	1.4%	1.8%	1.8%	1.2%	1.0%	1.4%
General and administrative	4,448,483	4,542,769	4,352,980	4,277,156	17,621,388	4,731,782	5,053,341	4,989,199	5,429,982	20,204,304	4,587,640	5,444,226	4,947,042	5,189,352	20,168,261
As a percent of revenue	13.0%	12.6%	12.6%	11.3%	12.4%	13.8%	12.5%	12.5%	12.5%	12.8%	12.0%	12.0%	11.0%	10.5%	11.3%
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	256,534	252,112	259,980	232,507	1,001,133	223,688	250,000	250,000	250,000	973,688	250,000	250,000	250,000	250,000	1,000,000
Operating Income	(651,019)	(461,583)	(450,985)	(316,795)	(1,880,382)	(816,431)	263,069	(377,398)	(379,432)	(1,310,192)	(769,669)	727,344	511,976	948,362	1,418,013
Operating margin	-1.9%	-1.3%	-1.3%	-0.8%	-1.3%	-2.4%	0.7%	-0.9%	-0.9%	-0.8%	-2.0%	1.6%	1.1%	1.9%	0.8%
Interest income	49,426	51,725	59,882	53,554	214,587	53,430	50,000	50,000	50,000	203,430	25,000	25,000	25,000	25,000	100,000
Interest expense	(58,737)	(72,331)	(52,911)	(58,856)	(242,835)	(55,073)	(55,000)	(55,000)	(55,000)	(220,073)	(55,000)	(55,000)	(55,000)	(55,000)	(220,000)
Other income	(34,781)	(1,534)	99	6,808	(29,408)	-	(2,000)	(2,000)	(2,000)	(6,000)	-	-	-	-	-
Pretax Income	(695,111)	(483,723)	(443,915)	(315,289)	(1,938,038)	(818,074)	256,069	(384,398)	(386,432)	(1,332,835)	(799,669)	697,344	481,976	918,362	1,298,013
Taxes	(42,091)	15,828	(18,705)	41,209	(3,759)	(94,011)	-	-	-	(94,011)	-	-	-	-	-
Tax rate	6.1%	-3.3%	4.2%	-13.1%	0.2%	11.5%	0.0%	0.0%	0.0%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income to common	(653,020)	(499,551)	(425,210)	(356,498)	(1,934,279)	(724,063)	256,069	(384,398)	(386,432)	(1,238,824)	(799,669)	697,344	481,976	918,362	1,298,013
Net income margin	-1.9%	-1.4%	-1.2%	-0.9%	-1.4%	-2.1%	0.6%	-1.0%	-0.9%	-0.8%	-2.1%	1.5%	1.1%	1.9%	0.7%
Diluted shares outstanding	8,897,819	9,390,154	9,485,508	9,319,300	9,319,300	9,552,971	9,552,971	9,552,971	9,552,971	9,552,971	9,642,971	9,732,971	9,822,971	9,912,971	9,777,971
Seq change	(87,071)	492,335	95,354	(166,208)		233,671	-	-	-		90,000	90,000	90,000	90,000	
EPS diluted - continuing	(\$0.07)	(\$0.05)	(\$0.04)	(\$0.04)	(\$0.21)	(\$0.08)	\$0.03	(\$0.04)	(\$0.04)	(\$0.13)	(\$0.08)	\$0.07	\$0.05	\$0.09	\$0.13
EBITDA															
Net loss	(653,020)	(499,551)	(425,210)	(356,498)	(1,934,279)	(724,063)	256,069	(384,398)	(386,432)	(1,238,824)	(799,669)	697,344	481,976	918,362	1,298,013
Depreciation and amortization	833,300	906,900	821,700	706,920	3,268,820	709,900	900,000	900,000	900,000	3,409,900	900,000	900,000	900,000	900,000	3,600,000
Income tax	(42,091)	15,800	(18,700)	41,232	(3,759)	(94,011)	-	-	-	(94,011)	-	-	-	-	-
Interest income	(49,426)	(51,725)	(59,882)	(53,554)	(214,587)	(53,430)	(50,000)	(50,000)	(50,000)	(203,430)	(25,000)	(25,000)	(25,000)	(25,000)	(100,000)
Interest expense	58,737	72,400	52,900	58,763	242,800	55,073	55,000	55,000	55,000	220,073	55,000	55,000	55,000	55,000	220,000
Other income	-	-	-	-	-	-	2,000	2,000	2,000	6,000	-	-	-	-	-
EBITDA	147,500	443,824	370,808	396,863	1,358,995	(106,531)	1,163,069	522,602	520,568	2,099,708	130,331	1,627,344	1,411,976	1,848,362	5,018,013
Loss on factoring receivables	7,282	1,666	-	-	8,948	-	-	-	-	-	-	-	-	-	-
Stock based comp	417,800	365,900	202,600	224,947	1,211,247	198,900	198,900	198,900	198,900	795,600	250,000	250,000	250,000	250,000	1,000,000
Adjusted EBITDA	572,582	811,390	573,408	621,810	2,579,190	92,369	1,361,969	721,502	719,468	2,895,308	380,331	1,877,344	1,661,976	2,098,362	6,018,013
EBITDA margin	1.7%	2.3%	1.7%	1.6%	1.8%	0.3%	3.4%	1.8%	1.7%	1.8%	1.0%	4.1%	3.7%	4.2%	3.4%
YoY growth	2776.6%	477.8%	153.1%	53.7%	225.9%	-83.9%	67.9%	25.8%	15.7%	12.3%	311.8%	37.8%	130.3%	191.7%	107.9%
CAPX	6,494	11,507	62,701	37,236	117,938	27,632	100,000	125,000	150,000	402,632	50,000	50,000	50,000	50,000	200,000
Free Cash Flow	566,088	799,883	510,707	584,574	2,461,252	64,737	1,261,969	596,502	569,468	2,492,676	330,331	1,827,344	1,611,976	2,048,362	5,818,013
As a percent of revenue	1.7%	2.2%	1.5%	1.6%	1.7%	0.2%	3.1%	1.5%	1.3%	1.6%	0.9%	4.0%	3.6%	4.1%	3.3%

Source: Company reports and Litchfield Hills Research LLC



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