



# WidePoint Corporation

## WYY (NYSE American) - Buy

**June 25, 2026**

### WidePoint Lands the Big One; Doubling Price Target to \$30

Analyst: Barry M. Sine, CFA, CMT

- WidePoint won DHS CWMS 3.0, a 10-year, single-award IDIQ contract with a \$3.067 billion ceiling. The award is larger, longer, and broader than CWMS 2.0, preserving WidePoint's most important customer relationship.
- We raise our 2027 estimates to reflect CWMS 3.0, the telecom carrier ITMS SaaS deal, and operating leverage. Our new 2027 estimate is \$218 million of revenue, \$20.6 million of adjusted EBITDA, and \$1.50 of EPS.
- We reiterate our Buy rating and raise our price target from \$15 to \$30 per share. The new target reflects the step-change in EBITDA, improved revenue mix and higher visibility into 2027 growth.
- The ITMS software licensing agreement validates WidePoint as a SaaS platform company, not just a wireless services provider. The deal is expected to generate \$40 million to \$45 million over three years and should carry attractive incremental margins.
- NASA SEWP VI and potential CDW opportunities add additional upside not fully reflected in our estimates.
- Potential work tied to the 2028 Los Angeles Olympics and 2030 U.S. Census could extend the growth cycle.

Rating	Buy	<b>Earnings Per Share</b>				<b>Normalized to exclude unusual items</b>			
Target Price	\$30.00	<b>FYE - December</b>							
Ticker Symbol	WYY					<b>2024</b>	<b>2025</b>	<b>2026E</b>	<b>2027E</b>
Market	NYSE American	1Q - March	(\$0.07)	(\$0.08)	\$0.01	A	\$0.27		
Stock Price	\$17.62	2Q - June	(\$0.05)	(\$0.06)	\$0.02		\$0.39		
52 wk High	\$18.00	3Q - September	(\$0.04)	(\$0.06)	\$0.05		\$0.43		
52 wk Low	\$2.80	4Q - December	(\$0.04)	(\$0.09)	\$0.00		\$0.41		
		<b>Year</b>	<b>(\$0.21)</b>	<b>(\$0.28)</b>	<b>\$0.04</b>		<b>\$1.50</b>		
Shares Outstanding:	9.9 M	<b>Revenue (\$mm)</b>				<b>142.6</b>	<b>150.5</b>	<b>172.7</b>	<b>217.7</b>
Public Market Float:	8.3 M	EV/Rev	1.1X	1.1X	0.9X		0.8X		
Avg. Daily Volume	174,999	<b>EBITDA (\$mm)</b>				<b>2.6</b>	<b>1.1</b>	<b>4.7</b>	<b>20.6</b>
Market Capitalization:	\$174.2 M	EV/EBITDA	63.3X	151.3X	35.0X		7.9X		
Institutional Holdings:	18.2%								
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.



## WidePoint Corporation WYY (NYSE American) - Buy

### WidePoint Lands the Big One; Doubling Price Target to \$30

This morning, WidePoint announced that it has again won the Department of Homeland Security Cellular Wireless Managed Services (CWMS) contract. The new CWMS 3.0 contract is larger, longer, and broader than the prior CWMS 2.0 contract awarded in November 2020. This award, together with a major SaaS licensing agreement for its ITMS Command Center software with a leading telecom carrier and this week's NASA SEWP VI prime contract award, should accelerate 2027 revenue growth to 26%, generate solid profitability, and propel the stock well beyond our prior \$15 price target. As a result, we are raising our 2027 estimates and increasing our price target to \$30 per share.

Our revised 2027 estimates remain well below the full theoretical capacity of the CWMS 3.0 contract, but they now reflect a more realistic growth and margin profile given the three recent wins. We now model 2027 revenue of \$218 million, up 26%, driven by 50% growth in managed services revenue and 10% growth in carrier services revenue. More importantly, we expect the revenue mix to improve. Managed services revenue should rise to \$104 million in 2027 from \$59 million in 2025, while the managed services gross margin increases to 40.0% from 35.8% in 2025 as higher-value software, security, lifecycle management, and support services become a larger portion of the business. We also assume operating leverage from WidePoint's largely fixed cost base. Sales and marketing declines to 1.4% of revenue in 2027 from 1.8% in 2025, while general and administrative expense declines to 10.0% of revenue from 13.1%, even as both expense categories remain above 2025 levels in dollars. As a result, we estimate 2027 adjusted EBITDA of \$20.6 million, up from \$1.1 million in 2025, and net income of \$15.8 million, or \$1.50 per share.

We also expect the hits to keep coming. WidePoint has additional potential opportunities through partner CDW, including support for the Los Angeles Olympics in 2028 and the U.S. Census in 2030. We are not yet including material revenue from those opportunities in our estimates, but we believe they illustrate how WidePoint's positioning has changed. The company is no longer just a low-margin reseller of wireless services. It is becoming an embedded provider of secure mobility management, telecom lifecycle management, and FedRAMP-authorized software infrastructure for large government and enterprise customers.

### DHS CWMS 3.0 Creates a Step-Change in Contract Capacity

CWMS 3.0 is a 10-year, single-award IDIQ contract with a ceiling value of \$3,066,613,353.66. The contract includes a one-year base period and nine one-year option periods. The ordering period began today, June 25, 2026.

The win is important for several reasons. First, it confirms that WidePoint remains the incumbent DHS provider after more than a decade of performance under CWMS 1.0 and CWMS 2.0. Second, the ceiling is a major step-up from the prior contracts. CWMS 1.0 had a \$600 million ceiling, while CWMS 2.0 was originally awarded with a \$500 million ceiling and later increased to \$754 million. CWMS 3.0 is more than four times the final CWMS 2.0 ceiling and more than six times the original CWMS 2.0 ceiling. Third, management has indicated that CWMS 3.0 includes price increases for existing services and expands the scope of services under the contract.

The expanded scope matters as much as the larger ceiling. CWMS 2.0 included managed services, WidePoint's ITMS platform, cellular wireless equipment and devices, cellular and data service, mobile device management, project management, in-building cellular coverage, 24/7 service desk support and other optional services. CWMS 3.0 adds a broader mandate around lifecycle management, connectivity, security, operational support, device security, AI-driven data intelligence and mission-tailored networking solutions. In our view, that moves the relationship further away from pass-through wireless procurement and further toward higher-value software, managed services and security support.

## WidePoint Corporation

### WYY (NYSE American) - Buy

Term / Metric	CWMS 1.0	CWMS 2.0	CWMS 3.0
Award date	April 17, 2013	November 25, 2020	June 25, 2026
Awardee	iSYS LLC, WidePoint subsidiary	WidePoint Integrated Solutions	WidePoint
Contract number / vehicle	HSHQDC13A00024	70RTAC21D00000001	CWMS 3.0 IDIQ
Award structure	Single-award	Single-award	Single-award
Contract type	Blanket Purchase Agreement, or BPA	Indefinite Delivery / Indefinite Quantity, or IDIQ	Indefinite Delivery / Indefinite Quantity, or IDIQ
Customer	Department of Homeland Security and components	Department of Homeland Security and components	Department of Homeland Security and components
Initial ceiling value	\$600 million	\$500 million	\$3.067 billion
Maximum disclosed ceiling	\$600 million	\$754 million after June 2024 ceiling increase	\$3.067 billion
Term structure	One-year base period plus four optional ordering periods	One-year base period plus four one-year option periods	One-year base period plus nine one-year option periods
Ordering period / expiration	Ordering period through June 16, 2019, with extensions in practice	Original term through November 24, 2025; later extended through June 24, 2026	Ten-year ordering period beginning June 25, 2026
Core services	Cellular wireless managed services, telecom expense management, wireless account management, inventory and equipment management, reporting, cellular equipment, cellular/data services, mobile device management, project management, service desk, and coverage enhancement	Managed services, ITMS platform for device ordering and asset management, cellular wireless equipment and devices, cellular/data service, mobile device management, project management, in-building coverage, 24/7 service desk, standardized reporting, logistics, and invoice processing	Lifecycle management, connectivity, security, operational support, device security, AI-driven data intelligence, mission-tailored networking, managed services, monitoring, orchestration, and reporting
Central platform	Telecom expense / wireless management portal	Intelligent Technology Management System, or ITMS	FedRAMP-certified ITMS Command Center
Notable disclosed task orders / spend	First disclosed task order was \$2.3 million from Federal Protective Service	Coast Guard task order ceiling of \$73.4 million; CBP task order later disclosed at more than \$27.5 million	Newly awarded; no task orders disclosed yet
Strategic significance	Established WidePoint as DHS's incumbent cellular wireless managed services provider	Recompete win preserved the DHS franchise and became WidePoint's largest contract	Major step-up in duration, ceiling, and scope; keeps WidePoint as DHS's sole CWMS provider for up to a decade
Analytical note	Created the DHS relationship and operating history	Ceiling increased 51% from \$500 million to \$754 million as DHS usage expanded	Ceiling is more than 4x CWMS 2.0's final ceiling and more than 5x CWMS 2.0's original ceiling

Source: Company reports

We also believe the award is defensible if challenged. WidePoint has heavily customized its DHS solution since 2013, and DHS personnel have been trained on the platform for more than a decade of usage. The company's FedRAMP-authorized ITMS Command Center is embedded in DHS workflows and serves as the central operational hub for monitoring, orchestration, and reporting across the DHS portfolio. In addition, the contract requirements appear to have been highly specific, including FedRAMP and small-business qualifications. While any large federal contract can face protest risk, we believe WidePoint's incumbent performance, certifications, and technical fit put the company in a strong position.



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### **ITMS Carrier Deal Validates WidePoint's SaaS Platform Strategy**

WidePoint's other major near-term catalyst is its SaaS licensing agreement with a leading telecom carrier. The contract covers WidePoint's FedRAMP-authorized ITMS Command Center platform and is expected to generate \$40 million to \$45 million of revenue over the initial three-year term. Management has said the platform will manage 2.0 million to 2.5 million telecom units across government operations and serve as the system of record for more than 50 government clients.

This contract is important because it validates ITMS as a stand-alone software platform, not merely an internal tool used to support WidePoint's managed services business. It also gives WidePoint a second large growth driver separate from DHS. Revenue recognition is expected to begin ramping in the second half of 2026, which should create a full-year benefit in 2027.

The margin implications could be significant. WidePoint has already built the ITMS platform and supports it as part of its existing federal mobility management operations. Incremental SaaS revenue from a carrier relationship should therefore carry a high contribution margin relative to the company's legacy carrier services revenue. That is the reason we expect revenue growth in 2027 to translate into solid profitability rather than simply higher low-margin pass-through revenue.

### **NASA SEWP VI Adds a New Government-Wide Procurement Vehicle**

WidePoint was also named a prime contract awardee on NASA's Solutions for Enterprise-Wide Procurement VI, or SEWP VI, contract. SEWP VI is a government-wide acquisition contract for IT products and services. It has a headline procurement ceiling of \$60 billion over a 10-year ordering period, with task orders that may extend up to five additional years.

We would not overstate this award in the near term. WidePoint is one of 2,115 initial SEWP VI awardees, and revenue will depend on NASA centers and other federal agencies choosing to place task orders with the company. In other words, SEWP VI could become a meaningful long-term revenue source, or it could produce limited revenue. We do not yet have enough visibility to model a material contribution.

That said, the award is strategically valuable. SEWP VI is not limited to NASA. It is a government-wide procurement vehicle, which means other federal agencies can use the platform to purchase IT services from approved contract holders. WidePoint now has another prime vehicle through which agencies can buy its secure mobility, cybersecurity, cloud, managed services, mobile device management and lifecycle support offerings.

We view SEWP VI as an option for future growth rather than a near-term revenue driver. The immediate drivers of our higher 2027 estimate are CWMS 3.0 and the telecom carrier ITMS SaaS contract. SEWP VI, CDW-related Device-as-a-Service opportunities, the Los Angeles Olympics, and the 2030 Census are additional upside opportunities that could support further estimate increases if they convert into task orders or subcontracts.

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### WidePoint Corporation – Income Forecast

Fiscal years ended December 31	2025					2026E					2027E				
	1QA	2QA	3QA	4Q	YEAR	1QA	2Q	3Q	4Q	YEAR	1Q	2Q	3Q	4Q	YEAR
Carrier services	22,401,299	22,223,060	20,406,680	26,836,660	91,867,699	25,784,040	24,445,366	23,467,682	29,520,326	103,217,414	28,362,444	26,889,903	25,814,450	32,472,359	113,539,155
YoY growth	15.6%	8.9%	-9.0%	9.1%	5.8%	15.1%	10.0%	15.0%	10.0%	12.4%	10.0%	10.0%	10.0%	10.0%	10.0%
Managed services	11,816,440	15,657,142	15,718,527	15,485,556	58,677,665	14,791,990	17,222,856	18,076,306	19,356,945	69,448,097	22,187,985	25,834,284	27,114,459	29,035,418	104,172,146
YoY growth	-20.3%	0.1%	28.8%	18.1%	5.2%	25.2%	10.0%	15.0%	25.0%	18.4%	50.0%	50.0%	50.0%	50.0%	50.0%
<b>Revenue</b>	<b>34,217,739</b>	<b>37,880,202</b>	<b>36,125,207</b>	<b>42,322,216</b>	<b>150,545,364</b>	<b>40,576,030</b>	<b>41,668,222</b>	<b>41,543,988</b>	<b>48,877,271</b>	<b>172,665,511</b>	<b>50,550,429</b>	<b>52,724,187</b>	<b>52,928,909</b>	<b>61,507,776</b>	<b>217,711,301</b>
YoY growth	0.0%	5.1%	4.3%	12.3%	5.6%	18.6%	10.0%	15.0%	15.5%	14.7%	24.6%	26.5%	27.4%	25.8%	26.1%
Seq growth	-9.2%	10.7%	-4.6%	17.2%		-4.1%	2.7%	-0.3%	17.7%		3.4%	4.3%	0.4%	16.2%	
Cost of services															
Carrier	22,401,299	22,223,060	20,406,680	26,836,660	91,867,699	25,454,063	24,445,366	23,467,682	29,520,326	103,217,414	28,362,444	26,889,903	25,814,450	32,472,359	113,539,155
Gross margin %	0.0%	0.0%	0.0%	0.0%	0.0%	-1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Managed services	7,037,919	10,539,900	10,443,215	9,648,691	37,669,725	9,524,341	11,022,628	11,568,836	12,291,660	44,407,465	13,312,791	15,500,571	16,268,675	17,421,251	62,503,288
Gross margin %	40.4%	32.7%	33.6%	37.7%	35.8%	35.6%	36.0%	36.0%	36.5%	36.1%	40.0%	40.0%	40.0%	40.0%	40.0%
Total cost of revenue	29,439,218	32,762,960	30,849,895	36,485,351	129,537,424	34,978,404	35,467,994	35,036,518	41,811,986	147,624,879	41,675,235	42,390,473	42,083,126	49,893,609	176,042,443
As a percent of revenue	86.0%	86.5%	85.4%	86.2%	86.0%	86.2%	85.1%	84.3%	85.5%	85.5%	82.4%	80.4%	79.5%	81.1%	80.9%
Gross margin	4,778,521	5,117,242	5,275,312	5,836,865	21,007,940	5,597,626	6,200,228	6,507,470	7,065,285	25,040,632	8,875,194	10,333,714	10,845,784	11,614,167	41,668,858
As a percent of revenue	14.0%	13.5%	14.6%	13.8%	14.0%	13.8%	14.9%	15.7%	14.5%	14.5%	17.6%	19.6%	20.5%	18.9%	19.1%
Sales and marketing	639,482	669,797	677,618	746,927	2,733,824	595,997	750,028	747,792	879,791	2,973,608	682,431	711,777	714,540	830,355	2,939,103
As a percent of revenue	1.9%	1.8%	1.9%	1.8%	1.8%	1.5%	1.8%	1.8%	1.8%	1.7%	1.4%	1.4%	1.4%	1.4%	1.4%
General and administrative	4,731,782	4,922,649	4,832,422	5,241,572	19,728,425	4,832,023	5,000,187	4,985,279	5,865,273	20,682,761	5,055,043	5,272,419	5,292,891	6,150,778	21,771,130
As a percent of revenue	13.8%	13.0%	13.4%	12.4%	13.1%	11.9%	12.0%	12.0%	12.0%	12.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	223,688	233,122	225,908	647,713	1,330,431	227,972	250,000	250,000	250,000	977,972	250,000	250,000	250,000	250,000	1,000,000
<b>Operating Income</b>	<b>(816,431)</b>	<b>(708,326)</b>	<b>(460,636)</b>	<b>(799,347)</b>	<b>(2,784,740)</b>	<b>(58,366)</b>	<b>200,014</b>	<b>524,400</b>	<b>70,222</b>	<b>406,292</b>	<b>2,887,720</b>	<b>4,099,519</b>	<b>4,588,352</b>	<b>4,383,034</b>	<b>15,958,626</b>
Operating margin	-2.4%	-1.9%	-1.3%	-1.9%	-1.8%	-0.1%	0.5%	1.3%	0.1%	0.2%	5.7%	7.8%	8.7%	7.1%	7.3%
Interest income	53,430	89,340	83,439	106,854	333,063	87,403	25,000	25,000	25,000	162,403	25,000	25,000	25,000	25,000	100,000
Interest expense	(55,073)	(52,382)	(47,671)	(47,265)	(202,391)	(44,993)	(55,000)	(55,000)	(55,000)	(209,993)	(55,000)	(55,000)	(55,000)	(55,000)	(220,000)
Other income	-	497	93	57	647	49,240	-	-	-	49,240	-	-	-	-	-
Pretax Income	(818,074)	(670,871)	(424,775)	(739,701)	(2,653,421)	33,284	170,014	494,400	40,222	407,942	2,857,720	4,069,519	4,558,352	4,353,034	15,838,626
Taxes	(94,011)	(52,412)	134,410	109,704	97,691	(43,676)	-	-	-	(43,676)	-	-	-	-	-
Tax rate	11.5%	7.8%	-31.6%	-14.8%	-3.7%	-131.2%	0.0%	0.0%	0.0%	-10.7%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net income to common</b>	<b>(724,063)</b>	<b>(618,459)</b>	<b>(559,185)</b>	<b>(849,405)</b>	<b>(2,751,112)</b>	<b>76,960</b>	<b>170,014</b>	<b>494,400</b>	<b>40,222</b>	<b>451,618</b>	<b>2,857,720</b>	<b>4,069,519</b>	<b>4,558,352</b>	<b>4,353,034</b>	<b>15,838,626</b>
Net income margin	-2.1%	-1.6%	-1.5%	-2.0%	-1.8%	0.2%	0.4%	1.2%	0.1%	0.3%	5.7%	7.7%	8.6%	7.1%	7.3%
Diluted shares outstanding	9,552,971	9,586,166	9,655,173	9,655,173	9,669,721	10,073,810	10,163,810	10,253,810	10,343,810	10,208,810	10,433,810	10,523,810	10,613,810	10,703,810	10,568,810
Seq change	233,671	33,195	69,007	-	-	418,637	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
<b>EPS diluted - continuing</b>	<b>(\$0.08)</b>	<b>(\$0.06)</b>	<b>(\$0.06)</b>	<b>(\$0.09)</b>	<b>(\$0.28)</b>	<b>\$0.01</b>	<b>\$0.02</b>	<b>\$0.05</b>	<b>\$0.00</b>	<b>\$0.04</b>	<b>\$0.27</b>	<b>\$0.39</b>	<b>\$0.43</b>	<b>\$0.41</b>	<b>\$1.50</b>
<b>EBITDA</b>															
<b>Net loss</b>	<b>(724,063)</b>	<b>(618,459)</b>	<b>(559,185)</b>	<b>(849,405)</b>	<b>(2,751,112)</b>	<b>76,960</b>	<b>170,014</b>	<b>494,400</b>	<b>40,222</b>	<b>451,618</b>	<b>2,857,720</b>	<b>4,069,519</b>	<b>4,558,352</b>	<b>4,353,034</b>	<b>15,838,626</b>
Depreciation and amortization	709,900	725,300	650,400	1,007,800	3,093,400	512,400	900,000	900,000	900,000	3,212,400	900,000	900,000	900,000	900,000	3,600,000
Income tax	(94,011)	(52,412)	134,410	109,713	97,700	(43,676)	-	-	-	(43,676)	-	-	-	-	-
Interest income	(53,430)	(89,340)	(83,439)	(106,854)	(333,063)	(87,403)	(25,000)	(25,000)	(25,000)	(162,403)	(25,000)	(25,000)	(25,000)	(25,000)	(100,000)
Interest expense	55,073	52,382	47,671	47,274	202,400	44,993	55,000	55,000	55,000	209,993	55,000	55,000	55,000	55,000	220,000
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>EBITDA</b>	<b>(106,531)</b>	<b>17,471</b>	<b>189,857</b>	<b>208,528</b>	<b>309,325</b>	<b>503,274</b>	<b>1,100,014</b>	<b>1,424,400</b>	<b>970,222</b>	<b>3,667,932</b>	<b>3,787,720</b>	<b>4,999,519</b>	<b>5,488,352</b>	<b>5,283,034</b>	<b>19,558,626</b>
Loss on factoring receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock based comp	198,900	166,018	154,100	251,182	770,200	248,800	250,000	250,000	250,000	998,800	250,000	250,000	250,000	250,000	1,000,000
<b>Adjusted EBITDA</b>	<b>92,369</b>	<b>183,489</b>	<b>343,957</b>	<b>459,710</b>	<b>1,079,525</b>	<b>752,074</b>	<b>1,350,014</b>	<b>1,674,400</b>	<b>1,220,222</b>	<b>4,666,732</b>	<b>4,037,720</b>	<b>5,249,519</b>	<b>5,738,352</b>	<b>5,533,034</b>	<b>20,558,626</b>
EBITDA margin	0.3%	0.5%	1.0%	1.1%	0.7%	1.9%	3.2%	4.0%	2.5%	2.7%	8.0%	10.0%	10.8%	9.0%	9.4%
YoY growth	-83.9%	-77.4%	-40.0%	-58.1%		714.2%	635.7%	386.8%	165.4%	332.3%	436.9%	288.8%	242.7%	353.4%	340.5%
CAPX	27,632	93,334	20,031	124,472	265,469	77,832	75,000	75,000	75,000	302,832	75,000	75,000	75,000	75,000	300,000
<b>Free Cash Flow</b>	<b>64,737</b>	<b>90,155</b>	<b>323,926</b>	<b>335,238</b>	<b>814,056</b>	<b>674,242</b>	<b>1,275,014</b>	<b>1,599,400</b>	<b>1,145,222</b>	<b>4,363,900</b>	<b>3,962,720</b>	<b>5,174,519</b>	<b>5,663,352</b>	<b>5,458,034</b>	<b>20,258,626</b>
As a percent of revenue	0.2%	0.2%	0.9%	0.8%	0.5%	1.7%	3.1%	3.8%	2.3%	2.5%	7.8%	9.8%	10.7%	8.9%	9.3%

Source: Company reports and Litchfield Hills Research LLC

## WYY (NYSE American) - Buy \$15 Price Target

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