WESTPARK CAPITAL
TECHNOLOGY RESEARCH

COMPANY UPDATE
Technology

WidePoint Corporation (WYY)

Rating: Buy

Price Target: $9.00
Share Price: $6.31

November 14, 2025

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Reports 3Q, Navigates Federal Shutdown, Builds Pipeline for 2026

Company Data	
Average Daily Volume (M)	0.1
52 Week Range	7.55 - 2.19
Shares Outstanding (M)	9.7
Market Cap (M)	61.2
Dividend Yield	0.0%
Enterprise Value (M)	49.1
Total Cash (M)	12.1
Total Debt (M)	0.0
Total Debt to Cap	0.0%

Estimates

FYE: Dec		2025E	2026E	2027E
EPS	Q1	(0.08) A	(0.03)	0.04
	Q2	(0.04) A	0.03	0.05
	Q3	(0.03) A	0.05	0.09
	Q4	(0.03)	0.09	0.12
	FY	**(0.18)**	**0.14**	**0.30**
P/E		NM	45.1x	21.0x
Revenue	Q1	34.2 A	42.0	46.0
	Q2	37.9 A	42.0	47.0
	Q3	36.1 A	44.0	48.0
	Q4	37.0	46.0	49.0
	FY	**145.2**	**174.0**	**190.0**

One Year Performance Chart

Summary

Reports Solid 3Q Despite Federal Government Shut Down. WidePoint reported 3Q results of $36.1M and an EPS loss of ($0.03) versus our expectations for $40M and an EPS loss of ($0.06). Gross margins were impressive at 15%, in the quarter up from 14% in 2Q and 1Q of this year.

Platform Wins, Multiple Paths to Go to Market Boosts Optimism For 2026. WidePoint did reiterate their recent win for their ITMS platform with a major U.S. wireless carrier. This contract will help manage federal wireless devices which utilize this carriers network. WidePoint's Mobile Anchor digital identity product is also in the early phases of its first live customer deployment. In the future we see these services and products being offered jointly to customers where WidePoint can sell three or four services into a single customer driving significant up revenues from each customer but also lifting margins well beyond any historical levels achieved by WidePoint previously.

Adjusting Estimates with Focus on Improving Gross Margins. While revenues are a little below our expectations for 3Q, we believe the incremental increase in gross margins is the more important aspect for investors to focus on. The move to 15% from 14% is significant and increases beyond 15% will have powerful effects on the WidePoint financial model. We now adjust our FY25 estimates to $145.2M with an EPS loss of ($0.18) from $153.6M / ($0.22) previously. The improved EPS on lower revenues is directly attributable to better gross margins that we expect to continue. We maintain our FY26 and FY27 estimates at $174M / $0.14 and $190M / $0.30 respectively.

Reiterate Buy Rating and $9 Price Target. We maintain our Buy rating and $9 Price Target on shares of WidePoint. We believe that WidePoint does not have any true direct public market comparable companies. We see WidePoint, while smaller as most similar to IT consulting and services companies who provide a range of services to government commercial enterprises. Booz Allen is an excellent comp in our view given that company's heavy engagement with Federal Government agencies. We also believe that WidePoint has exciting opportunities in identity management and cybersecurity solutions, drawing in some comparison to identity pure plays like Okta (Buy-OKTA) and Sailpoint (NC-SAIL). We believe the higher multiples afforded identity players should be applied in some sense to WidePoint and its valuation. Using our peer group, we see that the average price to sales multiple (P/S) for 2026 is 3.8x with the lowest valuation for the consulting peers at 0.8x for HPE. We understand that smaller capitalization companies are often priced at a discount to peers, and taking this into account, we assign a P/S multiple of only 0.5x to our FY26 revenue estimate of $174M, driving our price target of $9 for shares of WidePoint. We believe there are multiple potential catalysts, including commercial wireless contract wins, the re-compete for a major Department of Homeland Security (DHS) contract and additional key commercial opportunities around WidePoint's managed services offerings.

PLEASE READ THE IMPORTANT DISCLOSURES AND ANALYST CERTIFICATION INFORMATION ON PAGE 6 OF THIS REPORT.

Income Statement For the Fiscal Period Ending	FY23 (A)	FY24 (A)	Q1 (A)	Q2 (A)	Q3 (A)	Q4 (E)	FY25 (E)	Q1	Q2	Q3	Q4	FY26 (E)	Q1	Q2	Q3	Q4
Street Revs																
Street EPS																
Street EBITDA																
Company Rev Guide							**$154-$163**									
Company EPS Guide							**Pulled 11-13-25**									
Company EBITA Guide							**Pulled 11-13-25**									
For the Fiscal Period Ending		**FY24 (A)**	**Q1 (A)**	**Q2 (A)**	**Q3 (A)**	**Q4 (E)**	**FY25 (E)**	**Q1**	**Q2**	**Q3**	**Q4**	**FY26 (E)**	**Q1**	**Q2**	**Q3**	**Q4**
Revenue	106.0	142.6	34.2	37.9	36.1	37.0	145.2	42.0	42.0	44.0	46.0	174.0	46.0	47.0	48.0	49.0
Q/Q %			-9%	11%	-5%	2%		14%	0%	5%	5%		0%	2%	2%	2%
YoY %	13%	34%	0%	5%	4%	-2%	2%	23%	11%	22%	24%	20%	10%	12%	9%	7%
Carrier Services $	58.2	86.7	22.4	22.2	20.4	21.0	86.0	23.0	23.0	24.0	25.0	95.0	25.0	25.0	25.0	25.0
Managed Services $	47.8	55.8	11.8	15.7	15.7	16.0	59.2	19.0	19.0	20.0	21.0	79.0	21.0	22.0	23.0	24.0
Carrier Services %		61%	65%	59%	57%	57%	59%	55%	55%	55%	54%	55%	54%	53%	52%	51%
Managed Servicces %		39%	35%	41%	44%	43%	41%	45%	45%	45%	46%	45%	46%	47%	48%	49%
Total Revenue	**106.0**	**142.6**	**34.2**	**37.9**	**36.1**	**37.0**	**145.2**	**42.0**	**42.0**	**44.0**	**46.0**	**174.0**	**46.0**	**47.0**	**48.0**	**49.0**
Q/Q %			**-9%**	**11%**	**-5%**	**2%**		**14%**	**0%**	**5%**	**5%**		**0%**	**2%**	**2%**	**2%**
YoY %	**13%**	**34%**	**0%**	**5%**	**4%**	**-2%**	**2%**	**23%**	**11%**	**22%**	**24%**	**20%**	**10%**	**12%**	**9%**	**7%**
Cost Of Goods Sold		123.9	29.4	32.8	30.8	31.4	124.5	36.3	35.7	37.4	39.1	148.5	39.1	39.7	40.4	41.1
Carrier Services COGS $			22.4	22.2	20.4	21.0		23.0	23.0	24.0	25.0		25.0	25.0	25.0	25.0
Managed Services COGS $			7.0	10.5	10.0	10.4		13.3	12.7	13.4	14.1		14.1	14.7	15.4	16.1
Carrier Services COGS %			100%	100%	100%	100%		100%	100%	100%	100%		100%	100%	100%	100%
Managed Services COGS %			60%	67%	64%	65%		70%	67%	67%	67%		67%	67%	67%	67%
Gross Profit		18.7	**4.8**	**5.1**	**5.3**	**5.6**	20.7	**5.7**	**6.3**	**6.6**	**6.9**	25.5	**6.9**	**7.3**	**7.6**	**7.9**
			14%	14%	15%	15%		14%	15%	15%	15%		15%	15%	16%	16%
Sales & Marketing		11.3	0.6	0.7	0.7	0.9	2.9	0.9	0.9	1.0	1.0	3.8	1.1	1.3	1.4	1.4
General & Admin		8.7	4.7	4.9	4.8	5.0	19.5	5.0	5.0	5.0	5.0	20.0	5.4	5.4	5.2	5.2
R & D Exp.		0.0	0	0	0	0	0.0	0	0	0	0	0.0	0	0	0	0
Other Operating Exp., Total		19.9	**5.4**	**5.6**	**5.5**	**5.9**	22.4	**5.9**	**5.9**	**6.0**	**6.0**	23.8	**6.5**	**6.7**	**6.6**	**6.6**
Operating Income		-1.9	**(0.6)**	**(0.5)**	**(0.2)**	**(0.3)**	-1.6	**(0.2)**	**0.4**	**0.6**	**0.9**	1.7	**0.4**	**0.6**	**1.0**	**1.3**
Interest Expense		-0.8	(0.1)	(0.1)	0	(0.1)	-0.2	(0.1)	(0.1)	(0.1)	(0.1)	-0.2	(0.1)	(0.1)	(0.1)	(0.1)
Interest and Invest. Income		0.2	0.1	0.1	0.1	0.1	0.3	0	0	0	0	0.0	0	0	0	0
Net Interest Exp.		-0.6	**(0.0)**	**0.0**	**0.1**	**(0.0)**	0.2	**(0.1)**	**(0.1)**	**(0.1)**	**(0.1)**	-0.2	**(0.1)**	**(0.1)**	**(0.1)**	**(0.1)**
Pre-Tax Income	-	(2.43)	(0.94)	(0.44)	(0.12)	(0.30)	(1.45)	(0.3)	0.3	0.5	0.9	1.5	0.4	0.5	0.9	1.3
Income Tax Expense			(0.1)	(0.1)	0.1	0		0	0	0	0		0	0	0	0
Earnings from Cont. Ops.		**(2.4)**	**(0.7)**	**(0.4)**	**(0.3)**	**(0.3)**	**(1.7)**	**(0.3)**	**0.3**	**0.5**	**0.9**	**1.5**	**0.4**	**0.5**	**0.9**	**1.3**
Diluted EPS		**$ (0.26)**	($0.08)	($0.04)	($0.03)	($0.03)	**$ (0.18)**	($0.03)	$0.03	$0.05	$0.09	**$0.14**	$0.04	$0.05	$0.09	$0.12
Weighted Avg. Diluted Shares Out.			9.6	9.6	9.7	9.8	9.8	9.9	10.0	10.1	10.2	10.2	10.3	10.4	10.5	10.6

FY27 (E)
FY27 (E)
190.0
9%
100.0
90.0
53%
47%
190.0
9%
160.3
29.7
5.2
21.2
0.0
26.4
3.3
-0.2
0.0
-0.2
3.1
3.1
$0.30
10.6

Company Description:

WidePoint Corporation was founded in 1997 and is headquartered in Fairfax, Virginia. The company operates as a Managed Solution Provider (MSP), specializing in securing and managing mobile and enterprise technology environments. The company is also expanding into highly secure identity management and cybersecurity solutions. Widepoint core business segments include Identity & Access Management (IAM). Mobility Managed Services (MMS). Telecom Lifecycle Management, IT as a Service (ITaaS), Cloud Security and Digital Billing. WidePoint serves a mix of U.S. federal government agencies including the Department of Homeland Security (DHS), Department of Defense (DoD), Coast Guard, FCC, and commercial enterprises across diverse sectors.

Investment Thesis:

Our investment thesis and Buy rating is driven by our view that over the next 12-24 months WidePoint is likely to expand the percentage of revenues from higher margin managed services which see driving higher total firm gross margins and driving higher EPS levels. WidePoint is a unique business with significant contracts with major Federal and State government agencies. The majority of the company's revenues today remain in carrier services which typically carry no gross margin contribution for WidePoint. However, the value in these contracts is the opportunity to upsell managed services at 30-40% gross margins, and in the future we believe some commercial opportunities could offer up to 60% gross margins to WidePoint. We see three beneficial trends for WidePoint - increasing total revenues, increasing gross margins and increasing EPS across each of the next three years.

Risks:

WidePoint Corporation's business faces potential risks from a range of directions including risks related to holding the U.S. Federal Government as a customer to more traditional risks such as customer concentration and financial risks of the enterprise. Key risks include the following:

- **Federal contracts** allow audits and penalties, which can lead to financial and operational risks.
- **Government shutdowns or budget cuts** may disrupt cash flow and operations.
- **Anti-fraud efforts** could result in agency closures, threatening revenue.
- **Cybersecurity breaches** may damage reputation and result in customer loss.
- **DHS CWMS 2.0 contract,** a major revenue source, is up for renewal and may not be retained.
- **Intense market competition** and rapid tech changes challenge product relevance and profitability.
- **Failure to innovate** quickly could lead to obsolescence and reduced customer retention.
- **Loss of major contracts** like DHS CWMS 2.0 could force cost-cutting and reduce financial health.
- **Long, unpredictable sales cycles** make revenue forecasting difficult.
- **Standardized tech** could reduce the value of TMaaS and limit competitiveness.
- **Carrier restrictions on data sharing** could reduce solution value and competitiveness.
- **Government shutdowns and budget shifts** could reduce contract funding and revenue.
- **DOGE agency actions** may cut contracts or eliminate agencies, impacting revenue.
- **Competitive bidding** is costly and uncertain, with risks of losing key contracts.
- **Failure to maintain security clearances** could disqualify the company from classified work.
- **Government contracts** allow termination and modification, posing revenue risks.
- **IP infringement claims** could lead to costly litigation or redesigns.
- **Regulatory audits** may result in penalties or reputational harm.

Valuation:

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0.8x for HPE. We understand that smaller capitalization companies are often priced at a discount to peers, and taking this into account, we assign a P/S multiple of only 0.5x to our FY26 revenue estimate of $174M, driving our price target of $9 for shares of WidePoint. We believe there are multiple potential catalysts, including commercial wireless contract wins, the re-compete for a major Department of Homeland Security (DHS) contract and additional key commercial opportunities around WidePoint's managed services offerings.

Figure 1: Peer Group Multiples (As of November 13, 2025)

Company	Ticker	Last Price	Market Cap ($MM)	Shares O/S	2025 Revs (Est)	2026 Revs Est)	2025 P/S	2026 P/S
BOOZ ALLEN HAMILTON HOLDING CORPORATION (XNYS:BAH)	BAH	$ 84.21	$ 10,215	121,301,200	12,170	12,830	0.8	0.8
HEWLETT PACKARD ENTERPRISE COMPANY (XNYS:HPE)	HPE	$ 22.93	$ 30,255	1,319,450,000	34,520	40,290	0.9	0.8
OKTA, INC. (XNAS:OKTA)	OKTA	$ 83.76	$ 14,766	176,285,900	2,888	3,160	5.1	4.7
SAILPOINT, INC. (XNAS:SAIL)	SAIL	$ 19.19	$ 11,272	556,635,300	1,060	1,260	10.6	8.9
	Average						**4.4**	**3.8**
WIDEPOINT CORPORATION (XNYS:WYY)	WYY	$ 6.31	$ 67	9,776,910	154	174	0.4	0.4

Source: Refinity, WestPark Capital Estimates

DISCLOSURES

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Buy - Buy-rated stocks are expected to have a total return of at least 15% over the following 12 months and are the most attractive stocks in the sector coverage area.

Hold - We believe this stock will perform in line with the average return of others in its industry over the following 12 months.

Sell - Sell-rated stocks are expected to have a negative total return of at least 15% over the following 12 months and are the least attractive stocks in the sector coverage area.

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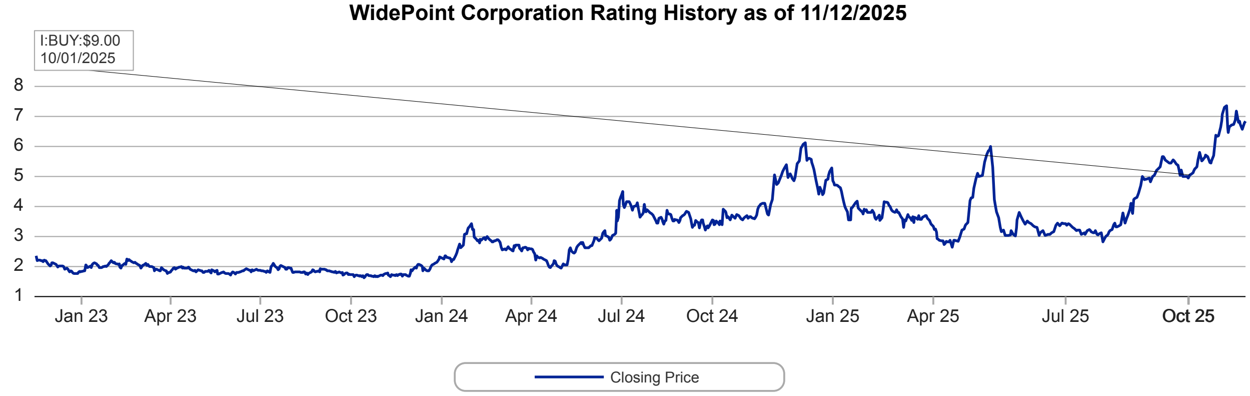
Company Specific Disclosures

Distribution of Ratings
WestPark Capital Inc.

Rating	Count	Percent	Investment Banking Serv./Past 12 Mos. Count	Investment Banking Serv./Past 12 Mos. Percent
BUY [BUY]	18	72.00	4	22.22
HOLD [HOLD]	7	28.00	1	14.29
SELL [SELL]	0	0.00	0	0.00

WidePoint Corporation Rating History as of 11/12/2025



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