

WidePoint Corporation (WYY)

Rating: Buy

Price Target: \$9.00

Share Price: \$5.02

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Expanding from Government to Lucrative Commercial Enterprise Services Market

Company Data	
Average Daily Volume (M)	0.1
52 Week Range	6.25 - 2.19
Shares Outstanding (M)	9.6
Market Cap (M)	48.2
Dividend Yield	0.0%
Enterprise Value (M)	45.6
Total Cash (M)	7.2
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	(0.06)	0.05	0.09
	Q4	(0.04)	0.09	0.12
	FY	(0.22)	0.14	0.30
P/E		NM	35.9x	16.7x
Revenue	Q1	34.2 A	42.0	46.0
	Q2	37.9 A	42.0	47.0
	Q3	40.0	44.0	48.0
	Q4	41.5	46.0	49.0
	FY	153.6	174.0	190.0

One Year Performance Chart



Summary

Expanding Technology Solution Portfolio Paves Path to Higher Revenues and Margins. We believe that WidePoint will be able to expand their "managed services" segment driving higher total corporate gross margins over the next six to eight quarters. We believe that gross margin expansion on the shift in revenues to managed services could represent as much as 400 basis points improvement.

Initiating Estimates with Strong Margin Expansion Opportunities. We believe our initial estimates are grounded in the opportunities that WidePoint has lines of sight on into 2026. We initiate FY25 estimates of \$153.6M / (\$0.22), FY26 estimates of \$174M / \$0.14 and FY27 estimates of \$190M / \$0.30. Current consensus estimates call for FY25 results of \$154.1M and an EPS loss of (\$0.19). FY26 estimates call for \$174.1M/\$0.13.

Near Term Catalyst - DHS Cellular Wireless Managed Services (CWMS) 3.0. WidePoint is competing to win the next generation of wireless services support contract from the Department of Homeland Security (DHS). The new contract is scheduled to begin November 25th, one day after the current contract held by WidePoint ends on November 24th. WidePoint is the current vendor to the predecessor 2.0 contract and a win will be a strong catalyst for WidePoint in our view. We believe this could be delayed into January of 2026 as the final RFP from DHS has not been released as of this writing.

Initiating Coverage with a Buy Rating and \$9 Price Target. We are initiating coverage of WidePoint Corporation with a Buy rating and a \$9 Price Target. 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.

Shifting Revenues to Higher Margin Security and Services Business Lines. WidePoint is making significant progress in expanding the company's business beyond the historical core of managed telecommunications services for U.S. Federal and State Governments. WidePoint has always provided a suite of services. We see WidePoint making strong progress in their portfolio of managed services including critical tools in identity management such as MobileAnchor.

Figure 1: WidePoint Roadmap of Margin Expansion

WYY Margin Expansion Roadmap	2Q FY25	2Q FY26 (Est)	Long Term Target
Carrier Services GM%	0%	0%	0%
Carrier Services % of Revenues	59%	55%	50%
Managed Services %	33%	33%	35%
Managed Services % of Revenues	41%	45%	50%
Total GM%	14%	15%	18%

Source: Company Reports, WestPark Estimates

We believe that as WidePoint expands their product portfolio and is able to sell a greater percentage of products into both government and new commercial customer opportunities that overall corporate gross margins will expand. We see margin expansion simply on the shift in revenues to more managed services as driving gross margins up 400 basis points over the long term. We also believe that growth in cybersecurity and device management services can begin to increase the gross margins that the managed services segment can provide to WidePoint, even beyond the 35% gross margin estimate we demonstrate in Figure 1.

Widepoint Carrier Services

WidePoint provides customers with carrier services, which consists of phone, data and satellite and related mobile services for a connected device or end point. WidePoint procures, processes and pays communication carrier invoices on behalf of customers. WidePoint recognizes revenues and related costs on a gross basis in this operating segment. A significant portion of WidePoint's overall reported revenue consists of revenue from carrier services; however, it represents an insignificant portion of overall reported gross profit. While carrier services are a commodity billed at near zero gross margins, WidePoint feels that carrier services are a necessary service to deliver to federal government customers that engage WidePoint to provide a full-service solution.

Carrier Services Key Entry Point to Large Scale Customers. WidePoint has been highly successful in winning large Federal and State government contracts with their carrier services offerings. While not high margin, the customer relationships and engagements pave the way for significant expansion of services sold to these agencies at higher margins driving margin expansion and revenue growth for the overall company. We believe that WidePoint through its contract wins can service over 1 million unique individuals throughout the largest government agencies in the United States.

Figure 2: Key WidePoint Government Customers

Agency / Entity	Civilian Employees Covered
Department of Defense	600,000
Department of Homeland Security	260,000
Department of Education	2,100
Texas State Employees	137,000
Government Services Agency (GSA)	12,000
Total Covered Workforce	1,011,100

Source: Government Agency Reports and WestPark Capital Estimates

WidePoint Managed Services

WidePoint managed services segment is made up of multiple product offerings including telecommunications lifecycle management, mobile and identity management - including the MobileAnchor product line - digital billing and expense analytics and IT as a service.

Telecom Lifecycle Management

WidePoint offers telecommunications lifecycle management solutions to enterprises in the public and private sectors. WidePoint solutions are delivered as a hosted or secure multi-modal delivery environment. The WidePoint solutions provide

full visibility of telecommunications assets for clients enabling them to manage all aspects of their telecommunications assets, while reducing the overall cost of ownership. WidePoint offers state-of-the-art call centers that are available 24/7 to help customers realize the full benefits of the WidePoint platform.

Mobile and Identity Management

As one of two DoD designated External Certificate Authorities, WidePoint offers several different federally certified digital certificates and credentials that enable WidePoint customers to provide strong multifactor authentication (MFA) solution to conduct business through secure portals owned and managed by the U.S. federal government, access government facilities and secure mobile devices that are used to access corporate networks, databases and other IT assets. WidePoint also offers comprehensive mobile security solutions that protect users, devices, and corporate resources, including establishing effective policies to create a scalable, adaptable, successful mobile program. WidePoint offers the same MFA solution to enterprises in the private sector with the same level of cybersecurity assurance that they offer to the U.S. Federal Government.

Digital Billing and Unified Communications Analytics Solutions

WidePoint offers innovative and interactive billing communications and analytics solutions to large communications service providers (CSPs). WidePoint's customized solutions provide their customers the ability to view and analyze their bills online via WidePoint's advanced self-serve user portal 24/7. WidePoint solutions are delivered in a hosted and secure environment and provide our CSPs with full visibility into their revenue model which drives a stronger customer experience and reduces their operating costs and improves profitability.

IT as a Service

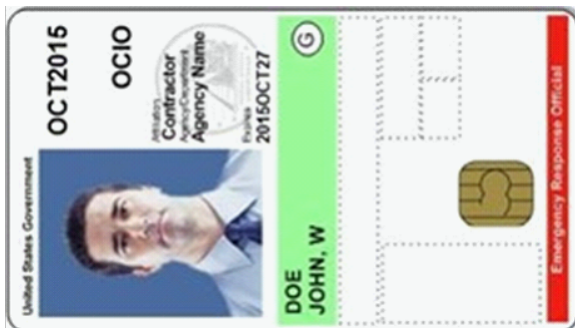
WidePoint provides comprehensive information technology (IT) as a service offerings (ITaaS), including cybersecurity, cloud services, network operations, and professional services. WidePoint provides a complete outsourcing solution that includes hardware, software, network and associated management for WidePoint clients' IT needs. WidePoint also provides development operations support, artificial intelligence implementation, and the Microsoft stack of technologies to help customers be productive, agile, and efficient in a secure environment. WidePoint also provides "migration to the cloud" services that enable WidePoint customers to take advantage of cost savings through economies of scale and elimination of redundancy as well as taking advantage of built-in scalability and resiliency of the cloud.

DaaS Expanding WidePoint Business Potential Strongly into the Commercial Enterprise Market. Device-as-a-Service (DaaS) builds on WidePoint's historical strengths in managing wireless devices for the largest U.S. Federal agencies over the past 15 years. DaaS opportunities in the pipeline have shifted slightly to the right, we are still encouraged with the increase in activity and progress. The pipeline of DaaS is composed of 90% large commercial opportunities, which align directly with our broader goal of expanding beyond our traditional government work. DaaS customer wins could be significantly higher margin revenue than WidePoint has historically seen, at almost 80% gross margins.

Cybersecurity Opportunities Significant for WidePoint. WidePoint Cybersecurity Solutions Corp. offers a range of critical identity security solution including next generation federally-certified IAM solutions Quantum-resistant Public Key Infrastructure (PKI) solutions and a PIV solution known as *MobileAnchor*. WidePoint is one of only two companies worldwide certified by DoD. We believe that WidePoint is the subject-matter expert in all facets of identity management, credential issuing and PKI (Public Key Infrastructure).

MobileAnchor is an identity management solution from WidePoint that is in the category of security tools known as a derived personal identity verification (PIV) credential. A PIV credential is issued by a federal agency or organization that allows users to authenticate to systems and access data using a mobile device, rather than a physical PIV card (Figure 1).

Figure 3: Sample PIV Card



Source: <https://www.commerce.gov/osy/images/piv-card-example>

The PIV is based on a user's existing, valid PIV card, leveraging their identity and proofing. The mobile device makes use of a digital certificate known as a X.509 certificate. An X.509 certificate is a standard electronic document that verifies the identity of a user or device and links their public key. It contains essential information such as the public key, an identifier, a validity period, and the issuer's digital signature, which confirms the certificate's authenticity and prevents forgery. X.509 certificates are widely used for secure online communication (like HTTPS/TLS), email encryption (S/MIME). MobileAnchor

stores the X.509 certificate on a mobile device and enables strong, multi-factor authentication (MFA) in situations where carrying a physical PIV card is impractical.

The MobileAnchor solution provides many key benefits to WidePoint customers including:

- **Enhanced Mobility:** Enables secure access to federal resources from mobile devices, which is crucial for productivity and remote work.
- **Compliance:** Provides a compliant method for mobile authentication, aligning with HSPD-12 and FIPS 201-2 standards.
- **Convenience:** Offers a more convenient way to authenticate, as users may not always have their physical PIV card.
- **Enhanced Security:** Direct Integration of the PIV into a mobile device reduces the attack surface for hackers on employee identities.

Key Government Contracts

WidePoint's business has historically been leveraged to the U.S. Federal Government. As a result of this orientation, WidePoint is reliant on some major contract awards from key departmental customers. Some of the most important contracts for WidePoint include the following:

U.S. NAVY Wireless Spiral 4- Contract for DOD & federal civilian agencies to purchase carrier services, accompanying devices, and other features. The Spiral 4 is an Indefinite Delivery/Indefinite Quantity (IDIQ) contract and is available for use by any federal agency. Spiral 4 is mandatory for the Department of Defense (DoD) for use to procure unclassified wireless communications services.

DHS Cellular Wireless Managed Services (CWMS) 2.0 - This contract serves the Department of Homeland Security (DHS) and related departments. This contract provides a comprehensive commercial cellular wireless managed services solution. Services for CWMS 2.0 include a customized web portal that serves as the tool for wireless program management for each DHS Component. This contract is scheduled to conclude in November 2025

State of Texas (SaaS Solutions), Department of Information Resources- WidePoint holds a Software COTS and Related Services contract, DIR-CPO-5432, with the Texas Department of Information Resources (DIR) for Software-as-a-Service (SaaS) telecom solutions, making them available to Texas state and local governments, public education entities, and other public entities. Through this contract, WidePoint offers its WidePoint Telecom Complete Software Management Solution and related implementation, configuration, and project management services. This contract is accessible to additional public bodies, such as public hospitals, volunteer fire departments, and public safety entities. Public entities in other states can also access these services via Texas's Interstate Cooperation Contract (ICC) program.

General Services Administration (GSA)- WidePoint holds the contract to provide IT services to all Federal and Tribal agencies (including District of Columbia and U.S. territories). Services can include procurement of hardware, software, broader IT solutions, e-commerce tools as well as IT service staffing and technical expertise. This contract runs through 2039.

DHS Cellular Wireless Managed Services (CWMS) 3.0 - Re-compete. WidePoint is competing to win the next generation of wireless services support contract from the Department of Homeland Security (DHS). The new contract is scheduled to begin November 25th, one day after the current contract held by WidePoint ends on November 24th. The Department of Homeland Security (DHS) CWMS 2.0 contract will be replaced by the CWMS 3.0 indefinite-delivery, indefinite-quantity (IDIQ) contract. A draft solicitation for CWMS 3.0 was released in June 2025, with a potential value of \$3.1 billion. The substantial increase in the contract ceiling, which stands at \$3 billion marks a significant increase from 2.0 which was originally valued at \$500 and adjusted to over \$720M during its life cycle. We believe this could be delayed into January of 2026 as the final RFP from DHS has not been released as of this writing.

WidePoint has many key attributes to help the company win this new contract with DHS. First, the contract requires the vendor to have FedRAMP authorized status, which WidePoint holds. Second the contract will require the vendor to hold small business status, which WidePoint has as well. Finally, it appears this contract will be judged as a best value award, meaning technical solution, past performance and reliability will matter as much or more than cost.

Competition:

WidePoint has large, mid-size and small competitors in each segment of its services. Its main competition in mobility management includes Avalon Technologies, Profitline and Tangoe. In cybersecurity and consulting, WidePoint's key competitors are Lockheed Martin (NC-LMT) and Northrop Grumman (NC-NOC) for government contracts. In commercial markets (and some international Government opportunities) WidePoint competes against the following firms with their *MobileAnchor* and card based PIV products:

- **IDEMIA:** IDEMIA is a global leader in providing identity-related security services and technologies, including biometrics and document authentication, to governments and businesses worldwide. IDEMIA offers FIPS 201-compliant smart cards and USB security keys, expanding its digital credential portfolio to the U.S. government and partners.

- **Entrust:** Entrust is a global technology company, formerly Entrust Datacard, providing identity-centric security solutions for physical and digital environments. Entrust provides a comprehensive Derived PIV credential solution, including a mobile application for iOS and Android that functions as a digital smart card.
- **Intercede:** Entrust is a global technology company, formerly Entrust Datacard, providing identity-centric security solutions for physical and digital environments. Intercede offers the MyID CMS PIV platform, which allows federal agencies and their suppliers to issue and manage digital identities.
- **Thales:** Thales offers digital identity and security solutions, which was enhanced with the acquisition of Gemalto which has allowed Thales to become a leader in the field, providing governments and businesses with tools for identity verification, access management, and data protection through biometrics, mobile identities, and secure physical documents. The company's offerings support everything from secure digital onboarding for financial institutions to managing national identity systems.
- **HID Global:** HID Global offers a range of products and services, including biometric readers, card printers, access control systems, digital identity solutions, and RFID technology, serving sectors like government, healthcare, finance, and education. Delivers a full range of PIV solutions, including identity management, secure credential issuance and management, and physical and IT system access.
- **SecureW2:** SecureW2 provides next-generation, passwordless network security solutions for enterprises, education, and healthcare, enabling organizations to secure their network perimeters using digital certificates and a unified *JoinNow* platform. SecureW2 focuses on the complete PIV credential life-cycle management, including the provisioning and revocation of certificates for secure multi-factor authentication (MFA).

MANAGEMENT

Widepoint is lead by an experienced and stable management team with key leaders having been in place at WidePoint for a number of years. Key leaders at WidePoint include:

Jin Kang – Chief Executive Officer (CEO) - Jin Kang is the CEO and a Director of WidePoint Corporation. With over 30 years of experience in IT, mergers and acquisitions, corporate management, and business development, Mr. Kang is a recognized expert in trusted mobility management (TM2) for both public and private sectors. He has held senior roles at leading technology firms and contributed to major government programs including CODIS, D/SIDDOMS, and DBSS. Mr. Kang holds Bachelor's and Master's degrees in Computer Science and Computer Systems Management from the University of Maryland.

Robert “Bob” George – Chief Financial Officer (CFO) - Bob George is CFO of WidePoint Corporation, bringing over 30 years of financial leadership across entrepreneurial firms and multinational corporations. He previously served as CFO of Exovera LLC, a SOSi subsidiary, and has deep expertise in strategic planning, financial systems, U.S. GAAP/SEC reporting, taxation, and federal contracting. Earlier in his career, he held executive roles at Exelis, CSC, OAO Technology Solutions, and AppNet Systems, where he led 32 M&A transactions totaling \$3.4 billion. Mr. George holds a B.S. in Accounting from the University of Maryland.

Ian Sparling – Chief Operating Officer, International & CEO, Soft-ex Communications - Ian Sparling is WidePoint's COO, International, and CEO of Soft-ex Communications. A performance-driven leader with extensive global experience, he has led Soft-ex since 2006 after serving as CFO from 2001–2005. Previously, Mr. Sparling was the Group Financial Controller at Fitzwilton Plc and qualified as a Chartered Accountant with PwC. Mr. Sparling is a Fellow of the Institute of Chartered Accountants and holds a B.Comm. and postgraduate finance degree from University College Dublin, along with additional credentials in corporate governance and international business. He also lectures on strategy and leadership in MBA programs.

Jason Holloway – President and Chief Revenue Officer - Jason Holloway is President and Chief Revenue Officer of WidePoint Corporation. With over 25 years in the IT industry, he has extensive experience in business development, sales, and executive management across government, finance, healthcare, technology, and other sectors. Mr. Holloway co-founded Nexcentri in 2001, serving as President and CEO until 2013, where he launched three financial services software products and expanded internationally. He previously led Networked Knowledge Systems, growing revenue more than 800% in five years while serving clients such as IBM and PwC. He has also held senior leadership roles in multiple technology startups preparing for IPO.

Todd Dzyak – Chief Operating Officer = Todd Dzyak is COO of WidePoint Corporation with extensive experience in Managed Mobility and Telecom Expense Management. He has led large-scale programs for Fortune 100 companies and U.S. government agencies, including DHS and the U.S. Census Bureau. Mr. Dzyak holds a B.S. in Psychology from Bowling Green State University.



Income Statement																			
For the Fiscal Period Ending	Q1	Q2	Q3	Q4 (A)	FY24 (A)	Q1 (A)	Q2 (A)	Q3 (E)	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										Positive - under review as of 2Q									
Company EBITA Guide										\$2.5-\$3.2 - Under review as of 2Q									
For the Fiscal Period Ending	Q1	Q2	Q3	Q4 (A)	FY24 (A)	Q1 (A)	Q2 (A)	Q3 (E)	Q4 (E)	FY25 (E)	Q1	Q2	Q3	Q4	FY26 (E)	Q1	Q2	Q3	Q4
Revenue	34.2	36.0	34.6	37.7	142.6	34.2	37.9	40.0	41.5	153.6	42.0	42.0	44.0	46.0	174.0	46.0	47.0	48.0	49.0
Q/Q %	21%	5%	-4%	9%		-9%	11%	6%	4%		1%	0%	5%	5%		0%	2%	2%	2%
YoY %	35%	35%	35%	33%	34%	0%	5%	16%	10%	8%	23%	11%	10%	11%	13%	10%	12%	9%	7%
Carrier Services \$	19.3	20.4	22.4	24.6	86.7	22.4	22.2	23.0	23.0	90.6	23.0	23.0	24.0	25.0	95.0	25.0	25.0	25.0	25.0
Managed Services \$	14.9	15.6	12.2	13.1	55.8	11.8	15.7	17.0	18.5	63.0	19.0	19.0	20.0	21.0	79.0	21.0	22.0	23.0	24.0
Carrier Services %	56%	57%	65%	65%	61%	65%	59%	58%	55%	59%	55%	55%	55%	54%	55%	54%	53%	52%	51%
Managed Services %	44%	43%	35%	35%	39%	35%	41%	43%	45%	41%	45%	45%	45%	46%	45%	46%	47%	48%	49%
Total Revenue	34.2	36.0	34.6	37.7	142.6	34.2	37.9	40.0	41.5	153.6	42.0	42.0	44.0	46.0	174.0	46.0	47.0	48.0	49.0
Q/Q %	21%	5%	-4%	9%		-9%	11%	6%	4%		1%	0%	5%	5%		0%	2%	2%	2%
YoY %	35%	35%	35%	33%	34%	0%	5%	16%	10%	8%	23%	11%	10%	11%	13%	10%	12%	9%	7%
Cost Of Goods Sold	29.5	31.1	29.9	33.3	123.9	29.4	32.8	34.9	36.0	133.1	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	23.0	23.0		23.0	23.0	24.0	25.0		25.0	25.0	25.0	25.0
Managed Services COGS \$						7.0	10.5	11.9	13.0		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%	70%	70%		70%	67%	67%	67%		67%	67%	67%	67%
Gross Profit	4.7	4.9	4.7	4.4	18.7	4.8	5.1	5.1	5.6	20.5	5.7	6.3	6.6	6.9	25.5	6.9	7.3	7.6	7.9
Q/Q %	16%	16%	16%	13%		14%	14%	13%	13%		14%	15%	15%	15%		15%	15%	16%	16%
YoY %	5.1	5.1	0.5	0.6	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
Sales & Marketing						4.7	4.9	5.0	5.0	19.7	5.0	5.0	5.0	5.0	20.0	5.4	5.4	5.2	5.2
General & Admin						0	0	0	0	0	0	0	0	0	0	0	0	0	0
R & D Exp.						0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operating Exp., Total	5.1	5.1	4.9	4.9	19.9	5.4	5.6	5.7	5.9	22.6	5.9	5.9	6.0	6.0	23.8	6.5	6.7	6.6	6.6
Operating Income	(0.7)	(0.5)	(0.2)	(0.5)	-1.9	(0.6)	(0.5)	(0.6)	(0.4)	-2.0	(0.2)	0.4	0.6	0.9	1.7	0.4	0.6	1.0	1.3
Interest Expense	(0.1)	(0.1)	(0.5)	(0.1)	-0.8	(0.1)	(0.1)	(0.1)	(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	0.0	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0	0	0	0	0.0	0	0	0	0
Net Interest Exp.	(0.1)	(0.0)	(0.5)	(0.0)	-0.6	(0.0)	0.0	(0.0)	(0.0)	0.0	(0.1)	(0.1)	(0.1)	(0.1)	-0.2	(0.1)	(0.1)	(0.1)	(0.1)
Pre-Tax Income	(0.75)	(0.55)	(0.66)	(0.47)	(2.43)	(0.94)	(0.44)	(0.60)	(0.35)	(1.98)	(0.3)	0.3	0.5	0.9	1.5	0.4	0.5	0.9	1.3
Income Tax Expense	0	0.0	0	0		(0.1)	(0.1)	0	0		0	0	0	0		0	0	0	0
Earnings from Cont. Ops.	(0.8)	(0.6)	(0.7)	(0.5)	(2.4)	(0.7)	(0.4)	(0.6)	(0.4)	(2.1)	(0.3)	0.3	0.5	0.9	1.5	0.4	0.5	0.9	1.3
Diluted EPS	(\$0.08)	(\$0.06)	(\$0.07)	(\$0.05)	\$ (0.26)	(\$0.08)	(\$0.04)	(\$0.06)	(\$0.04)	\$ (0.22)	(\$0.03)	\$0.03	\$0.05	\$0.09	\$0.14	\$0.04	\$0.05	\$0.09	\$0.12
Weighted Avg. Diluted Shares Out.	8.9	9.4	9.4	9.4		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:

Initiating Coverage with a Buy Rating and \$9 Price Target. We are initiating coverage of WidePoint Corporation with a Buy rating and a \$9 Price Target. WidePoint does not have any true direct public market comparable companies in our view. 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 4.3x 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 the re-compete for a major Department of Homeland Security (DHS) contract and key commercial opportunities around WidePoint's managed services offerings.

Figure 4: Peer Group Multiples (As of September 29, 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	\$ 98.89	\$ 12,188	123,248,700	12,170	12,830	1.0	0.9
HEWLETT PACKARD ENTERPRISE COMPANY (XNYS:HPE)	HPE	\$ 24.14	\$ 31,852	1,319,450,000	34,520	40,290	0.9	0.8
OKTA, INC. (XNAS:OKTA)	OKTA	\$ 93.86	\$ 16,546	176,285,900	2,888	3,160	5.7	5.2
SAILPOINT, INC. (XNAS:SAIL)	SAIL	\$ 22.31	\$ 12,419	556,635,300	1,060	1,260	11.7	9.9
Average							4.8	4.2
WIDEPOINT CORPORATION (XNYS:WYY)	WYY	\$ 5.00	\$ 49	9,776,910	154	174	0.3	0.3

Source: Refinity, WestPark Capital Estimates

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:

DISCLOSURES

Analyst Certification

The Research Analyst(s) denoted by an “AC” on the cover of this report certifies (or, where multiple Research Analysts are primarily responsible for this report, the Research Analyst denoted by an “AC” on the cover or within the document individually certifies, with respect to each security or issuer that the Research Analyst covers in this research) that: (1) all of the views expressed in this report accurately reflect the Research Analyst’s personal views about any and all of the subject securities or issuers; and (2) no part of any of the Research Analyst’s compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this report.

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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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Distribution of Ratings WestPark Capital Inc.				
Rating	Count	Percent	Investment Banking Serv./Past 12 Mos.	
			Count	Percent
BUY [BUY]	17	68.00	4	23.53
HOLD [HOLD]	8	32.00	1	12.50
SELL [SELL]	0	0.00	0	0.00



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