



Sify Technologies Limited Sponsored ADR (SIFY)

2Q:F24 Revenue Beat; Margins Narrower Than Expected, But Higher Spending Positions Sify To Capitalize On Growing Demand For Its Data Center And Digital Services; Maintain \$7 Target

	F2022		F2023		F2024E		F2025E	
		OLD	NEW	OLD	NEW	OLD	NEW	
June	\$0.03	\$0.03		\$0.01A		\$0.00		
Sep.	0.03	0.01		0.00	0.00A	0.01		
Dec.	0.03	0.02		0.00		0.02	0.01	
Mar.	0.03	0.00		0.02	0.01	0.04	0.03	
EPS (FY)	\$0.12	\$0.06		\$0.03	\$0.01	\$0.07	\$0.05	
P/E (FY)					NM		31.8x	

NR

Price Target: \$7

Price: \$1.59

Risk Rating: M

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Note: NR = Not Rated. Risk Ratings: H = High; M = Moderate. F2022-F2025E EPS estimates assume 178 million fully diluted shares, constant-currency USD/INR exchange rate of 65. Sum of quarterly data may not equal full-year total due to rounding and/or changes in share count. NC = Not covered by Sidoti & Company, LLC.

Year	F2016	F2017	F2018	F2019	F2020	F2021	F2022	F2023	F2024E	F2025E
Rev.(Mil.)	\$231.3	\$283.6	\$318.2	\$331.5	\$353.1	\$374.1	\$415.8	\$513.9	\$563.2	\$675.5
GAAP EPS	\$0.04	\$0.06	\$0.08	\$0.09	\$0.06	\$0.09	\$0.12	\$0.06	\$0.01	\$0.05

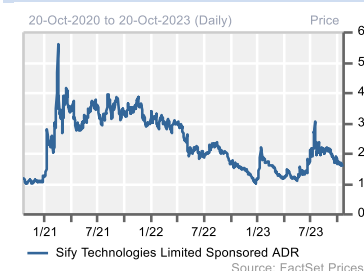
Description: Sify Technologies Ltd., (www.sifytechnologies.com) is one of the largest integrated Information & Communication Technology (ICT) solutions and services companies in India, offering end-to-end solutions over a common telecom data network infrastructure. Sify's network reaches more than 1,550 cities in India and connects 45 data centers, including six owned Tier 3 data centers. Headquarters are in Chennai, India.

- **Sify delivered better-than-expected sales growth in 2Q:F24, with revenue rising 10.7% year-over-year to \$135.2 million, topping our \$134.1 million forecast, as the company's Digital Services growth outpaced our expectations.**
- **Data Center revenue growth was lower than we projected, but still up 7% from a year ago. Sify is opening three new data centers in the next nine months that will significantly expand its capacity and accelerate growth.**
- **Higher than projected growth in SG&A narrowed the EBITDA margin so EBITDA grew just 1% to \$23.4 million, missing our \$27.5 million forecast.**
- **Sify is increasing its spending on the tools and headcount to capitalize on the growing demand for its service. While the upfront spending is crimping profitability, we expect the investments will drive strong returns for Sify.**
- **As a result of the rise in SG&A, we lower our operating margin forecasts as well as our F2024 and F2025 earnings estimates.**
- **Data center spending results in cash outflows in F2024-F2025, by our model. Yet, given the capital raised from Kotak Advisors, Sify's modest balance sheet leverage and cash generated from operations, we find Sify has access to sufficient capital to fund its growth.**
- **At the end of 2Q:F24, net debt was \$245 million, or 2.5x trailing 12-month EBITDA.**
- **We maintain our \$7 price target, based on 140x our F2025 EPS forecast of \$0.05; previously we valued the stock at 100x our higher EPS target of \$0.07. Given Sify's track record of revenue growth and its potential for continued expansion, we see merit to the stock trading at the high-end of the peer range.**
- **Our moderate risk rating considers Sify's track record of growth and positive earnings and cash generation.**

Revenue in 2Q:F24 topped our forecast. Revenue in 2Q:F24 grew 10.7% to \$135.2 million, topping our \$134.1 million forecast. Sify's Network Services segments were in line with our expectation, with revenue rising 5%, but results in its Data Center and Network

Key Statistics

Analysts Covering	1
Market Cap (Mil)	\$290
Enterprise Value	\$540
52-Week Range (NASDAQ)	3-1
5-Year EPS CAGR	20%
Avg. Daily Trading Volume	189,000
Shares Out (Mil)	182.835
Float Shares (Mil)	24.1
Insider Ownership	N/A%
Institutional Holdings	1%
Annualized Dividend	Nil
Dividend Yield	N/A
FCF Per Share (F2025E)	(\$0.14)
FCF Yield (F2025E)	-8.8%
Net Cash Per Share (F2025E)	(\$2.10)
Price to Book Value	1.6x
Return on Equity (F2025E)	4.6%
Total Debt to Capital	61.9%
Interest Coverage Ratio	1.0x
Short Interest %	N/A%
Short Interest Days To Cover	3.7
Russell 2000	1,681
Russell 2000 - Last 12 Months	-1.4%
SIFY - Last 12 Months	-3.1%



Services segments were mixed. We remain bullish on the growth potential of Sify's Data Center business, although growth in 2Q:F24 of 7% was below our 11% forecast. Sify remains on track to open three new data centers by the middle of 2024 with its data center in Mumbai (38 MW) scheduled to open this quarter, and those in Chennai (28 MW) and Noida (28 MW) on track for April or May of next year. This will double the company's existing capacity and will be a major catalyst to accelerate growth in this segment as the new capacity comes online. Offsetting the slightly lower growth in the Data Center segment was Digital Services, which grew by 25% versus our 17% forecast. This segment is comprised of Sify's Cloud and Managed services, as well as its Technology Integration and Application Integration services, all of which management said contributed positively to last quarter's results.

Profitability was below our forecast. The gross margin increased slightly to 37.3% in 2Q:F24 from 37.2% a year ago, missing our 38.7% forecast. Gross margin varies depending on revenue mix, so the lower-than-expected margin was likely driven by the higher mix of lower-margin Digital Services revenue such as Sify's Technology Integration Services project work. Although the gross margin was mostly unchanged, the EBITDA margin declined 170 basis points to 17.3%, which was below our 20.5% forecast. Sify is making significant infrastructure investments and is also adding personnel to support its network investments and the growth of its Digital Services. As a result, SG&A was up 22% from a year ago, which was more than we projected. While the upfront spending is hurting Sify's profitability, we think the spending is warranted, given the secular catalysts driving the growth in cloud and data consumption in India. We expect Sify will generate a strong return on its upfront investments as revenue in both its Data Center and Digital Services segments continue to expand. The higher spending led to EBITDA growing just 1% to \$23.4 million, which was below our \$27.5 million estimate. Net income declined 87%, due to higher depreciation and interest expense from Sify's data center and network investments, leading to EPS of \$0.00, which due to rounding was still in line with our forecast.

Exhibit 1: Sify Technologies Preview						
	2Q:F24E	2Q:F24A	Var	2Q:F23A	2Q:F24A	% Change
Total revenue	\$134.1	135.2	1.1	\$122.1	135.2	10.7%
Gross Profit	51.9	50.5	(1.4)	45.4	50.5	11.2%
(%)	38.7%	37.3%		37.2%	37.3%	
EBITDA	27.5	23.4	(4.1)	23.2	23.4	0.9%
(%)	20.5%	17.3%		19.0%	17.3%	
Diluted EPS	\$0.00	\$0.00	\$0.00	\$0.01	\$0.00	(100.0%)

Sources: Sidoti & Company, LLC estimates and company filings

Valuation	We maintain our \$7 price target on SIFY stock. Sify is a primary beneficiary of India's digital transformation. With the stock trading at enterprise value of just 6.5x our F2024 EBITDA projection and 4.7x our F2025 forecast, SIFY is valued at a steep discount to peers in the India telecom and application and technology integration market players group, which trade 8x-12x EBITDA. We think this reflects Sify's small size, emerging growth and the large capital requirements of its expansion. Given SIFY's track record of revenue and EBITDA growth and its growth potential as new data center capacity comes online, we think the discount is unwarranted and see merit to the stock trading at the high-end of the peer range. Our \$7 price target is based on 140x our F2024 EPS estimate of \$0.05 (from \$0.07). This equates to 11x our F2025 EBITDA estimate of \$147.5 (from \$153.5 million), less projected net debt of \$374 million, to yield \$1.25 billion, or \$6.85 per share. The company's growth potential and modest leverage support our moderate risk rating.		
Key Risks	Foreign exchange	Concentrated ownership	

SIFY TECHNOLOGIES LIMITED SPONSORED ADR

Table 1: Sify Technologies Ltd., Income Statement

(Dollars in millions except where noted)

	F2022	Jun	Sep	Dec	Mar	F2023	JunA	SepA	DecE	MarE	F2024E	JunE	SepE	DecE	MarE	F2025E
Total revenue	415.8	119.0	122.1	136.7	136.1	513.9	131.5	135.2	139.5	156.9	563.2	154.3	162.4	169.3	189.6	675.5
COGS	247.9	75.5	76.7	88.7	87.9	328.9	82.6	84.8	86.0	98.4	351.8	93.4	98.4	101.8	115.9	409.4
Gross profit	167.9	43.5	45.4	47.9	48.2	185.0	48.9	50.5	53.6	58.5	211.4	60.9	64.0	67.5	73.7	266.1
SG&A	74.9	19.6	22.2	23.2	23.2	88.2	22.3	27.1	27.3	28.2	105.0	28.1	29.2	30.1	31.1	118.5
EBITDA	92.9	23.9	23.2	24.7	25.0	96.8	26.5	23.4	26.2	30.2	106.3	32.8	34.7	37.4	42.6	147.5
D&A	50.5	14.3	14.7	15.3	16.8	61.1	17.2	18.7	18.7	20.7	75.3	22.9	23.0	23.2	23.3	92.5
EBIT	42.4	9.6	8.5	9.4	8.2	35.7	9.3	4.6	7.5	9.5	31.1	9.9	11.7	14.2	19.3	55.0
Interest and other expense (income)	15.8	4.3	5.6	6.5	5.6	22.0	7.2	4.7	8.4	8.4	28.8	10.9	10.9	10.9	10.9	43.7
Other expense (income)	(1.8)	(1.2)	(0.4)	(0.4)	(0.0)	(2.0)	(0.2)	(0.9)	(0.5)	(0.5)	(2.2)	(0.5)	(0.5)	(0.5)	(0.5)	(2.2)
EBT	28.4	6.5	3.4	3.3	2.6	15.7	2.3	0.8	(0.4)	1.6	4.4	(0.5)	1.3	3.8	8.9	13.5
Taxes	7.6	1.9	1.7	(0.5)	2.2	5.3	0.8	0.6	(0.1)	0.5	1.8	(0.2)	0.4	1.1	2.7	4.0
Net income	20.8	4.6	1.7	3.8	0.3	10.4	1.5	0.2	(0.2)	1.2	2.6	(0.4)	0.9	2.7	6.2	9.4
EPS - diluted	\$0.12	\$0.03	\$0.01	\$0.02	\$0.00	\$0.06	\$0.01	\$0.00	(\$0.00)	\$0.01	\$0.01	(\$0.00)	\$0.01	\$0.01	\$0.03	\$0.05
Shares outstanding - diluted	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0	178.0
Margins																
Gross margin	40.4%	36.5%	37.2%	35.1%	35.4%	36.0%	37.2%	37.3%	38.4%	37.3%	37.5%	39.5%	39.4%	39.9%	38.9%	39.4%
EBITDA	22.3%	20.1%	19.0%	18.1%	18.4%	18.8%	20.2%	17.3%	18.8%	19.3%	18.9%	21.3%	21.4%	22.1%	22.5%	21.8%
Operating margin	10.2%	8.1%	7.0%	6.9%	6.0%	6.9%	7.1%	3.4%	5.4%	6.1%	5.5%	6.4%	7.2%	8.4%	10.2%	8.1%
Net margin	5.0%	3.9%	1.4%	2.8%	0.2%	2.0%	1.1%	0.2%	(0.2%)	0.7%	0.5%	(0.2%)	0.6%	1.6%	3.3%	1.4%
Growth YoY																
YoY																
Total revenue	11.1%	19.9%	13.6%	31.0%	30.0%	23.6%	10.5%	10.7%	2.1%	15.3%	9.6%	17.3%	20.1%	21.3%	20.9%	19.9%
Gross profit	13.4%	11.1%	5.9%	9.2%	14.8%	10.2%	12.4%	11.3%	11.7%	21.2%	14.2%	24.6%	26.7%	26.0%	26.1%	25.9%
EBITDA	18.8%	6.9%	2.2%	2.0%	5.8%	4.2%	11.1%	0.7%	6.1%	21.0%	9.9%	23.6%	48.6%	42.6%	41.0%	38.7%
EBIT	22.5%	(3.9%)	(19.5%)	(17.4%)	(21.8%)	(15.8%)	(3.0%)	(45.4%)	(19.6%)	16.6%	(13.0%)	5.6%	152.0%	88.2%	101.9%	77.1%
EPS	29.7%	(8.9%)	(68.5%)	(28.9%)	(93.7%)	(50.0%)	(67.8%)	(86.6%)	NM	NM	(74.9%)	NM	NM	NM	NM	NM

Note: Historical results and estimates assume constant currency USD/INR exchange rate of 65

Sources: Sidoti & Company, LLC. estimates and company reports

Table 2: Sify Technologies Ltd.. Cash Flow Statement

(Dollars in millions except where noted)

	F2022	F2023	F2024E	F2025E
Net income	\$19.3	\$10.4	\$2.6	\$9.4
D&A	50.7	61.1	75.6	92.5
Provision for doubtful accounts	6.7	5.7	-	-
Stock compensation	0.4	0.3	0.2	0.2
Net finance (income) / expense	15.8	22.0	-	-
Unrealized (gain) / loss on account of exchange differences	(0.2)	(0.7)	-	-
Amortization of leasehold prepayments	-	(0.0)	-	-
Accounts receivable	(62.8)	(6.2)	(28.6)	(50.5)
Inventory	(15.3)	7.2	(8.8)	(6.3)
Prepaid and other current assets	10.6	1.4	-	-
Accounts payable	21.0	43.7	31.0	37.5
Employee benefits	(1.1)	(0.9)	-	-
Deferred income	-	-	-	-
Income taxes (paid)/ refund received	(19.6)	(21.0)	-	-
Cash from operating activities	34.5	128.3	72.1	82.6
PPE	(104.6)	(178.7)	(179.6)	(108.1)
Intangible assets	-	-	-	-
Investments in debt securities	(4.1)	(8.4)	-	-
Finance income received	-	-	-	-
Cash from investing activities	(112.4)	(205.3)	(179.6)	(108.1)
Proceeds (purchase) of common stock	0.7	0.1	-	-
Debt	85.5	105.1	100.0	30.8
Finance expenses paid	(17.1)	(25.0)	-	-
Proceeds (repayment) finance lease liabilities	(4.9)	(4.1)	-	-
Dividend and distribution tax	-	-	-	-
Cash from financing activities	64.2	76.1	100.0	30.8
FX	-	-	-	-
Net change in cash	(13.7)	(0.9)	(7.5)	5.3
Cash and equivalents at the beginning of period	84.3	70.6	69.7	62.2
Cash and equivalents at the end of period	70.6	69.7	62.2	67.5
FCF	(70.1)	(50.4)	(107.5)	(25.4)
FCF / share	(\$0.39)	(\$0.28)	(\$0.60)	(\$0.14)

Note: Historical results and estimates assume constant currency USD/INR exchange rate of 65

Sources: Sidoti & Company, LLC. estimates and company reports

Table 3: Sify Technologies Ltd., Balance Sheet

(Dollars in millions except where noted)

	F2022	F2023	F2024E	F2025E
Cash	58.2	56.2	48.7	54.0
Restricted cash	12.2	18.4	18.4	18.4
Inventory	\$37.0	\$29.9	\$38.7	\$45.0
Accounts receivable	216.3	224.9	253.4	304.0
Prepaid expenses	14.8	14.2	14.2	14.2
Total current assets	338.6	343.4	373.3	435.6
PPE	256.8	343.2	488.2	503.8
Intangible assets	9.8	-	-	-
Lease payments	-	-	-	-
Other assets	32.9	69.8	69.8	69.8
Other investments	7.3	16.1	16.1	16.1
Total assets	645.4	772.5	947.5	1,025.3
Finance lease obligations	-	-	-	-
Borrowings	109.4	87.9	87.9	87.9
Bank overdraft	5.7	14.6	14.6	14.6
Accounts payable	174.4	197.6	228.7	266.1
Deferred income	-	-	-	-
Total current liabilities	324.7	339.5	370.5	408.0
Finance lease obligations	-	-	-	-
Long-term debt	119.5	212.6	312.6	343.3
Employee benefits	2.2	2.0	2.0	2.0
Other liabilities	55.0	65.3	65.3	65.3
Compulsory convertible debentures	-	-	61.5	61.5
Other	-	-	-	-
Other	-	-	-	-
Total liabilities	501.4	619.4	811.9	880.2
Share capital	28.3	28.3	28.5	28.6
Share premium	302.7	302.8	302.8	302.8
Share based payment reserve	5.4	5.6	5.6	5.6
Other components of equity	1.2	31.6	11.2	11.2
Accumulated defecit	(114.9)	(104.5)	(101.9)	(92.5)
Total stockholders' equity	222.7	263.8	246.1	255.7
Total liabilities and equity	724.1	883.1	1,058.1	1,135.9
ROE	10.7%	4.3%	1.2%	3.8%
Total Debt-to-capital	50.7%	53.2%	61.9%	62.8%
Net debt-to-TTM EBITDA	1.76x	2.48x	3.27x	2.53x
Cash (debt) per share	(\$0.92)	(\$1.35)	(\$1.96)	(\$2.10)

Note: Historical results and estimates assume constant currency USD/INR exchange rate of 65

Sources: Sidoti & Company, LLC. estimates and company reports

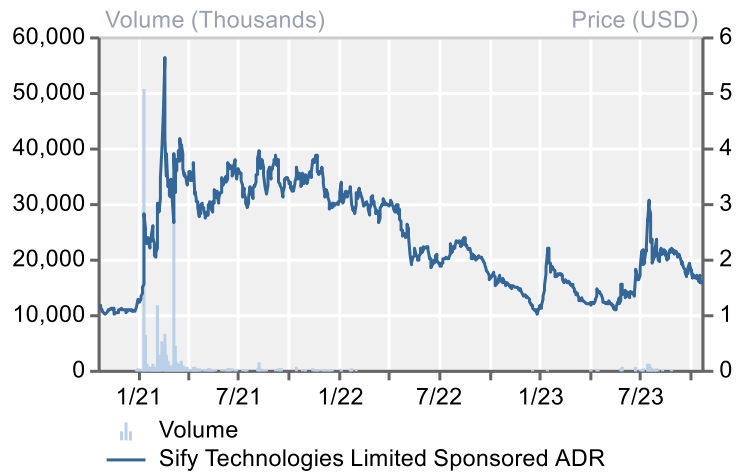
Required Disclosures

Sify Technologies Limited Sponsored ADR (SIFY-\$1.59) NR Price Target: \$7 Risk Rating: M

Rating and Price Target History Table

Action Date	Px	Rating	PT	Risk Rating
PT 1/28/21	2.3		5	
PT 5/7/21	2.9		6	
PT 10/29/21	3.5		7	

Sify Technologies Limited Sponsored ADR (\$



Source: FactSet Prices

Valuation	<p>We maintain our \$7 price target on SIFY stock. Sify is a primary beneficiary of India’s digital transformation. With the stock trading at enterprise value of just 6.5x our F2024 EBITDA projection and 4.7x our F2025 forecast, SIFY is valued at a steep discount to peers in the India telecom and application and technology integration market players group, which trade 8x-12x EBITDA. We think this reflects Sify’s small size, emerging growth and the large capital requirements of its expansion. Given SIFY’s track record of revenue and EBITDA growth and its growth potential as new data center capacity comes online, we think the discount is unwarranted and see merit to the stock trading at the high-end of the peer range. Our \$7 price target is based on 140x our F2024 EPS estimate of \$0.05 (from \$0.07). This equates to 11x our F2025 EBITDA estimate of \$147.5 (from \$153.5 million), less projected net debt of \$374 million, to yield \$1.25 billion, or \$6.85 per share. The company’s growth potential and modest leverage support our moderate risk rating.</p>		
Key Risks	Foreign exchange	Concentrated ownership	

(IF A COMPANY SPONSORED RESEARCH (“CSR”) REPORT, ALSO REFER TO ADDITIONAL CSR-SPECIFIC DISCLOSURES PROVIDED BELOW)

Rating System

Sidoti’s Equity Research rating system consists of BUY and NEUTRAL recommendations, as well as a NOT RATED classification. We do not assign these BUY or NEUTRAL ratings for companies covered under our Company Sponsored Research program. Companies (or equity securities) covered by our CSR program are classified as NOT RATED (NR) and are only assigned a HIGH (H) or MODERATE (M) risk rating. Unless otherwise noted in a report, Sidoti ratings should be interpreted as follows:

Rating	Industry	Interpretation
BUY	All, except Utilities	Capital appreciation of at least 25% over the next 12 months
NEUTRAL	All, except Utilities	Capital appreciation of less than 25% over the next 12 months
BUY	Utilities(a)	Capital appreciation of at least 15% over the next 12 months
NEUTRAL	Utilities(a)	Capital appreciation of less than 15% over the next 12 months
HIGH (RISK)	All in CSR program	<p>Companies/equities with among others, one or more of the following characteristics:</p> <ul style="list-style-type: none"> • significant potential for loss of principal; • significant share price volatility; • limited revenue or cash flow and/or high unpredictability associated with revenue and cash flow; • short and/or unprofitable operating history;

		<ul style="list-style-type: none"> potentially significant issues regarding operational and/or financial success; problematic financial, liquidity, legal, regulatory or political issues; upcoming need for additional capital when availability is questionable; significant related party transactions which could lead to a conflict of interest; any other factor that the analyst believes could materially and adversely impact the subject company and/or the value of its securities.
MODERATE (RISK)	All in CSR program	<p>Companies which have many of the same risks as described under the HIGH risk rating, but which risks are mitigated (on a relative basis and in the opinion of the analyst) due to, among others, one or more of the following:</p> <ul style="list-style-type: none"> more stable and predictable revenue, profits and cash flow; more established operating history; more favorable operating or business environment lower potential for financial, liquidity, regulatory or political issues; or less onerous upcoming capital needs.

(a) those with at least 75% of operations derived from regulated state and federal businesses

Percentage of Covered Companies with Each Rating and Realization of Investment Banking Income from Covered Companies Over the Past 12 Months:

With reference to the information described in the header immediately above please refer to the table below, which is as of, and reflects information immediately prior to, the publication of this report:

Rating	# of Companies	% (b)	Realized Investment Banking Income (# of companies with rating)	Realized Investment Banking Income (% of companies with rating)
BUY	68	46.3%	1	1.5%
NEUTRAL(a)	10	6.8%	0	0.0%
NOT RATED	1	0.7%	1	100.0%
NR -CSRs Moderate Risk (c)	62	42.2%	0	0.0%
NR -CSRs High Risk (c)	4	2.7%	0	0.0%
TOTAL	147	100%	2	1.4%

(a) Of the NEUTRALS 4 trade above our price target.

(b) Numbers may not add due to rounding or because of a pending drop of coverage.

(c) 91.2% of our CSRs are moderate risk, while 5.9% are high risk.

Certain Risks

A universal risk to all our price targets is that the analyst's estimates or forecasts may not be met. Past performance should not be construed as indicative of future performance. This report contains forward-looking statements, which involve risks and uncertainties. Actual results may differ significantly from such forward-looking statements. Factors that may cause such a difference include, but are not limited to, those discussed in the "Risk Factors" section in the subject company's SEC filings available in electronic format through SEC Edgar filings at www.sec.gov.

Certain information Regarding Analyst Compensation

Sidoti employees, including research analysts, receive compensation that is based in part upon the overall performance of the firm, including revenues generated by Sidoti's investment banking activities, brokerage activities, from issuers participating in Sidoti's Company Sponsored Research program, from covered (and non-covered) companies paying to attend our conferences or compensating Sidoti for arranging Non-Deal Road Show (NDR) meetings, but compensation is not directly related to any of these revenue streams. As noted below such factors present a potential conflict of interest.

Factors that May Influence Continuation of Coverage and Related Potential Conflicts of Interest

Sidoti research analysts generally do not cover (or continue to cover) those companies where Sidoti does not deem coverage to be profitable. In determining whether coverage is profitable, Sidoti considers among other things, (a) an estimate of invoice payments received from its institutional investor clients as it relates to a covered company; (b) whether management of a covered company participates in Sidoti-sponsored conferences and/or non-deal roadshows (Sidoti receives a fee from the issuer if the issuer presents at a conference and may receive a fee from the issuer if it schedules an NDR); and (c) whether a covered company has in the past or is inclined to include Sidoti in an investment banking transaction as a co-manager or otherwise. A possible effect of factors (b) and (c) above may be that continued coverage decisions are based, in part, on the willingness of management of covered companies to participate in, and compensate Sidoti for, such conferences and NDR meetings, as well as inclusion in investment banking transactions. This approach could be viewed as presenting potential conflicts of interest.

Sidoti and Analyst Ownership of Securities Described Herein and Other Analyst Restrictions

Sidoti does NOT own securities of the issues described herein. Sidoti policy does not allow an analyst or a member of their household or any account in which they otherwise hold a beneficial interest to own shares in any company that he/she covers. Sidoti policy does not allow employees or household members to serve as an officer or director of a covered company. Sidoti does not make a market in any securities.

Sidoti Investment Banking Revenue Realized from the Subject Company in the Last 12 Month

Sidoti has non-research employees that will seek compensation for investment banking services from the company covered hereunder. As of the date hereof, Sidoti may expect to receive or may intend to seek investment banking compensation from any of its covered companies, including the subject company covered herein, within the next 3 months (additional detail, if any, is provided in a special disclosure below). Investment banking services, as defined under FINRA Rule 2241, includes, among other things, acting as an underwriter in or as a member of the selling group in a securities underwriting. Sidoti’s role in most investment banking transactions can be viewed on this company’s filings at www.sec.gov. The table below sets forth instances where Sidoti has received investment banking revenue from the company covered hereunder in the last twelve months, if any:

Date	Role	Transaction	Security

Sidoti Non-Investment Revenue Realized from the Subject Company in the Last 12 Months

Prior to December 31, 2022, Sidoti held multiple conferences a year and charged a fee of up to \$6,000 per conference to presenting companies. Beginning January 2023, Sidoti Events, LLC (“Sidoti Events”), an affiliate of Sidoti by common ownership, began to hold these conferences. Sidoti or Sidoti Events may also receive a fee of up to \$8,000 for scheduling a Non-Deal Roadshow (“NDR”) day. Sidoti Events reimburses Sidoti for certain services provided by Sidoti to Sidoti Events in respect of these conferences (or NDR days) pursuant to an Expense Sharing Arrangement. The table below sets forth instances where Sidoti or Sidoti Events received non-investment revenue from the company covered hereunder, if any, over the past 12 months:

Conferences	NDR Days

Additional Disclosures Specific to the Subject Company of this Report Including the Pursuit or Expectation of Investment Banking Revenue in the Next Three Months

None.

Analyst Certification

The research analyst that authors this report, Gregory Burns, certifies that this report accurately reflects his/her personal views about the subject securities and issuers and that none of the research analyst's compensation was, is or will be directly or indirectly related to the analyst's specific recommendations or views contained in this research report.

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Source(s)

Key Statistics data is sourced from FactSet Research Systems