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OMNIQ Corp. (OMQS - \$0.55 - Buy)

Positioned For Long Term Profitable Growth

Key Points

Summary. OmniQ creates efficiencies by automating processes and actions using IoT and AI technology-based solutions. OmniQ provides multiple products, including IoT equipment, to companies in the U.S. and internationally in several industries, including hospitals, food and drug chains, logistics centers, and governmental agencies. OmniQ has a large and loyal customer base, including Fortune 100 and 500 companies that have partnered for 20 years. The company offers machine vision technology-based products that enhance parking automation, public safety, border control, and crime prevention.

Mid and Long-Term Success. The decline in third-quarter revenue was attributed to the macro economy affecting consumer spending. The revenue drop came from U.S. IoT operations and Fortune 100 and 500 customers, who were affected by the drop in consumer spending. The third quarter revenues of \$17.5 million, compared to \$27.0 million in Q3 2022, were negatively impacted by a delay in purchase orders for projects already awarded.

Operational Efficiency to Improve Profitability. To right-size the cost structure, the Company cut Q3 2023 SG&A expenses to \$5.6 million from \$7.6 million in the year-ago period. The company continues to take additional cost-cutting measures. Headcount decreased from 216 in January 2023 to 181 at the end of the year. This reflects consolidating operations and cutting R&D and operations expenses. The internal efficiency efforts should improve profitability.

AI Product Mix to Improve Profitability. The sales of OmniQ's AI and IoT products grew for the first nine months of 2023 compared to 2022. The company focuses on building sales in higher-margin AI products, developing core business, and executing cost-cutting plans to lead the company to profitability.

Order Pipeline. During the third quarter, OmniQ received a purchase order from Israel Railways to deploy an AI-based machine vision system, creating smarter and safer stations. The company was selected for a \$50 million project to modernize the supply chain for one of the largest food and drug chains. OmniQ was awarded a multiyear IoT equipment supply contract for a company that operates one of Israel's largest logistics centers.

Generative AI in Computer Vision. OmniQ is embedding its computer vision with GenAI-powered improvements, significantly increasing the transformative potential. OmniQ's computer vision involves capturing, processing, and analyzing real-world images and videos to allow machines to extract meaningful and contextual information from the physical world. OmniQ is proactive in identifying and developing capabilities that will differentiate its offerings.

Artificial Intelligence Software, Worldwide. By 2027, spending on AI software is expected to grow to \$297.9 billion, with a CAGR of 19%. Over the next five years, the market growth will accelerate from 18% to 20% in 2027. OmniQ uses AI to improve the underlying application's process support and decision-making capabilities. The embedded AI will help improve customer loyalty and market share for OmniQ because the AI is closely aligned with the application. OmniQ's focus segment, Computer Vision, is among the largest application markets by AI spend.

Summary

OmniQ's technology offerings continue to be acquired by the most demanding customers in the world. The company is committed to achieving profitability while positioning for long-term growth.

Rating, Price and Target

Symbol	OMQS
Rating	Buy
Price	\$0.55
Price Target (Prev.)	\$6.00 (\$15.00)

Market Data

Market Cap (M)	\$5.9
Shares Outstanding (M)	10.7
Average Daily Volume (000s)	57.0
Float (M)	6.0
Total Debt (M)	\$15.4
Net Cash/Debt (\$M)	\$(13.6)
Dividend	NM

General: In October 2023, the equity raise resulted in \$2.5 million in net cash.

FYE Dec	2023E	2024E	2025E
EPS ¹	(1.75)	(0.16)	0.05
Previous	(0.49)	(0.13)	-
Revenue (M) (\$)	82.1	102.0	110.0
Previous	120.6	140.0	-

¹As of Oct 24, 2023, there were 10,669,489 shares of common stock outstanding

Quarterly EPS	Q1	Q2	Q3	Q4
2023E	(0.45)	(0.49)	(0.55)	(0.26)
2024E	-	-	-	-
2025E	-	-	-	-

Quarterly Revenue (M)	Q1	Q2	Q3	Q4
2023E	27.7	20.4	17.5	16.4
2024E	-	-	-	-
2025E	-	-	-	-

Company Description

OmniQ provides computerized and machine vision image processing solutions that use AI technology to deliver data collection, real-time surveillance and monitoring for supply chain management, homeland security, public safety, traffic & parking management, and access control applications. The technology and services provided by OmniQ help clients move people, assets, and data safely and securely through airports, warehouses, schools, and national borders. Customers include government agencies and Fortune 500 companies from manufacturing, retail, distribution, food & beverage, transportation & logistics, healthcare, oil, gas, & chemicals.

Positioned For Long-Term Profitable Growth

Overview

OmniQ Corp. uses AI technology to deliver data collection, real-time surveillance, and monitoring for supply chain management, homeland security, public safety, traffic and parking management, and access control applications. The technology and services the Company provides help clients move people, assets, and data safely and securely through airports, warehouses, schools, national borders, and other applications.

OmniQ end-to-end solutions include hardware, software, communications, and lifecycle management services. The Company manufactures and distributes barcode labels, tags, ribbons, and RFID labels and tags. OmniQ delivers problem-solving solutions backed by customer references.

OmniQ’s acquisitions have positioned the company as a key provider of computerized and machine vision image processing solutions. The strategic rollups include Quest Solutions (January 2014), Bar Code Specialties (November 2014), HTS Image Processing (October 2018), EyepaxIT Consulting (February 2020), and Dangot Computers (July 2021).

OmniQ’s customers include government agencies and Fortune 500 companies from healthcare, food and beverage, manufacturing, retail, distribution, transportation and logistics, and oil, gas, and chemicals.

Takeaways

Summary

OmniQ creates efficiencies by automating processes and actions using IoT and AI technology-based solutions. OmniQ provides multiple products, including IoT equipment, to companies in the U.S. and internationally in several industries, including hospitals, food and drug chains, logistics centers, and governmental agencies. OmniQ has a large and loyal customer base, including Fortune 100 and 500 companies that have partnered for 20 years. The company offers machine vision technology-based products that enhance parking automation, public safety, border control, and crime prevention.

OmniQ systems are installed in sensitive U.S.-Mexico border locations to automatically detect drug dealers, stolen vehicles, and other criminal activities. OmniQ’s systems are also used in over 60 airports in the United States, including JFK, LaGuardia, Newark, Miami, Los Angeles, and Chicago. In Israel, OmniQ provides automation and efficiencies with point-of-sale and payment processing to the government, hospitals, logistics centers, food and drug, convenience stores, and retailers.

OmniQ’s technology offerings continue to be acquired by the most demanding customers in the world. The company is committed to achieving profitability while positioning for long-term growth.



Sources: Company Reports and ThinkEquity estimates

Financials

OmniQ’s sales from operations for the nine months ended September 30, 2023, were \$66 million, a decrease of \$12 million over the nine months ended September 30, 2022. The loss from operations for the nine months ended September 30, 2023, was \$7 million, compared with the loss of \$6 million in the prior year.

On September 30, 2023, the company had cash of \$408K and a working capital deficit of \$43 million, compared to cash of \$1.3 million and a working capital deficit of \$38 million on December 31, 2022. In October 2023, the equity raise resulted in \$2.5 million in net cash.

The company’s operations used net cash of \$2.7 and \$2 million in the nine months ended September 30, 2023, and 2022, respectively. The increase in cash used by operations of \$650,000 is due to the decrease in revenue and paying down accounts payable.

OmniQ sees improvement in 2024 with revenue recovery and break-even cash flow from operations. The Company enters the year with order momentum, focus, and a disciplined approach to target segments. OmniQ is committed to achieving profitability while positioning for long-term growth.

Mid and Long-Term Success

The decline in third-quarter revenue was attributed to the macro economy affecting consumer spending. The revenue drop came from U.S. IoT operations and Fortune 100 and 500 customers, who were affected by the drop in consumer spending. The third quarter revenues of \$17.5 million, compared to \$27.0 million in Q3 2022, were negatively impacted by a delay in purchase orders for projects already awarded.

Operational Efficiency to Improve Profitability

To right-size the cost structure, the company cut Q3 2023 SG&A expenses to \$5.6 million from \$7.6 million in the year-ago period. The company continues to take additional cost-cutting measures. Headcount decreased from 216 in January 2023 to 181 at the end of the year. This reflects consolidating operations and cutting R&D and operations expenses. The internal efficiency efforts should improve profitability.

AI Product Mix to Improve Profitability

The sales of OmniQ's AI and IoT products grew for the 9 months of 2023 compared to 2022. The company focuses on building sales in higher-margin AI products, developing core business, and executing cost-cutting plans to lead the company to profitability.

Order Pipeline

During the third quarter, OmniQ received a purchase order from Israel Railways to deploy an AI-based machine vision system, creating smarter and safer stations. This is an R&D and marketing milestone in deploying systems used with cloud management, enabling a safer and quicker subway experience.

The company was selected for a \$50 million project to modernize the supply chain for one of the largest food and drug chains. OmniQ's AI-based machine vision equipment was selected to be deployed at the El Salvador International Airport. This is the company's first installation in a Central American airport.

OmniQ was awarded a multiyear IoT equipment supply contract for a company that operates one of Israel's largest logistics centers.



Sources: Company Reports and ThinkEquity estimates

Generative AI in Computer Vision

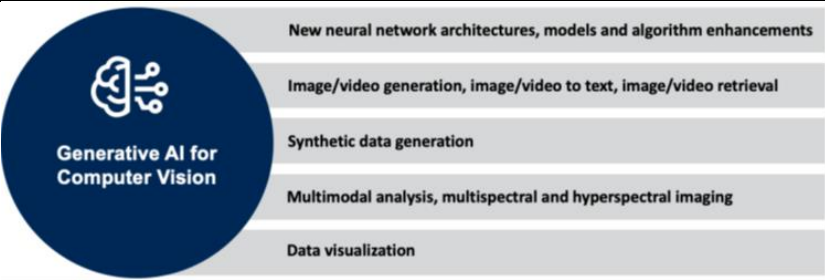
Advancements in generative AI are fueling the transformative power of computer vision for commercial applications. Generative AI has emerged as a catalyst for innovation in the computer vision space, impacting many use cases across industries. OmniQ's GenAI empowers computer vision systems to observe, create, synthesize, and augment visual content.

OmniQ's R&D focuses on integrating computer vision techniques with foundation models to facilitate natural language contextual search of unstructured image data and correlating data on video streams at scale.

OmniQ is embedding its computer vision with GenAI-powered improvements, significantly increasing the transformative potential. OmniQ's computer vision involves capturing, processing, and analyzing real-world images and videos to allow machines to extract meaningful and contextual information from the physical world.

Computer vision is a rapidly innovating market. OmniQ is proactive in identifying and developing capabilities that will differentiate its offerings.

Figure 3. Generative AI for Computer Vision

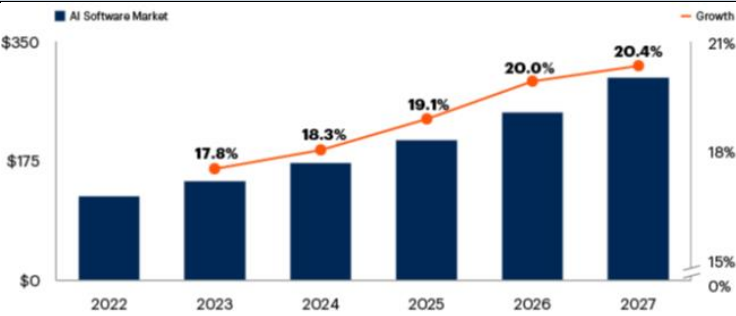


Sources: Gartner, Company Reports, and ThinkEquity estimates

Artificial Intelligence Software, Worldwide

By 2027, spending on AI software is expected to grow to \$297.9 billion, with a CAGR of 19%. Over the next five years, the market growth should accelerate from 18% to 20% in 2027. Generative AI software spending is expected to rise from 8% of AI software in 2023 to 35% by 2027¹.

Figure 4. AI Software Forecast and Growth (\$ Billions)

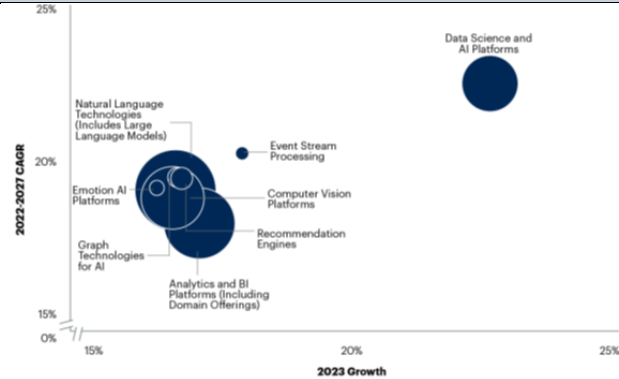


Sources: Gartner 2023

Technology providers such as OmniQ embed AI capabilities within applications, while others provide platforms on which organizations can build their own AI models and systems. By the end of the forecast period 2027, the spending split between applications and platforms for AI software will be 40%-60%. OmniQ is well-positioned to monetize this trend.

OmniQ’s applications with embedded AI have a range of capabilities, such as search, personalization, optimization, routing, natural language, and discovery. OmniQ uses AI to improve the underlying application’s process support and decision-making capabilities. The embedded AI will help improve customer loyalty and market share for OmniQ because the AI is closely aligned with the application. OmniQ’s focus segment, Computer Vision, is among the largest application markets by AI spend.

Figure 5. AI Software Spends for Platforms Markets



Sources: Gartner 2023

¹ Sources: Artificial Intelligence Software Forecast, Gartner 2023

Results

OmniQ reported revenue of \$17.5 million for the September 30, 2023, quarter compared to \$27.0 million in the third quarter of 2022. The gross margin in the third quarter was 23% compared to 22% in Q3 2022. Total operating expenses for the quarter were \$6.6 million, compared to \$8.6 million in the same period last year. Net loss for the quarter was \$4.3 million compared with a loss of \$3.8 million for the third quarter of last year.

Adjusted EBITDA for the third quarter of 2023 was a loss of \$1.5 million compared with an adjusted EBITDA loss of \$516K for the third quarter of 2022. The cash balance on September 30, 2022, was \$408K compared with \$1.3 million on December 31, 2022.

Summary

The key business lines – supply chain automation and the smart city – show growth. OmniQ continues to sell deeper and wider to existing customers. The company maintains momentum in sales and deployment of its AI products to the newly penetrated segments. Management focuses on generating cash and profitability through better operations and revenue increases.

Valuation

Our \$6 price target is approximately 0.6x P/S based on our calendar 2024 forecast revenue of \$102 million. This multiple is a discount to the median peer group valuation of 2.4x sales (Figure 10).

Supply chain improvements and product mix should help lift gross margins. Along with a rationalized cost structure, the Company is on track to break even operationally.

Management is effecting the transformation of OmniQ to a technological company from what was historically mostly a channel of sale. The company has developed strong relationships with customers.

The company is spending on R&D to develop algorithms for better image processing, improving speed and accuracy in detecting and identifying objects. This would also include the flexibility to work with different hardware.

The second direction is analytics on big data, providing efficiencies for customers with bespoke hardware and software solutions and predictive analytics to forecast trends and help improve their supply chain efficiency.

Recent Financial Results

Revenues

For the three months ended September 30, 2023, and 2022, the company reported net revenues of \$17 million and \$27 million, respectively. The decrease was attributable to lower demand and supply chain limitations.

Margins

For the three months ended September 30, 2023, and 2022, the cost of goods sold was 77% and 78% of net revenues, respectively.

Figure 6. OmniQ Corp. – Results of Operations

	For the three months ending September 30,		For the nine months ending September 30,	
	2023	2022	2023	2022
<i>(In thousands, except share and per share data)</i>				
Total Revenues	\$ 17,480	\$ 27,008	\$ 65,748	\$ 77,539
Cost of goods sold	13,471	21,032	52,131	59,449
Gross profit	4,009	5,976	13,617	18,090
Total operating expenses	6,631	8,634	20,756	24,176
Loss from operations	(2,622)	(2,658)	(7,139)	(6,086)
Net loss attributable to OmniQ Corp	(4,313)	(3,959)	(11,702)	(9,763)
Net loss per share attributable to OmniQ Corp	\$ (0.55)	\$ (0.52)	\$ (1.50)	\$ (1.29)

Sources: Company Reports and ThinkEquity estimates

Operating expenses

Total operating expenses for the three months ended September 30, 2023, and 2022 were \$6.6 million and \$8.6 million, respectively. The decreases are from lower revenue.

Other income and expenses

The interest expense for the three months ending September 30, 2023, was \$898K compared to \$880K for the three months ending September 30, 2022.

Net loss

The loss from operations for the nine months ended September 30, 2023, was \$7 million, compared with the loss of \$6 million in the prior year.

Figure 7. OmniQ Corp. – Balance Sheet Summary

(In thousands, except share and per share data)	As of	
	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 408	\$ 1,311
Accounts receivable, net	18,472	23,893
Total current assets	25,744	35,671
Property and equipment, net	1,263	1,086
Goodwill	16,363	16,542
Total assets	53,053	64,811
Accounts payable and accrued liabilities	53,406	54,736
Line of credit	2,660	1,971
Notes payable - current portion	8,828	11,572
Total current liabilities	68,944	73,541
Notes payable - less current portion	1,427	55
Lease liability	1,519	1,404
Total liabilities	72,245	75,337
Accumulated deficit	(96,162)	(84,460)
Total equity (deficit)	(19,192)	(10,526)
Working Capital	(43,200)	(37,870)

Sources: Company Reports and ThinkEquity estimates

Liquidity and Capital Resources

On September 30, 2023, the company had cash of \$408,000 and a working capital deficit of \$43 million, compared to cash of \$1.3 million and a working capital deficit of \$38 million on December 31, 2022. The equity raise in October 2023 resulted in \$2.5 million in net cash.

The company had a stockholders' deficit of \$19.2 million and \$10.5 million as of September 30, 2023, and December 31, 2022, respectively. This increase in stockholders' deficit was primarily attributable to net losses.

The company's accumulated deficit was \$96.2 million and \$84.4 million as of September 30, 2023, and December 31, 2022.

Figure 8. OmniQ Corp. – Cash Flow Summary

(In thousands)	For the nine months ended September 30,	
	2023	2022
Net cash provided by (used in) operating activities	\$ (2,651)	\$ (2,001)
Net cash provided by (used in) investing activities	598	(3,923)
Net cash (used in) provided by financing activities	323	2,335
Cash and cash equivalents at end of period	408	3,791

Sources: Company Reports and ThinkEquity estimates

Cash Flow

The company's operations used net cash of \$2.7 and \$2.0 million in the nine months ended September 30, 2023, and 2022, respectively. The increase in cash used by operations of \$650,000 is due to the decrease in revenue and paying down accounts payable.

The Company's cash provided from investing activities was \$598,000 for the nine months ending September 30, 2023, compared to cash used in investing activities of \$3.9 million for the nine months ending September 30, 2022.

The Company's financing activities provided \$323,000 during the nine months ended September 30, 2023, and used \$2.3 million during the nine months ended September 30, 2022. During the nine months ending September 30, 2023, the Company made payments of \$1 million on its notes payable, compared to the payments of \$3 million for the nine months ending September 30, 2022. The Company borrowed \$796,000 on the Company's line of credit during the nine months ending September 30, 2023, compared to \$1.8 million borrowed for the nine months ending September 30, 2022.

Competition

A limited number of large competitors and numerous smaller niche players characterize the mobile system integration market. The company typically pursues larger accounts and national customers, often competing with larger channel partners. The company's integrated solutions approach is a differentiator for most prospective customers.

Concentration

For the nine months ending September 30, 2023, and the year ending December 31, 2022, no customers accounted for more than 10%, and two customers accounted for 30%, respectively, of the company's revenues.

Accounts receivable for the nine months ended September 30, 2023, and the year ended December 31, 2022. One vendor made up 29% and 65%, respectively, of purchases.

The company's total accounts payable due to Blue Star as of September 30, 2023, was \$39 million. Blue Star is an unsecured creditor, financing the company's supply chain demand. Blue Star has agreed to an annual interest rate of 5% on invoices that are past due.

Risks

The company faces risks, which include, but are not limited to, the following:

- The ability to raise capital when needed and on acceptable terms and conditions
- The ability to manage credit and debt structures from vendors, debt holders, and secured lenders
- The ability to control the growth of business through internal growth and acquisitions
- Competitive pressures
- General economic conditions, including the overall effect of the recent banking crisis
- The ability to attract and retain management
- Compliance with laws and regulations

For additional risk considerations, please refer to the company's SEC filings.

Figure 9. OmniQ Corp.- Income Statement, FY21-FY25E

<i>(In thousands, except share and per share data)</i>	2021	Mar-22 1Q22	Jun-22 2Q22	Sep-22 3Q22	Dec-22 4Q22	2022	Mar-23 1Q23	Jun-23 2Q23	Sep-23 3Q23	Dec-23 4Q23E	2023E	2024E	2025E
Total Revenues***	\$ 78,251	\$ 26,322	\$ 24,209	\$ 27,008	\$ 25,006	\$ 102,545	\$ 27,821	\$ 20,446	\$ 17,480	\$ 16,353	\$ 82,100	\$ 102,000	\$ 110,000
Cost of goods sold	61,582	20,194	18,222	21,032	20,993	80,441	22,099	16,560	13,471	12,729	64,859	78,540	83,600
Gross profit	16,669	6,128	5,987	5,976	4,013	22,104	5,722	3,886	4,009	3,214	16,831	23,460	26,400
Gross margin	21%	23%	25%	22%	16%	22%	21%	19%	23%	20%	21%	23%	24%
Operating expenses**													
Research and development	1,873	523	468	445	390	1,826	423	559	482	446	1,910	1,600	1,600
Selling, general and administrative	21,865	6,476	7,072	7,624	6,535	27,707	6,766	5,315	5,585	5,554	23,220	19,600	19,500
Depreciation and Amortization	3,411	538	464	565	556	2,123	544	518	564	474	2,100	1,700	1,600
Total operating expenses	27,149	7,537	8,004	8,634	7,481	31,656	7,733	6,392	6,631	6,474	27,230	22,900	22,700
Income (loss) from operations	(10,480)	(1,409)	(2,017)	(2,658)	(3,468)	(9,552)	(2,011)	(2,506)	(2,622)	(3,261)	(10,400)	560	3,700
Other income (expenses):													
Interest expense	(2,515)	(812)	(878)	(880)	(926)	(3,496)	(938)	(740)	(898)	(824)	(3,400)	(2,800)	(2,600)
Other (expenses) income	7	(264)	(389)	(217)	269	(601)	(751)	(721)	(1,000)	1,372	(1,100)	(300)	(300)
Total other expense	(2,508)	(1,076)	(1,267)	(1,097)	(657)	(4,097)	(1,689)	(1,461)	(1,898)	548	(4,500)	(3,100)	(2,900)
Net income(Loss) before income taxes	(12,988)	(2,485)	(3,284)	(3,755)	(4,125)	(13,649)	(3,700)	(3,967)	(4,520)	(2,713)	(14,900)	(2,540)	800
Total Provision for Income Taxes	(156)	84	98	55	(202)	35	193	101	215	(9)	500	800	(200)
Net loss attributable to OMNIQ Corp.	13,362	(2,569)	(3,186)	(3,810)	(3,923)	(13,614)	(3,507)	(3,866)	(4,305)	(2,722)	(14,400)	(1,740)	600
Less: dividends attributable to non-common shareholders	(80)	(48)	(141)	(149)	544	(206)	(8)	(8)	(8)	(8)	(32)	26	20
Net income(loss) attributable to the common stockholders	13,439	(2,607)	(3,086)	(3,959)	(3,379)	(13,820)	(3,515)	(3,874)	(4,313)	(2,730)	(14,432)	(1,714)	620
Net loss per share - diluted	\$ (2.20)	\$ (0.34)	\$ (0.44)	\$ (0.52)	\$ (0.52)	\$ (1.82)	\$ (0.45)	\$ (0.49)	\$ (0.55)	\$ (0.26)	\$ (1.75)	\$ (0.16)	\$ 0.05
Weighted average common shares outstanding - diluted*	6,082,763	7,511,376	7,579,795	7,578,351	7,636,214	7,576,434	7,749,870	7,887,283	7,891,444	10,669,489	8,549,522	11,000,000	12,000,000

As of Oct 24, 2023, there were 10,669,489 shares of common stock outstanding

*Shares adjusted to reflect 1-for-20 reverse stock split effective November 20, 2019

** In 2020, OMNIQ restated components of operating expenses. Aggregate quarterly expenses for 2020 remain as is.

*** Revenue forecast includes Dangot Computers beginning 3Q21

Sources: Company Reports and ThinkEquity Estimates

Figure 10. OmniQ Corp. – Valuation Comparable, Prices as of 1/23/24

(Amounts listed in USD. Numbers in millions, except per share data)

Company	Stock Price ⁽¹⁾	Market Value of Equity	Enterprise Value ⁽²⁾	Enterprise Value as a Multiple of:						Price as a Multiple of:			Projected EPS Growth	PEG Ratio
				Sales			EBITDA			EBIT	CY+1 EPS	CY+2 EPS		
				LTM	CY+1	CY+2	LTM	CY+1	CY+2					
National Instruments Corporation	0.00	0.0	499.8	0.29x	NM	NM	1.3x	NM	NM	1.7x	NM	NM	0.0%	NM
OSI Systems, Inc.	130.27	2,213.0	2,541.7	1.97	1.87	1.64	14.8	11.0	9.2	19.0	19.1	15.9	11.5%	1.4
Advanced Energy Industries, Inc.	107.77	4,017.7	4,058.8	2.33	2.45	2.37	16.9	15.5	13.7	23.2	22.5	20.1	2.9%	6.9
Badger Meter, Inc.	154.33	4,529.1	4,372.3	6.54	6.22	5.75	32.3	30.3	27.2	40.4	49.5	44.6	19.9%	2.2
Itron, Inc.	76.10	3,461.8	3,714.3	1.80	1.71	1.62	20.3	17.4	15.7	29.9	26.4	24.4	23.0%	1.1
Amdocs Limited	92.98	10,870.3	10,978.3	2.25	2.22	2.15	11.9	10.5	10.0	15.1	15.4	13.9	9.7%	1.4
Coherent Corp.	47.67	7,221.2	13,019.5	2.67	2.82	2.60	13.1	13.4	11.5	40.5	33.9	21.8	11.1%	2.0
Rekor Systems, Inc.	3.58	260.1	280.4	9.24	7.91	3.95	NM	NM	7,787.8	NM	NM	NM	0.0%	NM
Teradata Corporation	47.76	4,670.9	4,972.9	2.72	2.71	2.60	19.3	11.3	10.3	34.8	23.7	20.1	18.0%	1.1
Brady Corporation	60.12	2,905.7	2,810.3	2.10	2.07	2.00	10.6	10.5	9.8	12.0	15.3	14.4	9.0%	NM
			High	9.24x	7.91x	5.75x	32.3x	30.3x	7,787.8x	40.5x	49.5x	44.6x	23.0%	6.9x
			Average	3.19	3.33	2.74	15.6	15.0	877.2	24.1	25.7	21.9	10.5%	2.3
			Median	2.29	2.45	2.37	14.8	12.3	11.5	23.2	23.1	20.1	10.4%	1.4
			Low	0.29	1.71	1.62	1.3	10.5	9.2	1.7	15.3	13.9	0.0%	1.1
OMNIQ Corp.	0.61	6.5	21.5	0.24x	NM	NM	NM	NM	NM	NM	NM	NM	0.0%	NM

(1) Financial data provided by S&P CapIQ, Google Finance, Company Reports and ThinkEquity estimates as of 01/23/2024

(2) Calculated as Market Value of Equity plus total debt, non-controlling interest and preferred stock, less cash & equivalents.

Sources: S&P CapIQ, Google Finance, and ThinkEquity estimates

Figure 11. OmniQ Corp. – 3 Years Ratings and Price Target History



Date	Rating and Price Target History
1/29/2024	OmniQ Corp. Company Update. PT \$6
11/28/2022	OmniQ Corp. Company Update. PT \$15
8/2/2021	OmniQ Corp. Company Update. PT \$17
6/8/2020	OmniQ Corp. Company Update. PT \$15
11/20/2019	1-for-20 reverse stock split. Name change to OmniQ Corp. Nov 2019
8/12/2019	OmniQ Corp. Initiate with Buy. PT \$2

Sources: S&P CapIQ, Google Finance, and ThinkEquity estimates

Important Disclosures

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HOLD (H) - Total return expected to be in-line with S&P 500

SELL (S) - Total return expected to underperform S&P 500 by at least 10%

Current Ratings Distribution

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All companies under coverage:		All companies under coverage to which it has provided investment banking services in the previous 12 months:	
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Hold (2)	0.00%	Hold (2)	0%
Sell (3)	0.00%	Sell (3)	0%