



Genasys Inc.

Q1 upside. Major Puerto Rico contract and large backlog should drive very strong FY25/FY26. Raising P/T to \$6.00.

COMPANY UPDATE

Rating: BUY

Ticker: GNSS

Price: \$3.18

Target: \$6.00
(from \$5.50)

Q1 upside: Genasys recently (on February 11) reported its fiscal Q1 FY25 (ending December) results. Revenue was \$6.9 million (+59% y-o-y), compared with our estimates of \$5.8 million and consensus of \$6.6 million. Pro forma EPS was \$(0.11), compared with our and consensus estimates of \$(0.16). There was no Q1 guidance.

Strong Q1 and backlog: Q1 revenues were +59% (y-o-y) on strong hardware (+57%) and software (+64%) growth. Backlog remains strong at \$40 million, flat from Q4 FY24.

Major Puerto Rico contract win: Genasys announced in February 2024 that it was selected to provide Early Warning System (EWS) for 37 dams in Puerto Rico. The contract is worth ~\$75 million in revenue for the company with the majority to be recognized in FY25/26. The contract is expected to begin revenue in the current Q2 quarter.

Puerto Rico contract in process: Contract terms call for deposits of 60% of the value of each approved group of dams to be made in advance of procurement so cash will precede revenue recognition. The company has received approvals for the first three groups of dams, with a total expected value of \$35 million though installation and equipment delivery dates (and revenue recognition) remains highly variable.

No FY25 guidance: Management did not provide specific FY25 guidance.

But expect very strong FY25/26: The Puerto Rico contract will add ~\$75 million in revenue for the company with the majority to be recognized in FY25/26. This will drive very strong FY25/26 results.

Initiating strong FY26 estimates: We are adjusting our FY25 estimates for revenue to \$50 million, from \$53 million, and for EPS to \$(0.25) from \$(0.26). We are raising our FY26 estimates for revenue to \$80 million, from \$76 million, and for EPS to \$0.09 from \$0.08.

Solid momentum in software: Software revenue in FY24 was +93% y-o-y. The company has rapidly expanded its software revenues, and expects strong (but moderating) growth in FY25 (from FY24's \$7.3 million). Its newer Mass Notifications (SaaS) systems are now rebranded as Genasys Protect. Its recent acquisition of Evertel is now rebranded as Genasys Protect CONNECT.

Large market potential: We believe there is substantial market demand for Genasys's products due to high government needs for improved communications as well as demands from the public for public safety communications and the high value and technology of the communication products that Genasys designs and manufactures.

Valuation positive: We are maintaining our BUY rating, but raising our 12-month price target to \$6.00 from \$5.50, which is based on a forward P/E multiple of 24x our FY27 EPS estimate of \$0.25. We believe this multiple is reasonable as it is its estimated long-term earnings growth rate (implying a PEG ratio of ~1 (P/E to growth rate)). We believe this valuation appropriately balances out the company's risks with the company's growth prospects and large upside opportunities.

Company Description

Based in San Diego, CA, Genasys designs and develops proprietary sound technologies and products that are deployed by the military, public safety, and commercial organizations around the world.

United States
Technology

February 22, 2025

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Stock Data

Exchange:	NasdaqCM
52-week Range:	\$1.65 – 4.04
Shares Outstanding (million):	45
Market cap (\$million):	\$143
EV (\$million):	\$141
Debt (\$million):	\$12
Cash (\$million):	\$14
Avg. Daily Trading Vol. (\$million):	\$1
Float (million shares):	38
Short Interest (million shares):	1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>	<u>2026E</u> <u>(Cur.)</u>	<u>2026E</u> <u>(Old)</u>
Q1 Dec	7A	6E	20E	17E
Q2 Mar	8E	9E	19E	
Q3 Jun	14E	18E	20E	
Q4 Sep	<u>21E</u>	<u>20E</u>	<u>22E</u>	<u>20E</u>
Total	50E	53E	80E	76E
EV/Revs	2.8x		1.8x	

Earnings per Share (pro forma)

	<u>2025E</u> <u>(Cur.)</u>	<u>2025E</u> <u>(Old)</u>	<u>2026E</u> <u>(Cur.)</u>	<u>2026E</u> <u>(Old)</u>
Q1 Dec	(0.11)A	(0.16)E	(0.00)A	
Q2 Mar	(0.14)E	(0.11)E	0.01E	
Q3 Jun	(0.03)E	(0.01)E	0.03E	
Q4 Sep	<u>0.02E</u>		<u>0.05E</u>	
Total	(0.25)E	(0.26)E	0.09E	0.08E
P/E	N/A		35x	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 8.

OVERVIEW

- Genasys recently (on February 11) reported its fiscal Q1 FY25 (ending December) results.
- Revenue was \$6.9 million (+59% y-o-y), compared with our estimates of \$5.8 million and consensus of \$6.6 million.
- Pro forma EPS was \$(0.11), compared with our and consensus estimates of \$(0.16).
- There was no Q1 guidance.
- Management did not provide specific FY25 guidance.
- We are adjusting our FY25 estimates for revenue to \$50 million, from \$53 million, and for EPS to \$(0.25) from \$(0.26).
- We are raising our FY26 estimates for revenue to \$80 million, from \$76 million, and for EPS to \$0.09 from \$0.08.

ADDITIONAL DETAILS

- Gross profit for the quarter was \$3 million, compared with our estimate of \$2 million.
- Gross margin for the quarter was 46%, versus 34% last year and our estimate of 40%.
- Operating expenses were \$9 million, compared with our estimate of \$10 million.
- Operating loss was \$5.9 million, compared with our estimate of a loss of \$7.5 million.
- Pro forma net loss was \$4.8 million, compared with our estimate of a loss of \$7.3 million.

In September 2023, the company announced the acquisition of Evertel Technologies, the leading cross-agency collaboration platform for public safety, for \$5.8 million (25% in cash and 75% in stock). This deal closed in October 2023. Evertel's annual revenue is ~\$1 million.

The company's balance sheet is solid with \$14 million in cash and \$12 million in debt, compared with \$13 million in cash and \$12 million in debt as of September.

Exhibit 1: Q1 FY25 and Recent Business Highlights (as of February 11, 2025)

Business Highlights

- Received over \$10 million in cash deposits for the first two approved groups of Puerto Rico dams
- Recorded initial ACOUSTICS orders for Riverside County in conjunction with previously awarded Mass Notification win intended to enhance emergency warning coverage beyond existing Genasys Protect software implementation of EVAC and ALERT

Source: Company report

Exhibit 2: Business Outlook (as of February 11, 2025)

Business Outlook

With record backlog entering fiscal 2025, Genasys is poised to deliver substantial growth to the top and bottom line, compared to the prior fiscal year. Most of the \$40 million starting backlog is tied to the Puerto Rico project, which will primarily impact our P&L in the second half of the fiscal year, though cash receipts have already been meaningful. Long lead-time materials have been ordered and their delivery will be the primary determinant of when installation and implementation of the system can begin. Efforts are being made to accelerate deliveries, but timing remains uncertain. We continue to expect sequential improvement throughout fiscal 2025 in both our software revenues and ARR, though not at the rates of fiscal 2024.

Source: Company report

Exhibit 3: Genasys Inc. Stock Price (5-Years)



Source: <https://bigcharts.marketwatch.com/>

Exhibit 4: Consensus Expectations (as of February 11, 2025)

	Revenue (mil)			EPS	
	2025E	2026E		2025E	2026E
Q1 Dec	\$7E		Q1 Dec	\$(0.16)E	
Q2 Mar	\$10E		Q2 Mar	\$(0.12)E	
Q3 Jun			Q3 Jun		
Q4 Sep			Q4 Sep		
Total	\$58E	\$87E	Total	\$(0.28)E	\$0.13E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, LSEG, and Ascendant Capital Markets estimates

FINANCIAL MODEL

Genasys Inc.

Income Statement (\$ mils)	Dec-22	Mar-23	Jun-23	Sep-23	2023	Dec-23	Mar-24	Jun-24	Sep-24	2024	Dec-24	Mar-25	Jun-25	Sep-25	2025	Dec-25	Mar-26	Jun-26	Sep-26	2026
Fiscal Year End: September 30	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Total Revenue	10.5	11.2	14.3	10.7	46.7	4.4	5.7	7.2	6.7	24.0	6.9	7.6	14.4	21.4	50.4	19.7	19.0	19.8	21.7	80.1
Cost of Revenues	5.9	6.3	7.6	5.4	25.2	2.9	3.6	3.4	4.0	13.8	3.8	4.1	7.2	9.0	24.1	6.9	6.7	6.5	7.1	27.2
Gross Profit	4.5	4.9	6.7	5.3	21.5	1.5	2.2	3.8	2.7	10.2	3.2	3.5	7.2	12.4	26.3	12.8	12.4	13.3	14.5	52.9
Selling, general and administrative	6.1	6.1	6.0	6.2	24.3	6.5	6.6	6.6	7.5	27.3	6.8	7.6	7.2	9.4	31.1	9.8	9.5	9.9	9.7	39.0
Research and development	1.9	2.3	2.1	1.8	8.1	2.2	2.5	2.5	2.4	9.6	2.3	2.3	0.7	1.5	6.8	2.6	1.9	1.0	1.5	7.0
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	8.0	8.3	8.1	7.9	32.5	8.7	9.2	9.1	9.9	36.9	9.1	9.9	7.9	10.9	37.9	12.4	11.4	10.9	11.3	45.9
Operating income (loss)	(3.5)	(3.4)	(1.5)	(2.6)	(11.0)	(7.2)	(7.0)	(5.4)	(7.1)	(26.7)	(5.9)	(6.4)	(0.7)	1.5	(11.5)	0.4	1.0	2.4	3.2	7.0
Interest income (expense)		0.0			0.0					0.0		(0.6)	(0.6)	(0.6)	(1.8)	(0.6)	(0.6)	(0.6)	(0.6)	(2.4)
Other income (expense)	(0.0)		0.0	(0.0)	(0.0)	0.1	0.1	(1.4)	(4.2)	(5.4)	1.9				1.9					0.0
Income before income taxes	(3.5)	(3.4)	(1.4)	(2.6)	(11.0)	(7.2)	(6.9)	(6.7)	(11.3)	(32.1)	(4.1)	(7.0)	(1.3)	0.9	(11.5)	(0.2)	0.4	1.8	2.6	4.6
Income taxes		0.0	(0.0)	7.4	7.4	(0.4)	(0.0)	(0.0)	0.1	(0.4)	(4.1)	(0.7)	(0.1)	0.1	(0.7)	(0.0)	0.0	0.2	0.3	0.5
Net income (loss)	(3.5)	(3.4)	(1.4)	(10.1)	(18.4)	(6.7)	(6.9)	(6.7)	(11.4)	(31.7)	(4.1)	(6.3)	(1.2)	0.8	(10.7)	(0.2)	0.3	1.6	2.4	4.1
Nonrecurring/noncash adjustments				7.4	7.4				4.2	4.2		(0.7)			(0.7)					0.0
Net income (pro forma)	(3.5)	(3.4)	(1.4)	(2.6)	(11.0)	(6.7)	(6.9)	(6.7)	(7.2)	(27.5)	(4.8)	(6.3)	(1.2)	0.8	(11.5)	(0.2)	0.3	1.6	2.4	4.1
EBITDA	(2.4)	(2.3)	(0.4)	(1.7)	(6.8)	(6.1)	(5.7)	(4.3)	(6.0)	(22.1)	(4.8)	(5.3)	0.4	2.6	(7.0)	1.5	2.1	3.5	4.4	11.5
Shares, Basic	36.7	36.8	37.1	37.2	36.9	43.7	44.2	44.6	44.6	44.3	44.9	45.1	45.3	45.4	45.2	45.5	45.6	45.8	45.9	45.7
Shares, Diluted	36.7	36.8	37.1	37.2	36.9	43.7	44.2	44.6	44.6	44.3	44.9	45.1	45.3	45.4	45.2	45.5	45.6	45.8	45.9	45.7
EPS Basic (Pro forma)	(\$0.10)	(\$0.09)	(\$0.04)	(\$0.07)	(\$0.30)	(\$0.15)	(\$0.16)	(\$0.15)	(\$0.16)	(\$0.62)	(\$0.11)	(\$0.14)	(\$0.03)	\$0.02	(\$0.25)	(\$0.00)	\$0.01	\$0.03	\$0.05	\$0.09
EPS Diluted (Pro forma)	(\$0.10)	(\$0.09)	(\$0.04)	(\$0.07)	(\$0.30)	(\$0.15)	(\$0.16)	(\$0.15)	(\$0.16)	(\$0.62)	(\$0.11)	(\$0.14)	(\$0.03)	\$0.02	(\$0.25)	(\$0.00)	\$0.01	\$0.03	\$0.05	\$0.09
Margins																				
Gross margin	43.3%	43.9%	46.9%	49.6%	46.0%	33.9%	37.9%	52.8%	40.8%	42.4%	45.8%	46.0%	50.0%	58.0%	52.2%	65.0%	65.0%	67.0%	67.0%	66.0%
Selling, general and administrative	58.1%	54.0%	42.1%	57.7%	52.1%	149.5%	115.7%	92.8%	110.6%	113.5%	98.5%	100.0%	50.0%	44.0%	61.7%	50.0%	50.0%	50.0%	45.0%	48.6%
Research and development	18.5%	20.3%	15.0%	16.5%	17.4%	50.2%	44.1%	34.8%	36.0%	40.2%	32.9%	30.0%	5.0%	7.0%	13.5%	13.0%	10.0%	5.0%	7.0%	8.7%
Operating margin	-33.3%	-30.4%	-10.2%	-24.7%	-23.5%	-165.8%	-121.9%	-74.8%	-105.8%	-111.3%	-85.6%	-84.0%	-5.0%	7.0%	-22.9%	2.0%	5.0%	12.0%	15.0%	8.7%
Tax rate, GAAP	0.0%	-0.2%	1.8%	-280.4%	-67.3%	6.0%	0.1%	0.6%	-0.6%	1.3%	0.0%	10.0%	10.0%	10.0%	6.4%	10.0%	10.0%	10.0%	10.0%	10.0%
Net margin	-33.4%	-30.3%	-10.0%	-94.0%	-39.4%	-154.2%	-120.9%	-93.2%	-168.9%	-132.2%	-58.8%	-82.7%	-8.2%	3.8%	-21.3%	-0.9%	1.7%	8.1%	11.0%	5.1%
Y/Y % change																				
Total Revenue	-2%	-15%	1%	-33%	-14%	-58%	-49%	-50%	-37%	-49%	59%	33%	101%	218%	110%	183%	150%	37%	1%	59%
Gross margin	-7%	-29%	2%	-31%	-18%	-67%	-56%	-43%	-48%	-53%	115%	61%	91%	352%	158%	302%	253%	84%	17%	101%
Selling, general and administrative	19%	8%	9%	11%	12%	7%	10%	11%	21%	12%	5%	15%	8%	27%	14%	44%	25%	37%	3%	25%
Research and development	41%	20%	25%	4%	22%	13%	11%	17%	37%	19%	4%	-10%	-71%	-38%	-30%	12%	-17%	37%	1%	3%
Operating income (loss)	117%	547%	131%	-79%	-29%	107%	105%	270%	170%	143%	-18%	-9%	-87%	-121%	-57%	-107%	-115%	-430%	116%	-160%
Net income (loss)	169%	592%	142%	-27%	13%	92%	104%	370%	13%	72%	-39%	-9%	-82%	-107%	-66%	-95%	-105%	-235%	194%	-138%
EPS Diluted (Pro forma)	167%	583%	138%	292%	256%	61%	70%	290%	127%	109%	-30%	-11%	-82%	-111%	-59%	-96%	-105%	-233%	191%	-135%

Source: Company reports and Ascendant Capital Markets estimates.

Genasys Inc.

Balance Sheet (\$ mils) Fiscal Year End: September 30	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E	
Assets																	
Cash and cash equivalents	7.6	6.4	3.0	8.7	4.8	3.5	8.7	4.9	8.5	(8.0)	(7.6)	(15.4)	(5.8)	(7.9)	0.5	(6.2)	
Short term investments	6.6	5.6	3.5	1.5	8.8	3.0	4.0	7.9	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	
Accounts receivable, net	3.3	3.6	10.4	6.0	4.4	2.8	5.7	3.3	3.0	4.3	8.3	16.2	9.9	10.7	11.4	16.4	
Inventory	8.0	9.4	8.0	6.5	6.9	6.6	7.3	7.3	7.5	7.5	10.8	13.5	12.0	12.1	9.8	10.7	
Deferred income taxes									0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Prepaid expenses and other	3.7	2.4	2.4	2.6	2.1	6.3	5.9	2.7	3.9	0.9	2.2	2.8	3.4	2.3	3.0	2.8	
Total current assets	29.1	27.3	27.3	25.2	27.0	22.3	31.6	26.1	28.0	9.9	18.9	22.3	24.7	22.5	29.8	28.9	
Long term securities/investments	1.0	0.6	0.4		0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
Property and equipment, net	1.8	1.7	1.7	1.6	1.6	1.5	1.4	1.3	1.2	0.8	0.4	(0.1)	(0.5)	(1.0)	(1.4)	(1.8)	
Intangibles, net	20.3	19.8	19.3	18.7	23.5	23.0	22.4	21.8	21.1	21.1	21.1	21.1	21.1	21.1	21.1	21.1	
Deferred income tax	7.4	7.4	7.4							0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other	4.9	4.9	4.7	4.4	4.2	3.9	3.7	4.4	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.1	
Total assets	64.5	61.7	60.8	49.9	56.6	51.0	59.4	53.9	54.6	36.1	44.6	47.6	49.6	46.9	53.8	52.5	
Liabilities and stockholders' equity																	
Accounts payable	2.6	3.5	3.3	2.8	1.9	2.6	3.6	4.0	4.5	1.7	6.3	3.2	7.2	4.2	8.6	3.2	
Accrued expenses	8.1	7.4	8.2	7.5	8.6	8.3	7.7	9.0	15.5	5.3	10.1	15.0	13.8	13.3	13.9	15.2	
Deferred revenue										0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Deferred income tax										0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	
Short term debt										0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total current liabilities	11.6	11.9	12.5	11.3	11.5	11.9	12.3	14.1	21.1	8.0	17.4	19.2	20.9	17.6	22.5	18.4	
Deferred income taxes																	
Warrant liability							3.1	6.6	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	
Other long term liabilities	5.2	5.0	4.7	4.8	4.5	4.2	3.9	3.6	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	
Long term debt							11.7	12.0	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4	
Total other liabilities	5.2	5.0	4.7	4.8	4.5	4.2	18.7	22.3	19.9	19.9	19.9	19.9	19.9	19.9	19.9	19.9	
Common stock										0.4	0.8	1.2	1.6	2.0	2.3	2.7	
Additional paid-in capital	109.0	109.5	110.0	110.4	123.7	125.1	125.4	125.7	126.1	126.1	126.1	126.1	126.1	126.1	126.1	126.1	
Retained earnings	(60.9)	(64.3)	(66.0)	(76.1)	(82.8)	(89.7)	(96.4)	(107.8)	(111.9)	(118.2)	(119.3)	(118.5)	(118.7)	(118.4)	(116.8)	(114.4)	
Accumulated other comprehensive income	(0.5)	(0.4)	(0.4)	(0.5)	(0.4)	(0.4)	(0.5)	(0.3)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	
Other										0.3	0.3	0.3	0.3	0.3	0.3	0.3	
Total stockholders' equity	47.6	44.8	43.6	33.8	40.6	34.9	28.5	17.6	13.7	8.1	7.3	8.5	8.7	9.4	11.4	14.2	
Total stockholders' equity and liabilities	64.5	61.702	60.8	49.9	56.6	51.0	59.4	53.9	54.6	36.1	44.6	47.6	49.6	46.9	53.8	52.5	

Balance Sheet Drivers

	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	
	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E	
Prepaid as % of total rev	35%	21%	17%	24%	48%	110%	83%	39%	56%	12%	15%	13%	18%	12%	15%	13%	
Accounts payable as % of total rev	25%	31%	23%	26%	43%	45%	50%	60%	65%	22%	44%	15%	37%	22%	44%	15%	
Inventories as % of cost of rev	135%	149%	105%	121%	239%	184%	216%	183%	199%	182%	150%	150%	175%	182%	150%	150%	
Accrued expenses as % of total rev	77%	66%	57%	70%	198%	145%	107%	134%	224%	70%	70%	70%	70%	70%	70%	70%	
Activity Ratios																	
A/R Days Sales Outstanding	28	29	65	50	92	44	71	44	39	51	52	68	45	51	52	68	
Inventory Turnover	3.0x	2.7x	3.8x	3.3x	1.7x	2.2x	1.8x	2.2x	2.0x	2.2x	2.7x	2.7x	2.3x	2.2x	2.7x	2.7x	
A/P Days Payable	40	50	40	46	59	66	95	91	108	37	78	32	94	57	119	40	
Book & Cash Value (per share)																	
Book Value per Share (diluted)	\$1.30	\$1.22	\$1.18	\$0.91	\$0.93	\$0.79	\$0.64	\$0.39	\$0.30	\$0.18	\$0.16	\$0.19	\$0.19	\$0.21	\$0.25	\$0.31	
Cash per Share (diluted)	\$0.41	\$0.34	\$0.19	\$0.27	\$0.32	\$0.16	\$0.29	\$0.29	\$0.31	-\$0.06	-\$0.05	-\$0.22	-\$0.01	-\$0.05	\$0.13	-\$0.02	
Net cash per Share (diluted)	\$0.41	\$0.34	\$0.19	\$0.27	\$0.32	\$0.16	\$0.03	\$0.03	\$0.03	-\$0.33	-\$0.32	-\$0.49	-\$0.28	-\$0.32	-\$0.14	-\$0.29	

Source: Company reports and Ascendant Capital Markets estimates

Genasys Inc.

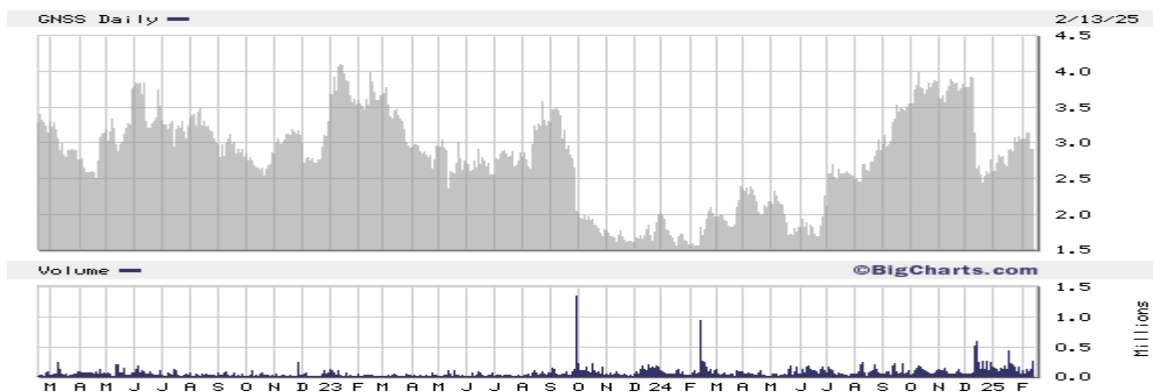
Cash Flow Statement (\$ mils)	Dec-22	Mar-23	Jun-23	Sep-23	2023	Dec-23	Mar-24	Jun-24	Sep-24	2024	Dec-24	Mar-25	Jun-25	Sep-25	2025	Dec-25	Mar-26	Jun-26	Sep-26	2025	
Fiscal Year End: September 30	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E	
Cash flow from operating activities																					
Net income	(3.5)	(3.4)	(1.4)	(10.1)	(18.4)	(6.7)	(6.9)	(6.7)	(11.4)	(31.7)	(4.1)	(6.3)	(1.2)	0.8	(10.7)	(0.2)	0.3	1.6	2.4	4.1	
Depreciation	0.6	0.6	0.6	0.6	2.6	0.7	0.7	0.7	0.7	2.9	0.7	0.7	0.7	0.7	2.9	0.7	0.7	0.7	0.7	2.9	
Amortization	0.2	0.2	0.2	0.2	0.8	0.2	0.2	0.2	0.2	0.8	0.2	0.4	0.4	0.4	0.2	0.4	0.4	0.4	0.4	1.6	
Stock comp	0.4	0.5	0.4	0.3	1.6	0.4	0.5	0.3	0.4	1.7	0.4	0.4	0.4	0.4	1.6	0.4	0.4	0.4	0.4	1.6	
Provision for bad debts					0.0					0.0					0.0					0.0	
Deferred income taxes			(0.0)	7.4	7.4			(0.5)	0.5	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Warranty provision	0.0	0.0	0.0	(0.0)	0.0	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.0)			(0.0)	(0.0)					0.0	
Inventory obsolescence	0.0	0.0	0.1	0.1	0.3	0.0	0.0	0.1	(0.1)	0.0	0.1			0.1	0.1					0.0	
Warrants revaluation					0.0			0.1	3.4	3.5	(2.5)			(2.5)						0.0	
Other gains/losses				0.0	0.0	0.0	0.0	0.4	0.4	0.4	0.4			0.4	0.4					0.0	
Other	0.0	0.0	0.0	0.0	0.0	(0.5)	(0.0)	0.5	(0.4)	(0.4)	0.0			0.0	0.0					0.0	
Changes in operating assets and liabilities:																					
Accounts receivable	3.5	(0.3)	(6.7)	4.4	0.8	1.7	1.6	(2.8)	2.4	2.8	0.3	(1.3)	(4.0)	(7.9)	(13.0)	6.4	(0.8)	(0.7)	(5.0)	(0.2)	
Inventory	(2.0)	(1.4)	1.3	1.3	(0.8)	(0.4)	0.3	(0.8)	0.1	(0.8)	(0.3)	0.0	(3.3)	(2.7)	(6.3)	1.5	(0.1)	2.3	(0.9)	2.8	
Prepaid expenses & other curre	0.6	1.2	(0.1)	(0.1)	1.7	(0.2)	(4.2)	0.4	2.7	(1.3)	(1.1)	2.9	(1.2)	(0.7)	(0.0)	(0.6)	1.1	(0.7)	0.1	(0.0)	
Other assets					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Accounts payable	0.2	0.9	(0.2)	(0.5)	0.4	(0.9)	0.7	2.0	0.5	2.2	0.5	(2.8)	4.6	(3.1)	(0.8)	4.0	(2.9)	4.4	(5.4)	0.0	
Accrued expenses	(5.0)	(1.0)	0.4	(0.5)	(6.1)	(0.0)	0.3	(0.9)	1.1	0.4	6.3	(10.2)	4.8	4.9	5.8	(1.2)	(0.4)	0.6	1.3	0.2	
Warranty settlements					0.0					0.0					0.0					0.0	
Deferred revenue					0.0					0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other liabilities					0.0					0.0		0.0	0.0	0.0	0.0	(1.0)	0.0	0.0	0.0	(1.0)	
Net cash (used in) provided by	(4.9)	(2.6)	(5.4)	3.2	(9.6)	(5.7)	(6.8)	(7.5)	0.6	(19.5)	0.9	(16.5)	0.7	(7.5)	(22.3)	9.9	(1.7)	8.6	(6.4)	10.4	
Cash flow from investing activities																					
Purchases of property and equi	(0.1)	(0.1)	(0.1)	(0.0)	(0.2)	(0.1)	(0.0)	(0.0)	(0.0)	(0.2)	(0.1)	(0.3)	(0.3)	(0.3)	(1.0)	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)	
Purchases of short-term investr	(0.4)	1.5	2.2	2.5	5.8	(7.3)	5.8	(1.0)	(4.2)	(6.8)	2.7				2.7					0.0	
Acquisitions					0.0	(0.9)	0.0			(0.9)					0.0					0.0	
Other					0.0	(0.8)				(0.8)					0.0					0.0	
Net cash used in investing activ	(0.5)	1.4	2.2	2.5	5.5	(9.1)	5.8	(1.0)	(4.3)	(8.7)	2.6	(0.3)	(0.3)	(0.3)	1.7	(0.3)	(0.3)	(0.3)	(0.3)	(1.2)	
Cash flow from financing activities																					
Issuance of debt					0.0			13.7		13.7		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repayment of debt					0.0					0.0					0.0					0.0	
Issuance of stock					0.0	10.4				10.4		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repurchase of common stock					0.0					0.0					0.0					0.0	
Proceeds from stock option exe	0.0	0.0	(0.2)	0.1	(0.1)		(0.0)		(0.0)	(0.1)	0.0			0.0						0.0	
Other					0.0		(0.2)			(0.2)					0.0					0.0	
Dividends and distributions					0.0					0.0					0.0					0.0	
Cash provided by (used in) fina	0.0	0.0	(0.2)	0.1	(0.1)	10.4	(0.2)	13.7	(0.0)	23.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Effect of exchange rate on cash	0.0	0.0	0.0	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0	0.0	(0.1)				(0.1)					0.0	
Net increase (decrease) in cash	(5.3)	(1.2)	(3.4)	5.7	(4.1)	(4.4)	(1.2)	5.1	(3.7)	(4.2)	3.526	(16.8)	0.4	(7.8)	(20.7)	9.6	(2.0)	8.3	(6.7)	9.2	
Beginning cash and equivalents	13.7	8.4	7.2	3.8	13.7	9.5	5.1	3.9	9.0	9.5	5.3	8.8	(8.0)	(7.6)	5.3	(15.4)	(5.8)	(7.9)	0.5	(15.4)	
Ending cash and equivalents	8.4	7.2	3.8	9.5	9.5	5.1	3.9	9.0	5.3	5.3	8.8	(8.0)	(7.6)	(15.4)	(15.4)	(5.8)	(7.9)	0.5	(6.2)	(6.2)	

Source: Company reports and Ascendant Capital Markets estimates

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Genasys Inc.



Source: <https://bigcharts.marketwatch.com/>

Report	Report Date	Rating	Price Target
1	1/16/2018	B	3.50
2	2/9/2018	B	3.50
3	5/16/2018	B	3.75
4	8/15/2018	B	4.00
5	8/23/2018	B	4.50
6	12/14/2018	B	4.00
7	2/17/2019	B	4.25
8	5/8/2019	B	4.50
9	8/13/2019	B	4.75
10	12/15/2019	B	4.50
11	2/11/2020	B	4.75
12	5/12/2020	B	5.50
13	8/11/2020	B	5.75
14	12/14/2020	B	8.50
15	2/13/2021	B	8.75
16	5/17/2021	B	9.00
17	8/7/2021	B	9.50
18	11/23/2021	B	8.50
19	3/2/2022	B	8.00
20	5/14/2022	B	7.50
21	8/17/2022	B	8.00
22	12/5/2022	B	7.00
23	3/7/2023	B	6.00
24	5/9/2023	B	5.75
25	8/27/2023	B	6.00
26	12/8/2023	B	4.50
27	2/26/2024	B	4.75
28	5/31/2024	B	4.25
29	8/17/2024	B	4.75
30	12/14/2024	B	5.50

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BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of January 10, 2025)

Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	57	100%	20	35%

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