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B.O.S. Better Online Solutions Ltd. (BOSC - 2.83 - Buy)

Empowering Enterprises With Innovative Supply Chain Tech | Initiate Buy | PT\$5

Key Points

A Comprehensive Solutions Provider. B.O.S. Better Online Solutions is a global company that offers comprehensive solutions to enterprises, consisting of services, equipment, and custom-made automatic machines designed to enhance inventory control and boost productivity in production and logistic processes. The company operates through three main divisions: the Intelligent Robotics Division, the RFID Division, and the Supply Chain Division.

Key Performance Drivers. B.O.S. Better Online Solutions, through its three divisions, delivers products and services that help enterprises improve their inventory production and control efficiency. The company's revenue is influenced by factors such as end-user capital expenditure budgets, which can be significantly affected by macroeconomic conditions, and the lead time of its products, particularly in light of the current global component shortage.

Robotics Division: Automating Inventory Processes. The robotics division develops custom-made robotic cells and integrates off-the-shelf machines to automate routine human activities in production, assembly, packing, and sorting. This division focuses on streamlining processes in production lines (mainly in the defense segment) and logistics centers.

RFID Division: Tracking and Managing Inventory. The RFID division integrates software and hardware for marking, tracking, and managing inventory throughout the supply chain. This division offers a combination of equipment, such as handheld computers, forklift tablets, scanners, and printers, which employees use to report on inventory movement. BOS represents global manufacturers like Zebra, Honeywell, and Advantech, and provides labeling and ribbons for barcode labels and RFID tags. The software unit within the RFID division implements warehouse management software and develops interfaces between equipment and machines to the client's ERP, enabling the execution of various IoT applications.

Supply Chain Division: Distributing Components for Defense and High-Tech. The supply chain division distributes electromechanical components, primarily for the Israeli defense market. BOS provides electronic components for the Israeli defense industry's flagship projects, such as Rafael's Iron Dome and the Israeli Aircraft Industry's Space Project. The company has been working with Israeli Aircraft and Rafael for more than 20 years. BOS is currently in the process of adding more electronic manufacturers to its offerings and expanding its presence in the Israeli high-tech segment.

Two-Pronged Growth Strategy. BOS's growth strategy has two dimensions. The first dimension involves deepening the existing offerings, while the second dimension focuses on adding complementary and synergic technologies to the company's offerings. The strategy implementation is carried out organically and through mergers and acquisitions.

Financials. BOS' financial targets for 2024 are revenues of \$46 million and net income of \$2.2 million. BOS has reported consistent year-on-year growth since 2021 and has a strong financial position, with positive cash net of loans. The management team is focused on driving growth and strengthening BOS' competitive position in various markets.

Summary

Poised for Growth. BOS is well-positioned to capitalize on the growing demand for automation and inventory management technologies. The company has established a strong presence in the Israeli market with a diverse portfolio of offerings spanning robotics, RFID, and supply chain solutions. It is expanding its reach in the high-tech segment. BOS's improving financial performance and strengthened balance sheet indicate the company's potential for growth and profitability.

Rating, Price and Target

Symbol	BOSC
Rating	Buy
Price	2.83
Price Target	5.00

Market Data

Market Cap (M)	\$16.3
Shares Outstanding (M)	5.7
Average Daily Volume (000s)	22.0
Float (M)	4.9
Total Debt (M)	1.3
Net Cash/Debt (\$M)	\$1.4
Dividend	NM

FYE Dec	2023A	2024E	2025E
EPS ¹ Dil	0.34	0.37	0.42
Revenue (M) Dil (\$)	44.2	46.0	48.3

¹5,748,018 Ordinary Shares, of no nominal value per share, as of March 15, 2024

Company Description

B.O.S. Better Online Solutions utilizes state-of-the-art technologies to enhance supply chain efficiency through its three primary divisions. The Intelligent Robotics division optimizes industrial and logistics inventory processes, while the RFID division enables accurate inventory marking and tracking. Additionally, the Supply Chain division ensures effective inventory supply management. By leveraging these technologies, B.O.S. Better Online Solutions aims to provide comprehensive solutions that balance risk and reward for its clients, ultimately improving their supply chain operations and overall business performance.

B.O.S. Better Online Solutions: Empowering Enterprises With Innovative Supply Chain Technologies

A Comprehensive Solutions Provider

Company Overview

B.O.S. Better Online Solutions (BOS) is a global company that offers comprehensive solutions to enterprises, consisting of services, equipment, and custom-made automatic machines designed to enhance inventory control and boost productivity in production and logistic processes. The company operates through three main divisions: the Intelligent Robotics Division, the RFID Division, and the Supply Chain Division.

Key Performance Drivers

B.O.S. Better Online Solutions, through its three divisions, delivers products and services that help enterprises improve their inventory production and control efficiency. The company's revenue is influenced by factors such as end-user capital expenditure budgets, which can be significantly affected by macroeconomic conditions, and the lead time of its products, particularly in light of the current global component shortage.

Divisional Offerings

Supply Chain Division

The Supply Chain Division provides clients with a kit of electro-mechanical components, sourcing parts directly from represented manufacturers or the open market.

RFID Division

The RFID Division's product offering includes the sale of Automatic Identification Data Capture Equipment (AIDC), software licenses, and the implementation of Warehouse Management Systems (WMS) from Mantis Informatics Israel Ltd. The division also provides inventory counting services for retail stores and warehouses.

Intelligent Robotics Division

The Intelligent Robotics Division offers custom-made mechanical automation (Robots) for industrial and logistic processes. These Robots are based on the company's mechanical design, purpose-built metal sheets, and the integration of off-the-shelf components and other robots.

Sales and Service Delivery

B.O.S. Better Online Solutions primarily generates revenue and delivers services through its sales team.

Balancing Risks and Rewards

While B.O.S. Better Online Solutions operates in a dynamic market with potential risks, such as fluctuations in end-user capital expenditure budgets and global component shortages, the company's diversified offerings across three divisions help mitigate these risks. By providing comprehensive solutions that address the needs of enterprises seeking to improve inventory control and productivity, B.O.S. Better Online Solutions is well-positioned to capitalize on the growing demand for automation and efficiency in production (mainly in the Israeli defense segment) and logistic processes. In addition, the Supply Chain division addresses the growing needs of enterprises from the defense segment in Israel for electromechanical components.

Figure 1. BOS Supply Chain Technologies: Optimizing Operations Across Key Divisions



Sources: Company Reports

Overview of Operations

B.O.S. Better Online Solutions empowers enterprises with technologies designed to enhance inventory efficiency. The company operates through three distinct business divisions: Robotics, RFID, and Supply Chain.

Robotics Division: Automating Inventory Processes

The robotics division develops custom-made robotic cells and integrates off-the-shelf machines to automate routine human activities in production, assembly, packing, and sorting. This division focuses on streamlining processes in production lines (mainly in the defense segment) and logistics centers.

Figure 2. BOS Intelligent Robotics Division: Streamlining Industrial and Logistics Processes



Sources: Company Reports

RFID Division: Tracking and Managing Inventory

The RFID division integrates software and hardware for marking, tracking, and managing inventory throughout the supply chain. This division offers a combination of equipment, such as handheld computers, forklift tablets, scanners, and printers, which employees use to report on inventory movement. BOS represents global manufacturers like Zebra, Honeywell, and Advantech, and provides labeling and ribbons for barcode labels and RFID tags.

The software unit within the RFID division implements warehouse management software and develops interfaces between equipment and machines to the client's ERP, enabling the execution of various IoT applications. BOS operates the most extensive lab in Israel to support an install base of more than 1,000 sites. The RFID division also provides complementary services, such as inventory counting for warehouses and stores, counting approximately 300 sites per year using proprietary software and a professional team.

Figure 3. BOS RFID Division: Enhancing Inventory Management for Logistics Centers in Israel



Sources: Company Reports

Supply Chain Division: Distributing Components for Defense and High-Tech

The supply chain division distributes electromechanical components, primarily for the Israeli defense market. BOS provides electronic components for the Israeli defense industry's flagship projects, such as

Rafael's Iron Dome and the Israeli Aircraft Industry's Space Project. The company has been working with Israeli Aircraft and Rafael for more than 20 years. BOS is currently in the process of adding more electronic manufacturers to its offerings and expanding its presence in the Israeli high-tech segment.

Figure 4. BOS Supply Chain Division: Franchised Distribution of Electronic Components for Military and High-Tech Segments in Israel



Sources: Company Reports

Two-Pronged Growth Strategy

BOS's growth strategy has two dimensions. The first dimension involves deepening the existing offerings, while the second dimension focuses on adding complementary and synergic technologies to the company's offerings. The strategy implementation is carried out organically and through mergers and acquisitions.

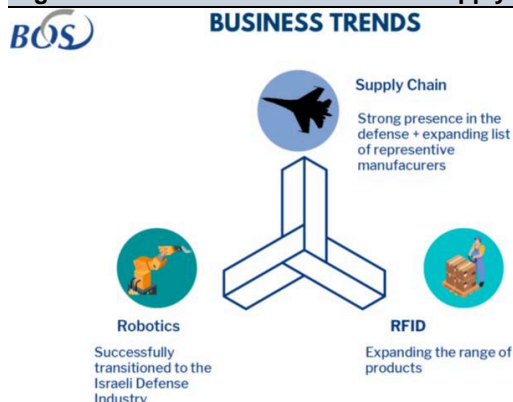
Figure 5. Core Business Growth Strategy: Phased Expansion into Retail, High-Tech, and Defense



Sources: Company Reports

Poised for Growth: Balancing Opportunities and Risks

B.O.S. Better Online Solutions is well-positioned to capitalize on the growing demand for automation and inventory management technologies. The company has established a strong presence in the Israeli market with a diverse portfolio of offerings spanning robotics, RFID, and supply chain solutions. It is expanding its reach in the high-tech segment. BOS's improving financial performance and strengthened balance sheet indicate the company's potential for growth and profitability. However, investors should consider the risks associated with the company's reliance on the Israeli defense industry and the challenges of integrating new technologies and businesses through mergers and acquisitions.

Figure 6. Business Trends: Defense Supply Chain, Israeli Robotics, RFID Expansion

Sources: Company Reports

Q1 2024 Results: Record Net Income Despite Revenue Decline

Overview:

Despite a 7% decrease in revenues compared to the same period in 2023, the company achieved record quarterly net income and improved gross profit margins.

Figure 7. B.O.S. Better Online Solutions Ltd. – Consolidated EBITDA

Condensed Consolidated EBITDA <i>(in \$000's, except per share)</i>	Three months ended March 31,		Year ended December 31,
	2023	2022	2023
Operating income	\$ 846	\$ 902	\$ 2,450
Add:			
Amortization of intangible assets	47	26	168
Stock-based compensation	21	25	98
Depreciation	89	81	342
EBITDA	1,003	1,034	3,058

Sources: Company Reports

Financial Highlights:

Revenues for the first quarter of 2024 amounted to \$11.3 million, a decrease of 7% from \$12.1 million in the first quarter of 2023. However, gross profit margin improved to 22.7% compared to 21.9% in the previous year's quarter. EBITDA remained relatively stable at \$1.0 million compared to \$1.0 million in the first quarter of 2023.

BOS significantly reduced its financial expenses by 57.3%, from \$246K in the first quarter of 2023 to \$105K in the first quarter 2024. This reduction, along with the improved gross profit margin, contributed to a 13% increase in net income, reaching \$741K, compared to \$656K in the first quarter of 2023.

Figure 8. B.O.S. Better Online Solutions Ltd. – Operational Summary

<i>(in \$000's, except per share)</i>	Three Months Ended March 31,		Year Ended December 31,
	2024	2023	2023
Revenues	\$ 11,287	\$ 12,141	\$ 44,179
Gross profit	2,560	2,664	9,209
Total operating cost and expenses	1,714	1,762	6,759
Operating income	846	902	2,450
Financial expenses, net	(105)	(246)	(441)
Net income	741	656	2,005

Sources: Company Reports

Guidance:

The results align with BOS' financial targets for 2024, which include revenues of \$46 million and net income of \$2.2 million.

BOS has reported consistent year-on-year growth since 2021 and has a strong financial position, with a positive cash net of loans. The management team is focused on driving growth and strengthening BOS' competitive position in various markets.

Figure 9. B.O.S. Better Online Solutions Ltd. – Balance Sheet Summary

(in \$000's, except per share)	As of	
	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 2,697	\$ 2,344
Trade receivable, net	13,381	12,424
Inventories	5,773	6,070
Total Current Assets	23,262	22,018
Property and equipment, net	3,310	3,268
Other intangible assets, net	1,030	1,078
Goodwill	4,895	4,895
Total assets	33,655	32,481
Current maturities of long-term loans	164	170
Trade payables	8,342	7,710
Employee and payroll accruals	1,120	980
Accrued expenses and other liabilities	892	1,072
Total Current Liabilities	11,477	10,904
Long-term loans, net of current maturities	1,093	1,150
Operating lease liabilities, non-current	698	759
Total long-term liabilities	2,576	2,738
Total shareholders' equity	19,602	18,839
Working Capital	11,785	11,114

Sources: Company Reports

Business Divisions and Growth Prospects

The Supply Chain division has expanded its electronic manufacturing list or franchise and expects revenue growth in 2024 and beyond, driven by increased demand from the Israeli defense network and expand penetration to the Israeli high-tech sector. The Robotics division is transitioning from the Israeli civilian sector to the defense sector, anticipating higher revenues from new production orders and logistic center installations.

Figure 10. B.O.S. Solutions Ltd – Segment Results

	RFID	Supply Chain Solutions	Intelligent Robotics	Intercompany	Consolidated
	Three months ended March 31, 2024				
Revenues	\$ 3,683	\$ 7,356	\$ 250	\$ (2)	\$ 11,287
Gross Profit	992	1,484	84	-	2,560
Allocated operating expenses	565	909	62	-	1,536
Unallocated operating expenses	-	-	-	-	178
Income from operations	427	575	22	-	846
Financial expenses and tax on income	-	-	-	-	(105)
Net income	-	-	-	-	741

Sources: Company Reports

Defense Segment Growth:

Defense-related revenues have increased from 60% to 75% over the past year, driven by new product integrations and expanding offerings.

Figure 11. B.O.S. Better Online Solutions Ltd. – Sales by Divisions

(\$ in thousands)

Division	2023	2023 (%)	2022	2022 (%)	2021	2021 (%)
Intelligent Robotics Division	\$ 1,742	4%	\$ 961	2%	\$ 1,576	5%
RFID Division	13,713	31	15,318	37	13,192	39
Supply Chain Division	<u>28,845</u>	<u>66</u>	<u>25,232</u>	<u>61</u>	<u>19,008</u>	<u>57</u>
Total Revenues	44,179	100	41,511	100	33,634	100

Sources: Company Reports

Profitability and Growth in Robotics:

The Robotics division has shown a transition from losses to profitability, and B.O.S. Better Online Solutions expects this division to achieve the highest growth rate within the company this year.

Figure 12. B.O.S. Better Online Solutions Ltd. – Sales by Geographic Areas

(\$ in thousands)

Region	2023	2023 (%)	2022 (\$)	2022 (%)	2021 (\$)	2021 (%)
Israel	\$ 38,125	86	\$ 34,295	82	\$ 25,662	77
Far East	1,331	3	2,239	5	3,494	10
India	1,726	4	1,225	3	1,701	5
America	1,433	3	2,825	7	2,032	6
Europe	1,513	4	622	2	555	2
Rest of the world	<u>51</u>	<u>0</u>	<u>305</u>	<u>1</u>	<u>190</u>	<u>1</u>
Total Revenues	44,179	100	41,511	100	33,634	100

Sources: Company Reports

M&A Activity:

There is ongoing interest in both acquiring other companies and potential interest in B.O.S. Better Online Solutions being acquired. The company is actively seeking opportunities to enhance its valuation and market presence.

Strategic Outlook

The company is focused on rejuvenating its core business, enhancing productivity, and expanding organic income sources. B.O.S. Better Online Solutions intends to continue the growth of its divisions within the premium segments in Israel and plans to expand its production and retail store footprint.

Summary

B.O.S. Better Online Solutions Ltd.'s first quarter 2024 financial results demonstrate the company's ability to improve profitability despite a slight decline in revenues. The record net income and increased earnings per share, along with the management's optimistic outlook, suggest that BOS is well-positioned to achieve its financial targets for the year. However, investors should remain aware of potential risks associated with the company's growth strategy and the competitive landscape in which it operates.

Valuation

Our 12-month price target of \$5 is 0.6x our forecast FY25 sales-per-share. This valuation multiple is in line with peer group average.

B.O.S. Better Online Solutions' strategy is centered on its vision to become a leading provider of comprehensive solutions that enhance inventory control and boost productivity in production and logistics processes for enterprises. The company leverages its three divisions – Supply Chain, RFID, and Intelligent Robotics – to offer a diverse range of services, equipment, and custom-made automatic machines, creating a holistic approach to addressing clients' needs.

The Supply Chain Division ensures a reliable and efficient supply chain by sourcing and delivering electro-mechanical components. The RFID Division streamlines inventory management processes through Automatic Identification Data Capture Equipment (AIDC), software licenses, Warehouse Management Systems (WMS) implementation, and inventory counting services. The Intelligent Robotics Division designs and develops custom-made mechanical automation solutions (Robots) for industrial and logistic processes, tailored to meet specific client requirements.

While offering diverse solutions across three divisions positions B.O.S. Better Online Solutions for growth, it also comes with risks, such as challenges in integrating offerings, adapting to market demands, and managing complexity. However, the company mitigates these risks by focusing on driving efficiency and productivity for clients. By continually innovating and refining its offerings, B.O.S. Better Online Solutions can stay ahead of market trends and deliver value to clients.

In summary, B.O.S. Better Online Solutions' strategy of leveraging its three divisions to provide comprehensive solutions positions the company for success in a dynamic market. By balancing risks and rewards and focusing on delivering value to clients, B.O.S. Better Online Solutions can work towards achieving its vision of becoming a leading provider in its field.

Risk Factors Impacting B.O.S. Better Online Solutions' Growth and Profitability

Financial Performance and Profitability Concerns

B.O.S. Better Online Solutions has experienced financial losses in the past, with three unprofitable years between 2014 and 2023. The company's future sales levels and profitability remain uncertain, and it may encounter difficulties in maintaining its gross profit margins. However, B.O.S. Better Online Solutions believes that the risks associated with its loans are minimal, particularly given its access to cash on these loans. The company aims to strike a balance between risk and reward in its financial management strategies.

Dependence on Key Suppliers and Customers

B.O.S. Better Online Solutions relies on certain key suppliers, which could pose risks to its operations. The company does not have collateral or credit insurance for all of its customers' debt, and its allowance for bad debts may increase.

Product Quality and Intellectual Property Risks

The electronic components provided by B.O.S. Better Online Solutions' Supply Chain Solutions division must meet industry standards, and for some customers, the company must be the manufacturers' authorized distributor. The company's products may contain defects that could be costly to correct, delay market acceptance, harm its reputation, and expose it to litigation. Additionally, B.O.S. Better Online Solutions' products may infringe on others' intellectual property rights.

Regulatory Compliance and Global Economic Conditions

The Supply Chain Solutions division engages in business activities governed by U.S. government laws and regulations, which, if violated, could subject B.O.S. Better Online Solutions to civil or criminal fines and penalties. Future changes in industry standards may have an adverse effect on the company's business. Unfavorable global economic conditions could have a material adverse effect on B.O.S. Better Online Solutions' business, operating results, and financial condition.

Currency and Inflation Risks

The rate of inflation in Israel may negatively impact B.O.S. Better Online Solutions' costs if it exceeds the rate of devaluation of the NIS against the U.S. dollar. Similarly, the U.S. dollar cost of the company's operations in Israel will increase to the extent that increases in the rate of inflation in Israel are not offset by a devaluation of the NIS in relation to the U.S. dollar.

Navigating Risks and Opportunities for Sustainable Growth

While B.O.S. Better Online Solutions faces various risks that could impact its growth and profitability, the Company is well-positioned to navigate these challenges by focusing on key strategies such as diversifying its supplier and customer base, ensuring product quality and compliance, and adapting to evolving market conditions. By effectively managing these risks and capitalizing on opportunities for innovation and expansion, B.O.S. Better Online Solutions can work towards achieving sustainable growth and long-term success in the dynamic technology industry.

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

Figure 13. B.O.S. Better Online Solutions Ltd.- Income Statement, FY21-FY25E

*Fiscal year ends December 31,
(\$ in '000s, except per share data)*

	2021	2022	2023	2024E	2025E
Revenues	\$ 33,634	\$ 41,511	\$ 44,179	\$ 46,000	\$ 48,300
Cost of revenues	27,048	32,451	34,970	36,340	38,157
Gross profit	6,586	9,060	9,209	9,660	10,143
Gross margin	20%	22%	21%	21%	21%
Operating expenses:					
Research and development	208	166	158	160	160
Sales and marketing	3,955	4,924	4,891	5,200	5,333
General and administrative	1,906	2,122	1,762	1,800	1,850
Other income	-	(81)	(52)	-	-
Total operating expenses	6,069	7,131	6,759	7,160	7,343
Operating income	517	1,929	2,450	2,500	2,800
Financial expenses, net	(105)	(647)	(441)	(300)	(300)
Income before taxes on income	412	1,282	2,009	2,200	2,500
Taxes on income (tax benefit)	(39)	6	4	-	-
Net income	373	1,288	2,013	2,200	2,500
Diluted net income per share	\$ 0.07	\$ 0.23	\$ 0.34	\$ 0.37	\$ 0.42
Weighted average common shares - diluted	5,424	5,589	5,905	5,900	5,900

5,748,018 Ordinary Shares, of no nominal value per share, as of December 31, 2023
5,748,018 Ordinary Shares, of no nominal value per share, as of March 15, 2024

Sources: Company Reports and ThinkEquity Estimates

Figure 14. B.O.S. Better Online Solutions Ltd. – Valuation Comparables, Prices as of 6/6/24

(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	
				LTM	Sales		Lease Adj. EBITDA			EBIT LTM	CY+1	CY+2			
					CY+1	CY+2	LTM	CY+1	CY+2						
Telsys Ltd.	46.76	409.0	385.4	2.74	NM	NM	7.1	463.2	463.2	7.7	NM	NM	0.0%	NM	
STG International Ltd.	11.18	52.0	41.4	0.90	NM	NM	5.5	168.1	168.1	6.1	NM	NM	0.0%	NM	
Arrow Electronics, Inc.	131.92	7,022.1	10,427.4	0.33	0.38	0.35	6.3	8.1	6.9	7.5	12.3	8.8	(1.4%)	NM	
Avnet, Inc.	53.71	4,854.3	7,829.3	0.32	0.35	0.33	6.7	8.1	7.1	7.9	12.9	9.3	(3.2%)	NM	
PC Connection, Inc.	66.90	1,763.7	1,416.4	0.51	0.51	0.48	11.7	10.6	10.2	14.1	20.0	17.5	10.0%	1.8	
ePlus inc.	74.18	1,976.4	1,881.6	0.85	0.82	0.80	9.8	9.3	8.4	11.8	14.8	13.6	10.0%	1.4	
Insight Enterprises, Inc.	197.99	6,445.7	7,175.3	0.78	0.72	0.68	13.1	11.3	10.2	15.8	18.4	16.2	11.5%	1.4	
TD SYNNEX Corporation	129.82	11,086.6	14,064.8	0.25	0.24	0.23	7.7	7.4	7.1	11.0	10.8	9.8	9.1%	1.1	
CDW Corporation	221.81	29,810.7	35,191.5	1.66	1.62	1.53	17.0	15.6	14.5	20.3	21.9	19.9	7.0%	2.8	
				High	2.74x	1.62x	1.53x	17.0x	463.2x	463.2x	20.3x	21.9x	19.9x	11.5%	2.8x
				Average	0.93	0.66	0.63	9.4	78.0	77.3	11.3	15.9	13.6	4.8%	1.7
				Median	0.78	0.51	0.48	7.7	10.6	10.2	11.0	14.8	13.6	7.0%	1.4
				Low	0.25	0.24	0.23	5.5	7.4	6.9	6.1	10.8	8.8	(3.2%)	1.1
B.O.S. Better Online Solutions Ltd.	2.81	16.2	15.6	0.36x	NM	NM	5.3x	NM	NM	6.5x	NM	NM	0.0%	NM	

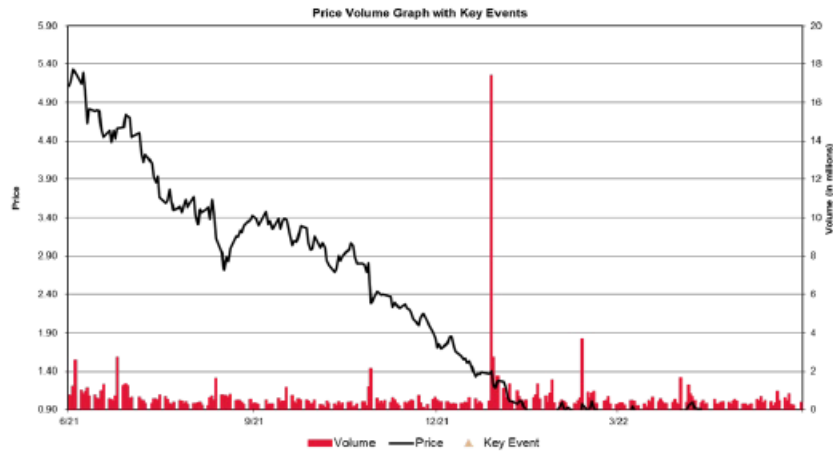
(1) Financial data provided by S&P Capital IQ as of 06/06/2024

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

(3) Converted to USD from ILS at an exchange rate of 0.268.

Sources: S&P Cap IQ, Google Finance, Company Reports, and ThinkEquity estimates

Figure 15. B.O.S. Better Online Solutions Ltd. – 3-Year Price Target and Rating History



Date	Key Development
6/10/2024	B.O.S. Better Online Solutions Ltd. Initiate Buy. PT \$5

Sources: S&P CapIQ, Google Finance, and ThinkEquity Estimates.

I don't understand the chart above? And what is cy 1 cy 2

Important Disclosures**Analyst Certification**

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Ratings Definitions

ThinkEquity rating definitions are expressed as the total return relative to the expected performance of S&P 500 over a 12-month period.

BUY (B) - Total return expected to exceed S&P 500 by at least 10%

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

This Equity Ratings Distribution reflects the percentage distribution for rated equity securities for the twelve month period June 30, 2019 through June 30, 2020. Within the twelve month period ended June 30, 2020, ThinkEquity, LLC has provided investment banking services to 54% of companies with equity rated a Buy, 0% of companies with equity rated a Hold and 0% of companies with equity rated a Sell. As of June 30, 2020, ThinkEquity, LLC had twenty-three stocks under coverage: Buy 23 (100%), Hold 0 (0%), Sell 0 (0%).

ThinkEquity rating distribution by percentage (as of June 10, 2024):			
All companies under coverage:		All companies under coverage to which it has provided investment banking services in the previous 12 months:	
Buy (1)	100.00%	Buy (1)	79.55%
Hold (2)	0.00%	Hold (2)	0%
Sell (3)	0.00%	Sell (3)	0%