

Zacks Small-Cap Research

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SenesTech, Inc.

(SNES-NASDAQ)

SNES: Hantavirus Quarantine Ends, as Outbreak Underscores Need to Control Rodent Populations

The hantavirus quarantine ended for the last passengers this past weekend, as the outbreak underscores the many severe issues rodent infestations can cause and need to control rodent populations. Because infestations are often undisclosed, the problem is likely to be much larger than perceived. Infestations thus need to be managed & reliance on Integrated Pest Management (IPM) programs that include birth control tools such as SenesTech products is rising, as the EPA & many regulators increasingly restrict the use of rodenticides.

OUTLOOK

Recent SNES measures to drive growth include expanding the product line, redesigning the packaging to better communicate product benefits, emphasizing the DTC and online channels & redesigning its proprietary e-commerce website, as well as managing its Amazon store itself to improve visibility into customer behavior, enhance control over ad spend, expand customer engagement opportunities and improve channel economics. In April 2026, the 1st full month of in-house management of its Amazon channel, e-commerce sales advanced 163% y/y and 47% month/month. Subscription-based recurring revenue advanced 198% y/y to a record level & the subscription customer base grew 109%. Other initiative include opportunistically adding international markets such as recent expansions into Bermuda & Belize and developing relationships with agricultural companies, as demand for solutions from the agricultural sector is expected to rise as rodent infestations cause damage to crops.

Current Price (6/22/26) **\$1.71**
Valuation **\$3.50**

SUMMARY DATA

52-Week High **\$6.24**
52-Week Low **\$1.41**
One-Year Return (%) **-53**
Beta **0.29**
Average Daily Volume (sh) **67,941**

Shares Outstanding (mil) **5.3**
Market Capitalization (\$mil) **\$9**
Short Interest Ratio (days) **NA**
Institutional Ownership (%) **NA**
Insider Ownership (%) **NA**

Annual Cash Dividend **\$0.00**
Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates
Sales (%) **N/A**
Earnings Per Share (%) **N/A**
Dividend (%) **N/A**

P/E using TTM EPS **N/A**
P/E using 2026 Estimate **N/A**
P/E using 2027 Estimate **N/A**

Risk Level **Above Avg**
Type of Stock **Small-Value**

ZACKS ESTIMATES**Revenue**
(in Mns of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	0.5 A	0.5 A	0.5 A	0.5 A	1.9 A
2025	0.5 A	0.6 A	0.7 A	0.4 A	2.2 A
2026	0.5 A	0.7 E	0.8 E	0.5 E	2.5 E
2027					3.5 E

Earnings / loss per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-3.56 A	-3.08 A	-2.07 A	-1.22 A	-8.86 A
2025	-1.28 A	-0.87 A	-0.28 A	-0.35 A	-1.95 A
2026	-0.39 A	-0.33 E	-0.26 E	-0.37 E	-1.35 E
2027					-1.06 E

Quarters might not add to annual reflecting rounding, share counts

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COMPANY UPDATE

Hantavirus quarantine finally ends, as outbreak calls attention to the many severe issues rodent infestations can cause and the need to control rodent populations

As SenesTech, Inc. (NASDAQ: SNES), a leader in solutions for managing and reducing rodent populations, moves forward with its growth initiatives, the recent outbreak of hantavirus highlights the risks posed by rodent infestations. The World Health Organization (WHO) identified the outbreak as a strain of hantavirus, the Andes virus, which is “spread mainly by rodents,” per the [CDC](#) and has a 40% fatality rate or roughly 40x that of COVID-19, according to the New York [Times](#). The World Health Organization (WHO) was first notified about cases aboard the ship last month and it was not until this past weekend – almost seven weeks later – that the quarantine ended for many passengers.

The recent hantavirus outbreak calls attention to the many severe issues rodent infestations can cause and the need to control rodent populations. Rodent populations can create other health problems, as well as food contamination and waste that can also exacerbate food security issues, among other issues. Yet, businesses or homeowners are often reluctant to report an infestation. Thus, rodent infestation is a fairly pervasive problem, although the issue is often undisclosed. The problem is likely to be much larger than people perceive because rat infestations are often not reported.

Rodents are attracted to congested areas where access to food is fairly concentrated and easy to obtain, which, in turn, facilitates the growth of rodent populations. The problem is expected to increase, as urbanization and population growth also contribute to increases in waste production, further attracting rodents.

While it seems evident that infestations need to be managed, the way to manage the problem is evolving from complete reliance on chemical agents to multifaceted, or Integrated Pest Management (IPM) programs that include birth control tools such as those offered by SenesTech. Chemical rodenticides—the most widely used rodent control measure—are widely used throughout the world. However, the use of chemical agents raises issues concerning environmental safety and persistence and rodents generally develop some resistance to the chemicals over time. Many traditional solutions are also considered inhumane.

Traditional methods alone are thus less effective and can also harm non-target organisms and the environment. For these and other reasons, the EPA has tightened rules on highly toxic rodenticides and many regulators are restricting the use of second generation anticoagulant rodenticides (SGARs). In fact, many regulators are imposing other restrictions on the use of SGARs. Specifically, federal regulations prohibit consumer retailers from selling SGARs, limiting their use to licensed pest management professionals (PMPs), as well as certain agricultural users. California signed the California Ecosystems Protection Act (AB 1788) in 2020, imposing greater restrictions on the use of SGARs to protect the state’s native wildlife.

Conversely, SNES products are considered sustainable, effective and ethical. SNES’ solutions differ from more traditional rodent control measures; the company develops birth control solutions to contain animal pest populations through fertility control. Integrated pest management programs (IPMs) combine traditional and fertility control methods, particularly as SNES’ ContraPest and Evolve products do not have the issues related to SGARs noted above.

According to the Department of Agriculture, [USDA](#), “Integrated Pest Management (IPM) is a science-based decision-making process that combines tools and strategies to identify and manage pests.” The USDA views IPM as “a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools in a way that minimizes economic, health, and environmental risks.” Federal agencies are required to use IPM in their pest management activities and to promote IPM in their regulations.

Integrated Pest Management and Fertility Control



Source: [Company filings](#)

IPM is required in most areas where pest management programs are used, including agriculture, forests, parks, wildlife refuges, and military bases, as well as residential and public areas such as schools and public housing. IPM is generally considered to provide economic, health, and environmental benefits, including preventing unacceptable levels of pest damage to non-target animal populations.

SNES growth strategy includes broadening product portfolio to expand addressable market

SNES is also broadening its product portfolio in order to expand SNES addressable market. The recently introduced Evolve product line is expected to expand SNES' addressable market to the consumer market, as well as to appeal to segments of the company's traditional professional pest control market. The objective to expand its reach to a broader range of customers appears to be gaining traction, as evidenced by the company's recent financial and operating results.

The company's initial product, ContraPest®, is the only U.S. EPA-registered contraceptive for male and female rats. It is a liquid rat contraceptive bait. As the first and only EPA registered liquid contraceptive bait, ContraPest represents a novel alternative to lethal rodenticides. ContraPest aligns with EPA IPM objectives.

The image consists of three promotional panels for SENESTECH products. The first panel on the left is titled 'USER FRIENDLY Humans and Wildlife' and features a photograph of a man in a dark shirt looking at a plant. The middle panel is titled 'LONG TERM SOLUTION' and features a silhouette of a rat with a house window in its body, surrounded by green arrows pointing downwards. Below the silhouette, it says 'Soft bait is the smart way to manage rat fertility without harm'. The third panel on the right is titled 'Deploy it indoors and outdoors, where rats are most likely to find and consume bait' and features a photograph of a modern kitchen. Below the photograph, it lists 'Areas can include concealed areas along walls, near burrows, near structural openings in the floor, wall, ceiling, or in hard to reach areas'.

Source: [Company presentation](#)

In early 2024, SenesTech launched Evolve™ Soft Bait, which the company developed to offer customers a product with similar efficacy to ContraPest® in a format that is easier to deploy. Unlike the liquid ContraPest product, Evolve is a solid that has longer shelf life, is easier to distribute and deploy and is cost effective. Evolve is roughly the size and shape of a miniature sausage and the first soft bait developed to control pest populations through fertility control. Its active ingredient is cottonseed oil, which decreases sperm production and ovarian follicle growth in rats. Evolve also contains oat flour, cotton seed protein, sucrose and citric acid, among other “clean label” ingredients. Evolve is “minimum risk” pursuant to 25B contraceptives offered for rats; ContraPest and Evolve are designed to be effective and sustainable.



Source: [Company 3-commerce site](#)

Subsequent to introducing Evolve for rats, SenesTech launched Evolve Mouse for mice, extending the product line to a new rodent population, which SNES believes could double its addressable market for the Evolve product line. An estimated \$1+ billion is spent annually in the U.S. on rodent pest management solutions, with more than half of that targeting mouse infestations. The company also intends to further expand the Evolve brand with additional rodent control products, as it concurrently remains focused on operational and financial discipline.

Evolve restricts rat fertility through nonlethal methods and is generally considered a humane approach to managing infestations. For example, People for Ethical Treatment of Animals view rodent fertility control as an effective, non-bioaccumulative method for population management.

In addition, SNES implemented a packaging redesign. The packaging refresh includes better descriptions of the product and how it is to be used. The redesign is expected to improve online and shelf visibility and strengthen the consumer understanding of what differentiates its product line. SenesTech also redesigned the e-commerce section of SenesTech.com in order to improve the customer experience, simplify navigation, boost conversion rates, and support subscription growth. In addition, digital advertising initiatives and broader marketing efforts – slated to launch in 3Q26 – are expected to boost awareness of SenesTech products and support both online and in-store retail sales.

Evolve is designed for both the professional and consumer markets. Because it is easy to deploy and palatable to rodents and generally does not produce the negative side effects that cause rats to become bait averse, according to SNES, Evolve can be placed in a broad range of environments, including municipalities, parks, recreation facilities, sports venues, food processing facilities, correctional facilities, subways, medical facilities, agribusiness, zoos and residences, among others.

Evolve products address the fundamental issue of rodent overpopulation by focusing on the rapid reproduction of rats and mice, controlling the population by restricting fertility rather than trying to keep up with the growing numbers of infestations with rodenticides alone. In multiple independent studies, the active ingredient in the Evolve product line has been shown to effectively reduce fertility in rodents.

As an example, pilot deployments in two urban study areas produced measurable reductions in rodent activity within five months, including a 79% decline in rat activity at one site and a greater than 50% decline at a second one.

SIZABLE & GROWING MARKET OPPORTUNITY

[Bell](#) Laboratories estimates the global rodenticides market at north of \$5.5 billion and growing at an projected CAGR of nearly 6%, putting it on track to reach nearly \$8.7 billion by 2031. Expected market growth is driven by factors that include rising rodent populations, growing consumer demand for pest control, and the availability of natural rodenticides.

The company believes the market opportunity for non-poison rodent control remains significant and is growing. The anticipated growth is expected to be driven by ongoing urbanization combined with regulatory restrictions on traditional rodenticides and rising demand for safer, sustainable pest-management solutions. The company has recently introduced or intends to implement several initiatives to drive growth, including:

- Expanding the product line
- Redesigning the packaging to better communicate product benefits
- Emphasizing the DTC, online channels & redesigning its proprietary e-commerce website
- Managing its Amazon store itself
- Digital advertising measures
- Strategically increasing focus on large-scale opportunities
- Opportunistically adding international markets
- Improving operational efficiency to expand margins
- Developing relationships with agricultural companies

E-commerce Growth: Amazon Direct Management

With the original ContraPest product and new Evolve product line, SNES now has a broadening product portfolio that is expected appeal to the consumer, as well as the professional market segments. With products for the consumer market, the company is focusing more efforts on the direct-to-consumer (DTC) and e-commerce channels. As a result, the company has refocused its efforts on online sales, including the SenesTech e-commerce portal and Amazon, as well as through big box retailers.

SenesTech also continues to redesign the e-commerce section of SenesTech.com in order to improve the customer experience, simplify navigation, boost conversion rates, and support subscription growth to support both targeted B2B and B2C increases. SNES's B2B strategy also encompasses increased focus on large-scale opportunities across targeted verticals including pest management, agriculture, municipalities, distributors, and other sizable commercial markets. The emphasis on DTC is also expected to support B2B revenues through increased brand awareness, as noted, and inbound lead generation.

SenesTech believes that strengthening its control of the customer channel improves its ability to capture more value as adoption of its growing product line expands. In 2025, SNES began managing Amazon sales of Evolve Rat and Evolve Mouse directly, transitioning from third-party management to strengthen product presentation and customer communications, leverage performance data to optimize marketing, and retain a greater portion of e-commerce economics. (The transition led to a roughly \$200k technically a reduction in revenue in 4Q25.)

1st full month of Amazon transition to in-house management saw e-commerce sales up 163% y/y

In 2025, e-commerce revenue increased 88% year-over-year compared to 2024, driven by strong growth on Amazon and the company's direct-to-consumer website. SNES's e-commerce channel now represents more than 50% of the company's total annual revenue. SNES substantially completed its transition from third party e-commerce management of Amazon sales of Evolve products during March 2026, improving visibility into customer behavior, enhancing control over advertising and media buying, expanding opportunities for customer engagement, and obtaining greater control over overall channel economics.

Management expects direct control to drive higher revenue and stronger margins once fully integrated. SenesTech is optimistic about the traction it is seeing with its DTC and subscription measures. April 2026 was the first full month of SNES direct in-house management of its Amazon e-commerce management. E-commerce sales for April 2026 advanced 163% year-over-year to a record \$146k compared to \$56k in April 2025 and 47% sequentially compared to \$99k in March 2026. Subscription-based recurring revenue advanced 198% year-over-year to a record \$36k for the month compared to \$12k in April 2025, while subscription-based customers grew 109%. Subscription-based recurring revenue provides greater visibility into revenue trends. The company believes subscription-based revenue also offers proof-of-concept of the effectiveness of the product and that these metrics provide early positive evidence supporting the benefits of its evolving e-commerce strategy, growing DTC focus and recurring revenue subscription business model.

Opportunities in international markets...

The company's focus is the domestic market. SNES also has some international sales at this early stage in its development. Evolve secured regulatory approval in New Zealand (with the initial stocking order shipped to exclusive partner Evicom) and expanded international footprint in Belize by adding the Belize Raptor Center as an official distributor. SNES continues to support its international distribution partners as they introduce the company's fertility products to new markets. The focus will be on international markets where the regulatory process would be expected to be cost efficient.

Earlier this month, SNES expanded the Evolve® Rodent Birth Control™ product line into Bermuda through a distribution agreement with Animal and Garden House. Bermuda is a small island and urban areas and surrounding marine ecosystems are in close proximity, making the use of traditional rodenticides challenging, reflecting concerns regarding runoff, non-target exposure, and impacts on wildlife, among other factors. In addition to Belize, other existing and expanding deployments of Evolve in the region include the U.S. Virgin Islands.

... and with agricultural companies, as demand for solutions from agriculture expected to rise

Demand for control solutions from agricultural companies is generally expected to increase, reflecting substantial economic losses rodent infestations cause, including crop damage, grain silo and other food contamination, among other challenges. SNES believes that over time, its B2B business could become the larger contributor to total revenue.

The company has also initiated conversations with agriculture companies. It is early days in this initiative, although the company is encouraged by discussions to-date. As noted above, the NIH has indicated that “Rodent infestation ... cause damage to agriculture, forestry, and livestock production...”

VALUATION

We believe it is difficult to compare SNES shares to those of other publicly traded companies. SNES has a business model that is unlike those of the handful of pest control companies that trade publicly and which rely on traditional methods of management and/or focus on multiple pest populations.

We are encouraged by the revenue advances SNES has recorded at this early stage in launching recent growth measures and believe the benefits of recent and pending initiatives could further enhance growth in the coming quarters. To reach breakeven and profitability, the company continues to emphasize operational improvements, manufacturing cost reductions, and optimizing its sales channels, as noted. If/when revenue increases profitability and profitability improves, we would expect this to lead to multiple expansion and share price appreciation over time. In success, we believe there is a substantial opportunity within the sector as the company maintains its growth strategy.

There does not seem to be a direct competitor to SenesTech. Many companies that offer pest control solutions such as rodenticides are subsidiaries of larger chemical companies. Others, such as Rollins, Inc. (ROL-nr), target multiple pest populations and generally rely on traditional pest control methods. Rollins also provides pest control services.

Nevertheless, we believe using Rollins as a general benchmark can help derive a near-term valuation on SNES shares as SenesTech continues to pursue and potentially deliver proof-of-concept results that can, along with its growth measures, be catalysts for share price appreciation over time. We would also expect SNES to enjoy better growth rates than many other companies in the pest management space at this point in its development. Rollins trades at over 6x to nearly 8x on a price-to-sales (P/S) basis based on Yahoo Finance data.

Multiple might prove conservative if revenue or margins improve faster than anticipated or SNES delivers milestones such as new deployment or expansion earlier

At this point, we use a P/S multiple at a slight discount to Rollins even though, as noted, we expect SNES to enjoy stronger growth at this stage. We also believe applying a confidence factor is appropriate and assign a 90% risk adjustment confidence multiple to our 2026 forecast. If revenue ramps faster than we anticipate, our confidence multiple might prove conservative. On this basis, we derive a near-term valuation of about \$3.50 per SNES share. If the company delivers milestones earlier than anticipated, it could impact these multiples and adjustments.

Any delay or failure in successful execution of the strategy could represent a potential risk to the company's valuation and cause the share price to decline. Nevertheless, given the industry backdrop and company measures, we believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon.

RECENT NEWS

- SNES announced 1Q26 results on May 12, 2026.
- SenesTech appointed Michael Edell as President and Chief Executive Officer on May 07, 2026.
- On February 18, 2026, SenesTech reported significant reductions in rodent activity following in urban Evolve® deployments.
- On February 10, 2026, SenesTech strengthened its DTC commercial strategy by directly managing Amazon Sales of Evolve™ Rat and Evolve™ Mouse.
- On February 2, 2026, SenesTech's Evolve® was approved in New Zealand.
- SenesTech announced a CEO transition plan on January 28, 2026.

RISKS

We believe risks to SenesTech achieving its goals and to the company's valuation include the following, among other risks.

- SNES might not gain market share in new categories or distribution channels as quickly as the company expects, which could lead to slower than anticipated revenue growth.
- The company could incur unanticipated costs associated with its initiatives.
- Competition could increase.
- The company might need to raise capital to support its strategy that might be dilutive to current shareholders.
- The launch of new products or brand extensions could cannibalize existing product lines more significantly than expected.

FINANCIAL MODEL

SenesTech

SenesTech Inc. (\$000s except per share amounts)

	1Q25	2Q25	3Q25	4Q25	2025	1Q26A	2Q26E	3Q26E	4Q26E	2026E
Revenues	\$485	\$625	\$690	\$421	\$2,221	\$493	\$670	\$787	\$501	\$2,451
Cost of sales	<u>172</u>	<u>216</u>	<u>257</u>	<u>188</u>	<u>833</u>	<u>155</u>	<u>221</u>	<u>260</u>	<u>165</u>	<u>801</u>
Gross profit	313	409	433	233	1,388	338	449	527	336	1,650
Operating expenses:										
R&D	418	427	400	453	1,698	422	438	410	464	1,734
S.G&A	<u>1,558</u>	<u>1,596</u>	<u>1,380</u>	<u>1,661</u>	<u>6,195</u>	<u>2,035</u>	<u>1,788</u>	<u>1,546</u>	<u>1,860</u>	<u>7,228</u>
Total operating expenses	1,976	2,023	1,780	2,114	7,893	2,457	2,225	1,956	2,325	8,962
Loss from operations	(1,663)	(1,614)	(1,347)	(1,881)	(6,505)	(2,119)	(1,776)	(1,429)	(1,989)	(7,313)
Interest income (expense):										
Interest income	3	4	55	82	144	60	55	51	47	213
Interest expense	<u>(5)</u>	<u>(6)</u>	<u>(6)</u>	<u>(5)</u>	<u>(22)</u>	<u>(4)</u>	<u>(6)</u>	<u>(6)</u>	<u>(5)</u>	<u>(21)</u>
Interest income (expense),	(2)	(2)	49	77	122	56	49	45	42	191
Net loss and comprehensi	(1,665)	(1,616)	(1,298)	(1,804)	(6,383)	(2,063)	(1,727)	(1,384)	(1,947)	(7,122)
Net loss per share	(\$1.28)	(\$0.87)	(\$0.28)	(\$0.35)	(\$1.95)	(\$0.39)	(\$0.33)	(\$0.26)	(\$0.37)	(\$1.35)
Weighted avg shares out	1,300.0	1,854.5	4,668.0	5,223.0	3,276.0	5,263.7	5,266	5,268	5,270	5,267

Source: Company reports, Zacks estimates

HISTORICAL STOCK PRICE



Source: Yahoo Finance

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