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scr.zacks.com

M. Marin
mmarin@zacks.com
(312) 265-9211

101 N. Wacker Drive, Chicago, IL 60606

SenesTech, Inc. (SNES-NASDAQ)

SNES: Revenue & Margin Improvements Align With Aims to Create Path to Profitability, Cash Flow

SNES reported record 1H26 revenue, which we believe illustrates the strong momentum in its business and the benefits of its growth initiatives. Management remains focused on maintaining strong gross margins and disciplined cost controls toward attaining profitability and cash flow generation. Subsequent to Q-end, July e-commerce revenues reached a record $245k, up 19% from $206k in June & subscription revenue reached a record $52k, up 22% sequentially. B2B growth is a core goal as it focuses on large-scale opportunities across targeted verticals.

Current Price (8/7/26)	$1.29
Valuation	**$3.50**

OUTLOOK

SNES looks to accelerate expansion of its B2B business via a professional sales, with a new marketing director to support development of large-scale long-term B2B relationships in 8 key verticals where it believes its products offer differentiated value. Successful results from Evolve® deployment at a Texas 400-acre farming operation led to a substantial reduction in rodent activity and irrigation tape damage. SNES has initiated conversations with other agriculture companies and is optimistic about the opportunities in this & other key verticals. Moreover, SNES recently introduced assessment services designed to help B2B customers better understand the scope of infestations and develop more effective long-term strategies. These services enable SNES to offer a more comprehensive solution.

SUMMARY DATA

52-Week High	**$5.35**
52-Week Low	**$1.15**
One-Year Return (%)	**-70**
Beta	**0.25**
Average Daily Volume (sh)	**89,346**
Shares Outstanding (mil)	**5.4**
Market Capitalization ($mil)	**$7**
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	0.8 A	0.8 E	0.9 E	3.0 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	-0.35 A	-0.34 E	-0.33 E	-1.41 E
2027					-1.06 E

Quarters might not add to annual reflecting rounding, share counts

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BELIEVE RECORD REVENUE SHOWS BENEFITS OF GROWTH INITIATIVES

Believe 2Q26 illustrates strong momentum on benefits of growth initiatives

SenesTech, Inc. (NASDAQ: SNES), a leader in rodent birth control solutions, with patented products that provide proven long-term and sustainable rodent population management, reported record 1H26 revenue, which we believe illustrates the strong momentum in the business on benefits of its growth initiatives. Management remains focused on maintaining strong gross margins and disciplined cost controls toward attaining profitability and cash flow generation.

Management has transformed the company over the past year using a disciplined strategy designed to build long-term sustainable growth. The initial step was to strengthen its direct-to-consumer (DTC) business, including bringing the Amazon and Shopify operations under its direct control. SenesTech believes that strengthening its control of the customer channel improves its ability to capture more value and retain a greater portion of e-commerce economics as adoption of its growing product line expands. SNES has 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, as well as refreshed its packaging to improve online and shelf visibility and strengthen the consumer understanding of what differentiates its product line.

The company believes its three growth priorities – 1) using e-commerce to build the Evolve and ContraPest brands, establish the category, and create a growing recurring revenue base, 2) growing B2B with both brands through a professional sales organization focused on targeted vertical markets, and 3) expanding the addressable market opportunity through new products, new services, and other initiatives – reinforce one another.

Substantial revenue & gross margin improvements align with key objective to develop clear path to profitability, growing revenues while concurrently lowering cash burn

Developing a clear path to profitability and growing revenues while concurrently lowering cash burn is a key company objective. The company's strategy is to build a commercial model around direct consumer relationships, recurring revenue, greater control of brands and channels and data analytics. Reflecting record levels of order count and subscription revenue as the subscriber base continues to grow, plus accelerating adoption of Evolve®, 2Q26 revenue advanced 56% quarter-over-quarter to a record $770k, compared to $493k in 1Q26, and 23% year-over-year compared to $625k in 2Q25. A greater than 3-fold increase in e-commerce revenue across online DTC and online B2B channels was a core revenue driver. E-commerce revenue came in at a record $511k in 2Q26, up 186% compared to $179k in 1Q26 and +206% compared to $167k in 2Q25. It was the first full quarter of in-house Amazon management, with SNES control over advertising, pricing and channel economics, and Amazon revenue increased more than fivefold to a record $349k sequentially, up from $61k in 1Q026.

Record subscriber growth illustrated the ongoing expansion of the company's e-commerce strategy across both online DTC and B2B channels. Management expects e-commerce to play an important role in supporting future direct B2B growth. E-commerce revenue exceeded direct B2B revenue for the first time ever for SenesTech, reflecting the continued expansion of the online business. June was the strongest e-commerce month ever for the company, with e-commerce revenue of $206k, including Amazon revenue of $148k.

Combined subscriber count across Amazon and the SenesTech e-commerce website increased 117% to a record level at quarter end, which strengthens the recurring revenue base and increases revenue visibility. The Amazon channel was managed by a third party prior to February 2026. Revenue from the company's e-commerce website increased 31% quarter-over-quarter to $155k in 2Q26. DTC subscription revenue increased 89% to a record $104k and 142% year-over-year. The company believes these results demonstrate the benefits of the strategic decision to manage Amazon directly and the scalability of its broader e-commerce strategy. Subsequent to the end of the quarter, **July e-commerce revenues reached a record $245k, up 19% from $206k in June, and subscription revenue reached a record $52k, up 22% sequentially.**

Gross profit increased 68% quarter-over-quarter and 39% year-over-year and the gross margin increased to a company-record 73.6% in 2Q26, compared to 68.5% in 1Q26 and 65.5% in 2Q25, reflecting improved channel mix, stronger direct-channel economics and continued strength in the e-commerce business and a disciplined approach to costs. SNES reported a 2Q26 net loss of $1.8 million or ($0.35)/share, compared to $2.1 million ($0.87) in 1Q26.

SNES is enhancing promotional support & is optimistic about the traction it is seeing thus far

The changes management implemented has enabled SenesTech to boost awareness of the Evolve™ brand and educate the market, which is important as rodent fertility control represents a new pest management category. Controlling customer channels is also expected to help SNES establish credibility for its products towards the goal of generating recurring subscription revenue and gaining valuable customer insights that could inform marketing, product development, inventory planning, and commercial initiatives in the future.

SenesTech is optimistic about the traction it is seeing with its DTC and subscription measures. With a product portfolio expected appeal to the consumer, professional, corporate and government market segments, the company believes its recent initiatives support consumer revenue growth and also lays the groundwork for B2B (business-to-business) growth, which is a core goal for SenesTech. SNES's investments in new initiatives and in digital marketing and building its brands are designed to support product adoption across targeted B2B verticals (see below).

With a growing portfolio of products and services, SNES believes the market opportunity for its products is significant and growing. SNES has hired a new Director of Marketing and believes it is well positioned to expand its digital marketing efforts this month, strengthening the platform to attract new customers, improve conversion rates and support long-term e-commerce growth to drive revenue growth. The enhanced promotional support is expected to boost awareness of SenesTech products and support both online and in-store retail sales. To best reflect its current commercial strategy across both consumer and B2B markets, the company's strategy regarding marketing is to place greater emphasis on:

- Sustainable rodent management
- Environmentally responsible solutions
- Long-term population management
- Integrated Pest Management (IPM)
- Effective, science-based alternatives that complement existing pest management programs

SNES's B2B strategy encompasses increased focus on large-scale opportunities across targeted verticals as SNES now begins to accelerate the expansion of its B2B business through a professional sales organization focused on the eight key verticals where it believes Evolve™ and ContraPest® provide differentiated value. Management views the relationship between DTC and B2B as two connected important elements of its growth strategy and believes its initiatives and increased focus on large-scale B2B opportunities across targeted verticals strengthen its opportunity to grow across these sectors and also to grow its subscriber base and recurring revenue, which are also key objectives.

Strategic assessment services initiative to improve B2B customers' understanding of infestations

SNES also expects to build an expanding database around successful deployments of its products and that, in turn, will enable the company to perform data analytics and support the launch new strategic services. The company has expanded its offerings to include professional rodent population assessment services using trained field personnel, tracking technologies, and AI-supported analysis to better understand rodent activity and measure treatment effectiveness.

The company recently introduced assessment services designed to help B2B customers better understand the scope of rodent infestations and develop more effective long-term strategies. The new assessment services enable SNES to offer a more comprehensive solution and complement existing implementation and deployment services. SenesTech can help customers identify the most effective strategy for their situations, particularly as many organizations underestimate the scope and complexity of the problem.

By building a broad offering platform, SNES expects to position SenesTech as a trusted partner in rodent population management and develop additional recurring revenue opportunities. The company expects customers eventually to engage SenesTech for implementation services that include deployment planning, product placement recommendations, ongoing monitoring, and optimization.

New experienced sales team & marketing director to support development of large-scale long-term B2B relationships

With the revised e-commerce strategy in place as discussed above, SNES recently appointed an Executive Vice President of Sales, Jack Karabees, to accelerate growth across targeted B2B verticals. He has more than three decades of experience building and leading professional B2B sales organizations and helping companies scale their sales activities to target large customers. His prior sales experience includes his recent role as Chief Revenue Officer of Intercept Telehealth, and as President and EVP of Sales at Consult A Doctor before that, as well as EVP of Corporate Finance, Sales and Marketing for cloud-based predictive analytics and optimization platform Entic, and SVP of Sales at eLabor. These organizations generally sustained strong growth during his tenure with them that led to M&A transactions.

As EVP of Sales for SenesTech, he will lead the sales team and be responsible for driving revenue growth, expanding market penetration and strengthening customer relationships across key verticals. Through his prior experience, he has demonstrated the ability to develop and scale professional B2B sales teams. He also has developed an understanding of the specific needs of SenesTech as it seeks to scale its business and develop sustainable long-term relationships with large players in key verticals and drive recurring revenue. Mr. Karabees has been working closely with SenesTech as a consultant and, reflecting SNES' CEO's prior work experience with Mr. Karabees, the company is optimistic that his experience and leadership will help SNES leverage opportunities across several key B2B verticals and accelerate revenue growth.

To improve sales effectiveness, strengthen customer relationships, shorten sales cycles, and improve conversion rates across all commercial channels, new sales efforts include developing:

- Dedicated sales presentations with information specific to the specific vertical
- Industry-specific value propositions and case studies, including ROI examples and models
- Technical support materials

Targeting key customer verticals and developing relationships with large players

Initially the sales team is focused on key sectors where demand for rodent control is significant and expected to rise. There are several important verticals where rodent infestations cause severe challenges that often drive up costs and can damage outputs and sales.

These are among several important verticals where rodent infestations cause severe challenges that often drive up costs and can damage outputs and sales. For example, 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. In terms of SNES's initial focus, the company intends to target:

Strategic Verticals SNES Has Identified as Initial Targets for B2B Development Activities

- Third Party eCommerce
- Pest Management
- Commercial
- Agribusiness
- Zoo and Sanctuary
- Government
- Retail
- International

Successful Evolve® deployment at a Texas 400-acre farming operation

The company recorded successful results from the use of Evolve® Rat Birth Control™ at a 400-acre farming operation in Dalhart, Texas. Rodents had been causing damage to underground irrigation infrastructure the farm uses for sustainable water management but rodents had been chewing through and damaging underground irrigation tape, which caused damage and higher spending for repairs and monitoring. Following deployment of Evolve, the farm experienced a substantial reduction in rodent activity and irrigation tape damage. During the most recent reporting period, onsite observations indicated rodent activity.

SenesTech has also initiated conversations with other agriculture companies and is optimistic about the opportunities. The agricultural irrigation market in the United States represents a multi-billion-dollar sector across millions of acres of crop production, particularly in water-sensitive regions in the Southwest, Texas, California, and the Great Plains, according to SNES.

International market expansion

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 recently 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. 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.

Source: Company presentation

SNES products are considered sustainable, effective and ethical

SNES' solutions differ from more traditional rodent control measures. Used alone, rodenticides and other lethal tools of long-term rodent population management generally are not sustainable because rodent populations rebound and rodents develop a resistance to these pest control methods.

SNES products generally do not produce the negative side effects that cause rats to become bait averse, according to SNES. Moreover, environmental, regulatory and humane factors have therefore led to a shift to the use of IPM programs, reflecting a goal to reduce the use of inhumane methods and leverage more environmentally friendly, humane methods. Using a combination of tools together is generally considered to be the most effective and sustainable way to contain rodent populations on a sustainable and long-term basis.

VALUATION

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. 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. 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.

We believe, however, that 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.

If milestones come earlier, multiple might prove conservative

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

- On August 5, 2026, SNES reported strong 2Q26 results on record revenue and gross margins.
- The company added assessment services to improve B2B customers understanding of infestations, on August 5, 2026.
- SNES announced on August 3, 2026, that its active subscriber base more than doubled as its e-commerce strategy gains momentum.
- On July 9, 2026, SNES announced that Evolve® delivered significant reduction in rodent damage at a Texas Agricultural operation.
- SenesTech appointed Jack Karabees as EVP of Sales on June 29, 2026.
- 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

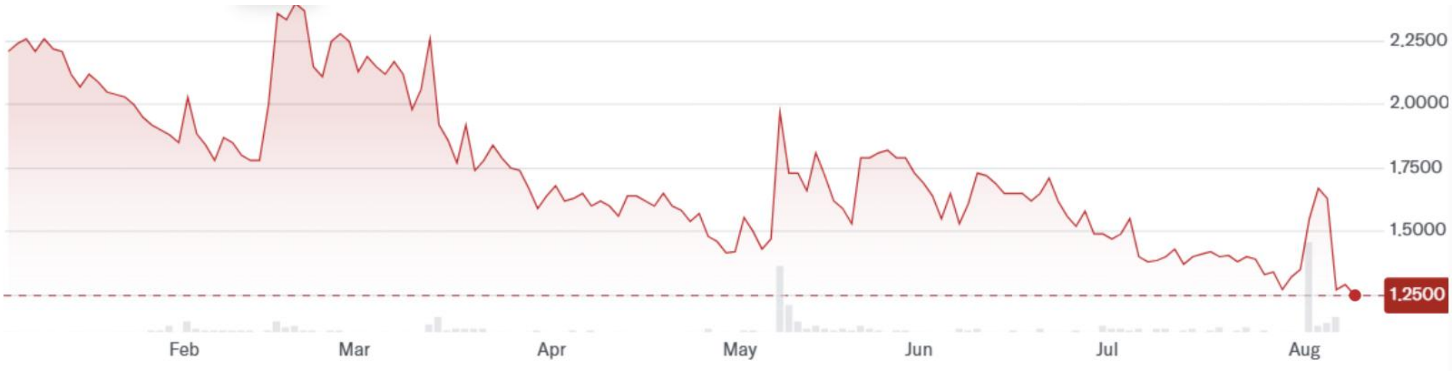
SenesTech

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

	1Q25	2Q25	3Q25	4Q25	2025	1Q26A	2Q26A	3Q26E	4Q26E	2026E
Revenues	$485	$625	$690	$421	$2,221	$493	$770	$816	$881	$2,961
Cost of sales	172	216	257	188	833	155	203	229	247	833
Gross profit	313	409	433	233	1,388	338	567	588	635	2,127
Operating expenses:										
R&D	418	427	400	453	1,698	422	377	377	378	1,554
S.G&A	1,558	1,596	1,380	1,661	6,195	2,035	2,052	2,054	2,056	8,197
Total operating expenses	1,976	2,023	1,780	2,114	7,893	2,457	2,429	2,431	2,434	9,751
Loss from operations	(1,663)	(1,614)	(1,347)	(1,881)	(6,505)	(2,119)	(1,862)	(1,844)	(1,799)	(7,624)
Interest income (expense):										
Interest income	3	4	55	82	144	60	35	32	28	155
Interest expense	(5)	(6)	(6)	(5)	(22)	(4)	(5)	(6)	(5)	(20)
Interest income (expense),	(2)	(2)	49	77	122	56	30	25	23	135
Net loss and comprehensiv	(1,665)	(1,616)	(1,298)	(1,804)	(6,383)	(2,063)	(1,832)	(1,818)	(1,776)	(7,489)
Net loss per share	($1.28)	($0.87)	($0.28)	($0.35)	($1.95)	($0.39)	($0.35)	($0.34)	($0.33)	($1.41)
Weighted avg shares out	1,300.0	1,854.5	4,668.0	5,223.0	3,276.0	5,263.7	5,303	5,306	5,309	5,296

Source: Company reports, Zacks estimates

HISTORICAL STOCK PRICE



Source: Yahoo Finance

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