

**Cadiz Inc. (CDZI)**

NASDAQ

Rating	Buy
Price (10/27/25)	\$5.47
12-Mo.Price Target	\$10.00

**Stock Data**

52-Week Range	\$2.37- \$5.85
Shares Out. (mil)	82.02
Mkt. Cap.(mil)	\$429.78
3-Mo. Avg. Vol.	734,671
Cash (mil)	\$13.2
Tot. Debt (mil)	\$89.0

**Rev (\$M)**

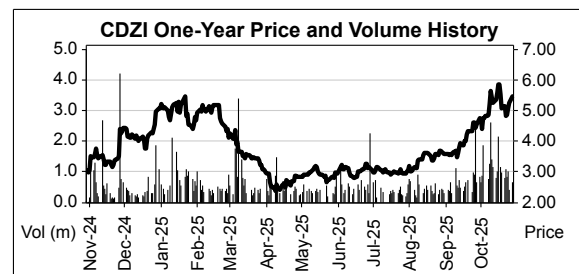
Yr Dec	Q1	Q2	Q3	Q4	FY
2024A	1.1A	0.5A	3.2A	4.8A	9.6A
2025E	3.0A	4.1A	3.9E	3.9E	14.9E
2026E					19.8E

**EBITDA**

Yr Dec	Q1	Q2	Q3	Q4	FY
2024A	(3.4)A	(5.5)A	(3.3)A	(5.3)A	(17.4)A
2025E	(4.5)A	(4.9)A	(3.4)E	(2.4)E	(15.3)E
2026E					(4.3)E

*Adjusted*
**Non-GAAP EPS**

Yr Dec	Q1	Q2	Q3	Q4	FY	P/E
2024A	(0.12)A	(0.15)A	(0.12)A	(0.13)A	(0.53)A	NM
2025E	(0.14)A	(0.11)A	(0.09)E	0.54E	0.24E	22.8x
2026E				(0.25)E		NM


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## CDZI: Lytton Agreement Likely Demonstrates Funding is Near

CDZI announced the execution of a funding agreement with the Lytton Rancheria, which secures \$51.0mm for the Mojave Ground Water Project. The funding replenishes CDZI's balance sheet and provides capital for ongoing activities (engineering, permitting, legal etc., significantly reducing CDZI's cash burn. Further, we believe the execution of the agreement highlights an increasing degree of certainty that the project funding by a large infrastructure group and other entities is moving forward.

**Lytton Agreement.** CDZI and the Lytton Rancheria (a federally recognized Native American tribe) executed a definitive agreement providing upwards of \$51.0mm of capital to the Mojave Groundwater Bank. Approximately \$15.0mm will be drawn immediately as reimbursement for recent project costs by CDZI. Additional funds may be drawn to support the project including permitting and legal expenses, equipment down payments and engineering costs.

The agreement is structured as an unsecured loan, which will convert into a membership interest in the Mojave Groundwater Infrastructure Company (MWI), the SPV entity that will own and operate the groundwater project. The Lytton loan will convert on a prorated basis with other investors in the project. CDZI will also issue 600K shares to Lytton at closing as a commitment fee and 25K additional shares for every \$1.0m additionally drawn.

**Our take - project moving forward.** We believe this agreement is significant for several reasons. The Lytton Rancheria provides public agency opportunities for the project, which may include municipal financing and grants. The agreement essentially reimburses CDZI for recent costs bolstering its balance sheet and transfers future expenses to the SPV. Further, with any large infrastructure project there are likely gating areas which need to be achieved prior to a drawdown of capital. This agreement likely also provides funding to achieve these gates and keeps the project running effectively. We continue to believe a large infrastructure group and other funding entities remain very close to being secured for the project. The Lytton agreement and release of funds, in our view, supports this assessment.

**CDZI Intraday Price: \$5.81 at 12:48PM ET**

## Valuation: Cadiz Inc. (CDZI)

Our \$10 price target is based on projected cash flows of \$7.3B over 40 years discounted at 12.5% (NPV of \$1,006.9mm) with total share count of 100.0mm. Share count includes impact of share compensation, PIK interest, and convertible debt exercised into shares (approximately 7.9mm shares in 3Q 2027).

Factors that could impede shares of CDZI from achieving our price target, estimates, and results include regulatory or legal challenges, environmental concerns, market competition, water availability and climate change, infrastructure and development cost overruns, dependence on water supply agreements as well as the ability to finance operations.

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## Risks: Cadiz Inc. (CDZI)

**Regulatory and Legal Challenges.** CDZI Water Project and other activities in the Land and Water Resources segment are subject to extensive regulatory oversight and potential legal challenges. Obtaining and maintaining permits and approvals from various agencies can be a time-consuming and costly process. Third parties could file litigation challenging government approvals, potentially delaying or derailing projects. CDZI may incur significant legal expenses defending these lawsuits and the outcomes could have a material adverse effect on the company's business, financial condition, liquidity, or operating results.

**Environmental Concerns and Opposition.** The Water Project and other activities related to land and water resources may face opposition from environmental groups and local communities. Concerns may include potential impacts on desert ecosystems, groundwater depletion, and the transportation of water across sensitive habitats. Addressing these concerns and mitigating potential environmental impacts can require significant resources and may not always be successful.

**Water Availability and Climate Change.** The availability of water resources in the Mojave Desert is influenced by climate patterns, including precipitation and evaporation rates. Climate change is expected to exacerbate water scarcity in the region, potentially affecting the long-term viability of the Water Project. Droughts or changes in precipitation patterns could reduce the amount of water available for conservation and delivery.

**Infrastructure Development and Costs.** The construction and operation of pipelines, wellfields, and other infrastructure for the Water Project require significant capital investments. The sources note that the total capital requirements for the Northern and Southern pipelines are estimated to be \$800mm in addition to additional fees and expenses. Unexpected construction delays, cost overruns, or difficulties in securing financing could impact the project's timeline and profitability.

**Dependence on Water Supply Agreements.** CDZI revenue from the Land and Water Resources segment is heavily reliant on securing and maintaining long-term water supply and storage agreements with water agencies. Delays in securing these agreements or changes in water demand could significantly impact the company's financial performance.

**Market Competition.** The water filtration technology market is highly competitive, with numerous companies offering various filtration solutions. ATEC faces competition from both established players and emerging companies, potentially putting pressure on pricing and profitability.

**Technological Advancements.** The water filtration industry is constantly evolving, with new technologies and filtration methods being developed. ATEC must continuously innovate and adapt its technology to remain competitive and meet changing customer demands. Failure to keep pace with technological advancements could lead to obsolescence and a loss of market share.

**Ability to Finance Operations.** CDZI has entered into several letters of intent to support the construction, ownership, and operation of the Mojave Groundwater Bank. These letters of intent are not binding and there is no guarantee that CDZI will be able to enter into binding definitive agreements or that the proposed transactions will move forward based on the terms described in such agreements. Failure to move forward from non-binding letters of intent to definitive agreements would have an adverse impact on financing operations.

**Conflicts of Interest.** Heerema International Group Services S.A owns greater than 10% of CDZI outstanding shares. Concentrated ownership can sometimes lead to conflicts of interest between the controlling shareholders and other minority stakeholders, which can have an adverse impact on the company's financial performance.

**Company Description: Cadiz Inc. (CDZI)**

Founded in 1983, Cadiz Inc. (NASDAQ: CDZI) is a California-based water solutions business that leverages its land, water, infrastructure, and technology assets to provide clean, reliable, and affordable water to surrounding communities. Cadiz operates through four business segments: Water Supply, Storage, Treatment, and Land & Agriculture. The company owns and manages water resources, conveyance infrastructure, and treatment technologies to address water scarcity in the Southwestern U.S. Its operations include Southern California's largest new water storage project and the only novel water supply in the Colorado River Basin, with long-term agreements supporting regional water security. The company owns approximately 46,000 acres of land across three locations in the Mojave Desert: Cadiz Valley (35,000 acres), Danby Dry Lake (2,000 acres), and Piute Valley (9,000 acres). These properties overlay high-quality, naturally recharging groundwater resources, serving as the foundation for supply and storage operations. Geographically, their assets sit at a crossroads near arid, high-population areas, further advantaged by alignment with southbound rainfall trends that threaten the region's outmoded Northern infrastructure.

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**Disclosures:**

Within the last twelve months, ROTH Capital Partners, or an affiliate to ROTH Capital Partners, has received compensation for investment banking services from Cadiz Inc..

Shares of Cadiz Inc. may be subject to the Securities and Exchange Commission's Penny Stock Rules, which may set forth sales practice requirements for certain low-priced securities.



Each box on the Rating and Price Target History chart above represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first note written during the past three years. **Distribution Ratings/IB Services** shows the number of companies in each rating category from which Roth or an affiliate received compensation for investment banking services in the past 12 month.

**Distribution of IB Services Firmwide**

Rating	Count	Percent	IB Serv./Past 12 Mos. as of October 28, 2025	
			Count	Percent
Buy [B]	357	75.00	100	28.01
Neutral [N]	83	17.44	6	7.23
Sell [S]	2	0.42	1	50.00
Under Review [UR]	34	7.14	8	23.53

Ratings System Definitions - ROTH Capital employs a rating system based on the following:

**Buy:** A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return of at least 10% over the next 12 months.

**Neutral:** A rating, which at the time it is instituted and or reiterated, that indicates an expectation of a total return between negative 10% and 10% over the next 12 months.

**Sell:** A rating, which at the time it is instituted and or reiterated, that indicates an expectation that the price will depreciate by more than 10% over the next 12 months.

**Under Review [UR]:** A rating, which at the time it is instituted and or reiterated, indicates the temporary removal of the prior rating, price target and estimates for the security. Prior rating, price target and estimates should no longer be relied upon for UR-rated securities.

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