Global Innovation Institute

GII Research™

HF Foods Group Inc. (NASDAQ: HFFG)

Financial Model — DataBook Edition

Equity Research · Initiating Coverage · 5-Year Historical + 5-Year Projection Model

EDITION METADATA

Edition:	**v1 · GII Research™ Public Release Edition**
Release Date:	**2026-08-05**
As-of / Reference Date:	**2026-08-03**
Editor / Analyst:	**Dr. Cervantes Lee**
Publisher:	**Global Innovation Institute**

MODEL SUMMARY

Rating	**HOLD / NEUTRAL**
Reference Price (8/3/26)	**$1.49**
12-Month Price Target	**$1.60**
Implied Upside / (Downside)	**+7.4%**
52-Week Range	**$1.38 - $3.87**
Market Capitalization	**$80.0M**
Enterprise Value (FY2025A)	**$292.0M**
Diluted Shares Outstanding	**53.475M**
Base Case WACC (target structure)	**11.0%**

Model Sources

- Yahoo Finance — Quote & Key Stats
- StockAnalysis.com — Financials & Ratios
- SEC EDGAR — Filings (Form 10-K, FY2025)
- HF Foods Group Inc. Investor Presentation, March 2026
- StockAnalysis.com / Yahoo Finance — Reference price observed 8/3/2026
- GlobeNewsWire / TipRanks — Searay Foods Acquisition Announcement (7/23/2026)

Independent research and educational use only; not personalized investment advice. The analyst does not own HFFG securities or related financial exposure. See 00c_Model_Notes for the full disclosure and certification.

GII RESEARCH™ · PUBLIC RELEASE

Prepared by Dr. Cervantes Lee · Global Innovation Institute · clee@giinow.org

Table of Contents

HF Foods Group Inc. (NASDAQ: HFFG) · Financial Model — DataBook Edition

Click any tab name to navigate · See 00c_Model_Notes for methodology, legal disclosures, and the dated change log

Model Notes & Methodology

How to read the WACC build-up, terminal value mechanics, comps approach, and valuation weighting in this model

Reference: 2026-08-03 · Editor: Dr. Cervantes Lee

1 · WACC Build-Up (DCF Inputs tab)

The DCF Inputs tab (rows 8-18) builds WACC from five inputs: Risk-Free Rate (4.7%, 10-Year U.S. Treasury, 7/31/26), Equity Risk Premium (5.5%, standard long-run historical average), Levered Beta (1.85, per the DCF Sensitivity tab's documented range of 1.79-2.01 across data providers), Pre-Tax Cost of Debt (8.0%, blended facility rate), and a 55%/45% target Equity/Debt structure.

Cost of Equity (CAPM) = 4.7% + 1.85 x 5.5% = 14.875%. After-Tax Cost of Debt = 8.0% x (1 - 25%) = 6.0%. The formula build-up (55% x 14.875% + 45% x 6.0%) computes to ~10.9%.

WACC is set to 11.0% (rather than the build-up's raw ~10.9%) to match the Base Case WACC used consistently throughout this model and the initiating-coverage report -- the DCF Sensitivity tab's own "Base Case WACC (target structure)" cell uses the same 11.0% rounding convention. This is a presentation-consistency choice, not a calculation error; it is documented here and in a cell comment on DCF Inputs!E18.

2 · Terminal Value & Implied Share Price (DCF Inputs tab, rows 35-45)

Terminal Value uses the Gordon Growth method: Terminal Year UFCF x (1 + g) / (WACC - g), with g = 2.5%. Enterprise Value = Sum of PV of explicit-period Unlevered FCF (FY2026E-FY2030E) + PV of Terminal Value. Equity Value = Enterprise Value - Net Debt (FY2025A, linked live from the Balance Sheet tab). Implied Value per Share = Equity Value / Diluted Shares Outstanding.

At WACC = 11.0% / g = 2.5%, this produces an Implied Value per Share of approximately $(1.24) — a mathematical result of Enterprise Value not fully covering Net Debt, not a claim that HF Foods' equity is worth less than zero. Terminal Value represents approximately 89% of Enterprise Value in this base case, above GII's internal model-reliability guardrail of approximately 70%. See the DCF Sensitivity tab and Valuation Summary for the full context.

3 · Revenue Model & Growth Assumptions

Revenue is built bottom-up by six product categories (Seafood, Meat & Poultry, Asian Specialty, Commodity, Fresh Produce, Packaging & Other). FY2021A-FY2024A category splits are analyst estimates held approximately flat to the FY2025A company-disclosed mix (the only year with disclosed category percentages); see the Revenue Model tab for detail.

Projection-period growth is 5.0% in FY2026E and 8.0% annually in FY2027E-FY2030E. The Integrated Operating Case is a GII forecast informed by management's disclosed multi-year objectives, but its FY2030E revenue and margin extend beyond the stated target ranges and should not be interpreted as company guidance. The separately disclosed $120-$150M inorganic revenue opportunity is captured only directionally in the Cash-Conversion / Strategic Optionality sensitivity.

4 · Comparable Companies & Valuation Weighting

The Comps tab benchmarks HF Foods against five public foodservice/grocery distribution peers (Sysco, US Foods, Performance Food Group, The Chefs' Warehouse, United Natural Foods) on EV/Revenue, EV/EBITDA, Net Debt/EBITDA, Revenue Growth, and EBITDA Margin, with a substantial (~55-60%) discount applied to reflect HF Foods' scale gap (peers are 30x-700x larger), disclosed material weakness in internal controls, elevated leverage, and micro-cap illiquidity.

The Valuation Summary tab blends DCF (20% weight) and Trading Comps (80% weight) into the final price target. DCF is down-weighted because Terminal Value dominates Enterprise Value under the current growth assumption and explicit-period unlevered FCF is negative or near-zero in 3 of 5 projection years -- a reliability concern with the method here, not a directional view on the business.

5 · Color & Formatting Conventions (see Notes & Sources tab for full legend)

Blue text = hardcoded input or estimate (editable). Black text = formula calculated within the sheet. Green text = link to another sheet. Red text = check or flag requiring attention. Yellow fill = key lever or a cell deliberately left open for valuation work. Grey fill = reported actual, locked -- do not overwrite. This convention is unchanged from the base model and takes precedence over decorative styling on every data tab.

6 · Subsequent Event — Searay Foods Acquisition (Not Yet Integrated)

On July 23, 2026, HF Foods announced a definitive agreement to acquire Searay Foods, a Canadian importer/distributor of ethnic and specialty seafood (~C$47.9M), entering the Vancouver, BC market — the company's first international expansion.Publicly available TipRanks/TheFly coverage dated July 28, 2026 summarized Alliance Global's commentary on the transaction as constructive. Source: HF Foods Group press release, GlobeNewswire, July 23, 2026; TipRanks/TheFly public rating commentary, July 28, 2026

This transaction falls within this model's stated reference window (as of August 3, 2026) but is NOT reflected in the Revenue Model, the Scenarios tab's Cash-Conversion / Strategic Optionality discussion, DCF, Comps, or Valuation Summary tabs, and is not incorporated into the price target or rating. It is logged here as a known limitation pending a future model revision.

7 · Independent Research, Legal and Analyst Disclosure

Analyst Ownership and Compensation Disclosure: As of the publication date, Dr. Cervantes Lee does not beneficially own any securities of HF Foods Group Inc. and has no long or short position, option, swap, or other derivative or financial exposure referencing HF Foods Group or its securities. The views expressed in this model accurately reflect Dr. Lee's independent personal research views regarding the subject company and its securities. No part of Dr. Lee's compensation was, is, or will be directly or indirectly related to the specific rating, price target, recommendation, conclusions, or views expressed herein. HF Foods Group did not commission, review, approve, sponsor, or pay for this model.

Correction and archive convention: Material corrections affecting historical figures, forecasts, valuation, rating, or price target will be identified through a dated version update. Prior public releases should remain archived where practicable.

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HF Foods Group Inc. (NASDAQ: HFFG)

Financial Model — Notes & Sources

5-Year Historical (FY2021A-FY2025A) + 5-Year Projection (FY2026E-FY2030E)

TAB GUIDE

1. Revenue Model — revenue build by product category (Seafood, Meat & Poultry, Asian Specialty, Commodity, Fresh Produce, Packaging & Other), growth-rate assumptions, and operating KPIs.
2. Income Statement — full P&L from revenue to diluted EPS, including EBITDA and a GII-Reconstructed Adjusted EBITDA build
3. Cash Flow Statement — operating, investing, and financing cash flows, and Free Cash Flow.
4. Balance Sheet — full balance sheet with a balance check row and credit metrics (Net Debt / Adj. EBITDA, Current Ratio).
5. Scenarios — Downside / Control-Risk, Integrated Operating, and Cash-Conversion / Strategic Optionality FY2030E outcomes.
6. DCF Inputs — WACC build-up, unlevered FCF, and a terminal-value / implied-share-price scaffold, intended as a starting point for Task 3 (Valuation Analysis) of the equity-research initiating-coverage workflow.

PRIMARY SOURCES

• HF Foods Group Inc. Form 10-K for the fiscal year ended December 31, 2025, filed March 16, 2026 (SEC EDGAR CIK 0001680873, Accession No. 0001680873-26-000015).

• HF Foods Group Inc. Investor Presentation, NASDAQ: HFFG, March 2026, publicly available through the company's investor-relations website.

• Historical FY2021A-FY2025A standardized income statement, balance sheet, and cash flow statement figures per Fiscal.ai (via stockanalysis.com), cross-checked to company 10-K filings and the March 2026 Investor Presentation. FY2025A Net Revenue of approximately $1,228.2M and Gross Margin of 16.9% are used throughout. The model's Adjusted EBITDA presentation is a GII reconstruction based on publicly disclosed components; see Income Statement and the convention below.

• Reference stock price: Yahoo Finance quote observed August 3, 2026; the exact intraday timestamp was not retained (previous close 7/31/2026: $1.50). HF Foods Group Searay Foods acquisition: company press release via GlobeNewsWire, July 23, 2026, and TipRanks/TheFly coverage of Alliance Global commentary, July 28, 2026.

KEY MODELING CONVENTIONS

• Color coding: BLUE text = hardcoded historical actuals or analyst input assumptions (editable). BLACK text = formulas / calculations. GREEN text = links to another tab.

• All dollar figures in $ millions unless noted. Fiscal year ends December 31.

• Projection period is FY2026E-FY2030E. The Integrated Operating Case is a GII forecast informed by management's disclosed multi-year objectives of $1.4B-$1.5B+ Net Revenue, $60M-$75M+ Adjusted EBITDA, and 4.5%-5.0%+ Adjusted EBITDA margin. Certain later-year GII assumptions extend beyond those ranges and should not be interpreted as company guidance.

• The Integrated Operating Case excludes the separately disclosed $120-$150M inorganic (M&A) revenue opportunity; this is captured only directionally in the Cash-Conversion / Strategic Optionality Case on the Scenarios tab.

• GII-Reconstructed Adjusted EBITDA is based on EBITDA, calculated as EBIT plus depreciation and amortization, together with publicly disclosed stock-based compensation and impairment or other non-recurring addbacks. Because certain company adjustments are not separately quantified in public filings, the reconstruction may not reconcile precisely to management's reported non-GAAP measure in every year. It is an analyst measure, not a representation of the company's complete calculation.

KEY RISKS TO THE MODEL (per FY2025 10-K, Item 1A Risk Factors)

• Low-margin, highly competitive foodservice distribution industry; sensitivity to food cost inflation/deflation and fuel price volatility.

• Trade policy / tariff uncertainty, including the February 20, 2026 U.S. Supreme Court decision invalidating IEEPA-based tariffs, which introduces refund-process and future trade-policy uncertainty.

• Company disclosed a material weakness in internal control over financial reporting as of December 31, 2025 (not yet remediated) and a $38.8M full goodwill impairment in FY2025 — both elevate financial-reporting and estimation risk.

• CFO transition (Paul McGarry appointed permanent CFO January 27, 2026, after serving as Interim CFO since October 2025) adds near-term finance-function execution risk.

• Labor shortages, customer concentration/retention risk, and cybersecurity (including AI-enabled threats) are also flagged by management as material risks.

COLOUR AND FORMATTING LEGEND	
Blue text	Hardcoded input or estimate. Change these.
Black text	Formula calculated within the sheet.
Green text	Link to another sheet.
Red text	Check or flag requiring attention.
Yellow fill	Key lever, or cell deliberately left blank for Task 3 valuation.
Grey fill	Reported actual, locked. Do not overwrite.

Applied throughout: FY2021A-FY2025A hardcoded historical actuals now use grey fill / black text (reported, locked). Projection-period (FY2026E-FY2030E) assumptions use blue text (editable inputs/estimates), with key levers (revenue growth %, gross margin %, SG&A % of revenue, tax rate %) additionally shaded yellow. Cross-sheet links use green text. The Balance Sheet's balance-check row uses red text as a standing flag for the reader to verify.

HF Foods Group Inc. (NASDAQ: HFFG) — Revenue Model

Revenue by Product Category | FY2021A-FY2025A Historical, FY2026E-FY2030E Projected

($ in millions, FY ends Dec-31)	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
REVENUE BY PRODUCT CATEGORY										
Product Mix % (2025A, per FY2025 10-K)										
Seafood	$239.1	$386.3	$390.5	$420.6	$442.2					
Meat & Poultry	$191.3	$269.2	$264.2	$264.4	$270.2					
Asian Specialty	$151.4	$210.7	$206.7	$216.3	$221.1					
Commodity	$87.7	$128.8	$114.9	$120.2	$122.8					
Fresh Produce	$79.7	$117.1	$114.9	$120.2	$110.5					
Packaging & Other	$47.8	$58.5	$57.4	$60.1	$61.4					
Total Revenue (check)	**$797.0**	**$1,170.6**	**$1,148.6**	**$1,201.8**	**$1,228.2**					
REVENUE GROWTH ASSUMPTIONS (Projection Drivers)										
Total Company Revenue Growth % (input)						5.0%	8.0%	8.0%	8.0%	8.0%
REVENUE BY PRODUCT CATEGORY — PROJECTED (mix held at FY2025A level)										
Seafood	$239.1	$386.3	$390.5	$420.6	$442.2	$464.3	$501.5	$541.6	$584.9	$631.7
Meat & Poultry	$191.3	$269.2	$264.2	$264.4	$270.2	$283.7	$306.4	$330.9	$357.4	$386.0
Asian Specialty	$151.4	$210.7	$206.7	$216.3	$221.1	$232.2	$250.7	$270.8	$292.4	$315.8
Commodity	$87.7	$128.8	$114.9	$120.2	$122.8	$128.9	$139.3	$150.4	$162.4	$175.4
Fresh Produce	$79.7	$117.1	$114.9	$120.2	$110.5	$116.0	$125.3	$135.3	$146.2	$157.9
Packaging & Other	$47.8	$58.5	$57.4	$60.1	$61.4	$64.5	$69.6	$75.2	$81.2	$87.7
TOTAL NET REVENUE	**$797.0**	**$1,170.6**	**$1,148.6**	**$1,201.8**	**$1,228.2**	**$1,289.6**	**$1,392.8**	**$1,504.2**	**$1,624.5**	**$1,754.5**
YoY Growth %		46.9%	(1.9%)	4.6%	2.2%	5.0%	8.0%	8.0%	8.0%	8.0%
% OF TOTAL REVENUE BY CATEGORY										
Seafood	30.0%	33.0%	34.0%	35.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%
Meat & Poultry	24.0%	23.0%	23.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Asian Specialty	19.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%
Commodity	11.0%	11.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Fresh Produce	10.0%	10.0%	10.0%	10.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Packaging & Other	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
REVENUE BY GEOGRAPHY (memo — FY2025A only per Investor Presentation p.6)										
East					31.0%					
West					41.0%					
Middle					28.0%					
OPERATING KPIs (memo, per Investor Presentation)										
Distribution Centers & Cross-Docks					19.0	20.0	21.0	22.0	23.0	24.0
States Covered					45.0	45.0	46.0	46.0	46.0	46.0
Restaurant/Foodservice Customer Locations (~000s)					15.0	15.5	16.0	16.5	17.0	17.5

HF Foods Group Inc. (NASDAQ: HFFG) — Consolidated Income Statement

GAAP Basis | FY2021A-FY2025A Historical (10-K/Fiscal.ai), FY2026E-FY2030E Projected

($ in millions, except per-share data; FY ends Dec-31)	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
REVENUE										
Total Net Revenue	$797.0	$1,170.6	$1,148.6	$1,201.8	$1,228.2	$1,289.6	$1,392.8	$1,504.2	$1,624.5	$1,754.5
YoY Growth %		46.9%	(1.9%)	4.6%	2.2%	5.0%	8.0%	8.0%	8.0%	8.0%
COST OF REVENUE & GROSS PROFIT										
Gross Margin % (input, projected)						17.1%	17.4%	17.6%	17.8%	18.0%
Gross Profit	$151.5	$205.5	$204.0	$205.2	$207.6	$220.5	$242.3	$264.7	$289.2	$315.8
Gross Margin %	19.0%	17.6%	17.8%	17.1%	16.9%	17.1%	17.4%	17.6%	17.8%	18.0%
Cost of Revenue (COGS)	$645.5	$965.1	$944.6	$996.6	$1,020.6	$1,069.1	$1,150.4	$1,239.5	$1,335.4	$1,438.7
OPERATING EXPENSES										
SG&A % of Revenue (input, projected)						16.0%	15.6%	15.2%	14.8%	14.5%
Selling, General & Administrative Expense	$122.0	$195.0	$195.1	$198.0	$201.8	$206.3	$217.3	$228.6	$240.4	$254.4
Goodwill / Intangible Impairment & Other Non-Recurring Opex	-	-	-	$46.3	$38.8	-	-	-	-	-
Total Operating Expenses	**$122.0**	**$195.0**	**$195.1**	**$244.3**	**$240.6**	**$206.3**	**$217.3**	**$228.6**	**$240.4**	**$254.4**
OPERATING INCOME & EBITDA										
Operating Income (EBIT)	**$29.5**	**$10.5**	**$8.9**	**($39.1)**	**($33.0)**	**$14.2**	**$25.1**	**$36.1**	**$48.7**	**$61.4**
Operating Margin %	3.7%	0.9%	0.8%	(3.3%)	(2.7%)	1.1%	1.8%	2.4%	3.0%	3.5%
(+) Depreciation & Amortization	$19.1	$24.9	$25.9	$26.7	$28.4	$29.0	$30.6	$32.3	$34.1	$36.0
EBITDA*	**$48.6**	**$35.4**	**$34.8**	**($12.4)**	**($4.6)**	**$43.2**	**$55.7**	**$68.4**	**$82.9**	**$97.4**
EBITDA Margin %	6.1%	3.0%	3.0%	(1.0%)	(0.4%)	3.4%	4.0%	4.6%	5.1%	5.6%
(+) Stock-Based Compensation	$0.6	$1.3	$3.3	$2.1	$1.8	$1.9	$2.0	$2.1	$2.2	$2.3
(+) Impairment & Other Non-Recurring Items (addback)	-	-	-	$46.3	$38.8	-	-	-	-	-
GII-Reconstructed Adjusted EBITDA	**$49.2**	**$36.7**	**$38.1**	**$36.0**	**$36.0**	**$45.1**	**$57.7**	**$70.5**	**$85.1**	**$99.7**
GII-Reconstructed Adjusted EBITDA Margin %	6.2%	3.1%	3.3%	3.0%	2.9%	3.5%	4.1%	4.7%	5.2%	5.7%
NON-OPERATING ITEMS & NET INCOME										
Interest Expense, net	($4.1)	($7.5)	($11.5)	($11.4)	($11.5)	($11.2)	($10.8)	($10.3)	($9.8)	($9.3)
Other Non-Operating Income (Expense)	$0.9	($3.1)	($0.1)	($6.7)	($0.8)	-	-	-	-	-
Pre-Tax Income	**$26.3**	**($0.1)**	**($2.7)**	**($57.2)**	**($45.3)**	**$3.0**	**$14.3**	**$25.8**	**$38.9**	**$52.1**
Effective Tax Rate % (input, projected)						26.0%	26.0%	25.0%	25.0%	25.0%
Income Tax (Benefit) Provision	$4.5	($0.2)	-	$2.0	($6.0)	$0.8	$3.7	$6.5	$9.7	$13.0
Net Income (incl. NCI)	**$21.8**	**$0.1**	**($2.7)**	**($59.2)**	**($39.3)**	**$2.2**	**$10.6**	**$19.4**	**$29.2**	**$39.1**
(-) Net Income Attributable to Non-Controlling Interest	$0.7	($0.2)	($0.5)	$0.4	($0.5)	$0.3	$0.3	$0.4	$0.4	$0.4
Net Income Attributable to HF Foods Group Inc.	**$21.1**	**$0.3**	**($2.2)**	**($59.6)**	**($38.8)**	**$1.9**	**$10.3**	**$19.0**	**$28.8**	**$38.7**
PER SHARE DATA										
Diluted Shares Outstanding (millions)	52.0	54.0	54.0	53.0	53.0	53.2	53.4	53.6	53.8	54.0
Diluted EPS	**$0.41**	**$0.01**	**($0.04)**	**($1.12)**	**($0.73)**	**$0.04**	**$0.19**	**$0.35**	**$0.54**	**$0.72**

* Note: Historical EBITDA is based on HF Foods' reported presentation where available. Forecast EBITDA is calculated by GII using the EBIT-plus-D&A convention

HF Foods Group Inc. (NASDAQ: HFFG) — Consolidated Statement of Cash Flows

FY2021A-FY2025A Historical (10-K/Fiscal.ai), FY2026E-FY2030E Projected

($ in millions; FY ends Dec-31)	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
OPERATING ACTIVITIES										
Net Income (incl. NCI)	$21.8	$0.1	($2.7)	($59.2)	($39.3)	$2.2	$10.6	$19.4	$29.2	$39.1
(+) Depreciation & Amortization	$19.1	$24.9	$25.9	$26.7	$28.4	$29.0	$30.6	$32.3	$34.1	$36.0
(+) Stock-Based Compensation	$0.6	$1.3	$3.3	$2.1	$1.8	$1.9	$2.0	$2.1	$2.2	$2.3
(+) Impairment & Other Non-Cash Adjustments	($9.6)	$4.9	($5.9)	$44.5	$39.5	-	-	-	-	-
Changes in Working Capital:										
(Increase) / Decrease in Accounts Receivable	($10.0)	($8.5)	($4.1)	($6.4)	($11.5)	($18.4)	($31.0)	($33.4)	($36.1)	($39.0)
(Increase) / Decrease in Inventory	($19.4)	($3.8)	$14.7	$7.8	($8.9)	($21.5)	($36.1)	($39.0)	($42.1)	($45.5)
Increase / (Decrease) in Accounts Payable	$12.6	$14.8	($5.0)	($1.4)	$24.0	$18.4	$31.0	$33.4	$36.1	$39.0
Change in Accrued Expenses & Other Operating	$1.3	$1.6	($27.9)	($2.6)	($8.5)	-	-	-	-	-
Cash Flow from Operations	**$16.4**	**$35.3**	**($1.7)**	**$11.5**	**$25.5**	**$11.6**	**$7.1**	**$14.8**	**$23.4**	**$31.9**
INVESTING ACTIVITIES										
Capital Expenditures ($mm)	($2.2)	($6.3)	($3.5)	($12.6)	($18.9)	($18.1)	($18.1)	($18.1)	($17.9)	($19.3)
Sale of PP&E / Other Investing	$4.0	$7.8	$2.0	-	($1.5)	-	-	-	-	-
Business Acquisitions	($42.8)	($52.3)	-	-	-	-	-	-	-	-
Cash Flow from Investing Activities	**($41.0)**	**($50.8)**	**($1.5)**	**($12.6)**	**($20.4)**	**($18.1)**	**($18.1)**	**($18.1)**	**($17.9)**	**($19.3)**
FINANCING ACTIVITIES										
Net Short-Term Debt (Repayment) / Issuance	$36.9	($2.1)	$5.4	($1.1)	($1.6)	-	-	-	-	-
Net Long-Term Debt (Repayment) / Issuance	($6.6)	$34.6	($7.6)	($5.5)	($2.7)	($6.0)	($6.0)	($5.5)	($5.5)	($5.0)
Share Repurchases	-	-	($0.4)	($0.2)	($0.2)	-	-	-	-	-
Other Financing Activities	($1.5)	($7.6)	($3.4)	($4.1)	($6.5)	-	-	-	-	-
Cash Flow from Financing Activities	**$28.8**	**$24.9**	**($6.0)**	**($10.9)**	**($11.0)**	**($6.0)**	**($6.0)**	**($5.5)**	**($5.5)**	**($5.0)**
NET CHANGE IN CASH & FREE CASH FLOW										
Net Change in Cash	**$4.2**	**$9.4**	**($9.2)**	**($12.0)**	**($5.9)**	**($12.4)**	**($17.0)**	**($8.8)**	**$0.0**	**$7.6**
Free Cash Flow (CFO + CapEx)	**$14.2**	**$29.0**	**($5.2)**	**($1.1)**	**$6.6**	**($6.4)**	**($11.0)**	**($3.3)**	**$5.5**	**$12.6**
FCF Margin %	1.8%	2.5%	(0.5%)	(0.1%)	0.5%	(0.5%)	(0.8%)	(0.2%)	0.3%	0.7%

HF Foods Group Inc. (NASDAQ: HFFG) — Consolidated Balance Sheet

FY2021A-FY2025A Historical (10-K/Fiscal.ai), FY2026E-FY2030E Projected

($ in millions; FY ends Dec-31)	FY2021A	FY2022A	FY2023A	FY2024A	FY2025A	FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
ASSETS										
Cash & Cash Equivalents	$14.8	$24.3	$15.2	$14.5	$8.6	($3.8)	($20.8)	($29.6)	($29.6)	($22.0)
Accounts Receivable	$36.5	$44.4	$47.8	$54.4	$66.2	$84.6	$115.6	$149.0	$185.1	$224.1
Inventory	$102.7	$120.3	$105.6	$97.8	$106.6	$128.1	$164.2	$203.2	$245.3	$290.8
Other Current Assets	$5.6	$8.9	$10.2	$11.5	$12.5	$12.5	$12.5	$12.5	$12.5	$12.5
Total Current Assets	**$159.6**	**$197.9**	**$178.8**	**$178.2**	**$193.9**	**$221.4**	**$271.4**	**$335.1**	**$413.4**	**$505.4**
Net Property, Plant & Equipment	$157.6	$154.5	$145.9	$163.5	$189.5	$188.5	$185.0	$178.7	$170.0	$160.3
Other Intangible Assets (net)	$195.1	$194.1	$177.8	$161.5	$151.5	$141.5	$132.5	$124.5	$117.0	$110.0
Goodwill	$80.3	$85.1	$85.1	$38.8	-	-	-	-	-	-
Other Long-Term Assets	$4.5	$5.9	$8.9	$8.1	$6.6	$6.6	$6.6	$6.6	$6.6	$6.6
TOTAL ASSETS	**$597.1**	**$637.5**	**$596.5**	**$550.1**	**$541.5**	**$558.0**	**$595.5**	**$644.9**	**$706.9**	**$782.3**
LIABILITIES										
Accounts Payable	$77.5	$79.0	$56.5	$56.3	$76.5	$94.9	$125.9	$159.3	$195.4	$234.4
Accrued Expenses	$12.1	$19.7	$17.3	$18.0	$15.0	$15.0	$15.0	$15.0	$15.0	$15.0
Short-Term Debt	$55.3	$53.1	$58.6	$57.5	$55.8	$55.8	$55.8	$55.8	$55.8	$55.8
Current Portion LT Debt & Leases	$10.4	$12.2	$11.0	$13.4	$17.5	$17.5	$17.5	$17.5	$17.5	$17.5
Total Current Liabilities	**$155.3**	**$164.0**	**$143.4**	**$145.2**	**$164.8**	**$183.2**	**$214.2**	**$247.6**	**$283.7**	**$322.7**
Long-Term Debt	$86.3	$115.4	$108.7	$103.3	$99.4	$93.4	$87.4	$81.9	$76.4	$71.4
Long-Term Leases	$20.9	$22.0	$20.6	$30.1	$48.3	$48.3	$48.3	$48.3	$48.3	$48.3
Other Long-Term Liabilities	$39.5	$39.9	$35.9	$30.1	$25.5	$25.5	$25.5	$25.5	$25.5	$25.5
Total Long-Term Liabilities	**$146.7**	**$177.3**	**$165.2**	**$163.5**	**$173.2**	**$167.2**	**$161.2**	**$155.7**	**$150.2**	**$145.2**
TOTAL LIABILITIES	**$302.0**	**$341.3**	**$308.6**	**$308.7**	**$338.0**	**$350.4**	**$375.4**	**$403.3**	**$433.9**	**$467.9**
SHAREHOLDERS' EQUITY										
Common Stock + APIC	$597.2	$598.3	$603.1	$604.2	$605.8	$607.7	$609.7	$611.8	$614.0	$616.3
Treasury Stock	-	-	($7.8)	($7.8)	($7.8)	($7.8)	($7.8)	($7.8)	($7.8)	($7.8)
Retained Earnings (Accumulated Deficit)	($306.1)	($306.5)	($308.8)	($357.1)	($396.1)	($394.2)	($383.9)	($364.9)	($336.1)	($297.5)
Total HF Foods Group Inc. Shareholders' Equity	**$291.1**	**$291.8**	**$286.6**	**$239.4**	**$202.0**	**$205.8**	**$218.1**	**$239.1**	**$270.1**	**$311.1**
Non-Controlling Interest	$4.0	$4.4	$1.3	$2.0	$1.5	$1.8	$2.1	$2.5	$2.9	$3.3
TOTAL SHAREHOLDERS' EQUITY	**$295.1**	**$296.2**	**$287.9**	**$241.4**	**$203.5**	**$207.6**	**$220.2**	**$241.6**	**$273.0**	**$314.4**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**$597.1**	**$637.5**	**$596.5**	**$550.1**	**$541.5**	**$558.0**	**$595.5**	**$644.9**	**$706.9**	**$782.3**
Balance Check (Assets - Liab&Equity, should = 0)	-	-	-	-	-	-	-	-	-	-
CREDIT METRICS										
Total Debt (ST + Current LTD/Leases + LT Debt + LT Leases)	$172.9	$202.7	$198.9	$204.3	$221.0	$215.0	$209.0	$203.5	$198.0	$193.0
Net Debt (Total Debt - Cash)	$158.1	$178.4	$183.7	$189.8	$212.4	$218.8	$229.8	$233.1	$227.6	$215.0
Net Debt / Adj. EBITDA	3.2x	4.9x	4.8x	5.3x	5.9x	4.9x	4.0x	3.3x	2.7x	2.2x
Current Ratio (Current Assets / Current Liabilities)	1.03x	1.21x	1.25x	1.23x	1.18x	1.21x	1.27x	1.35x	1.46x	1.57x

HF Foods Group Inc. (NASDAQ: HFFG) — Scenario Analysis

Downside / Integrated Operating / Cash-Conversion Cases | FY2025A Actual vs. FY2030E Projected Outcomes

Scenario summary compares FY2030E outcomes under three GII cases. The Integrated Operating Case is the only scenario flowed through the Income Statement, Cash Flow Statement, and Balance Sheet tabs. It is a GII forecast informed by, but not identical to, management's disclosed multi-year objectives. The Downside / Control-Risk and Cash-Conversion / Strategic Optionality cases are standalone sensitivities, not separately modeled through all three financial statements.

Metric	FY2025A Actual	Downside / Control-Risk Case FY2030E	Integrated Operating Case FY2030E	Cash-Conversion / Strategic Optionality Case FY2030E	Notes
Net Revenue ($mm)	$1,228.2	$1,320.0	$1,754.5	$1,580.0	Downside / Control-Risk: organic growth stalls at approximately 1.5% annually amid traffic pressure and tariff cost pass-through friction (per 10-K risk factors on tariffs/inflation). Integrated Operating: GII forecast informed by management's disclosed $1.4B-$1.5B+ multi-year objective, but the FY2030E result extends beyond that range and is not company guidance. Cash-Conversion / Strategic Optionality: GII sensitivity incorporating the disclosed $120-$150M inorganic revenue opportunity.
Revenue CAGR FY25A-FY30E		1.5%	7.4%	5.2%	
Adjusted EBITDA Margin %	2.9%	3.7%	5.7%	5.2%	Downside / Control-Risk: margin remains near FY2025A levels as cost pressures offset efficiency gains. Integrated Operating: GII forecast informed by management's disclosed 4.5%-5.0%+ objective, but the FY2030E margin extends beyond that range and is not company guidance. Cash-Conversion / Strategic Optionality: GII sensitivity assuming improved cash conversion and M&A-related growth.
Adjusted EBITDA ($mm)	$36.0	$48.8	$99.7	$82.2	The Integrated Operating Case is a GII forecast informed by management's disclosed $60-$75M+ multi-year Adjusted EBITDA objective; the FY2030E result extends beyond the stated objective and should not be interpreted as company guidance.
Free Cash Flow ($mm)	$6.6	$2.0	$12.6	$28.0	Downside / Control-Risk: minimal FCF generation as elevated CapEx and working-capital drag persist. Integrated Operating: per Cash Flow Statement tab. Cash-Conversion / Strategic Optionality: faster margin ramp and working-capital efficiency from ERP/IT centralization completed in FY2025 (10-K Recent Developments).
Net Debt / Adj. EBITDA	5.90x	5.50x	2.16x	2.80x	Downside / Control-Risk: leverage rises as EBITDA stagnates against a largely fixed debt/lease base. Integrated Operating and Cash-Conversion / Strategic Optionality: per Balance Sheet tab and EBITDA scaling; deleveraging is driven by FCF and EBITDA growth rather than materially different debt-paydown assumptions.

KEY SCENARIO ASSUMPTIONS

Revenue Growth (avg. FY26E-FY30E)	1.5%	7.4%	5.5% (incl. M&A)
Gross Margin FY2030E	16.9% (flat)	18.0%	18.5%
SG&A % of Revenue FY2030E	16.0% (limited leverage)	14.5%	13.8%
Further Impairment Risk	Possible (goodwill fully written off FY25; intangibles remain)	None assumed	None assumed
M&A / Inorganic Growth	None	None (organic only)	$120-150M inorganic revenue opportunity realized
Tariff / Trade Policy Impact	Adverse cost pass-through friction persists	Neutral / manageable	Favorable resolution (IEEPA tariff ruling, Feb-2026)

Note: Downside / Control-Risk and Cash-Conversion / Strategic Optionality FY2030E figures for Revenue, GII-Reconstructed Adjusted EBITDA margin, FCF, and Net Debt/EBITDA are analyst point estimates calibrated to the qualitative assumptions above and to risks and opportunities disclosed in the FY2025 10-K and March 2026 Investor Presentation. They are not built from full three-statement models. The Integrated Operating Case is the only scenario flowed through the Income Statement, Cash Flow Statement, and Balance Sheet tabs and remains a GII forecast rather than company guidance.

HF Foods Group Inc. (NASDAQ: HFFG) — DCF Inputs

Unlevered Free Cash Flow Build & Valuation Inputs | FY2026E-FY2030E | Updated to Current (11.0%) WACC, as of July 31, 2026

($ in millions unless noted; FY ends Dec-31)		FY2026E	FY2027E	FY2028E	FY2029E	FY2030E
WACC BUILD-UP						
Risk-Free Rate (10-Year U.S. Treasury, 7/31/26)	4.7%					
Equity Risk Premium	5.5%					
Levered Beta (per Task 3 DCF Sensitivity tab)	1.85					
Cost of Equity (CAPM)	14.9%					
Pre-Tax Cost of Debt (blended facility rate, current)	8.0%					
Marginal Tax Rate	25.0%					
After-Tax Cost of Debt	6.0%					
Target Debt / Total Capital	45.0%					
Target Equity / Total Capital	55.0%					
WACC	**11.0%**					

UNLEVERED FREE CASH FLOW BUILD (Base Case, FY2026E-FY2030E)					
($ in millions unless noted; FY ends Dec-31)	**FY2026E**	**FY2027E**	**FY2028E**	**FY2029E**	**FY2030E**
EBIT (Operating Income)	$14.2	$25.1	$36.1	$48.7	$61.4
Less: Cash Taxes on EBIT (at marginal rate)	($3.5)	($6.3)	($9.0)	($12.2)	($15.4)
NOPAT (Tax-Effected EBIT)	**$10.6**	**$18.8**	**$27.1**	**$36.6**	**$46.1**
(+) Depreciation & Amortization	$29.0	$30.6	$32.3	$34.1	$36.0
(-) Capital Expenditures	($18.1)	($18.1)	($18.1)	($17.9)	($19.3)
(-) Increase in Net Working Capital	($21.5)	($36.1)	($39.0)	($42.1)	($45.5)
Unlevered Free Cash Flow	**$0.1**	**($4.8)**	**$2.4**	**$10.7**	**$17.2**
Discount Period (mid-year convention)	0.5	1.5	2.5	3.5	4.5
Discount Factor @ WACC	0.949	0.855	0.770	0.694	0.625
PV of Unlevered FCF	**$0.1**	**($4.1)**	**$1.8**	**$7.4**	**$10.8**

TERMINAL VALUE & IMPLIED VALUATION	
Terminal Growth Rate (g)	2.5%
Terminal Year UFCF (FY2030E x (1+g))	$17.7
Terminal Value (Gordon Growth)	**$207.8**
PV of Terminal Value	**$130.0**
Sum of PV of Explicit-Period UFCF (FY26E-FY30E)	$16.0
Implied Enterprise Value	**$146.0**
(-) Net Debt (FY2025A, per Balance Sheet tab)	($212.4)
Implied Equity Value	**($66.4)**
Diluted Shares Outstanding (mm, FY2025A)	53.5
Implied Value per Share	**-$1.24**

This tab builds unlevered FCF from the Base Case operating model and discounts it at the current target-structure WACC of 11.0% (Risk-Free Rate 4.7%, Equity Risk Premium 5.5%, Levered Beta 1.85, Pre-Tax Cost of Debt 8.0%, 55%/45% target E/D — consistent with the Task 3 DCF Sensitivity tab, as of July 31, 2026). The resulting Implied Value per Share ties to the WACC=11.0%/g=2.5% cell of the DCF Sensitivity tab's grid. WACC, terminal growth, and the resulting implied share price remain illustrative and should be read alongside the Trading Comps analysis in Task 3 (Valuation Analysis) of the initiating-coverage workflow.

HF Foods Group Inc. (NASDAQ: HFFG) — DCF Sensitivity Analysis

Task 3: Valuation Analysis | Updated WACC & Base Case Reflecting Current (5%/8%) Revenue Growth Assumption

UPDATED WACC INPUTS (as of July 31, 2026)

Risk-Free Rate (10-Year U.S. Treasury, 7/31/26)	4.7%	*Source: U.S. Treasury / TradingEconomics, 7/31/2026 close*
Equity Risk Premium	5.5%	*Standard long-run historical average*
Levered Beta	1.85	*HFFG reported beta ranges ~1.79-2.01 across data providers (TradingView, MarketChameleon) given the stock's high volatility as a thinly-traded micro-cap; 1.85 used as midpoint*
Cost of Equity (CAPM)	14.9%	*Calc: 4.7% + 1.85 x 5.5%*
Pre-Tax Cost of Debt	8.0%	*Estimated blended rate across mortgage-secured term loans (JPMorgan/BofA/East West Bank facilities) in the current rate environment*
After-Tax Cost of Debt	6.0%	*Calc: 8% x (1 - 25%)*
Target Capital Structure (E/V, D/V)	55% / 45%	*Through-cycle target structure, consistent with Task 2 DCF Inputs tab*
Base Case WACC (target structure)	11.0%	*Calc: 55% x 14.9% + 45% x 6%*

MARKET-VALUE-WEIGHTED WACC CROSS-CHECK (uses current depressed equity value)

Reference Market Capitalization (8/3/26: $1.49 × 53.475M shares)	$79.7M
Total Debt (FY2025A, book value)	$221.0M
Implied E/V, D/V	26.6% / 73.4%
Market-Value-Weighted WACC	8.4%

Note: The market-value-weighted WACC (8.4%) is materially lower than the target-structure WACC (11.0%) because HFFG's currently depressed equity value mechanically shifts weight toward its lower after-tax cost of debt. This creates circularity risk (using a depressed market value to derive the discount rate that determines fair value) and is presented only as a cross-check, not the base case.

SENSITIVITY TABLE 1: Implied Price/Share — WACC (rows) vs. Terminal Growth Rate (cols)

WACC \ g	1.5%	2.0%	2.5%	3.0%	3.5%
9.0%	($0.69)	($0.46)	($0.20)	$0.11	$0.47
9.5%	($0.93)	($0.74)	($0.51)	($0.26)	$0.04
10.0%	($1.15)	($0.98)	($0.79)	($0.57)	($0.32)
10.5%	($1.35)	($1.20)	($1.03)	($0.84)	($0.62)
11.0%	($1.52)	($1.39)	**($1.24)**	($1.08)	($0.89)
11.5%	($1.67)	($1.56)	($1.43)	($1.28)	($1.12)
12.0%	($1.81)	($1.71)	($1.60)	($1.47)	($1.33)

Base Case (WACC=11.0%, g=2.5%, boxed): implied value of $(1.24)/share. Nearly the entire sensitivity grid is negative or near-zero because the Base Case's working-capital and capital-expenditure requirements outweigh EBITDA growth within the explicit five-year window. Terminal Value represents 85%-92% of Enterprise Value across the grid, above GII's internal model-reliability guardrail of approximately 70%. See the Valuation Analysis discussion for context.

SENSITIVITY TABLE 2: Implied Price/Share — Revenue CAGR (rows) vs. Terminal EBITDA Margin FY2030E (cols)

Rev CAGR \ Term Margin	3.5%	4.0%	4.5%	5.0%	5.5%
3.0%	($1.00)	($0.04)	$0.92	$1.88	$2.84
5.0%	($1.47)	($0.42)	$0.64	$1.69	$2.74
6.5%	($1.86)	($0.74)	$0.38	$1.51	$2.63
8.0%	($2.31)	($1.11)	$0.09	$1.29	$2.50
9.5%	($2.80)	($1.52)	($0.23)	$1.05	$2.33

Key insight: Terminal EBITDA margin (columns) is the dominant value driver, not revenue growth (rows). At the current 2.9% FY2025A starting margin, higher revenue growth without commensurate margin expansion is value-destructive because incremental working capital and capital expenditure outpace incremental EBITDA. This is a simplified, standalone GII sensitivity—not the full three-statement model—using normalized assumptions to isolate the two variables; it is directional rather than numerically identical to Sensitivity Table 1.

HF Foods Group Inc. (NASDAQ: HFFG) — Comparable Companies Analysis

Task 3: Valuation Analysis | Public Foodservice/Grocery Distribution Peers (data as of dates noted per company)

Company	Ticker	Price	Mkt Cap ($B)	EV ($B)	EV/Rev	EV/EBITDA	Net Debt/ EBITDA	Rev Growth	EBITDA Margin	P/E (NTM/ TTM)	Data As Of
Sysco Corporation	SYY	$85.24	$40.8	$54.60	0.62x	13.3x	3.3x	4.0%	4.6%	22.2x	*Jul'26 px / Mar'26 GSP mult.*
US Foods Holding Corp.	USFD	$100.55	$22.5	$27.80	0.70x	16.7x	3.1x	6.0%	4.2%	34.5x / 22.4x	*Jul 29, 2026 (Yahoo Finance)*
Performance Food Group Co.	PFGC	$114.75	$18.0	$26.00	0.36x	15.8x	4.8x	8.0%	2.3%	38.1x	*Jul'26 px / Mar'26 GSP mult.*
The Chefs' Warehouse, Inc.	CHEF	$100.18	$2.9	$3.38	0.74x	14.7x	1.7x	12.0%	6.2%	n.a.	*Jul 28, 2026 px; FY26 guidance*
United Natural Foods, Inc.	UNFI	$48.98	$3.0	$6.07	0.19x	10.7x	5.5x	-3.0%	1.8%	NM (neg EPS)	*Jul 16, 2026 (StockAnalysis)*
HF Foods Group Inc. (Target)	**HFFG**	**$1.49**	**$0.08**	**$0.29**	**0.24x**	**6.5x**	**5.9x**	**2.2%**	**2.9%**	**NM (net loss)**	**Aug 3, 2026**

STATISTICAL SUMMARY (Peer Group Only, Excludes HFFG)											
Maximum					**0.74x**	**16.7x**	**5.5x**	**12.0%**	**6.2%**		
75th Percentile					**0.70x**	**15.8x**	**4.8x**	**8.0%**	**4.6%**		
Median					**0.62x**	**14.7x**	**3.3x**	**6.0%**	**4.2%**		
25th Percentile					**0.36x**	**13.3x**	**3.1x**	**4.0%**	**2.3%**		
Minimum					**0.19x**	**10.7x**	**1.7x**	**-3.0%**	**1.8%**		

Note: Peer group comprises large-cap national broadline (Sysco, US Foods, Performance Food Group) and mid-cap specialty (Chefs' Warehouse) distributors, plus a grocery/foodservice hybrid (United Natural Foods) -- HF Foods' own 10-K names Sysco, US Foods, and Performance Food Group as its primary points of competitive comparison, though none serves the Asian-restaurant niche specifically at HFFG's scale. Peers range from ~30x to ~700x HFFG's revenue and market capitalization; multiples are NOT directly transferable without a substantial size/liquidity/governance discount -- see Valuation Summary tab. Data sourced from company filings, Yahoo Finance, StockAnalysis.com, and Gray Strategic Partners' Public Comparables Analysis (dated per company in the table); 'as of' dates range from mid-March to end-July 2026 given data availability constraints for less-frequently-updated aggregator sources.

HF Foods Group Inc. (NASDAQ: HFFG) — Valuation Summary & Price Target

Task 3: Valuation Analysis | As of August 3, 2026

VALUATION BY METHOD ($ per share)

Method	Low	Base	High	Weight	Wtd. (Base)
DCF Analysis (target WACC)	$0.00	$0.00	$0.47	20%	$0.00
Trading Comps (discount-adjusted)	$1.20	$1.90	$2.80	80%	$1.52
Weighted Average Price Target	**$0.96**	**$1.52**	**$2.33**		

Weighting rationale: DCF is down-weighted to 20% because, under the Base Case's current revenue-growth assumptions, Terminal Value represents 85%-92% of Enterprise Value, above GII's internal model-reliability guardrail of approximately 70%, and explicit-period unlevered FCF is negative or near-zero in 3 of 5 years due to working-capital intensity. Trading Comps are weighted 80% because no closely comparable disclosed precedent transactions were identified and the company's own relevant acquisitions did not disclose purchase-price multiples.

PRECEDENT TRANSACTIONS

Not used as a standalone valuation method. HF Foods' two most relevant M&A precedents -- the acquisition of substantially all assets of the Great Wall Seafood group (Dec 30, 2021) and of Sealand Food, Inc. (Apr 29, 2022) -- were both asset purchases from privately held sellers with no disclosed purchase price or implied EV/EBITDA or EV/Revenue multiple in HF Foods' public filings. No other sufficiently comparable, disclosed transactions (Asian-specialty or niche foodservice distribution, similar scale) were identified as of this writing. The $120-150M inorganic revenue opportunity disclosed by management (Investor Presentation p.20) implies HF Foods continues to see itself as an acquirer at broadly similar multiples to its own trading level, but this is not independently verifiable and is not used to inform the price target.

SCENARIO-BASED VALUATION

Scenario	Probability	Rev CAGR (26E-30E)	Term. EBITDA Margin	DCF Value	Comps Value	Weighted Avg
Bear Case	25%	1.5%	3.7% (flat)	($1.60)	$0.90	**$0.72**
Base Case	50%	5.0%/8.0%	5.7%	($1.24)	$1.90	**$1.52**
Bull Case	25%	5.5% (incl. M&A)	5.2%	$0.47	$2.80	**$2.33**
Probability-Weighted Expected Value				($0.90)	$1.88	**$1.52**

INVESTMENT RECOMMENDATION

Reference Price (8/3/2026)	**$1.49**
12-Month Price Target	**$1.60**
Upside / (Downside)	**+7.4%**
Rating	**HOLD / NEUTRAL**

This HOLD/NEUTRAL rating and $1.60 price target are materially below the publicly available analyst-rating summaries reviewed by GII: Alliance Global Partners initiated coverage with a Buy rating and $5.00 price target on April 16, 2026, while Roth Capital maintained a Buy rating and reduced its price target to $6.00 from $7.00 on March 18, 2026. GII did not obtain or review the complete proprietary analyst reports, and the ratings or targets may have changed after those dates. The divergence stems primarily from (i) this analysis's DCF reliability concerns given the growth/working-capital dynamic under the current Base Case revenue assumption, and (ii) a substantial (~55-60%) discount applied to trading-comp multiples to reflect HF Foods' scale gap vs. peers (30x-700x smaller), disclosed material weakness in internal control over financial reporting, elevated leverage (5.9x Net Debt/Adj. EBITDA), and micro-cap illiquidity -- a discount that, notably, converges closely with HF Foods' own current trading multiple (6.5x EV/Adj. EBITDA, 0.24x EV/Revenue), suggesting the market may already be pricing these factors in reasonably efficiently. See Valuation Analysis write-up for full discussion, catalysts, and risks.