May 27, 2025

Zacks Small-Cap Research (NOTE)

Sponsored – Impartial - Comprehensive

Michael Kim
312-265-9372
mkim@zacks.com

scr.zacks.com
10 S. Riverside Plaza, Chicago, IL 60606

CareCloud, Inc. (CCLD-NASDAQ)

Putting Artificial Intelligence (AI) into Everything

CEO Fireside Chat

We recently hosted a fireside chat with Stephen Snyder and Hadi Chaudhry, Co-Chief Executive Officers of CareCloud, Inc. See link below to view the video/transcript:

http://scr.zacks.com/news/news-details/2025/Fireside-Chat-with-Stephen-Snyder-and-Hadi-Chaudhry-Co-Chief-Executive-Officers-of-CareCloud-Inc-

Following the recent launch of CareCloud's "AI Center of Excellence," our discussion focused on how the company is transforming the broader healthcare journey by increasingly leveraging Artificial Intelligence (AI) to enhance growth and drive operational efficiencies. To be sure, by leveraging CCLD's data (processing 10 million claims/transactions per month), domain expertise, and offshore resources competitive advantages, senior executives plan to incorporate proprietary AI solutions across operations, products, and services to manage workflows more efficiently.

A few key highlights from our discussion:

1. **Enhancing CCLD's value proposition to clients…:** At a high level, the goal of CCLD's AI Center of Excellence remains leveraging the firm's expertise to accelerate the integration of AI across the company, and deliver more valuable services to healthcare providers through innovative automation tools. By embedding AI tools into administrative/labor-intensive workflows, CareCloud's solutions drive meaningful operational efficiencies, thereby enhancing client retention and organic revenue growth.

2. **…as well as acquisition targets:** Revenue Cycle Management (RCM) companies across the industry are increasingly recognizing the benefits of AI, particularly as it relates to extracting operational efficiencies. As CareCloud continues to incorporate proprietary AI tools into the company's platform, we anticipate less differentiated RCM providers will increasingly view CCLD as the buyer of choice, as management teams look to partner with a more competitive franchise.

3. **Developing an end-to-end solution:** Management plans to leverage the company's proprietary data to develop large language models, with the goal of delivering AI-enabled services across patient engagement, electronic health records, clinical documentation, revenue cycle management, practice management, analytics, and back-office functions.

© Copyright 2025, Zacks Investment Research. All Rights Reserved.

Reiterating EPS Estimates/Price Target

No change to our Adjusted EPS estimates (excludes stock-based compensation expense, amortization of purchased intangible assets, other [income]/expense, integration costs, transaction costs, goodwill impairment charges, changes in contingent considerations, and related tax impacts, as well as preferred stock dividends) of $0.31 for this year and $0.40 for 2026.

Turning to valuation, our $5.00 DCF-derived price target continues to suggest meaningful upside potential for the stock from current levels. As awareness and appreciation of the company's unique business model, durable competitive advantages, and reaccelerating growth prospects compound, we look for a material upward revaluation for CCLD. Moreover, comparable Healthcare Information Services small cap stocks continue to trade at significantly higher Price-to-Earnings multiples across the board, thereby reinforcing our DCF work.

DISCLOSURE

SUBSCRIBE TO ZACKS SMALL CAP RESEARCH to receive our articles and reports emailed directly to you each morning. Please visit our website for additional information on Zacks SCR.

DISCLOSURE: Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm, engaged by the issuer, for providing research coverage for a period of no less than one year. Research articles, as seen here, are part of the service Zacks provides and Zacks receives quarterly payments totaling a maximum fee of $40,000 annually for these services. Full Disclaimer HERE.