

# Zacks Small-Cap Research

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## Health in Tech Inc.

(HIT-NASDAQ)

### HIT: Strengthening Offering to Lower Costs, Complexity & Timeline of Securing Healthcare Access for SMEs & Larger Employers

HIT believes its platform can make it easier for small & larger organizations to obtain affordable insurance plans & recently introduced a key expansion of its platform to extend into the mid- and large-employer market and reduce quoting timelines significantly for both small and large-employer segments.

### OUTLOOK

The debate around the government shutdown has shined a spotlight on the need for access to affordable healthcare, which we believe also highlights the benefits of reducing costs & timelines to obtain quotes for employers of all sized orgs. With the recent upgrade of the eDIYBS platform, brokers who work with organizations with 150 or more employees can upload claims files easily and HIT's AI technology capabilities processes the data quickly to generate bindable quotes for both small and large-employer segments.

Current Price (10/15/25) \$ 3.31  
Valuation \$4.50

### SUMMARY DATA

52-Week High \$7.59  
52-Week Low \$0.51  
One-Year Return (%) N/A  
Beta N/A  
Average Daily Volume (sh) 991,382

Shares Outstanding (mil) 57  
Market Capitalization (\$mil) \$190  
Short Interest Ratio (days) N/A  
Institutional Ownership (%) N/A  
Insider Ownership (%) N/A

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 2025 Estimate N/A

P/E using 2026 Estimate N/A

#### Risk Level

Type of Stock

High  
Small-Growth

### ZACKS ESTIMATES

#### Revenue

(in millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	4 A	5 A	5 A	5 A	19 A
2024	5 A	5 A	4 A	5 A	19 A
2025	8 A	9 A	7 E	7 E	31 E

#### EPS or Loss Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	0.01 A	0.01 A	0.01 A	0.02 A	0.05 A
2024	0.01 A	0.01 A	0.01 A	-0.01 A	0.01 A
2025	0.01 A	0.01 A	0.01 E	0.01 E	0.02 E

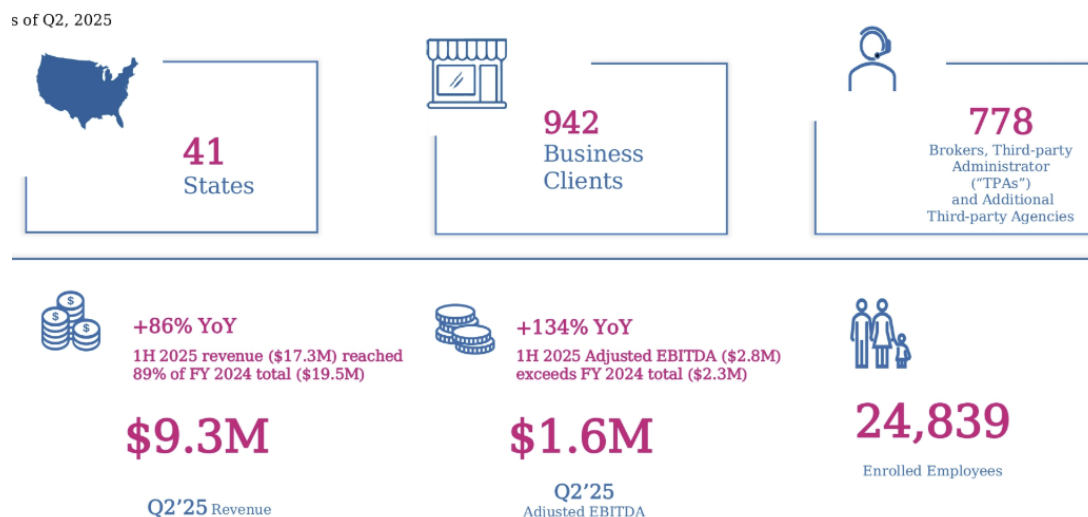
Quarters might not sum due to rounding & share counts

Disclosures on page 8

## CURRENT FOCUS ON HEALTHCARE ACCESS HIGHLIGHTS MARKET NEED

### *Expanding network, reach, product suite and TAM*

Health in Tech (HIT-NASDAQ), an insurtech operating an AI-powered online marketplace platform to facilitate and improve employers' ability to obtain health insurance, is expected to report 3Q25 results within the next few weeks. The company recorded strong momentum through 1H25 and we expect this trend continued in 3Q25, particularly as HIT continues to expand its reach, broaden its offering suite as HIT continues to deepen and broaden its product offering and engage with new and existing customers, and extend its target market.



Source: [Company presentation](#)

**Specifically, the company continues to expand its network and reach.** For example, HIT's distribution network expanded 87% year-over-year by 2Q25 to 778 partners, reflecting the company's strategy to extend the network beyond traditional broker channels, according to management, including partnerships with Third-party Administrators (TPAs), regional healthcare benefit providers and service platforms supporting small businesses, combined with rising adoption. Highlights of new business affiliations includes with Verdegard Administrators, Unified Health Plans, Hilb Group, and Baily Insurance.

Verdegard Administrators is an integrated TPA that is owned by MedImpact, which is a leading pharmacy benefit manager (PBM). MedImpact manages prescription benefits for more than 20 million members, according to HIT, which expects the partnership to help it lower expenses for small businesses. Unified Health Plans has a broad provider network across Kansas. Hilb Group ranks among the top 25 U.S. insurance brokers, according to *Insurance Journal*. The partnership is expected to expand HIT's reach to provide self-funded health benefit solutions to a broader network of small and mid-size employers. The affiliation with Baily Insurance, a co-founder and partner in Fusion Health Plans, which provides cost-effective tech-enabled solutions, is another expected positive for HIT.

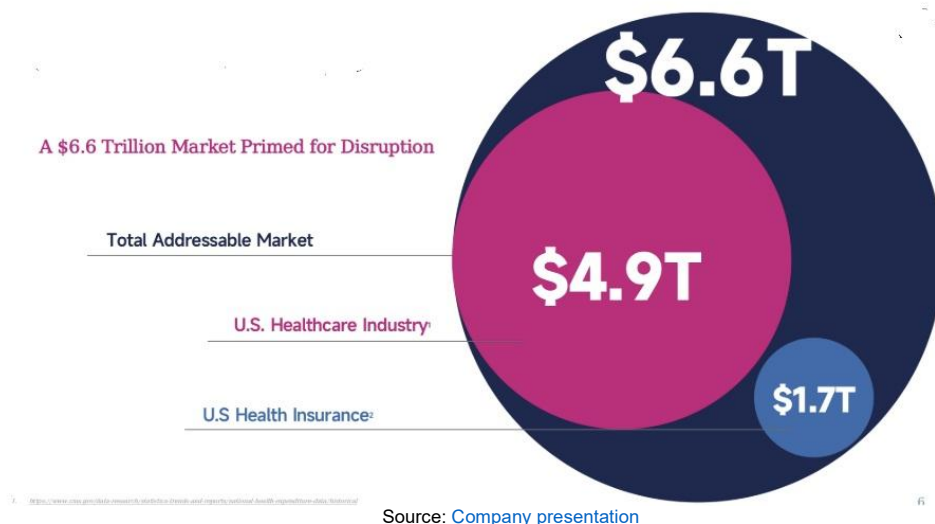
The number of enrolled employee (EEs) insured via its platform — considered a critical indicator of growth and market penetration — reached 24,839 EEs billed for various services in 2Q25, up about 30% compared to 2Q24 EEs. The company believes the increase in billed EEs also reflects that HIT is expanding its market reach and seeing strong adoption across its growing network.

We forecast 3Q25 revenue of \$7.0 million compared to \$4.5 million in 3Q24. Revenue grew an impressive 86% year-over-year to \$9.3 million in 2Q25, compared to \$5.0 million in 2Q24. Revenue in just the first half of 2025 equals almost 90% of total full year 2024 revenue. We lower our gross margin forecast to levels consistent with 2Q25.

### ***Strengthening offering to lower costs, complexity & timeline of securing access to healthcare for SMEs and larger employers***

Importantly, while HIT continues to expand its offerings and reach for SMEs (the small and medium-sized enterprises), its legacy target addressable market (TAM) and the majority of U.S. firms according to the U.S. Small Business Association (SBA), the company believes the HIT platform can also make it easier for larger organizations to obtain insurance plans that are appropriate for their organizations. Reflecting interest it has generated to-date, HIT is optimistic about the prospects for its AI-powered solutions for mid-sized and larger businesses.

Last month HIT introduced a key expansion of its Do-It-Yourself Benefit System (eDIYBS) to extend eDIYBS capabilities to the mid- and large-employer market and reduce quoting timelines significantly. With this upgrade, brokers who work with organizations with 150 or more employees can upload claims files easily and HIT's AI technology capabilities processes the data quickly to generate bindable quotes for both small and large-employer segments.



### ***Shutdown & focus on healthcare access focuses attention around securing affordable healthcare***

**The government shutdown and current focus on affordable healthcare access comes as the company continues to offer solutions to lower costs and complexities around securing affordable healthcare.** According to the Centers for Medicare & Medicaid Services' National Health Expenditure Data, U.S. health care spending was about \$4.5 trillion in 2022, with the U.S. spending 2X as much on health per capita compared to the average of peer nations, according to the [Commonwealth Fund](#).

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## VALUATION

There does not seem to be a direct comprehensive competitor for HIT, which does not underwrite insurance and assume risk, but facilitates the underwriting process using its technology platform. However, using the overall insurance sector as a general benchmark, on a price-to-sales (P/S) basis, these players trade at multiples that range from under 2x to more than 5x revenue. We would also expect HIT to enjoy better growth rates than many companies at this point in its development.

As noted, we believe the government shutdown and growing focus on healthcare access creates a positive tailwind around securing affordable healthcare, while concurrently the company continues to expand and strengthen its platform and offering suite. Thus, we raise the P/S multiple we use to a premium relative to the above noted range. We assign a roughly 95% risk adjustment confidence multiple to revised 2025 revenue 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 \$4.50 per HIT share compared to \$3.25 earlier. If the company delivers milestones earlier than anticipated, it could impact these multiples and adjustments.

If HIT can deliver on its growth initiatives, in success we would anticipate share price appreciation over time. 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. We believe the risk / reward ratio could be attractive for investors who have a higher than average risk tolerance and longer time horizon.

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## RECENT NEWS

- On September 30, 2025, HIT and AlphaTON Capital signed an LOI to develop HITChain.
- On September 22, 2025, HIT upgraded its eDIYBS platform and showcased the enhanced eDIYBS platform at SIIA on October 9, 2025.
- HIT Strengthened its leadership on September 5, 2025.
- HIT announced 2Q25 results on July 21, 2025.
- HIT announced a new Advisory Board and new advisor on April 30, 2025.
- On April 14, 2025, HIT announced 1Q25 financial results.
- Health In Tech expanded its executive team on March 17, 2025, to drive growth and innovation.
- On January 27, 2025, HIT announced plans to attend the 2025 HCAA Executive Forum with Self-Funding Solutions.
- Health In Tech announced a collaboration with MARPAI and Vitable DPC to offer competitive quotes in enhanced self-funded solutions on January 22, 2025.
- Health In Tech closed its Initial Public Offering on December 24, 2024.

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## RISKS

We believe risks to Health in Tech achieving its goals, and to The company's valuation, include the following, among other risks.

- HIT might not gain market share in new areas as quickly as the company expects, which could lead to slower than anticipated revenue ramp.
- 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.
- Insiders hold a controlling interest in the company's voting rights, making HIT a controlled company. The interests of insiders might differ from those of other shareholders.
- The company faces technology risk. Its platform is new generation but competitors might launch newer technology capabilities that would require HIT to further upgrade.
- General economic and policy uncertainty might impact HIT more than we anticipate.

## FINANCIAL MODEL

### Health in Tech

#### Health in Tech Income Statement and Projections (\$)

	1Q24	2Q24	3Q24	4Q24*	2024	1Q25A	2Q25A	3Q25E	4Q25E	2025E
Revenue underwriting modeling (ICE)	\$1,784,635	\$1,639,105	\$1,528,451	\$1,697,080	\$6,649,271	\$2,351,984	\$2,090,576	\$2,116,891	\$1,905,202	\$8,464,654
<i>Revenues from fees:</i>										
SMR	2,532,922	2,595,545	2,250,549	2,470,284	9,849,300	5,663,000	\$7,223,273	4,933,045	\$5,322,856	23,142,174
HI Card	807,374	767,840	679,921	737,200	2,992,335	-	-	-	-	-
Total fee revenues	3,340,296	3,363,385	2,930,470	3,207,484	12,841,635	5,663,000	7,223,273	4,933,045	5,322,856	23,142,174
<b>Total revenues</b>	<b>\$5,124,931</b>	<b>\$5,002,490</b>	<b>\$4,458,921</b>	<b>\$4,904,564</b>	<b>\$19,490,906</b>	<b>\$8,014,984</b>	<b>\$9,313,849</b>	<b>\$7,049,936</b>	<b>\$7,228,058</b>	<b>\$31,606,828</b>
Cost of revenues	989,911	974,727	979,628	1,107,173	4,051,439	2,659,585	3,003,979	2,199,580	2,168,417	10,031,562
Gross profit	4,135,020	4,027,763	3,479,293	3,797,391	15,439,467	5,355,399	6,309,870	4,850,356	5,059,641	21,575,266
<i>Operating expenses</i>										
Sales and marketing expenses	1,043,208	974,522	508,467	632,060	3,158,257	1,090,255	1,226,738	895,797	868,923	4,081,713
G&A expenses	1,999,194	1,816,679	1,813,520	2,848,014	8,477,407	3,246,765	3,775,453	3,520,026	3,521,786	14,064,029
R&D	760,196	701,626	718,424	633,653	2,813,899	537,721	582,609	565,736	571,394	2,257,460
Total operating expenses	3,802,598	3,492,827	3,040,411	4,113,727	14,449,563	4,874,741	5,584,800	4,981,559	4,962,103	20,403,203
<i>Other income (expense):</i>										
Interest income	24,312	31,339	38,460	28,774	122,885	85,366	108,198			
Interest expenses	(165,000)	(165,000)	(165,000)	-	(495,000)					-
Other income / (expense) net	-	-	94,397	176,814	271,211	118,399	-	-	-	-
Total other income (expense)	(140,688)	(133,661)	(32,143)	205,588	(100,904)	203,765	108,198	146,711	145,244	603,917
Pretax income	191,734	401,275	406,739	(110,748)	889,000	684,423	833,268	15,508	242,782	1,775,981
Taxes	(91,198)	(63,268)	(30,653)	(33,404)	(218,523)	(185,831)	(202,637)	(3,830)	(65,551)	(457,850)
Net income continuing operations	100,536	338,007	376,086	(144,152)	670,477	498,592	630,631	11,677	177,231	1,318,131
Discontinued operations	-	-	-	-	-	-	-	-	-	-
<i>Net income per share</i>										
Continuing operations	\$0.00	\$0.01	\$0.01	(\$0.00)	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02
Discontinued operations	-	-	-	-	-	-	-	-	-	-
Avg shares out FD	51,769,358	51,769,358	51,769,358	52,716,018	53,662,677	56,996,936	55,632,357	55,632,757	55,632,857	55,973,727

Source: Company reports, Zacks

\*Implied

## HISTORICAL STOCK PRICE



Source: Yahoo Finance

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