

March 12, 2026

# Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Michael Kim  
312-265-9371  
mkim@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

## CareCloud, Inc.

(CCLD-NASDAQ)

### CCLD: 4Q25 Earnings – Building Earnings Power and FCF Driven by Improving Profitability/Margins

On a non-GAAP adjusted basis, CCLD reported 4Q25 EPS of \$0.10, or a penny shy of our \$0.11 estimate. Relative to our model, higher-than-forecast revenue was offset by higher operating expenses. Edging up our 2026 adjusted EPS estimate by a couple of pennies to at \$0.46, and introducing a 2027 estimate of \$0.54. No change to our \$6.00 price target.

### OUTLOOK

Key 4Q25 takeaways include: 1) following the acquisition of Medsphere in August 2025, CCLD recently announced agreements to provide comprehensive clinical supply chain solutions to a community hospital in Ohio, as well as emergency department information system services to an urgent care provider in Texas; 2) stepping back, management remains focused on cross-selling CareCloud's legacy Electronic Health Record (EHR), Practice Management (PM), and Revenue Cycle Management services across Medsphere's existing inpatient EHR and RCM relationships; and 3) in light of ongoing growth in recurring revenue, expanding margins, and rising cash flows over the last 12+ months, the Board recently started paying double monthly dividends on the company's Series B Preferred Stock (one regular dividend along with one catch-up distribution).

Current Price (3/11/26) \$2.66  
Valuation \$6.00

### SUMMARY DATA

52-Week High \$4.01  
52-Week Low \$1.14  
One-Year Return (%) 66.25  
Beta (5Y Monthly) 2.15  
Average Daily Volume (3 mo) 298,871

Shares Outstanding (mil) 43  
Market Capitalization (\$mil) \$114  
Short Interest Ratio (days) N/A  
Institutional Ownership (%) 25  
Insider Ownership (%) 38

Annual Cash Dividend \$0.00  
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates  
Sales (%) 2.4  
Earnings Per Share (%) N/A  
Dividend (%) N/A

P/E using TTM EPS 7.8  
P/E using 2026 Estimate 5.8  
P/E using 2027 Estimate 4.9

Risk Level High  
Type of Stock Small-Value  
Industry Health Info. Services

### ZACKS ESTIMATES

#### Revenues

(in thousands of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	25,962 A	28,090 A	28,546 A	28,239 A	110,837 A
2025	27,632 A	27,377 A	31,067 A	34,423 A	120,499 A
2026	31,796 E	31,485 E	33,094 E	34,363 E	130,738 E
2027					143,741 E

#### Adjusted Earnings/Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	\$0.01 A	\$0.18 A	\$0.21 A	\$0.23 A	\$0.64 A
2025	\$0.05 A	\$0.08 A	\$0.10 A	\$0.10 A	\$0.34 A
2026	\$0.11 E	\$0.11 E	\$0.12 E	\$0.12 E	\$0.46 E
2027					\$0.54 E

Quarterly revenues/EPS may not equal annual revenues/EPS due to rounding.

## 4Q25 EARNINGS REVIEW

Pre-market open on 3/12/26, CareCloud reported 4Q25 earnings results. For the quarter, CCLD reported GAAP net income of \$2.9 million representing the company's seventh consecutive positive net income quarter. After taking into consideration preferred stock dividends, the company reported net income attributable to common shareholders of \$1.5 million, or \$0.04 per share, for 4Q25 – CCLD's third consecutive profitable quarter inclusive of preferred stock dividend payments, and up from essentially breakeven, or \$0.00 per share, for 4Q24. Much of the year-over-year variance can be attributed to a 22% step up in revenue combined with meaningfully lower preferred stock dividends, partially offset by higher operating expense (skewed by an increase in amortization of purchased intangible assets and transaction/integration costs).

Excluding stock-based compensation expense, amortization of purchased intangible assets, other (income)/expense, transaction and integration costs, as well as preferred stock dividends, Adjusted EPS totaled \$0.10 based on our calculations, or a penny shy of our \$0.11 estimate. Relative to our model, higher-than-forecast operating expenses primarily drove the slight Adjusted EPS miss (Exhibits 1 and 2).

Focusing on the top line, CCLD generated \$34.4 million of revenue during 4Q25, or 6% above our \$32.5 million forecast 22% higher relative to \$28.2 million for the year-ago quarter. Total operating expenses of \$31.3 million in 4Q25 were up 26% from the year-ago period, and came in 9% ahead of our \$28.7 million forecast, with much of the unfavorable variance centered in higher direct operating costs, selling & marketing, R&D, and depreciation/amortization costs. Finally, Adjusted EBITDA totaled \$7.7 million for 4Q25, up from \$7.1 million in the year-ago quarter.

### Exhibit 1: 4Q25 GAAP Actual vs. Estimates (\$ thousands)

	4Q25		Change	
	Actual	Estimate	\$	%
<b>Net Revenue</b>	<b>34,423</b>	<b>32,476</b>	<b>1,947</b>	<b>6.0%</b>
<b>Operating Expenses:</b>				
Direct operating costs	18,288	16,895	1,393	8.2%
Selling and marketing	1,446	1,174	272	23.2%
General and administrative	4,809	5,044	(235)	-4.7%
Research and development	2,543	1,591	952	59.8%
Change in contingent consideration	0	0	0	NM
Depreciation and amortization	4,219	4,022	197	4.9%
Goodwill impairment charges	0	17	(17)	-100.0%
Lease charges/restructuring costs	0	0	0	NM
<b>Total Operating Expenses</b>	<b>31,305</b>	<b>28,743</b>	<b>2,562</b>	<b>8.9%</b>
<b>Operating Income/(Loss)</b>	<b>3,118</b>	<b>3,734</b>	<b>(616)</b>	<b>-16.5%</b>
Interest income	18	62	(44)	-71.2%
Interest expense	(14)	(162)	148	-91.4%
Other income/(expense), net	(161)	(55)	(106)	192.7%
<b>Pre-Tax Income/(Loss)</b>	<b>2,961</b>	<b>3,579</b>	<b>(618)</b>	<b>-17.3%</b>
Income tax provision	73	50	23	47.2%
<b>Net Income/(Loss)</b>	<b>2,888</b>	<b>3,529</b>	<b>(641)</b>	<b>-18.2%</b>
Preferred stock dividend	1,365	1,365	0	0.0%
<b>Net Loss Attributable to Common S/Hs</b>	<b>1,523</b>	<b>2,164</b>	<b>(641)</b>	<b>-29.6%</b>
<b>Earnings/(loss) per common share</b>	<b>\$0.04</b>	<b>\$0.05</b>	<b>(\$0.02)</b>	<b>-29.7%</b>
Weighted average shares outstanding	42,572	42,503	69	0.2%

Source: Company Reports and Zacks Small Cap Research estimates and calculations.

**Exhibit 2: 4Q25 Non-GAAP Adjusted Actual vs. Estimates**  
(\$ thousands)

	4Q25		Change	
	Actual	Estimate	\$	%
<b>Non-GAAP Adjusted Net Income</b>				
GAAP net income (loss)	2,888	3,529	(641)	-18.2%
Foreign exchange (gain) loss / other expense	164	50	114	228.0%
Stock-based compensation expense (benefit)	147	88	59	67.0%
Amortization of purchased intangible assets	1,053	794	259	32.6%
Transaction and integration costs	205	391	(186)	-47.6%
Goodwill impairment/restructuring charges	0	17	(17)	-100.0%
Lease charges	0	0	0	NM
Change in contingent consideration	0	0	0	NM
Income tax provision related to goodwill	0	0	0	NM
<b>Non-GAAP adjusted net income</b>	<b>4,457</b>	<b>4,869</b>	<b>(412)</b>	<b>-8.5%</b>
<hr/>				
<b>Non-GAAP adjusted diluted earnings per share</b>	<b>\$0.10</b>	<b>\$0.11</b>	<b>(\$0.01)</b>	<b>-8.6%</b>
<hr/>				
Total fully diluted shares	42,816	42,768	48	0.1%

Source: Company Reports and Zacks Small Cap Research estimates and calculations.

---

## KEY TAKEAWAYS

Following our review of 4Q25 results, we highlight the following key takeaways:

- 1. Increasingly leveraging a more robust/AI-centric services platform:** Following the acquisition of Medsphere in August 2025, management remains focused on tapping into Medsphere's existing inpatient EHR and RCM relationships across small- and mid-sized hospitals to complement and integrate with the company's AI-driven ambulatory, RCM, and analytics offerings. Indeed, CCLD recently agreed to provide comprehensive clinical supply chain solutions to Memorial Hospital in Marysville, Ohio. More specifically, Medsphere's HealthLine platform enhances inventory management by upgrading tracking and visibility and heightens revenue capture through improved charge capture accuracy, while reallocating clinicians' time/resources to patient care.

Similarly, the company recently announced Affinity Urgent Care, a multi-site urgent care services provider located in Houston, Texas, selected Wellsoft, Medsphere's emergency department information system (EDIS). The agreement brings Wellsoft's comprehensive clinical workflow engine to the high-growth urgent care market, thereby enhancing documentation, operating efficiencies, and revenue optimization. Furthermore, the Medsphere acquisition provides opportunities to more broadly cross-sell CareCloud's legacy Electronic Health Record (EHR), Practice Management (PM), and Revenue Cycle Management services.

- 2. Accelerating capital management story:** Senior officials remain focused on continuing to strengthen balance sheet. To be sure, management recently fully paid down the company's \$10 million credit facility through internally-generated cash flows. From a cash flow perspective, CCLD generated \$20.5 million of cash flow from operations in 2025, up from \$13.2 million in 2024. Looking ahead, our model calls for continued growth reflecting rising revenues and ongoing margin expansion. Beyond maintaining ample capacity to continue to reinvest for growth and capitalize on incremental M&A opportunities, the Board recently started paying double monthly dividends on the company's 8.75% Series B Preferred Stock. As background, the Board temporarily suspended monthly dividend payments from November 2023 through December 2024 to improve cash flows and margins. In light of ongoing growth in recurring revenue, expanding margins, and rising cash flows over the last 12+ months, the decision was made to pay one regular monthly dividend along with one catch-up distribution each month starting in January 2026.

---

## REFINING EPS ESTIMATES; NO CHANGE TO \$6.00 PRICE TARGET

On a GAAP basis, our updated model calls net income attributable to common shareholders of \$0.23 per share for 2026 (at the high end of management's guidance range of \$0.20 to \$0.23) followed by \$0.32 per share in 2027. Excluding 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, we forecast Adjusted EPS of \$0.46 for 2026 (versus our prior estimate of \$0.44) and \$0.54 for 2027. From a top line perspective, we forecast total revenues of \$130.7 million in 2026 (within management's \$128 million to \$132 million guidance range) followed by \$143.7 million in 2027, as business development initiatives increasingly take hold and management captures incremental economics from existing customers via complementary services. Furthermore, senior executives provided 2026 Adjusted EBITDA guidance of \$29 million to \$31 million.

Turning to valuation, no change to \$6.00 DCF-derived price target representing meaningful upside potential from current levels. We continue to look for an upward revaluation for shares of CCLD, as awareness and appreciation of the company's unique business model, durable competitive advantages, and reaccelerating growth prospects compound. Moreover, comparable Healthcare Information Services small cap stocks continue to trade at meaningfully higher Price-to-Earnings multiples across the board, thereby reinforcing our valuation work.

## INVESTMENT THESIS

CareCloud provides technology-enabled Revenue Cycle Management (RCM), Electronic Health Records (EHR), Practice Management (PM), digital health, and other business solutions to healthcare practices across a fully integrated platform, or via discrete Software-as-a-Service (SaaS) agreements.

Our investment thesis revolves around:

- 1. Unique/integrated healthcare technology/business services platform:** Healthcare organizations continue to face various operational headwinds including ongoing transitions to technology-focused/value-based care models, reimbursement challenges, as insurance plans continue to evolve, mounting data entry/management administrative burdens, and staffing turnover/shortages, amongst others. As such, we believe CareCloud remains well positioned to leverage the company's integrated suite of business/technology solutions designed to help medical practices optimize collections, drive operational efficiencies, increasingly leverage data/analytics, improve customer experiences, and ultimately accelerate growth.

Importantly, CareCloud maintains three key differentiating factors that we believe position the company for ongoing market share gains. First, CareCloud provides healthcare practices with revenue cycle management services integrated within the company's proprietary technology platform. Second, management remains focused on increasingly leveraging the company's proprietary technology to streamline operations and improve customer experiences for healthcare providers, and ultimately accelerate growth for CareCloud. Finally, CCLD typically offers more competitive pricing versus peers primarily reflecting the company's offshore infrastructure.

- 2. Setting the stage for reaccelerating growth:** Following a period of declining revenue (mostly a function of acquisition dis-synergies), we believe the stars are aligning for reaccelerating growth. At a high level, CCLD remains well positioned to increasingly tap into an estimated \$155 billion Total Addressable Market (TAM) revenue opportunity, we believe. Focusing on organic growth, we believe CCLD's comprehensive/integrated suite of RCM, EHR, and practice management services combined with the company's proprietary technology and lower-cost offshore workforce remain key differentiated factors.
- 3. Increasingly leveraging M&A:** In addition to organic initiatives, we look for stepped up acquisition activity to increasingly turbocharge growth. Indeed, CCLD maintains a long and successful track record of acquiring RCM companies. The CCLD M&A playbook typically includes buying distressed and/or sub-scale RCM companies that lack proprietary technology at less than 1x sales to acquire existing customer relationships. Post-acquisition, management leverages CareCloud's technology capabilities and offshore talent to reduce labor costs, improve efficiencies, and drive outsized Returns on Investment (ROIs) and strong revenue growth.
- 4. Strengthening balance sheet:** Following more recent moves to bolster the balance sheet, management is seemingly "switching to offense" from a capital allocation perspective. Looking ahead, priorities likely remain reinvesting in the business to accelerate growth and capitalizing on M&A opportunities.

---

## INVESTMENT RISKS

- 1. Regulatory landscape:** The healthcare industry remains highly regulated, with CCLD's various business lines subject to numerous Federal agencies, acts, regulations, and state laws. Failure to comply with applicable regulations may adversely impact the company's operations, increase costs, and/or expose CCLD to material legal liabilities/penalties. Moreover, the new administration in the U.S. adds incremental uncertainty around potential healthcare reform.
- 2. Offshore operations:** Much of CCLD's pricing and margin competitive advantages can be linked to the company's offshore operations, with approximately 90% of the company's employees based in Pakistan and Sri Lanka. Political/social unrest, deteriorating employee relations, waning infrastructure, FX volatility, legal/regulatory changes, or trade/tariff policy shifts may adversely impact operations, thereby compromising CCLD's operations, expense structure, and/or profitability.
- 3. Variable revenue structure:** A majority of CCLD's revenues are based on variable metrics, i.e., a percentage of payments collected for RCM contracts or a percentage of operating profits for turnkey medical practice management clients, thereby heightening top line volatility. External factors that may pressure CCLD's revenue include unanticipated changes in government/regulatory programs, insurance reimbursement policies, the level/pace of contract renewals, and/or medical practice client profits, as well as broader healthcare industry trends.
- 4. M&A execution:** We expect acquisitions to play an increasingly important role in CCLD's growth trajectory. That said, all transactions carry meaningful execution and operational risks. Furthermore, shareholders likely risk dilution, assuming prospective deals are at least partially financed with equity, with CCLD carrying higher interest expense should management opt to fund incremental acquisitions by tapping the company's existing line of credit and/or issuing debt. Finally, while management has historically remained disciplined on upfront pricing, stepped-up customer attrition following a change-of-control (not uncommon for RCM M&A) can materially compromise longer-term returns on investments.

## PROJECTED GAAP INCOME STATEMENT

CareCloud, Inc.  
(\$ thousands)

	Quarterly								Annual				Y/Y Growth		
	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E	2025	2026E	2027E
	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Dec-24	Dec-25	Dec-26	Dec-27	Dec-25	Dec-26	Dec-27
<b>Revenues:</b>															
<u>Healthcare IT</u>															
Technology-enabled business solutions	17,705	18,991	21,608	25,070	21,830	23,116	23,671	25,070	73,672	83,374	93,687	104,929	13%	12%	12%
Professional services	5,891	4,076	4,143	4,657	5,891	4,076	4,143	4,657	18,202	18,767	18,767	19,705	3%	0%	5%
Printing and mailing services	879	802	875	919	879	802	875	919	3,579	3,475	3,475	3,648	-3%	0%	5%
Group purchasing services	168	208	213	224	207	191	177	164	952	813	739	684	-15%	-9%	-8%
<u>Medical Practice Management</u>															
Medical practice management services	2,989	3,300	4,228	3,554	2,989	3,300	4,228	3,554	14,432	14,071	14,071	14,774	-3%	0%	5%
<b>Total Revenues</b>	<b>27,632</b>	<b>27,377</b>	<b>31,067</b>	<b>34,423</b>	<b>31,796</b>	<b>31,485</b>	<b>33,094</b>	<b>34,363</b>	<b>110,837</b>	<b>120,499</b>	<b>130,738</b>	<b>143,741</b>	<b>9%</b>	<b>8%</b>	<b>10%</b>
<b>Operating Expenses:</b>															
Direct operating costs	15,464	14,480	16,224	18,288	16,892	16,727	17,582	18,256	60,842	64,456	69,458	75,647	6%	8%	9%
Selling and marketing	1,131	1,118	1,123	1,446	1,271	1,259	1,323	1,374	6,232	4,818	5,227	5,460	-23%	8%	4%
General and administrative	4,332	4,358	4,887	4,809	4,442	4,399	4,623	4,801	16,123	18,386	18,265	19,794	14%	-1%	8%
Research and development	1,235	1,020	1,584	2,543	1,749	1,732	1,820	1,890	3,781	6,382	7,191	7,906	69%	13%	10%
Change in contingent consideration	0	0	0	0	0	0	0	0	0	0	0	0	NM	NM	NM
Depreciation and amortization	3,337	3,382	4,022	4,219	3,750	3,750	3,750	3,750	14,142	14,960	15,000	15,000	6%	0%	0%
Goodwill impairment/restructuring charge	0	23	17	0	0	0	0	0	0	40	0	0	NM	-100%	NM
Loss on lease terminations, unoccupied lea	114	0	0	0	0	0	0	0	596	114	0	0	-81%	-100%	NM
<b>Total Expenses</b>	<b>25,613</b>	<b>24,381</b>	<b>27,857</b>	<b>31,305</b>	<b>28,104</b>	<b>27,867</b>	<b>29,098</b>	<b>30,071</b>	<b>101,716</b>	<b>109,156</b>	<b>115,140</b>	<b>123,806</b>	<b>7%</b>	<b>5%</b>	<b>8%</b>
<b>Operating Income/(Loss)</b>	<b>2,019</b>	<b>2,996</b>	<b>3,210</b>	<b>3,118</b>	<b>3,692</b>	<b>3,619</b>	<b>3,995</b>	<b>4,292</b>	<b>9,121</b>	<b>11,343</b>	<b>15,598</b>	<b>19,935</b>	<b>24%</b>	<b>38%</b>	<b>28%</b>
Interest income	42	51	95	18	15	15	15	16	88	206	61	64	134%	-70%	4%
Interest expense	(58)	(68)	(147)	(14)	(21)	(21)	(21)	(21)	(900)	(287)	(85)	(85)	NM	NM	NM
Other income/(expense), net	(14)	(35)	(55)	(161)	0	0	0	0	(298)	(265)	0	0	NM	NM	NM
<b>Pre-Tax Income/(Loss)</b>	<b>1,989</b>	<b>2,944</b>	<b>3,103</b>	<b>2,961</b>	<b>3,685</b>	<b>3,613</b>	<b>3,989</b>	<b>4,287</b>	<b>8,011</b>	<b>10,997</b>	<b>15,575</b>	<b>19,914</b>	<b>37%</b>	<b>42%</b>	<b>28%</b>
Income tax provision	41	42	43	73	67	65	72	78	160	199	282	360	24%	42%	28%
<b>Net Income/(Loss)</b>	<b>1,948</b>	<b>2,902</b>	<b>3,060</b>	<b>2,888</b>	<b>3,619</b>	<b>3,548</b>	<b>3,917</b>	<b>4,209</b>	<b>7,851</b>	<b>10,798</b>	<b>15,293</b>	<b>19,553</b>	<b>38%</b>	<b>42%</b>	<b>28%</b>
Preferred stock dividend	2,811	1,365	1,365	1,365	1,365	1,365	1,365	1,365	12,310	6,906	5,460	5,460	-44%	-21%	0%
<b>Net Income/(Loss) Attributable to Common</b>	<b>(863)</b>	<b>1,537</b>	<b>1,695</b>	<b>1,523</b>	<b>2,254</b>	<b>2,183</b>	<b>2,552</b>	<b>2,844</b>	<b>(4,459)</b>	<b>3,892</b>	<b>9,833</b>	<b>14,093</b>	<b>NM</b>	<b>153%</b>	<b>43%</b>
<b>Earnings/(loss) per common share</b>	<b>(\$0.04)</b>	<b>\$0.04</b>	<b>\$0.04</b>	<b>\$0.04</b>	<b>\$0.05</b>	<b>\$0.05</b>	<b>\$0.06</b>	<b>\$0.07</b>	<b>(\$0.28)</b>	<b>\$0.10</b>	<b>\$0.23</b>	<b>\$0.32</b>	<b>NM</b>	<b>123%</b>	<b>41%</b>
Weighted average shares outstanding	23,814	42,322	42,369	42,572	42,716	42,929	43,144	43,359	16,147	37,954	43,037	43,902	135%	13%	2%

Source: Company reports and Zacks SCR estimates and calculations.

# PROJECTED ADJUSTED INCOME STATEMENT

CareCloud, Inc.

(\$ thousands)

	Quarterly								Annual				Y/Y Growth		
	1Q25 Mar-25	2Q25 Jun-25	3Q25 Sep-25	4Q25 Dec-25	1Q26E Mar-26	2Q26E Jun-26	3Q26E Sep-26	4Q26E Dec-26	2024 Dec-24	2025 Dec-25	2026E Dec-26	2027E Dec-27	2025 Dec-25	2026E Dec-26	2027E Dec-27
<b>Non-GAAP Adjusted Net Income</b>															
GAAP net income (loss)	1,948	2,902	3,060	2,888	3,619	3,548	3,917	4,209	7,851	10,798	15,293	19,553	38%	42%	28%
Foreign exchange (gain) loss / other expense	19	41	60	164	0	0	0	0	335	284	0	0	-15%	-100%	NM
Stock-based compensation expense (benefit)	108	111	88	147	100	100	100	100	115	454	400	440	295%	-12%	10%
Amortization of purchased intangible assets	89	193	794	1,053	1,053	1,053	1,053	1,053	1,577	2,129	4,212	4,212	35%	98%	0%
Transaction and integration costs	12	11	391	205	0	0	0	0	46	619	0	0	1246%	-100%	NM
Goodwill impairment/restructuring charge	0	23	17	0	0	0	0	0	0	40	0	0	NM	-100%	NM
Loss on lease terminations, unoccupied lease	114	0	0	0	0	0	0	0	596	114	0	0	-81%	-100%	NM
Change in contingent consideration	0	0	0	0	0	0	0	0	0	0	0	0	NM	NM	NM
Income tax provision related to goodwill	0	0	0	0	0	0	0	0	0	0	0	0	NM	NM	NM
<b>Non-GAAP adjusted net income</b>	<b>2,290</b>	<b>3,281</b>	<b>4,410</b>	<b>4,457</b>	<b>4,772</b>	<b>4,701</b>	<b>5,070</b>	<b>5,362</b>	<b>10,520</b>	<b>14,438</b>	<b>19,905</b>	<b>24,205</b>	<b>37%</b>	<b>38%</b>	<b>22%</b>
<b>Non-GAAP adjusted diluted earnings per sh</b>	<b>\$0.05</b>	<b>\$0.08</b>	<b>\$0.10</b>	<b>\$0.10</b>	<b>\$0.11</b>	<b>\$0.11</b>	<b>\$0.12</b>	<b>\$0.12</b>	<b>\$0.64</b>	<b>\$0.34</b>	<b>\$0.46</b>	<b>\$0.54</b>	<b>-47%</b>	<b>35%</b>	<b>19%</b>
End-of-period shares	42,321	42,322	42,397	42,609	42,822	43,036	43,251	43,468	16,256	42,609	43,468	44,337	162%	2%	2%
Outstanding unvested RSUs	154	153	203	207	211	215	220	224	243	207	224	228	-15%	8%	2%
Total fully diluted shares	42,475	42,475	42,600	42,816	43,033	43,251	43,471	43,692	16,499	42,816	43,692	44,565	160%	2%	2%
<b>Free Cash Flow</b>															
Net cash provided by operating activities	5,113	7,408	7,365	8,675	8,447	8,365	8,787	9,120	20,642	28,561	34,718	39,620	38%	22%	14%
Purchases of property and equipment	(624)	(1,162)	(869)	(2,123)	(1,195)	(1,195)	(1,195)	(1,195)	(1,697)	(4,778)	(4,778)	(5,160)	NM	NM	NM
Capitalized software and other intangible as:	(846)	(831)	(828)	(744)	(812)	(812)	(812)	(812)	(5,709)	(3,249)	(3,249)	(3,509)	NM	NM	NM
<b>Free cash flow</b>	<b>3,643</b>	<b>5,415</b>	<b>5,668</b>	<b>5,808</b>	<b>6,440</b>	<b>6,358</b>	<b>6,780</b>	<b>7,113</b>	<b>13,236</b>	<b>20,534</b>	<b>26,691</b>	<b>30,951</b>	<b>55%</b>	<b>30%</b>	<b>16%</b>
<b>Adjusted EBITDA</b>															
GAAP net income (loss)	1,948	2,902	3,060	2,888	3,619	3,548	3,917	4,209	7,851	10,798	15,293	19,553	38%	42%	28%
Provision for income taxes	41	42	43	73	67	65	72	78	160	199	282	360	24%	42%	28%
Net interest expense	16	17	52	(4)	6	6	6	6	812	81	23	21	-90%	-71%	-11%
Foreign exchange (gain) loss / other expense	19	41	60	164	0	0	0	0	335	284	0	0	-15%	-100%	NM
Stock-based compensation expense (benefit)	108	111	88	147	100	100	100	100	115	454	400	440	295%	-12%	10%
Depreciation and amortization	3,337	3,382	4,022	4,219	3,750	3,750	3,750	3,750	14,142	14,960	15,000	15,000	6%	0%	0%
Transaction and integration costs	12	11	391	205	0	0	0	0	46	619	0	0	1246%	-100%	NM
Goodwill impairment/restructuring charge	0	23	17	0	0	0	0	0	0	40	0	0	NM	-100%	NM
Loss on lease terminations, unoccupied lease	114	0	0	0	0	0	0	0	596	114	0	0	-81%	-100%	NM
Change in contingent consideration	0	0	0	0	0	0	0	0	0	0	0	0	NM	NM	NM
<b>Adjusted EBITDA</b>	<b>5,595</b>	<b>6,529</b>	<b>7,733</b>	<b>7,692</b>	<b>7,542</b>	<b>7,469</b>	<b>7,845</b>	<b>8,142</b>	<b>24,057</b>	<b>27,549</b>	<b>30,998</b>	<b>35,375</b>	<b>15%</b>	<b>13%</b>	<b>14%</b>
<b>Adjusted Operating Income</b>															
GAAP operating income (loss)	2,019	2,996	3,210	3,118	3,692	3,619	3,995	4,292	9,121	11,343	15,598	19,935	24%	38%	28%
Stock-based compensation expense (benefit)	108	111	88	147	100	100	100	100	115	454	400	440	295%	-12%	10%
Amortization of purchased intangible assets	89	193	794	1,053	1,053	1,053	1,053	1,053	1,577	2,129	4,212	4,212	35%	98%	0%
Transaction and integration costs	12	11	391	205	0	0	0	0	46	619	0	0	1246%	-100%	NM
Goodwill impairment charges	0	23	17	0	0	0	0	0	0	40	0	0	NM	-100%	NM
Loss on lease terminations, unoccupied lease	114	0	0	0	0	0	0	0	596	114	0	0	-81%	-100%	NM
Change in contingent consideration	0	0	0	0	0	0	0	0	0	0	0	0	NM	NM	NM
<b>Adjusted Operating Income</b>	<b>2,342</b>	<b>3,334</b>	<b>4,500</b>	<b>4,523</b>	<b>4,845</b>	<b>4,772</b>	<b>5,148</b>	<b>5,445</b>	<b>11,455</b>	<b>14,699</b>	<b>20,210</b>	<b>24,587</b>	<b>28%</b>	<b>37%</b>	<b>22%</b>

Source: Company reports and Zacks SCR estimates and calculations.

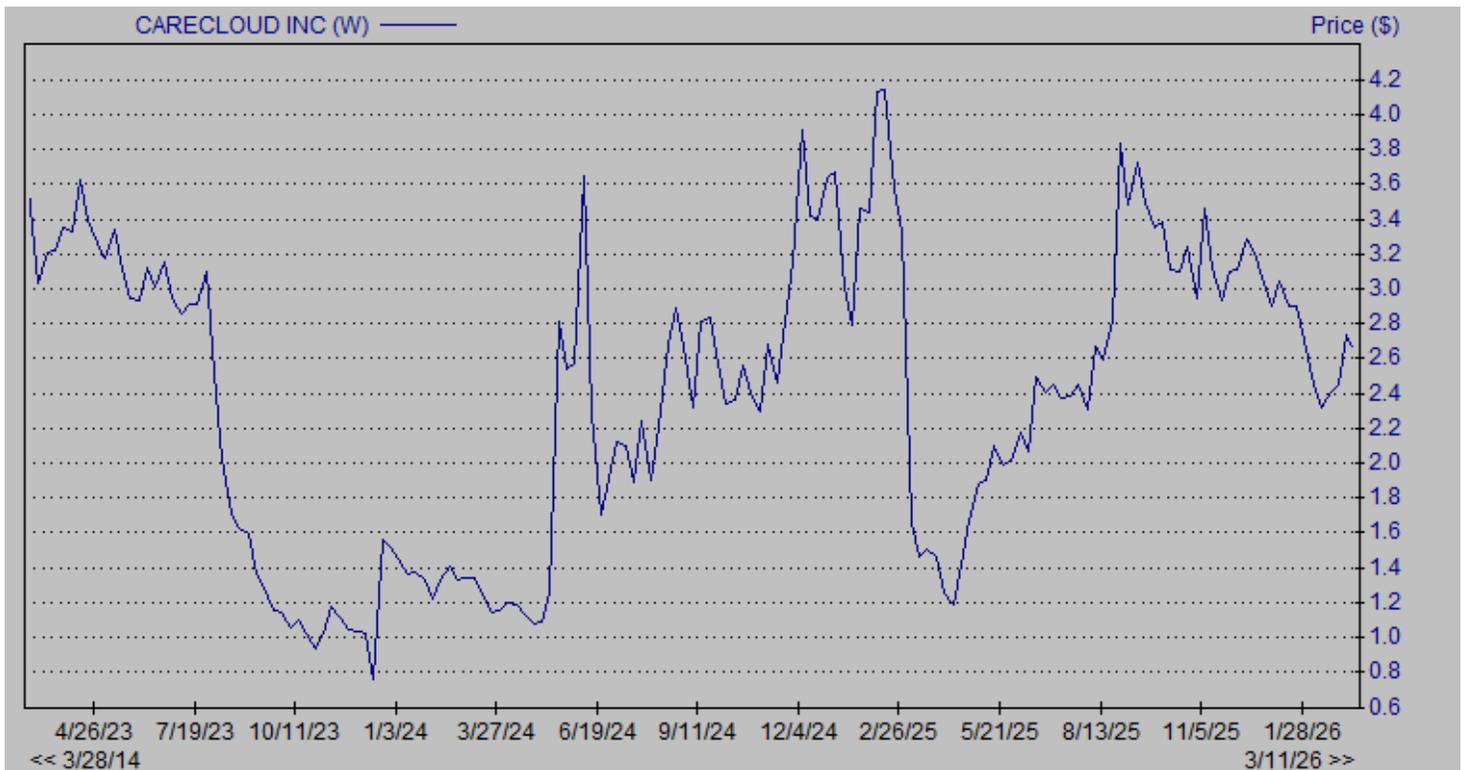
# PROJECTED BALANCE SHEET

CareCloud, Inc.  
(\$ thousands)

	Quarterly								Annual				Y/Y Growth		
	<u>1Q25</u>	<u>2Q25</u>	<u>3Q25</u>	<u>4Q25</u>	<u>1Q26E</u>	<u>2Q26E</u>	<u>3Q26E</u>	<u>4Q26E</u>	<u>2024</u>	<u>2025</u>	<u>2026E</u>	<u>2027E</u>	<u>2025</u>	<u>2026E</u>	<u>2027E</u>
	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Dec-24	Dec-25	Dec-26	Dec-27	Dec-25	Dec-26	Dec-27
<b>Assets:</b>															
Cash	6,805	10,440	5,073	3,617	3,653	3,690	3,727	3,764	5,145	3,617	3,764	3,914	-30%	4%	4%
Accounts receivable - net	13,887	13,563	15,319	15,062	15,363	15,671	15,984	16,304	12,774	15,062	16,304	17,608	18%	8%	8%
Contract asset	4,457	3,955	3,957	3,664	3,737	3,812	3,888	3,966	4,334	3,664	3,966	4,283	-15%	8%	8%
Inventory	609	523	605	507	517	527	538	549	574	507	549	593	-12%	8%	8%
Current assets - related party	16	16	16	16	16	16	16	16	16	16	16	16	0%	0%	0%
Prepaid expenses and other current assets	2,843	2,593	4,294	2,872	2,929	2,988	3,048	3,109	1,957	2,872	3,109	3,357	47%	8%	8%
Total current assets	28,617	31,090	29,264	25,738	26,216	26,704	27,201	27,707	24,800	25,738	27,707	29,772	4%	8%	7%
Property and equipment - net	5,323	5,828	6,314	7,775	7,931	8,089	8,251	8,416	5,290	7,775	8,416	9,089	47%	8%	8%
Operating lease right-of-use assets	3,097	3,058	2,781	3,106	3,168	3,231	3,296	3,362	3,133	3,106	3,362	3,631	-1%	8%	8%
Intangible assets - net	16,877	15,512	21,257	18,968	18,589	18,217	17,853	17,495	18,698	18,968	17,495	16,096	1%	-8%	-8%
Goodwill	19,186	19,192	30,411	31,442	31,442	31,442	31,442	31,442	19,186	31,442	31,442	31,442	64%	0%	0%
Other assets	456	564	549	569	580	592	604	616	507	569	616	665	12%	8%	8%
<b>Total Assets</b>	<b>73,556</b>	<b>75,244</b>	<b>90,576</b>	<b>87,598</b>	<b>87,926</b>	<b>88,275</b>	<b>88,646</b>	<b>89,038</b>	<b>71,614</b>	<b>87,598</b>	<b>89,038</b>	<b>90,695</b>	<b>22%</b>	<b>2%</b>	<b>2%</b>
<b>Liabilities:</b>															
Accounts payable	4,998	4,215	6,693	6,937	6,798	6,662	6,529	6,398	4,565	6,937	6,398	5,887	52%	-8%	-8%
Accrued compensation	2,865	3,324	3,830	4,136	4,219	4,303	4,389	4,477	1,817	4,136	4,477	4,835	128%	8%	8%
Accrued expenses	5,002	4,909	5,671	5,970	6,030	6,090	6,151	6,212	4,951	5,970	6,212	6,461	21%	4%	4%
Operating lease liability (current portion)	1,355	1,294	1,105	927	908	890	872	855	1,287	927	855	787	-28%	-8%	-8%
Deferred revenue (current portion)	1,297	1,232	4,266	4,148	4,148	4,148	4,148	4,148	1,212	4,148	4,148	4,148	242%	0%	0%
Notes payable (current portion)	133	222	149	728	728	728	728	728	310	728	728	728	135%	0%	0%
Contingent consideration (current portion)		330	777	909	909	909	909	909		909	909	909	NM	0%	0%
Dividend payable	1,299	714	714	668	668	668	668	668	5,438	668	668	668	-88%	0%	0%
Total current liabilities	16,949	16,240	23,205	24,423	24,408	24,399	24,395	24,396	19,580	24,423	24,396	24,422	25%	0%	0%
Notes payable	23	86	230	441	441	441	441	441	26	441	441	441	1596%	0%	0%
Contingent consideration		426	426	232	232	232	232	232		232	232	232	NM	0%	0%
Borrowings under line of credit	0	0	6,500	0	0	0	0	0	0	0	0	0	NM	NM	NM
Operating lease liability	1,776	1,785	1,682	2,187	2,143	2,100	2,058	2,017	1,847	2,187	2,017	1,856	18%	-8%	-8%
Deferred revenue	571	631	729	809	825	842	859	876	387	809	876	946	109%	8%	8%
Deferred tax liability	60	0	0	0	0	0	0	0	0	0	0	0	NM	NM	NM
<b>Total Liabilities</b>	<b>19,379</b>	<b>19,168</b>	<b>32,772</b>	<b>28,092</b>	<b>28,050</b>	<b>28,014</b>	<b>27,984</b>	<b>27,962</b>	<b>21,840</b>	<b>28,092</b>	<b>27,962</b>	<b>27,897</b>	<b>29%</b>	<b>0%</b>	<b>0%</b>
<b>Total Shareholders' Equity</b>	<b>54,177</b>	<b>56,076</b>	<b>57,804</b>	<b>59,506</b>	<b>59,876</b>	<b>60,261</b>	<b>60,661</b>	<b>61,077</b>	<b>49,774</b>	<b>59,506</b>	<b>61,077</b>	<b>62,798</b>	<b>20%</b>	<b>3%</b>	<b>3%</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>73,556</b>	<b>75,244</b>	<b>90,576</b>	<b>87,598</b>	<b>87,926</b>	<b>88,275</b>	<b>88,646</b>	<b>89,038</b>	<b>71,614</b>	<b>87,598</b>	<b>89,038</b>	<b>90,695</b>	<b>22%</b>	<b>2%</b>	<b>2%</b>

Source: Company reports and Zacks SCR estimates and calculations.

# HISTORICAL STOCK PRICE



## DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

### ANALYST DISCLOSURES

I, Michael Kim, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

### INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.

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 non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

### POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business. SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

### ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

### CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.