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Zacks Small-Cap Research

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Healthcare Triangle, Inc. (HCTI-NASDAQ)

HCTI: 4Q25 Earnings Preview – M&A + Capital Reload + Buybacks

Ahead of 4Q25/full-year 2025 results likely to be announced later this month, we highlight several key strategic/financial announcements during the quarter.

We will to formally update our earnings model and price target in conjunction with 4Q25 earnings.

Current Price (3/13/26)	$2.90
Valuation	**$5.00**

OUTLOOK

Key 4Q25 takeaways include: 1) the company recently announced a definitive agreement to acquire certain assets from Teyame AI LLC, a leading provider of AI-powered Customer Experience (CX) solutions based in Spain, for a total consideration of up to $50 million including upfront cash, shares of HCTI common stock and convertible preferred stock, and an equity-based contingent earnout; 2) the transaction is likely to be highly accretive given the acquired assets generated ~$32 million in revenue and ~$3.6 million in EBITDA in fiscal 2025; 3) management recently announced a series of capital raises to fund the Teyame acquisition and provide working capital including a $4.0 million ATM offering, as well as issuing $15 million of senior unsecured convertible notes; and 4) senior officials remain focused on leveraging QuantamNexis, the company's subsidiary providing digital mental health solutions and AI-powered Hospital Information Systems across Asia, the Middle East, Africa, and Europe.

SUMMARY DATA

52-Week High	**$7470.00**
52-Week Low	**$2.46**
One-Year Return (%)	**-99.96**
Beta	**1.03**
Average Daily Volume (sh)	**553,177**
Shares Outstanding (mil)	**0.8**
Market Capitalization ($mil)	**$2.3**
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 (%)	**-33.4**
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	**Above-Average**
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	4,109 A	2,984 A	2,413 A	2,190 A	11,696 A
2025	3,704 A	3,558 A	3,489 A	6,106 E	16,857 E
2026					24,423 E
2027					29,308 E

Earnings/Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-$104.07 A	-$70.72 A	-$54.89 A	-$59.14 A	-$281.58 A
2025	-$43.00 A	-$0.58 A	-$0.43 A	-$0.20 E	-$1.83 E
2026					-$0.53 E
2027					-$0.22 E

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

KEY TAKEAWAYS

We highlight the following 4Q25 key takeaways:

1. **Strategic M&A:** Following the initial announcement of a Letter of Intent (LOI) in October 2025, the company recently disclosed the signing of a definitive agreement to acquire certain assets from Teyame AI LLC, a leading provider of AI-powered Customer Experience (CX) solutions based in Spain. More specifically, Teyame offers call center/telemarketing, KPI reporting/data analytics, and marketing strategy services, along with omnichannel CX platforms leveraging Agentic AI, or autonomous systems incorporating Large Language Models (LLMs) that independently plan/execute multi-step workflows. Stepping back, Teyame will likely transition into a separate subsidiary of Healthcare Triangle, with management focused on cross-selling Teyame's CX solutions to enhance patient engagement, as well as leveraging Teyame's presence in Spain to increasingly penetrate the LatAm and European markets. Terms of the transaction include a total consideration of up to $50 million consisting of upfront cash payments and shares of HCTI common stock and convertible preferred stock, as well as an equity-based contingent earnout payment. From a financial perspective, the transaction is likely to be highly accretive given the acquired assets generated ~$32 million in revenue and ~$3.6 million in EBITDA in fiscal 2025.

2. **Capital reload:** From a financing perspective, management recently announced a series of capital raises to fund the Teyame acquisition and provide working capital. More specifically, HCTI raised $4.0 million via the sale of 681,553 shares of common stock at $5.81 per share under the company's $20 million At-the-Market (ATM) offering program. Separately, the company issued $15 million of senior unsecured convertible notes, with an option to issue an incremental $15 million of notes subject to investor approvals. The first tranche of $7.5 million of notes closed in November 2025, with the second tranche issuable subsequent to an effective registration statement for the resale of related shares.

3. **Increasingly leveraging QuantumNexis:** From an organic growth standpoint, senior officials remain focused on leveraging QuantamNexis, the company's subsidiary providing digital mental health solutions and AI-powered Hospital Information Systems across Asia, the Middle East, Africa, and Europe. More recent initiatives include: a) the launch of operations in Dubai to target high-growth markets in Gulf Cooperation Council (GCC) countries; b) a joint venture with Golden Code Holdings in Saudi Arabia to capitalize on Saudi Vision 2030, the Kingdom's digital healthcare transformation strategy; c) a strategic partnership with TNG Digital, a payments and financial services platform in Malaysia, to market QuantumNexis's digital mental health solutions; and d) a development partnership with Better.care, a digital healthcare platform provider, to capture incremental growth opportunities across Europe, the Middle East, and Africa.

4. **Share repurchases:** Following the recent 1:60 reverse stock split to regain compliance with Nasdaq listing requirements (bringing the number of shares of common stock outstanding to 757K as of February 10, 2026), the Board announced a $2 million share repurchase authorization. While the timing and level of potential share repurchases remain at management's discretion, we note the current authorization represents a considerable percentage of the stock's current market capitalization.

INVESTMENT THESIS

Healthcare Triangle Healthcare Triangle Inc. (HCTI) is an information technology company providing digital transformation on the cloud, security and compliance, data lifecycle management, healthcare interoperability, and clinical and business performance optimization to the Healthcare and Life Sciences (HCLS) industry.

Our investment thesis revolves around:

1. **Industry opportunity:** At a high level, the HCLS industry continues to deal with challenges as it relates to optimizing digital transformation solutions (more broadly) and data analytics services (more specifically) to enhance clinical outcomes, consumer experiences, and financial performance. At the crux of the issue, the healthcare industry remains highly fragmented, with incompatible legacy technology systems across hospitals, providers, pharmacies, and insurance companies.

2. **Differentiated model:** Healthcare Triangle's platform, solutions, and services leverage proprietary technology to support better clinical outcomes and operating efficiencies via data management/analytics optimization. Key competitive advantages for HCTI include the company's: 1) domain expertise across cloud technologies, data analytics, AI/ML, security, and governance; 2) long-standing strategic partnerships with leading public cloud providers in addition to EHR vendors; and 3) compliance subject matter experts ensure Health Insurance Portability and Accountability Act (HIPAA) compliant services.

   From a solutions perspective, HCTI offers a comprehensive suite of software, platforms, and services targeting healthcare providers and life sciences companies. This includes EHR software implementation and optimization, post-implementation support, application managed services, and cloud-based backup and disaster recovery. Proprietary software platforms include CloudEz and DataEz that enable cloud transformation, automation, data management, security and data governance, and operations management, as well as Readabl.AI, an Artificial Intelligence-based system that transforms unstructured paper-based information (documents, faxes, clinical reports) into structured EHR data, thereby reducing manual inputs and related processing times.

3. **Multi-layered growth story:** We look for revenue growth momentum to continue to build over time. Key drivers include: a) a massive and growing industry, with the U.S. healthcare IT market projected to grow from $160.5 billion in 2024 to $566.5 billion in 2034 (with higher growth anticipated for HCTI's key verticals), as healthcare organizations continue to face various operational headwinds, rising costs, and shifting regulatory backdrops; b) HCTI's differentiated/integrated technology-enabled services designed to improve patient and consumer outcomes and drive operational efficiencies; c) a broader footprint, with management focused on increasingly leveraging the team's strong domain expertise to further expand the company's geographic reach beyond the U.S; d) further expanding HCTI's wallet share with existing software services clients by increasingly activating higher-margin/recurring managed services solutions post initial deployment periods; and e) Healthcare Triangle maintains a strong track record of accretive strategic acquisitions that have expanded the company's footprint and augmented growth via revenue synergies.

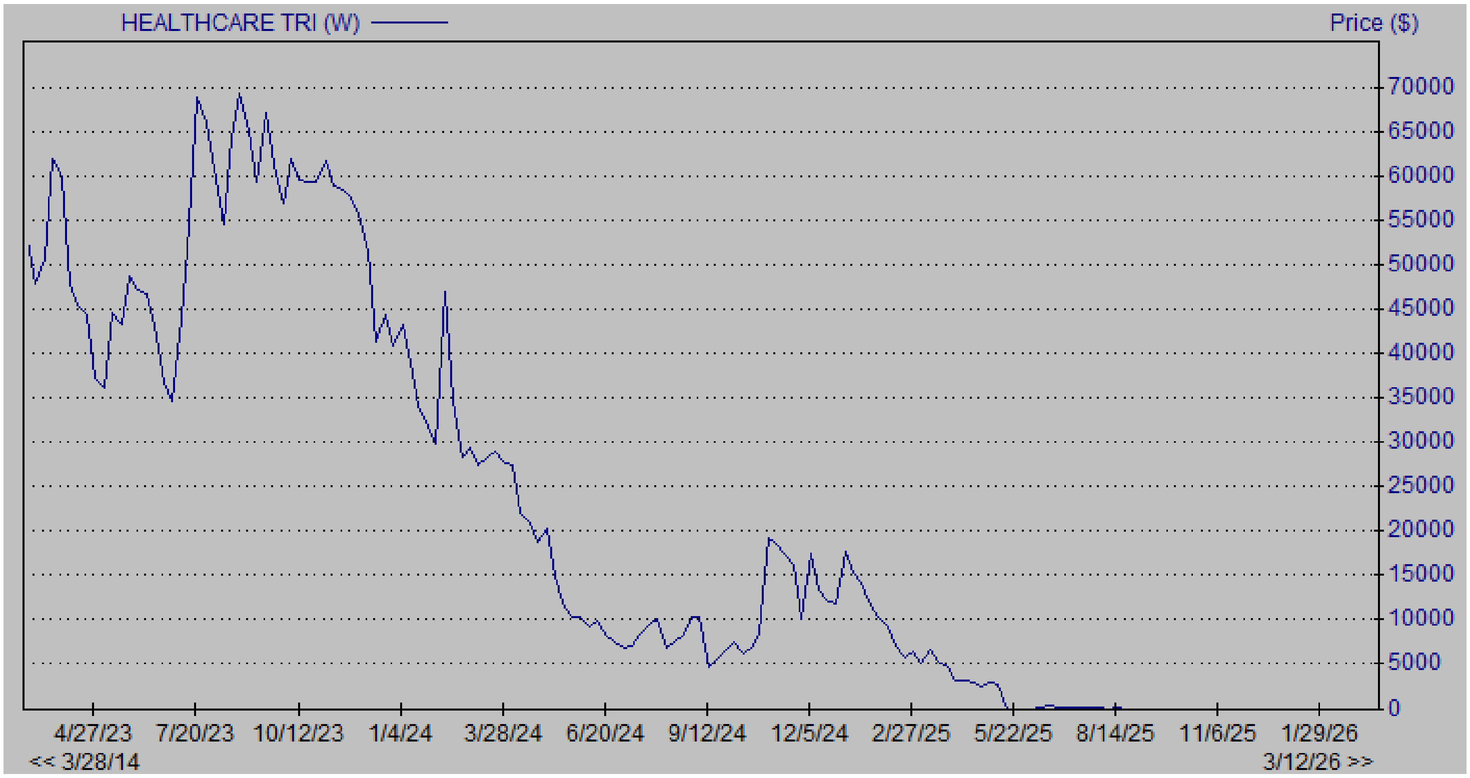
INVESTMENT RISKS

1. **Elevated competition:** To be sure, the Healthcare IT industry remains quite fragmented and highly competitive. Larger/well-established companies, with considerable infrastructure, resource, technology, marketing, branding, distribution, and financial advantages often garner outsized market shares, particularly given burdensome regulatory backdrops, and/or exert meaningful pricing pressure on smaller/less diversified competitors. In addition, other healthcare IT companies may come to market with comparable or enhanced products/services at lower price points, thereby driving accelerating demand and/or market share gains. Finally, broader technology firms may increasingly focus on hospitals and healthcare providers further intensifying competition within HCTI's target markets. As a result, stepped-up competition likely negatively impacts HCTI's growth trajectory, market share, fee rates, revenue, profits, and/or margins.

2. **Reliance on third parties:** HCTI's remains dependent on hosting, transmission, and data center services provided by third-party firms. Any material disruptions in service could have an adverse effect on HCTI's business operations, reputation, or financial performance. Furthermore, HCTI maintains strategic relationships with third-party data center hosting facilities operated by Amazon Web Services, Google Cloud, and Microsoft Azure Cloud. Key benefits include broader distribution, enhanced brand recognition, and rising adoption of HCTI's products and services, with any failures/damages to strategic partners' facilities likely resulting in interruptions and/or lack of availability to Healthcare Triangle's platforms.

3. **Regulatory landscape:** The healthcare industry remains highly regulated, with HCTI's various business lines, particularly Electronic Health Records services, directly or indirectly subject to numerous Federal agencies, acts, regulations, and state laws, as well as varying policies/standards across counties outside of the U.S. Failure to comply with applicable regulations may adversely impact the company's operations, increase costs, and/or expose HCTI to material legal liabilities/penalties. Looking ahead, incremental healthcare reform likely adds uncertainty to HCTI's operational and financial outlooks.

HISTORICAL STOCK PRICE



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