

Zacks Small-Cap Research

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Healthcare Triangle, Inc.

(HCTI-NASDAQ)

HCTI: Fiscal Results Show Progress

HCTI is a health tech company offering valuable solutions to many players in the health care arena.

We value HCTI at \$5.00 per share based on a discounted cash flow model.

OUTLOOK

Healthcare Triangle, Inc. (HCTI) operates at the intersection of healthcare delivery and cloud-based data infrastructure, positioning itself as a specialized provider of digital transformation solutions tailored to the highly regulated healthcare industry. The company's core business centers on helping hospitals, life sciences firms, and payers migrate, manage, and optimize their data and applications in the cloud.

Fiscal 2025 results show a much-improved balance sheet and substantial progress towards profitability.

Current Price (4/15/26) **\$2.53**
Valuation **\$5.00**

SUMMARY DATA

52-Week High **\$4,041.92**
52-Week Low **\$2.46**
One-Year Return (%) **-99.92**
Beta **1.15**
Average Daily Volume (sh) **770,995**

Shares Outstanding (mil) **1.0**
Market Capitalization (\$mil) **\$2.0**
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 **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 | 3,140 A | 13,891 A |
| 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 | -\$0.07 A | -\$44.58 E |
| 2026 | | | | | -\$0.53 E |
| 2027 | | | | | -\$0.22 E |

Quarterly revenues/EPS may not equal annual revenues/EPS due to rounding and reverse share split.

Outlook

Healthcare Triangle, Inc. (HCTI) operates at the intersection of healthcare delivery and cloud-based data infrastructure, positioning itself as a specialized provider of digital transformation solutions tailored to the highly regulated healthcare industry. The company's core business centers on helping hospitals, life sciences firms, and payers migrate, manage, and optimize their data and applications in the cloud. With deep expertise in platforms such as electronic health records, interoperability frameworks, and compliance-driven architectures, Healthcare Triangle has carved out a niche as a partner capable of navigating both the technical and regulatory complexities that define modern healthcare IT.

In its recent earnings report HCTI showed improved revenue and a much-improved balance sheet, with cash on hand rising to \$7.6 million from \$20,000 a year ago as the company continues to make progress towards its goals.

At its foundation, the company generates revenue through a mix of consulting services, managed services, and proprietary software offerings. Its consulting arm focuses on cloud migration and digital transformation, guiding healthcare organizations as they shift legacy systems into scalable, secure cloud environments. This is complemented by managed services that provide ongoing support, optimization, and compliance monitoring—areas that are increasingly mission-critical as healthcare providers face rising cybersecurity threats and regulatory scrutiny. On the software side, Healthcare Triangle has developed solutions that enable data interoperability, analytics, and patient-centric insights, aligning with the broader industry push toward value-based care and real-time decision-making.

What makes Healthcare Triangle particularly compelling is its alignment with several durable, long-term industry tailwinds. Healthcare is in the early innings of cloud adoption compared to other sectors, largely due to the complexity of data privacy laws such as HIPAA and the mission-critical nature of clinical systems. As a result, providers are increasingly turning to specialized vendors rather than generalist IT firms. HCTI's focused expertise gives it a competitive advantage in this regard, as it can offer tailored solutions that address compliance, security, and performance simultaneously. Additionally, the proliferation of data—from electronic health records to wearable devices—is creating a growing need for advanced analytics and interoperability, both of which sit squarely within the company's capabilities.

From an investment standpoint, the company presents a compelling growth narrative. Its business model benefits from a combination of project-based revenue, which drives near-term growth, and recurring managed services, which can improve revenue visibility and margin expansion over time. As the installed base of clients grows, the opportunity to cross-sell higher-margin software and analytics solutions becomes increasingly significant. This layered approach to revenue generation can, if executed effectively, lead to operating leverage and improving profitability.

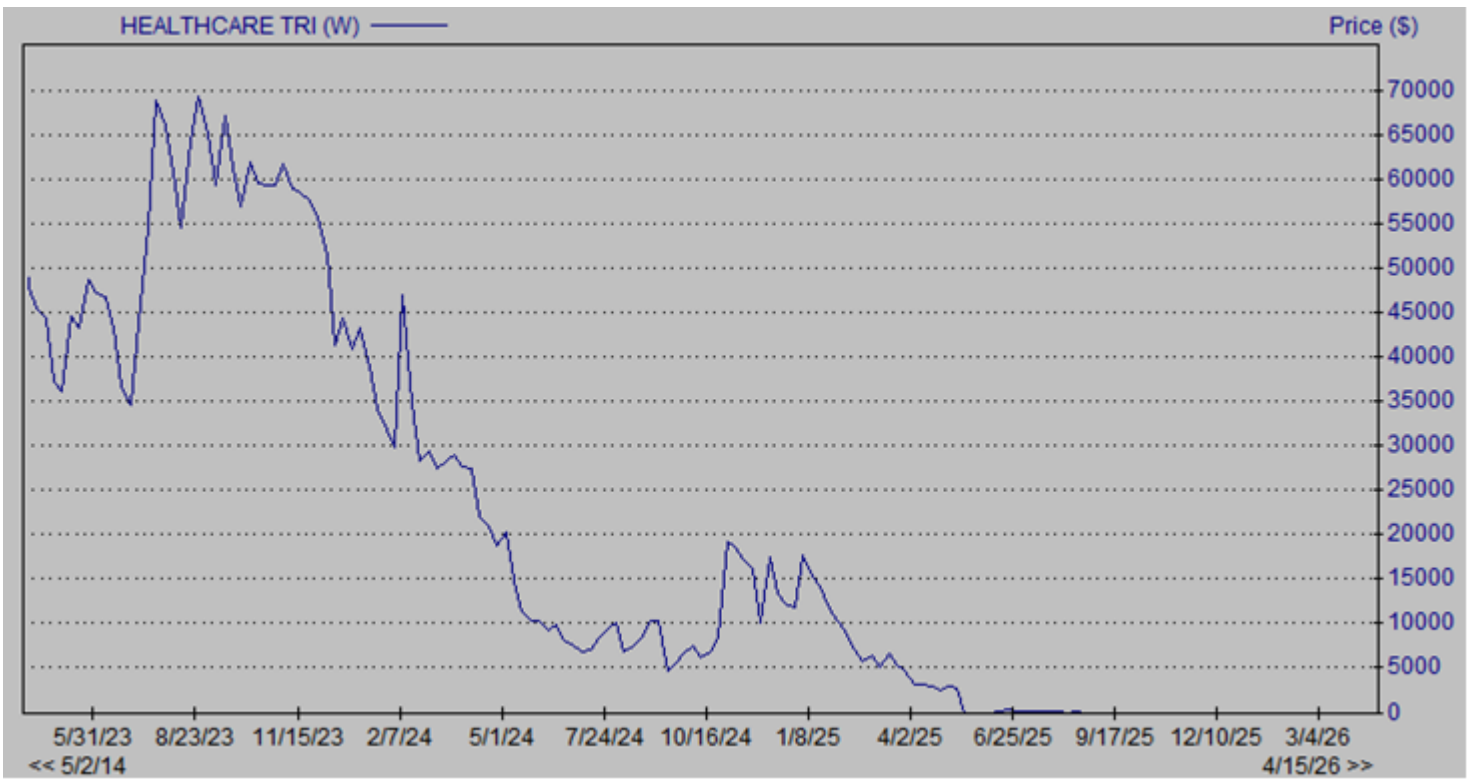
Healthcare Triangle's positioning within cloud and data services aligns it with some of the fastest-growing segments in healthcare IT. Strategic partnerships with major cloud providers enhance its credibility and extend its reach, while also reducing the need for heavy capital investment in infrastructure. This asset-light approach can support scalable growth without proportionate increases in cost, a key driver of long-term shareholder value.

That said, the company is not without risk. As a smaller player, it operates in a competitive landscape that includes both large, well-capitalized IT services firms and emerging niche providers. Execution will be critical, particularly in maintaining client relationships, delivering consistent service quality, and scaling operations efficiently. However, for investors willing to accept these risks, HCTI offers exposure to a high-growth segment of healthcare with meaningful secular drivers.

Income Statement and Balance Sheet

| Healthcare Triangle Income Statement and Balance Sheet | | | | | | | |
|--|-------------|------------|-----------|-----------|-----------|-----------|--|
| (in thousands of \$) | | | | | | | |
| | 2024A | 1Q2025A | 2Q2025A | 3Q2025A | 4Q2025A | 2026E | |
| Revenues | 11,696 | 3,704 | 3,558 | 3,489 | 3,140 | 24,423 | |
| Cost of Goods Sold | 8,806 | 3,375 | 3,064 | 2,871 | 2,691 | 18,265 | |
| Gross Profit | 2,890 | 329 | 494 | 618 | 449 | 6,158 | |
| Operating Expenses | | | | | | | |
| Bad Debt Expense | 170 | 0 | 0 | 0 | 17 | 0 | |
| Research and development | 429 | 144 | 55 | 59 | 278 | 366 | |
| Sales and marketing | 2,203 | 373 | 616 | 1,022 | 1,073 | 3,009 | |
| General and administrative | 3,950 | 1,198 | 1,182 | 2,085 | 2,872 | 6,138 | |
| Depreciation and amort. | 889 | 12 | 0 | 63 | 642 | 278 | |
| Impairment Charge | 0 | 0 | 0 | (20) | 0 | 0 | |
| Total Operating Expenses | 7,641 | 1,727 | 1,853 | 3,209 | 4,882 | 9,791 | |
| Other income and (expenses) | | | | | | | |
| Interest expense | (1,213) | (413) | (21) | (46) | (87) | (201) | |
| Other income, net | 7 | 111 | 13 | 731 | 36 | 37 | |
| Total other (income) and expenses, net | (1,206) | (302) | (8) | 685 | (51) | (164) | |
| Gain/(Loss) from before income taxes | (5,957) | (1,700) | (1,367) | (1,906) | (4,484) | (3,797) | |
| Income Taxes | (12) | 0 | 0 | 0 | 0 | 0 | |
| Net gain/(loss) | (5,969) | (1,700) | (1,367) | (1,906) | (4,484) | (3,797) | |
| Basic and diluted loss per share | \$ (281.58) | \$ (43.00) | \$ (0.58) | \$ (0.43) | \$ (0.07) | \$ (0.52) | |
| Basic and diluted wtd avg common shares | 21 | 40 | 2,343 | 4,444 | 61,873 | 7,261 | |
| Assets | | | | | | | |
| Current Assets: | | | | | | | |
| Cash | 20 | 6,826 | 3,228 | 1,629 | 7,625 | 4,444 | |
| Accounts Receivable | 1,110 | 1,907 | 1,862 | 2,441 | 2,070 | 2,564 | |
| Due from affiliates | 497 | - | 3,320 | 3,502 | 3,456 | 3,679 | |
| Other Current Assets | 322 | 1,107 | 455 | 370 | - | 389 | |
| Total Current Assets | 1,949 | 9,840 | 8,865 | 7,942 | 13,151 | 11,075 | |
| Furniture and Equipment, net | 12 | - | 3 | 5 | 5 | 6 | |
| Due from affiliates | - | 1,945 | - | - | 2,946 | - | |
| Goodwill and other intangibles, net | - | - | 5,700 | 5,891 | 6,634 | 5,311 | |
| Total Assets | 1,961 | 11,785 | 14,568 | 13,838 | 22,736 | 16,392 | |
| Liabilities and stockholder equity | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts Payable | 2,539 | 1,618 | 2,074 | 1,308 | 744 | 1,374 | |
| Short-term borrowing | 2,650 | 775 | 415 | 1,530 | 10,737 | 1,530 | |
| Other current liabilities | 1,386 | 815 | 670 | 1,074 | 1,311 | 1,128 | |
| Total Current Liabilities | 6,575 | 3,208 | 3,159 | 3,912 | 12,792 | 4,032 | |
| Long-term Liabilities: | | | | | | | |
| Convertible Notes | - | - | - | - | - | - | |
| Contingent consideration | 500 | - | 1,200 | 1,200 | - | 1,200 | |
| Other liabilities | - | - | - | - | - | - | |
| Total long-term liabilities | 500 | - | 1,200 | 1,200 | - | 1,200 | |
| Total liabilities | 7,075 | 3,208 | 4,359 | 5,112 | 12,792 | 5,232 | |
| Total stockholders equity | (5,114) | 8,577 | 10,209 | 8,726 | 9,944 | 11,160 | |
| Total liabilities and stockholder equity | 1,961 | 11,785 | 14,568 | 13,838 | 22,736 | 16,392 | |

HISTORICAL STOCK PRICE



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