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Zacks Small-Cap Research

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Earth Science Tech, Inc. (ETST-OTC)

ETST: Expanding Reach and Revenue

We conservatively value ETST using discounted cash flow analysis with a price target of \$1.00, suggesting meaningful upside potential from current levels.

OUTLOOK

Earth Science Tech, Inc. has evolved into a diversified healthcare holding company focused on telemedicine, pharmaceutical compounding, healthcare services, and vertically integrated digital healthcare platforms.

The company has already demonstrated relatively strong gross margins, and investors should watch for continued improvements in operating margins and cash flow generation over the coming quarters.

Current Price (5/11/26) \$0.17
Valuation \$1.00

SUMMARY DATA

52-Week High \$0.24
52-Week Low \$0.08
One-Year Return (%) 13.40
Beta 2.36
Average Daily Volume (sh) 139,725

Shares Outstanding (mil) 292.8
Market Capitalization (\$mil) \$49
Short Interest Ratio (days) N/A
Institutional Ownership (%) 0
Insider Ownership (%) 25

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 F2026 Estimate N/A
P/E using F2027 Estimate N/A

Risk Level Above-Average
Type of Stock Small-Growth
Industry Medical - Products

ZACKS ESTIMATES

Revenues

(in thousands of \$)

	Q1	Q2	Q3	Q4	Year
	(Jun)	(Sep)	(Dec)	(Mar)	(Mar)
2024	220 A	1,928 A	3,790 A	6,016 A	11,954 A
2025	8,569 A	8,519 A	7,353 A	8,677 A	33,118 A
2026	8,760 A	9,051 A	8,387 A	8,906 E	35,103 E
2027					43,216 E

Earnings/Share

	Q1	Q2	Q3	Q4	Year
	(Jun)	(Sep)	(Dec)	(Mar)	(Mar)
2024	(\$0.00) A	\$0.00 A	\$0.00 A	\$0.00 A	\$0.00 A
2025	\$0.00 A	\$0.00 A	\$0.00 A	\$0.00 A	\$0.01 A
2026	\$0.00 A	\$0.00 A	\$0.00 A	\$0.01 E	\$0.01 E
2027					\$0.03 E

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

Update

Earth Science Tech, Inc. (ETST) has evolved into a diversified healthcare holding company focused on telemedicine, pharmaceutical compounding, healthcare services, and vertically integrated digital healthcare platforms. Over the past several years, the company has undergone a substantial transformation away from its earlier legacy businesses and toward a model centered on recurring healthcare revenue streams and operational scalability. That transition is increasingly becoming the central component of our bullish investment thesis surrounding ETST.

The company's strategy is built around acquiring and integrating businesses that can benefit from shared infrastructure, centralized operations, and cross-selling opportunities. ETST now operates across several interconnected healthcare verticals, including compounding pharmacies, telehealth services, digital consultation platforms, and direct-to-consumer healthcare products. Recent launches such as MyOnlineConsultation.com through its MOCTeledoc subsidiary demonstrate management's effort to build a fully vertically integrated telehealth and pharmacy ecosystem that connects physicians, patients, prescribing services, and pharmacy fulfillment under a unified platform.

One of the more attractive aspects of the ETST story is the company's financial trajectory. Unlike many smaller healthcare technology companies that remain heavily cash consumptive, ETST has recently reported positive net income, positive operating cash flow, and expanding gross margins. The company reported first-half fiscal 2026 revenue of approximately \$17.8 million, net income of roughly \$1.4 million, and operating cash flow exceeding \$1 million, while maintaining gross margins above 70%. Those metrics suggest that management's vertically integrated operating model may already be producing meaningful operating leverage and something we are going to be watching in the upcoming quarters.

The company has also emphasized governance reforms, expense rationalization, and capital discipline as part of an effort to reposition itself as a more institutional-ready public company. Management recently projected annualized savings of approximately \$1.4 million and forecast fiscal 2026 net income growth of more than 40%, potentially increasing net income from approximately \$3.3 million to \$4.7 million before additional organic growth contributions. For smaller OTC-listed healthcare companies, demonstrating sustainable profitability and disciplined execution can become a significant differentiator in attracting broader investor interest, which we believe will begin to occur as more investors become aware of the company and its transformation.

ETST appears to us to be positioned to benefit from several long-term healthcare trends. Telemedicine adoption continues expanding as healthcare providers seek lower-cost and more accessible care delivery systems. At the same time, demand for customized pharmaceutical compounding, digital patient engagement, and integrated healthcare platforms continues growing across the United States. ETST's model attempts to capitalize on these trends by controlling multiple points of the healthcare delivery chain rather than operating as a standalone service provider.

As we move forward, we are watching ETST over the coming quarters and focusing on execution and scalability. Revenue growth will remain one of the most important indicators of whether the company's integrated healthcare ecosystem is gaining traction. We are particularly monitoring whether telemedicine volumes continue growing and whether management can

successfully drive patient traffic into its pharmacy and fulfillment operations. Continued growth in recurring revenue streams would strengthen the argument that ETST is transitioning into a more durable healthcare platform business.

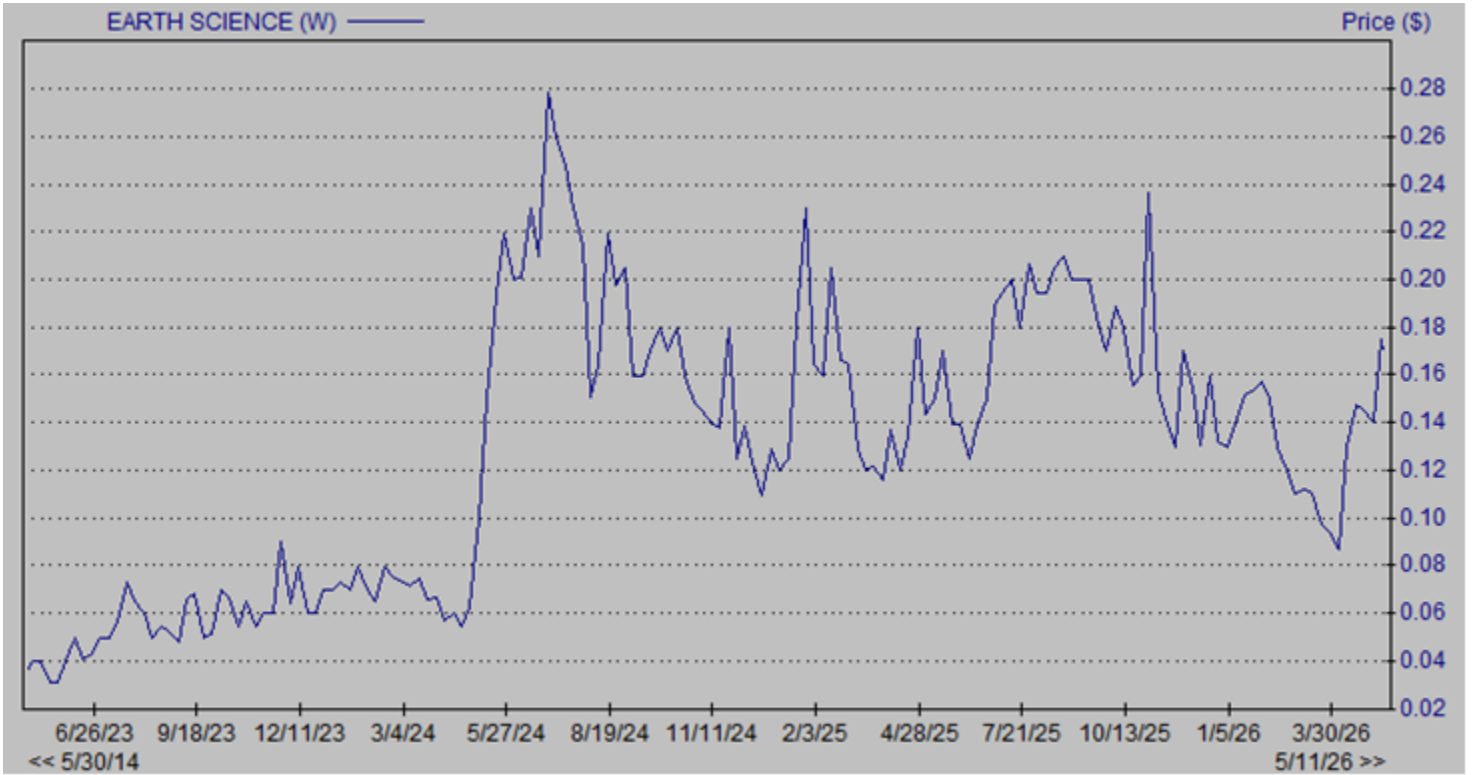
Margin expansion will also be critical. The company has already demonstrated relatively strong gross margins, but we are watching for continued improvements in operating margins and cash flow generation. If management succeeds in reducing overhead while increasing revenue across existing infrastructure, the company could demonstrate significant operating leverage over time.

Our bullish case for ETST centers on our belief in management's ability to transform a small healthcare holding company into a profitable, vertically integrated healthcare platform with scalable telemedicine and pharmaceutical operations. While the company still carries risks associated with smaller-cap healthcare investments, its recent profitability trends, expanding healthcare ecosystem, strong gross margins, and operational restructuring initiatives suggest the company is entering an important growth phase. If management can continue executing on revenue growth, profitability expansion, and integration of its healthcare assets, the coming quarters will become increasingly important in determining whether ETST evolves into a larger and more recognized healthcare technology platform.

PROJECTED INCOME STATEMENT and BALANCE SHEET

Earth Science Tech. Income Statement and Balance Sheet									
(US \$ in thousands)									
	1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026A	3Q2026A	4Q2026E	2027E
Total Revenues	8,569	8,519	7,353	8,677	8,760	9,051	8,387	8,906	43,216
Cost of Revenues	2,158	2,252	2,266	2,141	2,669	2,327	1,988	2,111	10,243
Gross Profit	6,410	6,267	5,087	6,536	6,091	6,724	6,399	6,795	32,973
Operating Expenses									
Salaries	3,335	3,606	3,298	3,877	3,801	4,050	2,931	3,113	15,104
General and Admin.	61	1,259	810	2,025	980	888	914	953	4,278
Selling and marketing	211	153	346	127	634	740	709	752	3,651
Other Expenses	1,738	419	407	-819	434	463	503	527	2,453
Total operating expenses	5,345	5,437	4,861	5,209	5,849	6,141	5,057	5,345	25,486
Operating Income/(Loss)	1,065	830	226	1,327	242	583	1,342	1,450	7,487
Other income and (expenses)									
Interest expense	(2)	(3)	(6)	(10)	(4)	(7)	(5)	(4)	(17)
Other income, net	13	0	(14)	(56)	219	371	(299)	355	1,420
Total other income and (expenses), net	11	(3)	(20)	(66)	215	363	(304)	351	1,403
Pretax Income/(Loss)	1,076	827	206	1,261	457	946	1,038	1,801	8,890
Income Taxes	0	(28)	0	(88)	0	0	(128)	(222)	(1,096)
	1,076	798	206	1,173	457	946	910	1,579	7,794
Basic and diluted loss per share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.03
Basic and diluted wtd avg common shares	309,941	306,047	302,886	295,212	294,509	293,543	292,804	291,145	288,645
Assets									
Current Assets:									
Cash	1,384	1,532	522	1,473	878	1,235	416	916	2,916
Accounts Receivable	318	204	164	129	342	227	306	309	322
Other current assets	378	545	1,319	1,508	1,862	2,140	2,311	2,345	2,485
Total Current Assets	2,080	2,281	2,005	3,111	3,081	3,603	3,033	3,570	5,723
Property, Plant and Equipment, net	217	216	1,123	1,384	1,638	1,855	1,891	1,910	1,986
Goodwill	2,303	2,303	2,303	2,303	2,649	2,649	2,649	2,649	2,649
Other assets	173	249	277	269	411	560	517	518	523
Total Assets	4,772	5,050	5,708	7,067	7,779	8,667	8,089	8,647	10,881
Liabilities and stockholder equity									
Current liabilities:									
Accounts Payable	221	392	46	492	960	1,047	1,089	1,099	1,143
Accrued Expenses	1,161	1,158	1,395	2,322	2,247	2,315	1,019	1,029	1,070
Current portion of lease	70	118	118	122	160	160	122	122	122
Current portion of loans	31	31	755	210	31	31	31	31	31
Total Current Liabilities	1,483	1,699	2,315	3,146	3,397	3,552	2,260	2,281	2,366
Long-term Liabilities:									
Lease less current portion	68	101	70	38	71	24	18	18	19
Loans less current portion	54	49	43	31	25	16	8	8	8
Total liabilities	1,605	1,848	2,428	3,216	3,492	3,592	2,286	2,308	2,393
Stockholders Equity									
Total stockholders equity	3,167	3,201	3,280	3,851	4,287	5,076	5,803	6,339	8,488
Total liabilities and stockholder equity	4,772	5,050	5,708	7,067	7,779	8,667	8,089	8,647	10,881

HISTORICAL STOCK PRICE



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