

Zacks Small-Cap Research

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Healthcare Triangle, Inc.

(HCTI-NASDAQ)

HCTI: Revenue Growth Accelerating

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.

Current Price (5/13/26) **\$2.19**
Valuation **\$5.00**

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.

1Q2026 results show revenues up substantially from the previous quarter as the business gains traction.

SUMMARY DATA

52-Week High **\$3,438.62**
52-Week Low **\$2.12**
One-Year Return (%) **-99.93**
Beta **1.15**
Average Daily Volume (sh) **116,518**

Shares Outstanding (mil) **2**
Market Capitalization (\$mil) **\$4**
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
Industry

Above-Average
Small-Value
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	9,855 A	10,348 E	10,865 E	11,408 E	42,476 E
2027					45,634 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	-\$6.81 A	-\$3.43 E	-\$3.09 E	-\$2.77 E	-\$16.13 E
2027					-\$10.14 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 1Q2026 earnings report, the company showed a rapid acceleration in revenues to \$9.9 million from \$3.7 million in the year ago quarter. This is a further indication to us that the company's business model is gaining traction and the health care community is beginning to embrace its services. We believe this will continue to be the case as word of mouth accelerates as more users come aboard.

As a reminder, 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.

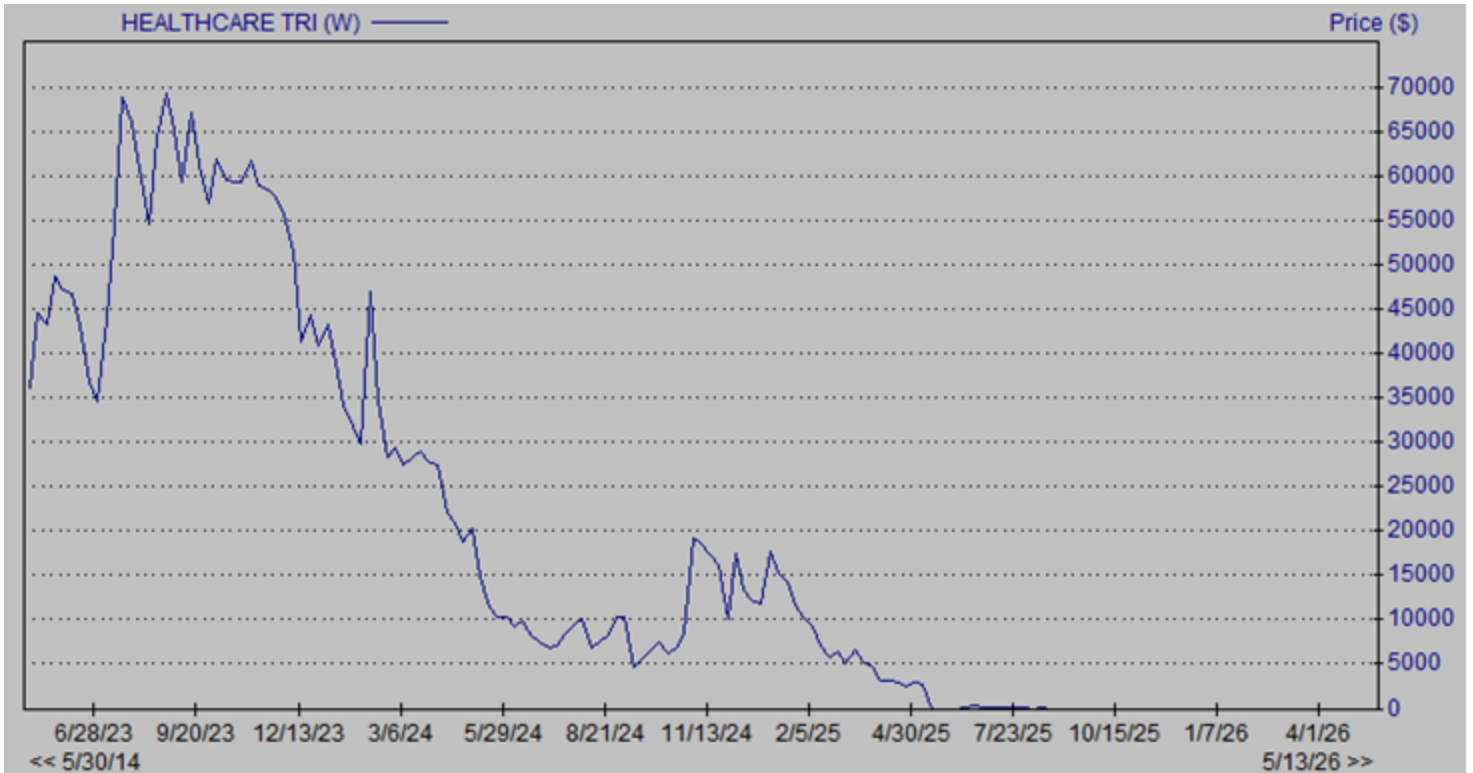
Healthcare Triangle's positioning within cloud and data services aligns it with some of the fastest-growing segments in healthcare IT. Strategic partnerships with major cloud providers enhance its credibility and extend its reach, while also reducing the need for heavy capital investment in infrastructure. 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 \$)										
	1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026E	3Q2026E	4Q2026E	2027E	
Revenues	3,704	3,558	3,489	3,140	9,855	10,348	10,865	11,408	45,634	
Cost of Goods Sold	3,375	3,064	2,871	2,691	7,462	7,835	8,227	8,638	34,553	
Gross Profit	329	494	618	449	2,393	2,513	2,638	2,770	11,081	
Operating Expenses										
Bad Debt Expense	0	0	0	17	125	0	0	0	0	
Research and development	144	55	59	278	85	102	122	147	588	
Sales and marketing	373	616	1,022	1,073	1,779	1,832	1,887	1,944	7,776	
General and administrative	1,198	1,182	2,085	2,872	3,217	3,249	3,282	3,314	13,258	
Depreciation and amort.	12	0	63	642	810	794	778	762	3,049	
Impairment Charge	0	0	(20)	0	0	0	0	0	0	
Total Operating Expenses	1,727	1,853	3,209	4,882	6,016	5,977	6,069	6,168	24,671	
Other income and (expenses)										
Interest expense	(413)	(21)	(46)	(87)	(85)	(85)	(85)	(85)	(340)	
Other income, net	111	13	731	36	(2,656)	37	40	45	110	
Total other (income) and expenses, net	(302)	(8)	685	(51)	(2,741)	(48)	(45)	(40)	(230)	
Gain/(Loss) from before income taxes	(1,700)	(1,367)	(1,906)	(4,484)	(6,364)	(3,513)	(3,476)	(3,437)	(13,820)	
Income Taxes	0	0	0	0	0	0	0	0	0	
Net gain/(loss)	(1,700)	(1,367)	(1,906)	(4,484)	(6,364)	(3,513)	(3,476)	(3,437)	(13,820)	
Basic and diluted loss per share	\$ (43.00)	\$ (0.58)	\$ (0.43)	\$ (0.07)	\$ (6.84)	\$ (3.43)	\$ (3.09)	\$ (2.77)	\$ (10.14)	
Basic and diluted loss per share-attributed to SH	\$ (43.00)	\$ (0.58)	\$ (0.43)	\$ (0.07)	\$ (6.81)	\$ (3.43)	\$ (3.09)	\$ (2.77)	\$ (10.14)	
Basic and diluted wtd avg common shares	40	2,343	4,444	61,873	931	1,024	1,127	1,239	1,363	
Assets										
Current Assets:										
Cash	6,826	3,228	1,629	7,625	4,315	4,747	5,221	5,743	6,318	
Accounts Receivable	1,907	1,862	2,441	2,070	8,367	9,204	10,124	11,136	12,250	
Due from affiliates	-	3,320	3,502	3,456	-	-	-	-	-	
Other Current Assets	1,107	455	370	-	6,213	6,834	7,518	8,270	9,096	
Total Current Assets	9,840	8,865	7,942	13,151	18,895	20,785	22,863	25,149	27,664	
Furniture and Equipment, net	-	3	5	5	1,330	1,303	1,277	1,252	1,227	
Due from affiliates	1,945	-	-	2,946	-	-	-	-	-	
Goodwill and other intangibles, net	-	5,700	5,891	6,634	59,937	59,937	59,937	59,937	59,937	
Total Assets	11,785	14,568	13,838	22,736	80,162	82,025	84,077	86,338	88,828	
Liabilities and stockholder equity										
Current liabilities:										
Accounts Payable	1,618	2,074	1,308	744	3,288	3,617	3,978	4,376	4,814	
Short-term borrowing	775	415	1,530	10,737	9,088	9,997	10,996	12,096	13,306	
Other current liabilities	815	670	1,074	1,311	8,617	9,479	10,427	11,469	12,616	
Total Current Liabilities	3,208	3,159	3,912	12,792	20,993	23,092	25,402	27,942	30,736	
Long-term Liabilities:										
Convertible Notes	-	-	-	-	-	-	-	-	-	
Contingent consideration	-	1,200	1,200	-	5,000	5,000	5,000	5,000	5,000	
Other liabilities	-	-	-	-	1,472	-	-	-	-	
Total long-term liabilities	-	1,200	1,200	-	6,472	5,000	5,000	5,000	5,000	
Total liabilities	3,208	4,359	5,112	12,792	27,465	28,092	30,402	32,942	35,736	
Total stockholders equity	8,577	10,209	8,726	9,944	52,697	53,933	53,676	53,396	53,092	
Total liabilities and stockholder equity	11,785	14,568	13,838	22,736	80,162	82,025	84,077	86,338	88,828	

HISTORICAL STOCK PRICE



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