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Zacks Small-Cap Research

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Cosmos Health (COSM-NASDAQ)

COSM: Revenues Continue to Surge

COSM is a growing healthcare company that has a broad revenue base and an expanding pharmaceutical business. Using DCF analysis, we value COSM at $9.00 per share.

Current Price (11/23/26)	$2.61
Valuation	**$9.00**

OUTLOOK

Cosmos is a vertically integrated healthcare group with a portfolio that spans pharmaceutical and nutraceutical brands, pharmaceutical distribution, proprietary and contract manufacturing as well as an emerging set of technology- and services-oriented assets.

Cosmos Health announced further growth in its e-commerce business, a share repurchase plan and 3Q financial results that demonstrate excellent execution by management.

SUMMARY DATA

52-Week High	**$13.78**
52-Week Low	**$2.49**
One-Year Return (%)	**-81.06**
Beta	**4.73**
Average Daily Volume (sh)	**173,931**
Shares Outstanding (mil)	**5**
Market Capitalization ($mil)	**$14**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**13**
Insider Ownership (%)	**26**
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 2026 Estimate	**N/A**
P/E using 2027 Estimate	**N/A**
Zacks Rank	**N/A**

Risk Level	**Above Average**
Type of Stock	**Small-Growth**
Industry	**Health Care**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	NA	NA	NA	NA	54.4 A
2025	13.7 A	14.7 A	17.1 A	19.7 A	65.3 A
2026	17.9 A	19.0 A	16.7 A	17.5 E	71.1 E
2027	26.1 E	27.9 E	22.0 E	26.0 E	102.0 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	NA	NA	NA	NA	-1.17 A
2025	-0.03 A	-0.10 A	-0.17 A	-0.33 A	-0.63 A
2026	-0.06 A	-0.10 A	-1.02 A	-0.74 E	-1.92 E
2027	0.00 E	0.01 E	0.10 E	0.20 E	0.31 E

*numbers reflect 2026 reverse stock spit

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UPDATE

Cosmos Health (COSM) continues to show encouraging progress in expanding its business footprint and revenue stream. The company's two most recent announcements, involving the resumption of share repurchases and another substantial increase in its U.S. online sales and subscription business, combined with its third-quarter financial results, strengthen the long-term investment case in our view for COSM. Particularly encouraging to us is that the company is generating record revenue, improving its gross margins, reducing debt and developing new sources of recurring revenue that could meaningfully improve its financial performance over time.

Cosmos has established a vertically integrated healthcare business encompassing pharmaceutical distribution, manufacturing, proprietary nutraceuticals, consumer healthcare products and pharmaceutical research and development. While its established European operations provide a substantial revenue base, we believe the expansion of its proprietary brands and direct-to-consumer sales channels offers considerable potential to accelerate revenue growth and improve profitability.

Management demonstrates confidence through share repurchases

Cosmos announced its intention to resume share repurchases under its previously authorized $5 million stock buyback program. The company has already repurchased 255,600 shares, adjusted for the recent reverse stock split, for approximately $1.15 million, leaving $3.85 million available under the existing authorization.

Equally as encouraging to us is that the company's executive officers and members of its board of directors have agreed to a 12-month lock-up on their existing common stock holdings. The combination of these two initiatives sends a strong message regarding management's conviction in the longer-term prospects of the business and its belief that the current stock price does not adequately reflect the company's potential.

The repurchase program is particularly noteworthy given the company's relatively small outstanding share count of approximately 5.43 million shares following its recent reverse stock split. Should Cosmos execute a substantial portion of its remaining authorization, it could meaningfully reduce the outstanding share count, potentially enhancing future earnings per share as the business moves toward profitability. However, the pace of repurchases will need to be balanced against the company's working capital and financing requirements.

U.S. e-commerce growth continues to accelerate

The announcement regarding growth in the company’s e-commerce unit provides further evidence that Cosmos's relatively new U.S. direct-to-consumer business is developing into a potentially significant growth engine. On November 21, the company established a new daily online sales record of $106,843 across 1,220 orders, just three days after surpassing $100,000 in daily sales for the first time.
Even more impressive, in our view, is the continued expansion of the subscription business. In just over three weeks, from October 31 through November 23, active subscriptions increased 16% to 14,549, while the number of product units included in those subscriptions increased 19% to 35,092. Monthly subscription value increased 22% to approximately $2.23 million, equivalent to an annualized subscription value of approximately $26.8 million.

Management aims to build on this momentum and announced it has increased its marketing budget ahead of Black Friday, Cyber Monday and the holiday shopping season, while planning further product introductions and customer acquisition initiatives heading into 2027.

Financial results demonstrate growth and an improving balance sheet

Third-quarter financial results provide additional evidence of the progress Cosmos is making. Revenue for the first nine months of 2026 reached a record $53.6 million, an increase of 17.6% from $45.6 million in the corresponding period of 2025. Third-quarter revenue of $16.7 million declined modestly from $17.1 million a year earlier, although we believe the growth occurring in the company's newer businesses provides reason for optimism regarding coming quarters.

Importantly, the U.S. e-commerce business generated only approximately $255,000 in revenue during the third quarter, compared with $1.67 million in October alone. Consequently, the third-quarter results capture very little of the recent acceleration in online sales, setting the stage for a potentially more substantial contribution in the fourth quarter and throughout 2027.

We are also encouraged by the sequential improvement in gross margin, which increased from approximately 8% in the second quarter to 12.6% in the third quarter. Although margins remain below year-ago levels, accounting adjustments associated with the company's former Greek nutraceutical distributor negatively impacted reported profitability. As higher-margin proprietary products and direct-to-consumer sales become a larger percentage of overall revenue, we believe there is considerable opportunity for further margin expansion.

Third-quarter salaries and wages declined 10.5% year over year, despite the expansion of the company's business activities. Meanwhile, the company increased its investment in marketing, which appears to be generating encouraging sales results.

The quarterly net loss narrowed modestly to $5.25 million from $5.35 million a year earlier, although the nine-month net loss increased to $14.1 million from $9.0 million. Third-quarter results included approximately $2.94 million in noncash interest expenses, largely associated with the early retirement through conversion of convertible debt. The elimination of these debt obligations should help reduce associated financing expenses in future reporting periods.

Perhaps the most encouraging financial development is the improvement in the company's capital structure since the end of 2025.

The combination of a nearly 34% reduction in debt, a 21% increase in shareholders' equity and a substantial improvement in working capital provides Cosmos with a stronger financial foundation upon which to pursue its growth initiatives. Additionally, the early retirement of its $8 million ATW convertible note removes the risk of further shareholder dilution associated with that particular note.

Investment outlook

We continue to view the transformation underway at Cosmos Health very positively. The company is evolving from a business heavily dependent on relatively low-margin pharmaceutical distribution into a more diversified healthcare enterprise with proprietary brands, manufacturing capabilities, international distribution and a rapidly expanding recurring-revenue business.

What makes the recent announcements even more encouraging is that management's vision is increasingly being supported by measurable operating results. The growth in online sales, expansion of the subscription base, sequential improvement in gross margins and reduction in debt all suggest that the investments made over the past several years are beginning to produce tangible benefits.
We believe 2027 could be an important year for Cosmos as it begins to realize the benefits of its expanding e-commerce operations over a full reporting year. Should the company successfully retain

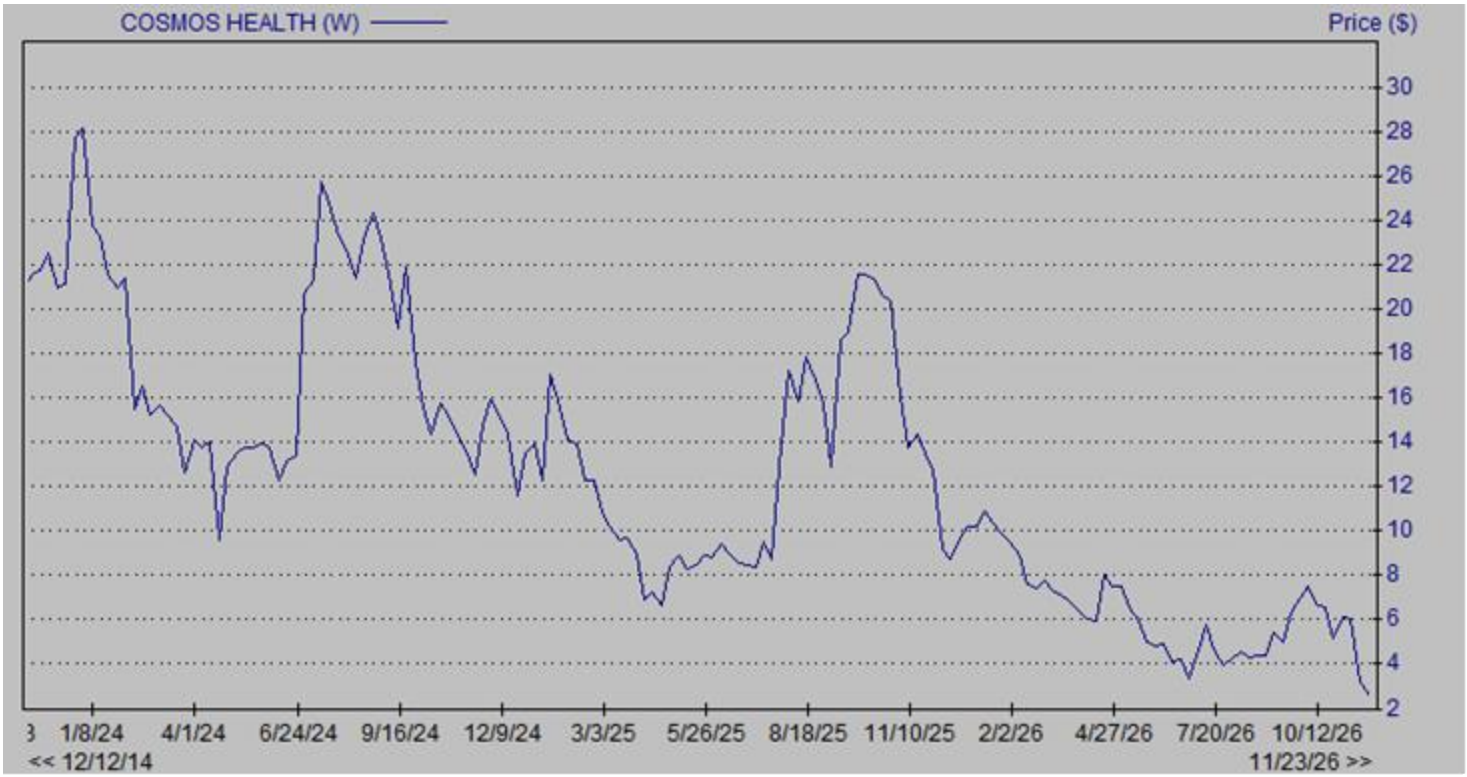
subscribers, expand its product offerings and generate operating leverage from its existing infrastructure, revenue growth could translate into meaningful improvements in profitability and cash flow.
The renewed commitment to share repurchases and the voluntary insider lock-up provide further evidence of management's confidence in that potential. We believe the underlying growth opportunities at COSM are becoming increasingly compelling, with the potential for substantial shareholder value creation as management continues to execute its strategy.

PROJECTED INCOME STATEMENT & BALANCE SHEET

Cosmos Health Income Statement and Balance Sheet

	2024A	1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026A	3Q2026A	4Q2026E
Revenues	54,426,402	13,712,528	14,745,702	17,110,425	19,703,160	17,927,892	18,986,376	16,679,476	17,513,450
Cost of Goods Sold	50,115,079	11,662,729	13,581,888	14,507,807	17,623,816	16,546,721	17,474,714	14,575,473	13,135,087
Gross Profit	4,311,323	2,049,799	1,163,814	2,602,618	2,079,344	1,381,171	1,511,662	2,104,003	4,378,362
Operating Expenses									
General and administrative	(11,733,237)	(1,478,702)	(1,490,485)	(2,040,341)	(10,609,632)	(1,800,162)	(2,066,053)	(2,309,847)	(2,107,374)
Salaries and wages	(5,693,436)	(1,040,019)	(1,868,443)	(1,919,950)	(1,949,866)	(1,397,657)	(1,855,257)	(1,718,700)	(1,735,887)
Sales and marketing	(354,969)	(28,155)	(21,706)	(64,794)	(35,585)	(19,352)	(98,226)	(305,858)	(336,444)
Research and development	(533,293)	(15,629)	(74,637)	(18,337)	(410,760)	0	(68,552)	0	0
Impairment Charge	(291,980)	0	0	0	(162,785)	0	0	0	0
Depreciation and amort.	(1,249,238)	(320,439)	(353,862)	(377,911)	(317,141)	(348,179)	(349,181)	(343,087)	(353,380)
Total Operating Expenses	(19,856,153)	(2,882,944)	(3,809,133)	(4,421,333)	(13,485,769)	(3,565,350)	(4,437,269)	(4,677,492)	(4,533,084)
Other income and (expenses)									
Interest income	406,449	91,326	105,787	100,698	98,602	46,673	45,741	42,854	43,711
Interest expense	(1,012,314)	(187,107)	(388,814)	(669,150)	(654,801)	(423,229)	(602,364)	(288,122)	(259,310)
Other income, net	(32,323)	110,829	100,278	(2,965,723)	1,816,691	(244,688)	(2,604,292)	(2,435,123)	(2,708,464)
Total other (income) and expenses, net	(638,188)	15,048	(182,749)	(3,534,175)	1,260,492	(621,244)	(3,160,915)	(2,680,391)	(2,924,062)
Gain/(Loss) from before income taxes	(16,183,018)	(818,097)	(2,828,068)	(5,352,890)	(10,145,933)	(2,805,423)	(6,086,522)	(5,253,880)	(3,078,784)
Income Taxes	0	0	0	0	0	0	0	0	
Net gain/(loss)	(16,183,018)	(818,097)	(2,828,068)	(5,352,890)	(10,145,933)	(2,805,423)	(6,086,522)	(5,253,880)	(3,078,784)
Deemed Dividends	(6,195,024)	0	0	0					
Foreign currency translation adjustment	(1,715,087)	1,031,268	1,562,470	255,263	2,466,434	(295,061)	(54,802)	(177,045)	0
Total Comprehensive Gain/(Loss)	(24,093,129)	213,171	(1,265,598)	(5,097,627)	(7,679,499)	(3,100,484)	(6,141,324)	(5,430,925)	(3,078,784)
Basic and diluted loss per share	$ (1.17)	$ (0.03)	$ (0.10)	$ (0.17)	$ (0.33)	$ (0.06)	$ (0.10)	$ (1.02)	$ (0.74)
Basic and diluted wtd avg common shares	19,147,726	26,037,608	28,753,492	30,625,284	30,289,072	47,087,621	59,923,199	5,140,320	4,140,320
Assets									
Current Assets:									
Cash	315,105	742,881	655,503	889,441	715,674	514,702	1,800,949	1,088,757	1,121,420
Restricted Cash	-	-	-	3,744,219	2,744,219	1,644,219	644,219	2,628	-
Accounts Receivable	14,708,571	15,673,910	16,905,141	19,637,469	22,072,800	20,552,592	21,241,737	19,412,196	19,606,318
Securities and other current assets	21,148	25,278	30,266	33,178	46,158	34,225	37,464	42,446	44,144
Inventory	4,355,365	4,736,222	5,110,947	5,683,662	5,778,142	5,650,458	4,518,560	5,221,301	5,377,940
Loan Receivable	1,171,946	1,435,116	1,431,298	1,834,777	487,638	485,191	487,579	726,871	734,140
Prepaid Expenses	4,889,213	5,231,592	6,429,156	6,281,543	6,543,625	8,007,935	7,938,187	9,390,203	9,484,105
Total Current Assets	25,461,348	27,844,999	30,562,311	38,104,289	38,388,256	36,889,322	36,668,695	35,884,402	36,368,066
Property, Plant and Equipment, net	9,689,505	10,016,068	10,820,391	10,664,820	10,578,858	10,280,203	10,140,150	10,034,117	10,234,799
Goodwill and intangible, net	7,756,534	7,808,529	8,225,361	7,960,633	7,569,695	7,225,011	6,965,934	6,736,815	6,602,079
Digital Assets	-	-	-	1,000,057	1,411,084	2,068,645	1,664,501	1,124,109	2,248,218
Other assets	11,404,505	11,528,348	12,227,497	11,762,959	7,529,625	5,905,830	6,022,674	5,455,233	5,400,681
Total Assets	54,311,892	57,197,944	61,835,560	69,492,758	65,477,518	62,369,011	61,461,954	59,234,676	60,853,843
Liabilities and stockholder equity									
Current liabilities:									
Accounts Payable	12,427,061	12,287,516	13,431,963	14,676,934	16,626,476	14,817,101	14,496,222	14,027,685	14,167,962
Accrued Interest	221,820	255,192	345,406	521,843	786,497	871,960	801,403	558,066	563,647
Lines of Credit	6,985,052	7,305,377	8,161,845	7,584,786	9,177,684	7,856,208	8,745,807	8,653,475	7,788,128
Notes/loans Payable	2,565,232	2,774,735	3,167,072	3,584,928	4,341,049	2,123,322	3,555,772	3,200,526	3,136,515
Other current liabilities	3,558,375	3,963,167	6,060,275	12,165,826	7,340,138	8,408,244	7,243,504	7,103,687	7,458,871
Total Current Liabilities	25,757,540	26,585,987	31,166,561	38,534,317	38,271,844	34,076,835	34,842,708	33,543,439	33,115,123
Long-term Liabilities:									
Notes payable-long-term	1,560,433	2,088,540	2,053,857	5,711,462	5,851,837	6,124,297	3,036,978	975,980	985,740
Operating/Fin. Lease--long-term	501,797	468,697	453,442	427,813	373,473	463,388	432,422	356,434	359,998
Other liabilities	1,959,193	2,097,008	1,930,066	1,684,282	2,555,735	1,878,132	2,475,363	2,031,190	1,970,254
Total long-term liabilities	4,021,423	4,654,245	4,437,365	7,823,557	8,781,045	8,465,817	5,944,763	3,363,604	3,315,992
Total liabilities	29,778,963	31,240,232	35,603,926	46,357,874	47,052,889	42,542,652	40,787,471	36,907,043	36,431,115
Stockholders Equity									
Common stock	23,689	27,285	29,804	31,956	41,154	49,868	83,409	5,528	5,639
Additional Paid-in capital	141,583,625	142,785,641	144,328,641	146,327,367	152,136,404	156,629,904	164,098,808	171,893,763	170,232,802
Subscription receivable	(20)	(20)	(20)	(20)	-	-	-	-	-
Treasury stock	(917,159)	(917,159)	(917,159)	(917,159)	(917,159)	(917,159)	(1,430,156)	(2,063,155)	(917,159)
Accumulated Deficit	(114,022,275)	(114,840,372)	(117,668,440)	(123,021,330)	(133,167,273)	(135,972,696)	(142,059,218)	(147,313,098)	(144,722,690)
Accumulated other comp. income	(2,134,931)	(1,103,663)	458,808	714,070	331,503	36,442	(18,360)	(195,405)	(175,865)
Total stockholders equity	24,532,929	25,951,712	26,231,634	23,134,884	18,424,629	19,826,359	20,674,483	22,327,633	24,422,727
Total liabilities and stockholder equity	54,311,892	57,191,944	61,835,560	69,492,758	65,477,518	62,369,011	61,461,954	59,234,676	60,853,843

HISTORICAL STOCK PRICE-PRE SPLIT



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