

Zacks Small-Cap Research

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Medical Transcription Billing (MTBC-NASDAQ)

MTBC: Moving PT to \$7.10/Share on Orion Acquisition. More Model Updates Could Follow

Based on the average of implied EV/EBITDA and P/S multiples from analysts' estimates of publicly traded EHR / RCM companies and providers of related technology and services, we calculate fair value of MTBC at approximately \$7.10/share

Current Price (07/05/18) **\$3.74**
Valuation **\$7.10**

OUTLOOK

MTBC will pay \$12.6M for the revenue cycle, practice management and group purchasing organization assets of Orion Healthcorp, Inc. and 13 of its affiliates. Effective date of the acquisition is July 1st. Orion will not only bring RCM-related accounts but also expand MTBC's capabilities to include long-term practice management services and a vaccine group purchasing organization. These bolt-on capabilities presumably bring not only immediate incremental revenue but also opportunity to add-value via cross-selling to MTBC's current customer base. In addition, Orion will also potentially accelerate penetration into the hospital segment. Some of the most important questions relate to how this acquisition will affect MTBC's financial performance. Based on management's 'guidance', the incremental annualized contribution from Orion should be at least \$15.9M (based on MTBC's 2017 total revenue of \$31.8M). We now look for MTBC revenue of \$42.3M (adjusted up from \$33.9M) in 2018 and \$53.5M (from \$35.9) in 2019. We continue to look for adjusted EBITDA of approximately \$3.6M in 2018 (unchanged from our prior estimate) and \$6.1M in 2019 (up from \$4.4M). Our model should be considered fluid and is likely to be updated as additional info (such as pro formas) is released. As it is now, we calculate fair value of MTBC at approximately \$7.10/share (increased from \$5.70/share).

SUMMARY DATA

52-Week High **\$5.44**
52-Week Low **\$1.08**
One-Year Return (%) **159.44**
Beta **1.71**
Average Daily Volume (sh) **139,064**

Shares Outstanding (mil) **12**
Market Capitalization (\$mil) **\$43**
Short Interest Ratio (days) **N/A**
Institutional Ownership (%) **6**
Insider Ownership (%) **50**

Annual Cash Dividend **\$0.00**
Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates
Sales (%) **20.2**
Earnings Per Share (%) **N/A**
Dividend (%) **N/A**

P/E using TTM EPS **N/A**
P/E using 2018 Estimate **N/A**
P/E using 2019 Estimate **N/A**

Zacks Rank **N/A**

Risk Level **Above Avg.,**
Type of Stock **Small-Blend**
Industry **Healthcare IT**

ZACKS ESTIMATES

Revenue

(in millions of \$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2017	8.2 A	7.8 A	7.5 A	8.3 A	31.8 A
2018	8.3 A	8.3 E	12.3 E	13.4 E	42.3 E
2019					53.5 E
2020					57.8 E

EPS (GAAP)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2017	-\$0.29 A	-\$0.20 A	-\$0.14 A	-\$0.08 A	-\$0.69 A
2018	-\$0.06 A	-\$0.09 E	-\$0.14 E	-\$0.14 E	-\$0.43 E
2019					-\$0.20 E
2020					-\$0.07 E

Zacks Projected GAAP EPS Growth Rate - Next 5 Years % **N/A**

Orion Acquisition: *First-Pass Updates to Our Model Values MTBC at \$7.10/Share...*

Orion Expected to Increase Revenue By 50%+, "Without Corresponding Increase in Overhead..."

Earlier this week MTBC announced that they closed their (previously anticipated) acquisition of Orion Healthcorp, Inc. As a reminder, news of the intended acquisition was first reported in early May when MTBC announced that, if successfully acquired, they believed Orion Healthcorp. would increase their annualized revenue by at least 50%. Management also compared Orion to MediGain - the assets of which MTBC purchased in September 2016 and which has proven to be an overwhelmingly successful acquisition.

On the Q1 earnings call in mid-May MTBC disclosed that they were the designated 'stalking horse' bidder and that, per the bankruptcy court's timeline, the winning bidder would be announced near the end of June. Per MTBC's 8-K filed on July 2nd, the company will pay \$12.6M for the revenue cycle, practice management and group purchasing organization assets of Orion Healthcorp, Inc. and 13 of its affiliates. Effective date of the acquisition is July 1st.

As we first noted in our [Q1 update](#) (May 23rd, 2018 *Off To Strong Start. Orion Deal Could Add Significant Value*), Orion will not only bring RCM-related accounts but also expand MTBC's capabilities to include long-term practice management services and a vaccine group purchasing organization. These bolt-on capabilities presumably bring not only immediate incremental revenue but also opportunity to add-value via cross-selling to MTBC's current customer base. In addition, Orion will also potentially accelerate penetration into the hospital segment.

Per MTBC's press releases relating to the transaction, Orion currently has 300 employees, has offices in 10 states and service contracts for revenue cycle management services with 150 hospitals and healthcare providers. Additionally, MTBC notes that Orion provides practice management services to three pediatric practices in Ohio and Illinois. These practice management services are provided under "multi-decade management services agreements (MSA)". In terms of the potential existing customer base of the GPO, MTBC references "thousands of physicians" in its press release (although it is not clear exactly how many customers currently utilize their GPO).

Orion-Related Updates To Our Model

Some of the most important questions relate to how this acquisition will affect MTBC's financial performance. As Orion was privately held since late-2007, we have little in the way of current information for which to base our forecasts. As such, our forecasted Orion-related incremental contribution to MTBC is mostly based on the general 'guidance' provided by management. We also looked at Orion's (now very dated) historical SEC filings. It is not unlikely that our Orion-related contribution to MTBC (and, therefore, our full forward-looking MTBC model) may be updated following filing of the pro formas depicting the combined companies' recent historical financials (pro formas should be publicly available within 75 days of the close, i.e. by Sept 15th).

Management's 'guidance' includes their expectation that Orion's contribution will increase total annualized revenue by at least 50% as well as their reference of similarities between MediGain and Orion. As it relates to the anticipated increase in revenue, given presumed unfettered access during the due diligence period, we assume the Orion-related revenue guidance is based on current and reliable information. While the MediGain/Orion comparison is more subjective, we interpret the reference to relate to acquiring relatively high-quality assets, opportunity to retain a large portion of the customer base and the potential for cost-saving synergies.

If MediGain Is An Appropriate Template, Orion Should Be Long-Term Value Driver ...

As a refresher, MediGain, a medical billing company, was in financial distress when acquired by MTBC in September 2016 for \$7M. While operating expenses increased immediately after the acquisition, the assets were quickly integrated, costs were cut and MediGain generated incremental revenue to MTBC of \$13.6M in 2017. Contribution from MediGain was also a major component of MTBC's significantly improved financial results: revenue grew 30% (\$24.5M in 2016 to \$31.8M in 2017), operating loss fell by \$3.4M (\$7.9M to \$4.5M) adjusted EBITDA improved by \$2.9M and ended the year in the black at \$2.3M and MTBC even generated \$282k of cash from operations (compared to \$889k used by operations in 2016). MTBC bought MediGain for (what would prove to be) just of 50% of forward revenue. Much of the success of this acquisition was credited to the quick integration and ability to minimize customer and revenue attrition through providing a better customer experience (i.e. MTBC was able to quickly improve billing processes and collections which helped stem defections).

The comparison to MediGain is particularly intriguing as not only was that acquisition 'successful' in the sense that MTBC more than recovered the purchase price (in fairly short-order), but also because it appears as if it will likely prove to have permanently and significantly expanded MTBC's RCM customer base as well as their overall

capabilities. So, while some of MTBC's (mostly smaller) acquisitions have been 'one-and-dones' whereby, in return for little or nothing upfront and some revenue contingencies, they were able to wring the remaining life out of quickly-fleeting assets, MediGain looks to be a true long-term value driver.

Look Back To 2007 To Glean More Info...

We looked back at Orion's most recent publicly available SEC filings - the most recent financial statements are for Q3 2007 - for any potential information of interest that may help in understanding Orion better and in building our model. This is some of our findings from the Q3 2007 10-Q:

- Orion in its current form appears to be (at least) somewhat similar to what it looked like in late 2007. In 2007 Orion included two main operating segments; revenue cycle management and practice management. It also included a GPO for vaccines
 - The **RCM** segment provided medical billing services to approximately 111 clients. (While Orion currently has ~150 RCM customers, it's impossible for us to know how the average revenue per customer compares to that back in 2007). In the three and nine months ending 9/30/2007, the RCM segment generated \$5.0M and \$14.7M, accounting for 58% and 59% of Orion's total revenue in those periods, respectively
 - Integrated Physician Solutions (IPS) was the name of the **practice management** segment in 2007 (as it was when MTBC acquired Orion). IPS was founded in 1996 and as of Q3 2007, it "managed six practice sites, representing three medical groups in Illinois and Ohio." Per the description of how the practice management contracts work in the Q3 2007 10-Q, "There is a standard forty-year management service agreement ("MSA") between IPS and each of the various affiliated medical groups whereby a management fee is paid to IPS. IPS owns all of the assets used in the operation of the medical groups. IPS manages the day-to-day business operations of each medical group and provides the assets for the physicians to use in their practice for a fixed fee or percentage of the net operating income of the medical group. All revenues are collected by IPS, the fixed fee or percentage payment to IPS is taken from the net operating income of the medical group and the remainder of the net operating income of the medical group is paid to the physicians and treated as an expense on IPS's financial statements as "physician group distribution." In the three and nine months ending 9/30/2007, IPS generated \$3.5M and \$10.0M, accounting for 41% and 40% of Orion's total revenue in those periods, respectively
 - The **GPO** had 524 "enrolled participants" as of the end of Q3 2007. In the three and nine months ending 9/30/2007, the GPO generated \$70k and \$257k, representing approximately 1% of Orion's total revenue in both periods
- In the in the three and nine months ending 9/30/2007, total revenue was \$8.6M and \$25.0M, operating loss was \$391k and \$1.4M, and interest expense was \$362k and \$1.1M

Initial Model Updates...

Based on management's 'guidance', the incremental annualized contribution from Orion should be at least \$15.9M (based on MTBC's 2017 total revenue of \$31.8M). This implies incremental quarterly revenue of \$4.0M, or approximately one-half of Orion's revenue in Q3 2007. While we do not know how much current-day Orion resembles that of the company back in 2007, assuming the segmental revenue distribution is similar, we would expect the GPO to contribute relatively very little, RCM to account for almost 60% of total revenue and practice management approximately 40%. We may know much more in the way of details when pro formas are available. When that happens, we hope to be able to make more informed forecasts regarding revenue, per-segment contribution, operating expenses (inc D&A) and margins – the latter including operating and EBITDA margins.

Based on the MediGain acquisition, we could see higher operating expenses in the period that the transaction closes (i.e. Q3 '18) but then as integration completes and synergies are realized, we would expect that operating scale would increase fairly rapidly. Key to success with MediGain was that MTBC was able to quickly address customer attrition and stem further losses – so if that (i.e. customer defections) has similarly been an issue with Orion, we expect that addressing that issue is high on MTBC's priority list.

One of the current major unknowns as it relates to Orion's recent financials is how sizable are their operating losses. Given that EHR and revenue cycle management (i.e. medical billing) companies are typically valued on multiples of sales and EBITDA, an even more significant unknown is what will MTBC's operating income/loss and EBITDA look like after the assets and operations are fully integrated. Our updated model (Orion stand-alone and as-integrated below) is based on best-guesses to all the substantive unknowns – and it is subject to revision.

Orion	Q1A	Q2E	Q3E	Q4E	2018 E	2019 E	2020 E
RCM segment	\$0.0	\$0.0	\$2,235.7	\$2,484.1	\$4,719.9	\$9,936.6	\$10,433.4
PM segment	\$0.0	\$0.0	\$1,580.6	\$1,756.2	\$3,336.8	\$7,024.8	\$7,376.0
GPO	\$0.0	\$0.0	\$31.7	\$35.2	\$66.9	\$140.9	\$147.9
Total Revenue	\$0.0	\$0.0	\$3,848.0	\$4,275.6	\$8,123.6	\$17,102.2	\$17,957.4
Salaries / benefits	\$0.0	\$0.0	\$2,100.4	\$2,058.4	\$4,158.9	\$7,855.67	\$8,130.6
Physician group distribution	\$0.0	\$0.0	\$615.4	\$603.1	\$1,218.5	\$2,301.7	\$2,382.3
Facility rent and related costs	\$0.0	\$0.0	\$239.0	\$234.2	\$473.3	\$893.9	\$925.2
Deprec & Amort	\$0.0	\$0.0	\$360.0	\$352.8	\$712.7	\$1,346.3	\$1,393.4
Professional and consult fees	\$0.0	\$0.0	\$156.4	\$153.3	\$309.8	\$585.1	\$605.6
Insurance	\$0.0	\$0.0	\$69.2	\$67.8	\$136.9	\$258.6	\$267.7
Provision for doubtful accts	\$0.0	\$0.0	\$32.7	\$32.0	\$64.8	\$122.3	\$126.6
Other expenses	\$0.0	\$0.0	\$897.8	\$879.9	\$1,777.7	\$3,357.8	\$3,475.4
Total OpEx	\$0.0	\$0.0	\$4,471.0	\$4,381.6	\$8,852.6	\$16,721.5	\$17,306.8
Operating Income	\$0.0	\$0.0	(\$623.0)	(\$106.0)	(\$729.0)	\$380.7	\$650.6

MTBC+ Orion	Q1A	Q2E	Q3E	Q4E	2018 E	2019 E	2020 E
Legacy MTBC	\$8,307.3	\$8,267.8	\$8,482.9	\$9,102.1	\$34,160.1	\$36,346.5	\$39,855.6
Orion Healthcorp	\$0.0	\$0.0	\$3,848.0	\$4,275.6	\$8,123.6	\$17,102.2	\$17,957.4
Total Revenue	\$8,307.3	\$8,267.8	\$12,330.9	\$13,377.6	\$42,283.7	\$53,448.8	\$57,813.0
YOY Growth	1.1%	6.2%	64.1%	61.3%	32.9%	26.4%	8.2%
Direct operating costs	\$4,484.1	\$4,481.1	\$4,589.3	\$4,551.0	\$18,105.5	\$18,609.4	\$19,927.8
% direct op costs	54.0%	54.2%	54.1%	50.0%	42.8%	51.2%	50.0%
Selling & mktg	\$305.0	\$289.4	\$339.3	\$364.1	\$1,297.8	\$1,781.0	\$1,913.1
% S&M	3.7%	3.5%	4.0%	4.0%	3.1%	4.8%	4.8%
General & admin	\$2,600.7	\$2,645.7	\$2,714.5	\$3,731.9	\$11,692.8	\$12,430.5	\$12,953.1
% G&A	31.3%	32.0%	32.0%	41.0%	27.7%	34.2%	32.5%
R&D	\$255.9	\$264.6	\$263.0	\$282.2	\$1,065.6	\$1,272.1	\$1,394.9
% R&D	3.1%	3.2%	3.1%	3.1%	2.5%	3.5%	3.5%
Change in contingent consideration	\$31.7	\$0.0	\$0.0	\$0.0	\$31.7	\$0.0	\$0.0
	0.4%				0.1%		
Intangible amortization		\$397.0	\$397.0	\$397.0	\$1,191.0	\$1,212.0	\$888.0
Depreciation		\$181.0	\$160.0	\$152.0	\$493.0	\$350.0	\$300.0
Depreciation & amort	\$590.8	\$578.0	\$557.0	\$549.0	\$2,274.8	\$1,562.0	\$1,188.0
Restructuring charges	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Legacy MTBC OpEx	\$8,268.2	\$8,258.7	\$8,463.1	\$9,478.1	\$34,468.2	\$35,655.0	\$37,376.9
Orion incremental OpEx	\$0.0	\$0.0	\$4,471.0	\$4,381.6	\$8,852.6	\$16,721.5	\$17,306.8
TOTAL OpEx	\$8,268.2	\$8,258.7	\$12,934.1	\$13,859.7	\$43,320.7	\$52,376.5	\$54,683.7
% Total OpEx	99.5%	99.9%	104.9%	103.6%	102.5%	98.0%	94.6%
Legacy MTBC Op inc/ loss	\$39.1	\$9.0	\$19.8	(\$376.1)	(\$308.1)	\$691.5	\$2,478.7
Orion incremental Op inc/ loss	\$0.0	\$0.0	(\$623.0)	(\$106.0)	(\$729.0)	\$380.7	\$650.6
Operating Income	\$39.1	\$9.0	(\$603.1)	(\$482.1)	(\$1,037.1)	\$1,072.2	\$3,129.3

Valuation

We continue to estimate legacy-MTBC adjusted EBITDA of approximately \$3.6M in 2018. The addition of Orion has substantially no effect to our 2018 combined EBITDA as we (currently) model Orion to generate negative EBITDA of approximately \$260k in Q3 but for that to be almost completely (and equally) offset by positive EBITDA (of almost an equal amount) in Q4 '18. If Orion does prove similar to MediGain in terms of financial contribution, it should contribute significant positive EBITDA during 2019. We currently model Orion to contribute \$1.7M and \$2.0M of adjusted EBITDA in 2019 and 2020.

Following closing of the Orion transaction, we now look for MTBC revenue of \$42.3M (adjusted up from \$33.9M) in 2018 and \$53.5M (from \$35.9) in 2019. We continue to look for adjusted EBITDA of approximately \$3.6M in 2018 (unchanged from our prior estimate) and \$6.1M in 2019 (up from \$4.4M).

Our model should be considered fluid, particularly given the potential for additional near-term acquisitions. We base our valuation on the average of implied EV/EBITDA and P/S multiples from analysts' estimates of publicly traded EHR / RCM companies and providers of related technology and services. Based on a fully diluted share count of 15.6M, we now calculate fair value of MTBC at approximately \$7.10/share.

	P/S		EV/EBITDA		Average
	2018	2019	2018	2019	
Comparable Multiples	2.8x	2.5x	28.5x	23.5x	
MTBC Per Share Value	\$7.6	\$8.6	\$4.9	\$7.5	\$7.1

Financial Model

MTBC	2017 A	Q1A	Q2E	Q3E	Q4E	2018 E	2019 E	2020 E
Total RCM		\$7,641.0	\$7,555.5	\$7,718.2	\$8,373.8	\$31,288.5	\$33,216.2	\$36,371.8
	<i>YOY Growth</i>		0.3%	-	-	-	8.4%	9.5%
	<i>% of totalsales</i>	92.0%	91.4%	62.6%	62.6%	74.0%	62.1%	62.9%
Total EDI/ Clringhse Revenue		\$234.4	\$272.4	\$272.1	\$281.2	\$1,040.1	\$1,097.3	\$1,288.2
	<i>YOY Growth</i>		-8.8%	10.0%	12.0%	#DIV/0!	5.5%	17.4%
	<i>% of totalsales</i>	2.8%	3.1%	2.2%	2.1%	2.5%	2.1%	2.2%
Printing & mailing		\$348.2	\$367.8	\$398.2	\$345.4	\$1,459.7	\$1,620.2	\$1,749.8
	<i>YOY Growth</i>		0.4%	18.1%	6.0%	44.8%	14.7%	8.0%
	<i>% of totalsales</i>	4.2%	4.4%	3.2%	2.6%	3.5%	3.0%	3.0%
EnrolmentPlus		\$83.7	\$92.1	\$94.4	\$101.7	\$371.9	\$412.8	\$445.8
	<i>YOY Growth</i>		-	-	-	-	11.0%	8.0%
	<i>% of totalsales</i>	1.0%	1.1%	0.8%	0.8%	0.9%	0.8%	0.8%
Orion								
RCM segment		\$0.0	\$0.0	\$2,235.7	\$2,484.1	\$4,719.9	\$9,936.6	\$10,433.4
PM segment		\$0.0	\$0.0	\$1,580.6	\$1,756.2	\$3,336.8	\$7,024.8	\$7,376.0
GPO		\$0.0	\$0.0	\$31.7	\$32.2	\$66.9	\$140.9	\$147.9
TOTAL REVENUE		\$0.0	\$0.0	\$3,848.0	\$4,275.6	\$8,123.6	\$17,102.2	\$17,957.4
Operating Expenses								
Salaries / benefits		\$0.0	\$0.0	\$2,100.4	\$2,058.4	\$4,158.9	\$7,855.67	\$8,130.6
Physician group distribution		\$0.0	\$0.0	\$615.4	\$603.1	\$1,218.5	\$2,301.7	\$2,382.3
Facility rent and related costs		\$0.0	\$0.0	\$239.0	\$234.2	\$473.3	\$893.9	\$925.2
Deprec & Amort		\$0.0	\$0.0	\$360.0	\$352.8	\$712.7	\$1,346.3	\$1,393.4
Professional and consult fees		\$0.0	\$0.0	\$156.4	\$153.3	\$309.8	\$585.1	\$605.6
Insurance		\$0.0	\$0.0	\$69.2	\$67.8	\$136.9	\$258.6	\$267.7
Provision for doubtful acctg		\$0.0	\$0.0	\$32.7	\$32.0	\$64.8	\$122.3	\$126.6
Other expenses		\$0.0	\$0.0	\$897.8	\$879.9	\$1,777.7	\$3,357.8	\$3,475.4
TOTAL OPEX		\$0.0	\$0.0	\$4,471.0	\$4,381.6	\$8,852.6	\$16,721.5	\$17,306.8
Operating Income		\$0.0	\$0.0	(\$623.0)	(\$106.0)	(\$729.0)	\$380.7	\$650.6
Incremental financing costs		\$0.0	\$0.0	(\$65.0)	(\$70.0)	(\$135.0)	(\$150.0)	(\$75.0)
Legacy MTBC	\$31,810.6	\$8,307.3	\$8,267.8	\$8,482.9	\$9,102.1	\$34,160.1	\$36,346.5	\$39,855.6
Orion Healthcorp	\$0.0	\$0.0	\$0.0	\$3,848.0	\$4,275.6	\$8,123.6	\$17,102.2	\$17,957.4
Total Revenue	\$31,810.6	\$8,307.3	\$8,267.8	\$12,330.9	\$13,377.6	\$42,283.7	\$53,448.8	\$57,813.0
<i>YOY Growth</i>	29.9%	1.1%	6.2%	64.1%	61.3%	32.9%	26.4%	8.2%
Direct operating costs	\$17,679.1	\$4,484.1	\$4,481.1	\$4,589.3	\$4,551.0	\$18,105.5	\$18,609.4	\$19,927.8
<i>% direct op costs</i>	55.6%	54.0%	54.2%	54.1%	50.0%	42.8%	51.2%	50.0%
Selling & mktg	\$1,106.7	\$305.0	\$289.4	\$339.3	\$364.1	\$1,297.8	\$1,781.0	\$1,913.1
<i>% S&M</i>	3.5%	3.7%	3.5%	4.0%	4.0%	3.1%	4.9%	4.8%
General & admin	\$11,738.2	\$2,600.7	\$2,645.7	\$2,714.5	\$3,731.9	\$11,692.8	\$12,430.5	\$12,953.1
<i>% G&A</i>	36.9%	31.3%	32.0%	32.0%	41.0%	27.7%	34.2%	32.5%
R&D	\$1,081.8	\$255.9	\$264.6	\$263.0	\$282.2	\$1,065.6	\$1,272.1	\$1,394.9
<i>%R&D</i>	3.4%	3.1%	3.2%	3.1%	3.1%	2.5%	3.5%	3.5%
Change in contingent consideration	\$151.4	\$31.7	\$0.0	\$0.0	\$0.0	\$31.7	\$0.0	\$0.0
Depreciation & amort	\$4,299.9	\$590.8	\$578.0	\$557.0	\$549.0	\$2,274.8	\$1,562.0	\$1,188.0
Restructuring charges	\$275.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Legacy MTBC OpEx	\$36,332.8	\$8,268.2	\$8,258.7	\$8,463.1	\$9,478.1	\$34,468.2	\$35,655.0	\$37,376.9
Orion incremental OpEx	\$0.0	\$0.0	\$0.0	\$4,411.0	\$4,381.0	\$8,852.0	\$16,121.2	\$17,506.8
TOTAL OpEx	\$36,332.8	\$8,268.2	\$8,258.7	\$12,934.1	\$13,859.7	\$43,320.7	\$52,376.5	\$54,683.7
<i>% Total OpEx</i>	114.2%	99.5%	99.9%	104.9%	103.6%	102.5%	98.0%	94.6%
Legacy MTBC Op inc/ loss	(\$4,522.2)	\$39.1	\$9.0	\$19.8	(\$376.1)	(\$308.1)	\$691.5	\$2,478.7
Orion incremental op inc/ loss	\$0.0	\$0.0	\$0.0	(\$223.0)	(\$100.0)	(\$293.0)	\$350.0	\$350.0
Operating Income	(\$4,522.2)	\$39.1	\$9.0	(\$603.1)	(\$482.1)	(\$1,037.1)	\$1,072.2	\$3,129.3
<i>Operating Margin</i>	-14.2%	0.5%	0.1%	-4.9%	-3.6%	-2.5%	2.0%	5.4%
Total Other Income (Expense)	(\$975.2)	\$82.6	\$11.0	(\$65.0)	(\$90.0)	(\$61.4)	(\$95.0)	(\$50.0)
Pre-Tax Income	(\$5,497.4)	\$121.7	\$20.0	(\$668.1)	(\$572.1)	(\$1,098.5)	\$977.2	\$3,079.3
Tax expense (benefit)	\$67.8	\$46.7	\$2.0	(\$26.7)	\$57.2	\$79.2	\$105.5	\$495.8
<i>Tax Rate</i>	-1.2%	38.3%	10.2%	4.0%	-10.0%	-7.2%	10.8%	16.1%
Preferred dividends	\$2,030.3	\$775.3	\$1,030.0	\$1,036.0	\$1,036.0	\$3,877.3	\$3,900.0	\$3,650.0
Net Income (to common SH)	(\$7,595.5)	(\$700.3)	(\$1,012.0)	(\$1,677.4)	(\$1,665.3)	(\$5,055.0)	(\$3,028.3)	(\$1,066.5)
<i>YOY Growth</i>	-20.5%	-75.9%	-52.3%	2.7%	79.1%	-33.4%	-40.1%	-64.8%
<i>Net Margin</i>	-23.9%	-8.4%	-12.2%	-13.6%	-12.4%	-12.0%	-5.7%	-1.8%
EPS (GAAP)	(\$0.69)	(\$0.06)	(\$0.09)	(\$0.14)	(\$0.14)	(\$0.43)	(\$0.20)	(\$0.07)
<i>YOY Growth</i>	-27.5%	-78.9%	-55.7%	-1.7%	71.0%	-38.1%	-52.4%	-68.0%
Shares O/ S	11,010	11,617	11,665	12,000	12,100	11,845	14,900	16,400

Brian Marckx, CFA

HISTORICAL STOCK PRICE



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