

HEALTHSTREAM INC

Consolidated Balance Sheets - USD (\$)

\$ in Thousands

	Dec. 31, 2024		Dec. 31, 2023		Dec. 31, 2022		Dec. 31, 2021	
Cash and cash equivalents	\$59,469	11.6%	\$40,333	8.1%	\$46,023	9.2%	\$46,905	9.6%
Marketable securities	37,748	7.4%	30,800	6.2%	7,885	1.6%	5,041	1.0%
Accounts receivable, net	30,189	5.9%	34,346	6.9%	36,730	7.4%	30,308	6.2%
Accounts receivable - unbilled	5,133	1.0%	4,100	0.8%	5,980	1.2%	4,612	0.9%
Prepaid royalties, net of amortization	9,547	1.9%	10,202	2.0%	9,071	1.8%	9,155	1.9%
Prepaid software maintenance and subsc	8,569	1.7%	7,397	1.5%	0	0.0%	0	0.0%
Other prepaid expenses and other current	2,467	0.5%	3,032	0.6%	8,688	1.7%	10,824	2.2%
Total current assets	153,122		130,210		114,377		106,845	
Noncurrent assets								
Property and equipment, net	10,741	2.1%	13,005	2.6%	15,483	3.1%	17,950	3.7%
Capitalized software development, net	43,370	8.5%	40,643	8.1%	37,118	7.5%	32,412	6.7%
Operating lease right of use assets, net	17,453	3.4%	20,114	4.0%	22,759	4.6%	25,168	5.2%
Goodwill	191,220	37.4%	191,379	38.3%	192,398	38.7%	182,501	37.5%
Intangibles, net	55,548	10.9%	68,031	13.6%	81,553	16.4%	89,205	18.3%
Other assets	39,312	7.7%	36,560	7.3%	34,053	6.8%	32,672	6.7%
Total assets	510,766		499,942		497,741		486,753	
LIABILITIES AND STOCKHOLDERS' EQUITY								
Accounts payable	6,628	1.3%	7,465	1.5%	7,287	1.5%	5,126	1.1%
Accrued royalties	5,190	1.0%	4,556	0.9%	5,443	1.1%	5,037	1.0%
Accrued liabilities	10,141	2.0%	13,225	2.6%	25,014	5.0%	16,371	3.4%
Accrued compensation	9,507	1.9%	9,492	1.9%	0	0.0%	0	0.0%
Deferred revenue	84,227	16.5%	83,623	16.7%	79,469	16.0%	73,816	15.2%
Total current liabilities	115,693		118,361		117,213		100,350	
Liabilities, Noncurrent [Abstract]								
Deferred tax liabilities	14,596	2.9%	16,132	3.2%	17,996	3.6%	18,146	3.7%
Deferred revenue, noncurrent	1,655	0.3%	2,169	0.4%	2,937	0.6%	1,583	0.3%
Operating lease liability, noncurrent	17,366	3.4%	20,247	4.0%	23,321	4.7%	26,178	5.4%
Other long-term liabilities	2,101	0.4%	2,281	0.5%	2,210	0.4%	1,477	0.3%
Total liabilities	151,411		159,190		163,677		147,734	
Stockholders' equity								
Preferred stock, no par value, 10,000 shar	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Common stock, no par value, 75,000 shar	252,432	49.4%	249,075	49.8%	254,832	51.2%	270,791	55.6%
Retained earnings	108,972	21.3%	92,368	18.5%	80,213	16.1%	68,122	14.0%
Accumulated other comprehensive loss	-2,049	-0.4%	-691	-0.1%	-981	-0.2%	106	0.0%
Total stockholders' equity	359,355		340,752		334,064		339,019	
Total liabilities and stockholders' equity	510,766		499,942		497,741		486,753	

HEALTHSTREAM INC

Consolidated Statements of Operations - USD (\$)

12 Months Ended

shares in Thousands, \$ in Thousands

Dec. 31, 2024

Dec. 31, 2023

Dec. 31, 2022

Revenue	291,646	100.0%	279,063	100.0%	266,826	100.0%
Cost of revenue	<u>-97,936</u>	<u>-33.6%</u>	<u>-95,021</u>	<u>-34.1%</u>	<u>-91,143</u>	<u>-34.2%</u>
Gross profit	193,710	66.4%	184,042	65.9%	175,683	65.8%
Operating expense						
Product development	48,890	16.8%	45,540	16.3%	44,277	16.6%
Sales and marketing	47,158	16.2%	45,743	16.4%	44,146	16.5%
General and administrative expenses	35,132	12.0%	35,664	12.8%	36,866	13.8%
Depreciation and amortization	<u>41,243</u>	<u>14.1%</u>	<u>41,076</u>	<u>14.7%</u>	<u>37,945</u>	<u>14.2%</u>
Total operating expense	172,423	59.1%	168,023	60.2%	163,234	61.2%
Operating income (loss)	21,287	7.3%	16,019	5.7%	12,449	4.7%
Non-operating						
Interest income	3,834	1.3%	2,356	0.8%	444	0.2%
Other (expense) income, net	<u>-318</u>	<u>-0.1%</u>	<u>136</u>	<u>0.0%</u>	<u>2,692</u>	<u>1.0%</u>
Total nonoperating income, net	3,516	1.2%	2,492	0.9%	3,136	1.2%
Earnings (loss) before income taxes	24,803	8.5%	18,511	6.6%	15,585	5.8%
Income tax expense	<u>4,796</u>	<u>1.6%</u>	<u>3,298</u>	<u>1.2%</u>	<u>3,494</u>	<u>1.3%</u>
Net (loss) income	20,007	6.9%	15,213	5.5%	12,091	4.5%
Basic (in dollars per share)	\$0.66		\$0.50		\$0.39	
Diluted (in dollars per share)	\$0.66		\$0.50		\$0.39	

HEALTHSTREAM INC

Consolidated Statements of Cash Flows - USD (\$);\$ in Thousands

12 Months Ended

Cash flows from operating activities:

Dec. 31, 2024 Dec. 31, 2023 Dec. 31, 2022

Net income	\$20,007	\$15,213	\$12,091
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	41,243	41,076	37,945
Stock-based compensation	4,470	4,153	3,554
Amortization of deferred commissions	12,480	11,495	10,599
Provision for credit losses	2,595	1,021	385
Deferred income taxes	-1,114	-1,725	710
Gain on disposal of fixed assets	0	0	-25
Loss on equity method investments	230	384	747
Change in fair value of non-marketable equity investments	0	-425	-3,596
Other	-1,639	-891	3
Changes in operating assets and liabilities:			
Accounts and unbilled receivables	537	3,243	-7,770
Prepaid royalties	655	-1,131	84
Other prepaid expenses and other current assets	-1,371	-1,243	2,329
Deferred commissions	-15,451	-14,852	-14,931
Other assets	-258	328	208
Accounts payable and accrued expenses	-5,027	4,825	3,742
Accrued royalties	633	-887	406
Deferred revenue	-330	3,386	4,707
Net cash provided by operating activities	57,660	63,970	51,188
INVESTING ACTIVITIES:			
Cash paid for acquisitions, net of cash acquired	-1,299	-6,621	-3,965
Proceeds from maturities of marketable securities	69,150	28,250	10,625
Purchases of marketable securities	-74,446	-50,268	-13,467
Proceeds from sale of fixed assets	0	0	26
Proceeds from sale of non-marketable equity investments	765	47	3,494
Payments associated with capitalized software development	-26,741	-25,806	-23,334
Purchases of property and equipment	-1,401	-2,200	-1,768
Net cash (used in) investing activities	-33,972	-56,598	-28,389
FINANCING ACTIVITIES:			
Taxes paid related to net settlement of equity awards	-1,113	-934	-565
Payment of debt issuance costs	0	-118	0
Repurchases of common stock	0	-8,929	-23,137
Payment of cash dividends	-3,403	-3,058	0
Net cash used in financing activities	-4,516	-13,039	-23,702
Effect of exchange rate changes on cash and cash equivalents	-36	-23	21
Net increase (decrease) in cash and cash equivalents	19,136	-5,690	-882
Cash and cash equivalents at beginning of period	40,333	46,023	46,905
Cash and cash equivalents at end of period	59,469	40,333	46,023

HEALTHSTREAM INC

		2025	2024	2023
Profitability ratios		Ratios	Ratios	Ratios
Return on equity	Net income / Average Shareholders' equity	5.7%	4.5%	3.6%
Return on assets	Net income / Average assets	4.0%	3.0%	2.5%
Gross profit margin	Gross profit / Sales	66.4%	65.9%	65.8%
Operating profit margin	Operating profit / Sales	7.3%	5.7%	4.7%
Net profit margin	Net income / Sales	6.9%	5.5%	4.5%
Turnover ratios				
Asset turnover	Sales / Average assets	0.58	0.56	0.54
Inventory turnover	Cost of goods sold / Average inventory	N/A	N/A	N/A
Inventory days	365/Inventory Turnover	N/A	N/A	N/A
Collection period	Average accounts receivable / Sales per day	40.38	46.48	45.85
Payable period	Average accounts payable / Cost of goods sold per day	26.26	28.33	24.86
Leverage & liquidity ratios				
Current ratio	Ending current assets / Ending current liabilities	1.32	1.10	0.98
Quick ratio (acid test)	(Ending liquid current assets) / Ending current liabilities	1.15	0.93	0.82
Debt to assets	Ending total liabilities / Ending total assets	0.30	0.32	0.33
Debt to equity	Ending total liabilities / Ending total equity	0.42	0.47	0.49
Financial leverage	Ending total assets / Ending total equity	1.42	1.47	1.49
Times interest earned	Earnings before interest and taxes / Interest expense	N/A	N/A	N/A