

Marpai Inc. (MRAI:OTC)

March 17, 2025

Nicholas Cortellucci, CFA | Equity Research Analyst | ncortellucci@atriumresearch.ca | 647-391-3314

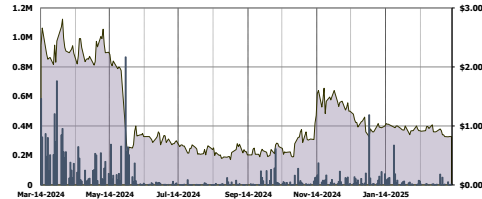
All figures in USD unless otherwise stated

Marpai Inc.	MRAI:OTC
Share Price	\$0.91
Average Daily Volume (K)	97.7
Shares Outstanding (M)	13.7
Market Cap (\$M)	\$12.5
Cash (\$M)	\$0.8
Debt (\$M)	\$29.9
Enterprise Value (\$M)	\$41.6

FYE Dec 31	2022A	2023A	LTM
Sales (\$M)	\$24.3	\$37.2	\$30.3
Sales Growth (YoY %)	71%	53%	(16%)
Gross Margin (%)	30%	35%	31%
EBITDA (\$M)	(\$25.5)	(\$24.9)	(\$14.6)
EBITDA Margin (%)	(105%)	(67%)	(48%)
Net Income (\$M)	(\$26.5)	(\$28.8)	(\$26.0)

Valuation	2022A	2023A	LTM
EV/EBITDA	N/A	N/A	N/A
P/E	N/A	N/A	N/A
EV/Sales	1.7x	1.1x	1.4x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



Marpai is a technology platform company which operates subsidiaries that provide TPA and value-oriented health plan services to employers that directly pay for employee health benefits. Operating nationwide, Marpai offers access to leading provider networks including Aetna and Cigna, industry leading Reference Based Pricing (RBP) solutions and all TPA services.

What you need to know:

- Marpai specializes in AI-powered third-party administration (TPA) services for self-funded health plans.
- The Company is undergoing a turnaround with a new leadership team, focusing on restarting revenue growth and cutting costs.
- Marpai operates in a large addressable market of \$22B including 165M Americans on employer health plans, of which 64% are self-funded.
- Watch clips of the interview [here](#).

Company Overview

Marpai, Inc. is a technology-driven healthcare company specializing in AI-powered third-party administration (TPA) services for self-funded health plans. By leveraging machine learning and predictive analytics, Marpai helps employers optimize healthcare costs while improving health outcomes for their employees. The Company's platform utilizes data-driven insights to anticipate potential health risks, enhance care coordination, and reduce unnecessary medical expenses. Through its innovative approach, Marpai aims to transform the traditional health benefits model by making healthcare more proactive, transparent, and efficient.

Headquartered in Tampa, Florida, Marpai serves employers, brokers, and healthcare providers across the U.S., offering a comprehensive suite of administrative and cost-containment solutions. The Company's technology-driven platform integrates AI with claims processing, member engagement, and provider network management, streamlining operations and improving the overall healthcare experience.

Investment Thesis

Large Addressable Market. Employer health plans cover 165M Americans and 64% are self-funded, creating a >\$22B industry. Marpai brings deep learning and data analytics to the rapidly growing, low-tech TPA sector to deliver affordable and intelligent healthcare to employers and their health plan members.

Restarting Growth. Management is attempting to reinvigorate topline growth by adding to its sales team and signing new clients such as a 4,000 employee restaurant group, a 6,000 employee hospital group, and housing industry clients with 3,400 employees.

Cutting Costs. In Q3, operating expenses decreased 36% YoY compared to revenue which declined 20% YoY. The Company continues to push towards profitability.

New Leadership. The team is led by CEO & Director Damien Lamendola, who took on the role in November 2023. Damien previously served as Founder and CEO of Continental Benefits and owns 40% of the shares outstanding.

Valuation. MRAI is not yet profitable, but trades at 1.4x LTM sales.

Conference Takeaways

- New management is heavily invested in the Company, holding ~61% of shares. Management is focused on improving metrics and reducing costs.
- MRAI is focused on profitable growth, looking to increase topline revenue through organic growth instead of M&A activity in the TPA sector.
- Improved AI algorithm decreasing time to catch future conditions and allowing customers to see savings in 6 months as opposed to over 2 years.
- Management has set a goal of becoming EBITDA profitable in 2025.