



Catasys, Inc. NASDAQ: CATS

May 17, 2019
Recent Price: \$18.88

Market Data

Fiscal Year	December 31
Industry	Healthcare
Market Cap	\$305.8M
Price/Sales (ttm)	15.2x
Insider Ownership	71.5%
Shares Outstanding	16.2M
Avg. Volume (3 mo.)	153,185

As of May 17, 2019

Income Statement Snapshot

	TTM
Revenue	\$20.08M

Balance Sheet Snapshot

	MRQ
Cash	\$1.2M
Debt	\$10.0M

Company Website

<http://catasys.com/>

Company Overview

Catasys, Inc. harnesses proprietary big data predictive analytics, artificial intelligence and telehealth, and human intervention to deliver improved member health and cost savings to health plans through integrated technology enabled treatment solutions. It is our mission to provide access to affordable and effective care, thereby improving health and reducing cost of care for people who suffer from the medical consequences of behavioral health conditions. Catasys helps these people and their families achieve and maintain better lives.

Value Proposition

OnTrak improves member health while reducing inpatient and emergency-room utilization, driving a reduction of more than 50% in enrolled health insurers' costs. OnTrak is currently available in 22 states to members of several leading health plans, including six of the nation's largest plans. Company generated record revenue of \$6.8M in 1Q19, up 256%YoY. Going forward, the Company reiterates 2019 GAAP revenue guidance of \$35 million.

Investment Highlights

- **Catasys's solution (OnTrak) reduces medical costs by 54% for enrolled members**
 - Incentivizes health plans to pay 100% of members' treatment costs
 - Provides health plans a 3-to-1 return on investment (ROI)
- **CATS GAAP revenues increased 256% to \$6.8M for 1Q19FY18, from \$1.9M in 1Q18**
 - CATS GAAP revenues increased 96.7% to \$15.2M for FY18, from \$7.7M in FY17
 - For FY19, management reiterates 2019 GAAP revenue guidance of \$35 million
- **In June 2018, the Company entered into a \$10 million debt financing to support accelerating growth**
- **OnTrak currently is available in 22 states and, under agreements with major and regional health plans, will expand into more states**
 - Contracts with six of the top seven health plans: Aetna, United Healthcare, Humana, Blue Cross Blue Shield, Centene, and Health Alliance
- **Members with behavioral-health disorders average higher healthcare costs for their health-insurance providers**
 - Contracts covering depression and anxiety typically have greater eligibility than those that cover just substance dependence
- **Generates monthly, fee-for-service or upfront fees from health plans for enrolled members; targeting behavioral health management services to high-cost members**