

Enclosed is a press release announcing the
fourth quarter and calendar year 2022 results for:



A conference call to discuss these results is scheduled for
tomorrow, February 15, 2023,
at 11:00 a.m. (Eastern Time)

The numbers to call for this teleconference are:

US: 1-844-200-6205

Canada: 1-833-950-0062

All Other: 1-929-526-1599

Access code for all: 054416

PLAYBACK:

If you are unable to participate in the call, a playback will be
available until Thursday, February 16, 2023.

To listen to that playback, please call one of the numbers below:

US: 1-866-813-9403

Canada: 1-226-828-7578

Int'l: + 44-204-525-0658

Access code for all: 382559

A live simulcast, as well as a 30-day replay of the conference call, will
be available over the Internet at

<https://events.q4inc.com/attendee/759565253>

(If you do not wish to continue receiving these notices, please contact National Research Corporation at 402-475-2525.)



Human Understanding
Behind every person is a story...

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Chief Financial Officer
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NATIONAL RESEARCH CORPORATION ANNOUNCES FOURTH QUARTER AND CALENDAR YEAR 2022 RESULTS

LINCOLN, Nebraska (February 14, 2023) — National Research Corporation, dba NRC Health, (NASDAQ:NRC) today announced results for the fourth quarter and calendar year 2022.

Regarding the Company's 2022 annual performance, Kevin Karas, Chief Financial Officer, said, "We continued to grow revenue from core offerings, including our Human Understanding Program, resulting in 7% year-over-year revenue growth, partially offset by the phase out of our Canadian operations and other non-core offerings. Adoption of the Human Understanding Program has continued to increase with recent new client additions including St. Bernards Healthcare, Longstreet Clinic, and Legacy Community Health. In addition, we are proud to have recently received the Best in KLAS 2023 Award for Patient Experience Improvement. This recognition affirms our leadership position and focus on transforming the healthcare industry with a human-first approach."

The Company's Board of Directors maintained its capital allocation priorities of funding innovation and growth investments, including merger and acquisition activity as well as internal projects, shareholder dividends and share repurchases during 2022. For the full year, the Company funded \$12.2 million for innovation and growth, \$21.0 million for dividend payments, and \$27.6 million for share repurchases.

Related to the fourth quarter ended December 31, 2022, other expense increased primarily due to a \$2.6 million reclassification of the cumulative translation adjustment into earnings from the substantial liquidation of our investment in our Canadian subsidiary.

Diluted earnings per share decreased to \$0.27 for the quarter ended December 31, 2022, from diluted earnings per share of \$0.38 for the quarter ended December 31, 2021. Diluted earnings per share decreased to \$1.27 for the year ended December 31, 2022, from diluted earnings per share of \$1.46 for the year ended December 31, 2021.

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A live simulcast of National Research Corporation's 2022 fourth quarter conference call will be available online at <https://events.q4inc.com/attendee/759565253> on February 15, 2023, beginning at 11:00 a.m. Eastern time. The online replay will follow approximately one hour later and continue for 30 days.

For more than 40 years, NRC Health (NASDAQ: NRC) has led the charge to humanize healthcare and support organizations in their understanding of each unique individual. NRC Health's commitment to Human Understanding® helps leading healthcare systems get to know each person they serve not as point-in-time insights, but as an ongoing relationship. Guided by its uniquely empathic heritage, NRC Health's patient-focused approach, unmatched market research, and emphasis on consumer preferences are transforming the healthcare experience, creating strong outcomes for patients and entire healthcare systems. For more information, email info@nrchealth.com, or visit www.nrchealth.com.

This press release contains certain statements that may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are subject to the safe harbor created by those sections and the Private Securities Litigation Reform Act of 1995, as amended. Such statements may be identified by their use of terms or phrases such as "believes," "expect," derivations thereof, and similar terms and phrases. Forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, which could cause future events and actual results to differ materially from those set forth in, contemplated by, or underlying the forward-looking statements, including those risks and uncertainties as set forth in the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2021 and various disclosures in our press releases, stockholder reports, and other filings with the Securities and Exchange Commission. We disclaim any obligation to update or revise any forward-looking statements to reflect actual results or changes in the factors affecting the forward-looking information.

NATIONAL RESEARCH CORPORATION AND SUBSIDIARY
Unaudited Condensed Consolidated Statements of Income
(In thousands, except per share data)

	Three months ended December 31		Twelve months ended December 31	
	2022	2021	2022	2021
Revenue	\$ 38,144	\$ 38,298	\$ 151,568	\$ 147,954
Operating expenses:				
Direct	13,987	14,167	57,049	52,350
Selling, general and administrative	10,541	9,901	42,699	38,960
Depreciation, amortization and impairment	1,375	1,357	5,277	6,374
Total operating expenses	<u>25,903</u>	<u>25,425</u>	<u>105,025</u>	<u>97,684</u>
Operating income	12,241	12,873	46,543	50,270
Other income (expense):				
Interest income	134	4	168	14
Interest expense	(286)	(399)	(1,209)	(1,667)
Reclassification of cumulative translation into earnings	(2,569)	--	(2,569)	--
Other, net	<u>(49)</u>	<u>13</u>	<u>(118)</u>	<u>4</u>
Total other income (expense)	<u>(2,770)</u>	<u>(382)</u>	<u>(3,728)</u>	<u>(1,649)</u>
Income before income taxes	9,471	12,491	42,815	48,621
Provision for income taxes	<u>2,830</u>	<u>2,858</u>	<u>11,015</u>	<u>11,155</u>
Net income	<u>\$ 6,641</u>	<u>\$ 9,633</u>	<u>\$ 31,800</u>	<u>\$ 37,466</u>
Earnings Per Share of Common Stock:				
Basic Earnings Per Share	<u>\$ 0.27</u>	<u>\$ 0.38</u>	<u>\$ 1.28</u>	<u>\$ 1.47</u>
Diluted Earnings Per Share	<u>\$ 0.27</u>	<u>\$ 0.38</u>	<u>\$ 1.27</u>	<u>\$ 1.46</u>
Weighted average shares and share equivalents outstanding:				
Basic	<u>24,648</u>	<u>25,419</u>	<u>24,922</u>	<u>25,422</u>
Diluted	<u>24,775</u>	<u>25,597</u>	<u>25,052</u>	<u>25,640</u>

NATIONAL RESEARCH CORPORATION AND SUBSIDIARY
Unaudited Condensed Consolidated Balance Sheets

(Dollars in thousands, except share amounts and par value)

	December 31, 2022	December 31, 2021
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 25,026	\$ 54,361
Accounts receivable, net	14,461	13,728
Other current assets	4,229	5,618
Total current assets	<u>43,716</u>	<u>73,707</u>
Property and equipment, net	17,248	12,391
Goodwill	61,614	61,614
Other, net	7,883	9,828
Total assets	<u><u>\$ 130,461</u></u>	<u><u>\$ 157,540</u></u>
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Current portion of notes payable, net unamortized debt issuance costs	\$ 4,491	\$ 4,278
Accounts payable and accrued expenses	5,136	7,393
Accrued compensation	4,551	7,139
Deferred revenue	15,198	17,213
Dividends payable	2,956	3,044
Other current liabilities	1,085	1,321
Total current liabilities	<u>33,417</u>	<u>40,388</u>
Notes payable, net of current portion and unamortized debt issuance costs	17,690	22,269
Other non-current liabilities	7,321	9,546
Total liabilities	<u>58,428</u>	<u>72,203</u>
Shareholders' equity:		
Preferred stock, \$0.01 par value, authorized 2,000,000 shares, none issued	--	--
Common stock, \$0.001 par value; authorized 110,000,000 shares, issued 30,922,181 in 2022 and 30,898,600 in 2021, outstanding 24,628,173 in 2022 and 25,361,409 in 2021	31	31
Additional paid-in capital	175,453	173,942
Retained earnings (accumulated deficit)	(25,184)	(36,112)
Accumulated other comprehensive loss, foreign currency translation adjustment	--	(2,375)
Treasury stock	(78,267)	(50,149)
Total shareholders' equity	<u>72,033</u>	<u>85,337</u>
Total liabilities and shareholders' equity	<u><u>\$ 130,461</u></u>	<u><u>\$ 157,540</u></u>