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# National Research Corp. (NRC)

Q3 2025 Earnings Call

## CORPORATE PARTICIPANTS

### Trent Green

*Chief Executive Officer, National Research Corp.*

### Shane Harrison

*Chief Financial Officer & Executive Vice President, National Research Corp.*

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Good afternoon. Thank you for attending the NRC Health Third Quarter 2025 Earnings Call. My name is Cameron, and I'll be your moderator for today. All lines will be muted during the presentation portion of the call.

And I would now like to pass the conference over to your host for today's call. You may proceed.

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### Unverified Participant

Thank you, operator. Welcome to NRC Health's earnings conference call for the third quarter ended September 30, 2025. I want to first let you know that we've posted our earnings press release to the Investor Relations section on our website. On the call today, we have NRC Health's CEO, Trent Green; and our new CFO, Shane Harrison.

Before getting started, I'd like to emphasize that this call will include statements related to the expected future results of our company, which are therefore forward-looking statements. Our actual results may differ materially from our expectations due to a number of risks and uncertainties, including those described in our earnings release and other SEC filings.

Today's remarks will include references to non-GAAP financial measures. Additional information, including definitions and reconciliations between non-GAAP financial information and GAAP financial information is provided in the corresponding earnings press release, which is posted on NRC Health's Investor Relations website. A replay of this call will be posted to the same website.

With that, let me turn this call over to our CEO, Trent Green.

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### Trent Green

*Chief Executive Officer, National Research Corp.*

Good afternoon, everyone, and thank you for joining us for NRC Health's third quarter 2025 earnings call. Today, I'll discuss our Q3 financial results, share a few reflections from my first 120 days as CEO, and outline our near-term operational and strategic priorities.

Starting with the quarter's results. I'm very pleased with how our teams executed. Revenue reached nearly \$35 million and adjusted EBITDA was \$11 million, reflecting 11% year-over-year growth. Total recurring contract value, or TRCV, a valuable leading indicator of our recurring revenue over the next 12 months, rose 8% year-

over-year to \$142 million, our strongest growth since 2020. This performance reflects strong sales momentum across both existing and new customers.

In Q3, we secured multiple deals, including an over \$1 million TRCV expansion with a top 50 health system, two additional nearly \$1 million cross-sells with top 100 health systems, and a new logo win exceeding \$500,000 in TRCV with an East Coast health system that acquired multiple NRC Health's products. Each of these wins came from competitive takeaways. We were selected for the breadth of our products, the value of our unique data insights and enablement tools, and the differentiating service and client success we deliver day in and day out.

Just as important, our customer retention continues to strengthen. Over the past year, our customer strategy team has reduced TRCV losses and down-sells by nearly 50%. Additionally, we're seeing great success in expanding with our existing customers. Cross-sell and upsells during the quarter, a few of which I just mentioned, resulted in the best quarterly customer expansion activity we've seen in six years. Together, these trends drove our net retention rate to its highest level since 2020.

Now, stepping back to reflect on my first few months as CEO. After spending time with our associates, customers, prospects and investors, I'm even more confident in NRC Health's opportunities for growth and value creation. Our market opportunity is substantial. The US healthcare landscape is evolving, defined by shifting consumer expectations, regulatory complexity, workforce challenges, and financial pressure. To succeed, healthcare organizations must connect deeply with the people they serve, while adapting to these systemic forces. That's exactly where NRC Health is uniquely positioned. Our mission to turn human understanding into meaningful, measurable action, aligns directly with what healthcare providers need most.

This leads me to my next reflection, the competitive differentiation NRC Health has built through our deep subject matter expertise and our exclusive focus on the healthcare sector. A great example of this differentiation was our annual Human Understanding Beyond customer conference, which we refer to as HUB, held two weeks ago in Orlando. This event brought together hundreds of leaders from health systems of all sizes and provided a powerful forum for customers to share success stories, collaborate with one another and with our NRC Health associates, and learn about our evolving product roadmap. The energy and engagement at HUB showcased the tangible impact our products and teams are having, driving measurable improvements in patient, employee and provider experiences, and health system outcomes.

Through HUB and my customer visits over the past few months, I've heard firsthand that our value proposition has never been more relevant. It's built on three core pillars of differentiation. First, insights. Our platform uniquely provides continuous data on what individuals expect, experience, and value throughout their healthcare journey, alongside broader market intelligence on what communities, regulators, and peers are seeing across the healthcare ecosystem.

Our second pillar is engagement. Our clients view NRC Health as a trusted partner, not just a data provider. They value our decades of experience and our ability to translate insights into action through deep relationships across all levels of their organizations, from boards to frontline staff. We treat all of our interactions as a true partnership and as a privilege that we strive to earn every day.

Our third is enablement. We empower our clients to act, providing the tools, workflows, and best practices to convert insights into measurable improvement in health system governance, brand performance, and patient and employee experience. These three pillars are the foundation of our strategy and innovation roadmap. We'll continue to build upon each, advancing our products, deepening our customer partnerships, and driving outcomes that improve healthcare for all.

Now, looking ahead, our operational priorities are clear and focused. First, delivering excellence in client partnerships. We'll continue strengthening our customer success capabilities to engage more deeply across our client's organizations. Second, evolving our go-to-market model. Better aligning sales, marketing and customer success to accelerate cross-sell momentum and drive more new logo wins. Third, modernizing our technology platform. We're building on a scalable, modern tech stack to support seamless integration and new AI-driven innovations. These initiatives will help us fortify our foundation, amplify our impact, and position NRC Health for sustained growth, strong margins, and lasting value creation.

Finally, as I mentioned in our Q2 earnings call, I've been engaged in building up our management team. I'm pleased to welcome Shane Harrison as our new CFO. Shane joined NRC last month, bringing more than 25 years of experience in finance, strategy, M&A, and investor relations at leading SaaS and technology companies, including most recently at PowerSchool. I'm excited about the leadership team we're building and confident in the opportunities ahead.

With that, I'll turn it over to Shane to share what drew him to NRC and to walk through the details of our financial performance.

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## Shane Harrison

*Chief Financial Officer & Executive Vice President, National Research Corp.*

Thank you, Trent, and good afternoon, everybody. I'm thrilled to be here today and to be part of NRC Health. I've always been drawn to mission-driven companies that are trying to change the way people live and how they can thrive. NRC is focused on delivering meaningful insights across the full spectrum of healthcare stakeholders and using those insights to drive better outcomes is something that resonates with me. On top of this mission, NRC's subscription business model, commitment to data-centric solutions, and history of innovation were a great fit for me.

Now, on to the details of our third quarter 2025 results. For the quarter, we reached \$34.6 million of revenue, growing 2% sequentially. Our TRCV finished at \$141.7 million, which was 8% higher than the third quarter of 2024 and has now grown sequentially for four consecutive quarters. Driving this growth is the strong sales momentum in both new logos and cross-sell/upsell, as well as improved gross dollar retention. Adjusted EBITDA for the quarter was \$10.9 million, up 11% year-over-year and representing a 31% margin, which expanded over 4 percentage points from Q3 of 2024. Operating expenses were lower due primarily to reduced compensation expense and the timing of marketing expenses, part of which will return in Q4 of this year.

Third quarter of 2025 adjusted net income was \$0.23 per fully diluted share. During the quarter, we repurchased 618,000 of our shares for \$9.3 million, which reduced our weighted average fully diluted share count for the third quarter to 22.1 million shares. Compared to the prior year, our weighted average diluted share count is 1.6 million shares lower, which is a reduction of 7% year-over-year.

During the quarter, we paid our normal dividend of \$0.12 per share, and we announced yesterday a 33% increase to our quarterly dividend to \$0.16 per share, which will be payable in January. With our strong balance sheet and consistent cash flow, we remain committed to a disciplined approach to capital allocation, balancing dividends and opportunistic share repurchases with strategic investment, both organic and inorganic, that deliver compelling ROI.

With that, I'll turn it back over to Trent.

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## Trent Green

*Chief Executive Officer, National Research Corp.*

Thank you, Shane. We're encouraged by the continued momentum across our business. Health systems are increasingly turning to NRC Health as their trusted partner for insights and enablement solutions, helping them better understand their patients, their employees, and their communities. Our authenticity and healthcare specific focus continue to set us apart. Every product we deliver is exclusively built for healthcare, empowering our customers to improve outcomes for all their stakeholders while driving greater efficiency and effectiveness across their organizations. We remain confident in our direction and excited about the opportunity ahead to extend NRC Health's leadership in transforming human understanding into meaningful, measurable action.

I want to thank our associates for their commitment, our customers for their trust, and our shareholders for their support. We're excited about the opportunities ahead and look forward to sharing more about our progress in the quarters to come. As a reminder, if you have any questions or want to engage further, please contact us at the email address [ir@nrchealth.com](mailto:ir@nrchealth.com).

**Operator:** This concludes today's call. You may now disconnect.

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