

The background of the entire page is a dark, semi-transparent financial chart. It features a grid with various data series, including candlesticks and line graphs. A prominent line graph in the upper right corner shows a peak and a subsequent decline, with a label '52.34%' indicating a specific data point. The overall aesthetic is professional and data-driven.

HAVEN

EQUITIES

Equity Research
Report (Cycle 3)

Equity Research Report



DOXIMITY INC (DOCS)
Healthcare | Healthcare Technology

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This report is prepared by Haven Equities for educational and informational purposes only and does not constitute investment advice or a recommendation to buy or sell any security.

Stock Name: Doximity Inc.

Sector: Healthcare | Industry: Healthcare Technology | Price: \$21.05 (Current Price)

Thesis:

Doximity Inc. is the dominant digital ecosystem and professional network for healthcare professionals in the United States. The company has immense growth potential due to its highly profitable software architecture, increasing adoption of AI clinical tools, and unparalleled penetration of over 85 percent of all U.S. physicians. Analysts project revenue to rebound and achieve strong double digit growth over the next few years as macroeconomic pharmaceutical budgets unlock and Doximity successfully monetizes its agentic AI suite.

Key Drivers:

- Unmatched 85 percent U.S. Physician Penetration
- Explosive DocsGPT and AI Scribe Adoption
- Aggressive 500 Million USD Share Repurchase Program
- Highly Profitable 60 percent Adjusted EBITDA Margins

Key Risks:

- **Pharmaceutical Budget Volatility:** Revenue growth relies heavily on the discretionary digital marketing budgets of mega cap pharmaceutical companies.
- **Margin Compression:** The rollout of generative AI features requires significant infrastructure investments that have slightly compressed gross margins.
- **AI Clinical Liability:** The deployment of AI in medical settings carries safety risks where inaccurate outputs could cause reputational damage.
- **Customer Concentration:** A vast majority of the company's revenue is directly tied to a small cohort of 126 large enterprise clients

Haven Rating: BUY

Recommendation: BUY

Time Horizon: 4 Years

Risk Level: High Risk

Catalyst Driven: Yes

Catalysts (Next 1-6 Months):

- **Q4 Earnings Print:** A strong report in May 2026 would prove that delayed pharmaceutical budgets are finally unlocking.
- **AI Suite Commercialization:** The anticipated formal launch of enterprise pricing for DocsGPT will introduce a new high margin revenue stream.
- **Continuous Share Buybacks:** The aggressive deployment of the 500 million USD repurchase authorization will significantly reduce the outstanding share float.
- **Workflow Engagement:** Further record growth in the 720,000 quarterly active workflow users will validate platform stickiness and utility.

- **Price:** 21.05 USD
- **P/E Ratio:** 17.69x
- **Market Cap:** 4.19 Billion USD
- **Enterprise Value:** 3.16 Billion USD
- **Revenue (TTM):** 637.78 Million USD
- **Cash:** 735.13 Million USD
- **FCF:** 307.2 Million USD
- **Beta (5Y):** 1.44
- **52 week low/high:** 20.55 USD / 76.51 USD
- **Annual Growth (1Y):** 13.00 percent (2026 Projection)

Company Snapshot

Business Description:

Doximity is a digital platform and professional network specifically built for U.S. medical professionals. It provides a comprehensive suite of HIPAA compliant tools including telehealth, AI clinical scribes, secure messaging, and a targeted medical newsfeed.

Revenue Model:

The company operates primarily on a recurring subscription based model targeting pharmaceutical manufacturers and health systems. Clients pay to access the network for high precision digital marketing and medical recruitment. Over 84 percent of its revenue comes from 126 scaled enterprise customers spending over 500k annually.

Operating Segments

Segment	Revenue (M)	% of Revenue
Subscription Revenue	175.4	95%
Other Revenue	9.7	5%

Note: Segment revenue based on Q3 Fiscal 2026 figures.

Doximity’s operating segments have contributed to its consistent profitability and high margin growth.

Key Operating Metrics

- Net Revenue Retention (NRR): 112 Percent
- Top 20 Customer NRR: 117 Percent
- Scaled Customer Cohort (over 500k): 126 Customers
- U.S. Physician Network Penetration: over 85 percent
- Workflow Unique Active Providers: 720,000 Quarterly Users

Industry & Competition

Industry Overview

Market Size: The U.S. healthcare digital advertising market is valued at 25.3 Billion USD in 2025.

Projected Growth: The industry is expected to grow at a 3.6 percent CAGR through 2034.

Trends

- **Agentic AI Integration:** A massive shift toward clinical AI scribes to automate medical documentation and reduce physician burnout.
- **Data Moats:** High value is placed on proprietary, HIPAA compliant networks with verified identity graphs as generic cookies are phased out.
- **Unified Platforms:** Health systems are actively consolidating fragmented IT vendors into integrated telehealth and workflow ecosystems.
- **Digital Transformation:** Trillions in overarching healthcare spending are being optimized through data driven and measurable digital marketing.

Main Competitors

Firm	Ticker	Market Cap	Additional Notes
Veeva Systems	VEEV	\$29.8B	Dominant system of record for life sciences; trades at a premium
Teladoc Health	TDOC	\$936M	Direct competitor in virtual care; burdened by high clinical service costs
HubSpot	HUBS	\$35B	Leader in generic mid market CRM; lacks a specialized medical network

Company Positioning

Doximity is an exclusive medical network that successfully combines an 85 percent plus physician penetration rate with cutting edge clinical AI tools. Through its strategic acquisition of Pathway Medical, the platform delivers peer reviewed and highly accurate medical responses via its DocsGPT agent. While legacy telemedicine and generic CRM competitors struggle with high acquisition costs and lack of specialized medical focus, Doximity's integrated architecture delivers industry leading 60 percent EBITDA margins. Despite this dominance, the stock trades at a severe discount of roughly 13.3x free cash flow, offering a significant opportunity as a mispriced leader in healthcare technology.

Valuation

Current Valuation: \$4.19B

	Prev. Year (2024)	Current Year (2025)	Next Year (Projected)
EV/Revenue	9.2x	4.9x	4.3x
P/S	10.5x	6.5x	5.9x
Market Cap	\$6.2B	\$4.1B	\$4.9B

Peer Comparison

	EV/Revenue	P/S	Market Cap
DOCS	4.9x	6.5x	\$4.1B
Veeva Systems	6.8x	10.6x	\$29.8B
Teladoc	0.5x	0.3x	\$936M
Hims & Hers	2.2x	2.4x	\$4.4B

Valuation Scenarios

Scenario	Assumption	Implied Value	Upside/Downside
Base Case	13% Growth	\$39.05 Target Price	+85% Upside
Bull Case	>20% Growth	\$49.82 Target Price	+136% Upside
Bear Case	Single Digit Growth	\$25.00 Target Price	+18% Upside

Fundamental Analysis

Quantitative Analysis (Financial Health)

In Q3 of fiscal 2026, Doximity surpassed expectations with 185.1 million USD in revenue, marking a 10 percent year over year increase driven by strong enterprise demand. The company achieved exceptional operational efficiency with an Adjusted EBITDA of 111.4 million USD, representing a robust 60.2 percent margin. The company generated 58.5 million USD in free cash flow during the quarter, fortifying its pristine balance sheet. Doximity maintains a massive 735.1 million USD in cash and equivalents against virtually zero debt, positioning it in a flawless net cash state.

Key Ratios

As of early 2026, Doximity continues to demonstrate elite financial efficiency, easily surpassing the Rule of 40 with a combined revenue growth and EBITDA margin score of approximately 70 percent. The company maintains a robust current ratio of 7.79, ensuring massive liquidity to navigate macroeconomic uncertainties. With a negligible debt profile, the company is highly unleveraged and utilizes its strong cash position to fund a massive 500 million USD share buyback program. Valuation remains incredibly attractive for investors at a P/E ratio of 17.6x, significantly lower than its historical averages and high growth peers.

Quantitative Analysis (Business Fundamentals)

Led by veteran co founder Jeff Tangney, Doximity maintains a formidable competitive moat through its verified network of over 3 million medical professionals, completely dominating the clinical engagement space. The company's business model leverages recurring enterprise subscriptions with extremely low customer acquisition costs, consistently delivering industry leading profitability. With an impressive 112 percent net revenue retention rate and a rapidly growing AI product suite, Doximity is strategically positioned to capture a larger share of global pharmaceutical marketing budgets.

Technical Analysis

Price Action and Charts

As of mid April 2026, Doximity is navigating a sharp short term downtrend, trading near 21.05 USD, a steep decline from its 52 week high of 76.51 USD. The stock has broken below its 50 day moving average of 27.78 USD and its 200 day moving average of 51.22 USD, signaling a significant shift in momentum confirmed by heavy institutional selling. Key support has established a psychological floor at the 20.50 USD to 21.00 USD range, where the stock is currently showing signs of being deeply oversold. To signal a meaningful reversal, DOCS must reclaim its primary resistance level near 25.00 USD on heavy buying volume, which would potentially validate a recovery pattern targeted by analysts at 39.00 USD.

Common Technical Indicators

As of mid April 2026, Doximity exhibits a heavily bearish technical profile with the stock trading well below all critical simple and exponential moving averages. The MACD is currently negative at -0.36, indicating sustained downward momentum and elevated selling pressure. However, with the 14 day RSI sitting at 34.5, the stock is rapidly approaching oversold territory, suggesting that the velocity of the recent selloff is largely exhausted. This indicates a strong potential for a short term bounce or stabilization near the 21.00 USD support level, especially given the continuous corporate share repurchases providing a mechanical bid.

Core Assumption

Doximity's current price action reflects the core tenets of extreme market capitulation, where investors have heavily discounted its elite profitability to focus exclusively on temporary macroeconomic pharmaceutical budget delays. However, because markets often overreact to short term guidance, the stock's arrival at absolute 52 week lows presents a classic oversold accumulation setup. This indicates that while the prevailing trend is bearish, the price is entering a deep value zone where market psychology typically shifts from panic selling to long term value seeking.

Conclusion/Recommendation

Investment Recommendation

HOLD Short-Term
BUY Long-Term

Target Price & Potential Returns

Target Price: \$39.05 USD
Potential Upside: 85%

Core Thesis Summary

Doximity's 2026 thesis centers on its unstoppable dominance as the primary digital ecosystem for U.S. physicians and its successful expansion into agentic clinical AI. Leveraging its proprietary network of 3 million verified members, the company delivers unmatched marketing ROI for pharmaceutical brands while maintaining elite 60 percent EBITDA margins. Trading at distressed valuation multiples with a 500 million USD buyback in place, Doximity offers massive upside as it commercializes its highly popular DocsGPT platform.

Key Catalysts

- Q4 Earnings Print
- AI Suite Commercialization

Key Financial Metrics

Revenue: 637.78 Million
EBITDA Margin: 60.20%
Cash Balance: \$735.13 Million
Market Cap: \$4.19 Billion
P/E Ratio: 17.69x
EPS: \$1.27

Key Risks:

- Pharmaceutical Budget Volatility: Revenue growth relies on the discretionary marketing budgets of massive pharmaceutical companies.
- Margin Compression: High infrastructure costs for generative AI compute could pressure historical gross margins.
- Clinical AI Liability: Generic hallucinations in the AI Scribe could cause regulatory action or severe reputational damage.
- Customer Concentration: A vast majority of subscription revenue is heavily concentrated within the top 126 enterprise clients.

Company Snapshot

Ticker: DOCS
Current Price: 21.05 USD

Stock Type

Asset Class: Growth
Size: Mid Cap
Dividend: NO

Sources:

1. Company Filings & Earnings Reports:

- Doximity Inc. Q3 Fiscal 2026 Earnings Call Investor Presentation and Prepared Remarks
- Doximity Inc. SEC Filings, including the Form 10-Q Quarterly Earnings Report and 2025 Annual Report (Form 10-K)
- Doximity Inc. Q1 and Q2 Fiscal 2026 Earnings Call Summaries

2. Financial Data & Valuation Modeling:

- TIKR Terminal for stock analysis, analyst consensus, and valuation modeling
- Simply Wall St for discounted cash flow (DCF) intrinsic value estimates, free cash flow analysis, and key operating metrics
- Zacks Equity Research for earnings guidance, consensus estimates, and financial position tracking

3. Technical Analysis & Market Data:

- Investing.com for technical indicator aggregates (RSI, MACD), moving averages, and historical 52-week price action
- MarketBeat for real-time institutional ownership changes, analyst downgrades/upgrades, and competitor tracking
- Barchart and TradingView for advanced charting, oscillators, and volume analysis

4. Industry & Macroeconomic Research:

- Fortune Business Insights and Precedence Research for digital health market size projections and Compound Annual Growth Rate (CAGR) data
- PulsePoint 2026 Healthcare Marketing Trends Report for insights into physician network data interoperability and digital advertising shifts
- ResearchAndMarkets and IMARC Group for US healthcare digital marketing market valuations