

Zacks Small-Cap Research

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Earth Science Tech, Inc. (ETST-OTC)

ETST: Initiating Coverage of a Strategic Holding Company Focused on the Healthcare Industry, with a Real Estate Kicker

Based on our DCF model, we think ETST could trade up to \$1.00. We look for a considerable upward revaluation for the stock, as awareness and appreciation of the company's business model, growth prospects, competitive positioning, consistent profitability, and valuation disconnect increasingly take hold. Moreover, a more favorable regulatory backdrop and/or further acquisitions likely represent powerful catalysts for ETST.

INITIATION

Earth Science Tech, Inc. (ETST) is a strategic holding company, with wholly-owned subsidiaries operating in the compounding pharmaceutical (RxCompoundStore.com, MisterMeds.com), telehealth (Peaks Curative, Las Villas Health Care, DOConsultations.com), real estate (Avenvi), and consumer products (Magnefuse) sectors. Senior executives remain focused on managing and optimizing company operations, as well as acquiring complementary assets.

The firm was incorporated in 2010, with headquarters in Miami, Florida.

Current Price (06/30/25) \$0.20
Valuation \$1.00

SUMMARY DATA

52-Week High \$0.33
52-Week Low \$0.00
One-Year Return (%) -29.18
Beta N/A
Average Daily Volume (sh) 58,766

Shares Outstanding (mil) 294.3
Market Capitalization (\$mil) \$58
Short Interest Ratio (days) N/A
Institutional Ownership (%) 0
Insider Ownership (%) 47

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) N/A
Earnings Per Share (%) N/A
Dividend (%) N/A

P/E using TTM EPS 18.4
P/E using F2026 Estimate 8.6
P/E using F2027 Estimate 3.9

Risk Level Above-Average
Type of Stock Small-Growth
Industry Medical - Products

ZACKS ESTIMATES

Revenues

(in thousands of \$)

	Q1	Q2	Q3	Q4	Year
	(Jun)	(Sep)	(Dec)	(Mar)	(Mar)
2024	220 A	1,928 A	3,790 A	6,016 A	11,954 A
2025	8,569 A	8,519 A	7,353 A	8,677 A	33,118 A
2026	10,412 E	12,495 E	14,994 E	17,993 E	55,894 E
2027					86,365 E

Earnings/Share

	Q1	Q2	Q3	Q4	Year
	(Jun)	(Sep)	(Dec)	(Mar)	(Mar)
2024	(\$0.00) A	\$0.00 A	\$0.00 A	\$0.00 A	\$0.00 A
2025	\$0.00 A	\$0.00 A	\$0.00 A	\$0.00 A	\$0.01 A
2026	\$0.00 E	\$0.00 E	\$0.01 E	\$0.01 E	\$0.02 E
2027					\$0.05 E

Quarterly revenues/EPS may not equal annual revenues/EPS due to rounding.

INVESTMENT THESIS

We are initiating coverage of **Earth Science Tech, Inc. (OTCPK: ETST)** with a 12-month price target of \$1.00, translating into a sizeable upside from the stock's current price. Earth Science Tech is a strategic holding company, with wholly-owned subsidiaries operating in the compounding pharmaceutical, telehealth, real estate, and consumer products sectors. Senior executives remain focused on managing and optimizing company operations, as well as acquiring complementary assets.

Our investment thesis revolves around:

- 1. Industry tailwinds:** In contrast to standardized prescription drugs manufactured in mass by largescale pharmaceutical companies, compounding pharmacies formulate customized medications tailored for specific individual needs. In aggregate, revenues across the U.S. compounding pharmacy market are projected to rise from \$6.3 billion in 2024 to \$10.8 billion in 2033 representing a 6.1% Compound Annual Growth Rate (CAGR). Much of the growth across the industry can be attributed to: a) rising demand for personalized medications; b) emerging compounding technologies including Artificial Intelligence (AI) to enhance safety, efficacy, productivity, and efficiencies; c) Therapeutic Area (TA) expansion, with a focus on weight loss, Hormone Replacement Therapy (HRT), and chronic disease treatments; and d) ongoing supply shortages opening the door for compounding pharmacies to fill the gaps left by drug manufacturers.

Telehealth/telemedicine businesses provide digital healthcare services via video, phone, or online platforms. Looking ahead, revenues across the U.S. market are forecast to rise from \$35.8 billion in 2024 to \$160.5 billion in 2034 translating into a 16.2% CAGR. Key growth drivers likely include: a) rising adoption of telehealth services reflecting ubiquitous internet availability and smartphones, enhanced convenience/accessibility, and lower costs; b) deepening integration of technologies (particularly AI) to augment telehealth capabilities; c) the COVID-19 pandemic and related lockdowns hastened the uptake of virtual consultations and remote patient monitoring; and d) healthcare providers increasingly leveraging digital channels to manage chronic conditions.

- 2. Real estate optionality:** Avenvi, acquired in late 2024, is a real estate investment/financing company with a diversified portfolio of assets. Beyond sourcing locations for ETST's other portfolio companies, Avenvi remains well positioned to generate accelerating revenue/earnings contributions, particularly as the company's community of single-family homes comes to market. Stepping back, the Florida housing market continues to stabilize, with favorable lead indicators around: a) positive macroeconomic, demographic, and mortgage rate trends likely drive accelerating sales going forward; b) home prices remain relatively steady; c) new listings continue to trend higher, thereby building inventory; and d) supply/inventory and demand/sales rates are generally in balance suggesting a constructive backdrop for both buyers and sellers.
- 3. Multiple growth drivers:** We look for ETST revenues to continue to step higher reflecting several powerful drivers. First, following a period of active M&A, we forecast meaningful growth related to activating newly acquired assets. More specifically, we anticipate Peaks Curative sales to continue to ramp up, particularly as RXCompound obtains licenses in new states. Furthermore, we note Mister Meds recently commenced compounding sterile medications, and fiscal year 2026 (ending March 31, 2026) revenues will incorporate a full year of contributions from Avenvi, Las Villas, and DOConsultations.com. Second, we foresee ongoing consolidation across the compounding pharmacy industry, with market shares continuing to roll up to scale-enabled, diversified players. To the point, smaller independent providers with concentrated product/payer profiles likely increasingly struggle to pivot considering the shifting regulatory landscape. Third, management recently expanded the sales team and launched marketing initiatives to broaden awareness across physicians/healthcare providers, with the goal of driving stepped-up growth in fulfillments.
- 4. Accelerating financial performance:** Our model calls for EPS to hit \$0.02 for F2026 followed by \$0.05 in F2027. Key modeling inputs include: a) strong revenue growth reflecting reaccelerating sales for RXCompound in light of new protocols (formulations/dosages) for GLP-1 medications, rising sales at Peaks Curative, Mister Meds recently obtaining full licensure as a compounding pharmacy and commencing operations, and the recent additions of Las Villas and DOConsultations.com; b) high incremental margins, as revenues continue to ramp up, with ETST's holding company structure enabling subsidiaries to leverage centralized corporate functions, thereby streamlining expenses across the portfolio; and c) senior

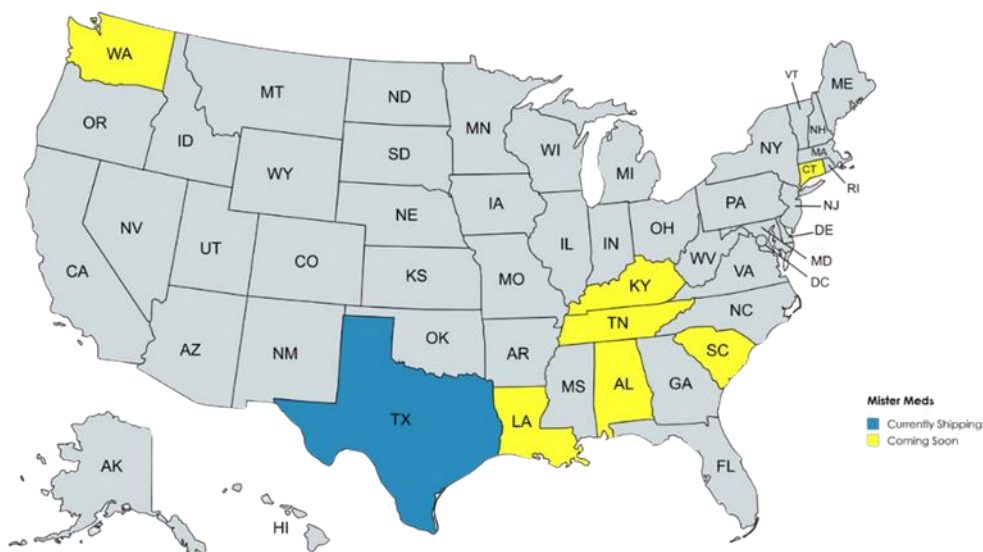
executives likely maintain an opportunistic approach as it relates to ongoing share repurchases, thereby providing support for EPS, as the diluted share count continues to trend down, as well as the stock price.

- 5. Upward revaluation candidate:** ETST continues to trade at what we believe to be an unsustainably low valuation, with much of the steep discount attributable to a lack of awareness in the market, particularly considering the stock's OTC listing, more limited liquidity, and undersized market cap. That said, we look for a considerable upward revaluation for the stock, as awareness and appreciation of the company's business model, growth prospects, competitive positioning, consistent profitability, and valuation disconnect increasingly take hold. Furthermore, a more favorable regulatory backdrop (particularly as it relates to compounding pharmacies vs. big pharma) and/or further acquisitions of strategically complementary assets at attractive valuations likely represent powerful catalysts for ETST.

Our DCF-derived price target of \$1.00 suggests a wide disconnect between ETST's fundamentals and the stock's current price. As a crosscheck, our curated peer group of compound pharmacy companies, traditional pharmacy retailers, and telehealth providers is currently trading at average P/E multiples of 24.8x based on 2025 estimates and 16.9x next year's earnings. At present, we calculate ETST is trading at just 3.9x our EPS estimate of \$0.05 for the fiscal year ending March 31, 2027 suggesting meaningful upside for the stock should the shares trade closer to peer-like multiples. Simply applying a blended multiple to our F2027 (Mar) EPS estimate of \$0.05 translates into a fair value north of \$1.00 for the stock.

- Mister Meds:** Mister Meds was acquired in October 2024 to complement RXCompound’s compounding pharmacy geographic footprint and establish a presence in Texas (Exhibit 3). Following a transition period, Mister Med’s 5,000 square foot manufacturing facility (owned by Avenvi) recently started compounding both sterile and non-sterile medications. Looking forward, management plans to obtain additional compounding pharmacy licenses in states not currently served by RXCompound or Mister Meds.

Exhibit 3. Mister Meds Footprint



Source: Company reports.

- Peaks Curative:** Peaks is a telemedicine referral platform focused on providing proprietary sexual health, weight loss, wellness, and other treatments. Prescriptions for compounded medications are fulfilled by RXCompound, Mister Meds, and MyOnlineConsultation.com, Peak’s online healthcare provider network. The company also recently acquired Zoolzy.com, a veterinarian compounding service provider focused on animals.
- Las Villas Health Care:** In April of this year, ETST closed the acquisition of Las Villas Health Care, a “brick and mortar” healthcare practice focused on Spanish-speaking communities in South Florida. Similar to Mister Meds, the plan for Las Villas seemingly includes acquiring real estate to combine hard assets with operating businesses to minimize macroeconomic risk and maximize returns.
- DOConsultations.com:** In conjunction with Las Villas, the company acquired DOConsultations.com, an online telemedicine platform based in Florida. The consideration paid for the two companies totaled \$200,000 in aggregate. DOConsultations likely enhances ETST’s telehealth platform (including Peaks Curative), with prescriptions fulfilled by RXCompound and Mister Meds.
- Avenvi:** Avenvi is a real estate investment/financing company with a diversified portfolio of assets including the headquarters/manufacturing facility for Mister Meds. As discussed in greater detail later in this report, Avenvi is in the process of developing a community of single-family homes to capitalize on the housing shortage in Florida.
- Magnefuse:** At the time of announcing the acquisitions of Las Villas and DOConsultations.com, ETST acquired 80% of Magnefuse, LLC for \$245,000 in cash, with an option to purchase the residual 20% over the next two years. Magnefuse operates MagneCHEF.com, a retail consumer company offering high-performance kitchen tools. While at first glance, Magnefuse may seem like somewhat of an outlier in the context of the company’s other healthcare-related subsidiaries, management plans to leverage the holding company’s marketing infrastructure, capabilities, and relationships to boost sales, thereby further diversifying ETST’s industry/business mix.

INDUSTRY TAILWINDS

As discussed earlier, a majority of the company's subsidiaries operate in the compounding pharmaceutical and telehealth markets – both of which are poised for strong/sustainable growth going forward, we believe.

Compounding Pharmacies

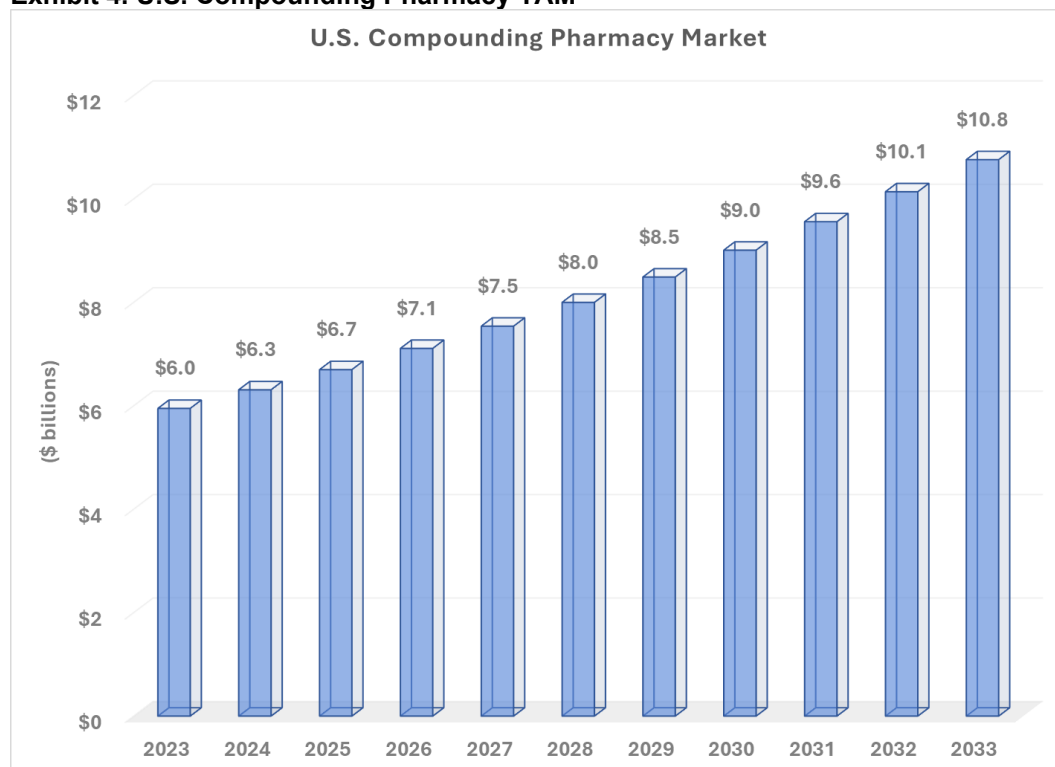
In contrast to standardized prescription drugs manufactured in mass by largescale pharmaceutical companies, compounding pharmacies formulate customized medications tailored for specific individual needs (i.e., personalized dosages, routes of administration, and/or ingredients and flavors). Compounded drugs often focus on treatment solutions for pain management, hormone replacement therapy, and skin-related conditions. Stepping back, recent estimates suggest there are approximately 32,000 pharmacies compounding medications in the U.S. accounting for roughly 1% to 3% of prescriptions filled in the country.

By business, the 503A market comprises individual/regional pharmacies compounding medications based on prescriptions for specific patients. 503A pharmacies are regulated at state level through Boards of Pharmacy, with licensed pharmacists utilizing FDA-approved pharmaceutical-grade ingredients to formulate medications in registered facilities following industry standards set by the United States Pharmacopeia (USP) Convention.

503B companies maintain outsourcing facilities to manufacture drugs in bulk for hospitals and other healthcare providers. In addition to state oversight, 503B operations are regulated at the federal level by the U.S. Food and Drug Administration (FDA) and are subject to Current Good Manufacturing Practices (cGMP), regular testing procedures, and stricter labeling rules to uphold quality, safety, and efficacy standards.

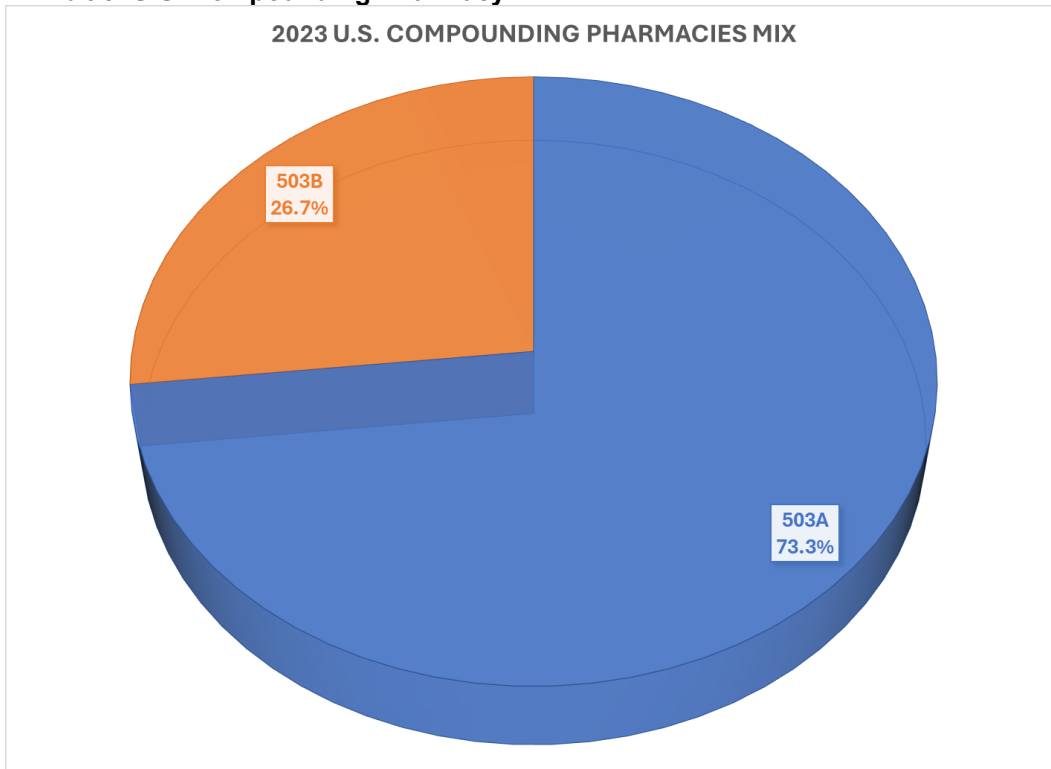
In aggregate, revenues across the U.S. compounding pharmacy market are projected to rise from \$6.3 billion in 2024 to \$10.8 billion in 2033 representing a 6.1% CAGR (Exhibit 4). While the 503A market accounts for 70%+ of industry revenues (Exhibit 5), 503B businesses are forecast to grow at a higher clip – 7.6% CAGR through 2033 vs. 5.7% for 503A pharmacies (Exhibits 6-7).

Exhibit 4. U.S. Compounding Pharmacy TAM



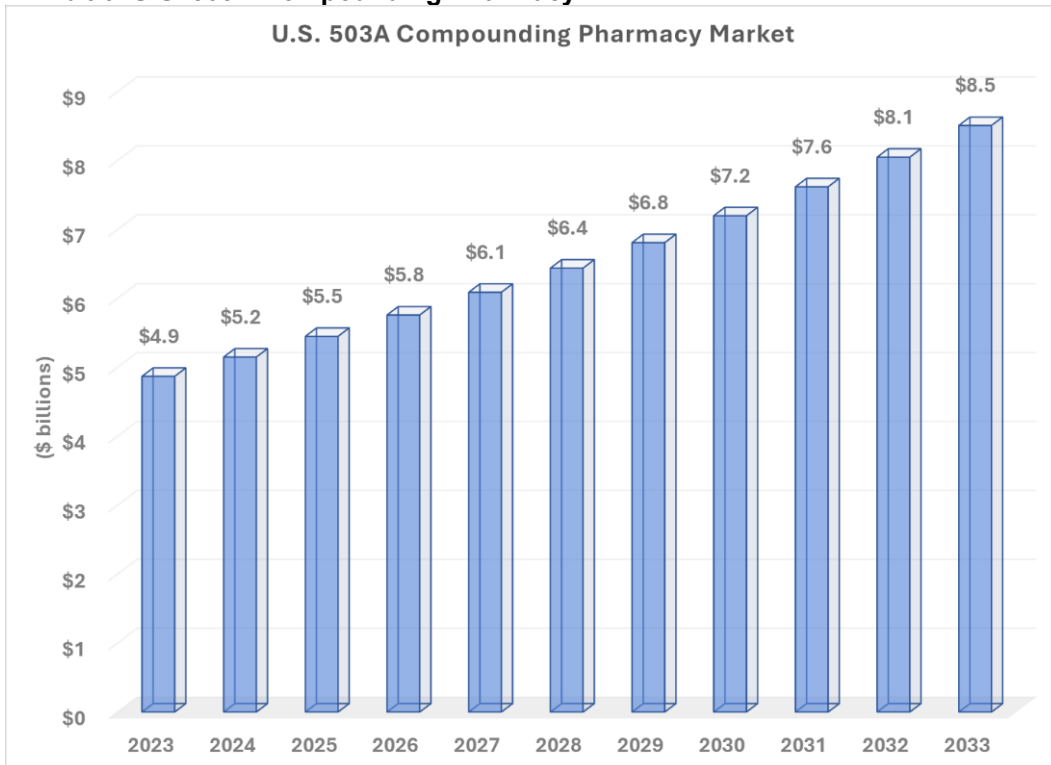
Source: Analyst work from Nova One Advisor.

Exhibit 5. U.S. Compounding Pharmacy Mix



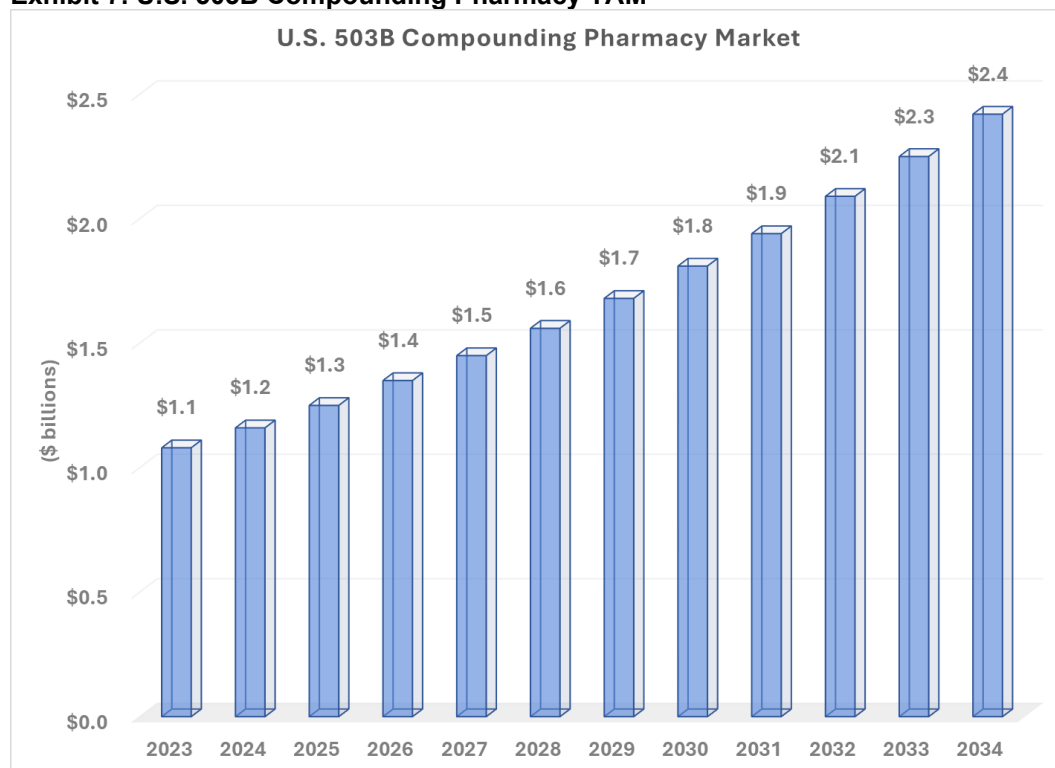
Source: Analyst work from Nova One Advisor.

Exhibit 6. U.S. 503A Compounding Pharmacy TAM



Source: Analyst work from Towards Healthcare.

Exhibit 7. U.S. 503B Compounding Pharmacy TAM

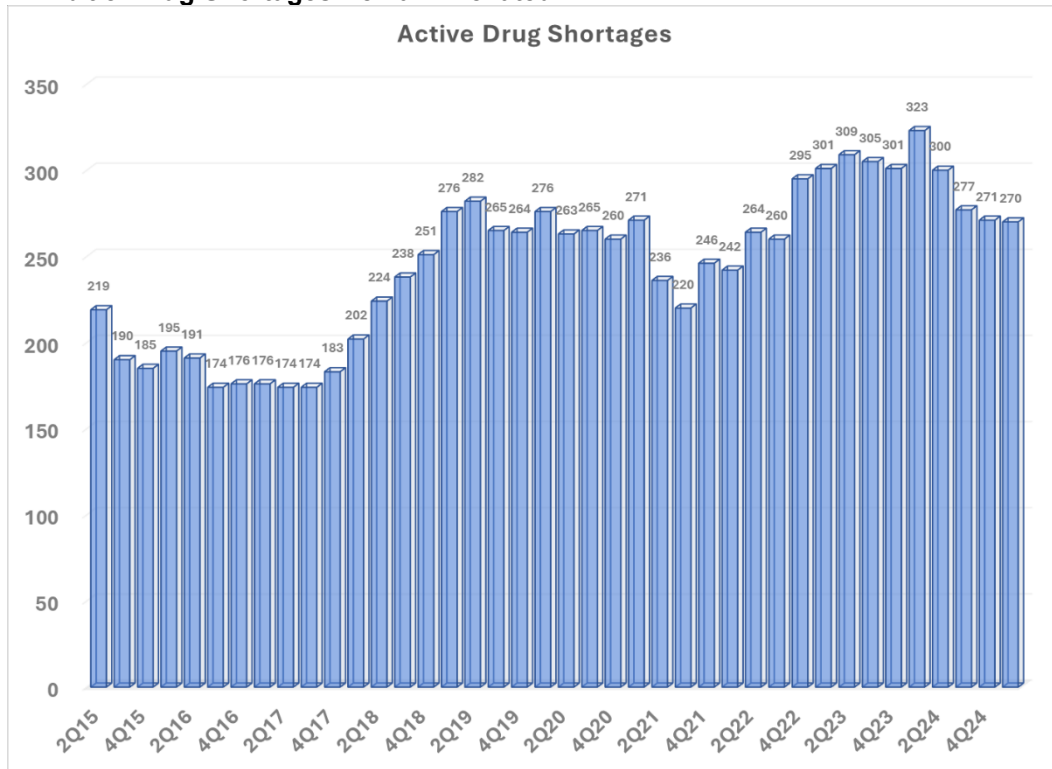


Source: Analyst work from Towards Healthcare.

Much of the growth across the industry can be attributed to:

- 1. Rising demand for personalized medications:** Rising demand for customized treatment solutions that are tailored to specific individual patient's needs (as opposed to standardized pharmaceutical products) continues to boost the market for compounded medications.
- 2. Emerging compounding technologies:** Ongoing innovations in compounding along with increasingly automating manufacturing processes continue to enhance safety, efficacy, productivity, and efficiencies across the industry. Furthermore, compounding pharmacies are increasingly leveraging Artificial Intelligence (AI) to improve quality control, operating efficiencies and recordkeeping, as well as optimize inventory management in anticipation of shifting demand trends.
- 3. Therapeutic area expansion:** The total addressable market for compounding continues to expand led by rising demand for weight loss and Hormone Replacement Therapy (HRT) drugs, along with medications to treat an expanding range of chronic diseases.
- 4. Supply shortages:** While down from a high of 323 at the end of the first quarter of 2024, 270 drugs remained on the FDA's active drug shortage list as March 31, 2025 (Exhibit 8). Supply shortages open the door for compounding pharmacies to step in to fill the gaps left by drug manufacturers.

Exhibit 8. Drug Shortages Remain Elevated



Source: Analyst work from the U.S. Food and Drug Administration.

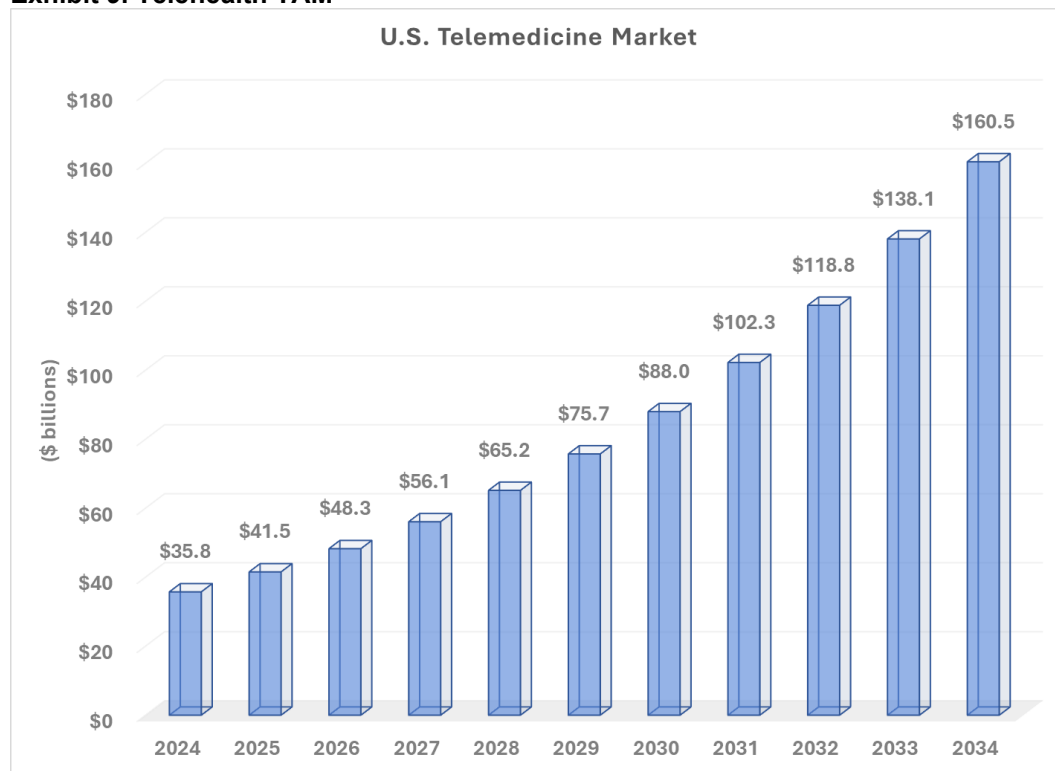
Telehealth

Telehealth/telemedicine businesses provide digital healthcare services via video, phone, or online platforms. Looking ahead, revenues across the U.S. market are forecast to rise from \$35.8 billion in 2024 to \$160.5 billion in 2034 translating into a 16.2% CAGR (Exhibit 9). Key growth drivers likely include:

- a) while we expect a significant segment of the general population to continue to prefer in-person care, we look for rising adoption of telehealth services reflecting the ubiquitous nature of the internet and smartphones, enhanced convenience/accessibility, and lower costs;
- b) deepening integration of technologies (particularly AI) to augment telehealth capabilities;
- c) the COVID-19 pandemic and related lockdowns hastened the uptake of virtual consultations and remote patient monitoring; and
- d) increasingly leveraging digital channels to manage chronic conditions.

Stepping back, we expect a rising number of hospitals, clinics, and other healthcare providers to increasingly transition to hybrid care models integrating remote services with in-person visits to broaden accessibility and capture incremental economics.

Exhibit 9. Telehealth TAM



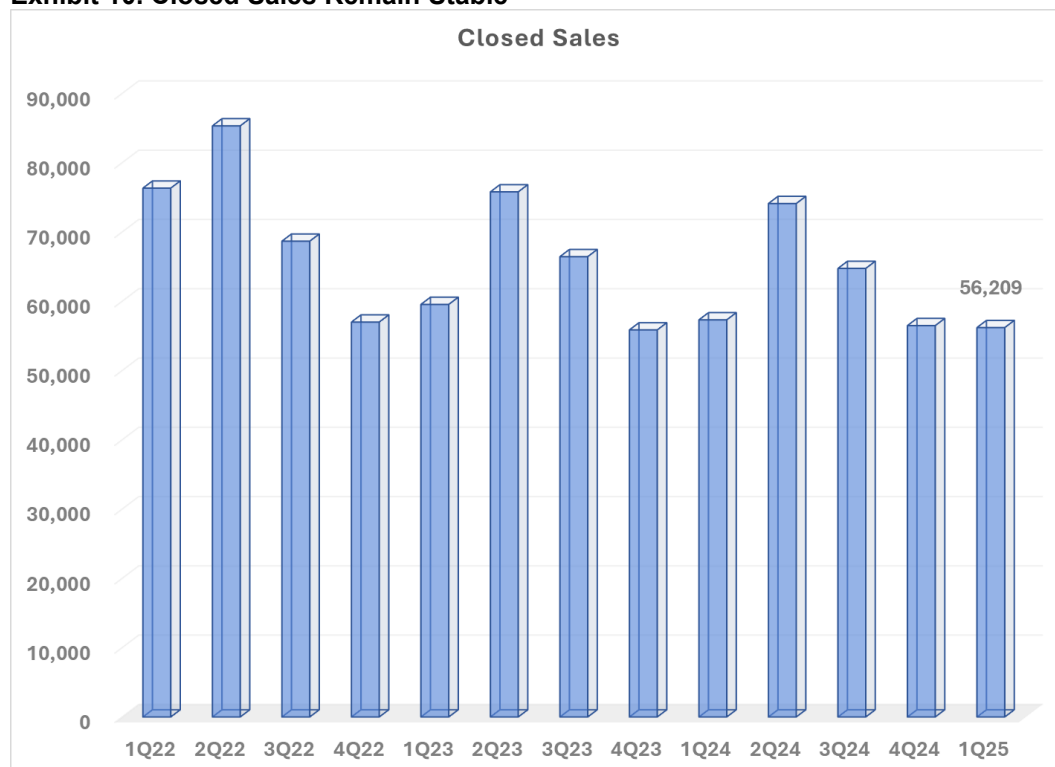
Source: Analyst work from Nova One Advisor.

REAL ESTATE OPTIONALITY

Beyond sourcing locations for ETST's other portfolio companies, Avenvi remains well positioned to generate accelerating revenue/earnings contributions in its own right. While the company maintains a diversified portfolio of assets, much of our optimism is centered on Avenvi's community of single-family homes currently in development, particularly given what seems to be ongoing market stabilization. More specifically:

- 1. Closed sales holding steady:** As shown in Exhibit 10, single-family home sales in Florida in 1Q25 remained generally consistent with levels recorded in seasonally-slower first quarters looking back over the last three years. That said, we anticipate accelerating demand reflecting favorable macroeconomic, demographic, and mortgage rate trends to drive higher sales figures going forward.

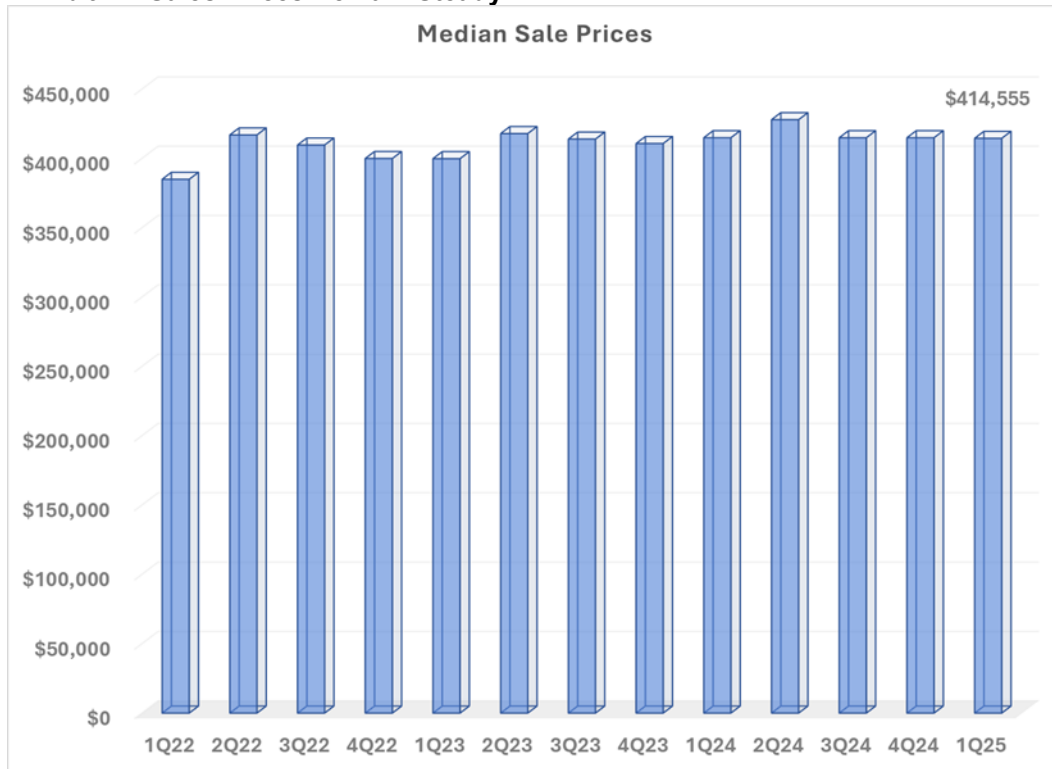
Exhibit 10. Closed Sales Remain Stable



Source: Analyst work from Statista.

- 2. Pricing stability:** Importantly, home prices remain relatively stable in Florida, with the median sales price for a single-family home coming in at just over \$400,000 for the first quarter of 2025 – generally consistent with prior quarters' data since the start of 2022 (Exhibit 11). Pricing stability (while influenced by the underlying mix) is typically considered a favorable lead indicator for rising home sales.

Exhibit 11. Sales Prices Remain Steady



Source: Analyst work from Statista.

- 3. New listings trending higher:** The number of new listings of single-family homes in Florida reached nearly 106,000 in 1Q25, up 10% compared to 96,000 in 1Q24. While new listings tend to be viewed as a lagging indicator, with potential sellers (particularly those previously underwater on related mortgages) increasingly coming to market as prices rise, the step up likely continues to drive higher inventory assuming more recent trends hold.
- 4. Market reaching equilibrium:** As a general rule, a balanced market (favoring neither buyers nor sellers) is reached when supply of inventory equates to approximately 5.5 months based on recent sales rates – the current ratio as of 1Q25. Rising inventories, declining prices, and/or longer sales cycles signal a less competitive market for buyers. That said, the real estate market in Florida remains distinctly regional, with varying supply/demand dynamics across cities.

MULTIPLE GROWTH DRIVERS

As discussed in more depth later, we look for revenues to continue to step function higher reflecting a number of powerful growth drivers including:

- 1. Portfolio company seasoning:** Following a period of active M&A (Exhibit 12), we forecast meaningful growth related to activating newly acquired assets. More specifically, we anticipate Peaks Curative sales to continue to ramp up, particularly as RXCompound obtains licenses in new states, thereby further expanding the fulfillment map. Furthermore, we note Mister Meds recently commenced compounding sterile medications, which we expect will drive a meaningful real-time step up in sales. Finally, F2026 revenues will incorporate a full year of contributions from Avenvi, as well as the recent additions of Las Villas and DOConsultations.com (acquisitions closed on April 1, 2025).
- 2. Ongoing market share gains:** We foresee ongoing consolidation across the compounding pharmacy industry, with market shares continuing to roll up to scale-enabled, diversified players. To the point, smaller independent providers with concentrated product/payer profiles likely increasingly struggle to pivot in light of the shifting regulatory landscape. Moreover, roughly 80% of 503A compounded pharmacies operate at just one location, and lack the requisite scale to weather prolonged financial headwinds. Recent studies suggest as much as 30% of independent pharmacies may shutter their doors this year due to declining sales. As a result, pharmacies maintaining more balanced drug mixes, broader geographic footprints, and excess manufacturing capacity remain well positioned to pick up incremental business related to stepped-up provider turnover.
- 3. Marketing initiatives:** While much of RXCompound's growth can be attributed to favorable word-of-mouth/referrals reflecting the team's continued focus on product safety/quality and customer service, management recently expanded the sales team and launched marketing initiatives to broaden awareness across physicians/healthcare providers, with the goal of driving stepped-up growth in fulfillments. Moreover, Peaks Curative's targeted advertising approach leverages an active social media presence, as well as Search Engine Optimization (SEO) technology.

Exhibit 12. Acquisition History

Company	Acquisition Date	Industry	Consideration
RXCompound	11/08/22	Compounding Pharmacy	53.7M shares
Peaks Curative	11/08/22	Telehealth	
Avenvi	10/01/24	Real Estate	\$1,058,788
Mister Meds	10/01/24	Compounding Pharmacy	\$54,200
Las Villas Health Care	04/01/25	Healthcare	\$200,000
DOConsultations.com	04/01/25	Telehealth	
Magnefuse (1)	04/01/25	Consumer Products	\$240,500

(1) 80% interest.

Source: Company reports.

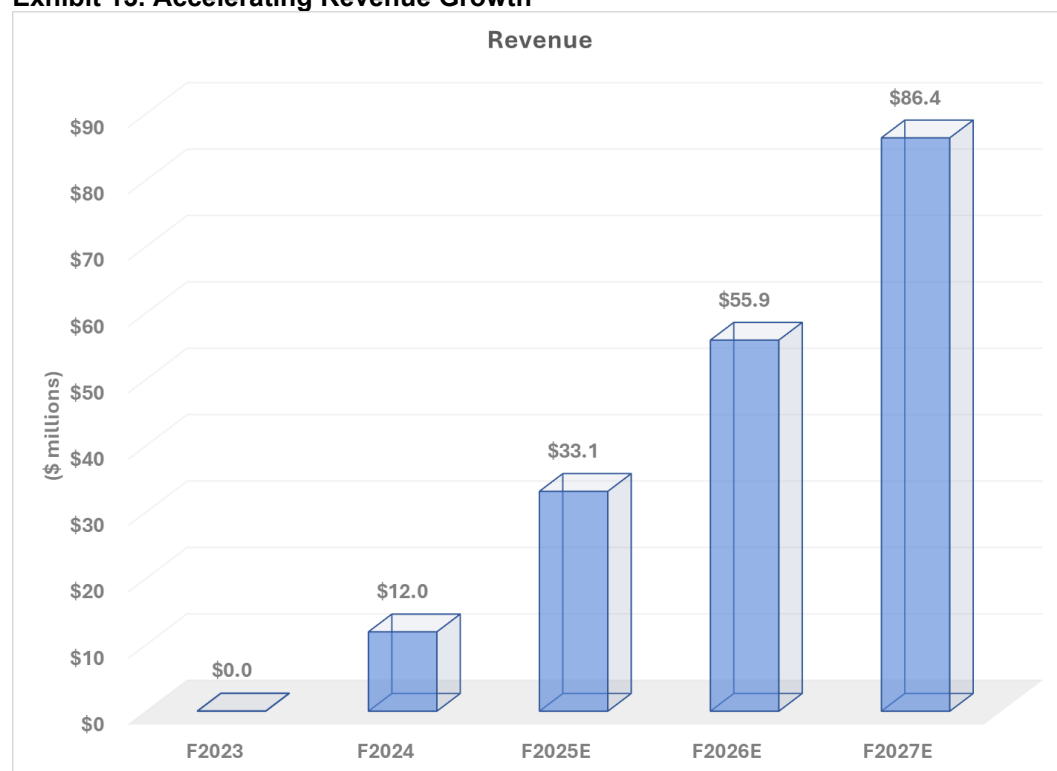
ACCELERATING FINANCIAL PERFORMANCE

ETST reported net income of \$3.3 million for fiscal 2025 (ending March 31, 2025), up from \$0.8 million for F2024. Earnings per share (EPS) came in at \$0.01 for F2025 compared to essentially breakeven for the prior fiscal year. Looking ahead, our model calls for EPS to hit \$0.02 for fiscal year 2026 (ending March 31, 2026) followed by \$0.05 in F2027, with further growth expected in F2028 and beyond as the business continues to scale.

Key modeling inputs include:

1. **Accelerating revenues:** As shown in Exhibit 13, revenues have accelerated from a standing start in F2023 to \$12.0 million in F2024 and \$33.1 million in F2025. Looking ahead, we project revenue growth to remain strong – \$55.9 million in F2026 followed by \$86.4 million in F2027 (Exhibit 15), representing year-over-year growth rates of 69% and 55%, respectively. Key growth drivers likely include:
 - a. while the FDA recently removed a widely used GLP-1 receptor agonist from its drug shortage list – leading to manageable levels of customer attrition across the compounding pharmacy industry – we note that RXCS has already implemented new protocols, including adjusted formulations and dosages. Additionally, related medications now represent a decreasing share of total sales, with growing contributions from sexual health and wellness treatments;
 - b. rising sales at Peaks Curative (\$29,000 in F2024; \$535,000 in F2025), with an expanding fulfillment footprint assuming RXCompound wins incremental state licenses;
 - c. Mister Meds recently obtained full licensure as a compounding pharmacy and commenced operations, with plans to apply for other state licenses; and
 - d. the recent additions of Las Villas and DOConsultations.com (acquisitions closed on April 1, 2025).

Exhibit 13. Accelerating Revenue Growth

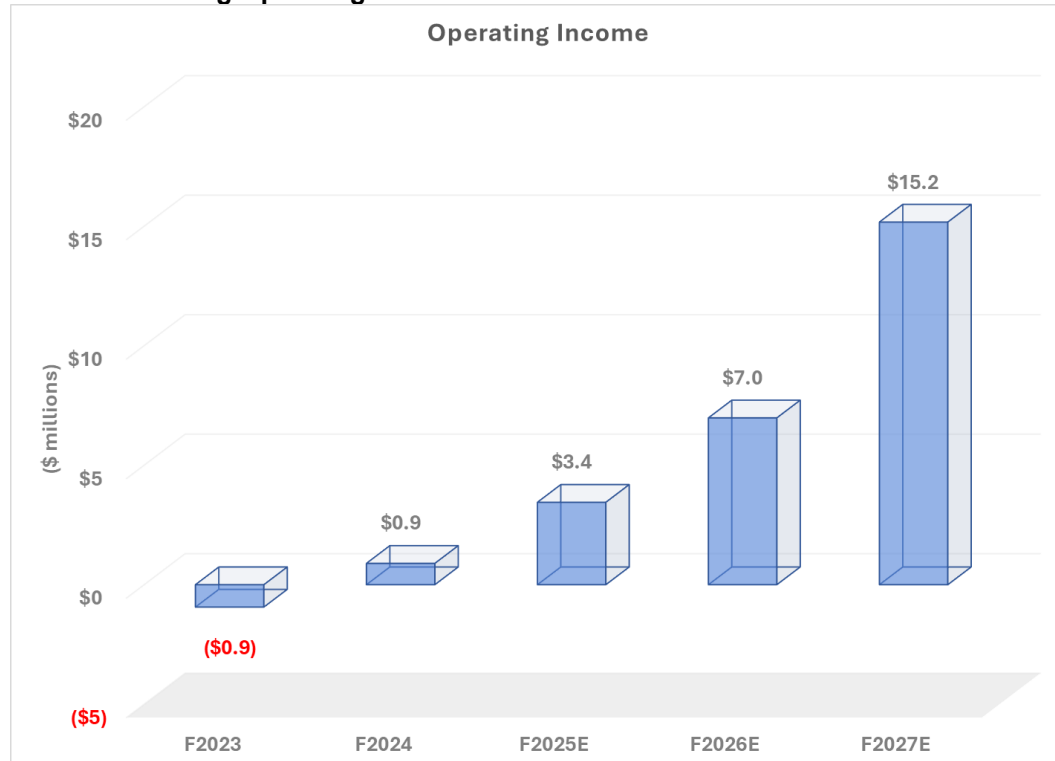


Source: Company reports and Zacks Small Cap Research estimates and calculations.

- 2. Margin expansion story:** Despite a period of elevated spending to upgrade more recent acquisitions and stepped-up investing for growth, ETST has posted seven consecutive profitable quarters dating back to F2Q24 (ended September 30, 2023). Looking ahead, we forecast a sharp step up in operating income from \$3.4 million in F2025 to \$7.0 million in F2026 followed by \$15.2 million in the fiscal year ended March 31, 2027 (Exhibit 14) reflecting meaningful margin expansion. Indeed, we forecast ETST's operating margin to expand from 10.4% in F2025 to 12.5% in F2026, with another 500 bps of expansion looking out F2027 (Exhibit 15). Beyond strong revenue growth, key drivers are likely to include:
- a. **Elevated gross margins:** On average, compound pharmacies generate high gross margins reflecting low manufacturing costs of Active Pharmaceutical Ingredients (APIs). To the point, ETST's gross margin reached approximately 73% in F2025 reflecting highly profitable contributions from RXCompound and Peaks Curative. We forecast related margins to ease a bit going forward, as the business mix evolves given rising profits from Avenvi, Las Villas, and Magnechef over time.
 - b. **All-inclusive compensation expense:** While at first glance ETST's salaries expenses seem elevated (42.6% of revenue in F2025), it is important to note that the company eschews Employee Stock Ownership Plans (ESOPs), thereby limiting dilution and resulting in cleaner accounting. Going forward, subsidiaries are currently fully staffed following a period of stepped-up hiring suggesting high incremental margins, as revenues continue to ramp up.
 - c. **Shared services:** ETST's holding company structure enables subsidiaries to leverage centralized corporate functions including information technology, marketing, finance/accounting, and legal, amongst others, thereby streamlining expenses across the portfolio.
 - d. **Focus on cash generation:** From a bottom-line perspective, we suspect six of the company's seven subsidiaries will be cash flow positive starting in the second half of this year, with the lone exception – Magnechef – likely to turn accretive by the end of 2026.

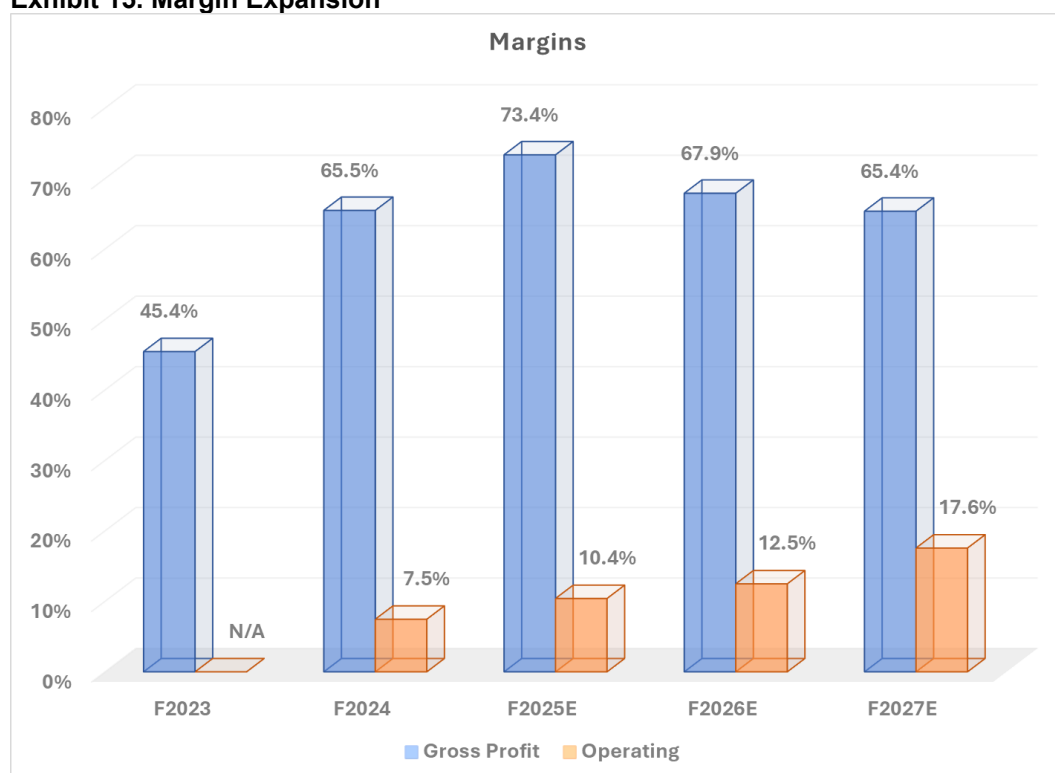
From a non-operating income standpoint, we note beyond managing the company's share repurchase program (discussed next), Avenvi oversees ETST's cash management practices to enhance yields and generate investment gains. Moreover, the company maintains \$5.5 million of Net Operating Loss (NOL) carryforwards (as of March 31, 2025), a portion of which can offset future income, thereby limiting income tax payments going forward.

Exhibit 14. Rising Operating Income



Source: Company reports and Zacks Small Cap Research estimates and calculations.

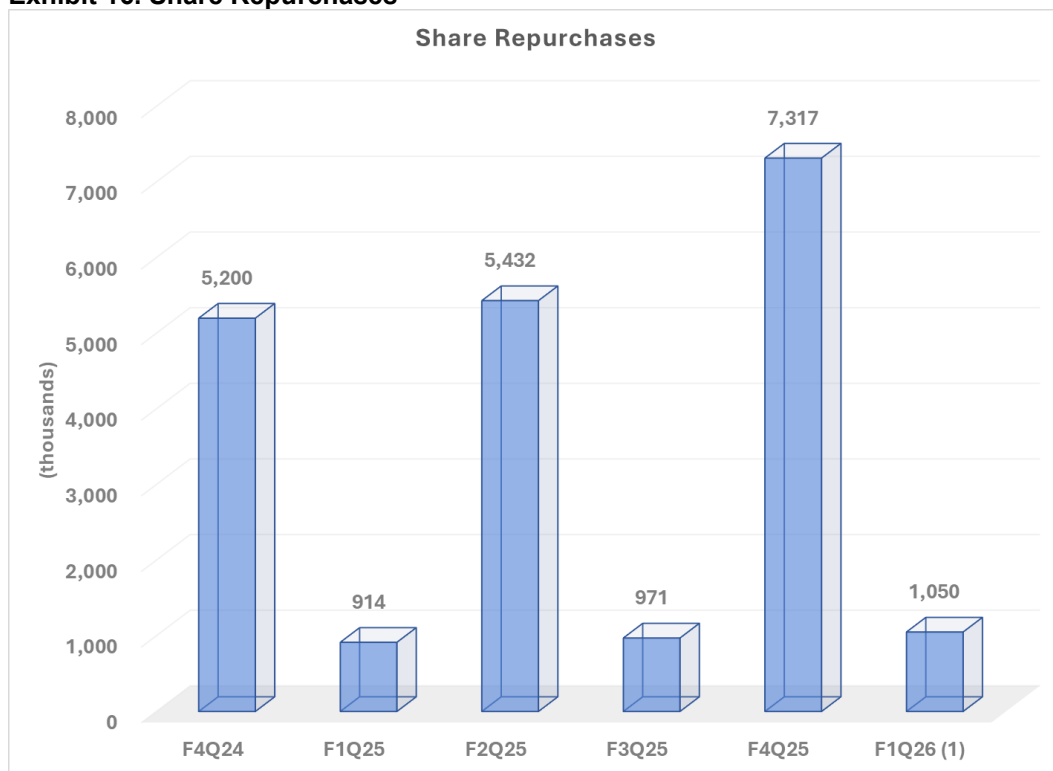
Exhibit 15. Margin Expansion



Source: Company reports and Zacks Small Cap Research estimates and calculations.

- 3. Buying back stock hand over fist:** Since the commencement of the company's \$5 million share authorization in January 2024 through June 11, 2025, management has bought back 20.8 million shares (at an average price per share of \$0.09) through private transactions with existing shareholders (Exhibit 16). While we suspect the pace of share repurchases may slow a bit, as management shifts to open market transactions, senior executives are likely to maintain an opportunistic approach to buybacks, thereby providing support for EPS, as the diluted share count continues to trend down, as well as the stock price. Capacity remains a non-issue, with \$3.2 million left on the existing authorization that expires at the end of this year. Importantly, Avenvi manages/executes the company's share repurchase program, thereby eliminating the need to pay fees/commissions to a third-party broker.

Exhibit 16. Share Repurchases



(1) Through 6/11/25.

(2) Source: Company reports.

F2025 FINANCIAL RESULTS

Financials

- For the fiscal year ended March 31, 2025, Earth Science Tech generated total revenues of \$33.1 million, up 177% from \$12.0 million in F2024. Much of the year-over-year growth can be attributed to accelerating product sales at RXCompound and Peaks Curative reflecting stepped up marketing initiatives. After factoring in cost of goods sold of \$8.8 million, gross profit totaled \$24.3 million for F2025 representing a gross margin of 73.4% compared to 65.5% for the prior fiscal year.
- In aggregate, ETST's operating expenses totaled \$20.9 million for F2025 compared to \$6.9 million for F2024. Much of the year-over-year step-up can be attributed to higher compensation and general & administrative expenses reflecting the onboarding of new hires and outsourced area managers.
- Putting it all together, ETST reported net income of \$3.3 million for the fiscal year ended March 31, 2025, up more than 4x from net income of \$0.8 million for F2024. Earnings per share (EPS) came in at \$0.01 for F2025 compared to \$0.00 for the prior fiscal year.

Capital & Cash Flows

- As of March 31, 2025, balance sheet assets totaled \$7.1 million, including cash of \$1.5 million. By comparison, assets totaled \$3.9 million as of March 31, 2024, inclusive of \$698,000 of cash on the balance sheet.
- Net cash generated in operating activities totaled \$4.4 million in F2025 reflecting net income of \$3.3 million combined with non-cash depreciation and amortization expenses and unrealized losses on investments addbacks, partially offset by changes in assets and liabilities. In comparison, net cash provided by operating activities totaled \$1.2 million in F2024.
- Loans and obligations totaled \$242,000 as of March 31, 2025, up from \$91,000 as of a year ago.
- Management repurchased 14.6 million common shares during the fiscal year ended March 31, 2025, bringing total repurchases to 20.8 million since the start of 2024. Approximately \$3.2 million remain available under the current \$5 million share repurchase authorization.

MANAGEMENT TEAM

Giorgio Saumat

Chief Executive Officer & Chairman of the Board

Mr. Saumat has served as Chief Executive Officer since February 2023. Prior to joining Earth Science Tech, Mr. Saumat co-founded CASAU Group, a private equity group specializing in real estate, and founded POINT96 Consulting. Mr. Saumat holds a Bachelor of Arts degree in Economics and Political Science from Rutgers University.

Mario Tabraue

Chief Operating Officer & Board Director

Mr. Tabraue currently serves as Chief Operating Officer of Earth Science Tech, as well as Chief Executive Officer of RxCompoundStore.com LLC and Peaks Curative LLC. Prior to joining the company in November 2021, Mr. Tabraue held various positions at the law firm Moises Kaba III, Eller-ITO Stevedoring Company, Ceres Marine Terminals, Zoological Wildlife Foundation, and JCR Medical Equipment before purchasing RxCompoundStore.com in 2020.

Ernesto Flores

Chief Financial Officer & Board Director

Mr. Flores has served as Earth Science Tech's Chief Financial Officer since March 2024. Prior to joining the company, Mr. Flores held leadership roles at St. George Logistics and Curated Investments, LLC. Mr. Flores holds a Master of Science degree in Taxation from Nova Southeastern University, as well as a Bachelor of Science degree in Accounting from Florida National University.

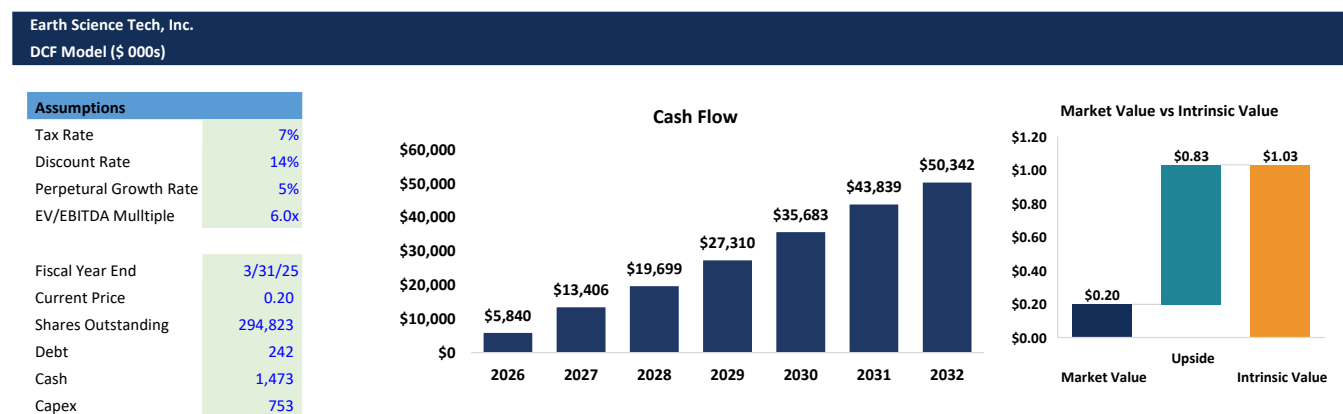
UPWARD REVALUATION CANDIDATE

We are initiating coverage of Earth Science Tech with a price target of \$1.00 representing meaningful upside potential from the stock's current levels. As detailed below, ETST continues to trade at what we believe to be an unsustainably low valuation despite the company's unique business model, compelling growth track record, improving profitability, and strong balance sheet. In our minds, much of the ETST's steep discount can be attributed to a lack of awareness across the investment community, particularly considering the stock's OTC "pink sheets" listing, more limited liquidity, and undersized market cap.

That said, we look for a considerable upward revaluation for the stock, as awareness and appreciation of the company's business model, growth prospects, competitive positioning, profitability, and valuation disconnect increasingly take hold. Furthermore, a more favorable regulatory backdrop (particularly as it relates to compounding pharmacies vs. big pharma) and/or further acquisitions of strategically complementary assets at attractive valuations likely represent powerful catalysts for ETST. Next, insiders (including directors and executive officers) own 47% of ETST's common stock outstanding (along with 100% of Series B Preferred shares), thereby reinforcing strong management/shareholder alignment. Finally, the company recently announced plans to uplist ETST shares to the new OTCID market in July 2025. Listing on the OTCID Basic Market requires companies to provide regular financial disclosures and management disclosures – both of which ETST already maintains compliance with. The uplisting likely enhances ETST's liquidity, thereby opening the stock up to a broader universe of investors.

Turning to valuation, our DCF model suggests a wide disconnect between ETST's fundamentals and the stock's current price. As shown in Exhibit 19, key inputs include: 1) explicit EBIT forecasts through F2027 (Mar); 2) slowing EBIT growth through the end of the forecast period; 3) a 14% discount rate; 4) a perpetual growth rate of 5% despite sustainably higher growth rates for the foreseeable future; and 5) an exit EV/EBITDA multiple of 6x (Exhibit 17).

Exhibit 17. DCF Model



Source: Zacks Small Cap Research estimates and calculations.

As a crosscheck, we looked at peer valuation multiples to corroborate our DCF-based price target. While apples-to-apples comparisons for ETST remain challenging given the company's unique business model as well as the lack of truly comparable publicly-traded stocks, we compiled a list of compound pharmacy companies, traditional pharmacy retailers, and telehealth providers, which we think generally aligns with Earth Science Tech's underlying business mix. While we recognize most companies on the list are significantly larger and more mature, with considerable infrastructure, resource, and financial advantages, ETST maintains a sizeable lead in terms of projected growth, thereby justifying a comparable P/E multiple, in our minds.

As shown in Exhibit 18, our curated peer group is currently trading at average Price-to-Earnings multiples of 24.8x based on 2025 estimates and 16.9x next year's earnings. At present, we calculate ETST is trading at just 3.9x our EPS estimate of \$0.05 for the fiscal year ending March 31, 2027 suggesting meaningful upside for the stock should the shares trade closer to peer-like multiples. Simply applying a blended 2025/2026 peer-average multiple of 20.9x to our F2027 (Mar) EPS estimate of \$0.05 translates into a fair value north of \$1.00 for the stock.

Exhibit 18. Valuation Comps

Earth Science Tech, Inc.
Valuation Comps
(\$ millions)

Company	Ticker	6/30/25	Mrkt Cap	Earnings Per Share			Price/Earnings	
		Price		2025E	2026E	Growth	2025E	2026E
BrightSpring Health Services, Inc.	BTSG	\$23.59	\$4,147	\$0.86	\$1.06	23%	27.4x	22.3x
CVS Health Corporation	CVS	\$68.98	\$87,605	\$6.13	\$7.05	15%	11.3x	9.8x
Fagron NV (1)	FAGR.BR	\$22.45	\$1,637	\$1.35	\$1.53	13%	16.6x	14.7x
Harrow, Inc.	HROW	\$30.54	\$1,121	\$0.59	\$2.35	298%	51.8x	13.0x
Hims & Hers Health, Inc.	HIMS	\$49.85	\$10,740	\$1.04	\$1.38	33%	47.9x	36.1x
McKesson Corporation (2)	MCK	\$732.78	\$91,524	\$37.34	\$41.94	12%	19.6x	17.5x
Raia Drogasil S.A.	RADLY	\$2.75	\$4,703	\$0.16	\$0.19	19%	17.2x	14.5x
Walgreens Boots Alliance, Inc. (3)	WBA	\$11.48	\$9,937	\$1.69	\$1.53	-9%	6.8x	7.5x
Averages						51%	24.8x	16.9x
Earth Science Tech, Inc. (2)	ETST	\$0.20	\$58	\$0.02	\$0.05	121%	8.6x	3.9x

(1) In Euros.

(2) Represents F2026 (Mar) and F2027 estimates.

(3) Represents F2025 (Aug) and F2026 estimates.

Source: Company reports and Zacks Small Cap Research estimates and calculations.

INVESTMENT RISKS

- 1. Regulatory uncertainty:** At a high level, ETST must adhere to complicated healthcare laws and regulations at both the state and federal levels, and remains subject to substantial penalties in the event of any violations. Moreover, management continues to allocate considerable financial resources and mindshare to maintain compliance with shifting rules and regulations. More specifically, drugmakers are increasingly focused on compounding pharmacies and telehealth companies that have customized concentrations, ingredients, and/or delivery systems to commercialize bespoke and more affordable versions of brand-name blockbuster drugs (including Ozempic and Wegovy) wherein demand trends far outstripped supply. Selected supply shortages have ended (according to the FDA), seemingly paving the way for stepped-up patent infringement litigation risk, as pharmaceutical manufacturers increasingly look to recapture previously foregone economics. More favorably, stepped-up regulatory/legal risks likely force less diversified/well-capitalized companies to exit the business and discourages new market entrants, thereby curbing competition for better-positioned pharmacies, with sustainable competitive advantages.
- 2. Controlled company:** Chief Executive Officer Giorgio Saumat owns 100% (1,000,000 shares) of the company's Series B Preferred stock. With each share of Preferred stock carrying super voting rights, Mr. Saumat effectively maintains control of the election of directors, as well as potential mergers, acquisitions, dispositions, and/or a potential change in control, thereby limiting corporate governance and shareholder approval requirements. Stepping back, studies have suggested controlled companies, particularly those with multi-class share structures, are often subject to stepped-up stock price volatility, as well as a higher prevalence of material weaknesses in accounting controls.
- 3. Elevated competition:** To be sure, the healthcare industry remains quite fragmented and highly competitive. Furthermore, larger/well-established companies, with considerable infrastructure, resource, branding, and financial advantages often garner outsized market shares, particularly given burdensome regulatory backdrops. More specifically, specialty compounding pharmacies compete with larger healthcare providers and more traditional pharmacy retailers, with broader footprints and more favorable brand awareness/loyalty.
- 4. Junior exchange listing:** ETST trades on the OTC "pink sheets," with plans to uplist to the new OTCID market in July 2025. Listing on the OTCID Basic Market requires companies to provide regular financial disclosures and management disclosures. While the "uplisting" likely enhances ETST liquidity, thereby opening the stock up to a broader universe of investors, shares listed on the OTC markets are generally subject to less onerous regulation/transparency, higher volatility, lower liquidity/trading volumes, and wider bid/ask spreads relative to senior exchanges (NYSE, Nasdaq). Moreover, should management opt to raise capital via an underwritten transaction to finance organic growth and/or M&A, an equity offering likely translates into downward pressure on the stock, as well as meaningful dilution to existing shareholders.
- 5. Incremental M&A execution/integration:** While management seems reluctant to pull the trigger on further M&A transactions in the near term (other than purchases of hard assets), a key component of ETST's strategic holding company business model remains the acquisition of complementary operating companies to enhance growth. All transactions carry meaningful execution and operational risks. Furthermore, shareholders likely risk dilution, assuming prospective deals are at least partially financed with equity. Finally, business dislocations often follow changes-of-control, which can materially compromise near-term financial performance and/or longer-term returns on investments.

PROJECTED INCOME STATEMENT

Earth Science Tech, Inc.
(\$ thousands)

	Quarterly								Annual				Y/Y Growth		
	F1Q25	F2Q25	F3Q25	F4Q25	F1Q26E	F2Q26E	F3Q26E	F4Q26E	F2024	F2025	F2026E	F2027E	F2025	F2026E	F2027E
	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Mar-24	Mar-25	Mar-26	Mar-27	Mar-25	Mar-26	Mar-27
Revenue	8,569	8,519	7,353	8,677	10,412	12,495	14,994	17,993	11,954	33,118	55,894	86,365	177%	69%	55%
Cost of goods sold	2,158	2,252	2,266	2,141	2,981	3,827	4,892	6,230	4,125	8,817	17,929	29,904	114%	103%	67%
Gross Profit	6,410	6,267	5,087	6,536	7,432	8,668	10,102	11,763	7,828	24,300	37,965	56,461	210%	56%	49%
Operating Expenses:															
Salaries expenses	3,335	3,606	3,298	3,877	4,392	4,958	5,574	6,240	4,359	14,116	21,163	27,791	224%	50%	31%
General and administrative expense	61	1,259	810	2,025	1,254	1,443	1,656	1,897	174	4,155	6,251	8,244	2294%	50%	32%
Marketing	211	153	346	127	152	183	219	263	25	837	817	1,262	3210%	-2%	55%
Bank charges	289	271	211	296	355	426	511	613	423	1,067	1,905	2,943	152%	79%	55%
Rent expense	42	0	0	(42)	0	0	0	0	11	0	0	0	-100%	NM	NM
Insurance expense	36	45	80	20	24	29	34	41	5	180	128	198	3262%	-29%	55%
Legal and professional fees	1,337	63	62	(1,155)	91	103	116	130	1,774	306	440	539	-83%	44%	22%
Depreciation and amortization	30	33	45	43	43	43	43	43	150	152	174	174	1%	15%	0%
Utilities	5	6	10	19	22	25	29	32	15	40	108	139	163%	167%	28%
Total Operating Expenses	5,345	5,437	4,861	5,209	6,333	7,209	8,183	9,261	6,936	20,852	30,986	41,289	201%	49%	33%
Operating Income/(Loss)	1,065	830	226	1,327	1,099	1,460	1,919	2,502	892	3,448	6,979	15,172	286%	102%	117%
Other Income/(Expense):															
Net realized gain on sale of investments	0	0	175	126	0	0	0	0	0	300	0	0	NM	-100%	NM
Dividend income	0	0	9	0	0	0	0	0	0	9	0	0	NM	-100%	NM
Unrealized loss of FV changes of investments	0	0	(197)	(168)	0	0	0	0	0	(366)	0	0	NM	NM	NM
Other income	13	0	0	(13)	0	0	0	0	0	0	0	0	NM	NM	NM
Interest expense	(2)	(3)	(6)	(10)	(5)	(5)	(5)	(5)	(67)	(21)	(19)	(19)	NM	NM	NM
Other income/(expenses), net	11	(3)	(20)	(66)	(5)	(5)	(5)	(5)	(67)	(78)	(19)	(19)	NM	NM	NM
Pre-Tax Income/(Loss)	1,076	827	206	1,261	1,094	1,455	1,914	2,498	825	3,370	6,961	15,153	308%	107%	118%
Income taxes	0	(28)	0	(88)	(38)	(50)	(66)	(87)	(13)	(117)	(241)	(525)	NM	NM	NM
Net Income/(Loss)	1,076	798	206	1,173	1,056	1,404	1,848	2,411	812	3,254	6,720	14,628	301%	107%	118%
Earnings/(loss) per share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.00	\$0.01	\$0.02	\$0.05	309%	114%	121%
Weighted avg shares out (basic & diluted)	309,941	306,047	302,886	295,212	294,823	293,772	292,722	291,672	309,687	303,521	293,247	289,046	-2%	-3%	-1%

Source: Company reports and Zacks SCR estimates and calculations.

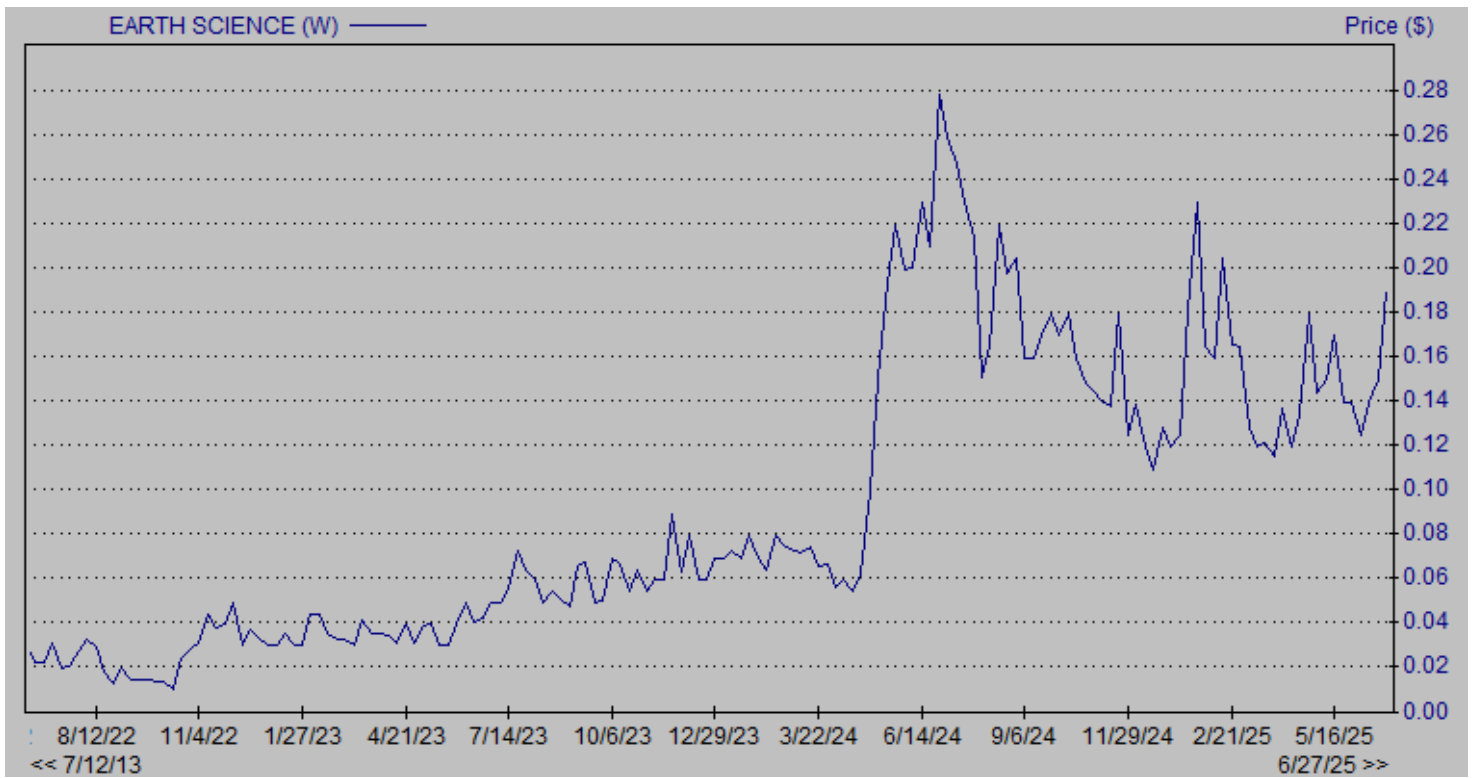
PROJECTED BALANCE SHEET

Earth Science Tech, Inc.
(\$ thousands)

	Quarterly								Annual				Y/Y Growth		
	<u>F1Q25</u>	<u>F2Q25</u>	<u>F3Q25</u>	<u>F4Q25</u>	<u>F1Q26E</u>	<u>F2Q26E</u>	<u>F3Q26E</u>	<u>F4Q26E</u>	<u>F2024</u>	<u>F2025</u>	<u>F2026E</u>	<u>F2027E</u>	<u>F2025</u>	<u>F2026E</u>	<u>F2027E</u>
	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Mar-24	Mar-25	Mar-26	Mar-27	Mar-25	Mar-26	Mar-27
Assets															
Current assets:															
Cash	1,384	1,532	522	1,473	1,488	1,503	1,518	1,533	698	1,473	1,533	1,594	111%	4%	4%
Accounts Receivable	318	204	164	129	130	132	133	134	235	129	134	140	-45%	4%	4%
Equity Investments at fair value	0	0	1,101	645	658	672	685	699	0	645	699	755	NM	8%	8%
Inventory	239	432	138	504	509	514	519	524	316	504	524	545	60%	4%	4%
Deposits	14	23	33	338	341	345	348	352	9	338	352	366	3515%	4%	4%
Prepaid	124	90	48	21	21	21	21	22	0	21	22	22	NM	4%	4%
Total current assets	2,080	2,281	2,005	3,111	3,148	3,186	3,225	3,264	1,258	3,111	3,264	3,422	147%	5%	5%
Property and Equipment, net	217	216	1,123	1,384	1,398	1,412	1,426	1,440	135	1,384	1,440	1,498	923%	4%	4%
Right of use asset, net	139	220	190	172	174	176	178	179	157	172	179	187	10%	4%	4%
Goodwill	2,303	2,303	2,303	2,303	2,303	2,303	2,303	2,303	2,303	2,303	2,303	2,303	0%	0%	0%
Intangible Assets, net	34	30	87	97	98	99	100	101	28	97	101	105	241%	4%	4%
Total Assets	4,772	5,050	5,708	7,067	7,121	7,176	7,231	7,287	3,881	7,067	7,287	7,514	82%	3%	3%
Liabilities															
Current liabilities:															
Accounts payable	221	392	46	492	497	502	507	512	531	492	512	533	-7%	4%	4%
Accrued expenses and other payable	1,161	1,158	1,395	2,322	2,345	2,369	2,392	2,416	855	2,322	2,416	2,513	172%	4%	4%
Current portion of operating lease obligations	70	118	118	122	122	122	122	122	70	122	122	122	73%	0%	0%
Current portion of loans and obligations	31	31	755	210	210	210	210	210	31	210	210	210	587%	0%	0%
Total current liabilities	1,483	1,699	2,315	3,146	3,174	3,203	3,232	3,261	1,487	3,146	3,261	3,378	112%	4%	4%
Lease liability less current maturities	68	101	70	38	38	39	39	39	85	38	39	41	-55%	4%	4%
Equipment loans and obligations non-current	54	49	43	31	31	31	31	31	61	31	31	31	-48%	0%	0%
Total Liabilities	1,605	1,848	2,428	3,216	3,244	3,273	3,302	3,331	1,632	3,216	3,331	3,450	97%	4%	4%
Total Shareholders' Equity	3,167	3,201	3,280	3,851	3,877	3,903	3,929	3,956	2,249	3,851	3,956	4,064	71%	3%	3%
Total Liabilities & Shareholders' Equity	4,772	5,050	5,708	7,067	7,121	7,176	7,231	7,287	3,881	7,067	7,287	7,514	82%	3%	3%

Source: Company reports and Zacks SCR estimates and calculations.

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