



CreditRiskMonitor's assessment of NantHealth, Inc.'s ("NantHealth") "high risk" status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score signals that NantHealth, Inc. (NASDAQ: NH) has a 10 to 50 times greater risk of bankruptcy than the average public company.

Business Name	2018						2019						
	J	A	S	O	N	D	J	F	M	A	M	J	J
NantHealth, Inc.	4	4	2	3	2	1	1	1	2	1	1	1	1

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® Probability of bankruptcy within 12 months			
	FRISK®	From	To
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
Worst	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody's, Fitch, DBRS, & Morningstar

Crowdsourced CreditRiskMonitor Usage Data

Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

COMPANY REPORT DETAIL

NantHealth Inc

9920 JEFFERSON BLVD

Phone: (310) 853-7513

CULVER CITY, CA 90232-3506 United States

Ticker: **NH**

This is a **Subsidiary**, click [here](#) for the Parent Company

Latest Financial Statements as of 3/31/2019

Business Summary

NantHealth, Inc. is a healthcare cloud-based information technology (IT) company. The Company is engaged in converging science and technology through a single integrated clinical platform, to provide actionable health information at the point of care. As of December 31, 2018, the Company conducted the majority of its operations in the United States, the United Kingdom, Singapore and Canada. Its solutions include molecular profiling solution, software, and hardware systems infrastructure, which integrates patient data management, bioinformatics, and molecular medicine, enabling care and clinical practice. Its cancer care solutions include a set of interoperability, diagnostics, risk stratification and decision support solutions (Eviiti). Its systems infrastructure collects, indexes, analyzes and interprets billions of molecular, clinical, operational and financial data points derived from sources to improve decision-making.

Employees: 543 (as of 12/31/2018)

Incorporated: 7/7/2010

Federal Tax Id: 273019889

Credit Score History

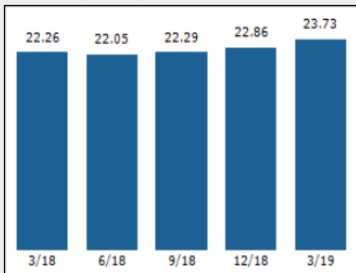
[Why are these scores different?](#) Auditor Information

Score/ Index	2018					2019							
	J	A	S	O	N	D	J	F	M	A	M	J	J
FRISK® Score*	4	4	2	3	2	1	1	1	2	1	1	1	1
DBT Index	6	6	5	DBT	9	9	9	8	8	8	DBT	DBT	DBT
Z"-Score	-5.99		-9.43			<-10			<-10			Z"	

Last Audit: 12/31/2018
 Auditors: Ernst & Young LLP
 Opinion: **Unqualified**

*FRISK® Scores are month-end

Net Sales(millions)



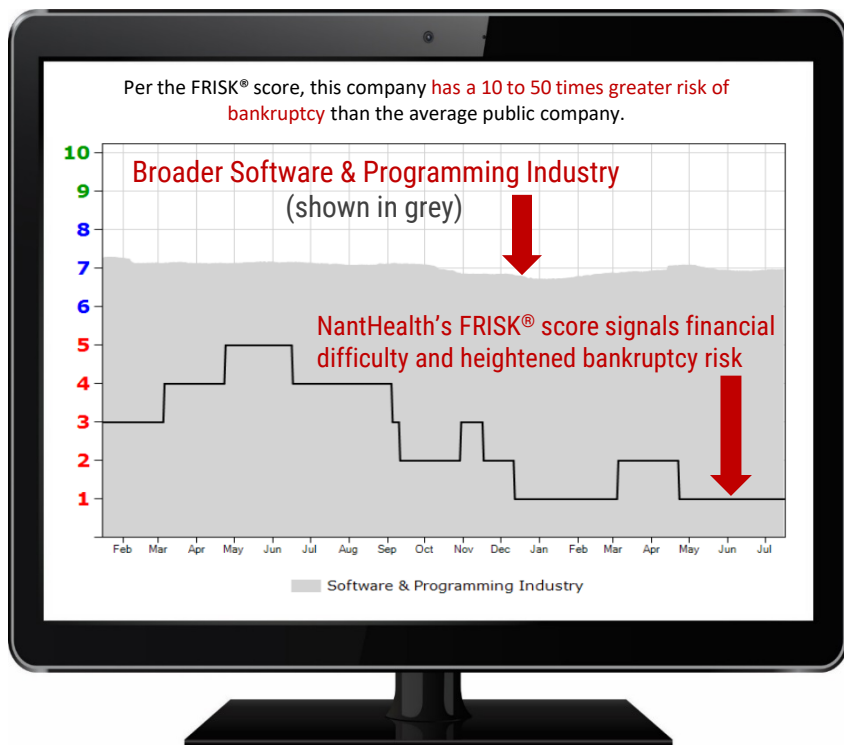
Working Ca



The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, which is very similar to D&B's PAYDEX® score, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing. This is what's commonly called the "Cloaking Effect."

FRISK® DEEP DIVE



The FRISK® score relative to the broader Software & Programming industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

#	Business Name	Country	FRISK® score
1	Determine, Inc.	United States	1
2	Eco-Stim Energy Solutions Inc	United States	1
3	NantHealth Inc	United States	1
4	Otherlevels Holdings Ltd	Australia	1
5	Trakopolis lot Corp	Canada	1
6	01 Communique Laboratory Inc	Canada	2
7	A-Online Capital (A.O.C) Ltd.	Israel	2
8	Abal Group PLC	United Kingdom	2
9	Alternate Health Corp	Canada	2
10	Asya Infosoft Ltd	India	2

FRISK® Stress Index - SIC classification: Prepackaged software

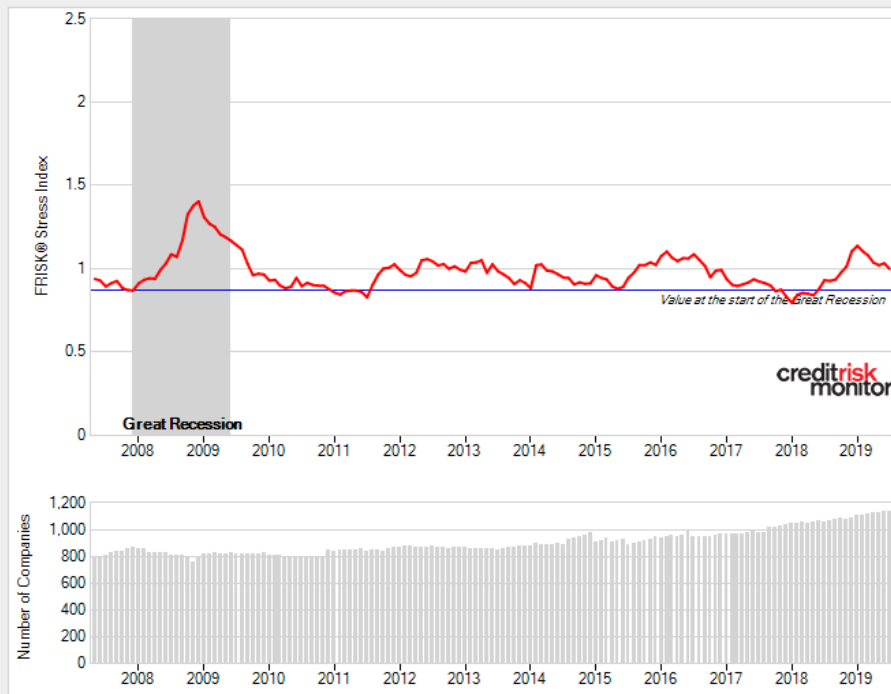
Primary industry codes only
 Primary and secondary industry codes

Businesses From: All Businesses CLEAR
 In Industry: SIC 7372: Prepackaged software
 Country: All Countries

UPDATE RESULTS

Scale: Auto

Total Companies in all months **2,136**



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 7372 (Prepackaged software) reflects an industry with average risk. But, NantHealth has continued to struggle, as evidenced by its fall to a FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers

Calendar Year/Quarter: 2019.1

Businesses in Peer Group: 6995	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
Z-Score	1444	1630	-12.06	-93,816.40	3.42	2,289.75
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	256	444	32,720	0	54,726	59,015,000
Gross Margin % Of Sales	675	1565				
Gross Margin % Of Sales -- TTM	696	1590				
SGA % Of Sales	1320	1623				
SGA % Of Sales -- TTM	1371	1649				
Operating Margin % Of Sales	1432	1681				
Operating Margin % Of Sales -- TTM	1442	1696				
EBITDA Margin Of Sales	780	965				
EBITDA Margin Of Sales -- TTM	1030	1195				
Net Profit Margin % Of Sales	1501	1680				
Net Profit Margin % Of Sales -- TTM	1560	1695	-208.85	-98,086.78	3.09	1,427.75
Pre-tax Income % Of Sales	1494	1680	-82.65	-70,075.00	3.62	11,173.52
Effective Tax Rate	262	1583	-1.15	-5,796.15	14.74	769.96
Depreciation % Of Prop/Plant/Equipment	995	1418	51.61	0.00	30.37	39,150.00
Capital Expense % Of Prop/Plant/Equipment	330	1126	14.22	0.01	26.69	22,927.59
Interest Coverage	551	795	-1.08	-16,792.21	4.42	20,003.81
Interest Coverage -- TTM	728	1055	-0.35	-95,421.00	5.94	68,080.92
Liquidity ratios:						
Cash Ratio	1184	1697	0.32	0.00	0.68	2,175.59
Quick Ratio	1274	1600	0.70	0.00	1.39	2,175.59
Current Ratio	1406	1697	0.87	0.00	1.80	2,176.19
Efficiency ratios:						
Accounts Receivable Turnover	642	1631	6.21	-16.34	5.29	11,687.62
Days Sales Outstanding	716	1682				
% of Inventory Financed by Vendors	198	933				
% of Inventory Financed by Vendors -- TTM	246	973				
Inventory Turnover	131	1091				
Inventory Turnover -- TTM	160	1117				
Days Sales in Inventory	145	1054				
Inventory to Working Capital	1013	1081				
Accounts Payable Turnover	186	1435				
Accounts Payable Turnover -- TTM	327	1453				
Leverage & debt coverage:						
Total Debt to Equity Ratio	1282			0.00	0.25	11,122.50
Debt to Tangible Equity Ratio	1078			0.00	0.25	285.40
Total Debt to Assets Ratio	1340	1425	0.78	0.00	0.16	3,585.10
Short-Term Debt % of Total Debt	1251			0.00	51.96	100.00
Short-Term Debt % of Working Capital	1302			-8,400.00	6.23	13,226.40
Liabilities to Net Worth Ratio	1341			0.00	0.78	643.71
Total Liabilities to Equity Ratio	1555			0.00	0.65	14,753.33
TTM EBITDA to Total Debt	739	985	-0.19	-1,024.67	0.28	1,316.49
Net Debt to TTM EBITDA		687		-107.40	-0.16	172.75

Rank	Company Name
1	Bravatek Solutions Inc
2	Escort Teknoloji Yatirim AS
3	Barunson Entertainment & Arts Corp
4	Sichuan Chuantou Energy Stock Co Ltd
5	Liveramp Holdings Inc

Rank	Company Name
1	BLS Infotech Ltd
2	Movie Games SA
3	Blue Cloud Softech Solutions Ltd
4	SARA Vietnam JSC
5	Super League Gaming Inc

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

TTM = trailing 12 months
 N/A = Not Available

NantHealth demonstrates bottom quartile ranking in key financial ratios (shown in red) versus its industry peers.

QUARTERLY PERFORMANCE RATIOS

Operating and net losses in each of the last five fiscal quarters

Poor interest coverage ratio & negative free cash flow

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018
Net Sales \$	\$23,729	\$22,861	\$22,292	\$22,047	\$22,263
% change	3.80%	2.55%	1.11%	-0.97%	-0.16%
Gross Margin \$	\$12,439	\$11,470	\$11,066	\$11,465	\$11,195
% change	8.45%	3.65%	-3.48%	2.41%	-16.57%
% of sales	52.42%	50.17%	49.64%	52.00%	50.29%
change as % of incremental sales	111.64%	71.00%	-162.86%	n/m	n/m
SG&A \$	\$16,789	\$14,640	\$17,001	\$18,388	\$20,737
% change	14.68%	-13.89%	-7.54%	-11.33%	-0.28%
% of sales	70.75%	64.04%	76.27%	83.40%	93.15%
change as % of incremental sales	247.58%	-414.94%	-566.12%	n/m	n/m
Operating margin \$	(\$10,484)	(\$9,265)	(\$11,824)	(\$13,866)	(\$15,747)
% change	-13.16%	21.64%	14.73%	11.95%	8.66%
% of sales	-44.18%	-40.53%	-53.04%	-62.89%	-70.73%
change as % of incremental sales	-140.44%	449.74%	833.47%	n/m	n/m
EBITDA \$	(\$7,170)	(\$20,344)	(\$5,995)	(\$9,614)	(\$10,270)
% change	64.76%	-239.35%	37.64%	6.39%	14.28%
% of sales	-30.22%	-88.99%	-26.89%	-43.61%	-46.13%
change as % of incremental sales	1,517.74%	-2,521.79%	1,477.14%	n/m	n/m
EBIT \$	(\$12,989)	(\$26,213)	(\$11,598)	(\$15,200)	(\$15,567)
% change	50.45%	-126.01%	23.70%	2.36%	7.05%
% of sales	-54.74%	-114.66%	-52.03%	-68.94%	-69.92%
change as % of incremental sales	1,523.50%	-2,568.54%	1,470.20%	n/m	n/m
Pre-tax income \$	(\$19,613)	(\$49,464)	(\$99,210)	(\$22,407)	(\$23,025)
% change	60.35%	50.14%	-342.76%	2.68%	7.34%
% of sales	-82.65%	-216.37%	-445.05%	-101.63%	-103.42%
change as % of incremental sales	3,439.06%	8,742.71%	-31,348.16%	n/m	n/m
Net income (loss) \$	(\$19,923)	(\$49,122)	(\$97,464)	(\$23,397)	(\$22,168)
% change	59.44%	49.60%	-316.57%	-5.54%	-2.47%
% of sales	-83.96%	-214.87%	-437.22%	-106.12%	-99.57%
change as % of incremental sales	3,363.94%	8,495.96%	-30,231.43%	n/m	n/m
Tax expense \$	\$226	(\$244)	(\$1,778)	(\$601)	(\$1,050)
Effective tax rate	-1.15%	0.49%	1.79%	2.68%	4.56%
Depreciation expense \$	\$3,532	\$3,582	\$3,316	\$3,239	\$3,070
% of sales	14.88%	15.67%	14.88%	14.69%	13.79%
% of capital expenses	363.00%	310.94%	81.53%	66.55%	667.39%
% of PP&E, net (annualized)	51.61%	59.80%	53.80%	54.06%	58.36%
Capital expenditures \$	\$973	\$1,152	\$4,067	\$4,867	\$460
% change	-15.54%	-71.67%	-16.44%	958.04%	-57.41%
% of PP&E, net (annualized)	14.22%	19.23%	65.99%	81.23%	8.74%
% of working capital (annualized)	-335.37%	75.76%	116.30%	75.38%	4.66%
Interest coverage ratio	(1.08)	(0.88)	(0.07)	(1.33)	(1.38)
% change	-23.70%	-1,179.24%	94.87%	3.12%	6.90%
Free cash flow \$	(\$5,806)	(\$4,437)	(\$6,834)	(\$15,154)	(\$13,753)
% change	-30.85%	35.07%	54.90%	-10.19%	-57.02%
Source:	10-Q 5/9/2019	10-K 4/1/2019	10-Q 11/21/2018	10-Q 8/9/2018	10-Q 5/10/2018

QUARTERLY LEVERAGE RATIOS

An expanding accumulated deficit results in negative stockholders' equity

Negative tangible net worth suggests that the company has exhausted all of its loanable collateral

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Total debt \$	\$221,147	\$218,185	\$215,299	\$212,462	\$209,681
% change	1.36%	1.34%	1.34%	1.33%	1.32%
Stockholders' equity \$	(\$16,363)	\$2,831	\$51,195	\$148,121	\$171,038
% change	-677.99%	-94.47%	-65.44%	-13.40%	-11.52%
Total debt to equity ratio	n/a	77.07	4.21	1.43	1.23
% change	n/a	1,732.60%	193.19%	17.01%	14.51%
Tangible net worth \$	(\$194,709)	(\$177,802)	(\$131,725)	(\$37,087)	(\$16,518)
% change	-9.51%	-34.98%	-255.18%	-124.52%	-278.52%
Total assets \$	\$285,244	\$286,337	\$317,513	\$411,774	\$431,325
% change	-0.38%	-9.82%	-22.89%	-4.53%	-3.98%
Total debt to assets ratio	0.78	0.76	0.68	0.52	0.49
% change	1.75%	12.37%	31.41%	6.15%	5.51%
Tangible assets \$	\$106,898	\$105,704	\$134,593	\$226,566	\$243,769
% change	1.13%	-21.46%	-40.59%	-7.06%	-8.06%
Total liabilities \$	\$301,607	\$283,506	\$266,318	\$263,653	\$260,287
% change	6.38%	6.45%	1.01%	1.29%	1.72%
Total liabilities to equity ratio	n/a	100.14	5.20	1.78	1.52
% change	n/a	1,825.09%	192.25%	16.97%	14.96%
Source:	10-Q 5/9/2019	10-K 4/1/2019	10-Q 11/21/2018	10-Q 8/9/2018	10-Q 5/10/2018

Total debt in relation to assets has increased significantly, indicating heightened risk

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Working capital drastically decreases; turns negative

Low quick and current ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3/31/2019	12/31/2018	9/30/2018	6/30/2018	3/31/2018
Current assets \$	\$34,147	\$39,444	\$47,189	\$56,204	\$69,545
% change	-13.43%	-16.41%	-16.04%	-19.18%	-15.08%
Current liabilities \$	\$39,376	\$36,536	\$37,933	\$37,484	\$36,615
% change	7.77%	-3.68%	1.20%	2.37%	2.11%
Working capital \$	(\$5,229)	\$2,908	\$9,256	\$18,720	\$32,930
% change	-279.81%	-68.58%	-50.56%	-43.15%	-28.47%
% of sales (annualized)	-5.51%	3.18%	10.38%	21.23%	36.98%
Cash \$	\$12,444	\$18,305	\$22,841	\$29,409	\$46,390
% change	-32.02%	-19.86%	-22.33%	-36.60%	-24.76%
Cash ratio	0.32	0.50	0.60	0.78	1.27
% change	-36.93%	-16.79%	-23.26%	-38.07%	-26.32%
Quick assets \$	\$27,732	\$33,591	\$40,043	\$48,377	\$61,091
% change	-17.44%	-16.11%	-17.23%	-20.81%	-16.49%
Quick ratio	0.70	0.92	1.06	1.29	1.67
% change	-23.40%	-12.90%	-18.21%	-22.65%	-18.21%
Current ratio	0.87	1.08	1.24	1.50	1.90
% change	-19.67%	-13.22%	-17.03%	-21.06%	-16.83%
Source:	10-Q 5/9/2019	10-K 4/1/2019	10-Q 11/21/2018	10-Q 8/9/2018	10-Q 5/10/2018

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 3/31/2019	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018
Return on equity	-703.74%	-95.95%	-65.80%	-13.68%	-11.47%
% change	-633.44%	-45.82%	-381.02%	-19.28%	-10.66%
Return on net tangible equity	n/a	n/a	n/a	n/a	-239.58%
% change	n/a	n/a	n/a	n/a	-149.16%
Return on total assets	-6.97%	-16.27%	-26.73%	-5.55%	-5.04%
% change	57.15%	39.13%	-381.58%	-10.23%	-6.64%
Return on tangible assets	-18.74%	-40.88%	-53.97%	-9.95%	-8.71%
% change	54.16%	24.25%	-442.49%	-14.20%	-9.94%
Source:	10-Q 5/9/2019	10-K 4/1/2019	10-Q 11/21/2018	10-Q 8/9/2018	10-Q 5/10/2018

ANNUAL STATEMENT OF CASH FLOWS

Negative cash from operating activities

Statement of Cash Flows - Annual - Standardized

(Thousands of U.S. Dollars)

Period Ended	12 mos 12/31/2018	12 mos 12/31/2017	12 mos 12/31/2016	12 mos 12/31/2015	12 mos 12/31/2014
				Reclassified 12/31/2016	
Cash Flows from Operating Activities:					
Net income	(\$192,152)	(\$175,211)	(\$184,102)	(\$72,011)	(\$84,617)
Depreciation/depletion	22,355	28,055	30,933	15,788	16,178
Deferred taxes	(3,769)	5,059	(23,385)	0	0
Non-cash Items	138,000	69,558	95,018	4,574	27,326
Changes in working capital	5,934	(8,609)	10,902	(22,351)	(1,022)
Total cash from operating activities	(29,632)	(81,148)	(70,634)	(74,000)	(42,135)
Cash Flows from Investing Activities:					
Capital expenditures	(10,546)	(13,636)	(15,780)	(13,244)	(11,637)
Other investing cash flow items, total	68	1,361	(72,985)	(82,018)	(218,440)
Total cash from investing activities	(10,478)	(12,275)	(88,765)	(95,262)	(230,077)
Cash Flows from Financing Activities:					
Financing cash flow items	(2,159)	(5,335)	81,538	6,190	(5,608)
Issuance/retirement of stock, net	n/a	0	0	200,000	260,525
Issuance/retirement of debt, net	n/a	0	232,056	(34,502)	3,928
Total cash from financing activities	(2,159)	(5,335)	313,594	171,688	258,845
Foreign exchange effects	(300)	65	169	(136)	49
Net change in cash	(42,569)	(98,693)	154,364	2,290	(13,318)
Net cash-beginning balance	62,010	160,353	5,989	3,699	17,017
Net cash-ending balance	\$19,441	\$61,660	\$160,353	\$5,989	\$3,699
Supplemental Disclosures:					
Cash interest paid	\$5,885	\$5,778	\$11	\$1,594	\$31
Auditor/Opinion:	Ernst & Young LLP Unqualified	Ernst & Young LLP Unqualified	Ernst & Young LLP Unqualified	Ernst & Young LLP Unqualified	Ernst & Young LLP Unqualified
Source:	10-K 4/1/2019	10-K 3/16/2018	10-K 3/31/2017	10-K 3/31/2017	PROSPECTUS 5/24/2016

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 56,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK® score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

[Request a Personalized Demo and Risk Assessment](#)

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Contact us at:

845.230.3000

creditriskmonitor.com/contact-us