



CareCloud Reports Q1 2026 Results

Reaffirms Guidance Following Capital Structure Simplification; Revenue Grows 13% Year-Over-Year

SOMERSET, N.J., May 7, 2026 (GLOBE NEWSWIRE)—CareCloud, Inc. (Nasdaq: CCLD, CCLDO), (“CareCloud” or the “Company”), a leader in AI-powered healthcare technology and revenue cycle management solutions for medical practices and health systems nationwide, today announced financial results for the quarter ended March 31, 2026. The Company reaffirmed its previously issued financial guidance following the successful closing of a \$50 million credit facility, the announced redemption of 100% of its Series B Preferred Stock, and AI product launches. Together, these milestones mark a pivotal step in CareCloud’s ongoing growth trajectory—positioning the Company to scale its AI-driven revenue and expand margins, reporting its eighth consecutive quarter of positive GAAP net income with a meaningfully simpler capital structure for the future.

First Quarter 2026 Financial Highlights:

- Revenue of \$31.3 million, compared to \$27.6 million in Q1 2025
- GAAP net income of \$922,000, compared to a net income of \$1.9 million in Q1 2025
- Adjusted EBITDA of \$5.4 million, compared to \$5.6 million in Q1 2025
- GAAP EPS of (\$0.01), compared to (\$0.04) per share in Q1 2025

Recent Accomplishments

- **Full Scheduled Redemption of Series B Preferred Stock:** Redemption scheduled for May 15, 2026
- **Inpatient Software Market Entry:** Expanded product portfolio includes inpatient EHR, RCM and analytics. #1 Black Book ranked EDIS platform— significantly broadening the total addressable market
- **AI Center of Excellence Live:** Launched stratusAI Desk Agent (~75% of inbound calls automated) and stratusAI Voice Audit

Management Commentary

“Q1 2026 marks the start of an exciting new chapter for CareCloud. We delivered 13% year-over-year revenue growth, expanded our AI offering and our addressable market into the inpatient segment, and took decisive action to simplify our capital structure with the announced full redemption of our Series B Preferred Stock and the closing of a new \$50 million credit facility. With the Medsphere integration substantially complete, a stronger balance sheet, and our 2026 guidance reaffirmed, we believe CareCloud is uniquely positioned to translate this momentum into accelerating, durable shareholder value through the balance of 2026 and beyond.”

— Stephen Snyder, Chief Executive Officer, CareCloud

“This was the quarter our AI strategy moved from promise to performance. stratusAI Desk Agent is now resolving approximately 75% of inbound patient calls autonomously, stratusAI Voice Audit is surfacing revenue and compliance opportunities in real time, and our newly launched AI Center of Excellence is shipping new agentic capabilities at an accelerating pace. By layering these AI services on top of our expanded ambulatory and inpatient platform—including our #1 Black Book–ranked EDIS—we are building a differentiated, full-stack healthcare technology offering that scales with every customer we serve and creates a durable, technology-led competitive advantage.”

— A. Hadi Chaudhry, Chief Strategy Officer, CareCloud

“We are reaffirming our 2026 guidance based on our confidence for the year. The integration of our Medsphere acquisition impacted our earnings as anticipated this quarter and is now substantially complete, positioning us to deliver improving margins through the balance of 2026. We look forward to redeeming all of our Series B Preferred Stock for cash on May 15.”

— Norman Roth, Interim Chief Financial Officer and Corporate Controller, CareCloud

2026 Outlook

CareCloud entered 2026 with significant operating momentum and is reaffirming its guidance for calendar year 2026.

For the Fiscal Year Ending December 31, 2026	Full Year 2026 Guidance
Revenue	\$128 – \$132 million
Adjusted EBITDA	\$29 – \$31 million
GAAP Net Income Per Share (EPS)	\$0.20 – \$0.23

Revenue guidance is based on management’s expectations for contributions from existing clients, together with cross-selling and other organic and inorganic growth. EPS guidance of \$0.20–\$0.23 represents a 100-130% increase from the \$0.10 achieved in full year 2025. Adjusted EBITDA guidance is \$29–\$31 million compared to the 2025 amount of \$27.5 million.

As anticipated, Q1 2026 GAAP net income reflects a temporary, near-term impact from elevated amortization of acquired intangible assets and one-time integration costs tied to the Medsphere acquisition (which closed August 2025) and our other 2025 acquisitions. Q1 2026 adjusted EBITDA was depressed due to transition costs from Medsphere which have largely been eliminated by the end of Q1, so they will have a decreasing impact in future quarters. These items are non-recurring and integration-related, are expected to subside as the integrations are completed, and are not indicative of the underlying earnings power of the business. Management expects margin expansion to resume as we move through 2026, consistent with the full-year guidance reaffirmed above.

Conference Call Information

CareCloud management will host a live conference call today, May 7, 2026, at **8:30 a.m. Eastern Time** to discuss first quarter 2026 results and the Company’s 2026 strategy.

Webcast: ir.carecloud.com/events

Dial-in (Audio Only): 646-307-1865 | Reference: “CareCloud, Inc. First Quarter 2026 Results Conference Call.”

Replay Dial-in: 412-317-6671 | Access Code: 1116667 (available approximately 3 hours after the call).

About CareCloud

CareCloud brings disciplined innovation to the business of healthcare. Our suite of AI and technology-enabled solutions helps clients increase financial and operational performance, streamline clinical workflows and improve the patient experience. More than 45,000 providers count on CareCloud to help them improve patient care, while reducing administrative burdens and operating costs. Learn more about our products and services, including revenue cycle management (RCM), practice management (PM), electronic health records (EHR), business intelligence, patient experience management (PXM) and digital health, at carecloud.com.

Follow CareCloud on [LinkedIn](#), [X](#) and [Facebook](#).

For additional information, please visit our website at carecloud.com. To listen to video presentations by CareCloud’s management team, read recent press releases and view the latest investor presentation, please visit ir.carecloud.com.

Contacts

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Use of Non-GAAP Financial Measures

In our earnings releases, prepared remarks, conference calls, slide presentations and webcasts, we use and discuss non-GAAP financial measures, as defined by SEC Regulation G. The GAAP financial measure most directly comparable to each non-

GAAP financial measure used or discussed and a reconciliation of the differences between each non-GAAP financial measure and the comparable GAAP financial measure, are included in this press release after the condensed consolidated financial statements. Our earnings press releases containing such non-GAAP reconciliations can be found in the Investor Relations section of our web site at ir.carecloud.com.

Forward-Looking Statements

This press release contains various forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements relate to anticipated future events, future results of operations or future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may,” “might,” “will,” “shall,” “should,” “could,” “intends,” “expects,” “plans,” “goals,” “projects,” “anticipates,” “believes,” “seeks,” “estimates,” “forecasts,” “predicts,” “possible,” “potential,” “target,” or “continue” or the negative of these terms or other comparable terminology.

Our operations involve risks and uncertainties, many of which are outside our control and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Forward-looking statements in this press release include, without limitation, statements reflecting management’s expectations for future financial performance and operating expenditures, expected growth, profitability and business outlook, and the expected results from the integration of our acquisitions.

These forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are only predictions, are uncertain and involve substantial known and unknown risks, uncertainties and other factors which may cause our (or our industry’s) actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements. New risks and uncertainties emerge from time to time and it is not possible for us to predict all of the risks and uncertainties that could have an impact on the forward-looking statements, including without limitation, risks and uncertainties relating to the Company’s ability to manage growth, migrate newly acquired customers and retain new and existing customers, maintain cost-effective global operations, increase operational efficiency and reduce operating costs, predict and properly adjust to changes in reimbursement and other industry regulations and trends, retain the services of key personnel, develop new technologies, upgrade and adapt legacy and acquired technologies to work with evolving industry standards, compete with other companies’ products and services competitive with ours, manage and keep our information systems secure and other important risks and uncertainties referenced and discussed under the heading titled “Risk Factors” in the Company’s filings with the Securities and Exchange Commission.

The statements in this press release are made as of the date of this press release, even if subsequently made available by the Company on its website or otherwise. The Company does not assume any obligations to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

CARECLOUD, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2026 AND DECEMBER 31, 2025
(\$ in thousands, except share and per share amounts)

	March 31, 2026 (Unaudited)	December 31, 2025
ASSETS		
Current assets:		
Cash	\$ 3,354	\$ 3,117
Restricted cash	500	500
Accounts receivable - net	15,236	15,062
Contract asset	3,502	3,664
Inventory	432	507
Current assets - related party	16	16
Prepaid expenses and other current assets	3,048	2,872
Total current assets	26,088	25,738
Property and equipment - net	7,461	7,775
Operating lease right-of-use assets	4,662	3,106
Intangible assets - net	16,500	18,968

Goodwill	31,435	31,442
Other assets	573	569
TOTAL ASSETS	\$ 86,719	\$ 87,598
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,508	\$ 6,937
Accrued compensation	3,476	4,136
Accrued expenses	5,951	5,970
Operating lease liability (current portion)	1,358	927
Deferred revenue (current portion)	4,748	4,148
Notes payable (current portion)	742	728
Contingent consideration (current portion)	734	909
Dividend payable	944	668
Total current liabilities	23,461	24,423
Notes payable	250	441
Contingent consideration	400	232
Operating lease liability	3,390	2,187
Deferred revenue	891	809
Total liabilities	28,392	28,092
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Preferred stock, \$0.001 par value - authorized 7,000,000 shares. Series A, issued and outstanding 984,530 shares at March 31, 2026 and December 31, 2025. Series B, issued and outstanding 1,511,372 shares at March 31, 2026 and December 31, 2025.	2	2
Common stock, \$0.001 par value - authorized 85,000,000 shares. Issued 43,233,748 and 43,178,748 shares at March 31, 2026 and December 31, 2025, respectively. Outstanding 42,492,949 and 42,437,949 shares at March 31, 2026 and December 31, 2025, respectively.	43	43
Additional paid-in capital	117,807	119,936
Accumulated deficit	(54,910)	(55,832)
Accumulated other comprehensive loss	(3,953)	(3,981)
Less: 740,799 common shares held in treasury, at cost at March 31, 2026 and December 31, 2025	(662)	(662)
Total shareholders' equity	58,327	59,506
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 86,719	\$ 87,598

CARECLOUD, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(\$ in thousands, except share and per share amounts)

	Three Months Ended	
	March 31,	
	2026	2025
NET REVENUE	\$ 31,270	\$ 27,632
OPERATING EXPENSES:		
Direct operating costs	16,850	15,464
Selling and marketing	1,414	1,131
General and administrative	5,496	4,332
Research and development	2,416	1,235
Change in contingent consideration	57	-
Depreciation and amortization	4,037	3,337
Restructuring costs	-	114
Total operating expenses	30,270	25,613
OPERATING INCOME	1,000	2,019
OTHER:		

Interest income	10	42
Interest expense	(58)	(58)
Other income (expense) - net	22	(14)
INCOME BEFORE PROVISION FOR INCOME TAXES	974	1,989
Income tax provision	52	41
NET INCOME	\$ 922	\$ 1,948
Preferred stock dividend	1,365	2,811
NET LOSS ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ (443)	\$ (863)
Net loss per common share: basic and diluted	\$ (0.01)	\$ (0.04)
Weighted-average common shares used to compute basic and diluted loss per share	42,471,949	23,813,943

CARECLOUD, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(\$ in thousands)

	2026	2025
OPERATING ACTIVITIES:		
Net income	\$ 922	\$ 1,948
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,085	3,407
Lease amortization	463	480
Provision for expected credit losses	106	70
Foreign exchange loss (gain)	11	(1)
Interest accretion	87	107
Change in contingent consideration	57	-
Stock-based compensation expense	64	108
Changes in operating assets and liabilities:		
Accounts receivable	(280)	(1,183)
Contract asset	162	(105)
Inventory	75	(35)
Other assets	(228)	(908)
Accounts payable and other liabilities	(2,595)	956
Deferred revenue	682	269
Net cash provided by operating activities	3,611	5,113
INVESTING ACTIVITIES:		
Purchases of property and equipment	(412)	(624)
Capitalized software and other intangible assets	(820)	(846)
Initial payment for acquisition	-	(40)
Net cash used in investing activities	(1,232)	(1,510)
FINANCING ACTIVITIES:		
Preferred stock dividends paid	(1,916)	(1,730)
Payment of contingent consideration	(57)	-
Payment of tax withholding on stock issued to employees	-	(21)
Repayments of notes payable	(177)	(181)
Net cash used in financing activities	(2,150)	(1,932)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND RESTRICTED CASH	8	(11)
NET INCREASE IN CASH AND RESTRICTED CASH	237	1,660
CASH AND RESTRICTED CASH - Beginning of the period	3,617	5,145
CASH AND RESTRICTED CASH - End of the period	\$ 3,854	\$ 6,805
SUPPLEMENTAL NONCASH INVESTING AND FINANCING ACTIVITIES:		

Conversion of preferred stock and accrued dividends to common stock	\$ -	\$ 2,435
Dividends declared, not paid	\$ 944	\$ 1,299
SUPPLEMENTAL INFORMATION - Cash paid during the period for:		
Income taxes	\$ 14	\$ 15
Interest	\$ 21	\$ 18

See notes to condensed consolidated financial statements.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES TO COMPARABLE GAAP MEASURES (UNAUDITED)

The following is a reconciliation of the non-GAAP financial measures used by us to describe our financial results determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”). An explanation of these measures is also included below under the heading “Explanation of Non-GAAP Financial Measures.”

While management believes that these non-GAAP financial measures provide useful supplemental information to investors regarding the underlying performance of our business operations, investors are reminded to consider these non-GAAP measures in addition to, and not as a substitute for, financial performance measures prepared in accordance with GAAP. In addition, it should be noted that these non-GAAP financial measures may be different from non-GAAP measures used by other companies, and management may utilize other measures to illustrate performance in the future. Non-GAAP measures have limitations in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with GAAP.

Adjusted EBITDA to GAAP Net Income

Set forth below is a reconciliation of our “adjusted EBITDA” to our GAAP net income.

	Three Months Ended March 31,	
	2026	2025
	(\$ in thousands)	
Net revenue	\$ 31,270	\$ 27,632
GAAP net income	922	1,948
Provision for income taxes	52	41
Net interest expense	48	16
Foreign exchange loss / other expense	32	19
Stock-based compensation expense	64	108
Depreciation and amortization	4,037	3,337
Change in contingent consideration	57	-
Transaction and integration costs	158	12
Restructuring costs	-	114
Adjusted EBITDA	\$ 5,370	\$ 5,595

Non-GAAP Adjusted Operating Income to GAAP Operating Income

Set forth below is a reconciliation of our non-GAAP “adjusted operating income” and non-GAAP “adjusted operating margin” to our GAAP operating income and GAAP operating margin.

	Three Months Ended March 31,	
	2026	2025
	(\$ in thousands)	
Net revenue	\$ 31,270	\$ 27,632
GAAP net income	922	1,948
Provision for income taxes	52	41
Net interest expense	48	16

Other (income) expense - net	(22)	14
GAAP operating income	1,000	2,019
GAAP operating margin	3.2%	7.3%
Stock-based compensation expense	64	108
Amortization of purchased intangible assets	928	89
Transaction and integration costs	158	12
Change in contingent consideration	57	-
Restructuring costs	-	114
Non-GAAP adjusted operating income	<u>\$ 2,207</u>	<u>\$ 2,342</u>
Non-GAAP adjusted operating margin	7.1%	8.5%

Non-GAAP Adjusted Net Income to GAAP Net Income

Set forth below is a reconciliation of our non-GAAP “adjusted net income” and non-GAAP “adjusted net income per share” to our GAAP net income and GAAP net income per share.

	Three Months Ended March 31,	
	2026	2025
	(\$ in thousands)	
GAAP net income	\$ 922	\$ 1,948
Foreign exchange loss / other expense	32	19
Stock-based compensation expense	64	108
Amortization of purchased intangible assets	928	89
Transaction and integration costs	158	12
Change in contingent consideration	57	-
Restructuring costs	-	114
Non-GAAP adjusted net income	<u>\$ 2,161</u>	<u>\$ 2,290</u>

	Three Months Ended March 31,	
	2026	2025
GAAP net loss attributable to common shareholders, per share	\$ (0.01)	\$ (0.04)
Impact of preferred stock dividend	0.03	0.09
Net income per end-of-period share	0.02	0.05
Foreign exchange loss / other expense	0.00	0.00
Stock-based compensation expense	0.00	0.00
Amortization of purchased intangible assets	0.02	0.00
Change in contingent consideration	0.00	-
Transaction and integration costs	0.01	0.00
Restructuring costs	-	0.00
Non-GAAP adjusted earnings per share	<u>\$ 0.05</u>	<u>\$ 0.05</u>
End-of-period common shares	<u>42,492,949</u>	<u>42,321,129</u>

For purposes of determining non-GAAP adjusted earnings per share, the Company used the number of common shares outstanding as of March 31, 2026 and 2025. Non-GAAP adjusted earnings per share does not take into account dividends declared or earned on preferred stock.

Net cash provided by operating activities to free cash flow

Set forth below is a reconciliation of our non-GAAP “free cash flow” to our GAAP net cash provided by operating activities.

	Three Months Ended March 31,	
	2026	2025
	(\$ in thousands)	
Net cash provided by operating activities	\$ 3,611	\$ 5,113
Purchases of property and equipment	(412)	(624)
Capitalized software and other intangible assets	(820)	(846)
Free cash flow	\$ 2,379	\$ 3,643
Net cash used in investing activities ¹	\$ (1,232)	\$ (1,510)
Net cash used in financing activities	\$ (2,150)	\$ (1,932)

¹ Net cash used in investing activities includes payments for acquisitions, purchases of property and equipment and capitalized software and other intangible assets. Purchases of property and equipment and capitalized software and other intangible assets are included in our computation of free cash flow.

Explanation of Non-GAAP Financial Measures

We report our financial results in accordance with accounting principles generally accepted in the United States of America, or GAAP. However, management believes that, in order to properly understand our short-term and long-term financial and operational trends, investors may wish to consider the impact of certain non-cash or non-recurring items, when used as a supplement to financial performance measures in accordance with GAAP. These items result from facts and circumstances that vary in frequency and impact on continuing operations. Management also uses results of operations before such items to evaluate the operating performance of CareCloud and compare it against past periods, make operating decisions and serve as a basis for strategic planning. These non-GAAP financial measures provide management with additional means to understand and evaluate the operating results and trends in our ongoing business by eliminating certain non-cash expenses and other items that management believes might otherwise make comparisons of our ongoing business with prior periods more difficult, obscure trends in ongoing operations, or reduce management's ability to make useful forecasts. Management believes that these non-GAAP financial measures provide additional means of evaluating period-over-period operating performance. In addition, management understands that some investors and financial analysts find this information helpful in analyzing our financial and operational performance and comparing this performance to our peers and competitors.

Management uses adjusted EBITDA, adjusted operating income, adjusted operating margin, and non-GAAP adjusted net income to provide an understanding of aspects of operating results before the impact of investing and financing charges and income taxes. Adjusted EBITDA may be useful to an investor in evaluating our operating performance and liquidity because this measure excludes non-cash expenses as well as expenses pertaining to investing or financing transactions. Management defines "adjusted EBITDA" as the sum of GAAP net income (loss) before provision for (benefit from) income taxes, net interest expense, other (income) expense, stock-based compensation expense, depreciation and amortization, integration costs, transaction costs, impairment charges and changes in contingent consideration.

Management defines "non-GAAP adjusted operating income" as the sum of GAAP operating income (loss) before stock-based compensation expense, amortization of purchased intangible assets, integration costs, transaction costs, impairment charges and changes in contingent consideration, and "non-GAAP adjusted operating margin" as non-GAAP adjusted operating income divided by net revenue.

Management defines "non-GAAP adjusted net income" as the sum of GAAP net income (loss) before stock-based compensation expense, amortization of purchased intangible assets, other (income) expense, integration costs, transaction costs, impairment charges, changes in contingent consideration, any tax impact related to these preceding items and income tax expense related to goodwill, and "non-GAAP adjusted net income per share" as non-GAAP adjusted net income divided by common shares outstanding at the end of the period, including the shares which were issued but are subject to forfeiture and considered contingent consideration.

Management considers all of these non-GAAP financial measures to be important indicators of our operational strength and performance of our business and a good measure of our historical operating trends, in particular the extent to which ongoing operations impact our overall financial performance.

In addition to items routinely excluded from non-GAAP EBITDA, management excludes or adjusts each of the items identified below from the applicable non-GAAP financial measure referenced above for the reasons set forth with respect to that excluded item:

Foreign exchange loss/other expense. Other expense is excluded because foreign currency gains and losses and other non-operating expenses are expenditures that management does not consider part of ongoing operating results when assessing the performance of our business, and also because the total amount of the expense is partially outside of our control. Foreign currency gains and losses are based on global market factors which are unrelated to our performance during the period in which the gains and losses are recorded.

Stock-based compensation expense. Stock-based compensation expense is excluded because this is primarily a non-cash expenditure that management does not consider part of ongoing operating results when assessing the performance of our business, and also because the total amount of the expenditure is partially outside of our control because it is based on factors such as stock price, volatility, and interest rates, which may be unrelated to our performance during the period in which the expenses are incurred. Stock-based compensation expense includes cash-settled awards based on changes in the stock price.

Amortization of purchased intangible assets. Purchased intangible assets are amortized over their estimated useful lives and generally cannot be changed or influenced by management after the acquisition. Accordingly, this item is not considered by management in making operating decisions. Management does not believe such charges accurately reflect the performance of our ongoing operations for the period in which such charges are recorded.

Contingent consideration. Contingent consideration represents the portion of consideration payable to the seller of some of our acquisitions, the amount of which is based on the achievement defined performance measures contained in the purchase agreements. Contingent consideration is adjusted to fair value at the end of each reporting period. Management does not believe such charges accurately reflect the performance of our ongoing operations for the period in which such charges are incurred.

Transaction costs. Transaction costs are upfront costs related to acquisitions and related transactions, such as brokerage fees, pre-acquisition accounting costs and legal fees, and other upfront costs related to specific transactions. Management believes that such expenses do not have a direct correlation to future business operations, and therefore, these costs are not considered by management in making operating decisions. Management does not believe such charges accurately reflect the performance of our ongoing operations for the period in which such charges are incurred.

Integration costs. Integration costs are severance payments for certain employees relating to our acquisitions and exit costs related to terminating leases and other contractual agreements. Accordingly, management believes that such expenses do not have a direct correlation to future business operations, and therefore, these costs are not considered by management in making operating decisions. Management does not believe such charges accurately reflect the performance of our ongoing operations for the period in which such charges are incurred.

Restructuring costs. Restructuring costs primarily consist of severance and separation costs associated with the optimization of the Company's operations and profitability improvements. Management believes that such expenses do not have a direct correlation to future business operations, and therefore, these costs are not considered by management in making operating decisions. Management does not believe such charges accurately reflect the performance of our ongoing operations for the period in which such charges are incurred.

Free cash flow. Management believes that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating the Company's financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net operating results as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. Additionally, the Company's definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, due to the fact that the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions. Therefore, we believe it is important to view free cash flow as a measure that provides supplemental information to our condensed consolidated statements of cash flows.