

SIKULI CAPITAL

Conviction through contrarian research

Doximity (DOCS)

Valuation Snapshot — Fair Value Range

As of May 20, 2026 | Physician network + workflow tools

CURRENT PRICE	PROBABILITY-WEIGHTED FAIR VALUE	FAIR VALUE RANGE
\$66	~\$70	\$47 - \$90
May 2026	Bull 25% / Base 50% / Bear 25%	Modest upside

Verdict: DOCS reported FY26 revenue of \$644.9M (+13%) with FCF of \$317.5M (+19%). Q4 active prescribers crossed 800,000 — an engagement record^[1]. Q4 non-GAAP EPS of \$0.26 missed by ~\$0.02. AI signals are strong but monetization is still building^[2]. As a high-margin physician network with steady pharma/health-system marketing demand, DOCS commands a premium multiple. The bull case requires AI workflow tool monetization; bear case reflects pharma marketing cyclicality.

CURRENT SNAPSHOT

Metric	Value	Notes / Source
Stock price	~\$66	[3]
FY26 revenue	\$644.9M (+13%)	[1]
Q4 FY26 revenue	\$145.4M	Non-GAAP EPS \$0.26 ^[1]
FY26 FCF	\$317.5M (+19%)	[1]
Active prescribers	800K+	Record engagement ^[1]

BULL / BASE / BEAR SCENARIOS

Scenario (weight)	Assumptions	Fair Value
Bull (25%)	AI workflow tools monetize, pharma marketing budgets expand, 35x forward P/E	\$90
Base (50%)	Hit consensus, +13% growth, 28x forward P/E	\$70
Bear (25%)	Pharma cyclical softness, AI monetization stalls, 20x forward P/E	\$47
Probability-weighted	Network-effect moat; AI execution swing factor; pharma cyclical risk.	~\$70

Key Risks

- **Pharma cyclicality:** Pharmaceutical marketing budgets tied to drug launch cycles and macro spending.
- **AI monetization:** Heavy engagement but conversion to dollars is gradual.
- **Hospital marketing weak:** Hospital health-system marketing budgets pressured by reimbursement.
- **Competition:** Sermo, Epocrates compete; LinkedIn for healthcare professionals.

What Would Change Our View

- **Upside:** AI workflow ARR disclosure, large pharma upfront contracts, hospital recovery.
- **Downside:** Pharma budget cuts, AI monetization delays, network engagement decline.

Sources

[1] <https://www.sec.gov/Archives/edgar/data/0001516513/000151651326000017/doximity-2026331xex991.htm>

[2] <https://seekingalpha.com/article/4905287-doximity-earnings-strong-ai-signals-but-monetization-still-pending>

[3] <https://finance.yahoo.com/quote/DOCS/>

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