Ascelia Pharma

Sector: Specialty Pharma

All attention on the top priority

The re-evaluation of the SPARKLE study

Ascelias priority is to secure a re-reader evaluation of SPARKLE by May 2024. This involves minimising the risk of eccessive intra reader variability. The time table is realistic but the risk for delays are never zero. Our base case in now a US partner strategy which could bring several advantages in our view. Our update includes a base case valuation of SEK 10 (11) and a Bull Case of SEK 26 (28), and a Bear Case of SEK 3 (3).

Savings and a cash runway to Q2 2024

Ascelia has cut half its FTE base and the company has also entered a period with fading expenses related to SPARKLE. This is now reflected in our base case which allows Ascelia tooperate based on the existing cash balance by Q2 2024 including the completion of the re-readout process.

A plausibel US partner strategy

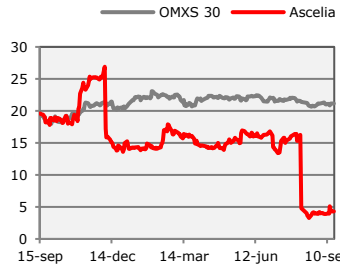
Ascelia has opened up for a potential US partner strategy. A direct launch is still an option. We opt to have the US partnership strategy as our Base Case. This reduces the pressure on growth capital, the commercial costs and the risk of furter delays for Oncoral. As a result our base case reflects less sales, more royalty sales, a reduced cost base and a SEK 135m (SEK 275m) in new growth capital by mid-2024.

Key Financials (SEKm)	2022	2023E	2024E	2025E	2026E
Net sales	0	0	0	9	94
Revenue growth					912%
EBITDA	-147	-130	-74	-86	12
EBIT	-147	-130	-74	-87	6
EBIT Margin (%)				-929%	7%
Net Income	-126	-126	-56	-68	28
EV/Revenue			680,4	35,7	3,4
EV/EBITDA	neg	neg	neg	neg	27,1
EV/EBIT	neg	neg	neg	neg	50,7

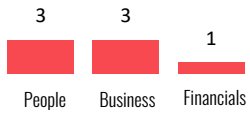
FAIR VALUE RANGE

BEAR	BASE	BULL
3	10	26

ACE-SE VERSUS OMXS30



REDEYE RATING



KEY STATS

Ticker	ACE-SE
Market	Small Cap
Share Price (SEK)	4.3
Market Cap (SEKm)	154
Net Debt (SEKm)	-111
Free Float (%)	72
Avg. daily volume ('000)	365

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Investment thesis

Case: SPARKLE is likely to have a new re-read in place by May 20204

Ascelia's Orviglance can address the core market by providing a non-gadolinium diagnostic drug (contrast agent) to be used in MRI scans of the liver for patients with inferior kidney function (like CKD stages 4 and 5). All of these patients have a corresponding insufficient ability to naturally dispose of the gadolinium gadolinium-based contrast agents. Some patients must secure images regularly to control the risk of suspected focal liver lesions (liver metastases). An improved Orviglance is also likely to achieve a US premium price in this core market. Our base case is USD 2,000 per dose, which seems less conservative now after the unexpected issue of the Independent reader assessment. Our LOA is 70%, reflecting some uncertainty regarding the SPARKLE read-out in H1 2024. With the current cash position and the savings program, Ascelia has a financial run rate to the re-readout result.

Our base case is based on Ascelia securing a commercial partner for the US market. We use a royalty rate of 25%, which is fair at this late stage, and the royalty rate could be slightly less, especially in a scenario where Ascelia secures an early milestone payment, reducing the need for equity dilutive funding. At this stage, our base case includes a moderate equity-based financing 2024 of SEK 125m. This allows Ascelia to negotiate a partnership without financial pressure and activate the Oncoral Phase 2 program.

Evidence: Scientific support

Ahead of the pivotal SPARKLE study, Ascelia has secured support from eight published clinical studies. The SPARKLE study also includes patients with suspected liver lesions (liver metastases). This is important because it corresponds to a larger market and the clinical rationale for using MRI for this patient group. Orviglance is an orphan candidate supported by clinical evidence. Specialists have expressed a high intention to treat them if and when approved. The requirement to re-evaluate SPARKLE leaves a question mark, and even if we expect Ascelia to take active measures to reduce the risk of a repeat intra-reader failure, this risk is higher than zero. At this stage, our LOA is 70%.

Challenge I: Establish a commercial and clinical user base in the US

Ascelia's direct marketing strategy alternative involves some 40 FTEs in the US commercial team, addressing around 400 clinics and hospitals caring for approximately 75 % of the target patient group. Ascelia has opened up for signing a commercial partner for the US market. This is now our Base Case scenario (and the main reason for our changed sales estimates). Considering Orviglance's late-stage status, we use a relatively high royalty rate of 25%. If the SPARKLE results are distinctly positive, Ascelia may also be able to secure an upfront milestone payment and a slightly reduced royalty rate. A sizable upfront payment would also reduce the need for equity-based funding in 2024 (our base case features a SEK 135m equity-based funding with a corresponding equity dilution).

Our view is that the core part of the market has a strong rationale for using an approved Orviglance. The extended market opportunity will likely require a longer launch period. A successful initial launch typically requires diligent pre-launch preparations and early involvement with specialists, KOL and future payers. This is also why our Base Case is the partnership alternative, as a resourceful commercial partner can fast-forward the launch process whilst Ascialia is now focusing entirely on completing the last stage of SPARKLE and the re-reading process.

Challenge II: Limited financial resources

Ascelia has limited financial resources to support the growth and the launch strategy. The SEK 70m in cash as of Q2 2023 is sufficient to Q2 2024. A positive headline result for SPARKLE could open for funding based on more favourable terms and the opportunity to secure a licensing deal for Orviglance both on the US market and for the RoW. In our base case, we have included SEK 135M (275m) funding based on a share issue within 12 months. The level of dilution will depend on both the re-readout result, the launch strategy and the terms with a potential US partner.

Valuation: Fair value of SEK 10 (SEK 11) per share

Our DCF-based Base Case fair value estimate for Ascelia is SEK 10 (11) per share (WACC: 13.5%; valuation range: SEK 3-26 per share). We estimate the Ascelia share can reach our Base Case in the coming 12–24 months with support from the headline SPARKLE results, signing a US partner, the FDA submission, and the approaching US launch, possibly by H2 2025. If Ascelia can secure a strong US partner on good terms with support from a positive result from SPARKLE, our base case can be reached within 12 months.

Counter-thesis

A negative re-evaluation scenario

The intra-reader inconsistency was a significant negative surprise. Ascelia will have new discussions with the FDA during the rest of 2023. In a favourable scenario, the FDA will share Ascelia's view that the re-evaluation is an unfortunate random result and conclude that it is sufficient for a new group of independent readers to use the same data. This will most likely include measures to reduce a repeat intra-reader risk like training, review of manuals, etc. The study protocol tends to be very specific and could create a different professional situation than the typical clinical setup. According to Acselia, we can expect a result by May 2024.

It is not possible to exclude a more pessimistic scenario, including a requirement to add more patients, a larger group of readers, a higher proportion of re-evaluated images (not zero risk for that this issue would resurface), and perhaps changing the image capture requirements even if Ascelia does not expect this. Such a scenario would, of course, include a longer time and require more financial resources.

We expect a gradual FDA clarification that the re-reader scenario is sufficient, not necessarily any near-term black-or-white clarification. Ascelia has implemented a severe cost-cutting program securing a financial OPEX run-way stretching beyond the re-readout.

Premium price

Ascelia points to a likely price interval of USD 3,000-4,500, a distinct premium to the present gadolinium contrast agents. The most severe risk when the heavy metal gadolinium stays in the body (and brain) for an extended period (in patients with more regular kidney function, the gadolinium is washed out rapidly) is an elevated risk of nephrogenic systemic fibrosis. Some professionals may view that the risk is sufficiently low for some patients and that the risk can be controlled by other measures (lower dose, different imaging protocol, etc.). In some channels, regions, or countries, the price could be considered excessive. We use a USD 2,000 price level for the US market in our base case, which seems less conservative now after the unexpected issue of the Independent reader assessment. We have used this price to assess Orviglance's future 25% royalty rates from the US market.

Penetration rate and take-up rate

The future penetration rate is probably related to different segments of the future market. We believe the core market with diagnosed primary liver cancer and severe kidney impairment will likely be penetrated quickly. These patients are regularly monitored based on MRI for the risk of suspected liver lesions (metastases). Several other (primary) cancer types are also more prone to developing liver lesions. Some of these patients will suffer from severe kidney impairments, which is natural since the risk of cancer and kidney impairments is strongly related to age. The number of suspected lesions in this extended group and the intervals for a regular check-up (including MRI imaging) are more challenging to assess in this enlarged market. It is also possible that a more extensive market penetration will require more real-life evidence, experience, updated guidelines, and a more modest price. Once Orviglance is established, the relevant MRI market will likely expand further. Today, a number of parents will be restrained from more regular MRI-based screening in an attempt to reduce the risk from gadolinium-based contrast agents in these patient groups.

The existing and future competition

So far, Ascelia and the Orviglance remain the most advanced non-gadolinium contrast agent candidates. Reveal's (RVP-001) phase 1 candidate is another potential future alternative. If Reveal's candidate progresses further, it could also change the price dynamics as RVP-001 is a general-purpose candidate. Once approved, the price point could be well below Orviglance's intended price level. The main point is that Orviglance has a distinctive market lead.

Expected News flow and catalysts

Gradual FDA Feedback

We expect more conclusive FDA feedback within three to four months or by the end of 2023. This could involve a new set of professional readers. Still, it could also include more severe measures such as changes in the image capture methods (less likely), an expanded number of readers (more likely), an increased number of patients (can't be ruled out) and a request for a higher number or tests for intra reader variability (more likely). At this stage, when we do not know the reason for the intra-reader variability, it is also impossible to rule out the risk that this issue could be repeated in the new assessment, even if Ascelia takes prudent measures to minimise this risk.

SPARKLE and the re-readout result

Ascelia's leading SPARKLE study will report headline results by May 2024. This 85-patient study was fully Orviglance is a non-gadolinium diagnostic drug (contrast agent) to be used in MRI scans of the liver for patients with inferior kidney function (like CKD stages 4 and 5), and these patients had a corresponding inability to dispose of the gadolinium-based contrast agents naturally. Results from earlier studies have been strong, and we set a LOA of 70% ahead of the results. The SPARKLE study also includes patients with suspected focal liver lesions (liver metastases).

US submission

The total SPARKLE result and the analysis will result in a Clinical Protocol, most likely by late 2024 or early 2025. The next stage is progressing into a formal submission, which we expect by H1 2025.

Access to growth capital

Ascelia has limited financial resources to support the growth and the launch strategy. The SEK 70m in cash as of the end of Q2 2023 is sufficient for H1 2024. A positive headline result for SPARKLE could open for funding based on more favourable terms and the opportunity to secure a licensing deal for Orviglance outside the US market. In our base case, we have included SEK135m (SEK 275m) funding based on a share issue within 12 months. The actual future funding requirement could be reduced if Ascelia secures international partners for the launch outside the US.

Financials and our revision

The intra-reader problem has resulted in a nine-month delay, assuming that Ascelia can avoid any changes to the actual study, such as an increased number of patients or a more uniform imaging capturing protocol (like using a 3.0 Tesla for all images). The financial implication is directly related to the delay in future sales, which is negative even if Ascelia directs most of the operational and financial resources to secure a timely read-out by May 2024.

Our P&L base case to 2027E and our revision

Our annual base case to 2027E is illustrated in the table below. Our new base case has zero sales for 2024E, including a US launch late in 2025E.

The 2026E and 2027E sales level depends on when Ascelia will secure a complete submission and how fast the FDA can decide. This process could take six to twelve months for an orphan drug (without fast track or priority review). We expect Ascelia to progress with a minimal OPEX level ahead of the reviewed headline SPARKLE result and ahead of securing additional growth capital, which may also involve securing a commercial global or regional partner outside the US market. As a result, we expect Ascelia or as in our base case, Ascelia's US partner, to progress into a more intense launch preparation stage in 2025.

Our revised estimates are based on an LOA of 70% (we reduced this from 85% earlier due to the required re-reading). Because of the issue with intra-reader variability in the first assessment, the efficacy result was meaningless. It is fair to take the view that ahead of the following review, Ascelia is facing two challenges; the first is to avoid the same problem once over, and the second is to secure a robust positive efficiency result. Our base case includes 25% royalties from a future US Orviglance partner. This is a relatively high royalty rate reflecting the late stage of Orviglance. If Ascelia and future partners agree to include upfront milestone payments, the royalty rates could range below 25%.

Ascelia: Yearly estimates to 2027E

Ascelia: Estimate (MSEK)										
(SEKm)	2022	2023Q1	2023Q2	2023Q3	2023Q4	2023	2024	2025	2026	2027
Net sales	0	0	0	0	0	0	0	9	94	205
Gross Profit	0	0	0	0	0	0	0	8	86	190
EBITDA	-147	-37	-42	-33	-19	-130	-74	-86	12	126
EBIT	-147	-37	-42	-33	-19	-130	-74	-87	6	113
Adjusted Diluted EPS	-3,7	-1,1	-1,2	-0,9	-0,5	-3,8	-0,9	-0,9	0,3	1,4
Cash & Equivalents	150	111	71	40	24	24	88	18	31	47
Growth (%)								3260%	912%	165%
Gross margin							80%	85%	92%	93%
EBITDA margin (%)								-921%	13%	62%
EBIT margin (%)								-929%	7%	55%
Net income margin (%)								-727%	30%	30%

Source: Redeye Research

As the launch is advancing during 2026E and 2027E, our base case reflects that Ascelia has an opportunity to secure early support in the core market. In 2027E, our SEK 205m in mostly royalty-related sales are based on a US Orviglance price of USD 2,000. The average patient has two images per year in this core market.

As the launch progresses, we expect support from patients with suspected lesions with MRI imaging based on an average frequency below twice yearly. Depending on the future competitive landscape, this support will probably require more clinical experience, possibly a change in guidelines and a reduced average price. Only in the US are some 45m MRI images processed per year, and both the cancer prevalence and the CKD (stage 3b, 4 and 5) are related to age. Our view is that the extended patient group is likely to be significantly higher than the initial target of 50,000 patients treated on average twice yearly.

Following the imaging review issue, the future price level could be affected, and we suspect that the FDA could ask for a higher proportion of intra-variability reviews (that each reader will be required to assess the same image twice) to secure the robustness of the result. The future price, if approved, could range between our Base Case (USD 2,000) and Ascelia's objective (USD 3,000-4,500). A higher premium price will require a distinctly positive headline SPARKLE result.

Valuation

We base our valuation on discounted cash flow (DCF) analysis. Our fair Base case does not include support from future M&A. We use a 13.5% weighted-average cost of capital (WACC, based on Redeye's Quality Rating System) to discount Ascelia's projected future cash flows. We use a case-based approach, with what we judge as a fair Base Case, an optimistic Bull Case, and a pessimistic Bear Case. Our Base Case, fair value estimate, amounts to SEK 11 (32) per share, while our valuation range equals SEK 3-26 (3-28) per share. We believe the Company's share could reach our Base Case of SEK 10 (11) within 12 to 24 months.

Base Case: SEK 10 (11) per share

Our Base Case reflects an LOA of 70% and that Orviglance will secure approximately 50% of the US target market (in reality, less than 50% as we expect support also from outside the core target market). Our base case also includes a US price point of USD 2,000, which is modest compared with Ascelia's target of USD 3,500-4,500. Our view is that an approved Orviglance has a strong case in the core market where there is a need to secure regular MRI images without exposing patients to gadolinium in a stage where the kidney function is already inferior.

- Pro-forma sales growth at a CAGR of some 230% pa for 2025-2028E and SEK 335m in sales by 2028E
- EBIT margin reaches some 55% in 2028E
- Sales growth at a CAGR of some 10% for 2028E-2035E
- EBIT margin rises to some 65% in 2035E
- EBIT margin settles at some 25% in 2040E, with terminal growth of some -25%

Bull Case: SEK 26 (28) per share

Our Bull case is based on 100% LOA, a higher price point and a more prominent future market share. In our Bull case, Ascelia is also attracting license partners, reducing the need for dilutive funding to secure growth capital ahead of the US launch. In our Bull case, we also use a US price of net USD2,850, approaching the USD3,000-4,500 range.

- Pro-forma sales growth at a CAGR of some 269% pa for 2025E-2028E and SEK 470m in sales by 2028E
- EBIT margin reaches some 61% in 2028E
- Sales growth at a CAGR of some 20% for 2028E-2035E
- EBIT margin rises to some 76% in 2035E
- EBIT margin settles at some 35% in 2040E, with terminal growth of some -15%

Bear Case: SEK 3 (SEK 3) per share

Our Bear case implies that Ascelia will be restricted to the core market at a price point less than our base case of USD 2,000 (on the US market) compared with the currently available contrast agents. Our Bear case includes modest international support outside the US and some competition from future gadolinium-free alternatives within five years. It also has a 40% LOA and a higher risk of more severe FDA requirements for the next read-out.

- Pro-forma sales growth at a CAGR of some 189% pa for 2025-2028E
- EBIT margin reaches some 47% in 2028E
- Sales growth at a CAGR of some 7% pa for 2028E-2035E
- EBIT margin rises to some 45% in 2035E
- EBIT margin settles at some 15% in 2040E, with terminal growth of some -45%

Ascelia needs to secure added growth capital

Ascelia has SEK70m of cash as of the end of June. This is enough for the entire 2023 and up until the SPARKLE re-readout in May 2024. However, this is not enough for the US launch, including some 40 FTE targeting approximately 75% of the target market involving 400 clinics and 2,000 specialists. Even If Ascelia secures a US commercial partner the terms may not include an upfront payment and it could also take longer to secure a US partner. In our revised base case we combine a smller fund raising of SEK 135m (earlier SEK 275m) together with a commercial US partner bringing 25% roalties of sales and no need for Ascelia to inverst in increased OPEX supporting the US launch. It can also be a good idea to avoid having to negotiate with very stretched finaincail resources.

A positive headline result in May is likely to increase the interest in Ascelia, including the ability to secure funding on goods terms and ensure a license partner for US, Europe and or Asia, potentially reducing the size of equity funding. Our Base case includes SEK 135m (275m) funding with a modest rebate because of a robust headline result. The table below illustrates different scenarios for the Base Case share price and the level of dilutions at different net issue price levels and funds required.

Ascelia: An illustration of different future potential funding scenarios

Dilution level scenario table (%)

Funds SEK'M	Share Price (SEK)				
	2,1	2,6	3,1	4,1	5,1
-15	-27%	-21%	-17%	-12%	-10%
60	46%	41%	37%	30%	26%
135	66%	61%	56%	49%	44%
210	75%	71%	67%	60%	55%
285	80%	77%	73%	67%	62%

Basa Case scenario table (SEK per share)

Funds SEK'M	Share Price (SEK)				
	2,1	2,6	3,1	4,1	5,1
-15	30	28	27	26	26
60	13	14	15	16	17
135	8	9	10	12	13
210	6	7	8	9	10
285	5	5	6	8	9

Source: Redeye Research

Summary Redeye Rating

The rating consists of three valuation keys, each constituting an overall assessment of several factors rated on a scale of 0 to 1 points. The maximum score for a valuation key is 5 points.

Rating changes in the report

People: 3

We rate Ascelia high in passion, execution, transparency, and the ability to generate long-term value.

Business: 3

We rate Ascelia highly in terms of competitive and scalable growth. Ascelia is also rated high regarding structural growth.

Financials: 1

Ascelia is in a financially challenging position, but The leading asset is about to report headline results with a respectable probability of success. This will likely improve Ascelia's opportunity to secure growth capital without excessive share price dilution.

	2022	2023E	2024E	2025E
INCOME STATEMENT				
Net sales	0	0	0	9
Cost of Revenues	0	0	0	1
Gross Profit	0	0	0	8
Operating Expenses	147	130	74	94
EBITDA	-147	-130	-74	-86
Depreciation & Amortization	0	0	0	1
EBIT	-147	-130	-74	-87
Net Financial Items	18	4	12	13
EBT	-129	-127	-62	-74
Income Tax Expenses	-3	0	-2	-2
Non-Controlling Interest	0	0	0	0
Net Income	-126	-126	-56	-68
BALANCE SHEET				
Assets				
Current assets				
Cash & Equivalents	150	24	88	18
Inventories	0	0	0	2
Accounts Receivable	5	1	1	2
Other Current Assets	7	8	8	1
Total Current Assets	161	33	97	23
Non-current assets				
Property, Plant & Equipment, Net	0	0	0	0
Goodwill	0	0	0	0
Intangible Assets	57	57	57	57
Right-of-Use Assets	0	0	0	0
Shares in Associates	0	0	0	0
Other Long-Term Assets	0	0	0	1
Total Non-Current Assets	58	58	58	59
Total Assets	219	91	155	81
Liabilities				
Current liabilities				
Short-Term Debt	0	0	0	0
Short-Term Lease Liabilities	0	1	1	1
Accounts Payable	16	6	8	2
Other Current Liabilities	21	27	26	26
Total Current Liabilities	38	34	36	28
Non-current liabilities				
Long-Term Debt	0	0	0	0
Long-Term Lease Liabilities	0	1	1	1
Other Long-Term Liabilities	0	0	0	0
Total Non-current Liabilities	0	1	1	1
Non-Controlling Interest	0	0	0	0
Shareholder's Equity	181	55	118	52
Total Liabilities & Equity	219	91	155	81
CASH FLOW				
NOPAT	-143	-130	-72	-84
Change in Working Capital	14	-1	1	-3
Operating Cash Flow	-114	-135	-54	-69
Capital Expenditures	0	0	0	0
Investment in Intangible Assets	0	0	0	0
Investing Cash Flow	0	0	0	-1
Financing Cash Flow	-1	0	118	0
Free Cash Flow	-114	-135	-54	-70

DCF Valuation Metrics	**Sum FCF (SEKm)**
Initial Period (2023–2027)	-77
Momentum Period (2028–2032)	399
Stable Period (2033–)	359
Firm Value	681
Net Debt (last quarter)	-71
Equity Value	751
Fair Value per Share	10

	2022	2023E	2024E	2025E
CAPITAL STRUCTURE				
Equity Ratio	0,8	0,6	0,8	0,6
Debt to equity	0,0	0,0	0,0	0,0
Net Debt	-150	-24	-88	-18
Capital Employed	181	56	119	53
Working Capital Turnover	0,0	0,0	0,0	-0,4
GROWTH				
Revenue Growth				
Basic EPS Growth	0%	1%	-77%	4%
Adjusted Basic EPS Growth	0%	1%	-76%	2%
PROFITABILITY				
ROE	-51%	-107%	-65%	-80%
ROCE	-81%	-232%	-62%	-163%
ROIC	-375%	-413%	-231%	-262%
EBITDA Margin (%)	na	na	na	-921%
EBIT Margin (%)	na	na	na	-929%
Net Income Margin (%)	na	na	na	-727%
VALUATION				
Basic EPS	na	-3,8	-0,8	-0,9
Adjusted Basic EPS	na	-3,8	-0,9	-0,9
P/E	na	neg	neg	neg
EV/Revenue	na	na	na	33,6
EV/EBITDA	na	neg	neg	neg
EV/EBIT	na	neg	neg	neg
P/B	na	2,6	2,2	6,3

SHAREHOLDER STRUCTURE	**CAPITAL %**	**VOTES %**
Sunstone Capital	13,7%	14,1%
Fjärde AP-fonden	7,8%	8,0%
Avanza Pension	5,2%	5,4%
Øresund-Healthcare Management A/S	5,1%	5,2%
Ascelia Pharma AB	3,4%	0,4%

SHARE INFORMATION	
Reuters code	ACE-SE
List	Small Cap
Share price	4,3
Total shares, million	33,7

MANAGEMENT & BOARD	
CEO	Magnus Corfitzen
CFO	Julie Waras Brogren
Chairman	Peter Benson

ANALYSTS	Redeye AB
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Redeye Rating and Background Definitions

Company Quality

Company Quality is based on a set of quality checks across three categories; PEOPLE, BUSINESS, FINANCE. These are the building blocks that enable a company to deliver sustained operational outperformance and attractive long-term earnings growth.

Each category is grouped into multiple sub-categories assessed by five checks. These are based on widely accepted and tested investment criteria and used by demonstrably successful investors and investment firms. Each sub-category may also include a complementary check that provides additional information to assist with investment decision-making.

If a check is successful, it is assigned a score of one point; the total successful checks are added to give a score for each sub-category. The overall score for a category is the average of all sub-category scores, based on a scale that ranges from 0 to 5 rounded up to the nearest whole number. The overall score for each category is then used to generate the size of the bar in the Company Quality graphic.

People

At the end of the day, people drive profits. Not numbers. Understanding the motivations of people behind a business is a significant part of understanding the long-term drive of the Company. It all comes down to doing business with people you trust, or at least avoiding dealing with people of questionable character.

The People rating is based on quantitative scores in seven categories:

- Passion, Execution, Capital Allocation, Communication, Compensation, Ownership, and Board.

Business

If you don't understand the competitive environment and don't have a clear sense of how the business will engage customers, create value and consistently deliver that value at a profit, you won't succeed as an investor. Knowing the business model inside out will provide you some level of certainty and reduce the risk when you buy a stock.

The Business rating is based on quantitative scores grouped into five sub-categories:

- Business Scalability, Market Structure, Value Proposition, Economic Moat, and Operational Risks.

Financials

Investing is part art, part science. Financial ratios make up most of the science. Ratios are used to evaluate the financial soundness of a business. Also, these ratios are key factors that will impact a company's financial performance and valuation. However, you only need a few to determine whether a company is financially strong or weak.

The Financial rating is based on quantitative scores that are grouped into five separate categories:

- Earnings Power, Profit Margin, Growth Rate, Financial Health, and Earnings Quality.

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Disclaimer

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Redeye Rating (2023-09-18)

Rating	People	Business	Financials
5p	32	15	4
3p - 4p	156	138	48
0p - 2p	5	40	141
Company N	193	193	193

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Johan Unnérus owns shares in the Company: Yes
Richard Romanius owns shares in the Company: No
Redeye performs/have performed services for the Company and receives/have received compensation from the Company in connection with this.