# Rhythm Pharmaceuticals, Inc.

**RYTM**

Nasdaq; healthcare; SIC 2834, Pharmaceutical Preparations; CIK 0001649904

**B**

**second fifth of 370 graded peers in healthcare**

rank 85 of 370; percentile 22.8; sampling error 2.5 points; lower is stronger

A B C D E

**B, the elk**



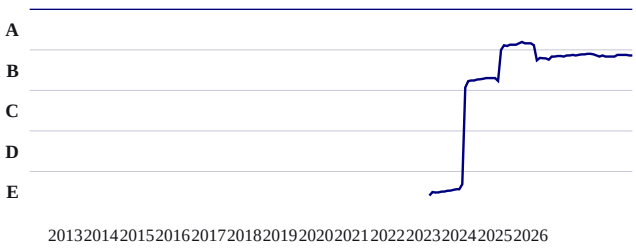
| Scoreboard | |
|---|---|
| **Profitability** | B/C<br>percentile 40.5 |
| **Solvency** | C<br>percentile 45.2 |
| **Growth and financing** | B<br>percentile 29.7 |
| **Reliability** | 0.87 AUC<br>filers with $120M to $591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025 |
| **Peer failure rate** | 1.03% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $120M to $591M assets<br>total assets $480.2M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: fortress balance sheet |
| **Inputs computable** | 9 of 14 |
| **Graded from** | filings received through Feb 26, 2026<br>241 days before the rescan; latest periodic filing 10-Q received Aug 4, 2026 |
| **Last close** | $89.28<br>2026-10-23; market equity $6.1B; no price enters the letter |

**Share price, twelve months to the rescan**




*Split-adjusted close. Each lollipop is a rescan and carries the letter held then.*

**Letter at every rescan, 2012 to 2026**




*Sector percentile at each rescan, stronger toward the top; facts filed by each date only.*

## Business, in the company's words

*opening of Item 1 of the 10-K received Feb 26, 2026*

We are a global, commercial-stage biopharmaceutical company dedicated to transforming the lives of patients living with rare neuroendocrine diseases. We are focused on advancing melanocortin-4 receptor (MC4R) agonists, including our lead asset, IMCIVREE® (setmelanotide), as precision medicines designed to treat hyperphagia and severe obesity caused by rare MC4R pathway diseases.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

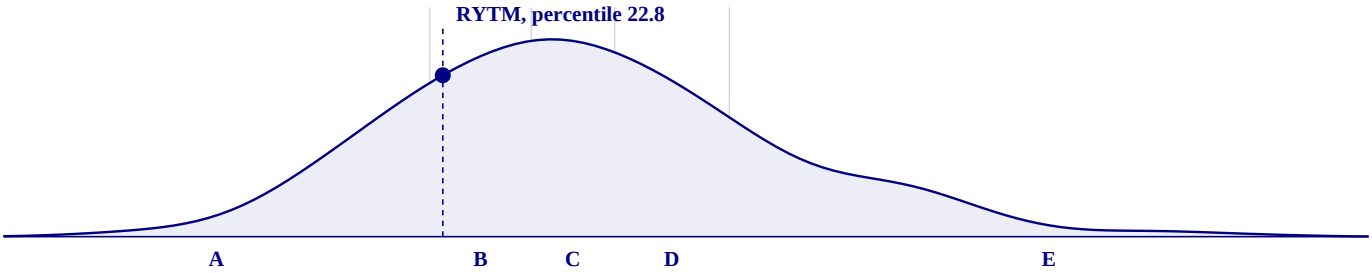
| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 40.5** | | | | | | |
| Gross profitability | 35.5% | 32.3% | | 38.7 | 368 | 2025-12-31 |
| Return on invested capital | not computable | 9.3% | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Accruals ratio | (18.5%) | (6.6%) | | 23.1 | 807 | 2025-12-31 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| Gross margin stability, five years | 3.6 pts | 2.8 pts | 59.8 | 242 | 2025-12-31 |
| **Solvency, sleeve percentile 45.2** | | | | | |
| Twelve-month failure probability | 0.05% | 0.07% | 38.5 | 248 | 2026-06-30 |
| Altman Z double-prime | (6.24) | (0.33) | 55.4 | 752 | 2025-12-31 |
| Net debt to EBITDA | not computable | 1.82x | | | |
| *one or more required annual facts are missing* | | | | | |
| Interest coverage | not computable | (4.51x) | | | |
| *latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31* | | | | | |
| Current ratio | 4.41x | 2.94x | 41.7 | 834 | 2025-12-31 |
| **Growth and financing, sleeve percentile 29.7** | | | | | |
| Revenue growth, three-year compound | 100.2% | 10.1% | 5.6 | 413 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 10.9% | | | |
| *four consecutive annual FCF observations are required; found 8* | | | | | |
| Reinvestment rate | not computable | 37.1% | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | |
| Asset growth, three years | 7.9% | 2.1% | 35.1 | 700 | 2025-12-31 |
| Net share issuance, one year | 8.0% | 2.5% | 48.3 | 636 | 2026-02-24 |

## Among 370 peers

*healthcare; letters are fifths of this list*




*Composite score of every graded peer, smoothed; vertical rules are the letter band edges; stronger to the left.*

| Rank | Company | Percentile | Letter | Warnings |
|---|---|---|---|---|
| 80 | West Pharmaceutical Services Inc. (WST) | 21.4 | A/B | fortress balance sheet |
| 81 | Axsome Therapeutics, Inc. (AXSM) | 21.7 | A/B | |
| 82 | Axogen, Inc. (AXGN) | 22.0 | A/B | |
| 83 | Rigel Pharmaceuticals Inc. (RIGL) | 22.2 | A/B | |
| 84 | Halozyme Therapeutics, Inc. (HALO) | 22.5 | A/B | |
| 85 | Rhythm Pharmaceuticals, Inc. (RYTM) | 22.8 | B | |
| 86 | Puma Biotechnology, Inc. (PBYI) | 23.0 | B | fortress balance sheet |
| 87 | Warby Parker Inc. (WRBY) | 23.3 | B | |
| 88 | Cronos Group Inc. (CRON) | 23.6 | B | |
| 89 | Guardant Health, Inc. (GH) | 23.8 | B | |
| 90 | Sarepta Therapeutics, Inc. (SRPT) | 24.1 | B | |

## What the price implies

*at the 2026-10-23 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 5.1% | 7.7% | 48 |
| Distance from 52-week high | (24.1%) | (31.4%) | 59 |
| EBIT to enterprise value | (3.1%) | (1.5%) | 45 |
| Free cash flow yield | (1.9%) | (1.0%) | 48 |
| Book value to price | 0.02 | 0.28 | 14 |
| Sales to price | 0.03 | 0.30 | 11 |

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| | | | |
|---|---|---|---|
| Composite equity issuance, five years | 31.6% | 20.5% | 59 |
| Relative strength against the sector, log excess return | (0.16) | (0.14) | 48 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 6 of 9, period end 2025-12-31** | |
| Return on assets above zero | fail |
| Operating cash flow above zero | fail |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | pass |
| Current ratio improved | pass |
| No new shares issued | fail |
| Gross margin improved | pass |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $65.6M |
| Operating cash flow, four quarters | -$105.3M |
| Months of runway | 7.5 |
| Days since last periodic filing | 82 (10-Q received Aug 4, 2026) |
| Median daily dollar volume, 63 sessions | $60.6M |

## Sources

*every fact behind the inputs; each row links to its filing index on sec.gov*

| # | Concept | XBRL tag | Value | Period end | Received | Form | Accession |
|---|---|---|---|---|---|---|---|
| 1 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $189.8M | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 2 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $19.5M | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 3 | assets | us-gaap:Assets | $480.2M | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 4 | net income | us-gaap:NetIncomeLoss | -$196.5M | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 5 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$115.7M | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 6 | assets | us-gaap:Assets | $392.3M | 2024-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 7 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $130.1M | 2024-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 8 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $13.4M | 2024-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 9 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $77.4M | 2023-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 10 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $9.3M | 2023-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 11 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $23.6M | 2022-12-31 | 2024-02-29 | 10-K | 24-002181 |
| 12 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $2.1M | 2022-12-31 | 2025-02-28 | 10-K | 25-001889 |
| 13 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $3.2M | 2021-12-31 | 2024-02-29 | 10-K | 24-002181 |
| 14 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $599,000 | 2021-12-31 | 2024-02-29 | 10-K | 24-002181 |
| 15 | current assets | us-gaap:AssetsCurrent | $466.9M | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 16 | current liabilities | us-gaap:LiabilitiesCurrent | $105.9M | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 17 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$1.4B | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 18 | operating income | us-gaap:OperatingIncomeLoss | -$192.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 19 | book equity | us-gaap:StockholdersEquity | $139.1M | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 20 | liabilities | us-gaap:Liabilities | $210.2M | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 21 | operating income | us-gaap:OperatingIncomeLoss | -$184.4M | 2023-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 22 | interest expense | us-gaap:InterestExpense | $13.9M | 2023-12-31 | 2024-02-29 | 10-K | 24-002181 |
| 23 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $953,000 | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 24 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $500,000 | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 25 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$196.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 26 | income tax | us-gaap:IncomeTaxExpenseBenefit | $497,000 | 2025-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 27 | current assets | us-gaap:AssetsCurrent | $374.2M | 2024-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 28 | current liabilities | us-gaap:LiabilitiesCurrent | $115.5M | 2024-12-31 | 2026-02-26 | 10-K | 26-012399 |
| 29 | assets | us-gaap:Assets | $332.7M | 2023-12-31 | 2025-02-28 | 10-K | 25-001889 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 30 | assets | us-gaap:Assets | $382.5M | 2022-12-31 | 2024-02-29 | 10-K | 24-002181 |
| 31 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 68,285,039 | 2026-02-24 | 2026-02-26 | 10-K | 26-012399 |
| 32 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 63,223,727 | 2025-02-24 | 2025-02-28 | 10-K | 25-001889 |

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