# Avalo Therapeutics, Inc.

**AVTX**

Nasdaq; healthcare; SIC 2834, Pharmaceutical Preparations; CIK 0001534120

**B**

**second fifth of 369 graded peers in healthcare**

rank 114 of 369; percentile 30.7; sampling error 2.5 points; lower is stronger

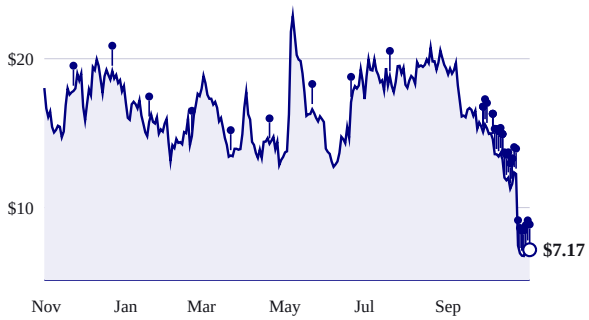
A B C D E

**B, the elk**



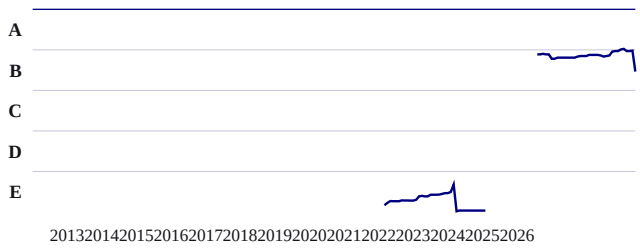
| Scoreboard | |
|---|---|
| **Profitability** | A/B<br>percentile 21.7 |
| **Solvency** | B/C<br>percentile 41.6 |
| **Growth and financing** | D<br>percentile 63.7 |
| **Reliability** | 0.83 AUC<br>filers with $12.5M to $120M assets; 95% interval 0.79 to 0.86; 201 events, 2020 to 2025 |
| **Peer failure rate** | 1.07% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $12.5M to $120M assets<br>total assets $116.5M |
| **Standard universe** | outside<br>revenue above $1M and assets above $10M |
| **Warnings** | dilution, degenerate inputs<br>not computable: fortress balance sheet |
| **Inputs computable** | 7 of 14 |
| **Graded from** | filings received through Mar 23, 2026<br>223 days before the rescan; latest periodic filing 10-Q received Aug 6, 2026 |
| **Last close** | $7.17<br>2026-10-30; market equity $384.5M; 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 Mar 23, 2026*

We are a clinical stage biotechnology company fully dedicated to developing IL-1?-based treatments for immune-mediated inflammatory diseases. Our lead product candidate, abdakibart (AVTX-009), an anti-IL-1? monoclonal antibody ("mAb") is in a Phase 2 clinical trial for hidradenitis suppurativa ("HS"). We are also exploring additional opportunities to make an impact in prevalent indications that have significant remaining unmet needs. Our current focus is on completing the Phase 2 ("LOTUS") trial evaluating abdakibart (AVTX-009) in HS, preparing for the anticipated topline data readout in the second quarter of 2026, and planning for our Phase 3 trial(s).

## 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 21.7** | | | | | | |
| Gross profitability | not computable | 32.4% | | | | |

*latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31*

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| | | | | | |
|---|---|---|---|---|---|
| Return on invested capital | not computable | 9.3% | | | |
| *one or more required annual facts are missing* | | | | | |
| Accruals ratio | (20.1%) | (6.6%) | 21.7 | 803 | 2025-12-31 |
| Gross margin stability, five years | not computable | 2.8 pts | | | |
| *latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31* | | | | | |
| **Solvency, sleeve percentile 41.6** | | | | | |
| Twelve-month failure probability | 0.07% | 0.08% | 42.9 | 246 | 2026-06-30 |
| Altman Z double-prime | (8.95) | (0.35) | 60.0 | 748 | 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) | | | |
| *one or more required annual facts are missing* | | | | | |
| Current ratio | 8.14x | 2.92x | 22.0 | 829 | 2025-12-31 |
| **Growth and financing, sleeve percentile 63.7** | | | | | |
| Revenue growth, three-year compound | (85.2%) | 10.1% | 99.5 | 412 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 10.9% | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | |
| Reinvestment rate | not computable | 37.1% | | | |
| *required facts have no common fiscal period end* | | | | | |
| Asset growth, three years | 51.7% | 2.2% | 7.3 | 696 | 2025-12-31 |
| Net share issuance, one year | 113.5% | 2.5% | 84.1 | 631 | 2026-03-18 |

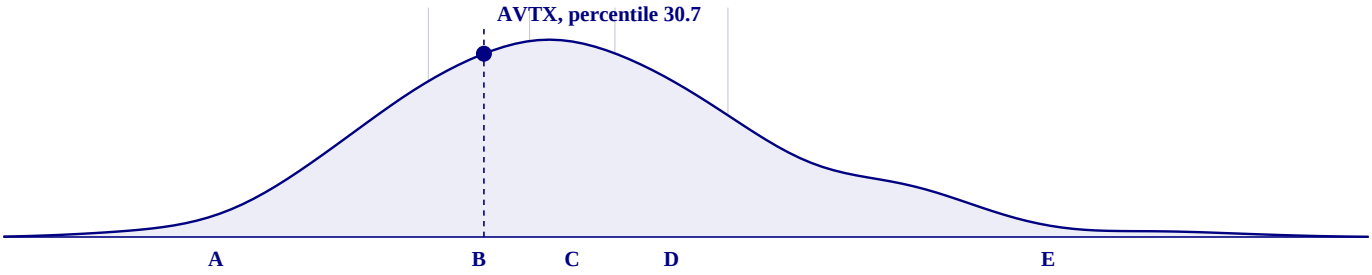
## Warnings

*2 of 7 checks triggered; none of them enters the letter*

| Check | Measured |
|---|---|
| Dilution | split-adjusted year-over-year share growth is 113.5% |
| Degenerate inputs | latest revenue or assets are at or below the $100,000 validity floor |

## Among 369 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 |
|---|---|---|---|---|
| 109 | Agios Pharmaceuticals, Inc. (AGIO) | 29.3 | B | short runway |
| 110 | Cadre Holdings, Inc. (CDRE) | 29.6 | B | |
| 111 | MSA Safety Inc. (MSA) | 29.9 | B | |
| 112 | Steris plc (STE) | 30.2 | B | |
| 113 | Tandem Diabetes Care Inc. (TNDM) | 30.4 | B | |
| 114 | Avalo Therapeutics, Inc. (AVTX) | 30.7 | B | dilution, degenerate inputs |
| 115 | BioNexus Gene Lab Corp. (BGLC) | 31.0 | B | dilution, late filer |
| 116 | Arcutis Biotherapeutics, Inc. (ARQT) | 31.2 | B | |
| 117 | Verastem, Inc. (VSTM) | 31.5 | B | dilution, fortress balance sheet |
| 118 | Stryker Corp. (SYK) | 31.8 | B | |
| 119 | Usana Health Sciences Inc. (USNA) | 32.1 | B | |

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## What the price implies

*at the 2026-10-30 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | (15.0%) | (2.2%) | 40 |
| Distance from 52-week high | (68.6%) | (28.7%) | 15 |
| EBIT to enterprise value | (23.2%) | (1.4%) | 22 |
| Free cash flow yield | (7.0%) | (1.0%) | 37 |
| Book value to price | 1.17 | 0.28 | 88 |
| Sales to price | 0.00 | 0.30 | 1 |
| Composite equity issuance, five years | 745.8% | 20.5% | 98 |
| Relative strength against the sector, log excess return | (0.33) | (0.19) | 40 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None 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 | fail |
| Current ratio improved | fail |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | fail |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $85.4M |
| Operating cash flow, four quarters | -$68.3M |
| Months of runway | 15.0 |
| Days since last periodic filing | 87 (10-Q received Aug 6, 2026) |
| Median daily dollar volume, 63 sessions | $14.4M |

## 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... | $1.9M | 2023-12-31 | 2025-03-20 | 10-K | 25-013986 |
| 2 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $1.3M | 2023-12-31 | 2024-03-29 | 10-K | 24-013786 |
| 3 | assets | us-gaap:Assets | $21.0M | 2023-12-31 | 2025-03-20 | 10-K | 25-013986 |
| 4 | net income | us-gaap:NetIncomeLoss | -$78.3M | 2025-12-31 | 2026-03-23 | 10-K | 26-000011 |
| 5 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$51.5M | 2025-12-31 | 2026-03-23 | 10-K | 26-000011 |
| 6 | assets | us-gaap:Assets | $116.5M | 2025-12-31 | 2026-03-23 | 10-K | 26-000011 |
| 7 | assets | us-gaap:Assets | $150.7M | 2024-12-31 | 2026-03-23 | 10-K | 26-000011 |
| 8 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $18.1M | 2022-12-31 | 2024-03-29 | 10-K | 24-013786 |
| 9 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $3.4M | 2022-12-31 | 2024-03-29 | 10-K | 24-013786 |
| 10 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $5.4M | 2021-12-31 | 2023-03-29 | 10-K | 23-009630 |
| 11 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $1.5M | 2021-12-31 | 2023-03-29 | 10-K | 23-009630 |
| 12 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $6.7M | 2020-12-31 | 2022-03-02 | 10-K | 22-004671 |
| 13 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $300,000 | 2020-12-31 | 2022-03-02 | 10-K | 22-004671 |
| 14 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $6.8M | 2019-12-31 | 2021-03-08 | 10-K | 21-004162 |
| 15 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | -$566,523 | 2019-12-31 | 2020-03-11 | 10-K | 20-003395 |
| 16 | current assets | us-gaap:AssetsCurrent | $105.3M | 2025-12-31 | 2026-03-23 | 10-K | 26-000011 |
| 17 | current liabilities | us-gaap:LiabilitiesCurrent | $12.9M | 2025-12-31 | 2026-03-23 | 10-K | 26-000011 |
| 18 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$448.5M | 2025-12-31 | 2026-03-23 | 10-K | 26-000011 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | operating income | us-gaap:OperatingIncomeLoss | -$72.9M | 2025-12-31 | 2026-03-23 | 10-K | 26-000011 |
| 20 | book equity | us-gaap:StockholdersEquity | $83.0M | 2025-12-31 | 2026-03-23 | 10-K | 26-000011 |
| 21 | liabilities | us-gaap:Liabilities | $33.4M | 2025-12-31 | 2026-03-23 | 10-K | 26-000011 |
| 22 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $59,000 | 2025-12-31 | 2026-03-23 | 10-K | 26-000011 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $441,000 | 2024-12-31 | 2026-03-23 | 10-K | 26-000011 |
| 24 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$26.8M | 2022-12-31 | 2024-03-29 | 10-K | 24-013786 |
| 25 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $95,000 | 2022-12-31 | 2023-03-29 | 10-K | 23-009630 |
| 26 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$70.9M | 2021-12-31 | 2023-03-29 | 10-K | 23-009630 |
| 27 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $113,000 | 2021-12-31 | 2023-03-29 | 10-K | 23-009630 |
| 28 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$40.5M | 2020-12-31 | 2022-03-02 | 10-K | 22-004671 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $63,000 | 2020-12-31 | 2022-03-02 | 10-K | 22-004671 |
| 30 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$19.1M | 2019-12-31 | 2021-03-08 | 10-K | 21-004162 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $262,013 | 2019-12-31 | 2021-03-08 | 10-K | 21-004162 |
| 32 | assets | us-gaap:Assets | $33.4M | 2022-12-31 | 2024-03-29 | 10-K | 24-013786 |
| 33 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 22,788,452 | 2026-03-18 | 2026-03-23 | 10-K | 26-000011 |
| 34 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 10,671,934 | 2025-03-17 | 2025-03-20 | 10-K | 25-013986 |

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