

Ediz Therapeutics IPO pitch report

Introduction

Ediz Therapeutics is a pharmaceutical company focused on genetically engineering red blood cells to combat cancer and other diseases. They are creating life changing cellular therapies for patients with rare enzyme deficiencies, cancer and autoimmune diseases. They are also leading in biotechnological products, which serves critical patients who have cardiovascular diseases. Ediz Therapeutics plan to file their first investigational new drug (IND) for RTX-999 in phenylketonuria during the Q1 2019. In the future, the company's plan to file additional INDs in rare diseases.

Strengths

- Broad and diverse range of products to spread and diversify risk.
- They have developed a highly sophisticated proprietary platform to protect themselves from patent infringement.
- Limited competition due to niche market.
- Opportunity to invest in the forefront of the next cutting edge breakthrough in medicine.

Financial analysis:

Revenue: £31 million compared with other competitors which have lower revenue levels with company 2 having revenue of 26.53.

Revenue growth: +3% good sign compared to previous years.

EV/EBITDA ratio: 9.7 compared to the mean value of industry of 12 indicates that we are being undervalued and we have more growth potential than what the market considers.

The EV/EBITDA ratio is a comparison of enterprise value and earnings before interest, taxes, depreciation and amortization. A lower enterprise multiple can be indicative of an undervaluation of a company.

EV = enterprise value = 145 compared to other competitors which is higher.

EPS: 1.4 compared to 4.83 for overall mean value of the industry, indicating that less earnings available for shareholders.

PE: 33.74 compared with mean of 4.62 which is favourable for our company.

The price to earnings ratio indicates the expected price of a share based on its earnings. Our company with a high P/E ratio usually indicates positive future performance and investors are willing to pay more for this.

Estimated price of share: £27