

ADMA Biologics: 9.4x EV/EBITDA with 18.5x EV/FCF as Cash Conversion Volatility Offsets 27.8% ROIC

ADMA | ADMA Biologics, Inc. | Healthcare | Biotechnology | FY 2025 | 2026-06-12T09:12:53.683Z

At 9.4x EV/EBITDA and 18.5x EV/FCF, ADMA's valuation reflects skepticism that 27.8% ROIC and 19.6% revenue growth can translate into durable cash flow after -74.7% FCF growth and 50% EPS beat consistency.

SIGNALCORE VIEW	SIGNAL SCORE	FUNDAMENTAL QUALITY	EXPANSION POTENTIAL	THESIS RISK
Low priority candidate	49 / 100	67 / 100	0 / 100	0 / 100
Low Priority Candidate				

PRIMARY DEBATE — The debate centers on whether ADMA's 27.8% ROIC and 19.6% revenue growth are durable enough to offset -74.7% free cash flow growth and -27.1% EPS growth. Evidence: operating income growth of 37.7% contrasts with net income growth of -25.7%. Interpretation: operating performance remains positive, but below-the-line volatility and cash conversion pressure complicate the earnings profile. Implication: at 9.4x EV/EBITDA, the market is not pricing ADMA as a stable compounder but as a profitable grower that must demonstrate sustained cash conversion.

INVESTMENT NARRATIVE

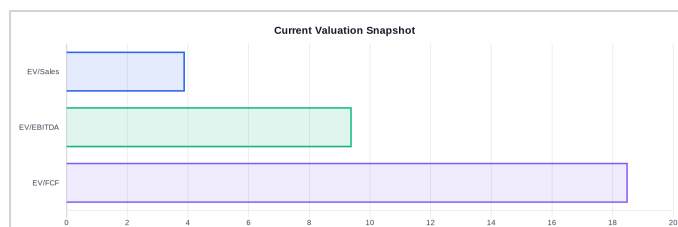
Archetype	Show-me profitable grower with regulatory/legal overhang	<p>Core Tension: supported unit economics and double-digit top-line growth versus recent deterioration in EPS/FCF and uneven execution, with regulatory/legal headlines keeping a lid on the multiple.</p> <p>Market Assumption: ADMA can grow revenues (~20% y/y) but profitability and cash conversion are not yet durable; execution and regulatory/legal risk justify a mid-teens FCF multiple and sub-10x EV/EBITDA valuation.</p> <p>Trajectory: Top-line remains healthy, but near-term earnings/FCF volatility persists; if cash conversion improves and beats become more consistent, multiple could expand; otherwise valuation likely remains range-bound.</p> <p>Mispricing Hypothesis: The market is over-weighting recent EPS/FCF declines and regulatory/legal headlines and underestimating the durability of the high-ROE/ROIC plasma franchise; normalization of cash conversion could drive valuation reassessment from a ~9.4x EV/EBITDA base.</p>
Company Type	Commercial-stage plasma-derived biologics manufacturer (IVIG and hyperimmune products)	
Key Monitoring Metric	FCF growth (y/y)	

EVIDENCE MAP

SUPPORTING EVIDENCE	CONTRADICTING EVIDENCE
Latest revenue growth: 19.6% y/y.	ROE 38.97% and ROIC 27.81% (supported underlying economics).
Latest EPS growth: -27.1% and FCF growth: -74.7% (near-term profitability/cash conversion pressure).	Net debt/EBITDA 0.31 (low leverage reduces negative scenario risk).
EV/EBITDA 9.38 and EV/FCF 18.49 (not priced as a high-growth, low-risk compounder).	5Y EPS growth 173.2% and 5Y revenue growth 66.9% (proven multi-year growth trajectory).
EPS beat rate 50% and revenue beat rate 37.5% (execution/forecast uncertainty).	Earnings yield 8.42% and FCF yield 5.60% (reasonable implied returns if growth/profitability normalize).
Narrative clusters include regulatory_legal (risk focus likely weighing on sentiment).	

SCORECARD

VALUATION	QUALITY	GROWTH	EXPECTATIONS	EXECUTION	RISK	OVERALL
3	4	2	3	3	2	3
MIXED	SUPPORTED	CHALLENGED	MIXED	MIXED	LOW	MIXED



CURRENT VALUATION SNAPSHOT

Current multiples are shown separately from historical fiscal-year trend metrics.



THESIS SCORECARD RADAR

Evidence scores summarise valuation, quality, growth, expectations, execution, and risk.

KEY METRICS

CURRENT EV/EBITDA	CURRENT EV/FCF	FCF YIELD	ROIC	REVENUE GROWTH	EPS GROWTH	FCF GROWTH	EPS BEAT RATE
9.4x	18.5x	5.6%	27.8%	19.6%	-27.1%	-74.7%	50.0%

EXECUTIVE SUMMARY

Core Tension	supported unit economics and double-digit top-line growth versus recent deterioration in EPS/FCF and uneven execution, with regulatory/legal headlines keeping a lid on the multiple.
Market Assumption	ADMA can grow revenues (~20% y/y) but profitability and cash conversion are not yet durable; execution and regulatory/legal risk justify a mid-teens FCF multiple and sub-10x EV/EBITDA valuation.
Current Pricing	At a price of \$8.32 and enterprise value of \$2.0B, the company trades at 3.9x EV/Sales, 9.4x EV/EBITDA, and 18.5x EV/FCF with an earnings yield of 8.4% and FCF yield of 5.6%.
Valuation	Current EV/EBITDA of 9.4x compares with fiscal-year latest EV/EBITDA of 21.9x and a 3Y average of 88.0x.
Quality	ROE of 39.0%, ROIC of 27.8%, and ROA of 24.9% indicate high return metrics, while net debt/EBITDA of 0.3 and a current ratio of 7.0 show balance sheet capacity.
Growth	Latest revenue growth of 19.6% is below the 3Y average of 50.8% and 5Y average of 66.9%.
Cash Flow	Latest operating cash flow growth of -57.5% and free cash flow growth of -74.7% are below 3Y averages of 435.3% and 937.8%, respectively.
Execution	Across 8 quarters, EPS beat rate is 50% and revenue beat rate is 37.5%, with average EPS surprise of 9.0% and average revenue surprise of 0.4%.
Primary Monitor	Can Free Cash Flow Growth recover from -74.7% toward the 3Y average of 937.8%?

THESIS DRIVERS

SUPPORTING DRIVERS			CONSTRAINTS / MONITORS		
1	EPS Beat Rate	50.0%	1	FCF Growth	-74.7%
2	ROIC	27.8%	2	EPS Growth	-27.1%
3	Revenue Growth	19.6%	3	EPS Dispersion	16.4%
4	FCF Yield	5.6%	4	Revenue Beat Rate	37.5%

COMPANY & BUSINESS MODEL

ADMA Biologics, Inc. functions as a biopharmaceutical company specializing in the development, manufacturing, and commercialization of advanced biologic therapies derived from blood plasma. These specialized products are engineered to address immune system disorders and infectious diseases, catering to markets across the United States and internationally. Their current product portfolio includes BIVIGAM and ASCENIV, both intravenous immune globulin (IVIG) treatments prescribed for primary humoral immunodeficiency (PI). Additionally, the company offers Nabi-HB, utilized for immediate treatment following acute exposure to the Hepatitis B virus and other specified exposures. Beyond its existing offerings, ADMA is actively developing a pipeline of new plasma-derived therapeutics. This includes immunoglobulin products specifically targeting the prevention and treatment of S. pneumonia infections. The company also oversees its own facilities for source plasma collection. Product distribution is managed through a comprehensive network involving independent distributors, sales agents, specialty pharmacies, and other alternative healthcare providers. ADMA Biologics, Inc. was founded in 2004 and maintains its corporate headquarters in Ramsey, New Jersey.

INVESTMENT THESIS

ADMA Biologics, a commercial-stage plasma-derived biologics manufacturer, generates high capital efficiency with ROIC of 27.8% and ROE of 39.0%, yet the current valuation of 9.4x EV/EBITDA and 18.5x EV/FCF reflects caution after -27.1% EPS growth and -74.7% free cash flow growth in the latest year. Evidence of 19.6% revenue growth and 37.7% operating income growth indicates operating trend, but operating cash flow growth of -57.5% and a cash conversion cycle of 469.9 days highlight conversion pressure. The core tension is whether high-return IVIG and hyperimmune products can translate into consistent free cash flow, given regulatory/legal headlines and a 50% EPS beat rate across 8 quarters. The mispricing hypothesis rests on whether normalization from -74.7% FCF growth toward its 5Y average of 569.1% would justify a multiple above 9.4x EV/EBITDA, while failure to restore cash conversion would support the current mid-teens FCF multiple.

INVESTABLE DEBATE

The debate centers on whether ADMA's 27.8% ROIC and 19.6% revenue growth are durable enough to offset -74.7% free cash flow growth and -27.1% EPS growth. Evidence: operating income growth of 37.7% contrasts with net income growth of -25.7%. Interpretation: operating performance remains positive, but below-the-line volatility and cash conversion pressure complicate the earnings profile. Implication: at 9.4x EV/EBITDA, the market is not pricing ADMA as a stable compounder but as a profitable grower that must demonstrate sustained cash conversion.

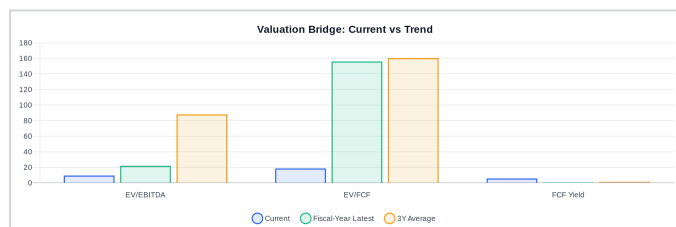
MARKET EXPECTATIONS

At a price of \$8.32 and enterprise value of \$2.0B, the company trades at 3.9x EV/Sales, 9.4x EV/EBITDA, and 18.5x EV/FCF with an earnings yield of 8.4% and FCF yield of 5.6%. Evidence: ROIC of 27.8% exceeds the 3Y average of 22.4%. Interpretation: the valuation implies skepticism that current return levels will convert into stable free cash flow given the recent -74.7% FCF growth. Implication: the market assumption aligns with the narrative that profitability exists but durability is unproven.

CURRENT VALUATION VS HISTORICAL TREND

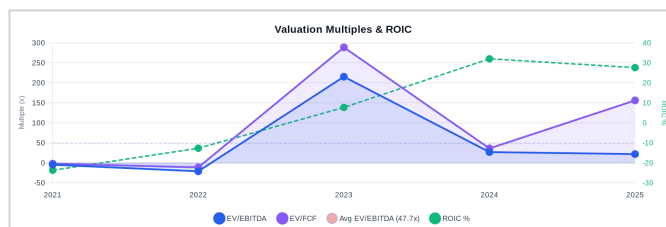
METRIC	CURRENT	FISCAL-YEAR LATEST	3Y AVG	5Y AVG
EV/EBITDA	9.4x	21.9x	88.0x	47.7x
EV/FCF	18.5x	156.0x	160.3x	93.5x
FCF Yield	5.6%	0.6%	1.3%	-14.0%

Current EV/EBITDA is 9.4x, while fiscal-year trend data shows latest EV/EBITDA of 21.9x versus a 3Y average of 88.0x. Current EV/FCF is 18.5x, while fiscal-year trend data shows latest EV/FCF of 156.0x versus a 3Y average of 160.3x.



VALUATION BRIDGE: CURRENT VS HISTORICAL TREND

Current EV/EBITDA is 9.4x, while fiscal-year trend data shows latest EV/EBITDA of 21.9x versus a 3Y average of 88.0x.



VALUATION MULTIPLES & ROIC OVERLAY

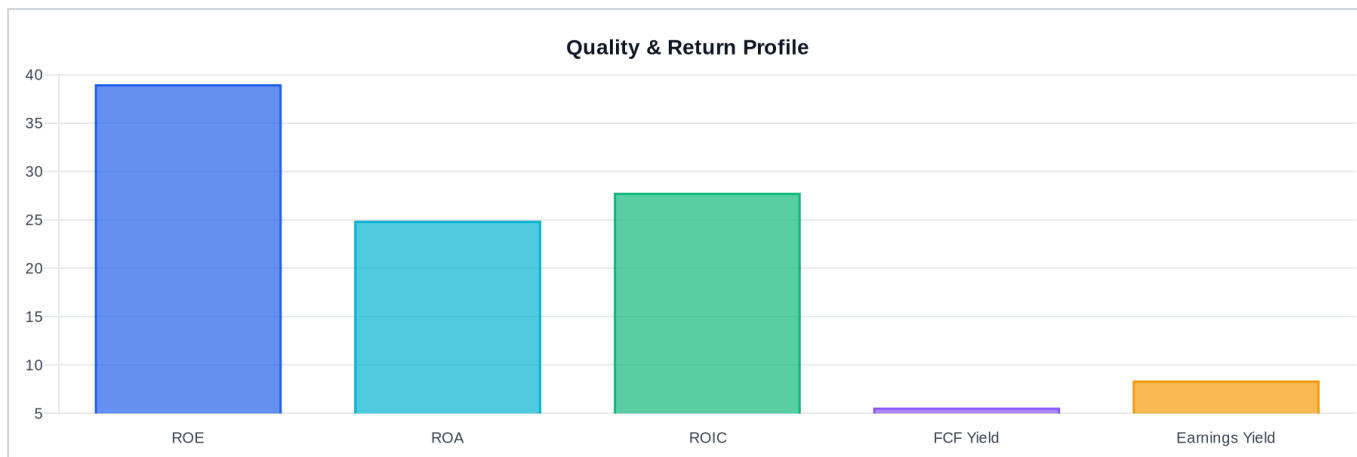
Current EV/EBITDA of 9.4x compares with fiscal-year latest EV/EBITDA of 21.9x and a 3Y average of 88.0x.

VALUATION ANALYSIS

Current EV/EBITDA of 9.4x compares with fiscal-year latest EV/EBITDA of 21.9x and a 3Y average of 88.0x. Evidence: latest ROIC of 27.6% exceeds the 3Y average of 22.4%. Interpretation: valuation multiples have compressed despite improved capital efficiency. Implication: if ROIC of 27.8% is sustained and FCF growth normalizes from -74.7%, the current multiple would not appear aligned with historical capital returns; if FCF volatility persists, 18.5x EV/FCF reflects ongoing caution.

QUALITY & CAPITAL EFFICIENCY

ROE of 39.0%, ROIC of 27.8%, and ROA of 24.9% indicate high return metrics, while net debt/EBITDA of 0.3 and a current ratio of 7.0 show balance sheet capacity. Evidence: income quality of 0.8 and working capital of \$437.6M. Interpretation: the business generates accounting earnings supported by liquidity, though cash realization is uneven. Implication: quality metrics justify a valuation above distressed levels, but not necessarily a premium multiple without improved FCF stability.



QUALITY & RETURN PROFILE

ROE of 39.0%, ROIC of 27.8%, and ROA of 24.9% indicate high return metrics, while net debt/EBITDA of 0.3 and a current ratio of 7.0 show balance sheet capacity.

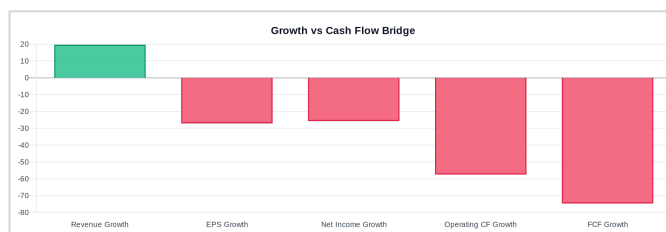
GROWTH TRAJECTORY

Latest revenue growth of 19.6% is below the 3Y average of 50.8% and 5Y average of 66.9%. Evidence: latest EPS growth of -27.1% versus 3Y average of 265.5% and 5Y average of 173.2%. Interpretation: growth has decelerated sharply from prior expansion years. Implication: revenue expansion alone is insufficient to support multiple expansion unless EPS growth returns to positive territory.



HISTORICAL GROWTH TRENDS

Latest revenue growth of 19.6% is below the 3Y average of 50.8% and 5Y average of 66.9%.



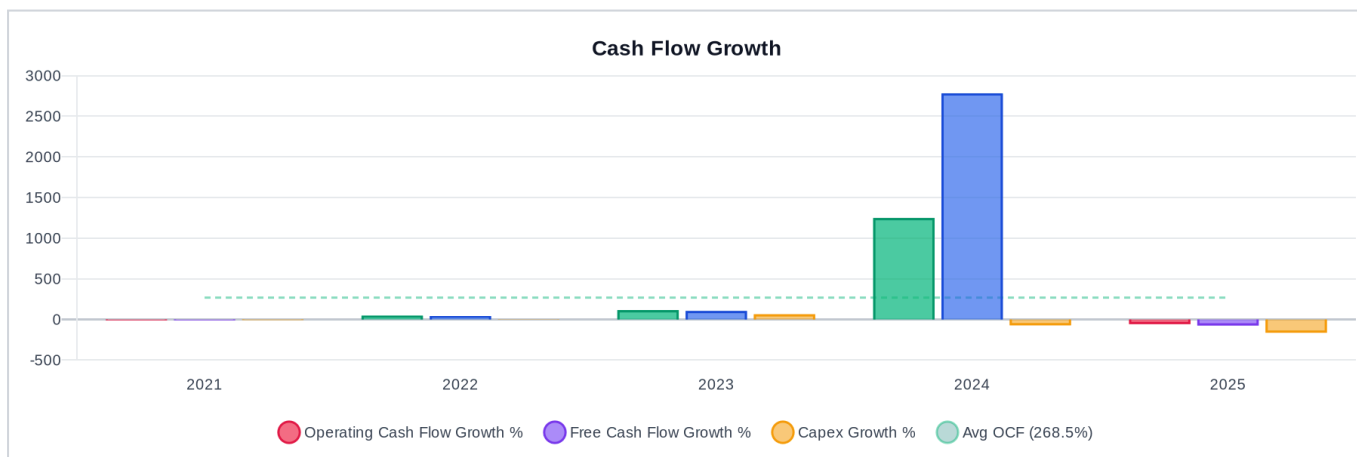
GROWTH VS CASH FLOW BRIDGE

Latest revenue growth of 19.6% is below the 3Y average of 50.8% and 5Y average of 66.9%.

CASH FLOW GROWTH & CONVERSION

Latest operating cash flow growth of -57.5% and free cash flow growth of -74.7% are below 3Y averages of 435.3% and 937.8%, respectively. Evidence: latest capex growth of -163.3%. Interpretation: cash generation has contracted despite reduced capex growth. Implication: the key monitoring metric is whether FCF growth reverses from -74.7% toward historical averages.

A cash conversion cycle of 469.9 days and days of inventory outstanding of 346.6 days reflect working capital intensity in plasma-derived manufacturing. Evidence: operating cycle of 460.0 days and income quality of 0.8. Interpretation: long production cycles can delay cash realization despite reported profitability. Implication: durable free cash flow requires improvement in cash conversion rather than solely revenue growth.



CASH FLOW GROWTH — OCF, FCF & CAPEX

Latest operating cash flow growth of -57.5% and free cash flow growth of -74.7% are below 3Y averages of 435.3% and 937.8%, respectively.

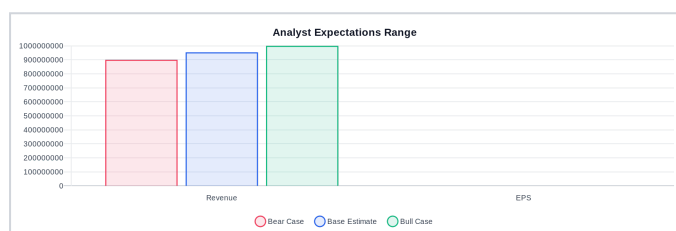
ANALYST EXPECTATIONS

Next Revenue Estimate

\$953.7M

Revenue Bull Case	\$1.0B
Revenue Bear Case	\$900.6M
Next EPS Estimate	1.81
EPS Bull Case	1.98
EPS Bear Case	1.68
Revenue Dispersion	12.61%
EPS Dispersion	16.4%
Revenue Coverage	3
EPS Coverage	2

Next revenue estimate of \$953.7M and next EPS estimate of \$1.81 compare with bull and bear revenue cases of \$1.0B and \$900.6M, and EPS cases of \$1.98 and \$1.68. Evidence: revenue dispersion of 12.6% and EPS dispersion of 16.4% with analyst coverage of 3 revenue and 2 EPS analysts. Interpretation: expectations are reasonable but coverage is limited and earnings uncertainty exceeds revenue uncertainty. Implication: moderate consensus confidence suggests estimates require consistent execution to gain credibility.



ANALYST EXPECTATIONS RANGE

Next revenue estimate of \$953.7M and next EPS estimate of \$1.81 compare with bull and bear revenue cases of \$1.0B and \$900.6M, and EPS cases of \$1.98 and \$1.68.



EXECUTION HISTORY

Across 8 quarters, EPS beat rate is 50% and revenue beat rate is 37.5%, with average EPS surprise of 9.0% and average revenue surprise of 0.4%.

EXECUTION QUALITY

Quarters Analysed	8
EPS Beat Rate	50.0%
Revenue Beat Rate	37.5%
Avg EPS Surprise	9.0%
Avg Revenue Surprise	0.4%
EPS Beats / Misses	4 / 4
Revenue Beats / Misses	3 / 5

Across 8 quarters, EPS beat rate is 50% and revenue beat rate is 37.5%, with average EPS surprise of 9.0% and average revenue surprise of 0.4%. Evidence: most recent quarter showed revenue surprise of -18.2%. Interpretation: execution has been uneven, particularly on revenue. Implication: forecast credibility depends on improving revenue beat consistency above 37.5%.

Given EPS growth of -27.1% and FCF growth of -74.7%, forward EPS estimate of \$1.81 requires stabilization in profitability. Evidence: average EPS surprise of 9.0% over 8 quarters. Interpretation: while earnings surprises have been positive on average, variability limits confidence. Implication: expectations are classified as Reasonable rather than Conservative or Demanding.

BULL / BASE / BEAR SCENARIOS

BULL CASE	BASE CASE	BEAR CASE
<p>If revenue approaches the bull case of \$1.0B and EPS approaches \$1.98 while ROIC remains at 27.8% and EV/EBITDA stays near 9.4x, then the valuation case would be supported by earnings durability and improved cash conversion from -74.7% FCF growth.</p> <p>Revenue Bull Case \$1.0B EPS Bull Case \$1.98</p> <p>ROIC 27.8%</p>	<p>If revenue tracks the next estimate of \$953.7M and EPS remains near \$1.81 while EV/FCF holds around 18.5x and FCF growth stabilizes from -74.7%, then the stock reflects a profitable grower with moderate volatility.</p> <p>Revenue Estimate \$953.7M EPS Estimate \$1.81</p> <p>EV/FCF 18.5x</p>	<p>If revenue trends toward the bear case of \$900.6M and EPS declines toward \$1.68 while free cash flow growth remains at -74.7% and EV/EBITDA compresses below 9.4x, then valuation would reflect persistent execution and cash conversion concerns.</p> <p>Revenue Bear Case \$900.6M</p> <p>EPS Bear Case \$1.68 FCF Growth -74.7%</p>

SCENARIO PROBABILITY MATRIX

BULL SCENARIO	BASE SCENARIO	BEAR SCENARIO	WEIGHTED THESIS SCORE
24%	52%	24%	50 / 100

12-24 MONTH CONDITIONAL OUTLOOK

Revenue of \$953.7M implies continued double-digit growth relative to 19.6% latest growth, but below the 3Y average of 50.8%.

EPS of \$1.81 requires reversal from -27.1% EPS growth toward stabilization.

At 9.4x EV/EBITDA and 8.4% earnings yield, valuation embeds moderate durability assumptions relative to 27.8% ROIC.

Improving revenue beat rate above 37.5% would support estimate credibility.

If FCF growth improves from -74.7% and ROIC remains above 27.6%, the valuation case would be supported by consistent cash conversion.

THESIS MONITOR

TRACK QUARTERLY	THESIS CHANGES IF	THESIS WEAKENS IF
Can Free Cash Flow Growth recover from -74.7% toward the 3Y average of 937.8%?	If Free Cash Flow Growth rises above 0.0% from -74.7%, then the cash conversion trajectory would shift toward normalization.	If ROIC falls below 22.4%, then returns would drop below the 3Y average and challenged the capital efficiency case.
Will ROIC remain above 27.6% versus the 3Y average of 22.4%?	If ROIC remains above 27.6% and above the 3Y average of 22.4%, then capital efficiency durability would be reinforced.	If Free Cash Flow Growth remains at -74.7% for another year, then cash generation durability would be challenged.
Can EPS Beat Rate exceed 50% across the next 8 quarters?	If Revenue Growth accelerates above the 3Y average of 50.8%, then growth trend would exceed recent 19.6% levels.	If EPS Growth remains below 0.0% from -27.1%, then profitability stabilization would not be demonstrated.



RISK & THESIS MONITOR

Can Free Cash Flow Growth recover from -74.7% toward the 3Y average of 937.8%?

RISK ASSESSMENT

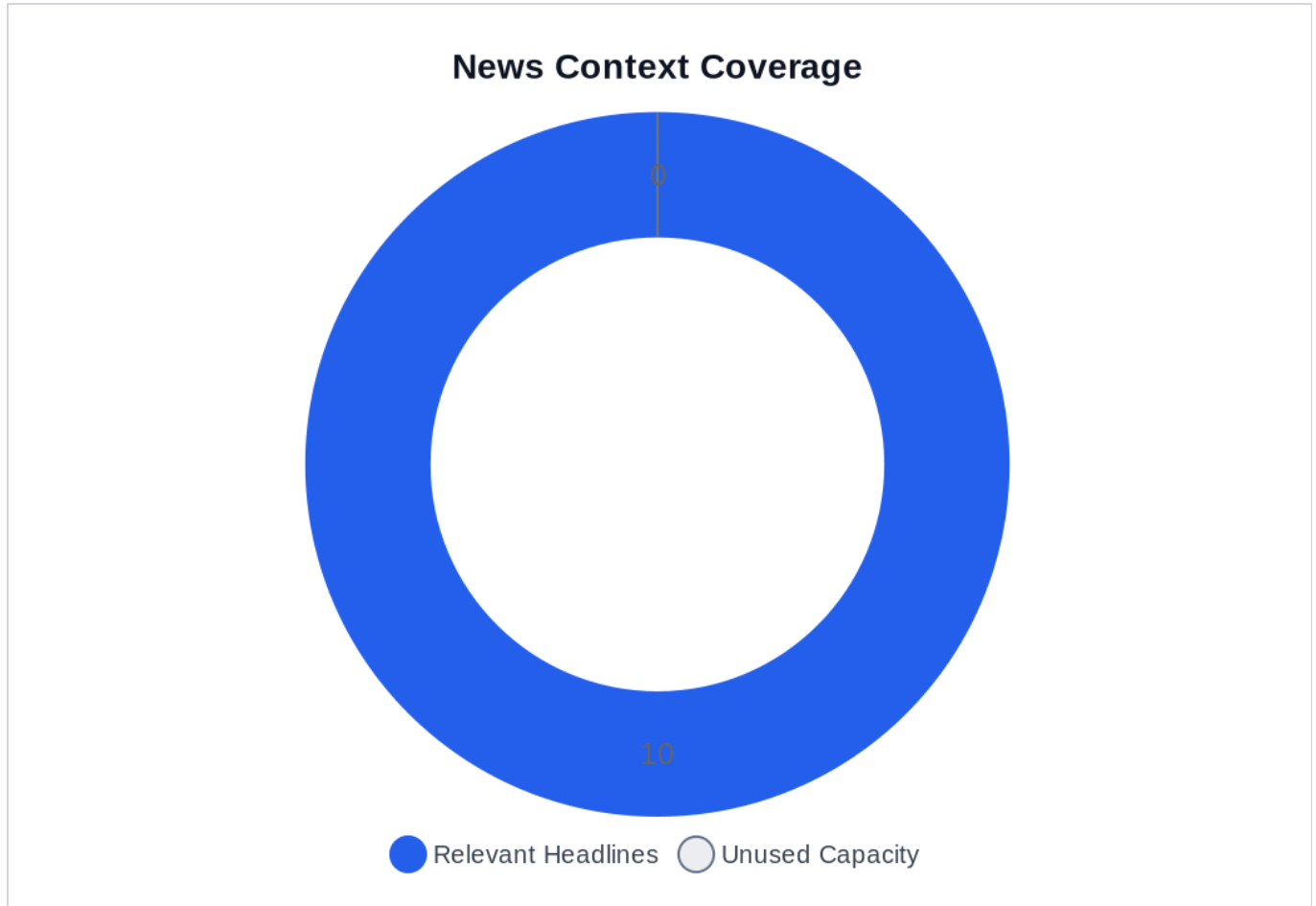
DIMENSION	SCORE	LEVEL
Valuation Risk	3 / 5	Moderate
Growth Risk	4 / 5	Elevated
Execution Risk	3 / 5	Moderate
Forecast Risk	3 / 5	Moderate
Quality Risk	2 / 5	Low
Overall Risk	2 / 5	Low

Composite Risk Score 2.8 / 5

- Net Debt/EBITDA 0.3
- Current Ratio 7.0
- Income Quality 0.8

NEWS NARRATIVE

The headline "ADMA Investors Have Opportunity to Lead ADMA Biologics, Inc. Securities Fraud Lawsuit with the Schall Law Firm" is relevant to monitoring regulatory/legal risk, but additional evidence is required to determine financial impact. Multiple class action headlines dated 2026-06-11 highlight ongoing legal scrutiny during a period when FCF growth is -74.7% and revenue surprise recently reached -18.2%.



NEWS CONTEXT COVERAGE

Recent relevant coverage clusters around: ai_technology, regulatory_legal.

INVESTMENT VIEW

EVIDENCE BALANCE	CONVICTION	RISK LEVEL	CLASSIFICATION
Mixed evidence balance	Medium	Low	Low Priority Candidate

Core Thesis: At 9.4x EV/EBITDA and 18.5x EV/FCF, ADMA's valuation reflects skepticism that 27.8% ROIC and 19.6% revenue growth can translate into durable cash flow after -74.7% FCF growth and 50% EPS beat consistency.

Primary Risk: Free Cash Flow Growth -74.7%

Monitor: Can Free Cash Flow Growth recover from -74.7% toward the 3Y average of 937.8%?