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- ## Strengths

- ## Challenges

- **Negative Equity:** Shareholder equity turned negative to \$(804,072) in FY-24, down from \$1.33mn in FY-23, raising concerns about long-term financial sustainability despite strong cash flow generation.
- **Revenue Decline & entity size:** A slight 0.9% revenue contraction from FY-23 to FY-24 (\$12.2mn to \$12.0mn) suggests challenges in achieving sustained top-line growth. Relatively small entity size increases empirical default risk.
- **Limited Transparency:** Lack of detailed data on customer concentration, ownership, strategy, regulatory requirements/compliance, etc introduces a substantial element of uncertainty, especially in conjunction with negative equity.

Financial vs Business Risk Weighting Factors

	Ownership Company Stage Financials	Private (Non-PE) Stabilized Complete (Unaudited)			
	Weight	Score	Dimension	Weight	Score
Financial	65%	9.2	Liquidity	40%	<div><div></div></div> 10.0
			Leverage	30%	<div><div></div></div> 5.2
			Profitability	30%	<div><div></div></div> 6.0
Business	35%	6.1	Industry Risk	20%	<div><div></div></div> 7.5
			Competitive Position	50%	<div><div></div></div> 5.8
			Mgmt / Governance	30%	<div><div></div></div> 5.7
			Sponsor / Parent		
Modifiers		-3.0	Revenue Segment		<div><div></div></div> (2.5)
			Financial Flexibility		0.50
			Other Modifier		(1.00)

Headquarters	Elk Grove Village, IL
Type	Private (Non-PE)
Employees	<25
Year Founded	2011
Website	https://innovedinstitute.com/
Business	Healthcare training and simulation services provider.
Revenues	\$12.0M

- Company Overview:** Innoved Institute, LLC provides medical education, training, and lab services aimed at enhancing healthcare outcomes. The company emphasizes cost-effective and innovative solutions tailored to the needs of medical professionals and institutions.
- **Product:**
 - **Lab-In-A-Box™:** A customizable field training solution for HC-professionals.
 - **Training Programs:** Hands-on and online programs targeting diverse medical specialties.
 - **Material Sourcing:** High-quality lab materials delivered internationally.
 - **Customers:** The company collaborates with healthcare providers, medical device manufacturers, and educational institutions globally, focusing on improving operational efficiency and patient outcomes.
 - **Ownership:** Innoved Institute, LLC operates as a privately held entity, likely led by professionals experienced in healthcare education and operations.
 - **Debt Structure:** N/A - only debt is \$25k on a credit card.
 - **Other:** FY-24(A) is comprised of annualized YTD income statement through 10/24, and balance sheet as of 10/24. Financials provided were unaudited and technically only covered FY-23, and YTD through 10/24. The entity had a strong relationship with "Biological Resource Center", "a human chop shop that sold body parts for experiments" (Washington Post, 2019), which was raided by the FBI and eventually shut down. Innoved was reportedly one of their biggest clients.

# of Benchmarks:	43	Industry Median	Company Metric	Percentile Rank
Liquidity	Current Ratio	1.22	7.02	<div></div> 100%
	Quick Ratio	1.09	7.02	<div></div> 100%
Leverage	Net Debt / EBITDA	1.18	(0.16)	<div></div> 77%
	Debt to Assets	17.9%	1.1%	<div></div> 83%
Profitability	EBITDA Margin	10.4%	27.9%	<div></div> 91%
	ROCE %	12.7%	168.2%	<div></div> 100%
	Revenue	\$16M	\$12M	
Industry Benchmarks - Primary: Education Services / Secondary: Health Care Services				

Year	Revenue
2024	\$0.0
2025	\$0.0
2026	\$0.0
2027	\$0.0
2028	\$0.0
Revised 2029	\$25,309.0

\$ '000s	<u>Dec-22</u>	<u>Dec-23</u>	<u>Dec-24(A)</u>	<u>Change</u>
	T12	T12	T12	(C) to (B) (B) to (A)
Income Statement				
Total Revenue	-	12,156	12,043	-0.9%
Gross Profit	-	12,047	11,927	-1.0%
Adjusted EBITDA	-	3,091	3,365	8.8%
Gross Profit Margin	-	99.1%	99.0%	(6) bps
Net Income	-	3,091	3,365	8.8%
Balance Sheet				
Cash And Cash Equivalents	-	722	562	-22.2%
Total Current Assets	-	1,412	2,098	48.6%
Total Assets	-	1,613	2,299	42.5%
Total Current Liabilities	-	279	299	7.2%
Total Debt	-	8	25	225.8%
Total Equity	-	1,334	(804)	-160.3%
Key Ratios				
Current Ratio		5.06	7.02	38.7%
Quick Ratio		5.06	7.02	38.7%
Net Debt / EBITDA	-	0.00	0.01	199.3%
Debt to Assets		0.5%	1.1%	+62 bps
EBITDA Margin		25.4%	27.9%	+251 bps
ROCE %		231.8%	168.2%	(6351) bps

- EBITDA improved from \$3.1mn in FY-23 to \$3.4mn in FY-24(A), driven by stable margins despite a slight revenue decline.
- Shareholder equity shifted from \$1.3mn positive in FY-23 to -\$804k in FY-24, highlighting concerns about strategy and capital allocation strategies.
- Net Income increased by 8.8% in FY-24 despite a decline in Revenue.

- **Industry:** The healthcare education services industry is expected to grow at a CAGR of 13% globally through 2030, presenting opportunities but requiring constant adaptation to innovation and compliance requirements.
- **Competitive Position:** Exceptional EBITDA margin of 27.9% highlights the company's efficiency, but slight revenue decline raises questions about its ability to sustain market share.
- **Management:** Limited disclosures on governance frameworks and leadership continuity plans introduce uncertainty about long-term strategic and operational stability.