

Rockwell Medical, Inc. NasdaqCM:RMTI

FQ1 2026 Earnings Call Transcripts

Thursday, May 7, 2026 12:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ4 2025-				-FQ1 2026-	-FY 2025-		
	CONSENSUS	ACTUAL	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	ACTUAL	SURPRISE
EPS (GAAP)	0.02	NA	NA	NA	NA	NA	(0.02)	(0.12)
Revenue (mm)	18.58	NA	NA	18.60	NA	NA	17.95	69.49

Currency: USD
Consensus as of May-07-2026 8:46 PM GMT



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Call Participants

EXECUTIVES

Heather H. Hunter
Senior VP & COO

Jesse Neri
Senior VP & CFO

Mark Strobeck
President, CEO & Director

ANALYSTS

Jeremy Pearlman
Maxim Group LLC, Research Division

Presentation

Operator

Hello, everyone. Thank you for joining us and welcome to Rockwell Medical's First Quarter 2026 Results Conference Call and Webcast. Please note, this event is being recorded. At this time, I would like to turn the conference over to Heather Hunter, Chief Operating Officer at Rockwell Medical. Heather, please go ahead.

Heather H. Hunter *Senior VP & COO*

Good morning, and thank you for joining us for this update on Rockwell Medical. Joining me on today's conference call are Dr. Mark Strobeck, Rockwell Medical's President and Chief Executive Officer; and Jesse Neri, Rockwell Medical's Chief Financial Officer.

Before we begin, I would like to remind you that this conference call will contain forward-looking statements about Rockwell Medical within the meaning of the Federal Securities Laws, including, but not limited to, the types of statements identified as forward-looking in our annual report on Form 10-K and our subsequent periodic reports filed with the SEC.

These statements are subject to risks and uncertainties that could cause actual results to differ. Please note that these forward-looking statements reflect our opinions and expectations only as of today. Except as required by law, we specifically disclaim any obligation to update or revise these forward-looking statements in light of new information or future events.

Factors that could cause actual results or outcomes to differ materially from those expressed in or implied by such forward-looking statements are discussed in greater detail in our periodic reports filed with the SEC. Rockwell Medical's quarterly report on Form 10-Q for the 3 months ended March 31, 2026, was filed prior to this call and provide the full analysis of our business strategy as well as the company's first quarter 2026 results. The reconciliation of non-GAAP measures we discuss on today's call can also be found in today's press release, our Form 10-Q and other reports filed with the SEC along with today's press release are updated in investor presentation and a replay of today's call can be found on our website under the Investors section.

Now I will turn the call over to Rockwell Medical's President and CEO Dr. Mark Strobeck.

Mark Strobeck *President, CEO & Director*

Thank you, Heather, and good morning, everyone. Thank you for joining us today for Rockwell Medical's First Quarter 2026 Earnings Conference Call and Webcast. When we set out to transform Rockwell nearly four years ago, our goal was to establish Rockwell as a financially sound, profitable, well-capitalized company that was well positioned for future growth.

We believed Rockwell could consistently generate cash. And with that cash, make investments in new product categories that would diversify our portfolio, further growing Rockwell. While it hasn't been a straight line over those four years, we have consistently grown our gross margin and gross profit, and in the last two years, we achieved profitability on an adjusted EBITDA basis, an important proxy on profitability for Rockwell as it removes noncash items, nonoperating items, restructuring costs and other items that are not part of our core concentrates business.

Fast forward to today, Rockwell is a sustainably profitable, stable company. As we work to further expand our efforts around improved gross margin and profitability, we announced this morning that we are making additional changes to our operations, which I will expand upon shortly. With these additional changes, our goal is to achieve positive net income in the second half of 2026, subject to customary risks and uncertainties that could cause actual results to differ materially.

Now let's review our financial and operational performance for the first quarter 2026. We continue to experience high demand for our products, particularly for our liquid bicarbonate concentrates as we have now become the primary supplier of liquid bicarbonate in the United States. Net sales were higher than expected in Q1. And although net sales were lower compared to the same period in 2025, that reduction was due to our then largest customers' volumes declining.

In addition, we demonstrated gross margin improvement over the same period last year with comparable gross profit. We believe that this demonstrates improved efficiency in our manufacturing and distribution of our hemodialysis products. In fact, we experienced sequential growth each month during the first quarter of this year in gross margin, gross profit, adjusted EBITDA and net income.

We expect that trend to continue in the coming months. During the first quarter, we added several new customers and renewed contracts with existing customers, improving price and product mix. Today, our customer mix is diverse with most customer sales concentrations under 10%.

Rockwell currently serves approximately 300 customers, which represents more than 1,400 facilities, highlighted by all five of the leading dialysis providers in the United States, along with university medical centers, community hospital systems and other renal care organizations. In addition, we supply hemodialysis concentrates to more than 30 countries outside the United States. Our pipeline remains active and diversified across customer segments and geographies.

We continue to see strong interest from customers who increasingly recognize the importance of quality and supply chain reliability for their hemodialysis products. We believe our diverse customer mix positions us well for sustainable growth and expansion.

During the first quarter, we spent a considerable amount of effort setting into motion operational changes that we believe will further streamline and enhance our manufacturing and distribution efficiencies. These changes are designed to enhance profitability by further reducing the overall cost to make and distribute our products.

For example, we are activating two new automated liquid lines this quarter, which we anticipate will generate an approximate 50% increase in our output and a significant reduction in our manufacturing cost per bottle. We have also made adjustments in our pricing, which reflect the value of our products.

All of these changes will be in place and be reflected in our results starting in the second quarter, positively impacting our performance in 2026. In fact, we estimate that these modifications will result in an additional \$3 million of gross profit, approximately half of which we expect to realize in 2026. For 2026, we continue to be focused on growing our business.

We plan to grow revenue by adding new customers and expanding contracts with existing customers, improving our operational efficiencies and further enhancing our profitability. Today, we announced additional guidance beyond what we provided several weeks ago during our last earnings call.

Rockwell Medical projected that our 2026 annual guidance will be as follows: Net sales will be between \$70 million and \$75 million. Gross margin will be between 18% and 22%. Our business will be profitable. We estimate adjusted EBITDA will be between \$1 million and \$2 million, and operating cash flow will be positive, meaning we will generate cash and eliminate our need to raise additional capital to fund our operations.

As a reminder, we started issuing guidance three years ago and have met or exceeded expectations each of those three years. For 2026, as new opportunities arise, we anticipate that our projections have the potential to strengthen, reflecting Rockwell's ongoing adaptability and growth prospects. Looking ahead, we continue to focus on long-term value creation for our shareholders.

Our strategy over the next three years is centered on three core elements: growing our profitable hemodialysis concentrates business, serving dialysis centers in the United States and around the world, building a broader portfolio of renal care products that integrate seamlessly into our existing commercial, manufacturing and distribution infrastructure, expanding our foothold within the renal space by pursuing innovations that can drive improved treatment options and outcomes for patients.

By 2029, we believe that we will be well positioned to generate annual net sales above \$100 million. Gross margin will continue to trend upward potentially approaching 30%, and our business will be profitable on an annual basis in the range of \$5 million to \$10 million. These are our goals, and we believe we have a clear path to achieve them.

Now I will turn the call over to Jesse to review our first quarter 2026 financial results in more detail.

Jesse Neri
Senior VP & CFO

Thank you, Mark. Good morning, everyone. Net sales for the first quarter were \$17.3 million. While this represents an 8% decrease over net sales for the same period in 2025, our Q1 results exceeded our expectations and track toward our full year 2026 estimate of \$70 million to \$75 million. Gross profit for the first quarter 2026 was \$2.9 million, in line with gross profit for the same period in 2025. Gross margin for the first quarter 2026 was 17%, representing a slight improvement over gross margin of 15% for the same period in 2025.

This demonstrates that we continue to become more efficient at manufacturing our products. We expect gross margin for the full year 2026 to be between 18% and 22%. Net loss for Q1 2026 was \$1.6 million, representing a slight increase over a net loss of \$1.5 million for the same period in 2025. Adjusted EBITDA for the Q1 2026 was a negative \$300,000, which was a slight improvement

over adjusted EBITDA of negative \$400,000 for the same period in 2025. Seasonal items associated with payroll tax and other public company-related expenses incurred in Q1 historically drive our adjusted EBITDA to be slightly negative. Cash, cash equivalents and investments available for sale at March 31, 2026, was \$23.9 million compared to \$25 million at year-end.

The decrease in cash of approximately \$1.1 million was driven by seasonal items historically incurred in the first quarter as well as a \$500,000 payment associated with our Evoqua acquisition. The final Evoqua payment was made in April.

Our cash balance continues to provide a stable foundation for our business while providing growing capital to pursue strategic objectives.

Now I'll turn the call back over to Mark.

Mark Strobeck

President, CEO & Director

Thank you, Jesse. Operator, please open the phone lines for any questions.

Question and Answer

Operator

We will now begin the question-and-answer session. [Operator Instructions] Your first question comes from the line of Jeremy Pearlman with Maxim Group.

Jeremy Pearlman

Maxim Group LLC, Research Division

Just a couple of questions from us. Meaning you mentioned on the call that you had -- you were selling in 30 countries outside the U.S. Maybe talk a little bit about what other expansion opportunities are there? And what does the margin profile look like outside of the U.S. versus in the U.S.

Mark Strobeck

President, CEO & Director

Yes. Thanks, Jeremy. Yes, we continue to see strong demand for our products outside of the United States particularly in areas of Latin America and South America. For us, that product category is very attractive in part because we sell our products through distributors who are primarily responsible for the distribution or the cost of the distribution of those products. So our margins are typically higher in that product category. We don't -- we don't provide the details around that, but it's a very attractive business for us.

Jeremy Pearlman

Maxim Group LLC, Research Division

Okay. That's great. And then maybe while we're also talking about expansion, I know on the last call, you mentioned that you had 30 new customers, I think, roughly 30 new customers out West. I know that's also been on the radar for a while. Maybe any update on how that's going, if there's been any new customer wins, how -- at what point -- what inflection point do you think it'd be worthwhile to have its own distribution point or maybe even a factory out there?

Mark Strobeck

President, CEO & Director

Yes. So yes, we transitioned those 30 customers into the Rockwell platform. We are currently supplying those successfully. We're also in the process now of hiring drivers and establishing cross-dock out in that area. Once we're able to do that, we'll be in a position to be able to expand that business in the West. Now that we're out there, we're also receiving calls from organizations that are in the West, that are now looking to access products as they were otherwise unable to do so previously. So yes, we're very happy with the progress we're making in that expansion.

Jeremy Pearlman

Maxim Group LLC, Research Division

Okay. Great. And then I know you mentioned that you took some pricing. Is that just on new customer wins? Or is that going to be across your entire customer [indiscernible]? And has there been any -- while you're renegotiating the prices, has there been any pushback or discussed at this point?

Mark Strobeck

President, CEO & Director

Yes. So we constantly evaluate the value of our products and the price that we charge for those, given the importance of those products have in the treatment of patients with end-stage renal disease. Yes, we are with new customers, I mean, certainly, we are very focused on making sure that we receive the value of what we produce.

For existing customers, we are working with them to, again, adjust pricing that may be reflective of a more current and contemporary framework. We're very interested in making sure customers are making sure that they receive the value that they are interested in purchasing.

And at this point, we've not achieved any pushback on that, and I think we'll continue to try to maximize that going forward.

Jeremy Pearlman

Maxim Group LLC, Research Division

Okay. That's great. And then just last question from us. You still -- I don't know if you're still in ongoing negotiations with DaVita, your prior largest customer. Is there any update on that? Or are you locked in for 2026? Or is there any opportunity or possibility that contract gets expanded or moved on into '27 or too early to tell?

Mark Strobeck
President, CEO & Director

Yes. So we continue to maintain a very good relationship with DaVita. We are continuing to supply the facilities that they've asked us to supply at the end of last year, and I feel very strongly that, that we'll be able to continue to do that going forward. DaVita did make a onetime large purchase this quarter -- in the second quarter, again, which indicates for us that they are very interested in continuing to work with us to supply them.

Operator

[Operator Instructions] There appear to be no further questions at this time. I will turn the call back over to Dr. Strobeck.

Mark Strobeck
President, CEO & Director

Thank you for joining us today for an update on Rockwell Medical.

Heather H. Hunter
Senior VP & COO

Tracey, we'll take the call if it's still coming through, the question?

Operator

I see that we do have Ram Selvaraju sitting here in the queue, he has disconnected. But if he comes back, we can put him back on.

Mark Strobeck
President, CEO & Director

Thank you for joining us today for an update on Rockwell Medical. We continue to drive increased efficiencies in our manufacturing processes and distribution network, driving down our operating costs. We continue to onboard new customers while renewing contracts with existing customers at favorable terms to Rockwell.

We continue to pursue product diversification and business development opportunities that we believe have the potential to have a significant impact on our organization. For 2026 and beyond, we remain focused on increasing our revenue, expanding our gross margin and generating sustainable profitability on an adjusted EBITDA and cash flow basis.

We are focused on growth that positively impacts our bottom line. We look forward to sharing more in the months to come. Thank you.

Operator

This concludes today's call. Thank you all for attending. You may now disconnect.

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