# Leonardo DRS, Inc.

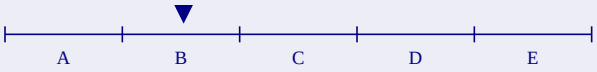
**DRS**

Nasdaq; business equipment; SIC 3812, Search, Detection, Navigation, Guidance, Aeronautical Sys; CIK 0001833756

**B**

**second fifth of 497 graded peers in business equipment**

rank 152 of 497; percentile 30.4; sampling error 2.2 points; lower is stronger




**B, the elk**



## Scoreboard

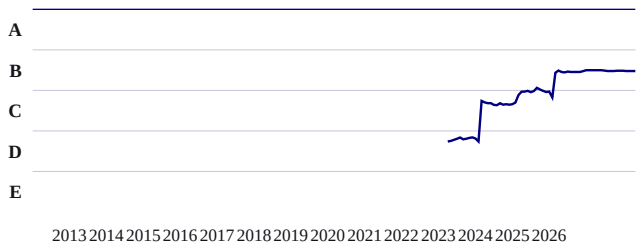
| | | |
|---|---|---|
| **Profitability** | C | percentile 56.9 |
| **Solvency** | B | percentile 31.4 |
| **Growth and financing** | B/C | percentile 41.3 |
| **Reliability** | 0.94 AUC | filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year | Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets | total assets $4.5B |
| **Standard universe** | inside | revenue above $1M and assets above $10M |
| **Warnings** | none triggered; fortress balance sheet | not computable: distress |
| **Inputs computable** | 10 of 14 | |
| **Graded from** | filings received through Feb 27, 2026 | 234 days before the rescan; latest periodic filing 10-Q received Jul 30, 2026 |
| **Last close** | $35.41 | 2026-10-16; market equity $9.5B; 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 Feb 27, 2026*

Leonardo DRS, Inc. provides advanced defense technology to U.S. national security customers and allied defense forces worldwide. We specialize in the design, development, manufacture, and integration of advanced sensing, network computing, force protection, and electric power and propulsion technologies and solutions. As a mid-sized defense technology company, our combination of operational speed and agility, deep domain expertise, and established positions on priority defense platforms has resulted in a durable and diversified portfolio of programs across the DoW.

## 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 56.9** | | | | | | |
| Gross profitability | 19.4% | 28.6% | | 64.2 | 557 | 2025-12-31 |
| Return on invested capital | 12.2% | 11.0% | | 45.5 | 135 | 2025-12-31 |
| Accruals ratio | (2.0%) | (7.4%) | | 79.6 | 620 | 2025-12-31 |

Not investment advice. Informational and educational only. Data from SEC EDGAR, may contain errors, is not warranted. The grade ranks reported financial condition and is not a return forecast.

| | | | | | | |
|---|---|---|---|---|---|---|
| Gross margin stability, five years | 1.7 pts | 2.3 pts | | 38.0 | 427 | 2025-12-31 |
| **Solvency, sleeve percentile 31.4** | | | | | | |
| Twelve-month failure probability | not computable | 0.05% | | | | |
| *liabilities and a nearby cover-page share count are required at 2026-06-30* | | | | | | |
| Altman Z double-prime | not computable | 2.16 | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Net debt to EBITDA | (0.74x) | 1.11x | | 10.3 | 147 | 2025-12-31 |
| Interest coverage | not computable | 3.77x | | | | |
| *latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31* | | | | | | |
| Current ratio | 1.89x | 2.01x | | 52.5 | 664 | 2025-12-31 |
| **Growth and financing, sleeve percentile 41.3** | | | | | | |
| Revenue growth, three-year compound | 10.6% | 6.4% | | 37.5 | 537 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 17.7% | | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | | |
| Reinvestment rate | 32.6% | 13.5% | | 42.4 | 225 | 2025-12-31 |
| Asset growth, three years | 6.9% | 5.0% | | 41.2 | 562 | 2025-12-31 |
| Net share issuance, one year | 0.3% | 0.5% | | 44.0 | 410 | 2026-02-24 |

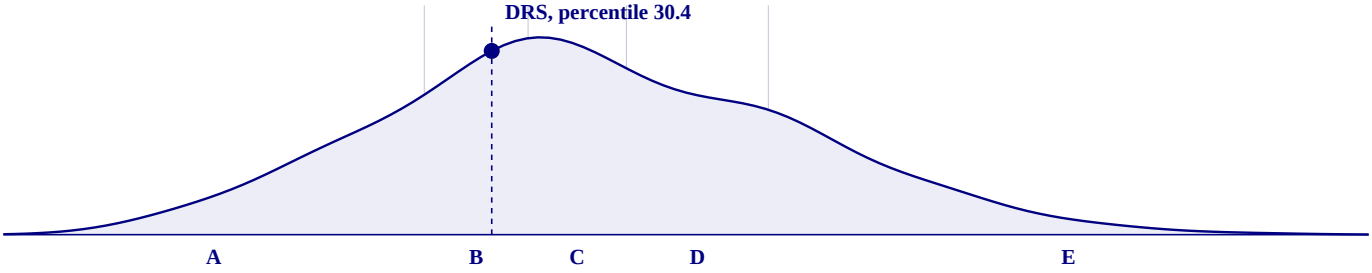
## Warnings

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

| Check | Measured |
|---|---|
| Fortress balance sheet | cash minus debt is 326,000,000 USD; Altman Z is not used |

## Among 497 peers

*business equipment; 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 |
|---|---|---|---|---|
| 147 | Ultralife Corp. (ULBI) | 29.4 | B | late filer |
| 148 | Lightpath Technologies Inc. (LPTH) | 29.6 | B | dilution, late filer, fortress balance sheet |
| 149 | Data Storage Corp. (DTST) | 29.8 | B | short runway, late filer, fortress balance sheet |
| 150 | EnerSys (ENS) | 30.0 | B | |
| 151 | First Solar, Inc. (FSLR) | 30.2 | B | fortress balance sheet |
| 152 | Leonardo DRS, Inc. (DRS) | 30.4 | B | fortress balance sheet |
| 153 | Block, Inc. (XYZ) | 30.6 | B | |
| 154 | Where Food Comes From, Inc. (WFCF) | 30.8 | B | fortress balance sheet |
| 155 | CTS Corp. (CTS) | 31.0 | B | fortress balance sheet |
| 156 | Waters Corp. (WAT) | 31.2 | B | dilution |
| 157 | CarGurus, Inc. (CARG) | 31.5 | B | fortress balance sheet |

Not investment advice. Informational and educational only. Data from SEC EDGAR, may contain errors, is not warranted. The grade ranks reported financial condition and is not a return forecast.

## What the price implies

*at the 2026-10-16 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | (15.6%) | 2.2% | 35 |
| Distance from 52-week high | (28.7%) | (33.4%) | 57 |
| EBIT to enterprise value | 3.7% | 1.5% | 69 |
| Free cash flow yield | 2.4% | 2.9% | 44 |
| Book value to price | 0.30 | 0.26 | 55 |
| Sales to price | 0.39 | 0.32 | 56 |
| Composite equity issuance, five years | not computable | 4.2% | |
| Relative strength against the sector, log excess return | (0.45) | (0.26) | 35 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 7 of 9, period end 2025-12-31** | |
| Return on assets above zero | pass |
| Operating cash flow above zero | pass |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | pass |
| Current ratio improved | fail |
| No new shares issued | fail |
| Gross margin improved | pass |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $270.0M |
| Operating cash flow, four quarters | $501.0M |
| Months of runway | not finite |
| Days since last periodic filing | 81 (10-Q received Jul 30, 2026) |
| Median daily dollar volume, 63 sessions | $33.1M |

## 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 | gross profit | us-gaap:GrossProfit | $869.0M | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 2 | assets | us-gaap:Assets | $4.5B | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $348.0M | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $336.0M | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $58.0M | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 6 | total debt | us-gaap:LongTermDebtAndCapitalLeaseObligations | $321.0M | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 7 | book equity | us-gaap:StockholdersEquity | $2.7B | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $647.0M | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 9 | total debt | us-gaap:LongTermDebtAndCapitalLeaseObligations | $340.0M | 2024-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 10 | book equity | us-gaap:StockholdersEquity | $2.6B | 2024-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $598.0M | 2024-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 12 | net income | us-gaap:NetIncomeLoss | $278.0M | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $366.0M | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 14 | assets | us-gaap:Assets | $4.2B | 2024-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $3.6B | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 16 | gross profit | us-gaap:GrossProfit | $736.0M | 2024-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $3.2B | 2024-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 18 | gross profit | us-gaap:GrossProfit | $648.0M | 2023-12-31 | 2026-02-27 | 10-K | 26-000013 |

Not investment advice. Informational and educational only. Data from SEC EDGAR, may contain errors, is not warranted. The grade ranks reported financial condition and is not a return forecast.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.8B | 2023-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 20 | gross profit | us-gaap:GrossProfit | $575.0M | 2022-12-31 | 2025-03-03 | 10-K | 25-009248 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.7B | 2022-12-31 | 2025-03-03 | 10-K | 25-009248 |
| 22 | gross profit | us-gaap:GrossProfit | $547.0M | 2021-12-31 | 2024-02-28 | 10-K | 24-007359 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.9B | 2021-12-31 | 2024-02-28 | 10-K | 24-007359 |
| 24 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $93.0M | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 25 | operating income | us-gaap:OperatingIncomeLoss | $231.0M | 2023-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 26 | interest expense | us-gaap:InterestExpense | $36.0M | 2023-12-31 | 2024-02-28 | 10-K | 24-007359 |
| 27 | current assets | us-gaap:AssetsCurrent | $2.3B | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 28 | current liabilities | us-gaap:LiabilitiesCurrent | $1.2B | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $139.0M | 2025-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 30 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $271.0M | 2024-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $85.0M | 2024-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $205.0M | 2023-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $60.0M | 2023-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $33.0M | 2022-12-31 | 2025-03-03 | 10-K | 25-009248 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $65.0M | 2022-12-31 | 2025-03-03 | 10-K | 25-009248 |
| 36 | current assets | us-gaap:AssetsCurrent | $2.2B | 2024-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 37 | current liabilities | us-gaap:LiabilitiesCurrent | $1.1B | 2024-12-31 | 2026-02-27 | 10-K | 26-000013 |
| 38 | assets | us-gaap:Assets | $3.9B | 2023-12-31 | 2025-03-03 | 10-K | 25-009248 |
| 39 | assets | us-gaap:Assets | $3.7B | 2022-12-31 | 2024-02-28 | 10-K | 24-007359 |
| 40 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 265,846,193 | 2026-02-24 | 2026-02-27 | 10-K | 26-000013 |
| 41 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 265,157,699 | 2025-02-28 | 2025-03-03 | 10-K | 25-009248 |

Not investment advice. Informational and educational only. Data from SEC EDGAR, may contain errors, is not warranted. The grade ranks reported financial condition and is not a return forecast.