Q2 Holdings, Inc.

QTWO

NYSE; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0001410384

C/D

on the C/D boundary of 497 graded peers in business equip...

rank 293 of 497; percentile 58.9; sampling error 2.2 points; lower is stronger

A B C D E

C/D, the tortoise



Scoreboard

Profitability	C percentile 46.1
Solvency	C percentile 53.7
Growth and financing	C percentile 53.9
Reliability	0.91 AUC filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025
Peer failure rate	1.01% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	$591M to $2.67B assets total assets $1.3B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered not computable: fortress balance sheet
Inputs computable	11 of 14
Graded from	filings received through Feb 11, 2026 251 days before the rescan; latest periodic filing 10-Q received Jul 29, 2026
Last close	$62.09 2026-10-19; market equity $3.9B; 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 11, 2026

Q2 is a leading provider of digital solutions to financial institutions, financial technology companies, or FinTechs, and alternative finance companies, or Alt-FIs, seeking to incorporate banking into their customer engagement and servicing strategies. Our solutions transform the ways in which financial institutions and other financial services providers engage with account holders and retail and commercial End Users.

The fourteen inputs

lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight

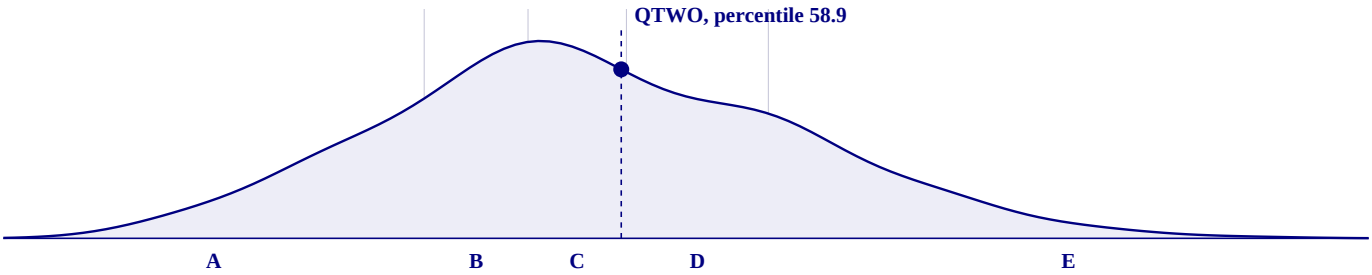
Input	Value	Peer median	Percentile, 0 to 100	Pct	Peers	Period end
Profitability, sleeve percentile 46.1						
Gross profitability	33.7%	28.6%		37.4	557	2025-12-31
Return on invested capital	not computable	11.0%				
one or more required annual facts are missing						
Accruals ratio	(11.6%)	(7.4%)		36.3	620	2025-12-31

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Gross margin stability, five years	3.4 pts	2.3 pts	64.6	427	2025-12-31
Solvency, sleeve percentile 53.7					
Twelve-month failure probability	0.03%	0.05%	21.8	102	2026-06-30
Altman Z double-prime	(0.16)	2.16	58.8	564	2025-12-31
Net debt to EBITDA	not computable	1.11x			
one or more required annual facts are missing					
Interest coverage	not computable	3.77x			
one or more required annual facts are missing					
Current ratio	1.02x	2.01x	80.5	664	2025-12-31
Growth and financing, sleeve percentile 53.9					
Revenue growth, three-year compound	12.0%	6.4%	34.1	537	2025-12-31
Free cash flow growth, three-year compound	97.1%	17.7%	8.7	266	2025-12-31
Reinvestment rate	(512.7%)	13.5%	94.2	225	2025-12-31
Asset growth, three years	(1.8%)	5.0%	66.7	562	2025-12-31
Net share issuance, one year	2.8%	0.5%	66.0	410	2026-01-31

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
288	Viavi Solutions Inc. (VIAV)	57.9	C/D	fortress balance sheet
289	Automatic Data Processing Inc. (ADP)	58.1	C/D	fortress balance sheet
290	Ss&C Technologies Holdings Inc. (SSNC)	58.3	C/D	
291	Kimball Electronics, Inc. (KE)	58.5	C/D	
292	Expensify, Inc. (EXFY)	58.7	C/D	fortress balance sheet
293	Q2 Holdings, Inc. (QTWO)	58.9	C/D	
294	Airwa Inc. (YYAI)	59.1	C/D	dilution, late filer
295	Frequency Electronics Inc. (FEIM)	59.3	C/D	
296	Next Technology Holding Inc. (NXTT)	59.5	C/D	dilution, late filer
297	Northrop Grumman Corp. (NOC)	59.7	C/D	
298	Certara, Inc. (CERT)	59.9	C/D	

What the price implies

at the 2026-10-19 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(10.2%)	2.2%	41
Distance from 52-week high	(17.6%)	(31.8%)	72
EBIT to enterprise value	not computable	1.5%	
Free cash flow yield	5.0%	2.8%	68
Book value to price	0.17	0.25	35
Sales to price	0.20	0.33	37
Composite equity issuance, five years	11.5%	4.2%	60
Relative strength against the sector, log excess return	(0.39)	(0.26)	41

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Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score None 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	fail
Current ratio improved	fail
No new shares issued	fail
Gross margin improved	pass
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	$99.9M
Operating cash flow, four quarters	$226.3M
Months of runway	not finite
Days since last periodic filing	83 (10-Q received Jul 29, 2026)
Median daily dollar volume, 63 sessions	$38.0M

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	$429.7M	2025-12-31	2026-02-11	10-K	26-000006
2	assets	us-gaap:Assets	$1.3B	2025-12-31	2026-02-11	10-K	26-000006
3	net income	us-gaap:NetIncomeLoss	$52.0M	2025-12-31	2026-02-11	10-K	26-000006
4	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$201.5M	2025-12-31	2026-02-11	10-K	26-000006
5	assets	us-gaap:Assets	$1.3B	2024-12-31	2026-02-11	10-K	26-000006
6	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$794.8M	2025-12-31	2026-02-11	10-K	26-000006
7	gross profit	us-gaap:GrossProfit	$354.5M	2024-12-31	2026-02-11	10-K	26-000006
8	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$696.5M	2024-12-31	2026-02-11	10-K	26-000006
9	gross profit	us-gaap:GrossProfit	$302.7M	2023-12-31	2026-02-11	10-K	26-000006
10	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$624.6M	2023-12-31	2026-02-11	10-K	26-000006
11	gross profit	us-gaap:GrossProfit	$256.3M	2022-12-31	2025-02-12	10-K	25-000010
12	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$565.7M	2022-12-31	2025-02-12	10-K	25-000010
13	gross profit	us-gaap:GrossProfit	$225.0M	2021-12-31	2024-02-21	10-K	24-000015
14	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$498.7M	2021-12-31	2024-02-21	10-K	24-000015
15	current assets	us-gaap:AssetsCurrent	$556.1M	2025-12-31	2026-02-11	10-K	26-000006
16	current liabilities	us-gaap:LiabilitiesCurrent	$544.1M	2025-12-31	2026-02-11	10-K	26-000006
17	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-$612.2M	2025-12-31	2026-02-11	10-K	26-000006
18	operating income	us-gaap:OperatingIncomeLoss	$39.9M	2025-12-31	2026-02-11	10-K	26-000006
19	book equity	us-gaap:StockholdersEquity	$661.8M	2025-12-31	2026-02-11	10-K	26-000006
20	liabilities	us-gaap:Liabilities	$614.5M	2025-12-31	2026-02-11	10-K	26-000006
21	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$6.8M	2025-12-31	2026-02-11	10-K	26-000006
22	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$135.8M	2024-12-31	2026-02-11	10-K	26-000006
23	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$6.7M	2024-12-31	2026-02-11	10-K	26-000006
24	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$70.3M	2023-12-31	2026-02-11	10-K	26-000006
25	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$5.7M	2023-12-31	2026-02-11	10-K	26-000006
26	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$36.6M	2022-12-31	2025-02-12	10-K	25-000010
27	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$11.1M	2022-12-31	2025-02-12	10-K	25-000010
28	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$53.4M	2025-12-31	2026-02-11	10-K	26-000006
29	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$54.7M	2025-12-31	2026-02-11	10-K	26-000006
30	income tax	us-gaap:IncomeTaxExpenseBenefit	$2.7M	2025-12-31	2026-02-11	10-K	26-000006
31	current assets	us-gaap:AssetsCurrent	$558.7M	2024-12-31	2026-02-11	10-K	26-000006

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32	current liabilities	us-gaap:LiabilitiesCurrent	$398.9M	2024-12-31	2026-02-11	10-K	26-000006
33	assets	us-gaap:Assets	$1.2B	2023-12-31	2025-02-12	10-K	25-000010
34	assets	us-gaap:Assets	$1.3B	2022-12-31	2024-02-21	10-K	24-000015
35	shares outstanding	dei:EntityCommonStockSharesOutstanding	62,404,372	2026-01-31	2026-02-11	10-K	26-000006
36	shares outstanding	dei:EntityCommonStockSharesOutstanding	60,727,986	2025-01-31	2025-02-12	10-K	25-000010

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