# Kratos Defense & Security Solutions, Inc.

**KTOS**

Nasdaq; manufacturing; SIC 3760, Guided Missiles & Space Vehicles & Parts; CIK 0001069258

**A**

**strongest fifth of 255 graded peers in manufacturing**

rank 44 of 255; percentile 16.9; sampling error 3.0 points; lower is stronger

A B C D E

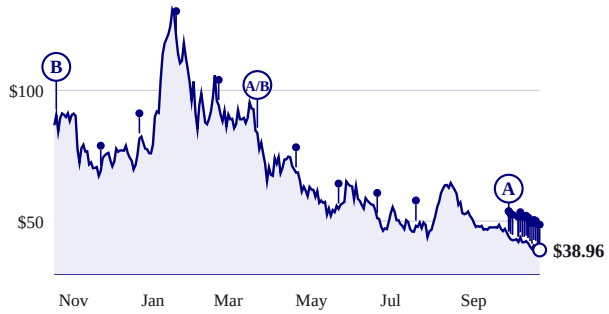
**A, the bull**



## Scoreboard

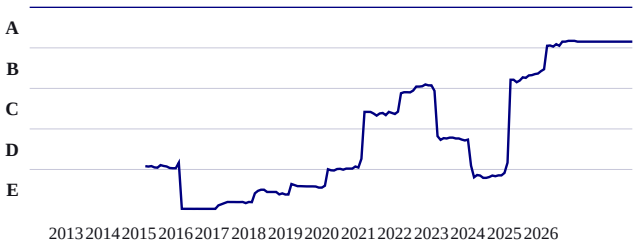
| | |
|---|---|
| **Profitability** | D<br>percentile 65.9 |
| **Solvency** | A/B<br>percentile 18.8 |
| **Growth and financing** | B<br>percentile 29.6 |
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure rate** | 1.01% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $591M to $2.67B assets<br>total assets $2.5B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered; fortress balance sheet<br>not computable: distress |
| **Inputs computable** | 9 of 14 |
| **Graded from** | filings received through Feb 23, 2026<br>240 days before the rescan; latest periodic filing 10-Q received Aug 4, 2026 |
| **Last close** | $38.95<br>2026-10-20; market equity $7.3B; 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 23, 2026*

Kratos is a technology, hardware, products, system and software company addressing the defense, national security, and commercial markets. Kratos makes true internally funded research, development, capital and other investments, to rapidly develop, produce and field relevant solutions that address our customers' mission critical needs and requirements. At Kratos, affordability is a technology, and we seek to utilize proven, leading edge approaches and technology, not unproven bleeding edge approaches or technology, with Kratos' approach designed to reduce cost, schedule and risk, enabling us to be first to market with cost effective solutions.

## 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 65.9** | | | | | | |
| Gross profitability | 12.5% | 21.9% | | 81.0 | 275 | 2025-12-28 |
| Return on invested capital | not computable | 9.7% | | | | |

*latest aligned inputs end 2021-12-26; latest annual assets end 2025-12-28*

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| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | 2.9% | (3.6%) | 87.3 | 307 | 2025-12-28 |
| Gross margin stability, five years | 1.6 pts | 2.1 pts | 29.4 | 229 | 2025-12-28 |
| **Solvency, sleeve percentile 18.8** | | | | | |
| Twelve-month failure probability | not computable | 0.04% | | | |
| *latest liabilities, cash plus short-term investments, book equity, and shares are required* | | | | | |
| Altman Z double-prime | 6.20 | 3.66 | 20.7 | 243 | 2025-12-28 |
| Net debt to EBITDA | not computable | 1.78x | | | |
| *latest aligned inputs end 2021-12-26; latest annual assets end 2025-12-28* | | | | | |
| Interest coverage | not computable | 5.09x | | | |
| *one or more required annual facts are missing* | | | | | |
| Current ratio | 4.06x | 2.25x | 17.0 | 324 | 2025-12-28 |
| **Growth and financing, sleeve percentile 29.6** | | | | | |
| Revenue growth, three-year compound | 14.5% | 2.2% | 13.8 | 269 | 2025-12-28 |
| Free cash flow growth, three-year compound | not computable | 13.9% | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | |
| Reinvestment rate | 2,563.9% | 26.4% | 0.7 | 139 | 2025-12-28 |
| Asset growth, three years | 16.7% | 4.4% | 14.1 | 278 | 2025-12-28 |
| Net share issuance, one year | 11.4% | 0.01% | 89.6 | 242 | 2026-02-20 |

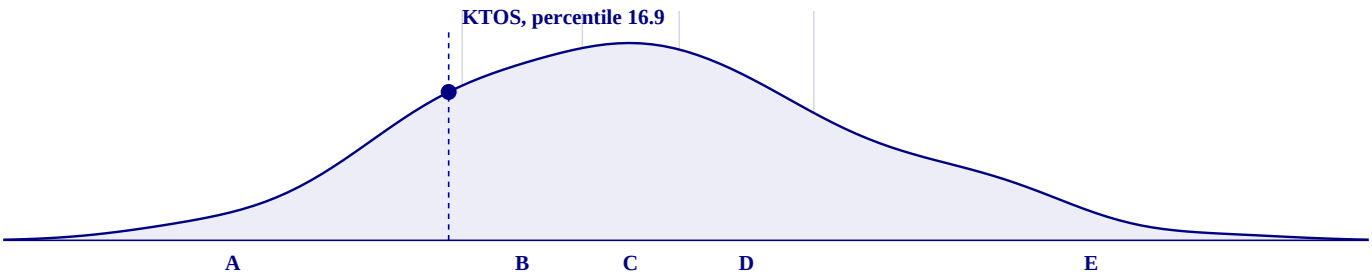
## Warnings

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

| Check | Measured |
|---|---|
| Fortress balance sheet | cash minus debt is 52,700,000 USD; Altman Z is not used |

## Among 255 peers

*manufacturing; 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 |
|---|---|---|---|---|
| 39 | Kadant Inc. (KAI) | 15.0 | A | |
| 40 | Nwpx Infrastructure, Inc. (NWPX) | 15.4 | A | |
| 41 | Axcelis Technologies Inc. (ACLS) | 15.7 | A | |
| 42 | Gencor Industries Inc. (GENC) | 16.1 | A | late filer, fortress balance sheet |
| 43 | Movado Group Inc. (MOV) | 16.5 | A | |
| 44 | Kratos Defense & Security Solutions, Inc. (KTOS) | 16.9 | A | fortress balance sheet |
| 45 | Moog Inc. (MOG-A) | 17.5 | A/B | |
| 46 | Moog Inc. (MOG-B) | 17.5 | A/B | |
| 47 | Douglas Dynamics, Inc. (PLOW) | 18.1 | A/B | |
| 48 | Mueller Water Products, Inc. (MWA) | 18.5 | A/B | |
| 49 | Power Solutions International, Inc. (PSIX) | 18.9 | A/B | |

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## What the price implies

*at the 2026-10-20 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | (44.2%) | 13.7% | 6 |
| Distance from 52-week high | (70.2%) | (25.5%) | 5 |
| EBIT to enterprise value | 0.4% | 4.1% | 22 |
| Free cash flow yield | (1.9%) | 3.4% | 18 |
| Book value to price | 0.47 | 0.35 | 61 |
| Sales to price | 0.18 | 0.55 | 12 |
| Composite equity issuance, five years | 41.9% | (9.5%) | 91 |
| Relative strength against the sector, log excess return | (0.72) | (0.00) | 6 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 4 of 9, period end 2025-12-28** | |
| Return on assets above zero | pass |
| Operating cash flow above zero | fail |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | fail |
| Long-term leverage fell | pass |
| Current ratio improved | pass |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | fail |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $1.4B |
| Operating cash flow, four quarters | -$39.6M |
| Months of runway | 435.6 |
| Days since last periodic filing | 78 (10-Q received Aug 4, 2026) |
| Median daily dollar volume, 63 sessions | $189.3M |

## 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 | $307.9M | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 2 | assets | us-gaap:Assets | $2.5B | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $27.9M | 2021-12-26 | 2024-02-13 | 10-K | 24-000007 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $4.4M | 2021-12-26 | 2024-02-13 | 10-K | 24-000007 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $3.9M | 2021-12-26 | 2024-02-13 | 10-K | 24-000007 |
| 6 | total debt | us-gaap:LongTermDebt | $296.7M | 2021-12-26 | 2023-02-23 | 10-K | 23-000008 |
| 7 | book equity | us-gaap:StockholdersEquityIncludingPortionAttributableT... | $945.1M | 2021-12-26 | 2025-02-26 | 10-K | 25-000008 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $349.4M | 2021-12-26 | 2023-02-23 | 10-K | 23-000008 |
| 9 | total debt | us-gaap:LongTermDebt | $301.5M | 2020-12-27 | 2022-02-22 | 10-K | 22-000014 |
| 10 | book equity | us-gaap:StockholdersEquityIncludingPortionAttributableT... | $925.3M | 2020-12-27 | 2024-02-13 | 10-K | 24-000007 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $380.8M | 2020-12-27 | 2022-02-22 | 10-K | 22-000014 |
| 12 | net income | us-gaap:NetIncomeLoss | $22.0M | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$42.1M | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 14 | assets | us-gaap:Assets | $2.0B | 2024-12-29 | 2026-02-23 | 10-K | 26-000013 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.3B | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 16 | gross profit | us-gaap:GrossProfit | $287.2M | 2024-12-29 | 2026-02-23 | 10-K | 26-000013 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.1B | 2024-12-29 | 2026-02-23 | 10-K | 26-000013 |
| 18 | gross profit | us-gaap:GrossProfit | $268.6M | 2023-12-31 | 2026-02-23 | 10-K | 26-000013 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.0B | 2023-12-31 | 2026-02-23 | 10-K | 26-000013 |
| 20 | gross profit | us-gaap:GrossProfit | $226.0M | 2022-12-25 | 2025-02-26 | 10-K | 25-000008 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $898.3M | 2022-12-25 | 2025-02-26 | 10-K | 25-000008 |
| 22 | gross profit | us-gaap:GrossProfit | $225.1M | 2021-12-26 | 2024-02-13 | 10-K | 24-000007 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $811.5M | 2021-12-26 | 2024-02-13 | 10-K | 24-000007 |
| 24 | current assets | us-gaap:AssetsCurrent | $1.3B | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $311.0M | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$641.9M | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 27 | operating income | us-gaap:OperatingIncomeLoss | $25.6M | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 28 | book equity | us-gaap:StockholdersEquity | $2.0B | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 29 | liabilities | us-gaap:Liabilities | $470.9M | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 30 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $25.7M | 2021-12-26 | 2024-02-13 | 10-K | 24-000007 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $95.3M | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $49.7M | 2024-12-29 | 2026-02-23 | 10-K | 26-000013 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $58.2M | 2024-12-29 | 2026-02-23 | 10-K | 26-000013 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivitiesC... | $65.2M | 2023-12-31 | 2024-02-13 | 10-K | 24-000007 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $52.4M | 2023-12-31 | 2026-02-23 | 10-K | 26-000013 |
| 36 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivitiesC... | -$25.6M | 2022-12-25 | 2024-02-13 | 10-K | 24-000007 |
| 37 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $45.4M | 2022-12-25 | 2025-02-26 | 10-K | 25-000008 |
| 38 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $47.1M | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 39 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $34.0M | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 40 | income tax | us-gaap:IncomeTaxExpenseBenefit | $12.0M | 2025-12-28 | 2026-02-23 | 10-K | 26-000013 |
| 41 | current assets | us-gaap:AssetsCurrent | $872.1M | 2024-12-29 | 2026-02-23 | 10-K | 26-000013 |
| 42 | current liabilities | us-gaap:LiabilitiesCurrent | $296.7M | 2024-12-29 | 2026-02-23 | 10-K | 26-000013 |
| 43 | assets | us-gaap:Assets | $1.6B | 2023-12-31 | 2025-02-26 | 10-K | 25-000008 |
| 44 | assets | us-gaap:Assets | $1.6B | 2022-12-25 | 2024-02-13 | 10-K | 24-000007 |
| 45 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 170,329,158 | 2026-02-20 | 2026-02-23 | 10-K | 26-000013 |
| 46 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 152,842,507 | 2025-02-21 | 2025-02-26 | 10-K | 25-000008 |

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