# Zscaler, Inc.

**ZS**

Nasdaq; business equipment; SIC 7371, Services-Computer Programming Services; CIK 0001713683

**A**

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

rank 66 of 497; percentile 13.1; sampling error 2.2 points; lower is stronger

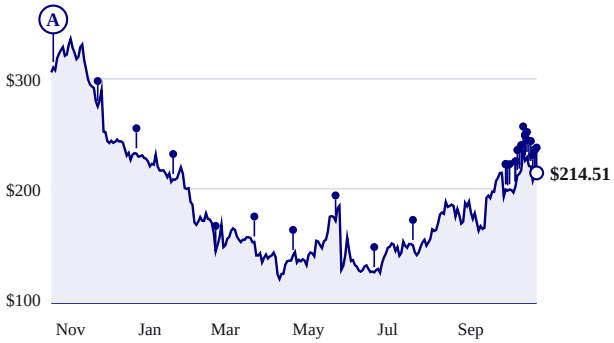
A B C D E

**A, the bull**



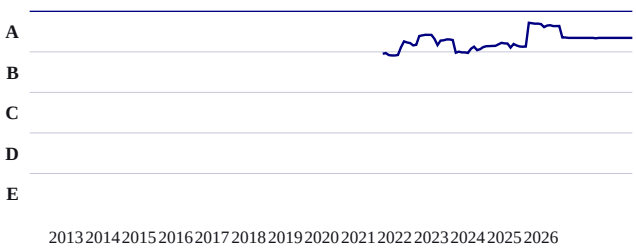
| Scoreboard | |
|---|---|
| **Profitability** | A/B<br>percentile 21.8 |
| **Solvency** | C<br>percentile 53.0 |
| **Growth and financing** | B<br>percentile 29.5 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $7.9B |
| **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 Sep 3, 2026<br>48 days before the rescan; latest periodic filing 10-K received Sep 3, 2026 |
| **Last close** | $214.68<br>2026-10-20; market equity $35.0B; 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 Sep 3, 2026*

We are the cybersecurity platform for the AI era. We empower our customers with the cybersecurity solutions necessary to protect their enterprises, drive growth and outpace competitors where success depends on securely adopting the technologies required to operate and compete effectively in an AI world. We were founded in 2007, based on a vision that, with the broad adoption of SaaS applications, the internet would become the new corporate network, the cloud would become the new data center and perimeter-based security would fail to protect users, applications and data.

## 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 21.8** | | | | | | |
| Gross profitability | 32.7% | 28.6% | | 39.0 | 557 | 2026-07-31 |
| Return on invested capital | not computable | 11.2% | | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | | |

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.

| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (16.7%) | (7.4%) | 23.7 | 620 | 2026-07-31 |
| Gross margin stability, five years | 0.5 pts | 2.3 pts | 2.6 | 427 | 2026-07-31 |
| **Solvency, sleeve percentile 53.0** | | | | | |
| Twelve-month failure probability | not computable | 0.05% | | | |
| *latest liabilities, cash plus short-term investments, book equity, and shares are required* | | | | | |
| Altman Z double-prime | 1.61 | 2.16 | 48.7 | 564 | 2026-07-31 |
| Net debt to EBITDA | not computable | 1.11x | | | |
| *required facts have no common fiscal period end* | | | | | |
| Interest coverage | not computable | 3.77x | | | |
| *latest aligned inputs end 2023-07-31; latest annual assets end 2026-07-31* | | | | | |
| Current ratio | 1.70x | 2.01x | 57.3 | 664 | 2026-07-31 |
| **Growth and financing, sleeve percentile 29.5** | | | | | |
| Revenue growth, three-year compound | 27.5% | 6.4% | 12.1 | 537 | 2026-07-31 |
| Free cash flow growth, three-year compound | 32.7% | 18.0% | 29.5 | 265 | 2026-07-31 |
| Reinvestment rate | not computable | 14.3% | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | |
| Asset growth, three years | 29.7% | 5.0% | 10.3 | 562 | 2026-07-31 |
| Net share issuance, one year | 3.0% | 0.5% | 66.0 | 410 | 2026-08-27 |

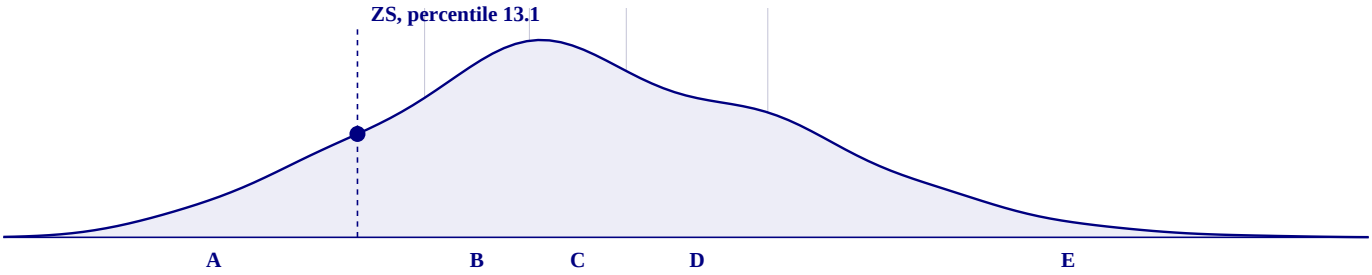
## Warnings

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

| Check | Measured |
|---|---|
| Fortress balance sheet | cash minus debt is 280,805,000 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 |
|---|---|---|---|---|
| 61 | Logitech International S.A. (LOGI) | 12.1 | A | |
| 62 | Braze, Inc. (BRZE) | 12.3 | A | |
| 63 | AvePoint, Inc. (AVPT) | 12.5 | A | |
| 64 | OSI Systems Inc. (OSIS) | 12.7 | A | |
| 65 | D-Wave Quantum Inc. (QBTS) | 12.9 | A | dilution |
| 66 | Zscaler, Inc. (ZS) | 13.1 | A | fortress balance sheet |
| 67 | Credo Technology Group Holding Ltd. (CRDO) | 13.3 | A | |
| 68 | Ubiquiti Inc. (UI) | 13.5 | A | |
| 69 | Intuit Inc. (INTU) | 13.7 | A | |
| 70 | Zeta Global Holdings Corp. (ZETA) | 13.9 | A | fortress balance sheet |
| 71 | Simulations Plus, Inc. (SLP) | 14.1 | A | fortress balance sheet |

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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 | (37.1%) | 2.2% | 19 |
| Distance from 52-week high | (36.2%) | (31.1%) | 45 |
| EBIT to enterprise value | (0.4%) | 1.4% | 33 |
| Free cash flow yield | 2.4% | 2.8% | 45 |
| Book value to price | 0.07 | 0.26 | 19 |
| Sales to price | 0.10 | 0.31 | 18 |
| Composite equity issuance, five years | 16.2% | 4.2% | 65 |
| Relative strength against the sector, log excess return | (0.75) | (0.26) | 19 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None of 9, period end 2026-07-31** | |
| Return on assets above zero | fail |
| Operating cash flow above zero | pass |
| Return on assets improved | fail |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | fail |
| Current ratio improved | fail |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | fail |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $928.4M |
| Operating cash flow, four quarters | $1.1B |
| Months of runway | not finite |
| Days since last periodic filing | 48 (10-K received Sep 3, 2026) |
| Median daily dollar volume, 63 sessions | $432.5M |

## 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 | $2.6B | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 2 | assets | us-gaap:Assets | $7.9B | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | -$121.5M | 2024-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$29.2M | 2024-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $28.5M | 2024-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 6 | total debt | us-gaap:LongTermDebt | $1.1B | 2024-07-31 | 2024-09-12 | 10-K | 24-000109 |
| 7 | book equity | us-gaap:StockholdersEquity | $1.3B | 2024-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $1.4B | 2024-07-31 | 2025-09-11 | 10-K | 25-000158 |
| 9 | total debt | us-gaap:LongTermDebt | $1.1B | 2023-07-31 | 2024-09-12 | 10-K | 24-000109 |
| 10 | book equity | us-gaap:StockholdersEquity | $725.1M | 2023-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $1.3B | 2023-07-31 | 2024-09-12 | 10-K | 24-000109 |
| 12 | net income | us-gaap:NetIncomeLoss | -$63.2M | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $1.1B | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 14 | assets | us-gaap:Assets | $6.4B | 2025-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $3.4B | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 16 | gross profit | us-gaap:GrossProfit | $2.1B | 2025-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.7B | 2025-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 18 | gross profit | us-gaap:GrossProfit | $1.7B | 2024-07-31 | 2026-09-03 | 10-K | 26-000157 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.2B | 2024-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 20 | gross profit | us-gaap:GrossProfit | $1.3B | 2023-07-31 | 2025-09-11 | 10-K | 25-000158 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.6B | 2023-07-31 | 2025-09-11 | 10-K | 25-000158 |
| 22 | gross profit | us-gaap:GrossProfit | $848.7M | 2022-07-31 | 2024-09-12 | 10-K | 24-000109 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.1B | 2022-07-31 | 2024-09-12 | 10-K | 24-000109 |
| 24 | current assets | us-gaap:AssetsCurrent | $5.0B | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $3.0B | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$1.3B | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 27 | operating income | us-gaap:OperatingIncomeLoss | -$133.3M | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 28 | book equity | us-gaap:StockholdersEquity | $2.6B | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 29 | liabilities | us-gaap:Liabilities | $5.3B | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 30 | operating income | us-gaap:OperatingIncomeLoss | -$234.6M | 2023-07-31 | 2025-09-11 | 10-K | 25-000158 |
| 31 | interest expense | us-gaap:InterestExpense | $6.5M | 2023-07-31 | 2023-09-14 | 10-K | 23-000113 |
| 32 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $277.3M | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 33 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $972.5M | 2025-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 34 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $164.3M | 2025-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 35 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $779.8M | 2024-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 36 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $144.6M | 2024-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 37 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $462.3M | 2023-07-31 | 2025-09-11 | 10-K | 25-000158 |
| 38 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $97.2M | 2023-07-31 | 2025-09-11 | 10-K | 25-000158 |
| 39 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $148.5M | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 40 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$17.1M | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 41 | income tax | us-gaap:IncomeTaxExpenseBenefit | $46.0M | 2026-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 42 | current assets | us-gaap:AssetsCurrent | $4.9B | 2025-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 43 | current liabilities | us-gaap:LiabilitiesCurrent | $2.4B | 2025-07-31 | 2026-09-03 | 10-K | 26-000157 |
| 44 | assets | us-gaap:Assets | $4.7B | 2024-07-31 | 2025-09-11 | 10-K | 25-000158 |
| 45 | assets | us-gaap:Assets | $3.6B | 2023-07-31 | 2024-09-12 | 10-K | 24-000109 |
| 46 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 163,054,698 | 2026-08-27 | 2026-09-03 | 10-K | 26-000157 |
| 47 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 158,300,823 | 2025-08-29 | 2025-09-11 | 10-K | 25-000158 |

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