# Precision Optics Corporation, Inc.

**POCI**

Nasdaq; healthcare; SIC 3845, Electromedical & Electrotherapeutic Apparatus; CIK 0000867840

**D**

**fourth fifth of 370 graded peers in healthcare**

rank 275 of 370; percentile 74.3; sampling error 2.5 points; lower is stronger

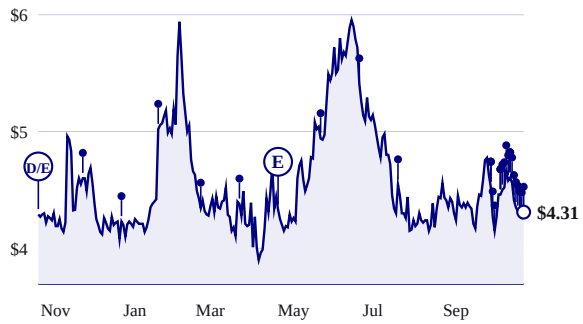
A B C D E

**D, the sloth**



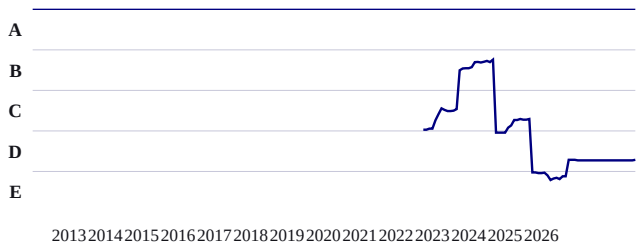
| Scoreboard | |
|---|---|
| **Profitability** | D<br>percentile 66.1 |
| **Solvency** | C/D<br>percentile 57.9 |
| **Growth and financing** | C<br>percentile 45.7 |
| **Reliability** | 0.83 AUC<br>filers with $12.5M to $120M assets; 95% interval 0.79 to 0.86; 201 events, 2020 to 2025 |
| **Peer failure rate** | 1.07% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $12.5M to $120M assets<br>total assets $32.3M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | dilution; fortress balance sheet<br>not computable: distress |
| **Inputs computable** | 8 of 14 |
| **Graded from** | filings received through Sep 28, 2026<br>24 days before the rescan; latest periodic filing 10-K received Sep 28, 2026 |
| **Last close** | $4.29<br>2026-10-19; market equity $47.1M; 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 29, 2025*

advanced optical instruments since 1982, and we operate primarily in two key market segments: medical devices and advanced defense/aerospace products. Within our proprietary optical and imaging technology, our unique custom designs, expert manufacturing capabilities, and advanced engineering and development capabilities have generated traditional endoscopes and endocouplers, digital imaging endoscopes using CMOS sensor technology, some designed and manufactured for single-use, as well as other, more advanced, custom imaging and illumination products for our customers' use in minimally invasive surgical procedures.

## 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 66.1** | | | | | | |
| Gross profitability | 16.8% | 32.3% | | 68.9 | 368 | 2026-06-30 |
| Return on invested capital | not computable | 9.3% | | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (8.0%) | (6.6%) | 48.5 | 809 | 2026-06-30 |
| Gross margin stability, five years | 7.8 pts | 2.8 pts | 80.9 | 242 | 2026-06-30 |
| **Solvency, sleeve percentile 57.9** | | | | | |
| Twelve-month failure probability | not computable | 0.07% | | | |
| *latest liabilities, cash plus short-term investments, book equity, and shares are required* | | | | | |
| Altman Z double-prime | (2.77) | (0.33) | 48.5 | 754 | 2026-06-30 |
| Net debt to EBITDA | not computable | 1.82x | | | |
| *EBITDA must exceed $100,000* | | | | | |
| Interest coverage | not computable | (4.51x) | | | |
| *latest aligned inputs end 2025-06-30; latest annual assets end 2026-06-30* | | | | | |
| Current ratio | 2.28x | 2.94x | 67.3 | 837 | 2026-06-30 |
| **Growth and financing, sleeve percentile 45.7** | | | | | |
| Revenue growth, three-year compound | 14.4% | 10.1% | 40.3 | 413 | 2026-06-30 |
| Free cash flow growth, three-year compound | not computable | 10.9% | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | |
| Reinvestment rate | not computable | 37.1% | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | |
| Asset growth, three years | 17.9% | 2.1% | 23.1 | 703 | 2026-06-30 |
| Net share issuance, one year | 42.2% | 2.5% | 73.6 | 634 | 2026-09-20 |

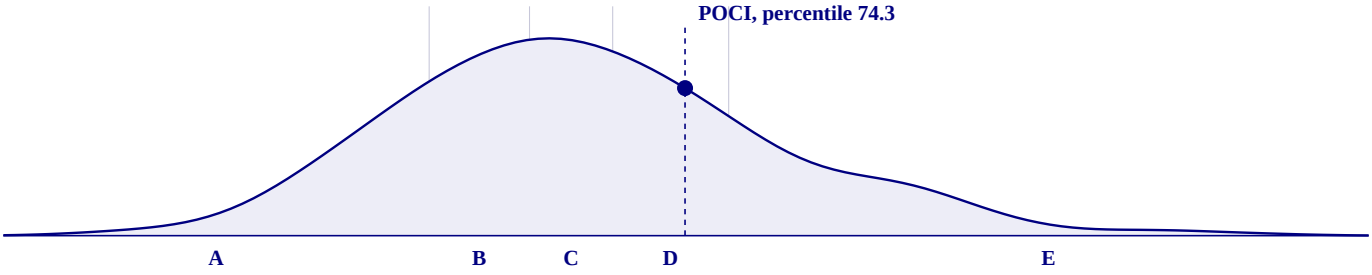
## Warnings

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

| Check | Measured |
|---|---|
| Dilution | split-adjusted year-over-year share growth is 42.2% |
| Fortress balance sheet | cash minus debt is 8,507,391 USD; Altman Z is not used |

## Among 370 peers

*healthcare; 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 |
|---|---|---|---|---|
| 270 | ICU Medical Inc/De (ICUI) | 72.9 | D | |
| 271 | Butterfly Network, Inc. (BFLY) | 73.2 | D | |
| 272 | Ovid Therapeutics Inc. (OVID) | 73.4 | D | dilution, short runway |
| 273 | Viatris Inc. (VTRS) | 73.7 | D | |
| 274 | Vir Biotechnology, Inc. (VIR) | 74.0 | D | |
| 275 | Precision Optics Corporation, Inc. (POCI) | 74.3 | D | dilution, fortress balance sheet |
| 276 | Retractable Technologies Inc. (RVP) | 74.5 | D | fortress balance sheet |
| 277 | NutriBand Inc. (NTRB) | 74.8 | D | fortress balance sheet |
| 278 | Teleflex Inc. (TFX) | 75.1 | D | |
| 279 | Standard Biotools Inc. (LAB) | 75.3 | D | late filer, fortress balance sheet |
| 280 | Abeona Therapeutics Inc. (ABEO) | 75.6 | D | fortress balance sheet |

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## 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 | (1.1%) | 7.7% | 46 |
| Distance from 52-week high | (27.6%) | (30.1%) | 53 |
| EBIT to enterprise value | (9.0%) | (1.6%) | 34 |
| Free cash flow yield | (4.2%) | (1.0%) | 42 |
| Book value to price | 0.43 | 0.28 | 64 |
| Sales to price | 0.67 | 0.31 | 75 |
| Composite equity issuance, five years | not computable | 20.5% | |
| Relative strength against the sector, log excess return | (0.22) | (0.14) | 46 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 5 of 9, period end 2026-06-30** | |
| Return on assets above zero | fail |
| Operating cash flow above zero | fail |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | pass |
| Current ratio improved | pass |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $9.8M |
| Operating cash flow, four quarters | -$1.6M |
| Months of runway | 76.2 |
| Days since last periodic filing | 24 (10-K received Sep 28, 2026) |
| Median daily dollar volume, 63 sessions | $170,397 |

## 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 | $5.4M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 2 | assets | us-gaap:Assets | $32.3M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | -$3.5M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$3.6M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $4,958 | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 6 | total debt | us-gaap:LongTermDebt | $1.3M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 7 | book equity | us-gaap:StockholdersEquity | $20.3M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $9.8M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 9 | total debt | us-gaap:LongTermDebt | $1.9M | 2025-06-30 | 2025-09-29 | 10-K | 25-007305 |
| 10 | book equity | us-gaap:StockholdersEquity | $12.3M | 2025-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $1.8M | 2025-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 12 | net income | us-gaap:NetIncomeLoss | -$3.6M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$1.6M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 14 | assets | us-gaap:Assets | $19.8M | 2025-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 15 | revenue | us-gaap:Revenues | $31.5M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 16 | gross profit | us-gaap:GrossProfit | $3.4M | 2025-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 17 | revenue | us-gaap:Revenues | $19.1M | 2025-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 18 | gross profit | us-gaap:GrossProfit | $5.8M | 2024-06-30 | 2025-09-29 | 10-K | 25-007305 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | revenue | us-gaap:Revenues | $19.1M | 2024-06-30 | 2025-09-29 | 10-K | 25-007305 |
| 20 | gross profit | us-gaap:GrossProfit | $7.7M | 2023-06-30 | 2024-09-30 | 10-K | 24-006760 |
| 21 | revenue | us-gaap:Revenues | $21.0M | 2023-06-30 | 2024-09-30 | 10-K | 24-006760 |
| 22 | gross profit | us-gaap:GrossProfit | $4.9M | 2022-06-30 | 2023-09-28 | 10-K | 23-006801 |
| 23 | revenue | us-gaap:Revenues | $15.7M | 2022-06-30 | 2023-09-28 | 10-K | 23-006801 |
| 24 | current assets | us-gaap:AssetsCurrent | $20.1M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $8.8M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$60.6M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 27 | liabilities | us-gaap:Liabilities | $12.0M | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 28 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $279,277 | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 29 | operating income | us-gaap:OperatingIncomeLoss | -$5.6M | 2025-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 30 | interest expense | us-gaap:InterestExpense | $227,019 | 2025-06-30 | 2025-09-29 | 10-K | 25-007305 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $426,786 | 2026-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$3.4M | 2025-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $227,209 | 2025-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$2.7M | 2024-06-30 | 2025-09-29 | 10-K | 25-007305 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $272,435 | 2024-06-30 | 2025-09-29 | 10-K | 25-007305 |
| 36 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$81,090 | 2023-06-30 | 2024-09-30 | 10-K | 24-006760 |
| 37 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $16,784 | 2023-06-30 | 2024-09-30 | 10-K | 24-006760 |
| 38 | current assets | us-gaap:AssetsCurrent | $10.1M | 2025-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 39 | current liabilities | us-gaap:LiabilitiesCurrent | $6.2M | 2025-06-30 | 2026-09-28 | 10-K | 26-007462 |
| 40 | assets | us-gaap:Assets | $16.9M | 2024-06-30 | 2025-09-29 | 10-K | 25-007305 |
| 41 | assets | us-gaap:Assets | $19.7M | 2023-06-30 | 2024-09-30 | 10-K | 24-006760 |
| 42 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 10,972,792 | 2026-09-20 | 2026-09-28 | 10-K | 26-007462 |
| 43 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 7,714,701 | 2025-09-20 | 2025-10-28 | 10-K/A | 25-007809 |