Zoetis Inc.

ZTS

NYSE; healthcare; SIC 2834, Pharmaceutical Preparations; CIK 0001555280

B

second fifth of 370 graded peers in healthcare

rank 97 of 370; percentile 26.0; sampling error 2.5 points; lower is stronger

A B C D E

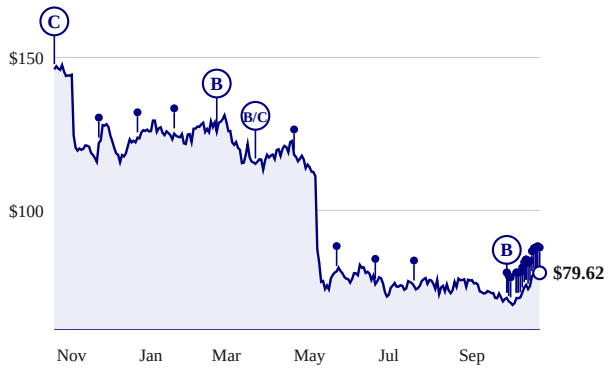
B, the elk



Scoreboard

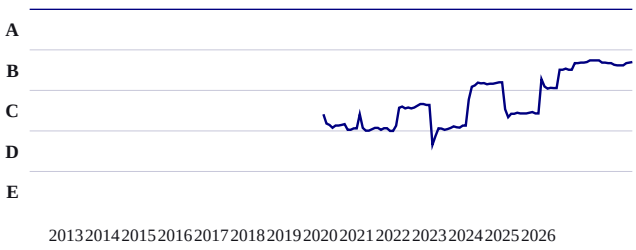
Profitability	B/C percentile 37.8
Solvency	C percentile 45.1
Growth and financing	B/C percentile 38.6
Reliability	0.94 AUC filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $2.67B assets total assets $15.5B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered not computable: fortress balance sheet
Inputs computable	9 of 14
Graded from	filings received through Feb 12, 2026 252 days before the rescan; latest periodic filing 10-Q received Aug 6, 2026
Last close	$79.61 2026-10-21; market equity $32.9B; 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 12, 2026

In order to sell our products, we must be able to produce and ship our products in sufficient quantities. Many of our products involve complex manufacturing processes and are sole-sourced from certain manufacturing sites. Minor deviations in our manufacturing or logistical processes, such as temperature excursions or improper package sealing, could result in delays, inventory shortages, unanticipated costs, product recalls, product liability and/or regulatory action. In addition, a number of factors could cause production interruptions that could result in launch delays, inventory shortages, recalls, unanticipated costs or issues with our supply agreements with third parties.

The fourteen inputs

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

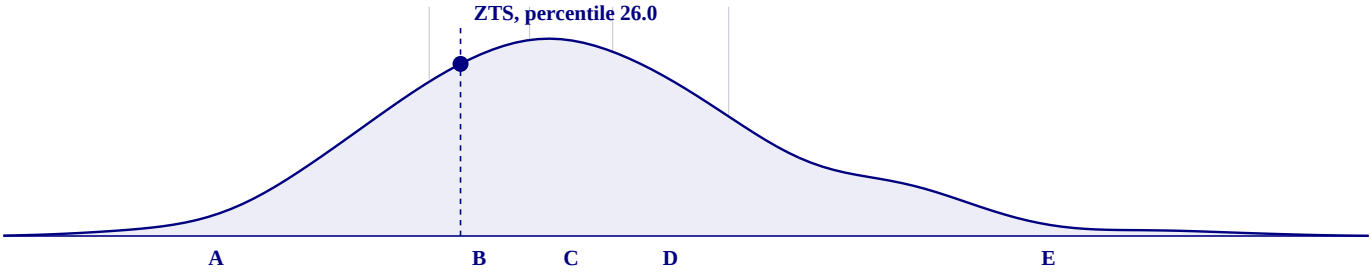
Input	Value	Peer median	Percentile, 0 to 100	Pct	Peers	Period end
Profitability, sleeve percentile 37.8						
Gross profitability	44.0%	32.3%		27.8	368	2025-12-31
Return on invested capital	not computable	9.3%				

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one or more required annual facts are missing					
Accruals ratio	(1.6%)	(6.6%)	77.4	809	2025-12-31
Gross margin stability, five years	0.7 pts	2.8 pts	8.3	242	2025-12-31
Solvency, sleeve percentile 45.1					
Twelve-month failure probability	0.05%	0.07%	34.6	247	2026-06-30
Altman Z double-prime	not computable	(0.33)			
one or more required annual facts are missing					
Net debt to EBITDA	not computable	1.82x			
one or more required annual facts are missing					
Interest coverage	not computable	(4.51x)			
one or more required annual facts are missing					
Current ratio	3.03x	2.94x	55.6	837	2025-12-31
Growth and financing, sleeve percentile 38.6					
Revenue growth, three-year compound	5.4%	10.1%	58.5	413	2025-12-31
Free cash flow growth, three-year compound	19.9%	10.9%	44.2	96	2025-12-31
Reinvestment rate	not computable	37.1%			
one or more required annual facts are missing					
Asset growth, three years	1.2%	2.1%	48.9	703	2025-12-31
Net share issuance, one year	(5.7%)	2.5%	2.7	634	2026-02-06

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
92	Amphastar Pharmaceuticals, Inc. (AMPH)	24.7	B	
93	NeuroPace Inc. (NPCE)	24.9	B	
94	Mannatech Inc. (MTEX)	25.2	B	late filer, fortress balance sheet
95	GE HealthCare Technologies Inc. (GEHC)	25.5	B	
96	Mirum Pharmaceuticals, Inc. (MIRM)	25.7	B	
97	Zoetis Inc. (ZTS)	26.0	B	
98	Phibro Animal Health Corp. (PAHC)	26.3	B	
99	Lineage Cell Therapeutics, Inc. (LCTX)	26.6	B	
100	Sensus Healthcare, Inc. (SRTS)	26.8	B	
101	Travere Therapeutics, Inc. (TVTX)	27.1	B	
102	Tela Bio, Inc. (TELA)	27.4	B	fortress balance sheet

What the price implies

at the 2026-10-21 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(46.3%)	7.7%	16
Distance from 52-week high	(46.0%)	(30.1%)	31
EBIT to enterprise value	not computable	(1.6%)	
Free cash flow yield	6.9%	(1.0%)	88

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Book value to price	0.10	0.28	26
Sales to price	0.29	0.31	48
Composite equity issuance, five years	(19.9%)	20.5%	8
Relative strength against the sector, log excess return	(0.83)	(0.14)	16

Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score 8 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	pass
No new shares issued	pass
Gross margin improved	pass
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	$1.5B
Operating cash flow, four quarters	$2.8B
Months of runway	not finite
Days since last periodic filing	77 (10-Q received Aug 6, 2026)
Median daily dollar volume, 63 sessions	$328.9M

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	revenue	us-gaap:Revenues	$9.5B	2025-12-31	2026-02-12	10-K	26-000011
2	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	$2.7B	2025-12-31	2026-02-12	10-K	26-000011
3	assets	us-gaap:Assets	$15.5B	2025-12-31	2026-02-12	10-K	26-000011
4	net income	us-gaap:NetIncomeLoss	$2.7B	2025-12-31	2026-02-12	10-K	26-000011
5	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$2.9B	2025-12-31	2026-02-12	10-K	26-000011
6	assets	us-gaap:Assets	$14.2B	2024-12-31	2026-02-12	10-K	26-000011
7	revenue	us-gaap:Revenues	$9.3B	2024-12-31	2026-02-12	10-K	26-000011
8	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	$2.7B	2024-12-31	2026-02-12	10-K	26-000011
9	revenue	us-gaap:Revenues	$8.5B	2023-12-31	2026-02-12	10-K	26-000011
10	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	$2.6B	2023-12-31	2026-02-12	10-K	26-000011
11	revenue	us-gaap:Revenues	$8.1B	2022-12-31	2025-02-13	10-K	25-000102
12	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	$2.5B	2022-12-31	2025-02-13	10-K	25-000102
13	revenue	us-gaap:Revenues	$7.8B	2021-12-31	2024-02-13	10-K	24-000143
14	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	$2.3B	2021-12-31	2024-02-13	10-K	24-000143
15	current assets	us-gaap:AssetsCurrent	$6.8B	2025-12-31	2026-02-12	10-K	26-000011
16	current liabilities	us-gaap:LiabilitiesCurrent	$2.2B	2025-12-31	2026-02-12	10-K	26-000011
17	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$621.0M	2025-12-31	2026-02-12	10-K	26-000011
18	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$3.0B	2024-12-31	2026-02-12	10-K	26-000011
19	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$655.0M	2024-12-31	2026-02-12	10-K	26-000011
20	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$2.4B	2023-12-31	2026-02-12	10-K	26-000011
21	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$732.0M	2023-12-31	2026-02-12	10-K	26-000011
22	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$1.9B	2022-12-31	2025-02-13	10-K	25-000102
23	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$586.0M	2022-12-31	2025-02-13	10-K	25-000102
24	assets	us-gaap:Assets	$14.3B	2023-12-31	2025-02-13	10-K	25-000102
25	assets	us-gaap:Assets	$14.9B	2022-12-31	2024-02-13	10-K	24-000143
26	shares outstanding	dei:EntityCommonStockSharesOutstanding	422,127,709	2026-02-06	2026-02-12	10-K	26-000011

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27	shares outstanding	dei:EntityCommonStockSharesOutstanding	447,791,917	2025-02-07	2025-02-13	10-K	25-000102	