PDF Solutions Inc.

PDFS

Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0001120914

C

middle fifth of 497 graded peers in business equipment

rank 225 of 497; percentile 45.2; sampling error 2.2 points; lower is stronger

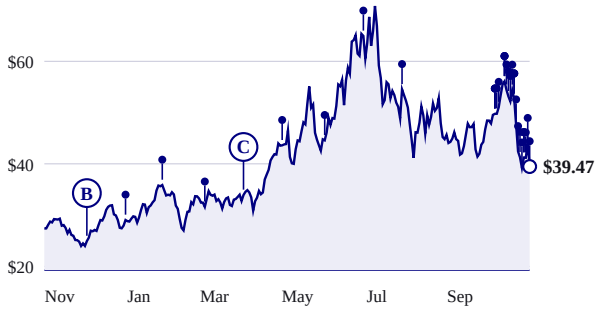
A B C D E

C, the tortoise



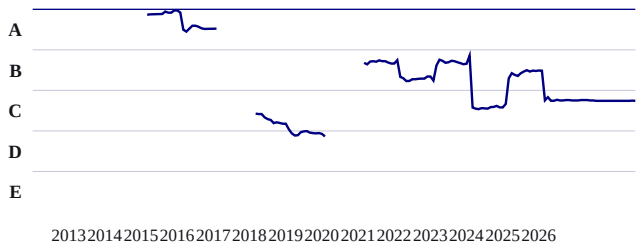
Scoreboard	
Profitability	C percentile 51.4
Solvency	C percentile 49.5
Growth and financing	B/C percentile 39.3
Reliability	0.87 AUC filers with $120M to $591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025
Peer failure rate	1.03% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	$120M to $591M assets total assets $418.7M
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered not computable: distress
Inputs computable	9 of 14
Graded from	filings received through Feb 24, 2026 241 days before the rescan; latest periodic filing 10-Q received Aug 6, 2026
Last close	$39.42 2026-10-22; market equity $1.7B; 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 24, 2026

We provide comprehensive data solutions designed to empower organizations across the semiconductor and electronics ecosystems to improve the yield and quality of their products and operational efficiency for increased profitability. We derive revenues from two categories, Platform and Volume-based fees. Our offerings that contribute to Platform revenue are licenses for software (other than Cimetrix® runtime licenses) and related software maintenance and technical support services; software-as-a-service ("SaaS"); engineering services; fixed fees associated with Characterization Vehicle® systems; and licenses and purchase contracts for DirectScan? systems (formerly known as "DFI systems").

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 51.4						
Gross profitability	37.8%	28.6%		31.2	558	2025-12-31
Return on invested capital	not computable	11.2%				

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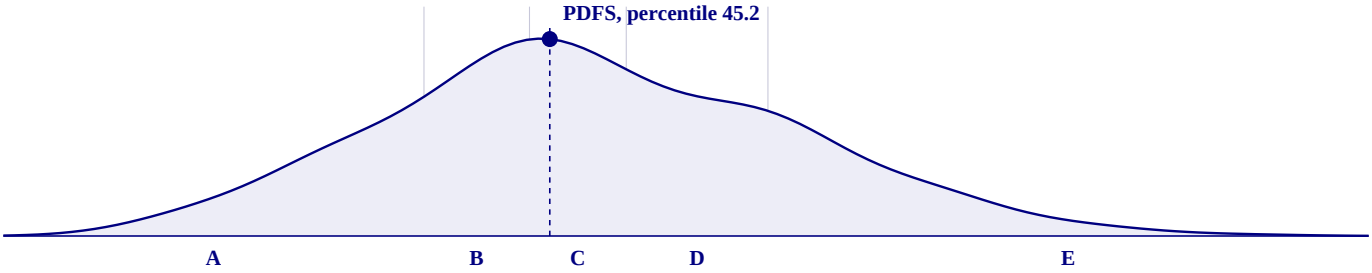
a prior annual debt, equity, and cash observation is required						
Accruals ratio	(6.7%)	(7.4%)		55.6	621	2025-12-31
Gross margin stability, five years	4.1 pts	2.3 pts		67.4	427	2025-12-31
Solvency, sleeve percentile 49.5						
Twelve-month failure probability	not computable	0.05%				
latest liabilities, cash plus short-term investments, book equity, and shares are required						
Altman Z double-prime	2.73	2.16		39.0	565	2025-12-31
Net debt to EBITDA	2.49x	1.11x		67.1	147	2025-12-31
Interest coverage	not computable	3.77x				
one or more required annual facts are missing						
Current ratio	2.28x	2.01x		42.3	665	2025-12-31
Growth and financing, sleeve percentile 39.3						
Revenue growth, three-year compound	13.8%	6.4%		29.7	537	2025-12-31
Free cash flow growth, three-year compound	not computable	18.0%				
current FCF must be positive and base FCF must exceed $100,000						
Reinvestment rate	not computable	14.3%				
pretax income must exceed the validity floor and imply a 0%-100% tax rate						
Asset growth, three years	14.5%	5.0%		26.0	562	2025-12-31
Net share issuance, one year	2.0%	0.5%		62.3	410	2026-02-20

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
220	Asana, Inc. (ASAN)	44.2	C	
221	Playtika Holding Corp. (PLTK)	44.4	C	
222	Seagate Technology Holdings plc (STX)	44.6	C	
223	OneSpan Inc. (OSPN)	44.8	C	
224	Varex Imaging Corp. (VREX)	45.0	C	
225	PDF Solutions Inc. (PDFS)	45.2	C	
226	Snowflake Inc. (SNOW)	45.4	C	
227	LGL Group Inc. (LGL)	45.6	C	fortress balance sheet
228	Western Digital Corp. (WDC)	45.8	C	fortress balance sheet
229	Illumina, Inc. (ILMN)	46.0	C	
230	Jabil Inc. (JBL)	46.2	C	

What the price implies

at the 2026-10-22 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	72.3%	2.2%	86
Distance from 52-week high	(44.2%)	(33.0%)	39
EBIT to enterprise value	0.4%	1.5%	38
Free cash flow yield	(0.5%)	2.8%	24

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Book value to price	0.22	0.26	45
Sales to price	0.13	0.31	25
Composite equity issuance, five years	12.8%	4.2%	61
Relative strength against the sector, log excess return	0.26	(0.26)	86

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	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	pass
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	$114.9M
Operating cash flow, four quarters	$38.7M
Months of runway	not finite
Days since last periodic filing	78 (10-Q received Aug 6, 2026)
Median daily dollar volume, 63 sessions	$26.2M

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	$158.4M	2025-12-31	2026-02-24	10-K	26-005366
2	assets	us-gaap:Assets	$418.7M	2025-12-31	2026-02-24	10-K	26-005366
3	operating income	us-gaap:OperatingIncomeLoss	$5.8M	2025-12-31	2026-02-24	10-K	26-005366
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$3.2M	2025-12-31	2026-02-24	10-K	26-005366
5	income tax	us-gaap:IncomeTaxExpenseBenefit	$3.8M	2025-12-31	2026-02-24	10-K	26-005366
6	total debt	us-gaap:LongTermDebt	$67.0M	2025-12-31	2026-02-24	10-K	26-005366
7	book equity	us-gaap:StockholdersEquity	$271.0M	2025-12-31	2026-02-24	10-K	26-005366
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$42.2M	2025-12-31	2026-02-24	10-K	26-005366
9	net income	us-gaap:NetIncomeLoss	-$640,000	2025-12-31	2026-02-24	10-K	26-005366
10	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$24.1M	2025-12-31	2026-02-24	10-K	26-005366
11	assets	us-gaap:Assets	$315.3M	2024-12-31	2026-02-24	10-K	26-005366
12	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAs...	$219.0M	2025-12-31	2026-02-24	10-K	26-005366
13	gross profit	us-gaap:GrossProfit	$125.3M	2024-12-31	2026-02-24	10-K	26-005366
14	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAs...	$179.5M	2024-12-31	2026-02-24	10-K	26-005366
15	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAs...	$165.8M	2023-12-31	2026-02-24	10-K	26-005366
16	cost of revenue	us-gaap:CostOfRevenue	$51.7M	2023-12-31	2026-02-24	10-K	26-005366
17	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAs...	$148.5M	2022-12-31	2025-02-27	10-K	25-001813
18	cost of revenue	us-gaap:CostOfRevenue	$47.9M	2022-12-31	2025-02-27	10-K	25-001813
19	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAs...	$111.1M	2021-12-31	2024-02-27	10-K	24-001843
20	cost of revenue	us-gaap:CostOfRevenue	$44.2M	2021-12-31	2024-02-27	10-K	24-001843
21	current assets	us-gaap:AssetsCurrent	$163.9M	2025-12-31	2026-02-24	10-K	26-005366
22	current liabilities	us-gaap:LiabilitiesCurrent	$71.9M	2025-12-31	2026-02-24	10-K	26-005366
23	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-$94.6M	2025-12-31	2026-02-24	10-K	26-005366
24	liabilities	us-gaap:Liabilities	$147.7M	2025-12-31	2026-02-24	10-K	26-005366
25	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$4.1M	2025-12-31	2026-02-24	10-K	26-005366
26	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$32.6M	2025-12-31	2026-02-24	10-K	26-005366

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27	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$9.7M	2024-12-31	2026-02-24	10-K	26-005366
28	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$17.2M	2024-12-31	2026-02-24	10-K	26-005366
29	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$14.6M	2023-12-31	2026-02-24	10-K	26-005366
30	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$11.2M	2023-12-31	2026-02-24	10-K	26-005366
31	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$32.3M	2022-12-31	2025-02-27	10-K	25-001813
32	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$8.4M	2022-12-31	2025-02-27	10-K	25-001813
33	current assets	us-gaap:AssetsCurrent	$206.0M	2024-12-31	2026-02-24	10-K	26-005366
34	current liabilities	us-gaap:LiabilitiesCurrent	$60.5M	2024-12-31	2026-02-24	10-K	26-005366
35	assets	us-gaap:Assets	$290.1M	2023-12-31	2025-02-27	10-K	25-001813
36	assets	us-gaap:Assets	$278.7M	2022-12-31	2024-02-27	10-K	24-001843
37	shares outstanding	dei:EntityCommonStockSharesOutstanding	39,890,709	2026-02-20	2026-02-24	10-K	26-005366
38	shares outstanding	dei:EntityCommonStockSharesOutstanding	39,113,755	2025-02-21	2025-02-27	10-K	25-001813

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