Pegasystems Inc.

PEGA

Nasdaq; business equipment; SIC 7374, Services-Computer Processing & Data Preparation; CIK 0001013857

A/B

on the A/B boundary of 496 graded peers in business equipm...

rank 95 of 496; percentile 19.0; sampling error 2.2 points; lower is stronger

A B C D E

A/B, the bull



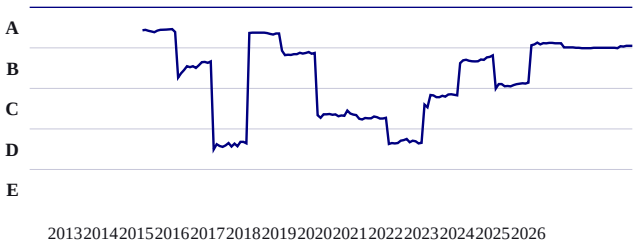
Scoreboard	
Profitability	B percentile 29.4
Solvency	C percentile 48.9
Growth and financing	B percentile 36.0
Reliability	0.91 AUC filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025
Peer failure rate	1.01% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	$591M to $2.67B assets total assets $1.6B
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 10, 2026 258 days before the rescan; latest periodic filing 10-Q received Oct 20, 2026
Last close	$36.44 2026-10-23; market equity $6.0B; 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 Feb 10, 2026

Our consulting revenue is significantly dependent upon our consulting personnel implementing new license and Pega Cloud arrangements. We derive a substantial portion of our consulting revenue from implementations of new license and Pega Cloud arrangements managed by our consulting personnel and consulting for partner and client-led implementation efforts. Our strategy is to support and encourage partner-led and client-led implementations to increase the breadth, capability, and depth of market capacity to deliver implementation services to our clients.

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 29.4						
Gross profitability	81.2%	28.6%		3.6	557	2025-12-31
Return on invested capital	not computable	11.2%				
one or more required annual facts are missing						

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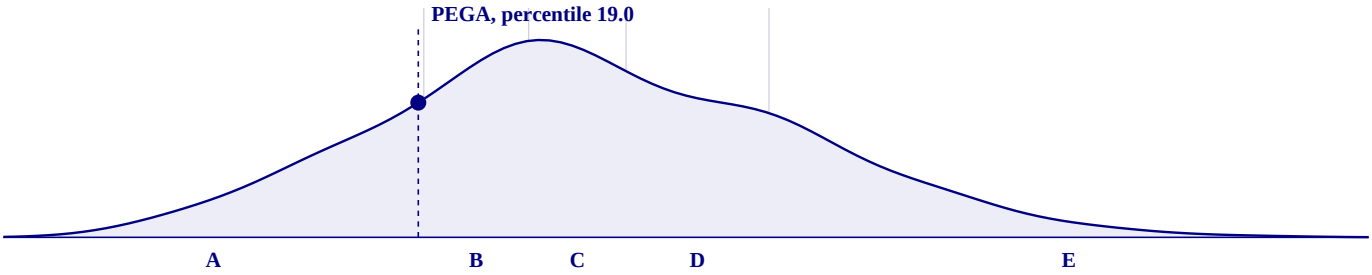
Accruals ratio	(6.6%)	(7.3%)	56.1	620	2025-12-31
Gross margin stability, five years	1.4 pts	2.3 pts	28.5	426	2025-12-31
Solvency, sleeve percentile 48.9					
Twelve-month failure probability	0.05%	0.05%	49.0	101	2026-09-30
Altman Z double-prime	3.96	2.15	28.6	567	2025-12-31
Net debt to EBITDA	not computable	1.11x			
one or more required annual facts are missing					
Interest coverage	not computable	3.77x			
latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31					
Current ratio	1.33x	2.01x	68.9	664	2025-12-31
Growth and financing, sleeve percentile 36.0					
Revenue growth, three-year compound	9.8%	6.4%	40.0	536	2025-12-31
Free cash flow growth, three-year compound	not computable	18.1%			
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	6.3%	5.1%	43.8	561	2025-12-31
Net share issuance, one year	(1.6%)	0.5%	24.3	409	2026-01-30

Among 496 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
90	Hubspot Inc. (HUBS)	18.0	A/B	
91	Nextpower Inc. (NXT)	18.2	A/B	
92	Jack Henry & Associates Inc. (JKHY)	18.4	A/B	
93	Teradyne, Inc. (TER)	18.6	A/B	fortress balance sheet
94	Paycom Software, Inc. (PAYC)	18.8	A/B	fortress balance sheet
95	Pegasystems Inc. (PEGA)	19.0	A/B	
96	KLA Corp. (KLAC)	19.2	A/B	
97	Verisk Analytics, Inc. (VRSK)	19.4	A/B	
98	Cadence Design Systems Inc. (CDNS)	19.6	A/B	
99	BlackSky Technology Inc. (BKSY)	19.8	A/B	
100	Grid Dynamics Holdings, Inc. (GDYN)	20.0	A/B	

What the price implies

at the 2026-10-23 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(35.6%)	2.2%	20
Distance from 52-week high	(45.3%)	(32.8%)	36
EBIT to enterprise value	not computable	1.6%	
Free cash flow yield	8.2%	2.9%	82
Book value to price	0.09	0.26	23

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Sales to price	0.29	0.32	48
Composite equity issuance, five years	(0.3%)	4.2%	42
Relative strength against the sector, log excess return	(0.72)	(0.26)	20

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	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	fail
Cash, filings, liquidity	
Cash and equivalents	$202.2M
Operating cash flow, four quarters	$462.7M
Months of runway	not finite
Days since last periodic filing	6 (10-Q received Oct 20, 2026)
Median daily dollar volume, 63 sessions	$66.5M

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	$1.3B	2025-12-31	2026-02-10	10-K	26-000017
2	assets	us-gaap:Assets	$1.6B	2025-12-31	2026-02-10	10-K	26-000017
3	net income	us-gaap:NetIncomeLoss	$393.4M	2025-12-31	2026-02-10	10-K	26-000017
4	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$505.2M	2025-12-31	2026-02-10	10-K	26-000017
5	assets	us-gaap:Assets	$1.8B	2024-12-31	2026-02-10	10-K	26-000017
6	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$1.7B	2025-12-31	2026-02-10	10-K	26-000017
7	gross profit	us-gaap:GrossProfit	$1.1B	2024-12-31	2026-02-10	10-K	26-000017
8	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$1.5B	2024-12-31	2026-02-10	10-K	26-000017
9	gross profit	us-gaap:GrossProfit	$1.1B	2023-12-31	2026-02-10	10-K	26-000017
10	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$1.4B	2023-12-31	2026-02-10	10-K	26-000017
11	gross profit	us-gaap:GrossProfit	$949.2M	2022-12-31	2025-02-12	10-K	25-000024
12	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$1.3B	2022-12-31	2025-02-12	10-K	25-000024
13	gross profit	us-gaap:GrossProfit	$875.3M	2021-12-31	2024-02-14	10-K	24-000012
14	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$1.2B	2021-12-31	2024-02-14	10-K	24-000012
15	current assets	us-gaap:AssetsCurrent	$978.3M	2025-12-31	2026-02-10	10-K	26-000017
16	current liabilities	us-gaap:LiabilitiesCurrent	$737.8M	2025-12-31	2026-02-10	10-K	26-000017
17	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	$463.4M	2025-12-31	2026-02-10	10-K	26-000017
18	operating income	us-gaap:OperatingIncomeLoss	$263.1M	2025-12-31	2026-02-10	10-K	26-000017
19	book equity	us-gaap:StockholdersEquity	$787.4M	2025-12-31	2026-02-10	10-K	26-000017
20	liabilities	us-gaap:Liabilities	$844.5M	2025-12-31	2026-02-10	10-K	26-000017
21	operating income	us-gaap:OperatingIncomeLoss	$81.0M	2023-12-31	2026-02-10	10-K	26-000017
22	interest expense	us-gaap:InterestExpense	$6.9M	2023-12-31	2024-02-14	10-K	24-000012
23	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$14.5M	2025-12-31	2026-02-10	10-K	26-000017
24	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$345.9M	2024-12-31	2026-02-10	10-K	26-000017
25	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$7.7M	2024-12-31	2026-02-10	10-K	26-000017
26	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$217.8M	2023-12-31	2026-02-10	10-K	26-000017
27	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$16.8M	2023-12-31	2026-02-10	10-K	26-000017

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28	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$22.3M	2022-12-31	2025-02-12	10-K	25-000024
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$35.4M	2022-12-31	2025-02-12	10-K	25-000024
30	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$13.7M	2025-12-31	2026-02-10	10-K	26-000017
31	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$280.6M	2025-12-31	2026-02-10	10-K	26-000017
32	income tax	us-gaap:IncomeTaxExpenseBenefit	-$112.8M	2025-12-31	2026-02-10	10-K	26-000017
33	current assets	us-gaap:AssetsCurrent	$1.3B	2024-12-31	2026-02-10	10-K	26-000017
34	current liabilities	us-gaap:LiabilitiesCurrent	$1.1B	2024-12-31	2026-02-10	10-K	26-000017
35	assets	us-gaap:Assets	$1.5B	2023-12-31	2025-02-12	10-K	25-000024
36	assets	us-gaap:Assets	$1.4B	2022-12-31	2024-02-14	10-K	24-000012
37	shares outstanding	dei:EntityCommonStockSharesOutstanding	169,043,716	2026-01-30	2026-02-10	10-K	26-000017
38	shares outstanding	dei:EntityCommonStockSharesOutstanding	85,898,878	2025-01-31	2025-02-12	10-K	25-000024

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