# Sonos Inc.

**SONO**

Nasdaq; consumer durables; SIC 3651, Household Audio & Video Equipment; CIK 0001314727

**C**

**middle fifth of 457 graded peers in the pooled consumer group**

rank 209 of 457; percentile 46.7; sampling error 2.3 points; lower is stronger

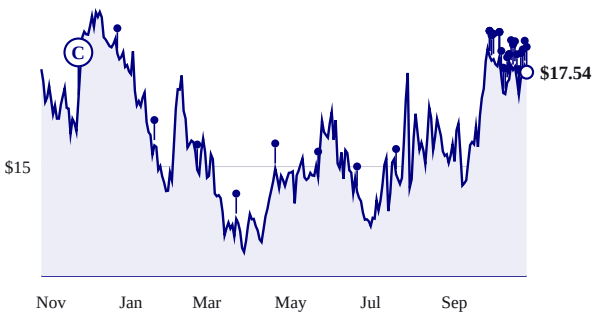
A B C D E

**C, the tortoise**



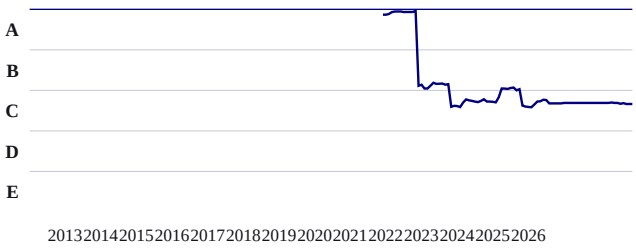
| Scoreboard | |
|---|---|
| **Profitability** | A/B<br>percentile 21.2 |
| **Solvency** | C<br>percentile 56.6 |
| **Growth and financing** | D<br>percentile 67.0 |
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure rate** | 1.01% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $591M to $2.67B assets<br>total assets $823.3M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered; fortress balance sheet<br>not computable: distress |
| **Inputs computable** | 8 of 14 |
| **Graded from** | filings received through Nov 14, 2025<br>346 days before the rescan; latest periodic filing 10-Q received Jul 29, 2026 |
| **Last close** | $17.55<br>2026-10-23; market equity $2.1B; 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 Nov 14, 2025*

Sonos is a leading audio company dedicated to elevating life through sound. Since pioneering multi-room wireless audio in 2005, Sonos has built a system that unites every dimension of sound - music, movies, stories and conversations - into one connected platform. The portfolio includes home theater speakers, components, plug-in and portable speakers, and headphones that compound in value with every room and device its customers add. Known for exceptional sound, thoughtful design, ease of use and seamless access to the world's audio content, Sonos is trusted by more than 17 million households in 60+ countries around the world.

## 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 21.2** | | | | | | |
| Gross profitability | 76.6% | 34.4% | | 9.6 | 470 | 2025-09-27 |
| Return on invested capital | not computable | 8.9% | | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (22.8%) | (5.1%) | 9.8 | 519 | 2025-09-27 |
| Gross margin stability, five years | 1.4 pts | 1.7 pts | 44.1 | 405 | 2025-09-27 |
| **Solvency, sleeve percentile 56.6** | | | | | |
| Twelve-month failure probability | not computable | 0.04% | | | |
| *latest liabilities, cash plus short-term investments, book equity, and shares are required* | | | | | |
| Altman Z double-prime | 1.15 | 2.13 | 58.7 | 398 | 2025-09-27 |
| Net debt to EBITDA | not computable | 2.08x | | | |
| *latest aligned inputs end 2020-10-03; latest annual assets end 2025-09-27* | | | | | |
| Interest coverage | not computable | 2.70x | | | |
| *latest aligned inputs end 2023-09-30; latest annual assets end 2025-09-27* | | | | | |
| Current ratio | 1.43x | 1.55x | 54.6 | 536 | 2025-09-27 |
| **Growth and financing, sleeve percentile 67.0** | | | | | |
| Revenue growth, three-year compound | (6.3%) | 1.5% | 79.9 | 479 | 2025-09-27 |
| Free cash flow growth, three-year compound | not computable | 8.2% | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | |
| Reinvestment rate | not computable | 12.2% | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | |
| Asset growth, three years | (11.5%) | 2.0% | 86.5 | 484 | 2025-09-27 |
| Net share issuance, one year | (1.3%) | (0.3%) | 34.5 | 378 | 2025-10-27 |

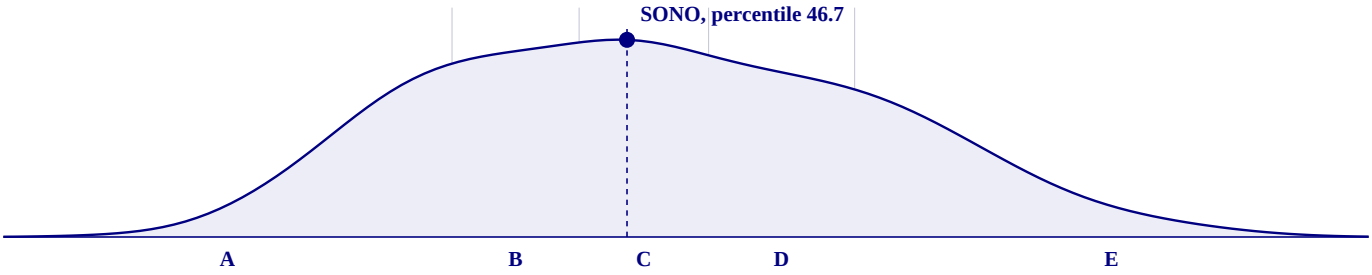
## Warnings

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

| Check | Measured |
|---|---|
| Fortress balance sheet | cash minus debt is 382,182,000 USD; Altman Z is not used |

## Among 457 peers

*consumer durables; 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 |
|---|---|---|---|---|
| 204 | LKQ Corp. (LKQ) | 45.7 | C | |
| 205 | Adient plc (ADNT) | 45.8 | C | |
| 206 | Herbalife Ltd. (HLF) | 46.1 | C | |
| 207 | Philip Morris International Inc. (PM) | 46.3 | C | |
| 208 | First Watch Restaurant Group, Inc. (FWRG) | 46.5 | C | |
| 209 | Sonos Inc. (SONO) | 46.7 | C | fortress balance sheet |
| 210 | Yum China Holdings, Inc. (YUMC) | 46.9 | C | |
| 211 | Altria Group, Inc. (MO) | 47.2 | C | |
| 212 | Honest Company, Inc. (HNST) | 47.2 | C | |
| 213 | Amcor plc (AMCR) | 47.6 | C | |
| 214 | Starbucks Corp. (SBUX) | 47.6 | C | |

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## 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 | (1.3%) | (0.1%) | 48 |
| Distance from 52-week high | (8.5%) | (24.6%) | 80 |
| EBIT to enterprise value | (2.7%) | 4.9% | 20 |
| Free cash flow yield | 5.2% | 4.4% | 56 |
| Book value to price | 0.19 | 0.43 | 28 |
| Sales to price | 0.70 | 1.46 | 27 |
| Composite equity issuance, five years | 4.7% | (16.0%) | 81 |
| Relative strength against the sector, log excess return | 0.01 | (0.01) | 52 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None of 9, period end 2025-09-27** | |
| 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 | pass |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $206.9M |
| Operating cash flow, four quarters | $147.1M |
| Months of runway | not finite |
| Days since last periodic filing | 89 (10-Q received Jul 29, 2026) |
| Median daily dollar volume, 63 sessions | $27.4M |

## 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 | $630.5M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 2 | assets | us-gaap:Assets | $823.3M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | -$27.2M | 2020-10-03 | 2022-11-23 | 10-K | 22-025663 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$20.1M | 2020-10-03 | 2022-11-23 | 10-K | 22-025663 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $32,000 | 2020-10-03 | 2022-11-23 | 10-K | 22-025663 |
| 6 | total debt | us-gaap:LongTermDebt | $24.9M | 2020-10-03 | 2021-11-22 | 10-K | 21-000039 |
| 7 | book equity | us-gaap:StockholdersEquity | $297.8M | 2020-10-03 | 2023-11-20 | 10-K | 23-065135 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $407.1M | 2020-10-03 | 2021-11-22 | 10-K | 21-000039 |
| 9 | total debt | us-gaap:LongTermDebt | $33.2M | 2019-09-28 | 2020-11-23 | 10-K | 20-000052 |
| 10 | book equity | us-gaap:StockholdersEquity | $280.9M | 2019-09-28 | 2022-11-23 | 10-K | 22-025663 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $338.6M | 2019-09-28 | 2020-11-23 | 10-K | 20-000052 |
| 12 | net income | us-gaap:NetIncomeLoss | -$61.1M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $136.9M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 14 | assets | us-gaap:Assets | $916.3M | 2024-09-28 | 2025-11-14 | 10-K | 25-000090 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.4B | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 16 | gross profit | us-gaap:GrossProfit | $689.4M | 2024-09-28 | 2025-11-14 | 10-K | 25-000090 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.5B | 2024-09-28 | 2025-11-14 | 10-K | 25-000090 |
| 18 | gross profit | us-gaap:GrossProfit | $716.5M | 2023-09-30 | 2025-11-14 | 10-K | 25-000090 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.7B | 2023-09-30 | 2025-11-14 | 10-K | 25-000090 |
| 20 | gross profit | us-gaap:GrossProfit | $796.4M | 2022-10-01 | 2024-11-15 | 10-K | 24-000026 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.8B | 2022-10-01 | 2024-11-15 | 10-K | 24-000026 |
| 22 | gross profit | us-gaap:GrossProfit | $810.0M | 2021-10-02 | 2023-11-20 | 10-K | 23-065135 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.7B | 2021-10-02 | 2023-11-20 | 10-K | 23-065135 |
| 24 | current assets | us-gaap:AssetsCurrent | $504.0M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $352.4M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$112.1M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 27 | operating income | us-gaap:OperatingIncomeLoss | -$50.5M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 28 | book equity | us-gaap:StockholdersEquity | $355.2M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 29 | liabilities | us-gaap:Liabilities | $468.1M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 30 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $36.4M | 2020-10-03 | 2022-11-23 | 10-K | 22-025663 |
| 31 | operating income | us-gaap:OperatingIncomeLoss | -$20.5M | 2023-09-30 | 2025-11-14 | 10-K | 25-000090 |
| 32 | interest expense | us-gaap:InterestExpense | $733,000 | 2023-09-30 | 2023-11-20 | 10-K | 23-065135 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $28.7M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $189.9M | 2024-09-28 | 2025-11-14 | 10-K | 25-000090 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $55.2M | 2024-09-28 | 2025-11-14 | 10-K | 25-000090 |
| 36 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $100.4M | 2023-09-30 | 2025-11-14 | 10-K | 25-000090 |
| 37 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $50.3M | 2023-09-30 | 2023-11-20 | 10-K | 23-065135 |
| 38 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$28.3M | 2022-10-01 | 2024-11-15 | 10-K | 24-000026 |
| 39 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $46.2M | 2022-10-01 | 2023-11-20 | 10-K | 23-065135 |
| 40 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $62.3M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 41 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$50.5M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 42 | income tax | us-gaap:IncomeTaxExpenseBenefit | $10.6M | 2025-09-27 | 2025-11-14 | 10-K | 25-000090 |
| 43 | current assets | us-gaap:AssetsCurrent | $551.1M | 2024-09-28 | 2025-11-14 | 10-K | 25-000090 |
| 44 | current liabilities | us-gaap:LiabilitiesCurrent | $366.2M | 2024-09-28 | 2025-11-14 | 10-K | 25-000090 |
| 45 | assets | us-gaap:Assets | $1.0B | 2023-09-30 | 2024-11-15 | 10-K | 24-000026 |
| 46 | assets | us-gaap:Assets | $1.2B | 2022-10-01 | 2023-11-20 | 10-K | 23-065135 |
| 47 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 120,240,651 | 2025-10-27 | 2025-11-14 | 10-K | 25-000090 |
| 48 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 121,763,776 | 2024-10-26 | 2024-11-15 | 10-K | 24-000026 |

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