# System1, Inc.

**SST**

NYSE; business equipment; SIC 7370, Services-Computer Programming, Data Processing, Etc.; CIK 0001805833

**E**

**weakest fifth of 496 graded peers in business equipment**

rank 482 of 496; percentile 97.2; sampling error 2.2 points; lower is stronger

A B C D E

**E, the bear**



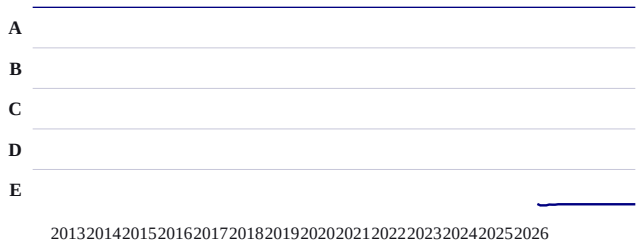
| Scoreboard | |
|---|---|
| **Profitability** | C/D<br>percentile 58.5 |
| **Solvency** | D/E<br>percentile 80.0 |
| **Growth and financing** | E<br>percentile 95.2 |
| **Reliability** | 0.87 AUC<br>filers with $120M to $591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025 |
| **Peer failure rate** | 1.03% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $120M to $591M assets<br>total assets $405.0M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: dilution, distress |
| **Inputs computable** | 7 of 14 |
| **Graded from** | filings received through Mar 11, 2026<br>229 days before the rescan; latest periodic filing 10-Q received Aug 5, 2026 |
| **Last close** | $2.08<br>2026-10-23; market equity $0; 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 Mar 11, 2026*

Throughout this report, the "Company," "System1," "we," "us," "our" and other similar terms refer to System1, Inc. and its subsidiaries. We operate several flagship brands across multiple consumer verticals, including shopping, travel and search, and a best-in-class customer acquisition and marketing platform powered by Artificial Intelligence ("AI") and machine learning. Our platform is omnichannel and omnivertical, delivering high-intent customers to our advertising partners to maximize their reach and effectiveness.

## 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 58.5** | | | | | | |
| Gross profitability | 24.8% | 28.6% | | 56.3 | 557 | 2025-12-31 |
| Return on invested capital | (23.0%) | 11.2% | | 88.7 | 134 | 2025-12-31 |
| Accruals ratio | (14.2%) | (7.3%) | | 30.4 | 620 | 2025-12-31 |

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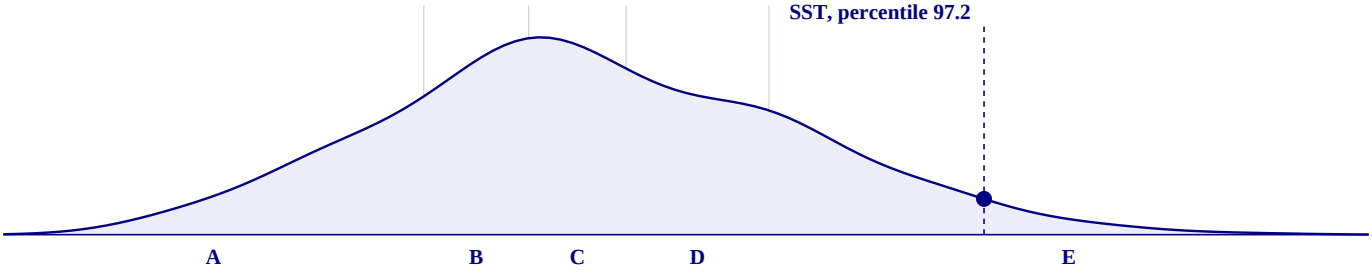
| | | | | | | |
|---|---|---|---|---|---|---|
| Gross margin stability, five years | not computable | 2.3 pts | | | | |
| *five annual gross margins are required; found 2* | | | | | | |
| **Solvency, sleeve percentile 80.0** | | | | | | |
| Twelve-month failure probability | not computable | 0.05% | | | | |
| *firm-wide XBRL shares cannot be assigned to one ticker class* | | | | | | |
| Altman Z double-prime | (7.72) | 2.15 | | 79.0 | 567 | 2025-12-31 |
| Net debt to EBITDA | not computable | 1.11x | | | | |
| *EBITDA must exceed $100,000* | | | | | | |
| Interest coverage | not computable | 3.77x | | | | |
| *latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31* | | | | | | |
| Current ratio | 1.02x | 2.01x | | 81.0 | 664 | 2025-12-31 |
| **Growth and financing, sleeve percentile 95.2** | | | | | | |
| Revenue growth, three-year compound | (24.2%) | 6.4% | | 94.8 | 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% | | | | |
| *NOPAT must exceed $100,000* | | | | | | |
| Asset growth, three years | (29.6%) | 5.1% | | 95.7 | 561 | 2025-12-31 |
| Net share issuance, one year | not computable | 0.5% | | | | |
| *firm-wide XBRL shares cannot be assigned to one ticker class* | | | | | | |

## 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 |
|---|---|---|---|---|
| 477 | Microchip Technology Inc. (MCHPP) | 96.1 | E | |
| 478 | Cyngn Inc. (CYN) | 96.4 | E | dilution, short runway, late filer, distress |
| 479 | FTC Solar, Inc. (FTCI) | 96.6 | E | short runway, fortress balance sheet |
| 480 | Ideal Power Inc. (IPWR) | 96.8 | E | dilution, degenerate inputs, fortress balance sheet |
| 481 | Bionano Genomics, Inc. (BNGO) | 97.0 | E | dilution, short runway, fortress balance sheet |
| 482 | System1, Inc. (SST) | 97.2 | E | |
| 483 | Astrotech Corp. (ASTC) | 97.4 | E | distress, fortress balance sheet |
| 484 | Healthcare Triangle, Inc. (HCTI) | 97.6 | E | dilution, short runway, late filer |
| 485 | Flux Power Holdings, Inc. (FLUX) | 97.8 | E | dilution, short runway, late filer |
| 486 | Firy Inc. (FIRY) | 98.0 | E | late filer, fortress balance sheet |
| 487 | Rackspace Technology, Inc. (RXT) | 98.2 | E | late filer |

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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 | (68.2%) | 2.2% | 7 |
| Distance from 52-week high | (66.2%) | (32.8%) | 17 |
| EBIT to enterprise value | not computable | 1.6% | |
| Free cash flow yield | not computable | 2.9% | |
| Book value to price | not computable | 0.26 | |
| Sales to price | not computable | 0.32 | |
| Composite equity issuance, five years | not computable | 4.2% | |
| Relative strength against the sector, log excess return | (1.43) | (0.26) | 7 |

## 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 | fail |
| 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 | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $40.5M |
| Operating cash flow, four quarters | -$40.9M |
| Months of runway | 11.9 |
| Days since last periodic filing | 82 (10-Q received Aug 5, 2026) |
| Median daily dollar volume, 63 sessions | $187,706 |

## 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:RevenueFromContractWithCustomerExcludingA... | $266.1M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 2 | cost of revenue | us-gaap:CostOfRevenue | $165.7M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 3 | assets | us-gaap:Assets | $405.0M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 4 | operating income | us-gaap:OperatingIncomeLoss | -$62.0M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 5 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$84.1M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 6 | income tax | us-gaap:IncomeTaxExpenseBenefit | -$2.9M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 7 | total debt | us-gaap:LongTermDebt | $305.1M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 8 | book equity | us-gaap:StockholdersEquity | $30.5M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 9 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $86.9M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 10 | total debt | us-gaap:LongTermDebtAndCapitalLeaseObligations | $255.1M | 2024-12-31 | 2025-03-10 | 10-K | 25-011690 |
| 11 | book equity | us-gaap:StockholdersEquity | $80.3M | 2024-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 12 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $63.6M | 2024-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 13 | net income | us-gaap:NetIncomeLoss | -$65.3M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 14 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$4.1M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 15 | assets | us-gaap:Assets | $459.1M | 2024-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 16 | current assets | us-gaap:AssetsCurrent | $149.5M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 17 | current liabilities | us-gaap:LiabilitiesCurrent | $146.4M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 18 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$847.7M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | liabilities | us-gaap:Liabilities | $387.6M | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 20 | depreciation amortization | us-gaap:Depreciation | $600,000 | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 21 | operating income | us-gaap:OperatingIncomeLoss | -$86.0M | 2023-12-31 | 2025-03-10 | 10-K | 25-011690 |
| 22 | interest expense | us-gaap:InterestExpense | $48.7M | 2023-12-31 | 2024-03-15 | 10-K | 24-000041 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $343.9M | 2024-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 24 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $402.0M | 2023-12-31 | 2025-03-10 | 10-K | 25-011690 |
| 25 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $612.2M | 2022-12-31 | 2024-03-15 | 10-K | 24-000041 |
| 26 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $46,000 | 2025-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 27 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$5.3M | 2024-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 28 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $31,000 | 2024-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 29 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$24.7M | 2023-12-31 | 2025-03-10 | 10-K | 25-011690 |
| 30 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $2.4M | 2023-12-31 | 2025-03-10 | 10-K | 25-011690 |
| 31 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $3.3M | 2022-12-31 | 2024-03-15 | 10-K | 24-000041 |
| 32 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $3.5M | 2022-12-31 | 2024-03-15 | 10-K | 24-000041 |
| 33 | current assets | us-gaap:AssetsCurrent | $134.5M | 2024-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 34 | current liabilities | us-gaap:LiabilitiesCurrent | $105.1M | 2024-12-31 | 2026-03-11 | 10-K | 26-000014 |
| 35 | assets | us-gaap:Assets | $605.5M | 2023-12-31 | 2025-03-10 | 10-K | 25-011690 |
| 36 | assets | us-gaap:Assets | $1.2B | 2022-12-31 | 2024-03-15 | 10-K | 24-000041 |

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