# KinderCare Learning Companies, Inc. KLC

NYSE; other; SIC 8351, Services-Child Day Care Services; CIK 0001873529

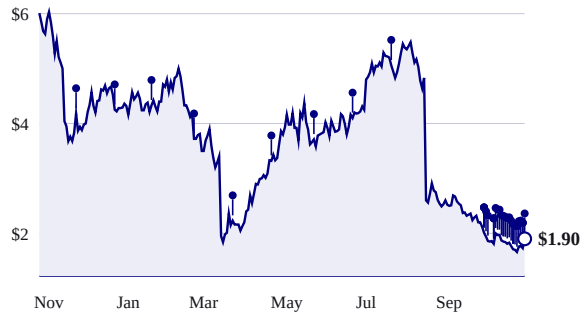
# None

**No letter**

5 of 14 inputs computable; 7 are required, with a score in every sleeve

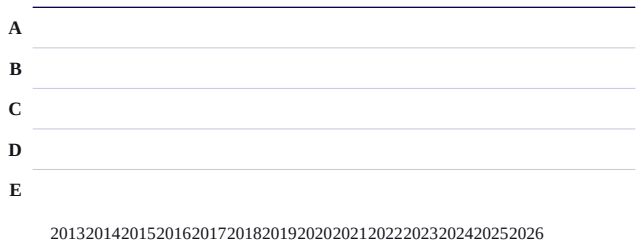
| Scoreboard | |
|---|---|
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $3.7B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | thin data<br>not computable: distress |
| **Inputs computable** | 5 of 14 |
| **Graded from** | filings received through Mar 13, 2026<br>229 days before the rescan; latest periodic filing 10-Q received Aug 13, 2026 |
| **Last close** | $1.90<br>2026-10-27; market equity $225.2M; 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 13, 2026*

KinderCare Learning Companies, Inc. (the "Company," "KinderCare," "we," "us" and "our") is a leading private provider of high-quality early education and child care services ("ECE") in the United States. We are a mission-driven organization, rooted in a commitment to providing all children with the very best start in life. We serve children ranging from six weeks to 12 years of age across our footprint. We operate a national network of community-based centers, employer-sponsored programs and before- and after-school sites. Our proprietary curriculum is supported by third-party assessment tools that measure school readiness outcomes.

## 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 28.9** | | | | | | |
| Gross profitability | not computable | 27.0% | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Return on invested capital | not computable | 10.0% | | | | |

Not investment advice. Informational and educational only. Data from SEC EDGAR, may contain errors, is not warranted. The grade ranks reported financial condition and is not a return forecast.

| | | | | | | |
|---|---|---|---|---|---|---|
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | | |
| Accruals ratio | (9.5%) | (5.8%) | 28.9 | 503 | 2026-01-03 | |
| Gross margin stability, five years | not computable | 2.2 pts | | | | |
| *five annual gross margins are required; found 0* | | | | | | |
| **Solvency, sleeve percentile 75.9** | | | | | | |
| 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 | (0.06) | 2.05 | 60.9 | 385 | 2026-01-03 | |
| Net debt to EBITDA | 7.64x | 2.52x | 87.8 | 182 | 2026-01-03 | |
| Interest coverage | not computable | 2.45x | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Current ratio | 0.74x | 1.33x | 78.9 | 507 | 2026-01-03 | |
| **Growth and financing, sleeve percentile 54.0** | | | | | | |
| Revenue growth, three-year compound | not computable | 5.1% | | | | |
| *four annual observations are required; found 2* | | | | | | |
| Free cash flow growth, three-year compound | not computable | 8.8% | | | | |
| *four consecutive annual FCF observations are required; found 2* | | | | | | |
| Reinvestment rate | not computable | 11.6% | | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | | |
| Asset growth, three years | not computable | 4.2% | | | | |
| *four annual observations are required; found 2* | | | | | | |
| Net share issuance, one year | 0.3% | (0.5%) | 54.0 | 353 | 2026-03-10 | |

## Warnings

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

| Check | Measured |
|---|---|
| Thin data | 5 of 14 grade factors are computable; minimum is 7 |

## What the price implies

*at the 2026-10-27 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | (62.0%) | 2.0% | 5 |
| Distance from 52-week high | (68.5%) | (25.4%) | 8 |
| EBIT to enterprise value | (2.1%) | 4.3% | 17 |
| Free cash flow yield | 49.0% | 4.1% | 99 |
| Book value to price | 2.07 | 0.34 | 97 |
| Sales to price | 12.14 | 0.71 | 98 |
| Composite equity issuance, five years | not computable | (8.9%) | |
| Relative strength against the sector, log excess return | (1.12) | (0.13) | 5 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None of 9, period end 2026-01-03** | |
| 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 | pass |
| No new shares issued | fail |
| Gross margin improved | fail |

Not investment advice. Informational and educational only. Data from SEC EDGAR, may contain errors, is not warranted. The grade ranks reported financial condition and is not a return forecast.

| | |
|---|---|
| Asset turnover improved | fail |

**Cash, filings, liquidity**

| | |
|---|---|
| Cash and equivalents | $173.7M |
| Operating cash flow, four quarters | $209.5M |
| Months of runway | not finite |
| Days since last periodic filing | 76 (10-Q received Aug 13, 2026) |
| Median daily dollar volume, 63 sessions | $1.6M |

## 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 | operating income | us-gaap:OperatingIncomeLoss | -$20.1M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 2 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$93.3M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 3 | income tax | us-gaap:IncomeTaxExpenseBenefit | $19.5M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 4 | total debt | us-gaap:LongTermDebt | $927.5M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 5 | book equity | us-gaap:StockholdersEquity | $755.3M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 6 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $133.2M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 7 | total debt | us-gaap:LongTermDebt | $926.0M | 2024-12-28 | 2026-03-13 | 10-K | 26-106342 |
| 8 | book equity | us-gaap:StockholdersEquity | $864.5M | 2024-12-28 | 2026-03-13 | 10-K | 26-106342 |
| 9 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $62.3M | 2024-12-28 | 2026-03-13 | 10-K | 26-106342 |
| 10 | net income | us-gaap:NetIncomeLoss | -$112.9M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 11 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $238.5M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 12 | assets | us-gaap:Assets | $3.7B | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 13 | assets | us-gaap:Assets | $3.6B | 2024-12-28 | 2026-03-13 | 10-K | 26-106342 |
| 14 | current assets | us-gaap:AssetsCurrent | $358.0M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 15 | current liabilities | us-gaap:LiabilitiesCurrent | $484.9M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 16 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$82.6M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 17 | liabilities | us-gaap:Liabilities | $3.0B | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 18 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $124.0M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.7B | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 20 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.7B | 2024-12-28 | 2026-03-13 | 10-K | 26-106342 |
| 21 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $128.3M | 2026-01-03 | 2026-03-13 | 10-K | 26-106342 |
| 22 | current assets | us-gaap:AssetsCurrent | $214.8M | 2024-12-28 | 2026-03-13 | 10-K | 26-106342 |
| 23 | current liabilities | us-gaap:LiabilitiesCurrent | $412.8M | 2024-12-28 | 2026-03-13 | 10-K | 26-106342 |
| 24 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 118,355,797 | 2026-03-10 | 2026-03-13 | 10-K | 26-106342 |
| 25 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 118,006,276 | 2025-03-19 | 2025-03-21 | 10-K | 25-043210 |

Not investment advice. Informational and educational only. Data from SEC EDGAR, may contain errors, is not warranted. The grade ranks reported financial condition and is not a return forecast.