Mercer International Inc.

MERC

Nasdaq; manufacturing; SIC 2611, Pulp Mills; CIK 0001333274

D/E

on the D/E boundary of 255 graded peers in manufacturing

rank 203 of 255; percentile 79.5; sampling error 3.0 points; lower is stronger

A B C D E

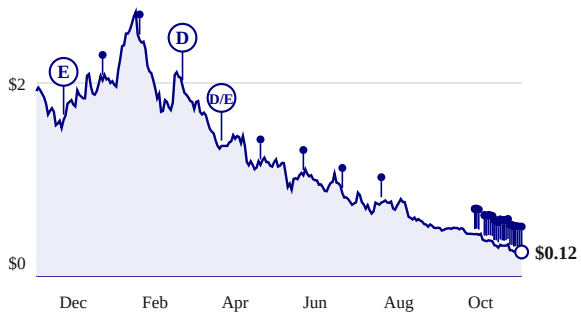
D/E, the sloth



Scoreboard

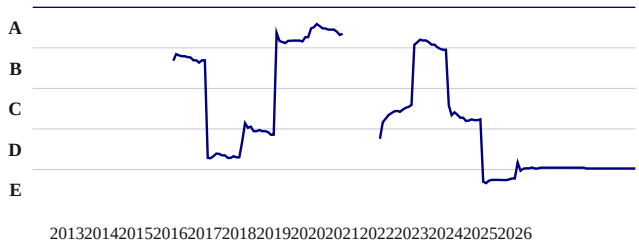
Profitability	C	percentile 50.8
Solvency	C	percentile 52.8
Growth and financing	D	percentile 76.1
Reliability	0.91 AUC	filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025
Peer failure rate	1.01% a year	Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	$591M to $2.67B assets	total assets $2.0B
Standard universe	inside	revenue above $1M and assets above $10M
Warnings	none triggered	not computable: distress
Inputs computable	7 of 14	
Graded from	filings received through Feb 12, 2026	263 days before the rescan; latest periodic filing 10-Q received Aug 6, 2026
Last close	$0.12	2026-10-30; market equity $8.1M; 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 12, 2026

references to "we", "our", "us", the "Company" or "Mercer" mean Mercer International Inc. and its subsidiaries, unless the context clearly suggests otherwise, and references to "Mercer Inc." mean Mercer International Inc. excluding its subsidiaries; references to "$" or "dollars" are to U.S. dollars, which is our reporting currency, unless otherwise stated; "?" are to euros; and "C$" are to Canadian dollars; references to "MW" mean megawatts and "MWh" mean megawatt hours; our lumber metrics are converted from m3 to Mfbm using a conversion ratio of 1.6 m3 of lumber equaling one Mfbm, which is the ratio commonly used in the industry.

The fourteen inputs

lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight

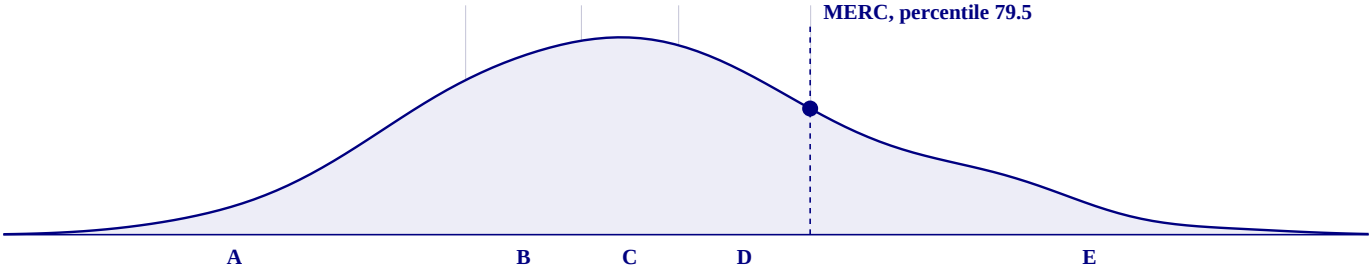
Input	Value	Peer median	Percentile, 0 to 100	Pct	Peers	Period end
Profitability, sleeve percentile 50.8						
Gross profitability	not computable	21.9%				
latest aligned inputs end 2013-12-31; latest annual assets end 2025-12-31						
Return on invested capital	(24.2%)	9.7%		95.0	102	2025-12-31

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Accruals ratio	(23.5%)	(3.6%)	6.5	307	2025-12-31
Gross margin stability, five years	not computable	2.1 pts			
five annual gross margins are required; found 3					
Solvency, sleeve percentile 52.8					
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	0.16	3.66	75.2	243	2025-12-31
Net debt to EBITDA	not computable	1.78x			
EBITDA must exceed $100,000					
Interest coverage	not computable	5.09x			
latest aligned inputs end 2018-12-31; latest annual assets end 2025-12-31					
Current ratio	3.05x	2.25x	30.3	324	2025-12-31
Growth and financing, sleeve percentile 76.1					
Revenue growth, three-year compound	(6.4%)	2.2%	85.1	269	2025-12-31
Free cash flow growth, three-year compound	not computable	13.5%			
current FCF must be positive and base FCF must exceed $100,000					
Reinvestment rate	not computable	26.1%			
NOPAT must exceed $100,000					
Asset growth, three years	(9.2%)	4.3%	87.0	277	2025-12-31
Net share issuance, one year	0.2%	0.01%	56.2	241	2026-02-10

Among 255 peers

manufacturing; 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
198	Mativ Holdings, Inc. (MATV)	77.6	D/E	
199	Otis Worldwide Corp. (OTIS)	78.0	D/E	
200	Eastman Kodak Co. (KODK)	78.3	D/E	fortress balance sheet
201	Silgan Holdings Inc. (SLGN)	78.7	D/E	
202	Regal Rexnord Corp. (RRX)	79.1	D/E	
203	Mercer International Inc. (MERC)	79.5	D/E	
204	NN Inc. (NNBR)	79.9	D/E	
205	Redwire Corp. (RDW)	80.3	D/E	dilution, fortress balance sheet
206	American Superconductor Corp. (AMSC)	80.7	D/E	
207	Crane NXT, Co. (CXT)	81.1	D/E	
208	Broadwind, Inc. (BWEN)	81.5	D/E	

What the price implies

at the 2026-10-30 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(85.2%)	9.8%	0
Distance from 52-week high	(95.7%)	(26.2%)	0
EBIT to enterprise value	(25.4%)	4.2%	4

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Free cash flow yield	(994.7%)	3.5%	0
Book value to price	(12.18)	0.36	0
Sales to price	232.28	0.53	100
Composite equity issuance, five years	(13.4%)	(9.6%)	37
Relative strength against the sector, log excess return	(1.99)	0.01	0

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	fail
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	$78.8M
Operating cash flow, four quarters	-$84.7M
Months of runway	11.2
Days since last periodic filing	88 (10-Q received Aug 6, 2026)
Median daily dollar volume, 63 sessions	$198,401

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	$89.2M	2013-12-31	2014-02-21	10-K	14-061585
2	assets	us-gaap:Assets	$1.5B	2013-12-31	2015-02-13	10-K	15-050364
3	operating income	us-gaap:OperatingIncomeLoss	-$397.7M	2025-12-31	2026-02-12	10-K	26-048855
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	-$511.2M	2025-12-31	2026-02-12	10-K	26-048855
5	income tax	us-gaap:IncomeTaxExpenseBenefit	-$13.3M	2025-12-31	2026-02-12	10-K	26-048855
6	total debt	us-gaap:LongTermDebtAndCapitalLeaseObligations	$1.6B	2025-12-31	2026-02-12	10-K	26-048855
7	book equity	us-gaap:StockholdersEquity	$68.1M	2025-12-31	2026-02-12	10-K	26-048855
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$186.8M	2025-12-31	2026-02-12	10-K	26-048855
9	total debt	us-gaap:LongTermDebtAndCapitalLeaseObligations	$1.5B	2024-12-31	2026-02-12	10-K	26-048855
10	book equity	us-gaap:StockholdersEquity	$429.8M	2024-12-31	2026-02-12	10-K	26-048855
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$184.9M	2024-12-31	2026-02-12	10-K	26-048855
12	net income	us-gaap:NetIncomeLoss	-$497.9M	2025-12-31	2026-02-12	10-K	26-048855
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$8.6M	2025-12-31	2026-02-12	10-K	26-048855
14	assets	us-gaap:Assets	$2.0B	2025-12-31	2026-02-12	10-K	26-048855
15	assets	us-gaap:Assets	$2.3B	2024-12-31	2026-02-12	10-K	26-048855
16	current assets	us-gaap:AssetsCurrent	$865.8M	2025-12-31	2026-02-12	10-K	26-048855
17	current liabilities	us-gaap:LiabilitiesCurrent	$283.6M	2025-12-31	2026-02-12	10-K	26-048855
18	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-$277.0M	2025-12-31	2026-02-12	10-K	26-048855
19	liabilities	us-gaap:Liabilities	$2.0B	2025-12-31	2026-02-12	10-K	26-048855
20	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$160.0M	2025-12-31	2026-02-12	10-K	26-048855
21	operating income	us-gaap:OperatingIncomeLoss	$267.9M	2018-12-31	2021-02-16	10-K	21-006106
22	interest expense	us-gaap:InterestExpense	$51.5M	2018-12-31	2019-02-14	10-K	19-041195
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$1.9B	2025-12-31	2026-02-12	10-K	26-048855
24	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.0B	2024-12-31	2026-02-12	10-K	26-048855
25	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.0B	2023-12-31	2026-02-12	10-K	26-048855

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26	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.3B	2022-12-31	2025-02-20	10-K	25-024217
27	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$88.6M	2025-12-31	2026-02-12	10-K	26-048855
28	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$90.2M	2024-12-31	2026-02-12	10-K	26-048855
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$84.3M	2024-12-31	2026-02-12	10-K	26-048855
30	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-$69.0M	2023-12-31	2026-02-12	10-K	26-048855
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$136.3M	2023-12-31	2026-02-12	10-K	26-048855
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$360.7M	2022-12-31	2025-02-20	10-K	25-024217
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$178.7M	2022-12-31	2025-02-20	10-K	25-024217
34	current assets	us-gaap:AssetsCurrent	$910.0M	2024-12-31	2026-02-12	10-K	26-048855
35	current liabilities	us-gaap:LiabilitiesCurrent	$256.5M	2024-12-31	2026-02-12	10-K	26-048855
36	assets	us-gaap:Assets	$2.7B	2023-12-31	2025-02-20	10-K	25-024217
37	assets	us-gaap:Assets	$2.7B	2022-12-31	2024-02-15	10-K	24-015942
38	shares outstanding	dei:EntityCommonStockSharesOutstanding	66,982,506	2026-02-10	2026-02-12	10-K	26-048855
39	shares outstanding	dei:EntityCommonStockSharesOutstanding	66,870,774	2025-02-18	2025-02-20	10-K	25-024217

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