# Watts Water Technologies Inc.

**WTS**

NYSE; manufacturing; SIC 3490, Miscellaneous Fabricated Metal Products; CIK 0000795403

**A**

**strongest fifth of 255 graded peers in manufacturing**

rank 24 of 255; percentile 9.1; sampling error 3.0 points; lower is stronger

A B C D E

**A, the bull**



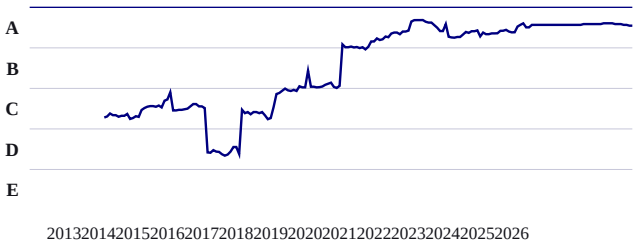
| Scoreboard | |
|---|---|
| **Profitability** | B/C<br>percentile 42.7 |
| **Solvency** | B<br>percentile 24.7 |
| **Growth and financing** | B<br>percentile 33.1 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $2.9B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered; fortress balance sheet<br>not computable: dilution, distress |
| **Inputs computable** | 9 of 14 |
| **Graded from** | filings received through Feb 23, 2026<br>252 days before the rescan; latest periodic filing 10-Q received Aug 6, 2026 |
| **Last close** | $348.13<br>2026-10-30; 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 Feb 23, 2026*

In this Annual Report on Form 10-K, references to "the Company," "Watts Water," "Watts," "we," "us" or "our" refer to Watts Water Technologies, Inc. and its consolidated subsidiaries. Watts Regulator Co. was founded by Joseph E. Watts in 1874 in Lawrence, Massachusetts. Watts Regulator Co. started as a small machine shop supplying parts to the New England textile mills of the 19th century. Since then, Watts has grown into a global manufacturer and become one of the world's leading providers of water technologies and solutions that are designed to promote safety, energy efficiency, and water conservation for commercial and residential buildings. Watts Water Technologies, Inc.

## 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 42.7** | | | | | | |
| Gross profitability | 41.9% | 21.9% | | 10.2 | 276 | 2025-12-31 |
| Return on invested capital | not computable | 9.7% | | | | |

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.

| | | | | | |
|---|---|---|---|---|---|
| *latest aligned inputs end 2020-12-31; latest annual assets end 2025-12-31* | | | | | |
| Accruals ratio | (2.3%) | (3.6%) | 61.4 | 307 | 2025-12-31 |
| Gross margin stability, five years | 2.5 pts | 2.1 pts | 56.6 | 229 | 2025-12-31 |
| **Solvency, sleeve percentile 24.7** | | | | | |
| Twelve-month failure probability | not computable | 0.04% | | | |
| *liabilities and a nearby cover-page share count are required at 2026-06-28* | | | | | |
| Altman Z double-prime | not computable | 3.66 | | | |
| *one or more required annual facts are missing* | | | | | |
| Net debt to EBITDA | not computable | 1.78x | | | |
| *latest aligned inputs end 2020-12-31; latest annual assets end 2025-12-31* | | | | | |
| Interest coverage | 41.49x | 5.09x | 9.5 | 64 | 2025-12-31 |
| Current ratio | 2.51x | 2.25x | 39.9 | 324 | 2025-12-31 |
| **Growth and financing, sleeve percentile 33.1** | | | | | |
| Revenue growth, three-year compound | 7.2% | 2.2% | 28.7 | 269 | 2025-12-31 |
| Free cash flow growth, three-year compound | 22.1% | 13.5% | 37.9 | 141 | 2025-12-31 |
| Reinvestment rate | 28.3% | 26.1% | 47.8 | 139 | 2025-12-31 |
| Asset growth, three years | 14.3% | 4.3% | 18.1 | 277 | 2025-12-31 |
| Net share issuance, one year | not computable | 0.01% | | | |
| *two annual share counts are required; found 0* | | | | | |

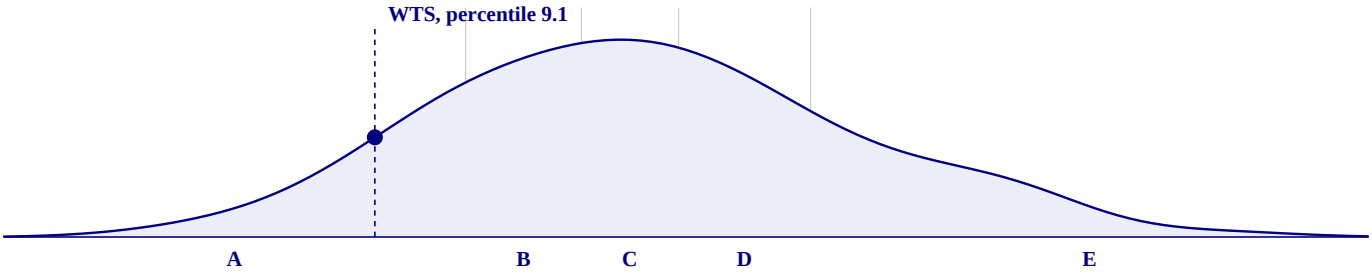
## Warnings

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

| Check | Measured |
|---|---|
| Fortress balance sheet | cash minus debt is 18,900,000 USD; Altman Z is not used |

## 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 |
|---|---|---|---|---|
| 19 | Heico Corp. (HEI-A) | 6.9 | A | |
| 20 | BWX Technologies, Inc. (BWXT) | 7.5 | A | |
| 21 | Omega Flex, Inc. (OFLX) | 7.9 | A | |
| 22 | LAM Research Corp. (LRCX) | 8.3 | A | fortress balance sheet |
| 23 | Eagle Materials Inc. (EXP) | 8.7 | A | |
| 24 | Watts Water Technologies Inc. (WTS) | 9.1 | A | fortress balance sheet |
| 25 | Ennis, Inc. (EBF) | 9.4 | A | |
| 26 | SPX Technologies, Inc. (SPXC) | 9.8 | A | |
| 27 | Astronics Corp. (ATRO) | 10.2 | A | |
| 28 | Howmet Aerospace Inc. (HWM) | 10.6 | A | |
| 29 | TechnipFMC plc (FTI) | 11.0 | A | fortress balance sheet |

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## 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 | 30.6% | 9.8% | 68 |
| Distance from 52-week high | (11.4%) | (26.2%) | 78 |
| EBIT to enterprise value | not computable | 4.2% | |
| Free cash flow yield | not computable | 3.5% | |
| Book value to price | not computable | 0.36 | |
| Sales to price | not computable | 0.53 | |
| Composite equity issuance, five years | not computable | (9.6%) | |
| Relative strength against the sector, log excess return | 0.18 | 0.01 | 68 |

## 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 | pass |
| Current ratio improved | fail |
| No new shares issued | fail |
| Gross margin improved | pass |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $347.9M |
| Operating cash flow, four quarters | $397.9M |
| Months of runway | not finite |
| Days since last periodic filing | 88 (10-Q received Aug 6, 2026) |
| Median daily dollar volume, 63 sessions | $71.8M |

## 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 | $1.2B | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 2 | assets | us-gaap:Assets | $2.9B | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $181.1M | 2020-12-31 | 2023-02-21 | 10-K | 23-001614 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $167.0M | 2020-12-31 | 2021-02-18 | 10-K | 21-001199 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $52.7M | 2020-12-31 | 2023-02-21 | 10-K | 23-001614 |
| 6 | total debt | us-gaap:LongTermDebt | $200.0M | 2020-12-31 | 2021-02-18 | 10-K | 21-001199 |
| 7 | book equity | us-gaap:StockholdersEquity | $1.1B | 2020-12-31 | 2024-02-21 | 10-K | 24-001444 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $218.9M | 2020-12-31 | 2022-02-22 | 10-K | 22-001530 |
| 9 | total debt | us-gaap:LongTermDebt | $310.0M | 2019-12-31 | 2021-02-18 | 10-K | 21-001199 |
| 10 | book equity | us-gaap:StockholdersEquity | $978.0M | 2019-12-31 | 2023-02-21 | 10-K | 23-001614 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $219.7M | 2019-12-31 | 2021-02-18 | 10-K | 21-001199 |
| 12 | net income | us-gaap:NetIncomeLoss | $340.8M | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $402.0M | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 14 | assets | us-gaap:Assets | $2.4B | 2024-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.4B | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 16 | gross profit | us-gaap:GrossProfit | $1.1B | 2024-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.3B | 2024-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 18 | gross profit | us-gaap:GrossProfit | $960.9M | 2023-12-31 | 2026-02-23 | 10-K | 26-018541 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.1B | 2023-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 20 | gross profit | us-gaap:GrossProfit | $874.3M | 2022-12-31 | 2025-02-18 | 10-K | 25-001102 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.0B | 2022-12-31 | 2025-02-18 | 10-K | 25-001102 |
| 22 | gross profit | us-gaap:GrossProfit | $767.1M | 2021-12-31 | 2024-02-21 | 10-K | 24-001444 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.8B | 2021-12-31 | 2024-02-21 | 10-K | 24-001444 |
| 24 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $46.5M | 2020-12-31 | 2023-02-21 | 10-K | 23-001614 |
| 25 | operating income | us-gaap:OperatingIncomeLoss | $448.1M | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 26 | interest expense | us-gaap:InterestExpense | $10.8M | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 27 | current assets | us-gaap:AssetsCurrent | $1.3B | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 28 | current liabilities | us-gaap:LiabilitiesCurrent | $512.4M | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $45.7M | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 30 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $361.1M | 2024-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $35.3M | 2024-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $310.8M | 2023-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $29.7M | 2023-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $224.0M | 2022-12-31 | 2025-02-18 | 10-K | 25-001102 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $28.1M | 2022-12-31 | 2025-02-18 | 10-K | 25-001102 |
| 36 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $56.8M | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 37 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $445.8M | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 38 | income tax | us-gaap:IncomeTaxExpenseBenefit | $105.0M | 2025-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 39 | current assets | us-gaap:AssetsCurrent | $1.1B | 2024-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 40 | current liabilities | us-gaap:LiabilitiesCurrent | $417.9M | 2024-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 41 | assets | us-gaap:Assets | $2.3B | 2023-12-31 | 2026-02-23 | 10-K | 26-018541 |
| 42 | assets | us-gaap:Assets | $1.9B | 2022-12-31 | 2025-02-18 | 10-K | 25-001102 |

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