# Palo Alto Networks Inc.

**PANW**

Nasdaq; business equipment; SIC 3577, Computer Peripheral Equipment, NEC; CIK 0001327567

# C/D

**on the C/D boundary of 498 graded peers in business equip...**

rank 302 of 498; percentile 60.6; sampling error 2.2 points; lower is stronger

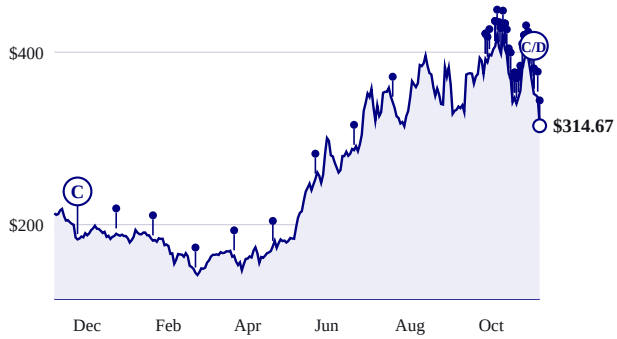
A B C D E

**C/D, the tortoise**



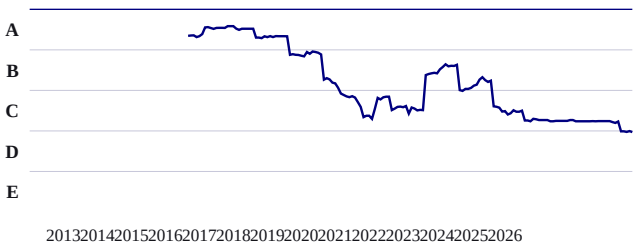
| Scoreboard | |
|---|---|
| **Profitability** | C<br>percentile 50.1 |
| **Solvency** | C<br>percentile 54.6 |
| **Growth and financing** | C<br>percentile 51.0 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $48.5B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered |
| **Inputs computable** | 11 of 14 |
| **Graded from** | filings received through Sep 10, 2026<br>57 days before the rescan; latest periodic filing 10-K received Sep 10, 2026 |
| **Last close** | $314.91<br>2026-11-05; market equity $257.6B; 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 Sep 10, 2026*

Palo Alto Networks, Inc. is a global artificial intelligence ("AI") cybersecurity provider and our vision is a world where each day is safer and more secure than the one before. We were incorporated in 2005 and are headquartered in Santa Clara, California. Our mission is to be the cybersecurity partner of choice, protecting our digital way of life. Our platforms and services help secure enterprise users, networks, clouds, endpoints, AI apps and agents, and identities by delivering comprehensive cybersecurity backed by AI and automation, and provide real-time visibility and monitoring across cloud infrastructure, applications and AI workloads.

## 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 50.1** | | | | | | |
| Gross profitability | 16.7% | 28.7% | | 68.6 | 555 | 2026-07-31 |
| Return on invested capital | not computable | 11.4% | | | | |

*latest aligned inputs end 2023-07-31; latest annual assets end 2026-07-31*

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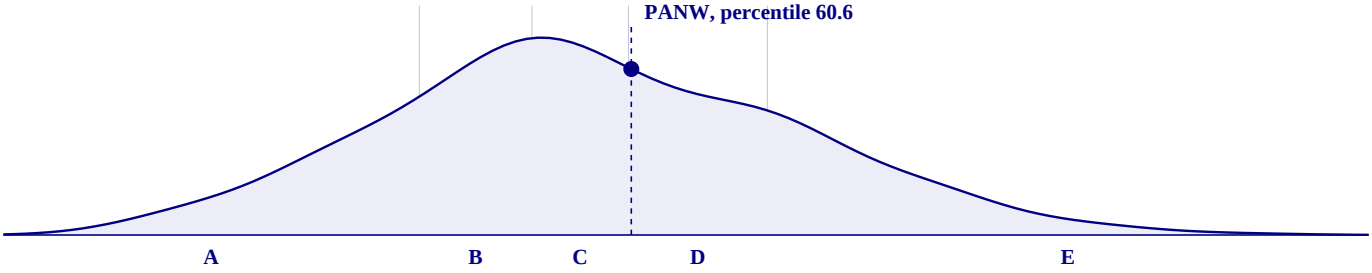
| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (11.8%) | (7.3%) | 35.7 | 618 | 2026-07-31 |
| Gross margin stability, five years | 2.0 pts | 2.3 pts | 46.1 | 426 | 2026-07-31 |
| **Solvency, sleeve percentile 54.6** | | | | | |
| Twelve-month failure probability | 0.03% | 0.05% | 28.4 | 103 | 2026-07-31 |
| Altman Z double-prime | 1.49 | 2.18 | 49.1 | 565 | 2026-07-31 |
| Net debt to EBITDA | not computable | 1.08x | | | |
| *latest aligned inputs end 2023-07-31; latest annual assets end 2026-07-31* | | | | | |
| Interest coverage | not computable | 3.77x | | | |
| *latest aligned inputs end 2024-07-31; latest annual assets end 2026-07-31* | | | | | |
| Current ratio | 0.87x | 2.01x | 86.3 | 663 | 2026-07-31 |
| **Growth and financing, sleeve percentile 51.0** | | | | | |
| Revenue growth, three-year compound | 18.5% | 6.4% | 21.0 | 535 | 2026-07-31 |
| Free cash flow growth, three-year compound | 16.1% | 18.0% | 52.7 | 265 | 2026-07-31 |
| Reinvestment rate | (309.0%) | 13.5% | 89.6 | 223 | 2026-07-31 |
| Asset growth, three years | 49.5% | 5.1% | 6.1 | 560 | 2026-07-31 |
| Net share issuance, one year | 22.3% | 0.5% | 85.5 | 409 | 2026-08-31 |

## Among 498 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 |
|---|---|---|---|---|
| 297 | Next Technology Holding Inc. (NXTT) | 59.6 | C/D | dilution, late filer |
| 298 | IPG Photonics Corp. (IPGP) | 59.8 | C/D | fortress balance sheet |
| 299 | Backblaze, Inc. (BLZE) | 60.0 | C/D | |
| 300 | Nlight, Inc. (LASR) | 60.2 | C/D | fortress balance sheet |
| 301 | Northrop Grumman Corp. (NOC) | 60.4 | C/D | |
| 302 | Palo Alto Networks Inc. (PANW) | 60.6 | C/D | |
| 303 | Rockwell Automation, Inc. (ROK) | 60.8 | C/D | |
| 304 | Mettler Toledo International (MTD) | 61.0 | C/D | |
| 305 | NXP Semiconductors N.V. (NXPI) | 61.2 | C/D | |
| 306 | Bentley Systems Inc. (BSY) | 61.4 | C/D | |
| 307 | Weave Communications, Inc. (WEAV) | 61.6 | C/D | fortress balance sheet |

## What the price implies

*at the 2026-11-05 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 80.4% | (2.0%) | 86 |
| Distance from 52-week high | (25.1%) | (37.7%) | 65 |
| EBIT to enterprise value | 0.3% | 1.8% | 37 |
| Free cash flow yield | 1.6% | 3.0% | 34 |
| Book value to price | 0.11 | 0.30 | 22 |
| Sales to price | 0.04 | 0.33 | 5 |
| Composite equity issuance, five years | 33.6% | 4.2% | 81 |

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| | | | |
|---|---|---|---|
| Relative strength against the sector, log excess return | 0.32 | (0.29) | 86 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None of 9, period end 2026-07-31** | |
| Return on assets above zero | pass |
| 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 | $2.5B |
| Operating cash flow, four quarters | $4.6B |
| Months of runway | not finite |
| Days since last periodic filing | 57 (10-K received Sep 10, 2026) |
| Median daily dollar volume, 63 sessions | $2.0B |

## 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 | $8.1B | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 2 | assets | us-gaap:Assets | $48.5B | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $387.3M | 2023-07-31 | 2025-08-29 | 10-K | 25-000027 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $566.3M | 2023-07-31 | 2025-08-29 | 10-K | 25-000027 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $126.6M | 2023-07-31 | 2025-08-29 | 10-K | 25-000027 |
| 6 | total debt | us-gaap:LongTermDebt | $2.0B | 2023-07-31 | 2023-09-01 | 10-K | 23-000024 |
| 7 | book equity | us-gaap:StockholdersEquity | $1.7B | 2023-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $1.1B | 2023-07-31 | 2025-08-29 | 10-K | 25-000027 |
| 9 | total debt | us-gaap:LongTermDebt | $3.7B | 2022-07-31 | 2023-09-01 | 10-K | 23-000024 |
| 10 | book equity | us-gaap:StockholdersEquity | $210.0M | 2022-07-31 | 2025-08-29 | 10-K | 25-000027 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $2.1B | 2022-07-31 | 2024-09-06 | 10-K | 24-000029 |
| 12 | net income | us-gaap:NetIncomeLoss | $307.0M | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $4.6B | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 14 | assets | us-gaap:Assets | $23.6B | 2025-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $11.5B | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 16 | gross profit | us-gaap:GrossProfit | $6.8B | 2025-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $9.2B | 2025-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 18 | gross profit | us-gaap:GrossProfit | $6.0B | 2024-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $8.0B | 2024-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 20 | gross profit | us-gaap:GrossProfit | $5.0B | 2023-07-31 | 2025-08-29 | 10-K | 25-000027 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $6.9B | 2023-07-31 | 2025-08-29 | 10-K | 25-000027 |
| 22 | gross profit | us-gaap:GrossProfit | $3.8B | 2022-07-31 | 2024-09-06 | 10-K | 24-000029 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $5.5B | 2022-07-31 | 2024-09-06 | 10-K | 24-000029 |
| 24 | current assets | us-gaap:AssetsCurrent | $8.6B | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $9.9B | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | $2.8B | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 27 | operating income | us-gaap:OperatingIncomeLoss | $695.0M | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 28 | book equity | us-gaap:StockholdersEquity | $27.5B | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 29 | liabilities | us-gaap:Liabilities | $21.0B | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 30 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $282.2M | 2023-07-31 | 2025-08-29 | 10-K | 25-000027 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 31 | operating income | us-gaap:OperatingIncomeLoss | $684.0M | 2024-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 32 | interest expense | us-gaap:InterestExpense | $8.3M | 2024-07-31 | 2024-09-06 | 10-K | 24-000029 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $440.0M | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $3.7B | 2025-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $247.0M | 2025-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 36 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $3.3B | 2024-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 37 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $157.0M | 2024-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 38 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $2.8B | 2023-07-31 | 2025-08-29 | 10-K | 25-000027 |
| 39 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $146.3M | 2023-07-31 | 2025-08-29 | 10-K | 25-000027 |
| 40 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $855.0M | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 41 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $536.0M | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 42 | income tax | us-gaap:IncomeTaxExpenseBenefit | $229.0M | 2026-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 43 | current assets | us-gaap:AssetsCurrent | $7.5B | 2025-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 44 | current liabilities | us-gaap:LiabilitiesCurrent | $8.0B | 2025-07-31 | 2026-09-10 | 10-K | 26-000023 |
| 45 | assets | us-gaap:Assets | $20.0B | 2024-07-31 | 2025-08-29 | 10-K | 25-000027 |
| 46 | assets | us-gaap:Assets | $14.5B | 2023-07-31 | 2024-09-06 | 10-K | 24-000029 |
| 47 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 818,000,000 | 2026-08-31 | 2026-09-10 | 10-K | 26-000023 |
| 48 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 668,900,000 | 2025-08-18 | 2025-08-29 | 10-K | 25-000027 |

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