# Varonis Systems Inc.

**VRNS**

Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0001361113

**B**

**second fifth of 498 graded peers in business equipment**

rank 135 of 498; percentile 27.0; sampling error 2.2 points; lower is stronger

A B C D E

**B, the elk**



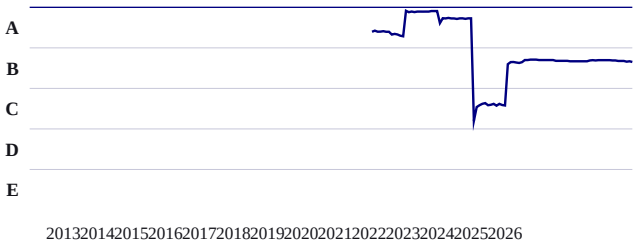
| Scoreboard | |
|---|---|
| **Profitability** | C<br>percentile 42.4 |
| **Solvency** | C<br>percentile 50.6 |
| **Growth and financing** | B<br>percentile 32.2 |
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure rate** | 1.01% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $591M to $2.67B assets<br>total assets $1.8B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: distress, fortress balance sheet |
| **Inputs computable** | 8 of 14 |
| **Graded from** | filings received through Feb 4, 2026<br>275 days before the rescan; latest periodic filing 10-Q received Nov 4, 2026 |
| **Last close** | $48.73<br>2026-11-05; market equity $5.6B; 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 Feb 4, 2026*

We were incorporated under the laws of the State of Delaware on November 3, 2004 and commenced operations on January 1, 2005. Our principal offices are located at 801 Brickell Avenue, Miami, FL 33131. For convenience in this report, the terms "Company," "Varonis," "we" and "us" may be used to refer to Varonis Systems, Inc. and/or its subsidiaries, except where indicated otherwise. Our telephone number is (877) 292-8767. Varonis is a data security company focused on protecting what matters most to organizations: their data.

## 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 42.4** | | | | | | |
| Gross profitability | 27.4% | 28.7% | | 48.2 | 555 | 2025-12-31 |
| Return on invested capital | not computable | 11.4% | | | | |
| *one or more required annual facts are missing* | | | | | | |

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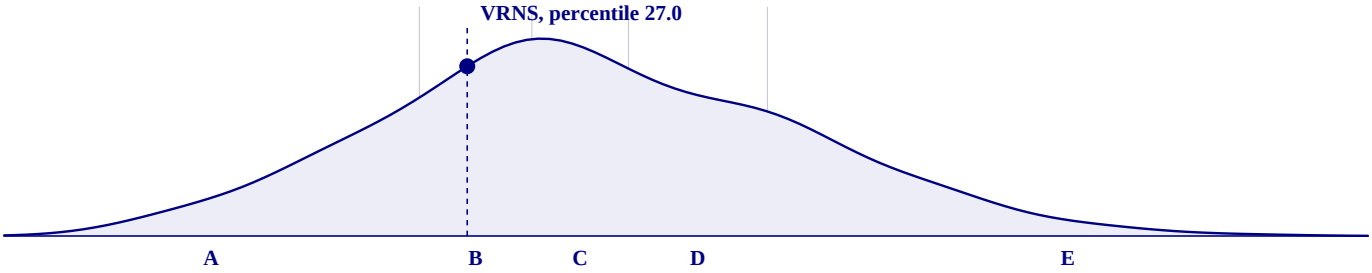
| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (16.0%) | (7.3%) | 24.8 | 618 | 2025-12-31 |
| Gross margin stability, five years | 2.5 pts | 2.3 pts | 54.4 | 426 | 2025-12-31 |
| **Solvency, sleeve percentile 50.6** | | | | | |
| Twelve-month failure probability | not computable | 0.05% | | | |
| *liabilities and a nearby cover-page share count are required at 2026-09-30* | | | | | |
| Altman Z double-prime | not computable | 2.18 | | | |
| *one or more required annual facts are missing* | | | | | |
| Net debt to EBITDA | not computable | 1.08x | | | |
| *one or more required annual facts are missing* | | | | | |
| Interest coverage | not computable | 3.77x | | | |
| *one or more required annual facts are missing* | | | | | |
| Current ratio | 1.97x | 2.01x | 50.6 | 663 | 2025-12-31 |
| **Growth and financing, sleeve percentile 32.2** | | | | | |
| Revenue growth, three-year compound | 9.6% | 6.4% | 41.2 | 535 | 2025-12-31 |
| Free cash flow growth, three-year compound | 557.2% | 18.0% | 0.4 | 265 | 2025-12-31 |
| Reinvestment rate | not computable | 13.5% | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | |
| Asset growth, three years | 19.7% | 5.1% | 18.8 | 560 | 2025-12-31 |
| Net share issuance, one year | 4.4% | 0.5% | 68.6 | 409 | 2026-01-30 |

## 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 |
|---|---|---|---|---|
| 130 | Turtle Beach Corp. (TBCH) | 26.0 | B | |
| 131 | NVE Corp. (NVEC) | 26.2 | B | |
| 132 | Trade Desk, Inc. (TTD) | 26.4 | B | |
| 133 | Odysight.ai Inc. (ODYS) | 26.6 | B | |
| 134 | Quantum Computing Inc. (QUBT) | 26.8 | B | dilution |
| 135 | Varonis Systems Inc. (VRNS) | 27.0 | B | |
| 136 | Cytek Biosciences, Inc. (CTKB) | 27.2 | B | |
| 137 | Diebold Nixdorf, Inc. (DBD) | 27.4 | B | |
| 138 | Inspired Entertainment, Inc. (INSE) | 27.6 | B | late filer |
| 139 | Epam Systems, Inc. (EPAM) | 27.8 | B | fortress balance sheet |
| 140 | IonQ, Inc. (IONQ) | 28.0 | B | dilution, short runway |

## 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 | 34.7% | (2.0%) | 73 |
| Distance from 52-week high | (2.8%) | (37.7%) | 92 |
| EBIT to enterprise value | not computable | 1.8% | |
| Free cash flow yield | 2.4% | 3.0% | 42 |

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| | | | |
|---|---|---|---|
| Book value to price | 0.08 | 0.30 | 16 |
| Sales to price | 0.11 | 0.33 | 17 |
| Composite equity issuance, five years | 18.8% | 4.2% | 68 |
| Relative strength against the sector, log excess return | 0.03 | (0.29) | 73 |

## 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 | pass |
| 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 |
| Asset turnover improved | fail |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $271.0M |
| Operating cash flow, four quarters | $133.0M |
| Months of runway | not finite |
| Days since last periodic filing | 2 (10-Q received Nov 4, 2026) |
| Median daily dollar volume, 63 sessions | $76.4M |

## 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 | $491.6M | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 2 | assets | us-gaap:Assets | $1.8B | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 3 | net income | us-gaap:NetIncomeLoss | -$129.3M | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 4 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $147.4M | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 5 | assets | us-gaap:Assets | $1.7B | 2024-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 6 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $623.5M | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 7 | gross profit | us-gaap:GrossProfit | $457.1M | 2024-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 8 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $551.0M | 2024-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 9 | gross profit | us-gaap:GrossProfit | $427.4M | 2023-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 10 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $499.2M | 2023-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 11 | gross profit | us-gaap:GrossProfit | $403.8M | 2022-12-31 | 2025-02-06 | 10-K | 25-004187 |
| 12 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $473.6M | 2022-12-31 | 2025-02-06 | 10-K | 25-004187 |
| 13 | gross profit | us-gaap:GrossProfit | $330.7M | 2021-12-31 | 2024-02-06 | 10-K | 24-003498 |
| 14 | revenue | us-gaap:RevenueFromContractWithCustomerIncludingAs... | $390.1M | 2021-12-31 | 2024-02-06 | 10-K | 24-003498 |
| 15 | current assets | us-gaap:AssetsCurrent | $1.3B | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 16 | current liabilities | us-gaap:LiabilitiesCurrent | $659.0M | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 17 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $12.6M | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 18 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $115.2M | 2024-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 19 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $6.7M | 2024-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 20 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $59.4M | 2023-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 21 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $5.1M | 2023-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 22 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $11.9M | 2022-12-31 | 2025-02-06 | 10-K | 25-004187 |
| 23 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $11.4M | 2022-12-31 | 2025-02-06 | 10-K | 25-004187 |
| 24 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $12.3M | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 25 | operating income | us-gaap:OperatingIncomeLoss | -$146.5M | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 26 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$116.3M | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 27 | income tax | us-gaap:IncomeTaxExpenseBenefit | $13.0M | 2025-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 28 | current assets | us-gaap:AssetsCurrent | $878.1M | 2024-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 29 | current liabilities | us-gaap:LiabilitiesCurrent | $709.9M | 2024-12-31 | 2026-02-04 | 10-K | 26-005450 |
| 30 | assets | us-gaap:Assets | $1.1B | 2023-12-31 | 2025-02-06 | 10-K | 25-004187 |
| 31 | assets | us-gaap:Assets | $1.0B | 2022-12-31 | 2024-02-06 | 10-K | 24-003498 |
| 32 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 117,447,726 | 2026-01-30 | 2026-02-04 | 10-K | 26-005450 |
| 33 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 112,550,156 | 2025-01-31 | 2025-02-06 | 10-K | 25-004187 |

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