# Mercury Systems Inc.

**MRCY**

Nasdaq; business equipment; SIC 3670, Electronic Components & Accessories; CIK 0001049521

**D**

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

rank 362 of 498; percentile 72.6; sampling error 2.2 points; lower is stronger

A B C D E

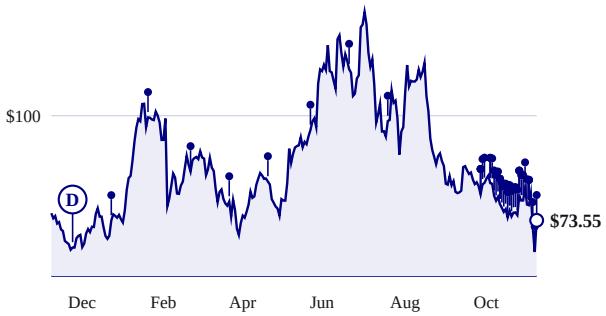
**D, the sloth**



## Scoreboard

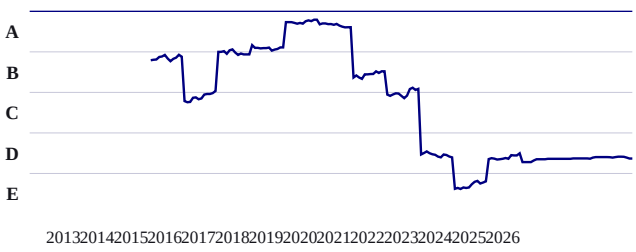
| | |
|---|---|
| **Profitability** | D<br>percentile 72.2 |
| **Solvency** | C<br>percentile 43.4 |
| **Growth and financing** | C/D<br>percentile 59.3 |
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure rate** | 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 $2.3B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered |
| **Inputs computable** | 10 of 14 |
| **Graded from** | filings received through Aug 18, 2026<br>81 days before the rescan; latest periodic filing 10-K received Aug 18, 2026 |
| **Last close** | $73.56<br>2026-11-06; market equity $4.4B; 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 Aug 18, 2026*

Mercury Systems is a global leader in aerospace and defense electronics, providing breakthrough capabilities in signal and data processing. With a four-decade legacy of innovation that spans silicon to systems and radio frequency ("RF") front ends to effectors, we accelerate commercial technology adoption to deliver powerful and secure mission-critical processing solutions to the edge. We are headquartered in Andover, Massachusetts, and have multiple locations worldwide. Our end-to-end processing ecosystem, the Mercury Processing Platform, is built on technologies we have developed and acquired over 40 years.

## 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 72.2** | | | | | | |
| Gross profitability | 12.1% | 28.7% | | 80.0 | 555 | 2026-07-03 |
| Return on invested capital | not computable | 11.4% | | | | |

*a prior annual debt, equity, and cash observation is required*

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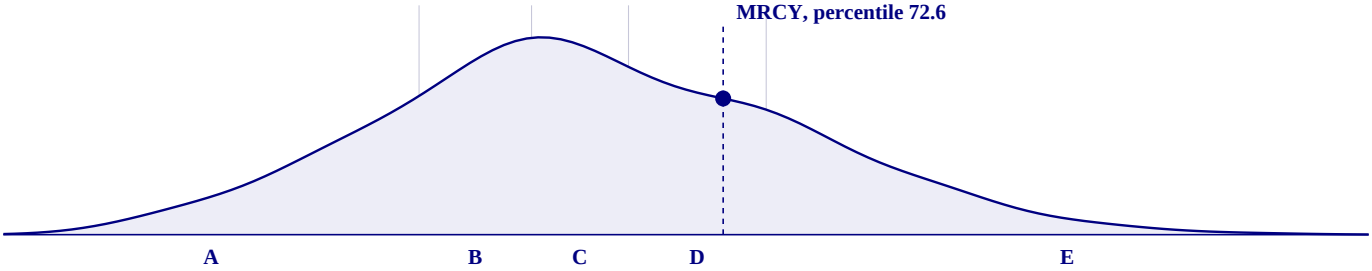
| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (5.6%) | (7.3%) | 61.6 | 618 | 2026-07-03 |
| Gross margin stability, five years | 5.5 pts | 2.3 pts | 75.1 | 426 | 2026-07-03 |
| **Solvency, sleeve percentile 43.4** | | | | | |
| Twelve-month failure probability | 0.06% | 0.06% | 50.0 | 103 | 2026-07-03 |
| Altman Z double-prime | 3.94 | 2.18 | 29.3 | 565 | 2026-07-03 |
| Net debt to EBITDA | not computable | 1.08x | | | |
| *latest aligned inputs end 2016-06-30; latest annual assets end 2026-07-03* | | | | | |
| Interest coverage | 0.01x | 3.77x | 62.8 | 87 | 2026-07-03 |
| Current ratio | 2.96x | 2.01x | 31.7 | 663 | 2026-07-03 |
| **Growth and financing, sleeve percentile 59.3** | | | | | |
| Revenue growth, three-year compound | 0.3% | 6.4% | 68.2 | 535 | 2026-07-03 |
| Free cash flow growth, three-year compound | not computable | 18.0% | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | |
| Reinvestment rate | not computable | 13.5% | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | |
| Asset growth, three years | (1.0%) | 5.1% | 64.4 | 560 | 2026-07-03 |
| Net share issuance, one year | 0.4% | 0.5% | 45.2 | 408 | 2026-07-31 |

## 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 |
|---|---|---|---|---|
| 357 | Dropbox, Inc. (DBX) | 71.6 | D | |
| 358 | Unity Software Inc. (U) | 71.8 | D | |
| 359 | Adtran Holdings, Inc. (ADTN) | 72.0 | D | late filer, fortress balance sheet |
| 360 | Intellinetics, Inc. (INLX) | 72.2 | D | |
| 361 | Unisys Corp. (UIS) | 72.4 | D | |
| 362 | Mercury Systems Inc. (MRCY) | 72.6 | D | |
| 363 | Cohu Inc. (COHU) | 72.8 | D | |
| 364 | Sensata Technologies Holding plc (ST) | 73.0 | D | |
| 365 | Corsair Gaming, Inc. (CRSR) | 73.2 | D | |
| 366 | Phunware, Inc. (PHUN) | 73.4 | D | fortress balance sheet |
| 367 | DXC Technology Co. (DXC) | 73.6 | D | |

## What the price implies

*at the 2026-11-06 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 7.2% | (2.0%) | 57 |
| Distance from 52-week high | (41.7%) | (36.5%) | 43 |
| EBIT to enterprise value | 0.01% | 1.8% | 35 |
| Free cash flow yield | 1.5% | 2.9% | 34 |
| Book value to price | 0.34 | 0.28 | 56 |
| Sales to price | 0.22 | 0.33 | 39 |

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| | | | |
|---|---|---|---|
| Composite equity issuance, five years | 6.7% | 4.2% | 54 |
| Relative strength against the sector, log excess return | (0.20) | (0.29) | 57 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score None of 9, period end 2026-07-03** | |
| 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 | fail |
| No new shares issued | fail |
| Gross margin improved | pass |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $214.3M |
| Operating cash flow, four quarters | $102.4M |
| Months of runway | not finite |
| Days since last periodic filing | 81 (10-K received Aug 18, 2026) |
| Median daily dollar volume, 63 sessions | $49.6M |

## 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 | gross profit | us-gaap:GrossProfit | $281.2M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 2 | assets | us-gaap:Assets | $2.3B | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $24.0M | 2016-06-30 | 2018-08-16 | 10-K | 18-000030 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $25.3M | 2016-06-30 | 2018-08-16 | 10-K | 18-000030 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $5.5M | 2016-06-30 | 2018-08-16 | 10-K | 18-000030 |
| 6 | total debt | us-gaap:LongTermDebt | $192.3M | 2016-06-30 | 2016-08-16 | 10-K | 16-000094 |
| 7 | book equity | us-gaap:StockholdersEquity | $473.0M | 2016-06-30 | 2019-08-15 | 10-K | 19-000033 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $81.7M | 2016-06-30 | 2019-08-15 | 10-K | 19-000033 |
| 9 | net income | us-gaap:NetIncomeLoss | -$29.7M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 10 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $102.4M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 11 | assets | us-gaap:Assets | $2.4B | 2025-06-27 | 2026-08-18 | 10-K | 26-000045 |
| 12 | revenue | us-gaap:Revenues | $983.6M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 13 | gross profit | us-gaap:GrossProfit | $254.5M | 2025-06-27 | 2026-08-18 | 10-K | 26-000045 |
| 14 | revenue | us-gaap:Revenues | $912.0M | 2025-06-27 | 2026-08-18 | 10-K | 26-000045 |
| 15 | gross profit | us-gaap:GrossProfit | $195.9M | 2024-06-28 | 2026-08-18 | 10-K | 26-000045 |
| 16 | revenue | us-gaap:Revenues | $835.3M | 2024-06-28 | 2026-08-18 | 10-K | 26-000045 |
| 17 | gross profit | us-gaap:GrossProfit | $316.7M | 2023-06-30 | 2025-08-11 | 10-K | 25-000024 |
| 18 | revenue | us-gaap:Revenues | $973.9M | 2023-06-30 | 2025-08-11 | 10-K | 25-000024 |
| 19 | gross profit | us-gaap:GrossProfit | $395.0M | 2022-07-01 | 2024-08-13 | 10-K | 24-000029 |
| 20 | revenue | us-gaap:Revenues | $988.2M | 2022-07-01 | 2024-08-13 | 10-K | 24-000029 |
| 21 | current assets | us-gaap:AssetsCurrent | $973.4M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 22 | current liabilities | us-gaap:LiabilitiesCurrent | $328.5M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 23 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | $152.2M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 24 | operating income | us-gaap:OperatingIncomeLoss | $280,000 | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 25 | book equity | us-gaap:StockholdersEquity | $1.5B | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 26 | liabilities | us-gaap:Liabilities | $825.3M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 27 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $15.7M | 2016-06-30 | 2018-08-16 | 10-K | 18-000030 |
| 28 | interest expense | us-gaap:InterestExpense | $29.6M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $34.3M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 30 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $138.9M | 2025-06-27 | 2026-08-18 | 10-K | 26-000045 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $19.8M | 2025-06-27 | 2026-08-18 | 10-K | 26-000045 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $60.4M | 2024-06-28 | 2026-08-18 | 10-K | 26-000045 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $34.3M | 2024-06-28 | 2026-08-18 | 10-K | 26-000045 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$21.3M | 2023-06-30 | 2025-08-11 | 10-K | 25-000024 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $38.8M | 2023-06-30 | 2025-08-11 | 10-K | 25-000024 |
| 36 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $72.7M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 37 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$28.9M | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 38 | income tax | us-gaap:IncomeTaxExpenseBenefit | $784,000 | 2026-07-03 | 2026-08-18 | 10-K | 26-000045 |
| 39 | current assets | us-gaap:AssetsCurrent | $1.1B | 2025-06-27 | 2026-08-18 | 10-K | 26-000045 |
| 40 | current liabilities | us-gaap:LiabilitiesCurrent | $300.4M | 2025-06-27 | 2026-08-18 | 10-K | 26-000045 |
| 41 | assets | us-gaap:Assets | $2.4B | 2024-06-28 | 2025-08-11 | 10-K | 25-000024 |
| 42 | assets | us-gaap:Assets | $2.4B | 2023-06-30 | 2024-08-13 | 10-K | 24-000029 |
| 43 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 60,136,133 | 2026-07-31 | 2026-08-18 | 10-K | 26-000045 |
| 44 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 59,915,670 | 2025-07-31 | 2025-08-11 | 10-K | 25-000024 |

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