# Zoetis Inc.

**ZTS**

NYSE; healthcare; SIC 2834, Pharmaceutical Preparations; CIK 0001555280

**A/B**

**on the A/B boundary of 370 graded peers in healthcare**

rank 78 of 370; percentile 20.9; sampling error 2.5 points; lower is stronger

A B C D E

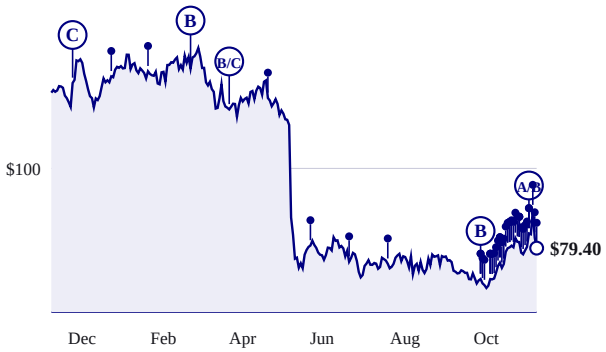
**A/B, the bull**



## Scoreboard

| | |
|---|---|
| **Profitability** | B/C<br>percentile 38.0 |
| **Solvency** | B/C<br>percentile 38.3 |
| **Growth and financing** | B/C<br>percentile 38.7 |
| **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 $15.5B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: fortress balance sheet |
| **Inputs computable** | 9 of 14 |
| **Graded from** | filings received through Feb 12, 2026<br>268 days before the rescan; latest periodic filing 10-Q received Nov 5, 2026 |
| **Last close** | $79.42<br>2026-11-06; market equity $32.3B; 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*

In order to sell our products, we must be able to produce and ship our products in sufficient quantities. Many of our products involve complex manufacturing processes and are sole-sourced from certain manufacturing sites. Minor deviations in our manufacturing or logistical processes, such as temperature excursions or improper package sealing, could result in delays, inventory shortages, unanticipated costs, product recalls, product liability and/or regulatory action. In addition, a number of factors could cause production interruptions that could result in launch delays, inventory shortages, recalls, unanticipated costs or issues with our supply agreements with third parties.

## The fourteen inputs

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

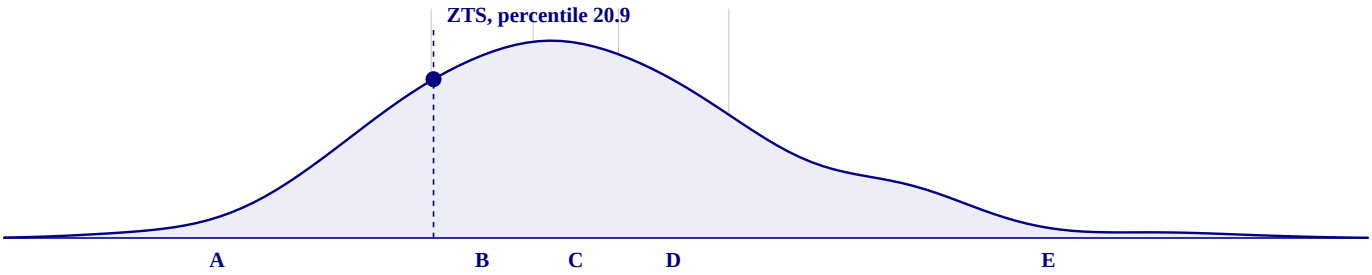
| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 38.0** | | | | | | |
| Gross profitability | 44.0% | 32.3% | | 28.0 | 365 | 2025-12-31 |
| Return on invested capital | not computable | 9.3% | | | | |

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.

| | | | | | |
|---|---|---|---|---|---|
| *one or more required annual facts are missing* | | | | | |
| Accruals ratio | (1.6%) | (6.6%) | 77.7 | 802 | 2025-12-31 |
| Gross margin stability, five years | 0.7 pts | 2.8 pts | 8.3 | 242 | 2025-12-31 |
| **Solvency, sleeve percentile 38.3** | | | | | |
| Twelve-month failure probability | 0.04% | 0.08% | 21.4 | 249 | 2026-09-30 |
| Altman Z double-prime | not computable | (0.37) | | | |
| *one or more required annual facts are missing* | | | | | |
| Net debt to EBITDA | not computable | 1.82x | | | |
| *one or more required annual facts are missing* | | | | | |
| Interest coverage | not computable | (4.51x) | | | |
| *one or more required annual facts are missing* | | | | | |
| Current ratio | 3.03x | 2.94x | 55.1 | 828 | 2025-12-31 |
| **Growth and financing, sleeve percentile 38.7** | | | | | |
| Revenue growth, three-year compound | 5.4% | 10.0% | 58.6 | 412 | 2025-12-31 |
| Free cash flow growth, three-year compound | 19.9% | 10.9% | 44.2 | 96 | 2025-12-31 |
| Reinvestment rate | not computable | 37.1% | | | |
| *one or more required annual facts are missing* | | | | | |
| Asset growth, three years | 1.2% | 2.2% | 49.2 | 696 | 2025-12-31 |
| Net share issuance, one year | (5.7%) | 2.5% | 2.5 | 630 | 2026-02-06 |

## Among 370 peers

*healthcare; 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 |
|---|---|---|---|---|
| 73 | Merit Medical Systems Inc. (MMSI) | 19.5 | A/B | |
| 74 | Axogen, Inc. (AXGN) | 19.8 | A/B | |
| 75 | Ocular Therapeutix, Inc. (OCUL) | 20.1 | A/B | dilution |
| 76 | Boston Scientific Corp. (BSX) | 20.3 | A/B | |
| 77 | Alpha PRO Tech Ltd. (APT) | 20.6 | A/B | |
| 78 | Zoetis Inc. (ZTS) | 20.9 | A/B | |
| 79 | Siga Technologies Inc. (SIGA) | 21.1 | A/B | fortress balance sheet |
| 80 | West Pharmaceutical Services Inc. (WST) | 21.4 | A/B | fortress balance sheet |
| 81 | Axsome Therapeutics, Inc. (AXSM) | 21.7 | A/B | |
| 82 | Rigel Pharmaceuticals Inc. (RIGL) | 22.0 | A/B | |
| 83 | Halozyme Therapeutics, Inc. (HALO) | 22.2 | A/B | |

## 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 | (50.8%) | (2.1%) | 15 |
| Distance from 52-week high | (39.4%) | (30.5%) | 40 |
| EBIT to enterprise value | not computable | (1.5%) | |
| Free cash flow yield | 7.1% | (1.0%) | 88 |

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| | | | |
|---|---|---|---|
| Book value to price | 0.10 | 0.29 | 25 |
| Sales to price | 0.29 | 0.30 | 49 |
| Composite equity issuance, five years | (21.5%) | 21.4% | 7 |
| Relative strength against the sector, log excess return | (0.88) | (0.19) | 15 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 8 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 | fail |
| Current ratio improved | pass |
| No new shares issued | pass |
| Gross margin improved | pass |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $1.3B |
| Operating cash flow, four quarters | $2.7B |
| Months of runway | not finite |
| Days since last periodic filing | 2 (10-Q received Nov 5, 2026) |
| Median daily dollar volume, 63 sessions | $310.4M |

## 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 | revenue | us-gaap:Revenues | $9.5B | 2025-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 2 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $2.7B | 2025-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 3 | assets | us-gaap:Assets | $15.5B | 2025-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 4 | net income | us-gaap:NetIncomeLoss | $2.7B | 2025-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 5 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $2.9B | 2025-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 6 | assets | us-gaap:Assets | $14.2B | 2024-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 7 | revenue | us-gaap:Revenues | $9.3B | 2024-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 8 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $2.7B | 2024-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 9 | revenue | us-gaap:Revenues | $8.5B | 2023-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 10 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $2.6B | 2023-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 11 | revenue | us-gaap:Revenues | $8.1B | 2022-12-31 | 2025-02-13 | 10-K | 25-000102 |
| 12 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $2.5B | 2022-12-31 | 2025-02-13 | 10-K | 25-000102 |
| 13 | revenue | us-gaap:Revenues | $7.8B | 2021-12-31 | 2024-02-13 | 10-K | 24-000143 |
| 14 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $2.3B | 2021-12-31 | 2024-02-13 | 10-K | 24-000143 |
| 15 | current assets | us-gaap:AssetsCurrent | $6.8B | 2025-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 16 | current liabilities | us-gaap:LiabilitiesCurrent | $2.2B | 2025-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 17 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $621.0M | 2025-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 18 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $3.0B | 2024-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 19 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $655.0M | 2024-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 20 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $2.4B | 2023-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 21 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $732.0M | 2023-12-31 | 2026-02-12 | 10-K | 26-000011 |
| 22 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $1.9B | 2022-12-31 | 2025-02-13 | 10-K | 25-000102 |
| 23 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $586.0M | 2022-12-31 | 2025-02-13 | 10-K | 25-000102 |
| 24 | assets | us-gaap:Assets | $14.3B | 2023-12-31 | 2025-02-13 | 10-K | 25-000102 |
| 25 | assets | us-gaap:Assets | $14.9B | 2022-12-31 | 2024-02-13 | 10-K | 24-000143 |
| 26 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 422,127,709 | 2026-02-06 | 2026-02-12 | 10-K | 26-000011 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 27 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 447,791,917 | 2025-02-07 | 2025-02-13 | 10-K | 25-000102 | |