# Webtoon Entertainment Inc.

**WBTN**

Nasdaq; consumer nondurables; SIC 2741, Miscellaneous Publishing; CIK 0001997859

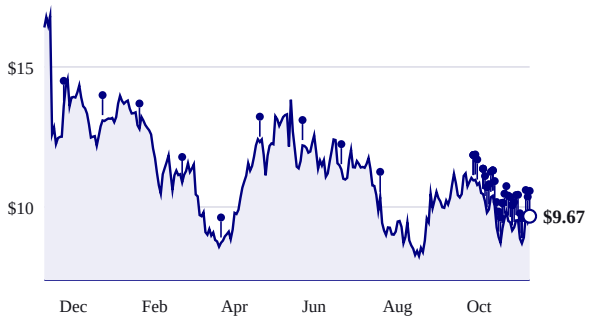
# None

**No letter**

5 of 14 inputs computable; 7 are required, with a score in every sleeve

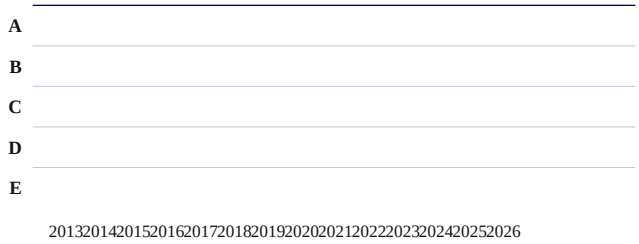
| Scoreboard | |
|---|---|
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure rate** | 1.01% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $591M to $2.67B assets<br>total assets $1.6B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | thin data; fortress balance sheet<br>not computable: distress |
| **Inputs computable** | 5 of 14 |
| **Graded from** | filings received through Mar 5, 2026<br>248 days before the rescan; latest periodic filing 10-Q received Aug 10, 2026 |
| **Last close** | $9.66<br>2026-11-06; market equity $1.3B; 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 Mar 5, 2026*

WEBTOON is a global storytelling platform where a vibrant community of creators and users discover, create and share new content. We have pioneered a cultural movement by revolutionizing the storytelling format and democratizing content creation and publication. WEBTOON empowers creators, by enabling them to participate economically in their own creation, and users, by offering an endless library of content. Our community connected 27 million creators with approximately 157 million monthly active users in over 150 countries around the world.1 Our creators, users and content drive a powerful community flywheel.

## 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 37.6** | | | | | | |
| Gross profitability | 20.2% | 29.8% | | 65.0 | 144 | 2025-12-31 |
| Return on invested capital | not computable | 5.6% | | | | |

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

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| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (20.2%) | (5.1%) | 10.1 | 149 | 2025-12-31 |
| Gross margin stability, five years | not computable | 1.9 pts | | | |
| *five annual gross margins are required; found 2* | | | | | |
| **Solvency, sleeve percentile 34.3** | | | | | |
| Twelve-month failure probability | not computable | 0.03% | | | |
| *latest liabilities, cash plus short-term investments, book equity, and shares are required* | | | | | |
| Altman Z double-prime | 3.44 | 3.11 | 42.4 | 119 | 2025-12-31 |
| Net debt to EBITDA | not computable | 2.54x | | | |
| *EBITDA must exceed $100,000* | | | | | |
| Interest coverage | not computable | 2.51x | | | |
| *one or more required annual facts are missing* | | | | | |
| Current ratio | 2.61x | 1.81x | 26.3 | 153 | 2025-12-31 |
| **Growth and financing, sleeve percentile 82.4** | | | | | |
| Revenue growth, three-year compound | not computable | 0.2% | | | |
| *four annual observations are required; found 2* | | | | | |
| Free cash flow growth, three-year compound | not computable | 14.9% | | | |
| *four consecutive annual FCF observations are required; found 2* | | | | | |
| Reinvestment rate | not computable | 11.0% | | | |
| *NOPAT must exceed $100,000* | | | | | |
| Asset growth, three years | not computable | 0.2% | | | |
| *four annual observations are required; found 2* | | | | | |
| Net share issuance, one year | 3.6% | 0.03% | 82.4 | 103 | 2026-02-20 |

## Warnings

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

| Check | Measured |
|---|---|
| Thin data | 5 of 14 grade factors are computable; minimum is 7 |
| Fortress balance sheet | cash minus debt is 572,402,000 USD; Altman Z is not used |

## 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 | (38.4%) | (1.3%) | 15 |
| Distance from 52-week high | (42.9%) | (21.6%) | 19 |
| EBIT to enterprise value | (8.7%) | 3.5% | 21 |
| Free cash flow yield | 0.3% | 4.2% | 23 |
| Book value to price | 0.89 | 0.55 | 72 |
| Sales to price | 1.05 | 1.23 | 47 |
| Composite equity issuance, five years | not computable | (16.7%) | |
| Relative strength against the sector, log excess return | (0.56) | (0.09) | 15 |

## 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 | fail |
| Operating cash flow exceeds net income | pass |
| Long-term leverage fell | fail |
| Current ratio improved | fail |
| No new shares issued | fail |

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| | |
|---|---|
| Gross margin improved | fail |
| Asset turnover improved | fail |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $583.1M |
| Operating cash flow, four quarters | $6.1M |
| Months of runway | not finite |
| Days since last periodic filing | 90 (10-Q received Aug 10, 2026) |
| Median daily dollar volume, 63 sessions | $3.8M |

## 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 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.4B | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 2 | cost of revenue | us-gaap:CostOfRevenue | $1.1B | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 3 | assets | us-gaap:Assets | $1.6B | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 4 | operating income | us-gaap:OperatingIncomeLoss | -$100.7M | 2024-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 5 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$149.3M | 2024-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 6 | income tax | us-gaap:IncomeTaxExpenseBenefit | $3.6M | 2024-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 7 | total debt | us-gaap:LongTermDebt | $0 | 2024-12-31 | 2025-03-11 | 10-K | 25-000017 |
| 8 | book equity | us-gaap:StockholdersEquity | $1.5B | 2024-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 9 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $572.4M | 2024-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 10 | net income | us-gaap:NetIncomeLoss | -$345.9M | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 11 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $11.2M | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 12 | assets | us-gaap:Assets | $1.9B | 2024-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 13 | current assets | us-gaap:AssetsCurrent | $831.2M | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 14 | current liabilities | us-gaap:LiabilitiesCurrent | $318.6M | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 15 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$853.1M | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 16 | operating income | us-gaap:OperatingIncomeLoss | -$63.5M | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 17 | book equity | us-gaap:StockholdersEquity | $1.2B | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 18 | liabilities | us-gaap:Liabilities | $367.2M | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 19 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $40.1M | 2024-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 20 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.3B | 2024-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 21 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $7.6M | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 22 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $35.4M | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 23 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$389.4M | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 24 | income tax | us-gaap:IncomeTaxExpenseBenefit | -$16.0M | 2025-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 25 | current assets | us-gaap:AssetsCurrent | $836.4M | 2024-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 26 | current liabilities | us-gaap:LiabilitiesCurrent | $313.2M | 2024-12-31 | 2026-03-05 | 10-K | 26-000028 |
| 27 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 133,482,819 | 2026-02-20 | 2026-03-05 | 10-K | 26-000028 |
| 28 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 128,864,156 | 2025-02-28 | 2025-03-11 | 10-K | 25-000017 |

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