# Innovate Corp.

**VATE**

NYSE; manufacturing; SIC 3440, Fabricated Structural Metal Products; CIK 0001006837

# D/E

**on the D/E boundary of 254 graded peers in manufacturing**

rank 209 of 254; percentile 82.2; sampling error 3.0 points; lower is stronger

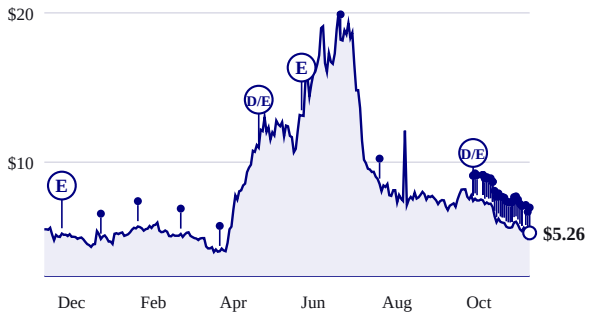



**D/E, the sloth**



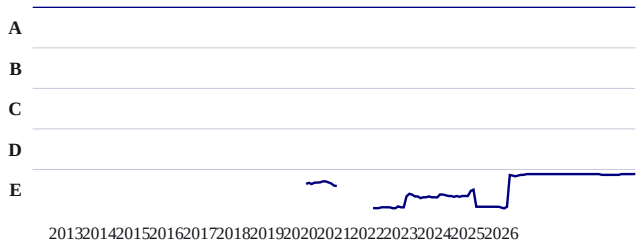
| Scoreboard | |
|---|---|
| **Profitability** | B<br>percentile 32.4 |
| **Solvency** | D<br>percentile 65.6 |
| **Growth and financing** | E<br>percentile 85.7 |
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure 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 $950.1M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered; fortress balance sheet<br>not computable: distress |
| **Inputs computable** | 9 of 14 |
| **Graded from** | filings received through Mar 26, 2026<br>228 days before the rescan; latest periodic filing 10-Q received Aug 6, 2026 |
| **Last close** | $5.25<br>2026-11-06; market equity $71.6M; 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 26, 2026*

Unless the context otherwise requires, in this Annual Report on Form 10-K, "INNOVATE," means INNOVATE Corp. and the "Company," "we" and "our" mean INNOVATE together with its consolidated subsidiaries. This Annual Report on Form 10-K contains forward-looking statements. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Special Note Regarding Forward-Looking Statements." INNOVATE is a diversified holding company that has a portfolio of subsidiaries in a variety of operating segments. We seek to grow these businesses so that they can generate long-term sustainable free cash flow and attractive returns in order to maximize value for all stakeholders.

## 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 32.4** | | | | | | |
| Gross profitability | 21.0% | 22.0% | | 50.5 | 274 | 2025-12-31 |
| Return on invested capital | not computable | 9.7% | | | | |

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.

| | | | | | | |
|---|---|---|---|---|---|---|
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | | |
| Accruals ratio | (22.5%) | (3.7%) | | 8.2 | 305 | 2025-12-31 |
| Gross margin stability, five years | 1.7 pts | 2.1 pts | | 38.3 | 228 | 2025-12-31 |
| **Solvency, sleeve percentile 65.6** | | | | | | |
| Twelve-month failure probability | not computable | 0.04% | | | | |
| *latest liabilities, cash plus short-term investments, book equity, and shares are required* | | | | | | |
| Altman Z double-prime | (6.03) | 3.72 | | 88.3 | 241 | 2025-12-31 |
| Net debt to EBITDA | (0.54x) | 1.77x | | 10.9 | 120 | 2025-12-31 |
| Interest coverage | not computable | 5.09x | | | | |
| *latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31* | | | | | | |
| Current ratio | 0.44x | 2.26x | | 97.5 | 322 | 2025-12-31 |
| **Growth and financing, sleeve percentile 85.7** | | | | | | |
| Revenue growth, three-year compound | (8.7%) | 2.2% | | 90.6 | 268 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 13.3% | | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | | |
| Reinvestment rate | not computable | 25.7% | | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | | |
| Asset growth, three years | (6.2%) | 4.2% | | 82.9 | 276 | 2025-12-31 |
| Net share issuance, one year | 2.7% | 0.00% | | 83.7 | 240 | 2026-03-23 |

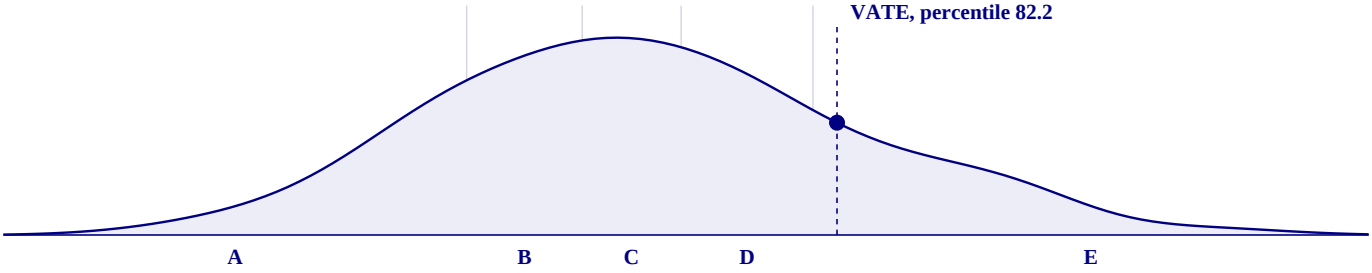
## Warnings

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

| Check | Measured |
|---|---|
| Fortress balance sheet | cash minus debt is 31,800,000 USD; Altman Z is not used |

## Among 254 peers

*manufacturing; 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 |
|---|---|---|---|---|
| 204 | Redwire Corp. (RDW) | 80.2 | D/E | dilution, fortress balance sheet |
| 205 | American Superconductor Corp. (AMSC) | 80.6 | D/E | |
| 206 | Crane NXT, Co. (CXT) | 81.0 | D/E | |
| 207 | Broadwind, Inc. (BWEN) | 81.4 | D/E | |
| 208 | Fuelcell Energy Inc. (FCEL) | 81.8 | D/E | fortress balance sheet |
| 209 | Innovate Corp. (VATE) | 82.2 | D/E | fortress balance sheet |
| 210 | Polaris Inc. (PII) | 82.6 | D/E | |
| 211 | Millerknoll, Inc. (MLKN) | 83.0 | E | |
| 212 | Moving iMAGE Technologies Inc. (MITQ) | 83.4 | E | fortress balance sheet |
| 213 | Hillman Solutions Corp. (HLMN) | 83.8 | E | |
| 214 | MasterCraft Boat Holdings, Inc. (MCFT) | 84.2 | E | dilution |

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## 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% | 9.8% | 81 |
| Distance from 52-week high | (73.8%) | (27.5%) | 5 |
| EBIT to enterprise value | 62.3% | 4.2% | 99 |
| Free cash flow yield | 203.6% | 3.5% | 99 |
| Book value to price | (3.39) | 0.37 | 0 |
| Sales to price | 17.36 | 0.55 | 99 |
| Composite equity issuance, five years | (88.4%) | (9.5%) | 1 |
| Relative strength against the sector, log excess return | 0.33 | 0.01 | 81 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 4 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 | pass |
| Current ratio improved | fail |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $87.8M |
| Operating cash flow, four quarters | $141.2M |
| Months of runway | not finite |
| Days since last periodic filing | 95 (10-Q received Aug 6, 2026) |
| Median daily dollar volume, 63 sessions | $494,394 |

## 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 | $199.7M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 2 | assets | us-gaap:Assets | $950.1M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $28.7M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$61.5M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $2.5M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 6 | total debt | us-gaap:LongTermDebtAndCapitalLeaseObligations | $80.3M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 7 | book equity | us-gaap:StockholdersEquity | -$240.1M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $112.1M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 9 | total debt | us-gaap:LongTermDebtAndCapitalLeaseObligations | $500.6M | 2024-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 10 | book equity | us-gaap:StockholdersEquity | -$180.4M | 2024-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $48.8M | 2024-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 12 | net income | us-gaap:NetIncomeLoss | -$60.6M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $146.6M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 14 | assets | us-gaap:Assets | $891.1M | 2024-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 15 | revenue | us-gaap:Revenues | $1.2B | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 16 | gross profit | us-gaap:GrossProfit | $208.8M | 2024-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 17 | revenue | us-gaap:Revenues | $1.1B | 2024-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 18 | gross profit | us-gaap:GrossProfit | $216.0M | 2023-12-31 | 2025-03-31 | 10-K | 25-000021 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.4B | 2023-12-31 | 2024-03-06 | 10-K | 24-000023 |
| 20 | gross profit | us-gaap:GrossProfit | $221.4M | 2022-12-31 | 2024-03-06 | 10-K | 24-000023 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.6B | 2022-12-31 | 2024-03-06 | 10-K | 24-000023 |
| 22 | gross profit | us-gaap:GrossProfit | $183.7M | 2021-12-31 | 2023-03-14 | 10-K | 23-000018 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.2B | 2021-12-31 | 2023-03-14 | 10-K | 23-000018 |
| 24 | current assets | us-gaap:AssetsCurrent | $451.5M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $1.0B | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$582.5M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 27 | liabilities | us-gaap:Liabilities | $1.2B | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 28 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $30.4M | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 29 | operating income | us-gaap:OperatingIncomeLoss | $26.5M | 2023-12-31 | 2025-03-31 | 10-K | 25-000021 |
| 30 | interest expense | us-gaap:InterestExpense | $68.2M | 2023-12-31 | 2024-03-06 | 10-K | 24-000023 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquireProductiveAssets | $500,000 | 2025-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $9.1M | 2024-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $19.0M | 2024-12-31 | 2025-03-31 | 10-K | 25-000021 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $26.5M | 2023-12-31 | 2025-03-31 | 10-K | 25-000021 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $18.4M | 2023-12-31 | 2025-03-31 | 10-K | 25-000021 |
| 36 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$9.5M | 2022-12-31 | 2024-03-06 | 10-K | 24-000023 |
| 37 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $20.7M | 2022-12-31 | 2024-03-06 | 10-K | 24-000023 |
| 38 | current assets | us-gaap:AssetsCurrent | $390.9M | 2024-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 39 | current liabilities | us-gaap:LiabilitiesCurrent | $483.0M | 2024-12-31 | 2026-03-26 | 10-K | 26-000014 |
| 40 | assets | us-gaap:Assets | $1.0B | 2023-12-31 | 2025-03-31 | 10-K | 25-000021 |
| 41 | assets | us-gaap:Assets | $1.2B | 2022-12-31 | 2024-03-06 | 10-K | 24-000023 |
| 42 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 13,645,127 | 2026-03-23 | 2026-03-26 | 10-K | 26-000014 |
| 43 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 13,283,218 | 2025-03-27 | 2025-03-31 | 10-K | 25-000021 |

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