Rackspace Technology, Inc.

RXT

Nasdaq; business equipment; SIC 7370, Services-Computer Programming, Data Processing, Etc.; CIK 0001810019

E

weakest fifth of 495 graded peers in business equipment

rank 488 of 495; percentile 98.6; sampling error 2.2 points; lower is stronger

A B C D E

E, the bear



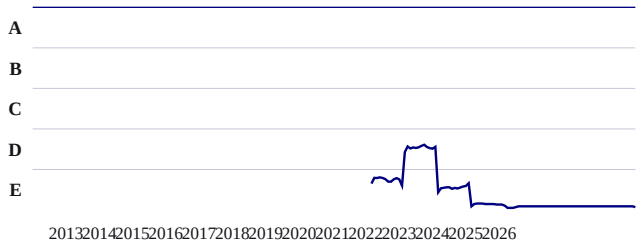
Scoreboard	
Profitability	C percentile 57.5
Solvency	E percentile 89.5
Growth and financing	E percentile 83.0
Reliability	0.94 AUC filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $2.67B assets total assets $2.8B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	late filer not computable: distress
Inputs computable	10 of 14
Graded from	filings received through Mar 6, 2026 249 days before the rescan; latest periodic filing 10-Q received Nov 9, 2026
Last close	$2.74 2026-11-09; market equity $720.8M; 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 6, 2026

Rackspace Technology is a leading end-to-end hybrid cloud and AI solutions company. We serve as a trusted operator of the full technology stack, from governed private cloud infrastructure to AI deployed in production environments. From edge to core to cloud, we design, integrate and operate the infrastructure, data foundations and software platforms required to deliver business outcomes with predictable cost, resilience, security and compliance. Our solutions are purpose-built for regulated and mission-critical environments where uptime, data sovereignty and operational accountability are essential.

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 57.5						
Gross profitability	18.1%	28.7%		66.4	552	2025-12-31
Return on invested capital	not computable	11.4%				
pretax income must exceed the validity floor and imply a 0%-100% tax rate						

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Accruals ratio	(12.9%)	(7.3%)	32.7	615	2025-12-31
Gross margin stability, five years	4.8 pts	2.3 pts	73.2	423	2025-12-31
Solvency, sleeve percentile 89.5					
Twelve-month failure probability	not computable	0.06%			
latest liabilities, cash plus short-term investments, book equity, and shares are required					
Altman Z double-prime	(5.69)	2.21	77.4	562	2025-12-31
Net debt to EBITDA	52.07x	1.08x	100.0	147	2025-12-31
Interest coverage	not computable	3.77x			
latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31					
Current ratio	0.68x	2.01x	91.0	660	2025-12-31
Growth and financing, sleeve percentile 83.0					
Revenue growth, three-year compound	(4.9%)	6.5%	80.4	532	2025-12-31
Free cash flow growth, three-year compound	(18.3%)	18.0%	90.9	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	(19.9%)	5.2%	92.3	557	2025-12-31
Net share issuance, one year	4.0%	0.5%	68.4	406	2026-03-02

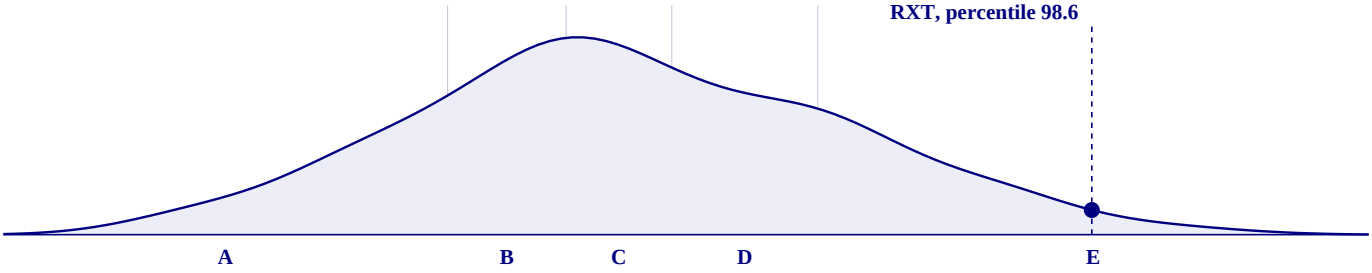
Warnings

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

Check	Measured
Late filer	found 1 NT 10-K/Q filings in the last eight quarters

Among 495 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
483	Astrotech Corp. (ASTC)	97.6	E	distress, fortress balance sheet
484	System1, Inc. (SST)	97.8	E	
485	Healthcare Triangle, Inc. (HCTI)	98.0	E	dilution, short runway, late filer
486	Flux Power Holdings, Inc. (FLUX)	98.2	E	dilution, late filer
487	Firy Inc. (FIRY)	98.4	E	late filer, fortress balance sheet
488	Rackspace Technology, Inc. (RXT)	98.6	E	late filer
489	Focus Universal Inc. (FCUV)	98.8	E	dilution, distress
490	ZW Data Action Technologies Inc. (CNET)	99.0	E	dilution, late filer
491	Palladyne AI Corp. (PDYN)	99.2	E	dilution
492	Polar Power, Inc. (POLA)	99.4	E	dilution, short runway, late filer, fortress balance sheet
493	Pixelworks, Inc. (PXLW)	99.6	E	dilution, fortress balance sheet

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What the price implies

at the 2026-11-09 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	132.8%	(2.0%)	94
Distance from 52-week high	(63.9%)	(33.6%)	18
EBIT to enterprise value	(3.0%)	1.7%	24
Free cash flow yield	12.7%	2.8%	90
Book value to price	(1.83)	0.27	1
Sales to price	3.75	0.31	93
Composite equity issuance, five years	24.7%	4.2%	75
Relative strength against the sector, log excess return	0.58	(0.29)	94

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	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	fail
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	$108.0M
Operating cash flow, four quarters	$69.0M
Months of runway	not finite
Days since last periodic filing	1 (10-Q received Nov 9, 2026)
Median daily dollar volume, 63 sessions	$18.7M

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	$506.4M	2025-12-31	2026-03-06	10-K	26-000015
2	assets	us-gaap:Assets	$2.8B	2025-12-31	2026-03-06	10-K	26-000015
3	operating income	us-gaap:OperatingIncomeLoss	-$100.7M	2025-12-31	2026-03-06	10-K	26-000015
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	-$201.8M	2025-12-31	2026-03-06	10-K	26-000015
5	income tax	us-gaap:IncomeTaxExpenseBenefit	$24.0M	2025-12-31	2026-03-06	10-K	26-000015
6	total debt	us-gaap:LongTermDebt	$2.7B	2025-12-31	2026-03-06	10-K	26-000015
7	book equity	us-gaap:StockholdersEquity	-$1.2B	2025-12-31	2026-03-06	10-K	26-000015
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$105.8M	2025-12-31	2026-03-06	10-K	26-000015
9	total debt	us-gaap:LongTermDebt	$2.8B	2024-12-31	2026-03-06	10-K	26-000015
10	book equity	us-gaap:StockholdersEquity	-$1.0B	2024-12-31	2026-03-06	10-K	26-000015
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$144.0M	2024-12-31	2026-03-06	10-K	26-000015
12	net income	us-gaap:NetIncomeLoss	-$225.8M	2025-12-31	2026-03-06	10-K	26-000015
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$151.4M	2025-12-31	2026-03-06	10-K	26-000015
14	assets	us-gaap:Assets	$3.1B	2024-12-31	2026-03-06	10-K	26-000015
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.7B	2025-12-31	2026-03-06	10-K	26-000015
16	gross profit	us-gaap:GrossProfit	$533.4M	2024-12-31	2026-03-06	10-K	26-000015
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.7B	2024-12-31	2026-03-06	10-K	26-000015
18	gross profit	us-gaap:GrossProfit	$628.8M	2023-12-31	2026-03-06	10-K	26-000015

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19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.0B	2023-12-31	2026-03-06	10-K	26-000015
20	gross profit	us-gaap:GrossProfit	$856.9M	2022-12-31	2025-03-21	10-K	25-000043
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.1B	2022-12-31	2025-03-21	10-K	25-000043
22	gross profit	us-gaap:GrossProfit	$936.8M	2021-12-31	2024-03-15	10-K	24-000042
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.0B	2021-12-31	2024-03-15	10-K	24-000042
24	current assets	us-gaap:AssetsCurrent	$517.8M	2025-12-31	2026-03-06	10-K	26-000015
25	current liabilities	us-gaap:LiabilitiesCurrent	$766.7M	2025-12-31	2026-03-06	10-K	26-000015
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-$3.9B	2025-12-31	2026-03-06	10-K	26-000015
27	liabilities	us-gaap:Liabilities	$4.0B	2025-12-31	2026-03-06	10-K	26-000015
28	depreciation amortization	us-gaap:Depreciation	$151.4M	2025-12-31	2026-03-06	10-K	26-000015
29	operating income	us-gaap:OperatingIncomeLoss	-$899.4M	2023-12-31	2026-03-06	10-K	26-000015
30	interest expense	us-gaap:InterestExpense	$221.6M	2023-12-31	2024-03-15	10-K	24-000042
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$60.8M	2025-12-31	2026-03-06	10-K	26-000015
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$39.9M	2024-12-31	2026-03-06	10-K	26-000015
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$111.1M	2024-12-31	2026-03-06	10-K	26-000015
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$374.9M	2023-12-31	2026-03-06	10-K	26-000015
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$96.9M	2023-12-31	2026-03-06	10-K	26-000015
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$246.7M	2022-12-31	2025-03-21	10-K	25-000043
37	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$80.4M	2022-12-31	2025-03-21	10-K	25-000043
38	current assets	us-gaap:AssetsCurrent	$618.8M	2024-12-31	2026-03-06	10-K	26-000015
39	current liabilities	us-gaap:LiabilitiesCurrent	$766.6M	2024-12-31	2026-03-06	10-K	26-000015
40	assets	us-gaap:Assets	$4.1B	2023-12-31	2025-03-21	10-K	25-000043
41	assets	us-gaap:Assets	$5.5B	2022-12-31	2024-03-15	10-K	24-000042
42	shares outstanding	dei:EntityCommonStockSharesOutstanding	246,914,399	2026-03-02	2026-03-06	10-K	26-000015
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	237,306,679	2025-03-17	2025-03-21	10-K	25-000043

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