# Kustom Entertainment, Inc.

**KUST**

Nasdaq; other; SIC 7990, Services-Miscellaneous Amusement & Recreation; CIK 0001342958

**E**

**weakest fifth of 336 graded peers in other**

rank 336 of 336; percentile 100.0; sampling error 2.6 points; lower is stronger

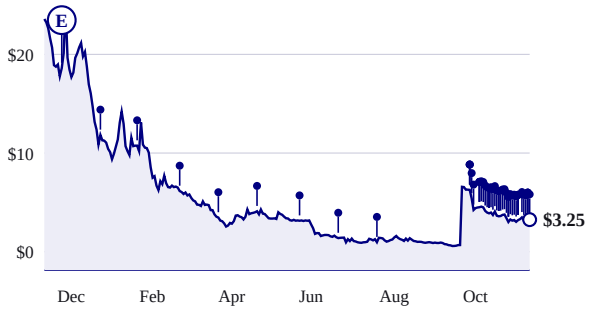
A B C D E

**E, the bear**



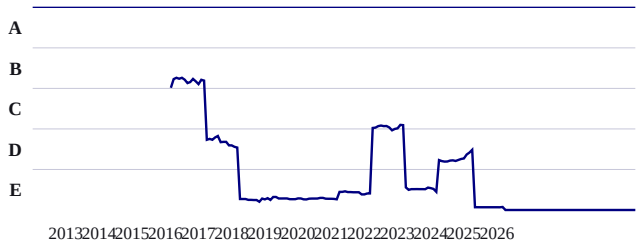
| Scoreboard | |
|---|---|
| **Profitability** | E<br>percentile 86.0 |
| **Solvency** | E<br>percentile 84.3 |
| **Growth and financing** | E<br>percentile 98.1 |
| **Reliability** | 0.83 AUC<br>filers with $12.5M to $120M assets; 95% interval 0.79 to 0.86; 201 events, 2020 to 2025 |
| **Peer failure rate** | 1.07% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $12.5M to $120M assets<br>total assets $19.3M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | dilution, short runway, late filer<br>not computable: distress |
| **Inputs computable** | 8 of 14 |
| **Graded from** | filings received through Apr 13, 2026<br>212 days before the rescan; latest periodic filing 10-Q received Nov 10, 2026 |
| **Last close** | $3.59<br>2026-11-09; market equity $2.3M; 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 Apr 13, 2026*

the "Company," "we," "us" and "our" refer to Kustom Entertainment, Inc. were incorporated in Nevada on December 13, 2000 as Vegas Petra, Inc. From that date until November 30, 2004, when we entered into a Plan of Merger with Digital Ally, Inc., a Nevada corporation formerly known as Trophy Tech Corporation (the "Predecessor Registrant"), we had not conducted any operations and were a closely held company. In conjunction with the merger, we were renamed Digital Ally, Inc. January 2, 2008, our common stock commenced trading on the Nasdaq Capital Market. We conduct our business from 6366 College Blvd., Overland Park, Kansas 66211. Our telephone number is (913) 814-7774.

## 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 86.0** | | | | | | |
| Gross profitability | 7.0% | 27.0% | | 83.9 | 287 | 2025-12-31 |
| Return on invested capital | not computable | 10.0% | | | | |

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*latest aligned inputs end 2013-12-31; latest annual assets end 2025-12-31*

| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | 7.4% | (5.8%) | 93.8 | 504 | 2025-12-31 |
| Gross margin stability, five years | 7.8 pts | 2.2 pts | 80.4 | 205 | 2025-12-31 |
| **Solvency, sleeve percentile 84.3** | | | | | |
| Twelve-month failure probability | not computable | 0.04% | | | |
| *liabilities and a nearby cover-page share count are required at 2025-12-31* | | | | | |
| Altman Z double-prime | (28.46) | 2.05 | 96.4 | 390 | 2025-12-31 |
| Net debt to EBITDA | not computable | 2.51x | | | |
| *EBITDA must exceed $100,000* | | | | | |
| Interest coverage | not computable | 2.45x | | | |
| *latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31* | | | | | |
| Current ratio | 0.86x | 1.33x | 72.3 | 510 | 2025-12-31 |
| **Growth and financing, sleeve percentile 98.1** | | | | | |
| Revenue growth, three-year compound | (28.1%) | 5.0% | 96.7 | 398 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 8.9% | | | |
| *four consecutive annual FCF observations are required; found 13* | | | | | |
| Reinvestment rate | not computable | 12.2% | | | |
| *NOPAT must exceed $100,000* | | | | | |
| Asset growth, three years | (30.1%) | 4.0% | 97.7 | 433 | 2025-12-31 |
| Net share issuance, one year | 13,568.3% | (0.5%) | 100.0 | 353 | 2026-04-10 |

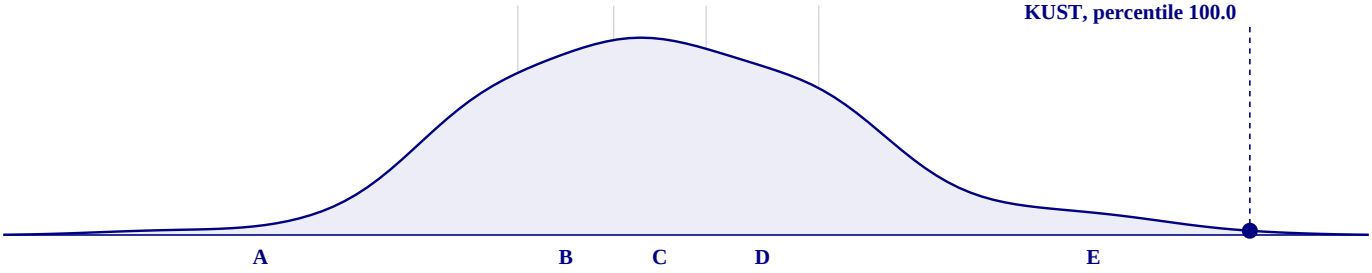
## Warnings

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

| Check | Measured |
|---|---|
| Dilution | split-adjusted year-over-year share growth is 13568.3% |
| Short runway | cash runway is 4.7 months |
| Late filer | found 5 NT 10-K/Q filings in the last eight quarters |

## Among 336 peers

*other; 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 |
|---|---|---|---|---|
| 331 | Wheels Up Experience Inc. (UP) | 98.5 | E | short runway |
| 332 | RTB Digital, Inc. (RTB) | 98.8 | E | dilution, short runway, late filer |
| 333 | Virgin Galactic Holdings, Inc. (SPCE) | 99.1 | E | dilution |
| 334 | Ciso Global, Inc. (CISO) | 99.4 | E | dilution, short runway, late filer |
| 335 | Valor Energy Inc. (VAI) | 99.7 | E | dilution, late filer |
| 336 | Kustom Entertainment, Inc. (KUST) | 100.0 | E | dilution, short runway, late filer |

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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 | (84.1%) | (1.0%) | 3 |
| Distance from 52-week high | (86.9%) | (22.7%) | 3 |
| EBIT to enterprise value | (958.2%) | 4.2% | 1 |
| Free cash flow yield | (409.8%) | 4.1% | 0 |
| Book value to price | 3.71 | 0.35 | 98 |
| Sales to price | 6.50 | 0.69 | 93 |
| Composite equity issuance, five years | 893.3% | (8.8%) | 99 |
| Relative strength against the sector, log excess return | (1.96) | (0.13) | 3 |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 3 of 9, period end 2025-12-31** | |
| Return on assets above zero | fail |
| Operating cash flow above zero | fail |
| Return on assets improved | pass |
| Operating cash flow exceeds net income | fail |
| Long-term leverage fell | fail |
| Current ratio improved | pass |
| No new shares issued | fail |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $1.7M |
| Operating cash flow, four quarters | -$4.4M |
| Months of runway | 4.7 |
| Days since last periodic filing | 1 (10-Q received Nov 10, 2026) |
| Median daily dollar volume, 63 sessions | $111,226 |

## 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 | $1.3M | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 2 | assets | us-gaap:Assets | $19.3M | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | -$2.3M | 2013-12-31 | 2015-03-23 | 10-K | 15-000962 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$2.5M | 2013-12-31 | 2015-03-23 | 10-K | 15-000962 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $0 | 2013-12-31 | 2014-03-27 | 10-K | 14-000847 |
| 6 | total debt | us-gaap:LongTermDebt | $2.3M | 2013-12-31 | 2015-03-23 | 10-K | 15-000962 |
| 7 | book equity | us-gaap:StockholdersEquity | $7.1M | 2013-12-31 | 2016-03-07 | 10-K | 16-007877 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $454,978 | 2013-12-31 | 2016-03-07 | 10-K | 16-007877 |
| 9 | total debt | us-gaap:LongTermDebt | $2.4M | 2012-12-31 | 2014-03-27 | 10-K | 14-000847 |
| 10 | book equity | us-gaap:StockholdersEquity | $7.9M | 2012-12-31 | 2015-03-23 | 10-K | 15-000962 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $703,172 | 2012-12-31 | 2015-03-23 | 10-K | 15-000962 |
| 12 | net income | us-gaap:NetIncomeLoss | -$6.7M | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivitiesC... | -$8.4M | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 14 | assets | us-gaap:Assets | $27.7M | 2024-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $13.8M | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 16 | gross profit | us-gaap:GrossProfit | $3.1M | 2024-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $13.5M | 2024-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 18 | gross profit | us-gaap:GrossProfit | $5.8M | 2023-12-31 | 2025-05-02 | 10-K | 25-008420 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $28.2M | 2023-12-31 | 2025-05-02 | 10-K | 25-008420 |
| 20 | gross profit | us-gaap:GrossProfit | $2.3M | 2022-12-31 | 2024-04-01 | 10-K | 24-012365 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $37.0M | 2022-12-31 | 2024-04-01 | 10-K | 24-012365 |
| 22 | gross profit | us-gaap:GrossProfit | $5.7M | 2021-12-31 | 2023-03-31 | 10-K | 23-010358 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $21.4M | 2021-12-31 | 2023-03-31 | 10-K | 23-010358 |
| 24 | current assets | us-gaap:AssetsCurrent | $9.0M | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $10.5M | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$144.2M | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 27 | operating income | us-gaap:OperatingIncomeLoss | -$10.9M | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 28 | book equity | us-gaap:StockholdersEquityIncludingPortionAttributableT... | $2.4M | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 29 | liabilities | us-gaap:Liabilities | $17.0M | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 30 | total debt | us-gaap:LongTermDebt | $845,367 | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 31 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $757,369 | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 32 | depreciation amortization | us-gaap:Depreciation | $194,385 | 2025-12-31 | 2026-04-13 | 10-K | 26-016236 |
| 33 | operating income | us-gaap:OperatingIncomeLoss | -$22.2M | 2023-12-31 | 2025-05-02 | 10-K | 25-008420 |
| 34 | interest expense | us-gaap:InterestExpense | $3.1M | 2023-12-31 | 2024-04-01 | 10-K | 24-012365 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $322,714 | 2017-12-31 | 2019-03-29 | 10-K | 19-004279 |
| 36 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $558,447 | 2017-12-31 | 2019-03-29 | 10-K | 19-004279 |
| 37 | operating income | us-gaap:OperatingIncomeLoss | -$11.2M | 2017-12-31 | 2019-03-29 | 10-K | 19-004279 |
| 38 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$12.3M | 2017-12-31 | 2019-03-29 | 10-K | 19-004279 |
| 39 | income tax | us-gaap:IncomeTaxExpenseBenefit | -$90,000 | 2017-12-31 | 2019-03-29 | 10-K | 19-004279 |
| 40 | current assets | us-gaap:AssetsCurrent | $11.8M | 2017-12-31 | 2019-03-29 | 10-K | 19-004279 |
| 41 | current liabilities | us-gaap:LiabilitiesCurrent | $10.2M | 2017-12-31 | 2019-03-29 | 10-K | 19-004279 |
| 42 | current assets | us-gaap:AssetsCurrent | $16.7M | 2016-12-31 | 2018-04-13 | 10-K | 18-005114 |
| 43 | current liabilities | us-gaap:LiabilitiesCurrent | $5.0M | 2016-12-31 | 2018-04-13 | 10-K | 18-005114 |
| 44 | assets | us-gaap:Assets | $47.0M | 2023-12-31 | 2025-05-02 | 10-K | 25-008420 |
| 45 | assets | us-gaap:Assets | $56.7M | 2022-12-31 | 2024-04-01 | 10-K | 24-012365 |
| 46 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 2,633,063 | 2026-04-10 | 2026-04-13 | 10-K | 26-016236 |
| 47 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 115,601,371 | 2025-05-02 | 2025-05-02 | 10-K | 25-008420 |

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