# Gates Industrial Corp. Ltd.

**GTES**

NYSE; manufacturing; SIC 3560, General Industrial Machinery & Equipment; CIK 0001718512

**C**

**middle fifth of 254 graded peers in manufacturing**

rank 129 of 254; percentile 50.6; sampling error 3.0 points; lower is stronger

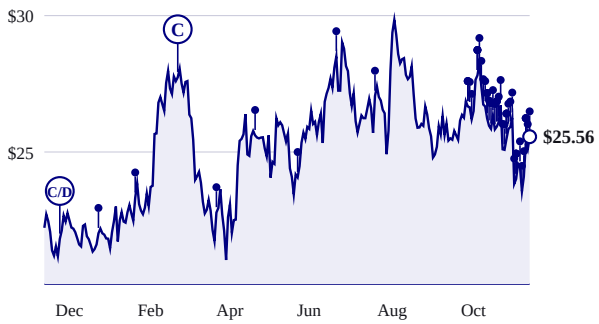
A B C D E

**C, the tortoise**



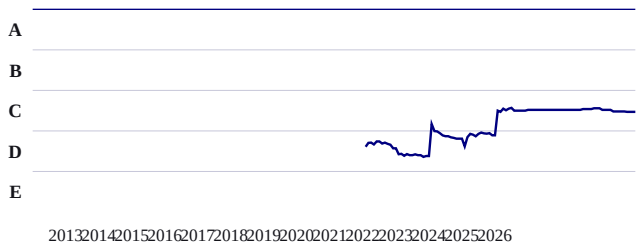
| Scoreboard | |
|---|---|
| **Profitability** | C<br>percentile 52.2 |
| **Solvency** | B/C<br>percentile 42.7 |
| **Growth and financing** | C<br>percentile 52.3 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $7.2B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: distress |
| **Inputs computable** | 12 of 14 |
| **Graded from** | filings received through Feb 12, 2026<br>273 days before the rescan; latest periodic filing 10-Q received Oct 30, 2026 |
| **Last close** | $25.55<br>2026-11-11; market equity $6.4B; 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*

We are a global manufacturer of innovative, highly engineered power transmission and fluid power solutions. We offer a broad portfolio of products to diverse aftermarket channel customers, and to original equipment manufacturers ("OEM") as specified components, with the majority of our revenue coming from aftermarket channels. Our products are used in applications across numerous end markets, including automotive aftermarket, automotive OEM, diversified industrial, industrial off-highway, industrial on-highway, energy and resources, and personal mobility.

## 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 52.2** | | | | | | |
| Gross profitability | 19.2% | 22.0% | | 54.9 | 274 | 2025-12-31 |
| Return on invested capital | 8.0% | 9.7% | | 62.6 | 100 | 2025-12-31 |
| Accruals ratio | (3.3%) | (3.7%) | | 53.3 | 305 | 2025-12-31 |

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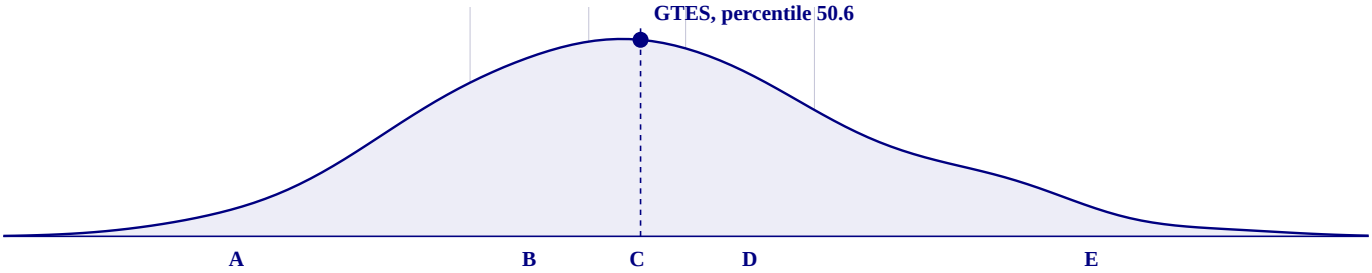
| | | | | | | |
|---|---|---|---|---|---|---|
| Gross margin stability, five years | 1.7 pts | 2.1 pts | | 37.9 | 228 | 2025-12-31 |
| **Solvency, sleeve percentile 42.7** | | | | | | |
| Twelve-month failure probability | not computable | 0.05% | | | | |
| *latest liabilities, cash plus short-term investments, book equity, and shares are required* | | | | | | |
| Altman Z double-prime | 3.80 | 3.72 | | 41.7 | 241 | 2025-12-31 |
| Net debt to EBITDA | 2.09x | 1.77x | | 62.2 | 120 | 2025-12-31 |
| Interest coverage | not computable | 5.09x | | | | |
| *latest aligned inputs end 2023-12-30; latest annual assets end 2025-12-31* | | | | | | |
| Current ratio | 3.37x | 2.26x | | 24.1 | 324 | 2025-12-31 |
| **Growth and financing, sleeve percentile 52.3** | | | | | | |
| Revenue growth, three-year compound | (1.1%) | 2.2% | | 65.5 | 268 | 2025-12-31 |
| Free cash flow growth, three-year compound | 29.1% | 13.7% | | 25.9 | 140 | 2025-12-31 |
| Reinvestment rate | 5.5% | 24.5% | | 62.8 | 138 | 2025-12-31 |
| Asset growth, three years | (0.2%) | 4.1% | | 68.4 | 276 | 2025-12-31 |
| Net share issuance, one year | (0.6%) | 0.0% | | 38.9 | 240 | 2026-02-10 |

## 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 |
|---|---|---|---|---|
| 124 | Symbotic Inc. (SYM) | 48.6 | C | late filer |
| 125 | Nordson Corp. (NDSN) | 49.0 | C | |
| 126 | Optical Cable Corp. (OCC) | 49.4 | C | |
| 127 | Hyliion Holdings Corp. (HYLN) | 49.8 | C | short runway, fortress balance sheet |
| 128 | Mayville Engineering Company, Inc. (MEC) | 50.2 | C | |
| 129 | Gates Industrial Corp. Ltd. (GTES) | 50.6 | C | |
| 130 | CVD Equipment Corp. (CVV) | 51.0 | C | fortress balance sheet |
| 131 | Woodward, Inc. (WWD) | 51.4 | C | |
| 132 | Caterpillar Inc. (CAT) | 51.8 | C | |
| 133 | General Dynamics Corp. (GD) | 52.2 | C | |
| 134 | Agco Corp. (AGCO) | 52.6 | C | |

## What the price implies

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

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 18.7% | 9.8% | 59 |
| Distance from 52-week high | (14.3%) | (23.9%) | 72 |
| EBIT to enterprise value | 6.0% | 4.0% | 75 |
| Free cash flow yield | 6.3% | 3.4% | 79 |
| Book value to price | 0.55 | 0.36 | 69 |
| Sales to price | 0.54 | 0.53 | 52 |
| Composite equity issuance, five years | (14.7%) | (9.6%) | 33 |
| Relative strength against the sector, log excess return | 0.09 | 0.01 | 59 |

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## 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 | pass |
| Current ratio improved | pass |
| No new shares issued | pass |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $830.8M |
| Operating cash flow, four quarters | $439.8M |
| Months of runway | not finite |
| Days since last periodic filing | 13 (10-Q received Oct 30, 2026) |
| Median daily dollar volume, 63 sessions | $46.3M |

## 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 | $1.4B | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 2 | assets | us-gaap:Assets | $7.2B | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $465.3M | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $340.2M | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $63.1M | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 6 | total debt | us-gaap:LongTermDebt | $2.2B | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 7 | book equity | us-gaap:StockholdersEquity | $3.3B | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $812.1M | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 9 | total debt | us-gaap:LongTermDebt | $2.4B | 2024-12-28 | 2026-02-12 | 10-K | 26-007719 |
| 10 | book equity | us-gaap:StockholdersEquity | $3.0B | 2024-12-28 | 2026-02-12 | 10-K | 26-007719 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $682.0M | 2024-12-28 | 2026-02-12 | 10-K | 26-007719 |
| 12 | net income | us-gaap:NetIncomeLoss | $251.4M | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $478.1M | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 14 | assets | us-gaap:Assets | $6.8B | 2024-12-28 | 2026-02-12 | 10-K | 26-007719 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $3.4B | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 16 | gross profit | us-gaap:GrossProfit | $1.4B | 2024-12-28 | 2026-02-12 | 10-K | 26-007719 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $3.4B | 2024-12-28 | 2026-02-12 | 10-K | 26-007719 |
| 18 | gross profit | us-gaap:GrossProfit | $1.4B | 2023-12-30 | 2026-02-12 | 10-K | 26-007719 |
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $3.6B | 2023-12-30 | 2026-02-12 | 10-K | 26-007719 |
| 20 | gross profit | us-gaap:GrossProfit | $1.3B | 2022-12-31 | 2025-02-06 | 10-K | 25-000013 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $3.6B | 2022-12-31 | 2025-02-06 | 10-K | 25-000013 |
| 22 | gross profit | us-gaap:GrossProfit | $1.3B | 2022-01-01 | 2024-02-08 | 10-K | 24-000010 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $3.5B | 2022-01-01 | 2024-02-08 | 10-K | 24-000010 |
| 24 | current assets | us-gaap:AssetsCurrent | $2.5B | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $735.4M | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | $1.7B | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 27 | liabilities | us-gaap:Liabilities | $3.5B | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 28 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $213.8M | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |
| 29 | operating income | us-gaap:OperatingIncomeLoss | $460.1M | 2023-12-30 | 2026-02-12 | 10-K | 26-007719 |
| 30 | interest expense | us-gaap:InterestExpense | $163.2M | 2023-12-30 | 2024-02-08 | 10-K | 24-000010 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $73.2M | 2025-12-31 | 2026-02-12 | 10-K | 26-007719 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $379.6M | 2024-12-28 | 2026-02-12 | 10-K | 26-007719 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $83.1M | 2024-12-28 | 2026-02-12 | 10-K | 26-007719 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $481.0M | 2023-12-30 | 2026-02-12 | 10-K | 26-007719 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $61.2M | 2023-12-30 | 2026-02-12 | 10-K | 26-007719 |
| 36 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $265.8M | 2022-12-31 | 2025-02-06 | 10-K | 25-000013 |
| 37 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $77.6M | 2022-12-31 | 2025-02-06 | 10-K | 25-000013 |
| 38 | current assets | us-gaap:AssetsCurrent | $2.3B | 2024-12-28 | 2026-02-12 | 10-K | 26-007719 |
| 39 | current liabilities | us-gaap:LiabilitiesCurrent | $721.5M | 2024-12-28 | 2026-02-12 | 10-K | 26-007719 |
| 40 | assets | us-gaap:Assets | $7.3B | 2023-12-30 | 2025-02-06 | 10-K | 25-000013 |
| 41 | assets | us-gaap:Assets | $7.2B | 2022-12-31 | 2024-02-08 | 10-K | 24-000010 |
| 42 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 253,855,699 | 2026-02-10 | 2026-02-12 | 10-K | 26-007719 |
| 43 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 255,413,513 | 2025-02-03 | 2025-02-06 | 10-K | 25-000013 |

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