# Karat Packaging Inc.

**KRT**

Nasdaq; manufacturing; SIC 3089, Plastics Products, NEC; CIK 0001758021

**B/C**

**on the B/C boundary of 254 graded peers in manufacturing**

rank 106 of 254; percentile 41.5; sampling error 3.0 points; lower is stronger

A B C D E

**B/C, the elk**



## Scoreboard

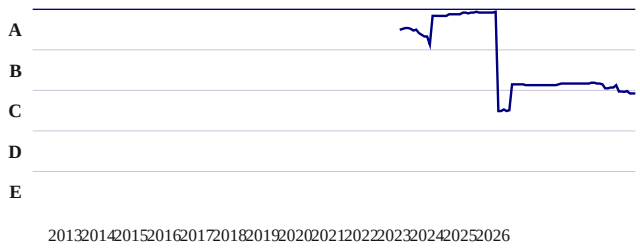
| | |
|---|---|
| **Profitability** | C<br>percentile 51.0 |
| **Solvency** | B<br>percentile 30.3 |
| **Growth and financing** | C/D<br>percentile 57.8 |
| **Reliability** | 0.87 AUC<br>filers with $120M to $591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025 |
| **Peer failure rate** | 1.03% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $120M to $591M assets<br>total assets $287.7M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: fortress balance sheet |
| **Inputs computable** | 11 of 14 |
| **Graded from** | filings received through Mar 13, 2026<br>245 days before the rescan; latest periodic filing 10-Q received Nov 6, 2026 |
| **Last close** | $35.31<br>2026-11-12; market equity $706.3M; 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 Mar 13, 2026*

As used in this Annual Report on Form 10-K, "we", "us", "our", "Karat", "the Company" or "our Company" refer to Karat Packaging Inc., a Delaware corporation, and, unless the context requires otherwise, our operating subsidiaries. References to "Global Wells" or "our variable interest entity" refer to Global Wells Investment Group LLC, a Texas limited liability company and our consolidated variable interest entity, in which the Company has an equity interest and which is controlled by one of our stockholders. References to "Lollicup" refer to Lollicup USA Inc., our wholly-owned subsidiary incorporated in California in 2001 and redomesticated to the State of Texas in October 2025.

## The fourteen inputs

*lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight*

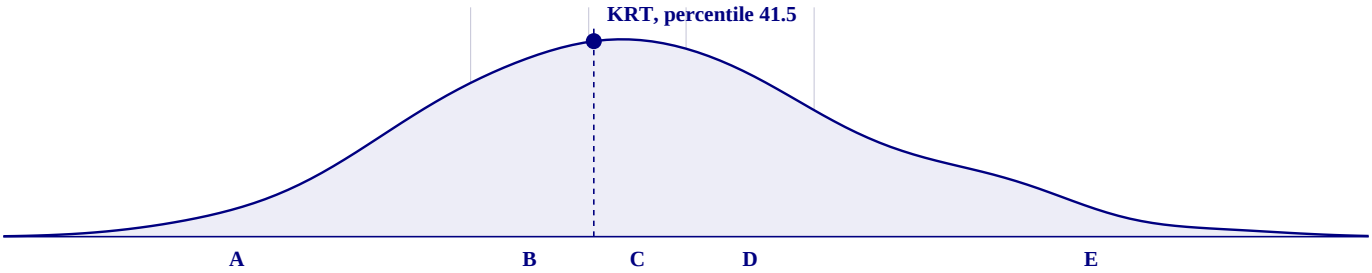
| Input | Value | Peer median | Percentile, 0 to 100 | Pct | Peers | Period end |
|---|---|---|---|---|---|---|
| **Profitability, sleeve percentile 51.0** | | | | | | |
| Gross profitability | 59.8% | 22.0% | | 1.5 | 274 | 2025-12-31 |
| Return on invested capital | not computable | 9.7% | | | | |

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.

| | | | | | | |
|---|---|---|---|---|---|---|
| *one or more required annual facts are missing* | | | | | | |
| Accruals ratio | (0.8%) | (3.7%) | | 75.3 | 305 | 2025-12-31 |
| Gross margin stability, five years | 3.7 pts | 2.1 pts | | 76.2 | 228 | 2025-12-31 |
| **Solvency, sleeve percentile 30.3** | | | | | | |
| Twelve-month failure probability | 0.03% | 0.05% | | 11.8 | 35 | 2026-09-30 |
| Altman Z double-prime | 4.94 | 3.72 | | 29.6 | 241 | 2025-12-31 |
| Net debt to EBITDA | not computable | 1.77x | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Interest coverage | not computable | 5.09x | | | | |
| *latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31* | | | | | | |
| Current ratio | 2.30x | 2.26x | | 49.5 | 324 | 2025-12-31 |
| **Growth and financing, sleeve percentile 57.8** | | | | | | |
| Revenue growth, three-year compound | 3.4% | 2.2% | | 41.9 | 268 | 2025-12-31 |
| Free cash flow growth, three-year compound | 7.2% | 13.7% | | 62.6 | 140 | 2025-12-31 |
| Reinvestment rate | (107.2%) | 24.5% | | 93.4 | 138 | 2025-12-31 |
| Asset growth, three years | 4.5% | 4.1% | | 47.6 | 276 | 2025-12-31 |
| Net share issuance, one year | (0.4%) | 0.0% | | 43.5 | 240 | 2026-03-10 |

## 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 |
|---|---|---|---|---|
| 101 | Virco MFG Corporation (VIRC) | 39.5 | B/C | fortress balance sheet |
| 102 | TransDigm Group Inc. (TDG) | 39.9 | B/C | |
| 103 | OIL States International, Inc. (OIS) | 40.3 | B/C | fortress balance sheet |
| 104 | Hayward Holdings, Inc. (HAYW) | 40.7 | B/C | |
| 105 | Bloom Energy Corp. (BE) | 41.1 | B/C | |
| 106 | Karat Packaging Inc. (KRT) | 41.5 | B/C | |
| 107 | Standex International (SXI) | 41.9 | B/C | |
| 108 | Generac Holdings Inc. (GNRC) | 42.3 | B/C | |
| 109 | Friedman Industries Inc. (FRD) | 42.7 | B/C | |
| 110 | Honeywell International Inc. (HON) | 43.1 | C | |
| 111 | Fuel Tech, Inc. (FTEK) | 43.5 | C | |

## What the price implies

*at the 2026-11-12 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 133.7% | 9.8% | 98 |
| Distance from 52-week high | (35.4%) | (24.2%) | 35 |
| EBIT to enterprise value | not computable | 4.1% | |
| Free cash flow yield | 4.7% | 3.5% | 64 |
| Book value to price | 0.23 | 0.37 | 31 |
| Sales to price | 0.66 | 0.54 | 57 |

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| | | | |
|---|---|---|---|
| Composite equity issuance, five years | not computable | (9.6%) | |
| Relative strength against the sector, log excess return | 0.77 | 0.01 | 98 |

## 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 | pass |
| 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 | pass |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $33.4M |
| Operating cash flow, four quarters | $65.4M |
| Months of runway | not finite |
| Days since last periodic filing | 7 (10-Q received Nov 6, 2026) |
| Median daily dollar volume, 63 sessions | $7.9M |

## 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 | $172.1M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 2 | assets | us-gaap:Assets | $287.7M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 3 | net income | us-gaap:NetIncomeLoss | $31.5M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 4 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $33.8M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 5 | assets | us-gaap:Assets | $294.5M | 2024-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 6 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $467.7M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 7 | gross profit | us-gaap:GrossProfit | $164.3M | 2024-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 8 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $422.6M | 2024-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 9 | gross profit | us-gaap:GrossProfit | $153.0M | 2023-12-31 | 2025-03-14 | 10-K | 25-012816 |
| 10 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $405.7M | 2023-12-31 | 2025-03-14 | 10-K | 25-012816 |
| 11 | gross profit | us-gaap:GrossProfit | $132.1M | 2022-12-31 | 2024-03-15 | 10-K | 24-011444 |
| 12 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $423.0M | 2022-12-31 | 2024-03-15 | 10-K | 24-011444 |
| 13 | gross profit | us-gaap:GrossProfit | $107.8M | 2021-12-31 | 2023-03-16 | 10-K | 23-008299 |
| 14 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $364.2M | 2021-12-31 | 2023-03-16 | 10-K | 23-008299 |
| 15 | current assets | us-gaap:AssetsCurrent | $161.2M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 16 | current liabilities | us-gaap:LiabilitiesCurrent | $70.2M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 17 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | $61.7M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 18 | operating income | us-gaap:OperatingIncomeLoss | $41.4M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 19 | book equity | us-gaap:StockholdersEquity | $149.4M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 20 | liabilities | us-gaap:Liabilities | $130.8M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 21 | operating income | us-gaap:OperatingIncomeLoss | $42.1M | 2023-12-31 | 2025-03-14 | 10-K | 25-012816 |
| 22 | interest expense | us-gaap:InterestExpense | $2.0M | 2023-12-31 | 2024-03-15 | 10-K | 24-011444 |
| 23 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $756,000 | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 24 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $48.0M | 2024-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 25 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $934,000 | 2024-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 26 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $53.4M | 2023-12-31 | 2025-03-14 | 10-K | 25-012816 |
| 27 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $2.8M | 2023-12-31 | 2025-03-14 | 10-K | 25-012816 |
| 28 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $29.5M | 2022-12-31 | 2024-03-15 | 10-K | 24-011444 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $2.7M | 2022-12-31 | 2024-03-15 | 10-K | 24-011444 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 30 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $10.9M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 31 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $43.0M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 32 | income tax | us-gaap:IncomeTaxExpenseBenefit | $10.4M | 2025-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 33 | current assets | us-gaap:AssetsCurrent | $161.0M | 2024-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 34 | current liabilities | us-gaap:LiabilitiesCurrent | $46.4M | 2024-12-31 | 2026-03-13 | 10-K | 26-000010 |
| 35 | assets | us-gaap:Assets | $276.4M | 2023-12-31 | 2025-03-14 | 10-K | 25-012816 |
| 36 | assets | us-gaap:Assets | $252.2M | 2022-12-31 | 2024-03-15 | 10-K | 24-011444 |
| 37 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 19,963,731 | 2026-03-10 | 2026-03-13 | 10-K | 26-000010 |
| 38 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 20,036,505 | 2025-03-10 | 2025-03-14 | 10-K | 25-012816 |

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