# Freshworks Inc.

**FRSH**

Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0001544522

**C**

**middle fifth of 494 graded peers in business equipment**

rank 220 of 494; percentile 44.4; sampling error 2.2 points; lower is stronger

A B C D E

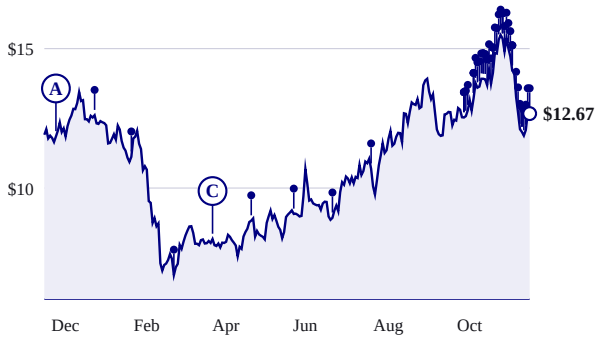
**C, the tortoise**



## Scoreboard

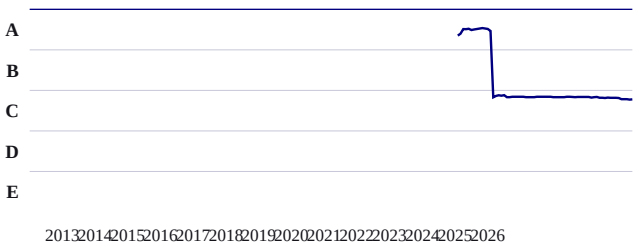
| | |
|---|---|
| **Profitability** | C<br>percentile 47.4 |
| **Solvency** | C<br>percentile 57.1 |
| **Growth and financing** | B<br>percentile 34.7 |
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure rate** | 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 $1.6B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: dilution, distress, fortress balance sheet |
| **Inputs computable** | 7 of 14 |
| **Graded from** | filings received through Feb 26, 2026<br>261 days before the rescan; latest periodic filing 10-Q received Nov 3, 2026 |
| **Last close** | $12.66<br>2026-11-13; market equity $1.9B; 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 26, 2026*

We provide people-first AI service software that organizations use to deliver exceptional employee and customer experiences. Our employee experience (EX) products include Freshservice, Freshservice for Business Teams, Device42 and FireHydrant. Our customer experience (CX) products include our Freshdesk suite of products. Our AI offerings, which include Freddy AI Agents, Freddy AI Copilot and Freddy AI Insights, further enhance the employee and customer experience and are designed to boost productivity. Currently, nearly 75,000 companies use Freshworks' uncomplicated solutions to increase employee efficiency and customer loyalty.

## 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 47.4** | | | | | | |
| Gross profitability | 44.5% | 28.7% | | 21.9 | 550 | 2025-12-31 |
| Return on invested capital | not computable | 11.2% | | | | |

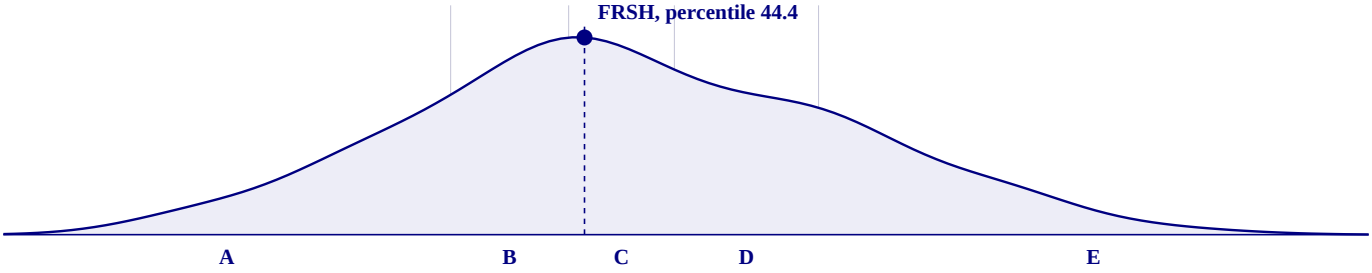
*one or more required annual facts are missing*

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| | | | | | | |
|---|---|---|---|---|---|---|
| Accruals ratio | (3.6%) | (7.3%) | | 71.6 | 613 | 2025-12-31 |
| Gross margin stability, five years | 2.2 pts | 2.3 pts | | 48.7 | 422 | 2025-12-31 |
| **Solvency, sleeve percentile 57.1** | | | | | | |
| Twelve-month failure probability | not computable | 0.05% | | | | |
| *liabilities and a nearby cover-page share count are required at 2026-09-30* | | | | | | |
| Altman Z double-prime | (2.82) | 2.21 | | 69.8 | 561 | 2025-12-31 |
| Net debt to EBITDA | not computable | 1.09x | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Interest coverage | not computable | 3.77x | | | | |
| *one or more required annual facts are missing* | | | | | | |
| Current ratio | 2.20x | 2.01x | | 44.3 | 658 | 2025-12-31 |
| **Growth and financing, sleeve percentile 34.7** | | | | | | |
| Revenue growth, three-year compound | 19.0% | 6.4% | | 20.8 | 531 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 17.7% | | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | | |
| Reinvestment rate | not computable | 15.1% | | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | | |
| Asset growth, three years | 5.1% | 5.2% | | 48.6 | 555 | 2025-12-31 |
| Net share issuance, one year | not computable | 0.5% | | | | |
| *two annual share counts are required; found 0* | | | | | | |

## Among 494 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 |
|---|---|---|---|---|
| 215 | Nutanix, Inc. (NTNX) | 43.4 | C | |
| 216 | Everspin Technologies Inc. (MRAM) | 43.6 | C | |
| 217 | Macom Technology Solutions Holdings, Inc. (MTSI) | 43.8 | C | |
| 218 | Jabil Inc. (JBL) | 44.0 | C | |
| 219 | CCC Intelligent Solutions Holdings Inc. (CCC) | 44.2 | C | |
| 220 | Freshworks Inc. (FRSH) | 44.4 | C | |
| 221 | Seagate Technology Holdings plc (STX) | 44.6 | C | |
| 222 | Navitas Semiconductor Corp. (NVTS) | 44.8 | C | |
| 223 | Asana, Inc. (ASAN) | 45.0 | C | |
| 224 | Playtika Holding Corp. (PLTK) | 45.2 | C | |
| 225 | PDF Solutions Inc. (PDFS) | 45.4 | C | |

## What the price implies

*at the 2026-11-13 close; none of these enters the grade*

| Measure | Value | Peer median | Percentile |
|---|---|---|---|
| Twelve-month price change, skipping the latest month | 15.2% | (2.0%) | 62 |
| Distance from 52-week high | (18.2%) | (35.0%) | 70 |
| EBIT to enterprise value | not computable | 1.7% | |

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| | | | |
|---|---|---|---|
| Free cash flow yield | 12.1% | 2.8% | 89 |
| Book value to price | 0.47 | 0.27 | 66 |
| Sales to price | 0.43 | 0.32 | 59 |
| Composite equity issuance, five years | not computable | 4.4% | |
| Relative strength against the sector, log excess return | (0.13) | (0.29) | 62 |

## 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 | 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 | pass |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $466.6M |
| Operating cash flow, four quarters | $260.9M |
| Months of runway | not finite |
| Days since last periodic filing | 11 (10-Q received Nov 3, 2026) |
| Median daily dollar volume, 63 sessions | $56.6M |

## 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 | $712.7M | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 2 | assets | us-gaap:Assets | $1.6B | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 3 | net income | us-gaap:NetIncomeLoss | $183.7M | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 4 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $242.4M | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 5 | assets | us-gaap:Assets | $1.6B | 2024-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 6 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $838.8M | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 7 | gross profit | us-gaap:GrossProfit | $607.1M | 2024-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 8 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $720.4M | 2024-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 9 | gross profit | us-gaap:GrossProfit | $493.1M | 2023-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 10 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $596.4M | 2023-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 11 | gross profit | us-gaap:GrossProfit | $402.2M | 2022-12-31 | 2025-02-20 | 10-K | 25-000010 |
| 12 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $498.0M | 2022-12-31 | 2025-02-20 | 10-K | 25-000010 |
| 13 | gross profit | us-gaap:GrossProfit | $293.0M | 2021-12-31 | 2024-02-16 | 10-K | 24-000012 |
| 14 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $371.0M | 2021-12-31 | 2024-02-16 | 10-K | 24-000012 |
| 15 | current assets | us-gaap:AssetsCurrent | $1.1B | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 16 | current liabilities | us-gaap:LiabilitiesCurrent | $498.0M | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 17 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$3.6B | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 18 | operating income | us-gaap:OperatingIncomeLoss | $13.2M | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 19 | book equity | us-gaap:StockholdersEquity | $1.0B | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 20 | liabilities | us-gaap:Liabilities | $570.1M | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 21 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $5.7M | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 22 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $160.6M | 2024-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 23 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $9.2M | 2024-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 24 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $86.2M | 2023-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 25 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $2.1M | 2023-12-31 | 2026-02-26 | 10-K | 26-000036 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 26 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$2.5M | 2022-12-31 | 2025-02-20 | 10-K | 25-000010 |
| 27 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $7.1M | 2022-12-31 | 2025-02-20 | 10-K | 25-000010 |
| 28 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $25.9M | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 29 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $53.3M | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 30 | income tax | us-gaap:IncomeTaxExpenseBenefit | -$130.4M | 2025-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 31 | current assets | us-gaap:AssetsCurrent | $1.3B | 2024-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 32 | current liabilities | us-gaap:LiabilitiesCurrent | $407.7M | 2024-12-31 | 2026-02-26 | 10-K | 26-000036 |
| 33 | assets | us-gaap:Assets | $1.5B | 2023-12-31 | 2025-02-20 | 10-K | 25-000010 |
| 34 | assets | us-gaap:Assets | $1.4B | 2022-12-31 | 2024-02-16 | 10-K | 24-000012 |

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