# Pegasystems Inc.

**PEGA**

Nasdaq; business equipment; SIC 7374, Services-Computer Processing & Data Preparation; CIK 0001013857

**A**

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

rank 85 of 494; percentile 17.0; sampling error 2.2 points; lower is stronger

A B C D E

**A, the bull**



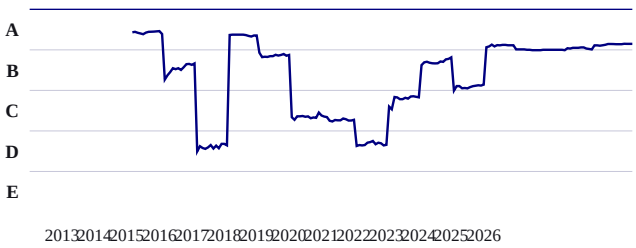
| Scoreboard | |
|---|---|
| **Profitability** | B<br>percentile 29.1 |
| **Solvency** | C<br>percentile 45.8 |
| **Growth and financing** | B<br>percentile 36.2 |
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure 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: fortress balance sheet |
| **Inputs computable** | 9 of 14 |
| **Graded from** | filings received through Feb 10, 2026<br>279 days before the rescan; latest periodic filing 10-Q received Oct 20, 2026 |
| **Last close** | $32.42<br>2026-11-13; market equity $5.3B; 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 10, 2026*

Our consulting revenue is significantly dependent upon our consulting personnel implementing new license and Pega Cloud arrangements. We derive a substantial portion of our consulting revenue from implementations of new license and Pega Cloud arrangements managed by our consulting personnel and consulting for partner and client-led implementation efforts. Our strategy is to support and encourage partner-led and client-led implementations to increase the breadth, capability, and depth of market capacity to deliver implementation services to our clients.

## 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 29.1** | | | | | | |
| Gross profitability | 81.2% | 28.7% | | 3.6 | 550 | 2025-12-31 |
| Return on invested capital | not computable | 11.2% | | | | |
| *one or more required annual facts are missing* | | | | | | |

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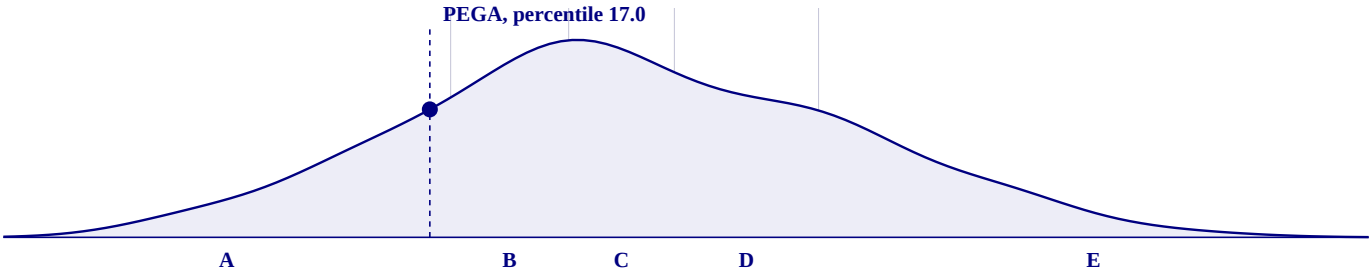
| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (6.6%) | (7.3%) | 55.2 | 613 | 2025-12-31 |
| Gross margin stability, five years | 1.4 pts | 2.3 pts | 28.5 | 422 | 2025-12-31 |
| **Solvency, sleeve percentile 45.8** | | | | | |
| Twelve-month failure probability | 0.04% | 0.05% | 39.0 | 106 | 2026-09-30 |
| Altman Z double-prime | 3.96 | 2.21 | 28.9 | 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 | | | |
| *latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31* | | | | | |
| Current ratio | 1.33x | 2.01x | 69.4 | 658 | 2025-12-31 |
| **Growth and financing, sleeve percentile 36.2** | | | | | |
| Revenue growth, three-year compound | 9.8% | 6.4% | 40.2 | 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 | 6.3% | 5.2% | 44.4 | 555 | 2025-12-31 |
| Net share issuance, one year | (1.6%) | 0.5% | 24.0 | 406 | 2026-01-30 |

## 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 |
|---|---|---|---|---|
| 80 | Nextdoor Holdings, Inc. (NXDR) | 16.0 | A | |
| 81 | Byrna Technologies Inc. (BYRN) | 16.2 | A | |
| 82 | Zedge, Inc. (ZDGE) | 16.4 | A | |
| 83 | Ibex Ltd. (IBEX) | 16.6 | A | fortress balance sheet |
| 84 | NetApp, Inc. (NTAP) | 16.8 | A | |
| 85 | Pegasystems Inc. (PEGA) | 17.0 | A | |
| 86 | Manhattan Associates Inc. (MANH) | 17.2 | A | |
| 87 | Sprout Social, Inc. (SPT) | 17.4 | A | fortress balance sheet |
| 88 | Mind Technology, Inc. (MIND) | 17.6 | A | fortress balance sheet |
| 89 | Fortinet, Inc. (FTNT) | 17.8 | A/B | |
| 90 | Viant Technology Inc. (DSP) | 18.1 | A/B | |

## 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 | (47.5%) | (2.0%) | 17 |
| Distance from 52-week high | (48.2%) | (35.0%) | 35 |
| EBIT to enterprise value | not computable | 1.7% | |
| Free cash flow yield | 9.2% | 2.8% | 84 |
| Book value to price | 0.10 | 0.27 | 21 |

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| | | | |
|---|---|---|---|
| Sales to price | 0.33 | 0.32 | 51 |
| Composite equity issuance, five years | (0.3%) | 4.4% | 42 |
| Relative strength against the sector, log excess return | (0.91) | (0.29) | 17 |

## 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 | pass |
| No new shares issued | pass |
| Gross margin improved | pass |
| Asset turnover improved | fail |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $202.2M |
| Operating cash flow, four quarters | $462.7M |
| Months of runway | not finite |
| Days since last periodic filing | 27 (10-Q received Oct 20, 2026) |
| Median daily dollar volume, 63 sessions | $72.1M |

## 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 | $1.3B | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 2 | assets | us-gaap:Assets | $1.6B | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 3 | net income | us-gaap:NetIncomeLoss | $393.4M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 4 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $505.2M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 5 | assets | us-gaap:Assets | $1.8B | 2024-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 6 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.7B | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 7 | gross profit | us-gaap:GrossProfit | $1.1B | 2024-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 8 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.5B | 2024-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 9 | gross profit | us-gaap:GrossProfit | $1.1B | 2023-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 10 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.4B | 2023-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 11 | gross profit | us-gaap:GrossProfit | $949.2M | 2022-12-31 | 2025-02-12 | 10-K | 25-000024 |
| 12 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.3B | 2022-12-31 | 2025-02-12 | 10-K | 25-000024 |
| 13 | gross profit | us-gaap:GrossProfit | $875.3M | 2021-12-31 | 2024-02-14 | 10-K | 24-000012 |
| 14 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.2B | 2021-12-31 | 2024-02-14 | 10-K | 24-000012 |
| 15 | current assets | us-gaap:AssetsCurrent | $978.3M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 16 | current liabilities | us-gaap:LiabilitiesCurrent | $737.8M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 17 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | $463.4M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 18 | operating income | us-gaap:OperatingIncomeLoss | $263.1M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 19 | book equity | us-gaap:StockholdersEquity | $787.4M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 20 | liabilities | us-gaap:Liabilities | $844.5M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 21 | operating income | us-gaap:OperatingIncomeLoss | $81.0M | 2023-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 22 | interest expense | us-gaap:InterestExpense | $6.9M | 2023-12-31 | 2024-02-14 | 10-K | 24-000012 |
| 23 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $14.5M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 24 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $345.9M | 2024-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 25 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $7.7M | 2024-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 26 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $217.8M | 2023-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 27 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $16.8M | 2023-12-31 | 2026-02-10 | 10-K | 26-000017 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 28 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $22.3M | 2022-12-31 | 2025-02-12 | 10-K | 25-000024 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $35.4M | 2022-12-31 | 2025-02-12 | 10-K | 25-000024 |
| 30 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $13.7M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 31 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $280.6M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 32 | income tax | us-gaap:IncomeTaxExpenseBenefit | -$112.8M | 2025-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 33 | current assets | us-gaap:AssetsCurrent | $1.3B | 2024-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 34 | current liabilities | us-gaap:LiabilitiesCurrent | $1.1B | 2024-12-31 | 2026-02-10 | 10-K | 26-000017 |
| 35 | assets | us-gaap:Assets | $1.5B | 2023-12-31 | 2025-02-12 | 10-K | 25-000024 |
| 36 | assets | us-gaap:Assets | $1.4B | 2022-12-31 | 2024-02-14 | 10-K | 24-000012 |
| 37 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 169,043,716 | 2026-01-30 | 2026-02-10 | 10-K | 26-000017 |
| 38 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 85,898,878 | 2025-01-31 | 2025-02-12 | 10-K | 25-000024 |

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