# Verastem, Inc.

**VSTM**

Nasdaq; healthcare; SIC 2834, Pharmaceutical Preparations; CIK 0001526119

**B**

**second fifth of 367 graded peers in healthcare**

rank 115 of 367; percentile 31.1; sampling error 2.5 points; lower is stronger

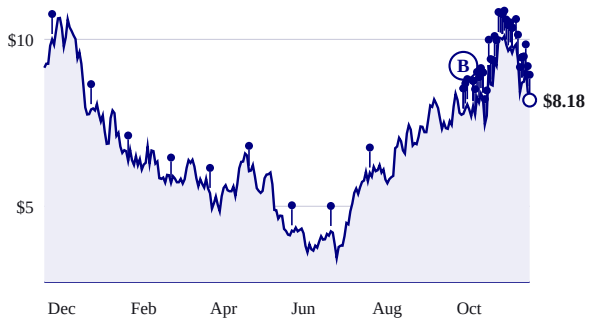
A B C D E

**B, the elk**



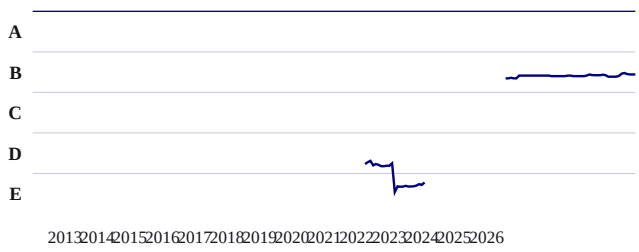
| Scoreboard | |
|---|---|
| **Profitability** | A<br>percentile 9.9 |
| **Solvency** | D<br>percentile 71.2 |
| **Growth and financing** | C<br>percentile 45.9 |
| **Reliability** | 0.87 AUC<br>filers with $120M to $591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025 |
| **Peer failure 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 $246.4M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | dilution; fortress balance sheet |
| **Inputs computable** | 7 of 14 |
| **Graded from** | filings received through Mar 4, 2026<br>257 days before the rescan; latest periodic filing 10-Q received Nov 5, 2026 |
| **Last close** | $8.18<br>2026-11-13; market equity $1.0B; 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 4, 2026*

We are a biopharmaceutical company committed to developing and commercializing new medicines to improve the lives of patients diagnosed with challenging RAS/MAPK pathway-driven cancers. We market AVMAPKI FAKZYNJA CO-PACK (avutometinib capsules; defactinib tablets) in the United States ("U.S."), the first treatment specifically FDA-approved for adults with KRAS-mutated recurrent low-grade serous ovarian cancer ("LGSOC") who have received prior systemic therapy. AVMAPKI FAKZYNJA CO-PACK received accelerated approval in the U.S. on May 8, 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 9.9** | | | | | | |
| Gross profitability | not computable | 32.3% | | | | |
| *latest aligned inputs end 2018-12-31; latest annual assets end 2025-12-31* | | | | | | |
| Return on invested capital | not computable | 9.3% | | | | |

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.

| | | | | | | |
|---|---|---|---|---|---|---|
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | | |
| Accruals ratio | (41.4%) | (6.6%) | 9.9 | 799 | 2025-12-31 | |
| Gross margin stability, five years | not computable | 2.8 pts | | | | |
| *five annual gross margins are required; found 1* | | | | | | |
| **Solvency, sleeve percentile 71.2** | | | | | | |
| Twelve-month failure probability | 0.21% | 0.08% | 64.8 | 245 | 2026-09-30 | |
| Altman Z double-prime | (15.71) | (0.31) | 70.6 | 743 | 2025-12-31 | |
| Net debt to EBITDA | not computable | 1.82x | | | | |
| *EBITDA must exceed $100,000* | | | | | | |
| Interest coverage | (149.50x) | (4.51x) | 94.8 | 78 | 2025-12-31 | |
| Current ratio | 3.09x | 2.96x | 54.7 | 825 | 2025-12-31 | |
| **Growth and financing, sleeve percentile 45.9** | | | | | | |
| Revenue growth, three-year compound | not computable | 10.1% | | | | |
| *four consecutive annual observations are required* | | | | | | |
| Free cash flow growth, three-year compound | not computable | 11.0% | | | | |
| *four consecutive annual FCF observations are required; found 10* | | | | | | |
| Reinvestment rate | not computable | 37.1% | | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | | |
| Asset growth, three years | 37.4% | 2.3% | 11.8 | 693 | 2025-12-31 | |
| Net share issuance, one year | 70.6% | 2.4% | 79.9 | 627 | 2026-02-27 | |

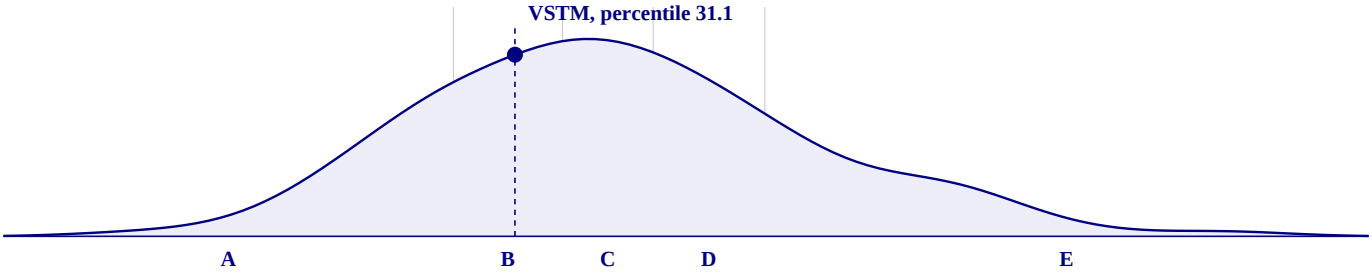
## Warnings

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

| Check | Measured |
|---|---|
| Dilution | split-adjusted year-over-year share growth is 70.6% |
| Fortress balance sheet | cash minus debt is 48,094,000 USD; Altman Z is not used |

## Among 367 peers

*healthcare; 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 |
|---|---|---|---|---|
| 110 | Cytokinetics Inc. (CYTK) | 29.8 | B | short runway |
| 111 | MSA Safety Inc. (MSA) | 30.1 | B | |
| 112 | Steris plc (STE) | 30.3 | B | |
| 113 | Avalo Therapeutics, Inc. (AVTX) | 30.6 | B | dilution, degenerate inputs |
| 114 | BioNexus Gene Lab Corp. (BGLC) | 30.9 | B | dilution, late filer |
| 115 | Verastem, Inc. (VSTM) | 31.1 | B | dilution, fortress balance sheet |
| 116 | Collegium Pharmaceutical, Inc. (COLL) | 31.4 | B | fortress balance sheet |
| 117 | Arcutis Biotherapeutics, Inc. (ARQT) | 31.7 | B | |
| 118 | Insmed Inc. (INSM) | 32.0 | B | |
| 119 | Stryker Corp. (SYK) | 32.2 | B | |
| 120 | Usana Health Sciences Inc. (USNA) | 32.5 | B | |

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## 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 | (14.8%) | (1.5%) | 40 |
| Distance from 52-week high | (23.1%) | (32.0%) | 58 |
| EBIT to enterprise value | (18.9%) | (1.8%) | 26 |
| Free cash flow yield | (10.2%) | (1.0%) | 31 |
| Book value to price | 0.01 | 0.29 | 12 |
| Sales to price | 0.03 | 0.29 | 11 |
| Composite equity issuance, five years | 217.6% | 19.1% | 90 |
| Relative strength against the sector, log excess return | (0.33) | (0.18) | 40 |

## 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 | fail |
| Operating cash flow above zero | fail |
| Return on assets improved | fail |
| Operating cash flow exceeds net income | pass |
| 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 | $172.8M |
| Operating cash flow, four quarters | -$159.6M |
| Months of runway | 13.0 |
| Days since last periodic filing | 11 (10-Q received Nov 5, 2026) |
| Median daily dollar volume, 63 sessions | $21.2M |

## 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 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $26.7M | 2018-12-31 | 2021-03-18 | 10-K | 21-003211 |
| 2 | cost of revenue | us-gaap:CostOfGoodsAndServicesSold | $165,000 | 2018-12-31 | 2019-03-12 | 10-K | 19-001852 |
| 3 | assets | us-gaap:Assets | $277.2M | 2018-12-31 | 2020-03-11 | 10-K | 20-002421 |
| 4 | operating income | us-gaap:OperatingIncomeLoss | -$115.0M | 2024-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 5 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$130.5M | 2024-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 6 | income tax | us-gaap:IncomeTaxExpenseBenefit | $185,000 | 2024-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 7 | total debt | us-gaap:LongTermDebt | $40.7M | 2024-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 8 | book equity | us-gaap:StockholdersEquity | -$28.9M | 2024-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 9 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $88.8M | 2024-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 10 | total debt | us-gaap:LongTermDebt | $40.1M | 2023-12-31 | 2025-03-20 | 10-K | 25-003372 |
| 11 | book equity | us-gaap:StockholdersEquity | $57.4M | 2023-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 12 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $77.9M | 2023-12-31 | 2025-03-20 | 10-K | 25-003372 |
| 13 | net income | us-gaap:NetIncomeLoss | -$209.5M | 2025-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 14 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$137.5M | 2025-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 15 | assets | us-gaap:Assets | $246.4M | 2025-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 16 | assets | us-gaap:Assets | $101.5M | 2024-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 17 | current assets | us-gaap:AssetsCurrent | $223.4M | 2025-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 18 | current liabilities | us-gaap:LiabilitiesCurrent | $72.3M | 2025-12-31 | 2026-03-04 | 10-K | 26-023444 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 19 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$1.2B | 2025-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 20 | operating income | us-gaap:OperatingIncomeLoss | -$170.1M | 2025-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 21 | book equity | us-gaap:StockholdersEquity | $57.2M | 2025-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 22 | liabilities | us-gaap:Liabilities | $189.2M | 2025-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 23 | depreciation amortization | us-gaap:Depreciation | $26,000 | 2024-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 24 | interest expense | us-gaap:InterestExpense | $1.1M | 2025-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 25 | revenue | us-gaap:Revenues | $30.9M | 2025-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 26 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $10.0M | 2024-12-31 | 2025-03-20 | 10-K | 25-003372 |
| 27 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.6M | 2022-12-31 | 2025-03-20 | 10-K | 25-003372 |
| 28 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.1M | 2021-12-31 | 2023-03-14 | 10-K | 23-003738 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $28,000 | 2024-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 30 | current assets | us-gaap:AssetsCurrent | $95.0M | 2024-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 31 | current liabilities | us-gaap:LiabilitiesCurrent | $31.0M | 2024-12-31 | 2026-03-04 | 10-K | 26-023444 |
| 32 | current assets | us-gaap:AssetsCurrent | $143.7M | 2023-12-31 | 2025-03-20 | 10-K | 25-003372 |
| 33 | current liabilities | us-gaap:LiabilitiesCurrent | $26.4M | 2023-12-31 | 2025-03-20 | 10-K | 25-003372 |
| 34 | assets | us-gaap:Assets | $149.7M | 2023-12-31 | 2025-03-20 | 10-K | 25-003372 |
| 35 | assets | us-gaap:Assets | $95.0M | 2022-12-31 | 2024-03-14 | 10-K | 24-003250 |
| 36 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 87,835,106 | 2026-02-27 | 2026-03-04 | 10-K | 26-023444 |
| 37 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 51,486,705 | 2025-03-19 | 2025-03-20 | 10-K | 25-003372 |

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