Freshworks Inc.

FRSH

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

C

middle fifth of 468 graded peers in business equipment

rank 207 of 468; percentile 44.1; sampling error 2.3 points; lower is stronger

A B C D E

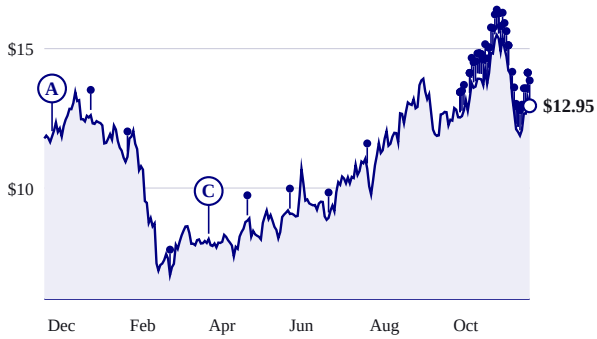
C, the tortoise



Scoreboard

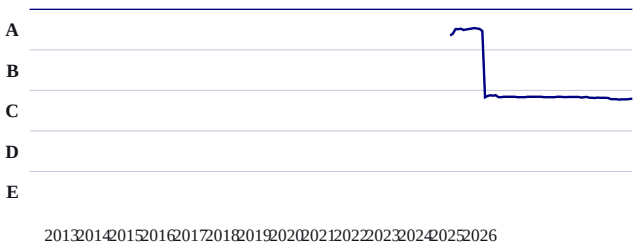
Profitability	C percentile 47.8
Solvency	C/D percentile 57.9
Growth and financing	B percentile 34.2
Reliability	0.91 AUC filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025
Peer failure rate	1.01% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	$591M to $2.67B assets total assets $1.6B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered not computable: dilution, distress, fortress balance sheet
Inputs computable	7 of 13
Graded from	filings received through Feb 26, 2026 265 days before the rescan; latest periodic filing 10-Q received Nov 3, 2026
Last close	$12.96 2026-11-17; market equity $2.0B; 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 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 thirteen 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 47.8						
Gross profitability	44.5%	29.2%		22.9	511	2025-12-31
Return on invested capital	not computable	11.2%				

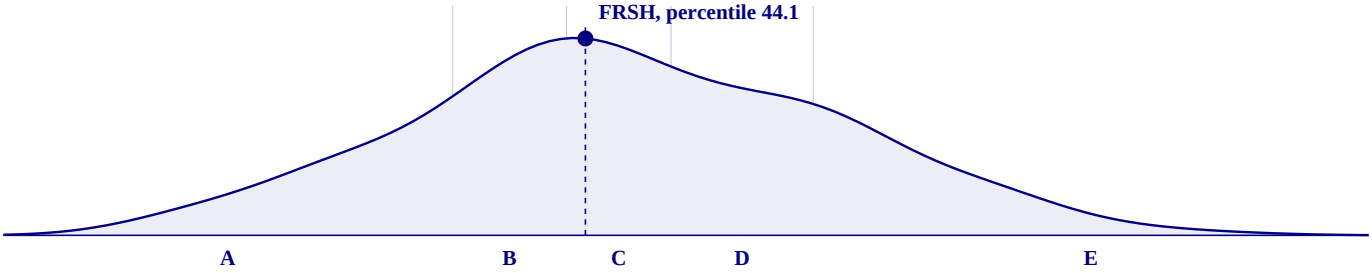
one or more required annual facts are missing

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Accruals ratio	(3.6%)	(7.4%)	71.8	565	2025-12-31
Gross margin stability, five years	2.2 pts	2.3 pts	48.8	405	2025-12-31
Solvency, sleeve percentile 57.9					
Altman Z double-prime	(2.82)	2.21	71.6	515	2025-12-31
Net debt to EBITDA	not computable	1.11x			
one or more required annual facts are missing					
Interest coverage	not computable	4.90x			
one or more required annual facts are missing					
Current ratio	2.20x	1.98x	44.1	599	2025-12-31
Growth and financing, sleeve percentile 34.2					
Revenue growth, three-year compound	19.0%	6.5%	20.2	501	2025-12-31
Free cash flow growth, three-year compound	not computable	17.5%			
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%	5.0%	48.2	518	2025-12-31
Net share issuance, one year	not computable	0.5%			
two annual share counts are required; found 0					

Among 468 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
202	Everspin Technologies Inc. (MRAM)	43.0	C	
203	Okta, Inc. (OKTA)	43.3	C	
204	Impinj Inc. (PI)	43.5	C	
205	Nutanix, Inc. (NTNX)	43.7	C	
206	Navitas Semiconductor Corp. (NVTS)	43.9	C	
207	Freshworks Inc. (FRSH)	44.1	C	
208	Jabil Inc. (JBL)	44.3	C	
209	Seagate Technology Holdings plc (STX)	44.5	C	
210	Playtika Holding Corp. (PLTK)	44.8	C	
211	Asana, Inc. (ASAN)	45.0	C	
212	PDF Solutions Inc. (PDFS)	45.2	C	

What the price implies

at the 2026-11-17 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	15.2%	(2.2%)	61
Distance from 52-week high	(16.4%)	(37.6%)	76
EBIT to enterprise value	not computable	1.8%	
Free cash flow yield	11.9%	3.0%	88
Book value to price	0.46	0.27	66

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Sales to price	0.42	0.32	58
Composite equity issuance, five years	not computable	4.3%	
Relative strength against the sector, log excess return	(0.13)	(0.29)	61
Twelve-month failure probability, CHS model	not computable	0.05%	

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	15 (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
26	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-$2.5M	2022-12-31	2025-02-20	10-K	25-000010

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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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