Gates Industrial Corp. Ltd.

GTES

NYSE; manufacturing; SIC 3560, General Industrial Machinery & Equipment; CIK 0001718512

C

middle fifth of 245 graded peers in manufacturing

rank 124 of 245; percentile 50.4; sampling error 3.0 points; lower is stronger

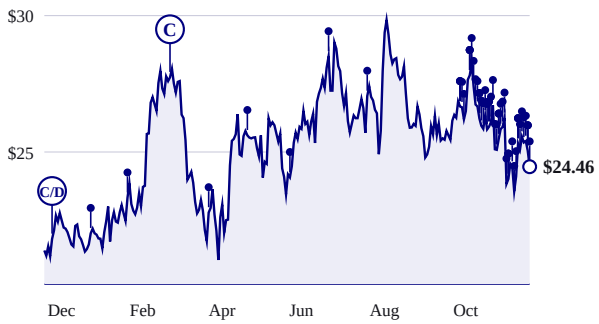
A B C D E

C, the tortoise



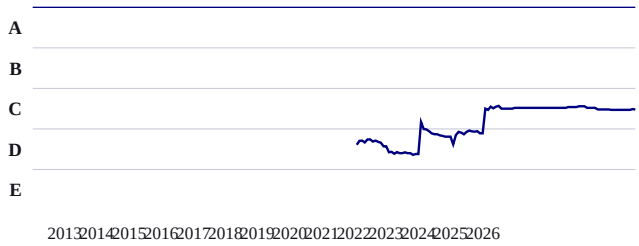
Scoreboard	
Profitability	C percentile 52.5
Solvency	C percentile 43.3
Growth and financing	C percentile 53.0
Reliability	0.94 AUC filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $2.67B assets total assets $7.2B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered not computable: distress
Inputs computable	12 of 13
Graded from	filings received through Feb 12, 2026 279 days before the rescan; latest periodic filing 10-Q received Oct 30, 2026
Last close	$24.45 2026-11-17; market equity $6.1B; 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 12, 2026

We are a global manufacturer of innovative, highly engineered power transmission and fluid power solutions. We offer a broad portfolio of products to diverse aftermarket channel customers, and to original equipment manufacturers ("OEM") as specified components, with the majority of our revenue coming from aftermarket channels. Our products are used in applications across numerous end markets, including automotive aftermarket, automotive OEM, diversified industrial, industrial off-highway, industrial on-highway, energy and resources, and personal mobility.

The thirteen inputs

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

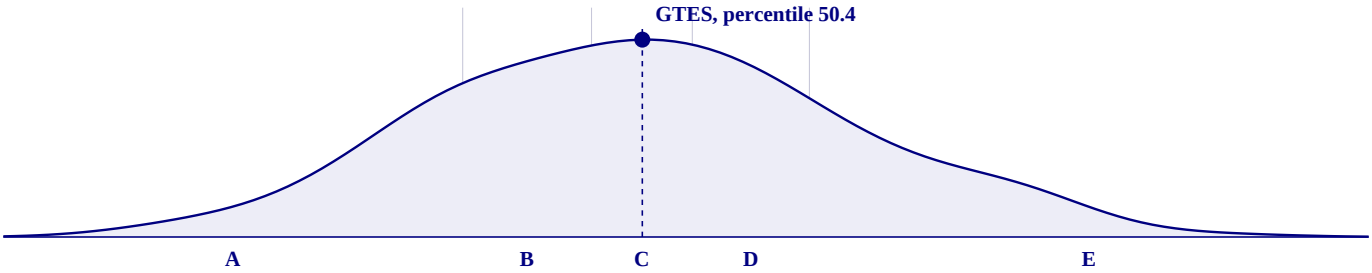
Input	Value	Peer median	Percentile, 0 to 100	Pct	Peers	Period end
Profitability, sleeve percentile 52.5						
Gross profitability	19.2%	22.2%		55.1	266	2025-12-31
Return on invested capital	8.0%	9.9%		63.9	98	2025-12-31
Accruals ratio	(3.3%)	(3.7%)		54.4	286	2025-12-31

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Gross margin stability, five years	1.7 pts	2.1 pts	36.7	222	2025-12-31
Solvency, sleeve percentile 43.3					
Altman Z double-prime	3.80	3.73	43.9	222	2025-12-31
Net debt to EBITDA	2.09x	1.75x	63.2	118	2025-12-31
Interest coverage	not computable	5.13x			
latest aligned inputs end 2023-12-30; latest annual assets end 2025-12-31					
Current ratio	3.37x	2.26x	22.7	301	2025-12-31
Growth and financing, sleeve percentile 53.0					
Revenue growth, three-year compound	(1.1%)	2.2%	66.9	261	2025-12-31
Free cash flow growth, three-year compound	29.1%	13.5%	26.1	139	2025-12-31
Reinvestment rate	5.5%	25.7%	63.5	138	2025-12-31
Asset growth, three years	(0.2%)	4.2%	69.7	265	2025-12-31
Net share issuance, one year	(0.6%)	0.0%	38.8	241	2026-02-10

Among 245 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
119	Nordson Corp. (NDSN)	48.4	C	
120	Hyliion Holdings Corp. (HYLN)	48.8	C	short runway, fortress balance sheet
121	Optical Cable Corp. (OCC)	49.2	C	
122	CVD Equipment Corp. (CVV)	49.6	C	fortress balance sheet
123	Woodward, Inc. (WWD)	50.0	C	
124	Gates Industrial Corp. Ltd. (GTES)	50.4	C	
125	Karat Packaging Inc. (KRT)	50.8	C	
126	Mayville Engineering Company, Inc. (MEC)	51.2	C	
127	Hayward Holdings, Inc. (HAYW)	51.6	C	
128	Rocket Lab Corp. (RKLB)	52.0	C	fortress balance sheet
129	Greenland Technologies Holding Corp. (GTEC)	52.5	C	dilution, fortress balance sheet

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	18.7%	9.9%	58
Distance from 52-week high	(18.0%)	(29.0%)	73
EBIT to enterprise value	6.2%	4.3%	73
Free cash flow yield	6.6%	3.6%	79
Book value to price	0.58	0.37	68
Sales to price	0.56	0.57	49
Composite equity issuance, five years	(14.7%)	(9.7%)	35
Relative strength against the sector, log excess return	0.09	0.01	58
Twelve-month failure probability, CHS model	not computable	0.04%	

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Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score 8 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	pass
Current ratio improved	pass
No new shares issued	pass
Gross margin improved	fail
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	$830.8M
Operating cash flow, four quarters	$439.8M
Months of runway	not finite
Days since last periodic filing	19 (10-Q received Oct 30, 2026)
Median daily dollar volume, 63 sessions	$47.8M

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	$1.4B	2025-12-31	2026-02-12	10-K	26-007719
2	assets	us-gaap:Assets	$7.2B	2025-12-31	2026-02-12	10-K	26-007719
3	operating income	us-gaap:OperatingIncomeLoss	$465.3M	2025-12-31	2026-02-12	10-K	26-007719
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$340.2M	2025-12-31	2026-02-12	10-K	26-007719
5	income tax	us-gaap:IncomeTaxExpenseBenefit	$63.1M	2025-12-31	2026-02-12	10-K	26-007719
6	total debt	us-gaap:LongTermDebt	$2.2B	2025-12-31	2026-02-12	10-K	26-007719
7	book equity	us-gaap:StockholdersEquity	$3.3B	2025-12-31	2026-02-12	10-K	26-007719
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$812.1M	2025-12-31	2026-02-12	10-K	26-007719
9	total debt	us-gaap:LongTermDebt	$2.4B	2024-12-28	2026-02-12	10-K	26-007719
10	book equity	us-gaap:StockholdersEquity	$3.0B	2024-12-28	2026-02-12	10-K	26-007719
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$682.0M	2024-12-28	2026-02-12	10-K	26-007719
12	net income	us-gaap:NetIncomeLoss	$251.4M	2025-12-31	2026-02-12	10-K	26-007719
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$478.1M	2025-12-31	2026-02-12	10-K	26-007719
14	assets	us-gaap:Assets	$6.8B	2024-12-28	2026-02-12	10-K	26-007719
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.4B	2025-12-31	2026-02-12	10-K	26-007719
16	gross profit	us-gaap:GrossProfit	$1.4B	2024-12-28	2026-02-12	10-K	26-007719
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.4B	2024-12-28	2026-02-12	10-K	26-007719
18	gross profit	us-gaap:GrossProfit	$1.4B	2023-12-30	2026-02-12	10-K	26-007719
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.6B	2023-12-30	2026-02-12	10-K	26-007719
20	gross profit	us-gaap:GrossProfit	$1.3B	2022-12-31	2025-02-06	10-K	25-000013
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.6B	2022-12-31	2025-02-06	10-K	25-000013
22	gross profit	us-gaap:GrossProfit	$1.3B	2022-01-01	2024-02-08	10-K	24-000010
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.5B	2022-01-01	2024-02-08	10-K	24-000010
24	current assets	us-gaap:AssetsCurrent	$2.5B	2025-12-31	2026-02-12	10-K	26-007719
25	current liabilities	us-gaap:LiabilitiesCurrent	$735.4M	2025-12-31	2026-02-12	10-K	26-007719
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	$1.7B	2025-12-31	2026-02-12	10-K	26-007719
27	liabilities	us-gaap:Liabilities	$3.5B	2025-12-31	2026-02-12	10-K	26-007719
28	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$213.8M	2025-12-31	2026-02-12	10-K	26-007719
29	operating income	us-gaap:OperatingIncomeLoss	$460.1M	2023-12-30	2026-02-12	10-K	26-007719
30	interest expense	us-gaap:InterestExpense	$163.2M	2023-12-30	2024-02-08	10-K	24-000010
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$73.2M	2025-12-31	2026-02-12	10-K	26-007719

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32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$379.6M	2024-12-28	2026-02-12	10-K	26-007719
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$83.1M	2024-12-28	2026-02-12	10-K	26-007719
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$481.0M	2023-12-30	2026-02-12	10-K	26-007719
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$61.2M	2023-12-30	2026-02-12	10-K	26-007719
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$265.8M	2022-12-31	2025-02-06	10-K	25-000013
37	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$77.6M	2022-12-31	2025-02-06	10-K	25-000013
38	current assets	us-gaap:AssetsCurrent	$2.3B	2024-12-28	2026-02-12	10-K	26-007719
39	current liabilities	us-gaap:LiabilitiesCurrent	$721.5M	2024-12-28	2026-02-12	10-K	26-007719
40	assets	us-gaap:Assets	$7.3B	2023-12-30	2025-02-06	10-K	25-000013
41	assets	us-gaap:Assets	$7.2B	2022-12-31	2024-02-08	10-K	24-000010
42	shares outstanding	dei:EntityCommonStockSharesOutstanding	253,855,699	2026-02-10	2026-02-12	10-K	26-007719
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	255,413,513	2025-02-03	2025-02-06	10-K	25-000013

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