Mercury Systems Inc.

MRCY

Nasdaq; business equipment; SIC 3670, Electronic Components & Accessories; CIK 0001049521

D

fourth fifth of 468 graded peers in business equipment

rank 339 of 468; percentile 72.4; sampling error 2.3 points; lower is stronger

A B C D E

D, the sloth



Scoreboard

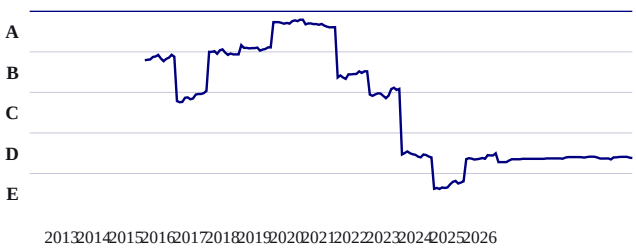
Profitability	D percentile 73.0
Solvency	B/C percentile 41.9
Growth and financing	C/D percentile 59.3
Reliability	0.91 AUC filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025
Peer failure rate	1.01% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	$591M to $2.67B assets total assets $2.3B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered not computable: distress
Inputs computable	9 of 13
Graded from	filings received through Aug 18, 2026 92 days before the rescan; latest periodic filing 10-Q received Nov 10, 2026
Last close	$78.58 2026-11-17; market equity $4.8B; 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 Aug 18, 2026

Mercury Systems is a global leader in aerospace and defense electronics, providing breakthrough capabilities in signal and data processing. With a four-decade legacy of innovation that spans silicon to systems and radio frequency ("RF") front ends to effectors, we accelerate commercial technology adoption to deliver powerful and secure mission-critical processing solutions to the edge. We are headquartered in Andover, Massachusetts, and have multiple locations worldwide. Our end-to-end processing ecosystem, the Mercury Processing Platform, is built on technologies we have developed and acquired over 40 years.

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 73.0						
Gross profitability	12.1%	29.2%		82.0	511	2026-07-03
Return on invested capital	not computable	11.2%				

a prior annual debt, equity, and cash observation is required

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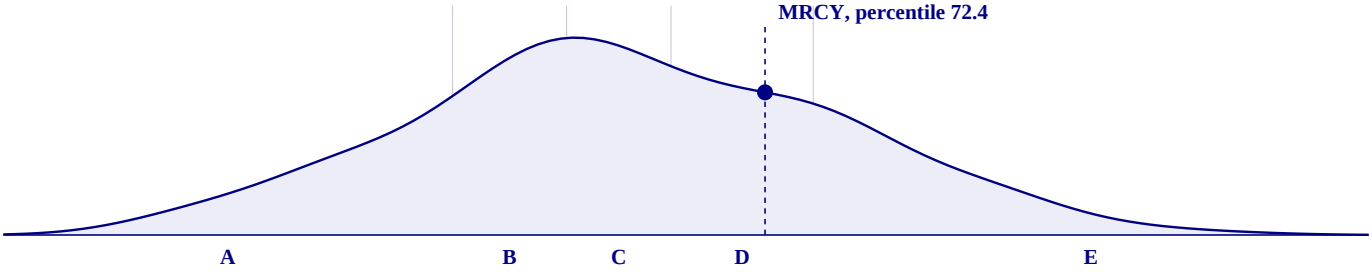
Accruals ratio	(5.6%)	(7.4%)	61.2	565	2026-07-03
Gross margin stability, five years	5.5 pts	2.3 pts	75.7	405	2026-07-03
Solvency, sleeve percentile 41.9					
Altman Z double-prime	3.94	2.21	29.8	515	2026-07-03
Net debt to EBITDA	not computable	1.11x			
latest aligned inputs end 2016-06-30; latest annual assets end 2026-07-03					
Interest coverage	0.01x	4.90x	64.6	80	2026-07-03
Current ratio	2.96x	1.98x	31.3	599	2026-07-03
Growth and financing, sleeve percentile 59.3					
Revenue growth, three-year compound	0.3%	6.5%	68.0	501	2026-07-03
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	(1.0%)	5.0%	65.0	518	2026-07-03
Net share issuance, one year	0.4%	0.5%	44.9	404	2026-07-31

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
334	Bruker Corp. (BRKR)	71.3	D	
335	Palo Alto Networks Inc. (PANW)	71.5	D	
336	Blackbaud Inc. (BLKB)	71.7	D	
337	DigitalOcean Holdings, Inc. (DOCN)	71.9	D	
338	Q2 Holdings, Inc. (QTWO)	72.2	D	
339	Mercury Systems Inc. (MRCY)	72.4	D	
340	Dropbox, Inc. (DBX)	72.6	D	
341	Cohu Inc. (COHU)	72.8	D	
342	Evolv Technologies Holdings, Inc. (EVLV)	73.0	D	late filer, fortress balance sheet
343	Adtran Holdings, Inc. (ADTN)	73.2	D	late filer, fortress balance sheet
344	Unity Software Inc. (U)	73.4	D	

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	7.2%	(2.2%)	57
Distance from 52-week high	(37.8%)	(37.6%)	49
EBIT to enterprise value	0.01%	1.8%	35
Free cash flow yield	1.4%	3.0%	33
Book value to price	0.32	0.27	54
Sales to price	0.21	0.32	36
Composite equity issuance, five years	8.0%	4.3%	55

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Relative strength against the sector, log excess return	(0.20)	(0.29)	57
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 2026-07-03	
Return on assets above zero	fail
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	$109.7M
Operating cash flow, four quarters	$86.2M
Months of runway	not finite
Days since last periodic filing	8 (10-Q received Nov 10, 2026)
Median daily dollar volume, 63 sessions	$49.6M

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	$281.2M	2026-07-03	2026-08-18	10-K	26-000045
2	assets	us-gaap:Assets	$2.3B	2026-07-03	2026-08-18	10-K	26-000045
3	operating income	us-gaap:OperatingIncomeLoss	$24.0M	2016-06-30	2018-08-16	10-K	18-000030
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$25.3M	2016-06-30	2018-08-16	10-K	18-000030
5	income tax	us-gaap:IncomeTaxExpenseBenefit	$5.5M	2016-06-30	2018-08-16	10-K	18-000030
6	total debt	us-gaap:LongTermDebt	$192.3M	2016-06-30	2016-08-16	10-K	16-000094
7	book equity	us-gaap:StockholdersEquity	$473.0M	2016-06-30	2019-08-15	10-K	19-000033
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$81.7M	2016-06-30	2019-08-15	10-K	19-000033
9	net income	us-gaap:NetIncomeLoss	-$29.7M	2026-07-03	2026-08-18	10-K	26-000045
10	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$102.4M	2026-07-03	2026-08-18	10-K	26-000045
11	assets	us-gaap:Assets	$2.4B	2025-06-27	2026-08-18	10-K	26-000045
12	revenue	us-gaap:Revenues	$983.6M	2026-07-03	2026-08-18	10-K	26-000045
13	gross profit	us-gaap:GrossProfit	$254.5M	2025-06-27	2026-08-18	10-K	26-000045
14	revenue	us-gaap:Revenues	$912.0M	2025-06-27	2026-08-18	10-K	26-000045
15	gross profit	us-gaap:GrossProfit	$195.9M	2024-06-28	2026-08-18	10-K	26-000045
16	revenue	us-gaap:Revenues	$835.3M	2024-06-28	2026-08-18	10-K	26-000045
17	gross profit	us-gaap:GrossProfit	$316.7M	2023-06-30	2025-08-11	10-K	25-000024
18	revenue	us-gaap:Revenues	$973.9M	2023-06-30	2025-08-11	10-K	25-000024
19	gross profit	us-gaap:GrossProfit	$395.0M	2022-07-01	2024-08-13	10-K	24-000029
20	revenue	us-gaap:Revenues	$988.2M	2022-07-01	2024-08-13	10-K	24-000029
21	current assets	us-gaap:AssetsCurrent	$973.4M	2026-07-03	2026-08-18	10-K	26-000045
22	current liabilities	us-gaap:LiabilitiesCurrent	$328.5M	2026-07-03	2026-08-18	10-K	26-000045
23	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	$152.2M	2026-07-03	2026-08-18	10-K	26-000045
24	operating income	us-gaap:OperatingIncomeLoss	$280,000	2026-07-03	2026-08-18	10-K	26-000045
25	book equity	us-gaap:StockholdersEquity	$1.5B	2026-07-03	2026-08-18	10-K	26-000045
26	liabilities	us-gaap:Liabilities	$825.3M	2026-07-03	2026-08-18	10-K	26-000045
27	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$15.7M	2016-06-30	2018-08-16	10-K	18-000030
28	interest expense	us-gaap:InterestExpense	$29.6M	2026-07-03	2026-08-18	10-K	26-000045
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$34.3M	2026-07-03	2026-08-18	10-K	26-000045

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30	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$138.9M	2025-06-27	2026-08-18	10-K	26-000045
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$19.8M	2025-06-27	2026-08-18	10-K	26-000045
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$60.4M	2024-06-28	2026-08-18	10-K	26-000045
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$34.3M	2024-06-28	2026-08-18	10-K	26-000045
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-$21.3M	2023-06-30	2025-08-11	10-K	25-000024
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$38.8M	2023-06-30	2025-08-11	10-K	25-000024
36	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$72.7M	2026-07-03	2026-08-18	10-K	26-000045
37	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	-$28.9M	2026-07-03	2026-08-18	10-K	26-000045
38	income tax	us-gaap:IncomeTaxExpenseBenefit	$784,000	2026-07-03	2026-08-18	10-K	26-000045
39	current assets	us-gaap:AssetsCurrent	$1.1B	2025-06-27	2026-08-18	10-K	26-000045
40	current liabilities	us-gaap:LiabilitiesCurrent	$300.4M	2025-06-27	2026-08-18	10-K	26-000045
41	assets	us-gaap:Assets	$2.4B	2024-06-28	2025-08-11	10-K	25-000024
42	assets	us-gaap:Assets	$2.4B	2023-06-30	2024-08-13	10-K	24-000029
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	60,136,133	2026-07-31	2026-08-18	10-K	26-000045
44	shares outstanding	dei:EntityCommonStockSharesOutstanding	59,915,670	2025-07-31	2025-08-11	10-K	25-000024

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