Rackspace Technology, Inc.

RXT

Nasdaq; business equipment; SIC 7370, Services-Computer Programming, Data Processing, Etc.; CIK 0001810019

E

weakest fifth of 468 graded peers in business equipment

rank 464 of 468; percentile 99.1; sampling error 2.3 points; lower is stronger

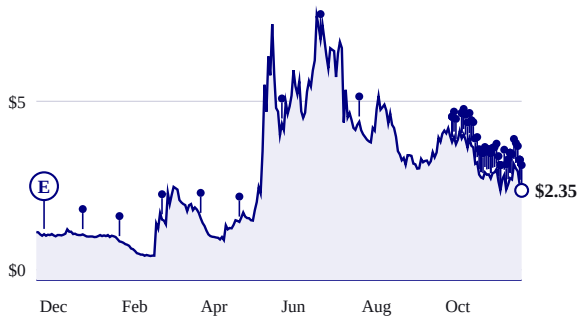
A B C D E

E, the bear



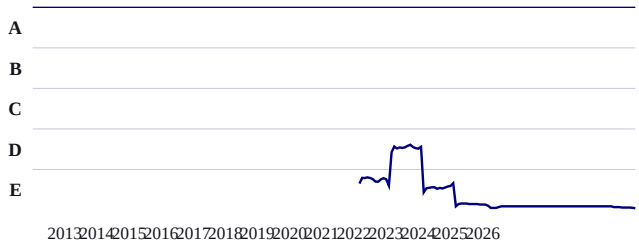
Scoreboard	
Profitability	C/D percentile 57.7
Solvency	E percentile 90.4
Growth and financing	E percentile 83.2
Reliability	0.94 AUC filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $2.67B assets total assets $2.8B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	late filer not computable: distress
Inputs computable	10 of 13
Graded from	filings received through Mar 6, 2026 257 days before the rescan; latest periodic filing 10-Q received Nov 9, 2026
Last close	$2.35 2026-11-17; market equity $618.2M; 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 6, 2026

Rackspace Technology is a leading end-to-end hybrid cloud and AI solutions company. We serve as a trusted operator of the full technology stack, from governed private cloud infrastructure to AI deployed in production environments. From edge to core to cloud, we design, integrate and operate the infrastructure, data foundations and software platforms required to deliver business outcomes with predictable cost, resilience, security and compliance. Our solutions are purpose-built for regulated and mission-critical environments where uptime, data sovereignty and operational accountability are essential.

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 57.7						
Gross profitability	18.1%	29.2%		68.2	511	2025-12-31
Return on invested capital	not computable	11.2%				
pretax income must exceed the validity floor and imply a 0%-100% tax rate						

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Accruals ratio	(12.9%)	(7.4%)	31.7	565	2025-12-31
Gross margin stability, five years	4.8 pts	2.3 pts	73.3	405	2025-12-31
Solvency, sleeve percentile 90.4					
Altman Z double-prime	(5.69)	2.21	79.0	515	2025-12-31
Net debt to EBITDA	52.07x	1.11x	100.0	138	2025-12-31
Interest coverage	not computable	4.90x			
latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31					
Current ratio	0.68x	1.98x	92.3	599	2025-12-31
Growth and financing, sleeve percentile 83.2					
Revenue growth, three-year compound	(4.9%)	6.5%	80.6	501	2025-12-31
Free cash flow growth, three-year compound	(18.3%)	17.5%	91.3	253	2025-12-31
Reinvestment rate	not computable	15.1%			
pretax income must exceed the validity floor and imply a 0%-100% tax rate					
Asset growth, three years	(19.9%)	5.0%	92.6	518	2025-12-31
Net share issuance, one year	4.0%	0.5%	68.2	404	2026-03-02

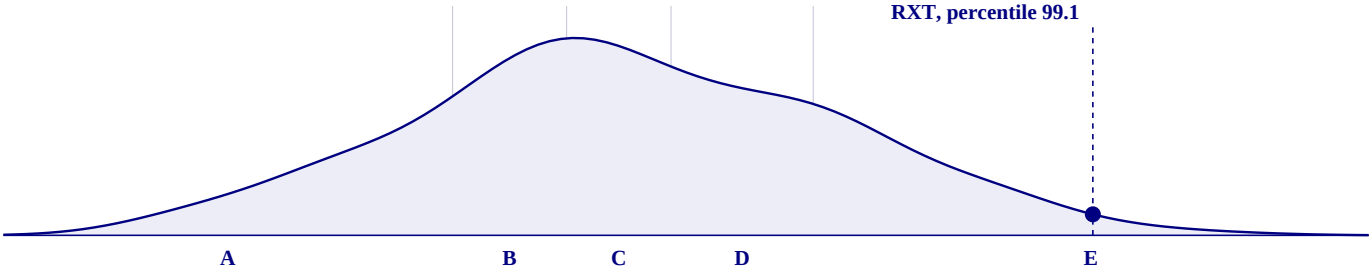
Warnings

1 of 7 checks triggered; none of them enters the letter

Check	Measured
Late filer	found 1 NT 10-K/Q filings in the last eight quarters

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
459	Healthcare Triangle, Inc. (HCTI)	98.1	E	dilution, short runway, late filer
460	System1, Inc. (SST)	98.3	E	short runway
461	Flux Power Holdings, Inc. (FLUX)	98.5	E	dilution, late filer
462	Firy Inc. (FIRY)	98.7	E	late filer, fortress balance sheet
463	Palladyne AI Corp. (PDYN)	98.9	E	dilution
464	Rackspace Technology, Inc. (RXT)	99.1	E	late filer
465	ZW Data Action Technologies Inc. (CNET)	99.4	E	dilution, late filer
466	Polar Power, Inc. (POLA)	99.6	E	dilution, short runway, late filer, fortress balance sheet
467	Sports Entertainment Gaming Global Corp. (SEGG)	99.8	E	short runway, late filer, distress
468	Stem, Inc. (STEM)	100.0	E	

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	132.8%	(2.2%)	94
Distance from 52-week high	(68.7%)	(37.6%)	17
EBIT to enterprise value	(3.0%)	1.8%	24

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Free cash flow yield	14.6%	3.0%	92
Book value to price	(2.11)	0.27	2
Sales to price	4.34	0.32	93
Composite equity issuance, five years	24.7%	4.3%	74
Relative strength against the sector, log excess return	0.58	(0.29)	94
Twelve-month failure probability, CHS model	not computable	0.05%	

Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score 4 of 9, period end 2025-12-31	
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	fail
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	$108.0M
Operating cash flow, four quarters	$69.0M
Months of runway	not finite
Days since last periodic filing	9 (10-Q received Nov 9, 2026)
Median daily dollar volume, 63 sessions	$18.2M

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	gross profit	us-gaap:GrossProfit	$506.4M	2025-12-31	2026-03-06	10-K	26-000015
2	assets	us-gaap:Assets	$2.8B	2025-12-31	2026-03-06	10-K	26-000015
3	operating income	us-gaap:OperatingIncomeLoss	-$100.7M	2025-12-31	2026-03-06	10-K	26-000015
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	-$201.8M	2025-12-31	2026-03-06	10-K	26-000015
5	income tax	us-gaap:IncomeTaxExpenseBenefit	$24.0M	2025-12-31	2026-03-06	10-K	26-000015
6	total debt	us-gaap:LongTermDebt	$2.7B	2025-12-31	2026-03-06	10-K	26-000015
7	book equity	us-gaap:StockholdersEquity	-$1.2B	2025-12-31	2026-03-06	10-K	26-000015
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$105.8M	2025-12-31	2026-03-06	10-K	26-000015
9	total debt	us-gaap:LongTermDebt	$2.8B	2024-12-31	2026-03-06	10-K	26-000015
10	book equity	us-gaap:StockholdersEquity	-$1.0B	2024-12-31	2026-03-06	10-K	26-000015
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$144.0M	2024-12-31	2026-03-06	10-K	26-000015
12	net income	us-gaap:NetIncomeLoss	-$225.8M	2025-12-31	2026-03-06	10-K	26-000015
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$151.4M	2025-12-31	2026-03-06	10-K	26-000015
14	assets	us-gaap:Assets	$3.1B	2024-12-31	2026-03-06	10-K	26-000015
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.7B	2025-12-31	2026-03-06	10-K	26-000015
16	gross profit	us-gaap:GrossProfit	$533.4M	2024-12-31	2026-03-06	10-K	26-000015
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.7B	2024-12-31	2026-03-06	10-K	26-000015
18	gross profit	us-gaap:GrossProfit	$628.8M	2023-12-31	2026-03-06	10-K	26-000015
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.0B	2023-12-31	2026-03-06	10-K	26-000015
20	gross profit	us-gaap:GrossProfit	$856.9M	2022-12-31	2025-03-21	10-K	25-000043
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.1B	2022-12-31	2025-03-21	10-K	25-000043
22	gross profit	us-gaap:GrossProfit	$936.8M	2021-12-31	2024-03-15	10-K	24-000042
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.0B	2021-12-31	2024-03-15	10-K	24-000042
24	current assets	us-gaap:AssetsCurrent	$517.8M	2025-12-31	2026-03-06	10-K	26-000015

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25	current liabilities	us-gaap:LiabilitiesCurrent	$766.7M	2025-12-31	2026-03-06	10-K	26-000015
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-$3.9B	2025-12-31	2026-03-06	10-K	26-000015
27	liabilities	us-gaap:Liabilities	$4.0B	2025-12-31	2026-03-06	10-K	26-000015
28	depreciation amortization	us-gaap:Depreciation	$151.4M	2025-12-31	2026-03-06	10-K	26-000015
29	operating income	us-gaap:OperatingIncomeLoss	-$899.4M	2023-12-31	2026-03-06	10-K	26-000015
30	interest expense	us-gaap:InterestExpense	$221.6M	2023-12-31	2024-03-15	10-K	24-000042
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$60.8M	2025-12-31	2026-03-06	10-K	26-000015
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$39.9M	2024-12-31	2026-03-06	10-K	26-000015
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$111.1M	2024-12-31	2026-03-06	10-K	26-000015
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$374.9M	2023-12-31	2026-03-06	10-K	26-000015
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$96.9M	2023-12-31	2026-03-06	10-K	26-000015
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$246.7M	2022-12-31	2025-03-21	10-K	25-000043
37	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$80.4M	2022-12-31	2025-03-21	10-K	25-000043
38	current assets	us-gaap:AssetsCurrent	$618.8M	2024-12-31	2026-03-06	10-K	26-000015
39	current liabilities	us-gaap:LiabilitiesCurrent	$766.6M	2024-12-31	2026-03-06	10-K	26-000015
40	assets	us-gaap:Assets	$4.1B	2023-12-31	2025-03-21	10-K	25-000043
41	assets	us-gaap:Assets	$5.5B	2022-12-31	2024-03-15	10-K	24-000042
42	shares outstanding	dei:EntityCommonStockSharesOutstanding	246,914,399	2026-03-02	2026-03-06	10-K	26-000015
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	237,306,679	2025-03-17	2025-03-21	10-K	25-000043

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