Cadence Design Systems Inc. CDNS

Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0000813672

A

strongest fifth of 469 graded peers in business equipment

rank 83 of 469; percentile 17.5; sampling error 2.3 points; lower is stronger

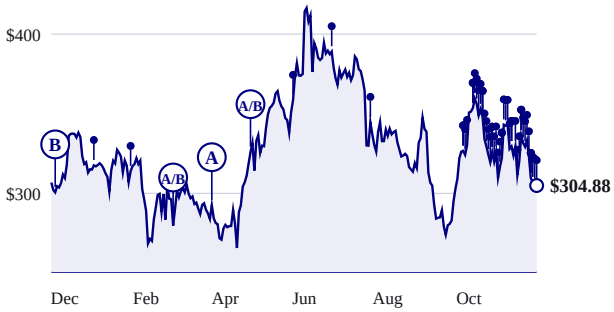
A B C D E

A, the bull



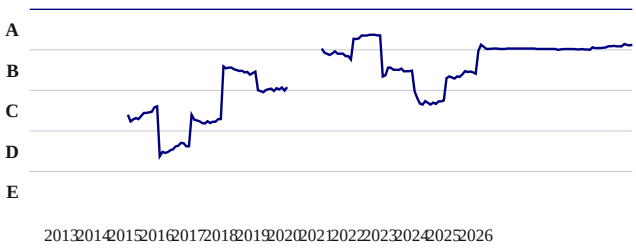
Scoreboard	
Profitability	C percentile 56.5
Solvency	B percentile 26.8
Growth and financing	B percentile 35.1
Reliability	0.94 AUC filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $2.67B assets total assets $10.2B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered not computable: distress, fortress balance sheet
Inputs computable	8 of 13
Graded from	filings received through Feb 19, 2026 274 days before the rescan; latest periodic filing 10-Q received Oct 28, 2026
Last close	$304.93 2026-11-19; market equity $83.7B; 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 19, 2026

This Annual Report and the documents incorporated by reference in this Annual Report contain statements that are not historical in nature, are predictive, or that depend upon or refer to future events or conditions or contain other forward-looking statements.

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 56.5						
Gross profitability	not computable	29.3%				
one or more required annual facts are missing						
Return on invested capital	not computable	11.0%				
one or more required annual facts are missing						
Accruals ratio	(6.5%)	(7.3%)		56.5	567	2025-12-31
Gross margin stability, five years	not computable	2.3 pts				

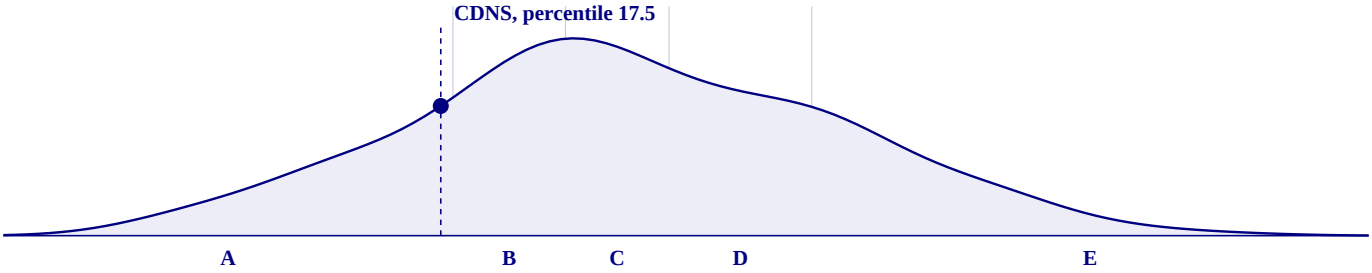
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five annual gross margins are required; found 0

Solvency, sleeve percentile 26.8						
Altman Z double-prime	not computable	2.19				
one or more required annual facts are missing						
Net debt to EBITDA	not computable	1.08x				
one or more required annual facts are missing						
Interest coverage	12.80x	4.90x	21.5	80	2025-12-31	
Current ratio	2.86x	1.98x	32.2	601	2025-12-31	
Growth and financing, sleeve percentile 35.1						
Revenue growth, three-year compound	14.1%	6.6%	29.7	503	2025-12-31	
Free cash flow growth, three-year compound	12.4%	17.5%	55.6	253	2025-12-31	
Reinvestment rate	27.8%	16.2%	45.5	214	2025-12-31	
Asset growth, three years	25.5%	5.1%	12.1	520	2025-12-31	
Net share issuance, one year	(0.5%)	0.5%	32.7	405	2026-01-31	

Among 469 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
78	Upwork, Inc. (UPWK)	16.5	A	
79	Mind Technology, Inc. (MIND)	16.7	A	fortress balance sheet
80	Sprout Social, Inc. (SPT)	16.9	A	fortress balance sheet
81	Viant Technology Inc. (DSP)	17.1	A	
82	Fortinet, Inc. (FTNT)	17.3	A	
83	Cadence Design Systems Inc. (CDNS)	17.5	A	
84	KLA Corp. (KLAC)	17.7	A/B	
85	Vertiv Holdings Co. (VRT)	17.9	A/B	
86	Hubspot Inc. (HUBS)	18.2	A/B	
87	Pegasystems Inc. (PEGA)	18.4	A/B	
88	Teradyne, Inc. (TER)	18.6	A/B	fortress balance sheet

What the price implies

at the 2026-11-19 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(2.5%)	(2.2%)	49
Distance from 52-week high	(26.8%)	(38.6%)	66
EBIT to enterprise value	1.8%	1.8%	48
Free cash flow yield	1.9%	3.0%	38
Book value to price	0.08	0.29	18
Sales to price	0.06	0.33	8
Composite equity issuance, five years	(1.7%)	4.3%	39
Relative strength against the sector, log excess return	(0.29)	(0.29)	49
Twelve-month failure probability, CHS model	not computable	0.05%	

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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	fail
Operating cash flow exceeds net income	pass
Long-term leverage fell	fail
Current ratio improved	fail
No new shares issued	pass
Gross margin improved	fail
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	$1.5B
Operating cash flow, four quarters	$2.0B
Months of runway	not finite
Days since last periodic filing	23 (10-Q received Oct 28, 2026)
Median daily dollar volume, 63 sessions	$708.6M

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	net income	us-gaap:NetIncomeLoss	$1.1B	2025-12-31	2026-02-19	10-K	26-000016
2	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$1.7B	2025-12-31	2026-02-19	10-K	26-000016
3	assets	us-gaap:Assets	$10.2B	2025-12-31	2026-02-19	10-K	26-000016
4	assets	us-gaap:Assets	$9.0B	2024-12-31	2026-02-19	10-K	26-000016
5	operating income	us-gaap:OperatingIncomeLoss	$1.5B	2025-12-31	2026-02-19	10-K	26-000016
6	interest expense	us-gaap:InterestExpense	$116.5M	2025-12-31	2026-02-19	10-K	26-000016
7	current assets	us-gaap:AssetsCurrent	$4.7B	2025-12-31	2026-02-19	10-K	26-000016
8	current liabilities	us-gaap:LiabilitiesCurrent	$1.6B	2025-12-31	2026-02-19	10-K	26-000016
9	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$5.3B	2025-12-31	2026-02-19	10-K	26-000016
10	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$4.6B	2024-12-31	2026-02-19	10-K	26-000016
11	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$4.1B	2023-12-31	2026-02-19	10-K	26-000016
12	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$3.6B	2022-12-31	2025-02-21	10-K	25-000024
13	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$141.9M	2025-12-31	2026-02-19	10-K	26-000016
14	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$1.3B	2024-12-31	2026-02-19	10-K	26-000016
15	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$142.5M	2024-12-31	2026-02-19	10-K	26-000016
16	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$1.3B	2023-12-31	2026-02-19	10-K	26-000016
17	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$102.3M	2023-12-31	2026-02-19	10-K	26-000016
18	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$1.2B	2022-12-31	2025-02-21	10-K	25-000024
19	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$123.2M	2022-12-31	2025-02-21	10-K	25-000024
20	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$227.8M	2025-12-31	2026-02-19	10-K	26-000016
21	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$1.5B	2025-12-31	2026-02-19	10-K	26-000016
22	income tax	us-gaap:IncomeTaxExpenseBenefit	$413.2M	2025-12-31	2026-02-19	10-K	26-000016
23	current assets	us-gaap:AssetsCurrent	$4.0B	2024-12-31	2026-02-19	10-K	26-000016
24	current liabilities	us-gaap:LiabilitiesCurrent	$1.4B	2024-12-31	2026-02-19	10-K	26-000016
25	assets	us-gaap:Assets	$5.7B	2023-12-31	2025-02-21	10-K	25-000024
26	assets	us-gaap:Assets	$5.1B	2022-12-31	2024-02-14	10-K	24-000034
27	shares outstanding	dei:EntityCommonStockSharesOutstanding	272,651,000	2026-01-31	2026-02-19	10-K	26-000016
28	shares outstanding	dei:EntityCommonStockSharesOutstanding	274,108,000	2025-01-31	2025-02-21	10-K	25-000024

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