Verastem, Inc.

VSTM

Nasdaq; healthcare; SIC 2834, Pharmaceutical Preparations; CIK 0001526119

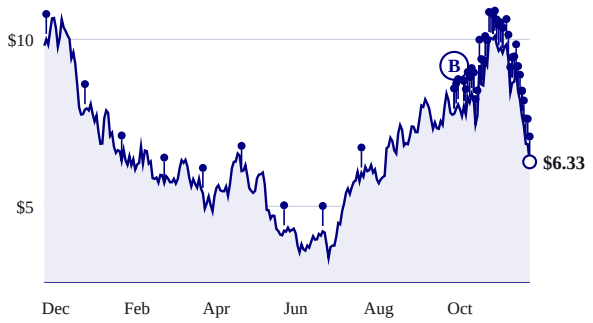
None

No letter

6 of 13 inputs computable; 7 are required, with a score in every sleeve

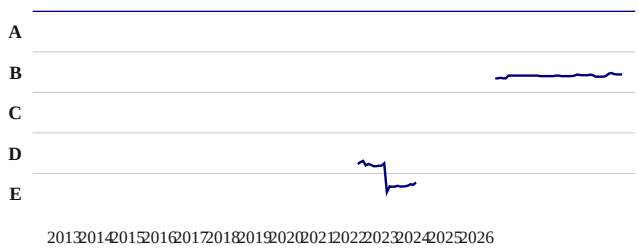
Scoreboard	
Reliability	0.87 AUC filers with $120M to $591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025
Peer failure rate	1.03% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	$120M to $591M assets total assets $246.4M
Standard universe	inside revenue above $1M and assets above $10M
Warnings	dilution, thin data; fortress balance sh...
Inputs computable	6 of 13
Graded from	filings received through Mar 4, 2026 262 days before the rescan; latest periodic filing 10-Q received Nov 5, 2026
Last close	$6.33 2026-11-20; market equity $798.3M; 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 4, 2026

We are a biopharmaceutical company committed to developing and commercializing new medicines to improve the lives of patients diagnosed with challenging RAS/MAPK pathway-driven cancers. We market AVMAPKI FAKZYNJA CO-PACK (avutometinib capsules; defactinib tablets) in the United States ("U.S."), the first treatment specifically FDA-approved for adults with KRAS-mutated recurrent low-grade serous ovarian cancer ("LGSOC") who have received prior systemic therapy. AVMAPKI FAKZYNJA CO-PACK received accelerated approval in the U.S. on May 8, 2025.

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 8.9						
Gross profitability	not computable	32.8%				
latest aligned inputs end 2018-12-31; latest annual assets end 2025-12-31						
Return on invested capital	not computable	9.6%				

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pretax income must exceed the validity floor and imply a 0%-100% tax rate						
Accruals ratio	(41.4%)	(6.7%)		8.9	756	2025-12-31
Gross margin stability, five years	not computable	2.8 pts				
five annual gross margins are required; found 1						
Solvency, sleeve percentile 74.5						
Altman Z double-prime	(15.71)	0.31		71.6	705	2025-12-31
Net debt to EBITDA	not computable	1.82x				
EBITDA must exceed $100,000						
Interest coverage	(149.50x)	(3.61x)		95.9	74	2025-12-31
Current ratio	3.09x	2.68x		56.2	781	2025-12-31
Growth and financing, sleeve percentile 45.7						
Revenue growth, three-year compound	not computable	9.6%				
four consecutive annual observations are required						
Free cash flow growth, three-year compound	not computable	11.1%				
four consecutive annual FCF observations are required; found 10						
Reinvestment rate	not computable	33.9%				
pretax income must exceed the validity floor and imply a 0%-100% tax rate						
Asset growth, three years	37.4%	3.2%		11.5	663	2025-12-31
Net share issuance, one year	70.6%	1.6%		80.0	626	2026-02-27

Warnings

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

Check	Measured
Dilution	split-adjusted year-over-year share growth is 70.6%
Thin data	6 of 13 grade factors are computable; minimum is 7
Fortress balance sheet	cash minus debt is 48,094,000 USD; Altman Z is not used

What the price implies

at the 2026-11-20 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(14.8%)	(1.7%)	40
Distance from 52-week high	(40.5%)	(33.0%)	43
EBIT to enterprise value	(25.6%)	0.5%	20
Free cash flow yield	(13.1%)	0.6%	26
Book value to price	0.01	0.29	12
Sales to price	0.04	0.38	7
Composite equity issuance, five years	217.6%	13.5%	92
Relative strength against the sector, log excess return	(0.33)	(0.19)	40
Twelve-month failure probability, CHS model	0.22%	0.06%	75

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	fail
Operating cash flow above zero	fail
Return on assets improved	fail
Operating cash flow exceeds net income	pass
Long-term leverage fell	fail
Current ratio improved	pass
No new shares issued	fail
Gross margin improved	fail

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Asset turnover improved	pass

Cash, filings, liquidity

Cash and equivalents	$172.8M
Operating cash flow, four quarters	-$159.6M
Months of runway	13.0
Days since last periodic filing	16 (10-Q received Nov 5, 2026)
Median daily dollar volume, 63 sessions	$22.3M

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	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$26.7M	2018-12-31	2021-03-18	10-K	21-003211
2	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	$165,000	2018-12-31	2019-03-12	10-K	19-001852
3	assets	us-gaap:Assets	$277.2M	2018-12-31	2020-03-11	10-K	20-002421
4	operating income	us-gaap:OperatingIncomeLoss	-$115.0M	2024-12-31	2026-03-04	10-K	26-023444
5	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	-$130.5M	2024-12-31	2026-03-04	10-K	26-023444
6	income tax	us-gaap:IncomeTaxExpenseBenefit	$185,000	2024-12-31	2026-03-04	10-K	26-023444
7	total debt	us-gaap:LongTermDebt	$40.7M	2024-12-31	2026-03-04	10-K	26-023444
8	book equity	us-gaap:StockholdersEquity	-$28.9M	2024-12-31	2026-03-04	10-K	26-023444
9	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$88.8M	2024-12-31	2026-03-04	10-K	26-023444
10	total debt	us-gaap:LongTermDebt	$40.1M	2023-12-31	2025-03-20	10-K	25-003372
11	book equity	us-gaap:StockholdersEquity	$57.4M	2023-12-31	2026-03-04	10-K	26-023444
12	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$77.9M	2023-12-31	2025-03-20	10-K	25-003372
13	net income	us-gaap:NetIncomeLoss	-$209.5M	2025-12-31	2026-03-04	10-K	26-023444
14	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-$137.5M	2025-12-31	2026-03-04	10-K	26-023444
15	assets	us-gaap:Assets	$246.4M	2025-12-31	2026-03-04	10-K	26-023444
16	assets	us-gaap:Assets	$101.5M	2024-12-31	2026-03-04	10-K	26-023444
17	current assets	us-gaap:AssetsCurrent	$223.4M	2025-12-31	2026-03-04	10-K	26-023444
18	current liabilities	us-gaap:LiabilitiesCurrent	$72.3M	2025-12-31	2026-03-04	10-K	26-023444
19	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-$1.2B	2025-12-31	2026-03-04	10-K	26-023444
20	operating income	us-gaap:OperatingIncomeLoss	-$170.1M	2025-12-31	2026-03-04	10-K	26-023444
21	book equity	us-gaap:StockholdersEquity	$57.2M	2025-12-31	2026-03-04	10-K	26-023444
22	liabilities	us-gaap:Liabilities	$189.2M	2025-12-31	2026-03-04	10-K	26-023444
23	depreciation amortization	us-gaap:Depreciation	$26,000	2024-12-31	2026-03-04	10-K	26-023444
24	interest expense	us-gaap:InterestExpense	$1.1M	2025-12-31	2026-03-04	10-K	26-023444
25	revenue	us-gaap:Revenues	$30.9M	2025-12-31	2026-03-04	10-K	26-023444
26	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$10.0M	2024-12-31	2025-03-20	10-K	25-003372
27	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.6M	2022-12-31	2025-03-20	10-K	25-003372
28	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.1M	2021-12-31	2023-03-14	10-K	23-003738
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$28,000	2024-12-31	2026-03-04	10-K	26-023444
30	current assets	us-gaap:AssetsCurrent	$95.0M	2024-12-31	2026-03-04	10-K	26-023444
31	current liabilities	us-gaap:LiabilitiesCurrent	$31.0M	2024-12-31	2026-03-04	10-K	26-023444
32	current assets	us-gaap:AssetsCurrent	$143.7M	2023-12-31	2025-03-20	10-K	25-003372
33	current liabilities	us-gaap:LiabilitiesCurrent	$26.4M	2023-12-31	2025-03-20	10-K	25-003372
34	assets	us-gaap:Assets	$149.7M	2023-12-31	2025-03-20	10-K	25-003372
35	assets	us-gaap:Assets	$95.0M	2022-12-31	2024-03-14	10-K	24-003250
36	shares outstanding	dei:EntityCommonStockSharesOutstanding	87,835,106	2026-02-27	2026-03-04	10-K	26-023444
37	shares outstanding	dei:EntityCommonStockSharesOutstanding	51,486,705	2025-03-19	2025-03-20	10-K	25-003372

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