# Mercer International Inc.

**MERC**

Nasdaq; manufacturing; SIC 2611, Pulp Mills; CIK 0001333274

# D/E

**on the D/E boundary of 246 graded peers in manufacturing**

rank 199 of 246; percentile 80.8; sampling error 3.0 points; lower is stronger

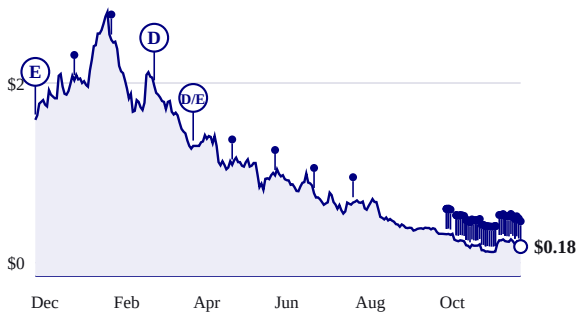



**D/E, the sloth**



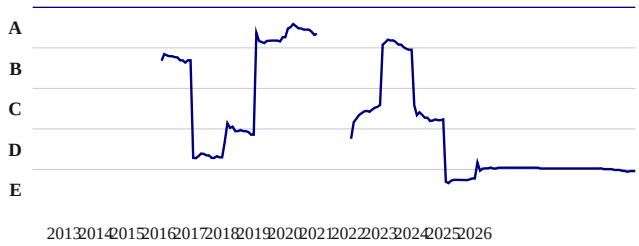
| Scoreboard | |
|---|---|
| **Profitability** | C<br>percentile 51.1 |
| **Solvency** | C<br>percentile 54.2 |
| **Growth and financing** | D/E<br>percentile 77.2 |
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure rate** | 1.01% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | $591M to $2.67B assets<br>total assets $2.0B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | none triggered<br>not computable: distress |
| **Inputs computable** | 7 of 13 |
| **Graded from** | filings received through Feb 12, 2026<br>283 days before the rescan; latest periodic filing 10-Q received Nov 5, 2026 |
| **Last close** | $0.18<br>2026-11-19; market equity $12.0M; 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*

references to "we", "our", "us", the "Company" or "Mercer" mean Mercer International Inc. and its subsidiaries, unless the context clearly suggests otherwise, and references to "Mercer Inc." mean Mercer International Inc. excluding its subsidiaries; references to "$" or "dollars" are to U.S. dollars, which is our reporting currency, unless otherwise stated; "?" are to euros; and "C$" are to Canadian dollars; references to "MW" mean megawatts and "MWh" mean megawatt hours; our lumber metrics are converted from m3 to Mfbm using a conversion ratio of 1.6 m3 of lumber equaling one Mfbm, which is the ratio commonly used in the industry.

## 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 51.1** | | | | | | |
| Gross profitability | not computable | 22.3% | | | | |
| *latest aligned inputs end 2013-12-31; latest annual assets end 2025-12-31* | | | | | | |
| Return on invested capital | (24.2%) | 9.9% | | 96.9 | 98 | 2025-12-31 |

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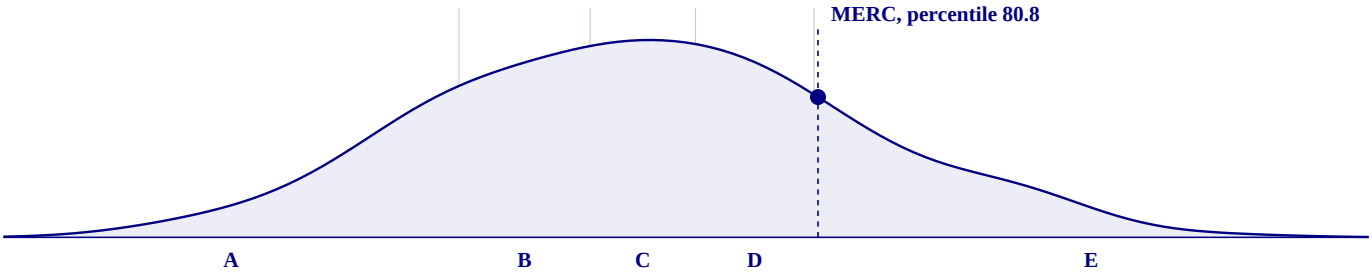
| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (23.5%) | (3.7%) | 5.2 | 288 | 2025-12-31 |
| Gross margin stability, five years | not computable | 2.1 pts | | | |
| *five annual gross margins are required; found 3* | | | | | |
| **Solvency, sleeve percentile 54.2** | | | | | |
| Altman Z double-prime | 0.16 | 3.74 | 78.8 | 223 | 2025-12-31 |
| Net debt to EBITDA | not computable | 1.75x | | | |
| *EBITDA must exceed $100,000* | | | | | |
| Interest coverage | not computable | 5.13x | | | |
| *latest aligned inputs end 2018-12-31; latest annual assets end 2025-12-31* | | | | | |
| Current ratio | 3.05x | 2.30x | 29.6 | 302 | 2025-12-31 |
| **Growth and financing, sleeve percentile 77.2** | | | | | |
| Revenue growth, three-year compound | (6.4%) | 2.3% | 86.5 | 261 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 13.5% | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | |
| Reinvestment rate | not computable | 24.5% | | | |
| *NOPAT must exceed $100,000* | | | | | |
| Asset growth, three years | (9.2%) | 4.2% | 88.6 | 265 | 2025-12-31 |
| Net share issuance, one year | 0.2% | (0.04%) | 56.5 | 240 | 2026-02-10 |

## Among 246 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 |
|---|---|---|---|---|
| 194 | Emerson Electric Co. (EMR) | 78.8 | D/E | |
| 195 | Otis Worldwide Corp. (OTIS) | 79.2 | D/E | |
| 196 | Silgan Holdings Inc. (SLGN) | 79.6 | D/E | |
| 197 | NN Inc. (NNBR) | 80.0 | D/E | |
| 198 | Regal Rexnord Corp. (RRX) | 80.4 | D/E | |
| 199 | Mercer International Inc. (MERC) | 80.8 | D/E | |
| 200 | Northern Technologies International Corp. (NTIC) | 81.2 | D/E | |
| 201 | Redwire Corp. (RDW) | 81.6 | D/E | dilution, fortress balance sheet |
| 202 | Fuelcell Energy Inc. (FCEL) | 82.0 | D/E | fortress balance sheet |
| 203 | American Superconductor Corp. (AMSC) | 82.4 | D/E | |
| 204 | Broadwind, Inc. (BWEN) | 82.9 | D/E | |

## 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 | (85.2%) | 10.0% | 0 |
| Distance from 52-week high | (93.5%) | (32.1%) | 0 |
| EBIT to enterprise value | (24.8%) | 4.5% | 5 |
| Free cash flow yield | (663.1%) | 3.8% | 0 |
| Book value to price | (13.11) | 0.39 | 0 |

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| | | | |
|---|---|---|---|
| Sales to price | 154.86 | 0.60 | 100 |
| Composite equity issuance, five years | (13.4%) | (9.5%) | 38 |
| Relative strength against the sector, log excess return | (2.00) | 0.01 | 0 |
| Twelve-month failure probability, CHS model | not computable | 0.04% | |

## 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 | 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 | fail |
| Gross margin improved | fail |
| Asset turnover improved | pass |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $71.0M |
| Operating cash flow, four quarters | -$74.6M |
| Months of runway | 11.4 |
| Days since last periodic filing | 17 (10-Q received Nov 5, 2026) |
| Median daily dollar volume, 63 sessions | $264,198 |

## 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 | $89.2M | 2013-12-31 | 2014-02-21 | 10-K | 14-061585 |
| 2 | assets | us-gaap:Assets | $1.5B | 2013-12-31 | 2015-02-13 | 10-K | 15-050364 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | -$397.7M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$511.2M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | -$13.3M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 6 | total debt | us-gaap:LongTermDebtAndCapitalLeaseObligations | $1.6B | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 7 | book equity | us-gaap:StockholdersEquity | $68.1M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $186.8M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 9 | total debt | us-gaap:LongTermDebtAndCapitalLeaseObligations | $1.5B | 2024-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 10 | book equity | us-gaap:StockholdersEquity | $429.8M | 2024-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $184.9M | 2024-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 12 | net income | us-gaap:NetIncomeLoss | -$497.9M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $8.6M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 14 | assets | us-gaap:Assets | $2.0B | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 15 | assets | us-gaap:Assets | $2.3B | 2024-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 16 | current assets | us-gaap:AssetsCurrent | $865.8M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 17 | current liabilities | us-gaap:LiabilitiesCurrent | $283.6M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 18 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$277.0M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 19 | liabilities | us-gaap:Liabilities | $2.0B | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 20 | depreciation amortization | us-gaap:DepreciationDepletionAndAmortization | $160.0M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 21 | operating income | us-gaap:OperatingIncomeLoss | $267.9M | 2018-12-31 | 2021-02-16 | 10-K | 21-006106 |
| 22 | interest expense | us-gaap:InterestExpense | $51.5M | 2018-12-31 | 2019-02-14 | 10-K | 19-041195 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $1.9B | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 24 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.0B | 2024-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 25 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.0B | 2023-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 26 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.3B | 2022-12-31 | 2025-02-20 | 10-K | 25-024217 |

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| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 27 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $88.6M | 2025-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 28 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $90.2M | 2024-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 29 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $84.3M | 2024-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 30 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | -$69.0M | 2023-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $136.3M | 2023-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $360.7M | 2022-12-31 | 2025-02-20 | 10-K | 25-024217 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $178.7M | 2022-12-31 | 2025-02-20 | 10-K | 25-024217 |
| 34 | current assets | us-gaap:AssetsCurrent | $910.0M | 2024-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 35 | current liabilities | us-gaap:LiabilitiesCurrent | $256.5M | 2024-12-31 | 2026-02-12 | 10-K | 26-048855 |
| 36 | assets | us-gaap:Assets | $2.7B | 2023-12-31 | 2025-02-20 | 10-K | 25-024217 |
| 37 | assets | us-gaap:Assets | $2.7B | 2022-12-31 | 2024-02-15 | 10-K | 24-015942 |
| 38 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 66,982,506 | 2026-02-10 | 2026-02-12 | 10-K | 26-048855 |
| 39 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 66,870,774 | 2025-02-18 | 2025-02-20 | 10-K | 25-024217 |

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