# Harmonic Inc.

**HLIT**

Nasdaq; business equipment; SIC 3663, Radio & Tv Broadcasting & Communications Equipment; CIK 0000851310

# C/D

**on the C/D boundary of 469 graded peers in business equip...**

rank 291 of 469; percentile 62.0; sampling error 2.3 points; lower is stronger

A B C D E

**C/D, the tortoise**



## Scoreboard

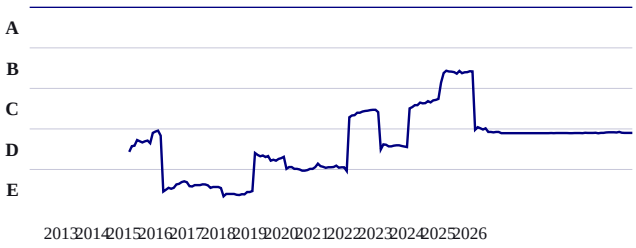
| | |
|---|---|
| **Profitability** | C<br>percentile 51.1 |
| **Solvency** | C<br>percentile 42.7 |
| **Growth and financing** | D<br>percentile 64.8 |
| **Reliability** | 0.91 AUC<br>filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025 |
| **Peer failure rate** | 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 $718.5M |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | late filer; fortress balance sheet<br>not computable: distress |
| **Inputs computable** | 11 of 13 |
| **Graded from** | filings received through Feb 24, 2026<br>272 days before the rescan; latest periodic filing 10-Q received Nov 6, 2026 |
| **Last close** | $9.40<br>2026-11-20; market equity $1.0B; 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 24, 2026*

We are a leading global provider of broadband access solutions that enable broadband operators to more efficiently and effectively deploy high-speed internet for data, voice and video services for their customers. Our Broadband business provides broadband access solutions and related services, including our cOS software-based broadband access solution, to broadband operators globally. We derived approximately 89% of our revenue from the Americas in 2025. The Europe, Middle East and Africa ("EMEA") and Asia Pacific ("APAC") regions accounted for 9% and 2% of our 2025 revenue, respectively.

## 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 | 24.3% | 29.4% | | 59.2 | 513 | 2025-12-31 |
| Return on invested capital | 0.5% | 11.2% | | 84.4 | 123 | 2025-12-31 |
| Accruals ratio | (20.0%) | (7.4%) | | 18.4 | 566 | 2025-12-31 |

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| | | | | | | |
|---|---|---|---|---|---|---|
| Gross margin stability, five years | 1.9 pts | 2.3 pts | | 42.2 | 406 | 2025-12-31 |
| **Solvency, sleeve percentile 42.7** | | | | | | |
| Altman Z double-prime | (5.38) | 2.18 | | 77.3 | 517 | 2025-12-31 |
| Net debt to EBITDA | (0.48x) | 1.11x | | 12.4 | 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 | 2.50x | 1.98x | | 38.2 | 600 | 2025-12-31 |
| **Growth and financing, sleeve percentile 64.8** | | | | | | |
| Revenue growth, three-year compound | (16.8%) | 6.6% | | 92.2 | 503 | 2025-12-31 |
| Free cash flow growth, three-year compound | not computable | 17.4% | | | | |
| *current FCF must be positive and base FCF must exceed $100,000* | | | | | | |
| Reinvestment rate | (3,955.9%) | 14.3% | | 99.1 | 213 | 2025-12-31 |
| Asset growth, three years | 0.4% | 5.0% | | 62.4 | 519 | 2025-12-31 |
| Net share issuance, one year | (5.8%) | 0.5% | | 5.5 | 404 | 2026-02-19 |

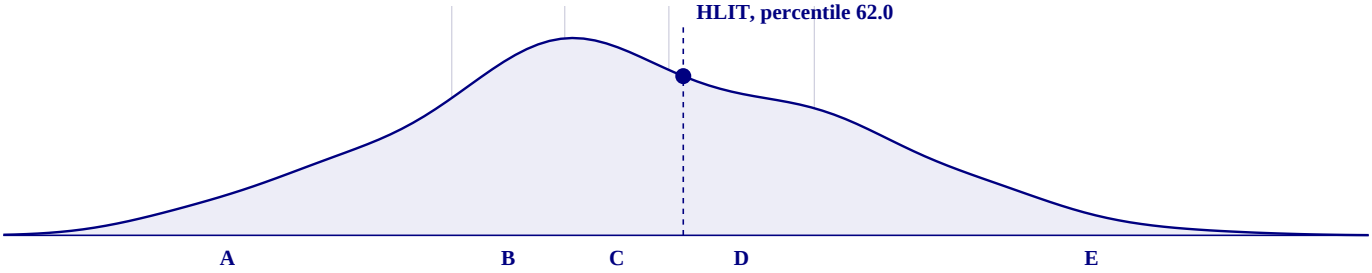
## Warnings

*2 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 |
| Fortress balance sheet | cash minus debt is 12,021,000 USD; Altman Z is not used |

## 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 |
|---|---|---|---|---|
| 286 | Teads Holding Co. (TEAD) | 60.9 | C/D | distress |
| 287 | Backblaze, Inc. (BLZE) | 61.1 | C/D | |
| 288 | Mettler Toledo International (MTD) | 61.3 | C/D | |
| 289 | NXP Semiconductors N.V. (NXPI) | 61.5 | C/D | |
| 290 | Fastly, Inc. (FSLY) | 61.8 | C/D | |
| 291 | Harmonic Inc. (HLIT) | 62.0 | C/D | late filer, fortress balance sheet |
| 292 | Bentley Systems Inc. (BSY) | 62.2 | C/D | |
| 293 | TripAdvisor, Inc. (TRIP) | 62.4 | D | fortress balance sheet |
| 294 | KEY Tronic Corp. (KTCC) | 62.6 | D | short runway |
| 295 | Cisco Systems, Inc. (CSCO) | 62.8 | D | |
| 296 | Alpha & Omega Semiconductor Ltd. (AOSL) | 63.0 | D | fortress balance sheet |

## 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 | (1.3%) | (2.2%) | 51 |
| Distance from 52-week high | (45.0%) | (41.7%) | 46 |
| EBIT to enterprise value | 1.6% | 2.0% | 45 |

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| | | | |
|---|---|---|---|
| Free cash flow yield | 9.6% | 3.1% | 81 |
| Book value to price | 0.37 | 0.31 | 56 |
| Sales to price | 0.36 | 0.35 | 50 |
| Composite equity issuance, five years | 6.3% | 4.3% | 53 |
| Relative strength against the sector, log excess return | (0.28) | (0.29) | 51 |
| Twelve-month failure probability, CHS model | not computable | 0.05% | |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 3 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 | pass |
| Gross margin improved | fail |
| Asset turnover improved | fail |
| **Cash, filings, liquidity** | |
| Cash and equivalents | $142.8M |
| Operating cash flow, four quarters | $36.2M |
| Months of runway | not finite |
| Days since last periodic filing | 17 (10-Q received Nov 6, 2026) |
| Median daily dollar volume, 63 sessions | $14.2M |

## 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 | $174.7M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 2 | assets | us-gaap:Assets | $718.5M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | $14.1M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | $8.9M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $7.6M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 6 | total debt | us-gaap:LongTermDebt | $112.1M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 7 | book equity | us-gaap:StockholdersEquity | $383.2M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $124.1M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 9 | total debt | us-gaap:LongTermDebt | $114.3M | 2024-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 10 | book equity | us-gaap:StockholdersEquity | $465.3M | 2024-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $101.5M | 2024-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 12 | net income | us-gaap:NetIncomeLoss | -$43.3M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $108.0M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 14 | assets | us-gaap:Assets | $796.5M | 2024-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $360.5M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 16 | gross profit | us-gaap:GrossProfit | $240.1M | 2024-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $488.2M | 2024-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 18 | gross profit | us-gaap:GrossProfit | $178.1M | 2023-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $388.5M | 2023-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 20 | gross profit | us-gaap:GrossProfit | $315.9M | 2022-12-31 | 2025-02-14 | 10-K | 25-000021 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $625.0M | 2022-12-31 | 2025-02-14 | 10-K | 25-000021 |
| 22 | gross profit | us-gaap:GrossProfit | $259.7M | 2021-12-31 | 2024-02-16 | 10-K | 24-000024 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $507.1M | 2021-12-31 | 2024-02-16 | 10-K | 24-000024 |
| 24 | current assets | us-gaap:AssetsCurrent | $494.4M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $197.9M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$2.1B | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 27 | liabilities | us-gaap:Liabilities | $335.2M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 28 | depreciation amortization | us-gaap:Depreciation | $11.1M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 29 | operating income | us-gaap:OperatingIncomeLoss | $30.0M | 2023-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 30 | interest expense | us-gaap:InterestExpense | $2.7M | 2023-12-31 | 2024-02-16 | 10-K | 24-000024 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $11.1M | 2025-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $61.9M | 2024-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $9.2M | 2024-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $7.1M | 2023-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $8.5M | 2023-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 36 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $5.5M | 2022-12-31 | 2025-02-14 | 10-K | 25-000021 |
| 37 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $9.2M | 2022-12-31 | 2025-02-14 | 10-K | 25-000021 |
| 38 | current assets | us-gaap:AssetsCurrent | $565.1M | 2024-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 39 | current liabilities | us-gaap:LiabilitiesCurrent | $192.3M | 2024-12-31 | 2026-02-24 | 10-K | 26-067506 |
| 40 | assets | us-gaap:Assets | $768.2M | 2023-12-31 | 2025-02-14 | 10-K | 25-000021 |
| 41 | assets | us-gaap:Assets | $710.0M | 2022-12-31 | 2024-02-16 | 10-K | 24-000024 |
| 42 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 110,242,356 | 2026-02-19 | 2026-02-24 | 10-K | 26-067506 |
| 43 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 117,052,884 | 2025-02-10 | 2025-02-14 | 10-K | 25-000021 |

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