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

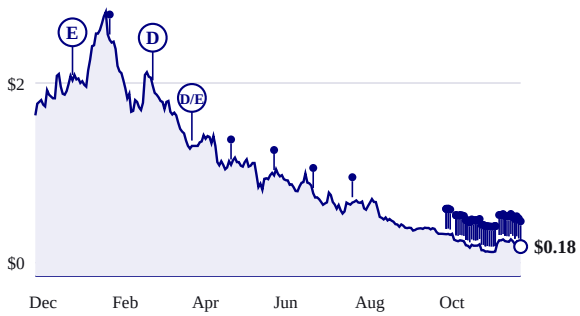


D/E, the sloth



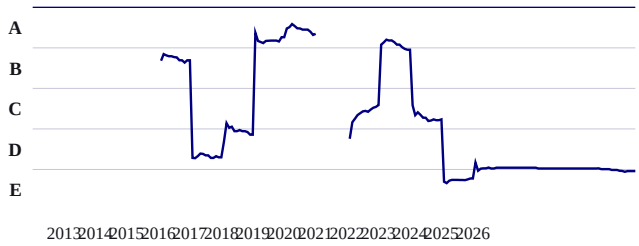
Scoreboard	
Profitability	C percentile 51.1
Solvency	C percentile 54.2
Growth and financing	D/E percentile 77.2
Reliability	0.91 AUC filers with $591M to $2.67B assets; 95% interval 0.88 to 0.94; 160 events, 2020 to 2025
Peer failure rate	1.01% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	$591M to $2.67B assets total assets $2.0B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered not computable: distress
Inputs computable	7 of 13
Graded from	filings received through Feb 12, 2026 284 days before the rescan; latest periodic filing 10-Q received Nov 5, 2026
Last close	$0.18 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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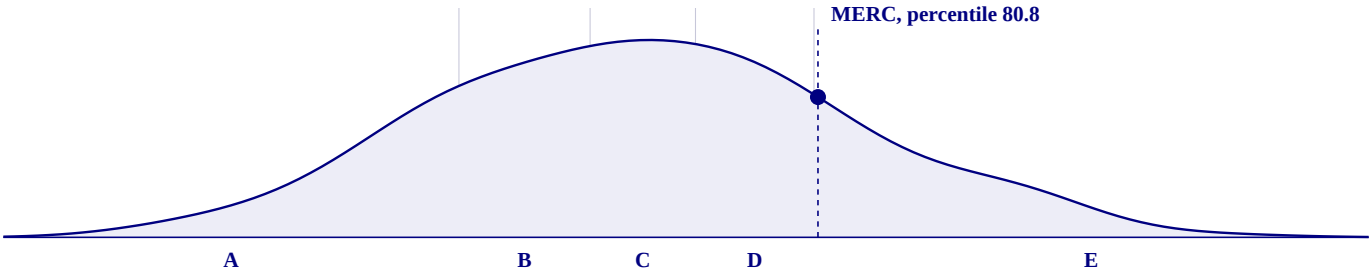
Accruals ratio	(23.5%)	(3.7%)	5.2	288	2025-12-31
Gross margin stability, five years	not computable	2.1 pts			
five annual gross margins are required; found 3					
Solvency, sleeve percentile 54.2					
Altman Z double-prime	0.16	3.74	78.8	223	2025-12-31
Net debt to EBITDA	not computable	1.75x			
EBITDA 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	18 (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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