# Rackspace Technology, Inc.

**RXT**

Nasdaq; business equipment; SIC 7370, Services-Computer Programming, Data Processing, Etc.; CIK 0001810019

**E**

**weakest fifth of 469 graded peers in business equipment**

rank 465 of 469; percentile 99.1; sampling error 2.3 points; lower is stronger

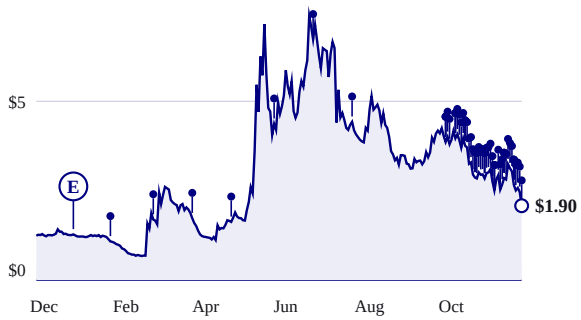
A B C D E

**E, the bear**



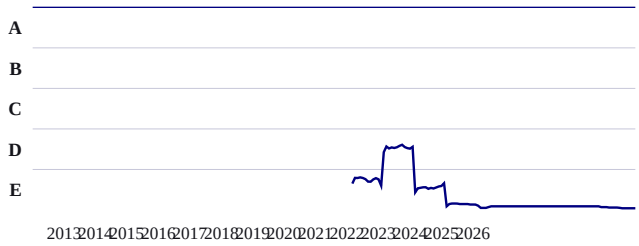
| Scoreboard | |
|---|---|
| **Profitability** | C<br>percentile 57.7 |
| **Solvency** | E<br>percentile 90.3 |
| **Growth and financing** | E<br>percentile 83.4 |
| **Reliability** | 0.94 AUC<br>filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025 |
| **Peer failure rate** | 0.52% a year<br>Item 1.03 bankruptcies, same asset band, 2012 to 2025 |
| **Size band** | over $2.67B assets<br>total assets $2.8B |
| **Standard universe** | inside<br>revenue above $1M and assets above $10M |
| **Warnings** | late filer<br>not computable: distress |
| **Inputs computable** | 10 of 13 |
| **Graded from** | filings received through Mar 6, 2026<br>262 days before the rescan; latest periodic filing 10-Q received Nov 9, 2026 |
| **Last close** | $1.89<br>2026-11-20; market equity $497.2M; 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 6, 2026*

Rackspace Technology is a leading end-to-end hybrid cloud and AI solutions company. We serve as a trusted operator of the full technology stack, from governed private cloud infrastructure to AI deployed in production environments. From edge to core to cloud, we design, integrate and operate the infrastructure, data foundations and software platforms required to deliver business outcomes with predictable cost, resilience, security and compliance. Our solutions are purpose-built for regulated and mission-critical environments where uptime, data sovereignty and operational accountability are essential.

## 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 57.7** | | | | | | |
| Gross profitability | 18.1% | 29.4% | | 68.0 | 513 | 2025-12-31 |
| Return on invested capital | not computable | 11.2% | | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | | |

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| | | | | | |
|---|---|---|---|---|---|
| Accruals ratio | (12.9%) | (7.4%) | 31.9 | 566 | 2025-12-31 |
| Gross margin stability, five years | 4.8 pts | 2.3 pts | 73.3 | 406 | 2025-12-31 |
| **Solvency, sleeve percentile 90.3** | | | | | |
| Altman Z double-prime | (5.69) | 2.18 | 78.7 | 517 | 2025-12-31 |
| Net debt to EBITDA | 52.07x | 1.11x | 100.0 | 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 | 0.68x | 1.98x | 92.3 | 600 | 2025-12-31 |
| **Growth and financing, sleeve percentile 83.4** | | | | | |
| Revenue growth, three-year compound | (4.9%) | 6.6% | 80.7 | 503 | 2025-12-31 |
| Free cash flow growth, three-year compound | (18.3%) | 17.4% | 91.7 | 253 | 2025-12-31 |
| Reinvestment rate | not computable | 14.3% | | | |
| *pretax income must exceed the validity floor and imply a 0%-100% tax rate* | | | | | |
| Asset growth, three years | (19.9%) | 5.0% | 92.7 | 519 | 2025-12-31 |
| Net share issuance, one year | 4.0% | 0.5% | 68.5 | 404 | 2026-03-02 |

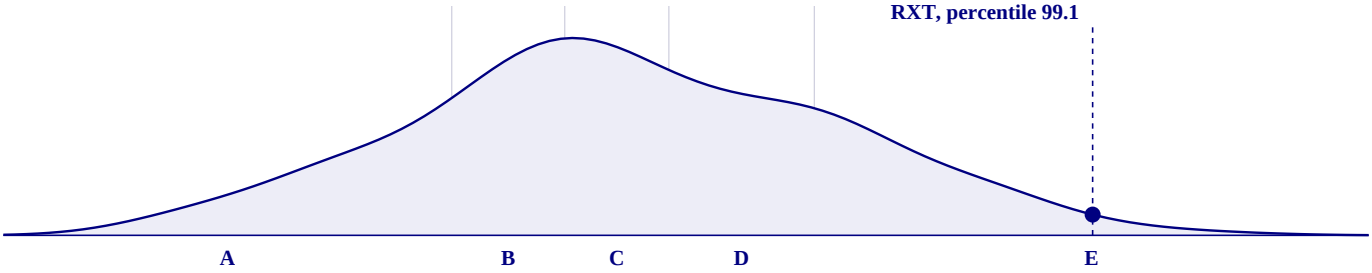
## Warnings

*1 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 |

## 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 |
|---|---|---|---|---|
| 460 | Healthcare Triangle, Inc. (HCTI) | 98.1 | E | dilution, short runway, late filer |
| 461 | System1, Inc. (SST) | 98.3 | E | short runway |
| 462 | Flux Power Holdings, Inc. (FLUX) | 98.5 | E | dilution, late filer |
| 463 | Firy Inc. (FIRY) | 98.7 | E | late filer, fortress balance sheet |
| 464 | Palladyne AI Corp. (PDYN) | 98.9 | E | dilution |
| 465 | Rackspace Technology, Inc. (RXT) | 99.1 | E | late filer |
| 466 | ZW Data Action Technologies Inc. (CNET) | 99.4 | E | dilution, late filer |
| 467 | Polar Power, Inc. (POLA) | 99.6 | E | dilution, short runway, late filer, fortress balance sheet |
| 468 | Sports Entertainment Gaming Global Corp. (SEGG) | 99.8 | E | short runway, late filer, distress |
| 469 | Stem, Inc. (STEM) | 100.0 | E | |

## 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 | 132.8% | (2.2%) | 94 |
| Distance from 52-week high | (74.8%) | (41.7%) | 16 |
| EBIT to enterprise value | (3.2%) | 2.0% | 25 |

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| | | | |
|---|---|---|---|
| Free cash flow yield | 18.1% | 3.1% | 93 |
| Book value to price | (2.62) | 0.31 | 1 |
| Sales to price | 5.37 | 0.35 | 94 |
| Composite equity issuance, five years | 24.7% | 4.3% | 74 |
| Relative strength against the sector, log excess return | 0.58 | (0.29) | 94 |
| Twelve-month failure probability, CHS model | not computable | 0.05% | |

## Diagnostics

*shown on every report; none enters the grade*

| Measure | Value |
|---|---|
| **Piotroski F-score 4 of 9, period end 2025-12-31** | |
| Return on assets above zero | fail |
| Operating cash flow above zero | pass |
| Return on assets improved | pass |
| 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 | $108.0M |
| Operating cash flow, four quarters | $69.0M |
| Months of runway | not finite |
| Days since last periodic filing | 14 (10-Q received Nov 9, 2026) |
| Median daily dollar volume, 63 sessions | $18.0M |

## 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 | $506.4M | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 2 | assets | us-gaap:Assets | $2.8B | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 3 | operating income | us-gaap:OperatingIncomeLoss | -$100.7M | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 4 | pretax income | us-gaap:IncomeLossFromContinuingOperationsBeforeInc... | -$201.8M | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 5 | income tax | us-gaap:IncomeTaxExpenseBenefit | $24.0M | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 6 | total debt | us-gaap:LongTermDebt | $2.7B | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 7 | book equity | us-gaap:StockholdersEquity | -$1.2B | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 8 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $105.8M | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 9 | total debt | us-gaap:LongTermDebt | $2.8B | 2024-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 10 | book equity | us-gaap:StockholdersEquity | -$1.0B | 2024-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 11 | cash | us-gaap:CashAndCashEquivalentsAtCarryingValue | $144.0M | 2024-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 12 | net income | us-gaap:NetIncomeLoss | -$225.8M | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 13 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $151.4M | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 14 | assets | us-gaap:Assets | $3.1B | 2024-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 15 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.7B | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 16 | gross profit | us-gaap:GrossProfit | $533.4M | 2024-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 17 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $2.7B | 2024-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 18 | gross profit | us-gaap:GrossProfit | $628.8M | 2023-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 19 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $3.0B | 2023-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 20 | gross profit | us-gaap:GrossProfit | $856.9M | 2022-12-31 | 2025-03-21 | 10-K | 25-000043 |
| 21 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $3.1B | 2022-12-31 | 2025-03-21 | 10-K | 25-000043 |
| 22 | gross profit | us-gaap:GrossProfit | $936.8M | 2021-12-31 | 2024-03-15 | 10-K | 24-000042 |
| 23 | revenue | us-gaap:RevenueFromContractWithCustomerExcludingA... | $3.0B | 2021-12-31 | 2024-03-15 | 10-K | 24-000042 |
| 24 | current assets | us-gaap:AssetsCurrent | $517.8M | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 25 | current liabilities | us-gaap:LiabilitiesCurrent | $766.7M | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 26 | retained earnings | us-gaap:RetainedEarningsAccumulatedDeficit | -$3.9B | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 27 | liabilities | us-gaap:Liabilities | $4.0B | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 28 | depreciation amortization | us-gaap:Depreciation | $151.4M | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 29 | operating income | us-gaap:OperatingIncomeLoss | -$899.4M | 2023-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 30 | interest expense | us-gaap:InterestExpense | $221.6M | 2023-12-31 | 2024-03-15 | 10-K | 24-000042 |
| 31 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $60.8M | 2025-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 32 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $39.9M | 2024-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 33 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $111.1M | 2024-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 34 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $374.9M | 2023-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 35 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $96.9M | 2023-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 36 | operating cash flow | us-gaap:NetCashProvidedByUsedInOperatingActivities | $246.7M | 2022-12-31 | 2025-03-21 | 10-K | 25-000043 |
| 37 | capital expenditure | us-gaap:PaymentsToAcquirePropertyPlantAndEquipment | $80.4M | 2022-12-31 | 2025-03-21 | 10-K | 25-000043 |
| 38 | current assets | us-gaap:AssetsCurrent | $618.8M | 2024-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 39 | current liabilities | us-gaap:LiabilitiesCurrent | $766.6M | 2024-12-31 | 2026-03-06 | 10-K | 26-000015 |
| 40 | assets | us-gaap:Assets | $4.1B | 2023-12-31 | 2025-03-21 | 10-K | 25-000043 |
| 41 | assets | us-gaap:Assets | $5.5B | 2022-12-31 | 2024-03-15 | 10-K | 24-000042 |
| 42 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 246,914,399 | 2026-03-02 | 2026-03-06 | 10-K | 26-000015 |
| 43 | shares outstanding | dei:EntityCommonStockSharesOutstanding | 237,306,679 | 2025-03-17 | 2025-03-21 | 10-K | 25-000043 |

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