Watts Water Technologies Inc.

WTS

NYSE; manufacturing; SIC 3490, Miscellaneous Fabricated Metal Products; CIK 0000795403

A

strongest fifth of 246 graded peers in manufacturing

rank 21 of 246; percentile 8.2; sampling error 3.0 points; lower is stronger

A B C D E

A, the bull



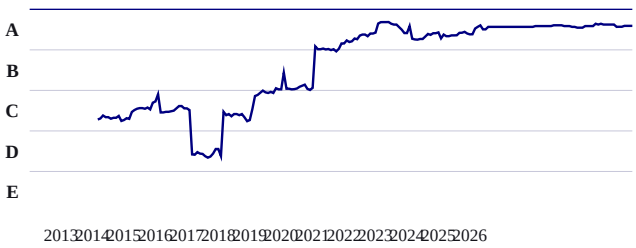
Scoreboard	
Profitability	B/C percentile 43.0
Solvency	B percentile 25.3
Growth and financing	B percentile 32.8
Reliability	0.94 AUC filers with over $2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over $2.67B assets total assets $2.9B
Standard universe	inside revenue above $1M and assets above $10M
Warnings	none triggered; fortress balance sheet not computable: dilution, distress
Inputs computable	9 of 13
Graded from	filings received through Feb 23, 2026 273 days before the rescan; latest periodic filing 10-Q received Nov 5, 2026
Last close	$346.01 2026-11-20; market equity $0; 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 23, 2026

In this Annual Report on Form 10-K, references to "the Company," "Watts Water," "Watts," "we," "us" or "our" refer to Watts Water Technologies, Inc. and its consolidated subsidiaries. Watts Regulator Co. was founded by Joseph E. Watts in 1874 in Lawrence, Massachusetts. Watts Regulator Co. started as a small machine shop supplying parts to the New England textile mills of the 19th century. Since then, Watts has grown into a global manufacturer and become one of the world's leading providers of water technologies and solutions that are designed to promote safety, energy efficiency, and water conservation for commercial and residential buildings. Watts Water Technologies, Inc.

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 43.0						
Gross profitability	41.9%	22.3%		10.2	267	2025-12-31
Return on invested capital	not computable	9.9%				

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latest aligned inputs end 2020-12-31; latest annual assets end 2025-12-31

Accruals ratio	(2.3%)	(3.7%)	63.1	288	2025-12-31
Gross margin stability, five years	2.5 pts	2.1 pts	55.7	222	2025-12-31
Solvency, sleeve percentile 25.3					
Altman Z double-prime	not computable	3.74			
one or more required annual facts are missing					
Net debt to EBITDA	not computable	1.75x			
latest aligned inputs end 2020-12-31; latest annual assets end 2025-12-31					
Interest coverage	41.49x	5.13x	10.3	59	2025-12-31
Current ratio	2.51x	2.30x	40.2	302	2025-12-31
Growth and financing, sleeve percentile 32.8					
Revenue growth, three-year compound	7.2%	2.3%	28.8	261	2025-12-31
Free cash flow growth, three-year compound	22.1%	13.5%	37.0	139	2025-12-31
Reinvestment rate	28.3%	24.5%	46.8	140	2025-12-31
Asset growth, three years	14.3%	4.2%	18.6	265	2025-12-31
Net share issuance, one year	not computable	(0.04%)			
two annual share counts are required; found 0					

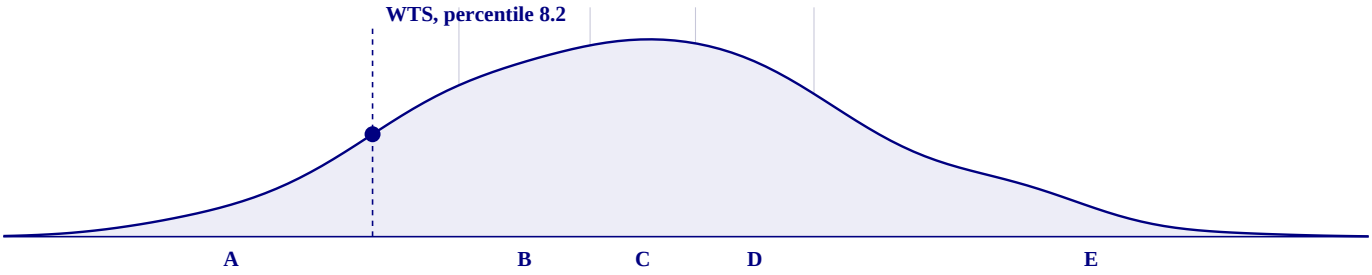
Warnings

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

Check	Measured
Fortress balance sheet	cash minus debt is 18,900,000 USD; Altman Z is not used

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
16	Innovex International, Inc. (INVX)	6.1	A	fortress balance sheet
17	Blue Bird Corp. (BLBD)	6.5	A	
18	Enerpac Tool Group Corp. (EPAC)	6.9	A	
19	Heico Corp. (HEI)	7.3	A	
20	Omega Flex, Inc. (OFLX)	7.8	A	
21	Watts Water Technologies Inc. (WTS)	8.2	A	fortress balance sheet
22	Eagle Materials Inc. (EXP)	8.6	A	
23	LAM Research Corp. (LRCX)	9.0	A	fortress balance sheet
24	Lennox International Inc. (LII)	9.4	A	
25	BWX Technologies, Inc. (BWXT)	9.8	A	
26	Mueller Water Products, Inc. (MWA)	10.2	A	

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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	30.9%	10.0%	68
Distance from 52-week high	(11.8%)	(32.1%)	87
EBIT to enterprise value	not computable	4.5%	
Free cash flow yield	not computable	3.8%	
Book value to price	not computable	0.39	
Sales to price	not computable	0.60	
Composite equity issuance, five years	not computable	(9.5%)	
Relative strength against the sector, log excess return	0.18	0.01	68
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	pass
Operating cash flow above zero	pass
Return on assets improved	pass
Operating cash flow exceeds net income	pass
Long-term leverage fell	pass
Current ratio improved	fail
No new shares issued	fail
Gross margin improved	pass
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	$444.8M
Operating cash flow, four quarters	$433.6M
Months of runway	not finite
Days since last periodic filing	18 (10-Q received Nov 5, 2026)
Median daily dollar volume, 63 sessions	$80.9M

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	$1.2B	2025-12-31	2026-02-23	10-K	26-018541
2	assets	us-gaap:Assets	$2.9B	2025-12-31	2026-02-23	10-K	26-018541
3	operating income	us-gaap:OperatingIncomeLoss	$181.1M	2020-12-31	2023-02-21	10-K	23-001614
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$167.0M	2020-12-31	2021-02-18	10-K	21-001199
5	income tax	us-gaap:IncomeTaxExpenseBenefit	$52.7M	2020-12-31	2023-02-21	10-K	23-001614
6	total debt	us-gaap:LongTermDebt	$200.0M	2020-12-31	2021-02-18	10-K	21-001199
7	book equity	us-gaap:StockholdersEquity	$1.1B	2020-12-31	2024-02-21	10-K	24-001444
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$218.9M	2020-12-31	2022-02-22	10-K	22-001530
9	total debt	us-gaap:LongTermDebt	$310.0M	2019-12-31	2021-02-18	10-K	21-001199
10	book equity	us-gaap:StockholdersEquity	$978.0M	2019-12-31	2023-02-21	10-K	23-001614
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	$219.7M	2019-12-31	2021-02-18	10-K	21-001199
12	net income	us-gaap:NetIncomeLoss	$340.8M	2025-12-31	2026-02-23	10-K	26-018541
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$402.0M	2025-12-31	2026-02-23	10-K	26-018541
14	assets	us-gaap:Assets	$2.4B	2024-12-31	2026-02-23	10-K	26-018541
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.4B	2025-12-31	2026-02-23	10-K	26-018541
16	gross profit	us-gaap:GrossProfit	$1.1B	2024-12-31	2026-02-23	10-K	26-018541
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.3B	2024-12-31	2026-02-23	10-K	26-018541

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18	gross profit	us-gaap:GrossProfit	$960.9M	2023-12-31	2026-02-23	10-K	26-018541
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.1B	2023-12-31	2026-02-23	10-K	26-018541
20	gross profit	us-gaap:GrossProfit	$874.3M	2022-12-31	2025-02-18	10-K	25-001102
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$2.0B	2022-12-31	2025-02-18	10-K	25-001102
22	gross profit	us-gaap:GrossProfit	$767.1M	2021-12-31	2024-02-21	10-K	24-001444
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$1.8B	2021-12-31	2024-02-21	10-K	24-001444
24	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$46.5M	2020-12-31	2023-02-21	10-K	23-001614
25	operating income	us-gaap:OperatingIncomeLoss	$448.1M	2025-12-31	2026-02-23	10-K	26-018541
26	interest expense	us-gaap:InterestExpense	$10.8M	2025-12-31	2026-02-23	10-K	26-018541
27	current assets	us-gaap:AssetsCurrent	$1.3B	2025-12-31	2026-02-23	10-K	26-018541
28	current liabilities	us-gaap:LiabilitiesCurrent	$512.4M	2025-12-31	2026-02-23	10-K	26-018541
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$45.7M	2025-12-31	2026-02-23	10-K	26-018541
30	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$361.1M	2024-12-31	2026-02-23	10-K	26-018541
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$35.3M	2024-12-31	2026-02-23	10-K	26-018541
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$310.8M	2023-12-31	2026-02-23	10-K	26-018541
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$29.7M	2023-12-31	2026-02-23	10-K	26-018541
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	$224.0M	2022-12-31	2025-02-18	10-K	25-001102
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	$28.1M	2022-12-31	2025-02-18	10-K	25-001102
36	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$56.8M	2025-12-31	2026-02-23	10-K	26-018541
37	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	$445.8M	2025-12-31	2026-02-23	10-K	26-018541
38	income tax	us-gaap:IncomeTaxExpenseBenefit	$105.0M	2025-12-31	2026-02-23	10-K	26-018541
39	current assets	us-gaap:AssetsCurrent	$1.1B	2024-12-31	2026-02-23	10-K	26-018541
40	current liabilities	us-gaap:LiabilitiesCurrent	$417.9M	2024-12-31	2026-02-23	10-K	26-018541
41	assets	us-gaap:Assets	$2.3B	2023-12-31	2026-02-23	10-K	26-018541
42	assets	us-gaap:Assets	$1.9B	2022-12-31	2025-02-18	10-K	25-001102

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