

Applied Optoelectronics, Inc. (AAOI)

Nasdaq; business equipment; SIC 3674, Semiconductors & Related Devices; CIK 0001158114

Applied Optoelectronics, Inc.	
AAOI; business equipment	
Grade	D fourth fifth of 497 graded peers percentile 65.1; sampling error 2.2 points; lower is stronger
Rank	324 of 497
Profitability	E percentile 84.7
Solvency	B/C percentile 38.9
Growth and financing	B percentile 37.6
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 \$1.2B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	dilution; fortress balance sheet not computable: distress
Inputs computable	9 of 14
Graded from	filings received through Feb 26, 2026 225 days before the rescans; latest periodic filing 10-Q received Aug 6, 2026
Last close	\$106.67 2026-10-08; market equity \$9.0B
Price used in grade	None

D, the sloth

fourth fifth of its sector; letters are fifths of the 497 graded peers

Share price, twelve months to the rescans

split-adjusted close; the letter is fixed at the rescans that set it

Rescans on file: D from Sep 21, 2025, D/E from Nov 21, 2025, D from Dec 21, 2025

Letter at every rescan

Jan 21, 2012 to Oct 9, 2026; sector percentile, 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 26, 2026

Applied Optoelectronics, Inc. (the "Company" or "AOI") is a leading, vertically integrated provider of fiber-optic networking products, primarily for four networking end-markets: internet data center, cable television ("CATV"), telecommunications, ("telecom"), and fiber-to-the-home ("FTTH"). We design and manufacture a range of optical communications products at varying levels of integration, from components, subassemblies and modules to complete turn-key equipment. In designing products for our

customers, we typically begin with the fundamental building blocks of lasers and laser components.

The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 84.7						
Gross profitability		11.7%	28.5%	80.1	558	2025-12-31
Return on invested capital		(11.9%)	10.9%	87.4	136	2025-12-31
Accruals ratio		15.9%	(7.4%)	95.6	621	2025-12-31
Gross margin stability, five years		5.6 pts	2.4 pts	75.7	429	2025-12-31
Solvency, sleeve percentile 38.9						
Twelve-month failure probability		not computable	0.05%			latest liabilities, cash plus short-term investments, book equity, and shares are required
Altman Z double-prime		2.44	2.18	41.8	566	2025-12-31
Net debt to EBITDA		not computable	1.11x			EBITDA must exceed \$100,000
Interest coverage		not computable	3.77x			latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31
Current ratio		2.63x	2.02x	35.9	666	2025-12-31
Growth and financing, sleeve percentile 37.6						
Revenue growth, three-year compound		26.9%	6.4%	12.7	538	2025-12-31
Free cash flow growth, three-year compound		not computable	17.2%			current FCF must be positive and base FCF must exceed \$100,000
Reinvestment rate		not computable	14.3%			NOPAT must exceed \$100,000
Asset growth, three years		42.0%	5.0%	7.3	563	2025-12-31
Net share issuance, one year		51.5%	0.5%	92.9	407	2026-02-01

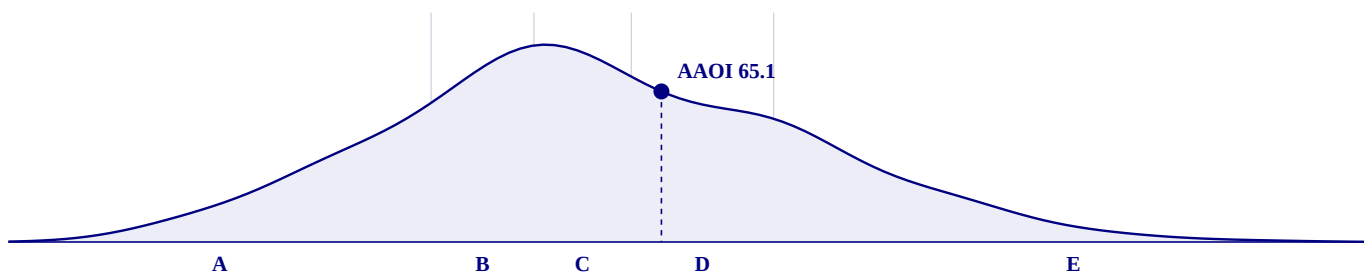
Warnings

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

Check	Measured
Dilution	split-adjusted year-over-year share growth is 51.5%
Fortress balance sheet	cash minus debt is 172,165,000 USD; Altman Z is not used

Among 497 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
319	Nortech Systems Inc. (NSYS)	64.1	D	
320	Caci International Inc. (CACI)	64.3	D	
321	Semtech Corp. (SMTC)	64.5	D	
322	Danaher Corp. (DHR)	64.7	D	
323	N-able, Inc. (NABL)	64.9	D	late filer
324	Applied Optoelectronics, Inc. (AAOI) <	65.1	D	dilution, fortress balance sheet
325	PubMatic, Inc. (PUBM)	65.3	D	
326	Enovix Corp. (ENVX)	65.5	D	short runway
327	Shutterstock, Inc. (SSTK)	65.7	D	
328	ON Semiconductor Corp. (ON)	65.9	D	
329	Teads Holding Co. (TEAD)	66.1	D	distress

What the price implies

at the 2026-10-08 close; none enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	315.3%	2.2%	99
Distance from 52-week high	(52.5%)	(30.0%)	23
EBIT to enterprise value	(0.6%)	1.5%	31
Free cash flow yield	(3.9%)	2.7%	19
Book value to price	0.19	0.23	41
Sales to price	0.05	0.30	8
Composite equity issuance, five years	115.3%	3.9%	94
Relative strength against the sector, log excess return	1.14	(0.26)	99

Diagnostics

not in the grade

Measure	Value
Piotroski F-score 5 of 9, period end 2025-12-31	
Return on assets above zero	fail
Operating cash flow above zero	fail
Return on assets improved	pass
Operating cash flow exceeds net income	fail
Long-term leverage fell	pass
Current ratio improved	pass
No new shares issued	fail
Gross margin improved	pass
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	\$499.7M
Operating cash flow, four quarters	-\$131.8M
Months of runway	45.5
Days since last periodic filing	64 (10-Q received Aug 6, 2026)

Sources

each row links to the filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	gross profit	us-gaap:GrossProfit	\$136.9M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
2	assets	us-gaap:Assets	\$1.2B	2025-12-31	2026-02-26	10-K	0001437749-26-005875
3	operating income	us-gaap:OperatingIncomeLoss	-\$54.6M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsDeductibleItems	\$16.7M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
5	income tax	us-gaap:IncomeTaxExpenseBenefit	-\$8.5M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
6	total debt	us-gaap:LongTermDebt	\$34.0M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
7	book equity	us-gaap:StockholdersEquity	\$733.9M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$206.1M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
9	total debt	us-gaap:LongTermDebt	\$26.7M	2024-12-31	2026-02-26	10-K	0001437749-26-005875
10	book equity	us-gaap:StockholdersEquity	\$229.1M	2024-12-31	2026-02-26	10-K	0001437749-26-005875
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$67.4M	2024-12-31	2026-02-26	10-K	0001437749-26-005875
12	net income	us-gaap:NetIncomeLoss	-\$38.2M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-\$174.4M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
14	assets	us-gaap:Assets	\$547.0M	2024-12-31	2026-02-26	10-K	0001437749-26-005875
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$455.7M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
16	gross profit	us-gaap:GrossProfit	\$61.8M	2024-12-31	2026-02-26	10-K	0001437749-26-005875
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$249.4M	2024-12-31	2026-02-26	10-K	0001437749-26-005875
18	gross profit	us-gaap:GrossProfit	\$58.9M	2023-12-31	2026-02-26	10-K	0001437749-26-005875
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$217.6M	2023-12-31	2026-02-26	10-K	0001437749-26-005875
20	gross profit	us-gaap:GrossProfit	\$33.6M	2022-12-31	2025-02-28	10-K	0001437749-25-005575
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$222.8M	2022-12-31	2025-02-28	10-K	0001437749-25-005575
22	gross profit	us-gaap:GrossProfit	\$37.7M	2021-12-31	2024-02-23	10-K	0001437749-24-005367
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$211.6M	2021-12-31	2024-02-23	10-K	0001437749-24-005367
24	current assets	us-gaap:AssetsCurrent	\$675.7M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
25	current liabilities	us-gaap:LiabilitiesCurrent	\$257.3M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-\$490.1M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
27	liabilities	us-gaap:Liabilities	\$434.5M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
28	depreciation amortization	us-gaap:Depreciation	\$27.2M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
29	operating income	us-gaap:OperatingIncomeLoss	-\$41.3M	2023-12-31	2026-02-26	10-K	0001437749-26-005875
30	interest expense	us-gaap:InterestExpense	\$9.4M	2023-12-31	2024-02-23	10-K	0001437749-24-005367
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$179.1M	2025-12-31	2026-02-26	10-K	0001437749-26-005875
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-\$69.5M	2024-12-31	2026-02-26	10-K	0001437749-26-005875
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$43.4M	2024-12-31	2026-02-26	10-K	0001437749-26-005875
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-\$7.9M	2023-12-31	2026-02-26	10-K	0001437749-26-005875
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$9.1M	2023-12-31	2026-02-26	10-K	0001437749-26-005875
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-\$14.0M	2022-12-31	2025-02-28	10-K	0001437749-25-005575
37	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$3.2M	2022-12-31	2025-02-28	10-K	0001437749-25-005575
38	current assets	us-gaap:AssetsCurrent	\$301.3M	2024-12-31	2026-02-26	10-K	0001437749-26-005875
39	current liabilities	us-gaap:LiabilitiesCurrent	\$170.1M	2024-12-31	2026-02-26	10-K	0001437749-26-005875
40	assets	us-gaap:Assets	\$389.2M	2023-12-31	2025-02-28	10-K	0001437749-25-005575
41	assets	us-gaap:Assets	\$408.3M	2022-12-31	2024-02-23	10-K	0001437749-24-005367
42	shares outstanding	dei:EntityCommonStockSharesOutstanding	75,198,817	2026-02-01	2026-02-26	10-K	0001437749-26-005875
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	49,651,482	2025-02-24	2025-02-28	10-K	0001437749-25-005575