

Arcutis Biotherapeutics, Inc. (ARQT)

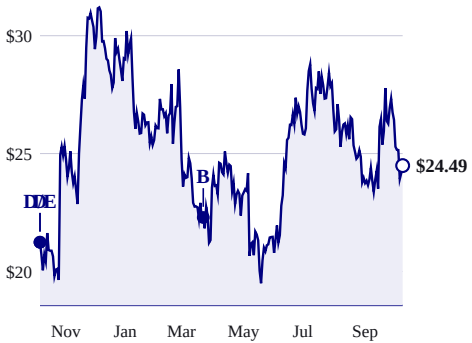
Nasdaq; healthcare; SIC 2834, Pharmaceutical Preparations; CIK 0001787306

Arcutis Biotherapeutics, Inc. ARQT; healthcare	
Grade	B A B C D E second fifth of 371 graded peers percentile 30.8; sampling error 2.5 points; lower is stronger
Rank	115 of 371
Profitability	B/C percentile 41.5
Solvency	C percentile 52.4
Growth and financing	B percentile 32.9
Reliability	0.87 AUC filers with \$120M to \$591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025
Peer failure rate	1.03% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	\$120M to \$591M assets total assets \$433.0M
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active not computable: distress
Inputs computable	7 of 14
Graded from	filings received through Feb 25, 2026 226 days before the rescans; latest periodic filing 10-Q received Aug 5, 2026
Last close	\$24.49 2026-10-08; market equity \$3.1B
Price used in grade	None



B, the elk
second fifth of its sector; letters are fifths of the 371 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/E from Mar 21, 2024, D from May 21, 2024, B from Mar 21, 2026

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 25, 2026

We are a commercial-stage biopharmaceutical company focused on developing and commercializing treatments for dermatological diseases with high unmet medical needs. Our current portfolio is comprised of highly differentiated topical and systemic treatments with significant potential to treat immune-mediated dermatological diseases and conditions. We believe we have built a leading platform for dermatologic product development and commercialization.

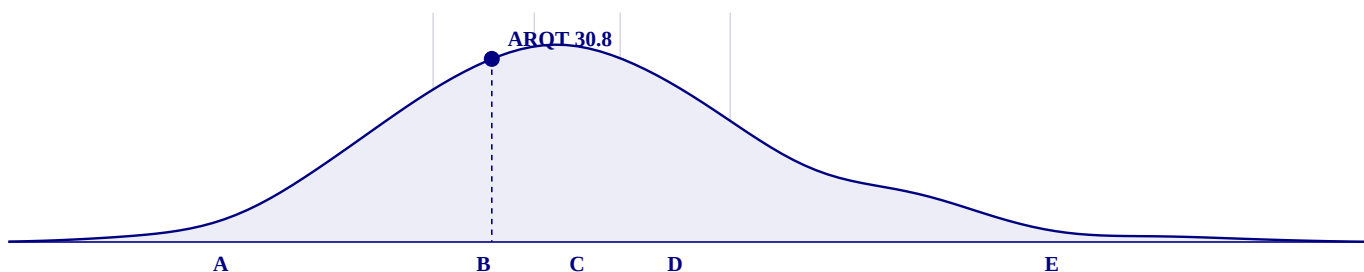
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 41.5						
Gross profitability		78.4%	32.2%	10.2	372	2025-12-31
Return on invested capital		not computable	9.3%			one or more required annual facts are missing
Accruals ratio		(2.7%)	(6.6%)	72.8	811	2025-12-31
Gross margin stability, five years		not computable	2.8 pts			five annual gross margins are required; found 3
Solvency, sleeve percentile 52.4						
Twelve-month failure probability		not computable	0.07%			latest liabilities, cash plus short-term investments, book equity, and shares are required
Altman Z double-prime		(3.68)	(0.31)	50.2	756	2025-12-31
Net debt to EBITDA		not computable	1.82x			EBITDA must exceed \$100,000
Interest coverage		not computable	(4.51x)			latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31
Current ratio		3.17x	2.96x	54.7	839	2025-12-31
Growth and financing, sleeve percentile 32.9						
Revenue growth, three-year compound		367.3%	10.0%	0.5	415	2025-12-31
Free cash flow growth, three-year compound		not computable	10.9%			current FCF must be positive and base FCF must exceed \$100,000
Reinvestment rate		not computable	37.1%			one or more required annual facts are missing
Asset growth, three years		(1.2%)	2.1%	54.2	704	2025-12-31
Net share issuance, one year		4.5%	2.5%	44.1	634	2026-02-20

Among 371 peers

healthcare; 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
110	Cytokinetics Inc. (CYTK)	29.5	B	short runway
111	Steris plc (STE)	29.7	B	
112	Cadre Holdings, Inc. (CDRE)	30.0	B	
113	MSA Safety Inc. (MSA)	30.3	B	
114	BioNexus Gene Lab Corp. (BGLC)	30.5	B	dilution, late filer
115	Arcutis Biotherapeutics, Inc. (ARQT) <	30.8	B	
116	Bio-Techne Corp. (TECH)	31.1	B	fortress balance sheet
117	Verastem, Inc. (VSTM)	31.4	B	dilution, fortress balance sheet
118	Stryker Corp. (SYK)	31.6	B	
119	Usana Health Sciences Inc. (USNA)	31.9	B	
120	Eton Pharmaceuticals, Inc. (ETON)	32.2	B	

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	27.2%	8.0%	63
Distance from 52-week high	(21.5%)	(31.4%)	64
EBIT to enterprise value	(0.4%)	(1.5%)	53
Free cash flow yield	(0.2%)	(1.0%)	53
Book value to price	0.07	0.28	22
Sales to price	0.12	0.31	29
Composite equity issuance, five years	92.0%	20.3%	76
Relative strength against the sector, log excess return	0.03	(0.14)	63

Diagnostics

not in 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	fail
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	fail
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	\$34.1M
Operating cash flow, four quarters	\$39.3M

Months of runway	not finite
Days since last periodic filing	65 (10-Q received Aug 5, 2026)
Median daily dollar volume, 63 sessions	\$44.7M

Sources

each row links to the filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	revenue	us-gaap:Revenues	\$376.1M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
2	cost of revenue	us-gaap:CostOfGoodsAndServicesSold	\$36.7M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
3	assets	us-gaap:Assets	\$433.0M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
4	net income	us-gaap:NetIncomeLoss	-\$16.1M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
5	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-\$5.6M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
6	assets	us-gaap:Assets	\$348.9M	2024-12-31	2026-02-25	10-K	0001787306-26-000018
7	current assets	us-gaap:AssetsCurrent	\$411.2M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
8	current liabilities	us-gaap:LiabilitiesCurrent	\$129.8M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
9	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-\$1.1B	2025-12-31	2026-02-25	10-K	0001787306-26-000018
10	operating income	us-gaap:OperatingIncomeLoss	-\$12.2M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
11	book equity	us-gaap:StockholdersEquity	\$189.5M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
12	liabilities	us-gaap:Liabilities	\$243.5M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
13	total debt	us-gaap:LongTermDebt	\$109.0M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
14	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$42.9M	2025-12-31	2026-02-25	10-K	0001787306-26-000018
15	depreciation amortization	us-gaap:Depreciation	\$700,000	2025-12-31	2026-02-25	10-K	0001787306-26-000018
16	operating income	us-gaap:OperatingIncomeLoss	-\$241.1M	2023-12-31	2026-02-25	10-K	0001787306-26-000018
17	interest expense	us-gaap:InterestExpense	\$29.7M	2023-12-31	2024-02-27	10-K	0001787306-24-000031
18	revenue	us-gaap:Revenues	\$196.5M	2024-12-31	2026-02-25	10-K	0001787306-26-000018
19	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAssessedTax	\$29.2M	2023-12-31	2026-02-25	10-K	0001787306-26-000018
20	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAssessedTax	\$3.7M	2022-12-31	2025-02-25	10-K	0001787306-25-000029
21	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$686,000	2025-12-31	2026-02-25	10-K	0001787306-26-000018
22	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-\$112.2M	2024-12-31	2026-02-25	10-K	0001787306-26-000018
23	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$143,000	2024-12-31	2026-02-25	10-K	0001787306-26-000018
24	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-\$247.1M	2023-12-31	2026-02-25	10-K	0001787306-26-000018
25	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$428,000	2023-12-31	2026-02-25	10-K	0001787306-26-000018
26	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-\$257.7M	2022-12-31	2025-02-25	10-K	0001787306-25-000029
27	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$333,000	2022-12-31	2025-02-25	10-K	0001787306-25-000029
28	assets	us-gaap:Assets	\$341.4M	2023-12-31	2025-02-25	10-K	0001787306-25-000029
29	assets	us-gaap:Assets	\$449.3M	2022-12-31	2024-02-27	10-K	0001787306-24-000031
30	shares outstanding	dei:EntityCommonStockSharesOutstanding	124,033,382	2026-02-20	2026-02-25	10-K	0001787306-26-000018
31	shares outstanding	dei:EntityCommonStockSharesOutstanding	118,638,235	2025-02-19	2025-02-25	10-K	0001787306-25-000029