

Borgwarner Inc. (BWA)

NYSE: consumer durables; SIC 3714, Motor Vehicle Parts & Accessories; CIK 0000908255

Borgwarner Inc. BWA; consumer durables	
Grade	A A B C D E strongest fifth of 460 graded peers percentile 8.5; sampling error 2.3 points; lower is stronger
Rank	38 of 460
Profitability	B percentile 32.6
Solvency	B percentile 30.6
Growth and financing	B/C percentile 38.0
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 \$13.8B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active not computable: short runway, distress
Inputs computable	10 of 14
Graded from	filings received through Feb 11, 2026 240 days before the rescans; latest periodic filing 10-Q received Aug 5, 2026
Last close	\$61.73 2026-10-08; market equity \$12.6B
Price used in grade	None



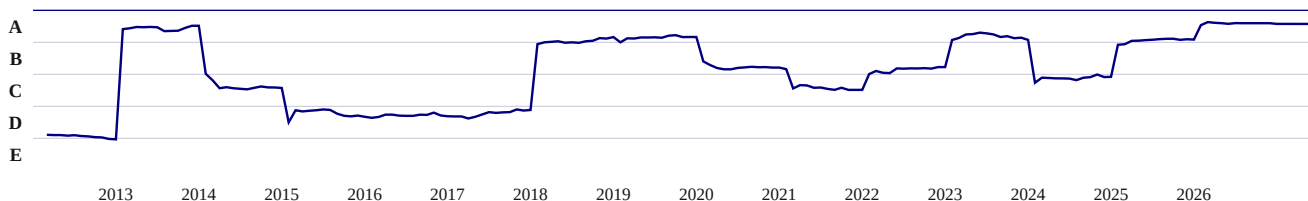
A, the bull
 strongest fifth of its sector;
 letters are fifths of the 460
 graded peers

Share price, twelve months to the rescans
split-adjusted close; the letter is fixed at the rescans that set it


Rescans on file: C from May 21, 2024, B/C from Sep 21, 2024, A/B from Feb 21, 2024

Letter at every rescans

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 11, 2026

BorgWarner Inc. (collectively with its consolidated subsidiaries, the "Company" or "BorgWarner") is a Delaware corporation incorporated in 1987. The Company is a global product leader in clean and efficient technology solutions for combustion, hybrid and electric vehicles. BorgWarner's products help improve vehicle performance, propulsion efficiency, stability and air quality. The Company manufactures and sells these products worldwide, primarily to original equipment manufacturers ("OEMs") of light

vehicles (passenger cars, sport-utility vehicles, vans and light trucks).

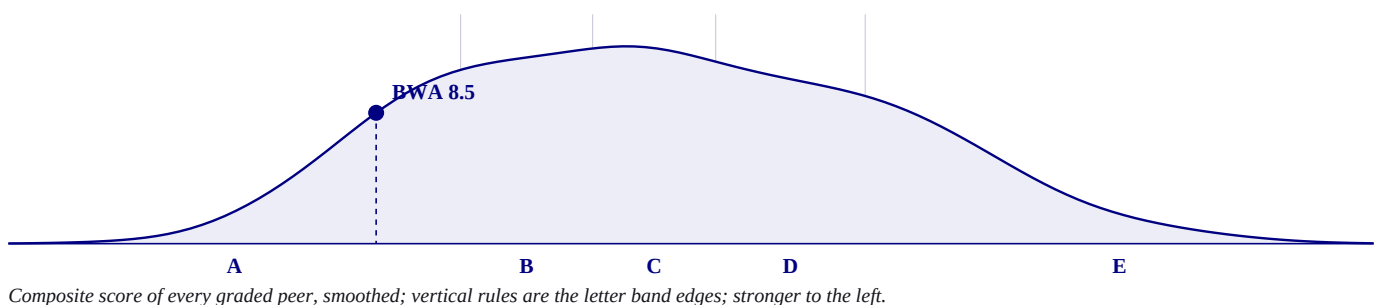
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 32.6						
Gross profitability		19.4%	34.4%	70.9	476	2025-12-31
Return on invested capital		not computable	8.9%			latest aligned inputs end 2021-12-31; latest annual assets end 2025-12-31
Accruals ratio		(9.9%)	(5.1%)	25.0	525	2025-12-31
Gross margin stability, five years		0.3 pts	1.7 pts	2.0	407	2025-12-31
Solvency, sleeve percentile 30.6						
Twelve-month failure probability		not computable	0.04%			latest liabilities, cash plus short-term investments, book equity, and shares are required
Altman Z double-prime		4.19	2.11	27.7	402	2025-12-31
Net debt to EBITDA		not computable	2.11x			latest aligned inputs end 2021-12-31; latest annual assets end 2025-12-31
Interest coverage		not computable	2.57x			latest aligned inputs end 2022-12-31; latest annual assets end 2025-12-31
Current ratio		2.07x	1.55x	33.5	541	2025-12-31
Growth and financing, sleeve percentile 38.0						
Revenue growth, three-year compound		4.3%	1.4%	34.7	482	2025-12-31
Free cash flow growth, three-year compound		7.6%	8.3%	51.4	250	2025-12-31
Reinvestment rate		113.2%	12.0%	13.6	265	2025-12-31
Asset growth, three years		(6.8%)	2.0%	78.6	487	2025-12-31
Net share issuance, one year		(5.3%)	(0.3%)	11.5	382	2026-01-30

Among 460 peers

consumer durables; letters are fifths of this list



Rank	Company	Percentile	Letter	Warnings
33	Lifeway Foods, Inc. (LWAY)	7.3	A	fortress balance sheet
34	Rave Restaurant Group, Inc. (RAVE)	7.4	A	
35	Best BUY Co. Inc. (BBY)	7.8	A	fortress balance sheet
36	Jerash Holdings (Us), Inc. (JRSH)	8.1	A	fortress balance sheet
37	Urban Outfitters Inc. (URBN)	8.2	A	
38	Borgwarner Inc. (BWA) <	8.5	A	
39	QXO, Inc. (QXO)	8.8	A	
40	QXO, Inc. (QXO-PB)	8.8	A	
41	Brady Corp. (BRC)	8.9	A	fortress balance sheet
42	Sanfilippo John B & SON Inc. (JBSS)	8.9	A	
43	FirstCash Holdings, Inc. (FCFS)	9.3	A	

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	46.9%	(0.2%)	87
Distance from 52-week high	(19.9%)	(25.6%)	60
EBIT to enterprise value	3.6%	5.0%	38
Free cash flow yield	9.4%	4.6%	75
Book value to price	0.45	0.45	50
Sales to price	1.14	1.49	42
Composite equity issuance, five years	(36.6%)	(16.0%)	12
Relative strength against the sector, log excess return	0.41	(0.01)	88

Diagnostics

not in the grade

Measure	Value
Piotroski F-score 6 of 9, period end 2025-12-31	
Return on assets above zero	pass
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	pass
No new shares issued	pass
Gross margin improved	fail
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	n/a
Operating cash flow, four quarters	n/a
Months of runway	not finite
Days since last periodic filing	65 (10-Q received Aug 5, 2026)
Median daily dollar volume, 63 sessions	\$126.6M

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	\$2.7B	2025-12-31	2026-02-11	10-K	0000908255-26-000011
2	assets	us-gaap:Assets	\$13.8B	2025-12-31	2026-02-11	10-K	0000908255-26-000011
3	operating income	us-gaap:OperatingIncomeLoss	\$914.0M	2021-12-31	2024-02-08	10-K	0000908255-24-000007
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsDeductibleItems	\$516.0M	2021-12-31	2024-02-08	10-K	0000908255-24-000007

5	income tax	us-gaap:IncomeTaxExpenseBenefit	\$65.0M	2021-12-31	2024-02-08	10-K	0000908255-24-000007
6	total debt	us-gaap:LongTermDebtAndCapitalLeaseObligations	\$4.3B	2021-12-31	2023-02-09	10-K	0000908255-23-000013
7	book equity	us-gaap:StockholdersEquity	\$6.9B	2021-12-31	2023-02-09	10-K	0000908255-23-000013
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$1.8B	2021-12-31	2022-02-15	10-K	0000908255-22-000009
9	total debt	us-gaap:LongTermDebtAndCapitalLeaseObligations	\$3.7B	2020-12-31	2022-02-15	10-K	0000908255-22-000009
10	book equity	us-gaap:StockholdersEquity	\$6.4B	2020-12-31	2022-02-15	10-K	0000908255-22-000009
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$1.6B	2020-12-31	2022-02-15	10-K	0000908255-22-000009
12	net income	us-gaap:NetIncomeLoss	\$277.0M	2025-12-31	2026-02-11	10-K	0000908255-26-000011
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivitiesContinuingOperation	\$1.6B	2025-12-31	2026-02-11	10-K	0000908255-26-000011
14	assets	us-gaap:Assets	\$14.0B	2024-12-31	2026-02-11	10-K	0000908255-26-000011
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$14.3B	2025-12-31	2026-02-11	10-K	0000908255-26-000011
16	gross profit	us-gaap:GrossProfit	\$2.6B	2024-12-31	2026-02-11	10-K	0000908255-26-000011
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$14.1B	2024-12-31	2026-02-11	10-K	0000908255-26-000011
18	gross profit	us-gaap:GrossProfit	\$2.6B	2023-12-31	2026-02-11	10-K	0000908255-26-000011
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$14.2B	2023-12-31	2026-02-11	10-K	0000908255-26-000011
20	gross profit	us-gaap:GrossProfit	\$2.4B	2022-12-31	2025-02-06	10-K	0000908255-25-000007
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$12.6B	2022-12-31	2025-02-06	10-K	0000908255-25-000007
22	gross profit	us-gaap:GrossProfit	\$2.2B	2021-12-31	2024-02-08	10-K	0000908255-24-000007
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$11.8B	2021-12-31	2024-02-08	10-K	0000908255-24-000007
24	current assets	us-gaap:AssetsCurrent	\$6.8B	2025-12-31	2026-02-11	10-K	0000908255-26-000011
25	current liabilities	us-gaap:LiabilitiesCurrent	\$3.3B	2025-12-31	2026-02-11	10-K	0000908255-26-000011
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	\$6.6B	2025-12-31	2026-02-11	10-K	0000908255-26-000011
27	operating income	us-gaap:OperatingIncomeLoss	\$536.0M	2025-12-31	2026-02-11	10-K	0000908255-26-000011
28	book equity	us-gaap:StockholdersEquity	\$5.4B	2025-12-31	2026-02-11	10-K	0000908255-26-000011
29	liabilities	us-gaap:Liabilities	\$8.2B	2025-12-31	2026-02-11	10-K	0000908255-26-000011
30	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$574.0M	2021-12-31	2024-02-08	10-K	0000908255-24-000007
31	operating income	us-gaap:OperatingIncomeLoss	\$1.0B	2022-12-31	2025-02-06	10-K	0000908255-25-000007
32	interest expense	us-gaap:InterestAndDebtExpense	\$52.0M	2022-12-31	2023-02-09	10-K	0000908255-23-000013
33	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	\$469.0M	2025-12-31	2026-02-11	10-K	0000908255-26-000011
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivitiesContinuingOperation	\$1.4B	2024-12-31	2026-02-11	10-K	0000908255-26-000011
35	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	\$671.0M	2024-12-31	2026-02-11	10-K	0000908255-26-000011
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivitiesContinuingOperation	\$1.4B	2023-12-31	2026-02-11	10-K	0000908255-26-000011
37	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	\$832.0M	2023-12-31	2026-02-11	10-K	0000908255-26-000011
38	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$1.6B	2022-12-31	2023-02-09	10-K	0000908255-23-000013
39	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	\$622.0M	2022-12-31	2025-02-06	10-K	0000908255-25-000007
40	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$719.0M	2025-12-31	2026-02-11	10-K	0000908255-26-000011
41	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordina	\$514.0M	2025-12-31	2026-02-11	10-K	0000908255-26-000011
42	income tax	us-gaap:IncomeTaxExpenseBenefit	\$189.0M	2025-12-31	2026-02-11	10-K	0000908255-26-000011
43	current assets	us-gaap:AssetsCurrent	\$6.5B	2024-12-31	2026-02-11	10-K	0000908255-26-000011
44	current liabilities	us-gaap:LiabilitiesCurrent	\$3.6B	2024-12-31	2026-02-11	10-K	0000908255-26-000011
45	assets	us-gaap:Assets	\$14.5B	2023-12-31	2026-02-11	10-K	0000908255-26-000011
46	assets	us-gaap:Assets	\$17.0B	2022-12-31	2024-02-08	10-K	0000908255-24-000007
47	shares outstanding	dei:EntityCommonStockSharesOutstanding	207,048,768	2026-01-30	2026-02-11	10-K	0000908255-26-000011
48	shares outstanding	dei:EntityCommonStockSharesOutstanding	218,684,028	2025-01-31	2025-02-06	10-K	0000908255-25-000007