

Cadence Design Systems Inc. (CDNS)

Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0000813672

Cadence Design Systems Inc.	
CDNS; business equipment	
Grade	A/B A B C D E on the A/B boundary of 497 graded peers percentile 19.2; sampling error 2.2 points; lower is stronger
Rank	96 of 497
Profitability	C percentile 56.9
Solvency	B percentile 27.1
Growth and financing	B percentile 35.0
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 \$10.2B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active not computable: distress, fortress balance sheet
Inputs computable	8 of 14
Graded from	filings received through Feb 19, 2026 232 days before the rescan; latest periodic filing 10-Q received Jul 29, 2026
Last close	\$348.93 2026-10-08; market equity \$96.2B
Price used in grade	None

A/B, the bull

on the A/B boundary of its sector; letters are fifths of the 497 graded peers

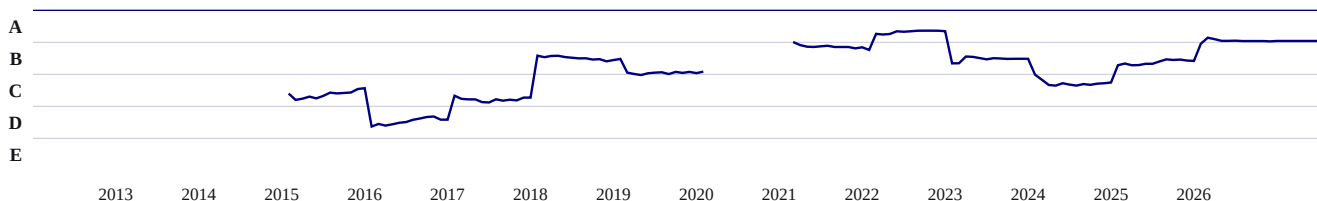
Share price, twelve months to the rescan

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

Rescans on file: A from Mar 21, 2026, A/B from Apr 21, 2026, A from Aug 21, 2026, A/B from Sep 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 19, 2026

This Annual Report and the documents incorporated by reference in this Annual Report contain statements that are not historical in nature, are predictive, or that depend upon or refer to future events or conditions or contain other forward-looking statements.

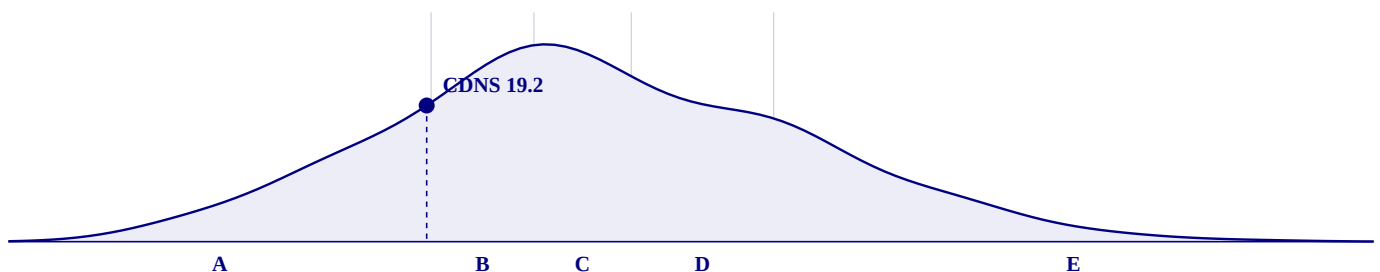
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 56.9						
Gross profitability		not computable	28.5%			one or more required annual facts are missing
Return on invested capital		not computable	10.9%			one or more required annual facts are missing
Accruals ratio		(6.5%)	(7.4%)	56.9	621	2025-12-31
Gross margin stability, five years		not computable	2.4 pts			five annual gross margins are required; found 0
Solvency, sleeve percentile 27.1						
Twelve-month failure probability		not computable	0.05%			liabilities and a nearby cover-page share count are required at 2026-03-31
Altman Z double-prime		not computable	2.18			one or more required annual facts are missing
Net debt to EBITDA		not computable	1.11x			one or more required annual facts are missing
Interest coverage		12.80x	3.77x	21.3	90	2025-12-31
Current ratio		2.86x	2.02x	32.9	666	2025-12-31
Growth and financing, sleeve percentile 35.0						
Revenue growth, three-year compound		14.1%	6.4%	28.7	538	2025-12-31
Free cash flow growth, three-year compound		12.4%	17.2%	54.7	268	2025-12-31
Reinvestment rate		27.8%	14.3%	44.9	226	2025-12-31
Asset growth, three years		25.5%	5.0%	12.3	563	2025-12-31
Net share issuance, one year		(0.5%)	0.5%	34.2	407	2026-01-31

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
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91	Teradyne, Inc. (TER)	18.1	A/B	fortress
				balance sheet
92	Nextpower Inc. (NXT)	18.3	A/B	
93	KLA Corp. (KLAC)	18.5	A/B	
94	Paycom Software, Inc. (PAYC)	18.8	A/B	fortress
				balance sheet
95	Verisk Analytics, Inc. (VRSK)	19.0	A/B	
96	Cadence Design Systems Inc. (CDNS) <	19.2	A/B	
97	Qualys, Inc. (QLYS)	19.4	A/B	
98	Grid Dynamics Holdings, Inc. (GDYN)	19.6	A/B	
99	BlackSky Technology Inc. (BKSJ)	19.8	A/B	
100	Pegasystems Inc. (PEGA)	20.0	A/B	
101	Advanced Micro Devices Inc. (AMD)	20.2	A/B	fortress
				balance sheet

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	(3.6%)	2.2%	47
Distance from 52-week high	(16.2%)	(30.0%)	69
EBIT to enterprise value	not computable	1.5%	
Free cash flow yield	1.6%	2.7%	38
Book value to price	0.07	0.23	19
Sales to price	0.06	0.30	9
Composite equity issuance, five years	(1.1%)	3.9%	41
Relative strength against the sector, log excess return	(0.32)	(0.26)	47

Diagnostics

not in 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	fail
Operating cash flow exceeds net income	pass
Long-term leverage fell	fail
Current ratio improved	fail
No new shares issued	pass
Gross margin improved	fail
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	\$1.4B
Operating cash flow, four quarters	\$1.6B
Months of runway	not finite
Days since last periodic filing	72 (10-Q received Jul 29, 2026)
Median daily dollar volume, 63 sessions	\$699.0M

Sources

each row links to the filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	net income	us-gaap:NetIncomeLoss	\$1.1B	2025-12-31	2026-02-19	10-K	0000813672-26-000016
2	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$1.7B	2025-12-31	2026-02-19	10-K	0000813672-26-000016
3	assets	us-gaap:Assets	\$10.2B	2025-12-31	2026-02-19	10-K	0000813672-26-000016
4	assets	us-gaap:Assets	\$9.0B	2024-12-31	2026-02-19	10-K	0000813672-26-000016
5	operating income	us-gaap:OperatingIncomeLoss	\$1.5B	2025-12-31	2026-02-19	10-K	0000813672-26-000016
6	interest expense	us-gaap:InterestExpense	\$116.5M	2025-12-31	2026-02-19	10-K	0000813672-26-000016
7	current assets	us-gaap:AssetsCurrent	\$4.7B	2025-12-31	2026-02-19	10-K	0000813672-26-000016

8	current liabilities	us-gaap:LiabilitiesCurrent	\$1.6B	2025-12-31	2026-02-19	10-K	0000813672-26-000016
9	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$5.3B	2025-12-31	2026-02-19	10-K	0000813672-26-000016
10	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$4.6B	2024-12-31	2026-02-19	10-K	0000813672-26-000016
11	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$4.1B	2023-12-31	2026-02-19	10-K	0000813672-26-000016
12	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$3.6B	2022-12-31	2025-02-21	10-K	0000813672-25-000024
13	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$141.9M	2025-12-31	2026-02-19	10-K	0000813672-26-000016
14	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$1.3B	2024-12-31	2026-02-19	10-K	0000813672-26-000016
15	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$142.5M	2024-12-31	2026-02-19	10-K	0000813672-26-000016
16	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$1.3B	2023-12-31	2026-02-19	10-K	0000813672-26-000016
17	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$102.3M	2023-12-31	2026-02-19	10-K	0000813672-26-000016
18	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$1.2B	2022-12-31	2025-02-21	10-K	0000813672-25-000024
19	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$123.2M	2022-12-31	2025-02-21	10-K	0000813672-25-000024
20	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$227.8M	2025-12-31	2026-02-19	10-K	0000813672-26-000016
21	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord	\$1.5B	2025-12-31	2026-02-19	10-K	0000813672-26-000016
22	income tax	us-gaap:IncomeTaxExpenseBenefit	\$413.2M	2025-12-31	2026-02-19	10-K	0000813672-26-000016
23	current assets	us-gaap:AssetsCurrent	\$4.0B	2024-12-31	2026-02-19	10-K	0000813672-26-000016
24	current liabilities	us-gaap:LiabilitiesCurrent	\$1.4B	2024-12-31	2026-02-19	10-K	0000813672-26-000016
25	assets	us-gaap:Assets	\$5.7B	2023-12-31	2025-02-21	10-K	0000813672-25-000024
26	assets	us-gaap:Assets	\$5.1B	2022-12-31	2024-02-14	10-K	0000813672-24-000034
27	shares outstanding	dei:EntityCommonStockSharesOutstanding	272,651,000	2026-01-31	2026-02-19	10-K	0000813672-26-000016
28	shares outstanding	dei:EntityCommonStockSharesOutstanding	274,108,000	2025-01-31	2025-02-21	10-K	0000813672-25-000024