

Cerence Inc. (CRNC)

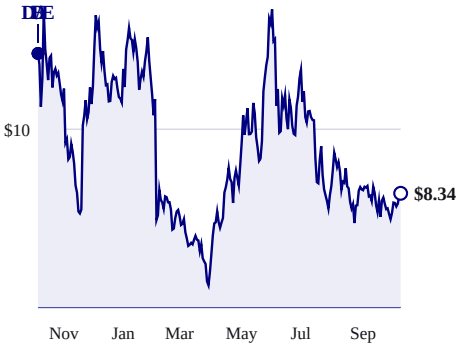
Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0001768267

Cerence Inc. CRNC; business equipment	
Grade	E A B C D E weakest fifth of 497 graded peers percentile 85.5; sampling error 2.2 points; lower is stronger
Rank	425 of 497
Profitability	C percentile 43.4
Solvency	D percentile 62.2
Growth and financing	E percentile 82.9
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 \$630.6M
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active not computable: short runway, distress, fortress balance sheet
Inputs computable	8 of 14
Graded from	filings received through Nov 20, 2025 323 days before the rescen; latest periodic filing 10-Q received Aug 6, 2026
Last close	\$8.36 2026-10-08; market equity \$377.9M
Price used in grade	None



E, the bear
weakest fifth of its sector;
letters are fifths of the 497
graded peers

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



Rescens on file: D/E from Dec 21, 2021, D from Mar 21, 2022, E from Dec 21, 2023

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 Nov 20, 2025

Cerence builds conversational and agentic AI solutions that make interaction with technology feel effortless. With decades of expertise in voice, AI, and edge-to-cloud engineering, we're trusted by many of the world's leading automakers, transportation OEMs, consumer brands, and technology companies to build voice powered-interfaces that shape the user experiences of today and

tomorrow. While the majority of our business is in the automotive market, our solutions can be leveraged across other areas of transportation - two-wheeled vehicles, trucks, and more - as well as outside of automotive - televisions, smart watches, voice-powered kiosks, and more.

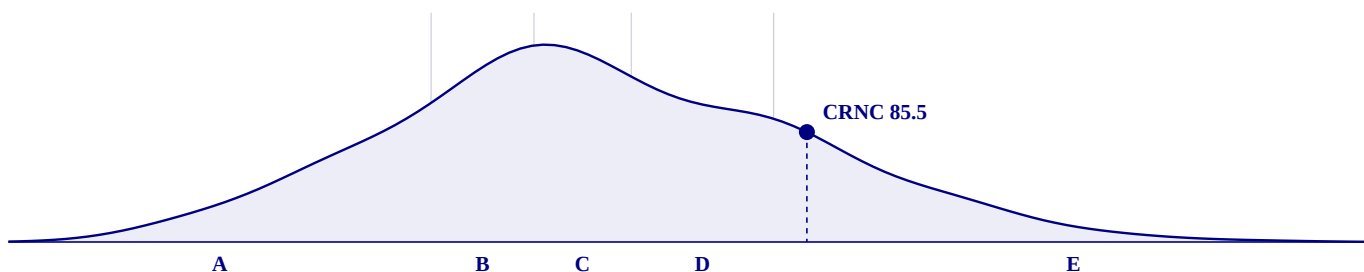
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 43.4						
Gross profitability		29.0%	28.5%	44.9	558	2025-09-30
Return on invested capital		not computable	10.9%			one or more required annual facts are missing
Accruals ratio		(12.0%)	(7.4%)	35.5	621	2025-09-30
Gross margin stability, five years		2.4 pts	2.4 pts	49.8	429	2025-09-30
Solvency, sleeve percentile 62.2						
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		(3.62)	2.18	71.9	566	2025-09-30
Net debt to EBITDA		not computable	1.11x			one or more required annual facts are missing
Interest coverage		not computable	3.77x			latest aligned inputs end 2024-09-30; latest annual assets end 2025-09-30
Current ratio		1.89x	2.02x	52.6	666	2025-09-30
Growth and financing, sleeve percentile 82.9						
Revenue growth, three-year compound		(8.4%)	6.4%	84.2	538	2025-09-30
Free cash flow growth, three-year compound		not computable	17.2%			current FCF must be positive and base FCF must exceed \$100,000 pretax income must exceed the validity floor and imply a 0%-100% tax rate
Reinvestment rate		not computable	14.3%			
Asset growth, three years		(21.8%)	5.0%	93.2	563	2025-09-30
Net share issuance, one year		4.9%	0.5%	71.2	407	2025-11-07

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
420	Neonode Inc. (NEON)	84.5	E	
421	Vistance Networks, Inc. (VISN)	84.7	E	
422	Methode Electronics Inc. (MEI)	84.9	E	
423	Socket Mobile, Inc. (SCKT)	85.1	E	fortress balance sheet
424	Revvity, Inc. (RVTY)	85.3	E	
425	Cerence Inc. (CRNC) <	85.5	E	
426	Enphase Energy, Inc. (ENPH)	85.7	E	
427	Open Text Corp. (OTEX)	85.9	E	
428	Xperi Inc. (XPER)	86.1	E	fortress balance sheet
429	My Size, Inc. (MYSZ)	86.3	E	dilution, short runway, late filer
430	Beam Global (BEEM)	86.5	E	dilution, short runway, late filer

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	(32.3%)	2.2%	21
Distance from 52-week high	(36.3%)	(30.0%)	39
EBIT to enterprise value	not computable	1.5%	
Free cash flow yield	12.4%	2.7%	90
Book value to price	0.44	0.23	70
Sales to price	0.67	0.30	70
Composite equity issuance, five years	18.9%	3.9%	70
Relative strength against the sector, log excess return	(0.67)	(0.26)	21

Diagnostics

not in the grade

Measure	Value
Piotroski F-score 5 of 9, period end 2025-09-30	
Return on assets above zero	fail
Operating cash flow above zero	pass
Return on assets improved	pass
Operating cash flow exceeds net income	pass
Long-term leverage fell	fail
Current ratio improved	pass
No new shares issued	fail
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	64 (10-Q received Aug 6, 2026)
Median daily dollar volume, 63 sessions	\$5.4M

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	\$183.1M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
2	assets	us-gaap:Assets	\$630.6M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
3	net income	us-gaap:NetIncomeLoss	-\$18.7M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
4	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$61.2M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
5	assets	us-gaap:Assets	\$702.4M	2024-09-30	2025-11-20	10-K	0001628280-25-053372
6	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$251.8M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
7	gross profit	us-gaap:GrossProfit	\$244.3M	2024-09-30	2025-11-20	10-K	0001628280-25-053372
8	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$331.5M	2024-09-30	2025-11-20	10-K	0001628280-25-053372
9	gross profit	us-gaap:GrossProfit	\$199.3M	2023-09-30	2025-11-20	10-K	0001628280-25-053372
10	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$294.5M	2023-09-30	2025-11-20	10-K	0001628280-25-053372
11	gross profit	us-gaap:GrossProfit	\$230.7M	2022-09-30	2024-11-25	10-K	0000950170-24-130642
12	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$327.9M	2022-09-30	2024-11-25	10-K	0000950170-24-130642
13	gross profit	us-gaap:GrossProfit	\$286.1M	2021-09-30	2023-11-29	10-K	0000950170-23-066654
14	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$387.2M	2021-09-30	2023-11-29	10-K	0000950170-23-066654
15	current assets	us-gaap:AssetsCurrent	\$190.8M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
16	current liabilities	us-gaap:LiabilitiesCurrent	\$101.2M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
17	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-\$940.5M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
18	operating income	us-gaap:OperatingIncomeLoss	-\$2.3M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
19	book equity	us-gaap:StockholdersEquity	\$150.7M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
20	liabilities	us-gaap:Liabilities	\$479.9M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
21	operating income	us-gaap:OperatingIncomeLoss	-\$579.9M	2024-09-30	2025-11-20	10-K	0001628280-25-053372
22	interest expense	us-gaap:InterestExpense	\$12.6M	2024-09-30	2024-11-25	10-K	0000950170-24-130642
23	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$14.4M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
24	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$17.2M	2024-09-30	2025-11-20	10-K	0001628280-25-053372
25	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$5.0M	2024-09-30	2025-11-20	10-K	0001628280-25-053372
26	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$7.5M	2023-09-30	2025-11-20	10-K	0001628280-25-053372
27	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$5.1M	2023-09-30	2025-11-20	10-K	0001628280-25-053372
28	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-\$2.1M	2022-09-30	2024-11-25	10-K	0000950170-24-130642
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$17.4M	2022-09-30	2024-11-25	10-K	0000950170-24-130642
30	depreciation amortization	us-gaap:Depreciation	\$8.9M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
31	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsDeductibleItems	\$8.8M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
32	income tax	us-gaap:IncomeTaxExpenseBenefit	\$9.9M	2025-09-30	2025-11-20	10-K	0001628280-25-053372
33	current assets	us-gaap:AssetsCurrent	\$265.5M	2024-09-30	2025-11-20	10-K	0001628280-25-053372
34	current liabilities	us-gaap:LiabilitiesCurrent	\$216.8M	2024-09-30	2025-11-20	10-K	0001628280-25-053372
35	assets	us-gaap:Assets	\$1.3B	2023-09-30	2024-11-25	10-K	0000950170-24-130642
36	assets	us-gaap:Assets	\$1.3B	2022-09-30	2023-11-29	10-K	0000950170-23-066654
37	shares outstanding	dei:EntityCommonStockSharesOutstanding	44,938,757	2025-11-07	2025-11-20	10-K	0001628280-25-053372
38	shares outstanding	dei:EntityCommonStockSharesOutstanding	42,827,789	2024-11-13	2024-11-25	10-K	0000950170-24-130642