

Leonardo DRS, Inc. (DRS)

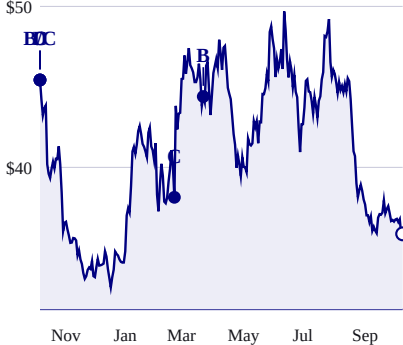
Nasdaq; business equipment; SIC 3812, Search, Detection, Navigation, Guidance, Aeronautical Sys; CIK 0001833756

Leonardo DRS, Inc. DRS; business equipment	
Grade	B A B C D E second fifth of 497 graded peers percentile 30.2; sampling error 2.2 points; lower is stronger
Rank	151 of 497
Profitability	C percentile 56.6
Solvency	B percentile 31.4
Growth and financing	B/C percentile 41.3
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 \$4.5B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active; fortress balance sheet not computable: distress
Inputs computable	10 of 14
Graded from	filings received through Feb 27, 2026 224 days before the rescans; latest periodic filing 10-Q received Jul 30, 2026
Last close	\$35.85 2026-10-08; market equity \$9.6B
Price used in grade	None



B, the elk
second 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: C from Mar 21, 2024, B/C from Mar 21, 2025, C from Feb 21,

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 27, 2026

Leonardo DRS, Inc. provides advanced defense technology to U.S. national security customers and allied defense forces worldwide. We specialize in the design, development, manufacture, and integration of advanced sensing, network computing, force protection, and electric power and propulsion technologies and solutions. As a mid-sized defense technology company, our combination of operational speed and agility, deep domain expertise, and established positions on priority defense platforms has resulted in a durable

and diversified portfolio of programs across the DoW.

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 56.6						
Gross profitability		19.4%	28.5%	63.9	558	2025-12-31
Return on invested capital		12.2%	10.9%	45.2	136	2025-12-31
Accruals ratio		(2.0%)	(7.4%)	79.5	621	2025-12-31
Gross margin stability, five years		1.7 pts	2.4 pts	37.9	429	2025-12-31
Solvency, sleeve percentile 31.4						
Twelve-month failure probability		not computable	0.05%			liabilities and a nearby cover-page share count are required at 2026-06-30
Altman Z double-prime		not computable	2.18			one or more required annual facts are missing
Net debt to EBITDA		(0.74x)	1.11x	10.3	147	2025-12-31
Interest coverage		not computable	3.77x			latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31
Current ratio		1.89x	2.02x	52.5	666	2025-12-31
Growth and financing, sleeve percentile 41.3						
Revenue growth, three-year compound		10.6%	6.4%	37.2	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		32.6%	14.3%	42.7	226	2025-12-31
Asset growth, three years		6.9%	5.0%	41.1	563	2025-12-31
Net share issuance, one year		0.3%	0.5%	44.3	407	2026-02-24

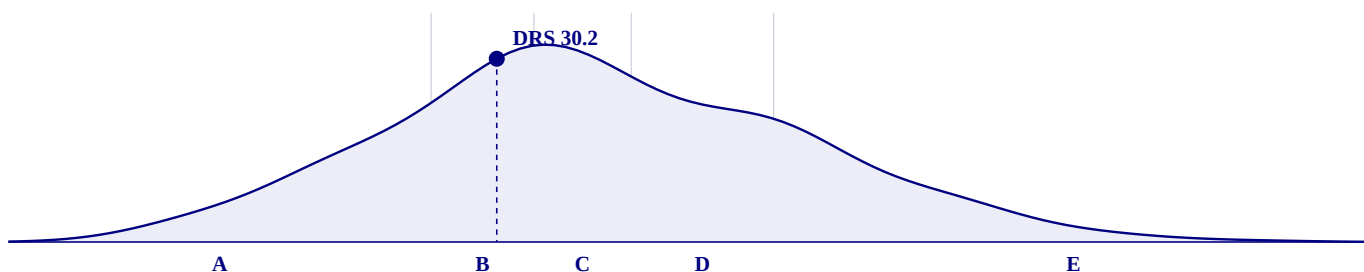
Warnings

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

Check	Measured
Fortress balance sheet	cash minus debt is 326,000,000 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
146	Lightpath Technologies Inc. (LPTH)	29.2	B	dilution, late filer, fortress balance sheet
147	EnerSys (ENS)	29.4	B	
148	First Solar, Inc. (FSLR)	29.6	B	fortress balance sheet
149	Data Storage Corp. (DTST)	29.8	B	short runway, late filer, fortress balance sheet
150	Block, Inc. (XYZ)	30.0	B	
151	Leonardo DRS, Inc. (DRS) <	30.2	B	fortress balance sheet
152	Waters Corp. (WAT)	30.4	B	dilution
153	TaskUs, Inc. (TASK)	30.6	B	
154	Where Food Comes From, Inc. (WFCF)	30.8	B	fortress balance sheet
155	CTS Corp. (CTS)	31.0	B	fortress balance sheet
156	CarGurus, Inc. (CARG)	31.2	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	(15.6%)	2.2%	35
Distance from 52-week high	(27.8%)	(30.0%)	53
EBIT to enterprise value	3.7%	1.5%	70
Free cash flow yield	2.4%	2.7%	46
Book value to price	0.29	0.23	56
Sales to price	0.38	0.30	58
Composite equity issuance, five years	not computable	3.9%	
Relative strength against the sector, log excess return	(0.45)	(0.26)	35

Diagnostics

not in the grade

Measure	Value
Piotroski F-score 7 of 9, period end 2025-12-31	
Return on assets above zero	pass
Operating cash flow above zero	pass
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	pass
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	\$270.0M
Operating cash flow, four quarters	\$501.0M
Months of runway	not finite
Days since last periodic filing	71 (10-Q received Jul 30, 2026)
Median daily dollar volume, 63 sessions	\$32.4M

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	\$869.0M	2025-12-31	2026-02-27	10-K	0001833756-26-000013
2	assets	us-gaap:Assets	\$4.5B	2025-12-31	2026-02-27	10-K	0001833756-26-000013
3	operating income	us-gaap:OperatingIncomeLoss	\$348.0M	2025-12-31	2026-02-27	10-K	0001833756-26-000013
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord	\$336.0M	2025-12-31	2026-02-27	10-K	0001833756-26-000013
5	income tax	us-gaap:IncomeTaxExpenseBenefit	\$58.0M	2025-12-31	2026-02-27	10-K	0001833756-26-000013
6	total debt	us-gaap:LongTermDebtAndCapitalLeaseObligations	\$321.0M	2025-12-31	2026-02-27	10-K	0001833756-26-000013
7	book equity	us-gaap:StockholdersEquity	\$2.7B	2025-12-31	2026-02-27	10-K	0001833756-26-000013
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$647.0M	2025-12-31	2026-02-27	10-K	0001833756-26-000013
9	total debt	us-gaap:LongTermDebtAndCapitalLeaseObligations	\$340.0M	2024-12-31	2026-02-27	10-K	0001833756-26-000013
10	book equity	us-gaap:StockholdersEquity	\$2.6B	2024-12-31	2026-02-27	10-K	0001833756-26-000013
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$598.0M	2024-12-31	2026-02-27	10-K	0001833756-26-000013
12	net income	us-gaap:NetIncomeLoss	\$278.0M	2025-12-31	2026-02-27	10-K	0001833756-26-000013
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$366.0M	2025-12-31	2026-02-27	10-K	0001833756-26-000013
14	assets	us-gaap:Assets	\$4.2B	2024-12-31	2026-02-27	10-K	0001833756-26-000013
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$3.6B	2025-12-31	2026-02-27	10-K	0001833756-26-000013
16	gross profit	us-gaap:GrossProfit	\$736.0M	2024-12-31	2026-02-27	10-K	0001833756-26-000013
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$3.2B	2024-12-31	2026-02-27	10-K	0001833756-26-000013
18	gross profit	us-gaap:GrossProfit	\$648.0M	2023-12-31	2026-02-27	10-K	0001833756-26-000013
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.8B	2023-12-31	2026-02-27	10-K	0001833756-26-000013
20	gross profit	us-gaap:GrossProfit	\$575.0M	2022-12-31	2025-03-03	10-K	0001628280-25-009248
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.7B	2022-12-31	2025-03-03	10-K	0001628280-25-009248
22	gross profit	us-gaap:GrossProfit	\$547.0M	2021-12-31	2024-02-28	10-K	0001628280-24-007359
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.9B	2021-12-31	2024-02-28	10-K	0001628280-24-007359
24	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$93.0M	2025-12-31	2026-02-27	10-K	0001833756-26-000013
25	operating income	us-gaap:OperatingIncomeLoss	\$231.0M	2023-12-31	2026-02-27	10-K	0001833756-26-000013
26	interest expense	us-gaap:InterestExpense	\$36.0M	2023-12-31	2024-02-28	10-K	0001628280-24-007359
27	current assets	us-gaap:AssetsCurrent	\$2.3B	2025-12-31	2026-02-27	10-K	0001833756-26-000013
28	current liabilities	us-gaap:LiabilitiesCurrent	\$1.2B	2025-12-31	2026-02-27	10-K	0001833756-26-000013
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$139.0M	2025-12-31	2026-02-27	10-K	0001833756-26-000013
30	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$271.0M	2024-12-31	2026-02-27	10-K	0001833756-26-000013
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$85.0M	2024-12-31	2026-02-27	10-K	0001833756-26-000013
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$205.0M	2023-12-31	2026-02-27	10-K	0001833756-26-000013
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$60.0M	2023-12-31	2026-02-27	10-K	0001833756-26-000013
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$33.0M	2022-12-31	2025-03-03	10-K	0001628280-25-009248
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$65.0M	2022-12-31	2025-03-03	10-K	0001628280-25-009248
36	current assets	us-gaap:AssetsCurrent	\$2.2B	2024-12-31	2026-02-27	10-K	0001833756-26-000013
37	current liabilities	us-gaap:LiabilitiesCurrent	\$1.1B	2024-12-31	2026-02-27	10-K	0001833756-26-000013
38	assets	us-gaap:Assets	\$3.9B	2023-12-31	2025-03-03	10-K	0001628280-25-009248
39	assets	us-gaap:Assets	\$3.7B	2022-12-31	2024-02-28	10-K	0001628280-24-007359
40	shares outstanding	dei:EntityCommonStockSharesOutstanding	265,846,193	2026-02-24	2026-02-27	10-K	0001833756-26-000013
41	shares outstanding	dei:EntityCommonStockSharesOutstanding	265,157,699	2025-02-28	2025-03-03	10-K	0001628280-25-009248