

Inspire Medical Systems, Inc. (INSP)

NYSE: healthcare: SIC 3841, Surgical & Medical Instruments & Apparatus: CIK 0001609550

Inspire Medical Systems, Inc. INSPI; healthcare	
Grade	A A B C D E strongest fifth of 371 graded peers percentile 0.5; sampling error 2.5 points; lower is stronger
Rank	3 of 371
Profitability	B percentile 32.9
Solvency	A percentile 16.6
Growth and financing	A percentile 12.7
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 \$907.3M
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active; fortress balance sheet
Inputs computable	10 of 14
Graded from	filings received through Feb 13, 2026 238 days before the rescan; latest periodic filing 10-Q received Aug 3, 2026
Last close	\$66.50 2026-10-08; market equity \$1.9B
Price used in grade	None



A, the bull
strongest fifth of its sector;
letters are fifths of the 371
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: B from Feb 21, 2022, A/B from Mar 21, 2022, A from Feb 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 13, 2026

We are a medical technology company focused on the development and commercialization of innovative, minimally invasive solutions for patients with obstructive sleep apnea ("OSA"). Our proprietary Inspire system is the first FDA, European Union ("EU") Regulation No. 2017/745 ("MDR" or "EU Medical Devices Regulation"), and Japan Pharmaceuticals and Medical Devices Agency-approved neurostimulation technology of its kind that provides a safe and effective treatment for patients with moderate to severe OSA. We have developed a novel, closed-loop solution that continuously monitors a patient's breathing and delivers mild

hypoglossal nerve stimulation to maintain an open airway.

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 32.9						
Gross profitability		85.8%	32.2%	6.5	372	2025-12-31
Return on invested capital		not computable	9.3%			pretax income must exceed the validity floor and imply a 0%-100% tax rate
Accruals ratio		3.3%	(6.6%)	85.9	811	2025-12-31
Gross margin stability, five years		0.7 pts	2.8 pts	6.2	243	2025-12-31
Solvency, sleeve percentile 16.6						
Twelve-month failure probability		0.02%	0.07%	10.5	248	2026-06-30
Altman Z double-prime		9.88	(0.31)	8.9	756	2025-12-31
Net debt to EBITDA		not computable	1.82x			EBITDA must exceed \$100,000
Interest coverage		not computable	(4.51x)			interest expense must exceed \$100,000
Current ratio		6.08x	2.96x	30.3	839	2025-12-31
Growth and financing, sleeve percentile 12.7						
Revenue growth, three-year compound		30.8%	10.0%	21.3	415	2025-12-31
Free cash flow growth, three-year compound		216.6%	10.9%	0.0	96	2025-12-31
Reinvestment rate		not computable	37.1%			pretax income must exceed the validity floor and imply a 0%-100% tax rate
Asset growth, three years		17.1%	2.1%	24.2	704	2025-12-31
Net share issuance, one year		(3.6%)	2.5%	5.2	634	2026-02-05

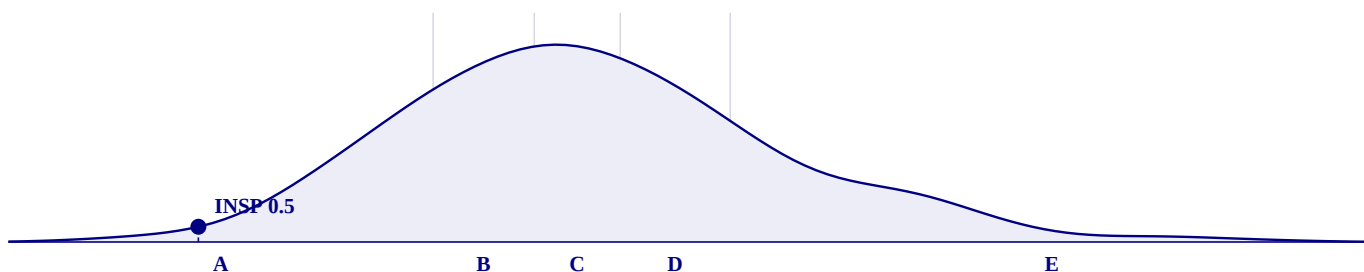
Warnings

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

Check	Measured
Fortress balance sheet	cash minus debt is 189,967,000 USD; Altman Z is not used

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
1	Protagonist Therapeutics, Inc. (PTGX)	0.0	A	fortress balance sheet
2	Delcath Systems, Inc. (DCTH)	0.3	A	fortress balance sheet
3	Inspire Medical Systems, Inc. (INSP) <	0.5	A	fortress balance sheet
4	Kiniksa Pharmaceuticals International, plc (KNSA)	0.8	A	
5	Mimedx Group, Inc. (MDXG)	1.1	A	fortress balance sheet
6	Harmony Biosciences Holdings, Inc. (HRMY)	1.4	A	fortress balance sheet
7	BeOne Medicines Ltd. (ONC)	1.6	A	fortress balance sheet
8	Progyny, Inc. (PGNY)	1.9	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	(15.1%)	8.0%	35
Distance from 52-week high	(53.7%)	(31.4%)	23
EBIT to enterprise value	2.8%	(1.5%)	64
Free cash flow yield	4.1%	(1.0%)	76
Book value to price	0.43	0.28	64
Sales to price	0.47	0.31	64
Composite equity issuance, five years	6.4%	20.3%	35
Relative strength against the sector, log excess return	(0.38)	(0.14)	35

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	pass
Operating cash flow exceeds net income	fail
Long-term leverage fell	fail
Current ratio improved	fail
No new shares issued	pass
Gross margin improved	pass
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	\$127.8M
Operating cash flow, four quarters	\$157.1M
Months of runway	not finite

Days since last periodic filing

67 (10-Q received Aug 3, 2026)

Median daily dollar volume, 63 sessions

\$38.6M

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	\$778.8M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
2	assets	us-gaap:Assets	\$907.3M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
3	operating income	us-gaap:OperatingIncomeLoss	-\$39.9M	2021-12-31	2024-02-09	10-K	0001609550-24-000016
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsDeductibleItems	\$55.7M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
5	income tax	us-gaap:IncomeTaxExpenseBenefit	\$72,000	2021-12-31	2024-02-09	10-K	0001609550-24-000016
6	total debt	us-gaap:LongTermDebt	\$24.5M	2021-12-31	2022-02-15	10-K	0001609550-22-000014
7	book equity	us-gaap:StockholdersEquity	\$229.0M	2021-12-31	2025-02-10	10-K	0001609550-25-000011
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$214.5M	2021-12-31	2023-02-10	10-K	0001609550-23-000024
9	total debt	us-gaap:LongTermDebt	\$24.5M	2020-12-31	2021-02-24	10-K	0001609550-21-000010
10	book equity	us-gaap:StockholdersEquity	\$229.7M	2020-12-31	2024-02-09	10-K	0001609550-24-000016
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$190.5M	2020-12-31	2022-02-15	10-K	0001609550-22-000014
12	net income	us-gaap:NetIncomeLoss	\$145.4M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$117.0M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
14	assets	us-gaap:Assets	\$808.4M	2024-12-31	2026-02-13	10-K	0001609550-26-000016
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$912.0M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
16	gross profit	us-gaap:GrossProfit	\$679.8M	2024-12-31	2026-02-13	10-K	0001609550-26-000016
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$802.8M	2024-12-31	2026-02-13	10-K	0001609550-26-000016
18	gross profit	us-gaap:GrossProfit	\$528.2M	2023-12-31	2026-02-13	10-K	0001609550-26-000016
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$624.8M	2023-12-31	2026-02-13	10-K	0001609550-26-000016
20	gross profit	us-gaap:GrossProfit	\$341.7M	2022-12-31	2025-02-10	10-K	0001609550-25-000011
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$407.9M	2022-12-31	2025-02-10	10-K	0001609550-25-000011
22	gross profit	us-gaap:GrossProfit	\$200.1M	2021-12-31	2024-02-09	10-K	0001609550-24-000016
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$233.4M	2021-12-31	2024-02-09	10-K	0001609550-24-000016
24	current assets	us-gaap:AssetsCurrent	\$583.7M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
25	current liabilities	us-gaap:LiabilitiesCurrent	\$96.1M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-\$146.5M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
27	operating income	us-gaap:OperatingIncomeLoss	\$51.0M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
28	book equity	us-gaap:StockholdersEquity	\$781.2M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
29	liabilities	us-gaap:Liabilities	\$126.2M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
30	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$1.2M	2021-12-31	2024-02-09	10-K	0001609550-24-000016
31	operating income	us-gaap:OperatingIncomeLoss	-\$40.3M	2023-12-31	2026-02-13	10-K	0001609550-26-000016
32	interest expense	us-gaap:InterestExpense	\$0	2023-12-31	2024-02-09	10-K	0001609550-24-000016
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$38.5M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$130.2M	2024-12-31	2026-02-13	10-K	0001609550-26-000016
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$39.1M	2024-12-31	2026-02-13	10-K	0001609550-26-000016
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$24.7M	2023-12-31	2026-02-13	10-K	0001609550-26-000016
37	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$23.6M	2023-12-31	2026-02-13	10-K	0001609550-26-000016
38	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$11.6M	2022-12-31	2025-02-10	10-K	0001609550-25-000011
39	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$9.1M	2022-12-31	2025-02-10	10-K	0001609550-25-000011
40	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$14.0M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
41	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsDeductibleItems	\$55.7M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
42	income tax	us-gaap:IncomeTaxExpenseBenefit	-\$79.7M	2025-12-31	2026-02-13	10-K	0001609550-26-000016
43	current assets	us-gaap:AssetsCurrent	\$630.8M	2024-12-31	2026-02-13	10-K	0001609550-26-000016
44	current liabilities	us-gaap:LiabilitiesCurrent	\$88.5M	2024-12-31	2026-02-13	10-K	0001609550-26-000016
45	assets	us-gaap:Assets	\$676.8M	2023-12-31	2025-02-10	10-K	0001609550-25-000011
46	assets	us-gaap:Assets	\$564.9M	2022-12-31	2024-02-09	10-K	0001609550-24-000016
47	shares outstanding	dei:EntityCommonStockSharesOutstanding	28,589,291	2026-02-05	2026-02-13	10-K	0001609550-26-000016
48	shares outstanding	dei:EntityCommonStockSharesOutstanding	29,669,407	2025-02-03	2025-02-10	10-K	0001609550-25-000011