

Karat Packaging Inc. (KRT)

Nasdaq; manufacturing; SIC 3089, Plastics Products, NEC; CIK 0001758021

Karat Packaging Inc. KRT; manufacturing	
Grade	B/C A B C D E on the B/C boundary of 255 graded peers percentile 37.4; sampling error 3.0 points; lower is stronger
Rank	96 of 255
Profitability	C percentile 50.9
Solvency	B percentile 26.1
Growth and financing	C/D percentile 58.1
Reliability	0.87 AUC filers with \$120M to \$591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025
Peer failure rate	1.03% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	\$120M to \$591M assets total assets \$287.7M
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active not computable: fortress balance sheet
Inputs computable	11 of 14
Graded from	filings received through Mar 13, 2026 210 days before the rescans; latest periodic filing 10-Q received Aug 7, 2026
Last close	\$54.16 2026-10-08; market equity \$1.1B
Price used in grade	None



B/C, the elk

on the B/C boundary of its sector; letters are fifths of the 255 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: A from Mar 21, 2024, C from Mar 21, 2026, B from Aug 21, 2026, B/C from Oct 3, 2026

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 Mar 13, 2026

As used in this Annual Report on Form 10-K, "we", "us", "our", "Karat", "the Company" or "our Company" refer to Karat Packaging Inc., a Delaware corporation, and, unless the context requires otherwise, our operating subsidiaries. References to "Global Wells" or "our variable interest entity" refer to Global Wells Investment Group LLC, a Texas limited liability company and our consolidated variable interest entity, in which the Company has an equity interest and which is controlled by one of our stockholders.

References to "Lollicup" refer to Lollicup USA Inc., our wholly-owned subsidiary incorporated in California in 2001 and redomesticated to the State of Texas in October 2025.

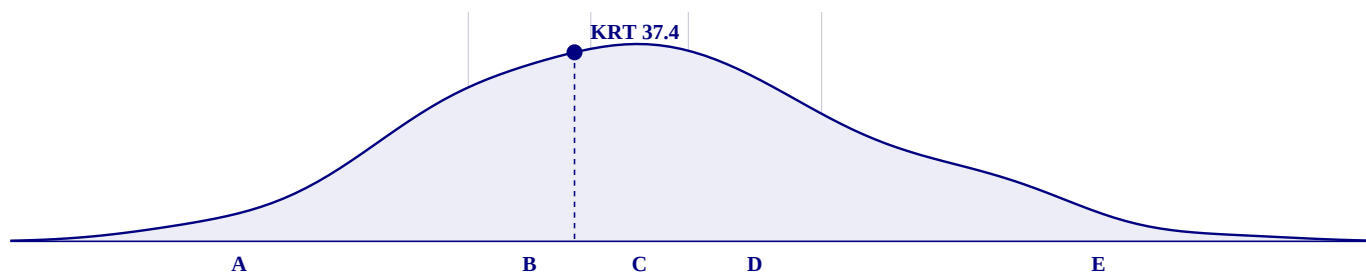
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 50.9						
Gross profitability		59.8%	21.9%	1.5	275	2025-12-31
Return on invested capital		not computable	9.7%		one or more	required annual facts are missing
Accruals ratio		(0.8%)	(3.6%)	75.2	308	2025-12-31
Gross margin stability, five years		3.7 pts	2.1 pts	75.9	229	2025-12-31
Solvency, sleeve percentile 26.1						
Twelve-month failure probability		0.01%	0.04%	0.0	34	2026-06-30
Altman Z double-prime		4.94	3.66	29.2	244	2025-12-31
Net debt to EBITDA		not computable	1.78x		one or more	required annual facts are missing
Interest coverage		not computable	5.09x		latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31	
Current ratio		2.30x	2.25x	49.1	325	2025-12-31
Growth and financing, sleeve percentile 58.1						
Revenue growth, three-year compound		3.4%	2.1%	41.8	269	2025-12-31
Free cash flow growth, three-year compound		7.2%	13.9%	63.8	139	2025-12-31
Reinvestment rate		(107.2%)	26.4%	93.5	139	2025-12-31
Asset growth, three years		4.5%	4.4%	48.6	279	2025-12-31
Net share issuance, one year		(0.4%)	0.01%	43.0	243	2026-03-10

Among 255 peers

manufacturing; 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
91	Astec Industries Inc. (ASTE)	35.4	B	
92	Perma-Pipe International Holdings, Inc. (PIIH)	35.8	B	late filer, fortress balance sheet
93	Veeco Instruments Inc. (VECO)	36.2	B	
94	Parker-Hannifin Corp. (PH)	36.6	B	
95	Littelfuse Inc. (LFUS)	37.0	B	late filer

96	Karat Packaging Inc. (KRT) <	37.4	B/C	
97	AZZ Inc. (AZZ)	37.8	B/C	
98	Advanced Drainage Systems, Inc. (WMS)	38.2	B/C	
99	United States Antimony Corp. (UAMY)	38.6	B/C	dilution, fortress balance sheet
100	Gibraltar Industries, Inc. (ROCK)	39.0	B/C	fortress balance sheet
101	Lightwave Logic, Inc. (LWLG)	39.4	B/C	

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	101.9%	13.7%	93
Distance from 52-week high	(1.6%)	(24.3%)	97
EBIT to enterprise value	not computable	4.1%	
Free cash flow yield	3.1%	3.4%	46
Book value to price	0.16	0.34	19
Sales to price	0.44	0.54	39
Composite equity issuance, five years	not computable	(9.5%)	
Relative strength against the sector, log excess return	0.57	(0.00)	93

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	pass
Cash, filings, liquidity	
Cash and equivalents	\$38.4M
Operating cash flow, four quarters	\$56.7M
Months of runway	not finite
Days since last periodic filing	63 (10-Q received Aug 7, 2026)
Median daily dollar volume, 63 sessions	\$5.9M

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	\$172.1M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
2	assets	us-gaap:Assets	\$287.7M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
3	net income	us-gaap:NetIncomeLoss	\$31.5M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
4	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$33.8M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
5	assets	us-gaap:Assets	\$294.5M	2024-12-31	2026-03-13	10-K	0001758021-26-000010
6	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$467.7M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
7	gross profit	us-gaap:GrossProfit	\$164.3M	2024-12-31	2026-03-13	10-K	0001758021-26-000010
8	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$422.6M	2024-12-31	2026-03-13	10-K	0001758021-26-000010
9	gross profit	us-gaap:GrossProfit	\$153.0M	2023-12-31	2025-03-14	10-K	0001628280-25-012816
10	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$405.7M	2023-12-31	2025-03-14	10-K	0001628280-25-012816
11	gross profit	us-gaap:GrossProfit	\$132.1M	2022-12-31	2024-03-15	10-K	0001628280-24-011444
12	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$423.0M	2022-12-31	2024-03-15	10-K	0001628280-24-011444

13	gross profit	us-gaap:GrossProfit	\$107.8M	2021-12-31	2023-03-16	10-K	0001628280-23-008299
14	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$364.2M	2021-12-31	2023-03-16	10-K	0001628280-23-008299
15	current assets	us-gaap:AssetsCurrent	\$161.2M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
16	current liabilities	us-gaap:LiabilitiesCurrent	\$70.2M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
17	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	\$61.7M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
18	operating income	us-gaap:OperatingIncomeLoss	\$41.4M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
19	book equity	us-gaap:StockholdersEquity	\$149.4M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
20	liabilities	us-gaap:Liabilities	\$130.8M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
21	operating income	us-gaap:OperatingIncomeLoss	\$42.1M	2023-12-31	2025-03-14	10-K	0001628280-25-012816
22	interest expense	us-gaap:InterestExpense	\$2.0M	2023-12-31	2024-03-15	10-K	0001628280-24-011444
23	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$756,000	2025-12-31	2026-03-13	10-K	0001758021-26-000010
24	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$48.0M	2024-12-31	2026-03-13	10-K	0001758021-26-000010
25	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$934,000	2024-12-31	2026-03-13	10-K	0001758021-26-000010
26	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$53.4M	2023-12-31	2025-03-14	10-K	0001628280-25-012816
27	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$2.8M	2023-12-31	2025-03-14	10-K	0001628280-25-012816
28	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$29.5M	2022-12-31	2024-03-15	10-K	0001628280-24-011444
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$2.7M	2022-12-31	2024-03-15	10-K	0001628280-24-011444
30	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$10.9M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
31	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord	\$43.0M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
32	income tax	us-gaap:IncomeTaxExpenseBenefit	\$10.4M	2025-12-31	2026-03-13	10-K	0001758021-26-000010
33	current assets	us-gaap:AssetsCurrent	\$161.0M	2024-12-31	2026-03-13	10-K	0001758021-26-000010
34	current liabilities	us-gaap:LiabilitiesCurrent	\$46.4M	2024-12-31	2026-03-13	10-K	0001758021-26-000010
35	assets	us-gaap:Assets	\$276.4M	2023-12-31	2025-03-14	10-K	0001628280-25-012816
36	assets	us-gaap:Assets	\$252.2M	2022-12-31	2024-03-15	10-K	0001628280-24-011444
37	shares outstanding	dei:EntityCommonStockSharesOutstanding	19,963,731	2026-03-10	2026-03-13	10-K	0001758021-26-000010
38	shares outstanding	dei:EntityCommonStockSharesOutstanding	20,036,505	2025-03-10	2025-03-14	10-K	0001628280-25-012816