

Lifeway Foods, Inc. (LWAY)

Nasdaq; consumer nondurables; SIC 2020, Dairy Products; CIK 0000814586

Lifeway Foods, Inc. LWAY; consumer nondurables	
Grade	A ▼ A B C D E strongest fifth of 124 graded peers percentile 7.3; sampling error 3.8 points; lower is stronger
Rank	10 of 124
Profitability	C/D percentile 58.7
Solvency	A/B percentile 20.0
Growth and financing	A percentile 15.2
Reliability	0.83 AUC filers with \$12.5M to \$120M assets; 95% interval 0.79 to 0.86; 201 events, 2020 to 2025
Peer failure rate	1.07% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	\$12.5M to \$120M assets total assets \$105.6M
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active; fortress balance sheet not computable: distress
Inputs computable	9 of 14
Graded from	filings received through Mar 17, 2026 206 days before the rescans; latest periodic filing 10-Q received Aug 13, 2026
Last close	\$21.11 2026-10-08; market equity \$318.9M
Price used in grade	None



A, the bull
strongest fifth of its sector;
letters are fifths of the 124
graded peers

Share price, twelve months to the rescans

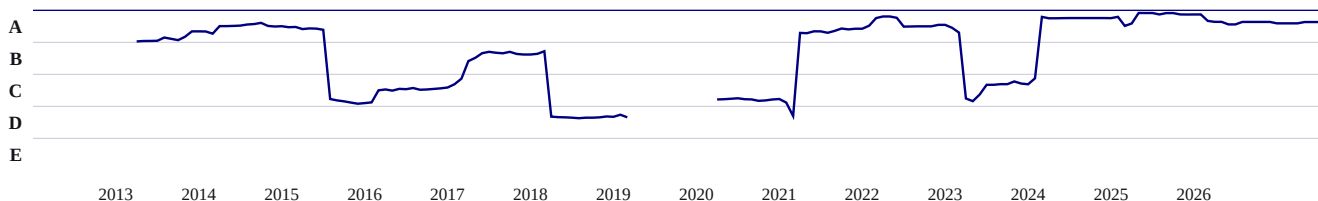
split-adjusted close; the letter is fixed at the rescans that set it



Rescans on file: C/D from May 21, 2023, C from Jun 21, 2023, B/C from Feb 21, 2024, A from Mar 21, 2024

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 17, 2026

ten years after he and his family emigrated from Eastern Europe to the United States. Lifeway was the first to successfully introduce kefir to the U.S. consumer on a commercial scale, initially catering to ethnic consumers in the Chicago, Illinois metropolitan area. Lifeway has grown to become the largest producer and marketer of kefir in the U.S. and an important player in the broader market spaces of probiotic-based dairy product. Lifeway kefir is tart and tangy, high in protein, calcium and vitamin D.

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 58.7						
Gross profitability		55.1%	29.8%	15.9	146	2025-12-31
Return on invested capital		not computable	5.6%			latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31
Accruals ratio		3.0%	(5.0%)	88.8	153	2025-12-31
Gross margin stability, five years		3.0 pts	1.9 pts	71.3	116	2025-12-31
Solvency, sleeve percentile 20.0						
Twelve-month failure probability		not computable	0.03%			latest liabilities, cash plus short-term investments, book equity, and shares are required
Altman Z double-prime		9.59	3.11	6.6	122	2025-12-31
Net debt to EBITDA		not computable	2.54x			latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31
Interest coverage		not computable	2.51x			latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31
Current ratio		2.23x	1.81x	33.3	157	2025-12-31
Growth and financing, sleeve percentile 15.2						
Revenue growth, three-year compound		14.5%	0.2%	6.1	133	2025-12-31
Free cash flow growth, three-year compound		not computable	14.9%			current FCF must be positive and base FCF must exceed \$100,000
Reinvestment rate		137.9%	10.7%	10.1	70	2025-12-31
Asset growth, three years		15.2%	0.5%	10.5	134	2025-12-31
Net share issuance, one year		(0.4%)	0.05%	34.0	104	2026-03-02

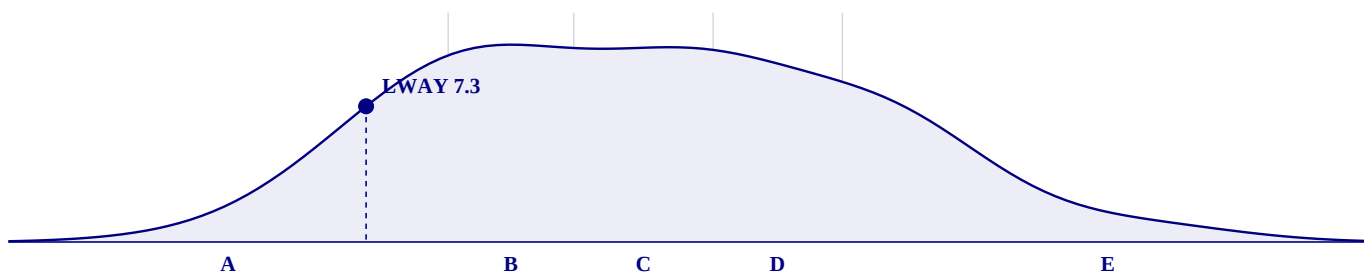
Warnings

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

Check	Measured
Fortress balance sheet	cash minus debt is 10,448,000 USD; Altman Z is not used

Among 124 peers

consumer nondurables; 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
5	lululemon athletica Inc. (LULU)	3.3	A	
6	Bellring Brands, Inc. (BRBR)	4.1	A	
7	Mama's Creations, Inc. (MAMA)	4.9	A	fortress
8	Ralph Lauren Corp. (RL)	5.7	A	balance sheet fortress
9	Monster Beverage Corp. (MNST)	6.5	A	balance sheet fortress
10	Lifeway Foods, Inc. (LWAY) <	7.3	A	balance sheet fortress
11	Jerash Holdings (Us), Inc. (JRSH)	8.1	A	balance sheet fortress
12	Sanfilippo John B & SON Inc. (JBSS)	8.9	A	
13	Vita Coco Company, Inc. (COCO)	9.8	A	
14	Columbia Sportswear Co. (COLM)	10.6	A	
15	Steven Madden, Ltd. (SHOO)	11.4	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	(6.2%)	(0.2%)	40
Distance from 52-week high	(34.8%)	(24.8%)	27
EBIT to enterprise value	5.2%	4.1%	57
Free cash flow yield	(5.2%)	4.8%	19
Book value to price	0.27	0.57	26
Sales to price	0.67	1.20	27
Composite equity issuance, five years	(3.2%)	(16.3%)	72
Relative strength against the sector, log excess return	(0.16)	(0.10)	40

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	pass
Cash, filings, liquidity	
Cash and equivalents	\$7.1M

Operating cash flow, four quarters	\$11.2M
Months of runway	not finite
Days since last periodic filing	57 (10-Q received Aug 13, 2026)
Median daily dollar volume, 63 sessions	\$2.8M

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	\$58.2M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
2	assets	us-gaap:Assets	\$105.6M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
3	operating income	us-gaap:OperatingIncomeLoss	\$17.0M	2023-12-31	2025-03-14	10-K	0001683168-25-001592
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord	\$16.6M	2023-12-31	2025-03-14	10-K	0001683168-25-001592
5	income tax	us-gaap:IncomeTaxExpenseBenefit	\$5.3M	2023-12-31	2025-03-14	10-K	0001683168-25-001592
6	total debt	us-gaap:LongTermDebt	\$2.8M	2023-12-31	2024-03-20	10-K	0001683168-24-001564
7	book equity	us-gaap:StockholdersEquity	\$60.4M	2023-12-31	2026-03-17	10-K	0001683168-26-001886
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$13.2M	2023-12-31	2025-03-14	10-K	0001683168-25-001592
9	total debt	us-gaap:LongTermDebt	\$3.8M	2022-12-31	2023-03-27	10-K	0001683168-23-001804
10	book equity	us-gaap:StockholdersEquity	\$47.6M	2022-12-31	2025-03-14	10-K	0001683168-25-001592
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$4.4M	2022-12-31	2024-03-20	10-K	0001683168-24-001564
12	net income	us-gaap:NetIncomeLoss	\$13.9M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$10.9M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
14	assets	us-gaap:Assets	\$90.5M	2024-12-31	2026-03-17	10-K	0001683168-26-001886
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$212.5M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
16	gross profit	us-gaap:GrossProfit	\$48.6M	2024-12-31	2026-03-17	10-K	0001683168-26-001886
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$186.8M	2024-12-31	2026-03-17	10-K	0001683168-26-001886
18	gross profit	us-gaap:GrossProfit	\$42.4M	2023-12-31	2025-03-14	10-K	0001683168-25-001592
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$160.1M	2023-12-31	2025-03-14	10-K	0001683168-25-001592
20	gross profit	us-gaap:GrossProfit	\$26.8M	2022-12-31	2024-03-20	10-K	0001683168-24-001564
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$141.6M	2022-12-31	2024-03-20	10-K	0001683168-24-001564
22	gross profit	us-gaap:GrossProfit	\$28.7M	2021-12-31	2023-03-27	10-K	0001683168-23-001804
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$119.1M	2021-12-31	2023-03-27	10-K	0001683168-23-001804
24	current assets	us-gaap:AssetsCurrent	\$37.1M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
25	current liabilities	us-gaap:LiabilitiesCurrent	\$16.6M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	\$88.7M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
27	operating income	us-gaap:OperatingIncomeLoss	\$16.2M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
28	book equity	us-gaap:StockholdersEquity	\$85.8M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
29	liabilities	us-gaap:Liabilities	\$19.8M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
30	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$3.2M	2023-12-31	2025-03-14	10-K	0001683168-25-001592
31	interest expense	us-gaap:InterestExpense	\$384,000	2023-12-31	2024-03-20	10-K	0001683168-24-001564
32	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$27.4M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
33	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$13.0M	2024-12-31	2026-03-17	10-K	0001683168-26-001886
34	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$6.7M	2024-12-31	2026-03-17	10-K	0001683168-26-001886
35	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$16.9M	2023-12-31	2025-03-14	10-K	0001683168-25-001592
36	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$4.4M	2023-12-31	2025-03-14	10-K	0001683168-25-001592
37	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$4.0M	2022-12-31	2024-03-20	10-K	0001683168-24-001564
38	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$3.4M	2022-12-31	2024-03-20	10-K	0001683168-24-001564
39	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$4.0M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
40	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord	\$19.7M	2023-12-31	2026-03-17	10-K	0001683168-26-001886
41	income tax	us-gaap:IncomeTaxExpenseBenefit	\$5.8M	2025-12-31	2026-03-17	10-K	0001683168-26-001886
42	current assets	us-gaap:AssetsCurrent	\$43.6M	2024-12-31	2026-03-17	10-K	0001683168-26-001886
43	current liabilities	us-gaap:LiabilitiesCurrent	\$15.5M	2024-12-31	2026-03-17	10-K	0001683168-26-001886
44	assets	us-gaap:Assets	\$81.7M	2023-12-31	2025-03-14	10-K	0001683168-25-001592
45	assets	us-gaap:Assets	\$69.0M	2022-12-31	2024-03-20	10-K	0001683168-24-001564
46	shares outstanding	dei:EntityCommonStockSharesOutstanding	15,149,600	2026-03-02	2026-03-17	10-K	0001683168-26-001886
47	shares outstanding	dei:EntityCommonStockSharesOutstanding	15,203,241	2025-04-25	2025-04-29	10-K/A	0001683168-25-002934