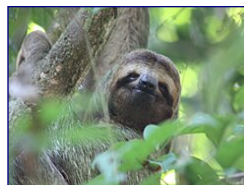


Mercer International Inc. (MERC)

Nasdaq; manufacturing; SIC 2611, Pulp Mills; CIK 0001333274

Mercer International Inc. MERC; manufacturing	
Grade	D/E  on the D/E boundary of 255 graded peers percentile 79.1; sampling error 3.0 points; lower is stronger
Rank	202 of 255
Profitability	C  percentile 51.2
Solvency	C  percentile 52.7
Growth and financing	D  percentile 76.0
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 \$2.0B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active not computable: distress
Inputs computable	7 of 14
Graded from	filings received through Feb 12, 2026 239 days before the rescans; latest periodic filing 10-Q received Aug 6, 2026
Last close	\$0.25 2026-10-08; market equity \$16.5M
Price used in grade	None



D/E, the sloth

on the D/E boundary of its sector; letters are fifths of the 255 graded peers

Share price, twelve months to the rescans

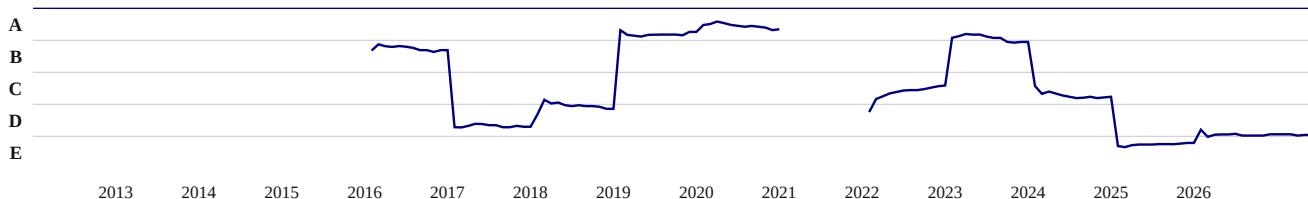
split-adjusted close; the letter is fixed at the rescans that set it



Rescans on file: C from Feb 21, 2024, E from Feb 21, 2025, D from Feb 21, 2026, D/E from Mar 2

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 Feb 12, 2026

references to "we", "our", "us", the "Company" or "Mercer" mean Mercer International Inc. and its subsidiaries, unless the context clearly suggests otherwise, and references to "Mercer Inc." mean Mercer International Inc. excluding its subsidiaries; references to "\$" or "dollars" are to U.S. dollars, which is our reporting currency, unless otherwise stated; "?" are to euros; and "C\$" are to Canadian dollars; references to "MW" mean megawatts and "MWh" mean megawatt hours; our lumber metrics are converted from

m3 to Mfbm using a conversion ratio of 1.6 m3 of lumber equaling one Mfbm, which is the ratio commonly used in the industry.

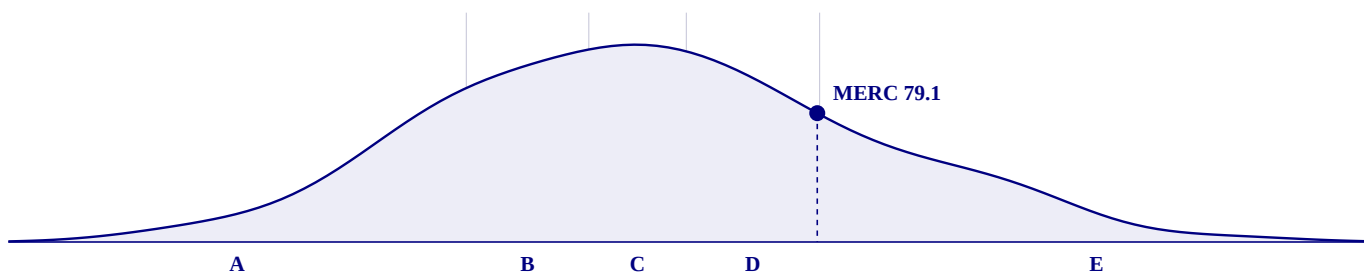
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 51.2						
Gross profitability		not computable	21.9%			latest aligned inputs end 2013-12-31; latest annual assets end 2025-12-31
Return on invested capital		(24.2%)	9.7%	96.0	100	2025-12-31
Accruals ratio		(23.5%)	(3.6%)	6.5	308	2025-12-31
Gross margin stability, five years		not computable	2.1 pts			five annual gross margins are required; found 3
Solvency, sleeve percentile 52.7						
Twelve-month failure probability		not computable	0.04%			latest liabilities, cash plus short-term investments, book equity, and shares are required
Altman Z double-prime		0.16	3.66	74.9	244	2025-12-31
Net debt to EBITDA		not computable	1.78x			EBITDA must exceed \$100,000
Interest coverage		not computable	5.09x			latest aligned inputs end 2018-12-31; latest annual assets end 2025-12-31
Current ratio		3.05x	2.25x	30.6	325	2025-12-31
Growth and financing, sleeve percentile 76.0						
Revenue growth, three-year compound		(6.4%)	2.1%	85.1	269	2025-12-31
Free cash flow growth, three-year compound		not computable	13.9%			current FCF must be positive and base FCF must exceed \$100,000
Reinvestment rate		not computable	26.4%			NOPAT must exceed \$100,000
Asset growth, three years		(9.2%)	4.4%	86.7	279	2025-12-31
Net share issuance, one year		0.2%	0.01%	56.2	243	2026-02-10

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
197	Brunswick Corp. (BC-PC)	77.0	D	
198	Avery Dennison Corp. (AVY)	77.6	D/E	
199	Mativ Holdings, Inc. (MATV)	78.0	D/E	
200	Otis Worldwide Corp. (OTIS)	78.3	D/E	
201	Silgan Holdings Inc. (SLGN)	78.7	D/E	
202	Mercer International Inc. (MERC) <	79.1	D/E	
203	NN Inc. (NNBR)	79.5	D/E	
204	Redwire Corp. (RDW)	79.9	D/E	dilution, fortress balance sheet
205	Regal Rexnord Corp. (RRX)	80.3	D/E	
206	American Superconductor Corp. (AMSC)	80.7	D/E	
207	Crane NXT, Co. (CXT)	81.1	D/E	

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	(86.5%)	13.7%	0
Distance from 52-week high	(91.4%)	(24.3%)	0
EBIT to enterprise value	(25.3%)	4.1%	4
Free cash flow yield	(485.6%)	3.4%	0
Book value to price	(5.95)	0.34	0
Sales to price	113.40	0.54	100
Composite equity issuance, five years	(13.4%)	(9.5%)	36
Relative strength against the sector, log excess return	(2.13)	(0.00)	0

Diagnostics

not in the grade

Measure	Value
Piotroski F-score None of 9, period end 2025-12-31	
Return on assets above zero	fail
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	fail
Gross margin improved	fail
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	\$78.8M
Operating cash flow, four quarters	-\$84.7M
Months of runway	11.2
Days since last periodic filing	64 (10-Q received Aug 6, 2026)

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	\$89.2M	2013-12-31	2014-02-21	10-K	0001193125-14-061585
2	assets	us-gaap:Assets	\$1.5B	2013-12-31	2015-02-13	10-K	0001193125-15-050364
3	operating income	us-gaap:OperatingIncomeLoss	-\$397.7M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsDeductibleItems	\$511.2M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
5	income tax	us-gaap:IncomeTaxExpenseBenefit	-\$13.3M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
6	total debt	us-gaap:LongTermDebtAndCapitalLeaseObligations	\$1.6B	2025-12-31	2026-02-12	10-K	0001193125-26-048855
7	book equity	us-gaap:StockholdersEquity	\$68.1M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$186.8M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
9	total debt	us-gaap:LongTermDebtAndCapitalLeaseObligations	\$1.5B	2024-12-31	2026-02-12	10-K	0001193125-26-048855
10	book equity	us-gaap:StockholdersEquity	\$429.8M	2024-12-31	2026-02-12	10-K	0001193125-26-048855
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$184.9M	2024-12-31	2026-02-12	10-K	0001193125-26-048855
12	net income	us-gaap:NetIncomeLoss	-\$497.9M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$8.6M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
14	assets	us-gaap:Assets	\$2.0B	2025-12-31	2026-02-12	10-K	0001193125-26-048855
15	assets	us-gaap:Assets	\$2.3B	2024-12-31	2026-02-12	10-K	0001193125-26-048855
16	current assets	us-gaap:AssetsCurrent	\$865.8M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
17	current liabilities	us-gaap:LiabilitiesCurrent	\$283.6M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
18	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-\$277.0M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
19	liabilities	us-gaap:Liabilities	\$2.0B	2025-12-31	2026-02-12	10-K	0001193125-26-048855
20	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$160.0M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
21	operating income	us-gaap:OperatingIncomeLoss	\$267.9M	2018-12-31	2021-02-16	10-K	0001564590-21-006106
22	interest expense	us-gaap:InterestExpense	\$51.5M	2018-12-31	2019-02-14	10-K	0001193125-19-041195
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$1.9B	2025-12-31	2026-02-12	10-K	0001193125-26-048855
24	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.0B	2024-12-31	2026-02-12	10-K	0001193125-26-048855
25	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.0B	2023-12-31	2026-02-12	10-K	0001193125-26-048855
26	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.3B	2022-12-31	2025-02-20	10-K	0000950170-25-024217
27	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$88.6M	2025-12-31	2026-02-12	10-K	0001193125-26-048855
28	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$90.2M	2024-12-31	2026-02-12	10-K	0001193125-26-048855
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$84.3M	2024-12-31	2026-02-12	10-K	0001193125-26-048855
30	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-\$69.0M	2023-12-31	2026-02-12	10-K	0001193125-26-048855
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$136.3M	2023-12-31	2026-02-12	10-K	0001193125-26-048855
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$360.7M	2022-12-31	2025-02-20	10-K	0000950170-25-024217
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$178.7M	2022-12-31	2025-02-20	10-K	0000950170-25-024217
34	current assets	us-gaap:AssetsCurrent	\$910.0M	2024-12-31	2026-02-12	10-K	0001193125-26-048855
35	current liabilities	us-gaap:LiabilitiesCurrent	\$256.5M	2024-12-31	2026-02-12	10-K	0001193125-26-048855
36	assets	us-gaap:Assets	\$2.7B	2023-12-31	2025-02-20	10-K	0000950170-25-024217
37	assets	us-gaap:Assets	\$2.7B	2022-12-31	2024-02-15	10-K	0000950170-24-015942
38	shares outstanding	dei:EntityCommonStockSharesOutstanding	66,982,506	2026-02-10	2026-02-12	10-K	0001193125-26-048855
39	shares outstanding	dei:EntityCommonStockSharesOutstanding	66,870,774	2025-02-18	2025-02-20	10-K	0000950170-25-024217