

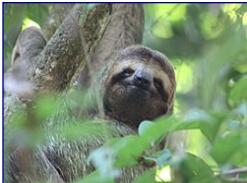
Mercury Systems Inc. (MRCY)

Nasdaq; business equipment; SIC 3670, Electronic Components & Accessories; CIK 0001049521

Mercury Systems Inc.

MRCY; business equipment

Grade	D A B C D E fourth fifth of 497 graded peers percentile 73.4; sampling error 2.2 points; lower is stronger	
Rank	365 of 497	
Profitability	D	percentile 72.1
Solvency	C	percentile 44.0
Growth and financing	C/D	percentile 59.1
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 \$2.3B	
Standard universe	inside revenue above \$1M and assets above \$10M	
Warnings	none active	
Inputs computable	10 of 14	
Graded from	filings received through Aug 18, 2026 52 days before the rescan; latest periodic filing 10-K received Aug 18, 2026	
Last close	\$78.48 2026-10-08; market equity \$4.7B	
Price used in grade	None	



D, the sloth

fourth fifth of its sector; letters are fifths of the 497 graded peers

Share price, twelve months to the rescan

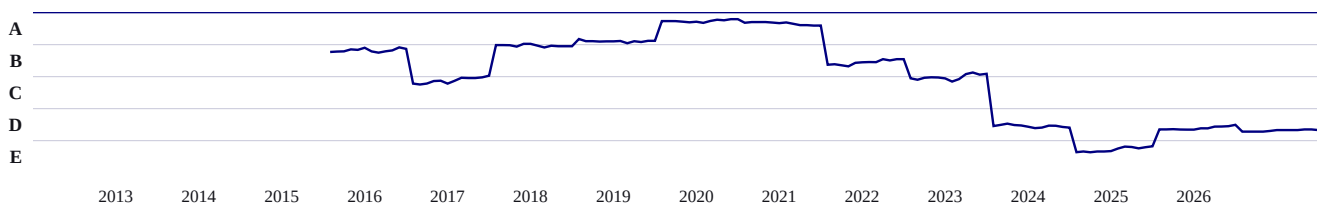
split-adjusted close; the letter is fixed at the rescan that set it



Rescans on file: B/C from Jun 21, 2023, D from Aug 21, 2023, E from Aug 21, 2023

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 Aug 18, 2026

Mercury Systems is a global leader in aerospace and defense electronics, providing breakthrough capabilities in signal and data processing. With a four-decade legacy of innovation that spans silicon to systems and radio frequency ("RF") front ends to effectors, we accelerate commercial technology adoption to deliver powerful and secure mission-critical processing solutions to the edge. We are headquartered in Andover, Massachusetts, and have multiple locations worldwide. Our end-to-end processing ecosystem, the Mercury Processing Platform, is built on technologies we have developed and acquired over 40 years.

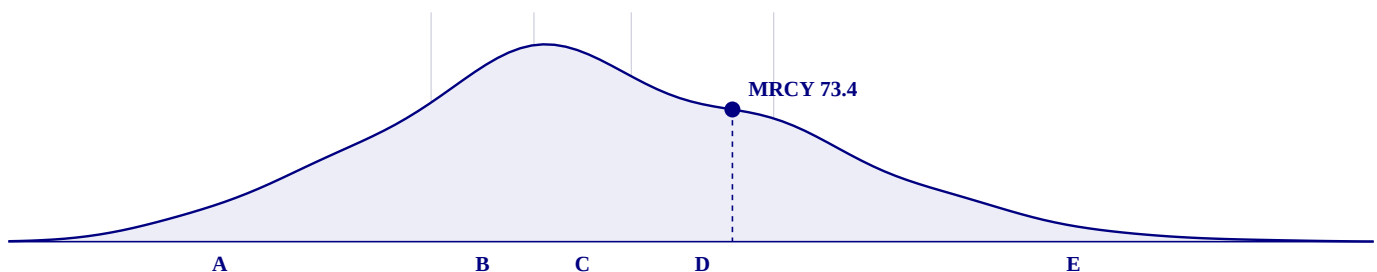
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 72.1						
Gross profitability		12.1%	28.5%	79.9	558	2026-07-03
Return on invested capital		not computable	10.9%			a prior annual debt, equity, and cash observation is required
Accruals ratio		(5.6%)	(7.4%)	61.8	621	2026-07-03
Gross margin stability, five years		5.5 pts	2.4 pts	74.5	429	2026-07-03
Solvency, sleeve percentile 44.0						
Twelve-month failure probability		0.06%	0.05%	53.0	101	2026-07-03
Altman Z double-prime		3.94	2.18	29.4	566	2026-07-03
Net debt to EBITDA		not computable	1.11x			latest aligned inputs end 2016-06-30; latest annual assets end 2026-07-03
Interest coverage		0.01x	3.77x	61.8	90	2026-07-03
Current ratio		2.96x	2.02x	31.7	666	2026-07-03
Growth and financing, sleeve percentile 59.1						
Revenue growth, three-year compound		0.3%	6.4%	67.6	538	2026-07-03
Free cash flow growth, three-year compound		not computable	17.2%			current FCF must be positive and base FCF must exceed \$100,000 pretax income must exceed the validity floor and imply a 0%-100% tax rate
Reinvestment rate		not computable	14.3%			
Asset growth, three years		(1.0%)	5.0%	63.9	563	2026-07-03
Net share issuance, one year		0.4%	0.5%	45.8	407	2026-07-31

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
360	Corsair Gaming, Inc. (CRSR)	72.4	D	

361	PAR Technology Corp. (PAR)	72.6	D
362	Sensata Technologies Holding plc (ST)	72.8	D
363	Gen Digital Inc. (GEN)	73.1	D
364	Gen Digital Inc. (GENVR)	73.1	D
365	Mercury Systems Inc. (MRCY) <	73.4	D
366	Geospace Technologies Corp. (GEOS)	73.6	D short runway, late filer, fortress balance sheet
367	DXC Technology Co. (DXC)	73.8	D
368	Phunware, Inc. (PHUN)	74.0	D fortress balance sheet
369	Cohu Inc. (COHU)	74.2	D
370	Bumble Inc. (BMBL)	74.4	D

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	12.8%	2.2%	60
Distance from 52-week high	(37.8%)	(30.0%)	38
EBIT to enterprise value	0.01%	1.5%	35
Free cash flow yield	1.4%	2.7%	37
Book value to price	0.32	0.23	58
Sales to price	0.21	0.30	38
Composite equity issuance, five years	6.7%	3.9%	55
Relative strength against the sector, log excess return	(0.16)	(0.26)	60

Diagnostics

not in the grade

Measure	Value
Piotroski F-score None of 9, period end 2026-07-03	
Return on assets above zero	fail
Operating cash flow above zero	pass
Return on assets improved	pass
Operating cash flow exceeds net income	pass
Long-term leverage fell	fail
Current ratio improved	fail
No new shares issued	fail
Gross margin improved	pass
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	\$214.3M
Operating cash flow, four quarters	\$102.4M
Months of runway	not finite
Days since last periodic filing	52 (10-K received Aug 18, 2026)
Median daily dollar volume, 63 sessions	\$52.8M

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	\$281.2M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
2	assets	us-gaap:Assets	\$2.3B	2026-07-03	2026-08-18	10-K	0001049521-26-000045
3	operating income	us-gaap:OperatingIncomeLoss	\$24.0M	2016-06-30	2018-08-16	10-K	0001049521-18-000030
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesMinorityInterestAndIncomeLossFromEquityMethodInvestments	\$35.2M	2016-06-30	2018-08-16	10-K	0001049521-18-000030
5	income tax	us-gaap:IncomeTaxExpenseBenefit	\$5.5M	2016-06-30	2018-08-16	10-K	0001049521-18-000030
6	total debt	us-gaap:LongTermDebt	\$192.3M	2016-06-30	2016-08-16	10-K	0001049521-16-000094
7	book equity	us-gaap:StockholdersEquity	\$473.0M	2016-06-30	2019-08-15	10-K	0001049521-19-000033

8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$81.7M	2016-06-30	2019-08-15	10-K	0001049521-19-000033
9	net income	us-gaap:NetIncomeLoss	-\$29.7M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
10	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$102.4M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
11	assets	us-gaap:Assets	\$2.4B	2025-06-27	2026-08-18	10-K	0001049521-26-000045
12	revenue	us-gaap:Revenues	\$983.6M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
13	gross profit	us-gaap:GrossProfit	\$254.5M	2025-06-27	2026-08-18	10-K	0001049521-26-000045
14	revenue	us-gaap:Revenues	\$912.0M	2025-06-27	2026-08-18	10-K	0001049521-26-000045
15	gross profit	us-gaap:GrossProfit	\$195.9M	2024-06-28	2026-08-18	10-K	0001049521-26-000045
16	revenue	us-gaap:Revenues	\$835.3M	2024-06-28	2026-08-18	10-K	0001049521-26-000045
17	gross profit	us-gaap:GrossProfit	\$316.7M	2023-06-30	2025-08-11	10-K	0001049521-25-000024
18	revenue	us-gaap:Revenues	\$973.9M	2023-06-30	2025-08-11	10-K	0001049521-25-000024
19	gross profit	us-gaap:GrossProfit	\$395.0M	2022-07-01	2024-08-13	10-K	0001049521-24-000029
20	revenue	us-gaap:Revenues	\$988.2M	2022-07-01	2024-08-13	10-K	0001049521-24-000029
21	current assets	us-gaap:AssetsCurrent	\$973.4M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
22	current liabilities	us-gaap:LiabilitiesCurrent	\$328.5M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
23	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	\$152.2M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
24	operating income	us-gaap:OperatingIncomeLoss	\$280,000	2026-07-03	2026-08-18	10-K	0001049521-26-000045
25	book equity	us-gaap:StockholdersEquity	\$1.5B	2026-07-03	2026-08-18	10-K	0001049521-26-000045
26	liabilities	us-gaap:Liabilities	\$825.3M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
27	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$15.7M	2016-06-30	2018-08-16	10-K	0001049521-18-000030
28	interest expense	us-gaap:InterestExpense	\$29.6M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$34.3M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
30	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$138.9M	2025-06-27	2026-08-18	10-K	0001049521-26-000045
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$19.8M	2025-06-27	2026-08-18	10-K	0001049521-26-000045
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$60.4M	2024-06-28	2026-08-18	10-K	0001049521-26-000045
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$34.3M	2024-06-28	2026-08-18	10-K	0001049521-26-000045
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	-\$21.3M	2023-06-30	2025-08-11	10-K	0001049521-25-000024
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$38.8M	2023-06-30	2025-08-11	10-K	0001049521-25-000024
36	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$72.7M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
37	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsDeductibleItems	\$18.9M	2026-07-03	2026-08-18	10-K	0001049521-26-000045
38	income tax	us-gaap:IncomeTaxExpenseBenefit	\$784,000	2026-07-03	2026-08-18	10-K	0001049521-26-000045
39	current assets	us-gaap:AssetsCurrent	\$1.1B	2025-06-27	2026-08-18	10-K	0001049521-26-000045
40	current liabilities	us-gaap:LiabilitiesCurrent	\$300.4M	2025-06-27	2026-08-18	10-K	0001049521-26-000045
41	assets	us-gaap:Assets	\$2.4B	2024-06-28	2025-08-11	10-K	0001049521-25-000024
42	assets	us-gaap:Assets	\$2.4B	2023-06-30	2024-08-13	10-K	0001049521-24-000029
43	shares outstanding	dei:EntityCommonStockSharesOutstanding	60,136,133	2026-07-31	2026-08-18	10-K	0001049521-26-000045
44	shares outstanding	dei:EntityCommonStockSharesOutstanding	59,915,670	2025-07-31	2025-08-11	10-K	0001049521-25-000024