

Palo Alto Networks Inc. (PANW)

Nasdaq; business equipment; SIC 3577, Computer Peripheral Equipment, NEC; CIK 0001327567

Palo Alto Networks Inc. PANW; business equipment	
Grade	C A B C D E middle fifth of 497 graded peers percentile 54.6; sampling error 2.2 points; lower is stronger
Rank	272 of 497
Profitability	C percentile 50.0
Solvency	C percentile 48.8
Growth and financing	C percentile 50.9
Reliability	0.94 AUC filers with over \$2.67B assets; 95% interval 0.88 to 0.97; 61 events, 2020 to 2025
Peer failure rate	0.52% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	over \$2.67B assets total assets \$48.5B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active
Inputs computable	11 of 14
Graded from	filings received through Sep 10, 2026 29 days before the rescan; latest periodic filing 10-K received Sep 10, 2026
Last close	\$398.32 2026-10-08; market equity \$325.8B
Price used in grade	None



C, the tortoise

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

Share price, twelve months to the rescan

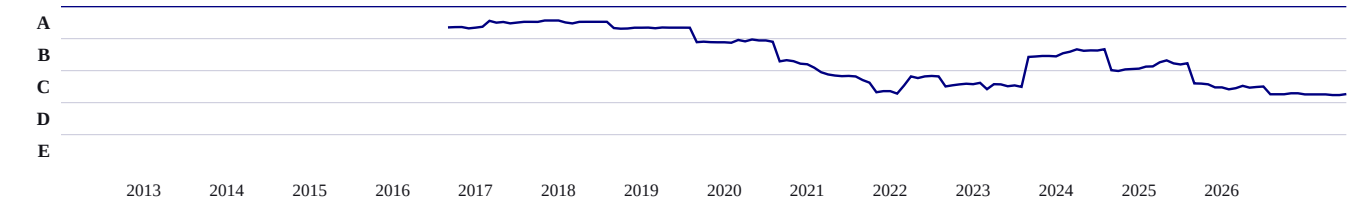
split-adjusted close; the letter is fixed at the rescan that set it



Rescans on file: B from Feb 21, 2025, C from Sep 21, 2025, B from Aug 21, 2026, C from Sep 26, 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 Sep 10, 2026

Palo Alto Networks, Inc. is a global artificial intelligence ("AI") cybersecurity provider and our vision is a world where each day is safer and more secure than the one before. We were incorporated in 2005 and are headquartered in Santa Clara, California. Our mission is to be the cybersecurity partner of choice, protecting our digital way of life. Our platforms and services help secure enterprise users, networks, clouds, endpoints, AI apps and agents, and identities by delivering comprehensive cybersecurity backed by AI and automation, and provide real-time visibility and monitoring across cloud infrastructure, applications and AI workloads.

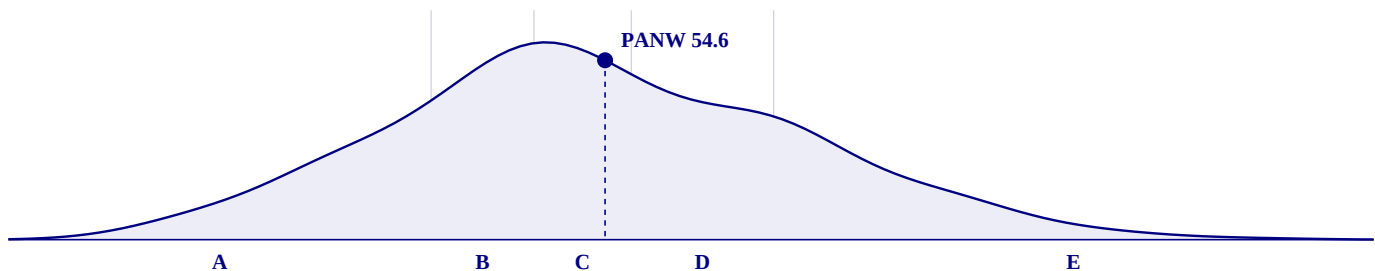
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 50.0						
Gross profitability		16.7%	28.5%	68.4	558	2026-07-31
Return on invested capital		not computable	10.9%			latest aligned inputs end 2023-07-31; latest annual assets end 2026-07-31
Accruals ratio		(11.8%)	(7.4%)	36.3	621	2026-07-31
Gross margin stability, five years		2.0 pts	2.4 pts	45.3	429	2026-07-31
Solvency, sleeve percentile 48.8						
Twelve-month failure probability		0.03%	0.05%	11.0	101	2026-07-31
Altman Z double-prime		1.49	2.18	49.6	566	2026-07-31
Net debt to EBITDA		not computable	1.11x			latest aligned inputs end 2023-07-31; latest annual assets end 2026-07-31
Interest coverage		not computable	3.77x			latest aligned inputs end 2024-07-31; latest annual assets end 2026-07-31
Current ratio		0.87x	2.02x	85.9	666	2026-07-31
Growth and financing, sleeve percentile 50.9						
Revenue growth, three-year compound		18.5%	6.4%	20.5	538	2026-07-31
Free cash flow growth, three-year compound		16.1%	17.2%	52.1	268	2026-07-31
Reinvestment rate		(309.0%)	14.3%	89.8	226	2026-07-31
Asset growth, three years		49.5%	5.0%	6.0	563	2026-07-31
Net share issuance, one year		22.3%	0.5%	86.2	407	2026-08-31

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
267	Diodes Inc. (DIOD)	53.6	C	fortress balance sheet
268	CareCloud, Inc. (CCLD)	53.8	C	fortress balance sheet
269	Salesforce, Inc. (CRM)	54.0	C	
270	Amkor Technology, Inc. (AMKR)	54.2	C	

271	Benchmark Electronics Inc. (BHE)	54.4	C	fortress
				balance sheet
272	Palo Alto Networks Inc. (PANW) <	54.6	C	
273	Skyworks Solutions, Inc. (SWKS)	54.8	C	fortress
				balance sheet
274	TTM Technologies Inc. (TTMI)	55.0	C	
275	Espey MFG & Electronics Corp. (ESP)	55.2	C	
276	Telos Corp. (TLS)	55.4	C	
277	Bandwidth Inc. (BAND)	55.6	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	87.7%	2.2%	89
Distance from 52-week high	(5.1%)	(30.0%)	87
EBIT to enterprise value	0.2%	1.5%	37
Free cash flow yield	1.3%	2.7%	35
Book value to price	0.08	0.23	23
Sales to price	0.04	0.30	6
Composite equity issuance, five years	33.6%	3.9%	82
Relative strength against the sector, log excess return	0.35	(0.26)	89

Diagnostics

not in the grade

Measure	Value
Piotroski F-score None of 9, period end 2026-07-31	
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	fail
Gross margin improved	fail
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	\$2.5B
Operating cash flow, four quarters	\$4.6B
Months of runway	not finite
Days since last periodic filing	29 (10-K received Sep 10, 2026)
Median daily dollar volume, 63 sessions	\$2.0B

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	\$8.1B	2026-07-31	2026-09-10	10-K	0001327567-26-000023
2	assets	us-gaap:Assets	\$48.5B	2026-07-31	2026-09-10	10-K	0001327567-26-000023
3	operating income	us-gaap:OperatingIncomeLoss	\$387.3M	2023-07-31	2025-08-29	10-K	0001327567-25-000027
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsDerecognition	\$556.3M	2023-07-31	2025-08-29	10-K	0001327567-25-000027
5	income tax	us-gaap:IncomeTaxExpenseBenefit	\$126.6M	2023-07-31	2025-08-29	10-K	0001327567-25-000027
6	total debt	us-gaap:LongTermDebt	\$2.0B	2023-07-31	2023-09-01	10-K	0001327567-23-000024
7	book equity	us-gaap:StockholdersEquity	\$1.7B	2023-07-31	2026-09-10	10-K	0001327567-26-000023
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$1.1B	2023-07-31	2025-08-29	10-K	0001327567-25-000027
9	total debt	us-gaap:LongTermDebt	\$3.7B	2022-07-31	2023-09-01	10-K	0001327567-23-000024
10	book equity	us-gaap:StockholdersEquity	\$210.0M	2022-07-31	2025-08-29	10-K	0001327567-25-000027
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$2.1B	2022-07-31	2024-09-06	10-K	0001327567-24-000029
12	net income	us-gaap:NetIncomeLoss	\$307.0M	2026-07-31	2026-09-10	10-K	0001327567-26-000023

13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$4.6B	2026-07-31	2026-09-10	10-K	0001327567-26-000023
14	assets	us-gaap:Assets	\$23.6B	2025-07-31	2026-09-10	10-K	0001327567-26-000023
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$11.5B	2026-07-31	2026-09-10	10-K	0001327567-26-000023
16	gross profit	us-gaap:GrossProfit	\$6.8B	2025-07-31	2026-09-10	10-K	0001327567-26-000023
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$9.2B	2025-07-31	2026-09-10	10-K	0001327567-26-000023
18	gross profit	us-gaap:GrossProfit	\$6.0B	2024-07-31	2026-09-10	10-K	0001327567-26-000023
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$8.0B	2024-07-31	2026-09-10	10-K	0001327567-26-000023
20	gross profit	us-gaap:GrossProfit	\$5.0B	2023-07-31	2025-08-29	10-K	0001327567-25-000027
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$6.9B	2023-07-31	2025-08-29	10-K	0001327567-25-000027
22	gross profit	us-gaap:GrossProfit	\$3.8B	2022-07-31	2024-09-06	10-K	0001327567-24-000029
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$5.5B	2022-07-31	2024-09-06	10-K	0001327567-24-000029
24	current assets	us-gaap:AssetsCurrent	\$8.6B	2026-07-31	2026-09-10	10-K	0001327567-26-000023
25	current liabilities	us-gaap:LiabilitiesCurrent	\$9.9B	2026-07-31	2026-09-10	10-K	0001327567-26-000023
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	\$2.8B	2026-07-31	2026-09-10	10-K	0001327567-26-000023
27	operating income	us-gaap:OperatingIncomeLoss	\$695.0M	2026-07-31	2026-09-10	10-K	0001327567-26-000023
28	book equity	us-gaap:StockholdersEquity	\$27.5B	2026-07-31	2026-09-10	10-K	0001327567-26-000023
29	liabilities	us-gaap:Liabilities	\$21.0B	2026-07-31	2026-09-10	10-K	0001327567-26-000023
30	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$282.2M	2023-07-31	2025-08-29	10-K	0001327567-25-000027
31	operating income	us-gaap:OperatingIncomeLoss	\$684.0M	2024-07-31	2026-09-10	10-K	0001327567-26-000023
32	interest expense	us-gaap:InterestExpense	\$8.3M	2024-07-31	2024-09-06	10-K	0001327567-24-000029
33	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	\$440.0M	2026-07-31	2026-09-10	10-K	0001327567-26-000023
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$3.7B	2025-07-31	2026-09-10	10-K	0001327567-26-000023
35	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	\$247.0M	2025-07-31	2026-09-10	10-K	0001327567-26-000023
36	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$3.3B	2024-07-31	2026-09-10	10-K	0001327567-26-000023
37	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	\$157.0M	2024-07-31	2026-09-10	10-K	0001327567-26-000023
38	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$2.8B	2023-07-31	2025-08-29	10-K	0001327567-25-000027
39	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	\$146.3M	2023-07-31	2025-08-29	10-K	0001327567-25-000027
40	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$855.0M	2026-07-31	2026-09-10	10-K	0001327567-26-000023
41	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsDeductibleItems	\$536.0M	2026-07-31	2026-09-10	10-K	0001327567-26-000023
42	income tax	us-gaap:IncomeTaxExpenseBenefit	\$229.0M	2026-07-31	2026-09-10	10-K	0001327567-26-000023
43	current assets	us-gaap:AssetsCurrent	\$7.5B	2025-07-31	2026-09-10	10-K	0001327567-26-000023
44	current liabilities	us-gaap:LiabilitiesCurrent	\$8.0B	2025-07-31	2026-09-10	10-K	0001327567-26-000023
45	assets	us-gaap:Assets	\$20.0B	2024-07-31	2025-08-29	10-K	0001327567-25-000027
46	assets	us-gaap:Assets	\$14.5B	2023-07-31	2024-09-06	10-K	0001327567-24-000029
47	shares outstanding	dei:EntityCommonStockSharesOutstanding	818,000,000	2026-08-31	2026-09-10	10-K	0001327567-26-000023
48	shares outstanding	dei:EntityCommonStockSharesOutstanding	668,900,000	2025-08-18	2025-08-29	10-K	0001327567-25-000027