

Pegasystems Inc. (PEGA)

Nasdaq; business equipment; SIC 7374, Services-Computer Processing & Data Preparation; CIK 0001013857

Pegasystems Inc. PEGA; business equipment	
Grade	A/B on the A/B boundary of 497 graded peers percentile 20.0; sampling error 2.2 points; lower is stronger
Rank	100 of 497
Profitability	B percentile 29.2
Solvency	C percentile 50.6
Growth and financing	B percentile 35.8
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 \$1.6B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active not computable: fortress balance sheet
Inputs computable	9 of 14
Graded from	filings received through Feb 10, 2026 241 days before the rescan; latest periodic filing 10-Q received Jul 21, 2026
Last close	\$35.52 2026-10-08; market equity \$5.8B
Price used in grade	None



A/B, the bull
on the A/B boundary of its sector; letters are fifths of the 497 graded peers

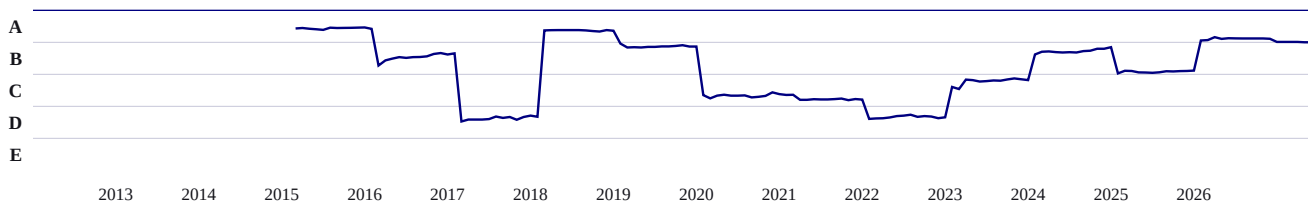
Share price, twelve months to the rescan
split-adjusted close; the letter is fixed at the rescan that set it



Rescans on file: A from Jun 21, 2026, A/B from Aug 21, 2026, A from Sep 26, 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 Feb 10, 2026

Our consulting revenue is significantly dependent upon our consulting personnel implementing new license and Pega Cloud arrangements. We derive a substantial portion of our consulting revenue from implementations of new license and Pega Cloud arrangements managed by our consulting personnel and consulting for partner and client-led implementation efforts. Our strategy is to support and encourage partner-led and client-led implementations to increase the breadth, capability, and depth of market capacity to

deliver implementation services to our clients.

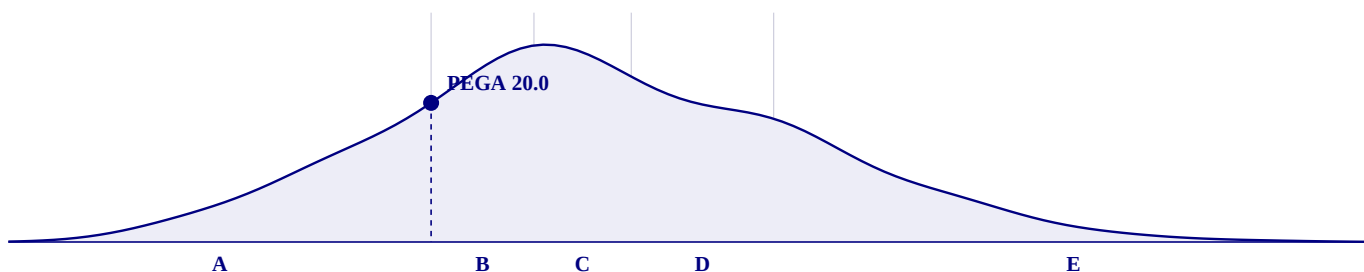
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 29.2						
Gross profitability		81.2%	28.5%	3.6	558	2025-12-31
Return on invested capital		not computable	10.9%			one or more required annual facts are missing
Accruals ratio		(6.6%)	(7.4%)	56.0	621	2025-12-31
Gross margin stability, five years		1.4 pts	2.4 pts	28.0	429	2025-12-31
Solvency, sleeve percentile 50.6						
Twelve-month failure probability		0.06%	0.05%	54.0	101	2026-06-30
Altman Z double-prime		3.96	2.18	29.0	566	2025-12-31
Net debt to EBITDA		not computable	1.11x			one or more required annual facts are missing
Interest coverage		not computable	3.77x			latest aligned inputs end 2023-12-31; latest annual assets end 2025-12-31
Current ratio		1.33x	2.02x	68.9	666	2025-12-31
Growth and financing, sleeve percentile 35.8						
Revenue growth, three-year compound		9.8%	6.4%	39.9	538	2025-12-31
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		6.3%	5.0%	43.2	563	2025-12-31
Net share issuance, one year		(1.6%)	0.5%	24.4	407	2026-01-30

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
95	Verisk Analytics, Inc. (VRSK)	19.0	A/B	
96	Cadence Design Systems Inc. (CDNS)	19.2	A/B	
97	Qualys, Inc. (QLYS)	19.4	A/B	
98	Grid Dynamics Holdings, Inc. (GDYN)	19.6	A/B	
99	BlackSky Technology Inc. (BKSJ)	19.8	A/B	
100	Pegasystems Inc. (PEGA) <	20.0	A/B	
101	Advanced Micro Devices Inc. (AMD)	20.2	A/B	fortress balance sheet
102	UiPath, Inc. (PATH)	20.4	A/B	
103	Everpure, Inc. (P)	20.6	A/B	
104	Novanta Inc. (NOVT)	20.9	A/B	fortress balance sheet
105	Novanta Inc. (NOVTU)	20.9	A/B	fortress balance sheet

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	(35.6%)	2.2%	20
Distance from 52-week high	(46.7%)	(30.0%)	30
EBIT to enterprise value	not computable	1.5%	
Free cash flow yield	8.4%	2.7%	81
Book value to price	0.10	0.23	24
Sales to price	0.30	0.30	49
Composite equity issuance, five years	0.2%	3.9%	44
Relative strength against the sector, log excess return	(0.72)	(0.26)	20

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	pass
Long-term leverage fell	fail
Current ratio improved	pass
No new shares issued	pass
Gross margin improved	pass
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	\$185.1M
Operating cash flow, four quarters	\$513.0M
Months of runway	not finite

Days since last periodic filing

80 (10-Q received Jul 21, 2026)

Median daily dollar volume, 63 sessions

\$68.3M

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	\$1.3B	2025-12-31	2026-02-10	10-K	0001013857-26-000017
2	assets	us-gaap:Assets	\$1.6B	2025-12-31	2026-02-10	10-K	0001013857-26-000017
3	net income	us-gaap:NetIncomeLoss	\$393.4M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
4	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$505.2M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
5	assets	us-gaap:Assets	\$1.8B	2024-12-31	2026-02-10	10-K	0001013857-26-000017
6	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$1.7B	2025-12-31	2026-02-10	10-K	0001013857-26-000017
7	gross profit	us-gaap:GrossProfit	\$1.1B	2024-12-31	2026-02-10	10-K	0001013857-26-000017
8	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$1.5B	2024-12-31	2026-02-10	10-K	0001013857-26-000017
9	gross profit	us-gaap:GrossProfit	\$1.1B	2023-12-31	2026-02-10	10-K	0001013857-26-000017
10	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$1.4B	2023-12-31	2026-02-10	10-K	0001013857-26-000017
11	gross profit	us-gaap:GrossProfit	\$949.2M	2022-12-31	2025-02-12	10-K	0001013857-25-000024
12	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$1.3B	2022-12-31	2025-02-12	10-K	0001013857-25-000024
13	gross profit	us-gaap:GrossProfit	\$875.3M	2021-12-31	2024-02-14	10-K	0001013857-24-000012
14	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$1.2B	2021-12-31	2024-02-14	10-K	0001013857-24-000012
15	current assets	us-gaap:AssetsCurrent	\$978.3M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
16	current liabilities	us-gaap:LiabilitiesCurrent	\$737.8M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
17	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	\$463.4M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
18	operating income	us-gaap:OperatingIncomeLoss	\$263.1M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
19	book equity	us-gaap:StockholdersEquity	\$787.4M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
20	liabilities	us-gaap:Liabilities	\$844.5M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
21	operating income	us-gaap:OperatingIncomeLoss	\$81.0M	2023-12-31	2026-02-10	10-K	0001013857-26-000017
22	interest expense	us-gaap:InterestExpense	\$6.9M	2023-12-31	2024-02-14	10-K	0001013857-24-000012
23	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$14.5M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
24	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$345.9M	2024-12-31	2026-02-10	10-K	0001013857-26-000017
25	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$7.7M	2024-12-31	2026-02-10	10-K	0001013857-26-000017
26	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$217.8M	2023-12-31	2026-02-10	10-K	0001013857-26-000017
27	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$16.8M	2023-12-31	2026-02-10	10-K	0001013857-26-000017
28	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$22.3M	2022-12-31	2025-02-12	10-K	0001013857-25-000024
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$35.4M	2022-12-31	2025-02-12	10-K	0001013857-25-000024
30	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$13.7M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
31	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsDeductibleItems	\$280.6M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
32	income tax	us-gaap:IncomeTaxExpenseBenefit	-\$112.8M	2025-12-31	2026-02-10	10-K	0001013857-26-000017
33	current assets	us-gaap:AssetsCurrent	\$1.3B	2024-12-31	2026-02-10	10-K	0001013857-26-000017
34	current liabilities	us-gaap:LiabilitiesCurrent	\$1.1B	2024-12-31	2026-02-10	10-K	0001013857-26-000017
35	assets	us-gaap:Assets	\$1.5B	2023-12-31	2025-02-12	10-K	0001013857-25-000024
36	assets	us-gaap:Assets	\$1.4B	2022-12-31	2024-02-14	10-K	0001013857-24-000012
37	shares outstanding	dei:EntityCommonStockSharesOutstanding	169,043,716	2026-01-30	2026-02-10	10-K	0001013857-26-000017
38	shares outstanding	dei:EntityCommonStockSharesOutstanding	85,898,878	2025-01-31	2025-02-12	10-K	0001013857-25-000024