

Q2 Holdings, Inc. (QTWO)

NYSE; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0001410384

Q2 Holdings, Inc. QTWO; business equipment	
Grade	C/D A B C D E on the C/D boundary of 497 graded peers percentile 58.5; sampling error 2.2 points; lower is stronger
Rank	291 of 497
Profitability	C percentile 45.9
Solvency	C percentile 53.5
Growth and financing	C percentile 53.9
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 \$1.3B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active not computable: fortress balance sheet
Inputs computable	11 of 14
Graded from	filings received through Feb 11, 2026 240 days before the rescans; latest periodic filing 10-Q received Jul 29, 2026
Last close	\$58.78 2026-10-08; market equity \$3.7B
Price used in grade	None

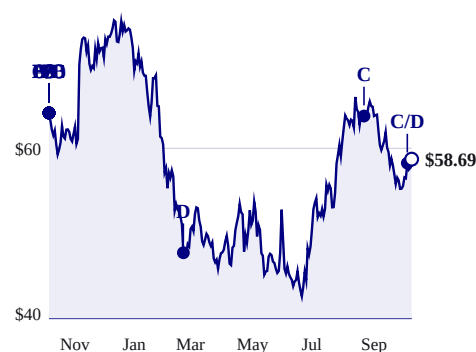


C/D, the tortoise

on the C/D boundary of its sector; letters are fifths of the 497 graded peers

Share price, twelve months to the rescans

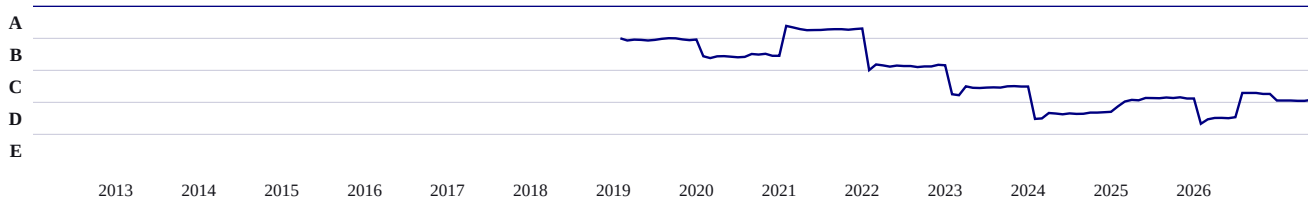
split-adjusted close; the letter is fixed at the rescans that set it



Rescans on file: C from Jun 21, 2025, D from Feb 21, 2026, C from Aug 21, 2026, C/D from Oct 3, 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 11, 2026

Q2 is a leading provider of digital solutions to financial institutions, financial technology companies, or FinTechs, and alternative finance companies, or Alt-FIs, seeking to incorporate banking into their customer engagement and servicing strategies. Our solutions transform the ways in which financial institutions and other financial services providers engage with account holders and retail and commercial End Users.

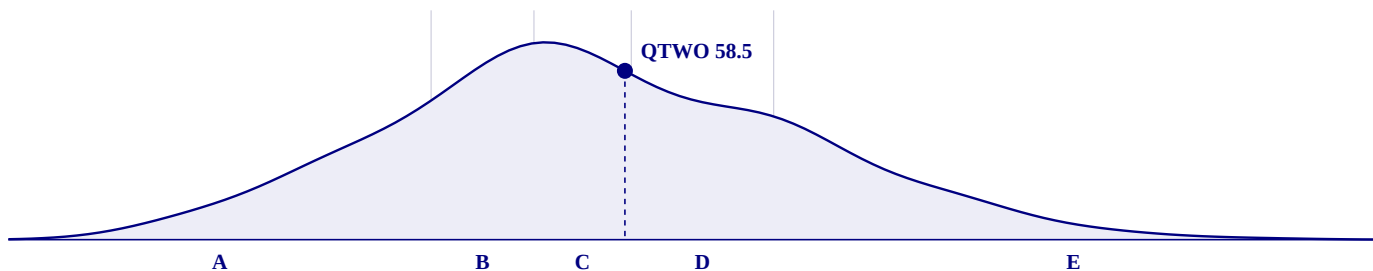
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 45.9						
Gross profitability		33.7%	28.5%	37.0	558	2025-12-31
Return on invested capital		not computable	10.9%			one or more required annual facts are missing
Accruals ratio		(11.6%)	(7.4%)	36.5	621	2025-12-31
Gross margin stability, five years		3.4 pts	2.4 pts	64.3	429	2025-12-31
Solvency, sleeve percentile 53.5						
Twelve-month failure probability		0.03%	0.05%	21.0	101	2026-06-30
Altman Z double-prime		(0.16)	2.18	58.9	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			one or more required annual facts are missing
Current ratio		1.02x	2.02x	80.6	666	2025-12-31
Growth and financing, sleeve percentile 53.9						
Revenue growth, three-year compound		12.0%	6.4%	33.9	538	2025-12-31
Free cash flow growth, three-year compound		97.1%	17.2%	8.6	268	2025-12-31
Reinvestment rate		(512.7%)	14.3%	94.2	226	2025-12-31
Asset growth, three years		(1.8%)	5.0%	66.5	563	2025-12-31
Net share issuance, one year		2.8%	0.5%	66.3	407	2026-01-31

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
286	Atkore Inc. (ATKR)	57.5	C	
287	Mesa Laboratories Inc. (MLAB)	57.7	C	
288	Viavi Solutions Inc. (VIAV)	57.9	C/D	fortress balance sheet
289	Ss&C Technologies Holdings Inc. (SSNC)	58.1	C/D	
290	Kimball Electronics, Inc. (KE)	58.3	C/D	
291	Q2 Holdings, Inc. (QTWO) <	58.5	C/D	
292	Expensify, Inc. (EXFY)	58.7	C/D	fortress balance sheet
293	Automatic Data Processing Inc. (ADP)	58.9	C/D	fortress balance sheet

294	Airwa Inc. (YYAI)	59.1	C/D	dilution, late filer
295	Frequency Electronics Inc. (FEIM)	59.3	C/D	
296	Northrop Grumman Corp. (NOC)	59.5	C/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	(10.2%)	2.2%	41
Distance from 52-week high	(22.3%)	(30.0%)	62
EBIT to enterprise value	not computable	1.5%	
Free cash flow yield	5.3%	2.7%	70
Book value to price	0.18	0.23	39
Sales to price	0.22	0.30	39
Composite equity issuance, five years	11.5%	3.9%	60
Relative strength against the sector, log excess return	(0.39)	(0.26)	41

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	fail
No new shares issued	fail
Gross margin improved	pass
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	\$99.9M
Operating cash flow, four quarters	\$226.3M
Months of runway	not finite
Days since last periodic filing	72 (10-Q received Jul 29, 2026)
Median daily dollar volume, 63 sessions	\$39.1M

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	\$429.7M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
2	assets	us-gaap:Assets	\$1.3B	2025-12-31	2026-02-11	10-K	0001410384-26-000006
3	net income	us-gaap:NetIncomeLoss	\$52.0M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
4	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$201.5M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
5	assets	us-gaap:Assets	\$1.3B	2024-12-31	2026-02-11	10-K	0001410384-26-000006
6	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$794.8M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
7	gross profit	us-gaap:GrossProfit	\$354.5M	2024-12-31	2026-02-11	10-K	0001410384-26-000006
8	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$696.5M	2024-12-31	2026-02-11	10-K	0001410384-26-000006
9	gross profit	us-gaap:GrossProfit	\$302.7M	2023-12-31	2026-02-11	10-K	0001410384-26-000006
10	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$624.6M	2023-12-31	2026-02-11	10-K	0001410384-26-000006
11	gross profit	us-gaap:GrossProfit	\$256.3M	2022-12-31	2025-02-12	10-K	0001410384-25-000010
12	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$565.7M	2022-12-31	2025-02-12	10-K	0001410384-25-000010
13	gross profit	us-gaap:GrossProfit	\$225.0M	2021-12-31	2024-02-21	10-K	0001410384-24-000015
14	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$498.7M	2021-12-31	2024-02-21	10-K	0001410384-24-000015
15	current assets	us-gaap:AssetsCurrent	\$556.1M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
16	current liabilities	us-gaap:LiabilitiesCurrent	\$544.1M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
17	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-\$612.2M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
18	operating income	us-gaap:OperatingIncomeLoss	\$39.9M	2025-12-31	2026-02-11	10-K	0001410384-26-000006

19	book equity	us-gaap:StockholdersEquity	\$661.8M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
20	liabilities	us-gaap:Liabilities	\$614.5M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
21	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$6.8M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
22	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$135.8M	2024-12-31	2026-02-11	10-K	0001410384-26-000006
23	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$6.7M	2024-12-31	2026-02-11	10-K	0001410384-26-000006
24	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$70.3M	2023-12-31	2026-02-11	10-K	0001410384-26-000006
25	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$5.7M	2023-12-31	2026-02-11	10-K	0001410384-26-000006
26	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$36.6M	2022-12-31	2025-02-12	10-K	0001410384-25-000010
27	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$11.1M	2022-12-31	2025-02-12	10-K	0001410384-25-000010
28	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$53.4M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
29	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord	\$54.7M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
30	income tax	us-gaap:IncomeTaxExpenseBenefit	\$2.7M	2025-12-31	2026-02-11	10-K	0001410384-26-000006
31	current assets	us-gaap:AssetsCurrent	\$558.7M	2024-12-31	2026-02-11	10-K	0001410384-26-000006
32	current liabilities	us-gaap:LiabilitiesCurrent	\$398.9M	2024-12-31	2026-02-11	10-K	0001410384-26-000006
33	assets	us-gaap:Assets	\$1.2B	2023-12-31	2025-02-12	10-K	0001410384-25-000010
34	assets	us-gaap:Assets	\$1.3B	2022-12-31	2024-02-21	10-K	0001410384-24-000015
35	shares outstanding	dei:EntityCommonStockSharesOutstanding	62,404,372	2026-01-31	2026-02-11	10-K	0001410384-26-000006
36	shares outstanding	dei:EntityCommonStockSharesOutstanding	60,727,986	2025-01-31	2025-02-12	10-K	0001410384-25-000010