

Varonis Systems Inc. (VRNS)

Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0001361113

Varonis Systems Inc. VRNS; business equipment	
Grade	B A B C D E second fifth of 497 graded peers percentile 25.8; sampling error 2.2 points; lower is stronger
Rank	129 of 497
Profitability	B/C percentile 42.1
Solvency	C percentile 50.8
Growth and financing	B percentile 32.2
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 \$1.8B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active not computable: distress, fortress balance sheet
Inputs computable	8 of 14
Graded from	filings received through Feb 4, 2026 247 days before the rescans; latest periodic filing 10-Q received Jul 29, 2026
Last close	\$48.88 2026-10-08; market equity \$5.6B
Price used in grade	None



B, the elk
second fifth 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: A from Feb 21, 2022, C from Feb 21, 2025, B from Feb 21, 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 4, 2026

We were incorporated under the laws of the State of Delaware on November 3, 2004 and commenced operations on January 1, 2005. Our principal offices are located at 801 Brickell Avenue, Miami, FL 33131. For convenience in this report, the terms "Company," "Varonis," "we" and "us" may be used to refer to Varonis Systems, Inc. and/or its subsidiaries, except where indicated otherwise. Our telephone number is (877) 292-8767. Varonis is a data security company focused on protecting what matters most to

organizations: their data.

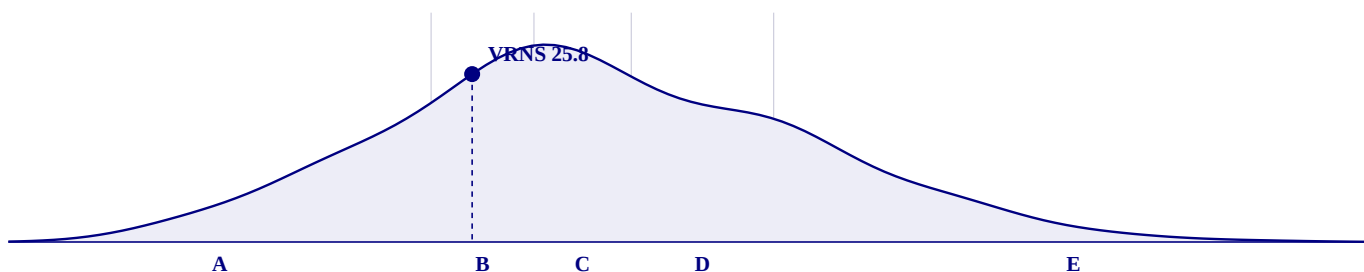
The fourteen inputs

lower percentile is stronger; equal-weighted sleeves

Input	Percentile, 0 to 100	Value	Peer median	Percentile	Peers	Period end
Profitability, sleeve percentile 42.1						
Gross profitability		27.4%	28.5%	47.6	558	2025-12-31
Return on invested capital		not computable	10.9%			one or more required annual facts are missing
Accruals ratio		(16.0%)	(7.4%)	25.0	621	2025-12-31
Gross margin stability, five years		2.5 pts	2.4 pts	53.7	429	2025-12-31
Solvency, sleeve percentile 50.8						
Twelve-month failure probability		not computable	0.05%			liabilities and a nearby cover-page share count are required at 2026-06-30
Altman Z double-prime		not computable	2.18			one or more required annual facts are missing
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		1.97x	2.02x	50.8	666	2025-12-31
Growth and financing, sleeve percentile 32.2						
Revenue growth, three-year compound		9.6%	6.4%	40.8	538	2025-12-31
Free cash flow growth, three-year compound		557.2%	17.2%	0.4	268	2025-12-31
Reinvestment rate		not computable	14.3%			pretax income must exceed the validity floor and imply a 0%-100% tax rate
Asset growth, three years		19.7%	5.0%	18.1	563	2025-12-31
Net share issuance, one year		4.4%	0.5%	69.5	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
124	Docusign, Inc. (DOCU)	24.8	B	
125	Turtle Beach Corp. (TBCH)	25.0	B	
126	NVE Corp. (NVEC)	25.2	B	
127	Trade Desk, Inc. (TTD)	25.4	B	
128	Formfactor Inc. (FORM)	25.6	B	fortress
129	Varonis Systems Inc. (VRNS) <	25.8	B	balance sheet
130	Odysight.ai Inc. (ODYS)	26.0	B	
131	Diebold Nixdorf, Inc. (DBD)	26.2	B	
132	Cytex Biosciences, Inc. (CTKB)	26.4	B	
133	Epam Systems, Inc. (EPAM)	26.6	B	fortress
134	Quantum Computing Inc. (QUBT)	26.8	B	balance sheet dilution

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	(23.8%)	2.2%	27
Distance from 52-week high	(22.8%)	(30.0%)	61
EBIT to enterprise value	not computable	1.5%	
Free cash flow yield	2.4%	2.7%	46
Book value to price	0.08	0.23	21
Sales to price	0.11	0.30	23
Composite equity issuance, five years	18.5%	3.9%	69
Relative strength against the sector, log excess return	(0.56)	(0.26)	27

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	pass
Operating cash flow exceeds net income	pass
Long-term leverage fell	fail
Current ratio improved	pass
No new shares issued	fail
Gross margin improved	fail
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	\$233.6M
Operating cash flow, four quarters	\$138.2M
Months of runway	not finite
Days since last periodic filing	72 (10-Q received Jul 29, 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	\$491.6M	2025-12-31	2026-02-04	10-K	0001628280-26-005450
2	assets	us-gaap:Assets	\$1.8B	2025-12-31	2026-02-04	10-K	0001628280-26-005450
3	net income	us-gaap:NetIncomeLoss	-\$129.3M	2025-12-31	2026-02-04	10-K	0001628280-26-005450
4	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$147.4M	2025-12-31	2026-02-04	10-K	0001628280-26-005450
5	assets	us-gaap:Assets	\$1.7B	2024-12-31	2026-02-04	10-K	0001628280-26-005450
6	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAssessedTax	\$623.5M	2025-12-31	2026-02-04	10-K	0001628280-26-005450
7	gross profit	us-gaap:GrossProfit	\$457.1M	2024-12-31	2026-02-04	10-K	0001628280-26-005450
8	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAssessedTax	\$551.0M	2024-12-31	2026-02-04	10-K	0001628280-26-005450
9	gross profit	us-gaap:GrossProfit	\$427.4M	2023-12-31	2026-02-04	10-K	0001628280-26-005450
10	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAssessedTax	\$499.2M	2023-12-31	2026-02-04	10-K	0001628280-26-005450
11	gross profit	us-gaap:GrossProfit	\$403.8M	2022-12-31	2025-02-06	10-K	0001628280-25-004187
12	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAssessedTax	\$473.6M	2022-12-31	2025-02-06	10-K	0001628280-25-004187
13	gross profit	us-gaap:GrossProfit	\$330.7M	2021-12-31	2024-02-06	10-K	0001628280-24-003498
14	revenue	us-gaap:RevenueFromContractWithCustomerIncludingAssessedTax	\$390.1M	2021-12-31	2024-02-06	10-K	0001628280-24-003498
15	current assets	us-gaap:AssetsCurrent	\$1.3B	2025-12-31	2026-02-04	10-K	0001628280-26-005450
16	current liabilities	us-gaap:LiabilitiesCurrent	\$659.0M	2025-12-31	2026-02-04	10-K	0001628280-26-005450
17	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$12.6M	2025-12-31	2026-02-04	10-K	0001628280-26-005450
18	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$115.2M	2024-12-31	2026-02-04	10-K	0001628280-26-005450
19	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$6.7M	2024-12-31	2026-02-04	10-K	0001628280-26-005450
20	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$59.4M	2023-12-31	2026-02-04	10-K	0001628280-26-005450
21	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$5.1M	2023-12-31	2026-02-04	10-K	0001628280-26-005450
22	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$11.9M	2022-12-31	2025-02-06	10-K	0001628280-25-004187
23	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$11.4M	2022-12-31	2025-02-06	10-K	0001628280-25-004187
24	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$12.3M	2025-12-31	2026-02-04	10-K	0001628280-26-005450
25	operating income	us-gaap:OperatingIncomeLoss	-\$146.5M	2025-12-31	2026-02-04	10-K	0001628280-26-005450
26	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsIncludin	\$116.3M	2025-12-31	2026-02-04	10-K	0001628280-26-005450
27	income tax	us-gaap:IncomeTaxExpenseBenefit	\$13.0M	2025-12-31	2026-02-04	10-K	0001628280-26-005450
28	current assets	us-gaap:AssetsCurrent	\$878.1M	2024-12-31	2026-02-04	10-K	0001628280-26-005450
29	current liabilities	us-gaap:LiabilitiesCurrent	\$709.9M	2024-12-31	2026-02-04	10-K	0001628280-26-005450
30	assets	us-gaap:Assets	\$1.1B	2023-12-31	2025-02-06	10-K	0001628280-25-004187
31	assets	us-gaap:Assets	\$1.0B	2022-12-31	2024-02-06	10-K	0001628280-24-003498
32	shares outstanding	dei:EntityCommonStockSharesOutstanding	117,447,726	2026-01-30	2026-02-04	10-K	0001628280-26-005450
33	shares outstanding	dei:EntityCommonStockSharesOutstanding	112,550,156	2025-01-31	2025-02-06	10-K	0001628280-25-004187