

Watts Water Technologies Inc. (WTS)

NYSE; manufacturing; SIC 3490, Miscellaneous Fabricated Metal Products; CIK 0000795403

Watts Water Technologies Inc. WTS; manufacturing	
Grade	A ▼ A B C D E strongest fifth of 255 graded peers percentile 8.7; sampling error 3.0 points; lower is stronger
Rank	23 of 255
Profitability	B/C percentile 42.5
Solvency	B percentile 25.0
Growth and financing	B percentile 33.5
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 \$2.9B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active; fortress balance sheet not computable: dilution, distress
Inputs computable	9 of 14
Graded from	filings received through Feb 23, 2026 228 days before the rescans; latest periodic filing 10-Q received Aug 6, 2026
Last close	\$347.21 2026-10-08; market equity \$0
Price used in grade	None

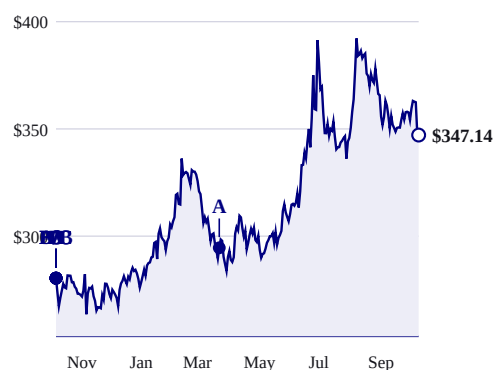


A, the bull

strongest fifth of its sector;
letters are fifths of the 255
graded peers

Share price, twelve months to the rescans

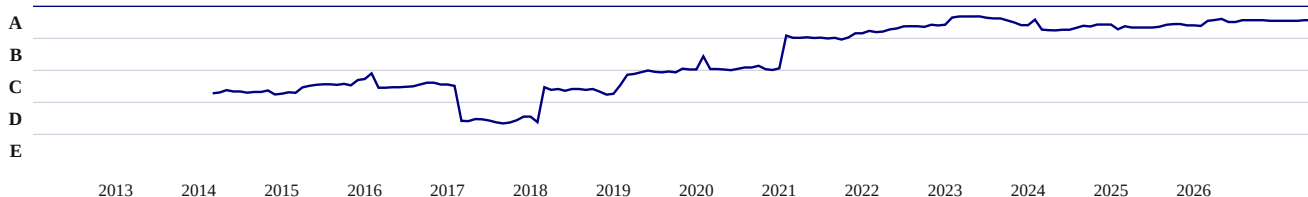
split-adjusted close; the letter is fixed at the rescans that set it



Rescans on file: B/C from Mar 21, 2020, A/B from Feb 21, 2021, A from Feb 21, 2022, A from Mar 21, 2022

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 23, 2026

In this Annual Report on Form 10-K, references to "the Company," "Watts Water," "Watts," "we," "us" or "our" refer to Watts Water Technologies, Inc. and its consolidated subsidiaries. Watts Regulator Co. was founded by Joseph E. Watts in 1874 in Lawrence, Massachusetts. Watts Regulator Co. started as a small machine shop supplying parts to the New England textile mills of the 19th century. Since then, Watts has grown into a global manufacturer and become one of the world's leading providers of water

technologies and solutions that are designed to promote safety, energy efficiency, and water conservation for commercial and residential buildings. Watts Water Technologies, Inc.

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 42.5						
Gross profitability		41.9%	21.9%	10.2	275	2025-12-31
Return on invested capital		not computable	9.7%			latest aligned inputs end 2020-12-31; latest annual assets end 2025-12-31
Accruals ratio		(2.3%)	(3.6%)	61.2	308	2025-12-31
Gross margin stability, five years		2.5 pts	2.1 pts	56.1	229	2025-12-31
Solvency, sleeve percentile 25.0						
Twelve-month failure probability		not computable	0.04%			liabilities and a nearby cover-page share count are required at 2026-06-28 one or more required annual facts are missing latest aligned inputs end 2020-12-31; latest annual assets end 2025-12-31
Altman Z double-prime		not computable	3.66			
Net debt to EBITDA		not computable	1.78x			
Interest coverage		41.49x	5.09x	9.5	64	2025-12-31
Current ratio		2.51x	2.25x	40.4	325	2025-12-31
Growth and financing, sleeve percentile 33.5						
Revenue growth, three-year compound		7.2%	2.1%	28.7	269	2025-12-31
Free cash flow growth, three-year compound		22.1%	13.9%	39.1	139	2025-12-31
Reinvestment rate		28.3%	26.4%	48.6	139	2025-12-31
Asset growth, three years		14.3%	4.4%	17.6	279	2025-12-31
Net share issuance, one year		not computable	0.01%			two annual share counts are required; found 0

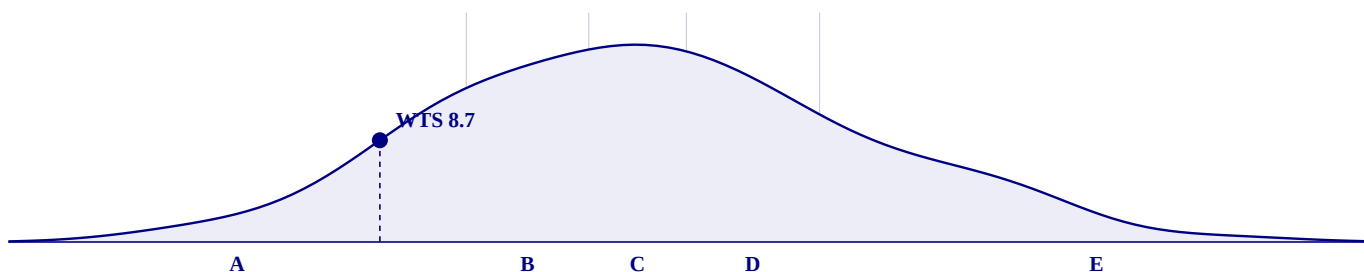
Warnings

1 of 7 checks triggered; none of them enters the letter

Check	Measured
Fortress balance sheet	cash minus debt is 18,900,000 USD; Altman Z is not used

Among 255 peers

manufacturing; 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
18	Lindsay Corp. (LNN)	6.7	A	fortress balance sheet
19	BWX Technologies, Inc. (BWXT)	7.1	A	
20	Energy Recovery, Inc. (ERII)	7.5	A	fortress balance sheet
21	Omega Flex, Inc. (OFLX)	7.9	A	
22	LAM Research Corp. (LRCX)	8.3	A	fortress balance sheet
23	Watts Water Technologies Inc. (WTS) <	8.7	A	fortress balance sheet
24	Eagle Materials Inc. (EXP)	9.1	A	
25	Ennis, Inc. (EBF)	9.4	A	
26	SPX Technologies, Inc. (SPXC)	9.8	A	
27	Astronics Corp. (ATRO)	10.2	A	
28	Howmet Aerospace Inc. (HWM)	10.6	A	

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	31.5%	13.7%	65
Distance from 52-week high	(11.5%)	(24.3%)	82
EBIT to enterprise value	not computable	4.1%	
Free cash flow yield	not computable	3.4%	
Book value to price	not computable	0.34	
Sales to price	not computable	0.54	
Composite equity issuance, five years	not computable	(9.5%)	
Relative strength against the sector, log excess return	0.14	(0.00)	65

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	pass
Current ratio improved	fail
No new shares issued	fail
Gross margin improved	pass
Asset turnover improved	pass
Cash, filings, liquidity	
Cash and equivalents	\$347.9M
Operating cash flow, four quarters	\$397.9M

Months of runway	not finite
Days since last periodic filing	64 (10-Q received Aug 6, 2026)
Median daily dollar volume, 63 sessions	\$62.6M

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	\$1.2B	2025-12-31	2026-02-23	10-K	0001104659-26-018541
2	assets	us-gaap:Assets	\$2.9B	2025-12-31	2026-02-23	10-K	0001104659-26-018541
3	operating income	us-gaap:OperatingIncomeLoss	\$181.1M	2020-12-31	2023-02-21	10-K	0001558370-23-001614
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesMinorityInterestAndLossFromEquityMethodInvestments	\$470.0M	2020-12-31	2023-02-21	10-K	0001558370-21-001199
5	income tax	us-gaap:IncomeTaxExpenseBenefit	\$52.7M	2020-12-31	2023-02-21	10-K	0001558370-23-001614
6	total debt	us-gaap:LongTermDebt	\$200.0M	2020-12-31	2021-02-18	10-K	0001558370-21-001199
7	book equity	us-gaap:StockholdersEquity	\$1.1B	2020-12-31	2024-02-21	10-K	0001558370-24-001444
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$218.9M	2020-12-31	2022-02-22	10-K	0001558370-22-001530
9	total debt	us-gaap:LongTermDebt	\$310.0M	2019-12-31	2021-02-18	10-K	0001558370-21-001199
10	book equity	us-gaap:StockholdersEquity	\$978.0M	2019-12-31	2023-02-21	10-K	0001558370-23-001614
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$219.7M	2019-12-31	2021-02-18	10-K	0001558370-21-001199
12	net income	us-gaap:NetIncomeLoss	\$340.8M	2025-12-31	2026-02-23	10-K	0001104659-26-018541
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$402.0M	2025-12-31	2026-02-23	10-K	0001104659-26-018541
14	assets	us-gaap:Assets	\$2.4B	2024-12-31	2026-02-23	10-K	0001104659-26-018541
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.4B	2025-12-31	2026-02-23	10-K	0001104659-26-018541
16	gross profit	us-gaap:GrossProfit	\$1.1B	2024-12-31	2026-02-23	10-K	0001104659-26-018541
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.3B	2024-12-31	2026-02-23	10-K	0001104659-26-018541
18	gross profit	us-gaap:GrossProfit	\$960.9M	2023-12-31	2026-02-23	10-K	0001104659-26-018541
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.1B	2023-12-31	2026-02-23	10-K	0001104659-26-018541
20	gross profit	us-gaap:GrossProfit	\$874.3M	2022-12-31	2025-02-18	10-K	0001558370-25-001102
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.0B	2022-12-31	2025-02-18	10-K	0001558370-25-001102
22	gross profit	us-gaap:GrossProfit	\$767.1M	2021-12-31	2024-02-21	10-K	0001558370-24-001444
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$1.8B	2021-12-31	2024-02-21	10-K	0001558370-24-001444
24	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$46.5M	2020-12-31	2023-02-21	10-K	0001558370-23-001614
25	operating income	us-gaap:OperatingIncomeLoss	\$448.1M	2025-12-31	2026-02-23	10-K	0001104659-26-018541
26	interest expense	us-gaap:InterestExpense	\$10.8M	2025-12-31	2026-02-23	10-K	0001104659-26-018541
27	current assets	us-gaap:AssetsCurrent	\$1.3B	2025-12-31	2026-02-23	10-K	0001104659-26-018541
28	current liabilities	us-gaap:LiabilitiesCurrent	\$512.4M	2025-12-31	2026-02-23	10-K	0001104659-26-018541
29	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$45.7M	2025-12-31	2026-02-23	10-K	0001104659-26-018541
30	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$361.1M	2024-12-31	2026-02-23	10-K	0001104659-26-018541
31	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$35.3M	2024-12-31	2026-02-23	10-K	0001104659-26-018541
32	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$310.8M	2023-12-31	2026-02-23	10-K	0001104659-26-018541
33	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$29.7M	2023-12-31	2026-02-23	10-K	0001104659-26-018541
34	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$224.0M	2022-12-31	2025-02-18	10-K	0001558370-25-001102
35	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$28.1M	2022-12-31	2025-02-18	10-K	0001558370-25-001102
36	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$56.8M	2025-12-31	2026-02-23	10-K	0001104659-26-018541
37	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraordinaryItemsUnusualItems	\$415.8M	2025-12-31	2026-02-23	10-K	0001104659-26-018541
38	income tax	us-gaap:IncomeTaxExpenseBenefit	\$105.0M	2025-12-31	2026-02-23	10-K	0001104659-26-018541
39	current assets	us-gaap:AssetsCurrent	\$1.1B	2024-12-31	2026-02-23	10-K	0001104659-26-018541
40	current liabilities	us-gaap:LiabilitiesCurrent	\$417.9M	2024-12-31	2026-02-23	10-K	0001104659-26-018541
41	assets	us-gaap:Assets	\$2.3B	2023-12-31	2026-02-23	10-K	0001104659-26-018541
42	assets	us-gaap:Assets	\$1.9B	2022-12-31	2025-02-18	10-K	0001558370-25-001102