

Zscaler, Inc. (ZS)

Nasdaq; business equipment; SIC 7371, Services-Computer Programming Services; CIK 0001713683

Zscaler, Inc. ZS; business equipment	
Grade	A A B C D E strongest fifth of 497 graded peers percentile 12.7; sampling error 2.2 points; lower is stronger
Rank	64 of 497
Profitability	A/B percentile 21.6
Solvency	C percentile 53.1
Growth and financing	B percentile 29.4
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 \$7.9B
Standard universe	inside revenue above \$1M and assets above \$10M
Warnings	none active; fortress balance sheet not computable: distress
Inputs computable	9 of 14
Graded from	filings received through Sep 3, 2026 36 days before the rescan; latest periodic filing 10-K received Sep 3, 2026
Last close	\$216.88 2026-10-08; market equity \$35.4B
Price used in grade	None



A, the bull

strongest 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: A/B from Apr 21, 2024, A from Jun 21, 2024, A/B from Mar 21, 2025, A from Apr 21, 2025

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 3, 2026

We are the cybersecurity platform for the AI era. We empower our customers with the cybersecurity solutions necessary to protect their enterprises, drive growth and outpace competitors where success depends on securely adopting the technologies required to operate and compete effectively in an AI world. We were founded in 2007, based on a vision that, with the broad adoption of SaaS applications, the internet would become the new corporate network, the cloud would become the new data center and perimeter-based

security would fail to protect users, applications and 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 21.6						
Gross profitability		32.7%	28.5%	38.6	558	2026-07-31
Return on invested capital		not computable	10.9%			pretax income must exceed the validity floor and imply a 0%-100% tax rate
Accruals ratio		(16.7%)	(7.4%)	23.7	621	2026-07-31
Gross margin stability, five years		0.5 pts	2.4 pts	2.6	429	2026-07-31
Solvency, sleeve percentile 53.1						
Twelve-month failure probability		not computable	0.05%			latest liabilities, cash plus short-term investments, book equity, and shares are required
Altman Z double-prime		1.61	2.18	48.7	566	2026-07-31
Net debt to EBITDA		not computable	1.11x			required facts have no common fiscal period end latest aligned
Interest coverage		not computable	3.77x			inputs end 2023-07-31; latest annual assets end 2026-07-31
Current ratio		1.70x	2.02x	57.4	666	2026-07-31
Growth and financing, sleeve percentile 29.4						
Revenue growth, three-year compound		27.5%	6.4%	11.7	538	2026-07-31
Free cash flow growth, three-year compound		32.7%	17.2%	29.2	268	2026-07-31
Reinvestment rate		not computable	14.3%			pretax income must exceed the validity floor and imply a 0%-100% tax rate
Asset growth, three years		29.7%	5.0%	10.1	563	2026-07-31
Net share issuance, one year		3.0%	0.5%	66.5	407	2026-08-27

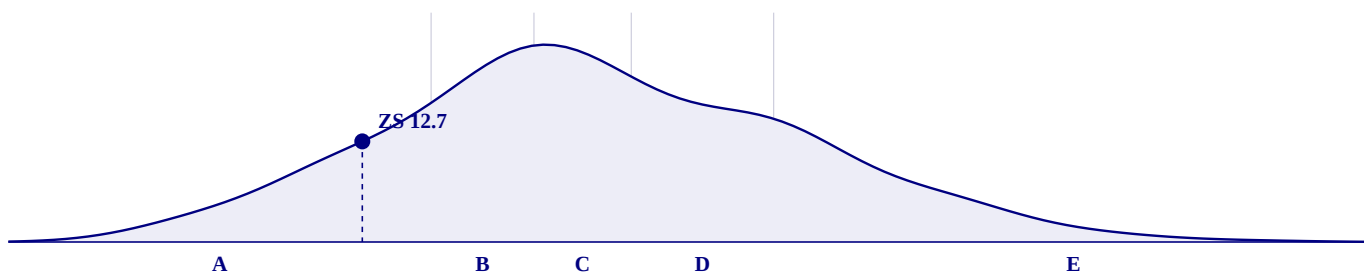
Warnings

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

Check	Measured
Fortress balance sheet	cash minus debt is 280,805,000 USD; Altman Z is not used

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
59	Applied Materials Inc. (AMAT)	11.7	A	
60	Braze, Inc. (BRZE)	11.9	A	
61	AvePoint, Inc. (AVPT)	12.1	A	
62	D-Wave Quantum Inc. (QBTS)	12.3	A	dilution
63	OSI Systems Inc. (OSIS)	12.5	A	
64	Zscaler, Inc. (ZS) <	12.7	A	fortress balance sheet
65	Ubiquiti Inc. (UI)	12.9	A	
66	Intuit Inc. (INTU)	13.1	A	
67	Credo Technology Group Holding Ltd. (CRDO)	13.3	A	
68	Zeta Global Holdings Corp. (ZETA)	13.5	A	fortress balance sheet
69	NetApp, Inc. (NTAP)	13.7	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	(37.1%)	2.2%	19
Distance from 52-week high	(35.5%)	(30.0%)	41
EBIT to enterprise value	(0.4%)	1.5%	33
Free cash flow yield	2.4%	2.7%	47
Book value to price	0.07	0.23	21
Sales to price	0.09	0.30	19
Composite equity issuance, five years	16.2%	3.9%	66
Relative strength against the sector, log excess return	(0.75)	(0.26)	19

Diagnostics

not in the grade

Measure	Value
Piotroski F-score None of 9, period end 2026-07-31	
Return on assets above zero	fail
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	fail
Cash, filings, liquidity	
Cash and equivalents	\$928.4M
Operating cash flow, four quarters	\$1.1B
Months of runway	not finite
Days since last periodic filing	36 (10-K received Sep 3, 2026)

Median daily dollar volume, 63 sessions

\$413.2M

Sources

each row links to the filing index on [sec.gov](https://www.sec.gov)

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	gross profit	us-gaap:GrossProfit	\$2.6B	2026-07-31	2026-09-03	10-K	0001713683-26-000157
2	assets	us-gaap:Assets	\$7.9B	2026-07-31	2026-09-03	10-K	0001713683-26-000157
3	operating income	us-gaap:OperatingIncomeLoss	-\$121.5M	2024-07-31	2026-09-03	10-K	0001713683-26-000157
4	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord	\$174.1M	2026-07-31	2026-09-03	10-K	0001713683-26-000157
5	income tax	us-gaap:IncomeTaxExpenseBenefit	\$28.5M	2024-07-31	2026-09-03	10-K	0001713683-26-000157
6	total debt	us-gaap:LongTermDebt	\$1.1B	2024-07-31	2024-09-12	10-K	0001713683-24-000109
7	book equity	us-gaap:StockholdersEquity	\$1.3B	2024-07-31	2026-09-03	10-K	0001713683-26-000157
8	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$1.4B	2024-07-31	2025-09-11	10-K	0001713683-25-000158
9	total debt	us-gaap:LongTermDebt	\$1.1B	2023-07-31	2024-09-12	10-K	0001713683-24-000109
10	book equity	us-gaap:StockholdersEquity	\$725.1M	2023-07-31	2026-09-03	10-K	0001713683-26-000157
11	cash	us-gaap:CashAndCashEquivalentsAtCarryingValue	\$1.3B	2023-07-31	2024-09-12	10-K	0001713683-24-000109
12	net income	us-gaap:NetIncomeLoss	-\$63.2M	2026-07-31	2026-09-03	10-K	0001713683-26-000157
13	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$1.1B	2026-07-31	2026-09-03	10-K	0001713683-26-000157
14	assets	us-gaap:Assets	\$6.4B	2025-07-31	2026-09-03	10-K	0001713683-26-000157
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$3.4B	2026-07-31	2026-09-03	10-K	0001713683-26-000157
16	gross profit	us-gaap:GrossProfit	\$2.1B	2025-07-31	2026-09-03	10-K	0001713683-26-000157
17	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.7B	2025-07-31	2026-09-03	10-K	0001713683-26-000157
18	gross profit	us-gaap:GrossProfit	\$1.7B	2024-07-31	2026-09-03	10-K	0001713683-26-000157
19	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$2.2B	2024-07-31	2026-09-03	10-K	0001713683-26-000157
20	gross profit	us-gaap:GrossProfit	\$1.3B	2023-07-31	2025-09-11	10-K	0001713683-25-000158
21	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$1.6B	2023-07-31	2025-09-11	10-K	0001713683-25-000158
22	gross profit	us-gaap:GrossProfit	\$848.7M	2022-07-31	2024-09-12	10-K	0001713683-24-000109
23	revenue	us-gaap:RevenueFromContractWithCustomerExcludingAssessedTax	\$1.1B	2022-07-31	2024-09-12	10-K	0001713683-24-000109
24	current assets	us-gaap:AssetsCurrent	\$5.0B	2026-07-31	2026-09-03	10-K	0001713683-26-000157
25	current liabilities	us-gaap:LiabilitiesCurrent	\$3.0B	2026-07-31	2026-09-03	10-K	0001713683-26-000157
26	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-\$1.3B	2026-07-31	2026-09-03	10-K	0001713683-26-000157
27	operating income	us-gaap:OperatingIncomeLoss	-\$133.3M	2026-07-31	2026-09-03	10-K	0001713683-26-000157
28	book equity	us-gaap:StockholdersEquity	\$2.6B	2026-07-31	2026-09-03	10-K	0001713683-26-000157
29	liabilities	us-gaap:Liabilities	\$5.3B	2026-07-31	2026-09-03	10-K	0001713683-26-000157
30	operating income	us-gaap:OperatingIncomeLoss	-\$234.6M	2023-07-31	2025-09-11	10-K	0001713683-25-000158
31	interest expense	us-gaap:InterestExpense	\$6.5M	2023-07-31	2023-09-14	10-K	0001713683-23-000113
32	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$277.3M	2026-07-31	2026-09-03	10-K	0001713683-26-000157
33	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$972.5M	2025-07-31	2026-09-03	10-K	0001713683-26-000157
34	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$164.3M	2025-07-31	2026-09-03	10-K	0001713683-26-000157
35	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$779.8M	2024-07-31	2026-09-03	10-K	0001713683-26-000157
36	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$144.6M	2024-07-31	2026-09-03	10-K	0001713683-26-000157
37	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivities	\$462.3M	2023-07-31	2025-09-11	10-K	0001713683-25-000158
38	capital expenditure	us-gaap:PaymentsToAcquirePropertyPlantAndEquipment	\$97.2M	2023-07-31	2025-09-11	10-K	0001713683-25-000158
39	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	\$148.5M	2026-07-31	2026-09-03	10-K	0001713683-26-000157
40	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeIncomeTaxesExtraord	\$174.1M	2026-07-31	2026-09-03	10-K	0001713683-26-000157
41	income tax	us-gaap:IncomeTaxExpenseBenefit	\$46.0M	2026-07-31	2026-09-03	10-K	0001713683-26-000157
42	current assets	us-gaap:AssetsCurrent	\$4.9B	2025-07-31	2026-09-03	10-K	0001713683-26-000157
43	current liabilities	us-gaap:LiabilitiesCurrent	\$2.4B	2025-07-31	2026-09-03	10-K	0001713683-26-000157
44	assets	us-gaap:Assets	\$4.7B	2024-07-31	2025-09-11	10-K	0001713683-25-000158
45	assets	us-gaap:Assets	\$3.6B	2023-07-31	2024-09-12	10-K	0001713683-24-000109
46	shares outstanding	dei:EntityCommonStockSharesOutstanding	163,054,698	2026-08-27	2026-09-03	10-K	0001713683-26-000157
47	shares outstanding	dei:EntityCommonStockSharesOutstanding	158,300,823	2025-08-29	2025-09-11	10-K	0001713683-25-000158