

**RESEARCH UPDATE**
**Dave Storms, CFA**
[Dave@stonegateinc.com](mailto:Dave@stonegateinc.com)

214-987-4121

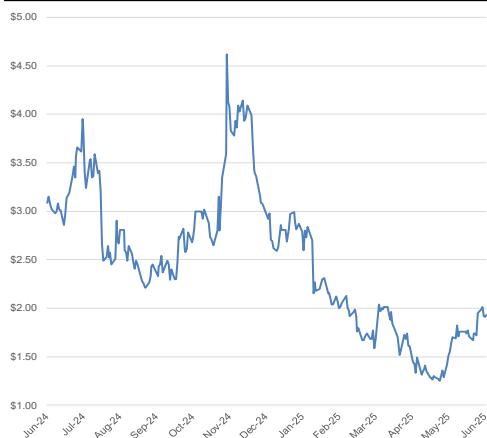
**Market Statistics**

Price	\$ 2.03
52 week Range	\$1.22 - \$4.73
Daily Vol (3-mo. average)	904,930
Market Cap (M)	\$ 106.9
Enterprise Value (M)	\$ 574.6
Shares Outstanding (M)	55.4
Float (M)	50.7
Public Ownership	70.7%
Institutional Ownership	20.8%

**Financial Summary**

Cash (M)	\$ 0.5
Cash/Share	\$ 0.01
Debt (M)	\$ 468.2
Equity (M)	\$ (280.7)
Equity/Share	\$ (5.07)

FYE: DEC	2024	2025E	2026E
<i>(in \$M)</i>			
Rev	\$ 267.6	\$ 385.5	\$ 647.6
Chng%	43%	44%	68%
EBITDA	\$ (23.8)	\$ 13.7	\$ 96.9
Net Income	\$ (87.5)	\$ (53.8)	\$ (4.1)
EPS	\$ (1.95)	\$ (1.02)	\$ (0.08)


**COMPANY DESCRIPTION**

Aemetis operates across three major clean energy markets: Renewable Natural Gas (RNG), Ethanol, and Biodiesel. The Company's future business include Sustainable Aviation Fuel (SAF), and Carbon Capture & Sequestration (CCS). The Company's footprint spans North America and India, each with distinct regulatory environments, trade dynamics, and growth opportunities.

**AEMETIS, INC. (NASDAQ: AMTX)**
**Dairy RNG Investment Ready to Generate Returns; House-passed version of tax bill contains further upside**

**Highlights:** Aemetis' first quarter results provided the strongest signal to date that the Company is starting to execute on its highest growth business, Dairy RNG. Over the last few years, the Company has invested in and built out one of the nation's largest networks of dairy renewable gas production (dairy digestors) in California's Central Valley, a rich agriculture region close to the State's energy distribution network. Capacity is currently at 550,000 MMBtus and expected to increase to 1,000,000 by the end of 2026. This business, while in its infancy, is now beginning to accelerate production and monetize it in multiple ways:

- Sale of the gas molecule;
- Sale of D3 RIN credits; and
- Sale of Low-Carbon Fuel Standard production tax credits.

In addition, seven of the RNG dairy digestors are eligible and expected to be certified to be eligible for transferable investment AND production tax credits. Production tax credits reimburse Aemetis for approximately 40% of facility construction expenses. Production tax credits can be used to sell LCFS credits based on fuel produced from these digestors. Our current model is based on these monetization opportunities but note there is further upside should U.S. governmental policy affirm RNG is eligible to sell 45Z production tax credits.

The Company's California Ethanol business in the first quarter continued to realize modest growth, which could be amplified by the 45Z production tax credit. Meanwhile, India Biofuel for the year remains on track for sustained growth, where sales will be recognized toward the latter half the year as reflected by the \$31 million order that will be booked in the second quarter.

In the first quarter of 2025, Aemetis reported total revenues of \$42.9M, compared to \$72.6M in the same period last year, with the year-over-year decline primarily driven by shifts in timing in receiving new government biodiesel contracts in India. Net loss for the quarter was \$24.5M, relatively flat versus a net loss of \$24.2M in 1Q24, reflecting ongoing investment in growth initiatives and higher interest expenses. The Company ended the quarter with \$0.5M in cash, down from \$0.9M at year-end, though liquidity was bolstered by \$19.0M in cash proceeds from the sale of transferable investment tax credits. Additional tax credit sales, including those under the Section 45Z program, are expected later in 2025.

**Policy Tailwinds to Drive Growth** – Aemetis is ideally positioned to benefit from four major U.S. policy tailwinds accelerating demand for low-carbon fuels. These include: (1) nationwide move from E10 to year-round E15 ethanol blends, expanding ethanol demand by 50%; (2) expanding state and federal low-carbon fuel standards that incentivize investment and reward low-CI production; (3) the IRS establishment of the provisional emissions rate (government's value on the reduced emission rate for dairy biofuel), enabling Aemetis's dairy RNG to qualify for 45Z production tax credits starting in 2025; and (4) a 20-year mandate to increase low-carbon fuel usage. With active ethanol and dairy RNG operations, Aemetis aligns well with these regulatory drivers and long-term decarbonization goals.

**Valuation** – We use a Discounted Cash Flow Model when valuing AMTX. Our valuation model returns a valuation range of \$9.06 to \$20.87 with a midpoint of \$13.66.

## DAIRY RNG

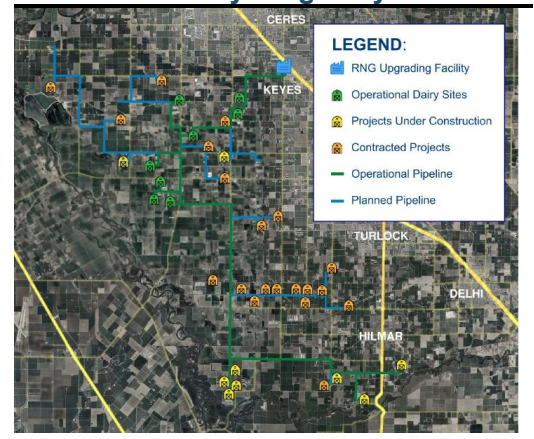
Dairy RNG produces renewable natural gas (RNG) by capturing methane from dairy waste and converting it into a negative carbon intensity, clean fuel source for trucking to replace petroleum diesel. The company operates 12 anaerobic digesters supplied by 16 dairies, a 36-mile biogas pipeline network, and a centralized RNG gas upgrading facility that connects to California’s utility gas infrastructure. The business benefits from selling RNG as transportation fuel, earning federal Renewable Fuel Standard (RINs) credits and California LCFS credits, as well as 45Z production tax credits.

Entering 2025, Aemetis’ RNG has achieved production capacity of up to 550,000 MMBtu. The Company is targeting production capacity of 1.0M MMBtu by the end of 2026. In Q1 2025, Aemetis produced X MMTBus of RNG. Dairy RNG revenues for Q1 2025 were \$2.4 million from the sale of LCFS credits, D3 RIN credits and RNG molecule. In April, the Company completed \$1.6M in sales of LCFS and D3 RIN credits, with LCFS credits generated using a -150-carbon intensity default pathway. A pending CARB approval for seven dairy digesters—expected in 2Q25—could boost LCFS credit generation by 120% due to their projected -350 carbon intensity. AMTX Biogas currently operates 11 digesters and plans to bring four more online in the second quarter. The Company has installed 36 miles of pipeline and holds approvals for up to 60 miles. Supported by \$83.0M in total investment tax credit sales to date, and USDA financing, Aemetis expects to significantly scale production capacity, aided by additional 45Z credit monetization beginning in 2025.

**Temporary Headwinds:** The RNG business faces regulatory delays in CARB’s LCFS approval process, temporarily lowering the number of LCFS credits for the project and reducing revenue. Expanding dairy digesters and pipeline infrastructure is capital-intensive, requiring significant upfront investment. Additionally, short-term LCFS and D3 RIN credit price volatility has made forecasting revenue more challenging.

**Tailwinds:** Aemetis has already achieved significant RNG growth in 2025, with plans to double production capacity to 1 million MMBtu in 2026. The anticipated CARB LCFS pathway certification in Q2 2025 increases the number of LCFS credits from seven digesters by approximately 80%, enhancing profitability. The Company has received \$50 million in 20-year, long term USDA financing that funds dairy digester expansion, and has generated investment tax credits that have produced cash proceeds of \$70 million in the past 18 months. With 26 dairies expected to be operational in 2026 and 50 dairies already signed, Aemetis RNG is on track to become the largest dairy RNG producer in California’s low-carbon transportation fuel market.

Exhibit 1: Dairy Biogas System



Source: Company Reports

## CALIFORNIA ETHANOL (INCLUDING SAF & CO<sub>2</sub> INITIATIVES)

Aemetis owns and operates a 65 million gallon per year capacity ethanol plant in Keyes, California, producing low-carbon ethanol, wet distiller’s grains (WDG), and distillers corn oil (DCO). This segment also includes other initiatives such as CO<sub>2</sub> capture, which aim to reduce carbon emissions and expand the Company’s low-carbon fuel offerings.

Revenues from Aemetis’ Keyes ethanol plant increased \$1.7M y/y in 1Q25, supported by a rise in average ethanol pricing from \$1.79 to \$1.98 per gallon. The plant operated at 103% of nameplate capacity, selling 14.1 million gallons of ethanol and 93,000 tons of wet distiller’s grain. The Company is advancing its Mechanical Vapor Recompression (MVR) project, aimed at reducing natural gas use and carbon intensity. Additionally, its completed \$12M solar microgrid is contributing to fossil fuel cost savings.

Exhibit 2: Keyes Facility Upgrade Projects

Ethanol Plant Upgrades		To Reduce Carbon Intensity
Solar Array with Battery Storage	Zero carbon electricity	ZEBREX™ Mitsubishi ceramic membrane dehydration system reduces petro natural gas use by 20%+ and replaces with electricity
Mechanical Vapor Recompression to reduce Natural Gas by 60% (2023)	Natgas -> Electric	Cellulosic ethanol production and higher corn oil yield using advanced enzymes (2023)

Source: Company Reports

Nationally, AMTX is positioned to benefit from the EPA's approval of continued E15 sales, which could expand U.S. ethanol demand by 50%. In California, E15 remains under review, but pending state-level adoption could add 600 million gallons in demand, presenting a major growth opportunity.

**Headwinds:** The ethanol segment has been impacted by over-capacity due to the 10% blending limit which has pressured margins in the industry. Additionally, recent delays in the administrative adoption of California's LCFS amendments and federal 45Z production tax credits has slowed revenues and reduced operating cash flow and delayed investment decisions and financing for the construction of the SAF and CO<sub>2</sub> projects. High debt levels remain a concern, requiring disciplined capital management.

**Tailwinds:** Despite these hurdles, Aemetis' ethanol business has shown strong growth, with revenues rising 55% to \$162 million in 2024. The EPA's approval of year-round E15 ethanol blends in multiple states is expected to increase demand and significantly improve margins as excess ethanol supply is eliminated. The Company is building a Mechanical Vapor Recompression (MVR) system at the ethanol plant, which will reduce fossil natural gas use by 80% and boost annual cash flow by an estimated \$35 million per year. Additionally, Aemetis has secured air permits for a 78 million gallon per year sustainable aviation fuel plant, and its CO<sub>2</sub> sequestration project has drilled phase 1 of the characterization well, targeting 1.4 million tons of CO<sub>2</sub> storage per year. These strategic projects position Aemetis to benefit from strong policy support for low-carbon fuels.

## INDIA BIOFUELS

Aemetis operates an 80 million gallon per year biodiesel plant in Kakinada, India, producing renewable diesel and refined glycerin. The plant supplies government Oil Marketing Companies (OMCs) and international customers and is exploring new opportunities in biogas production.

**India Biofuels:** After a temporary pause in shipments during winter, Aemetis' Universal Biofuels subsidiary resumed production and received \$31 million in biodiesel orders from Indian

Oil Marketing Companies (OMCs) for delivery in May through July 2025. The Kakinada facility's capacity remains at 80 million gallons per year following a recent upgrade. AMTX shipped \$112.0M in biodiesel and glycerin over the twelve months ended September 2024. The government of India's target to raise biodiesel blending from 1% to 5% continues to support long-term demand. The Company is also preparing for a potential IPO of the India Biofuels business in late 2025, and exploring new growth avenues through biogas production expansion, such as Dairy RNG.

**Headwinds:** After completing \$112 million of revenues in the twelve months ending September 2024 and receiving a \$58 million allocation for biodiesel contracts from the India government-owned oil refineries, biodiesel deliveries were not taken by the Oil Marketing Companies (OMCs) for Q4 2024 and Q1 2025. Feedstock price volatility poses a challenge, as fluctuations in vegetable oil and waste-based feedstocks can impact profitability. Although India has a biodiesel blending mandate, policy implementation of the increase from 1% to 5% biodiesel blending remains a risk to long-term demand.

**Tailwinds:** Despite these short-term hurdles, Aemetis' India Biofuels segment grew revenue by 20% to \$93 million in 2024, while expanding production capacity by 50%. The Indian government's renewed commitment to biodiesel blending is expected to drive demand, with a new tenders issued by OMCs in March 2025 and deliveries anticipated to begin in April 2025. Aemetis is also preparing for a potential IPO of its India Biofuels business in late 2025 or early 2026, which could unlock liquidity and provide capital for further expansion. Additionally, the Company is exploring biogas production in India, further diversifying its renewable energy portfolio. With government support and scalable production capacity, Aemetis India Biofuels is poised for significant growth in the clean energy market.

**Exhibit 3: Kakinada, India Plant**



Source: Company Reports

## OUTLOOK FOR 2025 & BEYOND

Aemetis' performance remains closely tied to evolving regulatory dynamics. In California, the pending adoption of revised LCFS mandates—requiring a 9% reduction in carbon intensity—could increase LCFS credit values significantly, benefiting the RNG business. Although approval delays have softened recent credit prices, the Company anticipates final CARB approval in 2025.

Nationally, continued support for E15 and the proposed Senate Bill 2707 would reinforce ethanol demand. Additionally, Aemetis stands to benefit from both 45Q carbon sequestration and 45Z renewable fuel production credits under the Inflation Reduction Act, though both face regulatory uncertainty. Changes in these programs could materially impact the economics of U.S.-based operations.

More recently, congress included in its version of the tax bill it just passed explicit provisions that reinforce nearly all 45Z provisions through 2031 as well as most relevant provisions related to carbon sequestration (45Q).

While each business segment faced challenges in 2024, Aemetis navigated market fluctuations, regulatory uncertainty, and capital investment hurdles to achieve strong revenue growth and capacity expansion. With record production levels, new government incentives, and long-term strategies in place, Aemetis is well-positioned to capitalize on the global transition to renewable energy. Investments in RNG, ethanol, SAF, biodiesel, and carbon capture are building a foundation for sustained profitability and leadership in the low-carbon fuels market.

## RISKS

**History of losses** – The Company is not currently profitable and has historically incurred losses. Until the Company becomes profitable, it will rely upon debt and equity financing to fund operations. If the Company is unsuccessful in securing additional financing, operations and revenues could decrease or be eliminated.

**Debt level and interest expense could limit cash flows** – The Company currently owes approximately \$205.3M to Third Eye Capital of its approximate \$322.2M in total debt as of 3Q24. The high interest rates of the loans will continue to hamper cash flow and stock price.

**Changes in government policies** – A significant portion of the Company's revenues are dependent on government policies. The ethanol industry is reliant upon government policies for increased demand and tax credits are subject to IRA rulings. Changes to government regulations could have adverse effects on the Company's business.

## VALUATION SUMMARY

We use a Discounted Cash Flow Model when valuing AMTX. Our valuation model returns a valuation range of \$9.06 to \$20.87 with a midpoint of \$13.66 based on a discount rate range of 10.0% to 20.0%.

Key assumptions include revenue recognition across business segments in the year that revenue is generated. We expect dairy digesters to ramp to 65 digesters by 2030, with biogas production exceeding 1.5 million MMBTUs annually. For the continued revenue from selling 45Z, LCFS, and D3 RIN credits we are holding current prices at market level, with growth driven by increased intensity of decarbonization efforts. For the Keyes Plant we are assuming a flat ethanol capacity of 65.0 million gallons per year, sold at \$1.90 per gallon. In our very conservative assessment, we are increasing Keyes price per gallon by \$0.35 in 2027 to reflect the anticipated California adoption of the E-15 Ethanol Blend Bill. For India BioDiesel, we are not modeling an initial public offering despite the Company stating that they are evaluating that route, as we do not believe we have enough information to determine a sale price. We are modeling revenue generation from SAF and Carbon sequestration beginning in 2027. We assume consolidated gross margins to expand to the high teens in 2027 which we anticipate will correlate with operating profitability and positive FCF.

We anticipate that we will be able to re-rate the Company as both operational and Balance sheet de-risking takes place. This is expected through successful execution of projects leading to positive operating income, cash flow, and EBITDA allowing the Company to improve its balance sheet and de-risk our valuation. Key uncertainties include variances in these assumptions—such as digester counts, biogas output, credit prices, blend-legislation timing, and production volumes—and any changes in tax-credit realization due to regulatory or market shifts. Given the long-term nature of AMTX's industry, the model is highly leveraged in out years, creating potential for significant positive valuation re-ratings as new information emerges.

INCOME STATEMENT

Aemetis, Inc.  
Consolidated Statements of Income (in M\$, except per share amounts)  
Fiscal Year: December

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 E Jun-25	Q3 E Sep-25	Q4 E Dec-25	FY 2025E	Q1 E Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E
<b>Total revenues</b>	\$ 202.0	\$ 165.6	\$ 211.9	\$ 256.5	\$ 186.7	\$ 72.6	\$ 66.6	\$ 81.4	\$ 47.0	\$ 267.6	\$ 42.9	\$ 95.7	\$ 111.9	\$ 111.0	\$ 385.5	\$ 131.9	\$ 165.6	\$ 181.7	\$ 168.3	\$ 647.6
COGS	189.3	154.5	204.0	262.0	184.7	73.2	68.4	77.6	49.0	268.2	48.0	85.1	96.8	94.7	324.5	111.8	137.9	150.0	136.2	535.8
<b>Gross profit</b>	<b>12.7</b>	<b>11.0</b>	<b>7.9</b>	<b>(5.5)</b>	<b>2.0</b>	<b>(0.6)</b>	<b>(1.8)</b>	<b>3.9</b>	<b>(2.0)</b>	<b>(0.6)</b>	<b>(5.1)</b>	<b>10.6</b>	<b>15.1</b>	<b>16.3</b>	<b>36.9</b>	<b>20.1</b>	<b>27.7</b>	<b>31.7</b>	<b>32.2</b>	<b>111.7</b>
<b>Operating expenses</b>																				
R&D	0.2	0.2	0.1	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SG&A	17.4	16.9	23.7	28.7	39.3	8.9	11.8	7.8	11.4	39.8	10.5	10.5	10.5	10.5	41.9	10.8	10.8	10.8	10.8	43.0
Total Operating Expenses	17.6	17.1	23.8	28.9	39.4	8.9	11.8	7.8	11.4	39.8	10.5	10.5	10.5	10.5	41.9	10.8	10.8	10.8	10.8	43.0
<b>Operating Income (Loss)</b>	<b>(4.9)</b>	<b>(6.1)</b>	<b>(15.8)</b>	<b>(34.4)</b>	<b>(37.4)</b>	<b>(9.5)</b>	<b>(13.6)</b>	<b>(3.9)</b>	<b>(13.5)</b>	<b>(40.4)</b>	<b>(15.6)</b>	<b>0.1</b>	<b>4.6</b>	<b>5.8</b>	<b>(5.0)</b>	<b>9.4</b>	<b>17.0</b>	<b>21.0</b>	<b>21.4</b>	<b>68.7</b>
Interest expense	21.1	22.9	20.1	21.4	33.0	9.1	9.9	10.1	11.1	40.2	11.0	11.0	11.0	11.0	44.1	13.5	13.5	13.5	13.5	54.0
Debt related fees & amortization Exp	4.7	3.4	3.9	7.4	6.5	1.4	1.8	1.7	1.6	6.5	2.7	2.7	2.7	2.7	10.7	1.5	1.5	1.5	1.5	6.0
Accretion of series A preferred	2.3	4.7	7.7	9.9	25.3	3.3	3.5	3.3	2.6	12.7	2.3	2.3	2.3	2.3	9.1	3.5	3.5	3.5	3.5	14.0
Other income (expense)	5.4	0.5	(0.3)	33.6	(2.1)	0.1	(0.0)	(1.2)	(0.2)	(1.4)	(0.2)	-	-	(0.2)	-	-	-	-	-	-
<b>Income (Loss) before income tax</b>	<b>(38.3)</b>	<b>(37.6)</b>	<b>(47.3)</b>	<b>(106.7)</b>	<b>(100.2)</b>	<b>(23.4)</b>	<b>(28.8)</b>	<b>(17.7)</b>	<b>(28.6)</b>	<b>(98.4)</b>	<b>(31.3)</b>	<b>(15.8)</b>	<b>(11.3)</b>	<b>(10.2)</b>	<b>(68.7)</b>	<b>(9.1)</b>	<b>(1.5)</b>	<b>2.5</b>	<b>2.9</b>	<b>(5.3)</b>
Income tax expense	1.1	(1.0)	(0.1)	1.1	(53.7)	0.9	0.4	0.3	(12.4)	(10.8)	(6.8)	(3.4)	(2.5)	(2.2)	(14.9)	(2.0)	(0.3)	0.5	0.6	(1.1)
<b>Net income (loss)</b>	<b>(39.5)</b>	<b>(36.7)</b>	<b>(47.1)</b>	<b>(107.8)</b>	<b>(46.4)</b>	<b>(24.2)</b>	<b>(29.2)</b>	<b>(17.9)</b>	<b>(16.2)</b>	<b>(87.5)</b>	<b>(24.5)</b>	<b>(12.4)</b>	<b>(8.9)</b>	<b>(8.0)</b>	<b>(53.8)</b>	<b>(7.2)</b>	<b>(1.2)</b>	<b>1.9</b>	<b>2.3</b>	<b>(4.1)</b>
Net loss attributable to non-controlling	(3.8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net loss attributable to Aemetis, Inc.</b>	<b>\$ (35.7)</b>	<b>\$ (36.7)</b>	<b>\$ (47.1)</b>	<b>\$ (107.8)</b>	<b>\$ (46.4)</b>	<b>\$ (24.2)</b>	<b>\$ (29.2)</b>	<b>\$ (17.9)</b>	<b>\$ (16.2)</b>	<b>\$ (87.5)</b>	<b>\$ (24.5)</b>	<b>\$ (12.4)</b>	<b>\$ (8.9)</b>	<b>\$ (8.0)</b>	<b>\$ (53.8)</b>	<b>\$ (7.2)</b>	<b>\$ (1.2)</b>	<b>\$ 1.9</b>	<b>\$ 2.3</b>	<b>\$ (4.1)</b>
<b>Basic EPS (loss)</b>	<b>\$ (1.75)</b>	<b>\$ (1.74)</b>	<b>\$ (1.54)</b>	<b>\$ (3.12)</b>	<b>\$ (1.22)</b>	<b>\$ (0.58)</b>	<b>\$ (0.66)</b>	<b>\$ (0.38)</b>	<b>\$ (0.36)</b>	<b>\$ (1.95)</b>	<b>\$ (0.47)</b>	<b>\$ (0.24)</b>	<b>\$ (0.17)</b>	<b>\$ (0.15)</b>	<b>\$ (1.02)</b>	<b>\$ (0.14)</b>	<b>\$ (0.02)</b>	<b>\$ 0.04</b>	<b>\$ 0.04</b>	<b>\$ (0.08)</b>
<b>Diluted EPS (loss)</b>	<b>\$ (1.75)</b>	<b>\$ (1.74)</b>	<b>\$ (1.54)</b>	<b>\$ (3.12)</b>	<b>\$ (1.22)</b>	<b>\$ (0.58)</b>	<b>\$ (0.66)</b>	<b>\$ (0.38)</b>	<b>\$ (0.36)</b>	<b>\$ (1.95)</b>	<b>\$ (0.47)</b>	<b>\$ (0.24)</b>	<b>\$ (0.17)</b>	<b>\$ (0.15)</b>	<b>\$ (1.02)</b>	<b>\$ (0.14)</b>	<b>\$ (0.02)</b>	<b>\$ 0.04</b>	<b>\$ 0.04</b>	<b>\$ (0.08)</b>
Basic shares outstanding	20.5	21.0	30.7	34.6	38.1	41.9	44.4	47.2	45.6	44.8	52.6	52.6	52.6	52.6	52.6	52.6	52.6	52.6	52.6	52.6
Diluted shares outstanding	20.5	21.0	30.7	34.6	38.1	41.9	44.4	47.2	45.6	44.8	52.6	52.6	52.6	52.6	52.6	52.6	52.6	52.6	52.6	52.6
<b>Adjusted EBITDA</b>	<b>\$ 0.4</b>	<b>\$ (0.2)</b>	<b>\$ (6.4)</b>	<b>\$ (22.5)</b>	<b>\$ (22.8)</b>	<b>\$ (4.8)</b>	<b>\$ (5.9)</b>	<b>\$ 1.5</b>	<b>\$ (9.6)</b>	<b>\$ (23.8)</b>	<b>\$ (10.7)</b>	<b>\$ 4.8</b>	<b>\$ 9.3</b>	<b>\$ 10.4</b>	<b>\$ 13.7</b>	<b>\$ 16.4</b>	<b>\$ 24.0</b>	<b>\$ 28.0</b>	<b>\$ 28.5</b>	<b>\$ 96.9</b>

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 E Jun-25	Q3 E Sep-25	Q4 E Dec-25	FY 2025E	Q1 E Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E
<b>Margin Analysis</b>																				
Gross Margin	6.3%	6.7%	3.7%	-2.2%	1.1%	-0.8%	-2.7%	4.8%	-4.3%	-0.2%	-11.8%	11.1%	13.5%	14.7%	9.6%	15.3%	16.8%	17.5%	19.1%	17.3%
Operating Margin	-2.4%	-3.7%	-7.5%	-13.4%	-20.0%	-13.0%	-20.4%	-4.8%	-28.7%	-15.1%	-36.3%	0.2%	4.1%	5.2%	-1.3%	7.1%	10.3%	11.5%	12.7%	10.6%
EBITDA Margin	0.2%	-0.1%	-3.0%	-8.8%	-12.2%	-6.5%	-8.9%	1.8%	-20.4%	-8.9%	-24.9%	5.0%	8.3%	9.4%	3.5%	12.4%	14.5%	15.4%	16.9%	15.0%
Pre-Tax Margin	-19.0%	-22.7%	-22.3%	-41.6%	-53.6%	-32.2%	-43.3%	-21.7%	-60.8%	-36.8%	-73.0%	-16.5%	-10.1%	-9.2%	-17.8%	-6.9%	-0.9%	1.4%	1.7%	-0.8%
Net Income Margin	-17.7%	-22.1%	-22.2%	-42.0%	-24.9%	-33.4%	-43.8%	-22.0%	-34.5%	-32.7%	-57.2%	-12.9%	-7.9%	-7.2%	-14.0%	-5.4%	-0.7%	1.1%	1.4%	-0.6%
Tax Rate	-2.9%	2.6%	0.3%	-1.0%	53.7%	-3.8%	-1.3%	-1.6%	43.3%	11.0%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%	21.7%
<b>Growth Rate Y/Y</b>																				
Total Revenue	17.8%	-18.0%	28.0%	21.0%	-27.2%	3276.8%	47.5%	18.6%	-33.6%	43.3%	-41.0%	43.8%	37.4%	136.1%	44.0%	207.6%	73.0%	62.4%	51.7%	68.0%
Total cost of revenues	14.0%	-18.4%	32.0%	28.4%	-29.5%	2025.5%	58.4%	13.7%	-29.8%	45.2%	-34.5%	24.5%	24.8%	93.1%	21.0%	133.1%	62.0%	55.0%	43.8%	65.1%
Selling, General and Administrative	8.3%	-3.1%	40.2%	21.2%	36.9%	-17.9%	21.5%	-13.7%	16.9%	1.5%	18.4%	-11.2%	35.2%	-8.4%	5.2%	2.6%	2.6%	2.6%	2.6%	2.6%
Operating Income	-54.9%	23.1%	160.7%	117.4%	8.7%	-22.0%	74.7%	-54.6%	50.4%	8.1%	64.4%	-101.1%	-219.5%	-142.9%	nm	-160.2%	11271.8%	352.8%	270.2%	nm
Pre-Tax Income	5.7%	-1.9%	25.6%	125.7%	-6.1%	-12.4%	18.9%	-28.2%	15.7%	-1.8%	34.1%	-45.0%	-35.8%	-64.3%	-30.2%	-70.8%	-90.5%	-121.7%	-128.5%	-92.3%
Net Income	8.2%	2.6%	28.6%	128.6%	-56.9%	-8.3%	15.4%	-158.4%	-36.3%	88.6%	1.2%	-57.5%	-50.5%	-50.7%	-38.5%	-70.8%	-90.5%	-121.7%	-128.5%	-92.3%
EPS	7.0%	0.0%	-11.9%	102.8%	-60.9%	-20.2%	-3.4%	-151.8%	-44.6%	60.3%	-19.4%	-64.1%	-55.5%	-47.7%	-47.7%	-70.8%	-90.5%	-121.7%	-128.5%	-92.3%
Share Count- fully diluted	1.1%	2.7%	46.0%	12.7%	10.1%	15.0%	19.5%	12.8%	15.0%	17.7%	25.5%	18.4%	11.4%	15.3%	17.4%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company Reports, Stonegate Capital Partners estimates

## IMPORTANT DISCLOSURES AND DISCLAIMER

- (a) The research analyst and/or a member of the analyst's household do not have a financial interest in the debt or equity securities of the subject company.
- (b) The research analyst responsible for the preparation of this report has not received compensation that is based upon Stonegate's investment banking revenues.
- (c) Stonegate or any affiliate have not managed or co-managed a public offering of securities for the subject company in the last twelve months, received investment banking compensation from the subject company in the last 12 months, nor expects or receive or intends or seek compensation for investment banking services from the subject company in the next three months.
- (d) Stonegate's equity affiliate, Stonegate Capital Partners, "SCP" has a contractual agreement with the subject company to provide research services, investor relations support, and investor outreach. SCP receives a monthly retainer for these non-investment banking services.
- (e) Stonegate or its affiliates do not beneficially own 1% or more of any class of common equity securities of the subject company.
- (f) Stonegate does not make a market in the subject company.
- (g) The research analyst has not received any compensation from the subject company in the previous 12 months.
- (h) Stonegate, the research analyst, or associated person of Stonegate with the ability to influence the content of the research report knows or has reason to know of any material conflicts of interest at the time of publication or distribution of the research report.
- (i) No employee of Stonegate has a position as an officer or director of the subject company.

**Ratings** - Stonegate does not provide ratings for the covered companies.

**Distribution of Ratings** - Stonegate does not provide ratings for covered companies.

**Price Chart** - Stonegate does not have, nor has previously had, a rating for its covered companies.

**Price Targets** - Stonegate does not provide price targets for its covered companies. However, Stonegate does provide valuation analysis.

### **Regulation Analyst Certification:**

I, Dave Storms, CFA, hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

### **For Additional Information Contact:**

Stonegate Capital Partners, Inc.  
Dave Storms, CFA  
Dave@stonegateinc.com  
214-987-4121

---

Please note that this report was originally prepared and issued by Stonegate for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of Stonegate should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents. The information contained herein is based on sources which we believe to be reliable but is not necessarily complete and its accuracy cannot be guaranteed. Because the objectives of individual clients may vary, this report is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This report is the independent work of Stonegate Capital Partners and is not to be construed as having been issued by, or in any way endorsed or guaranteed by, any issuing companies of the securities mentioned herein. The firm and/or its employees and/or its individual shareholders and/or members of their families and/or its managed funds may have positions or warrants in the securities mentioned and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the firm from time to time in the open market or otherwise. While we endeavor to update the information contained herein on a reasonable basis, there may be regulatory, compliance, or other reasons that prevent us from doing so. The opinions or information expressed are believed to be accurate as of the date of this report; no subsequent publication or distribution of this report shall mean or imply that any such opinions or information remains current at any time after the date of this report. All opinions are subject to change without notice, and we do not undertake to advise you of any such changes. Reproduction or redistribution of this report without the expressed written consent of Stonegate Capital Partners is prohibited. Additional information on any securities mentioned is available on request.