

**RESEARCH UPDATE**
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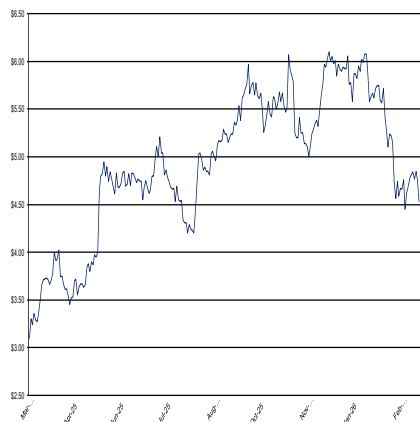
**Market Statistics**

Price	\$ 4.53
52 week Range	\$3.12 - \$6.45
Daily Vol (3-mo. average)	324,298
Market Cap (\$M):	\$ 216.9
Enterprise Value (\$M):	\$ 256.7
Shares Outstanding: (\$M)	47.9
Float (M)	35.3
Public Ownership	15.2%
Institutional Ownership	69.5%

**Financial Summary**

Cash (\$)	\$ 28.7
Cash/Share	\$ 0.60
Debt (\$)	\$ 59.2
Equity (\$)	\$ 94.7
Equity/Share	\$ 1.98

FYE: DEC	2025	2026E	2027E
<i>(in \$M)</i>			
Rev	\$ 244.7	\$ 251.9	\$ 259.7
Chng%	-1.2%	2.9%	3.1%
EBITDA	\$ 32.2	\$ 34.2	\$ 38.4
Net Income	\$ 7.9	\$ 10.2	\$ 12.5
EPS	\$ 0.2	\$ 0.20	\$ 0.25
EV/Revenue	1.0x	1.0x	1.0x
EV/EBITDA	11.5x	7.5x	6.7x
P/E	23.8x	22.3x	18.1x


**COMPANY DESCRIPTION**

Information Services Group is a fact-based sourcing advisory firm providing technology insights, market intelligence and advisory services. With operations in 21 countries, the Company delivers advisory, benchmarking, and analytical insight to large, multinational corporations and governments in N. America, Europe, and Asia Pacific.

**INFORMATION SERVICES GROUP, INC. (NASDAQ: III)**
**III Reports Fourth Quarter Results**

For FY25, III delivered a solid improvement in underlying performance. Revenue was \$244.7M, down 1%, but up 7% excluding the prior-year automation divestiture, with growth led by the Americas and an increasing recovery in Europe; Asia-Pacific remained softer. Adjusted EBITDA increased 28% to \$32.2M, with margin expanding to 13.2%, while operating cash flow rose 46% to \$29.0M. Recurring revenue remained a key support at \$112M, or 46% of sales, and utilization of 73% was in line with management's mid-70s target. AI was also a clear tailwind, with III serving more than 350 clients with AI-focused research and advisory services in 2025, roughly 3x the prior year, even as management said clients remain cautious in an uncertain macro environment. This translated to 30% of full year revenues attached to AI spending.

**Quarterly Results** – III reported revenue, adj EBITDA, and adj EPS of \$61.2M, \$8.1M, and \$0.10, respectively. This compares to our/consensus estimates of \$61.0M/\$61.1M, \$8.0M/\$7.8M, and \$0.08/\$0.08, respectively. Despite management's cautious macro commentary, III delivered a strong 4Q, supported by continued demand for AI-centered transformation services. Revenue grew 6% y/y to the top end of guidance, with nearly 35% of 4Q revenue tied to AI-related research and advisory services. Recurring revenue increased 13%, and consulting utilization improved to 69% from 64% a year ago. Gross margin expanded to 45% from 42%, while adjusted EBITDA margin rose to 13.2% from 11.3%, reflecting a more profitable mix and disciplined spending.

**AI Platform Expansion** – In January 2026, III acquired the AI Maturity Index, a benchmarking and intelligence platform that measures AI readiness across employees and enterprises. The deal adds a more proprietary and scalable component to III's AI advisory offering and should enhance client assessment, benchmarking, and downstream advisory opportunities. Early commercial traction appears encouraging, as we expect that the AI Maturity Index will be used as a wedge for sales. We view the acquisition as strategically aligned with III's broader AI positioning and supportive of further monetization of enterprise AI demand.

**Maintained Product/Service Mix & Demand** – 4Q25 mix remained favorable, with growth led by Europe, up 28% on strength in advisory software and research, while the Americas rose 1% on solid research and governance demand. Asia-Pacific declined 22%, reflecting weaker public-sector spending. Recurring revenue increased 13%, led by research, platform, and government services. Overall, the mix shifted toward higher-value, more durable revenues, helping drive adjusted EBITDA up 24% y/y and margin expansion to 13.2%.

**Guidance** – ISG provided first-quarter 2026 guidance with expected revenue of \$60.5M-\$61.5M and adjusted EBITDA of \$7.5M-\$8.5M. Management noted clients are absorbing the latest tariff and geopolitical developments, and that spending may remain measured in the near term as the U.S. economy evolves through the first half. Even so, the company expects clients to adjust and then accelerate spending as the year progresses, which should support continued year-over-year growth.

**Valuation** - We use both a DCF and EV/EBITDA comp analysis to guide our valuation. Our DCF analysis produces a valuation range of \$6.23 to \$7.93 with a mid-point of \$6.98. Our EV/EBITDA valuation results in a range of \$6.19 to \$6.99 with a mid-point of \$6.59.

## Summary

### Exhibit 1: Quarterly Results Comparison to Model

	4Q25 Results		Notes
	Reported	Modeled	
Revenue	61.2	61.0	Revenues above our expectations.
COGS	33.8	35.0	
<b>Gross profit</b>	<b>27.4</b>	<b>26.1</b>	GPM slightly higher than our expectations
<b>GPM</b>	<b>44.8%</b>	<b>42.7%</b>	
SG&A	21.2	20.7	
D&A	1.1	1.2	
Operating exp	22.3	21.9	
<b>EBIT - Adj</b>	<b>5.3</b>	<b>4.8</b>	Outperformance to our model due to strong GPM
<b>OPM</b>	<b>8.7%</b>	<b>7.9%</b>	
<b>EBITDA adjusted</b>	<b>8.1</b>	<b>8.0</b>	Adj. EBITDA margin in-line with our expectations
<b>Margin</b>	<b>13.2%</b>	<b>13.0%</b>	
Net income	2.6	1.9	
<b>EPS</b>	<b>\$ 0.05</b>	<b>\$ 0.04</b>	
Net income - adjusted	4.9	4.2	
<b>EPS - adjusted</b>	<b>\$ 0.10</b>	<b>\$ 0.08</b>	

Source: Company Reports, Stonegate Capital Markets, Inc.

## INVESTMENT FACTORS

Information Services Group (III) is a fact-based sourcing advisory firm with operations in 20+ countries. We believe the Company is set to benefit from any increase in IT and AI spending. Additionally, acquisitions have helped the Company widen its product and services offering as well as increase its global reach. Furthermore, emerging concepts like Artificial Intelligence will remain a significant work area, which should contribute to future revenues. With strong brand recognition, domain expertise, vendor independence, and proprietary data assets and market intelligence aging back some 30 years, III appears well positioned to capture growth.

### Investment Positives

**Increased global AI spending to enhance future revenues and profitability** – AI spending by providers and organizations continues to increase with a growing need from customers who rely on outside consultants for guidance, driven by a greater urgency and an accelerated pace of change that widens the gap between organizations' digital business goals, and their internal resources and capabilities. Against this backdrop, III is likely to benefit from increased AI spending, consequently leading to higher growth and profitability.

**Vendor independence and proprietary data assets act as a competitive advantage** – Unlike many of III's competitors, the Company maintains independence and objectivity by not being a service provider. Consequently, clients view III as a trusted advisor with an unbiased approach. Additionally, III possesses unique and proprietary data assets that it has collected over its 30+ years of servicing its clients. The Company uses these data sources to provide clients with in-depth analysis into the cost and service implications of alternate strategies allowing them to compare alternatives and providing fact-based insight to make informed decisions regarding strategic change.

**Digital transformation services creating growth opportunities** – Rapidly changing technology trends and capabilities are driving companies to adopt new technologies to remain competitive. These trends encompass increasing automation, robotics, and use of cloud technologies. Clients are rapidly deploying technologies over a traditional corporate data center to dramatically increase the flexibility of their IT infrastructure and reduce their costs by delivering both IT infrastructure and software over the Internet as a service.

**Changing economic and business environment** – The changing economic and business environment has created opportunities for consulting firms to address the needs of clients. Some of these challenges include tougher competition; consolidation, mergers, acquisitions, and divestitures; growing awareness of business risk; changes in regulation; the rise of the public sector; increasing globalization; and growth of the digital economy. With its competitive advantages of domain expertise, strong brand recognition, vendor independence, proprietary data assets, and global reach, III is well positioned to capitalize on the above opportunities.

**Management focused on building business for the long-term** – III management remains committed to growing the business for the long-term with a focus on the leveraging existing competitive strengths to continue organic growth; continued global expansion; a broadening of vertical expertise; productizing market data assets; increasing managed services revenues; and continued acquisitions.

## Investment Challenges / Risks

**Revenue concentration** – 30%, 30%, 33%, and 35% of 2025, 2024, 2023, and 2022 revenues, respectively were generated from 25 of the largest clients. Any termination or significant reduction in engagement from such major clients could adversely affect the company's revenue and profitability.

**Debt load** – III currently has a manageable debt level. As of December 2025, the Company had outstanding debt of \$59.2M. Any negative changes to the global macro-economic environment could negatively affect the Company's revenues and ability to service its debt.

**International operations lead to additional risks** – III generated ~36% of 2025 revenues from sales outside of the Americas. As such, the Company is exposed to various risks inherent to international business activities. Furthermore, the operations in a geography would be highly dependent on the overall economic environment of the region. Subdued economic conditions in a geography could adversely affect the Company's financial results.

**Extended economic slowdown** – Any macroeconomic weakness in III major geographic markets could lead to clients deferring their sourcing initiatives. Consequently, III results could be negatively impacted.

**Highly fragmented market with intense competition** - The business information services, and advisory sector is intensely competitive, highly fragmented, and subject to rapid change. III faces stiff competition from many large and small independent players. Additionally, barriers to entry in the business information services and advisory market are quite limited making it easier for new players to enter the market. These market characteristics could trigger existing players to expand their service portfolio to maintain and gain market share, thereby increasing competition further.

## VALUATION SUMMARY

We are using a DCF analysis and EV/EBITDA analysis to help frame valuation.

### DCF Analysis

We assume near-term revenue is driven by current industry demand trends. Thereafter, we assume III can maintain a mid-single digit revenue growth rate driven by its digital advisory services and increasing revenue generation from recurring revenue service offerings. With III’s focus on digital advisory services and recurring revenues, mix should help drive increasing margins. Additionally, we assume no acquisition growth. Our DCF valuation shows a range of between \$6.23 per share to \$7.93 per share, with a mid-point of \$6.98 per share.

#### Sensitivity Analysis:

		Terminal Growth Rates				
		1.0%	1.5%	2.0%	2.5%	3.0%
Discount Rate	9.0%	\$7.51	\$7.85	\$8.23	\$8.67	\$9.19
	9.5%	\$6.95	\$7.24	\$7.56	\$7.93	\$8.35
	10.0%	\$6.46	\$6.70	\$6.98	\$7.28	\$7.64
	10.5%	\$6.02	\$6.23	\$6.46	\$6.73	\$7.02
	11.0%	\$5.63	\$5.81	\$6.01	\$6.23	\$6.48

### Comps Analysis

Based on our forward estimates, III is trading at 1.0x EV/S, 6.7x EV/EBITDA, and a 18.1x P/E versus comps at a median of 1.4x EV/S, 8.7x EV/EBITDA, and a 12.9x P/E.

#### Comparative Analysis

Information Services Group, Inc. (NASDAQ: III)  
(all figures in \$M except per share information)

Name	Ticker	Price (1)	Sh	Mrkt Cap	EV	EV/S (2)			EV/EBITDA (2)			P/E (2)		
						LTM	2026 E	2027 E	LTM	2026 E	2027 E	LTM	2026 E	2027 E
Gartner Inc	IT	\$ 169.00	70.45	\$ 11,906.1	\$ 13,531.5	2.1x	2.1x	2.0x	10.3x	8.7x	8.2x	17.5x	12.8x	11.6x
FTI Consulting Inc	FCN	\$ 168.41	30.01	\$ 5,053.6	\$ 5,415.3	1.4x	1.3x	1.3x	11.7x	12.3x	10.8x	20.4x	18.1x	15.2x
Huron Consulting Group Inc	HURN	\$ 144.83	15.91	\$ 2,304.2	\$ 2,831.6	1.7x	1.6x	1.4x	12.9x	10.5x	9.3x	24.8x	16.5x	14.2x
Forrester Research Inc	FORR	\$ 6.46	19.00	\$ 122.8	\$ 65.1	0.2x	0.2x	0.2x	1.1x	2.5x	2.2x	nm	8.5x	7.1x
CRA International Inc	CRAI	\$ 177.47	6.57	\$ 1,165.3	\$ 1,274.3	1.7x	1.6x	1.5x	13.1x	13.0x	12.1x	21.8x	20.8x	18.7x
Hackett Group Inc	HCKT	\$ 14.21	25.38	\$ 360.7	\$ 420.8	1.4x	1.4x	1.3x	13.2x	6.3x	5.9x	30.9x	8.6x	8.0x
Average						1.4x	1.4x	1.3x	10.4x	8.9x	8.1x	23.1x	14.2x	12.5x
Median						1.6x	1.5x	1.4x	12.3x	9.6x	8.7x	21.8x	14.7x	12.9x
Information Services Group, Inc. III		\$4.53	47.9	\$ 216.9	\$ 256.7	1.0x	1.0x	1.0x	11.5x	7.5x	6.7x	23.8x	22.3x	18.1x

(1) Previous day's closing price

(2) Estimates are from CapitalIQ except for III which are Stonegate estimates  
Source: Company reports, CapitalIQ, Stonegate Capital Markets

Using an EV/EBITDA range of 8.5x to 9.5x on our forward adj. EBITDA estimate, which is in-line with historical multiples for III and current comp multiples, results in a valuation range of \$6.19 to \$6.99 with a mid-point of \$6.59.

We also list the following catalysts for the stock in 2026 and beyond:

- Increasing AI revenue as a % of sales .....2026+
- Increasing recurring revenue as a % of sales .....2026+
- Continued growth of ISG Tango.....2026+
- New acquisition announcements.....2026+

**DISCOUNTED CASH FLOW ANALYSIS**

Information Services Group, Inc. Discounted Cash Flow Model (in \$M, except per share amounts)													Terminal Value
Estimates:	2024	2025	2026 E	2027 E	2028 E	2029 E	2030 E	2031 E	2032 E	2033 E	2034 E	2035 E	
Revenue	247.6	244.7	251.9	259.7	275.0	292.9	312.5	335.0	361.2	390.1	421.3	455.0	
Operating Income	11.2	19.8	21.7	25.6	27.8	31.0	35.0	41.9	46.2	50.7	57.3	61.9	
Less: Taxes (benefit)	2.4	5.2	6.3	7.4	8.0	8.9	10.1	12.0	13.3	14.6	16.5	17.8	
NOPAT	8.8	14.6	15.5	18.3	19.8	22.1	24.9	29.8	32.9	36.1	40.8	44.1	
Plus: D&A	5.9	4.5	4.5	4.4	4.4	4.1	3.8	3.4	4.2	4.5	4.8	5.2	
Plus: Changes in WC	9.9	6.5	2.5	0.3	(1.4)	(2.6)	(2.8)	(2.8)	(3.1)	(3.1)	(3.2)	(3.4)	
Less: Capex	(2.8)	(4.0)	(2.3)	(2.3)	(2.5)	(2.6)	(2.8)	(3.0)	(3.3)	(3.5)	(3.8)	(4.1)	
Free Cash Flow	21.8	21.7	20.2	20.6	20.3	21.0	23.1	27.3	30.8	34.0	38.7	41.8	533.3
Discount period - months			12	24	36	48	60	72	84	96	108	120	
Discount period - years			1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	
Discount factor			0.91	0.83	0.75	0.68	0.62	0.56	0.51	0.47	0.42	0.39	
PV of FCF			18.4	17.0	15.3	14.3	14.3	15.4	15.8	15.9	16.4	16.1	205.6
<b>Growth rate assumptions:</b>													
Revenue		-1.2%	2.9%	3.1%	5.9%	6.5%	6.7%	7.2%	7.8%	8.0%	8.0%	8.0%	
Operating Income		76.9%	9.7%	17.9%	8.4%	11.8%	12.7%	19.6%	10.4%	9.7%	13.0%	8.0%	
EBITDA		42.5%	7.7%	14.5%	7.1%	9.2%	10.3%	16.7%	11.4%	9.5%	12.6%	8.0%	
Free Cash Flow		-0.3%	-6.8%	1.8%	-1.2%	3.0%	10.1%	18.5%	12.6%	10.4%	13.9%	8.0%	
<b>Margin assumptions:</b>													
Operating Income	4.5%	8.1%	8.6%	9.9%	10.1%	10.6%	11.2%	12.5%	12.8%	13.0%	13.6%	13.6%	
D&A as a % of sales	2.4%	1.9%	1.8%	1.7%	1.6%	1.4%	1.2%	1.0%	1.2%	1.2%	1.2%	1.2%	
EBITDA	6.9%	10.0%	10.4%	11.6%	11.7%	12.0%	12.4%	13.5%	14.0%	14.2%	14.8%	14.8%	
Taxes	21.3%	26.2%	28.9%	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	28.7%	
Changes in WC	4.0%	2.7%	1.0%	0.1%	-0.5%	-0.9%	-0.9%	-0.9%	-0.9%	-0.8%	-0.8%	-0.8%	
Capex as a % of sales	-1.1%	-1.6%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	
<b>Valuation:</b>													
Shares outstanding	47.9												
PV of FCF	159.0												
PV of Terminal Value	205.6												
Enterprise Value	364.6												
less: Net Debt	30.5												
Estimated Total Value:	334.0												
<b>Est Equity Value/share:</b>	<b>\$6.98</b>												
Current Price	\$4.53												
<b>Sensitivity Analysis:</b>													
		<b>Terminal Growth Rates</b>											
		<b>1.0%</b>	<b>1.5%</b>	<b>2.0%</b>	<b>2.5%</b>	<b>3.0%</b>							
<b>Discount Rate</b>	<b>9.0%</b>	\$7.51	\$7.85	\$8.23	\$8.67	\$9.19							
	<b>9.5%</b>	\$6.95	\$7.24	\$7.56	\$7.93	\$8.35							
	<b>10.0%</b>	\$6.46	\$6.70	\$6.98	\$7.28	\$7.64							
	<b>10.5%</b>	\$6.02	\$6.23	\$6.46	\$6.73	\$7.02							
	<b>11.0%</b>	\$5.63	\$5.81	\$6.01	\$6.23	\$6.48							

Source: Company Reports, Stonegate Capital Markets

**INCOME STATEMENT**

Information Services Group, Inc. (NASDAQ: III) Consolidated Statements of Income (in \$M): Fiscal Year: December																					
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 E Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026 E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027 E	
<b>Revenues</b>																					
Revenues	\$ 249.1	\$ 277.8	\$ 286.3	\$ 291.1	\$ 247.6	\$ 59.6	\$ 61.6	\$ 62.4	\$ 61.2	\$ 244.7	\$ 60.8	\$ 63.2	\$ 63.9	\$ 64.0	\$ 251.9	\$ 62.6	\$ 65.0	\$ 65.9	\$ 66.2	\$ 259.7	
<b>Total revenue</b>	\$ 249.1	\$ 277.8	\$ 286.3	\$ 291.1	\$ 247.6	\$ 59.6	\$ 61.6	\$ 62.4	\$ 61.2	\$ 244.7	\$ 60.8	\$ 63.2	\$ 63.9	\$ 64.0	\$ 251.9	\$ 62.6	\$ 65.0	\$ 65.9	\$ 66.2	\$ 259.7	
<b>Operating expenses</b>																					
Direct costs and expenses for advisors	149.9	168.5	169.7	178.9	150.3	33.9	35.6	36.0	33.8	139.3	33.9	36.4	36.7	36.1	143.0	35.5	36.3	37.8	37.7	147.3	
Selling, general and administrative	83.8	78.8	81.8	91.3	85.6	21.2	20.1	20.6	21.2	83.1	21.2	21.0	21.0	21.0	84.2	21.1	21.1	21.1	21.1	84.4	
Depreciation and amortization	6.2	5.3	5.4	6.3	5.9	1.1	1.2	1.1	1.1	4.5	1.1	1.1	1.1	1.1	4.5	1.1	1.1	1.1	1.1	4.4	
<b>Total operating expenses</b>	239.9	252.6	256.8	276.4	241.8	56.2	56.9	57.8	56.1	226.9	56.2	58.4	58.9	58.2	231.7	57.7	58.5	60.0	59.9	236.1	
<b>Operating income (loss)</b>	9.3	25.3	29.5	14.6	5.8	3.4	4.7	4.6	5.1	17.8	4.6	4.8	5.1	5.8	20.2	4.9	6.5	5.9	6.3	23.6	
<b>Operating income (loss) - adjusted (1)</b>	13.3	27.0	30.4	22.3	11.2	3.9	5.1	5.5	5.3	19.8	4.8	5.0	5.6	6.3	21.7	5.4	7.0	6.4	6.8	25.6	
<b>Other expense (income):</b>																					
Interest income	(0.3)	(0.1)	(0.2)	(0.5)	(0.8)	(0.1)	(0.0)	(0.0)	(0.0)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	
Interest expense	3.6	2.3	3.2	6.2	5.8	1.1	1.0	1.1	0.9	4.1	1.0	1.0	1.0	1.0	4.0	1.0	1.0	1.0	1.0	4.0	
FX transaction (loss) gain	0.1	(0.0)	(0.2)	0.2	0.0	(0.0)	0.1	0.1	(0.1)	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	
<b>Total other expense (income):</b>	3.4	2.2	2.8	5.9	0.5	1.0	1.1	1.8	0.8	4.7	0.9	0.9	0.9	0.9	3.7	0.9	0.9	0.9	0.9	3.7	
<b>Pre-tax income (loss)</b>	5.9	23.1	26.7	8.8	5.2	2.4	3.6	4.2	4.4	13.1	3.7	3.9	4.1	4.8	16.5	3.9	5.6	5.0	5.4	19.9	
Income tax expense (benefit)	3.1	7.6	7.0	2.6	2.4	0.9	1.4	1.1	1.8	5.2	1.4	1.5	1.6	1.8	6.3	1.5	2.1	1.8	2.0	7.4	
<b>Net income (loss)</b>	2.8	15.5	19.7	6.2	2.8	1.5	2.2	3.1	2.6	7.9	2.3	2.4	2.6	3.0	10.2	2.5	3.5	3.1	3.4	12.5	
<b>EPS</b>	\$ 0.06	\$ 0.30	\$ 0.39	\$ 0.12	\$ 0.06	\$ 0.03	\$ 0.04	\$ 0.06	\$ 0.05	\$ 0.16	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.06	\$ 0.20	\$ 0.05	\$ 0.07	\$ 0.06	\$ 0.07	\$ 0.25	
<b>Net income (loss) - adjusted (2)</b>	14.1	23.1	26.9	20.1	10.0	3.7	4.1	4.7	4.9	17.4	3.8	3.9	4.2	4.6	16.4	4.2	5.3	4.7	4.9	19.2	
<b>EPS (loss) - adjusted (2)</b>	\$ 0.29	\$ 0.45	\$ 0.53	\$ 0.40	\$ 0.20	\$ 0.07	\$ 0.08	\$ 0.09	\$ 0.10	\$ 0.35	\$ 0.07	\$ 0.08	\$ 0.08	\$ 0.09	\$ 0.33	\$ 0.08	\$ 0.11	\$ 0.09	\$ 0.10	\$ 0.38	
Weighted avg. shares	49.4	51.8	50.4	50.2	49.7	50.3	50.1	50.4	50.5	50.3	50.5	50.4	50.4	50.3	50.4	50.3	50.2	50.2	50.1	50.2	
<b>EBITDA (1)</b>	19.4	32.3	35.8	28.5	17.1	5.0	6.3	6.7	6.4	24.4	6.0	6.2	6.7	7.4	26.2	6.5	8.1	7.5	7.9	30.0	
<b>EBITDA - adjusted (3)</b>	28.3	38.8	43.3	37.7	25.1	7.4	8.3	8.4	8.1	32.2	8.0	8.2	8.7	9.4	34.2	8.6	10.2	9.6	10.0	38.4	

(1) Excludes 1x items  
(2) III calculated results which excludes 1x items, stock comp and amortization expense  
(3) Adjusted EBITDA excludes 1x items and stock compensation

<b>Margin Analysis</b>																				
Gross margin	39.8%	39.4%	40.7%	38.5%	39.3%	43.1%	42.2%	42.2%	44.8%	43.1%	44.3%	42.5%	42.6%	43.6%	43.2%	43.3%	44.2%	42.6%	43.1%	43.3%
Operating margin	3.7%	9.1%	10.3%	5.0%	2.3%	5.7%	7.6%	7.4%	8.4%	7.3%	7.6%	7.6%	7.9%	9.0%	8.0%	7.8%	10.1%	8.9%	9.6%	9.1%
Operating margin - adjusted	5.3%	9.7%	10.6%	7.7%	4.5%	6.5%	8.3%	8.9%	8.7%	8.1%	8.0%	8.0%	8.7%	9.8%	8.6%	8.6%	10.8%	9.7%	10.3%	9.9%
EBITDA margin	7.8%	11.6%	12.5%	9.8%	6.9%	8.4%	10.2%	10.7%	10.5%	10.0%	9.8%	9.8%	10.5%	11.6%	10.4%	10.3%	12.5%	11.4%	12.0%	11.6%
EBITDA margin - adjusted	11.4%	14.0%	15.1%	12.9%	10.2%	12.4%	13.5%	13.5%	13.2%	13.2%	13.1%	12.9%	13.6%	14.7%	13.6%	13.7%	15.8%	14.5%	15.1%	14.8%
Net income margin	1.1%	5.6%	6.9%	2.1%	1.1%	2.5%	3.5%	4.9%	4.3%	3.2%	3.7%	3.8%	4.0%	4.7%	4.1%	4.0%	5.4%	4.7%	5.1%	4.8%
Net income margin - adjusted	5.7%	8.3%	9.4%	6.9%	4.0%	6.2%	6.7%	7.5%	8.1%	7.1%	6.2%	6.1%	6.6%	7.2%	6.5%	6.8%	8.2%	7.1%	7.4%	7.4%
Tax rate	53.1%	32.8%	26.1%	29.8%	45.7%	37.9%	38.7%	27.2%	40.3%	39.7%	38.0%	38.0%	38.0%	38.0%	38.0%	37.0%	37.0%	37.0%	37.0%	37.0%
<b>Growth Rate Analysis Y/Y</b>																				
Total revenue	-6.3%	11.5%	3.0%	1.7%	-14.9%	-7.3%	-4.2%	1.8%	5.9%	-1.2%	2.0%	2.7%	2.5%	4.5%	2.9%	3.0%	2.8%	3.1%	3.4%	3.1%
Operating income	-30.6%	172.6%	16.7%	-50.4%	-60.6%	243.3%	27.8%	6.8%	2775.4%	209.3%	35.3%	2.8%	10.7%	12.1%	13.7%	6.0%	36.6%	16.0%	9.6%	16.8%
Operating income - adjusted	-12.9%	103.9%	12.6%	-26.7%	-49.7%	486.5%	17.1%	75.3%	75.8%	76.9%	25.2%	-1.6%	1.0%	18.3%	9.7%	10.9%	39.7%	14.5%	8.8%	17.9%
EBITDA	-11.3%	66.3%	10.7%	-20.3%	-40.1%	129.8%	4.9%	40.4%	53.7%	42.5%	20.0%	-2.0%	0.6%	15.1%	7.7%	8.4%	32.1%	11.7%	7.1%	14.5%
EBITDA - adjusted	-10.1%	37.0%	11.5%	-33.3%	-33.3%	67.6%	16.7%	19.0%	23.6%	28.1%	7.8%	-1.5%	3.3%	16.2%	6.3%	7.5%	25.4%	10.2%	6.7%	12.2%
Net income	-17.6%	463.9%	27.0%	-68.8%	-53.9%	143.9%	7.1%	166.2%	-14.0%	178.4%	52.7%	9.7%	-15.9%	14.7%	29.5%	9.3%	47.8%	21.5%	13.2%	22.5%
EPS	-19.6%	437.8%	30.4%	-68.6%	-53.5%	-142.4%	5.9%	164.7%	-13.8%	175.0%	52.0%	9.1%	-15.8%	15.1%	29.4%	9.7%	48.3%	22.0%	13.7%	23.0%
Net income - adjusted	1.1%	64.2%	16.3%	-25.4%	-50.4%	410.6%	9.5%	88.8%	65.6%	75.0%	2.4%	-6.8%	-9.6%	-7.2%	-5.7%	12.7%	37.3%	11.1%	7.3%	16.6%
EPS - adjusted	-1.4%	56.6%	19.4%	-25.0%	-49.9%	392.7%	8.3%	87.7%	66.0%	72.8%	1.9%	-7.3%	-9.5%	-6.8%	-5.8%	13.1%	37.8%	11.6%	7.8%	17.0%
Share count	2.6%	4.9%	-2.6%	-0.5%	-0.9%	3.6%	1.1%	0.6%	-0.2%	1.2%	0.4%	0.6%	-0.1%	-0.4%	0.1%	-0.4%	-0.4%	-0.4%	-0.4%	-0.4%

Source: Company Reports, Stonegate Capital Markets estimates

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