Research Update

Park-Ohio Holdings Corp. (NASDAQ: PKOH)

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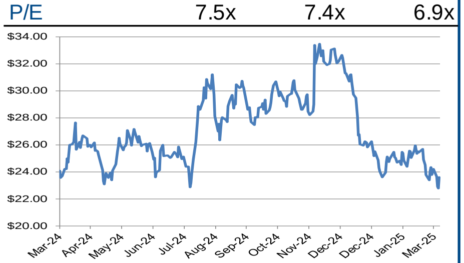
Market Statistics	
Price	$ 23.62
52 week Range	$22.43 - $34.50
Daily Vol (3-mo. average)	26,165
Market Cap ($M):	$ 320.2
Enterprise Value ($M):	$ 940.6
Shares Outstanding: ($M)	13.6
Float (M)	9.0
Public Ownership	11.0%
Institutional Ownership	55.5%

Financial Summary	
Cash ($M)	$ 53.1
Cash/Share	$ 3.92
Debt ($M)	$ 628.7
Equity ($M)	$ 337.1
Equity/Share	$ 24.40

FYE: Dec	2024	2025E	2026E
(in $M)			
Rev	$1,656.2	$1,702.6	$1,766.8
Chng%	0%	3%	4%
EBITDA	$ 152.7	$ 151.2	$ 153.8
Net Income	$ 47.5	$ 46.7	$ 50.2
EPS	$ 3.60	$ 3.17	$ 3.41
EV/Revenue	0.6x	0.6x	0.5x
EV/EBITDA	6.3x	6.2x	6.1x
P/E	7.5x	7.4x	6.9x



COMPANY DESCRIPTION

Park-Ohio Holdings Corp. (Park-Ohio) is a globally diversified manufacturing company that offers industrial supply chain management solutions, assembly components, and engineered products. The Company is a specialized manufacturer of equipment for industries such as automotive, construction, and marine, among others. Park-Ohio operates through employee strength of 6,300 at its facilities at 90 locations across 19 countries.

PKOH Reports 4Q24 Results

PKOH reported stable net sales and improved margins for 4Q24 and FY24. Net sales from continuing operations in the quarter totaled $388.0M, flat compared to $389.3M in 4Q23. Adj. EPS from continuing operations rose by 24% y/y to $0.67 per diluted share, reflecting improved profitability despite stable revenue. EBITDA increased by 27% to $37.0M. For the full year, net sales reached $1.66B, with a gross margin improvement of 60 bps to 17.0%. Adj. EPS from continuing operations increased by 17% y/y to $3.59 per diluted share. The Company maintained strong liquidity, ending the year with $198.2M in total liquidity, including $53.1M in cash, aided by operating cash flows of $35.0M and free cash flow of $15.0M. PKOH also reduced its net debt leverage to 3.8x, an improvement from 4.4x a year ago.

Quarterly results - PKOH reported revenue, adj EBITDA, and adj EPS of $388.4M, $37.0M, and $0.67, respectively. This compares to our/consensus estimates of $404.7M/$405.9M, $34.4M/$32.7M, and $0.63/$0.64, respectively. Revenues decreased 0.2% year-over-year. Both SP and EP segments saw revenues increase Y/Y with AC posting a decrease of (7.5%). Despite the revenue softness, strategic pricing, favorable product mix, and cost optimization initiatives contributed to strong margin expansion.

Segments Overview - Supply Tech (ST) generated net sales of $181.8M, increasing 2.4% y/y. This was primarily due continued strong demand in end markets. OPM increased 80bps y/y in 4Q24 and by 200bps for the full year. Assembly Components (AC) revenue declined 7.5% y/y to 89.7M. This decrease can be attributed to lower pricing on legacy programs and reduced volumes on end-of-life programs. For the full year, AC's net sales totaled $398.7M, with operating income of $25.4M, reflecting the challenges in legacy programs but benefiting from profit improvement initiatives. Lastly, Engineered Products (EP) revenue increased by 1.8% y/y, this increase was seen through higher sales in the capital equipment business, including aftermarket parts and services. Despite a 3% decline in forged and machined product sales, operating income reached $3.1M. For the full year, EP net sales increased 3% to a record $481.7M. New equipment backlog ended the year at $145.0M, down from $162.0M a year ago.

Outlook remains positive – The Company expects ST to continue its strong performance, particularly in fastener manufacturing and aerospace. AC is expected to stabilize as legacy program impacts lessen in FY25. Lastly, management expressed that EP is well positioned for growth, supported by a strong backlog in the capital equipment business. All in all, PKOH remains committed to improving margins and maintaining strong liquidity, leveraging its reshaped business portfolio for sustained profitability.

Guidance – PKOH has updated its outlook for FY25, projecting revenue growth of 2% to 4% and an increase in adjusted operating income, adjusted net income, and EBITDA. This reflects The Company continues to focus on operational efficiency and cost management to drive profitability. We find this guidance to be reasonable and have adjusted our model accordingly.

Valuation - We use both a DCF and EV/EBITDA comp analysis to guide our valuation. Our DCF analysis produces a valuation range of $27.81 to $36.16 with a mid-point of $31.66. Our EV/EBITDA valuation results in a range of $25.60 to $36.94 with a mid-point of $31.27.

SUMMARY

Exhibit 1: Quarterly Results vs. Model

	4Q24 Results *(in $M, except EPS)*		
	Reported	Model	Notes
Revenues	**$ 388.4**	**$ 404.7**	Revenues slightly below our model
Cost of sales	323.9	336.9	
Gross profit	**64.5**	**67.7**	
GPM	**16.6%**	**16.7%**	
SG&A	45.1	46.1	
Operating Exp	45.1	46.1	
Op Inc - adjusted	**19.3**	**21.4**	Strong Margins kept Operating Income in-line with our estimates
OPM	**5.0%**	**5.3%**	
EBITDA - adjusted	**37.0**	**34.4**	
EBITDA margin	**9.5%**	**8.5%**	
Net inc- adjusted	$ 9.3	$ 8.5	Margin expansion from strong mix drove EPS outperformance vs estimates
EPS - adjusted	**$ 0.67**	**$ 0.63**	

Source: Company Reports; Stonegate Capital Markets

INVESTMENT FACTORS

Park-Ohio is a global industrial supply chain management and diversified manufacturing company. Over the last two decades, the Company has shown solid revenue growth from $636M in 2001 to ~$1.66B in 2024. Throughout this period, the Company built a strong foundation spanning three business segments, Supply Technologies, Assembly Components, and Engineered Products, that sell its products and services to more than 20+ sub-industries, which we believe offers great diversification to the Company's top-line.

We believe Park-Ohio is well positioned for long-term growth, as the Company has solid organic growth drivers in place, an acquisition strategy that has proven itself to add growth and value to shareholders, and a cash flow profile that should help continue to fund growth initiatives.

Investment Positives

Organic growth drivers are in place

Supply Technologies (~47% of revenues in F24) acts as an outsourced supply chain management provider. Using proprietary software that its customers integrate into its supply chain operations, the Company manages every phase of supplying parts and materials to customer's manufacturing lines. As the service helps clients reduce operating costs and improve manufacturing efficiencies, we believe the segment possess strong growth characteristics. While the entire supply chain is typically not outsourced, this acts as a potential catalyst for growth. Here, Supply Technologies can prove itself in one or two components and thus expand to other areas of the supply chain for its customers. Additionally, it can also expand globally to other manufacturing plants operated by its customers.

For Assembly Components (~24% of revenues in F24), an important driver for this segment is the automotive industry. The need to improve fuel economy is driving the Company's fuel filler system assemblies, hose turbo charging and gas injections systems. As there are very few domestic companies that can meet the stringent quality and service requirements of customers, the Assembly Components segment is well positioned to benefit as customers consolidate supplier bases.

Disciplined acquisition strategy has historically added growth and value

Since 1992, Park-Ohio has made over 90 acquisitions and grown the company from ~$60M in revenue in 1992 to ~$1.66B in 2024 from continuing operations. Over this period, management has developed a disciplined approach in selecting targets and acquiring these targets at low single digit multiples of EBITDA. As such, acquisitions play an important role in the Company's overall strategy and has significantly added to revenue growth. While revenue growth is important, we note that historically, Park-Ohio also created solid value as measured by ROIC. Since F12, we calculate annual ROIC values in the 7% to 13% range, Pre-Covid. Furthermore, these acquisitions helped in expanding service offerings and helped with geographic diversity. Going forward, we believe acquisitions should act as a key catalyst for the Company. While we have not forecasted any acquisition in the near-term, any highly accretive M&A deal represents upside to our estimates.

Niche operator and mission critical services provide competitive advantages

Many of Park-Ohio's businesses operate in niche markets that are too small for much larger competitors. This allows the Company to be in the #1 or #2 spot in terms of market share for various products. As an example, in the Engineered Products segment, Park Ohio operates a 50,000 pound forging hammer that is unique in the industry and give the Company a competitive advantage in the Aerospace and Defense end market. Additionally, the Company is often a sole sourced vendor to many of its clients. In the Supply Technologies segment, the Company's service is integrated into a client's supply chain, which is a mission critical element of any manufacturing company. This has led to the average tenure of its top 50 clients exceeding 10 years. We believe these attributes lead to competitive advantages where the threat of new entrants is limited, and clients are rather sticky, all of which, should help add to the continued growth of the Company.

Investment Challenges / Risks

Exposure to cyclical industries and linked to global macroeconomic outlook

Park-Ohio caters to a wide variety of industries such as automotive, heavy-duty truck, industrial equipment, aerospace, and defense, etc. which are cyclical in nature. Consequently, the performance of the Company is affected by general client industry trends and general economic conditions.

Acquisitions present uncertainty

A key element of Park-Ohio's business strategy is to make acquisition and acquisitions involve numerous risks. While Park-Ohio has shown an ability to successfully acquire and integrate acquisition, should the Company fail to hit its targets, or should an acquisition not met expectations, operating results could be negatively impacted.

Customer concentration

Park-Ohio's Supply Technologies segment derived approximately 34% and 36% of its segmental revenues from its top-five customers in F24 and F23, respectively. Furthermore, Assembly Components segments derived approximately 55% and 57% of its revenue from its top five customers in F24 and F23. Any adverse event from a client contract should materially and negatively affect operating results.

Currency headwinds

Over the past 3 years, Park-Ohio has generated around 1/3 of its revenues from international markets. Any strength in the US dollar vs. other foreign currencies, in general, can act as a headwind due to revenue translation effects, and from a competitive position vs. international peers.

Significant ownership by CEO and former President

Edward Crawford, former President and Matt Crawford, CEO (son of President), own ~6.3% and ~21.8% of Park-Ohio, respectively. While we generally like to see companies with significant ownership, the concentrated ownership allows management to exert significant control over operations. Should their interests diverge from minority owners, minority shareholders may be negatively affected.

VALUATION SUMMARY

We have used DCF and comparison analysis to help frame valuation.

DCF Analysis

We are modeling near term revenue growth rates driven by end market recovery, offset by discussed headwinds. Our longer-term revenue growth is a more normalized rate that is consistent with PKOH's long-term organic growth goals in the 4% - 6% range.

Our DCF analysis relies on a range of discount rates between 10.8% and 11.3% with a midpoint of 11.00% and terminal growth rates between 1.5% and 2.5%. This arrives at a valuation range of $27.81 to $36.16 with a mid-point of $31.66.

Sensitivity Analysis:

		Terminal Growth Rates				
		1.0%	1.5%	2.0%	2.5%	3.0%
Discount Rate	10.50%	$31.97	$33.96	$36.18	$38.68	$41.51
	10.75%	$29.95	$31.80	$33.86	$36.16	$38.77
	11.00%	$28.04	$29.75	$31.66	$33.80	$36.19
	11.25%	$26.21	$27.81	$29.59	$31.56	$33.78
	11.50%	$24.48	$25.97	$27.62	$29.45	$31.50

Comparison Analysis

We are using our F25 estimates for valuation purposes to better capture a normalized operating environment.

					EV/S (2)			EV/EBITDA (2)			P/E (2)		
Company Name	Ticker	Price (1)	Mrkt Cap	EV	TTM	2025E	2026E	TTM	2025E	2026E	TTM	2025E	2026E
Fastenal Company	FAST	$ 77.85	$ 44,640.7	$ 44,870.3	6.1x	5.7x	5.3x	24.8x	25.4x	23.4x	40.0x	37.2x	34.0x
WESCO International, Inc.	WCC	$ 167.87	$ 8,191.4	$ 13,332.9	0.6x	0.6x	0.6x	7.7x	8.5x	7.9x	12.7x	12.2x	10.2x
Bossard Holding AG	BOSN	$ 232.32	$ 1,583.9	$ 2,079.1	1.9x	1.7x	1.6x	15.7x	12.7x	11.7x	22.4x	18.8x	17.2x
Martinrea International Inc.	MRE	$ 5.56	$ 576.5	$ 1,146.2	0.3x	0.3x	0.3x	2.7x	2.7x	2.6x	NM	4.2x	3.6x
Owens & Minor, Inc.	OMI	$ 9.97	$ 770.2	$ 2,951.8	0.3x	0.3x	0.3x	4.4x	5.2x	4.8x	NM	5.7x	4.8x
				Average	**1.8x**	**1.7x**	**1.6x**	**11.1x**	**10.9x**	**10.1x**	**25.0x**	**15.6x**	**14.0x**
				Median	**0.6x**	**0.6x**	**0.6x**	**7.7x**	**8.5x**	**7.9x**	**22.4x**	**12.2x**	**10.2x**
Park-Ohio Holdings Corp.	**PKOH**	**$ 23.62**	**$ 320.2**	**$ 940.6**	**0.6x**	**0.6x**	**0.5x**	**6.3x**	**6.2x**	**6.1x**	**7.5x**	**7.4x**	**6.9x**

(1) Previous day's closing price
(2) Estimates are from Capital IQ except those for Park-Ohio Holdings Corp. which are Stonegate estimates
Source: Company Reports; CapitalIQ; Stonegate Capital Markets

We are also using an EV/EBITDA framework to inform our PKOH valuation. Currently PKOH is trading at a FY26 EV/EBITDA of 6.1x compared to comps at an average of 10.1x. We are using our forward expected EBITDA, and an EV/EBITDA range of 6.0x to 7.0x with a midpoint of 6.5x which brings PKOH in-line with the current comps, Park-Ohio's 10-year average range, and a 10-year average range for the comps. This arrives at a valuation range of $25.60 to $36.94 with a mid-point of $31.27.

We see the following important catalysts for the stock in F24 and beyond:

- Additional acquisitions announced ……………………….……………….................F25+
- Additional restructuring efforts take hold ……………...F25+
- Margin expansion.……………………………………………………….........................F25+
- Deleveraging of Balance Sheet.……………………………………………………………F25+

VALUATION ANALYSIS

Park-Ohio Holdings Corp.
Discounted Cash Flow Model (in millions $, except per share amounts)

Estimates:	2023	2024	2025 E	2026 E	2027 E	2028 E	2029 E	2030 E	2031 E	2032 E	2033 E	2034 E	Terminal Value
Revenues	1,659.7	1,656.2	1,702.6	1,766.8	1,855.1	1,957.1	2,055.0	2,151.6	2,248.4	2,349.6	2,450.6	2,548.6	
Operating Income	84.1	86.6	102.0	108.2	113.2	117.4	123.3	124.8	130.4	135.1	137.2	140.2	
Less: Taxes (benefit)	8.5	4.9	13.3	14.5	24.9	25.8	27.1	27.5	28.7	29.7	30.2	30.8	
NOPAT	75.6	81.7	88.6	93.7	88.3	91.6	96.2	97.3	101.7	105.4	107.0	109.3	
Plus: D&A	31.6	33.6	34.0	34.0	35.7	37.2	38.0	38.7	38.2	39.9	41.7	43.3	
Plus: Changes in WC	(9.8)	(26.6)	(17.0)	(17.7)	(13.9)	(14.7)	(15.4)	(16.1)	(16.9)	(17.6)	(18.4)	(19.1)	
Less: Capex	(28.2)	(31.4)	(25.5)	(26.5)	(24.1)	(23.5)	(20.5)	(21.5)	(22.5)	(17.6)	(18.4)	(20.4)	
Free Cash Flow	69.2	57.3	80.1	83.5	85.9	90.6	98.2	98.4	100.6	110.1	111.9	113.2	1,282.5
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			0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43	0.39	0.35	
PV of FCF			72.1	67.8	62.8	59.7	58.3	52.6	48.5	47.8	43.8	39.9	451.7
Growth rate assumptions:													
Revenue		-0.2%	2.8%	3.8%	5.0%	5.5%	5.0%	4.7%	4.5%	4.5%	4.3%	4.0%	
Operating Income		3.0%	17.8%	6.1%	4.6%	3.8%	5.0%	1.2%	4.5%	3.6%	1.6%	2.1%	
EBITDA		3.9%	13.1%	4.6%	4.7%	3.9%	4.3%	1.4%	3.1%	3.8%	2.2%	2.6%	
Free Cash Flow		-17.2%	39.7%	4.3%	2.9%	5.4%	8.4%	0.2%	2.2%	9.4%	1.7%	1.1%	
Margin assumptions:													
Operating margin	5.1%	5.2%	6.0%	6.1%	6.1%	6.0%	6.0%	5.8%	5.8%	5.8%	5.6%	5.5%	
Depr as a % of sales	1.9%	2.0%	2.0%	1.9%	1.9%	1.9%	1.9%	1.8%	1.7%	1.7%	1.7%	1.7%	
EBITDA	7.0%	7.3%	8.0%	8.0%	8.0%	7.9%	7.9%	7.6%	7.5%	7.5%	7.3%	7.2%	
Taxes	10.1%	5.7%	13.1%	13.4%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	
Changes in WC	-0.6%	-1.6%	-1.0%	-1.0%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	
Capex as a % of sales	-1.7%	-1.9%	-1.5%	-1.5%	-1.3%	-1.2%	-1.0%	-1.0%	-1.0%	-0.8%	-0.8%	-0.8%	

Valuation:

Shares outstanding	13.6
PV of FCF	553.2
PV of Terminal Value	451.7
Enterprise Value	1,004.9
less: Net Debt	575.6
Estimated Total Value:	429.3
Est Equity Value/share:	**$31.66**
Price	$23.62

Sensitivity Analysis:

Discount Rate	Terminal Growth Rates 1.0%	1.5%	2.0%	2.5%	3.0%
10.50%	$31.97	$33.96	$36.18	$38.68	$41.51
10.75%	$29.95	$31.80	$33.86	$36.16	$38.77
11.00%	$28.04	$29.75	$31.66	$33.80	$36.19
11.25%	$26.21	$27.81	$29.59	$31.56	$33.78
11.50%	$24.48	$25.97	$27.62	$29.45	$31.50

Source: Company Reports, Stonegate Capital Markets estimates

INCOME STATEMENT

Park-Ohio Holdings Corp. (NASDAQ:PKOH)
Consolidated Statements of Income (in millions $, except per share amounts)
Fiscal Year: December

	FY 2020	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 E 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
Revenues																			
Revenues	$ 1,295.2	$ 1,438.0	$ 1,664.4	$ 1,659.7	$ 417.6	$ 432.6	$ 417.6	$ 388.4	$ 1,656.2	$ 426.0	$ 437.2	$ 430.1	$ 409.3	$ 1,702.6	$ 442.0	$ 455.3	$ 450.3	$ 419.2	$ 1,766.8
Total revenues	**1,295.2**	**1,438.0**	**1,664.4**	**1,659.7**	**417.6**	**432.6**	**417.6**	**388.4**	**1,656.2**	**426.0**	**437.2**	**430.1**	**409.3**	**1,702.6**	**442.0**	**455.3**	**450.3**	**419.2**	**1,766.8**
Cost of revenues																			
Cost of goods sold	1,126.6	1,281.9	1,455.0	1,388.3	346.2	359.4	345.3	323.9	1,374.8	353.4	362.4	354.8	340.5	1,411.2	366.4	377.0	372.2	347.9	1,463.5
Total cost of revenues	1,126.6	1,281.9	1,455.0	1,388.3	346.2	359.4	345.3	323.9	1,374.8	353.4	362.4	354.8	340.5	1,411.2	366.4	377.0	372.2	347.9	1,463.5
Gross (loss) profit	**168.6**	**156.1**	**209.4**	**271.4**	**71.4**	**73.2**	**72.3**	**64.5**	**281.4**	**72.6**	**74.8**	**75.3**	**68.8**	**291.4**	**75.6**	**78.3**	**78.1**	**71.3**	**303.3**
Operating expenses																			
SG&A	152.9	178.3	179.3	181.5	47.1	47.4	47.8	45.1	187.4	46.4	48.1	49.9	45.0	189.4	48.0	51.0	50.9	45.3	195.1
Other	-	(10.1)	4.9	5.8	0.3	1.2	0.9	5.0	7.4	-	-	-	-	-	-	-	-	-	-
Total operating expenses	152.9	168.2	184.2	187.3	47.4	48.6	48.7	50.1	194.8	46.4	48.1	49.9	45.0	189.4	48.0	51.0	50.9	45.3	195.1
Income (loss) from operations	**15.7**	**(12.1)**	**25.2**	**84.1**	**24.0**	**24.6**	**23.6**	**14.4**	**86.6**	**26.2**	**26.7**	**25.4**	**23.7**	**102.0**	**27.6**	**27.3**	**27.2**	**26.0**	**108.2**
Inc (loss) from operations - adjusted (1)	**22.3**	**1.8**	**43.7**	**89.9**	**24.3**	**25.7**	**24.2**	**19.3**	**93.5**	**26.2**	**26.7**	**25.4**	**23.7**	**102.0**	**27.6**	**27.3**	**27.2**	**26.0**	**108.2**
Interest income (expense), net	(30.3)	(30.1)	(35.8)	(45.1)	(11.9)	(12.0)	(12.1)	(11.4)	(47.4)	(11.6)	(11.6)	(11.5)	(11.4)	(46.1)	(11.7)	(11.6)	(11.6)	(11.5)	(46.4)
Other - pension inc & other benefits exp	7.3 #	9.7 #	11.1 #	2.5 #	1.3	1.4	1.1	1.4	5.2 #	1.2	1.2	1.2	1.2	4.8 #	1.0	1.0	1.0	1.0	4.0
Other income/(expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total other income (expense):	(23.0)	(20.4)	(24.7)	(42.6)	(10.6)	(10.6)	(11.0)	(10.0)	(42.2)	(10.4)	(10.4)	(10.3)	(10.2)	(41.3)	(10.7)	(10.6)	(10.6)	(10.5)	(42.4)
Pre-tax income (loss)	**(7.3)**	**(32.5)**	**0.5**	**41.5**	**13.4**	**14.0**	**12.6**	**4.4**	**44.4**	**15.8**	**16.3**	**15.1**	**13.5**	**60.7**	**16.9**	**16.7**	**16.7**	**15.5**	**65.8**
Provision for taxes (benefit)	(2.5)	(6.5)	(3.6)	8.5	3.3	2.6	(0.6)	(0.4)	4.9	3.5	3.6	3.3	3.0	13.3	3.7	3.7	3.7	3.4	14.5
Net income (loss)	**$ (4.8)**	**$ (26.0)**	**$ 4.1**	**$ 33.0**	**$ 10.1**	**$ 11.4**	**$ 13.2**	**$ 4.8**	**$ 39.5**	**$ 12.3**	**$ 12.7**	**$ 11.8**	**$ 10.5**	**$ 47.3**	**$ 13.2**	**$ 13.0**	**$ 13.0**	**$ 12.1**	**$ 51.3**
Net inc attributable to non-controlling int	$ 0.3	$ 1.2	$ (1.3)	$ 1.0	$ 0.5	$ 0.9	$ 0.5	$ 0.8	$ 2.7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net inc (loss) to common	**$ (4.5)**	**$ (24.8)**	**$ 2.8**	**$ 7.8**	**$ 9.6**	**$ 11.9**	**$ 9.8**	**$ 0.5**	**$ 42.2**	**$ 12.3**	**$ 12.7**	**$ 11.8**	**$ 10.5**	**$ 47.3**	**$ 13.2**	**$ 13.0**	**$ 13.0**	**$ 12.1**	**$ 51.3**
Diluted EPS (loss)	**$ (0.37)**	**$ (2.07)**	**$ 0.23**	**$ 0.62**	**$ 0.75**	**$ 0.92**	**$ 0.73**	**$ 0.04**	**$ 3.18**	**$ 0.84**	**$ 0.87**	**$ 0.80**	**$ 0.72**	**$ 3.22**	**$ 0.90**	**$ 0.88**	**$ 0.88**	**$ 0.82**	**$ 3.48**
Net income (loss) - adjusted (1)	**0.1**	**(14.4)**	**16.7**	**38.4**	**10.8**	**13.1**	**14.3**	**9.3**	**47.5**	**12.1**	**12.5**	**11.6**	**10.4**	**46.7**	**12.9**	**12.7**	**12.7**	**11.8**	**50.2**
EPS (loss) - adjusted (1)	**$ 0.01**	**$ (1.20)**	**$ 1.37**	**$ 3.07**	**$ 0.85**	**$ 1.02**	**$ 1.07**	**$ 0.67**	**$ 3.60**	**$ 0.83**	**$ 0.85**	**$ 0.79**	**$ 0.71**	**$ 3.17**	**$ 0.88**	**$ 0.86**	**$ 0.86**	**$ 0.80**	**$ 3.41**
Diluted shares outstanding	12.2	12.0	12.2	12.5	12.8	12.9	13.4	13.9	13.3	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.8	14.7
EBITDA (1)	58.1	40.4	81.2	121.5	32.7	34.0	32.7	27.7	127.1	34.7	35.2	33.9	32.2	136.0	36.1	35.8	35.7	34.5	142.2
EBITDA - adjusted (1) (2)	72.9	93.4	91.8	135.2	37.8	39.4	38.5	37.0	152.7	38.5	39.0	37.7	36.0	151.2	39.0	38.7	38.6	37.4	153.8
Margin Analysis																			
Gross margin	13.0%	10.9%	12.6%	16.4%	17.1%	16.9%	17.3%	16.6%	17.0%	17.1%	17.1%	17.5%	16.8%	17.1%	17.1%	17.2%	17.4%	17.0%	17.2%
Operating margin	1.2%	-0.8%	1.5%	5.1%	5.7%	5.7%	5.7%	3.7%	5.2%	6.2%	6.1%	5.9%	5.8%	6.0%	6.3%	6.0%	6.1%	6.2%	6.1%
Operatin margin - adjusted	1.7%	0.1%	2.6%	5.4%	5.8%	5.9%	5.8%	5.0%	5.6%	6.2%	6.1%	5.9%	5.8%	6.0%	6.3%	6.0%	6.1%	6.2%	6.1%
EBITDA margin	4.5%	2.8%	4.9%	7.3%	7.8%	7.9%	7.8%	7.1%	7.7%	8.1%	8.0%	7.9%	7.9%	8.0%	8.2%	7.9%	7.9%	8.2%	8.0%
EBITDA - adjusted margin	5.6%	6.5%	5.5%	8.1%	9.1%	9.1%	9.2%	9.5%	9.2%	9.0%	8.9%	8.8%	8.8%	8.9%	8.8%	8.5%	8.6%	8.9%	8.7%
Pre-tax margin	-0.6%	-2.3%	0.0%	2.5%	3.2%	3.2%	3.0%	1.1%	2.7%	3.7%	3.7%	3.5%	3.3%	3.6%	3.8%	3.7%	3.7%	3.7%	3.7%
Net income margin	-0.4%	-1.8%	0.2%	2.0%	2.4%	2.6%	3.2%	1.2%	2.4%	2.9%	2.9%	2.7%	2.6%	2.8%	3.0%	2.9%	2.9%	2.9%	2.9%
Tax rate	34.2%	20.0%	-720.0%	20.5%	24.6%	18.6%	-4.8%	-9.1%	11.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%
Growth Rate Analysis Y/Y																			
Total revenues	-20.0%	11.0%	15.7%	-0.3%	-1.4%	1.1%	-0.3%	-0.2%	-0.2%	2.0%	1.1%	3.0%	5.4%	2.8%	3.8%	4.1%	4.7%	2.4%	3.8%
Total cost of revenues	-17.0%	13.8%	13.5%	-4.6%	-2.8%	0.4%	-1.0%	-0.4%	-1.0%	2.1%	0.8%	2.8%	5.1%	2.6%	3.7%	4.0%	4.9%	2.2%	3.7%
SG&A	-13.7%	16.6%	0.6%	1.2%	4.0%	1.3%	11.2%	-2.8%	3.3%	-1.4%	1.5%	4.4%	-0.2%	1.1%	3.3%	6.0%	2.0%	0.5%	3.0%
Operating income	-81.1%	-177.1%	308.3%	233.7%	18.8%	28.1%	-12.6%	-18.6%	3.0%	9.2%	8.4%	7.5%	64.9%	17.8%	5.4%	2.4%	7.4%	9.5%	6.1%
Operating income - adjusted	-75.7%	-91.9%	2327.8%	105.7%	11.0%	10.3%	-10.4%	9.0%	4.0%	7.8%	3.8%	4.9%	23.0%	9.1%	5.4%	2.4%	7.4%	9.5%	6.1%
EBITDA	-53.9%	-30.5%	101.0%	49.6%	10.5%	9.3%	-6.3%	6.9%	4.6%	6.1%	3.4%	3.6%	16.4%	7.0%	4.1%	1.8%	5.5%	7.0%	4.6%
EBITDA - adjusted	-46.7%	28.1%	-1.7%	47.3%	18.5%	10.4%	0.0%	27.1%	12.9%	1.8%	-1.1%	-2.1%	-2.6%	-1.0%	1.4%	-0.6%	2.6%	3.7%	1.7%
Pre-tax income	-113.3%	-345.2%	101.5%	8200.0%	31.4%	60.9%	-21.3%	-33.3%	7.0%	17.7%	16.5%	19.7%	207.0%	36.7%	7.3%	2.3%	10.6%	14.7%	8.4%
Net income	-112.1%	-441.7%	115.8%	704.9%	32.9%	72.7%	8.2%	-27.3%	19.7%	21.8%	11.6%	-10.9%	119.5%	19.8%	7.3%	2.3%	10.6%	14.7%	8.4%
EPS	-111.9%	-458.0%	111.1%	171.3%	59.1%	111.0%	-17.0%	103.1%	410.4%	11.6%	-6.2%	9.4%	1892.0%	1.1%	7.2%	2.1%	10.3%	14.2%	8.2%
EPS - adjusted	-99.8%	nm	214.0%	124.5%	18.4%	23.0%	7.6%	22.8%	17.1%	-2.6%	-16.0%	-26.1%	5.6%	-11.8%	6.4%	1.4%	9.5%	13.4%	7.4%
Share count - fully diluted	-1.8%	-1.2%	1.5%	2.7%	4.1%	4.5%	6.3%	9.8%	6.0%	14.9%	14.0%	9.7%	5.8%	11.0%	0.1%	0.2%	0.3%	0.4%	0.3%

(1) Adjusted numbers exclude 1x items
(2) Adjusted EBITDA as defined by PKOH; excludes 1x exp, SBC, & includes other -penions inc & non-controlling int

Source: Company Reports, Stonegate Capital Markets estimates

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