



RESEARCH UPDATE

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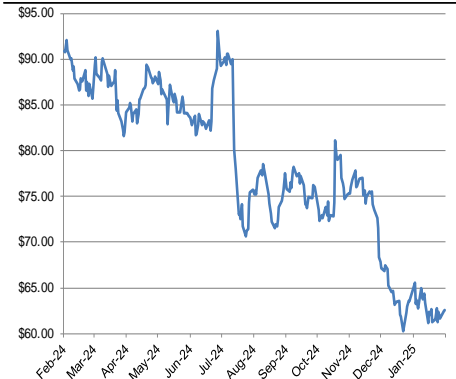
MARKET STATISTICS

Price	\$62.53
52-Week Range	\$59.55 - \$94.77
Daily Vol. (3 Month Avg.)	120,853
Market Cap (\$M)	\$ 1,406.6
Enterprise Value (\$M)	\$ 1,932.3
Shares Outstanding (M)	22.8
Float (M)	21.2

FINANCIAL SUMMARY

Equity (M)	\$1,169.9
BV/S	\$ 51.22
Cash (M)	\$ 99.7
Debt (M)	\$ 625.4
Net Debt/Cap	31%

FYE: Dec	2024	2025E	2026E
<i>(in \$M)</i>			
Rev	\$2,180.3	\$2,288.6	\$2,440.6
Chng%	-6%	5%	7%
EBITDA	\$ 186.9	\$ 260.6	\$ 284.6
EPS	\$ 2.20	\$ 3.54	\$ 4.30
EV/R	0.9x	0.8x	0.8x
EV/EBITDA	10.3x	7.4x	6.8x
P/E	28.5x	17.7x	14.6x



COMPANY DESCRIPTION

Stepan Company, together with its subsidiaries, produces and sells specialty and intermediate chemicals to other manufacturers for use in various end products in North America, Europe, Latin America, and Asia. The company operates through three segments: Surfactants, Polymers, and Specialty Products. Stepan Company was founded in 1932 and is headquartered in Northfield, Illinois.

STEPAN COMPANY (NYSE: SCL)

Company Updates

Stepan's 4Q24 results showcased a mix of operational headwinds and positive momentum in key markets. While SCL faced increased costs related to pre-operating expenses at its new Pasadena facility of \$4.4M and a one-time tax reserve in Latin America of \$2.9M, it continued to benefit from strong demand in select segments. The Surfactants segment demonstrated resilience, with notable volume growth in Agricultural, Oilfield, and Construction & Industrial Solutions markets. However, weak consumer product demand and continued softness in Polymers offset some of these gains. North American and European agricultural volumes fell below expectations, while Latin America, particularly Brazil and Mexico, outperformed. Despite a less favorable product mix, global margins remained stable, supported by a 9% increase in Surfactant operating income. Looking ahead, Stepan remains focused on margin recovery and volume growth, particularly with its alkoxylation expansion in Pasadena.

Quarterly Results – SCL reported revenue, adj EBITDA, and adj EPS of \$525.6M, \$35.2M, and \$0.12, respectively. This compares to our/consensus estimates of \$537.8M/\$521.0M, \$45.2M/\$46.6M, and \$0.31/\$0.33, respectively. Volumes in Surfactant end markets were steady, offset by weak demand in Polymers. GPM 180bps below our expectations. FCF improved this quarter, reaching \$32.1M, up from \$22.3M in 4Q23, despite higher working capital requirements. Management remains optimistic about further improvements in FCF, supported by the anticipated startup of the Pasadena facility, expected volume growth across key markets, and continued cost reduction initiatives.

Surfactant Maintains Growth– Surfactant revenue rose 3% y/y to \$378.8M, driven by a 5% increase in selling prices due to improved product and customer mix. Volume grew modestly at 1%, bolstered by double-digit expansion in Agricultural and Oilfield end markets. However, consumer product demand lagged, and FX translation negatively impacted sales by 3%. Operating income for the segment climbed 9% to \$16.2M, while Adj. EBITDA increased 10% to \$34.7M. The gains were partially offset by higher pre-operating expenses at the Pasadena facility and additional costs related to a tax reserve in Latin America. Despite these short-term pressures, the segment continues to benefit from strategic market positioning and resilient demand in high-growth categories.

Polymers Face Continued Weakness– The Polymers segment continued to struggle in 4Q24, with revenue declining 12% y/y to \$129.8M. This decline was primarily due to a 9% decrease in sales volume, largely driven by an 11% contraction in global Rigid Polyol demand. Competitive pressures and lower raw material costs contributed to a 4% decline in average selling prices. Despite a modest 1% positive impact from FX translation, the segment's operating income fell 73% to \$3.4M, while Adj. EBITDA dropped 44% to \$11.4M. While Specialty Polyols showed some resilience, overall polymer demand remains challenged. We expect stabilization in 2H25, particularly as industry demand trends improve, clarity is gained on interest rates, and strategic cost-saving initiatives take effect.

Valuation – We use both a DCF and a comparable analysis for our valuation. Our DCF analysis relies on a range of discount rates between 9.0% and 10.0% with a midpoint of 9.5%. This arrives at a valuation range of \$84.88 to \$102.67 with a mid-point of \$92.92. Currently SCL is trading at a FY26 EV/EBITDA of 6.8x compared to comps at an average of 9.9x. Using our F26 expected EBITDA, and an EV/EBITDA range of 8.5x to 9.5x with a midpoint of 9.00x. This arrives at a valuation range of \$82.91 to \$95.37 with a mid-point of \$89.14.

Summary

Exhibit 1: Quarterly Results Comparison to Model

(in millions, except per she)	4Q24 results		Notes
	Reported	Modeled	
Revenues	\$ 525.6	\$ 537.8	Weakness in rigid poly was main driver of revenue difference
Cost of sales	468.9	470.2	
Gross profit	56.7	67.6	Double digit gross margins remain, despite headwinds
Gross margin	10.8%	12.6%	
Selling	11.0	12.9	
Administrative	24.8	27.0	
R&D and technical services	13.8	14.0	
Deferred compensations	(0.6)	0.5	
Total opex	49.0	54.4	
Operating inc	7.7	13.1	Operating margins slightly below our model
Operating margin	1.5%	2.4%	
EBITDA	35.8	45.1	Despite headwinds margins were reasonably strong and grew year over year
Margin	6.8%	8.4%	
EBITDA -adj	35.0	45.2	Despite headwinds margins were reasonably strong and grew year over year
Margin	6.7%	8.4%	
Net income (loss)- adj	2.8	7.0	
EPS - adj	\$ 0.12	\$0.31	
EPS - GAAP	\$ 0.15	\$0.30	

Source: Company Reports; Stonegate Capital Markets, Inc.

INVESTMENT FACTORS

Stepan produces specialty and intermediate chemicals and is one of the world's largest producers of surfactants (cleaning agent in soaps, detergents, etc.). The Company has been in business for almost 90 years and has a history of delivering EPS growth, strong cashflow generation, and delivering consistent return of cash to shareholders via dividends and share buybacks. We believe, Stepan is well positioned to show growth driven by (1) its leading position in the surfactants market that is seeing a resurgence in growth driven by the coronavirus pandemic, and its strategic initiatives to increase tier 2/3 customers; (2) its leading position in the rigid polymers market that has solid end market growth drivers due to global sustainability efforts; (3) M&A opportunities to accelerate growth; and (4) a solid balance sheet and cash flow generation to support its initiatives.

Investment Positives

Global leader in surfactants – Stepan is one of the world's largest producers of surfactants. While historically the segment has seen modest organic growth, the coronavirus pandemic has spurred an increased demand in cleaning and disinfecting. Additionally, Stepan is targeting specific strategic initiatives to drive organic growth and improve margins. While the Company has numerous sizable Tier 1 customer that have been doing business with Stepan for decades, Stepan is currently expanding its Tier 2 and Tier 3 customer base that typically need more support which creates a stickier customer and are less price sensitive leading to better margins. Next, market diversification efforts are targeted by growing its share in agriculture and oilfield chemicals. Both markets command higher growth rates than consumer products.

And its rigid polyol product segment has solid growth opportunities – Stepan is also a leader in the manufacturer of polyester polyols that are used in rigid foam insulation. Global energy conservation efforts and regulatory requirements are major drivers in the market. The global building insulation market is estimated at \$28B with a 5-year CAGR of 4-5%. Stepan's rigid polymer products have a higher average R-value vs. other insulation materials, giving it an advantage in fulfilling both the US' and Europe's efforts of "greening" buildings. In China, cold storage (think increasing demand for fresh food and produce) is driving demand for Stepan's products. Growth rates are expected to exceed 10% per year over the next five+ years. Importantly, this segment has higher margins (mid-teens) than the surfactants business.

M&A should add additional growth opportunities – Stepan has a long history of using M&A to expand its product portfolio and enter new markets. In fact, a significant portion of Stepan's historical growth comes through its M&A activities. Its strategy has typically focused on smaller tuck-in type acquisitions. However, the Company's \$100M acquisition of INVISTA in January 2021 was its largest in its history. The \$165M acquisition increased its polyester polyols business by adding \$100M in annual revenue and was accretive to EPS and EBITDA in 2021. Most recently, in September of 2022, SCL acquired PerformanX's alkoxyates business. This was a strategic tuck in that was accretive to EPS and EBITDA margins.

Solid balance sheet and cash flows to support initiatives - As of year-end 2023, Stepan reported cash and debt of \$129.8M and \$654.1M, respectively leading to a net debt/TTM adj EBITDA ratio of 2.9x. Additionally, Stepan has a long history of reporting free cash flow attributed to a stable customer base. We believe this financial performance helps support Stepan's strategic initiatives along with continuing its track record of returning cash to shareholders via dividends and share repurchases.

Investment Challenges / Risks

Mature end-markets and economic sensitivity

Stepan's markets are impacted by macroeconomic activity. While many of its customer's personal home care products receive consistent demand, economic cyclicality remains. Additionally, construction, agriculture, and energy end markets are economically sensitive industries.

Intense competition

The Company faces several significant competitors both domestically and abroad, several with long operating histories as well as regional competitors. There is also the risk that Stepan's customers will expand its own capabilities and opt to internally manufacture its own product(s) in the future.

International business risk

Stepan operates multiple manufacturing sites with operations in 12 countries. International business risks include, among others, fluctuations in currency exchange rates, legal restrictions, taxes, transportation, logistics, regulations, access to labor, and government actions. Additionally, Stepan is exposed to emerging market risks as well.

Dependence on large customers

While the Company did not report any customers making up more than 10% of revenue in 2022, Stepan does have several sizable global companies that contribute significant amounts of revenue. Additionally, many of these customers are significantly larger and have higher bargaining power. Furthermore, the larger Tier 1 customers in the surfactants business typically have in-house capabilities. Should any of Stepan's customers decide to switch suppliers or move manufacturing in-house, financial results could be materially impacted.

Raw material exposures and supply chain disruptions

Principal raw materials used include petroleum or plant-based materials. The Company is also dependent on natural gas and electricity. Though the Company is not dependent on any one supplier, raw material volatility can be rapid and significant. While Stepan attempts to pass on these cost increases to customers, there is typically a lag and market pressures may not allow Stepan to pass on increased costs. Additionally, Stepan relies on third-party transportation to deliver raw materials and ship products to customers.

Access to capital

As part of its growth strategy, Stepan seeks M&A opportunities to expand into new markets or to further penetrate current ones. Historically the Company has used current cash as well as debt to fund these activities. As such, any change to Stepan's access to capital may negatively impact the Company's strategy.

VALUATION SUMMARY

We use a DCF and comparison analysis to frame valuation.

DCF Analysis

We are assuming Stepan can grow revenues in the mid-single digit range driven by its efforts to increase penetration with Tier 2/3 customers, increased efforts to drive growth in the agriculture and oilfield end markets for surfactants, along with increased demand and traction in the polymers segment. We also assume Stepan can drive additional manufacturing and operational efficiencies that increase margins over our analysis period. We make no assumptions for acquisition growth.

For our sensitivity analysis, we used discount rates between 9.0% and 10.0% and terminal growth rates between 1.0% and 3.0%. Given the company's historical cash flow performance, its strong balance sheet, and history of returning value to shareholders, we believe our discount rate range is appropriate. This arrives at a valuation range of \$84.88 to \$102.67 with a mid-point of \$92.92.

Sensitivity Analysis:

		Terminal Growth Rates				
		1.0%	1.5%	2.0%	2.5%	3.0%
Discount Rate	9.00%	\$92.40	\$96.87	\$101.99	\$107.89	\$114.77
	9.25%	\$88.50	\$92.61	\$97.29	\$102.67	\$108.90
	9.50%	\$84.84	\$88.63	\$92.92	\$97.83	\$103.49
	9.75%	\$81.39	\$84.88	\$88.83	\$93.32	\$98.48
	10.00%	\$78.14	\$81.37	\$85.01	\$89.13	\$93.84

Comparison Analysis

Based on our FY26 estimates, Stepan is trading at 6.8x EV/EBITDA multiple compared to comps at an average at 9.9x.

Comparative Analysis

Stepan Company (NYSE:SCL)

(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)			
						TTM	2025 E	2026 E	TTM	2025 E	2026 E	TTM	2025 E	2026 E	
DuPont de Nemours, Inc.	DD	\$ 82.42	418.0	\$ 34,455.6	\$ 40,625.6	3.3x	3.2x	3.0x	13.3x	12.1x	11.2x	49.2x	18.8x	17.1x	
LyondellBasell Industries N.V.	LYB	\$ 77.50	324.0	\$ 25,110.0	\$ 34,353.8	0.9x	1.1x	1.0x	8.1x	8.4x	6.8x	18.7x	12.7x	9.5x	
Croda International Plc	CRDA	\$ 39.88	139.5	\$ 1,183.8	\$ 1,184.8	3.0x	3.0x	2.9x	21.6x	16.6x	14.8x	34.2x	29.2x	25.5x	
Clariant AG	CLN	\$ 11.85	329.0	\$ 4,333.9	\$ 6,561.3	1.3x	1.3x	1.2x	10.2x	8.7x	7.7x	47.5x	14.3x	12.5x	
Huntsman Corporation	HUN	\$ 18.04	173.0	\$ 3,470.1	\$ 5,806.5	0.9x	0.8x	0.8x	14.4x	11.0x	8.4x	nm	75.0x	20.6x	
Sensient Technologies Corporation	SXT	\$ 70.08	42.2	\$ 3,285.7	\$ 3,975.8	2.3x	2.2x	2.1x	13.8x	13.0x	11.6x	23.8x	21.6x	19.0x	
Innospec Inc.	IOSP	\$ 102.20	24.9	\$ 2,835.4	\$ 2,562.9	1.2x	1.2x	1.2x	10.3x	9.7x	8.9x	72.0x	15.7x	14.7x	
						Average	1.8x	1.8x	1.7x	13.1x	11.3x	9.9x	40.9x	26.8x	17.0x
						Median	1.3x	1.3x	1.2x	13.3x	11.0x	8.9x	40.9x	18.8x	17.1x
Stepan Company	SCL	\$62.53	22.8	\$ 1,406.6	\$ 1,932.3	0.9x	0.8x	0.8x	10.4x	7.4x	6.8x	28.4x	17.7x	14.6x	

(1) Previous day's closing price

(2) Estimates are from Capital IQ except those for SCL which are Stonegate estimates

Source: Company Reports; CapitalIQ; Stonegate Capital Markets

For our EV/EBITDA range we are using a range of 8.5x to 9.5x with a midpoint of 9.00x. Given current and historical comp multiples, combined with the expectation that 2026 will be a more normal year for specialty chemical companies, we believe it is reasonable for the Company to trade closer to comps. As a result, we arrive at a valuation range of \$82.91 to \$95.37 with a mid-point of \$89.14.

We see the following important catalysts for the stock:

- Continued penetration of Tier 2/3 customers F25+
- New acquisitions announced F25+
- Full Impact of Pasadena Plant 2H25

DCF Model

Stepan Company													
Discounted Cash Flow Model (in millions \$, except per share amounts)													
Estimates:	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	Terminal Value
Revenues	2,325.8	2,180.3	2,288.6	2,440.6	2,562.6	2,677.9	2,782.4	2,899.2	3,022.5	3,152.4	3,288.0	3,429.4	
Operating Income	58.6	70.5	129.9	152.0	192.2	206.2	230.9	258.0	287.1	299.5	312.4	325.8	
Less: Taxes (benefit)	8.2	10.1	25.6	33.0	48.0	51.6	57.7	64.5	71.8	74.9	78.1	81.4	
NOPAT	50.4	60.4	104.3	118.9	144.1	154.7	173.2	193.5	215.3	224.6	234.3	244.3	
Plus: Depreciation & Amortization	105.4	112.2	130.0	132.0	128.1	129.9	128.0	129.0	129.1	130.8	136.5	142.3	
Plus: Changes in WC	130.2	10.9	45.8	24.4	12.8	-	(8.3)	(8.7)	(9.1)	(9.5)	(9.9)	(10.3)	
Less: Capex	(260.0)	(123.0)	(130.0)	(125.0)	(120.0)	(115.0)	(115.0)	(115.0)	(110.0)	(110.0)	(110.0)	(110.0)	
Free Cash Flow	26.0	60.6	150.0	150.3	165.1	169.5	177.8	198.8	225.3	236.0	250.9	266.4	3622.7
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	0.76	0.70	0.64	0.58	0.53	0.48	0.44	0.40	
PV of FCF			137.0	125.4	125.7	117.9	113.0	115.4	119.4	114.2	110.8	107.5	1,461.8
Growth rate assumptions:													
Revenue		-6.3%	5.0%	6.6%	5.0%	4.5%	3.9%	4.2%	4.3%	4.3%	4.3%	4.3%	
Operating Income		20.2%	84.3%	17.0%	26.5%	7.3%	12.0%	11.7%	11.3%	4.3%	4.3%	4.3%	
EBITDA		11.4%	42.2%	9.3%	12.8%	4.9%	6.8%	7.8%	7.5%	3.4%	4.3%	4.3%	
Free Cash Flow		133.2%	147.8%	0.2%	9.8%	2.7%	4.9%	11.8%	13.3%	4.7%	6.3%	6.2%	
Margin assumptions:													
Operating margin	2.5%	3.2%	5.7%	6.2%	7.5%	7.7%	8.3%	8.9%	9.5%	9.5%	9.5%	9.5%	
Depr as a % of sales	4.5%	5.1%	5.7%	5.4%	5.0%	4.9%	4.6%	4.5%	4.3%	4.2%	4.2%	4.2%	
EBITDA	7.0%	8.4%	11.4%	11.6%	12.5%	12.6%	12.9%	13.4%	13.8%	13.7%	13.7%	13.7%	
Taxes	14.0%	14.3%	19.7%	21.7%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Changes in WC	5.6%	0.5%	2.0%	1.0%	0.5%	0.0%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	-0.3%	
Capex as a % of sales	-11.2%	-5.6%	-5.7%	-5.1%	-4.7%	-4.3%	-4.1%	-4.0%	-3.6%	-3.5%	-3.3%	-3.2%	
Valuation:													
Shares outstanding	22.8												
PV of FCF	1,186.3												
PV of Terminal Value	1,461.8												
Enterprise Value	2648.1												
less: Net Debt	525.7												
Estimated Total Value:	2,122.4												
Est Equity Value/share:	\$92.92												
Price	\$62.53												
Sensitivity Analysis:													
		Terminal Growth Rates											
			1.0%	1.5%	2.0%	2.5%	3.0%						
Discount Rate	9.00%	\$92.40	\$96.87	\$101.99	\$107.89	\$114.77							
	9.25%	\$88.50	\$92.61	\$97.29	\$102.67	\$108.90							
	9.50%	\$84.84	\$88.63	\$92.92	\$97.83	\$103.49							
	9.75%	\$81.39	\$84.88	\$88.83	\$93.32	\$98.48							
	10.00%	\$78.14	\$81.37	\$85.01	\$89.13	\$93.84							

Source: Company Reports, Stonegate Capital Markets estimates

INCOME STATEMENT

Stapan Company (NYSE:SCL)																							
Consolidated Statements of Income (in millions \$, except per share amounts)																							
Fiscal Year: December																							
	FY 2020	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024E	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	\$ 1,869.8	\$ 2,346.0	\$ 2,773.3	\$ 651.4	\$ 580.0	\$ 562.2	\$ 532.1	\$ 2,325.8	\$ 551.4	\$ 556.4	\$ 546.8	\$ 525.6	\$ 2,180.3	\$ 569.6	\$ 585.7	\$ 580.2	\$ 553.1	\$ 2,288.6	\$ 603.6	\$ 625.3	\$ 625.8	\$ 585.9	\$ 2,440.6
Total revenues	1,869.8	2,346.0	2,773.3	651.4	580.0	562.2	532.1	2,325.8	551.4	556.4	546.8	525.6	2,180.3	569.6	585.7	580.2	553.1	2,288.6	603.6	625.3	625.8	585.9	2,440.6
Cost of revenues																							
Cost of sales	1,486.1	1,950.2	2,346.2	577.9	513.6	491.0	465.7	2,048.2	481.1	486.9	471.2	468.9	1,908.1	489.9	493.5	493.2	478.2	1,954.8	514.1	526.1	530.1	506.0	2,076.3
Total cost of revenues	1,486.1	1,950.2	2,346.2	577.9	513.6	491.0	465.7	2,048.2	481.1	486.9	471.2	468.9	1,908.1	489.9	493.5	493.2	478.2	1,954.8	514.1	526.1	530.1	506.0	2,076.3
Gross (loss) profit	383.6	395.8	427.1	73.6	66.4	71.2	66.4	277.6	70.3	69.6	75.7	56.7	272.2	79.7	92.2	87.0	74.9	333.8	89.5	99.2	95.7	79.8	364.3
Operating expenses																							
Selling	55.5	59.2	59.0	13.1	11.1	11.8	12.4	48.4	11.4	11.8	11.4	11.0	45.6	12.5	12.3	12.2	11.6	48.6	12.4	12.8	12.8	12.0	50.0
Administrative	87.4	92.9	102.2	22.6	22.6	22.9	25.1	93.2	22.7	24.6	26.3	24.8	98.3	23.6	23.4	24.9	24.9	96.9	23.5	25.0	26.3	25.2	100.0
R&D and technical services	58.0	62.7	66.6	15.1	14.1	14.5	15.3	59.0	14.3	14.1	13.5	13.8	55.7	14.0	14.3	14.2	13.6	56.1	14.8	15.3	15.3	14.4	59.8
Deferred compensations	10.0	6.9	(9.4)	1.5	0.7	(3.1)	5.2	4.4	1.8	0.4	0.6	(0.6)	2.2	0.6	0.6	0.6	0.6	2.3	0.6	0.6	0.6	0.6	2.4
Business restructuring & asset impairment	1.2	3.4	1.3	0.2	0.0	5.6	8.2	14.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses	212.1	225.0	219.7	52.5	48.6	51.7	66.2	219.0	50.1	50.9	51.7	49.0	201.7	50.7	50.7	51.9	50.6	203.9	51.3	53.8	55.1	52.1	212.3
Income (loss) from operations	171.5	170.8	207.3	21.1	17.8	19.5	0.2	58.6	20.2	18.7	23.9	7.7	70.5	29.0	41.5	35.1	24.3	129.9	38.2	45.5	40.6	27.7	152.0
Inc (loss) from operations - adjusted (1)	177.4	178.3	215.7	21.4	17.0	22.4	12.0	70.8	21.2	18.5	24.0	7.1	70.8	29.1	41.7	35.2	24.4	130.5	38.3	45.6	40.8	27.8	152.5
Other income (expense):																							
Interest income (expense), net	(5.4)	(5.8)	(9.8)	(2.8)	(3.9)	(3.0)	(2.4)	(12.1)	(3.1)	(2.7)	(3.6)	(4.8)	(14.2)	(6.0)	(5.9)	(5.7)	(5.5)	(23.1)	(5.2)	(5.0)	(4.9)	(4.7)	(19.8)
Other, net	5.0	7.5	(8.8)	1.7	2.4	(0.7)	(1.5)	1.9	2.4	1.2	1.0	(0.4)	4.1	-	-	-	-	-	-	-	-	-	-
Total other income (expense):	(0.5)	1.8	(18.6)	(1.2)	(1.5)	(3.7)	(3.9)	(10.2)	(0.7)	(1.5)	(2.6)	(5.2)	(10.0)	(6.0)	(5.9)	(5.7)	(5.5)	(23.1)	(5.2)	(5.0)	(4.9)	(4.7)	(19.8)
Pre-tax income (loss)	171.1	172.5	188.7	19.9	16.3	15.8	(3.7)	48.4	19.5	17.2	21.3	2.5	60.4	23.0	35.7	29.4	18.8	106.9	33.0	40.4	35.8	23.0	132.1
Provision for taxes (benefit)	43.4	34.6	41.6	3.8	3.6	3.3	(2.5)	8.2	5.6	7.7	(2.3)	(0.9)	10.1	5.5	8.6	7.1	4.5	25.6	8.2	10.1	8.9	5.7	33.0
Net income (loss)	\$ 126.8	\$ 137.8	\$ 147.2	\$ 16.1	\$ 12.7	\$ 12.6	\$ (1.2)	\$ 40.2	\$ 13.9	\$ 9.5	\$ 23.6	\$ 3.4	\$ 50.4	\$ 17.5	\$ 27.1	\$ 22.4	\$ 14.3	\$ 81.2	\$ 24.7	\$ 30.3	\$ 26.8	\$ 17.2	\$ 99.1
Wtd EPS (loss)	\$ 5.45	\$ 5.92	\$ 6.38	\$ 0.70	\$ 0.55	\$ 0.55	\$ (0.05)	\$ 1.75	\$ 0.61	\$ 0.42	\$ 1.03	\$ 0.15	\$ 2.20	\$ 0.76	\$ 1.18	\$ 0.97	\$ 0.62	\$ 3.54	\$ 1.07	\$ 1.32	\$ 1.16	\$ 0.75	\$ 4.30
Net income (loss) - adjusted (1)	132.0	143.5	153.5	16.4	12.1	14.7	7.5	50.7	14.7	9.4	23.7	2.8	50.5	17.6	27.2	22.5	14.4	81.6	24.8	30.4	26.9	17.3	99.5
Wtd EPS (loss) - adjusted (1)	\$ 5.68	\$ 6.16	\$ 6.65	\$ 0.71	\$ 0.53	\$ 0.64	\$ 0.33	\$ 2.21	\$ 0.64	\$ 0.41	\$ 1.03	\$ 0.12	\$ 2.20	\$ 0.77	\$ 1.19	\$ 0.98	\$ 0.63	\$ 3.55	\$ 1.08	\$ 1.32	\$ 1.17	\$ 0.75	\$ 4.32
Basic shares outstanding	22.9	22.9	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.8	22.9	22.9	22.9	22.9	22.9	23.0	23.0	23.0	23.0	23.0
Diluted shares outstanding	23.3	23.3	23.1	23.0	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	22.9	23.0	23.0	23.0	23.0	23.0	23.0	23.1	23.1	23.1
EBITDA (1) (2)	254.6	267.1	313.7	48.2	46.7	45.1	25.8	176.9	50.2	47.9	53.0	35.8	186.9	61.5	74.0	67.6	56.8	260.6	71.2	78.5	73.6	60.7	284.6
EBITDA - adjusted (1) (3)	259.3	269.3	310.3	48.6	45.8	48.0	37.6	176.1	51.2	47.7	53.1	35.0	187.0	61.6	74.2	67.7	56.9	260.5	71.3	78.6	73.8	60.8	284.5
Margin Analysis																							
Gross margin	20.5%	16.9%	15.4%	11.3%	11.4%	12.7%	12.5%	11.9%	12.7%	12.5%	13.8%	10.8%	12.5%	14.0%	15.7%	15.0%	13.5%	14.6%	14.8%	15.9%	15.3%	13.6%	14.9%
Operating margin	9.2%	7.3%	7.5%	3.2%	3.1%	3.5%	0.0%	2.5%	3.7%	3.4%	4.4%	1.5%	3.2%	5.1%	7.1%	6.0%	4.4%	5.7%	6.3%	7.3%	6.5%	4.7%	6.2%
Operatin margin - adjusted	9.5%	7.6%	7.8%	3.3%	2.9%	4.0%	2.3%	3.0%	3.8%	3.3%	4.4%	1.4%	3.2%	5.1%	7.1%	6.1%	4.4%	5.7%	6.3%	7.3%	6.5%	4.7%	6.2%
EBITDA margin	13.6%	11.4%	11.3%	7.4%	8.0%	8.0%	4.9%	7.6%	9.1%	8.6%	9.7%	6.8%	8.6%	10.8%	12.6%	11.7%	10.3%	11.4%	11.8%	12.5%	11.8%	10.4%	11.7%
EBITDA - adjusted margin	13.9%	11.5%	11.2%	7.5%	7.9%	8.5%	7.1%	7.6%	9.3%	8.6%	9.7%	6.7%	8.6%	10.8%	12.7%	11.7%	10.3%	11.4%	11.8%	12.6%	11.8%	10.4%	11.7%
Pre-tax margin	9.1%	7.4%	6.8%	3.1%	2.8%	2.8%	-0.7%	2.1%	3.5%	3.1%	3.9%	0.5%	2.8%	4.0%	6.1%	5.1%	3.4%	4.7%	5.5%	6.5%	5.7%	3.9%	5.4%
Net income margin	6.8%	5.9%	5.3%	2.5%	2.2%	2.2%	-0.2%	1.7%	2.5%	1.7%	4.3%	0.6%	2.3%	3.1%	4.6%	3.9%	2.6%	3.5%	4.1%	4.8%	4.3%	2.9%	4.1%
Adjusted net income margin	7.1%	6.1%	5.5%	2.5%	2.1%	2.6%	1.4%	2.2%	2.7%	1.7%	4.3%	0.5%	2.3%	3.1%	4.6%	3.9%	2.6%	3.6%	4.1%	4.9%	4.3%	3.0%	4.1%
Tax rate	25.4%	20.1%	22.0%	18.9%	22.3%	20.6%	67.5%	16.9%	28.6%	44.7%	-10.7%	-36.4%	16.7%	24.0%	24.0%	24.0%	24.0%	24.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Growth Rate Analysis Y/Y																							
Total revenues	0.6%	25.5%	18.2%	-3.5%	-22.8%	-21.8%	-15.2%	-16.1%	-15.4%	-4.1%	-2.7%	-1.2%	-6.3%	3.3%	5.3%	6.1%	5.2%	5.0%	6.0%	6.8%	7.9%	5.9%	6.6%
Total cost of revenues	-2.2%	31.2%	20.3%	2.1%	-17.2%	-18.3%	-16.7%	-12.7%	-16.7%	-5.2%	-4.0%	0.7%	-6.8%	1.8%	1.4%	4.7%	2.0%	2.0%	4.9%	6.6%	7.5%	5.8%	6.2%
Operating income	34.8%	-0.4%	21.4%	-66.8%	-77.1%	-64.3%	-98.0%	-71.7%	-4.2%	4.8%	22.7%	3245.7%	20.2%	43.8%	122.5%	46.5%	215.6%	84.3%	31.6%	9.5%	15.8%	14.0%	17.0%
Operating income - adjusted	20.2%	0.5%	21.0%	-63.0%	-76.5%	-64.9%	-20.8%	-67.2%	-1.2%	9.0%	7.3%	-40.8%	0.1%	37.6%	125.2%	46.7%	243.9%	84.3%	31.5%	9.4%	15.7%	13.9%	16.9%
EBITDA	19.6%	4.9%	17.5%	-43.0%	-51.2%	-40.9%	-29.4%	-43.5%	4.0%	2.5%	17.5%	38.6%	5.8%	22.6%	54.7%	27.4%	58.7%	39.4%	15.7%	6.0%	8.9%	6.9%	9.2%
EBITDA - adjusted	14.6%	3.9%	15.2%	-38.7%	-52.6%	-43.8%	-6.1%	-43.2%	5.3%	4.0%	10.6%	-6.9%	6.2%	20.4%	65.5%	27.5%	62.7%	39.3%	15.7%	6.0%	8.9%	6.9%	9.2%
Pre-tax income	35.0%	0.9%	9.4%	-66.5%	-76.5%	-68.6%	-139.4%	-74.4%	-2.2%	5.5%	34.6%	167.0%	24.9%	18.1%	107.4%	38.0%	664.8%	76.8%	43.4%	13.3%	21.6%	22.4%	

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