

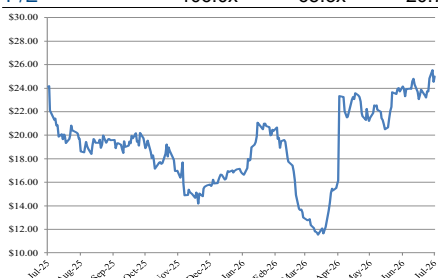
RESEARCH UPDATE
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Market Statistics

Price	\$24.99
52-Week Range	\$11.16 - \$26.81
Daily Vol. (3 Month Avg.)	136,250
Market Cap (M)	\$281.7
Enterprise Value (M)	\$268.8
Shares Out (M)	11.3
Float (M)	8.5
Institutional Ownership	75.9%
Insider Ownership	18.8%

Financial Summary

Equity (M)	\$ 42.9
BV/Sh	\$ 3.81
Cash (M)	\$ 12.0
Debt (M)	\$ -
Debt/Cap	0.0%

FYE: AUG	2025	2026E	2027E
<i>(in \$M)</i>			
Rev	\$ 267.1	\$ 263.5	\$ 279.7
Chng%	-7%	-1%	6%
EBITDA	\$ 28.8	\$ 28.2	\$ 33.8
EPS	\$ 0.24	\$ 0.38	\$ 1.20
EV/R	1.0x	1.0x	1.0x
EV/EBITDA	9.3x	9.5x	8.0x
P/E	106.0x	65.3x	20.7x


COMPANY DESCRIPTION

Franklin Covey Co. is a global leadership and organizational performance partner. The Company operates through its Enterprise Division and its Education Division, both of which develop high-performing leaders at all levels of the organization through proven, principle-centered frameworks and practices. This builds high-trust leaders, teams, and cultures. The Company has refined this approach over the last 40 years, working with clients of all sizes, ranging from Fortune 100 and 500 companies to small and mid-sized businesses, as well as educational institutions and government entities, across more than 160 countries. Solutions are delivered through the All Access Pass® and Leader in Me® subscriptions which combine world-class content and tools with the trusted expertise of consultants, coaches, and facilitators.

FRANKLIN COVEY CO. (NYSE: FC)

FC's 3Q26 was a FY26 revenue revision, not a change in the Enterprise North America thesis. Revenue guidance moved lower due to delayed services delivery, a delayed state Education funding item, and international pressure, but the core North America indicators continued to improve. Enterprise North America invoiced amounts grew 4% in 3Q and 6% YTD, deferred revenue increased 18%, and services bookings were up more than 25% YTD. In our view, FY26 reported revenue has been pushed right, while the FY27 setup is cleaner given contracted services already on the books, better retention/expansion, and a lower cost base. Investors should focus on 4Q close activity, the FY27 services delivery cadence, Education funding recovery, and early traction from taking the North America go-to-market model into Europe.

Quarterly results - FC reported revenue, adj EBITDA, and EPS of \$67.8M, \$8.3M, and \$0.32, respectively. This compares to our/consensus estimates of \$69.1M/\$68.3M, \$8.1M/\$7.9M, and \$0.44/\$0.31, respectively. Adj. EBITDA grew as lower SG&A offset gross margin pressure from services mix, delivery costs, and curriculum amortization. Gross margin declined to 73.9% from 76.5%, while operating SG&A fell 5% to \$41.8M, driving EBITDA margin to 12.3% from 10.9%. FC generated \$1.1M of operating cash flow and \$(1.0M) of FCF, with liquidity above \$74M.

Operating Performance - Enterprise remains the main driver of the FY27 setup. Enterprise revenue increased 2% to \$48.1M, led by North America revenue growth of 3% to \$38.0M. North America invoiced amounts increased 4% to \$36.7M, including \$6.6M tied to contractually committed predefined services, which adds visibility while revenue recognition remains tied to client delivery schedules. North America Adjusted EBITDA increased to \$7.7M from \$6.2M, helped by the lower cost base. Contract quality also remained favorable, with 59% of North America AAP contracts at two years or longer and 60% of contracted amounts tied to multiyear agreements. Internationally, the revenue was softer, with a slight decline to \$10.1M, as China and certain direct offices offset license growth. However, management plans to begin rolling out the North America go-to-market model in Europe in 1Q27.

Revenue Conversion - FC's 3Q demand indicators point to a better FY27 revenue base, led by higher invoicing, deferred revenue, and contracted services. Subscription and contractually committed services invoiced increased 17% to \$37.0M in 3Q after 12% growth in 1H26, while consolidated deferred revenue increased 7% to \$96.0M. Contracted services scheduled for FY27 delivery are also meaningfully ahead of last year, giving management better line of sight into reported growth as services convert through delivery. Education remains healthier than the FY26 guide-down suggests, with revenue up 2% to \$19.0M, subscription revenue up 11% to \$13.1M, and 200 more training and coaching days delivered than last year. The state funding delay affects timing, but management expects the opportunity to return in the next budget cycle.

Guidance - FC lowered FY26 revenue guidance to \$260M-\$267M from \$265M-\$275M, while narrowing Adjusted EBITDA guidance to \$28M-\$31M from \$28M-\$33M. The revision reflects delayed Enterprise services delivery, a delayed statewide Education contract, and International pressure from China/geopolitics. Importantly, EBITDA guidance held despite lower revenue, supported by cost actions and a higher mix of contracted revenue. Management expects FY27 revenue, Adjusted EBITDA, and FCF to improve as deferred revenue and contracted services convert through delivery.

Valuation - Based on our DCF analysis, we place a valuation range for FC of \$35.40 to \$39.96 with the mid-point of the range at \$37.50.

Summary

Exhibit 1: Quarterly Results Comparison to Model

	3Q26 results		Notes
	Reported	Model	
Total revenues	67.8	69.1	Revenue slightly below our expectation
Cost of sales	17.7	16.1	
Gross (loss) profit	50.1	53.0	GPM was impacted by mix
Gross margin	73.9%	76.7%	
SG&A	43.3	46.0	
D&A	1.8	2.0	
Total opex	45.9	48.0	
EBIT - adjusted	5.0	5.0	
Operating margin	7.4%	7.2%	
EBITDA - adjusted	8.3	7.9	EBITDA ahead of our expectations
EBITDA margin	12.3%	11.5%	
Net income (loss) - adj	3.7	4.9	
EPS (loss)	\$ 0.32	\$ 0.44	

Source: Company Reports; Stonegate Capital Markets, Inc.

INVESTMENT FACTORS

Franklin Covey Co. is a leading global provider of training and consulting solutions delivering principle-based curriculums and effectiveness tools to its global customers. The Company provides consulting, seminars, educational materials, publications, and products designed to make individuals and organizations more effective. The Company appears well positioned in the training industry as it commands a strong global brand name, product differentiation, and is backed by accelerating multi-year growth efforts and margin expansion.

Investment Positives

Franklin Covey's brand value is driven by its proprietary content (intellectual property) that creates differentiation and drives strong margins – The Company's proprietary content or IP is centered on delivering transformational results that alter human behavior with the capability to measure the impact of the delivered training and tools. Furthermore, the Company provides a wide offering of key practices that can help most clients' needs. These attributes provide the Company with a high level of differentiation, in our opinion. As further evidence of differentiation, we note that the Company has one of the highest gross margins vs. other publicly listed training companies. And Franklin Covey's gross margin is about 50% higher than prototypical consultants.

All Access Pass business model leads to predictable cash flows – In F16, the Company embarked on changing its business model toward annual subscriptions. This subscription is called All Access Pass (AAP) and allows clients to access all of FCs proprietary content for an annual subscription. AAP is expected to (1) improve client retention; (2) increase lifetime customer spend; (3) show increasing margins as the deferred revenue is at 90%+ gross margins; and (4) allow FC to maintain high-single digit revenue growth rates. While the transition has taken some time, and negatively impacted headline revenue growth comparisons given the deferral of revenue, the Company is largely past the transition to its new business model. As a result, the Company is seeing an increase in predictability of both future revenue growth and cash flows with revenue growth now in the low teens.

Further growth is also expected from international licensees – The Company is looking to expand its international licensees' business that operates via a royalty model. The Company's international licensee partners represent the Franklin Covey brand in over 150 countries. Currently, these licensees are underpenetrated in their respective home market and have even lower penetration in non-home country markets. As penetration rates grow in the respective home country and approach North American levels, licensees' gross revenues should accelerate. Additionally, the international licensees have the ability to roll-out the AAP model in their respective markets.

This all leads to margin expansion as the Company has high incremental margins – For every incremental dollar in revenue, 40% - 50% of the incremental revenue falls to adjusted EBITDA (exclusive of stock option expense). Given the AAP model, we would expect flow-through rates to move toward the higher end of the range. As a result, this should lead to expanding adjusted EBITDA margins.

Investment challenges / risks

Intangible assets comprise a significant portion of the balance sheet – The Company has significant intangible assets and goodwill. At the end of FY25, Franklin Covey had \$34.6M in intangible assets and \$31.2M in goodwill, compared to total assets of \$242.9M. Any future impairment of these assets could negatively impact the company's financial results.

Competition is intense and there are little barriers to entry – The training and consulting industry is highly fragmented with no one player with a large market share position. Additionally, a variety of organizations offer individual services comparable with those of Franklin Covey. With little barriers to entry, many new entrants to the industry further compound the intensity of competition.

The industry and hence Franklin Covey is sensitive to macroeconomic events – The training industry is affected by economic growth or lack thereof. Consequently, any negative macroeconomic events could slow growth in the industry and negatively affect Franklin Covey's results.

VALUATION SUMMARY

To help frame valuation we use a DCF analysis.

DCF Analysis

For our sensitivity analysis, we use a range of discount rates from 10.75%-11.25% and terminal growth rates between 1% and 3%. The discount range is deemed reasonable based on the CAPM formula for determining WACC. The key variables for this include:

- The cost of company debt equal to approximately 6.7%, based on LIBOR + 185bps
- The current 3-month T-Bill rate of 3.7%
- A beta adjusted market risk premium of 5.0%
- An average cost of equity equal to 11.03% after accounting for a size premium
- A tax rate of 25%

The above assumption results in a valuation range of \$35.40 to \$39.96 with the mid-point of the range at \$37.50.

Sensitivity Analysis:

		Terminal Growth Rates				
		1.0%	1.5%	2.0%	2.5%	3.0%
Discount rat	10.50%	\$37.66	\$38.75	\$39.96	\$41.33	\$42.88
	10.75%	\$36.56	\$37.57	\$38.70	\$39.96	\$41.38
	11.00%	\$35.52	\$36.46	\$37.50	\$38.67	\$39.98
	11.25%	\$34.53	\$35.40	\$36.37	\$37.45	\$38.66
	11.50%	\$33.59	\$34.41	\$35.31	\$36.31	\$37.43

We see the following important catalysts for the stock in F26 and beyond:

- Continued traction of All Access Pass F26+
- EBITDA margin expansion F26+
- Continued growth in Education F26+
- Sales force expansion F26+

DISCOUNTED CASH FLOW ANALYSIS

Franklin Covey Co														
Discounted Cash Flow Model														
<i>(in \$M, except per share)</i>														
Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2026E	2036E	Terminal Value
Revenue	287.2	267.1	263.5	279.7	291.7	304.8	318.7	333.7	350.4	368.2	387.7	408.5	431.4	
Operating Income	33.0	5.7	7.5	19.7	37.9	41.9	44.9	48.4	51.5	55.2	58.2	62.5	66.0	
Less: Taxes (benefit)	9.6	3.0	3.0	5.9	9.5	10.5	11.2	12.1	12.9	13.8	14.5	15.6	16.5	
NOPAT	23.4	2.7	4.6	13.8	28.4	31.4	33.7	36.3	38.6	41.4	43.6	46.9	49.5	
Plus: Depreciation & Amortization	8.2	8.5	7.5	7.5	7.3	6.7	6.4	6.0	6.0	6.1	6.2	6.1	6.5	
Plus: Changes in WC	11.8	5.1	4.1	2.8	0.7	0.8	0.8	0.5	0.5	0.6	0.6	0.6	0.6	
Less: Capex	(11.3)	(16.9)	(13.0)	(11.2)	(8.8)	(6.1)	(4.8)	(3.3)	(3.5)	(3.3)	(3.5)	(3.7)	(3.9)	
Free Cash Flow	32.1	(0.6)	3.1	12.9	27.7	32.8	36.1	39.5	41.6	44.7	46.9	49.9	52.7	597.7
Discount period - months			3	15	27	39	51	63	75	87	99	111	123	
Discount period - years			0.3	1.3	2.3	3.3	4.3	5.3	6.3	7.3	8.3	9.3	10.3	
Discount factor			0.97	0.88	0.79	0.71	0.64	0.58	0.52	0.47	0.42	0.38	0.34	
PV of FCF			3.0	11.3	21.9	23.4	23.2	22.8	21.7	21.0	19.8	19.0	18.1	205.1
Growth rate assumptions:														
Revenue		-7.0%	-1.4%	6.2%	4.3%	4.5%	4.6%	4.7%	5.0%	5.1%	5.3%	5.4%	5.6%	
Operating Income		-82.7%	32.2%	160.8%	92.9%	10.5%	7.2%	7.7%	6.4%	7.2%	5.3%	7.5%	5.6%	
EBITDA		-65.6%	6.0%	81.0%	66.5%	7.5%	5.5%	6.0%	5.6%	6.7%	5.0%	6.6%	5.6%	
Free Cash Flow		-101.9%	-620.7%	315.2%	114.7%	18.4%	10.0%	9.3%	5.4%	7.5%	4.9%	6.4%	5.6%	
Margin assumptions:														
Operating Income	11.5%	2.1%	2.9%	7.0%	13.0%	13.8%	14.1%	14.5%	14.7%	15.0%	15.0%	15.3%	15.3%	
D&A as a % of sales	2.8%	3.2%	2.8%	2.7%	2.5%	2.2%	2.0%	1.8%	1.7%	1.7%	1.6%	1.5%	1.5%	
EBITDA	14.3%	5.3%	5.7%	9.7%	15.5%	16.0%	16.1%	16.3%	16.4%	16.7%	16.6%	16.8%	16.8%	
Taxes	29.2%	52.6%	39.6%	29.8%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Changes in WC	4.1%	1.9%	1.6%	1.0%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	
Capex as a % of sales	-3.9%	-6.3%	-4.9%	-4.0%	-3.0%	-2.0%	-1.5%	-1.0%	-1.0%	-0.9%	-0.9%	-0.9%	-0.9%	
Valuation:														
Shares outstanding	11.3													
PV of FCF	205.2													
PV of Terminal Value	205.1													
Enterprise Value	410.3													
less: Net Debt	(12.0)													
Estimated Total Value:	422.3													
Est Equity Value/share:	\$ 37.50													
Price	\$24.99													

Sensitivity Analysis:						
		Terminal Growth Rates				
		1.0%	1.5%	2.0%	2.5%	3.0%
Discount rat	10.50%	\$37.66	\$38.75	\$39.96	\$41.33	\$42.88
	10.75%	\$36.56	\$37.57	\$38.70	\$39.96	\$41.38
	11.00%	\$35.52	\$36.46	\$37.50	\$38.67	\$39.98
	11.25%	\$34.53	\$35.40	\$36.37	\$37.45	\$38.66
11.50%	\$33.59	\$34.41	\$35.31	\$36.31	\$37.43	

Source: Company Reports; Stonegate Capital Markets

INCOME STATEMENT

Franklin Covey Co. (NYSE: FC)

Consolidated Statements of Income (in \$M, except per share amounts)

Fiscal Year: August

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1 Nov-24	Q2 Feb-25	Q3 May-25	Q4 Aug-25	FY 2025	Q1 Nov-25	Q2 Feb-26	Q3 May-26	Q4 E Aug-26	FY 2026 E	Q1 E Nov-26	Q2 E Feb-27	Q3 E May-27	Q4 E Aug-27	FY 2027 E	
Revenues																					
Revenues	\$ 198.5	\$ 224.2	\$ 262.8	\$ 280.5	\$ 287.2	\$ 69.1	\$ 59.6	\$ 67.1	\$ 71.2	\$ 267.1	\$ 64.0	\$ 59.6	\$ 67.8	\$ 72.0	\$ 263.5	\$ 69.9	\$ 62.5	\$ 70.2	\$ 77.1	\$ 279.7	
Total revenue	198.5	224.2	262.8	280.5	287.2	69.1	59.6	67.1	71.2	267.1	64.0	59.6	67.8	72.0	263.5	69.9	62.5	70.2	77.1	279.7	
Cost of revenues																					
Cost of sales	53.1	51.3	60.9	67.0	66.2	16.4	13.9	15.8	17.5	63.5	15.7	14.4	17.7	17.8	65.6	17.4	15.4	18.3	19.4	70.4	
Total cost of revenues	53.1	51.3	60.9	67.0	66.2	16.4	13.9	15.8	17.5	63.5	15.7	14.4	17.7	17.8	65.6	17.4	15.4	18.3	19.4	70.4	
Gross (loss) profit	145.4	172.9	201.9	213.5	221.1	52.7	45.7	51.3	53.8	203.6	48.4	45.3	50.1	54.1	197.9	52.5	47.1	52.0	57.7	209.3	
Operating expenses																					
Selling, general and administrative	129.4	153.6	168.1	178.5	175.9	47.2	45.1	46.7	43.7	182.7	46.1	43.5	43.3	43.1	175.9	48.5	43.5	43.8	46.4	182.1	
Depreciation	6.7	6.2	4.9	4.3	3.9	1.0	1.0	1.0	1.1	4.1	1.1	1.1	1.2	1.1	4.5	1.1	1.1	1.1	1.1	4.5	
Amortization	4.6	5.0	5.3	4.3	4.2	1.1	1.1	1.1	1.1	4.4	0.7	0.7	0.6	1.0	3.0	0.8	0.8	0.8	0.8	3.0	
Restructuring cost/other	1.6	-	-	-	3.9	2.0	-	4.7	-	6.7	4.1	2.0	0.8	-	6.9	-	-	-	-	-	
Total operating expenses	142.3	164.8	178.2	187.1	188.0	51.2	47.2	53.5	45.9	197.9	52.0	47.3	45.9	45.1	190.3	50.4	45.4	45.7	48.2	189.6	
Income (loss) from operations	3.1	8.1	23.7	26.4	33.0	1.5	(1.5)	(2.2)	7.9	5.7	(3.7)	(2.0)	4.2	9.0	7.5	2.1	1.7	6.3	9.5	19.7	
Inc (loss) from operations - adjusted (1)	3.6	8.1	23.7	26.9	37.0	3.5	(1.4)	3.0	9.5	14.5	0.5	(0.4)	5.0	9.0	14.1	2.1	1.7	6.3	9.5	19.7	
Other (income) expense:																					
Interest expense	2.3	2.0	1.6	0.5	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.0)	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	
Total other income (expense):	2.3	2.0	1.6	0.5	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.0)	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	
Pre-tax income (loss)	0.8	6.1	22.1	25.9	33.0	1.6	(1.3)	(2.1)	8.0	6.1	(3.6)	(2.1)	4.2	9.0	7.4	2.1	1.7	6.3	9.5	19.5	
Income taxes (benefit)	10.2	(7.5)	3.6	8.1	9.6	0.4	(0.3)	(0.7)	3.6	3.0	(0.3)	(0.1)	1.1	2.3	3.0	0.6	0.5	1.9	2.8	5.9	
Net income (loss)	(9.4)	13.6	18.4	17.8	23.4	1.2	(1.1)	(1.4)	4.4	3.1	(3.3)	(2.0)	3.1	6.6	4.5	1.5	1.2	4.4	6.6	13.7	
EPS (loss)	\$ (0.68)	\$ 0.97	\$ 1.29	\$ 1.24	\$ 1.74	\$ 0.09	\$ (0.08)	\$ (0.11)	\$ 0.34	\$ 0.24	\$ (0.27)	\$ (0.17)	\$ 0.27	\$ 0.58	\$ 0.38	\$ 0.13	\$ 0.10	\$ 0.39	\$ 0.58	\$ 1.20	
Net income (loss) - adjusted (1) (2)	1.0	4.5	18.5	18.2	26.1	2.7	(1.0)	2.0	5.2	8.9	0.4	(0.4)	3.7	6.6	10.4	1.5	1.2	4.5	6.8	14.1	
EPS (loss) - adjusted (1) (2)	\$ 0.07	\$ 0.32	\$ 1.29	\$ 1.27	\$ 1.93	\$ 0.20	\$ (0.08)	\$ 0.16	\$ 0.41	\$ 0.68	\$ 0.04	\$ (0.04)	\$ 0.32	\$ 0.58	\$ 0.89	\$ 0.13	\$ 0.11	\$ 0.40	\$ 0.60	\$ 1.24	
Shares outstanding	13.9	14.1	14.3	14.3	13.5	13.3	13.1	12.9	12.8	13.0	12.2	11.4	11.5	11.5	11.6	11.4	11.3	11.3	11.3	11.4	
EBITDA	14.3	19.3	33.8	35.0	41.2	3.5	0.7	(0.1)	10.1	14.2	(1.9)	(0.2)	6.0	11.1	15.0	4.0	3.6	8.2	11.4	27.2	
EBITDA - adjusted (1)	14.3	28.0	42.2	48.1	55.3	7.7	2.1	7.3	11.7	28.8	3.7	4.1	8.3	12.1	28.2	5.7	5.2	9.8	13.0	33.8	

Margin Analysis

Gross margin	73.3%	77.1%	76.8%	76.1%	77.0%	76.3%	76.7%	76.5%	75.5%	76.2%	75.5%	75.9%	73.9%	75.2%	75.1%	75.1%	75.4%	74.0%	74.9%	74.8%
Operating margin	1.5%	3.6%	9.0%	9.4%	11.5%	2.1%	-2.4%	-3.3%	11.1%	2.1%	-5.7%	-3.4%	6.2%	12.5%	2.9%	3.1%	2.8%	9.0%	12.3%	7.0%
Operating margin - adjusted	1.8%	3.6%	9.0%	9.6%	12.9%	5.0%	-2.3%	4.4%	13.3%	5.4%	0.7%	-0.6%	7.4%	12.5%	5.4%	3.1%	2.8%	9.0%	12.3%	7.0%
EBITDA margin	7.2%	8.6%	12.9%	12.5%	14.3%	5.1%	1.1%	-0.1%	14.1%	5.3%	-2.9%	-0.3%	8.8%	15.4%	5.7%	5.7%	5.8%	11.7%	14.7%	9.7%
EBITDA adjusted margin	7.2%	12.5%	16.1%	17.1%	19.2%	11.1%	3.5%	10.9%	16.4%	10.8%	5.7%	6.9%	12.3%	16.8%	10.7%	8.1%	8.4%	14.0%	16.9%	12.1%
Pre-tax margin	0.4%	2.7%	8.4%	9.2%	11.5%	2.3%	-2.3%	-3.2%	11.2%	2.3%	-5.7%	-3.5%	6.1%	12.5%	2.8%	3.0%	2.7%	8.9%	12.3%	7.0%
Net income margin	-4.8%	6.1%	7.0%	6.3%	8.1%	1.7%	-1.8%	-2.1%	6.1%	1.1%	-5.1%	-3.3%	4.5%	9.2%	1.7%	2.1%	1.9%	6.3%	8.6%	4.9%
Tax rate	1285.3%	-124.2%	16.5%	31.3%	29.2%	25.6%	20.2%	33.8%	45.0%	49.4%	9.4%	3.9%	25.9%	25.9%	40.1%	30.0%	30.0%	30.0%	30.0%	30.0%

Growth Rate Analysis Y/Y

Total revenue	-11.9%	13.0%	17.3%	6.7%	2.4%	1.0%	-2.8%	-8.5%	-15.3%	-7.0%	-7.3%	0.1%	1.0%	1.0%	-1.4%	9.2%	4.7%	3.6%	7.1%	6.2%
Total cost of revenues	-19.6%	-3.4%	18.8%	10.0%	-1.3%	1.6%	-4.3%	-8.0%	-5.1%	-4.0%	-4.3%	3.7%	12.1%	2.1%	3.3%	11.1%	6.9%	3.1%	8.5%	7.3%
Selling, general and administrative	-11.0%	18.7%	9.4%	6.2%	-1.4%	6.8%	10.6%	3.5%	-4.7%	3.8%	-2.3%	-3.5%	-7.3%	-1.5%	-3.7%	5.2%	0.0%	1.2%	7.6%	3.5%
Depreciation	4.7%	-7.1%	-20.8%	-12.9%	-8.6%	-12.9%	11.3%	2.2%	19.6%	4.1%	15.7%	12.2%	17.1%	-1.2%	10.6%	2.4%	-1.3%	-5.1%	4.7%	0.0%
Amortization	-7.4%	8.7%	5.2%	-17.5%	-2.1%	2.5%	2.5%	3.4%	5.1%	3.4%	-37.4%	-39.0%	-44.1%	-8.9%	-32.4%	9.2%	11.9%	22.1%	-25.0%	1.0%
Operating income	15.2%	164.9%	192.2%	11.3%	25.3%	-72.3%	-200.9%	-126.4%	-56.0%	-82.7%	-347.5%	-37.4%	290.5%	14.0%	32.2%	158.6%	186.1%	50.3%	5.6%	160.8%
Operating income - adjusted	-19.9%	127.0%	191.5%	13.4%	37.3%	-41.5%	-134.2%	-67.0%	-47.3%	-60.8%	-86.5%	73.4%	69.0%	-4.9%	-2.6%	358.2%	562.6%	25.2%	5.6%	39.2%
EBITDA - adjusted	-30.7%	95.7%	50.9%	13.9%	15.0%	-30.0%	-72.3%	-47.5%	-48.9%	-48.0%	-52.0%	99.1%	14.0%	3.0%	-2.0%	53.9%	27.9%	18.0%	7.9%	19.8%
Pre-tax income	34.5%	663.3%	263.2%	17.2%	27.7%	-69.9%	-195.3%	-125.4%	-55.8%	-81.6%	-328.9%	-53.0%	295.9%	12.7%	22.5%	158.1%	182.0%	50.6%	5.6%	162.8%
Net income	-822.3%	244.4%	35.3%	-3.5%	31.6%	-75.7%	-223.1%	-124.6%	-63.4%	-86.9%	-378.5%	-84.2%	318.9%	51.8%	45.1%	144.9%	159.7%	42.4%	-0.2%	207.3%
EPS	-826.0%	242.3%	33.3%	-3.4%	39.7%	-75.0%	-226.7%	-125.6%	-61.7%	-86.4%	-402.7%	-111.3%	346.5%	69.4%	62.3%	148.1%	160.2%	43.8%	0.8%	214.9%
Share count - fully diluted	-0.4%	1.5%	1.5%	-0.1%	-5.8%	-2.7%	-2.8%	-3.6%	-4.5%	-3.4%	-8.0%	-12.8%	-11.2%	-10.4%	-10.6%	-6.7%	-0.7%	-1.0%	-1.0%	-2.4%

(1) Excludes 1x items

(2) Using a 27% tax rate

Source: Company Reports, Stonegate Capital Markets estimates

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