RESEARCH UPDATE

INFORMATION SERVICES GROUP, INC. (NASDAQ: III)

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Market Statistics	
Price	$ 5.19
52 week Range	$3.74 - $6.45
Daily Vol (3-mo. average)	259,878
Market Cap ($M):	$ 251.3
Enterprise Value ($M):	$ 286.8
Shares Outstanding: ($M)	48.4
Float (M)	35.2

Financial Summary	
Cash ($)	$ 23.7
Cash/Share	$ 0.49
Debt ($)	$ 59.2
Equity ($)	$ 95.8
Equity/Share	$ 1.98

Valuation in USD	
Valuation Range	$5.71 - $6.80
2027E Price Target	$ 6.21

FYE: DEC	2025	2026E	2027E
(in $M)			
Rev	$ 244.7	$ 255.0	$ 260.1
Chng%	-1.2%	4.2%	2.0%
EBITDA	$ 32.2	$ 36.1	$ 38.6
Net Income	$ 9.3	$ 11.7	$ 12.6
EPS	$ 0.2	$ 0.23	$ 0.25
EV/Revenue	1.1x	1.1x	1.1x
EV/EBITDA	11.5x	7.9x	7.4x
P/E	21.6x	22.2x	20.4x

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.

III Reports Second Quarter Results

III's 2Q26 results improved the forward setup as revenue and adj. EBITDA exceeded guidance, AI-related revenue accelerated, and recurring revenue reached a record. The differentiated read-through is that AI is strengthening both sides of ISG's earnings model, generating demand across governance, sourcing, research, and advisory while supporting delivery efficiency, higher-value mix, and margin expansion. Underlying growth remained mid-single digits excluding FX and Martino, with growth broadening across the Americas and Europe despite measured enterprise decision-making. Record recurring revenue expands visibility beneath ISG's project-oriented advisory work. Management said the pipeline is probably as strong as it has ever been, although client decision timing remains the primary visibility constraint. We are keeping an eye on AI governance expansion, larger-opportunity conversion, recurring-revenue mix, and APAC's return to growth.

Quarterly Results – III reported revenue, adj. EBITDA, and adj. EPS of $65.5M, $9.4M, and $0.10, respectively, versus $61.2M, $8.3M, and $0.09 in 1Q26. Revenue increased 6.4% y/y and exceeded the $62.5M-$63.5M outlook, including a $0.7M FX benefit. Adj. EBITDA increased 13% y/y and exceeded the $8.0M-$9.0M range, while margin expanded 80 bps to 14.3%. Drivers included pricing, cost optimization, higher-value advisory mix, recurring-revenue growth, and leverage from AI-enabled delivery. Consulting utilization was 74%, while operating cash flow improved to $5.2M from a $0.7M use in 1Q.

AI and Recurring Revenue – AI-related revenue increased 64% y/y to $26M from approximately $21M in 1Q, with nearly half of clients generating AI-related revenue. Management views AI governance as incremental white-space demand that can attach to existing relationships and lead into broader sourcing, workforce-readiness, and transformation work. Recurring revenue increased 7% y/y to $30M, driven by research and governance, and management targets mix above 50% over the next couple of years. ISG has not seen billing-rate pressure from AI; management instead expects more frequent technology program and contract reviews to support transaction activity.

Regional Trends - Americas revenue increased 7% y/y and 6% q/q to $42.1M, supported by research, governance, health sciences, and insurance. Europe increased 10% to $18.3M as demand improved across advisory, software, governance, consumer, banking, manufacturing, and health sciences. APAC declined 7% to $5.1M, though improved late-quarter public-sector activity supports management's expectation for growth in 2H26.

Guidance – III guided 3Q26 revenue to $63.5M-$64.5M and adj. EBITDA to $8.5M-$9.5M. Management expects y/y growth and margin expansion, while considering European summer seasonality and a later Labor Day. Cash ended at $23.7M, gross debt/EBITDA improved to 1.7x from 1.9x at year-end, and the Board added $30M to the repurchase authorization, bringing total availability to $32.3M, with buybacks expected to accelerate in 2H.

Valuation – We use both a DCF and EV/EBITDA comp analysis to guide our valuation. Our DCF analysis produces a valuation range of $5.38 to $6.76 with a mid-point of $5.98. Our EV/EBITDA valuation results in a range of $6.05 to $6.85 with a mid-point of $6.45. Using a simple average this arrives at a valuation range of $5.71 to $6.80 with a price target at the mid-point of $6.21.

Summary

Exhibit 1: Quarterly Results Comparison to Model

	2Q26 Results		
	Reported	Modeled	Notes
Revenue	65.5	63.3	AI, governance, and regional growth drove revenue upside
COGS	33.5	36.1	
Gross profit	**32.0**	**27.2**	
GPM	**48.8%**	**43.0%**	Higher-value mix and pricing supported gross margin expansion
SG&A	25.1	20.9	
D&A	1.1	1.1	
Operating exp	26.1	22.0	
EBIT - Adj	**6.1**	**5.5**	Gross profit gains outweighed higher SG&A spending
OPM	**9.4%**	**8.7%**	
EBITDA adjusted	**9.4**	**8.6**	Revenue growth, mix, and delivery leverage drove EBITDA upside.
Margin	**14.3%**	**13.6%**	
Net income	3.3	2.7	
EPS	**$ 0.07**	**$ 0.05**	
Net income - adjusted	5.0	4.4	
EPS - adjusted	**$ 0.10**	**$ 0.09**	

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' digitals 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 demand trends. Thereafter, we assume III can maintain a mid-single digit revenue growth rate driven by its AI alignment, digital advisory services, and increasing revenue generation from recurring revenue service offerings. Additionally, we assume no acquisition growth. Our DCF valuation shows a range of between $5.38 per share to $6.76 per share, with a mid-point of $5.98 per share.

Sensitivity Analysis:

		Terminal Growth Rates				
		1.0%	1.5%	2.0%	2.5%	3.0%
Discount Rati	9.00%	$6.41	$6.68	$6.99	$7.35	$7.78
	9.50%	$5.96	$6.19	$6.45	$6.76	$7.10
	10.00%	$5.56	$5.76	$5.98	$6.24	$6.53
	10.50%	$5.21	$5.38	$5.57	$5.78	$6.03
	11.00%	$4.89	$5.04	$5.20	$5.39	$5.59

Comps Analysis

Based on our forward estimates, III is trading at 1.1x EV/S, 7.4x EV/EBITDA, and a 20.4x P/E versus comps at a median of 1.4x EV/S, 9.2x EV/EBITDA, and a 13.4x P/E.

Comparative Analysis

Information Services Group, Inc. (NASDAQ: III)

(all figures in $M except per share information)

						EV/S (2)			EV/EBITDA (2)			P/E (2)		
Name	Ticker	Price (1)	Sh	Mrkt Cap	EV	LTM	2026 E	2027 E	LTM	2026 E	2027 E	LTM	2026 E	2027 E
Gartner Inc	IT	$185.60	63.15	$ 11,720.4	$ 13,561.2	2.1x	2.1x	2.0x	9.8x	8.4x	8.0x	17.0x	12.8x	11.2x
FTI Consulting Inc	FCN	$151.43	27.04	$ 4,094.3	$ 5,172.9	1.3x	1.3x	1.2x	11.8x	11.8x	10.5x	18.2x	16.3x	13.8x
Huron Consulting Group Inc	HURN	$152.05	15.91	$ 2,419.1	$ 3,252.3	1.8x	1.7x	1.6x	13.4x	11.8x	10.3x	22.9x	16.5x	14.4x
Forrester Research Inc	FORR	$ 11.74	19.41	$ 227.9	$ 144.2	0.4x	0.4x	0.4x	2.4x	5.3x	4.7x	nm	15.1x	13.0x
CRA International Inc	CRAI	$169.31	6.28	$ 1,062.7	$ 1,344.9	1.7x	1.7x	1.6x	14.4x	13.4x	12.5x	22.6x	19.7x	17.6x
Hackett Group Inc	HCKT	$ 11.53	24.88	$ 286.8	$ 355.7	1.3x	1.3x	1.2x	8.4x	6.1x	5.5x	18.3x	8.0x	7.2x
					Average	**1.4x**	**1.4x**	**1.3x**	**10.0x**	**9.5x**	**8.6x**	**19.8x**	**14.7x**	**12.9x**
					Median	**1.5x**	**1.5x**	**1.4x**	**10.8x**	**10.1x**	**9.2x**	**18.3x**	**15.7x**	**13.4x**
Information Services Group, Inc	**III**	**$5.19**	**48.4**	**$ 251.3**	**$ 286.8**	**1.1x**	**1.1x**	**1.1x**	**11.5x**	**7.9x**	**7.4x**	**21.6x**	**22.2x**	**20.4x**

(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 $6.05 to $6.85 with a mid-point of $6.45.

When we combine these two valuation methods using a simple average it arrives at a 2026 E valuation range of $5.71 to $6.80 with a price target at the mid-point of $6.21.

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+
- New acquisition announcements……………………………………........……………2026+

DISCOUNTED CASH FLOW ANALYSIS

Information Services Group, Inc.
Discounted Cash Flow Model (in $M, except per share amounts)

Estimates:	2024	2025	2026 E	2027 E	2028 E	2029 E	2030 E	2031 E	2032 E	2033 E	2034 E	2035 E	Terminal Value
Revenue	247.6	244.7	255.0	260.1	268.6	281.7	297.2	312.4	324.9	337.9	349.7	360.2	
Opearting Income	11.2	19.8	23.6	25.8	27.1	29.9	33.3	39.1	41.6	43.9	47.6	49.0	
Less: Taxes (benefit)	2.4	5.2	7.0	7.4	7.8	8.6	9.6	11.2	12.0	12.6	13.7	14.1	
NOPAT	8.8	14.6	16.6	18.4	19.3	21.3	23.7	27.8	29.6	31.3	33.9	34.9	
Plus: D&A	5.9	4.5	4.2	4.4	4.3	3.9	3.6	3.1	3.7	3.9	4.0	4.1	
Plus: Changes in WC	9.9	6.5	2.6	0.3	(1.3)	(2.5)	(2.7)	(2.7)	(2.8)	(2.7)	(2.6)	(2.7)	
Less: Capex	(2.8)	(4.0)	(2.3)	(2.3)	(2.4)	(2.5)	(2.7)	(2.8)	(2.9)	(3.0)	(3.1)	(3.2)	
Free Cash Flow	21.8	21.7	21.1	20.7	19.9	20.2	21.9	25.5	27.7	29.4	32.1	33.1	422.1
Discount period - months			6	18	30	42	54	66	78	90	102	114	
Discount period - years			0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	
Discount factor			0.95	0.87	0.79	0.72	0.65	0.59	0.54	0.49	0.44	0.40	
PV of FCF			20.1	18.0	15.7	14.4	14.3	15.1	14.9	14.4	14.3	13.4	170.7
Growth rate assumptions:													
Revenue		-1.2%	4.2%	2.0%	3.3%	4.9%	5.5%	5.1%	4.0%	4.0%	3.5%	3.0%	
Operating Income		76.9%	19.1%	9.4%	5.1%	10.1%	11.5%	17.3%	6.5%	5.6%	8.3%	3.0%	
EBITDA		42.5%	14.2%	8.6%	4.0%	7.6%	9.0%	14.4%	7.5%	5.5%	7.9%	3.0%	
Free Cash Flow		-0.3%	-2.9%	-1.6%	-4.1%	1.4%	8.9%	16.2%	8.6%	6.3%	9.2%	3.0%	
Margin assumptions:													
Operating Income	4.5%	8.1%	9.3%	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%	1.7%	1.7%	1.6%	1.4%	1.2%	1.0%	1.2%	1.2%	1.2%	1.2%	
EBITDA	6.9%	10.0%	10.9%	11.6%	11.7%	12.0%	12.4%	13.5%	14.0%	14.2%	14.8%	14.8%	
Taxes	21.3%	26.2%	29.7%	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%	

Valuation:

Shares outstanding	48.4
PV of FCF	154.5
PV of Terminal Value	170.7
Enterprise Value	325.2
less: Net Debt	35.5
Estimated Total Value:	289.7
Est Equity Value/share:	**$5.98**
Current Price	$5.19

Sensitivity Analysis:

Discount Rat		Terminal Growth Rates				
		1.0%	1.5%	2.0%	2.5%	3.0%
	9.00%	$6.41	$6.68	$6.99	$7.35	$7.78
	9.50%	$5.96	$6.19	$6.45	$6.76	$7.10
	10.00%	$5.56	$5.76	$5.98	$6.24	$6.53
	10.50%	$5.21	$5.38	$5.57	$5.78	$6.03
	11.00%	$4.89	$5.04	$5.20	$5.39	$5.59

Source: Company Reports, Stonegate Capital Markets

INCOME STATEMENT

Information Services Group, Inc. (NASDAQ: III)
Consolidated Statements of Income (
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 Mar-26	Q2 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
Revenues																				
Revenues	$ 249.1	$ 277.8	$ 286.3	$ 291.1	$ 247.6	$ 59.6	$ 61.6	$ 62.4	$ 61.2	$ 244.7	$ 61.2	$ 65.5	$ 64.1	$ 64.2	$ 255.0	$ 62.8	$ 65.4	$ 65.5	$ 66.4	$ 260.1
Total revenue	**$ 249.1**	**$ 277.8**	**$ 286.3**	**$ 291.1**	**$ 247.6**	**$ 59.6**	**$ 61.6**	**$ 62.4**	**$ 61.2**	**$ 244.7**	**$ 61.2**	**$ 65.5**	**$ 64.1**	**$ 64.2**	**$ 255.0**	**$ 62.8**	**$ 65.4**	**$ 65.5**	**$ 66.4**	**$ 260.1**
Operating expenses																				
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	34.8	33.5	36.5	36.4	141.2	35.6	36.5	37.6	37.8	147.6
Selling, general and administrative	83.8	78.8	81.8	91.3	85.6	21.2	20.1	20.6	21.2	83.1	20.3	25.1	21.2	21.2	87.7	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	1.0	1.1	1.1	1.1	4.2	1.1	1.1	1.1	1.1	4.4
Total operating expenses	239.9	252.6	256.8	276.4	241.8	56.2	56.9	57.8	56.1	226.9	56.2	59.6	58.7	58.6	233.1	57.8	58.7	59.8	60.0	236.3
Operating income (loss)	**9.3**	**25.3**	**29.5**	**14.6**	**5.8**	**3.4**	**4.7**	**4.6**	**5.1**	**17.8**	**5.0**	**5.9**	**5.4**	**5.6**	**21.9**	**5.0**	**6.7**	**5.7**	**6.4**	**23.8**
Operating income (loss) - adjusted (1)	**13.3**	**27.0**	**30.4**	**22.3**	**11.2**	**3.9**	**5.1**	**5.5**	**5.3**	**19.8**	**5.5**	**6.1**	**5.9**	**6.1**	**23.6**	**5.5**	**7.2**	**6.2**	**6.9**	**25.8**
Other expense (income):																				
Interest income	(0.3)	(0.1)	(0.2)	(0.5)	(0.8)	(0.1)	(0.0)	(0.0)	(0.0)	(0.2)	(0.0)	(0.0)	(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	0.9	0.9	1.0	1.0	3.8	1.0	1.0	1.0	1.0	4.0
Other expense (income)	-	-	-	-	(4.5)	-	-	(0.7)	-	(0.7)	-	-	-	-	-	-	-	-	-	-
FX transaction (loss) gain	0.1	(0.0)	(0.2)	0.2	0.0	(0.0)	0.1	0.1	(0.1)	0.1	(0.2)	(0.3)	-	-	(0.4)	-	-	-	-	-
Total other expense (income):	3.4	2.2	2.8	5.9	0.5	1.0	1.1	0.4	0.8	3.3	0.7	0.6	0.9	0.9	3.2	0.9	0.9	0.9	0.9	3.8
Pre-tax income (loss)	**5.9**	**23.1**	**26.7**	**8.8**	**5.2**	**2.4**	**3.6**	**4.2**	**4.4**	**14.5**	**4.3**	**5.2**	**4.5**	**4.7**	**18.7**	**4.0**	**5.8**	**4.8**	**5.5**	**20.1**
Income tax expense (benefit)	3.1	7.6	7.0	2.6	2.4	0.9	1.4	1.1	1.8	5.2	1.6	1.9	1.7	1.8	7.0	1.5	2.1	1.8	2.0	7.4
Net income (loss)	**2.8**	**15.5**	**19.7**	**6.2**	**2.8**	**1.5**	**2.2**	**3.1**	**2.6**	**9.3**	**2.7**	**3.3**	**2.8**	**2.9**	**11.7**	**2.5**	**3.6**	**3.0**	**3.5**	**12.6**
EPS	**$ 0.06**	**$ 0.30**	**$ 0.39**	**$ 0.12**	**$ 0.06**	**$ 0.03**	**$ 0.04**	**$ 0.06**	**$ 0.05**	**$ 0.19**	**$ 0.05**	**$ 0.07**	**$ 0.06**	**$ 0.06**	**$ 0.23**	**$ 0.05**	**$ 0.07**	**$ 0.06**	**$ 0.07**	**$ 0.25**
Net income (loss) - adjusted (2)	**14.1**	**23.1**	**26.9**	**20.1**	**10.0**	**3.7**	**4.1**	**4.7**	**4.0**	**16.5**	**4.3**	**5.0**	**4.8**	**4.9**	**18.9**	**4.5**	**5.2**	**4.6**	**5.0**	**19.3**
EPS (loss) - adjusted (2)	**$ 0.29**	**$ 0.45**	**$ 0.53**	**$ 0.40**	**$ 0.20**	**$ 0.07**	**$ 0.08**	**$ 0.09**	**$ 0.08**	**$ 0.33**	**$ 0.09**	**$ 0.10**	**$ 0.10**	**$ 0.10**	**$ 0.38**	**$ 0.09**	**$ 0.11**	**$ 0.09**	**$ 0.10**	**$ 0.39**
Weighted avg. shares	49.4	51.8	50.4	50.2	49.7	50.3	50.1	50.4	50.5	50.3	50.2	49.8	49.8	49.7	49.9	49.7	49.6	49.6	49.5	49.6
EBITDA (1)	**19.4**	**32.3**	**35.8**	**28.5**	**17.1**	**5.0**	**6.3**	**6.7**	**6.4**	**24.4**	**6.5**	**7.2**	**7.0**	**7.2**	**27.8**	**6.6**	**8.3**	**7.3**	**8.0**	**30.2**
EBITDA - adjusted (3)	**28.3**	**38.8**	**43.3**	**37.7**	**25.1**	**7.4**	**8.3**	**8.4**	**8.1**	**32.2**	**8.3**	**9.4**	**9.1**	**9.3**	**36.1**	**8.7**	**10.4**	**9.4**	**10.1**	**38.6**

(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

	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 Mar-26	Q2 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
Margin Analysis																				
Gross margin	39.8%	39.4%	40.7%	38.5%	39.3%	43.1%	42.2%	42.2%	44.8%	43.1%	43.1%	48.8%	43.1%	43.4%	44.6%	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%	8.2%	8.9%	8.4%	8.7%	8.6%	7.9%	10.3%	8.7%	9.7%	9.2%
Operating margin - adjusted	5.3%	9.7%	10.6%	7.7%	4.5%	6.5%	8.3%	8.9%	8.7%	8.1%	8.9%	9.4%	9.2%	9.5%	9.3%	8.7%	11.0%	9.5%	10.4%	9.9%
EBITDA margin	7.8%	11.6%	12.5%	9.8%	6.9%	8.4%	10.2%	10.7%	10.5%	10.0%	10.7%	11.0%	10.9%	11.2%	10.9%	10.4%	12.7%	11.2%	12.1%	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%	13.5%	14.3%	14.2%	14.5%	14.2%	13.8%	15.9%	14.4%	15.3%	14.8%
Net income margin	1.1%	5.6%	6.9%	2.1%	1.1%	2.5%	3.5%	4.9%	4.3%	3.8%	4.4%	5.0%	4.3%	4.5%	4.6%	4.0%	5.6%	4.6%	5.2%	4.9%
Net income margin - adjusted	5.7%	8.3%	9.4%	6.9%	4.0%	6.2%	6.7%	7.5%	6.5%	6.7%	7.0%	7.6%	7.5%	7.6%	7.4%	7.2%	8.0%	7.0%	7.5%	7.4%
Tax rate	53.1%	32.8%	26.1%	29.8%	45.7%	37.9%	38.7%	27.2%	40.3%	35.7%	37.2%	37.1%	38.0%	38.0%	37.5%	37.0%	37.0%	37.0%	37.0%	37.0%
Growth Rate Analysis Y/Y																				
Total revenue	-6.3%	11.5%	3.0%	1.7%	-14.9%	-7.3%	-4.2%	1.8%	5.9%	-1.2%	2.7%	6.4%	2.8%	4.9%	4.2%	2.6%	-0.2%	2.2%	3.4%	2.0%
Operating income	-30.6%	172.6%	16.7%	-50.4%	-60.6%	243.3%	27.8%	6.8%	2775.4%	209.3%	47.7%	25.6%	17.7%	8.9%	22.9%	-1.1%	14.6%	5.8%	14.8%	8.9%
Operating income - adjusted	-12.9%	103.9%	12.6%	-26.7%	-49.7%	486.5%	17.1%	75.3%	75.8%	76.9%	41.4%	19.5%	6.8%	15.1%	19.1%	-0.2%	17.7%	5.3%	13.6%	9.4%
EBITDA	-11.3%	66.3%	10.7%	-20.3%	-40.1%	129.8%	4.9%	40.4%	53.7%	42.5%	31.0%	14.2%	4.4%	11.4%	14.2%	0.7%	15.7%	5.1%	12.2%	8.6%
EBITDA - adjusted	-10.1%	37.0%	11.5%	-12.9%	-33.3%	67.6%	16.7%	19.0%	23.6%	28.1%	11.8%	12.9%	8.5%	15.6%	12.2%	4.7%	11.2%	3.0%	8.5%	6.9%
Net income	-17.6%	463.9%	27.0%	-68.8%	-53.9%	143.9%	7.1%	166.2%	-14.0%	229.1%	82.5%	51.1%	-9.5%	10.5%	24.9%	-6.7%	10.3%	8.8%	19.7%	8.3%
EPS	-19.6%	437.8%	30.4%	-68.6%	-53.5%	-142.4%	5.9%	164.7%	-13.8%	225.1%	82.8%	52.0%	-8.3%	12.3%	26.0%	-5.8%	10.7%	9.2%	20.1%	8.9%
Net income - adjusted	1.1%	64.2%	16.3%	-25.4%	-50.4%	410.6%	9.5%	88.8%	33.3%	65.3%	16.5%	19.5%	2.6%	23.2%	14.9%	6.0%	5.4%	-4.2%	1.6%	2.1%
EPS - adjusted	-1.4%	56.6%	19.4%	-25.0%	-49.9%	392.7%	8.3%	87.7%	33.6%	63.3%	16.6%	20.2%	3.9%	25.1%	16.0%	7.1%	5.8%	-3.8%	2.0%	2.7%
Share count	2.6%	4.9%	-2.6%	-0.5%	-0.9%	3.6%	1.1%	0.6%	-0.2%	1.2%	-0.2%	-0.6%	-1.3%	-1.5%	-0.9%	-1.0%	-0.4%	-0.4%	-0.4%	-0.5%

Source: Company Reports, Stonegate Capital Markets estimates

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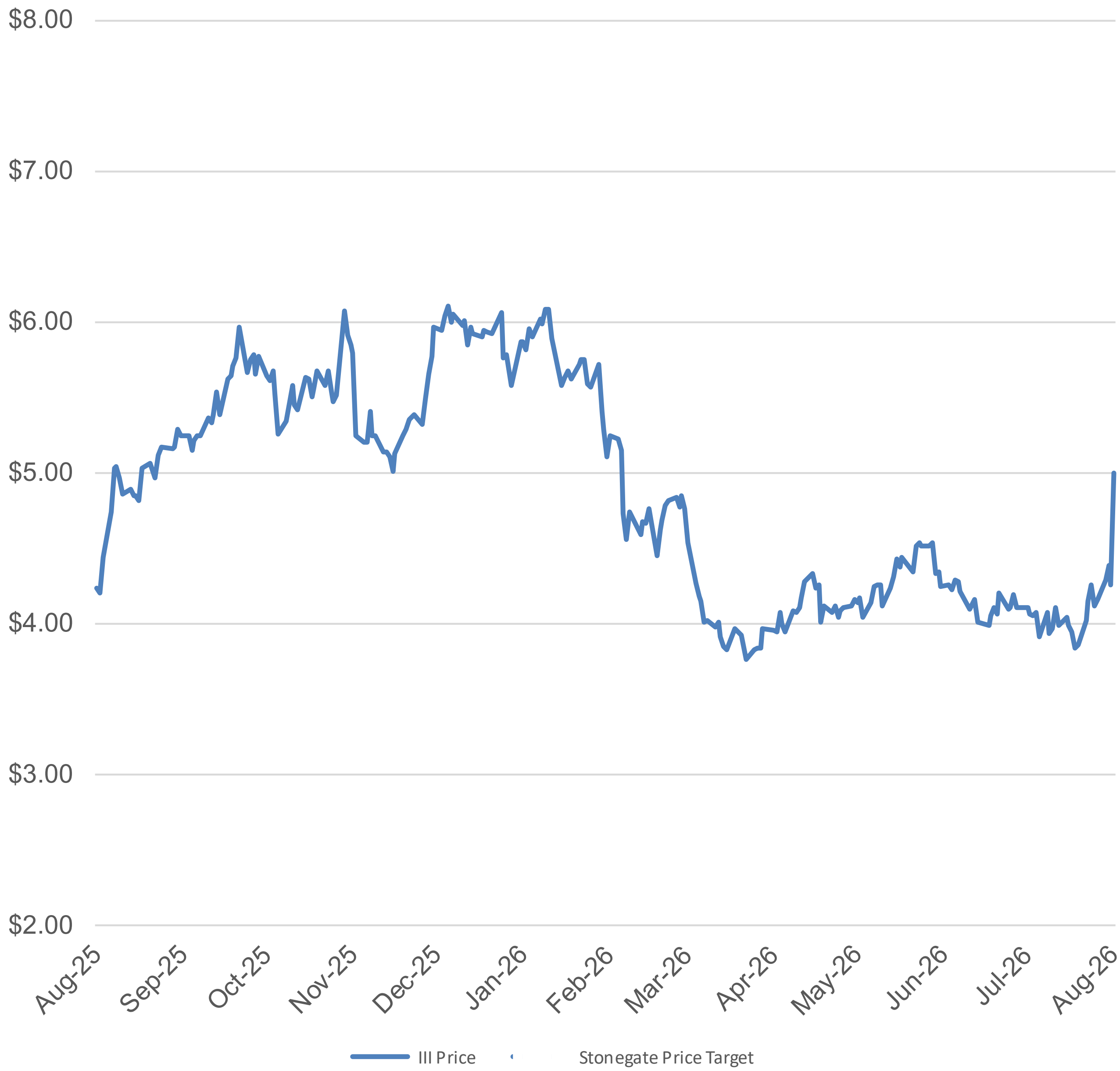
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