RESEARCH UPDATE

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Market Statistics

Price	$17.33
52-Week Range	$11.16 - $26.81
Daily Vol. (3 Month Avg.)	57,621
Market Cap (M)	$196.2
Enterprise Value (M)	$182.9
Shares Out (M)	11.3
Float (M)	9.3

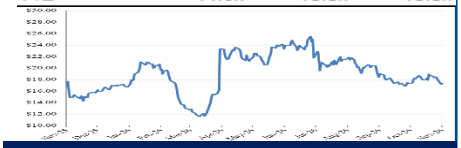
Financial Summary

Equity (M)	$ 51.4
BV/Sh	$ 4.54
Cash (M)	$ 13.3
Debt (M)	$ -
Debt/Cap	0.0%

Valuation

Valuation Range	$22.91 - $25.81
Price Target	$ 24.25

FYE: AUG	2026	2027E	2028E
(in $M)			
Rev	$ 261.5	$ 268.7	$ 279.1
Chng%	-2%	3%	4%
EBITDA	$ 28.9	$ 31.5	$ 34.3
EPS	$ 0.42	$ 1.12	$ 1.30
EV/R	0.7x	0.7x	0.7x
EV/EBITDA	6.3x	5.8x	5.3x
P/E	41.0x	15.5x	13.3x



COMPANY DESCRIPTION

Franklin Covey Co. is a global leadership and organizational performance partner. The Company operates though 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 4Q26 supports a FY27 earnings recovery as its sales transformation delivers larger engagements, better productivity, and growth in core North America invoicing. A lower cost base is already supporting profitability, while existing sales infrastructure should allow revenue growth without proportional support costs. We believe the next opportunity is converting client commitments into revenue and incremental earnings while replenishing those commitments through new business and expansion. Higher deferred revenue improves visibility, although Education remains softer. Services delivery, hunter productivity, and renewed invoicing growth will indicate how quickly commercial gains translate into sustained earnings and cash generation.

Quarterly results - FC reported revenue, adj EBITDA, and EPS of $70.0M, $12.8M, and $0.71, respectively. This compares to our/consensus estimates of $72.0M/$72.2M, $12.1M/$12.7M, and $0.58/$0.59, respectively. EBITDA margin reached 18.3% versus 16.4%, overcoming a gross margin decline to 74.7% from 75.5% as operating SG&A fell 6%. EPS increased to $0.62 from $0.34, also benefiting from lower taxes and fewer diluted shares. Operating cash flow declined to $4.1M. FY26 FCF totaled $9.2M against $28.1M of repurchases, including tax withholding. Cash was $13.3M, with the $62.5M facility fully available. Cash conversion would support continued capital returns.

Operating Performance – North America's commercial indicators support investment. Core FY26 invoicing grew 8% excluding federal government and Unconscious Bias. Invoiced amounts per hunter more than doubled versus FY24 through more new clients and larger initial engagements, while retained-client invoicing grew high single digits. Management plans to expand hunters by 20%+, using existing farmer and central-hub capacity. We believe incremental gross profit can outpace support costs, although additional selling investment must also be absorbed. Quarterly revenue was essentially flat at $35.8M, and adj. EBITDA declined to $6.6M from $7.6M. Invoicing was essentially unchanged at $37.0M, bringing FY26 growth to 4% at $151.4M.

Revenue Conversion – NAM's visibility improved faster than combined commitment balances. Billed deferred revenue increased 17% to $59.2M, while unbilled deferred revenue declined to $63.1M. We calculate combined balances increased approximately 4%, supporting conversion visibility without implying equivalent acceleration in contracted demand. Consolidated subscription and committed-services invoicing increased to $62.8M from $61.4M. Education revenue declined 4% to $23.6M, while adj. EBITDA increased 11% to $6.9M. FY26 invoicing fell 10%, and deferred revenue declined 6%, despite improved school retention. Management cited statewide budget delays, large multiyear prepayments that did not recur, and an approximately $3M district renewal that shifted into FY27, making weakness partly timing-related in our view. Renewed district/state awards and invoicing growth would improve the base for revenue.

Guidance – Constant-currency FY27 guidance calls for revenue of $263M-$273M and adj. EBITDA of $29M-$34M. Midpoints imply 2.5% revenue growth and 9.1% EBITDA growth, with margin increasing to 11.8% from 11.0%. Comparable revenue growth is 3.3% after adjusting for the approximately $2M China transition impact. The shift to royalties is expected by 2Q27-end without materially affecting adj. EBITDA. North America should drive growth, although management expects 1Q invoicing to decline before full-year growth resumes. Services conversion should support near-term earnings, while new business and client expansion sustain the recovery.

Valuation - Based on our DCF analysis, we place a valuation range for FC of $22.91 to $25.81 with a price target of $24.25.

Summary

Exhibit 1: Quarterly Results Comparison to Model

	4Q26 results		Notes
	Reported	Model	
Total revenues	**70.0**	**72.0**	Revenue slightly below our expectation
Cost of sales	17.7	17.8	
Gross (loss) profit	**52.3**	**54.1**	
Gross margin	**74.7%**	**75.2%**	
SG&A	40.5	43.1	
D&A	1.8	2.1	
Total opex	43.7	45.1	Opex below model
EBIT - adjusted	**10.0**	**9.0**	
Operating margin	**14.3%**	**12.5%**	
EBITDA - adjusted	**12.8**	**12.1**	
EBITDA margin	**18.3%**	**16.8%**	EBITDA ahead of our expectations
Net income (loss) - adj	8.3	6.6	
EPS (loss)	**$ 0.71**	**$ 0.58**	

Source: Company Reports; Stonegate Capital Markets, Inc.

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 4.2%
- A beta adjusted market risk premium of 3.1%
- An average cost of equity equal to 11.00% after accounting for a size premium
- A tax rate of 25%

The above assumption results in a valuation range of $22.91 to $25.81 with a price target of $24.25.

Sensitivity Analysis:

		Terminal Growth Rates				
		1.0%	1.5%	2.0%	2.5%	3.0%
Discount rate	10.50%	$24.41	$25.09	$25.85	$26.70	$27.67
	10.75%	$23.70	$24.32	$25.02	$25.81	$26.70
	11.00%	$23.01	$23.60	$24.25	$24.97	$25.79
	11.25%	$22.37	$22.91	$23.51	$24.18	$24.93
	11.50%	$21.75	$22.26	$22.82	$23.44	$24.13

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

- Continued traction of All Access Pass ……..…… F27+
- EBITDA margin expansion ……..……..…… F27+
- Continued growth in Education ……..……..……..…… F27+
- Sales force expansion ……..……..……..……..……..…… F27+

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 a subscription-based business model, improving North America sales productivity, and opportunities for operating leverage.

Investment Positives

Franklin Covey's brand value is driven by its proprietary content (intellectual property) that creates differentiation and supports high gross 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. FY26 consolidated gross margin was 75.0%, reflecting the economics of its content-based offerings, although service delivery costs and curriculum amortization influence profitability.

All Access Pass business model supports recurring revenue and visibility – 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 FC's proprietary content for an annual subscription. AAP is designed to improve client retention, increase lifetime customer spend, and support expansion through additional subscriptions and services. The subscription transition is established, with the current growth strategy focused on winning larger new engagements and expanding existing client relationships. At FY26-end, 59% of Enterprise North America contracts were multiyear, representing 60% of AAP contract value. North America deferred revenue increased 17% to $59.2M, improving visibility into future revenue recognition. Cash generation also depends on collections, service delivery, and investment requirements.

International licensees provide a royalty-based route to market – The Company's international licensees' business operates via a royalty model. Franklin Covey serves clients across 160 countries overall, with licensee partners extending its international reach. These relationships provide access to local markets and opportunities to distribute the Company's content and subscription offerings. The planned transition of China from direct operations to a locally owned licensee is expected to close by the end of 2Q27, subject to customary conditions. Management expects approximately $2M less FY27 revenue from the transition without a material adj. EBITDA impact. We view the change as preserving participation in China through royalties while giving local ownership greater operating flexibility.

Existing infrastructure creates an opportunity for margin expansion – The Company's established farmer and central support capacity should allow revenue growth without proportional increases in support costs. Management plans to expand North America hunters by 20%+, building on improved new-client productivity and retained-client expansion. Additional selling investment and service delivery costs will influence incremental profitability, so a fixed 40%-50% EBITDA flow-through assumption is not supported by the latest guidance. At the FY27 guidance midpoint, adj. EBITDA grows 9.1% versus 3.3% comparable revenue growth, with adj. EBITDA margin increasing to 11.8% from 11.0%. We believe converting client commitments into revenue should support operating leverage as the sales model scales.

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 FY26, Franklin Covey had $31.3M in intangible assets and $31.0M in goodwill, compared to total assets of $218.3M. 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.

DISCOUNTED CASH FLOW ANALYSIS

Franklin Covey Co
Discounted Cash Flow Model
(in $M, except per share)

Estimates:	2025	2026	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2027E	2037E	Terminal Value
Revenue	267.1	261.5	268.7	279.1	291.7	305.0	319.3	335.3	352.4	371.1	390.9	412.8	435.9	
Opearting Income	5.7	7.2	18.4	21.0	22.6	24.4	26.3	28.7	31.4	35.2	37.1	40.2	43.2	
Less: Taxes (benefit)	3.0	2.1	5.5	6.1	5.7	6.1	6.6	7.2	7.8	8.8	9.3	10.1	10.8	
NOPAT	2.7	5.0	12.9	15.0	17.0	18.3	19.7	21.5	23.5	26.4	27.9	30.2	32.4	
Plus: Depreciation & Amortization	8.5	7.2	6.5	6.7	6.4	6.1	5.7	5.7	5.8	5.9	5.9	6.2	6.5	
Plus: Changes in WC	5.1	(3.1)	2.7	2.8	2.9	3.0	0.5	0.5	0.5	0.6	0.6	0.6	0.7	
Less: Capex	(16.9)	(12.4)	(14.5)	(9.8)	(7.3)	(6.1)	(4.8)	(3.4)	(3.2)	(3.3)	(3.5)	(3.7)	(3.9)	
Free Cash Flow	(0.6)	(3.2)	7.6	14.7	19.0	21.3	21.1	24.3	26.7	29.6	30.8	33.3	35.6	403.9
Discount period - months			12	24	36	48	60	72	84	96	108	120	132	
Discount period - years			1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	
Discount factor			0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43	0.39	0.35	0.32	
PV of FCF			6.9	11.9	13.9	14.1	12.5	13.0	12.9	12.8	12.0	11.7	11.3	128.1
Growth rate assumptions:														
Revenue		-2.1%	2.8%	3.9%	4.5%	4.6%	4.7%	5.0%	5.1%	5.3%	5.4%	5.6%	5.6%	
Operating Income		25.6%	157.2%	14.2%	7.4%	7.9%	7.7%	9.1%	9.4%	12.4%	5.4%	8.4%	7.2%	
EBITDA		1.3%	73.7%	11.3%	4.6%	5.1%	5.0%	7.3%	8.2%	10.8%	4.4%	8.0%	7.0%	
Free Cash Flow		441.7%	-335.1%	93.2%	29.3%	12.4%	-0.9%	15.1%	9.6%	10.9%	4.0%	8.1%	7.1%	
Margin assumptions:														
Operating Income	2.1%	2.7%	6.9%	7.5%	7.8%	8.0%	8.2%	8.6%	8.9%	9.5%	9.5%	9.8%	9.9%	
D&A as a % of sales	3.2%	2.7%	2.4%	2.4%	2.2%	2.0%	1.8%	1.7%	1.7%	1.6%	1.5%	1.5%	1.5%	
EBITDA	5.3%	5.5%	9.3%	9.9%	10.0%	10.0%	10.0%	10.3%	10.6%	11.1%	11.0%	11.3%	11.4%	
Taxes	52.6%	29.9%	29.8%	28.9%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	
Changes in WC	1.9%	-1.2%	1.0%	1.0%	1.0%	1.0%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	
Capex as a % of sales	-6.3%	-4.7%	-5.4%	-3.5%	-2.5%	-2.0%	-1.5%	-1.0%	-0.9%	-0.9%	-0.9%	-0.9%	-0.9%	

Valuation:

Shares outstanding	11.3
PV of FCF	133.1
PV of Terminal Value	128.1
Enterprise Value	261.2
less: Net Debt	(13.3)
Estimated Total Value:	274.5
Est Equity Value/share:	**$ 24.25**
Price	$17.33

Sensitivity Analysis:

Discount rate	Terminal Growth Rates 1.0%	1.5%	2.0%	2.5%	3.0%
10.50%	$24.41	$25.09	$25.85	$26.70	$27.67
10.75%	$23.70	$24.32	$25.02	$25.81	$26.70
11.00%	$23.01	$23.60	$24.25	$24.97	$25.79
11.25%	$22.37	$22.91	$23.51	$24.18	$24.93
11.50%	$21.75	$22.26	$22.82	$23.44	$24.13

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	FY 2025	Q1 Nov-25	Q2 Feb-26	Q3 May-26	Q4 Aug-26	FY 2026 E	Q1 E Nov-26	Q2 E Feb-27	Q3 E May-27	Q4 E Aug-27	FY 2027 E	Q1 E Nov-27	Q2 E Feb-28	Q3 E May-28	Q4 E Aug-28	FY 2027 E
Revenues																					
Revenues	$ 198.5	$ 224.2	$ 262.8	$ 280.5	$ 287.2	$ 267.1	$ 64.0	$ 59.6	$ 67.8	$ 70.0	$ 261.5	$ 65.0	$ 64.7	$ 68.3	$ 70.6	$ 268.7	$ 67.5	$ 67.4	$ 70.5	$ 73.8	$ 279.1
Total revenue	**198.5**	**224.2**	**262.8**	**280.5**	**287.2**	**267.1**	**64.0**	**59.6**	**67.8**	**70.0**	**261.5**	**65.0**	**64.7**	**68.3**	**70.6**	**268.7**	**67.5**	**67.4**	**70.5**	**73.8**	**279.1**
Cost of revenues																					
Cost of sales	53.1	51.3	60.9	67.0	66.2	63.5	15.7	14.4	17.7	17.7	65.4	16.9	16.7	17.1	17.2	67.8	16.6	16.5	17.9	18.3	69.3
Total cost of revenues	53.1	51.3	60.9	67.0	66.2	63.5	15.7	14.4	17.7	17.7	65.4	16.9	16.7	17.1	17.2	67.8	16.6	16.5	17.9	18.3	69.3
Gross (loss) profit	**145.4**	**172.9**	**201.9**	**213.5**	**221.1**	**203.6**	**48.4**	**45.3**	**50.1**	**52.3**	**196.0**	**48.1**	**48.0**	**51.3**	**53.4**	**200.8**	**50.8**	**50.9**	**52.6**	**55.5**	**209.8**
Operating expenses																					
Selling, general and administrative	129.4	153.6	168.1	178.5	175.9	182.7	46.1	43.5	43.3	40.5	173.4	44.6	44.4	43.7	43.3	175.9	46.9	46.8	43.9	44.4	182.1
Depreciation	6.7	6.2	4.9	4.3	3.9	4.1	1.1	1.1	1.2	1.2	4.6	1.1	1.1	1.1	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	4.4	0.7	0.7	0.6	0.6	2.5	0.5	0.5	0.5	0.5	2.0	0.6	0.6	0.6	0.6	2.2
Restructuring cost/other	1.6	-	-	-	3.9	6.7	4.1	2.0	0.8	1.4	8.3	-	-	-	-	-	-	-	-	-	-
Total operating expenses	142.3	164.8	178.2	187.1	188.0	197.9	52.0	47.3	45.9	43.7	188.9	46.2	46.0	45.3	44.9	182.4	48.5	48.5	45.6	46.1	188.8
Income (loss) from operations	**3.1**	**8.1**	**23.7**	**26.4**	**33.0**	**5.7**	**(3.7)**	**(2.0)**	**4.2**	**8.6**	**7.2**	**1.9**	**2.0**	**6.0**	**8.5**	**18.4**	**2.3**	**2.4**	**7.0**	**9.4**	**21.0**
Inc (loss) from operations - adjusted (	**3.6**	**8.1**	**23.7**	**26.9**	**37.0**	**14.5**	**0.5**	**(0.4)**	**5.0**	**10.0**	**15.1**	**1.9**	**2.0**	**6.0**	**8.5**	**18.4**	**2.3**	**2.4**	**7.0**	**9.4**	**21.0**
Other (income) expense:																					
Interest expense	2.3	2.0	1.6	0.5	(0.0)	(0.4)	(0.0)	0.1	0.0	0.0	0.1	0.0	0.0	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)	(0.4)	(0.0)	0.1	0.0	0.0	0.1	0.0	0.0	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**	**6.1**	**(3.6)**	**(2.1)**	**4.2**	**8.6**	**7.1**	**1.9**	**2.0**	**5.9**	**8.5**	**18.3**	**2.3**	**2.4**	**6.9**	**9.3**	**20.9**
Income taxes (benefit)	10.2	(7.5)	3.6	8.1	9.6	3.0	(0.3)	(0.1)	1.1	1.5	2.1	0.6	0.6	1.8	2.5	5.5	0.7	0.7	2.0	2.7	6.1
Net income (loss)	**(9.4)**	**13.6**	**18.4**	**17.8**	**23.4**	**3.1**	**(3.3)**	**(2.0)**	**3.1**	**7.1**	**4.9**	**1.3**	**1.4**	**4.1**	**5.9**	**12.8**	**1.6**	**1.7**	**4.9**	**6.6**	**14.9**
EPS (loss)	**$ (0.68)**	**$ 0.97**	**$ 1.29**	**$ 1.24**	**$ 1.74**	**$ 0.24**	**$ (0.27)**	**$ (0.17)**	**$ 0.27**	**$ 0.62**	**$ 0.42**	**$ 0.12**	**$ 0.12**	**$ 0.36**	**$ 0.52**	**$ 1.12**	**$ 0.14**	**$ 0.15**	**$ 0.43**	**$ 0.58**	**$ 1.30**
Net income (loss) - adjusted (1) (2)	**1.0**	**4.5**	**18.5**	**18.2**	**26.1**	**8.9**	**0.4**	**(0.4)**	**3.7**	**8.3**	**12.0**	**1.4**	**1.4**	**4.3**	**6.1**	**13.2**	**1.6**	**1.7**	**5.0**	**6.7**	**15.1**
EPS (loss) - adjusted (1) (2)	**$ 0.07**	**$ 0.32**	**$ 1.29**	**$ 1.27**	**$ 1.93**	**$ 0.68**	**$ 0.04**	**$ (0.04)**	**$ 0.32**	**$ 0.71**	**$ 1.03**	**$ 0.12**	**$ 0.13**	**$ 0.37**	**$ 0.53**	**$ 1.15**	**$ 0.14**	**$ 0.15**	**$ 0.44**	**$ 0.59**	**$ 1.32**
Shares outstanding	13.9	14.1	14.3	14.3	13.5	13.0	12.2	11.4	11.5	11.6	11.7	11.5	11.4	11.4	11.4	11.5	11.4	11.4	11.4	11.4	11.4
EBITDA	14.3	19.3	33.8	35.0	41.2	14.2	(1.9)	(0.2)	6.0	10.4	14.3	3.6	3.7	7.6	10.1	24.9	4.0	4.1	8.6	11.0	27.7
EBITDA - adjusted (1)	14.3	28.0	42.2	48.1	55.3	28.8	3.7	4.1	8.3	12.8	28.9	5.2	5.3	9.2	11.8	31.5	5.6	5.7	10.3	12.7	34.3
Margin Analysis																					
Gross margin	73.3%	77.1%	76.8%	76.1%	77.0%	76.2%	75.5%	75.9%	73.9%	74.7%	75.0%	74.0%	74.2%	75.0%	75.7%	74.7%	75.4%	75.5%	74.6%	75.2%	75.2%
Operating margin	1.5%	3.6%	9.0%	9.4%	11.5%	2.1%	-5.7%	-3.4%	6.2%	12.3%	2.7%	3.0%	3.1%	8.7%	12.1%	6.9%	3.4%	3.6%	9.9%	12.7%	7.5%
Operating margin - adjusted	1.8%	3.6%	9.0%	9.6%	12.9%	5.4%	0.7%	-0.6%	7.4%	14.3%	5.8%	3.0%	3.1%	8.7%	12.1%	6.9%	3.4%	3.6%	9.9%	12.7%	7.5%
EBITDA margin	7.2%	8.6%	12.9%	12.5%	14.3%	5.3%	-2.9%	-0.3%	8.8%	14.9%	5.5%	5.5%	5.7%	11.1%	14.4%	9.3%	5.9%	6.1%	12.3%	15.0%	9.9%
EBITDA adjusted margin	7.2%	12.5%	16.1%	17.1%	19.2%	10.8%	5.7%	6.9%	12.3%	18.3%	11.0%	8.0%	8.2%	13.5%	16.7%	11.7%	8.3%	8.5%	14.6%	17.2%	12.3%
Pre-tax margin	0.4%	2.7%	8.4%	9.2%	11.5%	2.3%	-5.7%	-3.5%	6.1%	12.3%	2.7%	2.9%	3.1%	8.7%	12.0%	6.8%	3.4%	3.5%	9.8%	12.7%	7.5%
Net income margin	-4.8%	6.1%	7.0%	6.3%	8.1%	1.1%	-5.1%	-3.3%	4.5%	10.2%	1.9%	2.0%	2.2%	6.1%	8.4%	4.8%	2.4%	2.5%	7.0%	9.0%	5.3%
Tax rate	1285.3%	-124.2%	16.5%	31.3%	29.2%	49.4%	9.4%	3.9%	25.9%	17.3%	30.3%	30.0%	30.0%	30.0%	30.0%	30.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Growth Rate Analysis Y/Y																					
Total revenue	-11.9%	13.0%	17.3%	6.7%	2.4%	-7.0%	-7.3%	0.1%	1.0%	-1.8%	-2.1%	1.5%	8.5%	0.8%	0.9%	2.8%	3.8%	4.2%	3.1%	4.5%	3.9%
Total cost of revenues	-19.6%	-3.4%	18.8%	10.0%	-1.3%	-4.0%	-4.3%	3.7%	12.1%	1.2%	3.0%	7.9%	16.2%	-3.5%	-2.9%	3.7%	-1.6%	-1.1%	4.7%	6.7%	2.2%
Selling, general and administrative	-11.0%	18.7%	9.4%	6.2%	-1.4%	3.8%	-2.3%	-3.5%	-7.3%	-7.4%	-5.1%	-3.4%	2.0%	1.0%	6.9%	1.5%	5.2%	5.6%	0.6%	2.6%	3.5%
Depreciation	4.7%	-7.1%	-20.8%	-12.9%	-8.6%	4.1%	15.7%	12.2%	17.1%	11.9%	14.2%	2.4%	-1.3%	-5.1%	-7.6%	-3.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortization	-7.4%	8.7%	5.2%	-17.5%	-2.1%	3.4%	-37.4%	-39.0%	-44.1%	-48.0%	-42.1%	-27.2%	-25.4%	-18.6%	-12.4%	-21.3%	10.0%	10.0%	10.0%	10.0%	10.0%
Operating income	15.2%	164.9%	192.2%	11.3%	25.3%	-82.7%	-347.5%	-37.4%	290.5%	9.3%	25.6%	152.7%	201.6%	41.9%	-1.2%	157.2%	19.9%	18.5%	17.0%	10.0%	14.2%
Operating income - adjusted	-19.9%	127.0%	191.5%	13.4%	37.3%	-60.8%	-86.5%	73.4%	69.0%	5.8%	4.4%	312.3%	646.2%	18.2%	-14.9%	21.7%	19.9%	18.5%	17.0%	10.0%	14.2%
EBITDA - adjusted	-30.7%	95.7%	50.9%	13.9%	15.0%	-48.0%	-52.0%	99.1%	14.0%	9.0%	0.4%	41.2%	29.4%	10.8%	-7.7%	9.1%	8.3%	8.0%	11.5%	7.6%	8.9%
Pre-tax income	34.5%	663.3%	263.2%	17.2%	27.7%	-81.6%	-328.9%	-53.0%	295.9%	8.0%	16.4%	152.3%	197.3%	42.3%	-1.2%	159.3%	20.2%	18.7%	17.1%	10.0%	14.3%
Net income	-822.3%	244.4%	35.3%	-3.5%	31.6%	-86.9%	-378.5%	-84.2%	318.9%	62.6%	60.5%	140.4%	170.9%	34.5%	-16.4%	160.5%	21.9%	20.4%	18.7%	11.6%	15.9%
EPS	-826.0%	242.3%	33.3%	-3.4%	39.7%	-86.4%	-402.7%	-111.3%	346.5%	79.8%	79.1%	143.0%	170.8%	34.6%	-15.6%	165.2%	22.5%	20.4%	18.7%	11.6%	16.1%
Share count - fully diluted	-0.4%	1.5%	1.5%	-0.1%	-5.8%	-3.4%	-8.0%	-12.8%	-11.2%	-9.6%	-10.4%	-5.9%	0.1%	-0.1%	-1.0%	-1.8%	-0.5%	0.0%	0.0%	0.0%	-0.1%

(1) Excludes 1x items
(2) Using a 27% tax rate

Source: Company Reports, Stonegate Capital Markets estimates

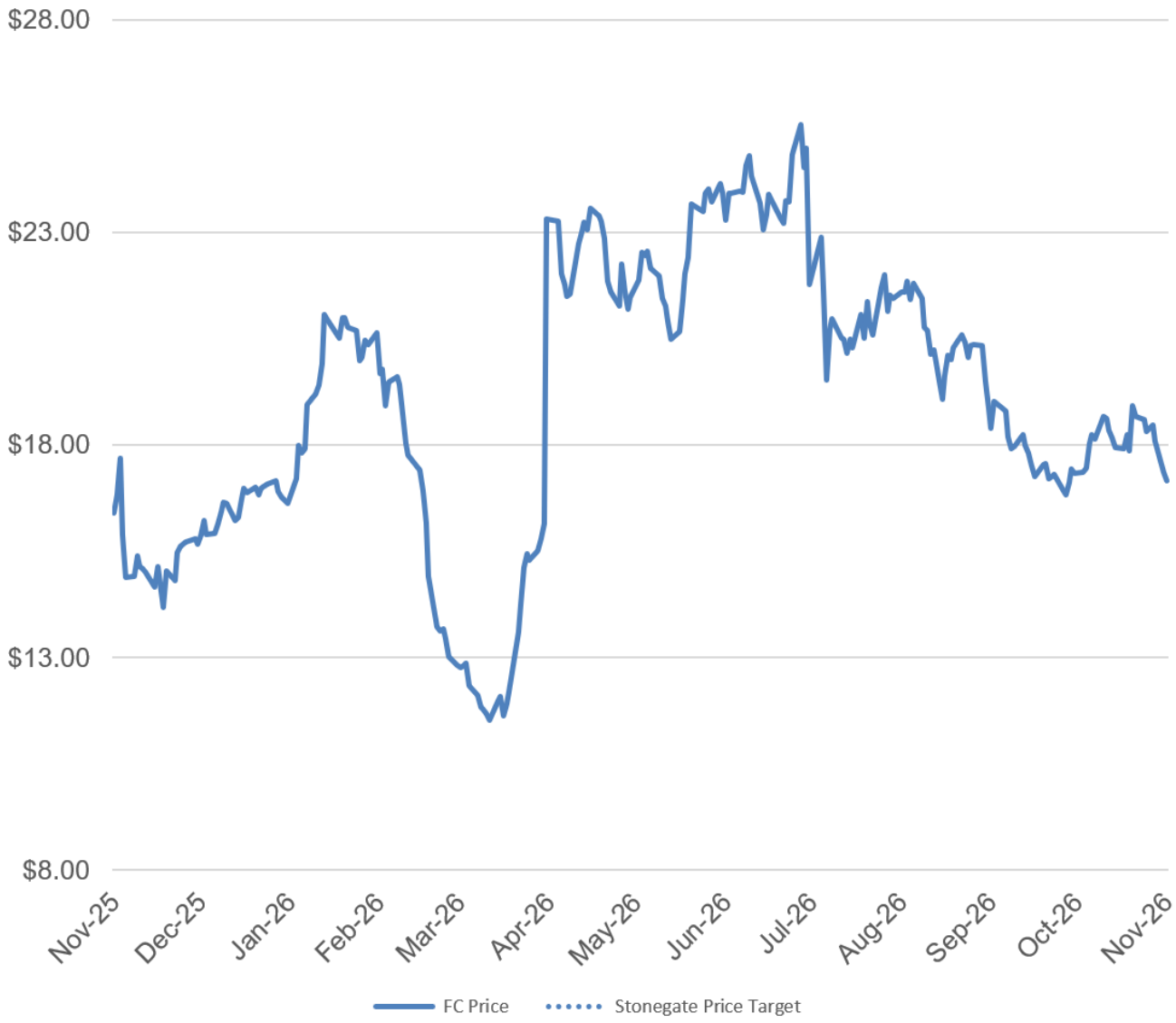
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