RESEARCH UPDATE

INFORMATION SERVICES GROUP, INC. (NASDAQ: III)

Dave Storms, CFA
dave@stonegateinc.com
214-987-4121

Market Statistics	
Price	$ 6.28
52 week Range	$3.74 - $6.45
Daily Vol (3-mo. average)	244,266
Market Cap ($M):	$ 304.0
Enterprise Value ($M):	$ 334.7
Shares Outstanding: ($M)	48.4
Float (M)	35.5

Financial Summary	
Cash ($)	$ 28.5
Cash/Share	$ 0.59
Debt ($)	$ 59.2
Equity ($)	$ 94.5
Equity/Share	$ 1.95

Valuation in USD	
Valuation Range	$6.18 - $7.29
2027E Price Target	$ 6.69

FYE: DEC	2025	2026E	2027E
(in $M)			
Rev	$ 244.7	$ 256.2	$ 265.8
Chng%	-1.2%	4.7%	3.7%
EBITDA	$ 32.2	$ 37.1	$ 37.3
Net Income	$ 9.3	$ 12.6	$ 12.3
EPS	$ 0.2	$ 0.25	$ 0.24
EV/Revenue	1.3x	1.3x	1.3x
EV/EBITDA	12.5x	9.0x	9.0x
P/E	25.1x	25.2x	25.8x



COMPANY DESCRIPTION

Information Services Group is a fact-based sourcing advisory firm providing technology insights, market intelligence and advisory services. With operations in 20 countries, the Company delivers advisory, benchmarking, and analytical insight to large, multinational corporations and governments in N. America, Europe, and Asia Pacific.

III Reports Third Quarter Results

III's 3Q26 demonstrated improved operating leverage as margins expanded, APAC returned to growth, and recurring revenue reached a record. AI-related work exceeded half of revenue ahead of management's anticipated 2027 milestone, with contract reviews creating opportunities alongside enterprise adoption. Cash generation recovered, partly supported by working capital, while delayed Americas engagements support management's expectation for a 4Q rebound. We believe the quarter supports continued earnings growth, with client decision timing, capacity additions, and sustained cash conversion shaping the outlook entering 2027.

Quarterly Results – Revenue increased 4.4% y/y to $65.1M, above guidance of $63.5M-$64.5M. Adj. EBITDA increased 19% to $10.0M, exceeding the $8.5M-$9.5M outlook, while adj. EPS was $0.10. Adj. EBITDA margin reached 15.4%, versus 13.5% a year earlier and 14.3% in 2Q, its highest level in four years. Consulting utilization was 74%, up 190 bps y/y, while headcount remained essentially flat sequentially at 1,273. GAAP net income increased 10.3% to $3.4M as the effective tax rate rose to 42.4% from 27.2%.

AI and Recurring Revenue – AI-related revenue increased 56% y/y to nearly $34M. Recurring revenue reached a record $30.5M, supported by ISG Research, with the release reporting 7% y/y growth. Management confirmed AI-related reviews of existing outsourcing contracts are already active, creating sourcing opportunities alongside deployment, workforce readiness, and governance. Because AI is embedded across existing offerings, AI-related growth should not be equated with entirely incremental consolidated revenue. Remaining performance obligations increased approximately 1.4% q/q to $123.1M, with most expected to be satisfied within twelve months, supporting visibility.

Regional Trends - APAC revenue increased 47% y/y to $6.2M, driven by Consulting and Network & Software. Europe increased 6% to $17.0M as Network & Software growth offset lower Consulting revenue. Americas declined 1% to $41.9M as client decisions slipped into 4Q. Management expects a regional rebound, with combined second-half activity providing a more normalized comparison.

Outlook – III guided 4Q26 revenue to $64M-$65M and adj. EBITDA to $9M-$10M, implying approximately 14.7% midpoint margin. Management reiterated its long-term objective of high-single-digit revenue growth and EBITDA growth approximately 1.5x that rate. These objectives are separate from quarterly guidance. Operating cash flow reached $12.3M, including approximately $5.3M from changes in operating assets and liabilities by our calculation. Nine-month operating cash flow was $16.8M versus $24.0M last year. Management expects cash generation to remain strong and 4Q shareholder returns near 3Q's approximately $7M. Cash of $28.5M and gross debt of $59.2M imply $30.7M net debt, with $27.9M of repurchase authorization remaining.

Valuation – We use both a DCF and EV/EBITDA comp analysis to guide our valuation. Our DCF analysis produces a valuation range of $6.06 to $7.51 with a mid-point of $6.70. Our EV/EBITDA valuation results in a range of $6.30 to $7.07 with a mid-point of $6.69. Using a simple average this arrives at a 2027 E valuation range of $6.18 to $7.29 with a price target at the mid-point of $6.69.

Summary

Exhibit 1: Quarterly Results Comparison to Model

	3Q26 Results		
	Reported	Modeled	Notes
Revenue	65.1	64.1	AI, governance, and regional growth drove revenue upside
COGS	36.6	36.5	
Gross profit	**28.6**	**27.6**	
GPM	**43.9%**	**43.1%**	Higher-value mix and pricing supported gross margin expansion
SG&A	21.0	21.2	
D&A	1.1	1.1	
Operating exp	22.1	22.2	
EBIT - Adj	**6.7**	**5.9**	Gross profit gains outweighed higher SG&A spending
OPM	**10.4%**	**9.2%**	
EBITDA adjusted	**10.0**	**9.1**	Revenue growth, mix, and delivery leverage drove EBITDA upside.
Margin	**15.4%**	**14.2%**	
Net income	3.4	2.8	
EPS	**$ 0.07**	**$ 0.06**	
Net income - adjusted	5.0	4.8	
EPS - adjusted	**$ 0.10**	**$ 0.10**	

Source: Company Reports, Stonegate Capital Partners, Inc.

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 $6.06 per share to $7.51 per share, with a mid-point of $6.70 per share.

Sensitivity Analysis:

Discount Rate	Terminal Growth Rates				
	1.0%	1.5%	2.0%	2.5%	3.0%
9.00%	$7.14	$7.43	$7.76	$8.14	$8.59
9.50%	$6.67	$6.92	$7.19	$7.51	$7.88
10.00%	$6.25	$6.46	$6.70	$6.97	$7.28
10.50%	$5.88	$6.06	$6.27	$6.50	$6.76
11.00%	$5.55	$5.71	$5.88	$6.08	$6.30

Comps Analysis

Based on our forward estimates, III is trading at 1.3x EV/S, 9.0x EV/EBITDA, and a 25.8x P/E versus comps at a median of 1.6x EV/S, 10.9x EV/EBITDA, and a 15.8x P/E.

Comparative Analysis

Information Services Group, Inc. (NASDAQ: III)
(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)		
						LTM	2026 E	2027 E	LTM	2026 E	2027 E	LTM	2026 E	2027 E
Gartner Inc	IT	$235.26	63.15	$ 14,856.4	$ 16,697.2	2.6x	2.6x	2.5x	12.1x	10.4x	9.9x	21.5x	16.3x	14.4x
FTI Consulting Inc	FCN	$191.77	26.68	$ 5,116.5	$ 6,099.5	1.5x	1.5x	1.5x	13.2x	14.4x	12.6x	24.0x	19.5x	17.2x
Huron Consulting Group Inc	HURN	$195.00	14.90	$ 2,904.9	$ 3,738.1	2.1x	2.0x	1.8x	15.4x	13.5x	11.8x	29.3x	21.2x	18.4x
Forrester Research Inc	FORR	$ 9.85	19.04	$ 187.5	$ 120.1	0.3x	0.3x	0.3x	2.0x	4.3x	4.1x	nm	12.7x	10.9x
CRA International Inc	CRAI	$197.17	6.28	$ 1,237.6	$ 1,519.8	1.9x	1.9x	1.8x	16.3x	15.2x	14.2x	26.3x	23.3x	20.6x
Hackett Group Inc	HCKT	$ 13.20	24.88	$ 328.4	$ 397.3	1.4x	1.4x	1.4x	9.4x	6.8x	6.1x	20.9x	9.1x	8.3x
					Average	1.6x	1.6x	1.5x	11.4x	10.8x	9.8x	24.4x	17.0x	15.0x
					Median	1.7x	1.7x	1.6x	12.6x	11.9x	10.9x	24.0x	17.9x	15.8x
Information Services Group, Inc III		$6.28	48.4	$ 304.0	$ 334.7	1.3x	1.3x	1.3x	12.5x	9.0x	9.0x	25.1x	25.2x	25.8x

(1) Previous day's closing price
(2) Estimates are from CapitalIQ except for III which are Stonegate estimates
Source: Company reports, CapitalIQ, Stonegate Capital Partners

Using an EV/EBITDA range of 9.0x to 10.0x 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 $6.30 to $7.07 with a mid-point of $6.69.

When we combine these two valuation methods using a simple average it arrives at a 2027E valuation range of $6.18 to $7.29 with a price target at the mid-point of $6.69.

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+

INVESTMENT FACTORS

Information Services Group (III) is a global AI-centered technology research and advisory firm with operations in 20+ countries. We believe the Company is set to benefit from enterprise AI adoption, technology cost optimization, and growing sourcing and governance requirements. Additionally, acquisitions have helped the Company widen its product and services offering as well as increase its global reach. Furthermore, AI is already a significant contributor to the business, creating opportunities across research, advisory, and governance. With strong brand recognition, domain expertise, vendor independence, and proprietary data assets and market intelligence built on more than 30 years of benchmarking and sourcing experience, III appears well positioned to capture growth.

Investment Positives

Enterprise AI adoption to support 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 greater urgency and an accelerated pace of change that widens the gap between organizations' digital business goals and their internal resources and capabilities. Against this backdrop, III is likely to benefit from demand for AI readiness assessments, sourcing, cost optimization, and governance, supporting revenue opportunities and delivery efficiency..

Vendor independence and proprietary data assets act as a competitive advantage – Unlike many of III's competitors, the Company maintains independence and objectivity from technology vendors and outsourced service providers. Consequently, clients view III as a trusted advisor with an unbiased approach. Additionally, III possesses unique and proprietary data assets built on more than 30 years of benchmarking and sourcing experience. 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 enterprise AI adoption, cloud optimization, and increasingly complex software and service-provider decisions. Clients are evaluating technology investments, renegotiating contracts, and modernizing operating models to improve flexibility, productivity, and costs. ISG supports these initiatives through independent research, benchmarking, sourcing advisory, and implementation oversight.

Recurring revenue and public-sector modernization enhance visibility – 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, public-sector technology modernization, and growth of the digital economy. ISG's research subscriptions, governance offerings, and multi-year public-sector contracts provide recurring revenue alongside project-based advisory work, supporting longer-term client relationships and revenue visibility.

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 leveraging existing competitive strengths to continue organic growth, continued global expansion, a broadening of vertical expertise, productizing market data assets, developing AI-enabled capabilities and proprietary platforms, expanding recurring research and governance 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 September 30, 2026, the Company had outstanding debt of $59.2M. Reported debt/EBITDA of 1.6x, with all outstanding borrowings carrying floating interest rates, exposing the Company to higher interest costs if rates increase. Any negative changes to the global macroeconomic environment could negatively affect the Company's revenues and ability to service its debt.

International operations lead to additional risks – III generated approximately 35% of revenue during the first nine months of 2026 from sales outside of the Americas. As such, the Company is exposed to various risks inherent to international business activities. Furthermore, 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. Foreign currency fluctuations, differing tax regimes, trade restrictions, and regulatory requirements also create exposure across international markets.

Extended economic slowdown – Any macroeconomic weakness in III's major geographic markets could lead to clients deferring their sourcing initiatives. Longer client decision cycles, reduced discretionary technology spending, or delayed project starts could affect revenue timing and advisor utilization. Consequently, III's 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. Some competitors have greater financial resources, larger professional staffs, and broader geographic reach, potentially increasing pressure on pricing and client retention.

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	256.2	265.8	277.8	291.4	307.4	323.1	336.0	349.5	361.7	372.6	
Opearting Income	11.2	19.8	24.7	24.9	30.0	32.3	34.4	40.4	43.0	45.4	49.2	50.7	
Less: Taxes (benefit)	2.4	5.2	8.1	7.9	9.5	10.2	10.9	12.8	13.6	14.4	15.5	16.0	
NOPAT	8.8	14.6	16.6	17.0	20.5	22.1	23.6	27.6	29.4	31.1	33.6	34.7	
Plus: D&A	5.9	4.5	4.3	4.4	4.4	4.1	3.7	3.2	3.9	4.0	4.2	4.3	
Plus: Changes in WC	9.9	6.5	3.8	2.7	1.4	-	(1.5)	(2.7)	(2.9)	(2.8)	(2.7)	(2.8)	
Less: Capex	(2.8)	(4.0)	(1.3)	(1.3)	(1.4)	(1.5)	(1.5)	(1.6)	(1.7)	(1.7)	(1.8)	(1.9)	
Free Cash Flow	21.8	21.7	23.4	22.8	25.0	24.7	24.2	26.5	28.8	30.6	33.3	34.3	437.2
Discount period - months			3	15	27	39	51	63	75	87	99	111	
Discount period - years			0.3	1.3	2.3	3.3	4.3	5.3	6.3	7.3	8.3	9.3	
Discount factor			0.98	0.89	0.81	0.73	0.67	0.61	0.55	0.50	0.46	0.41	
PV of FCF			22.9	20.2	20.1	18.2	16.1	16.1	15.8	15.3	15.2	14.2	181.0
Growth rate assumptions:													
Revenue		-1.2%	4.7%	3.7%	4.5%	4.9%	5.5%	5.1%	4.0%	4.0%	3.5%	3.0%	
Operating Income		76.9%	24.7%	0.7%	20.5%	7.8%	6.5%	17.3%	6.5%	5.6%	8.3%	3.0%	
EBITDA		42.5%	19.0%	1.1%	17.6%	5.7%	4.7%	14.4%	7.5%	5.5%	7.9%	3.0%	
Free Cash Flow		-0.3%	7.9%	-2.8%	9.7%	-0.9%	-2.3%	9.6%	8.5%	6.3%	9.0%	3.0%	
Margin assumptions:													
Operating Income	4.5%	8.1%	9.6%	9.4%	10.8%	11.1%	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%	11.3%	11.0%	12.4%	12.5%	12.4%	13.5%	14.0%	14.2%	14.8%	14.8%	
Taxes	21.3%	26.2%	32.9%	31.6%	31.6%	31.6%	31.6%	31.6%	31.6%	31.6%	31.6%	31.6%	
Changes in WC	4.0%	2.7%	1.5%	1.0%	0.5%	0.0%	-0.5%	-0.9%	-0.9%	-0.8%	-0.8%	-0.8%	
Capex as a % of sales	-1.1%	-1.6%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	

Valuation:

Shares outstanding	48.4
PV of FCF	174.1
PV of Terminal Value	181.0
Enterprise Value	355.1
less: Net Debt	30.6
Estimated Total Value:	324.5
Est Equity Value/share:	**$6.70**
Current Price	$6.28

Sensitivity Analysis:

Discount Rate	Terminal Growth Rates 1.0%	1.5%	2.0%	2.5%	3.0%
9.00%	$7.14	$7.43	$7.76	$8.14	$8.59
9.50%	$6.67	$6.92	$7.19	$7.51	$7.88
10.00%	$6.25	$6.46	$6.70	$6.97	$7.28
10.50%	$5.88	$6.06	$6.27	$6.50	$6.76
11.00%	$5.55	$5.71	$5.88	$6.08	$6.30

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 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	$ 65.1	$ 64.5	$ 256.2	$ 64.8	$ 67.9	$ 66.8	$ 66.3	$ 265.8
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**	**$ 65.1**	**$ 64.5**	**$ 256.2**	**$ 64.8**	**$ 67.9**	**$ 66.8**	**$ 66.3**	**$ 265.8**
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	36.6	36.4	141.3	36.6	37.7	38.2	37.6	150.2
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	21.0	21.0	87.4	22.1	22.1	22.1	22.1	88.4
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	4.3	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	58.5	232.9	59.8	60.9	61.4	60.8	242.9
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**	**6.5**	**6.0**	**23.3**	**5.0**	**7.0**	**5.4**	**5.5**	**22.9**
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**	**6.7**	**6.4**	**24.7**	**5.5**	**7.5**	**5.9**	**6.0**	**24.9**
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)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
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	0.9	1.0	3.7	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)	(0.3)	(0.3)	(1.0)	(0.3)	(0.3)	(0.3)	(0.3)	(1.1)
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	0.6	0.7	2.6	0.7	0.7	0.7	0.7	2.7
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**	**5.8**	**5.3**	**20.7**	**4.3**	**6.3**	**4.7**	**4.8**	**20.2**
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	2.5	2.1	8.1	1.7	2.5	1.8	1.9	7.9
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**	**3.4**	**3.2**	**12.6**	**2.6**	**3.8**	**2.9**	**2.9**	**12.3**
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**	**$ 0.07**	**$ 0.06**	**$ 0.25**	**$ 0.05**	**$ 0.08**	**$ 0.06**	**$ 0.06**	**$ 0.24**
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**	**5.0**	**4.7**	**18.9**	**4.3**	**5.1**	**4.2**	**4.2**	**17.8**
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**	**$ 0.09**	**$ 0.38**	**$ 0.08**	**$ 0.10**	**$ 0.08**	**$ 0.08**	**$ 0.35**
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	50.5	50.7	50.3	50.6	50.6	50.5	50.5	50.6
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**	**7.8**	**7.5**	**29.0**	**6.6**	**8.6**	**7.0**	**7.1**	**29.3**
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**	**10.0**	**9.5**	**37.1**	**8.6**	**10.6**	**9.0**	**9.1**	**37.3**
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%	43.9%	43.6%	44.9%	43.5%	44.4%	42.8%	43.3%	43.5%
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%	9.9%	9.3%	9.1%	7.7%	10.3%	8.1%	8.3%	8.6%
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%	10.4%	9.9%	9.6%	8.5%	11.0%	8.8%	9.1%	9.4%
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%	12.0%	11.6%	11.3%	10.2%	12.7%	10.5%	10.7%	11.0%
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%	15.4%	14.7%	14.5%	13.3%	15.6%	13.5%	13.7%	14.0%
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%	5.2%	4.9%	4.9%	4.1%	5.7%	4.3%	4.4%	4.6%
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%	7.7%	7.2%	7.4%	6.6%	7.5%	6.2%	6.4%	6.7%
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%	42.4%	40.0%	39.3%	39.0%	39.0%	39.0%	39.0%	39.0%
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%	4.4%	5.3%	4.7%	5.9%	3.7%	2.6%	2.9%	3.7%
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%	40.6%	16.0%	30.9%	-0.5%	19.4%	-16.3%	-7.7%	-1.7%
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%	22.2%	20.1%	24.7%	0.4%	22.2%	-12.6%	-5.6%	0.7%
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%	17.3%	16.2%	19.0%	1.2%	19.5%	-10.4%	-4.8%	1.1%
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%	18.7%	17.1%	15.2%	3.9%	13.1%	-10.0%	-3.8%	0.5%
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%	10.3%	21.3%	34.4%	-3.2%	16.7%	-14.6%	-7.1%	-2.0%
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%	10.2%	20.9%	34.5%	-4.0%	15.0%	-14.7%	-6.8%	-2.5%
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%	7.5%	17.4%	14.9%	0.5%	2.6%	-17.1%	-9.6%	-6.1%
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%	7.5%	17.0%	15.0%	-0.4%	1.0%	-17.2%	-9.2%	-6.6%
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%	0.0%	0.3%	-0.1%	0.9%	1.5%	0.1%	-0.4%	0.5%

(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

Source: Company Reports, Stonegate Capital Markets estimates

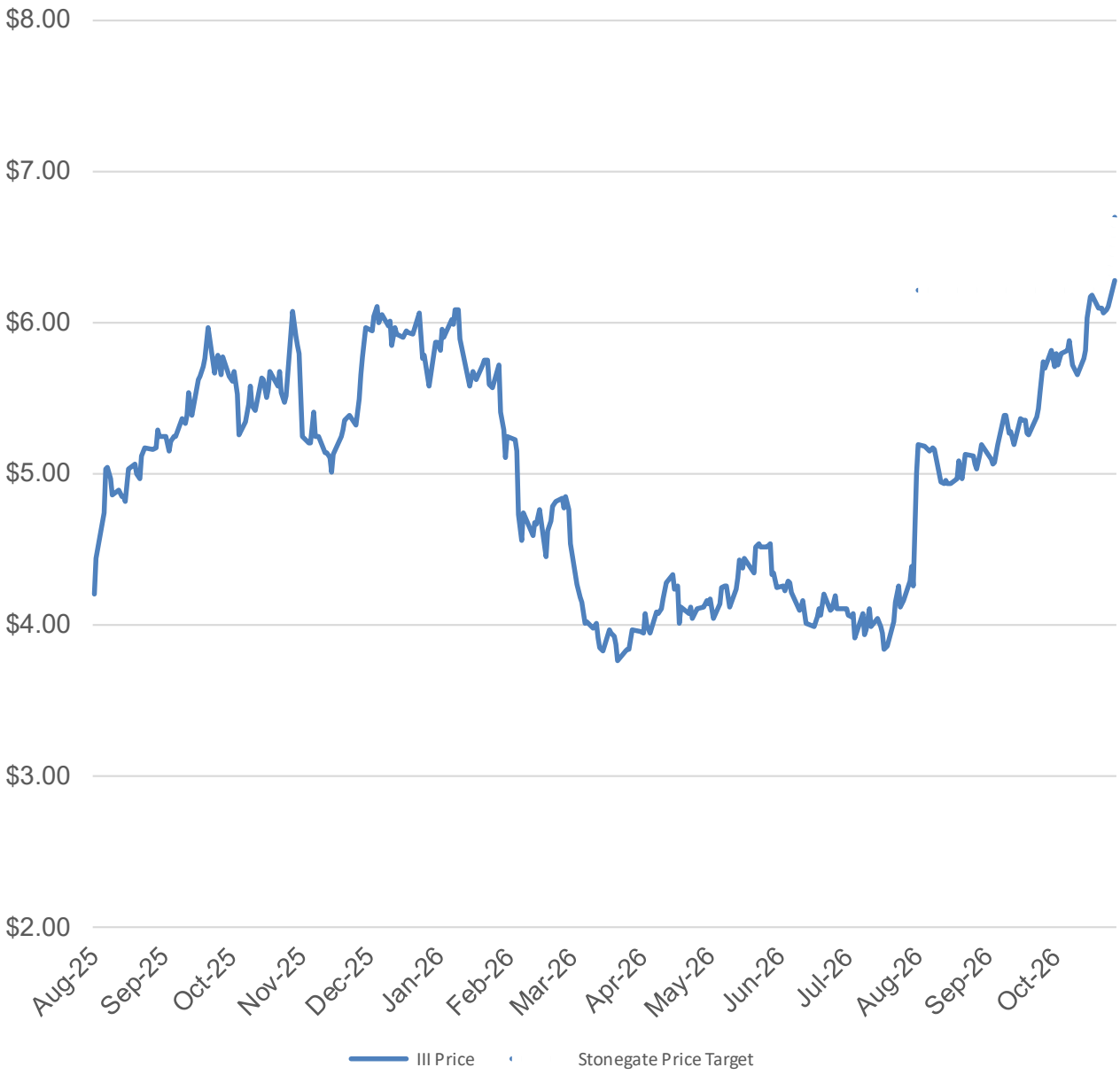
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