STONEGATE CAPITAL PARTNERS

NOVEMBER 9, 2026

INDUSTRY: HEALTHCARE SERVICES

RESEARCH UPDATE

VIEMED HEALTHCARE, INC (NASDAQ: VMD)

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

Market Statistics in USD	
Price	$ 9.13
52 week Range	$6.18 - $12.61
Daily Vol (3-mo. average)	296,016
Market Cap (M)	$ 346.0
Enterprise Value (M)	$ 341.3
Shares Outstanding: (M)	37.9
Float (M)	30.5

Financial Summary in USD	
Cash (M)	$ 9.7
Cash/Share	$ 0.25
Debt (M)	$ 5.0
Equity (M)	$ 152.0
Equity/Share	$ 3.94

Valuation in USD	
Valuation Range	$11.33 - $15.05
2027E Price Target	$ 13.10

FYE: Dec	2025	2026E	2027E
(all figures in M, except per share information)			
Rev	$ 270.3	$ 318.3	$ 351.2
Chng%	21%	18%	10%
EBITDA	$ 61.4	$ 65.3	$ 73.6
Net Income	$ 14.9	$ 16.7	$ 22.3
EPS	$ 0.38	$ 0.44	$ 0.57
EV/Revenue	1.1x	1.1x	1.0x
EV/EBITDA	4.9x	5.2x	4.6x
P/E	19.4x	20.9x	16.0x



Company Description

Viemed is an in-home clinical care provider of post-acute respiratory healthcare equipment and services in the United States, including non-invasive ventilators (NIV), sleep therapy, staffing, and other complementary products and services. Viemed focuses on efficient and effective in-home treatment with clinical practitioners providing therapy, education and counseling to patients in their homes using high-touch and high-tech services.

Viemed's 3Q26 results strengthen the case for diversified organic growth, with sleep expanding the resupply opportunity and maternal health adding a multiquarter expansion runway. Profitability recovered, although compensation-related benefits supported the improvement and lower Adj. EBITDA guidance moderates the near-term outlook. We believe existing infrastructure can support further operating leverage, while lower capital intensity could improve cash returns. Ventilation census recovery and collections remain near-term priorities.

Quarterly Results: Revenue increased 12.2% y/y and 3.3% q/q to $80.7M, with Lehan included in both periods. Net income increased 32% y/y to $4.6M, or $0.11 diluted EPS. Adj. EBITDA rose 24.4% q/q to $17.1M. Margin recovered approximately 350 bps sequentially to 21.1%, below 22.4% last year. SG&A fell to 44.0% of revenue from 47.5% in 2Q, benefiting from lower compensation accruals, phantom-stock expense, and benefit rebates. Billing expense declined approximately 12% q/q despite revenue growth. Together with available distribution capacity, this suggests additional volume could be absorbed without proportional overhead growth, although implementation timing also contributed. Gross margin was 57.3% versus 57.7% q/q. Management expects distribution savings to improve gross margin approximately 50 bps once fully implemented.

Segments: Sleep growth creates revenue opportunities beyond initial therapy setups. PAP therapy patients increased 16.0% q/q and 37.5% y/y to 43,861, expanding the future resupply pool. Resupply patients increased 10.5% q/q to 40,918, with management expecting favorable 4Q seasonality and further therapy-to-resupply conversion. Ventilator rental revenue increased 2.9% q/q to $37.5M on higher average patient volumes, despite ending census declining to 12,552 from 12,635. Compliance-related billing holds partly explain the divergence, making quarter-end census an imperfect demand indicator. Management expects census growth in 4Q. Maternal health expansion targets two additional states quarterly beginning in 4Q, with contracting and referral development supporting growth over multiple quarters.

Payor Update: Collection timing is obscuring the potential cash benefits of diversification. Audit-related payment delays, system migrations, and seasonal prepayments weighed on CFFO, which declined to $11.5M from $15.9M q/q. FCF fell to $4.0M from $8.6M. Nine-month FCF was $15.2M versus $17.3M last year, also reflecting higher prior-year equipment-sale proceeds from the ventilator return program. Management reported improved October collections and expects a 4Q recovery. Audit activity continues adding administrative costs.

Outlook: FY26 revenue guidance narrowed to $316-$320M from $314-$320M, while Adj. EBITDA narrowed to $64-$66M from $64-$68M. Net CapEx guidance declined to 8%-9% from 8.5%-10% of revenue. We calculate implied 4Q revenue of $81.8-$85.8M and Adj. EBITDA of $18.9-$20.9M. The revised outlook supports sequential growth in both revenue and profitability. Lower equipment requirements could improve cash returns even at lower EBITDA margins, making net income growth and FCF increasingly important measures of performance.

Valuation: We use a DCF, P/E comp analysis and EV/EBITDA comp analysis to guide our valuation. Our DCF arrives at a valuation range of $12.66 to $16.17 with a mid-point of $14.14. Our Forward P/E analysis arrives at a valuation range of $8.58 to $14.29 with a mid-point of $11.43. Our EV/EBITDA valuation results in a range of $12.75 to $14.70 with a mid-point of $13.73. When we combine these valuation methods using a simple average it returns a valuation range of $12.75 to $14.70 with a price target of $13.73.

Summary

Exhibit 1: Quarterly Results Comparison to Model

	3Q26 results		Notes
	Reported	Model	
Total revenues	**80.7**	**80.8**	Slightly in-line expectations
Cost of sales	34.5	33.6	
Gross (loss) profit	**46.2**	**47.2**	
Gross margin	**57.3%**	**58.4%**	
Corporate Expenses	35.5	35.1	
R&D	0.5	0.5	
Total opex	39.2	39.0	Opex in line with expectations
Operating Profit	**7.0**	**8.2**	
Operating margin	**8.6%**	**10.2%**	
EBITDA - adjusted	**17.1**	**18.4**	
EBITDA margin	**21.1%**	**22.7%**	EBITDA margin below model due to growth investments
Net income (loss)	**$ 4.64**	**$ 5.47**	

	Y/Y Change		Notes
	3Q26	3Q25	
Total revenues	**80.7**	**71.9**	Strong revenue growth y/y
Cost of sales	34.5	30.6	
Gross (loss) profit	**46.2**	**41.3**	
Gross margin	**57.3%**	**57.5%**	Margin compression from deliberate mix shift to sales and services
Corporate Expenses	35.5	31.9	
R&D	0.5	0.8	
Total opex	39.2	32.7	
Operating Profit	**7.0**	**5.6**	
Operating margin	**8.6%**	**7.8%**	
EBITDA - adjusted	**17.1**	**16.1**	EBITDA remained strong
EBITDA margin	**21.1%**	**22.4%**	
Net income (loss)	**$ 4.64**	**$ 3.51**	

Source: Company Reports; Stonegate Capital Partners

Valuation

We use DCF, Forward P/E comp analysis and EV/EBITDA comp analysis when determining a valuation range for Viemed.

Our DCF analysis relies on a range of discount rates between 10.50% and 11.50% with a midpoint of 11.00%. This arrives at a valuation range of $12.66 to $16.17 with a mid-point of $14.14.

Sensitivity Analysis:

Discount rate	Terminal Growth Rates 0%	1%	2%	3%	4%
10.00%	$14.26	$15.08	$16.10	$17.42	$19.17
10.50%	$13.48	$14.19	$15.06	$16.17	$17.61
11.00%	$12.77	$13.38	$14.14	$15.08	$16.28
11.50%	$12.13	$12.66	$13.31	$14.12	$15.14
12.00%	$11.54	$12.01	$12.58	$13.27	$14.14

Comparative Analysis
(all figures in M, except per share information)

Company Name	Symbol	Price [1]	Mrkt Cap	EV	EV/Revenue [2, 3] 2025	2026E	2027E	EV/EBITDA [2, 3] 2025	2026E	2027E	P/E [2, 3] 2025	2026E	2027E
Addus HomeCare Corporation	ADUS	$124.31	$ 2,268.9	$ 2,237.8	1.45x	1.47x	1.40x	13.2x	11.3x	10.7x	20.2x	17.6x	16.4x
Aveanna Healthcare Holdings Inc.	AVAH	$ 13.25	$ 2,891.4	$ 4,287.5	1.26x	1.59x	1.48x	N/A	11.6x	10.8x	7.4x	16.1x	14.6x
BrightSpring Health Services, Inc.	BTSG	$ 67.15	$13,961.2	$ 15,631.7	0.80x	0.97x	0.85x	21.3x	18.2x	15.5x	39.8x	34.9x	27.6x
Electromed, Inc.	ELMD	$ 27.17	$ 225.2	$ 204.8	3.32x	2.62x	2.34x	17.8x	N/A	N/A	27.1x	19.7x	17.3x
Option Care Health, Inc.	OPCH	$ 31.65	$ 4,741.2	$ 5,703.3	1.07x	0.99x	0.93x	14.7x	11.8x	11.0x	24.9x	21.6x	18.6x
The Pennant Group, Inc.	PNTG	$ 36.36	$ 1,277.4	$ 1,791.9	1.37x	1.51x	1.40x	21.7x	18.6x	16.4x	32.9x	26.1x	22.9x
ResMed Inc.	RMD	$235.30	$33,096.6	$ 32,696.4	6.40x	5.67x	5.47x	17.1x	14.6x	13.8x	23.7x	20.1x	18.6x
Tactile Systems Technology, Inc.	TCMD	$ 26.03	$ 583.1	$ 525.1	1.82x	1.45x	1.32x	16.7x	10.3x	8.7x	34.8x	23.0x	17.9x
				Average	2.2x	2.0x	1.9x	17.5x	13.8x	12.4x	26.3x	22.4x	19.2x
				Median	1.4x	1.5x	1.4x	17.1x	11.8x	11.0x	26.0x	20.8x	18.3x
Viemed Healthcare, Inc.	VMD	$ 9.13	$ 346.0	$ 341.3	1.1x	1.1x	1.0x	4.9x	5.2x	4.6x	19.4x	20.9x	16.0x

(1) Previous day's closing price
(2) Estimates are from Capital IQ
(3) Forward estimates as of calendar year
Source: Company reports, CapitalIQ, Stonegate Capital Partners

We are also using an EV/EBITDA framework to inform our VMD valuation. Currently VMD is trading at a FY27 EV/EBITDA of 4.6x compared to comps at an average of 12.4x. We are using our FY27 expected EBITDA, and an EV/EBITDA range of 6.5x to 7.5x with a midpoint of 7.0x which moves VMD closer to comp companies while accounting for a slight size discount. This arrives at a valuation range of $12.75 to $14.70 with a mid-point of $13.73.

When using a Forward P/E framework to guide our valuation we believe that our current estimate of VMD's FY27 P/E at 16.0x is too cheap relative to the Peers FY25 average P/E of 26.3x. Therefore, we apply a P/E multiple range of 15.0x to 25.0x with a midpoint of 20.0x. We note that, at the midpoint, this is more in-line with the Company's historical trading multiple. This arrives at a valuation range of $8.58 to $14.29 with a mid-point of $11.43.

When we combine these valuation methods using a simple average it returns a valuation range of $12.75 to $14.70 with a price target of $13.73.

P/E			
2027E	15.00x	20.00x	25.00x
Earnings	0.57	0.57	0.57
Price	$ 8.58	$ 11.43	$ 14.29

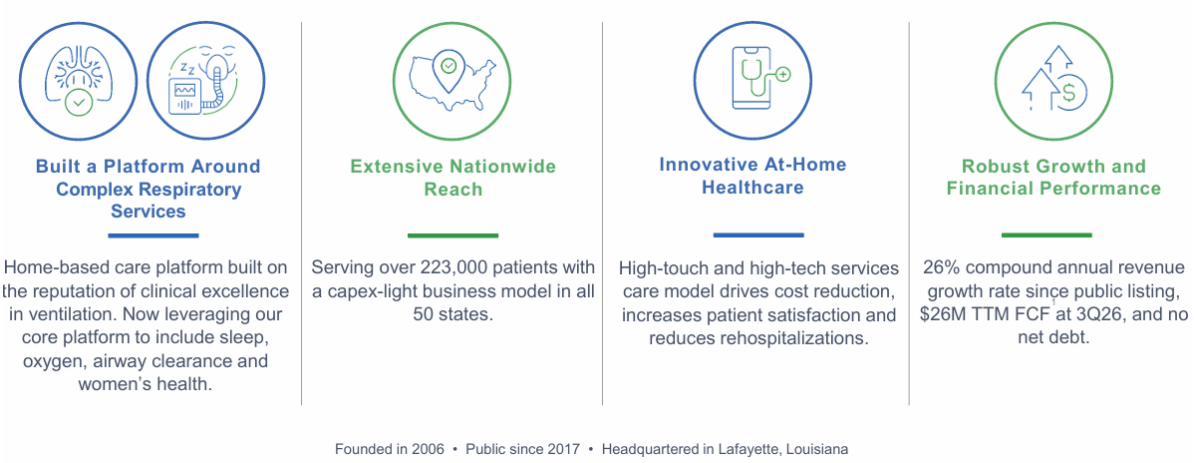
EV/EBITDA			
2027E	6.50x	7.00x	7.50x
Adj EBITDA	73.6	73.6	73.6
TEV	478.6	515.5	552.3
Cash	9.7	9.7	9.7
Debt	5.0	5.0	5.0
Mrkt Cap	483.3	520.1	556.9
S/O	37.9	37.9	37.9
Price	$ 12.75	$ 13.73	$ 14.70

Business Overview

Viemed Healthcare Inc. (“Viemed”, “the Company”, or “VMD”) is a U.S.-based in-home healthcare company focused on improving outcomes for patients with complex, chronic respiratory and related conditions. The Company operates primarily in the post-acute setting, specializing in non-invasive ventilation (NIV), sleep therapy, oxygen therapy, and other home medical equipment and services that enable high-risk patients to be managed safely and effectively in their homes. Viemed’s model combines advanced respiratory technology with intensive clinical support delivered by licensed respiratory therapists (RTs), positioning the Company as a high-touch, high-value partner within the broader healthcare ecosystem.

At its core, Viemed is built around the belief that clinically intensive, home-based care can simultaneously improve patient quality of life and reduce overall healthcare costs. Patients are typically referred following a hospitalization or specialist evaluation for conditions such as COPD with chronic respiratory failure, sleep apnea, or other advanced respiratory disorders. From there, Viemed coordinates the full continuum of in-home services: equipment setup and education, payer authorization and documentation, ongoing RT visits and telehealth follow-ups, and proactive monitoring through connected devices and a proprietary clinical platform. This integrated approach is designed to increase adherence, identify clinical deterioration early, and reduce hospital readmissions and emergency room utilization.

Exhibit 2: Company Overview



Source: Company Reports

Since inception, Viemed has evolved from a regional respiratory provider into a national leader in specialized home respiratory care. The Company now serves patients across all 50 states in the U.S. through a lean branch model that emphasizes flexibility, scalability, and efficient deployment of clinical resources. Rather than relying on traditional retail storefronts, Viemed operates through a network of sales and clinical teams that serve large catchment areas, with RTs and representatives working primarily in the field. This structure allows the Company to penetrate both urban and rural markets, address communities with limited access to specialty care, and maintain a relatively asset-light operating base.

Strategically, Viemed is focused on three core pillars: (1) expanding its footprint in complex respiratory care, particularly home NIV; (2) diversifying into complementary home-based services such as sleep therapy, oxygen, and other DME categories; and (3) deepening its integration with hospitals, physicians, and payors through partnerships, technology, and data-driven outcomes. In respiratory care, the Company aims to increase penetration among patients with advanced COPD and chronic respiratory failure, where clinical evidence supports the use of home NIV to improve survival and reduce healthcare utilization. In sleep, Viemed is building a robust PAP and resupply franchise, adding a large, recurring revenue stream that naturally complements its respiratory focus and leverages existing infrastructure.

Capital allocation is an important part of Viemed's strategy. The Company has consistently reinvested in its core business through hiring and training RTs, expanding its sales force, enhancing its clinical platform, and increasing inventory to support growth in ventilation and sleep therapy.
At the same time, Viemed has used strategic M&A to accelerate diversification and scale. Acquisitions of regional home medical equipment providers and sleep-focused businesses have broadened the Company's product set, deepened its presence in key markets, and added established patient bases that can benefit from Viemed's high-touch clinical model. One example is the acquisition of Lehan's Medical Equipment (completed in July 2025), which provides a significant platform for growth in the previously untapped Chicago market and adds maternal health plus complementary sleep rental, sales, and resupply capabilities to the portfolio. The transaction was funded within Viemed's existing balance sheet capacity and credit facilities and has contributed positively to earnings following the acquisition. Additionally, partnerships such as hospital joint ventures are another tool in the strategy, allowing Viemed to embed itself more deeply in discharge workflows and capture more patients at the point of care.

Exhibit 3: Recent Acquisitions



Source: Company Reports

The Company also maintains a disciplined approach to shareholder returns and balance sheet management. While growth investments and acquisitions are prioritized where they meet strategic and financial hurdles, Viemed has demonstrated a willingness to return capital to shareholders through share repurchase programs. This balanced approach reflects a deliberate capital allocation framework aimed at building long-term intrinsic value.

Overall, Viemed's identity is that of a specialized, clinically focused home-care platform centered on complex respiratory and sleep patients but increasingly capable of addressing a broader array of chronic-care needs in the home. Its national scale, differentiated high-touch RT model, recurring rental revenue base, and growing suite of complementary services position the company to play a meaningful and expanding role in the ongoing shift of care from hospital to home.

Division Overview

Viemed's platform is built around several complementary service lines that together support an integrated, home-based care model: complex respiratory/ventilation, sleep therapy and resupply, oxygen and other respiratory DME, maternal health and ancillary products, and healthcare staffing. Its respiratory and sleep offerings are supported by connected-device data and clinical technology, while broader workflow systems support patient intake, documentation, billing, and fulfillment.

Complex Respiratory / Ventilation:

The complex respiratory product line is the core of Viemed's business. It focuses on long-term home non-invasive ventilation for patients with chronic respiratory failure. While many of these patients have advanced COPD, Viemed also cares for individuals with obesity-hypoventilation syndrome, neuromuscular disorders, and other forms of hypoventilation. Across these groups, patients tend to be highly acute, characterized by frequent hospitalizations, significant symptom burden, and a high risk of clinical deterioration without intensive ongoing support.

Economically, home NIV is delivered through an uncapped monthly rental model that bundles the ventilator, supplies, RT support, and equipment maintenance into a single recurring payment. Clinically, patients are assessed, set up, and followed by licensed respiratory therapists through a mix of in-home visits, telehealth, and remote monitoring. Viemed's clinical platform aggregates device data and patient information to drive proactive outreach. This strategy enables RTs to intervene promptly when adherence declines or symptoms worsen, while also supporting the use of complementary technologies such as percussion vests and oxygen for patients who require more comprehensive respiratory support.

Exhibit 4: Competitive Advantage & Core Business Growth



Source: Company Reports

Sleep Therapy and Resupply:

Sleep therapy is Viemed's second major pillar and an important diversification driver. The Company provides PAP therapy for obstructive sleep apnea and related sleep-disordered breathing, along with a robust resupply program for masks, tubing, filters, and other consumables. PAP devices are typically billed as capped rentals, while resupply generates recurring supply revenue for patients who remain eligible and engaged in therapy.

This division was significantly strengthened by the acquisition of a sleep-focused home medical provider, which brought a large existing PAP patient base and a mature resupply infrastructure. Viemed applies its high-touch philosophy here as well: RTs and sleep staff focus on adherence, mask fit, comfort, and troubleshooting, supported by device data integrated into the same clinical platform used for NIV. As awareness of sleep apnea grows and new obesity and metabolic treatments drive more patients into formal sleep evaluation, the sleep and resupply business offers a long runway of recurring growth.

Oxygen, Percussion Vests, and Other Respiratory DME:

Oxygen therapy and other respiratory DME form a third important cluster. Viemed provides stationary and portable oxygen concentrators, nebulizers, and high-frequency chest wall oscillation vests, often to the same COPD and chronic lung disease patients served by its ventilation and sleep businesses.

These products are typically reimbursed under rental or capped rental structures with defined coverage rules, and while revenue per patient is generally lower than for NIV, the capital intensity is also lower, and equipment can be reused efficiently.

Exhibit 5: Sleep Therapy and Resupply Growth



Source: Company Reports

Strategically, this division allows Viemed to engage patients earlier in their disease course—when they first require oxygen or airway clearance rather than only at the point of chronic respiratory failure. It also creates frequent touchpoints with referring physicians and health systems and increases the company's share of wallet among existing patients.

Maternal Health and Ancillary Products:

Through acquisitions, Viemed has added maternal health products (such as breast pumps and related women's health DME) to its portfolio. This is a smaller but strategic category that diversifies revenue into a different patient demographic and leverages existing relationships with commercial payors and Medicaid. Management targets expansion into two additional states quarterly beginning in 4Q26, with contracting, marketing, and referral development supporting growth within each market over multiple quarters.

Beyond maternal health, Viemed offers a variety of ancillary products tailored to local market needs. While each line may be modest on its own, together they broaden the company's product set and help position Viemed as a one-stop solution for home-based medical equipment and services.

Healthcare Staffing and Clinical Services:

Viemed also operates a healthcare staffing and clinical services division, supplying RTs and other personnel to hospitals, state agencies, and healthcare facilities. This business typically carries lower margins than equipment rentals but is strategically important. By providing clinical resources to hospitals and agencies, Viemed supports the continuum of care, deepens referral relationships, and provides operational flexibility across its broader platform.

Technology Platform and Strategic Pipeline:

Underlying all divisions/ product lines is Viemed's proprietary clinical platform, which connects devices in the home with clinicians in the field. It aggregates ventilation, PAP, oxygen, and other device data; tracks adherence and clinical trends; and supports workflow and documentation for RTs and administrative staff. Over time, Viemed is enhancing this platform with more advanced analytics and AI-enabled tools to prioritize outreach, support value-based discussions with payors, and streamline documentation for reimbursement.

Instead of a traditional R&D pipeline, Viemed's "pipeline" is strategic: targeted acquisitions of complementary home-care providers, hospital joint ventures that deepen health-system relationships and support access to discharge workflows, and technology enhancements that increase efficiency and demonstrate measurable clinical and economic outcomes. Together, these initiatives broaden the company's product and service mix, deepen its integration with health systems and payors, and extend its reach across the full spectrum of home-based respiratory and related care.

Growth Drivers

Several structural and company-specific factors provide visibility in Viemed's long-term growth outlook.

The epidemiology of chronic respiratory disease creates a durable demand backdrop. CDC's 2021 BRFSS estimates indicate that approximately 6.5% of U.S. adults, or 14.2 million people, had physician-diagnosed COPD. Separately, Viemed's broader market estimates include approximately 25 million people with COPD, of whom 2.5 million have stage-4 disease and roughly half develop chronic respiratory failure. The Company identifies this approximately 1.25 million population as potentially addressable by home NIV, subject to clinical and coverage requirements. Its November presentation estimates approximately 60,000 annual Medicare beneficiaries receiving NIV and approximately 5% market penetration, indicating substantial underutilization within its market-sizing framework.

Sleep-disordered breathing provides an equally compelling opportunity. A recent analysis estimated that ~83.7 million U.S. adults aged 20 and older were living with obstructive sleep apnea in 2024, the last year we have data for, with a meaningful share in the moderate and severe categories that typically warrant PAP therapy. Meta-analyses suggest that global OSA prevalence in adults ranges from about 9 to 38 percent, highlighting a large and growing worldwide burden.

Rising obesity rates, population aging, and greater recognition of OSA's links to cardiovascular disease, metabolic disorders, and neurodegenerative conditions are driving more diagnosis and treatment. For Viemed, this translates

into a large and expanding pool of patients who may require PAP devices and ongoing resupply, aligning closely with the recurring revenue model it has built in its sleep division.

Exhibit 6: U.S. Adult COPD Prevalence, 2011–2021.

TABLE 1. Trends and differences in prevalence of chronic obstructive pulmonary disease among adults aged ≥18 years, by sociodemographic characteristics — Behavioral Risk Factor Surveillance System, United States, 2011–2021

Return

Characteristic	2011*			2021*			2011–2021		
	Sample size	No. of adults with COPD (x1,000)	% (95% CI)	Sample size	No. of adults with COPD (x1,000)	% (95% CI)	AAPC, % (95% CI)	No. of joinpoints†	Segment-specific APC, % (95% CI)
Overall									
Crude	478,788	14,276	6.4 (6.2 to 6.5)	386,439	14,170	6.5 (6.4 to 6.7)	0.4 (–0 to 0.9)	0	—§
Age-standardized¶	478,788	14,276	6.1 (6.0 to 6.3)	386,439	14,170	6.0 (5.9 to 6.2)	0.0 (–0.6 to 0.6)	0	—

Source: CDC.gov

These disease-level trends intersect with a healthcare system that is steadily shifting toward home-based, value-driven care. Policymakers and payors are emphasizing efficiency, transparency, and moving appropriate care out of the hospital and into the home. Viemed has highlighted that this environment "plays to our strengths," as its high-touch model has been shown to reduce rehospitalizations and total cost of care while improving patient satisfaction. Real-world evidence presented by the Company and in the broader literature demonstrates that early initiation of home NIV in COPD with chronic respiratory failure can deliver meaningful reductions in mortality, readmissions, and emergency department use, which in turn reinforces the incentives for payors and providers to adopt these programs.

Organic Growth

Within this favorable macro context, Viemed is driving growth through a combination of organic expansion and deliberate diversification. Organically, the Company follows a disciplined playbook focused on targeted market selection, a lean field-based deployment model, and a high-intensity clinical service offering. New markets are prioritized where COPD prevalence is high and hospitals struggle with readmissions, often adjacent to existing territories to leverage established relationships and referral networks. Rather than building expensive storefronts, Viemed relies on mobile sales and RT teams that cover broad territories, keeping fixed costs low while reaching both urban and rural patients.

Once a patient relationship is established around core NIV or PAP therapy, the Company can organically layer in complementary offerings such as sleep resupply, oxygen, percussion vests, and other clinically appropriate respiratory DME, increasing lifetime value without requiring entirely new infrastructure. Maternal health expansion serves a different patient demographic while leveraging existing payor relationships and fulfillment capabilities. Investments in its proprietary clinical platform further enhance this strategy by making RTs more productive, enabling proactive outreach, and generating outcomes data that support new referral sources and contracting opportunities.

Inorganic Growth

Inorganic growth and strategic partnerships add additional depth. The acquisitions of Home Medical Products (HMP) and Lehan's Medical Equipment expanded Viemed's presence in sleep, resupply, maternal health, and broader DME, brought established patient populations onto the platform, and were structured to be immediately accretive to earnings.

Hospital joint ventures such as the HomeMed/East Alabama Health partnership provide a scalable template for embedding Viemed directly into discharge workflows and capturing eligible patients at the point of care. Highlighting

these efforts is a solid balance sheet, strong free cash flow generation, and access to undrawn credit facilities, which collectively give the Company the flexibility to continue pursuing attractive M&A and partnership opportunities.

Ultimately, Viemed's positioning as the largest independent specialized home NIV provider in the United States amplifies the impact of these growth drivers. Scale in logistics, payor contracting, data, and clinical staffing combines with a lean branch model and a proprietary clinical platform to create meaningful barriers to entry and differentiation versus smaller regional players and hardware-focused competitors. Taken together, these structural tailwinds and strategic initiatives support a long runway for sustained growth across Viemed's core respiratory, sleep, and broader home-care businesses.

Market Overview

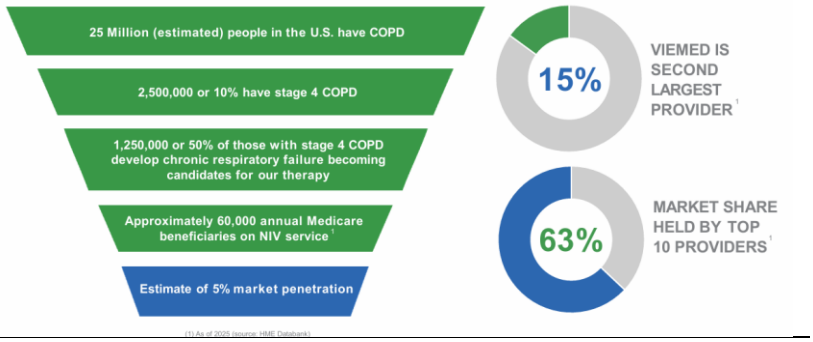
COPD, Chronic Respiratory Failure, and NIV

COPD remains a major public health problem in the United States. CDC data indicate that about 14.2 million adults (6.5% of the U.S. adults in 2021) have physician-diagnosed COPD, with prevalence particularly high among older adults, smokers, and those in lower socioeconomic strata (per CDC studies). Broader estimates that include undiagnosed cases suggest that as many as 25 million people may have COPD in the U.S.

Within its broader estimated COPD population, Viemed estimates that 2.5 million individuals (10%) have stage-4 disease, and roughly 1.25 million (50% of stage-4) develop chronic respiratory failure. The Company's November presentation estimates approximately 60,000 annual Medicare beneficiaries receiving NIV services and approximately 5% market penetration. These figures indicate an underserved population within the Company's market-sizing framework, although clinical eligibility and reimbursement requirements determine the addressable patient pool.

With Viemed identified as the second-largest provider, holding approximately 15% market share, and the top ten providers together holding 63%, the market for home NIV remains underpenetrated and fragmented. These company-presented estimates use 2025 HME Databank data. This dynamic suggests a large TAM with room for both volume expansion through greater treatment adoption and share consolidation through acquisition or organic growth.

Exhibit 7: Market Size Estimates



Source: Company Presentation

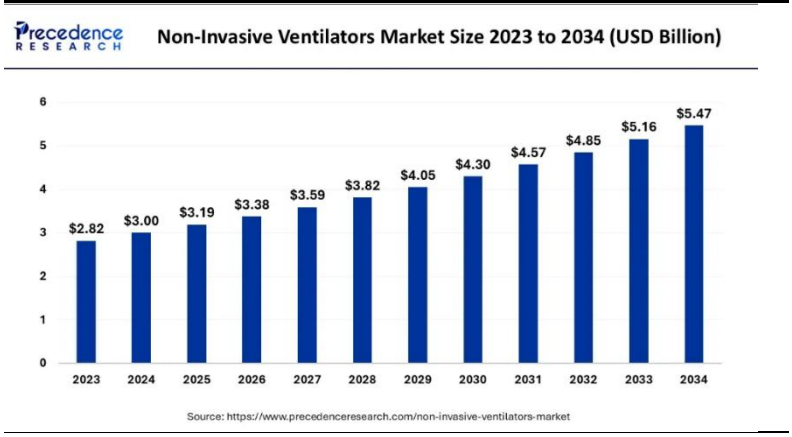
Global market data corroborate the scale of this opportunity. Industry research estimates the global non-invasive ventilator market at about $3.0–3.2 billion in 2024–2025, with forecasts to reach $4.3–5.5 billion by 2030–2034, implying a compound annual growth rate of approximately 6%. These figures reflect both acute hospital use and chronic home therapy. They provide context for device demand rather than a direct estimate of Viemed's U.S. home-care services opportunity. We believe the shift toward home-based treatment supports demand for the Company's clinical model.

Obstructive Sleep Apnea and the PAP Market

Obstructive sleep apnea is an even larger and more pervasive market. A recent dynamic population model estimated that 83.7 million U.S. adults (32.4% of those aged 20+) were living with OSA in 2024, the last year we have data for, with 30% classified as moderate and 18% as severe.

Meta-analyses at the global level estimate OSA prevalence between 9% and 38% of adults, reflecting substantial geographic and methodological variation but uniformly confirming a large disease burden.

Exhibit 8: Vent Market Growth



Source: Precedence Research

Traditionally, moderate-to-severe OSA has been treated with PAP devices (CPAP, BiPAP, APAP) alongside lifestyle modification and weight loss. Adherence, however, has long been a challenge. Sustained benefit requires consistent nightly use, mask fit, and ongoing resupply of consumables. Viemed's sleep business is structured around these dynamics. PAP units generate initial rental revenue, while the recurring resupply of masks, tubing, and filters creates an ongoing revenue opportunity that depends on patient retention, eligibility, and reorder activity.

The TAM for PAP and resupply is therefore enormous. Even if only a fraction of OSA patients are diagnosed and treated with PAP, assuming only a subset of those are served by providers like Viemed, the prevalence numbers alone support many years of growth in device placement and resupply volumes. For Viemed, converting diagnosed patients into sustained therapy use and resupply participation is more directly relevant to revenue growth than population prevalence alone.

The emergence of pharmacologic treatments such as Eli Lilly's dual GIP/GLP-1 receptor agonist Zepbound (tirzepatide), which received FDA approval in late 2024 for moderate-to-severe OSA in adults with obesity, introduces a new therapeutic modality. The treatment provides an additional option alongside established PAP therapy, with implications for long-term device demand depending on adoption, access, and treatment response. Viemed's presentation identifies GLP-1 therapies and wearables as drivers of sleep evaluation and therapy demand. In our view, this supports near-term patient identification opportunities while the longer-term effect on PAP utilization continues to develop.

Broader Home-Care and Respiratory Ecosystem

Beyond narrow device markets, Viemed participates in the broader shift of chronic disease management into the home. The Company's services are embedded in a continuum that stretches from acute hospital episodes through post-acute transitions and long-term disease management. Its high-touch model which includes 24/7 RT support, individualized treatment plans, and connected monitoring aligns closely with value-based care goals to keep patients stable in their homes.

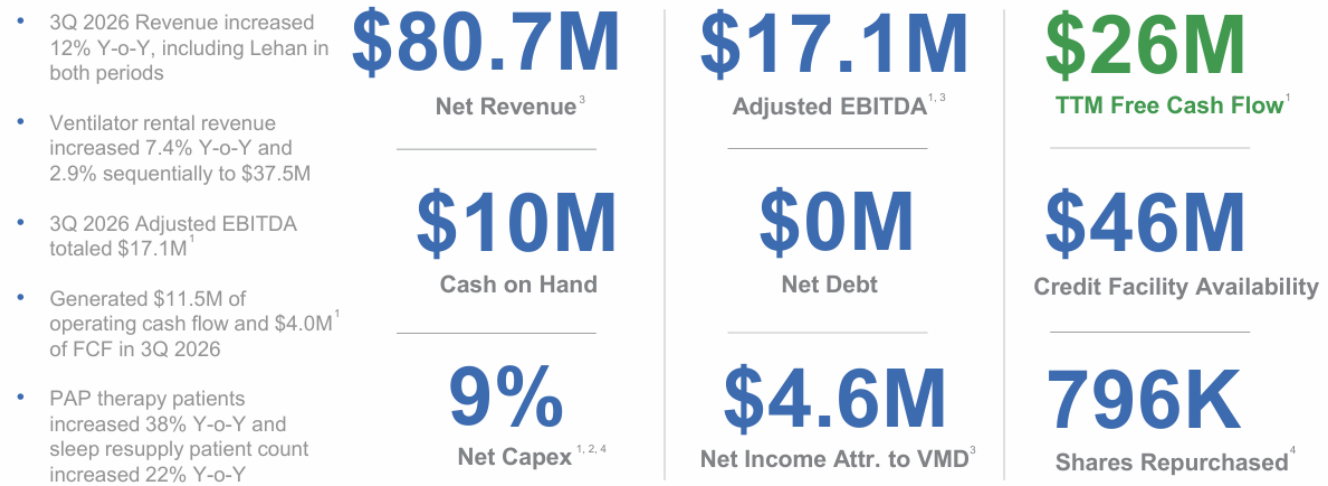
The Company's diversified payor mix shows that commercial insurers, Medicare Advantage plans, and Medicaid programs are willing to reimburse home respiratory and sleep services when accompanied by strong clinical outcomes. Real-world studies demonstrating substantial reductions in mortality and healthcare utilization with home NIV provide a compelling economic argument for payors to expand coverage and support adoption. As value-based contracting and risk-bearing provider organizations (e.g., ACOs, Medicare Advantage sponsors) grow, Viemed's ability to document and deliver cost savings may become a key competitive advantage and open the door to new payment models, including shared savings and bundled payments.

Moreover, the home-care TAM extends beyond ventilation and sleep. Oxygen therapy, airway-clearance devices, and maternal and women's health DME broaden Viemed's participation in home-based care through existing

product offerings and shared operating capabilities. Combined with the staffing business, which provides clinical resources to hospitals and agencies, these product lines strengthen the Company's positioning as a partner for chronic respiratory and related care.

In summary, Viemed operates at the intersection of large, underpenetrated disease populations (COPD and OSA), a rapidly growing preference for home-based care, and demonstrable real-world evidence that its core therapy—home NIV—improves outcomes and reduces cost. The company's expanding sleep, oxygen, maternal, and staffing divisions, along with its M&A and joint-venture pipeline, broaden its participation in this ecosystem. Against this backdrop, Viemed's strong financial performance, national scale, and status as the leading independent specialized NIV provider suggest a long runway for growth as it continues to execute on its strategy and capture share within a sizeable and evolving TAM.

Exhibit 9: Financial and Operational Milestones



Source: Company Presentation

Risks

- **Reimbursement and Regulatory Risk -** Viemed operates in a highly regulated healthcare reimbursement environment, with a meaningful portion of revenue derived from Medicare, Medicare Advantage, Medicaid, and commercial payors. Changes in reimbursement rates, coverage determinations, audit intensity, or authorization requirements—particularly related to sleep therapy, resupply, or ancillary services—could pressure revenue growth, margins, or cash flow. While core ventilator therapies are currently excluded from Medicare's Competitive Bidding Program, future regulatory changes could alter this framework.

- **Product and Service Mix Shift -** Viemed's strategy increasingly emphasizes growth in sleep therapy, resupply, and other ancillary services, which generally carry lower gross margins than core ventilation. A faster-than-expected mix shift away from ventilation could pressure consolidated gross margins if operating leverage, technology efficiencies, or SG&A discipline do not fully offset the margin differential.

- **Competitive Dynamics in Home Medical Equipment -** The home medical equipment and post-acute care markets are highly fragmented and competitive, with both regional providers and large national players competing for referral relationships, contracts, and patients. Increased competition, pricing pressure, or consolidation among peers could impact Viemed's market share, referral velocity, or unit economics, particularly in newer or rapidly expanding service lines.

- **Execution and Integration Risk -** Viemed's growth strategy includes ongoing geographic expansion, service-line diversification, and selective acquisitions, such as Lehan's Medical Equipment. Failure to effectively integrate acquisitions, scale new offerings (including maternity care), or maintain service quality during periods of rapid growth could negatively affect operating performance, employee retention, or referral relationships.

Discounted Cash Flow

Viemed Healthcare, Inc.
Discounted Cash Flow Model
(in $M, except per share)

Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	Terminal Value
Revenue	224.3	270.3	318.3	351.2	401.5	453.3	503.6	553.9	597.1	635.9	668.4	699.1	725.7	
Opearting Income	17.9	22.9	25.6	32.6	38.1	44.0	50.9	57.1	61.7	66.8	70.8	75.2	78.4	
Less: Taxes (benefit)	4.8	6.4	7.4	9.7	1.1	1.3	1.5	1.7	1.9	2.0	2.1	2.3	2.4	
NOPAT	13.1	16.6	18.2	22.9	37.0	42.6	49.3	55.3	59.9	64.8	68.7	72.9	76.0	
Plus: Depreciation & Amortization	25.4	28.6	30.6	31.0	32.1	34.0	30.7	30.5	30.5	28.6	28.7	30.1	30.5	
Plus: Changes in WC	(9.3)	8.1	4.5	2.3	-	(1.1)	(2.5)	(2.8)	(3.0)	(3.2)	(3.3)	(3.5)	(3.6)	
Less: Capex	(27.5)	(23.8)	(27.1)	(31.6)	(35.1)	(38.5)	(40.3)	(40.2)	(41.8)	(38.2)	(36.8)	(34.6)	(35.6)	
Free Cash Flow	1.7	29.5	26.2	24.6	34.0	37.0	37.2	42.9	45.6	52.1	57.4	64.9	67.3	762.9
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			25.6	21.6	26.9	26.3	23.9	24.8	23.7	24.4	24.2	24.7	23.1	261.8
Growth rate assumptions:														
Revenue		20.5%	17.8%	10.3%	14.3%	12.9%	11.1%	10.0%	7.8%	6.5%	5.1%	4.6%	3.8%	
Operating Income		28.2%	11.8%	27.3%	16.9%	15.3%	15.7%	12.2%	8.2%	8.1%	6.1%	6.1%	4.3%	
EBITDA		19.2%	9.1%	13.1%	10.4%	11.0%	4.6%	7.3%	5.3%	3.5%	4.4%	5.7%	3.5%	
Free Cash Flow		######	-10.9%	-6.3%	38.2%	8.8%	0.7%	15.1%	6.3%	14.2%	10.2%	13.1%	3.8%	
Margin assumptions:														
Operating Income	8.0%	8.5%	8.1%	9.3%	9.5%	9.7%	10.1%	10.3%	10.3%	10.5%	10.6%	10.8%	10.8%	
D&A as a % of sales	11.3%	10.6%	9.6%	8.8%	8.0%	7.5%	6.1%	5.5%	5.1%	4.5%	4.3%	4.3%	4.2%	
EBITDA	19.3%	19.1%	17.7%	18.1%	17.5%	17.2%	16.2%	15.8%	15.4%	15.0%	14.9%	15.1%	15.0%	
Taxes	2.1%	2.4%	2.3%	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Changes in WC	-4.2%	3.0%	1.4%	0.7%	0.0%	-0.3%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	
Capex as a % of sales	-12.2%	-8.8%	-8.5%	-9.0%	-8.8%	-8.5%	-8.0%	-7.3%	-7.0%	-6.0%	-5.5%	-5.0%	-4.9%	

Valuation:

Shares outstanding	37.9
PV of FCF	269.3
PV of Terminal Value	261.8
Enterprise Value	531.0
less: Net Debt	(4.7)
Estimated Total Value:	535.7
Est Equity Value/share:	**$14.14**
Price	$9.13

Sensitivity Analysis:

Discount rate	Terminal Growth Rates 0%	1%	2%	3%	4%
10.00%	$14.26	$15.08	$16.10	$17.42	$19.17
10.50%	$13.48	$14.19	$15.06	$16.17	$17.61
11.00%	$12.77	$13.38	$14.14	$15.08	$16.28
11.50%	$12.13	$12.66	$13.31	$14.12	$15.14
12.00%	$11.54	$12.01	$12.58	$13.27	$14.14

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

Viemed Healthcare, Inc.
Consolidated Balance Sheets ($M)
Fiscal Year End: December

ASSETS	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	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
Cash and Cash Equivalents	28.4	16.9	12.8	7.3	8.8	11.3	17.5	17.5	10.2	20.0	11.1	13.5	13.5	9.8	10.7	9.7
Accounts Receivable, net	12.8	15.4	18.5	24.5	27.1	27.1	24.9	24.9	26.8	26.5	27.4	25.6	25.6	31.2	32.2	34.9
Inventory	2.5	3.6	4.6	4.3	4.4	4.3	4.3	4.3	4.5	4.3	5.3	5.0	5.0	5.2	5.3	4.6
Income Tax Receivable	1.9	0.0	-	-	0.4	-	-	-	-	-	1.9	0.2	0.2	-	-	-
Prepaid Expenses and Other Assets	1.7	3.8	2.4	2.5	4.2	5.0	6.1	6.1	7.7	4.4	4.3	4.1	4.1	3.7	5.8	10.2
Total Current Assets	**47.3**	**39.7**	**38.4**	**38.6**	**45.0**	**47.7**	**52.9**	**52.9**	**49.1**	**55.3**	**50.0**	**48.5**	**48.5**	**49.8**	**54.0**	**59.3**
Property and Equipment, net	62.8	67.7	73.6	73.5	74.7	74.4	76.3	76.3	81.1	79.7	80.5	78.8	78.8	76.0	77.2	75.6
Finance Lease ROU Assets	-	-	0.4	0.3	0.1	0.1	0.1	0.1	0.0	0.0	-	-	-	-	-	-
Operating Lease ROU Assets	-	0.7	2.9	2.7	2.9	2.8	2.8	2.8	2.9	2.6	3.6	3.6	3.6	3.3	4.5	4.2
Equity Investments	2.2	2.2	1.7	1.7	1.8	1.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	3.2	3.2
Deferred Tax Assets	4.8	3.1	4.6	4.6	4.6	8.1	8.4	8.4	8.4	10.4	5.7	5.3	5.3	5.3	5.3	5.3
Identifiable Intangibles, net	-	-	0.6	0.5	0.9	0.9	0.8	0.8	0.8	0.8	1.3	1.3	1.3	1.2	1.2	1.1
Debt Investment	-	2.0	2.2	2.3	1.0	0.9	-	-	-	-	-	-	-	-	-	-
Goodwill	-	-	29.8	29.8	33.0	33.0	33.0	33.0	33.0	33.0	58.5	58.9	58.9	58.9	58.9	58.9
Other	0.9	1.6	0.9	0.9	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	**118.0**	**117.0**	**154.9**	**154.9**	**163.9**	**169.5**	**177.1**	**177.1**	**178.1**	**184.6**	**202.4**	**199.2**	**199.2**	**197.4**	**204.2**	**207.6**
LIABILITIES AND SHAREHOLDERS' EQUITY																
Trade Payables	3.2	2.7	4.2	5.8	6.3	6.0	5.3	5.3	7.9	8.3	8.7	7.3	7.3	8.6	11.0	10.6
Deferred Revenue	3.8	4.6	6.2	6.1	6.7	6.8	6.7	6.7	6.8	7.2	7.8	7.5	7.5	7.5	8.0	8.0
Income Taxes Payable	-	-	2.2	2.7	-	2.1	3.9	3.9	1.9	1.5	-	-	-	1.0	1.8	1.9
Accrued Liabilities	8.9	11.1	17.6	14.1	16.8	19.9	20.2	20.2	17.5	18.6	25.0	23.9	23.9	21.5	24.9	24.8
Finance Lease Liabilities, current	0.5	-	0.3	0.2	0.1	0.1	0.1	0.1	0.0	0.0	-	-	-	-	-	-
Operating Lease Liabilities, current	-	0.5	0.7	0.7	0.7	0.7	0.8	0.8	0.9	0.9	1.1	1.2	1.2	1.2	1.4	1.4
Current Portion of Long Term Debt	1.5	-	1.1	0.6	0.8	0.8	0.4	0.4	0.4	0.8	1.6	1.1	1.1	0.9	0.7	0.5
Total Current Liabilities	**17.8**	**18.9**	**32.1**	**30.1**	**31.5**	**36.4**	**37.3**	**37.3**	**35.5**	**37.3**	**44.2**	**41.1**	**41.1**	**40.7**	**47.9**	**47.3**
Accrued Liabilities	0.8	0.9	0.6	0.4	0.4	0.7	0.8	0.8	0.4	0.5	0.7	0.9	0.9	0.5	0.9	1.0
Finance Lease Liabilities	-	-	0.1	0.1	0.0	-	-	-	-	-	-	-	-	-	-	-
Operating Lease Liabilities	0.3	0.2	2.2	2.0	2.1	2.0	2.0	2.0	1.9	1.7	2.4	2.4	2.4	2.0	3.1	2.8
Long Term Debt	4.3	-	6.0	5.9	8.7	3.7	3.6	3.6	3.5	3.5	19.6	11.3	11.3	8.3	6.4	4.5
Total Liabilities	**23.1**	**19.9**	**41.0**	**38.6**	**42.8**	**42.7**	**43.8**	**43.8**	**41.3**	**43.0**	**66.9**	**55.6**	**55.6**	**51.6**	**58.3**	**55.6**
Common Stock	14.0	15.1	18.7	21.8	21.9	22.7	23.4	23.4	28.2	27.8	16.9	16.9	16.9	20.8	18.0	17.9
Additional Paid-In Capital	7.7	12.1	15.7	14.3	15.9	16.8	18.3	18.3	15.9	18.1	19.5	21.7	21.7	17.6	17.8	19.3
Retained Earnings	73.1	69.8	79.5	80.1	81.6	85.4	89.7	89.7	90.7	93.8	97.3	102.9	102.9	105.5	108.2	112.9
Total Parent Net Equity	**94.8**	**97.1**	**113.9**	**116.3**	**119.4**	**125.0**	**131.4**	**131.4**	**134.8**	**139.7**	**133.6**	**141.5**	**141.5**	**143.9**	**144.0**	**150.1**
Minority interest	-	-	-	-	1.8	1.8	1.9	1.9	2.0	1.9	1.9	2.0	2.0	1.9	1.9	1.9
Total Consolidated Equity	**94.8**	**97.1**	**113.9**	**116.3**	**121.2**	**126.8**	**133.3**	**133.3**	**136.7**	**141.6**	**135.5**	**143.5**	**143.5**	**145.8**	**146.0**	**152.0**
Total Liabilities and Shareholders' Equity	**118.0**	**117.0**	**154.9**	**154.9**	**163.9**	**169.5**	**177.1**	**177.1**	**178.1**	**184.6**	**202.4**	**199.2**	**199.2**	**197.4**	**204.2**	**207.6**
Liquidity																
Current Ratio	2.7x	2.1x	1.2x	1.3x	1.4x	1.3x	1.4x	1.4x	1.4x	1.5x	1.1x	1.2x	1.2x	1.2x	1.1x	1.3x
Working Capital	29.50	20.88	6.24	8.50	13.50	11.25	15.55	15.55	13.63	18.02	5.79	7.44	7.44	9.11	6.07	11.97
Leverage																
Net Debt to Equity	-23.9%	-17.4%	-5.1%	-0.7%	0.6%	-5.4%	-10.2%	-10.2%	-4.6%	-11.1%	7.4%	-0.8%	-0.8%	-0.4%	-2.5%	-3.1%
Net Debt to Capital	-19.2%	-14.5%	-3.7%	-0.5%	0.4%	-4.1%	-7.6%	-7.6%	-3.5%	-8.5%	4.9%	-0.6%	-0.6%	-0.3%	-1.8%	-2.2%

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Viemed Healthcare, Inc.
Consolidated Statements of Income (in $M, except per share amounts)
Fiscal Year End: December

	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 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Revenue	$ 117.1	$ 138.8	$ 183.0	$ 224.3	$ 59.1	$ 63.1	$ 71.9	$ 76.2	$ 270.3	$ 75.4	$ 78.1	$ 80.7	$ 84.1	$ 318.3	$ 82.5	$ 86.5	$ 89.9	$ 92.4	$ 351.2
Total Revenues	**117.1**	**138.8**	**183.0**	**224.3**	**59.1**	**63.1**	**71.9**	**76.2**	**270.3**	**75.4**	**78.1**	**80.7**	**84.1**	**318.3**	**82.5**	**86.5**	**89.9**	**92.4**	**351.2**
Operating Expenses:																			
Cost of Revenue	43.7	54.2	70.2	91.1	25.9	26.3	30.6	32.1	114.8	32.6	33.0	34.5	35.1	135.2	35.9	37.1	38.1	38.9	150.0
Gross Profit	**73.4**	**84.7**	**112.8**	**133.2**	**33.3**	**36.7**	**41.3**	**44.1**	**155.5**	**42.8**	**45.0**	**46.2**	**49.1**	**183.1**	**46.6**	**49.4**	**51.8**	**53.5**	**201.3**
SG&A	54.9	68.2	87.9	106.2	28.4	28.8	31.9	32.2	121.4	34.8	37.1	35.5	35.3	142.7	37.1	38.2	39.6	38.0	153.0
R&D	2.1	2.7	2.8	3.1	0.8	0.8	0.8	0.6	3.0	0.6	0.5	0.5	0.5	2.1	0.5	0.6	0.6	0.6	2.3
Stock Based Compensation	5.2	5.2	5.8	6.3	2.3	2.3	2.2	2.3	9.1	2.5	2.0	2.5	2.5	9.5	2.5	2.5	2.5	2.5	10.0
Depreciation and Amortization	0.9	1.0	1.4	1.5	0.3	0.4	0.4	0.4	1.5	0.4	0.4	0.4	0.4	1.6	0.4	0.4	0.4	0.4	1.6
Loss/(Gain) on Disposal of Property and Equipment	0.4	0.3	0.6	(1.9)	(2.4)	(0.6)	0.5	0.3	(2.2)	0.4	0.6	0.4	0.5	1.9	0.5	0.5	0.5	0.5	2.0
Other	(1.5)	(1.0)	(0.1)	0.2	(0.1)	(0.1)	(0.0)	(0.1)	(0.3)	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)
Depreciation on PPnE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	61.8	76.4	98.5	115.3	29.4	31.6	35.7	35.7	132.5	38.5	40.6	39.2	39.1	157.5	41.0	42.1	43.5	42.0	168.6
Operating Income	**11.6**	**8.3**	**14.3**	**17.9**	**3.8**	**5.1**	**5.6**	**8.4**	**22.9**	**4.3**	**4.5**	**7.0**	**9.9**	**25.6**	**5.6**	**7.2**	**8.3**	**11.5**	**32.6**
Income/(Loss) from Investments	-	-	-	(1.0)	-	-	-	-	-	-	(0.2)	-	-	(0.2)	-	-	-	-	-
Interest Expense, net	(0.3)	(0.2)	(0.4)	(0.8)	(0.2)	(0.1)	(0.5)	(0.4)	(1.2)	(0.3)	(0.2)	(0.2)	(0.1)	(0.9)	(0.1)	(0.1)	(0.0)	(0.0)	(0.2)
Other gains/loses	1.2	0.9	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Before Taxes	**12.5**	**9.0**	**14.4**	**16.2**	**3.7**	**5.0**	**5.1**	**8.0**	**21.8**	**4.0**	**4.1**	**6.8**	**9.8**	**24.6**	**5.5**	**7.2**	**8.3**	**11.5**	**32.4**
Provision for Income Tax	3.4	2.8	4.1	4.8	1.0	1.7	1.5	2.2	6.4	1.3	1.2	2.0	2.9	7.4	1.6	2.2	2.5	3.4	9.7
Net Income	**9.1**	**6.2**	**10.2**	**11.4**	**2.7**	**3.3**	**3.6**	**5.8**	**15.4**	**2.7**	**2.9**	**4.7**	**6.8**	**17.2**	**3.8**	**5.0**	**5.8**	**8.0**	**22.7**
Non-Controlling Interest	-	-	-	0.1	0.1	0.1	0.1	0.2	0.4	0.1	0.1	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.4
Net Income To Common Stockholders	**9.1**	**6.2**	**10.2**	**11.3**	**2.6**	**3.2**	**3.5**	**5.6**	**14.9**	**2.6**	**2.8**	**4.6**	**6.7**	**16.7**	**3.7**	**4.9**	**5.7**	**7.9**	**22.3**
Basic EPS	**$ 0.23**	**$ 0.16**	**$ 0.27**	**$ 0.29**	**$ 0.07**	**$ 0.08**	**$ 0.09**	**$ 0.15**	**$ 0.38**	**$ 0.07**	**$ 0.07**	**$ 0.12**	**$ 0.17**	**$ 0.44**	**$ 0.10**	**$ 0.13**	**$ 0.15**	**$ 0.20**	**$ 0.57**
Diluted EPS	**$ 0.22**	**$ 0.16**	**$ 0.25**	**$ 0.28**	**$ 0.06**	**$ 0.08**	**$ 0.09**	**$ 0.14**	**$ 0.37**	**$ 0.06**	**$ 0.07**	**$ 0.11**	**$ 0.16**	**$ 0.41**	**$ 0.09**	**$ 0.12**	**$ 0.13**	**$ 0.19**	**$ 0.53**
WTD Shares Out - Basic	39.5	38.7	38.4	38.8	39.4	39.5	38.0	38.0	38.9	38.4	38.2	38.1	38.8	38.4	38.9	39.0	39.0	39.1	39.0
WTD Shares Out - Diluted	40.7	39.8	40.4	40.8	41.6	41.1	40.5	40.2	40.8	40.5	41.1	41.2	41.9	41.2	42.0	42.1	42.2	42.3	42.2
Adjusted EBITDA	**$ 29.3**	**$ 30.0**	**$ 43.1**	**$ 51.1**	**$ 12.8**	**$ 14.3**	**$ 16.1**	**$ 18.2**	**$ 61.4**	**$ 14.3**	**$ 13.7**	**$ 17.1**	**$ 20.2**	**$ 65.3**	**$ 15.9**	**$ 17.5**	**$ 18.6**	**$ 21.7**	**$ 73.6**
Margin Analysis																			
Gross Margin	62.7%	61.0%	61.6%	59.4%	56.3%	58.3%	57.5%	57.9%	57.5%	56.8%	57.7%	57.3%	58.3%	57.5%	56.5%	57.1%	57.6%	57.9%	57.3%
Operating Margin	9.9%	5.9%	7.8%	8.0%	6.5%	8.1%	7.8%	11.0%	8.5%	5.7%	5.7%	8.6%	11.8%	8.1%	6.8%	8.4%	9.2%	12.4%	9.3%
EBITDA Margin	25.0%	21.6%	23.5%	22.8%	21.6%	22.7%	22.4%	23.9%	22.7%	19.0%	17.6%	21.1%	24.0%	20.5%	19.2%	20.2%	20.6%	23.5%	21.0%
Pre-Tax Margin	10.7%	6.5%	7.9%	7.2%	6.2%	7.9%	7.1%	10.5%	8.1%	5.3%	5.2%	8.4%	11.6%	7.7%	6.7%	8.3%	9.2%	12.4%	9.2%
Net Income Margin	7.8%	4.5%	5.6%	5.0%	4.4%	5.0%	4.9%	7.4%	5.5%	3.4%	3.5%	5.7%	8.0%	5.3%	4.5%	5.7%	6.3%	8.6%	6.3%
Tax Rate	27.0%	30.8%	28.8%	29.4%	26.0%	34.5%	29.9%	27.4%	29.4%	32.0%	28.4%	30.2%	30.0%	30.1%	30.0%	30.0%	30.0%	30.0%	30.0%
Growth Rate Y/Y																			
Total Revenue		18.6%	31.8%	22.5%	16.9%	14.7%	24.0%	25.5%	20.5%	27.5%	23.9%	12.2%	10.5%	17.8%	9.4%	10.8%	11.4%	9.8%	10.3%
Total cost of revenues		23.6%	28.8%	17.1%	6.7%	8.1%	24.2%	20.4%	14.9%	30.9%	28.3%	9.9%	9.5%	18.8%	6.4%	3.8%	10.9%	7.3%	7.1%
Operating Income		-28.7%	73.7%	24.9%	74.3%	40.9%	0.2%	29.7%	28.2%	11.8%	-12.4%	23.4%	18.6%	11.8%	30.4%	62.4%	19.4%	15.7%	27.3%
Pre-Tax Income		-28.1%	60.1%	12.4%	72.7%	121.1%	-6.6%	27.0%	34.6%	9.0%	-18.4%	32.1%	22.2%	13.1%	37.7%	77.1%	21.9%	17.3%	31.7%
Net Income		-31.8%	64.6%	10.0%	63.8%	115.1%	-9.4%	30.7%	32.6%	-1.6%	-12.4%	32.0%	19.7%	12.1%	45.1%	78.1%	22.7%	17.6%	33.2%

Source: Company Reports, Stonegate Capital Partners estimates

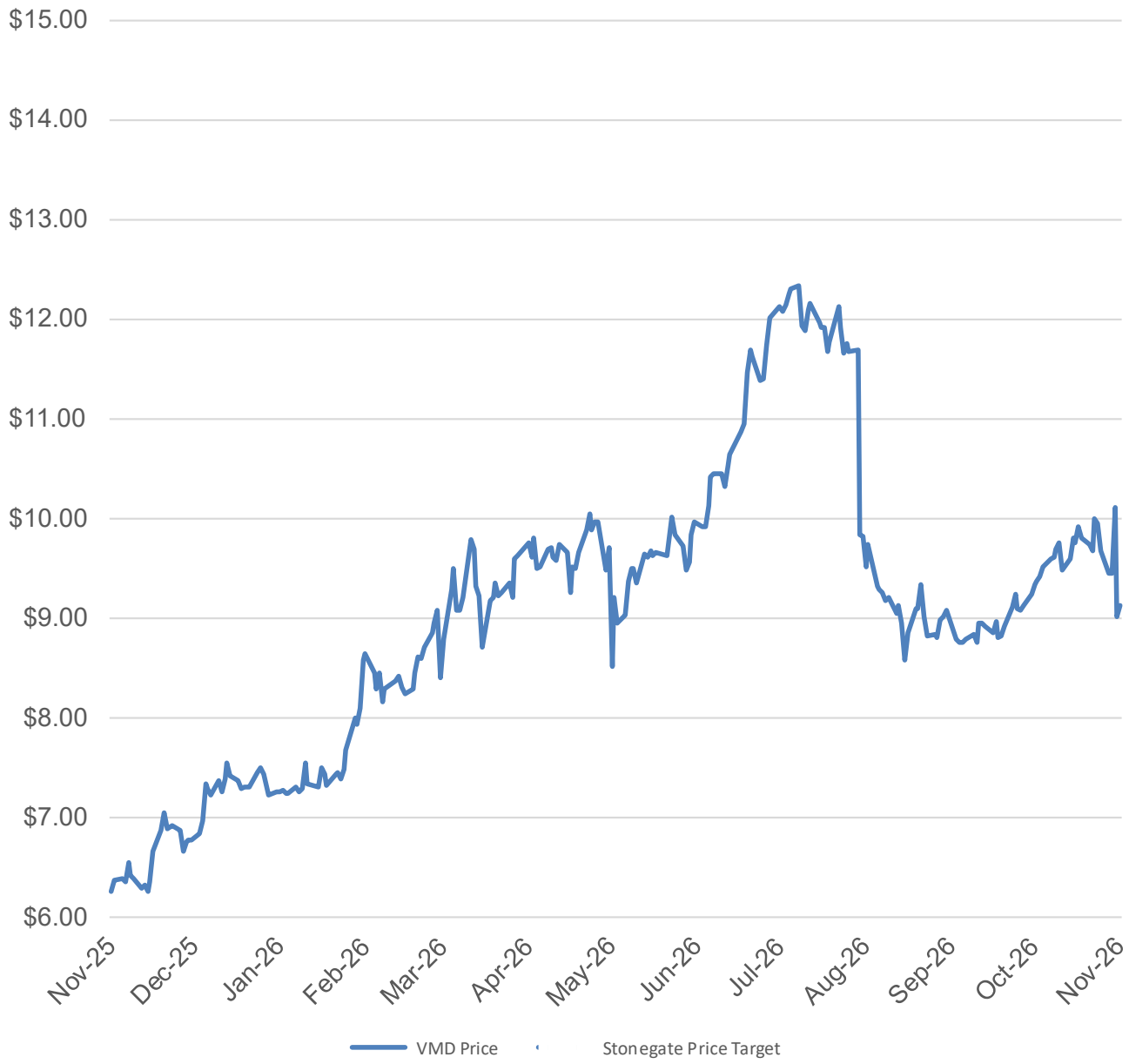
IMPORTANT DISCLOSURES AND DISCLAIMER

(a) The research analyst and/or a member of the analyst's household do not have a financial interest in the debt or equity securities of the subject company.
(b) The research analyst responsible for the preparation of this report has not received compensation that is based upon Stonegate Capital Partners' ("SCP") equity affiliate Stonegate Capital Markets ("SCM"), a FINRA member, investment banking revenues.
(c) SCP or any affiliate has not managed or co-managed a public offering of securities for the subject company in the last twelve months, received investment banking compensation from the subject company in the last 12 months, nor expects to receive or intends to seek compensation for investment banking services from the subject company in the next 12 months.
(d) SCP has a contractual agreement with the subject company to provide research services, investor relations support, and investor outreach. SCP receives a monthly retainer for these non-investment banking services.
(e) SCP or its affiliates do not beneficially own 1% or more of any class of common equity securities of the subject company.
(f) Neither SCP nor its equity affiliate SCM, a FINRA member, make a market in the subject company.
(g) The research analyst has not received any compensation from the subject company in the previous 12 months.
(h) SCP, the research analyst, or associated person of SCP with the ability to influence the content of the research report does not know or have reason to know of any material conflicts of interest at the time of publication or distribution of the research report.
(i) No employee of SCP has a position as an officer or director of the subject company.

Ratings - SCP does not provide ratings for the covered companies.
Distribution of Ratings - SCP does not provide ratings for covered companies.
Price Chart - SCP does not have, nor has previously had, a rating for its covered companies, however, SCP does provide a price target on the covered company. Please see the following page for the historical price chart. This chart shows the covered company's stock price since SCP has been covering the covered company as well as the corresponding SCP price target.
Price Targets - SCP may provide price targets for its covered companies. For a complete understanding of valuation methodologies and risks associated please read this report in its entirety. In instances where SCP does not provide a price target SCP will still provide a valuation analysis.

Regulation Analyst Certification:
I, Dave Storms, CFA, hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

For Additional Information Contact:
Stonegate Capital Partners, Inc.
Dave Storms, CFA
Dave@stonegateinc.com
214-987-4121



Please note that this report was originally prepared and issued by Stonegate for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of Stonegate should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents. The information contained herein is based on sources which we believe to be reliable but is not necessarily complete and its accuracy cannot be guaranteed. Because the objectives of individual clients may vary, this report is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This report is the independent work of Stonegate Capital Partners and is not to be construed as having been issued by, or in any way endorsed or guaranteed by, any issuing companies of the securities mentioned herein. The firm and/or its employees and/or its individual shareholders and/or members of their families and/or its managed funds may have positions or warrants in the securities mentioned and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the firm from time to time in the open market or otherwise. While we endeavor to update the information contained herein on a reasonable basis, there may be regulatory, compliance, or other reasons that prevent us from doing so. The opinions or information expressed are believed to be accurate as of the date of this report; no subsequent publication or distribution of this report shall mean or imply that any such opinions or information remains current at any time after the date of this report. All opinions are subject to change without notice, and we do not undertake to advise you of any such changes. Reproduction or redistribution of this report without the expressed written consent of Stonegate Capital Partners is prohibited. Additional information on any securities mentioned is available on request.