Zacks Small-Cap Research

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Mastech Digital (NYSE Amer: MHH)

MHH: Mastech Reports 6% Sequential Growth and Record Gross Margins Resulting in a 75% Increase in Non-GAAP EPS

Based on an EV to sales of 0.9xs estimated 2024 revenues, we believe MHH stock could be worth $17.30 per share.

Current Price (8/6/2024)	$8.11
Valuation	**$17.30**

OUTLOOK

Mastech Digital, based outside Pittsburgh, PA is an IT staffing business with a data and analytics, consulting, and project management service serving blue-chip customers in the US. Both businesses have been affected by the rapid decline in the economy and IT hiring as customers pull back. The company trades well below its peers and we expect stock price appreciation when it returns to growth aided by stock buybacks. It also plans to grow through acquisition. The potential for a recession, the banking crisis, interest rates, and inflation have hurt the staffing industry and lowering sales and valuations, but there are solid signs of improvement.

SUMMARY DATA

52-Week High	**$11.11**
52-Week Low	**$7.15**
One-Year Return (%)	**-17.9**
Beta	**0.5**
Average Daily Volume (sh)	**6,487**
Shares Outstanding (mil)	**11.6**
Market Capitalization ($mil)	**$94.5**
Short Interest Ratio (days)	**3.5**
Institutional Ownership (%)	**18**
Insider Ownership (%)	**70**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**3.8**
Earnings Per Share (%)	**-13.7**
Dividend (%)	**N/A**
P/E using TTM Non-GAAP EPS	**17.2**
P/E using 2024 Estimate	**15.0**
P/E using 2025 Estimate	**11.1**

Risk Level	**Average**
Type of Stock	**Small Value**
Industry	**IT Services**

ZACKS ESTIMATES

Revenue
(In millions of US$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	$60 A	$62 A	$63 A	$57 A	$242 A
2023	$55 A	$52 A	$48 A	$46 A	$201 A
2024	$47 A	$50 A	$51 E	$52 E	$199 E
2025					$210 E

Non-GAAP Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2022	$0.28 A	$0.30 A	$0.33 A	$0.23 A	$1.13 A
2023	$0.12 A	$0.11 A	$0.11 A	$0.11 A	$0.44 A
2024	$0.06 A	$0.19 A	$0.13 E	$0.11 E	$0.54 E
2025					$0.73 E

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WHAT'S NEW

Earnings Growth Returns to Mastech Digital After Six Quarters of Declines

Despite reporting a 5.1% decline in revenues in Q2 2024, Mastech significantly grew profits and gross margin. In fact, Mastech reported record total gross margins and a non-GAAP EPS improvement of 75%. It also added 31 billable consultants in the quarter portending an even better Q3. It reached 1,035 billable consultants by the end of June and expects a few more adds this quarter.

D&A had another strong booking number at $9.2 million, similar to the $9.6 million reported for Q1 2024. The D&A segment reported year-over-year revenue growth after seven quarters of declines. Gross margins improved year over year and sequentially for both segments and reached a record for the company. We expect a sequential increase in revenues and earnings throughout 2024. Current customers have been increasing spending aided by four quarters of restraint increasing pent-up demand. Management is increasingly positive about the second half of the year and expected margins to hold above 25%

Mastech's enterprise value is now $76 million-- or 0.4 times EV/2024 Estimated Sales. Its peers trade at an average of 2.5xs. The stock trades at 11.1 times 2025 non-GAAP EPS on a PE basis.

Q2 2024 Results Show Earnings Growth and Record Gross Margin

Q2 2024 resulted in total revenues of $49.5 million down 5.1% from $52.2 million in Q2 2023. The IT staffing business declined to $40.7 million from $43,4 million a year ago but an improvement from the $38.8 million in Q1 2024. IT staffing was 82% of revenues and ended the quarter with 1,035 billable consultants compared to 1,041 the year before. D&A however grew year over year to $8.9 million from $8.8 million in Q2 2023. Its revenues improved sequentially by 10%.

Total gross margin improved significantly year over year and reached a record for the company at 28.2% compared with 26.1% last year and 25.9% in Q1 2024. Staffing reported its best gross margin ever at 23.6%. Margins were up sequentially for both businesses. The increase was to higher utilization, higher billing rates, and better execution.

SG&A declined again to $12.3 million compared to $13.4 million a year ago and was down from Q1 2024. In addition to belt-tightening, the company, which self-insures, enjoyed lower medical costs than usual and expects that to fluctuate. The plan is to have SG&A decline as a percent of revenues going forward.

The operating profit was $1.7 million versus a profit of $272,000 last year not including last year's one-time charge. Other income was $116,000 compared $50,000 a year ago. Taxes in the quarter were $418,000, compared to a reversal of $605,000 last year due to the GAAP loss. For the full year, the tax rate is expected to equal approximately 28%.

GAAP income was $1.4 million compared to a loss of $2.2 million last year. On a non-GAAP basis, it was $2.2 million versus $1.3 million, up 74%. GAAP earnings per share was $0.12 compared to a loss per share of $0.18 a year ago. On a non-GAAP basis, EPS was $0.19 versus $0.11. The diluted share count was 11.9 million, down 39,000 shares from last year.

Balance Sheet

The company ended the quarter with $20.6 million in net cash ($1.73 per share), a quick ratio of 3.0xs, working capital of $40.3 million, and no debt. The company has a positive free cash flow and considerable debt capacity. It currently has a borrowing availability of $23.8 million under its revolving credit facility.

In Q2 2024 Mastech repurchased no shares due in part to a bigger-than-usual blackout period increased by "confidential matters". Its original stock buyback plan was for 500,000 shares to be executed over the next two years with an extension possible. It is limited to buying 25% of the daily volume each day and at the moment that is only an average of about 4,900 shares per day making the process slow. Its normal blackout period ends two days after an earnings announcement and begins again when the quarter ends. The low trading volume of MHH stock gives less opportunity to buy back stock. The company is amenable to buying any blocks that may present themselves for sale. During the fourth quarter, Mastech purchased 9,000 shares of common stock under the share repurchase program at an average price of $8.70.

Consultant Agreement

On January 12, 2024, Mastech entered into a three-year consulting agreement with Phaneesh Murthy and Srinjay Sengupta. These consultants are providing Mastech with strategic advisory and management consulting services. They have extensive experience and contacts in the industry and Mr. Murthy was the Chief Executive Officer of iGATE Corporation from 2003 until 2013. Mastech Digital was originally the IT staffing business of iGATE.

The agreement is for three years or until the sale of the company. Mastech is paying: $100,000 per month for the first 9 months, $30,000 per month for months 10 through 12, $25,000 per month for months 13 through 18, $20,000 per month for months 19 through 24, and $120,000 on the second anniversary. Additionally, Mastech issued to each of Murthy and Sengupta 192,500 options exercisable at $8.34 per share with a third vesting after each of the three years. As additional incentive compensation to the consultant: If the company is sold within the next year, Murthy and Sengupta will each receive from the founders 1.1% of the total number of shares of common stock outstanding on the date upon which the definitive agreement of the sale. After a year if sold but before three years, Murthy and Sengupta will each only receive 0.55% of the total shares.

KEY POINTS

- Mastech Digital was solely an IT staffing company, but it entered the data and analytics business in 2017 by buying InfoTrellis. It added to this business in Q4 2020 with the purchase of AmberLeaf. This business operates at a higher margin and is ultimately expected to be an increasingly bigger part of total sales. This math should lead to accelerating earnings growth as well as a higher valuation for the stock.
- Mastech plans to augment its internal growth with acquisitions in the data and analytics space to expand its capabilities. It has no debt and an increasing cash balance from internally generated cash flow, which leaves it with increasing debt capacity and cash to grow through acquisition.
- The economy has recently worsened and customers have pulled back on projects and reduced IT spending. However, the data & analytics business could show improvement under new management, an improving pipeline, and expanded offerings.
- The company has just hired strategic consultants to improve the business.
- Today MHH is trading at a fully diluted enterprise value of $76 million. That is 0.4 times its enterprise value to 2024 estimated sales versus its peers who trade at 2.5 times.

OVERVIEW

Mastech Digital is a minority-owned IT services company headquartered in Moon Township, PA with offices in the US, Canada, and India. It has domestic sales offices in Chicago; Boston; Orlando; Tampa; Dallas; Atlanta; Houston; Freemont, CA; and Toronto, in addition to its headquarters near Pittsburgh. Internationally, the company has a sales presence in Singapore; Ireland, and the UK; and it recruits and provides IT outsourcing through its locations in Noida and Chennai, India. On December 31, 2022, it had 1,071 North American employees and 624 employees offshore, in addition to 324 subcontracted professionals. Then 27% of the workforce was working under Mastech-sponsored H1-B temporary work permits. Originally, it was the IT staffing business of iGATE Capital Corp., a public company that was sold to Capgemini in 2015 for $4+ billion in cash. Mastech Digital had been previously spun off as a separate public company from iGATE in 2008. Since then, it has also become a consultant, project manager, and VAR in data analytics, data management, and big data through its acquisition of InfoTrellis in 2017, and of AmberLeaf in 2020. It reports the earnings of these two segments. IT staffing is still the largest part of the company but the smaller and higher margin, data and analytics business should ultimately be an increasing percentage of total revenues going forward. This dynamic should result in continued accelerating margin expansion going forward, and this growth could result in an expansion of the stock's PE ratio.

VALUATION

To value MHH we are using comparable peer companies that staff technology people. Their valuations average 2.5 times EV to estimated 2024 sales. All of these companies are generating much higher margins than Mastech. If we take Kforce's multiple of 0.9 times and use that multiple and apply it to Mastech's forecasted 2024 revenues the stock would be worth a market cap of $202 million or $17.30 per share. At 0.4 times Mastech trades below the lowest comp ratio.

Company	Ticker	Cal. Rev 2025E	Cal. Rev 2024E	LTM	EBIDTA Margin	EV/Sales 2025E	EV/Sales 2024E	EV/Sales LTM	Included in Average?	Enterprise Value
Accenture	ACN	NA	65,600	64,480	17%	NA	3.0	3.1	y	198,680
Cognizant	CTSH	20,330	19,420	19,260	18%	1.7	1.8	1.8	y	35,020
Infosys	INFY	NA	19,000	18,660	23%	NA	4.4	4.5	y	84,060
Kforce Inc.	KFRC	1,470	1,410	1,440	5%	0.9	0.9	0.9	y	1,290
Wipro	WIT	NA	10,600	10,595	7%	NA	2.6	2.6	y	27,090
Average					14.1%	1.3	2.5	2.6		63,810

In December CTG was acquired for $10.50 per share in cash, or $170 million. This was 0.6xs its run rate based on its Q2 2023 revenues. Using this valuation, and Mastech's Q2 2024 run rate, it would be worth $119 million or $9.97 per share.

RISKS

- The company is subject to the business cycle and tends to do better when the economy is robust or at the end of a recession when companies are reluctant to bring on full-time hires. Customers are bracing for a possible recession and have become more cautious with projects that have affected revenues and earnings and could continue to do so.

- The company is almost entirely dependent on the US market in the IT staffing segment.

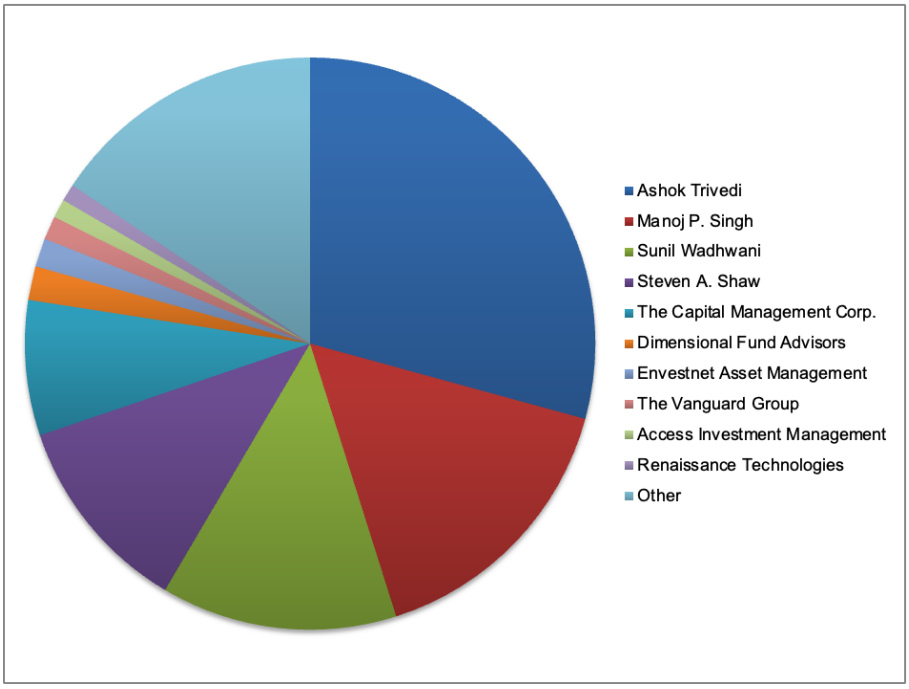
- The top ten clients represented 51% of sales in Q1 2024. In 2023 50% of sales were from financial services clients. Only CGI exceeded 10% of revenues and it contributed 17.3% of revenues in Q1 2024.

- Any regulatory changes regarding H-1B visas could eventually trickle down to Mastech's pool of potential consultants; 37% of its employee base held these visas in 2023. Although there has been talk about changes to visa grants for new entries into the US, Mastech sources its workforce from those who already have the appropriate visas. A greater acceptance of remote working especially overseas could decrease this risk.

- The IT hiring market is hot and highly competitive. The company is having difficulty retaining consultants as their opportunities for employment have vastly increased recently. This demand exceeding supply could hurt the ability to hire and place staff and constrain revenue and earnings growth.

- The US economy is in stagflation and possibly moving to recession which could dampen demand, and there is now also unrest in the Middle East.

OWNERSHIP



INCOME STATEMENT

	Q1 2023 31-Mar	Q2 2023 30-Jun	Q3 2023 30-Sep	Q4 2023 31-Dec	Q1 2024 31-Mar	Q2 2024 30-Jun	Q3 2024E 30-Sep	Q4 2024E 31-Dec	2022	2023	2024E	2025E
Billable consultants	1,125	1,041	992	946	1,004	1,035	1,040	1,040	1,208	946	1,040	1,082
IT Staffing Services	45,668	43,431	39,741	37,900	38,756	40,658	41,878	41,878	201,644	166,740	163,169	169,696
Yr-to-yr Growth	-8%	-15%	-25%	-21%	-15%	-6%	5%	10%	10%	-21%	-2%	4%
IT Staffing Gross Margin	9,864	9,642	8,902	7,694	8,371	9,595	9,213	9,213	46,378	36,102	36,393	36,994
Gross Margin %	21.6%	22.2%	22.4%	20.3%	21.6%	23.6%	22.0%	22.0%	23.0%	21.7%	22.3%	21.8%
Data & Analytics Services	9,395	8,773	8,038	8,152	8,067	8,876	9,000	10,000	40,594	34,358	35,943	40,256
Yr-to-yr Growth	-7.5%	-22.0%	-20.2%	-10.6%	-14.1%	1.2%	12.0%	22.7%	5.9%	-18.2%	5%	12%
Data & Analytics Gross Margin	3,617	4,000	3,681	3,644	3,743	4,367	4,410	4,800	16,847	14,943	17,320	20,531
Gross Margin %	38.5%	45.6%	45.8%	44.7%	46.4%	49.2%	49.0%	48.0%	41.5%	43.5%	48.2%	51.0%
Revenue	**$55,063**	**$52,204**	**$47,779**	**$46,052**	**$46,823**	**$49,534**	**$50,878**	**$51,878**	**$242,238**	**$201,098**	**$199,112**	**$209,952**
Yr-to-yr Growth	-7.9%	-16.0%	-24.3%	-19.5%	-15.0%	-5.1%	6.5%	12.7%	9.1%	-20.5%	-1%	5%
Cost of revenue	41,581	38,560	35,213	34,708	34,692	35,554	37,255	37,865	179,055	150,062	145,365	152,428
Gross profit	13,482	13,644	12,566	11,344	12,131	13,980	13,623	14,013	63,183	51,036	53,713	57,524
Gross Margin %	24.5%	26.1%	26.3%	24.6%	25.9%	28.2%	26.8%	27.0%	26.1%	25.4%	27.0%	27.4%
SG&A	12,950	13,372	12,615	12,974	12,537	12,287	12,700	12,827	50,984	51,911	50,351	50,000
Impairment of goodwill	0	0	0	5,300	0	0	0	0	0	5,300	0	0
Revaluation of contingent consideration liabilty	0	0	0	0	0	0	0	0	0	0	0	0
Employment-related claim, net	0	3,100	0	0	0	0	0	0	0	3,100	0	0
Total operating expenses	12,950	16,472	12,615	18,274	12,537	12,287	12,700	12,827	50,984	60,311	50,351	51,000
Operating income:	532	(2,828)	(49)	(6,930)	(406)	1,693	923	1,186	12,199	(9,275)	3,362	6,524
Operating margin	1.0%	-5.4%	-0.1%	-15.0%	-0.9%	3.4%	1.8%	2.3%	5.0%	-4.6%	1.7%	3.1%
Other income:												
Total other income	(53)	50	203	44	124	116	116	116	292	244	472	100
Income before income taxes	479	(2,778)	154	(6,886)	(282)	1,809	1,039	1,302	12,491	(9,031)	3,834	6,624
Pretax Margin	0.9%	-5.3%	0.3%	-15.0%	-0.6%	3.7%	2.0%	2.5%	5.2%	-4.5%	1.9%	3.2%
Income taxes	218	(605)	29	(1,535)	(121)	418	312	391	3,779	(1,893)	999	1,822
Tax rate	46%	22%	19%	22%	43%	23%	30%	30%	30%	21%	26%	28%
Net income	261	(2,173)	125	(5,351)	(161)	1,391	727	911	8,712	(7,138)	2,835	4,803
Yr-over-Yr	-89%	-189%	-95%	-448%	-162%	-164%	482%	-117%	-28.7%	222.1%	-140%	69%
Stk based compensation	835	842	824	581	550	461	461	580	2,225	3,082	2,052	2,300
One-time expenses plus amortization	305	2,622	308	6,096	374	397	397	397	2,750	9,331	1,565	1,588
Non-GAAP Income	1,401	1,291	1,257	1,326	763	2,249	1,585	1,326	13,687	5,275	6,452	8,691
Yr-over-Yr	-58%	-64%	-69%	-52%	-46%	74%	26%	0%	-4%	-159.5%	22%	35%
Net income per share:												
Primary EPS	0.02	(0.19)	0.01	(0.46)	(0.01)	0.12	0.06	0.08	0.75	(0.61)	0.24	0.41
Diluted EPS	0.02	(0.18)	0.01	(0.46)	(0.01)	0.12	0.06	0.08	0.72	(0.61)	0.24	0.40
Diluted Non-GAAP EPS	0.12	0.11	0.11	0.11	0.06	0.19	0.13	0.11	1.13	0.44	0.54	0.73
	-58%	-63%	-69%	-50%	-45%	75%	27%	-2%	-5%	-157.6%	23%	36%
Shares												
Basic	11,638	11,620	11,597	11,598	11,615	11,652	11,632	11,612	11,588	11,613	11,597	11,612
Yr-over-Yr	1.1%	0.1%	-0.2%	-0.2%	-0.2%	0.3%	0.3%	0.1%	1%	0.2%	0%	0%
Diluted	12,054	11,961	11,968	11,598	11,909	11,922	11,902	11,882	12,077	11,613	11,968	11,882
Yr-over-Yr	0.2%	-1.2%	-1.0%	-3.9%	-1.2%	-0.3%	-0.6%	2.4%	1%	-4.0%	3%	-1%

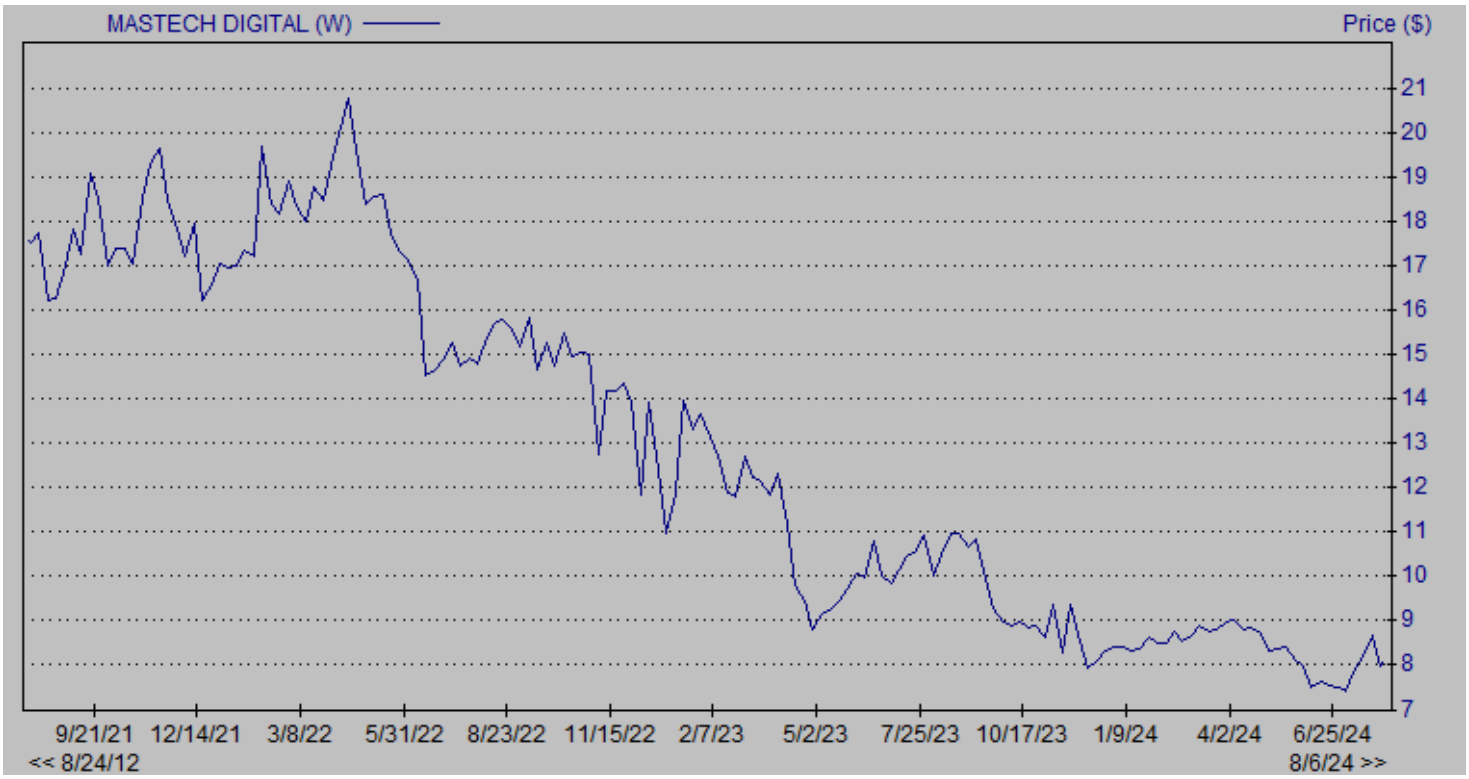
BALANCE SHEET

	June 30, 2024	Mar 31, 2024	Qtr-Qtr % Growth	June 30, 2023	Yr-Yr % Growth
Current assets:					
Cash and equivalents	**$ 20,587**	**$ 19,424**	6.0%	**$ 18,614**	10.6%
Accounts receivable, net	32,643	32,015	2.0%	32,718	-0.2%
Prepaid expenses & other curr assets	7,385	6,887	7.2%	4,759	55.2%
Total current assets	60,615	58,326	3.9%	58,291	4.0%
Equipment, software and leasehold net	2,242	1,983	13.1%	2,143	4.6%
Deferred income taxes	660	738	-10.6%	0	NA
Right-of-use assets	4,471	4,790	-6.7%	3,118	43.4%
Deferred financing costs, net	236	260	-9.2%	256	-7.8%
Non-current deposits	454	455	-0.2%	512	-11.3%
Goodwill, net	27,210	27,210	0.0%	32,510	-16.3%
Intangible assets, net	11,615	12,308	-5.6%	14,387	-19.3%
Total assets	107,503	106,070	1.4%	111,217	-3.3%
Current liabilities:					
Accounts payable	5,790	5,473	5.8%	4,382	32.1%
Accrued payroll and related costs	11,347	11,978	-5.3%	9,949	14.1%
Current portion of operating lease liability	1,250	1,242	0.6%	1,228	1.8%
Other accrued liabilities	1,889	2,066	-8.6%	1,919	-1.6%
Total current liabilities	20,276	20,759	-2.3%	23,478	-13.6%
Lease liability	3,191	3,517	-9.3%	1,851	72.4%
Long term accrued income taxes	0	69	-100.0%	69	-100.0%
Long term deferred income taxes	0	0	0.0%	480	-100.0%
Total liabilities	23,467	24,345	-3.6%	25,878	-9.3%
Stockholders' equity					
Common stock	134	133	0.8%	133	0.8%
Additional paid-in capital	36,813	35,895	2.6%	33,886	8.6%
Retained earnings	53,645	52,254	2.7%	57,641	-6.9%
Accumulated other comp loss	(1,671)	(1,672)	-0.1%	(1,562)	7.0%
Treasury stock, at cost	(4,885)	(4,885)	0.0%	(4,759)	2.6%
Total stockholders' equity	84,036	81,725	2.8%	85,339	-1.5%
Total liabilities and stockholders' equity	107,503	106,070	1.4%	111,217	-3.3%
Current and quick ratio	3.0	2.8	6.4%	2.5	20.4%
Working Capital	40,339	37,567	7.4%	34,813	15.9%
Net cash	20,587	19,424	6.0%	18,614	10.6%
Cash per share	$1.73	$1.63	5.9%	$1.60	7.8%
Debt	0	0	0.0%	0	0.0%

CASH FLOWS

	Year 2020	Year 2021	3 Mo Ended Mar 31, 2022	3 Mo Ended Jun 30, 2022	3 Mo Ended Sep 30, 2022	3 Mo Ended Dec 31, 2022	Year 2022	3 Mo Ended Mar 31, 2023	3 Mo Ended Jun 30, 2023	3 Mo Ended Sep 30, 2023	3 Mo Ended Dec 31, 2023	Year 2023	3 Mo Ended Mar 31, 2024
Cash flows from operating activities:													
Net income	9,861	12,221	2,332	2,436	2,406	1,538	8,712	261	(2,173)	125	(5,351)	(7,138)	(161)
Adjustments to reconcile net income to net cash provided by operating activities:													
Depreciation and amortization	3,589	3,979	1,020	1,108	1,123	944	4,195	1,014	1,012	917	912	3,855	898
Bad debt expense	-	130	-	-	50	-	50	-	-	-	(30)	(30)	(92)
Interest amortization of deferred financing costs	284	82	18	18	19	18	73	18	19	18	18	73	24
Stock-based compensation	2,021	2,212	526	752	776	171	2,225	835	842	824	581	3,082	550
Deferred income taxes, net	(1,821)	1,061	623	(72)	(55)	159	655	(245)	(194)	34	(1,309)	(1,714)	55
Employment-related claim liability, net	-	-	-	-	-	-	-	-	3,100	(3,100)	-	-	-
Impairment of goodwill	-	-	-	-	-	-	-	-	-	-	5,300	5,300	-
Reevaluation of contingent consideration liability	-	(2,882)	-	-	-	-	-	-	-	-	-	-	-
Loss on disposition of fixed assets	4	9	-	-	-	-	-	1	-	(1)	1	1	-
Long term accrued income taxes	(20)	(40)	-	-	(20)	-	(20)	-	(36)	-	-	(36)	-
Operating lease assets and liabilities, net	18	173	(76)	(147)	(132)	(24)	(379)	12	10	46	7	75	14
Change in operating assets and liabilities:													
Accounts receivable & unbilled receivables	2,133	(11,389)	(3,445)	(4,370)	718	8,118	1,021	245	9,360	439	2,493	12,537	(2,108)
Insurance recovery													
Prepaid expenses and other current assets	251	(2,544)	699	89	(731)	38	95	452	(1,404)	(1,129)	363	(1,718)	(1,396)
Accounts payable	(1,613)	2,365	1,288	482	(893)	(1,356)	(479)	210	(307)	467	(184)	186	816
Accrued payroll	6,287	(429)	(873)	(117)	2,378	(4,543)	(3,155)	385	(834)	1,641	84	1,276	(371)
Other accrued liabilities	91	202	(448)	169	87	151	(41)	(262)	554	(615)	75	(248)	407
Deferred revenues	146	66	(101)	26	81	(343)	(337)	205	27	(29)	274	477	38
Net cash used by operating activities	21,231	5,216	1,563	374	5,807	4,871	12,615	3,131	9,976	(2,562)	5,433	15,978	(1,326)
Cash flows from Investing activities:													
Acquisition of Amberleaf, net	(9,345)	-	-	-	-	-	-	-	-	-	-	-	-
(Payment for) recovery of non-current deposits	9	(199)	84	20	(80)	(7)	17	90	(20)	49	-	119	-
Capital expenditures	(298)	(1,895)	(730)	(67)	(22)	(16)	(835)	(97)	(15)	(101)	(122)	(335)	(278)
Proceeds from sale of fixed assets	-	10	-	-	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	(9,634)	(2,084)	(646)	(47)	(102)	(23)	(818)	(7)	(35)	(52)	(122)	(216)	(278)
Cash flows from Financing activities:													
Borrowings on revolving credit facility, net	(9,551)	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing on term loan facility	17,500	-	-	-	-	-	-	-	-	-	-	-	-
(Repayments) on term loan facility	(15,969)	(4,400)	(1,100)	(1,100)	(8,700)	(1,100)	(12,000)	(1,100)	-	-	-	(1,100)	-
Proceeds from the issuance of common shares	222	301	-	199	(10)	74	263	-	150	-	54	204	-
Payment of deferred financing costs	(246)	(223)	-	-	-	-	-	-	-	-	(64)	(64)	-
Purchase of treasury stock	-	-	-	-	-	-	-	-	(572)	-	(46)	(618)	(80)
Proceeds from the exericise of stock options	1,330	229	893	430	-	-	1,323	-	-	-	-	-	-
Net cash provided by financing activities	(6,714)	(4,093)	(207)	(471)	(8,710)	(1,026)	(10,414)	(1,100)	(422)	-	(56)	(1,578)	(80)
Effect of exchange rate changes of cash	(187)	(94)	(147)	(319)	(235)	(247)	(948)	16	(2)	(119)	11	(94)	(39)
Net change - cash	4,696	(1,055)	563	(463)	(3,240)	3,575	435	2,040	9,517	(2,733)	5,266	14,090	(1,723)
Cash, beginning of quarter	2,981	7,677	6,622	7,185	6,722	3,482	6,622	7,057	9,097	18,614	15,881	7,057	21,147
Cash, end of period	7,677	6,622	7,185	6,722	3,482	7,057	7,057	9,097	18,614	15,881	21,147	21,147	19,424
Supplemental information:													
Interest paid	779	623	-	-	-	-	324	-	-	-	-	43	-
Income taxes paid	2,681	3,831	-	-	-	-	2,164	-	-	-	-	1,356	-
Cash Flow	13,936	16,945	4,443	4,095	4,167	2,806	15,511	1,896	2,580	(1,137)	129	3,468	1,288
Free cash flow	13,638	15,050	3,713	4,028	4,145	2,790	14,676	1,799	2,565	(1,238)	7	3,133	1,010

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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