Zacks Small-Cap Research

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November 6, 2024
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Mastech Digital (NYSE Amer: MHH)

MHH: Mastech Returns to Revenue Growth as Demand Improves; Raising Estimates as Margins Expand

Based on blended valuation of an EV to sales of 0.8xs estimated 2025 revenues, and a PE of 23, we believe MHH stock could be worth $18.25 per share.

Current Price (11/5/2024)	$10.31
Valuation	**$18.25**

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 had been affected by the decline in the economy and IT hiring as customers pulled back. The company trades well below its peers and we expect stock price appreciation now that the company has returned to growth. It also plans to grow through acquisition.

SUMMARY DATA

52-Week High	**$10.68**
52-Week Low	**$7.23**
One-Year Return (%)	**21.2**
Beta	**0.5**
Average Daily Volume (sh)	**10,345**
Shares Outstanding (mil)	**11.6**
Market Capitalization ($mil)	**$120**
Short Interest Ratio (days)	**1.0**
Institutional Ownership (%)	**18**
Insider Ownership (%)	**69**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**2.4**
Earnings Per Share (%)	**-18.8**
Dividend (%)	**N/A**
P/E using TTM Non-GAAP EPS	**17.3**
P/E using 2024 Estimate	**14.4**
P/E using 2025 Estimate	**11.9**

Risk Level	**Above 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	$52 A	$52 E	$200 E
2025					$211 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	$0.23 A	$0.22 E	$0.71 E
2025					$0.87 E

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WHAT'S NEW

Revenue Growth Returns to Mastech Digital

After seven quarters of declining year-over-year revenues, Mastech reported revenue growth of 8.5% in Q3 2024. Gross margin was again at an all-time high, and income is growing faster than revenues. As a result, we are raising our Q4 2024 and 2025 EPS estimates as gross margins improve and expenses are held in check. Customers are more optimistic after the election and are ready to make long-delayed decisions on projects going forward. Given staffing industry forecasts of a decline of 7%, Mastech is taking market share.

While revenue only grew 8.6%, non-GAAP net income and EPS grew 120% due to the improved margins. The company added 36 billable consultants in the quarter, more than the 31 in Q2. By the end of September, it reached 1,071 billable consultants.

D&A bookings grew to $11.1 million in Q3 compared to $9.2 million in Q2 and $9.6 million reported for Q1 2024. The D&A segment reported year-over-year revenue growth of 16.9%. Total gross margin was again a record, and since D&A has room to improve, it could continue to increase. Expenses are being held in check. In Q4, the consultant fees will drop by $210,00 according to the contract, helping reduce SG&A. The company hopes to reduce SG&A as a percentage of revenues.

We are raising 2024 non-GAAP EPS to $0.71 and 2025 non-GAAP EPS to $0.87 in expectation of higher gross margins than originally expected. If demand improves, we may raise revenue estimates.

Mastech's enterprise value is now $100 million, up from $76 million in our last report. -- or 0.5 times EV/2024 estimated Sales. The stock trades at 11.9 times 2025 non-GAAP EPS on a PE basis despite expected EPS growth of 23%. If we say the stock is worth between 0.8 times EV to sales and a PE of 23 times, the stock price would average $18.50 per share.

Q3 2024 Results Show Revenue Growth and Another Record Gross Margin

In Q3 2024, Mastech generated total revenues of $51.8 million, up 8.5% from $47.8 million in Q3 2023. The IT staffing business rose to $42.4 million from $39.7 million a year ago (7%) and had another sequential improvement from $40.6 million in Q2 2024. IT staffing was again 82% of revenues, and ended the quarter with 1,071 billable consultants compared to 992 the year before. D&A grew year over year to $9.4 million from $8.0 million in Q3 2023 (17%). Its revenues improved sequentially by 6%.

Total gross margin improved 18% year over year and reached another record for the company at 28.5% compared with 26.3% last year and 28.2% in Q2 2024. Staffing's gross margin was again at the record 23.6% reported in Q2. The increase was due to higher utilization, higher billing rates, and better execution. Sales and operations in staffing have become more aligned, leading to better forecasting, customer satisfaction, and more efficiency.

Through better cost controls, SG&A declined again year over year, remaining at $12.3 million compared to $12.6 million a year ago. The company plans to have SG&A decline as a percentage of revenues going forward.

The operating profit was $2.4 million versus a loss of $49,000 last year. Other income was $133,000 compared to $203,000 a year ago. Taxes in the quarter were $697,000, compared to $29,000 last year. For the full year, the tax rate is expected to equal approximately 28%.

GAAP income was $1.9 million compared to $125,000 last year. On a non-GAAP basis, it was $2.8 million versus $1.3 million, up 120%. GAAP earnings per share was $0.16 compared to $0.01 a year ago. On a non-

GAAP basis, EPS was $0.23 versus $0.11. The diluted share count was 12.0 million, up 43,000 shares from last year.

Balance Sheet

The company ended the quarter with $23.9 million in net cash ($1.99 per share), a quick ratio of 3.0xs, working capital of $43.7 million, and no debt. In the first nine months of the year, the company had positive free cash flow, not including changes in working capital, of $6.6 million and considerable debt capacity. It currently has a borrowing availability of $25 million under its revolving credit facility.

In Q3 2024, Mastech again repurchased no shares. It has a stock buyback plan for 500,000 shares to be executed over the next two years, with an extension possible.

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. 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.

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.
- Demand has recently improved as customers begin to implement long-delayed projects. Margins are improving and setting records.
- In January, the company hired strategic consultants to improve the business.
- Today, MHH is trading at a fully diluted enterprise value of $100 million. That is 0.5 times its enterprise value to 2024 estimated sales versus its peers that trade at 2.6 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, 2023, it had 841 North American employees and 556 employees offshore, in addition to 251 subcontracted professionals. Then, a large portion of its salaried employees were 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 2.6 times EV to estimated 2024 sales. All of these companies except Kforce are generating much higher margins than Mastech. If we take Kforce's multiple of 0.8 times, use that multiple and apply it to Mastech's forecasted 2025 revenues, the company is worth a market cap of $160 million or $16.50 per share. At 0.5 times, Mastech trades below the lowest comp ratio. Its 11.9 non-GAAP EPS is well below its expected growth rate of 23%. Using a PE to growth rate of 1, the stock would be $20 per share by next year. Blending those two valuations, we get a stock price of $18.25.

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	70,000	65,900	64,900	17%	3.1	3.3	3.3	y	214,990
Cognizant	CTSH	20,910	19,710	19,410	18%	1.8	1.9	1.9	y	37,220
Infosys	INFY	20,300	19,100	18,840	23%	4.1	4.4	4.4	y	83,820
Kforce Inc.	KFRC	1,420	1,400	1,420	5%	0.8	0.8	0.8	y	1,160
Wipro	WIT	11,100	10,700	10,700	20%	2.7	2.8	2.8	y	29,970
Average					16.7%	2.5	2.6	2.7		67,438

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 Q3 2024 run rate, it would be worth $119 million or $12.35 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.

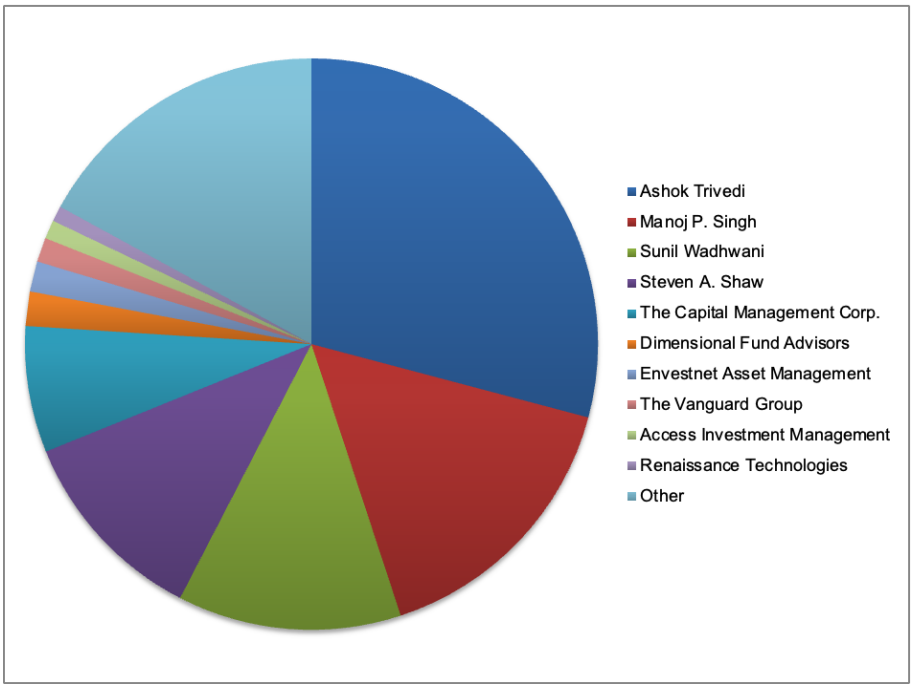
- The top ten clients represented approximately 53% of revenues in Q2 2024. For Q2 2024, Mastech had two clients (CGI = 14.9% and Allegis = 10.7%) that exceeded 10% of total revenues. For the six months that ended June 30, 2024, the same two clients, CGI and Allegis, were 16.1% and 10.1% respectively. For Q2 2023, the company had only CGI, which exceeded 10% of total revenues at 24%. For the six months ended June 30, 2023, the only client that exceeded 10% of total revenues was CGI at 24.8%. So that means that CGI contributed $15.5 million in revenues to date in 2024 versus $24.6 million in the same six months of 2023, down 37.5% or $9.1 million.

- 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 and Europe.

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 2024 30-Sep	Q4 2024E 31-Dec	2022	2023	2024E	2025E
Billable consultants	1,125	1,041	992	946	1,004	1,035	1,071	1,071	1,208	946	1,071	1,114
IT Staffing Services	45,668	43,431	39,741	37,900	38,756	40,658	42,441	42,500	201,644	166,740	164,355	170,929
Yr-to-yr Growth	-8%	-15%	-25%	-21%	-15%	-6%	7%	12%	10%	-21%	-1%	4%
IT Staffing Gross Margin	9,864	9,642	8,902	7,694	8,371	9,595	10,016	9,860	46,378	36,102	37,843	39,314
Gross Margin %	21.6%	22.2%	22.4%	20.3%	21.6%	23.6%	23.6%	23.2%	23.0%	21.7%	23.0%	23.0%
Data & Analytics Services	9,395	8,773	8,038	8,152	8,067	8,876	9,398	9,800	40,594	34,358	36,141	40,478
Yr-to-yr Growth	-7.5%	-22.0%	-20.2%	-10.6%	-14.1%	1.2%	16.9%	20.2%	5.9%	-18.2%	5%	12%
Data & Analytics Gross Margin	3,617	4,000	3,681	3,644	3,743	4,367	4,765	4,802	16,847	14,943	17,677	20,644
Gross Margin %	38.5%	45.6%	45.8%	44.7%	46.4%	49.2%	50.7%	49.0%	41.5%	43.5%	48.9%	51.0%
Revenue	**$55,063**	**$52,204**	**$47,779**	**$46,052**	**$46,823**	**$49,534**	**$51,839**	**$52,300**	**$242,238**	**$201,098**	**$200,496**	**$211,407**
Yr-to-yr Growth	-7.9%	-16.0%	-24.3%	-19.5%	-15.0%	-5.1%	8.5%	13.6%	9.1%	-20.5%	0%	5%
Cost of revenue	41,581	38,560	35,213	34,708	34,692	35,554	37,068	37,638	179,055	150,062	144,952	151,450
Gross profit	13,482	13,644	12,566	11,344	12,131	13,980	14,771	14,662	63,183	51,036	55,520	59,957
Gross Margin %	24.5%	26.1%	26.3%	24.6%	25.9%	28.2%	28.5%	28.0%	26.1%	25.4%	27.7%	28.4%
SG&A	12,950	13,372	12,615	12,974	12,537	12,287	12,332	12,132	50,984	51,911	49,288	50,738
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	12,332	12,132	50,984	60,311	49,288	51,000
Operating income:	532	(2,828)	(49)	(6,930)	(406)	1,693	2,439	2,530	12,199	(9,275)	6,232	8,957
Operating margin	1.0%	-5.4%	-0.1%	-15.0%	-0.9%	3.4%	4.7%	4.8%	5.0%	-4.6%	3.1%	4.2%
Other income:												
Total other income	(53)	50	203	44	124	116	133	133	292	244	506	300
Income before income taxes	479	(2,778)	154	(6,886)	(282)	1,809	2,572	2,663	12,491	(9,031)	6,738	9,257
Pretax Margin	0.9%	-5.3%	0.3%	-15.0%	-0.6%	3.7%	5.0%	5.1%	5.2%	-4.5%	3.4%	4.4%
Income taxes	218	(605)	29	(1,535)	(121)	418	697	905	3,779	(1,893)	1,899	2,546
Tax rate	46%	22%	19%	22%	43%	23%	27%	34%	30%	21%	28%	28%
Net income	261	(2,173)	125	(5,351)	(161)	1,391	1,875	1,758	8,712	(7,138)	4,838	6,712
Yr-over-Yr	-89%	-189%	-95%	-448%	-162%	-164%	1400%	-133%	-28.7%	222.1%	-168%	39%
Stk based compensation	835	842	824	581	550	461	542	580	2,225	3,082	2,133	2,300
One-time expenses plus amortization	305	2,622	308	6,096	374	397	352	352	2,750	9,331	1,475	1,408
Non-GAAP Income	1,401	1,291	1,257	1,326	763	2,249	2,769	2,690	13,687	5,275	8,446	10,420
Yr-over-Yr	-58%	-64%	-69%	-52%	-46%	74%	120%	103%	-4%	-159.5%	60%	23%
Net income per share:												
Primary EPS	0.02	(0.19)	0.01	(0.46)	(0.01)	0.12	0.16	0.15	0.75	(0.61)	0.42	0.57
Diluted EPS	0.02	(0.18)	0.01	(0.46)	(0.01)	0.12	0.16	0.15	0.72	(0.61)	0.40	0.56
Diluted Non-GAAP EPS	0.12	0.11	0.11	0.11	0.06	0.19	0.23	0.22	1.13	0.44	0.71	0.87
	-58%	-63%	-69%	-50%	-45%	75%	119%	96%	-5%	-157.6%	60%	23%
Shares												
Basic	11,638	11,620	11,597	11,598	11,615	11,652	11,695	11,700	11,588	11,613	11,597	11,700
Yr-over-Yr	1.1%	0.1%	-0.2%	-0.2%	-0.2%	0.3%	0.8%	0.9%	1%	0.2%	0%	1%
Diluted	12,054	11,961	11,968	11,598	11,909	11,922	12,011	12,011	12,077	11,613	11,968	12,011
Yr-over-Yr	0.2%	-1.2%	-1.0%	-3.9%	-1.2%	-0.3%	0.4%	3.6%	1%	-4.0%	3%	0%

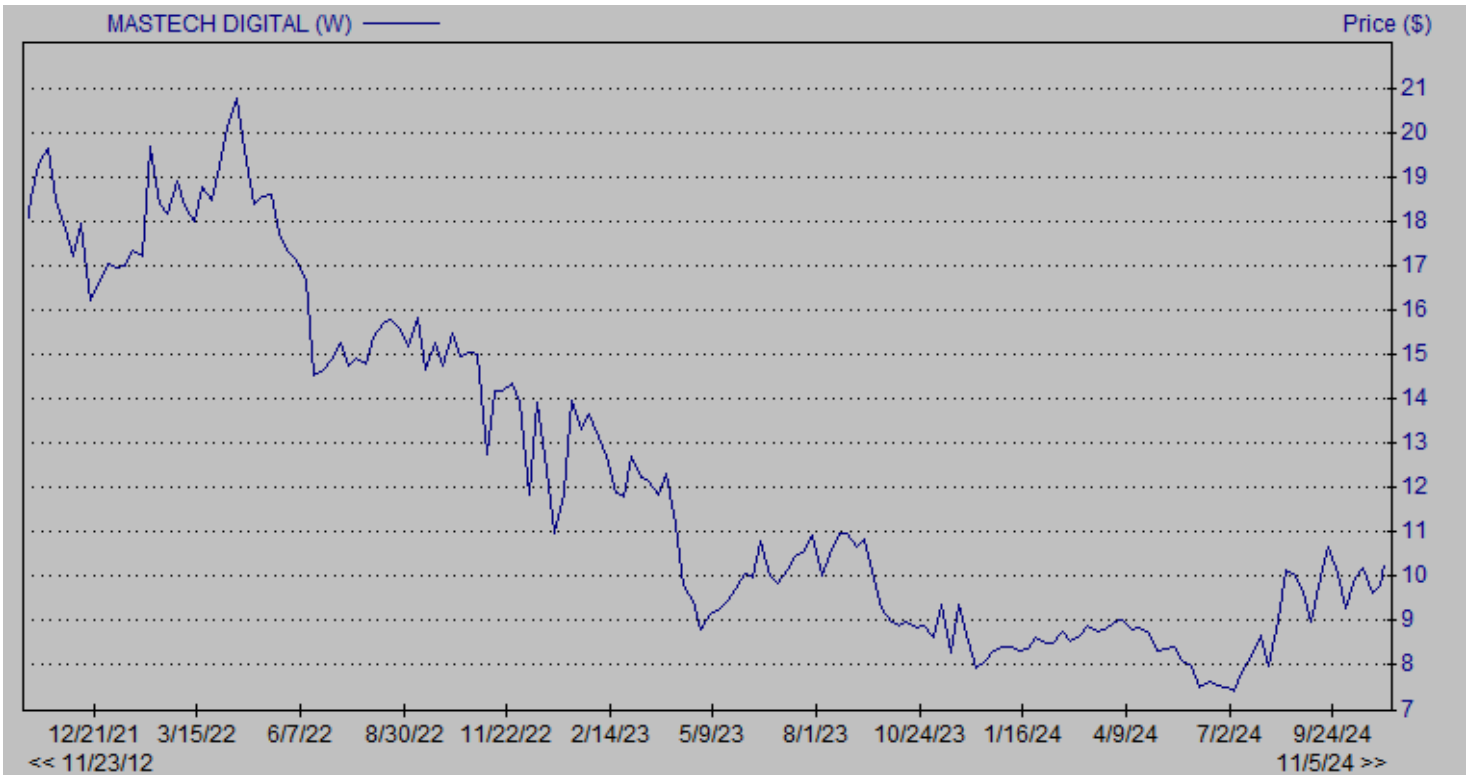
BALANCE SHEET

	Sept 30, 2024	June 30, 2024	Qtr-Qtr % Growth	Sept 30, 2023	Yr-Yr % Growth
Current assets:					
Cash and equivalents	**$ 23,885**	**$ 20,587**	16.0%	**$ 15,881**	50.4%
Accounts receivable, net	34,054	32,643	4.3%	32,278	5.5%
Prepaid expenses & other curr assets	7,876	7,385	6.6%	5,859	34.4%
Total current assets	65,815	60,615	8.6%	56,218	17.1%
Equipment, software and leasehold net	2,083	2,242	-7.1%	2,009	3.7%
Deferred income taxes	607	660	-8.0%	0	NA
Right-of-use assets	4,147	4,471	-7.2%	4,418	-6.1%
Deferred financing costs, net	213	236	-9.7%	238	-10.5%
Non-current deposits	452	454	-0.4%	456	-0.9%
Goodwill, net	27,210	27,210	0.0%	32,510	-16.3%
Intangible assets, net	10,958	11,615	-5.7%	13,694	-20.0%
Total assets	111,485	107,503	3.7%	109,543	1.8%
Current liabilities:					
Accounts payable	4,636	5,790	-19.9%	4,842	-4.3%
Accrued payroll and related costs	14,717	11,347	29.7%	12,270	19.9%
Current portion of operating lease liability	1,257	1,250	0.6%	1,318	-4.6%
Other accrued liabilities	1,491	1,889	-21.1%	1,274	17.0%
Total current liabilities	22,101	20,276	9.0%	19,704	12.2%
Lease liability	2,857	3,191	-10.5%	3,054	-6.5%
Long term accrued income taxes	0	0	0.0%	69	-100.0%
Long term deferred income taxes	0	0	0.0%	516	-100.0%
Total liabilities	24,958	23,467	6.4%	23,343	6.9%
Stockholders' equity					
Common stock	134	134	0.0%	133	0.8%
Additional paid-in capital	37,473	36,813	1.8%	34,710	8.0%
Retained earnings	55,520	53,645	3.5%	57,766	-3.9%
Accumulated other comp loss	(1,715)	(1,671)	2.6%	(1,650)	3.9%
Treasury stock, at cost	(4,885)	(4,885)	0.0%	(4,759)	2.6%
Total stockholders' equity	86,527	84,036	3.0%	86,200	0.4%
Total liabilities and stockholders' equity	111,485	107,503	3.7%	109,543	1.8%
Current and quick ratio	3.0	3.0	-0.4%	2.9	4.4%
Working Capital	43,714	40,339	8.4%	36,514	19.7%
Net cash	23,885	20,587	16.0%	15,881	50.4%
Cash per share	$1.99	$1.73	15.2%	$1.33	49.9%
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	3 Mo Ended Jun 30, 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)	1,391
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	907
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	24
Stock-based compensation	2,021	2,212	526	752	776	171	2,225	835	842	824	581	3,082	550	461
Deferred income taxes, net	(1,821)	1,061	623	(72)	(55)	159	655	(245)	(194)	34	(1,309)	(1,714)	55	77
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	-	1
Long term accrued income taxes	(20)	(40)	-	-	(20)	-	(20)	-	(36)	-	-	(36)	-	(69)
Operating lease assets and liabilities, net	18	173	(76)	(147)	(132)	(24)	(379)	12	10	46	7	75	14	5
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)	(628)
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)	(497)
Accounts payable	(1,613)	2,365	1,288	482	(893)	(1,356)	(479)	210	(307)	467	(184)	186	816	317
Accrued payroll	6,287	(429)	(873)	(117)	2,378	(4,543)	(3,155)	385	(834)	1,641	84	1,276	(371)	(630)
Other accrued liabilities	91	202	(448)	169	87	151	(41)	(262)	554	(615)	75	(248)	407	(409)
Deferred revenues	146	66	(101)	26	81	(343)	(337)	205	27	(29)	274	477	38	231
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)	1,181
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	-	1
Capital expenditures	(298)	(1,895)	(730)	(67)	(22)	(16)	(835)	(97)	(15)	(101)	(122)	(335)	(278)	(474)
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)	(473)
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	-	136
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	-	-	-	-	-	-	322
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)	458
Effect of exchange rate changes of cash	(187)	(94)	(147)	(319)	(235)	(247)	(948)	16	(2)	(119)	11	(94)	(39)	(3)
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)	1,163
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	19,424
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	20,587
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	2,797
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	2,323

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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