Zacks Small-Cap Research

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Mastech Digital (NYSE Amer: MHH)

MHH: Mastech Digital's New Management Focuses on AI and Cost-Cutting and Reports a Solid Q1

Based on an EV to sales of 0.6xs estimated 2025 revenues, we believe MHH stock could be worth approximately $12.40 per share.

Current Price (5/15/2025)	$8.51
Valuation	**$12.40**

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. The company trades below its peers and we expect stock price appreciation now that the company has returned to growth. New management has implemented a new focus on AI and hopes to profit by aiding clients in its implementation. It also plans to grow through acquisition.

SUMMARY DATA

52-Week High	**$15.98**
52-Week Low	**$7.23**
One-Year Return (%)	**0.6**
Beta	**0.8**
Average Daily Volume (sh)	**17,133**
Shares Outstanding (mil)	**11.7**
Market Capitalization ($mil)	**$100**
Short Interest Ratio (days)	**0.3**
Institutional Ownership (%)	**18**
Insider Ownership (%)	**43**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**0.3**
Earnings Per Share (%)	**-22.4**
Dividend (%)	**N/A**
P/E using TTM Non-GAAP EPS	**12.0**
P/E using 2025 Estimate	**13.7**
P/E using 2026 Estimate	**8.2**

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)
2023	$55 A	$52 A	$48 A	$46 A	$201 A
2024	$47 A	$50 A	$52 A	$51 A	$199 A
2025	$48 A	$48 E	$51 E	$53 E	$200 E
2026					$209 E

Non-GAAP Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
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	$0.23 A	$0.71 A
2025	$0.06 A	$0.10 E	$0.18E	$0.27 E	$0.62 E
2026					$1.00 E

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WHAT'S NEW

Mastech's New Management Adds AI to Its Offerings and Sets Out to Reduce Costs

Q1 did show growth, but management notes a hesitancy among clients to commit to projects, and its staffing business is showing weakness. It seems to be focused on opportunities in D&A and AI in particular, as customers begin to think about how to incorporate AI into their businesses and IT in particular. Mastech's new improved relationship with Informatica will address this opportunity going forward. This is a huge opportunity as every company in the world thinks about how AI can improve their operations. The company is also taking steps to reduce costs by moving parts of finance and accounting to India; it had one-time charges in the quarter for severance. With only 100 days of a new CEO and one month with a new CFO, management is still in the beginning stage of moving Mastech forward. With its low valuation, investors could profit if management can grow the company and improve margins, but given the current environment, it might take a few quarters to see results. At and enterprise value to sales ratio of only 0.4 times, the stock trades well below its peer group.

Mastech to Cut $1.2 million in annual expenses By Moving Finance and Accounting to India

During the first quarter of 2025, the board decided to cut costs by moving the company's finance and accounting functions to India. During 2025, Mastech expects to incur additional costs from the duplication of resources and travel expenses during the training and knowledge transfer process, which is estimated to cost from $500,000-$750,000. It booked $1.4 million in severance expense in Q1 2025. Ultimately, this should save the company about $1.2 million a year.

To help facilitate this move, Kannan Sugantharaman was hired as Mastech's Chief Financial Officer and Chief Operations Officer on March 31st. He will be based in India. From July 2020 to April 2025, Mr. Sugantharaman was the CFO for Omega Health Management Services. Before joining Omega Healthcare Management Services, he was the CFO of Global Delivery Operations at Cognizant Technology Solutions (from December 2019 to June 2020) and COO for Global Delivery Operations at Cognizant Technology Solutions (from August 2017 to December 2019). Mr. Sugantharaman started his career at KPMG and also previously held leadership positions at Sutherland Global Services.

On January 6th, Nirav Patel became President, Chief Executive Officer, and a member of the company's Board of Directors. He succeeds Vivek Gupta, who has led the company since 2016. Nirav brings over 20 years of experience as a technology executive with a proven track record of scaling multibillion-dollar businesses. Most recently, he was President and CEO of Bristlecone, a Mahindra Group company specializing in digital supply chain transformation. There, he transformed Bristlecone into the industry's largest pure-play supply chain services provider and expanded its global workforce to over 3,000. He was also Senior Vice President and Global Markets Leader at Cognizant, where he grew the Communications, Media, and Technology business to over $2 billion in revenue. Nirav earned a BS in computer science from BIST, Madras University, and attended Harvard Business School's Advanced Management Program.

On May 13th, Mastech announced an expanded strategic partnership with Informatica to deliver industry- and process-level AI-led solutions for clients worldwide. This collaboration leverages Mastech's deep expertise in data modernization and Informatica's advanced data and AI capabilities. The two will offer clients:

-- Solutions for verticals such as healthcare (compliance and AI diagnostics), BFSI (fraud detection, KYC modernization), and manufacturing (digital twin, supply chain AI). These solutions will come with pre-configured metadata, rules, and dashboards for rapid deployment.

-- A co-branded joint AI and Data outcomes lab offering clients hands-on workshops, co-innovation spaces, and value realization blueprints.

Despite Weak Demand, Mastech Grows Revenues Year Over Year

In Q1 2025, Mastech generated total revenues of $48.3 million, up 3.2% from $46.1 million in Q1 2024. The IT staffing business rose to $39.4 million from $37.9 million a year ago (1.6%) but declined sequentially from $40.5 million in Q4 2024. IT staffing was 81% of revenues and ended the quarter with 991 billable consultants compared to 1,004 the year before. D&A grew year over year to $9.0 million from $8.1 million in Q1 2024 (11.1%). Its revenues declined by $1.3 million sequentially. D&A bookings in Q1 were $11.7 million, up from $9.6 million last year.

Total gross margin improved 6.3% year over year but was down significantly from the company record at 29.0% in Q4 2024. Staffing's gross margin at 22.7% was improved from last year's quarter at 21.6%. 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. Data & Analytics' gross margin fell to 44.1% from 46.4% a year ago, and a meaningful drop from 49.5% in Q4 2024. Two percentage points of that drop was due to one-time reserves taken in the quarter, and the rest was primarily due to utilization.

SG&A once again included one-time expenses and was $14.7 million compared to $12.5 million a year ago. One-time expense for severance added $1.4 million to the total. The company hopes to keep SG&A steady as a percentage of revenues.

The operating loss was $1.9 million versus a loss of $406,000 last year. Taking out this year's one-time charges, the operating loss would have been $444,000. Other income was $91,000 compared to $124,000 a year ago. Taxes in the quarter were a tax benefit of $323,000, compared to a tax benefit of $282,000 last year. The tax rate for the full year is expected to be approximately 28%.

GAAP loss was $1.4 million compared to a loss of $161,000 last year. On a non-GAAP basis, it was a profit of $756,000 versus $763,000. Fully diluted GAAP loss per share was $0.12 compared to a loss per share of $0.01 a year ago. On a non-GAAP basis, EPS was flat with last year at $0.06. The diluted share count was 12.1 million, up 187,000 shares from last year.

Balance Sheet

The company ended the quarter with $24.7 million in net cash ($2.04 per share), a quick ratio of 3.3xs, working capital of $45.1 million, and no debt. It currently has a borrowing availability of $23.7 million under its revolving credit facility.

The company has a stock buyback plan for 500,000 shares, of which 423,000 remain to be bought due to the excessive blackout periods in the past two years. No shares were bought back in Q1 2025.

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 deal is for three years, or until the sale of the company. Mastech paid $100,000 per month for the first 9 months, $30,000 per month for months 10 through 12. It is paying $25,000 for months 13 through 18, and will pay $20,000 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.

- In January 2024, the company hired strategic consultants to improve the business, and in January 2025, it hired a new CEO, and in April 2025, a new CFO/COO.

- Today, MHH trades at a fully diluted enterprise value of $78 million. This is 0.4 times its enterprise value to 2025 estimated sales, compared to its peers, who trade at 2.4 times.

OVERVIEW

Mastech Digital is a minority-owned IT services company headquartered in Moon Township, PA, with US, Canada, and India offices. Additionally, it has domestic sales offices in Chicago, Boston, Orlando, Tampa, Dallas, Atlanta, Houston, Fremont, CA, and Toronto. 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, 2024, it had 1,816 employees. 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 acquisition. 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 2.4 times EV to estimated 2025 sales. All of these companies, except Kforce are generating much higher margins than Mastech. If we take Kforce's multiple of 0.6 times, use that multiple, and apply it to Mastech's forecasted 2025 revenues, the company is worth a market cap of $146 million or $12.40 per share. At 0.4 times, Mastech trades below the lowest comp ratio.

Company	Ticker	Cal. Rev 2026E	Cal. Rev 2025E	LTM	EBIDTA Margin	EV/Sales 2026E	EV/Sales 2025E	EV/Sales LTM	Enterprise Value
Accenture	ACN	NA	69,210	67,220	17%	NA	2.9	3.0	201,900
Cognizant	CTSH	21,720	20,800	20,090	18%	1.8	1.9	2.0	39,290
Infosys	INFY	NA	19,730	19,280	23%	NA	3.8	3.9	74,550
Kforce Inc.	KFRC	1,380	1,330	1,380	5%	0.6	0.6	0.6	862
Wipro	WIT	10,460	10,460	10,357	19%	2.6	2.6	2.6	27,420
Average					16.4%	1.7	2.4	2.4	63,320

In December 2023, CTG was acquired for $10.50 per share in cash, or $170 million. This was 0.6x its run rate based on its Q2 2023 revenues. Using this valuation and Mastech's Q1 2025 run rate, it would be worth $141 million or $11.63 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 have become more cautious with projects that have affected revenues and earnings, and could continue to do so.

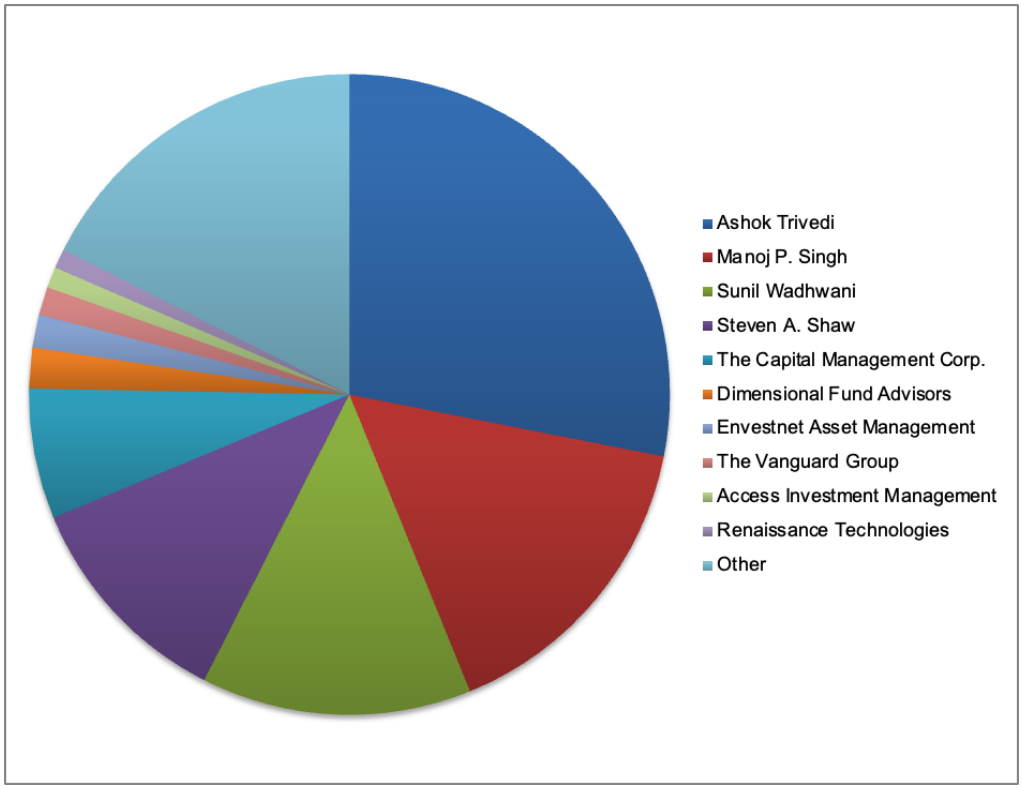
- The company is almost entirely dependent on the US market in the IT staffing segment.

- The top ten clients represented approximately 54% of revenues in 2024. For 2024, Mastech had two clients (CGI = 14.5% and Allegis = 10.7%) that exceeded 10% of total revenues. So that means that CGI contributed $28.8 million in revenues in 2024 versus $45.2 million in 2023, down 36.3% or $13.9 million. The majority of the CGI revenues come from PNC, which has been moving its outsourcing to India.

- Any regulatory changes regarding H-1B visas could eventually trickle down to Mastech's pool of potential consultants; 40% of its US consultants held these visas in 2024. In contrast to companies like Cognizant, Mastech does not sponsor these visas, but seeks employees already holding them. Although there has been talk about changes to visa grants for new entries into the US, Mastech sources its workforce from those with the appropriate visas. A greater acceptance of remote working, especially overseas, could decrease this risk.

- There is an industry shift to integrate AI into coding and IT in general. Mastech is working to help clients with this transition as well as integrating it into its operations. It is still unknown how it will affect the entire outsourcing industry.

OWNERSHIP


Ashok Trivedi
Manoj P. Singh
Sunil Wadhwani
Steven A. Shaw
The Capital Management Corp.
Dimensional Fund Advisors
Envestnet Asset Management
The Vanguard Group
Access Investment Management
Renaissance Technologies
Other

INCOME STATEMENT

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025E	Q3 2025E	Q4 2025E				
	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	2023	2024	2025E	2026E
Billable consultants	1,004	1,035	1,071	1,008	991	990	1,000	1,030	946	1,008	1,048	1,100
IT Staffing Services	38,756	40,658	42,441	40,463	39,357	39,000	41,000	41,000	166,740	162,318	160,357	165,000
Yr-to-yr Growth	-15%	-6%	7%	7%	2%	-4%	-3%	1%	-21%	-3%	-1%	3%
IT Staffing Gross Margin	8,371	9,595	10,016	9,630	8,934	9,243	9,799	9,840	36,102	37,613	37,816	39,600
Gross Margin %	21.6%	23.6%	23.6%	23.8%	22.7%	23.7%	23.9%	24.0%	21.7%	23.2%	23.6%	24.0%
Data & Analytics Services	8,067	8,876	9,398	10,284	8,960	9,000	10,000	11,500	34,358	36,625	39,460	44,195
Yr-to-yr Growth	-14.1%	1.2%	16.9%	26.2%	11.1%	1.4%	6.4%	11.8%	-18.2%	7%	8%	12%
Data & Analytics Gross Margin	3,743	4,367	4,765	5,091	3,951	4,149	4,800	5,923	14,943	17,965	18,823	22,098
Gross Margin %	46.4%	49.2%	50.7%	49.5%	44.1%	46.1%	48.0%	51.5%	43.5%	49.1%	47.7%	50.0%
Revenue	**$46,823**	**$49,534**	**$51,839**	**$50,747**	**$48,317**	**$48,000**	**$51,000**	**$52,500**	**$201,098**	**$198,943**	**$199,817**	**$209,195**
Yr-to-yr Growth	-15.0%	-5.1%	8.5%	10.2%	3.2%	-3.1%	-1.6%	3.5%	-20.5%	-1%	0%	5%
Cost of revenue	34,692	35,554	37,068	36,032	35,425	34,608	36,401	36,738	150,062	143,346	143,172	147,498
Gross profit	12,131	13,980	14,771	14,715	12,892	13,392	14,599	15,763	51,036	55,597	56,639	61,698
Gross Margin %	25.9%	28.2%	28.5%	29.0%	26.7%	27.9%	28.6%	30.0%	25.4%	27.9%	28.3%	29.5%
SG&A	12,537	12,287	12,332	14,650	14,745	13,345	13,345	13,000	51,911	51,806	54,435	53,000
Impairment of goodwill	0	0	0	0	0	0	0	0	5,300	0	0	0
Employment-related claim, net	0	0	0	0	0	0	0	0	3,100	0	0	0
Total operating expenses	12,537	12,287	12,332	14,650	14,745	13,345	13,345	13,000	60,311	51,806	54,435	53,000
Operating income:	(406)	1,693	2,439	65	(1,853)	47	1,254	2,763	(9,275)	3,791	2,204	8,698
Operating margin	-0.9%	3.4%	4.7%	0.1%	-3.8%	0.1%	2.5%	5.3%	-4.6%	1.9%	1.1%	4.2%
Other income:												
Total other income	124	116	133	260	91	91	91	91	244	633	364	364
Income before income taxes	(282)	1,809	2,572	325	(1,762)	138	1,345	2,854	(9,031)	4,424	2,568	9,062
Pretax Margin	-0.6%	3.7%	5.0%	0.6%	-3.6%	0.3%	2.6%	5.4%	-4.5%	2.2%	1.3%	4.3%
Income taxes	(121)	418	697	28	(323)	33	323	685	(1,893)	1,022	718	2,492
Tax rate	43%	23%	27%	9%	-18%	24%	24%	24%	21%	23%	28%	28%
Net income	(161)	1,391	1,875	297	(1,439)	105	1,022	2,169	(7,138)	3,402	1,850	6,570
Yr-over-Yr	-162%	-164%	1400%	-106%	794%	-92%	-45%	630%	222.1%	-148%	-46%	255%
Stk based compensation	550	461	542	647	895	500	500	500	3,082	2,200	2,395	2,400
One-time expenses plus amortization	374	397	352	1,858	1,300	650	650	650	9,331	2,981	3,250	3,250
Non-GAAP Income	763	2,249	2,769	2,802	756	1,255	2,172	3,319	5,275	8,583	7,495	12,220
Yr-over-Yr	-46%	74%	120%	111%	-1%	-44%	-22%	18%	-159.5%	63%	-13%	63%
Net income per share:												
Primary EPS	(0.01)	0.12	0.16	0.03	(0.12)	0.01	0.09	0.18	(0.61)	0.29	0.16	0.56
Diluted EPS	(0.01)	0.12	0.16	0.02	(0.12)	0.01	0.08	0.18	(0.61)	0.28	0.15	0.54
Diluted Non-GAAP EPS	0.06	0.19	0.23	0.23	0.06	0.10	0.18	0.27	0.44	0.71	0.62	1.00
	-45%	75%	119%	101%	-2%	-45%	-23%	18%	-157.6%	62%	-14%	62%
Shares												
Basic	11,615	11,652	11,695	11,713	11,753	11,753	11,753	11,733	11,613	11,669	11,748	11,753
Yr-over-Yr	-0.2%	0.3%	0.8%	1.0%	1.2%	0.9%	0.5%	0.2%	0.2%	0%	1%	0%
Diluted	11,909	11,922	12,011	12,191	12,096	12,096	12,200	12,200	11,613	12,014	12,148	12,200
Yr-over-Yr	-1.2%	-0.3%	0.4%	5.1%	1.6%	1.5%	1.6%	0.1%	-4.0%	3%	1%	0%

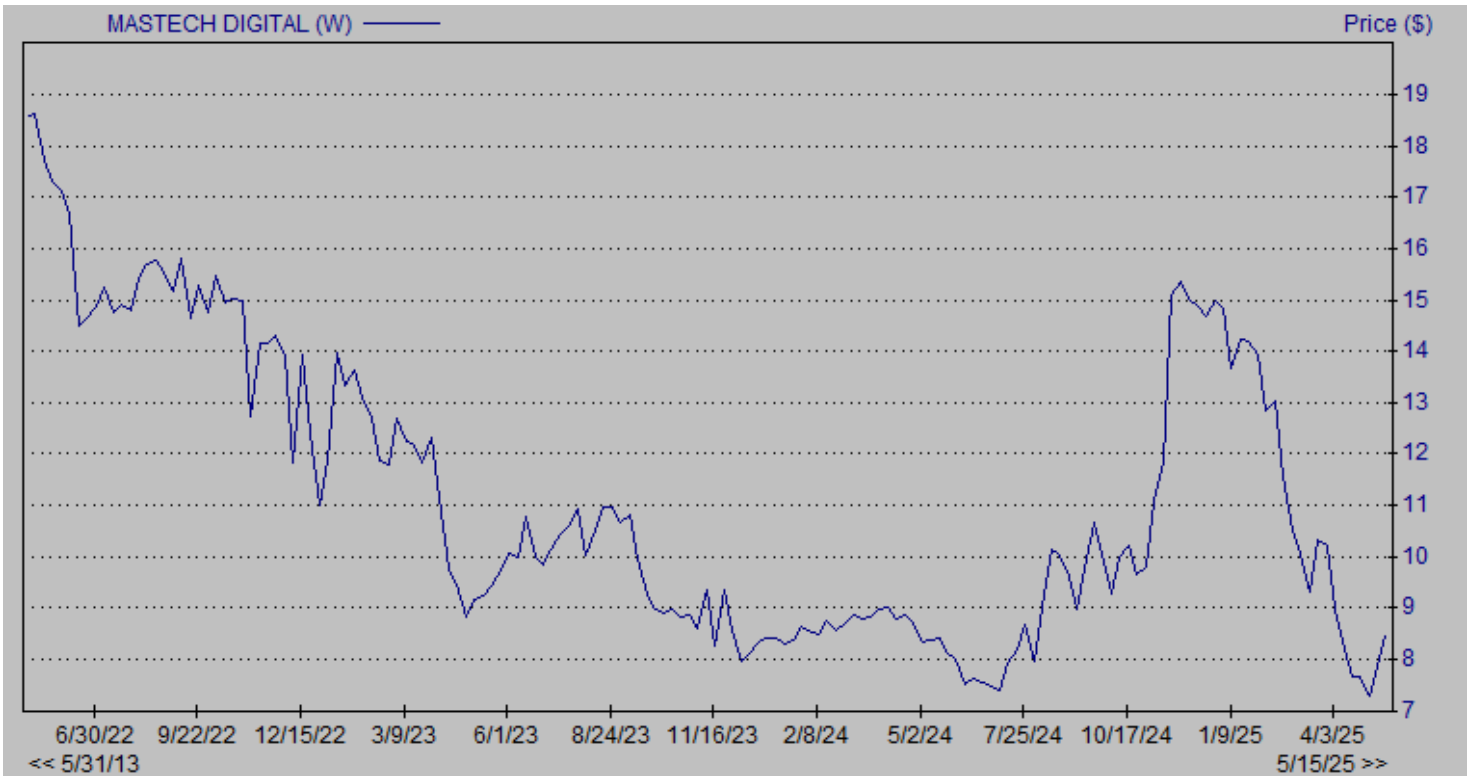
BALANCE SHEET

	Mar 31, 2025	Dec 31, 2024	Qtr-Qtr % Growth	Mar 31, 2024
Current assets:				
Cash and equivalents	**$ 24,665**	**$ 27,742**	-11.1%	**$ 19,424**
Accounts receivable, net	32,146	31,443	2.2%	32,015
Prepaid expenses & other curr assets	7,652	6,360	20.3%	6,887
Total current assets	64,463	65,545	-1.7%	58,326
Equipment, software and leasehold net	1,932	1,998	-3.3%	1,983
Deferred income taxes	1,295	1,958	-33.9%	738
Right-of-use assets	3,514	3,832	-8.3%	4,790
Deferred financing costs, net	165	189	-12.7%	260
Deferred compensation	1,375			
Non-current deposits	464	444	4.5%	455
Goodwill, net	27,210	27,210	0.0%	27,210
Intangible assets, net	9,658	10,308	-6.3%	12,308
Total assets	110,076	111,484	-1.3%	106,070
Current liabilities:				
Accounts payable	3,742	4,683	-20.1%	5,473
Accrued payroll and related costs	13,448	13,750	-2.2%	11,978
Current portion of operating lease liability	1,291	1,265	2.1%	1,242
Other accrued liabilities	930	879	5.8%	2,066
Total current liabilities	19,411	20,577	-5.7%	20,759
Lease liability	2,158	2,486	-13.2%	3,517
Long term accrued income taxes	0	0	0.0%	69
Long term severance liability	1,560	987	58.1%	0
Total liabilities	23,129	24,050	-3.8%	24,345
Stockholders' equity				
Common stock	135	135	0.0%	133
Additional paid-in capital	39,199	38,277	2.4%	35,895
Retained earnings	54,378	55,817	-2.6%	52,254
Accumulated other comp loss	(1,880)	(1,910)	-1.6%	(1,672)
Treasury stock, at cost	(4,885)	(4,885)	0.0%	(4,885)
Total stockholders' equity	86,947	87,434	-0.6%	81,725
Total liabilities and stockholders' equity	110,076	111,484	-1.3%	106,070
Current and quick ratio	3.3	3.2	4.3%	2.8
Working Capital	45,052	44,968	0.2%	37,567
Net cash	24,665	27,742	-11.1%	19,424
Cash per share	$2.04	$2.28	-10.4%	$1.63
Debt	0	0	0.0%	0

CASH FLOWS

	Year 2020	Year 2021	Year 2022	Year 2023	3 Mo Ended Mar 31, 2024	3 Mo Ended Jun 30, 2024	3 Mo Ended Sep 30, 2024	3 Mo Ended Dec 31, 2024	Year 2024
Cash flows from operating activities:									
Net income	9,861	12,221	8,712	(7,138)	(161)	1,391	1,875	297	3,402
Adjustments to reconcile net income to net cash provided by operating activities:									
Depreciation and amortization	3,589	3,979	4,195	3,855	898	907	865	829	3,499
Bad debt expense	-	130	50	(30)	(92)	-	-	(125)	(217)
Interest amortization of deferred financing costs	284	82	73	73	24	24	23	24	95
Stock-based compensation	2,021	2,212	2,225	3,082	550	461	542	647	2,200
Deferred income taxes, net	(1,821)	1,061	655	(1,714)	55	77	53	(694)	(509)
Employment-related claim liability, net	-	-	-	-	-	-	-	-	-
Impairment of goodwill	-	-	-	5,300	-	-	-	-	-
Reevaluation of contingent consideration liability	-	(2,882)	-	-	-	-	-	-	-
Loss on disposition of fixed assets	4	9	-	1	-	1	20	3	24
Long-term severance liability	-	-	-	-	-	-	-	987	987
Long term accrued income taxes	(20)	(40)	(20)	(36)	-	(69)	-	-	(69)
Operating lease assets and liabilities, net	18	173	(379)	75	14	5	8	19	46
Change in operating assets and liabilities:									
Accounts receivable & unbilled receivables	2,133	(11,389)	1,021	12,537	(2,108)	(628)	(1,411)	2,736	(1,411)
Insurance recovery						-	-		-
Prepaid expenses and other current assets	251	(2,544)	95	(1,718)	(1,396)	(497)	(506)	794	(1,605)
Accounts payable	(1,613)	2,365	(479)	186	816	317	(1,151)	57	39
Accrued payroll	6,287	(429)	(3,155)	1,276	(371)	(630)	3,378	(925)	1,452
Other accrued liabilities	91	202	(41)	(248)	407	(409)	(303)	(81)	(386)
Deferred revenues	146	66	(337)	477	38	231	(94)	(530)	(355)
Net cash used by operating activities	21,231	5,216	12,615	15,978	(1,326)	1,181	3,299	4,038	7,192
Cash flows from Investing activities:									
Acquisition of Amberleaf, net	(9,345)	-	-	-	-	-	-	-	-
(Payment for) recovery of non-current deposits	9	(199)	17	119	-	1	-	(1)	-
Capital expenditures	(298)	(1,895)	(835)	(335)	(278)	(474)	(74)	(115)	(941)
Proceeds from sale of fixed assets	-	10	-	-	-	-	-	-	-
Net cash used in investing activities	(9,634)	(2,084)	(818)	(216)	(278)	(473)	(74)	(116)	(941)
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)	(12,000)	(1,100)	-	-	-	-	-
Proceeds from the issuance of common shares	222	301	263	204	-	136	-	87	223
Payment of deferred financing costs	(246)	(223)	-	(64)	-	-	-	-	-
Purchase of treasury stock	-	-	-	(618)	(80)	-	-	-	(80)
Proceeds from the exericise of stock options	1,330	229	1,323	-	-	322	118	71	511
Net cash provided by financing activities	(6,714)	(4,093)	(10,414)	(1,578)	(80)	458	118	158	654
Effect of exchange rate changes of cash	(187)	(94)	(948)	(94)	(39)	(3)	(45)	(223)	(310)
Net change - cash	4,696	(1,055)	435	14,090	(1,723)	1,163	3,298	3,857	6,595
Cash, beginning of quarter	2,981	7,677	6,622	7,057	21,147	19,424	20,587	23,885	21,147
Cash, end of period	7,677	6,622	7,057	21,147	19,424	20,587	23,885	27,742	27,742
Supplemental information:									
Interest paid	779	623	324	43	-	-	-	-	-
Income taxes paid	2,681	3,831	2,164	1,356	-	-	-	-	2,227
Cash Flow	13,936	16,945	15,511	3,468	1,288	2,797	3,386	1,987	9,458
Free cash flow	13,638	15,050	14,676	3,133	1,010	2,323	3,312	1,872	8,517

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

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