

Mastech Digital

(NYSE Amer: MHH)

MHH: After Restructuring, Mastech Digital is Set to Increase AI Offerings in 2026 and Beyond

Based on an EV-to-sales ratio of 0.4x estimated 2026 revenues, MHH stock could be worth approximately \$10.00 per share.

Current Price (2/19/2026) \$6.81
Valuation \$10.00

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 when the company returns to growth. 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 \$13.22
52-Week Low \$6.39
One-Year Return (%) -48.4
Beta 0.8
Average Daily Volume (sh) 10,885

Shares Outstanding (mil) 11.7
Market Capitalization (\$mil) \$79.7
Short Interest Ratio (days) 0.9
Institutional Ownership (%) 18
Insider Ownership (%) 43

Annual Cash Dividend \$0.00
Dividend Yield (%) 0.00

5-Yr. Historical Growth Rates
Sales (%) -1.8
Earnings Per Share (%) -22.4
Dividend (%) N/A

P/E using TTM Non-GAAP EPS 9.5
P/E using 2026 Estimate 5.8
P/E using 2027 Estimate 5.1

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

ZACKS ESTIMATES

Revenue

(In millions of US\$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2024	\$47 A	\$50 A	\$52 A	\$51 A	\$199 A
2025	\$48 A	\$49 A	\$48 A	\$45 A	\$191 A
2026	\$43 E	\$44 E	\$48 E	\$50 E	\$188 E
2027					\$198 E

Non-GAAP Earnings per Share

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2024	\$0.06 A	\$0.19 A	\$0.23 A	\$0.23 A	\$0.71 A
2025	\$0.06 A	\$0.15 A	\$0.29 A	\$0.21 A	\$0.72 A
2026	\$0.24 E	\$0.24 E	\$0.33 E	\$0.37 E	\$1.17 E
2027					\$1.34 E

Mastech Digital Finishes a Year of Transition and Looks for Opportunities in AI Implementation

Mastech reported \$191 million in revenues for the year ending 2025 versus \$199 million in 2024, down 3.8%. One reason is that the company has been specifically weeding out low-margin revenues and investing in services that are expected to yield higher profits going forward. As evidence, bill rates increased to \$87.32 in the IT staffing business in Q4, so despite billable consultants being down 17%, revenues were only down 7%. The bill rate in Q3 was \$86.60. The number of billable consultants was down to 840 by the end of the year, and is now even lower at 819. This portends a weak Q1 for staffing. On the positive side, D&A has a good sales quarter with bookings of 11.3 million, up 37% year over year, compared to \$6.1 million in Q3 and \$5.8 million in Q2, which was half of the \$11.7 million in Q1 2025; however, some of the Q2 bookings were pulled forward into Q1.

It now has the one-time charges for severance and redundant finance and accounting behind it, and going forward, SG&A should be much reduced, improving profitability. The macro environment remains challenging, but the company is encouraged by the high level of renewals, stronger pricing, and stable margins.

The Data & Analytics segment is leading the charge to bring AI into its main offerings. It is investing by bringing on senior AI management and vertical-specific salespeople who can create the service offerings that will enable Mastech to give customers what they need to incorporate AI into their businesses. It is focusing on banking and finance, health services, and retail and consumer verticals, all of which are being rapidly disrupted by AI, and need to act to avoid being left behind. As an example, the company is working with a major retailer that is having trouble being seen on major AI platforms. Mastech is helping them show up on Anthropic and ChatGPT as these platforms drive more sales to consumers. Agentic AI threatens this industry as it shifts from search engines and inadequate search functions on websites and platforms such as Amazon and eBay. Mastech hopes to become known as a specialist in these verticals and be able to penetrate more accounts with its expertise.

Revenues Were Again Down in Q4 as the Business Model Shift Continued

In Q4 2025, Mastech generated total revenues of \$45.5 million, down 10.4% from \$50.7 million in Q4 2024. The IT staffing business was down 7% to \$36.6 million versus \$40.5 million a year ago, and down sequentially from \$40.6 million in Q3 2025. IT staffing was 83% of revenues, and it ended the quarter with 840 billable consultants compared to 1,008 the year before. By January, that number was down to 819. D&A declined to \$7.8 million from \$10.3 million in Q4 2024 (24.0%). Its revenues also declined sequentially.

Total gross margin declined to 28.3% from 29.0% last year, when the company set record margins. Staffing's gross margin at 23.9% was slightly improved from last year's quarter of 23.8%. The increase was due to higher billing rates and better execution despite lower headcount. Data & Analytics' gross margin increased to 49.8% from 49.5% a year ago.

SG&A was \$11.9 million compared to \$14.7 million a year ago. Included in that number were \$669,000 of severance and finance & accounting transition costs, while the third quarter of 2025 included \$2.0 million of one-time costs. The fourth quarter of 2024 included \$2.1 million of severance costs.

Operating income was \$1.0 million versus \$65,000 last year. Taking out one-time charges, operating income would have been \$1.7 million. Other income was \$372,000 compared to \$260,000 a year ago. Taxes in the quarter were 407,000, compared to \$28,000 last year. The tax rate for the full year of 2025 was 43% and is expected to be approximately 23-24% in 2026.

GAAP net income was \$972,000 compared to \$297,000 last year. On a non-GAAP basis, it was a profit of \$2.5 million versus \$2.8 million. Fully diluted GAAP earnings per share were \$0.08 compared to \$0.02 a year ago. On a non-GAAP basis, EPS was \$0.21 compared to \$0.23 a year ago. The diluted share count was 11.8 million, down 368,000 shares from last year due to stock buybacks.

Balance Sheet

The company ended the year with \$36.5 million in net cash (\$3.09 per share), a quick ratio of 3.3, working capital of \$47.5 million, and no debt. It currently has a borrowing availability of \$19.9 million under its revolving credit facility.

During the fourth quarter, 90,900 shares were bought back for \$700,000 compared to 192,112 shares in Q3. For the full year, the company repurchased approximately \$2.2 million worth of stock at an average price of \$7.49 per share. The company announced that the Board of Directors authorized a new share repurchase program of up to \$5 million, which shall remain open until the limit is reached or the board terminates the program.

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 \$44 million. This is 0.2 times its enterprise value to 2026 estimated sales, compared to its peers, who trade at 1.7 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, 2025, it had 1,488 employees, down from 1,816 at the end of 2024. 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 P/E ratio.

VALUATION

To value MHH, we are using comparable peer companies that staff technology people. The valuation for the group has decreased as the industry suffers and AI impacts the outlook. Their valuations average 1.7 times EV to estimated 2026 sales, versus Mastech at 0.2 times. Keep in mind, the company has \$3.09 in cash per share. All of these companies, except Kforce, are generating much higher margins than Mastech. If we apply Kforce's multiple of 0.4 times to Mastech's forecasted 2026 revenues, the company is worth a market capitalization of \$117 million, or approximately \$10.00 per share.

Company	Ticker	Cal. Rev 2027E	Cal. Rev 2026E	LTM	EBIDTA Margin	2027E	EV/Sales 2026E	LTM	Enterprise Value
Accenture	ACN	NA	74,810	70,730	18%	NA	1.8	1.9	136,550
Cognizant	CTSH	23,560	22,360	21,110	18%	1.3	1.4	1.5	31,070
Infosys	INFY	NA	21,000	19,850	22%	NA	2.8	3.0	58,940
Kforce Inc.	KFRC	1,400	1,340	1,330	4%	0.4	0.4	0.4	593
Wipro	WIT	10,840	10,190	10,394	19%	1.9	2.0	2.0	20,320
Average					16.3%	1.2	1.7	1.8	45,431

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 Q4 2025 run rate, it would be worth \$146 million or \$12.37 per share.

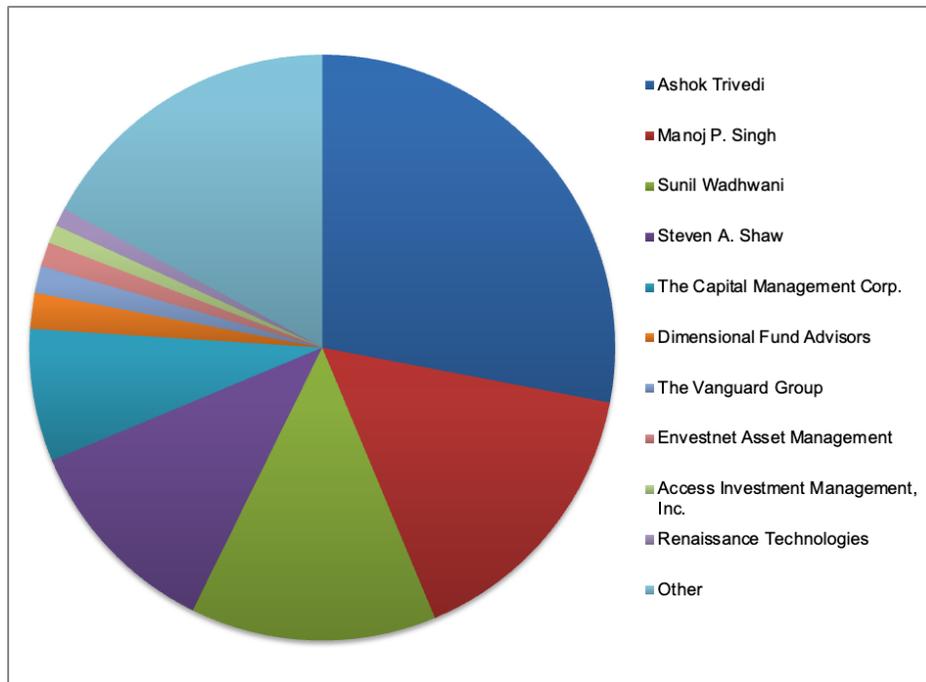
RISKS

- 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.
- The company is almost entirely dependent on the US market in the IT staffing segment. For the first nine months of 2025, Mastech had three clients (Fidelity was 15.4%, Populus was 12.7%, and CGI was 11.1%) that each exceeded 10% of total revenues. For the same period in 2024, the company had two clients (CGI was 15.4% and Allegis was 10.6%) that each exceeded 10% of total revenues. Therefore, annual revenue from CGI declined by \$6.6 million. The decline in CGI's revenues is due to the majority of its revenue coming from PNC, which has been outsourcing to India. For the first nine months of 2025 and 2024, Mastech's top ten clients represented approximately 58% and 54% of total revenues, respectively.

For the three months ended September 30, 2025, the company had three clients (Fidelity at 18.1%, Populus at 12.7%, and CGI at 10.4%) that each accounted for more than 10% of total revenues. For the three months ended September 30, 2024, the company had two clients (CGI at 14.0% and Allegis at 11.7%) that were over 10% of total revenues. Therefore, Q3 CGI revenues declined \$2.2 million from a year ago.

- 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. The company is actively working to reduce that percentage. In contrast to companies like Cognizant, Mastech does not sponsor these visas but seeks employees already holding them. Visa grants for new entries into the US now require paying \$100,000 per hire. Mastech sources its workforce from those who already have 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



INCOME STATEMENT

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	2024	2025	2026E	2027E
	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec				
Billable consultants	1,004	1,035	1,071	1,008	991	980	947	840	820	825	835	900	1,008	840	900	980
IT Staffing Services	38,756	40,658	42,441	40,463	39,357	40,506	40,586	37,645	35,000	35,000	40,000	42,000	162,318	158,096	152,000	160,000
Yr-to-yr Growth	-15%	-6%	7%	-7%	2%	0%	-4%	-7%	-11%	-14%	-1%	12%	-3%	-3%	-4%	5%
IT Staffing Gross Margin	8,371	9,595	10,016	9,630	8,934	9,924	10,065	8,997	7,875	8,050	9,320	10,080	37,613	37,921	35,325	38,400
Gross Margin %	21.6%	23.6%	23.6%	23.8%	22.7%	24.5%	24.8%	23.9%	22.5%	23.0%	23.3%	24.0%	23.2%	24.0%	23.2%	24.0%
Data & Analytics Services	8,067	8,876	9,398	10,284	8,960	8,589	7,910	7,816	8,000	8,500	9,000	10,000	36,625	33,275	35,500	38,000
Yr-to-yr Growth	-14.1%	1.2%	16.9%	26.2%	11.1%	-3.2%	-15.8%	-24.0%	-10.7%	-1.0%	13.8%	27.9%	6.6%	-9.1%	6.7%	7.0%
Data & Analytics Gross Margin	3,743	4,367	4,765	5,091	3,951	3,882	3,639	3,892	3,840	4,080	4,320	4,800	17,965	15,365	17,040	18,820
Gross Margin %	46.4%	49.2%	50.7%	49.5%	44.1%	45.2%	46.0%	49.8%	48.0%	48.0%	48.0%	48.0%	49.1%	46.2%	48.0%	49.0%
Revenue	\$46,823	\$49,534	\$51,839	\$50,747	\$48,317	\$49,097	\$48,496	\$45,461	\$43,000	\$43,500	\$48,000	\$50,000	\$198,943	\$191,371	\$187,500	\$198,000
Yr-to-yr Growth	-15.0%	-5.1%	8.5%	10.2%	3.2%	-0.9%	-6.4%	-10.4%	-11.0%	-11.4%	-1.0%	10.0%	-1.1%	-3.8%	-2.0%	5.6%
Cost of revenue	34,692	35,554	37,068	36,032	35,425	35,277	35,035	32,578	31,285	31,370	34,360	35,120	143,346	138,315	135,135	140,980
Gross profit	12,131	13,980	14,771	14,715	12,892	13,820	13,461	12,883	11,715	12,130	13,640	14,880	55,597	53,056	52,365	57,020
Gross Margin %	25.9%	28.2%	28.5%	29.0%	26.7%	28.1%	27.8%	28.3%	27.2%	27.9%	28.4%	29.8%	27.9%	27.7%	27.9%	28.9%
SG&A	12,537	12,287	12,332	14,650	14,745	13,793	12,641	11,876	10,400	10,800	11,000	11,700	51,806	53,055	43,900	46,534
Impairment of goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employment-related claim, net	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating expenses	12,537	12,287	12,332	14,650	14,745	13,793	12,641	11,876	10,400	10,800	11,000	11,700	51,806	53,055	43,900	46,534
Operating income:	(406)	1,693	2,439	65	(1,853)	27	820	1,007	1,315	1,330	2,640	3,180	3,791	1	8,465	10,486
Operating margin	-0.9%	3.4%	4.7%	0.1%	-3.8%	0.1%	1.7%	2.2%	3.1%	3.1%	5.5%	6.4%	1.9%	0.0%	4.5%	5.3%
Other income:																
Total other income	124	116	133	260	91	183	415	372	400	400	400	400	633	1,061	1,600	1,800
Income before income taxes	(282)	1,809	2,572	325	(1,762)	210	1,235	1,379	1,715	1,730	3,040	3,580	4,424	1,062	10,065	12,286
Pretax Margin	-0.6%	3.7%	5.0%	0.6%	-3.6%	0.4%	2.5%	3.0%	4.0%	4.0%	6.3%	7.2%	2.2%	0.6%	5.4%	6.2%
Income taxes	(121)	418	697	28	(323)	75	294	407	412	415	730	859	1,022	453	2,416	3,379
Tax rate	43%	23%	27%	9%	-18%	36%	24%	30%	24%	24%	24%	24%	23%	43%	24%	28%
Net income	(161)	1,391	1,875	297	(1,439)	135	941	972	1,303	1,315	2,310	2,721	3,402	609	7,649	8,907
Yr-over-Yr	-162%	-164%	1400%	-106%	794%	-90%	-50%	227%	-191%	874%	146%	180%	-148%	-82%	1156%	16%
Stk based compensation	550	461	542	647	895	714	729	780	800	800	800	800	2,200	3,118	3,200	3,000
One-time expenses plus amortization	374	397	352	1,858	1,300	981	1,797	747	650	650	650	650	2,981	4,825	2,600	3,000
Non-GAAP Income	763	2,249	2,769	2,802	756	1,830	3,467	2,499	2,753	2,765	3,760	4,171	8,563	8,552	13,449	14,907
Yr-over-Yr	-46%	74%	120%	111%	-1%	-19%	25%	-11%	264%	51%	8%	67%	63%	0%	57%	11%
Net income per share:																
Primary EPS	(0.01)	0.12	0.16	0.03	(0.12)	0.01	0.08	0.08	0.11	0.12	0.20	0.24	0.29	0.05	0.67	0.81
Diluted EPS	(0.01)	0.12	0.16	0.02	(0.12)	0.01	0.08	0.08	0.11	0.11	0.20	0.24	0.28	0.05	0.67	0.80
Diluted Non-GAAP EPS	0.06	0.19	0.23	0.23	0.06	0.15	0.29	0.21	0.24	0.24	0.33	0.37	0.71	0.72	1.17	1.34
Shares	-45%	75%	119%	101%	-2%	-19%	26%	-8%	279%	57%	13%	74%	62%	0%	64%	14%
Basic	11,615	11,652	11,695	11,713	11,753	11,767	11,782	11,705	11,500	11,400	11,300	11,200	11,669	11,747	11,350	11,000
Yr-over-Yr	-0.2%	0.3%	0.8%	1.0%	1.2%	1.0%	0.7%	-0.1%	-2.2%	-3.1%	-4.1%	-4.3%	0%	1%	-3%	-3%
Diluted	11,909	11,922	12,011	12,191	12,096	11,964	11,945	11,823	11,618	11,518	11,418	11,318	12,014	11,950	11,468	11,118
Yr-over-Yr	-1.2%	-0.3%	0.4%	5.1%	1.6%	0.4%	-0.5%	-3.0%	-4.0%	-3.7%	-4.4%	-4.3%	3%	-1%	-4%	-3%

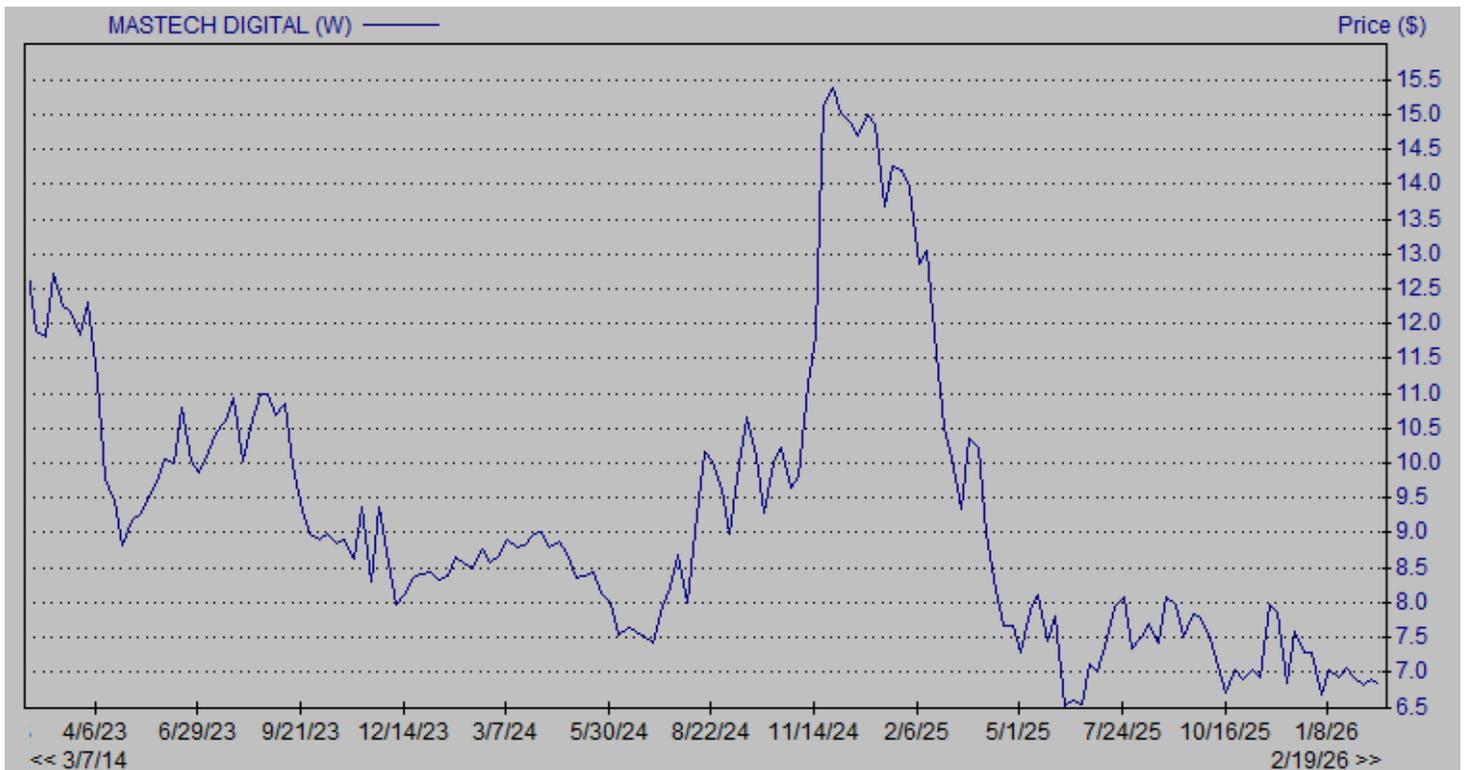
BALANCE SHEET

	Dec 31, 2025	Sept 30, 2025	Qtr-Qtr % Growth	Dec 31, 2024	Yr-Yr % Growth
Current assets:					
Cash and equivalents	\$ 36,533	\$ 32,747	11.6%	\$ 27,742	31.7%
Accounts receivable, net	26,396	28,863	-8.5%	31,443	-16.1%
Prepaid expenses & other curr assets	5,647	7,680	-26.5%	6,360	-11.2%
Total current assets	68,576	69,290	-1.0%	65,545	4.6%
Equipment, software and leasehold net	1,557	1,740	-10.5%	1,998	-22.1%
Deferred income taxes	2,583	1,464	76.4%	1,958	31.9%
Right-of-use assets	2,534	2,865	-11.6%	3,832	-33.9%
Deferred financing costs, net	95	118	-19.5%	189	-49.7%
Deferred compensation	1,000	1,125	-11.1%	0	NM
Non-current deposits	530	446	18.8%	444	19.4%
Goodwill, net	27,210	27,210	0.0%	27,210	0.0%
Intangible assets, net	7,755	8,359	-7.2%	10,308	-24.8%
Total assets	111,840	112,617	-0.7%	111,484	0.3%
Current liabilities:					
Accounts payable	3,451	3,412	1.1%	4,683	-26.3%
Accrued payroll and related costs	15,391	16,872	-8.8%	13,750	11.9%
Current portion of operating lease liability	1,283	1,287	-0.3%	1,265	1.4%
Other accrued liabilities	939	1,001	-6.2%	879	6.8%
Total current liabilities	21,064	22,572	-6.7%	20,577	2.4%
Lease liability	1,138	1,466	-22.4%	2,486	-54.2%
Long term severance liability	330	572	-42.3%	987	-66.6%
Total liabilities	22,532	24,610	-8.4%	24,050	-6.3%
Stockholders' equity					
Common stock	137	136	0.7%	135	1.5%
Additional paid-in capital	42,515	41,215	3.2%	38,277	11.1%
Retained earnings	56,427	55,454	1.8%	55,817	1.1%
Accumulated other comp loss	(2,640)	(2,321)	13.7%	(1,910)	38.2%
Treasury stock, at cost	(7,131)	(6,477)	10.1%	(4,885)	46.0%
Total stockholders' equity	89,308	88,007	1.5%	87,434	2.1%
Total liabilities and stockholders' equity	111,840	112,617	-0.7%	111,484	0.3%
Current and quick ratio	3.3	3.1	6.1%	3.2	2.2%
Working Capital	47,512	46,718	1.7%	44,968	5.7%
Net cash	36,533	32,747	11.6%	27,742	31.7%
Cash per share	\$3.09	\$2.74	12.7%	\$2.28	35.8%
Debt	0	0	0.0%	0	0.0%

CASH FLOWS

	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	3 Mo Ended Mar 31, 2025	3 Mo Ended Jun 30, 2025	3 Mo Ended Sep 30, 2025
Cash flows from operating activities:										
Net income	8,712	(7,138)	(161)	1,391	1,875	297	3,402	(1,439)	135	941
Adjustments to reconcile net income to net cash provided by operating activities:										
Depreciation and amortization	4,195	3,855	898	907	865	829	3,499	832	841	848
Bad debt expense	50	(30)	(92)	-	-	(125)	(217)	-	36	-
Interest amortization of deferred financing costs	73	73	24	24	23	24	95	24	23	24
Stock-based compensation	2,225	3,082	550	461	542	647	2,200	895	714	729
Deferred income taxes, net	655	(1,714)	55	77	53	(694)	(509)	3	(379)	206
Impairment of goodwill	-	5,300	-	-	-	-	-	-	-	-
Loss on disposition of fixed assets	-	1	-	1	20	3	24	-	-	4
Amortization of deferred compensation	-	-	-	-	-	-	-	125	125	125
Long-term severance liability	-	-	-	-	-	987	987	573	(521)	(467)
Payment of deferred compensation	-	-	-	-	-	-	-	(2,000)	-	-
Long term accrued income taxes	(20)	(36)	-	(69)	-	-	(69)	-	-	-
Operating lease assets and liabilities, net	(379)	75	14	5	8	19	46	15	5	11
Change in operating assets and liabilities:										
Accounts receivable & unbilled receivables	1,021	12,537	(2,108)	(628)	(1,411)	2,736	(1,411)	(703)	1,605	1,641
Prepaid expenses and other current assets	95	(1,718)	(1,396)	(497)	(506)	794	(1,605)	(127)	425	(574)
Accounts payable	(479)	186	816	317	(1,151)	57	39	(942)	(177)	(138)
Accrued payroll	(3,155)	1,276	(371)	(630)	3,378	(925)	1,452	(302)	246	3,267
Other accrued liabilities	(41)	(248)	407	(409)	(303)	(81)	(386)	162	149	(162)
Deferred revenues	(337)	477	38	231	(94)	(530)	(355)	(111)	69	21
Net cash used by operating activities	12,615	15,978	(1,326)	1,181	3,299	4,038	7,192	(2,995)	3,296	6,476
Cash flows from investing activities:										
(Payment for) recovery of non-current deposits	17	119	-	1	-	(1)	-	(19)	-	1
Capital expenditures	(835)	(335)	(278)	(474)	(74)	(115)	(941)	(114)	(55)	(182)
Net cash used in investing activities	(818)	(216)	(278)	(473)	(74)	(116)	(941)	(133)	(55)	(181)
Cash flows from Financing activities:										
(Repayments) on term loan facility	(12,000)	(1,100)	-	-	-	-	-	-	-	-
Proceeds from the issuance of common shares	263	204	-	136	-	87	223	-	70	-
Payment of deferred financing costs	-	(64)	-	-	-	-	-	-	-	-
Purchase of treasury stock	-	(618)	(80)	-	-	-	(80)	-	(114)	(1,478)
Proceeds from the exercise of stock options	1,323	-	-	322	118	71	511	27	81	422
Net cash provided by financing activities	(10,414)	(1,578)	(80)	458	118	158	654	27	37	(1,056)
Effect of exchange rate changes of cash	(948)	(94)	(39)	(3)	(45)	(223)	(310)	24	(10)	(425)
Net change - cash	435	14,090	(1,723)	1,163	3,298	3,857	6,595	(3,077)	3,268	4,814
Cash, beginning of quarter	6,622	7,057	21,147	19,424	20,587	23,885	21,147	27,742	24,665	27,933
Cash, end of period	7,057	21,147	19,424	20,587	23,885	27,742	27,742	24,665	27,933	32,747
Supplemental information:										
Interest paid	324	43	-	-	-	-	-	-	-	-
Income taxes paid	2,164	1,356	-	-	-	-	2,227	-	-	-
Cash Flow	15,511	3,468	1,288	2,797	3,386	1,987	9,458	(972)	979	2,421
Free cash flow	14,676	3,133	1,010	2,323	3,312	1,872	8,517	(1,086)	924	2,239

HISTORICAL STOCK PRICE



Source: Zacks Investment Research

DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research (“Zacks SCR”), a division of Zacks Investment Research (“ZIR”), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, Lisa Thompson, hereby certify that the view expressed in this research report accurately reflects my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services, nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article. Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer include the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer’s business. SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR, nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate, nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.