

## OTC MARKETS GROUP INC. (OTCQX: OTCM)

New York-based OTC Markets Group Inc., whose predecessor entities date back to 1904, operates regulated markets for trading 12,000 U.S. and international securities. The company has three business lines: OTC Link, which operates SEC regulated alternative trading systems, providing trading services to broker-dealer subscribers including quotation, messaging and trade execution and reporting services; Market Data Licensing, which provides actionable market and compliance data for a wide spectrum of securities via licenses to its subscribers; and Corporate Services, which operates the OTCQX and OTCQB markets and provides services to client companies designed to promote public disclosure, transparency and communications with investors.

### COMPANY HIGHLIGHTS

- \* OTC Markets Group: Operating Regulated Markets to Facilitate Trading and Transparency Among Stakeholders
- \* In our view, OTC Markets Group has built a robust suite of technology-driven products and services that impact a wide array of stakeholders across the financial market value chain. The company serves corporate issuers, broker-dealers and regulators involved in the OTC securities market.
- \* Importantly, much of the company's revenue base is derived from subscriptions. Its premium Corporate Services products, OTCQX and OTCQB, have seen more than 90% retention rates in recent years, which we think mitigates the normal volatility across various financial market conditions. Despite a balanced revenue mix between its three complementary operating units, we see strong continued growth prospects for Corporate Services, which is supported by robust client retention, positive pricing trends and an expanding subscriber base, notably among international entities.
- \* We view positively OTC Markets' history of strong cash flow generation, and a shareholder-friendly strategy of returning capital to investors through both regular

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### PRICE CHART



### KEY STATISTICS

#### Key Stock Statistics

Recent price (8/22/22)	\$55.00
Fair Value Estimate	\$69.00
52 week high/low	\$66.94 - \$44.76
Shares outstanding (M)	11.9
Market cap (M)	\$655
Dividend	\$0.72
Yield	1.3%

#### Sector Overview

Sector	Financial
Sector % of S&P 500	10.6%

#### Financials (\$M, as of 6/30/22)

Cash & Mkt Securities	37.6
Debt	15.9
Working Capital (\$M)	15.3
Current Ratio	1.5
Total Debt/Equity (%)	46
Payout ratio	25.5
Gross Revenue (M) TTM	102.9
Net Income (M) TTM	30.5
Net Margin	30%

#### Risk

Beta	0.61
Inst. ownership	5%

#### Valuation

P/E forward EPS	21.8
Price/Sales (TTM)	6.4
Price/Book (TTM)	29.0

#### Top Holders

T. Rowe Price Group, Inc.  
Horizon Kinetics LLC  
Seizert Capital Partners LLC

#### Management

President/CEO	Mr. Cromwell Coulson
CFO	Ms. Antonia Georgieva
General Counsel/COS	Mr. Dan Zinn
Company website	<a href="https://www.otcm Markets.com">https://www.otcm Markets.com</a>

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and special dividends, as well as through share repurchases. Since 2020, the company has returned more than \$50 million through dividends and share repurchases.

- \* Year-to-date, OTCM shares have declined at a rate near that of the broader market, and we believe that OTC Markets Group’s fundamentals remain strong. The shares are currently trading at roughly 22-times our 2022 EPS estimate of \$2.52, which we view as below approximately 28-times for a peer group of financial equity exchange operators and data providers. Given the operational execution, strong balance sheet, and inherent EPS leverage with only 11.9 million shares outstanding, we think the shares should trade more in line with its peers. As such, we see a fair value estimate of \$69.00 per share, above the current level near \$55.00.

## INVESTMENT THESIS

OTC Markets Group Inc., through its predecessor entities, was founded in 1904 and operates regulated markets for trading 12,000 U.S. and international securities. The company was formerly known as Pink OTC Markets Inc. and changed its name to OTC Markets Group Inc. in January 2011. The company has evolved from a traditional bulletin board for publishing quotations on equities to a technology-focused provider of a suite of predominantly subscription-driven solutions that seek to create better-informed and more-efficient markets through the sharing of information widely through open networks that foster transparency, connect broker-dealers, organize markets and inform investors. Importantly, OTC Markets’ primary trading platform facilitates a broker-dealer network rather than operating a centralized matching engine that has inherent differences to exchanges, including those related to regulation and liquidity among traded issues.

The group’s operating segments are organized into three divisions: OTC Link (trading services), Market Data Licensing and Corporate Services (OTCQX, OTCQB and other services). In 2021, these groups accounted for 29%, 33% and 38% of gross revenues, respectively. In our view, OTC Markets Group is well positioned to benefit from each of these units even as market conditions change. For example, across 2021, OTC Link drove results in the first half of the year due to an increase in trading volumes and higher retail investor participation in the over-the-counter equity markets, while Corporate Services drove second half results due to the implementation of amendments to SEC Rule 15c2-11, which led many subscribing companies to update their disclosures in order to maintain public broker-dealer quotations in their securities.

In our view, a key driver of OTC Markets’ growth is that its revenues are predominantly subscription-based. In 2020, sub-

scriptions accounted for 82% of revenues. In 2021, this figure was 73%. The lower percentage of revenues in 2021 was attributable to a 109% increase in transaction-based revenues on OTC Link, while subscription-based revenues increased by a robust 30%. We see the 2021 performance for OTC Link as variable, and note that its contribution moderated across the latter part of 2021 and into 2022. In the first two quarters of 2022, 81% and 82% of revenues were subscription-based, respectively

The OTC Link business started as a bulletin board for the publication of quotations on securities, and historically operated only as a subscription-based system that later registered as an Alternative Trading System (ATS), OTC Link ATS, where attributable quotes are displayed and messages delivered, enabling direct trades between dealers. In 2018, OTC Link launched its Electronic Communication Network (ECN) named OTC Link ECN, an anonymous matching engine and an order router, functioning as the executing party on an agency basis, and facilitating the matching of buy and sell orders. Under this product, OTC Markets Group receives a fee from or pays a rebate to broker-dealer subscribers based on per share executions, where their orders remove posted liquidity or provide liquidity, respectively.

As of June 30, 2022, OTC Link had 88 broker-dealer subscribers on OTC Link ATS, compared to 86 at the end of 2021 (a 2% increase) while OTC Link ECN had 101, up from 93 at the end of 2021, and 73 at the end of 2020. OTC Link ECN has benefited from FINRA’s OTC Bulletin Board exiting the market in late 2021. Given this expansion, transaction revenues now provide a higher percentage of OTC Link revenues, albeit with greater variability, than from the more stable license base.

Overall, OTC Link contributed 29% of 2021 revenues, up from 22% in 2020. However, we see 2021 results as more of an outlier, as OTC Link ECN executed an average of 48,000 transactions per day (with an all-time average daily high of over 70,000 in the first quarter) during 2021, compared to approximately 11,500 per day in the prior year. As a result, OTC Link accounted for nearly 40% of gross revenues during the first quarter of 2021. Volume trends normalized during the second half of 2021 and into 2022 amid lower retail participation in the market, with average daily transactions approximating 35,000-40,000 since the fourth quarter of 2021, although still well above 2020 levels.

Over the long-term, we expect OTC Link to contribute revenues closer to the 20% range. We note that OTC Link’s total addressable market growth is somewhat limited, as the platform is already utilized by the market’s most active broker-dealers. Still, we see potential for fluctuations during periods of market volatility.

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## PEER COMPARISON

Company	Ticker	Recent Price (\$)	52-Week High (\$)	52-Week Low (\$)	Mkt. Cap (\$ML)	1-yr Price Change (%)	1-yr Rev Growth (%)	1 YR EPS Growth (%)	P/E Ratio	Beta	Yield (%)
OTC MARKETS GROUP	OTCQX: OTCM	55.00	66.94	44.76	655	22	45	NA	21.8	0.61	1.3%
INTERCONTINENTAL EXCHANGE INC	NYSE: ICE	107.83	139.79	90.05	60223	-9	18	91	15.0	0.90	1.4
NASDAQ INC	NASDAQ: NDAQ	185.83	214.96	140.31	30420	-5	5	26	26.4	0.96	0.4
LONDON STOCK EXCHANGE GROUP PLC	LSE: LSEG	85.82*	86.12*	62.30*	47810*	6	232	18	87.3	0.29	1.2

\*Stock Statistics in British Pound (GBP)

We also see OTC Link benefiting over time from a new trading system, OTC Link NBQ, which was launched late in 2021, and operates in the same way as OTC Link ECN but with full disclosure rather than anonymity and allowing distribution of the full depth of book data.

As OTC Link's predecessor trading system reached critical mass by expanding its market presence and the level of market and trading data conducted over its platform, OTC Markets Group built a separate business unit around the selling of relevant market data generated by its platform to its subscribers, which is a much higher margin business than OTC Link itself. For the year ended December 31, 2021, total dollar volume traded in OTCQX/OTCQB/Pink securities was \$714 billion, up 60% from the \$445 billion of 2020.

OTC Markets' Market Data Licensing unit packages data to both professional and retail investors, on a subscription basis. This data can be priced per enterprise or per-user, and can be used internally or redistributed to third parties. In 2021, Market Data Licensing accounted for 33% of its total revenues, down from 40% in 2020. To date in 2022, subscription growth from professional users has offset declines among non-professional users amid lower retail investor participation in the OTC market. These data represent a value add, particularly to professional investors, capturing end of day closing data, for example, and supporting firms' NAV reporting.

In recent years, OTC Markets has bolstered its Market Data Licensing unit by acquiring products that are complementary to its core offerings. In May 2022, the company acquired the assets of Blue Sky Data Corp, a provider of equity and debt state law compliance data that had a comparable product and an attractive installed customer base. With this acquisition, OTC Markets provides broker-dealer subscribers and public companies a better understanding of relevant state-level "Blue sky" laws that govern whether a broker-dealer can recommend a security, often based on the company's public disclosure. In addition, OTC Markets acquired Qaravan in 2019, a provider of innovative software and risk & performance analytics that provide bank executives, regulators, and analysts with seamless peer monitoring and competitor benchmarking solutions.

OTC Market Group's third operating unit, Corporate Services, accounted for 38% of revenues in both 2020 and 2021. This unit is built upon the foundation of allowing companies to demonstrate their compliance with securities laws and helping investors assess the level of risk exposure. To support this goal, the company has tiered the securities of the companies quoted on its system, based primarily on the adequacy and timeliness of disclosures, financial criteria and adherence to governance standards. Its OTCQX® Best Market and OTCQB® Venture Market designations provide access to public trading in the United States at a cost-effective price (annual fees of \$23,400 for OTCQX and \$14,220 for OTCQB), compared with a listing on a registered national securities exchange such as Nasdaq, which can cost more than \$100,000. Both marketplaces have seen retention rates in excess of 90% in recent years and we view positively that OTC Markets has maintained pricing power over these services, having increased annual fees in late 2021, thus providing additional revenue growth support.

In order to secure an OTCQX designation, companies must meet high financial standards, have recognized corporate governance standards and provide timely public disclosure. The OTCQB designation provides a public trading facility for more-nascent companies, while still meeting standards promoting price transparency and public disclosure, including audited financial statements, to investors. A third designation, the Pink® Open Market, comprises those companies quoted on the OTC Link ATS that do not meet the standards of, or choose not to apply for, premium market designations.

OTC Markets Group has seen robust expansion of its client base. In 2021, OTCQX companies increased by 24% to 570 (with an additional 4% growth seen in the first half of 2022), while OTCQB companies increased by 27% to 1,150 (with an additional 7% growth during the first half of 2022). A key driver has been expansion of its international client base, which advanced by 30% for OTCQX and nearly doubled for OTCQB. In our view, a key factor in this expansion is that foreign issuers are offered the ability to leverage home disclosures and access to U.S. retail investors. In recent years, large global and recognizable companies such as Adidas (Consumer) and Roche (Healthcare) have traded on OTC Markets, which we see as validating the marketplace and potentially attracting additional global companies.

In 2021, Corporate Services results benefited further from the enactment of amendments to SEC Rule 15c2-11, which took effect in September. This rule set minimum current disclosure standards for companies to continue to be quoted on broker-dealer networks, such as OTC Link ATS. As a result, many companies expanded their subscription to OTC's Disclosure and News Service, which more than doubled in 2021, and a number of them applied for OTCQB/QX designation. In recent years, the trend of new companies gaining QX or QB designation has outpaced the number of companies graduating to a national securities exchange, or dropping these designations and migrating back to Pink® Open Market status, which we see providing a long-term tailwind for the Corporate Services unit.

In addition to these core products, OTC Markets Group has further bolstered its Corporate Services offerings in recent years with additional value-added products, including the acquisition of Virtual Investor Conferences® assets in 2019, which enables companies to expand their reach among investors, as well as the ability to provide companies with data on their own stock, such as Level 2 or other compliance tools.

As mentioned earlier, OTC Markets Group has evolved from a traditional bulletin board for publishing quotations on equities to a technology-focused provider of a suite of financial services solutions. In our view, the company has made great strides in changing its perception among investors to a more technology-focused company that provides a marketplace for higher quality companies, as historically, the company had been viewed as the "pink sheets" and a more speculative company marketplace.

In recent years, the company has deployed capital into its technology capabilities to support operating a viable marketplace and ensuring the availability of its trading systems, including the ECN platform that was launched in 2018. In our view, OTC Markets Group offerings are able to meet its subscribers' needs, which

are less intense than on exchange markets, given the less-liquid securities and lower trading volumes on the OTC, compared with national exchanges such as the NYSE or Nasdaq.

In addition, the company has significantly expanded its corporate sales footprint, all while judiciously maintaining a total employee base around 110, as of May 2022, prior to the Blue Sky Data acquisition. We attribute this to its ability to automate many technology processes, enabling the company to scale the business' sales functions and other high growth areas requiring investments in human capital.

## RECENT DEVELOPMENTS

In 2021, OTC Markets Group shares increased by 60%, compared to a 27% increase for the S&P 500. Year-to-date in 2022, the stock has declined by approximately 8%, compared to an 11% decline for the index.

In August 2022, OTC Markets reported 2Q22 results, which were highlighted by gross revenue of \$26.0 million, representing 2% growth over the same period in 2021. The company generated EPS of \$0.61, compared with a \$0.59 in the same period of 2021.

In May 2022, OTC Markets acquired the assets of Blue Sky Data Corp for approximately \$12 million in cash. Blue Sky Data provides compliance data on state 'blue sky' securities rules and regulations for approximately 40,000 equity and debt securities. The deal, which brought approximately 30 new subscription contracts for OTCM's Blue Sky data products, expands OTCM's subscriber base among broker-dealers, financial advisors, public companies, and regulators and enables these stakeholders to better understand compliance and state securities laws in the U.S.

## EARNINGS & GROWTH ANALYSIS

We forecast OTC Markets to post gross revenues of \$105 million for 2022 and \$109 million for 2023, which would represent growth of 2% and 4%, respectively. OTC Markets pays its subscribers transaction-based expenses in the form of rebates for orders providing liquidity to its ECN. In 2021, these expenses represented approximately 9% of gross revenues due to higher trading volumes. For 2022 and 2023, we estimate such costs to represent around 6% and 5% of gross revenues, respectively.

In our view, 2021's 45% revenue growth represented an outlier in terms of the overall growth trajectory, as results benefited from higher trading volumes amid robust equity markets, as well as increased activity among OTCQB and Pink Market companies looking to comply with the amended SEC Rule 15c2-11, which increases disclosure requirements for companies in order to maintain public broker-dealer quotations and took effect in September 2021.

In the first half of 2022, OTC Link contributed approximately 20% of revenues, Market Data Licensing contributed 34% and Corporate Services comprised 46%. Over the full-year of 2022, we expect declines in OTC Link revenues to be offset by continued growth from the subscription-driven Marketing Data Licensing and Corporate Services units. Within Market Data Licensing, we see subscriber growth among professional users offsetting declines among non-professionals, reflecting more limited retail participation in more challenging market conditions. We also see the Blue Sky Data acquisition supporting the growth profile of the Market Data Licensing segment. We also anticipate Corporate

Services benefiting from the addition of new companies to the QX/QB platforms, robust client retention rates and pricing power for these services.

For 2022 and 2023, we forecast operating margins of 35% and 36%, respectively, as compared to 38% in 2021. As mentioned earlier, 2021 results were boosted in part by higher trading volumes from OTC Link ECN, which carries higher margins, which we estimate to be 40%-45%. Thus, we expect lower trading volumes to impact margins, but for this to be largely offset by increases in subscription-based revenues and some moderation in compensation costs that, along with IT costs, comprise approximately 80% of OTC Markets' operating cost profile.

We project EPS of \$2.52 and \$2.66 for 2022 and 2023, respectively. With only 11.9 million shares outstanding, we see considerable inherent long-term EPS leverage for OTC Markets Group.

## FINANCIAL STRENGTH & DIVIDENDS

Our financial strength rating for OTC Markets is High. As of June 30, 2022, the company had \$37.6 million in cash and equivalents, compared with \$50.4 million at December 31, 2021. In May 2022, the company used \$11.6 million in cash to acquire the assets of Blue Sky Data, which brought approximately 30 subscription clients to OTC Markets. In addition, OTC Markets used \$4.3 million and \$2.8 million for dividends and share repurchases, respectively. As of June 30, 2022, its working capital was \$15.3 million (current ratio of 1.5, reflecting \$48.6 million in current assets and \$33.3 million in current liabilities). OTC Markets had shareholders' equity of \$34.3 million, up sharply from \$25.0 million at the end of 2021.

For the year-ended December 31, 2021, net cash generated by operating activities was \$46.5 million, compared with \$26.0 million in the prior year, representing a 79% increase, which had been driven by robust revenue growth and operating margin expansion from operating cost controls. Net cash used in investing activities was \$1.4 million, compared with \$1.0 million in 2020, on IT equipment purchases. Net cash used in financing activities in 2021 totaled \$28.4 million, compared with \$19.5 million in 2020, for dividends and share repurchases.

Although acquisitions are not a primary strategic goal, we note that OTC Markets has been opportunistic in acquiring companies to bolster its operating framework. Prior to its 2022 acquisition of Blue Sky Data, the company acquired Qaravan to support its web-based software and risk & performance analytics data capabilities and bolstered its Corporate Services unit with the acquisition of "Virtual Investor Conferences" (VIC) previously owned by PR Newswire, both in 2019. In 2017, the company acquired theOTC.today, an independent website that monitors and analyzes stock promotion campaigns, which provided access to research and historical data on stock promotions that will be used to enhance OTC Markets' issuer compliance processes and compliance data product offerings.

In our view, the company is on solid financial footing, as evidenced by its established history of positive operating cash flow, coupled with its commitment to returning excess capital to its shareholders. In August 2021, OTC Markets raised its quarterly dividend by 20%, to \$0.18 per share from \$0.15. In addition, the company has also issued special dividends of \$1.50 and \$0.65 per share in 2021 and 2020, respectively. OTC Markets pays a

regular quarterly dividend, which provides an approximate 1.3% annualized yield rate, roughly in line with the peer average near 1.5%. However, OTC Markets has also issued special dividends to its investors, totaling \$25.3 million between 2020 and 2021, and its yield including the 2021 special dividend of \$1.50 is closer to 4%, well exceeding its peers. In total, the company has distributed more than \$40 million to its shareholders via dividend since 2020.

The company has also executed a share repurchase program that has consistently been refreshed over the past decade. Between 2020 and 2021, the company repurchased approximately 148,000 shares, deploying more than \$5 million in excess capital.

## MANAGEMENT

Mr. R. Cromwell Coulson serves as the chief executive officer and president and is a director of OTC Markets Group Inc. Mr. Coulson initially led a group of investors acquiring OTC Markets Group's predecessor business, the National Quotation Bureau (NQB) in 1997, and led its transformation into a technology-driven Open, Transparent and Connected marketplace platform. Previously, he served as an institutional trader and portfolio manager specializing in distressed and value-oriented investments at OTC market maker Carr Securities Corporation, and was chairman of OTC Markets Group. Mr. Coulson also serves as chairman of the FINRA Market Regulation Committee that advises FINRA on rulemaking and trading issues.

Ms. Antonia Georgieva has served as chief financial officer at OTC Markets Group Inc. since 2021. She has M&A and capital markets experience in both fintech and financial services. Most recently, Ms. Georgieva served as a partner at Drake Star Partners covering the fintech sector and previously served as managing director at BMO Capital Markets' Technology and Business Services and Financial Institutions Groups. She holds a Bachelor's degree in Finance from the University of National and World Economy in Bulgaria and an MBA from The Wharton School at the University of Pennsylvania.

Mr. Daniel Zinn has served as general counsel and corporate secretary of OTC Markets Group Inc. since 2010 and is its chief of staff. He leads the company's regulatory and policymaking efforts. Mr. Zinn had previously served as outside counsel to OTC Markets Group, as a partner at The Nelson Law Firm LLC, and worked in the corporate office of AIG. He is a member of the New York State and American Bar Associations. Mr. Zinn received his JD from the Benjamin N. Cardozo School of Law, and his Bachelor of Science degree from Pennsylvania State University.

As of May 31, 2022, OTC Markets' board of directors consisted of five members, including four independent directors, which we view positively from a corporate governance perspective.

## RISKS

OTC Markets operates in a highly competitive industry, as many companies opt to list their equities on national exchanges, such as the New York Stock Exchange (which also operates the American Stock Exchange that typically lists smaller companies), and Nasdaq. As such, the number of companies participating in either the OTCQX or OTCQB markets tends to be variable over time. We note that 2021 was a record year for IPOs on various national exchanges, but this pace has slowed to date in 2022 amid broader market and economic volatility, which we think should foster more

companies to seek inclusion in OTC markets. Its OTC Link ECN offering faces competition for execution of transactions for OTC securities from companies including Global OTC, which operates as a subsidiary of the New York Stock Exchange.

Although much of OTC Markets' revenue base is fixed and subscription-based, economic conditions such as higher inflation and rising interest rates or geopolitical instability can contribute to declines in financial markets and lower trading volumes in equity markets, which can result in greater revenue variability for OTC Markets. We note that while financial markets have been quite volatile and subject to various headwinds related to the COVID-19 pandemic, OTC Markets has been largely unaffected by the pandemic.

We also note that OTC Markets Group does not file its financial statements with the SEC, but rather, through its own platform. Lastly, OTC Markets stock is thinly traded and more illiquid compared with many peer exchange companies, which can increase its volatility. The stock is 5% owned by institutions, compared with 65% for Nasdaq, Inc and 89% for Intercontinental Exchange, Inc., which owns the New York Stock Exchange.

## COMPANY DESCRIPTION

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## VALUATION

With a recent stock price near \$55 and a market capitalization of \$650 million, OTC Markets is trading near 22-times our 2022 earnings estimate of \$2.52, which compares with an average multiple near 28-times for a basket of global Financial and Exchange Data peers. Despite our outlook for 2022 revenues and EPS to be about flat as conditions normalize from what we view as an atypical 2021, we see OTC Markets executing well on its strategic plan, increasing its subscriber base across its diverse product base, and continuing to generate robust free cash flow. Over the past three years, OTC Markets has generated compounded annual free cash flow growth near 40%, compared with approximately 20% for its peers.

Although we expect revenue growth to return to more historical levels in the 5%-10% range beginning in 2023, we think that its strong growth track record, balance sheet and high proportion of subscription-based revenues contribute to a compelling long-term opportunity that warrants a multiple more in line with its peers.

Thus, we apply a multiple of 27.5-times to our 2022 EPS forecast to arrive at a fair value estimate for OTCM shares of \$69 per share, which represents approximately 25% upside to current levels near \$55.00.

Steve Silver, Argus Research Analyst

**INCOME STATEMENT**

<b>Growth Analysis (\$MIL)</b>	<b>2020</b>	<b>2021</b>	<b>Q1 2022</b>	<b>Q2 2022</b>	<b>Q3 2022E</b>	<b>Q4 2022E</b>	<b>2022E</b>	<b>Q1 2023E</b>	<b>Q2 2023E</b>	<b>Q3 2023E</b>	<b>Q4 2023E</b>	<b>2023E</b>
Gross Revenue	71.2	102.9	25.9	26.0	26.1	26.8	104.8	26.9	27.0	27.3	27.6	108.8
Revenue less Trans. Expense	65.4	90.6					96.0					100.1
Operating Expenses	42.2	50.8					59.5					61.4
R&D	NA	NA					NA					NA
Operating Income	21.4	38.0					36.5					38.6
Interest Expense	0.0	0.0					0.0					0.0
Pretax Income	21.4	38.0					36.5					38.6
Tax Rate (%)	15.0	20					17					18
Net income	18.3	30.5					30.3					31.6
Diluted Shares	11.6	11.8					11.9					11.9
EPS	1.53	2.52	0.62	0.61	0.62	0.67	2.52	0.65	0.66	0.66	0.69	2.66
Dividend	0.60	0.66					0.72					NA
<b>Growth Rates (%)</b>												
Revenue	13	45					2					4
Operating Income	20	77					NM					7
Net Income	22	67					0					4
EPS	22	65					0					5
<b>Valuation Analysis</b>												
Price (\$): High	36.00	61.00					NA					NA
Price (\$): Low	22.14	32.75					NA					NA
PE: High	28.8	39.9					NA					NA
PE: Low	17.7	21.4					NA					NA
PS: High	6.7	10.1					NA					NA
PS: Low	4.1	5.4					NA					NA
Yield: High	2.7	2.0					NA					NA
Yield: Low	1.7	1.1					NA					NA
<b>Financial &amp; Risk Analysis (\$MIL)</b>												
Cash/Equivalents	33.7	50.4					NA					NA
Working Capital	12.1	18.2					NA					NA
Current Ratio	1.4	1.4					NA					NA
LTDebt/Equity (%)	74.0	58.0					NA					NA
Total Debt/Equity (%)	83.0	66.0					NA					NA
<b>Ratio Analysis</b>												
Net Revenue Margin	92%	88%					92%					92%
Operating Margin	30%	37%					35%					36%
Net Margin	26%	30%					29%					29%
Return on Assets (%)	21.4	32.3					NA					NA
Return on Equity (%)	98.2	137.0					NA					NA
Op Inc/Int Exp	NA	NA					NA					NA
Div Payout	39%	26%					NA					NA

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