



# Fiscal First Quarter

2025 Earnings

**“**In the first quarter, our team delivered strong free cash flow and EPS growth in a soft demand environment. Our results demonstrate our hybrid distribution success with our focus on specialty technologies and Intelisys & advisory recurring revenue.”

**Mike Baur**

Chair and CEO, ScanSource, Inc.

## Key Highlights



**Reaffirmed FY25 Annual Outlook; Achieved Strong Q1 Cash Flow**

**Higher Margins Reflect Strength of Business Fundamentals and Recurring Revenue**

**Completed Acquisitions of High Margin, Recurring Revenue Businesses**

## Soft Demand with Higher Gross Profit Margins

Consolidated

**Net Sales**  
**-11% Y/Y**  
**\$776M**

**Gross Profit**  
**-5% Y/Y**  
**\$102M, 13.1% margin**

Specialty Technology Solutions Segment

**STS, Net Sales**  
**-12% Y/Y**  
**\$752M**

**STS, Gross Profit**  
**-7% Y/Y**  
**\$78M, 10.4% margin**

Intelisys & Advisory Segment

**I&A, Net Sales**  
**+4% Y/Y**  
**\$23M**

**I&A, Gross Profit**  
**+4% Y/Y**  
**\$23M, 99.5% margin**

## First Quarter Operating Metrics

**\$0.69** per share  
GAAP Diluted EPS  
+13% Y/Y

**\$35.7M**, +2%Y/Y  
Adjusted EBITDA\*  
**4.60%**  
Adjusted EBITDA Margin\*

**\$45M QTR**  
Operating Cash Flow  
**\$42M QTR**  
Free Cash Flow\*

**\$0.84** per share  
Non-GAAP Diluted EPS\*  
+14% Y/Y

**(0.0)x**  
Net Debt\* to  
TTM Adjusted EBITDA\*

**13.3%**  
Adjusted ROIC\*  
\$28M in share repurchases

## Fiscal Year 2025 Annual Outlook reaffirmed as of November 7, 2024

**Net Sales**  
\$3.1 billion to \$3.5 billion

**Adjusted EBITDA\***  
\$140 million to \$160 million

**Free Cash Flow\***  
At least \$70 million

**Focus on Working Capital Efficiency Improvements**

## Mid-Term Goals Mid-term: 3-to-4-year time frame

Net Sales Growth per year	Adjusted EBITDA Margin*	Adjusted ROIC*	Recurring Revenue as % of Gross Profits
<b>5%-7.5%</b>	<b>4.5%-5%</b>	<b>Mid Teens</b>	<b>Building to 30%+</b>

\* Non-GAAP measure

For further financial data, non-GAAP financial disclosures and cautionary language regarding forward-looking statements, please refer to the following pages and ScanSource's first quarter fiscal year 2025 news release issued on November 7, 2024, which accompanies this presentation and is available at [www.scansource.com](http://www.scansource.com) in the Investor Relations section [\[click here\]](#).

## Forward-Looking Statements

This Earnings Infographic and supporting materials contain “forward-looking” statements, including ScanSource’s FY25 annual outlook and mid-term goals, which involve risks and uncertainties, many of which are beyond ScanSource’s control. No undue reliance should be placed on such statements, as any number of factors could cause actual results to differ materially from anticipated or forecasted results, including, but not limited to, the following factors, which are neither presented in order of importance nor weighted: macroeconomic conditions, including potential prolonged economic weakness, inflation, the failure to manage and implement ScanSource's growth strategy, credit risks involving ScanSource's larger customers and suppliers, changes in interest and exchange rates and regulatory regimes impacting ScanSource's international operations, risk to the business from a cyberattack, a failure of IT systems, failure to hire and retain quality employees, loss of ScanSource's major customers, relationships with key suppliers and customers or a termination or a modification of the terms under which it operates with these key suppliers and customers, changes in ScanSource's operating strategy, and other factors set forth in the "Risk Factors" contained in ScanSource's annual report on Form 10-K for the year ended June 30, 2024, and subsequent reports on Form 10-Q, filed with the Securities and Exchange Commission. Except as may be required by law, ScanSource expressly disclaims any obligation to update these forward-looking statements to reflect events or circumstances after the date of this Earnings Infographic or otherwise.

## Non-GAAP Financial Information

In addition to disclosing results that are determined in accordance with United States Generally Accepted Accounting Principles (“GAAP”), ScanSource also discloses certain non-GAAP measures, including non-GAAP SG&A expenses, non-GAAP operating income, non-GAAP operating income margin, non-GAAP pre-tax income, non-GAAP net income, non-GAAP diluted EPS, adjusted EBITDA, adjusted EBITDA margin, net debt, adjusted ROIC, free cash flow and net sales in constant currency excluding acquisitions and divestitures (organic growth). A reconciliation of the Company's non-GAAP financial information to GAAP financial information is provided in the following supporting materials and in the Company’s Form 8-K, filed with the SEC, with the quarterly earnings press release for the period indicated. Please see the “Non-GAAP Financial Information” section in the quarterly earnings press release for additional description of ScanSource’s non-GAAP measures.

ScanSource discloses forward-looking information that is not presented in accordance with GAAP with respect to adjusted EBITDA, adjusted EBITDA margin, adjusted ROIC, and free cash flow. ScanSource believes that a quantitative reconciliation of such forward-looking information to the most directly comparable GAAP financial measure cannot be made without unreasonable efforts, because a reconciliation of these non-GAAP financial measures would require an estimate of future non-operating items such as acquisitions and divestitures, restructuring costs, impairment charges and other unusual or non-recurring items. Neither the timing nor likelihood of these events, nor their probable significance, can be quantified with a reasonable degree of accuracy. Accordingly, a reconciliation of such forward-looking information to the most directly comparable GAAP financial measure is not provided.

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Consolidated, 5-Quarter Financial Summary**

(\$ in thousands, except per share data)

	Q1 FY25	Q4 FY24	Q3 FY24	Q2 FY24	Q1 FY24	Q/Q	Y/Y
Select reported GAAP measures:							
Net sales	\$ 775,580	\$ 746,113	\$ 752,599	\$ 884,792	\$ 876,305	4%	(11)%
Gross profit	\$ 101,619	\$ 97,315	\$ 94,481	\$ 100,748	\$ 106,508	4%	(5)%
Gross profit margin %	13.1 %	13.0 %	12.6 %	11.4 %	12.2 %	6 bp	95 bp
SG&A expenses	\$ 71,706	\$ 68,498	\$ 66,574	\$ 66,921	\$ 75,436	5%	(5)%
Operating income	\$ 17,630	\$ 21,871	\$ 17,542	\$ 26,826	\$ 24,084	(19)%	(27)%
Operating income margin %	2.27 %	2.93 %	2.33 %	3.03 %	2.75 %	(66) bp	(48) bp
Net income	\$ 16,974	\$ 16,097	\$ 12,806	\$ 32,726	\$ 15,432	5%	10%
Diluted EPS	\$ 0.69	\$ 0.64	\$ 0.50	\$ 1.29	\$ 0.61	8%	13%
Select reported non-GAAP measures: <sup>(a)</sup>							
Non-GAAP operating income	\$ 27,509	\$ 26,034	\$ 25,306	\$ 30,621	\$ 28,478	6%	(3)%
Non-GAAP operating income margin %	3.55 %	3.49 %	3.36 %	3.46 %	3.25 %	6 bp	30 bp
Non-GAAP net income	\$ 20,823	\$ 19,921	\$ 17,461	\$ 21,587	\$ 18,728	5%	11%
Non-GAAP diluted EPS	\$ 0.84	\$ 0.80	\$ 0.69	\$ 0.85	\$ 0.74	5%	14%
Adjusted EBITDA (non-GAAP)	\$ 35,666	\$ 34,181	\$ 33,095	\$ 38,459	\$ 34,919	4%	2%
Adjusted EBITDA margin % (non-GAAP)	4.60 %	4.58 %	4.40 %	4.35 %	3.98 %	2 bp	61 bp
Adjusted ROIC (non-GAAP)	13.3 %	12.7 %	12.1 %	13.2 %	11.0 %	60 bp	230 bp
Operating cash flow (QTR)	\$ 44,830	\$ 54,738	\$ 160,152	\$ 63,224	\$ 93,533		
Less: Capital expenditures (QTR)	\$ (2,375)	\$ (1,270)	\$ (2,420)	\$ (2,549)	\$ (2,315)		
Free cash flow (QTR) (Non-GAAP)	\$ 42,455	\$ 53,468	\$ 157,732	\$ 60,675	\$ 91,218		
Operating cash flow (TTM)	\$ 322,944	\$ 371,647	\$ 301,647	\$ 196,333	\$ 106,224		
Less: Capital expenditures (TTM)	\$ (8,614)	\$ (8,555)	\$ (10,715)	\$ (10,581)	\$ (10,537)		
Free cash flow (TTM) (Non-GAAP)	\$ 314,330	\$ 363,092	\$ 290,932	\$ 185,752	\$ 95,687		

Noted: Margin % reflects measure as a percentage of net sales.

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Specialty Technology Solutions, 5-Quarter Financial Summary**

(\$ in thousands)

	<u>Q1 FY25</u>	<u>Q4 FY24</u>	<u>Q3 FY24</u>	<u>Q2 FY24</u>	<u>Q1 FY24</u>	<u>Q/Q</u>	<u>Y/Y</u>
Net sales	\$ 752,299	\$ 722,251	\$ 729,834	\$ 861,514	\$ 853,950	4%	(12)%
Gross profit	\$ 78,457	\$ 73,562	\$ 71,840	\$ 77,591	\$ 84,263	7%	(7)%
Gross profit margin %	10.4 %	10.2 %	9.8 %	9.0 %	9.9 %	24 bp	56 bp
GAAP operating income	\$ 16,738	\$ 14,764	\$ 14,581	\$ 19,696	\$ 17,636	13%	(5)%
GAAP operating income margin %	2.22 %	2.04 %	2.00 %	2.29 %	2.07 %	18 bp	16 bp
Add: Intangible amortization expense	\$ 2,276	\$ 1,817	\$ 1,828	\$ 2,119	\$ 2,277		
Add: Tax recovery <sup>(a)</sup>	\$ —	\$ (657)	\$ (515)	\$ (1,386)	\$ —		
Non-GAAP operating income	\$ 19,014	\$ 15,924	\$ 15,894	\$ 20,429	\$ 19,913	19%	(5)%
Non-GAAP operating income margin %	2.53 %	2.20 %	2.18 %	2.37 %	2.33 %	32 bp	20 bp
<b>Reconciliation of Operating Income to Adjusted EBITDA</b>							
GAAP operating income	\$ 16,738	\$ 14,764	\$ 14,581	\$ 19,696	\$ 17,636	13%	(5)%
Plus:							
Depreciation expense	3,069	3,012	2,849	3,181	2,986		
Intangible amortization expense	2,276	1,817	1,828	2,119	2,277		
Interest income	2,457	3,088	2,458	1,869	1,057		
Other income/(expense), net	(75)	(377)	(233)	14,202	(685)		
EBITDA (non-GAAP)	24,465	21,647	20,968	39,681	23,271	13%	5%
Adjustments:							
Share-based compensation expense	2,286	1,680	2,284	2,431	2,595	36%	(12)%
Tax recovery <sup>(a)</sup>	—	(657)	(515)	(1,386)	—		
Loss (gain) on sale of a business	—	378	—	(14,533)	—		
Adjusted EBITDA (non-GAAP)	<u>\$ 26,751</u>	<u>\$ 23,048</u>	<u>\$ 22,737</u>	<u>\$ 26,193</u>	<u>\$ 25,866</u>	16%	3%
Adjusted EBITDA margin % (non-GAAP)	3.56 %	3.19 %	3.12 %	3.04 %	3.03 %	37 bp	53 bp

<sup>(a)</sup> Recovery of prior period withholding taxes in Brazil

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Intelisys & Advisory, 5-Quarter Financial Summary**

(\$ in thousands)

	<u>Q1 FY25</u>	<u>Q4 FY24</u>	<u>Q3 FY24</u>	<u>Q2 FY24</u>	<u>Q1 FY24</u>	<u>Q/Q</u>	<u>Y/Y</u>
Net sales	\$ 23,281	\$ 23,862	\$ 22,765	\$ 23,278	\$ 22,356	(2)%	4%
Gross profit	\$ 23,162	\$ 23,752	\$ 22,641	\$ 23,157	\$ 22,245	(2)%	4%
Gross profit margin %	99.5 %	99.5 %	99.5 %	99.5 %	99.5 %	— bp	— bp
GAAP operating income	\$ 6,413	\$ 8,184	\$ 7,489	\$ 8,273	\$ 6,649	(22)%	(4)%
GAAP operating income margin %	27.55 %	34.30 %	32.90 %	35.54 %	29.74 %	(675) bp	(219) bp
Add: Intangible amortization expense	\$ 2,082	\$ 1,924	\$ 1,924	\$ 1,918	\$ 1,916		
Non-GAAP operating income	\$ 8,495	\$ 10,108	\$ 9,413	\$ 10,191	\$ 8,565	(16)%	(1)%
Non-GAAP operating income margin %	36.49 %	42.36 %	41.35 %	43.78 %	38.31 %	(590) bp	(180) bp
<b>Reconciliation of Operating Income to Adjusted EBITDA</b>							
GAAP operating income	\$ 6,413	\$ 8,184	\$ 7,489	\$ 8,273	\$ 6,649	(22)%	(4)%
Plus:							
Depreciation expense	43	38	141	40	38		
Intangible amortization expense	2,082	1,924	1,924	1,918	1,916		
Interest income	202	197	194	250	268		
Other income/(expense), net	(10)	5	(9)	260	8		
EBITDA (non-GAAP)	8,730	10,348	9,739	10,741	8,879	(16)%	(2)%
Adjustments:							
Share-based compensation expense	185	128	104	139	174		
Adjusted EBITDA (non-GAAP)	<u>\$ 8,915</u>	<u>\$ 10,476</u>	<u>\$ 9,843</u>	<u>\$ 10,880</u>	<u>\$ 9,053</u>	(15)%	(2)%
Adjusted EBITDA margin % (non-GAAP)	38.29 %	43.90 %	43.24 %	46.74 %	40.49 %	(561) bp	(220) bp

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Net Sales, Constant Currency Excluding Acquisitions and Divestitures (Organic Growth) - QTR**

(\$ in thousands)

**Net Sales by Segment:**

	Q1 FY25	Q1 FY24	% Change
<b>Specialty Technology Solutions:</b>			
Net sales, as reported	\$ 752,299	\$ 853,950	(11.9)%
Foreign exchange impact <sup>(a)</sup>	8,645	—	
Less: Acquisitions	(3,512)	—	
Less: Divestitures	—	(2,282)	
Non-GAAP net sales	<u>\$ 757,432</u>	<u>\$ 851,668</u>	(11.1)%
<b>Intelisys &amp; Advisory:</b>			
Net sales, as reported	\$ 23,281	\$ 22,355	4.1 %
Foreign exchange impact <sup>(a)</sup>	(3)	—	
Less: Acquisitions	(577)	—	
Non-GAAP net sales	<u>\$ 22,701</u>	<u>\$ 22,355</u>	1.5 %
<b>Consolidated:</b>			
Net sales, as reported	\$ 775,580	\$ 876,305	(11.5)%
Foreign exchange impact <sup>(a)</sup>	8,642	—	
Less: Acquisitions	(4,089)	—	
Less: Divestitures	—	(2,282)	
Non-GAAP net sales	<u>\$ 780,133</u>	<u>\$ 874,023</u>	(10.7)%

**Net Sales by Geography:**

	Q1 FY25	Q1 FY24	% Change
<b>United States and Canada:</b>			
Net sales, as reported	\$ 712,019	\$ 791,000	(10.0)%
Less: Acquisitions	(4,089)	—	
Non-GAAP net sales	<u>\$ 707,930</u>	<u>\$ 791,000</u>	(10.5)%
<b>Brazil:</b>			
Net sales, as reported <sup>(a)</sup>	\$ 63,561	\$ 85,305	(25.5)%
Foreign exchange impact <sup>(b)</sup>	8,642	—	
Less: Divestitures	—	(2,282)	
Non-GAAP net sales	<u>\$ 72,203</u>	<u>\$ 83,023</u>	(13.0)%
<b>Consolidated:</b>			
Net sales, as reported	\$ 775,580	\$ 876,305	(11.5)%
Foreign exchange impact <sup>(b)</sup>	8,642	—	
Less: Acquisitions	(4,089)	—	
Less: Divestitures	—	(2,282)	
Non-GAAP net sales	<u>\$ 780,133</u>	<u>\$ 874,023</u>	(10.7)%

(a) Countries outside of the United States, Canada and Brazil represent \$0.1 million, or 0.2% of sales, for the quarter ended September 30, 2024 and \$2.4 million, or 2.8% of sales, for the quarter ended September 30, 2023.

(b) Year-over-year sales growth excluding the translation impact of changes in foreign currency rates. Calculated by translating net sales for the quarter ended September 30, 2024 into U.S. dollars using the weighted-average foreign exchange rates for the quarter ended September 30, 2023.

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Average Adjusted Return on Invested Capital - QTR**

(\$ in thousands)

	Q1 FY25	Q4 FY24	Q3 FY24	Q2 FY24	Q1 FY24
<u>Reconciliation of Net Income to Adjusted EBITDA</u>					
Net income - GAAP	\$ 16,974	\$ 16,097	\$ 12,806	\$ 32,726	\$ 15,432
Plus:					
Interest expense	2,109	2,084	2,001	3,359	5,585
Income taxes	5,988	6,600	5,146	7,320	3,715
Depreciation and amortization	7,471	6,792	6,742	7,258	7,217
EBITDA (non-GAAP)	32,542	31,573	26,695	50,663	31,949
Adjustments:					
Share-based compensation	2,471	1,808	2,388	2,571	2,769
Tax recovery <sup>(a)</sup>	—	(657)	(515)	(1,386)	—
Acquisition and divestiture costs	377	503	511	703	—
Restructuring costs	5,068	435	3,923	—	—
Cyberattack restoration costs	76	141	93	441	201
Insurance recovery, net of payments	(4,868)	—	—	—	—
Loss (gain) on sale of business	—	378	—	(14,533)	—
<b>Adjusted EBITDA (numerator for Adjusted ROIC) (non-GAAP)</b>	<b>\$ 35,666</b>	<b>\$ 34,181</b>	<b>\$ 33,095</b>	<b>\$ 38,459</b>	<b>\$ 34,919</b>
<u>Invested Capital Calculation</u>					
Equity - beginning of quarter	\$ 924,254	\$ 944,053	\$ 953,601	\$ 915,253	\$ 905,298
Equity - end of quarter	920,893	924,255	944,053	953,601	915,253
Adjustments:					
Share-based compensation, net	1,856	1,350	1,784	1,919	2,068
Tax recovery, net	—	(278)	(1,648)	(640)	—
Acquisition and divestiture costs	377	503	511	703	—
Restructuring costs, net	3,818	327	2,935	—	—
Cyberattack restoration costs, net	57	106	69	329	150
Insurance recovery, net of payments	(3,667)	—	—	—	—
Loss (gain) on sale of business	—	378	—	(14,533)	—
Average equity	923,794	935,347	950,653	928,316	911,385
Average funded debt <sup>(b)</sup>	144,020	146,121	153,131	227,688	352,897
<b>Invested capital (denominator for Adjusted ROIC) (non-GAAP)</b>	<b>\$ 1,067,814</b>	<b>\$ 1,081,468</b>	<b>\$ 1,103,784</b>	<b>\$ 1,156,004</b>	<b>\$ 1,264,282</b>
<b>Adjusted return on invested capital (ROIC), annualized <sup>(c)</sup></b>	<b>13.3 %</b>	<b>12.7 %</b>	<b>12.1 %</b>	<b>13.2 %</b>	<b>11.0 %</b>

(a) Recovery of prior period withholding taxes in Brazil

(b) Average funded debt is calculated as the daily average amounts outstanding on our short-term and long-term interest-bearing debt.

(c) Calculated as net income plus interest expense, income taxes, depreciation and amortization (EBITDA) with other non-GAAP adjustments (Adjusted EBITDA), annualized, divided by invested capital for the period. The annualized Adjusted EBITDA amount is divided by days in the quarter times 365 days per year, or 366 days for a leap year.



**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Net Debt and Adjusted EBITDA Metrics**

(\$ in thousands)

	Q1 FY25	Q4 FY24	Q3 FY24	Q2 FY24	Q1 FY24
Consolidated debt (Q/E)	\$ 143,649	\$ 144,056	\$ 145,881	\$ 168,634	\$ 248,108
Less:					
Cash and cash equivalents of continuing operations (Q/E)	(145,044)	(185,460)	(159,050)	(44,987)	(42,647)
<b>Net debt (Q/E) (non-GAAP)</b>	<b>\$ (1,395)</b>	<b>\$ (41,404)</b>	<b>\$ (13,169)</b>	<b>\$ 123,647</b>	<b>\$ 205,461</b>
<b>Reconciliation of Net Income to Adjusted EBITDA</b>					
Net income - GAAP	\$ 16,974	\$ 16,097	\$ 12,806	\$ 32,726	\$ 15,432
Plus:					
Interest expense	2,109	2,084	2,001	3,359	5,585
Income taxes	5,988	6,600	5,146	7,320	3,715
Depreciation and amortization	7,471	6,792	6,742	7,258	7,217
EBITDA (non-GAAP)	32,542	31,573	26,695	50,663	31,949
Adjustments:					
Share-based compensation	2,471	1,808	2,388	2,571	2,769
Tax recovery <sup>(a)</sup>	—	(657)	(515)	(1,386)	—
Acquisition and divestiture costs	377	503	511	703	—
Restructuring costs	5,068	435	3,923	—	—
Cyberattack restoration costs	76	141	93	441	201
Insurance recovery, net of payments	(4,868)	—	—	—	—
Loss (gain) on sale of business	—	378	—	(14,533)	—
Adjusted EBITDA (non-GAAP)	\$ 35,666	\$ 34,181	\$ 33,095	\$ 38,459	\$ 34,919
<b>Adjusted EBITDA, TTM (non-GAAP) <sup>(b)</sup></b>	<b>\$ 141,401</b>	<b>\$ 140,654</b>			
<b>Net Debt / Adjusted EBITDA, TTM (non-GAAP)</b>	<b>(0.0)x</b>	<b>(0.3)x</b>			

(a) Recovery of prior period withholding taxes in Brazil

(b) Adjusted EBITDA for the trailing 12-month period

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Working Capital, 5-Quarter Summary**

*(\$ in thousands)*

	<b>Q1 FY25</b>	<b>Q4 FY24</b>	<b>Q3 FY24</b>	<b>Q2 FY24</b>	<b>Q1 FY24</b>
Accounts Receivable (Q/E)	\$ 567,127	\$ 581,523	\$ 589,847	\$ 662,799	\$ 691,669
Days sales outstanding in receivables	66	71	71	68	71
Inventory (Q/E)	\$ 504,078	\$ 512,634	\$ 529,163	\$ 575,137	\$ 656,170
Inventory turns	5.3	5.0	4.8	5.1	4.4
Accounts payable (Q/E)	\$ 578,657	\$ 587,984	\$ 555,733	\$ 540,642	\$ 617,594
Paid for inventory days*	4.4	4.2	11.2	15.7	16.8
Working Capital (Q/E) (AR+INV-AP)	<u>\$ 492,548</u>	<u>\$ 506,173</u>	<u>\$ 563,277</u>	<u>\$ 697,294</u>	<u>\$ 730,245</u>
Cash conversion cycle	70	75	82	84	88

*\*Paid for inventory days represent Q/E inventory days less Q/E accounts payable days*

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Operating Income, Net Income, EPS & Other - QTR

(\$ in thousands)

Quarter ended September 30, 2024

	Reported GAAP measure	Intangible amortization expense	Acquisition & divestiture costs	Restructuring costs	Insurance recovery, net	Tax recovery, net	Loss (gain) on sale of business	Cyberattack restoration costs	Non-GAAP measure
SG&A expenses	\$71,706	\$—	\$(377)	\$—	\$—	\$—	\$—	\$(76)	\$71,253
Operating income	17,630	4,358	377	5,068	—	—	—	76	27,509
Pre-tax income	22,962	4,358	377	5,068	(4,868)	—	—	76	27,973
Net income	16,974	3,264	377	3,818	(3,667)	—	—	57	20,823
Diluted EPS	\$0.69	\$0.13	\$0.02	\$0.15	\$(0.15)	\$—	\$—	\$—	\$0.84

(\$ in thousands)

Quarter ended June 30, 2024

	Reported GAAP measure	Intangible amortization expense	Acquisition & divestiture costs	Restructuring costs	Insurance recovery, net	Tax recovery, net	Loss (gain) on sale of business <sup>(a)</sup>	Cyberattack restoration costs	Non-GAAP measure
SG&A expenses	\$68,498	\$—	\$(503)	\$(435)	\$—	\$657	\$—	\$(141)	\$68,076
Operating income	21,871	3,741	503	435	—	(657)	—	141	26,034
Pre-tax income	22,697	3,741	503	435	—	(657)	378	141	27,238
Net income	16,097	2,788	503	327	—	(278)	378	106	19,921
Diluted EPS	\$0.64	\$0.11	\$0.02	\$0.01	\$—	\$(0.01)	\$0.02	\$—	\$0.80

(a) Reflects adjustment to the gain on the sale of the UK-based intY business.

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Operating Income, Net Income, EPS & Other - QTR, continued

(\$ in thousands)

Quarter ended March 31, 2024

	Reported GAAP measure	Intangible amortization expense	Acquisition & divestiture costs	Restructuring costs	Insurance recovery, net	Tax recovery, net	Loss (gain) on sale of business	Cyberattack restoration costs	Non-GAAP measure
SG&A expenses	\$66,574	\$—	\$(511)	\$—	\$—	\$515	\$—	\$(93)	\$66,485
Operating income	17,542	3,752	511	3,923	—	(515)	—	93	25,306
Pre-tax income	17,952	3,752	511	3,923	—	(515)	—	93	25,716
Net income	12,806	2,788	511	2,935	—	(1,648)	—	69	17,461
Diluted EPS	\$0.50	\$0.11	\$0.02	\$0.12	\$—	\$(0.06)	\$—	\$—	\$0.69

(\$ in thousands)

Quarter ended December 31, 2023

	Reported GAAP measure	Intangible amortization expense	Acquisition & divestiture costs	Restructuring costs	Insurance recovery, net	Tax recovery, net	Loss (gain) on sale of business	Cyberattack restoration costs	Non-GAAP measure
SG&A expenses	\$66,921	\$—	\$(703)	\$—	\$—	\$1,386	\$—	\$(441)	\$67,163
Operating income	26,826	4,037	703	—	—	(1,386)	—	441	30,621
Pre-tax income	40,046	4,037	703	—	—	(1,386)	(14,533)	441	29,308
Net income	32,726	3,002	703	—	—	(640)	(14,533)	329	21,587
Diluted EPS	\$1.29	\$0.12	\$0.03	\$—	\$—	\$(0.03)	\$(0.50)	\$(0.01)	\$0.85

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Operating Income, Net Income, EPS & Other - QTR, continued**

(\$ in thousands)

Quarter ended September 30, 2023

	Reported GAAP measure	Intangible amortization expense	Acquisition & divestiture costs	Restructuring costs	Insurance recovery, net	Tax recovery, net	Loss (gain) on sale of business	Cyberattack restoration costs	Non-GAAP measure
SG&A expenses	\$75,436	\$—	\$—	\$—	\$—	\$—	\$—	\$(201)	\$75,235
Operating income	24,084	4,193	—	—	—	—	—	201	28,478
Pre-tax income	19,147	4,193	—	—	—	—	—	201	23,541
Net income	15,432	3,146	—	—	—	—	—	150	18,728
Diluted EPS	\$0.61	\$0.12	\$—	\$—	\$—	\$—	\$—	\$0.01	\$0.74