

2Q13 Adj. EPS In Line With Street; Maintaining Estimates and Rating

- Adjusted 2Q13 EPS in line with the Street:** reported adjusted 2Q13 EPS of \$0.06, up from \$0.04 in the year-ago period. Our 2Q13 EPS estimate also was \$0.06. Reported GAAP EPS were \$0.05. However, 2Q13 EPS results included an \$0.8 million one-time expense (or \$0.05 after tax) relating to the settlement of property tax disputes during the quarter.
- Management again reiterated its full-year 2013 EPS guidance of \$0.25-\$0.35.** We believe there is an above-average degree of model risk inherent in that guidance due to the possibility that the Logistics segment will not achieve a breakeven run rate by the end of 2013 as planned, the possibility that purchased transportation costs may rise faster than prices recovered from shippers, the possibility for a continuation of softness in intermodal pricing that was seen in 1H13, and the company's track record of frequently missing guidance targets.
- Intermodal segment saw solid y/y improvement:** adj. operating income in the Intermodal segment was \$11.6 million in 2Q13, up from \$9.4 million in 2Q12 as gross margin expansion more than offset an 11.8% y/y decrease in revenue due to a combination of volume declines and a change in mix.
- Logistics segment posted a \$2.8 million operating loss for 2Q13, the ninth consecutive quarterly loss.** A fairly consistent drag on the company's earnings, the Logistics segment is expected to be at a breakeven run rate by the end of the year, according to the company. However, we will continue to wait for concrete evidence of a turnaround before incorporating the company's relatively optimistic assumptions in to our model.
- Balance sheet has no debt at the end of 2Q13,** but the adjusted total debt/total book cap ratio was 54.8% at the end of 2Q13—as the company leases its assets.
- Maintaining our 2013, 2014 and 2015 EPS estimates** of \$0.25, \$0.40 and \$0.50, respectively. We remain at the low end of the company's 2013 guidance range of \$0.25-\$0.35 in light of the company's track record for often not meeting Street expectations, the risk in intermodal pricing, and turnaround risk of the company's Logistics segment.
- Maintaining our Buy rating.** Our target price remains \$7 (or 13.0x our unchanged 2015 EPS estimate of \$0.50). While that target price currently presents just enough upside potential for us to maintain our Buy rating, we believe the company's shares represent a speculative way to invest in the intermodal industry and would be inclined to revisit our rating should the company's shares continue to trade higher, all else being equal.

Changes	Previous	Current
Rating	—	Buy
Target Price	—	\$7.00
FY13E EPS (Net)	—	\$0.25
FY14E EPS (Net)	—	\$0.40
FY13E Rev (Net)	\$1.02B	\$953.7
FY14E Rev (Net)	\$1.09B	\$1.02B

Price (07/25/13):	\$6.52
52-Week Range:	\$7 – \$3
Market Cap.(mm):	231.8
Shr.O/S-Diluted (mm):	35.6
Enterprise Val. (mm):	\$205.0
Avg Daily Vol (3 Mo):	202,193
LT Debt/Total Cap.:	0.0%
Net Cash/Share:	\$0.76
Book Value/Share:	\$3.50
Dividend(\$ / %)	\$0.00 / 0.0%
S&P Index	1,687.65

EPS (Net)	2012A	2013E	2014E
Q1	\$(0.01)	\$0.04A	\$0.06
Q2	0.04	0.06A	0.11
Q3	0.03	0.07	0.11
Q4	0.08	0.09	0.13
FY Dec	\$0.13A	\$0.25	\$0.40
P/E	50.2x	26.1x	16.3x

Rev (Net)	2012A	2013E	2014E
Q1	\$251.7	\$232.7A	\$NE
Q2	270.5	238.0A	NE
Q3	253.0	240.4	NE
Q4	252.5	242.6	NE
FY Dec	\$1.03B	\$953.7	\$1.02B
EV/Revenue	0.2x	0.2x	0.2x

As of 2013, the company no longer collects and passes-through rail transportation cost given its new agreement as the network manager for Union Pacific for U.S./Mexico cross-border shipments; as such, 2012 revenue results have been restated to conform to the new 2013 reporting structure.

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All relevant disclosures and certifications appear on pages 9 - 10 of this report.

Pacer International reported adjusted 2Q13 EPS of \$0.06, up from \$0.04 in the year-ago period and in line with the Street. Our 2Q13 EPS estimate also was \$0.06. Reported GAAP EPS were \$0.05. However, 2Q13 EPS results included an \$0.8 million one-time expense (or \$0.05 after tax) relating to the settlement of property tax disputes during the quarter. That said, the company's tax rate favorably decreased y/y from 40.1% in 2Q12 to 35.9% in 2Q13, but that equated to only a ~0.004 benefit in EPS y/y—note that the 1H13 tax rate was 37.0% on average, which is the expected full year tax rate. The 9 analysts with published 2Q13 EPS estimates that were included in the Street average carried a range from a low of \$0.04 to a high of \$0.08. Relative to our estimates, the company's Intermodal segment performed slightly above our expectations (and was up y/y) from EBIT margin expansion (despite a larger revenue decline than anticipated) while the Logistics segment performed slightly worse (and was down y/y) due to a larger than anticipated revenue decline and margin compression y/y.

Management again reiterated its full-year 2013 EPS guidance of \$0.25-\$0.35, up from 2012 EPS of \$0.12. While we again remain encouraged with the reiteration of the guidance (management reiterated the guidance at the end of 1Q13), we believe there is an above-average degree of model risk inherent in that guidance due to the possibility that the Logistics segment will not achieve a breakeven run rate by the end of 2013 as planned, the possibility that purchased transportation costs may rise faster than prices recovered from shippers, the possibility for a continuation of softness in intermodal pricing that was seen in 1H13, and the company's track record of frequently missing guidance targets. But, to be fair, most of the company's track record of overpromising and under-delivering occurred during past management teams. That said, with 1H13 adjusted EPS now at \$0.10, with rail cost a known for the remainder of 2013, and given with management's confidence in intermodal volumes from recent bid wins, we have increased confidence that the company should achieve EPS at the bottom of its range. However, given management's confidence and 1H13 results, we wonder why management has not refined either the top end or the bottom end of its 2013 guidance. The gap between the bottom end and top end of the range equates to roughly to ~\$5.6 million in EBIT—although the potential for variability around the Logistics segment (lost \$5.6 million in EBIT in 1H13) and intermodal volumes lower than contractually committed could certainly cause such a wide range.

Adjusted operating income in the company's core Intermodal segment was \$11.6 million in 2Q13, up from \$9.4 million in 2Q12. Note: as with 1Q13, the company no longer collects and passes-through rail transportation cost given its new agreement as the network manager for Union Pacific for U.S./Mexico cross-border shipments; as such, 2012 results have been restated to conform to the new 2013 reporting structure. Intermodal revenue declined 11.8% y/y due to a combination of a decline in overall volumes and a change in mix. For 2Q13, domestic intermodal volumes were down 3% y/y while international volumes were down 9%. Double digit decreases in transcon lanes (due to a large, unexpected rail cost increase that led to volume declines when the business was re-priced) drove the y/y decline in domestic intermodal volume while a mid-single digit volume increase in North/South lanes somewhat tempered that decrease. However, length of haul decreased as a result, driving a negative mix in business for the quarter. International intermodal volume was down y/y due to less port drayage work in the Pacific Northwest. Additionally, the company noted that inland ISO capacity is currently tight—making it harder to drive volume increases. Overall, price, fuel, and mix reportedly drove a 10% decline y/y in intermodal. As fuel was said to be flat, and price was up in the 1% range, the negative mix effect from the change in length of haul from transcon lanes to North/South lanes weighed heavily on the top line. However, the intermodal gross margin percentage (net revenue less direct operating expenses divided by gross revenue) improved

from 11.9% in 2Q12 to 14.1% in 2Q13—leading to an adjusted EBIT margin increase from 4.5% to 6.3% in 2Q13. This improvement came as a result of the company paring back lower margin freight from the aforementioned re-pricing of transcon lanes. With rail costs known for the remainder of 2013, we would expect similar EBIT margins to 2Q13 to continue through the end of 2013. Further increases to margins in the near-term could arise from the company improving operational efficiency and asset turns (boxes turned 1.8x per month in 2Q13, flat y/y but up from 1.7 turns sequentially from 1Q13—management is targeting 1.9 turns by the end of the year; for reference, anything above 2.0 turns per months is considered good).

For the remainder of the year, management guided volume expectations upward, expecting mid-single digit volume increases that should lead to positive domestic volumes for the full year. The upbeat expectations for 2H13 volumes arise from a stronger second half to the bid season for Pacer. Bids in 1Q13 were highly competitive as certain competitors were aggressive to fill capacity. However, that subsided and Pacer reportedly saw solid wins while remaining disciplined on price. However, with flat pricing, negative mix, and what should be negative international volumes for the full year 2013, we anticipate intermodal volume will be down y/y.

The Logistics segment posted a \$2.8 million operating loss for 2Q13, the ninth consecutive quarterly loss. The company's Logistics segment has fairly consistently been a drag on the company's earnings since we began covering Pacer almost six years ago. On previous calls, management noted that it had expected the Logistics segment to return to generating an operating profit by the end of 4Q13; however, on the 2Q13 earnings call, that changed slightly to achieving a breakeven run rate by the end of the year. So, it appears (both from management's wording and the segment's results) that the turnaround has been slower than originally anticipated. The problem with Logistics is clear to us from the detailed financials in the company's earnings release: Logistics SG&A costs remained at 18% of Logistics revenue. For comparison, Intermodal segment SG&A were only 7.8% of Intermodal revenue. If Logistics SG&A costs were slightly less than 13% of Logistics revenue, the segment would have been profitable in 2Q13. However, the company does not seem to have any stated plans to reduce SG&A costs. Instead, the current SG&A costs seem to be in place to support future growth in the Asian business involving brokering inbound shipments from China, which we would expect the company to begin to see towards the back half of 3Q13 and more rapid growth in 4Q13 given the recently announced partnership with CTS International Logistics Corporation. That said, volume in Logistics was down 4% y/y (a deceleration in declines from 1Q13) and drove revenue down 12.6% y/y. Going forward, management expects revenue and margins to increase from the aforementioned CTS agreement (where CTS gains access to Pacer's intermodal network and Pacer gains access to CTS' 56 offices in mainland China) and continued positive trends in Pacer distribution and brokerage (both up y/y in 2Q13). However, we will continue to wait for concrete evidence of that turnaround before incorporating the company's relatively optimistic assumptions in to our model.

The company did not have any balance sheet debt at the end of 2Q13. The company had \$26.8 million of cash on its balance sheet at the end of 2Q13 and the company's borrowing capacity was \$65 million. We view this as ample liquidity because the company's business model is not terribly capital intensive. That being said, the company leases its containers, which pushes its estimated lease-adjusted total debt/total book cap ratio to 54.8% at the end of 2Q13. For the year, capex should remain low as the company plans to add a net 1,000 containers (add 1,500 containers and scrap 500 after peak season).

We are maintaining our 2013, 2014 and 2015 EPS estimates of \$0.25, \$0.40 and \$0.50, respectively. Our 2013 EPS estimate remains at the low end of the company's 2013 guidance range of \$0.25-\$0.35 and our top line revenue estimate of \$954 million is slightly below the company's range of \$1.0 billion to \$1.1 billion. We remain at the low end of the company's guidance in light of the company's track record for often not meeting Street expectations, the risk that softness in intermodal pricing may persist into 2H13, and the risk of a slower timeline to reach breakeven for the company's Logistics segment. Over our forecast period, risks to our estimates also include the Logistics segment not becoming profitable at all during our projected period and the potential for revenue and margin declines from the recently re-worked contract with Union Pacific absent growth in retail direct U.S./Mexico business.

We are maintaining our Buy rating. Our target price remains \$7 (or 13.0x our unchanged 2015 EPS estimate of \$0.50). While that target price currently presents just enough upside potential for us to maintain our Buy rating, we believe the company's shares represent a speculative way to invest in the intermodal industry and would be inclined to revisit our rating should the company's shares continue to trade higher all else being equal. The 13.0x multiple we are applying to our 2015 EPS estimate represents a steep discount to the multiples we are applying to our 2015 EPS estimates for Hub Group and J.B. Hunt (which are 16.0x and 16.5x, respectively) to arrive at their respective fair value estimates. The reason for the discount is that we view Pacer's common shares as containing higher-than-normal risk relative to its peer group and most names under our transportation and logistics coverage. We feel that way because, in our view, the company has a higher than average degree of model risk as we believe it can be difficult to meet EPS guidance in the midst of a turnaround in the Logistics segment.

Pricing is intraday 7/25/13.

Target Price Methodology/Risks

Our target price is \$7 (or 13.0x our 2015 EPS estimate of \$0.50).

Risks to target price: A slowing in the economic recovery could impair intermodal volume and pricing. The turnaround in the Logistics segment could progress slower than expected.

Company Description

Pacer International is a U.S. holding company with operations in non-asset based third-party logistics and intermodal freight transportation services. The company is a market leader providing wholesale intermodal freight transportation services to other third party logistics providers. In addition, Pacer serves shippers with truck brokerage and other logistics services.

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Equity Comps - Transportation

Comparative Valuation Matrix

(figures in \$US millions, except per share amounts)

Company name (Ticker)	Rating	Closing Price 7/25/2013	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV ^(a)	Equity value as a multiple of			Enterprise value as a multiple of					TTM ROA	TTM ROE	TTM ROIC	PEG ratio ^(d)	Div. Yield	2013E FCF Yield	
								Earnings per Share			Book value	TTM Revenue	2013E EBITDA	TTM EBITDA	TTM EBITDAR ^(c)							TTM EBIT
								2012A ^(b)	2013E ^(b)	2014E ^(b)												
Intermodal																						
Hub Group (HUBG)	Hold	38.13	37.7	1,436.2	9.1	72.0	1,373.3	20.8x	18.2x	15.9x	2.7x	3.7x	10.3x	11.1x	9.7x	11.7x	7.6%	14.2%	14.2%	1.2	0.0%	1.0%
J.B. Hunt Transport Svcs. (JBHT)	Hold	74.38	117.9	8,769.4	674.1	5.9	9,437.6	28.7x	25.3x	21.6x	9.7x	1.8x	11.0x	12.0x	11.9x	17.2x	12.9%	40.0%	22.8%	1.4	0.8%	3.0%
Pacer International (PACR)	Buy	6.52	35.6	231.8	0.0	26.8	205.0	NM	26.1x	16.3x	1.9x	0.9x	9.1x	9.4x	4.1x	15.3x	3.2%	6.2%	6.7%	1.1	0.0%	1.7%
Min				231.8	0.0	5.9	205.0	20.8x	18.2x	15.9x	1.9x	0.9x	9.1x	9.4x	4.1x	11.7x	3.2%	6.2%	6.7%	1.1	0.0%	1.0%
Mean				3,479.1	227.8	34.9	3,672.0	24.8x	23.2x	17.9x	4.8x	2.1x	10.2x	10.8x	8.5x	14.7x	7.9%	20.1%	14.6%	1.2	0.3%	1.9%
Max				8,769.4	674.1	72.0	9,437.6	28.7x	26.1x	21.6x	9.7x	3.7x	11.0x	12.0x	11.9x	17.2x	12.9%	40.0%	22.8%	1.4	0.8%	3.0%
Stifel Transportation Average				8,513.0	1,573.3	453.1	9,674.1	20.2x	18.7x	16.6x	3.0x	2.3x	9.2x	9.4x	6.7x	14.4x	5.2%	15.4%	10.1%	1.3	1.0%	2.2%
Non-Asset-Based Forwarding / Logistics																						
C.H. Robinson Worldwide (CHRW)	Sell	59.01	160.6	9,473.8	390.6	159.9	9,704.5	21.4x	20.4x	18.4x	6.4x	5.5x	11.9x	12.7x	12.3x	13.5x	17.8%	32.3%	28.3%	1.5	2.2%	1.8%
DSV A/S (DSV-DK)	NC	DKK 145.50	184.3	26,817.5	1,225.7	91.2	27,970.3	NE	NE	NE	NM	15.0x	NE	NM	42.7x	NM	7.4%	31.8%	15.2%	NM	0.7%	NM
Echo Global Logistics (ECHO)	Buy	19.95	24.0	478.7	0.0	44.1	434.6	32.2x	25.3x	19.6x	3.3x	2.9x	10.7x	12.8x	12.0x	17.9x	6.7%	10.8%	10.8%	0.7	0.0%	4.4%
Expeditors International (EXPD)	Buy	40.07	206.6	8,278.8	0.0	1,394.7	6,900.5	25.5x	23.3x	21.3x	3.9x	3.8x	11.2x	12.0x	11.3x	12.9x	11.2%	16.0%	15.7%	2.1	1.5%	4.8%
Forward Air Corp. (FWRD)	Hold	37.46	31.1	1,163.5	0.1	81.1	1,082.6	21.0x	20.6x	18.4x	2.9x	1.8x	9.6x	10.4x	8.8x	13.2x	12.6%	14.6%	14.7%	1.7	1.1%	3.2%
Hub Group (HUBG)	Hold	38.13	37.7	1,436.2	9.1	72.0	1,373.3	20.8x	18.2x	15.9x	2.7x	3.7x	10.3x	11.1x	9.7x	11.7x	7.6%	14.2%	14.2%	1.2	0.0%	1.0%
Kuehne + Nagel International AG (KNIN-CH)	Hold	CHF 110.00	120.1	13,207.0	65.2	895.1	12,610.7	23.9x	21.7x	19.3x	5.4x	1.5x	12.8x	11.9x	8.3x	12.8x	9.5%	26.5%	26.1%	1.3	3.2%	6.6%
Landstar System (LSTR)	Hold	52.20	46.8	2,442.5	146.3	102.0	2,486.8	18.8x	19.6x	17.7x	6.2x	0.9x	10.8x	11.0x	10.8x	12.6x	14.0%	33.6%	24.4%	1.2	0.0%	5.3%
Pacer International (PACR)	Buy	6.52	35.6	231.8	0.0	26.8	205.0	NM	26.1x	16.3x	1.9x	0.9x	9.1x	9.4x	4.1x	15.3x	3.2%	6.2%	6.7%	1.1	0.0%	1.7%
Panalpina Welttransport Holding (PWTN-CH)	Hold	CHF 118.50	23.7	2,802.9	3.3	418.9	2,401.8	NM	NM	30.2x	3.4x	1.4x	17.8x	23.0x	9.8x	29.6x	1.3%	3.3%	3.1%	2.0	1.7%	3.6%
Roadrunner Transportation Svcs. (RRTS)	Hold	29.96	36.1	1,082.2	157.3	16.2	1,223.3	25.8x	22.2x	19.7x	2.6x	1.1x	11.9x	14.5x	12.7x	16.7x	6.3%	11.2%	8.9%	1.3	0.0%	-0.5%
Universal Truckload Svcs. (UACL)	Buy	25.55	30.1	769.2	136.0	4.8	900.4	18.9x	15.8x	14.0x	11.0x	0.9x	8.7x	9.0x	8.7x	11.1x	17.8%	69.9%	33.0%	0.7	0.0%	4.4%
UTI Worldwide (UTIW)	Buy	16.45	104.0	1,710.2	392.3	185.3	1,917.2	35.0x	NM	21.1x	2.1x	1.2x	11.5x	14.9x	9.1x	29.1x	0.9%	2.2%	2.2%	1.5	0.4%	1.6%
XPO Logistics, Inc. (XPO)	Hold	23.94	46.2	1,105.4	111.6	206.2	1,010.8	NM	NM	NM	4.7x	20.1x	NM	NM	NM	NM	-10.5%	-14.7%	-10.1%	NM	0.0%	NM
Min				231.8	0.0	4.8	205.0	18.8x	15.8x	14.0x	1.9x	0.9x	8.7x	9.0x	4.1x	11.1x	-10.5%	-14.7%	-10.1%	0.7	0.0%	-0.5%
Mean				5,071.4	188.4	264.2	5,015.8	24.3x	21.3x	19.3x	4.3x	4.3x	11.3x	12.7x	12.3x	16.4x	7.6%	18.4%	13.8%	1.4	0.8%	3.1%
Median				1,573.2	88.4	96.6	1,645.2	22.6x	21.1x	18.9x	3.4x	1.6x	11.0x	11.9x	9.8x	13.4x	7.5%	14.4%	14.5%	1.3	0.2%	3.4%
Max				26,817.5	1,225.7	1,394.7	27,970.3	35.0x	26.1x	30.2x	11.0x	20.1x	17.8x	23.0x	42.7x	29.6x	17.8%	69.9%	33.0%	2.1	3.2%	6.6%
Stifel Transportation Average				8,513.0	1,573.3	453.1	9,674.1	20.2x	18.7x	16.6x	3.0x	2.3x	9.2x	9.4x	6.7x	14.4x	5.2%	15.4%	10.1%	1.3	1.0%	2.2%

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data, First Call, and Stifel estimates



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Pacer International Balance Sheet

(figures in \$ millions, except per share amounts)

Fiscal Year End December 31

											2012				2013				2014				2015E
	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	1QA	2QA	3QE	4QE	1QE	2QE	3QE	4QE	
Assets																							
Current Assets																							
Cash and cash equivalents	0.0	0.8	0.0	9.1	0.0	6.7	5.0	2.8	4.2	24.0	19.1	9.0	12.3	20.2	27.7	26.8	19.9	23.8	23.0	25.5	31.3	25.7	49.7
Accounts receivable, net	215.6	203.0	232.1	219.3	210.4	205.3	183.6	152.3	152.5	133.5	143.9	147.0	141.0	132.7	100.2	109.9	115.6	114.4	116.4	118.8	120.5	132.3	128.8
Accounts receivable from APL Limited	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses and other	5.3	11.7	10.2	10.8	15.5	15.1	28.0	27.4	15.4	12.3	12.7	19.3	13.5	9.4	14.1	11.1	7.7	6.7	6.8	6.9	6.0	6.1	6.4
Deferred income taxes	0.0	4.5	4.1	4.0	2.4	4.3	3.1	1.0	6.3	4.0	4.3	3.3	2.6	2.4	2.6	2.6	1.9	1.9	1.9	2.0	2.0	2.0	2.1
Total Current Assets	220.9	220.0	246.4	243.2	228.3	231.4	219.7	183.5	178.4	173.8	180.0	178.6	169.4	164.7	144.6	150.4	145.2	146.8	148.1	153.2	159.8	166.2	187.1
Property and Equipment at cost	94.1	97.1	101.2	94.8	97.6	110.6	127.2	107.7	97.4	99.8	102.4	105.8	107.0	108.8	103.4	105.3	109.3	112.8	114.8	116.8	118.8	120.8	130.3
Accumulated depreciation	(37.0)	(45.1)	(52.1)	(58.7)	(64.8)	(69.2)	(65.6)	(64.5)	(53.7)	(56.1)	(57.5)	(59.0)	(60.2)	(62.0)	(56.0)	(57.9)	(59.8)	(61.6)	(63.4)	(65.4)	(67.3)	(69.1)	(76.8)
Property and Equipment, net	57.1	52.0	49.1	36.1	32.8	41.4	61.6	43.2	43.7	43.7	44.9	46.8	46.8	46.8	47.4	47.4	49.5	51.2	51.4	51.4	51.5	51.7	53.5
Other Assets																							
Goodwill	288.3	288.3	288.3	288.3	288.3	288.3	200.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes	44.7	23.3	11.5	9.1	1.5	0.0	0.0	34.9	24.3	14.1	14.1	14.4	14.5	12.6	11.4	10.3	7.7	7.6	7.8	7.9	7.0	7.1	7.5
Other assets	7.4	10.9	10.2	13.5	14.4	13.0	12.9	14.3	15.5	11.7	11.6	11.3	11.0	9.9	9.6	9.8	6.7	5.7	7.8	7.9	7.0	6.1	6.4
Total Assets	618.4	594.5	605.5	590.2	565.3	574.1	494.6	275.9	261.9	243.3	250.6	251.1	241.7	234.0	213.0	217.9	209.2	211.4	215.0	220.5	225.4	231.1	254.6
Liabilities																							
Current Liabilities																							
Current maturities of long-term debt and capital leases	6.2	0.0	0.1	0.0	0.0	0.0	0.3	23.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book overdraft	0.0	0.0	18.6	0.0	3.1	12.8	14.7	4.5	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Income Taxes	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable and other accrued liabilities	176.2	161.3	166.0	188.2	160.9	184.1	158.3	144.7	144.8	127.1	133.4	132.8	122.4	112.5	90.6	92.8	81.9	81.1	82.5	84.2	85.3	86.5	92.3
Total Current Liabilities	184.4	161.3	184.7	188.2	164.0	196.9	173.3	172.5	147.5	127.1	133.4	132.8	122.4	112.5	90.6	92.8	81.9	81.1	82.5	84.2	85.3	86.5	92.3
Long-term liabilities																							
Long-term debt & capital leases	250.4	214.1	154.0	90.0	59.0	64.0	44.3	0.0	13.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	2.9	3.0	2.3	5.3	5.2	10.5	6.3	5.9	2.5	0.9	1.9	1.7	1.3	1.3	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.1
Total Liabilities	437.7	378.4	341.0	283.5	228.2	271.4	223.9	178.4	163.4	128.0	135.3	134.5	123.7	113.8	91.7	93.9	82.9	82.0	83.4	85.2	86.3	87.6	93.4
Minority Interest ¹	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stockholders' Equity																							
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Common stock	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4							
Additional paid-in-capital	270.0	274.2	275.4	277.8	289.1	294.5	300.1	301.5	302.5	304.7	305.3	305.4	305.8	305.7	305.8	306.4							
Unearned compensation	(0.2)	(0.2)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Treasury stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Retained earnings (accumulated deficit)	(89.5)	(58.2)	(11.0)	28.7	47.7	7.9	(29.9)	(204.3)	(204.1)	(190.2)	(190.5)	(189.2)	(188.1)	(185.9)	(184.6)	(182.7)							
Accumulated other comprehensive loss	0.0	(0.1)	(0.2)	(0.2)	(0.1)	(0.1)	0.1	(0.1)	(0.3)	0.4	0.1	0.0	(0.1)	0.0	(0.3)	(0.1)							
Total Stockholders' Equity	180.7	216.1	264.5	306.7	337.1	302.7	270.7	97.5	98.5	115.3	115.3	116.6	118.0	120.2	121.3	124.0	126.4	129.4	131.6	135.3	139.1	143.5	161.2
Total Liabilities and Stockholders' Equity	618.4	594.5	605.5	590.2	565.3	574.1	494.6	275.9	261.9	243.3	250.6	251.1	241.7	234.0	213.0	217.9	209.2	211.4	215.0	220.5	225.4	231.1	254.6

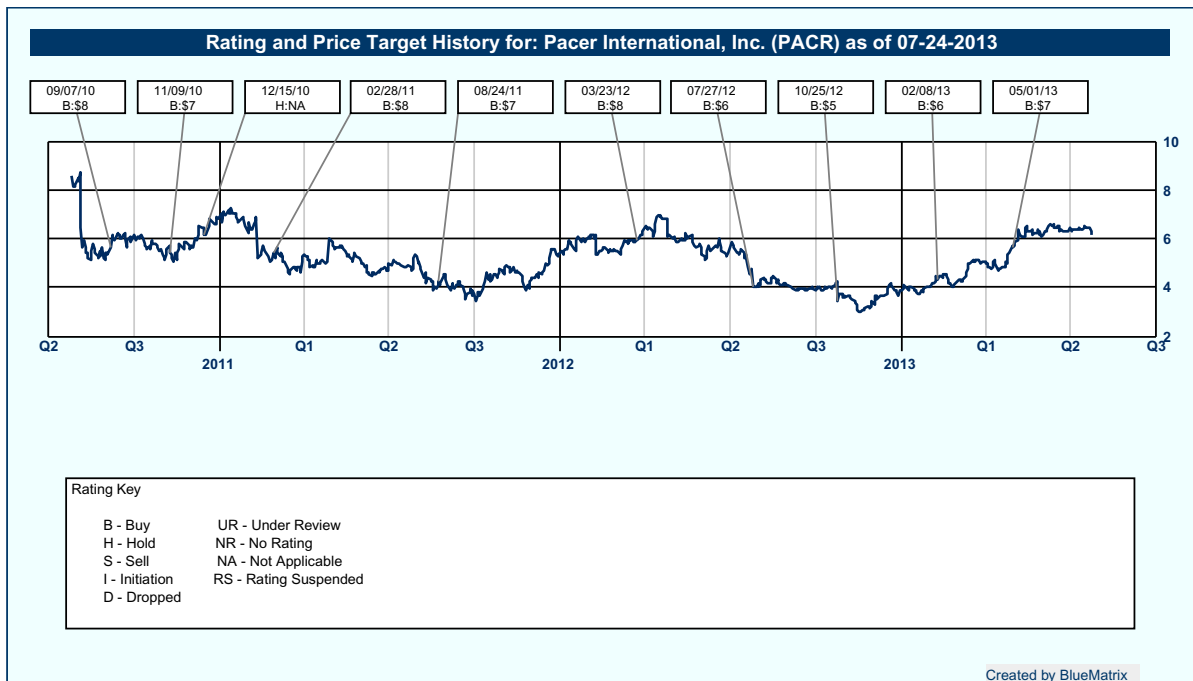
(1) Exchangeable preferred stock of a subsidiary

	\$5.41	\$5.69	\$6.93	\$8.06	\$8.86	\$8.42	\$7.80	\$2.80	\$2.82	\$3.29	\$3.26	\$3.30	\$3.33	\$3.41	\$3.41	\$3.49	\$3.55	\$3.64	\$3.70	\$3.80	\$3.91	\$4.04	\$4.53
Book value per share	\$5.41	\$5.69	\$6.93	\$8.06	\$8.86	\$8.42	\$7.80	\$2.80	\$2.82	\$3.29	\$3.26	\$3.30	\$3.33	\$3.41	\$3.41	\$3.49	\$3.55	\$3.64	\$3.70	\$3.80	\$3.91	\$4.04	\$4.53
Cash and short-term investments per share	\$0.00	\$0.02	\$0.00	\$0.24	\$0.00	\$0.19	\$0.14	\$0.08	\$0.12	\$0.68	\$0.54	\$0.25	\$0.35	\$0.57	\$0.78	\$0.75	\$0.56	\$0.67	\$0.65	\$0.72	\$0.88	\$0.72	\$1.40
Net working capital	36.5	58.7	61.7	55.0	64.3	34.5	46.4	11.0	30.9	46.7	46.6	45.8	47.0	52.2	54.0	57.6	63.3	65.8	65.7	69.0	74.5	79.6	94.8
Current ratio	1.2x	1.4x	1.3x	1.3x	1.4x	1.2x	1.3x	1.1x	1.2x	1.4x	1.3x	1.3x	1.4x	1.5x	1.6x	1.6x	1.8x	1.8x	1.8x	1.8x	1.9x	1.9x	2.0x
Total assets	618.4	594.5	605.5	590.2	565.3	574.1	494.6	275.9	261.9	243.3	250.6	251.1	241.7	234.0	213.0	217.9	209.2	211.4	215.0	220.5	225.4	231.1	254.6
Total debt	256.6	214.1	172.7	90.0	62.1	76.8	59.3	27.8	16.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt (cash)	256.6	213.3	172.7	80.9	62.1	70.1	54.3	25.0	11.9	(24.0)	(19.1)	(9.0)	(12.3)	(20.2)	(27.7)	(26.8)	(19.9)	(23.8)	(23.0)	(25.5)	(31.3)	(25.7)	(49.7)
Debt/total book capitalization	58.7%	49.8%	39.5%	22.7%	15.6%	20.2%	18.0%	22.2%	14.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt/EBITDA	3.0x	2.4x	1.8x	0.8x	0.5x	0.7x	0.6x	1.2x	0.8x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x	0.0x
Stockholders' equity	180.7	216.1	264.5	306.7	337.1	302.7	270.7	97.5	98.5	115.3	115.3	116.6	118.0	120.2	121.3	124.0	126.4	129.4	131.6	135.3	139.1	143.5	161.2

Source: Company data and Stifel estimates

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