

Company	PRGX Global, Inc.		
Sector	Information Technology		
Primary Industry	Data Processing and Outsourced Services		

Year Founded	1990	Employees	1,500
Country of Incorporation	United States	Headquarters	Atlanta, GA

#### **Business Description**

Provider of recovery audit services; operates and serves clients in more than 30 countries and provides its services to over 75% of the top 20 global retailers. PRGX is also pioneering Profit Discovery, a unique combination of audit, analytics and advisory services that improves client financial performance.

#### **Market Stats**

		Ticker	PRGX
Current Share Price	\$3.71	Market Cap	\$96.6
3 Month Volume (000s)	106.9	Net Cash	25.7
Dividend Yield	–	Enterprise Value	70.9
Consecutive Years Dividend Paid	–	Net Cash / Mkt Cap	26.6%
Insider Ownership	6.5%	Insider Buys (last 6 mos)	YES

#### **Balance Sheet Health**

Total Debt	–	Debt / LTM EBITDA	–
Debt/Equity	–	Interest Coverage	NM
Current Ratio	2.19x	Debt / (LTM EBITDA - Capex)	NM

#### **Growth**

Revenue Growth (3 year CAGR)	(6.8%)	EPS Growth (3 year CAGR)	NM
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#### **Margins**

	2014	2013	2012
Gross Margin	29.4%	35.4%	34.1%
EBITDA Margin	4.5%	10.2%	10.4%
Net Income Margin	(4.6%)	(0.1%)	2.6%
FCF Margin	2.8%	6.5%	6.5%
Return on Invested Capital	(1.7%)	4.5%	5.7%

#### **Valuation Metrics**

	LTM	5 Year Avg.	Premium / (Discount)
Price / Tangible Book	2.0x	5.6x	(63.2%)
EV / LTM Revenue	0.4x	0.7x	(41.5%)
EV / LTM EBITDA	9.5x	8.2x	16.8%
Price / Diluted EPS	NM	44.7x	NA

#### **Trading Stats**

	LTM	2 Yr	5 Yr
Stock Price Performance	(43.0%)	(29.1%)	(42.4%)
Vs. S&P 500 Performance	(55.6%)	(64.2%)	(116.6%)
Vs. Low Price	0.8%	0.8%	1.9%
Vs. High Price	(45.8%)	(50.5%)	(57.4%)

**Activist Breakdown**

Activist Investor	Becker Drapkin Mgmt	Cost Basis	\$5.82
Total Number of 13D's Filed	24	Total Initial Investment	\$9.1
Rank by Size of Investment	#7 / 21	% of shares outstanding	6.0%
Average Mkt Cap of Targets	\$161.4	Number of Targets Acquired	25%
% Positive Target Returns	75%	% Outperform the S&P	58%

	<b>vs. S&amp;P 500</b>		<b>Difference</b>
Average Return in Target Co's	85%	23%	62%

**Top 5 Best Performing Targets**

DUSA Pharmaceuticals Inc.	525%	25%	501%
Glu Mobile, Inc.	394%	27%	368%
Edmentum, Inc.	278%	41%	237%
Tuesday Morning Corporation	212%	35%	178%
Pixelworks, Inc.	194%	54%	140%

<b>Targets in Information Technology</b>	12	% of Targets Acquired	8%
<i>Average Returns in Sector</i>	62%	21%	41%
Glu Mobile, Inc.	394%	27%	368%
Pixelworks, Inc.	194%	54%	140%
Cascade Microtech Inc.	146%	34%	112%
XO Group Inc.	59%	11%	48%
Speed Commerce, Inc.	48%	56%	(8%)
TeleCommunication Systems Inc.	19%	1%	18%
EMCORE Corporation	19%	24%	(5%)
PRGX Global, Inc.	-	-	-
Comverse, Inc.	(35%)	17%	(52%)
Pulse Electronics Corporation	(41%)	7%	(48%)

<b>Targets in Data Processing and Outsourced Services</b>	1	% of Targets Acquired	-
<i>Average Returns in Industry</i>	-	-	-
PRGX Global, Inc.	-	-	-

**All Activist Performance in Sector & Industry**

Targets in Information Technology	247	% of Targets Acquired	32%
<i>Average Returns in Sector</i>	47%	36%	11%
Targets in Data Processing and Outsourced Services	17	% of Targets Acquired	18%
<i>Average Returns in Industry</i>	37%	52%	(15%)

**Market Cap Range Performance**

Average Return in Mkt Cap Range	62%	38%	23%
	<b>vs. Aggregate Database</b>		<b>Difference</b>
% of Targets with Positive Returns	70%	67%	3%
% of Targets that Outperform the S&P	53%	51%	2%
% of Targets Acquired	34%	28%	7%
Average Return	62%	66%	(4%)

Note: Based on PRGX's current market cap, its market cap range is defined as \$50.0 - \$100.0 million.

Note:

\$ in millions, except per share values.

Average returns from activist database are calculated as the percentage increase/(decrease) of the current stock price compared to the closing stock price the day prior to the 13D filing.

For companies that are acquired, performance calculated as the percentage increase/(decrease) of the stock price equivalent at time of acquisition compared to the closing stock price the day prior to the 13D filing.

S&P 500 performance is measured over the same time frame as the activist investment.