

QUARTERLY OPERATING RESULTS

The following table provides an analysis of our unaudited operating results (in thousands of dollars, except per share and weighted average number of share amounts) for each of the quarters indicated:

	Fiscal 2024				Fiscal 2023			
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	Second Quarter	First Quarter
Revenues	148.2	144.7	143.4	136.6	125.1	121.5	123.0	116.4
Gross margin	112.1	110.4	108.4	103.7	96.1	94.0	94.1	88.6
Operating expenses	52.4	53.0	53.6	50.6	45.7	44.3	45.2	41.4
Net income	31.8	26.6	28.1	29.4	29.8	26.5	22.9	23.1
Basic earnings per share	0.37	0.31	0.33	0.35	0.35	0.31	0.27	0.27
Diluted earnings per share	0.37	0.31	0.32	0.34	0.34	0.31	0.27	0.27
Weighted average shares outstanding (thousands):								
Basic	85,136	85,101	85,083	84,949	84,819	84,797	84,783	84,765
Diluted	85,953	86,791	86,783	86,746	86,561	86,483	86,338	86,348

Revenues over the comparative periods have been positively impacted by the nine acquisitions that we have completed since the beginning of fiscal 2022 through the end of the fourth quarter of fiscal 2024. In addition, we have seen increased revenues as a result of an increase in transactions processed over our GLN business document exchange as well as an increase in subscriptions for our software solutions and data content.

Our services revenues continue to have minor seasonal trends. In the first fiscal quarter of each year, we historically have seen slightly lower shipment volumes by air and truck which impact the aggregate number of transactions flowing through our GLN business document exchange. In the second fiscal quarter of each year, we historically have seen a slight increase in ocean services revenues as ocean carriers are in the midst of their customer contract negotiation period. In the third fiscal quarter of each year, we have historically seen shipment and transactional volumes at their highest. In the fourth fiscal quarter of each year, the various international holidays impact the aggregate number of shipping days in the quarter, and historically we have seen this adversely impact the number of transactions our network processes and, consequently, the amount of services revenues we receive during that period. In the second and fourth fiscal quarters of each year, we historically have seen a slight decrease in professional services revenues due to various international holidays and vacation seasons. Overall, the impact of seasonal trends has a relatively minor impact on our revenues quarter to quarter.

Revenues increased in the fourth quarter of 2024 compared to the third quarter of 2024 primarily due to the growth in services revenues from new and existing customers, which contributed an incremental \$5.6 million in revenues, partially offset by a decrease in professional services and other revenues. Operating expenses decreased in the fourth quarter of 2024 compared to the third quarter of 2024 primarily due to decreased sales and marketing costs from tradeshow and events. Net income was positively impacted in the fourth quarter of 2024 compared to the third quarter of 2024 due to a decrease of \$2.1 million in other charges resulting primarily from lower contingent consideration adjustments and restructuring charges.