Everforth™

CONFERENCE CALL

PREPARED REMARKS FROM:
Theodore S. Hanson, Chief Executive Officer, Everforth, Inc.
Shiv Iyer, President, Everforth, Inc.
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July 29, 2026

SECOND QUARTER 2026 FINANCIAL RESULTS CONFERENCE CALL
JULY 29, 2026
PREPARED REMARKS

DISCLAIMER

Certain statements made in these prepared remarks are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and involve a high degree of risk and uncertainty. Forward-looking statements include statements regarding our anticipated financial and operating performance. All statements in the prepared remarks, other than those setting forth strictly historical information, are forward-looking statements. Forward-looking statements are not guarantees of future performance and actual results might differ materially. In particular, we make no assurances that the proposed revenue, expense, and profit estimates outlined above will be achieved. Additional examples of forward-looking statements include, without limitation, statements regarding our ability to attract, train, and retain qualified internal employees, the availability of qualified billable professionals, management of our growth, continued performance and improvement of our enterprise-wide information systems, our ability to successfully adapt to, integrate, and leverage new and developing technologies, including generative artificial intelligence, our ability to manage our litigation matters, the successful integration of acquisitions, statements related to the Company’s brand transition to Everforth, and other risks detailed from time-to-time in our reports filed with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2025 as filed with the SEC on February 25, 2026. We specifically disclaim any intention or duty to update any forward-looking statements contained in the prepared remarks.

KIMBERLY ESTERKIN
Vice President Investor Relations:

Good afternoon. Thank you for joining us today for Everforth's second quarter 2026 conference call. With me are Ted Hanson, Chief Executive Officer, Shiv Iyer, President, and Marie Perry, Chief Financial Officer.

Before we get started, I would like to remind everyone that our commentary contains forward-looking statements. Although we believe these statements are reasonable, they are subject to risks and uncertainties, and as such, our actual results could differ materially from those statements. Certain of these risks and uncertainties are described in today’s press release and in our SEC filings. We do not assume any obligation to update statements made on this call.

For your convenience, our prepared remarks and supplemental materials can be found in the Investor Relations section of our website at investors.everforth.com.

Please also note that on this call, we will be referencing certain non-GAAP measures, such as Adjusted EBITDA, Adjusted Net Income, and Free Cash Flow. These non-GAAP measures are intended to supplement the comparable GAAP measures. Reconciliations between GAAP and non-GAAP measures are included in today's press release.

I will now turn the call over to Ted Hanson, Chief Executive Officer.

THEODORE S. HANSON
Chief Executive Officer:

Thank you, Kim, and thank you for joining our second quarter 2026 earnings call, our first earnings call as Everforth.

Strategic Positioning for the Growing AI Opportunity

Everforth reported solid results for the second quarter. Revenues exceeded $1 billion and were above the high-end of our guidance range, while Adjusted EBITDA margin of 9.6 percent also surpassed the high-end of our guidance range.

Commercial Segment revenues were driven by demand in Application and Engineering, Cloud and Infrastructure, and Data and AI solutions. In terms of bookings, Commercial consulting bookings grew double digits year-over-year, with our enterprise platform business continuing its expected ramp upward and contributing meaningfully to the topline. Workday bookings, in particular, exceeded our expectations and helped drive book-to-bill up to 1.2 times on a trailing twelve-month basis.

The integration of Quinnox into our Commercial Segment is progressing well. In a matter of a few short months, we've aligned our go-to-market approach, with early momentum in Application Modernization, Data and AI, and Cloud services. The Everforth Commercial teams bring longstanding client relationships and industry expertise, while Quinnox adds enterprise platform and complex engineering expertise, global delivery scale, and proprietary accelerators that help generate transformational outcomes.

In our Federal Government Segment, new contract awards totaled $169.3 million for the second quarter, or a book-to-bill of 0.8 times on a trailing twelve-month basis. Federal contract backlog was approximately $2.7 billion at quarter end, or a coverage ratio of 2.3 times the segment's trailing twelve-month revenues. Sequential revenue growth in the quarter was supported by continued momentum across several government programs, including cybersecurity work for the Department of Homeland Security (DHS) and Data and AI contracts with the Navy. Shiv will provide additional details on these contracts later in today's call.

Importantly, each of these programs reflects a broader trend we are seeing across both the commercial and federal markets, a growing demand for organizations that can help clients operationalize AI at scale. As AI adoption accelerates, organizations are moving beyond experimentation and focusing on how to deploy these technologies securely, efficiently, and in ways that generate measurable outcomes.

In many cases, the bottleneck to enterprise adoption is no longer access to technology. The real bottlenecks are more practical and, as a result, harder to solve. AI cannot simply be bolted onto legacy processes and be expected to generate meaningful returns. Enterprises need to redesign how work gets done. Companies also need the right talent to move AI from pilot to production. We believe Everforth is uniquely positioned to help clients navigate this key phase of AI adoption, supported by four strategic advantages that differentiate us in the market.

First, is our deep industry domain and enterprise integration expertise. Our longstanding customer relationships provide us with a deep knowledge of industry-specific workflows, technology stacks, and operating environments. That context allows us to help customers move beyond experimentation to implement AI in ways that are practical, scalable, and tied to business outcomes.

Second, is the depth of our alliance partnerships through which we are not just helping our customers build AI solutions, but we are also helping them guide their AI strategies. This guidance is informed by our own Customer Zero strategies that allow us to build, test, deploy, and scale within Everforth. Our partnerships with Salesforce, ServiceNow, and Workday are increasingly important as AI agents become embedded into ERP, CRM, and HCM platforms. Deploying those capabilities successfully requires platform expertise, integration across legacy and cloud environments, and strong governance from day one.

Speaking of governance, our third differentiator is our extensive governance and cybersecurity qualifications. Governance is no longer a compliance exercise; it's a competitive differentiator, and, as AI moves into mission-critical processes, customers need confidence that their systems are secure, accountable, and auditable. Everforth brings governance, risk, and compliance capabilities supported by defense-grade security expertise and cleared and certified professionals. We combine AI, data analytics, and automation to deliver outcomes in highly secure environments.

In the quarter, we advanced our proprietary AI-enabled alert-triage capability for cybersecurity and IT operations. Using machine learning models to learn each customer's unique operating environment, we've been able to substantially reduce false positive alerts to enable our security experts to focus on cyber events with the greatest potential risk. This proprietary tool shows how we are applying AI not simply as a standalone technology, but as a practical means to optimize complex operations and improve outcomes for our customers.

Last, but not least, is our speed at identifying specialized talent when technology change has intensified. Our core capability has always been finding the right talent quickly and efficiently, and that capability is even more valuable as AI adoption accelerates. We bring senior, experienced professionals to client environments without the burden of large, fixed workforces that are hard to adapt as technology shifts. This allows us to move at the pace of a specialized boutique with the scale of an established provider.

Internally, we are fostering a culture of innovation that empowers our teams to develop new AI-enabled solutions at scale. In June, we held our first ever Everforth AI hackathon, which produced 11 new accelerators that enhance our customer delivery capabilities. Two accelerators stand out in particular: 1) an AI-enabled platform that bridges real-time factory operations with virtual simulations, helping manufacturers improve productivity, reduce downtime, and accelerate innovation; and 2) an agentic platform that acts as a hub for digital employees across onshore, nearshore, and offshore teams. Unlike a human collaborator, this agent is immediately accessible to assist with development questions regardless of time zone, calendar, or workload, thereby reducing wasted development time by nearly 20 percent.

Our view is clear: the last mile of enterprise AI adoption will be execution through IT services. As enterprise AI deployment is still in its early stages, the opportunity remains significant. The demand environment is now shifting toward partners that can combine strategy, talent, integration, governance, and speed, and that is exactly where Everforth's unique model creates a competitive advantage.

With that, I'll turn the call over to Shiv Iyer, our President, to discuss our industry performance and share examples of how we are applying our differentiated capabilities across our commercial and government customer base.

SHIV IYER
President:

All Five Commercial Industries See Sequential Growth, while National Security Leads the Federal Segment's Results

It's been another productive quarter, and I look forward to sharing our progress. Let's begin with our industry performance. On a sequential basis, all five Commercial industry verticals were up from the first quarter of 2026. Within TMT, Media, Entertainment, and Software accounts all improved high-single digits from the first quarter, with Cloud and Infrastructure work contributing strongly to this improvement. In Financial Services, Banking and Insurance accounts increased mid-single digits, while Diversified Financials improved low-single digits. Within this industry, sequential growth was led by Application Engineering, Cloud and Infrastructure, and Data and AI solutions. Healthcare account growth was led by mid-teens improvements in Life Sciences, where the work was concentrated in Application Engineering. Within Business Services, Cloud and Infrastructure solutions for our state and local customers drove the sequential uptick.

On a year-over-year basis, we saw growth in the TMT industry, in which Software and Interactive was our strongest-performing sub-vertical, followed by Media and Entertainment. Though down low-single digits year-over-year, the Consumer and Industrial vertical saw double-digit growth in Industrials, Automotive, and Transportation accounts, while Utilities improved high-teens as compared to the second quarter of 2025. Within Financial Services, Insurance accounts were the standout performer year-over-year.

Turning to our Federal Segment. National Security customers again delivered the strongest growth and were up mid-single digits year-over-year and low double-digits sequentially. This was primarily driven by the cybersecurity work for DHS that Ted noted. We also saw mid-single digit growth in our Other clients year-over-year, led by the USPS, where we are helping deploy a purpose-built AI application designed to improve the agency's operational efficiency.

Executing Where Client Priorities are the Highest - AI, Data, Cybersecurity

Building on the industry discussion, I'd like to transition to our solutions performance, which provides a clear view of where the client demand is strongest today. As Ted highlighted, AI and Data remain a significant driver of demand across our portfolio.

In the TMT industry, during the second quarter, we expanded our work with a leading frontier AI organization, scaling specialized operations that support advanced AI and robotics development. Our teams are providing critical support for large-scale data acquisition, testing, and lab execution activities that help train, validate, and operationalize our customer's next-generation AI systems and robotics initiatives.

Also, within the Data and AI space, we are working with technology partners to build innovative assets and accelerators that will enable our joint customers to leverage AI capabilities enterprise wide. Our relationship with Snowflake continues to strengthen, expanding beyond services delivery into purpose-built solution development on their platform. Together, we are building differentiated capabilities across AI cost optimization, a Telecommunications Engineering Center of Excellence aligned to Snowflake's TMT practice, and a multi-modal accelerator that unlocks intelligence from unstructured content for the Media and Entertainment industry. Each of these efforts represents a high-value, platform-native offering we are developing for our customers.

In our federal business, we are supporting the Navy's Harbinger Program by training and optimizing AI-enabled sonar models for undersea detection, indications, and warnings. Our team of Data and AI experts are designing and building Mission Partner Environments that enable multinational collaboration across networks and support experimentation, cloud-hosted development, and operational exercises that demonstrate our differentiated expertise in secure mission systems and data engineering.

Also, during the second quarter, our Federal Government Segment secured a research and engineering contract with the Army Nautilus Program, which we announced in yesterday's press release. Through the Nautilus Program, we will accelerate the Department of War's development, testing, and operational integration of advanced AI capabilities. As the prime contractor on the Nautilus Program, Everforth professionals will apply expertise in AI development, software engineering, cybersecurity, and AI field testing, and evaluation to identify scalable approaches for the government's transition from AI experimentation to mission use.

Building on our momentum in Data and AI, our Cloud and Infrastructure practice continues to expand as we support the nationwide build-out of next-generation data centers. Everforth has contracts in place with the top four global hyperscalers, and in the second quarter, we were awarded a contract by a global hyperscaler to provide network services for a new AI data center currently under construction. This positions us early in the facility's lifecycle, with the expectation of expanding into ongoing operational support once the data center is live. Having the maturity and rigor of operations to win these longer data center consulting contracts not only deepens our ongoing customer relationships, but it also shows that the hyperscaler community trusts Everforth with their most significant investments.

As Ted discussed at the start of the call, cyber resilience is of heightened importance in today's AI-driven environment. In the cybersecurity space, Everforth is both a delivery partner and a strategic advisor, helping customers strengthen their security posture while preparing for emerging threats. In the quarter, we won a new award under our flagship cybersecurity program with the Army, the Army Endpoint Security Solution (AESS) Program, to ready the Army and the Department of War for Post Quantum Cryptography (PQC), or the next generation of encryption designed to protect data from future quantum threats. This award builds on Everforth's work enabling the Army to become the first and only military service to fully automate and report cybersecurity compliance.

The need to prepare for a post-quantum future is not limited to government agencies. Across the Commercial sector, organizations are increasingly evaluating how emerging quantum technologies could impact the security of their systems and operations. For one of the largest retail brokerage platforms in the U.S., our Commercial team is delivering a unified, end-to-end cybersecurity transformation centered on modernizing our customer's security operations while preparing the brokerage for PQC. What began as an initial assessment of the customer's encryption capabilities, has grown into a broader transformation focused on automating and centralizing how the company manages encryption and digital security across its systems. This shift replaces manual, fragmented processes with scalable, automated operations which are enhanced by agentic AI to streamline efforts, improve reliability, and increase efficiency.

Before turning the call over to Marie to discuss our second quarter 2026 financial results in further detail, I'd like to provide an update on our enterprise platform performance for the quarter. Across our enterprise platform portfolio, we're seeing improving consistency in both pipeline build and conversion of bookings to revenue, with trends moving back to historical norms. As Ted noted, Workday quarterly bookings were especially strong, indicative of our pipeline conversion strength and margin improvement in the quarter.

We are also actively integrating AI within our delivery of enterprise software solutions and developing assets that complement our existing capabilities. In the second quarter, we launched AgentBloc, a common platform for Workday specific skills, tools, and governance to drive AI-powered capabilities into our proprietary SmartLoader data conversion and delivery automation platform to reduce build time and test cycles. In other words, we are not just enabling AI capabilities within our customers' Workday platforms, we are running it on our own delivery.

With automation comes margin expansion and reduced workloads for both Everforth and our customers. We pivot these customer savings into enhanced client satisfaction, enabling us to continue to grow our market share.

Despite continued improvements in automation, enterprise platform journeys still need humans to provide context, judgment, and accountability. We are constantly upskilling and developing our team’s AI expertise to ensure they are ready to take on any customer challenge.

With that, I'll turn the call over to our CFO, Marie Perry, to discuss our second quarter 2026 performance and third quarter guidance.

MARIE L. PERRY
Chief Financial Officer:

Q2 2026 Financial Performance and Q3 2026 Financial Estimates

For the second quarter, revenues exceeded $1.0 billion and were above the top end of our guidance range. Revenues from our Commercial Segment were $701.7 million, a slight decrease of 0.9 percent year over year. Revenues from our Federal Government Segment were $305.3 million, a decrease of 2.3 percent year-over-year.

Turning to margins. Gross margins for the second quarter of 2026 were 28.3 percent, including Commercial Segment gross margins of 32.1 percent, and Federal Government Segment gross margins of 19.6 percent.

SG&A for the quarter was $226.2 million, compared to $216.8 million in the second quarter of 2025.

For the second quarter, net income was $14.2 million, Adjusted EBITDA was $96.7 million, and Adjusted EBITDA margin was 9.6 percent. Adjusted EBITDA margin was above our guidance range as Ted noted.

In the quarter, we deployed $11.5 million in cash and repurchased 0.4 million shares at an average share price of $30.07. At quarter end, we had approximately $923 million remaining under our $1 billion share repurchase authorization.

Cash and cash equivalents were $152.9 million at quarter end. We had approximately $180 million available on our $500 million senior secured revolver, having repaid $23.9 million in debt during the second quarter, and our net leverage ratio was 3.1 times at the end of the quarter.

Subsequent to quarter end, we successfully completed the refinancing and upsizing of our existing revolver, replacing it and our $100 million Term Loan A, with a new five-year $600 million facility, extending its maturity date by three years. The new facility is leverage neutral at 3.1 times post close, and we remain committed to bringing our net leverage closer to 2.5 times or below. As we recently acquired Quinnox, our focus from a capital allocation perspective would be on debt repayment followed by opportunistically repurchasing shares.

Free cash flow for the second quarter was $46.3 million or 48 percent of Adjusted EBITDA. We continue to target 60 to 65 percent conversion rate of our free cash flow to Adjusted EBITDA for the full year.

Turning to guidance. Our financial estimates for the third quarter of 2026 are set forth in our earnings release and supplemental materials. These estimates are based on current market conditions and assume no further deterioration in the markets that we serve.

As we execute against our strategic plan, we expect some continued upfront investments. Our third quarter estimates include $7.5 million to $9.5 million in strategic planning expenses related to the execution of our Next Wave Growth Strategy, which we expect will continue to decline over the coming quarters. As noted last quarter, alongside these investments, we are implementing targeted initiatives that will generate meaningful structural cost savings for the business. These efforts are progressing as planned.

With that as background, for the third quarter of 2026, we are estimating revenues of $994 million to $1.024 billion, net income of $14.5 million to $23 million, Adjusted EBITDA of $95 million to $105 million, and Adjusted EBITDA margin of 9.6 percent to 10.3 percent.

Thank you; I'll now turn the call back over to Ted.

THEODORE S. HANSON
Chief Executive Officer:

Leading by Example with AI

As we begin the second half of the year, we remain confident in Everforth's ability to lead in an increasingly AI-driven marketplace. Our foundation has always been the ability to deliver specialized talent at scale and speed. This capability, combined with our expertise in integrating AI into complex enterprise environments, positions Everforth to expertly support our customers as they navigate their next phase of enterprise transformation.

As noted at the start of today's call, enterprises are increasingly focused on how to implement AI securely and responsibly while enabling productive and efficient outcomes. This shift is driving demand for Everforth's differentiated model.

As you may recall, last November we introduced our AI Factory, a unified framework designed to help enterprises scale AI. Over the past eight months, we've evolved that offering into what we've now coined as TotalSight, an enterprise AI operating platform that provides customers with a secure, repeatable path from concept to production-ready AI. TotalSight addresses one of the key issues we reviewed at the start of today's call, which is that few enterprises have the governance, security, and operating processes in place to deploy AI reliably at-scale. By providing a modular platform for AI lifecycle management, TotalSight helps our customers accelerate AI deployment, reduce effort duplication, and manage their AI investments consistently across cloud, on-prem, and disconnected environments.

We are actively using TotalSight to support current customers and new business development. With the support of Quinnox, for example, our TotalSight team has built a growing portfolio of AI-powered solutions and accelerators for the Banking and Insurance industries. These solutions help our financial services customers automate complex processes, improve customer experience, enhance productivity, and, importantly, unlock greater value from their massive data sets.

Just as important, we believe the best way to help our clients realize the value of AI is to lead by example, embedding those capabilities throughout our own operations and delivery models. In May, we launched our internal Talent Delivery Agent, which has supported the publication of thousands of Commercial job postings, improving the quality and consistency of our externally-facing positions, while also helping accelerate growth in our applicant funnel. The agent has also assisted recruiters by generating comprehensive job-fit profiles for more than 100,000 candidates, enabling faster and more effective alignment of qualified talent with client demand.

In June, we launched another agentic tool, a Sales Agent, that is now supporting hundreds of sales professionals. Teams are leveraging our Sales Agent for CRM automation, meeting preparation, account intelligence, and AI-driven recommendations that help accelerate new business development efforts.

Both our Sales and Talent Delivery agents are powered by a robust and evolving data foundation built on Salesforce Data360, which enables us to curate rich, data-driven intelligence on the candidates and clients we serve and then activate those insights in real-time through AgentForce.

While these initiatives are still in the early stages, they are already helping us improve speed, consistency, and productivity across key workflows. More importantly, they reinforce our conviction that meaningful AI transformation starts with operational execution. By applying these technologies within our own business, we are strengthening our expertise, accelerating innovation, and creating a better foundation to help our clients navigate their own AI journeys.

That concludes our prepared remarks. Before we open the call for questions, I want to thank our teams for their dedication, adaptability, and commitment to our customers. The progress we've discussed today is a direct reflection of your expertise, collaboration, and willingness to embrace innovation, and together these efforts drive our success. With that, let's open up the call to questions.