



SCHEDULE 4
PRGX Global, Inc. and Subsidiaries
Reconciliation of Net Income (Loss) to EBIT, EBITDA and Adjusted EBITDA
(Amounts in thousands)
(Unaudited)

	Three Months		Nine Months	
	Ended September 30,		Ended September 30,	
	2020	2019	2020	2019
Reconciliation of net income (loss) to EBIT, EBITDA and Adjusted EBITDA:				
Net income (loss)	\$ 3,034	\$ (642)	\$ (431)	\$ (9,317)
Income tax expense	1,456	202	2,416	681
Interest expense, net	216	376	861	1,441
EBIT	4,706	(64)	2,846	(7,195)
Depreciation of property, equipment and software assets	1,295	2,648	5,401	7,232
Amortization of intangible assets	830	864	2,487	2,598
EBITDA	6,831	3,448	10,734	2,635
Impairment charges	553	—	553	—
Foreign currency transaction (gains) losses on short-term intercompany balances	(418)	905	219	1,034
Acquisition-related adjustment income	—	(250)	—	(250)
Transformation, severance, and other expenses	422	1,858	2,401	3,835
Investigation and settlement of employment matter	—	—	1,306	—
Other loss (income)	2	4	4	(4)
Stock-based compensation	1,959	527	5,155	3,573
Adjusted EBITDA	\$ 9,349	\$ 6,492	\$ 20,372	\$ 10,823
Adjusted EBITDA from continuing operations	\$ 9,349	\$ 5,592	\$ 20,372	\$ 10,181
Adjusted EBITDA from discontinued operations	\$ —	\$ 900	\$ —	\$ 642

EBIT, EBITDA and Adjusted EBITDA are all “non-GAAP financial measures” presented as supplemental measures of our performance. They are not presented in accordance with accounting principles generally accepted in the United States, or GAAP. The Company believes these measures provide additional meaningful information in evaluating the Company’s performance over time, and that the rating agencies and a number of lenders use EBIT, EBITDA and similar measures for similar purposes. In addition, a measure similar to Adjusted EBITDA is used in the restrictive covenants contained in the Company’s secured credit facility. However, EBIT, EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider them in isolation, or as substitutes for analysis of our results as reported under GAAP. In addition, in evaluating EBIT, EBITDA and Adjusted EBITDA, you should be aware that in the future we will incur expenses such as those used in calculating these measures. Our presentation of these measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.