Donnelley Financial Solutions, Inc. NYSE:DFIN

Earnings Call

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Call Participants

EXECUTIVES

Daniel N. Leib
President, CEO & Director

David A. Gardella
Executive VP & CFO

Michael Zhao
Head of Investor Relations

ANALYSTS

Charles S. Strauzer
CJS Securities, Inc.

Ross Michael Cole
Needham & Company, LLC, Research Division

Presentation

Operator

Hello, everyone. Thank you for joining us, and welcome to Donnelley Financial Solutions Second Quarter Earnings Conference Call. [Operator Instructions]

I will now hand the conference over to Mike Zhao, Head of Investor Relations. Please go ahead.

Michael Zhao
Head of Investor Relations

Thank you. Good morning, everyone, and thank you for joining Donnelley Financial Solutions Second Quarter 2026 Results Conference Call. This morning, we released our earnings report, including a set of supplemental trending schedules of historical results, copies of which can be found in the Investors section of our website at dfinsolutions.com. During this call, we'll refer to forward-looking statements that are subject to risks and uncertainties. For a complete discussion, please refer to the cautionary statements included in our earnings release and further detailed in our most recent annual report on Form 10-K, quarterly report on Form 10-Q and other filings with the SEC.

Further, we will discuss certain non-GAAP financial information, such as adjusted EBITDA and adjusted EBITDA margin. We believe the presentation of non-GAAP financial information provides you with useful supplementary information concerning the company's ongoing operations and is an appropriate way for you to evaluate the company's performance. They are, however, provided for informational purposes only. Please refer to the earnings release and related tables for GAAP financial information and reconciliations of GAAP to non-GAAP financial information. I am joined this morning by Dan Leib and Dave Gardella.

I will now turn the call over to Dan.

Daniel N. Leib
President, CEO & Director

Thank you, Mike, and good morning, everyone. We continue to build on the positive momentum in our operating performance during the second quarter, highlighted by consolidated net sales growth, year-over-year growth in adjusted EBITDA, adjusted EBITDA margin expansion and increases in both operating cash flow and free cash flow, all in the context of an unsettled environment.

We delivered second quarter net sales of $224.2 million, which increased 2.8% compared to the second quarter of 2025 and included a strong mix of revenue with software solutions net sales growing approximately 8%, tech-enabled services net sales increasing nearly 6% and Print and distribution net sales declining 15%.

Moving forward, we expect this dynamic to continue. With print and distribution representing a smaller component of overall sales, the long-term secular decline in this area will be more than offset by growth elsewhere in our portfolio, resulting in sustained consolidated revenue growth. The combination of our improved revenue profile, modest consolidated net sales growth and disciplined cost management yielded second quarter adjusted EBITDA of $82.3 million and adjusted EBITDA margin of 36.7%, both of which exceeded last year's second quarter and once again, were significantly stronger than historical periods with similar revenue profiles.

One area I would like to highlight is the continued momentum in our software offerings, where we delivered record quarterly net sales of nearly $100 million, representing year-over-year net sales growth of approximately 8%. Software solutions accounted for 44.3% of total net sales in the second quarter, an increase of approximately 200 basis points from last year's software solutions net sales mix.

As a reminder, the second quarter, largely due to the annual meeting and proxy season, historically represents our largest quarter overall, yet represents a seasonal low for software as a percentage of revenue. On a trailing 4-quarter basis, software solutions net sales comprised 47.9% of total net sales, an increase of approximately 280 basis points from the second quarter 2025 trailing 4-quarter period.

Our second quarter software solutions net sales growth continues to be led by the performance of ActiveDisclosure, which grew approximately 29% year-over-year, marking the fourth consecutive quarter of 20% plus growth. ActiveDisclosure's strong growth continues to be driven by an increase in net client count and higher average value per client, combined with the migration of activities previously served by our traditional services offerings, including an increase in the number of transactional documents being completed on ActiveDisclosure compared to last year's second quarter, a trend we expect to continue going forward. With the most modern technology on the market, improved go-to-market execution and expanding AI-driven capabilities, including functions powered by Active Intelligence such as iXBRL tagging for SEC filings. We believe ActiveDisclosure is well positioned for future growth.

Venue and Arc Suite each delivered modest sales growth in the second quarter. In the case of Venue, our strong sales execution, a resilient level of underlying activity and the continued customer adoption of New Venue combined to more than offset a large deal room that benefited Venue's robust second quarter 2025 performance. We remain encouraged by Venue's performance and expect the adoption of New Venue to continue to contribute to Venue's performance.

As it relates to Arc Suite, we delivered approximately 2% sales growth, a continuation of the more modest growth rate from the first quarter this year. As I have stated previously, we expect the growth profile of Arc Suite to be more modest during periods outside of regulatory changes, while over the longer term, still exhibiting the strong growth we have delivered historically, based in part on a dynamic and evolving regulatory environment.

In addition to serving regulatory changes as they occur, we remain encouraged by the market opportunities associated with the expansion of private investments. As private investment institutions and administrators face expanding reporting, compliance and disclosure requirements, DFIN is well positioned to support their evolving needs through software solutions offerings, including ArcFlex. Coupled with our deep domain and service expertise, DFIN offers unparalleled end-to-end financial and regulatory reporting solutions, purpose-built to serve the growing private funds market.

As we continue to evolve towards a higher sales mix of software solutions during the second quarter, that mix shift was accelerated by a reduction in print and distribution net sales, which declined by approximately $6 million or 15% compared to the second quarter of 2025. This decrease was driven primarily by a reduction in the printing and distribution of annual reports and proxy statements.

Over a longer horizon, print and distribution net sales have declined from approximately $385 million at the time of our spin-off to approximately $108 million on a second quarter 2026 trailing 4-quarter basis, representing a reduction of 72%. While this reduction reflects long-term secular decline in demand and the proactive exit of certain lower-margin work, the pace of decline has also been accelerated by regulatory changes such as SEC Rules 30e-3 and 498A in 2021 as well as the recent Tailored Shareholder Reports regulation in 2024, all of which structurally reduced the market demand for printed products.

Looking ahead, the industry is entering another regulatory-driven shift away from print. On July 16, the SEC proposed Regulation E-Delivery, a new rule that would establish electronic delivery as the default method for a broad range of investor communications materials, including prospectuses, mutual fund annual and semiannual shareholder reports, proxy statements and other required communications. This new regulation, if enacted, reinforces the long-term trend towards digital distribution of shareholder communication materials and will further accelerate the industry's migration away from print. Based on the SEC's customary rule-making process, which includes a public comment period, final rule adoption and subsequent implementation and transition periods, we expect the industry-wide impact to take place during 2028.

While we continue to refine our estimates, we believe the proposal has the potential to materially reduce demand for printed products over time. Our flexible operating model and digital delivery capabilities position DFIN to both manage the impact of lower print volumes and support clients as they manage the complexity of content management and digital distribution in an electronic delivery environment.

Before turning the call over to Dave, I'd like to highlight a few organizational updates. First, as we continue to evolve towards a software-centric company, we strengthened our leadership team with the appointment of Ken Napolitano as Chief Revenue Officer. In this newly created role, Ken is focusing on accelerating growth by enhancing our go-to-market capabilities and deepening our customer relationships to support our long-term growth strategy. We also strengthened our Board of Directors with the addition of Joe Binz, a finance leader in the technology industry. Joe brings valuable experience and perspective that will support our long-term strategy and continue to focus on creating value for our shareholders.

Finally, our efforts to transform our culture and enhance employee experience are once again being recognized in the marketplace. During the second quarter, DFIN was recognized as the #1 Most Loved Workplace on the 2026 Global 100 Most Loved Workplaces list published in the Economist. This recognition is a further proof point of the progress we are making transforming DFIN into an employer of choice that attracts, develops and retains talented professionals who share our culture, which emphasizes accountability, collaboration and integrity, creating a strong culture in which the well-being of employees is a strategic priority has allowed us to transform our business and drive value for clients, employees and shareholders.

Before I share a few closing remarks, I would like to turn the call over to Dave to provide more details on our second quarter results and our outlook for the third quarter. Dave?

David A. Gardella
Executive VP & CFO

Thanks, Dan, and good morning, everyone. As Dan noted, we delivered strong results in the second quarter by continuing to build on the positive momentum in our operating performance, highlighted by the third consecutive quarter of consolidated net sales growth, higher adjusted EBITDA, adjusted EBITDA margin expansion and an increase in both operating cash flow and free cash flow from last year's second quarter.

We continue to deliver solid growth in our software solutions offering during the quarter, which grew 7.8% year-over-year and reached record quarterly net sales of $99.4 million. In addition, we experienced a stronger-than-expected increase in the level of capital markets transactions compared to last year's second quarter. By continuing our shift toward a more profitable sales mix while also driving operating efficiencies, we expanded our second quarter adjusted EBITDA margin by approximately 170 basis points to 36.7%, also a quarterly record for DFIN.

On a consolidated basis, total net sales for the second quarter of 2026 were $224.2 million, an increase of $6.1 million or 2.8% from the second quarter of 2025. The growth in software solutions net sales, which increased $7.2 million or 7.8% compared to the second quarter of last year, combined with the higher event-driven transactional revenue more than offset declines in capital markets and investment companies compliance revenue, part of which was related to a reduction in the demand for printed products consistent with recent trend. Excluding print and distribution, second quarter net sales increased by 6.9%.

Second quarter adjusted non-GAAP gross margin was 66%, approximately 230 basis points higher than the second quarter of 2025, driven by the growth in Software Solutions and capital markets transactional net sales, the impact of cost control initiatives and price uplifts.

Adjusted non-GAAP SG&A expense in the quarter was $65.7 million, a $3.1 million increase from the second quarter of 2025. As a percentage of net sales, adjusted non-GAAP SG&A was 29.3%, an increase of approximately 60 basis points from the second quarter of 2025. The increase in adjusted non-GAAP SG&A was primarily driven by an increase in selling expense related to higher sales volume, higher bad debt expense and higher incentive compensation expense, partially offset by the impact of cost control initiatives.

Our second quarter adjusted EBITDA was $82.3 million, an increase of $6 million or 7.9% from the second quarter of 2025. Second quarter adjusted EBITDA margin was 36.7%, an increase of approximately 170 basis points from the second quarter of 2025. The increases in adjusted EBITDA and adjusted EBITDA margin were primarily driven by higher overall sales, a favorable sales mix and cost control initiatives, partially offset by higher selling expense related to higher sales volume and higher incentive compensation expense.

Turning now to our second quarter segment results. Net sales in our Capital Markets Software Solutions segment were $65.7 million, an increase of $6.6 million or 11.2% from the second quarter of last year, primarily driven by growth in ActiveDisclosure, which grew approximately 29%. Total subscription revenue increased by approximately 15%, primarily driven by the continued growth in client count and the ongoing adoption of service subscription packages, while non-subscription revenue increased approximately 69%, reflecting an increase in the volume of certain traditional activities transitioning to ActiveDisclosure, primarily related to the use case for transactional filings.

During the second quarter, we experienced a higher usage of ActiveDisclosure in the creation and filing of S-1 documents for certain IPO transactions compared to last year and accounted for approximately 1/3 of ActiveDisclosure's total second quarter growth. We expect this trend to continue in the future, driven by the capabilities of our software platform, combined with the evolving client preference to work in a hybrid environment, leveraging both our software and unmatched service and domain expertise. We remain encouraged by ActiveDisclosure's solid foundation for future revenue growth, a part of which will be influenced by the pace of traditional activities transitioning on to the platform.

During the second quarter, Venue posted $37.5 million in revenue, an increase of approximately 1% compared to the second quarter of last year, which benefited from a large project. In addition, Venue delivered strong sequential growth in revenue, increasing approximately 14% from the first quarter. A resilient level of underlying activity taking place on the platform, coupled with positive market reception of New Venue creates a strong foundation for continued sales growth. Adjusted EBITDA margin for the segment was 36.1%, a decrease of approximately 180 basis points from the second quarter of 2025, primarily due to higher selling expense and higher incentive compensation expense, partially offset by cost control initiatives.

Net sales in our Capital Markets Compliance and Communications Management segment were $95.9 million, an increase of $2.4 million or 2.6% from the second quarter of 2025, driven by higher transactional revenue, partially offset by lower compliance volume. In the second quarter, we recorded $47.3 million of capital markets transactional revenue, which exceeded the high end of our expectations and was up approximately $13 million or 36% from the second quarter of 2025, overlapping record low transactional revenue in last year's second quarter, during which global equity deal volume declined sharply as a result of tariff-induced market volatility and macroeconomic uncertainty.

Entering this year's second quarter, despite escalating geopolitical tensions, the capital markets transactional environment remained resilient. The positive momentum in the equity deal environment, which had been building over the last few quarters continued into the second quarter of 2026, resulting in increases in the number of regular way IPO transactions that raised over $100 million and completed public company M&A deals in the U.S. compared to the second quarter of 2025. For transactions that were completed in the second quarter, we maintained our historical market share, reflective of DFIN's strong market position.

Capital Markets compliance revenue was down $10.1 million primarily due to lower proxy statement and annual report volume and the related printing and distribution, consistent with our experience during last year's proxy and annual meeting season. Given the first half of the year is the peak for proxy-related activity, we expect the impact of the reductions to become less significant in the second half of the year.

In addition, certain traditional compliance activities shifted to ActiveDisclosure during the second quarter. Specific to the shift of revenue from traditional services to software, as I noted previously, we expect this dynamic to produce favorable economics with slightly lower revenue but higher adjusted EBITDA margin, which has played out so far. Adjusted EBITDA margin for the segment was 41.9% an increase of approximately 250 basis points from the second quarter of 2025. The increase in adjusted EBITDA margin was primarily due to higher transactional sales and cost control initiatives, partially offset by higher bad debt expense.

Net sales in our Investment Companies Software Solutions segment were $33.7 million, an increase of $0.6 million or 1.8% versus the second quarter of 2025, driven by an increase in subscription revenue. As expected, Arc Suite's second quarter growth remained more modest compared to the growth rate in last year's second quarter, during which net sales increased approximately 17% year-over-year, driven by the uplift from the tailored shareholder report solution.

As Dan noted earlier, we are encouraged by the market opportunity presented by the continued growth of private investments and believe DFIN is well positioned to support increasing demand through our software solutions, including ArcFlex and our deep domain expertise and service capabilities. Adjusted EBITDA margin for the segment was 43.3%, an increase of approximately 40 basis points from the second quarter of 2025. The increase in adjusted EBITDA margin was primarily due to price uplifts and cost control initiatives, partially offset by higher service-related costs.

Net sales in our Investment Companies Compliance and Communications Management segment were $28.9 million, a decrease of $3.5 million or 10.8% from the second quarter of 2025, primarily driven by lower print and distribution volume, which accounted for $2.6 million of the year-over-year decline.

The reduction in print and distribution revenue is a result of the secular decline in the demand for printed materials, a trend we expect to continue going forward. Adjusted EBITDA margin for the segment was 41.2%, approximately 230 basis points higher than the second quarter of 2025. The increase in adjusted EBITDA margin was primarily due to a favorable sales mix and cost control initiatives, partially offset by the impact of lower sales volume.

Non-GAAP unallocated corporate expenses were $8.1 million in the quarter, a decrease of $1.6 million from the second quarter of 2025, primarily driven by lower third-party expenses in the quarter. Free cash flow in the quarter was $61.2 million, an improvement of $9.5 million compared to the second quarter of 2025. The year-over-year improvement in free cash flow was primarily driven by an increase in adjusted EBITDA, lower cash tax payments and lower capital expenditures. We ended the quarter with $204 million of total debt and $178.7 million of non-GAAP net debt, including $96.5 million drawn on our revolver. As of June 30, 2026, our non-GAAP net leverage ratio was 0.7x.

As a reminder, our cash flow is historically seasonal, though over time, that seasonality has become less pronounced as our sales mix has evolved towards software subscriptions. Regarding capital deployment, we repurchased approximately 763,000 shares of common stock during the second quarter for $34.7 million at an average price of $45.48 per share. Year-to-date through June 30, we've repurchased approximately 1.4 million shares for $63 million at an average price of $46.40 per share. As of June 30, 2026, we had $125.4 million remaining on our $150 million stock repurchase authorization. We continue to view share repurchases as an important component to drive value for shareholders and part of our balanced capital deployment plan, which also features organic investments to drive future growth.

As it relates to our outlook for the third quarter of 2026, we expect consolidated net sales in the range of $175 million to $185 million and adjusted EBITDA margin in the range of 26% to 28%, compared to the third quarter of last year, the midpoint of our consolidated revenue guidance, $180 million, implies an increase of approximately $5 million or 3% year-over-year as growth in software solutions net sales, predominantly ActiveDisclosure and Venue, and higher Capital Markets transactional revenue are expected to more than offset a continued decline in print and distribution net sales. Further, our estimates assume capital markets transactional revenue in the range of $45 million to $50 million, which at the midpoint is up approximately $6 million from last year's third quarter.

With that, I'll now pass it back to Dan.

Daniel N. Leib
President, CEO & Director

Thanks, Dave. Our performance in the second quarter provides us with strong momentum as we continue to execute DFIN's strategic transformation. The combination of our market position, cost structure and strong balance sheet positions us well heading into the back half of the year.

Finally, in October, DFIN will celebrate an important milestone as we mark our 10-year anniversary as an independent public company. As we look ahead to that milestone, we are proud of the transformation we have achieved. Over the past decade, we have successfully evolved our business, modernized and launched new software solutions offerings and strengthened our market position. With a proven strategy, deep client relationships and a talented team, we believe DFIN is very well positioned for its next chapter of growth and value creation.

Before we open it up for Q&A, I'd like to thank the DFIN employees around the world.
Now with that, operator, we're ready for questions.

Question and Answer

Operator

[Operator Instructions] Your first question comes from the line of Charlie Strauzer with CJS Securities.

Charles S. Strauzer
CJS Securities, Inc.

Can we talk a little bit more about the E-Delivery news that just came out? How is this different from 30e-3? And what are the kind of the key pieces here that have to fall into place to get this to move forward?

Daniel N. Leib
President, CEO & Director

Yes. Thank you, Charlie. This is -- and it's fairly new, as we mentioned, it was mid-July where the proposal came out. It is broader than 30e-3. And so we're still in the assessment phase. And if you remember, when 30e-3 and 498A came out, we were able to spin up a software offering and benefited on the software side with our total compliance management offering. So we're still assessing the breadth of it.

In terms of process, as I mentioned, just came out, there will be a comment period back to the SEC and then there will be adjustments to the proposed reg or not. And, if and when passed, the current thinking is that it would go into effect and have impact in 2028. So a bit of lead time. We mentioned in the prepared remarks from a platform perspective -- we are highly variabilized. We do have one facility that we have a few digital printing assets in and that's been really beneficial for us, but we have variabilized the vast majority of our print requirements at this point.

Charles S. Strauzer
CJS Securities, Inc.

Got it. That's helpful. And looking at the capital markets environment, obviously, there's been some rebound here. And you mentioned that you're getting your fair share of work. Can you maybe elaborate on that a little bit more?

David A. Gardella
Executive VP & CFO

Yes, Charlie, it's Dave. I'll start. So I think we did see a pretty nice rebound in the second quarter, as we mentioned, on the number of IPOs over $100 million, et cetera, and had right around 50% of those or so in the quarter. Like we said, overlapping a soft quarter from the second quarter of 2025, where we saw April really slow down last year and then start to pick up more in May and June. But, still a soft quarter in the second quarter last year.

Like we said in the prepared remarks, we've seen this momentum building over the last few quarters following Q2 of last year, and then we had the government shutdown late last year, et cetera. So this momentum is building. It was nice to start to see it come through in Q2 here. And as our guidance implies for Q3, our range at -- well, I guess, at the midpoint, capital markets transactional revenue up $5 million or $6 million relative to Q3 of last year.

Daniel N. Leib
President, CEO & Director

Yes. It does feel like -- and we're seeing volume of activity in-house has been strong. And to Dave's point, it's a question of when things come out into the market.

Charles S. Strauzer
CJS Securities, Inc.

Got it. And then looking at kind of the post-IPO deal uptake, if you will, having someone take your software products after they've gone public, are you pleased with what you've seen there in terms of uptake?

Daniel N. Leib
President, CEO & Director

Yes. We've seen improvement in that over time. The vast majority are continuing on as compliance clients post IPO, which is great to see. Obviously -- it's an area we focus on as well.

Charles S. Strauzer
CJS Securities, Inc.

Got it. And then, Dave, on guidance, just a little bit more color there, if you wouldn't mind maybe sharing with us your thoughts on kind of any abnormalities we should think about in the quarter versus comps from last year as well as free cash flow in the quarter, expectations there?

David A. Gardella
Executive VP & CFO

Yes. I would say, as I think about any comparables, nothing overly significant last year in terms of the top line. We did have some expense true-ups, et cetera. But I think when you look at our EBITDA margin guidance at the top end of the range, it's essentially flat to last year where we've been 28% EBITDA margin. I think when you look at overall top line growth, right, at the midpoint, roughly 3% growth implied in our guidance.

And like I said, some of that coming from the continued momentum in the capital markets transactional area. And then I would say the rest of the business, probably more similar to what we've seen so far this year, right? And we talked a little bit about it in the prepared remarks, expecting that the growth on the software side, in particular, from ActiveDisclosure and Venue to continue. And like we said on the Arc Suite product, more modest growth similar to what we saw in Q2 here.

Charles S. Strauzer
CJS Securities, Inc.

Got it. And one last one for me. Just looking at SG&A and expenses in the quarter, a little higher than I had modeled. Anything driving that?

David A. Gardella
Executive VP & CFO

We hit some of it, Charlie, in the prepared remarks. It's, I'd say, bits and pieces, right? We talked about incentive compensation being a little bit higher in the quarter. We talked about -- there was a little bit of bad debt increase in the quarter. I think overall, when you look at the shift to software, right, we're driving higher gross margins. Gross margin was up a couple of hundred basis points.

I think when you look at it -- that typically comes with a little bit higher SG&A as well just on the overall mix of business from a sales comp perspective, and obviously yielded higher EBITDA margins. So kind of a balance between some of the discrete items in the quarter and then with this continued mix shift, the expanding EBITDA margin is really a function of more expansion at gross margin, partially offset by some of the higher SG&A that you noted.

Charles S. Strauzer
CJS Securities, Inc.

Got it. Sorry, one more just on the housekeeping side on share count assumption for the quarter, Q3?

David A. Gardella
Executive VP & CFO

Yes, we didn't give any specific guidance here. So we did repurchase 763,000 shares in the quarter. And like we said in the prepared remarks, we view ongoing share repurchase as an important part of our capital deployment. And I think as we've said in the past, we've been more aggressive at lower prices, less aggressive at higher prices and no change in direction from that perspective.

Operator

[Operator Instructions] Your next question comes from the line of Ross Cole with Needham & Company.

Ross Michael Cole
Needham & Company, LLC, Research Division

Congratulations on the print. So my first question is around some of the cost-saving initiatives in place. I see your EBITDA margins came in pretty well, it's impressive, and a lot of that's driven by the mix shift. I was wondering if you can maybe quantify the impact of those cost-saving initiatives and maybe elaborate a little more on what they are?

David A. Gardella
Executive VP & CFO

Yes, Ross, thanks for the question. I think you've followed the company for a while now. I think that cost discipline is certainly part of the culture here. And it's everything from third-party spend to shifts in headcount and more recently, leveraging AI to drive productivity, et cetera. So a long list of factors. I would say, probably the way to think about it, where I started initially, is that kind of this cost discipline is really part of our DNA at DFIN, and we'll continue to look for areas to drive productivity -- and expand margin -- and on top of that margin expansion that I noted that's driven by the mix shift as well.

Daniel N. Leib
President, CEO & Director

Yes. And the only thing I would add is that a lot of the savings are coming from enhanced process and taking out process steps and delivering a superior client experience by simplifying some of our processes. We have put in, over the past several years, much better tooling and measurements. And so that's been a component piece of it in addition to what Dave highlighted.

Ross Michael Cole
Needham & Company, LLC, Research Division

Great. So it sounds like it's really a continuation of the same good processes you've been doing for a while. And then I'm wondering as well about some of the transactional revenue. Thank you for providing some guidance for the third quarter. I was wondering what assumptions are baked into that guidance? And do you see the capital markets activity pretty much being stable going forward into the quarter? Or kind of like what's the difference between that low and high end of the $45 million to $50 million? And what assumptions are in there for like the overall capital markets health?

David A. Gardella
Executive VP & CFO

Yes. It's a good question. I'd say if I start at the highest level, I would say a similar environment that we experienced in the second quarter. And I would say, so far, through the one month of the quarter in July, that assumption has held. I think, frankly, from the bottom end of the range to the top end of the range is really just mostly timing of revenue recognition and when some of these deals might go effective, et cetera. And so we generally have reasonable visibility to kind of this range. But I think picking a point in the range often comes down to the timing question and when deals go effective and therefore, impacting revenue recognition. I think overall, we feel pretty good about the market environment. And like I said, so far this quarter, only one month in, but so far, playing out nicely.

Ross Michael Cole
Needham & Company, LLC, Research Division

Great. And then one last question on the share repurchases as well. Hopefully, I can get some color on that. I noticed you've done about $76.2 million in repurchases so far this year. You have $150 million share repurchase authorization. Do you think assuming it remains -- the shares you believe remain kind of undervalued and it's a good opportunity to repurchase, do you think you'd be buying at about the same level as you have the last two quarters?

David A. Gardella
Executive VP & CFO

Yes. I think, as I mentioned, we've been historically more aggressive at the lower prices, less aggressive at higher prices. I think when you look at the numbers you referenced, right? And the one thing I might call out is on the $150 million share repurchase, we have about just over $125 million remaining as of the end of the quarter. Part of the year-to-date repurchases was done under the prior authorization. So there's still $125 million remaining. And I think similar to the question that Charlie asked, we continue --like we mentioned in the prepared remarks, continue to view the share repurchases as an important part of our capital deployment.

Operator

There are no further questions at this time. I will now turn the call back to Dan for closing remarks.

Daniel N. Leib
President, CEO & Director

Great. Thank you, and thank you, everyone, for joining us. We will look forward to speaking with you soon.

Operator

This concludes today's call. Thank you for attending. You may now disconnect.

Daniel N. Leib
President, CEO & Director
Thank you very much.