MAKING THE WORLD A BETTER, SAFER, MORE CONNECTED PLACE TO LIVE.

Third Quarter Earnings Conference Call

January 31, 2019

Quarter Ended December 31, 2018

100 YEARS KEMET ESTABLISHED 1919

Cautionary Statement

Certain statements included herein contain forward-looking statements within the meaning of federal securities laws about the Company's financial condition and results of operations that are based on management's current expectations, estimates and projections about the markets, in which the Company operates, as well as management's beliefs and assumptions. Words such as "expects," "anticipates," "believes," "estimates" or other similar expressions and future or conditional verbs such as “will,” “should,” “would,” and “could” are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in, or implied by, such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's judgment only as of the date hereof. The Company undertakes no obligation to update publicly any of these forward-looking statements to reflect new information, future events or otherwise.

Factors that may cause actual outcomes and results to differ materially from those expressed in, or implied by, these forward-looking statements include, but are not necessarily limited to the following: (i) adverse economic conditions could impact our ability to realize operating plans if the demand for our products declines, and such conditions could adversely affect our liquidity and ability to continue to operate and could cause a write down of long-lived assets or goodwill; (ii) an increase in the cost or a decrease in the availability of our principal or single-sourced purchased raw materials; (iii) changes in the competitive environment; (iv) uncertainty of the timing of customer product qualifications in heavily regulated industries; (v) economic, political, or regulatory changes in the countries in which we operate; (vi) difficulties, delays, or unexpected costs in completing the Company’s restructuring plans; (vii) acquisitions and other strategic transactions expose us to a variety of risks, including the ability to successfully integrate and maintain adequate internal controls over financial reporting in compliance with applicable regulations; (viii) our acquisition of TOKIN Corporation may not achieve all of the anticipated results; (ix) our business could be negatively impacted by increased regulatory scrutiny and litigation; (x) difficulties associated with retaining, attracting, and training effective employees and management; (xi) the need to develop innovative products to maintain customer relationships and offset potential price erosion in older products; (xii) exposure to claims alleging product defects; (xiii) the impact of laws and regulations that apply to our business, including those relating to environmental matters, data protection, cyber security and privacy; (xiv) the impact of international laws relating to trade, export controls and foreign corrupt practices; (xv) changes impacting international trade and corporate tax provisions related to the global manufacturing and sales of our products may have an adverse effect on our financial condition and results of operations; (xvi) volatility of financial and credit markets affecting our access to capital; (xvii) the need to reduce the total costs of our products to remain competitive; (xviii) potential limitation on the use of net operating losses to offset possible future taxable income; (xix) restrictions in our debt agreements that could limit our flexibility in operating our business; (xx) disruption to our information technology systems to function properly or control unauthorized access to our systems may cause business disruptions; (xxi) economic and demographic experience for pension and other post-retirement benefit plans could be less favorable than our assumptions; (xxii) fluctuation in distributor sales could adversely affect our results of operations; (xxiii) earthquakes and other natural disasters could disrupt our operations and have a material adverse effect on our financial condition and results of operations; and (xxiv) volatility in our stock price.

ASC 606 Adoption
U.S. GAAP (Unaudited)

KEMET implemented Accounting Standards Codification 606, Revenue from Contracts with Customers ("ASC 606") as of April 1, 2018 (Fiscal Year 2019). As a result of the implementation of the new standard, the Company changed some of its accounting policies surrounding revenue recognition to be compliant with the new standard.

The Company adopted the requirements of ASC 606 using the full retrospective method, which required us to restate each prior reporting period presented in our 10-Q's and 10-K's. As such, financial data from fiscal years 2018 and earlier included in this presentation have been adjusted from what was presented in prior fiscal years to conform with the requirements of ASC 606.

For further information on these ASC 606 adjustments, refer to footnote 1 in the Company's fiscal year 2019 10-Q's.

Income Statement Highlights
U.S. GAAP (Unaudited)

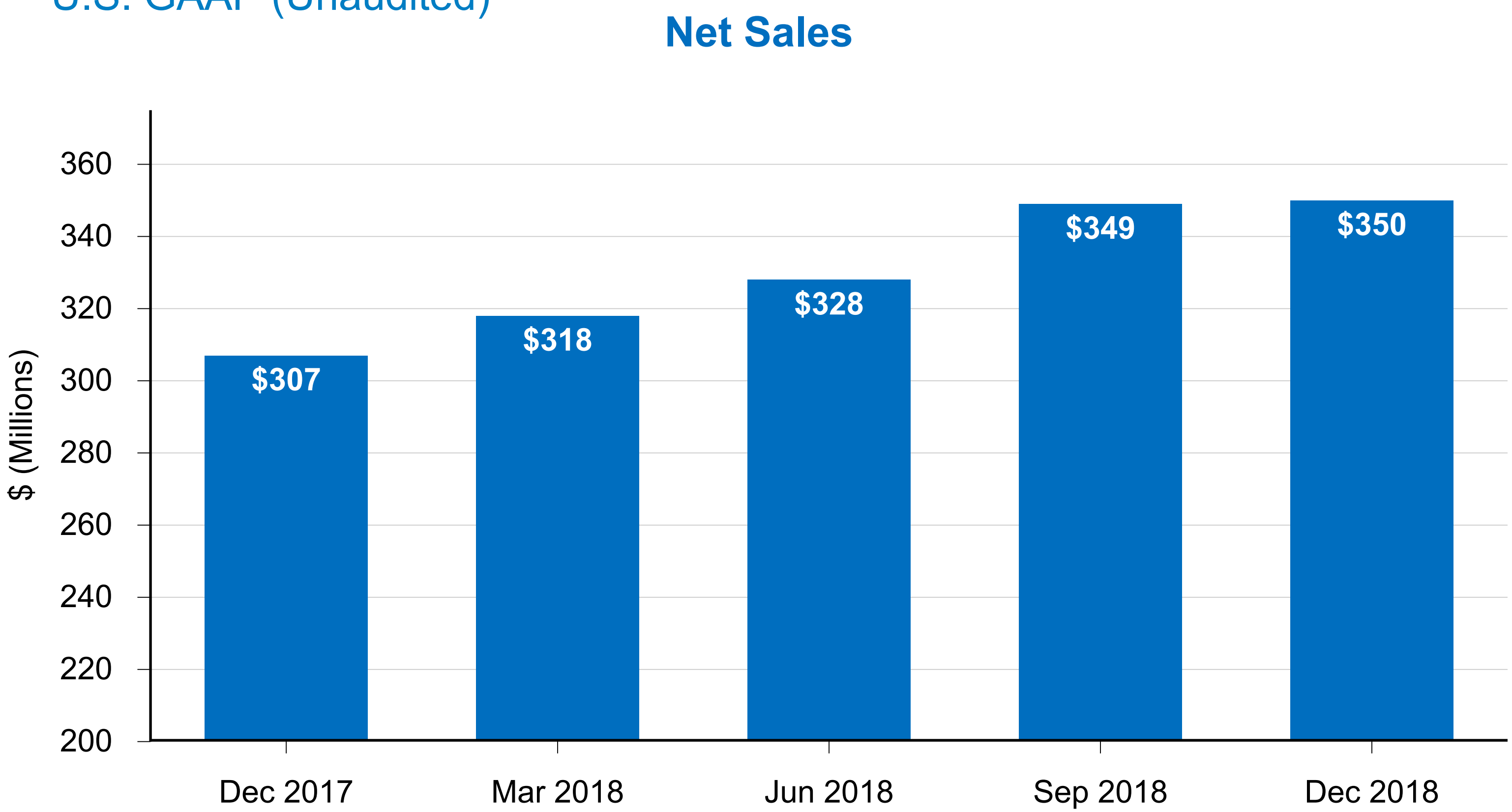
(Amounts in thousands, except percentages and per share data)	For the Quarters Ended Dec 2018	Sep 2018	Dec 2017
Net sales	**$ 350,175**	**$ 349,233**	**$ 306,576**
Gross margin	**$ 123,750**	**$ 113,565**	**$ 92,288**
Gross margin as a percentage of net sales	*35.3%*	*32.5%*	*30.1%*
Selling, general and administrative	**$ 48,271**	**$ 52,258**	**$ 47,751**
SG&A as a percentage of net sales	*13.8%*	*15.0%*	*15.6%*
Operating income (loss)	**$ 61,616**	**$ 50,000**	**$ 32,002**
Net income (loss)	**$ 40,806**	**$ 37,141**	**$ 18,589**
Per basic and diluted share data:			
Net income (loss) per basic share	$ 0.70	$ 0.64	$ 0.33
Net income (loss) per diluted share	0.69	0.63	0.32
Weighted avg. shares - basic	58,010	57,799	56,778
Weighted avg. shares - diluted	59,111	59,197	58,937

Income Statement Highlights
Non-GAAP (Unaudited)

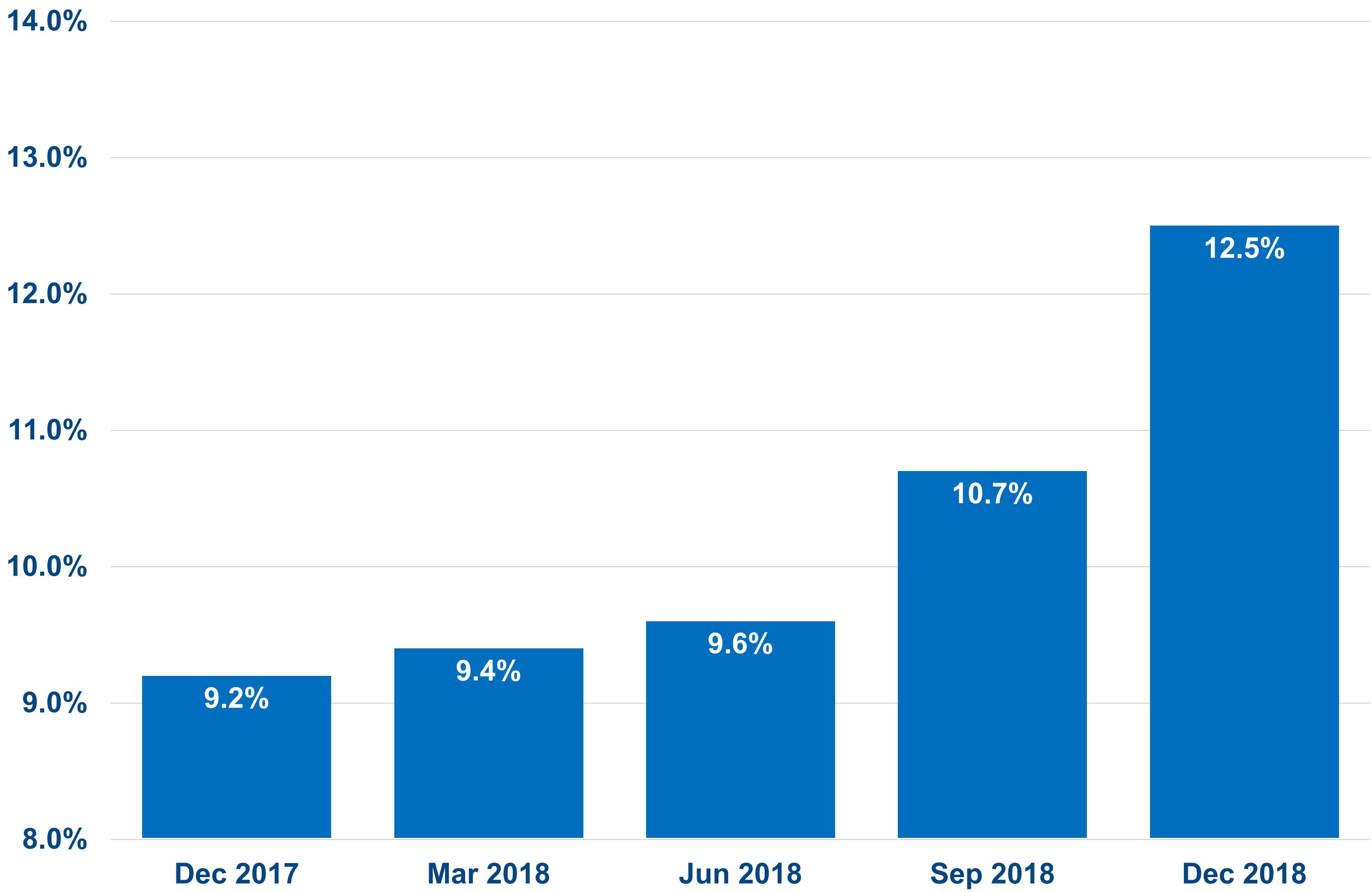
(Amounts in thousands, except percentages and per share data)	For the Quarters Ended Dec 2018	Sep 2018	Dec 2017
Net sales	**$ 350,175**	**$ 349,233**	**$ 306,576**
Adjusted gross margin	**$ 124,721**	**$ 115,612**	**$ 92,690**
Adjusted gross margin as a percentage of net sales	*35.6%*	*33.1%*	*30.2%*
Adjusted selling, general and administrative	**$ 43,783**	**$ 45,278**	**$ 44,517**
Adjusted SG&A as a percentage of net sales	*12.5%*	*13.0%*	*14.5%*
Adjusted operating income (loss)	**$ 69,682**	**$ 59,423**	**$ 38,318**
Adjusted net income (loss)	**$ 63,108**	**$ 51,255**	**$ 30,550**
Adjusted EBITDA	**$ 82,020**	**$ 72,470**	**$ 49,732**
Adjusted EBITDA margin as a percentage of net sales	*23.4%*	*20.8%*	*16.2%*
Per share data:			
Adjusted net income (loss) - basic	$ 1.09	$ 0.89	$ 0.54
Adjusted net income (loss) - diluted	$ 1.07	$ 0.87	$ 0.52
Weighted avg. shares - basic	58,010	57,799	56,778
Weighted avg. shares - diluted	59,111	59,197	58,937

Financial Trends
Quarterly Sales Summary

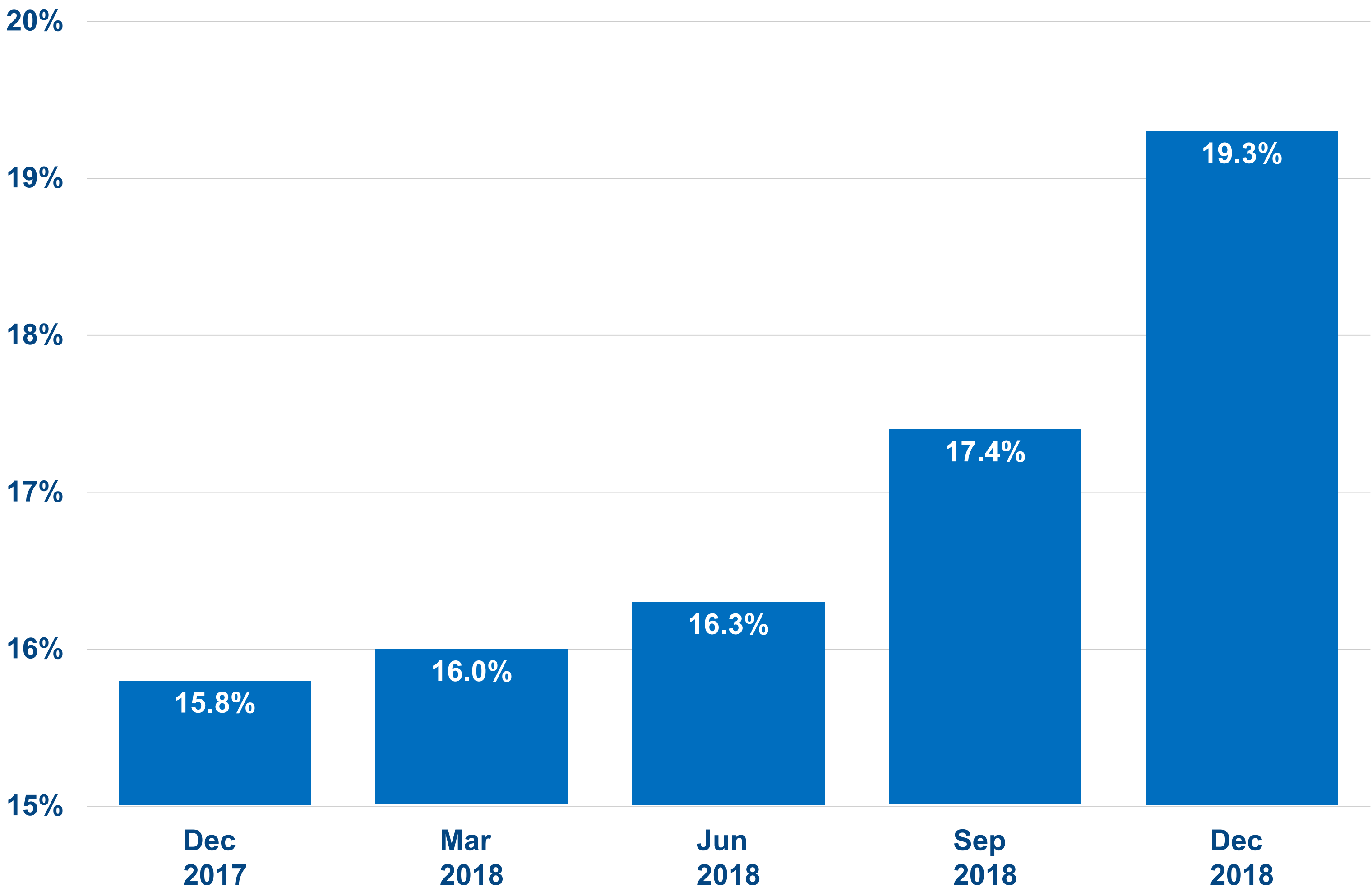
U.S. GAAP (Unaudited)



LTM Operating Income Margins
U.S. GAAP (Unaudited)



LTM Adjusted EBITDA Margins
Non-GAAP (Unaudited)

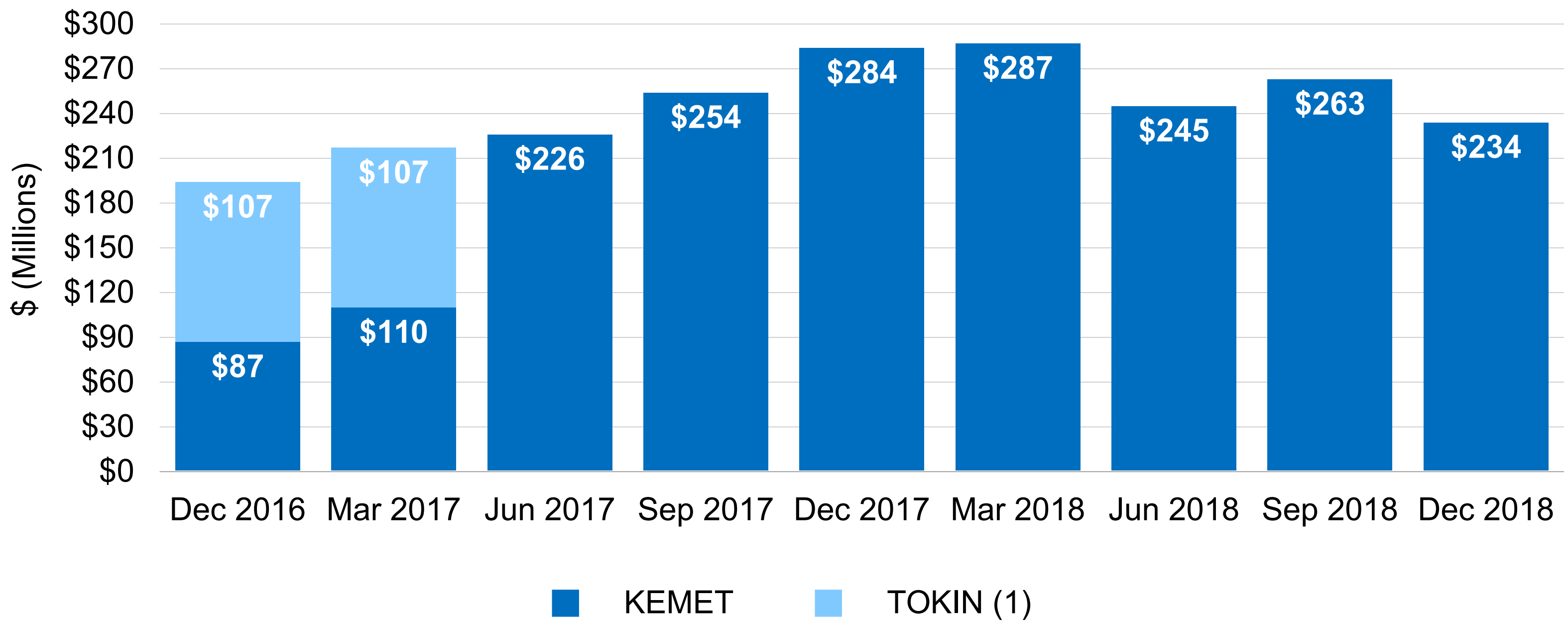


Financial Highlights
(Unaudited)

(Amounts in millions)	Dec 2018		Sep 2018		FX Impact	
Cash, cash equivalents	**$**	**234.4**	**$**	**263.0**	**$**	**1.2**
Capital expenditures	**$**	**37.2**	**$**	**24.5**		
Short-term debt	$	28.4	$	20.6		
Long-term debt		287.4		309.4		
Debt (discount)/premium and issuance costs		(10.1)		(13.3)		
Total debt	**$**	**305.7**	**$**	**316.7**	**$**	**8.6**
Equity	**$**	**538.4**	**$**	**512.6**	**$**	**(5.2)**
Net working capital [1]	**$**	**236.8**	**$**	**232.0**	**$**	**(0.5)**

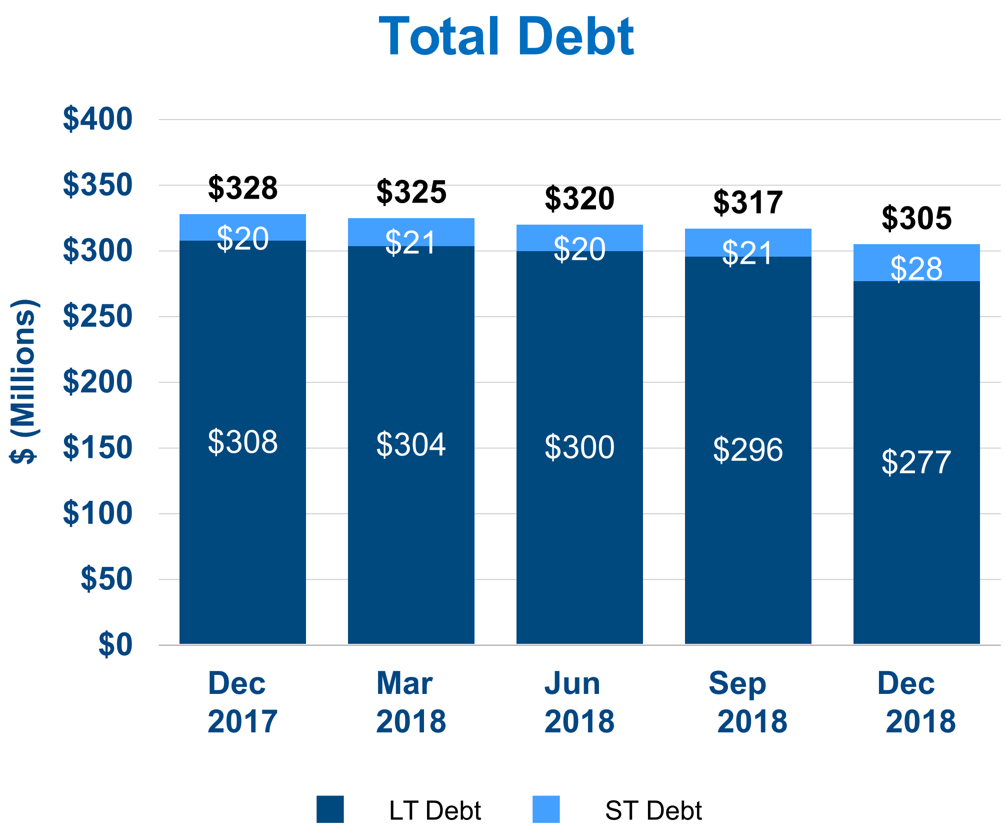
[1] *Calculated as accounts receivable, net, plus inventories, net, less accounts payable.*

Financial Trends
Quarterly Cash and Cash Equivalents
U.S. GAAP (Unaudited)



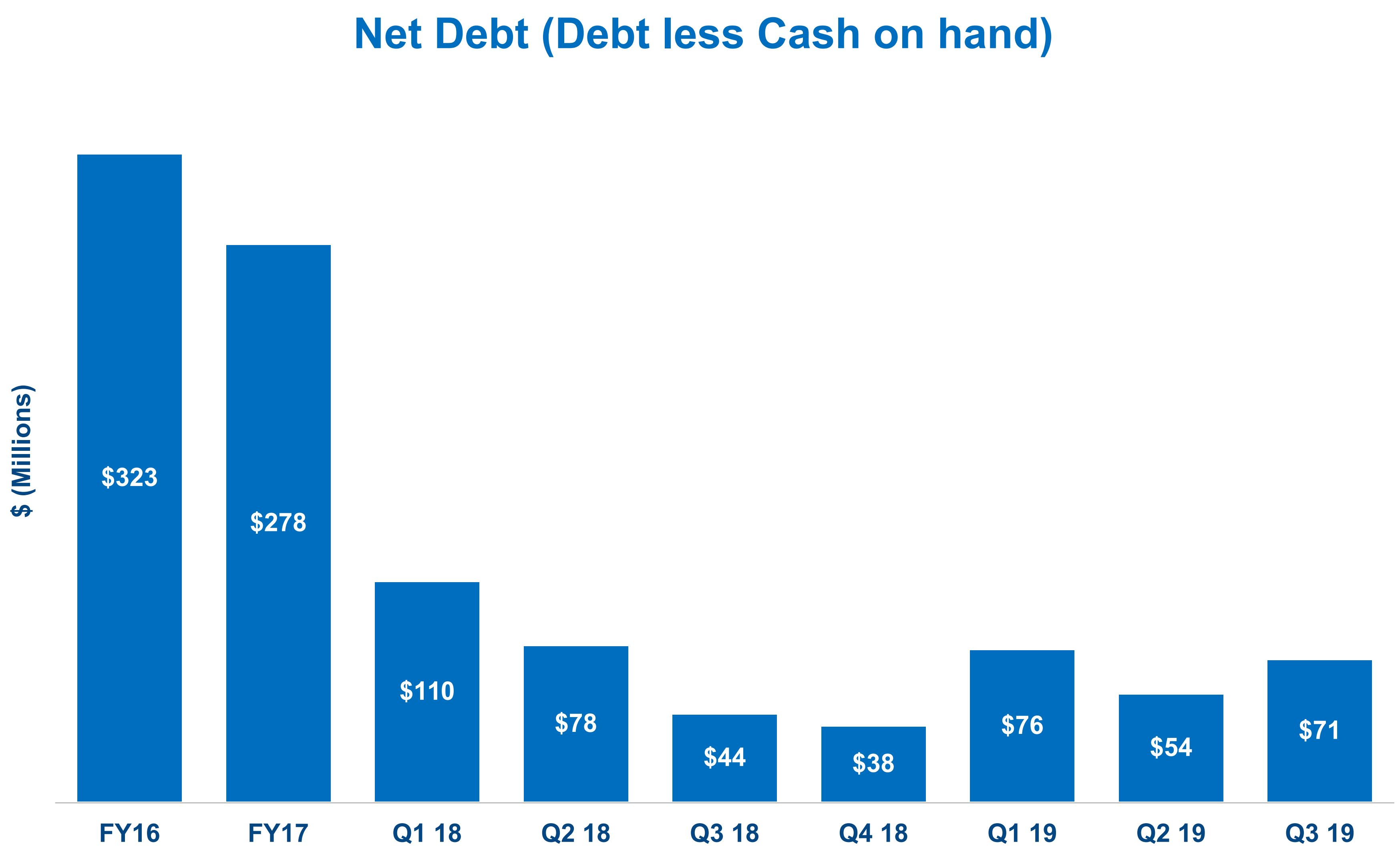
(1) TOKIN results exclude the EMD business which was sold on April 14, 2017.

Debt Trend - Q3 FY2019
(Unaudited)

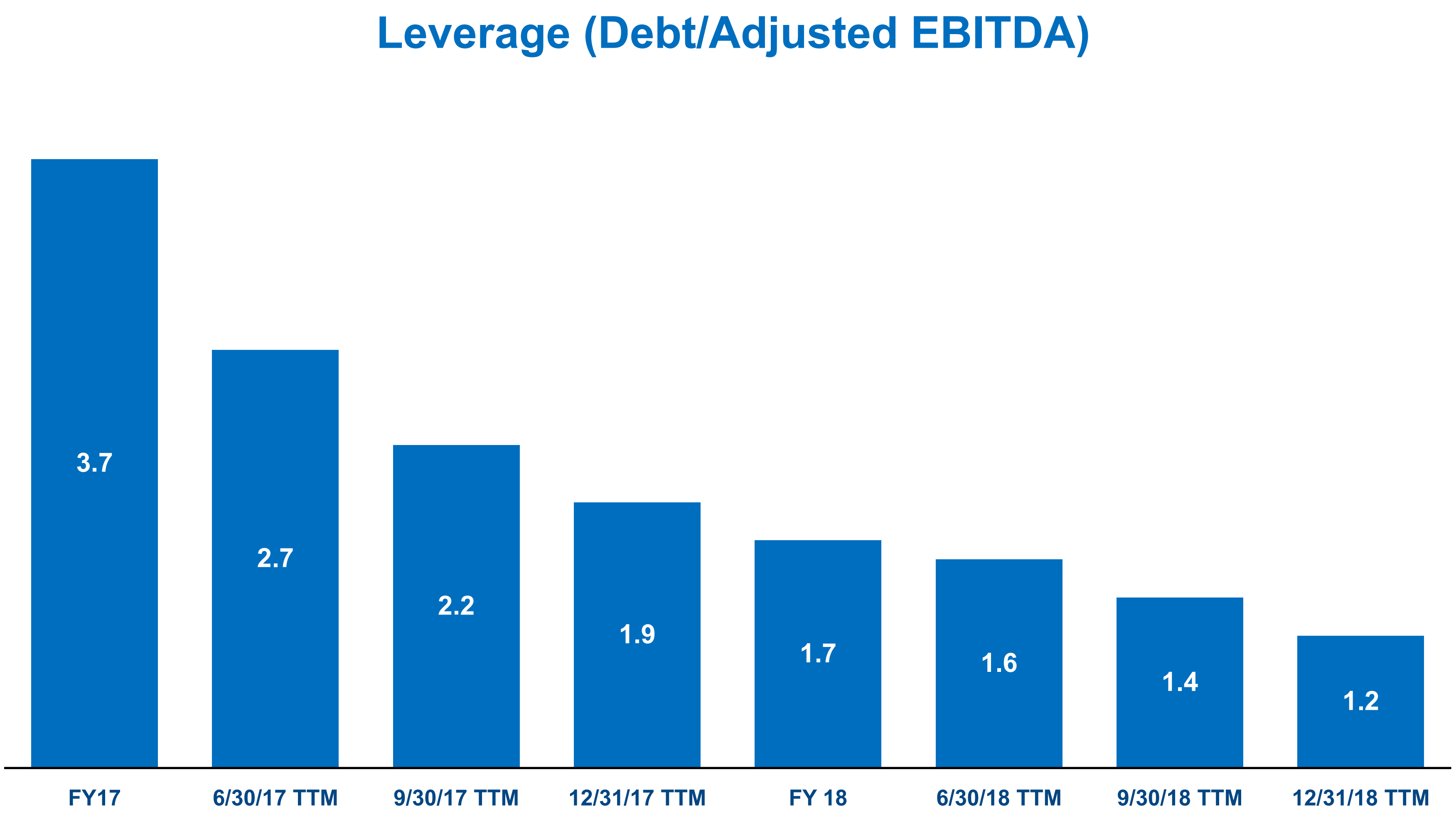


Semi-Annual Principal Repayment ~ $12.5M

Net Debt
(Unaudited)



Leverage
Non-GAAP (Unaudited)



Adjusted Gross Margin - GAAP Reconciliation
Solid Capacitors (Unaudited)

(Amounts in thousands, except percentages)	For the Quarters Ended Dec 2018	Sep 2018	Dec 2017
Net sales	**$ 238,683**	**$ 235,473**	**$ 195,049**
Cost of sales	**133,454**	**140,899**	**123,808**
Gross margin (U.S. GAAP)	**105,229**	**94,574**	**71,241**
Gross margin as a percentage of net sales	*44.1 %*	*40.2 %*	*36.5 %*
Non-GAAP adjustments:			
Stock-based compensation expense	415	447	256
Plant start-up costs	305	1,361	—
Adjusted gross margin (non-GAAP)	**$ 105,949**	**$ 96,382**	**$ 71,497**
Adjusted gross margin as a percentage of net sales	*44.4 %*	*40.9 %*	*36.7 %*

Adjusted Gross Margin - GAAP Reconciliation
Film & Electrolytic (“F&E”) (Unaudited)

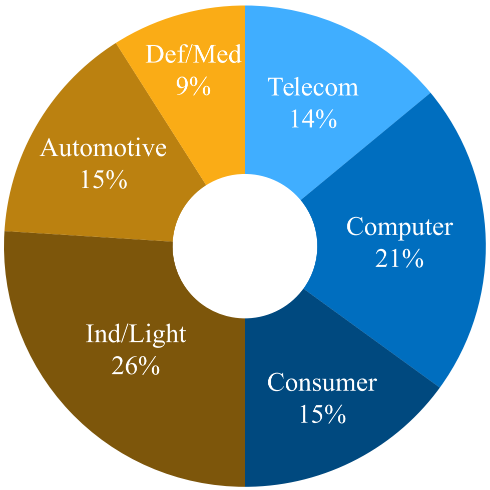
(Amounts in thousands, except percentages)	For the Quarters Ended Dec 2018	Sep 2018	Dec 2017
Net sales	**$ 50,171**	**$ 50,628**	**$ 51,468**
Cost of sales	**43,406**	**44,375**	**47,363**
Gross margin (U.S. GAAP)	**6,765**	**6,253**	**4,105**
Gross margin as a percentage of net sales	*13.5%*	*12.4%*	*8.0%*
Non-GAAP adjustments:			
Stock-based compensation expense	183	206	146
Adjusted gross margin (non-GAAP)	**$ 6,948**	**$ 6,459**	**$ 4,251**
Adjusted gross margin as a percentage of net sales	*13.8%*	*12.8%*	*8.3%*

Adjusted Gross Margin - U.S. GAAP
Electro-magnetic, Sensors & Actuators ("MSA") (Unaudited)

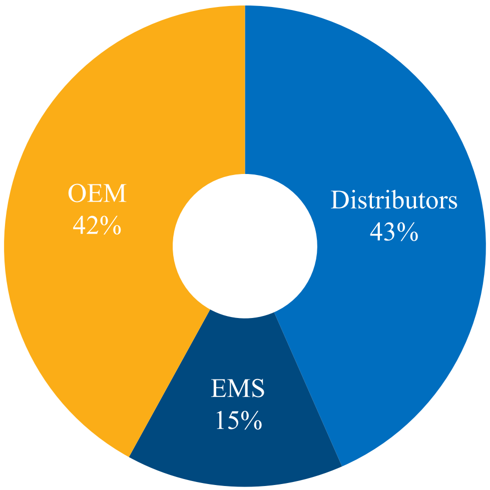
(Amounts in thousands, except percentages)	For the Quarters Ended Dec 2018	Sep 2018	Dec 2017
Net sales	**$ 61,321**	**$ 63,132**	**$ 60,059**
Cost of sales	**49,565**	**50,394**	**43,117**
Gross margin (U.S. GAAP)	**11,756**	**12,738**	**16,942**
Gross margin as a percentage of net sales	*19.2%*	*20.2%*	*28.2%*
Non-GAAP adjustments:			
Stock-based compensation expense	68	33	—
Adjusted gross margin (non-GAAP)	**$ 11,824**	**$ 12,771**	**$ 16,942**
Adjusted gross margin as a percentage of net sales	*19.3%*	*20.2%*	*28.2%*

Sales Summary - Q3 FY2019
(Unaudited)

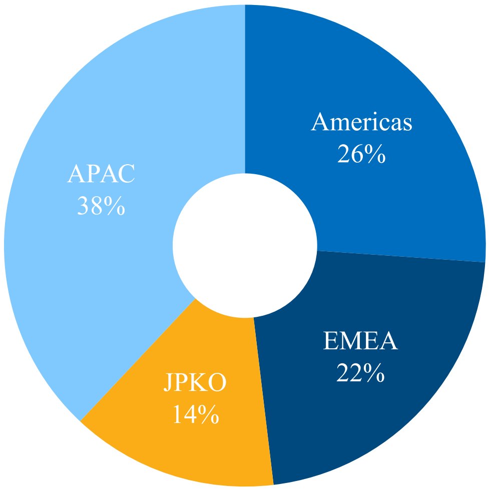
INDUSTRY



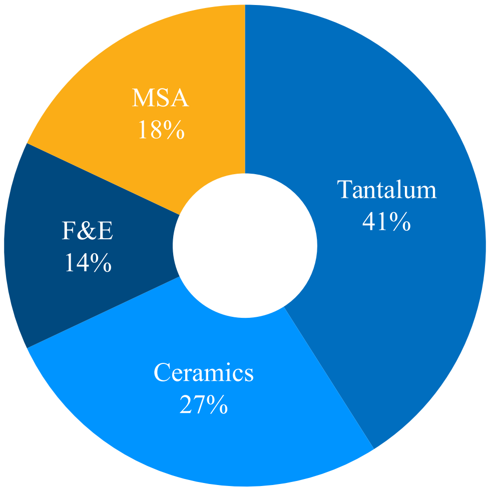
CHANNEL



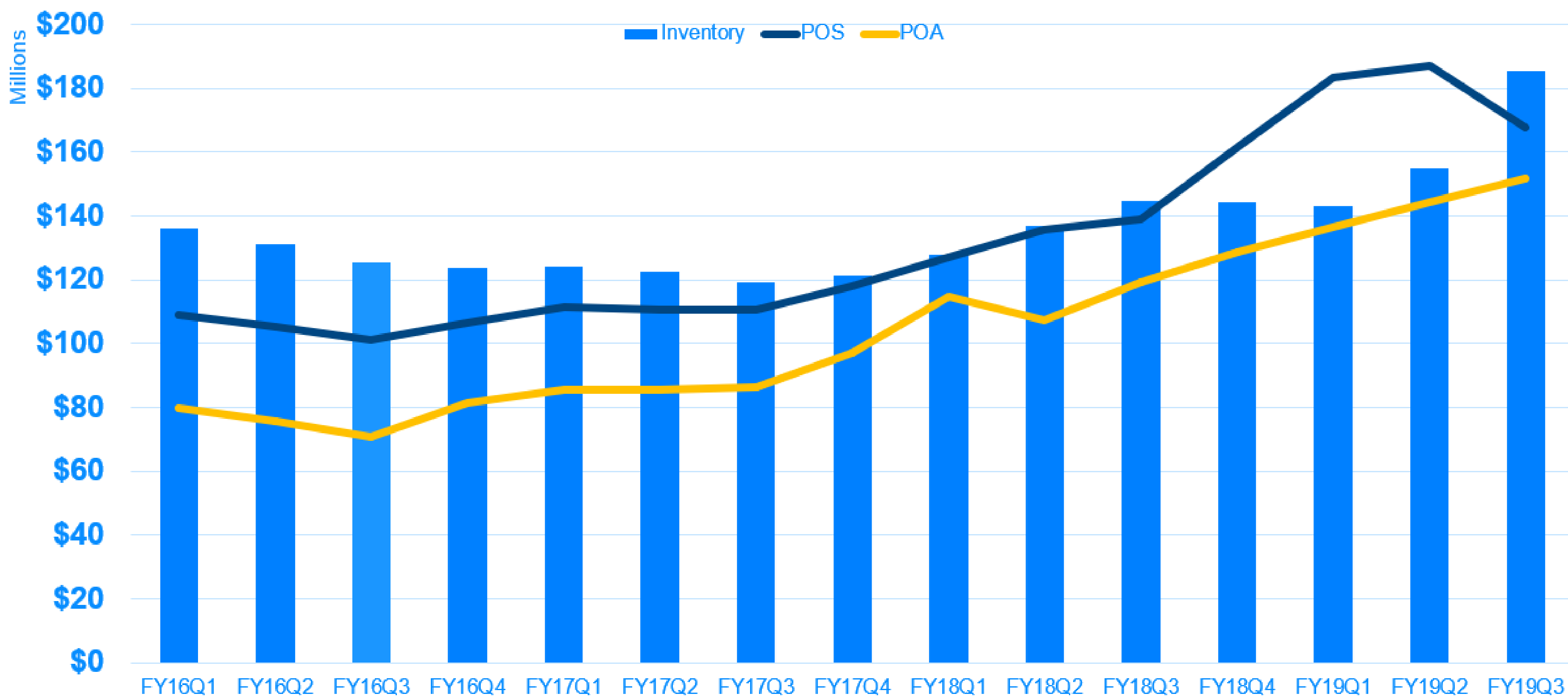
REGION



PRODUCT LINE



Global Distribution
Q3 FY2019 Results (Unaudited)



Appendix

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Appendix

Adjusted Gross Margin
Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	For the Quarters Ended Dec 2018	Sep 2018	Dec 2017
Net Sales	**$ 350,175**	**$ 349,233**	**$ 306,576**
Cost of sales	**226,425**	**235,668**	**214,288**
Gross Margin (U.S. GAAP)	**123,750**	**113,565**	**92,288**
Gross margin as a percentage of net sales	*35.3%*	*32.5%*	*30.1%*
Non-GAAP adjustments:			
Stock-based compensation expense	666	686	402
Plant start-up costs	305	1,361	—
Adjusted gross margin (non-GAAP)	**$ 124,721**	**$ 115,612**	**$ 92,690**
Adjusted gross margin as a percentage of net sales	*35.6%*	*33.1%*	*30.2%*

Adjusted Selling, General & Administrative Expenses
Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	For the Quarters Ended Dec 2018	Sep 2018	Dec 2017
Net sales	**$ 350,175**	**$ 349,233**	**$ 306,576**
Selling, general and administrative expenses (U.S. GAAP)	**$ 48,271**	**$ 52,258**	**$ 47,751**
Selling, general, and administrative as a percentage of net sales	*13.8%*	*15.0%*	*15.6%*
Less non-GAAP adjustments:			
ERP integration/IT transition costs	2,453	1,593	—
Stock-based compensation expense	767	3,647	1,752
Legal expenses/fines related to antitrust class actions	1,268	1,740	1,482
Adjusted selling, general and administrative expenses (non-GAAP)	**$ 43,783**	**$ 45,278**	**$ 44,517**
Adjusted selling, general, and administrative as a percentage of net sales	*12.5%*	*13.0%*	*14.5%*

Adjusted Operating Income (Loss)
Non-GAAP (Unaudited)

(Amounts in thousands)	For the Quarters Ended Dec 2018	Sep 2018	Dec 2017
Operating income (loss) (U.S. GAAP)	**$ 61,616**	**$ 50,000**	**$ 32,002**
Non-GAAP adjustments:			
Restructuring charges	1,718	—	3,530
Legal expenses/fines related to antitrust class actions	1,268	1,740	1,482
Stock-based compensation expense	1,534	4,417	2,206
(Gain) loss on write down and disposal of long-lived assets	788	312	(902)
ERP integration/IT transition costs	2,453	1,593	—
Plant start-up costs	305	1,361	—
Adjusted operating income (loss) (non-GAAP)	**$ 69,682**	**$ 59,423**	**$ 38,318**

Adjusted Net Income (Loss)
Non-GAAP (Unaudited)

(Amounts in thousands, except per share data)	For the Quarters Ended Dec 2018	Sep 2018	Dec 2017
Net income (loss) (U.S. GAAP)	**$ 40,806**	**$ 37,141**	**$ 18,589**
Non-GAAP adjustments:			
Equity (income) loss from equity method investments	296	(64)	(238)
Acquisition (gain) loss	—	—	(310)
Net foreign exchange (gain) loss	(2,218)	193	2,239
Restructuring charges	1,718	—	3,530
Research and development grant reimbursement	(470)	—	—
Legal expenses/fines related to antitrust class actions	1,549	6,060	4,073
Stock-based compensation expense	1,534	4,417	2,206
(Gain) loss on early extinguishment of debt	15,988	—	—
Amortization included in interest expense	450	406	696
Income tax effect of non-U.S. GAAP adjustments [(1)]	(91)	(164)	667
(Gain) loss on write down and disposal of long-lived assets	788	312	(902)
ERP integration/IT transition costs	2,453	1,593	—
Plant start-up costs	305	1,361	—
Adjusted net income (loss) (non-GAAP)	**$ 63,108**	**$ 51,255**	**$ 30,550**
Adjusted net income (loss) per share - basic	$ 1.09	$ 0.89	$ 0.54
Adjusted net income (loss) per share - diluted	$ 1.07	$ 0.87	$ 0.52
Adjusted EBITDA (non-GAAP)	**$ 82,020**	**$ 72,470**	**$ 49,732**
Weighted avg. shares - basic	58,010	57,799	56,778
Weighted avg. shares - diluted	59,111	59,197	58,937

[(1)] The income tax effect of the excluded items is calculated by applying the applicable jurisdictional income tax rate, considering the deferred tax valuation for each applicable jurisdiction.

Adjusted EBITDA Reconciliation
Non-GAAP (Unaudited)

(Amounts in thousands)	For the Quarters Ended		
	Dec 2018	**Sep 2018**	**Dec 2017**
Net income (loss) (U.S. GAAP)	**$ 40,806**	**$ 37,141**	**$ 18,589**
Non-GAAP adjustments:			
Interest expense (income), net	3,908	6,912	7,155
Income tax expense (benefit)	2,600	2,000	2,037
Depreciation and amortization	12,763	12,545	11,353
EBITDA (non-GAAP)	60,077	58,598	39,134
Excluding the following items:			
Equity (income) loss from equity method investments	296	(64)	(238)
Acquisition (gain) loss	—	—	(310)
Net foreign exchange (gain) loss	(2,218)	193	2,239
Restructuring charges	1,718	—	3,530
Research and development grant reimbursement	(470)	—	—
Legal expenses/fines related to antitrust class actions	1,549	6,060	4,073
Stock-based compensation expense	1,534	4,417	2,206
(Gain) loss on early extinguishment of debt	15,988	—	—
(Gain) loss on write down and disposal of long-lived assets	788	312	(902)
Plant start-up costs	305	1,361	—
ERP integration/IT transition costs	2,453	1,593	—
Adjusted EBITDA (non-GAAP)	**$ 82,020**	**$ 72,470**	**$ 49,732**

Adjusted EBITDA Reconciliation
Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	Quarters Ended Mar 2017	Jun 2017	Sep 2017	Dec 2017	LTM Dec 2017
Net Sales	**$ 197,066**	**$ 273,946**	**$ 301,568**	**$ 306,576**	**$ 1,079,156**
Net income (loss) (U.S. GAAP)	**52,082**	**220,439**	**12,819**	**18,589**	**303,929**
Non-GAAP adjustments:					
Income tax expense (benefit)	(146)	1,140	2,864	2,037	5,895
Interest expense, net	9,994	10,894	7,270	7,155	35,313
Depreciation and amortization	10,180	12,459	13,554	11,353	47,546
EBITDA (non-GAAP)	72,110	244,932	36,507	39,134	392,683
Excluding the following items:					
Change in value of TOKIN options	(14,200)	—	—	—	(14,200)
Equity (income) loss from equity method investments	(41,372)	(75,417)	(224)	(238)	(117,251)
Acquisition (gain) loss	—	(135,588)	(1,285)	(310)	(137,183)
Restructuring charges	1,087	1,613	1,393	3,530	7,623
ERP integration costs / IT transition costs	1,760	—	—	—	1,760
Stock-based compensation expense	1,249	1,101	1,530	2,206	6,086
Legal expenses related to antitrust class actions	406	1,141	10,327	4,073	15,947
Net foreign exchange (gain) loss	1,507	5,043	1,891	2,239	10,680
TOKIN investment-related expenses	497	—	—	—	497
(Gain) loss on write down and disposal of long-lived assets	4,171	19	(39)	(902)	3,249
(Gain) loss on early extinguishment of debt	—	486	—	—	486
Adjusted EBITDA (non-GAAP)	**$ 27,215**	**$ 43,330**	**$ 50,100**	**$ 49,732**	**$ 170,377**
Adjusted EBITDA Margin (non-GAAP)	*13.8%*	*15.8%*	*16.6%*	*16.2%*	*15.8%*
Total Debt balance as of December 31, 2017					*328,162*
Leverage ratio (Debt/Adjusted EBITDA)					*1.9*

Adjusted EBITDA Reconciliation
Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Net Sales	**$ 734,823**	**$ 757,338**	**$ 1,200,181**
Net income (loss) (U.S. GAAP)	**(53,629)**	**47,157**	**254,127**
Non-GAAP adjustments:			
Income tax expense (benefit)	6,006	4,294	9,132
Interest expense, net	39,591	39,731	32,073
Depreciation and amortization	39,016	38,151	50,661
EBITDA (non-GAAP)	30,984	129,333	345,993
Excluding the following items:			
Change in value of TOKIN options	26,300	(10,700)	—
Equity (income) loss from equity method investments	16,406	(41,643)	(76,192)
Acquisition (gain) loss	—	—	(130,880)
Restructuring charges	4,178	5,404	14,843
ERP integration costs / IT transition costs	5,677	7,045	80
Stock-based compensation expense	4,774	4,720	7,657
Legal expenses related to antitrust class actions	3,041	2,640	16,636
Net foreign exchange (gain) loss	(3,036)	(3,758)	13,145
TOKIN investment-related expenses	900	1,101	—
Plant start-up costs	861	427	929
Plant shut-down costs	372	—	—
(Gain) loss on write down and sale of long-lived assets	375	10,671	(992)
Pension plan adjustment	312	—	—
(Gain) loss on early extinguishment of debt	—	—	486
Adjusted EBITDA (non-GAAP)	**$ 91,144**	**$ 105,240**	**$ 191,705**
Adjusted EBITDA Margin	*12.4%*	*13.9%*	*16.0%*
Total Debt as of March 31,	**$ 387,833**	**$ 388,211**	**$ 324,623**
Leverage ratio (Debt/Adjusted EBITDA)	**$ 4.3**	**$ 3.7**	**$ 1.7**

Adjusted EBITDA Reconciliation
Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	Sep 2017	Dec 2017	Mar 2018	Jun 2018	LTM Jun 2018
Net Sales	**$ 301,568**	**$ 306,576**	**$ 318,091**	**$ 327,616**	**$ 1,253,851**
Net income (loss) (U.S. GAAP)	**12,819**	**18,589**	**2,280**	**35,220**	**68,908**
Non-GAAP adjustments:					
Income tax expense (benefit)	2,864	2,037	3,091	4,600	12,592
Interest expense, net	7,270	7,155	6,754	6,658	27,837
Depreciation and amortization	13,554	11,353	13,295	13,097	51,299
EBITDA (non-GAAP)	36,507	39,134	25,420	59,575	160,636
Excluding the following items:					
Equity (income) loss from equity method investments	(224)	(238)	(313)	69	(706)
Acquisition (gain) loss	(1,285)	(310)	6,303	—	4,708
Restructuring charges	1,393	3,530	8,307	(96)	13,134
Research and development grant reimbursement	—	—	—	(4,087)	(4,087)
ERP integration costs / IT transition costs	—	—	80	1,650	1,730
Stock-based compensation expense	1,530	2,206	2,820	4,060	10,616
Legal expenses related to antitrust class actions	10,327	4,073	1,095	1,248	16,743
Net foreign exchange (gain) loss	1,891	2,239	3,972	(7,521)	581
Plant start-up costs	—	—	929	753	1,682
(Gain) loss on write down and disposal of long-lived assets	(39)	(902)	(70)	511	(500)
Adjusted EBITDA (non-GAAP)	**$ 50,100**	**$ 49,732**	**$ 48,543**	**$ 56,162**	**$ 204,537**
Adjusted EBITDA Margin (non-GAAP)	*16.6%*	*16.2%*	*15.3%*	*17.1%*	*16.3%*
Total Debt balance as of June 30, 2018					*320,223*
Leverage ratio (Debt/Adjusted EBITDA)					*1.6*

Adjusted EBITDA Reconciliation
Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	Dec 2017	Mar 2018	Jun 2018	Sep 2018	LTM Sep 2018
Net Sales	**$ 306,576**	**$ 318,091**	**$ 327,616**	**$ 349,233**	**$ 1,301,516**
Net income (loss) (U.S. GAAP)	**18,589**	**2,280**	**35,220**	**37,141**	**93,230**
Non-GAAP adjustments:					
Income tax expense (benefit)	2,037	3,091	4,600	2,000	11,728
Interest expense, net	7,155	6,754	6,658	6,912	27,479
Depreciation and amortization	11,353	13,295	13,097	12,545	50,290
EBITDA (non-GAAP)	39,134	25,420	59,575	58,598	182,727
Excluding the following items:					
Equity (income) loss from equity method investments	(238)	(313)	69	(64)	(546)
Acquisition (gain) loss	(310)	6,303	—	—	5,993
Restructuring charges	3,530	8,307	(96)	—	11,741
Research and development grant reimbursement	—	—	(4,087)	—	(4,087)
ERP integration costs / IT transition costs	—	80	1,650	1,593	3,323
Stock-based compensation expense	2,206	2,820	4,060	4,417	13,503
Legal expenses related to antitrust class actions	4,073	1,095	1,248	6,060	12,476
Net foreign exchange (gain) loss	2,239	3,972	(7,521)	193	(1,117)
Plant start-up costs	—	929	753	1,361	3,043
(Gain) loss on write down and disposal of long-lived assets	(902)	(70)	511	312	(149)
Adjusted EBITDA (non-GAAP)	**$ 49,732**	**$ 48,543**	**$ 56,162**	**$ 72,470**	**$ 226,907**
Adjusted EBITDA Margin (non-GAAP)	*16.2%*	*15.3%*	*17.1%*	*20.8%*	*17.4%*
Total Debt balance as of September 30, 2018					*316,636*
Leverage ratio (Debt/Adjusted EBITDA)					*1.4*

Adjusted EBITDA Reconciliation
Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	Mar 2018	Jun 2018	Sep 2018	Dec 2018	LTM Dec 2018
Net Sales	**$ 318,091**	**$ 327,616**	**$ 349,233**	**$ 350,175**	**$ 1,345,115**
Net income (loss) (U.S. GAAP)	**2,280**	**35,220**	**37,141**	**40,806**	**115,447**
Non-GAAP adjustments:					
Income tax expense (benefit)	3,091	4,600	2,000	2,600	12,291
Interest expense, net	6,754	6,658	6,912	3,908	24,232
Depreciation and amortization	13,295	13,097	12,545	12,763	51,700
EBITDA (non-GAAP)	25,420	59,575	58,598	60,077	203,670
Excluding the following items:					
Equity (income) loss from equity method investments	(313)	69	(64)	296	(12)
Acquisition (gain) loss	6,303	—	—	—	6,303
Restructuring charges	8,307	(96)	—	1,718	9,929
Research and development grant reimbursement	—	(4,087)	—	(470)	(4,557)
ERP integration costs / IT transition costs	80	1,650	1,593	2,453	5,776
Stock-based compensation expense	2,820	4,060	4,417	1,534	12,831
Legal expenses related to antitrust class actions	1,095	1,248	6,060	1,549	9,952
Net foreign exchange (gain) loss	3,972	(7,521)	193	(2,218)	(5,574)
Plant start-up costs	929	753	1,361	305	3,348
(Gain) loss on write down and disposal of long-lived assets	(70)	511	312	788	1,541
(Gain) loss on early extinguishment of debt	—	—	—	15,988	15,988
Adjusted EBITDA (non-GAAP)	**$ 48,543**	**$ 56,162**	**$ 72,470**	**$ 82,020**	**$ 259,195**
Adjusted EBITDA Margin (non-GAAP)	*15.3%*	*17.1%*	*20.8%*	*23.4%*	*19.3%*
Total Debt balance as of December 31, 2018					*305,676*
Leverage ratio (Debt/Adjusted EBITDA)					*1.2*

Non-GAAP Financial Measures

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures designed to complement the financial information presented in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors for the reasons described below.

Adjusted gross margin

Adjusted gross margin represents net sales less cost of sales excluding adjustments which are outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted gross margin to facilitate our analysis and understanding of our business operations by excluding the items outlined in the quantitative reconciliation provided earlier in this presentation which might otherwise make comparisons of our ongoing business with prior periods more difficult and obscure trends in ongoing operations. The Company believes that Adjusted gross margin is useful to investors because it provides a supplemental way to understand the underlying operating performance of the Company. Adjusted gross margin should not be considered as an alternative to gross margin or any other performance measure derived in accordance with GAAP.

Adjusted selling, general and administrative expenses

Adjusted selling, general and administrative expenses represents selling, general and administrative expenses excluding adjustments which are outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted selling, general and administrative expenses to facilitate our analysis and understanding of our business operations by excluding the items outlined in the quantitative reconciliation provided earlier in this presentation which might otherwise make comparisons of our ongoing business with prior periods more difficult and obscure trends in ongoing operations. The Company believes that Adjusted selling, general and administrative expenses is useful to investors because it provides a supplemental way to understand the underlying operating performance of the Company. Adjusted selling, general and administrative expenses should not be considered as an alternative to selling, general and administrative expenses or any other performance measure derived in accordance with GAAP.

Adjusted operating income (loss)

Adjusted operating income (loss) represents operating income (loss), excluding adjustments which are outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted operating income (loss) to facilitate our analysis and understanding of our business operations by excluding the items outlined in the quantitative reconciliation provided earlier in this presentation which might otherwise make comparisons of our ongoing business with prior periods more difficult and obscure trends in ongoing operations. The Company believes that Adjusted operating income (loss) is useful to investors to provide a supplemental way to understand the underlying operating performance of the Company and allows investors to monitor and understand changes in our ability to generate income from ongoing business operations. Adjusted operating income (loss) should not be considered as an alternative to operating income (loss) or any other performance measure derived in accordance with GAAP.

Non-GAAP Financial Measures
Continued

Adjusted net income (loss) and Adjusted EPS

Adjusted net income (loss) and Adjusted EPS represent net income (loss) and EPS, excluding adjustments which are more specifically outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted net income (loss) and Adjusted EPS to evaluate the Company's operating performance by excluding the items outlined in the quantitative reconciliation provided earlier in this presentation which might otherwise make comparisons of our ongoing business with prior periods more difficult and obscure trends in ongoing operations. The Company believes that Adjusted net income (loss) and Adjusted EPS are useful to investors because they provide a supplemental way to understand the underlying operating performance of the Company and allows investors to monitor and understand changes in our ability to generate income from ongoing business operations. Adjusted net income (loss) and Adjusted EPS should not be considered as alternatives to net income (loss), operating income (loss) or any other performance measures derived in accordance with GAAP.

Adjusted EBITDA

Adjusted EBITDA represents net income (loss) before income tax expense (benefit), interest expense (benefit), net, and depreciation and amortization expense, excluding adjustments which are more specifically outlined in the quantitative reconciliation provided earlier in this presentation. We present Adjusted EBITDA as a supplemental measure of our performance and ability to service debt. We also present Adjusted EBITDA because we believe such measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry.

We believe Adjusted EBITDA is an appropriate supplemental measure of debt service capacity, because cash expenditures on interest are, by definition, available to pay interest, and tax expense is inversely correlated to interest expense because tax expense goes down as deductible interest expense goes up; depreciation and amortization are non-cash charges. The other items excluded from Adjusted EBITDA are excluded in order to better reflect our continuing operations.

In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these types of adjustments. Adjusted EBITDA is not a measurement of our financial performance under GAAP and should not be considered as an alternative to net income (loss), operating income (loss) or any other performance measures derived in accordance with GAAP or as an alternative to cash flow from operating activities as a measure of our liquidity.

Non-GAAP Financial Measures
Continued

Our Adjusted EBITDA measure has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- it does not reflect our cash expenditures, future requirements for capital expenditures or contractual commitments;
- it does not reflect changes in, or cash requirements for, our working capital needs;
- it does not reflect any income tax expense or benefit, including any changes to income taxes resulting from The Tax Cuts and Jobs Act enacted on December 22, 2017;
- it does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payment on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and our Adjusted EBITDA measure does not reflect any cash requirements for such replacements;
- it is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows;
- it does not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations;
- it does not reflect limitations on or costs related to transferring earnings from our subsidiaries to us; and
- other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations. You should compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA only supplementary.