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

Earnings Conference Call

May 16, 2019

Quarter Ended March 31, 2019

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 current 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) default or failure of one or more of our counterparty financial institutions could cause us to incur significant losses; (xviii) the need to reduce the total costs of our products to remain competitive; (xix) potential limitation on the use of net operating losses to offset possible future taxable income; (xx) restrictions in our debt agreements that could limit our flexibility in operating our business; (xxi) service interruption, misappropriation of data, or breaches of security as it relates to our information systems could cause a disruption in our operations, financial losses, and damage to our reputation; (xxii) economic and demographic experience for pension and other post-retirement benefit plans could be less favorable than our assumptions; (xxiii) fluctuation in distributor sales could adversely affect our results of operations; (xxiv) earthquakes and other natural disasters could disrupt our operations and have a material adverse effect on our financial condition and results of operations; and (xxv) volatility in our stock price.

ASC 606 Adoption
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 the Company 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 and the related fiscal quarters 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 and the fiscal year 2019 10-K, once issued.

Key Drivers of KEMET Financial Success

- Tantalum Vertical Integration
- Focus on Polymer Technology
- Operational Synergies from the TOKIN Acquisition
- Ceramic product line focused on "specialty" value added that withstand high temperature, current, vibration, and voltage

Income Statement Highlights
GAAP (Unaudited)

(Amounts in thousands, except percentages and per share data)	For the Quarters Ended Mar 2019		For the Quarters Ended Mar 2018	
Net sales	**$**	**355,794**	**$**	**318,091**
Gross margin	**$**	**126,406**	**$**	**88,128**
Gross margin as a percentage of net sales		*35.5%*		*27.7%*
Selling, general and administrative	**$**	**53,571**	**$**	**47,821**
SG&A as a percentage of net sales		*15.1%*		*15.0%*
Operating income	**$**	**54,057**	**$**	**21,646**
Income tax expense (benefit)	**$**	**(48,660)**	**$**	**3,091**
Net income	**$**	**93,420**	**$**	**2,280**
Per share data:				
Net income per basic share	$	1.60	$	0.04
Net income per diluted share	$	1.58	$	0.04
Weighted avg. shares - basic		58,233		57,025
Weighted avg. shares - diluted		58,975		59,063

Income Statement Highlights
Non-GAAP (Unaudited) (1)

(Amounts in thousands, except percentages and per share data)	For the Quarters Ended Mar 2019		Mar 2018	
Net sales (GAAP)	**$**	**355,794**	**$**	**318,091**
Adjusted gross margin	**$**	**123,875**	**$**	**89,522**
Adjusted gross margin as a percentage of net sales		*34.8%*		*28.1%*
Adjusted selling, general and administrative	**$**	**47,618**	**$**	**43,752**
Adjusted SG&A as a percentage of net sales		*13.4%*		*13.8%*
Adjusted operating income	**$**	**64,790**	**$**	**35,450**
Income tax expense	**$**	**1,548**	**$**	**2,935**
Adjusted net income	**$**	**62,145**	**$**	**26,206**
Adjusted EBITDA	**$**	**78,855**	**$**	**48,543**
Adjusted EBITDA as a percentage of net sales		*22.2%*		*15.3%*
Per share data:				
Adjusted net income - basic	$	1.07	$	0.46
Adjusted net income - diluted	$	1.05	$	0.44
Weighted avg. shares - basic		58,233		57,025
Weighted avg. shares - diluted		58,975		59,063

(1) For a reconciliation of the non-GAAP measures presented on this slide to their most directly comparable GAAP measure, see the appendix.

Income Statement Highlights
GAAP (Unaudited)

(Amounts in thousands, except percentages and per share data)	FY 2019	FY 2018
Net sales	**$ 1,382,818**	**$ 1,200,181**
Gross margin	**$ 458,542**	**$ 339,437**
Gross margin as a percentage of net sales	*33.2%*	*28.3%*
Selling, general and administrative	**$ 202,642**	**$ 173,620**
SG&A as a percentage of net sales	*14.7%*	*14.5%*
Operating income	**$ 200,849**	**$ 112,852**
Income tax expense (benefit)	**$ (39,460)**	**$ 9,132**
Net income [1]	**$ 206,587**	**$ 254,127**
Per share data:		
Net income - basic	$ 3.57	$ 4.81
Net income - diluted	$ 3.50	$ 4.33
Weighted avg. shares - basic	57,840	52,798
Weighted avg. shares - diluted	59,082	58,640

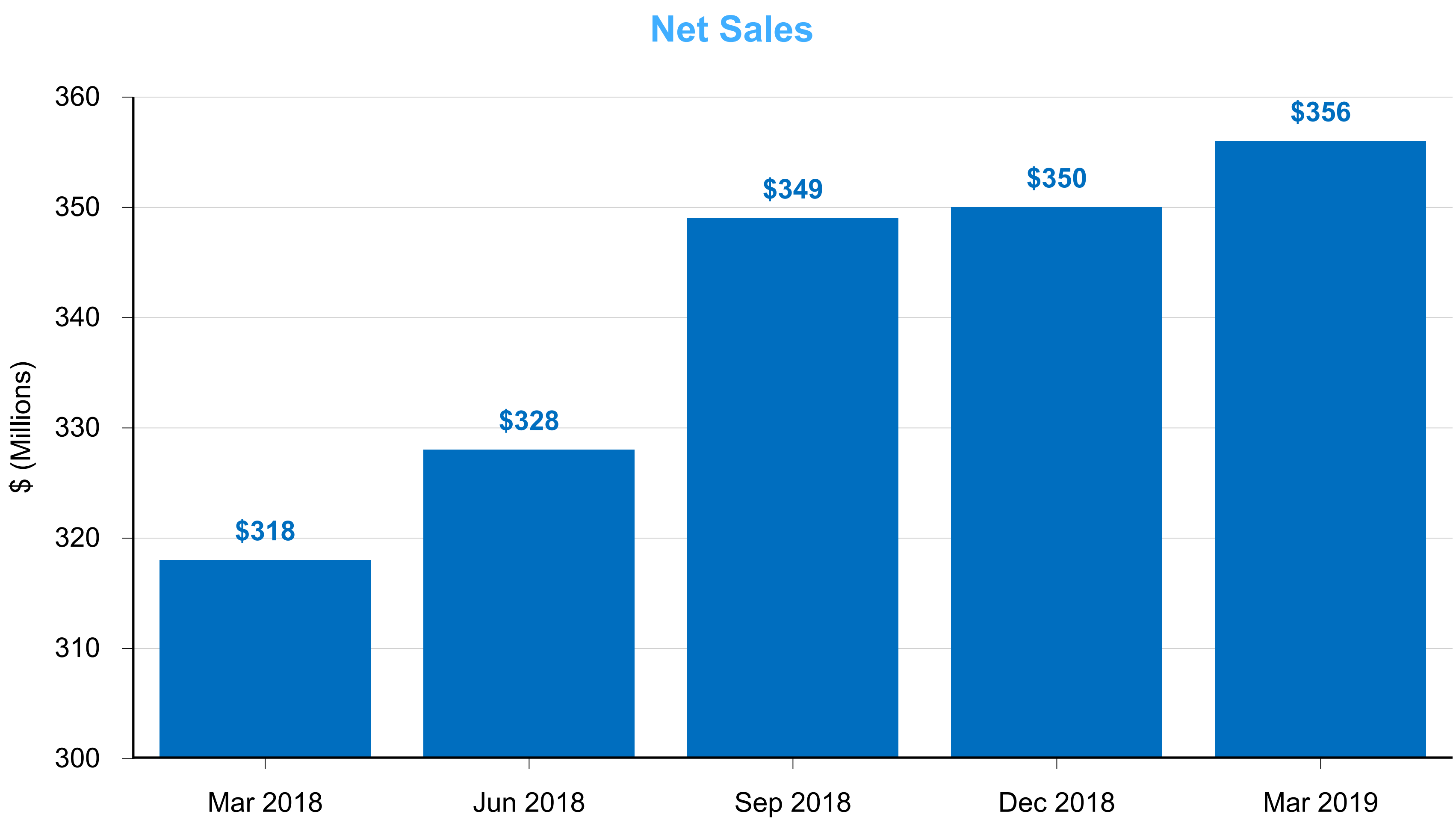
[1] Fiscal year 2018 net income includes an acquisition gain of $130.1 million related to purchase of TOKIN and $75.2 million in equity income related to our 34% economic interest in TOKIN for the 19-day period ended April 19, 2017.

Income Statement Highlights
Non-GAAP (Unaudited) (1)

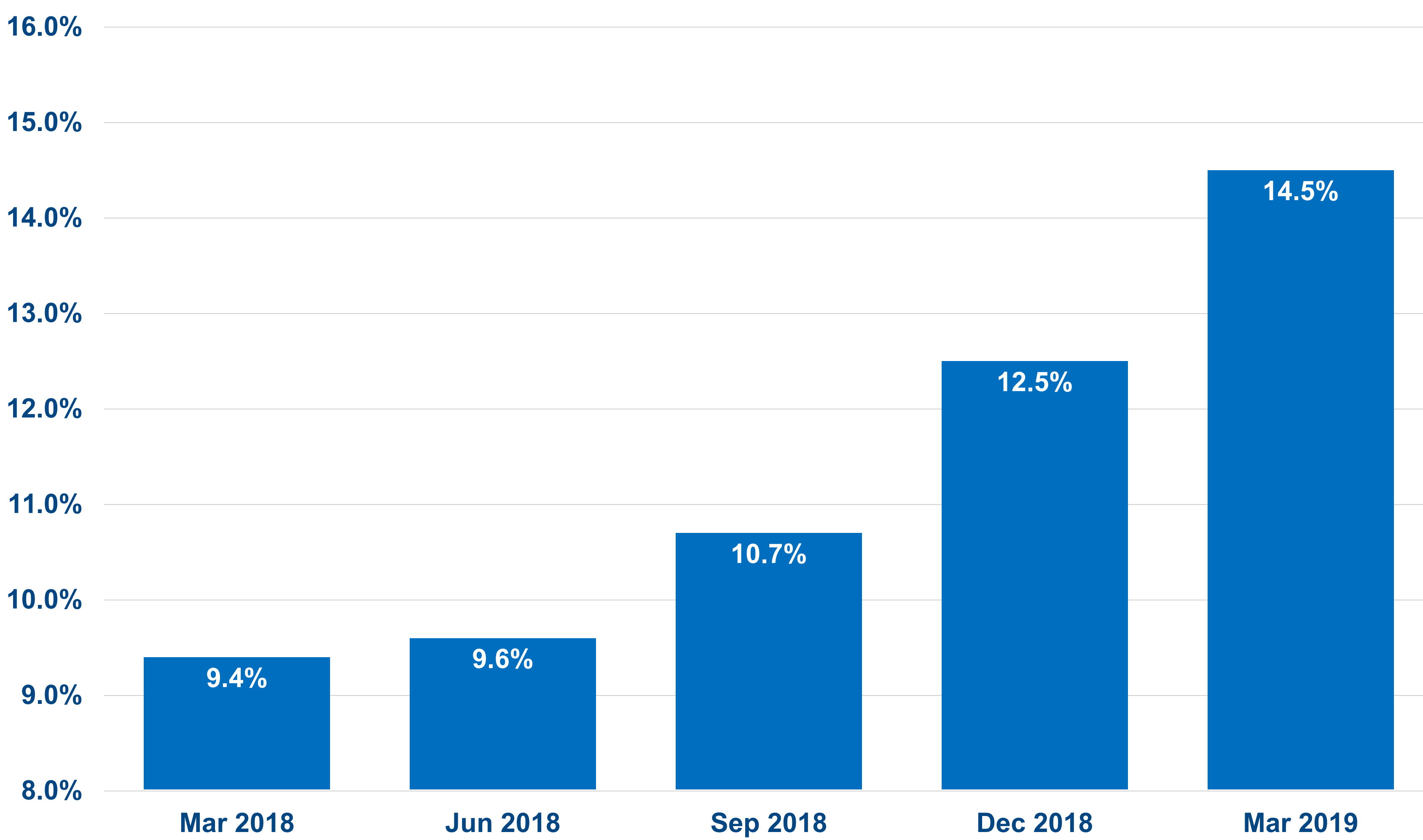
(Amounts in thousands, except percentages and per share data)	FY 2019	FY 2018
Net sales (GAAP)	**$ 1,382,818**	**$ 1,200,181**
Adjusted gross margin	**$ 460,371**	**$ 341,885**
Adjusted gross margin as a percentage of net sales	*33.3%*	*28.5%*
Adjusted selling, general and administrative	**$ 178,883**	**$ 160,914**
Adjusted SG&A as a percentage of net sales	*12.9%*	*13.4%*
Adjusted operating income	**$ 237,235**	**$ 142,105**
Income tax expense	**$ 10,551**	**$ 9,162**
Adjusted net income	**$ 208,995**	**$ 102,276**
Adjusted EBITDA	**$ 289,507**	**$ 191,705**
Per share data:		
Adjusted net income - basic	$ 3.61	$ 1.94
Adjusted net income - diluted	$ 3.54	$ 1.74
Weighted avg. shares - basic	57,840	52,798
Weighted avg. shares - diluted	59,082	58,640

(1) For a reconciliation of the non-GAAP measures presented on this slide to their most directly comparable GAAP measure, see the appendix.

Financial Trends
Quarterly Sales Summary
GAAP (Unaudited)

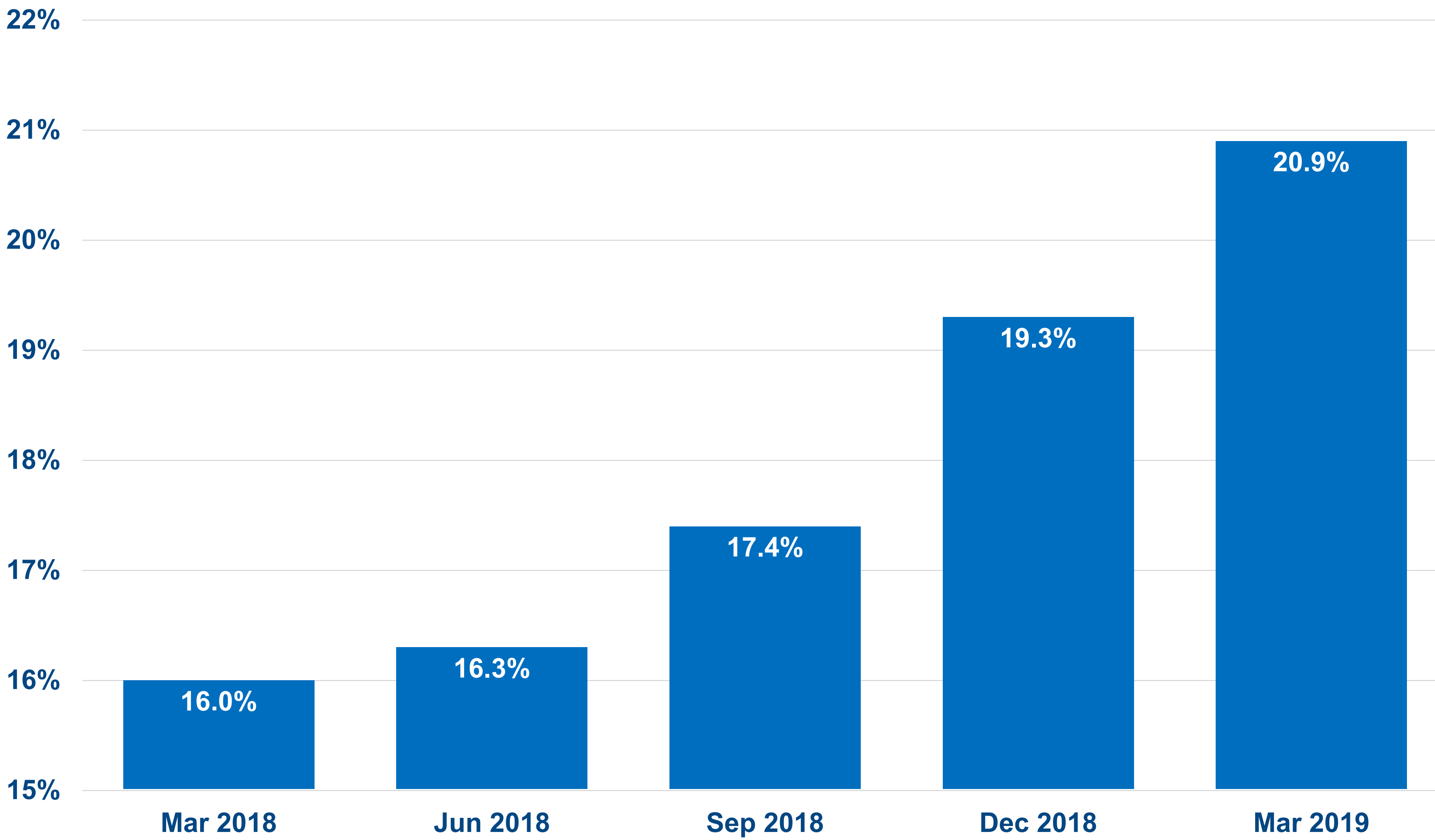


LTM Operating Income Margins
GAAP (Unaudited)



LTM Adjusted EBITDA Margins

Non-GAAP (Unaudited) (1)



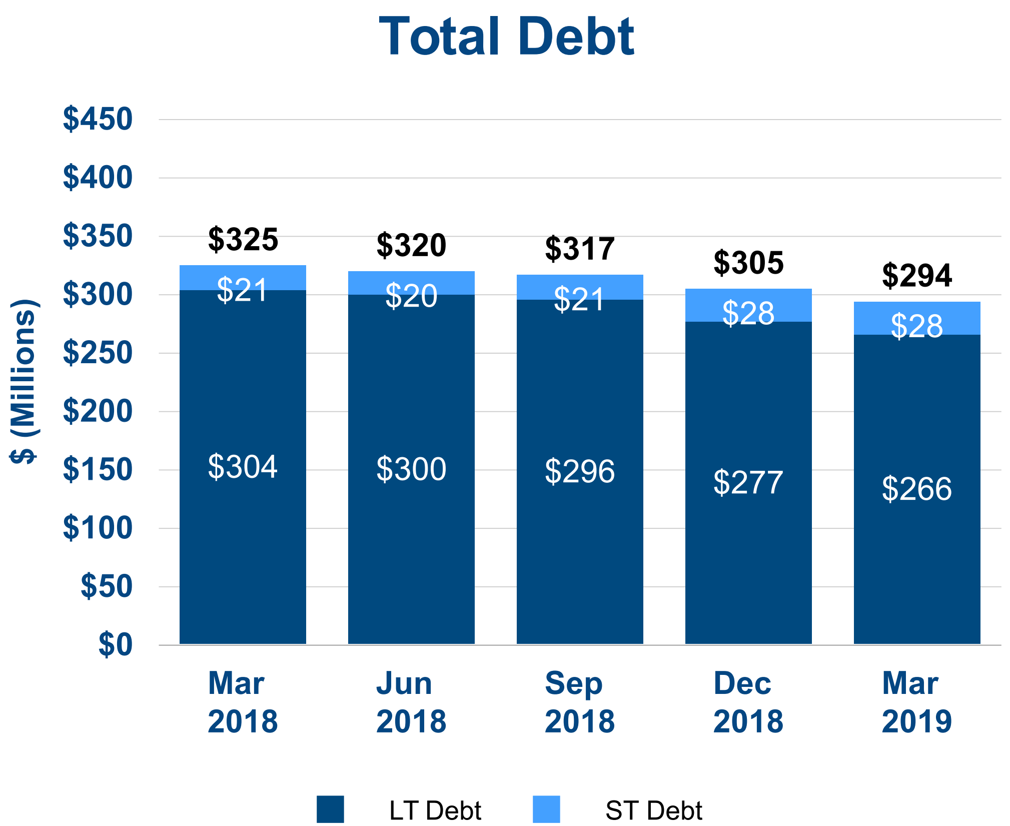
(1) For a reconciliation of the non-GAAP measures presented on this slide to their most directly comparable GAAP measure, see the appendix.

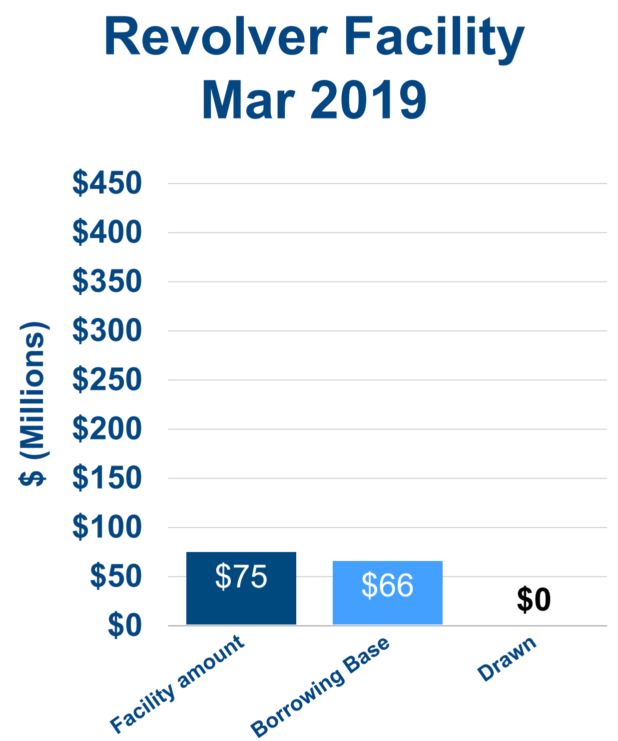
Financial Highlights
(Unaudited)

(Amounts in millions)	Mar 2019		Dec 2018		FX Impact	
Cash, cash equivalents	**$**	**207.9**	**$**	**234.4**	**$**	**0.2**
Capital expenditures (quarter to date)	**$**	**68.4**	**$**	**37.2**		
Short-term debt	$	28.4	$	28.4		
Long-term debt		277.5		287.4		
Debt (discount)/premium and issuance costs		(11.5)		(10.1)		
Total debt	**$**	**294.4**	**$**	**305.7**	**$**	**(2.4)**
Shareholders' Equity	**$**	**639.4**	**$**	**438.0**	**$**	**8.3**
Net working capital [1]	**$**	**241.9**	**$**	**208.0**	**$**	**1.1**

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

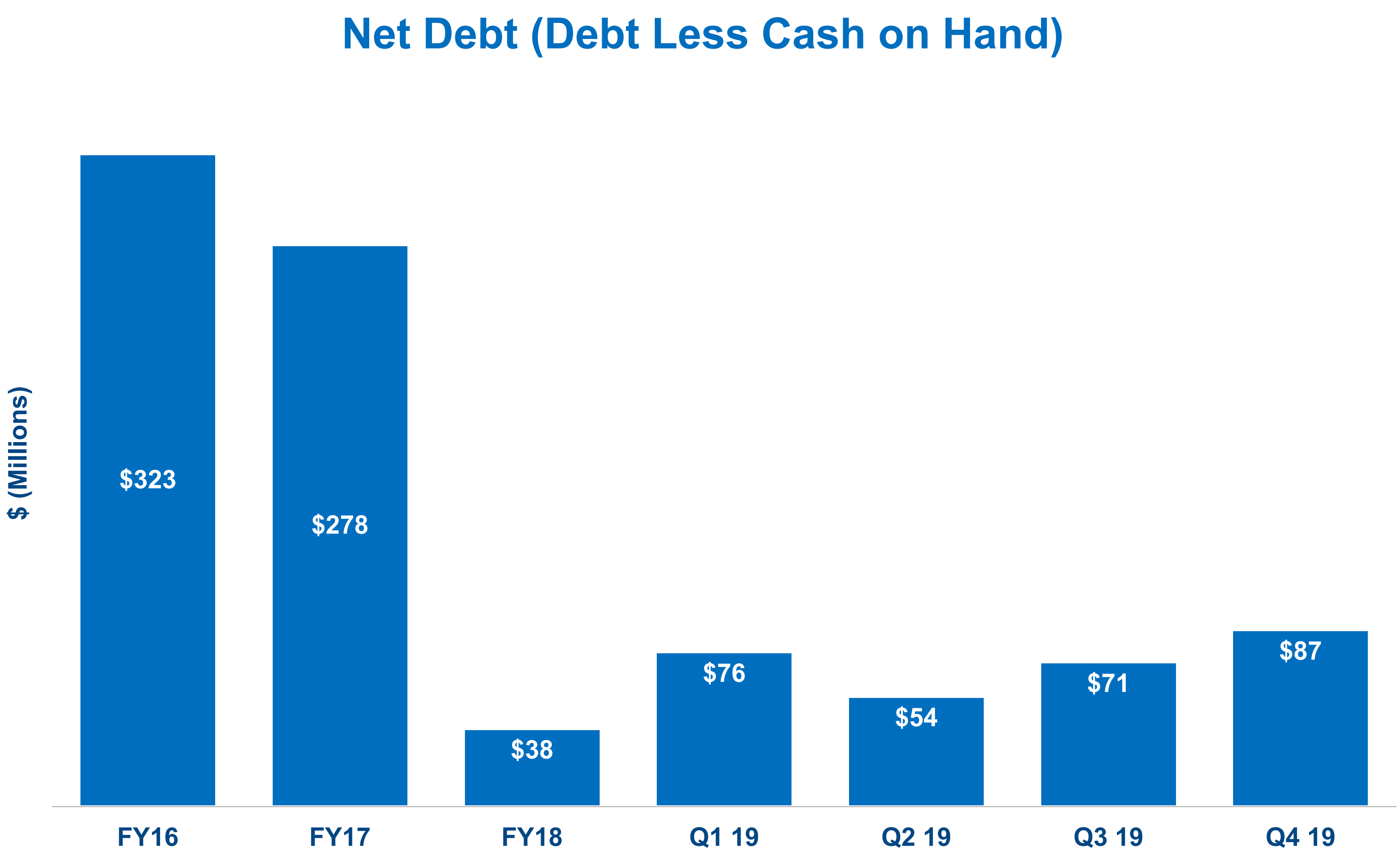
Debt Trend - Q4 FY2019
(Unaudited)



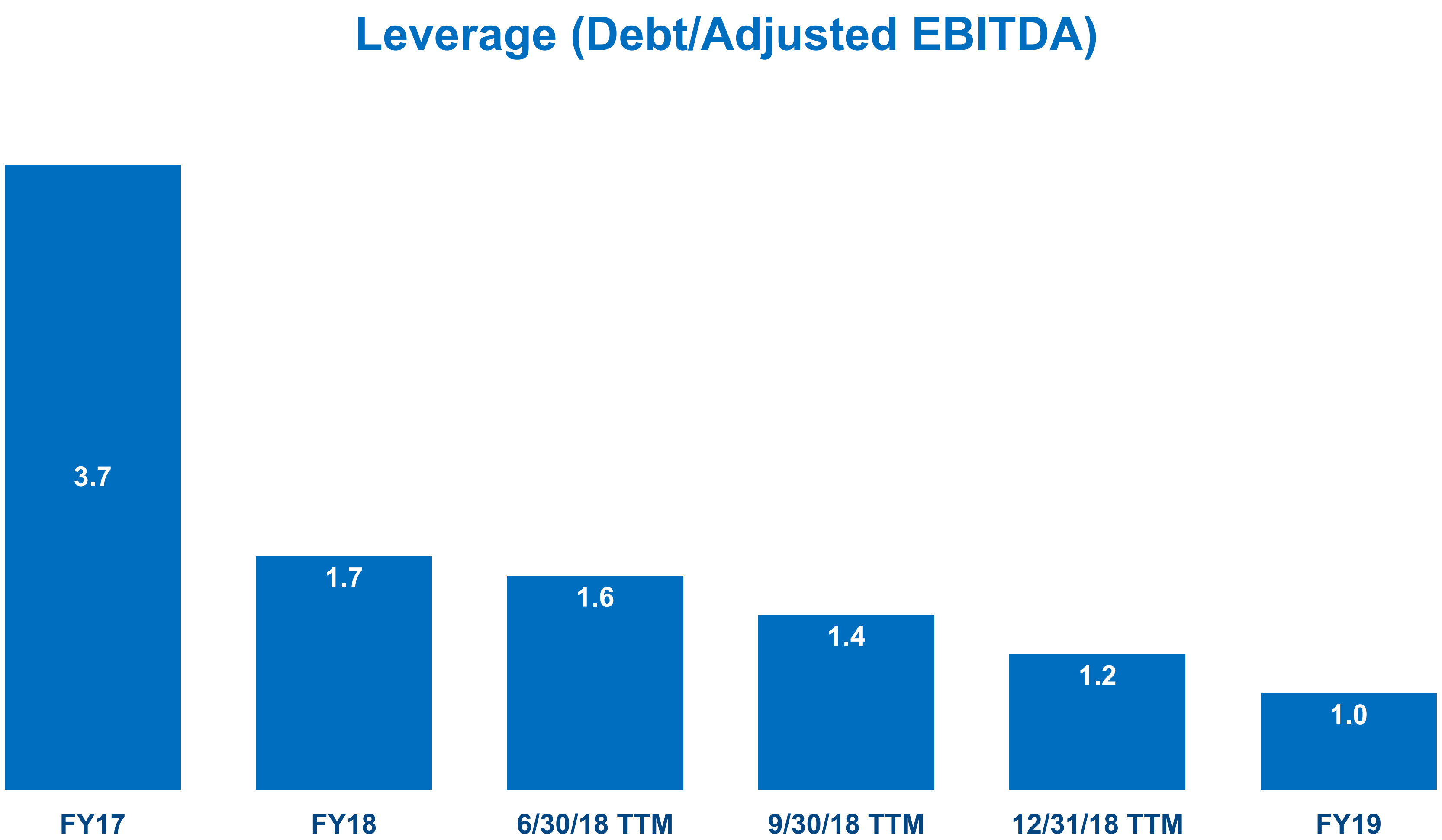


Semi-Annual Principal Repayment on TOKIN Term Loan ~ $12.4 million

Net Debt
(Unaudited)



Leverage
Non-GAAP (Unaudited) (1)



(1) For a reconciliation of the non-GAAP measures presented on this slide to their most directly comparable GAAP measure, see the appendix.

Non-GAAP Adjusted Gross Margin - Reconciliation

Solid Capacitors (Unaudited)

(Amounts in thousands, except percentages)	For the Quarters Ended Mar 2019	For the Quarters Ended Mar 2018
Net sales (GAAP)	**$ 247,861**	**$ 202,805**
Cost of sales	**133,971**	**127,822**
Gross margin (GAAP)	**113,890**	**74,983**
Gross margin as a percentage of net sales	*45.9 %*	*37.0 %*
Adjustments:		
Stock-based compensation expense	471	287
Plant start-up costs [1]	(3,346)	929
Adjusted gross margin (non-GAAP)	**$ 111,015**	**$ 76,199**
Adjusted gross margin as a percentage of net sales	*44.8 %*	*37.6 %*

[1] $0.9 million in costs incurred during fiscal year 2018 related to the relocation of the Company's tantalum powder facility equipment from Carson City, Nevada to its existing Matamoros, Mexico plant were reclassified from "Plant start-up costs" to "Restructuring charges" during the quarter ended March 31, 2019. Additionally, $2.4 million in costs incurred during the first three quarters of fiscal year 2019 were reclassified from "Plant start-up costs" to "Restructuring Charges" during the fourth quarter of fiscal year 2019.

Non-GAAP Adjusted Gross Margin - Reconciliation
Film & Electrolytic (Unaudited)

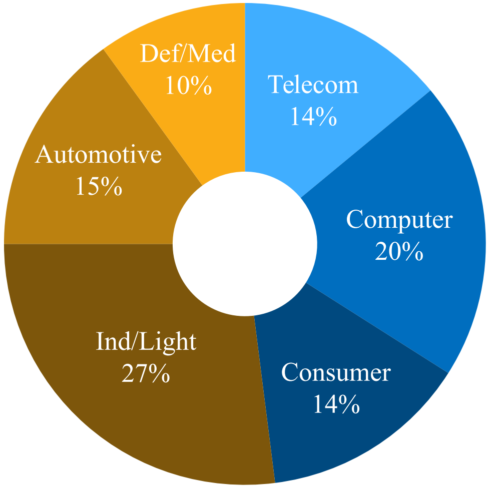
(Amounts in thousands, except percentages)	For the Quarters Ended Mar 2019	For the Quarters Ended Mar 2018
Net sales (GAAP)	**$ 50,486**	**$ 55,028**
Cost of sales	**46,878**	**52,051**
Gross margin (GAAP)	**3,608**	**2,977**
Gross margin as a percentage of net sales	*7.1%*	*5.4%*
Adjustments:		
Stock-based compensation expense	222	157
Adjusted gross margin (non-GAAP)	**$ 3,830**	**$ 3,134**
Adjusted gross margin as a percentage of net sales	*7.6%*	*5.7%*

Non-GAAP Adjusted Gross Margin - Reconciliation
Electro-magnetic, Sensors & Actuators (Unaudited)

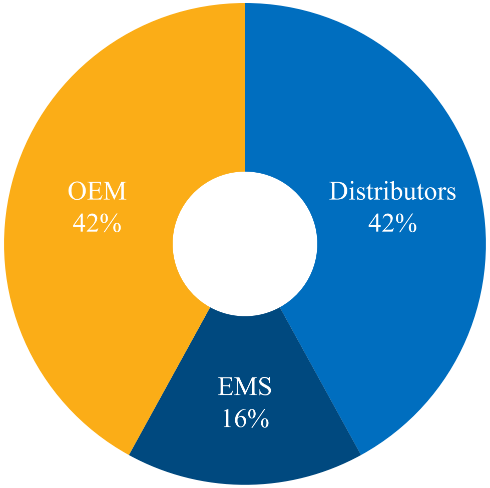
(Amounts in thousands, except percentages)	For the Quarters Ended	
	Mar 2019	Mar 2018
Net sales (GAAP)	**$ 57,447**	**$ 60,258**
Cost of sales	**48,539**	**50,090**
Gross margin (GAAP)	**8,908**	**10,168**
Gross margin as a percentage of net sales	*15.5 %*	*16.9 %*
Adjustments:		
Stock-based compensation expense	122	21
Adjusted gross margin (non-GAAP)	**$ 9,030**	**$ 10,189**
Adjusted gross margin as a percentage of net sales	*15.7 %*	*16.9 %*

Sales Summary - Q4 FY2019
(Unaudited)

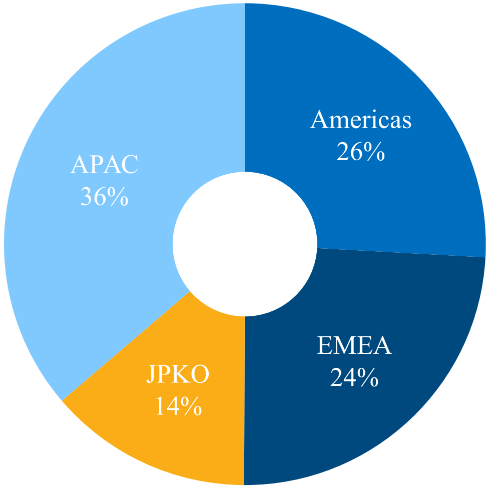
INDUSTRY



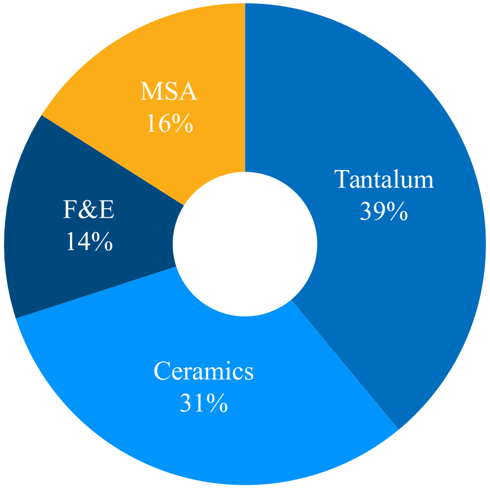
CHANNEL



REGION

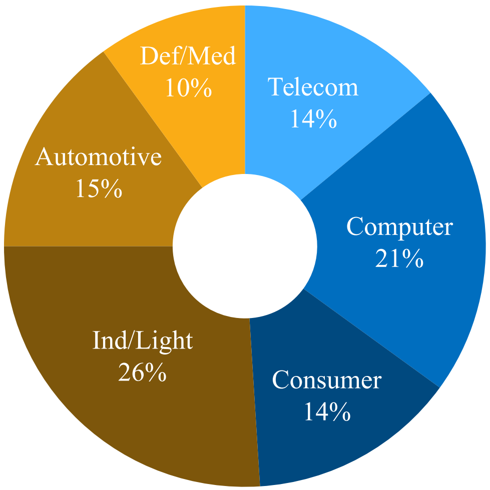


PRODUCT LINE

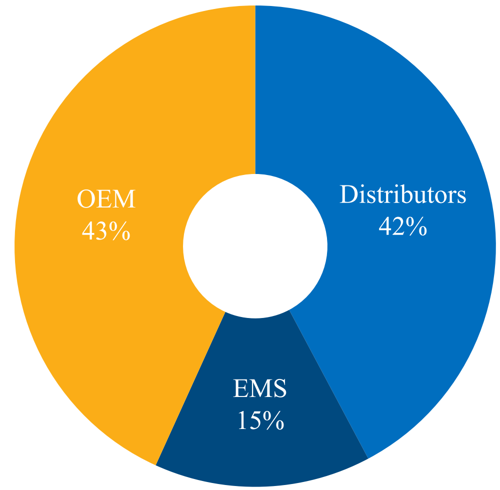


Sales Summary - FY 2019
(Unaudited)

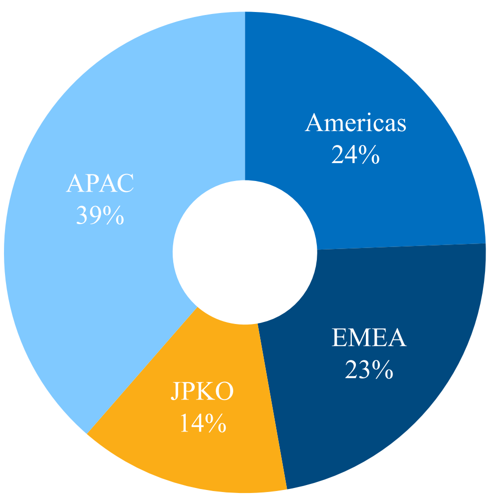
INDUSTRY



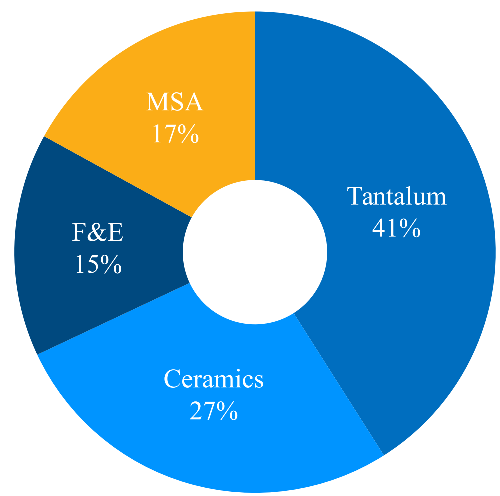
CHANNEL



REGION



PRODUCT LINE



Appendix

Adjusted Gross Margin Reconciliation

Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	For the Quarters Ended		Fiscal Year	
	Mar 2019	Mar 2018	2019	2018
Net sales (GAAP)	$ 355,794	$ 318,091	$ 1,382,818	$ 1,200,181
Cost of sales	229,388	229,963	924,276	860,744
Gross margin (GAAP)	$ 126,406	$ 88,128	$ 458,542	$ 339,437
Gross margin as a percentage of net sales	35.5 %	27.7 %	33.2 %	28.3 %
Non-GAAP Adjustments:				
Stock-based compensation expense	815	465	2,756	1,519
Plant start-up costs [1]	(3,346)	929	(927)	929
Adjusted gross margin (non-GAAP)	$ 123,875	$ 89,522	$ 460,371	$ 341,885
Adjusted gross margin as a percentage of net sales	34.8%	28.1%	33.3%	28.5%

[1] $0.9 million in costs incurred during fiscal year 2018 related to the relocation of the Company's tantalum powder facility equipment from Carson City, Nevada to its existing Matamoros, Mexico plant were reclassified from "Plant start-up costs" to "Restructuring charges" during the quarter ended March 31, 2019. Additionally, $2.4 million in costs incurred during the first three quarters of fiscal year 2019 were reclassified from "Plant start-up costs" to "Restructuring Charges" during the fourth quarter of fiscal year 2019.

Adjusted Selling, General & Administrative Expenses Reconciliation

Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	For the Quarters Ended Mar 2019	For the Quarters Ended Mar 2018	Fiscal Year 2019	Fiscal Year 2018
Net sales (GAAP)	**$ 355,794**	**$ 318,091**	**$ 1,382,818**	**$ 1,200,181**
Selling, general and administrative expenses (GAAP)	**$ 53,571**	**$ 47,821**	**$ 202,642**	**$ 173,620**
Selling, general, and administrative as a percentage of net sales	*15.1%*	*15.0%*	*14.7%*	*14.5%*
Less non-GAAP adjustments:				
ERP integration costs/IT transition costs	3,117	80	8,813	80
Stock-based compensation expense	1,935	2,251	9,751	5,890
Legal expenses/fines related to antitrust class actions	901	1,738	5,195	6,736
Adjusted selling, general and administrative expenses (non-GAAP)	**$ 47,618**	**$ 43,752**	**$ 178,883**	**$ 160,914**
Adjusted selling, general, and administrative as a percentage of net sales	*13.4%*	*13.8%*	*12.9%*	*13.4%*

Adjusted Operating Income Reconciliation
Non-GAAP (Unaudited)

(Amounts in thousands)	For the Quarters Ended Mar 2019	For the Quarters Ended Mar 2018	Fiscal Year 2019	Fiscal Year 2018
Operating income (GAAP)	**$ 54,057**	**$ 21,646**	**$ 200,849**	**$ 112,852**
Non-GAAP Adjustments:				
ERP integration costs/IT transition costs	3,117	80	8,813	80
Stock-based compensation expense	2,855	2,820	12,866	7,657
Restructuring charges [1]	7,157	8,307	8,779	14,843
Legal expenses/fines related to antitrust class actions	901	1,738	5,195	6,736
(Gain) loss on write-down and disposal of long-lived assets	49	(70)	1,660	(992)
Plant start-up costs [1]	(3,346)	929	(927)	929
Adjusted operating income (non-GAAP)	**$ 64,790**	**$ 35,450**	**$ 237,235**	**$ 142,105**

[1] $0.9 million in costs incurred during fiscal year 2018 related to the relocation of the Company's tantalum powder facility equipment from Carson City, Nevada to its existing Matamoros, Mexico plant were reclassified from "Plant start-up costs" to "Restructuring charges" during the quarter ended March 31, 2019. Additionally, $2.4 million in costs incurred during the first three quarters of fiscal year 2019 were reclassified from "Plant start-up costs" to "Restructuring Charges" during the fourth quarter of fiscal year 2019.

Adjusted Net Income Reconciliation
Non-GAAP (Unaudited)

	For the Quarters Ended		Fiscal Year	
(Amounts in thousands, except per share data)	Mar 2019	Mar 2018	2019	2018
Net income (GAAP)	**$ 93,420**	**$ 2,280**	**$ 206,587**	**$ 254,127**
Non-GAAP Adjustments:				
Net foreign exchange (gain) loss	2,316	3,972	(7,230)	13,145
ERP integration costs/IT transition costs	3,117	80	8,813	80
Stock-based compensation	2,855	2,820	12,866	7,657
Income tax effect of non-GAAP adjustments [(1)]	(50,208)	156	(50,012)	(30)
Restructuring charges [(2)]	7,157	8,307	8,779	14,843
R&D grant reimbursements and grant income	(2)	—	(4,559)	—
Legal expenses/fines related to antitrust class actions	3,039	1,095	11,896	16,636
Amortization included in interest expense	787	647	1,872	2,467
Equity (income) loss from equity method investments	3,003	(313)	3,304	(76,192)
Acquisition (gain) loss	—	6,303	—	(130,880)
(Gain) loss on write down and disposal of long-lived assets	49	(70)	1,660	(992)
Plant start-up costs [(2)]	(3,346)	929	(927)	929
Loss on early extinguishment of debt	(42)	—	15,946	486
Adjusted net income (non-GAAP)	**$ 62,145**	**$ 26,206**	**$ 208,995**	**$ 102,276**
Adjusted net income (loss) per share - basic	$ 1.07	$ 0.46	$ 3.61	$ 1.94
Adjusted net income (loss) per share - diluted	$ 1.05	$ 0.44	$ 3.54	$ 1.74
Weighted avg. shares - basic	58,233	57,025	57,840	52,798
Weighted avg. shares - diluted	58,975	59,063	59,082	58,640

[(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.

[(2)] $0.9 million in costs incurred during fiscal year 2018 related to the relocation of the Company's tantalum powder facility equipment from Carson City, Nevada to its existing Matamoros, Mexico plant were reclassified from "Plant start-up costs" to "Restructuring charges" during the quarter ended March 31, 2019. Additionally, $2.4 million in costs incurred during the first three quarters of fiscal year 2019 were reclassified from "Plant start-up costs" to "Restructuring Charges" during the fourth quarter of fiscal year 2019.

Adjusted EBITDA Reconciliation

Non-GAAP (Unaudited)

	For the Quarters Ended		Fiscal Year	
(Amounts in thousands)	Mar 2019	Mar 2018	2019	2018
Net income (GAAP)	**$ 93,420**	**$ 2,280**	**$ 206,587**	**$ 254,127**
Non-GAAP adjustments:				
Interest expense, net	1,726	6,754	19,204	32,073
Income tax expense (benefit)	(48,660)	3,091	(39,460)	9,132
Depreciation and amortization	14,223	13,295	52,628	50,661
EBITDA (non-GAAP)	60,709	25,420	238,959	345,993
Excluding the following items (non-GAAP):				
Net foreign exchange (gain) loss	2,316	3,972	(7,230)	13,145
ERP integration costs/IT transition costs	3,117	80	8,813	80
Stock-based compensation	2,855	2,820	12,866	7,657
Restructuring charges (1)	7,157	8,307	8,779	14,843
R&D grant reimbursements and grant income	(2)	—	(4,559)	—
Legal expenses/fines related to antitrust class actions	3,039	1,095	11,896	16,636
Equity (income) loss from equity method investments	3,003	(313)	3,304	(76,192)
Acquisition (gain) loss	—	6,303	—	(130,880)
(Gain) loss on write down and disposal of long-lived assets	49	(70)	1,660	(992)
Plant start-up costs (1)	(3,346)	929	(927)	929
Loss on early extinguishment of debt	(42)	—	15,946	486
Adjusted EBITDA (non-GAAP)	**$ 78,855**	**$ 48,543**	**$ 289,507**	**$ 191,705**

(1) $0.9 million in costs incurred during fiscal year 2018 related to the relocation of the Company's tantalum powder facility equipment from Carson City, Nevada to its existing Matamoros, Mexico plant were reclassified from "Plant start-up costs" to "Restructuring charges" during the quarter ended March 31, 2019. Additionally, $2.4 million in costs incurred during the first three quarters of fiscal year 2019 were reclassified from "Plant start-up costs" to "Restructuring Charges" during the fourth quarter of fiscal year 2019.

Adjusted EBITDA Reconciliation

Non-GAAP (Unaudited)

(Amounts in thousands, except percentages and ratios)	Quarter Ended Sep 2017	Quarter Ended Dec 2017	Quarter Ended Mar 2018	Quarter Ended Jun 2018	LTM Jun 2018
Net Sales (GAAP)	**$ 301,568**	**$ 306,576**	**$ 318,091**	**$ 327,616**	**$ 1,253,851**
Net income (GAAP)	**12,819**	**18,589**	**2,280**	**35,220**	**68,908**
Non-GAAP adjustments:					
Income tax expense	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 (non-GAAP):					
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
R&D grant reimbursements and grant income	—	—	—	(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 sale 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	*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 and ratios)	Quarter Ended Dec 2017	Mar 2018	Jun 2018	Sep 2018	LTM Sep 2018
Net Sales (GAAP)	**$ 306,576**	**$ 318,091**	**$ 327,616**	**$ 349,233**	**$ 1,301,516**
Net income (GAAP)	**18,589**	**2,280**	**35,220**	**37,141**	**93,230**
Non-GAAP adjustments:					
Income tax expense	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 (non-GAAP):					
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
R&D grant reimbursements and grant income	—	—	(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 sale 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	*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 and ratios)	Quarter Ended Mar 2018	Quarter Ended Jun 2018	Quarter Ended Sep 2018	Quarter Ended Dec 2018	LTM Dec 2018
Net Sales (GAAP)	**$ 318,091**	**$ 327,616**	**$ 349,233**	**$ 350,175**	**$ 1,345,115**
Net income (GAAP)	**2,280**	**35,220**	**37,141**	**40,806**	**115,447**
Non-GAAP adjustments:					
Income tax expense	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 (non-GAAP):					
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
R&D grant reimbursements and grant income	—	(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 sale 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	*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*

Adjusted EBITDA Reconciliation
Non-GAAP (Unaudited)

(Amounts in thousands, except percentages and ratios)	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Net Sales (GAAP)	**$ 757,338**	**$ 1,200,181**	**$ 1,382,818**
Net income (GAAP)	**47,157**	**254,127**	**206,587**
Non-GAAP adjustments:			
Income tax expense (benefit)	4,294	9,132	(39,460)
Interest expense, net	39,731	32,073	19,204
Depreciation and amortization	38,151	50,661	52,628
EBITDA (non-GAAP)	129,333	345,993	238,959
Excluding the following items (Non-GAAP):			
Change in value of TOKIN options	(10,700)	—	—
Equity (income) loss from equity method investments	(41,643)	(76,192)	3,304
Acquisition (gain) loss	—	(130,880)	—
Restructuring charges (1)	5,404	14,843	8,779
R&D grant reimbursements and grant income	—	—	(4,559)
ERP integration costs / IT transition costs	7,045	80	8,813
Stock-based compensation expense	4,720	7,657	12,866
Legal expenses related to antitrust class actions	2,640	16,636	11,896
Net foreign exchange (gain) loss	(3,758)	13,145	(7,230)
TOKIN investment-related expenses	1,101	—	—
Plant start-up costs (1)	427	929	(927)
(Gain) loss on write down and sale of long-lived assets	10,671	(992)	1,660
(Gain) loss on early extinguishment of debt	—	486	15,946
Adjusted EBITDA (non-GAAP)	**$ 105,240**	**$ 191,705**	**$ 289,507**
Adjusted EBITDA Margin	*13.9%*	*16.0%*	*20.9%*
Total Debt as of March 31,	**$ 388,211**	**$ 324,623**	**$ 294,471**
Leverage ratio (Debt/Adjusted EBITDA)	*3.7*	*1.7*	*1.0*

(1) $0.9 million in costs incurred during fiscal year 2018 related to the relocation of the Company's tantalum powder facility equipment from Carson City, Nevada to its existing Matamoros, Mexico plant were reclassified from "Plant start-up costs" to "Restructuring charges" during the quarter ended March 31, 2019. Additionally, $2.4 million in costs incurred during the first three quarters of fiscal year 2019 were reclassified from "Plant start-up costs" to "Restructuring Charges" during the fourth quarter of fiscal year 2019.

Non-GAAP Financial Measures

Non-GAAP Financial Measures

The Company has presented certain historical financial measures in this presentation that have not been prepared in accordance with GAAP, including adjusted net income, adjusted net income per share, adjusted EBITDA, adjusted gross margin, and adjusted selling, general and administrative expenses. The reconciliations of our non-GAAP financial measures to the most directly comparable GAAP financial measures have been included in this presentation. These non-GAAP financial measures are designed to complement the financial information presented in accordance with GAAP 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

Adjusted operating income represents operating income, excluding adjustments which are outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted operating income to facilitate our analysis and understanding of our business operations by excluding the items outlined in the quantitative reconciliation provided earlier 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 is useful to investors because it provides 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 should not be considered as an alternative to operating income or any other performance measure derived in accordance with GAAP.

Non-GAAP Financial Measures
Continued

Adjusted net income and Adjusted net income per basic and diluted share

Adjusted net income and Adjusted net income per basic and diluted share represent net income and net income per basic and diluted share, excluding adjustments which are more specifically outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted net income and Adjusted net income per basic and diluted share to evaluate the Company's operating performance by excluding the items outlined in the quantitative reconciliation provided above 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 and Adjusted net income per basic and diluted share 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 and Adjusted net income per basic and diluted share should not be considered as alternatives to net income, operating income, or any other performance measures derived in accordance with GAAP.

Adjusted EBITDA

Adjusted EBITDA represents net income before income tax expense (benefit), interest expense, net, and depreciation and amortization expense, excluding adjustments which are more specifically outlined in the quantitative reconciliation provided earlier in this presentation. Management uses Adjusted EBITDA to monitor and evaluate our operating performance and to facilitate internal and external comparisons of the historical operating performance of our business. 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 as supplementary information.