



BUILT INTO TOMORROW

Earnings Conference Call
May 14, 2020

Quarter and Year Ended March 31, 2020

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) the failure to complete the merger with Yageo Corporation (the "Merger") and the effects such failure would have on the Company's financial condition and results of operations, (ii) certain business uncertainties and contractual restrictions related to the pendency of the Merger, (iii) our inability to pursue alternatives to the Merger during the pendency of the Merger, (iv) 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; (v) an increase in the cost or a decrease in the availability of our principal or single-sourced purchased raw materials; (vi) changes in the competitive environment; (vii) uncertainty of the timing of customer product qualifications in heavily regulated industries; (viii) economic, political, or regulatory changes in the countries in which we operate; (ix) difficulties, delays, or unexpected costs in completing the Company's restructuring plans; (x) 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; (xi) our business could be negatively impacted by increased regulatory scrutiny and litigation; (xii) difficulties associated with retaining, attracting, and training effective employees and management; (xiii) the need to develop innovative products to maintain customer relationships and offset potential price erosion in older products; (xiv) exposure to claims alleging product defects; (xv) the impact of laws and regulations that apply to our business, including those relating to environmental matters, data protection, cyber security and privacy; (xvi) the impact of international laws relating to trade, export controls and foreign corrupt practices; (xvii) 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; (xviii) volatility of financial and credit markets affecting our access to capital; (xix) default or failure of one or more of our counterparty financial institutions could cause us to incur significant losses; (xx) the need to reduce the total costs of our products to remain competitive; (xxi) potential limitation on the use of net operating losses to offset possible future taxable income; (xxii) restrictions in our debt agreements that could limit our flexibility in operating our business; (xxiii) failure to maintain effective internal controls over financial reporting; (xxiv) 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; (xxv) economic and demographic experience for pension and other post-retirement benefit plans could be less favorable than our assumptions; (xxvi) fluctuation in distributor sales could adversely affect our results of operations; (xxvii) earthquakes, natural disasters, and climate change could disrupt our operations and have a material adverse effect on our financial condition and results of operations; (xxviii) global health epidemics such as the coronavirus could materially affect our business, financial condition, and results of operations; and (xxix) volatility in our stock price.

Income Statement Highlights

GAAP (Unaudited)



	For the Quarters Ended	
	Mar 2020	Mar 2019
<i>(Amounts in thousands, except percentages and per share data)</i>		
Net sales	\$ 293,174	\$ 355,794
Gross margin	\$ 92,009	\$ 126,406
<i>Gross margin as a percentage of net sales</i>	31.4%	35.5%
Selling, general and administrative	\$ 47,523	\$ 53,571
<i>SG&A as a percentage of net sales</i>	16.2%	15.1%
Operating income	\$ 11,728	\$ 54,057
Income tax expense (benefit)	\$ 14,626	\$ (48,660)
Net income (loss)	\$ (301)	\$ 93,420
Per share data:		
Net income (loss) per basic share	\$ (0.01)	\$ 1.60
Net income (loss) per diluted share	\$ (0.01)	\$ 1.58
Weighted avg. shares - basic	58,774	58,233
Weighted avg. shares - diluted	58,774	58,975

Income Statement Highlights

Non-GAAP (Unaudited) ⁽¹⁾



(Amounts in thousands, except percentages and per share data)

	For the Quarters Ended	
	Mar 2020	Mar 2019
Net sales (GAAP)	\$ 293,174	\$ 355,794
Adjusted gross margin	\$ 93,437	\$ 123,875
<i>Adjusted gross margin as a percentage of net sales</i>	<i>31.9%</i>	<i>34.8%</i>
Adjusted selling, general and administrative	\$ 42,199	\$ 47,618
<i>Adjusted SG&A as a percentage of net sales</i>	<i>14.4%</i>	<i>13.4%</i>
Adjusted operating income	\$ 39,178	\$ 64,790
Adjusted income tax expense	\$ 12,492	\$ 1,548
Adjusted net income	\$ 22,200	\$ 61,358
Adjusted EBITDA	\$ 54,103	\$ 78,855
<i>Adjusted EBITDA as a percentage of net sales</i>	<i>18.5%</i>	<i>22.2%</i>
Per share data:		
Adjusted net income - basic	\$ 0.38	\$ 1.05
Adjusted net income - diluted	\$ 0.37	\$ 1.04
Weighted avg. shares - basic	58,774	58,233
Weighted avg. shares - diluted ⁽²⁾	59,612	58,975

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

⁽²⁾ For the quarter ended March 31, 2020, diluted shares were used to compute adjusted net income per diluted share (non-GAAP).

Income Statement Highlights

GAAP (Unaudited)



(Amounts in thousands, except percentages and per share data)

	FY 2020	FY 2019
Net sales	\$ 1,260,554	\$ 1,382,818
Gross margin	\$ 420,488	\$ 458,542
<i>Gross margin as a percentage of net sales</i>	33.4%	33.2%
Selling, general and administrative	\$ 194,766	\$ 202,642
<i>SG&A as a percentage of net sales</i>	15.5%	14.7%
Operating income	\$ 147,866	\$ 200,849
Income tax expense (benefit)	\$ 38,526	\$ (39,460)
Net income	\$ 41,381	\$ 206,587
Per share data:		
Net income - basic	\$ 0.71	\$ 3.57
Net income - diluted	\$ 0.70	\$ 3.50
Weighted avg. shares - basic	58,574	57,840
Weighted avg. shares - diluted	59,415	59,082

Income Statement Highlights

Non-GAAP (Unaudited) ⁽¹⁾



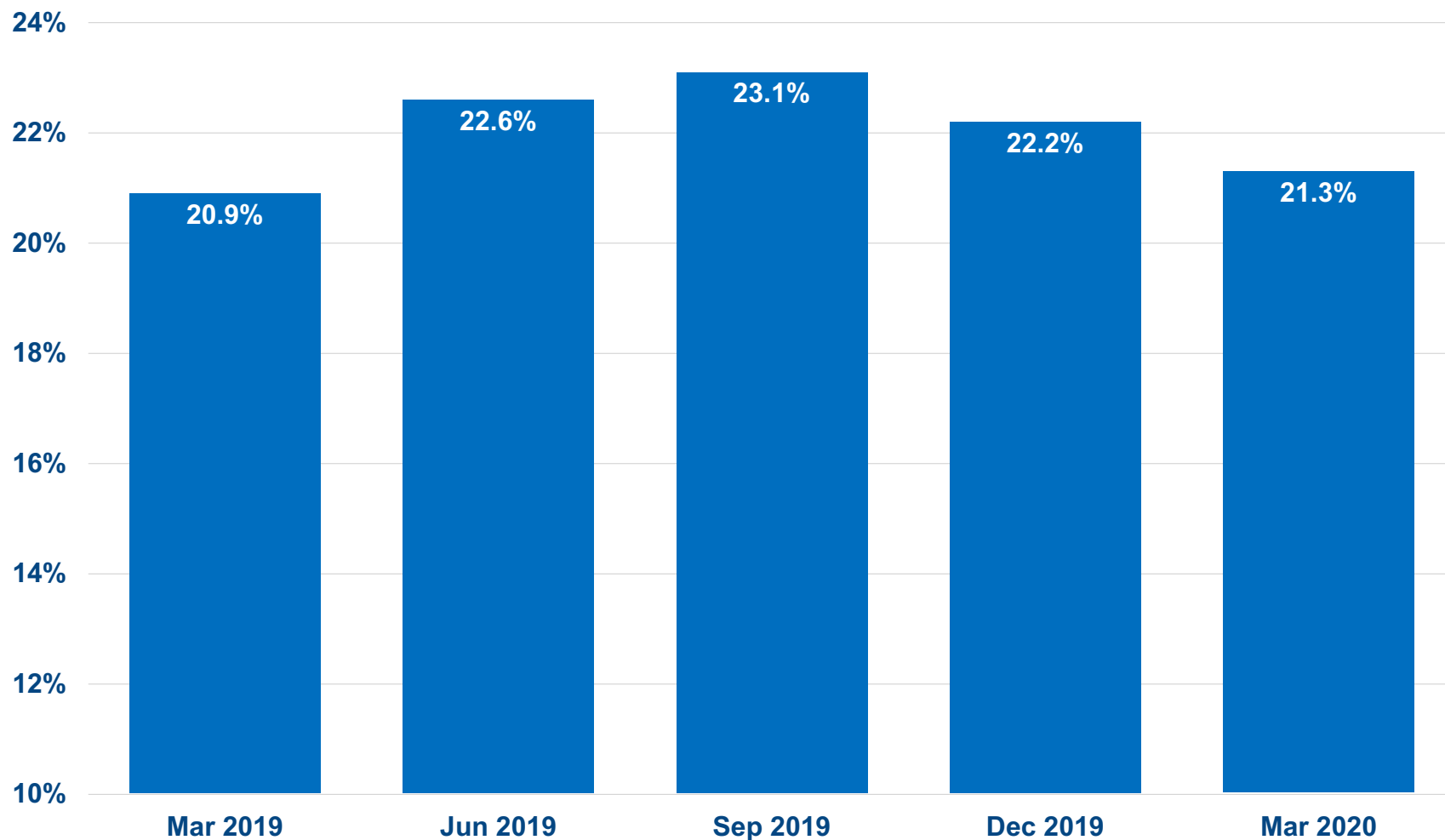
(Amounts in thousands, except percentages and per share data)

	FY 2020	FY 2019
Net sales (GAAP)	\$ 1,260,554	\$ 1,382,818
Adjusted gross margin	\$ 424,700	\$ 460,371
<i>Adjusted gross margin as a percentage of net sales</i>	<i>33.7%</i>	<i>33.3%</i>
Adjusted selling, general and administrative	\$ 167,981	\$ 178,883
<i>Adjusted SG&A as a percentage of net sales</i>	<i>13.3%</i>	<i>12.9%</i>
Adjusted operating income	\$ 207,893	\$ 237,235
Adjusted income tax expense	\$ 60,611	\$ 10,551
Adjusted net income	\$ 137,282	\$ 207,123
Adjusted EBITDA	\$ 268,408	\$ 289,507
Per share data:		
Adjusted net income - basic	\$ 2.34	\$ 3.58
Adjusted net income - diluted	\$ 2.31	\$ 3.51
Weighted avg. shares - basic	58,574	57,840
Weighted avg. shares - diluted	59,415	59,082

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

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)



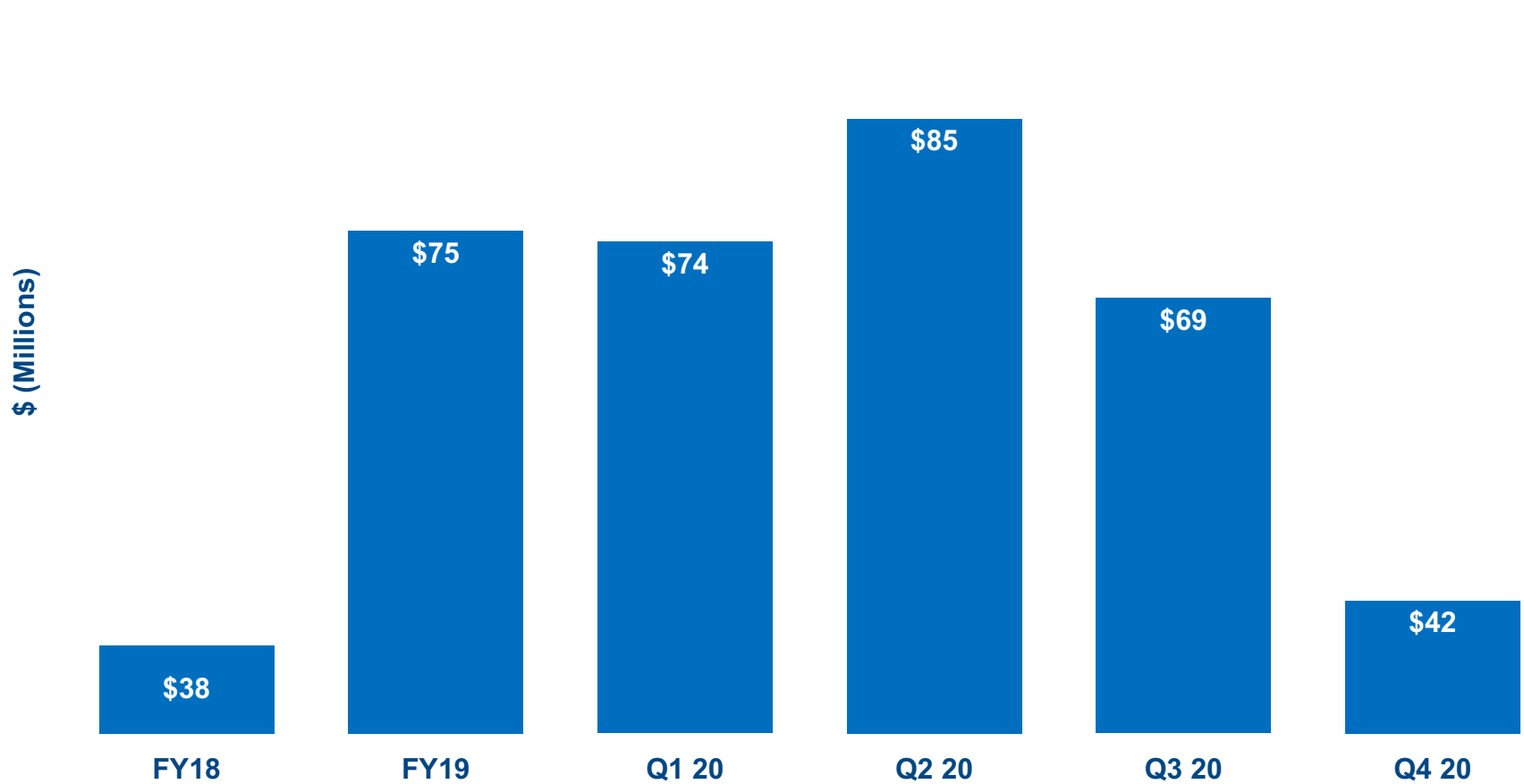
<i>(Amounts in millions)</i>	Mar 2020	Dec 2019
Cash, cash equivalents	\$ 222.4	\$ 208.4
Inventories, net	\$ 243.2	\$ 263.1
Capital expenditures (quarter to date)	\$ 42.2	\$ 30.8
Short-term debt	\$ 29.1	\$ 29.0
Long-term debt	243.5	256.5
Debt (discount)/premium and issuance costs	(7.8)	(8.4)
Total debt	\$ 264.8	\$ 277.1
Equity	\$ 647.3	\$ 687.3
Net working capital ⁽¹⁾	\$ 284.8	\$ 293.7

⁽¹⁾ Calculated as accounts receivable, net, plus inventories, net, less accounts payable

Net Debt (Unaudited)



Net Debt (Debt Less Cash on Hand)

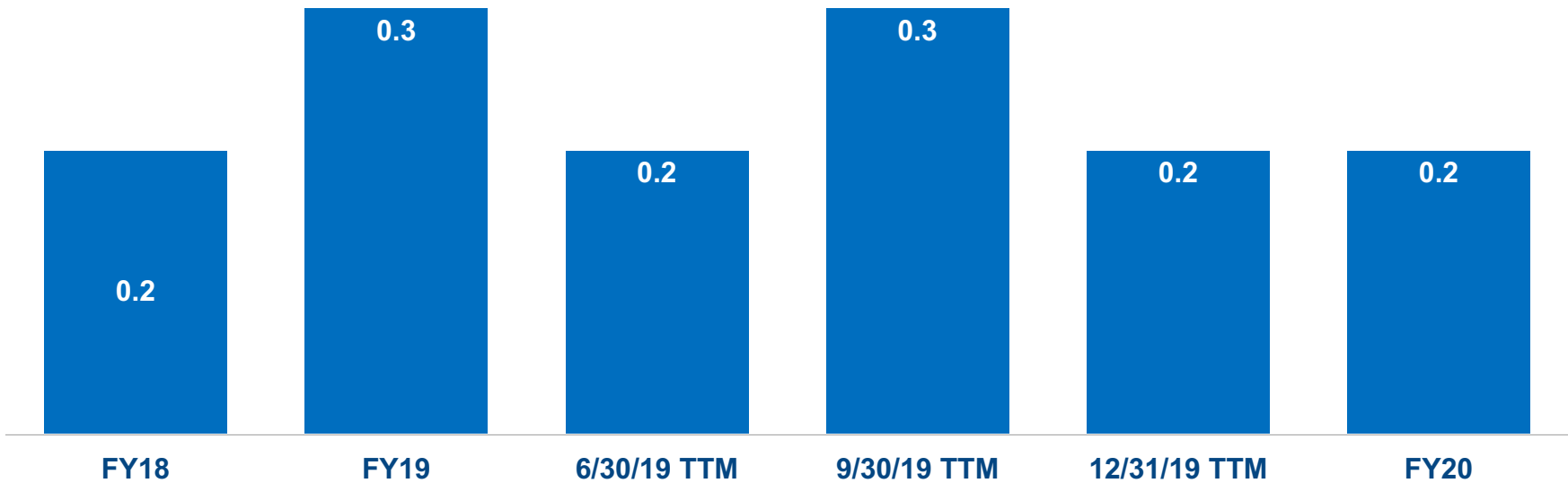


Leverage Ratio

Non-GAAP (Unaudited) ⁽¹⁾



Leverage Ratio (Net Debt/Adjusted EBITDA)



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

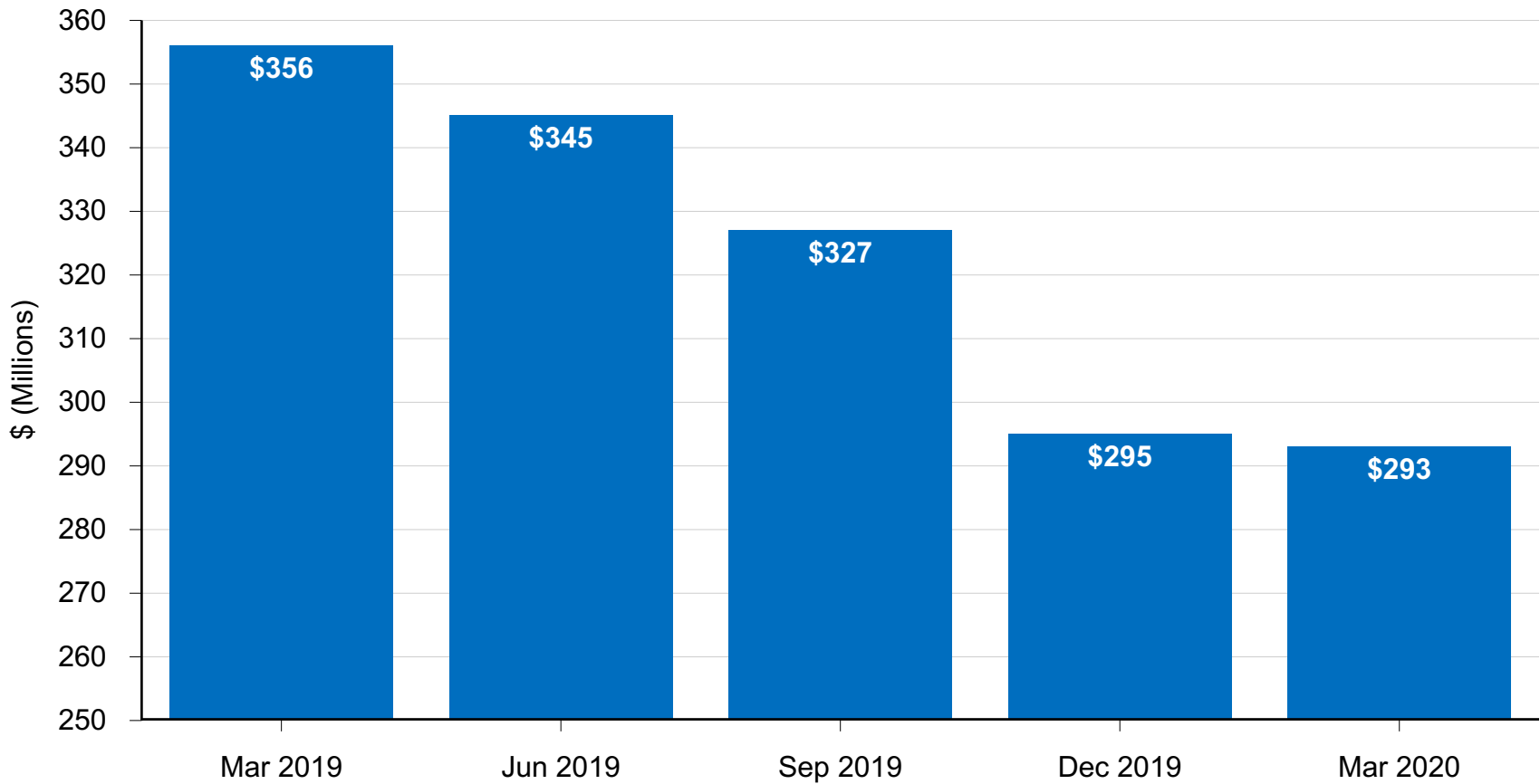
Financial Trends

Quarterly Sales Summary

GAAP (Unaudited)



Net Sales

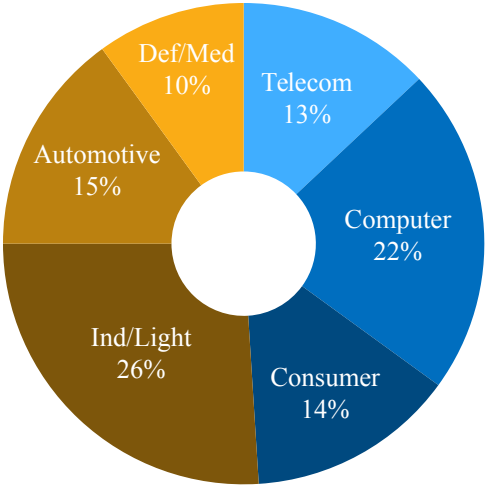


Sales Summary - Q4 FY2020

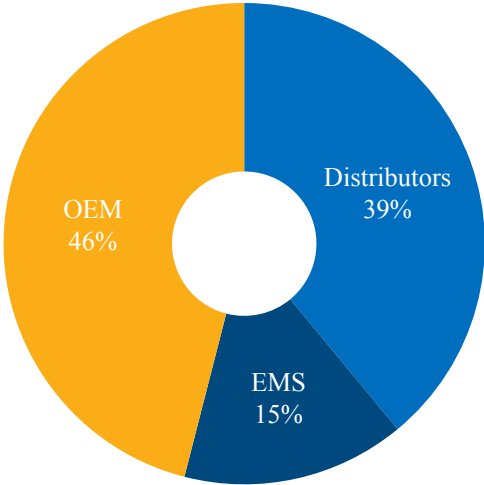
(Unaudited)



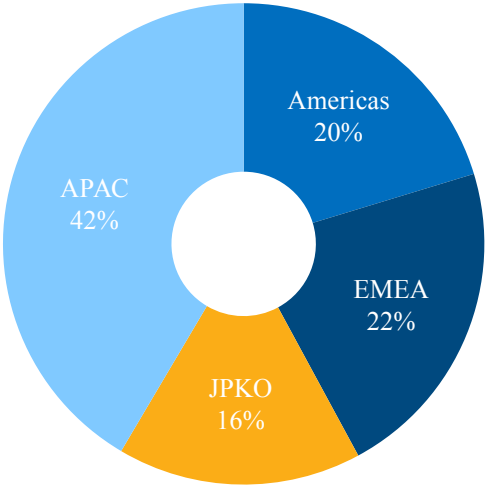
INDUSTRY



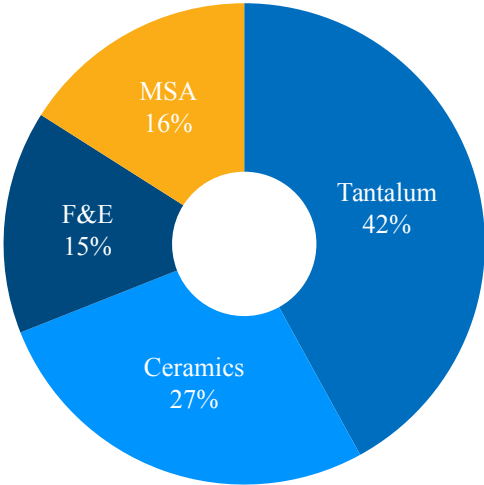
CHANNEL



REGION



PRODUCT LINE

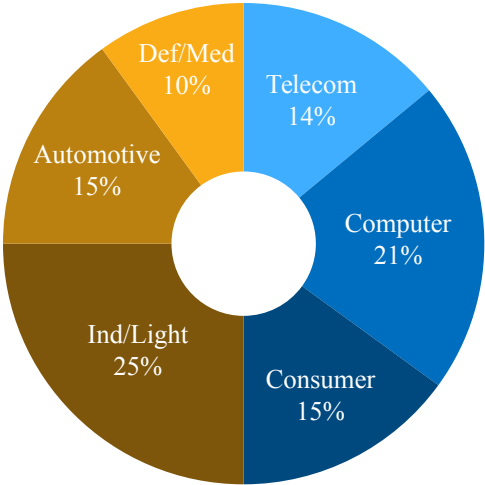


Sales Summary - FY 2020

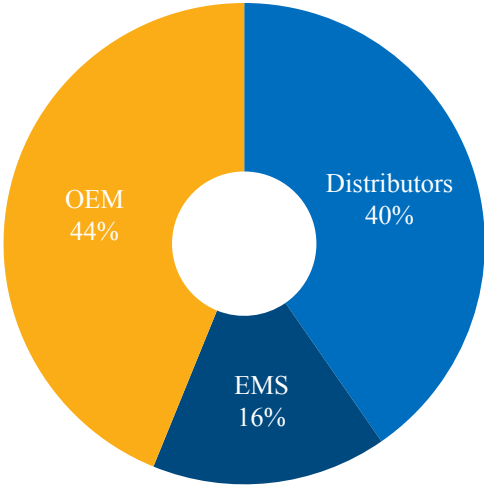
(Unaudited)



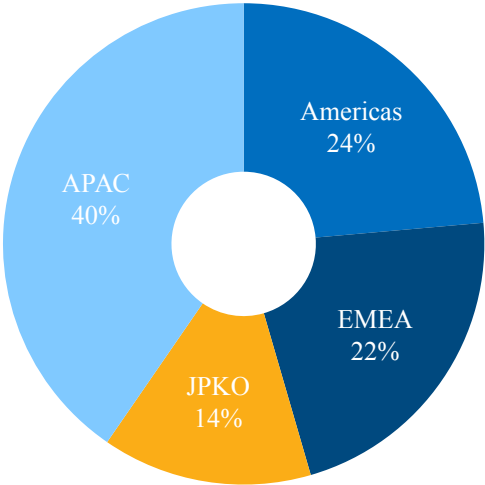
INDUSTRY



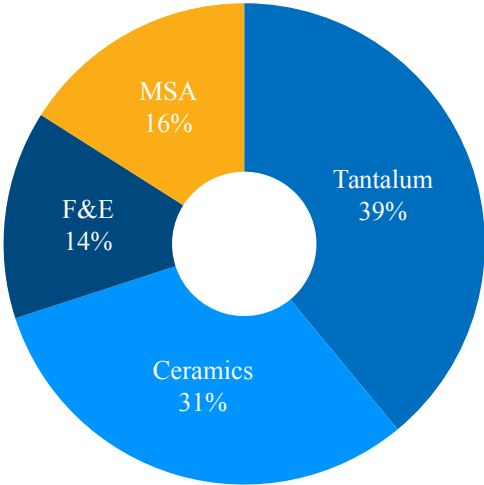
CHANNEL



REGION



PRODUCT LINE

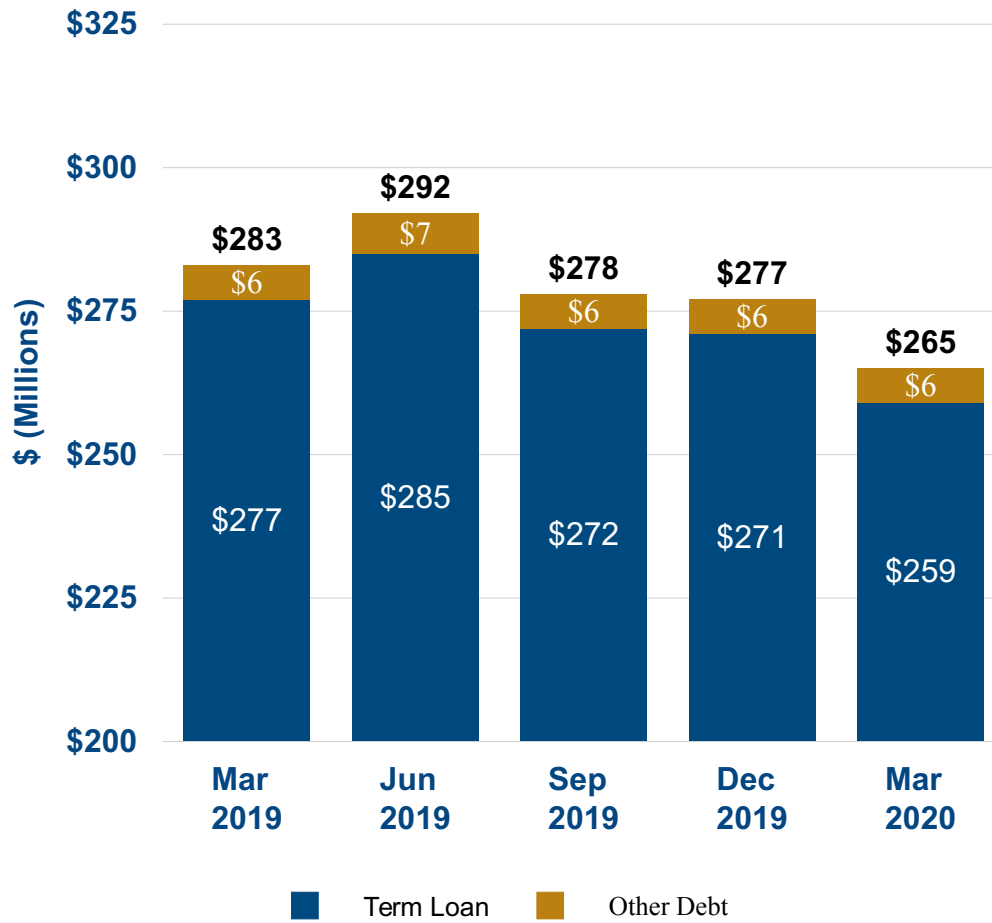


Debt Trend - Q4 FY2020

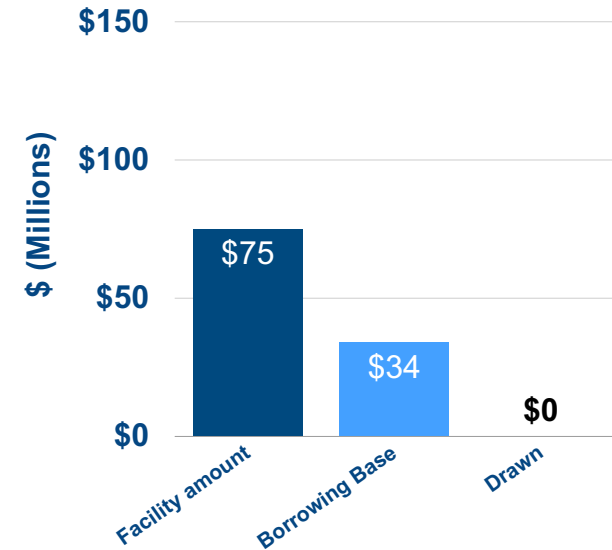
(Unaudited)



Total Debt



Revolver Facility March 31, 2020



Semi-Annual Principal Repayment on TOKIN Term Loan ~ USD \$12.7 million

Non-GAAP Adjusted Gross Margin - Reconciliation

Solid Capacitors (Unaudited)



(Amounts in thousands, except percentages)

	For the Quarters Ended	
	Mar 2020	Mar 2019
Tantalum product line net sales (GAAP)	\$ 122,124	\$ 137,208
Ceramic product line net sales (GAAP)	\$ 78,206	\$ 110,653
Solid Capacitor net sales (GAAP)	\$ 200,330	\$ 247,861
Cost of sales (GAAP)	117,681	133,971
Gross margin (GAAP)	82,649	113,890
<i>Gross margin as a percentage of net sales</i>	41.3 %	45.9 %
Non-GAAP Adjustments:		
Plant start-up costs	233	(3,346)
Stock-based compensation expense	716	471
Adjusted gross margin (non-GAAP)	\$ 83,598	\$ 111,015
<i>Adjusted gross margin as a percentage of net sales</i>	41.7 %	44.8 %

Non-GAAP Adjusted Gross Margin - Reconciliation

Film & Electrolytic (Unaudited)



(Amounts in thousands, except percentages)

	For the Quarters Ended	
	Mar 2020	Mar 2019
Net sales (GAAP)	\$ 44,409	\$ 50,486
Cost of sales (GAAP)	42,806	46,878
Gross margin (GAAP)	<u>1,603</u>	<u>3,608</u>
<i>Gross margin as a percentage of net sales</i>	3.6%	7.1%
Non-GAAP Adjustments:		
Stock-based compensation expense	300	222
Adjusted gross margin (non-GAAP)	<u>\$ 1,903</u>	<u>\$ 3,830</u>
<i>Adjusted gross margin as a percentage of net sales</i>	4.3%	7.6%

Non-GAAP Adjusted Gross Margin - Reconciliation

Electro-magnetic, Sensors & Actuators (Unaudited)

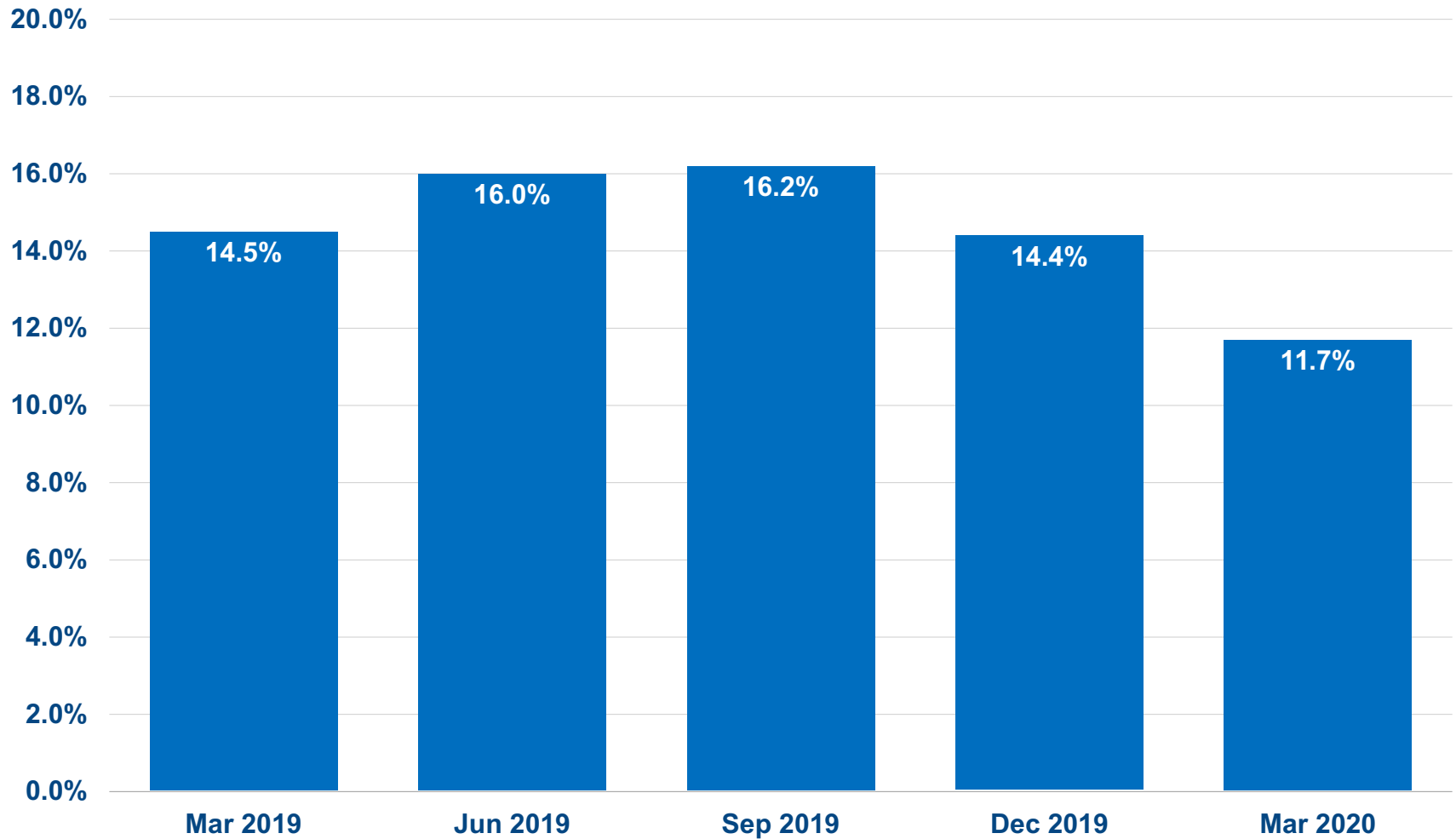


(Amounts in thousands, except percentages)

	For the Quarters Ended	
	Mar 2020	Mar 2019
Net sales (GAAP)	\$ 48,435	\$ 57,447
Cost of sales (GAAP)	40,678	48,539
Gross margin (GAAP)	<u>7,757</u>	<u>8,908</u>
<i>Gross margin as a percentage of net sales</i>	16.0%	15.5%
Non-GAAP Adjustments:		
Stock-based compensation expense	179	122
Adjusted gross margin (non-GAAP)	<u>\$ 7,936</u>	<u>\$ 9,030</u>
<i>Adjusted gross margin as a percentage of net sales</i>	16.4%	15.7%

LTM Operating Income Margins

GAAP (Unaudited)



Appendix



Adjusted Gross Margin Reconciliation

Non-GAAP (Unaudited)



(Amounts in thousands, except percentages)

	For the Quarters Ended		Fiscal Year	
	Mar 2020	Mar 2019	2020	2019
Net sales (GAAP)	\$ 293,174	\$ 355,794	\$ 1,260,554	\$ 1,382,818
Cost of sales (GAAP)	201,165	229,388	840,066	924,276
Gross margin (GAAP)	<u>\$ 92,009</u>	<u>\$ 126,406</u>	<u>\$ 420,488</u>	<u>\$ 458,542</u>
<i>Gross margin as a percentage of net sales</i>	31.4%	35.5%	33.4%	33.2%
Non-GAAP Adjustments:				
Plant start-up costs	233	(3,346)	369	(927)
Stock-based compensation expense	1,195	815	3,843	2,756
Adjusted gross margin (non-GAAP)	<u>\$ 93,437</u>	<u>\$ 123,875</u>	<u>\$ 424,700</u>	<u>\$ 460,371</u>
<i>Adjusted gross margin as a percentage of net sales</i>	31.9%	34.8%	33.7%	33.3%

Adjusted Selling, General & Administrative Expenses Reconciliation

Non-GAAP (Unaudited)



(Amounts in thousands, except percentages)

	For the Quarters Ended		Fiscal Year	
	Mar 2020	Mar 2019	2020	2019
Net sales (GAAP)	\$ 293,174	\$ 355,794	\$ 1,260,554	\$ 1,382,818
Selling, general and administrative expenses (GAAP)	\$ 47,523	\$ 53,571	\$ 194,766	\$ 202,642
<i>Selling, general, and administrative as a percentage of net sales</i>	16.2%	15.1%	15.5%	14.7%
Less non-GAAP adjustments:				
ERP integration costs/IT transition costs	1,530	3,117	6,282	8,813
Stock-based compensation expense	1,500	1,935	7,803	9,751
Legal expenses related to antitrust class actions	396	901	5,454	5,195
Merger related expenses	1,836	—	7,119	—
Contingent consideration fair value adjustment	62	—	127	—
Adjusted selling, general and administrative expenses (non-GAAP)	\$ 42,199	\$ 47,618	\$ 167,981	\$ 178,883
<i>Adjusted selling, general, and administrative as a percentage of net sales</i>	14.4%	13.4%	13.3%	12.9%

Adjusted Operating Income Reconciliation

Non-GAAP (Unaudited)



	For the Quarters Ended		Fiscal Year	
	Mar 2020	Mar 2019	2020	2019
<i>(Amounts in thousands)</i>				
Operating income (GAAP)	\$ 11,728	\$ 54,057	\$ 147,866	\$ 200,849
Non-GAAP Adjustments:				
Loss on write down of long-lived assets	17,615	49	19,710	1,660
ERP integration costs/IT transition costs	1,530	3,117	6,282	8,813
Stock-based compensation expense	2,826	2,855	12,084	12,866
Restructuring charges	2,952	7,157	8,882	8,779
Legal expenses related to antitrust class actions	396	901	5,454	5,195
Plant start-up costs	233	(3,346)	369	(927)
Merger related expenses	1,836	—	7,119	—
Contingent consideration fair value adjustment	62	—	127	—
Adjusted operating income (non-GAAP)	\$ 39,178	\$ 64,790	\$ 207,893	\$ 237,235

Adjusted Net Income Reconciliation

Non-GAAP (Unaudited)



	For the Quarters Ended		Fiscal Year	
	Mar 2020	Mar 2019	2020	2019
<i>(Amounts in thousands, except per share data)</i>				
Net income (loss) (GAAP)	\$ (301)	\$ 93,420	\$ 41,381	\$ 206,587
Non-GAAP Adjustments:				
Equity (income) loss from equity method investments	87	3,003	(76)	3,304
Loss on write down of long-lived assets	17,615	49	19,710	1,660
Restructuring charges	2,952	7,157	8,882	8,779
R&D grant reimbursements and grant income	(1,572)	(2)	(1,595)	(4,559)
ERP integration costs/IT transition costs	1,530	3,117	6,282	8,813
Stock-based compensation	2,826	2,855	12,084	12,866
Settlements, regulatory costs, and legal expenses related to antitrust class actions	396	3,039	70,149	11,896
Net foreign exchange (gain) loss	(8,089)	2,316	(6,762)	(7,230)
Plant start-up costs	233	(3,346)	369	(927)
Income tax effect of non-GAAP adjustments	2,134	(50,208)	(22,085)	(50,012)
(Gain) loss on early extinguishment of debt	—	(42)	—	15,946
Write off of debt issuance costs	453	—	453	—
Merger related expenses	1,836	—	7,119	—
Curtailment/settlement expense on defined benefit pension plans	1,949	—	1,949	—
Unrealized (gain) loss on equity securities	89	—	(705)	—
Contingent consideration fair value adjustment	62	—	127	—
Adjusted net income (non-GAAP)	\$ 22,200	\$ 61,358	\$ 137,282	\$ 207,123
Adjusted net income per share - basic	\$ 0.38	\$ 1.05	\$ 2.34	\$ 3.58
Adjusted net income per share - diluted	\$ 0.37	\$ 1.04	\$ 2.31	\$ 3.51
Weighted avg. shares - basic	58,774	58,233	58,574	57,840
Weighted avg. shares - diluted ⁽¹⁾	59,612	58,975	59,415	59,082

⁽¹⁾ For the quarter ended March 31, 2020, diluted shares were used to compute adjusted net income per diluted share (non-GAAP).

Adjusted EBITDA Reconciliation

Non-GAAP (Unaudited)



<i>(Amounts in thousands)</i>	For the Quarters Ended		Fiscal Year	
	Mar 2020	Mar 2019	2020	2019
Net income (loss) (GAAP)	\$ (301)	\$ 93,420	\$ 41,381	\$ 206,587
Non-GAAP adjustments:				
Income tax expense (benefit)	14,626	(48,660)	38,526	(39,460)
Interest expense, net	2,122	1,726	7,696	19,204
Depreciation and amortization	17,289	14,223	62,819	52,628
EBITDA (non-GAAP)	33,736	60,709	150,422	238,959
Excluding the following items (non-GAAP):				
Equity (income) loss from equity method investments	87	3,003	(76)	3,304
Loss on write down of long-lived assets	17,615	49	19,710	1,660
ERP integration costs/IT transition costs	1,530	3,117	6,282	8,813
Stock-based compensation	2,826	2,855	12,084	12,866
Restructuring charges	2,952	7,157	8,882	8,779
R&D grant reimbursements and grant income	(1,572)	(2)	(1,595)	(4,559)
Settlements, regulatory costs, and legal expenses related to antitrust class actions	396	3,039	70,149	11,896
Net foreign exchange (gain) loss	(8,089)	2,316	(6,762)	(7,230)
Plant start-up costs	233	(3,346)	369	(927)
(Gain) loss on early extinguishment of debt	—	(42)	—	15,946
Write off of debt issuance costs	453	—	453	—
Merger related expenses	1,836	—	7,119	—
Curtailment/settlement expense on defined benefit pension plans	1,949	—	1,949	—
Unrealized (gain) loss on equity securities	89	—	(705)	—
Contingent consideration fair value adjustment	62	—	127	—
Adjusted EBITDA (non-GAAP)	\$ 54,103	\$ 78,855	\$ 268,408	\$ 289,507

Adjusted EBITDA Reconciliation

Non-GAAP (Unaudited)



	Fiscal Year		
	2018	2019	2020
<i>(Amounts in thousands, except percentages and ratios)</i>			
Net Sales (GAAP)	\$ 1,200,181	\$ 1,382,818	\$ 1,260,554
Net income (GAAP)	254,127	206,587	41,381
Non-GAAP adjustments:			
Income tax expense (benefit)	9,132	(39,460)	38,526
Interest expense, net	32,073	19,204	7,696
Depreciation and amortization	50,661	52,628	62,819
EBITDA (non-GAAP)	345,993	238,959	150,422
Excluding the following items (Non-GAAP):			
Equity (income) loss from equity method investments	(76,192)	3,304	(76)
Acquisition (gain) loss	(130,880)	—	—
(Gain) loss on write down and sale of long-lived assets	(992)	1,660	19,710
ERP integration costs / IT transition costs	80	8,813	6,282
Stock-based compensation expense	7,657	12,866	12,084
Restructuring charges	14,843	8,779	8,882
R&D grant reimbursements and grant income	—	(4,559)	(1,595)
Settlements, regulatory costs, and legal expenses related to antitrust class actions	16,636	11,896	70,149
Net foreign exchange (gain) loss	13,145	(7,230)	(6,762)
Plant start-up costs	929	(927)	369
Loss on early extinguishment of debt	486	15,946	—
Write off of debt issuance costs	—	—	453
Merger related expenses	—	—	7,119
Curtailement/settlement expense on defined benefit pension plans	—	—	1,949
Unrealized gain on equity securities	—	—	(705)
Contingent consideration fair value adjustment	—	—	127
Adjusted EBITDA (non-GAAP)	\$ 191,705	\$ 289,507	\$ 268,408
<i>Adjusted EBITDA Margin (Adjusted EBITDA/Net sales) (non-GAAP)</i>	16.0%	20.9%	21.3%
Net Debt as of March 31,	\$ 37,777	\$ 75,282	\$ 42,385
<i>Leverage ratio (Net debt/Adjusted EBITDA) (non-GAAP)</i>	0.2	0.3	0.2

Adjusted EBITDA Reconciliation

Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	For the Quarters Ended				LTM
	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Mar 2019
Net Sales (GAAP)	\$ 327,616	\$ 349,233	\$ 350,175	\$ 355,794	\$ 1,382,818
Net income (GAAP)	35,220	37,141	40,806	93,420	206,587
Non-GAAP adjustments:					
Income tax expense (benefit)	4,600	2,000	2,600	(48,660)	(39,460)
Interest expense, net	6,658	6,912	3,908	1,726	19,204
Depreciation and amortization	13,097	12,545	12,763	14,223	52,628
EBITDA (non-GAAP)	59,575	58,598	60,077	60,709	238,959
Excluding the following items:					
Equity (income) loss from equity method investments	69	(64)	296	3,003	3,304
Loss on write down of long-lived assets	511	312	788	49	1,660
ERP integration costs / IT transition costs	1,650	1,593	2,453	3,117	8,813
Stock-based compensation expense	4,060	4,417	1,534	2,855	12,866
Restructuring charges	(96)	—	1,718	7,157	8,779
R&D grant reimbursements and grant income	(4,087)	—	(470)	(2)	(4,559)
Settlements, regulatory costs, and legal expenses related to antitrust class actions	1,248	6,060	1,549	3,039	11,896
Net foreign exchange (gain) loss	(7,521)	193	(2,218)	2,316	(7,230)
Plant start-up costs	753	1,361	305	(3,346)	(927)
(Gain) loss on early extinguishment of debt	—	—	15,988	(42)	15,946
Plant shut-down costs	—	—	—	—	—
Adjusted EBITDA (non-GAAP)	\$ 56,162	\$ 72,470	\$ 82,020	\$ 78,855	\$ 289,507
<i>Adjusted EBITDA Margin (Adjusted EBITDA/Net sales) (non-GAAP)</i>	17.1%	20.8%	23.4%	22.2%	20.9%
Net Debt as of March 31, 2019					75,282
<i>Leverage ratio (Net debt/Adjusted EBITDA) (non-GAAP)</i>					0.3

Adjusted EBITDA Reconciliation

Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	For the Quarters Ended				LTM
	Sep 2018	Dec 2018	Mar 2019	Jun 2019	Jun 2019
Net Sales (GAAP)	\$ 349,233	\$ 350,175	\$ 355,794	\$ 345,242	\$ 1,400,444
Net income (GAAP)	37,141	40,806	93,420	40,340	211,707
Non-GAAP adjustments:					
Income tax expense (benefit)	2,000	2,600	(48,660)	16,800	(27,260)
Interest expense, net	6,912	3,908	1,726	1,736	14,282
Depreciation and amortization	12,545	12,763	14,223	14,259	53,790
EBITDA (non-GAAP)	58,598	60,077	60,709	73,135	252,519
Excluding the following items:					
Equity (income) loss from equity method investments	(64)	296	3,003	250	3,485
Loss on write down of long-lived assets	312	788	49	960	2,109
ERP integration costs / IT transition costs	1,593	2,453	3,117	1,215	8,378
Stock-based compensation expense	4,417	1,534	2,855	2,725	11,531
Restructuring charges	—	1,718	7,157	2,208	11,083
R&D grant reimbursements and grant income	—	(470)	(2)	(35)	(507)
Settlements, regulatory costs, and legal expenses related to antitrust class actions	6,060	1,549	3,039	2,559	13,207
Net foreign exchange (gain) loss	193	(2,218)	2,316	(489)	(198)
Plant start-up costs	1,361	305	(3,346)	34	(1,646)
(Gain) loss on early extinguishment of debt	—	15,988	(42)	—	15,946
Adjusted EBITDA (non-GAAP)	\$ 72,470	\$ 82,020	\$ 78,855	\$ 82,562	\$ 315,907
<i>Adjusted EBITDA Margin (Adjusted EBITDA/Net sales) (non-GAAP)</i>	20.8%	23.4%	22.2%	23.9%	22.6%
Net Debt as of June 30, 2019					73,883
<i>Leverage ratio (Net debt/Adjusted EBITDA) (non-GAAP)</i>					0.2

Adjusted EBITDA Reconciliation

Non-GAAP (Unaudited)

(Amounts in thousands, except percentages)	For the Quarters Ended				LTM
	Dec 2018	Mar 2019	Jun 2019	Sep 2019	Sep 2019
Net Sales (GAAP)	\$ 350,175	\$ 355,794	\$ 345,242	\$ 327,397	\$ 1,378,608
Net income (loss) (GAAP)	40,806	93,420	40,340	(15,260)	159,306
Non-GAAP adjustments:					
Income tax expense (benefit)	2,600	(48,660)	16,800	1,700	(27,560)
Interest expense, net	3,908	1,726	1,736	1,939	9,309
Depreciation and amortization	12,763	14,223	14,259	15,117	56,362
EBITDA (non-GAAP)	60,077	60,709	73,135	3,496	197,417
Excluding the following items:					
Equity (income) loss from equity method investments	296	3,003	250	(472)	3,077
Loss on write down of long-lived assets	788	49	960	59	1,856
ERP integration costs / IT transition costs	2,453	3,117	1,215	1,508	8,293
Stock-based compensation expense	1,534	2,855	2,725	4,146	11,260
Restructuring charges	1,718	7,157	2,208	2,920	14,003
R&D grant reimbursements and grant income	(470)	(2)	(35)	19	(488)
Settlements, regulatory costs, and legal expenses related to antitrust class actions	1,549	3,039	2,559	65,626	72,773
Net foreign exchange (gain) loss	(2,218)	2,316	(489)	(2,297)	(2,688)
Plant start-up costs	305	(3,346)	34	(34)	(3,041)
(Gain) loss on early extinguishment of debt	15,988	(42)	—	—	15,946
Contingent consideration fair value adjustment	—	—	—	32	32
Adjusted EBITDA (non-GAAP)	\$ 82,020	\$ 78,855	\$ 82,562	\$ 75,003	\$ 318,440
<i>Adjusted EBITDA Margin (Adjusted EBITDA/Net sales) (non-GAAP)</i>	23.4%	22.2%	23.9%	22.9%	23.1%
Net Debt as of September 30, 2019					85,287
<i>Leverage ratio (Net debt/Adjusted EBITDA) (non-GAAP)</i>					0.3

Adjusted EBITDA Reconciliation

Non-GAAP (Unaudited)

	For the Quarters Ended				LTM
	Mar 2019	Jun 2019	Sep 2019	Dec 2019	Dec 2019
<i>(Amounts in thousands, except percentages)</i>					
Net Sales (GAAP)	\$ 355,794	\$ 345,242	\$ 327,397	\$ 294,741	\$ 1,323,174
Net income (loss) (GAAP)	93,420	40,340	(15,260)	16,602	135,102
Non-GAAP adjustments:					
Income tax expense (benefit)	(48,660)	16,800	1,939	5,400	(24,521)
Interest expense, net	1,726	1,736	1,700	1,899	7,061
Depreciation and amortization	14,223	14,259	15,117	16,154	59,753
EBITDA (non-GAAP)	60,709	73,135	3,496	40,055	177,395
Excluding the following items:					
Equity (income) loss from equity method investments	3,003	250	(472)	59	2,840
Loss on write down of long-lived assets	49	960	59	1,076	2,144
ERP integration costs / IT transition costs	3,117	1,215	1,508	2,029	7,869
Stock-based compensation expense	2,855	2,725	4,146	2,387	12,113
Restructuring charges	7,157	2,208	2,920	802	13,087
R&D grant reimbursements and grant income	(2)	(35)	19	(7)	(25)
Settlements, regulatory costs, and legal expenses related to antitrust class actions	3,039	2,559	65,626	1,568	72,792
Net foreign exchange (gain) loss	2,316	(489)	(2,297)	4,113	3,643
Plant start-up costs	(3,346)	34	(34)	136	(3,210)
(Gain) loss on early extinguishment of debt	(42)	—	—	—	(42)
Merger related expenses	—	—	—	5,283	5,283
Unrealized (gain) loss on equity securities	—	—	—	(794)	(794)
Contingent consideration fair value adjustment	—	—	32	33	65
Adjusted EBITDA (non-GAAP)	\$ 78,855	\$ 82,562	\$ 75,003	\$ 56,740	\$ 293,160
<i>Adjusted EBITDA Margin (Adjusted EBITDA/Net sales) (non-GAAP)</i>	<i>22.2%</i>	<i>23.9%</i>	<i>22.9%</i>	<i>19.3%</i>	<i>22.2%</i>
Net Debt as of December 31, 2019					68,683
<i>Leverage ratio (Net debt/Adjusted EBITDA) (non-GAAP)</i>					<i>0.2</i>

Adjusted EBITDA Reconciliation

Non-GAAP (Unaudited)



	For the Quarters Ended				LTM
	Jun 2019	Sep 2019	Dec 2019	Mar 2020	Mar 2020
<i>(Amounts in thousands, except percentages)</i>					
Net Sales (GAAP)	\$ 345,242	\$ 327,397	\$ 294,741	\$ 293,174	\$ 1,260,554
Net income (loss) (GAAP)	40,340	(15,260)	16,602	(301)	41,381
Non-GAAP adjustments:					
Income tax expense (benefit)	16,800	1,939	5,400	14,626	38,765
Interest expense, net	1,736	1,700	1,899	2,122	7,457
Depreciation and amortization	14,259	15,117	16,154	17,289	62,819
EBITDA (non-GAAP)	73,135	3,496	40,055	33,736	150,422
Excluding the following items:					
Equity (income) loss from equity method investments	250	(472)	59	87	(76)
Loss on write down of long-lived assets	960	59	1,076	17,615	19,710
ERP integration costs / IT transition costs	1,215	1,508	2,029	1,530	6,282
Stock-based compensation expense	2,725	4,146	2,387	2,826	12,084
Restructuring charges	2,208	2,920	802	2,952	8,882
R&D grant reimbursements and grant income	(35)	19	(7)	(1,572)	(1,595)
Settlements, regulatory costs, and legal expenses related to antitrust class actions	2,559	65,626	1,568	396	70,149
Net foreign exchange (gain) loss	(489)	(2,297)	4,113	(8,089)	(6,762)
Plant start-up costs	34	(34)	136	233	369
Write off of debt issuance costs	—	—	—	453	453
Merger related expenses	—	—	5,283	1,836	7,119
Curtailment/settlement expense on defined benefit pension plans	—	—	—	1,949	1,949
Unrealized (gain) loss on equity securities	—	—	(794)	89	(705)
Contingent consideration fair value adjustment	—	32	33	62	127
Adjusted EBITDA (non-GAAP)	\$ 82,562	\$ 75,003	\$ 56,740	\$ 54,103	\$ 268,408
<i>Adjusted EBITDA Margin (Adjusted EBITDA/Net sales) (non-GAAP)</i>	23.9%	22.9%	19.3%	18.5%	21.3%
Net Debt as of March 31, 2020					42,385
<i>Leverage ratio (Net debt/Adjusted EBITDA) (non-GAAP)</i>					0.2

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 (loss) and net income (loss) 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 (loss), operating income, or any other performance measures derived in accordance with GAAP.

EBITDA and Adjusted EBITDA

EBITDA represents net income before income tax expense, interest expense, net, and depreciation and amortization expense. We present EBITDA as a supplemental measure of our ability to service debt. We believe 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; and depreciation and amortization are non-cash charges.

We also present adjusted EBITDA, which is EBITDA excluding adjustments that are outlined in the quantitative reconciliation provided earlier in the presentation, as a supplemental measure of our performance and because we believe this measure is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. The 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, operating income, 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 the significant interest expense or the cash requirements necessary to service interest or principal payments 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.