

JULY 27, 2016

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# Earnings Summary Second Quarter FY 2016



## SAFE HARBOR

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## SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (GAAP)

\$ in millions, except per share data	2Q16	2Q16 Guidance	1Q16	2Q15	2Q16 over 1Q16	2Q16 over 2Q15
Net Revenue	\$303.1	\$270 to \$285	\$267.0	\$280.7	13.5%	8.0%
Gross Margin	45.9%	42% to 43%	43.0%	45.6%		
Operating Expenses	\$92.8		\$85.1	\$88.7	9.0%	4.6%
Operating Income	\$57.5		\$40.8	\$51.3	40.7%	12.1%
Operating Margin	19.0%		15.3%	18.3%		
Tax Rate	14.4%		23.1%	20.3%		
Net Income	\$32.9	\$19 to \$24	\$16.2	\$24.4	102.9%	34.5%
EPS	\$0.23	\$0.13 to \$0.17	\$0.11	\$0.17	64.7%	16.7%

## SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (NON-GAAP)<sup>1</sup>

\$ in millions	2Q16	2Q16 Guidance	1Q16	2Q15	2Q16 over 1Q16	2Q16 over 2Q15
Net Revenue	\$303.1	\$270 to \$285	\$267.0	\$280.7	13.5%	8.0%
Gross Margin	45.9%	42% to 43%	43.0%	45.6%		
Non-GAAP Operating Expenses <sup>2</sup>	\$81.7		\$73.9	\$74.1	10.6%	10.3%
Adjusted Operating Income	\$57.5		\$40.8	\$53.7	40.9%	7.1%
Adjusted Operating Margin	19.0%		15.3%	19.1%		
Non-GAAP Tax Rate <sup>3</sup>	18.5%	28%	26.8%	24.6%		
Non-GAAP Net Income	\$40.3	\$26 to \$31	\$23.6	\$33.9	70.6%	18.8%
Non-GAAP EPS	\$0.28	\$0.18 to \$0.22	\$0.17	\$0.24	64.7%	16.7%

1. See GAAP to Non-GAAP reconciliation tables in the appendix of this presentation.
2. Non-GAAP Operating Expenses exclude amortization expense and integration costs.
3. Non-GAAP Tax Rate reflects the tax effect of non-GAAP adjustments to GAAP taxes..

## SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (GAAP)

\$ in millions, except per share data	Six Months Ended July 2, 2016	Six Months Ended June 27, 2015	Year-over-Year
Net Revenue	\$570.1	\$544.1	4.8%
Gross Margin	44.5%	44.9%	
Operating Expenses	\$178.0	\$177.7	0.1%
Operating Income	\$98.3	\$91.1	7.9%
Operating Margin	17.2%	16.7%	
Tax Rate	17.5%	21.7%	
Net Income	\$49.1	\$39.3	24.9%
EPS	\$0.35	\$0.28	25.0%

## SUMMARY – CONSOLIDATED STATEMENT OF OPERATIONS (NON-GAAP)<sup>1</sup>

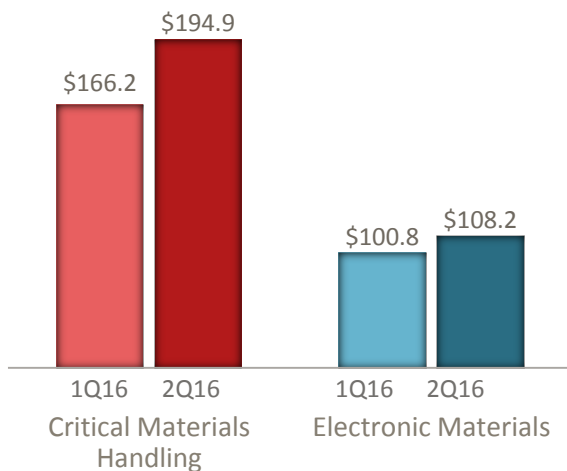
\$ in millions, except per share data	Six Months Ended July 2, 2016	Six Months Ended June 27, 2015	Year-over-Year
Net Revenue	\$570.1	\$544.1	4.8%
Gross Margin	44.5%	44.9%	
Non-GAAP Operating Expenses <sup>2</sup>	\$155.6	\$148.5	4.8%
Adjusted Operating Income	\$98.3	\$96.1	2.3%
Adjusted Operating Margin	17.2%	17.7%	
Non-GAAP Tax Rate <sup>3</sup>	21.8%	25.9%	
Non-GAAP Net Income	\$63.9	\$59.3	7.7%
Non-GAAP EPS	\$0.45	\$0.42	7.1%

1. See GAAP to Non-GAAP reconciliation tables in the appendix of this presentation.
2. Non-GAAP Operating Expenses exclude amortization expense and integration costs.
3. Non-GAAP Tax Rate reflects the tax effect of non-GAAP adjustments to GAAP taxes.

## RESULTS BY SEGMENT

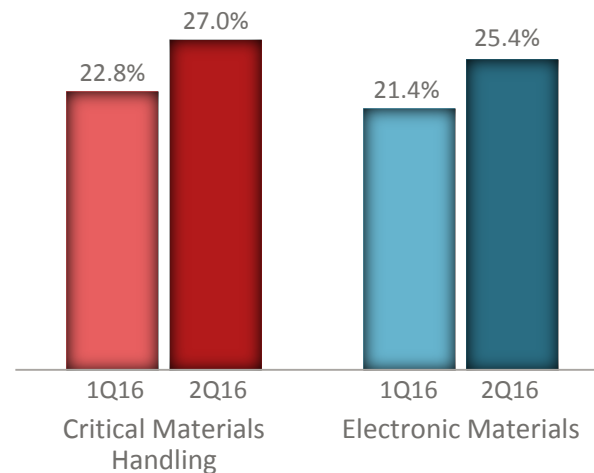
### Sales by Segment

\$ in millions



### Profit Margin by Segment<sup>1</sup>

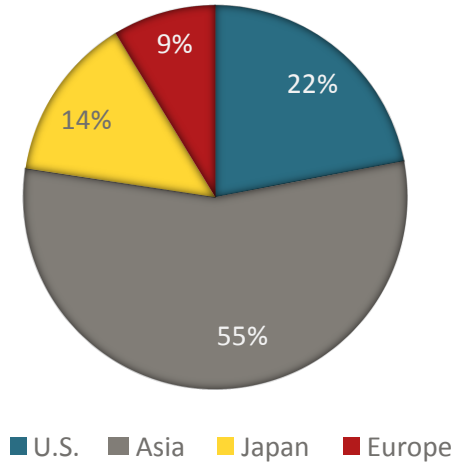
% Sales



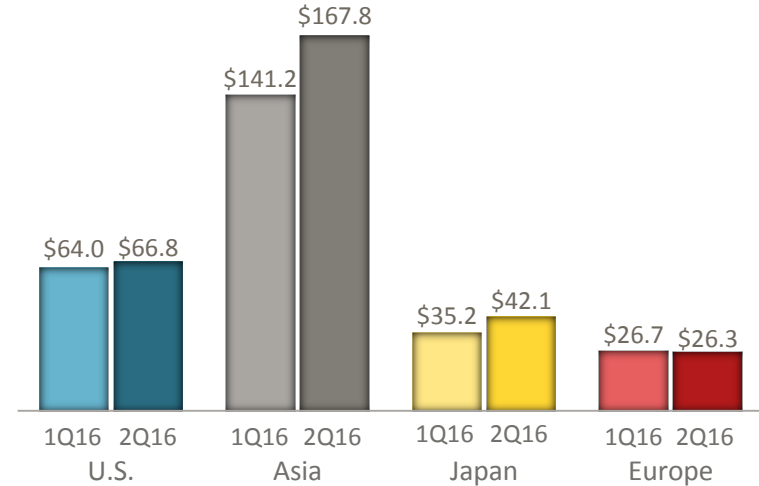
1. Excludes amortization of intangibles and unallocated expenses.

## REVENUE BY GEOGRAPHY

Revenue By Geography  
Q2 2016



Quarter-to-Quarter Revenue by Geography  
\$ in millions





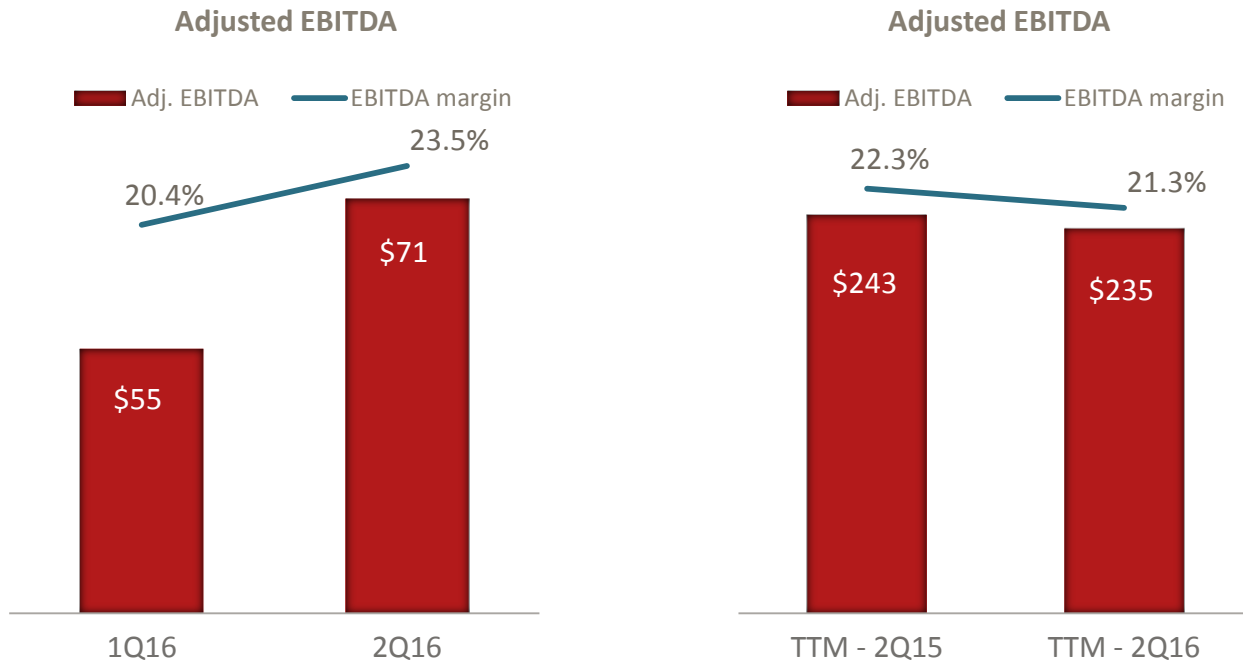
## SUMMARY – BALANCE SHEET ITEMS

\$ in millions	2Q16		1Q16		2Q15	
	\$ Amount	% Total	\$ Amount	% Total	\$ Amount	% Total
Cash & Cash Equivalents	\$373.7	20.8%	\$345.5	20.8%	\$313.7	19.9%
Accounts Receivable, net	\$180.6	10.7%	\$149.8	9.1%	\$177.5	10.5%
Inventories	\$181.1	10.7%	\$184.0	11.1%	\$184.7	11.0%
Net PP&E	\$322.7	19.0%	\$322.7	19.5%	\$312.9	18.6%
<b>Total Assets</b>	<b>\$1,695.5</b>		<b>\$1,653.8</b>		<b>\$1,684.0</b>	
Current Liabilities <sup>(1)</sup>	\$187.1	11.0%	\$161.7	9.7%	\$167.9	10.0%
Long-term debt, excluding current maturities	\$582.2	34.3%	\$606.6	36.7%	\$654.5	38.9%
<b>Total Liabilities</b>	<b>\$834.3</b>	<b>49.2%</b>	<b>\$832.1</b>	<b>50.3%</b>	<b>\$906.4</b>	<b>53.8%</b>
<b>Total Shareholders' Equity</b>	<b>\$861.2</b>	<b>50.8%</b>	<b>\$821.8</b>	<b>49.7%</b>	<b>\$777.6</b>	<b>46.2%</b>
AR Turnover Days	54.4		51.2		57.7	
Inventory Turns	3.6		3.4		3.5	

1. Current Liabilities in 2Q15, 1Q16, 2Q16 includes \$25 million, \$50 million, and \$50 million of current maturities of long term debt

## EBITDA

\$ in millions



Note: See Reconciliation of GAAP Income to Adjusted Operating Income and Adjusted EBITDA on page 15 of this presentation.

## CASH FLOWS

\$ in millions	2Q16	1Q16	2Q15
Beginning Cash Balance	\$344.4	\$349.8	\$341.4
Cash from operating activities	61.2	17.3	36.2
Capital expenditures	(14.3)	(17.8)	(13.7)
Payments on long-term debt	(25.0)	-	(50.0)
Other investing activities	0.8	(2.5)	0.9
Other financing activities	2.3	(5.6)	0.3
Effect of exchange rates	4.3	3.1	(1.3)
Ending Cash Balance	\$373.7	\$344.4	\$313.7
Free Cash Flow <sup>1</sup>	\$46.9	(\$0.5)	\$22.5
Adjusted EBITDA	\$71.3	\$54.5	\$67.1

1. Free cash flow equals cash from operations less capital expenditures

## OUTLOOK

### GAAP

\$ in millions, except per share data	3Q16 Guidance	2Q16	3Q15
Net Revenue	\$285 to \$300	\$303.1	\$270.3
Gross Margin	Approx. 45%	45.9%	43.0%
Operating Expenses	\$87 to \$89	\$92.8	\$85.2
Net Income	\$25 to \$30	\$32.9	\$23.4
EPS	\$0.18 to \$0.21	\$0.23	\$0.17

### Non-GAAP

\$ in millions, except per share data	3Q16 Guidance	2Q16	3Q15
Net Revenue	\$285 to \$300	\$303.1	\$270.3
Gross Margin	Approx. 45%	45.9%	43.0%
Non-GAAP Operating Expenses	\$76 to \$78	\$81.7	\$71.5
Non-GAAP Net Income	\$32 to \$37	\$40.3	\$32.4
Non-GAAP EPS	\$0.23 to \$0.26	\$0.28	\$0.23



## APPENDIX: NON-GAAP RECONCILIATION TABLES

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**NON-GAAP RECONCILIATION TABLE**  
**RECONCILIATION OF GAAP TO ADJUSTED OPERATING INCOME AND ADJUSTED EBITDA**

In thousands (unaudited)

	Three months ended			Six months ended	
	July 2, 2016	June 27, 2015	April 2, 2016	July 2, 2016	June 27, 2015
Net sales	\$303,052	\$280,709	\$267,024	\$570,076	\$544,082
Net income	\$32,890	\$24,448	\$16,212	\$49,102	\$39,320
Adjustments to net income:					
Equity in net loss of affiliates	-	48	-	-	150
Income tax expense	5,513	6,245	4,873	10,386	10,915
Interest expense, net	9,051	9,715	9,149	18,200	19,343
Other income, net	<u>(1,054)</u>	<u>(1,109)</u>	<u>(675)</u>	<u>(1,729)</u>	<u>(2,842)</u>
GAAP – Operating income	46,400	39,347	29,559	75,959	66,886
Integration costs	-	2,396	-	-	5,008
Amortization of intangible assets	<u>11,062</u>	<u>11,928</u>	<u>11,289</u>	<u>22,351</u>	<u>24,235</u>
Adjusted operating income	57,462	53,671	40,848	98,310	96,129
Depreciation	<u>13,825</u>	<u>13,405</u>	<u>13,700</u>	<u>27,525</u>	<u>26,724</u>
Adjusted EBITDA	<u>\$71,287</u>	<u>\$67,076</u>	<u>\$54,548</u>	<u>\$125,835</u>	<u>\$122,853</u>
Adjusted operating margin	19.0%	19.1%	15.3%	17.2%	17.7%
Adjusted EBITDA – as a % of net sales	23.5%	23.9%	20.4%	22.1%	22.6%

**NON-GAAP RECONCILIATION TABLE**  
**RECONCILIATION OF GAAP TO NON-GAAP EARNINGS PER SHARE**

In thousands, except per share data (unaudited)

	Three months ended			Six months ended	
	July 2, 2016	June 27, 2015	April 2, 2016	July 2, 2016	June 27, 2015
Net income	\$32,890	\$24,448	\$16,212	\$49,102	\$39,320
Adjustments to net income:					
Integration costs	-	2,396	-	-	5,008
(Gain) loss on impairment or sale of equity investment	(38)	(56)	(118)	(156)	617
Amortization of intangible assets	11,062	11,928	11,289	22,351	24,235
Tax effect of adjustments of net income	<u>(3,624)</u>	<u>(4,813)</u>	<u>(3,766)</u>	<u>(7,390)</u>	<u>(9,831)</u>
Non-GAAP net income	<u>\$40,290</u>	<u>\$33,903</u>	<u>\$23,617</u>	<u>\$63,907</u>	<u>\$59,349</u>
Diluted income per common share	\$0.23	\$0.17	\$0.11	\$0.35	\$0.28
Effect of adjustments to net income	0.05	0.07	0.05	0.10	0.14
Diluted non-GAAP income per common share	\$0.28	\$0.24	\$0.17	\$0.45	\$0.42