



Earnings Summary  
Fourth Quarter 2019  
February 4, 2020

# SAFE HARBOR

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “intend,” “estimate,” “forecast,” “project,” “should,” “may,” “will,” “would” or the negative thereof and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include statements related to future period guidance; future sales, net income, net income per diluted share, non-GAAP EPS, non-GAAP net income, expenses and other financial metrics; the Company’s performance relative to its markets; the impact, financial or otherwise, of any organizational changes; market and technology trends; the development of new products and the success of their introductions; the Company’s capital allocation strategy, which may be modified at any time for any reason, including share repurchases, dividends, debt repayments and potential acquisitions; the effect of the Tax Cuts and Jobs Act on the Company’s capital allocation strategy; the impact of the acquisitions the Company has made and commercial partnerships the Company has established; the Company’s ability to execute on its strategies; and other matters. These statements involve risks and uncertainties, and actual results may differ materially from those projected in the forward-looking statements. These risks and uncertainties include, but are not limited to, weakening of global and/or regional economic conditions, generally or specifically in the semiconductor industry, which could decrease the demand for the Company’s products and solutions; the Company’s ability to meet rapid demand shifts; the Company’s ability to continue technological innovation and introduce new products to meet customers’ rapidly changing requirements; risks associated with the impact of public health epidemics, such as the coronavirus currently impacting China, on our employees, customers and suppliers; the Company’s concentrated customer base; the Company’s ability to identify, effect and integrate acquisitions, joint ventures or other transactions; the Company’s ability to effectively implement any organizational changes; the Company’s ability to protect and enforce intellectual property rights; operational, political and legal risks of the Company’s international operations; the Company’s dependence on sole source and limited source suppliers; the increasing complexity of certain manufacturing processes; raw material shortages, supply constraints and price increases; changes in government regulations of the countries in which the Company operates; fluctuation of currency exchange rates; fluctuations in the market price of the Company’s stock; the level of, and obligations associated with, the Company’s indebtedness; and other risk factors and additional information described in the Company’s filings with the Securities and Exchange Commission, including under the heading “Risks Factors” in Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed on February 11, 2019, and in the Company’s other periodic filings. The Company assumes no obligation to update any forward-looking statements or information, which speak as of their respective dates.

This presentation contains references to “Adjusted EBITDA,” “Adjusted EBITDA Margin,” “Adjusted EBITDA – as a % of Net Sales”, “Adjusted Operating Income,” “Adjusted Operating Margin”, “Adjusted Gross Profit,” “Adjusted Gross Profit Margin”, “Adjusted Segment Profit”, “Adjusted Segment Profit Margin”, “Non-GAAP Net Income” and “Diluted Non-GAAP Earnings per Share” that are not presented in accordance GAAP. The non-GAAP financial measures should not be considered in isolation or as a substitute for GAAP financial measures but should instead be read in conjunction with the GAAP financial measures. Further information with respect to and reconciliations of such measures to the most directly comparable GAAP financial measure can be found attached to this presentation.

## 4Q19 AND FY 2019 FINANCIAL HIGHLIGHTS

- **Fourth-quarter revenue of \$427.0 million, increased 6% from prior year**
- **Fiscal 2019 revenue of \$1.6 billion, increased 3%**
- **Fiscal 2019 GAAP diluted EPS of \$1.87, increased 11%**
- **Fiscal 2019 Non-GAAP diluted EPS of \$1.93, increased 2%**

# Summary – Consolidated Statement of Operations (GAAP)

<i>\$ in millions, except per share data</i>	<b>4Q19</b>	<b>4Q19 Guidance</b>	<b>3Q19</b>	<b>4Q18</b>	<b>4Q19 over 4Q18</b>	<b>4Q19 over 3Q19</b>
Net Revenue	\$427.0	\$420 - \$435	\$394.1	\$401.6	6.3%	8.3%
Gross Margin	46.3%		43.2%	44.8%		
Operating Expenses	\$113.6	\$109 - \$111	\$117.6	\$108.4	4.8%	(3.4%)
Operating Income	\$84.1		\$52.8	\$71.3	18.0%	59.3%
Operating Margin	19.7%		13.4%	17.8%		
Tax Rate	19.2%		2.1%	(35.3%)		
Net Income	\$57.4	\$51 - \$58	\$40.8	\$80.8	(29.0%)	40.7%
Earnings per diluted share	\$0.42	\$0.38 - \$0.43	\$0.30	\$0.57	(26.3%)	40.0%

# Summary – Consolidated Statement of Operations (Non-GAAP)<sup>1</sup>

<i>\$ in millions, except per share data</i>	<b>4Q19</b>	<b>4Q19 Guidance</b>	<b>3Q19</b>	<b>4Q18</b>	<b>4Q19 over 4Q18</b>	<b>4Q19 over 3Q19</b>
Net Revenue	\$427.0	\$420 - \$435	\$394.1	\$401.6	6.3%	8.3%
Adjusted Gross Margin <sup>2</sup>	46.3%		44.6%	45.7%		
Non-GAAP Operating Expenses <sup>3</sup>	\$93.2	\$90 - \$92	\$87.6	\$90.1	3.4%	6.4%
Adjusted Operating Income	\$104.6		\$88.2	\$93.5	11.9%	18.6%
Adjusted Operating Margin	24.5%		22.4%	23.3%		
Non-GAAP Tax Rate <sup>4</sup>	20.3%		11.5%	21.3%		
Non-GAAP Net Income <sup>5</sup>	\$74.6	\$69 - \$76	\$68.2	\$66.3	12.5%	9.4%
Non-GAAP EPS	\$0.55	\$0.51 - \$0.56	\$0.50	\$0.47	17.0%	10.0%

1. See GAAP to Non-GAAP reconciliation tables in the appendix of this presentation.

2. Adjusted Gross Margin excludes charge for fair value write-up of acquired inventory sold and severance and restructuring costs.

3. Non-GAAP Operating Expenses exclude amortization expense, deal costs, integration costs, loss on sale of subsidiary, and severance and restructuring costs.

4. Non-GAAP Tax Rate reflects the tax effect of non-GAAP adjustments and discrete tax items to GAAP taxes.

5. Non-GAAP Net Income excludes amortization expense, loss on debt extinguishment and modification, the tax effect of non-GAAP adjustments and discrete tax items to GAAP taxes.

# Summary – Consolidated Statement of Operations (GAAP)

<i>\$ in millions, except per share data</i>	<b>Fiscal Year Ended December 31, 2019</b>	<b>Fiscal Year Ended December 31, 2018</b>	<b>Year-over-Year</b>
Net Revenue	\$1,591.1	\$1,550.5	2.6%
Gross Margin	44.7%	46.4%	
Operating Expenses	\$472.4	\$427.1	10.6%
Operating Income	\$239.3	\$292.7	(18.2%)
Operating Margin	15.0%	18.9%	
Tax Rate	19.9%	5.4%	
Net Income	\$254.9	\$240.8	5.9%
EPS	\$1.87	\$1.69	10.7%

# Summary – Consolidated Statement of Operations (NON-GAAP)<sup>1</sup>

<i>\$ in millions, except per share data</i>	<b>Fiscal Year Ended December 31, 2019</b>	<b>Fiscal Year Ended December 31, 2018</b>	<b>Year-over-Year</b>
Net Revenue	\$1,591.1	\$1,550.5	2.6%
Adjusted Gross Margin <sup>2</sup>	45.3%	46.9%	
Non-GAAP Operating Expenses <sup>3</sup>	\$358.7	\$356.2	0.7%
Adjusted Operating Income	\$361.8	\$371.0	(2.5%)
Adjusted Operating Margin	22.7%	23.9%	
Non-GAAP Tax Rate <sup>4</sup>	17.7%	19.5%	
Non-GAAP Net Income <sup>5</sup>	\$264.1	\$269.8	(2.1%)
Non-GAAP EPS	\$1.93	\$1.89	2.1%

1. See GAAP to Non-GAAP reconciliation tables in the appendix of this presentation.

2. Adjusted gross margin excludes certain impairment of equipment and severance charges and a fair value mark-up of acquired inventory.

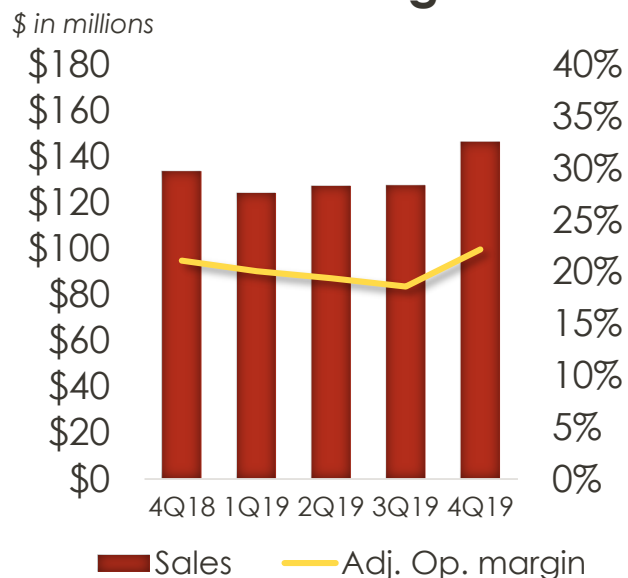
3. Non-GAAP Operating Expenses exclude amortization expense, severance charges and impairment of equipment and intangibles.

4. Non-GAAP Tax Rate reflects the tax effect of non-GAAP adjustments and discrete tax items to GAAP taxes.

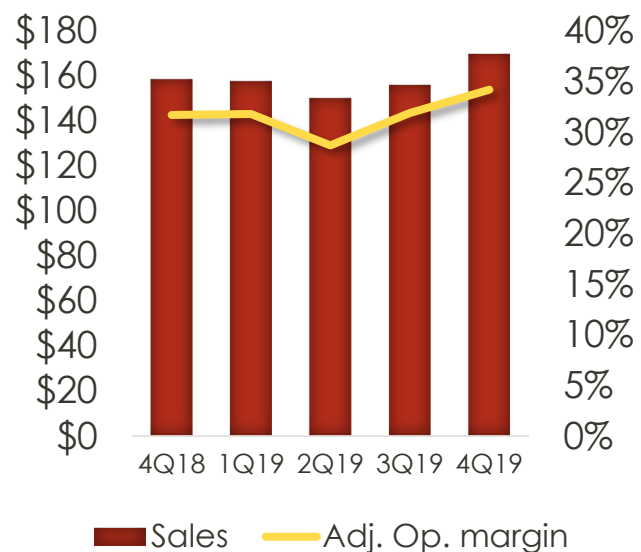
5. Non-GAAP Net Income excludes amortization expense, severance charges, loss on debt extinguishment and modification, the Versum termination fee, net, and impairment of assets.

# RESULTS BY SEGMENT<sup>1</sup>

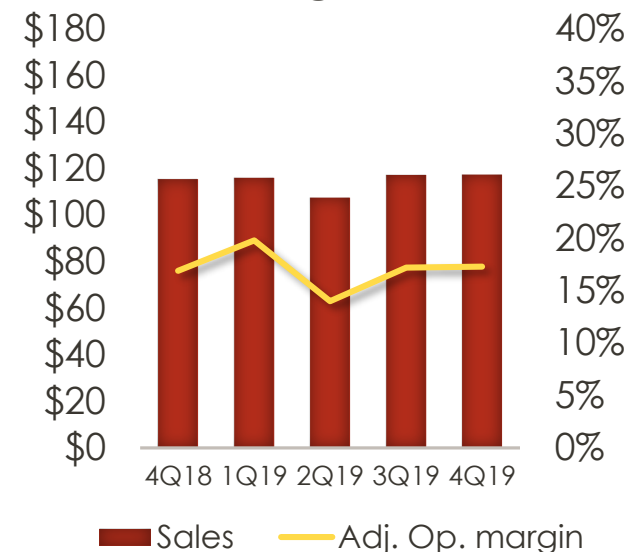
## Specialty Chemicals and Engineered Materials Segment<sup>2</sup>



## Microcontamination Control Segment<sup>3</sup>



## Advanced Materials Handling Segment<sup>4</sup>



1. In 1Q19, the Company changed its definition of segment profit to include inter-segment sales. Prior period information has been recast to reflect the change. Adjusted segment operating margin excludes amortization of intangibles and unallocated expenses.

2. Segment profit for SCEM includes a charge for fair value write-up of inventory of \$120K, \$695K, \$4,483K and (\$476)K for 1Q19, 2Q19, 3Q19 and 4Q19, respectively and severance charges of \$519K, \$2,143K and 184K in 1Q19, 3Q19 and 4Q19, respectively.

3. Segment profit for MC includes a charge for fair value write-up of inventory of \$3,379K, \$2,035K and \$687K for 4Q18, 1Q19 and 4Q19, respectively. Segment profit for MC includes severance charges of \$724K, \$2,977K and \$195K for 1Q19, 3Q19 and 4Q19, respectively.

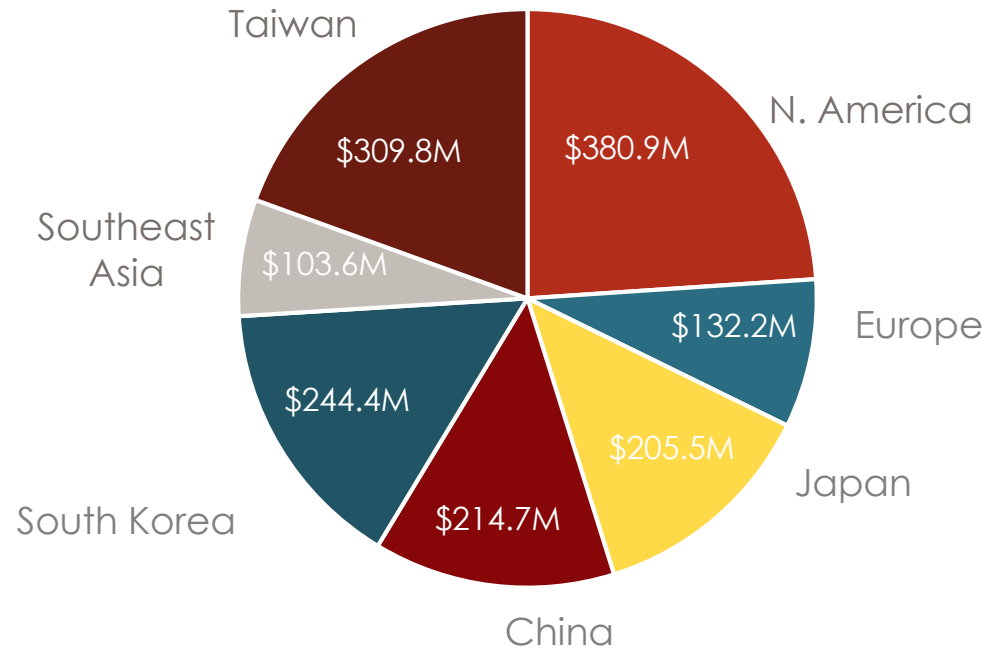
4. Segment profit for AMH includes severance and restructuring charges of \$460K, \$578K, \$3,135 and (\$379)K for 4Q18, 1Q19, 3Q19 and 4Q19, respectively.



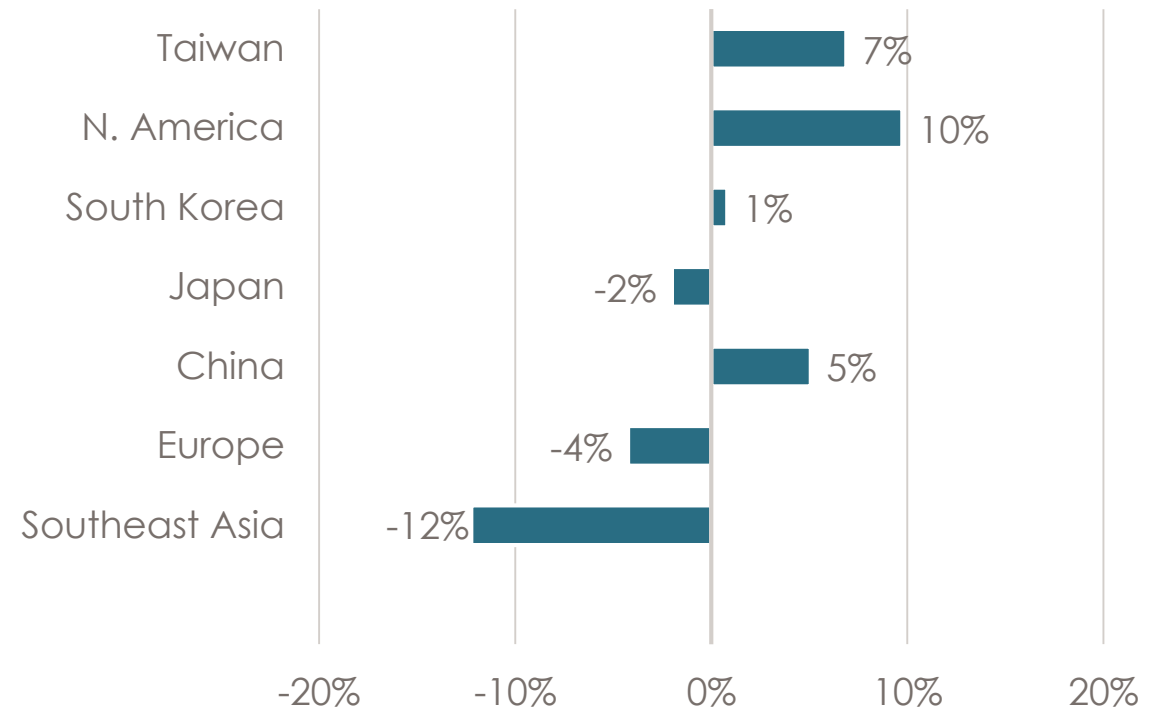
# REVENUE BY GEOGRAPHY

## 2019 Revenue by Geography

Revenue = \$ million



## 2019 vs. 2018 Growth Rate



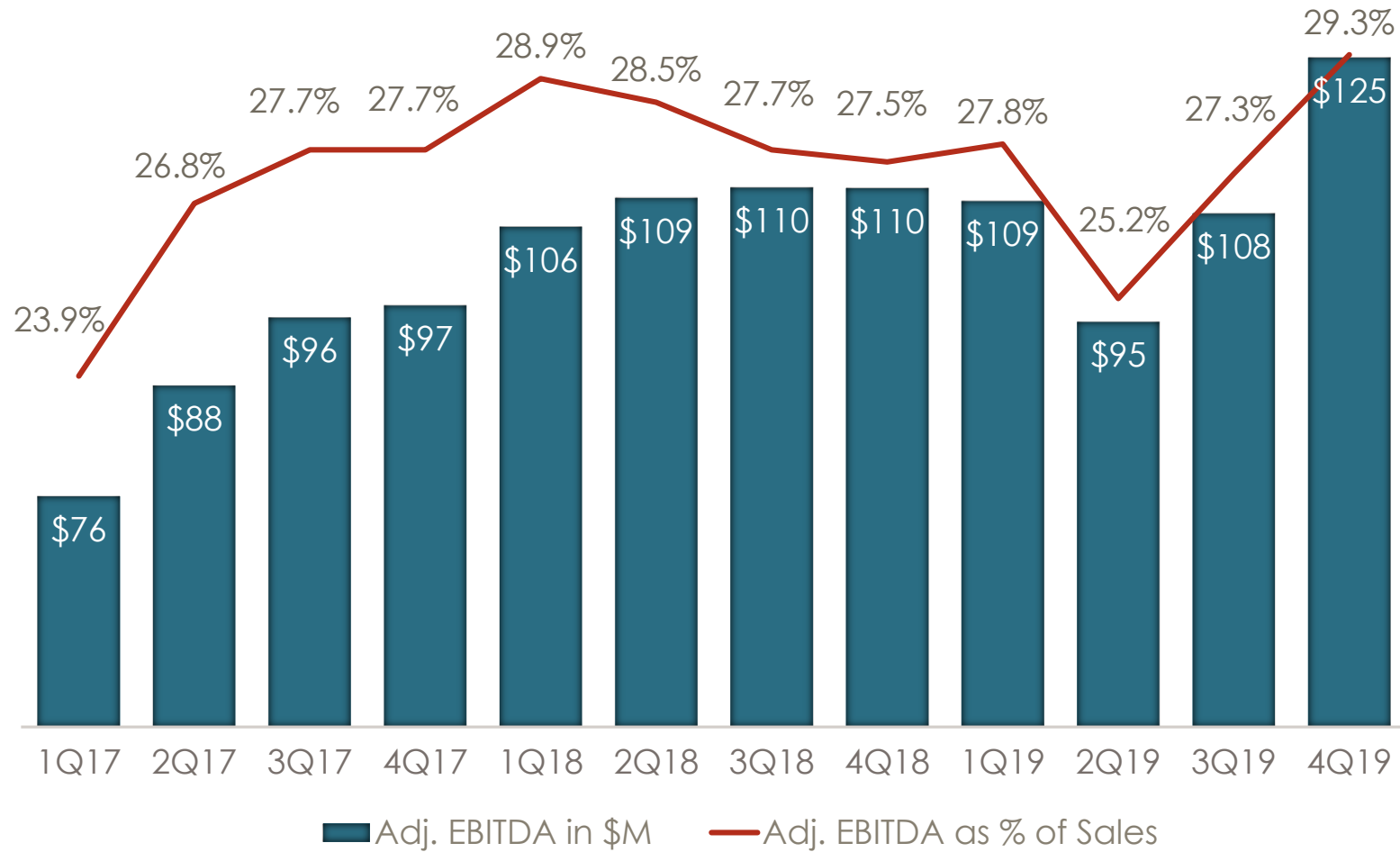
# Summary – Balance Sheet Items

\$ in millions	4Q19		3Q19		4Q18	
	\$ Amount	% Total	\$ Amount	% Total	\$ Amount	% Total
Cash & Cash Equivalents	\$351.9	14.0%	\$282.7	11.5%	\$482.1	20.8%
Accounts Receivable, net	\$234.4	9.3%	\$261.3	10.6%	\$222.1	9.6%
Inventories	\$287.1	11.4%	\$290.3	11.8%	\$268.1	11.6%
Net PP&E	\$479.5	19.1%	\$470.0	19.0%	\$419.5	18.1%
Total Assets	\$2,516.1		\$2,467.7		\$2,317.6	
Current Liabilities <sup>1</sup>	\$264.4	10.5%	\$213.1	8.6%	\$269.7	11.6%
Long-term debt, excluding current maturities	\$932.5	37.1%	\$934.1	37.9%	\$934.9	40.3%
Total Liabilities	\$1,350.2	53.7%	\$1,347.8	54.6%	\$1,305.6	56.3%
Total Shareholders' Equity	\$1,165.9	46.3%	\$1,119.9	45.4%	\$1,012.0	43.7%
AR – DSOs	50.1		60.5		50.4	
Inventory Turns	3.2		3.2		3.3	

1. Current Liabilities in 4Q19, 3Q19 and 4Q18 includes \$4 million of current maturities of long term debt.

# ADJUSTED EBITDA MARGIN<sup>1</sup>

## Adjusted EBITDA and Adjusted EBITDA Margin



1. See Reconciliation of GAAP Income to Adjusted Operating Income and Adjusted EBITDA in the appendix of this presentation.

# Cash Flows

<i>\$ in millions</i>	<b>4Q19</b>	<b>3Q19</b>	<b>4Q18</b>
Beginning Cash Balance	\$282.7	\$521.4	\$294.9
Cash provided by operating activities	\$128.6	\$25.3	\$91.3
Capital expenditures	(\$25.9)	(\$26.3)	(\$34.8)
Proceeds from long-term debt	-	-	\$400.0
Acquisition of business	(\$11.0)	(\$217.1)	-
Payments on long-term debt	(\$2.0)	-	(\$108.9)
Repurchase and retirement of common stock	(\$15.0)	(\$15.0)	(\$143.8)
Dividend payments	(\$10.8)	(\$10.8)	(\$9.9)
Other investing activities	\$1.1	\$2.6	(\$0.5)
Other financing activities	\$2.8	\$3.1	(\$6.1)
Effect of exchange rates	\$1.4	(\$0.5)	(\$0.1)
Ending Cash Balance	\$351.9	\$282.7	\$482.1
Free Cash Flow <sup>1</sup>	\$102.7	(\$1.0)	\$56.5
Adjusted EBITDA	\$125.0	\$107.5	\$110.4

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

# Outlook

## GAAP

<i>\$ in millions, except per share data</i>	<b>1Q20 Guidance</b>	<b>4Q19 Actual</b>	<b>4Q18 Actual</b>
Net Revenue	\$415 - \$430	\$427.0	\$401.6
Operating Expenses	\$111 - \$113	\$113.6	\$108.4
Net Income	\$56 - \$63	\$57.4	\$80.8
Earnings (Per Diluted Share)	\$0.41 - \$0.46	\$0.42	\$0.57

## Non-GAAP

<i>\$ in millions, except per share data</i>	<b>1Q20 Guidance</b>	<b>4Q19 Actual</b>	<b>4Q18 Actual</b>
Net Revenue	\$415 - \$430	\$427.0	\$401.6
Non-GAAP Operating Expenses	\$96 - \$98	\$93.2	\$90.1
Non-GAAP Net Income <sup>1</sup>	\$68 - \$75	\$74.6	\$66.3
Non-GAAP EPS	\$0.50 - \$0.55	\$0.55	\$0.47



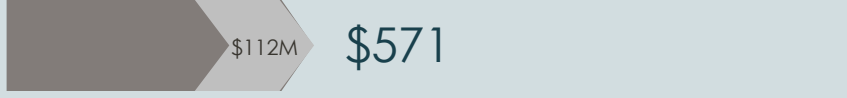

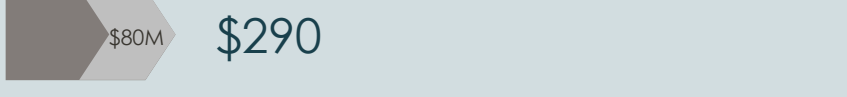

1. See GAAP to Non-GAAP reconciliation tables in the appendix of this presentation.

# Thoughtful and balanced capital allocation



More than \$3.5 billion allocated over the past 6 years<sup>1</sup>

(More than \$630 million in 2019)

Acquisitions	Acquisition of ATMI in 2014 (\$810M net of cash acquired), PSS, Saes Pure Gas, DSC, MPD, Anow continued “bolt on” acquisitions broadened capabilities and leveraged global platform	 <p>2019 \$277M \$1.5B</p>
ER&D	Continued investments and deployment of new products, increased customer value, and drove competitive advantage	 <p>\$119M \$702</p>
CapEx	Increased investments to support superior growth and results	 <p>\$112M \$571</p>
Debt Repayment <sup>2</sup>	Deleveraging increases financial flexibility	 <p>\$353</p>
Share Buyback	Initiated \$10M quarterly share buyback in Q3 2017; increased to \$15m in Q2 2019.	 <p>\$80M \$290</p>
Dividend	Initiated dividend in October 2017. Increased to \$0.08 per share in July 2019.	 <p>\$41M \$90</p>

1. Reflects 2013-2019 capital allocations.

2. Debt reduction following ATMI purchase to 11/18 refinance and through 2019.



# Entegris Capital Allocation Principles



## Capital Structure Targets

- Minimum cash balance of approximately \$200 million (globally)
- A debt rating of Ba1 or better

## Capital Allocation Priorities

### 1. Investments in R&D and CAPEX

- ER&D: 8% of sales target
- CAPEX: 7% of sales target

### 2. Value Accretive Acquisitions

- Intend to be a consolidator
- Targets: Core semiconductor and other adjacent markets
- Financial Criteria Includes: (1) Accretion by year 2; (2) High single-digit ROIC by year 3; and (3) Growth enabling capabilities or market expansion

### 3. Return of Capital: Dividends and Share Buybacks<sup>1</sup>

- 60% target payout of annual free cash flow
- Dividend Target: Ongoing dividend with incremental increases as free cash flow warrants
- Share Buybacks: Approximately \$15 million per quarter, plus opportunistic buybacks when appropriate

<sup>1</sup> Capital allocation parameters could change depending on the level of acquisition activity





# NON-GAAP RECONCILIATION TABLE

## RECONCILIATION OF GAAP GROSS PROFIT TO ADJUSTED GROSS PROFIT

	Three months ended			Twelve months ended	
	December 31, 2019	December 31, 2018	September 28, 2019	December 31, 2019	December 31, 2018
Net Sales	\$426,998	\$401,642	\$394,147	\$1,591,066	\$1,550,497
Gross profit-GAAP	\$197,636	\$179,740	\$170,350	\$711,653	\$719,831
Adjustments to gross profit:					
Severance and restructuring costs	(12)	460	990	1,336	460
Charge for fair value mark-up of acquired inventory sold	211	3,379	4,483	7,544	6,868
Adjusted gross profit	\$197,835	\$183,579	\$175,823	\$720,533	\$727,159
Gross margin - as a % of net sales	46.3%	44.8%	43.2%	44.7%	46.4%
Adjusted gross margin - as a % of net sales	46.3%	45.7%	44.6%	45.3%	46.9%

# NON-GAAP RECONCILIATION TABLE

## RECONCILIATION OF GAAP SEGMENT PROFIT TO ADJUSTED OPERATING INCOME

*in thousands*

	Three months ended			Twelve months ended	
	December 31, 2019	December 31, 2018	September 28, 2019	December 31, 2019	December 31, 2018
Segment profit-GAAP <sup>1</sup>					
Specialty Chemicals and Engineered Materials	\$32,822	\$28,221	\$17,074	\$98,327	\$127,080
Microcontamination Control	57,157	46,879	46,792	194,398	166,852
Advanced Materials Handling	20,686	19,096	17,077	75,173	92,327
Total segment profit	110,665	94,196	80,943	367,898	386,259
Amortization of intangible assets	16,028	17,050	15,152	66,428	62,152
Unallocated expenses	10,552	5,838	12,998	62,192	31,418
Total operating income	\$84,085	\$71,308	\$52,793	\$239,278	\$292,689
	Three months ended			Twelve months ended	
	December 31, 2019	December 31, 2018	September 28, 2019	December 31, 2019	December 31, 2018
Adjusted segment profit					
Specialty Chemicals and Engineered Materials <sup>2</sup>	\$32,530	\$28,221	\$23,700	\$105,995	\$127,080
Microcontamination Control <sup>3</sup>	58,039	50,258	49,769	201,016	173,720
Advanced Materials Handling <sup>4</sup>	20,307	19,556	20,212	78,507	93,253
Total adjusted segment profit	110,876	98,035	93,681	385,518	394,053
Adjusted amortization of intangible assets <sup>5</sup>	-	-	-	-	-
Adjusted unallocated expenses <sup>6</sup>	6,229	4,550	5,461	23,678	23,060
Total adjusted operating income	\$104,647	\$93,485	\$88,220	\$361,840	\$370,993

1. In 1Q19, the Company changed its definition of segment profit to include inter-segment sales. Prior period information has been recast to reflect the change.

2. Adjusted segment profit for Specialty Chemicals and Engineered Materials excludes charges for fair value mark-up of acquired inventory sold of (\$476), \$4,483 for the three months ended December 31, 2019 and September 28, 2019, respectively, and \$4,822 for the twelve months ended December 31, 2019. Adjusted segment profit for Specialty Chemicals and Engineered Materials excludes severance and restructuring costs of \$184 and \$2,143 for the three months ended December 31, 2019 and September 28, 2019, respectively, and \$2,846 for the twelve months ended December 31, 2019.

3. Adjusted segment profit for Microcontamination Control excludes charges for fair value mark-up of acquired inventory sold of \$687 and \$3,379 for the three months ended December 31, 2019 and December 31, 2018, respectively, and \$2,722 and \$6,868 for the twelve months ended December 31, 2019 and December 31, 2018. Adjusted segment profit for Microcontamination Control excludes severance and restructuring costs of \$195 and \$2,977 for the three months ended December 31, 2019 and September 28, 2019, respectively, and \$3,896 for the twelve months ended December 31, 2019.

4. Adjusted segment profit for Advanced Material Handling excludes severance and restructuring costs of (\$379) and \$3,135 for the three months ended December 31, 2019 and September 28, 2019, respectively, and \$3,334 for the twelve months ended December 31, 2019. Adjusted segment profit for Advanced Materials Handling excludes charges for impairment of equipment and loss on sale of subsidiary of \$460 and \$466, respectively, for the twelve months ended December 31, 2018.

5. Adjusted amortization of intangible assets excludes amortization expense of \$16,028, \$17,050, and \$15,152 for the three months ended December 31, 2019, December 31, 2018, and September 28, 2019, respectively, and \$66,428 and \$62,152 for the twelve months ended December 31, 2019 and December 31, 2018, respectively.

6. Adjusted unallocated expenses excludes deal and integration expenses of \$4,323, \$1,288, and \$7,289 for the three months ended December 31, 2019, December 31, 2018 and September 28, 2019, respectively, and \$36,096 and \$8,358 for the twelve months ended December 31, 2019 and December 31, 2018, respectively. Adjusted unallocated expenses excludes severance and restructuring costs of \$248 for the three months ended September 28, 2019 and \$2,418 for the twelve months ended December 31, 2019.

# NON-GAAP RECONCILIATION TABLE

## RECONCILIATION OF GAAP TO ADJUSTED OPERATING INCOME AND ADJUSTED EBITDA

<i>\$ in thousands</i>	Three months ended			Twelve months ended	
	December 31, 2019	December 31, 2018	September 28, 2019	December 31, 2019	December 31, 2018
Net sales	\$426,998	\$401,642	\$394,147	\$1,591,066	\$1,550,497
Net income	\$57,438	\$80,784	\$40,767	\$254,860	\$240,755
Adjustments to net income:					
Income tax expense (benefit)	13,656	(21,078)	876	63,189	13,677
Interest expense, net	12,743	8,426	10,216	42,310	30,255
Other expense (income), net	248	3,176	934	(121,081)	8,002
GAAP - Operating income	84,085	71,308	52,793	239,278	292,689
Charge for fair value write-up of acquired inventory sold	211	3,379	4,483	7,544	6,868
Deal Costs	973	-	4,891	26,164	5,121
Integration Costs	3,350	1,288	2,398	9,932	3,237
Severance and restructuring costs	-	460	8,503	12,494	460
Loss on sale of subsidiary	-	-	-	-	466
Amortization of intangible assets	16,028	17,050	15,152	66,428	62,152
Adjusted operating income	104,647	93,485	88,220	361,840	370,993
Depreciation	20,352	16,880	19,306	74,975	65,116
Adjusted EBITDA	\$124,999	\$110,365	\$107,526	\$436,815	\$436,109
Net income – as a % of net sales	13.5%	20.1%	10.3%	16.0%	15.5%
Adjusted operating margin	24.5%	23.3%	22.4%	22.7%	23.9%
Adjusted EBITDA - as a % of net sales	29.3%	27.5%	27.3%	27.5%	28.1%

# NON-GAAP RECONCILIATION TABLE

## RECONCILIATION OF GAAP NET INCOME AND EARNINGS PER SHARE TO NON-GAAP NET INCOME AND EARNINGS PER SHARE

	Three months ended			Twelve months ended	
	December 31, 2019	December 31, 2018	September 28, 2019	December 31, 2019	December 31, 2018
<i>\$ in thousands, except per share data</i>					
GAAP net income	\$57,438	\$80,784	\$40,767	\$254,860	\$240,755
Adjustments to net income:					
Charge for fair value write-up of acquired inventory sold	211	3,379	4,483	7,544	6,868
Deal Costs	973	-	4,891	26,575	5,121
Integration Costs	3,350	1,288	2,398	9,932	3,237
Severance and restructuring costs	-	460	8,503	12,494	460
Loss on debt extinguishment and modification	1,980	2,319	-	1,980	2,319
Versum termination fee, net	-	-	-	(122,000)	-
Loss on sale of subsidiary	-	-	-	-	466
Amortization of intangible assets	16,028	17,050	15,152	66,428	62,152
Tax effect of legal entity restructuring	-	(34,478)	-	9,398	(34,478)
Tax effect of adjustments to net income and discrete items <sup>1</sup>	(5,398)	(5,603)	(8,015)	(3,124)	(17,812)
Tax effect of Tax Cuts and Jobs Act	-	1,101	-	-	683
Non-GAAP net income	\$74,582	\$66,300	\$68,179	\$264,087	\$269,771
Diluted earnings per common share	\$0.42	\$0.57	\$0.30	\$1.87	\$1.69
Effect of adjustments to net income	\$0.13	(\$0.10)	\$0.20	\$0.07	\$0.20
Diluted non-GAAP earnings per common share	\$0.55	\$0.47	\$0.50	\$1.93	\$1.89

1. The tax effect of pre-tax adjustments to net income was calculated using the applicable marginal tax rate during the respective years.

# NON-GAAP RECONCILIATION TABLE

## RECONCILIATION OF GAAP OUTLOOK TO NON-GAAP OUTLOOK

(In millions, except per share data)

	<b>First-Quarter Outlook</b>
<b>Reconciliation GAAP net income to non-GAAP net income</b>	<b>March 28, 2020</b>
GAAP net income	\$56 - \$63
Adjustments to net income:	
Restructuring and integration costs	2
Amortization of intangible assets	13
Income tax effect	(3)
Non-GAAP net income	\$68 - \$75

	<b>First-Quarter Outlook</b>
<b>Reconciliation GAAP diluted earnings per share to non-GAAP diluted earnings per share</b>	<b>March 28, 2020</b>
Diluted earnings per common share	\$0.41 - \$0.46
Adjustments to diluted earnings per common share:	
Restructuring and integration costs	0.01
Amortization of intangible assets	0.10
Income tax effect	(0.02)
Diluted non-GAAP earnings per common share	\$0.50 to \$0.55

# GAAP Segment Trend Data<sup>1</sup>

*\$ in thousands*

	Q117	Q217	Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419
<b>Sales</b>												
SCEM	\$ 114,435	\$ 121,174	\$ 124,522	\$ 125,339	\$ 130,743	\$ 134,336	\$ 131,234	\$ 133,928	\$ 124,470	\$ 127,552	\$ 127,750	\$ 146,747
MC	100,195	104,587	116,229	115,801	118,923	124,937	151,478	158,500	157,706	150,185	155,979	169,794
AMH	108,371	109,658	111,278	115,436	124,078	130,572	123,227	115,527	116,064	107,515	117,256	117,455
Inter-segment elimination	(5,624)	(6,417)	(6,438)	(6,014)	(6,545)	(6,786)	(7,342)	(6,313)	(7,193)	(6,378)	(6,838)	(6,998)
<b>Total Sales</b>	<b>\$ 317,377</b>	<b>\$ 329,002</b>	<b>\$ 345,591</b>	<b>\$ 350,562</b>	<b>\$ 367,199</b>	<b>\$ 383,059</b>	<b>\$ 398,597</b>	<b>\$ 401,642</b>	<b>\$ 391,047</b>	<b>\$ 378,874</b>	<b>\$ 394,147</b>	<b>\$ 426,998</b>
<b>Segment Profit</b>												
SCEM	\$ 22,563	\$ 28,493	\$ 28,981	\$ 29,534	\$ 30,921	\$ 36,728	\$ 31,210	\$ 28,221	\$ 24,431	\$ 24,000	\$ 17,074	\$ 32,822
MC	29,380	29,944	37,429	37,686	40,311	37,214	42,448	46,879	47,323	43,126	46,792	57,157
AMH	16,132	17,588	14,914	20,409	25,463	25,542	22,226	19,096	22,367	15,043	17,077	20,686
<b>Total Segment Profit</b>	<b>\$ 68,075</b>	<b>\$ 76,025</b>	<b>\$ 81,324</b>	<b>\$ 87,629</b>	<b>\$ 96,695</b>	<b>\$ 99,484</b>	<b>\$ 95,884</b>	<b>\$ 94,196</b>	<b>\$ 94,121</b>	<b>\$ 82,169</b>	<b>\$ 80,943</b>	<b>\$ 110,665</b>

1. In 1Q19, the Company changed its definition of segment profit to include inter-segment sales. Prior period information has been recast to reflect the change.

# NON-GAAP Segment Trend Data<sup>1</sup>

\$ in thousands

	Q117	Q217	Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419
<b>Sales</b>												
SCEM	\$ 114,435	\$ 121,174	\$ 124,522	\$ 125,339	\$ 130,743	\$ 134,336	\$ 131,234	\$ 133,928	\$ 124,470	\$ 127,552	\$ 127,750	\$ 146,747
MC	100,195	104,587	116,229	115,801	118,923	124,937	151,478	158,500	157,706	150,185	155,979	169,794
AMH	108,371	109,658	111,278	115,436	124,078	130,572	123,227	115,527	116,064	107,515	117,256	117,455
Inter-segment elimination	(5,624)	(6,417)	(6,438)	(6,014)	(6,545)	(6,786)	(7,342)	(6,313)	(7,193)	(6,378)	(6,838)	(6,998)
<b>Total Sales</b>	<b>\$ 317,377</b>	<b>\$ 329,002</b>	<b>\$ 345,591</b>	<b>\$ 350,562</b>	<b>\$ 367,199</b>	<b>\$ 383,059</b>	<b>\$ 398,597</b>	<b>\$ 401,642</b>	<b>\$ 391,047</b>	<b>\$ 378,874</b>	<b>\$ 394,147</b>	<b>\$ 426,998</b>
<b>Adjusted Segment Profit</b>												
SCEM <sup>2</sup>	\$ 22,563	\$ 28,493	\$ 28,995	\$ 29,534	\$ 30,921	\$ 36,728	\$ 31,210	\$ 28,221	\$ 25,070	\$ 24,695	\$ 23,700	\$ 32,530
MC <sup>3</sup>	29,380	31,387	37,625	37,686	40,311	37,422	45,729	50,258	50,082	43,126	49,769	58,039
AMH <sup>4</sup>	16,132	19,874	20,135	20,409	25,463	25,542	22,692	19,556	22,945	15,043	20,212	20,307
<b>Total Adj. Segment Profit</b>	<b>\$ 68,075</b>	<b>\$ 79,754</b>	<b>\$ 86,755</b>	<b>\$ 87,629</b>	<b>\$ 96,695</b>	<b>\$ 99,692</b>	<b>\$ 99,631</b>	<b>\$ 98,035</b>	<b>\$ 98,097</b>	<b>\$ 82,864</b>	<b>\$ 93,681</b>	<b>\$ 110,876</b>
<b>Adjusted Segment Profit Margin</b>												
SCEM	19.7%	23.5%	23.3%	23.6%	23.7%	27.3%	23.8%	21.1%	20.1%	19.4%	18.6%	22.2%
MC	29.3%	30.0%	32.4%	32.5%	33.9%	30.0%	30.2%	31.7%	31.8%	28.7%	31.9%	34.2%
AMH	14.9%	18.1%	18.1%	17.7%	20.5%	19.6%	18.4%	16.9%	19.8%	14.0%	17.2%	17.3%

1. In 1Q19, the Company changed its definition of segment profit to include inter-segment sales. Prior period information has been recast to reflect the change. Segment profit excludes amortization of intangibles and unallocated expenses.

2. Adjusted segment profit for SCEM for 3Q17, 1Q19, 3Q19 and 4Q19 excludes charges for severance and restructuring of \$14, \$519, \$2,143 and \$184. Adjusted segment profit for SCEM for 1Q19, 2Q19, 3Q19 and 4Q19 excludes fair value mark-up of inventory and severance charges of \$120, \$695, \$4,483 and (\$476), respectively.

3. Adjusted segment profit for MC for 2Q17 excludes charges for impairment of equipment and severance of \$884 and \$559, respectively. Adjusted segment profit for MC for 3Q17, 1Q19, 3Q19 and 4Q19 excludes charges for severance of \$196, \$724, \$2,977 and \$195, respectively. Adjusted segment profit for MC for 2Q18, 3Q18, 4Q18, 1Q19 and 4Q19 excludes charges for fair value mark-up of acquired inventory sold of \$208, \$3,281, \$3,379, \$2,035 and \$687, respectively.

4. Adjusted segment profit for AMH for 2Q17 excludes charges for impairment of equipment of \$2,286. Adjusted segment profit for AMH for 3Q17 excludes impairment of equipment and severance and restructuring of \$3,364 and \$1,857 respectively. Adjusted segment profit for AMH for 3Q18 excludes loss on sale of subsidiary of \$466. Adjusted segment profit for AMH for 4Q18, 1Q19, 3Q19 and 4Q19 excludes severance and restructuring of \$460, \$578, \$3,135 and (\$379)K, respectively.

