

TTM Technologies, Inc. Q3'21 Earnings Results Presentation

October 27th, 2021



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Disclaimers

Forward-Looking Statements

This communication may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements related to the future business outlook, events, and expected performance of TTM Technologies, Inc. (“TTM”, “we” or the “Company”). The words “anticipate,” “believe,” “plan,” “forecast,” “foresee,” “estimate,” “project,” “expect,” “seek,” “target,” “intend,” “goal” and other similar expressions, among others, generally identify “forward-looking statements,” which speak only as of the date the statements were made and are not guarantees of performance. Actual results may differ materially from these forward-looking statements. Such statements relate to a variety of matters, including but not limited to the operations of TTM’s businesses. These statements reflect the current beliefs, expectations and assumptions of the management of TTM, and we believe such statements to have a reasonable basis.

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Use of Non-GAAP Financial Measures

In addition to the financial statements presented in accordance with U.S. generally accepted accounting principles (“GAAP”), TTM uses certain non-GAAP financial measures, including EBITDA, Adjusted EBITDA, Non-GAAP Operating Income, Non-GAAP Net Income, Non-GAAP Operating Margin, Non-GAAP Gross Margin, Non-GAAP EPS and Adjusted Operating Cash Flow. We present non-GAAP financial information to enable investors to see TTM through the eyes of management and to provide better insight into our ongoing financial performance.

A material limitation associated with the use of the above non-GAAP financial measures is that they have no standardized measurement prescribed by GAAP and may not be comparable to similar non-GAAP financial measures used by other companies. We compensate for these limitations by providing full disclosure of each non-GAAP financial measure and reconciliation to the most directly comparable GAAP financial measure. However, the non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP.

See Appendix for reconciliations of Adjusted EBITDA and Non-GAAP Operating Income to the most comparable GAAP metric.

Data Used in This Presentation

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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Key Messages from Q3 2021 Earnings Report and Call






- Revenue of \$556.8M in line with guidance of \$530-\$570M
- GAAP EPS of \$0.19
- Non-GAAP EPS of \$0.34 in line with guidance of \$0.31-\$0.37
- Repurchased 2.11 million shares for \$28.9 million for an average price of \$13.71
- Expect Q4 revenues of \$530 to \$570M and non-GAAP EPS of \$0.28 to \$0.34

Q3'21 End Market Commentary (Excluding Mobility, E-MS)

End Market (% of Revenues)	Q3'21*	Q3'20*	Year on Year Growth	Q4'21 Guidance*
Aerospace & Defense	31%	37%	(4.8%)	32%
Automotive	18%	13%	57%	18%
Medical, Industrial & Instrumentation	20%	19%	19%	18%
Networking and Communication	16%	17%	3.1%	15%
Data Center Computing	14%	13%	29%	15%

*Total of all end markets may not add to 100% due to rounding and "other" category which contains direct sales to EMS and distributor customers

End Market Growth Drivers and Outlook (Pro-forma Mobility, E-MS)

			FY 2020 Net Sales	End Market Growth Drivers	2019 – 2024 CAGR (3 rd Party)	2021 TTM View
Aerospace	Defense		37%	<ul style="list-style-type: none"> Increased Use of AESA Radar Increased Military Equipment Builds 	2-4%	Below
Automotive			13%	<ul style="list-style-type: none"> Electric & Autonomous Vehicle Safety/ADAS/Infotainment 	3-6%	Above
Data Center Computing			13%	<ul style="list-style-type: none"> Semiconductor Development Data Center expansion 	1-3%	Above
Medical	Industrial Instrumentation		19%	<ul style="list-style-type: none"> Patient Monitoring Automated Test Equipment 	2-4%	Above
Networking	Communications		17%	<ul style="list-style-type: none"> 5G Infrastructure Spend Networking Infrastructure 	5-8%	Below

Source: TTM filings, Prismark Partners Nov 2020, Company estimates

Q3 2021 Operational Metrics (Excluding Mobility, E-MS)

Operating Metric	Q3'21	Q3'20
Advanced Technology	29%	29%
Asia Pacific Capacity Utilization	91%	63%
North America Capacity Utilization	50%	61%
Top 5 Customers	28%	33%
Backlog	\$594.8 mn	\$437.8 mn
A&D Program Backlog	\$723 mn	\$625 mn
PCB Book to Bill	1.29	0.92

Quarterly Financial Results and Guidance (Excluding Mobility)

Financial Metric (Non-GAAP) ¹	Q3'21	Q3'20	Year on Year Change	Q4'21 Guide
Revenues	\$556.8 mn	\$513.6 ³ mn	8.4%	\$530-\$570 mn
Operating Margin	8.6%	9.1%	(0.5 pts)	N/A
EBITDA Margin	12.3%	13.1%	(0.8 pts)	N/A
EPS	\$0.34	\$0.25	\$0.09	\$0.28-\$0.34
Cash flow from Ops	\$18.6 mn	\$84.8 ² mn	(67.3 mn)	N/A
Capex	\$19.8 mn	\$29.1 mn	(\$10.5 mn)	N/A
Free Cash flow	(\$1.2 mn)	\$55.7 ² mn	(\$56.9 mn)	N/A
Net debt/EBITDA	1.5x	1.6x	(0.1)	N/A

¹ See Appendix for reconciliation to GAAP

² Includes \$14 mn of accounts receivable from Mobility divestiture

³ Includes \$20.5 mn of revenues from closed E-MS plants



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Appendix

TTM Consolidated, Mobility, SZ + SH-EMS, and Pro-Forma Financials (non-GAAP, millions of dollars)

TTM Consolidated	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
Sales	620.2	633.0	716.8	719.3	2,689.3	610.8	601.1	513.6	523.8	2,249.3
Gross Profit	90.6	86.4	106.0	126.8	409.7	88.3	107.2	94.4	91.5	381.4
Gross Margin	14.6%	13.6%	14.8%	17.6%	15.2%	14.5%	17.8%	18.4%	17.5%	17.0%
Op Income	40.5	37.2	54.0	72.3	204.0	35.7	54.7	46.9	47.3	184.6
Operating Margin	6.5%	5.9%	7.5%	10.1%	7.6%	5.8%	9.1%	9.1%	9.0%	8.2%
EBITDA	78.5	82.9	103.5	111.3	376.2	82.1	80.3	67.2	68.2	297.8
EBITDA %	12.7%	13.1%	14.4%	15.5%	14.0%	13.4%	13.4%	13.1%	13.0%	13.2%

Mobility Proforma	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
Sales	83.8	106.1	182.6	183.5	556.0	113.2	30.8	-	-	144.0
Gross Profit	(10.1)	(8.2)	18.6	24.3	24.5	4.7	2.4	-	-	7.1
Gross Margin	-12.1%	-7.8%	10.2%	13.2%	4.4%	4.2%	7.8%	-	-	5.0%
Op Income	(11.9)	(10.3)	16.0	21.0	14.8	2.1	1.1	-	-	3.2
Operating Margin	-14.2%	-9.7%	8.8%	11.4%	2.7%	1.9%	3.6%	-	-	2.2%
EBITDA	5.9	9.2	36.9	38.5	90.5	21.9	3.5	-	-	25.4
EBITDA %	7.0%	8.7%	20.2%	21.0%	16.3%	19.3%	11.4%	-	-	17.6%

TTM Proforma Excluding Mobility	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
Sales	536.4	526.9	534.2	535.8	2,133.3	497.6	570.3	513.6	523.8	2,105.3
Gross Profit	100.7	94.6	87.4	102.5	385.2	83.6	104.8	94.4	91.5	374.3
Gross Margin	18.8%	18.0%	16.4%	19.1%	18.1%	16.8%	18.4%	18.4%	17.5%	17.8%
Op Income	52.4	47.5	38.0	51.3	189.2	33.6	53.6	46.9	47.3	181.4
Operating Margin	9.8%	9.0%	7.1%	9.6%	8.9%	6.8%	9.4%	9.1%	9.0%	8.6%
EBITDA	72.6	73.7	66.6	72.8	285.7	60.2	76.8	67.2	68.2	272.4
EBITDA %	13.5%	14.0%	12.5%	13.6%	13.4%	12.1%	13.5%	13.1%	13.0%	12.9%

SZ + SH-EMS Proforma	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
Sales	36.0	40.9	54.5	29.8	161.2	14.2	21.4	20.5	23.7	79.8
Gross Profit	3.0	3.4	5.2	2.3	13.9	(2.4)	(0.3)	3.4	3.2	3.9
Gross Margin	8.3%	8.3%	9.5%	7.7%	8.6%	-16.7%	-1.4%	16.6%	13.5%	4.9%
Op Income	2.0	1.2	4.3	2.0	9.5	(3.8)	(0.8)	2.3	2.7	0.4
Operating Margin	5.6%	2.9%	7.9%	6.7%	5.9%	-26.8%	-3.8%	11.3%	11.4%	0.5%
EBITDA	2.5	3.1	7.1	2.0	14.7	(3.6)	0.1	2.6	3.1	2.2
EBITDA %	6.9%	7.6%	13.0%	6.7%	9.1%	-25.4%	0.4%	12.9%	13.1%	2.8%

TTM Proforma Excluding Mobility, SZ & SH-EMS	Q1-19	Q2-19	Q3-19	Q4-19	FY 2019	Q1-20	Q2-20	Q3-20	Q4-20	FY 2020
Sales	500.4	486.0	479.7	506.0	1,972.1	483.4	548.9	493.1	500.1	2,025.5
Gross Profit	97.7	91.2	82.2	100.2	371.3	86.0	105.1	91.0	88.3	370.4
Gross Margin	19.5%	18.8%	17.1%	19.8%	18.8%	17.8%	19.1%	18.5%	17.7%	18.3%
Op Income	50.4	46.2	33.7	49.3	179.6	37.7	54.4	44.6	44.6	181.3
OM	10.1%	9.5%	7.0%	9.7%	9.1%	7.8%	9.9%	9.0%	8.9%	8.9%
EBITDA	70.1	70.6	59.5	70.8	271.0	63.8	76.7	64.6	65.1	270.2
EBITDA %	14.0%	14.5%	12.4%	14.0%	13.7%	13.2%	14.0%	13.1%	13.0%	13.3%

TTM End Market Exposure

TTM Consolidated

End Markets	1Q-19	2Q-19	3Q-19	4Q-19	FY 2019	1Q-20	2Q-20	3Q-20	4Q-20	FY 2020
Aerospace/Defense	27%	28%	24%	26%	26%	30%	31%	36%	36%	33%
Automotive	17%	16%	17%	14%	16%	12%	12%	14%	21%	14%
Cellular Phones	7%	6%	19%	16%	13%	11%	3%	0%	0%	4%
Computing/Storage/Periph	13%	15%	12%	14%	13%	14%	13%	12%	13%	13%
Medical/Industrial/Inst	15%	15%	13%	13%	14%	16%	20%	19%	15%	17%
Networking/Communications	18%	17%	13%	15%	15%	14%	19%	18%	15%	17%
Other	3%	3%	2%	2%	3%	3%	2%	1%	0%	2%

Mobility Business Unit

End Markets	1Q-19	2Q-19	3Q-19	4Q-19	FY 2019	1Q-20	2Q-20	3Q-20	4Q-20	FY 2020
Aerospace/Defense	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Automotive	5%	6%	3%	2%	4%	3%	5%	0%	0%	3%
Cellular Phones	48%	41%	73%	65%	60%	57%	54%	0%	0%	56%
Computing/Storage/Periph	28%	36%	14%	19%	22%	22%	25%	0%	0%	23%
Medical/Industrial/Inst	7%	5%	2%	3%	4%	4%	4%	0%	0%	4%
Networking/Communications	5%	5%	4%	6%	5%	5%	5%	0%	0%	5%
Other	7%	7%	4%	5%	5%	9%	7%	0%	0%	9%

TTM excluding Mobility

End Markets	1Q-19	2Q-19	3Q-19	4Q-19	FY 2019	1Q-20	2Q-20	3Q-20	4Q-20	FY 2020
Aerospace/Defense	31%	33%	31%	35%	33%	37%	33%	36%	36%	36%
Automotive	19%	18%	21%	17%	19%	14%	12%	14%	21%	15%
Cellular Phones	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%
Computing/Storage/Periph	11%	11%	11%	12%	11%	12%	13%	12%	13%	12%
Medical/Industrial/Inst	17%	17%	17%	17%	17%	19%	21%	19%	15%	18%
Networking/Communications	20%	19%	17%	18%	18%	17%	20%	18%	15%	18%
Other	2%	2%	2%	1%	2%	1%	1%	1%	0%	1%

SZ + SH-EMS

End Markets	1Q-19	2Q-19	3Q-19	4Q-19	FY 2019	1Q-20	2Q-20	3Q-20	4Q-20	FY 2020
Aerospace/Defense	0%	1%	0%	0%	0%	0%	0%	0%	3%	1%
Automotive	56%	58%	74%	59%	63%	49%	54%	49%	86%	61%
Cellular Phones	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Computing/Storage/Periph	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Medical/Industrial/Inst	22%	23%	11%	19%	18%	23%	14%	14%	2%	12%
Networking/Communications	21%	18%	16%	22%	19%	30%	35%	44%	10%	29%
Other	1%	0%	-1%	0%	0%	-2%	-3%	-7%	-1%	-3%

TTM, excluding Mobility, SZ & SH E-MS

End Markets	1Q-19	2Q-19	3Q-19	4Q-19	FY 2019	1Q-20	2Q-20	3Q-20	4Q-20	FY 2020
Aerospace/Defense	33%	36%	36%	37%	35%	38%	34%	37%	38%	37%
Automotive	17%	15%	15%	15%	15%	13%	11%	13%	17%	13%
Cellular Phones	0%	-1%	1%	0%	0%	1%	0%	0%	0%	0%
Computing/Storage/Periph	12%	12%	12%	13%	12%	12%	13%	13%	13%	13%
Medical/Industrial/Inst	16%	17%	18%	17%	17%	19%	21%	19%	16%	19%
Networking/Communications	20%	19%	16%	17%	18%	16%	19%	17%	16%	17%
Other	2%	2%	2%	1%	3%	1%	2%	1%	0%	1%

Non-GAAP Reconciliations

\$ Millions (except where noted)	2019	2019*	2020*
GAAP Gross Profit	401.7	377.2	359.0
Add back item:			
Inventory markup	-	-	-
Stock-based compensation	3.2	3.1	3.9
Accelerated depreciation	-	-	5.8
Amortization of definite-lived intangibles	4.8	4.8	5.5
Non-GAAP Gross Profit	409.7	385.1	374.3
GAAP Operating Income	120.1	109.6	28.1
Add back items:			
Amortization of definite-lived intangibles	53.3	50.6	44.4
Accelerated depreciation	-	-	6.8
Stock-based compensation	16.8	16.8	16.1
Impairment, restructuring, and acquisition-related charges	13.9	12.3	86.2
Inventory markup	-	-	-
Other infrequent items	-	(0.1)	(0.1)
Non-GAAP Operating Income	204.1	189.3	181.4
GAAP TTM Technologies Net Income (Loss)	41.3	31.9	(16.4)
Add back items:			
Amortization of definite-lived intangibles	53.3	50.6	44.4
Accelerated depreciation	-	-	6.8
Stock-based compensation	16.8	16.8	16.1
Non-cash interest expense	14.3	14.3	17.5
Impairment, restructuring, acquisition-related, and loss on extinguishment of debt	13.9	12.3	86.2
Inventory markup	-	-	-
Other infrequent items	(3.7)	(3.7)	(0.8)
Income tax effects	(15.3)	(15.0)	(37.0)
Non-GAAP TTM Technologies Net Income	120.5	107.1	116.7
Non-GAAP EPS (\$ per diluted share)	1.13	1.01	1.10
GAAP Net Income (Loss)	41.3	31.9	(16.4)
Add back items:			
Income tax provision (benefit)	4.9	2.4	(29.9)
Interest expense	83.2	82.1	73.2
Amortization of definite-lived intangibles	53.3	50.6	44.4
Depreciation expense	166.6	93.4	99.6
Stock-based compensation	16.8	16.8	16.1
Other infrequent items	(3.7)	(3.7)	(0.8)
Inventory markup	-	-	-
Impairment, restructuring, acquisition-related, and loss on extinguishment of debt	13.9	12.3	86.2
Adjusted EBITDA	376.2	285.7	272.3

*Proforma excluding Mobility

Note: Numbers presented may not add up precisely to totals provided due to rounding.

Mobility Business Unit non-GAAP Reconciliations

Proforma Mobility Business Unit

\$ in millions

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Revenues ¹	83.8	106.1	182.6	183.5	556.0	113.2	30.8	-	-	144.0
Non-GAAP Gross Profit ¹	(10.1)	(8.2)	18.6	24.3	24.5	4.7	2.4	-	-	7.1
GAAP Operating Income	(12.6)	(12.1)	15.2	20.0	10.5	1.4	1.0	-	-	2.4
Amortization of intangibles	0.7	0.7	0.7	0.7	2.7	0.7	0.1	-	-	0.8
Impairments, restructuring, acquisition-related, and other charges	0.0	1.2	0.0	0.3	1.6	-	-	-	-	-
Non-GAAP Operating Income	(11.9)	(10.3)	16.0	21.0	14.8	2.1	1.1	-	-	3.2
GAAP Net Income	(9.5)	(9.1)	13.5	14.5	9.4	2.0	171.5	20.0	-	193.6
Income tax provision (benefit)	(3.9)	(1.8)	3.9	4.3	2.5	0.7	66.0	(20.0)	-	46.7
Interest expense	0.6	0.3	0.1	0.1	1.1	0.2	-	-	-	0.2
Amortization of definite-lived intangibles	0.7	0.7	0.7	0.7	2.7	0.7	0.1	-	-	0.8
Gain on sales of the Mobility business unit	-	-	-	-	-	-	(237.3)	-	-	(237.3)
Depreciation expense includes Accelerated depreciation	18.1	17.8	18.7	18.6	73.2	18.3	3.1	-	-	21.4
Impairments, restructuring, acquisition-related, and other charges	0.0	1.2	0.0	0.3	1.6	-	-	-	-	-
Adjusted EBITDA	5.9	9.2	36.9	38.5	90.5	21.9	3.5	-	-	25.4

Footnote: ¹No GAAP to NON-GAAP adjustments

SZ and SH-EMS non-GAAP Reconciliations

Proforma SH-EMS and SZ Results

\$ in millions

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020
Revenues¹	36.0	40.9	54.5	29.8	161.2	14.2	21.4	20.5	23.7	79.8
GAAP Gross Profit	3.0	3.4	5.2	2.3	13.9	(2.4)	(2.7)	0.9	2.3	(1.9)
Accelerated Depreciation	-	-	-	-	-	-	2.4	2.5	0.9	5.8
Non-GAAP Gross Profit	3.0	3.4	5.2	2.3	13.9	(2.4)	(0.3)	3.4	3.2	3.9
	8.3%	8.4%	9.5%	7.7%	8.6%	-17.0%	-1.4%	16.6%	13.6%	4.9%
GAAP Operating Income	1.9	1.2	4.3	1.9	9.3	(4.2)	(16.5)	(2.0)	(0.3)	(23.1)
Amortization of Intangibles	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.6	0.1	0.7
Accelerated Depreciation	-	-	-	-	-	-	2.7	2.9	1.1	6.7
Gain/(loss) on FA disposal	-	-	-	-	-	-	-	-	(0.1)	(0.1)
Impairments, restructuring, acquisition-related, and other charges	-	-	-	-	-	0.3	13.0	0.9	2.0	16.2
Non-GAAP Operating Income	2.0	1.2	4.3	2.0	9.5	(3.8)	(0.8)	2.3	2.7	0.4
GAAP Net Income	1.4	2.8	4.8	1.7	10.7	(6.0)	(13.1)	(0.9)	0.1	(19.9)
Income tax provision (benefit)	0.2	(0.5)	1.4	(0.6)	0.5	1.9	(3.3)	(1.6)	(0.5)	(3.5)
Interest expense	0.0	0.0	0.1	0.1	0.2	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Amortization of intangibles	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.6	0.1	0.7
Gain/(loss) on FA disposal	-	-	-	-	-	-	-	-	(0.1)	(0.1)
Depreciation expense includes Accelerated Depreciation	0.8	0.8	0.8	0.8	3.1	0.7	3.5	3.6	1.6	9.4
Impairments, restructuring, acquisition-related, and other charges	-	-	-	-	-	(0.2)	13.0	0.9	2.0	15.7
Adjusted EBITDA	2.5	3.1	7.1	2.0	14.7	(3.6)	0.1	2.6	3.1	2.2

Footnote: No GAAP to NON-GAAP adjustments¹

Non-GAAP Reconciliations Q3 21

	Third Quarter	
	2021	2020
Non-GAAP gross profit reconciliation³:		
GAAP gross profit from continuing operations	\$ 93,179	\$ 89,278
Add back items:		
Amortization of definite-lived intangibles	1,384	1,384
Accelerated depreciation	-	2,539
Stock-based compensation	1,284	1,173
Unrealized loss on commodity hedge	164	-
Restructuring and other charges	-	-
Non-GAAP gross profit	<u>\$ 96,011</u>	<u>\$ 94,374</u>
Non-GAAP gross margin	17.2%	18.4%
Non-GAAP operating income reconciliation⁴:		
GAAP operating income (loss) from continuing operations	\$ 32,235	\$ (40,252)
Add back items:		
Amortization of definite-lived intangibles	9,658	11,510
Accelerated depreciation	-	2,940
Stock-based compensation	4,944	4,479
(Gain) on sale of assets	-	-
Unrealized loss on commodity hedge	164	-
Impairments, restructuring, acquisition-related and other charges	699	68,270
Non-GAAP operating income	<u>\$ 47,700</u>	<u>\$ 46,947</u>
Non-GAAP operating margin	8.6%	9.1%
Non-GAAP net income and EPS reconciliation⁵:		
GAAP net income (loss) from continuing operations	\$ 20,958	\$ (61,472)
Add back items:		
Amortization of definite-lived intangibles	9,658	11,510
Accelerated depreciation	-	2,940
Stock-based compensation	4,944	4,479
Non-cash interest expense	540	7,332
(Gain) on sale of assets	-	(199)
Change in fair value of warrant liabilities	(2,669)	-
Loss on extinguishment of debt	-	-
Unrealized loss on commodity hedge	164	-
Impairments, restructuring, acquisition-related and other charges	699	68,270
Income taxes ⁶	2,246	(6,081)
Non-GAAP net income	<u>\$ 36,540</u>	<u>\$ 26,779</u>
Non-GAAP earnings per diluted share	\$ 0.34	\$ 0.25
Adjusted EBITDA reconciliation⁷:		
GAAP net income (loss) from continuing operations	\$ 20,958	\$ (61,472)
Add back items:		
Income tax provision (benefit)	2,655	(1,300)
Interest expense	11,147	20,204
Amortization of definite-lived intangibles	9,658	11,510
Depreciation expense	20,994	25,669
Stock-based compensation	4,944	4,479
(Gain) on sale of assets	-	(199)
Change in fair value of warrant liabilities	(2,669)	-
Loss on extinguishment of debt	-	-
Unrealized loss on commodity hedge	164	-
Impairments, restructuring, acquisition-related and other charges	699	68,270
Adjusted EBITDA	<u>\$ 68,550</u>	<u>\$ 67,161</u>
Adjusted EBITDA margin	12.3%	13.1%

²This information provides a reconciliation of non-GAAP gross profit, non-GAAP operating income, non-GAAP net income, non-GAAP EPS, and adjusted EBITDA to the financial information in our consolidated condensed statements of operations.

³Non-GAAP gross profit and gross margin measures exclude amortization of intangibles, accelerated depreciation, stock-based compensation expense, unrealized loss on commodity hedge, restructuring and other charges.

⁴Non-GAAP operating income and operating margin measures exclude amortization of intangibles, accelerated depreciation, stock-based compensation expense, gain on sale of assets, unrealized loss on commodity hedge, impairment of goodwill, restructuring, acquisition-related costs, and other charges.

⁵This information provides non-GAAP net income and non-GAAP EPS, which are non-GAAP financial measures. Management believes that both measures -- which add back amortization of intangibles, accelerated depreciation, stock-based compensation expense, non-cash interest expense on debt (before consideration of capitalized interest), gain on sale of assets, change in fair value of warrant liabilities, loss on extinguishment of debt, unrealized loss on commodity hedge, impairment of goodwill, restructuring, acquisition-related costs, and other charges as well as the associated tax impact of these charges and discrete tax items -- provide additional useful information to investors regarding the Company's ongoing financial condition and results of operations.

⁶Income tax adjustments reflect the difference between income taxes based on a non-GAAP tax rate and a forecasted annual GAAP tax rate.

⁷Adjusted EBITDA is defined as earnings before interest expense, income taxes, depreciation, amortization of intangibles, stock-based compensation expense, gain on sale of assets, change in fair value of warrant liabilities, loss on extinguishment of debt, unrealized loss on commodity hedge, impairment of goodwill, restructuring, acquisition-related costs, and other charges. We present adjusted EBITDA to enhance the understanding of our operating results, and it is a key measure we use to evaluate our operations. In addition, we provide our adjusted EBITDA because we believe that investors and securities analysts will find adjusted EBITDA to be a useful measure for evaluating our operating performance and comparing our operating performance with that of similar companies that have different capital structures and for evaluating our ability to meet our future debt service, capital expenditures, and working capital requirements. However, adjusted EBITDA should not be considered as an alternative to cash flows from operating activities as a measure of liquidity or as an alternative to net income as a measure of operating results in accordance with accounting principles generally accepted in the United States of America.