

Atkore International Group Inc. Announces Third Quarter 2019 Results

08.07.19

- Diluted earnings per share increased by \$0.05 to \$0.75; Adjusted net income per diluted share increased by \$0.18 to \$1.04
- Net income increased by \$2.4 million, or 6.9%, to \$36.6 million; Adjusted EBITDA increased by \$11.8 million, or 15.4%, to \$88.5 million
- Full-year Adjusted EBITDA guidance increased to \$317.0 million - \$322.0 million
- Full-year Adjusted net income per diluted share guidance increased to \$3.55 - \$3.63

HARVEY, III.--(BUSINESS WIRE)-- Atkore International Group Inc. (the "Company" or "Atkore") (NYSE: ATKR) announced earnings for its fiscal 2019 third quarter ended June 28, 2019.

"I'm proud of Atkore's operational performance and financial results with strong Adjusted EBITDA growth, volume increases and solid cash flow this quarter. With continued focus on driving efficiencies and productivity improvements, Atkore is able to raise its full-year Adjusted EBITDA outlook for the Company," commented Bill Waltz, President and Chief Executive Officer of Atkore.

2019 Third Quarter Results

Three months ended				
(in thousands)	June 28, 2019	June 29, 2018	Change	% Change
Net sales				
Electrical Raceway	\$ 373,229	\$ 370,333	\$ 2,896	0.8%
Mechanical Products & Solutions	120,596	128,239	(7,643)	(6.0)%
Eliminations	(334)	(558)	224	(40.1)%
Consolidated operations	\$ 493,491	\$ 498,014	\$ (4,523)	(0.9)%

Adjusted EBITDA				
Electrical Raceway	\$ 76,721	\$ 74,461	\$ 2,260	3.0%
Mechanical Products & Solutions	20,595	12,013	8,582	71.4%
Unallocated	(8,835)	(9,810)	975	(9.9)%
Consolidated operations	\$ 88,481	\$ 76,664	\$11,817	15.4%

Net sales decreased by \$4.5 million, or 0.9%, to \$493.5 million for the three months ended June 28, 2019 compared to \$498.0 million for the three months ended June 29, 2018. Net sales decreased by \$17.9 million primarily due to the pass-through impact of lower average input costs of steel and resin. The decrease in net sales was partially offset by increased sales of \$12.5 million due to the acquisition of Vergokan International NV ("Vergokan") and the acquisition of the assets of United Structural Products, LLC. ("US Tray") in fiscal 2019 (together, the "2019 acquisitions"). Additionally, the decrease in net sales was partially offset by higher volume of

\$2.8 million primarily in the armored cable and fittings product category sold within the Electrical Raceway segment, partially offset by lower volume in the mechanical pipe product category sold within the Mechanical Products & Solutions segment.

Gross profit increased by \$5.8 million, or 4.8%, to \$126.1 million for the three months ended June 28, 2019, as compared to \$120.3 million for the prior-year period. Gross margin increased to 25.6% for the three months ended June 28, 2019, as compared to 24.2% for the prior-year period. Gross margin increased primarily due to implemented pricing strategies and operating efficiencies.

Net income increased by \$2.4 million, or 6.9%, to \$36.6 million for the three months ended June 28, 2019 compared to \$34.2 million for the prior-year period primarily due to higher gross profit.

Adjusted EBITDA increased by \$11.8 million, or 15.4%, to \$88.5 million for the three months ended June 28, 2019 compared to \$76.7 million for the three months ended June 29, 2018. The increase was primarily due to higher gross profit.

Diluted earnings per share prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") basis was \$0.75 for the three months ended June 28, 2019, as compared to \$0.70 in the prior-year period primarily due to the change in the effect of dilutive securities. Adjusted net income per diluted share increased by \$0.18 to \$1.04 for the three months ended June 28, 2019, as compared to \$0.86 for the prior-year period primarily due to higher gross profit.

Segment Results

Electrical Raceway

Net sales increased by \$2.9 million, or 0.8%, to \$373.2 million for the three months ended June 28, 2019 compared to \$370.3 million for the three months ended June 29, 2018. The 2019 acquisitions contributed \$12.5 million of the increase in sales for the three months ended June 28, 2019. Additionally, sales increased \$9.7 million due to higher volume, primarily in the armored cable and fittings product category. The increase was partially offset by lower average input costs of steel and resin-based products of \$17.5 million. Lastly, net sales was further offset by foreign exchange losses of \$1.7 million.

Adjusted EBITDA for the three months ended June 28, 2019 increased by \$2.2 million, or 3.0%, to \$76.7 million from \$74.5 million for the three months ended June 29, 2018. Adjusted EBITDA margins increased to 20.6% for the three months ended June 28, 2019 compared to 20.1% for the three months ended June 29, 2018. The increase in Adjusted EBITDA was largely due to increased volume, operational efficiencies, and the contributions from the 2019 acquisitions.

Mechanical Products & Solutions ("MP&S")

Net sales decreased by \$7.6 million, or 6.0%, for the three months ended June 28, 2019 to \$120.6 million compared to \$128.2 million for the three months ended June 29, 2018. The decrease was primarily due to lower volume of \$6.9 million primarily in the mechanical pipe product category.

Adjusted EBITDA increased by \$8.6 million, or 71.4%, to \$20.6 million for the three months ended June 28, 2019 compared to \$12.0 million for the three months ended June 29, 2018. Adjusted EBITDA margins increased to 17.1% for the three months ended June 28, 2019 compared to 9.4% for the three months ended June 29, 2018. Adjusted EBITDA increased primarily due to pricing strategies and operational efficiencies.

Full-Year 2019 Guidance

The Company is increasing its expectation of fiscal year 2019 Adjusted EBITDA to be in the range of \$317.0 million - \$322.0 million and its expectation of fiscal year 2019 Adjusted net income per diluted share to be in the range of \$3.55 - \$3.63.

Reconciliations of the forward-looking full-year 2019 outlook for Adjusted EBITDA and Adjusted net income per diluted share are not being provided as the Company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such reconciliations.

Conference Call Information

Atkore management will host a conference call today, August 7, 2019, at 8 a.m. Eastern time, to discuss the Company's financial results. The conference call may be accessed by dialing (877) 407-0789 (domestic) or (201) 689-8562 (international). The call will be available for replay until August 21, 2019. The replay can be accessed by dialing (844) 512-2921, or for international callers, (412) 317-6671. The passcode for the live call and the replay is 13691816.

Interested investors and other parties can also listen to a webcast of the live conference call by logging onto the Investor Relations section of the Company's website at <http://investors.atkore.com>. The online replay will be available on the same website immediately following the call.

To learn more about the Company, please visit the company's website at <http://investors.atkore.com>.

About Atkore International Group Inc.

Atkore International Group Inc. is a leading manufacturer of Electrical Raceway products primarily for the non-residential construction and renovation markets and Mechanical Products & Solutions for the construction and industrial markets. The Company manufactures a broad range of end-to-end integrated products and solutions that are critical to its customers' businesses and employs approximately 3,500 people at 58 manufacturing and distribution facilities worldwide. The Company is headquartered in Harvey, Illinois.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements relating to financial outlook. Some of the forward-looking statements can be identified by the use of forward-looking terms such as "believes," "expects," "may," "will," "shall," "should," "would," "could," "seeks," "aims," "projects," "is optimistic," "intends," "plans," "estimates," "anticipates" or other comparable terms. Forward-looking statements include, without limitation, all matters that are not historical facts. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond our control. We caution you that forward-looking statements are not guarantees of future performance or outcomes and that actual performance and outcomes, including, without limitation, our actual results of operations, financial condition and liquidity, and the development of the market in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this press release. In addition, even if our results of operations, financial condition and cash flows, and the development of the market in which we operate, are consistent with the forward-looking statements contained in this press release, those results or developments may not be indicative of results or developments in subsequent periods.

A number of important factors, including, without limitation, the risks and uncertainties discussed under the caption "Risk Factors" in our Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission ("SEC") on November 28, 2018 could cause actual results and outcomes to differ materially from those reflected in the forward-looking statements. Additional factors that could cause actual results and outcomes to differ from those reflected in forward-looking statements include, without limitation: declines in, and uncertainty regarding, the general business and economic conditions in the United States and international markets in which we operate; weakness or another downturn in the United States non-residential construction industry; changes in prices of raw materials; pricing pressure, reduced profitability, or loss of market share due to intense competition; availability and cost of third-party freight carriers and energy; high levels of imports of products similar to those manufactured by us; changes in federal, state, local and international governmental regulations and trade policies; changes in foreign laws and legal systems, including as a result of Brexit; adverse weather conditions; failure to generate sufficient cash flow from operations or to raise sufficient funds in the capital markets to satisfy existing obligations and support the development of our business; increased costs relating to future capital and operating expenditures to maintain compliance with environmental, health and safety laws; reduced spending by, deterioration in the financial condition of, or other adverse developments with respect to, one or more of our top customers; increases in our working capital needs, which are substantial and fluctuate based on economic activity and the market prices for our main raw materials, including as a result of failure to collect, or delays in the collection of, cash from the sale of manufactured products; work stoppage or other interruptions of production at our facilities as a result of disputes under existing collective bargaining agreements with labor unions or in connection with negotiations of new collective bargaining agreements, as a result of supplier financial distress, or for other reasons; challenges attracting and retaining key personnel or high-quality employees; changes in our financial obligations relating to pension plans that we maintain in the United States; reduced production or distribution capacity due to interruptions in the operations of our facilities or those of our key suppliers; loss of a substantial number of our third-party agents or distributors or a dramatic deviation from the amount of sales they generate; security threats, attacks, or other disruptions to our information systems, or failure to comply with complex network security, data privacy and other legal obligations or the failure to protect sensitive information; possible impairment of goodwill or other long-lived assets as a result of future triggering events, such as declines in our cash flow projections or customer demand; safety and labor risks associated with the manufacture and in the testing of our products; product liability, construction defect and warranty claims and litigation relating to our various products, as well as government inquiries and investigations, and consumer, employment, tort and other legal proceedings; our ability to protect our intellectual property and other material proprietary rights; risks inherent in doing business internationally; our inability to introduce new products effectively or implement our innovation strategies; the inability of our customers to pay off the credit lines extended to them by us in a timely manner and the negative impact on customer relations resulting from our collections efforts with respect to non-paying or slow-paying customers; our inability to continue importing raw materials, component parts and/or finished goods; changes as a result of comprehensive tax reform; the incurrence of liabilities and the issuance of additional debt or equity in connection with acquisitions, joint ventures or divestitures and the failure of indemnification provisions in our acquisition agreements to fully protect us from unexpected liabilities; failure to manage acquisitions successfully, including identifying, evaluating, and valuing acquisition targets and integrating acquired companies, businesses or assets; the incurrence of liabilities in connection with violations of the U.S. Foreign Corrupt Practices Act and similar foreign anti-corruption laws; the incurrence of additional expenses, increase in complexity of our supply chain and potential damage to our reputation with customers resulting from regulations related to "conflict minerals"; disruptions or impediments to the receipt of sufficient raw materials resulting from various anti-terrorism security measures; restrictions contained in our debt agreements; failure to generate cash sufficient to pay the principal of, interest on, or other amounts due on our debt; and other factors described from time to time in documents that we file with the SEC. The Company assumes no obligation to update the information contained herein, which speaks only as of the date hereof.

Non-GAAP Financial Information

This press release includes certain financial information, not prepared in accordance with Generally Accepted Accounting Principles in the United States ("GAAP"). Because not all companies calculate non-GAAP financial information identically (or at all), the presentations herein may not be comparable to other similarly titled measures used by other companies. Further, these measures should not be considered substitutes for the performance measures derived in accordance with GAAP. See non-GAAP reconciliations below in this press release for a reconciliation of these measures to the most directly comparable GAAP financial measures.

Adjusted EBITDA and Adjusted EBITDA Margin

We use Adjusted EBITDA and Adjusted EBITDA Margin in evaluating the performance of our business and in the preparation of our annual operating budgets and as indicators of business performance and profitability. We believe Adjusted EBITDA and Adjusted EBITDA Margin allow us to readily view operating trends, perform analytical comparisons and identify strategies to improve operating performance.

We define Adjusted EBITDA as net income (loss) before: depreciation and amortization, interest expense, net, loss (gain) on extinguishment of debt, income tax expense (benefit), restructuring and impairments, stock-based compensation, certain legal matters, transaction costs, gain on sale of a business and other items, such as inventory reserves and adjustments and realized or unrealized gain (loss) on foreign currency transactions. We believe Adjusted EBITDA, when presented in conjunction with comparable accounting principles generally accepted in the United States of America ("GAAP") measures, is useful for investors because management uses Adjusted EBITDA in evaluating the performance of our business. We define Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of Net sales.

We believe Adjusted EBITDA, when presented in conjunction with comparable accounting principles generally accepted in the United States of America ("GAAP") measures, is useful for investors because management uses Adjusted EBITDA in evaluating the performance of our business.

Adjusted Net Income and Adjusted Net Income per Share

We use Adjusted net income and Adjusted net income per share in evaluating the performance of our business and profitability. Management believes that these measures provide useful information to investors by offering additional ways of viewing the Company's results that, when reconciled to the corresponding GAAP measure provide an indication of performance and profitability excluding the impact of unusual and or non-cash items. We define Adjusted net income as net income before consulting fees, loss on extinguishment of debt, stock-based compensation, intangible asset amortization, gain on sale of joint venture, certain legal matters and other items. We define Adjusted net income per share as basic and diluted earnings per share excluding the per share impact of consulting fees, loss on extinguishment of debt, stock-based compensation, intangible asset amortization, gain on sale of joint venture, certain legal matters and other items. Beginning in March 2018, the Company has excluded the impact of intangible asset amortization from the calculation of Adjusted net income. Adjusted net income prepared for periods prior to March 2018 have also been adjusted to reflect this change.

Leverage Ratio - Net debt/Adjusted EBITDA

We define leverage ratio as the ratio of net debt (total debt less cash and cash equivalents) to Adjusted EBITDA on a trailing twelve-month ("TTM") basis. We believe the leverage ratio is useful to investors as an alternative liquidity measure.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended		Nine months ended	
(in thousands, except per share data)	June 28, 2019	June 29, 2018	June 28, 2019	June 29, 2018
Net sales	\$ 493,491	\$ 498,014	\$ 1,414,828	\$ 1,357,572
Cost of sales	367,357	377,685	1,061,350	1,031,219
Gross profit	126,134	120,329	353,478	326,353
Selling, general and administrative	59,049	57,482	171,778	169,195
Intangible asset amortization	7,868	7,694	24,278	24,146
Operating income	59,217	55,153	157,422	133,012

Interest expense, net	12,789	12,442	38,277	28,322
Other (income) expense, net	(1,228)	(1,840)	(3,422)	(27,516)
Income before income taxes	47,656	44,551	122,567	132,206
Income tax expense	11,106	10,352	29,513	28,260
Net income	\$ 36,550	\$ 34,199	\$ 93,054	\$ 103,946

Net income per share				
Basic	\$ 0.77	\$ 0.73	\$ 1.95	\$ 1.92
Diluted	\$ 0.75	\$ 0.70	\$ 1.90	\$ 1.84

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CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

<u>(in thousands, except share and per share data)</u>	June 28, 2019	September 30, 2018
Assets		
Current Assets:		
Cash and cash equivalents	\$ 100,734	\$ 126,662
Accounts receivable, less allowance for doubtful accounts of \$1,448 and \$1,762, respectively	322,156	265,147
Inventories, net	224,771	221,753
Prepaid expenses and other current assets	43,225	33,576
Total current assets	690,886	647,138

Property, plant and equipment, net	237,565	213,108
Intangible assets, net	291,188	291,916
Goodwill	189,050	170,129
Deferred tax assets	1,074	162
Other long-term assets	3,251	1,607
Total Assets	\$1,413,014	\$1,324,060
Liabilities and Equity		
Current Liabilities:		
Short-term debt and current maturities of long-term debt	\$ —	\$ 26,561
Accounts payable	152,898	156,525
Income tax payable	1,082	542
Accrued compensation and employee benefits	29,153	33,350
Customer liabilities	42,922	3,377
Other current liabilities	42,963	52,392
Total current liabilities	269,018	272,747
Long-term debt	884,503	877,686
Deferred tax liabilities	26,749	16,510
Other long-term tax liabilities	894	1,443
Pension liabilities	15,068	17,075
Other long-term liabilities	14,264	16,540
Total Liabilities	1,210,496	1,202,001
Equity:		
Common stock, \$0.01 par value, 1,000,000,000 shares authorized, 46,676,788 and 47,079,645 shares issued and outstanding, respectively	468	472

Treasury stock, held at cost, 260,900 and 260,900 shares, respectively	(2,580)	(2,580)
Additional paid-in capital	472,138	457,978
Accumulated deficit	(246,393)	(317,373)
Accumulated other comprehensive loss	(21,115)	(16,438)
Total Equity	202,518	122,059
Total Liabilities and Equity	\$1,413,014	\$1,324,060

ATKORE INTERNATIONAL GROUP INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Nine months ended	
(in thousands)	June 28, 2019	June 29, 2018
Operating activities:		
Net income	\$ 93,054	\$ 103,946
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	54,061	49,255
Deferred income taxes	1,882	(4,354)
Gain on sale of a business	—	(27,575)
Stock-based compensation	8,936	9,828
Other adjustments to net income	3,857	4,642
Changes in operating assets and liabilities, net of effects from acquisitions		
Accounts receivable	(4,190)	(40,160)
Inventories	5,032	(18,038)

Accounts payable	(11,218)	29,420
Other, net	(31,235)	13,614
Net cash provided by operating activities	120,179	120,578
Investing activities:		
Capital expenditures	(21,611)	(26,314)
Divestiture of business	—	42,631
Acquisition of businesses, net of cash acquired	(83,385)	(3,350)
Other, net	(194)	1,475
Net cash (used in) provided by investing activities	(105,190)	14,442
Financing activities:		
Borrowings under credit facility	39,000	309,000
Repayments under credit facility	(39,000)	(394,000)
Repayments of short-term debt	(20,980)	(5,850)
Repayments of long-term debt	—	(1,217)
Issuance of long-term debt	—	426,217
Payment for debt financing costs and fees	—	(5,801)
Issuance of common stock	5,232	10,874
Repurchase of common stock	(24,419)	(410,157)
Other, net	(105)	(114)
Net cash used for financing activities	(40,272)	(71,048)
Effects of foreign exchange rate changes on cash and cash equivalents	(645)	(171)
(Decrease) increase in cash and cash equivalents	(25,928)	63,801
Cash and cash equivalents at beginning of period	126,662	45,718
Cash and cash equivalents at end of period	\$ 100,734	\$ 109,519

Supplementary Cash Flow information

Capital expenditures, not yet paid	\$	767	\$	363
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ADJUSTED EBITDA

The following table presents reconciliations of Adjusted EBITDA to net income for the periods presented:

	Three months ended		Nine months ended	
(in thousands)	June 28, 2019	June 29, 2018	June 28, 2019	June 29, 2018
Net income	\$ 36,550	\$ 34,199	\$ 93,054	\$ 103,946
Interest expense, net	12,789	12,442	38,277	28,322
Income tax expense	11,106	10,352	29,513	28,260
Depreciation and amortization	17,760	16,192	54,061	49,255
Restructuring and impairments	709	407	3,181	1,245
Stock-based compensation	4,120	3,494	8,936	9,828
Certain legal matters	—	—	—	2,286
Transaction costs	76	768	363	2,676
Gain on sale of a business	—	(838)	—	(27,575)
Other ^(a)	5,371	(352)	8,213	2,249
Adjusted EBITDA	\$ 88,481	\$ 76,664	\$ 235,598	\$ 200,492

(a) Represents other items, such as inventory reserves and adjustments, realized or unrealized gain (loss) on foreign

currency transactions and release of certain indemnified uncertain tax positions.

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SEGMENT INFORMATION

The following tables represent reconciliations of Net sales and calculations of Adjusted EBITDA Margin by segment for the periods presented:

Three months ended						
	June 28, 2019			June 29, 2018		
(in thousands)	Net sales	Adjusted EBITDA	Adjusted EBITDA Margin	Net sales	Adjusted EBITDA	Adjusted EBITDA Margin
Electrical Raceway	\$373,229	\$ 76,721	20.6%	\$370,333	\$ 74,461	20.1%
Mechanical Products & Solutions	120,596	20,595	17.1%	128,239	12,013	9.4%
Eliminations	(334)			(558)		
Consolidated operations	\$493,491			\$498,014		

Nine months ended						
	June 28, 2019			June 29, 2018		
(in thousands)	Net sales	Adjusted EBITDA	Adjusted EBITDA Margin	Net sales	Adjusted EBITDA	Adjusted EBITDA Margin
Electrical Raceway	\$1,070,149	\$ 212,585	19.9%	\$1,011,643	\$187,025	18.5%
Mechanical Products & Solutions	345,599	48,903	14.2%	347,123	39,544	11.4%
Eliminations	(920)			(1,194)		
Consolidated operations	\$1,414,828			\$1,357,572		

ATKORE INTERNATIONAL GROUP INC.

ADJUSTED NET INCOME PER SHARE

The following table presents reconciliations of Adjusted net income to net income for the periods presented:

	Three months ended		Nine months ended	
(in thousands, except per share data)	June 28, 2019	June 29, 2018	June 28, 2019	June 29, 2018
Net income	\$ 36,550	\$ 34,199	\$ 93,054	\$ 103,946
Stock-based compensation	4,120	3,494	8,936	9,828
Intangible asset amortization	7,868	7,694	24,278	24,146
Gain on sale of a business	—	(838)	—	(27,575)
Certain legal matters	—	—	—	2,286
Other ^(a)	5,371	(352)	8,213	2,249
Pre-tax adjustments to net income	17,359	9,998	41,427	10,934
Tax effect	(4,253)	(2,599)	(10,150)	(2,843)
Adjusted net income	\$ 49,656	\$ 41,598	\$ 124,331	\$ 112,037

Weighted-Average Diluted Common Shares Outstanding	47,557	48,412	47,735	56,015
Net income per diluted share	\$ 0.75	\$ 0.70	\$ 1.90	\$ 1.84
Adjusted net income per diluted share	\$ 1.04	\$ 0.86	\$ 2.60	\$ 2.00

(a) Represents other items, such as inventory reserves and adjustments, realized or unrealized gain (loss) on foreign currency transactions and release of certain indemnified uncertain tax positions.

LEVERAGE RATIO

The following table presents reconciliations of Net debt to Total debt for the periods presented:

(\$ in thousands)	June 28, 2019	March 29, 2019	December 28, 2018	September 30, 2018	September 30, 2017	September 30, 2016
Short-term debt and current maturities of long-term debt	\$ —	\$ —	\$ 26,561	\$ 26,561	\$ 4,215	\$ 1,267
Long-term debt	884,503	884,095	878,094	877,686	571,863	629,046
Total debt	884,503	884,095	904,655	904,247	576,078	630,313
Less cash and cash equivalents	100,734	51,498	75,919	126,662	45,718	200,279
Net debt	\$783,769	\$832,597	\$828,736	\$ 777,585	\$ 530,360	\$ 430,034
TTM Adjusted EBITDA (a)	\$306,656	\$294,839	\$283,086	\$ 271,549	\$ 227,608	\$ 235,002
Total debt/TTM Adjusted EBITDA	2.9 x	3.0 x	3.2 x	3.3 x	2.5 x	2.7 x
Net debt/TTM Adjusted EBITDA	2.6 x	2.8 x	2.9 x	2.9 x	2.3 x	1.8 x

(a) TTM Adjusted EBITDA is equal to the sum of Adjusted EBITDA for the trailing four quarter period. The reconciliation of Adjusted EBITDA for the quarter ended March 29, 2019 can be found in Exhibit 99.1 to form 8-K filed May 7, 2019 and is incorporated by reference herein. The reconciliation of Adjusted EBITDA for the quarter ended December 28, 2018 can be found in Exhibit 99.1 to form 8-K filed February 6, 2019 and is incorporated by reference herein. The reconciliation of Adjusted EBITDA for the years ended September 30, 2018, September 30, 2017 and September 30, 2016 can be found in Exhibit 99.1 to form 8-K filed November 28, 2018 and is incorporated by reference herein.

TRAILING TWELVE MONTHS ADJUSTED EBITDA

The following table presents a reconciliation of Adjusted EBITDA for the trailing twelve months ended June 28, 2019:

	TTM	Three months ended			
(in thousands)	June 28, 2019	June 28, 2019	March 29, 2019	December 28, 2018	September 30, 2018
Net income	\$ 125,753	\$ 36,550	\$ 29,555	\$ 26,949	\$ 32,699
Interest expense, net	50,649	12,789	13,328	12,160	12,372
Income tax expense	30,960	11,106	10,253	8,154	1,447
Depreciation and amortization	71,698	17,760	18,280	18,021	17,637
Restructuring and impairments	3,785	709	1,085	1,387	604
Stock-based compensation	13,772	4,120	1,834	2,982	4,836
Certain legal matters	(7,119)	—	—	—	(7,119)
Transaction costs	7,001	76	123	164	6,638
Other ^(a)	10,157	5,371	2,636	206	1,944
Adjusted EBITDA	\$ 306,656	\$ 88,481	\$ 77,094	\$ 70,023	\$ 71,058

(a) Represents other items, such as inventory reserves and adjustments, realized or unrealized gain (loss) on foreign currency transactions and release of certain indemnified uncertain tax positions.

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