UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 25, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 001-37793

Atkore International Group Inc.
(Exact name of registrant as specified in its charter)

Delaware	**90-0631463**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

16100 South Lathrop Avenue, Harvey, Illinois 60426
(Address of principal executive offices) (Zip Code)
708-339-1610
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, $.01 par value per share	ATKR	New York Stock Exchange

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Securities Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of January 27, 2021, there were 46,624,975 shares of the registrant's common stock, $0.01 par value per share, outstanding.

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ATKORE INTERNATIONAL GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

		Three months ended	
(in thousands, except per share data)	Note	December 25, 2020	December 27, 2019
Net sales		$ 511,082	$ 447,448
Cost of sales		321,891	330,604
Gross profit		189,191	116,844
Selling, general and administrative		61,078	56,215
Intangible asset amortization	11	8,260	8,113
Operating income		119,853	52,516
Interest expense, net		8,254	10,620
Other income, net	5	(431)	(234)
Income before income taxes		112,030	42,130
Income tax expense	6	26,964	7,340
Net income		$ 85,066	$ 34,790
Net income per share			
Basic	7	$ 1.78	$ 0.72
Diluted	7	$ 1.75	$ 0.71

See Notes to unaudited condensed consolidated financial statements.

ATKORE INTERNATIONAL GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(in thousands)	Note	Three months ended December 25, 2020	Three months ended December 27, 2019
Net income		$ 85,066	$ 34,790
Other comprehensive income, net of tax:			
Change in foreign currency translation adjustment		7,051	5,109
Change in unrecognized loss related to pension benefit plans	4	262	207
Total other comprehensive income	8	7,313	5,316
Comprehensive income		$ 92,379	$ 40,106

See Notes to unaudited condensed consolidated financial statements.

ATKORE INTERNATIONAL GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in thousands, except share and per share data)	Note	December 25, 2020	September 30, 2020
Assets			
Current Assets:			
Cash and cash equivalents		$ 280,420	$ 284,471
Accounts receivable, less allowance for current and expected credit losses of $2,455 and $3,168, respectively		350,255	298,242
Inventories, net	9	221,261	199,095
Prepaid expenses and other current assets		40,119	46,868
Total current assets		892,055	828,676
Property, plant and equipment, net	10	244,995	243,891
Intangible assets, net	11	248,835	255,349
Goodwill	11	189,984	188,239
Right-of-use assets, net		36,857	38,692
Deferred tax assets	6	955	687
Other long-term assets		892	2,991
Total Assets		$ 1,614,573	$ 1,558,525
Liabilities and Equity			
Current Liabilities:			
Accounts payable		156,717	142,601
Income tax payable		16,088	1,360
Accrued compensation and employee benefits		25,746	32,836
Customer liabilities		48,375	35,802
Lease obligations		11,753	15,786
Other current liabilities		50,825	47,785
Total current liabilities		309,504	276,170
Long-term debt	12	764,379	803,736
Long-term lease obligations		26,193	24,143
Deferred tax liabilities	6	24,517	22,525
Other long-term tax liabilities		1,536	1,619
Pension liabilities		38,706	40,023
Other long-term liabilities		12,391	11,899
Total Liabilities		1,177,226	1,180,115
Equity:			
Common stock, $0.01 par value, 1,000,000,000 shares authorized, 46,624,975 and 47,407,023 shares issued and outstanding, respectively		467	475
Treasury stock, held at cost, 260,900 and 260,900 shares, respectively		(2,580)	(2,580)
Additional paid-in capital		488,815	487,223
Accumulated deficit		(14,114)	(64,154)
Accumulated other comprehensive loss	8	(35,241)	(42,554)
Total Equity		437,347	378,410
Total Liabilities and Equity		$ 1,614,573	$ 1,558,525

See Notes to unaudited condensed consolidated financial statements.

ATKORE INTERNATIONAL GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in thousands)	Note	Three months ended December 25, 2020	Three months ended December 27, 2019
Operating activities:			
Net income		$ 85,066	$ 34,790
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		19,044	18,730
Deferred income taxes	6	1,117	3,088
Stock-based compensation		5,522	3,123
Amortization of right-of-use assets		3,352	3,627
Other adjustments to net income		1,703	2,855
Changes in operating assets and liabilities, net of effects from acquisitions			
Accounts receivable		(45,382)	25,139
Inventories		(20,326)	(17,640)
Accounts payable		13,060	(14,898)
Other, net		23,120	(6,641)
Net cash provided by operating activities		86,276	52,173
Investing activities:			
Capital expenditures		(8,229)	(9,809)
Insurance proceeds for property, plant and equipment		1,122	—
Acquisition of businesses, net of cash acquired		(7,186)	—
Other, net		35	15
Net cash used in investing activities		(14,258)	(9,794)
Financing activities:			
Repayments of long-term debt	12	(40,000)	—
Issuance of common stock, net of shares withheld for tax		(3,927)	(2,981)
Repurchase of common stock		(35,037)	—
Other, net		(17)	(60)
Net cash used for financing activities		(78,981)	(3,041)
Effects of foreign exchange rate changes on cash and cash equivalents		2,912	1,382
(Decrease) increase in cash and cash equivalents		(4,051)	40,720
Cash and cash equivalents at beginning of period		284,471	123,415
Cash and cash equivalents at end of period		$ 280,420	$ 164,135
Supplementary Cash Flow information			
Capital expenditures, not yet paid		$ 306	$ 618

See Notes to unaudited condensed consolidated financial statements.

ATKORE INTERNATIONAL GROUP INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

(in thousands)	Common Stock Shares	Common Stock Amount	Treasury Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance as of September 30, 2020	**47,407**	**$ 475**	**$ (2,580)**	**$ 487,223**	**$ (64,154)**	**$ (42,554)**	**$ 378,410**
Net income	—	—	—	—	85,066	—	85,066
Other comprehensive income	—	—	—	—	—	7,313	7,313
Stock-based compensation	—	—	—	5,522	—	—	5,522
Issuance of common stock, net of shares withheld for tax	358	3	—	(3,930)	—	—	(3,927)
Repurchase of common stock	(1,140)	(11)	—	—	(35,026)	—	(35,037)
Balance as of December 25, 2020	**46,625**	**$ 467**	**$ (2,580)**	**$ 488,815**	**$ (14,114)**	**$ (35,241)**	**$ 437,347**

(in thousands)	Common Stock Shares	Common Stock Amount	Treasury Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance as of September 30, 2019	**46,955**	**$ 471**	**$ (2,580)**	**$ 477,139**	**$ (200,396)**	**$ (41,698)**	**$ 232,936**
Net income	—	—	—	—	34,790	—	34,790
Other comprehensive income	—	—	—	—	—	5,316	5,316
ASU 2016-02 modified retrospective adoption	—	—	—	—	(1,053)	—	(1,053)
Stock-based compensation	—	—	—	3,123	—	—	3,123
Issuance of common stock, net of shares withheld for tax	524	5	—	(2,986)	—	—	(2,981)
Balance as of December 27, 2019	**47,479**	**$ 476**	**$ (2,580)**	**$ 477,276**	**$ (166,659)**	**$ (36,382)**	**$ 272,131**

See Notes to unaudited condensed consolidated financial statements.

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Organization and Ownership Structure — Atkore International Group Inc. (the "Company", "Atkore" or "AIG") is a leading manufacturer of Electrical products primarily for the non-residential construction and renovation markets and Safety & Infrastructure solutions for the construction and industrial markets. Atkore was incorporated in the State of Delaware on November 4, 2010. Atkore is the sole stockholder of Atkore International Holdings Inc. ("AIH"), which in turn is the sole stockholder of Atkore International, Inc. ("AII").

Segment Redefinition — Effective in the first quarter of fiscal 2021, the Company renamed and redefined its reportable segments.

The Electrical Raceway segment was renamed as the Electrical segment. The Electrical segment manufactures high quality products used in the construction of electrical power systems including conduit, cable, and installation accessories. This segment serves contractors, in partnership with the electrical wholesale channel.

The Mechanical Products & Solutions segment was renamed as the Safety & Infrastructure segment. This segment designs and manufactures solutions including metal framing, mechanical pipe, perimeter security, and cable management for the protection and reliability of critical infrastructure. These solutions are marketed to contractors, original equipment manufacturers and end users.

Segment Realignment & Reclassifications — Effective in the first quarter of fiscal 2021, the Company implemented a realignment (the “Realignment”) of its segment financial reporting structure. The Company’s domestic cable management and prefabrication modular businesses had historically been reported in the Electrical Raceway segment. Due to transitions in the Company’s Executive Leadership Team, these businesses are now reported in the Safety & Infrastructure segment. The Realignment reflects how the Company’s Chief Operating Decision Maker now assesses the operating performance and allocates resources to the Safety & Infrastructure segment. Goodwill was also reallocated on a relative fair value basis between the applicable reporting units.

The Company reflected these changes to its segment information retrospectively to the earliest period presented which resulted in a transfer of external net sales, intersegment sales, total assets, and Adjusted EBITDA from the Electrical segment to the Safety & Infrastructure segment. These changes had no impact on the Company’s previously reported consolidated net sales, operating income, net income or earnings per share. See Note 16, "Segment Information" for additional details.

Basis of Presentation — The accompanying unaudited condensed consolidated financial statements of the Company included herein have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). These unaudited condensed consolidated financial statements have been prepared in accordance with the Company's accounting policies and on the same basis as those financial statements included in the Company's latest Annual Report on Form 10-K for the year ended September 30, 2020, filed with the U.S. Securities and Exchange Commission (the "SEC") on November 19, 2020, and should be read in conjunction with those consolidated financial statements and the notes thereto. Certain information and disclosures normally included in the Company's annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the SEC.

The unaudited condensed consolidated financial statements include the assets and liabilities used in operating the Company's business. All intercompany balances and transactions have been eliminated in consolidation. The results of companies acquired or disposed of are included in the unaudited condensed consolidated financial statements from the effective date of acquisition or up to the date of disposal.

These statements include all adjustments (consisting of normal recurring adjustments) that the Company considered necessary to present a fair statement of its results of operations, financial position and cash flows. The results reported in these unaudited condensed consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year.

Fiscal Periods — The Company has a fiscal year that ends on September 30. The Company's fiscal quarters typically end on the last Friday in December, March and June as it follows a 4-5-4 calendar.

Use of Estimates — The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclose contingent assets and liabilities at the date of the condensed consolidated financial statements and report the associated amounts of revenues and expenses. Actual results could differ materially from these estimates.

Recent Accounting Pronouncements

A summary of recently adopted accounting guidance is as follows. Adoption dates are on the first day of the fiscal year indicated below, unless otherwise specified.

ASU	Description of ASU	Impact to Atkore	Adoption Date
2016-13 Financial Instruments - Credit Losses (Topic 326)	The ASU adds to GAAP an impairment model (known as the current expected credit loss (CECL) model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which the FASB believes will result in more timely recognition of such losses.	The Company adopted this standard in the first quarter of 2021. The adoption of the standard did not have a material impact on the Company's consolidated financial statements.	2021

A summary of accounting guidance not yet adopted is as follows. Effective dates are on the first day of the fiscal year indicated below, unless otherwise specified.

ASU	Description of ASU	Impact to Atkore	Effective Date
2019-12, Simplifying the accounting for income taxes (Topic 740)	The ASU eliminates certain existing exceptions related to the general approach in ASC 740 relating to franchise taxes, reducing complexity in the interim period accounting for year to date loss limitations and changes in tax laws and clarifying the accounting for transactions outside of a business combination that result in a step up in the tax basis of goodwill.	Under evaluation. Based on procedures performed to date, the Company does not anticipate the adoption of this ASU to be material to the financial statements.	2022
2020-04, Reference rate reform Topic 848: Facilitation of the effects of reference rate reform on financial reporting	The ASU addresses constituents' concerns about certain accounting consequences that could result from the global markets' anticipated transition away from the use of the London Interbank Offered Rate (LIBOR) and other interbank offered rates to alternative reference rates.	Under evaluation. Based on procedures performed to date, the Company does not anticipate the adoption of this ASU to be material to the financial statements.	Option to implement ASU expires in 2022

2. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company's revenue arrangements primarily consist of a single performance obligation to transfer promised goods which is satisfied at a point in time when title, risks and rewards of ownership, and subsequently control have transferred to the customer. This generally occurs when the product is shipped to the customer, with an immaterial amount of transactions in which control transfers upon delivery. The Company primarily offers assurance-type standard warranties that do not represent separate performance obligations.

The Company has certain arrangements that require it to estimate at the time of sale the amounts of variable consideration that should not be recorded as revenue as certain amounts are not expected to be collected from customers, as well as an estimate of the value of products to be returned. The Company principally relies on historical experience, specific customer agreements, and anticipated future trends to estimate these amounts at the time of sale and to reduce the transaction price. These arrangements include sales discounts and allowances, volume rebates, and returned goods.

The Company records amounts billed to customers for reimbursement of shipping and handling costs within revenue. Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as fulfillment costs and are included in cost of goods sold. Sales taxes and other usage-based taxes are excluded from revenue. The Company does not evaluate whether the selling price includes a financing interest component for contracts that are less than a year. The Company also expenses costs incurred to obtain a contract, primarily sales commissions, as all obligations will be settled in less than one year.

The Company typically receives payment 30 to 60 days from the point it has satisfied the related performance obligation. See Note 16, "Segment Information" for revenue disaggregated by geography and product categories.

3. ACQUISITIONS

From time to time, the Company enters into strategic acquisitions in an effort to better service existing customers and to obtain new customers.

On October 22, 2020, the Company acquired Queen City Plastics, Inc., a leading manufacturer of PVC conduit, elbows and fittings for the electrical market. The preliminary purchase price was allocated to tangible assets acquired and liabilities assumed based on their fair values. As of December 25, 2020, the purchase price allocation has not been finalized as the Company is refining its fair value estimates for working capital and fixed assets. The purchase price of $7.2 million was deemed immaterial to the Company.

4. POSTRETIREMENT BENEFITS

The Company provides pension benefits through a number of noncontributory and contributory defined benefit retirement plans covering eligible U.S. employees. As of September 30, 2017, all defined pension benefit plans were frozen, whereby participants no longer accrue credited service. The net periodic benefit credit was as follows:

		Three months ended	
(in thousands)	**Note**	**December 25, 2020**	**December 27, 2019**
Interest cost		$ 682	$ 935
Expected return on plan assets		(1,606)	(1,583)
Amortization of actuarial loss		333	222
Net periodic benefit credit	5	$ (591)	$ (426)

5. OTHER INCOME, NET

Other income, net consisted of the following:

(in thousands)	Three months ended December 25, 2020	Three months ended December 27, 2019
Undesignated foreign currency derivative instruments	$ 2,617	$ 3,123
Foreign exchange gain on intercompany loans	(2,457)	(2,931)
Pension-related benefits	(591)	(426)
Other income, net	$ (431)	$ (234)

6. INCOME TAXES

For the three months ended December 25, 2020 and December 27, 2019, the Company's effective tax rate attributable to income before income taxes was 24.1% and 17.4%, respectively. For the three months ended December 25, 2020 and December 27, 2019, the Company's income tax expense was $26,964 and $7,340 respectively. The increase in the current period effective tax rate was primarily due to a decrease in the excess tax benefit associated with stock compensation.

A valuation allowance has been recorded against certain net operating losses in certain foreign jurisdictions. A valuation allowance is recorded when it is determined to be more likely than not that these assets will not be fully realized in the foreseeable future. The realization of deferred tax assets is dependent upon whether the Company can generate future taxable income in the appropriate character and jurisdiction to utilize the assets. The amount of the deferred tax assets considered realizable is subject to adjustment in future periods.

The Company recognizes the benefits of uncertain tax positions taken or expected to be taken in tax returns in the provision for income taxes only for those positions that we have determined are more likely than not to be realized upon examination. We record interest and penalties related to unrecognized tax benefits as a component of income tax expense. During the three months ended December 25, 2020, the balance of unrecognized tax benefits decreased by $84 upon the resolution of a state audit item.

For the three months ended December 25, 2020, the Company made no additional provision for U.S. or non-U.S. income taxes for unrecognized deferred tax liabilities for temporary differences related to basis differences in investments in subsidiaries, as the investments are essentially permanent in duration.

7. EARNINGS PER SHARE

The Company calculates basic and diluted earnings per common share using the two-class method. Under the two-class method, net earnings are allocated to each class of common stock and participating securities as if all of the net earnings for the period had been distributed. The Company's participating securities consist of share-based payment awards that contain a non-forfeitable right to receive dividends and therefore are considered to participate in undistributed earnings with common stockholders.

Basic earnings per common share excludes dilution and is calculated by dividing the net earnings allocated to common stock by the weighted-average number of common stock outstanding for the period. Diluted earnings per common share is calculated by dividing net earnings allocated to common stock by the weighted-average number of shares outstanding for the period, as adjusted for the potential dilutive effect of non-participating share-based awards.

The following table sets forth the computation of basic and diluted earnings per share:

(in thousands, except per share data)	Three months ended December 25, 2020	Three months ended December 27, 2019
Numerator:		
Net income	$ 85,066	$ 34,790
Less: Undistributed earnings allocated to participating securities	1,656	857
Net income available to common shareholders	$ 83,410	$ 33,933
Denominator:		
Basic weighted average common shares outstanding	46,917	47,126
Effect of dilutive securities: Non-participating employee stock options (1)	630	873
Diluted weighted average common shares outstanding	47,547	47,999
Basic earnings per share	$ 1.78	$ 0.72
Diluted earnings per share	$ 1.75	$ 0.71

(1) Stock options to purchase approximately 0.1 million and 0.1 million shares of common stock were outstanding during the three months ended December 25, 2020 and December 27, 2019, respectively, but were not included in the calculation of diluted earnings per share as the impact of these options would have been anti-dilutive.

8. ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table presents the changes in accumulated other comprehensive loss by component for the three months ended December 25, 2020 and December 27, 2019.

(in thousands)	Defined benefit pension items	Currency translation adjustments	Total
Balance as of September 30, 2020	$ (30,761)	$ (11,793)	$ (42,554)
Other comprehensive income before reclassifications	—	7,051	7,051
Amounts reclassified from accumulated other comprehensive loss, net of tax	262	—	262
Net current period other comprehensive income	262	7,051	7,313
Balance as of December 25, 2020	$ (30,499)	$ (4,742)	$ (35,241)

(in thousands)	Defined benefit pension items	Currency translation adjustments	Total
Balance as of September 30, 2019	$ (23,818)	$ (17,880)	$ (41,698)
Other comprehensive income before reclassifications	—	5,109	5,109
Amounts reclassified from accumulated other comprehensive loss, net of tax	207	—	207
Net current period other comprehensive income	207	5,109	5,316
Balance as of December 27,2019	$ (23,611)	$ (12,771)	$ (36,382)

9. INVENTORIES, NET

A majority of the Company's inventories are recorded at the lower of cost (primarily last in, first out, or "LIFO") or market or net realizable value, as applicable. Approximately 74% and 73% of the Company's inventories were valued at the lower of LIFO cost or market at December 25, 2020 and September 30, 2020, respectively. Interim LIFO determinations, including those at December 25, 2020, are based on management's estimates of future inventory levels and costs for the remainder of the current fiscal year.

(in thousands)	December 25, 2020	September 30, 2020
Purchased materials and manufactured parts, net	$ 56,864	$ 49,192
Work in process, net	26,759	24,113
Finished goods, net	137,638	125,790
Inventories, net	$ 221,261	$ 199,095

Total inventories would be $1,997 higher and $4,418 lower than reported as of December 25, 2020 and September 30, 2020, respectively, if the first-in, first-out method was used for all inventories. As of December 25, 2020, and September 30, 2020, the excess and obsolete inventory reserve was $15,184 and $14,533, respectively.

10. PROPERTY, PLANT AND EQUIPMENT

As of December 25, 2020, and September 30, 2020, property, plant and equipment at cost and accumulated depreciation were as follows:

(in thousands)	December 25, 2020	September 30, 2020
Land	$ 23,378	$ 20,460
Buildings and related improvements	130,435	129,538
Machinery and equipment	338,829	332,260
Leasehold improvements	10,269	9,862
Software	27,665	27,028
Construction in progress	22,227	22,736
Property, plant and equipment	552,803	541,884
Accumulated depreciation	(307,808)	(297,993)
Property, plant and equipment, net	$ 244,995	$ 243,891

Depreciation expense for the three months ended December 25, 2020 and December 27, 2019 totaled $10,783 and $10,617 respectively.

11. GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying amount of goodwill are as follows:

(in thousands)	Electrical	Safety & Infrastructure	Total
Balance as of October 1, 2020	$ 144,662	$ 43,577	$ 188,239
Exchange rate effects	1,745	—	1,745
Balance as of December 25, 2020	$ 146,407	$ 43,577	$ 189,984

Goodwill balances as of October 1, 2020 and December 25, 2020 include $3,924 and $43,000 of accumulated impairment losses within the Electrical and Safety & Infrastructure segments, respectively.

The Company assesses the recoverability of goodwill and indefinite-lived trade names on an annual basis in accordance with ASC 350, "Intangibles - Goodwill and Other." The measurement date is the first day of the fourth fiscal quarter, or more frequently, if events or circumstances indicate that it is more likely than not that the fair value of a reporting unit or the respective indefinite-lived trade name is less than the carrying value.

The following table provides the gross carrying value, accumulated amortization and net carrying value for each major class of intangible assets:

		December 25, 2020			September 30, 2020		
($ in thousands)	Weighted Average Useful Life (Years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Amortizable intangible assets:							
Customer relationships	11	$ 358,254	$ (211,271)	$ 146,983	$ 355,735	$ (202,677)	$ 153,058
Other	8	19,086	(10,114)	8,972	19,086	(9,675)	9,411
Total		377,340	(221,385)	155,955	374,821	(212,352)	162,469
Indefinite-lived intangible assets:							
Trade names		92,880	—	92,880	92,880	—	92,880
Total		$ 470,220	$ (221,385)	$ 248,835	$ 467,701	$ (212,352)	$ 255,349

Other intangible assets consist of definite-lived trade names, technology, non-compete agreements and backlogs. Amortization expense for the three months ended December 25, 2020 and December 27, 2019 was $8,260 and $8,113, respectively. Expected amortization expense for intangible assets for the remainder of fiscal 2021 and over the next five years and thereafter is as follows:

(in thousands)	
Remaining 2021	$ 26,351
2022	31,169
2023	31,045
2024	26,173
2025	13,721
2026	12,519
Thereafter	14,977

Actual amounts of amortization may differ from estimated amounts due to additional intangible asset acquisitions, impairment of intangible assets and other events.

12. DEBT

Debt as of December 25, 2020 and September 30, 2020 was as follows:

(in thousands)	December 25, 2020	September 30, 2020
First Lien Term Loan Facility due December 22, 2023	$ 771,585	$ 811,540
Deferred financing costs	(7,206)	(7,804)
Total debt	$ 764,379	$ 803,736
Less: Current portion	—	—
Long-term debt	$ 764,379	$ 803,736

During the three months ended December 25, 2020, the Company made a voluntary prepayment of $40,000 of principal on the First Lien Loan. The voluntary prepayments in the past two years resulted in the elimination of all principal payment requirements until the contractual maturity of the debt in fiscal 2024.

The asset-based credit facility (the "ABL Credit Facility") has aggregate commitments of $325,000 and is guaranteed by AIH, the U.S. operating companies owned by AII and certain other restricted subsidiaries of AII that AII causes to be a subsidiary guarantor from time to time. AII's availability under the ABL Credit Facility was $313,270 and $265,899 as of December 25, 2020 and September 30, 2020, respectively.

13. FAIR VALUE MEASUREMENTS

Certain assets and liabilities are required to be recorded at fair value on a recurring basis.

The Company uses forward currency contracts to hedge the effects of foreign exchange relating to certain of the Company’s intercompany balances denominated in a foreign currency. These derivative instruments are not formally designated as hedges by the Company and the terms of these instruments range from six months to two years. Short-term forward currency contracts are recorded in either other current assets or other current liabilities and long-term forward currency contracts are recorded in either other long-term assets or other long-term liabilities in the condensed consolidated balance sheet. The fair value gains and losses are included in other income, net within the condensed consolidated statements of operations. See Note 5, "Other Income, net" for further detail.

The total notional amounts of undesignated forward currency contracts were £36.8 million and £43.3 million as of December 25, 2020 and September 30, 2020, respectively. Cash flows associated with derivative financial instruments are recognized in the operating section of the condensed consolidated statements of cash flows. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The following table presents the Company's assets and liabilities measured at fair value:

	December 25, 2020			September 30, 2020		
(in thousands)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Cash equivalents	$ 208,038	$ —	$ —	$ 209,421	$ —	$ —
Forward currency contracts	—	—	—	—	2,209	—
Liabilities						
Forward currency contracts	—	440	—	—	102	—

The Company's remaining financial instruments consist primarily of cash, accounts receivable and accounts payable whose carrying value approximate their fair value due to their short-term nature.

The estimated fair value of financial instruments not carried at fair value in the condensed consolidated balance sheets were as follows:

	December 25, 2020		September 30, 2020	
(in thousands)	Carrying Value	Fair Value	Carrying Value	Fair Value
First Lien Term Loan Facility due December 22, 2023	$ 772,120	$ 772,892	$ 812,120	$ 808,060

In determining the approximate fair value of its long-term debt, the Company used the trading values among financial institutions, and these values fall within Level 2 of the fair value hierarchy. The carrying value of the ABL Credit Facility approximates fair value due to it being a market-linked variable rate debt.

14. COMMITMENTS AND CONTINGENCIES

The Company has obligations related to commitments to purchase certain goods. As of December 25, 2020, such obligations were $267,331 for the rest of fiscal year 2021 and $9,710 for fiscal year 2022 and beyond. These amounts represent open purchase orders for materials used in production.

Legal Contingencies —The Company is a defendant in a number of pending legal proceedings, some of which were inherited from its former parent, Tyco International Ltd. ("Tyco"), including certain product liability claims. Several lawsuits have been filed against the Company and the Company has also received other claim demand letters alleging that the Company's anti-microbial coated steel sprinkler pipe, which the Company has not manufactured or sold for several years, is incompatible with chlorinated polyvinyl chloride and caused stress cracking in such pipe manufactured by third parties when installed together in the same sprinkler system, which the Company refers to collectively as the "Special Products Claims." After an analysis of claims experience, the Company reserved its best estimate of the probable and reasonably estimable losses related to these matters. The Company's total product liability reserves for Special Products Claims and other product liability matters were $643 and $597 as of December 25, 2020 and September 30, 2020, respectively. As of December 25, 2020, the Company believes that the range of aggregate reasonably possible losses for Special Products Claims and other product liabilities is between $1,000 and $8,000.

During fiscal 2019, Tyco and the Company agreed with a plaintiff to settle one Special Products Claim that was to go to trial. The Company agreed to fund the total settlement in exchange for Tyco's agreement to cap the Company's Special Products Claim deductible at $12,000, as opposed to the $13,000 cap negotiated within the original indemnity agreement. In conjunction with the payment of that settlement, Tyco and the Company examined the Company's total Special Products Claim payments and agreed that with that settlement payment and payment of a few other legal fee invoices, all of which have now been paid, the Company had met its $12,000 deductible obligation related to these Special Products Claims. Tyco, now Johnson Controls, Inc. ("JCI"), has a contractual obligation to indemnify the Company in respect of all remaining and future claims of incompatibility between the Company's antimicrobial coated steel sprinkler pipe and CPVC pipe used in the same sprinkler system. Tyco has defended and indemnified the Company on Special Products Claims as required.

At this time, the Company does not expect the outcome of the Special Products Claims proceedings, either individually or in the aggregate, to have a material adverse effect on its business, financial condition, results of operations or cash flows, and the Company believes that its reserves are adequate for all remaining contingencies for Special Products Claims.

In addition to the matters discussed above, from time to time, the Company is subject to a number of disputes, administrative proceedings and other claims arising out of the ordinary conduct of the Company's business. These matters generally relate to disputes arising out of the use or installation of the Company's products, product liability litigation, contract disputes, patent infringement accusations, employment matters, personal injury claims and similar matters. On the basis of information currently available to the Company, it does not believe that existing proceedings and claims will have a material adverse effect on its business, financial condition, results of operations or cash flows. However, litigation is unpredictable, and the Company could incur judgments or enter into settlements for current or future claims that could adversely affect its business, financial condition, results of operations or cash flows.

15. GUARANTEES

The Company had outstanding letters of credit totaling $9,501 supporting workers' compensation and general liability insurance policies as of December 25, 2020. The Company also had surety bonds primarily related to performance guarantees on supply agreements and construction contracts, and payment of duties and taxes totaling $15,025 as of December 25, 2020.

In disposing of assets or businesses, the Company often provides representations, warranties and indemnities to cover various risks including unknown damage to the assets, environmental risks involved in the sale of real estate, liability to investigate and remediate environmental contamination at waste disposal sites and manufacturing facilities, and unidentified tax liabilities and legal fees related to periods prior to disposition. The Company does not have the ability to estimate the potential liability from such indemnities because they relate to unknown conditions. However, the Company has no reason to believe that these uncertainties would have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

In the normal course of business, the Company is liable for product performance and contract completion. In the opinion of management, such obligations will not have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

16. SEGMENT INFORMATION

Effective in the first quarter of fiscal 2021, the Company renamed and redefined its reportable segments.

The Electrical Raceway segment was renamed as the Electrical segment. The Electrical segment manufactures high quality products used in the construction of electrical power systems including conduit, cable, and installation accessories. This segment serves contractors in partnership with the electrical wholesale channel.

The Mechanical Products & Solutions segment was renamed as the Safety & Infrastructure segment. This segment designs and manufactures solutions including metal framing, mechanical pipe, perimeter security, and cable management for the protection and reliability of critical infrastructure. These solutions are marketed to contractors, original equipment manufacturers and end users.

Effective in the first quarter of fiscal 2021, the Company also implemented the Realignment of its segment financial reporting structure such that its domestic cable management and prefabrication modular businesses are now reflected in its Safety & Infrastructure segment. These businesses were previously reflected within the Electrical segment. See Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" for additional information. Prior year results have been revised for the impact of the Realignment for comparability.

Both segments use Adjusted EBITDA as the primary measure of profit and loss. Segment Adjusted EBITDA is income (loss) before income taxes, adjusted to exclude unallocated expenses, depreciation and amortization, interest expense, net, restructuring charges, stock-based compensation, certain legal matters, transaction costs and other items, such as inventory reserves and adjustments, loss on disposal of property, plant and equipment, release of indemnified uncertain tax positions, and realized or unrealized gain (loss) on foreign currency impacts of intercompany loans and related forward currency derivatives.

Intersegment transactions primarily consist of product sales at designated transfer prices on an arm's-length basis. Gross profit earned and reported within the segment is eliminated in the Company's consolidated results. Certain manufacturing and distribution expenses are allocated between the segments on a pro rata basis due to the shared nature of activities. Recorded amounts represent a proportional amount of the quantity of product produced for each segment. Certain assets, such as machinery and equipment and facilities, are not allocated to each segment despite serving both segments. These shared assets are reported within the Safety & Infrastructure segment. The Company allocates certain corporate operating expenses that directly benefit our operating segments, such as insurance and information technology, on a basis that reasonably approximates an estimate of the use of these services.

	Three months ended					
	December 25, 2020			December 27, 2019		
(in thousands)	**External Net Sales**	**Intersegment Sales**	**Adjusted EBITDA**	**External Net Sales**	**Intersegment Sales**	**Adjusted EBITDA**
Electrical	$ 386,320	$ 825	$ 133,273	$ 323,941	$ 606	$ 68,119
Safety & Infrastructure	124,762	3	$ 14,252	123,507	1	$ 18,727
Eliminations	—	(828)		—	(607)	
Consolidated operations	$ 511,082	$ —		$ 447,448	$ —	

Presented below is a reconciliation of operating segment Adjusted EBITDA to Income before income taxes:

(in thousands)	Three months ended December 25, 2020	Three months ended December 27, 2019
Operating segment Adjusted EBITDA		
Electrical	$ 133,273	$ 68,119
Safety & Infrastructure	14,252	18,727
Total	$ 147,525	$ 86,846
Unallocated expenses (a)	(10,535)	(9,136)
Depreciation and amortization	(19,044)	(18,730)
Interest expense, net	(8,254)	(10,620)
Restructuring charges	2	(220)
Stock-based compensation	(5,522)	(3,123)
Transaction costs	(284)	(51)
Other (b)	8,142	(2,836)
Income before income taxes	$ 112,030	$ 42,130

(a) Represents unallocated selling, general and administrative activities and associated expenses including, in part, executive, legal, finance, human resources, information technology, business development and communications, as well as certain costs and earnings of employee-related benefits plans, such as stock-based compensation and a portion of self-insured medical costs.

(b) Represents other items, such as inventory reserves and adjustments, loss on disposal of property, plant and equipment, insurance recovery related to damages of property, plant and equipment, release of indemnified uncertain tax positions and realized or unrealized gain (loss) on foreign currency impacts of intercompany loans and related forward currency derivatives.

The Company's net sales by geography were as follows for the three months ended December 25, 2020 and December 27, 2019:

(in thousands)	Three months ended December 25, 2020	Three months ended December 27, 2019
United States	$ 454,764	$ 396,141
Other Americas	6,773	6,586
Europe	39,354	33,309
Asia-Pacific	10,191	11,412
Total	$ 511,082	$ 447,448

The table below shows the amount of net sales from external customers for each of the Company's product categories which accounted for 10% or more of consolidated net sales in either period for the three months ended December 25, 2020 and December 27, 2019:

(in thousands)	Three months ended December 25, 2020	Three months ended December 27, 2019
Metal Electrical Conduit and Fittings	$ 124,829	$ 123,842
Armored Cable and Fittings	73,512	83,823
PVC Electrical Conduit and Fittings	140,535	72,888
International Cable Management Products	43,213	38,220
Other Electrical products	4,231	5,168
Electrical	386,320	323,941
Mechanical Pipe	65,511	58,331
Other Safety & Infrastructure products	59,251	65,176
Safety & Infrastructure	124,762	123,507
Net sales	$ 511,082	$ 447,448

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following information should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included in this report. The following discussion may contain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in these forward- looking statements. Factors that could cause or contribute to these differences include those factors discussed below and included or referenced elsewhere in this report, particularly in the sections entitled "Forward-Looking Statements" and "Risk Factors".

Impacts of COVID-19

The recent outbreak of the novel coronavirus (COVID-19) has continued to spread and is currently classified as a pandemic which is contributing to significant volatility and uncertainty in markets and the global economy. This heightened volatility and uncertainty makes it difficult for us to predict the extent of COVID-19's impact on our operations going forward.

As of the date of this filing, customers and end markets face some uncertainty and delays in timing of work. In particular, some construction site closures or project delays have occurred, and job sites have had to adjust to increased physical distancing and health-related precautions. Given the continued volatility within the economic impacts of the pandemic it is too early to make any judgment on how significant COVID-19 effect will become.

Factors that contribute to our ability to adjust to the outbreak include currently being deemed an "essential business", benefiting from mostly localized supply chains, and continuing to take actions within our control to minimize the disruptive impacts of the outbreak. However, there can be no assurance that we will not be materially and adversely impacted in the future. The extent to which COVID-19 will impact our business will depend on future developments and public health advancements, which are highly uncertain and cannot be predicted with confidence.

Currently, we have no COVID-19 related facility closures as we look to serve our current levels of demand. In response to COVID-19, we have implemented a variety of countermeasures to promote the health and safety of our employees during this pandemic, including health screening, physical distancing practices, enhanced cleaning, use of personal protective equipment, business travel restrictions, and remote work capabilities.

Results of Operations

The results of operations for the three months ended December 25, 2020 and December 27, 2019 were as follows:

	Three months ended			
($ in thousands)	December 25, 2020	December 27, 2019	Change	% Change
Net sales	$ 511,082	$ 447,448	$ 63,634	14.2 %
Cost of sales	321,891	330,604	(8,713)	(2.6)%
Gross profit	189,191	116,844	72,347	61.9 %
Selling, general and administrative	61,078	56,215	4,863	8.7 %
Intangible asset amortization	8,260	8,113	147	1.8 %
Operating income	119,853	52,516	67,337	128.2 %
Interest expense, net	8,254	10,620	(2,366)	(22.3)%
Other income, net	(431)	(234)	(197)	84.2 %
Income before income taxes	112,030	42,130	69,900	165.9 %
Income tax expense	26,964	7,340	19,624	267.4 %
Net income	$ 85,066	$ 34,790	$ 50,276	144.5 %

Net sales

	% Change
Volume	(6.2) %
Average selling prices	18.2 %
Foreign exchange	0.3 %
Other	1.9 %
Net sales	14.2 %

Net sales increased by $63.6 million, or 14.2%, to $511.1 million for the three months ended December 25, 2020, compared to $447.4 million for the three months ended December 27, 2019. The increase in net sales is primarily attributed to increased average selling prices of $81.2 million which was mostly driven by the PVC electrical conduit and fittings product category within the Electrical segment, partially offset by lower volume of $27.8 million primarily attributed to declines in the armored cable and fittings and the metal electrical conduit and fittings product categories within the Electrical segment.

Cost of sales

	% Change
Volume	(6.5) %
Average input costs	6.9 %
Foreign exchange	(0.7) %
Other	(2.3) %
Cost of sales	(2.6) %

Cost of sales decreased by $8.7 million, or 2.6%, to $321.9 million for the three months ended December 25, 2020 compared to $330.6 million for the three months ended December 27, 2019. The decrease was primarily due to lower volume of $21.4 million. Additionally, cost of sales decreased by $10.2 million primarily from favorable inventory reserve adjustments, partially offset by higher input costs of steel, copper and resin of $22.9 million above the pass through impact of average selling prices.

Selling, general and administrative

Selling, general and administrative expenses increased by $4.9 million, or 8.7%, to $61.1 million for the three months ended December 25, 2020 compared to $56.2 million for the three months ended December 27, 2019. The increase was primarily due to $2.7 million of increased spending on productivity initiatives and growth investments, higher stock compensation expense of $2.4 million and higher variable compensation of $1.4 million, offset by productivity efficiencies of $2.4 million.

Intangible asset amortization

Intangible asset amortization expense remained consistent at $8.3 million for the three months ended December 25, 2020 compared to $8.1 million for the three months ended December 27, 2019.

Interest expense, net

Interest expense, net decreased by $2.4 million, or 22.3% to $8.3 million for the three months ended December 25, 2020 compared to $10.6 million for the three months ended December 27, 2019. The decrease is primarily due to the Company's principal prepayments in fiscal 2020 and 2021, resulting in a lower principal balance in fiscal 2021 from which interest expense was derived.

Other income, net

Other income, net remained consistent at $0.4 million for the three months ended December 25, 2020 compared to $0.2 million for the three months ended December 27, 2019.

Income tax expense

The Company's income tax rate increased to 24.1% for the three months ended December 25, 2020 compared to 17.4% for the three months ended December 27, 2019. The increase in the current period effective tax rate was primarily due to a decrease in the excess tax benefit associated with stock compensation.

Segment results

Effective in the first quarter of fiscal 2021, the Company renamed and redefined its reportable segments.

The Electrical Raceway segment was renamed as the Electrical segment. The Electrical segment manufactures high quality products used in the construction of electrical power systems including conduit, cable, and installation accessories. This segment serves contractors in partnership with the electrical wholesale channel.

The Mechanical Products & Solutions segment was renamed as the Safety & Infrastructure segment. This segment designs and manufactures solutions including metal framing, mechanical pipe, perimeter security, and cable management for the protection and reliability of critical infrastructure. These solutions are marketed to contractors, original equipment manufacturers and end users.

Effective in the first quarter of fiscal 2021, the Company implemented a realignment (the "Realignment") of its segment financial reporting structure. The Company's domestic cable management and prefabrication modular businesses had historically been reported in the Electrical Raceway segment. Due to transitions in the Company's Executive Leadership Team, these businesses are now reported in the Safety & Infrastructure segment. The Realignment reflects how the Company's Chief Operating Decision Maker now assesses the operating performance and allocates resources to the Safety & Infrastructure segment.

The Company reflected these changes to its segment information retrospectively to the earliest period presented which resulted in a transfer of external net sales, intersegment sales, total assets, and Adjusted EBITDA from the Electrical segment to the Safety & Infrastructure segment. These changes had no impact on the Company's previously reported consolidated net sales, operating income, net income or earnings per share.

Both segments use Adjusted EBITDA as the primary measure of profit and loss. Segment Adjusted EBITDA is income (loss) before income taxes, adjusted to exclude unallocated expenses, depreciation and amortization, interest expense, net, restructuring charges, stock-based compensation, certain legal matters, transaction costs and other items, such as inventory reserves and adjustments, loss on disposal of property, plant and equipment, release of indemnified uncertain tax positions, and realized or unrealized gain (loss) on foreign currency impacts of intercompany loans and related forward currency derivatives. We define segment Adjusted EBITDA margin as segment Adjusted EBITDA as a percentage of segment Net sales.

Electrical

	Three months ended			
($ in thousands)	**December 25, 2020**	**December 27, 2019**	**Change**	**% Change**
Net sales	$ 387,145	$ 324,547	$ 62,598	19.3 %
Adjusted EBITDA	$ 133,273	$ 68,119	$ 65,154	95.6 %
Adjusted EBITDA margin	34.4 %	21.0 %		

Net sales

	% Change
Volume	(9.0) %
Average selling prices	25.1 %
Foreign exchange	0.5 %
Other	2.7 %
Net sales	19.3 %

Net sales increased by $62.6 million, or 19.3%, to $387.1 million for the three months ended December 25, 2020 compared to $324.5 million for the three months ended December 27, 2019. The increase in net sales is primarily attributed to increased average selling prices of $81.4 million which was mostly driven by the PVC electrical conduit and fittings product category, partially offset by lower volume of $29.4 million primarily attributed to declines in the armored cable and fittings and the metal electrical conduit and fittings product categories.

Adjusted EBITDA

Adjusted EBITDA for the three months ended December 25, 2020 increased by $65.2 million, or 95.6%, to $133.3 million from $68.1 million for the three months ended December 27, 2019. Adjusted EBITDA margins increased to 34.4% for the three months ended December 25, 2020 compared to 21.0% for the three months ended December 27, 2019. The increase in Adjusted EBITDA was largely due to higher average selling prices in relation to changes in input costs and operational efficiencies.

Safety & Infrastructure

	Three months ended			
($ in thousands)	**December 25, 2020**	**December 27, 2019**	**Change**	**% Change**
Net sales	$ 124,765	$ 123,508	$ 1,257	1.0 %
Adjusted EBITDA	$ 14,252	$ 18,727	$ (4,475)	(23.9)%
Adjusted EBITDA margin	11.4 %	15.2 %		

Net sales

	% Change
Volume	1.3 %
Average selling prices	(0.2) %
Other	(0.1) %
Net sales	1.0 %

Net sales increased by $1.3 million, or 1.0%, for the three months ended December 25, 2020 to $124.8 million compared to $123.5 million for the three months ended December 27, 2019. The increase is primarily attributed to higher volume of $1.6 million primarily in the mechanical pipe product category.

Adjusted EBITDA

Adjusted EBITDA decreased by $4.5 million, or 23.9%, to $14.3 million for the three months ended December 25, 2020 compared to $18.7 million for the three months ended December 27, 2019. Adjusted EBITDA margins decreased to 11.4% for the three months ended December 25, 2020 compared to 15.2% for the three months ended December 27, 2019. The Adjusted EBITDA decrease is primarily due to the timing lag in reflecting the rising input costs of steel in average selling prices.

Liquidity and Capital Resources

We believe we have sufficient liquidity to support our ongoing operations and to invest in future growth and create value for stockholders. Our cash and cash equivalents were $280.4 million as of December 25, 2020, of which $53.2 million was held at non-U.S. subsidiaries. Those cash balances at foreign subsidiaries may be subject to withholding or local country taxes if the Company's intention to permanently reinvest such income were to change and cash was repatriated to the United States.

In general, we require cash to fund working capital investments, acquisitions, capital expenditures, debt repayment, interest payments, taxes and share repurchases. We have access to the ABL Credit Facility to fund operational needs. As of December 25, 2020, there were no outstanding borrowings under the ABL Credit Facility and $9.5 million of letters of credit issued under the ABL Credit Facility. The borrowing base was estimated to be $322.8 million and approximately $313.3

million was available under the ABL Credit Facility as of December 25, 2020. Outstanding letters of credit count as utilization of the commitments under the ABL Credit Facility and reduce the amount available for borrowings.

The agreements governing the First Lien Term Loan Facility and the ABL Credit Facility (collectively, the "Credit Facilities") contain covenants that limit or restrict AII's ability to incur additional indebtedness, repurchase debt, incur liens, sell assets, make certain payments (including dividends) and enter into transactions with affiliates. AII has been in compliance with the covenants under the agreements for all periods presented.

We may from time to time repurchase our debt or take other steps to reduce our debt. These actions may include open market repurchases, negotiated repurchases or opportunistic refinancing of debt. The amount of debt, if any, that may be repurchased or refinanced will depend on market conditions, trading levels of our debt, our cash position, compliance with debt covenants and other considerations.

Our use of cash may fluctuate during the year and from year to year due to differences in demand and changes in economic conditions primarily related to the prices of commodities we purchase.

Capital expenditures have historically been necessary to expand and update the production capacity and improve the productivity of our manufacturing operations.

Our ongoing liquidity needs are expected to be funded by cash on hand, net cash provided by operating activities and, as required, borrowings under the ABL Credit Facility. We expect that cash provided from operations and available capacity under the ABL Credit Facility will provide sufficient funds to operate our business, make expected capital expenditures and meet our liquidity requirements for at least the next twelve months, including payment of interest and principal on our debt.

Limitations on Distributions and Dividends by Subsidiaries

AIG, AII, and AIH are each holding companies, and as such have no independent operations or material assets other than ownership of equity interests in their respective subsidiaries. Each company depends on its respective subsidiaries to distribute funds to it so that it may pay obligations and expenses, including satisfying obligations with respect to indebtedness. The ability of our subsidiaries to make distributions and dividends to us depends on their operating results, cash requirements and financial and general business conditions, as well as restrictions under the laws of our subsidiaries' jurisdictions.

The agreements governing the ABL Credit Facility significantly restrict the ability of our subsidiaries, including AII, to pay dividends, make loans or otherwise transfer assets from AII and, in turn, to us. Further, AII's subsidiaries are permitted under the terms of the ABL Credit Facility to incur additional indebtedness that may restrict or prohibit the making of distributions, the payment of dividends or the making of loans by such subsidiaries to AII and, in turn, to us. The First Lien Term Loan Facility requires AII to meet a certain consolidated coverage ratio on an incurrence basis in connection with additional indebtedness. The ABL Credit Facility contains limits on additional indebtedness based on various conditions for incurring the additional debt.

The table below summarizes cash flow information derived from our statements of cash flows for the periods indicated:

	Three months ended	
(in thousands)	**December 25, 2020**	**December 27, 2019**
Cash flows provided by (used in):		
Operating activities	$ 86,276	$ 52,173
Investing activities	(14,258)	(9,794)
Financing activities	(78,981)	(3,041)

Operating activities

During the three months ended December 25, 2020, the Company was provided $86.3 million by operating activities compared to $52.2 million during the three months ended December 27, 2019. The $34.1 million increase in cash provided was primarily due to higher cash flows from the increase in operating income of $67.2 million and lower payments for variable compensation of $8.0 million. This was partially offset by a $45.2 million increase in working capital.

Investing activities

During the three months ended December 25, 2020, the Company used $14.3 million in investing activities compared to $9.8 million during the three months ended December 27, 2019. The increase in cash used in investing activities is primarily due the acquisition of Queen City Plastics, Inc. for $7.2 million during the three months ended December 25, 2020.

Financing Activities

During the three months ended December 25, 2020, the Company used $79.0 million in financing activities compared to $3.0 million used during the three months ended December 27, 2019. The increase in cash used in financing activities is primarily due to $40.0 million of debt repayments and $35.0 million used to repurchase common stock during the three months ended December 25, 2020.

Contractual Obligations and Commitments

There have been no material changes in our contractual obligations and commitments since the filing of our Annual Report on Form 10-K.

Change in Critical Accounting Policies and Estimates

There have been no material changes in our critical accounting policies and estimates since the filing of our Annual Report on Form 10-K.

Recent Accounting Standards

See Note 1, "Basis of Presentation and Summary of Significant Accounting Policies" to our unaudited condensed consolidated financial statements.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements and cautionary statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on management's beliefs and assumptions and information currently available to management. 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. They appear in a number of places throughout this Quarterly

Report on From 10-Q and include, without limitation, statements regarding our intentions, beliefs, assumptions or current expectations concerning, among other things, financial position; results of operations; cash flows; prospects; growth strategies or expectations; customer retention; the outcome (by judgment or settlement) and costs of legal, administrative or regulatory proceedings, investigations or inspections, including, without limitation, collective, representative or class action litigation; and the impact of prevailing economic conditions.

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 Quarterly Report. 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 Quarterly Report, 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 or referenced under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, 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;
- widespread outbreak of diseases, such as the novel coronavirus (COVID-19) pandemic;
- 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;
- adverse weather conditions;
- 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, including inability or unwillingness to pay our invoices on time, 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;
- 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 and changes in our business and valuation assumptions;
- 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;
- changes in foreign laws and legal systems, including as a result of Brexit;
- our inability to introduce new products effectively or implement our innovation strategies;
- our inability to continue importing raw materials, component parts and/or finished goods;
- 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 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;
- challenges attracting and retaining key personnel or high-quality employees;
- future changes to tax legislation;
- 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; and
- other risks and factors described in this report and from time to time in documents that we file with the SEC.

You should read this quarterly report completely and with the understanding that actual future results may be materially different from expectations. All forward-looking statements attributable to us or persons acting on our behalf that are made in this quarterly report are qualified in their entirety by these cautionary statements. These forward-looking statements are made only as of the date of this quarterly report, and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking or cautionary statements to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, and changes in future operating results over time or otherwise.

Comparisons of results for current and any prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes to the quantitative and qualitative disclosures about market risks previously disclosed in our Annual Report on Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes to our internal control over financial reporting in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) under the Exchange Act during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

For a discussion of certain litigation involving the Company, see Note 14, "Commitments and Contingencies" to our unaudited condensed consolidated financial statements.

Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

The following table shows our purchases of our common stock during fiscal 2021 (in thousands, except per share data):

Period	Total Number Of Shares Purchased	Avg Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program(1)	Maximum Value of Shares that May Yet Be Purchased Under the Program(1)
September 30, 2020 to October 27, 2020	637	$ 23.55	637	$ 19,988
October 28, 2020 to November 27, 2020	78	$ 37.75	78	$ 17,044
November 28, 2020 - December 25 2020	425	$ 40.14	425	$ —
Total	1,140		1,140	

(1) On February 5, 2019, the board of directors approved a share repurchase program, under which the Company may repurchase up to $50.0 million of its outstanding common stock. As of December 25, 2020, there were no authorized repurchases remaining.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

31.1#	Certification of Chief Executive Officer Pursuant to Exchange Act Rule 13a - 14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2#	Certification of Chief Financial Officer Pursuant to Exchange Act Rule 13a - 14, as adopted pursuant to Section Certification of Chief Financial Officer Pursuant to Exchange Act Rule 13a - 14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. of the Sarbanes-Oxley Act of 2002
32.1#	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. Act of 2002.
32.2#	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS#	XBRL Instance Document (formatted as inline XBRL)
101.SCH#	XBRL Taxonomy Schema Linkbase Document (formatted as inline XBRL)
101.CAL#	XBRL Taxonomy Calculation Linkbase Document
101.DEF#	XBRL Taxonomy Definition Linkbase Document
101.LAB#	XBRL Taxonomy Labels Linkbase Document
101.PRE#	XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

			ATKORE INTERNATIONAL GROUP INC.
			(Registrant)
Date:	February 2, 2021	By:	/s/ David P. Johnson
			Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William E. Waltz , certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Atkore International Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated:	February 2, 2021	/s/ William E. Waltz
		William E. Waltz President and Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David P. Johnson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Atkore International Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated:	February 2, 2021	/s/ David P. Johnson
		David P. Johnson
		Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, William E. Waltz, the Chief Executive Officer of Atkore International Group Inc., certify that (i) the Quarterly Report on Form 10-Q for the quarter ended December 25, 2020, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Atkore International Group Inc.

Dated:	February 2, 2021	/s/ William E. Waltz
		William E. Waltz
		President and Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, David P. Johnson, the Chief Financial Officer of Atkore International Group Inc., certify that (i) the Quarterly Report on Form 10-Q for the quarter ended December 25, 2020, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Atkore International Group Inc.

Dated:	February 2, 2021	/s/ David P. Johnson
		David P. Johnson
		Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)