Atkore

Third Quarter 2020 Earnings Presentation

August 4, 2020

Cautionary Statements

This presentation contains forward-looking statements that are subject to known and unknown risks and uncertainties, many of which are beyond our control. All statements other than statements of historical fact included in this presentation are forward-looking statements. Forward-looking statements appearing throughout this presentation 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 any other litigation; and the impact of prevailing economic conditions. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “believes,” “expects,” “may,” “will,” “shall,” “should,” “would,” “could,” “seeks,” “aims,” “projects,” “is optimistic,” “intends,” “plans,” “estimates,” “anticipates” and other comparable terms. 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 presentation. 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 presentation, 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 captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K and the Quarterly Report on Form 10-Q filed with the U.S. Securities and Exchange Commission, could cause actual results and outcomes to differ materially from those reflected in the forward-looking statements. Because of these risks, we caution that you should not place undue reliance on any of our forward-looking statements. New risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us. Further, any forward-looking statement speaks only as of the date on which it is made. We undertake no obligation to revise the forward-looking statements in this presentation after the date of this presentation.

Market data and industry information used throughout this presentation are based on management’s knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management’s review of independent industry surveys, forecasts and publications and other publicly available information prepared by a number of third party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations which we believe to be reasonable, and you are cautioned not to give undue weight to such estimates. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information. While we believe the estimated market position, market opportunity and market size information included in this presentation are generally reliable, such information, which is derived in part from management’s estimates and beliefs, is inherently uncertain and imprecise. Projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate are subject to a high degree of uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in our estimates and beliefs and in the estimates prepared by independent parties.

We present Adjusted EBITDA, Adjusted EBITDA margin (Adjusted EBITDA over Net Sales), Net debt (total debt less cash and cash equivalents), Adjusted Net Income Per Share, and Leverage ratio (net debt or total debt less cash and cash equivalents, over Adjusted EBITDA on trailing twelve month (“TTM”) basis) to help us describe our operating and financial performance. Adjusted EBITDA, Adjusted EBITDA margin, Net debt (total debt less cash and cash equivalents), Adjusted Net Income Per Share, and Leverage ratio are non-GAAP financial measures commonly used in our industry and have certain limitations and should not be construed as alternatives to net income, net sales and other income data measures (as determined in accordance with generally accepted accounting principles in the United States, or GAAP), or as better indicators of operating performance. Adjusted EBITDA, Adjusted EBITDA margin, Net debt, Adjusted Net Income Per Share, and Leverage ratio, as defined by us may not be comparable to similar non-GAAP measures presented by other issuers. Our presentation of such measures should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. See the appendix to this presentation for a reconciliation of Adjusted EBITDA to net income, Adjusted EBITDA Margin, Adjusted Net Income Per Share to Net Income Per Share, net debt to total debt, and Leverage Ratio.

Fiscal Periods - The Company has a fiscal year that ends on September 30th. It is the Company's practice to establish quarterly closings using a 4-5-4 calendar. The Company's fiscal quarters end on the last Friday in December, March and June.

Financial Results & Business Update

Atkore

Strong operating results and excellent cash generation in the third quarter 2020

Key Items

- Delivered Net Income of $24.1M and Adjusted EBITDA[1] of $63.7M in the quarter
- Net sales declined 22.0%, and decremental margin impacts performed better than expectations
- Ended Q3 with a very strong cash balance of $237.3M; net leverage ratio[2] improved to 1.9x
- Ratified a new four year labor agreement with the United Steelworkers at our Harvey, IL manufacturing site in July
- Given continued market volatility and uncertainty, we expect our FY2020 Net Sales, Adjusted EBITDA and Adjusted EPS to be down approximately 10% relative to FY2019

1. See non-GAAP reconciliation in appendix.
2. Leverage ratio and TTM Adjusted EBITDA reconciliations can be found either in the appendix, or in Exhibit 99.1 to form 8-K filed on August 4, 2020.

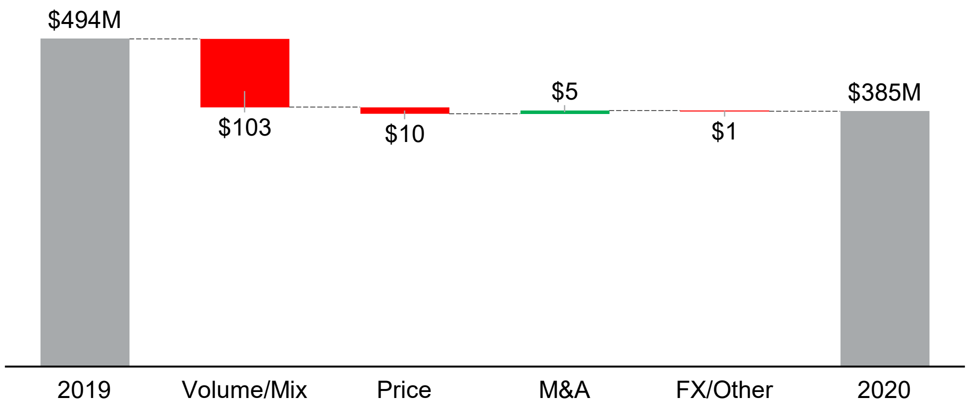
Q3 Income Statement Summary

($'s in millions)	Q3 2020	Q3 2019	Y/Y Change	Y/Y % Change
Net Sales	$384.9	$493.5	($108.6)	(22.0%)
Operating Income	$41.6	$59.2	($17.6)	(29.7%)
Net Income	$24.1	$36.6	($12.5)	(34.1%)
Adjusted EBITDA[1]	$63.7	$88.5	($24.8)	(28.0%)
Adjusted EBITDA Margin[2]	16.6%	17.9%	(130 bps)	-
Net Income per Share (Diluted)	$0.49	$0.75	($0.26)	(34.7%)
Adjusted Net Income per Share[1] (Diluted)	$0.67	$1.04	($0.37)	(35.6%)

1. See non-GAAP reconciliation in appendix
2. Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of Net sales

Consolidated Atkore Q3 2020 Bridges

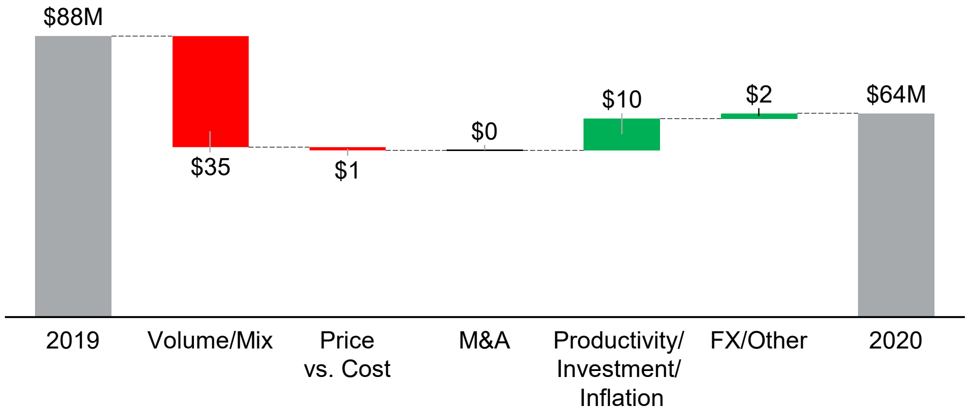
Q3 Net Sales Bridge



Net Sales Growth

Volume/Mix	(20.7%)
Price	(1.8%)
Acquisitions/Divestitures	+1.0%
FX/Other	(0.5%)
Total	(22.0%)

Q3 Adjusted EBITDA Bridge



Highlights

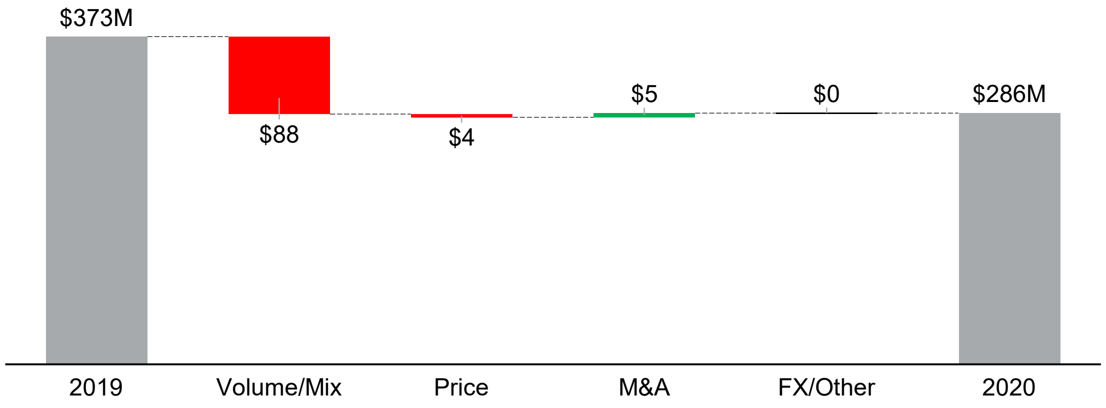
- Decremental adjusted EBITDA margin of ~23% supported by strong cost control
- Excellent commercial execution in a challenging market environment

Electrical Raceway Q3 Highlights

- Solid execution and performance with Adjusted EBITDA margins of 20.1% in the quarter
- Volume declines were mixed between different product categories and geographies; experienced better than expected volumes in our Focused Product Categories
- Expanded our dedicated schedule delivery program across our network of regional distribution centers in the U.S.

($'s in millions)	Q3 2020	Q3 2019	Y/Y Change
Net Sales	$286.0	$373.2	(23.4%)
Adjusted EBITDA	$57.5	$76.7	(25.1%)
Adjusted EBITDA Margin	20.1%	20.6%	(50 bps)

Q3 Net Sales Bridge



Mechanical Products & Solutions Q3 Highlights

Atkore

- Net sales declined 17.5%; large renewable energy projects and demand for recreational equipment, partially offset declines in volume associated with overall market conditions
- Adjusted EBITDA margins were 12.3%; down 480 bps vs. prior year which had several higher margin security projects
- Launched Unistrut Seismic Bracing Solution in our metal framing product line

($'s in millions)	Q3 2020	Q3 2019	Y/Y Change
Net Sales	$99.5	$120.6	(17.5%)
Adjusted EBITDA	$12.2	$20.6	(40.6%)
Adjusted EBITDA Margin	12.3%	17.1%	(480 bps)

Q3 Net Sales Bridge

Key Balance Sheet & Cash Flow Metrics

Atkore

($'s in millions)	As of 6/26/2020
Cash and cash equivalents	$237.3
Total Debt	$846.1
Net Debt	$608.8
YTD Net cash from operating activities	$156.0
YTD Capital expenditures	$25.6
YTD Free cash flow[1]	$130.4
TTM Adjusted EBITDA[2]	$317.2
YTD Stock repurchases	$15.0
Leverage Ratio[1]	
Total debt / TTM Adjusted EBITDA[2]	2.7
Net debt / TTM Adjusted EBITDA[2]	1.9

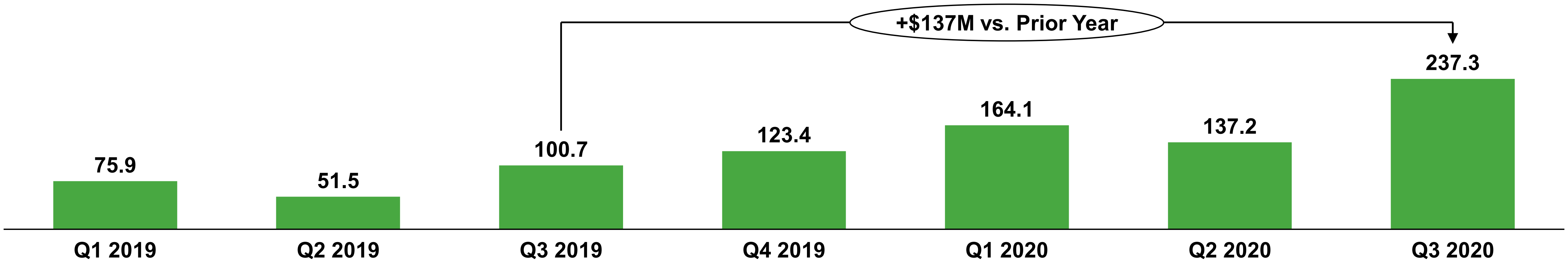
Debt & Liquidity Review

- Senior secured term loan of $846.1M (net of deferred financing costs) due in December 2023
  - No scheduled principal payments prior to maturity
- Asset Based Loan (ABL) capacity of $247.8M as of June 26th; facility expires in December 2021
  - Facility was undrawn during the quarter

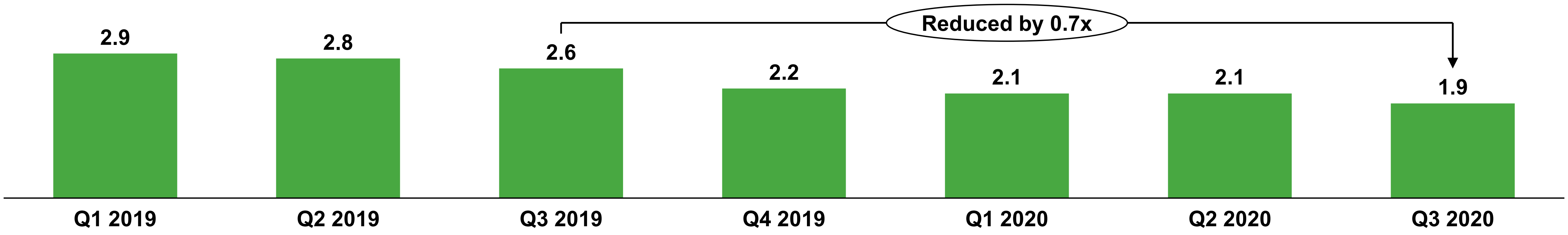
1. Free Cash Flow defined as Net cash from operating activities less capital expenditures.
2. Leverage ratio and TTM Adjusted EBITDA reconciliations can be found either in the appendix, or in Exhibit 99.1 to form 8-K filed on August 4, 2020

Cash and Leverage Ratio Trends

Cash & Cash Equivalents, $M



Leverage Ratio[1]:
Net Debt to TTM Adj. EBITDA



1. Leverage ratio and TTM Adjusted EBITDA reconciliations for all periods above can be found either in the appendix, or in Exhibit 99.1 to form 8-K filed on August 4, 2020, May 5, 2020, February 4, 2020, November 22, 2019, August 8, 2019, May 7, 2019, or February 6, 2019.

Financial Outlook Summary

Given continued uncertainty and challenging market conditions, our primary operating assumption for Q4 is a net sales decline of approximately 15% versus prior year

Outlook Summary

Outlook Items for Consolidated Atkore	FY2020 YTD Actual Results	FY2020 Outlook	Changes to Prior FY2020 Outlook – Favorable / (Unfavorable)	Note / Comment
Net Sales	$1,288.0M	Down ~10% vs. FY2019	+0 to 500 bps vs. prior estimate	Anticipating Net Sales, Adjusted EBITDA and Adjusted EPS to each be down approximately 10% vs. prior year; however, estimate may vary due to changes in assumptions or market conditions
Adjusted EBITDA[1]	$228.4M			
Adjusted EPS[1]	$2.60			
Interest Expense	$30.6M	$40 – $42M	$0M / $3M	Outlook based on amounts related to term loan
Tax Rate	22.9%	~24%	–	
Capital Expenditures	$25.6M	$28 – $32M	($8M) / ($7M)	Up from prior estimate of $20 – $25M
Diluted Shares Outstanding[2]	48.1	~48	–	

1. Reconciliation of the forward-looking full-year 2020 outlook for Adjusted EBITDA and Adjusted EPS is not being provided as the Company does not currently have sufficient data to accurately estimate the variables and individual adjustments for such reconciliation.
2. Represents weighted-average shares outstanding in millions used in calculation of Adjusted EPS outlook.

Our New Logo and Tagline

Atkore™ | BUILDING BETTER TOGETHER

Building Better Together. It's more than a tagline. It's how we think, how we conduct business and is a true commitment to our employees, customers, suppliers, shareholders and society that we will build better together.

Appendix

Segment Information

(in thousands)	Three months ended June 26, 2020 Net sales	Three months ended June 26, 2020 Adjusted EBITDA	Three months ended June 26, 2020 Adjusted EBITDA Margin	Three months ended June 28, 2019 Net sales	Three months ended June 28, 2019 Adjusted EBITDA	Three months ended June 28, 2019 Adjusted EBITDA Margin
Electrical Raceway	$ 286,046	$ 57,455	20.1 %	$ 373,229	$ 76,721	20.6 %
Mechanical Products & Solutions	99,487	12,243	12.3 %	120,596	20,595	17.1 %
Eliminations	(634)			(334)		
Consolidated operations	$ 384,899			$ 493,491		

Adjusted Earnings Per Share Reconciliation

Atkore

Consolidated Atkore International Group Inc.

(in thousands, except per share data)	Three months ended June 26, 2020	Three months ended June 28, 2019
Net income	$ 24,078	$ 36,550
Stock-based compensation	1,656	4,120
Intangible asset amortization	8,026	7,868
Other [(a)]	984	5,371
Pre-tax adjustments to net income	10,666	17,359
Tax effect	(2,667)	(4,253)
Adjusted net income	$ 32,078	$ 49,656
Weighted-Average Diluted Common Shares Outstanding	47,819	47,557
Net income per diluted share	$ 0.49	$ 0.75
Adjusted net income per diluted share	$ 0.67	$ 1.04

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

Net Income to Adjusted EBITDA Reconciliation

Consolidated Atkore International Group Inc.

(in thousands)	Three months ended June 26, 2020	Three months ended June 28, 2019
Net income	$ 24,078	$ 36,550
Interest expense, net	9,421	12,789
Income tax expense	8,672	11,106
Depreciation and amortization	18,316	17,760
Restructuring charges	474	709
Stock-based compensation	1,656	4,120
Transaction costs	122	76
Other [(a)]	984	5,371
Adjusted EBITDA	$ 63,723	$ 88,481

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

Trailing Twelve Month Adjusted EBITDA

Consolidated Atkore International Group Inc.

	TTM	Three months ended			
(in thousands)	**June 26, 2020**	**June 26, 2020**	**March 27, 2020**	**December 27, 2019**	**September 30, 2019**
Net income	$ 144,058	$ 24,078	$ 39,193	$ 34,790	$ 45,997
Interest expense, net	42,801	9,421	10,564	10,620	12,196
Income tax expense	45,217	8,672	13,100	7,340	16,105
Depreciation and amortization	73,810	18,316	18,478	18,730	18,286
Restructuring charges	3,962	474	2,645	220	623
Stock-based compensation	12,164	1,656	4,523	3,123	2,862
Transaction costs	1,016	122	6	51	837
Gain on purchase of a business	(7,384)	—	—	—	(7,384)
Other(a)	1,605	984	(1,503)	2,836	(712)
Adjusted EBITDA	$ 317,249	$ 63,723	$ 87,006	$ 77,710	$ 88,810

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

Net Debt to Total Debt and Leverage Ratio

Atkore

Consolidated Atkore International Group Inc.

($ in thousands)	June 26, 2020		March 27, 2020		December 27, 2019		September 28, 2019		June 28, 2019		March 29, 2019		December 28, 2018	
Short-term debt and current maturities of long-term debt	$ —		$ —		$ —		$ —		$ —		$ —		$ 26,561	
Long-term debt	846,145		845,694		845,243		845,317		884,503		884,095		878,094	
Total debt	846,145		845,694		845,243		845,317		884,503		884,095		904,655	
Less cash and cash equivalents	237,309		137,202		$ 164,135		123,415		100,734		51,498		75,919	
Net debt	$ 608,836		$ 708,492		$ 681,108		$ 721,902		$ 783,769		$ 832,597		$ 828,736	
TTM Adjusted EBITDA (a)	$ 317,249		$ 342,007		$ 332,095		$ 324,408		$ 306,656		$ 294,839		$ 283,086	
Total debt/TTM Adjusted EBITDA	2.7	x	2.5	x	2.5	x	2.6	x	2.9	x	3.0	x	3.2	x
Net debt/TTM Adjusted EBITDA	1.9	x	2.1	x	2.1	x	2.2	x	2.6	x	2.8	x	2.9	x

Free Cash Flow Reconciliation

Consolidated Atkore International Group Inc.

(in thousands)	Nine months ended June 26, 2020	Nine months ended June 28, 2019
Net cash provided by operating activities	$ 156,019	$ 120,179
Capital expenditures	$ (25,590)	$ (21,611)
Free Cash Flow:	$ 130,429	$ 98,568

Thank You!

Atkore™

Allied Tube & Conduit ▲ AFC Cable Systems ▲ Heritage Plastics ▲ Unistrut ▲ Unistrut Construction ▲ Cope
US Tray ▲ Calbrite ▲ Calbond ▲ Kaf-Tech ▲ Columbia-MBF ▲ Eastern Wire + Conduit ▲ ACS/Uni-Fab ▲ Cii
Power-Strut ▲ Calconduit ▲ Razor Ribbon ▲ Calpipe Security ▲ Vergokan ▲ Flexicon ▲ Marco

atkore.com

16100 South Lathrop Avenue,
Harvey, IL 60426