



**Third Quarter 2015  
Non-GAAP to GAAP Reconciliation  
November 4, 2015**



# Non-GAAP to GAAP Reconciliations

The Company discloses in this press release the non-GAAP financial measures of adjusted income from operations and adjusted net income. Each of adjusted income from operations and adjusted net income provide supplementary information about the impacts of acquisition related expenses and foreign-exchange impacts on intercompany loans. We believe the presentation of adjusted income from operations and adjusted net income provides useful information in assessing our results of operations and potential future results. These measures should not be considered as an alternative to their comparable GAAP measures, nor should they be considered in isolation, or as a substitute for analysis of our results reported under GAAP. Additionally, because these measures may be defined differently by other companies in our industry, our definitions may not be comparable to similarly titled measures of other companies, thereby diminishing their utility.

Each of adjusted earnings per share and adjusted operating margin provide supplementary information about the impacts of acquisition related expenses and foreign-exchange impacts on intercompany loans. We believe the presentation of adjusted earnings per share and adjusted operating margin provides useful information in assessing our results of operations and potential future results.

We define adjusted EBITDA as net income before interest expense and interest income, income taxes, depreciation and amortization plus acquisition and integration costs, non-cash stock compensation, restructuring and impairment charges, foreign-exchange losses on intercompany loans, and full year effect of 2014 and 2015 acquisitions. We have included information concerning adjusted EBITDA because we believe such measure facilitates our evaluation of our ability to service debt and provides a more effective and comparable measure of performance and a clearer view of underlying trends

We have included information concerning free cash flow because we believe that this non-GAAP measure provides useful information to investors by reflecting an additional way of viewing our operations that, when reconciled to the respective GAAP measures, helps our investors to better understand the strength of our earnings as well as our ability to generate cash without external financings, to strengthen our balance sheet, and to invest in the business.



# Non-GAAP to GAAP Reconciliations

<b>Total Company</b>	<b>Three Months Ended September 30,</b>			
	<b>2015</b>		<b>2014</b>	
<b>Reconciliation of income from operations to adjusted income from operations:</b>				
	<b>\$'000</b>	<b>% of Sales</b>	<b>\$'000</b>	<b>% of Sales</b>
<b>Income from operations</b>	<b>\$10,122</b>	<b>6.5%</b>	<b>\$2,552</b>	<b>2.0%</b>
<b>Acquisition and integration expenses</b>	<b>5,138</b>	<b>3.3%</b>	<b>8,088</b>	<b>6.4%</b>
<b>Adjusted income from operations</b>	<b>\$15,260</b>	<b>9.9%</b>	<b>\$10,640</b>	<b>8.5%</b>
<b>Total Sales</b>		<b>154,824</b>		<b>125,632</b>
 <b>Autocam Precision Components Group</b>				
	<b>Three Months Ended September 30,</b>			
	<b>2015</b>		<b>2014</b>	
<b>Reconciliation of income from operations to adjusted income from operations:</b>				
	<b>\$'000</b>	<b>% of Sales</b>	<b>\$'000</b>	<b>% of Sales</b>
<b>Income from operations</b>	<b>\$10,894</b>	<b>13.1%</b>	<b>\$5,515</b>	<b>11.8%</b>
<b>Acquisition and integration expenses</b>	<b>621</b>	<b>0.7%</b>	<b>225</b>	<b>0.5%</b>
<b>Adjusted income from operations</b>	<b>\$11,515</b>	<b>13.8%</b>	<b>\$5,740</b>	<b>12.3%</b>
<b>Total Sales</b>		<b>83,243</b>		<b>46,637</b>



## Non-GAAP to GAAP Reconciliations

### Reconciliation of net income to adjusted net income:

	Three Months Ended September 30, 2015		Three Months Ended September 30, 2014	
	(In Thousands)	Diluted Earnings Per Share	(In Thousands)	Diluted Earnings Per Share
Net Income	\$4,630	\$0.17	\$(3,840)	\$(0.21)
After tax acquisition and integration expenses	3,372	0.13	9,222	0.50
After-tax foreign exchange loss on inter-company loans	284	0.01	880	0.05
Adjusted Net Income	<u>\$8,286</u>	<u>\$0.31</u>	<u>\$6,262</u>	<u>\$0.34</u>



# Non-GAAP to GAAP Reconciliations



## Reconciliation of net income to adjusted EBITDA:

**Three Months Ended September 30,**  
2015                      2014      Change

<b>Net income</b>	<b>\$ 4,630</b>	<b>\$ (3,840)</b>	<b>\$8,470</b>
Provision for income taxes	936	(562)	1,498
Interest expense	4,584	5,622	(1,038)
Depreciation and amortization	8,610	5,864	2,746
Acquisition and integration expenses	5,138	8,407	(3,269)
Non-cash stock compensation	1,148	661	487
Non-cash foreign exchange gain on inter-company loans	434	1,375	(941)
<b>Adjusted EBITDA</b>	<b>\$ 25,480</b>	<b>17,527</b>	<b>7,953</b>





# Guidance





# Non-GAAP to GAAP Reconciliations

Reconciliation of net income to adjusted EBITDA:	Three Months Ending December 31, 2015	
	Low	High
Net income	\$2,561	\$3,783
Provision for income taxes	758	1,275
Interest expense	12,963	13,883
Depreciation and amortization	13,218	14,911
Non-cash stock compensation	500	1,148
Adjusted EBITDA	<u>\$30,000</u>	<u>\$35,000</u>

Reconciliation of EPS to adjusted EPS	Three Months Ending December 31, 2015			
	Low		High	
Net income	\$2,561	\$ 0.09	\$3,783	\$ 0.14
Amortization of intangibles and deferred financing costs	3,831	\$ 0.14	3,831	\$ 0.14
Adjusted Net income	<u>\$6,392</u>	<u>\$ 0.24</u>	<u>\$7,614</u>	<u>\$ 0.28</u>
Weighted average diluted shares outstanding		27,170		27,170



# Non-GAAP to GAAP Reconciliations

## Reconciliation of net income to adjusted EBITDA:

	Year Ending December 31, 2015	
	Low	High
Net income	\$20,145	\$21,367
Provision for income taxes	\$4,767	\$5,284
Interest expense	\$29,506	\$30,426
Depreciation and amortization	\$38,920	\$40,613
Acquisition and integration expenses	5,819	5,819
Non-cash stock compensation	3,419	4,067
Non-cash foreign exchange loss on inter-company loans	1,456	1,456
<b>Adjusted EBITDA</b>	<b>\$104,032</b>	<b>\$109,032</b>

	Year Ending December 31, 2015			
	Low		High	
Net income	\$20,145	\$ 0.87	\$21,367	\$ 0.92
After-tax acquisition and integration expenses	\$3,808	\$ 0.16	\$3,808	\$ 0.16
After-tax foreign exchange loss on inter-company loans	\$939	\$ 0.04	\$939	\$ 0.04
Amortization of intangibles and deferred financing costs	6,977	\$ 0.30	6,977	\$ 0.30
Adjusted Net income	\$31,869	\$ 1.37	\$33,091	\$ 1.42
Weighted average diluted shares outstanding		23,230		23,230

## Free Cash Flow

	Low	High
EBITDA	104,032	109,032
Capex	(40,000)	(45,000)
Interest	(29,506)	(30,426)
Dividends	(6,072)	(6,072)
Working Capital	(8,454)	(2,534)
	<b>20,000</b>	<b>25,000</b>

## Reconciliation of income from operations to adjusted income from operations:

	Low		High	
	Income from operations	\$2,145	7.8%	\$5,167
Acquisition and integration expenses	5,819	0.9%	5,819	0.9%
<b>Adjusted income from operations</b>	<b>\$7,964</b>	<b>8.7%</b>	<b>\$10,986</b>	<b>9.0%</b>

Total Sales	665,000	675,000
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# Non-GAAP to GAAP Reconciliations

## Reconciliation of net income to adjusted EBITDA:

	Year Ending December 31, 2016	
	Low	High
Net income	\$25,000	\$30,290
Provision for income taxes	\$6,930	\$10,500
Interest expense	\$67,000	\$65,400
Depreciation and amortization	\$60,070	\$64,310
Acquisition and integration expenses	-	-
Non-cash stock compensation	3,500	4,500
Non-cash foreign exchange loss on inter-company loans	-	-
Adjusted EBITDA	<u>\$162,500</u>	<u>\$175,000</u>

## Reconciliation of EPS to adjusted EPS

	Year Ending December 31, 2016			
	Low		High	
Net income	\$25,000	\$ 0.92	\$30,290	\$ 1.11
After-tax acquisition and integration expenses	\$ -		\$ -	
After-tax foreign exchange gain on inter-company loans	\$ -		\$ -	
Amortization of intangibles and deferred financing costs	18,441	\$ 0.68	18,741	\$ 0.69
Adjusted Net income	<u>\$43,441</u>	<u>\$ 1.60</u>	<u>\$49,031</u>	<u>\$ 1.80</u>
Weighted average diluted shares outstanding		27,170		27,170

## Free Cash Flow

	Year Ending December 31, 2016	
	Low	High
EBITDA	\$162,500	\$175,000
Capex	(40,000)	(50,000)
Interest	(67,000)	(65,400)
Dividends	(6,072)	(6,072)
Working Capital	\$572	\$6,472
	<u>50,000</u>	<u>60,000</u>



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