

## NON-GAAP FINANCIAL MEASURES

### Return on Invested Capital

We calculate Return on Invested Capital (ROIC) using trailing four quarter results. We use Net income adjusted for Interest and other non-operating expenses, net (tax-effected at the effective tax rate), divided by average Long-term debt, net, plus average Short-term borrowings and the current portion of long-term debt, plus average Total stockholders' equity from our financial statements as filed with the SEC. We have included ROIC as a supplemental disclosure because we believe that it may be used by our investors, industry analysts and others as a measure of the efficiency and effectiveness of our use of capital.

ROIC is not a measure of financial performance under GAAP. We believe ROIC should be considered in addition to, not as a substitute for, operating income or loss, net income or loss, cash flows provided by or used in operating, investing and financing activities or other income statement or cash flow statement line items reported in accordance with GAAP. Other companies may calculate ROIC differently than we do, which may limit its usefulness as a comparative measure. The table below presents our calculations of ROIC at September 30, 2020 and September 30, 2019.

| (in thousands)   | September 30, |            |
|--|---------------|------------|
|  | 2020          | 2019       |
| Numerator (trailing four quarters total):  |               |            |
| Net income   | \$ 325,589    | \$ 260,363 |
| Interest and other non-operating expenses, net   | 14,527        | 24,986     |
| Less: taxes on Interest and other non-operating expenses, net at 18.9% and 17.8%, respectively | (2,746)       | (4,448)    |
|  | \$ 337,370    | \$ 280,901 |
| Denominator (average of trailing four quarters):   |               |            |
| Long-term debt, net  | \$ 456,708    | \$ 634,730 |
| Short-term borrowings and current portion of long-term debt                                    | 12,341        | 16,679     |
| Total stockholders' equity   | 458,718       | 299,402    |
|  | \$ 927,767    | \$ 950,811 |
| Return on invested capital   | 36.4%         | 29.5%      |

## Return on Equity

We calculate Return on Equity (ROE) using trailing four quarter results. We use Net income divided by Total stockholders' equity from our financial statements as filed with the SEC. We have included ROE as a supplemental disclosure because we believe that it may be used by our investors, industry analysts and others in assessing our profitability.

ROE is not a measure of financial performance under GAAP. We believe ROE should be considered in addition to, not as a substitute for, operating income or loss, net income or loss, cash flows provided by or used in operating, investing and financing activities or other income statement or cash flow statement line items reported in accordance with GAAP. Other companies may calculate ROE differently than we do, which may limit its usefulness as a comparative measure. The table below presents our calculation of ROE at September 30, 2020.

|  | <b>September 30,</b> |
|--|----------------------|
|  | <b>2020</b>          |
| (in thousands)                                   |                      |
| Numerator (trailing four quarters total):        |                      |
| Net income                                       | <b>\$ 325,589</b>    |
|  | <b>\$ 325,589</b>    |
| Denominator (average of trailing four quarters): |                      |
| Total stockholders' equity                       | <b>\$ 458,718</b>    |
|  | <b>\$ 458,718</b>    |
| Return on equity                                 | <b>71.0%</b>         |