

# Non-GAAP Reconciliations

Reconciliation of Reported (GAAP)  
to Adjusted (non-GAAP) Financial Measures<sup>1</sup>  
(Dollar amounts in millions, except per share data)

	2020	2019	2018	2017	2016	2015
<b>Non-GAAP adjustments, Continuing Operations</b>						
Goodwill impairment	\$ 25	\$ -	\$ -	\$ 1	\$ 4	\$ 4
Restructuring-related charges	9	15	16	-	-	-
Note impairment	8	-	16	-	-	-
Stock write-off for prior year divestiture	4	-	-	-	-	-
ECS transaction costs	-	1	7	-	-	-
Gain from sale of real estate	-	-	-	(23)	-	-
Pension settlement charge	-	-	-	15	-	12
Impairment charges	-	-	-	4	-	2
Gain/loss from sale of businesses	-	-	-	3	(27)	-
Benefit from litigation settlement proceeds	-	-	-	-	(7)	-
Litigation accrual	-	-	-	-	-	6
<b>Non-GAAP adjustments, pre-tax</b>	<b>46</b>	<b>16</b>	<b>39</b>	<b>-</b>	<b>(30)</b>	<b>23</b>
Income tax impact	(5)	(2)	(7)	-	12	(9)
Special tax items	-	-	(2)	42	-	-
<b>Non-GAAP adjustments, after tax</b>	<b>\$ 41</b>	<b>\$ 14</b>	<b>\$ 30</b>	<b>\$ 42</b>	<b>\$ (18)</b>	<b>\$ 15</b>
Diluted shares outstanding	135.9	135.4	135.2	137.3	140.0	142.9
<b>EPS impact of non-GAAP adjustments</b>	<b>\$ 0.31</b>	<b>\$ 0.10</b>	<b>\$ 0.22</b>	<b>\$ 0.32</b>	<b>\$ (0.13)</b>	<b>\$ 0.09</b>
<b>Adjusted EBIT, EBITDA, Margin, and EPS</b>						
Trade sales from continuing operations	\$ 4,280	\$ 4,753	\$ 4,270	\$ 3,944	\$ 3,750	\$ 3,917
EBIT (earnings before interest and taxes)	\$ 401	\$ 513	\$ 437	\$ 468	\$ 522	\$ 487
Non-GAAP adjustments, pre-tax and excluding interest <sup>2</sup>	46	16	36	-	(30)	23
Adjusted EBIT	\$ 446	\$ 529	\$ 473	\$ 468	\$ 492	\$ 510
EBIT margin	9.4%	10.8%	10.2%	11.9%	13.9%	12.4%
Adjusted EBIT margin	10.4%	11.1%	11.1%	11.9%	13.1%	13.0%
EBIT	\$ 401	\$ 513	\$ 437	\$ 468	\$ 522	\$ 487
Depreciation	119	118	104	95	87	84
Amortization	70	74	32	31	29	30
EBITDA	590	705	573	594	637	600
Non-GAAP adjustments, pre-tax and excluding interest <sup>2</sup>	46	16	36	-	(30)	23
Adjusted EBITDA	\$ 636	\$ 721	\$ 609	\$ 594	\$ 607	\$ 623
EBITDA margin	13.8%	14.8%	13.4%	15.1%	17.0%	15.3%
Adjusted EBITDA margin	14.9%	15.2%	14.3%	15.1%	16.2%	15.9%
Diluted EPS from continuing operations	\$ 1.82	\$ 2.47	\$ 2.26	\$ 2.14	\$ 2.62	\$ 2.27
EPS impact of non-GAAP adjustments	0.31	0.10	0.22	0.32	(0.13)	0.09
Adjusted EPS from continuing operations	\$ 2.13	\$ 2.57	\$ 2.48	\$ 2.46	\$ 2.49	\$ 2.36

<sup>1</sup> Calculations impacted by rounding.

<sup>2</sup> 2018 excludes \$3 million of financing-related charges for the ECS acquisition included in interest expense.

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to Adjusted (non-GAAP) Financial Measures<sup>1</sup>  
(Dollar amounts in millions, except per share data)

	2020	2019	2018	2017	2016	2015
<b>Dividend Payout Ratio</b>						
Diluted EPS from continuing operations	\$ 1.82	\$ 2.47	\$ 2.26	\$ 2.14	\$ 2.62	\$ 2.27
EPS impact of non-GAAP adjustments	0.31	0.10	0.22	0.32	(0.13)	0.09
Adjusted EPS from continuing operations	\$ 2.13	\$ 2.57	\$ 2.48	\$ 2.46	\$ 2.49	\$ 2.36
Annual dividend per share	\$ 1.60	\$ 1.58	\$ 1.50	\$ 1.42	\$ 1.34	\$ 1.26
Dividend payout % of diluted EPS from cont. ops.	88%	64%	66%	66%	51%	56%
Dividend payout % of adjusted EPS from cont. ops.	75%	61%	60%	58%	54%	53%
<b>Net Debt to Adjusted EBITDA</b>						
Current maturities of long-term debt	\$ 51	\$ 51	\$ 1	\$ 154	\$ 4	\$ 3
Long-term debt	1,849	2,067	1,168	1,098	956	942
Total debt	1,900	2,118	1,169	1,252	960	945
Less: cash and cash equivalents	(349)	(248)	(268)	(526)	(282)	(253)
Net debt	\$ 1,551	\$ 1,870	\$ 901	\$ 726	\$ 678	\$ 692
Adjusted EBITDA	\$ 636	\$ 721	\$ 609	\$ 594	\$ 607	\$ 623
Net debt to adjusted EBITDA	2.4x	2.6x	1.5x	1.2x	1.1x	1.1x
<b>Return on Invested Capital</b>						
EBIT	\$ 401	\$ 513	\$ 437	\$ 468	\$ 522	\$ 487
Non-GAAP adjustments, pre-tax and excluding interest <sup>2</sup>	46	16	36	-	(30)	23
Adjusted EBIT	446	529	473	468	492	510
Less: taxes	(95)	(117)	(98)	(104)	(117)	(141)
NOPAT (net operating profit after tax)	\$ 352	\$ 412	\$ 375	\$ 364	\$ 375	\$ 369
Total debt	\$ 1,900	\$ 2,118	\$ 1,169	\$ 1,252	\$ 960	\$ 945
Operating lease liabilities <sup>3</sup>	165	161	-	-	-	-
Equity	1,390	1,313	1,158	1,191	1,094	1,098
Less: cash and cash equivalents	(349)	(248)	(268)	(526)	(282)	(253)
Invested capital	\$ 3,106	\$ 3,343	\$ 2,059	\$ 1,917	\$ 1,772	\$ 1,790
Average invested capital	\$ 3,225	\$ 2,701	\$ 1,988	\$ 1,844	\$ 1,781	\$ 1,788
ROIC (return on invested capital), adjusted	10.9%	15.3%	18.9%	19.7%	21.1%	20.6%

<sup>1</sup> Calculations impacted by rounding.

<sup>2</sup> 2018 excludes \$3 million of financing-related charges for the ECS acquisition included in interest expense.

<sup>3</sup> New lease accounting rules adopted January 1, 2019. Prior year data is not available.