

NON-GAAP FINANCIAL MEASURES

Return on Invested Capital

We calculate Return on Invested Capital (ROIC) using trailing four quarter results. We define ROIC as Net income adjusted for Interest and other non-operating expenses, net (net of taxes at the effective tax rate), divided by the sum of average Long-term debt, net, average Short-term borrowings and the current portion of long-term debt and average Total stockholders' equity from our financial statements. 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, balance sheet 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 calculation of ROIC at September 30, 2021.

(Unaudited) (in thousands)	September 30,	
	2021	2020
Numerator (trailing four quarters total):		
Net income	\$ 602,189	\$ 325,589
Interest and other non-operating expenses, net	9,923	14,527
Less: taxes on Interest and other non-operating expenses, net at 21.8% and 18.9%, respectively	(2,163)	(2,746)
	<u>\$ 609,949</u>	<u>\$ 337,370</u>
Denominator (average of trailing four quarters):		
Long-term debt, net	\$ 397,511	\$ 456,708
Short-term borrowings and current portion of long-term debt	11,270	12,341
Total stockholders' equity	789,340	458,718
	<u>\$ 1,198,121</u>	<u>\$ 927,767</u>
Return on invested capital	50.9 %	36.4 %