Increasing Financial Flexibility through Debt Restructuring and Increased Revolver

Two steps taken to strengthen financial flexibility

1. **Entered new 5-year, $450M Term Loan A facility**
   - Consortium of lenders; JP Morgan lead bank
   - Terms consistent with existing revolver: LIBOR plus a margin of 1.00% to 2.00%
   - Proceeds used for early repayment of Prudential notes in March 2020 ($189.3M) and general corporate purposes; one-time breakage costs ~$15.9M to be paid in fiscal 2Q

2. **Expanded current revolver by $50M to $850M and extended 1 year, to 2025**

Meaningful benefits

1. **Additional capacity and flexibility**
   - Capacity increase of 30%, from $1B to $1.3B
   - Average life increase by ~1.4 years
   - Lower rates yielding expected savings of ~$2M in the first 12 months and $8M+ over term life; new structure yields incremental ~$3M savings for every 50 bps in higher interest debt offsetting Prudential Notes amortization
   - Reduced amortization by ~$49M over the next 24 months

2. **More favorable covenants (e.g., leverage and definitions)**
   - **4.75x Net Leverage Ratio** in connection with an acquisition for a 12-month period versus prior M&A covenant of 4.0x Gross Leverage; triggered with recent Pixia acquisition (Jan 2020)
   - **4.0x Net Leverage Ratio** versus prior covenant of 3.5x Gross Leverage

Focused on Lowering Net Leverage to Our Target of <3.0x