This presentation contains certain “forward-looking statements” relating to the Company. All statements, other than statements of historical fact included herein, are "forward looking statements." These forward looking statements are often identified by the use of forward-looking terminology such as "preliminary," "intends," "expects," "plans," "anticipates," "believes," "views" or similar expressions and involve known and unknown risks and uncertainties. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks, and uncertainties, and these expectations may prove to be incorrect. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. These uncertainties include, but are not limited to, the risk that additional information may arise during the course of the Company’s ongoing financial statement preparation and closing processes that would require the Company to make additional adjustments or revisions to its estimates or financial statements and other financial data, to identify additional material weaknesses, or to take any other necessary action relating to the Company's accounting practices; the time required to complete the Company's financial statements and other financial data and accounting review; the time required to prepare its periodic reports for filings with the Securities and Exchange Commission; the impact of the Tax Cuts and Jobs Act on the Company's financial statements; any regulatory review of, or litigation relating to, the Company's accounting practices, financial statements and other financial data, periodic reports or other corporate actions; changes in the demand for the Company's O&P products and services; uncertainties relating to the results of operations or recently acquired O&P patient care clinics; the Company's ability to enter into and derive benefits from managed-care contracts; the Company's ability to successfully attract and retain qualified O&P clinicians; federal laws governing the health care industry; uncertainties inherent in investigations and legal proceedings; governmental policies affecting O&P operations; and other risks and uncertainties generally affecting the health care industry. For additional information and risk factors that could affect the Company, see its Form 10-K for the year ended December 31, 2017 as filed with the Securities and Exchange Commission. The information contained in this presentation is made only as of the date hereof, even if subsequently made available by the Company on its website or otherwise.

Note Regarding the Presentation of Non-GAAP Financial Measures: This presentation includes certain “non-GAAP financial measures” as defined in Regulation G under the federal Securities Exchange Act of 1934. Non-GAAP measures include Adjusted EBITDA, Adjusted EBITDA Margin, adjusted earnings per share, leverage ratios, free cash flow. As required under Regulation G, Reconciliations of GAAP and non-GAAP financial results are included in schedules at the Appendix. These schedules reconcile the non-GAAP financial measures included in this presentation to the most direct comparable financial measure under generally-accepted accounting principles in the United States. The non-GAAP measures contained herein are used by the Company’s management to analyze the Company’s business results and are provided for informational and analytical context.
Who We Are:

- Industry leader in orthotics and prosthetics (O&P) services
- $4.1 billion\(^1\) addressable O&P domestic U.S. market
- Pioneered prosthetic devices in 1861
- Focus on custom devices

By The Numbers (2017):

- Net Revenue $1.041 billion
- Adjusted EBITDA\(^2\) $120 million
- 4,600 employees in 900 locations (incl. 800 patient care and satellite locations) across 44 states and D.C.
- Two segments: Patient Care (82% revenue) and Products & Services (18% of revenue)

\(^1\) Source: Hanger Inc. estimates

\(^2\) Adjusted EBITDA is a non GAAP-measure. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.
**Our Values** – Integrity, patient-focused, outcomes, collaboration, innovation – are the heartbeat of a cultural evolution that places our patients at the core of everything we do.

**Our Vision** – To lead the orthotic and prosthetic markets by providing superior patient care, outcomes, services and value.

**Our Purpose** – Empowering Human Potential Together.
Business Mix
Primary Focus on the Provision of Specialty Health Care

2017 Hanger Net Revenue
$1.041 billion

Patient Care
$852.0 million
81.9% revenue

Hanger Net Revenue

Products & Services
$188.8 million
18.1% revenue

2017 Adjusted EBITDA\(^1\)
$119.6 million - 11.5% EBITDA margin

Patient Care
$148.0 million
17.4% margin

Hanger Adjusted EBITDA\(^1\)

G&A expense
($66.9) million

Products & Services
$38.5 million
20.4% margin

\(^1\) Adjusted EBITDA is a non GAAP-measure. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.
The leading provider of orthotic and prosthetic services in the United States

$4.1 billion market for prescription prostheses, orthoses and prefabricated/off-the-shelf orthoses, and related services. Demand drivers are broad across injuries and multiple high prevalence disease etiologies

Competitive differentiation through investment in programs including clinical outcomes, centralized revenue cycle management, patient engagement and supply chain to drive growth

Multi-tier strategy to organically grow share, steadily expand margins and pursue M&A to drive incremental growth opportunities

Premier scalable provider in a large market for specialized healthcare services
Discussion Points

Agenda

1. Our Market
2. Patient Care
3. Products & Services
4. Focused Growth Strategy
5. Financial Performance
Discussion Points

Agenda

Our Market

Patient Care

Products & Services

Focused Growth Strategy

Financial Performance
Orthotics and Prosthetics (O&P)

Over 90% of Hanger’s revenue is related to O&P

Orthotics

✓ Orthotic devices modify the structural and functional characteristics of the neuromuscular and skeletal system
✓ Prescribed for injuries, musculoskeletal, neurological or orthopedic disorders
✓ Hanger Clinic emphasizes fabrications of customized devices

Prosthetics

✓ Prosthetic devices replace a missing limb or portion of a limb
✓ Provided to patients with amputated or congenitally absent limbs to replace the function and appearance of a limb
✓ Prosthetics are customized to meet the unique location and characteristics of the patient and their residual limb
✓ Prostheses have an average useful life ranging 3-5 years
Prosthetics: Large and Growing Addressable Market

Approximately 500,000 People Living with Major Limb Loss in the U.S.

- Approximately 350,000 people with major limb loss utilize a prosthesis
- +90% are lower extremity
- Typically have a 3-5 year replacement cycle (70% recurring revenue)
- Prosthetics total approximately 50% of the prescription O&P market

O&P Market: $4.1 billion
Diverse Disease State Mix Drives Demand

Addressable market currently growing at 1.5 - 2.0% annually

Sources: IMS Health, Hanger Estimates
Note: "Major amputation or limb loss refers to a lower extremity, above or below the knee and upper limb, or combination thereof
Discussion Points

Agenda

- Our Market
- Patient Care
- Products & Services
- Focused Growth Strategy
- Financial Performance
Patient Care Differentiators
Building Sustainable Advantages in a Fragmented Industry

- National network and market leadership
- Driving patient engagement, connectivity and satisfaction
- Unique ability to measure and improve patient outcomes
- Optimizing reimbursement through centralized revenue cycle management
- Enhancing productivity and cost management through an enterprise supply chain

Patient Care¹
- $852.0 million
- 81.9% revenue

Patient Care¹
- $148.0 million
- 17.4% margin

¹ Referenced amounts reflect 2017 actual results.
²Adjusted EBITDA is a non GAAP-measure. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.
Scale as a Competitive Advantage
National Network Brings Hanger Closer to the Community

1,500 Clinicians
- Hanger employs over 20% of the board certified, O&P clinicians in the U.S.
- Competitors are spread out in small local practitioner settings.

Nationwide Network
- Hanger’s broad provider footprint allows for a healthy diversity of payor and referral sources.
- Geographic diversity insulates Hanger from local or market specific challenges.

800 Patient Care Locations
- Hanger is the only O&P provider operating a nationwide network of patient care clinics in 44 states and D.C.

2 million Annual Patient Encounters
- Hanger has the highest volume of O&P patients as compared with any provider.
- Enables Hanger to develop and deliver best practices in O&P care.
O&P Patient Care Clinic Market (by location)  
Approximately 3,400 Clinics

- Hanger currently operates 786 patient care clinics nationally  
  - 677 patient care clinics  
  - 109 satellite locations
- 20% of O&P clinics in the nation
- VA: Next largest at 2%
- Rest of market is comprised of diverse small providers

15 next largest O&P providers ranging from 14 - 26 clinics

Veterans Administration

Rest of market

Hanger Clinic

677
302
79
Programs and initiatives to engage and connect our community, measure and improve patient satisfaction, driving retention and growth

- Clinicians and technicians connect with new amputees in the hospital at the time of their amputation
- Net promoter score measured nationally at a clinic level. Average score = 82
- Implementing a patient portal and consumer engagement platform
Clinical Focus on Patient Outcomes
Implementing Clinical Care Standards andDemonstrating Value

Clinical team and senior leadership
- Chief Clinical Officer and clinical leadership group
- 1,500 certified / licensed clinicians
- 500 technicians and assistants
- Specialists and centers of excellence

Technology & process
- Enterprise-wide electronic health record to digitize clinician documentation and practice administration
- 88% of clinics implemented with remainder by mid-2019

Outcomes, research and education
- Balanced patient mobility scorecard utilizing unparalleled database of patient encounters
- Peer-reviewed research
- Annual education conference
- Hanger sponsors 30% of residency training sites in the U.S. and 40% of active residents

Achieving clinical results for patients, payors and referral sources
Revenue Cycle Management (RCM)
Central Function Drives Lower Disallowed Revenue

- Localized claims process pre-2015
  - Decentralized billing & collections.
  - Industry bills under DMEPOS schedule

- Disallowances peak in 2014
  - Payor documentation requirements and focus on denials increases
  - Disallowed revenue rises to $82 million, or 9.0%, of Patient Care segment revenue

- RCM deployed in 2015
  - Hired Chief Revenue Officer
  - Established centralized RCM function
  - Executed a claims documentation initiative in 2016

Reduced disallowed revenue dollars by 55% from 2014 through 2017

^ Disallowed revenue expressed as a percentage of adjusted gross Patient Care segment revenue.
Enterprise Supply Chain
Opportunities to Leverage Buying Power and Scale

1. Purchasing leverage
   - Patient Care purchases 70% of materials for its own use through its central supply chain
   - Provides scale and purchasing power

2. Manage COM
   - Patient Care segment cost of materials (COM) was 29.6% of revenue in 2017
   - Opportunities exist to achieve further economies of scale

3. Streamline inventory
   - Hanger operates five distribution centers across the U.S.
   - Investments in systems, processes and on-line channels aim to lower supply chain costs

4. Hub and spoke fabrication
   - In addition to laboratories within local clinics, Hanger operates eleven fabrication facilities nationwide
   - Opportunities to streamline production through use of central fabrication facilities

Long-term margin expansion opportunity by leveraging Hanger’s integrated supply chain
Discussion Points

Agenda

- Our Market
- Patient Care
- Products & Services
- Focused Growth Strategy
- Financial Performance
Products and Services
National Scale Supports Profitable Growth

68% of products & services net revenue derived from the distribution of O&P components and related devices through “SPS”

- Provides comprehensive catalog to independent O&P providers nationwide
- A one-stop destination O&P industry destination with 400,000 SKUs across more than 300 manufactures
- Leading dedicated O&P distributor in the industry

Remaining 32% of net revenue from therapeutic solutions “ACP”

- Rehabilitation technologies and clinical programs to skilled nursing facilities (SNFs) and post acute providers
- Facing headwinds due to challenging conditions and the reimbursement environment in SNFs
- Executing strategies that align with the evolving post-acute reimbursement and care environment

![Hanger Net Revenue](image1)

Products & Services¹
$188.8 million
18.1% revenue

![Hanger Adjusted EBITDA²](image2)

Products & Services¹
$38.5 million
20.4% margin

¹ Referenced amounts reflect 2017 actual results.
² Adjusted EBITDA is a non GAAP-measure. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.
Discussion Points

Agenda

Our Market
Patient Care
Products & Services
Focused Growth Strategy
Financial Performance
Growth Strategy
Build a Durable and Scalable Platform

Accomplishments: Stabilize and Invest

- G&A investment – leadership, infrastructure, technology
  - Complete restatement of financials (May 2017)
  - Listed on NYSE (September 2018)
- Operational initiatives
  - Centralized revenue cycle management (RCM)
  - Scale electronic health record (EHR)
  - Outcomes measurement
  - Patient engagement
  - Enterprise supply chain
- Strengthen balance sheet

2015 - 2018
2019 - 2020
2020 - Beyond

Empowering Human Potential
Growth Strategy
Accelerate to Growth

Drive organic revenue growth via market share

✓ Drive to exceed industry growth rate of 1.5 - 2.0%
  ▪ Add clinicians
  ▪ Drive higher throughput and productivity
  ▪ Higher volume through referrals
  ▪ Focus on high-value customized devices

2015 - 2018

2019 - 2020

2020 - Beyond
Growth Strategy
High Return M&A

Select, in-market acquisitions

- Disciplined approach to O&P acquisitions
- Focus on synergistic geographies and specialties
- Attractive valuations
- Full integration into centralized infrastructure offers incremental returns

2015 - 2018
2019 - 2020
2020 - Beyond
Growth Strategy
Achieve Enhanced Scale

Scalable platform

✓ Revenue growth consistently higher than market
✓ High clinician utilization
✓ G&A and supporting infrastructure costs relatively fixed, contributing to gradual margin expansion
✓ Cash flow yield grows

2015 - 2018
2019 - 2020
2020- Beyond
Discussion Points

Agenda

- Our Market
- Patient Care
- Products & Services
- Focused Growth Strategy
- Financial Performance
Historical Performance
Annual and Recent Quarter Net Revenue

- Implemented claims documentation initiatives in 2016 to improve long-term revenue quality
- Revenue growth in both business segments in the second and third quarters of 2018
Historical Performance
Annual and Recent Quarter Adjusted EBITDA

- 2017 Adjusted EBITDA improvement resulted primarily from lower disallowed revenue, personnel expenses and operating expenses in the Patient Care segment
- Products and Services segment declined on lower revenue from therapeutic solutions
- Q3 2018 increase of 5.1% on higher flow through in the Patient Care segment

1 Adjusted EBITDA is a non GAAP-measure. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.

2 All interim periods reflect adoption of ASU 2017-07, Compensation-Retirement Benefits (Topic 715) totaling $0.2 million for each of the three month periods and $0.4 million for each of the six month periods.
Since its re-engineering of processes in 2016, Hanger has re-established consistent same clinic growth.

Q3 2018 same clinic growth was 2.1%, or 0.5% on a day-adjusted basis - the former being more indicative of third quarter same clinic sales.

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1 Same clinic revenue growth per day excludes the effect of change in rate of disallowances for 2013 through 2017. Beginning in 2018, Hanger returned to reporting same clinic revenue growth per day that includes the impact of disallowed revenue, as this measure now better reflects year-year changes.
Payor Mix and Accounts Receivables Trend
Multi-Year Improvements in Working Capital Conversion

Payor Mix, Percentage of Patient Care Net Revenue YTD 2018

- Medicare: 36%
- Medicaid: 16%
- Commercial: 32%
- VA: 7%
- Private Pay: 9%

Accounts Receivable, net (Orange Bars) $ thousands

- Peak in late 2014
- DSO 46 and A/R balance at $146 million

Day Sales Outstanding (Black Line)

Balances on December 31, 2012

- Orange bars: Accounts Receivable, net
- Black line: Day Sales Outstanding

Diverse reimbursement mix combined with improved A/R aging has driven stronger working capital characteristics
Cash Flow, Liquidity and Capital Allocation Priorities
Use Excess Cash Flow to Execute Growth Strategy

**Strong Cash Flow**
- Q3 2018 TTM Free Cash Flow (Adjusted EBITDA\(^1\) - CapEx) of $90.4 million
- TTM Q3 2018 CapEx, including purchase of equipment leased to third parties totaled, $30.2 million
- Estimated future annual CapEx of approximately $30 - 35 million

**Flexible Balance Sheet\(^2\)**
- $155.1 million in liquidity, comprised of:
  - $94.1 million of borrowing capacity under revolving credit facility
  - $61.0 million in cash and cash equivalents
- $521.7 million in indebtedness consisting of $502.5 million Senior Term Loan B and $19.2 million of seller notes and capital leases
- Net debt of $460.7 million
- $344.2 million, or 66%, of debt hedged or otherwise bearing fixed rate
  - Current rate of approximately $33 million in annualized cash interest expense, or 6.3%

**Disciplined Capital Allocation Strategy**
- Re-invest in core systems and operating initiatives to drive sustainable growth
- Deploy excess cash and utilize balance sheet to execute targeted, accretive, in-market acquisitions
- Continued decrease in leverage ratio from current 3.8x\(^1\)
- Beneficial impact of federal income tax reform

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1 Adjusted EBITDA is a non GAAP-measure. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.
2 Amounts stated as of September 30, 2018.
2018 Outlook
Generally Consistent with 2017

Net Revenue and Adjusted EBITDA\textsuperscript{1}

\(\checkmark\) For the full year 2018, Hanger anticipates net revenue and Adjusted EBITDA to be generally consistent with actual 2017 results

Net Income and Adjusted Net Earnings\textsuperscript{1}

\(\checkmark\) Hanger anticipates net income and adjusted net earnings on a total and per share basis, as well as operating cash flow, will be positively impacted by lower interest expense and third party professional fees compared to 2017

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\textsuperscript{1} Adjusted EBITDA and Adjusted Net Earnings are non-GAAP-measures. Please see the Appendix for a reconciliation of GAAP to non-GAAP metrics.
Investment Thesis
Industry Leader With Multiple Strategic Advantages

1. Market Leader
The leading provider of orthotic and prosthetic services in the United States

2. Sizeable Market
$4.1 billion market for prescription prostheses, orthoses and prefabricated/off-the-shelf orthoses, and related services. Demand drivers are broad across injuries and multiple high prevalence disease etiologies

3. Differentiators
Competitive differentiation through investment in programs including clinical outcomes, centralized revenue cycle management, patient engagement and supply chain to drive growth

4. Growth Levers
Multi-tier strategy to organically grow share, steadily expand margins and pursue M&A to drive incremental growth opportunities

Premier scalable provider in a large market for specialized healthcare services
Appendix
Non-GAAP Reconciliations
## Non-GAAP Reconciliations

### Net Income to Adjusted EBITDA 2017-2014

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net loss - as reported (GAAP)</strong></td>
<td>$ (104,671)</td>
<td>$ (106,471)</td>
<td>$ (327,091)</td>
<td>$ (18,966)</td>
</tr>
<tr>
<td><strong>Adjustments to calculate EBITDA:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>39,259</td>
<td>44,887</td>
<td>46,343</td>
<td>38,929</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>57,688</td>
<td>45,199</td>
<td>29,892</td>
<td>28,277</td>
</tr>
<tr>
<td>Extinguishment of debt</td>
<td>-</td>
<td>6,031</td>
<td>7,237</td>
<td>-</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>27,297</td>
<td>(15,910)</td>
<td>(67,614)</td>
<td>2,023</td>
</tr>
<tr>
<td>(Income) loss from discontinued operations, net of income taxes</td>
<td>-</td>
<td>(935)</td>
<td>7,974</td>
<td>15,946</td>
</tr>
<tr>
<td>Specified adjustments - net loss to EBITDA</td>
<td>124,244</td>
<td>79,272</td>
<td>23,832</td>
<td>85,175</td>
</tr>
<tr>
<td><strong>EBITDA (Non-GAAP)</strong></td>
<td>19,573</td>
<td>(27,199)</td>
<td>(303,259)</td>
<td>66,209</td>
</tr>
<tr>
<td><strong>Further adjustments to calculate Adjusted EBITDA:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>54,735</td>
<td>86,164</td>
<td>385,807</td>
<td>223</td>
</tr>
<tr>
<td>Third-party professional fees</td>
<td>32,301</td>
<td>37,244</td>
<td>23,475</td>
<td>37,930</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>12,930</td>
<td>9,763</td>
<td>11,134</td>
<td>9,642</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,245</td>
</tr>
<tr>
<td>Severance expenses associated with reduction in force</td>
<td>64</td>
<td>2,487</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Specified further adjustments - EBITDA to Adjusted EBITDA</td>
<td>100,030</td>
<td>135,658</td>
<td>420,416</td>
<td>49,040</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (Non-GAAP)</strong></td>
<td>$ 119,603</td>
<td>$ 108,459</td>
<td>$ 117,157</td>
<td>$ 115,249</td>
</tr>
</tbody>
</table>
Non-GAAP Reconciliations
Net Income to Segment, Adjusted EBITDA and Adjusted EBITDA Margin as a Percentage of Net Revenue 2017

<table>
<thead>
<tr>
<th>Segment</th>
<th>For the Year Ended December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Patient Care</strong></td>
<td></td>
</tr>
<tr>
<td>Net income (loss) - as reported (GAAP)</td>
<td>90,350</td>
</tr>
<tr>
<td>Adjustments to calculate EBITDA:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>21,363</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>32,068</td>
</tr>
<tr>
<td>Extinguishment of debt</td>
<td>-</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>-</td>
</tr>
<tr>
<td>Specified adjustments - net income (loss) to EBITDA</td>
<td>53,431</td>
</tr>
<tr>
<td><strong>EBITDA (Non-GAAP)</strong></td>
<td>143,781</td>
</tr>
<tr>
<td>Further adjustments to calculate Adjusted EBITDA:</td>
<td></td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>-</td>
</tr>
<tr>
<td>Third-party professional fees</td>
<td>-</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>4,138</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>-</td>
</tr>
<tr>
<td>Severance expenses associated with reduction in force</td>
<td>88</td>
</tr>
<tr>
<td>Specified further adjustments - EBITDA to Adjusted EBITDA</td>
<td>4,226</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (Non-GAAP)</strong></td>
<td>148,007</td>
</tr>
<tr>
<td><strong>Patient Care Segment Adjusted EBITDA Margin (% Net Revenue)</strong></td>
<td>17.4%</td>
</tr>
<tr>
<td><strong>Products &amp; Services</strong></td>
<td></td>
</tr>
<tr>
<td>Net (loss) income - as reported (GAAP)</td>
<td>(40,872)</td>
</tr>
<tr>
<td>Adjustments to calculate EBITDA:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>10,163</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>13,196</td>
</tr>
<tr>
<td>Extinguishment of debt</td>
<td>-</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>-</td>
</tr>
<tr>
<td>Specified adjustments - net income to EBITDA</td>
<td>23,359</td>
</tr>
<tr>
<td><strong>EBITDA (Non-GAAP)</strong></td>
<td>(17,513)</td>
</tr>
<tr>
<td>Further adjustments to calculate Adjusted EBITDA:</td>
<td></td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>54,735</td>
</tr>
<tr>
<td>Third-party professional fees</td>
<td>-</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>1,306</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>-</td>
</tr>
<tr>
<td>Severance expenses associated with reduction in force</td>
<td>(24)</td>
</tr>
<tr>
<td>Specified further adjustments - EBITDA to Adjusted EBITDA</td>
<td>56,017</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (Non-GAAP)</strong></td>
<td>38,504</td>
</tr>
<tr>
<td><strong>Products &amp; Services Segment Adjusted EBITDA Margin (% Net Revenue)</strong></td>
<td>20.4%</td>
</tr>
<tr>
<td><strong>Corporate &amp; Other</strong></td>
<td></td>
</tr>
<tr>
<td>Net loss from continuing operations - as reported (GAAP)</td>
<td>(154,149)</td>
</tr>
<tr>
<td>Adjustments to calculate EBITDA:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>7,733</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>12,424</td>
</tr>
<tr>
<td>Extinguishment of debt</td>
<td>-</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>27,297</td>
</tr>
<tr>
<td>Specified adjustments - net loss from continuing operations to EBITDA</td>
<td>47,454</td>
</tr>
<tr>
<td><strong>EBITDA (Non-GAAP)</strong></td>
<td>(106,695)</td>
</tr>
<tr>
<td>Further adjustments to calculate Adjusted EBITDA:</td>
<td></td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>-</td>
</tr>
<tr>
<td>Third-party professional fees</td>
<td>32,301</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>7,486</td>
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<tr>
<td>Acquisition-related expenses</td>
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<tr>
<td>Severance expenses associated with reduction in force</td>
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</tr>
<tr>
<td>Specified further adjustments - EBITDA to Adjusted EBITDA</td>
<td>39,787</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (Non-GAAP)</strong></td>
<td>(66,908)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA (Non-GAAP)</strong></td>
<td>$119,603</td>
</tr>
</tbody>
</table>
Non-GAAP Reconciliations

Net Income to Adjusted EBITDA Third Quarter and YTD 2018 v. 2017

<table>
<thead>
<tr>
<th></th>
<th>For the Three Months Ended September 30,</th>
<th>For the Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Net income (loss) - as reported (GAAP)</td>
<td>$ 4,369</td>
<td>$ (4,161)</td>
</tr>
<tr>
<td>Adjustments to calculate EBITDA:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>8,950</td>
<td>9,632</td>
</tr>
<tr>
<td>Interest expense, net</td>
<td>8,939</td>
<td>15,097</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Non-service defined benefit plan expense</td>
<td>176</td>
<td>184</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>2,440</td>
<td>(1,580)</td>
</tr>
<tr>
<td>Adjustments - net income (loss) to EBITDA</td>
<td>20,505</td>
<td>23,333</td>
</tr>
<tr>
<td>EBITDA (Non-GAAP)</td>
<td>24,874</td>
<td>19,172</td>
</tr>
<tr>
<td>Further adjustments to calculate Adjusted EBITDA:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third-party professional fees</td>
<td>2,230</td>
<td>6,839</td>
</tr>
<tr>
<td>Equity-based compensation</td>
<td>3,667</td>
<td>3,613</td>
</tr>
<tr>
<td>Disaster recovery / unclaimed property settlement</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Severance expenses</td>
<td>366</td>
<td>—</td>
</tr>
<tr>
<td>Further adjustments - EBITDA to Adjusted EBITDA</td>
<td>6,263</td>
<td>10,452</td>
</tr>
<tr>
<td>Adjusted EBITDA (Non-GAAP)</td>
<td>$ 31,137</td>
<td>$ 29,624</td>
</tr>
</tbody>
</table>
Non-GAAP Reconciliations
Net Income to Adjusted EBITDA TTM September 30, 2018

<table>
<thead>
<tr>
<th>For the Trailing Twelve Months Ended September 30, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
</tr>
<tr>
<td>$</td>
</tr>
</tbody>
</table>

Net income (loss) - as reported (GAAP)

Adjustments to calculate EBITDA:
- Depreciation and amortization 37,217
- Interest expense, net 43,008
- Loss on extinguishment of debt 16,998
- Non-service defined benefit plan expense 711
- Provision (benefit) for income taxes 30,478

Adjustments - net income (loss) to EBITDA 128,413

EBITDA (Non-GAAP) 38,679

Further adjustments to calculate Adjusted EBITDA:
- Impairment of Intangible Assets 54,735
- Third-party professional fees 15,229
- Equity-based compensation 13,810
- Disaster recovery / unclaimed property settlement (2,219)
- Severance expenses 366

Specified further adjustments - EBITDA to Adjusted EBITDA 81,921

Adjusted EBITDA (Non-GAAP) 120,600