

# CADENCE REPORTS THIRD QUARTER 2020

CADENCE DESIGN SYSTEMS, INC.

## CFO COMMENTARY

### Key Takeaways

- Q3 results exceeded our expectations for key financial metrics.
- Raising 2020 revenue outlook by \$53 million.
- Q4 2020 is a 14-week quarter. Revenue outlook for Q4 includes \$45 million for the extra week.

### FY 2020 Outlook

- Revenue: \$2.643 - \$2.663 billion.
- GAAP operating margin: 23% - 24%.
- Non-GAAP operating margin: 34% - 35%.
- GAAP EPS: \$1.97 - \$2.01
- Non-GAAP EPS \$2.68 - \$2.72
- Operating cash flow: \$840 - \$870 million.
- Expect to use approximately 50% of free cash flow to repurchase Cadence shares for the year.

### Q4 2020 Outlook

- Revenue : \$720 - \$740 million.
- GAAP operating margin: 23% - 24%.
- Non-GAAP operating margin: 34% - 35%.
- GAAP EPS: \$0.48 - \$0.52
- Non-GAAP EPS: \$0.72 - \$0.76

### Financial Results Webcast

Our Q3 2020 financial results webcast will begin October 19, 2020 at 2:00 p.m. (Pacific). The webcast may be accessed at [www.cadence.com/cadence/investor\\_relations](http://www.cadence.com/cadence/investor_relations). An archive of the webcast will be available on October 19, 2020 until 5:00 p.m. (Pacific) on December 18, 2020.

### Q3 2020 KEY METRICS

- Revenue \$667 million
- GAAP operating margin 25%
- Non-GAAP operating margin 36%
- GAAP EPS \$0.58
- Non-GAAP EPS \$0.70
- Operating cash flow \$207 million

## Financial Metrics

(In Millions, except per share data)	2016	2017*	2018	2019	2020E*
Revenue	\$1,816	\$1,943	\$2,138	\$2,336	\$2,643 - \$2,663
Revenue growth	7%	7%	10%	9%	13% - 14%
3-year CAGR	8%	7%	8%	9%	~11%
3-year CAGR without 53rd week impact	8%	8%	8%	9%	~10%
<b>GAAP operating expenses</b>	<b>\$ 1,571</b>	<b>\$ 1,619</b>	<b>\$ 1,742</b>	<b>\$ 1,845</b>	<b>~\$2,019</b>
Non-GAAP operating expenses	\$ 1,348	\$ 1,409	\$ 1,491	\$ 1,587	~\$1,738
Non-GAAP operating expense growth		5%	6%	6%	~10%
<b>GAAP operating margin</b>	<b>13%</b>	<b>17%</b>	<b>19%</b>	<b>21%</b>	
<b>Implied GAAP operating margin**</b>					<b>~23.5%</b>
Non-GAAP operating margin	26%	28%	30%	32%	
<b>Implied Non-GAAP operating margin**</b>					<b>~34.5%</b>
<b>GAAP earnings per share</b>	<b>\$0.70</b>	<b>\$0.73</b>	<b>\$1.23</b>	<b>\$3.53</b>	<b>\$1.97 - \$2.01</b>
Non-GAAP earning per share	\$1.21	\$1.40	\$1.87	\$2.20	\$2.68 - \$2.72
Weighted average shares diluted outstanding	291.3	280.2	281.1	280.5	279 - 281
Cash flow from operations	445	471	605	730	\$840 - \$870
Capital expenditures	54	58	62	75	~\$95

\* Fiscal 2014 and 2020 are 53-week years, compared to fiscal 2015-2019, which were 52 week years. 2020 outlook includes approximately \$45 million revenue impact for the extra week. 2014 revenue included approximately \$27 million revenue impact for the extra week.

\*\* At midpoint of guidance.

## Fourth Quarter 2020 Financial Outlook

	Q4 2019A	Q3 2020A	Q4 2020E
Total Revenue (\$ Million)	\$599.6	\$666.6	\$720 - \$740
Q/Q Growth		4%	8% - 11%
Y/Y Growth		15%	20% - 23%
<b>GAAP Operating Margin</b>	<b>18%</b>	<b>25%</b>	<b>23% - 24%</b>
Non-GAAP Operating Margin	31%	36%	34% - 35%
<b>GAAP EPS</b>	<b>\$2.36</b>	<b>\$0.58</b>	<b>\$0.48 - \$0.52</b>
Non-GAAP EPS	\$0.54	\$0.70	\$0.72 - \$0.76
Q/Q Growth		6%	3% - 9%
Y/Y Growth		30%	33% - 41%

## Fiscal Year 2020 Financial Outlook

	FY 2019A	Previous FY 2020E	Current FY 2020E
Recurring Revenue	85% - 90%	85% - 90%	85% - 90%
Total Revenue (\$ Billion)	\$2.336	\$2.585 - \$2.615	\$2.643 - \$2.663
Y/Y Growth	9%	11% - 12%	13% - 14%
Revenue from Beginning Backlog*	~75%	~75%	~75%
<b>GAAP Operating Margin</b>	<b>21.1%</b>	<b>~22%</b>	<b>23% - 24%</b>
Non-GAAP Operating Margin	32.1%	~33%	34% - 35%
<b>GAAP Other Income &amp; Expense (\$ Million)</b>	<b>\$(12.8)</b>	<b>\$(21) - \$(25)</b>	<b>\$(21) - \$(23)</b>
Non-GAAP Other Income & Expense (\$ Million)	\$(14.1)	\$(15) - \$(19)	\$(16) - \$(18)
<b>GAAP Tax Rate</b>	<b>-106%</b>	<b>~6%</b>	<b>~9%</b>
Non-GAAP Tax Rate	16%	16%	16%
Weighted Average Diluted Shares Outstanding (Million)	280.5	279 - 281	279 - 281
<b>GAAP EPS</b>	<b>\$3.53</b>	<b>\$1.84 - \$1.90</b>	<b>\$1.97 - \$2.01</b>
Non-GAAP EPS	\$2.20	\$2.50 - \$2.56	\$2.68 - \$2.72
Y/Y Growth	18%	14% - 16%	22% - 24%
Cash Flow from Operations (\$ Million)	\$730	\$810 - \$840	\$840 - \$870
DSO	47	~45	~45
Capital Expenditures (\$ Million)	\$75	~\$80	~\$95

\*Backlog = Remaining Performance Obligations + IP Access Agreements

**Third Quarter Financial Results****Backlog**

(In Billions)	2018	2019	Q3 2020
Backlog*	\$3.0	\$3.6	\$3.8

\*Backlog = Remaining Performance Obligations + IP Access Agreements

**Revenue**

(In Thousands)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Product and Maintenance	\$548,105	\$564,964	\$581,699	\$601,356	\$630,329
Services	31,498	34,591	36,258	37,062	36,278
Total Revenue	\$579,603	\$599,555	\$617,957	\$638,418	\$666,607

**Revenue Mix by Geography**

(% of Total Revenue)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Americas	44 %	46 %	43 %	44 %	42 %
China	10 %	9 %	13 %	12 %	17 %
Other Asia	21 %	20 %	18 %	19 %	19 %
Europe, Middle East and Africa	18 %	18 %	19 %	18 %	16 %
Japan	7 %	7 %	7 %	7 %	6 %
Total	100 %	100 %	100 %	100 %	100 %

**Revenue Mix by Product Category**

(% of Total Revenue)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Custom IC Design and Simulation	26 %	25 %	25 %	24 %	24 %
Digital IC Design and Signoff	30 %	29 %	29 %	28 %	27 %
Functional Verification	20 %	24 %	23 %	24 %	23 %
IP	15 %	13 %	14 %	14 %	15 %
System Design and Analysis	9 %	9 %	9 %	10 %	11 %
Total	100 %	100 %	100 %	100 %	100 %

**Gross Margin**

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
<b>GAAP Gross Margin</b>	<b>89.5 %</b>	<b>87.8 %</b>	<b>88.0 %</b>	<b>88.2 %</b>	<b>87.7 %</b>
Non-GAAP Gross Margin	91.5 %	89.7 %	89.9 %	90.3 %	89.6 %

**Total Costs and Expenses**

(In Thousands)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
<b>Total GAAP Costs and Expenses</b>	<b>\$458,777</b>	<b>\$490,656</b>	<b>\$478,606</b>	<b>\$486,468</b>	<b>\$497,335</b>
Total Non-GAAP Costs and Expenses	\$395,995	\$415,140	\$418,827	\$414,559	\$427,585

## Operating Margin

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
<b>GAAP Operating Margin</b>	<b>20.8 %</b>	<b>18.2 %</b>	<b>22.6 %</b>	<b>23.8 %</b>	<b>25.4 %</b>
Non-GAAP Operating Margin	31.7 %	30.8 %	32.2 %	35.1 %	35.9 %

## Earnings Per Share

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
<b>GAAP Net Income Per Share</b>	<b>\$0.36</b>	<b>\$2.36</b>	<b>\$0.44</b>	<b>\$0.47</b>	<b>\$0.58</b>
Non-GAAP Net Income Per Share	\$0.54	\$0.54	\$0.60	\$0.66	\$0.70

## Total DSO

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
DSO	43	47	42	45	41

## Balance Sheet and Cash Review

## Cash Flow from Operating Activities

<i>(In Thousands)</i>	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Net Cash from Operating Activities	\$138,530	\$159,296	\$217,719	\$345,124	\$206,557

## Capital Expenditures

<i>(In Thousands)</i>	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Capital Expenditures	\$16,965	\$27,078	\$22,179	\$21,356	\$20,210

## Cash and Cash Equivalents

<i>(In Thousands)</i>	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Cash and Cash Equivalents	\$655,216	\$705,210	\$946,285	\$1,189,186	\$1,306,564

- Approximately 62 percent of our cash and cash equivalents were in the U.S. at quarter-end.

## Stock Repurchase

<i>(In Thousands, Except Share Price)</i>	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Share Repurchase	\$75,011	\$75,017	\$100,022	\$75,014	\$75,011
Number of Shares	1,065	1,122	1,488	920	717
Average Share Price	\$70.43	\$66.86	\$67.22	\$81.54	\$104.62

## Employees

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Headcount	8,016	8,078	8,205	8,375	8,674

## Forward Looking Statements

The statements in this CFO Commentary contain forward-looking statements which are based on current expectations and preliminary assumptions that are subject to factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and other factors, many of which are outside Cadence's control, including, among others: (i) Cadence's ability to compete successfully in the highly competitive industries in which it operates; (ii) the success of Cadence's efforts to maintain and improve operational efficiency and growth; (iii) the mix of products and services sold, the timing of orders and the ability to develop, install or deliver Cadence's products or services; (iv) change in customer demands that could result in delays in purchases, development, installations or deliveries of Cadence's products or services, including those resulting from consolidation, restructurings and other operational efficiency improvements of Cadence's customers; (v) economic and industry conditions, including that of the semiconductor and electronics industries, government regulations and trade restrictions; (vi) capital expenditure requirements, legislative or regulatory requirements, changes in tax laws, interest rates, currency exchange rate fluctuations and Cadence's ability to access capital and debt markets; (vii) the acquisition of other companies or technologies or the failure to successfully integrate and operate them; (viii) events that affect cash flow, liquidity, or reserves, or settlement assumptions Cadence may take from time to time with respect to accounts receivable, taxes and tax examinations, litigation or other matters; (ix) the effects of any litigation or other proceedings to which Cadence is or may become a party; and (x) the duration, severity and effects of the COVID-19 pandemic and containment measures on Cadence, its employees, and its suppliers and customers, which may also have the effect of heightening the other risks described in this paragraph. In addition, the timing and amount of Cadence's repurchase of its common stock under the authorizations will be subject to business and market conditions, corporate and regulatory requirements, stock price, acquisition opportunities and other factors.

For a detailed discussion of these and other cautionary statements related to Cadence's business, please refer to Cadence's filings with the U.S. Securities and Exchange Commission, which include Cadence's most recent reports on Form 10-K and Form 10-Q, including Cadence's future filings.

## GAAP to Non-GAAP Reconciliation

Non-GAAP financial measures should not be considered as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of non-GAAP financial measures contained within this CFO Commentary with their most directly comparable GAAP financial results. Investors are also encouraged to look at the GAAP results as the best measure of financial performance. See our earnings press release issued today for further discussion of our non-GAAP financial measures, as well as the reconciliation provided in the Appendix to this CFO Commentary.

Cadence's management uses non-GAAP net income because it excludes items that are generally not directly related to the performance of the company's core business operations and therefore provides supplemental information to Cadence's management and investors regarding the performance of the business operations, facilitates comparisons to the historical operating results and allows the review of Cadence's business from the same perspective as Cadence's management, including forecasting and budgeting.

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## APPENDIX I

### Reconciliation of GAAP to Non-GAAP Financial Measures (Unaudited)

#### Reconciliation of GAAP Total Expenses to Non-GAAP Total Expenses

<i>(In Thousands)</i>	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
<b>GAAP total costs and expenses</b>	<b>\$458,777</b>	<b>\$490,656</b>	<b>\$478,606</b>	<b>\$486,468</b>	<b>\$497,335</b>
Reconciling items to non-GAAP total costs and expenses					
Amortization of acquired intangibles	(12,799)	(12,660)	(15,066)	(16,074)	(15,885)
Stock-based compensation expense	(48,279)	(46,758)	(46,482)	(46,907)	(45,334)
Non-qualified deferred compensation (expenses) credits	(52)	(1,948)	4,796	(3,618)	(1,779)
Restructuring and other (charges) credits	186	(9,809)	1,067	275	(13)
Acquisition and integration-related costs	(1,838)	(3,466)	(3,970)	(5,315)	(6,739)
Special charges	—	(875)	(124)	(270)	—
Non-GAAP total costs and expenses†	<u>\$395,995</u>	<u>\$415,140</u>	<u>\$418,827</u>	<u>\$414,559</u>	<u>\$427,585</u>

† The non-GAAP measures presented in the table above should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

#### Reconciliation of GAAP Total Expenses to Non-GAAP Total Expenses

<i>(In Millions)</i>	2016	2017	2018	2019	2020E
<b>GAAP total costs and expenses</b>	<b>\$1,571</b>	<b>\$1,619</b>	<b>\$1,742</b>	<b>\$1,845</b>	<b>~\$2,019</b>
Reconciling items to non-GAAP total costs and expenses					
Amortization of acquired intangibles	(60)	(57)	(53)	(53)	~(64)
Stock-based compensation expense	(109)	(130)	(168)	(182)	~(196)
Non-qualified deferred compensation (expenses) credits	(2)	(6)	1	(5)	~(1)
Restructuring and other (charges) credits	(41)	(9)	(11)	(9)	~1
Acquisition and integration-related costs	(11)	(8)	(20)	(8)	~(21)
Special charges	—	—	—	(1)	—
Non-GAAP total costs and expenses†	<u>\$1,348</u>	<u>\$1,409</u>	<u>\$1,491</u>	<u>\$1,587</u>	<u>~\$1,738</u>

† The non-GAAP measures presented in the table above should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

Reconciliation of GAAP Gross Margin as Percent of Total Revenue to Non-GAAP Gross Margin as Percent of Total Revenue

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
<b>GAAP gross margin as percent of total revenue</b>	<b>89.5%</b>	<b>87.8%</b>	<b>88.0%</b>	<b>88.2%</b>	<b>87.7%</b>
Reconciling items to non-GAAP gross margin as a percent of total revenue					
Amortization of acquired intangibles	1.7%	1.6%	1.7%	1.8%	1.7%
Stock-based compensation expense	0.3%	0.3%	0.2%	0.3%	0.2%
Non-qualified deferred compensation expenses (credits)	0.0%	0.0%	0.0%	0.0%	0.0%
Non-GAAP gross margin as percent of total revenue†	<u>91.5%</u>	<u>89.7%</u>	<u>89.9%</u>	<u>90.3%</u>	<u>89.6%</u>

† The non-GAAP measures presented in the table above should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.



## Reconciliation of GAAP Operating Margin as Percent of Total Revenue to Non-GAAP Operating Margin as Percent of Total Revenue

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020E
<b>GAAP operating margin as percent of total revenue</b>	<b>21%</b>	<b>18%</b>	<b>23%</b>	<b>24%</b>	<b>25%</b>	<b>23% - 24%</b>
Reconciling items to non-GAAP operating margin as a percent of total revenue						
Amortization of acquired intangibles	2%	2%	2%	2%	3%	2%
Stock-based compensation expense	9%	8%	7%	7%	7%	8%
Non-qualified deferred compensation expenses (credits)	0%	0%	(1)%	1%	0%	0%
Restructuring and other charges (credits)	0%	2%	0%	0%	0%	0%
Acquisition and integration-related costs	0%	1%	1%	1%	1%	1%
Special charges	0%	0%	0%	0%	0%	0%
Non-GAAP operating margin as percent of total revenue†	<u>32%</u>	<u>31%</u>	<u>32%</u>	<u>35%</u>	<u>36%</u>	<u>34% - 35%</u>

† The non-GAAP measures presented in the table above should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

	2016	2017	2018	2019	2020E
<b>GAAP operating margin as percent of total revenue</b>	<b>13%</b>	<b>17%</b>	<b>19%</b>	<b>21%</b>	<b>23% - 24%</b>
Reconciling items to non-GAAP operating margin as a percent of total revenue					
Amortization of acquired intangibles	4%	3%	2%	2%	3%
Stock-based compensation expense	6%	7%	8%	8%	7%
Non-qualified deferred compensation expenses (credits)	0%	0%	0%	0%	0%
Restructuring and other charges (credits)	2%	1%	0%	1%	0%
Acquisition and integration-related costs	1%	0%	1%	0%	1%
Special charges	0%	0%	0%	0%	0%
Non-GAAP operating margin as percent of total revenue†	<u>26%</u>	<u>28%</u>	<u>30%</u>	<u>32%</u>	<u>34% - 35%</u>

† The non-GAAP measures presented in the table above should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

## Reconciliation of GAAP Diluted Net Income Per Share to Non-GAAP Diluted Net Income Per Share

<i>(In Thousands, Except Per Share Data)</i>	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020E
<b>Diluted net income per share on a GAAP basis</b>	<b>\$0.36</b>	<b>\$2.36</b>	<b>\$0.44</b>	<b>\$0.47</b>	<b>\$0.58</b>	<b>\$0.48 - \$0.52</b>
Amortization of acquired intangibles	0.04	0.05	0.05	0.06	0.06	0.06
Stock-based compensation expense	0.17	0.17	0.17	0.17	0.16	0.21
Non-qualified deferred compensation expenses (credits)	—	0.01	(0.02)	0.01	—	—
Restructuring and other charges (credits)	—	0.03	—	—	—	—
Acquisition and integration-related costs	0.01	0.01	0.02	0.02	0.02	0.02
Special charges	—	—	—	—	—	—
Other income or expense related to investments and non-qualified deferred compensation plan assets *	0.01	—	0.03	(0.01)	—	—
Income tax benefit related to intercompany transfers of certain intellectual property rights	—	(2.06)	—	—	—	—
Income tax effect of non-GAAP adjustments	(0.05)	(0.03)	(0.09)	(0.06)	(0.12)	(0.05)
Diluted net income per share on a non-GAAP basis †	<u>\$0.54</u>	<u>\$0.54</u>	<u>\$0.60</u>	<u>\$0.66</u>	<u>\$0.70</u>	<u>\$0.72 - \$0.76</u>
Shares used in calculation of diluted net income per share - GAAP **	280,666	279,557	279,265	279,080	280,024	
Shares used in calculation of diluted net income per share - non-GAAP **	280,666	279,557	279,265	279,080	280,024	

† The non-GAAP measures presented in the table above should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

\* Includes, as applicable, equity in losses or income from investments, write-down of investments, gains or losses on investments and gains or losses on non-qualified deferred compensation plan assets recorded in other income or expense.

\*\* Shares used in the calculation of GAAP net income per share are expected to be the same as shares used in the calculation of non-GAAP net income per share, except when the company reports a GAAP net loss and non-GAAP net income, or GAAP net income and a non-GAAP net loss.

## Reconciliation of GAAP Diluted Net Income Per Share to Non-GAAP Diluted Net Income Per Share

<i>(In Thousands, Except Per Share Data)</i>	2016	2017	2018	2019	2020E
<b>Diluted net income per share on a GAAP basis</b>	<b>\$0.70</b>	<b>\$0.73</b>	<b>\$1.23</b>	<b>\$3.53</b>	<b>\$1.97 - \$2.01</b>
Amortization of acquired intangibles	0.21	0.20	0.19	0.19	0.23
Stock-based compensation expense	0.37	0.46	0.60	0.65	0.70
Non-qualified deferred compensation expenses (credits)	0.01	0.02	(0.01)	0.02	—
Restructuring and other charges (credits)	0.14	0.03	0.04	0.03	—
Acquisition and integration-related costs	0.04	0.03	0.07	0.03	0.08
Special charges	—	—	—	—	—
Other income or expense related to investments and non-qualified deferred compensation plan assets *	(0.02)	(0.05)	—	(0.01)	0.02
Income tax benefit related to intercompany transfers of certain intellectual property rights	—	—	—	(2.05)	—
Income tax related to transition tax	—	0.24	—	—	—
Income tax related to tax rate change	—	0.09	—	—	—
Income tax effect of non-GAAP adjustments	(0.24)	(0.35)	(0.25)	(0.19)	(0.32)
Diluted net income per share on a non-GAAP basis †	<u>\$1.21</u>	<u>\$1.40</u>	<u>\$1.87</u>	<u>\$2.20</u>	<u>\$2.68 - \$2.72</u>
Shares used in calculation of diluted net income per share - GAAP **	291,256	280,221	281,144	280,515	279 - 281M
Shares used in calculation of diluted net income per share - non-GAAP **	291,256	280,221	281,144	280,515	279 - 281M

† The non-GAAP measures presented in the table above should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

\* Includes, as applicable, equity in losses or income from investments, write-down of investments, gains or losses on investments and gains or losses on non-qualified deferred compensation plan assets recorded in other income or expense.

\*\* Shares used in the calculation of GAAP net income per share are expected to be the same as shares used in the calculation of non-GAAP net income per share, except when the company reports a GAAP net loss and non-GAAP net income, or GAAP net income and a non-GAAP net loss.

## Reconciliation of GAAP Total Other Income and Expense to Non-GAAP Total Other Income and Expense

(In Millions)	FY 2018	FY 2019	FY 2020E
<b>GAAP total other income and expense</b>	<b>\$(19.8)</b>	<b>\$(12.8)</b>	<b>\$(21) - \$(23)</b>
Reconciling items to non-GAAP total income and expense			
Other income or expense related to investments and non-qualified deferred compensation plan assets*	(1.3)	(1.3)	5
Non-GAAP total other income and expense†	<u><u>\$(21.1)</u></u>	<u><u>\$(14.1)</u></u>	<u><u>\$(16) - \$(18)</u></u>

† The non-GAAP measures presented in the table above should not be considered a substitute for financial results and measures determined or calculated in accordance with GAAP.

\* Includes, as applicable, equity in losses or income from investments, write-down of investments, gains or losses on investments and gains or losses on non-qualified deferred compensation plan assets recorded in other income or expense.