First-Quarter 2022 Earnings Conference Call

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Earnings Reconciliation

($ in thousands, except per share data)

Three months ended April 2, 2022

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Other[1]	Non-GAAP measure
Sales	$ 9,074,125	$ —	$ —	$ —	$ 9,074,125
Gross Profit	1,207,504	—	—	—	1,207,504
Operating income	510,376	9,018	4,898	—	524,292
Income before income taxes	478,356	9,018	4,898	(2,011)	490,261
Provision for income taxes	112,360	2,310	1,205	(486)	115,389
Consolidated net income	365,996	6,708	3,693	(1,525)	374,872
Noncontrolling interests	1,247	140	—	—	1,387
Net income attributable to shareholders	$ 364,749	$ 6,568	$ 3,693	$ (1,525)	$ 373,485
Net income per diluted share[2]	$ 5.31	$ 0.10	$ 0.05	$ (0.02)	$ 5.43
Effective tax rate	23.5 %				23.5 %

Three months ended April 3, 2021

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Other[1]	Non-GAAP measure
Sales	$ 8,385,919	$ —	$ —	$ —	$ 8,385,919
Gross Profit	930,110	—	—	—	930,110
Operating income	299,503	9,326	5,709	—	314,538
Income before income taxes	268,254	9,326	5,709	(2,793)	280,496
Provision for income taxes	61,026	2,385	1,166	(672)	63,905
Consolidated net income	207,228	6,941	4,543	(2,121)	216,591
Noncontrolling interests	907	150	—	—	1,057
Net income attributable to shareholders	$ 206,321	$ 6,791	$ 4,543	$ (2,121)	$ 215,534
Net income per diluted share[2]	$ 2.72	$ 0.09	$ 0.06	$ (0.03)	$ 2.84
Effective tax rate	22.7 %				22.8 %

Three months ended December 31, 2021

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Other[1]	Non-GAAP measure
Sales	$ 9,016,077	$ —	$ —	$ —	$ 9,016,077
Gross Profit	1,196,378	—	—	—	1,196,378
Operating income	511,932	9,086	3,754	—	524,772
Income before income taxes	479,326	9,086	3,754	(2,046)	490,120
Provision for income taxes	107,838	2,337	854	(492)	110,537
Consolidated net income	371,488	6,749	2,900	(1,554)	379,583
Noncontrolling interests	280	143	—	—	423
Net income attributable to shareholders	$ 371,208	$ 6,606	$ 2,900	$ (1,554)	$ 379,160
Net income per diluted share[2]	$ 5.26	$ 0.09	$ 0.04	$ (0.02)	$ 5.37
Effective tax rate	22.5 %				22.6 %

(1) Other includes gain on investments, net.

(2) The sum of the components for non-GAAP diluted EPS may not agree to totals, as presented, due to rounding.

Return on Working Capital Reconciliation

($ in thousands)

	QUARTER ENDED	
	April 2, 2022	April 3, 2021
Numerator:	(unaudited)	(unaudited)
Consolidated operating income, as reported	$ 510,376	$ 299,503
	x4	x4
Annualized after-tax consolidated operating income, as adjusted	$ 2,041,504	$ 1,198,012
Non-GAAP consolidated operating income	$ 524,292	$ 314,538
	x4	x4
Annualized non-GAAP consolidated operating income	$2,097,168	$ 1,258,152
Denominator:		
Accounts receivable, net	10,621,942	8,503,010
Inventories	4,645,116	3,275,389
Less: Accounts payable	9,110,391	7,045,759
Working capital	6,156,667	4,732,640
Return on working capital	33.2 %	25.3 %
Return on working capital (non-GAAP)	34.1 %	26.6 %

Return on Invested Capital Reconciliation

($ in thousands)

	QUARTER ENDED	
	April 2, 2022	April 3, 2021
Numerator:	(unaudited)	(unaudited)
Consolidated operating income, as reported	$ 510,376	$ 299,503
Equity in earnings of affiliated companies(1)	843	844
Less: Noncontrolling interests (1)	1,247	907
Consolidated operating income, as adjusted	509,972	299,440
Less: Tax effect(2)	120,083	68,311
After-tax consolidated operating income, as adjusted	389,889	231,129
	x4	x4
Annualized after-tax consolidated operating income, as adjusted	$ 1,559,556	$ 924,516
Non-GAAP consolidated operating income	$ 524,292	$ 314,538
Equity in earnings of affiliated companies(1)	843	844
Less: Noncontrolling interests (1)	1,247	907
Non-GAAP consolidated operating income, as adjusted	523,888	314,475
Less: Tax effect(3)	123,584	71,859
After-tax non-GAAP consolidated operating income, as adjusted	400,304	242,616
	x4	x4
Annualized after-tax non-GAAP consolidated operating income, as adjusted	$ 1,601,216	$ 970,464
Denominator:		
Average short-term borrowings, including current portion of long-term debt(4)	$ 350,009	$ 259,980
Average long-term debt(4)	2,517,631	2,000,894
Average total equity(4)	5,384,865	5,181,700
Less: Average cash and cash equivalents	232,493	300,658
Invested capital	$ 8,020,012	$ 7,141,916
Return on invested capital	19.4 %	12.9 %
Return on invested capital (non-GAAP)	20.0 %	13.6 %

(1) Operating income, as reported, and non-GAAP operating income is adjusted for noncontrolling interest and equity in losses of affiliated companies to include the pro-rata ownership of non-wholly owned subsidiaries.

(2) The tax effect is calculated by applying the effective tax rate for the three months ended April 2, 2022 and April 3, 2021 to consolidated operating income, as adjusted less interest expense.

(3) The tax effect is calculated by applying the non-GAAP effective tax rate for the three months ended April 2, 2022 and April 3, 2021 to non-GAAP consolidated operating income, as adjusted less interest expense.

(4) The quarter ended average is based on the addition of the account balance at the end of the most recently-ended quarter to the account balance at the end of the prior quarter and dividing by two.