Second-Quarter 2022 Earnings Conference Call

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Earnings Reconciliation

($ in thousands, except per share data)

Three months ended July 2, 2022

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Other[1]	Non-GAAP measure
Sales	$ 9,460,842	$ —	$ —	$ —	$ 9,460,842
Gross Profit	1,236,214	—	—	—	1,236,214
Operating income	532,828	8,830	2,494	—	544,152
Income before income taxes	485,908	8,830	2,494	9,744	506,976
Provision for income taxes	114,413	2,263	362	2,356	119,394
Consolidated net income	371,495	6,567	2,132	7,388	387,582
Noncontrolling interests	1,161	133	—	—	1,294
Net income attributable to shareholders	$ 370,334	$ 6,434	$ 2,132	$ 7,388	$ 386,288
Net income per diluted share[3]	$ 5.54	$ 0.10	$ 0.03	$ 0.11	$ 5.78
Effective tax rate	23.5 %				23.6 %

Three months ended July 3, 2021

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges[4]	Other[2]	Non-GAAP measure
Sales	$ 8,562,631	$ —	$ —	$ —	$ 8,562,631
Gross Profit	1,000,105	—	—	—	1,000,105
Operating income	340,522	9,316	8,960	—	358,798
Income before income taxes	315,315	9,316	8,960	(6,545)	327,046
Provision for income taxes	74,113	2,382	2,088	(1,575)	77,008
Consolidated net income	241,202	6,934	6,872	(4,970)	250,038
Noncontrolling interests	561	150	—	—	711
Net income attributable to shareholders	$ 240,641	$ 6,784	$ 6,872	$ (4,970)	$ 249,327
Net income per diluted share[3]	$ 3.23	$ 0.09	$ 0.09	$ (0.07)	$ 3.34
Effective tax rate	23.5 %				23.5 %

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[3]	$ 5.31	$ 0.10	$ 0.05	$ (0.02)	$ 5.43
Effective tax rate	23.5 %				23.5 %

(1) Other includes (gain) loss on investments, net.

(2) Other includes gain on investments, net and pension settlement loss.

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

(4) Restructuring & Integration charges include impairment related to various long-lived assets.

Return on Working Capital Reconciliation

($ in thousands)

	QUARTER ENDED	
	July 2, 2022	July 3, 2021
Numerator:	(unaudited)	(unaudited)
Consolidated operating income, as reported	$ 532,828	$ 340,522
	x4	x4
Annualized after-tax consolidated operating income, as adjusted	$ 2,131,312	$ 1,362,088
Non-GAAP consolidated operating income	$ 544,152	$ 358,798
	x4	x4
Annualized non-GAAP consolidated operating income	$ 2,176,608	$ 1,435,192
Denominator:		
Accounts receivable, net	10,851,466	8,846,715
Inventories	4,886,562	3,636,082
Less: Accounts payable	9,162,534	7,625,844
Working capital	6,575,494	4,856,953
Return on working capital	32.4 %	28.0 %
Return on working capital (non-GAAP)	33.1 %	29.5 %

Return on Invested Capital Reconciliation

($ in thousands)

	QUARTER ENDED			
	July 2, 2022		July 3, 2021	
Numerator:	(unaudited)		(unaudited)	
Consolidated operating income, as reported	$	532,828	$	340,522
Equity in earnings of affiliated companies[1]		2,165		190
Less: Noncontrolling interests [1]		1,161		561
Consolidated operating income, as adjusted		533,832		340,151
Less: Tax effect[2]		125,948		80,081
After-tax consolidated operating income, as adjusted		407,884		260,070
		x4		x4
Annualized after-tax consolidated operating income, as adjusted	$	1,631,536	$	1,040,280
Non-GAAP consolidated operating income	$	544,152	$	358,798
Equity in earnings of affiliated companies[1]		2,165		190
Less: Noncontrolling interests [1]		1,294		561
Non-GAAP consolidated operating income, as adjusted		545,023		358,427
Less: Tax effect[3]		128,678		84,514
After-tax non-GAAP consolidated operating income, as adjusted		416,345		273,913
		x4		x4
Annualized after-tax non-GAAP consolidated operating income, as adjusted	$	1,665,380	$	1,095,652
Denominator:				
Average short-term borrowings, including current portion of long-term debt[4]	$	471,724	$	359,157
Average long-term debt[4]		2,823,654		1,894,121
Average total equity[4]		5,413,583		5,219,454
Less: Average cash and cash equivalents		234,193		235,886
Invested capital	$	8,474,768	$	7,236,846
Return on invested capital		19.3 %		14.4 %
Return on invested capital (non-GAAP)		19.7 %		15.1 %

(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 July 2, 2022 and July 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 July 2, 2022 and July 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.