Fourth-Quarter 2022 Earnings Conference Call

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First-Quarter 2023 GAAP to non-GAAP Outlook Reconciliation

($ in billions, except per share data)

NON-GAAP SALES RECONCILIATION

	Quarter Ended			Quarter Ended		
	April 1, 2023	April 2, 2022	% Change	April 1, 2023	December 31, 2022	% Change
Global components sales, GAAP	$6.55 - 6.85	$ 7.20	(9)% - (5)%	$6.55 - 6.85	$ 6.83	(4%) - 0%
Impact of changes in foreign currencies	—	(0.13)		—	0.13	
Global components sales, constant currency	$6.55 - 6.85	$ 7.07	(7)% - (3)%	$6.55 - 6.85	$ 6.96	(6)% - (2)%
Global ECS sales, GAAP	$1.78 - 2.08	$ 1.88	(5%) - 11%	$1.78 - 2.08	$ 2.50	(29)% - (17)%
Impact of changes in foreign currencies	—	(0.05)		—	0.05	
Global ECS sales, constant currency	$1.78 - 2.08	$ 1.83	(3%) - 14%	$1.78 - 2.08	$ 2.55	(30)% - (18)%

NON-GAAP EARNINGS RECONCILIATION

	REPORTED GAAP MEASURE	INTANGIBLE AMORTIZATION EXPENSE	RESTRUCTURING & INTEGRATION CHARGES	NON-GAAP MEASURE
Net income per diluted share	$4.24 to $4.44	$0.10	$0.06	$4.40 to $4.60

Earnings Reconciliation

($ in thousands, except per share data)

Three months ended December 31, 2022

	REPORTED GAAP MEASURE	INTANGIBLE AMORTIZATION EXPENSE	RESTRUCTURING & INTEGRATION CHARGES	OTHER[1]	NON-GAAP MEASURE
Operating income	$ 522,596	$ 8,170	$ 2,714	$ —	$ 533,480
Income before income taxes	470,780	8,170	2,714	(8,356)	473,308
Provision for income taxes	116,719	2,056	472	(2,003)	117,244
Consolidated net income	354,061	6,114	2,242	(6,353)	356,064
Noncontrolling interests	4,659	127	—	—	4,786
Net income attributable to shareholders	$ 349,402	$ 5,987	$ 2,242	$ (6,353)	$ 351,278
Net income per diluted share[2]	$ 5.66	$ 0.10	$ 0.04	$ (0.10)	$ 5.69
Effective tax rate[3]	24.8 %				24.8 %

Three months ended December 31, 2021

	REPORTED GAAP MEASURE	INTANGIBLE AMORTIZATION EXPENSE	RESTRUCTURING & INTEGRATION CHARGES[2]	OTHER[1]	NON-GAAP MEASURE
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[3]	22.5 %				22.6 %

Three months ended October 1, 2022

	REPORTED GAAP MEASURE	INTANGIBLE AMORTIZATION EXPENSE	RESTRUCTURING & INTEGRATION CREDITS	OTHER[1]	NON-GAAP MEASURE
Operating income	$ 502,694	$ 8,674	$ 3,635	$ —	$ 515,003
Income before income taxes	449,106	8,674	3,635	3,480	464,895
Provision for income taxes	105,500	2,219	892	841	109,452
Consolidated net income	343,606	6,455	2,743	2,639	355,443
Noncontrolling interests	1,207	125	—	—	1,332
Net income attributable to shareholders	$ 342,399	$ 6,330	$ 2,743	$ 2,639	$ 354,111
Net income per diluted share[2]	$ 5.27	$ 0.10	$ 0.04	$ 0.04	$ 5.45
Effective tax rate[3]	23.5 %				23.5 %

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

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

(3) The items as shown in this table, represent the reconciling items for the tax rate as reported by GAAP measure and as a non-GAAP measure.

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Return on Working Capital Reconciliation

($ in thousands)

	QUARTER ENDED		YEAR ENDED	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Numerator:	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Consolidated operating income, as reported	$ 522,596	$ 511,932	$ 2,068,494	$ 1,556,822
	x4	x4	x1	x1
Annualized consolidated operating income	$ 2,090,384	$ 2,047,728	$ 2,068,494	$ 1,556,822
Non-GAAP consolidated operating income	$ 533,480	$ 524,772	$ 2,116,927	$ 1,609,145
	x4	x4	x1	x1
Annualized non-GAAP consolidated operating income	$ 2,133,920	$ 2,099,088	$ 2,116,927	$ 1,609,145
Denominator:				
Accounts receivable, net[1]	12,322,717	11,123,946	11,227,736	9,401,688
Inventories[1]	5,319,369	4,201,965	4,827,278	3,647,146
Less: Accounts payable[1]	10,460,419	9,617,084	9,578,175	8,046,357
Working capital	7,181,667	5,708,827	6,476,839	5,002,477
Return on working capital	29.1 %	35.9 %	31.9 %	31.1 %
Return on working capital (non-GAAP)	29.7 %	36.8 %	32.7 %	32.2 %

(1) The year ended balance is an average balance based on the addition of the account balance at the end of the five most recently-ended quarters and dividing by five.

Return on Invested Capital Reconciliation

($ in thousands)

	QUARTER ENDED		YEAR ENDED	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Numerator:	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Consolidated operating income, as reported	$ 522,596	$ 511,932	$ 2,068,494	$ 1,556,822
Equity in earnings of affiliated companies(1)	2,938	1,323	7,664	3,508
Less: Noncontrolling interests (1)	4,659	280	8,274	2,271
Consolidated operating income, as adjusted	520,875	512,975	2,067,884	1,558,059
Less: Tax effect(2)	130,298	115,472	494,690	354,044
After-tax consolidated operating income, as adjusted	390,577	397,503	1,573,194	1,204,015
	x4	x4	x1	x1
Annualized after-tax consolidated operating income, as adjusted	$ 1,562,308	$ 1,590,012	$ 1,573,194	$ 1,204,015
Non-GAAP consolidated operating income	$ 533,480	$ 524,772	$ 2,116,927	$ 1,609,145
Equity in earnings of affiliated companies(1)	2,938	1,323	7,664	3,508
Less: Noncontrolling interests (1)	4,786	280	8,799	2,271
Non-GAAP consolidated operating income, as adjusted	531,632	525,815	2,115,792	1,610,382
Less: Tax Effect(3)	132,895	118,667	506,497	366,746
After-tax non-GAAP consolidated operating income, as adjusted	398,737	407,148	1,609,295	1,243,636
	x4	x4	x1	x1
Annualized after-tax non-GAAP consolidated operating income, as adjusted	$ 1,594,948	$ 1,628,592	$ 1,609,295	$ 1,243,636
Denominator:				
Average short-term borrowings, including current portion of long-term debt(4)	$ 597,202	$ 368,267	$ 504,094	$ 322,696
Average long-term debt(4)	3,184,995	2,142,102	2,852,348	2,034,077
Average total equity(4)	5,457,020	5,289,237	5,416,410	5,233,267
Less: Average cash and cash equivalents	255,450	219,063	240,296	256,702
Invested capital	$ 8,983,767	$ 7,580,543	$ 8,532,556	$ 7,333,338
Return on invested capital	17.4 %	21.0 %	18.4 %	16.4 %
Return on invested capital (non-GAAP)	17.8 %	21.5 %	18.9 %	17.0 %

(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 and year ended December 31, 2022 and 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 and year ended December 31, 2022 and 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. The year ended average is based on the addition of the account balance at the end of the five most recently-ended quarters and dividing by five.