Second-Quarter 2023 Earnings Conference Call

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Third-Quarter 2023 GAAP to non-GAAP Outlook Reconciliation

($ in billions, except per share data)

NON-GAAP SALES RECONCILIATION

	Quarter Ended			Quarter Ended		
	September 30, 2023	October 1, 2022	% Change	September 30, 2023	July 1, 2023	% Change
Global components sales, GAAP	$6.00-6.40	$ 7.30	(18%) - (12%)	$6.00-6.40	$ 6.68	(10%) - (4%)
Impact of changes in foreign currencies	—	0.14		—	0.03	
Global components sales, constant currency	$6.00-6.40	$ 7.44	(19%) - (14%)	$6.00-6.40	$ 6.71	(11%) - (5%)
Global ECS sales, GAAP	$1.78-1.98	$ 1.97	(10%) - 1%	$1.78-1.98	$ 1.83	(3%) - 8%
Impact of changes in foreign currencies	—	0.07		—	0.02	
Global ECS sales, constant currency	$1.78-1.98	$ 2.04	(13%) - (3%)	$1.78-1.98	$ 1.85	(4%) - 7%

NON-GAAP EARNINGS RECONCILIATION

	REPORTED GAAP MEASURE	INTANGIBLE AMORTIZATION EXPENSE	RESTRUCTURING & INTEGRATION CHARGES	NON-GAAP MEASURE
Net income per diluted share	$3.25 to $3.45	$0.10	$0.05	$3.40 to $3.60

Earnings Reconciliation

($ in thousands, except per share data)

Three months ended July 1, 2023

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Non-recurring tax items	Other[1]	Non-GAAP measure
Operating income	$ 392,250	$ 7,908	$ 10,333	$ —	$ —	$ 410,491
Income before income taxes	310,171	7,908	10,333	—	(497)	327,915
Provision for income taxes	72,380	1,992	2,597	(942)	(119)	75,908
Consolidated net income	237,791	5,916	7,736	942	(378)	252,007
Noncontrolling interests	1,232	136	—	—	—	1,368
Net income attributable to shareholders	$ 236,559	$ 5,780	$ 7,736	$ 942	$ (378)	$ 250,639
Net income per diluted share[2]	$ 4.12	$ 0.10	$ 0.13	$ 0.02	$ (0.01)	$ 4.37
Effective tax rate [3]	23.3 %					23.1 %

Three months ended July 2, 2022

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Non-recurring tax items	Other[1]	Non-GAAP measure
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[2]	$ 5.54	$ 0.10	$ 0.03	$ —	$ 0.11	$ 5.78
Effective tax rate [3]	23.5 %					23.6 %

Three months ended April 1, 2023

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Non-recurring tax items	Other[1]	Non-GAAP measure
Operating income	$ 422,152	$ 7,980	$ 2,560	$ —	$ —	$ 432,692
Income before income taxes	351,872	7,980	2,560	—	(10,311)	352,101
Provision for income taxes	76,547	2,010	720	—	(2,471)	76,806
Consolidated net income	275,325	5,970	1,840	—	(7,840)	275,295
Noncontrolling interests	1,575	134	—	—	—	1,709
Net income attributable to shareholders	$ 273,750	$ 5,836	$ 1,840	$ —	$ (7,840)	$ 273,586
Net income per diluted share[2]	$ 4.60	$ 0.10	$ 0.03	$ —	$ (0.13)	$ 4.60
Effective tax rate [3]	21.8 %					21.8 %

(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.

Return on Working Capital Reconciliation

($ in thousands)

	QUARTER ENDED	
	July 1, 2023	July 2, 2022
Numerator:	(unaudited)	(unaudited)
Consolidated operating income, as reported	$ 392,250	$ 532,828
	x4	x4
Annualized consolidated operating income	$ 1,569,000	$ 2,131,312
Non-GAAP consolidated operating income	$ 410,491	$ 544,152
	x4	x4
Annualized non-GAAP consolidated operating income	$ 1,641,964	$ 2,176,608
Denominator:		
Accounts receivable, net	11,035,898	10,851,466
Inventories	5,452,198	4,886,562
Less: Accounts payable	8,981,212	9,162,534
Working capital	7,506,884	6,575,494
Return on working capital	20.9 %	32.4 %
Return on working capital (non-GAAP)	21.9 %	33.1 %

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Return on Invested Capital Reconciliation

($ in thousands)

	QUARTER ENDED	
	July 1, 2023	July 2, 2022
Numerator:	(unaudited)	(unaudited)
Consolidated operating income, as reported	$ 392,250	$ 532,828
Equity in earnings of affiliated companies(1)	3,061	2,165
Less: Noncontrolling interests (1)	1,232	1,161
Consolidated operating income, as adjusted	394,079	533,832
Less: Tax effect(2)	92,218	125,948
After-tax consolidated operating income, as adjusted	301,861	407,884
	x4	x4
Annualized after-tax consolidated operating income, as adjusted	$ 1,207,444	$ 1,631,536
Non-GAAP consolidated operating income	$ 410,491	$ 544,152
Equity in earnings of affiliated companies(1)	3,061	2,165
Less: Noncontrolling interests (1)	1,368	1,294
Non-GAAP consolidated operating income, as adjusted	412,184	545,023
Less: Tax effect(3)	95,690	128,678
After-tax non-GAAP consolidated operating income, as adjusted	316,494	416,345
	x4	x4
Annualized after-tax non-GAAP consolidated operating income, as adjusted	$ 1,265,976	$ 1,665,380
Denominator:		
Average short-term borrowings, including current portion of long-term debt(4)	$ 316,216	$ 471,724
Average long-term debt(4)	3,695,942	2,823,654
Average total equity(4)	5,627,327	5,413,583
Less: Average cash and cash equivalents(4)	222,968	234,193
Invested capital	$ 9,416,517	$ 8,474,768
Return on invested capital	12.8 %	19.3 %
Return on invested capital (non-GAAP)	13.4 %	19.7 %

(1) Operating income, as reported, and non-GAAP operating income is adjusted for noncontrolling interest and equity in earnings 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 1, 2023 and July 2, 2022 to consolidated operating income, as adjusted. The tax rate is adjusted to exclude the impacts of interest expense, gain on investments, net, and employee benefit plan expense, net.

(3) The tax effect is calculated by applying the non-GAAP effective tax rate for the three months ended July 1, 2023 and July 2, 2022 to non-GAAP consolidated operating income, as adjusted. The tax rate is adjusted to exclude the impacts of interest expense and employee benefit plan expense, net.

(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.