Arrow Electronics

Investor Presentation

May 2024

ARW
LISTED
NYSE



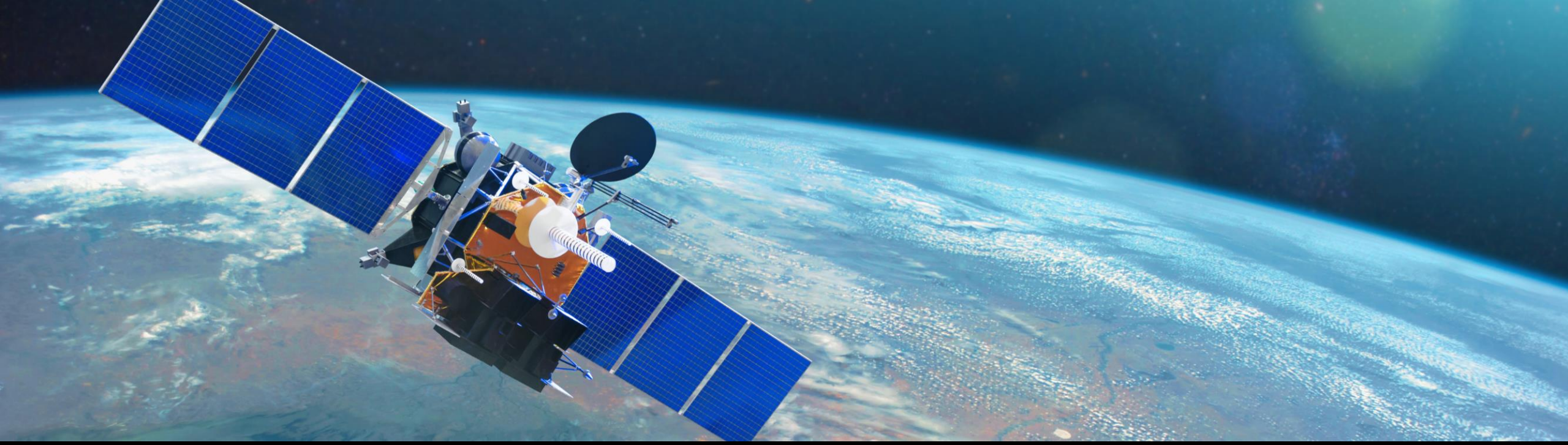
Safe harbor

This presentation includes “forward-looking” statements, as the term is defined under the federal securities laws, including but not limited to statements regarding: Arrow’s future financial performance, including its outlook on financial results for the second quarter of fiscal 2024 such as sales, net income per diluted share, non-GAAP net income per diluted share, average tax rate, average diluted shares outstanding, interest and other expense, impact to sales due to changes in foreign currencies, intangible amortization expense per diluted share, restructuring and integration charges per diluted share, and expectations regarding market demand and shareholder returns. These and other forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which could cause actual results or facts to differ materially from such statements for a variety of reasons, including, but not limited to: unfavorable economic conditions; disruptions or inefficiencies in the supply chain; political instability; impacts of military conflict and sanctions; industry conditions; changes in product supply, pricing and customer demand; competition; other vagaries in the global components and the global enterprise computing solutions (“ECS”) markets; deteriorating economic conditions, including economic recession, inflation, tax rates, foreign currency exchange rates, or the availability of capital; the effects of natural or man-made catastrophic events; changes in relationships with key suppliers; increased profit margin pressure; changes in legal and regulatory matters; non-compliance with certain regulations, such as export, antitrust, and anti-corruption laws; foreign tax and other loss contingencies; breaches of security or privacy of business information; outbreaks, epidemics, pandemics, or public health crises; and the company's ability to generate positive cash flow. For a further discussion of these and other factors that could cause the company's future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in the company's most recent Annual Report on Form 10-K, as well as in other filings the company makes with the Securities and Exchange Commission. Shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update publicly or revise any of the forward-looking statements.

In addition, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. See "Certain Non-GAAP Financial Information" for more information and a reconciliation between GAAP and non-GAAP measures provided in this presentation.

Agenda

1. Overview
2. Business detail – global components
3. Business detail – global enterprise computing solutions
4. Financials
5. Additional information and financial tables



Overview

Our noble purpose

We enable technology solutions that make a positive difference in people's lives; we guide the power of innovation to make the world better.



Our history

1935



Arrow Radio opens on Radio Row in New York City

1946



Incorporated as Arrow Electronics

1961



Arrow goes public

1979



Listed on NYSE (ARW)

1986



50+ acquisitions and expansion into Europe and Asia

2005



Arrow expands computer products business beyond North America

2011



Arrow moves HQ from New York to Colorado

2024



Arrow tops category in FORTUNE's "World's Most Admired Companies" list for 11 consecutive years

Executive leadership & core values

Ethical
We believe in and behave with integrity and respect at all times, when everyone is watching and when no one is watching.

Open-Minded and Courageous
We believe in and behave with well-intended curiosity, welcoming diverse ways of thinking and working, expanding our mind- and behavior sets, when venturing and when persevering.

Results-Oriented and Accountable
We believe in and behave with responsibility and ownership for the quality of our work, when accomplishing intended outcomes and when course correcting.

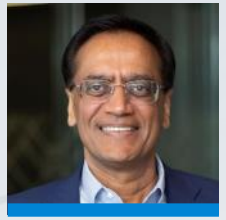
Innovative
We believe in original thinking and executing new ideas, continuously adapting our mind- and behavior-sets to create increased value.

Customer Centricity
We believe in and behave with a customer-first orientation, earning trust and loyalty, and driving repeat and growing business.

One Arrow
We believe in and behave with the broadest view of our organization, understanding the vital role we each play for the greatest good of all stakeholders.



Sean J. Kerins
President and Chief Executive Officer



Raj Agrawal
Senior Vice President, Chief Financial Officer



Alan Bird
Senior Vice President, Chief Transformation Officer



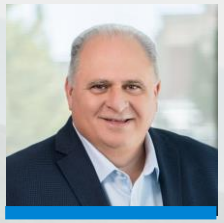
Carine Jean-Claude
Senior Vice President, Chief Legal Officer and Secretary



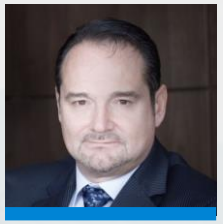
Steve Kerdock
Senior Vice President, Chief Marketing Officer



Chuck Kostalnick
Senior Vice President, Chief Logistics and Procurement Officer



Rick Marano
President, Global Components



Eric Nowak
President, Global Enterprise Computing Solutions



Shantnu Sharma
Senior Vice President, Chief Strategy and Technology Officer



Kim Brown Wilmsen
Senior Vice President, Chief Information Officer



Gretchen K. Zech
Senior Vice President, Chief Governance, Sustainability, and Human Resources Officer

Arrow Electronics at a glance

We enable technology solutions that make a positive difference in people's lives; we guide the power of innovation to make the world better

Centennial, CO
HEADQUARTERS

53
COUNTRIES WITH EMPLOYEES

22,000+
EMPLOYEES

>210
WORLDWIDE LOCATIONS

80+
COUNTRIES SERVED

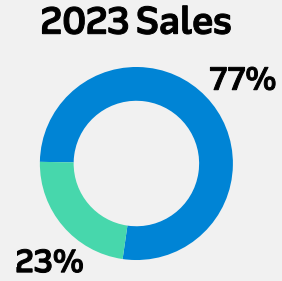
ARW (NYSE)
TICKER SYMBOL

109
FORTUNE 500 RANK

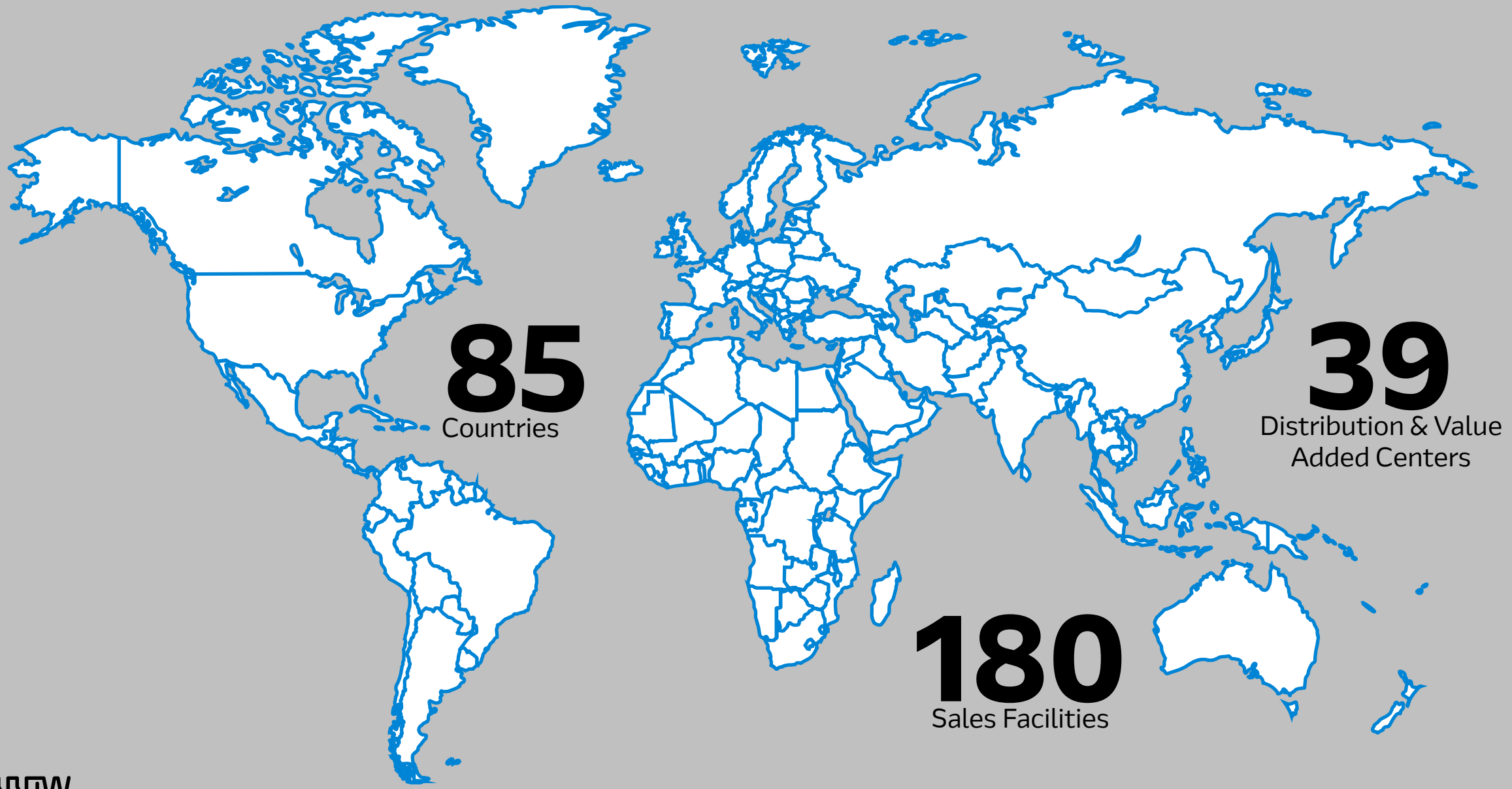
$33.1 billion
2023 SALES

1935
FOUNDED

- Global **provider of products, services, and solutions** to industrial and commercial users of electronic components and enterprise computing solutions
- The company has **two business segments**:
  - The **global components** business distributes electronic components
  - The **global enterprise computing solutions** ("ECS") business provides information technology solutions
- Global components has operations in the **Americas, EMEA** and the **Asia-Pacific** regions; global enterprise computing solutions has operations in the **Americas** and **EMEA**



We specialize in managing complexity



85
Countries

39
Distribution & Value Added Centers

180
Sales Facilities

Arrow's approach to ESG



2024 ESG GOALS

- Continue to reduce Scope 1 and 2 emissions in 2024, supporting our multiyear goal to reduce Scope 1 and 2 emissions by 10% across all Arrow locations and fleet by the end of 2025
- Set science-based targets (SBTs) in alignment with the Science Based Targets initiative (SBTi) by 2025 and reinforce with the long-term aspiration to achieve 100% renewable electricity as may be available by 2030
- Implement a new leadership development program to prepare high-potential individual contributors for future leadership opportunities and incorporate robust inclusion training into HR-sponsored leadership development programs, supporting our multiyear aspiration that leadership representation of women leaders globally and leaders who are of underrepresented race/ethnicity in the U.S. aligns with our overall employee representation and with the total available talent market in the communities where we operate around the world
- Continue ongoing global pay equity analysis and adjust pay where appropriate to close any pay equity gaps
- Implement mechanisms to continuously collect employee feedback on effectiveness of compliance resources and perception of ethical culture
- Deploy a globally centralized, external-facing privacy management tool to enable more efficient administration of user privacy preferences.

Reference Arrow's ESG subsite for more details

Serving diverse end markets with enabling technology

End Markets


Industrial / Automation


Healthcare / Medical


Consumer Electronics


Aerospace / Defense


Auto/Transportation


Data Center

Arrow Technologies / Solutions

Semiconductors

IP&E

Engineering Services

Supply Chain Services

Software (Infrastructure, Data Intelligence, Security)

Cloud Enablement

Infrastructure Hardware (Storage, Compute, Networking)

IT as a Service

Arrow Businesses*

GLOBAL COMPONENTS SALES

$25.4B

GLOBAL ENTERPRISE COMPUTING SOLUTIONS SALES

$7.7B

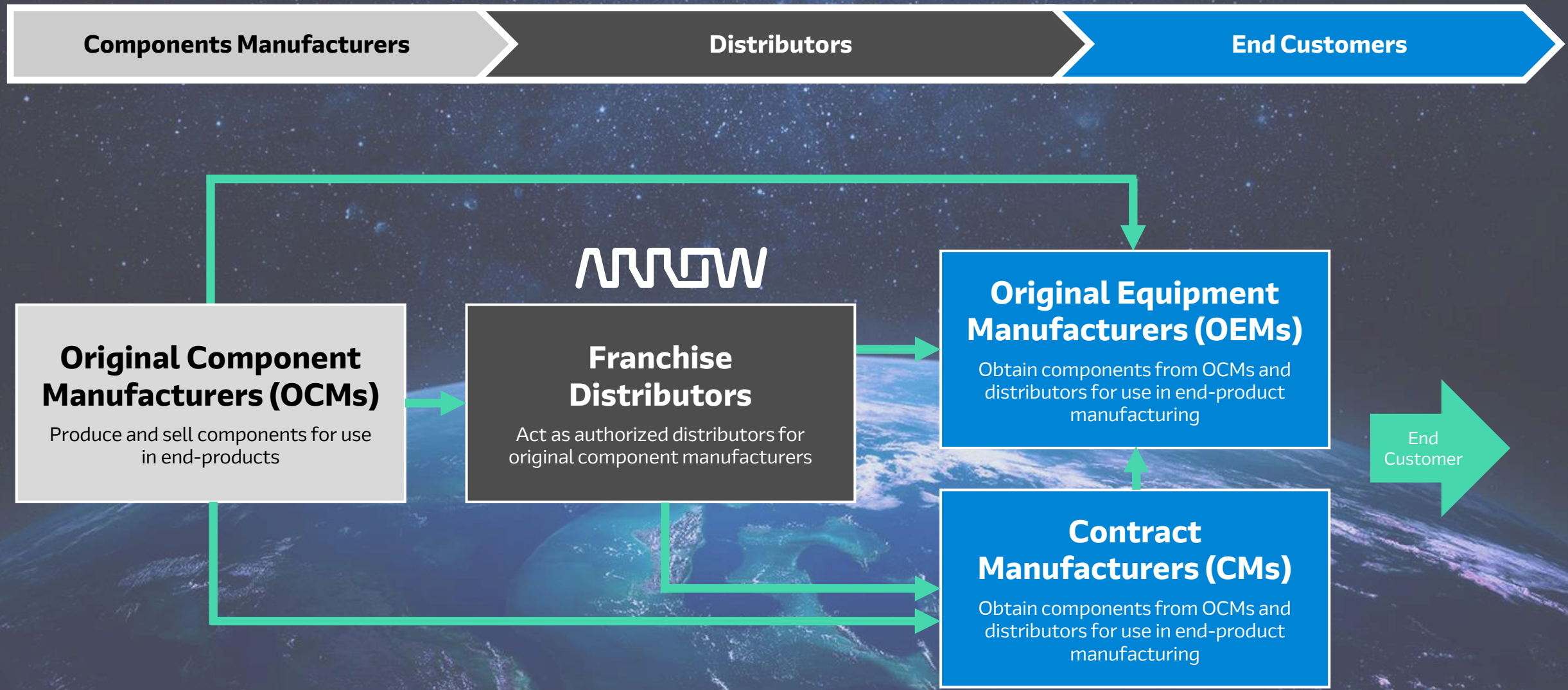
* Revenue figures for 2023
IP&E – Interconnect, Passive & Electro-mechanical devices



Business detail

Global components

Electronic components value chain overview



Global components

The foundation of the components business is the distribution of semiconductor components as well as interconnects, passives & electromechanical devices (IP&E)

Semiconductors

IP&E

Global reach
Hundreds of suppliers
Thousands of customers
No one customer accounts for > 2% of sales

180 sales locations
39 distribution facilities

Engineering Services

From design engineering support for our customers new product introductions to complete turn-key engineering solutions

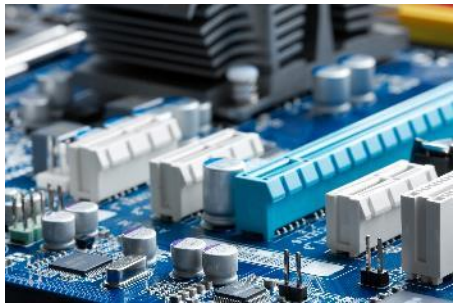
Supply Chain Services

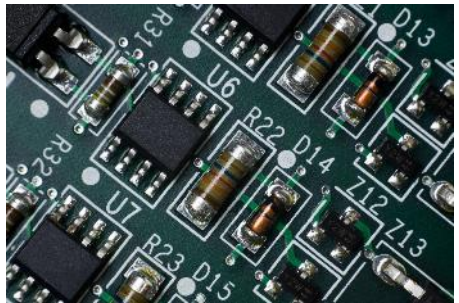
Providing improved supply chain visibility, managing supply/demand, inventory, order management, fulfillment and logistics for our customers

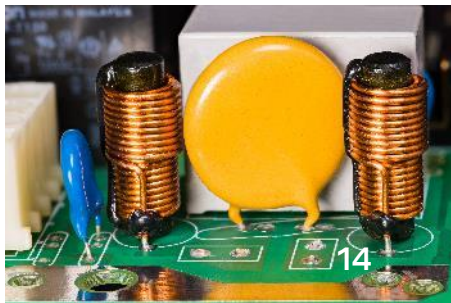












Global components

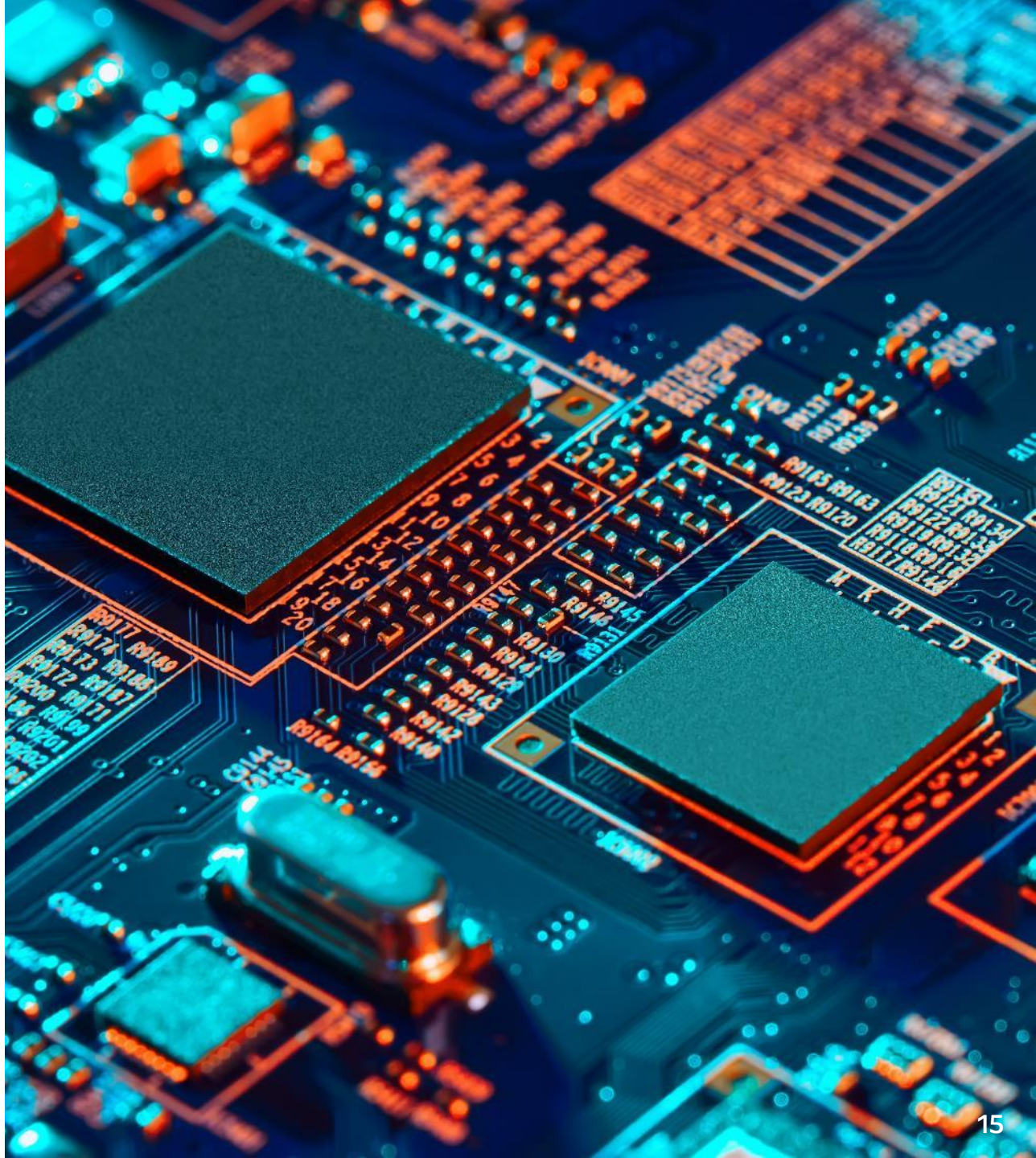
Semiconductors

- Arrow suppliers are the major device manufacturers who provide logic (CPUs, GPUs, FPGAs) and memory (DRAM, Flash)

IP&E – interconnects, passives & electromechanical

- A fragmented supplier base provides the non-active components in an electronic system. “interconnects" are connectors and cables. “passive" components refer to resistors, capacitors, batteries and inductors. “electromechanical" covers mechanical relays and switches, power supplies and a variety of sensors.

Global component customers are OEMs, EMS companies and ODMs with no one customer accounting for more than 2% of revenue



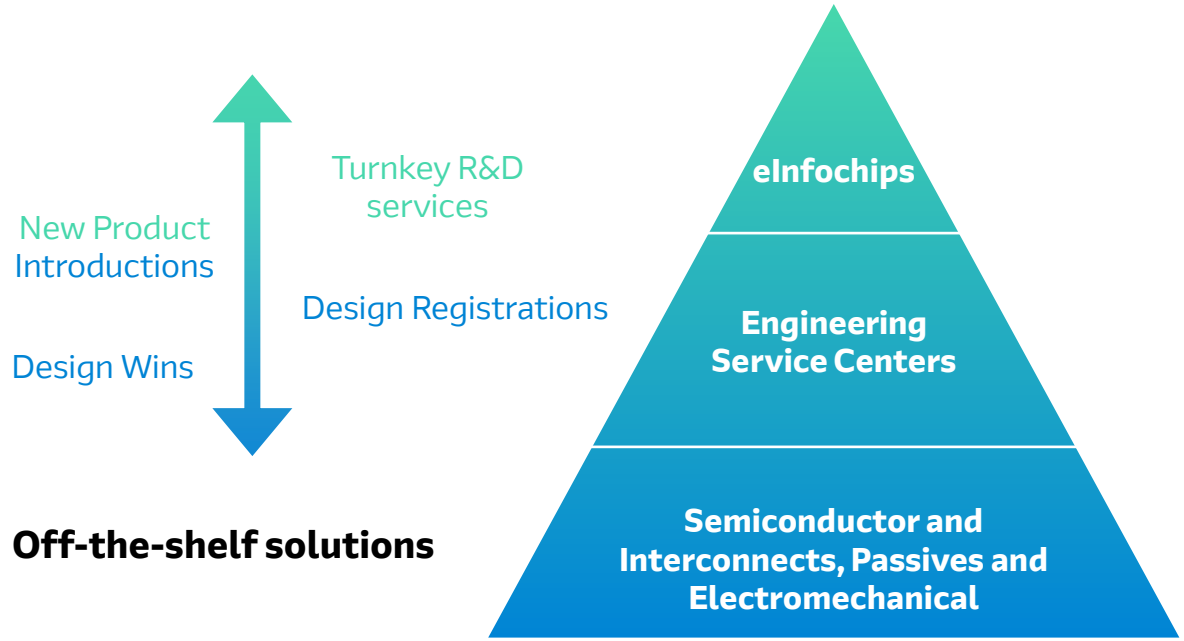
OEM – Original Equipment Manufacturer | EMS – Electronics Manufacturing Service
ODM – Original Design Manufacturer

Global components

Engineering Services

We help customers (EMS companies and OEMs) get to market quickly, and enable our suppliers' technology in the market

Complex, custom solutions



Off-the-shelf solutions



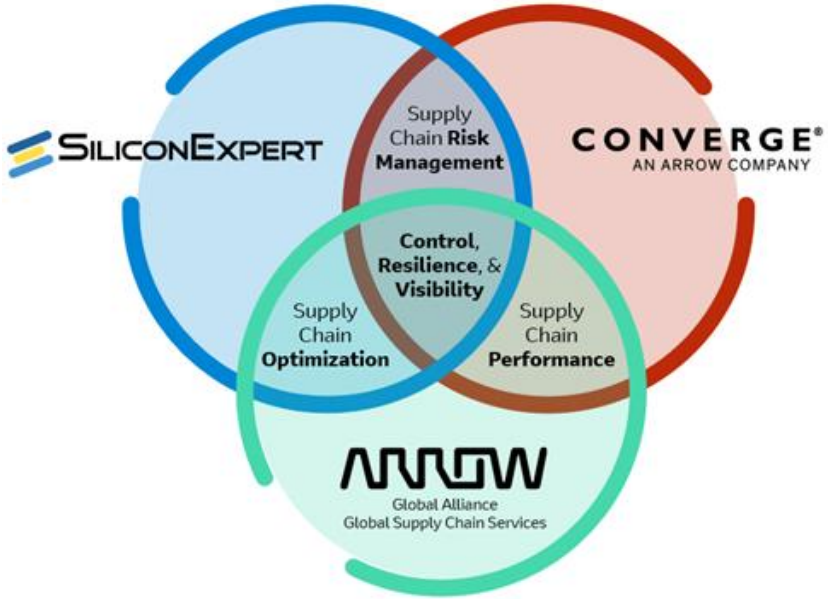


Global components

Supply Chain Services

We manage highly complex, high-volume global supply chains for large OEMs and suppliers with our:

- seasoned industry experts
- best-in-class processes
- world-class systems and infrastructure
- extensive global footprint and reach

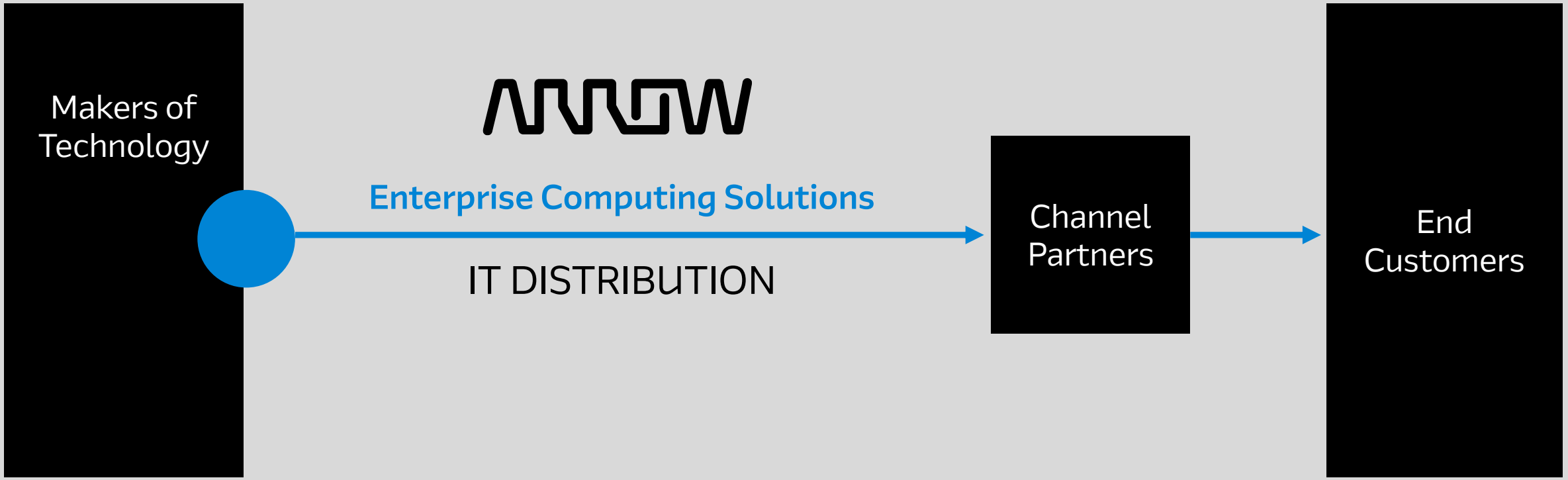




Business detail

Global enterprise computing solutions

Enterprise computing solutions value chain overview



Global enterprise computing solutions

With access to hundreds of vendors, we enable our community of thousands of channel partners to deliver modern IT solutions for their customers.

Software
(Infrastructure, Data Intelligence, Security)

Infrastructure Hardware (Storage, Compute, Networking)

We deliver complex hardware, software, and cloud solutions. Our award-winning digital platform, ArrowSphere, helps partners manage, scale, and differentiate.

Cloud Enablement

IT as a Service





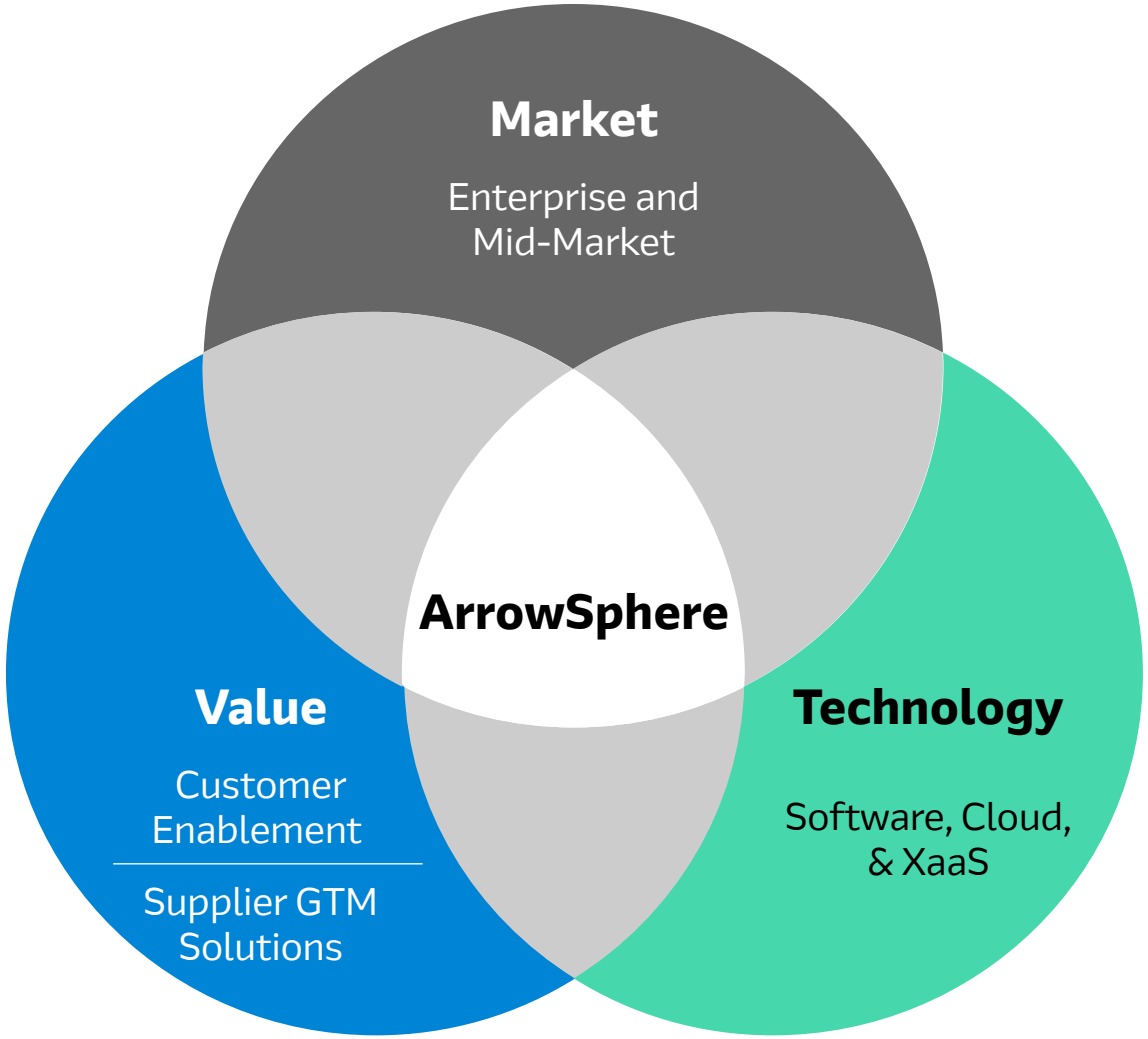








Global enterprise computing solutions



Our ArrowSphere platform is at the center of our strategy

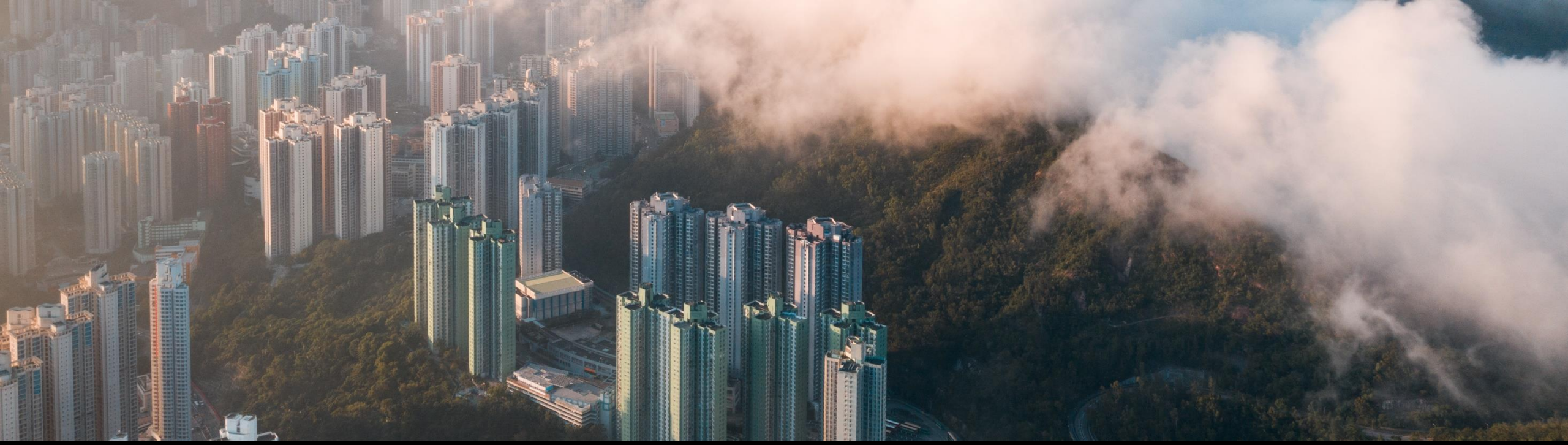
We target enterprise and mid-market customers through channel partners on behalf of our suppliers

Channel partners enjoy

- Cloud and “everything-as-a-service” enablement
- Hardware and software distribution capabilities

Specializing in channel enablement services

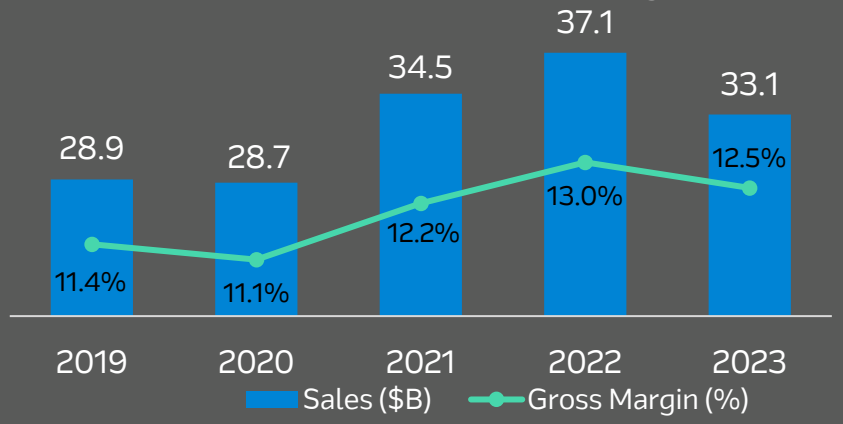
- Subscription management
- Cloud lifecycle management
- Cloud provisioning & workflow
- Financing services



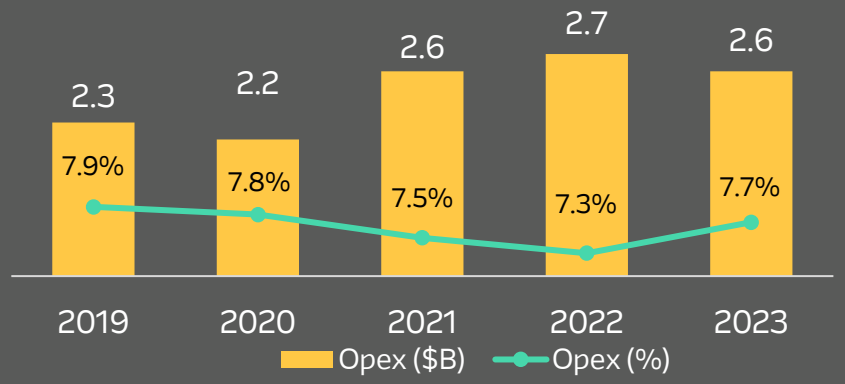
Financials

FY 2023 financial metrics

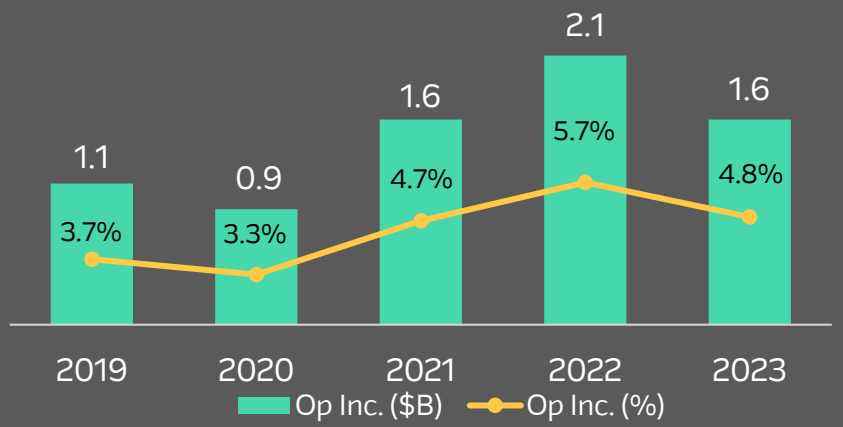
Sales & Gross Margin



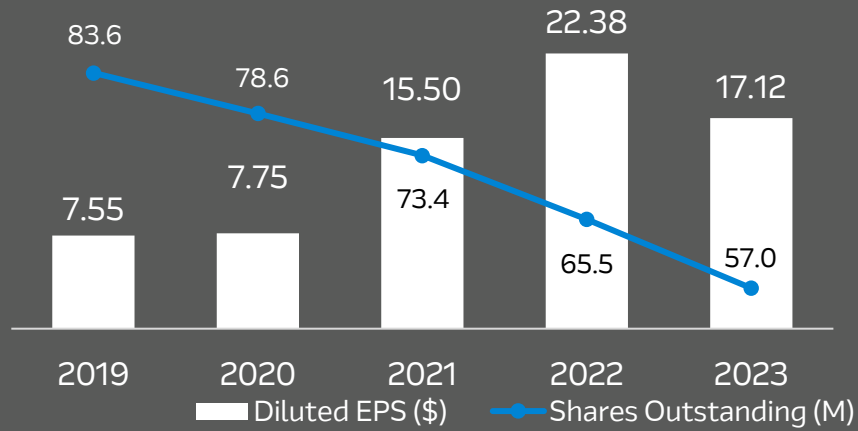
Non-GAAP Operating Expenses[1]



Non-GAAP Operating Income[1]



Non-GAAP Diluted EPS[1]



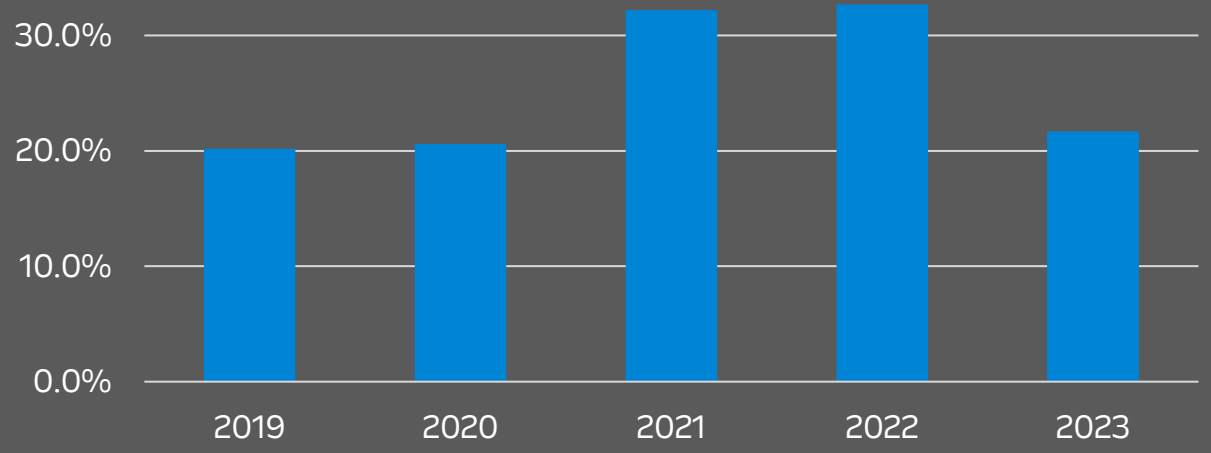
Global components FY '23 non-GAAP operating margin was 5.8%
Enterprise computing solutions FY '23 non-GAAP operating margin was 4.8%

Interest and other expense, net in 2023 was $329 million
Non-GAAP Effective Tax Rate was 22.0%[1]

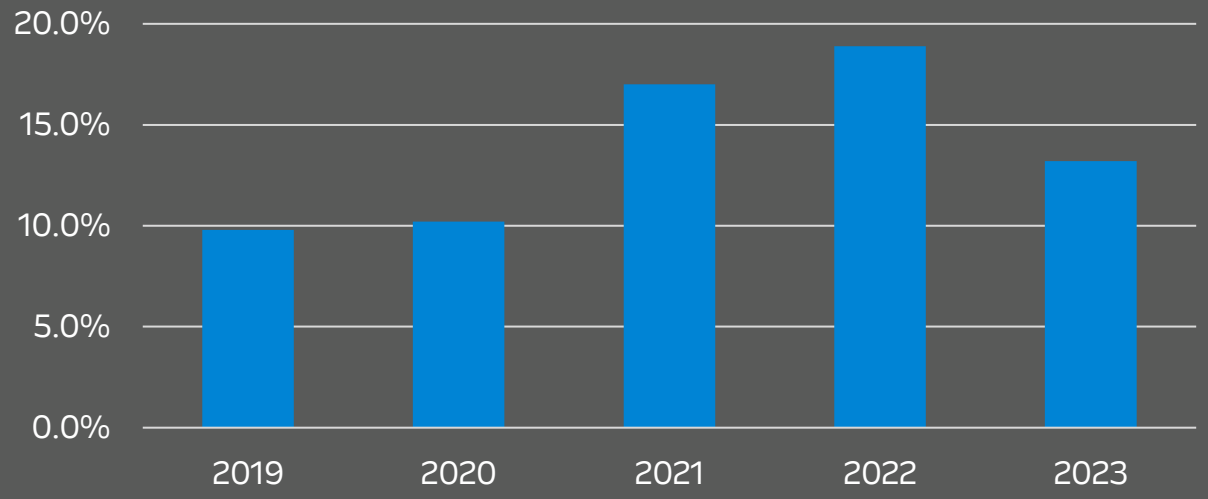
[1] See reconciliation to comparable GAAP figures in the tables at the end of this presentation

History of strong financial returns

Return on Working Capital (Non-GAAP)[1]



Return on Invested Capital (Non-GAAP)[1]



(1) Refer to backup section of this document for comparable GAAP figures and a reconciliation of GAAP to Non-GAAP

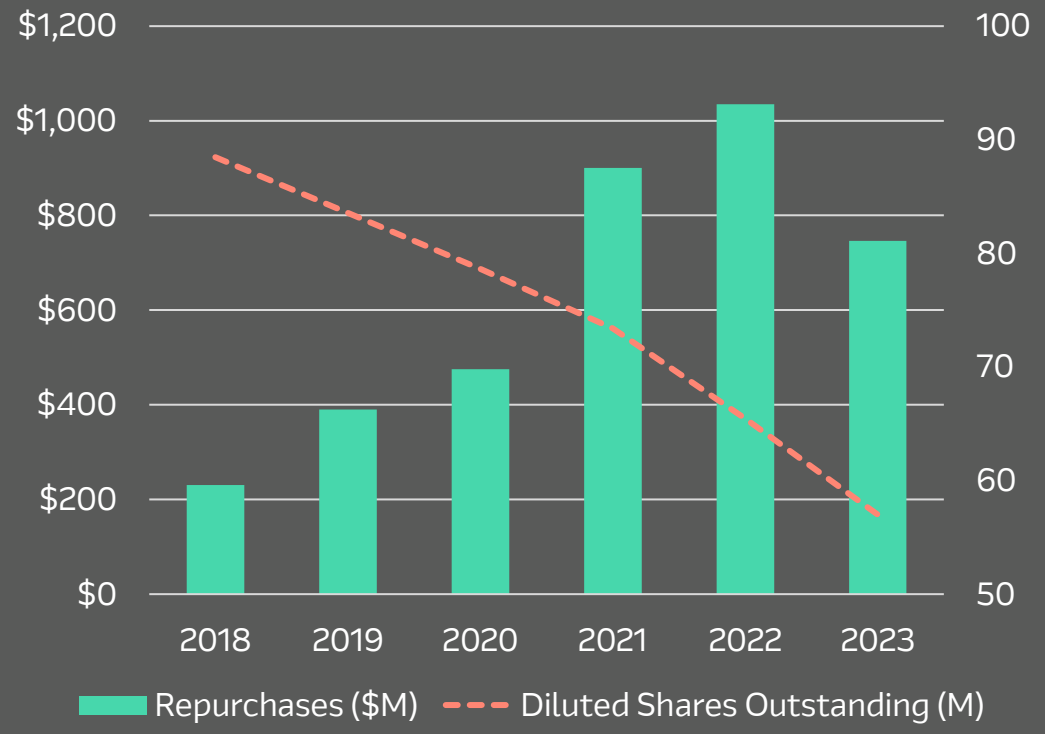
Disciplined approach to capital allocation

Capital priorities within the framework of an investment-grade credit rating

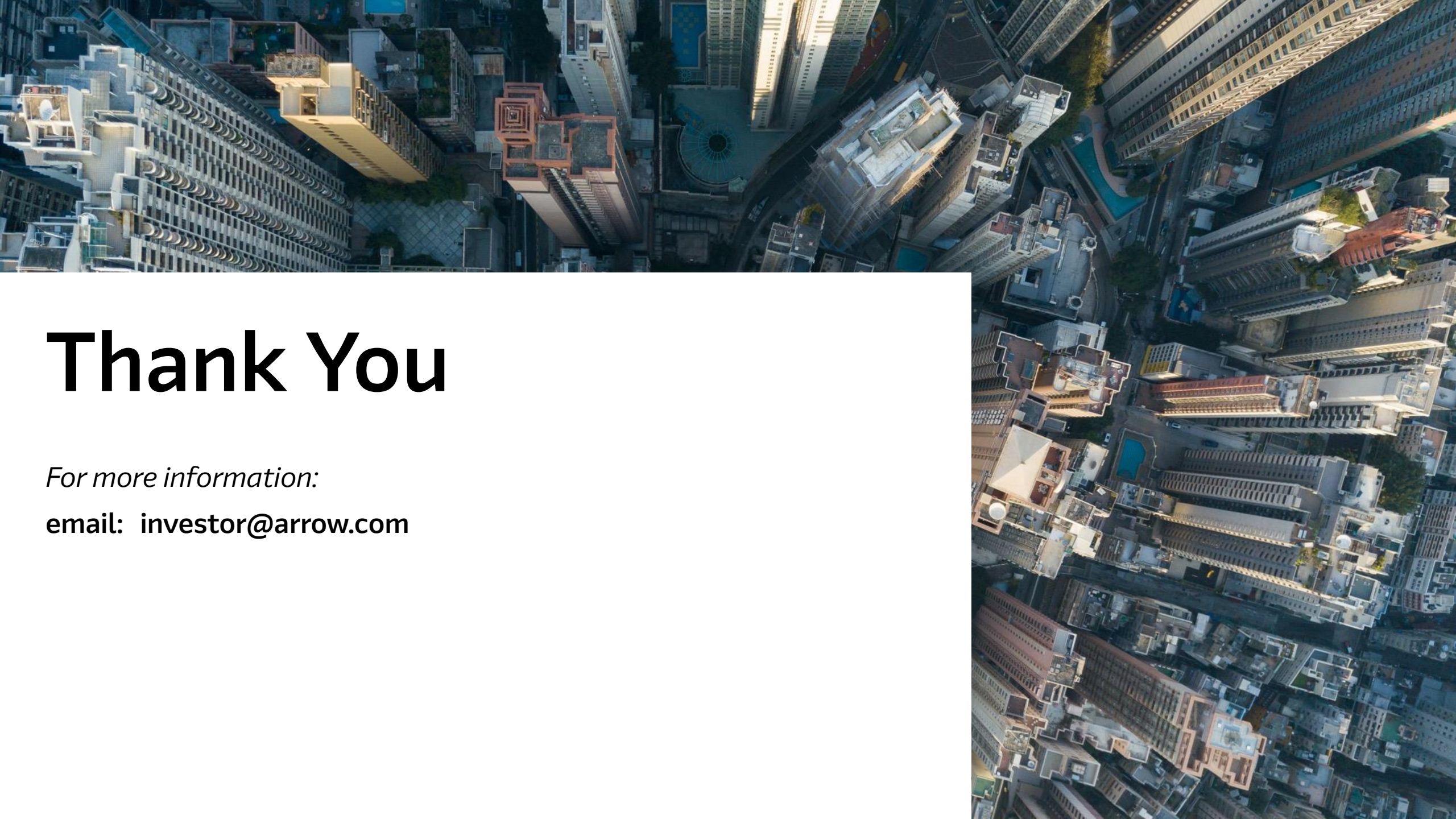
Invest in the business for organic growth

Acquire companies that meet our value criteria to strategically accelerate growth

Return excess capital to shareholders



$3.8B of cash returned to shareholders between 2018 and 2023 through repurchases



Thank You

For more information:

email: investor@arrow.com



Additional information and financial tables

Our network in numbers: Q1 2024

CONSOLIDATED SALES

$6.9B

▼21%

GLOBAL COMPONENTS SALES

$5.2B

▼24%

GLOBAL ENTERPRISE COMPUTING SOLUTIONS SALES

$1.7B

▼8%

GROSS PROFIT

$0.9B ▼23%

OPERATING INCOME

$0.2B ▼56%

NET INCOME

$0.1B ▼69%

DILUTED EARNINGS PER SHARE

$1.53 ▼67%

AMERICAS COMPONENTS SALES

$1.6B ▼29%

EMEA COMPONENTS SALES

$1.7B ▼26%

ASIA PACIFIC COMPONENTS SALES

$1.9B ▼18%

AMERICAS ENTERPRISE COMPUTING SOLUTIONS SALES

$0.9B ▼9%

EMEA ENTERPRISE COMPUTING SOLUTIONS SALES

$0.8B ▼7%

Figures are in accordance with GAAP and reflect year-on-year performance.

Q2 2024 guidance

Consolidated Sales	$6.20 billion to $6.80 billion
Global Components	$4.60 billion to $5.00 billion
Global ECS	$1.60 billion to $1.80 billion
Diluted Earnings Per Share*	$1.65 to $1.85
Non-GAAP Diluted Earnings Per Share*	$2.05 to $2.25
Interest and Other Expense, Net	Approximately $75 million

* Assumes an average tax rate in the range of 23% to 25%.

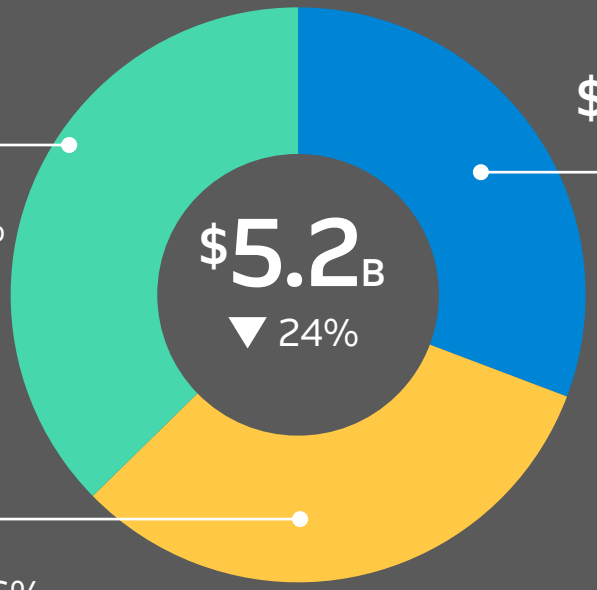
- We estimate changes in foreign currencies to decrease year on year sales by $51 million and earnings per share on a diluted basis by $0.04 compared to the second quarter of 2023.
- We estimate changes in foreign currencies to decrease quarter on quarter growth in sales by approximately $29 million and earnings per share on a diluted basis by $0.04 compared to the first quarter of 2024.



Refer to the backup section of this presentation for GAAP to non-GAAP reconciliation.

Q1 2024 revenue ($6.9B consolidated)

Global Components



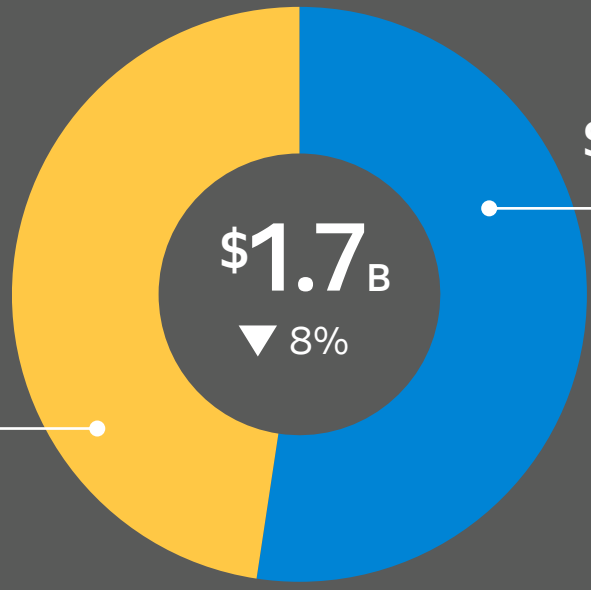
Asia Pacific
$1.9B ▼18%

$1.6B ▼29%
Americas

$5.2B
▼24%

EMEA
$1.7B ▼26%

Enterprise Computing Solutions



$0.9B ▼9%
Americas

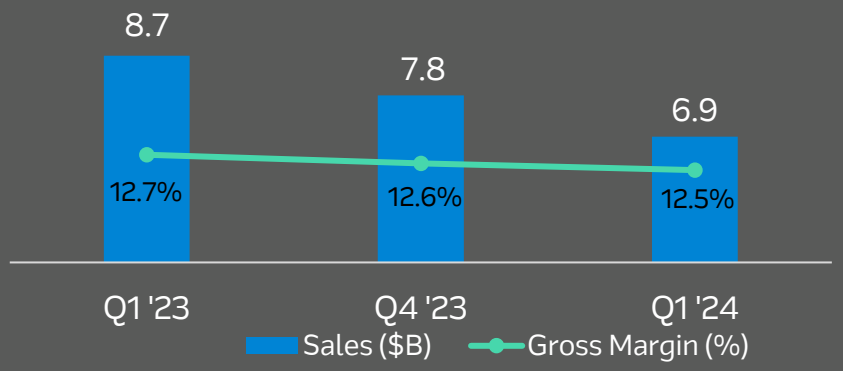
$1.7B
▼8%

EMEA
$0.8B ▼7%

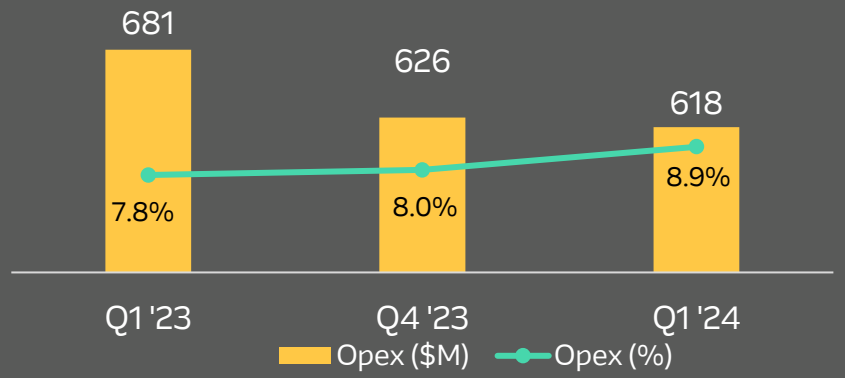
Revenue figures are GAAP and reflect year-on-year performance changes
Amounts may not calculate precisely due to rounding

Q1 2024 financial metrics

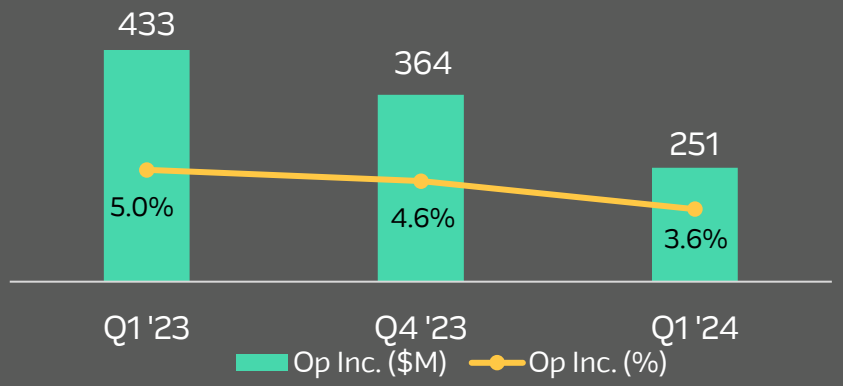
Sales & Non-GAAP Gross Margin[1]



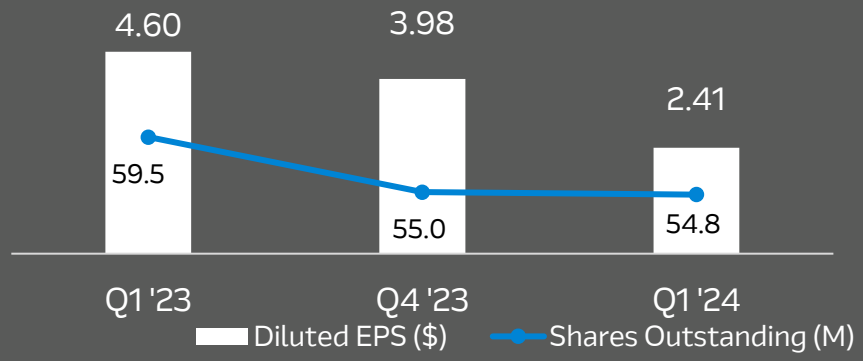
Non-GAAP Operating Expenses[1]



Non-GAAP Operating Income[1]



Non-GAAP Diluted EPS[1]

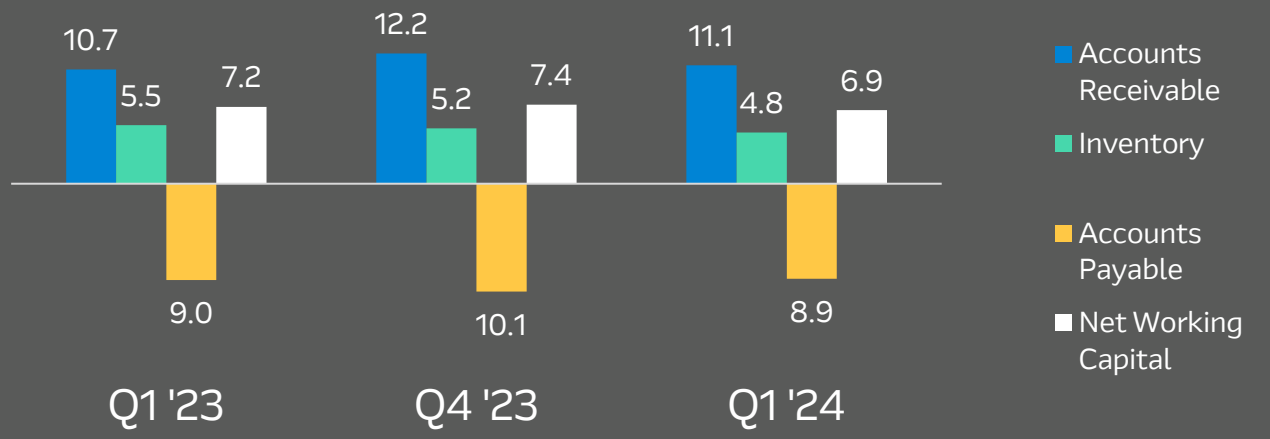


Interest and other expense, net in Q1 '24 was $80 million
Non-GAAP Effective Tax Rate was 22.6%[1]

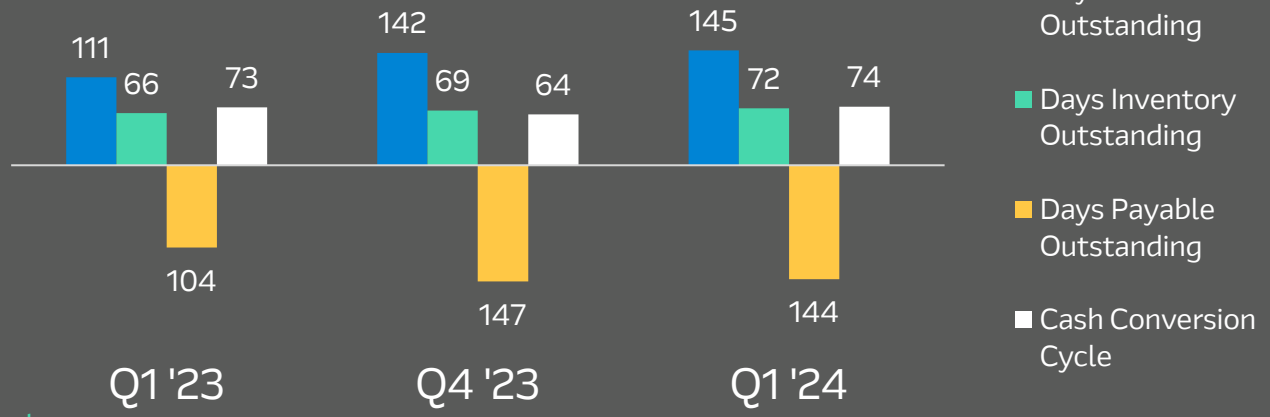
[1] See reconciliation to comparable GAAP figures in the tables at the end of this presentation

Working capital

Net Working Capital ($B)



Cash Conversion (Days)



Inventory Turns:	5.5	5.3	5.0

- **Non-GAAP Return on Working Capital (ROWC)[1]** was 14.5% in the first quarter, down 950 basis points year on year. The decrease in ROWC related primarily to lower operating income in global components, in addition to higher working capital percentage levels.
- **Non-GAAP Return on Invested Capital (ROIC)[1]** was 8.4% in the first quarter, down 620 basis points year on year. The decrease in ROIC related primarily to lower operating income in global components.

[1]See reconciliation to comparable GAAP figures in the tables at the end of this presentation

Balance sheet and cash highlights

Operating Cashflow was $403M in Q1

Net Debt was $3.3B

Repurchased ~$100M in shares



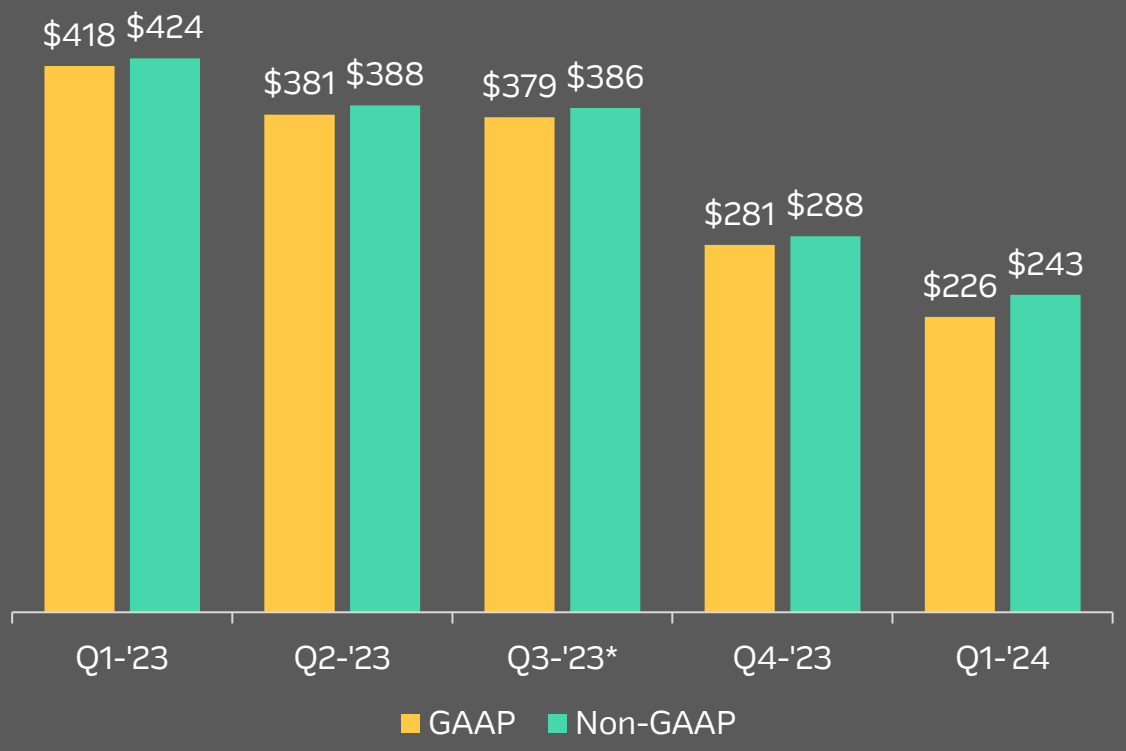
Revenue history

($ in millions, may reflect rounding)

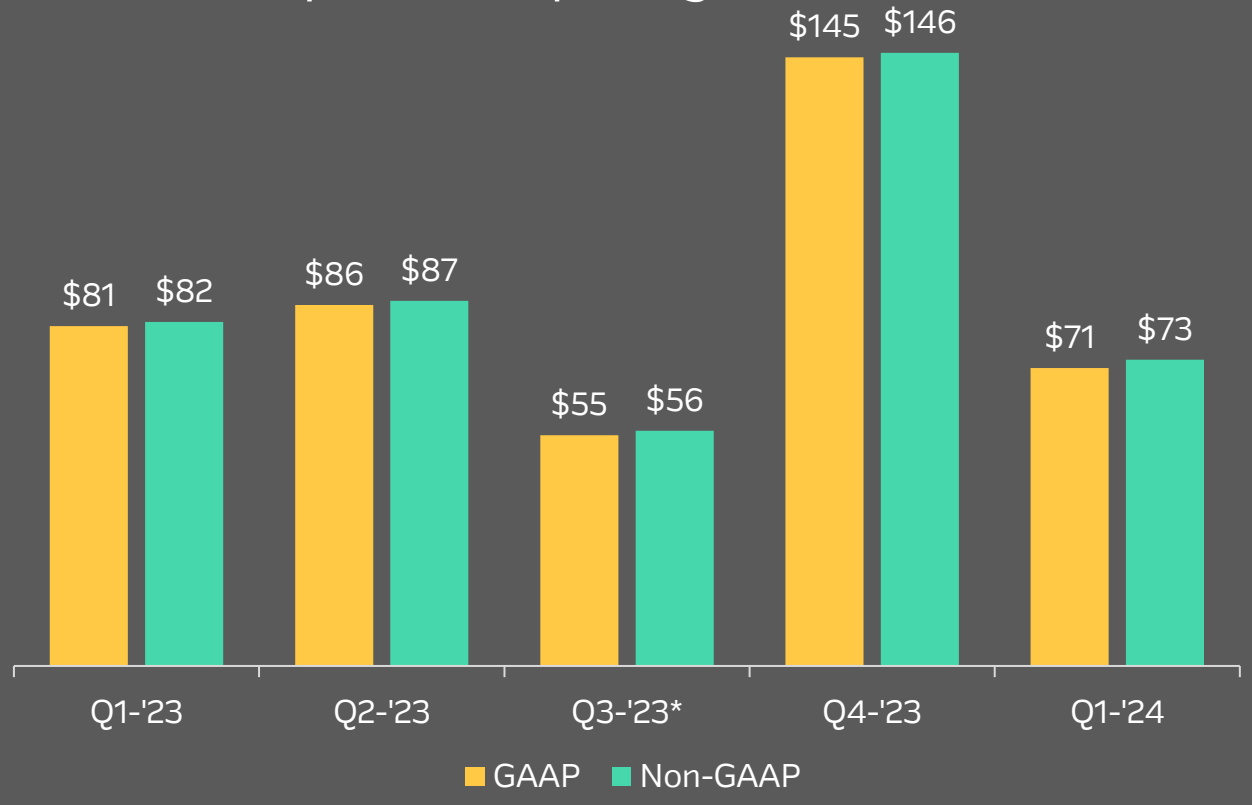
	Q1'23	Q2'23	Q3 '23	Q4'23	Q1'24	YoY change	QoQ change
Global Components Total	6,856	6,683	6,245	5,636	5,191	(24%)	(8%)
Americas	2,233	2,067	1,870	1,785	1,597	(29%)	(11%)
Europe, Middle East & Africa	2,246	2,153	1,987	1,688	1,657	(26%)	(2%)
Asia Pacific	2,376	2,463	2,388	2,163	1,938	(18%)	(10%)
Enterprise Computing Solutions Total	1,881	1,832	1,762	2,213	1,733	(8%)	(22%)
Europe, Middle East & Africa	883	831	746	1,067	825	(7%)	(23%)
Americas	998	1,001	1,016	1,146	908	(9%)	(21%)
Arrow Electronics Total	8,736	8,515	8,007	7,849	6,924	(21%)	(12%)

Operating income history

Global Components ($M)



Enterprise Computing Solutions ($M)



* Q3-'23 operating income included a legal settlement benefit of $62 million in our global components business and a partially offsetting $22 million charge in our ECS business to increase accounts receivable reserves related to a customer

See the reconciliation to comparable GAAP figures in the tables at the end of this presentation

Certain Non-GAAP financial information

In addition to disclosing financial results that are determined in accordance with accounting principles generally accepted in the United States (“GAAP”), the company also provides certain non-GAAP financial information relating to sales, gross profit, operating income (including by business segment), operating margin, operating expense, income before income taxes, provision for income taxes, consolidated net income, noncontrolling interests, net income attributable to shareholders, effective tax rate, net income per share on a diluted basis, return on working capital, and return on invested capital.

These non-GAAP measures are adjusted by certain of the following, as applicable: the impact of changes in foreign currencies (referred to as "changes in foreign currencies" or "on a constant currency basis") by re-translating prior-period results at current-period foreign exchange rates, identifiable intangible asset amortization, restructuring, integration, and other charges, net gains and losses on investments, and impact of wind down to inventory.

Management believes that providing this additional information is useful to the reader to better assess and understand the company's operating performance and future prospects in the same manner as management, especially when comparing results with previous periods. Management typically monitors the business as adjusted for these items, in addition to GAAP results, to understand and compare operating results across accounting periods, for internal budgeting purposes, for short- and long-term operating plans, and to evaluate the company's financial performance. However, analysis of results on a non-GAAP basis should be used as a complement to, in conjunction with, and not as a substitute for, data presented in accordance with GAAP.

For a complete reconciliation between our GAAP and non-GAAP results, please refer to reconciliations found at the end of this document.



Second-quarter 2024 GAAP to non-GAAP outlook reconciliation

($ in billions, except per share data)

NON-GAAP SALES RECONCILIATION

	Quarter Ended			Quarter Ended		
	29-Jun-24	1-Jul-23	% Change	29-Jun-24	30-Mar-24	% Change
Global components sales, GAAP	$ 4.60 - 5.00	$ 6.68	(31%) - (25%)	$ 4.60 - 5.00	$ 5.19	(11%) - (4%)
Impact of changes in foreign currencies	—	(0.04)		—	(0.02)	
Global components sales, constant currency	$ 4.60 - 5.00	$ 6.64	(31%) - (25%)	$ 4.60 - 5.00	$ 5.17	(11%) - (3%)
Global ECS sales, GAAP	$ 1.60 - 1.80	$ 1.83	(13%) – (2%)	$ 1.60 - 1.80	$ 1.73	(8%) - 4%
Impact of changes in foreign currencies	—	(0.01)		—	(0.01)	
Global ECS sales, constant currency	$ 1.60 - 1.80	$ 1.82	(12%) – (1%)	$ 1.60 - 1.80	$ 1.72	(7%) - 4%

NON-GAAP EARNINGS RECONCILIATION

	REPORTED GAAP MEASURE	INTANGIBLE AMORTIZATION EXPENSE	RESTRUCTURING & INTEGRATION CHARGES	NON-GAAP MEASURE
Net income per diluted share	$1.65 to $1.85	$0.10	$0.30	$2.05 to $2.25

Quarterly GAAP to non-GAAP reconciliation

($ in thousands, except per share data)

Three months ended March 30, 2024

	Reported GAAP measure	Intangible Amortization Expense	Restructuring, Integration & Other	Impact of Wind Down [1]	Other [2]	Non-GAAP measure
Gross Profit	$ 857,826	$ -	$ -	$ 10,459	$ -	$ 868,285
Operating expense	671,909	(7,546)	(46,856)	-	-	617,507
Operating income	185,917	7,546	46,856	10,459	-	250,778
Income before income taxes	105,134	7,546	46,856	10,459	(98)	169,897
Provision for income taxes	22,036	1,879	12,014	2,502	(24)	38,407
Consolidated net income	83,098	5,667	34,842	7,957	(74)	131,490
Noncontrolling interests	(503)	135	-	-	-	(368)
Net income attributable to shareholders	$ 83,601	$ 5,532	$ 34,842	$ 7,957	$ (74)	$ 131,858
Net income per diluted share [3]	$ 1.53	$ 0.10	$ 0.64	$ 0.15	$ -	$ 2.41
Effective tax rate [4]	21.0%					22.6%

Three months ended April 1, 2023

	Reported GAAP measure	Intangible Amortization Expense	Restructuring, Integration & Other	Impact of Wind Down	Other [2]	Non-GAAP measure
Gross Profit	$ 1,113,822	$ -	$ -	$ -	$ -	$ 1,113,822
Operating expense	691,670	(7,980)	(2,560)	-	-	681,130
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 [3]	$ 4.60	$ 0.10	$ 0.03	$ -	$ (0.13)	$ 4.60
Effective tax rate [4]	21.8%					21.8%

Three months ended December 31, 2023

	Reported GAAP measure	Intangible Amortization Expense	Restructuring, Integration & Other	Impact of Wind Down	Other [2]	Non-GAAP measure
Gross Profit	$ 989,550	$ -	$ -	$ -	$ -	$ 989,550
Operating expense	672,871	(7,491)	(39,664)	-	-	625,716
Operating income	316,679	7,491	39,664	-	-	363,834
Income before income taxes	250,029	7,491	39,664	-	(14,635)	282,549
Provision for income taxes	53,823	1,863	9,331	-	(3,500)	61,517
Consolidated net income	196,206	5,628	30,333	-	(11,135)	221,032
Noncontrolling interests	1,669	131	-	-	-	1,800
Net income attributable to shareholders	$ 194,537	$ 5,497	$ 30,333	$ -	$ (11,135)	$ 219,232
Net income per diluted share [3]	$ 3.54	$ 0.10	$ 0.55	$ -	$ (0.20)	$ 3.98
Effective tax rate [4]	21.5%					21.8%

(1) Includes write downs of inventory related to the wind down of a business.

(2) Other includes gain on investments, net.

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

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

Full-year GAAP to non-GAAP reconciliation

($ in thousands, except per share data)

Year ended December 31, 2023

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges [1]	Non- recurring tax items	Other [2]	Non-GAAP measure
Operating expense	$ 2,677,855	$ (31,242)	$ (83,916)	$ -	$ -	$ 2,562,697
Operating income	1,471,164	31,242	83,916	-	-	1,586,322
Income before income taxes	1,164,354	31,242	83,916	-	(19,284)	1,260,228
Provision for income taxes	254,991	7,824	19,969	(942)	(4,614)	277,228
Consolidated net income	909,363	23,418	63,947	942	(14,670)	983,000
Noncontrolling interests	5,858	539	-	-	-	6,397
Net income attributable to shareholders	$ 903,505	$ 22,879	$ 63,947	$ 942	$ (14,670)	$ 976,603
Net income per diluted share [3]	$ 15.84	$ 0.40	$ 1.12	$ 0.02	$ (0.26)	$ 17.12
Effective tax rate [4]	21.9%					22.0%

Year ended December 31, 2022

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges [1]	Non- recurring tax items	Other [2]	Non-GAAP measure
Operating expense	$ 2,768,131	$ (34,692)	$ (13,741)	$ -	$ -	$ 2,719,698
Operating income	2,068,494	34,692	13,741	-	-	2,116,927
Income before income taxes	1,884,150	34,692	13,741	-	2,857	1,935,440
Provision for income taxes	448,992	8,848	2,931	-	708	461,479
Consolidated net income	1,435,158	25,844	10,810	-	2,149	1,473,961
Noncontrolling interests	8,274	525	-	-	-	8,799
Net income attributable to shareholders	$ 1,426,884	$ 25,319	$ 10,810	$ -	$ 2,149	$ 1,465,162
Net income per diluted share [3]	$ 21.80	$ 0.39	$ 0.17	$ -	$ 0.03	$ 22.38
Effective tax rate [4]	23.8%					23.8%

(1) Includes charges to increase the environmental remediation reserves in the amount of $23.3 million for the year ended December 31, 2023 and $2.5 million for the year ended December 31, 2022.

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

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

(4) 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.

Full-year GAAP to non-GAAP reconciliation (cont.)

($ in thousands, except per share data)

Year ended December 31, 2021

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges	AFS Reserves & Recoveries	Digital Inventory	Non- recurring tax items	Impairments	Impact of Wind Down	Other [1]	Non-GAAP measure
Operating expense	$ 2,645,543	$ (36,930)	$ (10,911)	$ -	$ -	$ -	$ (4,482)	$ -	$ -	$ 2,593,220
Operating income	1,556,822	36,930	10,911	-	-	-	4,482	-	-	1,609,145
Income before income taxes	1,436,374	36,930	10,911	-	-	-	4,482	-	(12,770)	1,475,927
Provision for income taxes	325,906	9,457	2,341	-	-	-	1,078	-	(3,073)	335,709
Consolidated net income	1,110,468	27,473	8,570	-	-	-	3,404	-	(9,697)	1,140,218
Noncontrolling interests	2,271	590	-	-	-	-	-	-	-	2,861
Net income attributable to shareholders	$ 1,108,197	$ 26,883	$ 8,570	$ -	$ -	$ -	$ 3,404	$ -	$ (9,697)	$ 1,137,357
Net income (loss) per diluted share [7]	$ 15.10	$ 0.37	$ 0.12	$ -	$ -	$ -	$ 0.05	$ -	$ (0.13)	$ 15.50
Effective tax rate	22.7%									22.7%

Year ended December 31, 2020

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges	AFS Reserves & Recoveries	Digital Inventory	Non- recurring tax items [2]	Impairments [3]	Impact of Wind Down	Other [1]	Non-GAAP measure
Operating expense	$ 2,296,619	$ (38,417)	$ (13,288)	$ 1,796	$ -	$ -	$ (7,223)	$ 3,524	$ -	$ 2,243,011
Operating income	894,511	38,417	13,288	(1,796)	-	-	7,223	(14,728)	-	936,915
Income before income taxes	759,259	38,417	13,288	(1,796)	-	-	7,223	(14,704)	(7,117)	794,570
Provision for income taxes	172,795	9,866	1,301	(432)	-	1,272	2,356	(3,143)	(1,717)	182,298
Consolidated net income	586,464	28,551	11,987	(1,364)	-	(1,272)	4,867	(11,561)	(5,400)	612,272
Noncontrolling interests	2,026	568	-	-	-	-	-	-	-	2,594
Net income attributable to shareholders	$ 584,438	$ 27,983	$ 11,987	$ (1,364)	$ -	$ (1,272)	$ 4,867	$ (11,561)	$ (5,400)	$ 609,678
Net income (loss) per diluted share [7]	$ 7.43	$ 0.36	$ 0.15	$ (0.02)	$ -	$ (0.02)	$ 0.06	$ (0.15)	$ (0.07)	$ 7.75
Effective tax rate	22.8%									22.9%

Year ended December 31, 2019

	Reported GAAP measure	Intangible Amortization Expense	Restructuring & Integration charges	AFS Write off	Digital Inventory	Non- recurring tax items [2]	Impairments [4]	Impact of Wind Down [5]	Other [6]	Non-GAAP measure
Operating expense	$ 3,190,685	$ (42,383)	$ (78,429)	$ (16,169)	$ -	$ -	$ (623,796)	$ (164,219)	$ (1,868)	$ 2,263,821
Operating income	107,696	42,383	78,429	18,037	22,332	-	623,796	162,244	1,868	1,056,785
Income before income taxes	(111,830)	42,383	78,429	18,037	22,332	-	623,796	162,356	10,921	846,424
Provision for income taxes	88,338	11,913	19,540	4,339	5,390	(1,696)	64,246	12,631	750	205,451
Consolidated net income	(200,168)	30,470	58,889	13,698	16,942	1,696	559,550	149,725	10,171	640,973
Noncontrolling interests	3,919	558	-	-	-	-	-	-	-	4,477
Net income attributable to shareholders	$ (204,087)	$ 29,912	$ 58,889	$ 13,698	$ 16,942	$ 1,696	$ 559,550	$ 149,725	$ 10,171	$ 636,496
Net income (loss) per diluted share [7]	$ (2.44)	$ 0.36	$ 0.70	$ 0.16	$ 0.20	$ 0.02	$ 6.70	$ 1.79	$ 0.12	$ 7.55
Effective tax rate	-79.0%									24.3%

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

(2) Includes income tax (expense) benefit related to legislation changes and other non-recurring tax adjustments.

(3) Impairments includes $7,223 in impairment charges related to various other long-lived assets unrelated to the personal computer and mobility asset disposition business.

(4) Impairments include goodwill impairments of $570,175, tradename impairments of $46,000, and $7,621 in impairment charges related to various other long-lived assets.

(5) Amounts for restructuring, integration, and other charges, identifiable intangible asset amortization, loss on disposition of businesses, net, certain tax adjustments, and impairments related to the personal computer and mobility asset disposition business are included in “impact of wind down”.

(6) Other includes loss on disposition of businesses, net, gain (loss) on investments, net, interest related to uncertain tax position related to the Tax Act and pension settlement.

(7) For the year ended December 31, 2019, the non-GAAP net income per diluted share calculation includes 752 thousand shares that were excluded from the GAAP net income per diluted share calculation. Additionally, in all periods presented the sum of the components for diluted EPS, as adjusted may not agree to totals, as presented, due to rounding.

Return on working capital reconciliation

($ in thousands)

	Quarter Ended	
	March 30, 2024	April 1, 2023
Numerator:		
Consolidated operating income, as reported	$ 185,917	$ 422,152
	x4	x4
Annualized consolidated operating income	$ 743,668	$ 1,688,608
Non-GAAP consolidated operating income	$ 250,778	$ 432,692
	x4	x4
Annualized non-GAAP consolidated operating income	$ 1,003,112	$ 1,730,768
Denominator:		
Accounts receivable, net	11,062,608	10,655,863
Inventories	4,797,053	5,525,782
Less: Accounts payable	8,940,313	8,976,296
Working capital	6,919,348	7,205,349
Return on working capital	10.7%	23.4%
Return on working capital (Non-GAAP)	14.5%	24.0%

Return on invested capital reconciliation

($ in thousands)

	Quarter Ended	
	March 30, 2024	April 1, 2023
Numerator:		
Consolidated operating income, as reported	$ 185,917	$ 422,152
Equity in earnings of affiliated companies [1]	(344)	(80)
Less: Noncontrolling interests [1]	(503)	1,575
Consolidated operating income, as adjusted	186,076	420,497
Less: Tax effect [2]	38,928	91,851
After-tax consolidated operating income, as adjusted	147,148	328,646
	x4	x4
Annualized after-tax consolidated operating income, as adjusted	$ 588,592	$ 1,314,584
Non-GAAP consolidated operating income	$ 250,778	$ 432,692
Equity in earnings of affiliated companies [1]	(344)	(80)
Less: Noncontrolling interests [1]	(368)	1,709
Non-GAAP consolidated operating income, as adjusted	250,802	430,903
Less: Tax effect [3]	56,608	94,357
After-tax non-GAAP consolidated operating income, as adjusted	194,194	336,546
	x4	x4
Annualized after-tax non-GAAP operating income, as adjusted	$ 776,776	$ 1,346,184
Denominator:		
Average short-term borrowings, including current portion of long-term debt [4]	$ 1,299,826	367,073
Average long-term debt [4]	2,392,902	3,451,010
Average total equity [4]	5,823,323	5,605,766
Average cash and cash equivalents	230,431	191,235
Invested capital	$ 9,285,620	$ 9,232,614
Return on invested capital	6.3%	14.2%
Return on invested capital (Non-GAAP)	8.4%	14.6%

(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 March 30, 2024 and April 1, 2023 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 March 30, 2024 and April 1, 2023 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.

Annual ROWC and ROIC reconciliation

($ in thousands)	2023	2022	2021	2020	2019
Numerator:					
Consolidated operating income, as reported	$ 1,471,164	$ 2,068,494	$ 1,556,822	$ 894,511	$ 107,696
Equity in earnings of affiliated companies [1]	6,407	7,664	3,508	(531)	(2,765)
Less: Noncontrolling interests [1]	5,858	8,274	2,271	2,026	3,919
Consolidated operating income, as adjusted	$ 1,471,713	$ 2,067,884	$ 1,558,059	$ 891,954	$ 101,012
Less: Tax effect [2]	323,586	494,690	354,044	203,511	(82,903)
After-tax consolidated operating income, as adjusted	$ 1,148,127	$ 1,573,194	$ 1,204,015	$ 688,443	$ 183,915
Non-GAAP consolidated operating income	$ 1,586,322	$ 2,116,927	$ 1,609,145	$ 936,915	$ 1,056,785
Equity in earnings of affiliated companies [1]	6,407	7,664	3,508	(531)	(2,765)
Less: Noncontrolling interests [1]	6,397	8,799	2,271	2,026	3,919
Non-GAAP consolidated operating income, as adjusted	$ 1,586,332	$ 2,115,792	$ 1,610,382	$ 934,358	$ 1,050,101
Less: Tax Effect [3]	350,378	506,497	366,746	214,779	256,112
After-Tax non-GAAP consolidated operating income, as adjusted	$ 1,235,954	$ 1,609,295	$ 1,243,636	$ 719,579	$ 793,989
Denominator:					
Average short-term borrowings, including current portion of long-term debt [4]	$ 892,986	$ 504,094	$ 322,696	$ 255,538	$ 270,475
Average long-term debt [4]	3,068,681	2,852,348	2,034,077	2,231,394	3,110,940
Average total equity [4]	5,659,361	5,416,410	5,233,267	4,850,535	5,062,226
Less: Average cash and cash equivalents [4]	234,840	240,296	256,702	261,513	338,714
Invested Capital	$ 9,386,188	$ 8,532,556	$ 7,333,338	$ 7,075,954	$ 8,104,927
Return on invested capital	12.23%	18.44%	16.42%	9.73%	2.27%
Return on invested capital (non-GAAP)	13.17%	18.86%	16.96%	10.17%	9.80%

($ in thousands)	2023	2022	2021	2020	2019
Numerator:					
Consolidated operating income, as reported	$ 1,471,164	$ 2,068,494	$ 1,556,822	$ 894,511	$ 107,696
Non-GAAP consolidated operating income	$ 1,586,322	$ 2,116,927	$ 1,609,145	$ 936,915	$ 1,056,785
Denominator:					
Accounts receivable, net [5]	$ 11,377,422	$ 11,227,736	$ 9,401,688	$ 8,283,552	$ 8,229,824
Inventories [5]	5,458,019	4,827,278	3,647,146	3,351,088	3,638,159
Less: Accounts payable [5]	9,515,699	9,578,175	8,046,357	7,092,575	6,627,807
Working Capital	$ 7,319,742	$ 6,476,839	$ 5,002,477	$ 4,542,065	$ 5,240,176
Return on working capital	20.10%	31.94%	31.12%	19.69%	2.06%
Return on working capital (non-GAAP)	21.67%	32.68%	32.17%	20.63%	20.17%

(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 years ended 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 years ended 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 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.

(5) This amount 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.

Non-GAAP segment reconciliation

($ in thousands)

	Quarter Ended				
	4/1/2023	7/1/2023	9/30/2023	12/31/2023	3/30/2024
Global components operating income, as reported	$ 417,539	$ 381,314	$ 379,053	$ 281,260	$ 225,562
Intangible assets amortization expense	6,745	6,679	6,640	6,436	6,488
Impact of wind down to inventory	-	-	-	-	10,459
Global components non-GAAP operating income	$ 424,284	$ 387,993	$ 385,693	$ 287,696	$ 242,509
Global ECS operating income, as reported	$ 81,099	$ 86,228	$ 54,624	$ 145,053	$ 71,459
Intangible assets amortization expense	1,235	1,229	1,223	1,055	1,058
Global ECS non-GAAP operating income	$ 82,334	$ 87,457	$ 55,847	$ 146,108	$ 72,517