

# Arrow Electronics

## Earnings Presentation

Fourth Quarter & Full Year 2024

February 6, 2025

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NYSE

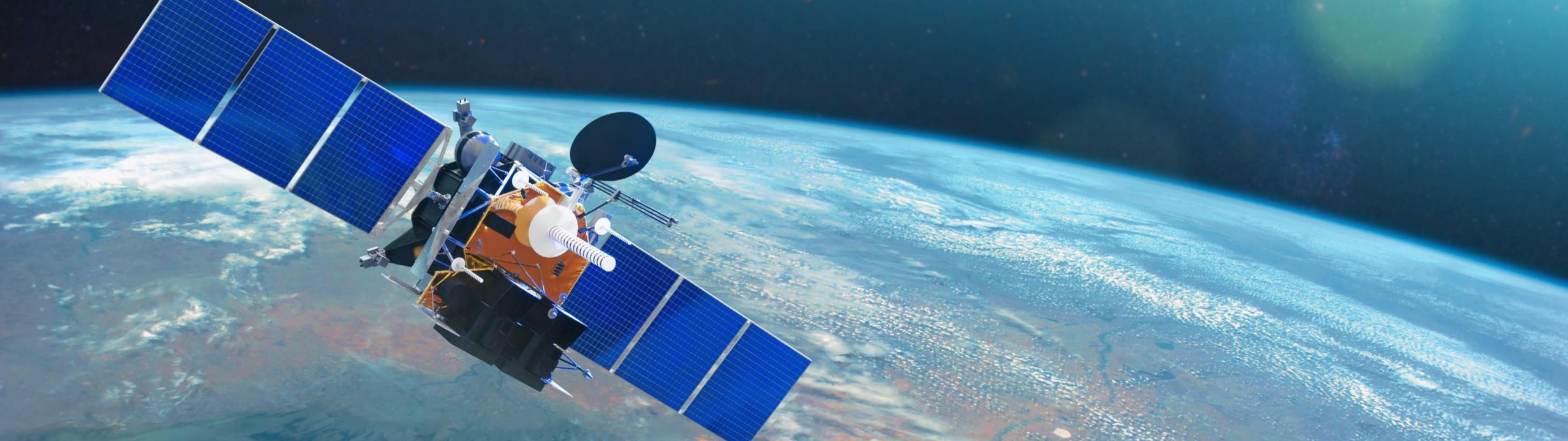




# Safe harbor

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 first quarter of fiscal 2025 such as sales, net income per diluted share, non-GAAP net income per diluted share, average tax rate, interest and other expense, impact to sales due to changes in foreign currencies, intangible amortization expense per diluted share, restructuring & integration charges per diluted share, the timing of the completion of the Operating Expense Efficiency Plan (the “Plan”) and Arrow’s estimated costs and expected operating expense reductions from the Plan, industry trends and expectations regarding market demand and conditions 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: the incurrence of additional charges not currently contemplated and failure to realize contemplated cost savings due to unanticipated events that may occur, including in connection with the implementation of the Plan; unfavorable economic conditions; disruptions, shortages or inefficiencies in the supply chain; political instability and changes; impacts of military conflict and sanctions; industry conditions; changes in product supply, pricing and customer demand; trade protection measures, tariffs, and other restrictions, duties, and value-added taxes; competition; other vagaries in the global components and the global 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 and information system failures, including related to current or future implementations, integrations and upgrades; outbreaks, epidemics, pandemics, or public health crises; future regulatory trends and the resulting legal and reputation exposure, including but not limited to those relating to environmental, social, governance, cybersecurity, data privacy, and artificial intelligence issues; 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.



# Sean Kerins

President and CEO





# FY 2024 highlights

CONSOLIDATED SALES

**\$27.9** Billion

OPERATING MARGIN<sup>1</sup>

**3.6** Percent

DILUTED EARNINGS PER SHARE<sup>1</sup>

**\$10.56**

- Global Components navigated a challenging year while taking steps to position for opportunities ahead
  - Extended supplier linecard
  - Expanded customer base
  - Committed to supply chain services, demand creation, and engineering services
  - Realigned for global consistency
- Enterprise computing solutions aligned on go-to-market strategy and suited for high growth demand trends in cloud and AI



# Q4 2024 highlights

CONSOLIDATED SALES

**\$7.3** Billion

OPERATING MARGIN<sup>1</sup>

**3.8** Percent

DILUTED EARNINGS PER SHARE<sup>1</sup>

**\$2.97**

- Revenue and earnings per share exceeded high end of guidance range
- Additional Q4 2024 financial information:
  - \$274 million operating income<sup>1</sup>
  - \$158 million net income<sup>1</sup>
  - \$326 million operating cash flow
  - \$50 million in share repurchases





# Global components

- All three regions performed in-line or better than typical seasonal patterns:
  - APAC – Transportation stability and Industrial growth offset by soft Consumer, Compute, and Communications
  - Americas – Industrial growth and stable Aerospace & Defense and Medical Device offset by soft Automotive
  - EMEA – Normal seasonal decline
- Continued improvement in key leading indicators:
  - Global book-to-bill close to parity
  - Rescheduling and cancellation rate fully normalized
  - Backlog stabilized with steady visibility
  - Ecosystem inventory levels continued to decline



# Enterprise computing solutions

- Year-over-year growth in billings, gross profit, and operating income
- Results reflect alignment to high growth demand trends and improved execution in North America
- Strength in hybrid-cloud, infrastructure software, cybersecurity, and AI data center



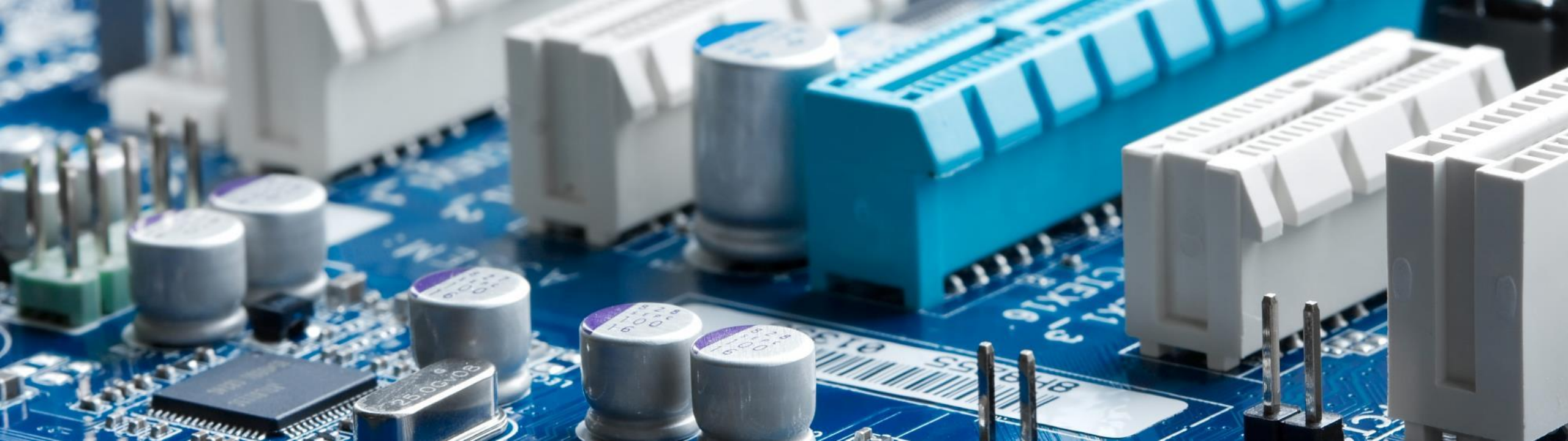


# Closing thoughts

- Long-term outlooks for Arrow and semiconductor industry create confidence
- Committed to our strategic priorities which create differentiation
- Growth opportunities ahead
- World-class Arrow team







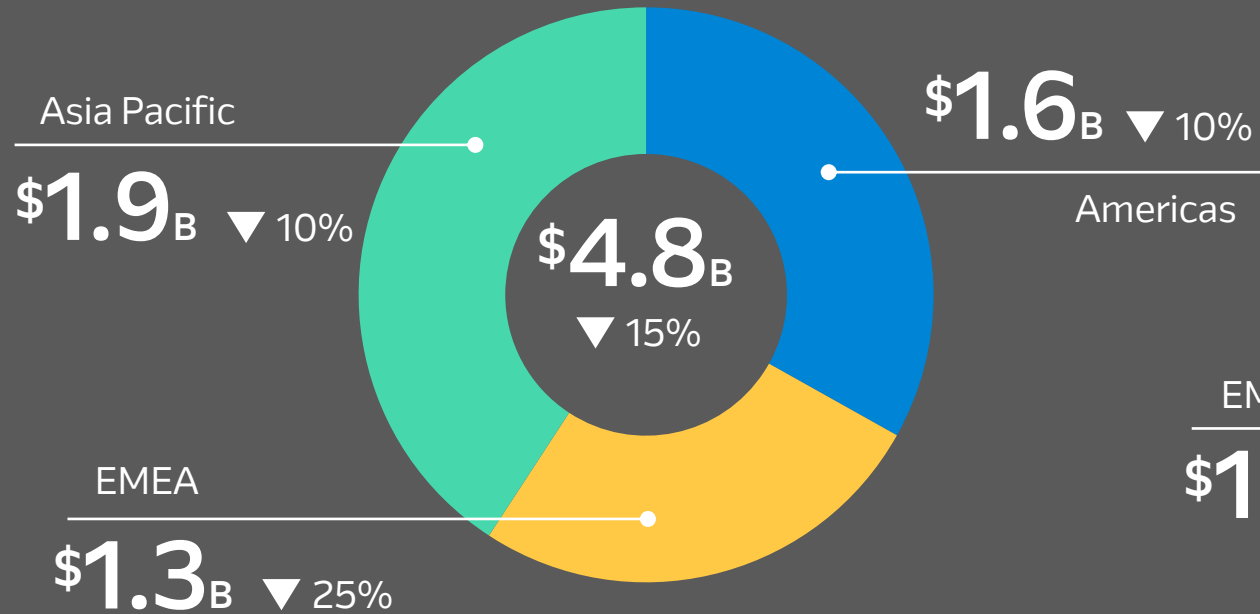
# Raj Agrawal

Senior Vice President and CFO

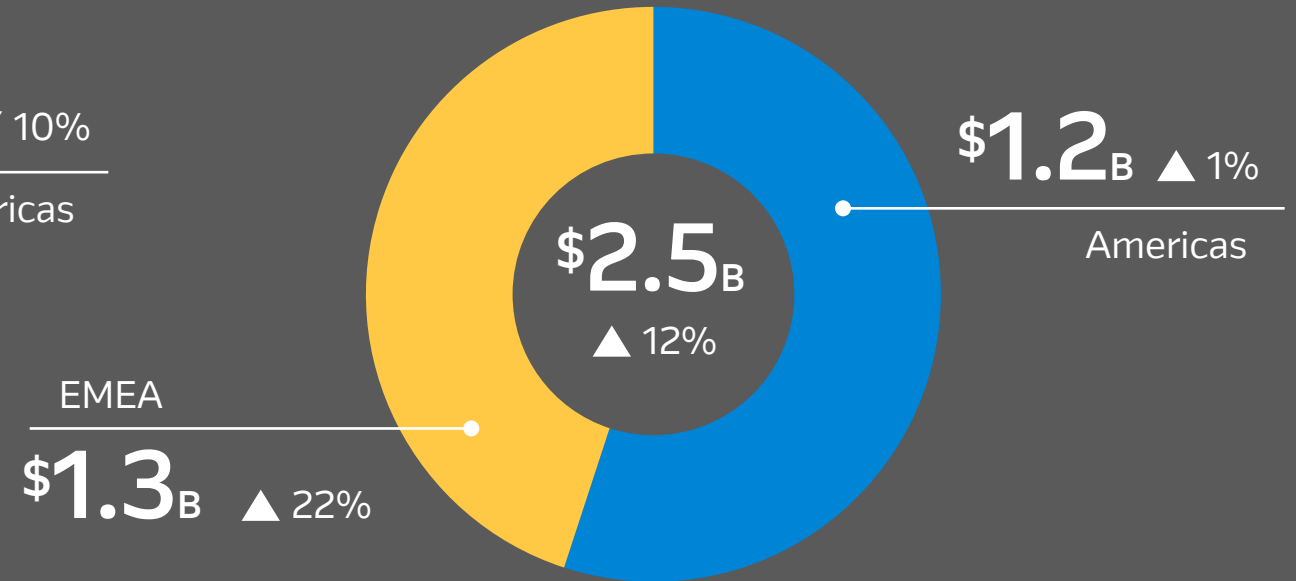


# Q4 2024 revenue (\$7.3B consolidated)

## Global Components



## Enterprise Computing Solutions

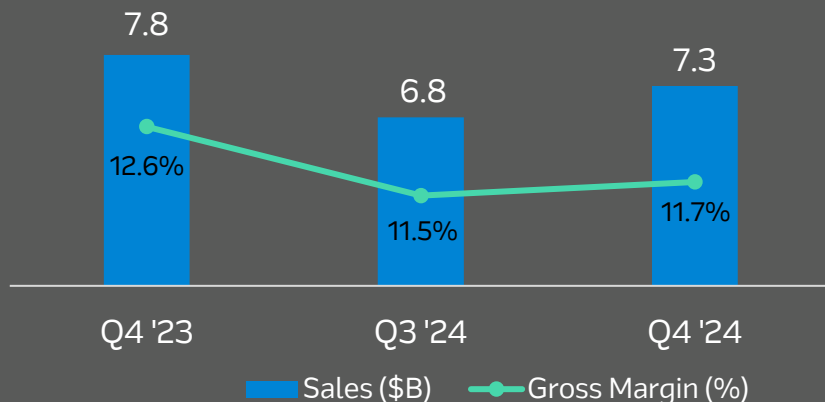


Revenue figures are GAAP and reflect year-on-year performance changes  
Amounts may not calculate precisely due to rounding

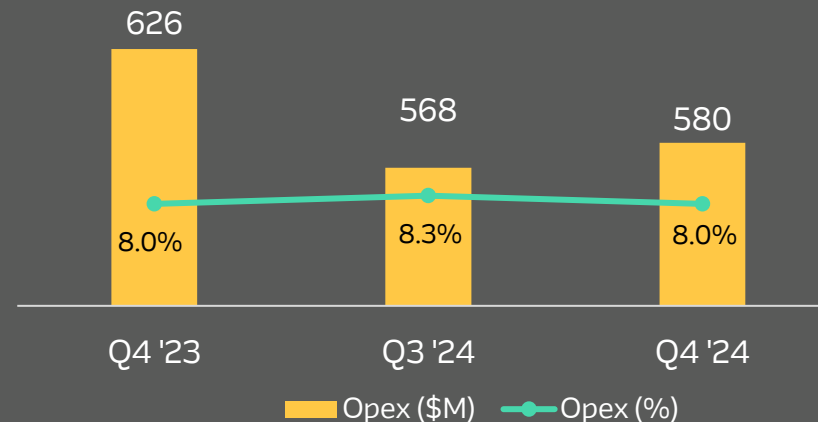


# Q4 2024 financial metrics

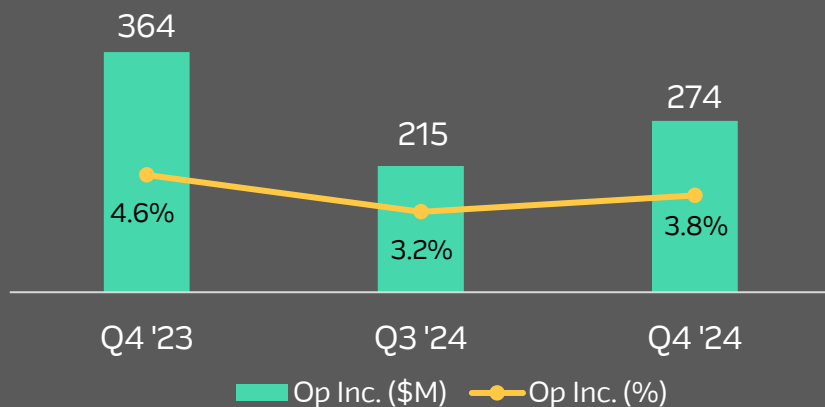
## Sales & Non-GAAP Gross Margin<sup>1</sup>



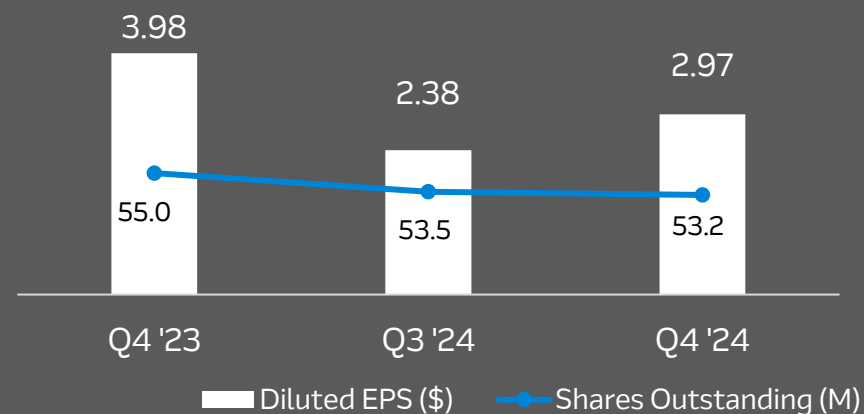
## Non-GAAP Operating Expenses<sup>1</sup>



## Non-GAAP Operating Income<sup>1</sup>



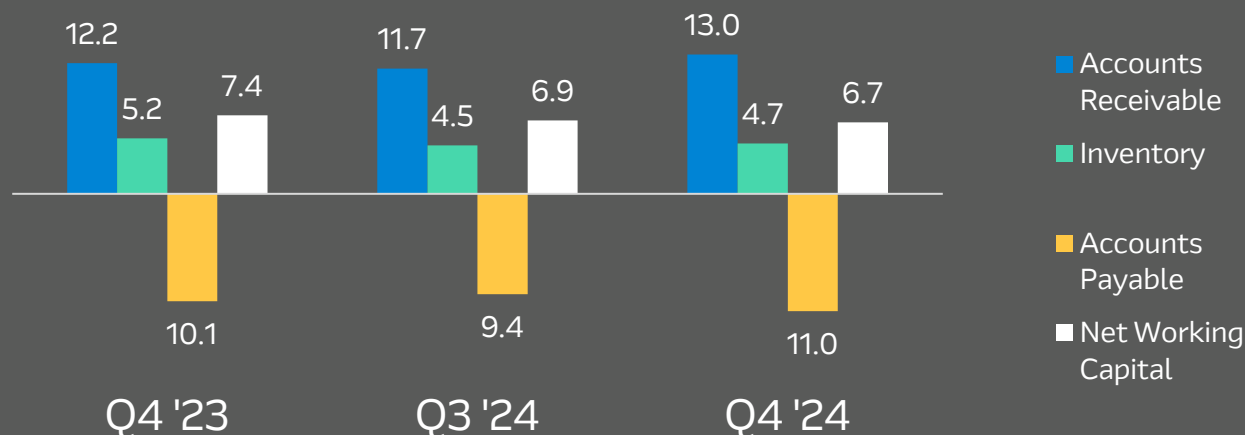
## Non-GAAP Diluted EPS<sup>1</sup>



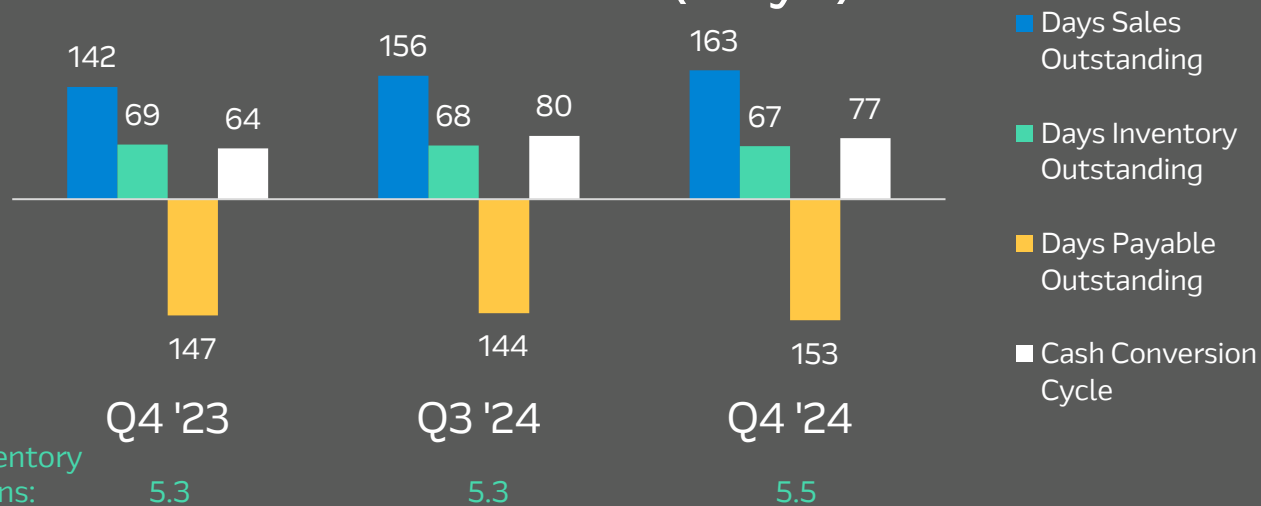
Interest and other expense, net in Q4 '24 was \$60 million  
Non-GAAP Effective Tax Rate was 24.9%<sup>1</sup>

# Working capital

## Net Working Capital (\$B)



## Cash Conversion (Days)



- **Non-GAAP Return on Working Capital (ROWC)<sup>1</sup>** was 16.4% in the fourth quarter, down 340 basis points year on year. The decrease in ROWC related primarily to lower operating income in Global Components.
- **Non-GAAP Return on Invested Capital (ROIC)<sup>1</sup>** was 9.2% in the fourth quarter, down 280 basis points year on year. The decrease in ROIC related primarily to lower operating income in Global Components.

<sup>1</sup>See reconciliation to comparable GAAP figures in the tables at the end of this presentation  
Amounts may not calculate precisely due to rounding



# Q4 2024 balance sheet and cash highlights



Operating Cashflow was \$326M



Gross Debt was \$3.1B



Repurchased \$50M in shares



# Q1 2025 guidance

|  |                                  |
|--|----------------------------------|
| Consolidated Sales                               | \$5.98 billion to \$6.58 billion |
| Global components                                | \$4.35 billion to \$4.75 billion |
| Global ECS                                       | \$1.63 billion to \$1.83 billion |
| Diluted Earnings Per Share <sup>1</sup>          | \$0.98 to \$1.18                 |
| Non-GAAP Diluted Earnings Per Share <sup>1</sup> | \$1.30 to \$1.50                 |
| Interest and other expense, net                  | \$60 million to \$65 million     |

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

- We estimate changes in foreign currencies to decrease sales by \$138 million and earnings per share on a diluted basis by \$0.13 compared to the first quarter of 2024.
- We estimate changes in foreign currencies to decrease sales by \$90 million and earnings per share on a diluted basis by \$0.05 compared to the fourth quarter of 2024.

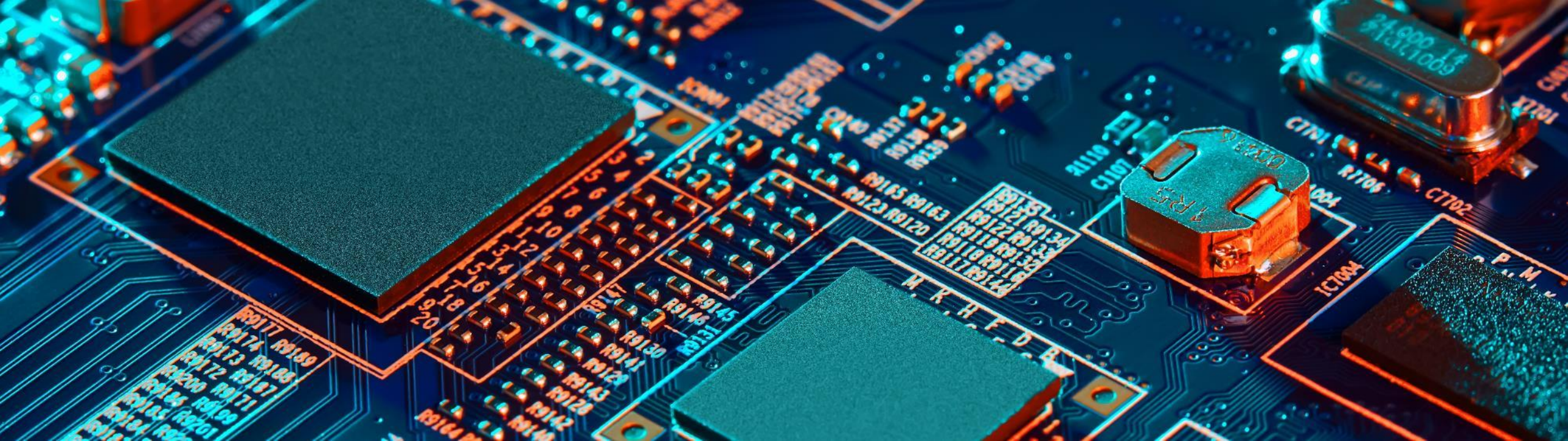






# Thank You Q&A





# Additional information and financial tables



# Consolidated fourth-quarter overview

(\$ in millions, except per share data)

|                           | Q4 2024 | Q4 2023 | Y/Y CHANGE | Q4 2023 IN<br>CONSTANT<br>CURRENCY | Y/Y CHANGE IN<br>CONSTANT<br>CURRENCY | Q3 2024 | Q/Q CHANGE |
|---------------------------|---------|---------|------------|------------------------------------|---------------------------------------|---------|------------|
| P&L Highlights*           |         |         |            |                                    |                                       |         |            |
| Sales                     | \$7,283 | \$7,849 | -7%        | \$7,822                            | -7%                                   | \$6,823 | 7%         |
| Gross Profit Margin       | 11.0%   | 12.6%   | -160 bps   | 12.6%                              | -160 bps                              | 11.5%   | -50 bps    |
| Operating Income          | \$195   | \$317   | -38%       | \$311                              | -37%                                  | \$175   | 11%        |
| Operating Margin          | 2.7%    | 4.0%    | -130 bps   | 4.0%                               | -130 bps                              | 2.6%    | 10 bps     |
| Non-GAAP Operating Income | \$274   | \$364   | -25%       | \$358                              | -24%                                  | \$215   | 27%        |
| Non-GAAP Operating Margin | 3.8%    | 4.6%    | -80 bps    | 4.6%                               | -80 bps                               | 3.2%    | 60 bps     |
| Net Income                | \$99    | \$195   | -49%       | \$189                              | -47%                                  | \$101   | -1%        |
| Diluted EPS               | \$1.86  | \$3.54  | -47%       | \$3.43                             | -46%                                  | \$1.88  | -1%        |
| Non-GAAP Net Income       | \$158   | \$219   | -28%       | \$213                              | -26%                                  | \$128   | 24%        |
| Non-GAAP Diluted EPS      | \$2.97  | \$3.98  | -25%       | \$3.88                             | -23%                                  | \$2.38  | 25%        |

|                                    | Q4 2024 | Q4 2023 | Y/Y CHANGE | Q4 2023 IN<br>CONSTANT<br>CURRENCY | Y/Y CHANGE IN<br>CONSTANT<br>CURRENCY | Q3 2024 | Q/Q CHANGE |
|------------------------------------|---------|---------|------------|------------------------------------|---------------------------------------|---------|------------|
| Operating expenses                 | \$608   | \$673   | -10%       | \$672                              | -9%                                   | \$610   | 0%         |
| Operating expenses margin          | 8.4%    | 8.6%    | -20 bps    | 8.6%                               | -20 bps                               | 8.9%    | -50 bps    |
| Non-GAAP Operating expenses        | \$580   | \$626   | -7%        | \$625                              | -7%                                   | \$568   | 2%         |
| Non-GAAP Operating expenses margin | 8.0%    | 8.0%    | 0 bps      | 8.0%                               | 0 bps                                 | 8.3%    | -30 bps    |

# Revenue history

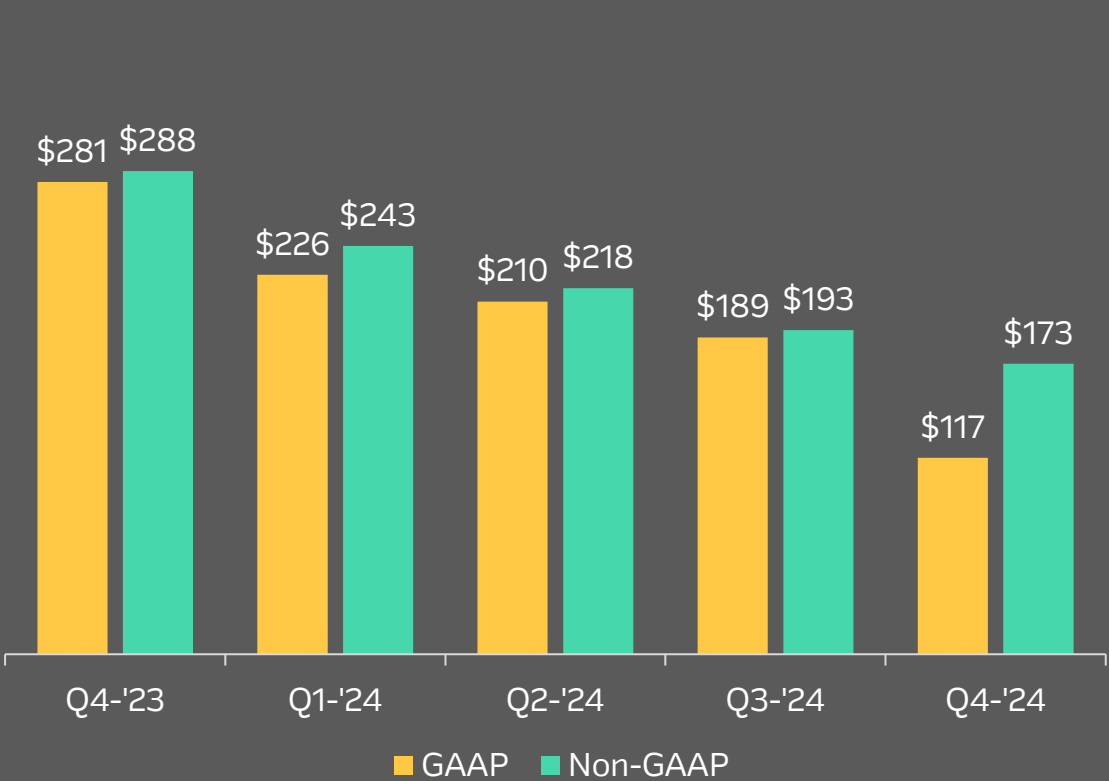
(\$ in millions, may reflect rounding)

|                                      | Q4'23   | Q1'24   | Q2'24   | Q3'24   | Q4'24   | YoY change | QoQ change |
|--------------------------------------|---------|---------|---------|---------|---------|------------|------------|
| Global Components Total              | \$5,636 | \$5,191 | \$5,032 | \$4,946 | \$4,814 | -15%       | -3%        |
| Americas                             | 1,785   | 1,597   | 1,573   | 1,638   | 1,604   | -10%       | -2%        |
| Europe, Middle East & Africa         | 1,688   | 1,657   | 1,439   | 1,290   | 1,262   | -25%       | -2%        |
| Asia Pacific                         | 2,163   | 1,938   | 2,020   | 2,018   | 1,948   | -10%       | -3%        |
| Enterprise Computing Solutions Total | 2,213   | 1,733   | 1,861   | 1,877   | 2,469   | 12%        | 32%        |
| Europe, Middle East & Africa         | 1,067   | 825     | 897     | 844     | 1,307   | 22%        | 55%        |
| Americas                             | 1,146   | 908     | 964     | 1,033   | 1,162   | 1%         | 12%        |
| Arrow Electronics Total              | \$7,849 | \$6,924 | \$6,893 | \$6,823 | \$7,283 | -7%        | 7%         |

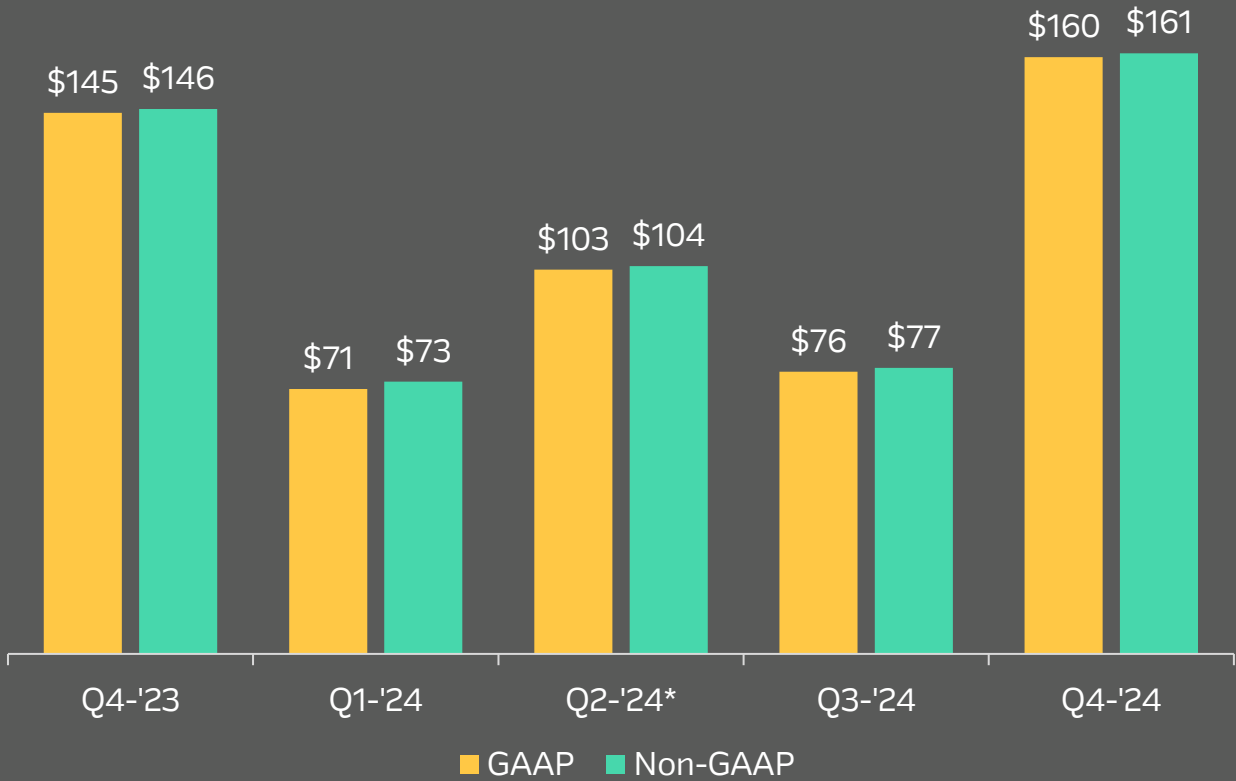


# Operating income history

Global Components (\$M)



Enterprise Computing Solutions (\$M)



\* Q2-'24 ECS operating income included a \$20 million benefit for the collection of certain aged receivables related to one customer

# 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, consolidated net income, noncontrolling interest, provision for income tax, income before income taxes, 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 the 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.





# First-quarter 2025 GAAP to non-GAAP outlook reconciliation

(\$ in billions, except per share data)

## NON-GAAP SALES RECONCILIATION

|  | Quarter Ended  |           |              | % Change | Quarter Ended  |           |               |
|--|----------------|-----------|--------------|----------|----------------|-----------|---------------|
|  | 29-Mar-25      | 30-Mar-24 |              |          | 29-Mar-25      | 31-Dec-24 | % Change      |
| Global components sales, GAAP              | \$ 4.35 - 4.75 | \$ 5.19   | (16%) - (8%) |          | \$ 4.35 - 4.75 | \$ 4.81   | (10%) - (1%)  |
| Impact of changes in foreign currencies    | —              | (0.09)    |              |          | —              | (0.05)    |               |
| Global components sales, constant currency | \$ 4.35 - 4.75 | \$ 5.10   | (15%) - (7%) |          | \$ 4.35 - 4.75 | \$ 4.76   | (9%) - (0%)   |
| Global ECS sales, GAAP                     | \$ 1.63 - 1.83 | \$ 1.73   | (6%) - 6%    |          | \$ 1.63 - 1.83 | \$ 2.47   | (34%) - (26%) |
| Impact of changes in foreign currencies    | —              | (0.05)    |              |          | —              | (0.04)    |               |
| Global ECS sales, constant currency        | \$ 1.63 - 1.83 | \$ 1.68   | (3%) - 9%    |          | \$ 1.63 - 1.83 | \$ 2.43   | (33%) - (25%) |

## NON-GAAP EARNINGS RECONCILIATION

|                              | REPORTED GAAP MEASURE | INTANGIBLE AMORTIZATION | RESTRUCTURING & INTEGRATION | NON-GAAP MEASURE |
|------------------------------|-----------------------|-------------------------|-----------------------------|------------------|
|                              |                       | EXPENSE                 | CHARGES                     |                  |
| Net income per diluted share | \$0.98 - to \$1.18    | \$0.07                  | \$0.25                      | \$1.30 to \$1.50 |

# Non-GAAP fourth-quarter sales reconciliation

(\$ in thousands)

|  | Quarter Ended |              | % Change |
|--|---------------|--------------|----------|
|  | 31-Dec-24     | 31-Dec-23    |          |
| Consolidated sales, as reported              | \$ 7,282,877  | \$ 7,849,157 | (7.2)%   |
| Impact of changes in foreign currencies      | —             | (27,280)     |          |
| Consolidated sales, constant currency        | \$ 7,282,877  | \$ 7,821,877 | (6.9)%   |
| Global components sales, as reported         | \$ 4,813,760  | \$ 5,636,032 | (14.6)%  |
| Impact of changes in foreign currencies      | —             | (11,106)     |          |
| Global components sales, constant currency   | \$ 4,813,760  | \$ 5,624,926 | (14.4)%  |
| Americas components sales, as reported       | \$ 1,603,710  | \$ 1,784,764 | (10.1)%  |
| Impact of changes in foreign currencies      | —             | (763)        |          |
| Americas components sales, constant currency | \$ 1,603,710  | \$ 1,784,001 | (10.1)%  |
| Asia components sales, as reported           | \$ 1,947,730  | \$ 2,163,421 | (10.0)%  |
| Impact of changes in foreign currencies      | —             | (2,923)      |          |
| Asia components sales, constant currency     | \$ 1,947,730  | \$ 2,160,498 | (9.8)%   |
| EMEA components sales, as reported           | \$ 1,262,320  | \$ 1,687,847 | (25.2)%  |
| Impact of changes in foreign currencies      | —             | (7,420)      |          |
| EMEA components sales, constant currency     | \$ 1,262,320  | \$ 1,680,427 | (24.9)%  |
| Global ECS sales, as reported                | \$ 2,469,117  | \$ 2,213,125 | 11.6%    |
| Impact of changes in foreign currencies      | —             | (16,174)     |          |
| Global ECS sales, constant currency          | \$ 2,469,117  | \$ 2,196,951 | 12.4%    |
| Americas ECS sales, as reported              | \$ 1,162,227  | \$ 1,145,754 | 1.4%     |
| Impact of changes in foreign currencies      | —             | (2,914)      |          |
| Americas ECS sales, constant currency        | \$ 1,162,227  | \$ 1,142,840 | 1.7%     |
| EMEA ECS sales, as reported                  | \$ 1,306,890  | \$ 1,067,371 | 22.4%    |
| Impact of changes in foreign currencies      | —             | (13,260)     |          |
| EMEA ECS sales, constant currency            | \$ 1,306,890  | \$ 1,054,111 | 24.0%    |



# Quarterly GAAP to non-GAAP reconciliation

(\$ in thousands, except per share data)

## Three months ended December 31, 2024

|   | Reported GAAP<br>measure | Intangible<br>Amortization Expense | Restructuring &<br>Integration charges | Impact of Wind Down <sup>(1)</sup> | Other <sup>(2)</sup> | Non-GAAP measure |
|---|--------------------------|------------------------------------|--|------------------------------------|----------------------|------------------|
| Operating income                            | \$ 195,103               | \$ 7,219                           | \$ 21,058                              | \$ 50,344                          | \$ -                 | \$ 273,724       |
| Income before income taxes                  | 128,704                  | 7,219                              | 21,058                                 | 50,344                             | 4,070                | 211,395          |
| Provision for income taxes                  | 28,816                   | 1,786                              | 4,318                                  | 16,692                             | 977                  | 52,589           |
| Consolidated net income                     | 99,888                   | 5,433                              | 16,740                                 | 33,652                             | 3,093                | 158,806          |
| Noncontrolling interests                    | 680                      | 135                                | -                                      | -                                  | -                    | 815              |
| Net income attributable to shareholders     | \$ 99,208                | \$ 5,298                           | \$ 16,740                              | \$ 33,652                          | \$ 3,093             | \$ 157,991       |
| Net income per diluted share <sup>(3)</sup> | \$ 1.86                  | \$ 0.10                            | \$ 0.31                                | \$ 0.63                            | \$ 0.06              | \$ 2.97          |
| Effective tax rate <sup>(4)</sup>           | 22.4%                    |                                    |  |                                    |                      | 24.9%            |

## Three months ended December 31, 2023

|   | Reported GAAP<br>measure | Intangible<br>Amortization Expense | Restructuring &<br>Integration charges | Impact of Wind Down <sup>(1)</sup> | Other <sup>(2)</sup> | Non-GAAP measure |
|---|--------------------------|------------------------------------|--|------------------------------------|----------------------|------------------|
| 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 <sup>(3)</sup> | \$ 3.54                  | \$ 0.10                            | \$ 0.55                                | \$ -                               | \$ (0.20)            | \$ 3.98          |
| Effective tax rate <sup>(4)</sup>           | 21.5%                    |                                    |  |                                    |                      | 21.8%            |

## Three months ended September 28, 2024

|   | Reported GAAP<br>measure | Intangible<br>Amortization Expense | Restructuring &<br>Integration charges | Impact of Wind Down <sup>(1)</sup> | Other <sup>(2)</sup> | Non-GAAP measure |
|---|--------------------------|------------------------------------|--|------------------------------------|----------------------|------------------|
| Operating income                            | \$ 175,262               | \$ 7,308                           | \$ 34,466                              | \$ (1,857)                         | \$ -                 | \$ 215,179       |
| Income before income taxes                  | 116,095                  | 7,308                              | 34,466                                 | (1,857)                            | (3,757)              | 152,255          |
| Provision for income taxes                  | 15,198                   | 1,819                              | 8,592                                  | (444)                              | (902)                | 24,263           |
| Consolidated net income                     | 100,897                  | 5,489                              | 25,874                                 | (1,413)                            | (2,855)              | 127,992          |
| Noncontrolling interests                    | 330                      | 136                                | -                                      | -                                  | -                    | 466              |
| Net income attributable to shareholders     | \$ 100,567               | \$ 5,353                           | \$ 25,874                              | \$ (1,413)                         | \$ (2,855)           | \$ 127,526       |
| Net income per diluted share <sup>(3)</sup> | \$ 1.88                  | \$ 0.10                            | \$ 0.48                                | \$ (0.03)                          | \$ (0.05)            | \$ 2.38          |
| Effective tax rate <sup>(4)</sup>           | 13.1%                    |                                    |  |                                    |                      | 15.9%            |

(1) Includes write downs (reversals) of inventory related to the wind down of businesses.

(2) Other includes loss (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.

# Gross profit and operating expense reconciliation

(\$ in thousands)

| (\$ in thousands)                  | Quarter Ended |            |            |            |            |
|------------------------------------|---------------|------------|------------|------------|------------|
|                                    | 12/31/2023    | 3/30/2024  | 6/29/2024  | 9/28/2024  | 12/31/2024 |
| Consolidated Gross Profit          | \$ 989,550    | \$ 857,826 | \$ 846,444 | \$ 784,828 | \$ 803,310 |
| Impact of wind down to inventory   | -             | 10,459     | 1,627      | (1,857)    | 50,344     |
| Consolidated non-GAAP gross profit | \$ 989,550    | \$ 868,285 | \$ 848,071 | \$ 782,971 | \$ 853,654 |

| (\$ in thousands)                       | Quarter Ended |            |            |            |            |
|---|---------------|------------|------------|------------|------------|
|   | 12/31/2023    | 3/30/2024  | 6/29/2024  | 9/28/2024  | 12/31/2024 |
| Consolidated Operating Expense          | \$ 672,871    | \$ 671,909 | \$ 634,169 | \$ 609,566 | \$ 608,207 |
| Intangible Amortization Expense         | (7,491)       | (7,546)    | (7,456)    | (7,308)    | (7,219)    |
| Restructuring & Integration charges     | (39,664)      | (46,856)   | (40,537)   | (34,466)   | (21,058)   |
| Consolidated non-GAAP Operating Expense | \$ 625,716    | \$ 617,507 | \$ 586,176 | \$ 567,792 | \$ 579,930 |

| (\$ in thousands)           | Quarter Ended |              |              |              |              |
|-----------------------------|---------------|--------------|--------------|--------------|--------------|
|                             | 12/31/2023    | 3/30/2024    | 6/29/2024    | 9/28/2024    | 12/31/2024   |
| Americas ECS gross billings | \$ 2,814,075  | \$ 2,363,828 | \$ 2,441,126 | \$ 2,576,302 | \$ 2,942,118 |
| EMEA ECS gross billings     | 2,732,696     | 2,044,590    | 2,031,940    | 1,983,482    | 3,144,823    |
| Global ECS gross billings   | \$ 5,546,771  | \$ 4,408,418 | \$ 4,473,066 | \$ 4,559,784 | \$ 6,086,941 |



# Return on working capital reconciliation

(\$ in thousands)

|   | Quarter Ended     |                   |
|---|-------------------|-------------------|
|   | December 31, 2024 | December 31, 2023 |
| <b>Numerator:</b>                                 |                   |                   |
| Consolidated operating income, as reported        | \$ 195,103        | \$ 316,679        |
|   | x4                | x4                |
| Annualized consolidated operating income          | \$ 780,412        | \$ 1,266,716      |
| Non-GAAP consolidated operating income            | \$ 273,724        | \$ 363,834        |
|   | x4                | x4                |
| Annualized non-GAAP consolidated operating income | \$ 1,094,896      | \$ 1,455,336      |
| <b>Denominator:</b>                               |                   |                   |
| Accounts receivable, net                          | 13,030,991        | 12,238,073        |
| Inventories                                       | 4,709,706         | 5,187,225         |
| Less: Accounts payable                            | 11,047,470        | 10,070,015        |
| Working capital                                   | 6,693,227         | 7,355,283         |
| Return on working capital                         | 11.7%             | 17.2%             |
| Return on working capital (Non-GAAP)              | 16.4%             | 19.8%             |

# Return on invested capital reconciliation

(\$ in thousands)

## Numerator:

Consolidated operating income, as reported

Equity in earnings of affiliated companies <sup>(1)</sup>

Less: Noncontrolling interests <sup>(1)</sup>

Consolidated operating income, as adjusted

Less: Tax effect <sup>(2)</sup>

After-tax consolidated operating income, as adjusted

Annualized after-tax consolidated operating income, as adjusted

Non-GAAP consolidated operating income

Equity in earnings of affiliated companies <sup>(1)</sup>

Less: Noncontrolling interests <sup>(1)</sup>

Non-GAAP consolidated operating income, as adjusted

Less: Tax effect <sup>(3)</sup>

After-tax non-GAAP consolidated operating income, as adjusted

Annualized after-tax non-GAAP operating income, as adjusted

## Denominator:

Average short-term borrowings, including current portion of long-term debt <sup>(4)</sup>

Average long-term debt <sup>(4)</sup>

Average total equity <sup>(4)</sup>

Average cash and cash equivalents <sup>(4)</sup>

Invested capital

Return on invested capital

Return on invested capital (Non-GAAP)

| Quarter Ended     |           |                   |           |
|-------------------|-----------|-------------------|-----------|
| December 31, 2024 |           | December 31, 2023 |           |
| \$                | 195,103   | \$                | 316,679   |
|                   | (544)     |                   | 2,034     |
|                   | 680       |                   | 1,669     |
|                   | 193,879   |                   | 317,044   |
|                   | 43,568    |                   | 68,590    |
|                   | 150,311   |                   | 248,454   |
|                   | x4        |                   | x4        |
| \$                | 601,244   | \$                | 993,816   |
| \$                | 273,724   | \$                | 363,834   |
|                   | (544)     |                   | 2,034     |
|                   | 815       |                   | 1,800     |
|                   | 272,365   |                   | 364,068   |
|                   | 67,973    |                   | 79,681    |
|                   | 204,392   |                   | 284,387   |
|                   | x4        |                   | x4        |
| \$                | 817,568   | \$                | 1,137,548 |
| \$                | 629,902   |                   | 1,621,308 |
|                   | 2,568,512 |                   | 2,384,277 |
|                   | 5,933,803 |                   | 5,715,391 |
|                   | 218,404   |                   | 275,673   |
| \$                | 8,913,813 | \$                | 9,445,303 |
|                   | 6.7%      |                   | 10.5%     |
|                   | 9.2%      |                   | 12.0%     |

(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 December 31, 2024 and December 31, 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 December 31, 2024 and December 31, 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.

# Non-GAAP segment reconciliation

(\$ in thousands)

| (\$ in thousands)                               | Quarter Ended     |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | <u>12/31/2023</u> | <u>3/30/2024</u>  | <u>6/29/2024</u>  | <u>9/28/2024</u>  | <u>12/31/2024</u> |
| Global components operating income, as reported | \$ 281,260        | \$ 225,562        | \$ 210,201        | \$ 188,600        | \$ 116,910        |
| Intangible assets amortization expense          | 6,436             | 6,488             | 6,399             | 6,247             | 6,162             |
| Impact of wind down to inventory                | <u>-</u>          | <u>10,459</u>     | <u>1,627</u>      | <u>(1,857)</u>    | <u>50,344</u>     |
| Global components non-GAAP operating income     | <u>\$ 287,696</u> | <u>\$ 242,509</u> | <u>\$ 218,227</u> | <u>\$ 192,990</u> | <u>\$ 173,416</u> |
| Global ECS operating income, as reported        | \$ 145,053        | \$ 71,459         | \$ 102,581        | \$ 75,614         | \$ 160,421        |
| Intangible assets amortization expense          | <u>1,055</u>      | <u>1,058</u>      | <u>1,057</u>      | <u>1,061</u>      | <u>1,057</u>      |
| Global ECS non-GAAP operating income            | <u>\$ 146,108</u> | <u>\$ 72,517</u>  | <u>\$ 103,638</u> | <u>\$ 76,675</u>  | <u>\$ 161,478</u> |



# Non-GAAP segment reconciliation (continued)

(\$ in thousands)

| (\$ in thousands)   | Quarter Ended |            |
|---|---------------|------------|
|   | 12/31/2023    | 12/31/2024 |
| Global components gross profit, as reported                       | \$ 702,412    | \$ 497,324 |
| Impact of wind down to inventory                                  | -             | 50,344     |
| Global components non-GAAP gross profit                           | \$ 702,412    | \$ 547,668 |
| Global components gross profit, as a percentage of sales          | 12.5%         | 10.3%      |
| Global components non-GAAP gross profit, as a percentage of sales | 12.5%         | 11.4%      |
| Global ECS gross profit, as reported                              | \$ 287,138    | \$ 305,986 |
| Global ECS gross profit as a percentage of sales, as reported     | 13.0%         | 12.4%      |