

# Q4 Fiscal Year 2019 Financial Highlights

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For the quarter ended January 31, 2019

March 7, 2019

## Forward-Looking Statements

Certain statements in this communication may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, including statements regarding Tech Data’s plans, objectives, expectations and intentions, Tech Data’s financial results and estimates and/or business prospects, involve a number of risks and uncertainties and actual results could differ materially from those projected. These forward looking statements are based on current expectations, estimates, forecasts, and projections about the operating environment, economies and markets in which Tech Data operates and the beliefs and assumptions of our management. Words such as “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” variations of such words, and similar expressions are intended to identify such forward looking statements. In addition, any statements that refer to Tech Data’s future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances, are forward looking statements. These forward looking statements are only predictions and are subject to risks, uncertainties, and assumptions. Therefore, actual results may differ materially and adversely from those expressed in any forward looking statements.

For additional information with respect to important risks and other factors that could cause actual results to differ materially from those in the forward-looking statements, see Tech Data’s Annual Report on Form 10-K for the year ended January 31, 2018, including Part I, Item 1A, “Risk Factors” therein, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other securities filings with the Securities and Exchange Commission (the “SEC”) that are available at the SEC’s website at [www.sec.gov](http://www.sec.gov) and other securities regulators. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Many of these factors are beyond Tech Data’s control. Unless otherwise required by applicable securities laws, Tech Data disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Tech Data undertakes no duty to update any forward looking statements contained herein to reflect actual results or changes in Tech Data’s expectations.

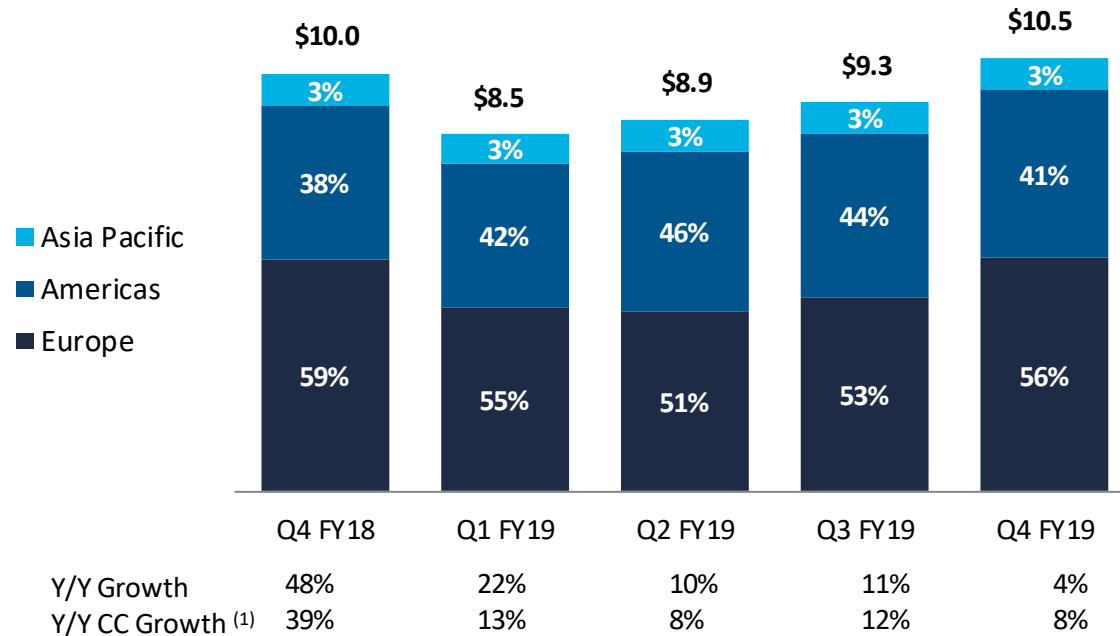
## Use of Non-GAAP Financial Information

This document includes financial results prepared in accordance with generally accepted accounting principles (“GAAP”). In addition to GAAP results, Tech Data management believes that the presentation of non-GAAP financial measures is useful to investors because it provides investors with a more complete understanding of our operational results and a meaningful comparison of our performance between periods. The non-GAAP results and outlook should only be used in conjunction with results reported in accordance with GAAP and are not intended to be a substitute for results reported in accordance with GAAP. Non-GAAP financial measures presented in this presentation or other presentations, press releases and similar documents issued by Tech Data, include but are not limited to sales, income or expense items as adjusted for the impact of changes in foreign currencies (referred to as “constant currency”), non-GAAP selling, general and administrative expenses (“SG&A”), non-GAAP operating income, non-GAAP operating margin, non-GAAP net income, non-GAAP earnings per diluted share, Adjusted non-GAAP operating income growth, Adjusted non-GAAP EPS growth and Adjusted Return on Invested Capital. These non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by comparable companies. Management may also use these non-GAAP financial measures to establish operational goals and, in some cases, for measuring performance for compensation purposes. This presentation provides a detailed reconciliation between results reported in accordance with GAAP and non-GAAP financial measures.

# Worldwide

## Net Sales

\$ in Billions



### Q4 FY19:

- Worldwide reported net sales of \$10.5 billion increased 4% year-over-year and 12% sequentially.
- On a constant currency basis, net sales increased 8% year-over-year and 13% sequentially.
- Two of our vendor partners represented 10% or more of our net sales; Apple represented 18% and Cisco represented 10%

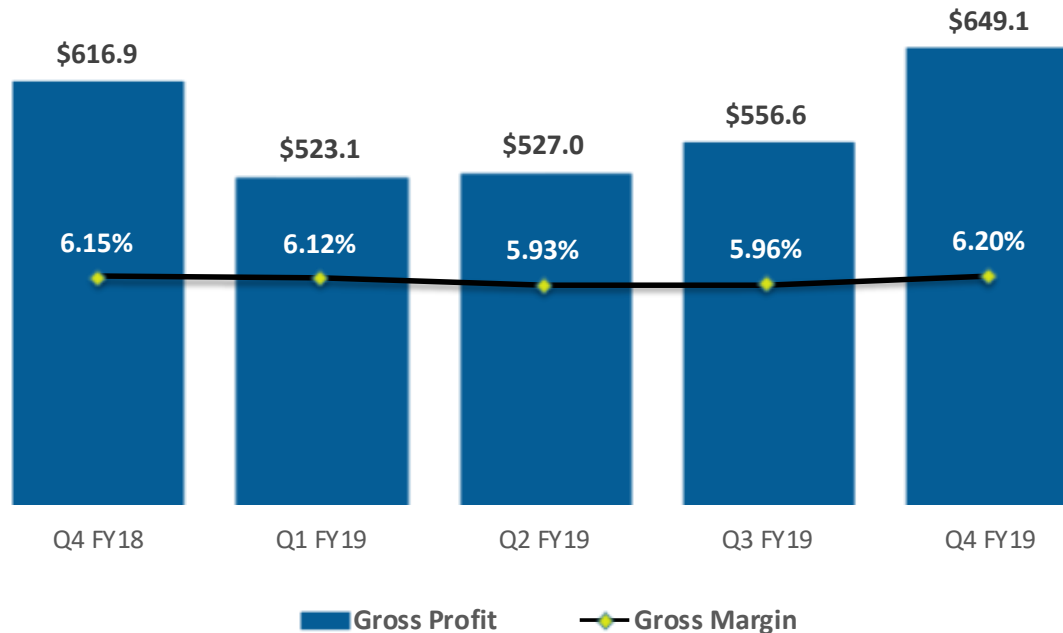
<sup>(1)</sup> CC: constant currency

Note: Prior year (FY18) growth rates reflect the acquisition of Technology Solutions on February 27, 2017; Net sales and related growth rates adjusted to reflect adoption of new revenue recognition standard ASC 606.

# Worldwide

## Gross Profit and Margin

\$ in Millions



### Q4 FY19:

- Gross profit of \$649.1 million increased \$32.3 million or 5% compared to the prior-year quarter.
- Gross margin rate improved 5 basis points from the prior-year quarter.

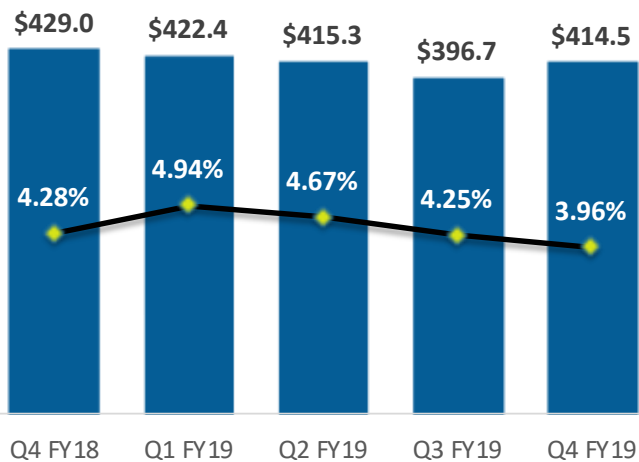
Note: Gross margin percentage adjusted to reflect adoption of ASC 606.

# Worldwide

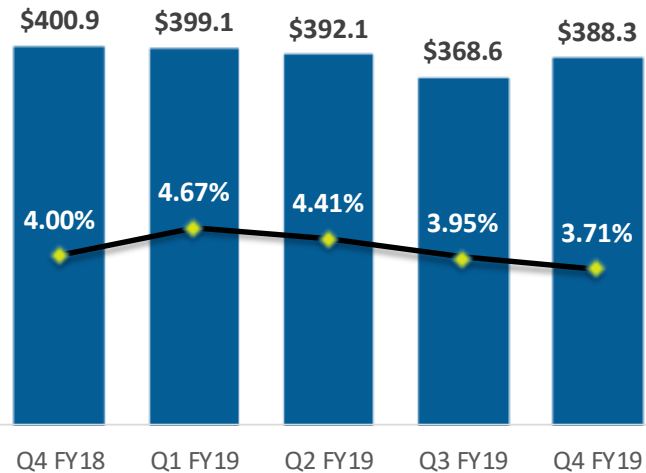
## SG&A Expenses

\$ in Millions

SG&A Expenses



SG&A Expenses (Non-GAAP) <sup>(1)</sup>



### Q4 FY19:

- Non-GAAP SG&A expenses of \$388.3 million decreased \$12.6 million or 3% compared to the prior-year quarter.
- Non-GAAP SG&A as a percentage of net sales decreased 29 basis points from the prior-year quarter.
- GAAP depreciation and amortization expense was \$39.4 million compared to \$37.1 million in the prior-year quarter.

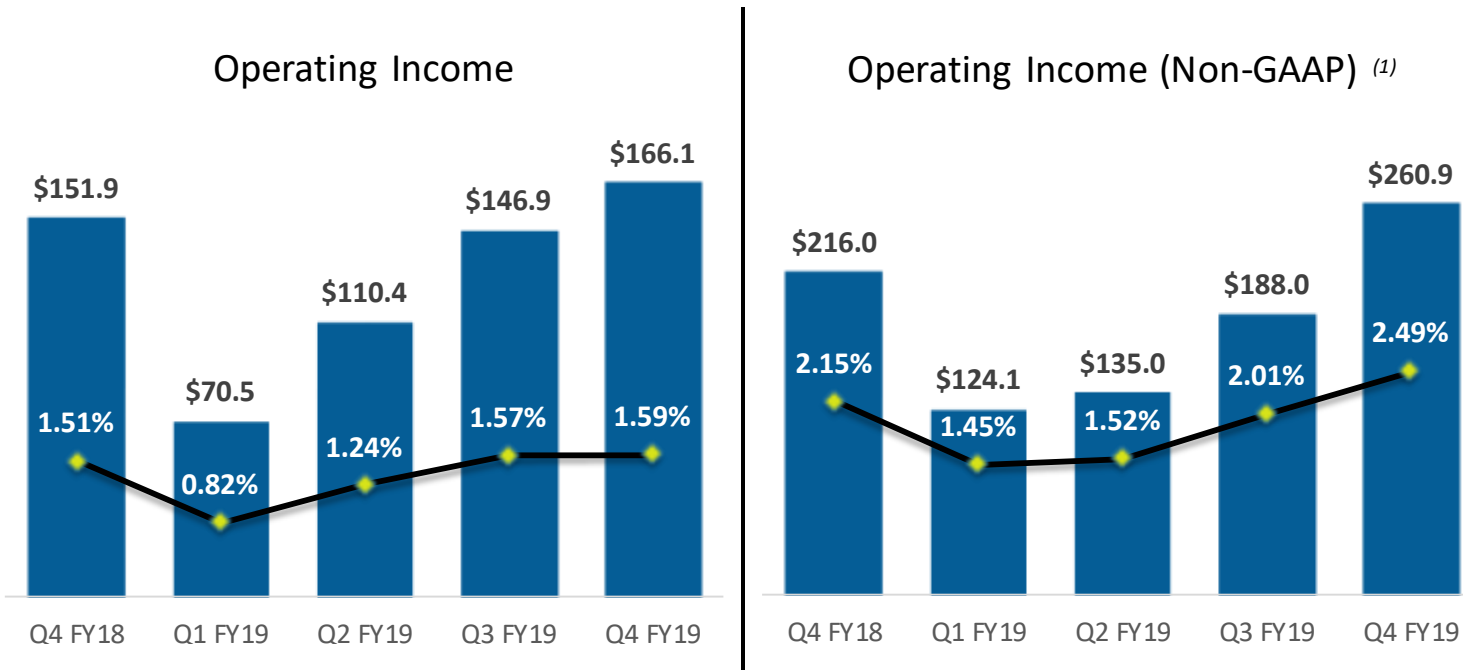
(1) Non-GAAP SG&A excludes acquisition-related amortization of intangibles expenses and tax indemnifications. See GAAP to Non-GAAP reconciliation in the appendix.

Note: Both GAAP and non-GAAP SG&A percentage of net sales adjusted to reflect adoption of ASC 606; Q3 FY19 includes a \$25 million benefit from the collection of an accounts receivable balance previously considered uncollectible.

# Worldwide

## Operating Income

\$ in Millions



### Q4 FY19:

- Worldwide non-GAAP operating income of \$260.9 million increased \$44.9 million or 21% compared to the prior-year quarter, and 25% on a constant currency basis.
- Worldwide non-GAAP operating margin improved 34 basis points from the prior-year quarter.

(1) See the GAAP to Non-GAAP reconciliation in the appendix.

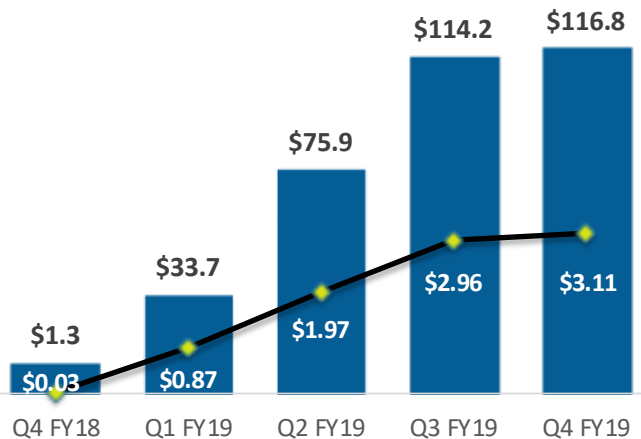
Note: Both GAAP and non-GAAP operating margin percentage adjusted to reflect adoption of ASC 606; Q3 FY19 includes a \$25 million benefit from the collection of an accounts receivable balance previously considered uncollectible.

# Worldwide

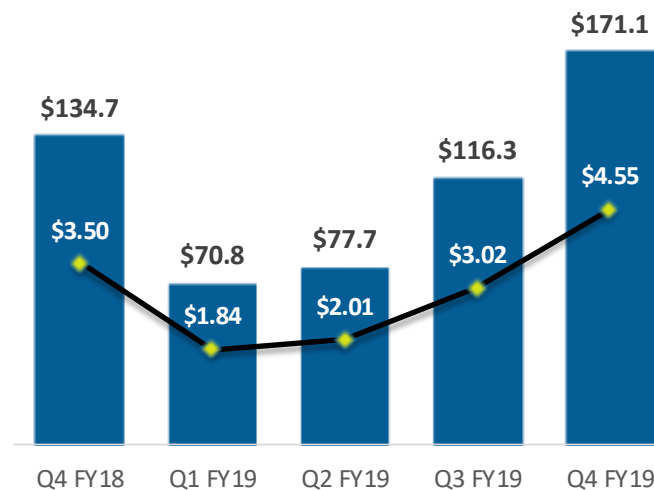
## Net Income and EPS

\$ in Millions (except EPS)

Net Income and EPS



Net Income and EPS (Non-GAAP) <sup>(1)</sup>



## Q4 FY19:

- The effective tax rate was 12%, compared to 99% in the prior-year quarter. The non-GAAP effective tax rate was 25%, compared to 29% in the prior-year quarter.
- Non-GAAP net income of \$171.1 million increased \$36.4 million or 27% compared to the prior-year quarter.
- Non-GAAP EPS of \$4.55 increased \$1.05 or 30% compared to the prior-year quarter.

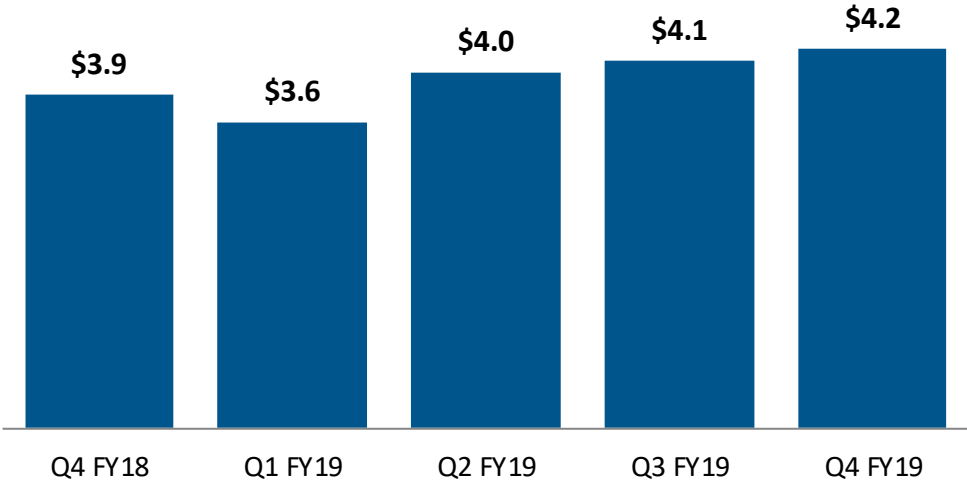
(1) See the GAAP to non-GAAP reconciliation in the appendix.

Note: Q3 FY19 includes an \$18 million net of tax benefit, \$0.47 after tax impact in EPS, from the collection of an accounts receivable balance previously considered uncollectible.

# Regional Results - Americas

## Net Sales

\$ in Billions



Americas	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19
Y/Y Growth	57%	15%	7%	13%	10%
Y/Y CC Growth <sup>(1)</sup>	56%	15%	7%	14%	11%

### Q4 FY19:

- Americas' reported net sales were \$4.2 billion, an increase of 10% year-over-year and 3% sequentially
- On a constant currency basis, net sales increased 11% year-over-year and 3% sequentially.

<sup>(1)</sup> CC: constant currency

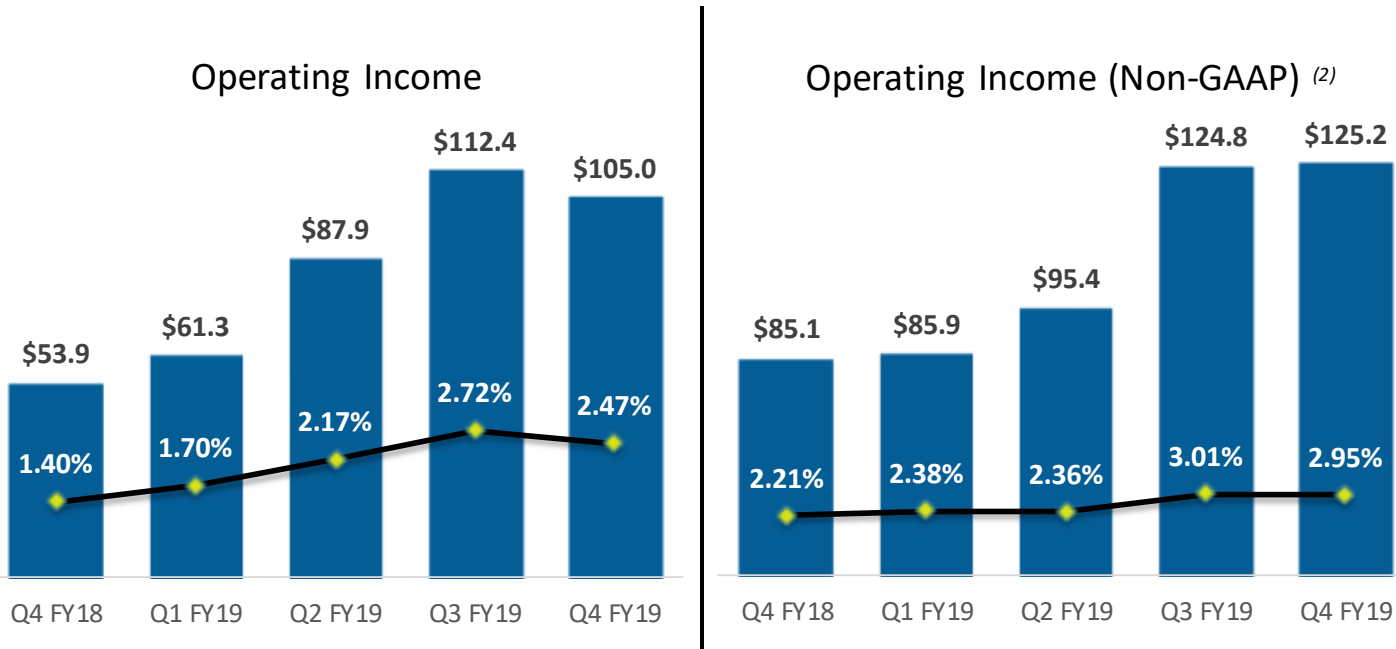
Note: Prior year (FY18) growth rates reflect the acquisition of Technology Solutions on February 27, 2017; Net sales and related growth rates adjusted to reflect adoption of new revenue recognition standard ASC 606.



# Regional Results - Americas

## Operating Income <sup>(1)</sup>

\$ in Millions



## Q4 FY19:

- Americas' non-GAAP operating income of \$125.2 million increased \$40.2 million or 47% compared to the prior-year quarter, and 49% on a constant currency basis.
- Non-GAAP operating margin improved 74 basis points over the prior-year quarter.

<sup>(1)</sup> Before stock compensation expense.

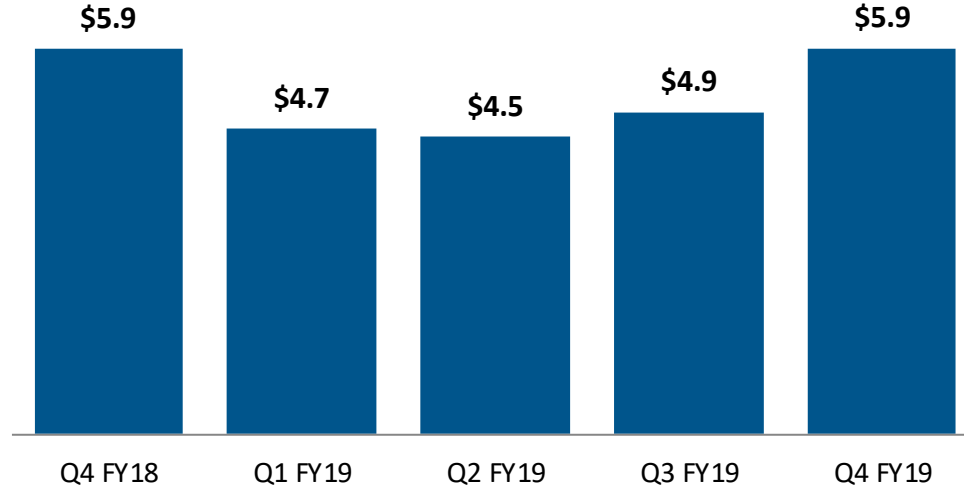
<sup>(2)</sup> See the GAAP to non-GAAP reconciliation in the appendix

Note: Both GAAP and non-GAAP operating margin percentage adjusted to reflect adoption of ASC 606. Q3 FY19 includes a \$25 million benefit from the collection of an accounts receivable balance previously considered uncollectible.

# Regional Results - Europe

## Net Sales

\$ in Billions



Europe	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19
Y/Y Growth	36%	26%	13%	9%	0%
Y/Y CC Growth <sup>(1)</sup>	23%	10%	9%	12%	5%

### Q4 FY19:

- Europe's reported net sales were \$5.9 billion, essentially flat year-over-year and an increase of 20% sequentially.
- On a constant currency basis, net sales increased 5% year-over-year and 22% sequentially.

<sup>(1)</sup> CC: constant currency

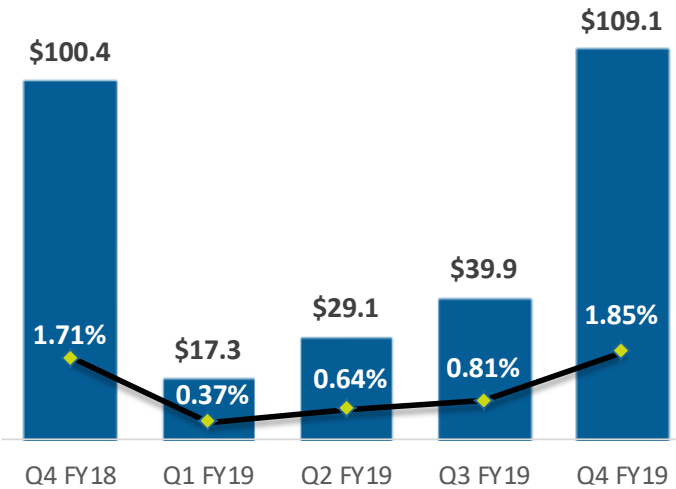
Note: Prior year (FY18) growth rates reflect the acquisition of Technology Solutions on February 27, 2017; Net sales and related growth rates adjusted to reflect adoption of new revenue recognition standard ASC 606.

# Regional Results - Europe

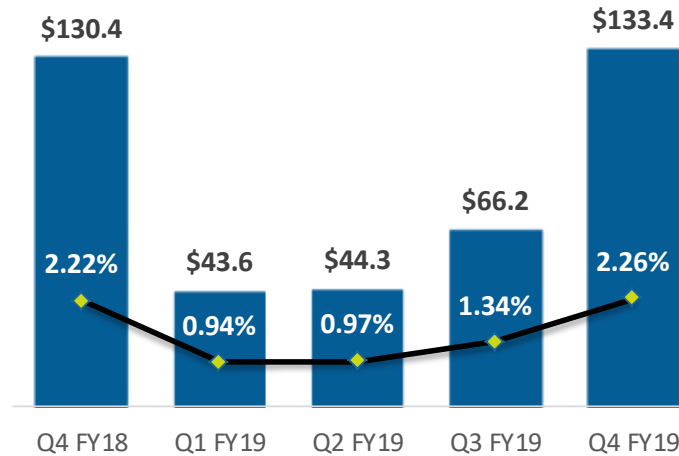
## Operating Income <sup>(1)</sup>

\$ in Millions

Operating Income



Operating Income (Non-GAAP) <sup>(2)</sup>



### Q4 FY19:

- Europe's non-GAAP operating income of \$133.4 million increased \$3.0 million or 2% compared to the prior-year quarter, and 7% on a constant currency basis.
- Non-GAAP operating margin improved 4 basis points from the prior-year quarter.

<sup>(1)</sup> Before stock compensation expense.

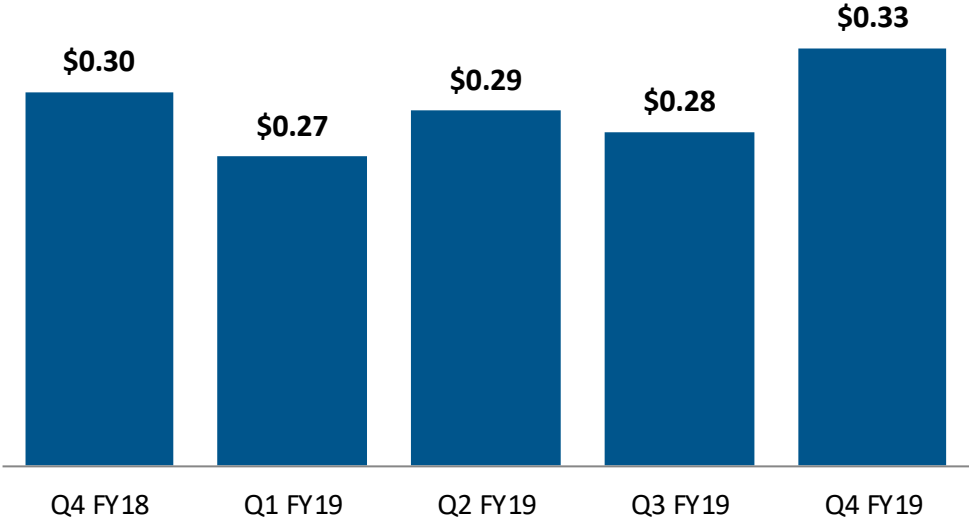
<sup>(2)</sup> See the GAAP to non-GAAP reconciliation in the appendix.

Note: Both GAAP and non-GAAP operating margin percentage adjusted to reflect adoption of ASC 606.

# Regional Results - Asia Pacific

## Net Sales

\$ in Billions



Asia Pacific	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19
Y/Y Growth <sup>(1)</sup>	N/A	48%	5%	6%	8%
Y/Y CC Growth <sup>(2)</sup>	N/A	46%	7%	12%	13%

### Q4 FY19:

- Asia Pacific reported net sales were \$0.33 billion, an increase of 8% year-over-year and an increase of 16% sequentially.
- On a constant currency basis, net sales increased 13% year-over-year and 15% sequentially.

<sup>(1)</sup> Tech Data had no operations in the Asia Pacific region prior to the acquisition of Technology Solutions on February 27, 2017

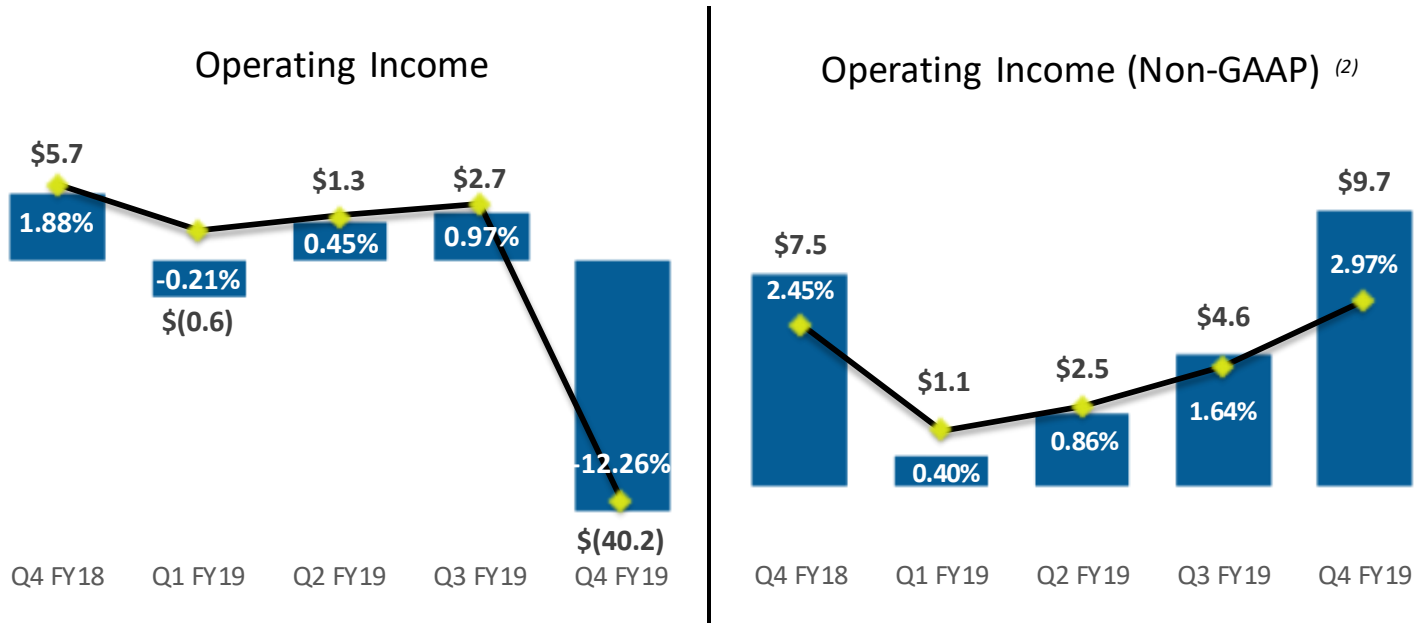
<sup>(2)</sup> CC: constant currency

Note: Net sales and related growth rates adjusted to reflect adoption of new revenue recognition standard ASC 606.

# Regional Results - Asia Pacific

## Operating Income <sup>(1)</sup>

\$ in Millions



## Q4 FY19:

- The Asia Pacific region's non-GAAP operating income of \$9.7 million increased \$2.3 million or 30% compared to the prior-year quarter, and 38% on a constant currency basis.
- Non-GAAP operating margin improved 52 basis points from the prior-year quarter.
- GAAP Results for the fourth quarter of fiscal 2019 include a non-cash goodwill impairment charge of \$47 million.

<sup>(1)</sup> Before stock compensation expense.

<sup>(2)</sup> See the GAAP to non-GAAP reconciliation in the appendix.

Note: Both GAAP and non-GAAP operating margin percentage adjusted to reflect adoption of ASC 606.

# Worldwide

## Cash Metrics

### Cash Conversion Cycle <sup>(1)</sup>

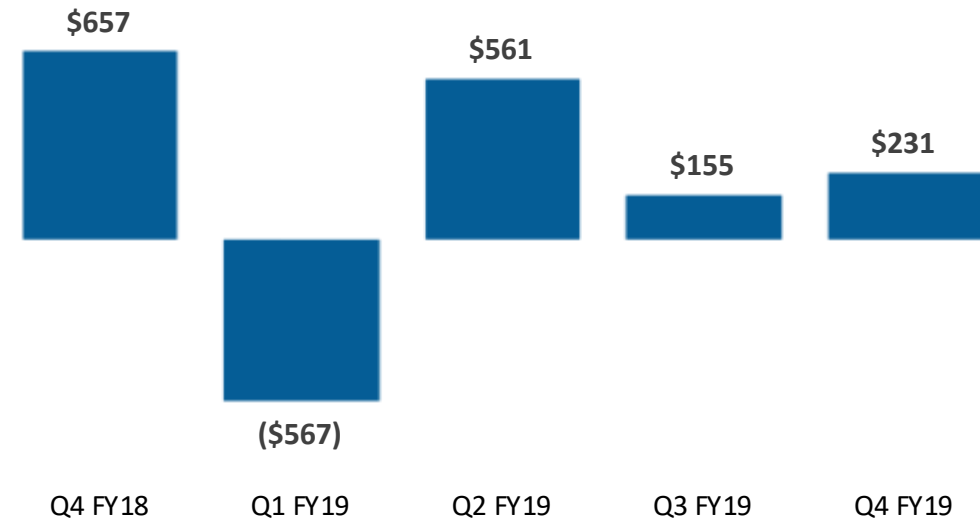
	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19
Days of Sales Outstanding	55	56	53	58	54
Days of Supply	29	33	33	33	31
Days of Purchases Outstanding	(68)	(65)	(68)	(73)	(70)
<b>Cash Conversion Cycle</b>	<b>16</b>	<b>24</b>	<b>18</b>	<b>18</b>	<b>15</b>

### FY19:

- Net cash generated by operations was \$380 million.
- The cash balance at the end of the quarter was \$799 million.

### Cash Flow from Operations

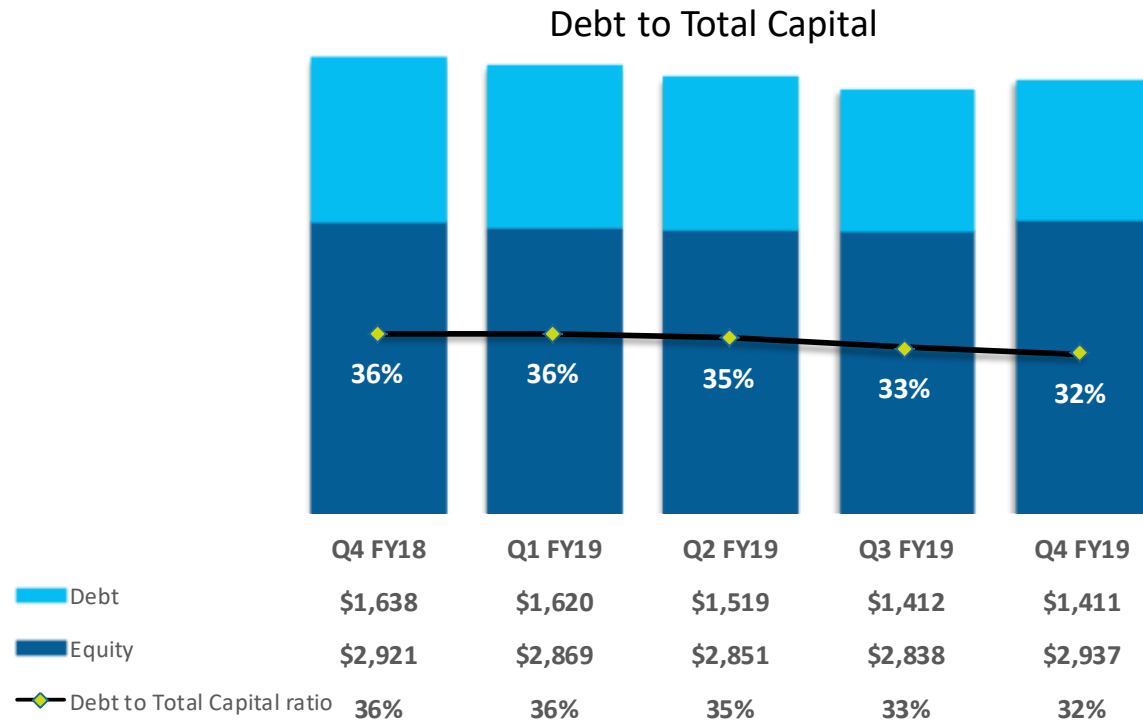
\$ in Millions



<sup>(1)</sup> Adjusted to reflect adoption of ASC 606.

# Worldwide

## Balance Sheet Highlights

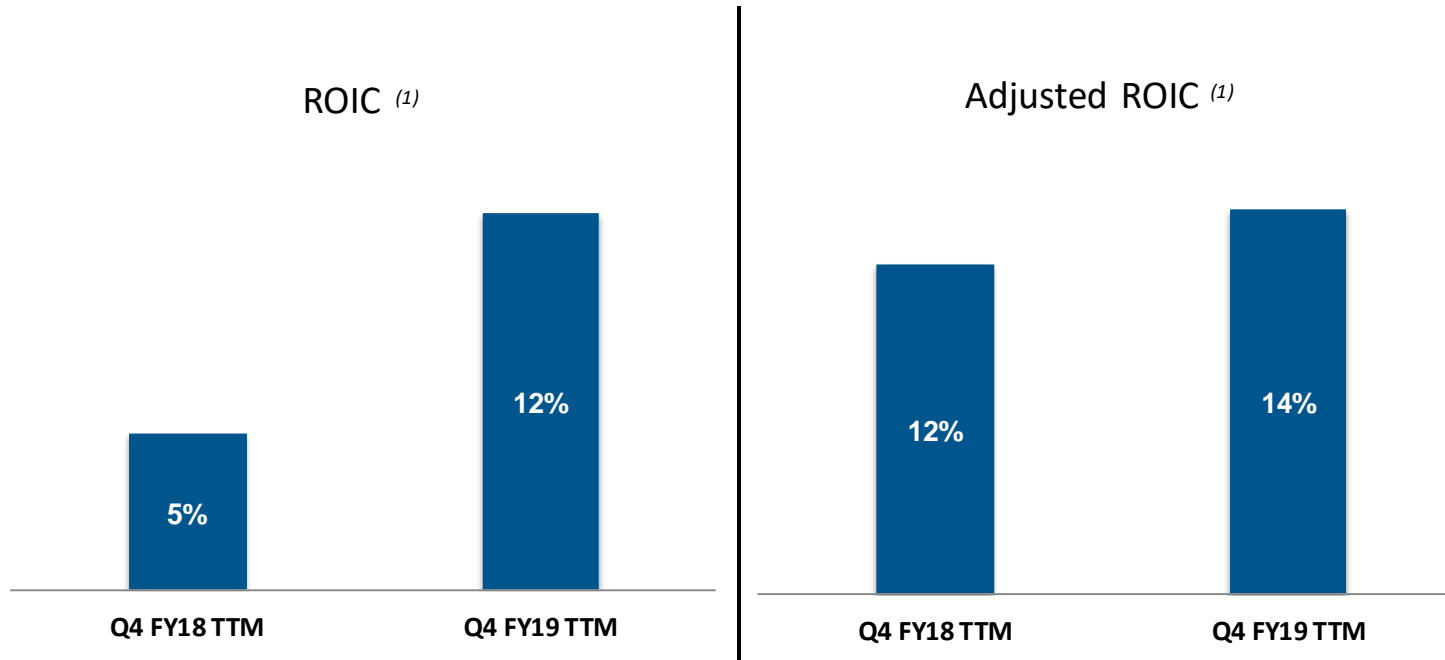


### Q4 FY19:

- Accumulated other comprehensive income, which consists of currency translation, net of applicable taxes, was \$44 million.
- Capital expenditures were \$21 million.
- At January 31, 2019, the company had \$2.9 billion of equity, and 36.94 million shares outstanding resulting in book value of \$79.50 per share.
- At January 31, 2019, the company had approximately \$1.7 billion of goodwill and acquired intangibles.

# Worldwide

## Return on Invested Capital



- Company's Weighted Average Cost of Capital is approximately 9%
- Excluding a \$25 million benefit from the collection of an accounts receivable balance previously considered uncollectible, adjusted return on invested capital in Q4 FY19 TTM was 13%

(1) See reconciliation of ROIC to adjusted ROIC calculation in appendix.



# Worldwide

## Share Repurchase Activity

	Amount Repurchased (\$ millions)	Number of Shares Repurchased (millions)	Average Price Per Share
Q4 FY19 Share Repurchases	\$63	0.808	\$78.28
FY19 Share Repurchases	\$107	1.429	\$74.89

Amount remaining on current authorization*	\$193 million
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\* Amount remaining reflects \$100 million increase to current share repurchase authorization announced March 7, 2019

# Business Outlook

*For the quarter ending April 30, 2019*

Net Sales Range	\$8.3 billion to \$8.6 billion
EPS Range	\$1.19 to \$1.49
Non-GAAP EPS Range <sup>(1)</sup>	\$1.80 to \$2.10

**Q1 FY20 business outlook assumes the following:**

- U.S. dollar to euro exchange rate of \$1.14 to €1.00 compared with \$1.23 to €1.00 in the year-ago period.
- For the quarter ending April 30, 2019, the Company anticipates its effective tax rate will be in the range of 24 percent to 26 percent.

*(1) See reconciliation in appendix.*

## ***Forward-Looking Statements***

Certain statements made in this document are “Forward-Looking Statements” as described in the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties further described in Tech Data Corporation’s (the “Company”) Annual Report on Form 10-K for the year ended January 31, 2018, a copy of which can be obtained from the Company’s Investor Relations website at [www.techdata.com/investor](http://www.techdata.com/investor). A number of important factors, some of which are beyond the Company’s control, could cause actual events and results to differ materially from those contained in or implied by the forward-looking statements. Forward-looking statements reflect management’s analysis as of the filing date of this presentation. The Company does not undertake to update or revise these statements to reflect subsequent developments.

# FY20 Annual Modeling Assumptions

Revenue Growth	Low-single digit <sup>1</sup>
Adjusted Non-GAAP Operating Income Growth	Mid-single digit <sup>1,2</sup>
Interest Expense	\$100 million - \$105 million
Effective Tax Rate	24% - 26%
Adjusted Non-GAAP EPS Growth	~10% <sup>1,2</sup>
Capex	\$90 million - \$100 million
Adjusted ROIC	13% - 14%

<sup>1</sup>Assumes U.S. dollar to euro exchange rate of \$1.17 = €1.00

<sup>2</sup> Adjusted to exclude a \$25 million operating income or \$0.47 earnings per share benefit in FY19 from the collection of an accounts receivable balance previously considered uncollectible. Adjusted Non-GAAP Operating Income Growth and Adjusted Non-GAAP EPS Growth are forward-looking non-GAAP financial measures. Reconciliations of these forward-looking non-GAAP financial measures are not included in this presentation due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible at this time. As a result, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts.

# APPENDIX

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## GAAP to Non-GAAP Reconciliations

# ASC 606 Impact to Previously Reported Results

	Three months ended,							
	April 30, 2017		July 31, 2017		October 31, 2017		January 31, 2018	
	As reported	Adjusted for ASC 606	As reported	Adjusted for ASC 606	As reported	Adjusted for ASC 606	As reported	Adjusted for ASC 606
<b>Net sales</b>	<b>\$7,664,063</b>	<b>\$7,023,620</b>	<b>\$8,882,691</b>	<b>\$8,092,353</b>	<b>\$9,135,728</b>	<b>\$8,448,471</b>	<b>\$11,092,529</b>	<b>\$10,033,397</b>
Gross profit margin	5.96%	6.51%	5.80%	6.37%	5.76%	6.23%	5.56%	6.15%
SG&A percentage of net sales	4.60%	5.02%	4.62%	5.07%	4.56%	4.93%	3.87%	4.28%
Operating income margin	0.98%	1.07%	1.17%	1.28%	0.87%	0.94%	1.37%	1.51%
Non-GAAP SG&A percentage of net sales	4.36%	4.75%	4.37%	4.79%	4.27%	4.62%	3.61%	4.00%

# SG&A

\$ in thousands

	Q4 FY18	Q1 FY19	Q2 FY19	Q3 FY19	Q4 FY19
<b>Net Sales</b>	<u>\$ 10,033,397</u>	<u>\$ 8,548,319</u>	<u>\$ 8,886,101</u>	<u>\$ 9,340,029</u>	<u>\$ 10,464,501</u>
SG&A Expenses (GAAP)	<u>\$ 428,965</u>	<u>\$ 422,361</u>	<u>\$ 415,319</u>	<u>\$ 396,675</u>	<u>\$ 414,540</u>
Tax indemnifications	(6,526)	-	(554)	(5,541)	(3,539)
Acquisition-related intangible assets amortization expense	(21,529)	(23,304)	(22,715)	(22,523)	(22,706)
<b>SG&amp;A Expenses (non-GAAP)</b>	<u>\$ 400,910</u>	<u>\$ 399,057</u>	<u>\$ 392,050</u>	<u>\$ 368,611</u>	<u>\$ 388,295</u>
<b>SG&amp;A Expenses (GAAP) %</b>	<b>4.28%</b>	<b>4.94%</b>	<b>4.67%</b>	<b>4.25%</b>	<b>3.96%</b>
<b>SG&amp;A Expenses (non-GAAP) %</b>	<b>4.00%</b>	<b>4.67%</b>	<b>4.41%</b>	<b>3.95%</b>	<b>3.71%</b>

# Operating Income Q4 FY19

(In thousands)

	Q4 FY19				
	Americas <sup>(1)</sup>	Europe <sup>(1)</sup>	Asia Pacific <sup>(1)</sup>	Stock Compensation Expense	Consolidated
<b>Net Sales</b>	<b>\$ 4,241,714</b>	<b>\$ 5,895,072</b>	<b>\$ 327,715</b>		<b>\$ 10,464,501</b>
Operating income (GAAP) <sup>(1)</sup>	\$ 104,966	\$ 109,083	\$ (40,177)	\$ (7,819)	\$ 166,053
Acquisition, integration and restructuring expenses	6,145	13,293	1,348	335	21,121
Goodwill impairment	-	-	47,434	-	47,434
Tax indemnifications	708	3,033	(202)		3,539
Acquisition-related intangible assets amortization expense	13,414	7,977	1,315		22,706
Total non-GAAP operating income adjustments	\$ 20,267	\$ 24,303	\$ 49,895	\$ 335	\$ 94,800
<b>Operating income (non-GAAP)</b>	<b>\$ 125,233</b>	<b>\$ 133,386</b>	<b>\$ 9,718</b>	<b>\$ (7,484)</b>	<b>\$ 260,853</b>
<b>Operating margin (GAAP)</b>	<b>2.47%</b>	<b>1.85%</b>	<b>-12.26%</b>		<b>1.59%</b>
<b>Operating margin (non-GAAP)</b>	<b>2.95%</b>	<b>2.26%</b>	<b>2.97%</b>		<b>2.49%</b>

<sup>(1)</sup> GAAP operating income does not include stock compensation expense at the regional level.

# Operating Income Q3 FY19

(In thousands)

	Q3 FY19				
	Americas <sup>(1)</sup>	Europe <sup>(1)</sup>	Asia Pacific <sup>(1)</sup>	Stock Compensation Expense	Consolidated
<b>Net Sales</b>	<b>\$ 4,137,852</b>	<b>\$ 4,920,156</b>	<b>\$ 282,021</b>		<b>\$ 9,340,029</b>
Operating income (GAAP) <sup>(1)</sup>	\$ 112,399	\$ 39,889	\$ 2,739	\$ (8,139)	\$ 146,888
Acquisition, integration and restructuring expenses	5,989	13,132	578	578	20,277
Legal settlements and other, net	(7,207)	-	-		(7,207)
Gain on disposal of subsidiary	-	(29)	-		(29)
Tax indemnifications	-	5,541	-		5,541
Acquisition-related intangible assets amortization expense	13,569	7,640	1,314		22,523
Total non-GAAP operating income adjustments	\$ 12,351	\$ 26,284	\$ 1,892	\$ 578	\$ 41,105
<b>Operating income (non-GAAP)</b>	<b>\$ 124,750</b>	<b>\$ 66,173</b>	<b>\$ 4,631</b>	<b>\$ (7,561)</b>	<b>\$ 187,993</b>
<b>Operating margin (GAAP)</b>	<b>2.72%</b>	<b>0.81%</b>	<b>0.97%</b>		<b>1.57%</b>
<b>Operating margin (non-GAAP)</b>	<b>3.01%</b>	<b>1.34%</b>	<b>1.64%</b>		<b>2.01%</b>

<sup>(1)</sup> GAAP operating income does not include stock compensation expense at the regional level.



# Operating Income Q2 FY19

(In thousands)

	Q2 FY19				
	Americas <sup>(1)</sup>	Europe <sup>(1)</sup>	Asia Pacific <sup>(1)</sup>	Stock Compensation Expense	Consolidated
<b>Net Sales</b>	<b>\$ 4,043,331</b>	<b>\$ 4,549,127</b>	<b>\$ 293,643</b>		<b>\$ 8,886,101</b>
Operating income (GAAP) <sup>(1)</sup>	\$ 87,930	\$ 29,085	\$ 1,318	\$ (7,968)	\$ 110,365
Acquisition, integration and restructuring expenses	(844)	13,342	131	668	13,297
Legal settlements and other, net	(5,234)	-	-		(5,234)
Gain on disposal of subsidiary	-	(6,717)	-		(6,717)
Tax indemnifications	-	910	(356)		554
Acquisition-related intangible assets amortization expense	13,570	7,727	1,418		22,715
Total non-GAAP operating income adjustments	\$ 7,492	\$ 15,262	\$ 1,193	\$ 668	\$ 24,615
<b>Operating income (non-GAAP)</b>	<b>\$ 95,422</b>	<b>\$ 44,347</b>	<b>\$ 2,511</b>	<b>\$ (7,300)</b>	<b>\$ 134,980</b>
<b>Operating margin (GAAP)</b>	<b>2.17%</b>	<b>0.64%</b>	<b>0.45%</b>		<b>1.24%</b>
<b>Operating margin (non-GAAP)</b>	<b>2.36%</b>	<b>0.97%</b>	<b>0.86%</b>		<b>1.52%</b>

<sup>(1)</sup> GAAP operating income does not include stock compensation expense at the regional level.

# Operating Income Q1 FY19

(In thousands)

	Q1 FY19				
	Americas <sup>(1)</sup>	Europe <sup>(1)</sup>	Asia Pacific <sup>(1)</sup>	Stock Compensation Expense	Consolidated
<b>Net Sales</b>	<b>\$ 3,618,206</b>	<b>\$ 4,661,702</b>	<b>\$ 268,411</b>		<b>\$ 8,548,319</b>
Operating income (GAAP) <sup>(1)</sup>	\$ 61,342	\$ 17,318	\$ (577)	\$ (7,587)	\$ 70,496
Acquisition, integration and restructuring expenses	13,916	17,988	321	1,000	33,225
Legal settlements and other, net	(2,965)	-	-		(2,965)
Acquisition-related intangible assets amortization expense	13,643	8,329	1,332		23,304
Total non-GAAP operating income adjustments	\$ 24,594	\$ 26,317	\$ 1,653	\$ 1,000	\$ 53,564
<b>Operating income (non-GAAP)</b>	<b>\$ 85,936</b>	<b>\$ 43,635</b>	<b>\$ 1,076</b>	<b>\$ (6,587)</b>	<b>\$ 124,060</b>
<b>Operating margin (GAAP)</b>	<b>1.70%</b>	<b>0.37%</b>	<b>-0.21%</b>		<b>0.82%</b>
<b>Operating margin (non-GAAP)</b>	<b>2.38%</b>	<b>0.94%</b>	<b>0.40%</b>		<b>1.45%</b>

<sup>(1)</sup> GAAP operating income does not include stock compensation expense at the regional level.

# Operating Income Q4 FY18

(In thousands)

	Q4 FY18				
	Americas <sup>(1)</sup>	Europe <sup>(1)</sup>	Asia Pacific <sup>(1)</sup>	Stock Compensation Expense	Consolidated
<b>Net Sales</b>	<b>\$ 3,850,705</b>	<b>\$ 5,878,873</b>	<b>\$ 303,819</b>		<b>\$ 10,033,397</b>
Operating income (GAAP) <sup>(1)</sup>	\$ 53,924	\$ 100,439	\$ 5,704	\$ (8,164)	\$ 151,903
Acquisition, integration and restructuring expenses	16,990	15,807	322	1,222	34,341
Value added tax assessments	494	1,158	-		1,652
Tax indemnifications	-	6,526	-		6,526
Acquisition-related intangible assets amortization expense	13,664	6,434	1,431		21,529
Total non-GAAP operating income adjustments	\$ 31,148	\$ 29,925	\$ 1,753	\$ 1,222	\$ 64,048
<b>Operating income (non-GAAP)</b>	<b>\$ 85,072</b>	<b>\$ 130,364</b>	<b>\$ 7,457</b>	<b>\$ (6,942)</b>	<b>\$ 215,951</b>
<b>Operating margin (GAAP)</b>	<b>1.40%</b>	<b>1.71%</b>	<b>1.88%</b>		<b>1.51%</b>
<b>Operating margin (non-GAAP)</b>	<b>2.21%</b>	<b>2.22%</b>	<b>2.45%</b>		<b>2.15%</b>

<sup>(1)</sup> GAAP operating income does not include stock compensation expense at the regional level.

# Net Income and EPS

(In thousands, except per share data)

	Q4 FY18		Q1 FY19		Q2 FY19		Q3 FY19		Q4 FY19	
	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS
<b>GAAP Results</b>	<b>\$1,260</b>	<b>\$0.03</b>	<b>\$33,699</b>	<b>\$0.87</b>	<b>\$75,866</b>	<b>\$1.97</b>	<b>\$114,216</b>	<b>\$2.96</b>	<b>\$116,799</b>	<b>\$3.11</b>
Acquisition, integration and restructuring expenses	34,341	0.89	33,225	0.86	13,297	0.34	20,277	0.53	21,121	0.56
Goodwill impairment	-	-	-	-	-	-	-	-	47,434	1.26
Legal settlements and other, net	-	-	(2,965)	(0.08)	(5,234)	(0.13)	(7,207)	(0.19)	-	-
Gain on disposal of subsidiary	-	-	-	-	(6,717)	(0.17)	(29)	-	-	-
Value added tax assessments and related interest expense	2,568	0.07	(928)	(0.02)	-	-	-	-	-	-
Tax indemnifications	6,526	0.17	-	-	554	0.01	5,541	0.14	3,539	0.09
Acquisition-related intangible assets amortization expense	21,529	0.56	23,304	0.61	22,715	0.59	22,523	0.58	22,706	0.60
Income tax effect of tax indemnifications	(6,526)	(0.17)	-	-	(554)	(0.01)	(5,541)	(0.14)	(3,539)	(0.09)
Income tax effect of other adjustments above	(21,565)	(0.56)	(12,908)	(0.33)	(9,404)	(0.25)	(8,798)	(0.23)	(8,815)	(0.23)
Income tax benefit from acquisition settlement	-	-	-	-	(12,839)	(0.34)	(207)	-	-	-
Change in deferred tax valuation allowances	1,224	0.03	(2,600)	(0.07)	-	-	(473)	(0.01)	(2,914)	(0.08)
Impact of US tax reform	95,369	2.48	-	-	-	-	(24,000)	(0.62)	(25,234)	(0.67)
<b>Non-GAAP Results</b>	<b>\$134,726</b>	<b>\$3.50</b>	<b>\$70,827</b>	<b>\$1.84</b>	<b>\$77,684</b>	<b>\$2.01</b>	<b>\$116,302</b>	<b>\$3.02</b>	<b>\$171,097</b>	<b>\$4.55</b>
Weighted average shares outstanding - diluted	38,529		38,561		38,566		38,526		37,577	

# Return on Invested Capital

\$ in thousands

**TTM Net Operating Profit After Tax (NOPAT)\*:**

Operating income

Income taxes on operating income <sup>(1)</sup>

NOPAT

**Twelve months ended January 31,**

**2018**

**2019**

\$	410,079	\$	493,802
	(250,151)		(43,264)
\$	159,928	\$	450,538
<hr/>			
\$	314,154	\$	116,931
	1,580,778		1,402,967
	2,605,736		2,883,085
	4,500,668		4,402,983
	(1,107,734)		(707,933)
\$	3,392,934	\$	3,695,050
<hr/>			
	5%		12%

**Average Invested Capital:**

Short-term debt (5-qtr end average)

Long-term debt (5-qtr end average)

Shareholders' Equity (5-qtr end average)

Total average capital

Less: Cash (5-qtr end average)

Average invested capital less average cash

**ROIC**

\* Trailing Twelve Months is abbreviated as TTM.

<sup>(1)</sup> Income taxes on operating income was calculated using the trailing twelve months effective tax rate.

# Adjusted Return on Invested Capital

\$ in thousands

	Twelve months ended January 31,	
	2018	2019
<b>TTM Net Operating Profit After Tax (NOPAT), as adjusted*:</b>		
Non-GAAP operating income <sup>(1)</sup>	\$ 602,704	\$ 707,886
Income taxes on non-GAAP operating income <sup>(2)</sup>	(184,370)	(181,704)
NOPAT, as adjusted	<u>\$ 418,334</u>	<u>\$ 526,182</u>
<b>Average Invested Capital, as adjusted:</b>		
Short-term debt (5-qtr end average)	\$ 314,154	\$ 116,931
Long-term debt (5-qtr end average)	1,580,778	1,402,967
Shareholders' Equity (5-qtr end average)	2,605,736	2,883,085
Tax effected impact of non-GAAP adjustments <sup>(3)</sup>	94,193	88,879
Total average capital, as adjusted	<u>4,594,861</u>	<u>4,491,862</u>
Less: Cash (5-qtr end average)	<u>(1,107,734)</u>	<u>(707,933)</u>
Average invested capital less average cash	<u>\$ 3,487,127</u>	<u>\$ 3,783,929</u>
<b>Adjusted ROIC</b>	<b>12%</b>	<b>14%</b>

\* Trailing Twelve Months is abbreviated as TTM.

<sup>(1)</sup> Represents operating income as adjusted to exclude acquisition, integration and restructuring expenses, legal settlements and other, net, gain on disposal of subsidiary, value added tax assessments, acquisition-related intangible assets amortization expense, goodwill impairment and tax indemnifications.

<sup>(2)</sup> Income taxes on non-GAAP operating income was calculated using the trailing twelve months effective tax rate adjusted for the impact of non-GAAP adjustments during the respective periods.

<sup>(3)</sup> Represents the 5 quarter average of the year-to-date impact of non-GAAP adjustments.

# Guidance Reconciliation

	Three months ending April 30, 2019	
	Low end of guidance range	High end of guidance range
<b>Earnings per share - diluted</b>	<b>\$1.19</b>	<b>\$1.49</b>
Acquisition, integration and restructuring expenses	0.22	0.22
Acquisition-related intangible assets amortization expense	0.58	0.58
Income tax effect of the above adjustments	(0.19)	(0.19)
<b>Non-GAAP earnings per share - diluted</b>	<b>\$1.80</b>	<b>\$2.10</b>