
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) **August 9, 2017**

AVNET, INC.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction
Of incorporation)

1-4224
(Commission
File Number)

11-1890605
(IRS Employer
Identification No.)

2211 South 47th Street, Phoenix, Arizona
(Address of principal executive offices)

85034
(Zip Code)

(480) 643-2000

(Registrant's telephone number, including area code.)

N/A

(Former name and former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On August 9, 2017, Avnet, Inc. (the “Company”) issued a press release announcing its fourth quarter and year-end results of operations for fiscal 2017. A copy of the press release is attached hereto as Exhibit 99.1. A discussion on the impact of foreign currency on the Company’s results of operations, the definition of organic sales and a reconciliation of non-GAAP financial information is attached hereto as Exhibit 99.2. Each exhibit is incorporated by reference herein.

The information in this Current Report on Form 8-K and the exhibits attached hereto are being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933 except as shall be expressly set forth in such filing.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits.**

The following materials are attached as exhibits to this Current Report on Form 8-K:

Exhibit Number	Description
99.1	Press Release, dated August 9, 2017.
99.2	Supplemental and Non-GAAP Financial Information.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 9, 2017

AVNET, INC.

Registrant

By: /s/ Kevin Moriarty

Name: Kevin Moriarty

Title: Senior Vice President and
Chief Financial Officer

Avnet, Inc.
2211 South 47th Street
Phoenix, AZ 85034

PRESS RELEASE

Avnet Reports Fourth Quarter and Fiscal Year 2017 Results

Phoenix, August 9, 2017 - Avnet, Inc. (NYSE:AVT) today announced results for the fourth quarter and fiscal year ended July 1, 2017.

Fourth Quarter Results

- Sales of \$4.6 billion increased 16.1% year over year
 - o Organic sales increased 8.4% in constant currency from the year ago quarter
- Diluted earnings per share (EPS) from continuing operations of \$0.59
 - o Adjusted diluted EPS from continuing operations of \$0.84
- Cash generated from operations of \$81 million

Avnet ⁽¹⁾	Fourth Quarters Ended			Organic Growth
	July 1, 2017	July 2, 2016	Change	
	<i>\$ in millions, except per share data</i>			
Sales	\$ 4,606.4	\$ 3,969.0	16.1 %	6.8 %
Constant Currency ⁽²⁾			17.9 %	8.4 %
Americas	1,332.2	1,105.0	20.6 %	7.2 %
EMEA	1,651.0	1,293.1	27.7 %	13.3 %
Constant Currency ⁽²⁾			32.1 %	17.2 %
Asia	1,623.2	1,570.9	3.3 %	0.6 %
Constant Currency ⁽²⁾			4.0 %	1.2 %
Operating Income	93.4	120.2	(22.3)%	
Adjusted Operating Income ⁽³⁾	155.2	131.7	17.9 %	
Income from continuing operations	73.3	72.1	1.7 %	
Adj Income from continuing operations ⁽⁴⁾	105.0	75.4	39.3 %	
Diluted EPS continuing operations	\$ 0.59	\$ 0.56	5.4 %	
Adj Diluted EPS continuing operations ⁽⁴⁾	\$ 0.84	\$ 0.59	42.4 %	

(1) Financial information is for continuing operations and excludes the Technology Solutions (TS) business as the sale of this business was completed during the March quarter. See "Discontinued Operations," below.

(2) Year-over-year sales growth rate excludes the impact of changes in foreign currency exchange rates. A discussion on the impact of foreign currency on Avnet's results of operations is included in Exhibit 99.2 to the Form 8-K filed with the Securities Exchange Commission on August 9, 2017 ("Exhibit 99.2").

(3) Non-GAAP adjustments to operating income in fiscal 2017 include \$42.0 million of restructuring, integration and other expenses and \$19.8 million of amortization expense. Refer to Exhibit 99.2 for a complete reconciliation of non-GAAP financial information.

(4) Non-GAAP measures. Refer to Exhibit 99.2.

“We closed out the fiscal year with a strong quarter as organic revenue grew 8.4% year over year in constant currency with all three regions contributing to the growth. In our EMEA region, where our electronic components group continues to grow faster than the market, revenue increased 32% in constant currency and organic revenue was up 17%,” said Bill Amelio, CEO of Avnet. “Our digital initiatives continue to gain traction as Premier Farnell’s Element 14 community surpassed 500 thousand members and we continue to add over 30 thousand new digital customers each month. We are seeing meaningful improvement in demand creation metrics as we redeploy field application engineers to new products and suppliers that value the reach and technical breadth we bring to high growth markets. With our digital ecosystem growing steadily and as we realize the positive impacts from our transformation initiatives, we enter fiscal 2018 positioned to drive further organic growth and improve financial performance.”

Segment Reporting

As a result of the sale of the TS Business and the acquisition of Premier Farnell, during the fourth quarter of fiscal 2017, the Company changed its reportable segments to the Electronic Components and Premier Farnell operating groups.

Operating Group Results

	Q4 FY17 Sales <i>(in millions)</i>	Year-over-Year Growth Rates	
		Reported Sales	Organic Sales
Sales			
Electronic Components <i>Constant Currency</i> ⁽¹⁾	\$ 4,260.7	7.4 % 8.8 %	7.4 % 8.8 %
Premier Farnell ^(acquired Oct 16, 2016) <i>Constant Currency</i> ⁽¹⁾	\$ 345.7	— —	0.1 % 4.0 %
	<u>Q4 FY17</u>	<u>Q4 FY16</u>	<u>Change</u>
Operating Income			
Electronic Components	\$ 152.4	\$154.7	(1.5)%
Premier Farnell	35.5	—	—
Operating Income Margin			
Electronic Components	3.6 %	3.9 %	(32)bps
Premier Farnell	10.3 %	—	—

(1) Refer to Exhibit 99.2.

- Electronic Components sales increased 8.8% from the year ago quarter in constant currency
 - o Sales increased 3.0% sequentially in constant currency, driven by strength in the Asia region
- Premier Farnell organic sales increased 4.0% year over year in constant currency
- Electronic Components EMEA organic sales increased 18.6% year over year in constant currency, the 16th consecutive quarter of year-over-year growth
 - o Excluding the Company’s decision to exit select high volume supply chain engagements, Electronic Components Asia grew 11.6% year over year in constant currency

- Premier Farnell EMEA organic sales increased 5.8% year over year in constant currency and Premier Farnell Asia organic sales increased 13.0% from the year ago quarter in constant currency
- Electronic Components operating income margin in the Asia region improved 25 bps sequentially and 45 bps from the year ago quarter
- Electronic Components inventory declined 4.5% from the year ago quarter, 5.0% in constant currency, and average inventory days declined 10.0% primarily driven by improvement in the Americas region

Cash Flow and Returns to Shareholders

- Cash generated from continuing operations was \$81 million in the June quarter and \$221 million in fiscal 2017
- Cash and cash equivalents at the end of the quarter was \$836 million; net debt (total debt less cash and cash equivalents) was \$943 million
- During the June quarter, the Company repurchased 3.3 million shares, representing an aggregate investment of \$136 million
- Entering fiscal 2018, the Company had \$399 million remaining under the current share repurchase authorization
- Avnet paid a dividend of \$0.18 per share, or \$22 million, during the quarter

“In the June quarter, we generated approximately \$81 million of cash from continuing operations and \$221 million for the fiscal year,” said Kevin Moriarty, CFO of Avnet. “In fiscal 2017, we used the proceeds from the sale of Technology Solutions to fund the acquisition of Premier Farnell while strengthening our balance sheet and credit statistics with the pay down of debt. We also returned over \$364 million of cash to shareholders via our dividend and share repurchase program. With improved liquidity and a strong balance sheet, we are well positioned to leverage the digital ecosystem we built and invest in offerings that continue to meet the evolving needs of a customer base that is changing how they design, procure and deliver innovative technology products.”

Fiscal 2017 Results

- Sales of \$17.4 billion, increased 4.2% year over year (5.1% in constant currency), primarily driven by a strong performance in the EMEA region
 - o Organic sales increased 1.0% in constant currency
 - Gross profit margin improved 117 bps year over year, primarily driven by the acquisition of Premier Farnell
 - Operating income declined 19.5% year over year and operating income margin was 2.6%
 - o Adjusted operating income grew 4.1% year over year, and adjusted operating income margin was consistent with the prior year at 3.7%
 - Generated \$221 million cash from continuing operations in fiscal 2017
 - o Repurchased \$276 million in stock, paid \$89 million in dividends
-

Avnet ⁽¹⁾	FISCAL YEARS ENDED		
	July 1, 2017	July 2, 2016	Change
	<i>\$ in millions, except per share data</i>		
Sales	\$ 17,440.0	\$ 16,740.6	4.2 %
<i>Constant Currency</i> ⁽²⁾			5.1 %
Operating Income	461.4	572.9	(19.5)%
Adjusted Operating Income ⁽³⁾	653.3	627.5	4.1 %
Income from continuing operations	263.4	390.9	(32.6)%
Adjusted Income from continuing operations ⁽⁴⁾	416.6	403.6	3.2 %
Diluted EPS continuing operations	\$ 2.05	\$ 2.93	(30.0)%
Adjusted Diluted EPS continuing operations ⁽⁴⁾	\$ 3.24	\$ 3.02	7.3 %

(1) See "Discontinued Operations," below.

(2) Refer to Exhibit 99.2.

(3) Non-GAAP adjustments to operating income in fiscal 2017 include \$137.4 million of restructuring, integration and other expenses and \$54.5 million of amortization expense. Refer to Exhibit 99.2.

(4) Non-GAAP measures. Refer to Exhibit 99.2.

Outlook for First Quarter of Fiscal 2018 Ending on September 30, 2017

- Sales are expected to be in the range of \$4.15 billion to \$4.45 billion
 - o This sales outlook reflects the net impact from supplier channel consolidation. Excluding the impact of supplier channel consolidation, the midpoint of guidance would be at the low end of the Company's seasonal range
- Adjusted diluted earnings per share is expected to be in the range of \$0.67 to \$0.77 per share
- The guidance assumes 125 million average diluted shares outstanding and an adjusted tax rate of 23% to 27%

The above guidance excludes any additional acquisitions, any results of discontinued operations, amortization of intangibles, accelerated depreciation, any potential restructuring, integration, and other expenses and certain income tax adjustments. In addition, the above guidance assumes that the average U.S. Dollar to Euro currency exchange rate for the first quarter of fiscal 2018 is \$1.14 to €1.00. This compares with an average exchange rate of \$1.12 to the Euro in the first quarter of fiscal 2017.

Refer to Exhibit 99.2 for a complete reconciliation of non-GAAP guidance.

Discontinued Operations

In February 2017, Avnet completed the sale of its Technology Solutions business to Tech Data Corporation. As a result, the historical results and the gain on sale of the TS business are considered discontinued operations.

Forward-Looking Statements

This document contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are based on management's current expectations and are subject to uncertainty and changes in facts and circumstances. The forward-looking statements herein include statements addressing future financial and operating results of Avnet and may include words such as "will," "anticipate," "intend," "estimate," "forecast," "expect," "feel," "believe," "should," and other words and terms of similar meaning in connection with any discussions of future operating or financial performance, business prospects or market conditions. Actual results may differ materially from the expectations contained in the forward-looking statements.

The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements: Avnet's ability to retain and grow market share and to generate additional cash flow, risks associated with any acquisition activities and the successful integration of acquired companies, implementing and maintaining ERP systems and transitioning to a global ERP system, supplier losses and changes to supplier programs, an industry down-cycle in semiconductors, declines in sales, changes in business conditions and the economy in general, changes in market demand and pricing pressures, any material changes in the allocation of product or product rebates by suppliers, and other competitive and/or regulatory factors affecting the businesses of Avnet generally.

More detailed information about these and other factors is set forth in Avnet's filings with the Securities and Exchange Commission, including Avnet's reports on Form 10-K, Form 10-Q and Form 8-K. Except as required by law, Avnet is under no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Teleconference and Upcoming Events

Avnet will host a quarterly teleconference today at 11:00 a.m. Eastern Time. Financial information including financial statement reconciliations of non-GAAP to GAAP financial measures, will be available through www.ir.avnet.com. Please log onto the site 15 minutes prior to the start of the event to register or download any necessary software. An archive copy of the teleconference will also be available after the call.

For a listing of Avnet's upcoming events and other information, please visit Avnet's investor relations website at www.ir.avnet.com.

About Avnet

From idea to design and from prototype to production, Avnet supports customers at each stage of a product's lifecycle. A comprehensive portfolio of design and supply chain services makes Avnet the go-to guide for innovators who set the pace for technological change. For nearly a century, Avnet has helped its customers and suppliers around the world realize the transformative possibilities of technology. Learn more about Avnet at www.avnet.com.

Visit the Avnet Investor Relations website at www.ir.avnet.com or contact us at investorrelations@avnet.com.

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AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Fourth Quarters Ended		Years Ended	
	July 1, 2017	July 2, 2016	July 1, 2017	July 2, 2016
	(Thousands, except per share data)			
Sales	\$ 4,606,404	\$ 3,968,969	\$ 17,439,963	\$ 16,740,597
Cost of sales	3,975,788	3,473,192	15,070,521	14,662,651
Gross profit	630,616	495,777	2,369,442	2,077,946
Selling, general and administrative expenses	495,210	366,291	1,770,627	1,460,273
Restructuring, integration and other expenses	42,033	9,306	137,415	44,761
Operating income	93,373	120,180	461,400	572,912
Other (expense) income, net	(13,495)	(3,247)	(44,305)	(2,963)
Interest expense	(25,173)	(27,550)	(106,691)	(91,936)
Income from continuing operations before taxes	54,705	89,383	310,404	478,013
Income tax (benefit) expense	(18,574)	17,330	47,053	87,104
Income from continuing operations, net of tax	73,279	72,053	263,351	390,909
Income from discontinued operations, net of tax	2,899	24,753	39,571	115,622
Gain on sale of discontinued operations, net of tax	5,268	—	222,356	—
Income from discontinued operations, net of tax	8,167	24,753	261,927	115,622
Net income	<u>\$ 81,446</u>	<u>\$ 96,806</u>	<u>\$ 525,278</u>	<u>\$ 506,531</u>
Earnings per share - basic:				
Continuing operations	\$ 0.59	\$ 0.57	\$ 2.07	\$ 2.99
Discontinued operations	0.07	0.19	2.06	0.88
Net income per share basic	<u>\$ 0.66</u>	<u>\$ 0.76</u>	<u>\$ 4.13</u>	<u>\$ 3.87</u>
Earnings per share - diluted:				
Continuing operations	\$ 0.59	\$ 0.56	\$ 2.05	\$ 2.93
Discontinued operations	0.07	0.19	2.03	0.87
Net income per share diluted	<u>\$ 0.65</u>	<u>\$ 0.75</u>	<u>\$ 4.08</u>	<u>\$ 3.80</u>
Shares used to compute earnings per share:				
Basic	124,209	127,930	127,032	130,858
Diluted	<u>125,062</u>	<u>129,799</u>	<u>128,651</u>	<u>133,173</u>
Cash dividends paid per common share	<u>\$ 0.18</u>	<u>\$ 0.17</u>	<u>\$ 0.70</u>	<u>\$ 0.68</u>

AVNET, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	July 1, 2017	July 2, 2016
(Thousands)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 836,384	\$ 1,031,478
Marketable securities	281,326	—
Receivables, net	3,337,624	2,769,906
Inventories	2,824,709	2,559,921
Prepaid and other current assets	253,765	73,786
Current assets of discontinued operations	—	<u>2,568,882</u>
Total current assets	7,533,808	9,003,973
Property, plant and equipment, net	519,575	453,209
Goodwill	1,148,347	621,852
Intangible assets, net	277,291	22,571
Other assets	220,568	239,133
Non-current assets of discontinued operations	—	<u>899,067</u>
Total assets	\$ 9,699,589	\$ 11,239,805
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 50,113	\$ 1,152,599
Accounts payable	1,861,635	1,590,777
Accrued expenses and other	542,023	394,888
Current liabilities of discontinued operations	—	<u>1,804,229</u>
Total current liabilities	2,453,771	4,942,493
Long-term debt	1,729,212	1,339,204
Other liabilities	334,538	223,053
Non-current liabilities of discontinued operations	—	<u>43,769</u>
Total liabilities	4,517,521	6,548,519
Shareholders' equity	<u>5,182,068</u>	<u>4,691,286</u>
Total liabilities and shareholders' equity	\$ 9,699,589	\$ 11,239,805

AVNET, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Years Ended	
	July 1, 2017	July 2, 2016
(Thousands)		
Cash flows from operating activities:		
Net income	\$ 525,278	\$ 506,531
Less: Income from discontinued operations, net of tax	<u>261,927</u>	<u>115,622</u>
Income from continuing operations	263,351	390,909
Non-cash and other reconciling items:		
Depreciation	101,407	70,344
Amortization	53,953	9,246
Deferred income taxes	(25,305)	107,598
Stock-based compensation	47,686	56,908
Other, net	26,230	29,379
Changes in (net of effects from businesses acquired and divested):		
Receivables	(371,820)	191,209
Inventories	84,408	(416,644)
Accounts payable	163,604	(326,217)
Accrued expenses and other, net	<u>(122,466)</u>	<u>(161,607)</u>
Net cash flows provided (used) by operating activities - continuing operations	<u>221,048</u>	<u>(48,875)</u>
Net cash flows (used) provided by operating activities - discontinued operations	<u>(589,738)</u>	<u>273,190</u>
Net cash flows (used) provided by operating activities	<u>(368,690)</u>	<u>224,315</u>
Cash flows from financing activities:		
Issuance of notes, net of issuance costs	296,374	541,500
Repayment of notes	(530,800)	(250,000)
Borrowings (repayments) under accounts receivable securitization, net	(588,000)	79,996
Borrowings (repayments) of bank and revolving debt, net	(72,553)	119,895
Borrowings of term loans	530,756	—
Repayments of term loans	(511,358)	—
Repurchases of common stock	(275,884)	(380,943)
Dividends paid on common stock	(88,657)	(88,594)
Other, net	48,530	(11,448)
Net cash flows (used) provided by financing activities - continuing operations	<u>(1,191,592)</u>	<u>10,406</u>
Net cash flows provided by financing activities - discontinued operations	<u>3,447</u>	<u>22,949</u>
Net cash flows (used) provided by financing activities	<u>(1,188,145)</u>	<u>33,355</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(120,397)	(137,375)
Acquisitions of businesses, net of cash acquired	(802,744)	—
Other, net	18,656	15,574
Net cash flows used for investing activities - continuing operations	<u>(904,485)</u>	<u>(121,801)</u>
Net cash flows provided (used) by investing activities - discontinued operations	<u>2,242,959</u>	<u>(30,712)</u>
Net cash flows provided (used) by investing activities	<u>1,338,474</u>	<u>(152,513)</u>
Effect of currency exchange rate changes on cash and cash equivalents	23,267	(6,232)
Cash and cash equivalents:		
— (decrease) increase	(195,094)	98,925
— at beginning of period	<u>1,031,478</u>	<u>932,553</u>
— at end of period	<u>\$ 836,384</u>	<u>\$ 1,031,478</u>

Supplemental and Non-GAAP Financial Information

In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles in the United States ("GAAP"), the Company also discloses certain non-GAAP financial information including (i) adjusted operating income, (ii) adjusted operating expenses, (iii) adjusted other (expense) income, (iv) adjusted income tax expense, (v) adjusted income from continuing operations, (vi) adjusted diluted earnings per share, and (vii) sales adjusted for the impact of acquisitions and other items (as defined in the Organic Sales section of this document).

There are also references to the impact of foreign currency in the discussion of the Company's results of operations. When the U.S. Dollar strengthens and the stronger exchange rates of the current year are used to translate the results of operations of Avnet's subsidiaries denominated in foreign currencies, the resulting impact is a decrease in U.S. Dollars of reported results. Conversely, when the U.S. Dollar weakens and the weaker exchange rates of the current year are used to translate the results of operations of Avnet's subsidiaries denominated in foreign currencies, the resulting impact is an increase in U.S. Dollars of reported results. In the discussion of the Company's results of operations, results excluding this impact are referred to as "excluding the impact of changes in foreign currency exchange rates" or "constant currency." Management believes organic sales and sales in constant currency are useful measures for evaluating current period performance as compared with prior periods and for understanding underlying trends. In order to determine the translation impact of changes in foreign currency exchange rates on sales, income or expense items for subsidiaries reporting in currencies other than the U.S. Dollar, the Company adjusts the average exchange rates used in current periods to be consistent with the average exchange rates in effect during the comparative period.

Management believes that operating income, operating expenses and other (expense) income adjusted for restructuring, integration and other expenses, including acquisition or divestiture related costs and amortization of acquired intangible assets and other, are useful measures to help investors better assess and understand the Company's operating performance. This is especially the case when comparing results with previous periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of Avnet's normal operating results or non-cash in nature. Management analyzes operating income, operating expenses and other (expense) income without the impact of these items as an indicator of ongoing margin performance and underlying trends in the business. Management also uses these non-GAAP measures to establish operational goals and, in many cases, for measuring performance for compensation purposes.

Additional non-GAAP metrics management uses are adjusted operating income margin, which is defined as adjusted operating income (as defined above) divided by sales and adjusted operating expense to gross profit ratio, which is defined as adjusted operating expenses (as defined above) divided by gross profit.

Management also believes income tax expense, income from continuing operations and diluted earnings per share from continuing operations adjusted for the impact of the items described above and certain items impacting income tax expense are useful to investors because they provide a measure of the Company's net profitability on a more comparable basis to historical periods and provide a more meaningful basis for forecasting future performance. Additionally, because of management's focus on generating shareholder value, of which net profitability is a primary driver, management believes income from continuing operations and diluted earnings per share from continuing operations excluding the impact of these items provides an important measure of the Company's net profitability for the investing public.

Other metrics management monitors in its assessment of business performance include return on working capital (ROWC), return on capital employed (ROCE) and working capital velocity (WC velocity).

- ROWC is defined as annualized adjusted operating income (as defined above) divided by the sum of the monthly average balances of receivables and inventories less accounts payable from both continuing and discontinued operations.
- ROCE is defined as annualized, tax effected adjusted operating income (as defined above) divided by the monthly average balances of interest-bearing debt and equity (including the impact of adjustments to operating income discussed above) less cash and cash equivalents from both continuing and discontinued operations.
- WC velocity is defined as annualized adjusted sales divided by the sum of the monthly average balances of receivables and inventories less accounts payable from both continuing and discontinued operations.

Any analysis of results and outlook on a non-GAAP basis should be used as a complement to, and in conjunction with, results presented in accordance with GAAP.

Fiscal Year 2017
Quarters Ended

	Fiscal 2017*	July 1, 2017*	April 1, 2017*	December 31, 2016*	October 1, 2016*
	(\$ in thousands, except per share amounts)				
GAAP selling, general and administrative expenses - continuing operations	\$ 1,770,627	\$ 495,210	\$ 480,190	\$ 431,555	\$ 363,672
Amortization of intangible assets and other - continuing operations	(54,526)	(19,822)	(22,497)	(9,829)	(2,378)
Adjusted operating expenses - continuing operations	1,716,101	475,388	457,693	421,726	361,294
GAAP operating income - continuing operations	\$ 461,400	\$ 93,373	\$ 114,283	\$ 124,230	\$ 129,514
Restructuring, integration and other expenses - continuing operations	137,415	42,033	35,513	30,400	29,469
Amortization of intangible assets and other - continuing operations	54,526	19,822	22,497	9,829	2,378
Adjusted operating income - continuing operations	653,341	155,228	172,293	164,459	161,361
GAAP other (expense) income, net - continuing operations	\$ (44,305)	\$ (13,495)	\$ 19,439	\$ (36,514)	\$ (13,734)
Unrealized (gain) loss on marketable securities and other - continuing operations	765	14,624	(13,859)	-	-
Acquisition related FX hedging and financing costs - continuing operations	43,707	-	-	32,700	11,007
Adjusted other (expense) income, net - continuing operations	167	1,129	5,580	(3,814)	(2,727)
GAAP income before income taxes- continuing operations	310,404	54,705	106,188	60,968	88,544
Restructuring, integration and other expenses - continuing operations	137,415	42,033	35,513	30,400	29,469
Amortization of intangible assets and other - continuing operations	54,526	19,822	22,497	9,829	2,378
Unrealized (gain) loss on marketable securities and other - continuing operations	765	14,624	(13,859)	-	-
Acquisition related FX hedging and financing costs - continuing operations	43,707	-	-	32,700	11,007
Adjusted income before income taxes - continuing operations	546,817	131,184	150,339	133,897	131,398
GAAP income tax expense (benefit) - continuing operations	\$ 47,053	\$ (18,574)	\$ 16,268	\$ 28,503	\$ 20,856
Restructuring, integration and other expenses - continuing operations	45,403	16,324	12,455	7,378	9,246
Amortization of intangible assets and other - continuing operations	14,670	6,654	5,077	2,342	597
Unrealized (gain) loss on marketable securities and other - continuing operations	1,381	6,812	(5,431)	-	-
Acquisition related FX hedging and financing costs - continuing operations	6,968	-	-	4,230	2,738
Discrete income tax expense (benefit) items - continuing operations	14,695	14,987	7,712	(9,369)	1,365
Adjusted income tax expense - continuing operations	130,170	26,203	36,081	33,084	34,802
GAAP income - continuing operations	\$ 263,351	\$ 73,279	\$ 89,920	\$ 32,465	\$ 67,688
Restructuring, integration and other expenses (net of tax) - continuing operations	92,012	25,709	23,058	23,022	20,223
Amortization of intangible assets and other (net of tax) - continuing operations	39,856	13,168	17,420	7,487	1,781
Unrealized (gain) loss on marketable securities and other (net of tax) - continuing operations	(616)	7,812	(8,428)	-	-
Acquisition related FX hedging and financing costs (net of tax) - continuing operations	36,739	-	-	28,470	8,269
Discrete income tax expense (benefit) items - continuing operations	(14,695)	(14,987)	(7,712)	9,369	(1,365)
Adjusted income - continuing operations	416,647	104,981	114,258	100,813	96,596
GAAP diluted EPS - continuing operations	\$ 2.05	\$ 0.59	\$ 0.69	\$ 0.25	\$ 0.52
Restructuring, integration and other expenses (net of tax) - continuing operations	0.73	0.21	0.18	0.18	0.16
Amortization of intangible assets and other (net of tax) - continuing operations	0.32	0.11	0.14	0.06	0.01
Unrealized (gain) loss on marketable securities and other (net of tax) - continuing operations	(0.01)	0.06	(0.07)	-	-
Acquisition related FX hedging and financing costs (net of tax) - continuing operations	0.28	-	-	0.22	0.06
Discrete income tax expense (benefit) items - continuing operations	(0.13)	(0.13)	(0.06)	0.07	(0.01)
Adjusted diluted EPS - continuing operations	3.24	0.84	0.88	0.77	0.74

* May not foot due to rounding

	Fiscal 2016*	Fiscal Year 2016 Quarters Ended			
		July 2, 2016*	April 2, 2016*	January 2, 2016*	October 3, 2015*
		(\$ in thousands, except per share amounts)			
GAAP selling, general and administrative expenses - continuing operations	\$ 1,460,273	\$ 366,291	\$ 362,064	\$ 354,858	\$ 377,060
Amortization of intangible assets and other - continuing operations	(9,784)	(2,222)	(2,442)	(2,272)	(2,848)
Adjusted operating expenses - continuing operations	1,450,489	364,069	359,622	352,586	374,212
GAAP operating income - continuing operations	\$ 572,912	\$ 120,180	\$ 150,024	\$ 136,117	\$ 166,591
Restructuring, integration and other expenses - continuing operations	44,761	9,306	8,854	14,083	12,518
Amortization of intangible assets and other - continuing operations	9,784	2,222	2,442	2,272	2,848
Adjusted operating income - continuing operations	627,457	131,708	161,320	152,472	181,957
GAAP other (expense) income, net - continuing operations	\$ (2,963)	\$ (3,247)	\$ 1,453	\$ (2,052)	\$ 883
Other expense	(62)	(62)	-	-	-
Adjusted other (expense) income, net - continuing operations	(3,025)	(3,309)	1,453	(2,052)	883
GAAP income before income taxes- continuing operations	478,013	89,383	130,089	113,100	145,443
Restructuring, integration and other expenses - continuing operations	44,761	9,306	8,854	14,083	12,518
Amortization of intangible assets and other - continuing operations	9,784	2,222	2,442	2,272	2,848
Other expense	(62)	(62)	-	-	-
Adjusted income before income taxes - continuing operations	532,496	100,849	141,385	129,455	160,809
GAAP income tax expense - continuing operations	\$ 87,104	\$ 17,330	\$ 22,297	\$ 10,959	\$ 36,518
Restructuring, integration and other expenses - continuing operations	15,463	3,389	3,057	4,570	4,447
Amortization of intangible assets and other - continuing operations	2,598	735	468	618	777
Discrete income tax expense (benefit) items - continuing operations	23,692	4,033	8,463	12,048	(852)
Adjusted income tax expense - continuing operations	128,857	25,487	34,285	28,195	40,890
GAAP income - continuing operations	\$ 390,909	\$ 72,053	\$ 107,792	\$ 102,141	\$ 108,925
Restructuring, integration and other expenses (net of tax) - continuing operations	29,298	5,917	5,797	9,513	8,071
Amortization of intangible assets and other (net of tax) - continuing operations	7,186	1,487	1,974	1,654	2,071
Other expense (net of tax)	(62)	(62)	-	-	-
Discrete income tax expense (benefit) items - continuing operations	(23,692)	(4,033)	(8,463)	(12,048)	852
Adjusted income - continuing operations	403,640	75,362	107,100	101,260	119,919
GAAP diluted EPS - continuing operations	\$ 2.93	\$ 0.56	\$ 0.82	\$ 0.76	\$ 0.79
Restructuring, integration and other expenses (net of tax) - continuing operations	0.22	0.05	0.04	0.07	0.06
Amortization of intangible assets and other (net of tax) - continuing operations	0.05	0.01	0.01	0.01	0.02
Discrete income tax expense (benefit) items - continuing operations	(0.18)	(0.03)	(0.06)	(0.09)	-
Adjusted diluted EPS - continuing operations	3.02	0.59	0.81	0.75	0.86

* May not foot due to rounding

Organic Sales

Organic sales is defined as sales adjusted for the impact of significant acquisitions, divestitures and other items by adjusting Avnet's prior and current (if necessary) periods to include the sales of acquired businesses and exclude the sales of divested businesses as if the acquisitions and divestitures had occurred at the beginning of the earliest period presented. Organic sales is measured on a sales from continuing operations basis. Organic sales in constant currency is defined as organic sales (as defined above) excluding the impact of changes in foreign currency exchange rates.

The following tables present the reconciliation of reported sales to organic sales for the fourth quarters and full years of fiscal 2016 and fiscal 2017.

	Fourth Quarter Ended			Years Ended		
	Sales as Reported Fiscal 2017	Sales from Acquisitions	Organic Sales Fiscal 2017	Sales as Reported Fiscal 2017	Sales From Acquisitions ⁽¹⁾	Organic Sales Fiscal 2017
	<i>(in millions)</i>					
Avnet	\$ 4,606.4	\$ —	\$ 4,606.4	\$ 17,440.0	\$ 378.3	\$ 17,818.3
Avnet by region						
Americas	\$ 1,332.2	\$ —	\$ 1,332.2	\$ 5,163.9	\$ 154.4	\$ 5,318.3
EMEA	1,651.0	—	1,651.0	5,912.9	178.9	6,091.8
Asia	1,623.2	—	1,623.2	6,363.2	45.0	6,408.2
Avnet by segment						
EC	\$ 4,260.7	\$ —	\$ 4,260.7	\$ 16,474.1	\$ —	\$ 16,474.1
PF	345.7	—	345.7	965.9	378.3	1,344.2

(1) Includes Premier Farnell acquired on October 17, 2016, which has operations in each Avnet region.

	Fourth Quarter Ended			Year Ended		
	Sales as Reported Fiscal 2016	Sales from Acquisitions	Organic Sales Fiscal 2016	Sales as Reported Fiscal 2016	Sales from Acquisitions ⁽¹⁾ / Estimated Extra Week	Organic Sales Fiscal 2016
	<i>(in millions)</i>					
Avnet	\$ 3,969.0	\$ 345.5	\$ 4,314.5	\$ 16,740.6	\$ 1,061.4	\$ 17,802.0
Avnet by region						
Americas	\$ 1,105.0	\$ 137.7	\$ 1,242.7	\$ 4,801.3	\$ 477.9	\$ 5,279.2
EMEA	1,293.1	164.6	1,457.7	5,103.0	560.9	5,663.9
Asia	1,570.9	43.2	1,614.1	6,836.3	22.6	6,858.9
Avnet by segment						
EC	\$ 3,969.0	\$ —	\$ 3,969.0	\$ 16,740.6	\$ (300.0)	\$ 16,440.6
PF	—	345.5	345.5	—	1,361.4	1,361.4

(1) Includes Premier Farnell acquired on October 17, 2016, which has operations in each Avnet region.

	Fourth Quarter Ended					
	Sales As Reported Q4-Fiscal 2017	Organic Sales Q4-Fiscal 2017	Sales As Reported Year-Year % Change	Sales As Reported Year-Year % Change in Constant Currency	Organic Sales Year-Year % Change	Organic Sales Year-Year % Change in Constant Currency
	<i>(Dollars in millions)</i>					
Avnet	\$ 4,606.4	\$ 4,606.4	16.1 %	17.9 %	6.8 %	8.4 %
Avnet by region						
Americas	\$ 1,332.2	\$ 1,332.2	20.6 %	—	7.2 %	—
EMEA	1,651.0	1,651.0	27.7	32.1 %	13.3	17.2 %
Asia	1,623.2	1,623.2	3.3	4.0	0.6	1.2
Avnet by segment						
EC	\$ 4,260.7	\$ 4,260.7	7.4 %	8.8 %	7.4 %	8.8 %
PF	345.7	345.7	—	—	0.1	4.0

Fiscal 2017

	Sales As Reported		Sales As Reported		Organic Sales	
	As Reported Fiscal 2017	Organic Sales Fiscal 2017	As Reported Year-Year % Change	Year-Year % Change in Constant Currency	Organic Sales Year-Year % Change	Year-Year % Change in Constant Currency
(Dollars in millions)						
Avnet	\$ 17,440.0	\$ 17,818.3	4.2 %	5.1 %	0.1 %	1.0 %
Avnet by region						
Americas	\$ 5,163.9	\$ 5,318.3	7.6 %	—	0.7 %	—
EMEA	5,912.9	6,091.8	15.9	19.3 %	7.6	10.7 %
Asia	6,363.2	6,408.2	(6.9)	(7.3)	(6.6)	6.9
Avnet by segment						
EC	\$ 16,474.1	\$ 16,474.1	(1.6)%	(1.0)%	0.2 %	0.8 %
PF	965.9	1,344.2	—	—	(1.3)	2.7

Historical Segment Financial Information

	Fiscal Year 2017 Quarters Ended				
	Fiscal Year 2017	Fourth Quarter July 1, 2017	Third Quarter April 1, 2017	Second Quarter December 31, 2016	First Quarter October 1, 2016
(in millions)					
Sales:					
Electronic Components	\$ 16,474.1	\$ 4,260.7	\$ 4,090.9	\$ 4,004.3	\$ 4,118.1
Premier Farnell ⁽¹⁾	965.9	345.7	351.0	269.2	-
Avnet sales	\$ 17,440.0	\$ 4,606.4	\$ 4,441.9	\$ 4,273.6	\$ 4,118.1
Operating income:					
Electronic Components	\$ 661.0	\$ 152.4	\$ 156.8	\$ 166.7	\$ 185.1
Premier Farnell ⁽¹⁾	99.8	35.5	40.3	24.0	-
Corporate ⁽²⁾	(107.5)	(32.7)	(24.9)	(26.3)	(23.7)
Restructuring, integration and other expenses	(137.4)	(42.0)	(35.5)	(30.4)	(29.5)
Amortization of acquired intangible assets and other	(54.5)	(19.8)	(22.5)	(9.8)	(2.4)
Avnet operating income	\$ 461.4	\$ 93.4	\$ 114.3	\$ 124.2	\$ 129.5
Sales by geographic area:					
Americas	\$ 5,163.9	\$ 1,332.2	\$ 1,328.6	\$ 1,252.6	\$ 1,250.5
EMEA	5,912.9	1,651.0	1,615.9	1,380.7	1,265.3
Asia/Pacific	6,363.2	1,623.2	1,497.4	1,640.3	1,602.3
Avnet sales	\$ 17,440.0	\$ 4,606.4	\$ 4,441.9	\$ 4,273.6	\$ 4,118.1

(1) Premier Farnell was acquired on October 17, 2016.

(2) Prior to the divestiture of the Technology Solutions business in Q3 FY17, a portion of Corporate support expenses were classified within discontinued operations.

	Fiscal Year 2016 Quarters Ended				
	Fiscal Year 2016	Fourth Quarter July 2, 2016	Third Quarter April 2, 2016	Second Quarter January 2, 2016	First Quarter October 3, 2015
	(in millions)				
Sales:					
Electronic Components	\$ 16,740.6	\$ 3,969.0	\$ 4,081.9	\$ 4,161.1	\$ 4,528.6
Premier Farnell ⁽¹⁾	-	-	-	-	-
Avnet sales	<u>\$ 16,740.6</u>	<u>\$ 3,969.0</u>	<u>\$ 4,081.9</u>	<u>\$ 4,161.1</u>	<u>\$ 4,528.6</u>
Operating income:					
Electronic Components	\$ 728.7	\$ 154.7	\$ 184.1	\$ 176.3	\$ 213.6
Premier Farnell	-	-	-	-	-
	728.7	154.7	184.1	176.3	213.6
Corporate ⁽²⁾	(101.3)	(23.0)	(22.8)	(23.8)	(31.7)
Restructuring, integration and other expenses	(44.8)	(9.3)	(8.9)	(14.1)	(12.5)
Amortization of acquired intangible assets and other	(9.7)	(2.2)	(2.4)	(2.3)	(2.8)
Avnet operating income	<u>\$ 572.9</u>	<u>\$ 120.2</u>	<u>\$ 150.0</u>	<u>\$ 136.1</u>	<u>\$ 166.7</u>
Sales by geographic area:					
Americas	\$ 4,801.3	\$ 1,105.0	\$ 1,227.2	\$ 1,165.8	\$ 1,303.3
EMEA	5,103.0	1,293.1	1,330.7	1,141.1	1,338.1
Asia/Pacific	6,836.3	1,570.9	1,524.0	1,854.2	1,887.2
Avnet sales	<u>\$ 16,740.6</u>	<u>\$ 3,969.0</u>	<u>\$ 4,081.9</u>	<u>\$ 4,161.1</u>	<u>\$ 4,528.6</u>

(1) Premier Farnell was acquired on October 17, 2016.

(2) Prior to the divestiture of the Technology Solutions business in Q3 FY17, a portion of Corporate support expenses were classified within discontinued operations.

Guidance Reconciliation

The following table presents the reconciliation of non-GAAP adjusted diluted earnings per share guidance to the expected GAAP diluted earnings per share guidance for the first quarter of fiscal 2018.

	Low End of Guidance Range	High End of Guidance Range
Adjusted diluted earnings per share guidance	\$ 0.67	\$ 0.77
Restructuring, integration and other expense (net of tax) ⁽¹⁾	(0.22)	(0.14)
Amortization of intangibles and other (net of tax)	(0.12)	(0.11)
Income tax expense adjustments	(0.04)	0.04
GAAP diluted earnings per share guidance	<u>\$ 0.29</u>	<u>\$ 0.56</u>

(1) Included accelerated depreciation.