

Avnet Fourth Quarter and Fiscal Year 2021 Financial Results

August 11, 2021



Safe Harbor Statement



This document contains 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, with respect to the financial condition, results of operations and business of the Company. You can find many of these statements by looking for words like “believes,” “plans,” “projects,” “expects,” “anticipates,” “should,” “will,” “may,” “estimates” or similar expressions. These forward-looking statements are subject to numerous assumptions, risks and uncertainties

You should understand that the following important factors, in addition to those discussed elsewhere in the Company’s Annual Report on Form 10-K for the fiscal year ended June 27, 2020 and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, could affect the Company’s future results of operations, and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements: the scope and duration of the COVID-19 pandemic and its impact on global economic systems, access to financial markets and the Company’s employees, operations, customers, and supply chain; competitive pressures among distributors of electronic components; an industry down-cycle in semiconductors; relationships with key suppliers and allocations of products by suppliers; risks relating to the Company’s international sales and operations, including risks relating to the ability to repatriate cash, foreign currency fluctuations, inflation, duties and taxes, and compliance with international and U.S. laws; risks relating to acquisitions, divestitures and investments; adverse effects on the Company’s supply chain, operations of its distribution centers, shipping costs, third-party service providers, customers and suppliers, including as a result of issues caused by natural and weather-related disasters, pandemics and health related crisis, social unrest or warehouse modernization and relocation efforts; risks related to cyber-attacks and the Company’s information systems, including related to current or future implementations; general economic and business conditions (domestic, foreign and global) affecting the Company’s operations and financial performance and, indirectly, the Company’s credit ratings, debt covenant compliance, and liquidity and access to financing; geopolitical events, including the uncertainty caused by the United Kingdom’s exit from, and agreement for a new partnership with, the European Union; and legislative or regulatory changes affecting the Company’s businesses

Any forward-looking statement speaks only as of the date on which that statement is made. Except as required by law, the Company assumes no obligation to update any forward-looking statement to reflect events or circumstances that occur after the date on which the statement is made

Executive Overview

Phil Gallagher
Chief Executive Officer

/ Fiscal Year 2021 Highlights

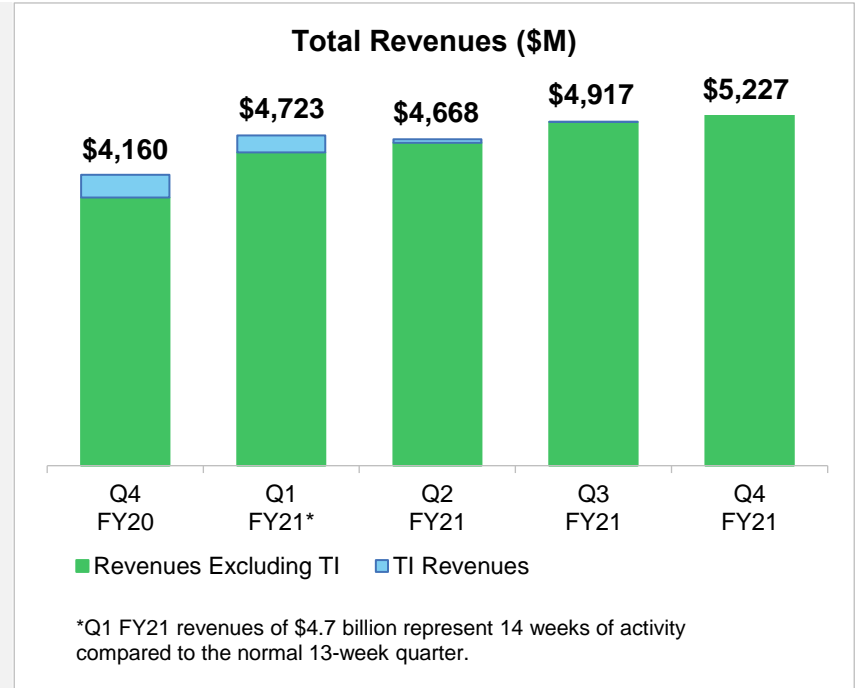


- Strengthened our foundation with our industry-leading semiconductor and IP&E supplier partners
- Supported our customers and suppliers by helping decrease risk in their supply chains
- Invested in sales and engineering personnel enabling differentiated design solutions for our customers and resulting in increased demand creation
- Advanced the digitization of our business allowing for support across the entire customer product life cycle
- Grew market share, operating income dollars, and improved return on capital
- Celebrated our 100th year anniversary

/ Record Quarterly Revenues

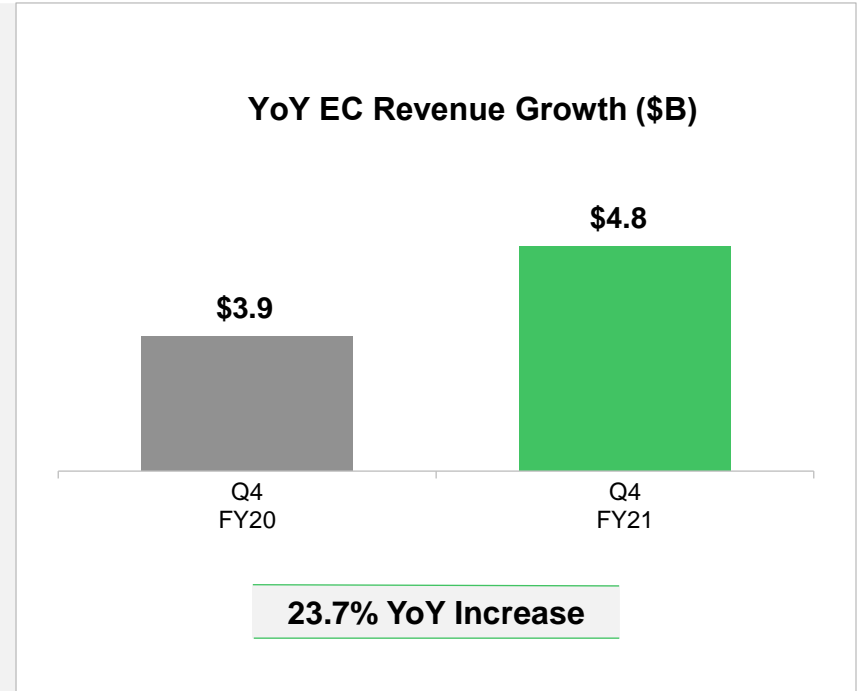


- Achieved revenues of \$5.2B, driven by record sales for Electronic Components and Farnell
- Excluding TI, sales grew 31.7% in constant currency year over year
- Expect continued revenue and margin growth, driven by:
 - Strong demand
 - Execution across regions
 - Durable improvements made to the business to date



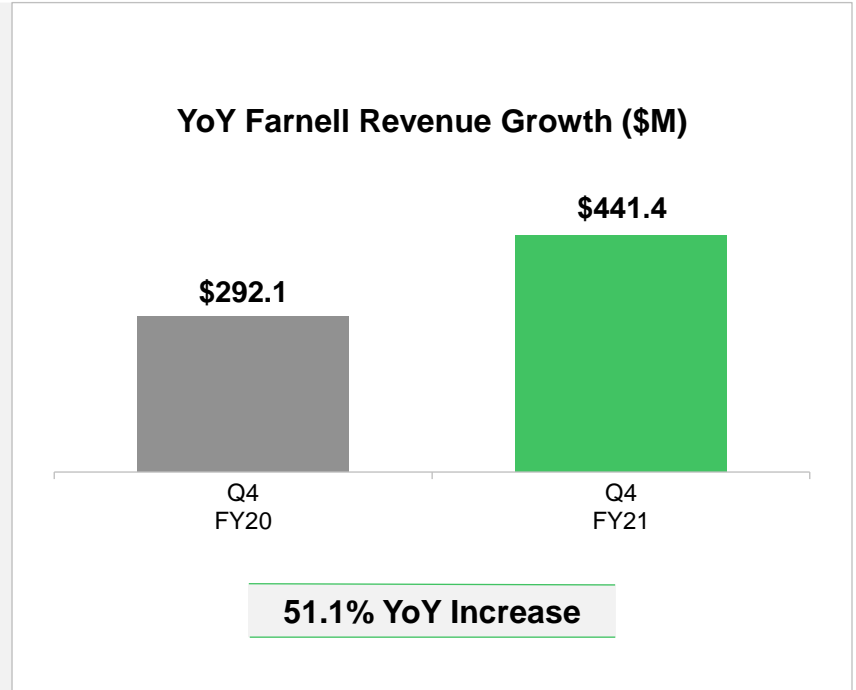
Strong Relationships Driving Continued Results for Electronic Components

- Record revenues of \$4.8B were up YoY and sequentially:
 - Deep relationships driving positive results across all regions
 - Strong performance in EMEA and Asia
 - Continued operating improvement in Americas
 - Industrial, Automotive, Communications, and Computing segments continued to be major drivers
- Demand creation continues to be a key advantage and accounts for ~30% of EC's revenue
- Continuing to invest in the business to improve operations and the customer experience



/ Farnell's Value Proposition is Resonating

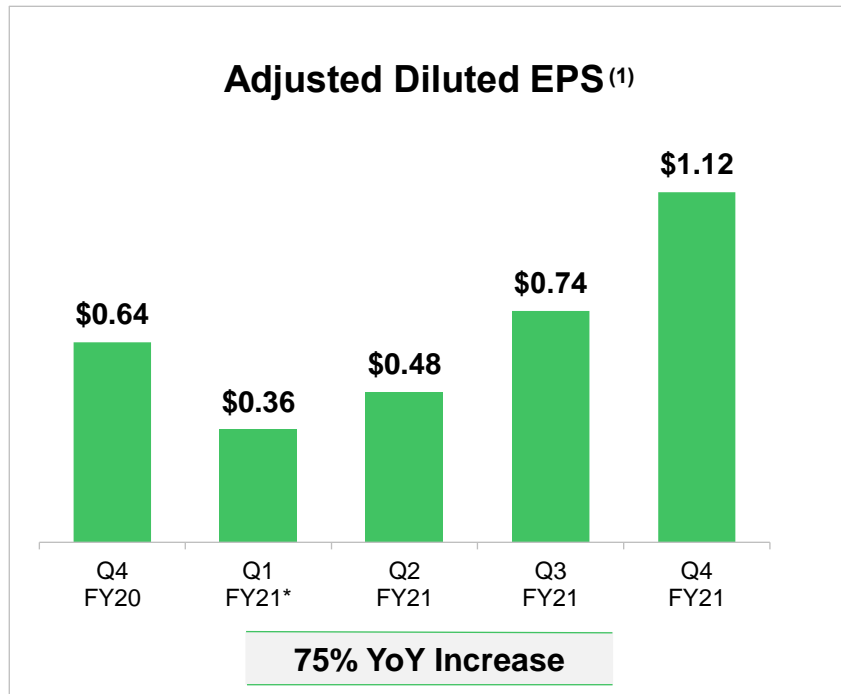
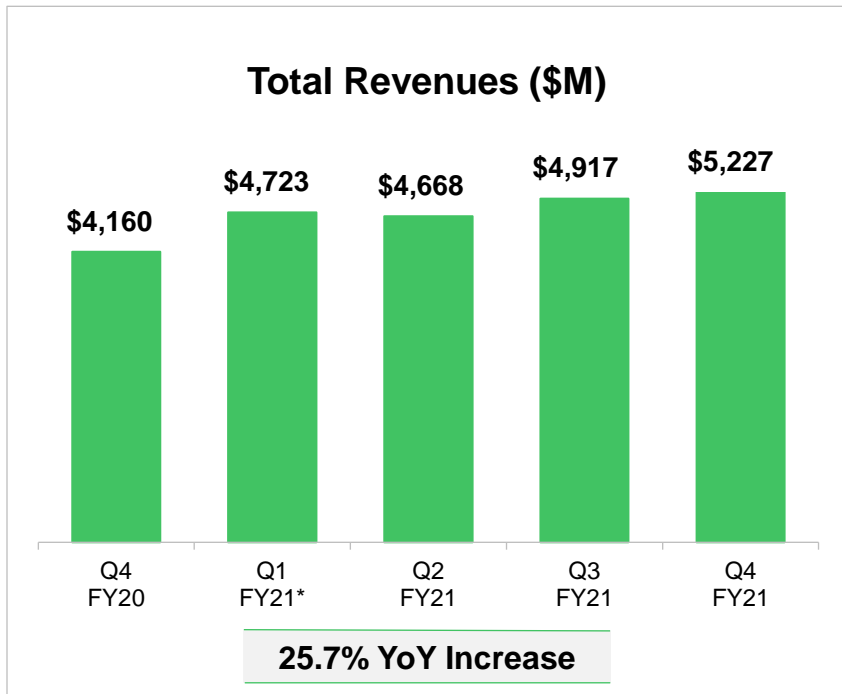
- Record revenues up sequentially and YoY at \$441 million
- Increased operating margins to 8.3%, tracking towards goal of 10%
- ~51% of revenues attributed to e-commerce sales in the quarter
- Added 20,530 SKUs during the quarter – progressing on plans to add 250,000 through FY22
- Farnell's high-service model is critical to our ability to serve customers from new product introduction to mass production



Financial Overview

Tom Liguori
Chief Financial Officer

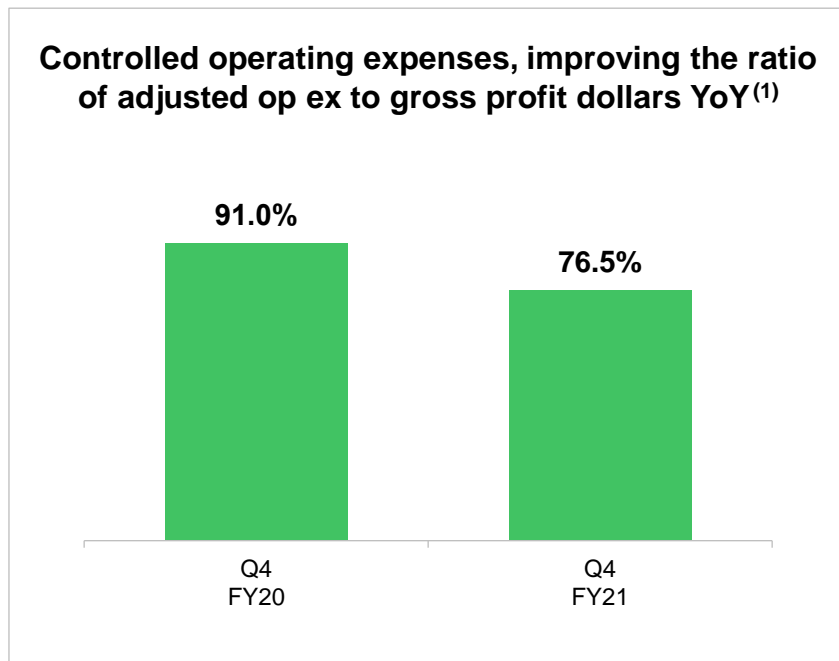
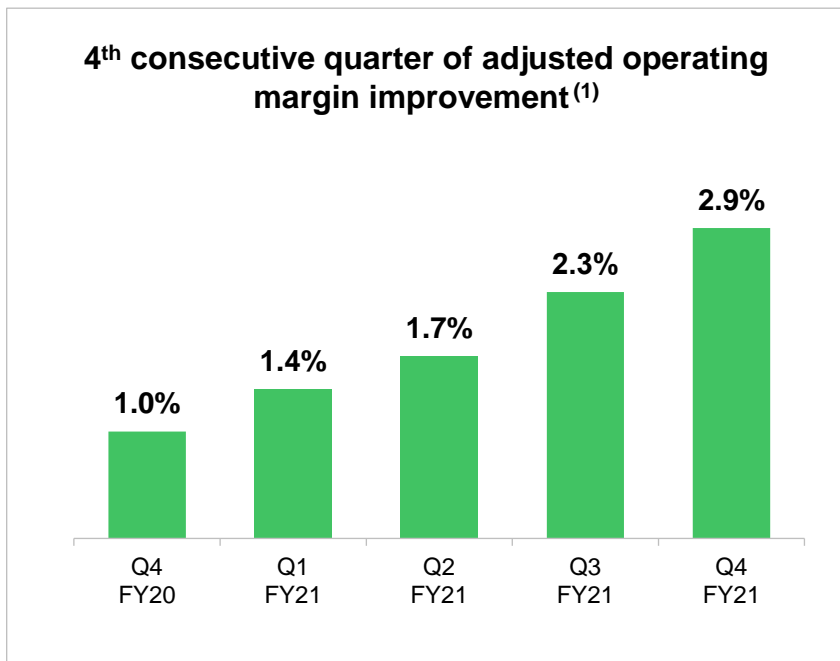
/ Revenues & EPS Exceeded Guidance Range



(1) Non-GAAP measure. See Non-GAAP Definitions section in the Appendix of this presentation.

*Q1 represents 14 weeks of activity compared to the normal 13-week quarter.

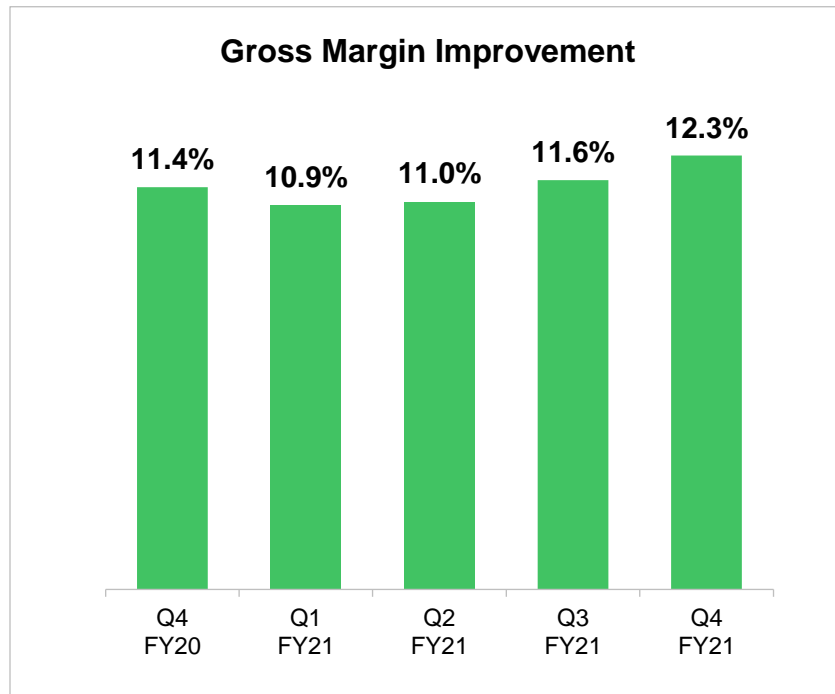
Improved Execution and Efficiency Driving Operating Margin Expansion



(1) Non-GAAP measure. See Non-GAAP Definitions section in the Appendix of this presentation.

/ Q4 FY21 Income Statement Snapshot

12.3%	Gross margin; up QoQ and up across all regions
76.5%	Adjusted op ex as a percentage of gross profit continues to improve ⁽¹⁾
\$493M	Adjusted operating expenses ⁽¹⁾ ; up by 7.7% over last quarter
\$23.3M	Interest expense
\$2.1M	Foreign currency transaction expense
13.5%	Adjusted income tax rate ⁽¹⁾ ; 15% adjusted annual tax rate



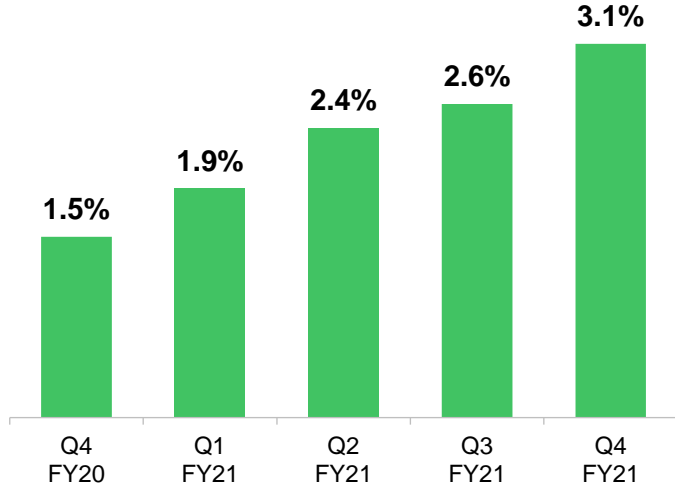
(1) Non-GAAP measure. See Non-GAAP Definitions section in the Appendix of this presentation.

Strong Momentum Across Business Segments

Electronic Components

- Revenues of **\$4.8B**, up 23.7% YoY and 5.9% sequentially
- Operating margins of **3.1%**, improved 47 bps from last quarter

EC Sequential Margin Improvement

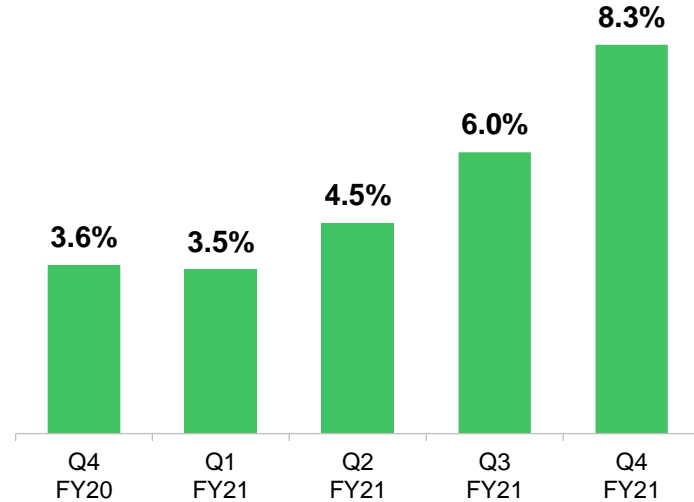


+157 bps YoY

Farnell

- Revenues of **\$441M**, up 11.4% sequentially and 51.1% YoY
- Operating margins of **8.3%**, up 224 bps sequentially

Farnell Sequential Margin Improvement



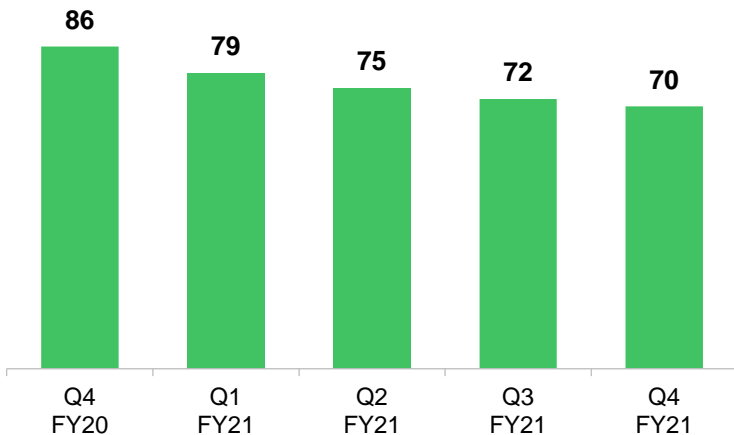
+469 bps YoY

Disciplined Working Capital Management

driving strong liquidity position and maintaining sustainable debt levels

Improved Working Capital Days

while increasing inventory spend by \$475M in Q4 FY21



\$200M	Cash balance
\$1.7B	Available lines of credit
\$1.2B	Debt
\$1.0B	Net debt
2.2x	Gross debt leverage ratio at end of quarter
1.9x	Net debt leverage ratio at end of quarter
\$22M	Returned to shareholders; dividend increased by 4.8% in the quarter

Outlook for Q1 FY 2022

(ending on October 2, 2021)



Metric	Guidance Range	Midpoint
Sales	\$5.1B – \$5.4B	\$5.25B
Non-GAAP Adjusted Diluted EPS ⁽¹⁾	\$1.02 – \$1.12	\$1.07

Factors impacting our Q1 FY 2022 outlook

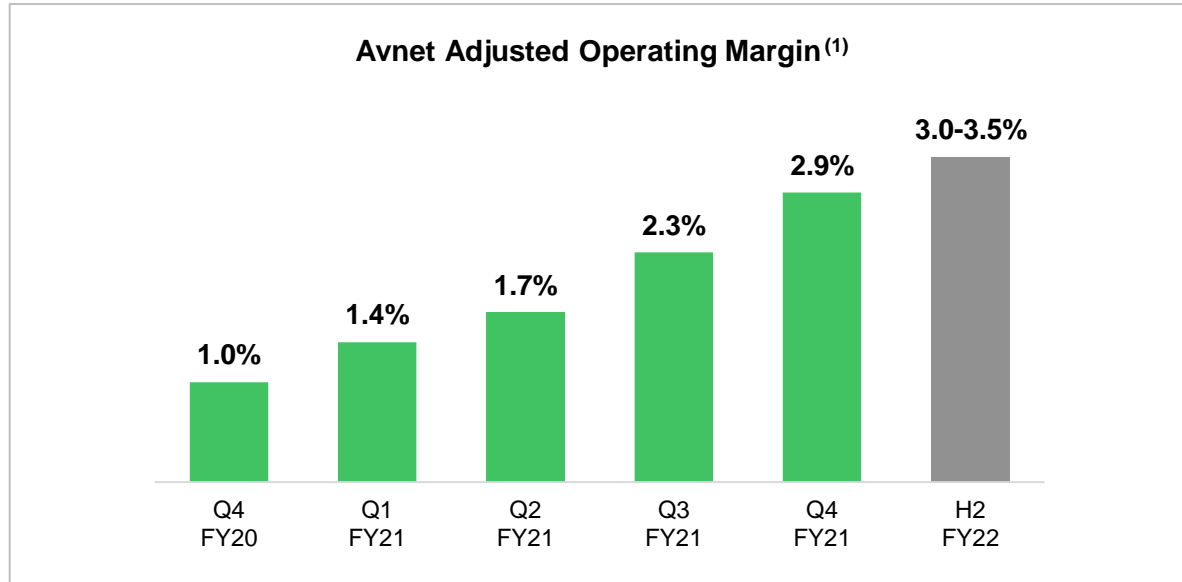
Assumes ongoing strong demand, continuing supply constraints and associated electronic components price inflation, and an effective tax rate of between 19% and 23% as compared to 13.5% in the fourth quarter of fiscal 2021

(1) Non-GAAP measure. See Non-GAAP Definitions in the Appendix of this presentation.

/ Looking Ahead



Durable changes made to our business position Avnet to deliver sustainable operating margins in the **3-3.5% range** by the latter half of fiscal year 2022



(1) Non-GAAP measure. See Non-GAAP Definitions section in the Appendix of this presentation.

/ Avnet Well-Positioned Going into Fiscal Year 2022



- Avnet is delivering strong revenue growth and steady margin improvement
- We remain well-positioned across all operating regions and are continuing to capitalize on the strong demand environment to capture additional market opportunities
- In the fiscal year 2022, we will continue to:
 - Build upon our financial and competitive performance strategies
 - Accelerate growth
 - Invest in the digitization of our business and in our employees

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Q&A Session

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Thank You

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Non-GAAP Definitions



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 income (expense), (iv) adjusted income tax expense, (v) adjusted income from continuing operations, (vi) adjusted diluted earnings per share from continuing operations, and (vii) sales adjusted for the impact of significant acquisitions and other items (as defined in the Organic Sales section of this document). See additional discussion, definitions and reconciliations of Non-GAAP measures included as Exhibit 99.1 to the Current Report on Form 8-K filed with the Securities Exchange Commission on August 11th, 2021, which can be found on the Company’s website at www.ir.avnet.com

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 “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 and operating expenses adjusted for restructuring, integration and other expenses, goodwill and intangible asset impairment expenses 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 and operating expenses 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 most cases, for measuring performance for compensation purposes. Management measures operating income for its reportable segments excluding restructuring, integration and other expenses, goodwill and intangible asset impairment expenses and amortization of acquired intangible assets and other. Additional non-GAAP metrics management uses is adjusted operating income margin, which is defined as adjusted operating income (as defined above) divided by sales

Management also believes income tax expense (benefit), income from continuing operations and diluted earnings (loss) per share from continuing operations adjusted for the impact of the items described above and certain items impacting other income (expense) and income tax expense (benefit) 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. Adjustment to income tax expense (benefit) and the effective income tax rate include the effect of changes in tax laws including recent tax law changes in the U.S., certain changes in valuation allowances and unrecognized tax benefits, income tax audit settlements and adjustments to the adjusted interim effective tax rate based upon the expected annual adjusted effective tax rate. 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 (loss) 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