

Avnet Presentation Raymond James 2018 Institutional Investors Conference

March 6, 2018



Safe Harbor Statement

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 the Company’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.

Avnet at a Glance...

Avnet works with customers of every size, in every corner of the world to design, make, supply and deliver technology solutions.

15,000+

Employees
worldwide

2,500+

Engineers around
the world

800K+

Engineering
community members

2.1M

Customers in
140+ countries

1,400+

Technology
suppliers WW

117B

Units shipped
annually

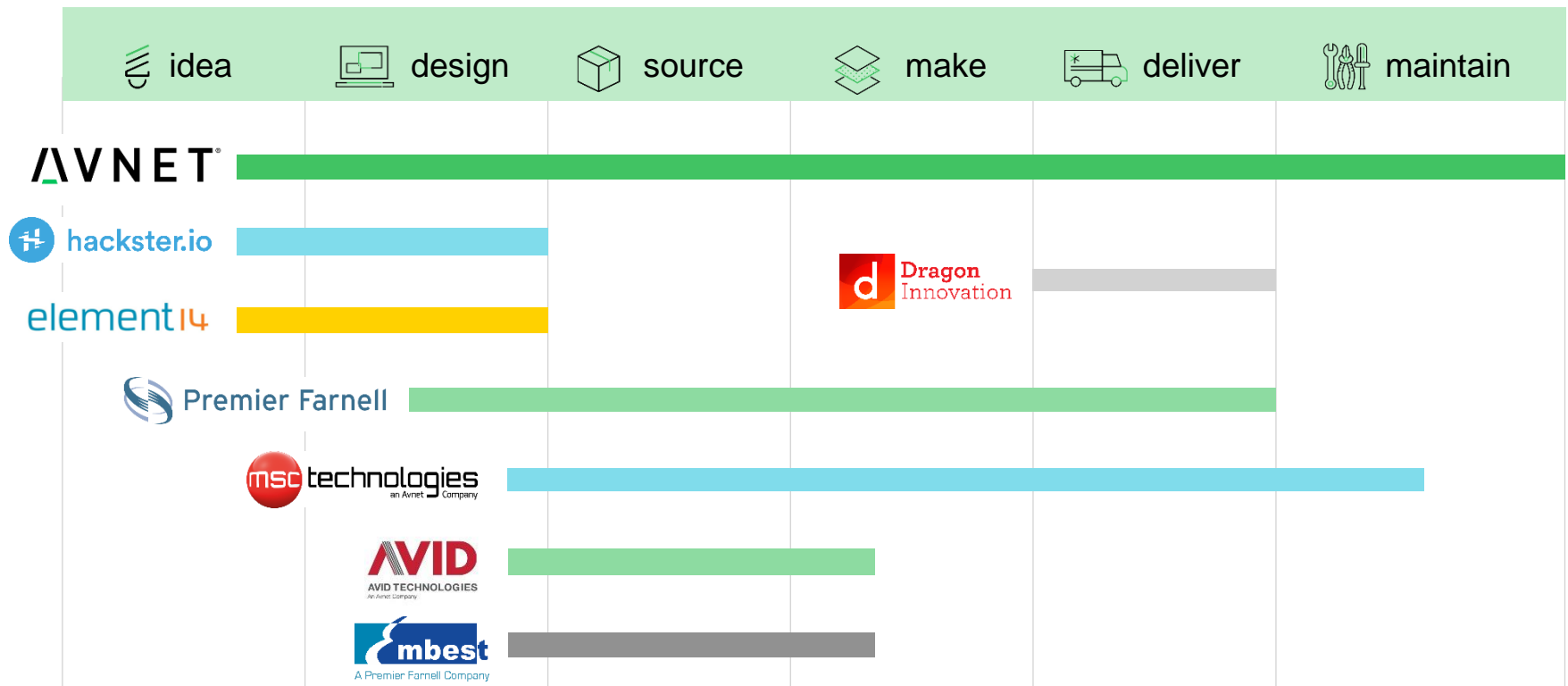


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Locations across the world

We guide today's ideas into tomorrow's technology

Avnet's End-to-End Capabilities

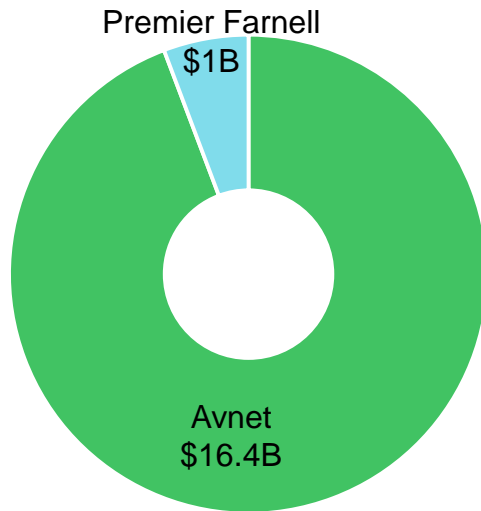


Avnet is the only distributor with full end-to-end service capability in-house

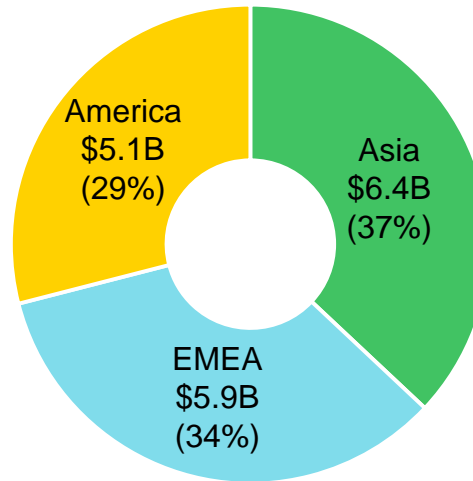
Revenue Mix

FY17 Revenue = \$17.4B

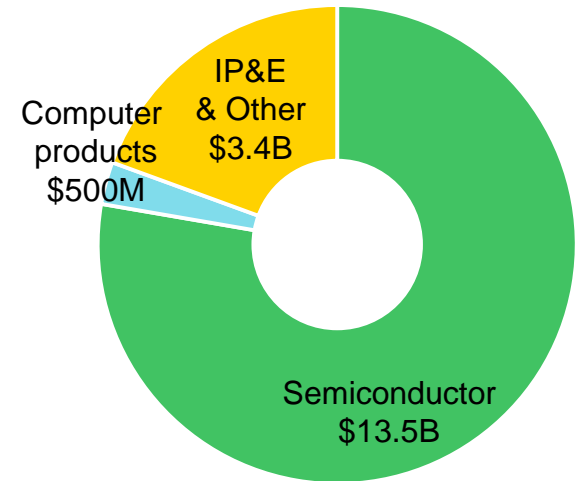
FY17



Regions



Products

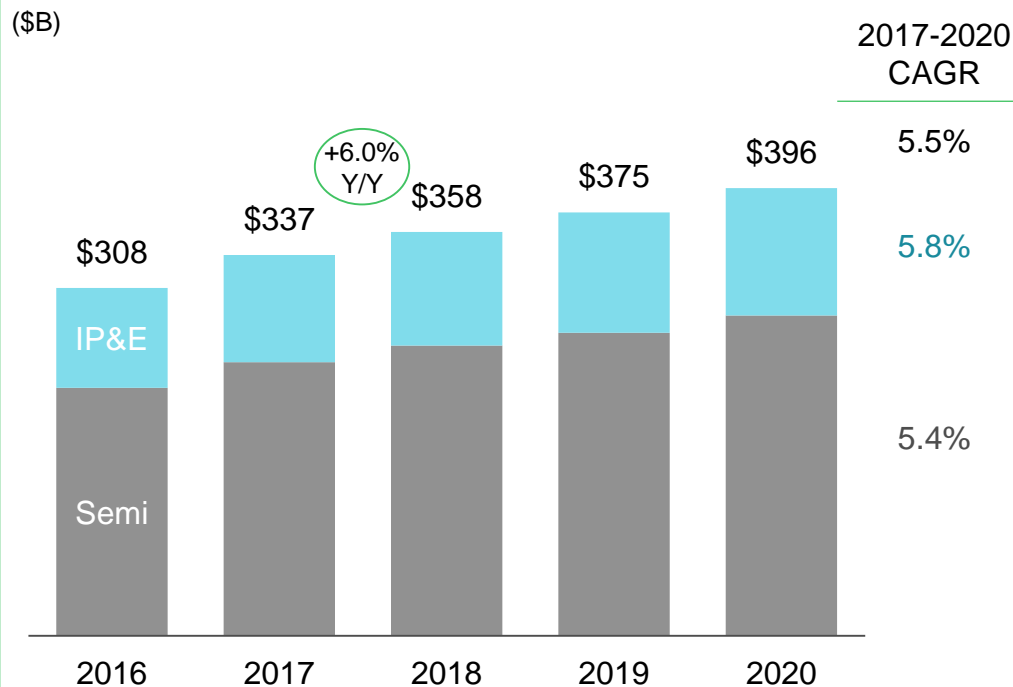


Excludes Technology Solutions & includes Premier Farnell, which was acquired in October 2016

Projected Market Growth

Avnet's Served Available Market

(semiconductors = w/o MPU, DRAM, Flash)



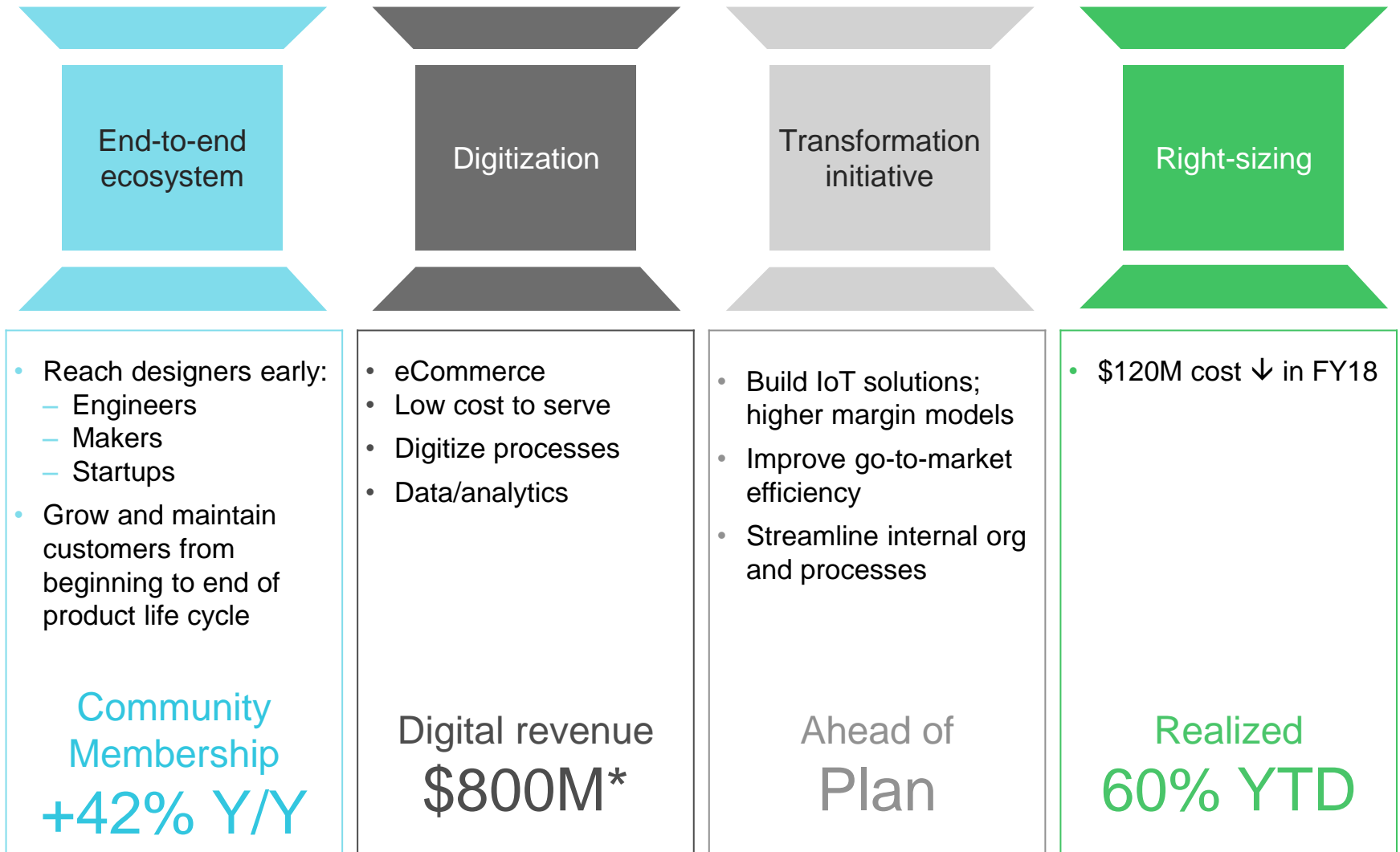
Served semiconductor TAM

Size and growth by vertical

2018 Vertical	TAM (\$B)	2017-2020 CAGR
Automotive	\$39	9.3%
Industrial	\$38	8.2%
Consumer	\$33	5.1%
Communications	\$97	4.9%
Data Processing	\$46	4.5%
Mil / Aero	\$4	3.4%

FY19-21 focus on higher growth, higher profit segments

4 Pillar Strategy



* Annual run rate

Premier Farnell Acquisition Update

Post-acquisition



- 1H revenue growth 8.8%, 10% Op Income



- Employees highly engaged



- SKUs increased by 60,000



- New 360,000 sq. ft. warehouse approved



- Awarded single-source Micro:bit education board



- Core tenant of our ecosystem strategy
 - Lead / stock sharing

Acquisition Details

Completed October 17, 2016

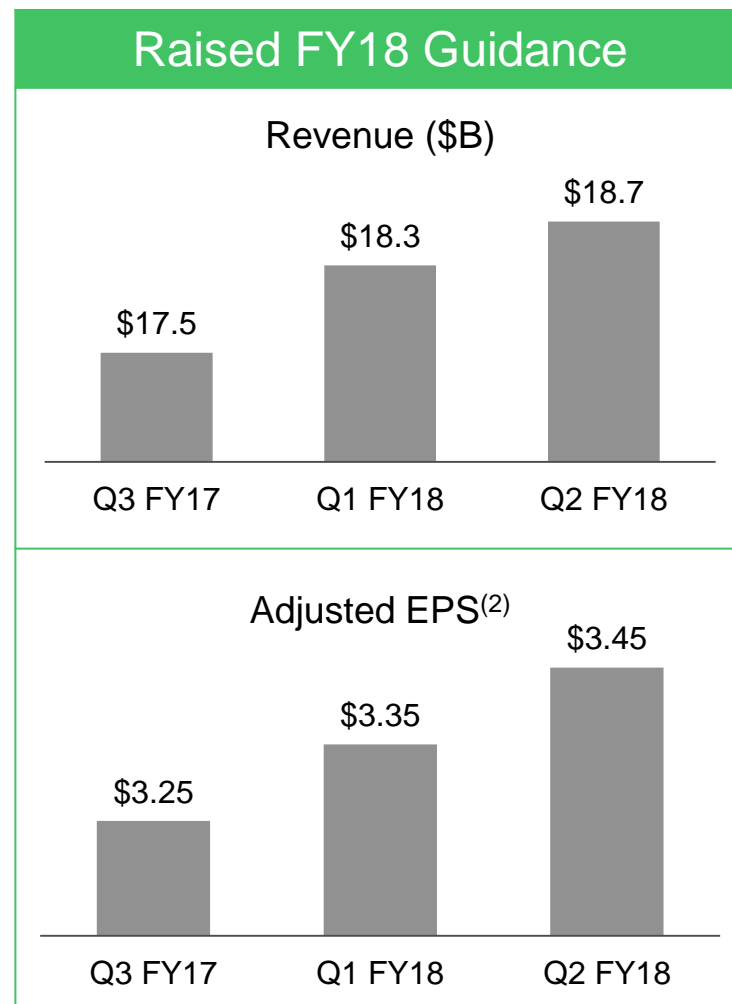
Premier Farnell revenue \$1.2B

Total purchase price \$1.1B

Premier Farnell acquisition is on a path that will exceed financial expectations

Q2 FY18 Highlights

- Sales of \$4.5B at high end of guidance
 - Driven by EC Americas and Asia
 - Premier Farnell organic sales up 8% Y/Y⁽¹⁾
- Expanding supplier relationships
 - Electronic Components added 6 new franchises
 - Premier Farnell added 9 new franchises
- Transitioned EMEA to upgraded ERP system
 - Americas next
- Adjusted EPS⁽²⁾ \$0.78 > high end of guidance
- Generated \$69M cash flow from operations
- Returned \$89M of cash to shareholders

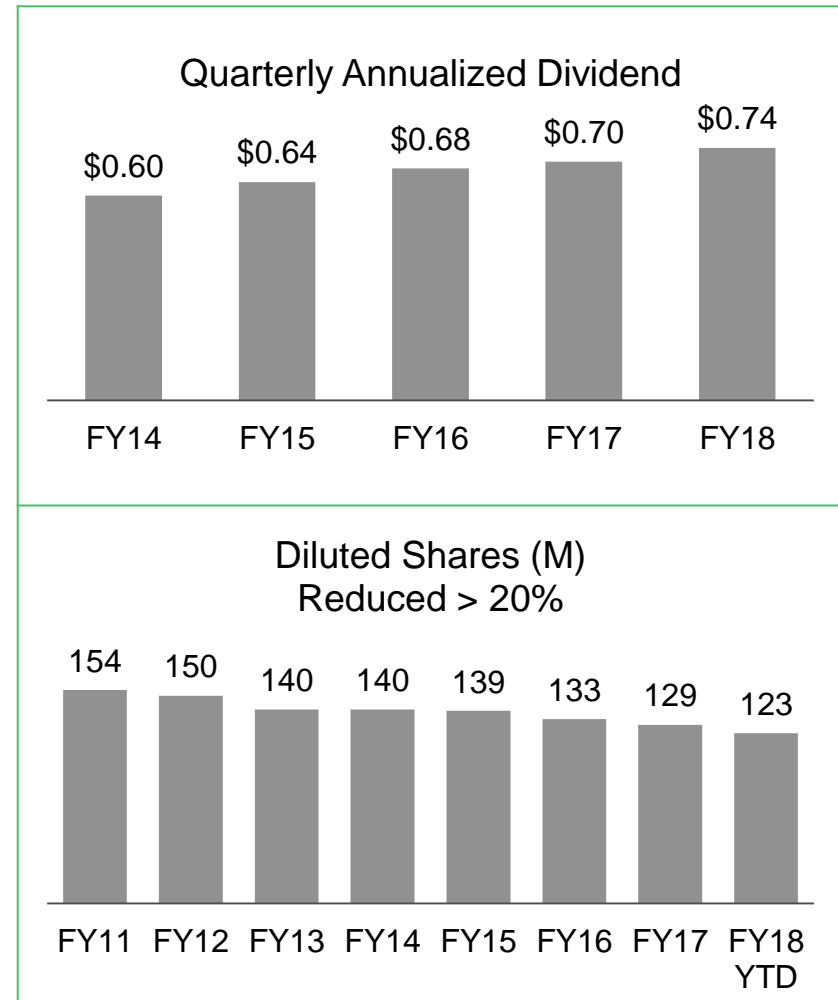


⁽¹⁾ Non-GAAP measure that excludes certain items and the impact of changes in foreign currency exchange rates. See Non-GAAP reconciliation and definitions in the Appendix of this presentation

⁽²⁾ Non-GAAP measure. See Non-GAAP reconciliation and definitions in the Appendix of this presentation.

Capital Allocation

- Invest in organic growth
 - Ecosystem
 - IoT
 - Digitization
 - Organic and internal capabilities
- Invest in strategic M&A
 - Premier Farnell
 - Hackster.io
 - Dragon Innovation
- Grow quarterly dividend
- Repurchase shares



Creating Shareholder Value

Grow faster than market

Target 4.5%-5.0% operating income

- Americas recovery
- Higher margin IoT solutions
- Premier Farnell revenues and margins accelerating
- Cost rightsizing

Increasing cash flows, leaner working capital model

Focused capital allocation strategy

Q2 beat and raise

And more to come...





Q&A



Appendix

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, and (vii) sales adjusted for the impact of acquisitions and other. See additional discussion, definitions and reconciliations of Non-GAAP measures including Organic Sales included as Exhibit 99.1 to the Current Report on Form 8-K filed with the Securities Exchange Commission on January 25, 2018, 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 “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 and operating expenses adjusted for restructuring, integration and other 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 well as other income (expense) excluding certain non-recurring amounts 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.

Non-GAAP Definitions and Reconciliations

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.

	As Reported and Organic Q2-Fiscal 2018	As Reported Year-Year % Change	As Reported Year-Year % Change in Constant Currency (Dollars in millions)	Organic Year-Year % Change	Organic Year-Year % Change in Constant Currency
Avnet	\$ 4,521.6	5.8 %	3.1 %	4.6 %	1.9 %
Avnet by region					
Americas	\$ 1,210.2	(3.4)%	—	(4.8)%	—
EMEA	1,506.0	9.1	0.8 %	7.0	(1.2)%
Asia	1,805.4	10.1	10.2	9.8	9.9
Avnet by segment					
EC	\$ 4,163.5	4.0 %	1.4 %	4.0 %	1.4 %
PF	358.1	33.0	27.5	12.3	7.7

Adjusted Diluted EPS

	Quarters Ended		
	Fiscal Year to Date 2018	December 30, 2017*	September 30, 2017*
	(\$ in thousands, except per share amounts)		
GAAP diluted EPS - continuing operations	\$ 0.93	\$ 0.47	\$ 0.47
Restructuring, integration and other expenses (net of tax) - continuing operations	0.47	0.23	0.24
Amortization of intangible assets and other (net of tax) - continuing operations	0.31	0.14	0.16
Foreign currency gain (loss) (net of tax) - continuing operations	(0.05)	0.00	(0.05)
Discrete income tax benefit items - continuing operations	(0.12)	(0.07)	(0.06)
Adjusted diluted EPS - continuing operations	1.54	0.78	0.76

Non-GAAP Definitions and Reconciliations

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 fiscal 2018.

	Low End of Guidance Range	High End of Guidance Range
Adjusted diluted earnings per share guidance	\$ 3.35	\$ 3.55
Restructuring, integration and other expense (net of tax) ⁽¹⁾	(0.87)	(0.74)
Amortization of intangibles and other (net of tax)	(0.61)	(0.57)
Other Income	(0.05)	(0.05)
Income tax expense adjustments	0.22	0.28
GAAP diluted earnings per share guidance	\$ 2.04	\$ 2.47

(1) Includes accelerated depreciation.