

Avnet Fiscal Fourth Quarter and 2018 Financial Results

Bill Amelio
Chief Executive Officer



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, 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.

This document contains certain Non-GAAP measures which are provided to assist in an understanding of the Company’s business and performance. These measures should always be considered in conjunction with the appropriate GAAP measure. Non-GAAP definitions and references are included in the Appendix of this presentation.

Executive Overview

Bill Amelio
Chief Executive Officer



Q4 2018 overall highlights

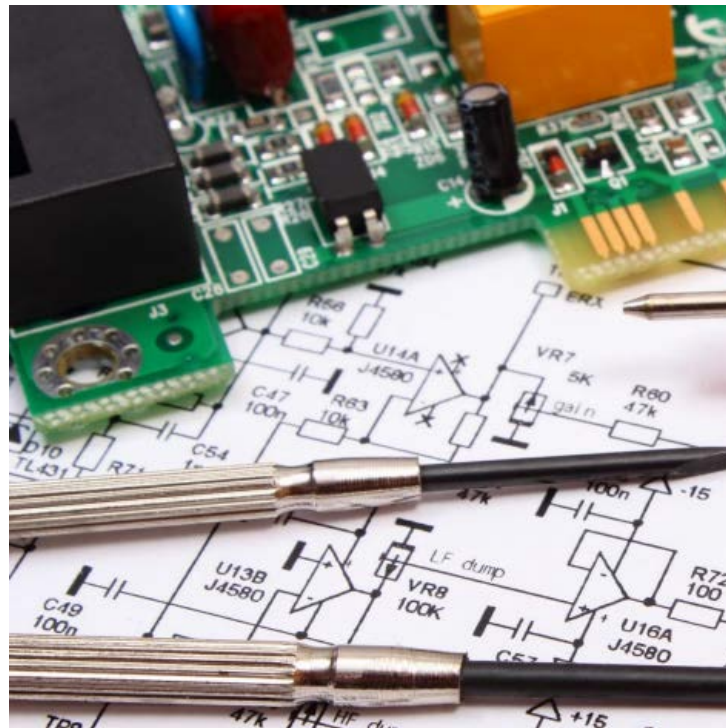


- Electronic Components group
 - Delivered strongest results of the year
 - Growing 6% sequentially
- Premier Farnell
 - Outstanding quarter with YoY growth of 13%
- Q4 adjusted⁽¹⁾ OI dollars & margin performance
 - \$187M and 3.7%, respectively
 - Strongest in five quarters

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

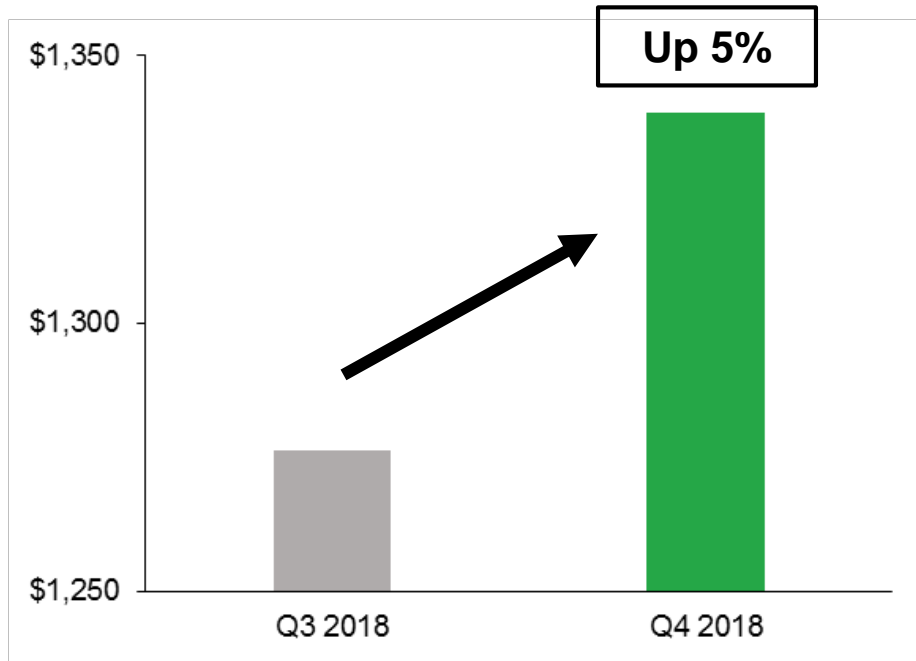
1 Accelerating electronic components business

- Supplier program changes
 - Replaced all revenue
- Revenue & gross profit gap closed
 - Completed within a few quarters
- Net promoter score rebounded
 - Back to previous high levels



.....Americas business rebounding

Americas Sales



Tony Roybal

Americas President

Electronic Components

25 years industry experience

Avnet, Motorola, ON Semiconductor

.....Solid execution with suppliers

By the numbers

- 3 Number of new supplier lines added to Electronic Components
- 4 Number of new supplier lines added at Premier Farnell
- 10 Avnet among the top 10 in Gartner Top 25 High-tech Supply Chain list

Avnet Expands Relationship with Microchip
Named Global Distribution Partner for Microsemi Portfolio

2 Scaling higher profit businesses

Premier Farnell

>11% Operating margins

Electronic Components - Avnet Integrated

7% Q4 revenue growth vs. last year

>60% Q4 operating income growth vs. last year

3 Digital capabilities driving growth and efficiency

18% Web-based sales sequential growth

>50% Digital transactions as a % of Avnet's total transactions

200% Growth in the number of Ask Avnet sessions

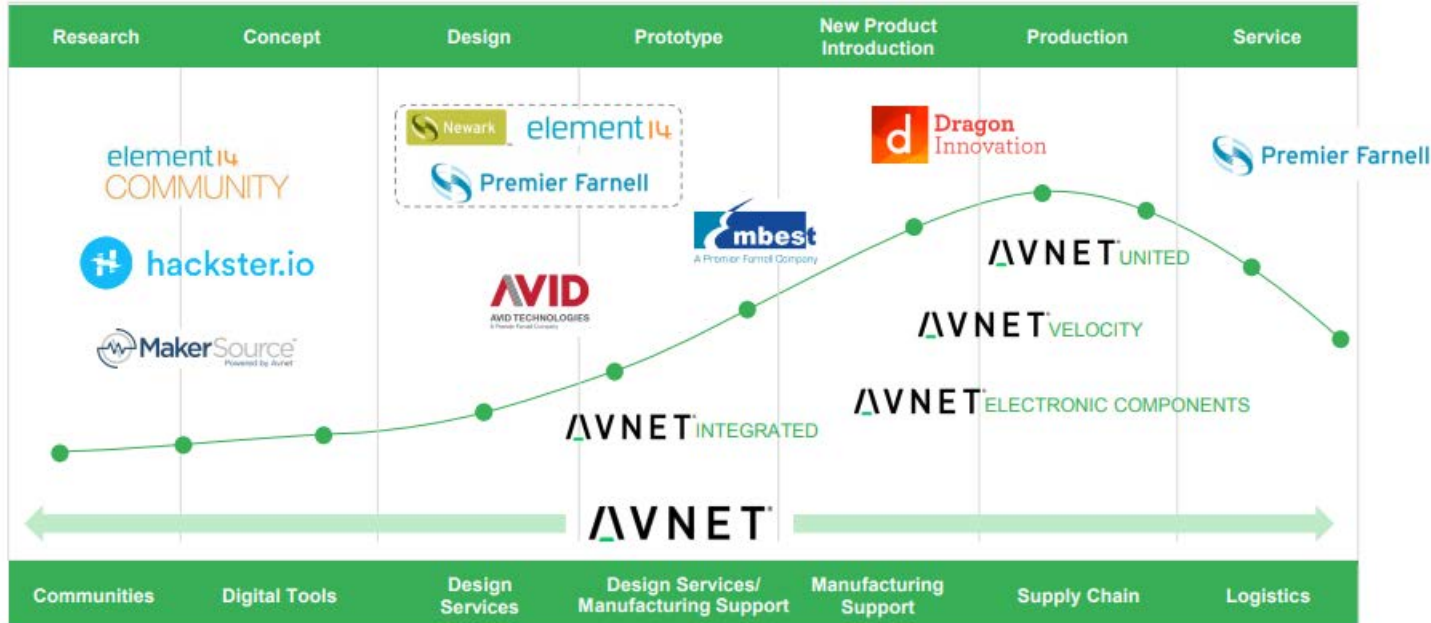


User ratings for Ask Avnet



Improvements in top and bottom line from transformation

4 Leveraging ecosystem to expand opportunities



- Ecosystem bringing new customers and new revenue streams
- Hackster and element14 crossed the 1 million mark for registered users

5 Driving performance and operational excellence

Through continuous improvement

\$120M Reached annual cost savings target

32bps Increase in adjusted operating margins⁽¹⁾ from a year ago

7 days Lowered net working capital days in Q4

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

Financial Overview

Tom Liguori
Chief Financial Officer



Q4 2018 Financial highlights

\$5B Q4 revenues, an increase of 10% year over year

+ 18% Increase in adjusted EPS⁽¹⁾ year over year to \$0.99

7 days Reduction in net working capital days to 86 days

\$236M Cash flow from operations, the highest level in 5 years

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

Key highlights by business and region

Premier Farnell

- Revenues grew 13% year over year
- Record operating margin of 11.8% in the quarter

EC Avnet Integrated

- Revenues grew 7% year over year
- Operating margins increased 150 bps year over year

EC Americas

- Revenues grew 5% sequentially
- Operating income grew 19% sequentially

EC EMEA

- Revenues grew 7% year over year
- Region is outperformer in Electronic Components in operating margin

EC Asia

- Revenues grew 20% year over year
- Operating cash flow contribution of more than \$100M

Balance sheet and cash flow

86	Net working capital days improved sequentially from 93 to 86 days
\$236M	Q4 cash flow from operations, up \$159M QoQ, highest in 5 years
\$191M	Sequential increase in cash for the quarter
2.2x	Debt leverage maintained
\$1.25B	Refinanced credit facility with improved terms
\$78M	Dollar amount of Tech Data stock sold
\$117M	Amount used to repurchase Avnet stock
\$272M	Remaining share repurchase authorization through fiscal 2019
\$120M	Cash received in Q1 '19 as final TS sales price adjustment

Road to value creation

Growing Higher Margin Businesses

- Premier Farnell
- Demand creation
- Avnet Integrated
- IoT solutions
- Digital

Optimizing Cost & Operating Income

- Americas margin expansion
- Low-cost geographies
- Back office integration
- Transformation

Deploying Capital to Highest Returns

- Share repurchases
- M&A
- Working capital reduction

Financial scorecard: progress report

GROWING HIGHER MARGIN BUSINESSES	Target	Q1 '18	Q2 '18	Q3 '18	Q4 '18	Progress
% of AVT revenue from higher margin businesses	45%	42.3%	43.4%	42.0%	40.7%	
OPTIMIZING COST AND OPERATING INCOME						
Adjusted op expense as % of sales ⁽¹⁾		10.1%	10.1%	10.0%	9.3%	
Adjusted op expense as % of gross profit \$ ⁽¹⁾	65%	76.8%	75.8%	73.2%	71.7%	
Adjusted operating income % ⁽¹⁾	4.5% TO 5.0%	3.05%	3.22%	3.65%	3.69%	
DEPLOYING CAPITAL TO HIGHEST RETURNS						
Net working capital days	< 70 DAYS	93	100	93	86	
Share repurchase \$M		72.1	67.4	70.0	117.5	
# dilutive shares		124.0	121.7	119.6	117.9	

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

Outlook for the first quarter of fiscal 2019

(ending on September 29, 2018)

	Guidance Range	Midpoint
Sales	\$4.8B - \$5.2B	\$5.0B
Non-GAAP Diluted EPS ⁽¹⁾	\$0.95 - \$1.05	\$1.00
Estimated Tax Rate	20% - 24%	22%

At the
midpoint...

Guidance represents YOY growth of:

- 7% revenue growth
- 32% adjusted EPS growth

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

Q&A Session

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 August 8, 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, goodwill impairment expense 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 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.

Thank you.

