Welcome to Avnet's Third Quarter Fiscal Year 2017 Teleconference and Webcast

April 27, 2017 11:00 a.m.
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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, the sale of the TS business, 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.

Summary – Q3 Fiscal 2017

- Completed sale of Technology Solutions
  - ~$2.4B in cash and ~$250M of Tech Data stock
- Solely focused on components - Avnet + Premier Farnell+ Hackster.io
  - Unparalleled capabilities from idea to product and product to market
  - Design community of 600k engineers and 2 million customers globally
- Sales within our expectations
  - Driven by strength in EMEA and Premier Farnell
- Investments in digital assets performing well
  - Digital sales grew to a $700M annual run rate

Global ERP Decision – Background

- Avnet solely focused on component distribution with new digital assets
- Management performed extensive evaluation of Americas ERP and global IT strategy
- Assessment led by new CIO with input from system experts

What We Learned	What We Decided
• Regional systems not optimized to support future global business needs • Need for a global ERP system to support emerging digital platform • PF systems require investment – To fully integrate into Avnet ecosystem	To pursue a global ERP system that will: • Incorporate Avnet's emerging digital business model • Provide cost and operational efficiencies • Provide superior customer experience and expanded supplier reach

Two-Year Program; Initial Estimate of $75 – $125 Million of Capex

Transformation and Growth Strategies Underway

- Executing on companywide transformation initiative
  - Focused on commercial and engineering excellence
  - Best-in-class global practices
- Accelerating investments in digital platform
  - Investments in Premier Farnell to accelerate growth
  - Strong pipeline of tools and services to support digital customers/IoT
- Sharpening go-to-market focus and commercial excellence
  - Strengthening global line card/supplier relationships
  - Investing in solutions selling
  - Focus resources on high growth markets; automotive, industrial and IoT

Financial Performance Review
Kevin Moriarty, CFO

Q3 Fiscal 2017 Financial Performance

- Sales of $4.4 billion: +10.6% Y/Y in constant $[1]
  - Organic sales[2]: +3.4% Q/Q in constant $[1]
  - Organic sales[2]: +1.8% Y/Y in constant $[1]
- Strong growth in EMEA region
  - Above seasonal Q/Q growth of 16.2% in constant $[1]
  - Organic[2] Y/Y +12.3% in constant $[1]; 15th consecutive qtr of growth
- Premier Farnell exceeded expectations & delivered double-digit op margin
  - Digital sales at $700 million annual run rate
- Adjusted operating income[2] of $172 million; +6.8% Y/Y
- Adjusted diluted EPS[2] of $0.88: +8.6% Y/Y

(1) Quarter-over-quarter and year-over-year sales growth rate excludes the impact of changes in foreign currency exchange rates. Refer to Exhibit 99.2 to the Form 8-K filed with SEC on April 27, 2017 ("Exhibit 99.2")
(2) Non-GAAP measures. Refer to Exhibit 99.2

Fiscal Year 2017 and Fiscal Year 2018 Outlook

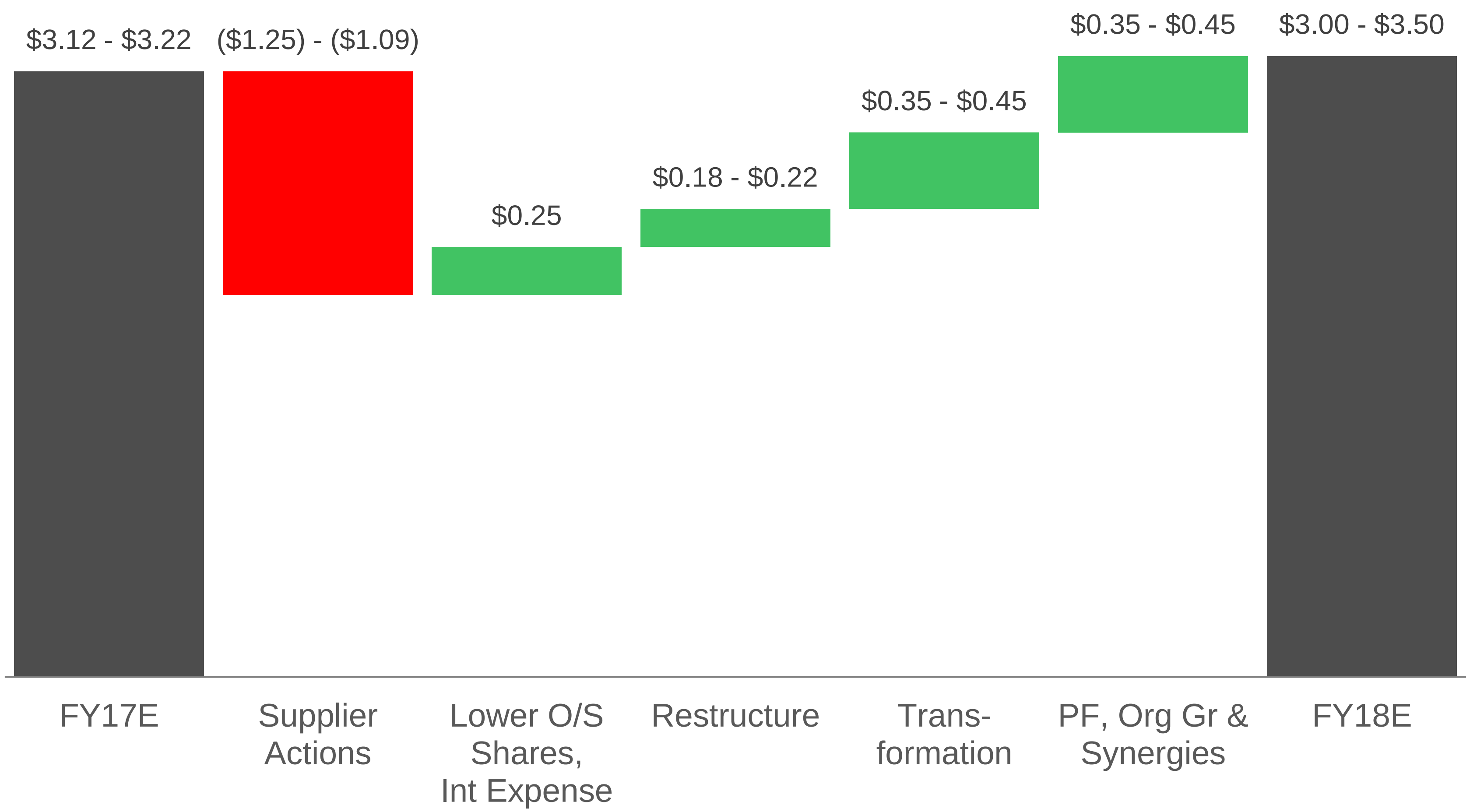
	Sales ($B)	Adj. EPS[1]
Q4 FY 17E	$4.35 – $4.65	$0.72 – $0.82
Full Yr FY 17E	$17.3 – $17.5	$3.12 – $3.22
Full Yr FY 18E	$17.3 – $17.7	$3.00 – $3.50

- ERP impact - $4M-$5M of op exp and $18M accelerated depreciation per quarter
- Supplier losses and program changes negatively impacting Q4 FY17 and FY18
- Initiated additional $40M cost reduction

(1) Non-GAAP measure that exclude certain items including any accelerated depreciation. Refer to Exhibit 99.2

Fiscal Year 2017E to Fiscal Year 2018E Sales Walk

Fiscal 2017E to Fiscal 2018E Adj. EPS[1] Walk



(1) Non-GAAP measure that exclude certain items including any accelerated depreciation. Refer to Exhibit 99.2 and the Non-GAAP definitions and reconciliations section of this presentation

Balance Sheet and Liquidity

($M)		Q3 FY17
Debt		$1,757
Cash	Total	$1,129
	% Offshore	*97%*
EBITDA Metrics	EBITDA (Annualized)[1]	~$800
	Debt/EBITDA	2.2x
	Net Debt[2]	$628
	Net Debt[2]/EBITDA	0.8x

- Committed to maintain investment grade credit profile
- ~$1.3B in available liquidity and ~$250M TECD stock for strategic capital allocation
- Debt capital structure is solid with no long-term maturities until CY 2020

(1) Non-GAAP measures. Refer to Exhibit 99.2 and the Non-GAAP definitions and reconciliations section of this presentation
(2) Net debt is defined as total debt less cash and cash equivalents

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Summary

- Financial performance negatively impacted near term
  - Focused on meeting customer and supplier needs
  - Committed to cost rationalization to accelerate meaningful progress
- Continue to invest in growth strategies
  - Digital tools and services
  - Growth-oriented transformation projects
- Will remain transparent in our communications
  - Provide updates on ERP project and financial progress
- Given number of new initiatives, May 24th Investor Day postponed

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Question and Answer

Appendix

Non-GAAP Definitions and Reconciliations

Non-GAAP Financial Information- Definitions and Reconciliations

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 in this presentation certain non-GAAP financial information including adjusted EBITDA and adjusted diluted earnings per share from continuing operations. See additional discussion, definitions and reconciliations of Non-GAAP measures including Organic Sales included as Exhibit 99.2 in the Form 8-K filed with the Securities Exchange Commission on April 27, 2017 ("Exhibit 99.2").

There are also references to the impact of foreign currency translation 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 $" 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.

Management believes that operating income adjusted for (i) restructuring, integration and other expenses, and (ii) amortization of acquired intangible assets and other, are useful measures to help investors better assess and understand the Company's operating performance, especially 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 without the impact of these items as an indicator of ongoing margin and expense performance and underlying trends in the business. Management also uses these non-GAAP measures to establish operational goals and, in some cases, for measuring performance for compensation purposes.

Management also believes diluted EPS from continuing operations adjusted for the impact of the items described above and certain items impacting other income (expense) and 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 diluted EPS from continuing operations excluding the impact of these items provides an important measure of the Company's net profitability for the investing public.

Management believes that adjusted EBITDA, which is defined as adjusted operating income (as defined above) adjusted for (i) stock based compensation expense, and (ii) depreciation expense, is a useful measure to help investors better assess and understand the Company's operating cash flows and operating performance, especially when comparing results with previous periods or forecasting performance for future periods, primarily because management views the excluded items to be non-cash in nature.

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Non-GAAP Definitions and Reconciliations

The following table presents the reconciliation of non-GAAP adjusted diluted earnings per share from continuing operations guidance to the expected GAAP diluted earnings per share from continuing operations guidance for fiscal 2017.

	Low End of Guidance Range	High End of Guidance Range
Adjusted diluted earnings per share guidance - Continuing operations	$ 3.12	$ 3.22
Restructuring, integration and other expense (net of tax)	(0.66)	(0.60)
Accelerated depreciation (net of tax)	(0.09)	(0.08)
Amortization of intangibles and other (net of tax)	(0.33)	(0.31)
Acquisition FX hedging costs	(0.22)	(0.21)
Income tax expense adjustments	(0.02)	0.02
GAAP diluted earnings per share guidance - Continuing operations	$ 1.80	$ 2.04

The table below provides a reconciliation of reported operating income to adjusted annualized EBITDA – continuing operations

	Fiscal Quarter Ended April 1, 2017
Operating income - continuing operations	$ 114,283
Amortization of intangible assets and other expenses	22,497
Depreciation expense	18,184
Stock-based compensation expense	9,253
Restructuring, integration and other expenses	35,513
Adjusted EBITDA - continuing operations	$ 199,730
Adjusted annualized EBITDA- continuing operations	$ 798,920

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

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