

Avnet Fiscal First Quarter 2022 Financial Results

October 28th, 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.

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 July 3, 2021 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, warehouse modernization and relocation efforts; risks related to cyber-attacks and the Company's information systems failures, 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, liquidity and access to financing; constraints on employee retention and hiring; geopolitical events; 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

/ Strong Execution & Market Driving Outperformance

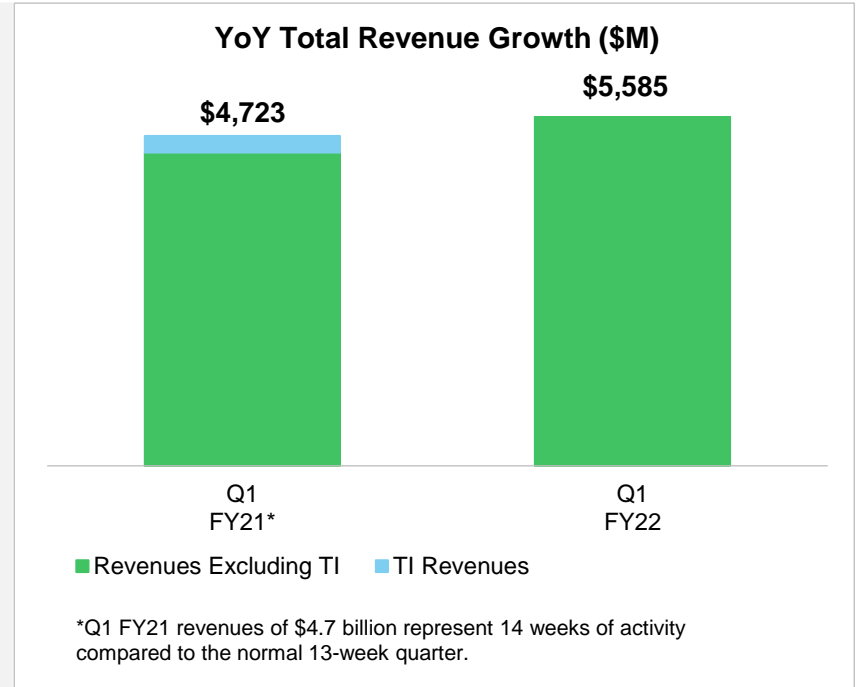


- Solid execution and progressing on margin expansion efforts by:
 - Accelerating the growth of higher margin Farnell business
 - Supporting the growth of core distribution business through investments to improve efficiencies and strengthen partner relationships
 - Prioritizing durable changes that position Avnet to deliver sustainable operating margins of at least 3 – 3.5%, in any kind of market
 - Investing in our people, relationships, and digital enhancements that make our business more effective and efficient

Second Consecutive Quarter of Record Revenues



- Achieved revenues of \$5.6B, up 7.6% sequentially and 17.5% year over year in constant currency
- Excluding TI and the extra week in the prior year, sales grew 32.9% year over year in constant currency
- Record sales for Electronic Components and Farnell, supported by improved operating efficiencies, allowed us to deliver operating margins that reached short-term targets of 3% and 10%, respectively
- Continued robust demand across verticals, driven by:
 - Industrial,
 - Automotive, and
 - Communications segments



Investments in EC Yielding Organic Growth

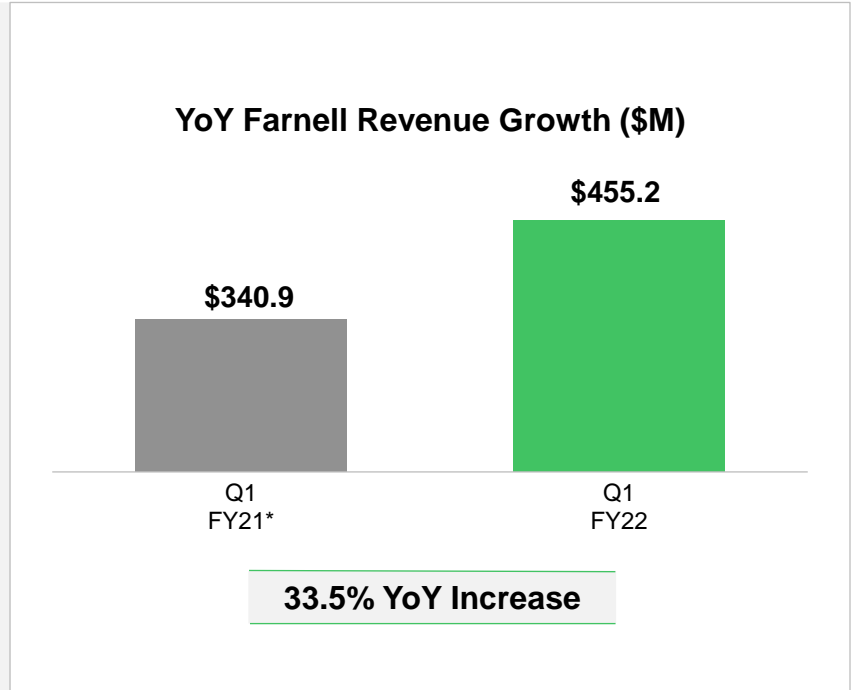
- Record revenues of \$5.1B were up sequentially and YoY:
 - Another record sales quarter in Asia
 - Solid, consistent performance at EMEA
 - Promising improvement in the Americas
- Design wins and registrations continue to be a key organic growth driver, benefitting operating margins and suppliers
- Supply chain services capabilities delivering value to customers navigating increasingly complex supply chain
- Positive book-to-bill with all regions well above parity
- Confident in the strength of existing line card and track record of managing through the impact of industry consolidation



*Q1 FY21 revenues of \$4.4 billion represent 14 weeks of activity compared to the normal 13-week quarter.

Strategic Investments in Farnell Yield Solid Returns

- Record revenues up sequentially and YoY at \$455 million
- Increased operating margins to 10.9%
- ~53% of revenues and 69% of total transactions attributed to e-commerce sales in the quarter
- Added 18,800 SKUs during the quarter – progressing on plans to add 250,000 through FY22
- 15% of Farnell sales derived from new SKUs added over the last 2 years

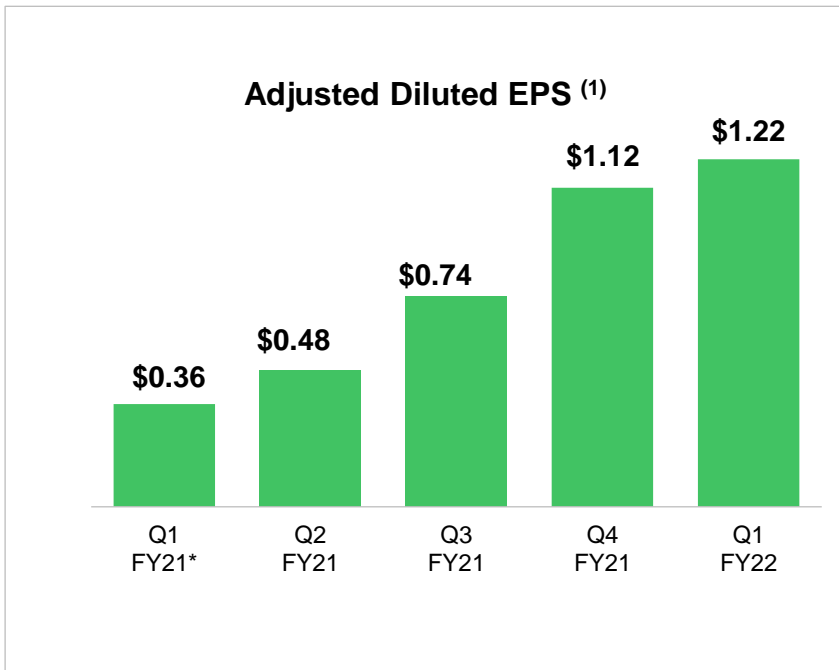
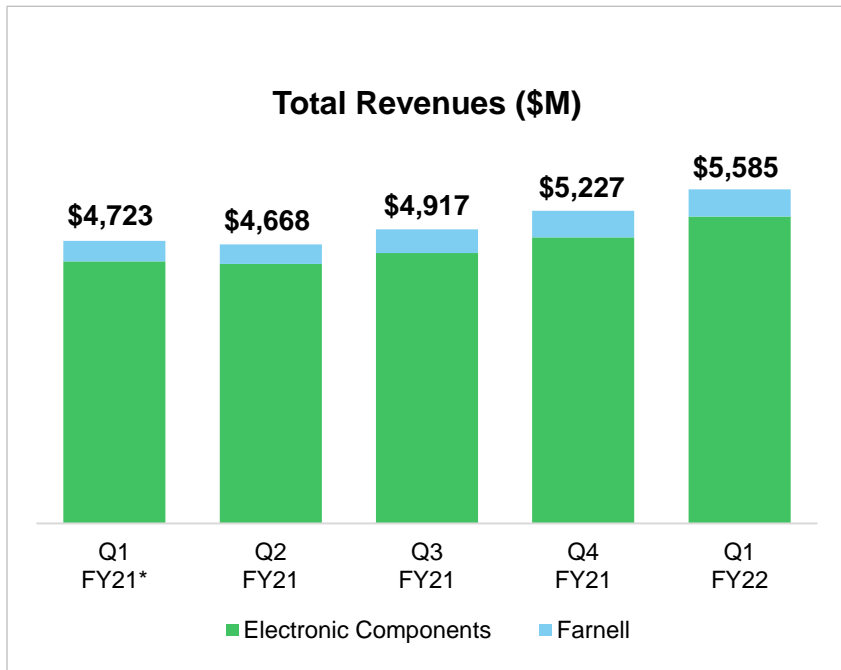


*Q1 FY21 revenues of \$340.9 million represent 14 weeks of activity compared to the normal 13-week quarter.

Financial Overview

Tom Liguori
Chief Financial Officer

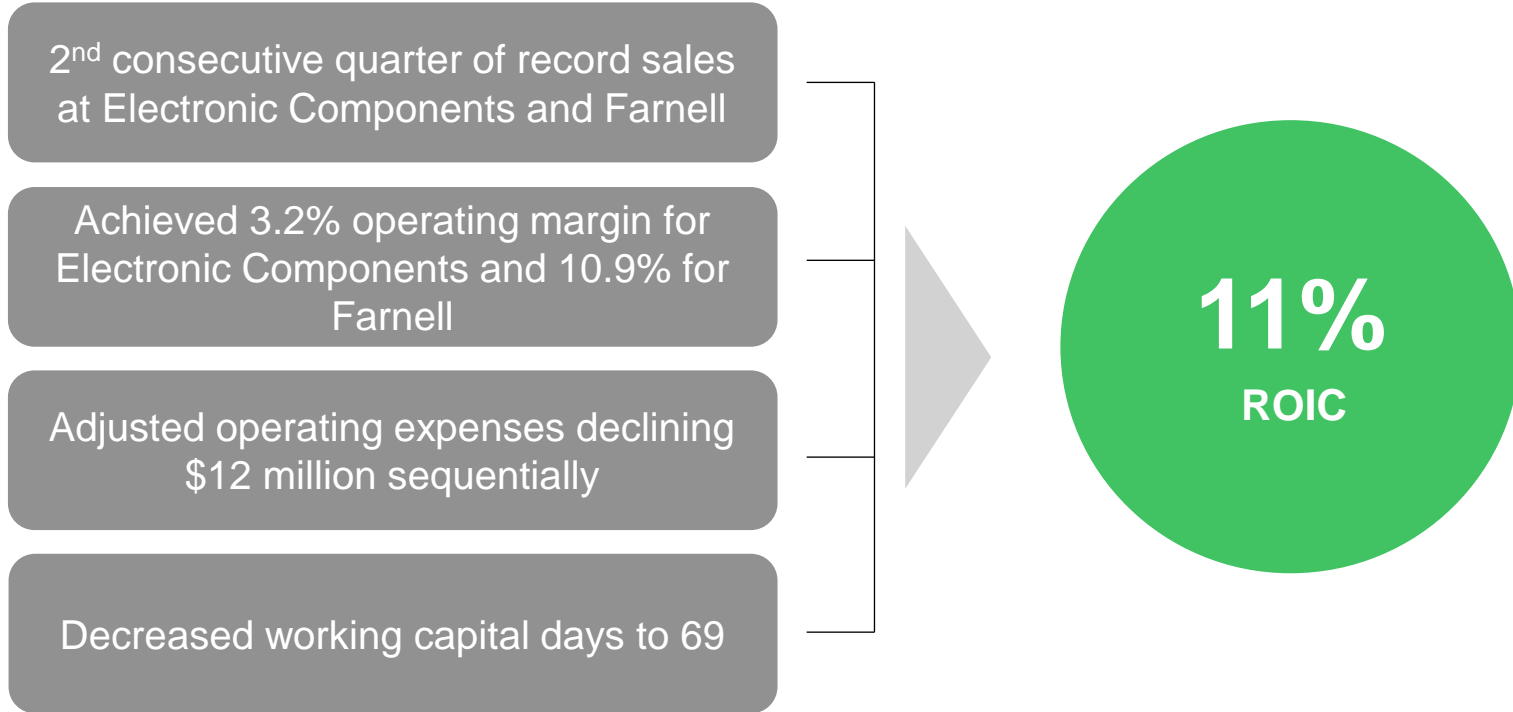
/ Record Sales and Strong EPS Growth



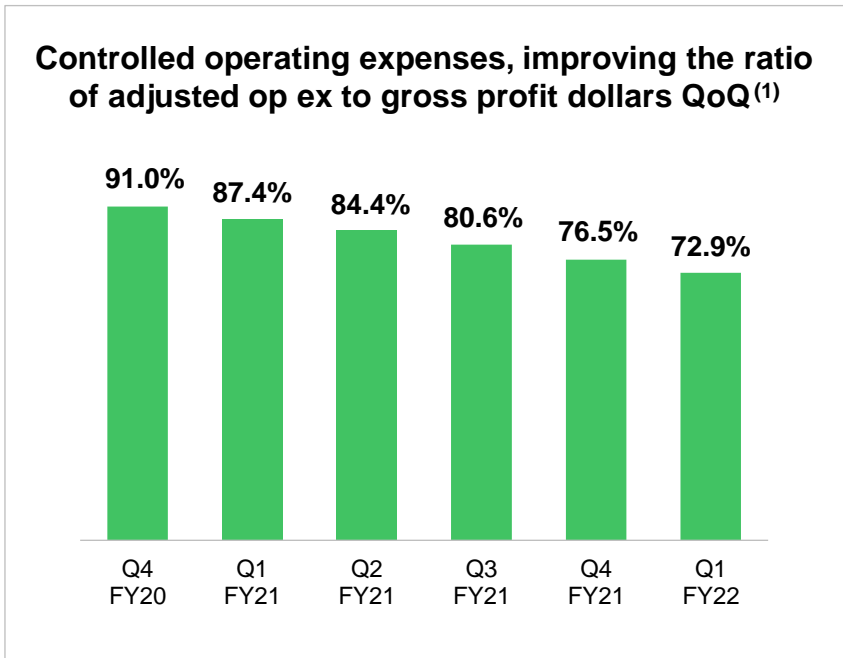
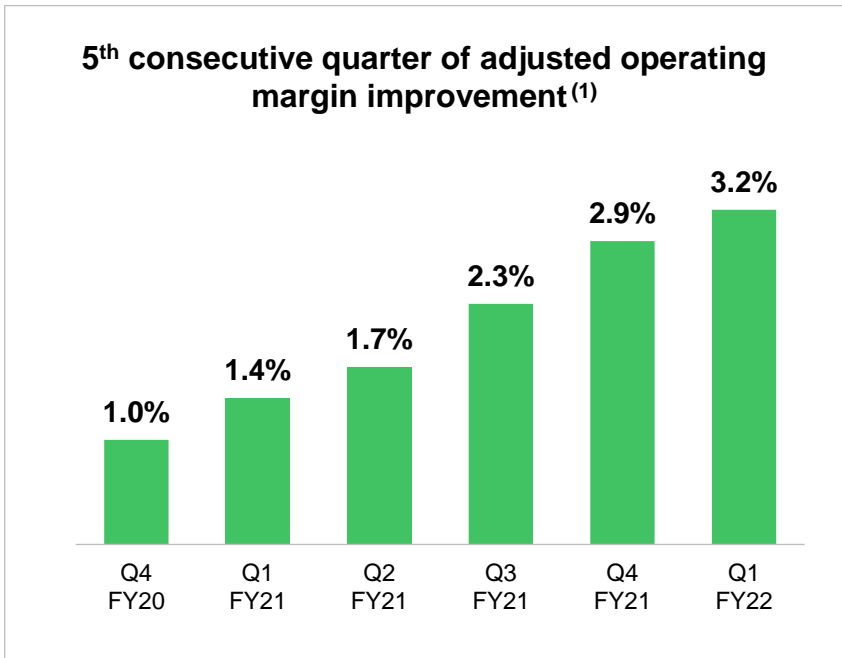
(1) Non-GAAP measure. See Non-GAAP Definitions section in the Appendix of this presentation.

*Q1 FY21 revenues of \$4.7 billion represent 14 weeks of activity compared to the normal 13-week quarter.

/ Improving Return on Invested Capital



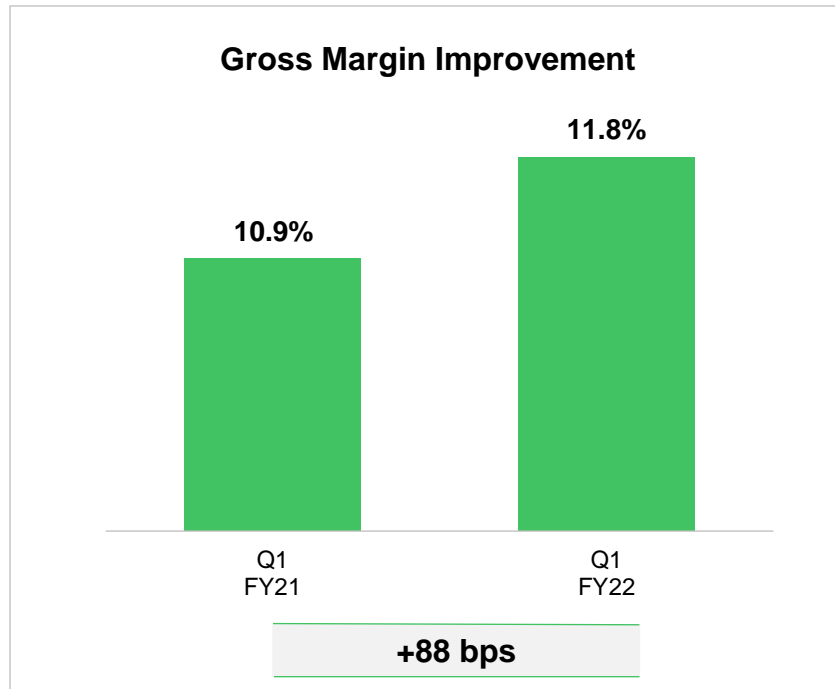
/ Built to Sustain at Least 3 - 3.5% Operating Margins



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

/ Q1 FY22 Income Statement Snapshot

11.8%	Gross margin; down slightly QoQ due to regional mix, but up YoY
\$481M	Adjusted operating expenses ⁽¹⁾ ; down by 2.5% over last quarter
\$22.8M	Interest expense
\$5.1M	Foreign currency transaction expense
21%	Adjusted income tax rate ⁽¹⁾



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

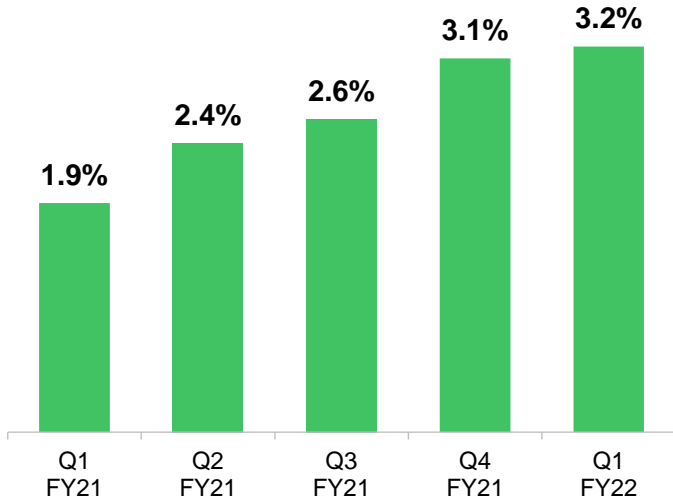
Strong Momentum Across Business Segments



Electronic Components

- Revenues of **\$5.1B**, up 17.1% YoY and 7.2% sequentially
- Operating margins of **3.2%**, up 124 bps year over year

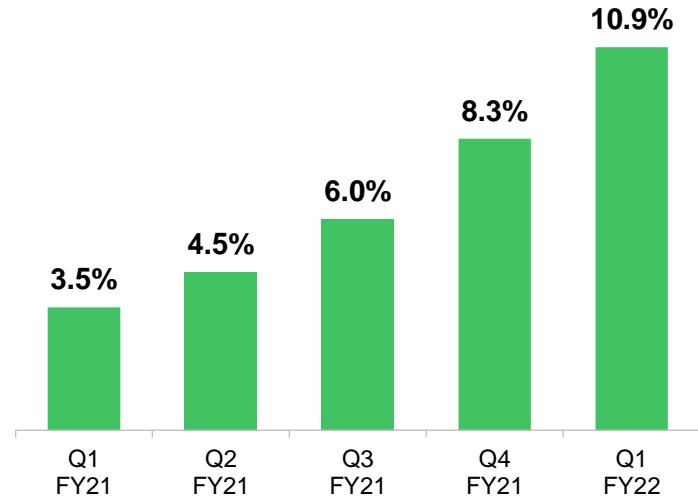
EC Sequential Margin Improvement



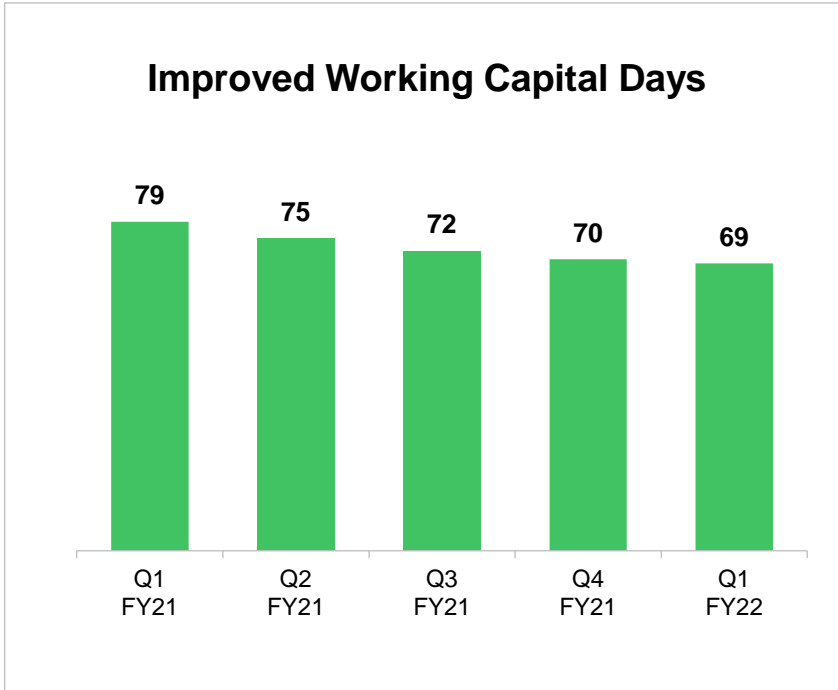
Farnell

- Revenues of **\$455M**, up 33.5% YoY and 3.1% sequentially
- Operating margins of **10.9%**, up 738 bps year over year

Farnell Sequential Margin Improvement



/ Disciplined Working Capital Management



\$299M	Cash balance
\$1.5B	Available lines of credit
2.1x	Gross debt leverage ratio at end of quarter
1.7x	Net debt leverage ratio at end of quarter
\$41	Net book value

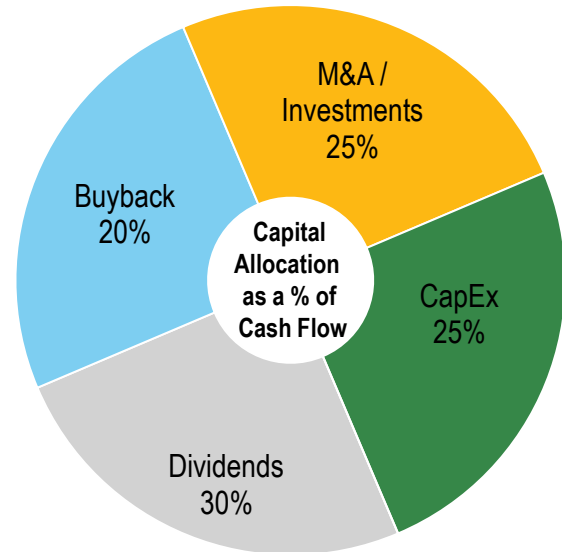
/ Capital Allocation Priorities

Balanced approach with about half to reinvestment in our business and half to shareholder returns

- Reinvestments focused on:
 - Cap ex for distribution centers and business systems
 - Continued efficiency improvement
 - M&A to grow higher value-add businesses

- Prioritizing shareholder returns:
 - Focusing on delivering a steadily increasing dividend
 - Reinitiating our share repurchase program

FY22 capital allocation plan



Outlook for Q2 FY 2022

(ending on January 1, 2022)



Metric	Guidance Range	Midpoint
Sales	\$5.3B – \$5.7B	\$5.5B
Non-GAAP Adjusted Diluted EPS ⁽¹⁾	\$1.20 – \$1.30	\$1.25

Factors impacting our Q2 FY 2022 outlook

- *Assumes ongoing strong demand, continuing supply constraints, and associated electronic components price inflation*
- *Reflects expected seasonality dynamics and assumes that impact of potential COVID-19-related shutdowns and constraints remains same as today*

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

/ Building a More Durable Business



Financial objectives:

- ✓ Maintain sustainable operating margins of at least 3 to 3.5%
- ✓ Grow higher value-add businesses
- ✓ Deliver a reliable and increasing dividend
- ✓ Repurchase our shares opportunistically
- ✓ Invest in organic and inorganic growth

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Q&A Session

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/ 100 Years of Adapting to Wave After Wave of Change



Looking ahead:

Avnet is delivering strong revenue growth and steady margin improvement and has made significant, durable changes that position us to:

- Capture growth,
- Continue to invest in our business,
- Sustain at least 3 – 3.5 % operating margins, and
- Deliver strong shareholder returns

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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 October 28th, 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