

Avnet Reports Third Quarter Fiscal 2018 Results

Key Results and Updates on Strategic Initiatives



GLOBAL HIGHLIGHTS



As the only distributor with full end-to-end service capability in-house, we work with customers of every size, in every corner of the world, to guide today's ideas into tomorrow's technology. Our goal is to grow and maintain customers from the beginning to end of their product lifecycle, and we continue to focus on higher growth, higher profit segments of our total available market.

SALES REVENUE

\$4.8BN 
(Up 8% YoY)

ADJUSTED OPERATING INCOME*

\$174.9M 
(Up 1.5% YoY)

CASH

Generated from operations
\$77M

ADJUSTED EPS*

\$1.02 
(Exceeded midpoint of guidance) 

Margin

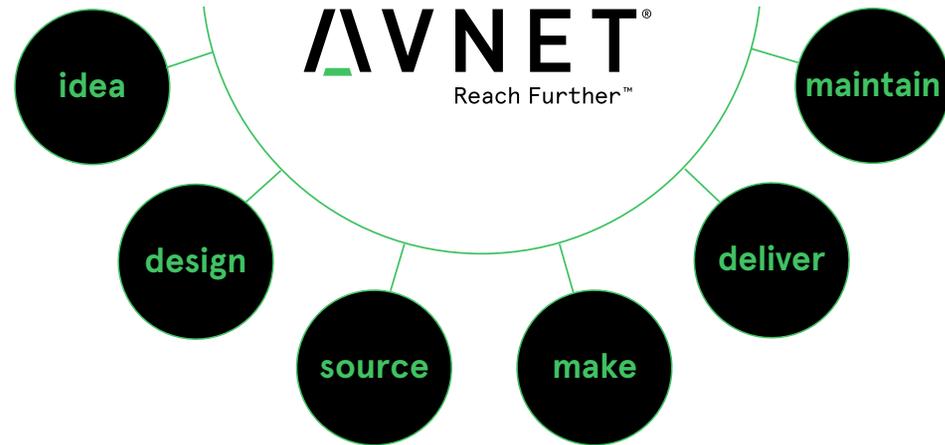
3.7% 
(Down 23 bps YoY)

Returned

\$93M
Via share repurchases and dividends

THE AVNET ECOSYSTEM

Customers and suppliers are recognizing how Avnet can uniquely provide critical services at each stage of the product lifecycle as we help customers move from idea to product and from product to market.



Customers benefit from the latest supplier tech

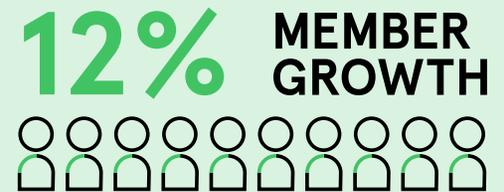
We helped Clarius develop a smartphone-sized ultrasound machine that leverages Xilinx's all-programmable embedded vision technology, which enables robots to "see" and quickly process images.



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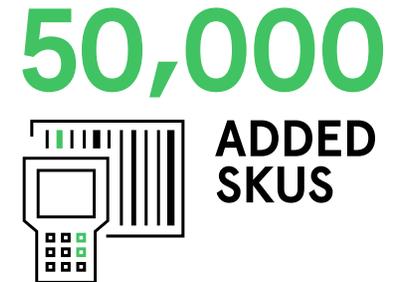
Our communities expand

Membership grew sequentially as new engineers, makers and startups joined Element14 and Hackster.io.



Small quantities, big impact

Premier Farnell delivered strong revenue growth with improving operating margins. Plus, we added new SKUs to the Avnet.com Americas store to make it even easier for customers to get what they need in one stop.



REACHING STARTUPS EARLY

Avnet hosted competitions for entrepreneurs in both the U.S. and Europe, awarding prizes for innovative hardware business models and developing mentor relationships with promising startups as they prepare to bring their products to market.



EBV IOT HERO AWARD WINNER
Luke Roberts Smart Lamp

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ASU INNOVATION OPEN WINNER
Hoolest Performance Technologies

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**NOT IMPOSSIBLE
CONNECTIVITY AWARD WINNER**
DCTclock

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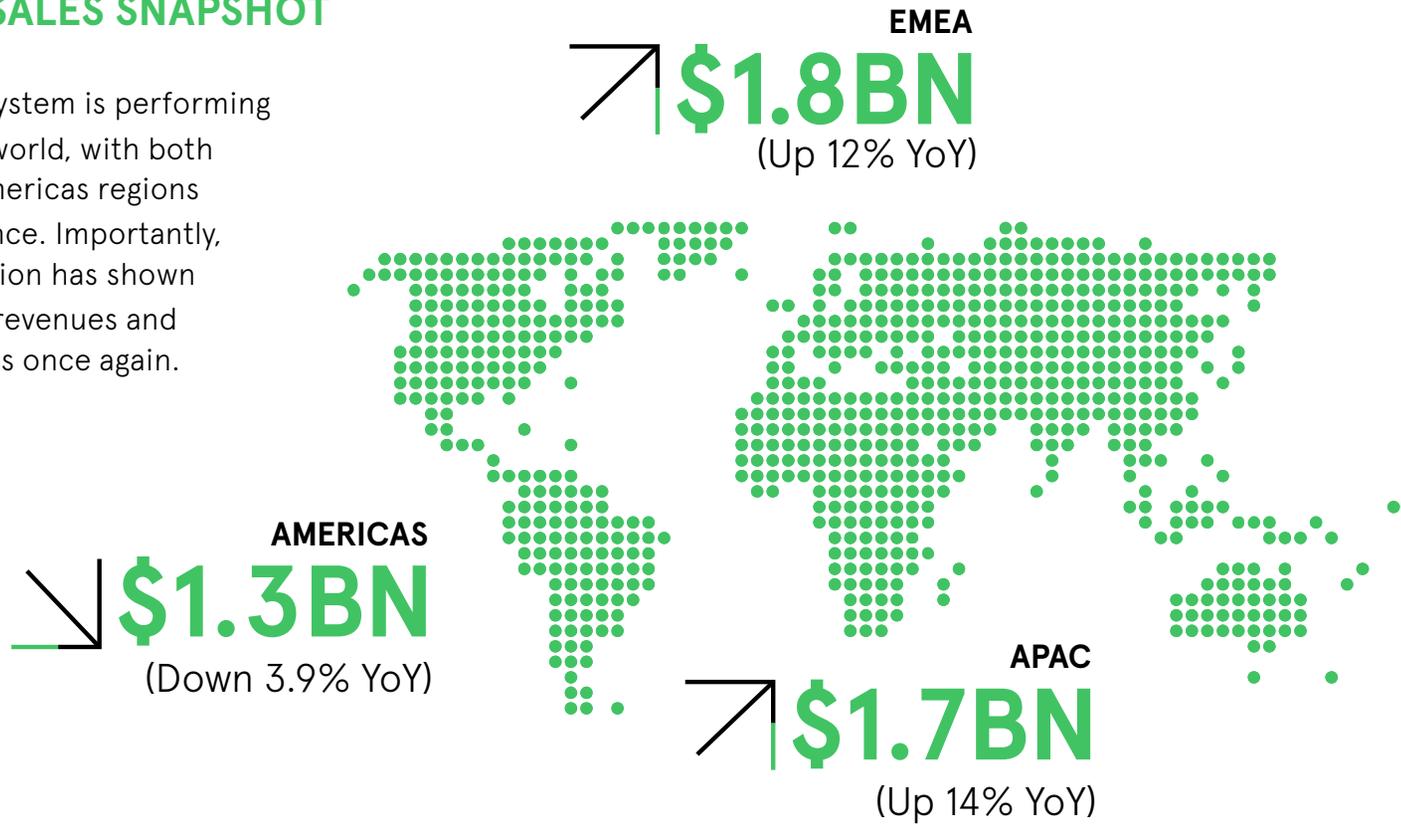
**Check out the progress
of last year's teams:**

[TWYST](#) ▶

[SOMATIC](#) ▶

REGIONAL SALES SNAPSHOT

Our unique ecosystem is performing well around the world, with both the EMEA and Americas regions exceeding guidance. Importantly, the Americas region has shown improvement in revenues and operating margins once again.

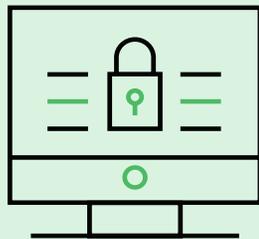


TRANSFORMATION & GROWTH

We continue to strengthen our business by enhancing our customer experience, driving greater productivity and supporting growth areas such as IoT— all while being named as **ONE OF THE WORLD'S MOST ETHICAL COMPANIES FOR THE FIFTH YEAR IN A ROW.**

AN END-TO-END IOT SOLUTION

We added new services and solutions to help customers take the complexity out of IoT and maximize ROI from the start. We offer the latest technology and the ability to work with just one partner: Avnet.



SERIOUS ABOUT CONNECTED SECURITY

We're putting our expertise in IoT, security, and microcontrollers (MCUs) to work as the first solution provider and distributor of Microsoft Azure Sphere, a groundbreaking new solution that takes IoT security from the intelligent edge to the cloud.

WE'LL GET YOU TO MARKET FASTER

Our IoTConnect™ solution is a portfolio of smart, market-ready connectivity solutions based on Microsoft Azure's cloud-based software platform to help jump-start IoT development.



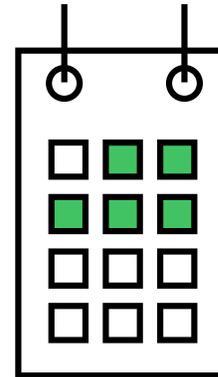
HELPING CUSTOMERS REACH FURTHER

We engineered Vital's connected health device prototype into a market-ready product

IN ONLY 5 MONTHS

helping them secure a distribution deal with Lenovo and Motorola as well as a "best of" award at Mobile World Congress.

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Guiding today's ideas into tomorrow's technology
Avnet helps you reach further

avnet.com

* Non-GAAP measure. A reconciliation of non-GAAP financial measures to GAAP financial measures is presented in the "Non-GAAP Financial Information" section below.

Non-GAAP Financial Information

	Fiscal	Quarters Ended		
	Year to Date 2018*	March 31, 2018*	December 30, 2017*	September 30, 2017*
<i>(\$ in thousands, except per share amounts)</i>				
GAAP operating income (loss) - continuing operations	\$ 102,572	\$ (54,401)	\$ 87,018	\$ 69,955
Restructuring, integration and other expenses - continuing operations	108,277	25,120	36,762	46,394
Goodwill impairment expense - continuing operations	181,440	181,440	-	-
Amortization of intangible assets and other - continuing operations	70,187	22,725	21,877	25,585
Adjusted operating income (loss) - continuing operations	462,476	174,884	145,657	141,934
GAAP diluted earnings (loss) per share - continuing operations	\$ (1.66)	\$ (2.64)	\$ 0.47	\$ 0.47
Restructuring, integration and other expenses (net of tax) - continuing operations	0.63	0.16	0.23	0.24
Goodwill impairment expense - continuing operations (net of tax)	1.50	1.52	-	-
Amortization of intangible assets and other (net of tax) - continuing operations	0.47	0.15	0.14	0.16
Foreign currency (gain) loss (net of tax) - continuing operations	(0.05)	-	-	(0.05)
Discrete income tax expense (benefit) items, net - continuing operations	1.69	1.83	(0.07)	(0.06)
Adjusted diluted EPS - continuing operations	2.58	1.02	0.78	0.76

May not foot due to rounding