



Investor Day

2022

Marshall Witt, Chief Financial Officer



Safe Harbor statement



This Presentation contains “forward-looking statements” within the meaning of the Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements may be identified by terms such as believe, foresee, expect, may, will, provide, could and should and the negative of these terms or other similar expressions. These forward-looking statements include, but are not limited to statements regarding strategies and objectives of TD SYNEX for future operations, our business strategy, performance and financial condition, global expansion plans, merger integration, market data and expectations, outlooks, projections, estimates, stockholder return potential, goals and targets, or other statements about future events as well as any other statements which are not historical facts. The forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements. These risks and uncertainties include, but are not limited to: the risk that the legacy SYNEX and legacy Tech Data businesses will not be integrated successfully or realize the anticipated benefits of the combined company; new or ongoing effects of the COVID-19 pandemic; the unfavorable outcome of any legal proceedings that have been or may be instituted against us; the ability to retain key personnel; general economic conditions and any weakness in information technology and consumer electronics spending; the loss or consolidation of one or more of our significant original equipment manufacturer, or OEM, suppliers or customers; market acceptance and product life of the products we assemble and distribute; competitive conditions in our industry and their impact on our margins; pricing, margin and other terms with our OEM suppliers; our ability to gain market share; variations in supplier-sponsored programs; changes in our costs and operating expenses; changes in foreign currency exchange rates; changes in tax laws; risks associated with our international operations; uncertainties and variability in demand by our reseller and integration customers; supply shortages or delays; any termination or reduction in our floor plan financing arrangements; credit exposure to our reseller customers and negative trends in their businesses; any future incidents of theft; the declaration, timing and payment of dividends, and the Board’s reassessment thereof; and other risks and uncertainties detailed in our Form 10-K for the fiscal year ended November 30, 2021 and subsequent SEC filings. For a full discussion of potential risks and uncertainties, please refer to the risk factors listed in our SEC filings including in the Risk Factors section of our Form 10-K. Copies of our filings are available from our Investor Relations tab on our website, www.tdsynex.com or from the SEC website, www.sec.gov. Participants are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. The forward-looking statements in this presentation are based on management’s plans, objectives and information available as of the March 29, 2022 date of this Presentation. Except for any ongoing obligation to disclose material information as required by the United States federal securities laws, TD SYNEX does not have any intention or obligation to publicly update or revise any forward-looking statements, whether to reflect any future events or circumstances or otherwise. Neither future distribution of this material nor the continued availability of this material in archive form on our website should be deemed to constitute an update or re-affirmation of these forward-looking statements as of any future date. During these presentations we will also be referring to certain non-GAAP financial information. These non-GAAP measures are not prepared in accordance with generally accepted accounting principles. Reconciliations of GAAP to non-GAAP results are included in today’s slide presentations. In addition, this Presentation contains information concerning the IT market and distribution industry which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the IT market and distribution industry may develop. TD SYNEX has based these assumptions on information currently available to us, if any one or more of these assumptions turn out to be incorrect, actual results may differ from those predicted. While we do not know what impact any such differences may have on our business, if there are such differences, our future results of operations and financial condition could be materially adversely affected.

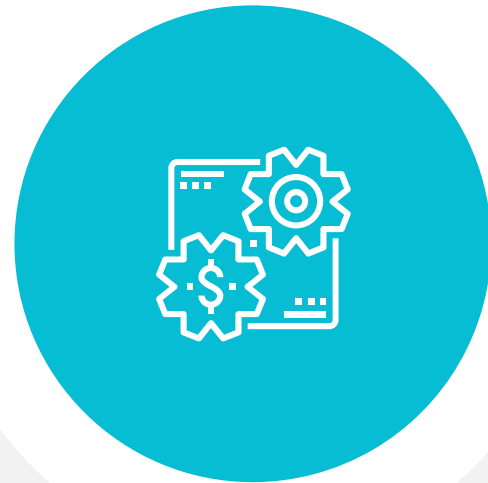
Safe Harbor statement



No Offer or Solicitation

The Presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire, securities of TD SYNEX, or an inducement to enter into investment activity in the United States or in any other jurisdiction in which such offer, solicitation, inducement or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction. No part of this Presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. The Presentation is not for publication, release or distribution in any jurisdiction where such publication, release or distribution would constitute a violation of the relevant laws of such jurisdiction, nor should it be taken or transmitted into such jurisdiction.

Why own TD SYNEX?



**Attractive core
business capitalizing
on high-growth
technologies**



**Robust cash flow
engine creates
financial flexibility**

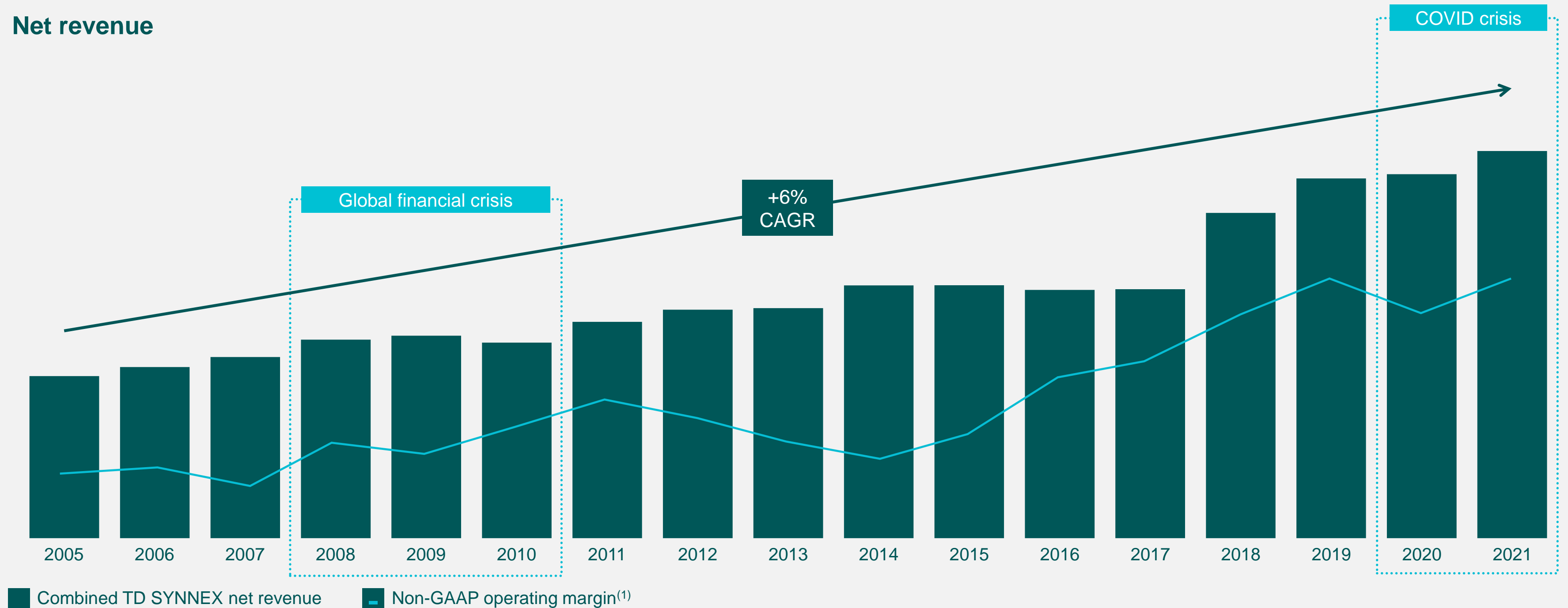


**Clear path to
compelling shareholder
returns**

Strong and consistent performance over the long-term



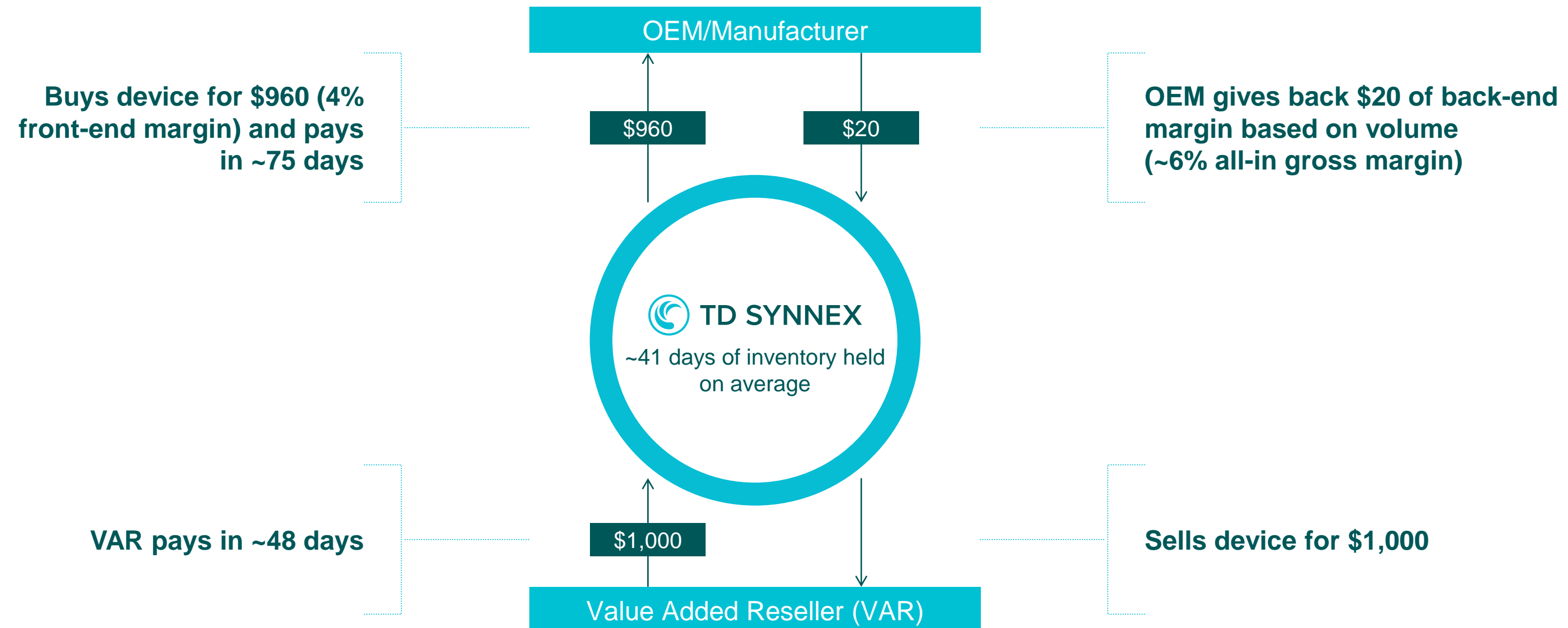
Net revenue



(1) Non-GAAP measure. See the appendix to this presentation for definitions of non-GAAP measures and reconciliation of such measures to GAAP.

Traditional distribution model

Illustrative business model



High ROIC traditional hardware model to be further enhanced as high-growth technology business segments grow (lower inventory requirement)

Bundled solution example



\$1,000 Bundled Solution: \$700 Hardware + \$300 Software

	Traditional Buy/Sell	ASC 606 Adjusted
Revenue	\$1,000	\$720
COGS	\$940	\$660
Gross profit	\$60	\$60
Gross margin %	6%	8.3%

High-growth technologies result in lower top-line revenue due to ASC 606 accounting adjustments, but higher gross margin

High value add model



Gross profit as a proxy for revenue

	FY21		Illustrative
Revenue	\$60,623M		\$3,649M
Gross profit	\$3,649M		NA
% Margin	6.02%		--
EBITDA ⁽¹⁾	\$1,585M		\$1,585M
% Margin	2.62%		43.44%

High-growth technology products and solutions are substantially netted down given accounting requirements.
Using gross profit as a proxy for revenue, Non-GAAP EBITDA as a % of gross profit is north of 40%

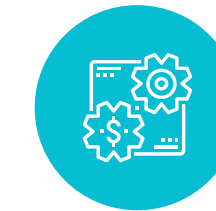
(1) Non-GAAP measure. See the appendix to this presentation for definitions of non-GAAP measures and reconciliation of such measures to GAAP.

Note: FY21 shown above is an illustrative combined example based on FY21 results of the legacy companies combined

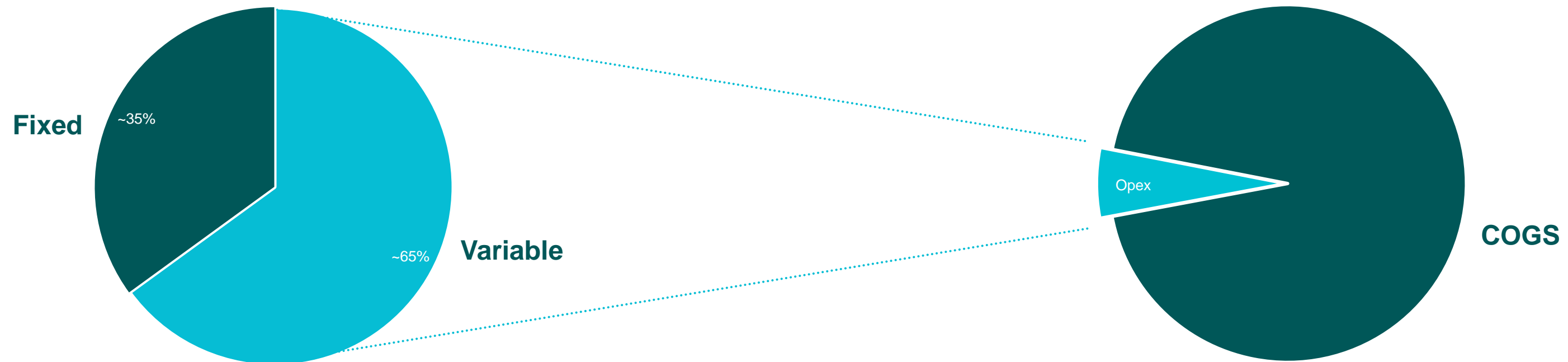
Highly variable cost structure



Approximately 2/3 of total cash operating expenses are estimated to be variable



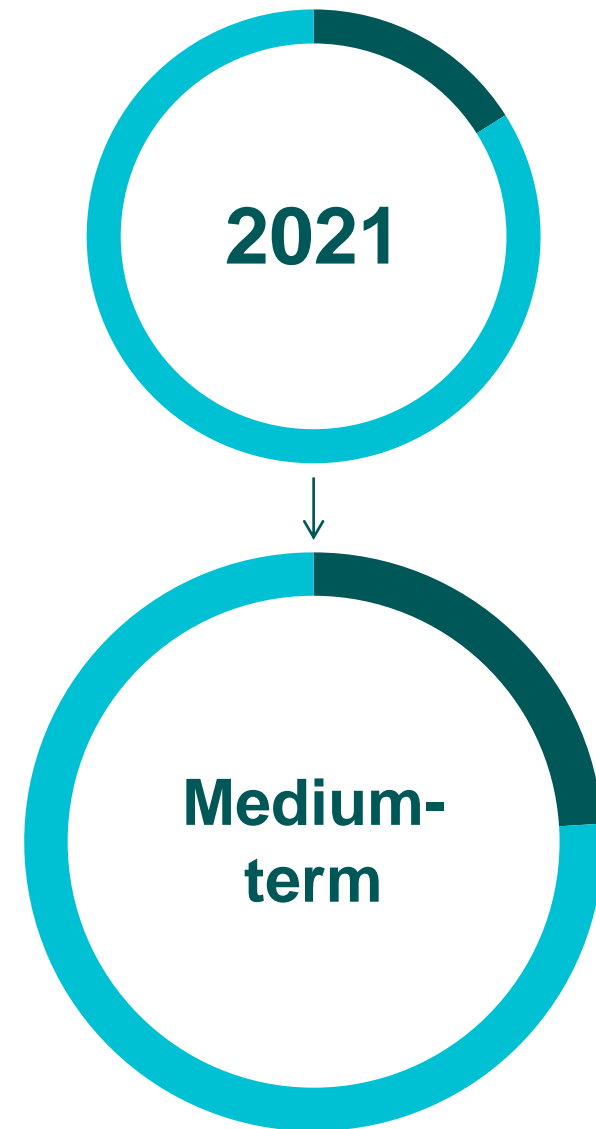
More than 90% of overall cost structure is COGS, which is directly linked to revenue generation and variable in nature



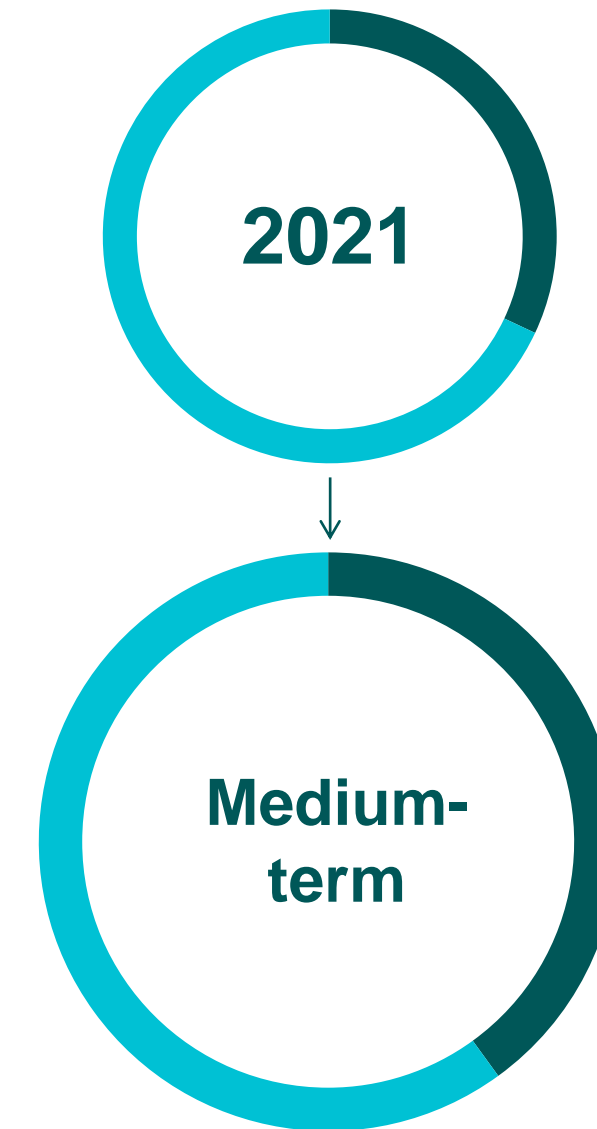
Our cost structure allows for flexibility and leverage – as our revenues grow, we can return more earnings to shareholders

Increasing concentration in high value add capabilities

TD SYNnex gross revenue



TD SYNnex non-GAAP operating income⁽¹⁾



Approximately doubling high-growth technology revenue and non-GAAP operating income over the medium-term

● Core ● High-growth technologies

Committed to enhancing our value proposition by focusing on high-growth business segments

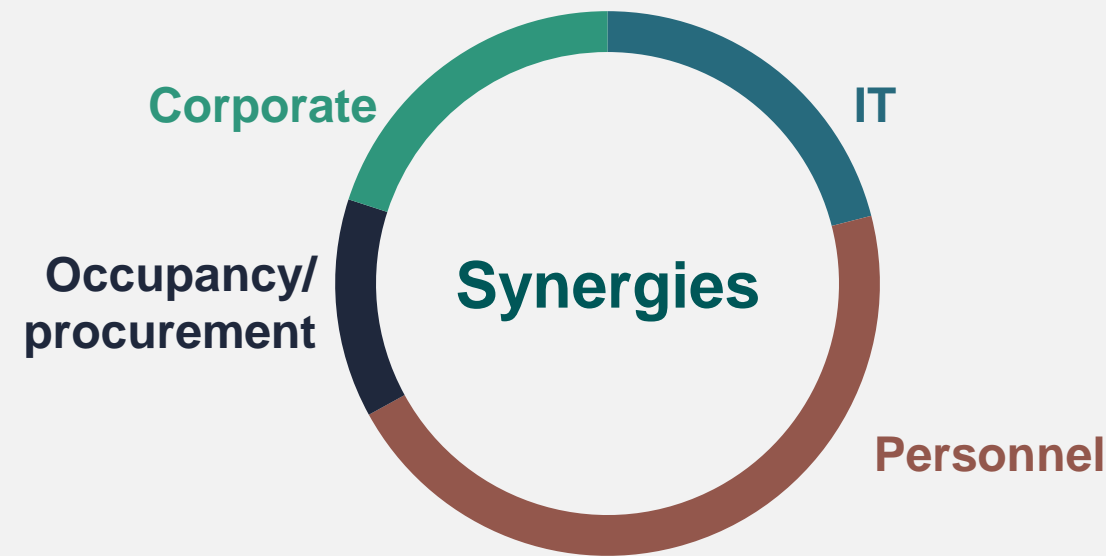
Non-GAAP measure. See the appendix to this presentation for definitions of non-GAAP measures and reconciliation of such measures to GAAP.

Note: High-growth technologies include Cloud, Security, Data Analytics and Hyperscale Infrastructure

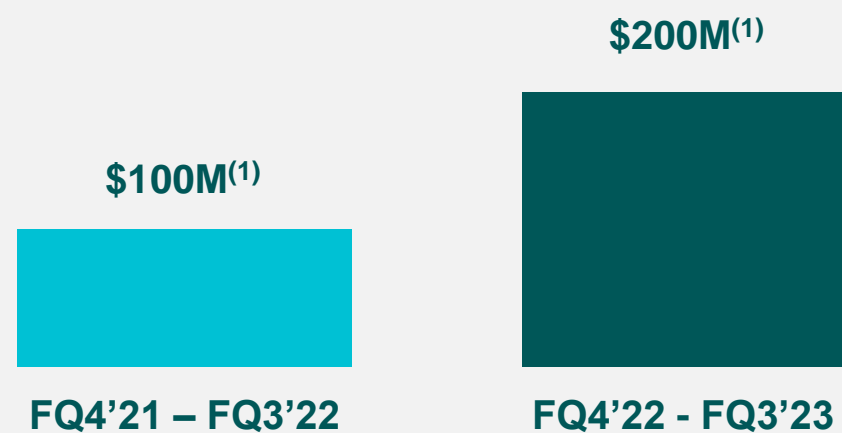
Synergy update - \$200M of incremental cash savings



TD SYNEX: Annual synergies



TD SYNEX: Realization timeline



Track-record of more than 15 successful M&A transactions with overachievement of synergy targets

Deal	Expected	Realized	Achieved?
CONVERGY'S	\$150M	\$200M+	✓
AVNET	\$150M	\$160M+	✓
Westcon Comstor	\$40M	\$70M+	✓

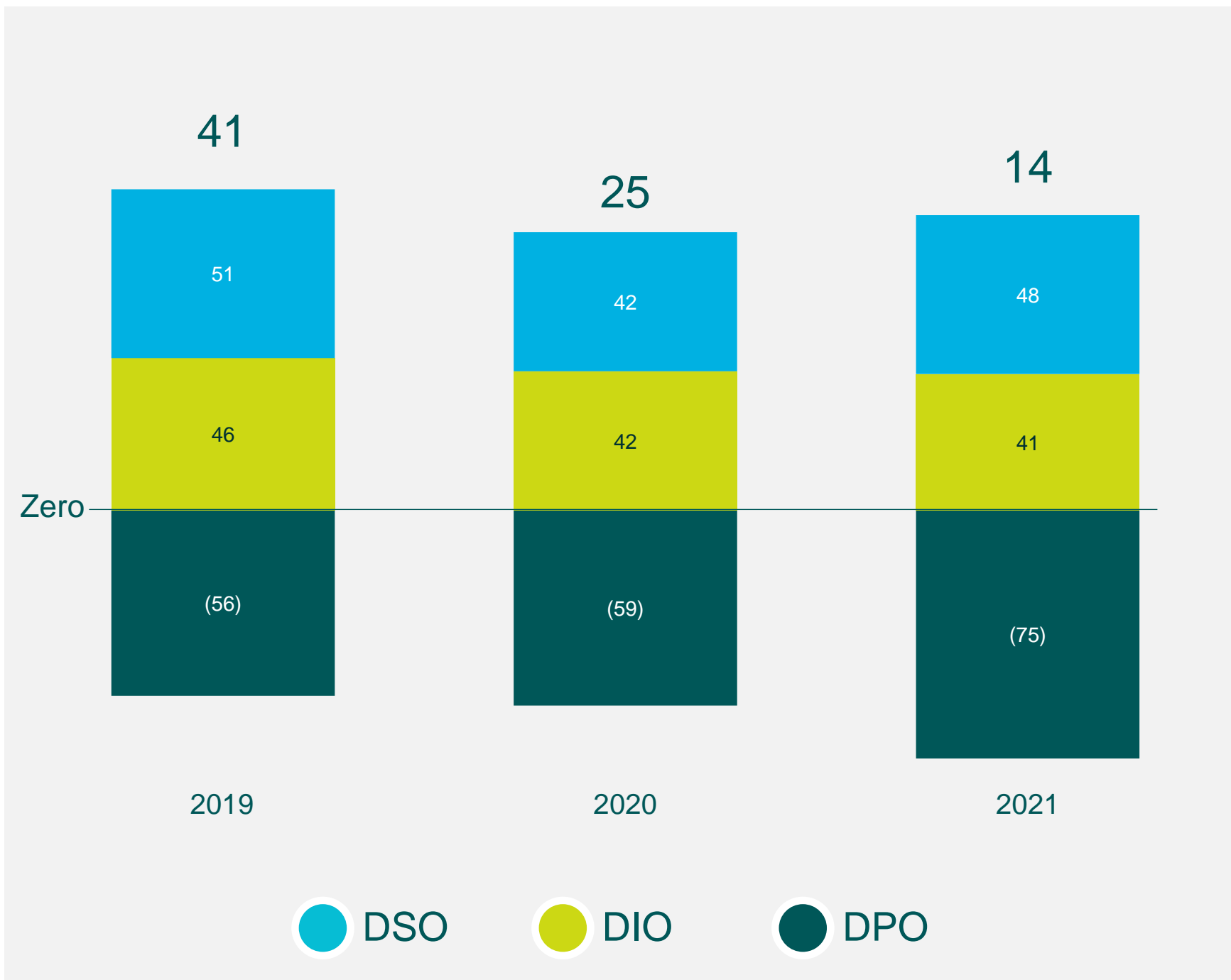
Select examples of larger M&A deals

On track to realize \$200M of synergies from Tech Data – SYNEX merger through focused execution

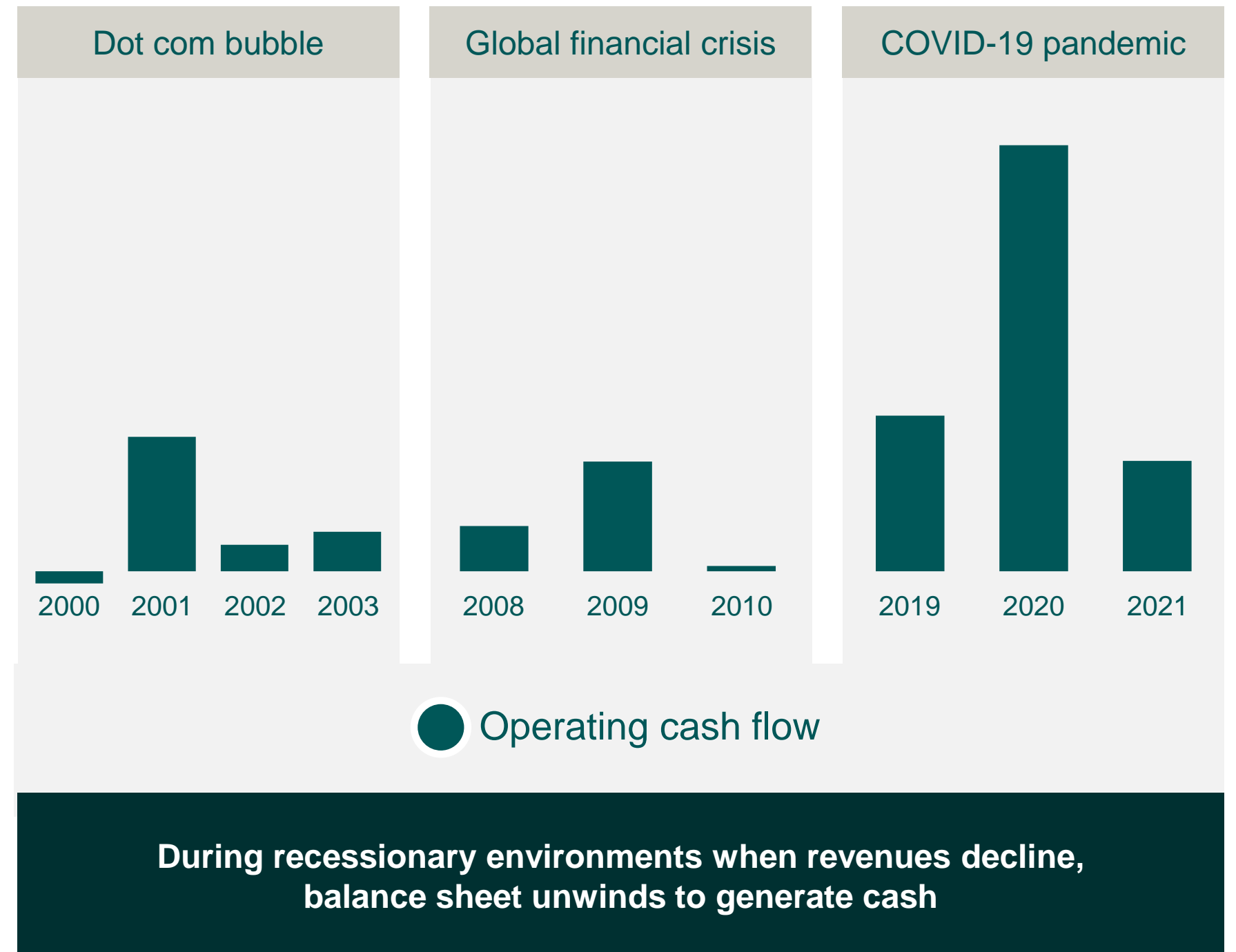
(1) Includes \$38M and \$8M of incremental synergy savings related to taxes and interest in year 1 and year 2, respectively.

Stable cash conversion cycle with countercyclical benefits

Steady cash conversion cycle (days)



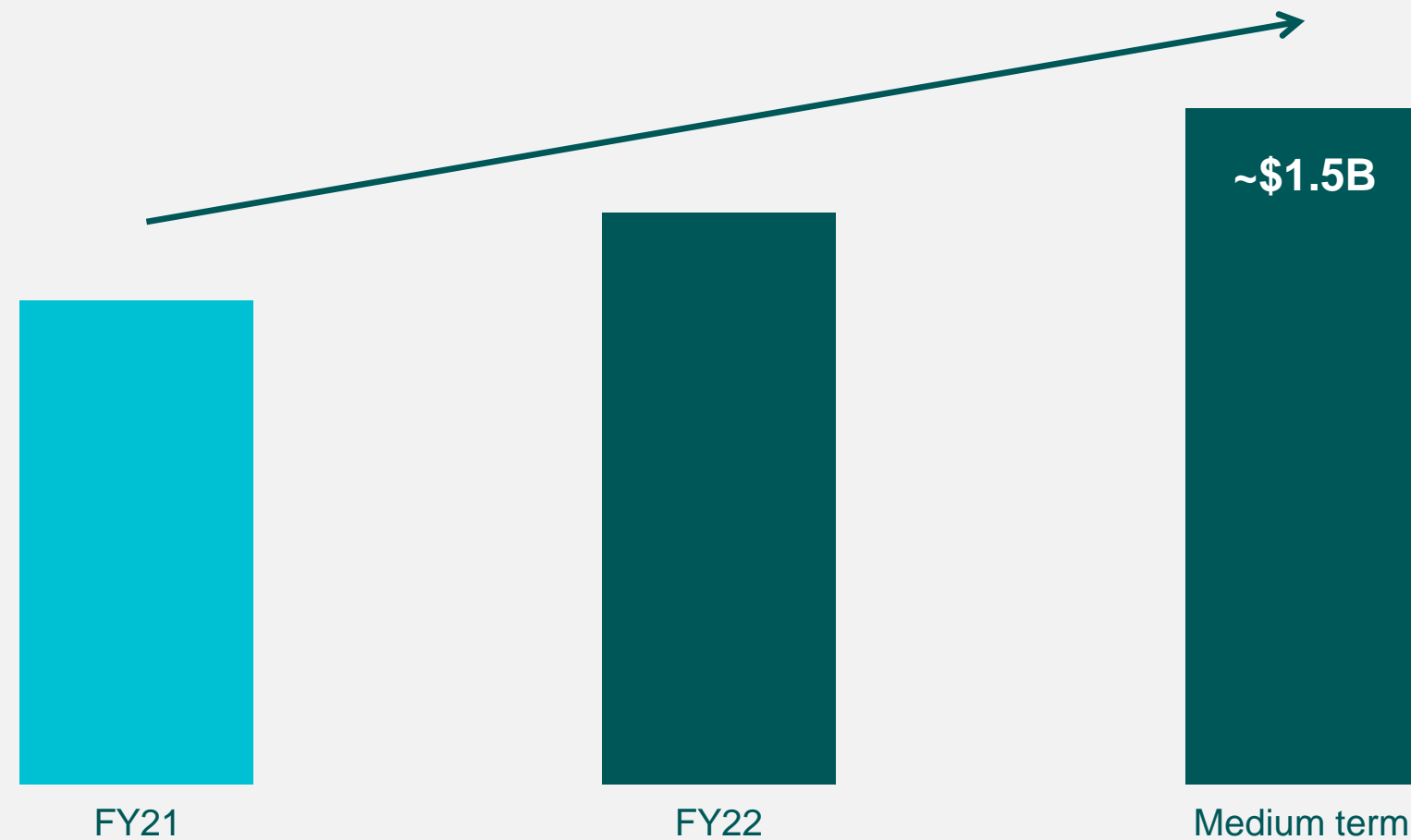
Countercyclical cash generation



The power of our model



Combined modeled free cash flow⁽¹⁾



FY21 combined modeled (\$M) Assumes \$200M of synergies realized on December 1st, 2020

EBITDA⁽¹⁾	\$1,785
Less: Fixed Charges ⁽²⁾	
Interest Expense	(260)
Taxes	(360)
CAPEX	(120)
Normalized Free Cash Flow ⁽³⁾ (Pre-working capital and one-time costs)	~\$1,000M

~\$10 cash flow per share ✓

Efficient free cash flow generative model provides significant flexibility, and we expect to achieve FCF of \$1B in FY23

(1) Non-GAAP measure. See the appendix to this presentation for definitions of non-GAAP measures and reconciliation of such measures to GAAP.

(2) Assumes interest expense and CAPEX spend based on expected run rate for combined company. Tax rate of ~24% assumed.

(3) Combined modeled free cash flow is pre working capital and adjusts for cash items related to acquisition, integration, and restructuring costs and run rate synergy attainment

Strong investment grade balance sheet



Significant liquidity

	Nov 2021	Feb 2022
Cash	\$995M	\$510M
Unsecured revolver	\$3,500M	\$3,500M
A/R securitization ⁽¹⁾	\$1,500M	\$751M
Total liquidity	\$5,995M	\$4,761

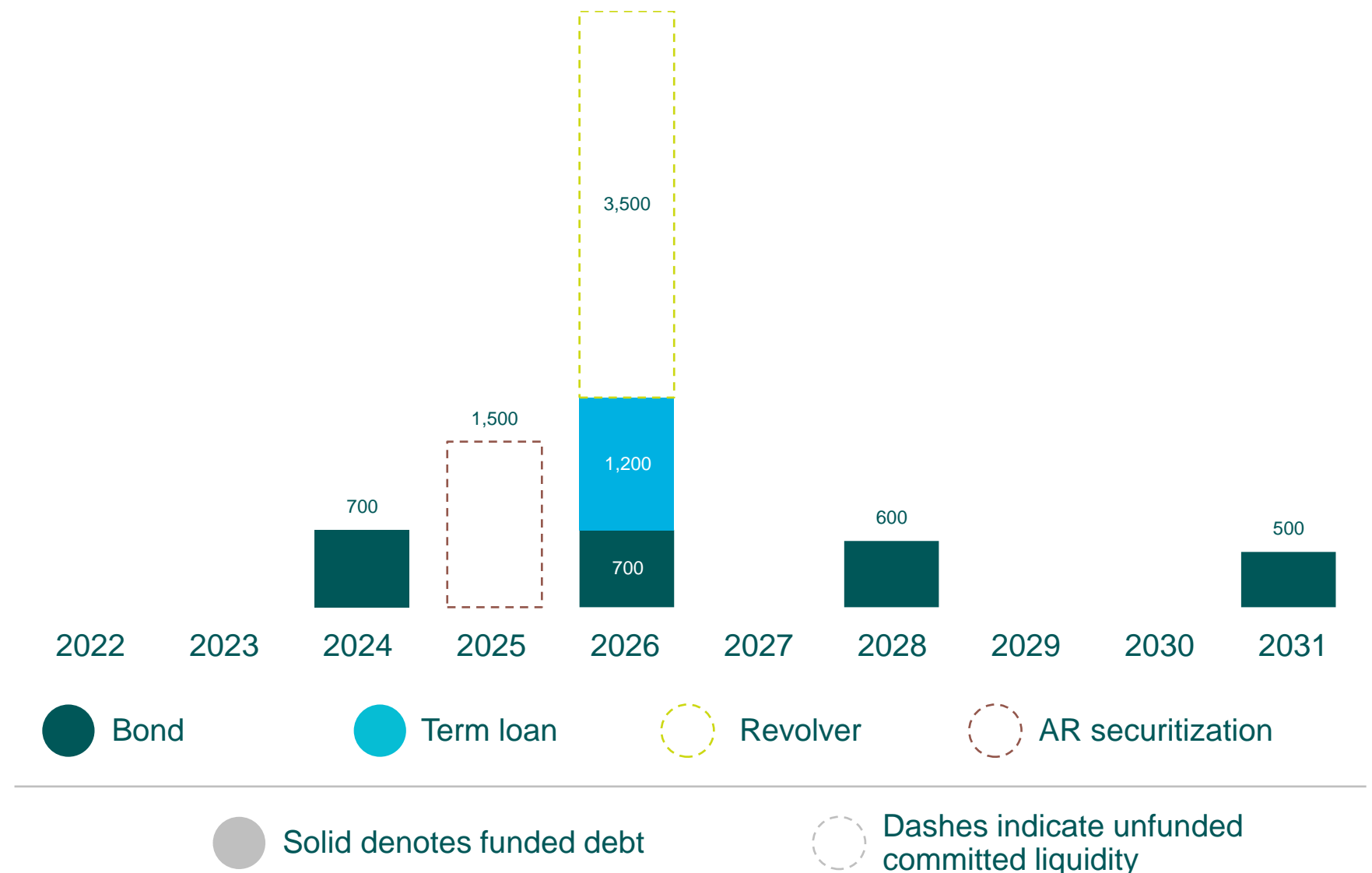
Unlevered balance sheet with low costs – FY22 Target

Total debt leverage	\$4.0B	2.5x
Net debt leverage	\$2.6B	1.6x

~1.8%

Average cost of funded debt

Long dated, well-laddered capital structure (\$M)



Investment grade rated bellwether with ample liquidity, financial flexibility, and cash flow generation

Medium-term target capital allocation



Supplement organic growth with **strategic investments** and **M&A**



Optimize cost of capital and target **ROIC ~2-4% above WACC**



Target 2x gross leverage ratio



50%

25%

~\$1.5B FCF⁽¹⁾ annually

\$400M stock buyback authorization in place



50% dividend increase announced



Medium-term 2% dividend yield target



25%

● Reinvestment and M&A ● Buybacks ● Dividends

(1) Non-GAAP measure. See the appendix to this presentation for definitions of non-GAAP measures and reconciliation of such measures to GAAP.

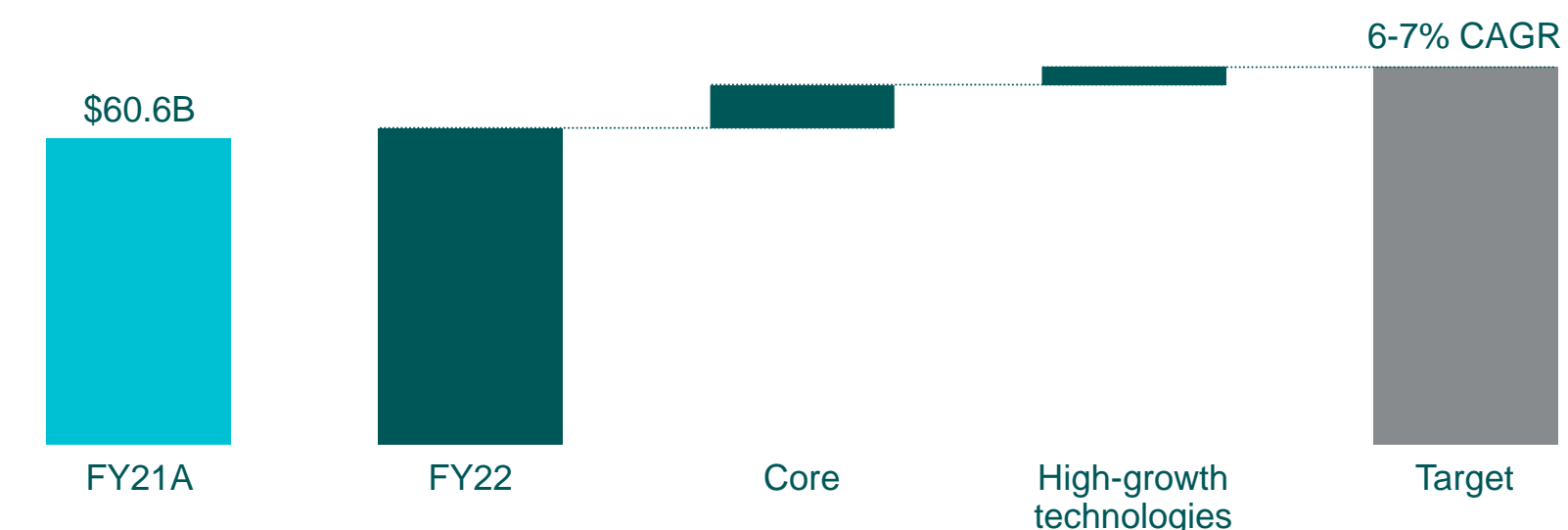
Financial targets



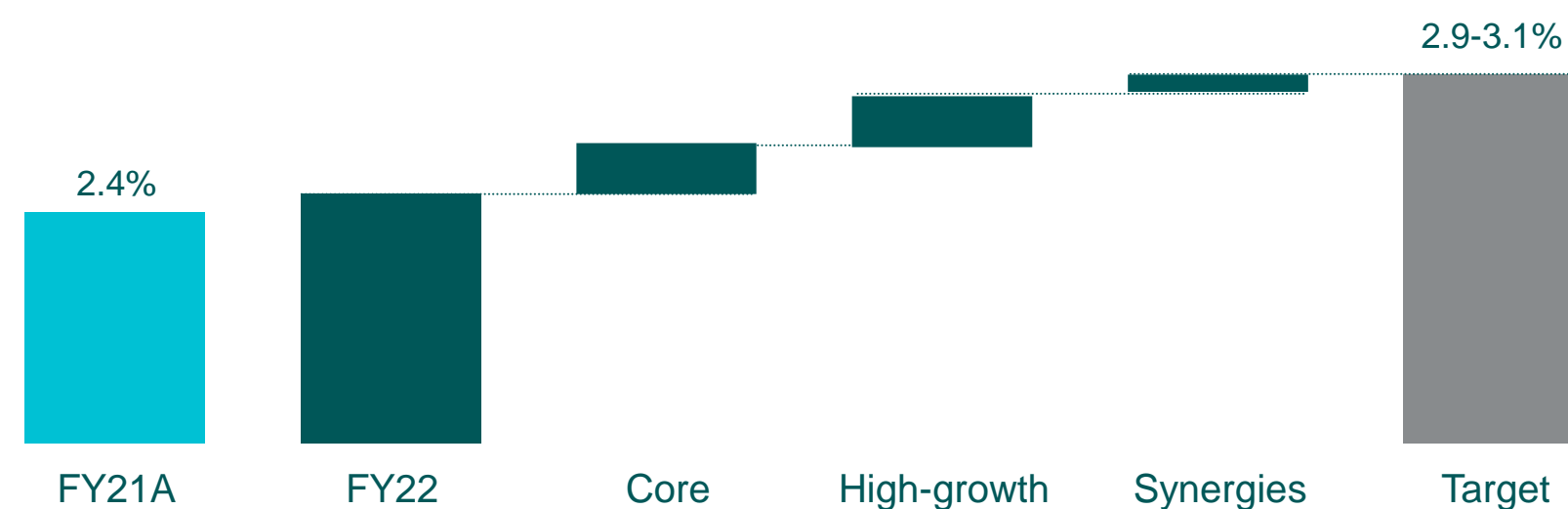
Medium-term outlook

	FY21	FY22	Medium – term outlook
Revenue growth ⁽¹⁾	8.3%	3% - 4%	6% - 7%
Adj. revenue growth ⁽¹⁾⁽²⁾	6.5%	6% - 8%	
Adj. Operating margin ⁽²⁾ %	2.4%	2.5% - 2.7%	2.9% - 3.1%
Adj. return on invested capital ⁽²⁾		11%	300bps > WACC
Total shareholder return			15% - 20%

Medium-term outlook – Top-line



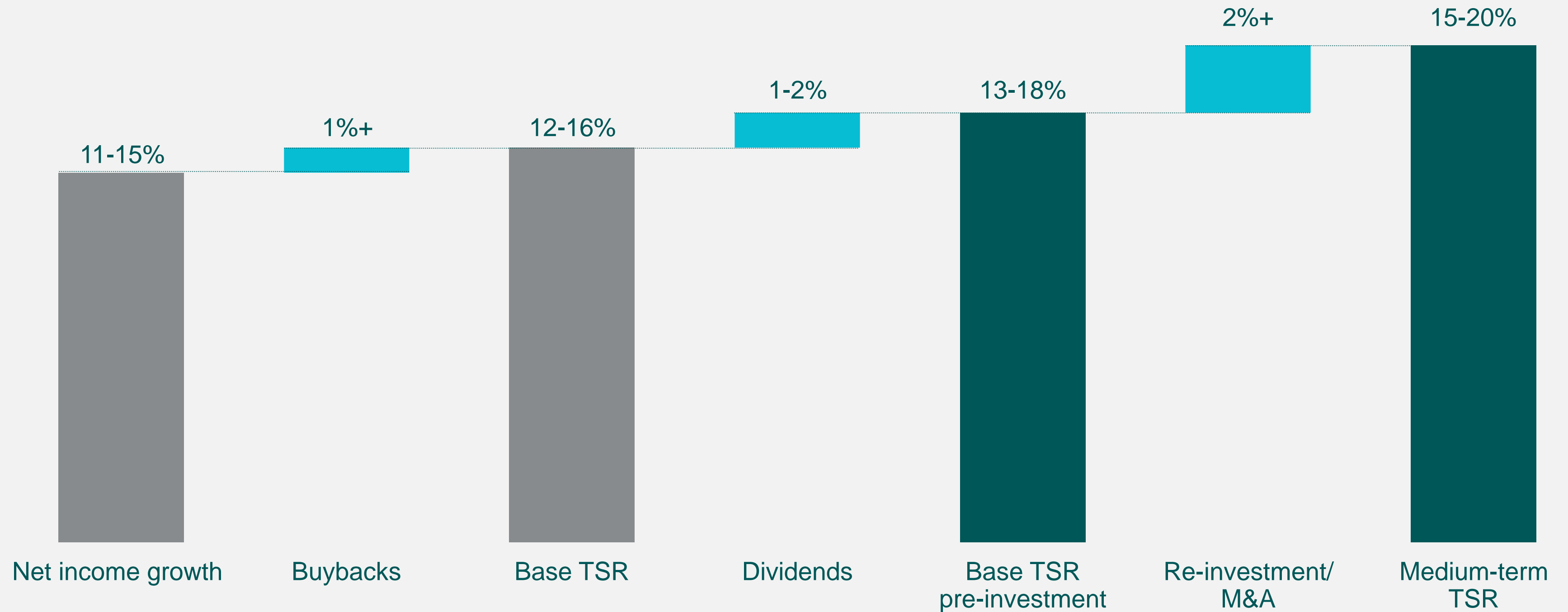
Medium-term outlook – non-GAAP operating margin



(1) Revenue growth adjusted for currency impacts of \$1B in FY21, (\$1.2B) in FY22 and ASC 606 accounting adjustment of (\$1.1B) in FY22

(2) Non-GAAP measure. See the Appendix to this presentation for definitions of non-GAAP measures and reconciliation of such measures to GAAP.

Total shareholder return over the medium-term

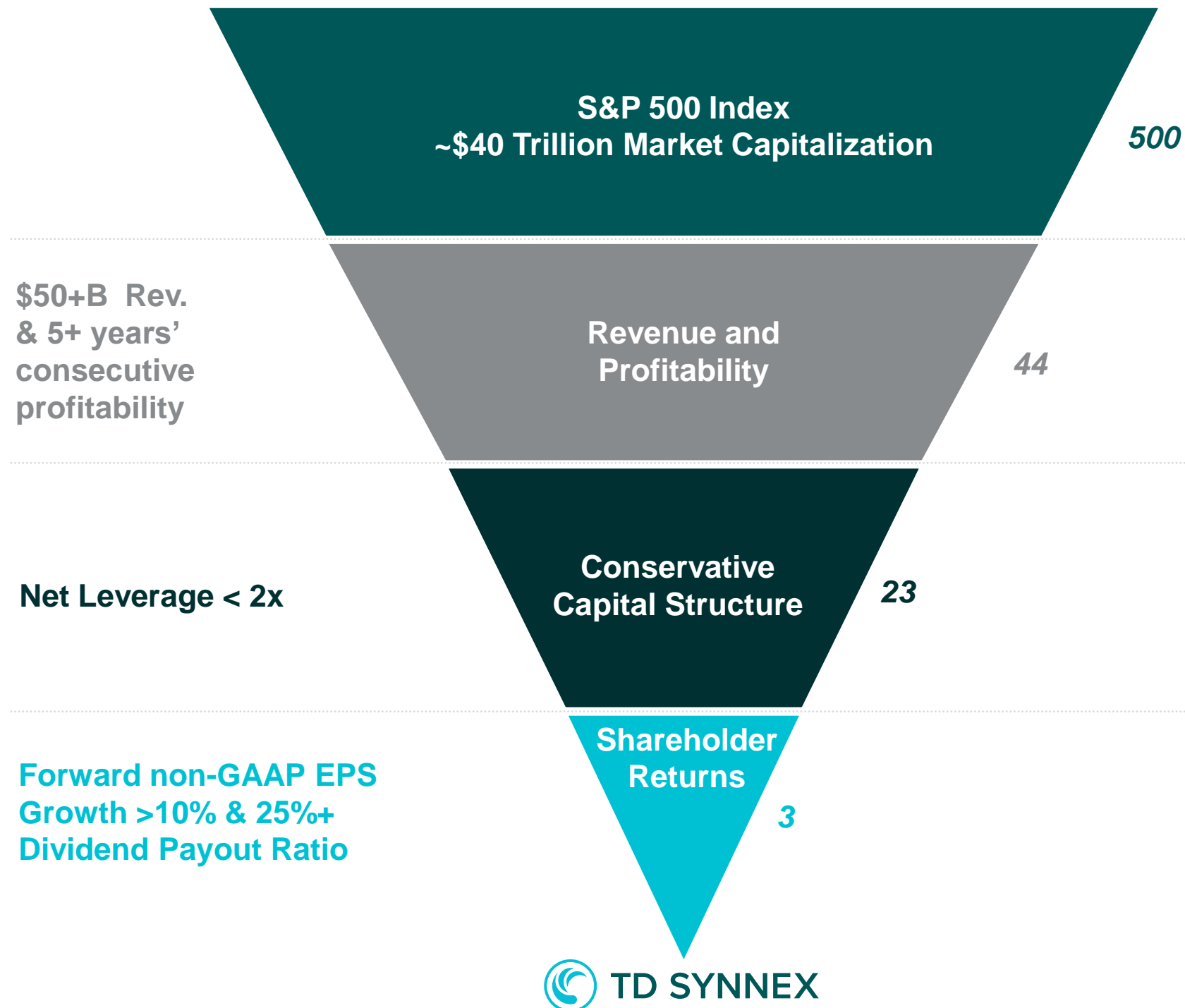


Annual TSR drivers calculated using FY21 as a base

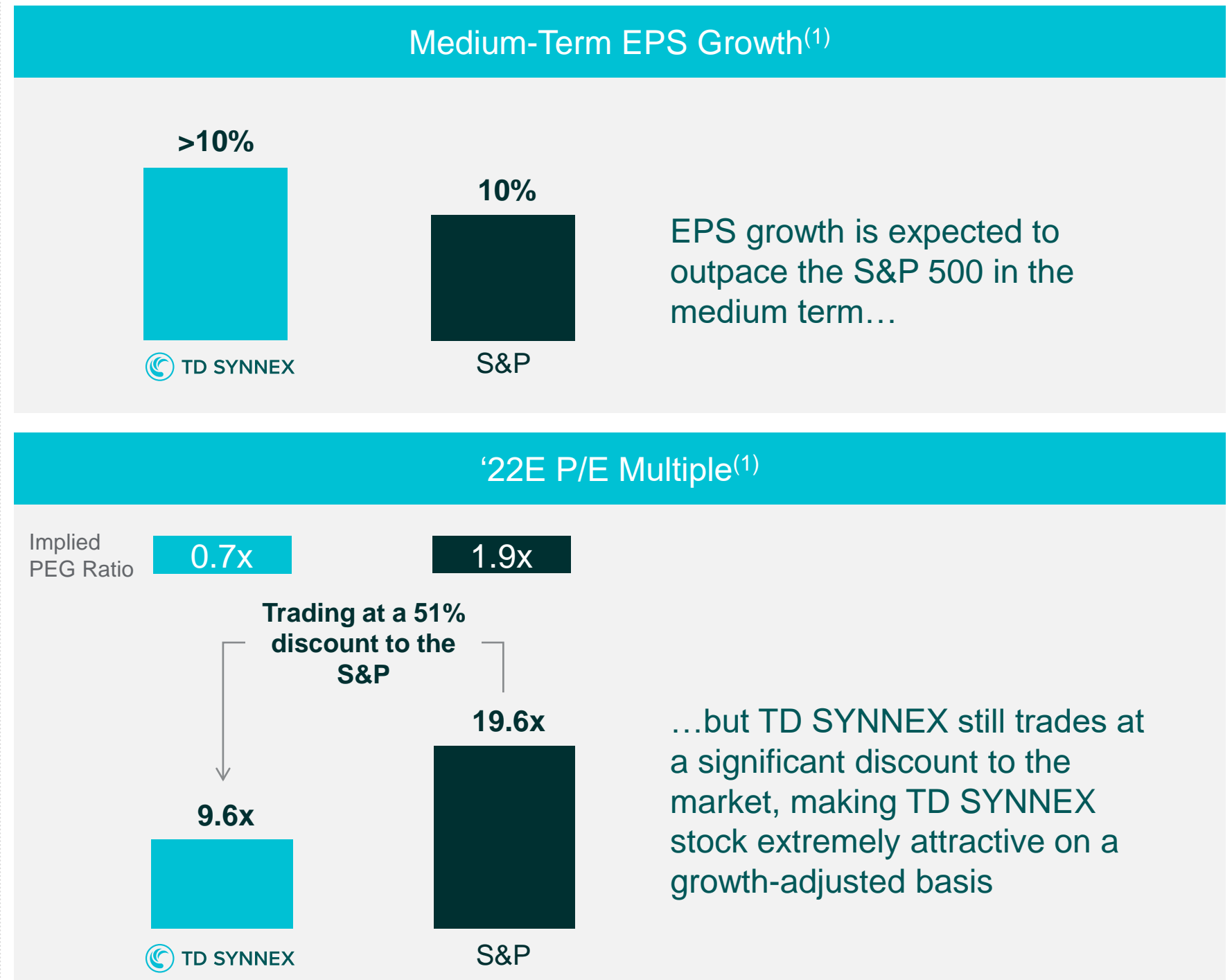
The scarcity value of TD SYNEX' financial profile, as well as its relative valuation vs. the market, make it a highly compelling investment opportunity



Best-in-class financial profile



Attractive relative value opportunity



(1) Based on consensus EPS per Capital IQ as of March 2, 2022.

Why own TD SYNEX?



Attractive core business capitalizing on high-growth technologies

Industry leader in secularly growing IT space

\$13B of gross revenue from high-growth technologies, expected to approximately double in medium-term

Near-term margin opportunities from merger integration



Robust cash flow engine creates financial flexibility

\$1B of annual levered free cash flow⁽¹⁾ ~\$10 per share, with path to ~\$1.5B of FCF in medium-term

Commitment to thoughtful capital allocation strategy – buybacks, dividends, M&A, and reinvestment

Strong, investment grade balance sheet with ample liquidity and low cost of debt



Clear path to shareholder return of 15-20%

Total Shareholder Return of 15-20% in medium-term

2% medium-term dividend yield

~50 basis point operating margin improvement

(1) Combined modeled free cash flow is pre working capital and adjusts for cash items related to acquisition, integration, and restructuring costs and run rate synergy attainment

Appendix

Non-GAAP Financial Measures



Use of Non-GAAP Financial Measures

In addition to the financial results presented in accordance with GAAP, TD SYNEX also uses adjusted selling, general and administrative expenses, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income, and non-GAAP diluted earnings per share, which are non-GAAP financial measures that exclude acquisition, integration and restructuring costs, the amortization of intangible assets, share-based compensation expense, purchase accounting adjustments and the related tax effects thereon. The Company also uses adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") which excludes other income (expense), net, acquisition, integration and restructuring costs, share-based compensation expense and purchase accounting adjustments. In prior periods, TD SYNEX has excluded other items relevant to those periods for purposes of its non-GAAP financial measures. Acquisition, integration and restructuring costs typically consist of acquisition, integration, restructuring and divestiture related costs and are expensed as incurred. These expenses primarily represent professional services costs for legal, banking, consulting and advisory services, severance and other personnel related costs, share-based compensation expense and debt extinguishment fees. From time to time, this category may also include transaction-related gains/losses on divestitures/spin-off of businesses, costs related to long-lived assets including impairment charges and accelerated depreciation and amortization expense due to changes in asset useful lives, as well as various other costs associated with the acquisition or divestiture. TD SYNEX' acquisition activities have resulted in the recognition of finite-lived intangible assets which consist primarily of customer relationships and lists and vendor lists. Finite-lived intangible assets are amortized over their estimated useful lives and are tested for impairment when events indicate that the carrying value may not be recoverable. The amortization of intangible assets is reflected in the Company's Statements of Operations. Although intangible assets contribute to the Company's revenue generation, the amortization of intangible assets does not directly relate to the sale of the Company's products. Additionally, intangible asset amortization expense typically fluctuates based on the size and timing of the Company's acquisition activity. Accordingly, the Company believes excluding the amortization of intangible assets, along with the other non-GAAP adjustments, which neither relate to the ordinary course of the Company's business nor reflect the Company's underlying business performance, enhances the Company's and investors' ability to compare the Company's past financial performance with its current performance and to analyze underlying business performance and trends. Intangible asset amortization excluded from the related non-GAAP financial measure represents the entire amount recorded within the Company's GAAP financial statements, and the revenue generated by the associated intangible assets has not been excluded from the related non-GAAP financial measure. Intangible asset amortization is excluded from the related non-GAAP financial measure because the amortization, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired or the estimated useful life of an intangible asset is revised. Share-based compensation expense is a non-cash expense arising from the grant of equity awards to employees based on the estimated fair value of those awards. Although share-based compensation is an important aspect of the compensation of our employees, the fair value of the share-based awards may bear little resemblance to the actual value realized upon the vesting or future exercise of the related share-based awards and the expense can vary significantly between periods as a result of the timing of grants of new stock-based awards, including grants in connection with acquisitions. Given the variety and timing of awards and the subjective assumptions that are necessary when calculating share-based compensation expense, TD SYNEX believes this additional information allows investors to make additional comparisons between our operating results from period to period. Purchase accounting adjustments are primarily related to the impact of recognizing the acquired vendor and customer liabilities related to the merger with Tech Data at fair value. The Company expects the duration of these adjustments to benefit our non-GAAP operating income through fiscal 2022 and through a portion of fiscal 2023 based on historical settlement patterns with our vendors and in accordance with the timing defined in our policy for releasing vendor and customer liabilities we deem remote to be paid. Trailing fiscal four quarters ROIC is defined as the last four quarters' tax effected operating income divided by the average of the last five quarterly balances of borrowings and equity, net of cash. Adjusted ROIC is calculated by excluding the tax effected impact of non-GAAP adjustments from operating income and by excluding the cumulative tax effected impact of current and prior period non-GAAP adjustments on equity. TD SYNEX also uses free cash flow, which is cash flow from operating activities, reduced by purchases of property and equipment. TD SYNEX uses free cash flow to conduct and evaluate its business because, although it is similar to cash flow from operations, TD SYNEX believes it is an additional useful measure of cash flows since purchases of property and equipment are a necessary component of ongoing operations. Free cash flow reflects an additional way of viewing TD SYNEX' liquidity that, when viewed with its GAAP results, provides a more complete understanding of factors and trends affecting its cash flows. Free cash flow has limitations as it does not represent the residual cash flow available for discretionary expenditures. For example, free cash flow does not incorporate payments for business acquisitions. Therefore, TD SYNEX believes it is important to view free cash flow as a complement to its entire Consolidated Statements of Cash Flows. TD SYNEX management uses non-GAAP financial measures internally to understand, manage and evaluate the business, to establish operational goals, and in some cases for measuring performance for compensation purposes. These non-GAAP measures are intended to provide investors with an understanding of TD SYNEX' operational results and trends that more readily enable investors to analyze TD SYNEX' base financial and operating performance and to facilitate period-to-period comparisons and analysis of operational trends, as well as for planning and forecasting in future periods. Management believes these non-GAAP financial measures are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision-making. As these non-GAAP financial measures are not calculated in accordance with GAAP, they may not necessarily be comparable to similarly titled measures employed by other companies. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures, and should be read only in conjunction with TD SYNEX' Consolidated Financial Statements prepared in accordance with GAAP. A reconciliation of TD SYNEX' GAAP to non-GAAP financial information is set forth in the supplemental tables at the end of this presentation.

The Company has not provided a reconciliation of its FY22 and medium – term adjusted return on invested capital and medium-term adjusted operating margin outlook to an expected return on invested capital and operating margin outlook because certain items that are a component of return on invested capital and operating margin cannot be reasonably projected. In particular, sufficient information is not available to calculate certain adjustments required for such reconciliations, including Acquisition, integration and restructuring costs, Amortization of intangibles, Share-based compensation and invested capital comprising of equity and borrowings. These components of return on invested capital and operating margin could significantly impact Company's actual return on invested capital and operating margin.

Reconciliation of GAAP to Non-GAAP Financial Measures



Non-GAAP Financial Information:

Currency in thousands	Fiscal Year Ended November 30, 2021	Three months ended August 31, 2021	Three months ended May 31, 2021	Three months ended February 28, 2021	9 Months ended August 31, 2021	Fiscal Year Ended November 30, 2021
	TD SYNEX	TIGER PARENT	TIGER PARENT	TIGER PARENT	TIGER PARENT	Combined
	(in thousands, except per share amounts)					
Revenue	\$ 31,614,169	\$ 9,132,100	\$ 9,570,600	\$ 10,306,600	\$ 29,009,300	\$ 60,623,469
Gross profit	1,889,534	573,400	566,400	620,000	1,759,800	3,649,334
Operating income	\$ 623,218	\$ 85,600	\$ 73,500	\$ 111,200	\$ 270,300	\$ 893,518
Acquisition, integration and restructuring costs	112,150	35,400	31,100	38,200	104,700	216,850
Amortization of intangibles	105,332	41,000	29,900	39,700	110,600	215,932
Share-based compensation	33,078	1,500	1,400	1,400	4,300	37,378
Purchase accounting adjustments	28,353	22,700	32,600	32,600	87,900	116,253
Non-GAAP operating income	\$ 902,131	\$ 186,200	\$ 168,500	\$ 223,100	\$ 577,800	\$ 1,479,931
Depreciation	44,232	20,300	20,400	20,100	60,800	105,032
Non-GAAP EBITDA	\$ 946,363	\$ 206,500	\$ 188,900	\$ 243,200	\$ 638,600	\$ 1,584,963
Assumed Synergies						200,000
Non-GAAP EBITDA incl. Synergies						\$ 1,784,963

Reconciliation of GAAP to Non-GAAP Financial Measures



Non-GAAP Financial Information:

Currency in thousands

	<u>Fiscal Year Ended November 30, 2020</u>	<u>Three months ended November 30, 2020</u>	<u>Three months ended August 31, 2020</u>	<u>Three months ended May 31, 2020</u>	<u>Three months ended February 29, 2020</u>	<u>Fiscal Year Ended November 30, 2020</u>	<u>Fiscal Year Ended November 30, 2020</u>
	<u>TD SYNEX</u>	<u>TIGER PARENT</u>	<u>TIGER PARENT</u>	<u>TIGER PARENT</u>	<u>TIGER PARENT</u>	<u>TIGER PARENT</u>	<u>Combined</u>
Revenue	\$ 19,977,150	\$ 9,842,100	\$ 8,384,800	\$ 8,123,900	\$ 9,646,600	\$ 35,997,400	\$ 55,974,550

Reconciliation of GAAP to Non-GAAP Financial Measures



Forecast

Fiscal Year Ended November 30, 2022

(Amounts in millions, except per share amounts)

	Low		High	
Revenue	\$	62,100	\$	63,000
Adjustments				
Foreign Currency Exchange Impact ⁽¹⁾		1,200		1,200
Accounting Policy Alignment ⁽²⁾		1,100		1,100
Adj. Revenue	\$	64,400	\$	65,300
Adj. Y/Y Revenue Growth		6%		8%

(1) Assumes a USD/EUR conversion rate of 1.13 in FY22

(2) Accounting policy alignment primarily related to the TD SYNEX merger

Reconciliation of GAAP to Non-GAAP Financial Measures



Forecast

Fiscal Year Ended November 30, 2022

(Amounts in millions)	Fiscal Year Ended November 30, 2022	
	Low	High
Operating income	\$ 806	\$ 1,013
Acquisition, integration and restructuring costs	267	227
Amortization of intangibles	330	310
Share-based compensation	41	39
Purchase accounting adjustments	120	100
Non-GAAP operating income	1,564	1,689
Non-GAAP operating income margin ⁽¹⁾	2.50%	2.70%

(1) Revenue assumed at the mid point of FY22 revenue based on growth rates provided in previous reconciliation

Reconciliation of GAAP to Non-GAAP Financial Measures



Cash Conversion Cycle

		Three Months Ended		
		November 30, 2021	November 30, 2020	November 30, 2019
(Amounts in thousands)				
Days sales outstanding ("DSO")				
Revenue	(a)	\$ 15,611,266	\$ 6,118,836	\$ 5,374,241
Accounts receivable, net	(b)	8,310,032	2,791,703	2,995,610
Days sales outstanding	(c) = ((b)/(a))*the number of days during the period	48	42	51
Days inventory outstanding ("DIO")				
Cost of revenue	(d)	\$ 14,668,096	\$ 5,752,179	\$ 5,036,301
Inventories	(e)	6,642,915	2,684,076	2,546,115
Days inventory outstanding	(f) = ((e)/(d))*the number of days during the period	41	42	46
Days payable outstanding ("DPO")				
Cost of revenue	(g)	\$ 14,668,096	\$ 5,752,179	\$ 5,036,301
Accounts payable	(h)	12,034,946	3,751,240	3,104,886
Days payable outstanding	(i) = ((h)/(g))*the number of days during the period	75	59	56
Cash conversion cycle ("CCC")	(j) = (c)+(f)-(i)	14	25	41