



Investor Presentation

September 2023



Safe harbor statement

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FQ3: Margin expansion with EPS above expectations, strong cash flow and increased return to shareholders



Revenue of \$14.0B and non-GAAP gross billings⁽¹⁾ of \$18.6B, both at the midpoint of the previously provided outlook range, and non-GAAP EPS⁽¹⁾ of \$2.78, above outlook range

Expanded non-GAAP gross margin⁽¹⁾ to 7.0% (up 84 bps y/y) and non-GAAP operating margin⁽¹⁾ to 2.8% (up 25 bps y/y), as high growth technologies continued to make up a greater portion of revenue

High-growth technologies represented >20% of FQ3 non-GAAP gross billings⁽¹⁾

Variable cost model contributed to margin stability despite challenging Endpoint market environment

Americas ERP migration now largely complete, with full completion expected in 1H FY2024

Generated \$552 million in free cash flow, partially driven by reduced inventory as backlog levels normalize, resulting in the cash conversion cycle improving by 1 day q/q

Returned \$136M of capital to shareholders: \$103M in share repurchases and \$33M in dividends

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

FQ3: Broad portfolio and shift to High-Growth areas boosted margins

	Q3 FY23	B/(W) vs PY
Revenue (\$B)	\$14.0	(9)% / (10)% ⁽²⁾
Non-GAAP gross billings (\$B) ⁽¹⁾	\$18.6	(7)% / (8)% ⁽²⁾
Operating income (\$M)	\$240	(1)%
Non-GAAP operating income (\$M) ⁽¹⁾	\$397	0% / (1)% ⁽²⁾
Operating margin	1.72%	+15 bps
Non-GAAP operating margin ⁽¹⁾	2.84%	+25 bps
Diluted earnings per share	\$1.49	(4)%
Non-GAAP diluted earnings per share ⁽¹⁾	\$2.78	1%

Key Takeaways

- 1 Revenue decline of 10%⁽²⁾ and non-GAAP gross billings⁽¹⁾ decline of 8%⁽²⁾, within outlook range and driven by declines in demand for PC ecosystem products, partially offset by increased demand for Advanced Solutions technologies
- 2 Non-GAAP operating margin⁽¹⁾ expansion of 25 bps driven by continued mix shift to Advanced Solutions and High-Growth and above the high end of our targeted range of 2.6% - 2.8% for FY 2023
- 3 Non-GAAP EPS⁽¹⁾ of \$2.78, above the previously provided outlook, includes a y/y headwind of \$0.13 per share from higher interest expense; excluding this, non-GAAP EPS⁽¹⁾ would have grown 6%

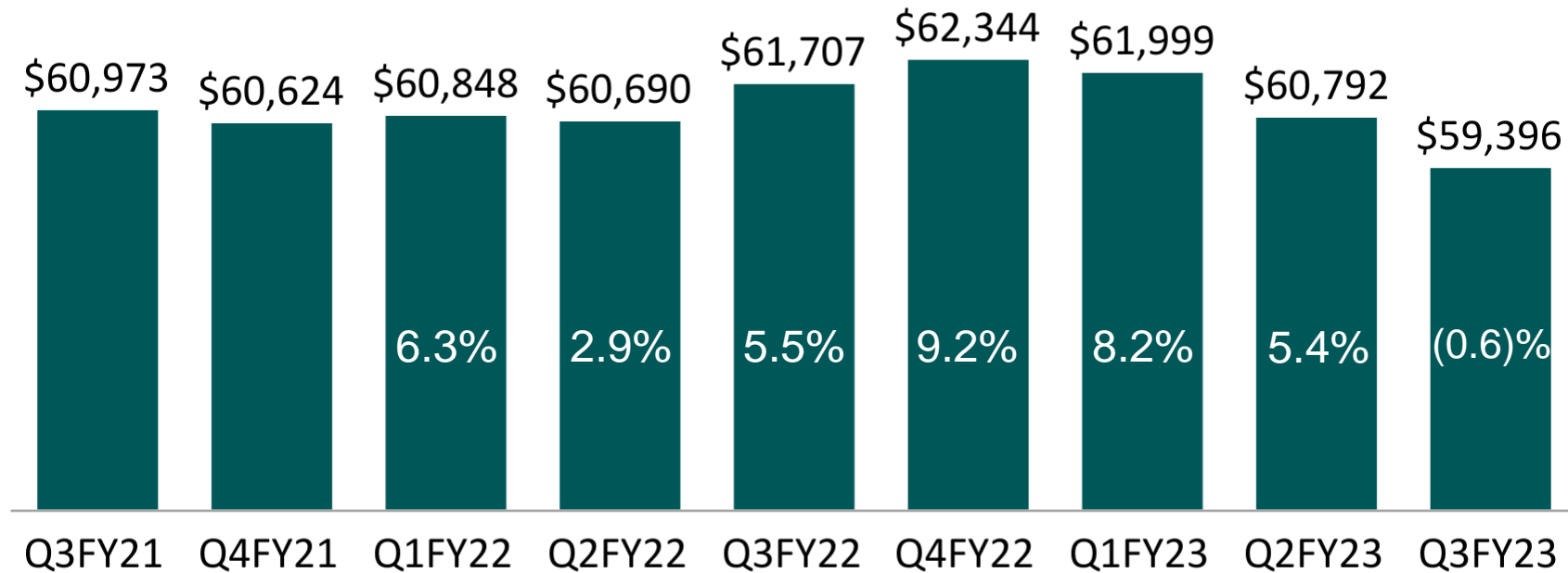
(1) Non-GAAP measure. See the appendix to this presentation for definitions of non-GAAP measures and reconciliation of such measures to GAAP.

(2) Growth rate adjusted for constant currency.

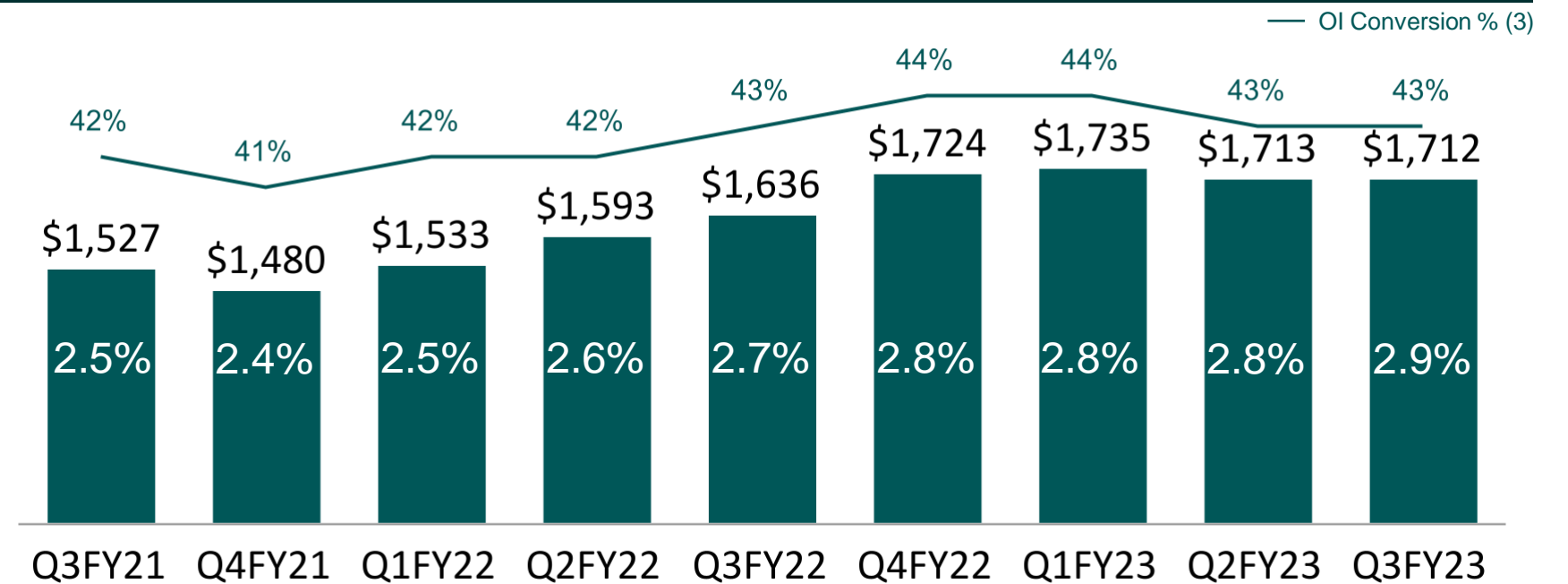
Solid and consistent margins, cash flow generation improving net leverage ratio

In \$M (except EPS and net leverage)

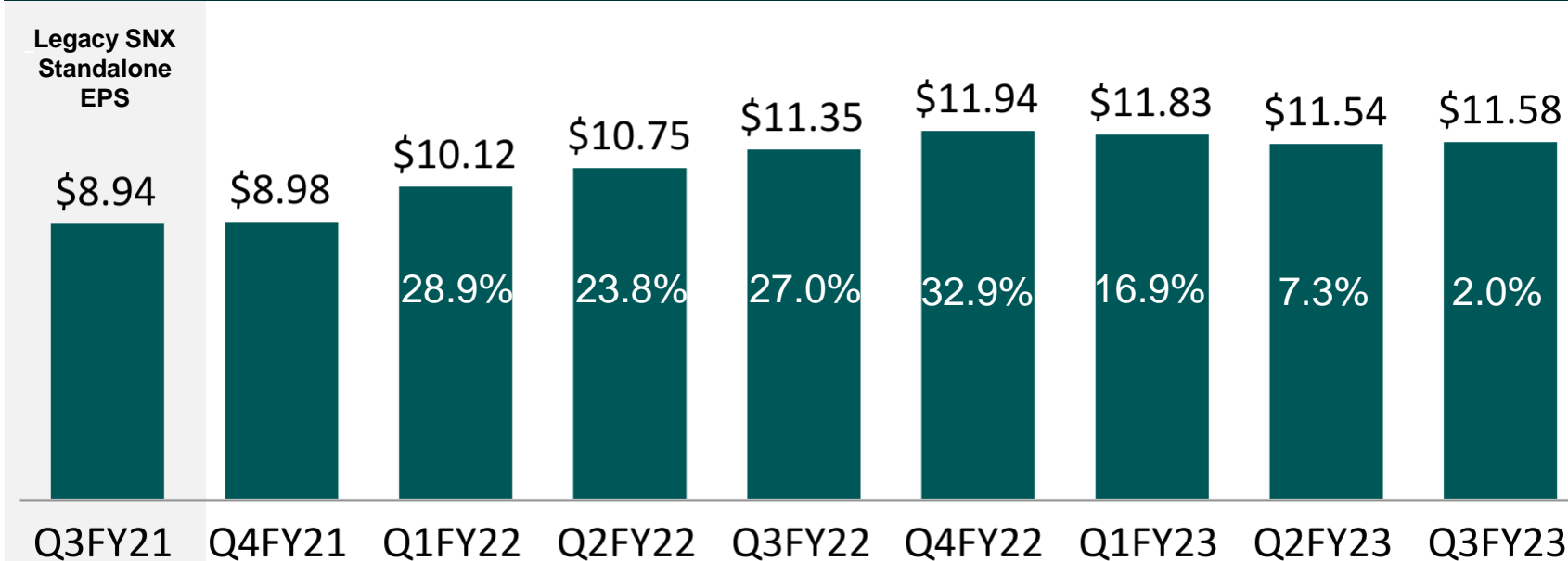
Combined LTM Revenue and Y/Y Growth^(1,4) %



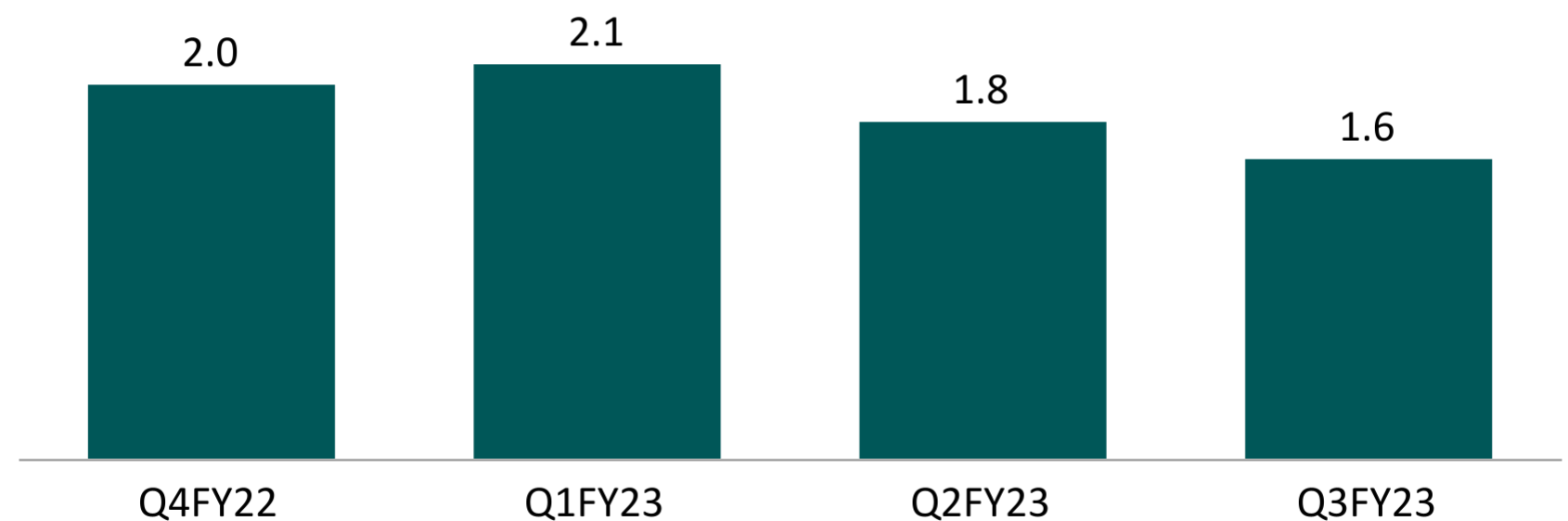
Combined LTM Non-GAAP OI^(2,4) and % Margin^(2,4)



LTM Non-GAAP Diluted EPS⁽²⁾ and Y/Y Growth %



LTM Net Leverage



(1) Y/Y Growth presented on an adjusted basis for constant currency and merger related revenue recognition policy alignment impacts.
 (2) Non-GAAP measure. See the appendix to this presentation for definitions of non-GAAP measures and reconciliation of such measures to GAAP.
 (3) OI Conversion calculated as Non-GAAP OI as a percent of gross profit.
 (4) Combined basis assumes the merger occurred at the beginning of the period.

Q4 FY 2023 Outlook



	Guidance	Q4 FY23E
	Revenue (B)	\$14.0 – \$15.0
	Non-GAAP gross billings (B) ⁽¹⁾	\$18.5 – \$19.7
	Net income (M)	\$116 – \$162
	Non-GAAP net income (M) ⁽¹⁾	\$223 – \$269
	Diluted EPS	\$1.25 – \$1.75
	Non-GAAP diluted EPS ⁽¹⁾	\$2.40 – \$2.90
	Outstanding diluted weighted avg. shares (M)	91.9
	Interest expense, net (M)	~\$71
	Non-GAAP interest expense, net (M) ⁽¹⁾	~\$70
	Tax rate	24%

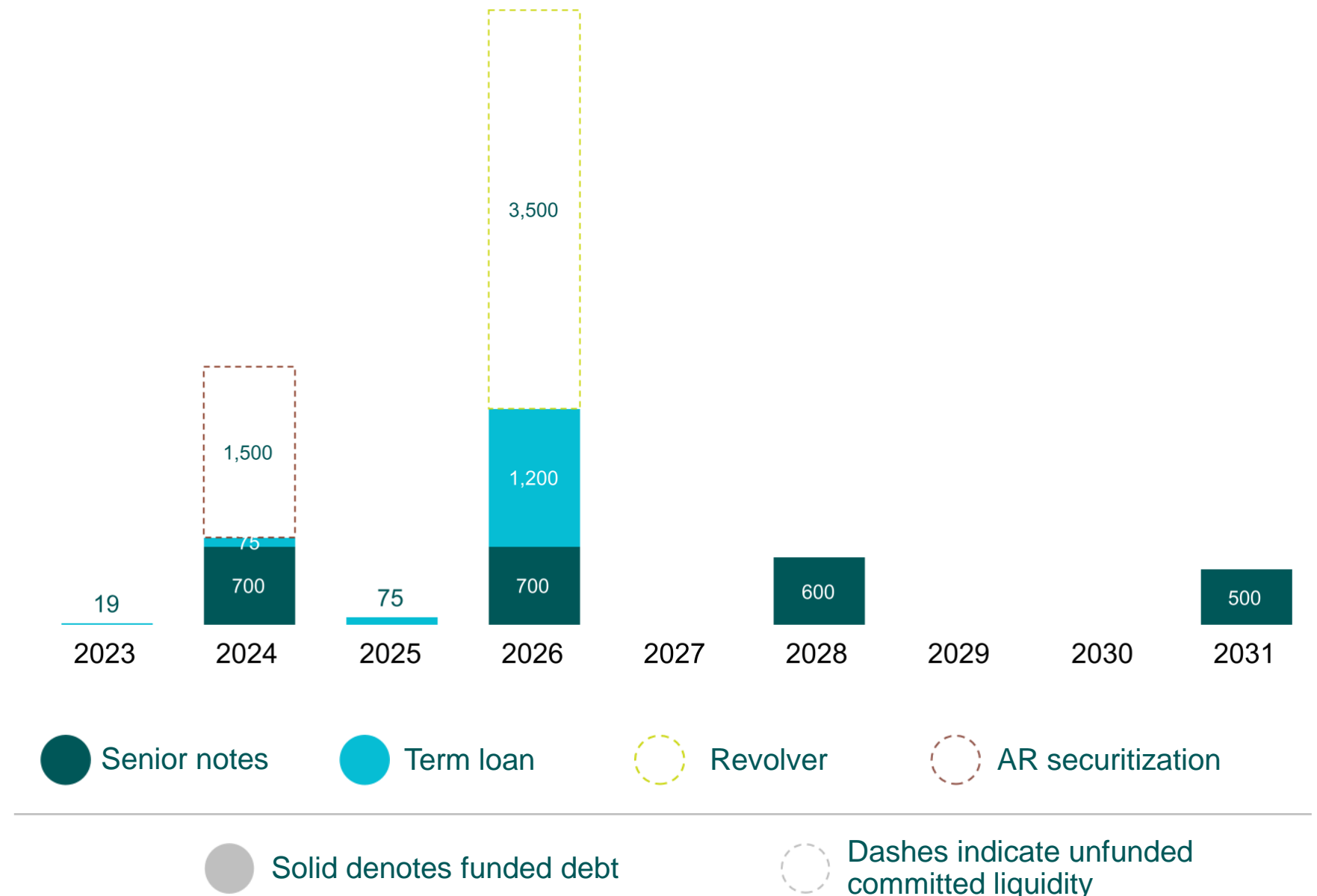
(1) Non-GAAP measure. See the appendix to this presentation for definitions of non-GAAP measures and reconciliation of such measures to GAAP.

Strong investment grade balance sheet

Significant liquidity

	Nov 2022	Aug 2023
Cash	\$523M	\$1,251M
Unsecured revolver	\$3,500M	\$3,500M
A/R securitization	\$1,500M	\$1,500M
Total liquidity	\$5,523M	\$6,251M

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



Investment grade balance sheet with low costs – FQ3'23

Total debt leverage

\$4.1B

2.2x

Net debt leverage

\$2.8B

1.6x

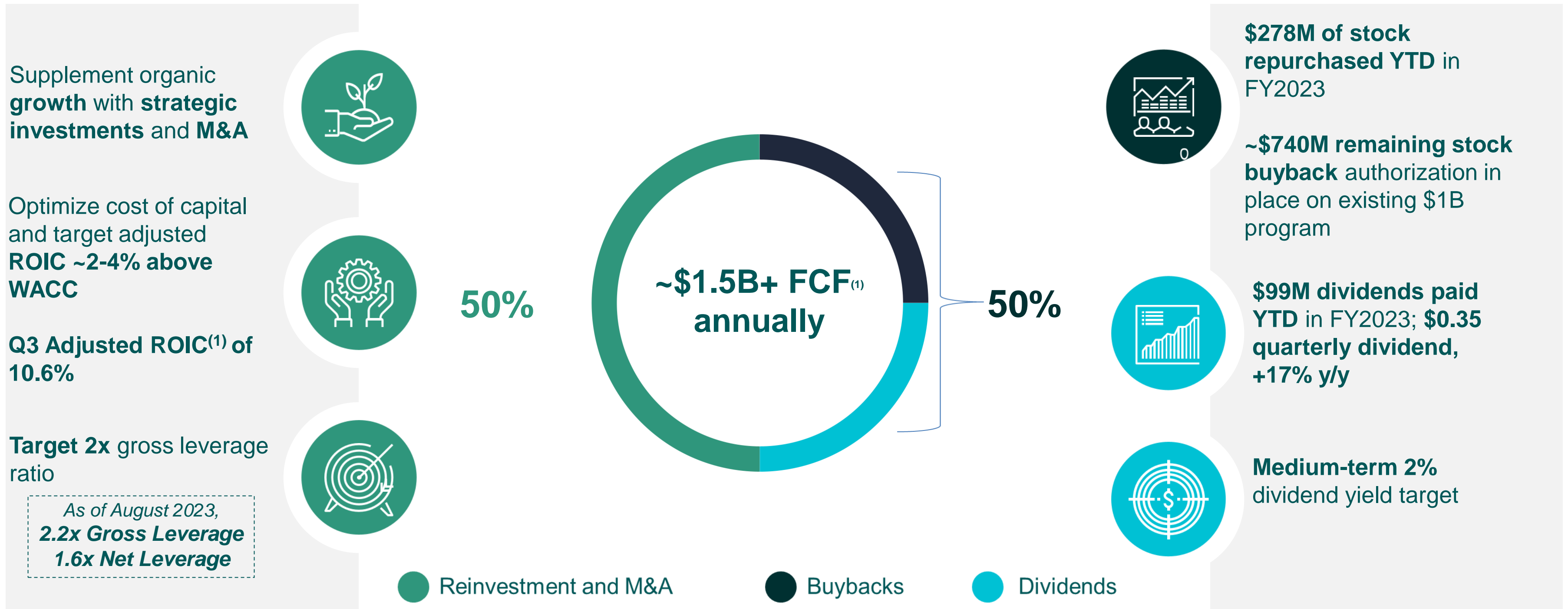
~4.2%

Average cost of funded debt

Capital structure provides access to ample liquidity and financial flexibility

Significant FCF potential with a focus on shareholder returns

Medium-term target capital allocation



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

Why own TD SYNEX?



Attractive core business capitalizing on high-growth technologies

Industry leader levered to secular IT spending growth

Revenue from high growth technologies expected to double in the medium-term

Successful merger integration providing margin opportunities



Significant cash flow engine creates financial flexibility

Strong investment grade balance sheet

Target ~\$1.5B of FCF⁽¹⁾ in medium-term

Limited capital intensity



Target shareholder return of 15-20%

Target TSR of 15-20% in medium-term

Target 2% dividend yield in medium-term

\$1B share repurchase authorization

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

A differentiated investment opportunity

- 1** **Leading Global IT Solutions Distributor with Significant Breadth and Depth of Capabilities**

- 2** **Portfolio Squarely Aligned with Technology Megatrends, Driving Growth and Margin Uplift**

- 3** **Central Role in IT Ecosystem Positions Us Well for Future Models of Consumption**

- 4** **Multiple Incremental Levers to Drive Continued Growth**

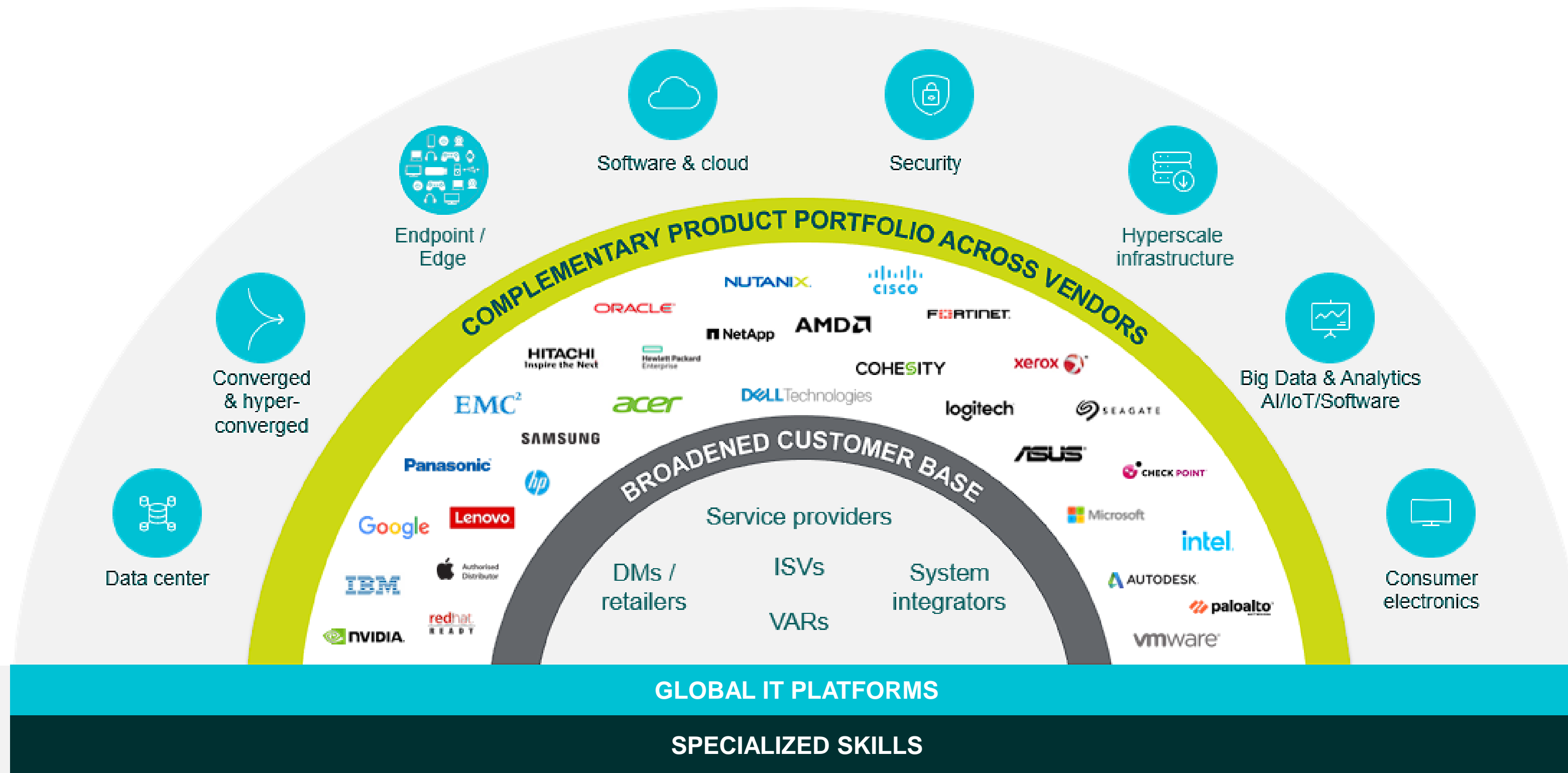
- 5** **Attractive Cash-Generative Business Model Supported By Investment Grade Balance Sheet**

- 6** **Compelling Total Shareholder Return Profile Driven By Organic Growth And Attractive Capital Allocation Policy**

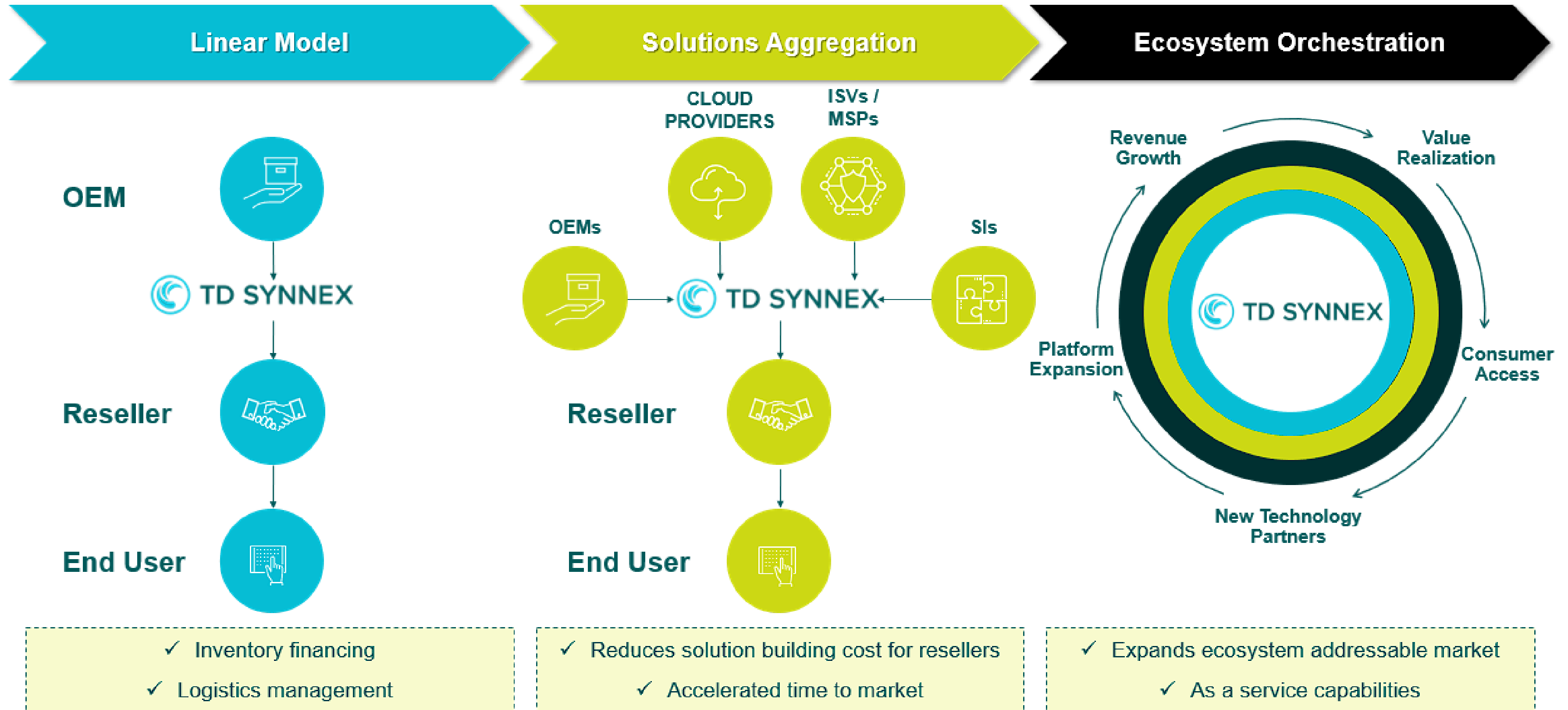
Appendix

TD SYNnex

Connecting the global IT system

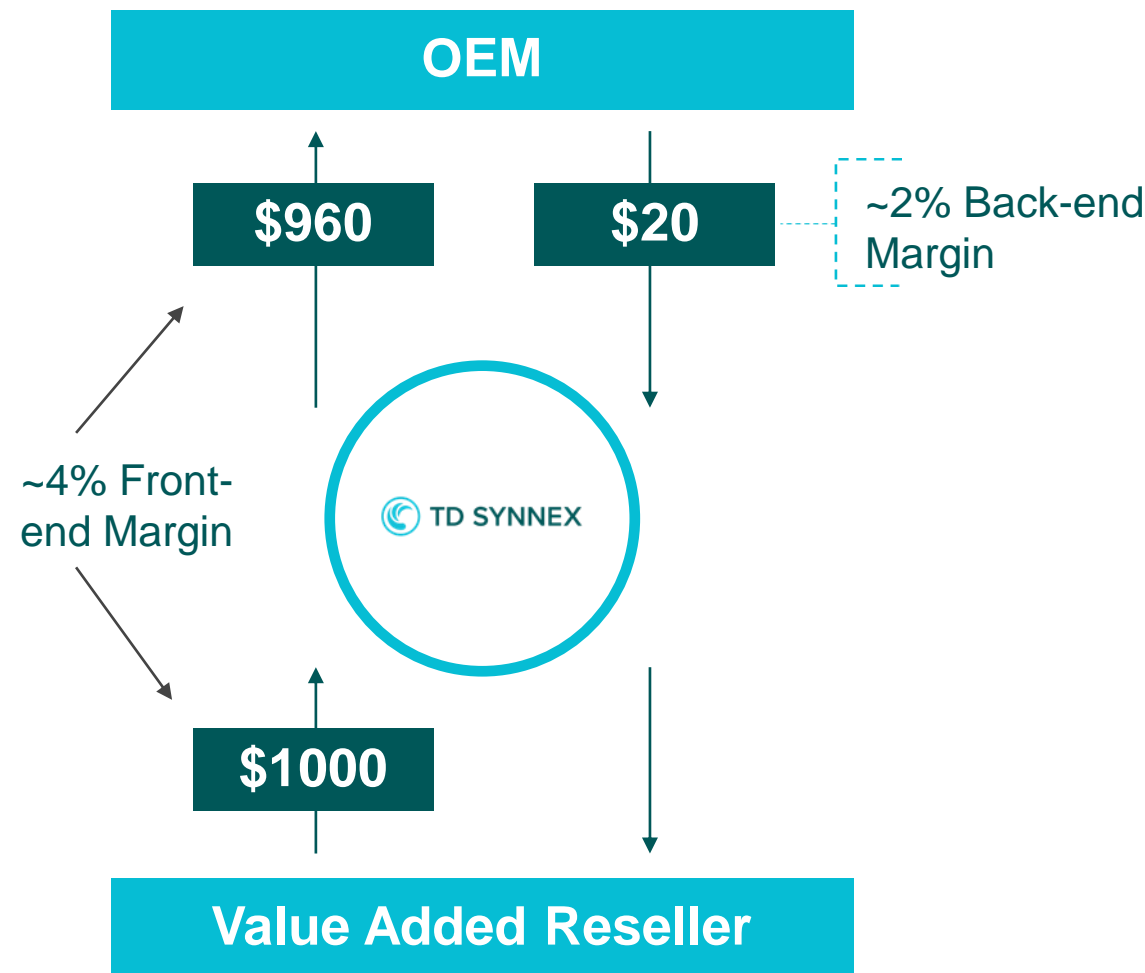


Well positioned to benefit from industry evolution



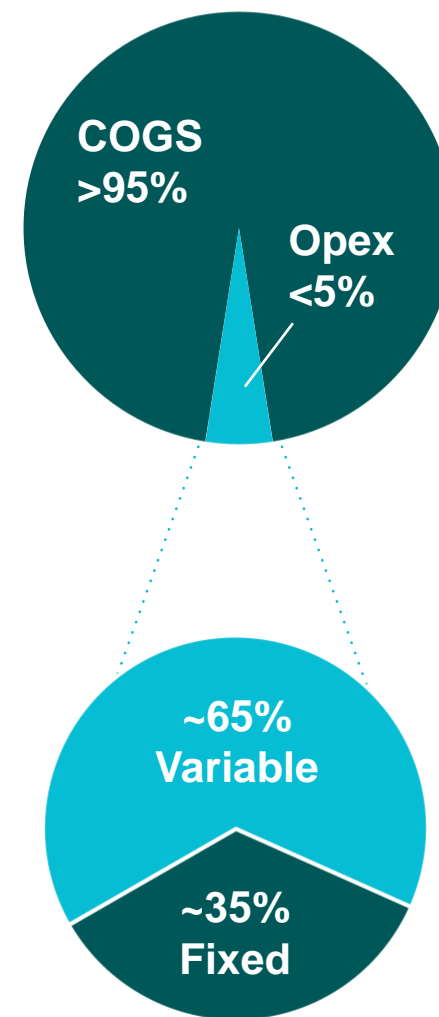
Attractive business model with variable cost structure and limited capital intensity

Illustrative Business Model



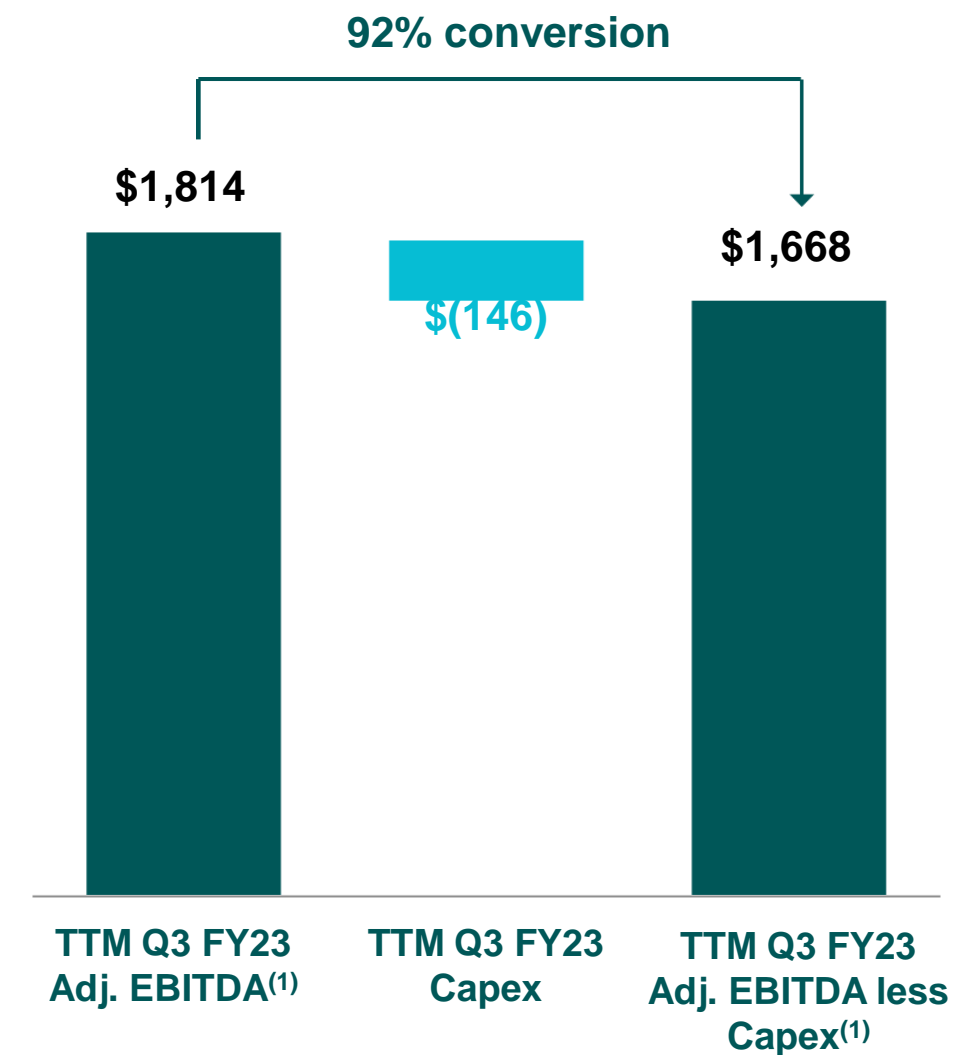
High-ROIC⁽¹⁾ business model with fixed spread and minimal inventory risk

Highly Variable Cost Structure



Highly variable cost structure provides flexibility

TTM Adj. EBITDA less Capex (\$M)⁽¹⁾

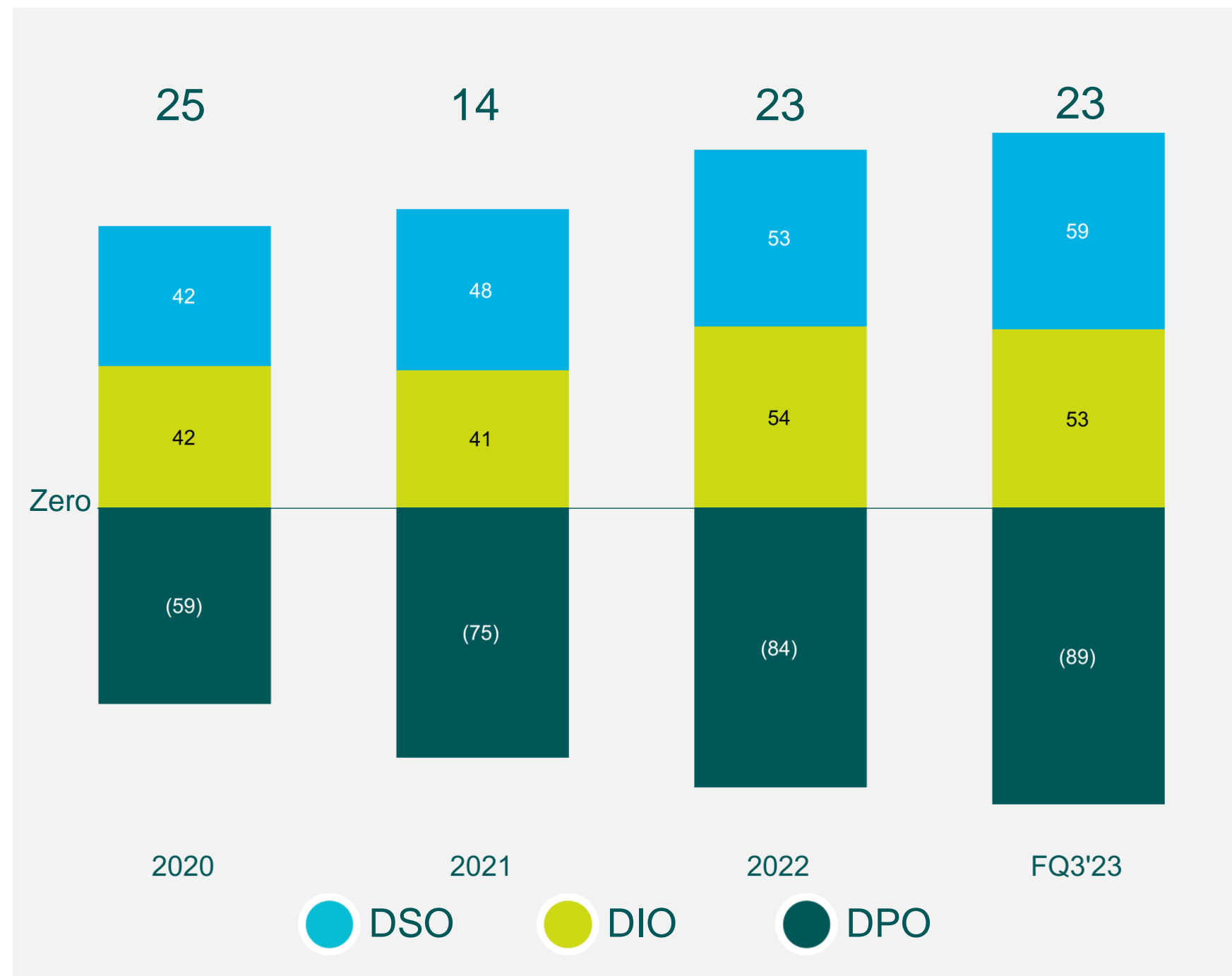


Capex-light business model leads to the retention of the majority of our Adj. EBITDA⁽¹⁾

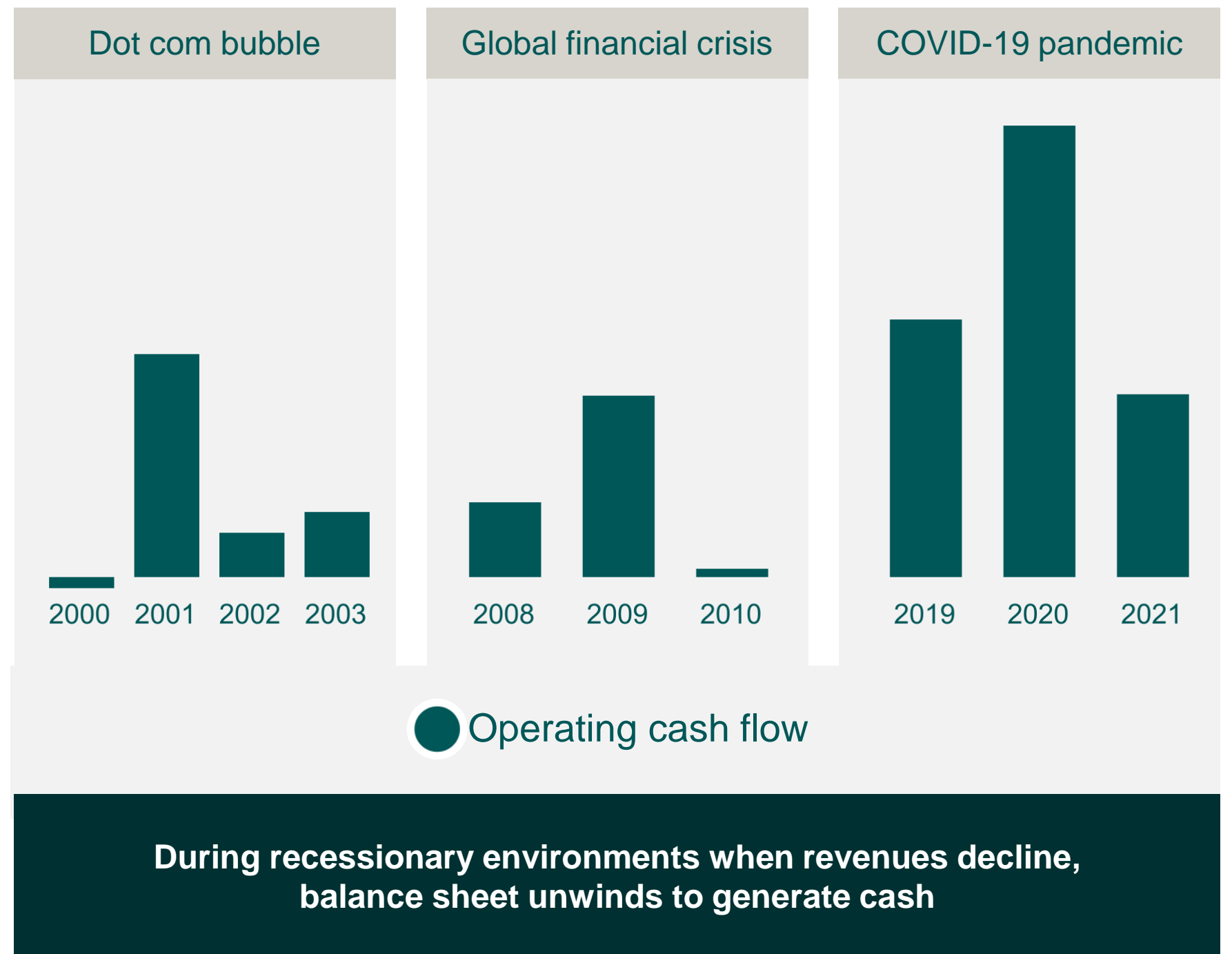
(1) Non-GAAP measure. See the appendix to this presentation for definitions of non-GAAP measures and a reconciliation of such measures to GAAP.

Stable cash conversion cycle with countercyclical benefits

Steady cash conversion cycle (days)



Countercyclical cash generation



Recent partner awards



ESG highlights



Environmental

- Helping to build a healthier planet
- Committed to Science-Based Target initiative (SBTi) Business Ambition Pledge
- Planning to achieve net-zero greenhouse gas emissions by 2045
- Incorporating circular economy principles into product life cycle management strategy
- Deploying environmental management systems and pursuing international standards like ISO 14001 to minimize environmental impacts



Social

Company

- Seeking to increase our gender diversity with 50% of our workforce and 40% of leadership roles being filled by women by 2030
- Aiming to grow our diversity through increased representation of underrepresented groups by 2025

Culture

- Doubling co-worker participation in Business Resource Groups by 2025

Community

- Helping bridge the digital divide by providing devices, digital skills training, internet connectivity and technical support to underserved communities.
- Committed to increasing the diversity of our partner ecosystem



Governance

- Strong corporate governance based on our values of Inclusion, Collaboration, Integrity and Excellence
- Comprehensive ethics and compliance program and well-established governance policies and principles
- Corporate responsibility oversight by cross-functional steering committee

Non-GAAP financial measures



In addition to the financial results presented in accordance with GAAP, TD SYNEX refers to revenues on a constant currency basis which adjusts for the translation effect of foreign currencies so that certain financial results can be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons of our performance. Financial results adjusted for constant currency are calculated by translating current period activity using the comparable prior year periods' currency conversion rate. TD SYNEX uses non-GAAP gross billings, which adjusts revenues to exclude costs related to sales of third-party supplier service contracts, software as a service arrangements and certain fulfillment contracts. Non-GAAP gross billings are a useful non-GAAP metric in understanding the volume of our business activity and serve as an important performance metric in internally managing our operations. TD SYNEX uses non-GAAP gross profit and non-GAAP gross margin which exclude purchase accounting adjustments. 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, legal settlements and other litigation, net and the related tax effects thereon. Further, the Company 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, which are expensed as incurred, 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 that are incurred in connection with acquisition, integration, restructuring, and divestiture activities. 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's acquisition activities have resulted in the recognition of finite-lived intangible assets which consist primarily of customer relationships 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. These adjustments benefited our non-GAAP operating income through the third fiscal quarter 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's 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's operational results and trends that more readily enable investors to analyze TD SYNEX's 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's Consolidated Financial Statements prepared in accordance with GAAP. A reconciliation of TD SYNEX's GAAP to non-GAAP financial information is set forth in the supplemental tables at the end of this presentation.

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
(Currency in thousands)
(Amounts may not add or compute due to rounding)

	Three Months Ended							
	Consolidated		Americas		Europe		Asia-Pacific and Japan	
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Revenue in constant currency								
Revenue	\$ 13,960,615	\$ 15,356,085	\$ 8,879,585	\$ 9,900,779	\$ 4,227,590	\$ 4,681,797	\$ 853,440	\$ 773,509
Impact of changes in foreign currencies	(176,615)	—	24,979	—	(216,477)	—	14,883	—
Revenue in constant currency	\$ 13,784,000	\$ 15,356,085	\$ 8,904,564	\$ 9,900,779	\$ 4,011,113	\$ 4,681,797	\$ 868,323	\$ 773,509
Y/Y revenue (decline) growth in constant currency	(10.2)%		(10.1)%		(14.3)%		12.3 %	

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
 (Currency in thousands)
 (Amounts may not add or compute due to rounding)

	Three Months Ended	
	August 31, 2023	August 31, 2022
Non-GAAP gross billings in constant currency		
Revenue	\$ 13,960,615	\$ 15,356,085
Costs incurred and netted against revenue related to sales of third-party supplier service contracts, software as a service arrangements and certain fulfillment contracts	4,623,011	4,615,129
Non-GAAP Gross billings	\$ 18,583,626	\$ 19,971,214
Impact of changes in foreign currencies	(226,378)	—
Non-GAAP gross billings in constant currency	\$ 18,357,248	\$ 19,971,214
Y/Y non-GAAP gross billings decline	(6.9)%	
Y/Y non-GAAP gross billings in constant currency decline	(8.1)%	

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
(Currency in thousands)
(Amounts may not add or compute due to rounding)

	Three Months Ended	
	August 31, 2023	August 31, 2022
Gross profit and gross margin		
Revenue	\$ 13,960,615	\$ 15,356,085
Gross profit	\$ 971,273	\$ 916,030
Purchase accounting adjustments	2,427	25,922
Non-GAAP gross profit	\$ 973,700	\$ 941,952
Gross margin	6.96 %	5.97 %
Non-GAAP gross margin	6.97 %	6.13 %

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
(Currency in thousands)
(Amounts may not add or compute due to rounding)

	Three Months Ended							
	Consolidated		Americas		Europe		Asia-Pacific and Japan	
	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022	August 31, 2023	August 31, 2022
Operating income and operating margin								
Revenue	\$13,960,615	\$15,356,085	\$8,879,585	\$9,900,779	\$4,227,590	\$4,681,797	\$853,440	\$773,509
Operating income	\$240,233	\$241,534	\$192,606	\$180,471	\$29,531	\$44,260	\$18,096	\$16,803
Acquisition, integration and restructuring costs	71,586	46,418	60,393	33,545	10,304	11,313	889	1,560
Amortization of intangibles	74,029	73,270	42,437	43,523	30,970	29,103	622	644
Share-based compensation	8,530	6,643	6,325	5,036	1,809	1,286	396	321
Purchase accounting adjustments	2,427	30,418	—	19,564	2,427	10,854	—	—
Non-GAAP operating income	\$396,805	\$398,283	\$301,761	\$282,139	\$75,041	\$96,816	\$20,003	\$19,328
Operating margin	1.72 %	1.57 %	2.17 %	1.82 %	0.70 %	0.95 %	2.12 %	2.17 %
Non-GAAP operating margin	2.84 %	2.59 %	3.40 %	2.85 %	1.78 %	2.07 %	2.34 %	2.50 %

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
(Currency in thousands)
(Amounts may not add or compute due to rounding)

Non-GAAP operating income in constant currency	Three Months Ended	
	August 31, 2023	August 31, 2022
Operating income	\$ 240,233	\$ 241,534
Acquisition, integration and restructuring costs	71,586	46,418
Amortization of intangibles	74,029	73,270
Share-based compensation	8,530	6,643
Purchase accounting adjustments	2,427	30,418
Non-GAAP operating income	\$ 396,805	\$ 398,283
Impact of changes in foreign currencies	(2,384)	—
Non-GAAP operating income in constant currency	\$ 394,421	\$ 398,283
Y/Y decline in non-GAAP operating income in constant currency	(1.0)%	

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
(Currency in thousands)
(Amounts may not add or compute due to rounding)

	<u>Three Months Ended</u>	
Free cash flow	August 31, 2023	
Net cash provided by operating activities	\$	591,955
Purchases of property and equipment		(39,808)
Free cash flow	\$	<u>552,147</u>

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
(Currency in thousands)
(Amounts may not add or compute due to rounding)

	Three Months Ended	
	August 31, 2023	
Non-GAAP interest expense		
Interest expense, net	\$	67,703
Acquisition and integration interest costs		(2,311)
Non-GAAP interest expense, net	\$	65,392

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
(Currency in thousands)
(Amounts may not add or compute due to rounding)

	Three Months Ended	
	August 31, 2023	
Income before income taxes, provision for income taxes and effective tax rate		
Income before income taxes	\$	170,159
Acquisition, integration & restructuring costs		73,897
Amortization of intangibles		74,029
Share based compensation		8,530
Purchase accounting adjustments		2,427
Non-GAAP income before income taxes	\$	329,042
Provision for income taxes	\$	30,897
Income taxes related to the above		38,375
Non-GAAP provision for income taxes	\$	69,272
Effective tax rate		18.16 %
Non-GAAP effective tax rate		21.05 %

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
(Per share amounts)
(Unaudited)

(Amounts may not add or compute due to rounding)

	Three Months Ended											
	August 31, 2023	May 31, 2023	February 28, 2023	November 30, 2022	August 31, 2022	May 31, 2022	February 28, 2022	November 30, 2021	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020
Diluted EPS	\$ 1.49	\$ 1.41	\$ 1.75	\$ 2.31	\$ 1.55	\$ 1.55	\$ 1.37	\$ 1.24	\$ 1.81	\$ 1.78	\$ 1.69	\$ 2.51
Acquisition, integration & restructuring costs	0.79	0.41	0.56	0.55	0.50	0.36	0.99	1.51	0.14	0.11	—	0.15
Amortization of intangibles	0.79	0.79	0.76	0.78	0.76	0.77	0.79	0.80	0.18	0.18	0.18	0.19
Share-based compensation	0.09	0.08	0.14	0.19	0.07	0.07	0.07	0.15	0.12	0.13	0.09	0.08
Purchase accounting adjustments	0.03	0.05	0.08	0.18	0.32	0.33	0.34	0.29	—	—	—	—
Legal settlements and other litigation, net	—	—	—	(0.11)	—	—	—	—	—	—	—	—
Income taxes related to the above	(0.41)	(0.31)	(0.36)	(0.46)	(0.41)	(0.36)	(0.50)	(0.67)	(0.11)	(0.11)	(0.07)	(0.12)
Income tax capital loss carryback benefit	—	—	—	—	(0.05)	—	(0.03)	(0.47)	—	—	—	—
Non-GAAP Diluted EPS	\$ 2.78	\$ 2.43	\$ 2.93	\$ 3.44	\$ 2.74	\$ 2.72	\$ 3.03	\$ 2.86	\$ 2.14	\$ 2.09	\$ 1.89	\$ 2.82

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
(Per share amounts)
(Unaudited)
(Amounts may not add or compute due to rounding)

	Three Months Ended	
	August 31, 2023	August 31, 2022
Diluted EPS	\$ 1.49	\$ 1.55
Acquisition, integration & restructuring costs	0.79	0.50
Amortization of intangibles	0.79	0.76
Share-based compensation	0.09	0.07
Purchase accounting adjustments	0.03	0.32
Income taxes related to the above	(0.41)	(0.41)
Income tax capital loss carryback benefit	—	(0.05)
Non-GAAP Diluted EPS	\$ 2.78	\$ 2.74
Impact of changes in foreign currencies	(0.01)	—
Non-GAAP Diluted EPS in Constant Currency	\$ 2.77	\$ 2.74

Calculation of financial metrics



TD SYNEX
(Currency in thousands)
(Amounts may not add or compute due to rounding)

	August 31, 2023
ROIC	
Operating income (trailing fiscal four quarters)	\$ 1,125,440
Income taxes on operating income ⁽¹⁾	(228,334)
Operating income after taxes	\$ 897,106
Total invested capital comprising equity and borrowings, less cash (last five quarters average)	\$ 11,575,572
ROIC	7.8 %
Adjusted ROIC	
Non-GAAP operating income (trailing fiscal four quarters)	\$ 1,711,323
Income taxes on non-GAAP operating income ⁽¹⁾	(381,272)
Non-GAAP operating income after taxes	\$ 1,330,051
Total invested capital comprising equity and borrowings, less cash (last five quarters average)	\$ 11,575,572
Tax effected impact of cumulative non-GAAP adjustments (last five quarters average)	961,319
Total non-GAAP invested capital (last five quarters average)	\$ 12,536,891
Adjusted ROIC	10.6 %

⁽¹⁾ Income taxes on GAAP operating income was calculated using the effective year-to-date tax rates during the respective periods. Income taxes on non-GAAP operating income was calculated by excluding the tax effect of taxable and deductible non-GAAP adjustments using the effective year-to-date tax rate during the respective periods.

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
 (Currency in millions, except per share amounts)
 (Amounts may not add or compute due to rounding)

	Forecast	
	Three Months Ending November 30, 2023	
Net income and diluted EPS	Low	High
Net income	\$ 116	\$ 162
Acquisition, integration and restructuring costs	50	50
Amortization of intangibles	75	75
Share-based compensation	16	16
Income taxes related to the above	(34)	(34)
Non-GAAP net income	<u>\$ 223</u>	<u>\$ 269</u>
Diluted EPS ⁽¹⁾	\$ 1.25	\$ 1.75
Acquisition, integration and restructuring costs	0.54	0.54
Amortization of intangibles	0.81	0.81
Share-based compensation	0.17	0.17
Income taxes related to the above	(0.37)	(0.37)
Non-GAAP diluted EPS	<u>\$ 2.40</u>	<u>\$ 2.90</u>

⁽¹⁾ Diluted EPS is calculated using the two-class method. Unvested restricted stock awards granted to employees are considered participating securities. Net income allocated to participating securities is estimated to be approximately 0.8% of the forecast net income for three months ending November 30, 2023.

Reconciliation of GAAP to non-GAAP financial measures

TD SYNEX
(Currency in millions)
(Amounts may not add or compute due to rounding)

	Forecast	
	Three Months Ending	
	November 30, 2023	
Non-GAAP interest expense		
Interest expense, net	\$	71
Acquisition and integration interest costs		1
Non-GAAP interest expense, net	\$	70

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX

(Amounts may not add or compute due to rounding)

(Currency in billions)	Forecast Three Months Ending November 30, 2023	
	Low	High
Non-GAAP gross billings		
Revenue	\$ 14.0	\$ 15.0
Costs incurred and netted against revenue related to sales of third-party supplier service contracts, software as a service arrangements and certain fulfillment contracts	4.5	4.7
Non-GAAP gross billings	\$ 18.5	\$ 19.7

(Currency in thousands)	Three Months Ended November 30, 2022	
	Non-GAAP gross billings	
Revenue	\$	16,247,957
Costs incurred and netted against revenue related to sales of third-party supplier service contracts, software as a service arrangements and certain fulfillment contracts		4,665,011
Non-GAAP gross billings	\$	20,912,968

Calculation of financial metrics



TD SYNEX
(Currency in thousands)
(Amounts may not add or compute due to rounding)

Leverage ratio		<u>August 31, 2023</u>	<u>May 31, 2023</u>	<u>February 28, 2023</u>	<u>November 30, 2022</u>
Total borrowings	(a) \$	4,079,182	\$ 4,105,112	\$ 4,388,723	\$ 4,103,793
Less: cash and cash equivalents	(b)	1,250,872	852,079	539,285	522,604
Net debt	(c)=(a)-(b)	2,828,310	3,253,033	3,849,438	3,581,189
Trailing four quarters Adjusted EBITDA	(d)	1,813,985	1,812,801	1,833,930	1,823,889
Debt to Adjusted EBITDA leverage ratio	(e)=(a)/(d)	2.2	2.3	2.4	2.3
Net debt to Adjusted EBITDA leverage ratio	(f)=(c)/(d)	1.6	1.8	2.1	2.0

Excludes unrealized synergies

TD SYNEX
(Currency in millions)
(Amounts may not add or compute due to rounding)

	Three Months Ended							
	August 31, 2023	May 31, 2023	February 28, 2023	November 30, 2022	August 31, 2022	May 31, 2022	February 28, 2022	November 30, 2021
Revenue	\$ 13,960.6	\$ 14,062.1	\$ 15,125.4	\$ 16,248.0	\$ 15,356.1	\$ 15,269.8	\$ 15,470.0	\$ 15,611.3
Cost of revenue	(12,989.3)	(13,098.7)	(14,121.8)	(15,188.2)	(14,440.1)	(14,314.0)	(14,501.3)	(14,668.1)
Gross profit	971.3	963.4	1,003.6	1,059.7	916.0	955.8	968.7	943.2
Operating expenses:								
Selling, general and administrative expenses	(659.4)	(673.7)	(654.2)	(675.5)	(628.1)	(670.6)	(652.9)	(655.7)
Acquisition, integration and restructuring expenses	(71.6)	(36.8)	(51.2)	(50.1)	(46.4)	(32.5)	(93.4)	(102.1)
	(731.0)	(710.5)	(705.4)	(725.6)	(674.5)	(703.1)	(746.2)	(757.8)
Operating income	\$ 240.3	\$ 252.9	\$ 298.2	\$ 334.2	\$ 241.5	\$ 252.7	\$ 222.4	\$ 185.4
Adjustments								
Acquisition, integration and restructuring expenses	71.6	36.8	51.2	50.1	46.4	32.5	93.4	102.1
Amortization of intangibles	74.0	73.5	73.0	75.1	73.3	74.7	76.1	77.2
Purchase accounting adjustments	2.4	5.2	7.5	17.7	30.4	31.4	33.2	28.4
Stock-based compensation expense	8.5	7.6	13.1	18.6	6.6	7.0	6.8	14.9
Non-GAAP operating income	396.8	376.0	442.9	495.6	398.3	398.3	431.9	407.9
Depreciation	26.5	26.1	25.5	24.6	23.8	24.9	26.5	27.4
Adjusted EBITDA	\$ 423.3	\$ 402.1	\$ 468.4	\$ 520.1	\$ 422.1	\$ 423.3	\$ 458.4	\$ 435.4

Legacy SYNEX results



SYNEX CORPORATION
(Currency in millions)
(Unaudited)
(Amounts may not add or compute due to rounding)

	Three Months Ended			
	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020
Revenue	\$ 5,207.1	\$ 5,856.8	\$ 4,939.0	\$ 6,118.8
Cost of revenue	(4,894.4)	(5,527.7)	(4,634.4)	(5,752.2)
Gross profit	312.6	329.2	304.6	366.7
Operating expenses:				
Selling, general and administrative expenses	(160.3)	(175.3)	(162.8)	(160.5)
Acquisition, integration and restructuring expenses	(4.1)	(5.9)	—	(5.8)
	(164.4)	(181.3)	(162.8)	(166.3)
Operating income	\$ 148.2	\$ 147.9	\$ 141.7	\$ 200.4
Adjustments				
Acquisition, integration and restructuring expenses	4.1	5.9	—	5.8
Amortization of intangibles	9.4	9.4	9.4	10.0
Stock-based compensation expense	6.5	6.8	4.9	4.4
Non-GAAP operating income	168.2	170.0	156.0	220.6
Depreciation	5.6	5.7	5.5	7.3
Adjusted EBITDA	\$ 173.9	\$ 175.6	\$ 161.5	\$ 227.9

Legacy Tech Data results



TIGER PARENT (AP) CORPORATION AND SUBSIDIARIES
HISTORICAL FINANCIAL INFORMATION
(Currency in millions)
(Unaudited)
(Amounts may not add or compute due to rounding)

	Three Months Ended			
	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020
Revenue	\$ 9,132.1	\$ 9,570.6	\$ 10,306.6	\$ 9,842.1
Cost of revenue	(8,558.7)	(9,004.2)	(9,686.7)	(9,280.0)
Gross profit	573.4	566.4	620.0	562.1
Operating expenses:				
Selling, general and administrative expenses	(447.2)	(461.7)	(481.9)	(438.9)
Acquisition, integration and restructuring expenses	(35.4)	(31.1)	(38.2)	(31.2)
Legal settlements and other litigation, net	(5.2)	—	1.7	—
Gain on bargain purchase	—	—	2.0	28.2
Gain on sale of fixed assets	—	—	7.6	7.9
	(487.8)	(492.8)	(508.8)	(434.0)
Operating income	\$ 85.6	\$ 73.5	\$ 111.2	\$ 128.1
Adjustments				
Acquisition, integration and restructuring expenses	35.4	31.1	38.2	31.2
Amortization of intangibles	41.0	29.9	39.7	39.2
Purchase accounting adjustments	22.7	32.6	32.6	34.0
Stock-based compensation expense	1.5	1.4	1.4	2.1
Non-GAAP operating income	186.2	168.5	223.2	234.6
Depreciation	20.3	20.4	20.1	19.3
Adjusted EBITDA	\$ 206.5	\$ 188.9	\$ 243.2	\$ 254.0

Combined legacy SYNEX and legacy Tech Data results



Combined (Legacy SYNEX and Legacy Tech Data)
(Currency in millions)
(Unaudited)
(Amounts may not add or compute due to rounding)

	Three Months Ended			
	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020
Revenue	\$ 14,339.2	\$ 15,427.4	\$ 15,245.6	\$ 15,960.9
Cost of revenue	(13,453.1)	(14,531.9)	(14,321.1)	(15,032.2)
Gross profit	886.0	895.6	924.5	928.8
Operating expenses:				
Selling, general and administrative expenses	(607.5)	(637.0)	(644.7)	(599.4)
Acquisition, integration and restructuring expenses	(39.5)	(37.0)	(38.2)	(37.0)
Legal settlements and other litigation, net	(5.2)	—	1.7	—
Gain on bargain purchase	—	—	2.0	28.2
Gain on sale of fixed assets	—	—	7.6	7.9
	(652.2)	(674.1)	(671.6)	(600.3)
Operating income	\$ 233.8	\$ 221.5	\$ 252.8	\$ 328.5
Adjustments				
Acquisition, integration and restructuring expenses	39.5	37.0	38.2	37.0
Amortization of intangibles	50.4	39.3	49.1	49.2
Purchase accounting adjustments	22.7	32.6	32.6	34.0
Stock-based compensation expense	8.0	8.2	6.3	6.5
Non-GAAP operating income	354.4	338.6	379.0	455.2
Depreciation	25.9	26.1	25.6	26.6
Adjusted EBITDA	\$ 380.4	\$ 364.6	\$ 404.6	\$ 481.8

Combined legacy SYNEX and legacy Tech Data results

Combined (Legacy SYNEX and Legacy Tech Data)
(Currency in millions)
(Unaudited)
(Amounts may not add or compute due to rounding)

	Trailing Twelve Months for Periods Ended								
	August 31, 2023	May 31, 2023	February 28, 2023	November 30, 2022	August 31, 2022	May 31, 2022	February 28, 2022	November 30, 2021	August 31, 2021
Revenue	\$ 59,396.1	\$ 60,791.5	\$ 61,999.2	\$ 62,343.8	\$ 61,707.1	\$ 60,690.2	\$ 60,847.8	\$ 60,623.5	\$ 60,973.1
Cost of revenue	(55,398.1)	(56,848.8)	(58,064.1)	(58,443.6)	(57,923.5)	(56,936.6)	(57,154.4)	(56,974.2)	(57,338.3)
Gross profit	3,998.0	3,942.7	3,935.1	3,900.2	3,783.6	3,753.6	3,693.4	3,649.2	3,634.8
Operating expenses:									
Selling, general and administrative expenses	(2,662.8)	(2,631.5)	(2,628.4)	(2,627.0)	(2,607.2)	(2,586.6)	(2,553.1)	(2,545.0)	(2,488.6)
Acquisition, integration and restructuring expenses	(209.7)	(184.5)	(180.1)	(222.3)	(274.4)	(267.5)	(272.0)	(216.9)	(151.8)
Legal settlements and other litigation, net	—	—	—	—	—	(5.2)	(5.2)	(3.5)	(3.5)
Gain on bargain purchase	—	—	—	—	—	—	—	2.0	30.2
Gain on sale of fixed assets	—	—	—	—	—	—	—	7.6	15.5
	(2,872.5)	(2,816.0)	(2,808.5)	(2,849.3)	(2,881.6)	(2,859.3)	(2,830.3)	(2,755.7)	(2,598.2)
Operating income	\$ 1,125.5	\$ 1,126.7	\$ 1,126.6	\$ 1,050.9	\$ 902.1	\$ 894.3	\$ 863.1	\$ 893.5	\$ 1,036.6
Adjustments									
Acquisition, integration and restructuring expenses	209.7	184.5	180.1	222.3	274.3	267.5	272.0	216.9	151.8
Amortization of intangibles	295.7	294.9	296.0	299.2	301.3	278.4	243.0	215.9	187.9
Purchase accounting adjustments	32.8	60.8	87.0	112.7	123.3	115.6	116.8	116.3	121.9
Stock-based compensation expense	47.8	45.9	45.3	39.0	35.4	36.7	37.8	37.4	29.0
Non-GAAP operating income	1,711.5	1,712.8	1,735.0	1,724.0	1,636.4	1,592.5	1,532.8	1,479.9	1,527.2
Depreciation	102.7	100.0	98.9	99.8	102.7	104.8	104.9	104.0	103.2
Adjusted EBITDA	\$ 1,814.2	\$ 1,812.8	\$ 1,833.9	\$ 1,823.9	\$ 1,739.1	\$ 1,697.4	\$ 1,637.7	\$ 1,584.0	\$ 1,630.3

Reconciliation of GAAP to non-GAAP financial measures



TD SYNEX
 (Currency in millions)
 (Amounts may not add or compute due to rounding)

	Trailing Twelve Months for Period Ended
	August 31, 2023
Adjusted EBITDA less Capex	
Operating income	\$ 1,125.5
Adjustments	
Acquisition, integration and restructuring expenses	209.7
Amortization of intangibles	295.7
Purchase accounting adjustments	32.8
Stock-based compensation expense	47.8
Non-GAAP operating income	1,711.5
Depreciation	102.7
Adjusted EBITDA	\$ 1,814.2
Purchases of property and equipment	\$ (145.9)
Adjusted EBITDA less Capex	\$ 1,668.3
Conversion percentage	92 %

THANK YOU

Liz Morali

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