



**NEWS**  
FOR IMMEDIATE RELEASE

## Tech Data Reports Second Quarter Fiscal Year 2020 Results

CLEARWATER, Fla., (August 29, 2019) -- Tech Data (NASDAQ: TECD) (the "Company") today announced its financial results for the second quarter ended July 31, 2019.

(\$ in millions, except per share amounts)	Second quarter ended July 31,			Six months ended July 31,		
	2019	2018	Y/Y Change	2019	2018	Y/Y Change
<b>Net Sales</b>	\$9,092.2	\$8,886.1	2%	\$17,498.7	\$17,434.4	0%
<b>Gross profit</b>	\$561.7	\$527.0	7%	\$1,071.0	\$1,050.1	2%
<b>Gross margin</b>	6.18%	5.93%	25 bps	6.12%	6.02%	10 bps
<b>SG&amp;A expenses (GAAP)</b>	\$431.7	\$415.3	4%	\$837.5	\$837.7	0%
<i>% of net sales</i>	4.75%	4.67%	8 bps	4.79%	4.80%	-1 bps
<b>SG&amp;A expenses (Non-GAAP)</b>	\$410.2	\$392.1	5%	\$794.9	\$791.1	0%
<i>% of net sales</i>	4.51%	4.41%	10 bps	4.54%	4.54%	0 bps
<b>Operating income (GAAP)</b>	\$124.7	\$110.4	13%	\$222.4	\$180.9	23%
<b>Operating margin (GAAP)</b>	1.37%	1.24%	13 bps	1.27%	1.04%	23 bps
<b>Operating income (Non-GAAP)</b>	\$151.4	\$135.0	12%	\$276.2	\$259.0	7%
<b>Operating margin (Non-GAAP)</b>	1.67%	1.52%	15 bps	1.58%	1.49%	9 bps
<b>Net income (GAAP)</b>	\$79.3	\$75.9	4%	\$134.7	\$109.6	23%
<b>Net income (Non-GAAP)</b>	\$98.6	\$77.7	27%	\$174.5	\$148.5	18%
<b>EPS - diluted (GAAP)</b>	\$2.16	\$1.97	10%	\$3.64	\$2.84	28%
<b>EPS - diluted (Non-GAAP)</b>	\$2.69	\$2.01	34%	\$4.72	\$3.85	23%

A reconciliation of GAAP to non-GAAP financial measures is presented in the financial tables of this press release. This information is also available on the Investor Relations section of Tech Data's website at [www.techdata.com/investor](http://www.techdata.com/investor).

"We are pleased to report that Tech Data delivered an outstanding second quarter performance marked by broad-based improvement across our geographies. A stable demand environment, combined with strong execution by our teams, resulted in a number of key achievements, including: solid sales growth in constant currency, double-digit growth in operating income and earnings per share, positive cash flow, and an industry-leading return on invested capital," said Rich Hume, chief executive officer. "We achieved all of this while continuing to advance our strategy, invest for the future and return cash to our shareholders in the form of share repurchases. The Board's authorization of an additional \$200 million share repurchase reflects our continued confidence in our business and commitment to creating value for our shareholders."

## Regional Financial Highlights for the Second Quarter Ended July 31, 2019:

(\$ in millions)	Second quarter ended July 31,			Six months ended July 31,		
	2019	2018	Y/Y Change	2019	2018	Y/Y Change
<b>AMERICAS</b>						
<b>Net Sales</b>	\$4,316.7	\$4,043.3	7%	\$8,105.9	\$7,661.5	6%
<i>% of WW net sales</i>	47%	46%		46%	44%	
<b>Operating income (GAAP)</b>	\$93.1	\$87.9	6%	\$161.7	\$149.3	8%
<i>% of net sales</i>	2.16%	2.17%	-1 bps	2.00%	1.95%	5 bps
<b>Operating income (Non-GAAP)</b>	\$107.9	\$95.4	13%	\$192.6	\$181.4	6%
<i>% of net sales</i>	2.50%	2.36%	14 bps	2.38%	2.37%	1 bps
<b>EUROPE</b>						
<b>Net Sales</b>	\$4,439.6	\$4,549.1	-2%	\$8,749.1	\$9,210.8	-5%
<i>% of WW net sales</i>	49%	51%		50%	53%	
<b>Operating income (GAAP)</b>	\$37.6	\$29.1	29%	\$74.1	\$46.4	60%
<i>% of net sales</i>	0.85%	0.64%	21 bps	0.85%	0.50%	35 bps
<b>Operating income (Non-GAAP)</b>	\$47.3	\$44.3	7%	\$92.9	\$88.0	6%
<i>% of net sales</i>	1.07%	0.97%	10 bps	1.06%	0.96%	10 bps
<b>ASIA PACIFIC</b>						
<b>Net Sales</b>	\$335.9	\$293.6	14%	\$643.6	\$562.1	15%
<i>% of WW net sales</i>	4%	3%		4%	3%	
<b>Operating income (GAAP)</b>	\$2.1	\$1.3	57%	\$2.9	\$0.7	297%
<i>% of net sales</i>	0.62%	0.45%	17 bps	0.46%	0.13%	33 bps
<b>Operating income (Non-GAAP)</b>	\$4.3	\$2.5	71%	\$7.1	\$3.6	98%
<i>% of net sales</i>	1.28%	0.86%	42 bps	1.10%	0.64%	46 bps

Note: WW = worldwide

Stock-based compensation expense was \$8.1 million, an increase of \$0.1 million, compared to the prior-year quarter. These expenses are excluded from the regional operating results and presented as a separate line item in the company's segment reporting (see the GAAP to non-GAAP reconciliation in the financial tables of this press release).

- Net sales were \$9.1 billion, an increase of 2 percent compared to the prior-year quarter. On a constant currency basis, net sales increased 5 percent.
  - Americas: Net sales were \$4.3 billion, an increase of 7 percent compared to the prior-year quarter. On a constant currency basis, net sales also increased 7 percent.
  - Europe: Net sales were \$4.4 billion, a decrease of 2 percent compared to the prior-year quarter. On a constant currency basis, net sales increased 2 percent.
  - Asia Pacific: Net sales were \$0.3 billion, an increase of 14 percent compared to the prior-year quarter. On a constant currency basis, net sales increased 17 percent.
- Net cash generated by operations during the quarter was \$40 million.

- Return on invested capital for the trailing twelve months was 13 percent, compared to 5 percent in the prior year. Adjusted return on invested capital for the trailing twelve months was 15 percent, compared to 11 percent in the comparable period.

“Year to date, we generated \$103 million in cash from operations, returned \$118 million to our shareholders through share repurchases, and for the trailing twelve month period earned an adjusted return on invested capital of 15 percent,” said Chuck Dannewitz, executive vice president, chief financial officer. “We also took steps to optimize our liquidity and financial profile, as we continue to rigorously review our capital structure to enhance shareholder value.”

### **Business Outlook**

- For the quarter ending October 31, 2019, the Company anticipates:
  - Worldwide net sales to be in the range of \$9.2 billion to \$9.5 billion
  - EPS to be in the range of \$2.33 to \$2.63 and non-GAAP EPS to be in the range of \$2.85 to \$3.15
  - An effective tax rate in the range of 24 percent to 25 percent
- This guidance assumes an average U.S. dollar to euro exchange rate of \$1.12 to €1.00 which compares to \$1.16 to €1.00 in the year-ago period.

### **Webcast Details**

Tech Data will hold a conference call today at 9:00 a.m. (ET) to discuss its financial results for the second quarter ended July 31, 2019. A webcast of the call, including supplemental schedules, will be available to all interested parties and can be obtained at [www.techdata.com/investor](http://www.techdata.com/investor). The webcast will be available for replay for three months.

### **Non-GAAP Financial Information**

The non-GAAP financial information contained in this release is included with the intention of providing investors a more complete understanding of the Company’s operational results and trends, but should only be used in conjunction with results reported in accordance with Generally Accepted Accounting Principles (“GAAP”). Certain non-GAAP measures presented in this release or other releases, presentations and similar documents issued by the Company include sales, income or expense items as adjusted for the impact of changes in foreign currencies (referred to as “constant currency”), non-GAAP operating income, non-GAAP operating margin, non-GAAP net income, non-GAAP earnings per diluted share and Adjusted Return on Invested Capital. Certain non-GAAP measures also exclude acquisition-related intangible assets amortization expense, benefits associated with legal settlements, acquisition, integration and restructuring expenses, value-added tax assessments and related interest expense, gain on disposal of subsidiary, tax indemnifications and changes in deferred tax valuation allowances. A detailed reconciliation of the adjustments between results calculated using GAAP and non-GAAP in this release is contained in the attached financial schedules. This information can also be obtained from the Company’s Investor Relations website at [www.techdata.com/investor](http://www.techdata.com/investor).

### **Forward-Looking Statements**

Certain statements in this communication may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, including statements regarding Tech Data’s plans, objectives, expectations and intentions, Tech Data’s financial results and estimates and/or business prospects, involve a number of risks and uncertainties and actual results could differ materially from those projected. These forward looking statements are based on current expectations, estimates, forecasts, and projections about the operating environment, economies and markets in which Tech Data operates and the beliefs and assumptions of our management. Words such as “expects,” “anticipates,” “targets,” “goals,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” variations of such words, and similar expressions are intended to identify such forward looking statements. In addition, any statements that refer to projections of Tech Data’s future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances, are forward looking statements. These forward looking statements are only predictions and are subject to risks, uncertainties, and assumptions. Therefore, actual results may differ materially and adversely from those expressed in any forward looking statements.

For additional information with respect to risks and other factors which could occur, see Tech Data’s Annual Report on Form 10-K for the year ended January 31, 2019, including Part I, Item 1A, “Risk Factors” therein,

Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other securities filings with the Securities and Exchange Commission (the “SEC”) that are available at the SEC’s website at [www.sec.gov](http://www.sec.gov) and other securities regulators. Readers are cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Many of these factors are beyond Tech Data’s control. Unless otherwise required by applicable securities laws, Tech Data disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Tech Data undertakes no duty to update any forward looking statements contained herein to reflect actual results or changes in Tech Data’s expectations.

### **About Tech Data**

Tech Data connects the world with the power of technology. Our end-to-end portfolio of products, services and solutions, highly specialized skills, and expertise in next-generation technologies enable channel partners to bring to market the products and solutions the world needs to connect, grow and advance. Tech Data is ranked No. 88 on the Fortune 500® and has been named one of Fortune’s World’s Most Admired Companies for 10 straight years. To find out more, visit [www.techdata.com](http://www.techdata.com) or follow us on [Twitter](#), [LinkedIn](#), [Facebook](#) and [Instagram](#).

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**TECH DATA CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF OPERATIONS**

(In thousands, except per share amounts)

(Unaudited)

	Three months ended July 31,		Six months ended July 31,	
	2019	2018	2019	2018
Net sales	\$ 9,092,244	\$ 8,886,101	\$ 17,498,668	\$ 17,434,420
Cost of products sold	8,530,594	8,359,071	16,427,639	16,384,273
Gross profit	561,650	527,030	1,071,029	1,050,147
Operating expenses:				
Selling, general and administrative expenses	431,694	415,319	837,510	837,680
Acquisition, integration, and restructuring expenses	5,209	13,297	11,430	46,522
Legal settlements and other, net	—	(5,234)	(282)	(8,199)
Gain on disposal of subsidiary	—	(6,717)	—	(6,717)
	436,903	416,665	848,658	869,286
Operating income	124,747	110,365	222,371	180,861
Interest expense	20,986	28,053	47,243	53,975
Other expense, net	2,896	901	2,203	2,818
Income before income taxes	100,865	81,411	172,925	124,068
Provision for income taxes	21,615	5,545	38,275	14,503
Net income	\$ 79,250	\$ 75,866	\$ 134,650	\$ 109,565
Earnings per share:				
Basic	\$ 2.17	\$ 1.97	\$ 3.67	\$ 2.86
Diluted	\$ 2.16	\$ 1.97	\$ 3.64	\$ 2.84
Weighted average common shares outstanding:				
Basic	36,476	38,428	36,739	38,356
Diluted	36,661	38,566	36,964	38,565

**TECH DATA CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**

(In thousands, except par value and share amounts)

ASSETS	July 31, 2019 (unaudited)	January 31, 2019
Current assets:		
Cash and cash equivalents	\$ 738,265	\$ 799,123
Accounts receivable, net	5,390,102	6,241,740
Inventories	3,115,899	3,297,385
Prepaid expenses and other assets	360,027	354,601
Total current assets	<u>9,604,293</u>	<u>10,692,849</u>
Property and equipment, net	273,128	274,917
Goodwill	880,657	892,990
Intangible assets, net	899,076	950,858
Other assets, net	397,901	174,938
Total assets	<u>\$ 12,055,055</u>	<u>\$ 12,986,552</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 6,459,858	\$ 7,496,466
Accrued expenses and other liabilities	987,418	1,000,126
Revolving credit loans and current maturities of long-term debt, net	128,453	110,368
Total current liabilities	<u>7,575,729</u>	<u>8,606,960</u>
Long-term debt, less current maturities	1,297,212	1,300,554
Other long-term liabilities	292,492	142,315
Total liabilities	<u>\$ 9,165,433</u>	<u>\$ 10,049,829</u>
Shareholders' equity:		
Common stock, par value \$0.0015; 200,000,000 shares authorized; 59,245,585 shares issued at July 31, 2019 and January 31, 2019	\$ 89	\$ 89
Additional paid-in capital	843,159	844,206
Treasury stock, at cost (23,288,420 and 22,305,464 shares at July 31, 2019 and January 31, 2019)	(1,146,289)	(1,037,872)
Retained earnings	3,221,164	3,086,514
Accumulated other comprehensive (loss) income	(28,501)	43,786
Total shareholders' equity	<u>2,889,622</u>	<u>2,936,723</u>
Total liabilities and shareholders' equity	<u>\$ 12,055,055</u>	<u>\$ 12,986,552</u>

**TECH DATA CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

(In thousands)

(Unaudited)

	<b>Six months ended July 31,</b>	
	<b>2019</b>	<b>2018</b>
Cash flows from operating activities:		
Cash received from customers	\$ 23,717,345	\$ 22,873,693
Cash paid to vendors and employees	(23,530,536)	(22,793,148)
Interest paid, net	(46,204)	(48,829)
Income taxes paid	(37,767)	(37,179)
Net cash provided by (used in) operating activities	<u>102,838</u>	<u>(5,463)</u>
Cash flows from investing activities:		
Proceeds from sale of business, net of cash divested	—	8,985
Acquisition of businesses, net of cash acquired	—	(2,818)
Expenditures for property and equipment	(18,806)	(14,131)
Software and software development costs	(14,704)	(8,592)
Other	117	1,096
Net cash used in investing activities	<u>(33,393)</u>	<u>(15,460)</u>
Cash flows from financing activities:		
Principal payments on long-term debt	(7,368)	(105,845)
Cash paid for debt issuance costs	(3,909)	—
Net borrowings (repayments) on revolving credit loans	19,786	(8,700)
Payments for employee tax withholdings on equity awards	(9,134)	(6,702)
Proceeds from the reissuance of treasury stock	1,002	920
Repurchases of common stock	(117,692)	—
Net cash used in financing activities	<u>(117,315)</u>	<u>(120,327)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(12,988)</u>	<u>(21,519)</u>
Net decrease in cash and cash equivalents	<u>(60,858)</u>	<u>(162,769)</u>
Cash and cash equivalents at beginning of year	799,123	955,628
Cash and cash equivalents at end of period	<u>\$ 738,265</u>	<u>\$ 792,859</u>
Reconciliation of net income to net cash provided by (used in) operating activities:		
Net income	\$ 134,650	\$ 109,565
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Gain on disposal of subsidiary	—	(6,717)
Depreciation and amortization	74,759	80,399
Provision for losses on accounts receivable	14,432	6,270
Stock-based compensation expense	16,360	15,555
Accretion of debt discount and debt issuance costs	1,700	1,805
Deferred income taxes	(1,879)	(11,396)
Changes in operating assets and liabilities, net of acquisitions and disposition:		
Accounts receivable	737,724	602,579
Inventories	139,997	(166,800)
Prepaid expenses and other assets	(10,535)	(40,180)
Accounts payable	(923,917)	(486,900)
Accrued expenses and other liabilities	(80,453)	(109,643)
Total adjustments	<u>(31,812)</u>	<u>(115,028)</u>
Net cash provided by (used in) operating activities	<u>\$ 102,838</u>	<u>\$ (5,463)</u>

**TECH DATA CORPORATION AND SUBSIDIARIES**  
**GAAP TO NON-GAAP RECONCILIATION**

(In thousands)

	Three months ended July 31, 2019				
	Americas <sup>(1)</sup>	Europe <sup>(1)</sup>	Asia Pacific <sup>(1)</sup>	Stock Compensation Expense	Consolidated
<b>Net Sales</b>	<b>\$ 4,316,731</b>	<b>\$ 4,439,627</b>	<b>\$ 335,886</b>		<b>\$ 9,092,244</b>
Operating income (GAAP) <sup>(1)</sup>	\$ 93,085	\$ 37,649	\$ 2,068	\$ (8,055)	\$ 124,747
Acquisition, integration and restructuring expenses	1,341	3,229	639	-	5,209
Acquisition-related intangible assets amortization expense	13,440	6,430	1,312		21,182
Tax indemnifications	-	-	265		265
Total non-GAAP operating income adjustments	\$ 14,781	\$ 9,659	\$ 2,216	\$ -	\$ 26,656
<b>Operating income (non-GAAP)</b>	<b>\$ 107,866</b>	<b>\$ 47,308</b>	<b>\$ 4,284</b>	<b>\$ (8,055)</b>	<b>\$ 151,403</b>
<b>Operating margin (GAAP)</b>	<b>2.16%</b>	<b>0.85%</b>	<b>0.62%</b>		<b>1.37%</b>
<b>Operating margin (non-GAAP)</b>	<b>2.50%</b>	<b>1.07%</b>	<b>1.28%</b>		<b>1.67%</b>

<sup>(1)</sup> GAAP operating income does not include stock compensation expense at the regional level.

	Three months ended July 31, 2018				
	Americas <sup>(1)</sup>	Europe <sup>(1)</sup>	Asia Pacific <sup>(1)</sup>	Stock Compensation Expense	Consolidated
<b>Net Sales</b>	<b>\$ 4,043,331</b>	<b>\$ 4,549,127</b>	<b>\$ 293,643</b>		<b>\$ 8,886,101</b>
Operating income (GAAP) <sup>(1)</sup>	\$ 87,930	\$ 29,085	\$ 1,318	\$ (7,968)	\$ 110,365
Acquisition, integration and restructuring expenses	(844)	13,342	131	668	13,297
Legal settlements and other, net	(5,234)	-	-		(5,234)
Acquisition-related intangible assets amortization expense	13,570	7,727	1,418		22,715
Gain on disposal of subsidiary	-	(6,717)	-		(6,717)
Tax indemnifications	-	910	(356)		554
Total non-GAAP operating income adjustments	\$ 7,492	\$ 15,262	\$ 1,193	\$ 668	\$ 24,615
<b>Operating income (non-GAAP)</b>	<b>\$ 95,422</b>	<b>\$ 44,347</b>	<b>\$ 2,511</b>	<b>\$ (7,300)</b>	<b>\$ 134,980</b>
<b>Operating margin (GAAP)</b>	<b>2.17%</b>	<b>0.64%</b>	<b>0.45%</b>		<b>1.24%</b>
<b>Operating margin (non-GAAP)</b>	<b>2.36%</b>	<b>0.97%</b>	<b>0.86%</b>		<b>1.52%</b>

<sup>(1)</sup> GAAP operating income does not include stock compensation expense at the regional level.

**TECH DATA CORPORATION AND SUBSIDIARIES**  
**GAAP TO NON-GAAP RECONCILIATION**  
(In thousands)

	Six months ended July 31, 2019				
	Americas <sup>(1)</sup>	Europe <sup>(1)</sup>	Asia Pacific <sup>(1)</sup>	Stock Compensation Expense	Consolidated
<b>Net Sales</b>	<b>\$ 8,105,929</b>	<b>\$ 8,749,127</b>	<b>\$ 643,612</b>		<b>\$ 17,498,668</b>
Operating income (GAAP) <sup>(1)</sup>	\$ 161,718	\$ 74,069	\$ 2,944	\$ (16,360)	\$ 222,371
Acquisition, integration and restructuring expenses	4,252	6,253	925	-	11,430
Legal settlements and other, net	(282)	-	-		(282)
Acquisition-related intangible assets amortization expense	26,880	12,545	2,636		42,061
Tax indemnifications	-	-	585		585
Total non-GAAP operating income adjustments	\$ 30,850	\$ 18,798	\$ 4,146	\$ -	\$ 53,794
<b>Operating income (non-GAAP)</b>	<b>\$ 192,568</b>	<b>\$ 92,867</b>	<b>\$ 7,090</b>	<b>\$ (16,360)</b>	<b>\$ 276,165</b>
<b>Operating margin (GAAP)</b>	<b>2.00%</b>	<b>0.85%</b>	<b>0.46%</b>		<b>1.27%</b>
<b>Operating margin (non-GAAP)</b>	<b>2.38%</b>	<b>1.06%</b>	<b>1.10%</b>		<b>1.58%</b>

<sup>(1)</sup> GAAP operating income does not include stock compensation expense at the regional level.

	Six months ended July 31, 2018				
	Americas <sup>(1)</sup>	Europe <sup>(1)</sup>	Asia Pacific <sup>(1)</sup>	Stock Compensation Expense	Consolidated
<b>Net Sales</b>	<b>\$ 7,661,537</b>	<b>\$ 9,210,829</b>	<b>\$ 562,054</b>		<b>\$ 17,434,420</b>
Operating income (GAAP) <sup>(1)</sup>	\$ 149,272	\$ 46,403	\$ 741	\$ (15,555)	\$ 180,861
Acquisition, integration and restructuring expenses	13,072	31,330	452	1,668	46,522
Legal settlements and other, net	(8,199)	-	-		(8,199)
Acquisition-related intangible assets amortization expense	27,213	16,056	2,750		46,019
Gain on disposal of subsidiary	-	(6,717)	-		(6,717)
Tax indemnifications	-	910	(356)		554
Total non-GAAP operating income adjustments	\$ 32,086	\$ 41,579	\$ 2,846	\$ 1,668	\$ 78,179
<b>Operating income (non-GAAP)</b>	<b>\$ 181,358</b>	<b>\$ 87,982</b>	<b>\$ 3,587</b>	<b>\$ (13,887)</b>	<b>\$ 259,040</b>
<b>Operating margin (GAAP)</b>	<b>1.95%</b>	<b>0.50%</b>	<b>0.13%</b>		<b>1.04%</b>
<b>Operating margin (non-GAAP)</b>	<b>2.37%</b>	<b>0.96%</b>	<b>0.64%</b>		<b>1.49%</b>

<sup>(1)</sup> GAAP operating income does not include stock compensation expense at the regional level.

**TECH DATA CORPORATION AND SUBSIDIARIES**  
**GAAP TO NON-GAAP RECONCILIATION**

(In thousands)

<b>Selling, general and administrative expenses ("SG&amp;A")</b>	<b>Three months ended July 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Net Sales</b>	<b>\$ 9,092,244</b>	<b>\$ 8,886,101</b>
SG&A Expenses (GAAP)	\$ 431,694	\$ 415,319
Tax indemnifications	(265)	(554)
Acquisition-related intangible assets amortization expense	(21,182)	(22,715)
<b>SG&amp;A Expenses (non-GAAP)</b>	<b>\$ 410,247</b>	<b>\$ 392,050</b>
<b>SG&amp;A Expenses (GAAP) %</b>	<b>4.75%</b>	<b>4.67%</b>
<b>SG&amp;A Expenses (non-GAAP) %</b>	<b>4.51%</b>	<b>4.41%</b>

	<b>Six months ended July 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Net Sales</b>	<b>\$ 17,498,668</b>	<b>\$ 17,434,420</b>
SG&A Expenses (GAAP)	\$ 837,510	\$ 837,680
Tax indemnifications	(585)	(554)
Acquisition-related intangible assets amortization expense	(42,061)	(46,019)
<b>SG&amp;A Expenses (non-GAAP)</b>	<b>\$ 794,864</b>	<b>\$ 791,107</b>
<b>SG&amp;A Expenses (GAAP) %</b>	<b>4.79%</b>	<b>4.80%</b>
<b>SG&amp;A Expenses (non-GAAP) %</b>	<b>4.54%</b>	<b>4.54%</b>

**TECH DATA CORPORATION AND SUBSIDIARIES**  
**GAAP TO NON-GAAP RECONCILIATION**

(In thousands)

	Three months ended July 31,			
	2019		2018	
	Net Income	Diluted EPS	Net Income	Diluted EPS
<b>GAAP Results</b>	<b>\$79,250</b>	<b>\$2.16</b>	<b>\$75,866</b>	<b>\$1.97</b>
Acquisition, integration and restructuring expenses	5,209	0.14	13,297	0.34
Legal settlements and other, net	-	-	(5,234)	(0.13)
Acquisition-related intangible assets amortization expense	21,182	0.58	22,715	0.59
Gain on disposal of subsidiary	-	-	(6,717)	(0.17)
Tax indemnifications	265	0.01	554	0.01
Income tax effect of tax indemnifications	(265)	(0.01)	(554)	(0.01)
Income tax effect of other adjustments above	(7,015)	(0.19)	(9,404)	(0.25)
Income tax benefit from acquisition settlement	-	-	(12,839)	(0.34)
<b>Non-GAAP Results</b>	<b>\$98,626</b>	<b>\$2.69</b>	<b>\$77,684</b>	<b>\$2.01</b>

	Six months ended July 31,			
	2019		2018	
	Net Income	Diluted EPS	Net Income	Diluted EPS
<b>GAAP Results</b>	<b>\$134,650</b>	<b>\$3.64</b>	<b>\$109,565</b>	<b>\$2.84</b>
Acquisition, integration and restructuring expenses	11,430	0.31	46,522	1.21
Legal settlements and other, net	(282)	(0.01)	(8,199)	(0.21)
Acquisition-related intangible assets amortization expense	42,061	1.14	46,019	1.19
Gain on disposal of subsidiary	-	-	(6,717)	(0.17)
Tax indemnifications	585	0.02	554	0.01
Value added tax assessments and related interest expense	-	-	(928)	(0.02)
Income tax effect of tax indemnifications	(585)	(0.02)	(554)	(0.01)
Income tax effect of other adjustments above	(13,336)	(0.36)	(22,312)	(0.58)
Income tax benefit from acquisition settlement	-	-	(12,839)	(0.34)
Change in deferred tax valuation allowances	-	-	(2,600)	(0.07)
<b>Non-GAAP Results</b>	<b>\$174,523</b>	<b>\$4.72</b>	<b>\$148,511</b>	<b>\$3.85</b>

**TECH DATA CORPORATION AND SUBSIDIARIES**  
**GAAP TO NON-GAAP RECONCILIATION**  
(In thousands)

**Return on Invested Capital (ROIC)**

	<b>Twelve months ended July 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>TTM Net Operating Profit After Tax (NOPAT)*:</b>		
Operating income	\$ 535,312	\$ 412,331
Income taxes on operating income <sup>(1)</sup>	(71,618)	(211,261)
NOPAT	<u>\$ 463,694</u>	<u>\$ 201,070</u>
<b>Average Invested Capital:</b>		
Short-term debt (5-qtr end average)	\$ 117,825	\$ 188,558
Long-term debt (5-qtr end average)	1,319,914	1,604,359
Shareholders' Equity (5-qtr end average)	2,886,150	2,819,394
Total average capital	4,323,889	4,612,311
Less: Cash (5-qtr end average)	(754,845)	(737,995)
Average invested capital less average cash	<u>\$ 3,569,044</u>	<u>\$ 3,874,316</u>
<b>ROIC</b>	<b>13%</b>	<b>5%</b>

\* Trailing Twelve Months is abbreviated as TTM.

<sup>(1)</sup> Income taxes on operating income was calculated using the trailing twelve months effective tax rate.

**Adjusted Return on Invested Capital (ROIC)**

	<b>Twelve months ended July 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>TTM Net Operating Profit After Tax (NOPAT), as adjusted*:</b>		
Non-GAAP operating income <sup>(1)</sup>	\$ 725,011	\$ 610,691
Income taxes on non-GAAP operating income <sup>(2)</sup>	(177,649)	(172,797)
NOPAT, as adjusted	<u>\$ 547,362</u>	<u>\$ 437,894</u>
<b>Average Invested Capital, as adjusted:</b>		
Short-term debt (5-qtr end average)	\$ 117,825	\$ 188,558
Long-term debt (5-qtr end average)	1,319,914	1,604,359
Shareholders' Equity (5-qtr end average)	2,886,150	2,819,394
Tax effected impact of non-GAAP adjustments <sup>(3)</sup>	45,223	95,231
Total average capital, as adjusted	4,369,112	4,707,542
Less: Cash (5-qtr end average)	(754,845)	(737,995)
Average invested capital less average cash	<u>\$ 3,614,267</u>	<u>\$ 3,969,547</u>
<b>Adjusted ROIC</b>	<b>15%</b>	<b>11%</b>

\* Trailing Twelve Months is abbreviated as TTM.

<sup>(1)</sup> Represents operating income as adjusted to exclude acquisition, integration and restructuring expenses, legal settlements and other, net, gain on disposal of subsidiary, value added tax assessments, acquisition-related intangible assets amortization expense, goodwill impairment and tax indemnifications.

<sup>(2)</sup> Income taxes on non-GAAP operating income was calculated using the trailing twelve months effective tax rate adjusted for the impact of non-GAAP adjustments during the respective periods.

<sup>(3)</sup> Represents the 5 quarter average of the year-to-date impact of non-GAAP adjustments.

**TECH DATA CORPORATION AND SUBSIDIARIES**  
**GAAP TO NON-GAAP RECONCILIATION**

**Guidance Reconciliation**

	<b>Three months ending October 31, 2019</b>	
	<b>Low end of guidance range</b>	<b>High end of guidance range</b>
<b>Earnings per share - diluted</b>	<b>\$2.33</b>	<b>\$2.63</b>
Acquisition-related amortization of intangibles	0.58	0.58
Acquisition, integration and restructuring expenses	0.12	0.12
Income tax effect of the above adjustments	(0.18)	(0.18)
<b>Non-GAAP earnings per share - diluted</b>	<b>\$2.85</b>	<b>\$3.15</b>