Q2 Fiscal Year 2020 Financial Highlights

For the quarter ended July 31, 2019

August 29, 2019



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," "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-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 important risks and other factors that could cause actual results to differ materially from those in the forward-looking statements, 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 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.

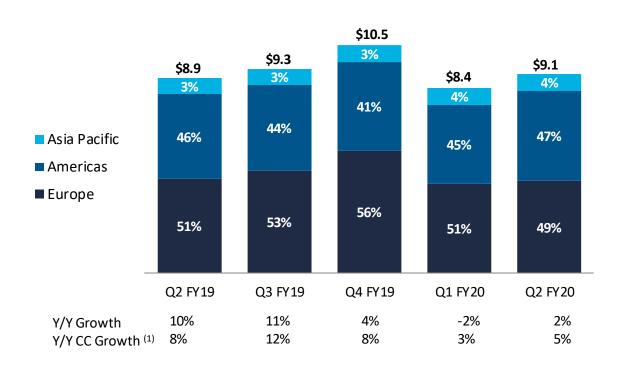
Use of Non-GAAP Financial Information

This document includes financial results prepared in accordance with generally accepted accounting principles ("GAAP"). In addition to GAAP results, Tech Data management believes that the presentation of non-GAAP financial measures is useful to investors because it provides investors with a more complete understanding of our operational results and a meaningful comparison of our performance between periods. The non-GAAP results and outlook should only be used in conjunction with results reported in accordance with GAAP and are not intended to be a substitute for results reported in accordance with GAAP. Non-GAAP financial measures presented in this presentation or other presentations, press releases and similar documents issued by Tech Data, include but are not limited to sales, income or expense items as adjusted for the impact of changes in foreign currencies (referred to as "constant currency"), non-GAAP selling, general and administrative expenses ("SG&A"), non-GAAP operating income, non-GAAP operating income growth, Adjusted non-GAAP EPS growth and Adjusted Return on Invested Capital. These non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by comparable companies. Management may also use these non-GAAP financial measures to establish operational goals and, in some cases, for measuring performance for compensation purposes. This presentation provides a detailed reconciliation between results reported in accordance with GAAP and non-GAAP financial measures.



Net Sales

\$ in Billions



- Worldwide reported net sales of \$9.1 billion increased
 2% compared to the prior-year quarter.
- On a constant currency basis, net sales increased 5% compared to the prior-year quarter.
- Three of our vendor partners represented 10% or more of our net sales; Apple represented 14%, Cisco Systems represented 12% and HP Inc represented 11%.



⁽¹⁾ CC: constant currency

Gross Profit and Margin

\$ in Millions

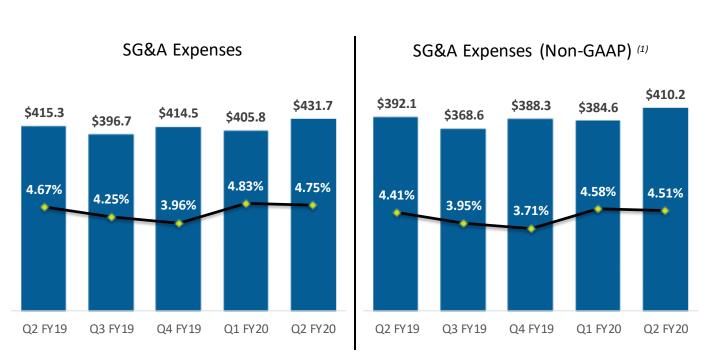


- Gross profit of \$561.7 million increased 7% compared to the prior-year quarter and increased 9% on a constant currency basis.
- Gross margin increased 25 basis points compared to the prior-year quarter.



SG&A Expenses

\$ in Millions



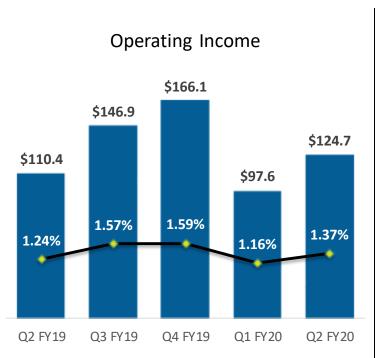
- Non-GAAP SG&A expenses of \$410.2 million increased 5% compared to the prior-year quarter and increased 7% on a constant currency basis.
- Non-GAAP SG&A as a percentage of net sales increased 10 basis points compared to the prior-year quarter.
- GAAP depreciation and amortization expense was \$37.5 million compared to \$39.9 million in the prioryear quarter.

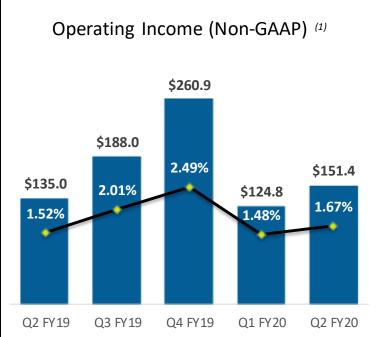


⁽¹⁾ Non-GAAP SG&A excludes acquisition-related amortization of intangibles expenses and tax indemnifications. See GAAP to Non-GAAP reconciliation in the appendix. Note: Q3 FY19 includes a \$25 million benefit from the collection of an accounts receivable balance previously considered uncollectible.

Operating Income

\$ in Millions





Q2 FY20:

- Worldwide non-GAAP operating income of \$151.4 million increased 12% compared to the prior-year quarter, and 14% on a constant currency basis.
- Worldwide non-GAAP operating margin improved 15 basis points from the prior-year quarter.

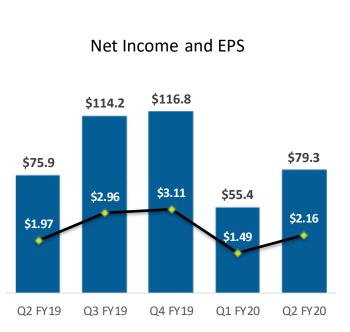
(1) See the GAAP to Non-GAAP reconciliation in the appendix.

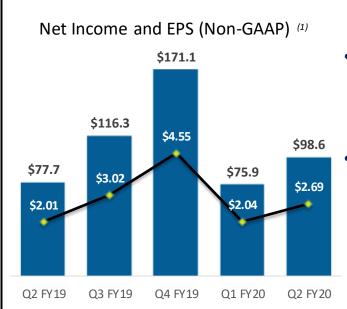
Note: Q3 FY19 includes a \$25 million benefit from the collection of an accounts receivable balance previously considered uncollectible.



Net Income and EPS

\$ in Millions (except EPS)





Q2 FY20:

- The effective tax rate was 21%, compared to 7% in the prior-year quarter. The non-GAAP effective tax rate was 23%, compared to 27% in the prior-year quarter.
- Non-GAAP net income of \$98.6 million increased 27% compared to the prior-year quarter and 29% on a constant currency basis.
- Non-GAAP EPS of \$2.69 increased 34% compared to the prior-year quarter and 36% on a constant currency basis.

(1) See the GAAP to non-GAAP reconciliation in the appendix.

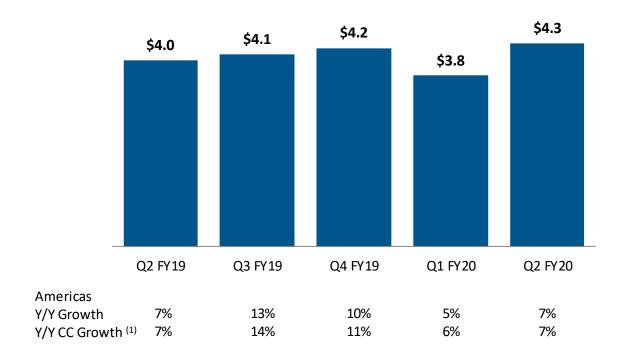
Note: Q3 FY19 includes an \$18 million net of tax benefit, \$0.47 after tax impact in EPS, from the collection of an accounts receivable balance previously considered uncollectible.



Regional Results - Americas

Net Sales

\$ in Billions



Q2 FY20:

 Americas' reported net sales were \$4.3 billion, an increase of 7% compared to the prior-year quarter, and an increase of 7% on a constant currency basis.

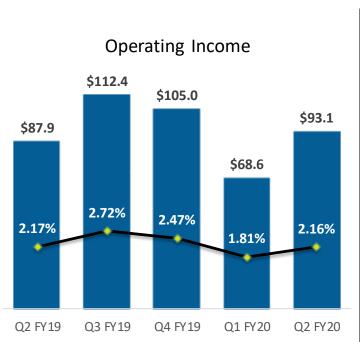
(1) CC: constant currency

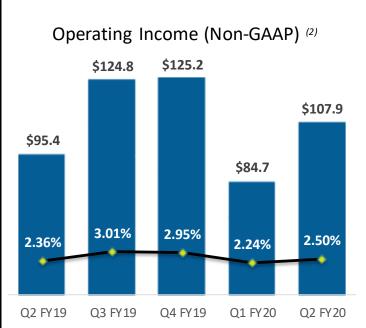


Regional Results - Americas

Operating Income (1)

\$ in Millions





Q2 FY20:

- Americas' non-GAAP operating income of \$107.9 million increased 13% compared to the prior-year quarter, and also increased 13% on a constant currency basis.
- Non-GAAP operating margin improved 14 basis points over the prior-year quarter.

Note: Q3 FY19 includes a \$25 million benefit from the collection of an accounts receivable balance previously considered uncollectible.



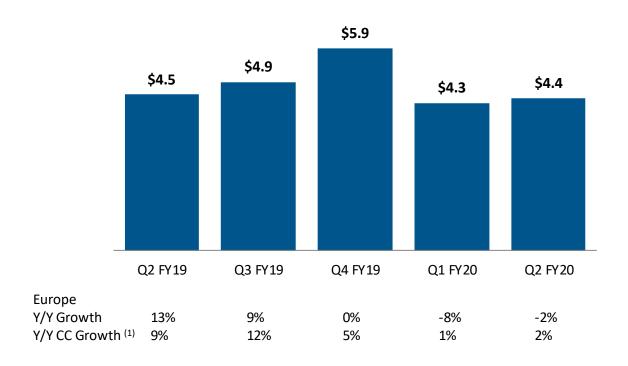
⁽¹⁾ Before stock compensation expense.

⁽²⁾ See the GAAP to non-GAAP reconciliation in the appendix

Regional Results - Europe

Net Sales

\$ in Billions



- Europe's reported net sales were \$4.4 billion, a decline of 2% compared to the prior-year quarter.
- On a constant currency basis, net sales increased 2% compared to the prior-year quarter.



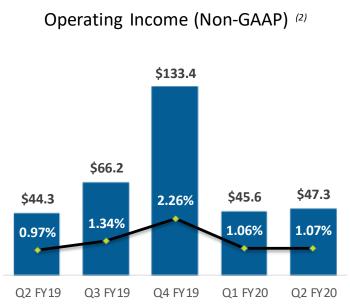


Regional Results - Europe

Operating Income (1)

\$ in Millions





- Europe's non-GAAP operating income of \$47.3 million increased 7% compared to the prior-year quarter, and 11% on a constant currency basis.
- Non-GAAP operating margin improved 10 basis points from the prior-year quarter.



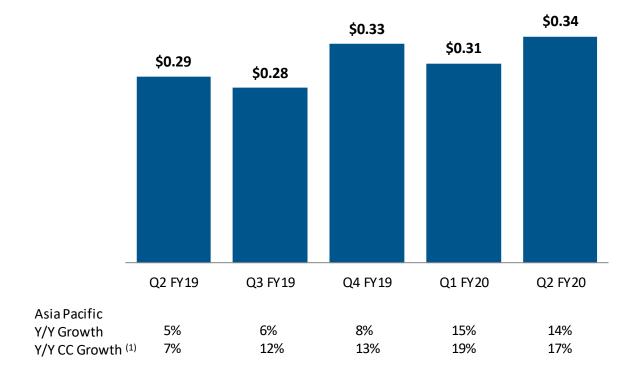
⁽¹⁾ Before stock compensation expense.

⁽²⁾ See the GAAP to non-GAAP reconciliation in the appendix.

Regional Results - Asia Pacific

Net Sales

\$ in Billions



⁽¹⁾ CC: constant currency

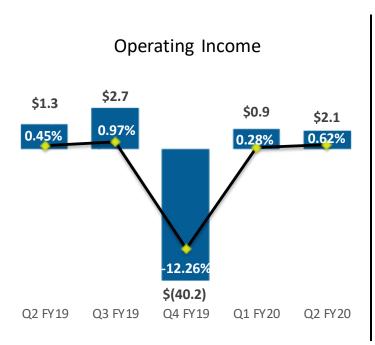
- Asia Pacific reported net sales were \$0.34 billion, an increase of 14% compared to the prior-year quarter.
- On a constant currency basis, net sales increased 17% compared to the prior-year quarter.

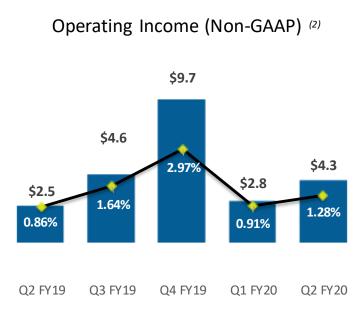


Regional Results - Asia Pacific

Operating Income (1, 3)

\$ in Millions





- The Asia Pacific region's non-GAAP operating income of \$4.3 million increased 71% compared to the prior-year quarter, and 65% on a constant currency basis.
- Non-GAAP operating margin improved 42 basis points from the prior-year quarter.



⁽¹⁾ Before stock compensation expense.

⁽²⁾ See the GAAP to non-GAAP reconciliation in the appendix.

⁽³⁾ GAAP Results for the fourth quarter of fiscal 2019 include a non-cash goodwill impairment charge of \$47 million.

Cash Metrics

Cash Conversion Cycle

	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	Q2 FY20
Days of Sales Outstanding	53	58	54	59	54
Days of Supply	33	33	31	38	33
Days of Purchases Outstanding	(68)	(73)	(70)	(78)	(69)
Cash Conversion Cycle	18	18	15	19	18

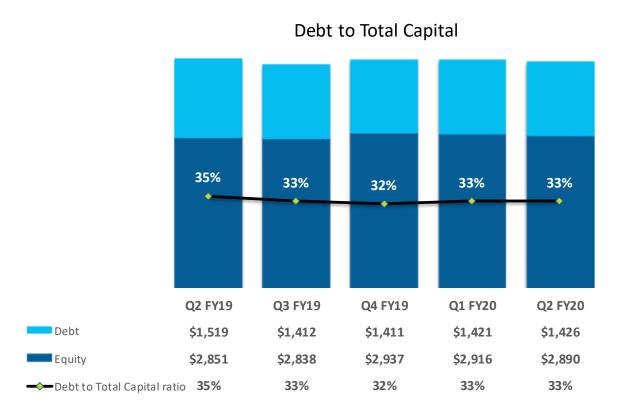
Cash Flow from Operations \$ in Millions



- Net cash generated by operations was \$40 million.
- The cash balance at the end of the quarter was \$738 million.



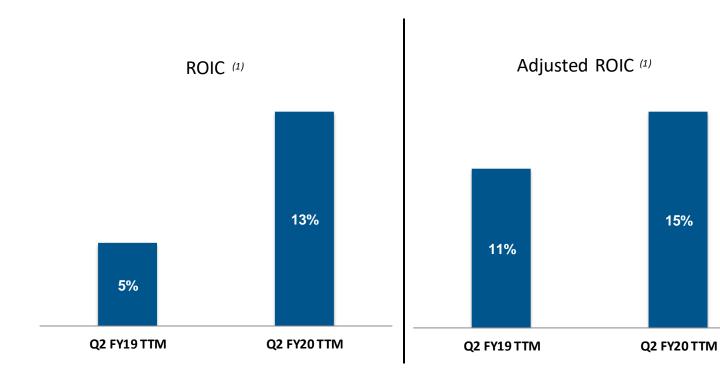
Balance Sheet Highlights



- Accumulated other comprehensive loss was \$29 million.
- Capital expenditures were \$18 million.
- At July 31, 2019, the company had \$2.9 billion of equity, and 35.96 million shares outstanding resulting in book value of \$80.36 per share.
- At July 31, 2019, the company had approximately \$1.7 billion of goodwill and acquired intangibles.



Return on Invested Capital



- Company's Weighted Average Cost of Capital is approximately 9%.
- Adjusted return on invested capital in Q2 FY20 TTM (trailing twelve months) was 15% compared to 11% in the prior-year quarter.



⁽¹⁾ See reconciliation of ROIC to adjusted ROIC calculation in appendix.

Share Repurchase Activity

	Amount Repurchased (\$ millions)	Number of Shares Repurchased (millions)	Average Price Per Share
Q2 FY20 Share Repurchases	\$82	0.833	\$98.42
Q1 FY20 Share Repurchases	\$36	0.346	\$103.15

Amount remaining on current authorization(1)	\$275 million



⁽¹⁾ Amount remaining reflects \$200 million increase to current share repurchase authorization announced August 29, 2019

Business Outlook

For the quarter ending October 31, 2019

Net Sales Range	\$9.2 billion to \$9.5 billion
EPS Range	\$2.33 to \$2.63
Non-GAAP EPS Range (1)	\$2.85 to \$3.15

Q3 FY20 business outlook assumes the following:

- U.S. dollar to euro exchange rate of \$1.12 to €1.00 compared with \$1.16 to €1.00 in the prior-year quarter.
- For the quarter ending October 31, 2019, the Company anticipates its effective tax rate will be in the range of 24 percent to 25 percent.

Forward-Looking Statements

Certain statements made in this document are "Forward-Looking Statements" as described in the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties further described in Tech Data Corporation's (the "Company") Annual Report on Form 10-K for the year ended January 31, 2019, a copy of which can be obtained from the Company's Investor Relations website at www.techdata.com/investor. A number of important factors, some of which are beyond the Company's control, could cause actual events and results to differ materially from those contained in or implied by the forward-looking statements. Forwardlooking statements reflect management's analysis as of the filing date of this presentation. The Company does not undertake to update or revise these statements to reflect subsequent developments.



APPENDIX

GAAP to Non-GAAP Reconciliations



SG&A

\$ in thousands

	 Q2 FY19	 Q3 FY19	 Q4 FY19	 Q1 FY20	 Q2 FY20
Net Sales	\$ 8,886,101	\$ 9,340,029	\$ 10,464,501	\$ 8,406,424	\$ 9,092,244
SG&A Expenses (GAAP)	\$ 415,319	\$ 396,675	\$ 414,540	\$ 405,816	\$ 431,694
Tax indemnifications	(554)	(5,541)	(3,539)	(320)	(265)
Acquisition-related intangible assets amortization expense	(22,715)	(22,523)	(22,706)	(20,879)	(21,182)
SG&A Expenses (non-GAAP)	\$ 392,050	\$ 368,611	\$ 388,295	\$ 384,617	\$ 410,247
SG&A Expenses (GAAP) %	4.67%	4.25%	3.96%	4.83%	4.75%
SG&A Expenses (non-GAAP) %	4.41%	3.95%	3.71%	4.58%	4.51%



Operating Income Q2 FY20

(In thousands)	Q2 FY20											
	A	mericas ⁽¹⁾	ŀ	Europe ⁽¹⁾	Asia	a Pacific ⁽¹⁾	Com	Stock pensation xpense	Со	nsolidated		
Net Sales	\$	4,316,731	\$	4,439,627	\$	335,886			\$	9,092,244		
Operating income (GAAP) (1)	\$	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		
Operating income (non-GAAP)	\$	107,866	\$	47,308	\$	4,284	\$	(8,055)	\$	151,403		
Operating margin (GAAP)		2.16%		0.85%		0.62%				1.37%		
Operating margin (non-GAAP)		2.50%		1.07%		1.28%				1.67%		

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



Operating Income Q1 FY20

(In thousands)	Q1 FY20										
	Americas (1)		Europe (1)		Asia	a Pacific ⁽¹⁾	Stock Compensation Expense		Consolidated		
Net Sales	\$	3,789,198	\$	4,309,500	\$	307,726			\$	8,406,424	
Operating income (GAAP) (1)	\$	68,633	\$	36,420	\$	876	\$	(8,305)	\$	97,624	
Acquisition, integration and restructuring expenses		2,911		3,024		286		-		6,221	
Legal settlements and other, net		(282)		-		-				(282)	
Acquisition-related intangible assets amortization expense		13,440		6,115		1,324				20,879	
Tax indemnifications						320				320	
Total non-GAAP operating income adjustments	\$	16,069	\$	9,139	\$	1,930	\$	-	\$	27,138	
Operating income (non-GAAP)	\$	84,702	\$	45,559	\$	2,806	\$	(8,305)	\$	124,762	
Operating margin (GAAP)		1.81%		0.85%		0.28%				1.16%	
Operating margin (non-GAAP)		2.24%		1.06%		0.91%				1.48%	

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



Operating Income Q4 FY19

(In thousands)	Q4 FY19											
	Americas (1)		Europe (1)		Asia	a Pacific ⁽¹⁾	Stock Compensation Expense		Consolidated			
Net Sales	\$	4,241,714	\$	5,895,072	\$	327,715			\$	10,464,501		
Operating income (loss) (GAAP) (1)	\$	104,966	\$	109,083	\$	(40,177)	\$	(7,819)	\$	166,053		
Acquisition, integration and restructuring expenses		6,145		13,293		1,348		335		21,121		
Goodwill impairment		-		-		47,434				47,434		
Acquisition-related intangible assets amortization expense		13,414		7,977		1,315				22,706		
Tax indemnifications		708		3,033		(202)				3,539		
Total non-GAAP operating income adjustments	\$	20,267	\$	24,303	\$	49,895	\$	335	\$	94,800		
Operating income (non-GAAP)	\$	125,233	\$	133,386	\$	9,718	\$	(7,484)	\$	260,853		
Operating margin (GAAP)		2.47%		1.85%		-12.26%				1.59%		
Operating margin (non-GAAP)		2.95%		2.26%		2.97%				2.49%		

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



Operating Income Q₃ FY₁₉

(In thousands)	Q3 FY19										
	Americas ⁽¹⁾		Europe (1)		Asia Pacific (1)		Stock Compensation Expense		Consolidated		
Net Sales	\$	4,137,852	\$	4,920,156	\$	282,021			\$	9,340,029	
Operating income (GAAP) (1)	\$	112,399	\$	39,889	\$	2,739	\$	(8,139)	\$	146,888	
Acquisition, integration and restructuring expenses		5,989		13,132		578		578		20,277	
Legal settlements and other, net		(7,207)		-		-				(7,207)	
Acquisition-related intangible assets amortization expense		13,569		7,640		1,314				22,523	
Gain on disposal of subsidiary		-		(29)		-				(29)	
Tax indemnifications		-		5,541		-				5,541	
Total non-GAAP operating income adjustments	\$	12,351	\$	26,284	\$	1,892	\$	578	\$	41,105	
Operating income (non-GAAP)	\$	124,750	\$	66,173	\$	4,631	\$	(7,561)	\$	187,993	
Operating margin (GAAP)		2.72%		0.81%		0.97%				1.57%	
Operating margin (non-GAAP)		3.01%		1.34%		1.64%				2.01%	

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



Operating Income Q2 FY19

(In thousands)	Q2 FY19										
(iii iiiodadiida)	Americas ⁽¹⁾		Europe (1)		Asia Pacific (1)		Stock Compensation Expense		Consolidated		
Net Sales	\$	4,043,331	\$	4,549,127	\$	293,643			\$	8,886,101	
Operating income (GAAP) (1)	\$	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	
Operating income (non-GAAP)	\$	95,422	\$	44,347	\$	2,511	\$	(7,300)	\$	134,980	
Operating margin (GAAP)		2.17%		0.64%		0.45%				1.24%	
Operating margin (non-GAAP)		2.36%		0.97%		0.86%				1.52%	

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



Net Income and EPS

(In thousands, except per share data)										
share data)		FY19		FY19		FY19		FY20		FY20
	Net Income	Diluted EPS								
GAAP Results	\$75,866	\$1.97	\$114,216	\$2.96	\$116,799	\$3.11	\$55,400	\$1.49	\$79,250	\$2.16
Acquisition, integration and restructuring expenses	13,297	0.34	20,277	0.53	21,121	0.56	6,221	0.17	5,209	0.14
Goodwill impairment	-	-	-	-	47,434	1.26	-	-	-	-
Legal settlements and other, net	(5,234)	(0.13)	(7,207)	(0.19)	-	-	(282)	(0.01)	-	-
Acquisition-related intangible assets amortization expense	22,715	0.59	22,523	0.58	22,706	0.60	20,879	0.56	21,182	0.58
Gain on disposal of subsidiary	(6,717)	(0.17)	(29)	-	-	-	-	-	-	-
Tax indemnifications	554	0.01	5,541	0.14	3,539	0.09	320	0.01	265	0.01
Income tax effect of tax indemnifications	(554)	(0.01)	(5,541)	(0.14)	(3,539)	(0.09)	(320)	(0.01)	(265)	(0.01)
Income tax effect of other adjustments above	(9,404)	(0.25)	(8,798)	(0.23)	(8,815)	(0.23)	(6,321)	(0.17)	(7,015)	(0.19)
Income tax benefit from acquisition settlement	(12,839)	(0.34)	(207)	-	-	-	-	-	-	-
Change in deferred tax valuation allowances	-	-	(473)	(0.01)	(2,914)	(0.08)	-	-	-	-
Impact of US tax reform	-	-	(24,000)	(0.62)	(25,234)	(0.67)	-	-	-	-
Non-GAAP Results	\$77,684	\$2.01	\$116,302	\$3.02	\$171,097	\$4.55	\$75,897	\$2.04	\$98,626	\$2.69
Weighted average shares outstanding - diluted	38	,566	38	,526	37	,577	37	,247	36	,661



Return on Invested Capital

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

^{*} Trailing Twelve Months is abbreviated as TTM.



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

Adjusted Return on Invested Capital

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

^{*} Trailing Twelve Months is abbreviated as TTM.



⁽¹⁾ 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.

⁽²⁾ 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.

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

Guidance Reconciliation

Earnings per share - diluted		
Acquisition-related amortization of intangibles		
Acquisition, integration and restructuring expenses		
Income tax effect of the above adjustments		
Non-GAAP earnings per share - diluted		

Three months ending October 31, 2019		
Low end of guidance range	High end of guidance range	
\$2.33	\$2.63	
0.58	0.58	
0.12	0.12	
(0.18)	(0.18)	
\$2.85	\$3.15	

