

FOR IMMEDIATE RELEASE

TECH DATA CORPORATION REPORTS FOURTH QUARTER AND FISCAL YEAR 2020 RESULTS

CLEARWATER, Fla. – Mar. 5, 2020 – Tech Data (NASDAQ: TECD) (the “Company”) today announced its financial results for the fourth quarter and fiscal year ended January 31, 2020.

(\$ in millions, except per share amounts)	Fourth quarter ended January 31,			Twelve months ended January 31,		
	2020	2019	Y/Y Change	2020	2019	Y/Y Change
Net Sales	\$10,380.8	\$10,464.5	-1%	\$36,998.4	\$37,239.0	-1%
Gross profit	\$666.2	\$649.1	3%	\$2,297.6	\$2,255.9	2%
Gross margin	6.42%	6.20%	22 bps	6.21%	6.06%	15 bps
SG&A expenses (GAAP)*	\$438.6	\$414.5	6%	\$1,691.3	\$1,648.9	3%
<i>% of net sales</i>	4.22%	3.96%	26 bps	4.57%	4.43%	14 bps
SG&A expenses (Non-GAAP)*	\$414.2	\$388.3	7%	\$1,603.2	\$1,548.0	4%
<i>% of net sales</i>	3.99%	3.71%	28 bps	4.33%	4.16%	17 bps
Operating income (GAAP)*	\$218.1	\$166.1	31%	\$582.3	\$493.8	18%
Operating margin (GAAP)*	2.10%	1.59%	51 bps	1.57%	1.33%	24 bps
Operating income (Non-GAAP)*	\$252.0	\$260.9	-3%	\$694.4	\$707.9	-2%
Operating margin (Non-GAAP)*	2.43%	2.49%	-6 bps	1.88%	1.90%	-2 bps
Net income (GAAP)*	\$149.1	\$116.8	28%	\$374.5	\$340.6	10%
Net income (Non-GAAP)*	\$175.5	\$171.1	3%	\$458.8	\$435.9	5%
EPS - diluted (GAAP)*	\$4.15	\$3.11	33%	\$10.27	\$8.89	16%
EPS - diluted (Non-GAAP)*	\$4.88	\$4.55	7%	\$12.58	\$11.38	11%

* Twelve months ended January 31, 2019 includes a \$25 million benefit (\$18 million net of tax; \$0.47 cents per diluted share) from the collection of an accounts receivable balance previously considered uncollectible.

A reconciliation of GAAP to non-GAAP financial measures is presented in the financial tables of this press release.

Regional Financial Highlights:

	Fourth quarter ended January 31,			Twelve months ended January 31,		
(\$ in millions)	2020	2019	Y/Y Change	2020	2019	Y/Y Change
AMERICAS						
Net Sales	\$4,291.8	\$4,241.7	1%	\$16,600.0	\$16,041.1	3%
<i>% of WW net sales</i>	41%	41%		45%	43%	
Operating income (GAAP)*	\$89.1	\$105.0	-15%	\$333.2	\$366.6	-9%
<i>% of net sales</i>	2.08%	2.47%	-39 bps	2.01%	2.29%	-28 bps
Operating income (Non-GAAP)*	\$113.1	\$125.2	-10%	\$405.1	\$431.3	-6%
<i>% of net sales</i>	2.63%	2.95%	-32 bps	2.44%	2.69%	-25 bps
EUROPE						
Net Sales	\$5,760.6	\$5,895.1	-2%	\$19,132.0	\$20,026.1	-4%
<i>% of WW net sales</i>	56%	56%		52%	54%	
Operating income (GAAP)	\$131.9	\$109.1	21%	\$272.5	\$195.4	39%
<i>% of net sales</i>	2.29%	1.85%	44 bps	1.42%	0.98%	44 bps
Operating income (Non-GAAP)	\$140.8	\$133.4	6%	\$306.1	\$287.5	6%
<i>% of net sales</i>	2.44%	2.26%	18 bps	1.60%	1.44%	16 bps
ASIA PACIFIC						
Net Sales	\$328.4	\$327.7	0%	\$1,266.4	\$1,171.8	8%
<i>% of WW net sales</i>	3%	3%		3%	3%	
Operating income (loss) (GAAP)	\$5.6	(\$40.2)	NM	\$8.8	(\$36.7)	NM
<i>% of net sales</i>	1.69%	-12.26%	NM	0.69%	-3.13%	NM
Operating income (Non-GAAP)	\$6.1	\$9.7	-37%	\$15.0	\$17.9	-16%
<i>% of net sales</i>	1.87%	2.97%	-110 bps	1.18%	1.53%	-35 bps

* Twelve months ended January 31, 2019 includes a \$25 million benefit (\$18 million net of tax; \$0.47 cents per diluted share) from the collection of an accounts receivable balance previously considered uncollectible.

Note: WW = worldwide

Stock-based compensation expense was \$8.5 million, an increase of \$0.7 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).

Financial Highlights for the Fourth Quarter Ended January 31, 2020:

- Worldwide net sales were \$10.4 billion, a decrease of 1 percent compared to the prior-year quarter. On a constant currency basis, net sales were flat.
 - Americas: Net sales were \$4.3 billion, an increase of 1 percent compared to the prior-year quarter. On a constant currency basis, net sales increased 1 percent.
 - Europe: Net sales were \$5.8 billion, a decrease of 2 percent compared to the prior-year quarter. On a constant currency basis, net sales were flat.
 - Asia Pacific: Net sales were \$0.3 billion, flat compared to the prior-year quarter. On a constant currency basis, net sales were also flat.
 - The following vendor represented 10 percent or more of worldwide net sales in the fourth quarter: Apple Inc. 19 percent.
- Net cash generated by operations during the quarter was \$180 million. The cash conversion cycle was 15 days, equal to the year-ago period.

Financial Highlights for the Fiscal Year Ended January 31, 2020:

- Worldwide net sales were \$37.0 billion, a decrease of 1 percent compared to the prior year. On a constant currency basis, net sales increased 2 percent.
 - Americas: Net sales were \$16.6 billion, an increase of 3 percent compared to the prior year. On a constant currency basis, net sales increased 4 percent.
 - Europe: Net sales were \$19.1 billion, a decrease of 4 percent compared to the prior year. On a constant currency basis, net sales were flat.
 - Asia Pacific: Net sales were \$1.3 billion, an increase of 8 percent compared to the prior year. On a constant currency basis, net sales increased 10 percent.
- Net cash generated by operations during the fiscal year was \$593 million.
- At January 31, 2020, the company had approximately \$1.9 billion of goodwill and acquired intangibles.
- Return on invested capital for the trailing twelve months was 13 percent, compared to 12 percent in the prior year. Adjusted return on invested capital for the trailing twelve months was 15 percent, compared to 14 percent in the year-ago period.

“Our fourth quarter capped a momentous year for Tech Data,” said Rich Hume, chief executive officer. “For the fiscal year 2020, we delivered a strong financial performance while making strategic progress and continuing to deliver higher value to our channel partners, colleagues and shareholders. We ended the year by reaching our biggest milestone yet—the agreement to be acquired by Apollo.

We look forward to completing the transaction and working with the Apollo team to accelerate investments in our business.”

Subsequent Events

Tech Data previously announced its entry into a definitive agreement (the “Merger Agreement”) with Tiger Midco, LLC (“Parent”), an affiliate of funds managed by affiliates of Apollo Global Management (NYSE: APO), a leading global alternative investment manager (“Apollo”).

The Merger Agreement provides that Parent will acquire all of the outstanding shares of Tech Data common stock for \$145 per share in cash. Tech Data filed Current Reports on Form 8-K on November 13, 2019 and November 29, 2019 providing further information with respect to the Merger Agreement and the Amendment No. 1 thereto. On February 12, 2020 Tech Data’s shareholders voted to approve and adopt the Merger Agreement at a special meeting of shareholders, which was one of the conditions to the closing of the merger. The closing of the merger remains subject to the satisfaction or waiver of other customary closing conditions. The transaction is expected to close during the first half of 2020, subject to the receipt of regulatory approvals.

For additional information on the merger, please see Tech Data’s definitive proxy statement filed on January 10, 2020 as supplemented by the Current Report on Form 8-K filed on February 4, 2020.

As previously announced, due to the pending transaction with affiliates of Apollo, Tech Data does not plan to host an earnings conference call nor provide forward-looking guidance.

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, goodwill impairment, value-added tax assessments and related interest expense, gain on disposal of subsidiary, tax indemnifications, changes in deferred tax valuation allowances and the impact of U.S. tax reform. A detailed reconciliation of the adjustments between results calculated using GAAP and non-GAAP in this release is contained in the attached financial schedules.

Forward-Looking Statements

This communication includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

Such forward-looking statements are inherently uncertain, and shareholders and other potential investors must recognize that actual results may differ materially from Tech Data’s expectations as a result of a variety of factors. Such forward-looking statements are based upon management’s current

expectations and include known and unknown risks, uncertainties and other factors, many of which Tech Data is unable to predict or control, that may cause Tech Data's actual results, performance, or plans to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. Risks and uncertainties related to the proposed merger include, but are not limited to, the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement; the failure of the parties to satisfy conditions to completion of the proposed merger, including the failure of the parties to obtain required regulatory approvals; the risk that regulatory or other approvals are delayed or are subject to terms and conditions that are not anticipated; and the risks, uncertainties, and other factors detailed from time to time in Tech Data's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed or furnished with the Securities and Exchange Commission (the "SEC").

Many of these factors are beyond Tech Data's control. Tech Data cautions investors that any forward-looking statements made by Tech Data are not guarantees of future performance. Tech Data disclaims any obligation to update any such factors or to announce publicly the results of any revisions to any of the forward-looking statements to reflect future events or developments.

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 11 straight years. To find out more, visit 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 January 31,		Twelve months ended January 31,	
	2020	2019	2020	2019
Net sales	\$ 10,380,809	\$ 10,464,501	\$ 36,998,421	\$ 37,238,950
Cost of products sold	9,714,578	9,815,353	34,700,774	34,983,051
Gross profit	666,231	649,148	2,297,647	2,255,899
Operating expenses:				
Selling, general and administrative expenses	438,559	414,540	1,691,311	1,648,895
Acquisition, integration and restructuring expenses	9,953	21,121	26,030	87,920
Goodwill impairment	—	47,434	—	47,434
Legal settlements and other, net	(351)	—	(633)	(15,406)
Gain on disposal of subsidiary	—	—	(1,390)	(6,746)
	448,161	483,095	1,715,318	1,762,097
Operating income	218,070	166,053	582,329	493,802
Interest expense	17,729	27,345	86,005	106,725
Other expense, net	5,235	6,013	11,786	13,792
Income before income taxes	195,106	132,695	484,538	373,285
Provision for income taxes	46,026	15,896	110,038	32,705
Net income	\$ 149,080	\$ 116,799	\$ 374,500	\$ 340,580
Earnings per share				
Basic	\$ 4.19	\$ 3.13	\$ 10.35	\$ 8.94
Diluted	\$ 4.15	\$ 3.11	\$ 10.27	\$ 8.89
Weighted average common shares outstanding:				
Basic	35,564	37,316	36,186	38,094
Diluted	35,928	37,577	36,460	38,317

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

(In thousands, except par value and share amounts)

ASSETS	January 31, 2020 (unaudited)	January 31, 2019
Current assets:		
Cash and cash equivalents	\$ 841,366	\$ 799,123
Accounts receivable, net	6,192,203	6,241,740
Inventories	3,042,541	3,297,385
Prepaid expenses and other assets	362,182	354,601
Total current assets	<u>10,438,292</u>	<u>10,692,849</u>
Property and equipment, net	287,150	274,917
Goodwill and intangible assets, net	2,067,933	1,843,848
Other assets, net	475,234	174,938
Total assets	<u>\$ 13,268,609</u>	<u>\$ 12,986,552</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,259,246	\$ 7,496,466
Accrued expenses and other liabilities	1,112,457	1,000,126
Revolving credit loans and current maturities of long-term debt, net	112,882	110,368
Total current liabilities	<u>8,484,585</u>	<u>8,606,960</u>
Long-term debt, less current maturities	1,338,136	1,300,554
Other long-term liabilities	326,433	142,315
Total liabilities	<u>\$ 10,149,154</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 January 31, 2020 and 2019	\$ 89	\$ 89
Additional paid-in capital	855,020	844,206
Treasury stock, at cost (23,819,230 and 22,305,464 shares at January 31, 2020 and 2019)	(1,198,132)	(1,037,872)
Retained earnings	3,461,014	3,086,514
Accumulated other comprehensive income	1,464	43,786
Total shareholders' equity	<u>3,119,455</u>	<u>2,936,723</u>
Total liabilities and shareholders' equity	<u>\$ 13,268,609</u>	<u>\$ 12,986,552</u>

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

(In thousands)
(Unaudited)

	Twelve months ended January 31,	
	2020	2019
Cash flows from operating activities:		
Cash received from customers	\$ 48,892,924	\$ 47,836,136
Cash paid to vendors and employees	(48,118,538)	(47,263,258)
Interest paid, net	(87,886)	(97,293)
Income taxes paid	(93,410)	(95,450)
Net cash provided by operating activities	<u>593,090</u>	<u>380,135</u>
Cash flows from investing activities:		
Proceeds from sale of business, net of cash divested	—	8,985
Acquisition of businesses, net of cash acquired	(209,923)	(124,223)
Expenditures for property and equipment	(48,352)	(40,995)
Software and software development costs	(36,470)	(20,419)
Other	4,491	4,943
Net cash used in investing activities	<u>(290,254)</u>	<u>(171,709)</u>
Cash flows from financing activities:		
Borrowings on long-term debt	300,000	—
Principal payments on long-term debt	(345,177)	(208,591)
Cash paid for debt issuance costs	(4,341)	—
Net repayments on revolving credit loans	(9,005)	(11,288)
Payments for employee withholdings on equity awards	(9,428)	(7,102)
Proceeds from the reissuance of treasury stock	1,660	1,771
Acquisition of noncontrolling interest	(7,553)	—
Repurchases of common stock	(170,191)	(107,025)
Other	529	—
Net cash used in financing activities	<u>(243,506)</u>	<u>(332,235)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(17,087)</u>	<u>(32,696)</u>
Net increase (decrease) in cash and cash equivalents	42,243	(156,505)
Cash and cash equivalents at beginning of year	799,123	955,628
Cash and cash equivalents at end of year	<u>\$ 841,366</u>	<u>\$ 799,123</u>
Reconciliation of net income to net cash provided by operating activities:		
Net income	\$ 374,500	\$ 340,580
Adjustments to reconcile net income to net cash provided by operating activities:		
Goodwill impairment	—	47,434
Gain on disposal of subsidiary	(1,390)	(6,746)
Depreciation and amortization	153,099	158,997
Provision for losses on accounts receivable	21,081	9,903
Stock-based compensation expense	32,187	31,513
Accretion of debt discount and debt issuance costs	4,042	3,841
Deferred income taxes	19,187	(12,482)
Changes in operating assets and liabilities, net of acquisitions and disposition:		
Accounts receivable	159,569	(512,385)
Inventories	213,344	(480,001)
Prepaid expenses and other assets	66,777	13,581
Accounts payable	(406,839)	852,369
Accrued expenses and other liabilities	(42,467)	(66,469)
Total adjustments	<u>218,590</u>	<u>39,555</u>
Net cash provided by operating activities	<u>\$ 593,090</u>	<u>\$ 380,135</u>

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

(In thousands)

	Three months ended January 31, 2020				
	Americas ⁽¹⁾	Europe ⁽¹⁾	Asia Pacific ⁽¹⁾	Stock Compensation Expense	Consolidated
Net Sales	\$ 4,291,774	\$ 5,760,643	\$ 328,392		\$ 10,380,809
Operating income (GAAP) ⁽¹⁾	\$ 89,095	\$ 131,893	\$ 5,562	\$ (8,480)	\$ 218,070
Acquisition, integration and restructuring expenses	8,275	1,196	19	463	9,953
Legal settlements and other, net	(351)	-	-		(351)
Acquisition-related intangible assets amortization expense	16,058	6,448	1,306		23,812
Tax indemnifications	-	1,295	(750)		545
Total non-GAAP operating income adjustments	\$ 23,982	\$ 8,939	\$ 575	\$ 463	\$ 33,959
Operating income (non-GAAP)	\$ 113,077	\$ 140,832	\$ 6,137	\$ (8,017)	\$ 252,029
Operating margin (GAAP)	2.08%	2.29%	1.69%		2.10%
Operating margin (non-GAAP)	2.63%	2.44%	1.87%		2.43%

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

	Three months ended January 31, 2019				
	Americas ⁽¹⁾	Europe ⁽¹⁾	Asia Pacific ⁽¹⁾	Stock Compensation Expense	Consolidated
Net Sales	\$ 4,241,714	\$ 5,895,072	\$ 327,715		\$ 10,464,501
Operating income (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.

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

	Twelve months ended January 31, 2020				Consolidated
	Americas ⁽¹⁾	Europe ⁽¹⁾	Asia Pacific ⁽¹⁾	Stock Compensation Expense	
Net Sales	\$ 16,600,023	\$ 19,132,040	\$ 1,266,358		\$ 36,998,421
Operating income (GAAP) ⁽¹⁾	\$ 333,233	\$ 272,498	\$ 8,785	\$ (32,187)	\$ 582,329
Acquisition, integration and restructuring expenses	16,078	8,424	1,065	463	26,030
Legal settlements and other, net	(633)	-	-		(633)
Acquisition-related intangible assets amortization expense	56,376	25,305	5,236		86,917
Gain on disposal of subsidiary	-	(1,390)	-		(1,390)
Tax indemnifications	-	1,295	(103)		1,192
Total non-GAAP operating income adjustments	\$ 71,821	\$ 33,634	\$ 6,198	\$ 463	\$ 112,116
Operating income (non-GAAP)	\$ 405,054	\$ 306,132	\$ 14,983	\$ (31,724)	\$ 694,445
Operating margin (GAAP)	2.01%	1.42%	0.69%		1.57%
Operating margin (non-GAAP)	2.44%	1.60%	1.18%		1.88%

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

	Twelve months ended January 31, 2019				
	Americas ⁽¹⁾	Europe ⁽¹⁾	Asia Pacific ⁽¹⁾	Stock Compensation Expense	Consolidated
Net Sales	\$ 16,041,103	\$ 20,026,057	\$ 1,171,790		\$ 37,238,950
Operating income (GAAP) ⁽¹⁾	\$ 366,637	\$ 195,375	\$ (36,697)	\$ (31,513)	\$ 493,802
Acquisition, integration and restructuring expenses	25,206	57,755	2,378	2,581	87,920
Goodwill impairment	-	-	47,434	-	47,434
Legal settlements and other, net	(15,406)	-	-	-	(15,406)
Acquisition-related intangible assets amortization expense	54,196	31,673	5,379	-	91,248
Gain on disposal of subsidiary	-	(6,746)	-	-	(6,746)
Tax indemnifications	708	9,484	(558)	-	9,634
Total non-GAAP operating income adjustments	\$ 64,704	\$ 92,166	\$ 54,633	\$ 2,581	\$ 214,084
Operating income (non-GAAP)	\$ 431,341	\$ 287,541	\$ 17,936	\$ (28,932)	\$ 707,886
Operating margin (GAAP)	2.29%	0.98%	-3.13%		1.33%
Operating margin (non-GAAP)	2.69%	1.44%	1.53%		1.90%

⁽¹⁾ 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)

Selling, general and administrative expenses ("SG&A")	Three months ended January 31,	
	2020	2019
Net Sales	\$ 10,380,809	\$ 10,464,501
SG&A Expenses (GAAP)	\$ 438,559	\$ 414,540
Tax indemnifications	(545)	(3,539)
Acquisition-related intangible assets amortization expense	(23,812)	(22,706)
SG&A Expenses (non-GAAP)	\$ 414,202	\$ 388,295
SG&A Expenses (GAAP) %	4.22%	3.96%
SG&A Expenses (non-GAAP) %	3.99%	3.71%

	Twelve months ended January 31,	
	2020	2019
Net Sales	\$ 36,998,421	\$ 37,238,950
SG&A Expenses (GAAP)	\$ 1,691,311	\$ 1,648,895
Tax indemnifications	(1,192)	(9,634)
Acquisition-related intangible assets amortization expense	(86,917)	(91,248)
SG&A Expenses (non-GAAP)	\$ 1,603,202	\$ 1,548,013
SG&A Expenses (GAAP) %	4.57%	4.43%
SG&A Expenses (non-GAAP) %	4.33%	4.16%

TECH DATA CORPORATION AND SUBSIDIARIES
GAAP TO NON-GAAP RECONCILIATION

(In thousands)

	Three months ended January 31,			
	2020		2019	
	Net Income	Diluted EPS	Net Income	Diluted EPS
GAAP Results	\$149,080	\$4.15	\$116,799	\$3.11
Acquisition, integration and restructuring expenses	9,953	0.27	21,121	0.56
Goodwill impairment	-	-	47,434	1.26
Legal settlements and other, net	(351)	(0.01)	-	-
Acquisition-related intangible assets amortization expense	23,812	0.66	22,706	0.60
Tax indemnifications	545	0.02	3,539	0.09
Income tax effect of tax indemnifications	(545)	(0.02)	(3,539)	(0.09)
Income tax effect of other adjustments above	(8,307)	(0.23)	(8,815)	(0.23)
Change in deferred tax valuation allowances	1,300	0.04	(2,914)	(0.08)
Impact of US tax reform	-	-	(25,234)	(0.67)
Non-GAAP Results	\$175,487	\$4.88	\$171,097	\$4.55

	Twelve months ended January 31,			
	2020		2019	
	Net Income	Diluted EPS	Net Income	Diluted EPS
GAAP Results	\$374,500	\$10.27	\$340,580	\$8.89
Acquisition, integration and restructuring expenses	26,030	0.71	87,920	2.29
Goodwill impairment	-	-	47,434	1.24
Legal settlements and other, net	(633)	(0.02)	(15,406)	(0.40)
Gain on disposal of subsidiary	(1,390)	(0.04)	(6,746)	(0.18)
Value added tax assessments and related interest expense	-	-	(928)	(0.02)
Acquisition-related intangible assets amortization expense	86,917	2.38	91,248	2.38
Tax indemnifications	1,192	0.03	9,634	0.25
Income tax effect of tax indemnifications	(1,192)	(0.03)	(9,634)	(0.25)
Income tax effect of other adjustments above	(27,949)	(0.76)	(39,925)	(1.04)
Income tax benefit from acquisition settlement	-	-	(13,046)	(0.34)
Change in deferred tax valuation allowances	1,300	0.04	(5,987)	(0.16)
Impact of US tax reform	-	-	(49,234)	(1.28)
Non-GAAP Results	\$458,775	\$12.58	\$435,910	\$11.38

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

Return on Invested Capital (ROIC)

	Twelve months ended January 31,	
	2020	2019
TTM Net Operating Profit After Tax (NOPAT)*:		
Operating income	\$ 582,329	\$ 493,802
Income taxes on operating income ⁽¹⁾	(132,246)	(43,264)
NOPAT	<u>\$ 450,083</u>	<u>\$ 450,538</u>
Average Invested Capital:		
Short-term debt (5-qtr end average)	\$ 119,613	\$ 116,931
Long-term debt (5-qtr end average)	1,305,606	1,402,967
Shareholders' Equity (5-qtr end average)	2,965,998	2,883,085
Total average capital	<u>4,391,217</u>	<u>4,402,983</u>
Less: Cash (5-qtr end average)	<u>(828,080)</u>	<u>(707,933)</u>
Average invested capital less average cash	<u>\$ 3,563,137</u>	<u>\$ 3,695,050</u>
ROIC	13%	12%

* 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 (ROIC)

	Twelve months ended January 31,	
	2020	2019
TTM Net Operating Profit After Tax (NOPAT), as adjusted*:		
Non-GAAP operating income ⁽¹⁾	\$ 694,445	\$ 707,886
Income taxes on non-GAAP operating income ⁽²⁾	(160,477)	(181,704)
NOPAT, as adjusted	<u>\$ 533,968</u>	<u>\$ 526,182</u>
Average Invested Capital, as adjusted:		
Short-term debt (5-qtr end average)	\$ 119,613	\$ 116,931
Long-term debt (5-qtr end average)	1,305,606	1,402,967
Shareholders' Equity (5-qtr end average)	2,965,998	2,883,085
Tax effected impact of non-GAAP adjustments ⁽³⁾	<u>57,561</u>	<u>88,879</u>
Total average capital, as adjusted	<u>4,448,778</u>	<u>4,491,862</u>
Less: Cash (5-qtr end average)	<u>(828,080)</u>	<u>(707,933)</u>
Average invested capital less average cash	<u>\$ 3,620,698</u>	<u>\$ 3,783,929</u>
Adjusted ROIC	15%	14%

* 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.