



# INVESTOR PRESENTATION

SEPTEMBER 2017

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# SAFE HARBOR AND NON-GAAP

## Safe Harbor Statement

This presentation contains certain comments that are “forward-looking” statements, including sales, GAAP diluted EPS, and non-GAAP diluted EPS, that involve plans, strategies, economic performance and trends, projections, expectations, costs or beliefs about future events and other statements that are not descriptions of historical facts. Forward-looking information is inherently subject to risks and uncertainties.

Any number of factors could cause actual results to differ materially from anticipated or forecasted results, including but not limited to, changes in interest and exchange rates and regulatory regimes impacting our international operations, the failure of acquisitions to meet our expectations, the failure to manage and implement our organic growth strategy, credit risks involving our larger customers and vendors, termination of our relationship with key vendors or a significant modification of the terms under which we operate with a key vendor, the decline in demand for the products and services that we provide, reduced prices for the products and services that we provide due both to competitor and customer actions, and other factors set forth in the “Risk Factors” contained in our annual report on Form 10-K for the year ended June 30, 2017, filed with the Securities and Exchange Commission (“SEC”).

Although ScanSource believes the expectations in its forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement. ScanSource disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by law.

## Non-GAAP Financial Information

In addition to disclosing results that are determined in accordance with United States Generally Accepted Accounting Principles (“GAAP”), the Company also discloses certain non-GAAP measures, including non-GAAP operating income, non-GAAP operating margin, non-GAAP net income, non-GAAP diluted earnings per share, adjusted EBITDA, return on invested capital (“ROIC”) and net sales excluding the impact of foreign currency exchange rates and acquisitions (organic growth). A reconciliation of the Company's non-GAAP financial information to GAAP financial information is provided in the Appendix and in the Company's Form 8-K, filed with the SEC, with the quarterly earnings press release for the period indicated.

# SCANSOURCE OVERVIEW

LEADING GLOBAL PROVIDER  
OF SPECIALTY TECHNOLOGY  
PRODUCTS AND SOLUTIONS

Two-tier value-added business model  
Best-of-breed suppliers in specialty  
technology markets  
ROIC-driven company



POS, PAYMENTS  
& BARCODE



UNIFIED COMMUNICATIONS  
& COLLABORATION



NETWORKING &  
PHYSICAL SECURITY



TELECOM & CLOUD  
SERVICES

**NASDAQ: SCSC** • Headquarters: Greenville, SC • Founded in 1992 • 500+ Technology Suppliers  
35,000+ Customers • 2,500+ Employees • 48 offices: US, Canada, Latin America, Europe

# SEGMENTS & BUSINESS UNITS

## WW BARCODE, NETWORKING & SECURITY SEGMENT

### Business Units

POS and Barcode

Networking and Security

ScanSource KBZ\*

POS Portal\*

## WW COMMUNICATIONS & SERVICES SEGMENT

### Business Units

Communications

Catalyst

Imago ScanSource\*

Network1\*

Intelisys\*

### Business Units:

Business Unit President • Sales • Merchandising • Technical Services

### Shared Services:

Centralized Logistics • Reseller Financial Services • Customer Service  
Marketing • Human Resources • Finance & Accounting • Legal

\* Acquisitions completed Imago (Sept '14), Network1 (Jan '15), KBZ (Sept '15), Intelisys (Aug '16), POS Portal (Aug '17)

# DEEP SUPPLIER PARTNERSHIPS



**% OF NET SALES, FY17**

*Business Units: ScanSource POS and Barcode in US/Canada, Europe, Latin America; ScanSource Networking and Security in US/Canada; ScanSource KBZ and POS Portal in US*

## BARCODE, NETWORKING & SECURITY KEY VENDORS



# DEEP SUPPLIER PARTNERSHIPS

## COMMUNICATIONS & SERVICES KEY VENDORS



% OF NET SALES, FY17

*Business Units: ScanSource Catalyst, ScanSource Communications, and Intelisys in US/Canada; Imago ScanSource and ScanSource Communications in Europe; Network1 in Brazil*

# XaaS

Digital Product • Recurring Revenue  
Managed Remotely • Highly Connected



Software



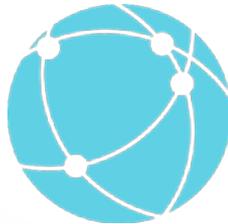
The IoT



Infrastructure/  
Platform



Cloud



Carrier Services



Managed Services

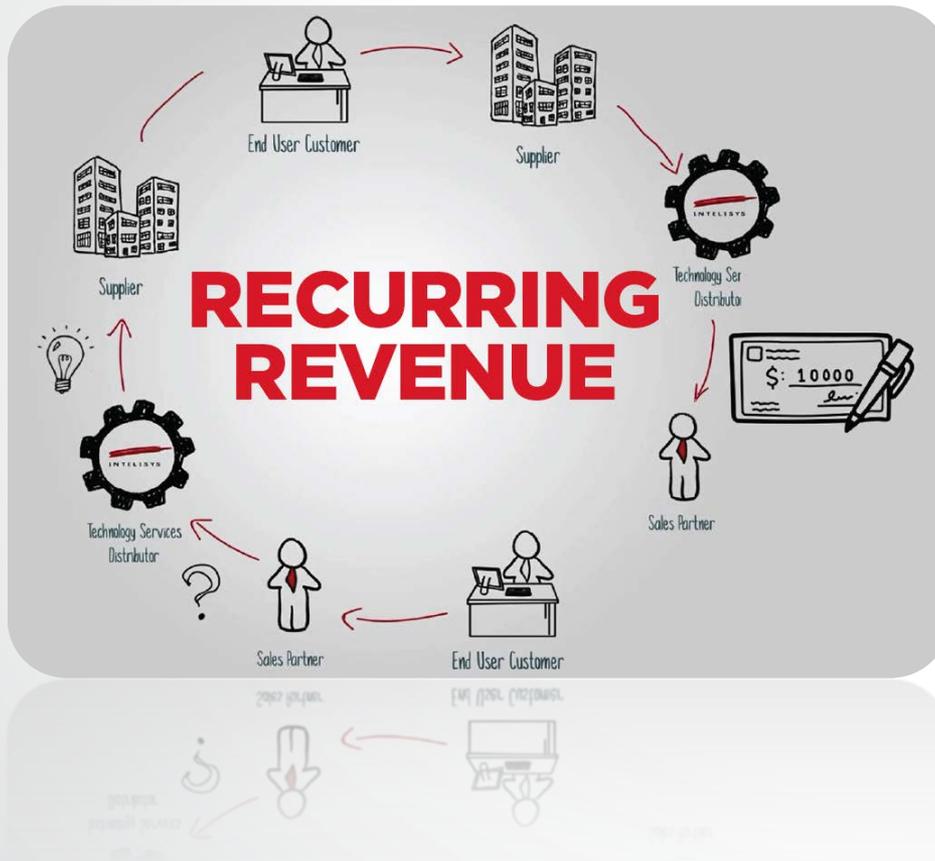


Hosted Voice/Video



Payment Services

# INTELISYS RECURRING REVENUE MODEL



## Key Value-Adds: Telecom and Cloud Services Distributor

- Trusted advisor. Supplier agnostic.
- Technical support for complex bids and education.
- Supplier aggregation. Protection from quotas.
- Platform that enables real time visibility and consolidated commission payments to sales partners.
- Channel financing (advance commission programs).
- Post sale escalation support with suppliers.

Note: Intelisys acquisition completed August 2016

# POS PORTAL MARKET CHANNELS

## VALUABLE MARKET CHANNELS FOR PAYMENTS SOLUTIONS

### Contract Deployment



*Long-term contracts with top processors including Cayan, Elavon, Transfirst, TSYS, Vantiv, Worldpay; value-added services and repair-replacements*

### ISOs/Agents and VARs



*2-Tier wholesale distribution model focused on SMB and mid-market; many hardware orders have services attached, such as configuration and key injection*

### ISV Referrals



*ISV (independent software vendor) selling partners refer leads; pre-validated tablet POS solution bundles with purchase and "as a service" offer*

# ROBUST VALUE PROPOSITION

## FOR SUPPLIERS



Top 15 vendors represent more than 80% of net sales

## FOR CUSTOMERS



No single customer represents more than 5% of net sales



# FY18 KEY OPPORTUNITIES FOR GROWTH

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**1** Mobile computing

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**2** Video surveillance

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**3** POS Portal

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**4** Communications channel opportunity

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**5** Intelisys

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**6** Network1



# FINANCIAL HIGHLIGHTS

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# LONGER-TERM OPERATING GOALS AND RECENT RESULTS

OPERATING GOALS



Q4 FY17  
Y/Y **4.5%**

FY17  
Y/Y **0.8%**



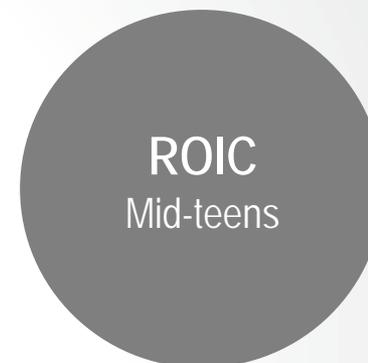
Q4 FY17  
**11.0%**

FY17  
**10.8%**



Q4 FY17  
GAAP **2.4%**  
Non-GAAP\* **3.0%**

FY17  
GAAP **2.5%**  
Non-GAAP\* **3.1%**



Q4 FY17  
13.2%\*

FY17  
13.1%\*

OPERATING GOALS

\* Non-GAAP operating income excludes amortization of intangibles, changes in fair value of contingent consideration and acquisition costs. ROIC, a non-GAAP measure, is calculated as EBITDA, plus change in fair value of contingent consideration divided by invested capital. See appendix for calculations of non-GAAP measures and reconciliations to GAAP measures.

# CAPITAL ALLOCATION STRATEGY

- Priorities: organic growth, strategic acquisitions, share repurchase
- Net leverage of at least 1x EBITDA

## FY16 to FY17 CASH USES

FUNDED BY OPERATING CASH FLOW (+\$147 million) AND INCREASE IN NET DEBT (+\$154 million)

### INVESTMENTS IN PROFITABLE GROWTH



**ACQUISITIONS**  
\$149 million



**CAPEX**  
\$21 million

### RETURN OF CASH TO SHAREHOLDERS



**SHARE REPURCHASES**  
\$120 million

# STRONG FINANCIAL POSITION FOR GROWTH

## STRONG BALANCE SHEET AND FINANCIAL FLEXIBILITY

0.34x net debt to adjusted EBITDA, trailing 12-months  
\$56 million in cash and \$97 million in debt  
\$400 million committed credit facility (increased 8/8/17)  
\$100 million available under share repurchase authorization

## WORKING CAPITAL MANAGEMENT

6.2 inventory turns (5-qtr range: 5.6-6.2)  
Paid for inventory days of 4.7\* (5-qtr range: 4.7-12.5)  
61 days sales outstanding in receivables\* (5-qtr range: 57-61)

*Information as of 6/30/17, unless otherwise indicated*

*\* Excludes the impact of Intelisys, which was completed 8/29/16*

# INVESTMENT HIGHLIGHTS

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1

MARKET  
LEADERSHIP

Leadership position in specialty markets with continued growth driven by innovative technology offerings; well positioned to grow faster than market

2

DEEP  
PARTNERSHIPS

Deep supplier partnerships and access to customer channels serve as strong competitive advantages

3

EXPANSION  
OPPORTUNITIES

Capitalizing on expansion in higher margin and growth areas; opportunity for expansion in technology services and emerging markets

4

SUSTAINABLE  
MARGINS

Sustainable margin profile supported by multiple technologies, services and solutions

5

STRONG  
FINANCIALS

ROIC drives strong balance sheet and financial flexibility enabling disciplined cash deployment into faster growth areas while increasing bottom-line profitability



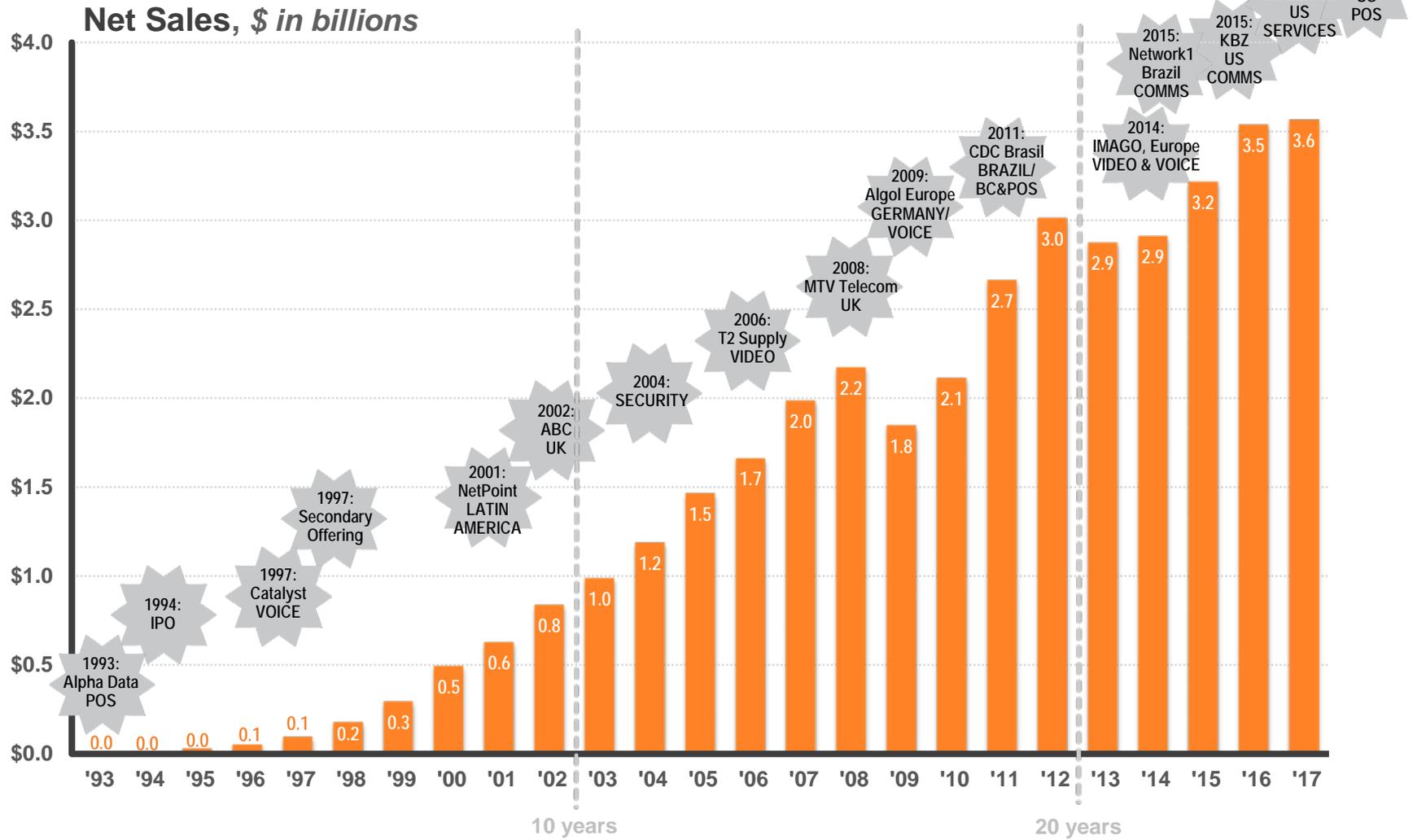
# APPENDIX

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**scansource.com**



# SCANSOURCE HISTORY



Since inception, completed 27 acquisitions  
 Net sales for fiscal years ended 6/30

**10-Year Compound Annual Growth Rate: 6%**

# ACQUISITION OF POS PORTAL

## ABOUT POS PORTAL

- Leading distributor of payment devices and services primarily to the SMB market segment
- Focused solely on the US payments industry channels
- Founded in 2000 and HQ in Sacramento, CA; operations in the US with ~180 employees
- Offers payment terminals, comprehensive key injection services, reseller partner branding, extensive encryption key libraries, P2PE encryption, integrated solutions

## MARKET CHANNELS

CONTRACT  
DEPLOYMENT

1,000+  
ISOs and  
AGENTS

ISV  
REFERRALS

- Contracts with top processors, including Cayan, Elavon, Transfirst, TSYS, Vantiv, Worldpay
- Partners with ISVs (independent software vendors) to deliver pre-validated tablet POS solution bundles that merchants may purchase outright or “as a service”

## TRANSACTION

**\$144.9**  
MILLION  
INITIAL PURCHASE

EARNOUT UP TO  
**\$13.2**  
MILLION  
(payable 11/30/17)

**EBITDA**  
EARN-OUT  
BASED ON

- All-cash stock purchase; closed 7/31/17
- Expected to be accretive to EPS in first year, excluding one-time acquisition costs

## STRATEGIC RATIONALE

- Creates the industry's **leading payments channel** where value-added services are key
- **Complementary** solution delivery channels with little customer overlap in a complex marketplace
  - ScanSource: enterprise and mid-market
  - POS Portal: SMB
- Both companies' existing **customers benefit**; larger portfolio of POS offerings (from ScanSource) and industry-leading services and capabilities (from POS Portal)

# ACQUISITION OF INTELISYS

## ABOUT INTELISYS

- Industry-leading technology services distributor of business telecommunications and cloud services
- High-growth, recurring revenue model for the channel; two-tier services-based business model
- Founded in 1994 and HQ in Petaluma, CA; operations in the US
- ~120 employees, more than 130 supplier partners, and over 2,300 sales partners

## TRANSACTION

**\$83.6**  
MILLION  
INITIAL PURCHASE

**4 years**  
EARN-OUT  
PERIOD

**EBITDA**  
EARN-OUT  
BASED ON

- All-cash asset purchase; closed 8/29/16
- Initial purchase price \$83.6 million (52%) with 4 annual earn-out payments based on a multiple of EBITDA (12% annually)
- Estimated earn-out payment range from \$100 to \$150 million

## MARKET DYNAMICS

**~\$150**  
BILLION

**SMB Spend on  
Telecom Services**

**10%**  
INDIRECT

**% of Market Served  
by Indirect Channel**

- Large and growing addressable channel market
- Expected growth of opportunities for indirect channel

## STRATEGIC RATIONALE

- Enter telecom and cloud services market; large, **growing addressable market** with expected **channel shift**
- Acquiring the **current market leader** in a fragmented market with relatively small-sized existing master agents
- Brings **high-growth, recurring revenue model** to the channel
- See opportunity for VARs and sales agents to **sell complete solutions** – connectivity with products

# SEGMENT FINANCIAL RESULTS – FY17

## WORLDWIDE BARCODE, NW & SECURITY

| <i>\$ in millions</i>       | FY17      | FY16      |
|-----------------------------|-----------|-----------|
| Net sales                   | \$2,389.3 | \$2,361.7 |
| Gross profit                | \$195.7   | \$196.8   |
| Gross margin                | 8.2%      | 8.3%      |
| Operating income            | \$49.7    | \$52.2    |
| Operating income %          | 2.1%      | 2.2%      |
| Non-GAAP operating income   | \$53.8    | \$56.2    |
| Non-GAAP operating income % | 2.3%      | 2.4%      |

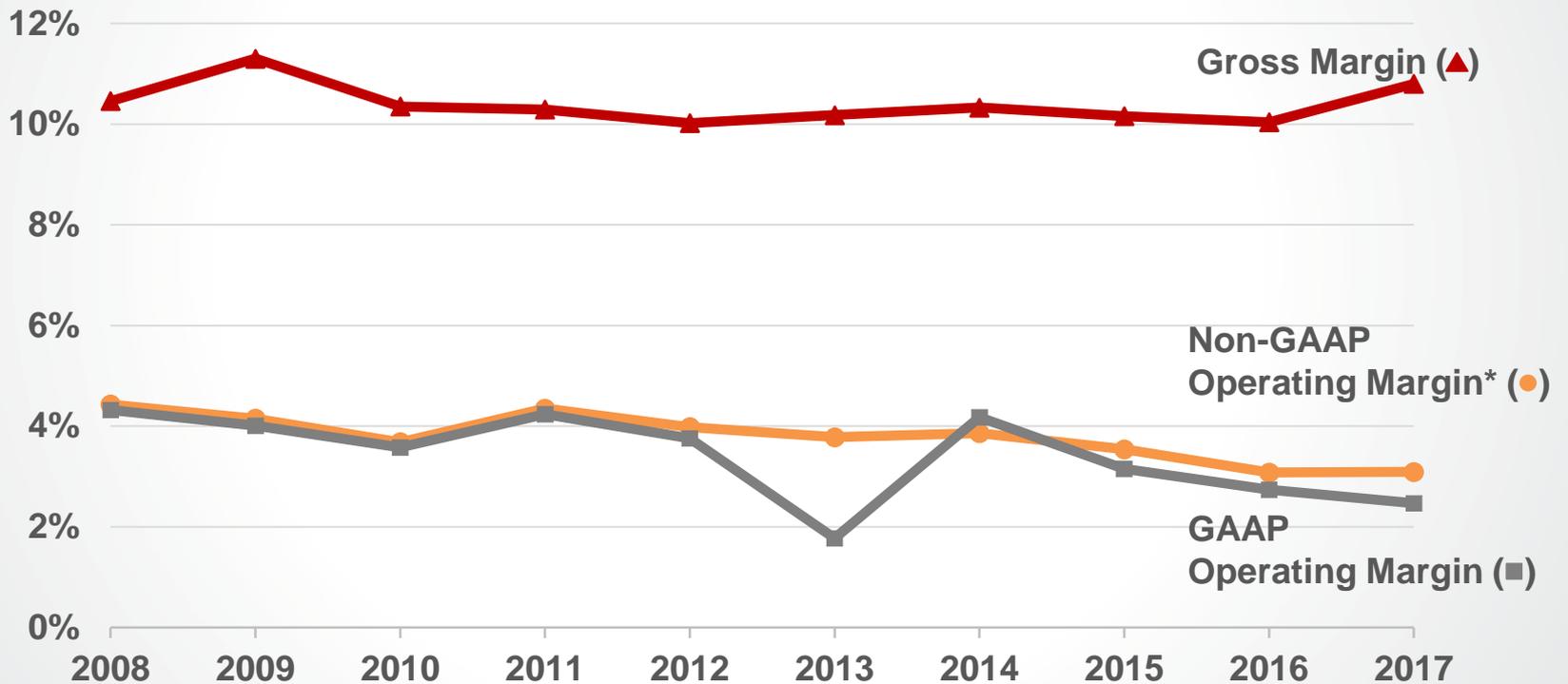
## WORLDWIDE COMMUNICATIONS & SERVICES

| <i>\$ in millions</i>       | FY17      | FY16      |
|-----------------------------|-----------|-----------|
| Net sales                   | \$1,178.9 | \$1,178.6 |
| Gross profit                | \$187.9   | \$158.6   |
| Gross margin                | 15.9%     | 13.5%     |
| Operating income            | \$39.8    | \$45.5    |
| Operating income %          | 3.4%      | 3.9%      |
| Non-GAAP operating income   | \$56.5    | \$52.7    |
| Non-GAAP operating income % | 4.8%      | 4.5%      |

*Non-GAAP operating income excludes amortization of intangibles and change in fair value of contingent consideration. See Appendix for calculation of non-GAAP measures and reconciliations to GAAP measures.*

# SUSTAINABLE MARGIN PROFILE

## SCSC – HISTORICAL MARGINS



Information for fiscal year indicated

\* Excludes amortization of intangible assets, change in fair value of contingent consideration, and other select items in FY13 to FY17. See Appendix for calculation of non-GAAP measures and reconciliations to GAAP measures.

# APPENDIX: NON-GAAP FINANCIAL INFORMATION

## Y/Y Sales Growth – Organic and Reported

(\$ in thousands)

|   | Q1 FY16           | Q2 FY16           | Q3 FY16           | Q4 FY16           | Q1 FY17           | Q2 FY17           | Q3 FY17           | Q4 FY17           |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Consolidated:</b>  |                   |                   |                   |                   |                   |                   |                   |                   |
| Net sales, as reported  | \$ 870,829        | \$ 993,522        | \$ 798,404        | \$ 877,473        | \$ 932,566        | \$ 904,792        | \$ 813,538        | \$ 917,291        |
| Foreign exchange impact   | 37,117            | 35,460            | 23,345            | 7,506             | (4,028)           | (5,814)           | (6,837)           | (2,150)           |
| Net sales, constant currency  | 907,946           | 1,028,982         | 821,749           | 884,979           | 928,538           | 898,978           | 806,701           | 915,141           |
| Less: Acquisitions  | (104,505)         | (180,510)         | (63,637)          | (79,701)          | (102,195)         | (8,487)           | (8,893)           | (9,178)           |
| Net sales, constant currency excluding acquisitions                     | <u>\$ 803,441</u> | <u>\$ 848,472</u> | <u>\$ 758,112</u> | <u>\$ 805,278</u> | <u>\$ 826,343</u> | <u>\$ 890,491</u> | <u>\$ 797,808</u> | <u>\$ 905,963</u> |
| Prior Year Quarter Net sales, as reported                               | \$ 791,720        | \$ 807,019        | \$ 763,203        | \$ 856,685        | \$ 870,829        | \$ 993,522        | \$ 798,404        | \$ 877,472        |
| Less: Acquisitions  | (4,686)           | -                 | -                 | -                 | (34,628)          | -                 | -                 | -                 |
| Prior Year Quarter Net sales, as adjusted                               | <u>\$ 787,034</u> | <u>\$ 807,019</u> | <u>\$ 763,203</u> | <u>\$ 856,685</u> | <u>\$ 836,201</u> | <u>\$ 993,522</u> | <u>\$ 798,404</u> | <u>\$ 877,472</u> |
| <b>Y/Y% Change:</b>   |                   |                   |                   |                   |                   |                   |                   |                   |
| Sales growth, as reported   | 10.0%             | 23.1%             | 4.6%              | 2.4%              | 7.1%              | -8.9%             | 1.9%              | 4.5%              |
| Sales growth, constant currency   | 14.7%             | 27.5%             | 7.7%              | 3.3%              | 6.6%              | -9.5%             | 1.0%              | 4.3%              |
| Sales growth, constant currency excluding acquisitions (organic growth) | 2.1%              | 5.1%              | -0.7%             | -6.0%             | -1.2%             | -10.4%            | -0.1%             | 3.2%              |

(a) Year-over-year sales growth excluding the translation impact of changes in foreign currency rates. Calculated by translating the net sales for the quarter indicated into U.S. dollars using the weighted average foreign exchange rates for the period year quarter.

# APPENDIX: NON-GAAP FINANCIAL INFORMATION

## Highlights by Segment – QTR

*(\$ in thousands)*

|  | Quarter Ended June 30, 2017  |                         |             |                  |
|--|------------------------------|-------------------------|-------------|------------------|
|  | WW Barcode,<br>NW & Security | WW Comms.<br>& Services | Corporate   | Consolidated     |
| Net sales  | \$ 619,241                   | \$ 298,050              | \$ -        | \$ 917,291       |
| GAAP operating income                            | \$ 12,997                    | \$ 9,536                | \$ (422)    | \$ 22,111        |
| Adjustments:                                     |                              |                         |             |                  |
| Amortization of intangible assets                | 770                          | 3,217                   | -           | 3,987            |
| Change in fair value of contingent consideration | -                            | 1,290                   | -           | 1,290            |
| Acquisition costs                                | -                            | -                       | 422         | 422              |
| Non-GAAP operating income                        | <u>\$ 13,767</u>             | <u>\$ 14,043</u>        | <u>\$ -</u> | <u>\$ 27,810</u> |
| GAAP operating income % (of net sales)           | 2.10%                        | 3.20%                   | n/m         | 2.41%            |
| Non-GAAP operating income % (of net sales)       | 2.22%                        | 4.71%                   | n/m         | 3.03%            |

*n/m = not meaningful*

# APPENDIX: NON-GAAP FINANCIAL INFORMATION

## Highlights by Segment – Full Year

(\$ in thousands)

|  | Year Ended June 30, 2017        |                         |             |                   |
|--|---------------------------------|-------------------------|-------------|-------------------|
|  | WW Barcode,<br>NW &<br>Security | WW Comms.<br>& Services | Corporate   | Consolidated      |
| Net sales  | \$ 2,389,256                    | \$ 1,178,930            | \$ -        | \$ 3,568,186      |
| GAAP operating income                            | \$ 49,727                       | \$ 39,768               | \$ (1,256)  | \$ 88,239         |
| Adjustments:                                     |                                 |                         |             |                   |
| Amortization of intangible assets                | 4,033                           | 11,491                  | -           | 15,524            |
| Change in fair value of contingent consideration | -                               | 5,211                   | -           | 5,211             |
| Acquisition costs                                | -                               | -                       | 1,256       | 1,256             |
| Non-GAAP operating income                        | <u>\$ 53,760</u>                | <u>\$ 56,470</u>        | <u>\$ -</u> | <u>\$ 110,230</u> |
| GAAP operating income % (of net sales)           | 2.08%                           | 3.37%                   | n/m         | 2.47%             |
| Non-GAAP operating income % (of net sales)       | 2.25%                           | 4.79%                   | n/m         | 3.09%             |

(\$ in thousands)

|  | Year Ended June 30, 2016 (a)    |                         |             |                   |
|--|---------------------------------|-------------------------|-------------|-------------------|
|  | WW Barcode,<br>NW &<br>Security | WW Comms.<br>& Services | Corporate   | Consolidated      |
| Net sales  | \$ 2,361,670                    | \$ 1,178,556            | \$ -        | \$ 3,540,226      |
| GAAP operating income                            | \$ 52,227                       | \$ 45,513               | \$ (863)    | \$ 96,877         |
| Adjustments:                                     |                                 |                         |             |                   |
| Amortization of intangible assets                | 3,752                           | 6,076                   | -           | 9,828             |
| Change in fair value of contingent consideration | 181                             | 1,113                   | -           | 1,294             |
| Acquisition costs                                | -                               | -                       | 863         | 863               |
| Non-GAAP operating income                        | <u>\$ 56,160</u>                | <u>\$ 52,702</u>        | <u>\$ -</u> | <u>\$ 108,862</u> |
| GAAP operating income % (of net sales)           | 2.21%                           | 3.86%                   | n/m         | 2.74%             |
| Non-GAAP operating income % (of net sales)       | 2.38%                           | 4.47%                   | n/m         | 3.08%             |

n/m = not meaningful

(a) Reflects reclassifications between segments for certain geographies to provide comparable financial information.



# APPENDIX: NON-GAAP FINANCIAL INFORMATION

## Return on Invested Capital (ROIC) – Qtr and YTD

(\$ in thousands)

|  | Q4 FY17      | FY17         |
|--|--------------|--------------|
| <b>Return on invested capital (ROIC), annualized (a)</b>     | <b>13.2%</b> | <b>13.1%</b> |
| <u>Reconciliation of Net Income to EBITDA</u>                |              |              |
| Net income - GAAP  | \$ 18,970    | \$ 69,246    |
| Plus: Interest expense                                       | 934          | 3,215        |
| Plus: Income taxes   | 4,450        | 32,249       |
| Plus: Depreciation and amortization                          | 6,276        | 24,968       |
| EBITDA   | 30,630       | 129,678      |
| Change in fair value of contingent consideration             | 1,290        | 5,211        |
| Acquisition costs  | 422          | 1,256        |
| Legal settlement, net of attorney fees                       | -            | (12,777)     |
| Interest income related to tax settlement                    | (1,382)      | (1,382)      |
| Adjusted EBITDA (numerator for ROIC)(non-GAAP)               | \$ 30,960    | \$ 121,986   |
| <u>Invested Capital Calculation</u>                          |              |              |
| Equity - beginning of the quarter                            | \$ 808,719   | \$ 774,496   |
| Equity - end of quarter                                      | 837,145      | 837,145      |
| Change in fair value of contingent consideration, net of tax | 680          | 2,921        |
| Acquisition costs, net of tax                                | 422          | 1,256        |
| Legal settlement, net of attorney fees, net of tax           | -            | (8,047)      |
| Tax settlement and related interest income, net of tax       | (5,370)      | (5,370)      |
| Average equity   | 820,798      | 801,201      |
| Average funded debt (b)                                      | 117,970      | 131,445      |
| Invested capital (denominator for ROIC)(non-GAAP)            | \$ 938,768   | \$ 932,646   |

(a) Calculated as net income plus interest expense, income taxes, depreciation and amortization (EBITDA), annualized divided by invested capital for the period. Adjusted EBITDA reflects other adjustments for non-GAAP measures.

(b) Average daily amounts outstanding on short-term and long-term interest-bearing debt.

# APPENDIX: NON-GAAP FINANCIAL INFORMATION

## Non-GAAP Operating Income %

(\$ in millions)

|   | FY '08    | FY '09    | FY '10    | FY '11    | FY '12    | FY '13    | FY '14    | FY '15    | FY '16    | FY '17    |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Net sales   | \$2,175.5 | \$1,848.0 | \$2,115.0 | \$2,666.5 | \$3,015.3 | \$2,877.0 | \$2,913.6 | \$3,218.6 | \$3,540.2 | \$3,568.2 |
| GAAP operating income   | \$ 94.0   | \$ 74.1   | \$ 75.8   | \$ 113.1  | \$ 113.5  | \$ 51.0   | \$ 121.8  | \$ 101.4  | \$ 96.9   | \$ 88.2   |
| Adjustments:  |           |           |           |           |           |           |           |           |           |           |
| Amortization of intangible assets                               | 2.5       | 2.6       | 2.0       | 3.0       | 6.4       | 4.9       | 3.9       | 6.6       | 9.8       | 15.5      |
| Change in fair value of contingent consideration                | -         | -         | -         | (0.1)     | 0.1       | 1.8       | 2.3       | 2.7       | 1.3       | 5.2       |
| Acquisition costs   | -         | -         | -         | -         | -         | -         | -         | 3.3       | 0.9       | 1.3       |
| Impairment charges, including ERP & goodwill, and Belgian costs | -         | -         | -         | -         | -         | 50.9      | -         | -         | -         | -         |
| Legal recovery, net of attorney fees                            | -         | -         | -         | -         | -         | -         | (15.5)    | -         | -         | -         |
| Non-GAAP operating income                                       | \$ 96.5   | \$ 76.7   | \$ 77.8   | \$ 116.0  | \$ 120.0  | \$ 108.7  | \$ 112.5  | \$ 114.0  | \$ 108.9  | \$ 110.2  |
| GAAP operating income % (of net sales)                          | 4.32%     | 4.01%     | 3.58%     | 4.24%     | 3.76%     | 1.77%     | 4.18%     | 3.15%     | 2.74%     | 2.47%     |
| Non-GAAP operating income % (of net sales)                      | 4.43%     | 4.15%     | 3.68%     | 4.35%     | 3.98%     | 3.78%     | 3.86%     | 3.54%     | 3.08%     | 3.09%     |