



# Fiscal Fourth Quarter and Full Year

2023 Earnings

“As we enter our new fiscal year, strong free cash flow and focus on Intelisys are keys for our success. Now that the supply chain challenges are behind us, we are normalizing our working capital to meet our margin expectations and market demand.”

**Mike Baur**

Chairman and CEO, ScanSource, Inc.

## Key Highlights

**Achieved Strategic Plan for FY23**

**Navigated Well through Q4 Cyberattack**

**Opportunity with Hybrid Distribution Remains Compelling**

## FY23 Net Sales and Gross Profit

Consolidated

**Net Sales**  
**+7% Y/Y**  
**\$3.8B**

**Gross Profit**  
**+5% Y/Y**  
**\$449M, 11.9% margin**

Specialty Technology Solutions Segment

**STS, Net Sales**  
**+12% Y/Y**  
**\$2.3B**

**STS, Gross Profit**  
**+9% Y/Y**  
**\$224M, 9.6% margin**

Modern Communications & Cloud Segment

**MC&C, Net Sales**  
**+1% Y/Y**  
**\$1.5B**

**MC&C, Gross Profit**  
**+2% Y/Y**  
**\$225M, 15.4% margin**

## Operating Metrics

**\$0.68** per share Q4 -13% Y/Y  
**\$3.47** per share FY23 +1% Y/Y  
 GAAP Diluted EPS

**4.24%** Q4  
**4.75%** FY23  
 Adjusted EBITDA Margin

**\$(15)M** Q4  
**\$(36)M** FY23  
 Operating Cash Flow

**\$0.76** per share Q4 -16% Y/Y  
**\$3.85** per share FY23 -3% Y/Y  
 Non-GAAP Diluted EPS\*

**\$40.2M** Q4 +4% Y/Y  
**\$179.9M** FY23 +8% Y/Y  
 Adjusted EBITDA\*  
 FY23 all-time Company record

**12.9%** Q4  
**14.6%** FY23  
 Adjusted ROIC\*  
 \$16M share repurchases in FY23

## Fiscal Year 2024 Annual Outlook as of August 22, 2023

**Net Sales Growth**  
 At least 3%

**Adjusted EBITDA**  
 At least \$180 million

**Free Cash Flow**  
 At least \$150 million

## Reiterating Mid-Term Goals Mid-term: 3-to-4-year time frame

Net Sales Growth per year	Adjusted EBITDA Margin	Adjusted ROIC	Recurring Revenue as % of Gross Profits
5%-7.5%	4.5%-5%	Mid Teens	Building to 30%+

## Focused Execution of Value Creation Strategy



**A repositioned company – Innovative hybrid distributor**



**Building on specialized technologies**



**Differentiated market position**



**Attractive financial profile**



**Delivering long-term sustainable growth**

\* Non-GAAP measure; adjusted ROIC represents return on invested capital  
 For further financial data, non-GAAP financial disclosures and cautionary language regarding forward-looking statements, please refer to the following pages and ScanSource's fourth quarter fiscal year 2024 news release issued on August 22, 2023, which accompanies this presentation and is available at [www.scansource.com](http://www.scansource.com) in the Investor Relations section.

## Forward-Looking Statements

This Earnings Infographic and supporting materials contain certain comments that are “forward-looking” statements, including statements about our FY24 outlook, growth opportunities and our operating strategies 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, the following factors, which are neither presented in order of importance nor weighted: macroeconomic conditions, including potential prolonged economic weakness, inflation and supply chain challenges, the failure to manage and implement our organic growth strategy, credit risks involving our larger customers and suppliers, changes in interest and exchange rates and regulatory regimes impacting our international operations, economic weakness and inflation, risk to our business from a cyberattack, a failure of our IT systems, failure to hire and retain quality employees, loss of our major customers, relationships with our key suppliers and customers or a termination or a modification of the terms under which we operate with these key suppliers and customers, changes in our operating strategy, and other factors set forth in the “Risk Factors” contained in our annual report on Form 10-K for the year ended June 30, 2023 filed with the Securities and Exchange Commission.

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 income margin, non-GAAP net income, non-GAAP diluted EPS, non-GAAP net sales, non-GAAP SG&A expenses, adjusted EBITDA, adjusted EBITDA margin, net debt, adjusted ROIC, free cash flow and net sales less impacts from foreign currency translation and acquisitions (organic growth). A reconciliation of the Company's non-GAAP financial information to GAAP financial information is provided in the following supporting materials and in the Company's Form 8-K, filed with the SEC, with the quarterly earnings press release for the period indicated.

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Consolidated, 5-Quarter Financial Summary - for continuing operations**

(\$ in thousands, except per share data)

	<b>Q4 FY23</b>	<b>Q3 FY23</b>	<b>Q2 FY23</b>	<b>Q1 FY23</b>	<b>Q4 FY22</b>	<b>Q/Q</b>	<b>Y/Y</b>
Select reported GAAP measures:							
Net sales	\$ 947,149	\$ 885,519	\$1,011,241	\$ 943,813	\$ 962,283	7%	(2)%
Gross profit	\$ 108,659	\$ 111,762	\$ 115,334	\$ 113,485	\$ 110,792	(3)%	(2)%
Gross profit margin %	11.5 %	12.6 %	11.4 %	12.0 %	11.5 %	(115) bp	(4) bp
SG&A expenses	\$ 74,358	\$ 70,669	\$ 69,074	\$ 71,593	\$ 75,905	5%	(2)%
Operating income	\$ 27,289	\$ 34,279	\$ 39,432	\$ 34,888	\$ 27,424	(20)%	—%
Operating income margin %	2.88 %	3.87 %	3.90 %	3.70 %	2.85 %	(99) bp	3 bp
Net income	\$ 17,095	\$ 21,221	\$ 25,734	\$ 24,042	\$ 19,947	(19)%	(14)%
Diluted EPS	\$ 0.68	\$ 0.83	\$ 1.01	\$ 0.94	\$ 0.78	(18)%	(13)%
Select reported Non-GAAP measures: <sup>(a)</sup>							
Non-GAAP operating income	\$ 32,806	\$ 38,449	\$ 40,724	\$ 39,129	\$ 31,864	(15)%	3%
Non-GAAP operating income margin %	3.46 %	4.34 %	4.03 %	4.15 %	3.31 %	(88) bp	15 bp
Non-GAAP net income	\$ 19,213	\$ 24,330	\$ 26,941	\$ 27,203	\$ 23,266	(21)%	(17)%
Non-GAAP diluted EPS	\$ 0.76	\$ 0.96	\$ 1.06	\$ 1.07	\$ 0.91	(21)%	(16)%
Adjusted EBITDA	\$ 40,199	\$ 45,656	\$ 48,815	\$ 45,275	\$ 38,672	(12)%	4%
Adjusted EBITDA margin %	4.24 %	5.16 %	4.83 %	4.80 %	4.02 %	(91) bp	23 bp
Adjusted ROIC	12.9 %	14.6 %	15.6 %	15.6 %	14.9 %	(170) bp	(200) bp
Operating cash flow (QTR)	\$ (15,261)	\$ 54,837	\$ (26,885)	\$ (48,459)	\$ (78,684)	*nm	*nm
Operating cash flow (TTM)	\$ (35,768)	\$ (99,191)	\$ (124,321)	\$ (115,855)	\$ (124,355)	*nm	*nm

<sup>(a)</sup> See pages 13 through 15 for the calculation of non-GAAP measures and reconciliations to GAAP measures.

\*nm - percentages are not meaningful

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Specialty Technology Solutions, 5-Quarter Financial Summary**

(\$ in thousands)

	<u>Q4 FY23</u>	<u>Q3 FY23</u>	<u>Q2 FY23</u>	<u>Q1 FY23</u>	<u>Q4 FY22</u>	<u>Q/Q</u>	<u>Y/Y</u>
Net sales	\$ 561,501	\$ 565,652	\$ 627,548	\$ 576,329	\$ 580,619	(1)%	(3)%
Gross profit	\$ 51,440	\$ 57,664	\$ 56,732	\$ 58,404	\$ 53,994	(11)%	(5)%
Gross profit margin %	9.2 %	10.2 %	9.0 %	10.1 %	9.3 %	(103) bp	(14) bp
GAAP operating income	\$ 14,343	\$ 19,811	\$ 19,682	\$ 21,852	\$ 15,408	(28)%	(7)%
GAAP operating income %	2.55 %	3.50 %	3.14 %	3.79 %	2.65 %	(95) bp	(10) bp
Add: Intangible amortization expense	\$ 1,261	\$ 1,266	\$ 1,266	\$ 1,341	\$ 1,491	—%	(15)%
Non-GAAP operating income	\$ 15,604	\$ 21,077	\$ 20,948	\$ 23,193	\$ 16,899	(26)%	(8)%
Non-GAAP operating income %	2.78 %	3.73 %	3.34 %	4.02 %	2.91 %	(95) bp	(13) bp
<b>Reconciliation of Operating Income to Adjusted EBITDA</b>							
GAAP operating income	\$ 14,343	\$ 19,811	\$ 19,682	\$ 21,852	\$ 15,408	(28)%	(7)%
Plus:							
Depreciation expense	1,954	1,862	1,873	1,941	2,089	5%	(6)%
Intangible amortization expense	1,261	1,266	1,266	1,341	1,491	—%	(15)%
Interest income	776	354	194	321	325	119%	139%
Other income/(expense), net	(40)	(54)	71	(125)	(141)	*nm	*nm
EBITDA	18,294	23,239	23,086	25,330	19,172	(21)%	(5)%
Adjustments:							
Share-based compensation expense	1,586	1,867	2,203	1,556	1,710	(15)%	(7)%
Adjusted EBITDA (non-GAAP)	<u>\$ 19,880</u>	<u>\$ 25,106</u>	<u>\$ 25,289</u>	<u>\$ 26,886</u>	<u>\$ 20,882</u>	(21)%	(5)%
Adjusted EBITDA (non-GAAP) %	3.54 %	4.44 %	4.03 %	4.67 %	3.60 %	(90) bp	(6) bp

\*nm - percentages are not meaningful

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Modern Communications & Cloud, 5-Quarter Financial Summary

(\$ in thousands)

	Q4 FY23	Q3 FY23	Q2 FY23	Q1 FY23	Q4 FY22	Q/Q	Y/Y
Net sales	\$ 385,648	\$ 319,867	\$ 383,693	\$ 367,484	\$ 381,664	21%	1%
Gross profit	\$ 57,219	\$ 54,098	\$ 58,602	\$ 55,081	\$ 56,798	6%	1%
Gross profit margin %	14.8 %	16.9 %	15.3 %	15.0 %	14.9 %	(210) bp	(10) bp
GAAP operating income	\$ 14,406	\$ 14,468	\$ 19,750	\$ 13,036	\$ 12,016	—%	20%
GAAP operating income %	3.74 %	4.52 %	5.15 %	3.55 %	3.15 %	(78) bp	59 bp
Add: Intangible amortization expense	\$ 2,924	\$ 2,904	\$ 2,884	\$ 2,900	\$ 2,949	1%	(1)%
Add: Tax recovery <sup>(a)</sup>	\$ (128)	\$ —	\$ (2,858)	\$ —	\$ —	*nm	*nm
Non-GAAP operating income	\$ 17,202	\$ 17,372	\$ 19,776	\$ 15,936	\$ 14,965	(1)%	15%
Non-GAAP operating income %	4.46 %	5.43 %	5.15 %	4.34 %	3.92 %	(90) bp	60 bp
Reconciliation of Operating Income to Adjusted EBITDA							
GAAP operating income	\$ 14,406	\$ 14,468	\$ 19,750	\$ 13,036	\$ 12,016	—%	20%
Plus:							
Depreciation expense	1,117	1,042	1,034	1,046	1,172	7%	(5)%
Intangible amortization expense	2,924	2,904	2,884	2,900	2,949	1%	(1)%
Interest income	1,309	1,356	1,834	1,269	1,035	(3)%	26%
Other income/(expense), net	(309)	(307)	(280)	(623)	(542)	*nm	*nm
EBITDA	19,447	19,463	25,222	17,628	16,630	—%	17%
Adjustments:							
Share-based compensation expense	1,000	1,087	1,161	760	1,162	(8)%	(14)%
Tax recovery <sup>(a)</sup>	(128)	—	(2,858)	—	—	*nm	*nm
Adjusted EBITDA (non-GAAP)	\$ 20,319	\$ 20,550	\$ 23,525	\$ 18,388	\$ 17,792	(1)%	14%
Adjusted EBITDA (non-GAAP) %	5.27 %	6.42 %	6.13 %	5.00 %	4.66 %	(116) bp	61 bp

<sup>(a)</sup> Recovery of prior period withholding taxes in Brazil

\*nm - percentages are not meaningful

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Net Sales, Constant Currency (Organic Growth) - QTR**

(\$ in thousands)

**Net Sales by Segment:**

	<u>Q4 FY23</u>	<u>Q4 FY22</u>	<u>% Change</u>
<b>Specialty Technology Solutions:</b>			
Net sales, as reported	\$ 561,501	\$ 580,619	(3.3)%
Foreign exchange impact (a)	76	—	
Net sales, constant currency (non-GAAP)	<u>\$ 561,577</u>	<u>\$ 580,619</u>	(3.3)%
<b>Modern Communications &amp; Cloud:</b>			
Net sales, as reported	\$ 385,648	\$ 381,664	1.0 %
Foreign exchange impact (a)	139	—	
Net sales, constant currency (non-GAAP)	<u>\$ 385,787</u>	<u>\$ 381,664</u>	1.1 %
<b>Consolidated:</b>			
Net sales, as reported	\$ 947,149	\$ 962,283	(1.6)%
Foreign exchange impact (a)	215	—	
Net sales, constant currency (non-GAAP)	<u>\$ 947,364</u>	<u>\$ 962,283</u>	(1.6)%

**Net Sales by Geography:**

	<u>Q4 FY23</u>	<u>Q4 FY22</u>	<u>% Change</u>
<b>United States and Canada:</b>			
Net sales, as reported	<u>\$ 854,521</u>	<u>\$ 865,737</u>	(1.3)%
<b>International:</b>			
Net sales, as reported	\$ 92,628	\$ 90,761	2.1 %
Foreign exchange impact (a)	215	—	
Net sales, constant currency (non-GAAP)	<u>\$ 92,843</u>	<u>\$ 90,761</u>	2.3 %
<b>Consolidated:</b>			
Net sales, as reported	\$ 947,149	\$ 962,283	(1.6)%
Foreign exchange impact (a)	215	—	
Net sales, constant currency (non-GAAP)	<u>\$ 947,364</u>	<u>\$ 962,283</u>	(1.6)%

(a) Year-over-year sales growth excluding the translation impact of changes in foreign currency rates. Calculated by translating net sales for the quarter ended June 30, 2023 into U.S. dollars using the weighted-average foreign exchange rates for the quarter ended June 30, 2022.

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Net Sales, Constant Currency (Organic Growth) - FY**

(\$ In thousands)	Fiscal year ended June 30,		% Change
	2023	2022	
<b>Specialty Technology Solutions:</b>			
Net sales, as reported	\$ 2,331,030	\$ 2,082,321	11.9 %
Foreign exchange impact (a)	(923)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 2,330,107</u>	<u>\$ 2,082,321</u>	11.9 %
<b>Modern Communications &amp; Cloud:</b>			
Net sales, as reported	\$ 1,456,691	\$ 1,447,614	0.6 %
Foreign exchange impact (a)	(3,492)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 1,453,199</u>	<u>\$ 1,447,614</u>	0.4 %
<b>Consolidated:</b>			
Net sales, as reported	\$ 3,787,721	\$ 3,529,935	7.3 %
Foreign exchange impact (a)	(4,415)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 3,783,306</u>	<u>\$ 3,529,935</u>	7.2 %

**Net Sales by Geography:**

(\$ in thousands)	Fiscal year ended June 30,		% Change
	2023	2022	
<b>United States and Canada:</b>			
Net sales, as reported	<u>\$ 3,432,074</u>	<u>\$ 3,173,694</u>	8.1 %
<b>International:</b>			
Net sales, as reported	\$ 355,647	\$ 356,241	(0.2)%
Foreign exchange impact (a)	(4,415)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 351,232</u>	<u>\$ 356,241</u>	(1.4)%
<b>Consolidated:</b>			
Net sales, as reported	\$ 3,787,721	\$ 3,529,935	7.3 %
Foreign exchange impact (a)	(4,415)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 3,783,306</u>	<u>\$ 3,529,935</u>	7.2 %

(a) Year-over-year sales growth excluding the translation impact of changes in foreign currency rates. Calculated by translating net sales for the quarter ended June 30, 2023 into U.S. dollars using the weighted-average foreign exchange rates for the quarter ended June 30, 2022.



## SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

### Average Adjusted Return on Invested Capital - QTR

(\$ in thousands)

	Q4 FY23	Q3 FY23	Q2 FY23	Q1 FY23	Q4 FY22
<b>Adjusted return on invested capital (ROIC), annualized (a)</b>	<b>12.9 %</b>	<b>14.6 %</b>	<b>15.6 %</b>	<b>15.6 %</b>	<b>14.9 %</b>
<u>Reconciliation of Net Income to Adjusted EBITDA</u>					
Net income from continuing operations - GAAP	\$ 17,095	\$ 21,221	\$ 25,734	\$ 24,042	\$ 19,947
Plus:					
Interest expense	5,564	5,715	5,060	3,448	1,886
Income taxes	6,367	8,692	10,458	8,241	6,267
Depreciation and amortization	7,255	7,074	7,057	7,228	7,700
<b>EBITDA</b>	<b>36,281</b>	<b>42,702</b>	<b>48,309</b>	<b>42,959</b>	<b>35,800</b>
Adjustments:					
Tax recovery (b)	(128)	—	(2,858)	—	—
Cyberattack restoration costs	1,460	—	—	—	—
Share-based compensation	2,586	2,954	3,364	2,316	2,872
<b>Adjusted EBITDA (numerator for Adjusted ROIC) (non-GAAP)</b>	<b>\$ 40,199</b>	<b>\$ 45,656</b>	<b>\$ 48,815</b>	<b>\$ 45,275</b>	<b>\$ 38,672</b>
<u>Invested Capital Calculation</u>					
Equity - beginning of the quarter	\$ 878,895	\$ 862,386	\$ 827,004	\$ 806,528	\$ 806,654
Equity - end of quarter	905,298	878,895	862,386	827,004	806,528
Adjustments:					
Tax recovery, net	(2,100)	—	(1,886)	—	—
Share-based compensation, net	1,921	2,191	2,496	1,718	2,134
Cyberattack restoration costs, net	1,092	—	—	—	—
Discontinued operations net income	(1,717)	—	—	—	—
<b>Average equity</b>	<b>891,695</b>	<b>871,736</b>	<b>845,000</b>	<b>817,625</b>	<b>807,658</b>
<b>Average funded debt (c)</b>	<b>361,792</b>	<b>398,318</b>	<b>392,853</b>	<b>336,428</b>	<b>233,445</b>
<b>Invested capital (denominator for Adjusted ROIC) (non-GAAP)</b>	<b>\$ 1,253,487</b>	<b>\$ 1,270,054</b>	<b>\$ 1,237,853</b>	<b>\$ 1,154,053</b>	<b>\$ 1,041,103</b>

(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) Recovery of prior period withholding taxes in Brazil

(c) Average funded debt is calculated as the daily average amounts outstanding on our short-term and long-term interest-bearing debt.

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Average Adjusted Return on Invested Capital - FY**

(\$ in thousands)

	FY23	FY22
<b>Adjusted return on invested capital (ROIC), annualized (a)</b>	<b>14.6 %</b>	<b>17.0 %</b>
<u>Reconciliation of Net Income to Adjusted EBITDA</u>		
Net income from continuing operations - GAAP	\$ 88,092	\$ 88,698
Plus:		
Interest expense	19,786	6,523
Income taxes	33,758	29,925
Depreciation and amortization	28,614	29,884
EBITDA	170,250	155,030
Adjustments:		
Share-based compensation	11,219	11,663
Acquisition and divestiture costs	—	30
Tax recovery	(2,986)	—
Cyberattack restoration costs	1,460	—
<b>Adjusted EBITDA (numerator for Adjusted ROIC) (non-GAAP)</b>	<b>\$ 179,943</b>	<b>\$ 166,723</b>
<u>Invested Capital Calculation</u>		
Equity - beginning of the year	\$ 806,528	\$ 731,191
Equity - end of the year	905,298	806,528
Adjustments:		
Share-based compensation, net	8,326	8,709
Cyberattack restoration costs, net	1,092	—
Tax recovery, net	(3,985)	—
Divestiture costs	—	30
Impact of discontinued operations, net of tax	(1,717)	(100)
Average equity	857,771	773,179
Average funded debt (b)	372,235	209,114
<b>Invested capital (denominator for Adjusted ROIC) (non-GAAP)</b>	<b>\$ 1,230,006</b>	<b>\$ 982,293</b>

(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 funded debt is calculated as the daily average amounts outstanding on our short-term and long-term interest-bearing debt.

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Net Debt and Adjusted EBITDA Metrics**

(\$ in thousands)

	<b>Q4 FY23</b>	<b>Q3 FY23</b>	<b>Q2 FY23</b>	<b>Q1 FY23</b>	<b>Q4 FY22</b>
Consolidated debt (Q/E)	\$ 329,901	\$ 311,052	\$ 382,796	\$ 326,435	\$ 271,170
Less:					
Consolidated cash and cash equivalents (Q/E)	(36,178)	(37,374)	(66,445)	(40,472)	(37,987)
<b>Net debt (Q/E)</b>	<b>\$ 293,723</b>	<b>\$ 273,678</b>	<b>\$ 316,351</b>	<b>\$ 285,963</b>	<b>\$ 233,183</b>
<b>Reconciliation of Net Income to Adjusted EBITDA</b>					
Net income from continuing operations - GAAP	\$ 17,095	\$ 21,221	\$ 25,734	\$ 24,042	\$ 19,947
Plus:					
Interest expense	5,564	5,715	5,060	3,448	1,886
Income taxes	6,367	8,692	10,458	8,241	6,267
Depreciation and amortization	7,255	7,074	7,057	7,228	7,700
EBITDA	36,281	42,702	48,309	42,959	35,800
Adjustments:					
Tax recovery (a)	(128)	—	(2,858)	—	—
Cyberattack restoration costs	1,460	—	—	—	—
Share-based compensation	2,586	2,954	3,364	2,316	2,872
Adjusted EBITDA (non-GAAP)	\$ 40,199	\$ 45,656	\$ 48,815	\$ 45,275	\$ 38,672
<b>Adjusted EBITDA, TTM (b)</b>	<b>\$ 179,945</b>	<b>\$ 178,418</b>	<b>\$ 176,877</b>	<b>\$ 170,604</b>	<b>\$ 166,723</b>
<b>Net Debt / Adjusted EBITDA, TTM (b)</b>	<b>1.6x</b>	<b>1.5x</b>	<b>1.8x</b>	<b>1.7x</b>	<b>1.4x</b>

(a) Recovery of prior period withholding taxes in Brazil

(b) Adjusted EBITDA for the trailing 12-month period

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Working Capital, 5-Quarter Summary**

*(\$ in thousands)*

	<u>Q4 FY23</u>	<u>Q3 FY23</u>	<u>Q2 FY23</u>	<u>Q1 FY23</u>	<u>Q4 FY22</u>
Accounts Receivable (Q/E)	\$ 753,236	\$ 684,458	\$ 779,562	\$ 744,946	\$ 729,442
Days sales outstanding in receivables	72	70	69	71	68
Inventory (Q/E)	\$ 757,574	\$ 752,763	\$ 761,936	\$ 675,798	\$ 614,814
Inventory turns	4.4	4.1	5.0	5.1	5.6
Accounts payable (Q/E)	\$ 691,119	\$ 656,688	\$ 748,662	\$ 710,919	\$ 714,177
Paid for inventory days*	17.5	22.7	10.9	7.2	(0.8)
Working Capital (Q/E) (AR+INV-AP)	<u>\$ 819,691</u>	<u>\$ 780,533</u>	<u>\$ 792,836</u>	<u>\$ 709,825</u>	<u>\$ 630,079</u>
Cash conversion cycle	90	93	80	78	67

*\*Paid for inventory days represent Q/E inventory days less Q/E accounts payable days*

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Operating Income, Net Income & EPS - QTR**

*(\$ in thousands)*

**Quarter ended June 30, 2023**

	<b>Reported GAAP measure</b>	<b>Intangible amortization expense</b>	<b>Tax recovery, net</b>	<b>Cyberattack restoration costs</b>	<b>Non-GAAP measure</b>
SG&A expenses	\$74,358	—	\$128	\$(1,460)	\$73,026
Operating income	27,289	4,185	(128)	1,460	32,806
Net income	17,095	3,126	(2,100)	1,092	19,213
Diluted EPS	\$0.68	\$0.12	\$(0.08)	\$0.04	\$0.76

*(\$ in thousands)*

**Quarter ended March 31, 2023**

	<b>Reported GAAP measure</b>	<b>Intangible amortization expense</b>	<b>Tax recovery, net</b>	<b>Cyberattack restoration costs</b>	<b>Non-GAAP measure</b>
SG&A expenses	\$70,669	—	—	—	\$70,669
Operating income	34,279	4,170	—	—	38,449
Net income	21,221	3,109	—	—	24,330
Diluted EPS	\$0.83	\$0.12	—	—	\$0.96

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**Operating Income, Net Income & EPS - QTR, continued**

(\$ in thousands)

Quarter ended December 31, 2022

	Reported GAAP measure	Intangible amortization expense	Tax recovery, net	Cyberattack restoration costs	Non-GAAP measure
SG&A expenses	\$69,074	—	\$2,858	—	\$71,932
Operating income	39,432	4,150	(2,858)	—	40,724
Net income	25,734	3,093	(1,886)	—	26,941
Diluted EPS	\$1.01	\$0.12	\$(0.07)	—	\$1.06

(\$ in thousands)

Quarter ended September 30, 2022

	Reported GAAP measure	Intangible amortization expense	Tax recovery, net	Cyberattack restoration costs	Non-GAAP measure
SG&A expenses	\$71,593	—	—	—	\$71,593
Operating income	34,888	4,241	—	—	39,129
Net income	24,042	3,161	—	—	27,203
Diluted EPS	\$0.94	\$0.12	—	—	\$1.07

(\$ in thousands)

Quarter ended June 30, 2022

	Reported GAAP measure	Intangible amortization expense	Tax recovery, net	Cyberattack restoration costs	Non-GAAP measure
SG&A expenses	\$75,905	—	—	—	\$75,905
Operating income	27,424	4,440	—	—	31,864
Net income	19,947	3,319	—	—	23,266
Diluted EPS	\$0.78	\$0.13	—	—	\$0.91

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Operating Income, Net Income & EPS - FY

(\$ in thousands)

Year ended June 30, 2023

	Reported GAAP measure	Intangible amortization expense	Acquisition, divestiture and restructuring costs	Tax recovery, net	Cyberattack restoration costs	Non-GAAP measure
SG&A expenses	\$285,695	—	—	\$2,986	\$(1,460)	\$287,221
Operating income	135,886	16,746	—	(2,986)	1,460	151,106
Net income	88,092	12,489	—	(3,985)	1,092	97,688
Diluted EPS	\$3.47	\$0.49	—	\$(0.16)	\$0.04	\$3.85

Year ended June 30, 2022

	Reported GAAP measure	Intangible amortization expense	Acquisition, divestiture and restructuring costs(a)	Tax recovery, net	Cyberattack restoration costs	Non-GAAP measure
SG&A expenses	\$275,442	—	\$(30)	—	—	\$275,412
Operating (loss) income	122,167	17,853	30	—	—	140,050
Net (loss) income	88,698	13,412	30	—	—	102,140
Diluted EPS	\$3.44	\$0.52	—	—	—	\$3.97

(a) Divestiture costs totaled less than \$0.1 million for the fiscal year ended June 30, 2022 and are generally nondeductible for tax purposes.

**SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION**

**FY24 Annual Financial Outlook Reconciliation**

	<u>FY 24 Outlook</u>
<b>GAAP operating income</b>	<b>At least \$134 million</b>
<b>Intangible amortization</b>	<b>\$17 million</b>
<b>Depreciation expense</b>	<b>\$12 million</b>
<b>Share-based compensation expense</b>	<b>\$12 million</b>
<b>Interest income and income (expense), net</b>	<b>\$5 million</b>
<b>Adjusted EBITDA (non-GAAP)</b>	<b>At least \$180 million</b>
<b>GAAP operating cash flow</b>	<b>At least \$160 million</b>
<b>Less: Capital expenditures</b>	<b>\$10 million</b>
<b>Free cash flow</b>	<b>At least \$150 million</b>