



Fiscal Fourth Quarter

2022 Earnings

“Our exceptional fiscal year 2022 performance demonstrates the success of the new ScanSource and faster growth of our recurring revenue. Our hybrid distribution strategy of devices and digital is winning, as evidenced by our 12% net sales growth.”

Mike Baur

Chairman and CEO, ScanSource, Inc.

Key Highlights

Strong Demand and Outstanding Execution Drives Top Line Growth

Exceeds Full-Year 2022 Outlook for Net Sales Growth and Adj. EBITDA

Hybrid Distribution Strategy of Devices and Digital is Winning

13% Net Sales Growth and 16% Gross Profit Growth

Consolidated

Net Sales
+13% Y/Y
\$962.3M

Gross Profit
+16% Y/Y
\$110.8M, 11.5% margin

Specialty Technology Solutions Segment

STS, Net Sales
+13% Y/Y
\$580.6M

STS, Gross Profit
+16% Y/Y
\$54.0M, 9.3% margin

Modern Communications & Cloud Segment

MC&C, Net Sales
+13% Y/Y
\$381.7M

MC&C, Gross Profit
+15% Y/Y
\$56.8M, 14.9% margin

Metrics Reflect Operational Excellence

\$0.78 per share Q4
\$3.44 per share FY22
GAAP Diluted EPS

4.02% Q4
4.72% FY22
Adjusted EBITDA Margin*

(\$124M) FY22
Operating Cash Flow
Working capital for growth

\$0.91 per share Q4
\$3.97 per share FY22
Non-GAAP Diluted EPS*

\$38.7 Q4 +10% Y/Y
\$166.7M FY22 +41% Y/Y
Adjusted EBITDA*
FY22 all-time Company record

14.9% Q4
17.0% FY22
Adjusted ROIC*
FY22 Share Repurchases: \$18.2M

Solid Financial Foundation for Growth

**1.4x net debt to
TTM adjusted
EBITDA**

Target range: 1x to 2x

**5.6x inventory
turns**

5-qtr range: 5.1x to 6.5x

**Paid for inventory
days of (0.8)**

5-qtr range: (9.4) to (0.5)

**68 days sales
outstanding**

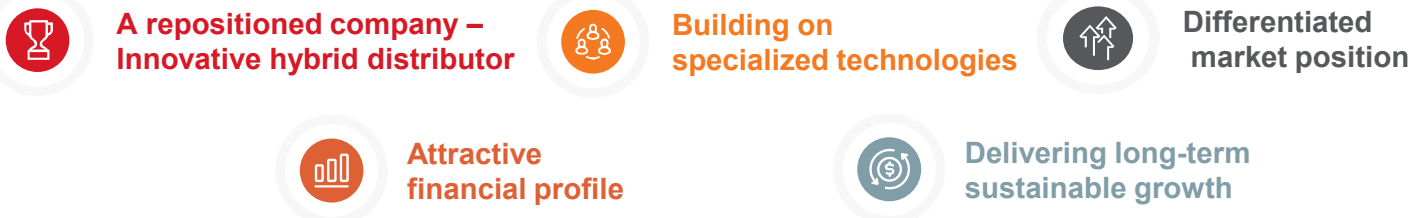
5-qtr range: 60 to 69

Fiscal Year 2023 Outlook as of August 23, 2022

At Least 5.5%
Net Sales Growth

At Least \$174M
+4% Y/Y
Adjusted EBITDA*

Focused Execution of Value Creation Strategy



* 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 and fiscal year 2022 news release issued on August 23, 2022, which accompanies this presentation and is available at 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 FY23 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 failure to hire and retain quality employees, risk to our business from a cyber-security attack, the failure to manage and implement our organic growth strategy, economic weakness and inflation, a failure of our IT systems, a failure to acquire new businesses, changes in interest and exchange rates and regulatory regimes impacting our international operations, loss of our major customers, termination of our relationship with key suppliers or a significant modification of the terms under which we operate with a key supplier, 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, 2022, and subsequent reports on Form 10-Q, 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 income margin, non-GAAP net income, non-GAAP diluted EPS, non-GAAP net sales, non-GAAP SG&A expenses, adjusted EBITDA, adjusted ROIC 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)

	Q4 FY22	Q3 FY22	Q2 FY22	Q1 FY22	Q4 FY21	Q/Q	Y/Y
Select reported GAAP measures:							
Net sales	\$ 962,283	\$ 845,990	\$ 864,351	\$ 857,311	\$ 852,694	14%	13%
Gross profit	\$ 110,792	\$ 106,508	\$ 107,925	\$ 101,300	\$ 95,778	4%	16%
Gross profit margin %	11.5 %	12.6 %	12.5 %	11.8 %	11.2 %	(108) bp	28 bp
SG&A expenses	\$ 75,905	\$ 66,522	\$ 69,433	\$ 63,582	\$ 64,758	14%	17%
Operating income	\$ 27,424	\$ 32,917	\$ 31,498	\$ 30,328	\$ 23,283	(17)%	18%
Operating income %	2.85 %	3.89 %	3.64 %	3.54 %	2.73 %	(104) bp	12 bp
Net income	\$ 19,947	\$ 23,526	\$ 23,152	\$ 22,073	\$ 20,657	(15)%	(3)%
Diluted EPS	\$ 0.78	\$ 0.91	\$ 0.89	\$ 0.86	\$ 0.80	(14)%	(3)%
Select reported Non-GAAP measures: ^(a)							
Non-GAAP operating income	\$ 31,864	\$ 37,374	\$ 35,892	\$ 34,921	\$ 28,368	(15)%	12%
Non-GAAP operating income %	3.31 %	4.42 %	4.15 %	4.07 %	3.33 %	(111) bp	(2) bp
Non-GAAP net income	\$ 23,266	\$ 26,879	\$ 26,446	\$ 25,550	\$ 24,522	(13)%	(5)%
Non-GAAP diluted EPS	\$ 0.91	\$ 1.04	\$ 1.02	\$ 0.99	\$ 0.96	(13)%	(5)%
Adjusted EBITDA	\$ 38,672	\$ 44,115	\$ 42,542	\$ 41,394	\$ 35,299	(12)%	10%
Adjusted EBITDA %	4.02 %	5.21 %	4.92 %	4.83 %	4.14 %	(120) bp	(12) bp
Adjusted ROIC	14.9 %	18.0 %	17.6 %	17.5 %	16.0 %	(310) bp	(110) bp
Operating cash flow (QTR)	\$ (78,684)	\$ 29,707	\$ (18,419)	\$ (56,959)	\$ 61,345	365%	(228)%
Operating cash flow (TTM)	\$ (124,355)	\$ 15,674	\$ (74,285)	\$ (11,417)	\$ 116,767	(893)%	(206)%

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

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Specialty Technology Solutions, 5-Quarter Financial Summary

(\$ in thousands)

	<u>Q4 FY22</u>	<u>Q3 FY22</u>	<u>Q2 FY22</u>	<u>Q1 FY22</u>	<u>Q4 FY21</u>	<u>Q/Q</u>	<u>Y/Y</u>
Net sales	\$ 580,619	\$ 503,072	\$ 496,920	\$ 501,711	\$ 515,445	15%	13%
Gross profit	\$ 53,994	\$ 54,021	\$ 52,048	\$ 45,694	\$ 46,554	—%	16%
Gross profit margin %	9.3 %	10.7 %	10.5 %	9.1 %	9.0 %	(144) bp	27 bp
GAAP operating income	\$ 15,408	\$ 20,623	\$ 16,551	\$ 14,104	\$ 12,011	(25)%	28%
GAAP operating income %	2.65 %	4.10 %	3.33 %	2.81 %	2.33 %	(145) bp	32 bp
Add: Intangible amortization expense	\$ 1,491	\$ 1,491	\$ 1,491	\$ 1,531	\$ 1,610	—%	(7)%
Non-GAAP operating income	\$ 16,899	\$ 22,114	\$ 18,042	\$ 15,635	\$ 13,621	(24)%	24%
Non-GAAP operating income %	2.91 %	4.40 %	3.63 %	3.12 %	2.64 %	(149) bp	27 bp
Reconciliation of Operating Income to Adjusted EBITDA							
GAAP operating income	\$ 15,408	\$ 20,623	\$ 16,551	\$ 14,104	\$ 12,011	(25)%	28%
Plus:							
Depreciation expense	2,089	1,833	1,867	1,868	1,967	14%	6%
Intangible amortization expense	1,491	1,491	1,491	1,531	1,610	—%	(7)%
Interest income	325	265	299	305	965	23%	(66)%
Other income/(expense), net	(141)	165	(169)	13	(10)	*nm	*nm
EBITDA	19,172	24,377	20,039	17,821	16,543	(21)%	16%
Adjustments:							
Share-based compensation expense	1,710	1,659	2,038	1,398	1,325	3%	29%
Adjusted EBITDA (non-GAAP)	<u>\$ 20,882</u>	<u>\$ 26,036</u>	<u>\$ 22,077</u>	<u>\$ 19,219</u>	<u>\$ 17,868</u>	(20)%	17%
Adjusted EBITDA (non-GAAP) %	3.60 %	5.18 %	4.44 %	3.83 %	3.47 %	(158) bp	13 bp

*nm - percentages are not meaningful

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Modern Communications & Cloud, 5-Quarter Financial Summary

(\$ in thousands)

	<u>Q4 FY22</u>	<u>Q3 FY22</u>	<u>Q2 FY22</u>	<u>Q1 FY22</u>	<u>Q4 FY21</u>	<u>Q/Q</u>	<u>Y/Y</u>
Net sales	\$ 381,664	\$ 342,918	\$ 367,431	\$ 355,600	\$ 337,249	11%	13%
Gross profit	\$ 56,798	\$ 52,487	\$ 55,877	\$ 55,606	\$ 49,224	8%	15%
Gross profit margin %	14.9 %	15.3 %	15.2 %	15.6 %	14.6 %	(42) bp	29 bp
GAAP operating income	\$ 12,016	\$ 12,294	\$ 14,894	\$ 16,307	\$ 11,466	(2)%	5%
GAAP operating income %	3.15 %	3.59 %	4.05 %	4.59 %	3.40 %	(44) bp	(25) bp
Add: Intangible amortization expense	\$ 2,949	\$ 2,966	\$ 2,956	\$ 2,978	\$ 3,283	(1)%	(10)%
Non-GAAP operating income	\$ 14,965	\$ 15,260	\$ 17,850	\$ 19,285	\$ 14,749	(2)%	1%
Non-GAAP operating income %	3.92 %	4.45 %	4.86 %	5.42 %	4.37 %	(53) bp	(45) bp
Reconciliation of Operating Income to Adjusted EBITDA							
GAAP operating income	\$ 12,016	\$ 12,294	\$ 14,894	\$ 16,307	\$ 11,466	(2)%	5%
Plus:							
Depreciation expense	1,172	1,015	916	1,273	1,231	15%	(5)%
Intangible amortization expense	2,948	2,966	2,955	2,978	3,283	(1)%	(10)%
Interest income	1,035	735	648	721	376	41%	175%
Other income/(expense), net	(542)	(28)	(374)	(276)	77	*nm	*nm
EBITDA	16,629	16,982	19,039	21,003	16,433	(2)%	1%
Adjustments:							
Share-based compensation expense	1,162	1,098	1,426	1,173	1,003	6%	16%
Adjusted EBITDA (non-GAAP)	<u>\$ 17,791</u>	<u>\$ 18,080</u>	<u>\$ 20,465</u>	<u>\$ 22,176</u>	<u>\$ 17,436</u>	(2)%	2%
Adjusted EBITDA (non-GAAP) %	4.66 %	5.27 %	5.57 %	6.24 %	5.17 %	(61) bp	(51) bp

*nm - percentages are not meaningful

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Net Sales, Constant Currency (Organic Growth) - QTR

Net Sales by Segment:

(\$ In thousands)

Specialty Technology Solutions:

	<u>Q4 FY22</u>	<u>Q4 FY21</u>	<u>% Change</u>
Net sales, as reported	\$ 580,619	\$ 515,445	12.6 %
Foreign exchange impact (a)	(1,338)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 579,281</u>	<u>\$ 515,445</u>	12.4 %

Modern Communications & Cloud:

Net sales, as reported	\$ 381,664	\$ 337,249	13.2 %
Foreign exchange impact (a)	(4,447)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 377,217</u>	<u>\$ 337,249</u>	11.9 %

Consolidated:

Net sales, as reported	\$ 962,283	\$ 852,694	12.9 %
Foreign exchange impact (a)	(5,785)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 956,498</u>	<u>\$ 852,694</u>	12.2 %

Net Sales by Geography:

(\$ in thousands)

United States and Canada:

Net sales, as reported	<u>\$ 865,737</u>	<u>\$ 771,403</u>	12.2 %
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International:

Net sales, as reported	\$ 96,546	\$ 81,291	18.8 %
Foreign exchange impact (a)	(5,785)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 90,761</u>	<u>\$ 81,291</u>	11.6 %

Consolidated:

Net sales, as reported	\$ 962,283	\$ 852,694	12.9 %
Foreign exchange impact (a)	(5,785)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 956,498</u>	<u>\$ 852,694</u>	12.2 %

(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, 2022 into U.S. dollars using the weighted-average foreign exchange rates for the quarter ended June 30, 2021.

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Net Sales, Constant Currency (Organic Growth) - FY

Net Sales by Segment:

	Fiscal year ended June 30,		% Change
	2022	2021	
<i>(\$ in thousands)</i>			
Specialty Technology Solutions:			
Net sales, as reported	\$ 2,082,321	\$ 1,815,933	14.7 %
Foreign exchange impact (a)	(1,710)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 2,080,611</u>	<u>\$ 1,815,933</u>	14.6 %
Modern Communications & Cloud:			
Net sales, as reported	\$ 1,447,614	\$ 1,334,873	8.4 %
Foreign exchange impact (a)	(7,115)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 1,440,499</u>	<u>\$ 1,334,873</u>	7.9 %
Consolidated:			
Net sales, as reported	\$ 3,529,935	\$ 3,150,806	12.0 %
Foreign exchange impact (a)	(8,825)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 3,521,110</u>	<u>\$ 3,150,806</u>	11.8 %

Net Sales by Geography:

	Fiscal year ended June 30,		% Change
	2022	2021	
<i>(\$ in thousands)</i>			
United States and Canada:			
Net sales, as reported	<u>\$ 3,173,694</u>	<u>\$ 2,840,731</u>	11.7 %
International:			
Net sales, as reported	\$ 356,241	\$ 310,075	14.9 %
Foreign exchange impact (a)	(8,825)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 347,416</u>	<u>\$ 310,075</u>	12.0 %
Consolidated:			
Net sales, as reported	\$ 3,529,935	\$ 3,150,806	12.0 %
Foreign exchange impact (a)	(8,825)	—	
Net sales, constant currency (non-GAAP)	<u>\$ 3,521,110</u>	<u>\$ 3,150,806</u>	11.8 %

(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, 2022 into U.S. dollars using the weighted-average foreign exchange rates for the quarter ended June 30, 2021.

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Average Adjusted Return on Invested Capital - QTR

(\$ in thousands)

	Q4 FY22	Q3 FY22	Q2 FY22	Q1 FY22	Q4 FY21
Adjusted return on invested capital (ROIC), annualized (a)	14.9 %	18.0 %	17.6 %	17.5 %	16.0 %

Reconciliation of Net Income to Adjusted EBITDA

Net income from continuing operations - GAAP	\$ 19,947	\$ 23,526	\$ 23,152	\$ 22,073	\$ 20,657
Plus:					
Interest expense	1,886	1,483	1,493	1,660	1,643
Income taxes	6,267	9,044	7,257	7,358	2,389
Depreciation and amortization	7,700	7,305	7,229	7,650	8,090
EBITDA	35,800	41,358	39,131	38,741	32,779
Adjustments:					
Acquisition and divestiture costs	—	—	(53)	83	246
Restructuring costs	—	—	—	—	(54)
Share-based compensation	2,872	2,757	3,464	2,570	2,328
Adjusted EBITDA (numerator for Adjusted ROIC) (non-GAAP)	\$ 38,672	\$ 44,115	\$ 42,542	\$ 41,394	\$ 35,299

Invested Capital Calculation

Equity - beginning of the quarter	\$ 806,654	\$ 768,525	\$ 746,094	\$ 731,191	\$ 690,575
Equity - end of quarter	806,528	806,654	768,525	746,094	731,191
Adjustments:					
Share-based compensation, net	2,134	2,063	2,590	1,922	1,752
Acquisition and divestiture costs	—	—	(53)	83	207
Restructuring, net of tax	—	—	—	—	(40)
Discontinued operations net (income) loss	—	—	(100)	—	(3,053)
Average equity	807,658	788,621	758,528	739,645	710,316
Average funded debt (b)	233,445	205,073	200,708	197,406	177,074
Invested capital (denominator for Adjusted ROIC) (non-GAAP)	\$ 1,041,103	\$ 993,694	\$ 959,236	\$ 937,051	\$ 887,390

(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, which includes both continuing and discontinued operations, 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)

	FY22	FY21
Adjusted return on invested capital (ROIC), annualized (a)	17.0 %	12.6 %
<u>Reconciliation of Net Income to Adjusted EBITDA</u>		
Net income from continuing operations - GAAP	\$ 88,698	\$ 45,389
Plus:		
Interest expense	6,523	6,929
Income taxes	29,925	12,146
Depreciation and amortization	29,884	33,507
EBITDA	155,030	97,971
Adjustments:		
Share-based compensation	11,663	8,039
Change in fair value of contingent consideration	—	516
Acquisition and divestiture costs	30	2,376
Restructuring costs	—	9,047
Adjusted EBITDA (numerator for Adjusted ROIC) (non-GAAP)	\$ 166,723	\$ 117,949
<u>Invested Capital Calculation</u>		
Equity - beginning of the year	\$ 731,191	\$ 678,246
Equity - end of the year	806,528	731,191
Adjustments:		
Share-based compensation, net	8,709	6,052
Change in fair value of contingent consideration, net of tax	—	390
Acquisition and divestiture costs	30	2,337
Restructuring costs, net of tax	—	6,840
Impact of discontinued operations, net of tax	(100)	34,594
Average equity	773,179	729,825
Average funded debt (b)	209,114	202,869
Invested capital (denominator for Adjusted ROIC) (non-GAAP)	\$ 982,293	\$ 932,694

(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)

	Q4 FY22	Q3 FY22	Q2 FY22	Q1 FY22	Q4 FY21
Consolidated debt (Q/E)	\$ 271,170	\$ 181,500	\$ 196,866	\$ 197,356	\$ 143,174
Less:					
Consolidated cash and cash equivalents (Q/E)	(37,987)	(43,539)	(34,123)	(55,491)	(62,718)
Net debt (Q/E)	\$ 233,183	\$ 137,961	\$ 162,743	\$ 141,865	\$ 80,456
<u>Reconciliation of Net Income to Adjusted EBITDA</u>					
Net income from continuing operations - GAAP	\$ 19,947	\$ 23,526	\$ 23,152	\$ 22,073	\$ 20,657
Plus:					
Interest expense	1,886	1,483	1,493	1,660	1,643
Income taxes	6,267	9,044	7,257	7,358	2,389
Depreciation and amortization	7,700	7,305	7,229	7,650	8,090
EBITDA	35,800	41,358	39,131	38,741	32,779
Adjustments:					
Acquisition and divestiture costs	—	—	(53)	83	246
Restructuring costs	—	—	—	—	(54)
Share-based compensation	2,872	2,757	3,464	2,570	2,328
Adjusted EBITDA (non-GAAP)	\$ 38,672	\$ 44,115	\$ 42,542	\$ 41,394	\$ 35,299
Adjusted EBITDA, TTM (a)	\$ 166,723	\$ 163,350	\$ 151,234	\$ 138,431	\$ 117,948
Net Debt / Adjusted EBITDA, TTM (a)	1.4x	0.8x	1.1x	1.0x	0.7x

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

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Working Capital, 5-Quarter Summary

(\$ in thousands)

	Q4 FY22	Q3 FY22	Q2 FY22	Q1 FY22	Q4 FY21
Accounts Receivable (Q/E)	\$ 729,442	\$ 642,384	\$ 613,186	\$ 589,532	\$ 568,984
Days sales outstanding in receivables	68	69	64	62	60
Inventory (Q/E)	\$ 614,814	\$ 591,396	\$ 562,397	\$ 493,541	\$ 470,081
Inventory turns	5.6	5.1	5.7	6.3	6.5
Accounts payable (Q/E)	\$ 714,177	\$ 706,359	\$ 653,190	\$ 602,229	\$ 634,805
Paid for inventory days*	(0.8)	(2.9)	(0.5)	(3.2)	(9.4)
Working Capital (Q/E) (AR+INV-AP)	<u>\$ 630,079</u>	<u>\$ 527,421</u>	<u>\$ 522,393</u>	<u>\$ 480,844</u>	<u>\$ 404,260</u>
Cash conversion cycle	68	66	64	59	51

*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, 2022			
	Reported GAAP measure	Intangible amortization expense	Acquisition, divestiture and restructuring 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

	Quarter ended March 31, 2022			
	Reported GAAP measure	Intangible amortization expense	Acquisition, divestiture and restructuring cost	Non-GAAP measure
SG&A expenses	\$ 66,522	\$ —	\$ —	\$ 66,522
Operating income	32,917	4,457	—	37,374
Net income	23,526	3,353	—	26,879
Diluted EPS	\$ 0.91	\$ 0.13	\$ —	\$ 1.04

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Operating Income, Net Income & EPS - QTR, continued

(\$ in thousands)

		Quarter ended December 31, 2021			
	Reported GAAP measure	Intangible amortization expense	Acquisition, divestiture and restructuring costs(a)	Non-GAAP measure	
SG&A expenses	\$ 69,433	\$ —	\$ 53	\$ 69,486	
Operating income	31,498	4,447	(53)	35,892	
Net income	23,152	3,347	(53)	26,446	
Diluted EPS	\$ 0.89	\$ 0.13	\$ —	\$ 1.02	

(a) Acquisition and divestiture costs totaled less than (\$0.1 million) for the quarter ended December 30, 2021 and are generally nondeductible for tax purposes.

		Quarter ended September 30, 2021			
	Reported GAAP measure	Intangible amortization expense	Acquisition, divestiture and restructuring costs(a)	Non-GAAP measure	
SG&A expenses	\$ 63,582	\$ —	\$ (83)	\$ 63,499	
Operating income	30,328	4,510	83	34,921	
Net income	22,073	3,394	83	25,550	
Diluted EPS	\$ 0.86	\$ 0.13	\$ —	\$ 0.99	

(a) Acquisition and divestiture costs totaled \$0.1 million for the quarter ended September 30, 2021 and are generally nondeductible for tax purposes.

		Quarter ended June 30, 2021			
	Reported GAAP measure	Intangible amortization expense	Acquisition, divestiture and restructuring costs(a)	Non-GAAP measure	
SG&A expenses	\$ 64,758	\$ —	\$ (246)	\$ 64,512	
Operating income	23,283	4,893	192	28,368	
Net income	20,657	3,698	167	24,522	
Diluted EPS	\$ 0.80	\$ 0.14	\$ 0.01	\$ 0.96	

(a) Acquisition and divestiture costs totaled \$0.2 million for the quarter ended June 30, 2021 and are generally nondeductible for tax purposes. Restructuring costs totaled \$0.1 million for the quarter ended June 30, 2021.

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

Operating Income, Net Income & EPS - FY

(\$ in thousands)

Fiscal year ended June 30, 2022

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

(a) Acquisition and divestiture costs totaled less than \$1.0 million for the fiscal year ended June 30, 2022 and are generally nondeductible for tax purposes.

Fiscal year ended June 30, 2021

	Reported GAAP measure	Intangible amortization expense	Acquisition, divestiture and restructuring costs(a)	Non-GAAP measure
SG&A expenses	\$ 247,438	\$ —	\$ (2,376)	\$ 245,062
Operating (loss) income	61,483	19,488	11,634	93,121
Net (loss) income	45,389	14,753	9,336	69,868
Diluted EPS	\$ 1.78	\$ 0.58	\$ 0.36	\$ 2.74

(a) Acquisition and divestiture costs totaled \$2.4 million for the fiscal year ended June 30, 2021 and are generally nondeductible for tax purposes. Restructuring costs totaled \$9.3 million for the fiscal year ended June 30, 2021.

SUPPORTING MATERIALS AND RECONCILIATIONS FOR NON-GAAP FINANCIAL INFORMATION

FY23 Annual Financial Outlook Reconciliation

	<u>FY23 Outlook</u>
GAAP, operating income	At least \$132 million
Intangible amortization	\$17 million
Depreciation expense	\$12 million
Share-based compensation expense	\$12 million
Interest income and other income (expense), net	\$1 million
Adjusted EBITDA (non-GAAP)	At least \$174 million