



January 10, 2017

SYNNEX Corporation Reports Fiscal 2016 Fourth Quarter and Full Year Results

Company Reports Record Quarterly and Annual Revenue, Operating and Net Income

FREMONT, Calif., Jan. 10, 2017 /PRNewswire/ -- SYNNEX Corporation (NYSE: SNX), a leading business process services company, today announced financial results for the fiscal fourth quarter and fiscal year ended November 30, 2016.

| | <u>Q4 FY16</u> | <u>Q4 FY15</u> | <u>Net change</u> |
|---|----------------|----------------|-------------------|
| Revenue (\$M) | \$3,887 | \$3,550 | 9.5% |
| Operating income (\$M) | \$130.6 | \$105.0 | 24.5% |
| Non-GAAP operating income (\$M) ⁽¹⁾ | \$156.1 | \$120.0 | 30.1% |
| Operating margin | 3.36% | 2.96% | 40 bps |
| Non-GAAP operating margin ⁽¹⁾ | 4.02% | 3.38% | 64 bps |
| Net income attributable to SYNNEX Corporation (\$M) | \$85.3 | \$62.2 | 37.3% |
| Non-GAAP net income attributable to SYNNEX Corporation (\$M) ⁽¹⁾ | \$102.9 | \$71.6 | 43.7% |
| Diluted EPS | \$2.13 | \$1.56 | 36.5% |
| Non-GAAP Diluted EPS ⁽¹⁾ | \$2.57 | \$1.80 | 42.8% |

(1) Non-GAAP financial measures exclude the impact of acquisition and integration expenses, the amortization of intangible assets and the related tax effects thereon. A reconciliation of GAAP to Non-GAAP financial information is presented in the supplementary information section at the end of this press release.

"Our financial results for our fourth quarter and fiscal 2016 are a reflection of strong execution and the progress we have made in our strategy," said Kevin Murai, President and Chief Executive Officer, SYNNEX Corporation. "and I believe our strategic investments will continue to position us well for the future."

Fiscal 2016 Fourth Quarter Highlights:

- | **Technology Solutions:** Revenue was \$3.4 billion, up 6.6% from the prior fiscal year quarter. Adjusting for the translation effect of foreign currencies, the Technology Solutions business increased by 5.9% compared with last year. Technology Solutions generated operating income of \$92.6 million, or 2.73% of segment revenue, compared with \$80.4 million, or 2.53% of segment revenue, in the fiscal fourth quarter of 2015.
- | **Concentrix:** Revenue was \$500.4 million, an increase of 33.9% from the \$373.6 million in revenue generated during the fourth quarter of last year. Adjusting for the Minacs acquisition and translation effect of foreign currencies, Concentrix revenue grew 1.8% compared with last year. Operating income was \$38.0 million, or 7.60% of Concentrix revenue, compared with \$24.4 million in the prior fiscal year quarter. Non-GAAP operating income was \$62.8 million, or 12.55% of segment revenue, for fiscal fourth quarter of 2016, compared with \$38.8 million, or 10.38% of segment revenue, in the fiscal fourth quarter of 2015.
- | The trailing fiscal four quarters Return on Invested Capital ("ROIC") was 10.3% compared with 9.2% in the prior year fiscal fourth quarter. The adjusted trailing fiscal four quarters ROIC was 11.5%.
- | The debt to capitalization ratio was 32.8%, up from 28.9% in the prior fiscal year fourth quarter.
- | Depreciation and amortization were \$18.7 million and \$19.0 million, respectively.
- | Cash generated from operations was approximately \$51 million for the quarter.

| | <u>FY16</u> | <u>FY15</u> | <u>Net change</u> |
|---|-------------|-------------|-------------------|
| Revenue (\$M) | \$14,062 | \$13,338 | 5.4% |
| Operating income (\$M) | \$379.6 | \$354.6 | 7.1% |
| Non-GAAP operating income (\$M) ⁽¹⁾ | \$449.7 | \$419.4 | 7.2% |
| Operating margin | 2.70% | 2.66% | 4 bps |
| Non-GAAP operating margin ⁽¹⁾ | 3.20% | 3.14% | 6 bps |
| Net income attributable to SYNNEX Corporation (\$M) | \$234.9 | \$208.5 | 12.7% |
| Non-GAAP net income attributable to SYNNEX Corporation (\$M) ⁽¹⁾ | \$281.2 | \$249.9 | 12.5% |
| Diluted EPS | \$5.88 | \$5.24 | 12.2% |
| Non-GAAP Diluted EPS ⁽¹⁾ | \$7.04 | \$6.28 | 12.1% |

(1) Non-GAAP financial measures exclude the impact of acquisition and integration expenses, restructuring costs, the amortization of intangible assets and the related tax effects thereon. A reconciliation of GAAP to Non-GAAP financial information is presented in the supplementary information section at the end of this press release.

Fiscal 2016 Highlights:

- | **Technology Solutions:** Revenue was \$12.5 billion, up 4.6% from the prior fiscal year. Adjusting for the translation effect of foreign currencies, the Technology Solutions business increased by 4.7% compared with last year. Technology Solutions operating income was \$315.5 million, or 2.70% of segment revenue compared with \$303.0 million, or 2.54% of segment revenue, in fiscal 2015.
- | **Concentrix:** Revenue was \$1.6 billion, a 12.1% increase from the \$1.4 billion in revenue generated during last year. Adjusting for the Minacs acquisition and translation effect of foreign currencies, Concentrix revenue grew 2.7% compared with last year. Operating income was \$63.9 million, or 4.02% of Concentrix revenue, compared with \$51.1 million in the prior fiscal year. Non-GAAP operating income was \$131.4 million, or 8.27% of segment revenue, for fiscal 2016, compared with \$113.4 million, or 8.00% of segment revenue, in fiscal 2015.
- | Depreciation and amortization were \$65.3 million and \$55.5 million, respectively.
- | Cash generated from operations was approximately \$326 million for the year.

Fiscal 2017 First Quarter Outlook:

The following statements are based on SYNnex's current expectations for the fiscal 2017 first quarter. Non-GAAP financial measures exclude the impact of acquisition and integration expenses, the amortization of intangibles and the related tax impact thereon. These statements are forward-looking and actual results may differ materially.

- | Revenue is expected to be in the range of \$3.40 billion to \$3.60 billion.
- | Net income is expected to be in the range of \$52.6 million to \$55.8 million and on a Non-GAAP basis net income is expected to be in the range of \$64.7 million to \$67.9 million.
- | Diluted earnings per share is expected to be in the range of \$1.31 to \$1.39 and on a Non-GAAP basis diluted earnings per share is expected to be in the range of \$1.61 to \$1.69.
- | After-tax amortization of intangibles is expected to be \$11.1 million, or \$0.28 per share. After tax acquisition and integration expenses are expected to be \$1.0 million, or \$0.02 per share.

Dividend Announcement

SYNNEX previously announced that its Board of Directors declared a quarterly cash dividend of \$0.25 per common share. The dividend will be payable on January 27, 2017 to stockholders of record as of the close of business on January 13, 2017.

Conference Call and Webcast

SYNNEX will be discussing its financial results and outlook on a conference call today at 2:00 p.m. (PT). A webcast of the call will be available at <http://ir.synnex.com>. The conference call will also be available via telephone by dialing (888) 469-3219 in North America or (630) 395-0205 outside North America. The passcode for the call is "SNX." A replay of the webcast will be available at <http://ir.synnex.com> approximately two hours after the conference call has concluded where it will be archived for one year.

About SYNnex Corporation

SYNNEX Corporation (NYSE: SNX), a Fortune 500 corporation, is a leading business process services company, optimizing supply chains and providing outsourced services focused on customer relationship management. SYNnex distributes a broad range of information technology systems and products, and also provides systems design and integration solutions. Concentrix, a wholly-owned subsidiary of SYNnex Corporation, offers a portfolio of strategic solutions and end-to-end business services around customer engagement strategy, process optimization, technology innovation, front and back-office automation and business transformation to clients in ten identified industry verticals. Founded in 1980, SYNnex Corporation operates in 26 countries around the world. Additional information about SYNnex may be found online at www.synnex.com.

Use of Non-GAAP Financial Information

To supplement the financial results presented in accordance with GAAP, SYNnex uses adjusted selling, general and administrative expenses, non-GAAP operating income, non-GAAP operating margin, Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), non-GAAP net income attributable to SYNnex Corporation, non-

GAAP diluted earnings per share and adjusted ROIC, which are non-GAAP financial measures that exclude acquisition and integration expenses, restructuring costs, the amortization of intangible assets and the related tax effects thereon.

SYNNEX refers to growth rates at constant currency or adjusting for the translation effect of foreign currencies so that certain financial results can be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons of the Company's business performance. Financial results adjusted for currency are calculated by translating current period activity in local currency using the comparable prior year periods' currency conversion rate. This approach is used for countries where the functional currency is the local currency. Generally, when the dollar either strengthens or weakens against other currencies, the growth at constant currency rates or adjusting for currency will be higher or lower than growth reported at actual exchange rates.

Trailing fiscal four quarters ROIC is defined as the last four quarters' tax effected operating income divided by the average of the last five quarterly balances of debt and equity, net of cash and cash equivalents in the United States. Adjusted ROIC, or ROIC excluding the impact of acquisition and integration expenses, restructuring costs and the amortization of intangibles is calculated by excluding the tax effected impact of these items from operating income and equity.

These non-GAAP financial measures provide investors with an additional tool to evaluate operating results. Because these non-GAAP financial measures are not calculated in accordance with GAAP, they may not necessarily be comparable to similarly titled measures employed by other companies. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures, and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP.

SYNNEX management uses non-GAAP financial measures internally to understand, manage and evaluate the business to establish operational goals, and in some cases for measuring performance for compensation purposes. SYNNEX management believes it is useful for the company and investors to review, as applicable, both GAAP information and non-GAAP financial measures in order to assess the performance of SYNNEX' continuing businesses and for planning and forecasting in future periods. These non-GAAP measures are intended to provide investors with an understanding of SYNNEX' operational results and trends that more readily enable investors to analyze SYNNEX' base financial and operating performance and to facilitate period-to-period comparisons and analysis of operational trends. The management of SYNNEX believes the non-GAAP financial measures are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision-making. A reconciliation of SYNNEX' non-GAAP financial information to GAAP is set forth in the supplemental information table at the end of this press release.

Safe Harbor Statement

Statements in this news release regarding SYNNEX Corporation, which are not historical facts, are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements may be identified by terms such as believe, foresee, expect, may, will, provide, could and should and the negative of these terms or other similar expressions. These statements, including statements regarding SYNNEX' expectations and outlook for the fiscal 2017 first quarter as to revenue, net income, non-GAAP net income, diluted earnings per share, non-GAAP diluted earnings per share, after-tax amortization of intangibles, after-tax impact of acquisition and integration expenses and the timing of completion of such costs, our progress regarding our growth initiatives, currency impact, the frequency and occurrence of dividend declarations, and the anticipated benefits of the non-GAAP financial measures, are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements. These risks and uncertainties include, but are not limited to: general economic conditions and any weakness in information technology and consumer electronics spending; the loss or consolidation of one or more of our significant original equipment manufacturer, or OEM, suppliers or customers; market acceptance and product life of the products we assemble and distribute; competitive conditions in our industry and their impact on our margins; pricing, margin and other terms with our OEM suppliers; our ability to gain market share; variations in supplier-sponsored programs; changes in our costs and operating expenses; changes in foreign currency exchange rates; changes in tax laws; risks associated with our international operations; uncertainties and variability in demand by our reseller and integration customers; supply shortages or delays; any termination or reduction in our floor plan financing arrangements; credit exposure to our reseller customers and negative trends in their businesses; any future incidents of theft; and other risks and uncertainties detailed in our Form 10-K for the fiscal year ended November 30, 2015 and subsequent SEC filings. Statements included in this press release are based upon information known to SYNNEX Corporation as of the date of this release, and SYNNEX Corporation assumes no obligation to update information contained in this press release.

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SYNNEX Corporation
Consolidated Balance Sheets
(currency in thousands)
(unaudited)

| | November 30, 2016 | November 30, 2015 |
|---|------------------------------|------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 380,717 | \$ 336,072 |
| Restricted cash | 6,265 | 88,558 |
| Short-term investments | 5,109 | 5,546 |
| Accounts receivable, net | 1,756,494 | 1,759,491 |
| Receivable from related parties | 102 | 114 |
| Inventories | 1,741,734 | 1,328,967 |
| Current deferred tax assets | 49,116 | 40,510 |
| Other current assets | 105,572 | 90,523 |
| Total current assets | 4,045,109 | 3,649,781 |
| Property and equipment, net | 312,716 | 248,627 |
| Goodwill | 486,239 | 298,785 |
| Intangible assets, net | 298,550 | 166,567 |
| Deferred tax assets | 14,448 | 19,849 |
| Other assets | 66,201 | 60,538 |
| Total assets | \$ 5,223,263 | \$ 4,444,147 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Borrowings, current | \$ 363,737 | \$ 92,093 |
| Accounts payable | 1,683,155 | 1,445,194 |
| Payable to related parties | 30,679 | 7,661 |
| Accrued compensation and benefits | 165,585 | 135,453 |
| Other accrued liabilities | 217,575 | 218,687 |
| Income taxes payable | 17,097 | 19,069 |
| Total current liabilities | 2,477,828 | 1,918,157 |
| Long-term borrowings | 603,229 | 638,798 |
| Other long-term liabilities | 103,217 | 76,582 |
| Deferred tax liabilities | 63,191 | 10,713 |
| Total liabilities | 3,247,465 | 2,644,250 |
| SYNNEX Corporation stockholders' equity: | | |
| Preferred stock | — | — |
| Common stock | 41 | 40 |
| Additional paid-in capital | 440,713 | 411,687 |
| Treasury stock | (67,262) | (51,287) |
| Accumulated other comprehensive income (loss) | (93,116) | (55,237) |
| Retained earnings | 1,695,400 | 1,494,178 |
| Total SYNNEX Corporation stockholders' equity | 1,975,776 | 1,799,381 |
| Noncontrolling interest | 22 | 516 |
| Total equity | 1,975,798 | 1,799,897 |
| Total liabilities and equity | \$ 5,223,263 | \$ 4,444,147 |

SYNNEX Corporation
Consolidated Statements of Operations
(currency and share amounts in thousands, except for per share amounts)
(unaudited)

| | Three Months Ended | | Fiscal Year Ended | |
|----------|------------------------------|------------------------------|------------------------------|------------------------------|
| | November 30, 2016 | November 30, 2015 | November 30, 2016 | November 30, 2015 |
| Revenue: | | | | |

| | | | | |
|---|--------------|--------------|---------------|---------------|
| Products | \$ 3,390,665 | \$ 3,179,750 | \$ 12,490,427 | \$ 11,936,282 |
| Services | 496,237 | 369,867 | 1,571,410 | 1,402,115 |
| Total revenue | 3,886,902 | 3,549,617 | 14,061,837 | 13,338,397 |
| Cost of revenue: | | | | |
| Products | (3,206,961) | (3,012,292) | (11,815,479) | (11,276,819) |
| Services | (301,155) | (224,589) | (963,393) | (869,787) |
| Gross profit | 378,786 | 312,736 | 1,282,965 | 1,191,791 |
| Selling, general and administrative expenses | (248,144) | (207,771) | (903,369) | (837,239) |
| Operating income | 130,642 | 104,965 | 379,596 | 354,552 |
| Interest expense and finance charges, net | (8,748) | (7,246) | (28,993) | (26,296) |
| Other income (expense), net | 856 | 606 | 5,461 | (1,061) |
| Income before income taxes | 122,750 | 98,325 | 356,064 | 327,195 |
| Provision for income taxes | (37,440) | (36,101) | (121,059) | (118,588) |
| Net income | 85,310 | 62,224 | 235,005 | 208,607 |
| Net (income) loss attributable to noncontrolling interest | 8 | (67) | (59) | (82) |
| Net income attributable to SYNEX Corporation | \$ 85,318 | \$ 62,157 | \$ 234,946 | \$ 208,525 |
| Earnings per share attributable to SYNEX Corporation: | | | | |
| Basic | \$ 2.14 | \$ 1.57 | \$ 5.91 | \$ 5.28 |
| Diluted | \$ 2.13 | \$ 1.56 | \$ 5.88 | \$ 5.24 |
| Weighted-average common shares outstanding: | | | | |
| Basic | 39,431 | 39,134 | 39,321 | 39,061 |
| Diluted | 39,647 | 39,431 | 39,530 | 39,352 |
| Cash dividends declared per share | \$ 0.25 | \$ 0.20 | \$ 0.85 | \$ 0.58 |

**SYNEX Corporation
Segment Information
(currency in thousands)
(unaudited)**

| | Three Months Ended | | Fiscal Year Ended | |
|---------------------------|--------------------|-------------------|-------------------|-------------------|
| | November 30, 2016 | November 30, 2015 | November 30, 2016 | November 30, 2015 |
| Revenue: | | | | |
| Technology Solutions | \$ 3,390,749 | \$ 3,179,819 | \$ 12,490,718 | \$ 11,936,660 |
| Concentrix | 500,404 | 373,639 | 1,587,736 | 1,416,670 |
| Inter-segment elimination | (4,251) | (3,841) | (16,617) | (14,933) |
| Consolidated | \$ 3,886,902 | \$ 3,549,617 | \$ 14,061,837 | \$ 13,338,397 |
| Operating income: | | | | |
| Technology Solutions | \$ 92,589 | \$ 80,438 | \$ 315,485 | \$ 302,950 |
| Concentrix | 38,022 | 24,408 | 63,877 | 51,127 |
| Inter-segment elimination | 31 | 119 | 234 | 475 |
| Consolidated | \$ 130,642 | \$ 104,965 | \$ 379,596 | \$ 354,552 |

**SYNEX Corporation
Reconciliation of GAAP to Non-GAAP financial measures
(currency in thousands)**

| | Three Months Ended | | Fiscal Year Ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | November 30, 2016 | November 30, 2015 | November 30, 2016 | November 30, 2015 |
| Revenue in Constant Currency Consolidated | | | | |
| Revenue | \$ 3,886,902 | \$ 3,549,617 | \$ 14,061,837 | \$ 13,338,397 |
| Foreign currency translation | (21,835) | | 37,268 | |
| Revenue in constant currency | \$ 3,865,067 | \$ 3,549,617 | \$ 14,099,105 | \$ 13,338,397 |
| Technology Solutions | | | | |
| Revenue | \$ 3,390,749 | \$ 3,179,819 | \$ 12,490,718 | \$ 11,936,660 |

| | | | | |
|------------------------------|--------------|--------------|---------------|---------------|
| Foreign currency translation | (22,778) | | 12,780 | |
| Revenue in constant currency | \$ 3,367,971 | \$ 3,179,819 | \$ 12,503,498 | \$ 11,936,660 |
| Concentrix | | | | |
| Revenue | \$ 500,404 | \$ 373,639 | \$ 1,587,736 | \$ 1,416,670 |
| Foreign currency translation | 943 | | 24,488 | |
| Revenue in constant currency | \$ 501,347 | \$ 373,639 | \$ 1,612,224 | \$ 1,416,670 |

| | Three Months Ended | | Fiscal Year Ended | |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
| | November 30, 2016 | November 30, 2015 | November 30, 2016 | November 30, 2015 |
| Selling, general and administrative expenses Consolidated | | | | |
| GAAP selling, general and administrative expenses | \$ 248,144 | \$ 207,771 | \$ 903,369 | \$ 837,239 |
| Acquisition and integration expenses | 6,465 | 2,038 | 10,393 | 10,109 |
| Restructuring costs | — | — | 4,255 | — |
| Amortization of intangibles | 18,504 | 12,669 | 54,250 | 53,646 |
| Adjusted selling, general and administrative expenses | \$ 223,175 | \$ 193,064 | \$ 834,471 | \$ 773,484 |
| Technology Solutions | | | | |
| GAAP selling, general and administrative expenses | \$ 91,200 | \$ 87,088 | \$ 359,754 | \$ 356,880 |
| Amortization of intangibles | 670 | 652 | 2,657 | 2,630 |
| Adjusted selling, general and administrative expenses | \$ 90,530 | \$ 86,436 | \$ 357,097 | \$ 354,250 |
| Concentrix | | | | |
| GAAP selling, general and administrative expenses | \$ 159,007 | \$ 122,649 | \$ 551,570 | \$ 487,187 |
| Acquisition and integration expenses | 6,465 | 2,038 | 10,393 | 10,109 |
| Restructuring costs | — | — | 4,255 | — |
| Amortization of intangibles | 17,834 | 12,017 | 51,593 | 51,016 |
| Adjusted selling, general and administrative expenses | \$ 134,708 | \$ 108,594 | \$ 485,329 | \$ 426,062 |

SYNNEX Corporation
Reconciliation of GAAP to Non-GAAP financial measures
(currency and share amounts in thousands, except for per share amounts)
(continued)

| | Three Months Ended | | Fiscal Year Ended | |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| | November 30, 2016 | November 30, 2015 | November 30, 2016 | November 30, 2015 |
| Operating income and Operating margin Consolidated | | | | |
| Revenue | \$ 3,886,902 | \$ 3,549,617 | \$ 14,061,837 | \$ 13,338,397 |
| GAAP operating income | \$ 130,642 | \$ 104,965 | \$ 379,596 | \$ 354,552 |
| Acquisition and integration expenses | 6,465 | 2,038 | 10,393 | 10,109 |
| Restructuring costs | — | — | 4,255 | — |
| Amortization of intangibles | 18,981 | 12,985 | 55,490 | 54,756 |
| Non-GAAP operating income | \$ 156,088 | \$ 119,988 | \$ 449,734 | \$ 419,417 |
| Depreciation | 18,712 | 13,449 | 65,261 | 48,754 |
| Adjusted EBITDA | \$ 174,800 | \$ 133,437 | \$ 514,995 | \$ 468,171 |
| GAAP operating margin | 3.36 % | 2.96 % | 2.70 % | 2.66 % |
| Non-GAAP operating margin | 4.02 % | 3.38 % | 3.20 % | 3.14 % |
| Technology Solutions | | | | |
| Revenue | \$ 3,390,749 | \$ 3,179,819 | \$ 12,490,718 | \$ 11,936,660 |
| GAAP operating income | \$ 92,589 | \$ 80,438 | \$ 315,485 | \$ 302,950 |
| Amortization of intangibles | 670 | 652 | 2,657 | 2,630 |
| Non-GAAP operating income | \$ 93,259 | \$ 81,090 | \$ 318,142 | \$ 305,580 |

| | | | | |
|---------------------------|-----------|-----------|------------|------------|
| Depreciation | 3,489 | 3,307 | 13,935 | 12,475 |
| Adjusted EBITDA | \$ 96,748 | \$ 84,397 | \$ 332,077 | \$ 318,055 |
| GAAP operating margin | 2.73 % | 2.53 % | 2.53 % | 2.54 % |
| Non-GAAP operating margin | 2.75 % | 2.55 % | 2.55 % | 2.56 % |

Concentrix

| | | | | |
|--------------------------------------|------------|------------|--------------|--------------|
| Revenue | \$ 500,404 | \$ 373,639 | \$ 1,587,736 | \$ 1,416,670 |
| GAAP operating income | \$ 38,022 | \$ 24,408 | \$ 63,877 | \$ 51,127 |
| Acquisition and integration expenses | 6,465 | 2,038 | 10,393 | 10,109 |
| Restructuring costs | — | — | 4,255 | — |
| Amortization of intangibles | 18,311 | 12,333 | 52,833 | 52,126 |
| Non-GAAP operating income | \$ 62,798 | \$ 38,779 | \$ 131,358 | \$ 113,362 |
| Depreciation | 15,254 | 10,261 | 51,560 | 36,755 |
| Adjusted EBITDA | \$ 78,052 | \$ 49,040 | \$ 182,918 | \$ 150,117 |
| GAAP operating margin | 7.60 % | 6.53 % | 4.02 % | 3.61 % |
| Non-GAAP operating margin | 12.55 % | 10.38 % | 8.27 % | 8.00 % |

SYNNEX Corporation
Reconciliation of GAAP to Non-GAAP financial measures
(currency and share amounts in thousands, except for per share amounts)
(continued)

| | <u>Three Months Ended November 30, 2016</u> | <u>Fiscal Year Ended November 30, 2016</u> |
|--------------------------------------|---|--|
| Minacs operating income | | |
| GAAP operating income | \$ 2,722 | \$ 3,838 |
| Acquisition and integration expenses | 1,657 | 2,052 |
| Amortization of intangibles | 7,662 | 9,397 |
| Non-GAAP operating income | \$ 12,041 | \$ 15,287 |
| Depreciation | 1,888 | 2,944 |
| Adjusted EBITDA | \$ 13,929 | \$ 18,231 |

| | <u>Three Months Ended</u> | | <u>Fiscal Year Ended</u> | |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
| | <u>November 30, 2016</u> | <u>November 30, 2015</u> | <u>November 30, 2016</u> | <u>November 30, 2015</u> |
| Net income | | | | |
| Net income attributable to SYNEX Corporation | \$ 85,318 | \$ 62,157 | \$ 234,946 | \$ 208,525 |
| Acquisition and integration expenses | 6,465 | 2,038 | 10,393 | 10,109 |
| Restructuring costs | — | — | 4,255 | — |
| Amortization of intangibles | 18,981 | 12,985 | 55,490 | 54,756 |
| Income taxes related to the above ⁽¹⁾ | (7,829) | (5,546) | (23,846) | (23,510) |
| Non-GAAP net income attributable to SYNEX Corporation | \$ 102,935 | \$ 71,634 | \$ 281,238 | \$ 249,880 |
| Diluted earnings per common share ("EPS")⁽²⁾ | | | | |
| Net income attributable to SYNEX Corporation | \$ 85,318 | \$ 62,157 | \$ 234,946 | \$ 208,525 |
| Less: net income allocated to participating securities | (834) | (673) | (2,408) | (2,413) |
| Net income attributable to SYNEX Corporation common stockholders | 84,484 | 61,484 | 232,538 | 206,112 |
| Acquisition and integration expenses attributable to SYNEX Corporation common stockholders | 6,405 | 2,017 | 10,297 | 10,002 |
| Restructuring costs attributable to SYNEX Corporation common stockholders | — | — | 4,217 | — |
| Amortization of intangibles attributable to SYNEX Corporation common stockholders | 18,787 | 12,845 | 54,891 | 54,133 |
| Income taxes related to the above attributable to SYNEX Corporation common stockholders ⁽¹⁾ | (7,749) | (5,489) | (23,590) | (23,261) |
| Non-GAAP net income attributable to SYNEX Corporation common stockholders | \$ 101,927 | \$ 70,857 | \$ 278,353 | \$ 246,986 |
| Weighted-average number of common shares - diluted: | 39,647 | 39,431 | 39,530 | 39,352 |

| | | | | |
|--|---------|---------|---------|---------|
| Diluted EPS ⁽²⁾ | \$ 2.13 | \$ 1.56 | \$ 5.88 | \$ 5.24 |
| Acquisition and integration expenses | 0.16 | 0.05 | 0.26 | 0.25 |
| Restructuring costs | — | — | 0.11 | — |
| Amortization of intangibles | 0.47 | 0.33 | 1.39 | 1.38 |
| Income taxes related to the above ⁽¹⁾ | (0.20) | (0.14) | (0.60) | (0.59) |
| Non-GAAP Diluted EPS ⁽³⁾ | \$ 2.57 | \$ 1.80 | \$ 7.04 | \$ 6.28 |

SYNNEX Corporation
Reconciliation of GAAP to Non-GAAP financial measures
(amounts in millions, except for per share amounts)
(continued)

| | Forecast | |
|--|--|-------------|
| | Three Months Ending February 28, 2017 | |
| | Low | High |
| Net income | | |
| Net income attributable to SYNNEX Corporation | \$ 52.6 | \$ 55.8 |
| Acquisition and integration expenses | 1.5 | 1.5 |
| Amortization of intangibles | 17.0 | 17.0 |
| Income taxes related to the above ⁽¹⁾ | (6.4) | (6.4) |
| Non-GAAP net income attributable to SYNNEX Corporation | \$ 64.7 | \$ 67.9 |
| | | |
| Diluted EPS ⁽²⁾ | \$ 1.31 | \$ 1.39 |
| Acquisition and integration expenses | 0.04 | 0.04 |
| Amortization of intangibles | 0.42 | 0.42 |
| Income taxes related to the above ⁽¹⁾ | (0.16) | (0.16) |
| Non-GAAP Diluted EPS ⁽³⁾ | \$ 1.61 | \$ 1.69 |

(1) The tax effect of the non-GAAP adjustments was calculated using the applicable effective tax rate during the periods.

(2) Diluted EPS for all periods presented is calculated using the two-class method. Unvested restricted stock awards granted to employees and non-employee directors are considered participating securities. For purposes of calculating Diluted EPS, Net income allocated to participating securities was approximately 1.0% of the Net income attributable to SYNNEX Corporation for both the three months and the year ended November 30, 2016, and approximately 1.1% and 1.2% for the three months and the year ended November 30, 2015, respectively. Net income allocated to participating securities is approximately 1.0% of the Net income attributable to SYNNEX Corporation for the three months ending February 28, 2017.

(3) The sum of the components of Non-GAAP Diluted EPS may not agree to totals, as presented, due to rounding.

SYNNEX Corporation
Calculation of Financial Metrics
(currency in thousands)

Return on Invested Capital ("ROIC")

| | November 30, 2016 | November 30, 2015 |
|--|------------------------------|------------------------------|
| ROIC | | |
| Operating income (Trailing fiscal four quarters) | \$ 379,596 | \$ 354,552 |
| Income taxes on operating income ⁽¹⁾ | (129,042) | (128,503) |
| Operating income after taxes | 250,554 | 226,049 |
| | | |
| Total borrowings, excluding book overdraft (five quarters average) | \$ 781,568 | \$ 804,906 |
| Total equity (five quarters average) | 1,879,777 | 1,723,374 |
| Less: U.S. cash and cash equivalents (five quarters average) | (229,940) | (80,476) |
| Total invested capital | 2,431,405 | 2,447,804 |
| | | |
| ROIC | 10.3 % | 9.2 % |
| | | |
| Adjusted ROIC | | |
| Non-GAAP operating income (Trailing fiscal four quarters) | \$ 449,734 | \$ 419,417 |

| | | |
|--|--------------|--------------|
| Income taxes on Non-GAAP operating income ⁽¹⁾ | (152,846) | (152,013) |
| Non-GAAP operating income after taxes | 296,888 | 267,404 |
| Total invested capital | \$ 2,431,405 | \$ 2,447,804 |
| Tax effected impact of acquisition and integration expenses, restructuring costs and amortization of intangibles (five quarters average) | 158,550 | 118,241 |
| Total Non-GAAP invested capital | 2,589,955 | 2,566,045 |
| Adjusted ROIC | 11.5 % | 10.4 % |

(1) Income taxes on operating income was calculated using the applicable effective tax rates during the respective quarters.

Debt to Capitalization

| | | November 30, 2016 | November 30, 2015 |
|--|---------------|----------------------|----------------------|
| Total borrowings, excluding book overdraft | (a) | \$ 963,584 | \$ 730,891 |
| Total equity | (b) | 1,975,798 | 1,799,897 |
| Debt to capitalization | (a)/((a)+(b)) | 32.8 % | 28.9 % |

SYNNEX Corporation Calculation of Financial Metrics (currency in thousands) (continued)

Cash Conversion Cycle

| | | Three Months Ended | |
|--|--|----------------------|----------------------|
| | | November 30, 2016 | November 30, 2015 |
| Days sales outstanding | | | |
| Revenue (products and services) | (a) | \$ 3,886,902 | \$ 3,549,617 |
| Accounts receivable, including receivable from related parties | (b) | 1,756,596 | 1,759,605 |
| Days sales outstanding | (b)/((a)/the number of days during the period) | 41 | 45 |
| Days inventory outstanding | | | |
| Cost of revenue (products and services) | (c) | \$ 3,508,116 | \$ 3,236,881 |
| Inventories | (d) | 1,741,734 | 1,328,967 |
| Days inventory outstanding | (d)/((c)/the number of days during the period) | 45 | 37 |
| Days payable outstanding | | | |
| Cost of revenue (products and services) | (e) | \$ 3,508,116 | \$ 3,236,881 |
| Accounts payable, including payable to related parties | (f) | 1,713,834 | 1,452,855 |
| Days payable outstanding | (f)/((e)/the number of days during the period) | 44 | 41 |
| Cash conversion cycle | | 42 | 41 |

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/synnex-corporation-reports-fiscal-2016-fourth-quarter-and-full-year-results-300388965.html>

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