May 4, 2021

Ingram Micro Reports 2021 First Quarter Financial Results

All Lines of Business Deliver Strong Double-Digit Growth in Net Sales, Gross and Operating Profits

Acquisition by Platinum Equity Expected to Close at the end of the 2021 Second Quarter

IRVINE, Calif.--(BUSINESS WIRE)-- Ingram Micro Inc. today announced financial results for the 2021 first quarter ended Apr. 3, 2021. The company said its business is benefiting from strong demand for the technology products and services necessary to support the “next normal” with new and innovative solutions to facilitate hybrid working, learning and general everyday living environments. This continued demand, along with the global shift to greater reliance on e-commerce related activities and heightened demand for cloud-based platforms and offerings, helped drive strong double-digit growth in net sales and gross and operating profitability across all lines of business.

Worldwide 2021 first quarter net sales were $13.4 billion, an increase of nearly $2.5 billion, or 23 percent in USD. The translation of foreign currencies compared to 2020 had a positive impact on 2021 first quarter net sales of 4.3 percent. 2021 first quarter gross profit increased by $189 million, or 24 percent, to $984 million, with gross margin growing to 7.32 percent. This compares to net sales of $11 billion, gross profit of $795 million and gross margin of 7.26 percent for the 2020 first quarter. 2021 first quarter non-GAAP operating income increased by more than $100 million to $264 million, or 1.96 percent of net sales, up 51 basis-points over last year, with non-GAAP net income for the 2021 first quarter increasing more than $75 million to $178 million. This compares to 2020 first quarter non-GAAP operating income of $158 million, or 1.45 percent of net sales, and non-GAAP net income of $101 million. 2021 first quarter GAAP operating income was $246 million, or 1.83 percent of net sales, and GAAP net income was $173 million (with the primary GAAP to non-GAAP difference made up of pre-tax amortization expense of $16 million and our Pan-European entity’s foreign currency exchange gain of $8 million). This compares to 2020 first quarter GAAP operating income and net income of $140 million, or 1.28 percent of net sales, and $91 million, respectively.

The company said Platinum Equity’s acquisition of Ingram Micro from HNA Technology Co., Ltd. is expected to close at the end of the 2021 second quarter.

Non-GAAP Disclosures

In addition to GAAP results, Ingram Micro is reporting non-GAAP operating income, non-GAAP operating margin and non-GAAP net income for the periods covered in this release. These non-GAAP measures exclude charges associated with reorganization, acquisitions, integration and transition costs, including those associated with the company’s cost savings programs, and the amortization of intangible assets. These non-GAAP financial measures also exclude tax benefits related to research and development credit in 2020. Non-GAAP net

income also excludes the impact of foreign currency exchange gains or losses related to the translation effect on Euro-based inventory purchases in Ingram Micro's pan-European entity. The non-GAAP measures noted above are primary indicators that Ingram Micro's management uses internally to conduct and measure its business and evaluate the performance of its consolidated operations and operating segments. Ingram Micro's management believes these non-GAAP financial measures are useful because they provide meaningful comparisons to prior periods and an alternate view of the impact of acquired businesses. These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP. These non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the accompanying reconciliations to corresponding GAAP financial measures, provide a more complete understanding of factors and trends affecting Ingram Micro's business. A material limitation associated with these non-GAAP measures as compared to the GAAP measures is that they may not be comparable to other companies with similarly titled items that present related measures differently. The non-GAAP measures should be considered as a supplement to, and not as a substitute for or superior to, the corresponding measures calculated in accordance with GAAP. A reconciliation of GAAP to non-GAAP financial measures for the periods presented is attached to this press release.

About Ingram Micro Inc.

Ingram Micro helps businesses realize the promise of technology™. It delivers a full spectrum of global technology and supply chain services to businesses around the world. Deep expertise in technology solutions, mobility, cloud, and supply chain solutions enables its business partners to operate efficiently and successfully in the markets they serve. More at www.ingrammicro.com.

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Ingram Micro Inc.
Consolidated Balance Sheets
(Amounts in 000s)
(Unaudited)

	April 3, 2021	January 2, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,040,303	$ 1,410,468
Trade accounts receivable, net	7,623,449	8,478,281
Inventory	4,905,643	4,645,902
Other current assets	612,883	607,999
Total current assets	14,182,278	15,142,650
Property and equipment, net	452,827	459,308
Operating lease right-of-use assets	509,509	-
Goodwill	976,633	975,375
Intangible assets, net	191,540	210,206
Other assets	383,650	397,374
Total assets	$16,696,437	$17,184,913
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities:		
Accounts payable	$ 8,428,854	$ 9,687,427
Accrued expenses	979,381	1,272,145
Short-term debt and current maturities of long-term debt	73,818	79,032
Short-term operating lease liabilities	132,553	-
Total current liabilities	9,614,606	11,038,604
Long-term debt, less current maturities	1,435,744	931,579
Long-term operating lease liabilities, net of current portion	388,828	-
Other liabilities	210,049	193,970
Total liabilities	11,649,227	12,164,153
Stockholder's equity	5,047,210	5,020,760
Total liabilities and stockholder's equity	$16,696,437	$17,184,913

Ingram Micro Inc.
Consolidated Statements of Income
(Amounts in 000s)
(Unaudited)

	Thirteen Weeks Ended	
	April 3, 2021	**March 28, 2020**
Net sales	$13,444,547	$ 10,951,448
Cost of sales	12,460,426	10,156,047
Gross profit	984,121	795,401
Operating expenses:		
Selling, general and administrative	722,242	639,477
Amortization of intangible assets	15,807	15,463
	738,049	654,940
Income from operations	246,072	140,461
Other (income) expense:		
Interest income	(6,448)	(4,442)
Interest expense	19,197	24,643
Net foreign currency exchange gain	(7,549)	(7,414)
Other	7,547	6,759
	12,747	19,546
Income before income taxes	233,325	120,915
Provision for income taxes	60,567	29,586
Net income	$ 172,758	$ 91,329

Ingram Micro Inc.
Consolidated Statements of Cash Flows
(Amounts in 000s)
(Unaudited)

	Thirteen Weeks Ended	
	April 3, 2021	**March 28, 2020**
Cash flows from operating activities:		
Net income	$ 172,758	$ 91,329
Adjustments to reconcile net income to cash (used) provided by operating activities:		
Depreciation and amortization	49,430	46,533
(Gain) loss on marketable securities, net	(2,799)	8,906
Loss (gain) on sale of property and equipment	126	(358)
Revaluation of other consideration for acquisitions	-	224
Noncash charges for interest and bond discount amortization	533	660
Amortization of operating lease assets	38,956	-
Deferred income taxes	18,201	35,358
Changes in operating assets and liabilities, net of effects of acquisitions:		
Trade accounts receivable	797,340	882,436
Inventory	(292,815)	37,407
Other assets	(568,164)	(18,744)
Accounts payable	(859,690)	(544,938)
Change in book overdrafts	(298,823)	(337,665)
Operating lease liabilities	527,218	-
Accrued expenses	(249,849)	(189,709)
Cash (used) provided by operating activities	(667,578)	11,439
Cash flows from investing activities:		
Capital expenditures	(28,990)	(33,670)
Purchase of marketable securities, net	(3,748)	(905)
Proceeds from sale of property and equipment	449	569
Acquisitions, net of cash acquired	(12,589)	(18,260)
Cash used by investing activities	(44,878)	(52,266)
Cash flows from financing activities:		
Other consideration for acquisitions	(160)	-
Dividends paid to shareholders	(120,899)	(124,785)
Net proceeds from revolving and other credit facilities	492,325	118,568
Cash provided (used) by financing activities	371,266	(6,217)
Effect of exchange rate changes on cash and cash equivalents	(28,975)	(33,312)
Decrease in cash and cash equivalents	(370,165)	(80,356)
Cash and cash equivalents, beginning of period	1,410,468	671,821
Cash and cash equivalents, end of period	$ 1,040,303	$ 591,465

Ingram Micro Inc.
Supplementary Information
Income from Operations - Reconciliation of GAAP to Non-GAAP Information
(Amounts in Millions)
(Unaudited)

	Thirteen Weeks Ended	
	April 3, 2021	**March 28, 2020**
Net Sales	$ 13,444.5	$ 10,951.4
GAAP Operating Income	$ 246.1	$ 140.5
Reorganization, integration and transition costs	3.9	2.5
Settlement of a class action lawsuit	(2.1)	-
Amortization of intangible assets	15.8	15.5
Non-GAAP Operating Income	$ 263.7	$ 158.5
GAAP Operating Margin	1.83%	1.28%
Non-GAAP Operating Margin	1.96%	1.45%

Ingram Micro Inc.
Supplementary Information
Reconciliation of GAAP to Non-GAAP Financial Measures
(Amounts in Millions)
(Unaudited)

	Thirteen Weeks Ended	
	April 3, 2021	**March 28, 2020**
	Net Income	**Net Income**
As Reported Under GAAP	$ 172.8	$ 91.3
Reorganization, integration and transition costs	1.9	1.6
Settlement of a class action lawsuit	(1.0)	-
Amortization of intangible assets	7.7	10.1
Pan-Europe foreign currency exchange gain	(3.7)	(0.2)
Tax benefit on research and development credit	-	(1.7)
Non-GAAP Financial Measure	$ 177.7	$ 101.1

Note: Amounts above are net of applicable income taxes.

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