

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 7, 2019

ARROW ELECTRONICS INC
(Exact Name of Registrant as Specified in charter)

NEW YORK
(State or other jurisdiction
of Incorporation)

1-4482
(Commission
File Number)

11-1806155
(IRS Employer
Identification No.)

9201 EAST DRY CREEK ROAD, CENTENNIAL, COLORADO 80112
(Address of principal executive offices)

Registrant's telephone number, including area code: (303) 824-4000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

☐

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 7, 2019, the Registrant issued a press release announcing its fourth quarter 2018 earnings. A copy of the press release is attached hereto as an Exhibit (99.1).

On February 7, 2019, the Registrant also issued a press release containing a fourth quarter 2018 CFO commentary related to its fourth quarter 2018 earnings. A copy of that press release is attached hereto as an Exhibit (99.2).

The information in this Current Report on Form 8-K and the Exhibit attached hereto is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) EXHIBITS

99.1 Earnings press release dated February 7, 2019.

99.2 CFO commentary press release dated February 7, 2019.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ARROW ELECTRONICS, INC.

Date: February 7, 2019

By: /s/ Gregory Tarpinian

Gregory Tarpinian
Secretary and Chief Legal Officer

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	<u>Earnings press release issued by Arrow Electronics, Inc., dated February 7, 2019.</u>
99.2	<u>CFO commentary press release issued by Arrow Electronics, Inc., dated February 7, 2019.</u>

Arrow Electronics Reports Fourth-Quarter and Year-End 2018 Results

-- Record Fourth-Quarter and Full-Year Sales, Gross Profit and Operating Income --

-- Full-Year 2018 Sales Advanced \$3 Billion Over Full-Year 2017 --

CENTENNIAL, Colo.--(BUSINESS WIRE)--Feb. 7, 2019--Arrow Electronics, Inc. (NYSE:ARW) today reported fourth-quarter 2018 sales of \$7.92 billion, an increase of 5 percent from sales of \$7.54 billion in the fourth quarter of 2017. Fourth-quarter net income of \$231 million, or \$2.63 per share on a diluted basis, compared with net income of \$54 million, or \$.60 per share on a diluted basis, in the fourth quarter of 2017. Excluding certain items ¹, net income would have been \$225 million, or \$2.57 per share on a diluted basis, in the fourth quarter of 2018, compared with net income of \$222 million, or \$2.49 per share on a diluted basis, in the fourth quarter of 2017. In the fourth quarter of 2018, changes in foreign currencies had negative impacts on growth of approximately \$107 million or 2 percent on sales and \$.06 or 3 percent on earnings per share on a diluted basis compared to the fourth quarter of 2017.

"We are helping customers create, make, and manage their electronic products at unmatched scale. This is driving tremendous growth for our suppliers, and for Arrow, as evidenced by our second consecutive year of growing sales by more than \$3 billion," said Michael J. Long, chairman, president, and chief executive officer. "We are proud to be enabling next-generation technologies and products that are making our world better."

Global components fourth-quarter sales of \$5.26 billion increased 6 percent year over year. Americas components sales increased 5 percent year over year. Europe components sales increased 9 percent year over year. Sales in the region, as adjusted, increased 13 percent year over year. Asia-Pacific components sales increased 7 percent year over year. "We are well-aligned to the long-term trends of growing electronic content in key end markets such as transportation, industrial, and aerospace and defense," said Mr. Long.

Global enterprise computing solutions fourth-quarter sales of \$2.66 billion increased 2 percent year over year. Global enterprise computing solutions sales, as adjusted, increased 6 percent year over year. Americas sales increased 4 percent year over year. Sales in the region, as adjusted, increased 9 percent year over year. Europe sales decreased 1 percent year over year. Sales in the region, as adjusted, were flat year over year. "We have positioned the company to lead the edge computing paradigm with our leading software, hardware, and security capabilities," added Mr. Long.

FULL-YEAR RESULTS

Full-year 2018 sales of \$29.68 billion increased 12 percent from sales of \$26.55 billion in 2017. Net income for 2018 was \$716 million, or \$8.10 per share on a diluted basis, compared with net income of \$402 million, or \$4.48 per share on a diluted basis, in 2017. Excluding certain items ¹, net income would have been \$781 million, or \$8.83 per share on a diluted basis, in 2018 compared with net income of \$674 million, or \$7.51 per share on a diluted basis, in 2017. In 2018, changes in foreign currencies had positive impacts on growth of approximately \$252 million, or 1 percent on sales, and \$.06, or 1 percent, on earnings per share on a diluted basis compared to 2017.

"We executed well in 2018, and continue to see good returns on our organic investments. Operating income, excluding certain items ¹, increased 16 percent compared to a 12 percent increase in sales. Fourth-quarter cash flow from operations was \$263 million as our business model generates substantial cash in lower growth environments," said Chris Stansbury, senior vice president and chief financial officer. "In the fourth quarter, we reduced leverage, and we returned approximately \$150 million to shareholders through our stock repurchase program. With the recent authorization of an additional \$600 million of repurchases, we had approximately \$729 million of remaining authorization under our share repurchase programs at the end of the year."

¹ A reconciliation of non-GAAP adjusted financial measures, including sales, as adjusted, operating income, as adjusted, net income attributable to shareholders, as adjusted, and net income per share, as adjusted, to GAAP financial measures is presented in the reconciliation tables included herein.

GUIDANCE

“As we look to the first quarter, we believe that total sales will be between \$6.775 billion and \$7.175 billion, with global components sales between \$4.975 billion and \$5.175 billion, and global enterprise computing solutions sales between \$1.8 billion and \$2.0 billion. As a result of this outlook, we expect earnings per share on a diluted basis, to be in the range of \$1.61 to \$1.73, and earnings per share on a diluted basis, excluding certain items ¹, to be in the range of \$1.84 to \$1.96 per share. Our guidance assumes an average tax rate at the high end of the long-term range of 23.5 to 25.5 percent, and average diluted shares outstanding of 87 million. We are expecting interest expense will total approximately \$58 million. We are expecting the average USD-to-Euro exchange rate for the first quarter to be approximately \$1.14 to €1. We estimate changes in foreign currencies will have a negative impact on growth of approximately \$160 million, or 2 percent on sales, and \$.08, or 4 percent, on earnings per share on a diluted basis compared to the first quarter of 2018,” said Mr. Stansbury.

Please refer to the CFO commentary, which can be found at investor.arrow.com, as a supplement to the company’s earnings release.

Arrow Electronics guides innovation forward for over 200,000 leading technology manufacturers and service providers. With 2018 sales of \$30 billion, Arrow develops technology solutions that improve business and daily life. Learn more at fiveyearsout.com.

Information Relating to Forward-Looking Statements

This press release includes forward-looking statements that are subject to numerous assumptions, risks, and uncertainties, which could cause actual results or facts to differ materially from such statements for a variety of reasons, including, but not limited to: industry conditions, the company's implementation of its new enterprise resource planning system, changes in product supply, pricing and customer demand, competition, other vagaries in the global components and global enterprise computing solutions markets, changes in relationships with key suppliers, increased profit margin pressure, the effects of additional actions taken to become more efficient or lower costs, risks related to the integration of acquired businesses, changes in legal and regulatory matters, and the company’s ability to generate additional cash flow. Forward-looking statements are those statements which are not statements of historical fact. These forward-looking statements can be identified by forward-looking words such as "expects," "anticipates," "intends," "plans," "may," "will," "believes," "seeks," "estimates," and similar expressions. Shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update publicly or revise any of the forward-looking statements.

For a further discussion of factors to consider in connection with these forward-looking statements, investors should refer to Item 1A Risk Factors of the company’s Annual Report on Form 10-K for the year ended December 31, 2018.

Certain Non-GAAP Financial Information

In addition to disclosing financial results that are determined in accordance with accounting principles generally accepted in the United States (“GAAP”), the company also provides certain non-GAAP financial information relating to sales, operating income, net income attributable to shareholders, and net income per basic and diluted share. The company provides sales on a non-GAAP basis adjusted for the impact of changes in foreign currencies and the impact of acquisitions/dispositions by adjusting the company's operating results, including the amortization expense related to acquired/disposed intangible assets, as if the acquisitions/dispositions had occurred at the beginning of the earliest period presented (referred to as "impact of acquisitions" and "impact of dispositions"). Operating income, net income attributable to shareholders, and net income per basic and diluted share are adjusted to exclude identifiable intangible amortization, restructuring, integration, and other charges, and certain charges, credits, gains, and losses that the company believes impact the comparability of its results of operations. These charges, credits, gains, and losses arise out of the company’s efficiency enhancement initiatives, acquisitions/dispositions (including intangible assets amortization expense), the impact of tax reform, and financing activities. A reconciliation of the company’s non-GAAP financial information to GAAP is set forth in the tables below.

The company believes that such non-GAAP financial information is useful to investors to assist in assessing and understanding the company’s operating performance and underlying trends in the company’s business because management considers these items referred to above to be outside the company’s core operating results. This non-GAAP financial information is among the primary indicators management uses as a basis for evaluating the company’s financial and operating performance. In addition, the company’s Board of Directors may use this non-GAAP financial information in evaluating management performance and setting management compensation.

The presentation of this additional non-GAAP financial information is not meant to be considered in isolation or as a substitute for, or alternative to, sales, operating income, net income and net income per basic and diluted share determined in accordance with GAAP. Analysis of results and outlook on a non-GAAP basis should be used as a complement to, and in conjunction with, data presented in accordance with GAAP.



ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except per share data)

	Quarter Ended		Year Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(Unaudited)	(Unaudited / Adjusted)		(Adjusted)
Sales	\$ 7,918,182	\$ 7,539,449	\$ 29,676,768	\$ 26,554,563
Cost of sales	6,942,812	6,610,269	25,975,856	23,197,595
Gross profit	975,370	929,180	3,700,912	3,356,968
Operating expenses:				
Selling, general, and administrative expenses	583,943	562,082	2,303,051	2,162,045
Depreciation and amortization	47,183	40,503	186,384	153,599
Loss on disposition of businesses, net	—	21,000	3,604	21,000
Restructuring, integration, and other charges	9,864	18,771	60,361	74,588
	640,990	642,356	2,553,400	2,411,232
Operating income	334,380	286,824	1,147,512	945,736
Equity in earnings (losses) of affiliated companies	(1,524)	559	(2,332)	3,424
Gain (loss) on investments, net	(10,221)	2,207	(14,166)	(6,577)
Loss on extinguishment of debt	—	—	—	59,545
Employee benefit plan expense	3,086	18,322	6,870	23,869
Interest and other financing expense, net	54,584	44,354	214,771	165,252
Income before income taxes	264,965	226,914	909,373	693,917
Provision for income taxes	32,474	171,413	187,799	286,541
Consolidated net income	232,491	55,501	721,574	407,376
Noncontrolling interests	1,838	1,848	5,379	5,200
Net income attributable to shareholders	\$ 230,653	\$ 53,653	\$ 716,195	\$ 402,176
Net income per share:				
Basic	\$ 2.66	\$ 0.61	\$ 8.19	\$ 4.54
Diluted	\$ 2.63	\$ 0.60	\$ 8.10	\$ 4.48
Weighted average shares outstanding:				
Basic	86,559	88,120	87,476	88,681
Diluted	87,561	89,278	88,444	89,766

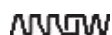


ARROW ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands except par value)

	December 31, 2018	December 31, 2017
		(Adjusted)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 509,327	\$ 730,083
Accounts receivable, net	8,945,463	8,125,588
Inventories	3,878,678	3,302,518
Other current assets	274,832	256,028
Total current assets	13,608,300	12,414,217
Property, plant, and equipment, at cost:		
Land	7,882	12,866
Buildings and improvements	158,712	160,664
Machinery and equipment	1,425,933	1,330,730
	1,592,527	1,504,260
Less: Accumulated depreciation and amortization	(767,827)	(665,785)
Property, plant, and equipment, net	824,700	838,475
Investments in affiliated companies	83,693	88,347
Intangible assets, net	372,644	286,215
Goodwill	2,624,690	2,470,047
Other assets	270,418	361,966
Total assets	\$ 17,784,445	\$ 16,459,267
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 7,631,879	\$ 6,756,830
Accrued expenses	912,292	841,675
Short-term borrowings, including current portion of long-term debt	246,257	356,806
Total current liabilities	8,790,428	7,955,311
Long-term debt	3,239,115	2,933,045
Other liabilities	378,536	572,971
Equity:		
Shareholders' equity:		
Common stock, par value \$1:		
Authorized – 160,000 shares in both 2018 and 2017		
Issued – 125,424 shares in both 2018 and 2017		
	125,424	125,424
Capital in excess of par value	1,135,934	1,114,167
Treasury stock (40,233 and 37,733 shares in 2018 and 2017, respectively), at cost	(1,972,254)	(1,762,239)
Retained earnings	6,335,335	5,596,786
Accumulated other comprehensive loss	(299,449)	(124,883)
Total shareholders' equity	5,324,990	4,949,255
Noncontrolling interests	51,376	48,685
Total equity	5,376,366	4,997,940
Total liabilities and equity	\$ 17,784,445	\$ 16,459,267

ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Quarter Ended	
	December 31, 2018	December 31, 2017
Cash flows from operating activities:		
Consolidated net income	\$ 232,491	\$ 55,501
Adjustments to reconcile consolidated net income to net cash provided by operations:		
Depreciation and amortization	47,183	40,503
Amortization of stock-based compensation	8,134	8,821
Equity in (earnings) losses of affiliated companies	1,524	(559)
Deferred income taxes	(16,533)	25,150
(Gain) loss on investment, net	10,221	(1,484)
Loss on disposition of businesses, net	—	21,000
Other	3,142	3,051
Change in assets and liabilities, net of effects of acquired and disposed businesses:		
Accounts receivable	(752,891)	(1,052,808)
Inventories	(162,825)	(118,709)
Accounts payable	764,726	930,406
Accrued expenses	96,946	37,254
Other assets and liabilities	31,016	174,652
Net cash provided by operating activities	263,134	122,778
Cash flows from investing activities:		
Acquisition of property, plant, and equipment	(30,439)	(54,352)
Proceeds from sale of property, plant, and equipment	5,421	—
Cash paid for customer relationship intangible asset	(20,000)	—
Other	(2,500)	(3,147)
Net cash used for investing activities	(47,518)	(57,499)
Cash flows from financing activities:		
Change in short-term and other borrowings	88,034	(26,893)
Proceeds from (repayment of) long-term bank borrowings, net	(114,120)	130,526
Proceeds from exercise of stock options	900	772
Repurchases of common stock	(150,132)	(25,114)
Other	—	(3,942)
Net cash provided by (used for) financing activities	(175,318)	75,349
Effect of exchange rate changes on cash	(5,162)	5,116
Net increase in cash and cash equivalents	35,136	145,744
Cash and cash equivalents at beginning of period	474,191	584,339
Cash and cash equivalents at end of period	\$ 509,327	\$ 730,083



ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended	
	December 31, 2018	December 31, 2017
Cash flows from operating activities:		
Consolidated net income	\$ 721,574	\$ 407,376
Adjustments to reconcile consolidated net income to net cash provided by operations:		
Depreciation and amortization	186,384	153,599
Amortization of stock-based compensation	46,238	39,122
Equity in (earnings) losses of affiliated companies	2,332	(3,424)
Loss on extinguishment of debt	—	59,545
Deferred income taxes	1,236	38,412
(Gain) loss on investment, net	14,166	8,020
Loss on disposition of businesses, net	3,604	21,000
Impairment of property, plant and equipment	—	4,761
Other	9,198	5,705
Change in assets and liabilities, net of effects of acquired and disposed businesses:		
Accounts receivable	(1,007,308)	(1,079,094)
Inventories	(618,875)	(379,835)
Accounts payable	936,423	816,602
Accrued expenses	112,123	(5,013)
Other assets and liabilities	(134,405)	37,781
Net cash provided by operating activities	272,690	124,557
Cash flows from investing activities:		
Cash consideration paid for acquired businesses, net of cash acquired	(331,563)	(3,628)
Proceeds from disposition of businesses	32,013	—
Acquisition of property, plant, and equipment	(135,336)	(203,949)
Proceeds from sale of property, plant and equipment	5,421	24,433
Cash paid for customer relationship intangible asset	(20,000)	—
Other	(13,500)	(5,614)
Net cash used for investing activities	(462,965)	(188,758)
Cash flows from financing activities:		
Change in short-term and other borrowings	192,192	(41,316)
Proceeds from long-term bank borrowings, net	306,635	47,760
Proceeds from note offering, net	—	986,203
Redemption of notes	(300,000)	(558,887)
Proceeds from exercise of stock options	8,819	22,195
Repurchases of common stock	(243,305)	(174,239)
Purchase of shares from noncontrolling interest	—	(23,350)
Other	(1,174)	(1,620)
Net cash provided by (used for) financing activities	(36,833)	256,746
Effect of exchange rate changes on cash	6,352	3,218
Net increase (decrease) in cash and cash equivalents	(220,756)	195,763
Cash and cash equivalents at beginning of period	730,083	534,320
Cash and cash equivalents at end of period	\$ 509,327	\$ 730,083

ARROW ELECTRONICS, INC.
NON-GAAP SALES RECONCILIATION
(In thousands)
(Unaudited)

	Quarter Ended		% Change
	December 31, 2018	December 31, 2017	
Consolidated sales, as reported	\$ 7,918,182	\$ 7,539,449	5.0 %
Impact of changes in foreign currencies	—	(106,649)	
Impact of acquisitions	—	47,020	
Impact of dispositions	—	(58,282)	
Consolidated sales, as adjusted	\$ 7,918,182	\$ 7,421,538	6.7 %
Global components sales, as reported	\$ 5,261,477	\$ 4,944,942	6.4 %
Impact of changes in foreign currencies	—	(58,957)	
Impact of acquisitions	—	21,314	
Global components sales, as adjusted	\$ 5,261,477	\$ 4,907,299	7.2 %
Americas components sales, as reported	\$ 2,021,033	\$ 1,929,827	4.7 %
Impact of changes in foreign currencies	—	(3,536)	
Impact of acquisitions	—	21,314	
Americas components sales, as adjusted	\$ 2,021,033	\$ 1,947,605	3.8 %
Europe components sales, as reported	\$ 1,407,429	\$ 1,296,142	8.6 %
Impact of changes in foreign currencies	—	(47,249)	
Impact of acquisitions	—	—	
Europe components sales, as adjusted	\$ 1,407,429	\$ 1,248,893	12.7 %
Asia components sales, as reported	\$ 1,833,015	\$ 1,718,973	6.6 %
Impact of changes in foreign currencies	—	(8,172)	
Impact of acquisitions	—	—	
Asia components sales, as adjusted	\$ 1,833,015	\$ 1,710,801	7.1 %
Global ECS sales, as reported	\$ 2,656,705	\$ 2,594,507	2.4 %
Impact of changes in foreign currencies	—	(47,692)	
Impact of acquisitions	—	25,706	
Impact of dispositions	—	(58,282)	
Global ECS sales, as adjusted	\$ 2,656,705	\$ 2,514,239	5.7 %
Europe ECS sales, as reported	\$ 954,343	\$ 965,216	(1.1)%
Impact of changes in foreign currencies	—	(33,786)	
Impact of acquisitions	—	25,706	
Impact of dispositions	—	(1,108)	
Europe ECS sales, as adjusted	\$ 954,343	\$ 956,028	(0.2)%
Americas ECS sales, as reported	\$ 1,702,362	\$ 1,629,291	4.5 %
Impact of changes in foreign currencies	—	(13,906)	
Impact of acquisitions	—	—	
Impact of dispositions	—	(57,174)	
Americas ECS sales, as adjusted	\$ 1,702,362	\$ 1,558,211	9.3 %

ARROW ELECTRONICS, INC.
NON-GAAP SALES RECONCILIATION
(In thousands)
(Unaudited)

	Year Ended		% Change
	December 31, 2018	December 31, 2017	
Consolidated sales, as reported	\$ 29,676,768	\$ 26,554,563	11.8%
Impact of changes in foreign currencies	—	251,644	
Impact of acquisitions	—	157,772	
Impact of dispositions	(27,493)	(229,845)	
Consolidated sales, as adjusted	\$ 29,649,275	\$ 26,734,134	10.9%
Global components sales, as reported	\$ 20,856,851	\$ 18,330,456	13.8%
Impact of changes in foreign currencies	—	174,214	
Impact of acquisitions	—	84,789	
Global components sales, as adjusted	\$ 20,856,851	\$ 18,589,459	12.2%
Americas components sales, as reported	\$ 7,816,533	\$ 7,010,385	11.5%
Impact of changes in foreign currencies	—	(6,533)	
Impact of acquisitions	—	84,789	
Americas components sales, as adjusted	\$ 7,816,533	\$ 7,088,641	10.3%
Europe components sales, as reported	\$ 5,733,222	\$ 4,868,862	17.8%
Impact of changes in foreign currencies	—	164,573	
Impact of acquisitions	—	—	
Europe components sales, as adjusted	\$ 5,733,222	\$ 5,033,435	13.9%
Asia components sales, as reported	\$ 7,307,096	\$ 6,451,209	13.3%
Impact of changes in foreign currencies	—	16,174	
Impact of acquisitions	—	—	
Asia components sales, as adjusted	\$ 7,307,096	\$ 6,467,383	13.0%
Global ECS sales, as reported	\$ 8,819,917	\$ 8,224,107	7.2%
Impact of changes in foreign currencies	—	77,430	
Impact of acquisitions	—	72,983	
Impact of dispositions	(27,493)	(229,845)	
Global ECS sales, as adjusted	\$ 8,792,424	\$ 8,144,675	8.0%
Europe ECS sales, as reported	\$ 3,077,391	\$ 2,835,219	8.5%
Impact of changes in foreign currencies	—	95,447	
Impact of acquisitions	—	72,983	
Impact of dispositions	—	(3,991)	
Europe ECS sales, as adjusted	\$ 3,077,391	\$ 2,999,658	2.6%
Americas ECS sales, as reported	\$ 5,742,526	\$ 5,388,888	6.6%
Impact of changes in foreign currencies	—	(18,017)	
Impact of acquisitions	—	—	
Impact of dispositions	(27,493)	(225,854)	
Americas ECS sales, as adjusted	\$ 5,715,033	\$ 5,145,017	11.1%

ARROW ELECTRONICS, INC.
NON-GAAP EARNINGS RECONCILIATION
(In thousands except per share data)
(Unaudited)

Three months ended December 31, 2018

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Impact of the Tax Act	Other*	Non-GAAP measure
Operating income	\$ 334,380	12,261	\$ 9,864	\$ —	—	\$ 356,505
Income before income taxes	264,965	12,261	9,864	—	11,886	298,976
Provision for income taxes	32,474	3,437	4,514	28,323	3,025	71,773
Consolidated net income	232,491	8,824	5,350	(28,323)	8,861	227,203
Noncontrolling interests	1,838	142	—	—	—	1,980
Net income attributable to shareholders	\$ 230,653	\$ 8,682	\$ 5,350	\$ (28,323)	\$ 8,861	\$ 225,223
Net income per diluted share	\$ 2.63	\$ 0.10	\$ 0.06	\$ (0.32)	\$ 0.10	\$ 2.57
Effective tax rate	12.3%					24.0%

Three months ended December 31, 2017 (Adjusted)

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Impact of the Tax Act	Other**	Non-GAAP measure
Operating income	\$ 286,824	12,162	\$ 18,771	\$ —	21,000	\$ 338,757
Income before income taxes	226,914	12,162	18,771	—	35,499	293,346
Provision for income taxes	171,413	4,321	4,509	(124,748)	13,713	69,208
Consolidated net income	55,501	7,841	14,262	124,748	21,786	224,138
Noncontrolling interests	1,848	147	—	—	—	1,995
Net income attributable to shareholders	\$ 53,653	\$ 7,694	\$ 14,262	\$ 124,748	\$ 21,786	\$ 222,143
Net income per diluted share	\$ 0.60	\$ 0.09	\$ 0.16	\$ 1.40	\$ 0.24	\$ 2.49
Effective tax rate	75.5%					23.6%

Year Ended December 31, 2018

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Impact of the Tax Act	Other**	Non-GAAP measure
Operating income	\$ 1,147,512	\$ 49,356	\$ 60,361	\$ —	\$ 3,604	\$ 1,260,833
Income before income taxes	909,373	49,356	60,361	—	19,435	1,038,525
Provision for income taxes	187,799	13,458	17,299	28,323	4,678	251,557
Consolidated net income	721,574	35,898	43,062	(28,323)	14,757	786,968
Noncontrolling interests	5,379	589	—	—	—	5,968
Net income attributable to shareholders	\$ 716,195	\$ 35,309	\$ 43,062	\$ (28,323)	\$ 14,757	\$ 781,000
Net income per diluted share****	\$ 8.10	\$ 0.40	\$ 0.49	\$ (0.32)	\$ 0.17	\$ 8.83
Effective tax rate	20.7%					24.2%

Year Ended December 31, 2017 (Adjusted)

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Impact of the Tax Act	Other***	Non-GAAP measure
Operating income	\$ 945,736	50,071	\$ 74,588	\$ —	21,000	\$ 1,091,395
Income before income taxes	693,917	50,071	74,588	—	103,828	922,404
Provision for income taxes	286,541	17,744	22,401	(124,748)	40,070	242,008
Consolidated net income	407,376	32,327	52,187	124,748	63,758	680,396
Noncontrolling interests	5,200	701	—	—	—	5,901
Net income attributable to shareholders	\$ 402,176	\$ 31,626	\$ 52,187	\$ 124,748	\$ 63,758	\$ 674,495
Net income per diluted share	\$ 4.48	\$ 0.35	\$ 0.58	\$ 1.39	\$ 0.71	\$ 7.51
Effective tax rate	41.3%					26.2%

*Other includes gain/loss on investments, net, and pension settlement.

**Other includes gain/loss on investments, net, pension settlement, and loss on disposition of businesses, net.

***Other includes gain/loss on investments, net, pension settlement, loss on disposition of businesses, net, and loss on extinguishment of debt.

****The sum of the components for diluted EPS as adjusted may not agree to totals as presented due to rounding.

ARROW ELECTRONICS, INC.
SEGMENT INFORMATION
(In thousands)
(Unaudited)

	Quarter Ended		Year Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Sales:				
Global components	\$ 5,261,477	\$ 4,944,942	\$ 20,856,851	\$ 18,330,456
Global ECS	2,656,705	2,594,507	8,819,917	8,224,107
Consolidated	\$ 7,918,182	\$ 7,539,449	\$ 29,676,768	\$ 26,554,563
Operating income (loss):				
Global components	\$ 252,313	\$ 217,337	\$ 1,007,638	\$ 801,027
Global ECS	152,195	161,755	427,605	444,710
Corporate (a)	(70,128)	(92,268)	(287,731)	(300,001)
Consolidated	\$ 334,380	\$ 286,824	\$ 1,147,512	\$ 945,736

(a) Includes restructuring, integration, and other charges of \$9.9 million and \$60.4 million for the fourth quarter and year ended December 31, 2018 and \$18.8 million and \$74.6 million for the fourth quarter and year ended December 31, 2017, respectively.

NON-GAAP SEGMENT RECONCILIATION

	Quarter Ended		Year Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Global components operating income, as reported	\$ 252,313	\$ 217,337	\$ 1,007,638	\$ 801,027
Intangible assets amortization expense	9,368	6,515	35,367	27,725
Global components operating income, as adjusted	\$ 261,681	\$ 223,852	\$ 1,043,005	\$ 828,752
Global ECS operating income, as reported	\$ 152,195	\$ 161,755	\$ 427,605	\$ 444,710
Intangible assets amortization expense	2,893	5,647	13,989	22,346
Global ECS operating income, as adjusted	\$ 155,088	\$ 167,402	\$ 441,594	\$ 467,056

Contact: Steven O'Brien,
Vice President, Investor Relations
303-824-4544

Media Contact: John Hourigan,
Vice President, Global Communications
303-824-4586



Fourth Quarter

2018

CFO Commentary

As reflected in our earnings release, there are a number of items that impact the comparability of our results with those in the trailing quarter and prior quarter of last year. The discussion of our results may exclude these items to give you a better sense of our operating results. As always, the operating information we provide to you should be used as a complement to GAAP numbers. For a complete reconciliation between our GAAP and non-GAAP results, please refer to our earnings release and the earnings reconciliation found at the end of this document.

The following reported and adjusted information included in this CFO commentary is unaudited and should be read in conjunction with the company's 2018 Annual Report on form 10-K as filed with the Securities and Exchange Commission

Record full-year
sales of \$29.68
billion increased 12%
Y/Y; record fourth-
quarter sales of
\$7.92 billion
increased 5% Y/Y.

Fourth-Quarter Summary

We completed an outstanding year in 2018 with record fourth-quarter and full-year sales, gross profit, operating income, and earnings per share. Full-year sales increased by more than \$3 billion for the second consecutive year. Fourth-quarter sales and earnings per share were above the midpoints of our prior expectations.

Record fourth-quarter global components sales were in line with our expectation. Fourth-quarter global components sales increased 6% year over year. Americas sales increased 5% year over year. Europe sales increased 9% year over year and increased 13% adjusted for changes in foreign currencies, the 23rd straight quarter of adjusted year-over-year growth. Asia sales increased 7% year over year. Global components delivered strong leverage as operating income increased 16% year over year, and non-GAAP operating income increased 17% year over year.

Fourth-quarter enterprise computing solutions sales increased 2% year over year, and increased 6% year over year adjusted for an acquisition, two divestitures, and changes in foreign currencies. Sales were above the midpoint of our expectation. Americas sales increased 4% year over year, and increased 9% year over year as adjusted. Europe sales decreased 1% year over year and were flat year over year as adjusted. Billings grew at a low double-digit rate year over year. Enterprise computing solutions operating income decreased 6% year over year, and non-GAAP operating income decreased 7% year over year. Non-GAAP operating income decreased 3% year over year as adjusted.

Please note, 2017 figures have been adjusted for new accounting standards.

We delivered record fourth-quarter and full-year sales, gross profit, operating income, and earnings per share.

Consolidated Overview

Fourth Quarter 2018

P&L Highlights*	Q4 2018	Y/Y Change	Y/Y Change Adjusted for Acquisitions, Dispositions & Currency	Q/Q Change
Sales	\$7,918	5%	7%	6%
Gross Profit Margin	12.3%	flat	10 bps	flat
Operating Income	\$334	17%	18%	15%
Operating Margin	4.2%	40bps	40bps	30bps
Non-GAAP Operating Income	\$357	5%	6%	13%
Non-GAAP Operating Margin	4.5%	flat	flat	30bps
Net Income	\$231	330%	384%	31%
Diluted EPS	\$2.63	338%	394%	32%
Non-GAAP Net Income	\$225	1%	4%	17%
Non-GAAP Diluted EPS	\$2.57	3%	6%	18%

\$ in millions, except per share data; may reflect rounding. Prior periods adjusted for new accounting standards.

- Consolidated sales were \$7.92 billion
 - Above the midpoint of our prior expectation of \$7.7-\$8.1 billion
 - Strengthening U.S. dollar negatively impacted sales growth by \$107 million or 2 percentage points year over year
 - Strengthening U.S. dollar negatively impacted sales growth by approximately \$43 million or 1 percentage point within the quarter
- Consolidated gross profit margin was 12.3%
 - Flat year over year as higher global components gross margin was offset by less favorable enterprise computing solutions business mix
- Consolidated operating income margin was 4.2% and non-GAAP operating income margin was 4.5%
 - Operating expenses as a percentage of sales were 8.0%, flat year over year
 - Non-GAAP operating expenses as a percentage of sales were 7.8%, flat year over year
- Interest and other expense, net was \$55 million
 - Below our prior expectation of \$57 million
 - Increased \$10 million year over year due to higher debt balances and higher interest rates on floating-rate debt
- Flat quarter over quarter as more favorable enterprise computing solutions business mix was offset by less favorable global components mix

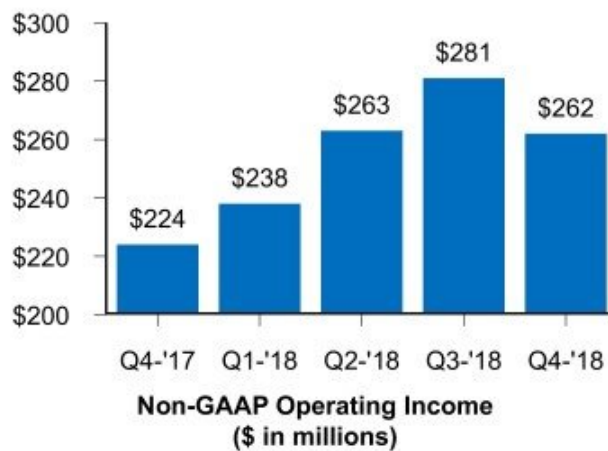
Fourth-Quarter 2018 CFO Commentary

- Effective tax rate was 12.3%, and non-GAAP effective tax rate was 24.0%
 - Effective tax rate included a \$28 million reduction to tax liabilities related to U.S. tax reform
 - Non-GAAP effective tax rate was within our target range of 23.5% - 25.5%
- Diluted shares outstanding were 87.6 million
 - In line with our prior expectation of 88 million
- Diluted earnings per share were \$2.63
 - Above our prior expectation of \$2.21 - \$2.37
 - Included \$.32 of tax benefit related to U.S. tax reform
- Non-GAAP diluted earnings per share were \$2.57
 - Above the midpoint of our prior expectation of \$2.46 - \$2.62
 - Strengthening U.S. dollar negatively impacted earnings per share by approximately \$.06 compared to the fourth quarter of 2017
 - Strengthening U.S. dollar negatively impacted earnings per share by approximately \$.02 within the quarter

A reconciliation of non-GAAP adjusted financial measures, including sales, as adjusted, operating income, as adjusted, net income attributable to shareholders, as adjusted, and net income per share, as adjusted, to GAAP financial measures is presented in the reconciliation tables included herein.

Components

Global

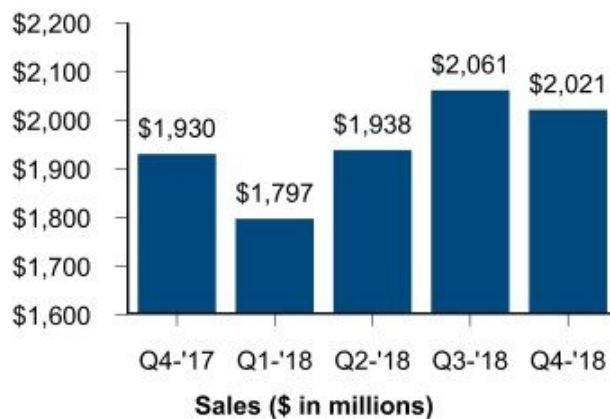


- Sales increased 6% year over year
 - Increased 7% adjusted for acquisitions and changes in foreign currencies
- Lead times were largely unchanged from the prior quarters of 2018 with some products extended
- Backlog increased year over year
- Book-to-bill was 0.95, down from 1.12 in the fourth quarter of 2017
- Operating margin of 4.8% increased 40 basis points year over year
- Non-GAAP operating margin of 5.0% increased 50 basis points year over year
 - Margin increased in all three regions, led by Europe, driven by greater leverage on sales
- Return on working capital increased 30 basis points year over year due to growing returns on working capital investments

Global components posted record fourth-quarter sales and operating income.

Components

Americas

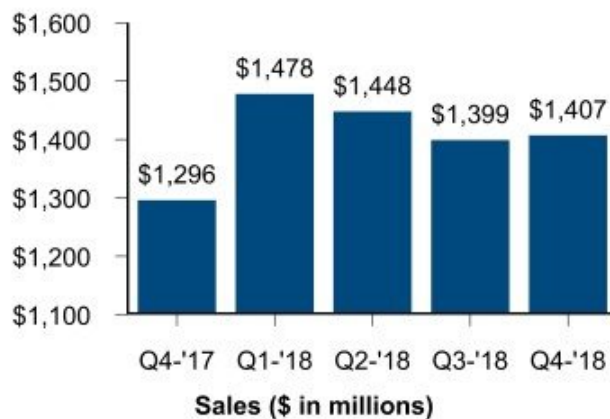


- Sales increased 5% year over year
 - Sales increased 4% year over year adjusted for acquisitions and changes in foreign currencies
 - Record fourth-quarter sales
 - Strong growth in industrial, aerospace and defense, and medical devices verticals year over year
 - Growth in the data processing vertical year over year

Americas components
sales increased 5%
year over year.

Components

Europe



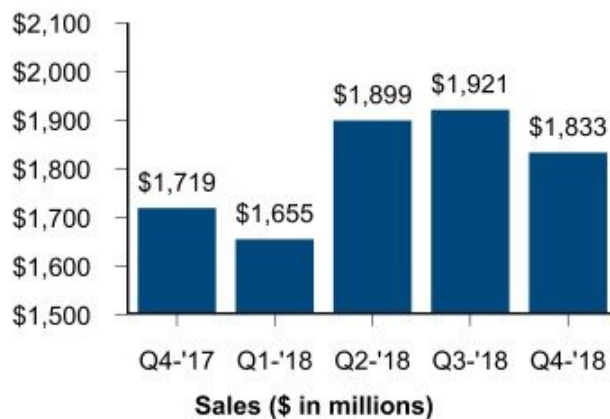
- Sales increased 13% year over year adjusted for changes in foreign currencies
 - Sales increased 9% year over year as reported
 - Record fourth-quarter sales
 - Strong growth in the aerospace and defense vertical year over year



Europe components
sales increased
13% year over year
adjusted for changes in
foreign currencies.

Components

Asia



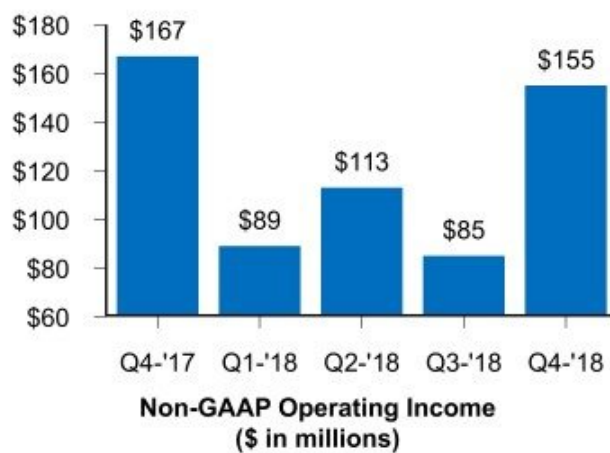
- Sales increased 7% year over year
 - Record fourth-quarter sales
 - Growth in the transportation, wireless, and lighting verticals year over year



Asia components sales increased 7% year over year.

Enterprise Computing Solutions

Global

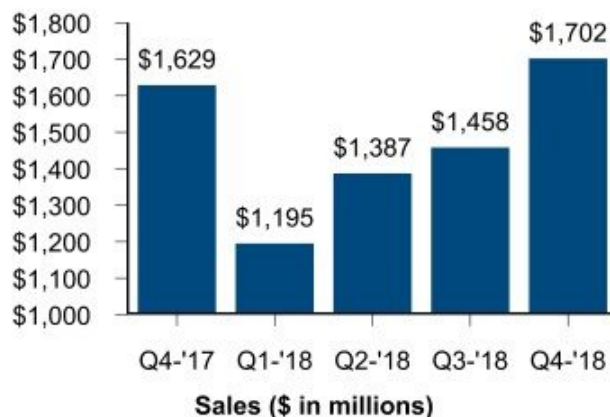


- Sales increased 6% year over year adjusted for an acquisition, two divestitures, and changes in foreign currencies
 - Sales increased 2% year over year as reported
- Billings increased at a low-double-digit rate year over year adjusted for changes in foreign currencies
- Operating income decreased 6% year over year
 - Non-GAAP operating income decreased 3% year over year adjusted for an acquisition, two divestitures, and changes in foreign currencies
- Operating margin of 5.7% decreased 50 basis points year over year; non-GAAP operating margin of 5.8% decreased 70 basis points year over year
 - Decreased due to mix in the Americas region
- Return on working capital remains favorable
- 2017 figures adjusted for new accounting standards

Enterprise computing solutions sales increased 6% year over year as adjusted.

Enterprise Computing Solutions

Americas

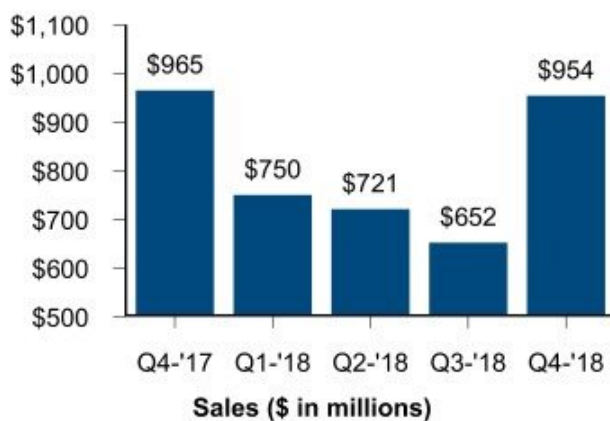


- Sales increased 9% year over year adjusted for a divestiture and changes in foreign currencies
 - Sales increased 4% year over year as reported
 - Strong growth in the public sector and industry-standard servers year over year
 - Growth in infrastructure software led by virtualization, storage, services, and proprietary servers year over year
 - Networking decreased year over year
- 2017 figures adjusted for new accounting standards

ECS Americas sales increased 9% year over year adjusted for a divestiture and changes in foreign currencies.

Enterprise Computing Solutions

Europe



- Sales were flat year over year adjusted for an acquisition, a divestiture, and changes in foreign currencies
 - Sales decreased 1% year over year as reported
 - Strong growth in security, infrastructure software, services, storage, and industry-standard servers
 - Proprietary servers and networking sales decreased year over year
 - Record fourth-quarter operating income
- 2017 figures adjusted for new accounting standards

Record fourth-quarter
ECS Europe operating
income.

Consolidated Overview

Full-Year 2018

P&L Highlights*	2018	Y/Y Change	Y/Y Change Adjusted for Acquisitions, Dispositions, & Currency
Sales	\$29,677	12%	11%
Gross Profit Margin	12.5%	-10bps	-10bps
Operating Income	\$1,148	21%	19%
Operating Margin	3.9%	30bps	30bps
Non-GAAP Operating Income	\$1,261	16%	13%
Non-GAAP Operating Margin	4.2%	10bps	10bps
Net Income	\$716	78%	75%
Diluted EPS	\$8.10	81%	78%
Non-GAAP Net Income	\$781	16%	14%
Non-GAAP Diluted EPS	\$8.83	18%	16%

\$ in millions, except per share data; may reflect rounding

- Record full-year sales
 - Sales increased by \$3 billion year over year
- Record full-year gross profit
 - Gross margin decreased 10 basis points year over year as higher global components gross margin was offset by lower enterprise computing solutions gross margin in the Americas region
- Record full-year operating income
 - Operating expenses were well managed, increasing 8% year over year
 - Operating expenses as a percentage of sales decreased 30 basis points year over year
 - Operating margin increased 30 basis points year over year, and non-GAAP operating margin increased 10 basis points year over year
- Interest and other, net was \$215 million
 - Increased \$50 million year over year due to higher debt balances and higher interest rates on floating-rate debt
- Effective tax rate was 20.7%
 - Included a \$28 million favorable tax adjustment for U.S. tax reform incurred during the fourth quarter
- Non-GAAP effective tax rate was 24.2%
 - Within our target range of 23.5% to 25.5%
- Record full-year diluted earnings per share

Cash Flow from Operations

Cash flow from operating activities was \$263 million in the fourth quarter and was \$273 million in 2018.

Working Capital

Working capital to sales was 16.4% in the fourth quarter, up 90 basis points year over year. Working capital to sales was 16.9% in 2018, up 90 basis points from 2017. Return on working capital was 27.5% in the fourth quarter, down 140 basis points year over year. Return on working capital was 25.1% in 2018, down 60 basis points from 2017.

Return on Invested Capital

Return on invested capital was 12.7% in the fourth quarter, down 60 basis points year over year, and was 11.4% in 2018, up 60 basis points from 2017.

Share Buyback

We repurchased approximately 2.0 million shares for \$150 million. Total cash returned to shareholders over the last 12 months was approximately \$230 million.

Debt and Liquidity

Net-debt-to-last-12-months EBITDA ratio is approximately 2.1x. Total liquidity was \$2.9 billion when including cash of \$509 million.

We repurchased approximately \$150 million of our stock in the fourth quarter, bringing total cash returned to shareholders in 2018 to approximately \$230 million.

Arrow Electronics Outlook

Guidance

We are expecting the average USD-to-Euro exchange rate for the first quarter of 2019 to be \$1.14 to €1 compared to \$1.23 to €1 in the first quarter of 2018. We estimate changes in foreign currencies will have negative impacts on growth of approximately \$160 million, or 2 percent on sales, and \$.08, or 4 percent, on earnings per share on a diluted basis compared to the first quarter of 2018. We are expecting interest expense will total approximately \$58 million.

First-Quarter 2019 Guidance

Consolidated Sales	\$6.775 billion to \$7.175 billion
Global Components	\$4.975 billion to \$5.175 billion
Global ECS	\$1.8 billion to \$2.0 billion
Diluted Earnings Per Share	\$1.61 to \$1.73
Non-GAAP Diluted Earnings Per Share	\$1.84 to \$1.96

* Assumes average diluted shares outstanding of 87 million and an average tax rate at the high end of the 23.5% to 25.5% target range.

Risk Factors

The discussion of the company's business and operations should be read together with the risk factors contained in Item 1A of its 2018 Annual Report on Form 10-K, filed with the Securities and Exchange Commission, which describe various risks and uncertainties to which the company is or may become subject. If any of the described events occur, the company's business, results of operations, financial condition, liquidity, or access to the capital markets could be materially adversely affected.

Information Relating to Forward-Looking Statements

This press release includes forward-looking statements that are subject to numerous assumptions, risks, and uncertainties, which could cause actual results or facts to differ materially from such statements for a variety of reasons, including, but not limited to: industry conditions, company's implementation of its new enterprise resource planning system, changes in product supply, pricing and customer demand, competition, other vagaries in the global components and global enterprise computing solutions markets, changes in relationships with key suppliers, increased profit margin pressure, effects of additional actions taken to become more efficient or lower costs, risks related to the integration of acquired businesses, changes in legal and regulatory matters, and the company's ability to generate additional cash flow. Forward-looking statements are those statements which are not statements of historical fact. These forward-looking statements can be identified by forward-looking words such as "expects," "anticipates," "intends," "plans," "may," "will," "believes," "seeks," "estimates," and similar expressions. Shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update publicly or revise any of the forward-looking statements.

For a further discussion of factors to consider in connection with these forward-looking statements, investors should refer to Item 1A Risk Factors of the company's Annual Report on Form 10-K for the year ended December 31, 2018.

Certain Non-GAAP Financial Information

In addition to disclosing financial results that are determined in accordance with accounting principles generally accepted in the United States ("GAAP"), the company also provides certain non-GAAP financial information relating to sales, operating income, net income attributable to shareholders, and net income per basic and diluted share. The company provides sales, income, or expense on a non-GAAP basis adjusted for the impact of changes in foreign currencies, intangible amortization, and the impact of acquisitions/dispositions by adjusting the company's operating results for businesses acquired/disposed, including the amortization expense related to intangible assets, as if the acquisitions/dispositions had occurred at the beginning of the earliest period presented (referred to as "impact of acquisitions" and "impact of dispositions"). Operating income, net income attributable to shareholders, and net income per basic and diluted share are adjusted to exclude identifiable intangible amortization, restructuring, integration, and other charges, and certain charges, credits, gains, and losses that the company believes impact the comparability of its results of operations. These charges, credits, gains, and losses arise out of the company's efficiency enhancement initiatives, acquisitions/dispositions (including intangible assets amortization expense), and financing activities. A reconciliation of the company's non-GAAP financial information to GAAP is set forth in the tables herein.

The company believes that such non-GAAP financial information is useful to investors to assist in assessing and understanding the company's operating performance and underlying trends in the company's business because management considers these items referred to above to be outside the company's core operating results. This non-GAAP financial information is among the

primary indicators management uses as a basis for evaluating the company's financial and operating performance. In addition, the company's Board of Directors may use this non-GAAP financial information in evaluating management performance and setting management compensation.

The presentation of this additional non-GAAP financial information is not meant to be considered in isolation or as a substitute for, or alternative to, operating income, net income attributable to shareholders and net income per basic and diluted share determined in accordance with GAAP. Analysis of results and outlook on a non-GAAP basis should be used as a complement to, and in conjunction with, data presented in accordance with GAAP.

The company believes that such non-GAAP financial information is useful to investors to assist in assessing and understanding the company's operating performance.

Earnings Reconciliation

(\$ in thousands, except per share data)

Three months ended December 31, 2018

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Impact of the Tax Act	Other*	Non-GAAP measure
Operating income	\$ 334,380	\$ 12,261	\$ 9,864	\$ —	\$ —	\$ 356,505
Income before income taxes	264,965	12,261	9,864	—	11,886	298,976
Provision for income taxes	32,474	3,437	4,514	28,323	3,025	71,773
Consolidated net income	232,491	8,824	5,350	(28,323)	8,861	227,203
Noncontrolling interests	1,838	142	—	—	—	1,980
Net income attributable to shareholders	\$ 230,653	\$ 8,682	\$ 5,350	\$ (28,323)	\$ 8,861	\$ 225,223
Net income per diluted share	\$ 2.63	\$ 0.10	\$ 0.06	\$ (0.32)	\$ 0.10	\$ 2.57
Effective tax rate	12.3%					24.0%

Three months ended December 31, 2017 (Adjusted)

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Impact of the Tax Act	Other**	Non-GAAP measure
Operating income	\$ 286,824	\$ 12,162	\$ 18,771	\$ —	\$ 21,000	\$ 338,757
Income before income taxes	226,914	12,162	18,771	—	35,499	293,346
Provision for income taxes	171,413	4,321	4,509	(124,748)	13,713	69,208
Consolidated net income	55,501	7,841	14,262	124,748	21,786	224,138
Noncontrolling interests	1,848	147	—	—	—	1,995
Net income attributable to shareholders	\$ 53,653	\$ 7,694	\$ 14,262	\$ 124,748	\$ 21,786	\$ 222,143
Net income per diluted share	\$ 0.60	\$ 0.09	\$ 0.16	\$ 1.40	\$ 0.24	\$ 2.49
Effective tax rate	75.5%					23.6%

Three months ended September 29, 2018

	Reported GAAP measure	Intangible amortization expense	Restructuring & Integration charges	Impact of the Tax Act	Other***	Non-GAAP measure
Operating income	\$ 290,310	\$ 11,620	\$ 10,143	\$ —	\$ 2,042	\$ 314,115
Income before income taxes	235,227	11,620	10,143	—	972	257,962
Provision for income taxes	57,054	3,206	2,561	—	240	63,061
Consolidated net income	178,173	8,414	7,582	—	732	194,901
Noncontrolling interests	1,640	145	—	—	—	1,785
Net income attributable to shareholders	\$ 176,533	\$ 8,269	\$ 7,582	\$ —	\$ 732	\$ 193,116
Net income per diluted share	\$ 1.99	\$ 0.09	\$ 0.09	\$ —	\$ 0.01	\$ 2.18
Effective tax rate	24.3%					24.4%

*Other includes gain/loss on investments, net, and pension settlement.

**Other includes gain/loss on investments, net, pension settlement, and loss on disposition of businesses, net.

***Other includes gain/loss on investments, net, and loss on disposition of businesses, net.

****The sum of the components for diluted EPS as adjusted may not agree to totals as presented due to rounding.

