

AVNET INC  
Form 10-Q  
January 30, 2017  
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 10-Q

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

For the quarterly period ended December 31, 2016

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Commission File #1-4224

AVNET, INC.

Incorporated in New York

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IRS Employer Identification No. 11-1890605

2211 South 47th Street, Phoenix, Arizona 85034

(480) 643-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer Non-accelerated filer

Smaller Reporting  
Company

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(Do not check if a smaller reporting  
company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  
No

As of January 19, 2017, the total number of shares outstanding of the registrant's Common Stock was 128,894,613  
shares, net of treasury shares.

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## PART I

## FINANCIAL INFORMATION

## Item 1. Financial Statements

## AVNET, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(Unaudited)

	December 31, 2016	July 2, 2016
	(Thousands, except share amounts)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,270,142	\$ 1,031,478
Receivables, less allowances of \$34,010 and \$27,448, respectively	2,996,110	2,769,906
Inventories	2,697,796	2,559,921
Prepaid and other current assets	59,564	81,197
Assets held for sale (Note 3)	4,053,487	2,561,471
Total current assets	11,077,099	9,003,973
Property, plant and equipment, net	565,108	453,209
Goodwill	1,098,471	621,852
Intangible assets, net	296,058	22,571
Other assets	219,259	239,133
Non-current assets held for sale (Note 3)	—	899,067
Total assets	\$ 13,255,995	\$ 11,239,805
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 246,729	\$ 1,152,599
Accounts payable	1,774,021	1,590,777
Accrued expenses and other	456,397	394,888
Liabilities held for sale (Note 3)	2,332,646	1,804,229
Total current liabilities	4,809,793	4,942,493
Long-term debt	3,382,431	1,339,204
Other liabilities	351,909	223,053
Non-current liabilities held for sale (Note 3)	—	43,769
Total liabilities	8,544,133	6,548,519
Commitments and contingencies (Note 7)		
Shareholders' equity:	127,979	127,377

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Common stock \$1.00 par; authorized 300,000,000 shares; issued 127,978,771 shares and 127,377,466 shares, respectively		
Additional paid-in capital	1,491,125	1,452,678
Retained earnings	3,760,906	3,632,271
Accumulated other comprehensive loss	(667,975)	(520,775)
Treasury stock at cost, 24,592 shares and 27,314 shares, respectively	(173)	(265)
Total shareholders' equity	4,711,862	4,691,286
Total liabilities and shareholders' equity	\$ 13,255,995	\$ 11,239,805

See notes to consolidated financial statements.

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## AVNET, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Second Quarters Ended		Six Months Ended	
	December 31, 2016	January 2, 2016	December 31, 2016	January 2, 2016
	(Thousands, except per share amounts)			
Sales	\$ 4,273,559	\$ 4,161,082	\$ 8,391,663	\$ 8,689,667
Cost of sales	3,687,374	3,656,024	7,282,823	7,628,440
Gross profit	586,185	505,058	1,108,840	1,061,227
Selling, general and administrative expenses	431,555	354,858	795,227	731,918
Restructuring, integration and other expenses	30,400	14,083	59,869	26,601
Operating income	124,230	136,117	253,744	302,708
Other expense, net	(36,514)	(2,052)	(50,248)	(1,169)
Interest expense	(26,748)	(20,965)	(53,984)	(42,997)
Income from continuing operations before income taxes	60,968	113,100	149,512	258,542
Income tax expense	28,503	10,959	49,359	47,477
Income from continuing operations	32,465	102,141	100,153	211,065
Income from discontinued operations	70,753	53,871	71,908	75,201
Net income	\$ 103,218	\$ 156,012	\$ 172,061	\$ 286,266
Earnings per share - basic:				
Continuing operations	\$ 0.25	\$ 0.77	\$ 0.78	\$ 1.59
Discontinued operations	0.55	0.41		