



# Fiscal 2017 Q1 Earnings Presentation

## January 11, 2017

# Risks and Non-GAAP Disclosures

This presentation contains forward-looking statements within the meaning of U.S. securities laws, including guidance about expected future results, expectations regarding our ability to gain market share, expected benefits from our investment and strategic plans, and expected future margins. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements; are based on our current expectations; and we assume no obligation to update them. Factors that could cause actual results to differ materially from those in forward-looking statements include: general economic conditions in the markets in which we operate, current economic, political and social conditions, changing customer and product mixes, competition, industry consolidation, volatility in commodity and energy prices, credit risk of our customers, risk of cancellation or rescheduling of orders, work stoppages or other business interruptions (including those due to extreme weather conditions) at transportation centers or shipping ports, financial restrictions on outstanding borrowings, dependence on our information systems and the risk of business disruptions arising from changes to our information systems, disruptions due to computer system or network failures, computer viruses, physical or electronics break-ins and cyber-attacks, the inability to successfully manage the upgrade of our core financial systems, the loss of key suppliers or supply chain disruptions, problems with successfully integrating acquired operations, opening or expanding our customer fulfillment centers exposes us to risks of delays, the risk of war, terrorism and similar hostilities, dependence on key personnel, goodwill and intangible assets recorded as a result of our acquisitions could be impaired, and the outcome of potential government or regulatory proceedings or future litigation relating to pending or future claims, inquiries or audits.

Information about these risks is noted in the earnings press release and in the Risk Factors and MD&A sections of our latest annual and quarterly reports filed with the SEC, as well as in our other SEC filings. Investors are cautioned not to place undue reliance on these forward-looking statements.

Throughout this presentation we will reference both GAAP and adjusted financial results, which are non-GAAP financial measures. Please refer to the reconciliation tables at the end of this presentation and at the end of our earnings release for a reconciliation of the adjusted financial measures to the most directly comparable GAAP measures.

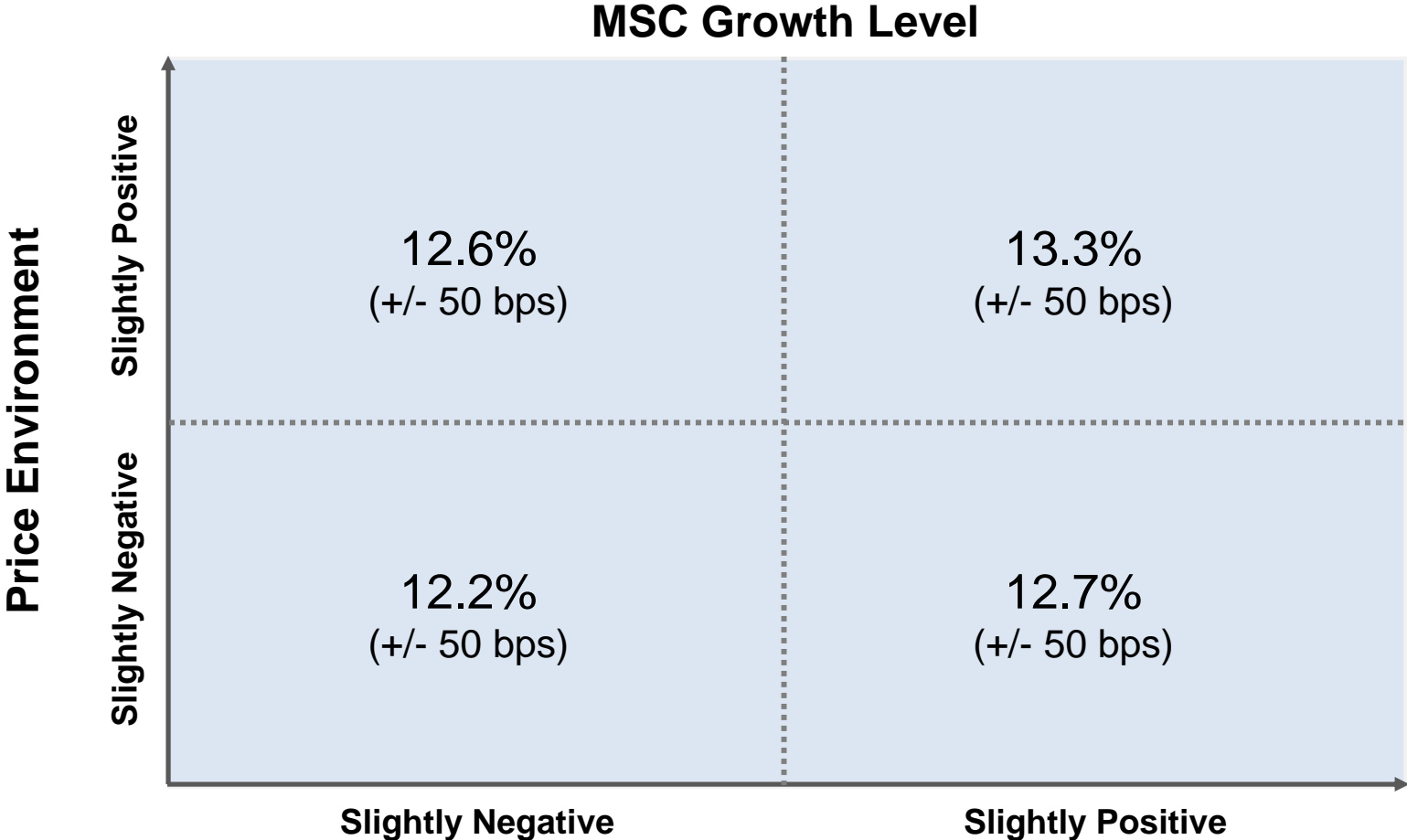
# FY 2017 Q1 Guidance Comparison

	FY 2017 Q1 Guidance	FY 2017 Q1 Results
Net Sales	\$676M – \$688M	\$686.3M
Gross Margin	44.8% - 45.2%	45.0%
Operating Expenses	\$219.2M	\$218.1M
Tax Rate	38.2%	38.2%
Diluted EPS	\$0.90 – \$0.94	\$0.95

# FY 2017 Q2 Guidance

Sales	\$688M - \$701M
Gross Margin	44.6% +/- 20 bps
Tax Rate	38.2%
Diluted EPS	\$0.86 - \$0.90

# FY 2017 Annual Operating Margin Framework



# Reconciliations

## Non-GAAP Financial Measures

### *Free Cash Flow*

Our measure of “Free cash flow” meets the definition of a non-GAAP financial measure. Free cash flow is used in addition to and in conjunction with results presented in accordance with GAAP and free cash flow should not be relied upon to the exclusion of GAAP financial measures. Management strongly encourages investors to review our financial statements and publicly-filed reports in their entirety and to not rely on any single financial measure. Free cash flow, which we reconcile to “Net cash provided by operating activities,” is cash flow from operations reduced by “Expenditures for property, plant and equipment”. We believe that free cash flow, although similar to cash flow from operations, is a useful additional measure since capital expenditures are a necessary component of ongoing operations. Management also views free cash flow, as a measure of the Company’s ability to reduce debt, add to cash balances, pay dividends, repurchase stock, and fund other financing activities. Free cash flow has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures. For example, free cash flow does not incorporate payments made on capital lease obligations or cash payments for business acquisitions. In addition, different companies define free cash flow differently. Therefore, we believe it is important to view free cash flow as a complement to our entire consolidated statements of cash flows. A reconciliation of cash provided by operating activities to free cash flow for the thirteen weeks ended December 3, 2016 and November 28, 2015 is shown below.

	Thirteen Weeks Ended	
	December 3, 2016	November 28, 2015
	(in millions)	(in millions)
Net cash provided by operating activities	\$ 75.4	\$ 122.1
Expenditures for property, plant and equipment	(12.5)	(15.6)
Free cash flow	\$ 62.9	\$ 106.5