

TECH DATA CORP
Form 8-K
March 08, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 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): March 8, 2018

TECH DATA CORPORATION

(Exact name of registrant as specified in its charter)

Florida 0-14625 59-1578329
(Commission (IRS employer

(State of Incorporation) File Number) Identification No.)

5350 Tech Data Drive

Clearwater, Florida, 33760

(Address of principal executive offices)

727-539-7429

(Registrant's telephone number)

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 mark 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 March 8, 2018, Tech Data Corporation (the “Company”) issued a press release, furnished as Exhibit 99.1 and incorporated herein by reference, announcing its financial results for the three months ended January 31, 2018. The information in this Form 8-K, including Exhibit 99.1, is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section and shall not be deemed incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

GAAP to Non-GAAP Reconciliation

The disclosures of financial results for the three months ended January 31, 2018, contained herein are prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) and are accompanied by disclosures and financial measures that are not prepared in conformity with GAAP. These non-GAAP disclosures include certain adjustments as noted below not reflected in the GAAP presentations.

Acquisition, integration and restructuring expenses:

For the three months ended January 31, 2018, non-GAAP operating income and non-GAAP operating margin exclude acquisition, integration and restructuring expenses of \$34.3 million. For the three months ended January 31, 2018, non-GAAP net income and non-GAAP earnings per diluted share exclude this item, net of the tax impact.

Acquisition-related intangible assets amortization expense:

For the three months ended January 31, 2018, non-GAAP selling, general and administrative expenses, non-GAAP operating income and non-GAAP operating margin exclude acquisition-related intangible assets amortization expense of \$21.5 million. For the three months ended January 31, 2018, non-GAAP net income and non-GAAP earnings per diluted share exclude this item, net of the tax impact.

Value added tax assessments and related interest expense:

For the three months ended January 31, 2018, non-GAAP operating income and non-GAAP operating margin exclude expenses related to value-added tax assessments of \$1.7 million. For the three months ended January 31, 2018, non-GAAP net income and non-GAAP earnings per diluted share exclude this amount and associated interest expense of \$0.9 million, net of the tax impact.

Tax indemnifications:

For the three months ended January 31, 2018, non-GAAP selling, general and administrative expenses, non-GAAP operating income and non-GAAP operating margin exclude expenses of \$6.5 million related to the reduction of certain tax indemnification assets. For the three months ended January 31, 2018, non-GAAP net income and non-GAAP earnings per diluted share also exclude a benefit in income tax expense of \$6.5 million related to the reduction of corresponding liabilities for unrecognized tax benefits. The net effect of these items had no impact on non-GAAP net income and non-GAAP earnings per diluted share.

Change in deferred tax valuation allowances:

For the three months ended January 31, 2018, non-GAAP net income and non-GAAP earnings per diluted share exclude changes in deferred tax valuation allowances of \$1.2 million.

Impact of US tax reform:

For the three months ended January 31, 2018, non-GAAP net income and non-GAAP earnings per diluted share exclude income tax expenses of \$95.4 million incurred as a result of the transition tax and impact on deferred taxes from the U.S. Tax Cuts and Jobs Act enacted in December 2017.

In addition to GAAP results, Company management believes that the presentation of non-GAAP financial measures is useful to investors because it provides investors with a more complete understanding of our operational results and a meaningful comparison of our performance between periods. The non-GAAP results and outlook should only be used in conjunction with results reported in accordance with GAAP and are not intended to be a substitute for results reported in accordance with GAAP. Non-GAAP financial measures presented in the press release, supplemental slide presentation and similar documents issued by the Company include but are not limited to net sales, income or expense items as adjusted for the impact of changes in foreign currencies (referred to as “constant currency”), non-GAAP operating income, non-GAAP operating margin, non-GAAP net income, non-GAAP earnings per diluted share and Adjusted Return on Invested Capital. These non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similar measures presented by comparable companies. Management may also use these non-GAAP financial measures to establish operational goals and, in some cases, for measuring performance for compensation purposes. The press release and supplemental slide presentation provide a detailed reconciliation between results reported in accordance with GAAP and non-GAAP financial measures.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following materials are attached as exhibits to this Current Report on Form 8-K:

| Exhibit Number | Description |
|----------------|---|
| <u>99.1</u> | <u>Press Release, dated March 8, 2018.</u> |
| <u>99.2</u> | <u>Supplemental slide presentation dated March 8, 2018.</u> |

SIGNATURE

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.

Tech Data Corporation
(Registrant)

Date: March 8, 2018 /s/ **Charles V. Dannewitz**
Charles V. Dannewitz

Executive Vice President, &

Chief Financial Officer