



# **Earnings Presentation First Quarter 2003**

**Ended March 29, 2003  
Reported April 29, 2003**



# Forward-Looking Statement and Non-GAAP Information

## ***Cautionary Statement for the Purpose of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995***

The matters in this presentation that are forward-looking statements, including but not limited to statements about future sales levels, margins, restructuring charges, major-program costs, cost savings, operating efficiencies, and profitability, are based on current management expectations that involve certain risks which if realized, in whole or in part, could have a material adverse effect on Ingram Micro's business, financial condition and results of operations, including, without limitation: (1) the company's failure to achieve the objectives of its profit enhancement program as announced in September 2002 or other process or organizational changes, in whole or in part, or delays in implementing components of the program; (2) intense competition, regionally and internationally, including competition from alternative business models, such as manufacturer-to-end-user selling, may lead to reduced prices, lower sales or reduced sales growth, lower gross margins, extended payment terms with customers, increased capital investment and interest costs, bad debt risks and product supply shortages; (3) termination of a supply or services agreement with a major supplier or customer or a significant change in supplier terms or conditions of sale; (4) failure of information systems and/or failure to successfully transition certain components of the company's IT infrastructure to its third-party provider could result in significant disruption to business or additional cost, or may not generate the intended level of cost savings; (5) disruptions in business operations due to reorganization activities; (6) the continuation or worsening of the severe downturn in economic conditions (particularly purchases of technology products) and failure to adjust costs in a timely fashion in response to a sudden decrease in demand; (7) losses resulting from significant credit exposure to reseller customers and negative trends in their businesses; (8) rapid product improvement and technological change and resulting obsolescence risks; (9) possible disruption in commercial activities in Asia-Pacific, Canada and other regions as a result of Severe Acute Respiratory Syndrome (SARS); (10) possible disruption in commercial activities caused by terrorist activity or armed conflict, including changes in logistics and security arrangements as a result thereof, and reduced customer demand; (11) dependence on key individuals and inability to retain personnel; (12) reductions in credit ratings and/or unavailability of adequate capital; (13) interest rate and foreign currency fluctuations; (14) adverse impact of governmental controls and actions or political or economic instability could adversely affect foreign operations; (15) failure to attract new sources of business from expansion of products or services or entry into new markets; (16) inability to manage future adverse industry trends; (17) difficulties and risks associated with integrating operations and personnel in acquisitions; (18) future periodic assessments required by current or new accounting standards may result in additional charges; and (19) dependence on independent shipping companies.

Ingram Micro has instituted in the past and continues to institute changes to its strategies, operations and processes to address these risk factors and to mitigate their impact on Ingram Micro's results of operations and financial condition. However, no assurances can be given that Ingram Micro will be successful in these efforts. For a further discussion of significant factors to consider in connection with forward-looking statements concerning Ingram Micro, reference is made to Exhibit 99.01 of Ingram Micro's Annual Report on Form 10-K for the year ended December 28, 2002; other risks or uncertainties may be detailed from time to time in Ingram Micro's future SEC filings. Ingram Micro disclaims any duty to update any forward-looking statements.

## ***Reasons for Providing non-GAAP Financial Information***

Non-GAAP financial measures are presented as supplemental information to enhance the public's understanding of, and highlight trends in, our financial results excluding the impact of reorganization costs, major-program costs and special items, as well as other financial metrics which include off balance sheet debt. Management utilizes these non-GAAP financial measures, along with primary GAAP measures, when analyzing and measuring the performance of the company's core operations.



# Sales vs. Prior Year

(\$ U.S. Millions)

	Q1 03	% of total	Q1 02	% of total	YOY growth
North America	\$2,755	50%	\$3,117	56%	(11.6%)
Europe	1,929	35%	1,760	31%	9.6%
Other International	790	15%	740	13%	6.8%
<b>Total Worldwide</b>	<b>\$5,474</b>	<b>100%</b>	<b>\$5,617</b>	<b>100%</b>	<b>(2.5%)</b>



# Sales vs. Prior Quarter

(\$ U.S. Millions)

	Q1 03	% of total	Q4 02	% of total	Seq. growth
<b>North America</b>	<b>\$2,755</b>	<b>50%</b>	<b>\$2,960</b>	<b>50%</b>	<b>(6.9%)</b>
<b>Europe</b>	<b>1,929</b>	<b>35%</b>	<b>2,074</b>	<b>35%</b>	<b>(7.0%)</b>
<b>Other International</b>	<b>790</b>	<b>15%</b>	<b>856</b>	<b>15%</b>	<b>(7.7%)</b>
<b>Total Worldwide</b>	<b>\$5,474</b>	<b>100%</b>	<b>\$5,890</b>	<b>100%</b>	<b>(7.1%)</b>



# GAAP to Non-GAAP Bridge

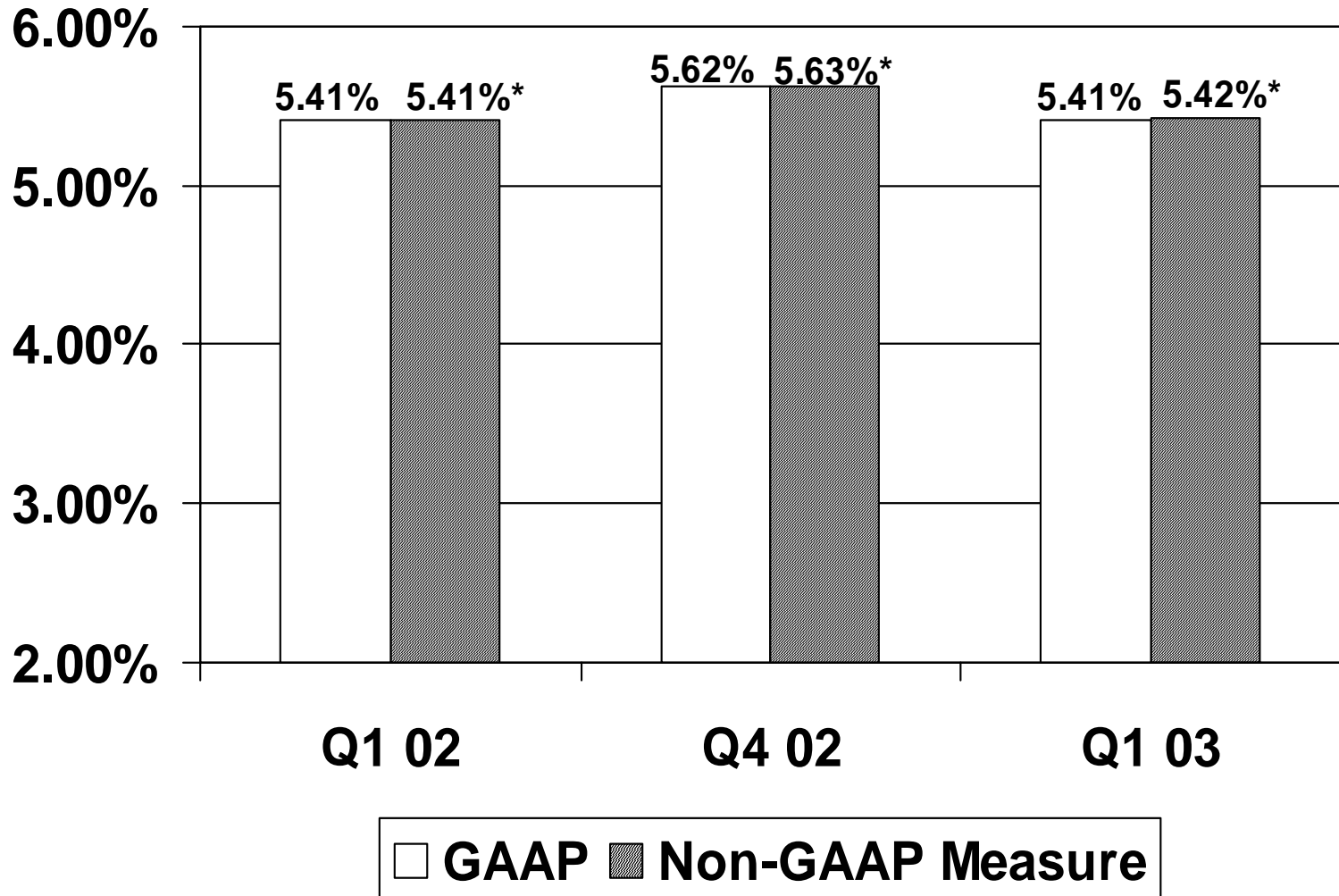
(\$ U.S. millions except per-share data)		Sales	Gross Profit	Operating Expenses	Operating Income	Net Income	EPS
<b>Q1 03</b>	GAAP	\$5,474.2	\$296.2	\$269.1	\$27.1	\$10.1	\$0.07
	Major- Program Costs		0.5	(19.7)	20.2	13.1	0.08
	Non-GAAP	\$5,474.2	\$296.7	\$249.4	\$47.3	\$23.2	\$0.15
<b>Q4 02</b>	GAAP	\$5,889.7	\$331.2	\$335.2	(\$4.0)	(\$10.3)	(\$0.07)
	Major- Program Costs		0.3	(62.4)	62.7	39.5	0.26
	Non-GAAP	\$5,889.7	\$331.5	\$272.8	\$58.7	\$29.2	\$0.19
<b>Q1 02</b>	GAAP	\$5,616.6	\$303.6	\$272.8	\$30.8	\$15.5 <sup>1</sup>	\$0.10 <sup>1</sup>
	Reorganization Costs and Special Items			(3.4)	3.4	(2.0) <sup>2</sup>	(0.01) <sup>2</sup>
	Non-GAAP	\$5,616.6	\$303.6	\$269.4	\$34.2	\$13.5 <sup>1</sup>	\$0.09 <sup>1</sup>

(1) Does not include the cumulative effect of adopting a new accounting standard (SFAS 142), which resulted in a one-time, non-cash charge of \$280.9 million or \$1.84 per share.

(2) Includes reorganization charge of \$3.4 million (\$2.1 million after taxes) and a gain on the sale of securities of \$6.5 million (\$4.1 million after taxes).

# Gross Margins

Gross Profit as a  
Percentage of Revenues



\*Please refer to supporting GAAP to Non-GAAP Bridge slide for reconciliation



# Operating Expenses

(\$ U.S. Millions)

	Q1 03	% of revenues	Q4 02	% of revenues	Q1 02	% of revenues
<b>GAAP</b>	\$269.1	4.92%	\$335.2	5.69%	\$272.8	4.86%
<b>Major-Program Costs</b>	19.7	0.36%	62.4	1.06%	3.4	0.06%
<b>Non-GAAP Measure</b>	\$249.4	4.56%	\$272.8	4.63%	\$269.4	4.80%



# Operating Income

(\$ U.S. Millions)

		North America	Europe	Other International	WW Total
Q1 03	GAAP	\$14.9	\$11.4	\$0.8	\$27.1
	Major- Program Costs	11.9	8.1	0.2	20.2
	Non-GAAP	\$26.8	\$19.5	\$1.0	\$47.3
Q4 02	GAAP	(\$18.6)	\$13.7	\$0.9	(\$4.0)
	Major- Program Costs	55.4	6.5	0.8	62.7
	Non-GAAP	\$36.8	\$20.2	\$1.7	\$58.7
Q1 02	GAAP	\$23.3	\$12.7	(\$5.2)	\$30.8
	Major- Program Costs	1.0	1.3	1.1	3.4
	Non-GAAP	\$24.3	\$14.0	(\$4.1)	\$34.2



# Operating Margin

Operating Income as a  
Percentage of Revenues

		North America	Europe	Other International	WW Total
Q1 03	GAAP	0.54%	0.59%	0.10%	0.49%
	Non-GAAP	0.97%	1.01%	0.12%	0.86%
Q4 02	GAAP	(0.63%)	0.66%	0.11%	(0.07%)
	Non-GAAP	1.24%	0.97%	0.21%	1.00%
Q1 02	GAAP	0.75%	0.72%	(0.71%)	0.55%
	Non-GAAP	0.78%	0.80%	(0.55%)	0.61%



# Balance Sheet

(\$ U.S. Millions)	Mar 30, 2002	Dec 28, 2002	Mar 29, 2003
<b>Assets</b>			
Cash	<u>\$ 380</u>	<u>\$ 388</u>	<u>\$ 295</u>
Adjusted Accounts Receivable <sup>(1)</sup>	<u>2,185</u>	<u>2,429</u>	<u>2,169</u>
Off-Balance Sheet Debt Related to Accounts Receivable Financing	<u>(154)</u>	<u>(75)</u>	<u>(72)</u>
Accounts Receivable	<u>2,031</u>	<u>2,354</u>	<u>2,097</u>
Inventory	<u>1,505</u>	<u>1,564</u>	<u>1,488</u>
Other	<u>771</u>	<u>838</u>	<u>809</u>
<b>Total Assets</b>	<u><u>\$ 4,687</u></u>	<u><u>\$ 5,144</u></u>	<u><u>\$ 4,689</u></u>
<b>Liabilities &amp; Equity</b>			
Accounts Payable	<u>\$ 2,337</u>	<u>\$ 2,623</u>	<u>\$ 2,242</u>
Long-term Debt	<u>348</u>	<u>366</u>	<u>429</u>
Other	<u>391</u>	<u>519</u>	<u>360</u>
<b>Total Liabilities</b>	<u>3,076</u>	<u>3,508</u>	<u>3,031</u>
Equity	<u>1,611</u>	<u>1,636</u>	<u>1,658</u>
<b>Total Liabilities &amp; Equity</b>	<u><u>\$ 4,687</u></u>	<u><u>\$ 5,144</u></u>	<u><u>\$ 4,689</u></u>

(1) Non-GAAP Operational Measure – including off-balance sheet debt associated with accounts receivable financing programs

# Working Capital Metrics

<i>Quarter-end calculation</i>	<u>Q1 '02</u>	<u>Q4 '02</u>	<u>Q1 '03</u>
<b>DSO (1)</b>	<b>33</b>	<b>36</b>	<b>35</b>
Impact of Off-Balance Sheet Debt	<u>2</u>	<u>1</u>	<u>1</u>
<b>Adjusted DSO (2)</b>	<b>35</b>	<b>37</b>	<b>36</b>
<b>DIO (1)</b>	<b>26</b>	<b>26</b>	<b>26</b>
<b>DPO (1)</b>	<u>40</u>	<u>43</u>	<u>39</u>
<b>Working Capital Days (2)</b>	<u>21</u>	<u>20</u>	<u>23</u>
<b>Inventory Turns</b>	<b>14x</b>	<b>14x</b>	<b>14x</b>
<b>Debt/Capitalization Ratio</b>	<b>18%</b>	<b>18%</b>	<b>21%</b>
<b>Adjusted Debt/Capitalization Ratio (2)</b>	<b>24%</b>	<b>21%</b>	<b>23%</b>

(1) DSO: Accounts Receivables days of Sales Outstanding; DPO: Days of Accounts Payable Outstanding; DIO: Days of Inventory Outstanding.

(2) Including off-balance sheet debt related to accounts receivable financing.



**The best way to get technology  
from the people who make it  
to the people who use it.**