

AVNET INC
Form 10-Q
April 25, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 29, 2014

Commission File #1-4224
AVNET, INC.
Incorporated in New York

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
(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 April 18, 2014, the total number of shares outstanding of the registrant's Common Stock was 138,399,637 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)

	March 29, 2014	June 29, 2013
	(Thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$960,149	\$1,009,343
Receivables, less allowances of \$92,605 and \$95,656, respectively	4,983,890	4,868,973
Inventories	2,510,352	2,264,341
Prepaid and other current assets	199,054	214,221
Total current assets	8,653,445	8,356,878
Property, plant and equipment, net	522,321	492,606
Goodwill	1,344,389	1,261,288
Intangible assets, net	197,829	172,212
Other assets	182,796	191,696
Total assets	\$10,900,780	\$10,474,680
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$848,388	\$838,190
Accounts payable	3,207,036	3,278,152
Accrued expenses and other	709,130	705,102
Total current liabilities	4,764,554	4,821,444
Long-term debt	1,221,977	1,206,993
Other long-term liabilities	178,382	157,118
Total liabilities	6,164,913	6,185,555
Commitments and contingencies (Note 6)		
Shareholders' equity:		
Common stock \$1.00 par; authorized 300,000,000 shares; issued 138,410,597 shares and 137,126,784 shares, respectively	138,411	137,127
Additional paid-in capital	1,343,292	1,320,901
Retained earnings	3,099,075	2,802,966
Accumulated other comprehensive income	155,900	28,895
Treasury stock at cost, 42,078 shares and 38,238 shares, respectively	(811) (764
Total shareholders' equity	4,735,867	4,289,125
Total liabilities and shareholders' equity	\$10,900,780	\$10,474,680
See notes to consolidated financial statements.		

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Third Quarters Ended		Nine Months Ended	
	March 29, 2014	March 30, 2013	March 29, 2014	March 30, 2013
	(Thousands, except per share data)			
Sales	\$6,683,616	\$6,298,699	\$20,450,945	\$18,868,221
Cost of sales	5,878,704	5,542,676	18,062,230	16,659,358
Gross profit	804,912	756,023	2,388,715	2,208,863
Selling, general and administrative expenses	593,986	561,072	1,736,689	1,656,052
Restructuring, integration and other expenses (Note 13)	26,083	27,341	66,624	89,655
Operating income	184,843	167,610	585,402	463,156
Other income (expense), net	2,511	4,106	(1,488)) 6,649
Interest expense	(25,326)) (27,341)) (80,529)) (79,029)
Gain on legal settlement, bargain purchase and other (Notes 2 and 6)	2,965	—	22,102	31,350
Income before income taxes	164,993	144,375	525,487	422,126
Income tax expense	51,142	58,179	166,148	98,144
Net income	\$113,851	\$86,196	\$359,339	\$323,982
Earnings per share:				
Basic	\$0.82	\$0.63	\$2.61	\$2.34
Diluted	\$0.81	\$0.62	\$2.57	\$2.31
Shares used to compute earnings per share:				