

**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): October 3, 2018

SYNNEX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-31892
(Commission
File Number)

94-2703333
(I.R.S. Employer
Identification Number)

44201 Nobel Drive
Fremont, California
(Address of principal executive offices)

94538
(Zip Code)

(510) 656-3333
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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.

The information in this Item 2.02 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liabilities of that section. The information in this Item 2.02 shall not be incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

On October 3, 2018, SYNnex Corporation (“SYNNEX”) issued a press release regarding SYNnex’ financial results for its fiscal third quarter ended August 31, 2018. The full text of SYNnex’ press release is furnished herewith as Exhibit 99.1.

Item 5.07 Submission of Matters to a Vote of Security Holders.

On October 3, 2018, SYNnex held a special meeting of stockholders (the “Special Meeting”) at its offices in Fremont, California. As of the close of business on August 31, 2018, the record date, there were 39,627,535 shares issued, outstanding and eligible to vote at the Special Meeting. Stockholders of SYNnex, who were collectively the holders of 35,660,688 shares of common stock or 89.99% of the common stock entitled to vote, were present at the meeting in person or by proxy and constituted a quorum.

At the Special Meeting, the following proposals, each of which is described in detail in the Company’s joint proxy statement/prospectus included in the Registration Statement on Form S-4 (File No. 226708), declared effective by the U.S. Securities and Exchange Commission (the “SEC”) on August 28, 2018, were voted upon and approved by the following votes:

Proposal 1: To consider and vote on a proposal to approve the issuance of shares of SYNnex common stock, par value \$0.001 per share, in connection with the initial merger contemplated by the Agreement and Plan of Merger, dated as of June 28, 2018, as amended by Amendment No. 1 to the Agreement and Plan of Merger, dated as of August 22, 2018, and as it may be amended from time to time (the “Merger Agreement”), among SYNnex, Delta Merger Sub I, Inc., a Delaware corporation and wholly owned subsidiary of SYNnex, Concentrix CVG Corporation, a Delaware corporation and wholly owned subsidiary of SYNnex, and Convergys Corporation, an Ohio corporation.

For	Against	Abstain
35,520,621	20,750	119,317

Proposal 2: To consider and vote on a proposal to approve the adjournment of the Special Meeting if necessary to solicit additional proxies if there are not sufficient votes to approve the issuance of shares of SYNnex common stock in connection with the initial merger at the time of the Special Meeting, or any adjournment or postponement thereof.

For	Against	Abstain
33,834,853	1,704,808	121,027

Although sufficient votes were received from the stockholders of SYNnex to approve Proposal 2, no motion to adjourn was made because Proposal 1 was approved.

Item 8.01 Other Events.

On October 3, 2018, SYNnex issued a press release announcing that it received stockholder approval for the issuance of shares of SYNnex common stock in connection with the initial merger contemplated by the Merger Agreement. A copy of the press release is attached hereto as Exhibit 99.2 and is incorporated by reference into this Item 8.01.

Additional Information and Where to Find It

In connection with the proposed transaction between SYNnex and Convergys, SYNnex filed an amended registration statement on Form S-4 (File No. 333-226708), declared effective by the Securities and Exchange Commission (the "SEC") on August 28, 2018, which includes a joint proxy statement of SYNnex and Convergys that also constitutes a prospectus of SYNnex. INVESTORS AND SECURITY HOLDERS OF SYNnex AND CONVERGYS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT HAVE BEEN FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders can obtain free copies of the registration statement and the joint proxy statement/prospectus and other documents filed with the SEC by SYNnex or Convergys through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by SYNnex will be available free of charge within the Investors section of SYNnex' website at <http://ir.synnex.com> or by contacting SYNnex' Investor Relations Department at (510) 668-8436. Copies of the documents filed with the SEC by Convergys will be available free of charge on Convergys's website at <http://investor.convergys.com/> or by contacting Convergys's Investor Relations Department at (513) 723-7768.

Participants in Solicitation

SYNnex, Convergys, and their respective directors and certain of their respective executive officers may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of SYNnex is set forth in its Annual Report on Form 10-K for the year ended November 30, 2017, which was filed with the SEC on January 26, 2018, and its proxy statement for its 2018 annual meeting of stockholders, which was filed with the SEC on February 22, 2018. Information about the directors and executive officers of Convergys is set forth in its Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the SEC on February 21, 2018, and its proxy statement for its 2018 annual meeting of shareholders, which was filed with the SEC on March 16, 2018. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed transaction when they become available.

Forward-Looking Statements

DISCLOSURE NOTICE: This document contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 related to SYNnex, Convergys and the proposed acquisition of Convergys by SYNnex. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws. These forward-looking statements involve uncertainties that could significantly affect the financial or operating results of Convergys, SYNnex or the combined company. These forward-looking statements may be identified by terms such as anticipate, believe, foresee, expect, intend, plan, may, will, could and should and the negative of these terms or other similar expressions. Forward-looking statements in this document include, among other things, statements about the potential benefits of the proposed acquisition, including future financial and operating results, plans, objectives, expectations and intentions; the anticipated timing of closing of the acquisition; and the methods SYNnex will use to finance the cash portion of the transaction. These forward-looking statements involve substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Risks and uncertainties include, among other things, risks related to the ability to realize the anticipated benefits of the acquisition, including the possibility that the expected benefits from the proposed acquisition will not be realized or will not be realized within the expected time period; the risk that the businesses will not be integrated successfully; disruption from the transaction making it more difficult to maintain business, contractual and operational relationships; the unfavorable outcome of any legal proceedings that have been or may be instituted against SYNnex, Convergys or the combined company; failure to protect proprietary or personally identifiable data against unauthorized access or unintended release; the ability to retain key personnel; negative effects of this announcement or the consummation of the proposed acquisition on the market price of the capital stock of SYNnex and Convergys, and on SYNnex' and Convergys's operating results; significant transaction costs, fees, expenses and charges; unknown liabilities; the risk of litigation and/or regulatory actions related to the proposed acquisition; the financing of the transaction; other business effects, including the effects of industry, market, economic, political or regulatory conditions; future exchange and interest rates; changes in tax and other laws, regulations, rates and policies; future business combinations or disposals; and competitive developments.

A further description of risks and uncertainties relating to SYNEX and Convergys can be found in their respective most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the SEC and available at www.sec.gov.

Neither SYNEX nor Convergys assumes any obligation to update the forward-looking statements contained in this document as the result of new information or future events or developments.

Item 9.01 Financial Statements and Exhibits.

(a) Exhibits.

Exhibit No.	Description
99.1	Press release dated October 3, 2018 regarding financial results.
99.2	Press release dated October 3, 2018 regarding merger closing date.

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.

Date: October 3, 2018

SYNNEX CORPORATION

By: /s/ Simon Y. Leung
Simon Y. Leung
Senior Vice President, General Counsel and Corporate Secretary



Investor Contact:
 Mary Lai
 Investor Relations
 SYNNEX Corporation
marylai@synnex.com
 (510) 668-8436

SYNNEX Corporation Reports Third Quarter Fiscal 2018 Results

Fremont, Calif., - October 3, 2018 - SYNNEX Corporation (NYSE: SNX), a leading business process services company, today announced financial results for the fiscal third quarter ended August 31, 2018.

	<u>Q3 FY18</u>	<u>Q3 FY17</u>	<u>Net change</u>
Revenue (\$M)	\$4,907	\$4,277	14.7%
Operating income (\$M)	\$116.9	\$122.2	(4.4)%
Non-GAAP operating income (\$M) ⁽¹⁾	\$162.7	\$139.9	16.2%
Operating margin	2.38%	2.86%	(48) bps
Non-GAAP operating margin ⁽¹⁾	3.32%	3.27%	5 bps
Net income (\$M)	\$69.3	\$75.2	(7.8)%
Non-GAAP net income (\$M) ⁽¹⁾	\$102.3	\$86.8	17.8%
Diluted EPS	\$1.74	\$1.87	(7.0)%
Non-GAAP Diluted EPS ⁽¹⁾	\$2.57	\$2.16	19.0%

(1) Non-GAAP financial measures exclude the impact of acquisition-related and integration expenses, the amortization of intangible assets together with the related tax effects thereon. A reconciliation of GAAP to Non-GAAP financial measures is presented in the supplementary information section at the end of this press release.

“We saw continued momentum in both of our business segments that resulted in record third quarter performance,” said Dennis Polk, President and Chief Executive Officer, SYNNEX Corporation. “Our focus on profitable growth and leveraging the strategic investments we’ve made in our business drove solid margin and earnings expansion.”

“We are also excited about the expected close of the Convergys acquisition on October 5th. The talented and dedicated global associates of Convergys will significantly amplify Concentrix and our value proposition,” Mr. Polk added. “We look forward to the growth and value that the combination of these two companies will create, and it will enhance our leadership position as a premier global customer engagement services company.”

Third Quarter Fiscal 2018 Highlights:

- **Technology Solutions:** Revenue was \$4.4 billion, up 17% from the prior fiscal year third quarter. Operating income was \$105 million, or 2.4% of segment revenue, compared to \$100 million, or 2.6% of segment revenue, in the prior fiscal year third quarter. Non-GAAP operating income was \$120 million, or 2.7% of segment revenue, in the fiscal third quarter of 2018, compared to \$101 million, or 2.7% of segment revenue, in the prior fiscal year third quarter.
- **Concentrix:** Revenue was \$492 million, down 1% from the prior fiscal year third quarter. Operating income was \$12 million, or 2.5% of segment revenue, compared to \$22 million, or 4.5% of segment revenue in the prior fiscal year third quarter. Non-GAAP operating income was \$43 million, or 8.7% of segment revenue, in the fiscal third quarter of 2018, compared to \$39 million, or 7.8% of segment revenue, in the prior fiscal year third quarter.
- The trailing fiscal four quarters Return on Invested Capital ("ROIC") was 8.5% compared to 10.8% in the prior fiscal year third quarter. The adjusted trailing fiscal four quarters ROIC was 10.9%.
- The debt to capitalization ratio was 43.9%, up from 32.1% in the prior fiscal year third quarter, primarily as a result of the Westcon-Comstor Americas acquisition in the fiscal fourth quarter of 2017.
- Depreciation and amortization were \$23 million and \$26 million, respectively.
- Cash used in operations was approximately \$103 million during the quarter.

Fourth Quarter Fiscal 2018 Outlook:

The following statements are based on SYNnex's current expectations for the fiscal 2018 fourth quarter, including the impact of the planned Convergys acquisition. Non-GAAP financial measures exclude the amortization of intangibles, acquisition-related and integration expenses and the related tax effect thereon. These statements are forward-looking and actual results may differ materially.

- Revenue is expected to be in the range of \$5.2 billion to \$5.4 billion.
 - Net income is expected to be in the range of \$48.3 million to \$57.9 million and on a Non-GAAP basis, net income is expected to be in the range of \$136.8 million to \$146.4 million.
 - Diluted earnings per share is expected to be in the range of \$1.02 to \$1.23 and on a Non-GAAP basis, diluted earnings per share is expected to be in the range of \$2.90 to \$3.10.
 - After-tax amortization of intangibles is expected to be \$49.8 million, or \$1.05 per share and after-tax acquisition-related and integration expenses are expected to be \$38.7 million, \$0.82 per share.
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Conference Call and Webcast

SYNNEX will be discussing its financial results and outlook on a conference call today at 2:00 p.m. (PT). A live audio webcast of the call will be available at <https://ir.synnex.com>. The conference call will also be available via telephone by dialing (866) 393-4306 in North America or (734) 385-2616 for international callers. The passcode for the call is "SNX." A replay of the webcast will be available at <https://ir.synnex.com> approximately two hours after the conference call has concluded where it will be archived for one year.

About SYNNEX

SYNNEX Corporation (NYSE: SNX) is a Fortune 200 corporation and a leading business process services company, providing a comprehensive range of distribution, logistics and integration services for the technology industry and providing outsourced services focused on customer engagement to a broad range of enterprises. SYNNEX distributes a broad range of information technology systems and products, and also provides systems design and integration solutions. Founded in 1980, SYNNEX Corporation operates in numerous countries throughout North and South America, Asia-Pacific and Europe. Additional information about SYNNEX may be found online at www.synnex.com.

About Concentrix

Concentrix, a wholly-owned subsidiary of SYNNEX Corporation (NYSE: SNX), is a leading business services company. We focus on customer engagement and improving business outcomes for over 450 global clients across many continents. Our 100,000+ staff deliver technology-infused, omni-channel customer experience management, marketing optimization, digital, consulting, analytics and back office solutions in 40+ languages from 125+ delivery centers. We serve automotive; banking and financial services; insurance; healthcare; technology; consumer electronics; media and communications; retail and ecommerce; travel and transportation; and energy and public sector clients. Visit <http://www.concentrix.com> to learn more.

Use of Non-GAAP Financial Information

In addition to the financial results presented in accordance with GAAP, SYNNEX also uses adjusted selling, general and administrative expenses, non-GAAP operating income, non-GAAP operating margin, adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), non-GAAP net income, and non-GAAP diluted earnings per share, which are non-GAAP financial measures that exclude acquisition-related and integration expenses, restructuring costs, the amortization of intangible assets and the related tax effects thereon.

In fiscal year 2018, non-GAAP net income and non-GAAP diluted earnings per share also exclude the impact of a provisional adjustment relating to the enactment of the Tax Cuts and Jobs Act of 2017. This adjustment includes an estimated transition tax on accumulated overseas profits and the estimated remeasurement of deferred tax assets and liabilities to the new U.S. tax rate. These estimates may be impacted by new guidance issued by regulators, additional information obtained related to earnings and profits in foreign jurisdictions and the impact of our financial position as of the measurement date of November 30, 2018. SYNNEX expects the accounting for the tax effects of the Tax Cuts and Jobs Act will be completed during the one-year measurement period.

Additionally, SYNNEX refers to growth rates at constant currency or adjusting for the translation effect of foreign currencies so that certain financial results can be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons of the Company's business performance. Financial results adjusted for currency are calculated by translating current period activity in the transaction currency using the comparable prior year periods' currency conversion rate. Generally, when the dollar either strengthens or weakens against other currencies, growth at constant currency rates or adjusting for currency will be higher or lower than growth reported at actual exchange rates.

Trailing fiscal four quarters ROIC is defined as the last four quarters' tax effected operating income divided by the average of the last five quarterly balances of borrowings (excluding book overdraft) and equity, net of cash

and cash equivalents in the United States. Adjusted ROIC is calculated by excluding the tax effected impact of acquisition-related and integration expenses, restructuring costs and the amortization of intangibles from operating income and equity.

SYNNEX management uses non-GAAP financial measures internally to understand, manage and evaluate the business, to establish operational goals, and in some cases for measuring performance for compensation purposes. These non-GAAP measures are intended to provide investors with an understanding of SYNNEX' operational results and trends that more readily enable investors to analyze SYNNEX' base financial and operating performance and to facilitate period-to-period comparisons and analysis of operational trends, as well as for planning and forecasting in future periods. Management believes these non-GAAP financial measures are useful to investors in allowing for greater transparency with respect to supplemental information used by management in its financial and operational decision-making. As these non-GAAP financial measures are not calculated in accordance with GAAP, they may not necessarily be comparable to similarly titled measures employed by other companies. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures, and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP. A reconciliation of SYNNEX' non-GAAP financial information to GAAP is set forth in the supplemental information section at the end of this press release.

Safe Harbor Statement

Statements in this news release regarding SYNNEX Corporation, which are not historical facts, are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements may be identified by terms such as believe, foresee, expect, may, will, provide, could and should and the negative of these terms or other similar expressions. These statements, including statements regarding SYNNEX' expectations and outlook for the fiscal 2018 fourth quarter as to revenue, net income, non-GAAP net income, diluted earnings per share, non-GAAP diluted earnings per share, tax rate, after-tax amortization of intangibles, and after-tax acquisition-related and integration expenses, as well as statements regarding currency impact, the anticipated benefits of the non-GAAP financial measures, estimates related to the Tax Cuts and Jobs Act of 2017, as well as expectations relating to the accounting thereof, tax rate, expected close of the Convergys acquisition, and impact, including growth, leverage and other benefits, in connection with the planned Convergys acquisition, are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements. These risks and uncertainties include, but are not limited to: general economic conditions and any weakness in information technology and consumer electronics spending; the timing of the close and estimated financial impact of the Convergys transaction, the loss or consolidation of one or more of our significant original equipment manufacturer, or OEM, suppliers or customers; market acceptance and product life of the products we assemble and distribute; competitive conditions in our industry and their impact on our margins; pricing, margin and other terms with our OEM suppliers; our ability to gain market share; variations in supplier-sponsored programs; changes in our costs and operating expenses; changes in foreign currency exchange rates; changes in tax laws; risks associated with our international operations; uncertainties and variability in demand by our reseller and integration customers; supply shortages or delays; any termination or reduction in our floor plan financing arrangements; credit exposure to our reseller customers and negative trends in their businesses; any future incidents of theft; and other risks and uncertainties detailed in our Form 10-K for the fiscal year ended November 30, 2017 and subsequent SEC filings. Statements included in this press release are based upon information known to SYNNEX Corporation as of the date of this release, and SYNNEX Corporation assumes no obligation to update information contained in this press release.

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SYNNEX Corporation
Consolidated Balance Sheets
(currency and share amounts in thousands, except for per share amounts)
(Amounts may not add due to rounding)
(unaudited)

	August 31, 2018	November 30, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 203,988	\$ 550,688
Restricted cash	6,850	5,837
Short-term investments	3,321	5,475
Accounts receivable, net	2,951,011	2,846,371
Receivable from related parties	32	77
Inventories	2,040,103	2,162,626
Other current assets	199,891	168,704
Total current assets	5,405,197	5,739,778
Property and equipment, net	343,548	346,589
Goodwill	853,914	872,641
Intangible assets, net	497,013	583,051
Deferred tax assets	31,802	31,687
Other assets	126,829	124,780
Total assets	<u>\$ 7,258,302</u>	<u>\$ 7,698,526</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Borrowings, current	\$ 732,272	\$ 805,471
Accounts payable	2,214,040	2,626,720
Payable to related parties	21,099	16,888
Accrued compensation and benefits	193,502	204,665
Other accrued liabilities	380,268	354,104
Income taxes payable	40,818	33,359
Total current liabilities	3,581,999	4,041,207
Long-term borrowings	1,090,654	1,136,089
Other long-term liabilities	170,414	124,008
Deferred tax liabilities	87,873	113,527
Total liabilities	4,930,940	5,414,831
Stockholders' equity:		
Preferred stock, \$0.001 par value, 5,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.001 par value, 100,000 shares authorized, 41,193 and 41,092 shares issued as of August 31, 2018 and November 30, 2017, respectively	41	41
Additional paid-in capital	488,538	467,948
Treasury stock, 1,985 and 1,419 shares as of August 31, 2018 and November 30, 2017, respectively	(134,841)	(77,133)
Accumulated other comprehensive income (loss)	(126,721)	(61,919)
Retained earnings	2,100,345	1,954,758
Total stockholders' equity	2,327,362	2,283,695
Total liabilities and equity	<u>\$ 7,258,302</u>	<u>\$ 7,698,526</u>

SYNNEX Corporation
Consolidated Statements of Operations
(currency and share amounts in thousands, except for per share amounts)
(Amounts may not add due to rounding)
(unaudited)

	Three Months Ended		Nine Months Ended	
	August 31, 2018	August 31, 2017	August 31, 2018	August 31, 2017
Revenue:				
Products	\$ 4,419,097	\$ 3,784,599	\$ 12,954,255	\$ 10,289,463
Services	487,513	492,087	1,477,308	1,444,360
Total revenue	4,906,610	4,276,686	14,431,562	11,733,823
Cost of revenue:				
Products	(4,165,118)	(3,590,007)	(12,228,350)	(9,736,190)
Services	(308,322)	(311,735)	(926,998)	(908,661)
Gross profit	433,170	374,944	1,276,215	1,088,972
Selling, general and administrative expenses	(316,274)	(252,728)	(923,449)	(739,867)
Operating income	116,896	122,216	352,766	349,105
Interest expense and finance charges, net	(20,058)	(9,754)	(53,884)	(26,898)
Other income (expense), net	(872)	1,854	(3,497)	1,325
Income before income taxes	95,966	114,316	295,385	323,532
Provision for income taxes	(26,675)	(39,153)	(107,968)	(113,432)
Net income	\$ 69,291	\$ 75,163	\$ 187,417	\$ 210,100
Earnings per common share:				
Basic	\$ 1.75	\$ 1.88	\$ 4.70	\$ 5.27
Diluted	\$ 1.74	\$ 1.87	\$ 4.67	\$ 5.24
Weighted-average common shares outstanding:				
Basic	39,254	39,563	39,483	39,530
Diluted	39,475	39,748	39,730	39,722
Cash dividends declared per share	\$ 0.35	\$ 0.25	\$ 1.05	\$ 0.75

SYNNEX Corporation
Segment Information
(currency in thousands)
(Amounts may not add due to rounding)
(unaudited)

	Three Months Ended		Nine Months Ended	
	August 31, 2018	August 31, 2017	August 31, 2018	August 31, 2017
Revenue:				
Technology Solutions	\$ 4,419,109	\$ 3,784,678	\$ 12,954,337	\$ 10,289,694
Concentrix	491,882	495,974	1,490,865	1,455,817
Inter-segment elimination	(4,382)	(3,966)	(13,639)	(11,688)
Consolidated	\$ 4,906,610	\$ 4,276,686	\$ 14,431,562	\$ 11,733,823
Operating income:				
Technology Solutions	\$ 104,828	\$ 99,968	\$ 283,351	\$ 282,094
Concentrix	12,068	22,248	69,415	66,989
Inter-segment elimination	—	—	—	22
Consolidated	\$ 116,896	\$ 122,216	\$ 352,766	\$ 349,105

SYNNEX Corporation
Reconciliation of GAAP to Non-GAAP financial measures
(currency in thousands)
(Amounts may not add due to rounding)

	Three Months Ended		Nine Months Ended	
	August 31, 2018	August 31, 2017	August 31, 2018	August 31, 2017
Revenue in Constant Currency				
Consolidated				
Revenue	\$ 4,906,610	\$ 4,276,686	\$ 14,431,562	\$ 11,733,823
Foreign currency translation	10,733		(63,162)	
Revenue in constant currency	\$ 4,917,343	\$ 4,276,686	\$ 14,368,400	\$ 11,733,823
Technology Solutions				
Segment revenue	\$ 4,419,109	\$ 3,784,678	\$ 12,954,337	\$ 10,289,694
Foreign currency translation	5,704		(45,554)	
Revenue in constant currency	\$ 4,424,813	\$ 3,784,678	\$ 12,908,783	\$ 10,289,694
Concentrix				
Segment revenue	\$ 491,882	\$ 495,974	\$ 1,490,865	\$ 1,455,817
Foreign currency translation	5,029		(17,608)	
Revenue in constant currency	\$ 496,911	\$ 495,974	\$ 1,473,257	\$ 1,455,817

	Three Months Ended		Nine Months Ended	
	August 31, 2018	August 31, 2017	August 31, 2018	August 31, 2017
Selling, general and administrative expenses				
Consolidated				
GAAP selling, general and administrative expenses	\$ 316,274	\$ 252,728	\$ 923,449	\$ 739,867
Acquisition-related and integration expenses	19,568	1,026	23,419	1,637
Amortization of intangibles	25,777	16,268	77,882	47,984
Adjusted selling, general and administrative expenses	\$ 270,929	\$ 235,434	\$ 822,148	\$ 690,246
Technology Solutions				
GAAP selling, general and administrative expenses	\$ 149,163	\$ 94,702	\$ 442,630	\$ 271,407
Acquisition-related and integration expenses	2,498	705	6,349	705
Amortization of intangibles	12,524	656	37,802	1,961
Adjusted selling, general and administrative expenses	\$ 134,141	\$ 93,341	\$ 398,479	\$ 268,741
Concentrix				
GAAP selling, general and administrative expenses	\$ 168,984	\$ 159,728	\$ 486,120	\$ 474,132
Acquisition-related and integration expenses	17,070	321	17,070	932
Amortization of intangibles	13,253	15,612	40,080	46,023
Adjusted selling, general and administrative expenses	\$ 138,661	\$ 143,795	\$ 428,970	\$ 427,177

SYNNEX Corporation
Reconciliation of GAAP to Non-GAAP financial measures
(currency in thousands)
(Amounts may not add due to rounding)
(continued)

	Three Months Ended		Nine Months Ended	
	August 31, 2018	August 31, 2017	August 31, 2018	August 31, 2017
Operating income and Operating margin				
Consolidated				
Revenue	\$ 4,906,610	\$ 4,276,686	\$ 14,431,562	\$ 11,733,823
GAAP operating income	\$ 116,896	\$ 122,216	\$ 352,766	\$ 349,105
Acquisition-related and integration expenses	19,568	1,026	23,419	1,637
Amortization of intangibles	26,197	16,688	79,183	49,244
Non-GAAP operating income	\$ 162,661	\$ 139,930	\$ 455,368	\$ 399,986
Depreciation	22,511	20,185	67,031	59,058
Adjusted EBITDA	\$ 185,172	\$ 160,115	\$ 522,399	\$ 459,044
GAAP operating margin	2.38%	2.86%	2.44%	2.98%
Non-GAAP operating margin	3.32%	3.27%	3.16%	3.41%
Technology Solutions				
Segment revenue	\$ 4,419,109	\$ 3,784,678	\$ 12,954,337	\$ 10,289,694
GAAP operating income	\$ 104,828	\$ 99,968	\$ 283,351	\$ 282,094
Acquisition-related and integration expenses	2,498	705	6,349	705
Amortization of intangibles	12,524	656	37,802	1,961
Non-GAAP operating income	\$ 119,850	\$ 101,329	\$ 327,502	\$ 284,760
Depreciation	5,212	3,530	15,056	10,408
Adjusted EBITDA	\$ 125,062	\$ 104,859	\$ 342,558	\$ 295,168
GAAP operating margin	2.37%	2.64%	2.19%	2.74%
Non-GAAP operating margin	2.71%	2.68%	2.53%	2.77%
Concentrix				
Segment revenue	\$ 491,882	\$ 495,974	\$ 1,490,865	\$ 1,455,817
GAAP operating income	\$ 12,068	\$ 22,248	\$ 69,415	\$ 66,989
Acquisition-related and integration expenses	17,070	321	17,070	932
Amortization of intangibles	13,673	16,032	41,381	47,283
Non-GAAP operating income	\$ 42,811	\$ 38,601	\$ 127,866	\$ 115,204
Depreciation	17,299	16,655	51,975	48,673
Adjusted EBITDA	\$ 60,110	\$ 55,256	\$ 179,841	\$ 163,877
GAAP operating margin	2.45%	4.49%	4.66%	4.60%
Non-GAAP operating margin	8.70%	7.78%	8.58%	7.91%

SYNNEX Corporation
Reconciliation of GAAP to Non-GAAP financial measures
(currency and share amounts in thousands, except for per share amounts)
(Amounts may not add due to rounding)
(continued)

	Three Months Ended		Nine Months Ended	
	August 31, 2018	August 31, 2017	August 31, 2018	August 31, 2017
Net income				
Net income	\$ 69,291	\$ 75,163	\$ 187,417	\$ 210,100
Acquisition-related and integration expenses	19,568	1,026	20,785	1,637
Amortization of intangibles	26,197	16,688	79,183	49,244
Income taxes related to the above ⁽¹⁾	(12,798)	(6,064)	(28,181)	(17,839)
U.S. tax reform adjustment	—	—	24,701	—
Non-GAAP net income	\$ 102,258	\$ 86,813	\$ 283,905	\$ 243,142
Diluted earnings per common share ("EPS")⁽²⁾				
Net income	\$ 69,291	\$ 75,163	\$ 187,417	\$ 210,100
Less: net income allocated to participating securities	(665)	(686)	(1,741)	(1,943)
Net income attributable to common stockholders	68,626	74,477	185,676	208,157
Acquisition-related and integration expenses attributable to common stockholders	19,381	1,017	20,593	1,622
Amortization of intangibles attributable to common stockholders	25,947	16,535	78,450	48,787
Income taxes related to the above attributable to common stockholders ⁽¹⁾	(12,676)	(6,009)	(27,920)	(17,673)
U.S. tax reform adjustment attributable to common stockholders	—	—	24,472	—
Non-GAAP net income attributable to common stockholders	\$ 101,279	\$ 86,020	\$ 281,271	\$ 240,893
Weighted-average number of common shares - diluted:	39,475	39,748	39,730	39,722
Diluted EPS ⁽²⁾	\$ 1.74	\$ 1.87	\$ 4.67	\$ 5.24
Acquisition-related and integration expenses	0.49	0.03	0.52	0.04
Amortization of intangibles	0.66	0.42	1.97	1.23
Income taxes related to the above ⁽¹⁾	(0.32)	(0.15)	(0.70)	(0.44)
U.S. tax reform adjustment	—	—	0.62	—
Non-GAAP Diluted EPS	\$ 2.57	\$ 2.16	\$ 7.08	\$ 6.06

SYNNEX Corporation
Reconciliation of GAAP to Non-GAAP financial measures
(amounts in millions, except for per share amounts)
(Amounts may not add due to rounding)
(continued)

	Forecast	
	Three Months Ending November 30, 2018	
	Low	High
Net income		
Net income	\$ 48.3	\$ 57.9
Acquisition-related and integration expenses	52.2	52.2
Amortization of intangibles	66.1	66.1
Income taxes related to the above ⁽¹⁾	(29.8)	(29.8)
Non-GAAP net income	<u>\$ 136.8</u>	<u>\$ 146.4</u>
Diluted EPS⁽²⁾		
Diluted EPS	\$ 1.02	\$ 1.23
Acquisition-related and integration expenses	1.11	1.11
Amortization of intangibles	1.40	1.40
Income taxes related to the above ⁽¹⁾	(0.63)	(0.63)
Non-GAAP Diluted EPS	<u>\$ 2.90</u>	<u>\$ 3.10</u>

(1) The tax effect of the non-GAAP adjustments was calculated using the effective year-to date tax rate during the respective fiscal years, except for acquisition-related and integration expenses and amortization of intangibles for the three months ending November 30, 2018, which was calculated by estimating the tax deductible portion of these expenses and applying the entity-specific tax rates. The effective tax rate for fiscal year 2018 excludes the impact of the transition tax on accumulated overseas profits and the remeasurement of deferred tax assets and liabilities to the new U.S. tax rate related to the enactment of the Tax Cuts and Jobs Act of 2017.

(2) Diluted EPS for all periods presented is calculated using the two-class method. Unvested restricted stock awards granted to employees are considered participating securities. For purposes of calculating Diluted EPS, Net income allocated to participating securities was approximately 1.0% and 0.9% of Net income for the three and nine months ended August 31, 2018, respectively and approximately 0.9% of Net income for both the three and nine months ended August 31, 2017. Net income allocable to participating securities is estimated to be approximately 0.8% of the forecast Net income for the three months ending November 30, 2018.

SYNNEX Corporation
Calculation of Financial Metrics
(currency in thousands)
(Amounts may not add or compute due to rounding)

ROIC

	August 31, 2018	August 31, 2017
ROIC		
Operating income (trailing fiscal four quarters)	\$ 512,626	\$ 479,745
Income taxes on operating income ⁽¹⁾	(185,645)	(162,241)
Operating income after taxes	326,981	317,504
Total borrowings, excluding book overdraft (last five quarters average)	\$ 1,684,413	\$ 982,084
Total equity (last five quarters average)	2,290,968	2,054,776
Less: U.S. cash and cash equivalents (last five quarters average)	(114,037)	(85,189)
Total invested capital	3,861,344	2,951,671
ROIC	8.5%	10.8%
Adjusted ROIC		
Non-GAAP operating income (trailing fiscal four quarters)	\$ 648,309	\$ 556,071
Income taxes on Non-GAAP operating income ⁽¹⁾	(196,784)	(187,841)
Non-GAAP operating income after taxes	451,525	368,230
Total invested capital	\$ 3,861,344	\$ 2,951,671
Tax effected impact of cumulative non-GAAP adjustments (last five quarters average)	279,106	194,195
Total Non-GAAP invested capital	4,140,450	3,145,866
Adjusted ROIC	10.9%	11.7%

(1) Income taxes on GAAP and non-GAAP operating income was calculated using the effective year-to-date tax rates during the respective periods. The effective tax rate for non-GAAP operating income in fiscal year 2018 excludes the impact of the transition tax on accumulated overseas profits and the remeasurement of deferred tax assets and liabilities to the new U.S. tax rate related to the enactment of the Tax Cuts and Jobs Act of 2017.

Debt to Capitalization

	August 31, 2018	August 31, 2017
Total borrowings, excluding book overdraft	(a) \$ 1,821,617	\$ 1,049,605
Total equity	(b) 2,327,362	2,216,871
Debt to capitalization	(a)/((a)+(b)) 43.9%	32.1%

SYNNEX Corporation
Calculation of Financial Metrics
(currency in thousands)
(Amounts may not add or compute due to rounding)
(continued)

Cash Conversion Cycle

		Three Months Ended	
		August 31, 2018	August 31, 2017
Days sales outstanding			
Revenue (products and services)	(a) \$	4,906,610	\$ 4,276,686
Accounts receivable, including receivable from related parties	(b)	2,951,043	1,861,481
Days sales outstanding	(c) = (b)/((a)/the number of days during the period)	55	40
Days inventory outstanding			
Cost of revenue (products and services)	(d) \$	4,473,440	\$ 3,901,742
Inventories	(e)	2,040,103	2,242,083
Days inventory outstanding	(f) = (e)/((d)/the number of days during the period)	42	53
Days payable outstanding			
Cost of revenue (products and services)	(g) \$	4,473,440	\$ 3,901,742
Accounts payable, including payable to related parties	(h)	2,235,139	1,804,110
Days payable outstanding	(i) = (h)/((g)/the number of days during the period)	46	43
Cash conversion cycle	(j) = (c)+(f)-(i)	<u>51</u>	<u>50</u>



Investor Contact:

Mary Lai
Investor Relations
SYNNEX Corporation
marylai@synnex.com
(510) 668-8436

SYNNEX Corporation Announces Acquisition of Convergys to Close on October 5, 2018

Concentrix Division Becomes the Premier Global Customer Engagement Services Company

Fremont, Calif., - October 3, 2018 - SYNNEX Corporation (NYSE: SNX), a leading business process services company, today announced that the acquisition of Convergys is expected to close on Friday, October 5, 2018. Both SYNNEX and Convergys received their respective shareholder approval for this transaction and have been granted all regulatory approvals necessary to proceed with the close. The definitive agreement was originally announced on June 28, 2018. The transaction creates the second largest customer engagement services company in the world, with annual revenues of approximately \$4.7 billion.

“We are excited to welcome our talented colleagues from Convergys to the SYNNEX and Concentrix global team,” said Dennis Polk, President and Chief Executive Officer, SYNNEX Corporation. “This transformational combination reinforces Concentrix’ market position in business services, broadening our global scale and scope, and presents opportunities for revenue and profitability growth.”

The integration process has already begun through the collaborative efforts of teams from both companies and is expected to be complete over the next 12 months.

“On day one, we are delivering a winning set of integrated service offerings,” said Chris Caldwell, President of Concentrix. “I am honored to lead this great team and look forward to moving ahead as one company focused on offering our clients high value services and innovative execution.”

As a result of the transaction, the combined entity is expected to bolster its position with deeper vertical domain expertise, a complete global footprint, and a more sophisticated digital and analytics services business to Fortune 1000 and high growth market disruptor companies. The new Concentrix organization will have operations in more than 40 countries across 6 continents, delivering services in 70+ languages, and from more than 225,000 employees.

Financial Terms:

Under the terms of the merger agreement, the total purchase price to be paid to equity shareholders is expected to be approximately \$2.2 billion, including approximately \$1.2 billion in total cash or \$13.25 per share, and 11.51 million shares of SYNnex stock, or 0.1263 SYNnex common shares for each share of Convergys common stock. This is expected to represent approximately 22% of SYNnex shares outstanding (after issuance of new shares) on a fully diluted basis. The transaction will also include net debt of approximately \$270 million.

About SYNnex

SYNnex Corporation (NYSE: SNX) is a Fortune 200 corporation and a leading business process services company, providing a comprehensive range of distribution, logistics and integration services for the technology industry and providing outsourced services focused on customer engagement to a broad range of enterprises. SYNnex distributes a broad range of information technology systems and products, and also provides systems design and integration solutions. Founded in 1980, SYNnex Corporation operates in numerous countries throughout North and South America, Asia-Pacific and Europe. Additional information about SYNnex may be found online at www.synnex.com.

About Concentrix

Concentrix, a wholly-owned subsidiary of SYNnex Corporation (NYSE: SNX), is a technology-enabled global business services company specializing in customer engagement and improving business performance for some of the world's best brands. Every day, from more than 40 countries and across 6 continents, our staff delivers next generation customer experience and helps companies better connect with their customers. We create better business outcomes and help differentiate our clients through technology, design, data, process, and people. Concentrix provides services to clients in ten industry verticals: automotive; banking and financial services; insurance; healthcare; technology; consumer electronics; media and communications; retail and e-commerce; travel and transportation; energy and public-sector. We are Different by Design. Visit <http://www.concentrix.com> to learn more.

Additional Information and Where to Find It

In connection with the proposed transaction between SYNnex and Convergys, SYNnex filed an amended registration statement on Form S-4 (File No. 333-226708), declared effective by the SEC on August 28, 2018, which includes a joint proxy statement of SYNnex and Convergys that also constitutes a prospectus of SYNnex. INVESTORS AND SECURITY HOLDERS OF SYNnex AND CONVERGYS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders can obtain free copies of the registration statement and the joint proxy statement/prospectus and other documents filed with the SEC by SYNnex or Convergys through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by SYNnex will be available free of charge within the Investors section of SYNnex' website at <http://ir.synnex.com> or by contacting SYNnex' Investor Relations Department at (510) 668-8436. Copies of the documents filed with the SEC by Convergys will be available free of charge on Convergys's website at <http://investor.convergys.com> or by contacting Convergys's Investor Relations Department at (513) 723-7768.

Participants in Solicitation

SYNnex, Convergys, and their respective directors and certain of their respective executive officers may be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of SYNnex is set forth in its Annual Report on Form 10-K for the year ended November 30, 2017, which was filed with the SEC on January 26, 2018, and its proxy statement for its 2018

annual meeting of stockholders, which was filed with the SEC on February 22, 2018. Information about the directors and executive officers of Convergys is set forth in its Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the SEC on February 21, 2018, and its proxy statement for its 2018 annual meeting of shareholders, which was filed with the SEC on March 16, 2018. Other information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC regarding the proposed transaction when they become available.

Forward-Looking Statements

DISCLOSURE NOTICE: This document contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 related to SYNnex Corporation (“SYNNEX”), Convergys Corporation (“Convergys”) and the proposed acquisition of Convergys by SYNnex. All statements other than statements of historical fact are forward-looking statements for purposes of federal and state securities laws. These forward-looking statements involve uncertainties that could significantly affect the financial or operating results of Convergys, SYNnex or the combined company. These forward-looking statements may be identified by terms such as anticipate, believe, foresee, expect, intend, plan, may, will, could and should and the negative of these terms or other similar expressions. Forward-looking statements in this document include, among other things, statements about the potential benefits of the proposed acquisition, including future financial and operating results, plans, objectives, expectations and intentions, including as to integration; the anticipated timing of closing of the acquisition; the expected total purchase price, number of shares issued and percentage of outstanding shares at closing and the methods SYNnex will use to finance the cash portion of the transaction and net debt associated with the transaction. In addition, all statements that address operating performance, events or developments that we expect or anticipate will occur in the future - including statements relating to creating value for stockholders, benefits of the proposed transactions to customers, vendors, employees, stockholders and other constituents of the combined company, integrating our companies and timing of completion of integration, cost savings, the pace of obtaining and the amount of cost synergies, and the expected timetable for completing the proposed transaction - are forward-looking statements. These forward-looking statements involve substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Risks and uncertainties include, among other things, risks related to the satisfaction of the conditions to closing the acquisition in the anticipated timeframe or at all; risks related to the ability to realize the anticipated benefits of the acquisition, including the possibility that the expected benefits from the proposed acquisition will not be realized or will not be realized within the expected time period; the risk that the businesses will not be integrated successfully; disruption from the transaction making it more difficult to maintain business, contractual and operational relationships; the unfavorable outcome of any legal proceedings that have been or may be instituted against SYNnex, Convergys or the combined company; failure to protect proprietary or personally identifiable data against unauthorized access or unintended release; the ability to retain key personnel; negative effects of this announcement or the consummation of the proposed acquisition on the market price of the capital stock of SYNnex and Convergys, and on SYNnex’ and Convergys’s operating results; significant transaction costs, fees, expenses and charges; unknown liabilities; the risk of litigation and/or regulatory actions related to the proposed acquisition; the financing of the transaction; other business effects, including the effects of industry, market, economic, political or regulatory conditions; future exchange and interest rates; changes in tax and other laws, regulations, rates and policies; future business combinations or disposals; and competitive developments.

A further description of risks and uncertainties relating to SYNnex and Convergys can be found in their respective most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which are filed with the U.S. Securities and Exchange Commission (the “SEC”) and available at www.sec.gov.

Neither SYNnex nor Convergys assumes any obligation to update the forward-looking statements contained in this document as the result of new information or future events or developments.

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