

During fiscal 2019, we initiated a restructuring program associated with footprint consolidation and structural improvements impacting all segments. During fiscal 2018, we initiated a restructuring program associated with footprint consolidation and structural improvements primarily impacting the Industrial Solutions and Transportation Solutions segments. In connection with these initiatives, we incurred net restructuring charges of \$255 million and \$140 million in fiscal 2019 and 2018, respectively. Annualized cost savings related to actions initiated in fiscal 2019 are expected to be approximately \$220 million and are expected to be realized by the end of fiscal 2021. Cost savings will be reflected primarily in cost of sales and selling, general, and administrative expenses.

In response to market weakness in fiscal 2019, we initiated incremental restructuring actions, primarily consisting of employee severance, to broaden the scope of our cost reduction initiatives and accelerate cost reduction and factory footprint consolidation activities. We previously disclosed that we expected total restructuring charges to be approximately \$375 million in fiscal 2019. We now expect certain of these actions to occur in fiscal 2020 or 2021. For fiscal 2020, we currently expect total restructuring charges to be approximately \$200 million to \$250 million and total spending, which will be funded with cash from operations, to be approximately \$300 million.

See Note 3 to the Consolidated Financial Statements for additional information regarding net restructuring and other charges.

Operating Income

The following table presents operating income and operating margin information:

	Fiscal		Change
	2019	2018	
	(\$ in millions)		
Operating income	\$ 1,978	\$ 2,331	\$ (353)
Operating margin	14.7 %	16.7 %	

Operating income included the following:

	Fiscal	
	2019	2018
	(in millions)	
Acquisition-related charges:		
Acquisition and integration costs	\$ 27	\$ 14
Charges associated with the amortization of acquisition-related fair value adjustments	3	8
	30	22
Restructuring and other charges, net	255	126
Other items ⁽¹⁾	17	—
Total	\$ 302	\$ 148

(1) Represents the write-off of certain spare parts.

See discussion of operating income below under “Segment Results.”