



Avnet Reports First Quarter 2026 Financial Results

First quarter sales of \$5.9 billion and diluted EPS of \$0.61

Adjusted diluted EPS of \$0.84

Return to year-over-year sales growth in the Americas

PHOENIX – October 29, 2025 – Avnet, Inc. (Nasdaq: [AVT](#)) today announced results for its first quarter ended September 27, 2025.

“In the first quarter, our sales and earnings exceeded our expectations, led by double-digit year-over-year sales growth in Farnell and Asia,” said Avnet Chief Executive Officer Phil Gallagher. “While uncertainty continues to impact the market, we remain optimistic about the increasingly positive signs of recovery. Our durable business model, coupled with our strong, diverse supplier line card and customer base, position Avnet to create long-term value for all our stakeholders.”

Fiscal First Quarter Key Financial Highlights:

- Sales of \$5.9 billion
 - Fifth consecutive quarter of year-over-year sales growth in Asia
 - Second consecutive quarter of year-over-year growth at Farnell
- Diluted earnings per share of \$0.61
 - Adjusted diluted earnings per share of \$0.84
- Operating income margin of 2.4%
 - Adjusted operating income margin of 2.6%
- Returned \$138 million to shareholders from share repurchases, representing 3.2% of shares outstanding
 - Repurchased approximately 8% of outstanding shares over past four quarters
- Returned \$28 million to shareholders in dividends
 - Increased quarterly dividend by 6% compared to fiscal 2025

Key Financial Metrics

(\$ in millions, except per share data)

First Quarter Results (GAAP)					
	Sep – 25	Sep – 24	Change Y/Y	Jun – 25	Change Q/Q
Sales	\$ 5,898.6	\$ 5,604.2	5.3 %	\$ 5,617.8	5.0 %
Operating Income	\$ 142.0	\$ 142.2	(0.1) %	\$ 73.5	93.4 %
Operating Income Margin	2.4 %	2.5 %	(13) bps	1.3 %	110 bps
Diluted Earnings Per Share	\$ 0.61	\$ 0.66	(7.6) %	\$ 0.07	771.4 %

First Quarter Results (Non-GAAP) ⁽¹⁾					
	Sep – 25	Sep – 24	Change Y/Y	Jun – 25	Change Q/Q
Adjusted Operating Income	\$ 150.7	\$ 168.9	(10.8) %	\$ 142.9	5.5 %
Adjusted Operating Income Margin	2.6 %	3.0 %	(46) bps	2.5 %	1 bps
Adjusted Diluted Earnings Per Share	\$ 0.84	\$ 0.92	(8.7) %	\$ 0.81	3.7 %

Segment and Geographical Mix					
	Sep – 25	Sep – 24	Change Y/Y	Jun – 25	Change Q/Q
Electronic Components (EC) Sales	\$ 5,499.7	\$ 5,257.1	4.6 %	\$ 5,231.3	5.1 %
EC Operating Income Margin	2.9 %	3.8 %	(86) bps	3.0 %	(11) bps
Farnell Sales	\$ 398.9	\$ 347.1	14.9 %	\$ 386.5	3.2 %
Farnell Operating Income Margin	4.3 %	0.5 %	375 bps	4.3 %	1 bps
Americas Sales	\$ 1,369.9	\$ 1,329.9	3.0 %	\$ 1,327.0	3.2 %
EMEA Sales	\$ 1,665.9	\$ 1,668.2	(0.1) %	\$ 1,599.7	4.1 %
Asia Sales	\$ 2,862.8	\$ 2,606.1	9.9 %	\$ 2,691.1	6.4 %

(1) A reconciliation of non-GAAP financial measures to GAAP financial measures is presented in the “Non-GAAP Financial Information” section of this press release.

Outlook for the Second Quarter of Fiscal 2026 Ending on December 27, 2025

	Guidance Range	Midpoint
Sales	\$5.85B – \$6.15B	\$6.00B
Adjusted Diluted EPS ⁽¹⁾	\$0.90 – \$1.00	\$0.95

(1) A reconciliation of non-GAAP guidance to GAAP guidance is presented in the “Non-GAAP Financial Information” section of this press release.

The above guidance implies sequential sales growth of approximately 2% at the midpoint and assumes sequential sales growth in the Americas and Asia and flat sales in Europe.

The above guidance also excludes restructuring, integration and other expenses, foreign currency gains and losses, and certain income tax adjustments. The above guidance assumes similar interest expense to the first quarter of fiscal 2026 and an adjusted effective tax rate of between 21% and 25%. The above guidance assumes 83 million average diluted shares outstanding and average currency exchange rates as shown in the table below:

	Q2 Fiscal 2026 Guidance	Q1 Fiscal 2026	Q2 Fiscal 2025
Euro to U.S. Dollar	\$1.16	\$1.17	\$1.07
GBP to U.S. Dollar	\$1.33	\$1.35	\$1.28

Today's Conference Call and Webcast Details

Avnet will host a conference call and webcast today at 9:00 a.m. PT / Noon ET to discuss its financial results, provide a business update and answer questions.

- Live conference call: 877-407-8112 (domestic) or 201-689-8840 (international)
- Live webcast along with slides can be accessed via Avnet's Investor Relations website at <https://ir.avnet.com>
- An audio replay of the webcast will be available after the completion of the call and archived on the website for one year

Forward-Looking Statements

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to the financial condition, results of operations, and business of the Company. You can find many of these statements by looking for words like "believes," "projected," "plans," "expects," "anticipates," "should," "will," "may," "estimates," or similar expressions. These forward-looking statements are subject to numerous assumptions, risks, and uncertainties. The following important factors, in addition to those discussed elsewhere in the Company's Annual Report on Form 10-K for the fiscal year ended June 28, 2025 and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, could affect the Company's future results of operations, and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements: geopolitical events and military conflicts; pandemics and other health-related crises; competitive pressures among distributors of electronic components; an industry down-cycle in semiconductors; relationships with key suppliers and allocations of products by suppliers; accounts receivable defaults; risks relating to the Company's international sales and operations, including risks relating to repatriating cash, foreign currency fluctuations, inflation, duties and taxes, tariffs, sanctions and trade restrictions, and compliance with international and U.S. laws; risks relating to acquisitions, divestitures, and investments; adverse effects on the Company's supply chain, operations of its distribution centers, shipping costs, third-party service providers, customers, and suppliers, including as a result of issues caused by military conflicts, terrorist attacks, natural and weather-related disasters, pandemics and health related crises, warehouse modernization, and relocation efforts; risks related to cyber security attacks, other privacy and security incidents, and information systems failures, including related to current or future implementations, integrations, and upgrades; general economic and business conditions (domestic, foreign, and global) affecting the Company's operations and financial performance and, indirectly, the Company's credit ratings, debt covenant compliance, liquidity, and access to financing; constraints on employee retention and hiring; and legislative or regulatory changes.

Any forward-looking statement speaks only as of the date on which that statement is made. Except as required by law, the Company assumes no obligation to update any forward-looking statement to reflect events or circumstances that occur after the date on which the statement is made.

About Avnet

As a leading global technology distributor and solutions provider, Avnet has served customers' evolving needs for more than a century. Through regional and specialized businesses around the world, we support customers and suppliers at every stage of the product lifecycle. We help companies adapt to change and accelerate the design and supply stages of product development. With a unique viewpoint from the center of the technology value chain, Avnet is a trusted partner that solves complex design and supply chain issues so customers can realize revenue faster. Learn more about Avnet at www.avnet.com. (AVT_IR)

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AVNET, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	First Quarters Ended	
	September 27, 2025	September 28, 2024
	(Thousands, except per share data)	
Sales	\$ 5,898,572	\$ 5,604,152
Cost of sales	5,283,807	4,996,785
Gross profit	614,765	607,367
Selling, general and administrative expenses	464,442	438,791
Restructuring, integration, and other expenses	8,291	26,351
Operating income	142,032	142,225
Other expense, net	(5,466)	(3,043)
Interest and other financing expenses, net	(59,762)	(64,444)
Income before taxes	76,804	74,738
Income tax expense	25,059	15,782
Net income	<u>\$ 51,745</u>	<u>\$ 58,956</u>
Earnings per share:		
Basic	<u>\$ 0.62</u>	<u>\$ 0.67</u>
Diluted	<u>\$ 0.61</u>	<u>\$ 0.66</u>
Shares used to compute earnings per share:		
Basic	82,996	88,092
Diluted	<u>84,462</u>	<u>89,392</u>
Cash dividends paid per common share	<u>\$ 0.35</u>	<u>\$ 0.33</u>

AVNET, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	<u>September 27,</u> <u>2025</u>	<u>June 28,</u> <u>2025</u>
(Thousands)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 175,465	\$ 192,428
Receivables	4,503,478	4,327,450
Inventories	5,420,873	5,235,485
Prepaid and other current assets	227,168	263,374
Total current assets	<u>10,326,984</u>	<u>10,018,737</u>
Property, plant and equipment, net	665,980	667,247
Goodwill	818,109	837,031
Operating lease assets	200,621	201,896
Other assets	402,663	393,642
Total assets	<u>\$ 12,414,357</u>	<u>\$ 12,118,553</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 189,311	\$ 87,284
Accounts payable	3,688,866	3,487,419
Accrued expenses and other	440,913	497,154
Short-term operating lease liabilities	54,830	56,247
Total current liabilities	<u>4,373,920</u>	<u>4,128,104</u>
Long-term debt	2,795,948	2,574,729
Long-term operating lease liabilities	158,991	159,449
Other liabilities	237,397	244,776
Total liabilities	<u>7,566,256</u>	<u>7,107,058</u>
Shareholders' equity	<u>4,848,101</u>	<u>5,011,495</u>
Total liabilities and shareholders' equity	<u>\$ 12,414,357</u>	<u>\$ 12,118,553</u>

AVNET, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	<u>First Quarters Ended</u>	
	<u>September 27,</u> <u>2025</u>	<u>September 28,</u> <u>2024</u>
	(Thousands)	
Cash flows from operating activities:		
Net income	\$ 51,745	\$ 58,956
Non-cash and other reconciling items:		
Depreciation and amortization	16,839	19,883
Amortization of operating lease assets	13,934	13,926
Deferred income taxes	(5,868)	(17,572)
Stock-based compensation	9,724	10,987
Other, net	(13,439)	19,337
Changes in (net of effects from businesses acquired and divested):		
Receivables	(192,583)	(94,393)
Inventories	(216,326)	(29,230)
Accounts payable	218,297	213,610
Accrued expenses and other, net	(26,907)	(89,179)
Net cash flows (used for) provided by operating activities	<u>(144,584)</u>	<u>106,325</u>
Cash flows from financing activities:		
Issuance of convertible notes, net of issuance costs	633,750	—
(Repayments) borrowings under accounts receivable securitization, net	(299,400)	27,900
Repayments under senior unsecured credit facility, net	(290,861)	(11,353)
Borrowings under term loan	266,932	—
Borrowings (repayments) under bank credit facilities and other debt, net	10,352	(824)
Repurchases of common stock	(138,308)	(99,995)
Dividends paid on common stock	(28,464)	(28,861)
Other, net	1,137	3,766
Net cash flows provided by (used for) financing activities	<u>155,138</u>	<u>(109,367)</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(24,589)	(31,776)
Other, net	80	330
Net cash flows used for investing activities	<u>(24,509)</u>	<u>(31,446)</u>
Effect of currency exchange rate changes on cash and cash equivalents	(3,008)	(8,932)
Cash and cash equivalents:		
— decrease	(16,963)	(43,420)
— at beginning of period	192,428	310,941
— at end of period	<u>\$ 175,465</u>	<u>\$ 267,521</u>

Non-GAAP Financial Information

In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles in the United States (“GAAP”), the Company also discloses certain non-GAAP financial information including (i) adjusted operating income, (ii) adjusted other income (expense), (iii) adjusted income before income taxes, (iv) adjusted income tax expense (benefit), and (v) adjusted diluted earnings per share.

There are also references to the impact of foreign currency in the discussion of the Company’s results of operations. When the U.S. Dollar strengthens and the stronger exchange rates of the current year are used to translate the results of operations of Avnet’s subsidiaries denominated in foreign currencies, the resulting impact is a decrease in U.S. Dollars of reported results. Conversely, when the U.S. Dollar weakens and the weaker exchange rates of the current year are used to translate the results of operations of Avnet’s subsidiaries denominated in foreign currencies, the resulting impact is an increase in U.S. Dollars of reported results. In the discussion of the Company’s results of operations, results excluding this impact are referred to as “constant currency.” Management believes sales in constant currency is a useful measure for evaluating current period performance as compared with prior periods and for understanding underlying trends. In order to determine the translation impact of changes in foreign currency exchange rates on sales, income or expense items for subsidiaries reporting in currencies other than the U.S. Dollar, the Company adjusts the average exchange rates used in current periods to be consistent with the average exchange rates in effect during the comparative period.

Management believes that operating income adjusted for restructuring, integration and other expenses, and amortization of acquired intangible assets, is a useful measure to help investors better assess and understand the Company’s operating performance. This is especially the case when comparing results with previous periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of Avnet’s normal operating results or non-cash in nature. Management analyzes operating income without the impact of these items as an indicator of ongoing margin performance and underlying trends in the business. Management also uses these non-GAAP measures to establish operational goals and, in most cases, for measuring performance for compensation purposes. Management measures operating income for its reportable segments excluding restructuring, integration and other expenses, and amortization of acquired intangible assets.

Management also believes income tax expense (benefit), net income and diluted earnings per share adjusted for the impact of the items described above, foreign currency gains and losses and certain items impacting income tax expense (benefit) are useful to investors because they provide a measure of the Company’s net profitability on a more comparable basis to historical periods and provide a more meaningful basis for forecasting future performance. Adjustments to income tax expense (benefit) and the effective income tax rate include the effect of changes in tax laws, certain changes in valuation allowances and unrecognized tax benefits, income tax audit settlements and adjustments to the effective tax rate based upon the expected long-term adjusted effective tax rate. Additionally, because of management’s focus on generating shareholder value, of which net profitability is a primary driver, management believes net income and diluted earnings per share excluding the impact of these items provides an important measure of the Company’s net profitability for the investing public.

Additional non-GAAP metrics management uses are adjusted operating income margin, which is defined as adjusted operating income divided by sales and the adjusted effective income tax rate, which is defined as adjusted income tax expense divided by adjusted income before income taxes.

Any analysis of results and outlook on a non-GAAP basis should be used as a complement to, and in conjunction with, results presented in accordance with GAAP.

Fiscal 2026
First Quarter
September 27, 2025
*(\$ in thousands, except
per share amounts)*

GAAP operating income	\$	142,032
Restructuring, integration, and other expenses		8,291
Amortization of intangible assets		364
Adjusted operating income		<u>150,687</u>
GAAP other expense, net	\$	(5,466)
Foreign currency loss		6,483
Adjusted other income, net		<u>1,017</u>
GAAP income before income taxes	\$	76,804
Restructuring, integration, and other expenses		8,291
Amortization of intangible assets		364
Foreign currency loss		6,483
Adjusted income before income taxes		<u>91,942</u>
GAAP income tax expense	\$	25,059
Restructuring, integration, and other expenses		2,452
Amortization of intangible assets		85
Foreign currency loss		1,535
Income tax expense items, net		(7,984)
Adjusted income tax expense		<u>21,147</u>
GAAP net income	\$	51,745
Restructuring, integration, and other expenses (net of tax)		5,839
Amortization of intangible assets (net of tax)		279
Foreign currency loss (net of tax)		4,948
Income tax expense items, net		7,984
Adjusted net income		<u>70,795</u>
GAAP diluted earnings per share	\$	0.61
Restructuring, integration, and other expenses (net of tax)		0.07
Amortization of intangible assets (net of tax)		—
Foreign currency loss (net of tax)		0.06
Income tax expense items, net		0.10
Adjusted diluted EPS		<u>0.84</u>

	Fiscal Year 2025*	Quarters Ended			
		June 28, 2025	March 29, 2025	December 28, 2024	September 28, 2024
	(\$ in thousands, except per share amounts)				
GAAP operating income	\$ 514,254	\$ 73,452	\$ 143,251	\$ 155,327	\$ 142,225
Restructuring, integration, and other expenses	108,316	69,061	9,110	3,794	26,351
Amortization of intangible assets	1,463	364	364	366	368
Adjusted operating income	624,033	142,877	152,725	159,487	168,944
GAAP other expense, net	\$ (17,283)	\$ (7,604)	\$ (3,992)	\$ (2,645)	\$ (3,043)
Foreign currency loss	29,631	12,811	6,933	5,104	4,783
Adjusted other income, net	12,348	5,207	2,941	2,459	1,740
GAAP income before income taxes	\$ 250,569	\$ 7,404	\$ 78,144	\$ 90,283	\$ 74,738
Restructuring, integration, and other expenses	108,316	69,061	9,110	3,794	26,351
Amortization of intangible assets	1,463	364	364	366	368
Foreign currency loss	29,631	12,811	6,933	5,104	4,783
Adjusted income before income taxes	389,979	89,640	94,551	99,547	106,240
GAAP income tax expense (benefit)	\$ 10,352	\$ 1,315	\$ (9,775)	\$ 3,030	\$ 15,782
Restructuring, integration, and other expenses	20,671	10,397	2,475	1,142	6,657
Amortization of intangible assets	345	86	86	86	87
Foreign currency loss	8,800	3,796	1,762	1,630	1,612
Income tax expense items, net	49,527	5,023	27,199	17,007	298
Adjusted income tax expense	89,695	20,617	21,747	22,895	24,436
GAAP net income	\$ 240,217	\$ 6,089	\$ 87,919	\$ 87,253	\$ 58,956
Restructuring, integration, and other expenses (net of tax)	87,645	58,664	6,635	2,652	19,694
Amortization of intangible assets (net of tax)	1,117	278	278	280	281
Foreign currency loss (net of tax)	20,831	9,015	5,171	3,474	3,171
Income tax expense items, net	(49,527)	(5,023)	(27,199)	(17,007)	(298)
Adjusted net income	300,283	69,023	72,804	76,652	81,804
GAAP diluted earnings per share	\$ 2.75	\$ 0.07	\$ 1.01	\$ 0.99	\$ 0.66
Restructuring, integration, and other expenses (net of tax)	1.01	0.69	0.08	0.03	0.22
Amortization of intangible assets (net of tax)	0.01	0.00	0.00	0.00	0.00
Foreign currency loss (net of tax)	0.24	0.11	0.06	0.04	0.04
Income tax expense items, net	(0.57)	(0.06)	(0.31)	(0.19)	(0.00)
Adjusted diluted EPS	3.44	0.81	0.84	0.87	0.92

* May not foot/cross foot due to rounding.

Sales in Constant Currency

The following table presents the percentage change in sales and the percentage change in sales in constant currency for the first quarter of fiscal year 2026 compared to the first quarter of fiscal year 2025.

	Quarter Ended September 27, 2025	
	Sales Year-Year % Change	Sales Year-Year % Change in Constant Currency
Avnet	5.3 %	3.6 %
Avnet by region		
Americas	3.0 %	3.0 %
EMEA	(0.1) %	(5.6) %
Asia	9.9 %	9.7 %
Avnet by segment		
EC	4.6 %	3.0 %
Farnell	14.9 %	12.5 %

Segment Financial Information*

	Quarters Ended	
	September 27, 2025	September 28, 2024
	(\$ in millions, except margins and sales mix)	
Electronic Components		
Sales	\$ 5,499.7	\$ 5,257.1
Cost of goods sold	\$ 4,992.6	\$ 4,740.0
Gross profit	\$ 507.1	\$ 517.0
<i>Gross profit margin</i>	9.2 %	9.8 %
Operating income	\$ 159.0	\$ 197.4
<i>Operating income margin</i>	2.9 %	3.8 %
Farnell		
Sales	\$ 398.9	\$ 347.1
Cost of goods sold	\$ 291.2	\$ 256.8
Gross profit	\$ 107.7	\$ 90.3
<i>Gross profit margin</i>	27.0 %	26.0 %
Operating income	\$ 17.1	\$ 1.9
<i>Operating income margin</i>	4.3 %	0.5 %
Total reportable segment operating income	\$ 176.1	\$ 199.3
Corporate expenses	(25.4)	(30.3)
Restructuring, integration, and other expenses	(8.3)	(26.4)
Amortization of acquired intangible assets and other	(0.4)	(0.4)
Avnet operating income	\$ 142.0	\$ 142.2
Sales by geographic area:		
Americas	\$ 1,369.9	\$ 1,329.9
EMEA	1,665.9	1,668.2
Asia	2,862.8	2,606.1
Avnet sales	\$ 5,898.6	\$ 5,604.2
Sales Mix by geographic area:		
Americas	23.2 %	23.7 %
EMEA	28.2 %	29.8 %
Asia	48.5 %	46.5 %

* May not foot due to rounding.

Guidance Reconciliation

The following table presents the reconciliation of non-GAAP adjusted diluted earnings per share guidance to the expected GAAP diluted earnings per share guidance for the second quarter of fiscal 2026.

	<u>Low End of Guidance Range</u>	<u>High End of Guidance Range</u>
Adjusted diluted earnings per share guidance	\$ 0.90	\$ 1.00
Restructuring, integration, and other expenses (net of tax)	<u>(0.16)</u>	<u>(0.08)</u>
GAAP diluted earnings per share guidance	<u>\$ 0.74</u>	<u>\$ 0.92</u>