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 January 2, 2021

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

For the transition period from _____ to _____

Commission File #1-4224

AVNET, INC.

(Exact name of registrant as specified in its charter)

New York (State or other jurisdiction of incorporation or organization)	**11-1890605** (IRS Employer Identification No.)
2211 South 47th Street, Phoenix, Arizona (Address of principal executive offices)	**85034** (Zip Code)

(480) 643-2000
(Registrant's telephone number, including area code.)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which registered:
Common stock, par value $1.00 per share	AVT	Nasdaq Global Select Market

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☑	Accelerated Filer ☐
Non-accelerated Filer ☐	Smaller Reporting Company ☐
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. ☐

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 January 20, 2021, the total number of shares outstanding of the registrant's Common Stock was 99,455,396 shares, net of treasury shares.

AVNET, INC. AND SUBSIDIARIES
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PART I

FINANCIAL INFORMATION

Item 1. ***Financial Statements***

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	January 2, 2021	June 27, 2020
	(Thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 376,333	$ 477,038
Receivables	3,105,317	2,928,386
Inventories	2,816,421	2,731,988
Prepaid and other current assets	156,375	191,394
Total current assets	6,454,446	6,328,806
Property, plant and equipment, net	403,270	404,607
Goodwill	834,795	773,734
Intangible assets, net	38,812	65,437
Operating lease assets	284,886	275,917
Other assets	248,104	256,696
Total assets	$ 8,264,313	$ 8,105,197
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 311,800	$ 51
Accounts payable	1,935,661	1,754,078
Accrued expenses and other	520,463	472,924
Short-term operating lease liabilities	58,400	53,313
Total current liabilities	2,826,324	2,280,366
Long-term debt	895,639	1,424,791
Long-term operating lease liabilities	259,599	253,719
Other liabilities	372,018	419,923
Total liabilities	4,353,580	4,378,799
Commitments and contingencies (Note 9)		
Shareholders' equity:		
Common stock $1.00 par; authorized 300,000,000 shares; issued 98,861,933 shares and 98,792,542 shares, respectively	98,862	98,793
Additional paid-in capital	1,610,145	1,594,140
Retained earnings	2,366,127	2,421,845
Accumulated other comprehensive loss	(164,401)	(388,380)
Total shareholders' equity	3,910,733	3,726,398
Total liabilities and shareholders' equity	$ 8,264,313	$ 8,105,197

See notes to consolidated financial statements.

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

	Second Quarters Ended		Six Months Ended	
	January 2, 2021	**December 28, 2019**	**January 2, 2021**	**December 28, 2019**
	(Thousands, except per share amounts)			
Sales	$ 4,668,172	$ 4,534,806	$ 9,391,232	$ 9,164,814
Cost of sales	4,156,919	4,009,193	8,363,899	8,095,362
Gross profit	511,253	525,613	1,027,333	1,069,452
Selling, general and administrative expenses	442,084	464,873	913,241	921,377
Restructuring, integration and other expenses	11,948	14,265	38,369	38,863
Operating income	57,221	46,475	75,723	109,212
Other (expense) income, net	(1,333)	(1,963)	(20,831)	2,969
Interest and other financing expenses, net	(21,485)	(33,904)	(43,787)	(67,535)
Income before taxes	34,403	10,608	11,105	44,646
Income tax expense (benefit)	15,240	6,940	10,831	(774)
Net income	$ 19,163	$ 3,668	$ 274	$ 45,420
Earnings per share:				
Basic	$ 0.19	$ 0.04	$ 0.00	$ 0.45
Diluted	$ 0.19	$ 0.04	$ 0.00	$ 0.44
Shares used to compute earnings per share:				
Basic	98,937	100,431	98,917	101,781
Diluted	99,932	101,302	99,897	102,839
Cash dividends paid per common share	$ 0.21	$ 0.21	$ 0.42	$ 0.42

See notes to consolidated financial statements.

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

	Second Quarters Ended		Six Months Ended	
	January 2, 2021	**December 28, 2019**	**January 2, 2021**	**December 28, 2019**
	(Thousands)			
Net income	$ 19,163	$ 3,668	$ 274	$ 45,420
Other comprehensive income (loss), net of tax:				
Foreign currency translation and other	120,000	93,186	210,373	(8,960)
Pension adjustments, net	3,983	3,168	13,606	6,981
Total comprehensive income	$ 143,146	$ 100,022	$ 224,253	$ 43,441

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)

	Common Stock-Shares	Common Stock-Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
				(Thousands)		
Balance, June 27, 2020	98,793	$ 98,793	$ 1,594,140	$ 2,421,845	$ (388,380)	$ 3,726,398
Net loss	—	—	—	(18,889)	—	(18,889)
Translation adjustments and other	—	—	—	—	90,373	90,373
Pension liability adjustments, net	—	—	—	—	9,623	9,623
Cash dividends	—	—	—	(20,756)	—	(20,756)
Effects of new accounting principles, net	—	—	—	(14,480)	—	(14,480)
Stock-based compensation	51	51	5,191	—	—	5,242
Balance, October 3, 2020	98,844	$ 98,844	$ 1,599,331	$ 2,367,720	$ (288,384)	$ 3,777,511
Net income	—	—	—	19,163	—	19,163
Translation adjustments and other	—	—	—	—	120,000	120,000
Pension liability adjustments, net	—	—	—	—	3,983	3,983
Cash dividends	—	—	—	(20,756)	—	(20,756)
Stock-based compensation	18	18	10,814	—	—	10,832
Balance, January 2, 2021	98,862	$ 98,862	$ 1,610,145	$ 2,366,127	$ (164,401)	$ 3,910,733

	Common Stock-Shares	Common Stock-Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
				(Thousands)		
Balance, June 29, 2019	104,038	$ 104,038	$ 1,573,005	$ 2,767,469	$ (304,039)	$ 4,140,473
Net income	—	—	—	41,752	—	41,752
Translation adjustments and other	—	—	—	—	(102,146)	(102,146)
Pension liability adjustments, net	—	—	—	—	3,813	3,813
Cash dividends	—	—	—	(21,451)	—	(21,451)
Repurchases of common stock	(2,631)	(2,631)	—	(109,504)	—	(112,135)
Stock-based compensation	64	64	7,701	—	—	7,765
Balance, September 28, 2019	101,471	$ 101,471	$ 1,580,706	$ 2,678,266	$ (402,372)	$ 3,958,071
Net income	—	—	—	3,668	—	3,668
Translation adjustments and other	—	—	—	—	93,186	93,186
Pension liability adjustments, net	—	—	—	—	3,168	3,168
Cash dividends	—	—	—	(20,975)	—	(20,975)
Repurchases of common stock	(2,135)	(2,135)	—	(85,423)	—	(87,558)
Stock-based compensation	13	13	7,760	—	—	7,773
Balance, December 28, 2019	99,349	$ 99,349	$ 1,588,466	$ 2,575,536	$ (306,018)	$ 3,957,333

See notes to consolidated financial statements.

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

	Six Months Ended	
	January 2, 2021	December 28, 2019
	(Thousands)	
Cash flows from operating activities:		
Net income	$ 274	$ 45,420
Non-cash and other reconciling items:		
Depreciation	44,002	49,822
Amortization	30,474	41,257
Amortization of operating lease assets	28,111	31,354
Deferred income taxes	(311)	(15,518)
Stock-based compensation	15,331	14,503
Asset impairment expense	15,166	—
Other, net	17,004	22,157
Changes in (net of effects from businesses acquired and divested):		
Receivables	(94,831)	185,598
Inventories	51,185	94,182
Accounts payable	130,768	(52,711)
Accrued expenses and other, net	(29,779)	(71,858)
Net cash flows provided by operating activities	207,394	344,206
Cash flows from financing activities:		
Borrowings (repayments) under accounts receivable securitization, net	11,800	(35,400)
Repayments under senior unsecured credit facility, net	(239,430)	(1,376)
Repayments under bank credit facilities and other debt, net	(1,480)	(1,301)
Repurchases of common stock	—	(198,630)
Dividends paid on common stock	(41,512)	(42,426)
Other, net	(2,301)	(4,887)
Net cash flows used for financing activities	(272,923)	(284,020)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(30,022)	(44,252)
Acquisitions of assets	(18,371)	(51,509)
Other, net	725	(13,098)
Net cash flows used for investing activities	(47,668)	(108,859)
Effect of currency exchange rate changes on cash and cash equivalents	12,492	(8,622)
Cash and cash equivalents:		
— decrease	(100,705)	(57,295)
— at beginning of period	477,038	546,105
— at end of period	$ 376,333	$ 488,810

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of presentation and new accounting pronouncements

In the opinion of management, the accompanying unaudited interim consolidated financial statements contain all adjustments necessary to present fairly Avnet, Inc. and its consolidated subsidiaries' (collectively, the "Company" or "Avnet") financial position, results of operations, comprehensive income and cash flows. All such adjustments are of a normal recurring nature.

The preparation of financial statements in accordance with generally accepted accounting principles in the United States ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Actual results may differ from these estimates and assumptions.

Interim results of operations are not necessarily indicative of the results to be expected for the full fiscal year. The information included in this Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company's Annual Report on Form 10-K for the fiscal year ended June 27, 2020.

Certain reclassifications have been made in prior periods to conform to the current period presentation.

Fiscal year

The Company operates on a "52/53 week" fiscal year, and fiscal 2021 contains 53 weeks compared to fiscal 2020, which contained 52 weeks. As a result, the first six months of fiscal 2021 ended January 2, 2021 contained 27 weeks compared to the first six months of fiscal 2020 ended December 28, 2019, which contained 26 weeks.

Recently adopted accounting pronouncements

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other— Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (a consensus of the FASB Emerging Issues Task Force)* ("ASU No. 2018-15"). ASU No. 2018-15 aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop internal-use software. The adoption of ASU No. 2018-15 in the first quarter of fiscal 2021 did not have a material impact on the Company's consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU No. 2016-13") and also issued subsequent amendments to the initial guidance: ASU No. 2018-19, ASU No. 2019-04, ASU No. 2019-05, and ASU No. 2019-11 (collectively, Topic 326). Topic 326 revises the methodology for measuring credit losses on financial instruments and the timing of when such losses are recorded. On June 28, 2020, the Company adopted Topic 326 using a modified retrospective approach with a cumulative effect adjustment to the opening balance of retained earnings, which increased the allowance for credit losses by $17.2 million ($14.5 million, net of tax of $2.7 million). Increases in the allowance for credit losses relate to the required change from an incurred loss model to an expected loss model, and the related change in timing of loss recognition where an allowance for credit losses is now applied at the time the asset, or pool of assets, is recognized.

Recently issued accounting pronouncements

In March 2020, the FASB issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* ("ASU No. 2020-04"), which provides optional guidance to ease the potential burden in accounting for reference rate reform on financial reporting. The new guidance provides optional expedients and exceptions for applying generally accepted accounting principles to transactions affected by reference rate reform if certain criteria are met. This guidance is effective upon issuance through December 31, 2022. The Company is currently evaluating the potential effects of adopting the provisions of ASU No. 2020-04.

In December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes (Topic 740)*, ("ASU No. 2019-12") which removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU No. 2019-12 will be effective for the Company in the first quarter of fiscal 2022, and early adoption is permitted. Depending on the amendment, adoption may be applied on a retrospective, modified retrospective or prospective basis. The Company is currently evaluating the potential effects of adopting the provisions of ASU No. 2019-12.

In August 2018, the FASB issued ASU No. 2018-14, *Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans* ("ASU No. 2018-14"). The new guidance modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans, including removing certain previous disclosure requirements, adding certain new disclosure requirements, and clarifying certain other disclosure requirements. ASU No. 2018-14 will be effective for the Company in the first quarter of fiscal 2022, and early adoption is permitted. The Company's planned adoption of ASU No. 2018-14 is not expected to have a material impact on the Company's consolidated financial statements.

2. Summary of significant accounting policies

Except for the changes below, no material changes have been made to the Company's significant accounting policies as disclosed in Note 1, Summary of Significant Accounting Policies, in its Annual Report on Form 10-K filed on August 14, 2020 for the year ended June 27, 2020.

Receivables – Receivables, predominately comprised of trade accounts and notes receivable, are reported at amortized cost, net of the allowance for credit losses in the consolidated balance sheets. The allowance for credit losses is a valuation account that is deducted from the receivables' amortized cost basis to present the net amount expected to be collected. The Company estimates the allowance for credit losses using relevant available information about expected credit losses, including information about historical credit losses, past events, current conditions, and other factors which may affect the collectability of receivables. Adjustments to historical loss information are made for differences in current receivable-specific risk characteristics such as changes in customer behavior, economic and industry changes, or other relevant factors. Expected credit losses are estimated on a pooled basis, when similar risk characteristics exist.

3. Acquisitions

In the first quarter of fiscal 2021, the Company completed an asset acquisition. The impact of this asset acquisition was not material to the Company's consolidated balance sheets or statements of operations.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

4. Receivables

The Company's receivables and allowance for credit losses were as follows:

	January 2, 2021	June 27, 2020
	(Thousands)	
Receivables	$ 3,190,767	$ 2,993,404
Allowance for Credit Losses	(85,450)	(65,018)

The Company had the following activity in the allowance for credit losses during the first six months of fiscal 2021:

	January 2, 2021
	(Thousands)
Balance at June 27, 2020	$ 65,018
Effect of adoption of ASU No. 2016-12 (Note 1)	17,205
Credit Loss Provision	4,438
Credit Loss Recoveries	(283)
Write offs	(4,621)
Foreign Currency Effect and Other	3,693
Balance at January 2, 2021	$ 85,450

5. Goodwill and intangible assets

Goodwill

The following table presents the change in goodwill by reportable segment for the six months ended January 2, 2021.

	Electronic Components	Farnell	Total
		(Thousands)	
Carrying value at June 27, 2020 [(1)]	$ 297,836	$ 475,898	$ 773,734
Foreign currency translation	14,844	46,217	61,061
Carrying value at January 2, 2021 [(1)]	$ 312,680	$ 522,115	$ 834,795

(1) Includes accumulated impairment of $1,045,110 from fiscal 2009, $181,440 from fiscal 2018, $137,396 from fiscal 2019 and $118,731 from fiscal 2020.

The Company evaluates each quarter if facts and circumstances indicate that it is more likely than not that the fair value of its reporting units is less than their carrying value, which would require the Company to perform an interim goodwill impairment test. Indicators the Company evaluates to determine whether an interim goodwill impairment test is necessary include, but are not limited to, (i) a sustained decrease in share price or market capitalization as of any fiscal quarter end, (ii) changes in macroeconomic or industry environments, (iii) the results of and the amount of time passed since the last goodwill impairment test and (iv) the long-term expected financial performance of its reporting units. During the second quarter of fiscal 2021, the Company concluded that an interim goodwill impairment test was not required.

Intangible Assets

The following table presents the Company's acquired intangible assets at January 2, 2021 and June 27, 2020, respectively.

	January 2, 2021			June 27, 2020		
	Acquired Amount	Accumulated Amortization	Net Book Value	Acquired Amount[(1)]	Accumulated Amortization	Net Book Value
	(Thousands)					
Customer related	$ 325,799	$ (312,345)	$ 13,454	$ 300,937	$ (266,759)	$ 34,178
Trade name	56,716	(40,161)	16,555	51,698	(32,493)	19,205
Technology and other	58,417	(49,614)	8,803	53,641	(41,587)	12,054
	$ 440,932	$ (402,120)	$ 38,812	$ 406,276	$ (340,839)	$ 65,437

(1) Acquired amount reduced by impairment of $17,473 from fiscal 2020.

Intangible asset amortization expense was $10.4 million and $21.3 million for the second quarters of fiscal 2021 and 2020, respectively, and $30.5 million and $41.3 million for the first six months of fiscal 2021 and 2020, respectively. Intangible assets have a weighted average remaining useful life of approximately 3 years. The following table presents the estimated future amortization expense for the remainder of fiscal 2021 and the next five fiscal years (in thousands):

Fiscal Year	
Remainder of fiscal 2021	$ 10,440
2022	15,323
2023	6,607
2024	3,130
2025	1,472
2026	1,472
Thereafter	368
Total	$ 38,812

6. Debt

Short-term debt consists of the following (carrying balances in thousands):

	January 2, 2021	June 27, 2020	January 2, 2021	June 27, 2020
	Interest Rate		Carrying Balance	
Bank credit facilities and other	—	5.69 %	$ —	$ 51
Accounts receivable securitization program	1.20 %	—	11,800	—
Public notes due December 2021	3.75 %	—	300,000	—
Short-term debt			$ 311,800	$ 51

Bank credit facilities and other consists primarily of various committed and uncommitted lines of credit and other forms of bank debt with financial institutions utilized primarily to support the working capital requirements of the Company including its foreign operations.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

In July 2020, the Company amended and extended for one year, its trade accounts receivable securitization program (the "Securitization Program") in the United States with a group of financial institutions to allow the Company to transfer, on an ongoing revolving basis, an undivided interest in a designated pool of trade accounts receivable, to provide security or collateral for borrowings up to a maximum of $450 million. The Securitization Program does not qualify for off balance sheet accounting treatment and any borrowings under the Securitization Program are recorded as debt in the consolidated balance sheets. Under the Securitization Program, the Company legally sells and isolates certain U.S. trade accounts receivable into a wholly owned and consolidated bankruptcy remote special purpose entity. Such receivables, which are recorded within "Receivables" in the consolidated balance sheets, totaled $661.2 million and $703.8 million at January 2, 2021 and June 27, 2020, respectively. The Securitization Program contains certain covenants relating to the quality of the receivables sold. Interest on borrowings is calculated using a one-month LIBOR rate plus a spread of 1.05%. The facility fee on the unused balance of the facility is up to 0.40%.

Long-term debt consists of the following (carrying balances in thousands):

	January 2, 2021	June 27, 2020	January 2, 2021	June 27, 2020
	Interest Rate		Carrying Balance	
Revolving credit facilities:				
Credit Facility (due June 2023)	—	1.28 %	$ —	$ 230,000
Public notes due:				
December 2021	—	3.75 %	—	300,000
December 2022	4.88 %	4.88 %	350,000	350,000
April 2026	4.63 %	4.63 %	550,000	550,000
Other long-term debt	1.17 %	1.19 %	1,522	1,491
Long-term debt before discount and debt issuance costs			901,522	1,431,491
Discount and debt issuance costs – unamortized			(5,883)	(6,700)
Long-term debt			$ 895,639	$ 1,424,791

The Company has a five-year $1.25 billion senior unsecured revolving credit facility (the "Credit Facility") with a syndicate of banks, consisting of revolving credit facilities and the issuance of up to $200.0 million of letters of credit and up to $300.0 million of loans in certain approved currencies, which expires in June 2023. Subject to certain conditions, the Credit Facility may be increased up to $1.50 billion. Under the Credit Facility, the Company may select from various interest rate options, currencies and maturities. The Credit Facility contains certain covenants including various limitations on debt incurrence, share repurchases, dividends, investments and capital expenditures. The Credit Facility also includes financial covenants, which were amended during the first quarter of fiscal 2021, requiring the Company to maintain minimum interest coverage and leverage ratios, which the Company was in compliance with as of January 2, 2021 and June 27, 2020.

As of January 2, 2021 and June 27, 2020, there were $1.3 million and $1.6 million, respectively, in letters of credit issued under the Credit Facility.

As of January 2, 2021, the carrying value and fair value of the Company's total debt was $1.21 billion and $1.32 billion, respectively. At June 27, 2020, the carrying value and fair value of the Company's total debt was $1.42 billion and $1.52 billion, respectively. Fair value for the public notes was estimated based upon quoted market prices and for other forms of debt fair value approximates carrying value due to the market based variable nature of the interest rates on those debt facilities.

7. Leases

Substantially all the Company's leases are classified as operating leases and are predominately related to real property for distribution centers, office space and integration facilities with a lease term of up to 17 years. The Company's equipment leases are primarily for automobiles and equipment, and are not material to the consolidated financial statements.

The components of lease cost related to the Company's operating leases were as follows (in thousands):

	Second Quarters Ended		Six Months Ended	
	January 2, 2021	December 28, 2019	January 2, 2021	December 28, 2019
Operating lease cost	$ 18,095	$ 19,574	$ 36,497	$ 38,376
Variable lease cost	5,423	4,829	11,711	10,097
Total lease cost	$ 23,518	$ 24,403	$ 48,208	$ 48,473

Future minimum operating lease payments as of January 2, 2021 are as follows (in thousands):

Fiscal Year	
Remainder of fiscal 2021	$ 35,838
2022	62,146
2023	52,673
2024	38,642
2025	32,572
Thereafter	162,937
Total future operating lease payments	384,808
Total imputed interest on operating lease liabilities	(66,809)
Total operating lease liabilities	$ 317,999

Other information pertaining to operating leases as of January 2, 2021 consists of the following:

Operating Lease Term and Discount Rate	
Weighted-average remaining lease term in years	9.3
Weighted-average discount rate	3.8 %

Supplemental cash flow information related to the Company's operating leases was as follows (in thousands):

	Six Months Ended	
	January 2, 2021	December 28, 2019
Supplemental Cash Flow Information:		
Cash paid for operating lease liabilities	$ 29,157	$ 33,044
Operating lease assets obtained from new operating lease liabilities	28,346	18,560

8. Derivative financial instruments

Many of the Company's subsidiaries purchase and sell products in currencies other than their functional currencies. This subjects the Company to the risks associated with fluctuations in foreign currency exchange rates. The Company reduces this risk by utilizing natural hedging (e.g., offsetting receivables and payables in the same foreign currency) as well as by creating offsetting positions through the use of derivative financial instruments, primarily forward foreign exchange contracts typically with maturities of less than 60 days ("economic hedges"), but no longer than one year. The Company continues to have exposure to foreign currency risks to the extent they are not economically hedged. The Company adjusts any economic hedges to fair value through the consolidated statements of operations primarily within "Other (expense) income, net." The fair value of forward foreign exchange contracts, which are based upon Level 2 criteria under the ASC 820 fair value hierarchy, are classified in the captions "Prepaid and other current assets" or "Accrued expenses and other," as applicable, in the accompanying consolidated balance sheets as of January 2, 2021 and June 27, 2020. The Company's master netting and other similar arrangements with various financial institutions related to derivative financial instruments allow for the right of offset. The Company's policy is to present derivative financial instruments with the same counterparty as either a net asset or liability when the right of offset exists.

The Company generally does not hedge its investments in its foreign operations. The Company does not enter into derivative financial instruments for trading or speculative purposes and monitors the financial stability and credit standing of its counterparties.

The Company's foreign currency exposure relates primarily to international transactions where the currency collected from customers can be different from the currency used to purchase from suppliers. The Company's foreign operations transactions are denominated primarily in the following currencies: U.S. Dollar, Euro, British Pound, Japanese Yen, Chinese Yuan, Taiwan Dollar, Canadian Dollar and Mexican Peso. The Company also, to a lesser extent, has foreign operations transactions in other EMEA and Asia foreign currencies.

The fair values of forward foreign currency exchange contracts not receiving hedge accounting treatment recorded in the Company's consolidated balance sheets are as follows:

	January 2, 2021	June 27, 2020
	(Thousands)	
Prepaid and other current assets	$ 18,372	$ 18,989
Accrued expenses and other	22,836	15,605

The amounts recorded to other (expense) income, net, related to derivative financial instruments for economic hedges are as follows:

	Second Quarters Ended		Six Months Ended	
	January 2, 2021	December 28, 2019	January 2, 2021	December 28, 2019
	(Thousands)			
Net derivative financial instrument (loss) gain	$ (2,810)	$ 1,602	$ (10,627)	$ 11,103

Under the Company's economic hedging policies, gains and losses on the derivative financial instruments are classified within the same line item in the consolidated statements of operations as the remeasurement of the underlying assets or liabilities being economically hedged.

9. Commitments and contingencies

From time to time, the Company may become a party to, or be otherwise involved in various lawsuits, claims, investigations and other legal proceedings arising in the ordinary course of conducting its business. While litigation is subject to inherent uncertainties, management does not anticipate that any such matters will have a material adverse effect on the Company's financial condition, liquidity or results of operations.

The Company is also currently subject to various pending and potential legal matters and investigations relating to compliance with governmental laws and regulations, including import/export and environmental matters. For certain of these matters it is not possible to determine the ultimate outcome, and the Company cannot reasonably estimate the maximum potential exposure or the range of possible loss for such matters due primarily to being in the early stages of the related proceedings and investigations. The Company currently believes that the resolution of such matters will not have a material adverse effect on the Company's financial position or liquidity but could possibly be material to its results of operations in any one reporting period.

As of January 2, 2021 and June 27, 2020, the Company had aggregate estimated liabilities of $17.9 million and $18.8 million, respectively, classified within accrued expenses and other for such compliance-related matters that were reasonably estimable as of such dates.

During the first six months of fiscal 2021, the Company recorded a gain on legal settlement of $8.2 million, which is classified as a component of Restructuring, integration and other expenses.

10. Income taxes

The Company's effective tax rate on its income before taxes was 44.3% in the second quarter of fiscal 2021. During the second quarter of fiscal 2021, the Company's effective tax rate was unfavorably impacted primarily by increases to valuation allowances, partially offset by the mix of income in lower tax jurisdictions.

During the second quarter of fiscal 2020, the Company's effective tax rate on its income before taxes was 65.4%. During the second quarter of fiscal 2020, the Company's effective tax rate was unfavorably impacted primarily by a valuation allowance against interest deduction deferred tax assets, partially offset by the mix of income in lower tax jurisdictions.

For the first six months of fiscal 2021, the Company's effective tax rate on its income before taxes was 97.5%. The effective tax rate for the first six months of fiscal 2021 was unfavorably impacted primarily by increases to valuation allowances, partially offset by the mix of income in lower tax jurisdictions.

During the first six months of fiscal 2020, the Company's effective tax rate on its income before taxes was a benefit of 1.7%. The effective tax rate for the first six months of fiscal 2020 was favorably impacted primarily by (i) the release of unrecognized tax benefit reserves net of settlements and (ii) the mix of income in lower tax jurisdictions, partially offset by (iii) a valuation allowance against interest deduction deferred tax assets.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

11. Pension plan

The Company has a noncontributory defined benefit pension plan that covers substantially all current or former U.S. employees (the "Plan"). Components of net periodic pension cost for the Plan was as follows:

	Second Quarters Ended		Six Months Ended	
	January 2, 2021	December 28, 2019	January 2, 2021	December 28, 2019
	(Thousands)			
Service cost	$ 3,937	$ 3,786	$ 7,875	$ 7,572
Total net periodic pension cost within selling, general and administrative expenses	3,937	3,786	7,875	7,572
Interest cost	3,976	5,638	7,952	11,276
Expected return on plan assets	(12,420)	(12,667)	(24,840)	(25,335)
Amortization of prior service cost	76	535	151	1,069
Recognized net actuarial loss	5,151	3,677	10,302	7,314
Total net periodic pension benefit within other (expense) income, net	(3,217)	(2,817)	(6,435)	(5,676)
Net periodic pension cost	$ 720	$ 969	$ 1,440	$ 1,896

The Company made $8.0 million of contributions during the first six months of fiscal 2021 and expects to make additional contributions to the Plan of $8.0 million in the remainder of fiscal 2021.

12. Shareholders' equity

Share repurchase program

In August 2019, the Company's Board of Directors amended the Company's existing share repurchase program, increasing the cumulative total of authorized share repurchases to $2.95 billion of common stock in the open market or through privately negotiated transactions. The timing and actual number of shares repurchased will depend on a variety of factors such as share price, expected liquidity, expected compliance with financial debt convents, corporate and regulatory requirements, and prevailing market conditions. During the second quarter ended January 2, 2021, the Company did not repurchase any shares under this program. As of January 2, 2021, the Company had $469.0 million remaining under its share repurchase authorization.

Common stock dividend

In November 2020, the Company's Board of Directors approved a dividend of $0.21 per common share and dividend payments of $20.8 million were made in December 2020.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

13. Earnings per share

	Second Quarters Ended		Six Months Ended	
	January 2, 2021	December 28, 2019	January 2, 2021	December 28, 2019
	(Thousands, except per share data)			
Numerator:				
Net income	$ 19,163	$ 3,668	$ 274	$ 45,420
Denominator:				
Weighted average common shares for basic earnings per share	98,937	100,431	98,917	101,781
Net effect of dilutive stock based compensation awards	995	871	980	1,058
Weighted average common shares for diluted earnings per share	99,932	101,302	99,897	102,839
Basic earnings per share	$ 0.19	$ 0.04	$ 0.00	$ 0.45
Diluted earnings per share	$ 0.19	$ 0.04	$ 0.00	$ 0.44
Stock options excluded from earnings per share calculation due to anti-dilutive effect	1,046	581	1,237	500

14. Additional cash flow information

Non-cash investing and financing activities and supplemental cash flow information were as follows:

	Six Months Ended	
	January 2, 2021	December 28, 2019
	(Thousands)	
Non-cash Investing Activities:		
Capital expenditures incurred but not paid	$ 4,359	$ 6,374
Non-cash Financing Activities:		
Unsettled share repurchases	—	$ 2,468
Supplemental Cash Flow Information:		
Interest	$ 50,507	$ 72,203
Income tax net payments (refunds)	51,835	(5,810)

Included in cash and cash equivalents as of January 2, 2021 and June 27, 2020 was $3.9 million and $20.9 million, respectively, of cash equivalents, which was primarily comprised of investment grade money market funds and overnight time deposits.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

15. Segment information

Electronic Components ("EC") and Farnell ("Farnell") are the Company's reportable segments ("operating groups"). EC markets and sells semiconductors and interconnect, passive and electromechanical devices and integrated components to a diverse customer base serving many end-markets. Farnell distributes electronic components and related products to the electronic system design community utilizing multi-channel sales and marketing resources.

	Second Quarters Ended		Six Months Ended	
	January 2, 2021	December 28, 2019	January 2, 2021	December 28, 2019
	(Thousands)			
Sales:				
Electronic Components	$ 4,342,386	$ 4,203,629	$ 8,724,535	$ 8,497,815
Farnell	325,786	331,177	666,697	666,999
	4,668,172	4,534,806	9,391,232	9,164,814
Operating income:				
Electronic Components	$ 103,922	$ 93,144	$ 188,362	$ 205,430
Farnell	14,592	19,954	26,551	41,759
	118,514	113,098	214,913	247,189
Corporate	(38,928)	(30,904)	(70,229)	(57,582)
Restructuring, integration and other expenses	(11,948)	(14,265)	(38,369)	(38,863)
Amortization of acquired intangible assets and other	(10,417)	(21,454)	(30,592)	(41,532)
Operating income	$ 57,221	$ 46,475	$ 75,723	$ 109,212
Sales, by geographic area:				
Americas [1]	$ 1,101,450	$ 1,186,582	$ 2,307,145	$ 2,402,339
EMEA [2]	1,346,347	1,425,859	2,827,020	2,896,782
Asia/Pacific [3]	2,220,375	1,922,365	4,257,067	3,865,693
Sales	$ 4,668,172	$ 4,534,806	$ 9,391,232	$ 9,164,814

(1) Includes sales from the United States of $1.03 billion and $1.12 billion for the second quarters ended January 2, 2021 and December 28, 2019, respectively. Includes sales from the United States of $2.16 billion and $2.26 billion for the first six months of fiscal 2021 and 2020, respectively.

(2) Includes sales from Germany and Belgium of $520.8 million and $255.0 million, respectively, for the second quarter ended January 2, 2021; and $1.10 billion and $549.4 million, respectively, for the first six months of fiscal 2021. Includes sales from Germany and Belgium of $537.6 million and $281.6 million, respectively, for the second quarter ended December 28, 2019; and $1.12 billion and $559.4 million, respectively, for the first six months of fiscal 2020.

(3) Includes sales from China (including Hong Kong), Taiwan and Singapore of $666.0 million, $1.07 billion and $252.6 million, respectively, for the second quarter ended January 2, 2021; and $1.30 billion, $1.99 billion and $524.6 million, respectively, for the first six months of fiscal 2021. Includes sales from China (including Hong Kong), Taiwan and Singapore of $611.8 million, $867.8 million and $243.8 million, respectively, for the second quarter ended December 28, 2019; and $1.24 billion, $1.74 billion and $483.4 million, respectively, for the first six months of fiscal 2020.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	January 2, 2021	June 27, 2020
	(Thousands)	
Property, plant, and equipment, net, by geographic area:		
Americas [(1)]	$ 164,979	$ 183,892
EMEA [(2)]	198,857	183,382
Asia/Pacific	39,434	37,333
Property, plant, and equipment, net	$ 403,270	$ 404,607

(1) Includes property, plant and equipment, net, of $160.9 million and $179.4 million as of January 2, 2021 and June 27, 2020, respectively, in the United States.

(2) Includes property, plant and equipment, net, of $87.5 million, $84.8 million and $22.9 million in Germany, the United Kingdom and Belgium, respectively, as of January 2, 2021; and $84.9 million, $72.7 million and $22.4 million in Germany, the United Kingdom and Belgium, respectively, as of June 27, 2020.

16. Restructuring expenses

Fiscal 2021

During fiscal 2021, the Company undertook restructuring actions in order to improve operating efficiencies and reduce operating expenses. Restructuring expenses are included as a component of restructuring, integration and other expenses in the consolidated statements of operations. The activity related to the restructuring liabilities associated with restructuring activities established during fiscal 2021 is presented in the following table:

	Severance	Facility and Contract Exit Costs	Total
		(Thousands)	
Fiscal 2021 restructuring expenses	$ 32,377	$ 2,099	$ 34,476
Cash payments	(13,645)	(702)	(14,347)
Non-cash amounts	—	(56)	(56)
Other, principally foreign currency translation	778	13	791
Balance at January 2, 2021	$ 19,510	$ 1,354	$ 20,864

Severance expense recorded in the first six months of fiscal 2021 related to the reduction, or planned reduction, of approximately 250 employees, primarily in executive management, operations, information technology, warehouse, sales and business support functions. Of the $34.5 million in restructuring expenses recorded during the first six months of fiscal 2021, $18.0 million related to EC, $9.1 million related to Farnell and $7.4 million related to Corporate. The Company expects the majority of the remaining severance amounts to be paid by the end of fiscal 2021.

Fiscal 2020 and prior

During fiscal 2020 and prior, the Company incurred restructuring expenses related to various restructuring actions intended to achieve planned synergies from acquired businesses and to reduce future operating expenses. The following table presents the activity during the first six months of fiscal 2021 related to the remaining restructuring liabilities established during fiscal 2020 and prior:

	Severance	Facility and Contract Exit Costs	Total
		(Thousands)	
Balance at June 27, 2020	$ 13,574	$ 3,368	$ 16,942
Cash payments	(4,487)	(727)	(5,214)
Changes in estimates, net	(2,050)	(61)	(2,111)
Other, principally foreign currency translation	727	223	950
Balance at January 2, 2021	$ 7,764	$ 2,803	$ 10,567

The Company expects the majority of the remaining amounts to be paid by the end of fiscal 2021.

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") 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," "plans," "expects," "anticipates," "should," "will," "may," "estimates" or similar expressions in this Quarterly Report or in documents incorporated by reference in this Quarterly Report. These forward-looking statements are subject to numerous assumptions, risks and uncertainties. You should understand that the following important factors, in addition to those discussed elsewhere in this Quarterly Report, the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 3, 2020 and the Company's Annual Report on Form 10-K for the fiscal year ended June 27, 2020, 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: the scope and duration of the COVID-19 pandemic and its impact on global economic systems, access to financial markets and the Company's employees, operations, customers, and supply chain; competitive pressures among distributors of electronic components; an industry down-cycle in semiconductors; relationships with key suppliers and allocations of products by suppliers; risks relating to the Company's international sales and operations, including risks relating to the ability to repatriate cash, foreign currency fluctuations, duties and taxes, 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 natural and weather-related disasters, pandemics and health related crisis, social unrest or warehouse modernization and relocation efforts; risks related to cyber-attacks and the Company's information systems, including related to current or future implementations; 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, and liquidity and access to financing; geopolitical events, including the uncertainty caused by the United Kingdom's exit from, and agreement for a new partnership with, the European Union; and legislative or regulatory changes affecting the Company's businesses.

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.

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

For a description of the Company's critical accounting policies and an understanding of the significant factors that influenced the Company's performance during the quarter ended January 2, 2021, this *Management's Discussion and Analysis of Financial Condition and Results of Operations* ("MD&A") should be read in conjunction with the consolidated financial statements, including the related notes, appearing in Item 1 of this Quarterly Report on Form 10-Q, as well as the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 3, 2020 and Annual Report on Form 10-K for the fiscal year ended June 27, 2020. The Company operates on a "52/53 week" fiscal year and fiscal 2021 contains 53 weeks compared to 52 weeks in fiscal 2020. As a result, the first six months of fiscal 2021 ended January 2, 2021, contained 27 weeks and the first six months of fiscal 2020 ended December 28, 2019 contained 26 weeks. This extra week in the first six months of fiscal 2021, which occurred in the first quarter of fiscal 2021, impacts the year-over-year analysis in this MD&A.

There are references to the impact of foreign currency translation 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 that follows, results excluding this impact, primarily for subsidiaries in Europe, the Middle East and Africa ("EMEA") and Asia/Pacific ("Asia"), are referred to as "constant currency."

In addition to disclosing financial results that are determined in accordance with generally accepted accounting principles in the U.S. (“GAAP”), the Company also discloses certain non-GAAP financial information, including:

- Sales adjusted for certain items that impact the year-over-year analysis, which includes the impact of certain acquisitions by adjusting Avnet’s prior periods to include the sales of acquired businesses, as if the acquisitions had occurred at the beginning of the earliest period presented. In addition, fiscal 2021 sales are adjusted for the estimated impact of the extra week of sales in the first quarter of fiscal 2021 due to it being a 14-week quarter, as discussed above. Sales taking into account these adjustments are referred to as “organic sales.” Additionally, the Company has adjusted sales for the impact of the termination of the Texas Instruments (“TI”) distribution agreement between fiscal years.

- Operating income excluding (i) restructuring, integration and other expenses, (see *Restructuring, Integration and Other Expenses* in this MD&A) and (ii) amortization of acquired intangible assets. Operating income excluding such amounts is referred to as “adjusted operating income.”

The reconciliation of operating income to adjusted operating income is presented in the following table:

	Second Quarters Ended		**Six Months Ended**	
	January 2, 2021	**December 28, 2019**	**January 2, 2021**	**December 28, 2019**
	(Thousands)			
Operating income	$ 57,221	$ 46,475	$ 75,723	$ 109,212
Restructuring, integration and other expenses	11,948	14,265	38,369	38,863
Amortization of acquired intangible assets and other	10,417	21,454	30,592	41,532
Adjusted operating income	$ 79,586	$ 82,194	$ 144,684	$ 189,607

Management believes that providing this additional information is useful to readers to better assess and understand operating performance, especially when comparing results with prior periods or forecasting performance for future periods, primarily because management typically monitors the business both including and excluding these adjustments to GAAP results. Management also uses these non-GAAP measures to establish operational goals and, in many cases, for measuring performance for compensation purposes. However, any analysis of results on a non-GAAP basis should be used as a complement to, and in conjunction with, results presented in accordance with GAAP.

OVERVIEW

Organization

Avnet, Inc. and its consolidated subsidiaries' (collectively, the "Company" or "Avnet"), is a global technology solutions company with an extensive ecosystem delivering design, product, marketing and supply chain expertise for customers at every stage of the product lifecycle. Avnet transforms ideas into intelligent solutions, reducing the time, cost and complexities of bringing products to market around the world. Founded in 1921 and incorporated in New York in 1955, the Company works with over 1,400 technology suppliers to serve 2.1 million customers in more than 140 countries.

Avnet has two primary operating groups — Electronic Components ("EC") and Farnell ("Farnell"). Both operating groups have operations in each of the three major economic regions of the world: (i) the Americas, (ii) EMEA and (iii) Asia. A summary of each operating group is provided in Note 15, "Segment information" to the Company's consolidated financial statements included in this Quarterly Report on Form 10-Q.

Results of Operations

Significant Risks and Uncertainties

The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains, constrained work force participation, disrupted logistics and distribution systems, and created significant volatility and disruption of financial markets. As the scope and duration of the COVID-19 pandemic is unknown and the extent of its economic impact continues to evolve globally, there is significant uncertainty related to the ultimate impact it will have on the Company's business, its employees, results of operations and financial condition, and to what extent the Company's actions to mitigate such impacts will be successful and sufficient. Accordingly, current results and financial condition discussed herein may not be indicative of future operating results and trends. See the risk factors regarding the impacts of the COVID-19 pandemic included in the Company's Annual Report on Form 10-K for the fiscal year ended June 27, 2020 and Quarterly Report on Form 10-Q for the fiscal quarter ended October 3, 2020.

Executive Summary

Sales of $4.67 billion were up 2.9% year over year as compared to prior year sales of $4.53 billion. Organic sales increased 2.9% and increased 0.7% in constant currency year-over-year. The organic sales increase is the result of the sales improvement in the Asia region, partially offset primarily by lower sales of TI products due to the termination of the Company's TI distribution agreement.

Gross profit margin of 11.0% decreased 64 basis points compared to 11.6% in the second quarter of fiscal 2020 primarily due to a combination of geographical market mix, product and customer mix, and overall declines in gross profit margin due to the negative impacts from the COVID-19 pandemic.

Operating income of $57.2 million increased $10.7 million or 23.1% as compared to second quarter of fiscal 2020 operating income. Operating income margin was 1.2% in the second quarter of fiscal 2021 as compared to 1.0% in the second quarter of fiscal 2020. Adjusted operating income margin was 1.7% in the second quarter of fiscal 2021 as compared to 1.8% in the second quarter of fiscal 2020, a decline of 11 basis points. The decrease in adjusted operating income margin is primarily due to the decrease in gross profit margin, partially offset by reductions in selling, general and administrative expenses.

Sales

The following table presents the reconciliation of reported sales to organic sales for the second quarter and first six months of fiscal 2021 by region and by operating group. Reported sales were the same as organic sales in the second quarter and first six months of fiscal 2020.

	Quarter Ended			Six Months Ended				
	Sales As Reported and Organic Q2-Fiscal 2021	TI Sales Q2-Fiscal 2021(1)	Organic Sales Adj for TI Q2-Fiscal 2021(1)	Sales As Reported Q2-Fiscal 2021	Estimated Extra Week(2)	Organic Sales Q2-Fiscal 2021	TI Sales Q2-Fiscal 2021(1)	Organic Sales Adj for TI Q2-Fiscal 2021(1)
				(Thousands)				
Avnet	$ 4,668,172	$ 49,568	$ 4,618,604	$ 9,391,232	$ 306,000	$ 9,085,232	$ 290,552	$ 8,794,680
Avnet by region								
Americas	$ 1,101,450	$ 13,969	$ 1,087,481	$ 2,307,145	$ 77,000	$ 2,230,145	$ 82,469	$ 2,147,676
EMEA	1,346,347	20,839	1,325,508	2,827,020	97,000	2,730,020	123,749	2,606,271
Asia	2,220,375	14,760	2,205,615	4,257,067	132,000	4,125,067	84,334	4,040,733
Avnet by operating group								
EC	$ 4,342,386	$ 49,568	$ 4,292,818	$ 8,724,535	$ 284,000	$ 8,440,535	$ 290,552	$ 8,149,983
Farnell	325,786	—	325,786	666,697	22,000	644,697	—	644,697

(1) Sales adjusted for the impact of the termination of the Texas Instruments ("TI") distribution contract, which was completed in December 2020. Sales of TI products were $50 million and $399 million in the second quarter of fiscal 2021 and fiscal 2020, respectively; and $291 million and $843 million in the first six months of fiscal 2021 and fiscal 2020, respectively.
(2) The impact of the additional week of sales in the first quarter of fiscal 2021 is estimated.

The following table presents reported and organic sales growth rates for the second quarter and first six months of fiscal 2021 as compared to fiscal 2020 by region and by operating group.

	Quarter Ended			Six Months Ended				
	Sales As Reported Year-Year % Change	Sales As Reported Year-Year % Change in Constant Currency	Organic Sales Adj for TI Year-Year % Change in Constant Currency(1)	Sales As Reported Year-Year % Change	Sales As Reported Year-Year % Change in Constant Currency	Organic Sales Year-Year % Change	Organic Sales Year-Year % Change in Constant Currency	Organic Sales Adj for TI Year-Year % Change in Constant Currency(1)
Avnet	2.9 %	0.7 %	9.3 %	2.5 %	0.7 %	(0.9)%	(2.7)%	3.7 %
Avnet by region								
Americas	(7.2)%	(7.2)%	(0.5)%	(4.0)%	(4.0)%	(7.2)%	(7.2)%	(2.7)%
EMEA	(5.6)	(11.4)	(4.5)	(2.4)	(7.4)	(5.8)	(10.8)	(6.2)
Asia	15.5	14.6	25.7	10.1	9.6	6.7	6.2	15.1
Avnet by operating group								
EC	3.3 %	1.1 %	10.5 %	2.7 %	0.9 %	(0.7)%	(2.4)%	4.5 %
Farnell	(1.6)	(4.5)	(4.5)	(0.1)	(2.5)	(3.3)	(5.8)	(5.8)

(1) Sales growth rates excluding the impact of the termination of the TI distribution agreement, which was completed in December 2020.

Sales of $4.67 billion for the second quarter of fiscal 2021 were up $133.4 million, or 2.9%, from the prior year second quarter sales of $4.53 billion. Organic sales in constant currency in the second quarter of fiscal 2021 increased by 0.7% over the prior year second quarter as a result of increased sales in the Asia region, partially offset by the decline in TI sales year over year and to a lesser extent the negative impacts of COVID-19.

EC sales of $4.34 billion in the second quarter of fiscal 2021 increased $138.8 million or 3.3% from the prior year second quarter sales of $4.20 billion. On an organic basis, EC sales increased 3.3% year over year and 1.1% in constant currency. This increase was due to sales growth in the Asia region, partially offset by lower sales of TI products and the negative impacts of COVID-19 and the related impacts on market demand.

Farnell sales for the second quarter of fiscal 2021 were $325.8 million, a decrease of $5.4 million or 1.6% from the prior year second quarter sales of $331.2 million. Organic sales decreased $5.4 million or 1.6% year over year and decreased 4.5% in constant currency. These decreases were primarily a result of the negative impacts of COVID-19 and the related impact on market demand.

On a regional basis, organic sales in the second quarter of fiscal 2021 declined 7.2% in the Americas, 11.4% in EMEA in constant currency and increased 14.6% in Asia in constant currency.

Sales for the first six months of fiscal 2021 were $9.39 billion, an increase of $226.4 million as compared to sales of $9.16 billion for the first six months of fiscal 2020. The increase in sales was primarily due to growth in the Asia region and the global benefit of an extra week of sales in the first quarter of fiscal 2021, partially offset by the decline in TI sales and to a lesser extent the negative impacts of COVID-19 and the related impacts on market demand.

Gross Profit and Gross Profit Margins

Gross profit for the second quarter of fiscal 2021 was $511.3 million, a decrease of $14.4 million, or 2.7%, from the second quarter of fiscal 2020 gross profit of $525.6 million. Gross profit margin decreased to 11.0% or 64 basis points from the second quarter of fiscal 2020 gross profit margin of 11.6% driven by declines in gross profit margin in both operating groups. The declines in gross profit margin in both operating groups are primarily due to a combination of geographical market mix, unfavorable changes in product and customer mix, and overall declines in gross profit margin due to current market conditions. Sales in the higher gross profit margin western regions represented approximately 52% of sales in the second quarter of fiscal 2021 as compared to 58% during the second quarter of fiscal 2020.

Gross profit and gross profit margin was $1.03 billion and 10.9%, respectively, for the first six months of fiscal 2021 as compared with $1.07 billion and 11.7%, respectively, for the first six months of fiscal 2020. The decline in gross profit margin during the first six months of fiscal 2021 compared to the first six months of fiscal 2020 is primarily due to a combination of geographical market mix, unfavorable changes in product and customer mix, and overall declines in gross profit margin due to current market conditions.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (“SG&A expenses”) were $442.1 million in the second quarter of fiscal 2021, a decrease of $22.8 million, or 4.9%, from the second quarter of fiscal 2020. The year-over-year decrease in SG&A expenses was primarily due to the cost savings from restructuring activities and lower amortization expense, partially offset by the impact of foreign currency due to the weakening of the U.S. Dollar.

Metrics that management monitors with respect to its operating expenses are SG&A expenses as a percentage of sales and as a percentage of gross profit. In the second quarter of fiscal 2021, SG&A expenses as a percentage of sales were 9.5% and as a percentage of gross profit were 86.5%, as compared with 10.3% and 88.4%, respectively, in the second quarter of fiscal 2020. The decrease in SG&A expenses as a percentage of gross profit is primarily the result of the cost savings from restructuring activities and lower amortization expense, partially offset by foreign currency due to the weakening of the U.S. Dollar and from the decrease in gross profit margin.

SG&A expenses for the first six months of fiscal 2021 were $913.2 million, or 9.7% of sales, as compared with $921.4 million, or 10.1% of sales, in the first six months of fiscal 2020. The year-over-year decrease in SG&A expenses was primarily due to the cost savings from restructuring activities and lower amortization expense, partially offset by the impact of foreign currency due to the weakening of the U.S. Dollar and from the decrease in gross profit margin. SG&A expenses were 88.9% of gross profit in the first six months of 2021 as compared with 86.2% in the first six months of fiscal 2020.

Restructuring, Integration and Other Expenses

As a result of management's focus on improving operating efficiencies and reducing operating costs, the Company has incurred certain restructuring costs. These costs also relate to the restructuring of the Company's information technology, distribution center footprint and business operations. In addition, the Company incurred integration and other costs and benefitted from a gain on a legal settlement. Integration costs are primarily related to the integration of certain regional and global businesses and incremental costs incurred as part of the consolidation, relocation, sale and closure of distribution centers and office facilities. Other costs consist primarily of any other miscellaneous costs that relate to restructuring, integration and other expenses, including acquisition related costs and specific and incremental costs incurred associated with the impacts of the COVID-19 pandemic. Included in restructuring, integration and other expenses in the first six months of fiscal 2021 is a gain of $8.2 million resulting from a legal settlement.

The Company recorded restructuring, integration and other expenses of $11.9 million during the second quarter of fiscal 2021. The Company recorded $7.6 million of restructuring costs in the second quarter of fiscal 2021, which are expected to provide approximately $12.0 million in annual operating expense savings once such restructuring actions are completed. During the second quarter of fiscal 2021, the Company also incurred integration costs of $7.3 million, partially offset by a net reversal of other expenses of $1.2 million and a reversal of $1.8 million for changes in estimates for costs associated with prior year restructuring actions. The after-tax impact of restructuring, integration and other expenses were $9.4 million and $0.09 per share on a diluted basis.

During the first six months of fiscal 2021, the Company incurred restructuring costs of $34.5 million, integration costs of $14.6 million, which was offset by a gain on legal settlement of $8.2 million, a reversal of $2.1 million for changes in estimates for costs associated with prior year restructuring actions and a net reversal of other expenses of $0.4 million. The after tax impact of restructuring, integration and other expenses for the first six months of fiscal 2021 was $31.2 million and $0.31 per share on a diluted basis.

See Note 16 "Restructuring expenses" to the Company's consolidated financial statements included in this Quarterly Report on Form 10-Q.

Operating Income

Operating income for the second quarter of fiscal 2021 was $57.2 million, an increase of $10.7 million, or 23.1%, from the second quarter of fiscal 2020 operating income of $46.5 million. The year-over-year increase in operating income was primarily driven by lower SG&A expenses, partially offset by a decline in gross profit margin as compared to the second quarter of fiscal 2020. Adjusted operating income for the second quarter of fiscal 2021 was $79.6 million, a decrease of $2.6 million, or 3.2%, from the second quarter of fiscal 2020. The year-over-year decrease in adjusted operating income was primarily driven by the decline in gross profit margin discussed further above, partially offset by the reduction in SG&A expenses.

EC operating income margin increased 17 basis points year over year to 2.4% and Farnell operating income margin decreased 155 basis points year over year to 4.5%. The decline in Farnell was primarily driven by the decline in gross profit margin.

Operating income for the first six months of fiscal 2021 was $75.7 million, or 0.8% of consolidated sales, as compared with operating income of $109.2 million, or 1.2% of consolidated sales in the first six months of fiscal 2020. Adjusted operating income for the first six months of fiscal 2021 was $144.7 million, a decrease of $44.9 million, or 23.7%, from the first six months of fiscal 2020. The year over year decrease in adjusted operating income was primarily driven by the decline in gross profit margin, partially offset by the reduction in SG&A expenses.

Interest and Other Financing Expenses, Net and Other (Expense) Income, Net

Interest and other financing expenses in the second quarter of fiscal 2021 was $21.5 million, a decrease of $12.4 million, or 36.6%, as compared with interest and other financing expenses of $33.9 million in the second quarter of fiscal 2020. Interest and other financing expenses in the first six months of fiscal 2021 was $43.8 million, a decrease of $23.7 million, or 35.2%, as compared with interest and other financing expenses of $67.5 million in the first six months of fiscal 2020. The decrease in interest and other financing expenses in the first six months of fiscal 2021 compared to the first six months of fiscal 2020 was primarily related to lower outstanding borrowings in the first six months of fiscal 2021.

During the second quarter of fiscal 2021, the Company had $1.3 million of other expense as compared with $2.0 million of other expense in the second quarter of fiscal 2020. During the first six months of fiscal 2021, the Company had $20.8 million of other expense as compared with $3.0 million of other income in the first six months of fiscal 2020. The year-over-year differences in other (expense) income was primarily due to $15.2 million of equity investment impairment expense included in other expense in the first six months of fiscal 2021 and differences in foreign currency exchange rates between the first six months of fiscal 2021 and fiscal 2020.

Income Tax Expense

The Company's effective tax rate on its income before taxes was 44.3% in the second quarter of fiscal 2021. During the second quarter of fiscal 2021, the Company's effective tax rate was unfavorably impacted primarily by increases to valuation allowances, partially offset by the mix of income in lower tax jurisdictions.

For the first six months of fiscal 2021, the Company's effective tax rate on its income before taxes was 97.5%. The effective tax rate for the first six months of fiscal 2021 was unfavorably impacted primarily by increases to valuation allowances, partially offset by the mix of income in lower tax jurisdictions.

Net Income

As a result of the factors described in the preceding sections of this MD&A, the Company's net income for the second quarter of fiscal 2021 was $19.2 million, or $0.19 per share on a diluted basis, as compared with net income of $3.7 million, or $0.04 per share on a diluted basis, in the second quarter of fiscal 2020.

As a result of the factors described in the preceding sections of this MD&A, the Company's net income for the first six months of fiscal 2021 was $0.3 million, or $0.00 per share on a diluted basis, as compared with net income of $45.4 million, or $0.44 per share on a diluted basis, in the first six months of fiscal 2020.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow

Cash Flow from Operating Activities

During the first six months of fiscal 2021, the Company generated $207.4 million of cash flow from operations compared to $344.2 million of cash generated in the first six months of fiscal 2020. These operating cash flows were comprised of: (i) cash flow generated from net income, adjusted for the impact of non-cash and other items, which includes depreciation and amortization expenses, deferred income taxes, stock-based compensation expense, amortization of operating lease assets and other non-cash items and (ii) cash flows used for, or generated from, working capital and other, excluding cash and cash equivalents. Cash generated from working capital and other was $57.3 million during the first six months of fiscal 2021, including an increase in accounts payable of $130.8 million and decrease in inventories of $51.2 million, offset by an increase in accounts receivable of $94.8 million and a decrease in accrued expenses and other of $29.8 million. Comparatively, cash generated from working capital and other was $155.2 million during the first six months of fiscal 2020, including decreases in accounts receivable of $185.6 million and inventories of $94.2 million, offset by decreases in accounts payable of $52.7 million and accrued expenses and other of $71.9 million.

Cash Flow from Financing Activities

During the first six months of fiscal 2021, the Company received net proceeds of $11.8 million under the Securitization Program and made a net repayment of $239.4 million under the Credit Facility. During the first six months of fiscal 2021, the Company paid dividends on common stock of $41.5 million.

During the first six months of fiscal 2020, the Company made net repayments of $35.4 million under the Securitization Program. During the first six months of fiscal 2020, the Company paid dividends on common stock of $42.4 million and repurchased $198.6 million of common stock.

Cash Flow from Investing Activities

During the first six months of fiscal 2021, the Company used $30.0 million for capital expenditures primarily related to warehouse and facilities, and information technology hardware and software costs compared to $44.3 million for capital expenditures in the first six months of fiscal 2020. During the first six months of fiscal 2021, the Company paid $18.4 million for an asset acquisition. The Company used $51.5 million of cash for acquisitions, which is net of the cash acquired, and paid $13.1 million for other investing activities during the first six months of fiscal 2020.

Contractual Obligations

For a detailed description of the Company's long-term debt and lease commitments for the next five years and thereafter, see *Long-Term Contractual Obligations* appearing in Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended June 27, 2020. There are no material changes to this information outside of normal borrowings and repayments of long-term debt and operating lease payments. The Company does not currently have any material non-cancellable commitments for capital expenditures or inventory purchases outside of the normal course of business.

Financing Transactions

See Note 6, "Debt" to the Company's consolidated financial statements included in this Quarterly Report on Form 10-Q for additional information on financing transactions including the Credit Facility, the Securitization Program, and other outstanding debt as of January 2, 2021. The Company was in compliance with all covenants under the Credit Facility and the Securitization Program as of January 2, 2021 and June 27, 2020.

The Company has various lines of credit, financing arrangements and other forms of bank debt in the U.S. and various foreign locations to fund the short-term working capital, foreign exchange, overdraft and letter of credit needs of its wholly owned subsidiaries. Outstanding borrowings under such forms of debt at the end of second quarter of fiscal 2021 was $1.5 million.

As an alternative form of financing outside of the United States, the Company sells certain of its trade accounts receivable on a non-recourse basis to third-party financial institutions pursuant to factoring agreements. The Company accounts for these transactions as sales of receivables and presents cash proceeds as cash provided by operating activities in the consolidated statements of cash flows. Factoring fees for the sales of trade accounts receivable are recorded within "Interest and other financing expenses, net" and were not material.

Liquidity

The Company held cash and cash equivalents of $376.3 million as of January 2, 2021, of which $332.7 million was held outside the United States. As of June 27, 2020, the Company held cash and cash equivalents of $477.0 million, of which $411.2 million was held outside of the United States.

As of the end of the second quarter of fiscal 2021, the Company had a combined total borrowing capacity of $1.70 billion under the Credit Facility and the Securitization Program. There were no borrowings outstanding and $1.3 million in letters of credit issued under the Credit Facility and $11.8 million in borrowings outstanding under the Securitization Program, resulting in approximately $1.57 billion of total availability as of January 2, 2021. Availability under the Securitization Program is subject to the Company having sufficient eligible trade accounts receivable in the Americas to support desired borrowings.

Borrowings under the Credit Facility require the Company to maintain certain financial and other covenants and the Securitization has cross default provisions associated with the covenants in the Credit Facility. The Credit Facility requires the Company to maintain minimum interest coverage and leverage ratios, which were amended in the first quarter of fiscal 2021. All other forms of debt and financing do not include financial or other covenants. The Company was in compliance with all covenants under the Credit Facility as of January 2, 2021.

During the second quarter and first six months of fiscal 2021, the Company had an average daily balance outstanding of approximately $77.6 million and $82.0 million, respectively, under the Credit Facility and approximately $222.3 million and $257.4 million, respectively, under the Securitization Program.

During periods of weakening demand in the electronic components industry, the Company typically generates cash from operating activities. Conversely, the Company is more likely to use operating cash flows for working capital requirements during periods of higher growth. The Company generated $593.4 million in cash flows from operating activities over the trailing four fiscal quarters ended January 2, 2021.

Liquidity is subject to many factors, such as normal business operations as well as general economic, financial, competitive, legislative, and regulatory factors that are beyond the Company's control. This includes the potential impact on liquidity and related compliance with debt covenants as a result of the uncertain future impacts of the COVID-19 pandemic. To the extent the cash balances held in foreign locations cannot be remitted back to the U.S. in a tax efficient manner, those cash balances are generally used for ongoing working capital, capital expenditures and other foreign business needs. In addition, local government regulations may restrict the Company's ability to move funds among various locations under certain circumstances. Management does not believe such restrictions would limit the Company's ability to pursue its intended business strategy.

The Company continuously monitors and reviews its liquidity position and funding needs. Management believes that the Company's ability to generate operating cash flows in the future and available borrowing capacity, including capacity for the non-recourse sale of trade accounts receivable, will be sufficient to meet its future liquidity needs. The Company may also renew or replace expiring debt arrangements in the future, including the $300.0 million of 3.75% Notes due in December 2021. Management believes the Company will have adequate access to the capital markets, if needed. The Company has historically and believes it will have the ability in the future to generate operating cash flows in periods of declining sales.

As a result of the evolving impacts of the COVID-19 pandemic and the related uncertain future business conditions, the Company is unlikely to make near-term strategic investments through material acquisitions. The Company also expects to use cash for restructuring, integration and other expenses.

As of January 2, 2021, the Company may repurchase up to an aggregate of $469.0 million of shares of the Company's common stock through a $2.95 billion share repurchase program approved by the Board of Directors. The Company may repurchase stock from time to time at the discretion of management, subject to strategic considerations, market conditions and other factors. The Company may terminate or limit the share repurchase program at any time without prior notice. As a result of the impacts of the COVID-19 pandemic and the corresponding need to manage liquidity and leverage, the Company has temporarily suspended share repurchases.

The Company has historically paid quarterly cash dividends on shares of its common stock, and future dividends are subject to approval by the Board of Directors. During the second quarter of fiscal 2021, the Board of Directors approved a dividend of $0.21 per share, which resulted in $20.8 million of dividend payments during the quarter.

Recently Issued Accounting Pronouncements

See Note 1, "Basis of presentation and new accounting pronouncements" to the Company's consolidated financial statements included in this Quarterly Report on Form 10-Q for a description of recently issued accounting pronouncements.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

The Company seeks to reduce earnings and cash flow volatility associated with changes in foreign currency exchange rates by entering into financial arrangements that are intended to provide an economic hedge against all or a portion of the risks associated with such volatility. The Company continues to have exposure to such risks to the extent they are not economically hedged.

See Item 7A, *Quantitative and Qualitative Disclosures About Market Risk*, in the Company's Annual Report on Form 10-K for the fiscal year ended June 27, 2020, for further discussion of market risks associated with foreign currency exchange rates and interest rates. Avnet's exposure to such risks has not changed materially since June 27, 2020, as the Company continues to economically hedge the majority of its foreign currency exchange exposures. Thus, any increase or decrease in fair value of the Company's forward foreign currency exchange contracts is generally offset by an opposite effect on the related economically hedged position. For interest rate risk, the Company continues to maintain a combination of fixed and variable rate debt to mitigate the exposure to fluctuations in market interest rates.

See *Liquidity and Capital Resources — Financing Transactions* appearing in Item 2 of this Quarterly Report on Form 10-Q for further discussion of the Company's financing transactions and capital structure. As of January 2, 2021, 99% of the Company's debt bears interest at a fixed rate and 1% of the Company's debt bears interest at variable rates. Therefore, a hypothetical 1.0% (100 basis points) increase in interest rates would result in an insignificant decrease in income before income taxes in the Company's consolidated statement of operations for the second quarter of fiscal 2021.

Item 4. ***Controls and Procedures***

The Company's management, including its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the reporting period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's disclosure controls and procedures are effective such that material information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified by the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management, including the Company's principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

During the second quarter of fiscal 2021, there were no changes to the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. *Legal Proceedings*

Pursuant to SEC regulations, including but not limited to Item 103 of Regulation S-K, the Company regularly assesses the status of and developments in pending environmental and other compliance related legal proceedings to determine whether any such proceedings should be identified specifically in this discussion of legal proceedings, and has concluded that no particular pending legal proceeding requires public disclosure. Based on the information known to date, management believes that the Company has appropriately accrued in its consolidated financial statements for its share of the estimable costs of environmental and other compliance related matters.

The Company is also currently subject to various pending and potential legal matters and investigations relating to compliance with governmental laws and regulations, including import/export and environmental matters. The Company currently believes that the resolution of such matters will not have a material adverse effect on the Company's financial position or liquidity but could possibly be material to its results of operations in any one reporting period.

Item 1A. *Risk Factors*

The discussion of the Company's business and operations should be read together with the risk factors contained in Item 1A of its Annual Report on Form 10-K for the fiscal year ended June 27, 2020 and the revised risk factors contained in Item 1A of its Quarterly Report on Form 10-Q for the fiscal quarter ended October 3, 2020, which describe various risks and uncertainties to which the Company is or may become subject. These risks and uncertainties have the potential to affect the Company's business, financial condition, results of operations, cash flows, strategies or prospects in a material and adverse manner. As of January 2, 2021, there have been no material changes to the risk factors set forth in the Company's Annual Report on Form 10-K for the fiscal year ended June 27, 2020 other than as revised by those risk factors contained in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended October 3, 2020.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

In August 2019, the Company's Board of Directors amended the Company's existing share repurchase program, increasing the cumulative total of authorized share repurchases to $2.95 billion of the Company's common stock. During the second quarter of fiscal 2021, the Company did not repurchase any shares under the share repurchase program resulting in $469.0 million of availability under the share repurchase program as of January 2, 2021.

Item 6. ***Exhibits***

Exhibit Number	Exhibit
10.1*	Second Amendment to and Termination of the May 8, 2018 Amended and Restated Avnet Deferred Compensation Plan, dated November 17, 2020.
10.2*	Letter Agreement between the Company and Philip R. Gallagher dated November 17, 2020.
21.1*	List of subsidiaries of the Company as of June 27, 2020.
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.

** Furnished herewith. The information in these exhibits shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to liability under that section, and shall not be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

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, thereunto duly authorized.

Date: January 29, 2021

AVNET, INC.

By: /s/ THOMAS LIGUORI

Thomas Liguori

Chief Financial Officer

SECOND AMENDMENT TO AND TERMINATION OF THE MAY 8, 2018 AMENDED AND RESTATED AVNET DEFERRED COMPENSATION PLAN

This Second Amendment and Termination ("Termination") to the Amended and Restated Avnet Deferred Compensation Plan as of May 8, 2018, as amended on February 6, 2020 ("Plan"), shall be effective as of November 17, 2020. Avnet, Inc. (the "Company") first established the Avnet Deferred Compensation Plan effective as of February 1, 1997 and amended and restated it on January 1, 2009 and most recently on May 8, 2018, as amended by the First Amendment dated February 6, 2020.

1. This Termination hereby terminates the Plan in whole.

I, Darrel S. Jackson, being the duly elected and qualified Secretary of Avnet, Inc., hereby certify that the foregoing is a true and complete copy of the Second Amendment to and Termination of the Amended and Restated Avnet Deferred Compensation Plan, as approved by the Board of Directors on November 17, 2020. I have executed this document as of November 17, 2020.

/s/ Darrel S. Jackson
Darrel Jackson
Secretary

November 17, 2020

Philip R. Gallagher
11749 N. 129th Way
Scottsdale, AZ 85259

Dear Phil:

We are pleased that you have agreed to serve as the Chief Executive Officer of Avnet, Inc. (the "Company"). This letter agreement ("Letter Agreement") sets forth the terms and conditions of your employment as an officer ("Officer") of the Company, and replaces in its entirety the letter agreement between yourself and the Company dated April 3, 2017.

1. Position and Term. On and after the date hereof, you shall serve as Chief Executive Officer of the Company. In addition, you will serve without additional compensation as a member of the Board of Directors of the Company (the "Board"). Except with respect to the restrictive covenants set forth in Annex A attached hereto, this Letter Agreement may be cancelled by either party upon written notice at any time. The period for which you will serve as the Chief Executive Officer of the Company is referred to herein as the "Term."

2. Base Salary. During the Term, your base salary shall be at least $1,000,000 per year. The base salary will be paid in accordance with the Company's standard payroll procedures.

3. Bonus. During the Term, the target amount for your annual cash incentive award shall be no less than 150% of your base salary. Any bonus will be determined based upon the achievement of specific financial and strategic targets in the sole discretion of the Compensation Committee of the Board.

4. Equity Grants. During the Term, the target amount for your long-term equity incentive award shall be no less than 350% of your base salary. Such equity awards are typically a mix of performance share units, stock options and restricted stock units, in the sole discretion of the Compensation Committee of the Board, and are subject to the terms of the Company's equity incentive plan, standard grant agreements and vesting schedule.

5. Employee Benefits. You will be eligible to participate in the Company's employee benefit plans on the same basis as other senior executives, in accordance with the terms of such plans as they may be amended from time-to-time. You will also receive the retirement benefits that you previously accrued under Avnet's Supplemental Executive Retirement Plan, subject to the terms of that plan and applicable law.

6. Severance. If the Company terminates your employment without Cause, you will receive a lump sum payment equal to your base annual salary and your target bonus for the year in which the termination occurs. For purposes hereof, "Cause" includes, but is not limited to, your gross misconduct, breach of any material term of this Letter Agreement, willful breach, habitual neglect or wanton disregard of your duties, or conviction of any criminal act.

7. Restrictive Covenants. You agree to the restrictive covenants set forth in Annex A, which is attached hereto and incorporated herein by reference.

8. Tax Withholding. All amounts payable to you by the Company are subject to all applicable tax withholdings. In addition, you acknowledge that this Letter Agreement shall be interpreted consistent with the intent to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, such that there are no adverse tax consequences, interest, or penalties as a result of any amount paid or payable pursuant to this Letter Agreement.

9. Recoupment. Any incentive or bonus payment made to you shall be subject to the terms and conditions of the Company's recoupment or clawback policy, as in effect and as may be amended from time to time, including disgorgement or repayment to the extent required by such policy.

10. Stock Ownership Guidelines. You agree to comply with the Company's Stock Ownership Guidelines for Officers, as may be amended from time to time.

11. Entire Agreement/Governing Law. This Letter Agreement supersedes and replaces any prior agreements, representations or understandings (whether written, oral, implied or otherwise) between you and the Company, including that certain letter agreement dated April 3, 2017, and constitutes the complete agreement between you and the Company regarding your position as Chief Executive Officer. This Letter Agreement is governed by Arizona law, without giving effect to principles regarding conflict of laws, and the parties agree to the exclusive jurisdiction of the state and federal courts in Maricopa County, Arizona, with regard to any disputes arising hereunder.

12. Counterparts. This Letter Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

13. Headings. Headings in this letter are for reference only and shall not be deemed to have any substantive effect.

We are very pleased to have you serve in this leadership role during this exciting time for the Company. Please confirm your agreement to the terms specified in this Letter Agreement by signing below.

Sincerely,

Avnet, Inc.

By: /s/ Rodney Adkins

Name: Rodney Adkins

Title: Chair of the Board

AGREED AND ACKNOWLEDGED:

/s/ Philip R. Gallagher ___________________
Philip R. Gallagher

Restrictive Covenants

The Officer acknowledges and recognizes (i) his possession of Confidential Information (as defined in Section (b) below), (ii) the highly competitive nature of the business of the Company and its affiliates and subsidiaries, which is worldwide in scope, and (iii) that reasonable restrictions on the Officer's future business endeavors and the Officer's ability to disclose Confidential Information are necessary to protect valuable client and customer relationships of the Company. Accordingly, in consideration of the premises contained herein, the Officer agrees to the restrictions set forth in this Annex A.

a. Non-Competition. The Officer agrees that during the Term and for one (1) year thereafter, he shall not, either individually or as an officer, director, stockholder, member, partner, agent, employee, consultant, principal, or committee-member of another business firm or sole proprietorship, (i) engage in, or be connected in any manner with, any business operating anywhere in the world that is in direct or indirect competition with any active business of the Company or any of its affiliates or subsidiaries, or any planned business of the Company or any of its affiliates or subsidiaries of which the Officer is aware (each a "**Competitive Business**"); (ii) be employed by an entity or person that controls a Competitive Business; or (iii) directly or indirectly solicit any customer or client of the Company or any of its affiliates or subsidiaries; provided, however, that the restrictions set forth in this Section (a) shall not prohibit the Officer from being a passive shareholder of a public company if the Officer owns less than one percent (1%) of such company.

b. Confidential Information. The Officer agrees that he shall not, at any time during the term of this Agreement or thereafter, disclose to another, or use for any purpose other than performing his duties and responsibilities under this Letter Agreement, any Confidential Information. For purposes of this Letter Agreement, Confidential Information includes all trade secrets and confidential information of the Company and its affiliates and subsidiaries including, but not limited to, the Company's unique business methods, processes, operating techniques and "know-how" (all of which have been developed by the Company or its affiliates and subsidiaries through substantial effort and investment), profit and loss results, market and supplier strategies, customer identity and needs, information pertaining to employee effectiveness and compensation, inventory strategy, product costs, gross margins, and other information relating to the affairs of the Company and its affiliates and subsidiaries that Officer shall have acquired during his employment with the Company.

c. Non-Solicitation of Employees. The Officer agrees that he shall not, at any time while employed by the Company and for three (3) years thereafter, directly or indirectly solicit or induce any of the employees of the Company or any of its affiliates or subsidiaries to terminate employment with their employer.

Explanatory Note: This Exhibit 21.1, the Foreign and Domestic Subsidiaries List as of June 27, 2020, is being filed to correct the Exhibit 21.1 filed as Exhibit 21.1 to the Company's Annual Report on Form 10-K for the fiscal year ended June 27, 2020, filed with the SEC on August 14, 2020, to correct the countries listed for subsidiaries.

Avnet, Inc.
Foreign and Domestic Subsidiaries
As of June 27, 2020

Company Name	Country
Alpha 3 Manufacturing Ltd	United Kingdom
AVID Technologies, Inc.	United States
Avnet (Asia Pacific Holdings) Limited	Hong Kong
Avnet (Holdings) Ltd	United Kingdom
Avnet (NZ)	New Zealand
Avnet (Shanghai) Limited	China
Avnet Abacus Limited	Hong Kong
Avnet Asia Pte Ltd	Singapore
Avnet ASIC Israel Ltd	Israel
Avnet B.V.	Netherlands
Avnet Bidco Limited	United Kingdom
Avnet Business Services GmbH	Germany
Avnet Components Israel Limited	Israel
Avnet de Mexico, S.A. de C.V.	Mexico
Avnet Delaware Holdings, Inc.	United States
Avnet Delaware LLC	United States
Avnet do Brasil Ltda.	Brazil
Avnet Electronics Marketing (Australia) Pty Ltd	Australia
Avnet Electronics Technology (China) Limited	China
Avnet Electronics Technology (Shenzhen) Limited	China
Avnet Electronics Turkey İthalat İhracat Sanayi ve Ticaret Limited Şirketi	Turkey
Avnet EM	Russian Federation
Avnet EM Holdings (Japan) Kabushiki Kaisha	Japan
Avnet EM Sp. z.o.o.	Poland
Avnet EMG Elektronische Bauelemente GmbH	Austria
Avnet EMG France	France
Avnet EMG GmbH	Germany
Avnet EMG GmbH	Switzerland
Avnet EMG Italy S.r.l.	Italy

Avnet EMG Ltd	United Kingdom
Avnet Europe Comm. VA	Belgium
Avnet Europe Executive BV	Belgium
Avnet Finance International S.à r.l.	Luxembourg
Avnet Financial Services Asia Limited	Hong Kong
Avnet France S.A.S.	France
Avnet Group Holdings Limited	United Kingdom
Avnet Holding Europe BV	Belgium
Avnet Holding South Africa (Pty) Limited	South Africa
Avnet Holdings UK Limited	United Kingdom
Avnet Holdings, LLC	United States
Avnet Iberia S.L.U.	Spain
Avnet India Private Limited	India
Avnet International (Canada) Ltd.	Canada
Avnet International Holdings 1 BV	Belgium
Avnet International Holdings 2 BV	Belgium
Avnet International Holdings UK Limited	United Kingdom
Avnet International, LLC	United States
Avnet Japan (Asia) Limited	Singapore
Avnet Japan (Thailand) Co., Ltd.	Thailand
Avnet Kabushiki Kaisha	Japan
Avnet Korea, Inc.	Korea, Republic of
Avnet Limited	Ireland
Avnet Logistics BV	Belgium
Avnet Logistics GmbH	Germany
Avnet Logistics Limited	United Kingdom
Avnet Malaysia Sdn Bhd	Malaysia
Avnet Mexicana S. de R.L. de C.V.	Mexico
Avnet Nortec AB	Sweden
Avnet Nortec ApS	Denmark
Avnet Nortec AS	Norway
Avnet Nortec Oy	Finland
Avnet Philippines Pty Ltd., Inc.	Philippines
Avnet Receivables Corporation	United States
Avnet SellCo B.V.	Netherlands
Avnet Services S. de R.L. de C.V.	Mexico
Avnet South Africa (Pty) Limited	South Africa
Avnet Sunrise Limited	Hong Kong
Avnet Technology (Thailand) Ltd.	Thailand
Avnet Technology Electronics Marketing (Taiwan) Co., Ltd.	Taiwan

Avnet Technology Hong Kong Limited	Hong Kong
Avnet Technology Solutions (China) Ltd	China
Avnet Technology Solutions (Tianjin) Ltd	China
AVT Holdings LLC	United States
Beijing Vanda Yunda IT Services Co., Ltd	China
Bell Microproducts Brazil Holdings, LLC	United States
Bell Microproducts Mexico Shareholder, LLC	United States
CELDIS LIMITED	United Kingdom
CM Satellite Systems, Inc.	United States
COMBINED PRECISION COMPONENTS LIMITED	United Kingdom
Dragon Innovation (HK) Limited	Hong Kong
Dragon Innovation Consulting (Shenzhen) Company Limited	China
EBV Beteiligungs-Verwaltungs GmbH	Germany
EBV Elektronik ApS	Denmark
EBV Elektronik d.o.o.	Serbia
EBV Elektronik EOOD	Bulgaria
EBV Elektronik GmbH & Co. KG	Germany
EBV Elektronik International GmbH	Germany
EBV Elektronik Israel (2008) Ltd	Israel
EBV Elektronik Kft	Hungary
EBV Elektronik Limited	Hong Kong
EBV Elektronik M	Russian Federation
EBV Elektronik OÜ	Estonia
EBV Elektronik S.r.l.	Italy
EBV Elektronik S.R.L.	Romania
EBV Elektronik s.r.o.	Slovakia
EBV Elektronik SAS	France
EBV Elektronik sp. z o.o.	Poland
EBV Elektronik Spain S.L.	Spain
EBV Elektronik spol. s r.o.	Czech Republic
EBV Elektronik Ticaret Limited Sirketi	Turkey
EBV Elektronik TOV	Ukraine
EBV Elektronik, Druzba Za Posredovanje D.O.O.	Slovenia
EBV Elektronik, Unipessoal Lda,	Portugal
EBV Erste Holding GmbH & Co. KG	Germany
EBV Management GmbH	Germany
EBV Zweite Holding GmbH & Co. KG	Germany
EBV-Elektronik GmbH	Austria
Electrolink (PTY) Ltd	South Africa
Electron House (Overseas) Limited	United Kingdom

element 14 Limited	United Kingdom
element 14 sp. zoo	Poland
element14 Asia Pte. Ltd.	Singapore
element14 Co., Ltd.	Thailand
Element14 de Mexico, S. de R.L de C.V	Mexico
element14 Electronics Limited	Ireland
Element14 Finance UK Limited	United Kingdom
element14 Holding BV	Netherlands
element14 India Pvt Limited	India
element14 Limited	New Zealand
element14 Ltd.	Korea, Republic of
element14 Pte. Ltd.	Singapore
element14 Pty Ltd	Australia
element14 SDN. BHD.	Malaysia
Element14 US Holdings Inc.	United States
Element14 US Holdings LLC	United States
ELEMENT14. S. de R.L. de C.V	Mexico
eluomeng Electronics (China) Co. Ltd	China
ELUOMENG LIMITED	Hong Kong
ELUOMENG LIMITED COMPANY	Taiwan
Embest HK Limited	Hong Kong
Erste TENVA Property GmbH Gruber Straße	Germany
FARNELL (BELGIUM) N.V.	Belgium
FARNELL (FRANCE) SAS	France
FARNELL (NETHERLANDS) B.V.	Netherlands
FARNELL AG	Switzerland
FARNELL COMPONENTS (IRELAND) LIMITED	Ireland
FARNELL COMPONENTS (ISRAEL) LTD	Israel
FARNELL COMPONENTS AB	Sweden
FARNELL COMPONENTS SL	Spain
FARNELL DANMARK A/S	Denmark
FARNELL ELECTRONIC COMPONENTS LIMITED	United Kingdom
FARNELL GMBH	Germany
FARNELL HOLDING LIMITED	United Kingdom
FARNELL ITALIA SRL	Italy
FARNELL OVERSEAS	United Kingdom
Import Holdings LLC	United States
INONE HOLDINGS LIMITED	United Kingdom
Kent One Corporation	United States
Memec Group Holdings Limited	United Kingdom

Memec Group Limited	United Kingdom
Memec Pty Limited	Australia
Mexico Holdings LLC	United States
MSC (Malta) Limited	Malta
MSC Technologies GmbH	Germany
MSC Technologies Systems GmbH	Germany
NEWARK CORPORATION	United States
NEWARK ELECTRONICS CORPORATION	United States
OY FARNELL (FINLAND) AB	Finland
Phoenics Electronics Corporation	United States
PREMIER FARNELL (SCOTLAND) LIMITED	United Kingdom
PREMIER FARNELL CANADA LIMITED	Canada
PREMIER FARNELL CORP.	United States
PREMIER FARNELL FINANCE LIMITED	Ireland
PREMIER FARNELL LIMITED	United Kingdom
PREMIER FARNELL PENSION FUNDING SCOTTISH LIMITED PARTNERSHIP	United Kingdom
PREMIER FARNELL PENSION TRUSTEES LIMITED	United Kingdom
PREMIER FARNELL PROPERTIES INC.	United States
PREMIER FARNELL UK LIMITED	United Kingdom
PREMIER INDUSTRIAL HOLLAND B.V.	Netherlands
Pride Well Limited	Virgin Islands, British
Priya Softweb Solutions Pvt. Ltd.	India
RTI Holdings Limited	Hong Kong
SEC International Holding Company II, L.L.C.	United States
Shanghai FR International Trading Co., Ltd.	China
SHENZHEN EMBEST TECHNOLOGY CO., LTD.	China
Société Civile Immobilière du 22 rue de Dames	France
Softweb Solutions Inc.	United States
Source Electronics (HK) Limited	Hong Kong
Source Electronics Asia Limited	Hong Kong
Tekdata Interconnections Limited	United Kingdom
Telmil Electronics, Inc.	United States
Tenva Belgium Comm. VA	Belgium
Tenva Financial Management BV	Belgium
TENVA GmbH	Germany
Tenva Group Holdings Europe Limited	United Kingdom
TENVA INVESTMENTS BV	Belgium
Tenva sp. z o.o.	Poland
UAB "EBV Elektronik"	Lithuania
Vanda Computer System Integration (Shanghai) Company Limited	China

Venezuelan Partner B.V.	Netherlands
Witekio Corporation	United States
Witekio France SAS	France
Witekio GmbH	Germany
Witekio Holding	France
Witekio UK Limited	United Kingdom
YEL Electronics (China) Limited	Hong Kong
YEL Electronics (Shanghai) Limited	China
YEL Electronics (Shenzhen) Ltd	China
YEL Electronics Hong Kong Limited	Hong Kong
ZWEITE TENVA Property GmbH Im Technologiepark	Germany

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Philip R. Gallagher, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avnet, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2021

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/s/ PHILIP R. GALLAGHER

Philip R. Gallagher

Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Thomas Liguori, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Avnet, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
   a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2021

/s/ THOMAS LIGUORI
Thomas Liguori
Chief Financial Officer

Exhibit 32.1

Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report on Form 10-Q for the period ended January 2, 2021 (the "Report"), I, Philip R. Gallagher, Chief Executive Officer of Avnet, Inc. (the "Company") hereby certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 29, 2021

/s/ PHILIP R. GALLAGHER
Philip R. Gallagher
Chief Executive Officer

Exhibit 32.2

Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the Quarterly Report on Form 10-Q for the period ended January 2, 2021 (the "Report"), I, Thomas Liguori, Chief Financial Officer of Avnet, Inc. (the "Company") hereby certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: January 29, 2021

/s/ THOMAS LIGUORI
Thomas Liguori
Chief Financial Officer