

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 September 27, 2025

OR

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

For the transition period from _____ to _____

Commission file number 1-4482

ARROW ELECTRONICS, INC.
(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction of
incorporation or organization)
9151 East Panorama Circle
Centennial CO
(Address of principal executive offices)

11-1806155
(I.R.S. Employer
Identification Number)

80112
(Zip Code)

(303) 824-4000

(Registrant's telephone number, including area code)

No Changes

(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(s)	Name of the exchange on which registered
Common Stock, \$1 par value	ARW	New York Stock Exchange

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

There were 51,511,356 shares of Common Stock outstanding as of October 23, 2025.

ARROW ELECTRONICS, INC.

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ARROW ELECTRONICS, INC.

Glossary of Selected Abbreviated Terms*

Abbreviated Term	Defined Term
AFC	Arrow Electronics Funding Corporation
ASU	Accounting Standard Update
CODM	Chief Operating Decision Maker
ECS	Enterprise Computing Solutions
EMEA	Europe, the Middle East, and Africa
EMS	Electronics Manufacturing Services
FASB	Financial Accounting Standards Board
GAAP	Generally Accepted Accounting Principles
Global components segment	Global components reportable segment
Global ECS segment	Global ECS reportable segment
MSPs	Managed Service Providers
OEMs	Original Equipment Manufacturers
SOFR	Secured Overnight Financing Rate
U.S. or United States	United States of America
VARs	Value-Added Resellers

* Terms used, but not defined, within the body of this Form 10-Q, including in the Consolidated Financial Statements and accompanying notes, are defined in this Glossary.

PART I. FINANCIAL INFORMATION

Item 1. **Financial Statements**

ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except per share data)
(Unaudited)

	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Sales	\$ 7,712,541	\$ 6,823,319	\$ 22,106,505	\$ 20,640,447
Cost of sales	6,877,227	6,038,491	19,648,542	18,151,349
Gross profit	835,314	784,828	2,457,963	2,489,098
Operating expenses:				
Selling, general, and administrative	587,866	534,508	1,751,172	1,670,429
Depreciation and amortization	32,793	40,592	103,765	123,356
Restructuring, integration, and other	35,648	34,466	74,880	121,859
	656,307	609,566	1,929,817	1,915,644
Operating income	179,007	175,262	528,146	573,454
Equity in earnings of affiliated companies	463	1,002	1,124	1,912
Gain (loss) on investments, net	4,859	3,757	108,975	(760)
Loss on extinguishment of debt	—	—	—	(1,657)
Post-retirement expense	(664)	(979)	(1,950)	(2,892)
Interest and other financing expense, net	(54,875)	(62,947)	(171,340)	(209,442)
Income before income taxes	128,790	116,095	464,955	360,615
Provision for income taxes	19,528	15,198	88,807	66,996
Consolidated net income	109,262	100,897	376,148	293,619
Noncontrolling interests	69	330	(514)	753
Net income attributable to shareholders	\$ 109,193	\$ 100,567	\$ 376,662	\$ 292,866
Net income per share:				
Basic	\$ 2.11	\$ 1.90	\$ 7.25	\$ 5.48
Diluted	\$ 2.09	\$ 1.88	\$ 7.19	\$ 5.42
Weighted-average shares outstanding:				
Basic	51,695	53,010	51,935	53,476
Diluted	52,141	53,475	52,381	53,999

See accompanying notes.

ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Consolidated net income	\$ 109,262	\$ 100,897	\$ 376,148	\$ 293,619
Other comprehensive income (loss):				
Foreign currency translation adjustment and other, net of taxes	(32,224)	170,874	369,038	47,183
Gain (loss) on foreign exchange contracts designated as net investment hedges, net of taxes	440	(6,422)	(11,716)	(1,446)
Loss on interest rate swaps designated as cash flow hedges, net of taxes	(430)	(1,026)	(1,273)	(723)
Post-retirement expense items, net of taxes	(345)	(317)	(1,054)	(910)
Other comprehensive (loss) income	(32,559)	163,109	354,995	44,104
Comprehensive income	76,703	264,006	731,143	337,723
Less: Comprehensive (loss) income attributable to noncontrolling interests	(296)	2,233	4,659	1,278
Comprehensive income attributable to shareholders	\$ 76,999	\$ 261,773	\$ 726,484	\$ 336,445

See accompanying notes.

ARROW ELECTRONICS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands except par value)
(Unaudited)

	September 27, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 213,612	\$ 188,807
Accounts receivable, net	15,656,816	13,030,991
Inventories	4,728,011	4,709,706
Other current assets	539,863	471,909
Total current assets	<u>21,138,302</u>	<u>18,401,413</u>
Property, plant, and equipment, at cost:		
Land	5,691	5,691
Buildings and improvements	194,658	194,061
Machinery and equipment	1,709,467	1,623,228
	<u>1,909,816</u>	<u>1,822,980</u>
Less: Accumulated depreciation and amortization	(1,434,017)	(1,353,720)
Property, plant, and equipment, net	<u>475,799</u>	<u>469,260</u>
Investments in affiliated companies	58,136	57,299
Intangible assets, net	81,786	96,706
Goodwill	2,117,017	2,055,295
Other assets	655,448	677,734
Total assets	<u>\$ 24,526,488</u>	<u>\$ 21,757,707</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 13,126,538	\$ 11,047,470
Accrued expenses	1,304,479	1,238,714
Short-term borrowings, including current portion of long-term debt	10,818	349,978
Total current liabilities	<u>14,441,835</u>	<u>12,636,162</u>
Long-term debt	3,118,668	2,773,783
Other liabilities	490,366	516,234
Contingencies (Note L)		
Equity:		
Shareholders' equity:		
Common stock, par value \$1:		
Authorized - 160,000 shares in both 2025 and 2024		
Issued - 55,827 and 55,592 shares in 2025 and 2024, respectively	55,827	55,592
Capital in excess of par value	579,672	562,080
Treasury stock (4,316 and 3,420 shares in 2025 and 2024, respectively), at cost	(432,809)	(328,078)
Retained earnings	6,357,488	5,980,826
Accumulated other comprehensive loss	(159,447)	(509,269)
Total shareholders' equity	<u>6,400,731</u>	<u>5,761,151</u>
Noncontrolling interests	74,888	70,377
Total equity	<u>6,475,619</u>	<u>5,831,528</u>
Total liabilities and equity	<u>\$ 24,526,488</u>	<u>\$ 21,757,707</u>

See accompanying notes.

ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended	
	September 27, 2025	September 28, 2024
Cash flows from operating activities:		
Consolidated net income:	\$ 376,148	\$ 293,619
Adjustments to reconcile consolidated net income to net cash (used for) provided by operations:		
Depreciation and amortization	103,765	123,356
Amortization of stock-based compensation	20,448	30,187
Equity in earnings of affiliated companies	(1,124)	(1,912)
Deferred income taxes	5,185	(20,287)
Loss on extinguishment of debt	—	1,657
(Gain) loss on investments, net	(109,435)	925
Other	(77)	4,346
Change in assets and liabilities, net of effects of acquired businesses:		
Accounts receivable, net	(2,292,091)	512,394
Inventories	65,225	662,685
Accounts payable	1,871,455	(687,015)
Accrued expenses	(94,367)	189,537
Other assets and liabilities	(81,033)	(305,543)
Net cash (used for) provided by operating activities	<u>(135,901)</u>	<u>803,949</u>
Cash flows from investing activities:		
Acquisition of property, plant, and equipment	(73,873)	(70,155)
Proceeds from settlement of net investment hedges	24,858	10,635
Proceeds from sale of investments in equity securities	100,000	—
Other	—	6,494
Net cash provided by (used for) investing activities	<u>50,985</u>	<u>(53,026)</u>
Cash flows from financing activities:		
Change in short-term and other borrowings	9,852	(595,069)
Proceeds from long-term bank borrowings, net	338,223	60,158
Redemption of notes	(350,000)	(1,000,000)
Net proceeds from note offering	—	989,564
Proceeds from exercise of stock options	3,427	5,353
Repurchases of common stock	(110,779)	(214,352)
Other	(148)	(1,040)
Net cash used for financing activities	<u>(109,425)</u>	<u>(755,386)</u>
Effect of exchange rate changes on cash	219,146	34,410
Net increase in cash and cash equivalents	24,805	29,947
Cash and cash equivalents at beginning of period	188,807	218,053
Cash and cash equivalents at end of period	<u>\$ 213,612</u>	<u>\$ 248,000</u>

See accompanying notes.

ARROW ELECTRONICS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)
(Unaudited)

	Common Stock at Par Value	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance at December 31, 2024	\$ 55,592	\$ 562,080	\$(328,078)	\$5,980,826	\$ (509,269)	\$ 70,377	\$5,831,528
Consolidated net income	—	—	—	79,720	—	144	79,864
Other comprehensive income	—	—	—	—	124,084	1,891	125,975
Amortization of stock-based compensation	—	18,559	—	—	—	—	18,559
Shares issued for stock-based compensation awards	195	(2,849)	3,558	—	—	—	904
Repurchases of common stock	—	—	(59,413)	—	—	—	(59,413)
Balance at March 29, 2025	\$ 55,787	\$ 577,790	\$(383,933)	\$6,060,546	\$ (385,185)	\$ 72,412	\$5,997,417
Consolidated net income (loss)	—	—	—	187,749	—	(727)	187,022
Other comprehensive income	—	—	—	—	257,932	3,647	261,579
Amortization of stock-based compensation	—	11,641	—	—	—	—	11,641
Shares issued for stock-based compensation awards	28	49	2,222	—	—	—	2,299
Repurchases of common stock	—	—	(50,736)	—	—	—	(50,736)
Distributions	—	—	—	—	—	(148)	(148)
Balance at June 28, 2025	\$ 55,815	\$ 589,480	\$(432,447)	\$6,248,295	\$ (127,253)	\$ 75,184	\$6,409,074
Consolidated net income	—	—	—	109,193	—	69	109,262
Other comprehensive loss	—	—	—	—	(32,194)	(365)	(32,559)
Amortization of stock-based compensation	—	(9,752)	—	—	—	—	(9,752)
Shares issued for stock-based compensation awards	12	(56)	268	—	—	—	224
Repurchases of common stock	—	—	(630)	—	—	—	(630)
Balance at September 27, 2025	\$ 55,827	\$ 579,672	\$(432,809)	\$6,357,488	\$ (159,447)	\$ 74,888	\$6,475,619

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	Common Stock at Par Value	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance at December 31, 2023	\$ 57,691	\$ 553,340	\$(297,745)	\$5,790,217	\$ (298,039)	\$ 71,843	\$5,877,307
Consolidated net income (loss)	—	—	—	83,601	—	(503)	83,098
Other comprehensive loss	—	—	—	—	(94,091)	(1,148)	(95,239)
Amortization of stock-based compensation	—	13,447	—	—	—	—	13,447
Shares issued for stock-based compensation awards	264	(1,621)	4,286	—	—	—	2,929
Repurchases of common stock	—	—	(112,204)	—	—	—	(112,204)
Balance at March 30, 2024	\$ 57,955	\$ 565,166	\$(405,663)	\$5,873,818	\$ (392,130)	\$ 70,192	\$5,769,338
Consolidated net income	—	—	—	108,698	—	926	109,624
Other comprehensive loss	—	—	—	—	(23,536)	(230)	(23,766)
Amortization of stock-based compensation	—	8,253	—	—	—	—	8,253
Shares issued for stock-based compensation awards	91	1,111	637	—	—	—	1,839
Repurchases of common stock	—	—	(51,097)	—	—	—	(51,097)
Distributions	—	—	—	—	—	(141)	(141)
Balance at June 29, 2024	\$ 58,046	\$ 574,530	\$(456,123)	\$5,982,516	\$ (415,666)	\$ 70,747	\$5,814,050
Consolidated net income	—	—	—	100,567	—	330	100,897
Other comprehensive income	—	—	—	—	161,206	1,903	163,109
Amortization of stock-based compensation	—	8,487	—	—	—	—	8,487
Shares issued for stock-based compensation awards	13	(445)	1,017	—	—	—	585
Repurchases of common stock	—	—	(51,051)	—	—	—	(51,051)
Balance at September 28, 2024	\$ 58,059	\$ 582,572	\$(506,157)	\$6,083,083	\$ (254,460)	\$ 72,980	\$6,036,077

See accompanying notes.

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ARROW ELECTRONICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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ARROW ELECTRONICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note A – Basis of Presentation

The accompanying consolidated financial statements of Arrow Electronics, Inc. (the “company”) were prepared in accordance with GAAP and reflect all adjustments of a normal recurring nature, which are, in the opinion of management, necessary for a fair presentation of the consolidated financial position and results of operations at, and for the periods presented. The consolidated results of operations for the interim periods are not necessarily indicative of results for the full year.

These consolidated financial statements do not include all of the information or notes necessary for a complete presentation and, accordingly, should be read in conjunction with the company’s audited consolidated financial statements and accompanying notes for the year ended December 31, 2024, as filed in the company’s Annual Report on Form 10-K.

Quarter End

The company operates on a quarterly calendar that closes on the Saturday closest to the end of the calendar quarter, except for the fourth quarter, which closes on December 31, 2025.

Reclassification

Certain prior period amounts were reclassified to conform to the current period presentation. These reclassifications did not have a material impact on previously reported amounts.

Note B – Impact of Recently Issued Accounting Standards

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. This ASU requires entities to disaggregate expense items in the notes to the financial statements and requires disclosure of specified information related to purchases of inventory, employee compensation, depreciation, and intangible asset amortization. The amendments in this ASU are effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Companies have the option to apply the guidance either on a retrospective or prospective basis, and early adoption is permitted. The company is currently evaluating the impact of the ASU on its condensed consolidated financial statements and related disclosures. In January 2025, the FASB issued ASU No. 2025-01, *Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*. This ASU amends the effective date of ASU No. 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption of ASU No. 2024-03 is permitted. The company does not currently anticipate adopting these amendments early.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. Upon adoption of this ASU, the company will disclose specific new categories in its income tax rate reconciliation and provide additional information for reconciling items above a quantitative threshold. The company will also disclose the amount of income taxes paid disaggregated by federal, state, and foreign taxes, and also disaggregated by individual jurisdictions in which income taxes paid were above a threshold. The company expects these amendments will first be applied in the company’s annual report on Form 10-K for the fiscal year ending December 31, 2025, on a prospective basis.

ARROW ELECTRONICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note C – Goodwill and Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets acquired. The company tests goodwill and other indefinite-lived intangible assets for impairment annually as of the first day of the fourth quarter, or more frequently if indicators of potential impairment exist.

Goodwill of companies acquired, allocated to the company's reportable segments, is as follows:

(thousands)	Global Components	Global ECS	Total
Balance as of December 31, 2024 (a)	\$ 902,445	\$ 1,152,850	\$ 2,055,295
Foreign currency translation adjustment	16,501	45,221	61,722
Balance as of September 27, 2025 (a)	\$ 918,946	\$ 1,198,071	\$ 2,117,017

(a) The total carrying value of goodwill as of September 27, 2025 and December 31, 2024, in the table above is reflected net of \$1.6 billion of accumulated impairment charges, of which \$1.3 billion was recorded in the global components segment and \$301.9 million was recorded in the global ECS segment.

Intangible assets, net, are comprised of the following as of September 27, 2025:

(thousands)	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	\$ 192,700	\$ (122,373)	\$ 70,327
Amortizable trade name	74,001	(62,542)	11,459
	\$ 266,701	\$ (184,915)	\$ 81,786

Intangible assets, net, are comprised of the following as of December 31, 2024:

(thousands)	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	\$ 215,366	\$ (133,927)	\$ 81,439
Amortizable trade name	74,001	(58,734)	15,267
	\$ 289,367	\$ (192,661)	\$ 96,706

During the third quarter of 2025 and 2024, the company recorded amortization expense related to identifiable intangible assets of \$4.8 million and \$7.3 million, respectively. During the first nine months of 2025 and 2024, amortization expense related to identifiable intangible assets was \$15.0 million and \$22.3 million, respectively.

ARROW ELECTRONICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note D – Investments in Affiliated Companies

The company owns a 50% interest in two joint ventures with Marubun Corporation (collectively “Marubun/Arrow”) and a 50% interest in one other joint venture. These investments are accounted for using the equity method.

The following table presents the company’s investment in affiliated companies:

(thousands)	September 27, 2025	December 31, 2024
Marubun/Arrow	\$ 43,583	\$ 43,851
Other	14,553	13,448
	<u>\$ 58,136</u>	<u>\$ 57,299</u>

The equity in earnings of affiliated companies consists of the following:

(thousands)	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Marubun/Arrow	\$ 189	\$ 528	\$ 254	\$ 614
Other	274	474	870	1,298
	<u>\$ 463</u>	<u>\$ 1,002</u>	<u>\$ 1,124</u>	<u>\$ 1,912</u>

Under the terms of various joint venture agreements, the company is required to pay its pro-rata share of the third-party debt of the joint ventures in the event that the joint ventures are unable to meet their obligations. There were no outstanding borrowings under the third-party debt agreements of the joint ventures as of September 27, 2025 and December 31, 2024.

In the second quarter of 2025, the company sold an investment in certain equity securities for \$100.0 million and recorded a gain on investments of \$99.0 million. This investment was previously accounted for as equity securities without a readily determinable fair value.

Note E – Accounts Receivable

Accounts receivable, net, consists of the following:

(thousands)	September 27, 2025	December 31, 2024
Accounts receivable	\$ 15,782,917	\$ 13,147,436
Allowance for credit losses	(126,101)	(116,445)
Accounts receivable, net	<u>\$ 15,656,816</u>	<u>\$ 13,030,991</u>

Accounts receivable includes balances related to inventory purchased by the company as part of its global components supply chain services offerings. In these transactions, the company acts as an agent for its customers, and consequently, the receivables are disproportionate to the fees the company recognizes as revenue for its services. The company generally carries corresponding accounts payables on its balance sheet with some differences due to timing of settlement.

ARROW ELECTRONICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The following table is a rollforward for the company's allowance for credit losses:

(thousands)	Nine Months Ended	
	September 27, 2025	September 28, 2024
Balance at beginning of period	\$ 116,445	\$ 146,480
Charged (credited) to income	14,817	(16,866)
Translation adjustments	4,183	(102)
Write-offs	(9,344)	(26,447)
Balance at end of period	\$ 126,101	\$ 103,065

The company monitors the current credit condition of its customers in estimating the expected credit losses and has not experienced significant changes in customers' payment trends or significant deterioration in customers' credit risk as of September 27, 2025. For the first nine months ended September 28, 2024, the net benefit recorded to income of \$16.9 million includes a \$20.0 million reversal of an allowance previously recorded in the global ECS segment for aged receivables that were collected during the second quarter of 2024.

EMEA Asset Securitization

The company has an EMEA asset securitization program under which it continuously sells its interest in designated pools of trade accounts receivable of certain of its subsidiaries in the EMEA region at a discount to a special purpose entity, which in turn sells certain of the receivables to unaffiliated financial institutions and conduits administered by such unaffiliated financial institutions ("unaffiliated financial institutions") on a monthly basis. The company may sell up to €600.0 million under the EMEA asset securitization program, which matures in December 2027, subject to extension in accordance with its terms. The program is conducted through Arrow EMEA Funding Corp B.V., an entity structured to be bankruptcy remote. The company is deemed the primary beneficiary of Arrow EMEA Funding Corp B.V. as the company has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive the benefits that could potentially be significant to the entity from the transfer of the trade accounts receivable into the special purpose entity. Accordingly, Arrow EMEA Funding Corp B.V. is included in the company's consolidated financial statements.

Sales of accounts receivable to unaffiliated financial institutions under the EMEA asset securitization program:

(thousands)	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
EMEA asset securitization, sales of accounts receivable	\$ 411,163	\$ 437,052	\$ 1,199,954	\$ 1,454,711

Receivables sold to unaffiliated financial institutions under the program are excluded from "Accounts receivable, net" on the company's consolidated balance sheets, and cash receipts are reflected in the "Cash flows from operating activities" section of the consolidated statements of cash flows. The purchase price is paid in cash when the receivables are sold. Certain unsold receivables held by Arrow EMEA Funding Corp B.V. are pledged as collateral to unaffiliated financial institutions. These unsold receivables are included in "Accounts receivable, net" on the company's consolidated balance sheets.

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The company continues servicing the receivables which were sold and in exchange receives a servicing fee under the program. The company does not record a servicing asset or liability on the company's consolidated balance sheets as the company estimates that the fee it receives to service these receivables approximates the fair market compensation to provide the servicing activities.

Other amounts related to the EMEA asset securitization program are set forth below:

(thousands)	September 27, 2025	December 31, 2024
Receivables sold to unaffiliated financial institutions that were uncollected	\$ 331,071	\$ 339,669
Collateralized accounts receivable held by Arrow EMEA Funding Corp B.V.	655,844	528,975

Any accounts receivable held by Arrow EMEA Funding Corp B.V. would likely not be available to other creditors of the company in the event of bankruptcy or insolvency proceedings if there are outstanding balances under the EMEA asset securitization program. The assets of the special purpose entity cannot be used by the company for general corporate purposes. Additionally, the financial obligations of Arrow EMEA Funding Corp B.V. to the unaffiliated financial institutions under the program are limited to the assets it owns and there is no recourse to Arrow Electronics, Inc. for receivables that are uncollectible as a result of an account debtor's insolvency or inability to pay.

The EMEA asset securitization program includes terms and conditions that limit the incurrence of additional borrowings and require that certain financial ratios be maintained at designated levels. As of September 27, 2025, the company was in compliance with all such financial covenants.

Factoring

In the normal course of business, certain of the company's subsidiaries have factoring agreements to sell, with limited or no recourse, selected trade accounts receivable to financial institutions and accounts for these transactions as sales of the related receivables. The receivables are excluded from "Accounts receivable, net" on the company's consolidated balance sheets and cash receipts are reflected in the "Cash flows from operating activities" section on the consolidated statements of cash flows. The company typically does not retain financial or legal interests in these receivables. Factoring fees for the sales of accounts receivables are included in "Interest and other financing expense, net" in the consolidated statements of operations. The company continues servicing the receivables which were sold.

Sales of trade accounts receivable under the company's factoring programs:

(thousands)	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Sales of accounts receivable under the factoring programs	\$ 206,328	\$ 238,388	\$ 758,693	\$ 686,309

Other amounts under the company's factoring programs:

(thousands)	September 27, 2025	December 31, 2024
Receivables sold under the factoring programs that were uncollected	\$ 236,648	\$ 182,432

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Note F – Supplier Finance Programs

At the request of certain of the company's suppliers, the company has entered into agreements ("supplier finance programs") with third-party finance providers, which facilitate the participating suppliers' ability to sell their receivables from the company to the third-party financial institutions, at the sole discretion of the suppliers. For agreeing to participate in these programs, the company seeks to secure improved standard payment terms with its suppliers. The company is not involved in negotiating terms of the arrangements between its suppliers and the financial institutions and has no economic interest in a supplier's decision to enter into these agreements or sell receivables from the company. The company's rights and obligations to its suppliers, including amounts due, are not impacted by suppliers' decisions to sell amounts under the arrangements. However, the company agrees to make all payments to the third-party financial institutions, and the company's right to offset balances due from suppliers against payment obligations is restricted by the agreements for those payment obligations that have been sold by suppliers. As of September 27, 2025, and December 31, 2024, the company had \$715.7 million and \$1.3 billion, respectively, in obligations outstanding under these programs included in "Accounts payable" on the company's consolidated balance sheets and all activity related to the obligations is presented within operating activities on the consolidated statements of cash flows.

Note G – Debt

Short-term borrowings, including current portion of long-term debt, consist of the following:

(thousands)	September 27, 2025	December 31, 2024
4.00% notes, due April 2025	\$ —	\$ 349,808
Other short-term borrowings	10,818	170
	<u>\$ 10,818</u>	<u>\$ 349,978</u>

The company has \$500.0 million in uncommitted lines of credit. There were no outstanding borrowings under the uncommitted lines of credit at September 27, 2025 and December 31, 2024. The maturity for borrowings is generally short term and is agreed upon with lenders at the time of each borrowing. The uncommitted lines of credit had a weighted-average effective interest rate of 4.79% and 5.18% at September 27, 2025 and December 31, 2024, respectively.

The company has a commercial paper program, and the maximum aggregate balance of commercial paper outstanding may not exceed the borrowing capacity of \$1.2 billion. Amounts outstanding under the commercial paper program are backstopped by available commitments under the company's revolving credit facility. The company had no outstanding borrowings under this program at September 27, 2025 and December 31, 2024. The commercial paper program had a weighted-average effective interest rate of 4.74% and 5.21% at September 27, 2025 and December 31, 2024, respectively.

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Long-term debt consists of the following:

(thousands)	September 27, 2025	December 31, 2024
Revolving credit facility	\$ —	\$ 30,000
North American asset securitization program	1,005,000	633,000
7.50% senior debentures, due 2027	110,327	110,266
3.875% notes, due 2028	498,301	497,775
5.15% notes, due 2029	495,904	495,209
2.95% notes, due 2032	495,991	495,576
5.875% notes, due 2034	495,317	494,986
Other obligations with various interest rates and due dates	17,828	16,971
	<u>\$ 3,118,668</u>	<u>\$ 2,773,783</u>

The 7.50% senior debentures are not redeemable prior to their maturity. All other notes may be called at the option of the company subject to “make whole” clauses.

The estimated fair market value of long-term debt, using quoted market prices, is as follows:

(thousands)	September 27, 2025	December 31, 2024
7.50% senior debentures, due 2027	\$ 114,500	\$ 115,000
3.875% notes, due 2028	494,000	481,500
5.15% notes, due 2029	511,000	498,000
2.95% notes, due 2032	446,000	426,000
5.875% notes, due 2034	522,500	502,500

The carrying amount of the company’s other short-term borrowings, North American asset securitization program and other obligations approximate their fair value.

The company has a \$2.0 billion revolving credit facility that may be used by the company for general corporate purposes including working capital in the ordinary course of business, letters of credit, repayment, prepayment or purchase of long-term indebtedness, acquisitions, and as support for the company’s commercial paper program, as applicable. In June 2025, the company amended its revolving credit facility and, among other things, extended its term to mature in June 2030. Interest on borrowings under the revolving credit facility is calculated using a base rate or SOFR, plus a spread (1.08% at September 27, 2025), which is based on the company’s credit ratings, or a weighted-average effective interest rate of 5.34% at September 27, 2025. The effective interest rate was 5.48% at December 31, 2024. The facility fee, which is based on the company’s credit ratings, was 0.175% of the total borrowing capacity at September 27, 2025. The company had no outstanding borrowings and \$30.0 million in outstanding borrowings under the revolving credit facility at September 27, 2025 and December 31, 2024, respectively.

The company has a North American asset securitization program collateralized by accounts receivable of certain of its subsidiaries. The company may borrow up to \$1.5 billion under the program which matures in September 2027. The program is conducted through AFC, a wholly-owned, bankruptcy-remote subsidiary. The North American asset securitization program does not qualify for sale treatment. Accordingly, the accounts receivable and related debt obligation remain on the company’s consolidated balance sheets. Interest on borrowings is calculated using a base rate plus a spread (0.40% at September 27, 2025) and a credit spread adjustment of 0.10% or an effective interest rate of 4.66% at September 27, 2025. The effective interest rate was 4.83% at December 31, 2024. The facility fee is 0.40% of the total borrowing capacity.

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The company had \$1.0 billion and \$633.0 million in outstanding borrowings under the North American asset securitization program at September 27, 2025 and December 31, 2024, respectively, which was included in “Long-term debt” on the company’s consolidated balance sheets. Total collateralized accounts receivable of approximately \$2.7 billion and \$3.0 billion were held by AFC and were included in “Accounts receivable, net” on the company’s consolidated balance sheets at September 27, 2025 and December 31, 2024, respectively. Any accounts receivable held by AFC would likely not be available to other creditors of the company in the event of bankruptcy or insolvency proceedings of the company before repayment of any outstanding borrowings under the North American asset securitization program.

Both the revolving credit facility and North American asset securitization program include terms and conditions that limit the incurrence of additional borrowings and require that certain financial ratios be maintained at designated levels. As of September 27, 2025, the company was in compliance with all such financial covenants.

In the second quarter of 2025, the company repaid in full the \$350.0 million principal amount of its 4.00% notes due April 2025.

Interest and dividend income of \$9.9 million and \$28.4 million for the third quarter and first nine months of 2025, respectively, and \$10.3 million and \$44.6 million for the third quarter and first nine months of 2024, respectively, were recorded in “Interest and other financing expense, net” within the company’s consolidated statements of operations.

Note H – Financial Instruments Measured at Fair Value

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The company utilizes a fair value hierarchy, which maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The fair value hierarchy has three levels of inputs that may be used to measure fair value:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 Quoted prices in markets that are not active; or other inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable.

The following table presents assets measured at fair value on a recurring basis at September 27, 2025:

(thousands)	<u>Balance Sheet Location</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash equivalents (a)	Cash and cash equivalents	\$ 12,816	\$ —	\$ —	\$ 12,816
Equity investments (b)	Other assets	42,211	—	—	42,211
Foreign exchange contracts designated as net investment hedges	Other assets / other current assets	—	16,192	—	16,192
		<u>\$ 55,027</u>	<u>\$ 16,192</u>	<u>\$ —</u>	<u>\$ 71,219</u>

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The following table presents assets measured at fair value on a recurring basis at December 31, 2024:

(thousands)	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Cash equivalents (a)	Cash and cash equivalents	\$ 10,751	\$ —	\$ —	\$ 10,751
Equity investments (b)	Other assets	42,907	—	—	42,907
Foreign exchange contracts designated as net investment hedges	Other assets / other current assets	—	53,679	—	53,679
		<u>\$ 53,658</u>	<u>\$ 53,679</u>	<u>\$ —</u>	<u>\$ 107,337</u>

(a) Cash equivalents include highly liquid investments with an original maturity of less than three months.

(b) The company has an approximately 9.0% equity ownership interest in Marubun Corporation and a portfolio of mutual funds with quoted market prices. The company recorded unrealized gains of \$3.6 million and \$4.1 million for the third quarter and first nine months of 2025, respectively, on equity securities held at the end of the quarter. The company recorded unrealized gains (losses) of \$1.6 million and (\$8.5) million for the third quarter and first nine months of 2024, respectively, on equity securities held at the end of the quarter.

Assets and liabilities that are measured at fair value on a nonrecurring basis relate primarily to goodwill, and identifiable intangible assets (see Note C). The company tests these assets for impairment if indicators of potential impairment exist or at least annually if indefinite-lived.

Derivative Instruments

The company uses various financial instruments, including derivative instruments, for purposes other than trading. Certain derivative instruments are designated at inception as hedges and assessed for effectiveness both at inception and on an ongoing basis. Derivative instruments not designated as hedges are carried at fair value on the consolidated balance sheets with changes in fair value recognized in earnings.

Interest Rate Swaps

The company manages the risk of variability in interest rates of future expected debt issuances by entering into various forward-starting interest rate swaps, designated as cash flow hedges. Changes in fair value of interest rate swaps designated as cash flow hedges are recorded in the shareholders' equity section in the company's consolidated balance sheets in "Accumulated other comprehensive loss" and will be reclassified into income over the life of the anticipated debt issuance or in the period the hedged forecasted cash flows are deemed no longer probable to occur. Reclassified gains and losses are recorded within the line item "Interest and other financing expense, net" in the consolidated statements of operations.

The fair value of interest rate swaps are estimated using a discounted cash flow analysis on the expected cash flows of each derivative using observable inputs including interest rate curves and credit spreads.

The company occasionally enters into interest rate swap transactions, designated as fair value hedges, that convert certain fixed-rate debt to variable-rate debt in order to manage its targeted mix of fixed- and floating-rate debt. For qualifying interest rate fair value hedges, gains or losses on derivatives are included in "Interest and other financing expense, net" in the consolidated statements of operations. The change in fair value of the hedged item attributable to the risk being hedged is reported as an adjustment to its carrying value and is also included in "Interest and other financing expense, net."

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Foreign Exchange Contracts

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 the product. The company enters into foreign exchange forward, option, or swap contracts (collectively, the "foreign exchange contracts") to facilitate the hedging of foreign currency exposures, denominated primarily in Euros and Indian Rupees, resulting from inventory purchases and sales and mitigate the impact of changes in foreign currency exchange rates related to these transactions. Foreign exchange contracts generally have terms of no more than six months. The company does not enter into foreign exchange contracts for trading purposes. The risk of loss on a foreign exchange contract is the risk of nonperformance by the counterparties, which the company minimizes by limiting its counterparties to major financial institutions. The fair value of the foreign exchange contracts is estimated using foreign currency spot rates and forward rates quotes by third-party financial institutions. The notional amount of the foreign exchange contracts inclusive of foreign exchange contracts designated as a net investment hedge at September 27, 2025 and December 31, 2024, was \$1.1 billion.

Gains and losses related to non-designated foreign currency exchange contracts are recorded in "Cost of sales" on the company's consolidated statements of operations. Gains and losses related to foreign currency exchange contracts designated as cash flow hedges are recorded in "Cost of sales," "Selling, general, and administrative," and "Interest and other financing expense, net" based upon the nature of the underlying hedged transaction, on the company's consolidated statements of operations. Gains or losses on these contracts are deferred and recognized when the underlying future purchase or sale is recognized or when the corresponding asset or liability is revalued, and were not material to the financial statements for the periods presented.

The following foreign exchange contracts were designated as net investment hedges, hedging a portion of the company's net investments in subsidiaries with Euro-denominated net assets:

<u>Maturity Date</u>	<u>Notional Amount (thousands)</u>			
	<u>September 27, 2025</u>		<u>December 31, 2024</u>	
April 2025	EUR	—	EUR	100,000
January 2028	EUR	100,000	EUR	100,000
	EUR	100,000	EUR	200,000

The change in the fair value of derivatives designated as net investment hedges are recorded in foreign currency translation adjustments within "Accumulated other comprehensive loss" on the company's consolidated balance sheets. Amounts excluded from the assessment of hedge effectiveness are included in "Interest and other financing expense, net" on the company's consolidated statements of operations.

During the second quarter of 2025, two foreign exchange contracts designated as net investment hedges matured and the company received \$24.9 million, which is reported in the "Cash flow from investing activities" section of the consolidated statements of cash flows.

During the third quarter of 2024, a foreign exchange contract designated as a net investment hedge matured and the company received \$10.6 million, which is reported in the "Cash flows from investing activities" section of the consolidated statements of cash flows.

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The effects of derivative instruments on the company's consolidated statements of operations and other comprehensive income are as follows:

(thousands)	Income Statement Line	Quarter Ended		Nine Months Ended	
		September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Gain Recognized in Income					
Foreign exchange contracts, net investment hedge (a)	Interest Expense	\$ 671	\$ 1,722	\$ 2,759	\$ 5,330
Interest rate swaps, cash flow hedge	Interest Expense	565	449	1,672	51
Interest rate swap, fair value hedge (b)	Interest Expense	—	—	—	454
		<u>\$ 1,236</u>	<u>\$ 2,171</u>	<u>\$ 4,431</u>	<u>\$ 5,835</u>
Gain (Loss) Recognized in Other Comprehensive Income (Loss) before reclassifications, net of tax					
Foreign exchange contracts, net investment hedge (c)		\$ 951	\$ (5,110)	\$ (9,616)	\$ 2,610
Interest rate swaps, cash flow hedges		—	(684)	—	(684)
		<u>\$ 951</u>	<u>\$ (5,794)</u>	<u>\$ (9,616)</u>	<u>\$ 1,926</u>

- (a) Represents derivative amounts excluded from the assessment of effectiveness for the net investment hedges reclassified from foreign currency translation adjustments to "Interest and other financing expense, net".
- (b) The cumulative amount of fair value hedging adjustments to the carrying value of hedged debt instruments totaled a loss of \$0.4 million for first quarter of 2024. During the first quarter of 2024, the fair value hedge was terminated.
- (c) Includes derivative gains (losses) of \$0.8 million and (\$10.0) million for the third quarter and first nine months of 2025, respectively, and (\$3.5) million and (\$2.1) million for the third quarter and first nine months of 2024, respectively, which were excluded from the assessment of effectiveness for the net investment hedges and recognized in other comprehensive income (loss), net of tax.

Other

The carrying amount of "Cash and cash equivalents", "Accounts receivable, net", and "Accounts payable" approximate their fair value due to the short maturities of these financial instruments.

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Note I – Restructuring, Integration, and Other

The following table presents the components of the restructuring, integration, and other charges:

(thousands)	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Restructuring, integration and related costs				
Operating Expense Efficiency Plan costs (a)	\$ 34,628	\$ —	\$ 63,259	\$ —
Other plans	170	741	2,053	841
Other expenses				
Operating expense reduction costs not related to restructuring initiatives (b)	(1,382)	31,895	546	107,503
Early lease termination costs	215	289	1,546	6,814
Other charges	2,017	1,541	7,476	6,701
	\$ 35,648	\$ 34,466	\$ 74,880	\$ 121,859

(a) See details related to the Operating Expense Efficiency Plan discussed below.

(b) Primarily related to employee severance and benefit costs. As of September 27, 2025, the accrued liabilities related to these costs totaled \$20.0 million and substantially all accrued amounts are expected to be spent in cash within two years.

Operating Expense Efficiency Plan

On October 31, 2024, in response to evolving business needs and as part of an initiative to optimize operating expenses, the company announced a multi-year restructuring plan (the “Operating Expense Efficiency Plan” or “the Plan”). The Plan is designed to improve operational efficiency through the following measures: (i) reorganizing and consolidating certain areas of the company’s operations to centralize functions and streamline resources, with a focus on more cost-efficient regions; (ii) enhancing warehouse and logistics operations; (iii) investing in information technology to support automation and process improvements; (iv) consolidating the company’s global real estate footprint; (v) reducing third-party spending; and (vi) winding down certain non-core businesses that are not aligned with the company’s strategic objectives. The company expects to substantially complete the Plan by the end of fiscal year 2026, subject to, among other things, local legal and consultation requirements.

Under the Plan, the company anticipates to incur pre-tax restructuring charges of approximately \$185.0 million. While the composition of these costs will continue to evolve over time, the company currently expects to incur approximately \$80.0 million of employee severance and other personnel cash expenditures; approximately \$75.0 million of non-cash asset impairments, inventory write-downs and foreign currency translation adjustment write-offs related to the wind down of certain business operations; and approximately \$30.0 million of other related cash expenditures. As a result of the company’s philosophy of maximizing operating efficiencies through the centralization of certain functions, restructuring, integration, and related costs are included in the corporate line item for management and segment reporting as they are not attributable to the individual reportable segments.

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The following table presents the costs related to the Operating Expense Efficiency Plan:

(thousands)	Income Statement Line	Quarter Ended September 27, 2025	Nine Months Ended September 27, 2025	Total Cost Incurred to Date
Employee severance and benefit costs	Restructuring, integration, and other	\$ 28,334	\$ 47,747	\$ 49,095
Inventory (recoveries) write-downs	Cost of sales	(1,989)	(6,628)	43,716
Asset impairments	Restructuring, integration, and other	-	-	1,416
Other costs (a)	Restructuring, integration, and other	6,294	15,512	23,027
		<u>\$ 32,639</u>	<u>\$ 56,631</u>	<u>\$ 117,254</u>

(a) Other costs consist primarily of consulting and other professional fees, early lease termination fees, and foreign currency translation adjustment write-offs.

The following table presents the activity in the restructuring, integration, and other accruals related to the Operating Expense Efficiency Plan:

(thousands)	Employee Severance and Benefit Costs	Inventory Recoveries	Other Costs	Total
Balance at December 31, 2024	\$ 384	\$ -	\$ 202	\$ 586
Restructuring related charges	47,747	(6,628)	15,512	56,631
Cash (payments) receipts	(15,195)	6,628	(14,345)	(22,912)
Foreign currency translations	979	-	79	1,058
Balance at September 27, 2025	<u>\$ 33,915</u>	<u>\$ -</u>	<u>\$ 1,448</u>	<u>\$ 35,363</u>

Substantially all amounts accrued at September 27, 2025 related to the Operating Expense Efficiency Plan are expected to be paid in cash within one year.

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Note J – Net Income per Share

Basic net income per share is computed by dividing net income attributable to shareholders by the weighted-average number of common shares outstanding for the period. Diluted net income per share reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock. The dilutive effect of equity awards is calculated using the treasury stock method.

The following table presents the computation of net income per share on a basic and diluted basis:

	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
(thousands except per share data)				
Net income attributable to shareholders	\$ 109,193	\$ 100,567	\$ 376,662	\$ 292,866
Weighted-average shares outstanding - basic	51,695	53,010	51,935	53,476
Net effect of various dilutive stock-based compensation awards	446	465	446	523
Weighted-average shares outstanding - diluted	52,141	53,475	52,381	53,999
Net income per share:				
Basic	\$ 2.11	\$ 1.90	\$ 7.25	\$ 5.48
Diluted (a)	\$ 2.09	\$ 1.88	\$ 7.19	\$ 5.42
(a) Equity awards excluded from diluted net income per share as their effect would have been anti-dilutive	1	-	38	21

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Note K – Shareholders’ Equity

Accumulated Other Comprehensive Income (Loss)

The following table presents the changes in Accumulated other comprehensive loss, excluding noncontrolling interests:

(thousands)	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Foreign Currency Translation Adjustment and Other:				
Other comprehensive (loss) income before reclassifications (a)	\$ (32,101)	\$ 168,947	\$ 360,249	\$ 46,708
Amounts reclassified into income	242	24	3,616	(50)
Gain (loss) on Foreign Exchange Contracts Designated as Net Investment Hedges, Net:				
Other comprehensive income (loss) before reclassifications (b)	951	(5,110)	(9,616)	2,610
Amounts reclassified into income	(511)	(1,312)	(2,100)	(4,056)
Loss on Interest Rate Swaps Designated as Cash Flow Hedges, Net:				
Other comprehensive loss before reclassifications (b)	—	(684)	—	(684)
Amounts reclassified into income	(430)	(342)	(1,273)	(39)
Post-retirement Expense Items, Net:				
Amounts reclassified into income	(345)	(317)	(1,054)	(910)
Net change in Accumulated other comprehensive (loss) income	\$ (32,194)	\$ 161,206	\$ 349,822	\$ 43,579

(a) Foreign currency translation adjustment includes intra-entity foreign currency transactions that are of a long-term investment nature of \$1.1 million and \$35.7 million for the third quarter and first nine months of 2025, and \$12.2 million and \$3.2 million for the third quarter and first nine months of 2024, respectively.

(b) For additional information related to net investment hedges and interest rate swaps refer to Note H.

Common Stock Outstanding Activity

The following tables set forth the activity in the number of shares outstanding:

(thousands)	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Common stock outstanding at December 31, 2024	55,592	3,420	52,172
Shares issued for stock-based compensation awards	195	(28)	223
Repurchases of common stock	—	528	(528)
Common stock outstanding at March 29, 2025	55,787	3,920	51,867
Shares issued for stock-based compensation awards	28	(23)	51
Repurchases of common stock	—	417	(417)
Common stock outstanding at June 28, 2025	55,815	4,314	51,501
Shares issued for stock-based compensation awards	12	(3)	15
Repurchases of common stock	—	5	(5)
Common stock outstanding at September 27, 2025	55,827	4,316	51,511

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(thousands)	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Common stock outstanding at December 31, 2023	57,691	3,880	53,811
Shares issued for stock-based compensation awards	264	(57)	321
Repurchases of common stock	—	902	(902)
Common stock outstanding at March 30, 2024	57,955	4,725	53,230
Shares issued for stock-based compensation awards	91	(9)	100
Repurchases of common stock	—	385	(385)
Common stock outstanding at June 29, 2024	58,046	5,101	52,945
Shares issued for stock-based compensation awards	13	(11)	24
Repurchases of common stock	—	382	(382)
Common stock outstanding at September 28, 2024	58,059	5,472	52,587

Share Repurchase Program

The following table shows the company's share repurchase program as of September 27, 2025:

Share Repurchase Details by Month of Board Approval (thousands)	Dollar Value Approved for Repurchase	Dollar Value of Shares Repurchased	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program
January 2023	\$ 1,000,000	\$ 776,640	\$ 223,360

The company made no repurchases of its common stock under the company's share repurchase program during the third quarter of 2025. The company repurchased 0.9 million shares of its common stock for \$99.9 million during the first nine months of 2025, under the company's share repurchase program, excluding excise taxes. During the first nine months of 2025, the company accrued \$0.8 million of excise tax, which is recorded within "Treasury stock" on the company's consolidated balance sheets and reduces the share repurchase authorization, as the excise tax is a part of the overall cost of acquiring treasury shares. The company's share repurchase program does not have an expiration date.

Note L – Contingencies**Environmental Matters**

The Company has accrued liabilities of \$22.7 million for ongoing environmental remediation efforts at sites in Huntsville, Alabama (the "Huntsville site") and Norco, California (the "Norco site") at which contaminated soil and groundwater was identified. The contamination related to activities of certain subsidiaries which ended prior to 2000. Remediation efforts began in 2015 and 2003 at the Huntsville site and Norco site, respectively, and are progressing under action plans monitored by local environmental agencies.

Costs are recorded for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. Environmental liabilities are included in "Accrued expenses" and "Other liabilities" on the company's consolidated balance sheets. The company has determined that there is no amount within the environmental liability ranges discussed below that is a better estimate than any other amount, and therefore has recorded the accruals at the minimum amount of the ranges. The liabilities were estimated based on current costs and are not discounted. Environmental costs related to these matters include remediation, project management, regulatory oversight, and investigative and feasibility study activities.

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To date, the company has spent approximately \$9.3 million and \$88.3 million related to environmental costs at the Huntsville site and the Norco site, respectively. The subsequent environmental costs at the Huntsville site are estimated to be between \$5.1 million and \$16.8 million and at the Norco site they are estimated to be between \$17.6 million and \$33.7 million.

The company expects the liabilities associated with such ongoing remediation to be resolved over an extended period of time, with current estimates extending beyond 2040. The accruals for environmental liabilities are adjusted periodically as facts and circumstances change, assessment and remediation efforts progress, or as additional technical or legal information becomes available. Environmental liabilities are difficult to assess and estimate due to various unknown factors such as the timing, extent, and the efficacy of remediation, improvements in remediation technologies, orders by administrative agencies, and the extent to which environmental laws and regulations may change in the future.

To date, the company has recovered approximately \$157.4 million from certain insurance carriers and other responsible parties relating to environmental clean-up matters at these sites and continues to pursue additional recoveries from one insurer related solely to the Huntsville site. The company has not recorded a receivable for any potential future insurance recoveries.

It is reasonably possible that the company will need to adjust the liabilities noted above to reflect the effects of new or additional information, to the extent that such information impacts the costs, timing, or duration of the required actions. Future changes in estimates of the costs, timing, or duration of the required actions could have a material adverse effect on the company's consolidated financial position, results of operations, or cash flows.

Other

From time to time, in the normal course of business, the company may become liable with respect to other pending and threatened litigation, environmental, regulatory, labor, product, and tax matters. While such matters are subject to inherent uncertainties, it is not currently anticipated that any such matters will materially impact the company's consolidated financial position, liquidity, or results of operations.

Note M – Segment and Geographic Information

The company is a global provider of products, services, and solutions to industrial and commercial users of electronic components and enterprise computing solutions. The company organizes its operations by geographic region and global business lines. The company's operating segments reflect the way the chief executive officer (CODM as defined in *ASC 280, Segment Reporting*) reviews financial information, makes operating decisions and assesses business performance. In identifying operating segments, the company also considers its annual budgeting and forecasting process, management reporting structure, the basis on which management compensation is determined, information presented to the Board of Directors, and similarities such as the nature of products, the level of shared products, technology and other resources, and customer base. The company concluded that identifying operating segments by major geographic region within each of the company's major businesses was consistent with the objectives of ASC 280 and it has aggregated geographic operating segments within the global components segment and the global ECS segment based on similar characteristics including long-term financial performance, the nature of services provided, internal process for delivering those services, and types of customers.

In the third quarter of 2025, in conjunction with Sean Kerins's separation from the company, William ("Bill") F. Austen was appointed as the company's Interim President and Chief Executive Officer, and identified as the CODM responsible for reviewing financial information, making operational decisions, and evaluating business performance in a manner consistent with the previous CODM. The transition in CODM did not lead to any changes in the reportable or operating segments.

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The global components segment is enabled by a comprehensive range of value-added capabilities and services, markets, and distributes electronic components to OEMs and EMS providers. The global ECS segment is a leading provider of comprehensive computing solutions and value-added services. The global ECS segment brings broad market access, extensive supplier relationships, scale, and value-added solutions to help its VARs and MSPs meet the needs of their end-users through a portfolio that includes datacenter, cloud, security, and analytics solutions.

The CODM evaluates the performance of both segments based on operating income, as well as monitors sales, gross profit, and operating expenses. This information is used to monitor segment profitability, allocate resources, and make budgeting and forecasting decisions about the segments. The CODM also uses these measures to monitor trends in year over year performance comparisons, sequential quarter performance comparisons, and to compare actual results to forecasts. More disaggregated information about operating expense is generally only reviewed by the CODM on a consolidated basis.

As a result of the company's philosophy of maximizing operating efficiencies through the centralization of certain functions, operating income for the segments excludes unallocated corporate overhead costs, depreciation on corporate fixed assets, and restructuring, integration, and other costs, as they are not attributable to the individual segments and are included in the corporate line item.

Sales, by segment by geographic area, are as follows:

(thousands)	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Sales:				
Components:				
Americas	\$ 1,708,840	\$ 1,638,459	\$ 4,984,932	\$ 4,807,991
EMEA	1,443,607	1,289,786	4,210,552	4,385,787
Asia/Pacific	2,403,945	2,017,814	6,423,528	5,975,729
Global components	\$ 5,556,392	\$ 4,946,059	\$ 15,619,012	\$ 15,169,507
ECS:				
Americas	\$ 1,021,950	\$ 1,033,115	\$ 2,984,638	\$ 2,904,933
EMEA	1,134,199	844,145	3,502,855	2,566,007
Global ECS	\$ 2,156,149	\$ 1,877,260	\$ 6,487,493	\$ 5,470,940
Total	\$ 7,712,541	\$ 6,823,319	\$ 22,106,505	\$ 20,640,447

Sales by country are as follows:

(thousands)	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Sales:				
China and Hong Kong	\$ 1,210,685	\$ 1,039,648	\$ 3,227,276	\$ 3,033,834
Germany	821,256	672,280	2,331,610	2,306,795
Other	3,075,995	2,610,859	9,015,217	8,115,710
Total foreign	\$ 5,107,936	\$ 4,322,787	\$ 14,574,103	\$ 13,456,339
United States	2,604,605	2,500,532	7,532,402	7,184,108
Total	\$ 7,712,541	\$ 6,823,319	\$ 22,106,505	\$ 20,640,447

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Results of operations by segment are as follows:

(thousands)	Quarter Ended			
	September 27, 2025			
	Global Components	Global ECS	Corporate	Consolidated
Sales	\$ 5,556,392	\$ 2,156,149	\$ -	\$ 7,712,541
Cost of sales	4,947,291	1,929,936	-	6,877,227
Gross profit	609,101	226,213	-	835,314
Gross profit margin (a)	11.0 %	10.5 %	-	10.8 %
Operating expenses (b)	411,746	162,469	82,092	656,307
Operating income (loss) (c) (e)	\$ 197,355	\$ 63,744	\$ (82,092)	\$ 179,007
Operating income margin	3.6 %	3.0 %	-	2.3 %

(thousands)	Quarter Ended			
	September 28, 2024			
	Global Components	Global ECS	Corporate	Consolidated
Sales	\$ 4,946,059	\$ 1,877,260	\$ -	\$ 6,823,319
Cost of sales	4,381,599	1,656,892	-	6,038,491
Gross profit	564,460	220,368	-	784,828
Gross profit margin	11.4 %	11.7 %	-	11.5 %
Operating expenses (b)	375,860	144,754	88,952	609,566
Operating income (loss) (c) (d) (e)	\$ 188,600	\$ 75,614	\$ (88,952)	\$ 175,262
Operating income margin	3.8 %	4.0 %	-	2.6 %

(thousands)	Nine Months Ended			
	September 27, 2025			
	Global Components	Global ECS	Corporate	Consolidated
Sales	\$ 15,619,012	\$ 6,487,493	\$ -	\$ 22,106,505
Cost of sales	13,863,512	5,785,030	-	19,648,542
Gross profit	1,755,500	702,463	-	2,457,963
Gross profit margin (a)	11.2 %	10.8 %	-	11.1 %
Operating expenses (b)	1,199,952	464,436	265,429	1,929,817
Operating income (loss) (c) (e)	\$ 555,548	\$ 238,027	\$ (265,429)	\$ 528,146
Operating income margin	3.6 %	3.7 %	-	2.4 %

(thousands)	Nine Months Ended			
	September 28, 2024			
	Global Components	Global ECS	Corporate	Consolidated
Sales	\$ 15,169,507	\$ 5,470,940	\$ -	\$ 20,640,447
Cost of sales	13,334,473	4,816,876	-	18,151,349
Gross profit	1,835,034	654,064	-	2,489,098
Gross profit margin	12.1 %	12.0 %	-	12.1 %
Operating expenses (b)	1,210,671	404,410	300,563	1,915,644
Operating income (loss) (c) (d) (e)	\$ 624,363	\$ 249,654	\$ (300,563)	\$ 573,454
Operating income margin	4.1 %	4.6 %	-	2.8 %

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- (a) Global ECS gross profit margin decreased during the third quarter and first nine months of 2025 compared with the year-earlier periods primarily due to \$21.4 million and \$25.2 million, respectively, in losses related to underperformance of certain non-cancellable multi-year purchase obligations.
- (b) Segment operating expenses primarily include employee-related expenses, depreciation and amortization, and allowance for credit losses.
- (c) Global components operating income includes recoveries of \$2.0 million and \$6.6 million in inventory write-downs related to the wind down of a business for the third quarter and first nine months of 2025, respectively, and a reversal of \$1.9 million and charges of \$10.2 million in inventory write-downs related to the wind down of a business for the third quarter and first nine months of 2024, respectively.
- (d) For the first nine months of 2024, global ECS operating income includes a reversal of \$20.0 million for aged receivables that were collected, related to the same customer, which was taken during the second quarter of 2024.
- (e) Corporate operating loss includes restructuring, integration, and other charges of \$35.6 million and \$74.9 million for the third quarter and first nine months of 2025, respectively, and \$34.5 million and \$121.9 million for the third quarter and first nine months of 2024, respectively. Refer to Note I.

Total assets, by segment, are as follows:

(thousands)	September 27, 2025	December 31, 2024
Total assets:		
Global components	\$ 18,378,473	\$ 14,765,931
Global ECS	5,584,723	6,518,723
Corporate	563,292	473,053
Total	\$ 24,526,488	\$ 21,757,707

Long-lived assets by country are as follows:

(thousands)	September 27, 2025	December 31, 2024
Long-lived assets:		
France	\$ 101,055	\$ 86,268
Netherlands	81,245	78,120
Other	228,704	223,903
Total foreign	\$ 411,004	\$ 388,291
United States	315,769	332,098
Total	\$ 726,773	\$ 720,389

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

Information Relating to Forward-Looking Statements

This report includes “forward-looking statements,” as the term is defined under the federal securities laws. Forward-looking statements are those statements which are not statements of historical or current fact. These forward-looking statements can be identified by forward-looking words such as “expects,” “anticipates,” “intends,” “plans,” “may,” “will,” “would,” “could,” “believes,” “seeks,” “projected,” “potential,” “estimates,” and similar expressions. These forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which could cause actual results or facts to differ materially from such statements for a variety of reasons, including, but not limited to: unfavorable economic conditions; disruptions, shortages, or inefficiencies in the supply chain; trade protection measures, tariffs, increased trade tensions, trade agreements and policies, and other restrictions, duties, and value-added taxes, and the associated macroeconomic impacts; non-compliance with certain regulations, such as trade, export, antitrust, and anti-corruption laws, or regulatory restrictions relating to the company or its subsidiaries or the permissibility of third-parties to transact therewith; the inability to realize sufficient sales to cover non-cancellable purchase obligations under certain ECS distribution agreements; management transitions, including the separation of Mr. Kerins from the company and the appointment of Mr. Austen as the company’s interim president and chief executive officer; the incurrence of additional charges not currently contemplated and failure to realize contemplated cost savings due to unanticipated events that may occur in connection with the implementation of the Operating Expense Efficiency Plan; political instability and changes; impacts of military conflict and sanctions; industry conditions; changes in product supply, pricing and customer demand; competition; other vagaries in the global components and the global ECS markets; deteriorating economic conditions, including economic recession, inflation, tax rates, foreign currency exchange rates, or the availability of capital; the effects of natural or man-made catastrophic events; changes in relationships with key suppliers; increased profit margin pressure; changes in legal and regulatory matters; foreign tax and other loss contingencies; breaches of security or privacy of business information and information system failures, including related to current or future implementations, integrations and upgrades; outbreaks, epidemics, pandemics, or public health crises; executive orders and regulatory trends and the resulting legal and reputational exposure, including but not limited to those relating to environmental, social, governance, cybersecurity, data privacy, and artificial intelligence issues; and the company’s ability to generate positive cash flow. For a further discussion of these and other factors that could cause the company’s future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in this Quarterly Report on Form 10-Q and the company’s most recent Annual Report on Form 10-K, as well as in other filings the company makes with the Securities and Exchange Commission. Shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update publicly or revise any of the forward-looking statements.

Certain Non-GAAP Financial Information

In addition to disclosing financial results that are determined in accordance with GAAP, the company also discloses certain non-GAAP financial information in the sections below captioned “Sales”, “Gross Profit”, “Operating Expenses”, “Operating Income”, “Income Tax”, and “Net Income Attributable to Shareholders”. Refer to these sections below for reconciliations of non-GAAP financial measures to the most directly comparable reported GAAP financial measures. Non-GAAP financial information includes the following:

- Non-GAAP sales exclude the impact of changes in foreign currencies by retranslating prior period results at current period foreign exchange rates.
- Non-GAAP gross profit excludes inventory (recoveries) write-downs related to the wind down of businesses within the global components segment (“impact of wind down to inventory”) and “impact of changes in foreign currencies”.
- Non-GAAP operating expenses exclude identifiable intangible asset amortization, restructuring, integration, and other, and the impact of changes in foreign currencies.
- Non-GAAP operating income excludes identifiable intangible asset amortization, restructuring, integration, and other, and impact of wind down to inventory.

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- Non-GAAP effective tax rate and non-GAAP net income attributable to shareholders exclude identifiable intangible asset amortization, restructuring, integration, and other, impact of wind down to inventory, gain (loss) on investments, net, and impact from tax settlements related to the U.S. federal tax law changes enacted as part of the 2017 Tax Cuts and Jobs Act (“impact of TCJA Tax Act settlements”).

Management believes that providing this additional information is useful to the reader to better assess and understand the company’s operating performance and future prospects in the same manner as management, especially when comparing results with previous periods. Management typically monitors the business as adjusted for these items, in addition to GAAP results, to understand and compare operating results across accounting periods, for internal budgeting purposes, for short-term and long-term operating plans, and to evaluate the company’s financial performance. However, analysis of results on a non-GAAP basis should be used as a complement to, and in conjunction with, data presented in accordance with GAAP. For a discussion of what is included within “Restructuring, integration, and other” refer to the similarly captioned section of this item below.

Key Business Metrics

Management uses gross billings as an operational metric to monitor operating performance of its global ECS segment, including performance by geographic region, as it provides meaningful supplemental information in evaluating the overall performance of the global ECS business. The company uses this key metric to develop financial forecasts, make strategic decisions, and prepare and approve annual budgets. Gross billings represent amounts invoiced to customers for goods and services during a specified period and does not include the impact of recording sales on a net basis or sales adjustments, such as trade discounts and other allowances. Refer to Note 1 “Summary of Significant Accounting Policies” in the company’s Annual Report on Form 10-K for the year ended December 31, 2024, for further discussion of the company’s revenue recognition policies. The use of gross billings has certain limitations as an analytical tool and should not be considered in isolation or as a substitute for revenue.

Overview

The company sources and engineers technology for thousands of leading manufacturers, services providers, and users of enterprise computing solutions. The company has one of the world’s broadest portfolios of product offerings available from leading electronic components and enterprise computing solutions suppliers. The company’s revenues originate primarily from the sales of semiconductor, interconnect, passive & electromechanical components (“IP&E”), and IT hardware and software products. Coupled with a range of services, solutions, and tools, the company enables its suppliers to distribute their technologies and helps its industrial and commercial customers source, build, and leverage these technologies, reduce their time to market, grow their businesses, and enhance their overall competitiveness. The company is a trusted partner in a complex value chain and is uniquely positioned through its electronics components and IT content portfolios to increase value for stakeholders.

The company has two reportable segments, the global components segment and the global ECS segment. The global components segment, enabled by a comprehensive range of value-added capabilities and services, markets and distributes electronic components primarily to OEMs and EMS providers. The global ECS segment is a leading value-added provider of comprehensive computing solutions and services. Its portfolio includes datacenter, cloud, security, and analytics solutions. The global ECS segment brings broad market access, extensive supplier relationships, scale, and value-added solutions to help its VARs and MSPs meet the needs of their end-users. For the third quarter of 2025, approximately 72% and 28% of the company’s sales were from the global components segment and the global ECS segment, respectively.

Strategic initiatives within each reportable segment include the following:

Global components segment:

- Offering a variety of value-added services, including demand creation, design, engineering, global marketing, and integration services to promote the future sale of suppliers’ products, which generally lead to longer and more profitable relationships with the company’s suppliers and customers.

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- Focusing on further penetrating the market for IP&E, which tends to be a margin accretive segment of the broader available market.
- Providing global supply chain services offerings such as procurement, logistics, warehousing, and insights from data analytics.

Global ECS segment:

- Enabling customer cloud solutions through the company's cloud marketplace and management platform, ArrowSphere, which helps VARs and MSPs to manage, differentiate, and scale their cloud businesses while providing the business intelligence and tools that IT solution providers need to drive growth. ArrowSphere was enhanced to include an AI-enabled digital go-to-market platform aimed at helping the company's channel partners sell and support a variety of cloud offerings at higher rates.
- Providing value-added distribution services including sales and marketing, demand generation, support and managed services, digital platforms and other services on behalf of certain suppliers.

The company's long-term financial objectives are to grow sales faster than the market, increase the markets served, grow profits faster than sales, generate earnings per share growth in excess of competitors' earnings per share growth and market expectations, allocate and deploy capital effectively so that return on invested capital exceeds the company's cost of capital, and increase return on invested capital. To achieve its objectives, the company seeks to capture significant opportunities to grow across products, markets, and geographies. To supplement its organic growth strategy, the company continually evaluates strategic acquisitions to broaden its product and value-added service offerings, increase its market penetration, and expand its geographic reach. The company is also committed to improving operational efficiency.

Executive Summary

(millions except per share data)	Quarter Ended			Nine Months Ended		
	September 27,	September 28,	Change	September 27,	September 28,	Change
	2025	2024		2025	2024	
Consolidated sales	\$ 7,713	\$ 6,823	13.0 %	\$ 22,107	\$ 20,640	7.1 %
Global components sales	\$ 5,556	\$ 4,946	12.3 %	\$ 15,619	\$ 15,170	3.0 %
Global ECS sales	\$ 2,156	\$ 1,877	14.9 %	\$ 6,487	\$ 5,471	18.6 %
Gross profit margin	10.8 %	11.5 %	(70)bps	11.1 %	12.1 %	(100)bps
Non-GAAP gross profit margin	10.8 %	11.5 %	(70)bps	11.1 %	12.1 %	(100)bps
Operating income	\$ 179	\$ 175	2.1 %	\$ 528	\$ 573	(7.9)%
Operating income margin	2.3 %	2.6 %	(30)bps	2.4 %	2.8 %	(40)bps
Non-GAAP operating income	\$ 217	\$ 215	1.0 %	\$ 612	\$ 728	(16.0)%
Non-GAAP operating income margin	2.8 %	3.2 %	(40)bps	2.8 %	3.5 %	(70)bps
Net income attributable to shareholders	\$ 109	\$ 101	8.6 %	\$ 377	\$ 293	28.6 %
Earnings per share attributable to shareholders - diluted	\$ 2.09	\$ 1.88	11.2 %	\$ 7.19	\$ 5.42	32.7 %
Non-GAAP net income attributable to shareholders	\$ 126	\$ 128	(1.4)%	\$ 348	\$ 410	(15.1)%
Non-GAAP earnings per share attributable to shareholders - diluted	\$ 2.41	\$ 2.38	1.3 %	\$ 6.64	\$ 7.59	(12.5)%

During the third quarter and first nine months of 2025, changes in foreign currencies increased sales by approximately \$128.2 million and \$167.2 million, respectively, and operating income by \$4.7 million and \$5.8 million, respectively, compared to the year-earlier periods. During the third quarter and first nine months of 2025, changes in foreign currencies increased earnings per share on a diluted basis by \$0.08 and \$0.09, respectively, compared to the year-earlier periods.

Business environment and other trends:

- Within the global ECS segment, the company has entered into certain non-cancellable multi-year purchase obligations through 2030, designating it as the exclusive partner for certain suppliers and granting it the right to sell a broad set of IT solutions. In the first nine months of 2025, the company recorded losses due to lower profit expectations on underperforming contracts which negatively impacted gross profit margins. While the long-term performance of the agreements cannot be reasonably estimated at this time, due to the early stages and expected variability in the margins related to these agreements, the company is anticipating there could be additional losses in the coming quarters.
- During 2024, the global components segment experienced a cyclical downturn characterized by elevated customer inventory levels, and a challenging global macroeconomic environment, contributing to lower demand for the company's products. During the first half of 2025, the company noted positive meaningful demand trends, signaling a modest recovery. Demand trends increased on a sequential basis in the third quarter of 2025, however, due to geopolitical and economic uncertainty, the company cannot currently predict whether this trend will continue or how it may impact future quarters. Consistent with historical trends from past cyclical downturns, the Asia/Pacific region has returned to growth ahead of the Americas and EMEA regions.
- On October 8, 2025, three of the company's subsidiaries in China were added to the "Entity List" of the Bureau of Industry and Security of the U.S. Department of Commerce ("BIS"), which restricted their ability to receive exports of U.S. technology from suppliers. On October 17, 2025, the BIS informed the company that it will remove these subsidiaries from the Entity List and granted a letter of authorization to resume normal business activities with these entities; however, during the intervening time period, the subsidiaries were unable to receive shipments from many suppliers and fulfill corresponding customer orders, which has resulted in marginal lost sales within the global components Asia/Pacific region in the fourth quarter of 2025. The company has been in communication with affected customers and suppliers to resume business and is currently assessing the impacts of this event, however, the company cannot reasonably predict future impacts beyond the fourth quarter of 2025.
- The company's global business continues to face uncertainty around ongoing developments related to U.S. and foreign tariff policies, which may increase the prices of products that the company purchases from its suppliers and passes to its customers, which in turn may decrease demand for the company's products or negatively impact the company's margins. The company is continuing to evaluate and further implement mitigating actions, including potential supply chain optimization and improved solutions around processing tariffs. The global components segment is seeing a marginal increase in revenue and cost of sales due to price increases. However, given the uncertain and evolving nature of U.S. and foreign tariff policies, the company cannot currently predict whether this trend will continue or how it may impact future quarters. Refer to Part I, Item 1A - Risk Factors in the company's Annual Report on Form 10-K for the year ended December 31, 2024, for further discussion related to tariffs and tariff drawbacks.

Results of Operations

Sales by reportable segment

The following is an analysis of the company's sales by reportable segment:

(millions)	Quarter Ended			Nine Months Ended		
	September 27, 2025	September 28, 2024	Change	September 27, 2025	September 28, 2024	Change
Consolidated sales, as reported	\$ 7,713	\$ 6,823	13.0 %	\$ 22,107	\$ 20,640	7.1 %
Impact of changes in foreign currencies	—	128		—	167	
Non-GAAP consolidated sales	\$ 7,713	\$ 6,952	10.9 %	\$ 22,107	\$ 20,808	6.2 %
Global components sales, as reported	\$ 5,556	\$ 4,946	12.3 %	\$ 15,619	\$ 15,170	3.0 %
Impact of changes in foreign currencies	—	78		—	97	
Non-GAAP global components sales	\$ 5,556	\$ 5,024	10.6 %	\$ 15,619	\$ 15,266	2.3 %
Global ECS sales, as reported	\$ 2,156	\$ 1,877	14.9 %	\$ 6,487	\$ 5,471	18.6 %
Impact of changes in foreign currencies	—	51		—	71	
Non-GAAP global ECS sales	\$ 2,156	\$ 1,928	11.8 %	\$ 6,487	\$ 5,542	17.1 %

The sum of the components for sales, as reported, and sales on a non-GAAP basis may not agree to totals, as presented, due to rounding.

Reportable segment sales by geographic region

The following is an analysis of the company's reportable segment sales by geographic region:

(millions)	Quarter Ended					Nine Months Ended				
	September 27, 2025		September 28, 2024		Change	September 27, 2025		September 28, 2024		Change
Sales	% of Sales	Sales	% of Sales	Sales		% of Sales	Sales	% of Sales		
Americas components sales	\$ 1,709	22.2 %	\$ 1,638	24.0 %	4.3 %	\$ 4,985	22.5 %	\$ 4,808	23.3 %	3.7 %
EMEA components sales	1,444	18.7 %	1,290	18.9 %	11.9 %	4,211	19.1 %	4,386	21.2 %	(4.0)%
Asia/Pacific components sales	2,404	31.2 %	2,018	29.6 %	19.1 %	6,424	29.1 %	5,976	29.0 %	7.5 %
Global components sales	\$ 5,556	72.0 %	\$ 4,946	72.5 %	12.3 %	\$ 15,619	70.7 %	\$ 15,170	73.5 %	3.0 %
Americas ECS sales	\$ 1,022	13.3 %	\$ 1,033	15.1 %	(1.1)%	\$ 2,985	13.5 %	\$ 2,905	14.1 %	2.7 %
EMEA ECS sales	1,134	14.7 %	844	12.4 %	34.4 %	3,503	15.8 %	2,566	12.4 %	36.5 %
Global ECS sales	\$ 2,156	28.0 %	\$ 1,877	27.5 %	14.9 %	\$ 6,487	29.3 %	\$ 5,471	26.5 %	18.6 %
Consolidated sales	\$ 7,713	100.0 %	\$ 6,823	100.0 %	13.0 %	\$ 22,107	100.0 %	\$ 20,640	100.0 %	7.1 %

The sum of the components for sales by geographic region and consolidated sales may not agree to totals, as presented, due to rounding.

During the third quarter of 2025, the global components segment sales increased compared to the year-earlier period primarily due to the following:

- increase in sales in the Americas region primarily due to higher demand for the integrated services offerings, partially offset by a decrease in demand for aerospace and defense, transportation, and automotive verticals;
- increase in sales in the EMEA region primarily due to higher demand for industrial and aerospace and defense verticals coupled with changes in foreign currencies; and
- increase in sales in the Asia/Pacific region primarily due to higher demand for industrial, computing, and networking and communications verticals.

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During the first nine months of 2025, the global components segment sales increased compared to the year-earlier period, primarily due to increase in sales in the Americas and Asia/Pacific regions discussed above. This increase was partially offset by a decline in sales in the EMEA region, primarily due to decreased demand for the industrial, transportation and automotive verticals.

Within the global ECS segment, growth was primarily due to an increase in sales in the EMEA region for the third quarter and first nine months of 2025, relative to the year-earlier periods, mainly due to growth across most major technologies, most notably, cloud-based solutions and infrastructure software, and a shift in sales mix towards more sales recognized on a gross basis. Refer to Note 1 “Summary of Significant Accounting Policies” in the company’s Annual Report on Form 10-K for the year ended December 31, 2024.

Substantially all of the company’s sales are made on an order-by-order basis, rather than through long-term sales contracts. As such, the nature of the company’s business does not provide for the visibility of material forward-looking information from its customers and suppliers beyond a few months.

Gross Billings

The following table summarizes gross billings by geographic region for the global ECS segment:

(millions)	Quarter Ended			Nine Months Ended		
	September 27, 2025	September 28, 2024	Change	September 27, 2025	September 28, 2024	Change
Americas ECS gross billings	\$ 2,713	\$ 2,576	5.3 %	\$ 7,565	\$ 7,381	2.5 %
EMEA ECS gross billings	2,477	1,983	24.9 %	7,404	6,060	22.2 %
Global ECS gross billings	\$ 5,190	\$ 4,560	13.8 %	\$ 14,969	\$ 13,441	11.4 %

The sum of the components for global ECS gross billings may not agree to totals, as presented, due to rounding.

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Gross Profit

The following is an analysis of the company's consolidated gross profit:

(millions)	Quarter Ended			Nine Months Ended		
	September 27, 2025	September 28, 2024	Change	September 27, 2025	September 28, 2024	Change
Consolidated gross profit, as reported	\$ 835	\$ 785	6.4 %	\$ 2,458	\$ 2,489	(1.3)%
Impact of wind down to inventory	(2)	(2)		(7)	10	
Impact of changes in foreign currencies	—	17		—	21	
Non-GAAP consolidated gross profit	\$ 833	\$ 800	4.2 %	\$ 2,452	\$ 2,521	(2.7)%
Consolidated gross profit as a percentage of sales, as reported	10.8 %	11.5 %	(70) bps	11.1 %	12.1 %	(100) bps
Non-GAAP consolidated gross profit as a percentage of sales	10.8 %	11.5 %	(70) bps	11.1 %	12.1 %	(100) bps
Global components gross profit, as reported	\$ 609	\$ 564	7.9 %	\$ 1,755	\$ 1,835	(4.3)%
Impact of wind down to inventory	(2)	(2)		(7)	10	
Impact of changes in foreign currencies	—	9		—	10	
Non-GAAP global components gross profit	\$ 607	\$ 572	6.1 %	\$ 1,749	\$ 1,856	(5.7)%
Global components gross profit as a percentage of sales, as reported	11.0 %	11.4 %	(50) bps	11.2 %	12.1 %	(100) bps
Non-GAAP global components gross profit as a percentage of sales	10.9 %	11.4 %	(50) bps	11.2 %	12.2 %	(100) bps
Global ECS gross profit, as reported	\$ 226	\$ 220	2.7 %	\$ 702	\$ 654	7.4 %
Impact of changes in foreign currencies	—	8		—	11	
Non-GAAP global ECS gross profit	\$ 226	\$ 228	(0.7)%	\$ 702	\$ 665	5.6 %
Global ECS gross profit as a percentage of sales, as reported	10.5 %	11.7 %	(120) bps	10.8 %	12.0 %	(120) bps
Non-GAAP global ECS gross profit as a percentage of sales	10.5 %	11.8 %	(130) bps	10.8 %	12.0 %	(120) bps

The sum of the components for non-GAAP gross profit may not agree to totals, as presented, due to rounding.

Global components gross profit margins decreased during the third quarter and first nine months of 2025 compared with the year-earlier periods due to regional mix shifting towards the Asia/Pacific region which generally has lower margins compared to Americas and EMEA regions coupled with customer mix within EMEA region. Global components supply chain services offerings continued to have a positive impact on gross profit margins.

Global ECS gross profit margins decreased during the third quarter and first nine months of 2025 compared with the year-earlier periods primarily due to \$21.4 million and \$25.2 million, respectively, in losses related to underperformance of certain non-cancellable multi-year purchase obligations and a shift in sales mix towards more sales recognized on a gross basis in the EMEA region. Refer to Note 1 "Summary of Significant Accounting Policies" in the company's Annual Report on Form 10-K for the year ended December 31, 2024.

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Operating Expenses

The following is an analysis of the company's consolidated operating expenses as of:

(millions)	Quarter Ended			Nine Months Ended		
	September 27, 2025	September 28, 2024	Change	September 27, 2025	September 28, 2024	Change
Consolidated operating expenses, as reported	\$ 656	\$ 610	7.7 %	\$ 1,930	\$ 1,916	0.7 %
Identifiable intangible asset amortization	(5)	(7)		(15)	(22)	
Restructuring, integration, and other	(36)	(34)		(75)	(122)	
Impact of changes in foreign currencies	—	11		—	15	
Non-GAAP consolidated operating expenses	\$ 616	\$ 579	6.4 %	\$ 1,840	\$ 1,786	3.0 %
Consolidated operating expenses as a percentage of sales	8.5 %	8.9 %	(40) bps	8.7 %	9.3 %	(60) bps
Non-GAAP consolidated operating expenses as a percentage of non-GAAP sales	8.0 %	8.3 %	(30) bps	8.3 %	8.6 %	(30) bps
Global components operating expenses, as reported	\$ 412	\$ 376	9.5 %	\$ 1,200	\$ 1,211	(0.9)%
Identifiable intangible asset amortization	(4)	(6)		(12)	(19)	
Impact of changes in foreign currencies	—	6		—	8	
Non-GAAP global components operating expenses	\$ 408	\$ 376	8.6 %	\$ 1,188	\$ 1,199	(0.9)%
Global components operating expenses as a percentage of sales	7.4 %	7.6 %	(20) bps	7.7 %	8.0 %	(30) bps
Non-GAAP global components operating expenses as a percentage of non-GAAP sales	7.3 %	7.5 %	(20) bps	7.6 %	7.9 %	(30) bps
Global ECS operating expenses, as reported	\$ 162	\$ 145	12.2 %	\$ 464	\$ 404	14.8 %
Identifiable intangible asset amortization	(1)	(1)		(3)	(3)	
Impact of changes in foreign currencies	—	5		—	7	
Non-GAAP global ECS operating expenses	\$ 162	\$ 149	8.5 %	\$ 462	\$ 408	13.1 %
Global ECS operating expenses as a percentage of sales	7.5 %	7.7 %	(20) bps	7.2 %	7.4 %	(20) bps
Non-GAAP global ECS operating expenses as a percentage of non-GAAP sales	7.5 %	7.7 %	(20) bps	7.1 %	7.4 %	(30) bps
Corporate operating expenses, as reported	\$ 82	\$ 89	(7.7)%	\$ 265	\$ 301	(11.7)%
Restructuring, integration, and other	(36)	(34)		(75)	(122)	
Non-GAAP corporate operating expenses	\$ 46	\$ 54	(14.8)%	\$ 191	\$ 179	6.6 %

The sum of the components for non-GAAP operating expenses may not agree to totals, as presented, due to rounding.

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Operating expenses increased during the third quarter of 2025 compared to the year-earlier period, primarily due to changes in foreign currencies and increases in variable costs to support sales growth for both the global components and global ECS segments and an increase in corporate professional fees. These increases were partially offset by a decrease in stock-based compensation expense, which was primarily attributable to equity-award forfeitures.

Operating expenses increased during the first nine months of 2025 compared to the year-earlier period, primarily due to the following:

- changes in foreign currencies;
- increase in expenses for the global ECS segment primarily due to increased employee headcount and higher sales incentives, in line with the increase in sales discussed above and a \$20.0 million benefit related to the reversal of an allowance for credit losses due to the collection of certain aged receivables related to one customer in 2024 with no similar items recorded in 2025; offset by
- decrease in corporate operating expenses primarily due to a decrease in restructuring, integration and other charges (see discussion below), reversal of stock-based compensation expense mainly due to equity-award forfeitures partially offset by an increase in professional fees; and
- decrease in expenses in the global components segment primarily due to cost savings resulting from the Operating Expense Efficiency Plan, defined below, and other cost reduction initiatives, partially offset by higher variable costs.

Restructuring, Integration, and Other

Restructuring initiatives and integration costs are due to the company's continued efforts to lower costs, drive operational efficiency, integrate acquired businesses, and consolidate certain operations, as necessary. The company recorded restructuring, integration, and other charges as follows:

(millions)	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Restructuring, integration and related costs				
Operating Expense Efficiency Plan costs (a)	\$ 35	\$ —	\$ 63	\$ —
Other plans	—	1	2	1
Other expenses				
Operating expense reduction costs not related to restructuring initiatives (b)	(1)	32	1	108
Early lease termination costs	—	—	2	7
Other charges	2	2	7	7
Total	\$ 36	\$ 34	\$ 75	\$ 122

The sum of the components for restructuring, integration, and other may not agree to totals, as presented, due to rounding.

(a) See details related to the Operating Expense Efficiency Plan discussed below.

(b) Primarily related to employee severance and benefit costs. As of September 27, 2025, the accrued liabilities related to these costs totaled \$20.0 million and substantially all accrued amounts are expected to be spent in cash within two years.

Operating Expense Efficiency Plan

On October 31, 2024, in response to evolving business needs and as part of an initiative to optimize operating expenses, the company announced a multi-year restructuring plan (the “Operating Expense Efficiency Plan” or “the Plan”). The Plan is designed to improve operational efficiency through the following measures: (i) reorganizing and consolidating certain areas of the company’s operations to centralize functions and streamline resources, with a focus on more cost-efficient regions; (ii) enhancing warehouse and logistics operations; (iii) investing in information technology to support automation and process improvements; (iv) consolidating the company’s global real estate footprint; (v) reducing third-party spending; and (vi) winding down certain non-core businesses that are not aligned with the company’s strategic objectives. The company expects to substantially complete the Plan by the end of fiscal year 2026, subject to, among other things, local legal and consultation requirements.

Under the Plan, the company anticipates to incur pre-tax restructuring charges of approximately \$185.0 million. While the composition of these costs will continue to evolve over time, the company currently expects to incur approximately \$80.0 million of employee severance and other personnel cash expenditures; approximately \$75.0 million of non-cash asset impairments, inventory write-downs and foreign currency translation adjustment write-offs related to the wind-down of certain business operations; and approximately \$30.0 million of other related cash expenditures.

As a result of the Plan, the company expects to reduce annual operating expenses by approximately \$90.0 million to \$100.0 million by the end of fiscal year 2026. The estimates of charges or savings related to the Plan could differ materially from actual charges or savings recognized.

Refer to Note I, “Restructuring, Integration, and Other” of the Notes to the Consolidated Financial Statements for further discussion of the company’s restructuring and integration activities.

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Operating Income

The following is an analysis of the company's consolidated operating income, and operating income for the company's two reportable segments:

(millions)	Quarter Ended			Nine Months Ended		
	September 27, 2025	September 28, 2024	Change	September 27, 2025	September 28, 2024	Change
Consolidated operating income, as reported	\$ 179	\$ 175	2.1 %	\$ 528	\$ 573	(7.9)%
Identifiable intangible asset amortization	5	7		15	22	
Restructuring, integration, and other	36	34		75	122	
Impact of wind down to inventory	(2)	(2)		(7)	10	
Non-GAAP consolidated operating income	\$ 217	\$ 215	1.0 %	\$ 612	\$ 728	(16.0)%
Consolidated operating income as a percentage of sales	2.3 %	2.6 %	(30) bps	2.4 %	2.8 %	(40) bps
Non-GAAP consolidated operating income as a percentage of sales	2.8 %	3.2 %	(40) bps	2.8 %	3.5 %	(70) bps
Global components operating income, as reported	\$ 197	\$ 189	4.6 %	\$ 556	\$ 624	(11.0)%
Identifiable intangible asset amortization	4	6		12	19	
Impact of wind down to inventory	(2)	(2)		(7)	10	
Non-GAAP global components operating income	\$ 199	\$ 193	3.2 %	\$ 561	\$ 654	(14.1)%
Global components operating income as a percentage of sales	3.6 %	3.8 %	(20) bps	3.6 %	4.1 %	(50) bps
Non-GAAP global components operating income as a percentage of sales	3.6 %	3.9 %	(30) bps	3.6 %	4.3 %	(70) bps
Global ECS operating income, as reported	\$ 64	\$ 76	(15.7)%	\$ 238	\$ 250	(4.7)%
Identifiable intangible asset amortization	1	1		3	3	
Non-GAAP global ECS operating income	\$ 65	\$ 77	(15.7)%	\$ 241	\$ 253	(4.8)%
Global ECS operating income as a percentage of sales	3.0 %	4.0 %	(100) bps	3.7 %	4.6 %	(90) bps
Non-GAAP global ECS operating income as a percentage of sales	3.0 %	4.1 %	(110) bps	3.7 %	4.6 %	(90) bps

The sum of the components of consolidated operating income do not agree to totals, as presented, because unallocated corporate amounts are not included in the table above. Refer to Note M "Segment and Geographic Information" of the Notes to the Consolidated Financial Statements for further discussion.

The decrease in consolidated operating income as a percentage of sales for the third quarter and first nine months of 2025 relates primarily to the changes in sales, gross profit margins, and operating expenses discussed above.

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Gain (Loss) on Investments, Net

(millions)	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Gain (loss) on investments, net	\$ 5	\$ 4	\$ 109	\$ (1)

The gain on investments during the first nine months of 2025, is primarily related to a \$99.0 million gain on the sale of an investment in certain equity securities. Refer to Note D “Investments in Affiliated Companies” of the Notes to the Consolidated Financial Statements.

Interest and Other Financing Expense, Net

The company recorded net interest and other financing expense as follows:

(millions)	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Interest and other financing expense, net	\$ (55)	\$ (63)	\$ (171)	\$ (209)

The decrease in interest and other financing expense, net for the third quarter and first nine months of 2025 compared to the year-earlier periods was primarily related to lower interest rates on floating rate credit facilities. Refer to the section below titled “Liquidity and Capital Resources” for more information on changes in borrowings.

Income Tax

Income taxes for the interim periods presented have been included in the accompanying consolidated financial statements on the basis of an estimated annual effective tax rate. The determination of the consolidated provision for income taxes requires management to make certain judgments and estimates. Changes in the estimated level of annual pre-tax earnings, tax laws, and changes resulting from tax audits can affect the overall effective income tax rate, which impacts the level of income tax expense and net income. Judgments and estimates related to the company’s projections and assumptions are inherently uncertain, therefore, actual results could differ from projections.

The following is an analysis of the company’s consolidated effective income tax rate:

	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Effective income tax rate	15.2 %	13.1 %	19.1 %	18.6 %
Identifiable intangible asset amortization	0.3 %	0.6 %	0.2 %	0.3 %
Restructuring, integration, and other	2.1 %	2.7 %	1.1 %	1.6 %
(Gain) loss on investments, net	(0.4)%	(0.3)%	(1.3)%	— %
Impact of wind down to inventory	(0.3)%	(0.1)%	(0.2)%	0.1 %
Impact of TCJA Tax Act settlements	5.6 %	— %	2.0 %	— %
Non-GAAP effective income tax rate	22.5 %	15.9 %	20.9 %	20.6 %

The sum of the components for non-GAAP effective income tax rate may not agree to totals, as presented, due to rounding.

The year-over-year increase in the effective tax rate for the third quarter and first nine months of 2025 was primarily driven by a shift in jurisdictional mix of earnings, the impact of foreign currency exchange rate fluctuations in certain locations, the tax treatment of stock-based compensation, and adjustments to reserves for uncertain tax positions. The increase in the first nine months of 2025 was also driven by the increase in gain on investments compared to the year-earlier period.

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On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was enacted, significantly amending U.S. federal tax law, including changes to international tax provisions, expensing of research and experimental expenditures, depreciation, and interest deduction rules. The company does not expect the OBBBA to have a material impact on its effective tax rate in 2025.

Net Income Attributable to Shareholders

The following is an analysis of the company’s consolidated net income attributable to shareholders:

(millions)	Quarter Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net income attributable to shareholders, as reported	\$ 109	\$ 101	\$ 377	\$ 293
Identifiable intangible asset amortization*	5	7	15	22
Restructuring, integration, and other	36	34	75	122
(Gain) loss on investments, net	(5)	(4)	(109)	1
Impact of wind down to inventory	(2)	(2)	(7)	10
Loss on extinguishment of debt	—	—	—	2
Tax effect of adjustments above	(9)	(9)	5	(39)
Impact of TCJA Tax Act settlements	(8)	—	(8)	—
Non-GAAP net income attributable to shareholders	\$ 126	\$ 128	\$ 348	\$ 410

The sum of the components for non-GAAP net income attributable to shareholders may not agree to totals, as presented, due to rounding.

* Identifiable intangible asset amortization excludes amortization attributable to the noncontrolling interest.

The increase in net income attributable to shareholders in the third quarter of 2025 compared to the year-earlier period relates primarily to changes in sales, gross margins, and impact of TCJA Tax Act settlements as discussed above. The increase in net income attributable to shareholders in the first nine months of 2025 compared to the year-earlier period relates primarily to (gain) loss on investments, net, and impact of TCJA Tax Act settlements as discussed above.

Liquidity and Capital Resources

Management believes that the company’s current cash availability, its current borrowing capacity under its revolving credit facility and asset securitization programs, and its expected ability to generate future operating cash flows are sufficient to meet its projected cash flow needs for the next 12 months and the foreseeable future. The company’s current committed and undrawn liquidity stands at approximately \$2.5 billion in addition to \$213.6 million of cash on hand at September 27, 2025. The company also may issue debt or equity securities in the future, and management believes the company will have adequate access to the capital markets, if needed. The company continually evaluates its liquidity requirements and may seek to amend its existing borrowing capacity or access the financial markets as deemed necessary.

The company’s principal sources of liquidity are existing cash and cash equivalents, cash generated from operations and cash provided by its revolving credit facilities and debt. The company’s principal uses of liquidity include cash used in operations, investments to grow working capital, scheduled interest and principal payments on its borrowings, and the return of cash to shareholders through share repurchases.

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The following table presents selected financial information related to liquidity:

(millions)	September 27, 2025	December 31, 2024	Change
Working capital	\$ 7,258	\$ 6,693	\$ 565
Cash and cash equivalents	214	189	25
Short-term debt	11	350	(339)
Long-term debt	3,119	2,774	345

Working Capital

The company maintains a significant investment in working capital which the company defines as accounts receivable, net, plus inventories less accounts payable. The change in working capital during the first nine months of 2025 was attributable to timing of payments and changes in foreign currencies.

Working capital as a percentage of sales, which is defined as working capital divided by annualized quarterly sales, decreased to 23.5% for the third quarter of 2025, compared to 25.1% in the year-earlier period, primarily due to an increase in sales.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments, which are readily convertible into cash, with original maturities of three months or less. At September 27, 2025 and December 31, 2024, the company had cash and cash equivalents of \$213.6 million and \$188.8 million, respectively, of which \$186.1 million and \$164.0 million, respectively, were held outside the United States.

The company has \$5.2 billion of undistributed earnings of its foreign subsidiaries which it deems indefinitely reinvested and recognizes that it may be subject to additional foreign taxes and U.S. state income taxes if it reverses its indefinite reinvestment assertion on these foreign earnings. The company also has \$2.3 billion of foreign earnings that are not deemed permanently reinvested and are available for distribution in future periods as of September 27, 2025.

Revolving Credit Facilities and Debt

The following tables summarize the company's credit facilities:

(millions)	Borrowing Capacity	Outstanding Borrowings	
		September 27, 2025	December 31, 2024
North American asset securitization program	\$ 1,500	\$ 1,005	\$ 633
Revolving credit facility	2,000	—	30
Commercial paper program (a)	1,200	—	—
Uncommitted lines of credit	500	—	—

(a) Amounts outstanding under the commercial paper program are backstopped by available commitments under the company's revolving credit facility.

(millions)	Average Daily Balance Outstanding		Effective Interest Rate	
	Nine Months Ended			
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
North American asset securitization program	\$ 683	\$ 603	4.66 %	5.34 %
Revolving credit facility	1	4	5.34 %	6.45 %
Commercial paper program	368	526	4.74 %	5.25 %
Uncommitted lines of credit	276	282	4.79 %	5.77 %

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The company also has an EMEA asset securitization program under which it continuously sells its interest in designated pools of trade accounts receivable of certain of its subsidiaries in the EMEA region. Receivables sold under the program are excluded from “Accounts receivable, net” and no corresponding liability is recorded on the company’s consolidated balance sheets. During the first nine months of 2025 and 2024, the average daily balance outstanding under the EMEA asset securitization program was \$327.5 million and \$408.9 million, respectively. Refer to Note E “Accounts Receivable” of the Notes to the Consolidated Financial Statements for further discussion.

The following table summarizes recent events impacting the company’s capital resources:

(millions)	Activity	Date	Notional Amount
4.00% notes, due April 2025	Repaid	April 2025	\$ 350
3.25% notes, due September 2024	Repaid	September 2024	\$ 500
5.15% notes, due August 2029	Issued	August 2024	\$ 500
5.875% notes, due April 2034	Issued	April 2024	\$ 500
6.125% notes, due March 2026	Repaid	April 2024	\$ 500

Refer to Note G “Debt” of the Notes to the Consolidated Financial Statements for further discussion of the company’s short-term and long-term debt and available financing.

Cash Flows

The following table summarizes the company’s cash flows by category for the periods presented:

(millions)	Nine Months Ended		Change
	September 27, 2025	September 28, 2024	
Net cash (used for) provided by operating activities	\$ (136)	\$ 804	\$ (940)
Net cash provided by (used for) investing activities	51	(53)	104
Net cash used for financing activities	(109)	(755)	646

Cash Flows from Operating Activities

The net amount of cash used for the company’s operating activities during the first nine months of 2025 was \$135.9 million compared to cash provided by the company’s operating activities of \$803.9 million during the first nine months of 2024. The change in cash used for operating activities during 2025, compared to the year-earlier period, relates primarily to changes in working capital accounts, most notably timing of payments and inventory purchases. The fluctuations in both “Accounts receivable, net” and “Accounts payable” are primarily related to the global components supply chain services offerings and generally offset as the company acts as an agent in the transaction and remits payments to the supplier upon receipt from the customer. Refer to Note E “Accounts Receivable” of the Notes to the Consolidated Financial Statements.

Cash Flows from Investing Activities

The net amount of cash provided by investing activities was \$51.0 million during the first nine months of 2025 compared to cash used for investing activities of \$53.0 million in the year-earlier period. The change in cash provided by investing activities related primarily to proceeds from the sale of an investment in certain equity securities (Refer to Note D “Investments in Affiliated Companies” of the Notes to the Consolidated Financial Statements) and proceeds for the settlement of net investment hedges (Refer to Note H “Financial Instruments Measured at Fair Value” of the Notes to the Consolidated Financial Statements).

Cash Flows from Financing Activities

The net amount of cash used for financing activities during the first nine months of 2025 and 2024 was \$109.4 million and \$755.4 million, respectively. The change in cash used for financing activities relates primarily to an increase in short-term borrowings and lower stock repurchases in 2025.

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Capital Expenditures

Capital expenditures for the third quarter of 2025 and 2024 were \$73.9 million and \$70.2 million, respectively. The company expects capital expenditures to be approximately \$100.0 million for the fiscal year 2025.

Share Repurchase Program

The company repurchased 0.9 million shares of its common stock for \$99.9 million and 1.6 million shares of its common stock for \$200.0 million in the first nine months of 2025 and 2024, respectively, under its share repurchase program, excluding excise taxes. As of September 27, 2025, approximately \$223.4 million remained available for repurchase under the share repurchase program. The share repurchase authorization does not have an expiration date and the pace of the repurchase activity will depend on factors such as the company's working capital needs, cash requirements for acquisitions, debt repayment obligations or repurchases of debt, share price, and economic and market conditions. The share repurchase program may be accelerated, suspended, delayed, or discontinued at any time subject to the approval of the company's Board of Directors.

Contractual Obligations

The company has contractual obligations for short-term and long-term debt, interest on short-term and long-term debt, purchase obligations, operating leases, and other sources and uses of capital that are summarized in the sections titled "Contractual Obligations" and "Additional Capital Requirements and Sources" in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations in the company's Annual Report on Form 10-K for the year ended December 31, 2024.

Refer to the section above titled "Revolving Credit Facilities and Debt" for updates to the company's short-term and long-term debt obligations. Refer to the section above titled "Restructuring, Integration, and Other" for updates related to discussion of planned restructuring costs. Refer to Note H "Financial Instruments Measured at Fair Value" of the Notes to Consolidated Financial Statements for further discussion on hedging activities. Refer to Note D "Investments in Affiliated Companies" of the Notes to Consolidated Financial Statements for discussion of proceeds from the sale of investments in certain equity securities which occurred in the second quarter of 2025.

As of September 27, 2025, the company had purchase obligations of \$14.9 billion, which represent an estimate of non-cancellable inventory purchase orders, future payments under IT distribution arrangements, and other contractual obligations related to information technology and facilities with \$5.9 billion expected to be paid in the fourth quarter of 2025, \$3.7 billion in 2026, \$2.1 billion in 2027, \$1.6 billion in 2028, \$1.3 billion in 2029, and \$216.9 million in 2030. Some of these purchase obligations relate to sales where the company acts as an agent in the transaction. Refer to discussion of the company's revenue recognition policy in Note 1 "Summary of Significant Accounting Policies" in the company's Annual Report on Form 10-K for the year ended December 31, 2024.

With the exception of the item noted above, there were no other material changes to the capital requirements and sources of the company as of September 27, 2025.

Critical Accounting Estimates

The company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires the company to make significant estimates and judgments that have had or are reasonably likely to have a material impact on the reported amounts of assets, liabilities, revenues, and expenses and related disclosure of contingent assets and liabilities. The company has established detailed policies and control procedures intended to ensure the appropriateness of such estimates and assumptions and their consistent application from period to period. The company bases its estimates on historical experience and on various other assumptions that are believed reasonable under the circumstances; the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

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There have been no significant changes to the company's critical accounting estimates during the nine months ended September 27, 2025. Refer to the section titled "Critical Accounting Estimates" in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, in the company's Annual Report on Form 10-K for the year ended December 31, 2024.

Impact of Recently Issued Accounting Standards

See Note B "Impact of Recently Issued Accounting Standards" of the Notes to Consolidated Financial Statements for a full description of recent accounting pronouncements, including the anticipated dates of adoption and the effects on the company's consolidated financial position and results of operations.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

During the nine months ended September 27, 2025, there were no material changes in market risk for changes in foreign currency exchange rates and interest rates from the information provided in Part II, Item 7A – Quantitative and Qualitative Disclosures About Market Risk in the company's Annual Report on Form 10-K for the year ended December 31, 2024.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The company's management, under the supervision and with the participation of the company's Interim Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the company's disclosure controls and procedures as of September 27, 2025 (the "Evaluation"). Based upon the Evaluation, the company's Interim Chief Executive Officer and Chief Financial Officer concluded that the company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended) were effective as of September 27, 2025.

Changes in Internal Control over Financial Reporting

There were no changes in the company's internal control over financial reporting during the company's most recent fiscal quarter that 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

The information set forth under the heading “Environmental Matters” in Note L “Contingencies” in the Notes to Consolidated Financial Statements in Item 1 Part I of this Report, is incorporated herein by reference.

Item 1A. Risk Factors

Except for the following, there have been no material changes to the company’s risk factors from those discussed in Part I, Item 1A – Risk Factors in the company’s Annual Report on Form 10-K for the year ended December 31, 2024.

The company is subject to laws and regulations that could have a negative impact on our business, including, without limitation, U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws, anti-bribery laws, and anti-money laundering laws and regulations, as well as tariffs and trade protectionism. In the event of non-compliance, the company can face serious consequences, which can harm its business.

The company is subject to complex and evolving laws and regulations worldwide that differ among jurisdictions and affect our operations, including the U.S. Export Administration Regulations (the “EAR”), U.S. Customs regulations, and various other trade laws, regulations, and sanctions administered by the U.S. Departments of State, Commerce, and Treasury, as well as other U.S. and foreign governmental agencies. Products the company sells which are either manufactured in the United States or based on U.S. technology (“U.S. Products”) are subject to the EAR when exported and re-exported to and from all international jurisdictions, in addition to the local jurisdiction’s export regulations applicable to individual shipments. If a regulator determines, even in error, that the company or its subsidiaries are not in compliance with applicable laws and regulations or designates the company or its subsidiaries as sanctioned entities or otherwise prohibits third-parties from transacting with them, such determination could result in negative impacts to the company’s sales, customer relationships, and reputation that could have a material negative impact on the company’s business and financial condition.

For example, on October 8, 2025, three of the company’s subsidiaries in China were added to the “Entity List” of the BIS, which restricted their ability to receive exports of U.S. technology from suppliers. On October 17, 2025, the BIS informed the company that it will remove these subsidiaries from the Entity List and granted a temporary authorization to resume normal business activities with these entities; however, during the intervening time period, the subsidiaries were unable to receive shipments from many suppliers and fulfill corresponding customer orders, which had an adverse impact on the Company’s operating results for the fourth quarter of 2025 and may continue to have an adverse impact beyond 2025.

In addition, licenses or proper license exemptions may be required by local jurisdictions’ export regulations, including EAR, for the shipment of certain U.S. Products to certain countries, including China, India, and other countries in which the company operates. The company may not be able to effectively monitor the activities of all of its employees involved in regulated export or shipment activities, which may lead to the company’s failure to prevent violations of such regulations.

Non-compliance with the EAR, OFAC regulations, or other applicable export regulations can result in a wide range of penalties including the denial or restriction of export privileges, significant fines, criminal penalties, and the seizure of inventories, any of which could have a material adverse effect on the company’s business. The company’s distribution process also includes the use of third parties that operate outside of the company’s direct control. Noncompliance with applicable import, export, and other laws and regulations by these third parties may result in substantial liability to the company and harm the company’s reputation.

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Further, the company is also subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, and other national and sub-national anti-bribery and anti-money laundering laws in the countries in which it conducts business. Anti-corruption laws have been enforced aggressively in recent years and are interpreted broadly. The company can be held liable under these laws for the corrupt or other illegal activities of its employees, agents, contractors, counterparties, and third parties it engages to provide services, even if it does not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences.

The company's global business also could be negatively affected by trade barriers, such as tariffs, and other governmental protectionist measures, which may decrease demand for the company's products. Such measures can be imposed suddenly and unpredictably and may increase the prices of many of the products that the company purchases from its suppliers. Tariffs and other protectionist measures, and the additional operational costs incurred in minimizing the number of products subject to them, could adversely affect the operating profits for certain of the company's businesses and customer demand for certain products, which could have an adverse effect on its business and results of operations.

In the event that the company pays tariffs for products it imports from China, which are then re-exported to other locations outside of the United States, the company may be eligible for refunds of certain tariffs. In order to qualify for these tariff drawbacks, the company must provide data and documentation to the U.S. government that it must obtain from third-party sources, such as its suppliers. There is no guarantee the company will be able to obtain this additional data and documentation from those other sources, which could result in the U.S. government rejecting the drawback requests. There have been, and there could be, additional administrative costs in furtherance of these efforts.

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

The following table shows the share repurchase activity for the quarter ended September 27, 2025:

(thousands except share and per share data)	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate
				Dollar Value of Shares that May Yet be Purchased Under the Programs (a) (b)
June 29 through July 26, 2025	-	\$ -	-	\$ 223,347
July 27 through August 23, 2025	-	-	-	223,347
August 24 through September 27, 2025	-	-	-	223,360
	-	-	-	-

(a) Change in September 2025 related to updated estimate of an accrual for excise tax on prior period stock repurchases.

(b) The company's share repurchase program does not have an expiration date. As of September 27, 2025, the total authorized dollar value of shares available for repurchase was \$1.0 billion of which \$776.6 million has been utilized, and the \$223.4 million in the table represents the remaining amount available for repurchase under the program.

Item 5. Other Information

Trading Arrangements

During the quarter ended September 27, 2025, none of the company's directors or officers adopted, amended, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Regulation S-K, Item 408.

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Item 6. Exhibits

Exhibit Number	Exhibit
10(a)+	Sean Kerins Separation and Release of Claims Agreement dated September 16, 2025 (incorporated by reference to Exhibit 10.1 to the company's Current Report on Form 8-K filed on September 17, 2025).
31(i)(A)*	Certification of Chief Executive Officer pursuant to Rule 13A-14(a)/15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(i)(B)*	Certification of Chief Financial Officer pursuant to Rule 13A-14(a)/15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32(i)**	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.
32(ii)**	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.
101*	Inline XBRL Document Set for the consolidated financial statements and accompanying notes in Part I, Item 1, "Financial Statements" of this Quarterly Report on Form 10-Q.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* : Filed herewith.

** : Furnished herewith.

+ : Indicates a management contract or compensatory plan or arrangement.

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.

ARROW ELECTRONICS, INC.

Date: October 30, 2025

By: /s/ Rajesh K. Agrawal
Rajesh K. Agrawal
Senior Vice President, Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

/s/ Brandon Brewbaker
Brandon Brewbaker
Vice President, Corporate FP&A and Chief Accounting Officer

Arrow Electronics, Inc.
Certification of Chief Executive Officer Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, William F. Austen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Arrow Electronics, 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 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 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 the 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: October 30, 2025

By: /s/ William F. Austen

William F. Austen

Interim President and Chief Executive Officer

Arrow Electronics, Inc.
Certification of Chief Financial Officer Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Rajesh K. Agrawal, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Arrow Electronics, 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 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 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 the 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: October 30, 2025

By: /s/ Rajesh K. Agrawal

Rajesh K. Agrawal

Senior Vice President, Chief Financial Officer

Arrow Electronics, Inc.
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 ("Section 906")

In connection with the Quarterly Report on Form 10-Q of Arrow Electronics, Inc. (the "company") for the quarter ended September 27, 2025 (the "Report"), I, William F. Austen, Interim President and Chief Executive Officer of the company, certify, pursuant to the requirements of Section 906, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) 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: October 30, 2025

By: /s/ William F. Austen

William F. Austen

Interim President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the company and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

Arrow Electronics, Inc.
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 ("Section 906")

In connection with the Quarterly Report on Form 10-Q of Arrow Electronics, Inc. (the "company") for the quarter ended September 27, 2025 (the "Report"), I, Rajesh K. Agrawal, Senior Vice President, Chief Financial Officer of the company, certify, pursuant to the requirements of Section 906, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) 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: October 30, 2025

By: /s/ Rajesh K. Agrawal

Rajesh K. Agrawal

Senior Vice President, Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the company and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.
