

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K

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

For the fiscal year ended June 27, 2026
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 1-4224

Avnet, Inc.

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation or organization)

11-1890605

(I.R.S. Employer Identification No.)

**2211 South 47th Street,
Phoenix, Arizona**

(Address of principal executive offices)

85034

(Zip Code)

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

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

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

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large Accelerated Filer ☒

Accelerated Filer ☐

Non-accelerated Filer ☐

Smaller Reporting Company ☐

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements ☐

Indicate by check mark whether any of those error corrections are restatements that require a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to Section 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value (approximate) of the registrant's common equity held by non-affiliates based on the closing price of a share of the registrant's common stock for Nasdaq Global Select Market composite transactions on December 26, 2025 (the last business day of the registrant's most recently completed second fiscal quarter) was \$3,961,019,216.

As of August 7, 2026, the total number of shares outstanding of the registrant's Common Stock was 82,072,979 shares, net of treasury shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement (to be filed pursuant to Reg. 14A) relating to the Annual Meeting of Shareholders anticipated to be held on November 20, 2026, are incorporated herein by reference in Part III of this Report.

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PART I

Item 1. Business

Avnet, Inc. and its consolidated subsidiaries (collectively, the “Company” or “Avnet”), is a leading global electronic component technology distributor and solutions provider that has served customers’ evolving needs for more than a century. Founded in 1921, the Company works with electronic component manufacturers (suppliers) in every major electronic component segment to serve customers in more than 140 countries.

Avnet serves a wide range of customers: from startups and mid-sized businesses to enterprise-level original equipment manufacturers (“OEMs”), electronic manufacturing services (“EMS”) providers, and original design manufacturers (“ODMs”).

Organizational Structure

Avnet has two primary operating groups — Electronic Components (“EC”) and Farnell (“Farnell”). Both operating groups have operations in each of the three major economic regions of the world: (i) the Americas, (ii) Europe, Middle East, and Africa (“EMEA”) and (iii) Asia/Pacific (“Asia”). Each operating group has its own management team, who manage various functions within each operating group. Each operating group also has distinct financial reporting to the executive level, which informs operating decisions, strategic planning, and resource allocation for the Company as a whole. Regional divisions (“business units”) within each operating group serve primarily as sales and marketing units to streamline sales efforts and enhance each operating group’s ability to work with its customers and suppliers, generally along more specific geographies or product lines. However, each business unit relies heavily on support services from the operating groups, as well as centralized support at the corporate level.

A description of each operating group is presented below. Further financial information by operating group is provided in Note 16 “Segment information” to the consolidated financial statements appearing in Item 8 of this Annual Report on Form 10-K.

Electronic Components

Avnet’s EC operating group primarily supports high and medium-volume customers. It markets, sells, and distributes electronic components from many of the world’s leading electronic component manufacturers, including semiconductors, IP&E components (interconnect, passive and electromechanical components), and other integrated and embedded components.

EC serves a variety of markets ranging from industrial to automotive to defense and aerospace. It offers an array of customer support options throughout the entire product lifecycle, including both turnkey and customized design, supply chain, programming, logistics, and post-sales services.

Within the EC operating group for 2026, net sales of approximately 83% consist of semiconductor products, approximately 15% consist of interconnect, passive, and electromechanical components, and 2% consist of computers and others.

Avnet Design Solutions

EC offers design support that provides engineers with a host of technical design solutions, which helps EC support a broad range of customers seeking to create complex products that incorporate electronic components. With access to a suite of design tools and engineering support, customers can get product specifications along with evaluation kits and

reference designs that enable a broad range of applications from any point in the design cycle. EC also offers engineering and technical resources deployed globally to support product design, bill of materials development, and technical education and training. By utilizing EC's design chain support, customers can optimize their electronic component selection and accelerate their time to market. EC's extensive electronic component offerings provide customers access to a diverse range of products from a complete spectrum of suppliers.

Avnet Supply Chain Solutions

EC's supply chain solutions provide procurement support and warehousing and logistics services to OEMs, EMS providers, and electronic component manufacturers, enabling them to optimize supply chains on a local, regional, or global basis. EC's internal competencies in supply chain, global warehousing and logistics, information technology, and inventory and asset management, combined with its global footprint and extensive supplier relationships, allows EC to develop supply chain solutions that provide for a deeper level of engagement with its customers. These customers can manage their supply chains to meet the demands of a competitive global environment without a commensurate investment in physical assets, systems, and personnel. With supply chain planning tools and a variety of electronic component management solutions, EC provides various solutions that meet a customer's requirements and minimize supply chain risk in a variety of scenarios.

Avnet Embedded and Avnet Integrated Solutions

EC provides embedded solutions, including technical design and integration and assembly of embedded products, systems, and solutions for a variety of end markets, including industrial and healthcare. EC also provides embedded display solutions, including touch and passive displays. In addition, EC develops and produces standard board and industrial subsystems and application-specific devices that enable it to produce specialized systems tailored to specific customer requirements. EC serves OEMs that require embedded systems and solutions, including engineering, product prototyping, integration, and other value-added services in the medical, telecommunications, industrial, and digital editing markets.

EC also provides integrated solutions and services for software companies that bring their intellectual property to market via hardware solutions, including custom-built servers.

Farnell

Avnet's Farnell operating group primarily supports lower-volume customers that need electronic components quickly to develop, prototype, and test their products. It distributes a comprehensive portfolio of kits, tools, electronic components, industrial automation components, and test and measurement products to both engineers and entrepreneurs, primarily through an e-commerce channel. Farnell also distributes new product introductions for its suppliers across their various product categories.

Within the Farnell operating group for 2026, net sales of approximately 19% consists of semiconductor products, approximately 36% consists of IP&E components, approximately 13% consists of single-board computers, and approximately 32% consists of other products and services, including test and measurement and maintenance, repair, and operations products.

Major Products

One of Avnet's competitive strengths is the breadth and quality of the suppliers whose products it distributes. Products from one supplier were over 10% of consolidated sales during fiscal year 2026 and approximately 10% of

consolidated sales during fiscal years 2025 and 2024. Listed in the table below are the major product categories and the Company's approximate sales of each during the past three fiscal years. "Other" consists primarily of test and measurement and maintenance, repair, and operations (MRO) products.

	Years Ended		
	June 27, 2026	June 28, 2025	June 29, 2024
		(Millions)	
Semiconductors	\$ 21,711.0	\$ 17,207.9	\$ 19,030.3
Interconnect, passive & electromechanical (IP&E)	4,605.2	3,976.9	3,745.9
Computers	601.6	528.9	382.8
Other	714.9	487.1	598.1
Sales	<u>\$ 27,632.7</u>	<u>\$ 22,200.8</u>	<u>\$ 23,757.1</u>

Competition & Markets

The electronic components industry is competitive. The Company's major competitors include: Arrow Electronics, Future Electronics, World Peace Group, and WT Microelectronics for EC; Mouser Electronics, Digi-Key Electronics, and RS Components for Farnell. There are also certain smaller, specialized competitors who generally focus on particular sectors or on narrower geographic locations, markets, or products. As a result of these factors, Avnet's pricing and product selection and availability must remain competitive.

A key competitive factor in the electronic component distribution industry is the need to carry a sufficient amount and selection of inventory to meet customers' demand and various delivery requirements. To minimize its exposure related to inventory on hand, the Company purchases most of its products pursuant to franchised distribution agreements, which typically provide certain protections for product obsolescence and price erosion. These agreements are generally cancelable upon 30 to 180 days' notice and, in most cases, provide for or require inventory return privileges upon cancellation. In addition, the Company enhances its competitive position by offering a variety of value-added services, which are tailored to individual customer specifications and business needs, such as design support, point of use replenishment, labelling, testing, assembly, programming, supply chain management, and materials management.

A competitive advantage is the breadth of the Company's supplier product line card. Because of the number of Avnet's suppliers, many customers can simplify their procurement process and can make all or substantially all of their required electronic component purchases from Avnet, rather than purchasing from several different parties.

Seasonality

Historically, Avnet's business has not been materially impacted by seasonality, except for differences in regional sales mixes at different times during the year. Typically, the Americas and EMEA have less sales than Asia in the first half of the fiscal year due to holidays in the December quarter and to a lesser extent vacation periods in the September quarter. Asia typically has lower sales in the second half of the fiscal year, primarily in the March quarter where the region is impacted by lunar new year holidays across the region.

Human Capital

The Company values its employees and recognizes their significant contributions to the Company's success. Its core values of integrity, customer focus, ownership, teamwork, and inclusiveness provide a foundation for its culture and are key expectations of employees. The Company's culture and commitment to its employees are vital to attracting, motivating, and retaining exceptional talent. Consequently, the Company invests in its global workforce to drive

inclusiveness; provide fair and competitive pay and benefits; foster employee development; promote employees health and safety; and understand employees' experiences and identify opportunities to improve.

Additional information regarding the Company's Human Capital programs, initiatives, and metrics can be found on its website, including in its Sustainability Reports accessible on its website. The Sustainability Reports and other information contained on the Company's website are not incorporated by reference into this Annual Report.

Number of Employees

As of June 27, 2026, the Company had a global workforce of approximately 15,040 employees across 48 countries. This included approximately 4,125 employees in the Americas, 6,108 employees in EMEA, and 4,807 employees in Asia.

Compensation, Benefits and Wellness

The Company strives to pay all its employees competitively and fairly, without regard to gender, race, or other personal characteristics. The Company sets pay ranges based on market data and considers an employee's role, experience, tenure, job location, and job performance. The Company periodically reviews its compensation practices, both in terms of its overall workforce and individual employees, to help ensure that pay remains competitive and fair.

The Company offers an array of benefits that support employees' well-being. Through its THRIVE program, the Company offers resources covering (1) physical and mental health, fitness, and well-being; (2) professional growth, skills, and development; (3) total rewards, retirement planning and money management; and (4) community connections, networks, and social interests.

Learning and Development

The Company supports career growth and provides an array of resources and opportunities to help employees reach their potential. There is a structured learning framework as employees progress from individual contributor roles to senior management. Learning and development resources include self-paced courses, books, listen and learn events, mentoring programs and internal and external trainings, which cover a variety of technical, business, interpersonal, and leadership topics. The performance management process provides for goal-setting, ongoing conversations and check-ins between employees and their leaders, and includes coaching and training for people managers. Talent and succession planning activities are conducted for the Company's executive officers and senior leaders at least annually and periodically for other levels of management.

Health and Safety

The Company aims to create workspaces and practices that foster a safe and secure work environment. In fiscal 2026, continued progress was made with implementing a multi-year plan to improve alignment and consistency of management systems, policies, and procedures; provide comprehensive health and safety training to employees relevant to their specific work functions; drive continual improvement processes with a focus on identified risks; and increase ISO certifications at operational sites. As of June 27, 2026, the Company has 27 operational sites, of which nine are certified to ISO 45001 and 19 are certified to ISO 14001.

Inclusion

The Company strives for (i) an employee population that reflects the diverse communities in which they live, work, and do business, and (ii) a culture that seeks out varying perspectives, which allows the best ideas to come to light.

The Company is committed to making employment decisions based on merit and the needs of the Company's business, while ensuring equal employment opportunities for all applicants and employees regardless of race, gender, national origin, or other protected characteristic. The Company's Global Inclusion Council, a global cross-functional team of leaders, oversees inclusion efforts. The council meets regularly and engages with colleagues across the Company to connect inclusion-related initiatives to the Company's broader business strategy.

The Company's Equal Employment Opportunity Policy actively promotes inclusion in the Company's talent management practices. The Company's commitment to inclusion is evidenced by the makeup of its Board of Directors, which as of June 27, 2026, was 40% women and 50% racially and ethnically diverse (including Middle Eastern origin). In addition, for fiscal years 2021 through 2026, executive's annual incentive compensation included non-financial performance goals that consist in part on inclusion.

The Company's employee-led Employee Resource Groups (ERGs) provide a forum for employees to communicate and exchange ideas, build a network of relationships across the Company, and support each other in personal and career development. The Company's eight ERGs support the following communities: women, Asian and Pacific Islanders, Blacks, Hispanic and Latinos, U.S. veterans, LGBTQ+, later career employees; and environmental and sustainability causes.

Employee Engagement

The Company engages with its employees and encourages open and direct feedback through employee engagement surveys. Through such surveys, the Company regularly collects feedback to better understand its employees' experiences and identify opportunities to improve the work environment, increase employee satisfaction, and strengthen its culture. In fiscal 2026, the Company conducted its regular global employee engagement survey and achieved a participation rate of 70%.

Available Information

The Company files its annual report on Form 10-K, quarterly reports on Form 10-Q, Current Reports on Form 8-K, proxy statements, and other documents (including registration statements) with the U.S. Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934 or the Securities Act of 1933, as applicable. The Company's SEC filings are available to the public on the SEC's website at <http://www.sec.gov> and through The Nasdaq Global Select Market ("Nasdaq"), 165 Broadway, New York, New York 10006, on which the Company's common stock is listed.

A copy of any of the Company's filings with the SEC, or any of the agreements or other documents that constitute exhibits to those filings, can be obtained by request directed to the Company at the following address and telephone number:

Avnet, Inc.
2211 South 47th Street
Phoenix, Arizona 85034
(480) 643-2000
Attention: Corporate Secretary

The Company also makes these filings available, free of charge, through its website (see "Avnet Website" below).

Avnet Website

In addition to the information about the Company contained in this Report, extensive information about the Company can be found at <http://www.avnet.com>, including information about its management team, products and services, and corporate governance practices.

The corporate governance information on the Company's website includes the current version of the Company's Corporate Governance Guidelines, the Code of Conduct, and the charters for each of the committees of its Board of Directors. Waivers granted to directors and executive officers under the Code of Conduct, if any, will be posted in this area of the website. These documents can be accessed at ir.avnet.com/documents-charters. Printed versions can be obtained, free of charge, by writing to the Company at the address listed above in "Available Information."

The Company's filings with the SEC, as well as Section 16 filings made by any of the Company's executive officers or directors with respect to the Company's common stock, are available on the Company's website (ir.avnet.com/financial-information/sec-filings) as soon as reasonably practicable after the filing is electronically filed with, or furnished to, the SEC.

These details about the Company's website and its content are only for information. The contents of the Company's website are not, nor shall they be deemed to be, incorporated by reference in this Report.

Item 1A. Risk Factors

Forward-Looking Statements and Risk Factors

This Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") with respect to the financial condition, results of operations, and business of Avnet. These statements are generally identified by words like "believes," "plans," "projects," "expects," "anticipates," "should," "will," "may," "estimates," or similar expressions. Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, and actual results and other outcomes could differ materially from those expressed or implied in the forward-looking statements. Any forward-looking statement speaks only as of the date on which that statement is made. Except as required by law, the Company does not undertake any obligation to update any forward-looking statements to reflect events or circumstances that occur after the date on which the statement is made.

Risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements include the risk factors discussed below as well as risks and uncertainties not presently known to the Company or that management does not currently consider material. Such factors make the Company's operating results for future periods difficult to predict and, therefore, prior results do not necessarily indicate results in future periods. Some of the risks disclosed below may have already occurred, but not to a degree that management considers material unless otherwise noted. Any of the below factors, or any other factors discussed elsewhere in this Report, may have an adverse effect on the Company's financial condition, operating results, prospects, and liquidity. Similarly, the price of the Company's common stock is subject to volatility due to fluctuations in general market conditions; actual financial results that do not meet the Company's or the investment community's expectations; changes in the Company's or the investment community's expectations for the Company's future results, dividends, or share repurchases; and other factors, many of which are beyond the Company's control.

Changes in customer needs and consumption models

Changes in customer product demands and consumption models may cause a decline in the Company's billings, which would have a negative impact on the Company's financial results. Changes in technology (such as artificial intelligence) could reduce the types or quantity of services that customers require from the Company. While the Company attempts to identify changes in market conditions as soon as possible, the dynamics of the industries in which it operates make it difficult to predict and timely react to such changes, including those relating to product shortages or excess supply. Also, future downturns, inflation, or supply chain challenges, including in the semiconductor, embedded solutions, maintenance, and test and measurement industries, could adversely affect the Company's relationships with its customers, operating results, and profitability.

Specifically, the semiconductor industry experiences periodic fluctuations in product supply and demand (often associated with changes in economic conditions, technology, and manufacturing capacity) and suppliers may not adequately predict or meet customer demand. Geopolitical uncertainty (including from military conflicts, health-related crises, and international trade disputes) has led, and may continue to lead, to shortages, extended lead times, and unpredictability in the supply of certain semiconductors and other electronic components. In reaction, customers may over order to ensure sufficient inventory, which, when the shortage lessens, may result in order cancellations and decreases. In cases where customers have non-cancellable/ non-returnable orders, customers may not be able or willing to carry out the terms of the orders. The Company's prices to customers depend on many factors, including product availability, supplier costs, and competitive pressures. The Company may be unable to increase prices to customers to offset higher internal costs, which could reduce margins. During fiscal 2026, 2025, and 2024, sales of semiconductors represented approximately 79%, 78%, and 80% of the Company's consolidated sales, respectively, and the Company's sales closely follow the strength or weakness of the semiconductor industry. These conditions make it more difficult to manage the Company's business and predict future performance.

Disruptions to key supplier and customer relationships

One of the Company's competitive strengths is the breadth and quality of the suppliers whose products the Company distributes. For fiscal 2026, one supplier accounted for over 10% of the Company's consolidated billings. The Company's contracts with its suppliers vary in duration and are generally terminable by either party at will and upon notice. The Company's suppliers may terminate or significantly reduce their volume of business with the Company because of a product shortage, an unwillingness to do business with the Company, changes in strategy, or otherwise.

Shortages of products or loss of a supplier may negatively affect the Company's business and relationships with its customers, as customers depend on the Company's timely delivery of technology hardware and software from the industry's leading suppliers. In addition, shifts in suppliers' strategies, or performance and delivery issues, may negatively affect the Company's financial results. These conditions make it more difficult to manage the Company's business and predict future performance. The competitive landscape has also experienced consolidation among suppliers and capacity constraints, which could negatively impact the Company's profitability and customer base.

Further, if key suppliers modify the terms of their contracts (including terms regarding price protection, rights of return, order cancellation rights, delivery commitments, rebates, or other terms that protect or enhance the Company's gross margins), it could negatively affect the Company's results of operations, financial condition, or liquidity. The Company may attempt to limit associated risks by passing such terms on to its customers, but this may not be possible.

Customers, suppliers, and investors are increasingly requesting information and action regarding the Company's supply chain due diligence, environmental impacts, cybersecurity, and other social and governance practices. Such increased expectations may increase costs and result in reputational damage and loss of business if the Company is perceived to have not met such expectations.

Risks related to international operations

During fiscal 2026, 2025, and 2024 approximately 78%, 77% and 77%, respectively, of the Company's sales came from its operations outside the United States. The Company's operations are subject to a variety of risks that are specific to international operations, including, but not limited to, the following:

- potential restrictions on the Company's ability to repatriate funds from its foreign subsidiaries;
- foreign currency and interest rate fluctuations;
- non-compliance with foreign and domestic data privacy regulations, business licensing requirements, environmental regulations, and anti-corruption laws, the failure of which could result in severe penalties, including monetary fines and criminal proceedings;
- non-compliance with foreign and domestic import and export regulations and adoption or expansion of trade restrictions, including technology transfer restrictions, additional license, permit or authorization requirements for shipments, specific company sanctions, new and higher duties, tariffs or surcharges, or other import/export controls;
- complex and changing tax laws and regulations;
- regulatory requirements and prohibitions that differ between jurisdictions;
- economic and political instability, terrorism, military conflicts, or civil unrest;
- fluctuations in freight costs (both inbound and outbound), limitations on shipping and receiving capacity, and other disruptions in the transportation and shipping infrastructure;
- natural disasters (including due to climate change), pandemics, and other public health crises;
- differing employment practices and labor issues; and
- non-compliance with local laws.

In addition to the cost of compliance, the potential penalties for violations of import or export regulations and anti-corruption laws, by the Company or its third-party agents, create heightened risks for the Company's international operations. If a regulatory body determines that the Company has violated such laws, the Company could be fined significant sums, incur sizable legal defense costs, have its import or export capabilities restricted or denied, or have its inventories seized, which could have a material and adverse effect on the Company's business. Additionally, allegations that the Company has violated any such regulations may negatively impact the Company's reputation, which may result in customers or suppliers being unwilling to do business with the Company. While the Company has adopted measures and controls designed to ensure compliance with these laws, these measures may not be adequate, and the Company may be materially and adversely impacted in the event of an actual or alleged violation.

Tariffs, trade restrictions, sanctions, or changes in trade policies may adversely affect the Company's sales and profitability. For example, the U.S. administration has made, and continues to make, changes in trade policies, including negotiating or terminating trade agreements, imposing higher tariffs on imports into the United States, and other measures affecting trade between the United States and other countries. Additionally, some countries are changing their trade policies relating to goods imported from the United States. These policies and related geopolitical tensions could dampen consumer demand, increase market volatility, and impact currency exchange rates, each of which could adversely affect the Company's financial performance. Further, evaluating and complying with new and future trade measures diverts management's attention from existing initiatives, which may negatively impact the Company's business operations. The recent U.S. Supreme Court decision invalidating certain tariffs has increased complexity.

The impact of these trade disruptions is difficult to predict and depends on various factors, including (i) when trade measures are implemented, (ii) the ultimate amount, scope, nature, and duration of tariffs and other trade measures, (iii) and the extent to which price increases, together with mitigation efforts, do not fully offset increased costs. In addition, the impact of trade disruptions on general economic conditions is difficult to predict.

The Company employs and continues to develop systems and other measures to mitigate the impact of tariffs. The Company also has contingency plans to respond to a range of economic scenarios. The Company continues to monitor and evaluate changing trade policies, as well as the overall economic environment in the electronic components industry. However, despite these efforts, the Company may not be able to fully mitigate the impact of changes in trade policies or an economic downturn. These actions have resulted in increased costs, which the Company may not be able to pass on to customers; shortages of materials and electronic components; increased cybersecurity attacks; credit market disruptions; and inflation. In addition, increased operational expenses incurred in minimizing the number of products subject to tariffs could adversely affect the Company's operating profits. These measures have not yet had a material impact, but future actions or escalations that affect trade relations could materially affect the Company's sales and results of operations.

The Company transacts sales, pays expenses, owns assets, and incurs liabilities in countries using currencies other than the U.S. Dollar. Because the Company's consolidated financial statements are presented in U.S. Dollars, the Company must translate such activities and amounts into U.S. Dollars at exchange rates in effect during each reporting period. Therefore, increases or decreases in the exchange rates between the U.S. Dollar and other currencies affect the Company's reported amounts of sales, operating income, and assets and liabilities denominated in foreign currencies. In addition, unexpected and dramatic changes in foreign currency exchange rates may negatively affect the Company's earnings from those markets. While the Company may use derivative financial instruments to reduce its net exposure, foreign currency exchange rate fluctuations may materially affect the Company's financial results. Further, foreign currency instability and disruptions in the credit and capital markets may increase credit risks for some of the Company's customers and may impair its customers' ability to repay existing obligations.

Internal information systems failures

The Company depends on its information systems to facilitate its day-to-day operations and to produce timely, accurate, and reliable information on financial and operational results. Currently, the Company's global operations are tracked with multiple information systems, including systems from acquired businesses, some of which are subject to ongoing IT projects designed to streamline or optimize the Company's systems. These IT projects are extremely complex, in part because of wide ranging processes, use of on-premise and cloud environments, the Company's business operations, and changes in information technology. The Company may not always succeed at these efforts. Implementation or integration difficulties may adversely affect the Company's ability to complete business transactions and ensure accurate recording and reporting of financial data. In addition, IT projects may not achieve the expected efficiencies and cost savings, which could negatively impact the Company's financial results. A failure of any of these information systems (including due to power losses, computer and telecommunications failures, cybersecurity incidents, or manmade or natural disasters), or material difficulties in upgrading these information systems, could have an adverse effect on the Company's business, internal controls, and reporting obligations under federal securities laws.

Due to the Company's increased online sales, system interruptions and delays that make its websites and services unavailable or slow to respond may reduce the attractiveness of its products and services to its customers. If the Company is unable to continually improve the efficiency of its systems, it could cause systems interruptions or delays and adversely affect the Company's operating results.

Logistics disruptions

The Company's global logistics services are operated through specialized and centralized distribution centers around the globe, some of which are outsourced. The Company also depends almost entirely on third-party transportation service providers to deliver products to its customers. A major interruption or disruption in service at one or more of its distribution centers for any reason, or significant disruptions of services from the Company's third-party transportation providers, could cause a delay in expected cost savings or an increase in expenses, which may not be possible to pass on to customers. Such disruptions could result from risks related to information technology, data security, or any of the General Risk Factors, as discussed herein. In addition, as the Company continues to increase capacity at various distribution centers, it may experience operational challenges, increased costs, decreased efficiency, and customer delivery delays and failures. Such operational challenges could have an adverse impact on the Company's business partners, and on the Company's business, operations, financial performance, and reputation.

Data security and privacy threats

Threats to the Company's data and information technology systems (including cybersecurity attacks such as phishing and ransomware) are becoming more frequent and sophisticated, including through the use of artificial intelligence and machine learning. Threat actors have successfully breached the Company's systems and processes in various ways, and such cybersecurity breaches expose the Company to significant potential liability and reputational harm. Cybersecurity attacks have not yet materially impacted the Company's data or the Company's operations, financial condition, or data security. However, future attacks could have a material impact. Threat actors, including sophisticated nation-state actors, seek unauthorized access to intellectual property, or confidential or proprietary information regarding the Company, its customers, its business partners, or its employees, and may target the Company's systems for espionage, intellectual property theft, or disruption of operations. They deploy malicious software programs that exploit security vulnerabilities, including ransomware designed to encrypt the Company's files so an attacker may demand a ransom for restored access. They also seek to misdirect money, sabotage data and systems, takeover internal processes, and induce employees or other system users to disclose sensitive information, including login credentials. In addition, some Company employees continue to work from home on a full-time or hybrid basis, which increases the Company's vulnerability to cyber and other information technology risks. Further, the Company relies on third-parties, whose systems and controls are outside the Company's control. A failure, breach, or disruption involving such third parties could materially affect the Company's operations.

The Company seeks to protect and secure its systems and information, prevent and detect evolving threats, and respond to threats as they occur. Measures taken include implementing and enhancing information security controls, such as enterprise-wide firewalls, continuous monitoring, intrusion detection, endpoint protection, email security, disaster recovery, vulnerability management, and cybersecurity training for employees to enhance awareness of general security best practices, financial fraud, and phishing. Despite these efforts, the Company may not always be successful. Threat actors frequently change their techniques and technology (such as implementing artificial intelligence) and, consequently, the Company may not always promptly detect the existence or scope of a security breach. As these types of threats grow and evolve, the Company may make further investments to protect its data and information technology infrastructure, which may impact the Company's profitability. The Company's insurance coverage for protecting against cyber attacks may not be sufficient to cover all possible claims, and the Company may suffer losses that could have a material adverse effect on its business. As a global enterprise, the Company may be negatively impacted by existing and proposed laws and regulations, as well as government policies and practices, related to cybersecurity, data privacy, data localization, and data protection. Failure to comply with such requirements could have an adverse effect on the Company's reputation, business, financial condition, and results of operations, as well as subject the Company to significant fines, litigation losses, third-party damages, and other liabilities.

Financial Risks

Inventory value decline

The electronic components and integrated products industries are subject to technological change, new and enhanced products, changes in customer needs, and changes in industry standards and regulatory requirements, which can cause the Company's inventory to decline in value or become obsolete. Regardless of the general economic environment, prices may decline due to a decrease in demand or an oversupply of products, which may increase the risk of declines in inventory value. Many of the Company's suppliers offer certain protections from the loss in value of inventory (such as price protection and limited rights of return), but such policies may not fully compensate for the loss. Also, suppliers may not honor such agreements, some of which are subject to supplier discretion. In addition, certain Company sales are made pursuant to individual purchase orders, rather than through long-term sales contracts. Where there are contracts, such contracts are generally terminable at will upon notice. Unforeseen product developments, inventory value declines, or customer cancellations may adversely affect the Company's business, results of operations, financial condition, or liquidity.

Accounts receivable defaults

Accounts receivable are a significant portion of the Company's working capital. If entities responsible for a significant amount of accounts receivable cease doing business, direct their business elsewhere, fail to pay, or delay payment, the Company's business, results of operations, financial condition, or liquidity could be adversely affected. An economic or industry downturn could adversely affect the Company's ability to collect receivables, which could result in longer payment cycles, increased collection costs, and defaults exceeding management's expectations. A significant deterioration in the Company's ability to collect accounts receivable in the United States could impact the cost or availability of financing under various financing programs.

Liquidity and capital resources constraints

The Company's ability to satisfy its cash needs and implement its capital allocation strategy depends on its ability to generate cash from operations and to access the financial markets, both of which are subject to general economic, financial, competitive, legislative, regulatory, and other factors that are beyond the Company's control. In addition to cash on hand, the Company relies on external financing to help satisfy its cash needs. However, various factors affect external financing, including general market conditions, interest rate fluctuations, and the Company's debt ratings and operating results. Consequently, external financing may not be available on acceptable terms or at all. An increase in the Company's debt or deterioration of its operating results may cause a reduction in its debt ratings. Any such reduction could negatively impact the Company's ability to obtain additional financing or renew existing financing at acceptable terms, and could result in reduced credit limits, increased financing expenses, and additional restrictions and covenants. A reduction in its current debt rating may also negatively impact the Company's working capital and impair its relationship with its customers and suppliers.

As of June 27, 2026, the Company had debt outstanding with financial institutions under various notes, secured borrowings, and committed and uncommitted lines of credit. The Company needs cash to pay debt principal and interest, and for general corporate purposes, such as funding its ongoing working capital and capital expenditure needs. Under certain of its credit facilities, the applicable interest rate and costs are based in part on the Company's current debt rating. If its debt rating is reduced, higher interest rates and increased costs would result. A portion of the Company's debt is subject to variable interest rates and an increase in such rates would increase debt service obligations. Any material increase in the Company's financing costs or loss of access to cost-effective financing could have an adverse effect on its profitability, results of operations, and cash flows.

General economic or business conditions, both domestic and foreign, may be less favorable than management expects and could adversely impact the Company's sales or its ability to collect receivables from its customers, which may impact access to the Company's accounts receivable securitization program.

Financing covenants and restrictions may limit management discretion

The agreements governing the Company's financing, including its credit facility, accounts receivable securitization program, and the indentures governing the Company's outstanding notes, contain various covenants and restrictions that, in certain circumstances, limit the Company's ability, and the ability of certain subsidiaries, to:

- grant liens on assets;
- make restricted payments (including, under certain circumstances, paying dividends on, redeeming, or repurchasing common stock);
- make certain investments;
- merge, consolidate, or transfer all, or substantially all, of the Company's assets;
- incur additional debt; or
- engage in certain transactions with affiliates.

The Company may be in default under certain of its credit facilities if its leverage ratio exceeds a certain level. In such an event, lenders may accelerate payment, other lenders may declare a cross-default, and the Company may be unable to continue to utilize these facilities, which could cause the Company to have insufficient cash to make interest payments, to repay indebtedness, or for general corporate needs.

As a result of these covenants and restrictions, the Company may be limited in the future in how it conducts its business and may be unable to raise additional debt, repurchase common stock, pay a dividend, compete effectively, or make further investments.

Tax law changes and compliance

As a multinational corporation, the Company is subject to the tax laws and regulations of the United States and many foreign jurisdictions. From time to time, governments enact or revise tax laws and regulations, which are further subject to interpretations, guidance, amendments, and technical corrections from international, federal, and state tax authorities. Such changes to tax law may adversely affect the Company's cash flow, costs of share buybacks, and effective tax rate, including through decreases in allowable deductions and higher tax rates.

Many countries have adopted provisions to align their international tax rules with the Base Erosion and Profit Shifting Project, led by the Organisation for Economic Co-operation and Development ("OECD"), which applied to the Company as of fiscal year 2026. The project aims to standardize and modernize global corporate tax policy, and levies a 15% global minimum corporate tax rate on a country-by-country basis on companies with revenue over a set threshold. Various jurisdictions are adopting related regulations at different times and in varying forms. Conflicting regulations or interpretations could increase risk of double taxation, compliance complexity, and disputes with taxing authorities. Furthermore, many countries are independently evaluating their corporate tax policy, which could result in tax legislation and enforcement that adversely impacts the Company's tax provision and value of deferred assets and liabilities.

The tax laws and regulations of the various countries where the Company has operations are extremely complex and subject to varying interpretations. The Company believes that its historical tax positions are sound and consistent with applicable law, and that it has adequately reserved for taxes. However, taxing authorities may challenge such

positions and the Company may not be successful in defending against any such challenges. The Company's future income tax expense could be adversely affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets, and liabilities and changes to its operating structure.

Constraints on internal controls

Effective internal controls are necessary for the Company to provide reliable financial reports, safeguard its assets, and prevent and detect fraud. If the Company cannot do so, its brand and operating results could be harmed. Internal controls over financial reporting are intended to prevent and detect material misstatements in its financial reporting and material fraudulent activity, but are limited by human error, circumventing or overriding controls, and fraud. As a result, the Company may not identify all material activity or all immaterial activity that could aggregate into a material misstatement. Therefore, even effective internal controls cannot guarantee that financial statements are wholly accurate or prevent all fraud and loss of assets. Management continually evaluates the effectiveness of the design and operation of the Company's internal controls. However, if the Company fails to maintain the adequacy of its internal controls, including any failure to implement required new or improved internal controls, or if the Company experiences difficulties in their implementation, the Company's business and operating results could be harmed. Additionally, the Company may be subject to sanctions or investigations by regulatory authorities, or the Company could fail to meet its reporting obligations, all of which could have an adverse effect on its business or the market price of the Company's securities.

Acquisition expected benefits shortfall

The Company has made, and expects to make, strategic acquisitions or investments globally to further its strategic objectives and support key business initiatives. Acquisitions and investments involve risks and uncertainties, some of which may differ from those associated with the Company's historical operations. Examples include risks relating to expanding into emerging markets and business areas, adding additional product lines and services, impacting existing customer and supplier relationships, incurring costs or liabilities associated with the companies acquired, incurring potential impairment charges on acquired goodwill and other intangible assets, and diverting management's attention from existing operations and initiatives. As a result, the Company's profitability may be negatively impacted. In addition, the Company may not successfully integrate the acquired businesses, or the integration may be more difficult, costly, or time-consuming than anticipated. Further, any litigation involving the potential acquisition or acquired entity may increase expenses associated with the acquisition, cause a delay in completing the acquisition, or impact the ability to integrate the acquired entity, all of which may impact the Company's profitability. The Company may experience disruptions that could, depending on the size of the acquisition, have an adverse effect on its business, especially where an acquisition target may have pre-existing regulatory issues or deficiencies, or material weaknesses in internal controls over financial reporting. Furthermore, the Company may not realize all benefits anticipated from its acquisitions, which could adversely affect the Company's financial performance.

Legal and Regulatory Risks

Legal proceedings costs and damages

From time to time, the Company may become involved in legal proceedings, including government investigations, that arise out of the ordinary conduct of the Company's business, including matters involving intellectual property rights, commercial matters, merger-related matters, product liability, and other actions. Legal proceedings could result in substantial costs and diversion of management's efforts and other resources, and could have an adverse effect on the Company's operations and business reputation. The Company may be obligated to indemnify and defend its customers if the products or services that the Company sells are alleged to infringe any third party's intellectual property rights. The

Company may not be able to obtain supplier indemnification for itself and its customers against such claims, or such indemnification may not fully protect the Company and its customers against such claims. Also, the Company is exposed to potential liability for technology and products that it develops for which it has no indemnification protections. If an infringement claim against the Company is successful, the Company may be required to pay damages or seek royalty or license arrangements, which may not be available on commercially reasonable terms. The Company may have to stop selling certain products or services, which could affect its ability to compete effectively. In addition, the Company's expanding business activities may include the assembly or manufacture of electronic component products and systems. Product defects, whether caused by a design, assembly, manufacture or component failure or error, or manufacturing processes not in compliance with applicable statutory and regulatory requirements, may result in product liability claims, product recalls, fines, and penalties. Product liability risks could be particularly significant with respect to aerospace, automotive, and medical applications because of the risk of serious harm to users of such products.

Regulatory non-compliance

The Company is subject to laws and regulations addressing a variety of issues, including import and export regulations, environmental impacts and related disclosures, data privacy, workplace safety, and supply chain regulations. While the Company strives to fully comply with all applicable regulations, certain of these regulations are subject to differing interpretations and conflicts among various jurisdictions or may impose liability without fault. Additionally, the Company may be held responsible for the prior activities of an entity it acquired.

Failure to comply with these regulations could result in substantial costs, fines, and civil or criminal sanctions, as well as third-party claims for property damage or personal injury. Future regulations may become more stringent over time, imposing greater compliance costs, and increasing risks, penalties and reputational harm associated with violations.

General Risk Factors

Negative impacts of economic or geopolitical uncertainty, or a health crisis, on operations and financial results

Economic weakness and geopolitical uncertainty (including from military conflicts and international trade disputes), as well as health-related crises (including pandemics and epidemics), have resulted, and may result in the future, in a variety of adverse impacts on the Company and its customers and suppliers. Such adverse impacts include decreased sales, margins, and earnings; increased logistics costs; demand uncertainty; constrained workforce participation; global supply chain disruptions; and logistics and distribution system disruptions. Such crises and uncertainties could also result in, or heighten the risks of, customer bankruptcies, customer delayed or defaulted payments, delays in product deliveries, financial market disruption and volatility, and other risk factors described in the Company's Annual Report. As a result, the Company may need to impair assets (including goodwill, intangible assets, and other long-lived assets), implement restructuring actions, and reduce expenses in response to decreased sales or margins.

The Company may not be able to adequately adjust its cost structure in a timely fashion, which may adversely impact its profitability. Uncertainty about economic conditions may increase foreign currency volatility, which may negatively impact the Company's results. Economic weakness and geopolitical uncertainty also make it more difficult for the Company to manage inventory levels (including when customers decrease orders, cancel existing orders, or are unable to fulfill their obligations under non-cancelable/ non-return orders) and collect customer receivables, which may result in provisions to create reserves, write-offs, reduced access to liquidity, higher financing costs, and increased pressure on cash flows.

An increase in or prolonged period of inflation could affect the Company's profitability and cash flows, due to higher wages, higher operating expenses, higher financing costs, and higher supplier prices. Inflation may also adversely

affect foreign exchange rates. The Company may be unable to pass along such higher costs to its customers, which may result in lower gross profit margins. In addition, inflation may adversely affect customers' financing costs, cash flows, and profitability, which could adversely impact their operations and the Company's ability to offer credit and collect receivables.

Competition

The market for the Company's products and services is very competitive and subject to technological advances (including artificial intelligence), new competitors, non-traditional competitors, and changes in industry standards. The Company competes with other global and regional distributors, as well as some of the Company's own suppliers that maintain direct sales efforts. In addition, as the Company expands its offerings and geographies, the Company may encounter increased competition from current or new competitors. The Company's failure to maintain and enhance its competitive position, including by adopting or enhancing digital capabilities, could adversely affect its business and prospects. Furthermore, the Company's efforts to compete in the marketplace could cause deterioration of gross profit margins and, thus, overall profitability.

The size of the Company's competitors varies across market sectors, as do the resources the Company has allocated to the sectors and geographic areas in which it does business. Therefore, some competitors may have greater resources or a more extensive customer or supplier base in some market sectors and geographic areas. As a result, the Company may not be able to effectively compete in certain markets, which could impact the Company's profitability and prospects.

Employee retention and hiring constraints

The Company's success depends on its ability to attract, engage, develop, and retain qualified employees in a competitive labor market. Key talent acquisition may be impacted by immigration restrictions, shifting workforce demographics, and evolving skill requirements driven by technological change, including artificial intelligence. Restructuring activities and position eliminations may also affect the Company's brand reputation as an employer, employee morale, and retention, particularly in areas where employees are represented by works councils and unions. Any challenges in maintaining a skilled and engaged workforce could adversely affect the Company's business, financial condition, and results of operations.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

The Company recognizes the importance of assessing, identifying, and managing material risks associated with cybersecurity threats, as defined in Item 106(a) of Regulation S-K. These risks include operational risks; intellectual property theft; fraud; extortion; harm to employees or customers; legal risks, including violations of privacy or data protection laws; and reputational risks. The Company has implemented several cybersecurity processes, technologies, and controls to aid in its efforts.

The Company's Global Cybersecurity & Compliance (GC&C) team maintains a comprehensive cybersecurity program that includes policies, procedures, and standards to govern the safe processing, storage, and transmission of data. GC&C team members have extensive knowledge and experience regarding cybersecurity and the Company's information technology systems. The GC&C team leader reports directly to the Company's Chief Information Officer. The cybersecurity program was developed using practices anchored on the National Institute of Standards and

Technology (NIST) Cyber Security Framework (CSF) and seeks to align to the additional cybersecurity measures of NIST 800-171 and ISO27001. Cybersecurity controls are governed by Avnet's Global Information Security Policy (GISP).

The Company has processes for overseeing and identifying cybersecurity threats, vulnerabilities, and controls associated with third-party service providers, including evaluating providers' (i) cybersecurity ratings, (ii) public disclosures related to cybersecurity, (iii) cybersecurity questionnaire responses, and (iv) cybersecurity and IT certifications.

The Company provides quarterly updates to, and receives oversight from, the Technology and Risk Committee on the Company's cybersecurity program, cybersecurity incidents, and the cybersecurity threat landscape. Responsible members of management provide updates to the Company's senior executive team regarding all cybersecurity incidents, the cybersecurity program, and the threat landscape.

The Company's enterprise risk management program (ERM) considers cybersecurity risks (including likelihood, potential severity, and mitigation) alongside other enterprise-wide risks as part of its overall ERM process. The GC&C team administers an IT risk management program that identifies and assesses cybersecurity risks. Its assessments are shared with the Company's enterprise risk management council (ERM Council).

The GC&C team applies an incident response procedure. Among other things, the team appropriately escalates some incidents in real-time, depending on the incident's potential impact and scope. Further, the GC&C team regularly collaborates with other departments—such as legal, corporate security, and human resources—when assessing, identifying, and managing cybersecurity incidents. The Company also retains external cybersecurity response consultants to assist internal resources as needed.

The Company regularly tests the effectiveness of its security program through internal audit and external assessments. The Company makes investments for continual improvements in risk and vulnerability mitigation, including ongoing monitoring, network and system updates, and employee cybersecurity awareness training.

The Company's cybersecurity assessments and auditing include:

- Regular penetration tests conducted by external consultants;
- Regular maturity assessments conducted by external consultants;
- Quarterly self-assessments of internal cybersecurity capabilities; and
- Ongoing internal audits of cybersecurity systems and practices.
- The Company's employee communication and training program includes:
 - Annual tabletop exercises performed with its executive team;
 - Annual tabletop exercises with its cybersecurity incident response team;
 - Annually distributing the Global Information Security Policy (GISP) to all employees;
 - New hire and biennial computer-based training on data privacy and cybersecurity for all employees, with in-person training for high-risk positions;
 - Cybersecurity awareness training videos available to employees and updated quarterly;
 - Phishing simulations conducted with employees monthly; and
 - Newsletters distributed to all employees on relevant cybersecurity threats.

Please refer to Item 1.A, Risk Factors (Data security and privacy threats) for a discussion of whether cybersecurity threats have or will materially affect the Company, as well as the potential impact on the Company’s operations and financial condition.

Item 2. Properties

The Company’s Corporate and EC Americas headquarters are in Phoenix, Arizona. The Company owns and leases approximately 2.1 million and 4.1 million square feet of space, respectively, of which approximately 24% is in the United States. The facilities consist of office, warehousing, integration and value-added operations. The Company believes that the facilities are well maintained and adequate for current and future operating needs. The following table summarizes the square footage of the Company’s facilities by region as of June 27, 2026 (in millions):

	Approximate Square Footage
Americas	1.9
EMEA	3.2
Asia	1.1
Total	<u>6.2</u>

See Note 5, “Property, plant and equipment, net” and Note 11, “Leases” to the Company’s consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for additional information on the Company’s properties.

Item 3. Legal Proceedings

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

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

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

The Company's common stock is listed on the Nasdaq Global Select Market under the symbol AVT.

Dividends

The declaration and payment of future dividends will be at the discretion of the Board of Directors and will be dependent upon the Company's financial condition, results of operations, capital requirements, and other factors the Board of Directors considers relevant. In addition, certain of the Company's debt facilities may restrict the declaration and payment of dividends, depending upon the Company's then current compliance with certain covenants.

Record Holders

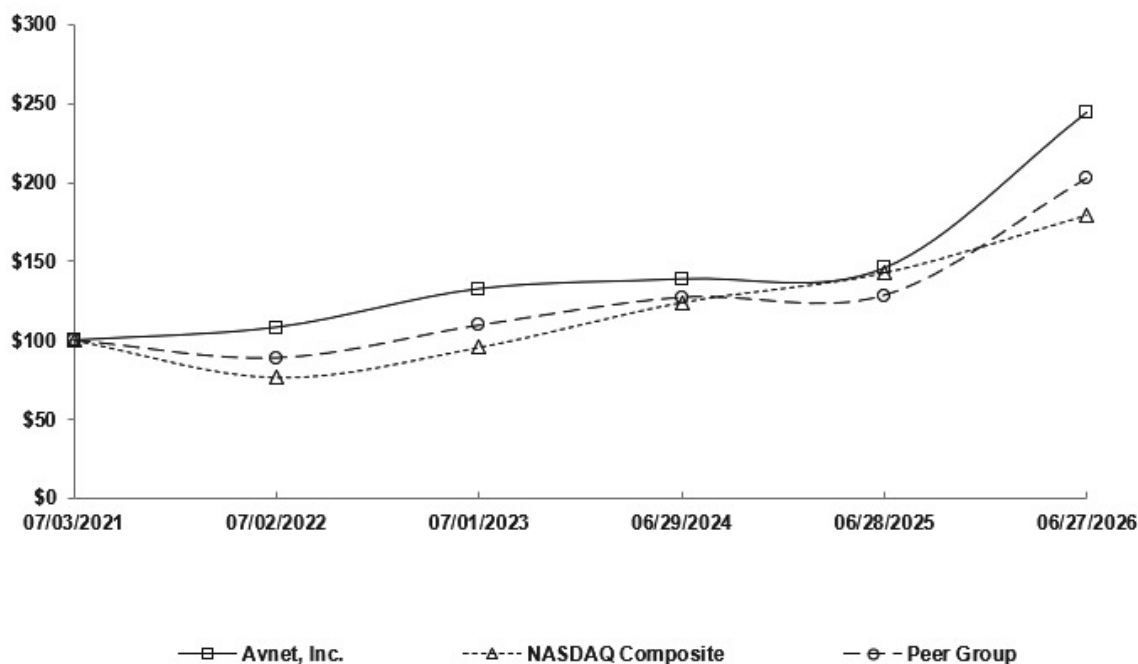
As of August 7, 2026, there were 1,160 registered holders of record of Avnet's common stock.

Stock Performance Graphs and Cumulative Total Returns

The graph below matches the cumulative 5-year total return of holders of Avnet's common stock with (i) the cumulative total returns of the Nasdaq Composite Index and (ii) a customized peer group of five companies (Agilysys Inc., Arrow Electronics Inc., Insight Enterprises Inc., Scansource Inc., and TD Synnex Corporation). The graph assumes that the value of the investment in Avnet's common stock, in each index, and in the peer group (including reinvestment of dividends) was \$100 on 7/3/2021 and tracks it through 6/27/2026.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Avnet, Inc. the NASDAQ Composite Index,
and a Peer Group



*\$100 invested on 07/03/2021 in stock or index, including reinvestment of dividends.
Index calculated on month-end basis.

	<u>7/3/2021</u>	<u>7/2/2022</u>	<u>7/1/2023</u>	<u>6/29/2024</u>	<u>6/28/2025</u>	<u>6/27/2026</u>
Avnet, Inc.	\$ 100	\$ 108.20	\$ 132.63	\$ 138.84	\$ 145.69	\$ 244.51
Nasdaq Composite.	\$ 100	\$ 76.54	\$ 95.69	\$ 124.02	\$ 142.78	\$ 179.25
Peer Group.	\$ 100	\$ 88.85	\$ 109.49	\$ 127.14	\$ 128.45	\$ 202.37

The stock price performance included in this graph is not necessarily indicative of future stock price performance.

Issuer Purchases of Equity Securities

The Company's Board of Directors has approved the repurchase plan of up to an aggregate of \$600 million of common stock. During the fourth quarter of fiscal 2026, the Company did not repurchase any shares under the share repurchase program.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

For a description of the Company's critical accounting policies and an understanding of Avnet and the significant factors that influenced the Company's performance during the past three fiscal years, the following discussion should be read in conjunction with the description of the business appearing in Item 1 of this Report and the consolidated financial statements, including the related notes and schedule, and other information appearing in Item 8 of this Report.

Discussions of fiscal 2024 items and year-to-year comparisons between fiscal years 2025 and 2024 are not included in this Form 10-K and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended June 28, 2025. The Company operates on a "52/53 week" fiscal year. Fiscal years 2026, 2025 and 2024 each contained 52 weeks.

The discussion of the Company's results of operations includes references to the impact of foreign currency translation. When the U.S. Dollar strengthens and the stronger exchange rates are used to translate the results of operations of Avnet's subsidiaries denominated in foreign currencies, the result is a decrease in U.S. Dollars of reported results. Conversely, when the U.S. Dollar weakens, the weaker exchange rates result in an increase in U.S. Dollars of reported results. In the discussion that follows, results excluding this impact, primarily for subsidiaries in EMEA and Asia, are referred to as "constant currency."

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

- * "Adjusted operating income," which is operating income excluding (i) restructuring, integration and other expenses, and (ii) amortization of acquired intangible assets.

The following table provides a reconciliation of operating income to adjusted operating income:

	Years Ended		
	June 27, 2026	June 28, 2025	June 29, 2024
		(Thousands)	
Operating income	\$ 724,782	\$ 514,254	\$ 844,367
Restructuring, integration, and other expenses	134,706	108,316	52,550
Amortization of acquired intangible assets	1,457	1,463	3,130
Adjusted operating income	<u>\$ 860,945</u>	<u>\$ 624,033</u>	<u>\$ 900,047</u>

Management believes that providing this additional information is useful to financial statement users to better assess and understand operating performance, especially when comparing results with prior periods or forecasting performance for future periods, primarily because management typically monitors the business with and without these adjustments to GAAP results. Management also uses these non-GAAP measures to establish operational goals and, in many cases, for measuring performance for compensation purposes. However, any analysis of results on a non-GAAP basis should be used in conjunction with results presented in accordance with GAAP.

Industry outlook

The Company's operations subject it to tariffs and other trade protection measures. The U.S. administration has instituted certain changes, and may make additional changes, in trade policies that include the negotiation or termination of trade agreements, higher tariffs on imports into the U.S., and other measures affecting trade between the U.S. and other countries from which the Company imports. Due in part to these measures, some countries are changing their trade policies relating to goods imported from the U.S. These global trade disruptions and geopolitical tensions, together with

any related downturns in the global economy, could dampen customer demand, increase market volatility, and impact currency exchange rates, all of which could materially and adversely affect the Company's financial performance.

In February 2026, the U.S. Supreme Court issued a ruling striking down tariffs imposed under the International Emergency Economic Powers Act (IEEPA), including, among others, tariffs on imports of certain Canadian, Chinese, and Mexican goods, a universal baseline tariff on imports from most countries, and reciprocal tariffs on select countries. The global tariff landscape continues to shift rapidly, with changes impacting businesses and markets around the world.

The Company continues to monitor the situation, including any potential refunds of such tariffs, and evaluate the impact on its results of operations. No potential refunds have been recorded in the Consolidated Financial Statements as the Company cannot reasonably estimate the financial impact.

Sales related to customer billings for various tariffs were less than one percent of total sales for fiscal 2026, fiscal 2025 and fiscal 2024.

During fiscal 2026, the Company's financial performance improved as demand for electronic components strengthened resulting in year-over-year sales growth across all regions and improved days of inventory on hand. The Company expects sales in the first quarter of fiscal 2027 will grow approximately 10% compared to fourth quarter of fiscal 2026 sales with expected sales growth across all Electronic Components regions and Farnell.

Results of Operations

	Years Ended			
	2026	2025	Variance	Variance %
	(\$ in millions, unless otherwise stated)			
Sales	\$ 27,633	\$ 22,201	\$ 5,432	24.5 %
Gross profit	2,882	2,385	497	20.8
Selling, general and administrative expenses	2,022	1,762	260	14.8
Restructuring, integration, and other expenses	135	108	26	24.4
Operating income	725	514	211	40.9
Adjusted operating income	861	624	237	38.0
Other expense, net	(7)	(17)	11	(61.6)
Interest and other financing expenses, net	(251)	(246)	(4)	1.8
Income tax expense	133	10	123	1,185.2
Net income	334	240	94	39.2
Diluted earnings per share	4.01	2.75	1.26	45.8
Other Metrics				
Gross profit margin	10.4 %	10.7 %	(31) bps	(0.3) %
Operating income margin	2.6 %	2.3 %	30 bps	0.3 %
Adjusted operating income margin	3.1 %	2.8 %	31 bps	0.3 %
Effective tax rate	28.5 %	4.1 %	2,433 bps	24.3 %

Sales

Analysis of Sales: By Operating Group and Geography

The table below provides sales change rates for fiscal 2026 as compared to fiscal 2025 as reported and on a constant currency basis by geographic region and operating group.

	Years Ended				Sales	Sales
	June 27, 2026	% of Total	June 28, 2025	% of Total	Year-Year % Change	Year-Year % Change in Constant Currency
	(\$ in millions)					
Sales by Operating Group:						
EC	\$ 25,851.9	93.6 %	\$ 20,755.0	93.5 %	24.6 %	22.6 %
Farnell	<u>1,780.8</u>	6.4 %	<u>1,445.8</u>	6.5 %	23.2 %	19.8 %
Total Avnet	<u>\$ 27,632.7</u>		<u>\$ 22,200.8</u>		24.5 %	22.4 %
Sales by Geographic Region:						
Americas	\$ 6,480.8	23.5 %	\$ 5,300.0	23.9 %	22.3 %	22.3 %
EMEA	7,725.1	28.0 %	6,409.6	28.9 %	20.5 %	13.1 %
Asia	<u>13,426.8</u>	48.5 %	<u>10,491.2</u>	47.2 %	28.0 %	28.2 %
Total Avnet	<u>\$ 27,632.7</u>		<u>\$ 22,200.8</u>			

Avnet's sales for fiscal 2026 were \$27.63 billion, an increase of \$5.43 billion, or 24.5%, from fiscal 2025 sales of \$22.20 billion, with growth across all EC regions and Farnell. Sales in constant currency increased 22.4% year over year, driven by strong performance in both EC and Farnell operating groups across all end markets served.

EC sales in fiscal 2026 were \$25.85 billion, representing a \$5.10 billion increase, or 24.6% increase over prior year sales of \$20.75 billion. EC sales increased 22.6% year over year in constant currency. All three EC regions contributed to this growth led by the Company's Asia region. The increase in EC sales was mainly attributable to increased sales volumes and the mix of higher-priced components and to a lesser extent from increase in prices for certain memory-related products.

Farnell sales in fiscal 2026 were \$1.78 billion, representing an increase of \$335.0 million or 23.2%, compared to prior year sales of \$1.45 billion. The year-over-year increase in sales in fiscal 2026 is primarily due to improvement in demand for single board computers and on-the-board electronic components. The increase in sales at Farnell was primarily driven by an increase in volume as increases in components pricing including certain memory-related products was a smaller contributor to sales growth during fiscal 2026.

Gross Profit

The Company's gross profit and gross margin are primarily affected by sales volume, product mix, customer mix and pricing, and geographic sales mix. Gross profit increased \$496.9 million, or 20.8% to \$2.88 billion in fiscal 2026, compared to \$2.38 billion in fiscal 2025. This increase was primarily driven by higher sales in both operating groups, partially offset by year-over-year lower gross profit margin in the EC operating group. Gross profit margin decreased to 10.4% in fiscal 2026 or 31 basis points from fiscal 2025 gross profit margin of 10.7%.

EC gross profit margin declined in fiscal 2026 compared with fiscal 2025 primarily due to a higher mix of sales from the lower-margin Asia region and changes in product and customer mix in the Western regions. Asia represented approximately 51% of EC sales in fiscal 2026, compared with 49% in fiscal 2025. EC gross profit margin decreased 44 basis points to 9.24% in fiscal 2026 from 9.68% in fiscal 2025.

Farnell gross profit margin was 27.73% in fiscal 2026, up 168 basis points year over year, primarily due to a higher mix of on-the-board electronic components and, to a lesser extent, an increase in component pricing for certain memory-related products during fiscal 2026.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (“SG&A expenses”) in fiscal 2026 were \$2.02 billion, an increase of \$260.0 million, or 14.8%, from fiscal 2025. The year-over-year increase in SG&A expenses is primarily due to increases in variable operating expenses associated with higher sales volumes and the impact of changes in foreign currency translation rates.

Metrics that management monitors with respect to its operating expenses are SG&A expenses as a percentage of sales and as a percentage of gross profit. In fiscal 2026, SG&A expenses were 7.3% of sales 70.2% of gross profit, compared with 7.9% and 73.9%, respectively, in fiscal 2025. The year-over-year decrease in SG&A expenses as a percentage of sales and gross profit was primarily due to increased sales without a corresponding increase in SG&A expenses, partially offset by the decline in gross profit margin in EC as discussed above.

See Note 16 “Segment information” to the Company’s consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for the amount of selling, general and administrative expenses by operating group.

Restructuring, Integration and Other Expenses

The Company recorded total restructuring, integration, and other expenses in fiscal 2026 of \$134.7 million consisting of \$87.7 million of severance and other restructuring related expenses, and \$47.0 million of integration and other costs primarily related to start-up costs associated with a new distribution center in EMEA, partially offset by a benefit due to a change in estimate from the settlement of an audit in Mexico. The largest component of the severance expense in fiscal 2026, was due to the announced closure of a distribution center in Germany that impacted approximately 350 employees. The closure is expected to be completed in the third quarter of fiscal 2027.

The after-tax impact of restructuring, integration, and other expenses were \$96.1 million and \$1.15 per share on a diluted basis.

During fiscal 2025 the Company recorded restructuring, integration, and other expenses of \$108.3 million, which consists of restructuring costs of \$56.1 million, integration and other costs of \$14.5 million, a benefit of \$6.0 million for changes in estimates for costs associated with prior year restructuring actions, and \$43.7 million of other costs primarily related to the estimated contingent liability associated with the consumption tax audit in Mexico.

See Note 17, “Restructuring expenses” to the Company’s consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for additional information related to restructuring expenses.

Operating Income

Operating income increased \$210.5 million, or 40.9%, to \$724.8 million in fiscal 2026, compared with \$514.3 million in fiscal 2025. Operating income margin increased 30 basis points to 2.6% in fiscal 2026 from 2.3% in fiscal

2025. Adjusted operating income for fiscal 2026 was \$860.9 million, an increase of \$236.9 million or 38.0%, from fiscal 2025 adjusted operating income. Adjusted operating income margin increased 31 basis points to 3.1% in fiscal 2026 compared to 2.8% in fiscal 2025. These increases were primarily driven by operating leverage from higher sales.

EC operating income increased 26.9% to \$898.5 million, and EC operating income margin increased 7 basis points to 3.5% in fiscal 2026. Farnell operating income increased 221.7% to \$105.7 million in fiscal 2026. Farnell operating income margin increased 366 basis points to 5.9% in fiscal 2026. The increases in operating income and operating income margin in Farnell are due to higher sales and higher gross profit margin.

Interest and Other Financing Expenses, Net and Other Expense, Net

Interest and other financing expenses for fiscal 2026 was \$250.7 million, an increase of \$4.3 million, or 1.8%, compared with interest and other financing expenses of \$246.4 million in fiscal 2025. The increase in interest and other financing expenses in fiscal 2026 compared to fiscal 2025 is primarily a result of higher average borrowings.

The Company had other expenses of \$6.6 million in fiscal 2026, compared to other expenses of \$17.3 million in fiscal 2025. The decrease in other expenses is primarily due to differences in foreign currency translation losses between the years.

Income Tax

Income tax expenses were \$133.0 million in fiscal 2026, reflecting an effective tax rate of 28.5% as compared to income tax expenses of \$10.4 million in fiscal 2025, reflecting an effective tax rate of 4.1%. The increase in the effective tax rate in fiscal 2026 as compared to fiscal 2025 was primarily related to the tax attribute carryforwards that were generated in fiscal 2025, but not in fiscal 2026.

See Note 9, "Income taxes" to the Company's consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further discussion on the effective tax rate.

Net Income

As a result of the factors described in the preceding sections of this MD&A, the Company's net income in fiscal 2026 was \$334.4 million, or earnings per share on a diluted basis of \$4.01, compared with fiscal 2025 net income of \$240.2 million, or earnings per share on a diluted basis of \$2.75.

Liquidity and Capital Resources

Cash Flows

Operating Activities

Net cash used for operating activities was \$280.9 million in fiscal 2026, compared with net cash provided by operating activities of \$724.5 million in fiscal 2025. The \$1.01 billion year-over-year decrease in operating cash flow was primarily due to cash used for working capital in fiscal 2026 to support sales growth. Cash used for working capital and other was \$802.4 million during fiscal 2026, compared with cash generated from working capital of \$402.2 million in fiscal 2025, primarily reflecting higher inventory purchases, the timing of payments for inventory purchases and higher accounts receivable due to increased sales and cash collection timing. The Company used \$61.4 million of cash from operations to settle the consumption tax audit in Mexico during fiscal 2026. Other, net in fiscal 2025 included a \$9.2 million gain recognized on the sale of a building during fiscal 2025.

Financing Activities

Net cash provided by debt financing activities was \$568.9 million in fiscal 2026, primarily reflecting \$633.8 million of net proceeds from the issuance of Convertible Notes, \$270.2 million of proceeds from term loans, \$157.9 million of net borrowings under the Credit Facility, and \$57.0 million of proceeds from other debts. These cash inflows were partially offset by the repayment of the \$550.0 million 4.63% Notes in April 2026. In comparison, net debt repayments were \$274.9 million in fiscal 2025.

The Company repurchased \$138.3 million of common stock under its share repurchase plan during fiscal 2026, compared with \$303.5 million during fiscal 2025. The Company paid cash dividends of \$1.40 per share, or \$114.4 million, during fiscal 2026, compared with \$1.32 per share, or \$113.3 million, during fiscal 2025.

Investing Activities

Net cash used in investing activities decreased by \$65.7 million during fiscal 2026, compared to fiscal 2025, primarily due to lower capital expenditures.

Financing Transactions

The Company maintains a diversified financing structure, including both short-term and long-term arrangements to support its operating requirements and supplement cash generated from operating activities. The Company seeks to reduce reliance on any single source of financing and to lower overall funding costs. These arrangements include public debt (“Notes”), convertible debt, short-term and long-term bank and term loans, a revolving credit facility (the “Credit Facility”), and an accounts receivable securitization program (the “Securitization Program”).

The Company has various lines of credit, financing arrangements, and other forms of bank debt in the U.S. and various foreign locations to fund the working capital, foreign exchange, overdraft, capital expenditure, and letter of credit needs of its wholly owned subsidiaries. Outstanding borrowings under such forms of debt at the end of fiscal 2026 was \$162.6 million.

As an alternative form of liquidity outside of the United States, primarily in the Asia region, the Company sells certain of its trade accounts receivable on a non-recourse basis to financial institutions pursuant to factoring agreements. The Company accounts for these transactions as sales of receivables and presents cash proceeds as cash provided by operating activities in the consolidated statements of cash flows. Fees for the sales of trade accounts receivable are classified within “Interest and other financing expenses, net” in the consolidated financial statements.

See Note 7, “Debt” to the Company’s consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for additional information on financing transactions including the Credit Facility, the Securitization Program and the outstanding Notes as of June 27, 2026.

Covenants and Conditions

The Company’s Credit Facility includes covenants that limit, among other items, the Company’s ability to incur debt, repurchase shares, pay dividends, make investments and incur capital expenditures. The Credit Facility also includes a financial covenant requiring the Company to maintain a leverage ratio below a specified threshold. The Company was in compliance with all such covenants as of June 27, 2026.

The Company’s Securitization Program includes covenants related to the quality of the receivables sold. If these covenants are not satisfied, the Company may be unable to borrow additional funds, and the financial institutions may

deem the noncompliance an amortization event under the Securitization Program agreements, which would permit the financial institutions to liquidate the accounts receivables to cover any outstanding borrowings. Circumstances that could affect the Company's ability to satisfy these covenants and related conditions may be affected by the Company's ongoing profitability, as well as other economic, market, and industry factors. The Company was in compliance with all such covenants as of June 27, 2026.

Management does not believe that the covenants under the Credit Facility or Securitization Program limit the Company's ability to pursue its intended business strategy or its future financing needs.

See *Liquidity* below for further discussion of the Company's availability under these various facilities.

Liquidity

The Company held cash and cash equivalents of \$155.4 million as of June 27, 2026, of which \$146.4 million was held outside the United States. As of June 28, 2025, the Company held cash and cash equivalents of \$192.4 million, of which \$181.8 million was held outside of the United States.

During periods of weakening demand in the electronic components industry, the Company typically generates cash from operating activities. Conversely, during periods of higher growth, the Company generally uses cash to fund working capital requirements. For the fiscal year ended June 27, 2026, the Company used \$280.9 million of cash in operating activities.

The Company's liquidity is affected by a variety of factors, including normal business operations and general economic, financial, competitive, legislative and regulatory conditions, many of which are outside the Company's control. Cash balances held outside the United States that cannot be remitted in a tax-efficient manner are generally used to support local working capital requirements, including inventory purchases, capital expenditures and other foreign business needs. In addition, local government regulations may restrict the Company's ability to transfer funds among jurisdictions under certain circumstances. Management does not believe these restrictions would limit the Company's ability to execute its intended business strategy.

In September 2025, the Company issued \$650 million aggregate principal amount of convertible senior notes due 2030. The Company used the net proceeds to (i) reduce the Credit Facility by \$533.8 million and (ii) repurchase \$100 million of the Company's common stock in privately negotiated transactions entered into in connection with the convertible debt offering.

In July 2026, subsequent to the end of fiscal 2026, the Company amended and extended its trade accounts receivable securitization program for two years. The amendment increased the maximum purchase limit under the Receivables Purchase Agreement from \$500.0 million to \$700.0 million, extended the facility termination date to July 1, 2028, and excluded certain receivables from the agreement. On August 12, 2026, subsequent to the end of fiscal 2026, the Company entered into a credit agreement ("2026 Term Loan") for \$375 million. The loan is priced at a variable interest rate and matures in July 2028. See Item 9B (other information) of this Annual Report for additional information regarding the 2026 Term Loan.

As of June 27, 2026, there were \$557.0 million of borrowings outstanding under the Credit Facility and \$0.8 million in letters of credit issued, and \$500.0 million outstanding under the Securitization Program. During fiscal 2026, the Company had an average daily balance outstanding under the Credit Facility of approximately \$744.8 million and \$476.8 million under the Securitization Program. During fiscal 2025, the Company had an average daily balance outstanding under the Credit Facility of approximately \$1.00 billion and \$490.5 million under the Securitization

Program. As of June 27, 2026, the combined availability under the Credit Facility and the Securitization Program was \$1.19 billion. Availability under the Securitization Program is subject to the Company having sufficient eligible trade accounts receivable in the United States to support desired borrowings.

The Company has the following contractual obligations outstanding as of June 27, 2026 (in millions):

Contractual Obligations	Total	Payments due by period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt obligations ⁽¹⁾	\$ 3,233.4	\$ 733.9	\$ 679.9	\$ 1,512.9	\$ 306.7
Interest expense on long-term debt obligations ⁽²⁾ . .	\$ 381.1	\$ 123.6	\$ 161.7	\$ 79.9	\$ 15.9
Operating lease obligations ⁽³⁾	\$ 434.1	\$ 61.5	\$ 91.4	\$ 52.6	\$ 228.6

⁽¹⁾ Includes amounts due within one year and excludes unamortized discount and issuance costs on debt.

⁽²⁾ Represents interest expense due on debt by using fixed interest rates for fixed rate debt and assuming the same interest rate at the end of fiscal 2026 for variable rate debt.

⁽³⁾ Excludes imputed interest on operating lease liabilities.

The Company purchases inventories in the normal course of business throughout the year through the issuance of purchase orders to suppliers. During fiscal 2026, the Company's cost of sales, substantially all of which related to the underlying purchase of inventories was \$24.8 billion and the Company had \$6.1 billion of inventories as of June 27, 2026. The Company expects to continue to purchase sufficient inventory to meet its customers' demands in fiscal year 2027, some of which relates to outstanding purchase orders at the end of fiscal 2026. Outstanding purchase orders with suppliers may be non-cancellable/non-returnable at the point where such orders are issued or may become non-cancellable at some point in the future, typically within 30 days to 90 days from the requested delivery date of inventories.

At June 27, 2026, the Company had an estimated liability for income tax contingencies of \$123.9 million, which is not included in the above table. The settlement period for the remaining amount of the unrecognized tax benefits, including related accrued interest and penalties, cannot be determined, and therefore was not included in the table.

As of June 27, 2026, the Company may repurchase up to an aggregate of \$225.8 million of shares of the Company's common stock through the share repurchase program approved by the Board of Directors. The Company may repurchase stock from time to time at the discretion of management, subject to strategic considerations, market conditions including share price and other factors. The Company may terminate or limit the share repurchase program at any time without prior notice. During fiscal 2026, the Company repurchased \$138.3 million of common stock.

The Company has historically paid quarterly cash dividends on shares of its common stock, and future dividends are subject to approval by the Board of Directors. During the fourth quarter of fiscal 2026, the Board of Directors approved a dividend of \$0.35 per share, which resulted in \$28.7 million of dividend payments during the quarter.

The Company continually monitors and reviews its liquidity position and funding needs. Management believes that the Company's ability to generate operating cash flows through the liquidation of working capital in the future and available borrowing capacity, including capacity for the non-recourse sale of trade accounts receivable, will be sufficient to meet its future liquidity needs. Additionally, the Company believes that it has sufficient access to additional liquidity from the capital markets if necessary.

During fiscal 2027 the Company may use cash for investing and financing activities including the payment of cash dividends and capital expenditures for distribution centers and information systems including digital tools and capabilities. The Company may also use cash in fiscal 2027 for share repurchases and for acquisitions.

Critical Accounting Policies

The Company's consolidated financial statements have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires the Company to make estimates and assumptions that affect the reported amounts of assets, liabilities, sales and expenses. These estimates and assumptions are based upon the Company's continual evaluation of available information, including historical results and anticipated future events. Actual results may differ materially from these estimates.

The Securities and Exchange Commission defines critical accounting policies as those that are, in management's view, most important to the portrayal of the Company's financial condition and results of operations and that require significant judgments and estimates. Management believes the Company's most critical accounting policies at the end of fiscal 2026 relate to the valuation of inventories and accounting for income taxes.

Valuation of Inventories

Inventories are recorded at the lower of cost or estimated net realizable value. Inventory cost includes the purchase price of finished goods, and any freight cost incurred to receive the inventory into the Company's distribution centers. The Company's inventories include electronic components sold into changing, cyclical, and competitive markets, so inventories may decline in market value or become obsolete.

The Company regularly evaluates inventories for expected customer demand, obsolescence, current market prices, and other factors that may render inventories less marketable. Write-downs are recorded so that inventories reflect the estimated net realizable value and take into account the Company's contractual provisions with its suppliers, which may provide certain protections to the Company for product obsolescence and price erosion in the form of rights of return, stock rotation rights, obsolescence allowances, industry specific supplier rebate programs and price protections. Because of the large number of products and suppliers and the complexity of managing the process around price protections, supplier rebate programs and stock rotations, estimates are made regarding the net realizable value of inventories. Additionally, assumptions about future demand and market conditions, as well as decisions to discontinue certain product lines, impact the evaluation of whether to write-down inventories. If future demand changes or actual market conditions are less favorable than assumed, then management evaluates whether additional write-downs of inventories are required. In any case, actual net realizable values could be different from those currently estimated.

Accounting for Income Taxes

Management's judgment is required in determining income tax expense, unrecognized tax benefit liabilities, deferred tax assets and liabilities, and valuation allowances recorded against net deferred tax assets. Recovering net deferred tax assets depends on the Company's ability to generate sufficient future taxable income in certain jurisdictions. In addition, when assessing the need for valuation allowances, the Company considers historic levels and types of income, expectations and risk associated with estimates of future taxable income, and ongoing prudent and feasible tax planning strategies. If the Company determines that it cannot realize all or part of its deferred tax assets in the future, it may record additional valuation allowances against the deferred tax assets with a corresponding increase to income tax expense in the period such determination is made. Similarly, if the Company determines that it can realize all or part of its deferred tax assets that have an associated valuation allowance established, the Company may release a valuation allowance with a corresponding benefit to income tax expense in the period such determination is made.

The Company establishes contingent liabilities for potentially unfavorable outcomes of positions taken on certain tax matters. These liabilities are based on management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities. The anticipated and actual outcomes of these matters may differ, which may result in changes in estimates to such unrecognized tax benefit liabilities. To the extent such changes in estimates are necessary, the Company's effective tax rate may fluctuate. In accordance with the Company's accounting policy, accrued interest and penalties related to unrecognized tax benefits are recorded as a component of income tax expense.

In determining the Company's income tax expense, management considers current tax regulations in the numerous jurisdictions in which it operates, including the impact of tax law and regulation changes in the jurisdictions the Company operates in. The Company exercises judgment for interpretation and application of such current tax regulations. Changes to such tax regulations or disagreements with the Company's interpretation or application by tax authorities in any of the Company's major jurisdictions may have a significant impact on the Company's income tax expense.

See Note 9, "Income taxes" to the Company's consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further discussion on income tax expense, valuation allowances and unrecognized tax benefits.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), and in January 2025, the FASB issued ASU 2025-01, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures: Clarifying the Effective Date* ("ASU 2025-01"). The guidance is designed to improve financial reporting by requiring public business entities to disclose additional information about specific expense categories in the financial statement notes at interim and annual reporting periods. ASU No. 2024-03, as clarified by ASU 2025-01, will be effective for the Company in fiscal year 2028 and early adoption is permitted. The Company is currently evaluating the impact of adopting ASU No. 2024-03 on its disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* ("ASU No. 2025-05"). This update introduces a practical expedient available to all entities when estimating expected credit losses on current accounts receivable and contract assets arising from revenue recognized under ASC 606, *Revenue from Contracts with Customers*. With this expedient, entities may assume that the current conditions used to determine credit loss allowances for these assets will remain unchanged for the remainder of their lives. ASU 2025-05 will be effective for the Company starting in fiscal 2027, including interim periods in that year. Entities that choose to apply the practical expedient, along with any related accounting policy elections, must do so prospectively. The Company is currently assessing the potential effects of adopting ASU 2025-05 on its consolidated financial statements and disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles – Goodwill and Other – Internal-Use Software, (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* ("ASU No. 2025-06"). This update modernizes the outdated guidance for accounting for software costs by aligning the accounting with how software is developed today. The effective date for the standard is for fiscal years beginning after December 15, 2027, the Company's Fiscal 2029, and interim periods within those fiscal years. Early adoption is permitted. The amendments in this ASU should be applied either prospectively, retrospectively, or utilizing a modified transition approach. The Company is in the process of analyzing the impact of ASU No. 2025-06 on its consolidated financial statements and related disclosures.

In November 2025, the FASB issued ASU 2025-09, *Derivatives and Hedging (Topic 815): Hedge Accounting Improvements* (“ASU No. 2025-09”), which make certain targeted improvements to simplify the application of the hedge accounting guidance and to address several incremental hedge accounting issues arising from the global reference rate reform initiative. Among other amendments, these improvements include expanding the hedged risks permitted to be aggregated in a group of individual forecasted transactions in a cash flow hedge and clarifying the circumstance under which a group of individual forecasted transactions can be considered to have a similar risk exposure. The amendments in ASU 2025-09 are effective for annual periods beginning after December 15, 2026, and interim periods within those annual reporting periods, which for the Company would be the fiscal first quarter ending September 25, 2027. Early adoption is permitted and the amendments should be applied on a prospective basis for all hedging relationships. The Company is currently evaluating the impact the new accounting standard could have on its hedge accounting policies and related disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements* (“ASU No. 2025-11”). This update enhances the clarity and organization of interim reporting and the applicability of Topic 270. It also clarifies the required form and content of interim financial statements, including requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The standard is effective for interim reporting periods within annual periods beginning after December 15, 2027, which for the Company would be the first quarter of fiscal 2029, with early adoption permitted. Entities may apply the update either prospectively or retrospectively. The Company is in the process of evaluating the impact of adopting ASU No. 2025-11 on its consolidated financial statements and related disclosures.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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

The following table sets forth the scheduled maturities of the Company’s debt outstanding at June 27, 2026 (dollars in millions):

	Fiscal Year						
	2027	2028	2029	2030	2031	Thereafter	Total
Liabilities:							
Fixed rate debt ⁽¹⁾	\$ 2.8	\$ 503.0	\$ 3.0	\$ 2.9	\$ 953.0	\$ 306.7	\$ 1,771.4
Floating rate debt.	\$ 731.1	\$ 89.8	\$ 84.1	\$ 557.0	\$ —	\$ —	\$ 1,462.0

⁽¹⁾ Excludes unamortized discounts and issuance costs.

The following table sets forth the carrying value and fair value of the Company's debt and the average interest rates at June 27, 2026, and June 28, 2025 (dollars in millions):

	<u>Carrying Value at June 27, 2026</u>	<u>Fair Value at at June 27, 2026</u>	<u>Carrying Value at June 28, 2025</u>	<u>Fair Value at June 28, 2025</u>
Liabilities:				
Fixed rate debt ⁽¹⁾	\$ 1,771.4	\$ 2,015.0	\$ 1,674.9	\$ 1,660.5
Average interest rate	3.9 %		5.0 %	
Floating rate debt.	\$ 1,462.0	\$ 1,462.0	\$ 995.9	\$ 995.9
Average interest rate	4.6 %		5.3 %	

⁽¹⁾ Excludes unamortized discounts and issuance costs. Fair value was estimated primarily based upon quoted market prices for the Company's public long-term notes.

Many of the Company's subsidiaries purchase and sell products in currencies other than their functional currencies, which subjects the Company to the risks associated with fluctuations in currency exchange rates. The Company uses economic hedges to reduce this risk utilizing natural hedging (i.e., offsetting receivables and payables in the same foreign currency) and creating offsetting positions through the use of derivative financial instruments (primarily forward foreign currency exchange contracts typically with maturities of less than 60 days, but no longer than one year). The Company continues to have exposure to foreign currency risks to the extent they are not economically hedged. The Company adjusts any economic hedges to fair value within the same line item in the consolidated statements of operations as the remeasurement of the underlying assets or liabilities being economically hedged. Therefore, the changes in valuation of the underlying items being economically hedged are offset by the changes in fair value of the forward foreign exchange contracts. A hypothetical 10% change in foreign currency exchange rates under the forward foreign currency exchange contracts outstanding at June 27, 2026, would result in an increase or decrease of approximately \$20.0 million to the fair value of the forward foreign exchange contracts, which would generally be offset by an opposite effect on the underlying exposure being economically hedged. See Note 2, "Derivative financial instruments" to the Company's consolidated financial statements included in Item 8 of this Annual Report on Form 10-K for further discussion on derivative financial instruments.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Avnet, Inc.

Opinion on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheet of Avnet, Inc. and its subsidiaries (the "Company") as of June 27, 2026, and the related consolidated statements of operations, of comprehensive income, of shareholders' equity and of cash flows for the year then ended, including the related notes and financial statement schedule for the year ended June 27, 2026 listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of June 27, 2026, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 27, 2026, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 27, 2026, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinion

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audit of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition

As described in Note 1 to the consolidated financial statements, management recognizes revenue at the point at which control of the underlying products are transferred to the customer. For electronic component and related product sales, transfer of control to the customer generally occurs upon product shipment but it may occur at a later date depending on the agreed upon sales terms (such as delivery at the customer's designated location, or when products that are consigned at customer locations are consumed). Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products. The Company's sales for the year ended June 27, 2026 were \$27.6 billion.

The principal consideration for our determination that performing procedures relating to revenue recognition is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company's revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the revenue recognition process. These procedures also included, among others, (i) reading a sample of customer agreements for relevant contractual terms; (ii) evaluating revenue recognized by either (a) testing the issuance and settlement of invoices and credit memos, tracing transactions not settled to a detailed listing of accounts receivable, and testing the completeness and accuracy of data provided by management or (b) testing, on a sample basis, revenue transactions by obtaining and inspecting source documents, such as contracts, purchase orders, invoices, proof of shipment, and cash receipts, as applicable; (iii) confirming, on a sample basis, outstanding customer invoice balances as of year-end and, for confirmations not returned, obtaining and inspecting source documents, such as contracts, purchase

orders, invoices, proof of shipment or delivery, as applicable, and subsequent cash receipts, as applicable; (iv) testing credit memos, on a sample basis, by obtaining and inspecting source documents, which included support for the nature and amount of the selected credit memos.

/s/ PricewaterhouseCoopers LLP

Phoenix, Arizona

August 14, 2026

We have served as the Company's auditor since 2025.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Avnet, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Avnet, Inc. and subsidiaries (the Company) as of June 28, 2025, the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the two-year period ended June 28, 2025, and the related notes and financial statement schedule II (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 28, 2025, and the results of its operations and its cash flows for each of the years in the two-year period ended June 28, 2025, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provides a reasonable basis for our opinion.

/s/ KPMG LLP

We had served as the Company's auditor from 2002 to 2025.

Phoenix, Arizona
August 15, 2025

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 27, 2026	June 28, 2025
	(Thousands, except share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 155,396	\$ 192,428
Receivables	6,882,965	4,327,450
Inventories	6,069,419	5,235,485
Prepaid and other current assets	226,043	263,374
Total current assets	13,333,823	10,018,737
Property, plant and equipment, net	644,574	667,247
Goodwill	810,163	837,031
Operating lease assets	248,958	201,896
Other assets	387,875	393,642
Total assets	\$ 15,425,393	\$ 12,118,553
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 733,952	\$ 87,284
Accounts payable	6,054,326	3,487,419
Accrued expenses and other	659,266	497,154
Short-term operating lease liabilities	55,888	56,247
Total current liabilities	7,503,432	4,128,104
Long-term debt	2,478,864	2,574,729
Long-term operating lease liabilities	207,111	159,449
Other liabilities	213,483	244,776
Total liabilities	10,402,890	7,107,058
Commitments and contingencies (Note 13)		
Shareholders' equity:		
Common stock \$1.00 par; authorized 300,000,000 shares; issued 82,082,259 shares and 83,853,935 shares, respectively	82,082	83,854
Additional paid-in capital	1,802,639	1,755,141
Retained earnings	3,513,176	3,430,193
Accumulated other comprehensive loss	(375,394)	(257,693)
Total shareholders' equity	5,022,503	5,011,495
Total liabilities and shareholders' equity	\$ 15,425,393	\$ 12,118,553

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended		
	June 27, 2026	June 28, 2025	June 29, 2024
	(Thousands, except per share amounts)		
Sales	\$ 27,632,683	\$ 22,200,754	\$ 23,757,129
Cost of sales	<u>24,750,787</u>	<u>19,815,798</u>	<u>20,990,687</u>
Gross profit	2,881,896	2,384,956	2,766,442
Selling, general and administrative expenses	2,022,408	1,762,386	1,869,525
Restructuring, integration, and other expenses	<u>134,706</u>	<u>108,316</u>	<u>52,550</u>
Operating income	724,782	514,254	844,367
Other expense, net	(6,631)	(17,283)	(15,736)
Interest and other financing expenses, net	(250,715)	(246,402)	(282,867)
Gain on legal settlements and other	<u>—</u>	<u>—</u>	<u>86,499</u>
Income before taxes	467,436	250,569	632,263
Income tax expense	<u>133,047</u>	<u>10,352</u>	<u>133,564</u>
Net income	<u>\$ 334,389</u>	<u>\$ 240,217</u>	<u>\$ 498,699</u>
Earnings per share:			
Basic	<u>\$ 4.07</u>	<u>\$ 2.78</u>	<u>\$ 5.51</u>
Diluted	<u>\$ 4.01</u>	<u>\$ 2.75</u>	<u>\$ 5.43</u>
Shares used to compute earnings per share:			
Basic	<u>82,158</u>	<u>86,266</u>	<u>90,567</u>
Diluted	<u>83,415</u>	<u>87,413</u>	<u>91,837</u>
Cash dividends paid per common share	<u>\$ 1.40</u>	<u>\$ 1.32</u>	<u>\$ 1.24</u>

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended		
	June 27, 2026	June 28, 2025	June 29, 2024
	(Thousands)		
Net income.....	\$ 334,389	\$ 240,217	\$ 498,699
Other comprehensive income (loss), net of tax:			
Foreign currency translation and other.....	(149,316)	304,255	(60,434)
Cross-currency swap	23,224	(52,902)	6,608
Pension adjustments.....	8,391	(22,323)	(23,516)
Total other comprehensive (loss) income, net of tax	<u>(117,701)</u>	<u>229,030</u>	<u>(77,342)</u>
Total comprehensive income, net of tax	<u>\$ 216,688</u>	<u>\$ 469,247</u>	<u>\$ 421,357</u>

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Years Ended June 27, 2026, June 28, 2025, and June 29, 2024

	Common Stock- Shares	Common Stock- Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total Shareholders' Equity
				(Thousands)		
Balance, July 1, 2023	91,504	\$ 91,504	\$ 1,691,334	\$ 3,378,212	\$ (409,381)	\$ 4,751,669
Net income	—	—	—	498,699	—	498,699
Translation adjustments and other	—	—	—	—	(60,434)	(60,434)
Pension liability adjustments, net of tax of \$7,648	—	—	—	—	(23,516)	(23,516)
Cross-currency swap	—	—	—	—	6,608	6,608
Cash dividends (\$1.24 per share).	—	—	—	(111,963)	—	(111,963)
Repurchases of common stock, including \$1,652 of excise tax	(3,293)	(3,293)	—	(163,136)	—	(166,429)
Stock-based compensation.	835	835	30,035	—	—	30,870
Balance, June 29, 2024	89,046	89,046	1,721,369	3,601,812	(486,723)	4,925,504
Net income	—	—	—	240,217	—	240,217
Translation adjustments and other	—	—	—	—	304,255	304,255
Pension liability adjustments, net of tax of \$6,392	—	—	—	—	(22,323)	(22,323)
Cross-currency swap	—	—	—	—	(52,902)	(52,902)
Cash dividends (\$1.32 per share).	—	—	—	(113,310)	—	(113,310)
Repurchases of common stock, including \$3,013 of excise tax	(5,923)	(5,923)	—	(298,526)	—	(304,449)
Stock-based compensation.	731	731	33,772	—	—	34,503
Balance, June 28, 2025	83,854	83,854	1,755,141	3,430,193	(257,693)	5,011,495
Net income	—	—	—	334,389	—	334,389
Translation adjustments and other	—	—	—	—	(149,316)	(149,316)
Pension liability adjustments, net of tax of \$2,103	—	—	—	—	8,391	8,391
Cross-currency swap	—	—	—	—	23,224	23,224
Cash dividends (\$1.40 per share).	—	—	—	(114,361)	—	(114,361)
Repurchases of common stock, including \$1,383 of excise tax	(2,646)	(2,646)	—	(137,045)	—	(139,691)
Stock-based compensation.	874	874	47,498	—	—	48,372
Balance, June 27, 2026	82,082	\$ 82,082	\$ 1,802,639	\$ 3,513,176	\$ (375,394)	\$ 5,022,503

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended		
	June 27, 2026	June 28, 2025	June 29, 2024
	(Thousands)		
Cash flows from operating activities:			
Net income	\$ 334,389	\$ 240,217	\$ 498,699
Non-cash and other reconciling items:			
Depreciation and amortization	76,786	71,616	86,708
Amortization of operating lease assets	57,961	53,579	53,796
Deferred income taxes	6,010	(105,412)	(9,749)
Stock-based compensation	48,692	36,399	33,496
Other, net	(2,406)	25,942	15,800
Changes in (net of effects from businesses acquired and divested):			
Receivables	(2,614,899)	183,533	316,218
Inventories	(918,329)	409,553	(51,203)
Accounts payable	2,608,416	101,702	4,496
Accrued expenses and other, net	122,455	(292,625)	(258,277)
Net cash flows (used for) provided by operating activities	<u>(280,925)</u>	<u>724,504</u>	<u>689,984</u>
Cash flows from financing activities:			
Issuance of convertible notes, net of issuance costs	633,750	—	—
Repayments of public notes	(550,000)	—	—
Borrowings (repayments) under accounts receivable securitization, net . . .	—	84,900	(140,700)
Borrowings (repayments) under senior unsecured credit facility, net	157,938	(357,299)	(43,277)
Borrowings (repayments) under bank credit facilities and other debt, net . . .	57,033	(2,451)	27,491
Borrowings under term loan	270,161	—	—
Repurchases of common stock	(138,308)	(303,490)	(162,723)
Dividends paid on common stock	(114,361)	(113,310)	(111,963)
Other, net	(321)	(1,876)	(2,627)
Net cash flows provided by (used for) financing activities	<u>315,892</u>	<u>(693,526)</u>	<u>(433,799)</u>
Cash flows from investing activities:			
Purchases of property, plant and equipment	(73,572)	(147,474)	(226,478)
Other, net	2,099	10,347	994
Net cash flows used for investing activities	<u>(71,473)</u>	<u>(137,127)</u>	<u>(225,484)</u>
Effect of currency exchange rate changes on cash and cash equivalents	(526)	(12,364)	(7,990)
Cash and cash equivalents:			
— increase (decrease)	(37,032)	(118,513)	22,711
— at beginning of period	192,428	310,941	288,230
— at end of period	<u>\$ 155,396</u>	<u>\$ 192,428</u>	<u>\$ 310,941</u>

Additional cash flow information (Note 15)

See notes to consolidated financial statements.

AVNET, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies

Basis of presentation — The accompanying consolidated financial statements include the accounts of Avnet, Inc. and all of its majority-owned and controlled subsidiaries (the “Company” or “Avnet”). All intercompany and intracompany accounts and transactions have been eliminated.

Reclassifications — Certain prior period amounts have been reclassified or combined to conform to the current period presentation.

Fiscal year — The Company operates on a “52/53 week” fiscal year, which ends on the Saturday closest to June 30th. Fiscal 2026, 2025 and 2024 contain 52 weeks, and fiscal 2027 will contain 53 weeks. Unless otherwise noted, all references to “fiscal” or “year” shall mean the Company’s fiscal year.

Management estimates — The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, reported amounts of sales and expenses and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ materially from those estimates.

Cash and cash equivalents — The Company considers all highly liquid investments with an original maturity of three months or less including money market funds to be cash equivalents.

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

Inventories — Inventories, comprised principally of finished goods, are stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out or moving average cost basis, which approximates the first-in, first-out method. Inventory cost includes the purchase price of finished goods, and any freight cost incurred to receive the inventory into the Company’s distribution centers. The Company regularly reviews the cost of inventory against its estimated net realizable value, considering historical experience and any contractual rights of return, stock rotations, vendor rebates, excess, and obsolescence allowances, or price protections provided by the Company’s suppliers. It records the lower of cost or net realizable value write-down if any inventories have a cost in excess of such inventories’ estimated net realizable value.

Depreciation, amortization and useful lives — The Company reports property, plant, and equipment at cost, less accumulated depreciation. Cost includes the price paid to acquire or construct the assets, required installation costs, interest capitalized during the construction period, and any expenditure that substantially adds to the value or substantially extends the useful life of an existing asset. Additionally, the Company capitalizes qualified costs related to

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

software obtained or developed for internal use as a component of property, plant, and equipment. Software obtained for internal use has generally been enterprise-level business operations, logistics, and finance software that is customized to meet the Company's specific operational requirements. The Company begins depreciation and amortization ("depreciation") for property, plant, and equipment when an asset is both in the location and condition for its intended use.

Property, plant, and equipment is depreciated using the straight-line method over its estimated useful lives. The estimated useful lives for property, plant, and equipment are typically as follows: buildings (30 years); machinery, fixtures and equipment (2-10 years); information technology hardware and software (2-10 years); and leasehold improvements (over the applicable lease term or economic useful life, if shorter).

The Company amortizes intangible assets acquired in business combinations or asset combinations using the straight-line method over the estimated economic useful lives of the intangible assets from the date of acquisition, which is generally between 5-10 years.

Long-lived asset impairment — Long-lived assets, including property, plant, equipment, intangible assets and operating lease assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. For purposes of recognition and measurement of an impairment loss, long-lived assets are grouped with other assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities ("asset group"). An impairment is recognized when the estimated undiscounted cash flows expected to result from the use of the asset group and its eventual disposition is less than its carrying amount. An impairment is measured as the amount by which an asset group's carrying value exceeds its estimated fair value. The Company considers a long-lived asset to be abandoned when it has ceased use of such abandoned asset and if the Company has no intent to use or repurpose the asset in the future. The Company continually evaluates the carrying value and the remaining economic useful life of long-lived assets and adjusts the carrying value and remaining useful life when appropriate.

Leases — Substantially all the Company's leases are classified as operating leases and are predominately related to real property for distribution centers, office space, and integration facilities, with a lease term of up to 75 years. The Company's equipment leases are primarily for automobiles, distribution center equipment and office equipment, which are not material to the consolidated financial statements.

The Company determines if an arrangement contains a lease at inception. Lease right-of-use assets ("Operating lease assets") and associated liabilities ("Operating lease liabilities") are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. Certain lease agreements may include one or more options to extend or terminate a lease. Lease terms are inclusive of these options if it is reasonably certain that the Company will exercise such options.

The Company's leases generally do not provide an implicit borrowing rate, as such, the discount rate used to calculate present value is based upon an estimate of the Company's secured borrowing rate, which varies based on the lease term and the currency of the lease payments. Lease cost is recognized on a straight-line basis over the lease term and is included as a component of "Selling, general, and administrative expenses" in the consolidated statements of operations. Lease payments are primarily fixed; however, certain lease agreements contain variable payments, which are expensed as incurred and not included in the measurement of operating lease assets and liabilities.

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Goodwill — Goodwill represents the excess of the purchase price of acquired businesses over the estimated fair value assigned to the individual assets acquired and liabilities assumed. The Company does not amortize goodwill but instead tests goodwill for impairment at least annually in the fourth quarter. If necessary, the Company records any impairment resulting from such goodwill impairment testing as a component of operating expenses. Impairment testing is performed at the reporting unit level, which is defined as the same, or one level below, an operating segment. The Company will perform an interim impairment test between required annual tests if facts and circumstances indicate that it is more-likely-than-not that the fair value of a reporting unit that has goodwill is less than its carrying value.

In performing goodwill impairment testing, the Company may first make a qualitative assessment of whether it is more-likely-than-not that a reporting unit's fair value is less than its carrying value. If the qualitative assessment indicates it is more-likely-than-not that a reporting unit's fair value is not greater than its carrying value, the Company must perform a quantitative impairment test. The Company defines the fair value of a reporting unit as the price that would be received to sell the reporting unit as a whole in an orderly transaction between market participants as of the impairment test date. To determine the fair value of a reporting unit, the Company uses the income methodology of valuation, which includes the discounted cash flow method, and the market methodology of valuation, which considers values of comparable businesses to estimate the fair value of the Company's reporting units.

Significant management judgment is required when estimating the fair value of the Company's reporting units from a market participant perspective (including forecasting of future operating results and the discount rates used in the discounted cash flow method of valuation) and in the selection of comparable businesses and related market multiples that are used in the market method of valuation. If the estimated fair value of a reporting unit exceeds the carrying value assigned to that reporting unit, goodwill is not impaired. If the reverse is true, then the Company measures a goodwill impairment loss based on such difference.

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

Convertible Debt — The Company records its convertible debt as a liability, measured at amortized cost. Unamortized debt issuance costs associated with the Company's convertible debt are presented in the consolidated balance sheets as a reduction of long-term debt. These issuance costs are amortized on a straight-line basis, which closely approximates the effective interest rate method, to interest expense over the term of the convertible debt. See Note 7, "Debt", for further details.

Foreign currency translation — The assets and liabilities of foreign operations are translated into U.S. Dollars at the exchange rates in effect at each balance sheet date, with the related translation adjustments reported as a separate component of shareholders' equity and comprehensive income (loss). Results of operations are translated using the average exchange rates prevailing throughout the reporting period. Transactions denominated in currencies other than the functional currency of the Avnet subsidiaries that are party to the transactions are remeasured at exchange rates in effect at each balance sheet date or upon settlement of the transaction. Gains and losses from such remeasurements are recorded in the consolidated statements of operations as a component of "Other expense, net."

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

Income taxes — The Company follows the asset and liability method of accounting for income taxes. Deferred income tax assets and liabilities are recognized for the estimated future tax impact of differences between the consolidated financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized within income tax expense in the period in which the new tax rate is enacted. Based upon historical and estimated levels of future taxable income and analysis of other key factors, the Company may increase or decrease a valuation allowance against its deferred tax assets, as deemed necessary, to adjust such assets to their estimated net realizable value.

The Company establishes contingent liabilities for potentially unfavorable outcomes of positions taken on certain tax matters. These liabilities are based on management's assessment of whether a tax benefit is more-likely-than-not to be sustained upon examination by the relevant tax authorities. Differences between the estimated and actual outcomes of these matters may result in future changes in estimates to such unrecognized tax benefits. Any such changes in estimates may impact the Company's effective tax rate. In accordance with the Company's accounting policies, accrued interest and penalties related to unrecognized tax benefits are recorded as a component of income tax expense.

Revenue recognition — Revenue is recognized at the point at which control of the underlying products are transferred to the customer, which includes determining whether products are distinct and separate performance obligations. For electronic component and related product sales, transfer of control to the customer generally occurs upon product shipment, but it may occur at a later date depending on the agreed upon sales terms (such as delivery at the customer's designated location, or when products that are consigned at customer locations are consumed). In limited instances, where products are not in stock and delivery times are critical, product is purchased from the supplier and drop-shipped to the customer. The Company typically takes control of the products when shipped by the supplier and then recognizes revenue when control of the product transfers to the customer. The Company does not have material product warranty obligations, because the assurance type product warranties provided by the component manufacturers are passed through to the Company's customers.

For contracts related to the specialized manufacture of products for customers with no alternative use and for which the Company has an enforceable right to payment, including a reasonable profit margin, the Company recognizes revenue over time as control of the products transfer through the manufacturing process, which is typically over a few weeks. The contract assets associated with such specialized manufacturing products are not material.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products. The Company estimates different forms of variable consideration at the time of sale based on historical experience, current conditions, and contractual obligations. Revenue is recorded net of customer discounts and rebates. When the Company offers the right or has a history of accepting returns of product, historical experience is utilized to establish a liability for the estimate of expected returns and an asset for the right to recover the product expected to be returned. These adjustments are made in the same period as the underlying sales transactions.

The Company considers the following indicators amongst others when determining whether it is acting as a principal in the contract where revenue would be recorded on a gross basis: (i) the Company is primarily responsible for fulfilling the promise to provide the specified products or services; (ii) the Company has control of inventory and the related inventory risk before the specified products have been transferred to a customer or after transfer of control to the

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

customer; and (iii) the Company has discretion in establishing the price for the specified products. If a transaction does not meet the Company's indicators of being a principal in the transaction, then the Company is acting as an agent in the transaction and the associated revenues are recognized on a net basis.

The Company has contracts with certain customers where the Company's performance obligation is to arrange for the products or services to be provided by another party. In these arrangements, as the Company assumes an agency relationship in the transaction, revenue is recognized in the amount of the net fee associated with serving as an agent. These arrangements primarily relate to the sale of electronic component supply chain services or to a lesser extent supplier software services.

Sales tax and other tax amounts collected from customers for remittance to governmental authorities are excluded from revenue. The Company accounts for shipping and handling of product as a fulfillment activity. The Company does not have any payment terms that exceed one year from the point it has satisfied the related performance obligations. Tariffs are included in sales as the company has enforceable rights to additional consideration to cover the cost of tariffs. Other taxes imposed by governmental authorities on the company's revenue producing activities with customers, such as sales taxes and value added taxes, are excluded from net sales.

Vendor allowances and consideration — Consideration received from suppliers for price protection, product rebates, sell through incentives, marketing/promotional activities, or any other programs are recorded when earned (under the terms and conditions of such supplier programs) as adjustments to product costs or selling, general and administrative expenses, depending upon the nature and contractual requirements related to the consideration received. Some of these supplier programs require management to make estimates and may extend over multiple periods.

Comprehensive income (loss) — Comprehensive income (loss) represents net income for the year adjusted for certain changes in shareholders' equity. Accumulated comprehensive income (loss) items impacting comprehensive income (loss) includes foreign currency translation, unrealized gains and losses on derivative instruments designated and qualifying as net investment hedges, and the impact of the Company's pension liability adjustments, net of tax.

Stock-based compensation — The Company measures stock-based payments at fair value and generally recognizes the associated operating expense in the consolidated statements of operations over the requisite service period. A stock-based payment is considered vested for accounting expense attribution purposes when the employee's retention of the award is no longer contingent on providing continued service. Accordingly, the Company recognizes all stock-based compensation expense for awards granted to retirement eligible employees over the period from the grant date to the date retirement eligibility is achieved, if less than the stated requisite service period. The expense attribution approach for retirement eligible employees does not affect the overall amount of compensation expense recognized but instead accelerates the recognition of such expense.

Restructuring and exit activities — The determination of when the Company accrues for involuntary termination benefits under restructuring plans depends on whether the termination benefits are provided under an on-going benefit arrangement or under a one-time benefit arrangement. The Company accounts for on-going benefit arrangements in accordance with Accounting Standards Codification 712 ("ASC 712") *Nonretirement Postemployment Benefits* and accounts for one-time benefit arrangements in accordance with ASC 420 *Exit or Disposal Cost Obligations*. If applicable, the Company records such costs into operating expense over the terminated employee's future service period beyond any minimum retention period. Other costs associated with restructuring or exit activities may include contract

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

termination costs and impairments of long-lived assets, which are expensed in accordance with ASC 420 *Exit or Disposal Cost Obligations* and ASC 360 *Property, Plant and Equipment*, respectively.

Gain on legal settlements — The Company recognizes gains on legal settlements only when such gains are realized or realizable.

Concentration of credit risk — Financial instruments that potentially subject the Company to a concentration of credit risk principally consist of cash and cash equivalents, marketable securities, and trade accounts receivable. The Company invests its excess cash primarily in overnight time deposits and institutional money market funds with highly rated financial institutions. To reduce credit risk, management performs ongoing credit evaluations of its customers' financial condition and, in some instances, has obtained credit insurance coverage to reduce such risk. The Company maintains reserves for potential credit losses from customers but has not historically experienced material losses related to individual customers or groups of customers in any particular end market or geographic area.

Fair value — The Company measures financial assets and liabilities at fair value based upon an exit price, representing the amount that would be received from the sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants. ASC 820, *Fair Value Measurements*, requires inputs used in valuation techniques for measuring fair value on a recurring or non-recurring basis be assigned to a hierarchical level as follows: Level 1 are observable inputs that reflect quoted prices for identical assets or liabilities in active markets; Level 2 are observable market-based inputs or unobservable inputs that are corroborated by market data; and, Level 3 are unobservable inputs that are not corroborated by market data. During fiscal 2026, 2025, and 2024, there were no transfers of assets measured at fair value between the three levels of the fair value hierarchy. The carrying amounts of the Company's financial instruments, including cash equivalents, receivables, and accounts payable approximate their fair values at June 27, 2026, due to the short-term nature of these assets and liabilities. At June 27, 2026, and June 28, 2025, the Company had \$0.3 million and \$3.5 million, respectively, of cash equivalents that were measured at fair value based upon Level 1 criteria.

Investments — Equity investments in businesses or start-up companies ("ventures") are accounted for using the equity method if the investment provides the Company the ability to exercise significant influence, but not control, over the ventures. All other equity investments, which consist of investments for which the Company does not possess the ability to exercise significant influence over the ventures, are measured at fair value, using quoted market prices, or at cost minus impairment, if any, plus or minus changes resulting from observable price changes when fair value is not readily determinable. Investments in ventures are included in "Other assets" in the Company's consolidated balance sheets. Changes in fair value, including impairments for investments in ventures, if any, are recorded in "Other expense, net" in the Company's consolidated statements of operations. As of June 27, 2026, the Company's investment in a venture was \$25.9 million.

Environmental liabilities — The Company accrues for environmental liabilities when it is probable that obligations have been incurred, and the associated amounts can be reasonably estimated. The Company uses a third-party specialist to assist in appropriately measuring its obligations associated with environmental liabilities. Such liabilities are adjusted as new information develops or circumstances change. The Company does not discount its environmental liabilities as the timing of the anticipated cash payments is not fixed or readily determinable. The Company's estimate of its potential liability is independent of any potential recovery of insurance proceeds or indemnification arrangements and the Company's environmental liabilities have not been reduced for potential insurance recoveries.

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Recently adopted accounting pronouncements — In November 2024, the FASB issued ASU 2024-04, *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments* (“ASU No. 2024-04”), which clarifies the requirements for determining whether certain settlements of convertible debt should be accounted for as an induced conversion. The ASU is effective for fiscal years beginning after December 15, 2025, and interim periods within those annual reporting periods. Early adoption is permitted and should be applied on a prospective basis, although retrospective application is permitted. The Company early adopted this accounting standard at the beginning of fiscal 2026, which had no impact on the consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Tax Disclosures* (“ASU No. 2023-09”), which updates income tax disclosures related to the effective income tax rate reconciliation and requires disclosure of income taxes paid by jurisdiction. The Company adopted this standard in the fourth quarter of fiscal 2026 on a prospective basis, which expanded its disclosures on the Company's consolidated financial statements. Refer to Note 9 “Income taxes.”

2. Derivative financial instruments

Many of the Company's subsidiaries purchase and sell products in currencies other than their functional currencies, which subjects the Company to the risks associated with fluctuations in currency exchange rates. This foreign currency exposure relates primarily to international transactions where the currency collected from customers can be different from the currency used to purchase from suppliers. The Company's transactions are denominated primarily in the following currencies: U.S. Dollar, Euro, British Pound, Japanese Yen, Chinese Yuan, Taiwan Dollar, Canadian Dollar, and Mexican Peso. The Company also, to a lesser extent, has foreign operations transactions in other EMEA and Asian foreign currencies.

The Company uses economic hedges to reduce this risk utilizing natural hedging (i.e., offsetting receivables and payables in the same foreign currency) and creating offsetting positions using derivative financial instruments (primarily forward foreign currency exchange contracts typically with maturities of less than 60 days, but no longer than one year). The Company continues to have exposure to foreign currency risks to the extent they are not economically hedged. The fair value of forward foreign currency exchange contracts is based on Level 2 criteria under the ASC 820 fair value hierarchy. The Company's master netting and other similar arrangements with various financial institutions related to derivative financial instruments allow for the right of offset. The Company's policy is to present derivative financial instruments with the same counterparty as either a net asset or liability when the right of offset exists. Under the Company's economic hedging policies, gains and losses on the derivative financial instruments are classified within the same line item in the consolidated statements of operations as the remeasurement of the underlying assets or liabilities being economically hedged.

The Company has a fixed-to-fixed rate cross currency swap (the “cross-currency swap”) with a notional amount of \$500.0 million, or €472.6 million, that is set to mature in March 2028. The Company designated this derivative contract as a net investment hedge of its European operations and elected the spot method for measuring hedge effectiveness. Changes in fair value of the cross-currency swap is presented in “Accumulated other comprehensive loss” in the consolidated balance sheets. Amounts related to the cross-currency swap recognized directly in net income represent net periodic interest settlements and accruals, which are recognized in “Interest and other financing expenses, net,” on the consolidated statements of operations. The fair value of the cross-currency swaps is based on Level 2 criteria under the ASC 820 fair value hierarchy.

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Company uses these derivative financial instruments to manage risks associated with foreign currency exchange rates and interest rates. The Company does not enter derivative financial instruments for trading or speculative purposes and monitors the financial stability and credit standing of its counterparties.

The locations and fair values of the Company's derivative financial instruments in the Company's consolidated balance sheets are as follows:

	<u>June 27, 2026</u>	<u>June 28, 2025</u>
	<u>(Thousands)</u>	
Economic hedges		
Prepaid and other current assets	\$ 20,446	\$ 43,750
Accrued expenses and other	\$ 22,763	\$ 27,640
Cross-currency swap		
Other liabilities	\$ 45,920	\$ 69,143

The locations of derivative financial instruments on the Company's consolidated statements of operations are as follows:

	<u>Years Ended</u>		
	<u>June 27, 2026</u>	<u>June 28, 2025</u>	<u>June 29, 2024</u>
	<u>(Thousands)</u>		
Economic hedges Other expense, net	\$ (29,125)	\$ 15,543	\$ (31,666)
Cross currency swap Interest and other financing expense, net	\$ 2,425	\$ 4,071	\$ 4,536

3. Shareholders' equity

Accumulated comprehensive loss

The following table includes the balances within "Accumulated other comprehensive loss":

	<u>June 27, 2026</u>	<u>June 28, 2025</u>	<u>June 29, 2024</u>
	<u>(Thousands)</u>		
Accumulated translation adjustments and other	\$ (257,540)	\$ (131,448)	\$ (382,801)
Accumulated pension liability adjustments, net of income taxes	(117,854)	(126,245)	(103,922)
Total accumulated other comprehensive loss	<u>\$ (375,394)</u>	<u>\$ (257,693)</u>	<u>\$ (486,723)</u>

Substantially all amounts reclassified out of "Accumulated comprehensive loss, net of tax", to operating expenses during fiscal 2026, 2025, and 2024 related to net periodic pension costs as discussed further in Note 10.

Share repurchase program

During fiscal 2026, the Company repurchased 2.6 million shares under existing programs for a total cost of \$138.3 million, excluding excise tax. As of June 27, 2026, the Company had \$225.8 million remaining under its share repurchase authorization.

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

Common stock dividend

During fiscal 2026, the Company paid dividends of \$1.40 per common share and \$114.4 million in total.

4. Working capital

Receivables

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

	June 27, 2026	June 28, 2025
	(Thousands)	
Gross receivables	\$ 6,980,935	\$ 4,435,645
Allowance for credit losses	(97,970)	(108,195)
Receivables	<u>\$ 6,882,965</u>	<u>\$ 4,327,450</u>

The Company had the following activity in the allowance for credit losses during fiscal 2026 and fiscal 2025:

	June 27, 2026	June 28, 2025
	(Thousands)	
Balance at beginning of the period	\$ 108,195	\$ 108,504
Credit Loss Provisions	472	3,503
Credit Loss Recoveries	432	702
Receivables Write Offs	(9,607)	(10,498)
Foreign Currency Effect and Other	(1,522)	5,984
Balance at end of the period	<u>\$ 97,970</u>	<u>\$ 108,195</u>

The Company has legally transferred and de-recognized certain of its receivables on a non-recourse basis to financial institutions for cash. At June 27, 2026 and June 28, 2025, the Company had \$1.98 billion and \$1.56 billion, respectively, of transferred and de-recognized receivables that were not yet settled. Expenses related to such transfers are classified within "Interest and other financing expenses, net" in the consolidated financial statements.

Inventories

The Company's inventories are primarily comprised of electronic components purchased from the Company's suppliers, which are available for sale to customers in the normal course of the Company's electronic component distribution business.

Classified within inventories are electronic components held for supply chain service engagements (components) where the Company is acting as an agent on behalf of a customer or in some cases the component supplier. Given that these supply chain services involve purchasing, warehousing and providing logistics services for components as part of the services, the Company classifies the underlying components within inventories on the consolidated balance sheets. Components held for supply chain services where the Company is acting as an agent represented approximately 7% and 6% of inventories as of June 27, 2026, and June 28, 2025, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

5. Property, plant and equipment, net

Property, plant and equipment are recorded at cost, less accumulated depreciation, and consist of the following:

	<u>June 27, 2026</u>	<u>June 28, 2025</u>
	<u>(Thousands)</u>	
Buildings	\$ 252,333	\$ 258,653
Machinery, fixtures and equipment	322,558	305,864
Information technology hardware and software	817,084	893,572
Leasehold improvements	169,880	151,745
Depreciable property, plant and equipment, gross	1,561,855	1,609,834
Accumulated depreciation	<u>(1,138,626)</u>	<u>(1,191,652)</u>
Depreciable property, plant and equipment, net	423,229	418,182
Land	30,926	31,898
Construction in progress	190,419	217,167
Property, plant and equipment, net	<u>\$ 644,574</u>	<u>\$ 667,247</u>

Depreciation expense related to property, plant, and equipment, was \$75.3 million, \$70.2 million and \$83.6 million in fiscal 2026, 2025, and 2024, respectively. Interest expense capitalized during fiscal 2026, 2025, and 2024 was not material.

6. Goodwill

Goodwill

The following table presents the change in goodwill balances by reportable segment for fiscal year 2026.

	<u>Electronic Components</u>	<u>Farnell (Thousands)</u>	<u>Total</u>
Carrying value at June 28, 2025 ⁽¹⁾	\$ 309,738	\$ 527,293	\$ 837,031
Foreign currency translation	<u>(5,811)</u>	<u>(21,057)</u>	<u>(26,868)</u>
Carrying value at June 27, 2026 ⁽¹⁾	<u>\$ 303,927</u>	<u>\$ 506,236</u>	<u>\$ 810,163</u>

⁽¹⁾ Includes accumulated impairment of \$1,482,677 from prior fiscal years.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

7. Debt

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

	<u>June 27, 2026</u>	<u>June 28, 2025</u>	<u>June 27, 2026</u>	<u>June 28, 2025</u>
	<u>Interest Rate</u>		<u>Carrying Balance</u>	
Accounts receivable securitization program	4.49 %	—	\$ 500,000	—
Term loan - current portion	4.07 %	—	89,806	—
Other short-term debt	4.49 %	5.17 %	<u>144,146</u>	<u>87,284</u>
Short-term debt			<u>\$ 733,952</u>	<u>\$ 87,284</u>

The Company has a trade accounts receivable securitization program (the “Securitization Program”) in the United States with a group of financial institutions, which is due in December 2026. The Securitization Program allows the Company to transfer, on an ongoing revolving basis, an undivided interest in a designated pool of trade accounts receivable, to provide security or collateral for borrowings of up to \$500.0 million. The Securitization Program does not qualify for off balance sheet accounting treatment and any borrowings under the Securitization Program are recorded as debt in the consolidated balance sheets. Under the Securitization Program, the Company legally sells and isolates certain U.S. trade accounts receivable into a wholly owned and consolidated bankruptcy remote special purpose entity. Such receivables, which are recorded within “Receivables” in the consolidated balance sheets, totaled \$1.23 billion and \$813.9 million at June 27, 2026, and June 28, 2025, respectively. The Securitization Program contains certain covenants relating to the quality of the receivables sold. There were \$500.0 million borrowings outstanding under the Securitization Program as of June 27, 2026, and as of June 28, 2025.

In July 2026, subsequent to the end of fiscal 2026, the Company amended and extended its Securitization Program for two years. The Amendment increased the maximum purchase limit under the Receivables Purchase Agreement from \$500.0 million to \$700.0 million, extended the facility termination date to July 1, 2028, and excluded certain receivables from the agreement. Other terms of the agreement remained substantially unchanged.

Other short-term debt consists of various committed and uncommitted lines of credit and other forms of bank debt with financial institutions utilized primarily to support the ongoing working capital requirements of the Company, including its foreign operations. The available unused capacity under the uncommitted lines of credit available to the Company and its subsidiaries was approximately \$325.0 million as of June 27, 2026, and June 28, 2025.

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

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

	June 27, 2026	June 28, 2025	June 27, 2026	June 28, 2025
	Interest Rate		Carrying Balance	
Accounts receivable securitization program	—	5.18 %	\$ —	\$ 500,000
Credit Facility (due January 2030).	4.82 %	5.46 %	557,000	411,586
Term loan - noncurrent portion.	4.17 %	—	173,925	—
Other long-term debt.	4.74 %	4.74 %	18,481	21,975
Public notes due:				
April 2026 ⁽¹⁾	—	4.63 %	—	550,000
March 2028	6.25 %	6.25 %	500,000	500,000
September 2030 (Convertible Notes)	1.75 %	—	650,000	—
May 2031.	3.00 %	3.00 %	300,000	300,000
June 2032.	5.50 %	5.50 %	300,000	300,000
Long-term debt before discount and debt issuance costs			2,499,406	2,583,561
Discount and debt issuance costs – unamortized			(20,542)	(8,832)
Long-term debt.			<u>\$ 2,478,864</u>	<u>\$ 2,574,729</u>

⁽¹⁾ As of June 28, 2025, the Company classified its \$550 million of 4.63% Notes due April 2026 as long-term debt based on its ability and intent to refinance these notes on a long-term basis.

In April 2026, the Company amended its five-year syndicated revolving credit facility (the “Credit Facility”) and exercised the accordion feature under which the revolving line of credit limit increased by \$250 million to a limit of \$1.75 billion. Under the Credit Facility, the Company may select from various interest rate options, currencies, and maturities, may issue up to \$200.0 million of letters of credit and borrow up to \$300.0 million of loans in certain approved currencies. The Credit Facility contains certain covenants including various limitations on debt incurrence, share repurchases, dividends, investments, and capital expenditures. The Credit Facility also includes a financial covenant requiring the Company to maintain a leverage ratio below a certain threshold, which the Company was in compliance with as of June 27, 2026. At June 27, 2026, and June 28, 2025, there were \$0.8 million in letters of credit issued under the Credit Facility. The Credit Facility matures in January 2030.

On August 28, 2025, the Company amended its Credit Facility through September 2026 to temporarily raise the maximum permitted leverage ratio. The amendment also restricts the Company's ability to make certain payments including the repurchase of shares in excess of \$100 million worth of its common stock, which was reached in the first quarter of fiscal 2026 in connection with the issuance of the Convertible Notes.

In April 2026, the Company repaid the \$550 million 4.63% Notes due April 2026 with available borrowing capacity under the Credit Facility.

In July 2025, the Company entered into a credit agreement (“2025 Term Loan”) for approximately \$266.5 million that matures in approximately equal annual installments over three years. The Term Loan bears a blended variable interest rate between tranches denominated in USD and EUR.

In August 2026, subsequent to the end of fiscal 2026, the Company entered into a credit agreement (“2026 Term Loan”) for \$375 million. The loan is priced at a variable interest rate and matures in July 2028.

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

In September 2025, the Company issued \$650 million aggregate principal amount of convertible senior notes due 2030 (the “Convertible Notes”). The net proceeds from the sale of the Convertible Notes were approximately \$633.8 million.

The Convertible Notes accrue interest at a rate of 1.75% per annum. Before June 1, 2030, noteholders will have the right to convert their Convertible Notes only upon the occurrence of certain events, including but not limited to, the Company’s common stock trading above approximately \$91 per share for each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding fiscal quarter, the market value of the Convertible Notes trading below 98% of the product of the trading price of the Company’s common stock and the conversion rate for a specific period, and certain fundamental changes to the Company’s corporate structure. The initial conversion price is approximately \$70.27 per share of common stock.

The Company may redeem all or any portion of the Convertible Notes, at the Company’s option, on or after September 8, 2028, if the sale price of the Company’s common stock has been at least approximately \$91 per common share for at least 20 trading days during any 30 consecutive trading-day period.

Upon conversion of the Convertible Notes, the Company must satisfy the aggregate principal amount of the notes being converted in cash. For any conversion obligation exceeding the aggregate principal amount, the Company may, at its discretion, settle the remainder through cash, shares of the Company’s common stock, or a combination thereof.

Aggregate debt maturities for the next five fiscal years and thereafter are as follows (in thousands):

2027	\$ 733,952
2028	592,763
2029	87,076
2030	559,957
2031	952,957
Thereafter	<u>306,653</u>
Subtotal	3,233,358
Discount and debt issuance costs – unamortized	<u>(20,542)</u>
Total debt	<u>\$ 3,212,816</u>

At June 27, 2026, the carrying value and fair value of the Company’s total debt was \$3.21 billion and \$3.46 billion, respectively. At June 28, 2025, the carrying value and fair value of the Company’s total debt was \$2.66 billion and \$2.65 billion, respectively. Fair value for public notes including convertible notes was estimated based on quoted market prices (Level 1) and, for other forms of debt, fair value approximates carrying value due to the market based variable nature of the interest rates on those debt facilities (Level 2).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

8. Accrued expenses and other

Accrued expenses and other consist of the following:

	<u>June 27, 2026</u>	<u>June 28, 2025</u>
	<u>(Thousands)</u>	
Accrued salaries and benefits	\$ 248,095	\$ 208,723
Accrued operating costs	208,848	131,951
Accrued interest and banking costs	50,196	49,324
Accrued restructuring costs	70,261	21,612
Accrued income taxes	31,541	12,409
Accrued property, plant and equipment	13,083	16,538
Accrued other	37,242	56,597
Total accrued expenses and other	<u>\$ 659,266</u>	<u>\$ 497,154</u>

9. Income taxes

The components of income tax expense (“tax provision”) are included in the table below.

	<u>Years Ended</u>		
	<u>June 27, 2026</u>	<u>June 28, 2025</u>	<u>June 29, 2024</u>
	<u>(Thousands)</u>		
Current:			
Federal	\$ 19,211	\$ 14,165	\$ 50,428
State and local	2,154	5,104	4,519
Foreign	110,406	90,637	94,663
Total current taxes	<u>131,771</u>	<u>109,906</u>	<u>149,610</u>
Deferred:			
Federal	13,434	3,509	(16,452)
State and local	2,240	2,714	86
Foreign	(14,398)	(105,777)	320
Total deferred taxes	<u>1,276</u>	<u>(99,554)</u>	<u>(16,046)</u>
Income tax expense	<u>\$ 133,047</u>	<u>\$ 10,352</u>	<u>\$ 133,564</u>

The tax provision is computed based upon income before income taxes from both U.S. and foreign operations. U.S. income before income taxes was \$108.6 million, \$34.0 million, and \$186.6 million in fiscal 2026, 2025, and 2024, respectively, and foreign income before income taxes was \$358.8 million, \$216.6 million, and \$445.6 million, in fiscal 2026, 2025, and 2024, respectively.

On July 4, 2025, the U.S. government enacted the One Big Beautiful Bill Act (the “OBBB”). The bill includes extensions of current tax provisions and makes many significant tax changes. Most of the provisions enacted by the OBBB take effect in fiscal year 2025 to 2027. The Company expects no material adverse impact related to the OBBB in fiscal 2026. The Company will continue to monitor OBBB developments and update the potential impacts on its consolidated financial statements as new information becomes available.

The Organization for Economic Co-operation and Development (OECD) has enacted a new global minimum tax framework known as Pillar Two. These rules have been agreed to by most OECD members. The OECD has since issued administrative guidance providing transition and safe harbor rules including the Side-by-Side package which exempts

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

US-parented MNE Groups from the Income Inclusion Rule (IIR) and the Undertaxed Profits Rule (UTPR) in other jurisdictions. The Company was subject to Pillar Two rules starting in fiscal 2025. As of June 27, 2026, Pillar Two taxes do not have a significant impact on the Company's income tax expense. The Company is continuing to monitor the relevant developments and evaluate the potential impacts.

The Company asserts that all its unremitted foreign earnings are permanently reinvested, and any unrecorded liabilities related to this assertion are not material.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Reconciliation of the U.S. federal statutory income tax rate to the effective income tax rate is as follows:

	Year Ended June 27, 2026	Year Ended June 27, 2026
	<i>(\$ in thousands, unless otherwise stated)</i>	
Tax expense at U.S. federal statutory income tax rate	\$ 98,162	21.0 %
State and local income tax, net of federal effect ⁽¹⁾	4,394	0.9
Foreign tax effects		
Belgium:		
Audit settlement	7,664	1.6
Other	(1,106)	(0.2)
Germany:		
Effect of changes in tax laws or rates enacted in the current period	9,330	2.0
Changes in valuation allowances	6,837	1.5
Other	(1,959)	(0.4)
Japan:		
Other	5,007	1.1
Malta:		
Notional interest deduction	(9,917)	(2.1)
Statutory tax rate difference between Malta and United States	8,827	1.9
Other	(1,748)	(0.4)
Mexico:		
Transfer pricing	10,763	2.3
Other	(1,978)	(0.5)
Other foreign jurisdictions	239	0.1
Effect of cross-border tax laws		
Foreign-derived intangible income	(7,531)	(1.6)
Other	(182)	(0.0)
Changes in valuation allowances	990	0.2
Nontaxable or nondeductible items		
Foreign translation gain	6,328	1.4
Transfer pricing	(9,112)	(2.0)
Other	2,118	0.5
Changes in unrecognized tax benefits	3,935	0.8
Other	1,986	0.4
Income tax expense	133,047	28.5

⁽¹⁾ State taxes in Illinois, California, Texas, Pennsylvania, and Arizona made up the majority (greater than 50 percent) of the tax effect in this category.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Reconciliations of the U.S. federal statutory income tax rate to the effective income tax rates, prior to the adoption of ASU 2023-09, are as follows:

	June 28, 2025	June 29, 2024
U.S. federal statutory rate	21.0 %	21.0 %
State and local income taxes	1.3	0.9
Tax on foreign income ⁽¹⁾	(1.8)	(2.1)
Change in valuation allowances	8.1	0.8
Change in unrecognized tax benefit reserves	(4.8)	0.1
Tax audit settlements	3.6	0.3
Impact of tax attribute carryforwards	(26.2)	—
Other, net	2.9	0.1
Effective tax rate	<u>4.1 %</u>	<u>21.1 %</u>

⁽¹⁾ Tax on foreign income represents the tax rate impact of the difference between foreign rates and the U.S. federal statutory rate applied to foreign income or loss and foreign income taxed in the U.S. at rates other than its statutory rate.

The Company applies the guidance in ASC 740 *Income Taxes*, which requires management to use its judgment to the appropriate weighting of all available evidence when assessing the need for the establishment or the release of valuation allowances. As part of this analysis, the Company examines all available evidence on a jurisdiction-by-jurisdiction basis and weighs the positive and negative evidence when determining the need for full or partial valuation allowances. The evidence considered for each jurisdiction includes, among other items: (i) the historic levels and types of income or losses over a range of time periods, which may extend beyond the most recent three fiscal years depending upon the historical volatility of income in an individual jurisdiction; (ii) expectations and risks associated with underlying estimates of future taxable income, including considering the historical trend of down-cycles in the Company's served industries; (iii) jurisdictional specific limitations on the utilization of deferred tax assets, including when such assets expire; and (iv) prudent and feasible tax planning strategies.

The significant components of deferred tax assets and liabilities, included in "Other assets" on the consolidated balance sheets, are as follows:

	June 27, 2026	June 28, 2025
	(Thousands)	
Deferred tax assets:		
Federal, state and foreign net operating loss carry-forwards	\$ 268,934	\$ 264,043
Depreciation and amortization	7,553	8,801
Inventories valuation	26,379	19,070
Operating lease liabilities	57,163	48,842
Receivables valuation	16,160	17,510
Interest deductions	154,214	77,004
Various accrued liabilities and other	86,763	189,583
	<u>617,166</u>	<u>624,853</u>
Less — valuation allowances	(248,219)	(253,618)
	<u>368,947</u>	<u>371,235</u>
Deferred tax liabilities:		
Operating lease assets	(57,163)	(47,222)
Net deferred tax assets	<u>\$ 311,784</u>	<u>\$ 324,013</u>

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The change in valuation allowances in fiscal 2026 from fiscal 2025 was related to a \$1.0 million decrease resulting from current year activities and true ups related to prior years, and a \$4.4 million decrease resulting from changing foreign exchange rates.

As of June 27, 2026, the Company had net operating and capital loss carry-forwards of approximately \$1.23 billion, of which \$18.9 million will expire during fiscal 2027 and fiscal 2028, \$208.2 million have expiration dates ranging from fiscal 2029 to fiscal 2045, and the remaining \$1.00 billion have no expiration date. A significant portion of these losses are not expected to be realized in the foreseeable future and have valuation allowances against them. The carrying value of the Company's net operating and capital loss carry-forwards depends on the Company's ability to generate sufficient future taxable income in certain tax jurisdictions.

Estimated liabilities for unrecognized tax benefits are included in "Accrued expenses and other" and "Other liabilities" on the consolidated balance sheets. These contingent liabilities relate to various tax matters that result from uncertainties in the application of complex income tax regulations in the numerous jurisdictions in which the Company operates. As of June 27, 2026, unrecognized tax benefits were \$123.9 million. Accrued interest expense and penalties related to unrecognized tax benefits are \$32.0 million and \$28.0 million as of the end of fiscal 2026 and 2025, respectively.

Reconciliations of the beginning and ending liability balances for unrecognized tax benefits, excluding interest and penalties, are as follows:

	June 27, 2026	June 28, 2025
	(Thousands)	
Balance at beginning of year	\$ 92,578	\$ 100,661
Additions for tax positions taken in prior periods.	3,321	1,078
Reductions for tax positions taken in prior periods	(326)	(7,159)
Additions for tax positions taken in current period.	4,728	3,974
Reductions related to settlements with taxing authorities	(3,752)	(7,533)
Reductions related to the lapse of applicable statutes of limitations	(4,032)	(352)
Adjustments related to foreign currency translation	(645)	1,909
Balance at end of year.	<u>\$ 91,872</u>	<u>\$ 92,578</u>

The Company conducts business globally and consequently files income tax returns in numerous jurisdictions, including those listed in the following table. It is also routinely subject to audit in these and other countries. The Company is no longer subject to audit in its major jurisdictions for periods prior to fiscal 2016. The years remaining subject to audit, by major jurisdiction, are as follows:

Jurisdiction	Fiscal Year
United States (Federal and state)	2016, 2017, 2019 - 2026
Taiwan	2021 - 2026
Hong Kong.	2020 - 2026
Germany.	2023 - 2026
Singapore	2021 - 2026
Belgium	2022 - 2026
United Kingdom	2023 - 2026
Canada	2021 - 2026

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

10. Pension and retirement plans

Pension Plan

The Company has a noncontributory defined benefit pension plan that covers substantially all current or former U.S. Employees (the “Plan”).

The Plan meets the definition of a defined benefit plan and, as a result, the Company applies ASC 715 pension accounting to the Plan.

The following table outlines changes in benefit obligations, plan assets, and the funded status of the Plan as of the end of fiscal 2026 and 2025:

	June 27, 2026	June 28, 2025
	(Thousands)	
Changes in benefit obligations:		
Benefit obligations at beginning of year	\$ 473,980	\$ 470,843
Service cost	10,873	11,480
Interest cost	22,966	24,732
Actuarial loss	3,898	11,292
Benefits paid	(43,034)	(44,367)
Benefit obligations at end of year	<u>\$ 468,683</u>	<u>\$ 473,980</u>
Changes in plan assets:		
Fair value of plan assets at beginning of year	\$ 477,558	\$ 480,705
Actual return on plan assets	41,544	33,220
Benefits paid	(43,034)	(44,367)
Contributions	8,000	8,000
Fair value of plan assets at end of year	<u>\$ 484,068</u>	<u>\$ 477,558</u>
Funded status of the plan recognized as a non-current asset	<u>\$ 15,385</u>	<u>\$ 3,578</u>
Amounts recognized in accumulated other comprehensive loss:		
Unrecognized net actuarial losses	\$ 193,061	\$ 199,856
Unamortized prior service cost	12	16
	<u>\$ 193,073</u>	<u>\$ 199,872</u>
Other changes in plan assets and benefit obligations recognized in other comprehensive income:		
Net actuarial loss	\$ 4,565	\$ 17,584
Amortization of net actuarial losses	(11,360)	(5,222)
Amortization of prior service costs	(4)	(4)
	<u>\$ (6,799)</u>	<u>\$ 12,358</u>

Included in “Accumulated other comprehensive loss” at June 27, 2026, is \$193.1 million of net actuarial losses that have not yet been recognized in net periodic pension cost, of which \$17.5 million is expected to be recognized as a component of net periodic pension cost during fiscal 2027.

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

Assumptions used to calculate actuarial present values of benefit obligations are as follows:

	<u>2026</u>	<u>2025</u>
Discount rate	5.5 %	5.5 %

The discount rate selected by the Company for the Plan reflects the current rate at which the underlying liability could be settled at the measurement date as of June 27, 2026. The estimated discount rate in fiscal 2026 and fiscal 2025 was based on the spot yield curve approach, which applies the individual spot rates from a highly rated bond yield curve to each future year's estimated cash flows.

The weighted-average assumptions used to determine net benefit costs are as follows:

	<u>2026</u>	<u>2025</u>
Discount rate	5.3 %	5.5 %
Expected return on plan assets	8.0 %	7.5 %
Rate of compensation increase	3.5 %	3.5 %
Interest crediting rate	4.3 %	4.3 %

Components of net periodic pension cost for the Plan during the last three fiscal years are as follows:

	<u>Years Ended</u>		
	<u>June 27, 2026</u>	<u>June 28, 2025</u>	<u>June 29, 2024</u>
	(Thousands)		
Service cost within selling, general and administrative expenses	\$ 10,873	\$ 11,480	\$ 10,252
Interest cost	22,966	24,732	24,579
Expected return on plan assets	(42,212)	(41,721)	(39,941)
Recognized net actuarial loss and other	11,365	5,226	227
Total net periodic pension benefit within other expense, net.	<u>(7,881)</u>	<u>(11,763)</u>	<u>(15,135)</u>
Net periodic pension cost (benefit)	<u>\$ 2,992</u>	<u>\$ (283)</u>	<u>\$ (4,883)</u>

The Company made \$8.0 million of contributions in fiscal 2026 and fiscal 2025 and expects to make approximately \$8.0 million of contributions in fiscal 2027.

Benefit payments are expected to be paid to Plan participants as follows for the next five fiscal years and the aggregate for the five years thereafter (in thousands):

2027	\$ 50,468
2028	38,450
2029	39,815
2030	40,516
2031	42,576
2032 through 2036	203,386

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The Plan's assets are held in trust and were invested as follows as of the measurement date at the end of fiscal 2026 and 2025:

	<u>2026</u>	<u>2025</u>
Equity securities	65 %	64 %
Fixed income debt securities	31 %	32 %
Cash and cash equivalents	4 %	4 %

The general investment objectives of the Plan are to maximize returns through a diversified investment portfolio to earn annualized returns that exceed the long-term cost of funding the Plan's pension obligations while maintaining reasonable and prudent levels of risk. The expected return on the Plan's assets in fiscal 2027 is currently 8.0%, which is the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the benefit obligation based upon the targeted investment allocations. In making this assumption, the Company evaluated expectations regarding future rates of return for the investment portfolio, along with the historical and expected distribution of investments by asset class and the historical rates of return for each of those asset classes. The mix of return seeking and fixed income investments is typically diversified. The Plan's assets do not include any investments in Avnet common stock. As of June 27, 2026, the Company's target allocation for the Plan's investment portfolio is for return seeking investments to represent approximately 65% of the investment portfolio. The majority of the remaining investment portfolio is invested in fixed income investments, which typically have lower risks, but also lower returns.

The following table sets forth the fair value of the Plan's investments as of June 27, 2026:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value</u>	<u>Total</u>
			(Thousands)		
Cash and cash equivalents	\$ 22,661	\$ —	\$ —	\$ —	\$ 22,661
Return Seeking Investments:					
Common stocks	—	—	—	151,184	151,184
Real estate	—	—	—	78,515	78,515
High yield credit and bonds	—	—	—	83,745	83,745
Fixed Income Investments:					
U.S. government	—	—	—	113,482	113,482
Corporate	—	—	—	34,481	34,481
Total	<u>\$ 22,661</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 461,407</u>	<u>\$ 484,068</u>

Certain investments included in the table above are measured at fair value using the net asset value per share (or its equivalent) practical expedient and are not included in the three levels of the fair value hierarchy.

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

The following table sets forth the fair value of the Plan's investments as of June 28, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Net Asset Value</u>	<u>Total</u>
			(Thousands)		
Cash and cash equivalents	\$ 17,880	\$ —	\$ —	\$ —	\$ 17,880
Return Seeking Investments:					
Common stocks	—	—	—	147,890	147,890
Real estate	—	—	—	74,747	74,747
High yield credit and bonds	—	—	—	84,857	84,857
Fixed Income Investments:					
U.S. government	—	—	—	113,401	113,401
Corporate	—	—	—	38,783	38,783
Total	<u>\$ 17,880</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 459,678</u>	<u>\$ 477,558</u>

Each of these investments may be redeemed without restrictions in the normal course of business and there were no material unfunded commitments as of June 27, 2026.

11. Leases

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

	<u>Years Ended</u>		
	<u>June 27, 2026</u>	<u>June 28, 2025</u>	<u>June 29, 2024</u>
Operating lease cost	\$ 68,337	\$ 64,349	\$ 63,514
Variable lease cost	38,672	33,036	29,560
Total lease cost	<u>\$ 107,009</u>	<u>\$ 97,385</u>	<u>\$ 93,074</u>

Future minimum operating lease payments as of June 27, 2026, are as follows (in thousands):

<u>Fiscal Year</u>	
2027	\$ 61,511
2028	50,793
2029	40,610
2030	30,906
2031	21,737
Thereafter	228,589
Total future operating lease payments	434,146
Total imputed interest on operating lease liabilities	(171,147)
Total operating lease liabilities	<u>\$ 262,999</u>

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

Other information pertaining to operating leases consists of the following:

	Years Ended		
	June 27, 2026	June 28, 2025	June 29, 2024
Operating Lease Term and Discount Rate			
Weighted-average remaining lease term in years	13.0	14.0	7.5
Weighted-average discount rate	4.1 %	4.1 %	3.8 %
Supplemental Cash Flow Information (in thousands)			
Cash paid for operating lease liabilities	\$ 60,579	\$ 58,474	\$ 57,572
Operating lease assets obtained from new operating lease liabilities	\$ 112,278	\$ 92,647	\$ 47,668

12. Stock-based compensation

The Company measures all stock-based payments at fair value and recognizes related expense within selling, general and administrative expenses in the consolidated statements of operations over the requisite service period (generally the vesting period). During fiscal 2026, 2025, and 2024, the Company recorded stock-based compensation expense of \$48.7 million, \$36.4 million, and \$33.5 million, respectively, for all forms of stock-based compensation awards.

Stock plan

At June 27, 2026, the Company had 6.6 million shares of common stock reserved for stock-based payments, which consisted of 0.6 million shares for unvested or unexercised stock options, 4.6 million shares available for stock-based awards under plans approved by shareholders, and 1.4 million shares for restricted stock units and performance share units granted but not yet vested.

Stock options

There were no stock options granted in fiscal 2026 and 2025, and the stock-based compensation expense and unamortized stock-based compensation associated with stock options were not material.

Restricted stock units

Delivery of restricted stock units, and the associated compensation expense, is recognized over the vesting period and is generally subject to the employee's continued service to the Company, except for employees who are retirement eligible under the terms of the restricted stock units. As of June 27, 2026, 1.1 million shares previously awarded have not yet vested. Stock-based compensation expense associated with restricted stock units was \$36.3 million, \$34.3 million, and \$32.6 million for fiscal years 2026, 2025, and 2024, respectively.

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

The following is a summary of the changes in non-vested restricted stock units during fiscal 2026:

	Shares	Weighted Average Grant-Date Fair Value
Non-vested restricted stock units at June 28, 2025	1,043,756	\$ 48.78
Granted	760,504	50.16
Vested	(705,952)	47.87
Forfeited	(23,065)	49.74
Non-vested restricted stock units at June 27, 2026	<u>1,075,243</u>	<u>\$ 50.34</u>

As of June 27, 2026, there was \$22.2 million of total unrecognized compensation expense related to non-vested restricted stock units, which is expected to be recognized over a weighted-average period of 2.1 years. The total fair value of restricted stock units vested during fiscal 2026, 2025, and 2024, was \$33.8 million, \$31.4 million, and \$31.0 million, respectively.

Performance share units

The Company granted 0.2 million performance share units during fiscal 2026, 2025, and 2024. During fiscal 2026, 2025, and 2024, the stock-based compensation expense associated with the performance share units was not material.

13. Commitments and contingencies

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

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

As of June 27, 2026, and June 28, 2025, the Company had aggregate estimated liabilities of \$6.2 million and \$9.6 million, respectively, classified within accrued expenses and other for such compliance-related matters that were both probable and estimable as of such dates.

In the ordinary course of business, the Company provides bank guarantees and standby letters of credit issued by financial institutions to support certain obligations. As of June 27, 2026, and June 28, 2025, the aggregate amount of these guarantees was approximately \$139.8 million and \$118.3 million, respectively. The Company does not expect any material losses to arise from these arrangements, and no material liability has been recorded related to these guarantees.

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

Contingent Liability for Mexico Consumption Tax Audit

The Company's facilities in Mexico operate under the IMMEX program, which provides for reduced tariffs and eased import regulations. The Mexican customs and tax authority (Servicio de Administracion Tributaria (SAT)) has been auditing the Company's participation in the program for the period January 11, 2019, to January 11, 2020. The Company recorded a net loss of \$43.4 million within "restructuring, integration and other expenses" in the Company's consolidated statement of operations in the fourth quarter of fiscal 2025, which was the Company's best estimate of the losses from this matter incorporating SAT negotiations at that time and the Company's best estimate of its ability to recover VAT, foreign currency exchange rates at the time of payment or recovery, and any administrative processes or legal appeals. During fiscal 2026, the Company reached a negotiated settlement with SAT for the periods under audit and paid \$61.4 million, resulting in a loss of \$35.1 million, net of estimated VAT recovery.

Gain on Legal Settlements and Other

During fiscal 2024, the Company recorded gains on legal settlements and other of \$86.5 million in connection with the settlements of claims filed against certain manufacturers of capacitors. The Company received \$90.7 million in cash, of which \$86.5 million related to the gain recognized in fiscal 2024. Gains from legal settlements were classified as operating cash flows in the Company's Consolidated Statements of Cash Flows.

14. Earnings per share

	Years Ended		
	June 27, 2026	June 28, 2025	June 29, 2024
	(Thousands, except per share data)		
Numerator:			
Net income	<u>\$ 334,389</u>	<u>\$ 240,217</u>	<u>\$ 498,699</u>
Denominator:			
Weighted average common shares for basic earnings per share	82,158	86,266	90,567
Net effect of dilutive stock-based compensation awards	1,257	1,147	1,270
Net effect of dilutive convertible notes	—	—	—
Weighted average common shares for diluted earnings per share	<u>83,415</u>	<u>87,413</u>	<u>91,837</u>
Basic earnings per share	<u>\$ 4.07</u>	<u>\$ 2.78</u>	<u>\$ 5.51</u>
Diluted earnings per share	<u>\$ 4.01</u>	<u>\$ 2.75</u>	<u>\$ 5.43</u>
Stock options excluded from earnings per share calculation due to an anti-dilutive effect	—	—	79

The Company calculates basic earnings per share, or EPS, by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed using the treasury stock method for outstanding stock options, restricted stock units, and performance share units and the if-converted method for convertible debt.

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

15. Additional cash flow information

The “Other, net” component of non-cash and other reconciling items within operating activities in the consolidated statements of cash flows consisted of the following during the last three fiscal years:

	June 27, 2026	June 28, 2025	June 29, 2024
	(Thousands)		
Provision for credit losses	\$ 472	\$ 3,503	\$ 12,570
Periodic pension cost (benefit)	10,181	2,093	(663)
Other, net	(13,059)	20,346	3,893
Total	<u>\$ (2,406)</u>	<u>\$ 25,942</u>	<u>\$ 15,800</u>

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

	Years Ended		
	June 27, 2026	June 28, 2025	June 29, 2024
	(Thousands)		
Non-cash Investing Activities:			
Capital expenditures incurred but not paid	\$ 13,083	\$ 16,538	\$ 20,451
Non-cash Financing Activities:			
Unsettled share repurchases	—	—	\$ 2,054
Supplemental Cash Flow Information:			
Interest	\$ 269,850	\$ 287,592	\$ 351,374
Income tax payments, net ⁽¹⁾	\$ 106,612	\$ 245,995	\$ 208,585
Federal	\$ 55,090	—	—
U.S. State	\$ 2,649	—	—
Foreign			
Taiwan	\$ 11,774	—	—
Hong Kong	\$ 8,231	—	—
Israel	\$ 8,128	—	—
Other	\$ 20,740	—	—

⁽¹⁾ The Company adopted ASU 2023-09 on a prospective basis. As such, cash paid for income taxes for fiscal years 2025 and 2024 were not adjusted to reflect current year presentation.

The Company includes book overdrafts as part of accounts payable on its consolidated balance sheets and reflects changes in such balances as part of cash flows from operating activities in its consolidated statements of cash flows.

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

16. Segment information

Avnet has two primary reportable segments — Electronic Components (“EC”) and Farnell (“Farnell”). Both reportable segments aggregate the operating segments in each of the three major economic regions of the world: (i) the Americas, (ii) EMEA, and (iii) Asia. Each operating segment has its own management team, who manage various functions within each operating segment. Each reportable and operating segment also has distinct financial reporting to the executive level, which informs operating decisions, strategic planning, and resource allocation for the Company as a whole. The company concluded that identifying operating segments by major geographic region within each of the company’s major businesses was consistent with ASC 280 and it has aggregated geographic operating segments within EC and Farnell reportable segments based on similar characteristics including long-term financial performance, the nature of products and services provided, process for delivering those products and services, and types of customers.

Avnet’s EC reportable segment primarily supports high and medium-volume customers. It markets, sells, and distributes electronic components from many of the world’s leading electronic component manufacturers, including semiconductors, IP&E components (interconnect, passive and electromechanical components), and other integrated and embedded components. EC serves a variety of markets ranging from industrial to automotive to defense and aerospace. It offers an array of customer support options throughout the entire product lifecycle, including both turnkey and customized design, supply chain, programming, and logistics services. Within the EC reportable segment for 2026, net sales of approximately \$21.38 billion consist of semiconductor products, approximately \$3.96 billion consist of interconnect, passive, and electromechanical components, and approximately \$378.3 million consist of computers, and approximately \$138.1 million consists of other products and services. Within the EC reportable segment for 2025, net sales of approximately \$17.00 billion consist of semiconductor products, approximately \$3.30 billion consist of interconnect, passive, and electromechanical components, and approximately \$371.8 million consist of computers, and approximately \$85.6 million consists of other products and services. Within the EC reportable segment for 2024, net sales of approximately \$18.77 billion consist of semiconductor products, approximately \$3.03 billion consist of interconnect, passive, and electromechanical components, and approximately \$304.9 million consist of computers, and approximately \$54.9 million consists of other products and services.

AVNET, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Avnet's Farnell reportable segment primarily supports lower-volume customers that need electronic components quickly to develop, prototype, and test their products. It distributes a comprehensive portfolio of kits, tools, electronic components, industrial automation components, and test and measurement products to both engineers and entrepreneurs, primarily through an e-commerce channel. Farnell also distributes new product introductions for its suppliers across their various product categories. Within the Farnell reportable segment for 2026, net sales of approximately \$335.4 million consists of semiconductor products, approximately \$645.3 million consists of interconnect, passive, and electromechanical components, approximately \$223.3 million consists of single-board computers, and approximately \$576.8 million consists of other products and services, including test and measurement and maintenance, repair, and operations products. Within the Farnell reportable segment for 2025, net sales of approximately \$206.9 million consists of semiconductor products, approximately \$680.3 million consists of interconnect, passive, and electromechanical components, approximately \$157.0 million consists of single-board computers, and approximately \$401.6 million consists of other products and services, including test and measurement and maintenance, repair, and operations products. Within the Farnell reportable segment for 2024, net sales of approximately \$257.6 million consists of semiconductor products, approximately \$718.3 million consists of interconnect, passive, and electromechanical components, approximately \$77.9 million consists of single-board computers, and approximately \$543.3 million consists of other products and services, including test and measurement and maintenance, repair, and operations products.

The Company has identified its Chief Executive Officer ("CEO") as the chief operating decision maker ("CODM"). The CODM evaluates the performance of operating and reportable segments based on operating income. Sales, cost of goods sold, and operating expenses are also monitored closely. This information is used to monitor operating margins, measure segment profitability, allocate resources, and make budgeting and forecasting decisions about the reportable 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.

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

	Years Ended		
	June 27, 2026	June 28, 2025	June 29, 2024
	(Millions)		
Sales:			
Electronic Components	\$ 25,851.9	\$ 20,755.0	\$ 22,160.0
Farnell	1,780.8	1,445.8	1,597.1
Avnet Sales	<u>\$ 27,632.7</u>	<u>\$ 22,200.8</u>	<u>\$ 23,757.1</u>
Significant Segment Expenses and Operating Income:			
Electronic Components			
Cost of goods sold	\$ 23,463.8	\$ 18,746.7	\$ 19,847.6
Selling, general and administrative expenses	1,489.7	1,300.1	1,364.9
Operating income	<u>\$ 898.5</u>	<u>\$ 708.2</u>	<u>\$ 947.5</u>
Farnell			
Cost of goods sold	\$ 1,287.0	\$ 1,069.1	\$ 1,143.1
Selling, general and administrative expenses	388.1	343.8	389.2
Operating income	<u>\$ 105.7</u>	<u>\$ 32.8</u>	<u>\$ 64.8</u>
Total reportable segment operating income	<u>\$ 1,004.2</u>	<u>\$ 741.0</u>	<u>\$ 1,012.4</u>
Corporate			
Corporate expenses	\$ (143.2)	\$ (116.9)	\$ (112.3)
Restructuring, integration, and other expenses	(134.7)	(108.3)	(52.6)
Amortization of acquired intangible assets	(1.5)	(1.5)	(3.1)
Avnet operating income	<u>\$ 724.8</u>	<u>\$ 514.3</u>	<u>\$ 844.4</u>
Assets:			
Electronic Components	\$ 13,361.0	\$ 9,984.9	\$ 10,162.8
Farnell	1,764.1	1,742.4	1,707.9
Corporate	300.3	391.2	338.4
	<u>\$ 15,425.4</u>	<u>\$ 12,118.6</u>	<u>\$ 12,209.1</u>
Capital expenditures:			
Electronic Components	\$ 57.2	\$ 90.6	\$ 176.5
Farnell	16.3	21.4	49.9
Corporate	0.1	35.5	0.1
	<u>\$ 73.6</u>	<u>\$ 147.5</u>	<u>\$ 226.5</u>
Depreciation & amortization expense:			
Electronic Components	\$ 57.0	\$ 51.7	\$ 60.6
Farnell	19.7	19.8	26.0
Corporate	0.1	0.1	0.1
	<u>\$ 76.8</u>	<u>\$ 71.6</u>	<u>\$ 86.7</u>
Sales, by geographic area:			
Americas	\$ 6,480.8	\$ 5,300.0	\$ 5,919.2
EMEA	7,725.1	6,409.6	8,395.0
Asia	13,426.8	10,491.2	9,442.9
	<u>\$ 27,632.7</u>	<u>\$ 22,200.8</u>	<u>\$ 23,757.1</u>
Property, plant and equipment, net, by geographic area:			
Americas	\$ 162.5	\$ 154.9	\$ 109.7
EMEA	460.5	489.7	435.3
Asia	21.6	22.6	23.2
	<u>\$ 644.6</u>	<u>\$ 667.2</u>	<u>\$ 568.2</u>

* May not foot due to rounding.

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

Sales by country are as follows:

	Years Ended		
	June 27, 2026	June 28, 2025	June 29, 2024
Sales:		(Millions)	
Taiwan	\$ 6,713.4	\$ 4,676.1	\$ 4,032.4
China (including Hong Kong)	3,796.1	3,520.5	3,206.7
Germany	2,716.1	2,242.2	3,240.3
Singapore	1,635.6	1,360.0	1,298.4
Belgium	1,586.7	1,233.8	1,422.6
Other	5,055.3	4,151.8	5,030.8
Total foreign	<u>\$ 21,503.2</u>	<u>\$ 17,184.4</u>	<u>\$ 18,231.2</u>
United States	<u>\$ 6,129.5</u>	<u>\$ 5,016.4</u>	<u>\$ 5,525.9</u>
Total	<u>\$ 27,632.7</u>	<u>\$ 22,200.8</u>	<u>\$ 23,757.1</u>

Property, plant and equipment, net, by country are as follows:

	Years Ended		
	June 27, 2026	June 28, 2025	June 29, 2024
Property, plant and equipment, net:		(Millions)	
Germany	\$ 347.8	\$ 366.5	\$ 307.7
United Kingdom	97.4	104.4	105.7
Belgium	11.0	13.5	14.0
Other	33.3	35.8	33.7
Total foreign	<u>\$ 489.5</u>	<u>\$ 520.2</u>	<u>\$ 461.1</u>
United States	<u>\$ 155.1</u>	<u>\$ 147.0</u>	<u>\$ 107.1</u>
Total	<u>\$ 644.6</u>	<u>\$ 667.2</u>	<u>\$ 568.2</u>

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

17. Restructuring expenses

Fiscal 2026

During fiscal 2026, the Company incurred restructuring expenses primarily related to headcount reductions including restructuring actions taken to reduce costs in Farnell and Europe including the announced closure of a distribution center in Germany. The following table presents the activity incurred during fiscal 2026:

	Severance	Facility Exit Costs	Other	Total
		(Thousands)		
Fiscal 2026 restructuring expenses	\$ 83,975	\$ 601	\$ 3,133	\$ 87,709
Cash payments	(14,453)	—	(3,067)	(17,520)
Other, principally foreign currency translation . .	74	—	(2)	72
Balance at June 27, 2026	<u>\$ 69,596</u>	<u>\$ 601</u>	<u>\$ 64</u>	<u>\$ 70,261</u>

Severance expense recorded in fiscal 2026 related to the reduction, or planned reduction, of approximately 350 employees, primarily in business operations and support functions. Of the \$87.7 million in restructuring expenses recorded in fiscal 2026, \$83.1 million related to EC and \$4.6 million related to Farnell. The Company expects most of the remaining severance amounts to be paid by the end of December 2026.

Fiscal 2025

During fiscal 2025, the Company incurred restructuring expenses primarily for severance. Of these expenses, \$19.4 million remained unpaid at the end of fiscal 2025, substantially all of which was paid during fiscal 2026.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

The Company's management, including its Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of June 27, 2026, the end of the reporting period covered by this report on Form 10-K. Based on such evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report on Form 10-K, the Company's disclosure controls and procedures are effective such that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified by the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

The Company's management, including its Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act. The Company's internal control over financial reporting is a process designed 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. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Management conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of June 27, 2026. In making this assessment, management used the 2013 framework established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and concluded that the Company maintained effective internal control over financial reporting as of June 27, 2026.

The Company's independent registered public accounting firm, PricewaterhouseCoopers LLP, has audited the effectiveness of the Company's internal control over financial reporting as of June 27, 2026, as stated in their report which appears herein.

Changes in Internal Control Over Financial Reporting

During the fourth quarter of fiscal 2026, there were no changes to the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

During the three months ended June 27, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

On August 12, 2026 (the "Closing Date"), Avnet, Inc. ("Avnet"), as borrower, entered into a Credit Agreement (the "Credit Agreement") with the lenders party thereto and Bank of America, N.A., as administrative agent. On the Closing Date, Avnet borrowed an aggregate principal amount of \$375,000,000 in U.S. dollar-denominated term loans. The term loans mature on July 1, 2028.

The interest rate applicable to the term loans is, at Avnet's option, either (a) the "base rate" (defined as the highest of (i) the Federal Funds Rate plus 0.50%, (ii) the Bank of America prime rate, (iii) the term secured overnight financing rate ("Term SOFR") plus 1.00% and (iv) 1.00%) plus an "applicable rate" or (b) Term SOFR plus an "applicable rate." The applicable rate is determined by reference to the ratings assigned by Moody's Ratings, Standard & Poor's Financial Services LLC and Fitch, Inc. to Avnet's non-credit-enhanced, senior unsecured long-term debt. Under certain circumstances, including while certain events of default exist, the applicable interest rate may be increased by 2.00% per annum.

Avnet is required to comply with certain covenants while the term loans are outstanding. The failure to satisfy any of the covenants or the occurrence of other specified events that constitute an event of default could result in acceleration of Avnet's repayment obligations under the Credit Agreement.

The description of the Credit Agreement set forth above is only a summary of its material terms and does not purport to be complete, and is qualified in its entirety by reference to the full and complete terms contained in the Credit Agreement, which is filed as Exhibit 10.20 to this Annual Report on Form 10-K and incorporated herein by reference. The Credit Agreement is not intended to be a source of factual, business or operational information about Avnet or its subsidiaries. The representations, warranties and covenants contained in the Credit Agreement were made only for purposes of that agreement and as of specific dates, were solely for the benefit of the parties to that agreement, and may be subject to limitations agreed upon by the parties, including being qualified by disclosures for the purpose of allocating contractual risk among the parties instead of establishing matters as facts. Such representations, warranties and covenants also may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors or security holders. Accordingly, investors should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of the parties.

Some or all of the parties to the Credit Agreement, or their affiliates, have in the past provided investment or commercial banking services to Avnet and its affiliates for which they received customary fees and expenses, and they may provide similar services in the future.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance*

The Company has adopted an Insider Trading Policy governing the purchase, sale, and other dispositions of the Company's securities by its directors, officers, employees, and designated contractors, as well as by the Company itself. The Company believes that the policy is reasonably designed to promote compliance with applicable law and exchange listing standards regarding insider trading. A copy of the policy is filed as Exhibit 19.1 to the Annual Report.

Other information called for by Item 10 is incorporated in this Report by reference to the Company's definitive proxy statement relating to the Annual Meeting of Stockholders scheduled to be held on November 20, 2026.

Item 11. *Executive Compensation*

The information called for by Item 11 is incorporated in this Report by reference to the Company's definitive proxy statement relating to the Annual Meeting of Stockholders scheduled to be held on November 20, 2026.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information called for by Item 12 is incorporated in this Report by reference to the Company's definitive proxy statement relating to the Annual Meeting of Stockholders scheduled to be held on November 20, 2026.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information called for by Item 13 is incorporated in this Report by reference to the Company's definitive proxy statement relating to the Annual Meeting of Shareholders scheduled to be held on November 20, 2026.

Item 14. *Principal Accounting Fees and Services*

The information called for by Item 14 is incorporated in this Report by reference to the Company's definitive proxy statement relating to the Annual Meeting of Stockholders scheduled to be held on November 20, 2026.

PART IV**Item 15. *Exhibits and Financial Statement Schedules***

The financial statements and supplementary data are listed in the index included under Item 8 of this Report.

The exhibits listed below are filed as part of this report.

INDEX TO EXHIBITS

Exhibit Number	Exhibit
3.1	Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3(i) to the Company's Current Report on Form 8-K filed on February 12, 2001).
3.2	By-laws of the Company, as amended May 22, 2023 (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 24, 2023).
4.1	Description of Registrant's Securities (incorporated herein by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K filed on August 15, 2019).
4.2	Indenture dated as of June 22, 2010, between the Company and Computershare Trust Company, National Association as successor to and Wells Fargo Bank, National Association, as Trustee, providing for the issuance of Debt Securities in one or more series (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 22, 2010).
4.3	Indenture dated as of September 5, 2025, between the Company and U.S. Bank Trust Company, National Association, as trustee (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 5, 2025).
4.4	Form of Officers' Certificate establishing the terms of the 4.625% Notes due 2026 (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 22, 2016).
4.5	Form of Officer's Certificate setting forth the terms of the 3.00% Notes due 2031 (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 5, 2021).
4.6	Form of Officer's Certificate setting forth the terms of the 5.50% Notes due 2032 (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on May 16, 2022).
4.7	Form of Officers' Certificate setting forth the terms of the 6.25% Notes due 2028 (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 8, 2023).

Note: The total amount of securities authorized under any other instrument that defines the rights of holders of the Company's long-term debt does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. Therefore, these instruments are not required to be filed as exhibits to this Report. The Company agrees to furnish copies of such instruments to the Commission upon request.

Executive Compensation Plans and Arrangements

- 10.1 Letter Agreement between the Company and Philip R. Gallagher as Chief Executive Officer dated November 17, 2020 (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on January 29, 2021).
- 10.2 Letter Agreement between the Company and Kenneth Jacobson as Chief Financial Officer dated August 30, 2022 (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 6, 2022).
- 10.3 Form of Letter Agreement between the Company and Ken Arnold, Max Chan, Michael McCoy, Elizabeth McMullen, and Dave Youngblood (incorporated herein by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K filed on August 17, 2017).
- 10.4 Form of Change of Control Agreement between the Company and Philip Gallagher, Kenneth Jacobson, Ken Arnold, Max Chan, Michael McCoy, Elizabeth McMullen, and Dave Youngblood (incorporated herein by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on February 15, 2011).
- 10.5 Form of Indemnity Agreement between the Company and its directors and officers (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 3, 2023).
- 10.6 Avnet Executive Severance Plan (Effective as of August 10, 2017) (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on October 30, 2017).
- 10.7 Avnet Supplemental Executive Officers' Retirement Plan (2013 Restatement) (incorporated herein by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K filed on August 9, 2013).
- 10.8 Avnet Restoration Plan (2013 Restatement) (incorporated herein by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed on August 9, 2013).
- 10.9 Avnet, Inc. 2016 Stock Compensation and Incentive Plan (Amended and Restated Effective as of May 8, 2018). (incorporated herein by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K filed on August 17, 2018). Refer to Exhibit 10.12 above, for the form of awards under the 2016 Stock Compensation and Incentive Plan.
- 10.10 Avnet, Inc. 2021 Stock Compensation and Incentive Plan (incorporated herein by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on April 29, 2022).

- 10.11 Avnet, Inc. 2021 Stock Compensation and Incentive Plan:
(a) Form of Award Letter for Restricted Stock Unit Award
(b) Form of Award Letter for Performance Stock Unit Award
(c) Form of Award Letter for Nonqualified Stock Option Award
(incorporated herein by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on April 29, 2022).
- 10.12 * Avnet, Inc. 2025 Stock Compensation and Incentive Plan.
- 10.13 * Avnet, Inc. 2025 Stock Compensation and Incentive Plan:
(a) Form of Award Letter for Restricted Stock Unit Award
(b) Form of Award Letter for Performance Stock Unit Award
(c) Form of Award Letter for Nonqualified Stock Option Award.
- 10.14 Avnet, Inc. Deferred Compensation Plan for Outside Directors (Amended and Restated Effective as of May 8, 2018) (incorporated herein by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K filed on August 17, 2018).

Bank Agreements

- 10.15 Securitization Program
- (a) Receivables Sale Agreement: (1) Second Amended and Restated Receivables Sale Agreement, dated August 16, 2018, between Avnet, Inc. and Avnet Receivables Corporation (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 17, 2018).
- (2) Amendment No. 1 to the Second Amended and Restated Receivables Sale Agreement, dated July 31, 2020, among Avnet, Inc. and Avnet Receivables Corporation (incorporated herein by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 6, 2020).
- (b) Receivables Purchase Agreement: (1) Fourth Amended and Restated Receivables Purchase Agreement, dated August 16, 2018, among Avnet, Inc., Avnet Receivables Corporation, the companies and financial institutions party thereto and Wells Fargo Bank, N.A., as agent (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 17, 2018).
- (2) Amendment No. 1 to Fourth Amended and Restated Receivables Purchase Agreement, dated February 28, 2020, among Avnet, Inc., Avnet Receivables Corporation, the companies and financial institutions party thereto and Wells Fargo Bank, N.A., as agent (incorporated herein by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-Q filed on May 1, 2020).
- (3) Amendment No. 2 to the Fourth Amended and Restated Receivables Purchase Agreement, dated July 31, 2020, among Avnet, Inc., Avnet Receivables Corporation, Wells Fargo Bank, N.A., as agent, and the companies and financial institutions party thereto (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 6, 2020).
- (4) Amendment No. 3 to the Fourth Amended and Restated Receivables Purchase Agreement, dated July 30, 2021, among Avnet, Inc., Avnet Receivables Corporation, Wells Fargo Bank, N.A., as agent, and the companies and financial institutions party thereto (incorporated herein by reference to Exhibit 10.18B4 to the Company's Annual Report on Form 10-K filed on August 12, 2022).

(5) Amendment No. 4 to the Fourth Amended and Restated Receivables Purchase Agreement, dated August 16, 2021, among Avnet, Inc., Avnet Receivables Corporation, Wells Fargo Bank, N.A., as agent, and the companies and financial institutions party thereto (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 18, 2021).

(6) Amendment No. 5 to the Fourth Amended and Restated Receivables Purchase Agreement, dated January 10, 2022, among Avnet, Inc., Avnet Receivables Corporation, Wells Fargo Bank, N.A., as agent, and the companies and financial institutions party thereto (incorporated herein by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on April 29, 2022).

(7) Amendment No. 6 to the Fourth Amended and Restated Receivables Purchase Agreement, dated December 16, 2022, among Avnet, Inc., Avnet Receivables Corporation, Wells Fargo Bank, N.A., as agent, and the companies and financial institutions party thereto (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 21, 2022).

(8) Amendment No. 7 to the Fourth Amended and Restated Receivables Purchase Agreement, dated May 12, 2023, among Avnet, Inc., Avnet Receivables Corporation, Wells Fargo Bank, N.A., as agent, and the companies and financial institutions party thereto (incorporated herein by reference to Exhibit 10.17B8 to the Company's Annual Report on Form 10-K filed on August 18, 2023).

(9) Amendment No. 8 to the Fourth Amended and Restated Receivables Purchase Agreement, dated December 6, 2024, among Avnet, Inc., Avnet Receivables Corporation, Wells Fargo Bank, N.A. as agent, and the financial institutions and companies party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 12, 2024).

(10) Amendment No. 9 to the Fourth Amended and Restated Receivables Purchase Agreement, dated July 1, 2026, among Avnet, Inc., Avnet Receivables Corporation, Wells Fargo Bank, N.A., as agent, and the financial institutions and companies party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 6, 2026).

10.16 Credit Facility

Third Amended and Restated Credit Agreement, dated January 17, 2025, among Avnet, Inc.; Avnet Holding Europe BV; Bank of America, N.A. as administrative agent, swing line lender, and letter of credit issuer; BNP Paribas, JPMorgan Chase Bank, N.A., MUFG Bank, Ltd., The Bank of Nova Scotia and Trust Bank as co-syndication agents; and various other lenders (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 22, 2025).

10.17 Amendment No. 1 to the Third Amended and Restated Credit Agreement, dated August 28, 2025, among Avnet, Inc.; Avnet Holding Europe BV; Bank of America, N.A. as administrative agent and each lender party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 28, 2025).

10.18 Credit Agreement dated July 1, 2025, among Avnet Holding Europe BV as borrower, Avnet, Inc. as guarantor, Bank of America, N.A. as administrative agent, and each lender party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 3, 2025).

10.19 Amendment No. 1 to the Credit Agreement, dated August 28, 2025, among Avnet Holding Europe BV as borrower, Avnet, Inc. as guarantor, Bank of America, N.A. as administrative agent, and each lender party thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 28, 2025).

10.20 * Credit Agreement dated as of August 12, 2026, among Avnet, Inc., as borrower, Bank of America, N.A., as administrative agent, and each lender party thereto.

- 19.1 Insider Trading Policy, updated as of June 1, 2024 (incorporated by reference to Exhibit 19.1 to the Company's Annual Report on Form 10-K filed on August 14, 2024).
- 21.1 * List of subsidiaries of the Company as of June 27, 2026.
- 23.1 * Consent of PricewaterhouseCoopers LLP.
- 23.2 * Consent of KPMG LLP.
- 24.1 * Power of Attorney (incorporated by reference to the signature page of this Annual Report on Form 10-K).
- 31.1 * Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 * Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 **Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 **Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 97.1 Amended and Restated Incentive-Based Compensation Recoupment Policy, effective as of July 1, 2023 (incorporated by reference to Exhibit 97.1 to the Company's Annual Report on Form 10-K filed on August 14, 2024).
- 101.INS * Inline XBRL Instance Document.
- 101.SCH * Inline XBRL Taxonomy Extension Schema Document.
- 101.CAL * Inline XBRL Taxonomy Extension Calculation Linkbase Document.
- 101.LAB * Inline XBRL Taxonomy Extension Label Linkbase Document.
- 101.PRE * Inline XBRL Taxonomy Extension Presentation Linkbase Document.
- 101.DEF * Inline XBRL Taxonomy Extension Definition Linkbase Document.
- 104 * Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101).

* Filed herewith.

** Furnished herewith.

Item 16. Form 10-K Summary

Not applicable.

SCHEDULE II

AVNET, INC. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

Years Ended June 27, 2026, June 28, 2025, and June 29, 2024

<u>Account Description</u>	<u>Balance at Beginning of Period</u>	<u>Charged to Expense (Income)</u>	<u>Charged to Other Accounts</u> (Thousands)	<u>Deductions</u>	<u>Balance at End of Period</u>
Fiscal 2026					
Allowance for credit losses	\$ 108,195	\$ 472	\$ —	\$ (10,697)(a)	\$ 97,970
Valuation allowance on deferred tax assets	253,618	(951)(b)(d)	(4,448)(c)	—	248,219
Fiscal 2025					
Allowance for credit losses	108,504	\$ 3,503	\$ —	\$ (3,812)(a)	108,195
Valuation allowance on deferred tax assets	216,179	22,238 (b)	15,201 (c)	—	253,618
Fiscal 2024					
Allowance for credit losses	112,843	12,570	—	(16,909)(a)	108,504
Valuation allowance on deferred tax assets	207,744	10,462 (d)	(2,027)(c)	—	216,179

(a) Primarily represents uncollectible receivables written off and the impact of changes in foreign currency rates during the fiscal year.

(b) Primarily represents impact of true ups related to prior years.

(c) Primarily related to impact of foreign currency exchange on valuation allowances.

(d) Primarily represents impact of current year activities.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

AVNET, INC.

Date: August 14, 2026

By: /s/ PHILIP R. GALLAGHER

Philip R. Gallagher
Chief Executive Officer

Each person whose signature appears below hereby authorizes and appoints each of Phil R. Gallagher and Kenneth A. Jacobson his or her attorneys-in-fact, for him or her in all capacities, to sign any amendments to this Report, and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on August 14, 2026.

<u>Signature</u>	<u>Title</u>
<u>/s/ PHILIP R. GALLAGHER</u> Philip R. Gallagher	Chief Executive Officer and Director (Principal Executive Officer)
<u>/s/ RODNEY C. ADKINS</u> Rodney C. Adkins	Chair of the Board and Director
<u>/s/ BRENDA L. FREEMAN</u> Brenda L. Freeman	Director
<u>/s/ HELMUT GASSEL</u> Helmut Gassel	Director
<u>/s/ VIRGINIA HENKELS</u> Virginia Henkels	Director
<u>/s/ JO ANN JENKINS</u> Jo Ann Jenkins	Director
<u>/s/ OLEG KHAYKIN</u> Oleg Khaykin	Director
<u>/s/ ERNEST MADDOCK</u> Ernest Maddock	Director
<u>/s/ AVID MODJTABAI</u> Avid Modjtabai	Director
<u>/s/ ADALIO T. SANCHEZ</u> Adalio T. Sanchez	Director
<u>/s/ KENNETH A. JACOBSON</u> Kenneth A. Jacobson	Chief Financial Officer (Principal Financial Officer)