

UBS Conference

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Safe harbor

This presentation includes “forward-looking statements,” as the term is defined under the federal securities laws. Forward-looking statements are those statements which are not statements of historical or current fact. These forward-looking statements can be identified by forward-looking words such as “expects,” “anticipates,” “intends,” “plans,” “may,” “will,” “would,” “could,” “believes,” “seeks,” “projected,” “potential,” “estimates,” and similar expressions. Such forward-looking statements in this presentation include, but are not limited to, statements regarding: Arrow’s future financial performance, including its outlook on financial results for the third quarter of fiscal year 2025 such as sales, net income per diluted share, non-GAAP net income per diluted share, average tax rate, interest and other expense, impact to sales due to changes in foreign currencies, the timing of the completion of the Company’s restructuring initiatives (the “Operating Expense Efficiency Plan”) and Arrow’s estimated costs and expected operating expense reductions associated therewith, industry trends and expectations regarding market demand and conditions and shareholder returns. These and other forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which could cause actual results or facts to differ materially from such statements for a variety of reasons, including, but not limited to: unfavorable economic conditions; disruptions, shortages or inefficiencies in the supply chain; trade protection measures, tariffs, increased trade tensions, trade agreements and policies, and other restrictions, duties, and value-added taxes; the incurrence of additional charges not currently contemplated and failure to realize contemplated cost savings due to unanticipated events that may occur, including in connection with the implementation of the Operating Expense Efficiency Plan; political instability and changes; impacts of military conflict and sanctions; industry conditions; changes in product supply, pricing and customer demand; competition; other vagaries in the global components and the global ECS markets; deteriorating economic conditions, including economic recession, inflation, tax rates, foreign currency exchange rates, or the availability of capital; the effects of natural or man-made catastrophic events; changes in relationships with key suppliers; increased profit margin pressure; changes in legal and regulatory matters; non-compliance with certain regulations, such as trade, export, antitrust, and anti-corruption laws; foreign tax and other loss contingencies; breaches of security or privacy of business information and information system failures, including related to current or future implementations, integrations and upgrades; outbreaks, epidemics, pandemics, or public health crises; executive orders and regulatory trends and the resulting legal and reputational exposure, including but not limited to those relating to environmental, social, governance, cybersecurity, data privacy, and artificial intelligence issues; and the company's ability to generate positive cash flow. For a further discussion of these and other factors that could cause the company's future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in the company's most recent Quarterly Report on Form 10-Q and the company's most recent Annual Report on Form 10-K, as well as in other filings the company makes with the Securities and Exchange Commission. Shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update publicly or revise any of the forward-looking statements.

In addition, this presentation includes certain non-GAAP financial measures. These non-GAAP financial measures, which may be different than similarly titled measures used by other companies, are presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. See reconciliation between GAAP and non-GAAP measures at the end of this presentation.

Why Arrow

As the premier distributor of technology solutions, we guide innovation forward

Leading Position in Large and Growing Markets

- **Superior product distribution execution in the $250B+ "indirect" DTAM[1]**
- **Expanding addressable market through increased mix shift toward value-added offerings**

Differentiated Capabilities Driving Profitable Growth

- **Extending foundational product distribution capabilities into adjacent, higher margin value-added services**
- **Increased productivity through simplifying operations**

Diversified Business Model Provides Financial Flexibility

- **Combination of Global Components and ECS is a strategic advantage**
- **Strong balance sheet**
- **Consistent free cash flow generation**

Focused Capital Allocation Strategy

- **Reinvest in organic growth**
- **Strategic M&A**
- **Return excess capital to shareholders**
- **Maintain investment-grade credit rating**

1. Source: IDC, OMDIA, and Arrow analysis.

Serving diverse end markets with enabling technology

End Markets


Industrial / Automation


Healthcare / Medical


Consumer Electronics


Aerospace / Defense


Auto/Transportation


Data Center

Arrow Technologies / Solutions

Semiconductors

IP&E[2]

Engineering Services

Supply Chain Services

Integration Services

Software (Infrastructure, Data Intelligence, Security)

Cloud Enablement

Infrastructure Hardware (Storage, Compute, Networking)

IT as a Service

Arrow Businesses

Global Components

Connecting Original Equipment Manufacturers (OEMs) and embedded solution providers with a comprehensive portfolio of electronic components

$20.9B

2025E SALES[1]

Enterprise Computing Solutions

Serving channel ecosystems of value-added resellers, system integrators, service providers, telcos, ISVs, developers and marketplaces with complete go-to-market IT solutions

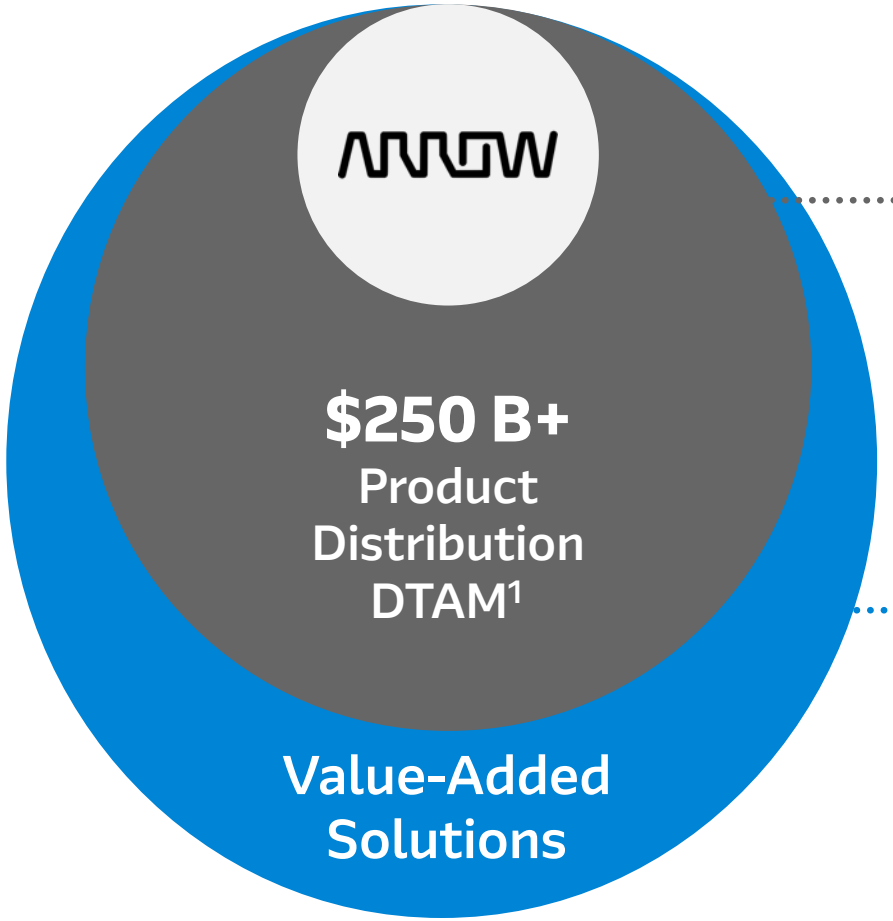
$9.3B

2025E SALES[1]

1. Revenue figures reflect 2025 estimate based on midpoint of Q4 2025 guide
2. IP&E – Interconnect, Passive & Electro-mechanical devices

Large addressable opportunity

Operating in large and growing markets at the convergence of physical and digital solutions positions Arrow for long-term sustainable growth



Superior execution in our foundational 'indirect' markets (DTAM)

- Serving large and growing end markets through foundational product distribution capabilities
- Existing product distribution market growing 6-10% annually

Increase contributions from our accretive portfolio aimed at expanding markets

- Expanding addressable market through increased mix shift toward value-added offerings
- Value-added solutions growing faster than product distribution market
- Includes Supply Chain Services, Engineering & Design, and Integration Services

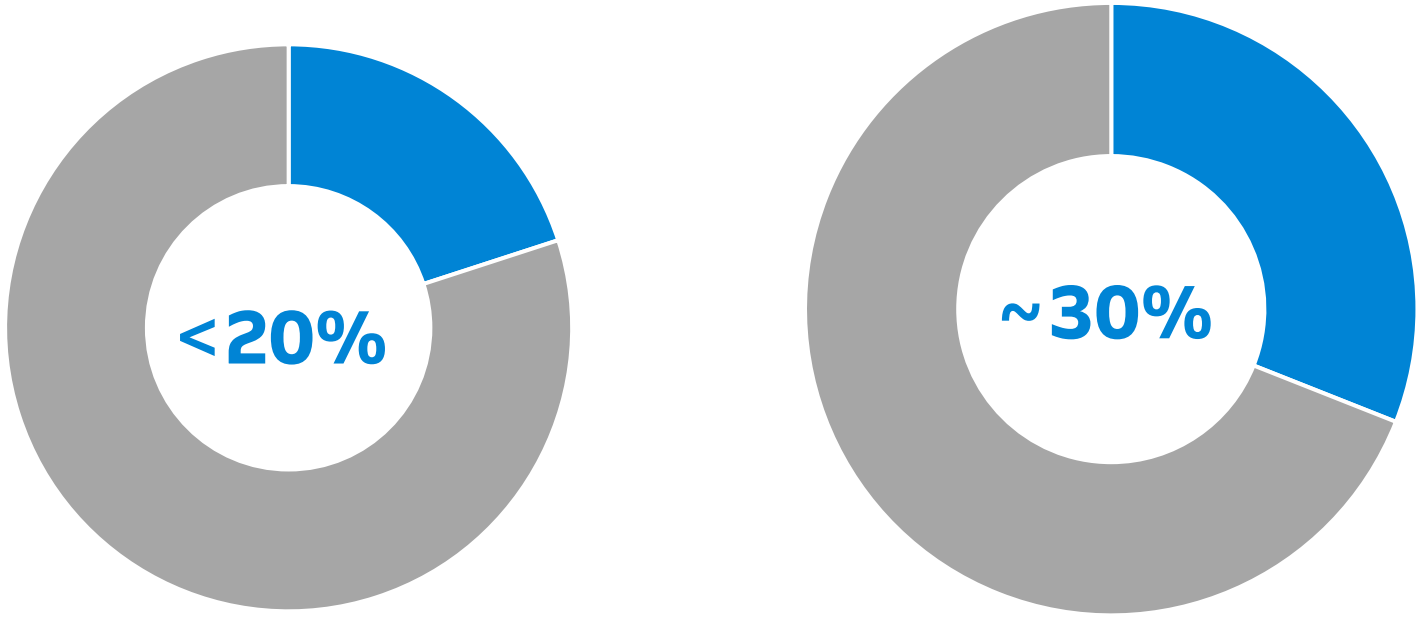
1. Source: IDC, OMDIA, and Arrow analysis.

Extending our value

Building upon our strong foundation, we are extending our capabilities through our value-added offerings to enable profitable growth

Contribution of Value-Add Solutions to Total Company Operating Income

Supply Chain Solutions + Engineering & Design + Integration Services



HISTORICAL PERFORMANCE[1] 2025E

1. Historical performance represents the period 2015 - 2024

Global Components overview

Product Distribution

Distribute semiconductor components and interconnects, passives & electromechanical devices (IP&E)

Semiconductors

IP&E

Global reach
180 sales locations
39 distribution facilities
Hundreds of suppliers
Thousands of customers
No one customer accounts for > 2% of sales

Value Add Solutions

Industry leading engineering capabilities and supply chain services that accelerate customers' go-to-market

Supply Chain Services

Providing improved supply chain visibility, managing supply/demand, inventory, order management, fulfillment and logistics for our customers

Integration Services

Building and integrating technology solutions to bring innovative products to market faster by leveraging an ecosystem of world-class suppliers

Engineering & Design Services

From design engineering support for our customers' new product introductions to complete turn-key engineering solutions

Global components sales (1)

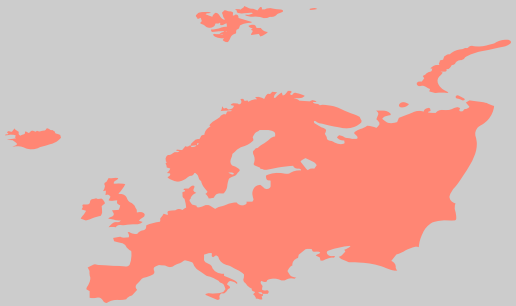
$20.9B

Asia



~41%

Europe



~27%

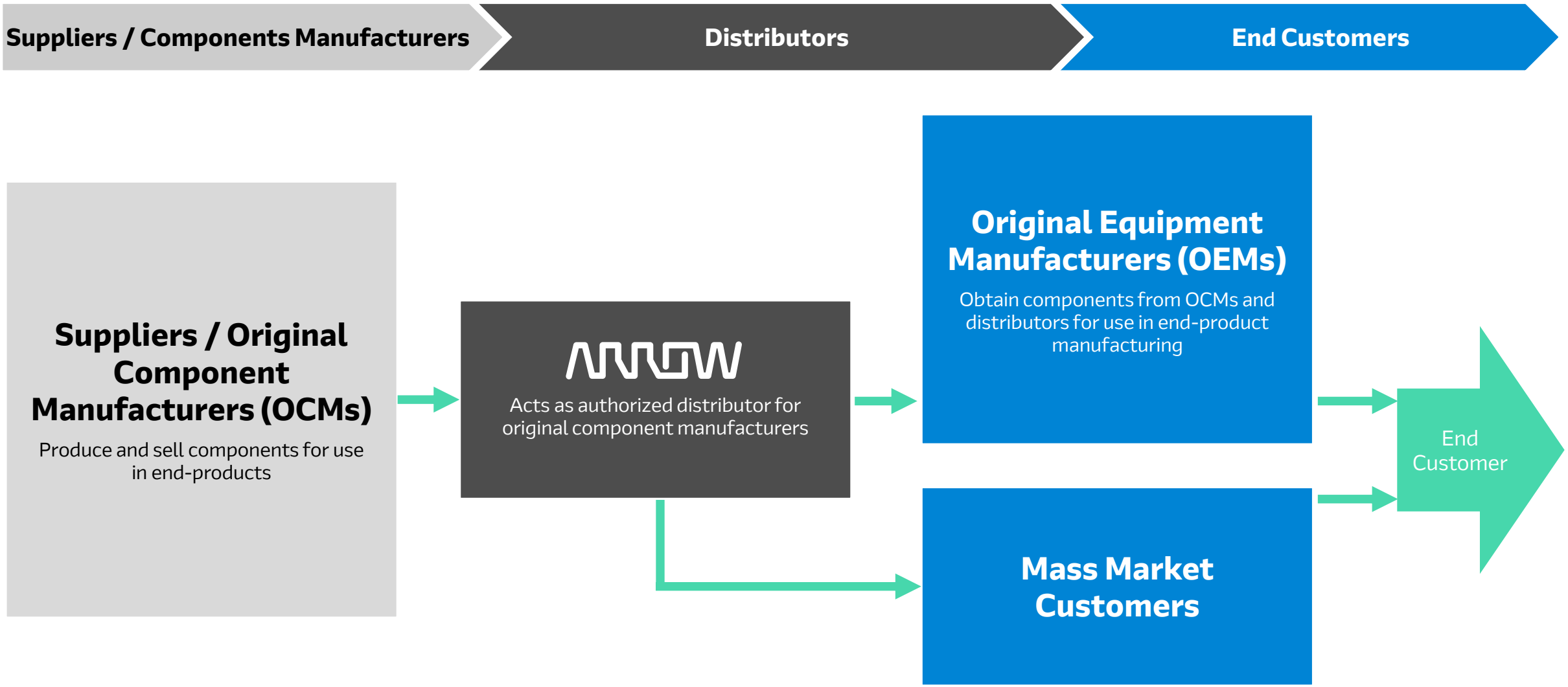
America



~32%

1. Revenue figures reflect 2025 estimate based on midpoint of Q4 2025 guide; regional mix based on Q3 2025 actuals

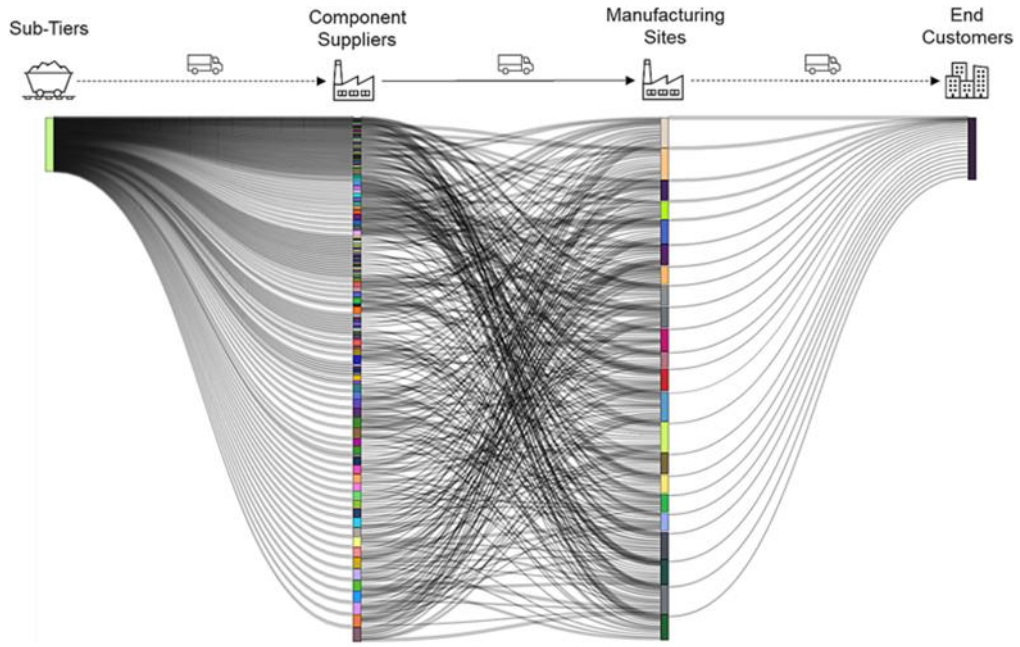
Global Components' role in the value chain



Supply Chain Services solves complexity

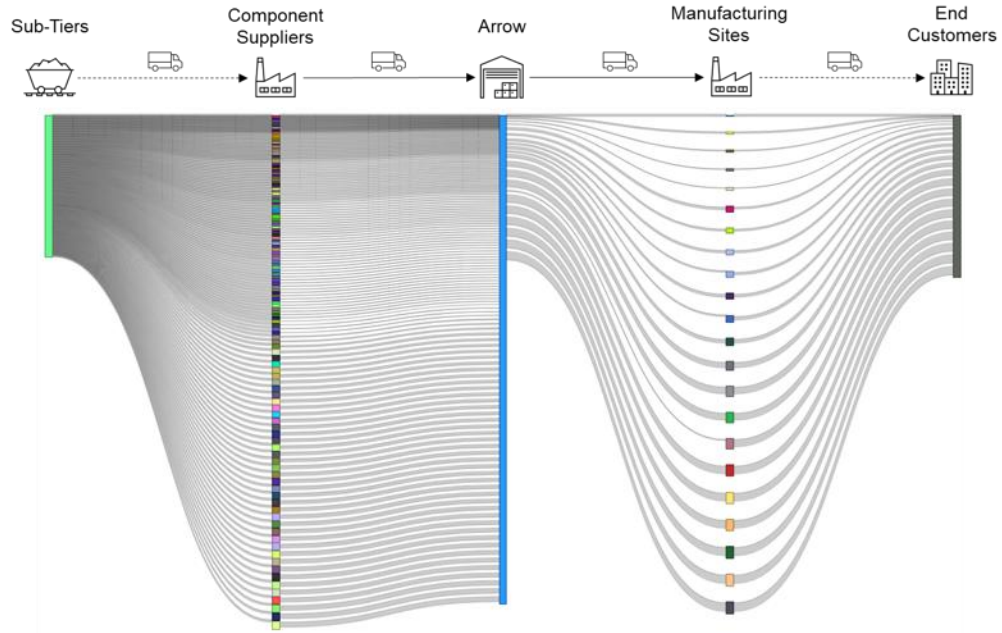
The challenge we solve:
Complexity and Chaos

- OEMs have limited visibility and control
- Tactical activities are spread across many partners and sites
- Many different systems and processes
- Stranded inventory and hidden risks and costs



The outcomes of our solution:
Control, Resilience and Visibility

- Improved visibility and control
- Improved performance through orchestration
- Standardized process across partners and sites
- Flexibility, agility and resiliency, globally
- Optimized costs and working capital



Engineering & Design Services help customers get to market quickly

- Serve as extension of OEMs' and suppliers' product development and design team
- Ideation to production capabilities, backed by segment expertise in High-Tech, Industrial, Transportation, Medical, Mobility and more
- Deliver breakthrough products with device to digital applications
- Average client tenure: **7+** years and growing
- **750+** products, **100M** deployments

Product Examples

World's 1st Programmable Ethernet Switch ASIC Design



Smart Surgical Display Platform



Electric Vehicle DC Fast Charging Station



Integration Services delivering purpose-built solutions

Arrow Intelligent Solutions (AIS) builds and integrates technology solutions to bring innovative products to market faster by leveraging an ecosystem of world-class suppliers



Customers Supported

- OEMs
- ISVs



Problems Solved

- Optimized Financial Model
- Business Scaling
- Time to Market
- Resource Limitations
- Business Continuity
- Competitive Edge



Solutions Provided

- Full-Rack Integration
- Server and Storage Appliances
- Embedded Computing



Sectors Served

- Industrial
- Medical
- Datacenter
- Retail

Global Enterprise Computing Solutions overview

With access to hundreds of vendors, we enable our community of thousands of channel partners to deliver modern IT solutions for their customers

Software & Services (Infrastructure, Data Intelligence, Security)

~75% of billings

Hardware (Storage, Compute, Networking)

~25% of billings

We deliver complex hardware, software, and cloud solutions. Our award-winning digital platform, ArrowSphere, helps partners manage, scale, and differentiate their Cloud and AI business

Hybrid Cloud

IT as a Service

Recurring revenue ~1/3 of total ECS billings

Global ECS Sales (1)

$9.3B

Europe



~54%

America



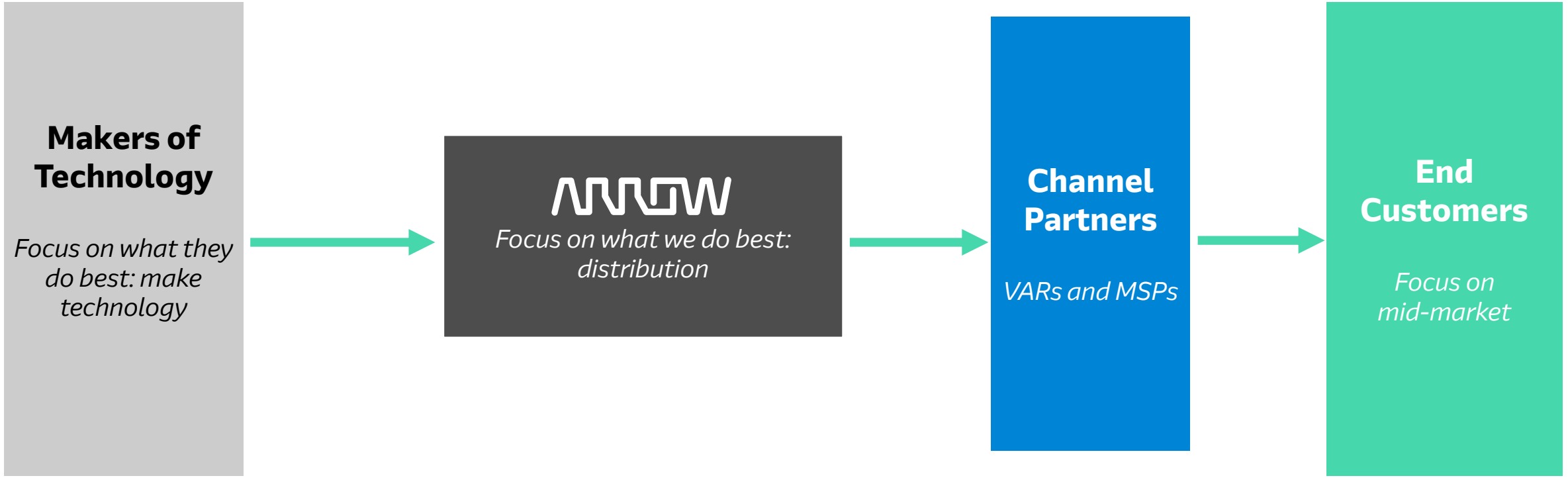
~46%

Global ECS Billings (2)

$19.5B

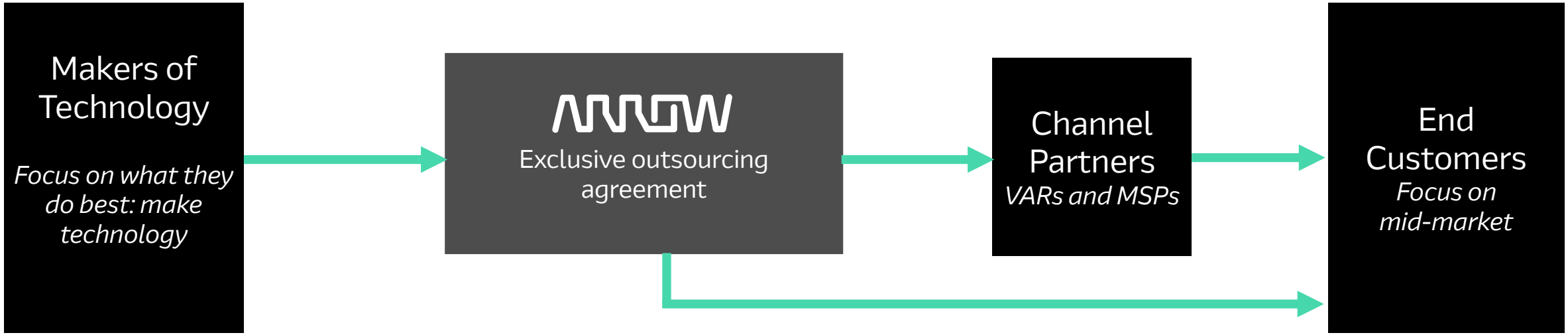
1. Revenue figures reflect 2025 estimate based on midpoint of Q4 2025 guide; regional mix based on Q3 2025 actuals
2. Billings figures reflect 2024 actuals

ECS' traditional role in the value chain



Strategic outsourcing agreements (“beyond distribution”)

- Strategic outsourcing agreements expand Arrow’s addressable market through exclusivity, cross-sell opportunities, and stickier relationships
- Arrow pays a fixed fee to become the exclusive partner of a supplier, assuming all or part of their go-to-market activities, allowing Arrow to sell licenses and subscriptions to customers.
- Agreements are typically 4-5 years in duration with monthly or quarterly fees paid to supplier.



Expect strategic outsourcing agreements to be margin-accretive and a key part of Arrow’s long-term strategy, positioning ECS well for the future

Case study: beyond distribution

SOFTWARE PROVIDER

NORTH AMERICA

EUROPE





Overview

Software provider wants to scale and accelerate a global market presence

Consideration

They don't want to dedicate the time, efforts, resources, operations, compliance or logistics to develop certain non-strategic or non-core areas of their business

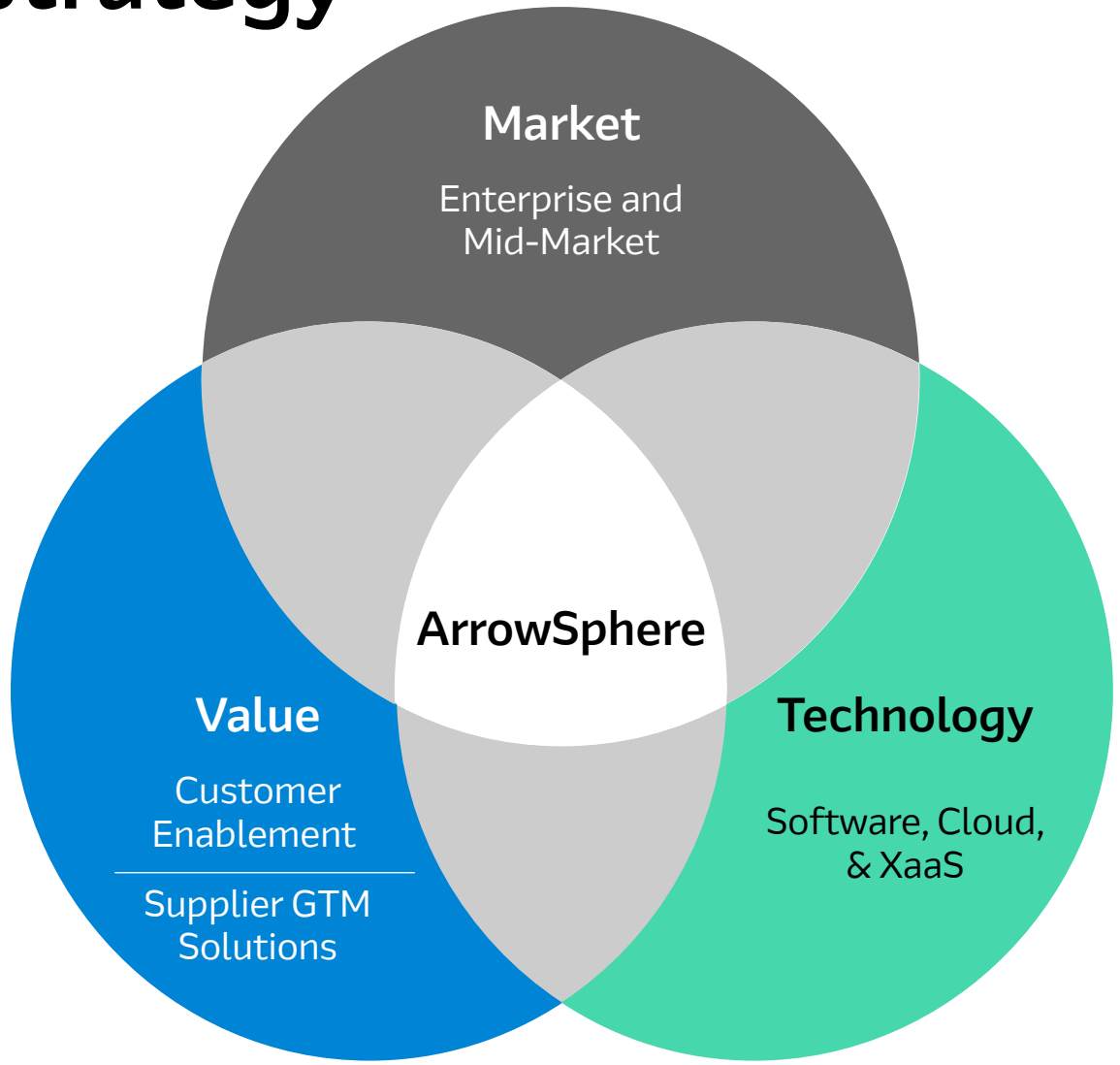
Solution

Arrow develops, executes, and manages the supplier's entire EU go-to-market motion, exclusively

Outcome

Win-win: Supplier unlocks Arrow's sales and operational excellence and reallocates resources to core objectives. Arrow gains multi-year exclusivity, cross-sell opportunities, white-space opportunities, and accretive margins

ArrowSphere is at the center of our ECS strategy



We target enterprise and mid-market customers through channel partners on behalf of our suppliers

Channel partners enjoy

- Cloud and “everything-as-a-service” enablement
- Hardware and software distribution capabilities

Specializing in channel enablement services

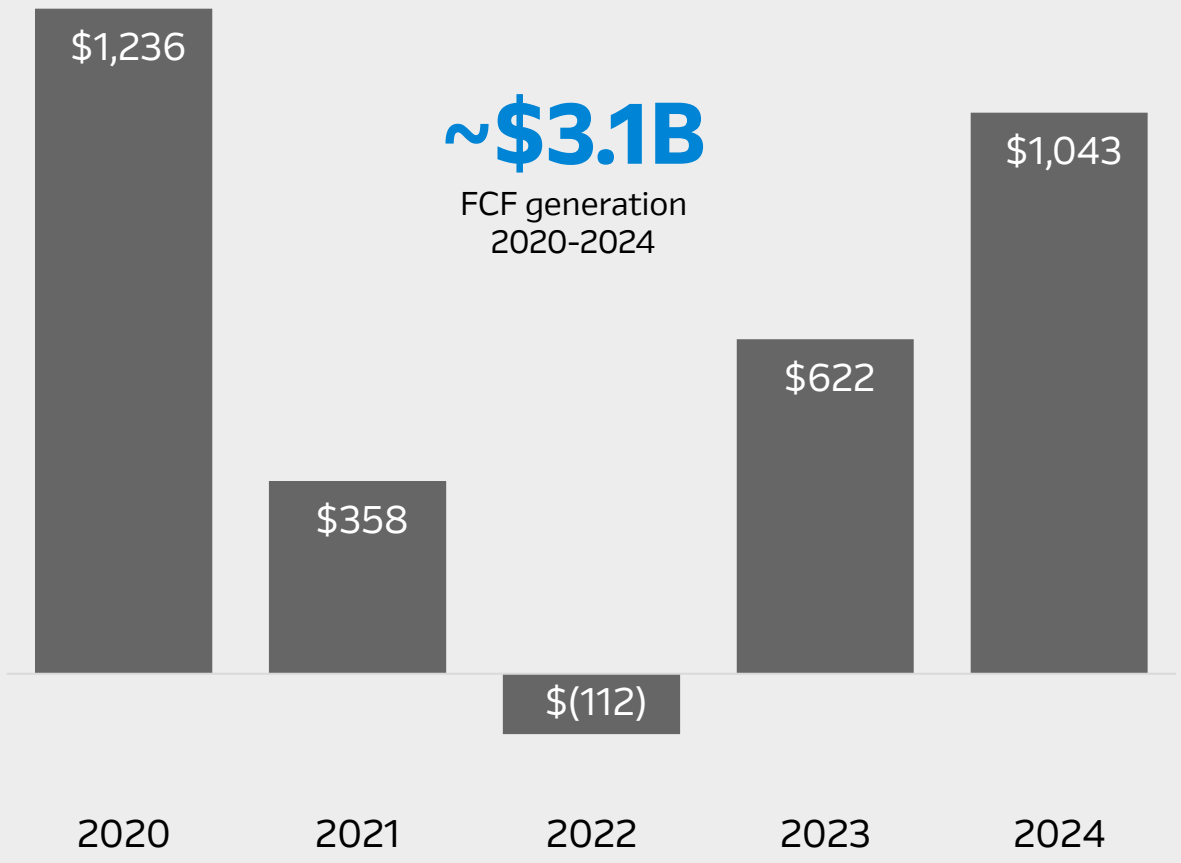
- Subscription management
- Cloud lifecycle management
- Cloud provisioning & workflow
- Financing services

Diversified business model

Enables a strong, resilient balance sheet and consistent free cash flow generation through cycles, providing significant financial flexibility

Global Components + **Global ECS** =

Free Cash Flow[1] Generation *($ in millions)*



1. Free Cash Flow = Operating Cash Flow – CAPEX (net). See reconciliation to comparable GAAP figures in the tables at the end of this presentation

Focused capital allocation strategy

Supports organic growth, funds accretive M&A, and provides for consistent capital returns

Reinvest in organic growth opportunities

- Scale go-to-market engine
- Enhance coverage and capabilities
- Expand value-added offerings
- Strengthen operating model

Execute strategic and financially disciplined M&A

- Extend competitive position
  - Strengthen supplier position
  - Enhance customer access/reach
  - Add capabilities to enhance accretive offerings (e.g. IP&E, value-added solutions)
- Maintain financial discipline

Return excess capital to shareholders

- Returned **$3.5B** to shareholders through repurchases since 2020
- Repurchased **33%** of outstanding shares since 2020

MAINTAIN INVESTMENT GRADE CREDIT RATING

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1. Source: IDC, OMDIA, and Arrow analysis.



Thank You

Free cash flow

($ in millions)

	2020	2021	2022	2023	2024
Operating Cash Flow	$ 1,360	$ 419	$ (33)	$ 705	$ 1,130
CAPEX (net)	$ (124)	$ (61)	$ (79)	$ (83)	$ (87)
Free Cash Flow	$ 1,236	$ 358	$ (112)	$ 622	$ 1,043