

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

FORM 10-Q

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

For the quarterly period ended March 30, 2024

OR

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

For the transition period from _____ to _____

Commission file number 1-4482

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

New York
(State or other jurisdiction of
incorporation or organization)

9151 East Panorama Circle
Centennial CO
(Address of principal executive offices)

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

80112
(Zip Code)

(303) 824-4000
(Registrant's telephone number, including area code)

No Changes
(Former name, former address and former fiscal year, if changed since last report)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

There were 53,229,856 shares of Common Stock outstanding as of April 25, 2024.

ARROW ELECTRONICS, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Quarter Ended	
	March 30, 2024	April 1, 2023
Sales	\$ 6,924,260	\$ 8,736,428
Cost of sales	6,066,434	7,622,606
Gross profit	857,826	1,113,822
Operating expenses:		
Selling, general, and administrative	583,326	642,431
Depreciation and amortization	41,727	46,679
Restructuring, integration, and other	46,856	2,560
	671,909	691,670
Operating income	185,917	422,152
Equity in losses of affiliated companies	(344)	(80)
Gain on investments, net	98	10,311
Employee benefit plan expense, net	(933)	(853)
Interest and other financing expense, net	(79,604)	(79,658)
Income before income taxes	105,134	351,872
Provision for income taxes	22,036	76,547
Consolidated net income	83,098	275,325
Noncontrolling interests	(503)	1,575
Net income attributable to shareholders	\$ 83,601	\$ 273,750
Net income per share:		
Basic	\$ 1.54	\$ 4.66
Diluted	\$ 1.53	\$ 4.60
Weighted-average shares outstanding:		
Basic	54,251	58,731
Diluted	54,815	59,479

See accompanying notes.

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

	Quarter Ended	
	March 30, 2024	April 1, 2023
Consolidated net income	\$ 83,098	\$ 275,325
Other comprehensive income (loss):		
Foreign currency translation adjustment and other, net of taxes	(99,275)	11,285
Gain (loss) on foreign exchange contracts designated as net investment hedges, net of taxes	3,598	(433)
Gain (loss) on interest rate swaps designated as cash flow hedges, net of taxes	529	(3,709)
Employee benefit plan items, net of taxes	(91)	(272)
Other comprehensive (loss) income	(95,239)	6,871
Comprehensive (loss) income	(12,141)	282,196
Less: Comprehensive (loss) income attributable to noncontrolling interests	(1,651)	4,652
Comprehensive (loss) income attributable to shareholders	\$ (10,490)	\$ 277,544

See accompanying notes.

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

	March 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 242,810	\$ 218,053
Accounts receivable, net	11,062,608	12,238,073
Inventories	4,797,053	5,187,225
Other current assets	798,591	684,126
Total current assets	<u>16,901,062</u>	<u>18,327,477</u>
Property, plant, and equipment, at cost:		
Land	5,691	5,691
Buildings and improvements	196,291	195,579
Machinery and equipment	1,624,409	1,632,606
	<u>1,826,391</u>	<u>1,833,876</u>
Less: Accumulated depreciation and amortization	<u>(1,309,303)</u>	<u>(1,303,136)</u>
Property, plant, and equipment, net	<u>517,088</u>	<u>530,740</u>
Investments in affiliated companies	58,868	62,741
Intangible assets, net	119,274	127,440
Goodwill	2,054,536	2,050,426
Other assets	612,048	627,344
Total assets	<u>\$ 20,262,876</u>	<u>\$ 21,726,168</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 8,940,313	\$ 10,070,015
Accrued expenses	1,474,605	1,463,915
Short-term borrowings, including current portion of long-term debt	945,698	1,653,954
Total current liabilities	<u>11,360,616</u>	<u>13,187,884</u>
Long-term debt	2,632,250	2,153,553
Other liabilities	500,672	507,424
Contingencies (Note L)		
Equity:		
Shareholders' equity:		
Common stock, par value \$1:		
Authorized - 160,000 shares in both 2024 and 2023		
Issued - 57,955 and 57,691 shares in 2024 and 2023	57,955	57,691
Capital in excess of par value	565,166	553,340
Treasury stock (4,725 and 3,880 shares in 2024 and 2023, respectively), at cost	(405,663)	(297,745)
Retained earnings	5,873,818	5,790,217
Accumulated other comprehensive loss	<u>(392,130)</u>	<u>(298,039)</u>
Total shareholders' equity	<u>5,699,146</u>	<u>5,805,464</u>
Noncontrolling interests	70,192	71,843
Total equity	<u>5,769,338</u>	<u>5,877,307</u>
Total liabilities and equity	<u>\$ 20,262,876</u>	<u>\$ 21,726,168</u>

See accompanying notes.

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

	Quarter Ended	
	March 30, 2024	April 1, 2023
Cash flows from operating activities:		
Consolidated net income	\$ 83,098	\$ 275,325
Adjustments to reconcile consolidated net income to net cash provided by operations:		
Depreciation and amortization	41,727	46,679
Amortization of stock-based compensation	13,447	19,497
Equity in losses of affiliated companies	344	80
Deferred income taxes	(2,801)	(7,530)
Loss (gain) on investments, net	13	(10,311)
Other	1,189	1,321
Change in assets and liabilities, net of effects of acquired businesses:		
Accounts receivable, net	1,057,676	1,701,889
Inventories	362,813	(199,521)
Accounts payable	(1,077,786)	(1,504,701)
Accrued expenses	21,053	(132,316)
Other assets and liabilities	(97,563)	33,392
Net cash provided by operating activities	403,210	223,804
Cash flows from investing activities:		
Acquisition of property, plant, and equipment	(29,535)	(20,114)
Other	5,139	10,867
Net cash used for investing activities	(24,396)	(9,247)
Cash flows from financing activities:		
Change in short-term and other borrowings	(709,675)	(146,050)
Proceeds from long-term bank borrowings, net	477,032	34,360
Net proceeds from note offering	—	498,600
Redemption of notes	—	(300,000)
Proceeds from exercise of stock options	2,929	5,934
Repurchases of common stock	(87,948)	(303,801)
Net cash used for financing activities	(317,662)	(210,957)
Effect of exchange rate changes on cash	(36,395)	25,039
Net increase in cash and cash equivalents	24,757	28,639
Cash and cash equivalents at beginning of period	218,053	176,915
Cash and cash equivalents at end of period	\$ 242,810	\$ 205,554

See accompanying notes.

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

	Common Stock at Par Value	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance at December 31, 2023	\$ 57,691	\$ 553,340	\$(297,745)	\$5,790,217	\$ (298,039)	\$ 71,843	\$5,877,307
Consolidated net income (loss)	—	—	—	83,601	—	(503)	83,098
Other comprehensive loss	—	—	—	—	(94,091)	(1,148)	(95,239)
Amortization of stock-based compensation	—	13,447	—	—	—	—	13,447
Shares issued for stock-based compensation awards	264	(1,621)	4,286	—	—	—	2,929
Repurchases of common stock	—	—	(112,204)	—	—	—	(112,204)
Balance at March 30, 2024	\$ 57,955	\$ 565,166	\$(405,663)	\$5,873,818	\$ (392,130)	\$ 70,192	\$5,769,338

	Common Stock at Par Value	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance at December 31, 2022	\$ 125,424	\$ 1,208,708	\$(4,637,345)	\$9,214,832	\$ (365,262)	\$ 64,996	\$5,611,353
Consolidated net income	—	—	—	273,750	—	1,575	275,325
Other comprehensive income	—	—	—	—	3,794	3,077	6,871
Amortization of stock-based compensation	—	19,497	—	—	—	—	19,497
Shares issued for stock-based compensation awards	—	(25,071)	31,005	—	—	—	5,934
Repurchases of common stock	—	—	(318,800)	—	—	—	(318,800)
Balance at April 1, 2023	\$ 125,424	\$ 1,203,134	\$(4,925,140)	\$9,488,582	\$ (361,468)	\$ 69,648	\$5,600,180

See accompanying notes.

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

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

Note A – Basis of Presentation

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

These consolidated financial statements do not include all of the information or notes necessary for a complete presentation and, accordingly, should be read in conjunction with the company’s audited consolidated financial statements and accompanying notes for the year ended December 31, 2023, as filed in the company’s Annual Report on Form 10-K.

Quarter End

The company operates on a quarterly calendar that closes on the Saturday closest to the end of the calendar quarter, except for the fourth quarter, which closes on December 31, 2024.

Reclassification

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

Note B – Impact of Recently Issued Accounting Standards

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

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). Upon adoption of ASU 2023-07, the company will disclose significant segment expenses, the title and position of the chief operating decision maker (“CODM”), and an explanation of how the reported measure of segment profit or loss is used by the CODM to assess segment performance and make resource allocation decisions. These amendments will first be applied in the company’s annual report on form 10-K for the fiscal year ending December 31, 2024, and will be applied retrospectively for all prior periods presented in the financial statements.

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

Note C – Goodwill and Intangible Assets

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

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

(thousands)	Global Components	Global ECS	Total
Balance as of December 31, 2023 (a)	\$ 875,194	\$ 1,175,232	\$ 2,050,426
Acquisitions	17,275	—	17,275
Foreign currency translation adjustment	(3,959)	(9,206)	(13,165)
Balance as of March 30, 2024 (a)	\$ 888,510	\$ 1,166,026	\$ 2,054,536

(a) The total carrying value of goodwill as of March 30, 2024, and December 31, 2023 in the table above is reflected net of \$1.6 billion of accumulated impairment charges, of which \$1.3 billion was recorded in the global components reportable segment and \$301.9 million was recorded in the global enterprise computing solutions ("ECS") reportable segment.

Intangible assets, net, are comprised of the following as of March 30, 2024:

(thousands)	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	\$ 257,263	\$ (160,240)	\$ 97,023
Amortizable trade name	73,359	(51,108)	22,251
	\$ 330,622	\$ (211,348)	\$ 119,274

Intangible assets, net, are comprised of the following as of December 31, 2023:

(thousands)	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	\$ 258,337	\$ (156,141)	\$ 102,196
Amortizable trade name	73,811	(48,567)	25,244
	\$ 332,148	\$ (204,708)	\$ 127,440

During the first quarter of 2024 and 2023, the company recorded amortization expense related to identifiable intangible assets of \$7.5 million and \$8.0 million, respectively.

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

Note D – Investments in Affiliated Companies

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

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

(thousands)	March 30, 2024	December 31, 2023
Marubun/Arrow	\$ 46,810	\$ 50,779
Other	12,058	11,962
	<u>\$ 58,868</u>	<u>\$ 62,741</u>

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

(thousands)	Quarter Ended	
	March 30, 2024	April 1, 2023
Marubun/Arrow	\$ (534)	\$ (397)
Other	190	317
	<u>\$ (344)</u>	<u>\$ (80)</u>

Under the terms of various joint venture agreements, the company is required to pay its pro-rata share of the third-party debt of the joint ventures in the event that the joint ventures are unable to meet their obligations. There were no outstanding borrowings under the third-party debt agreements of the joint ventures as of March 30, 2024, and December 31, 2023.

Note E – Accounts Receivable

Accounts receivable, net, consists of the following:

(thousands)	March 30, 2024	December 31, 2023
Accounts receivable	\$ 11,207,057	\$ 12,384,553
Allowance for credit losses	(144,449)	(146,480)
Accounts receivable, net	<u>\$ 11,062,608</u>	<u>\$ 12,238,073</u>

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

(thousands)	Quarter Ended	
	March 30, 2024	April 1, 2023
Balance at beginning of period	\$ 146,480	\$ 93,397
Charged to income	2,879	14,991
Translation adjustments	(861)	388
Write-offs	(4,049)	(5,083)
Balance at end of period	<u>\$ 144,449</u>	<u>\$ 103,693</u>

The company monitors the current credit condition of its customers in estimating the expected credit losses and has not experienced significant changes in customers’ payment trends or significant deterioration in customers’ credit risk as of March 30, 2024.

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

EMEA Asset Securitization

The company has an EMEA asset securitization program under which it continuously sells its interest in designated pools of trade accounts receivable of certain of its subsidiaries in the EMEA region at a discount to a special purpose entity, which in turn sells certain of the receivables to unaffiliated financial institutions and conduits administered by such unaffiliated financial institutions (“unaffiliated financial institutions”) on a monthly basis. The company may sell up to €600.0 million under the EMEA asset securitization program, which matures in December 2025, subject to extension in accordance with its terms. In February 2024, the company amended provisions in the EMEA asset securitization program to update certain financial ratios. The program is conducted through Arrow EMEA Funding Corp B.V., an entity structured to be bankruptcy remote. The company is deemed the primary beneficiary of Arrow EMEA Funding Corp B.V. as the company has both the power to direct the activities that most significantly impact the entity’s economic performance and the obligation to absorb losses or the right to receive the benefits that could potentially be significant to the entity from the transfer of the trade accounts receivable into the special purpose entity. Accordingly, Arrow EMEA Funding Corp B.V. is included in the company’s consolidated financial statements.

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

	Quarter Ended	
	March 30, 2024	April 1, 2023
(thousands)		
EMEA asset securitization, sales of accounts receivable	\$ 539,880	\$ 817,833

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

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

Other amounts related to the EMEA asset securitization program:

	March 30, 2024	December 31, 2023
(thousands)		
Receivables sold to unaffiliated financial institutions that were uncollected	\$ 425,240	\$ 529,266
Collateralized accounts receivable held by Arrow EMEA funding Corp B.V.	911,615	805,788

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

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

The EMEA asset securitization program includes terms and conditions that limit the incurrence of additional borrowings and require that certain financial ratios be maintained at designated levels. As of March 30, 2024, the company was in compliance with all such financial covenants.

Factoring

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

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

	Quarter Ended	
	March 30, 2024	April 1, 2023
(thousands)		
Sales of accounts receivable under the factoring programs	\$ 208,560	\$ 382,278

Other amounts under the company's factoring programs:

	March 30, 2024	December 31, 2023
(thousands)		
Receivables sold under the factoring programs that were uncollected	\$ 259,236	\$ 375,940

Note F – Supplier Finance Programs

At the request of certain of the company's suppliers, the company has entered into agreements ("supplier finance programs") with third-party finance providers, which facilitate the participating suppliers' ability to sell their receivables from the company to the third-party financial institutions, at the sole discretion of the suppliers. For agreeing to participate in these programs, the company seeks to secure improved standard payment terms with its suppliers. The company is not involved in negotiating terms of the arrangements between its suppliers and the financial institutions and has no economic interest in a supplier's decision to enter into these agreements, or sell receivables from the company. The company's rights and obligations to its suppliers, including amounts due, are not impacted by suppliers' decisions to sell amounts under the arrangements. However, the company agrees to make all payments to the third-party financial institutions, and the company's right to offset balances due from suppliers against payment obligations is restricted by the agreements for those payment obligations that have been sold by suppliers. As of March 30, 2024, and December 31, 2023, the company had \$899.4 million and \$1.1 billion, respectively, in obligations outstanding under these programs included in "Accounts payable" on the company's consolidated balance sheets and all activity related to the obligations is presented within operating activities on the consolidated statements of cash flows.

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

Note G – Debt

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

(thousands)	March 30, 2024	December 31, 2023
3.25% notes, due September 2024	\$ 499,505	\$ 499,224
Commercial paper	427,763	1,121,882
Other short-term borrowings	18,430	32,848
	<u>\$ 945,698</u>	<u>\$ 1,653,954</u>

The company has \$500.0 million in uncommitted lines of credit. There were no outstanding borrowings under the uncommitted lines of credit at March 30, 2024 and December 31, 2023. These borrowings were provided on a short-term basis and their maturity was agreed upon between the company and the lender. The uncommitted lines of credit had a weighted-average effective interest rate of 5.82% and 5.83% at March 30, 2024 and December 31, 2023, respectively.

The company has a commercial paper program, and the maximum aggregate balance of commercial paper outstanding may not exceed the borrowing capacity of \$1.2 billion. Amounts outstanding under the commercial paper program are backstopped by available commitments under the company's revolving credit facility. There were \$427.8 million in outstanding borrowings under this program at March 30, 2024 and \$1.1 billion in outstanding borrowings at December 31, 2023. The commercial paper program had an effective interest rate of 5.80% and 5.90% at March 30, 2024 and December 31, 2023, respectively.

Long-term debt consists of the following:

(thousands)	March 30, 2024	December 31, 2023
Revolving Credit Facility	\$ 50,000	\$ —
North American asset securitization program	625,000	198,000
4.00% notes, due 2025	349,245	349,061
6.125% notes, due 2026 (a) (b)	498,343	497,661
7.50% senior debentures, due 2027	110,205	110,184
3.875% notes, due 2028	497,264	497,098
2.95% notes, due 2032	495,172	495,039
Other obligations with various interest rates and due dates	7,021	6,510
	<u>\$ 2,632,250</u>	<u>\$ 2,153,553</u>

(a) Upon issuance of the 6.125% notes due March 2026, the company entered into an interest rate swap, which effectively converted the 6.125% notes to floating rate notes based on the secured overnight financing rate ("SOFR") + 0.508%, or an effective interest rate of 5.83% as of March 30, 2024. In March 2024, the company received a notice from the swap counterparty to terminate the swap without penalty. The effective date of cancellation was April 1, 2024. Refer to Note H.

(b) In April 2024, the company completed the sale of \$500.0 million principal amount of 5.875% notes due April 2034. The net proceeds of the offering of \$498.6 million were used for general corporate purposes and to repay the \$500.0 million principal amount of its 6.125% notes due March 2026.

The 7.50% senior debentures are not redeemable prior to their maturity. All other notes may be called at the option of the company subject to "make whole" clauses with the exception of the 6.125% notes which were called at par in April 2024.

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

(thousands)	March 30, 2024	December 31, 2023
4.00% notes, due 2025	\$ 344,500	\$ 343,500
6.125% notes, due 2026	499,500	502,000
7.50% senior debentures, due 2027	116,000	117,000
3.875% notes, due 2028	475,000	475,000
2.95% notes, due 2032	420,000	425,000

The carrying amount of the company's other short-term borrowings, uncommitted lines of credit, revolving credit facility, 3.25% notes due in 2024, North American asset securitization program, commercial paper, and other obligations approximate their fair value.

The company has a \$2.0 billion revolving credit facility maturing in September 2026. The facility may be used by the company for general corporate purposes including working capital in the ordinary course of business, letters of credit, repayment, prepayment or purchase of long-term indebtedness, acquisitions, and as support for the company's commercial paper program, as applicable. Interest on borrowings under the revolving credit facility is calculated using a base rate or SOFR, plus a spread (1.08% at March 30, 2024), which is based on the company's credit ratings, plus a credit spread adjustment of 0.10% or an effective interest rate of 6.44% at March 30, 2024. The facility fee, which is based on the company's credit ratings, was 0.175% of the total borrowing capacity at March 30, 2024. The company had \$50.0 million in outstanding borrowings under the revolving credit facility at March 30, 2024 and no outstanding borrowings under the revolving credit facility at December 31, 2023.

The company has a North American asset securitization program collateralized by accounts receivable of certain of its subsidiaries. The company may borrow up to \$1.5 billion under the program which matures in September 2025. The program is conducted through Arrow Electronics Funding Corporation ("AFC"), a wholly-owned, bankruptcy remote subsidiary. The North American asset securitization program does not qualify for sale treatment. Accordingly, the accounts receivable and related debt obligation remain on the company's consolidated balance sheets. Interest on borrowings is calculated using a base rate plus a spread (0.40% at March 30, 2024) plus a credit spread adjustment of 0.10% or an effective interest rate of 6.44% at March 30, 2024. The facility fee is 0.40% of the total borrowing capacity.

The company had \$625.0 million and \$198.0 million in outstanding borrowings under the North American asset securitization program at March 30, 2024 and December 31, 2023, respectively, which was included in "Long-term debt" on the company's consolidated balance sheets. Total collateralized accounts receivable of approximately \$2.3 billion and \$2.7 billion were held by AFC and were included in "Accounts receivable, net" on the company's consolidated balance sheets at March 30, 2024 and December 31, 2023, respectively. Any accounts receivable held by AFC would likely not be available to other creditors of the company in the event of bankruptcy or insolvency proceedings of the company before repayment of any outstanding borrowings under the North American asset securitization program.

Both the revolving credit facility and North American asset securitization program include terms and conditions that limit the incurrence of additional borrowings and require that certain financial ratios be maintained at designated levels. As of March 30, 2024, the company was in compliance with all such financial covenants.

Interest and dividend income of \$19.5 million and \$14.3 million for the first quarter of 2024 and 2023, respectively, were recorded in "Interest and other financing expense, net" within the company's consolidated statements of operations.

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Note H – Financial Instruments Measured at Fair Value

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

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

The following table presents assets (liabilities) measured at fair value on a recurring basis at March 30, 2024:

(thousands)	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Cash equivalents (a)	Cash and cash equivalents	\$ 10,689	\$ —	\$ —	\$ 10,689
Equity investments (b)	Other assets	53,211	—	—	53,211
Foreign exchange contracts designated as net investment hedges	Other assets / other current assets	—	53,778	—	53,778
		<u>\$ 63,900</u>	<u>\$ 53,778</u>	<u>\$ —</u>	<u>\$ 117,678</u>

The following table presents assets (liabilities) measured at fair value on a recurring basis at December 31, 2023:

(thousands)	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Cash equivalents (a)	Cash and cash equivalents	\$ 8,729	\$ —	\$ —	\$ 8,729
Equity investments (b)	Other assets	57,625	—	—	57,625
Interest rate swap designated as fair value hedge	Other liabilities	—	(454)	—	(454)
Foreign exchange contracts designated as net investment hedges	Other assets / other current assets	—	47,245	—	47,245
		<u>\$ 66,354</u>	<u>\$ 46,791</u>	<u>\$ —</u>	<u>\$ 113,145</u>

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

(b) The company has an 8.4% equity ownership interest in Marubun Corporation and a portfolio of mutual funds with quoted market prices. The company recorded unrealized (losses) gains of (\$3.6) million and \$8.5 million for the first quarter of 2024 and 2023, respectively, on equity securities held at the end of the quarter.

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

Derivative Instruments

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

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Interest Rate Swaps

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

In June 2023, the company terminated its outstanding forward-starting interest rate swaps and received a cash payment of \$56.7 million, which was reported in the "Cash flows from financing activities" section of the consolidated statements of cash flows. The forecasted transactions related to the swaps continued to be probable to occur by December 31, 2025, and the \$56.7 million gain on the termination of the interest rate swaps remained in "Accumulated other comprehensive loss" on the company's consolidated balance sheets at March 30, 2024. In April 2024, the forecasted bond issuance occurred, and the \$56.7 million gain will be amortized to "Interest and other financing expense, net" in the company's consolidated statement of operations over the 10-year life of the bond.

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

As of December 31, 2023, the company had one outstanding interest rate swap designated as a fair value hedge of its 6.125% notes due in March 2026, the terms of which were as follows:

Trade Date	Maturity Date	Notional Amount (thousands)	Interest Rate due from Counterparty	Interest Rate due to Counterparty
February 2023	March 2026	\$ 500,000	6.125%	SOFR+0.508%

The counterparty to the interest rate swap had the option to cancel the swaps after one year, without penalty. In March 2024, the counterparty cancelled the swap and the company de-designated the fair value hedging relationship.

Foreign Exchange Contracts

The company's foreign currency exposure relates primarily to international transactions where the currency collected from customers can be different from the currency used to purchase the product. The company's primary exposures to such transactions are denominated primarily in the following currencies: Euro, Indian Rupee, and Chinese Renminbi. The company enters into foreign exchange forward, option, or swap contracts (collectively, the "foreign exchange contracts") to facilitate the hedging of foreign currency exposures resulting from inventory purchases and sales and mitigate the impact of changes in foreign currency exchange rates related to these transactions. Foreign exchange contracts generally have terms of no more than six months. The company does not enter into foreign exchange contracts for trading purposes. The risk of loss on a foreign exchange contract is the risk of nonperformance by the counterparties, which the company minimizes by limiting its counterparties to major financial institutions. The fair value of the foreign exchange contracts is estimated using foreign currency spot rates and forward rates quotes by third-party financial institutions. The notional amount of the foreign exchange contracts inclusive of foreign exchange contracts designated as a net investment hedge at March 30, 2024 and December 31, 2023 was \$1.1 billion and \$1.0 billion, respectively.

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

At March 30, 2024 and December 31, 2023, the following foreign exchange contracts were designated as net investment hedges, hedging a portion of the company’s net investments in subsidiaries with Euro-denominated net assets:

Maturity Date	Notional Amount (thousands)	
September 2024	EUR	50,000
April 2025	EUR	100,000
January 2028	EUR	100,000
Total	EUR	250,000

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

During the first quarter of 2023, a foreign exchange contract designated as a net investment hedge matured and the company received \$10.7 million, which is reported in the “Cash flows from investing activities” section of the consolidated statements of cash flows.

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

(thousands)	Income Statement Line	Quarter Ended	
		March 30, 2024	April 1, 2023
Gain (Loss) Recognized in Income			
Foreign exchange contracts, net investment hedge (a)	Interest Expense	\$ 1,804	\$ 2,048
Interest rate swaps, cash flow hedge	Interest Expense	(695)	(839)
Interest rate swap, fair value hedge (b)	Interest Expense	454	2,742
Total		\$ 1,563	\$ 3,951
Gain (Loss) Recognized in Other Comprehensive Income (Loss) before reclassifications, net of tax			
Foreign exchange contracts, net investment hedge (c)		\$ 4,970	\$ 1,125
Interest rate swaps, cash flow hedge		—	(4,347)
Total		\$ 4,970	\$ (3,222)

- (a) Represents derivative amounts excluded from the assessment of effectiveness for the net investment hedges reclassified from CTA to “Interest and other financing expenses, net”.
- (b) The cumulative amount of fair value hedging adjustments to the carrying value of hedged debt instruments totaled a loss of \$0.4 million and \$2.5 million for the first quarter of 2024 and 2023, respectively.
- (c) Includes derivative gains (losses) excluded from the assessment of effectiveness for the net investment hedges and recognized in other comprehensive income, net of tax, of \$0.2 million and (\$1.7) million for the first quarter of 2024 and 2023, respectively, which were excluded from the assessment of effectiveness for the net investment hedges and recognized in other comprehensive income (loss), net of tax.

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Other

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

Note I – Restructuring, Integration, and Other

Restructuring initiatives and integration costs are due to the company's continued efforts to lower costs, drive operational efficiency, integrate acquired businesses, and the consolidation of certain operations, as necessary. The following table presents the components of the restructuring, integration, and other:

	Quarter Ended	
	March 30, 2024	April 1, 2023
(thousands)		
Restructuring and integration (credits) charges	\$ (364)	\$ 1,141
Other charges	47,220	1,419
	<u>\$ 46,856</u>	<u>\$ 2,560</u>

Other Charges

Other charges include \$42.8 million related to termination of personnel as a part of operating expense reduction initiatives not related to exit or disposal activities. As of March 30, 2024, the accrued liabilities related to the operating expense reduction initiatives totaled \$32.1 million and substantially all accrued amounts are expected to be spent in cash within one year.

Note J – Net Income per Share

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

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

	Quarter Ended	
	March 30, 2024	April 1, 2023
(thousands except per share data)		
Net income attributable to shareholders	\$ 83,601	\$ 273,750
Weighted-average shares outstanding - basic	54,251	58,731
Net effect of various dilutive stock-based compensation awards	564	748
Weighted-average shares outstanding - diluted	54,815	59,479
Net income per share:		
Basic	\$ 1.54	\$ 4.66
Diluted (a)	\$ 1.53	\$ 4.60
(a) Equity awards excluded from diluted net income per share as their effect would have been anti-dilutive	—	128

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Note K – Shareholders' Equity
Accumulated Other Comprehensive (Loss) Income

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

(thousands)	Quarter Ended	
	March 30, 2024	April 1, 2023
Foreign Currency Translation Adjustment and Other:		
Other comprehensive (loss) income before reclassifications (a)	\$ (98,172)	\$ 8,008
Amounts reclassified into income	45	200
Unrealized Gain on Foreign Exchange Contracts Designated as Net Investment Hedges, Net:		
Other comprehensive income before reclassifications (b)	4,970	1,125
Amounts reclassified into income	(1,372)	(1,558)
Unrealized Gain on Interest Rate Swaps Designated as Cash Flow Hedges, Net:		
Other comprehensive loss before reclassifications (b)	—	(4,347)
Amounts reclassified into income	529	638
Employee Benefit Plan Items, Net:		
Amounts reclassified into income	(91)	(272)
Net change in Accumulated other comprehensive (loss) income	\$ (94,091)	\$ 3,794

- (a) Foreign currency translation adjustment includes intra-entity foreign currency transactions that are of a long-term investment nature of \$6.8 million and \$5.6 million for the first quarter of 2024 and 2023, respectively.
(b) For additional information related to net investment hedges and interest rate swaps refer to Note H.

Common Stock Outstanding Activity

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

(thousands)	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Common stock outstanding at December 31, 2023	57,691	3,880	53,811
Shares issued for stock-based compensation awards	264	(57)	321
Repurchases of common stock	—	902	(902)
Common stock outstanding at March 30, 2024	57,955	4,725	53,230

(thousands)	Common Stock Issued	Treasury Stock	Common Stock Outstanding
Common stock outstanding at December 31, 2022	125,424	66,175	59,249
Shares issued for stock-based compensation awards	—	(313)	313
Repurchases of common stock	—	2,564	(2,564)
Common stock outstanding at April 1, 2023	125,424	68,426	56,998

During the year ended December 31, 2023, the company retired 67.7 million shares of treasury stock. Refer to Note 10 “Shareholders' Equity” in the company’s Annual Report on Form 10-K for the year ended December 31, 2023.

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Share-Repurchase Program

The following table shows the company's share-repurchase program as of March 30, 2024:

Share-Repurchase Details by Month of Board Approval (thousands)	Dollar Value Approved for Repurchase	Dollar Value of Shares Repurchased	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program
September 2022	\$ 600,000	\$ 600,000	\$ —
January 2023	1,000,000	524,590	475,410
Total (a)	\$ 1,600,000	\$ 1,124,590	\$ 475,410

(a) The dollar value of shares repurchased includes an accrual of \$0.7 million for excise taxes during the first quarter of 2024 which is recorded within "Treasury stock" on the company's consolidated balance sheets.

The company repurchased 0.8 million shares of its common stock for \$100.0 million and 2.6 million shares of its common stock for \$300.2 million in the first quarter of 2024 and 2023, respectively, under the company's share-repurchase program, excluding excise taxes. As of March 30, 2024, approximately \$475.4 million remained available for repurchase under the share-repurchase program. The company's share-repurchase program does not have an expiration date.

Note L – Contingencies**Environmental Matters**

In connection with the purchase of Wyle Electronics ("Wyle") in August 2000, the company entered into a settlement agreement under which, the company accepted responsibility for any potential subsequent costs incurred for environmental clean-up associated with any then-existing contamination or violation of environmental regulations. The company is aware of two facilities (in Huntsville, Alabama (the "Huntsville Site") and Norco, California (the "Norco Site")) at which contaminated soil and groundwater was identified and required environmental remediation.

As successor-in-interest to Wyle, the company is the beneficiary of various Wyle insurance policies that covered liabilities arising out of operations at Norco and Huntsville. To date, the company has recovered approximately \$47.3 million from certain insurance carriers relating to environmental clean-up matters at the Norco and Huntsville sites, and continues to pursue additional recoveries from one insurer related solely to the Huntsville site. The company has not recorded a receivable for any potential future insurance recoveries related to the Norco and Huntsville environmental matters, as the realization of the claims for recovery are not deemed probable at this time.

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

The company expects the liabilities associated with such ongoing remediation to be resolved over an extended period of time and the accruals for environmental liabilities are adjusted periodically as facts and circumstances change, assessment and remediation efforts progress, or as additional technical or legal information becomes available. Environmental liabilities are difficult to assess and estimate due to various unknown factors such as the timing and extent of remediation,

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improvements in remediation technologies, orders by administrative agencies, and the extent to which environmental laws and regulations may change in the future. Accordingly, the company cannot presently estimate the ultimate potential costs related to the Huntsville and Norco sites.

Environmental Matters - Huntsville

In February 2015, the company and the Alabama Department of Environmental Management (“ADEM”) finalized and executed a consent decree in connection with the Huntsville Site. Characterization of the extent of contaminated soil and groundwater is complete and has been approved by ADEM. Health-risk evaluations and a Corrective Action Development Plan were approved by ADEM in 2018, opening the way for pilot testing of on-site remediation in late 2019. Due to the effectiveness of the pilot testing, the pilot testing process has been expanded and remains underway with annual application of bioremediation reagents, semi-annual groundwater monitoring, as well as data collection to direct future bioremediation injections. Approximately \$8.8 million has been spent to date. The subsequent environmental costs at the site are estimated to be between \$5.6 million and \$17.3 million.

Environmental Matters - Norco

In October 2003, the company entered into a consent decree with Wyle Laboratories and the California Department of Toxic Substance Control (“DTSC”) in connection with the Norco Site. In September 2013, the DTSC approved the final Remedial Action Plan (“RAP”) for actions in five on-site areas and one off-site area. As of 2018, the remediation measures described in the RAP had been implemented. Routine progress monitoring of groundwater and soil gas continue on-site and off-site. Approximately \$83.8 million has been spent to date. The subsequent environmental costs at the site are estimated to be between \$21.5 million and \$37.7 million.

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

Other

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

Note M – Segment and Geographic Information

The company is a global provider of products, services, and solutions to industrial and commercial users of electronic components and enterprise computing solutions. The company has one of the world’s broadest portfolios of product offerings available from leading electronic components and enterprise computing solutions suppliers, coupled with a range of services, solutions and tools that enables its suppliers to distribute their technologies and help its industrial and commercial customers to source, build upon, and leverage these technologies to grow their businesses, reduce their time to market, and enhance their overall competitiveness. The company is a trusted partner in a complex value chain and is uniquely positioned through its electronics components and IT content portfolios to increase value for stakeholders.

The company has two reportable segments, the global components business and the global enterprise computing solutions (“ECS”) business. The company’s global components business, enabled by a comprehensive range of value-added capabilities and services, markets, and distributes electronic components to original equipment manufacturers (“OEMs”) and contract manufacturers (“CMs”). The company’s global ECS business is a leading value-added provider of

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comprehensive computing solutions and services. The global ECS portfolio of computing solutions includes datacenter, cloud, security, and analytics solutions. Global ECS brings broad market access, extensive supplier relationships, scale, and resources to help its value-added resellers (“VARs”) and managed service providers (“MSPs”) meet the needs of their end-users.

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

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

(thousands)	Quarter Ended	
	March 30, 2024	April 1, 2023
Sales:		
Components:		
Americas	\$ 1,596,692	\$ 2,233,453
EMEA	1,656,507	2,246,145
Asia/Pacific	1,938,218	2,376,195
Global components	\$ 5,191,417	\$ 6,855,793
ECS:		
Americas	\$ 907,748	\$ 998,114
EMEA	825,095	882,521
Global ECS	\$ 1,732,843	\$ 1,880,635
Consolidated	\$ 6,924,260	\$ 8,736,428

Operating income (loss), by reportable segment, are as follows:

(thousands)	Quarter Ended	
	March 30, 2024	April 1, 2023
Operating income (loss):		
Global components (a)	\$ 225,562	\$ 417,539
Global ECS	71,459	81,099
Corporate (b)	(111,104)	(76,486)
Consolidated	\$ 185,917	\$ 422,152

- (a) Global components operating income includes charges of \$10.5 million in inventory write downs related to the wind down of a business.
(b) Corporate operating income (loss) includes restructuring, integration, and other charges of \$46.9 million and \$2.6 million for the first quarter of 2024 and 2023, respectively. Restructuring, integration, and other charges for the first quarter of 2024 include charges of \$42.8 million related to termination of personnel as a part of operating expense reduction initiatives. Refer to Note I.

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

Information Relating to Forward-Looking Statements

This report includes “forward-looking statements,” as the term is defined under the federal securities laws. Forward-looking statements are those statements which are not statements of historical fact. These forward-looking statements can be identified by forward-looking words such as “expects,” “anticipates,” “intends,” “plans,” “may,” “will,” “believes,” “seeks,” “estimates,” and similar expressions. These forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which could cause actual results or facts to differ materially from such statements for a variety of reasons, including, but not limited to: unfavorable economic conditions; disruptions or inefficiencies in the supply chain; political instability; 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 enterprise computing solutions (“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 export, antitrust, and anti-corruption laws; foreign tax and other loss contingencies; breaches of security or privacy of business information; outbreaks, epidemics, pandemics, or public health crises; and the company’s ability to generate positive cash flow. For a further discussion of these and other factors that could cause the company’s future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in this Quarterly Report on Form 10-Q and the company’s most recent Annual Report on Form 10-K, as well as in other filings the company makes with the Securities and Exchange Commission. Shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update publicly or revise any of the forward-looking statements.

Certain Non-GAAP Financial Information

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

- Non-GAAP sales (referred to as “sales on a constant currency basis”) exclude the impact of changes in foreign currencies by retranslating prior period results at current period foreign exchange rates.
- Non-GAAP gross profit excludes inventory write downs related to the wind down of a business within the global components reportable segment (“impact of wind down to inventory”) and impact of changes in foreign currencies.
- Non-GAAP operating expenses exclude identifiable intangible asset amortization, restructuring, integration, and other, and the impact of changes in foreign currencies.
- Non-GAAP operating income excludes identifiable intangible asset amortization, restructuring, integration, and other, and impact of wind down to inventory.
- Non-GAAP effective tax rate and non-GAAP net income attributable to shareholders exclude identifiable intangible asset amortization, restructuring, integration, and other, impact of wind down to inventory, and gain on investments, net.

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

Overview

The company is a global provider of products, services, and solutions to industrial and commercial users of electronic components and enterprise computing solutions. The company has one of the world's broadest portfolios of product offerings available from leading electronic components and enterprise computing solutions suppliers, coupled with a range of services, solutions and tools that enables its suppliers to distribute their technologies and help its industrial and commercial customers to source, build upon, and leverage these technologies to grow their businesses, reduce their time to market, and enhance their overall competitiveness. The company is a trusted partner in a complex value chain and is uniquely positioned through its electronics components and IT content portfolios to increase value for stakeholders. The company has two reportable segments, the global components reportable segment and the global ECS reportable segment. The company's global components reportable segment, enabled by a comprehensive range of value-added capabilities and services, markets and distributes electronic components to original equipment manufacturers ("OEMs") and contract manufacturers ("CMs"). The company's global ECS reportable segment is a leading value-added provider of comprehensive computing solutions and services. Its portfolio of computing solutions includes datacenter, cloud, security, and analytics solutions. Global ECS brings broad market access, extensive supplier relationships, scale, and resources to help its value-added resellers ("VARs") and managed service providers ("MSPs") meet the needs of their end-users. For the first quarter of 2024, approximately 75% and 25% of the company's sales were from the global components reportable segment and the global ECS reportable segment, respectively.

The company's strategic initiatives include the following:

- Offering a variety of value-added services in the global components reportable segment, including demand creation, design, engineering, global marketing and integration services to promote the future sale of suppliers' products, which generally lead to longer and more profitable relationships with its suppliers and customers.
- Providing global supply chain service offerings such as procurement, logistics, warehousing, and insights from data analytics within the global components reportable segment.
- Enabling customer cloud solutions through the global ECS reportable segments' cloud marketplace and management platform, ArrowSphere, which helps VARs and MSPs to manage, differentiate, and scale their cloud businesses while providing the business intelligence that IT solution providers need to drive growth.

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

Executive Summary

(millions except per share data)	Quarter Ended		Change
	March 30, 2024	April 1, 2023	
Consolidated sales	\$ 6,924	\$ 8,736	(20.7)%
Global components sales	\$ 5,191	\$ 6,856	(24.3)%
Global ECS sales	\$ 1,733	\$ 1,881	(7.9)%
Gross profit margin	12.4 %	12.7 %	(30)bps
Non-GAAP gross profit margin	12.5 %	12.7 %	(20)bps
Operating income	\$ 186	\$ 422	(56.0)%
Operating income margin	2.7 %	4.8 %	(210)bps
Non-GAAP operating income	\$ 251	\$ 433	(42.0)%
Non-GAAP operating income margin	3.6 %	5.0 %	(140)bps
Net income attributable to shareholders	\$ 84	\$ 274	(69.5)%
Earnings per share attributable to shareholders - diluted	\$ 1.53	\$ 4.60	(66.7)%
Non-GAAP net income attributable to shareholders	\$ 132	\$ 274	(51.8)%
Non-GAAP earnings per share attributable to shareholders - diluted	\$ 2.41	\$ 4.60	(47.6)%

Business environment and other trends:

- During the first quarter of 2024, the global components reportable segment continued to experience a cyclical downturn characterized by elevated customer inventory levels, and a challenging global macroeconomic environment, contributing to lower demand for the company's products. These trends could continue throughout 2024 and the duration and severity of the current downturn are highly uncertain.
- Customers of the company's global ECS reportable segment continue shifting preferences away from traditional, and on-premises solutions, and towards more "as a service" and cloud-based, or hybrid, solutions. These changes in product mix impact sales as an increased proportion of the company's revenue is recorded on a net basis compared to a gross basis. Refer to Note 1 "Summary of Significant Accounting Policies" in the company's Annual Report on Form 10-K for the year ended December 31, 2023.

Results of Operations

Sales by reportable segment

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

(millions)	Quarter Ended		Change
	March 30, 2024	April 1, 2023	
Consolidated sales, as reported	\$ 6,924	\$ 8,736	(20.7)%
Impact of changes in foreign currencies	—	9	
Consolidated sales, constant currency	\$ 6,924	\$ 8,746	(20.8)%
Global components sales, as reported	\$ 5,191	\$ 6,856	(24.3)%
Impact of changes in foreign currencies	—	(4)	
Global components sales, constant currency	\$ 5,191	\$ 6,852	(24.2)%
Global ECS sales, as reported	\$ 1,733	\$ 1,881	(7.9)%
Impact of changes in foreign currencies	—	14	
Global ECS sales, constant currency	\$ 1,733	\$ 1,894	(8.5)%

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

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Reportable segment sales by geographic region

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

(millions)	Quarter Ended				Change
	March 30, 2024		April 1, 2023		
	Sales	% of Sales	Sales	% of Sales	
Americas components sales	\$ 1,597	23.1 %	\$ 2,233	25.6 %	(28.5)%
EMEA components sales	1,657	23.9 %	2,246	25.7 %	(26.3)%
Asia/Pacific components sales	1,938	28.0 %	2,376	27.2 %	(18.4)%
Global components sales	\$ 5,191	75.0 %	\$ 6,856	78.5 %	(24.3)%
Americas ECS sales	\$ 908	13.1 %	\$ 998	11.4 %	(9.1)%
EMEA ECS sales	825	11.8 %	883	10.1 %	(6.5)%
Global ECS sales	\$ 1,733	25.0 %	\$ 1,881	21.5 %	(7.9)%
Consolidated sales	\$ 6,924	100.0 %	\$ 8,736	100.0 %	(20.7)%

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

During the first quarter of 2024, global components sales decreased compared to the year-earlier period primarily due to the following impacts:

- sales declines in the Americas region primarily due to decreased demand for most major verticals, particularly industrial and communications;
- sales declines in the EMEA region primarily due to decreased demand for the industrial and transportation verticals;
- sales declines in the Asia/Pacific region primarily due to decreased demand for the industrial vertical.

During the first quarter of 2024, global ECS sales decreased in both regions compared to the year-earlier period primarily due to a shift in sales mix towards products such as software as-a-service and cloud-based solutions where sales are recorded on a net basis and somewhat softer demand in the Americas region.

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

Gross Profit

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

(millions)	Quarter Ended		Change
	March 30,	April 1,	
	2024	2023	
Gross profit, as reported	\$ 858	\$ 1,114	(23.0)%
Impact of wind down to inventory	10	—	
Impact of changes in foreign currencies	—	1	
Non-GAAP gross profit	\$ 868	\$ 1,115	(22.1)%
Gross profit as a percentage of sales, as reported	12.4 %	12.7 %	(30) bps
Non-GAAP gross profit as a percentage of sales	12.5 %	12.8 %	(30) bps

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

The decrease in gross profit related primarily to declining demand and gross profit margins for the first quarter of 2024.

- Global components gross profit margins decreased during the first quarter of 2024, compared with the year-earlier period, due to product mix shifting toward lower margin products. Global components supply chain services offerings continued to have a positive impact on gross margins.
- Global ECS gross profit margins increased during the first quarter of 2024, compared with the year-earlier period, due to product mix shifting towards a higher proportion of revenue recognized on a net basis in the current year partially offset by softer margins in the Americas region as the company works to optimize the customer mix and supplier line card to better serve the mid-market.

Operating Expenses

Following is an analysis of the company's consolidated operating expenses:

(millions)	Quarter Ended		Change
	March 30, 2024	April 1, 2023	
Operating expenses, as reported	\$ 672	\$ 692	(2.9)%
Identifiable intangible asset amortization	(8)	(8)	
Restructuring, integration, and other	(47)	(3)	
Impact of changes in foreign currencies	—	1	
Non-GAAP operating expenses	\$ 618	\$ 682	(9.5)%
Operating expenses as a percentage of sales	9.7 %	7.9 %	180 bps
Non-GAAP operating expenses as a percentage of sales, constant currency	8.9 %	7.8 %	110 bps

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

The declines in operating expenses for the first quarter of 2024, relative to the year-earlier period, were primarily related to lower variable costs, primarily sales incentives, in line with the decrease in sales discussed above, partially offset by a \$44.3 million increase in restructuring, integration and other (see discussion below).

Restructuring, Integration, and Other

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

(millions)	Quarter Ended	
	March 30, 2024	April 1, 2023
Restructuring and integration charges	\$ -	\$ 1
Other charges	47	2
Total	\$ 47	\$ 3

Other charges for the first quarter of 2024, include \$42.8 million in charges related to the termination of personnel as a part of the operating expense reduction initiatives.

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Operating Income

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

(millions)	Quarter Ended		Change
	March 30, 2024	April 1, 2023	
Consolidated operating income, as reported	\$ 186	\$ 422	(56.0)%
Identifiable intangible asset amortization	8	8	
Restructuring, integration, and other	47	3	
Impact of wind down to inventory	10	—	
Non-GAAP consolidated operating income	\$ 251	\$ 433	(42.0)%
Consolidated operating income as a percentage of sales	2.7 %	4.8 %	(210) bps
Non-GAAP consolidated operating income as a percentage of sales	3.6 %	5.0 %	(140) bps
Global components operating income, as reported	\$ 226	\$ 418	(46.0)%
Identifiable intangible asset amortization	6	7	
Impact of wind down to inventory	10	—	
Non-GAAP global components operating income	\$ 243	\$ 424	(42.8)%
Global components operating income as a percentage of sales	4.3 %	6.1 %	(180) bps
Non-GAAP global components operating income as a percentage of sales	4.7 %	6.2 %	(150) bps
Global ECS operating income, as reported	\$ 71	\$ 81	(11.9)%
Identifiable intangible asset amortization	1	1	
Non-GAAP global ECS operating income	\$ 73	\$ 82	(11.9)%
Global ECS operating income as a percentage of sales	4.1 %	4.3 %	(20) bps
Non-GAAP global ECS operating income as a percentage of sales	4.2 %	4.4 %	(20) bps

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

The decrease in consolidated operating income as a percentage of sales for the first quarter of 2024 relates primarily to the changes in sales and gross profit margins discussed above.

Gain on Investments, Net

(millions)	Quarter Ended	
	March 30, 2024	April 1, 2023
Gain on investments, net	\$ —	\$ 10

Gain on investments, net is primarily related to the changes in fair value of assets related to the Arrow SERP pension plan, which consist primarily of life insurance policies and mutual fund assets, as well as changes in the fair value of the company's investment in Marubun Corporation, refer to Note H "Financial Instruments Measured at Fair Value" of the Notes to the Consolidated Financial Statements.

Interest and Other Financing Expense, Net

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

(millions)	Quarter Ended	
	March 30, 2024	April 1, 2023
Interest and other financing expense, net	\$ (80)	\$ (80)

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Interest expenses were mostly flat compared to the year-earlier period. Refer to the section below titled “Liquidity and Capital Resources” for more information on changes in borrowings.

Income Tax

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

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

	Quarter Ended	
	March 30, 2024	April 1, 2023
Effective income tax rate	21.0 %	21.8 %
Identifiable intangible asset amortization	0.2 %	0.1 %
Restructuring, integration, and other	1.2 %	0.1 %
Impact of wind down to inventory	0.3 %	— %
Gain on investments, net	— %	(0.1)%
Non-GAAP effective income tax rate	22.6 %	21.8 %

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

The change in the effective tax rate for the first quarter of 2024, compared to the year-earlier period, is primarily due to the changes in the mix of tax jurisdictions where taxable income is generated, tax law changes, utilization of tax credits in certain jurisdictions, and liabilities for uncertain tax positions.

Net Income Attributable to Shareholders

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

	Quarter Ended	
	March 30, 2024	April 1, 2023
(millions)		
Net income attributable to shareholders, as reported	\$ 84	\$ 274
Identifiable intangible asset amortization*	7	8
Restructuring, integration, and other	47	3
Gain on investments, net	—	(10)
Impact of wind down to inventory	10	—
Tax effect of adjustments above	(16)	—
Non-GAAP net income attributable to shareholders	\$ 132	\$ 274

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

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

The decrease in net income attributable to shareholders in the first quarter of 2024 compared to the year-earlier period, relates primarily to changes in sales and gross margins as discussed above.

Liquidity and Capital Resources

Management believes that the company’s current cash availability, its current borrowing capacity under its revolving credit facility and asset securitization programs, and its expected ability to generate future operating cash flows are sufficient to meet its projected cash flow needs for the next 12 months and the foreseeable future. The company’s current committed

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and undrawn liquidity stands at over \$2.4 billion in addition to \$242.8 million of cash on hand at March 30, 2024. The company also may issue debt or equity securities in the future and management believes the company will have adequate access to the capital markets, if needed. The company continually evaluates its liquidity requirements and would seek to amend its existing borrowing capacity or access the financial markets as deemed necessary.

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

The following table presents selected financial information related to liquidity:

(millions)	March 30, 2024	December 31, 2023	Change
Working capital	\$ 6,919	\$ 7,355	\$ (436)
Cash and cash equivalents	243	218	25
Short-term debt	946	1,654	(708)
Long-term debt	2,632	2,154	478

Working Capital

The company maintains a significant investment in working capital which the company defines as accounts receivable, net, plus inventories less accounts payable. The change in working capital during the first quarter of 2024, was primarily attributable to decreases in inventory.

Working capital as a percentage of sales, which is defined as working capital divided by annualized quarterly sales, increased to 25.0% for the first three months of 2024, compared to 20.6% in the year-earlier period. The increase was primarily due to lower sales.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments, which are readily convertible into cash, with original maturities of three months or less. At March 30, 2024 and December 31, 2023, the company had cash and cash equivalents of \$242.8 million and \$218.1 million, respectively, of which \$231.0 million and \$160.0 million, respectively, were held outside the United States.

The company has \$4.9 billion of undistributed earnings of its foreign subsidiaries which it deems indefinitely reinvested, and recognizes that it may be subject to additional foreign taxes and U.S. state income taxes, if it reverses its indefinite reinvestment assertion on these foreign earnings. The company also has \$2.1 billion of foreign earnings that are not deemed permanently reinvested and are available for distribution in future periods as of March 30, 2024.

Revolving Credit Facilities and Debt

The following tables summarize the company's credit facilities by category:

(millions)	Borrowing Capacity	Outstanding Borrowings	
		March 30, 2024	December 31, 2023
North American asset securitization program	\$ 1,500	\$ 625	\$ 198
Revolving credit facility	2,000	50	—
Commercial paper program (a)	1,200	428	1,122
Uncommitted lines of credit	500	—	—

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

(millions)	Average Daily Balance Outstanding		Effective Interest Rate	
	Three Months Ended			
	March 30, 2024	April 1, 2023	March 30, 2024	April 1, 2023
North American asset securitization program	\$ 724	\$ 1,291	6.44 %	5.30 %
Revolving credit facility	5	274	6.44 %	5.88 %
Commercial paper program	657	762	5.80 %	5.90 %
Uncommitted lines of credit	287	11	5.82 %	5.41 %

The company also has an EMEA asset securitization program under which it continuously sells its interest in designated pools of trade accounts receivable of certain of its subsidiaries in the EMEA region. Receivables sold under the program are excluded from “Accounts receivable, net” and no corresponding liability is recorded on the company’s consolidated balance sheets. During the first three months of 2024 and 2023, the average daily balance outstanding under the EMEA asset securitization program was \$457.1 million and \$636.4 million, respectively. Refer to Note E “Accounts Receivable” of the Notes to the Consolidated Financial Statements for further discussion.

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

(millions)	Activity	Date	Notional Amount
5.875% notes, due April 2034	Issued	April 2024	\$ 500
6.125% notes, due March 2026	Repaid	April 2024	\$ 500
Uncommitted lines of credit	Increase in Capacity	May 2023	\$ 300
4.50% notes, due March 2023	Repaid	March 2023	\$ 300
6.125% notes, due March 2026 (a)	Issued	March 2023	\$ 500

(a) Upon issuance of the 6.125% notes due March 2026, the company entered into an interest rate swap, which effectively converted the 6.125% notes to floating rate notes based on SOFR + 0.508%. In March 2024, the company received a notice from the swap counterparty to terminate the swap. The effective date of cancellation was April 1, 2024. See “Interest Rate Swaps” under Note H “Financial Instruments Measured at Fair Value” of the Notes to the Consolidated Financial Statements for further discussion.

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

Cash Flows

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

(millions)	March 30, 2024	April 1, 2023	Change
Net cash provided by operating activities	\$ 403	\$ 224	\$ 179
Net cash used for investing activities	(24)	(9)	(15)
Net cash used for financing activities	(318)	(211)	(107)

Cash Flows from Operating Activities

The net amount of cash provided by the company’s operating activities during the first three months of 2024 and 2023 was \$403.2 million and \$223.8 million, respectively. The change in cash provided by operating activities during 2024, compared to the year-earlier period, related primarily to the company’s historical counter-cyclical cash flow as the company generates cash flow in periods of lower demand due to reduced investments in working capital.

Cash Flows from Investing Activities

The net amount of cash used for investing activities during the first three months of 2024 and 2023 was \$24.4 million and \$9.2 million, respectively.

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Cash Flows from Financing Activities

The net amount of cash used for financing activities was \$317.7 million during the first three months of 2024 compared to \$211.0 million used for financing activities in the year-earlier period. The change in cash used for financing activities related primarily to more repayment of debt offset partially by lower share repurchases.

Capital Expenditures

Capital expenditures for the first quarter of 2024 and 2023 were \$29.5 million and \$20.1 million, respectively. The company expects capital expenditures to be approximately \$90.0 million for fiscal year 2024.

Share-Repurchase Program

The company repurchased 0.8 million shares of its common stock for \$100.0 million and 2.6 million shares of its common stock for \$300.2 million in the first quarter of 2024 and 2023, respectively, under its share-repurchase program, excluding excise taxes. During the first three months of 2024, the company accrued \$0.7 million of excise tax, which is recorded within “Treasury stock” on the company’s consolidated balance sheets and reduces the share-repurchase authorization. As of March 30, 2024, approximately \$475.4 million remained available for repurchase under the share-repurchase program. The share-repurchase authorization does not have an expiration date and the pace of the repurchase activity will depend on factors such as the company’s working capital needs, cash requirements for acquisitions, debt repayment obligations or repurchases of debt, share price, and economic and market conditions. The share-repurchase program may be accelerated, suspended, delayed, or discontinued at any time subject to the approval of the company’s Board of Directors.

Contractual Obligations

The company has contractual obligations for short-term and long-term debt, interest on short-term and long-term debt, purchase obligations, operating leases, and other sources and uses of capital that are summarized in the sections titled “Contractual Obligations” and “Additional Capital Requirements and Sources” in Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations in the company’s Annual Report on Form 10-K for the year ended December 31, 2023.

Refer to the section above titled “Revolving Credit Facilities and Debt” for updates to the company’s short-term and long-term debt obligations. Refer to Note H “Financial Instruments Measured at Fair Value” of the Notes to Consolidated Financial Statements for further discussion on hedging activities. As of March 30, 2024, there were no other material changes to the contractual obligations of the company.

Critical Accounting Estimates

The company’s consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the company to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues, and expenses and related disclosure of contingent assets and liabilities. The company evaluates its estimates on an ongoing basis. The company bases its estimates on historical experience and on various other assumptions that are believed reasonable under the circumstances; the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

There have been no significant changes to the company’s critical accounting estimates during the three months ended March 30, 2024. Refer to the section titled “Critical Accounting Estimates” in Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations, in the company’s Annual Report on Form 10-K for the year ended December 31, 2023.

Impact of Recently Issued Accounting Standards

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

During the three months ended March 30, 2024, there were no material changes in market risk for changes in foreign currency exchange rates and interest rates from the information provided in Part II, Item 7A – Quantitative and Qualitative Disclosures About Market Risk in the company’s Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The company’s management, under the supervision and with the participation of the company’s Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the company’s disclosure controls and procedures as of March 30, 2024 (the “Evaluation”). Based upon the Evaluation, the company’s Chief Executive Officer and Chief Financial Officer concluded that the company’s disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) were effective as of March 30, 2024.

Changes in Internal Control over Financial Reporting

There were no changes in the company’s internal control over financial reporting during the company’s most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, the company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

There have been no material changes to the company’s risk factors from those discussed in Part I, Item 1A - Risk Factors in the company’s Annual Report on Form 10-K for the year ended December 31, 2023.

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

The following table shows the share-repurchase activity for the quarter ended March 30, 2024:

(thousands except share and per share data)	Total Number of Shares Purchased	Average Price Paid per Share (a)	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Programs (b)
January 1 through January 27, 2024	—	\$ —	—	\$ 576,154
January 28 through February 24, 2024	—	—	—	576,154
February 25 through March 30, 2024	802,225	124.65	802,225	475,410
Total	802,225		802,225	

(a) Average price paid per share excludes 1% excise tax on stock repurchases.

(b) The company’s share-repurchase program does not have an expiration date. As of March 30, 2024, the total authorized dollar value of shares available for repurchase was \$1.6 billion of which \$1.1 billion has been utilized, while the \$475.4 million in the table represents the remaining amount available for repurchase under the program.

Item 5. Other Information

Trading Arrangements

During the quarter ended March 30, 2024, none of the company’s directors or officers adopted, amended, or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement”, as those terms are defined in Regulation S-K, Item 408.

Item 6. Exhibits

Exhibit Number	Exhibit
<u>10(a)*</u>	<u>Amendment No. 6 to Receivables Transfer Agreement, dated as of February 08, 2024, and made among Arrow EMEA Funding Corp B.V., as the SPV, BNP Paribas, as administrative agent and a purchaser agent, ING Belgium S.A./N.V., as a purchaser agent, U.S. Bank Trustees Limited, as the security trustee, Elavon Financial Services DAC, as paying agent, and Arrow Electronics, Inc.</u>
<u>4(a)</u>	<u>Indenture, dated as of March 1, 2024, between Arrow Electronics, Inc. and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the company's Registration Statement under the Securities Act of 1933 on Form S-3 dated March 1, 2024, Commission File No. 1-4482).</u>
<u>31(i)(A)*</u>	<u>Certification of Chief Executive Officer pursuant to Rule 13A-14(a)/15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
<u>31(i)(B)*</u>	<u>Certification of Chief Financial Officer pursuant to Rule 13A-14(a)/15d-14(a) of the Securities and Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
<u>32(i)**</u>	<u>Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
<u>32(ii)**</u>	<u>Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101*	Inline XBRL Document Set for the consolidated financial statements and accompanying notes in Part I, Item 1, "Financial Statements" of this Quarterly Report on Form 10-Q.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* : Filed herewith.

** : Furnished herewith.

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

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ARROW ELECTRONICS, INC.

Date: May 2, 2024

By: /s/ Rajesh K. Agrawal

Rajesh K. Agrawal
Senior Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial Officer)

/s/ Yun Cho

Yun Cho
Vice President, Corporate Controller, and Chief Accounting
Officer
(Principal Accounting Officer)

[*****] Indicates omitted information. This redacted information has been excluded because it is both (i) not material and (ii) of the type that the registrant treats as private and confidential.

EXECUTION COPY

THIS AMENDMENT NO. 6 TO RECEIVABLES TRANSFER AGREEMENT

(this "Amendment") is dated February , 202~~8~~ and made among **ARROW EMEA FUNDING CORP B.V.**, a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, as the SPV (the "SPV"), **BNP PARIBAS** ("BNPP"), a société anonyme incorporated under the laws of France, as the Administrative Agent (in such capacity, the "Administrative Agent"), and as Purchaser Agent for the BNP Purchaser Group (in such capacity, the "BNPP Purchaser Agent"), **ING BELGIUM S.A./N.V.**, a public limited liability company (société anonyme/naamloze vennootschap) organised under the laws of Belgium, as Purchaser Agent for the ING Purchaser Group (the "ING Purchaser Agent"), **U.S. BANK TRUSTEES LIMITED**, a limited liability company incorporated under the laws of England and Wales, as the Security Trustee (the "Security Trustee"), and **ELAVON FINANCIAL SERVICES DAC**, a designated activity company registered in Ireland, as the Paying Agent (the "Paying Agent"), and, solely for the purpose of Clause 4.2, **ARROW ELECTRONICS, INC.**, a corporation organised under the laws of the State of New York, as the Parent (the "Parent"). Each Person above shall be a "Party" and together shall be the "Parties".

WITNESSETH

WHEREAS, the SPV, the Administrative Agent, the BNPP Purchaser Agent, Matchpoint Finance PLC, the ING Purchaser Agent, Mont Blanc Capital Corp, Arrow Electronics (UK) Limited, Arrow Central Europe GMBH, the Parent, Arrow Electronics FC B.V., the Security Trustee and the Paying Agent have entered into that certain Master Framework Agreement, dated as of January 27, 2020 (as amended from time to time, the "Master Framework Agreement");

WHEREAS, the SPV, the Administrative Agent, the BNPP Purchaser Agent, Matchpoint Finance PLC, the ING Purchaser Agent, Mont Blanc Capital Corp, Arrow Electronics (UK) Limited, Arrow Central Europe GMBH, the Security Trustee and the Paying Agent have entered into that certain Receivables Transfer Agreement, dated as of January 27, 2020 (as amended from time to time up to the date of this Amendment, the "Receivables Transfer Agreement");

WHEREAS, the Parties desire to amend the Receivables Transfer Agreement as provided herein; and

NOW THEREFORE, the Parties agree as follows.

THIS DEED WITNESSES that:

1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined in the Receivables Transfer Agreement

Capitalized terms used but not defined in this Amendment shall have the meaning given to them in the Receivables Transfer Agreement or, if not defined therein, in the Master Framework Agreement.

1.2 Interpretation

The principles of interpretation set out in Clause 2.2 (*Interpretation*) of the Master Framework Agreement apply to this Amendment, *mutatis mutandis*, as if fully set forth herein.

2. AMENDMENTS TO THE RECEIVABLES TRANSFER AGREEMENT

The Parties hereby agree that with effect from the Effective Date, the Receivables Transfer Agreement is amended as follows:

- 2.1 Clause 6.1(f)(i) of the Receivables Transfer Agreement shall be amended in its entirety to read as follows:
 - “(i) the average of the Default Ratios for any three (3) consecutive Month End Dates shall exceed 1.50%,”
- 2.2 Clause 6.1(f)(ii) of the Receivables Transfer Agreement shall be amended in its entirety to read as follows:
 - “(ii) the average of the Delinquency Ratios for any three (3) consecutive Month End Dates shall exceed 2.50%,”

3. EFFECTIVENESS

3.1 Effective Date

Subject to Clause 3.3 below, this Amendment shall become effective on the date hereof (the “Effective Date”), provided that the Administrative Agent shall have received a counterpart (or counterparts) of this Amendment executed and delivered by each of the Parties. All covenants, agreements, representations and warranties made herein and in the Receivables Transfer Agreement shall survive the execution and delivery of this Amendment and shall continue in full force and effect.

3.2 Status

This Amendment is designated as a Transaction Document.

3.3 Continuing effect; Further Assurances

- (a) On the Effective Date, and immediately following receipt of the items specified in Clause 3.1 above, the amendments and modifications to the Receivables Transfer Agreement shall be, and shall be deemed to be, effective, modified and amended in accordance herewith and the respective rights, limitations, obligations, duties, liabilities and immunities of the respective parties thereto and hereto shall hereafter be determined, exercised and enforced subject in all respects to the modifications and amendments, and all the terms and conditions of this Amendment shall be deemed to be a part of the respective terms and conditions of the Receivables Transfer Agreement for any and all purposes.
 - (b) Except as modified and expressly amended by this Amendment, the Receivables Transfer Agreement is in all respects ratified and confirmed, and
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all the terms, provisions and conditions thereof shall be and remain in full force and effect.

- (c) Expect for the limited purposes set forth in Clause 7 (Limited Waiver), nothing in this Amendment shall constitute an amendment, waiver, consent or release of any right or remedy of the Administrative Agent, any Purchaser or any other Secured Party under the Transaction Documents nor otherwise prejudice the right or remedy of the Administrative Agent, any Purchaser or any other Secured Party under any Transaction Document and each of the Administrative Agent, any Purchaser or any other Secured Party reserves any other right or remedy it may have now or subsequently under the Transaction Documents.

4. CERTAIN REPRESENTATIONS/REAFFIRMATIONS

4.1 The SPV hereby represents and warrants to each of the other Parties that:

- (a) the representations and warranties made by it in the Receivables Transfer Agreement as amended by this Amendment, and each of the other Transaction Documents to which it is a party are true and correct in all material respects (except those representations and warranties qualified by materiality or by reference to a material adverse effect, which are true and correct in all respects) on and as of the Effective Date unless such representations and warranties by their terms refer to an earlier date, in which case they were true and correct in all material respects (except those representations and warranties qualified by materiality or by reference to a material adverse effect, which are true and correct in all respects) on and as of such earlier date;
- (b) the execution and delivery by it of this Amendment and the performance of its obligations under this Amendment, the Receivables Transfer Agreement (as amended hereby) and the other Transaction Documents to which it is a party are within its organizational powers and have been duly authorized by all necessary action on its part, and this Amendment, the Receivables Transfer Agreement (as amended hereby) and the other Transaction Documents to which it is a party are its valid and legally binding obligations, enforceable in accordance with their respective terms, subject to the effect of bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally, and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law; and
- (c) Except as expressly waived pursuant to Clause 7 (Limited Waiver), immediately before and after giving effect to this Amendment, no Early Amortisation Event, Potential Event of Default, Event of Default, Potential Servicer Default or Servicer Default has occurred and is continuing.

4.2 By its signature below, the Parent hereby affirms, agrees and acknowledges, as of the Effective Date, that (a) all of the terms and conditions set forth in the Parent Undertaking Agreement and all of the covenants made by the Parent therein are hereby confirmed and ratified, and (b) all of its obligations under the Parent Undertaking Agreement shall continue and remain in full force and effect, notwithstanding the

amendments set forth in Clause 2 (*Amendments to the Receivables Transfer Agreement*) of this Amendment or the limited waiver set forth in Clause 7 (*Limited Waiver*).

5.CONFIRMATIONS

The SPV confirms to the other Parties that:

- (a) its obligations under, and the Security granted by it in and pursuant to, the Security Documents are not discharged or otherwise affected by the amendments contained in or the other provisions of this Amendment and shall accordingly remain in full force and effect; and
- (b) the Secured Liabilities (as defined in each Security Document) shall after the Effective Date extend to the obligations of the SPV under the Receivables Transfer Agreement (as amended hereby) and under any other Transaction Documents.

6.MISCELLANEOUS

6.1 Costs and Expenses

The SPV shall promptly on demand pay (or cause to be paid) the Administrative Agent, each Purchaser and each other Secured Party the amount of all costs and expenses (including legal fees) incurred by any of them in connection with the negotiation, preparation, printing and execution of this Amendment and any other documents referred to in this Amendment. The SPV shall pay (or cause to be paid) all costs and expenses (including legal fees) referred to in the immediately preceding sentence and invoiced on or prior to the date hereof within thirty (30) days of the Effective Date.

6.2 Counterparts

This Amendment may be executed in any number of counterparts, and this has the same effect as if the signatures (and if applicable, seals) on the counterparts were on a single copy of this Amendment. Delivery by electronic mail of an executed signature page of this Amendment shall be effective as delivery of an executed counterpart of this Amendment.

6.3 Third Party Rights

Except in respect of the Secured Parties not party to this Amendment, which Persons (including, for the avoidance of doubt, their respective successors and permitted assigns) are intended to have the benefit of (but shall not enforce other than via the Administrative Agent) this Amendment pursuant to the Contracts (Rights of Third Parties) Act 1999, a Person who is not a Party has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Amendment.

6.4 Notices

The provisions of Clause 4.1 (*Notices*) of the Master Framework Agreement shall apply to this Amendment as if set out in full again here, with such changes as are appropriate to fit this context.

6.5 GOVERNING LAW

This Amendment and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with the laws of England.

6.6 Jurisdiction of the English Courts

- (a) The Parties agree that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with this Amendment (including Clause 6.5 (*Governing Law*) and this Clause 6.6), or the transactions contemplated hereby, and, for such purposes, irrevocably submits to the exclusive jurisdiction of such courts.
- (b) Each Party for itself irrevocably waives any objection which it might now or hereafter have to the courts referred to in Clause 6.6(a) being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any dispute, which may arise out of or in connection with this Amendment, or the transactions contemplated hereby and agrees not to claim that any such court is not a convenient or appropriate forum.

6.7 Limited Recourse and No Proceedings

- (a) Limited Recourse to the SPV. Notwithstanding anything to the contrary contained in this Amendment, the obligations of the SPV under this Amendment are solely the corporate obligations of the SPV and shall be payable solely to the extent of funds available to the SPV to satisfy such obligation in accordance with the Priority of Payments and to the extent that such funds are insufficient, any undischarged claims shall be extinguished.
- (b) No Proceedings against the SPV. No party to this Amendment may, prior to the date which is two (2) years and one (1) day after the Final Payout Date, institute against, or join any other Person in instituting against, the SPV any proceeding of a type referred to in the definition of Event of Insolvency.

6.8 Binding Effect

This Amendment shall be binding on the parties hereto and their respective successors and assigns; provided that the SPV may not assign any of its rights or delegate any of its duties under this Amendment without the prior written consent of the Majority Purchasers.

6.9 Partial Invalidity

If, at any time, any provision of this Amendment is or becomes illegal, invalid or unenforceable in any respect under any Law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or

enforceability of that provision under the Law of any other jurisdiction will in any way be affected or impaired.

6.10 Instruction to Security Trustee and Paying Agent

The Administrative Agent (at the direction of the Specified Purchasers, which each Specified Purchaser provides by entering into this Amendment) hereby instructs the Security Trustee and the Paying Agent (and instructs the SPV to instruct the Paying Agent, which the SPV does by entering into this Amendment) to execute and deliver this Amendment.

7. LIMITED WAIVER

Prior to giving effect to this Amendment, pursuant to Clause 6.1(f)(i) of the Receivables Transfer Agreement, an Early Amortisation Event will occur if the average of the Default Ratios for any three (3) consecutive Month End Dates following July 29, 2023, exceeds 1.10%. Pursuant to Clause 6.1(f)(ii) of the Receivables Transfer Agreement, an Early Amortisation Event will occur if the average of the Delinquency Ratios for any three (3) consecutive Month End Dates following July 29, 2023, exceeds 1.60%.

Each of the SPV, the Administrative Agent, the BNPP Purchaser Agent, the ING Purchaser Agent, the Security Trustee and the Paying Agent agrees and acknowledges that (i) as of the December 2023 Month End Date, the average Default Ratio for the December 2023 Month End Date and the immediately preceding two (2) consecutive Month End Dates exceeded 1.10% (the “December 2023 Default Ratio Breach”) (ii) as of the January 2024 Month End Date, the average Default Ratio for the January 2024 Month End Date and the immediately preceding two (2) consecutive Month End Dates exceeded 1.10% (the “January 2024 Default Ratio Breach” and, together with the December 2023 Default Ratio Breach, collectively, the “Default Ratio Breaches”), and

(iii) as of the January 2024 Month End Date, the average Delinquency Ratio for the January 2024 Month End Date and the immediately preceding two (2) consecutive Month End Dates exceeded 1.60% (the “January 2024 Delinquency Ratio Breach” and, together with the Default Ratio Breaches, collectively, the “Specified Breaches”), in each case triggering an Early Amortisation Event.

- (a) Pursuant to Clause 12.1 of the Receivables Transfer Agreement, each of the SPV, the Administrative Agent, the Security Trustee, the Paying Agent and each Majority Purchaser party hereto hereby waives, on a limited basis, (i) the occurrence of the Specified Breaches, (ii) any failure to give notice of the Specified Breaches, (iii) any false representation, warranty, certification or statement regarding the absence of an Early Amortisation Event or Event of Default, solely to the extent that such falsity arose from the Specified Breaches, and (iv) with respect to any Investment, the failure to satisfy any condition pursuant to Clause 4.2 of the Receivables Transfer Agreement, solely to the extent that such failure arose from the Specified Breaches, in each case, solely to the extent occurring during the period of time from (a) with respect to the Default Ratio Breaches, the December 2024 Month End Date to and excluding the Effective Date (the “Default Ratio Waiver Period”) and (b) with respect to the January 2024 Delinquency Ratio Breach, the January 2024 Month End Date to and excluding the Effective Date (the “Delinquency Ratio Waiver Period” and, together with the Default Ratio Waiver Period, collectively, the “Wavier Period”).
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For the avoidance of doubt, the limited waiver granted hereunder shall not apply to any period of time other than the Waiver Period. The waiver set forth in the immediately preceding paragraph is a one-time waiver and is limited to its express terms. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent, the Security Trustee, the Paying Agent, any Purchaser Agent or any Purchaser, nor constitute a waiver of any provision of the Receivables Transfer Agreement or any other Transaction Document or any other documents, instruments and agreements executed and/or delivered in connection therewith except to the limited extent specifically set forth herein. Additionally, nothing contained in this Amendment shall be construed to modify or in any way amend Clause 6.1(f) of the Receivables Transfer Agreement or any other provision of the Receivables Transfer Agreement or any other Transaction Document, other than as expressly set forth in Clause 2 (*Amendments to the Receivables Transfer Agreement*).

[Signature Pages Follow]

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

I, Sean J. Kerins, certify that:

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

Date: May 2, 2024

By: /s/ Sean J. Kerins

Sean J. Kerins

President and Chief Executive Officer

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

I, Rajesh K. Agrawal, certify that:

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

Date: May 2, 2024

By: /s/ Rajesh K. Agrawal

Rajesh K. Agrawal

Senior Vice President and Chief Financial Officer

Arrow Electronics, Inc.
Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant
to Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906")

In connection with the Quarterly Report on Form 10-Q of Arrow Electronics, Inc. (the "company") for the quarter ended March 30, 2024 (the "Report"), I, Sean J. Kerins, President and Chief Executive Officer of the company, certify, pursuant to the requirements of Section 906, that, to the best of my knowledge:

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

Date: May 2, 2024

By: /s/ Sean J. Kerins

Sean J. Kerins

President and Chief Executive Officer

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

Arrow Electronics, Inc.
Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 ("Section 906")

In connection with the Quarterly Report on Form 10-Q of Arrow Electronics, Inc. (the "company") for the quarter ended March 30, 2024 (the "Report"), I, Rajesh K. Agrawal, Senior Vice President and Chief Financial Officer of the company, certify, pursuant to the requirements of Section 906, that, to the best of my knowledge:

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

Date: May 2, 2024

By: /s/ Rajesh K. Agrawal

Rajesh K. Agrawal

Senior Vice President and Chief Financial Officer

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