

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 29, 2025

OR

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

For the transition period from _____ to _____

Commission file number 1-4482

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

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

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

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

80112
(Zip Code)

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

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

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

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

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

Yes ☒ No ☐

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

Yes ☒ No ☐

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

Large accelerated filer	☒	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 51,873,987 shares of Common Stock outstanding as of April 24, 2025.

ARROW ELECTRONICS, INC.

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ARROW ELECTRONICS, INC.

Glossary of Selected Abbreviated Terms*

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

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

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	Quarter Ended	
	March 29, 2025	March 30, 2024
Sales	\$ 6,814,017	\$ 6,924,260
Cost of sales	6,040,025	6,066,434
Gross profit	773,992	857,826
Operating expenses:		
Selling, general, and administrative	562,316	583,326
Depreciation and amortization	35,810	41,727
Restructuring, integration, and other	17,313	46,856
	615,439	671,909
Operating income	158,553	185,917
Equity in earnings (losses) of affiliated companies	1,320	(344)
Gain on investments, net	140	98
Employee benefit plan expense, net	(622)	(933)
Interest and other financing expense, net	(56,182)	(79,604)
Income before income taxes	103,209	105,134
Provision for income taxes	23,345	22,036
Consolidated net income	79,864	83,098
Noncontrolling interests	144	(503)
Net income attributable to shareholders	\$ 79,720	\$ 83,601
Net income per share:		
Basic	\$ 1.53	\$ 1.54
Diluted	\$ 1.51	\$ 1.53
Weighted-average shares outstanding:		
Basic	52,266	54,251
Diluted	52,674	54,815

See accompanying notes.

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

	Quarter Ended	
	March 29, 2025	March 30, 2024
Consolidated net income	\$ 79,864	\$ 83,098
Other comprehensive income (loss):		
Foreign currency translation adjustment and other, net of taxes	132,708	(99,275)
(Loss) gain on foreign exchange contracts designated as net investment hedges, net of taxes	(5,952)	3,598
(Loss) gain on interest rate swaps designated as cash flow hedges, net of taxes	(419)	529
Employee benefit plan items, net of taxes	(362)	(91)
Other comprehensive income (loss)	125,975	(95,239)
Comprehensive income (loss)	205,839	(12,141)
Less: Comprehensive income (loss) attributable to noncontrolling interests	2,035	(1,651)
Comprehensive income (loss) attributable to shareholders	\$ 203,804	\$ (10,490)

See accompanying notes.

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

	March 29, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 231,882	\$ 188,807
Accounts receivable, net	12,423,635	13,030,991
Inventories	4,798,563	4,709,706
Other current assets	578,311	471,909
Total current assets	<u>18,032,391</u>	<u>18,401,413</u>
Property, plant, and equipment, at cost:		
Land	5,691	5,691
Buildings and improvements	198,244	194,061
Machinery and equipment	1,657,451	1,623,228
	<u>1,861,386</u>	<u>1,822,980</u>
Less: Accumulated depreciation and amortization	<u>(1,389,915)</u>	<u>(1,353,720)</u>
Property, plant, and equipment, net	<u>471,471</u>	<u>469,260</u>
Investments in affiliated companies	59,112	57,299
Intangible assets, net	91,377	96,706
Goodwill	2,078,730	2,055,295
Other assets	667,761	677,734
Total assets	<u>\$ 21,400,842</u>	<u>\$ 21,757,707</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 10,870,733	\$ 11,047,470
Accrued expenses	1,201,336	1,238,714
Short-term borrowings, including current portion of long-term debt	530,967	349,978
Total current liabilities	<u>12,603,036</u>	<u>12,636,162</u>
Long-term debt	2,312,521	2,773,783
Other liabilities	487,868	516,234
Contingencies (Note L)		
Equity:		
Shareholders' equity:		
Common stock, par value \$1:		
Authorized - 160,000 shares in both 2025 and 2024		
Issued - 55,787 and 55,592 shares in 2025 and 2024, respectively	55,787	55,592
Capital in excess of par value	577,790	562,080
Treasury stock (3,920 and 3,420 shares in 2025 and 2024, respectively), at cost	(383,933)	(328,078)
Retained earnings	6,060,546	5,980,826
Accumulated other comprehensive loss	<u>(385,185)</u>	<u>(509,269)</u>
Total shareholders' equity	5,925,005	5,761,151
Noncontrolling interests	<u>72,412</u>	<u>70,377</u>
Total equity	<u>5,997,417</u>	<u>5,831,528</u>
Total liabilities and equity	<u>\$ 21,400,842</u>	<u>\$ 21,757,707</u>

See accompanying notes.

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

	Quarter Ended	
	March 29, 2025	March 30, 2024
Cash flows from operating activities:		
Consolidated net income	\$ 79,864	\$ 83,098
Adjustments to reconcile consolidated net income to net cash provided by operations:		
Depreciation and amortization	35,810	41,727
Amortization of stock-based compensation	18,559	13,447
Equity in (earnings) losses of affiliated companies	(1,320)	344
Deferred income taxes	(5,841)	(2,801)
(Gain) loss on investments, net	(32)	13
Other	(678)	1,189
Change in assets and liabilities, net of effects of acquired businesses:		
Accounts receivable, net	731,226	1,057,676
Inventories	(62,384)	362,813
Accounts payable	(251,057)	(1,077,786)
Accrued expenses	(79,683)	21,053
Other assets and liabilities	(112,785)	(97,563)
Net cash provided by operating activities	351,679	403,210
Cash flows from investing activities:		
Acquisition of property, plant, and equipment	(24,979)	(29,535)
Other	—	5,139
Net cash used for investing activities	(24,979)	(24,396)
Cash flows from financing activities:		
Change in short-term and other borrowings	180,616	(709,675)
(Repayments of) proceeds from long-term bank borrowings, net	(464,223)	477,032
Proceeds from exercise of stock options	904	2,929
Repurchases of common stock	(59,413)	(87,948)
Net cash used for financing activities	(342,116)	(317,662)
Effect of exchange rate changes on cash	58,491	(36,395)
Net increase in cash and cash equivalents	43,075	24,757
Cash and cash equivalents at beginning of period	188,807	218,053
Cash and cash equivalents at end of period	\$ 231,882	\$ 242,810

See accompanying notes.

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

	Common Stock at Par Value	Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance at December 31, 2024	\$ 55,592	\$ 562,080	\$(328,078)	\$5,980,826	\$ (509,269)	\$ 70,377	\$5,831,528
Consolidated net income	—	—	—	79,720	—	144	79,864
Other comprehensive income	—	—	—	—	124,084	1,891	125,975
Amortization of stock-based compensation	—	18,559	—	—	—	—	18,559
Shares issued for stock-based compensation awards	195	(2,849)	3,558	—	—	—	904
Repurchases of common stock	—	—	(59,413)	—	—	—	(59,413)
Balance at March 29, 2025	\$ 55,787	\$ 577,790	\$(383,933)	\$6,060,546	\$ (385,185)	\$ 72,412	\$5,997,417

	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

See accompanying notes.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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

Note A – Basis of Presentation

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

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

Quarter End

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

Note B – Impact of Recently Issued Accounting Standards

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

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

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.

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

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

(thousands)	Global Components	Global ECS	Total
Balance as of December 31, 2024 (a)	\$ 902,445	\$ 1,152,850	\$ 2,055,295
Foreign currency translation adjustment	6,070	17,365	23,435
Balance as of March 29, 2025 (a)	\$ 908,515	\$ 1,170,215	\$ 2,078,730

(a) The total carrying value of goodwill as of March 29, 2025 and December 31, 2024, in the table above is reflected net of \$1.6 billion of accumulated impairment charges, of which \$1.3 billion was recorded in the global components reportable segment and \$301.9 million was recorded in the global ECS reportable segment.

Intangible assets, net, are comprised of the following as of March 29, 2025:

(thousands)	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	\$ 216,756	\$ (139,377)	\$ 77,379
Amortizable trade name	74,001	(60,003)	13,998
	\$ 290,757	\$ (199,380)	\$ 91,377

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

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

During the first quarter of 2025 and 2024, the company recorded amortization expense related to identifiable intangible assets of \$5.4 million and \$7.5 million, respectively.

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 29, 2025	December 31, 2024
Marubun/Arrow	\$ 45,000	\$ 43,851
Other	14,112	13,448
	\$ 59,112	\$ 57,299

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

The equity in earnings (losses) of affiliated companies consists of the following:

(thousands)	Quarter Ended	
	March 29, 2025	March 30, 2024
Marubun/Arrow	\$ 908	\$ (534)
Other	412	190
	<u>\$ 1,320</u>	<u>\$ (344)</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 29, 2025 and December 31, 2024.

Subsequent to the balance sheet date, the company sold investments in certain equity securities for \$100.0 million and will record a gain on investments of \$99.0 million in the second quarter of 2025. These investments were previously accounted for as equity securities without a readily determinable fair value.

Note E – Accounts Receivable

Accounts receivable, net, consists of the following:

(thousands)	March 29, 2025	December 31, 2024
Accounts receivable	\$ 12,544,674	\$ 13,147,436
Allowance for credit losses	(121,039)	(116,445)
Accounts receivable, net	<u>\$ 12,423,635</u>	<u>\$ 13,030,991</u>

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

(thousands)	Quarter Ended	
	March 29, 2025	March 30, 2024
Balance at beginning of period	\$ 116,445	\$ 146,480
Charged to income	6,278	2,879
Translation adjustments	1,368	(861)
Write-offs	(3,052)	(4,049)
Balance at end of period	<u>\$ 121,039</u>	<u>\$ 144,449</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 29, 2025.

EMEA Asset Securitization

The company has an EMEA asset securitization program under which it continuously sells its interest in designated pools of trade accounts receivable of certain of its subsidiaries in the EMEA region at a discount to a special purpose entity, which in turn sells certain of the receivables to unaffiliated financial institutions and conduits administered by such unaffiliated financial institutions ("unaffiliated financial institutions") on a monthly basis. The company may sell up to €600.0 million under the EMEA asset securitization program, which matures in December 2027, subject to extension in

ARROW ELECTRONICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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accordance with its terms. The program is conducted through Arrow EMEA Funding Corp B.V., an entity structured to be bankruptcy remote. The company is deemed the primary beneficiary of Arrow EMEA Funding Corp B.V. as the company has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive the benefits that could potentially be significant to the entity from the transfer of the trade accounts receivable into the special purpose entity. Accordingly, Arrow EMEA Funding Corp B.V. is included in the company's consolidated financial statements.

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

	Quarter Ended	
	March 29, 2025	March 30, 2024
(thousands)		
EMEA asset securitization, sales of accounts receivable	\$ 372,641	\$ 539,880

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 are set forth below:

	March 29, 2025	December 31, 2024
(thousands)		
Receivables sold to unaffiliated financial institutions that were uncollected	\$ 319,118	\$ 339,669
Collateralized accounts receivable held by Arrow EMEA funding Corp B.V.	587,504	528,975

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

The EMEA asset securitization program includes terms and conditions that limit the incurrence of additional borrowings and require that certain financial ratios be maintained at designated levels. As of March 29, 2025, the company was in compliance with all such financial covenants.

Factoring

In the normal course of business, certain of the company's subsidiaries have factoring agreements to sell, with limited or no recourse, selected trade accounts receivable to financial institutions and accounts for these transactions as sales of the related receivables. The receivables are excluded from "Accounts receivable, net" on the company's consolidated balance

ARROW ELECTRONICS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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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 29, 2025	March 30, 2024
(thousands)		
Sales of accounts receivable under the factoring programs	\$ 162,751	\$ 208,560

Other amounts under the company’s factoring programs:

	March 29, 2025	December 31, 2024
(thousands)		
Receivables sold under the factoring programs that were uncollected	\$ 132,671	\$ 182,432

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 29, 2025, and December 31, 2024, the company had \$810.8 million and \$1.3 billion, respectively, in obligations outstanding under these programs included in “Accounts payable” on the company’s consolidated balance sheets and all activity related to the obligations is presented within operating activities on the consolidated statements of cash flows.

Note G – Debt

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

	March 29, 2025	December 31, 2024
(thousands)		
4.00% notes, due April 2025	\$ 350,000	\$ 349,808
Commercial paper	175,953	—
Other short-term borrowings	5,014	170
	\$ 530,967	\$ 349,978

The company has \$500.0 million in uncommitted lines of credit. There were no outstanding borrowings under the uncommitted lines of credit at March 29, 2025 and December 31, 2024. The maturity for borrowings is generally short

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

term and is agreed upon with lenders at the time of each borrowing. The uncommitted lines of credit had a weighted-average effective interest rate of 4.82% and 5.18% at March 29, 2025 and December 31, 2024, respectively.

The company has a commercial paper program, and the maximum aggregate balance of commercial paper outstanding may not exceed the borrowing capacity of \$1.2 billion. Amounts outstanding under the commercial paper program are backstopped by available commitments under the company's revolving credit facility. The company had \$176.0 million in outstanding borrowings under this program at March 29, 2025 and no outstanding borrowings at December 31, 2024. The commercial paper program had an effective interest rate of 4.79% and 5.21% at March 29, 2025 and December 31, 2024, respectively.

Long-term debt consists of the following:

(thousands)	March 29, 2025	December 31, 2024
Revolving credit facility	\$ —	\$ 30,000
North American asset securitization program	200,000	633,000
7.50% senior debentures, due 2027	110,287	110,266
3.875% notes, due 2028	497,948	497,775
5.15% notes, due 2029	495,437	495,209
2.95% notes, due 2032	495,713	495,576
5.875% notes, due 2034	495,095	494,986
Other obligations with various interest rates and due dates	18,041	16,971
	<u>\$ 2,312,521</u>	<u>\$ 2,773,783</u>

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

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

(thousands)	March 29, 2025	December 31, 2024
7.50% senior debentures, due 2027	\$ 115,000	\$ 115,000
3.875% notes, due 2028	487,000	481,500
5.15% notes, due 2029	502,500	498,000
2.95% notes, due 2032	427,500	426,000
5.875% notes, due 2034	504,500	502,500

The carrying amount of the company's other short-term borrowings, 4.00% notes, due April 2025, 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 29, 2025), which is based on the company's credit ratings, plus a credit spread adjustment of 0.10% or a weighted-average effective interest rate of 5.47% at March 29, 2025. The facility fee, which is based on the company's credit ratings, was 0.175% of the total borrowing capacity at March 29, 2025. The company had no outstanding borrowings and \$30.0 million in outstanding borrowings under the revolving credit facility at March 29, 2025 and December 31, 2024, respectively.

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The company has a North American asset securitization program collateralized by accounts receivable of certain of its subsidiaries. The company may borrow up to \$1.5 billion under the program which matures in September 2027. The program is conducted through AFC, a wholly-owned, bankruptcy remote subsidiary. The North American asset securitization program does not qualify for sale treatment. Accordingly, the accounts receivable and related debt obligation remain on the company's consolidated balance sheets. Interest on borrowings is calculated using a base rate plus a spread (0.40% at March 29, 2025) plus a credit spread adjustment of 0.10% or an effective interest rate of 4.82% at March 29, 2025. The facility fee is 0.40% of the total borrowing capacity.

The company had \$200.0 million and \$633.0 million in outstanding borrowings under the North American asset securitization program at March 29, 2025 and December 31, 2024, respectively, which was included in "Long-term debt" on the company's consolidated balance sheets. Total collateralized accounts receivable of approximately \$2.6 billion and \$3.0 billion were held by AFC and were included in "Accounts receivable, net" on the company's consolidated balance sheets at March 29, 2025 and December 31, 2024, respectively. Any accounts receivable held by AFC would likely not be available to other creditors of the company in the event of bankruptcy or insolvency proceedings of the company before repayment of any outstanding borrowings under the North American asset securitization program.

Both the revolving credit facility and North American asset securitization program include terms and conditions that limit the incurrence of additional borrowings and require that certain financial ratios be maintained at designated levels. As of March 29, 2025, the company was in compliance with all such financial covenants.

Subsequent to the balance sheet date, the company repaid \$350.0 million principal amount of its 4.00% notes due April 2025.

Interest and dividend income of \$10.1 million and \$19.5 million for the first quarter of 2025 and 2024, 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 measured at fair value on a recurring basis at March 29, 2025:

(thousands)	Balance Sheet Location	Level 1	Level 2	Level 3	Total
Cash equivalents (a)	Cash and cash equivalents	\$ 14,046	\$ —	\$ —	\$ 14,046
Equity investments (b)	Other assets	40,543	—	—	40,543
Foreign exchange contracts designated as net investment hedges	Other assets / other current assets	—	42,279	—	42,279
		<u>\$ 54,589</u>	<u>\$ 42,279</u>	<u>\$ —</u>	<u>\$ 96,868</u>

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

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

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

(b) The company has an approximately 9.0% equity ownership interest in Marubun Corporation and a portfolio of mutual funds with quoted market prices. The company recorded unrealized losses of \$0.2 million and \$3.6 million for the first quarter of 2025 and 2024, respectively, on equity securities held at the end of the quarter.

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

Derivative Instruments

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

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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.

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."

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 Euros and Indian Rupees. 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 29, 2025 and December 31, 2024 was \$1.2 billion and \$1.1 billion, respectively.

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.

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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)			
	March 29, 2025		December 31, 2024	
April 2025	EUR	100,000	EUR	100,000
January 2028	EUR	100,000	EUR	100,000
Total	EUR	200,000	EUR	200,000

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

Subsequent to the balance sheet date, during April 2025, a foreign exchange contract designated as a net investment hedge matured and the company received \$24.9 million, which will be reported in the second quarter of 2025 "Cash flow 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 29, 2025	March 30, 2024
Gain (Loss) Recognized in Income			
Foreign exchange contracts, net investment hedge (a)	Interest Expense	\$ 1,417	\$ 1,804
Interest rate swaps, cash flow hedge	Interest Expense	550	(695)
Interest rate swap, fair value hedge (b)	Interest Expense	—	454
Total		\$ 1,967	\$ 1,563
Gain (Loss) Recognized in Other Comprehensive Income (Loss) before reclassifications, net of tax			
Foreign exchange contracts, net investment hedge (c)		\$ (4,873)	\$ 4,970
Total		\$ (4,873)	\$ 4,970

- (a) Represents derivative amounts excluded from the assessment of effectiveness for the net investment hedges reclassified from foreign currency translation adjustments to "Interest and other financing expense, net".
- (b) The cumulative amount of fair value hedging adjustments to the carrying value of hedged debt instruments totaled a loss of \$0.4 million for the first quarter of 2024. During the first quarter of 2024, the fair value hedge was terminated.
- (c) Includes derivative gains of \$2.3 million and \$0.2 million for the first quarter of 2025 and 2024, respectively, which were excluded from the assessment of effectiveness for the net investment hedges and recognized in other comprehensive income (loss), net of tax.

Other

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

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Note I – Restructuring, Integration, and Other

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

(thousands)	Quarter Ended	
	March 29, 2025	March 30, 2024
Restructuring, integration and related costs		
Operating Expense Efficiency Plan costs (a)	\$ 8,685	\$ —
Other plans	1,301	(364)
Other expenses		
Operating expense reduction costs not related to restructuring initiatives (b)	3,749	42,763
Early lease termination costs	1,255	3,318
Other charges	2,323	1,139
	<u>\$ 17,313</u>	<u>\$ 46,856</u>

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

(b) These costs are primarily related to employee severance and benefit costs. As of March 29, 2025, the accrued liabilities related to these costs totaled \$6.8 million and substantially all accrued amounts are expected to be spent in cash within one year.

Operating Expense Efficiency Plan

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

Under the Plan, the company anticipates to incur pre-tax restructuring charges of no more than \$185.0 million. While the composition of these costs will continue to evolve over time, the company currently expects to incur approximately \$90.0 million of employee severance and other personnel cash expenditures; approximately \$70.0 million of non-cash asset impairments, inventory write-downs and foreign currency translation adjustment write-offs related to the wind-down of certain business operations; and approximately \$25.0 million of other related cash expenditures. As a result of the company’s philosophy of maximizing operating efficiencies through the centralization of certain functions, restructuring, integration, and related costs are included in the corporate line item for management and segment reporting as they are not attributable to the individual reportable segments.

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

(thousands)	Income Statement Line	Quarter Ended March 29, 2025	Total Cost Incurred to Date
Employee severance and benefit costs	Restructuring, integration, and other	\$ 6,754	\$ 8,102
Inventory (recoveries) write-downs	Cost of sales	(2,467)	47,877
Asset impairments	Restructuring, integration, and other	-	1,416
Other costs (a)	Restructuring, integration, and other	1,931	9,446
		<u>\$ 6,218</u>	<u>\$ 66,841</u>

(a) Other costs consist primarily of consulting and other professional fees and lease terminations.

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

(thousands)	Employee Severance and Benefit Costs	Inventory Recoveries	Other Costs	Total
Balance at December 31, 2024	\$ 384	\$ -	\$ 202	\$ 586
Restructuring related charges	6,754	(2,467)	1,931	6,218
Cash (payments) receipts	(3,146)	2,467	(866)	(1,545)
Foreign currency translations	141	-	61	202
Balance at March 29, 2025	<u>\$ 4,133</u>	<u>\$ -</u>	<u>\$ 1,328</u>	<u>\$ 5,461</u>

Substantially all amounts accrued at March 29, 2025 related to the Operating Expense Efficiency Plan are expected to be paid in cash within one year.

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Note J – Net Income per Share

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

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

	Quarter Ended	
	March 29, 2025	March 30, 2024
(thousands except per share data)		
Net income attributable to shareholders	\$ 79,720	\$ 83,601
Weighted-average shares outstanding - basic	52,266	54,251
Net effect of various dilutive stock-based compensation awards	408	564
Weighted-average shares outstanding - diluted	52,674	54,815
Net income per share:		
Basic	\$ 1.53	\$ 1.54
Diluted (a)	\$ 1.51	\$ 1.53
(a) Equity awards excluded from diluted net income per share as their effect would have been anti-dilutive	86	-

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

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

	Quarter Ended	
	March 29, 2025	March 30, 2024
(thousands)		
Foreign Currency Translation Adjustment and Other:		
Other comprehensive income (loss) before reclassifications (a)	\$ 130,616	\$ (98,172)
Amounts reclassified into income	201	45
(Loss) gain on Foreign Exchange Contracts Designated as Net Investment Hedges, Net:		
Other comprehensive (loss) income before reclassifications (b)	(4,873)	4,970
Amounts reclassified into income	(1,079)	(1,372)
(Loss) gain on Interest Rate Swaps Designated as Cash Flow Hedges, Net:		
Amounts reclassified into income	(419)	529
Employee Benefit Plan Items, Net:		
Amounts reclassified into income	(362)	(91)
Net change in Accumulated other comprehensive income (loss)	\$ 124,084	\$ (94,091)

- (a) Foreign currency translation adjustment includes intra-entity foreign currency transactions that are of a long-term investment nature of \$12.7 million and (\$6.8) million for the first quarter of 2025 and 2024, respectively.
(b) For additional information related to net investment hedges and interest rate swaps refer to Note H.

Common Stock Outstanding Activity

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

	Common Stock Issued	Treasury Stock	Common Stock Outstanding
(thousands)			
Common stock outstanding at December 31, 2024	55,592	3,420	52,172
Shares issued for stock-based compensation awards	195	(28)	223
Repurchases of common stock	—	528	(528)
Common stock outstanding at March 29, 2025	55,787	3,920	51,867

	Common Stock Issued	Treasury Stock	Common Stock Outstanding
(thousands)			
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

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Share Repurchase Program

The following table shows the company's share repurchase program as of March 29, 2025:

Share Repurchase Details by Month of Board Approval (thousands)	Dollar Value Approved for Repurchase	Dollar Value of Shares Repurchased	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program
January 2023	\$ 1,000,000	\$ 726,210	\$ 273,790

The company repurchased 0.5 million shares of its common stock for \$49.9 million and 0.8 million shares of its common stock for \$100.0 million in the first quarter of 2025 and 2024, respectively, under the company's share repurchase program, excluding excise taxes. During the first quarter of 2025, the company accrued \$0.3 million of excise tax, which is recorded within "Treasury stock" on the company's consolidated balance sheets and reduces the share repurchase authorization, as the excise tax is a part of the overall cost of acquiring treasury shares. As of March 29, 2025, approximately \$273.8 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**

The Company has accrued liabilities of \$24.4 million for ongoing environmental remediation efforts at sites in Huntsville, Alabama (the "Huntsville site") and Norco, California (the "Norco site") at which contaminated soil and groundwater was identified. The contamination related to activities of certain subsidiaries which ended prior to 2000. Remediation efforts began in 2015 and 2003 at the Huntsville site and Norco site, respectively, and are progressing under action plans monitored by local environmental agencies.

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

To date, the company has spent approximately \$9.1 million and \$86.8 million related to environmental costs at the Huntsville site and the Norco site, respectively. The subsequent environmental costs at the Huntsville site are estimated to be between \$5.3 million and \$17.0 million and at the Norco site they are estimated to be between \$19.1 million and \$35.2 million.

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

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may change in the future. Accordingly, the company cannot presently estimate the ultimate potential costs related to either of the two sites.

To date, the company has recovered approximately \$47.4 million from certain insurance carriers relating to environmental clean-up matters at these sites and continues to pursue additional recoveries from one insurer related solely to the Huntsville site. The company has not recorded a receivable for any potential future insurance recoveries.

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

Other

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

Note M – Segment and Geographic Information

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

The company's global components reportable segment is enabled by a comprehensive range of value-added capabilities and services, markets, and distributes electronic components to OEMs and EMS providers. The company's global ECS reportable segment is a leading value-added provider of 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 VARs and MSPs meet the needs of their end-users.

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

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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 29, 2025	March 30, 2024
Sales:		
Components:		
Americas	\$ 1,568,570	\$ 1,596,692
EMEA	1,340,001	1,656,507
Asia/Pacific	1,869,151	1,938,218
Global components	\$ 4,777,722	\$ 5,191,417
ECS:		
Americas	\$ 909,903	\$ 907,748
EMEA	1,126,392	825,095
Global ECS	\$ 2,036,295	\$ 1,732,843
Consolidated	\$ 6,814,017	\$ 6,924,260

Sales by country are as follows:

(thousands)	Quarter Ended	
	March 29, 2025	March 30, 2024
Sales:		
China and Hong Kong	\$ 925,892	\$ 963,577
Germany	717,332	868,427
Other	2,859,350	2,779,436
Total foreign	\$ 4,502,574	\$ 4,611,440
United States	2,311,443	2,312,820
Total	\$ 6,814,017	\$ 6,924,260

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Results of operations by reportable segment are as follows:

	Quarter Ended			
	March 29, 2025			
	Global	Global ECS	Corporate	Consolidated
(thousands)	Components			
Sales	\$ 4,777,722	\$ 2,036,295	\$ -	\$ 6,814,017
Cost of sales	4,222,777	1,817,248	-	6,040,025
Gross profit	554,945	219,047	-	773,992
Gross profit margin	11.6 %	10.8 %	-	11.4 %
Operating expenses (a)	383,560	141,733	90,146	615,439
Operating income (loss) (b) (c)	\$ 171,385	\$ 77,314	\$ (90,146)	\$ 158,553
Operating income margin	3.6 %	3.8 %	-	2.3 %

	Quarter Ended			
	March 30, 2024			
	Global	Global ECS	Corporate	Consolidated
(thousands)	Components			
Sales	\$ 5,191,417	\$ 1,732,843	\$ -	\$ 6,924,260
Cost of sales	4,545,703	1,520,731	-	6,066,434
Gross profit	645,714	212,112	-	857,826
Gross profit margin	12.4 %	12.2 %	-	12.4 %
Operating expenses (a)	420,152	140,653	111,104	671,909
Operating income (loss) (b) (c)	\$ 225,562	\$ 71,459	\$ (111,104)	\$ 185,917
Operating income margin	4.3 %	4.1 %	-	2.7 %

- (a) Segment operating expenses primarily include employee-related expenses, depreciation and amortization, and allowance for credit losses.
- (b) Global components operating income includes recoveries of \$2.5 million and charges of \$10.5 million in inventory write-downs related to the wind down of businesses for the first quarter of 2025 and 2024, respectively.
- (c) Corporate operating loss includes restructuring, integration, and other charges of \$17.3 million and \$46.9 million for the first quarter of 2025 and 2024, respectively. Restructuring, integration, and other charges of \$3.7 million and \$42.8 million related to the termination of personnel as a part of operating expense reduction initiatives for the first quarter of 2025 and 2024, respectively. Refer to Note I.

Total assets, by reportable segment, are as follows:

	March 29,	December 31,
(thousands)	2025	2024
Total assets:		
Global components	\$ 15,239,486	\$ 14,765,931
Global ECS	5,620,959	6,518,723
Corporate	540,397	473,053
Consolidated	\$ 21,400,842	\$ 21,757,707

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Long-lived assets by country are as follows:

(thousands)	March 29, 2025	December 31, 2024
Long-lived assets:		
France	\$ 90,327	\$ 86,268
Netherlands	79,273	78,120
Other	229,524	223,903
Total foreign	<u>\$ 399,124</u>	<u>\$ 388,291</u>
United States	325,028	332,098
Total	<u>\$ 724,152</u>	<u>\$ 720,389</u>

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: the incurrence of additional charges not currently contemplated and failure to realize contemplated cost savings due to unanticipated events that may occur, including in connection with the implementation of Arrow Electronics, Inc.’s (the “company”) Operating Expense Efficiency Plan; unfavorable economic conditions; disruptions, shortages, or inefficiencies in the supply chain; political instability and changes; impacts of military conflict and sanctions; industry conditions; changes in product supply, pricing and customer demand; trade protection measures, tariffs, increased trade tensions, trade agreements and policies, and other restrictions, duties, and value-added taxes; competition; other vagaries in the global components and the global ECS markets; deteriorating economic conditions, including economic recession, inflation, tax rates, foreign currency exchange rates, or the availability of capital; the effects of natural or man-made catastrophic events; changes in relationships with key suppliers; increased profit margin pressure; changes in legal and regulatory matters; non-compliance with certain regulations, such as trade, export, antitrust, and anti-corruption laws; foreign tax and other loss contingencies; breaches of security or privacy of business information and information system failures, including related to current or future implementations, integrations and upgrades; outbreaks, epidemics, pandemics, or public health crises; executive orders and regulatory trends and the resulting legal and reputational exposure, including but not limited to those relating to environmental, social, governance, cybersecurity, data privacy, and artificial intelligence issues; and the company’s ability to generate positive cash flow. For a further discussion of these and other factors that could cause the company’s future results to differ materially from any forward-looking statements, see the section entitled “Risk Factors” in this Quarterly Report on Form 10-Q and the company’s most recent Annual Report on Form 10-K, as well as in other filings the company makes with the Securities and Exchange Commission. Shareholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. The company undertakes no obligation to update publicly or revise any of the forward-looking statements.

Certain Non-GAAP Financial Information

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

- Non-GAAP sales exclude the impact of changes in foreign currencies by retranslating prior period results at current period foreign exchange rates.
- Non-GAAP gross profit excludes inventory (recoveries) write-downs related to the wind down of businesses within the global components 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" refer to the similarly captioned section of this item below.

Key Business Metrics

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

Overview

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

The company has two reportable segments, the global components 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 OEMs and EMS providers. 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 VARs and MSPs meet the needs of their end-users. For the first quarter of 2025, approximately 70% and 30% of the company's sales were from the global components reportable segment and the global ECS reportable segment, respectively.

Strategic initiatives within each reportable segment include the following:

Global components reportable segment:

- Offering a variety of value-added services, including demand creation, design, engineering, global marketing and integration services to promote the future sale of suppliers' products, which generally lead to longer and more profitable relationships with the company's suppliers and customers.
- Focusing on further penetrating the market for IP&E as it tends to be a margin accretive segment of the broader available market.
- Providing global supply chain service offerings such as procurement, logistics, warehousing, and insights from data analytics.

Global ECS reportable segment:

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

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

Executive Summary

(millions except per share data)	Quarter Ended		Change
	March 29, 2025	March 30, 2024	
Consolidated sales	\$ 6,814	\$ 6,924	(1.6)%
Global components sales	\$ 4,778	\$ 5,191	(8.0)%
Global ECS sales	\$ 2,036	\$ 1,733	17.5 %
Gross profit margin	11.4 %	12.4 %	(100)bps
Non-GAAP gross profit margin	11.3 %	12.5 %	(120)bps
Operating income	\$ 159	\$ 186	(14.7)%
Operating income margin	2.3 %	2.7 %	(40)bps
Non-GAAP operating income	\$ 179	\$ 251	(28.7)%
Non-GAAP operating income margin	2.6 %	3.6 %	(100)bps
Net income attributable to shareholders	\$ 80	\$ 84	(4.6)%
Earnings per share attributable to shareholders - diluted	\$ 1.51	\$ 1.53	(1.3)%
Non-GAAP net income attributable to shareholders	\$ 95	\$ 132	(28.1)%
Non-GAAP earnings per share attributable to shareholders - diluted	\$ 1.80	\$ 2.41	(25.3)%

Business environment and other trends:

- During 2024, the global components reportable segment experienced a cyclical downturn characterized by elevated customer inventory levels, and a challenging global macroeconomic environment, contributing to lower demand for the company's products. In the first quarter of 2025, the company noted positive meaningful demand trends, which may indicate the downturn is at a turning point. On a sequential quarter basis, customers are replenishing inventory, and all three regions are performing near or ahead of expectations after adjusting for normal seasonal trends for a typical first quarter (the company experiences different seasonal demand environments throughout each calendar year based on various purchasing patterns across the world). Consistent with historical trends from past cyclical downturns, the company expects the Asia/Pacific region to return to growth ahead of the Americas and EMEA regions.
- In April 2025, the U.S. announced universal tariffs on most U.S. imports, plus an additional country-specific tariff for select countries, such as China. In response, many countries are considering and implementing retaliatory tariffs on U.S. exports. The company's global business is facing uncertainty around ongoing developments related to these tariffs, which increases the price of the products that the company purchases from its suppliers and passes to its customers, which in turn may decrease demand for the company's products. Tariffs and other trade restrictions may also lead to an uncertain and volatile economic environment, including rising inflation, U.S. dollar weakening, elevated interest rates, declining consumer confidence, and increased price-based competition.

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The company is continuing to evaluate and further implement mitigating actions, including potential supply chain optimization and improved solutions around processing tariffs. These tariffs and the associated macroeconomic effects may have an adverse impact on the company's results of operations and cash flows as well as inflating inventory balances and increasing the risks related to tariff drawbacks. Refer to Part I, Item 1A - Risk Factors in the company's Annual Report on Form 10-K for the year ended December 31, 2024, for further discussion related to tariffs and tariff drawbacks.

Results of Operations

Sales by reportable segment

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

(millions)	Quarter Ended		Change
	March 29, 2025	March 30, 2024	
Consolidated sales, as reported	\$ 6,814	\$ 6,924	(1.6)%
Impact of changes in foreign currencies	—	(84)	
Non-GAAP consolidated sales	\$ 6,814	\$ 6,840	(0.4)%
Global components sales, as reported	\$ 4,778	\$ 5,191	(8.0)%
Impact of changes in foreign currencies	—	(56)	
Non-GAAP global components sales	\$ 4,778	\$ 5,135	(7.0)%
Global ECS sales, as reported	\$ 2,036	\$ 1,733	17.5 %
Impact of changes in foreign currencies	—	(28)	
Non-GAAP global ECS sales	\$ 2,036	\$ 1,705	19.4 %

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

Reportable segment sales by geographic region

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

	Quarter Ended				
	March 29, 2025		March 30, 2024		
(millions)	Sales	% of Sales	Sales	% of Sales	Change
Americas components sales	\$ 1,569	23.0 %	\$ 1,597	23.1 %	(1.8)%
EMEA components sales	1,340	19.8 %	1,657	23.9 %	(19.1)%
Asia/Pacific components sales	1,869	27.3 %	1,938	28.0 %	(3.6)%
Global components sales	\$ 4,778	70.1 %	\$ 5,191	75.0 %	(8.0)%
Americas ECS sales	\$ 910	13.4 %	\$ 908	13.1 %	0.2 %
EMEA ECS sales	1,126	16.5 %	825	11.8 %	36.5 %
Global ECS sales	\$ 2,036	29.9 %	\$ 1,733	25.0 %	17.5 %
Consolidated sales	\$ 6,814	100.0 %	\$ 6,924	100.0 %	(1.6)%

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 2025, the global components reportable segment decrease in sales compared to the year-earlier period was primarily due to the following impacts:

- sales declined in the Americas region primarily due to softer demand for the aerospace & defense vertical;

- sales declined in the EMEA region primarily due to decreased demand for the industrial and transportation verticals;
- sales declined in the Asia/Pacific region primarily due to softer demand for the consumer vertical.

Within the global ECS reportable segment, growth was primarily due to an increase in sales in the EMEA region for the first quarter of 2025, relative to the year-earlier period as a result of increased demand for infrastructure software, cloud-related solutions, security, and networking products.

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

Gross Billings

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

(millions)	Quarter Ended		Change
	March 29, 2025	March 30, 2024	
Americas ECS gross billings	\$ 2,308	\$ 2,364	(2.4)%
EMEA ECS gross billings	2,331	2,045	14.0 %
Global ECS gross billings	\$ 4,639	\$ 4,408	5.2 %

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

Gross Profit

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

(millions)	Quarter Ended		Change
	March 29, 2025	March 30, 2024	
Consolidated gross profit, as reported	\$ 774	\$ 858	(9.8)%
Impact of wind down to inventory	(2)	10	
Impact of changes in foreign currencies	—	(12)	
Non-GAAP consolidated gross profit	\$ 772	\$ 856	(9.9)%
Consolidated gross profit as a percentage of sales, as reported	11.4 %	12.4 %	(100) bps
Non-GAAP consolidated gross profit as a percentage of sales	11.3 %	12.5 %	(120) bps
Global components gross profit, as reported	\$ 555	\$ 646	(14.1)%
Impact of wind down to inventory	(2)	10	
Impact of changes in foreign currencies	—	(8)	
Non-GAAP global components gross profit	\$ 552	\$ 648	(14.8)%
Global components gross profit as a percentage of sales, as reported	11.6 %	12.4 %	(80) bps
Non-GAAP global components gross profit as a percentage of sales	11.6 %	12.6 %	(100) bps
Global ECS gross profit, as reported	\$ 219	\$ 212	3.2 %
Impact of changes in foreign currencies	—	(4)	
Non-GAAP global ECS gross profit	\$ 219	\$ 208	5.2 %
Global ECS gross profit as a percentage of sales, as reported	10.8 %	12.2 %	(140) bps
Non-GAAP global ECS gross profit as a percentage of sales	10.8 %	12.2 %	(140) bps

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

Global components gross profit margins decreased during the first quarter of 2025 compared with the year-earlier period due to regional mix shifting towards the Asia/Pacific region. Global components supply chain services offerings continued to have a positive impact on gross margins.

Global ECS gross profit margins decreased during the first quarter of 2025 compared with the year-earlier period primarily due to a shift in sales mix towards more sales recognized on a gross basis in the EMEA region relative to the first quarter of 2024. Refer to Note 1 "Summary of Significant Accounting Policies" in the company's Annual Report on Form 10-K for the year ended December 31, 2024.

Operating Expenses

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

(millions)	Quarter Ended		Change
	March 29, 2025	March 30, 2024	
Consolidated operating expenses, as reported	\$ 615	\$ 672	(8.4)%
Identifiable intangible asset amortization	(5)	(8)	
Restructuring, integration, and other	(17)	(47)	
Impact of changes in foreign currencies	—	(7)	
Non-GAAP consolidated operating expenses	\$ 593	\$ 611	(3.0)%
Consolidated operating expenses as a percentage of sales	9.0 %	9.7 %	(70) bps
Non-GAAP consolidated operating expenses as a percentage of non-GAAP sales	8.7 %	8.9 %	(20) bps
Global components operating expenses, as reported	\$ 384	\$ 420	(8.7)%
Identifiable intangible asset amortization	(4)	(6)	
Impact of changes in foreign currencies	—	(5)	
Non-GAAP global components operating expenses	\$ 379	\$ 410	(7.5)%
Global components operating expenses as a percentage of sales	8.0 %	8.1 %	(10) bps
Non-GAAP global components operating expenses as a percentage of non-GAAP sales	7.9 %	8.0 %	(10) bps
Global ECS operating expenses, as reported	\$ 142	\$ 141	0.8 %
Identifiable intangible asset amortization	(1)	(1)	
Impact of changes in foreign currencies	—	(3)	
Non-GAAP global ECS operating expenses	\$ 141	\$ 137	2.7 %
Global ECS operating expenses as a percentage of sales	7.0 %	8.1 %	(110) bps
Non-GAAP global ECS operating expenses as a percentage of non-GAAP sales	6.9 %	8.0 %	(110) bps
Corporate operating expenses, as reported	\$ 90	\$ 111	(18.9)%
Restructuring, integration, and other	(17)	(47)	
Non-GAAP corporate operating expenses	\$ 73	\$ 64	13.4 %

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

Global components operating expenses decreased during the first quarter of 2025 compared to the year-earlier period primarily due to a decrease of \$18.1 million in employee-related costs primarily due to cost reduction initiatives and lower sales incentives.

Global ECS operating expenses increased during the first quarter of 2025 compared to the year-earlier period primarily due to an increase in employee-related costs due to higher sales incentives, in line with the increase in sales discussed above.

Corporate operating expenses decreased during the first quarter of 2025 compared to the year-earlier period primarily due to a decrease of \$29.5 million due to lower restructuring, integration and other charges (see discussion below) partially offset by higher stock-based compensation expense.

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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 29, 2025	March 30, 2024
Restructuring, integration and related costs		
Operating Expense Efficiency Plan costs (a)	\$ 9	\$ —
Other plans	1	—
Other expenses		
Operating expense reduction costs not related to restructuring initiatives (b)	4	43
Early lease termination costs	1	3
Other charges	2	1
Total	\$ 17	\$ 47

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

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

(b) These costs are primarily related to employee severance and benefit costs. As of March 29, 2025, the accrued liabilities related to these costs totaled \$6.8 million and substantially all accrued amounts are expected to be spent in cash within one year.

Operating Expense Efficiency Plan

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

Under the Plan, the company anticipates to incur pre-tax restructuring charges of no more than \$185.0 million. While the composition of these costs will continue to evolve over time, the company currently expects to incur approximately \$90.0 million of employee severance and other personnel cash expenditures; approximately \$70.0 million of non-cash asset impairments, inventory write-downs and foreign currency translation adjustment write-offs related to the wind-down of certain business operations; and approximately \$25.0 million of other related cash expenditures.

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

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

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Operating Income

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 29, 2025	March 30, 2024	
Consolidated operating income, as reported	\$ 159	\$ 186	(14.7)%
Identifiable intangible asset amortization	5	8	
Restructuring, integration, and other	17	47	
Impact of wind down to inventory	(2)	10	
Non-GAAP consolidated operating income	\$ 179	\$ 251	(28.7)%
Consolidated operating income as a percentage of sales	2.3 %	2.7 %	(40) bps
Non-GAAP consolidated operating income as a percentage of sales	2.6 %	3.6 %	(100) bps
Global components operating income, as reported	\$ 171	\$ 226	(24.0)%
Identifiable intangible asset amortization	4	6	
Impact of wind down to inventory	(2)	10	
Non-GAAP global components operating income	\$ 173	\$ 243	(28.5)%
Global components operating income as a percentage of sales	3.6 %	4.3 %	(70) bps
Non-GAAP global components operating income as a percentage of sales	3.6 %	4.7 %	(110) bps
Global ECS operating income, as reported	\$ 77	\$ 71	8.2 %
Identifiable intangible asset amortization	1	1	
Non-GAAP global ECS operating income	\$ 78	\$ 73	7.9 %
Global ECS operating income as a percentage of sales	3.8 %	4.1 %	(30) bps
Non-GAAP global ECS operating income as a percentage of sales	3.8 %	4.2 %	(40) 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 2025 relates primarily to the changes in sales, gross profit margins and operating expenses discussed above.

Interest and Other Financing Expense, Net

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

(millions)	Quarter Ended	
	March 29, 2025	March 30, 2024
Interest and other financing expense, net	\$ (56)	\$ (80)

The decreases in interest and other financing expenses, net for the first quarter of 2025 compared to the year-earlier period were primarily related to lower average daily borrowings on floating rate credit facilities. Refer to the section below titled "Liquidity and Capital Resources" for more information on changes in borrowings.

Income Tax

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

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

	Quarter Ended	
	March 29, 2025	March 30, 2024
Effective income tax rate	22.6 %	21.0 %
Identifiable intangible asset amortization	0.1 %	0.2 %
Restructuring, integration, and other	0.2 %	1.2 %
Impact of wind down to inventory	— %	0.3 %
Non-GAAP effective income tax rate	22.9 %	22.6 %

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

The increase in the effective tax rate for the first quarter of 2025, compared to the year-earlier period, is mainly attributed to changes in the mix of tax jurisdictions where income was generated.

Net Income Attributable to Shareholders

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

	Quarter Ended	
	March 29, 2025	March 30, 2024
(millions)		
Net income attributable to shareholders, as reported	\$ 80	\$ 84
Identifiable intangible asset amortization*	5	7
Restructuring, integration, and other	17	47
Impact of wind down to inventory	(2)	10
Tax effect of adjustments above	(5)	(16)
Non-GAAP net income attributable to shareholders	\$ 95	\$ 132

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 2025 compared to the year-earlier period relates primarily to changes in sales, gross margins, and income tax as discussed above.

Liquidity and Capital Resources

Management believes that the company's current cash availability, its current borrowing capacity under its revolving credit facility and asset securitization programs, and its expected ability to generate future operating cash flows are sufficient to meet its projected cash flow needs for the next 12 months and the foreseeable future. The company's current committed and undrawn liquidity stands at over \$3.1 billion in addition to \$231.9 million of cash on hand at March 29, 2025. The company also may issue debt or equity securities in the future and management believes the company will have adequate access to the capital markets, if needed. The company continually evaluates its liquidity requirements and may seek to amend its existing borrowing capacity or access the financial markets as deemed necessary.

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

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The following table presents selected financial information related to liquidity:

(millions)	March 29, 2025	December 31, 2024	Change
Working capital	\$ 6,351	\$ 6,693	\$ (342)
Cash and cash equivalents	232	189	43
Short-term debt	531	350	181
Long-term debt	2,313	2,774	(461)

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 2025 was primarily attributable to decreases in accounts receivable.

Working capital as a percentage of sales, which is defined as working capital divided by annualized quarterly sales, decreased to 23.3% for the first quarter of 2025, compared to 25.0% in the year-earlier period. The decrease was primarily due to increases in accounts payable.

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 29, 2025 and December 31, 2024, the company had cash and cash equivalents of \$231.9 million and \$188.8 million, respectively, of which \$176.4 million and \$164.0 million, respectively, were held outside the United States.

The company has \$5.5 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 29, 2025.

Revolving Credit Facilities and Debt

The following tables summarize the company's credit facilities:

(millions)	Borrowing Capacity	Outstanding Borrowings	
		March 29, 2025	December 31, 2024
North American asset securitization program	\$ 1,500	\$ 200	\$ 633
Revolving credit facility	2,000	—	30
Commercial paper program (a)	1,200	176	—
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.

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(millions)	Average Daily Balance Outstanding		Effective Interest Rate	
	Quarter Ended			
	March 29, 2025	March 30, 2024	March 29, 2025	March 30, 2024
North American asset securitization program	\$ 552	\$ 724	4.82 %	6.44 %
Revolving credit facility	1	5	5.47 %	6.44 %
Commercial paper program	348	657	4.79 %	5.80 %
Uncommitted lines of credit	263	287	4.82 %	5.82 %

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 quarter of 2025 and 2024, the average daily balance outstanding under the EMEA asset securitization program was \$307.9 million and \$457.1 million, respectively. Refer to Note E “Accounts Receivable” of the Notes to the Consolidated Financial Statements for further discussion.

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

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

(a) Subsequent to the balance sheet date, in April 2025, the company repaid the \$350.0 million principal amount of its 4.00% notes due April 2025.

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)	Quarter Ended		Change
	March 29, 2025	March 30, 2024	
Net cash provided by operating activities	\$ 352	\$ 403	\$ (51)
Net cash used for investing activities	(25)	(24)	(1)
Net cash used for financing activities	(342)	(318)	(24)

Cash Flows from Operating Activities

The net amount of cash provided by the company’s operating activities during the first quarter of 2025 and 2024 was \$351.7 million and \$403.2 million, respectively. The change in cash provided by operating activities during 2025, compared to the year-earlier period, relates primarily to the timing of payments.

Cash Flows from Investing Activities

The net amount of cash used for investing activities during the first quarter of 2025 and 2024 was \$25.0 million and \$24.4 million, respectively.

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Cash Flows from Financing Activities

The net amount of cash used for financing activities was \$342.1 million during the first quarter of 2025 compared to \$317.7 million used for financing activities in the year-earlier period. The change in cash used for financing activities relates primarily to an increase in repayments of long-term bank borrowings offset by lower share repurchases and an increase in short-term borrowings in 2025.

Capital Expenditures

Capital expenditures for the first quarter of 2025 and 2024 were \$25.0 million and \$29.5 million, respectively. The company expects capital expenditures to be approximately \$100.0 million for the fiscal year 2025.

Share Repurchase Program

The company repurchased 0.5 million shares of its common stock for \$49.9 million and 0.8 million shares of its common stock for \$100.0 million in the first quarter of 2025 and 2024, respectively, under its share repurchase program, excluding excise taxes. As of March 29, 2025, approximately \$273.8 million remained available for repurchase under the share repurchase program. The share repurchase authorization does not have an expiration date and the pace of the repurchase activity will depend on factors such as the company's working capital needs, cash requirements for acquisitions, debt repayment obligations or repurchases of debt, share price, and economic and market conditions. The share repurchase program may be accelerated, suspended, delayed, or discontinued at any time subject to the approval of the company's Board of Directors.

Contractual Obligations

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

Refer to the section above titled "Revolving Credit Facilities and Debt" for updates to the company's short-term and long-term debt obligations. Refer to the section above titled "Restructuring, Integration, and Other" for updates related to discussion of planned restructuring costs. Refer to Note H "Financial Instruments Measured at Fair Value" of the Notes to Consolidated Financial Statements for further discussion on hedging activities. As of March 29, 2025, there were no other material changes to the capital requirements and sources of the company. Refer to Note D "Investments in Affiliated Companies" of the Notes to Consolidated Financial Statements for discussion of proceeds from the sale of investments in certain equity securities which occurred subsequent to March 29, 2025, and will be recorded in the second quarter of 2025.

Critical Accounting Estimates

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

There have been no significant changes to the company's critical accounting estimates for the quarter ended March 29, 2025. Refer to the section titled "Critical Accounting Estimates" in Part II, Item 7, Management's Discussion and Analysis

of Financial Condition and Results of Operations, in the company's Annual Report on Form 10-K for the year ended December 31, 2024.

Impact of Recently Issued Accounting Standards

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

During the three months ended March 29, 2025, there were no material changes in market risk for changes in foreign currency exchange rates and interest rates from the information provided in Part II, Item 7A – Quantitative and Qualitative Disclosures About Market Risk in the company's Annual Report on Form 10-K for the year ended December 31, 2024.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The company's management, under the supervision and with the participation of the company's 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 29, 2025 (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, as amended) were effective as of March 29, 2025.

Changes in Internal Control over Financial Reporting

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Item 1A. Risk Factors

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

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

The following table shows the share repurchase activity for the quarter ended March 29, 2025:

(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 25, 2025	—	\$ —	—	\$ 324,063
January 26 through February 22, 2025	179,180	111.29	179,180	304,122
February 23 through March 29, 2025	273,645	109.63	273,645	273,790
Total	452,825		452,825	

(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 29, 2025, the total authorized dollar value of shares available for repurchase was \$1.0 billion of which \$726.2 million has been utilized, and the \$273.8 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 29, 2025, none of the company’s directors or officers adopted, amended, or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Regulation S-K, Item 408.

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Item 6. Exhibits

Exhibit Number	Exhibit
<u>10(a)+*</u>	<u>Form of Performance Stock Unit Award Agreement for Certain Grants to Members of the Executive Committee.</u>
<u>10(b)+*</u>	<u>Employment Contract for Eric Nowak.</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 1, 2025

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)

Arrow Electronics, Inc.
Performance Stock Unit Award Agreement
Executive Committee

THIS PERFORMANCE STOCK UNIT AWARD AGREEMENT (the "Agreement"), effective [GRANT DATE] (the "Grant Date"), contains the terms of the grant of Performance Stock Units ("PSUs") by Arrow Electronics, Inc., a New York Corporation (the "Company" or "Arrow"), to [PARTICIPANT NAME] (the "Grantee" or "you") under the Arrow Electronics, Inc. 2004 Omnibus Incentive Plan (as amended from time to time, the "Plan"). Capitalized terms used and not defined in this Agreement have the meanings given to them in the Plan. The parties agree as follows:

1. General Grant Information. You have received the following grant of PSUs:

a. Target Number of PSUs: [SHARES GRANTED] The number of PSUs, if any, that ultimately vest will be determined based on the attainment of the Performance Measures in accordance with the tables below and subject to the limitations set forth in this Agreement.

b. Date of Grant: [DATE]

c. Start of Performance Cycle: [DATE]

d. End of Performance Cycle: [DATE]

e. Performance Measures:

(i) [INSERT PERFORMANCE MEASURE 1]

(ii) [INSERT PERFORMANCE MEASURE 2]

	<u>BELOW THRESHOLD</u>	<u>THRESHOLD</u>	<u>TARGET</u>	
<u>MAXIMUM</u>				
Achievement	[•]	[•]	[•]	[•]
Payout percentage	[•]%	[•]%	[•]%	[•]%

Straight-line interpolation between levels, and
capped at [•]% payout unless [PERFORMANCE MEASURE 2] is greater than [•]%,
subject to Compensation Committee discretion.

f. PSUs Eligible for Vesting:

(i) [PERFORMANCE MEASURE 1] must be achieved for the payout to be greater than [•]%.

(ii) The PSUs shall become eligible for vesting only if the Company attains the Performance Measure set forth in Section 1e(ii) above, subject to the provisions in this Section 1f. If the Committee fails to certify whether the Performance Measure was satisfied or determines that the Performance Measure has

not been met, the PSUs shall be forfeited in their entirety, and there will be no payment of Shares to you related to such PSUs.

(iii) The number of PSUs determined to be eligible for vesting will be based on the actual results achieved by Arrow through the Performance Cycle as determined by the Committee. The maximum number of PSUs that may vest is equal to [•]% of the Target Number of PSUs, and the number of PSUs that vest may be less than the Target Number of PSUs, down to zero.

(iv) The Committee reserves the right to adjust the number of PSUs eligible to vest up or down based on its evaluation of Arrow's performance against key strategic peers.

(v) The Committee has the authority to apply negative discretion to reduce or eliminate the number of PSUs eligible to vest upon attainment of the Performance Measure. In determining whether to apply negative discretion, the Committee may consider the attainment of the combination of the above Performance Measures, as well as their assessment of performance against key strategic peers and other extraordinary circumstances.

(vi) The adjusted payout percentage will be applied to the Grantee's Target Number of PSUs to determine the number of PSUs eligible to vest.

2. Vesting. As soon as reasonably practicable after the close of the Performance Cycle, the Committee shall determine the level of attainment of the Performance Measures, and, based on such determination, the number of PSUs eligible for vesting shall be calculated. The Committee's determination shall be conclusive and binding on the Participant and the Company. The number of PSUs that the Committee determines are eligible to vest shall vest on the date that the PSUs are settled in accordance with Section 3 hereof, provided Grantee remains employed by Arrow (or one of its Subsidiaries or Affiliates) through that date unless otherwise provided in Section 4 below.

3. Settlement of Award. Within thirty (30) days of the Committee's determination of PSUs that are eligible to vest as contemplated under Section 2 hereof, Arrow will issue to you one Share for each vested PSU, as determined in accordance with Sections 1 and 2 above and subject to this Section 3 and Section 4 below. The foregoing notwithstanding, PSUs shall in no event be settled later than March 15 of the calendar year after the last day of the Performance Cycle. Any fractional Shares will be rounded to the nearest whole Share.

4. Eligibility for Earned PSUs. Except for the specific situations addressed below (in this Section 4), you must be employed by Arrow (or one of its Subsidiaries or Affiliates) on the date of delivery of the Shares to vest in PSUs or be eligible for any payment under this Agreement.

a. Change of Control. Upon the termination of your employment by Arrow or the Employer, as applicable, without Cause, or by you for Good Reason, in either case occurring within two (2) years after a Change of Control of Arrow before the settlement date under Section 3, a number of PSUs will vest based on the actual attainment of the Performance Measures as determined in accordance with Sections 1

and 2 hereof and be settled within thirty (30) days after such termination or, if earlier, the time the PSUs are settled in accordance with Section 3 hereof; provided, however, that if the Committee has not yet determined the attainment level of the Performance Measures at the time of your termination of employment, a number of PSUs equal to the Target Number of PSUs will vest and be settled within thirty (30) days after such termination or on the settlement date contemplated under Section 3 hereof if such date is earlier.

b. Death or Disability. Upon your termination of employment from Arrow or the Employer, as applicable, by reason of death or Disability before the end of the Performance Cycle, the Target Number of PSUs will vest and will be settled within thirty (30) days after your death or your becoming disabled. Upon your termination of employment by reason of death or Disability after the end of the Performance Cycle, a number of PSUs will vest based on the actual attainment of the Performance Measures in accordance with Sections 1 and 2 hereof and will be settled at the time provided under Section 3 hereof.

c. Retirement. Upon your Retirement prior to the date the PSUs are contemplated to be settled under Section 3 hereof, a number of PSUs shall vest based on the actual attainment of the Performance Measures in accordance with Sections 1 and 2 hereof and shall be settled at the time provided under Section 3 hereof (without regard to whether you are employed on the date of settlement), provided that you do not engage or become interested in any Competing Business prior to the settlement date (whether as an owner, partner, director, employee, consultant or otherwise), in which case the PSUs will be forfeited and no payment or delivery of Shares will be made therefor.

d. Vesting following Certain Terminations. Upon your termination of employment from Arrow or the Employer, as applicable, under circumstances in which you are receiving severance payments in the form of salary continuation, any PSUs that are unvested as of the date of your termination will continue to be eligible to vest at the same time provided under Section 2 hereof to the extent they are scheduled to vest during the period you are receiving severance payments, provided you do not engage or become interested in any Competing Business at any time before the vesting date (whether as an owner, partner, director, employee, consultant or otherwise), in which case any unvested portion of the PSUs will be forfeited, and no payment or delivery of Shares will be made therefor.

e. Other Terminations. If your employment ends for any reason (other than described in this Section 4) before the settlement of this Award, this Award will be forfeited, and there will be no payment or delivery of Shares to you related to such forfeited PSUs.

f. Cancellation or Clawback of Awards. In consideration of the grant of this Award to you, you agree that this Award is subject to any Clawback Policies the Company has in place or may adopt from time to time, pursuant to which the Committee may, to the extent permitted by applicable law or the Clawback Policies, and will, to the extent required by applicable law, cancel or require recovery, repayment or clawback of this Award (whether or not vested) or any payments, Shares delivered, or gain therefrom (if so provided under the applicable Clawback Policy) upon vesting, exercise, or settlement of this Award or sale of Shares underlying this Award. In consideration of the

grant of this Award to you, you further agree that Section 22.1 of the Plan applies to you and this Award.

The terms "Cause," "Change of Control," "Competing Business," "Disability," "Good Reason," and "Retirement," as used in this Agreement, are defined in Section 13 below.

5. Rights of Shareholder. Grantee shall not be entitled to any voting rights or other rights or privileges of ownership of Shares with respect to the PSUs unless and until the Committee has determined the number of Shares earned under this Agreement, and such earned Shares are actually delivered to Grantee pursuant to the Agreement.

6. Dividends. In the event that dividends are paid, the Grantee will be credited as of the date each such dividend is paid with additional PSUs having a value equal to the aggregate amount of the dividend that would have been paid with respect to the Grantee's Target Number of PSUs if they had been actual Shares, based on the Fair Market Value (as defined in the Plan) of a Share on the applicable dividend payment date. Such additional PSUs shall also be credited with additional PSUs as dividends are paid thereafter and shall be subject to the same restrictions and conditions as the PSUs with respect to which they were credited.

7. Transferability. Except as otherwise determined by the Committee, PSUs granted under this Agreement are not transferable by Grantee, whether voluntarily or involuntarily, by operation of law or otherwise, during the Restriction Period, except as provided in the Plan. Any assignment, pledge, transfer, or other disposition, voluntary or involuntary, of the PSUs, made, or attachment, execution, garnishment, or lien issued against or placed upon the PSUs shall be void.

8. Administration. This Agreement and the rights of Grantee hereunder are subject to all the terms and conditions of the Plan, as the same may be amended from time to time, as well as to such rules and regulations as the Committee may adopt for the administration of the Plan. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan and this Agreement, all of which shall be binding upon the Grantee. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan. You can only accept and receive the Award by indicating your acceptance of the terms and conditions set forth in this Agreement. By accepting this Agreement, you accept and agree to all of its terms. If you do not accept this Agreement, your Award will be forfeited.

9. Arrow Electronics Anti-Hedging and Anti-Pledging Policy. You are required to comply with the Arrow Electronics Anti-Hedging Policy with respect to transactions in Shares acquired under the Plan.

10. Personal Data. You hereby explicitly and unambiguously consent to the collection, use, and transfer, in electronic or other form, of your personal data, as described in this Agreement and any other PSUs grant materials by and among, as applicable, your employer (the "Employer"), the Company and its Subsidiaries or Affiliates for the exclusive purpose of implementing, administering and managing your participation in the Plan.

You understand that the Company and the Employer may hold certain personal information about you, including, but not limited to, your name, home address, telephone number, date of birth, social insurance number, or other identification number (e.g., resident registration number), salary, nationality, job title, any stock or directorships held in the Company, details of all PSUs or any other entitlement to stock awarded, canceled, exercised, vested, unvested or outstanding in your favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.

You understand that Data will be transferred to any third parties assisting the Company with the implementation, administration, and management of the Plan. You understand that the recipients of the Data may be located in the United States or elsewhere and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. You understand that if you reside outside the United States, you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize the Company, its Subsidiaries and Affiliates, the Employer, and any other possible recipients who may assist the Company (presently or in the future) with implementing, administering, and managing the Plan to receive, possess, use, retain, and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer, and manage your participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom you may elect to deposit any Shares acquired upon vesting of the PSUs. You understand that if you reside outside the United States, you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data, or refuse or withdraw the consent herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consent herein purely voluntarily. If you do not consent, or if you later seek to revoke your consent, your employment status or service with the Employer will not be adversely affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you PSUs or other awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

11. Nature of Grant. By participating in the Plan, you acknowledge, understand, and agree that:

a. the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

b. the grant of the PSUs is voluntary and occasional and does not create any contractual or other right to receive future grants or benefits in lieu of PSUs, even if PSUs have been granted in the past;

c. all decisions with respect to future grants of PSUs, if any, will be at the sole discretion of the Company;

d. the PSU grant and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company, the Employer, or any Subsidiary or Affiliate, and shall not interfere with the ability of the Company, the Employer or any Subsidiary or Affiliate, as applicable, to terminate your employment or service relationship (if any);

e. you are voluntarily participating in the Plan;

f. the PSUs are not intended to replace any pension rights or compensation;

g. the PSUs, the underlying Shares, and the income and value of same are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

h. the future value of the underlying Shares is unknown, indeterminable, and cannot be predicted with certainty;

i. no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from the termination of your employment or other service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and in consideration of the grant of the PSUs to which you are otherwise not entitled, you irrevocably agree never to institute any such claim against the Company, any of its Subsidiaries or Affiliates or the Employer, waive your ability, if any, to bring any such claim, and release the Company, its Subsidiaries and Affiliates and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

j. unless otherwise agreed with the Company in writing, the PSUs, the underlying Shares, and the income and value of same are not granted as consideration for, or in connection with, any service you may provide as a director of a Subsidiary or Affiliate;

k. for purposes of the PSUs, your employment or other service relationship will be considered terminated as of the date you are no longer actively providing services to the Company or one of its Subsidiaries or Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and unless otherwise expressly provided in Section 4 of this Agreement or determined by the Company, your right to vest in the PSUs under this Agreement, if any, will terminate as of such date and will not be extended by any notice period (e.g., your period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); the Committee shall have the exclusive discretion to determine when you are no longer

actively providing services for purposes of the PSU grant (including whether you may still be considered to be providing services while on an approved leave of absence); and

I. the following provisions apply only if you are providing services outside the United States: (i) the PSUs, the underlying Shares, and the income and value of same are not part of normal or expected compensation or salary for any purpose; and (ii) neither the Company, the Employer nor any Subsidiary or Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the U.S. dollar that may affect the value of the PSUs or of any amount due to you pursuant to the settlement of the PSUs or the subsequent sale of any Shares acquired upon settlement.

12. No Advice Regarding Grant. The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding your participation in the Plan or your acquisition or sale of the underlying Shares. You should consult with your own personal tax, legal, and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

13. Definitions. For purposes of this Agreement, the following terms will have the meanings set forth below:

a. "Cause" means that the Committee, in its sole discretion, determined that you: (i) intentionally failed to perform your duties for Arrow and that failure continues after you receive a written warning concerning your failure to perform (this does not mean a mere failure to attain financial goals); (ii) engaged in illegal conduct or gross misconduct which is significantly and demonstrably injurious to Arrow; or (iii) violated any provision of Arrow's Worldwide Code of Business Conduct and Ethics or of any other written agreement you may have with Arrow.

b. "Change of Control" means the occurrence of either of the following events: (i) any one person, or more than one person acting as a group, acquires (or has acquired during the twelve months ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing thirty percent (30%) or more of the total voting power of the stock of the Company, or (ii) a majority of the members of the Company's Board of Directors is replaced during a twelve (12) month period by directors whose appointment or election is not endorsed by a majority of the members of the Company's Board of Directors before the date of the appointment or election.

c. "Clawback Policy" or "Clawback Policies" means any policy or policies adopted from time to time by The Board of Directors of Arrow Electronics, Inc. that provides for the recoupment of certain employee compensation in response to certain events, including but not limited to, an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws or an employee's involvement in any misconduct.

d. "Committee" means the Compensation Committee of Arrow's Board of Directors or a designated subcommittee thereof.

e. "Competing Business" means any business which, directly or indirectly, provides the same or substantially similar products or services as those

provided by the organization, business units, or groups for which you worked or had responsibility during your tenure at Arrow or any of its Subsidiaries or Affiliates.

f. "Disability" means due to illness, injury, or a physical or medically recognized mental condition, (i) you are unable to perform your duties and responsibilities with reasonable accommodation for one hundred twenty (120) consecutive calendar days, or one hundred eighty (180) calendar days during any twelve (12) month period, as determined by a physician agreed to by the Company and you, or (ii) you are considered disabled for purposes of receiving/qualifying for long-term disability benefits under any group long-term disability insurance plan or policy offered by Company or one of its Subsidiaries or Affiliates in which you participate.

g. "Good Reason" means the occurrence of any of the following changes to your employment, provided that Arrow does not rescind such changes within thirty days following your written request: (i) a material adverse diminution in your duties and responsibilities; (ii) your base salary is materially reduced, other than in connection with a region-wide or company-wide pay cut/furlough program; or (iii) a material change in the geographic location of your principal place of business of more than fifty (50) miles from your current location. For the avoidance of doubt, a mere change in title and/or reporting relationship shall not be grounds for a claim of "Good Reason." You will have "Good Reason" to terminate your employment only if such action is taken during the two (2) years following a Change of Control.

h. "Retirement" means your retirement under a retirement plan of Arrow, or one of its Subsidiaries or Affiliates, at or after your normal retirement age or, with the written consent of the Committee, at an early retirement date.

14. Tax Withholding. You acknowledge that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account, or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items") is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting, or settlement of the PSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends and/or any dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (a) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; or (b) withholding from proceeds of the sale of Shares acquired upon

settlement of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); or (c) withholding in Shares to be issued upon settlement of the PSUs.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates. If the maximum rate is used, any over-withheld amount will be refunded to you in cash by the Company or Employer (with no entitlement to the Share equivalent), or if not refunded, you may seek a refund from the local tax authorities. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested PSUs, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, you agree to pay the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if you fail to comply with your obligations in connection with the Tax-Related Items.

Notwithstanding anything in this Section 14 to the contrary, to avoid a prohibited acceleration under Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A of the Code"), if Shares subject to the PSUs will be withheld (or sold on your behalf) to satisfy any Tax-Related Items arising before the date of settlement of the PSUs for any portion of the PSUs that are considered nonqualified deferred compensation subject to Section 409A of the Code, then the number of Shares withheld (or sold on your behalf) shall not exceed the number of Shares that equals the liability for Tax-Related Items.

15. Section 409A Compliance. The following provisions shall apply if the Grantee is a U.S. Taxpayer.

Notwithstanding the foregoing provisions of this Agreement, no Shares or amounts payable hereunder in connection with a termination of your employment that are subject to Section 409A of the Code as deferred compensation (and do not qualify for the "short-term deferral" or any other exemption under applicable U.S. Treasury Regulations) and that are payable upon termination of your employment ("Separation Payments") shall be paid unless the termination constitutes a "separation from service," within the meaning of Section 409A of the Code. In addition, if you are a "specified employee," within the meaning of Section 409A of the Code, at the time of separation from service, any Separation Payments payable in connection with a separation from service shall instead be paid on the first business day following the earlier to occur of (a) the expiration of the six (6)-month period following your separation from service or (b) your death, if necessary to comply with Section 409A of the Code.

The PSUs are intended to be exempt from or compliant with Section 409A of the Code and the U.S. Treasury Regulations relating thereto so as not to subject Grantee to the payment of additional taxes and interest under Section 409A of the Code or other adverse tax consequences. In furtherance of this intent, the provisions of this

Agreement will be interpreted, operated, and administered in a manner consistent with these intentions. The Committee may modify the terms of this Agreement, the Plan, or both, without the consent of Grantee, in the manner that the Committee may determine to be necessary or advisable in order to comply with Section 409A of the Code or to mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Section 409A of the Code if compliance is not practical. This Section 15 does not create an obligation on the part of the Company to modify the terms of this Agreement or the Plan and does not guarantee that the PSUs or the delivery of Shares upon vesting/settlement of the PSUs will not be subject to taxes, interest, and penalties or any other adverse tax consequences under Section 409A of the Code. In no event whatsoever shall Arrow or any of its Subsidiaries or Affiliates be liable to any party for any additional tax, interest, or penalties that may be imposed on Grantee by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code or for any action taken by the Committee.

16. Governing Law and Venue. The PSU grant and the provisions of this Agreement are governed by, and subject to, the laws of the State of New York, without regard to the conflict of law provisions, as provided in the Plan.

For purposes of litigating any dispute that arises under this grant or the Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York County, or the federal courts for the United States for the Southern District of New York, where this grant is made and/or to be performed.

17. Foreign Asset/Account, Exchange Control, and Tax Reporting. You may be subject to foreign asset/account, exchange control, and/or tax reporting requirements as a result of the acquisition, holding, and/or transfer of Shares or cash (including dividends, dividend equivalents, and the proceeds arising from the sale of Shares) derived from your participation in the Plan, to and/or from a brokerage/bank account or legal entity located outside your country. The applicable laws of your country may require that you report such accounts, assets, the balances therein, the value thereof, and/or the transactions related thereto to the applicable authorities in such country. You acknowledge that you are responsible for ensuring compliance with any applicable foreign asset/account, exchange control, and tax reporting requirements, and you should consult your personal legal advisor on this matter.

18. Insider Trading Restrictions/Market Abuse Laws. You acknowledge that, depending on your country, you may be subject to insider trading restrictions and/or market abuse laws, which may affect your ability to acquire or sell Shares or rights to Shares under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in your country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and you should speak to your personal advisor on this matter.

19. Electronic Delivery and Acceptance. The Company may, at its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic

system established and maintained by the Company or a third party designated by the Company.

20. Language. If you have received this Agreement or any other document related to this Agreement translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

21. Severability. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

22. Waiver. You acknowledge that a waiver by the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach of this Agreement.

23. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the PSUs, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

[Signature page follows]

The parties have entered into this Agreement as of the date first written above by signing where indicated below.

ARROW ELECTRONICS, INC.

Gretchen Zech
Senior Vice President, Chief Governance, Sustainability, and Human Resources Officer

PARTICIPANT NAME

EMPLOYMENT CONTRACT

BETWEEN THE UNDERSIGNED :

OPENWAY GROUP, a public limited company with capital of €16,959,312.48, headquartered at COURBEVOIE (92400), 38-40 rue Victor Hugo, registered with the NANTERRE Trade and Companies Registry under number 429 361 751, represented by its Chairman, Mr Laurent SADOUN.

On the one hand,
Hereinafter referred to as the company

AND :

Mr Eric NOWAK

On the other hand,
Hereinafter referred to as the employee

IT HAS BEEN AGREED AS FOLLOWS

ARTICLE 1 - COMMITMENT

By tripartite transfer agreement, delivered by hand on November 29, 2013, Mr. NOWAK's employment contract with ARROW ECS was transferred to OPENWAY GROUP.

As a result of this transfer, there is no longer an employment contract between ARROW ECS and Mr. NOWAK.

As of **01/12/2013**, OPENWAY GROUP employs Mr. Eric NOWAK under the general terms and conditions of the collective bargaining agreement for engineering and consulting firms, and under the special terms and conditions set out below.

ARTICLE 2 - FUNCTIONS

Mr Eric NOWAK will be **VP Western an Southern Europe**. In this position, he will be given position 3.3 and coefficient 270 of the collective bargaining agreement for engineers and managers.

Mr Eric NOWAK's seniority is recorded as of January 11, 2005.

Mr Eric NOWAK may be asked by his superiors to carry out any tasks in line with his qualifications and experience, which may be of use to the company.

These responsibilities will be exercised by Mr Eric NOWAK under the authority and within the framework of the instructions given by his superior, Mr Laurent SADOUD, Chairman of ARROW ECS, or any other person who may be appointed in his stead.

These responsibilities are subject to change.

ARTICLE 3 - PLACE OF WORK

Mr Eric NOWAK performs his duties at the Courbevoie office, and at any other office in the event of this office being transferred to another location in the Paris region due to company requirements.

His or her duties may also require him or her to travel as often as necessary in the Paris region, the provinces and abroad, under the conditions laid down in the collective bargaining agreement.

ARTICLE 4 - REMUNERATION AND WORKING HOURS

As remuneration for his services, Mr Eric NOWAK receives a fixed annual gross salary of 250,000 Euros (*Two hundred and fifty thousand Euros*) over 13 months. The 13th month is paid in two equal parts in June and December of each year, in proportion to the employee's period of presence.

A variable gross annual salary of 200,000 Euros (*Two hundred thousand Euros*) at 100% of annual targets achieved is added to the fixed annual salary.

An advance on the variable is paid every month, amounting to 80% of the monthly variable. This advance is readjusted at the end of the year.

It is stipulated here that the employee has Executive status.

As an Executive, the rules applicable to the duration, organization and control of working hours do not apply.

His remuneration therefore remains independent of the time Mr. Eric NOWAK dedicates to the performance of his duties.

ARTICLE 5 - PAID LEAVE

Mr. NOWAK's paid leave entitlements for fiscal year 2012/2013 with ARROW ECS and not taken, as well as paid leave in the process of being acquired by Mr. NOWAK on November 30, 2013 with ARROW ECS, are transferred in their entirety to OPENWAY GROUP.

Mr. Eric NOWAK is entitled to the paid vacation provided for in the collective bargaining agreement, i.e. 25 working days per year.

The period of such leave is determined by agreement between the management and the employee, taking into account the requirements or constraints imposed by his position and activity.

ARTICLE 6 - PREVOYANCE REGULATIONS AND MEDICAL EXPENSES

Mr. Eric NOWAK acknowledges having read the Déclaration Unilatérale Employeur, relating to the compulsory insurance plan, as well as the summary of benefits and medical expenses.

ARTICLE 7 - OBLIGATIONS

During the term of his contract, Mr Eric NOWAK undertakes to comply with any instructions given to him by the company, and to abide by the rules governing the company's internal operations, or those governing the operations of the company with which he works. He acknowledges having read the internal regulations and the IT policy, and undertakes to comply with the various clauses.

Mr Eric NOWAK also undertakes to inform the company without delay of any changes that may occur in the situations he has indicated at the time of his engagement (address, marital status, etc.).

In addition, Mr. Eric NOWAK must provide all the information required to build up his personal file. He will also be required to attend the initial medical examination and any other periodic examinations to which he may be invited.

ARTICLE 8 - NON-COMPETITION AND NON-POACHING OF EMPLOYEES

8.1 Non-competition

In order to protect the Company's professional interests, and in view of the knowledge acquired of company secrets and strategic information of which Mr Eric NOWAK has become aware in the course of his duties, Mr Eric NOWAK acknowledges that the protection of the Company's legitimate interests requires that he be bound by a non-competition clause after the term of the present contract. Consequently, in the event of termination of the present contract by either party for any reason whatsoever, Mr Eric NOWAK undertakes not to:

- To create, acquire, lease, operate or become directly or indirectly involved, in any way whatsoever, in a business similar or competitive to that of the Company, i.e. a wholesaler of network and/or security products and, more generally, the products that constitute the Arrow ECS Group's product offering on the date of the employee's effective departure;
- To collaborate, in particular as an employee, or to take an interest in or assist, directly or through an intermediary, companies whose activities are similar to or compete with those of the Company, i.e. wholesalers of the products that make up the Arrow ECS Group's offering and the services that accompany this activity, on the day of the employee's effective departure;
- To canvass, directly or indirectly, the Company's customers or suppliers and, more generally, not to divert the Company's customers or suppliers in the course of carrying on a business similar to or in competition with that of the Company.

This ban on competition is limited to a period of eighteen (18) months from the effective departure of Mr Eric NOWAK and will apply throughout France.

In consideration of the non-compete obligation set out above, Mr Eric NOWAK will receive, for the duration of this prohibition, a gross monthly indemnity equal to seventy percent (70%) of his last gross base salary received during the month preceding his effective departure from the company.

Any breach of this clause will release the Company from payment of the financial consideration referred to above and will automatically render Mr. Eric NOWAK liable to the Company for reimbursement of what he may have received in this respect, independently of the penalty provided for hereinafter.

In addition, this violation will automatically render Mr Eric NOWAK liable to a penalty fixed from now on and on a lump-sum basis at an amount equal to twelve (12) months' gross salary on the basis of an average of the last three (3) months, penalty due for each infringement observed, without the need for a formal notice to cease competitive activity.

The Company may release Mr. Eric NOWAK from all or part of this non-competition undertaking by registered letter with return receipt requested, sent to him within fifteen (15) days of notification of breach of this contract by either party.

In this case, the Company will be fully discharged from payment to Mr. Eric NOWAK of the aforementioned indemnity. It is specified for all intents and purposes that the release of Mr. Eric NOWAK from his non-competition obligation under the present article 8.1 will leave intact the non-solicitation obligation referred to in article 8.2.

8.2 No Poaching

In the event of termination of this contract by either party for any reason whatsoever, from the date of the effective cessation of Mr Eric NOWAK's duties, Mr Eric NOWAK undertakes not to influence, encourage, solicit or entice, either directly or indirectly (except with the prior written

authorization of the Company), any member of staff of the Company or of the group to which it belongs, Eric NOWAK, or any person in the process of being recruited by the Company at the time of the effective termination of Mr. Eric NOWAK's duties, whatever their qualifications, for the purpose of working for, or collaborating in any way whatsoever with, a company whose activities are similar to and/or compete with those of the Company.

The commitment referred to in the present article 8.2 is valid for a period of two (2) years from the effective date of cessation of Mr. Eric NOWAK's duties.

ARTICLE 9 - OBLIGATIONS OF DISCRETION AND PROFESSIONAL SECRECY

Mr Eric NOWAK undertakes to maintain the strictest discretion with regard to all information he may have acquired in the course of his duties or as a result of his presence in the company.

This obligation includes the non-disclosure to any person whatsoever of any plans, studies, project designs or projects carried out by the company and/or any Group company, either on behalf of the company's customers or for the company, declaring itself bound in this respect by the strictest professional secrecy.

The same applies to information, findings, etc. arising from work carried out within the company or on behalf of customers.

Any breach by Mr Eric NOWAK of this strict obligation constitutes gross misconduct and will justify not only dismissal without notice, but also compensation for the damage caused.

These obligations shall continue even after termination of the present contract for any reason whatsoever.

ARTICLE 10 - PROFESSIONAL TRAINING

Eric NOWAK's individual training entitlement at November 30, 2014 has been transferred from ARROW ECS to OPENWAY GROUP.

In view of Mr Eric NOWAK's position and the development of techniques in the fields in which he works, the parties consider it an absolute necessity for Mr Eric NOWAK to maintain a high level of qualification and, as such, to ensure ongoing training.

With this in mind, Mr Eric NOWAK undertakes to attend all introductory or advanced training courses and seminars offered by management, and to read the appropriate technical or specialist publications likely to improve his level of knowledge.

ARTICLE 11 - COMPANY CAR

Mr Eric NOWAK benefits from a company car.

Although Mr. Eric NOWAK is provided with a company car for business purposes, he is authorized to use the vehicle entrusted to him outside the scope of his duties. He undertakes to make reasonable private personal use of it as defined by OPENWAY GROUP's internal administrative procedures, and in the event of suspension, termination or non-performance of the employment contract, to return it to the employer at the latter's first request.

The personal use of the car constitutes a benefit for tax purposes, and cannot be combined with an additional deduction for professional expenses.

Any fines incurred by the employee are at the employee's expense.

ARTICLE 12 - RETURN AND USE OF COMPANY-OWNED EQUIPMENT AND DOCUMENTS

All equipment, files, plans, documentation, etc. entrusted to the employee by the company in the performance of his duties shall remain the property of the company and shall be returned to him on request.

In addition, the employee expressly undertakes to return the aforementioned items on the day he or she effectively ceases to perform his or her duties, without prior request or formal notice from the company.

Signed in two originals in Courbevoie,

Le **30/12/2013**

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 1, 2025

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 1, 2025

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 29, 2025 (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 1, 2025

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 29, 2025 (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 1, 2025

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.
