

The 1-Minute Brief

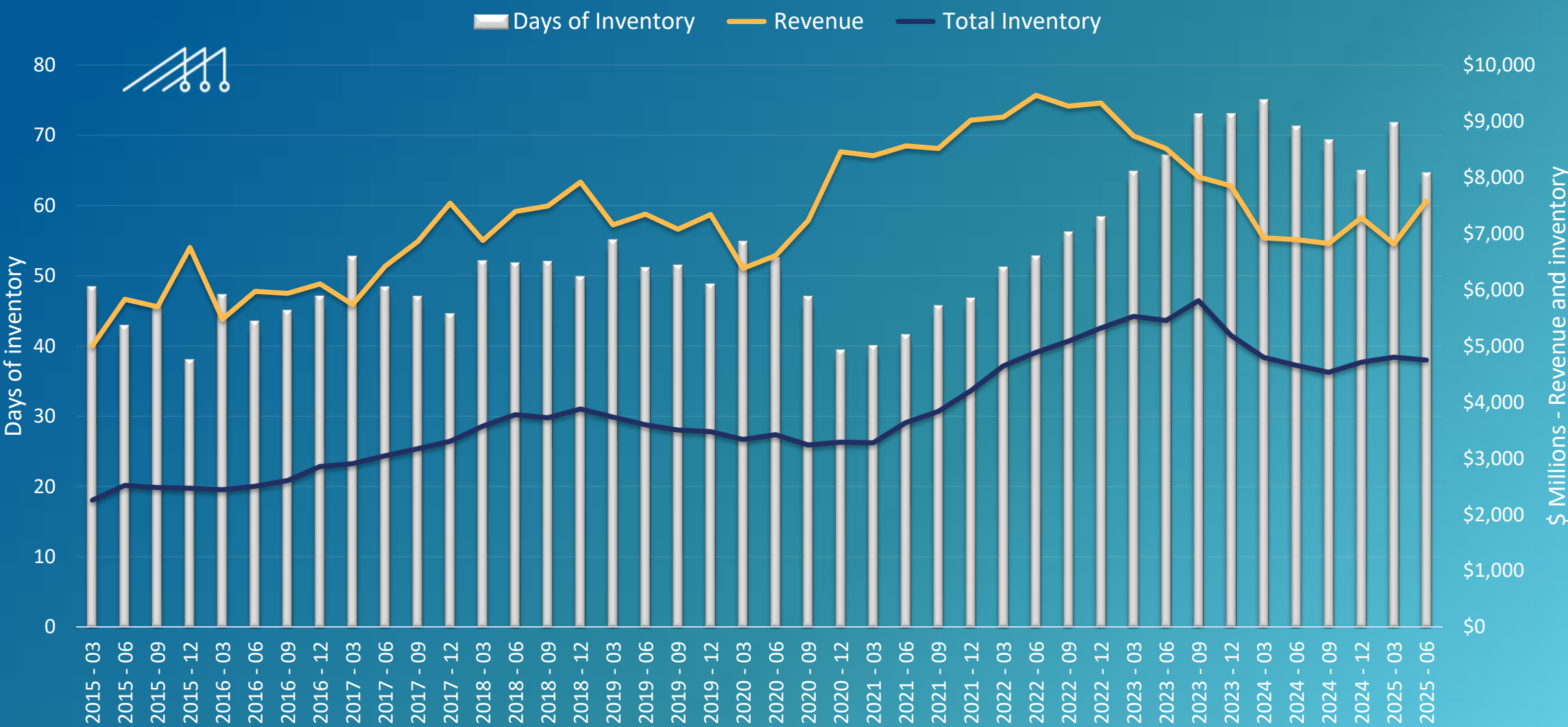
Arrow Electronics Q2'25 Earnings

Announced on 31, July'25

Key Takeaways

1. H1'25 saw 4% YoY growth, with Q2'25 sales reaching \$7.6B (up 10% YoY), driven by strong performance in both segments
2. Total backlog grew for the second consecutive quarter, with ECS* remaining over 50% higher YoY. Book-to-bill ratios >1 across all regions
3. Inventory is normalizing at large OEMs, but destocking continues in the mass market
4. Gross margin down YoY due to regional & customer mix in Global components, and product mix in ECS*

*ECS (Enterprise Computing Solutions)



Gross Margin Trend



Performance Breakdown

1. Global Components up +5% YoY, up +10% QoQ

Achieved first YoY growth since Q4'22, with Asia leading the recovery & improving trends across industrial, transportation & IP&E*

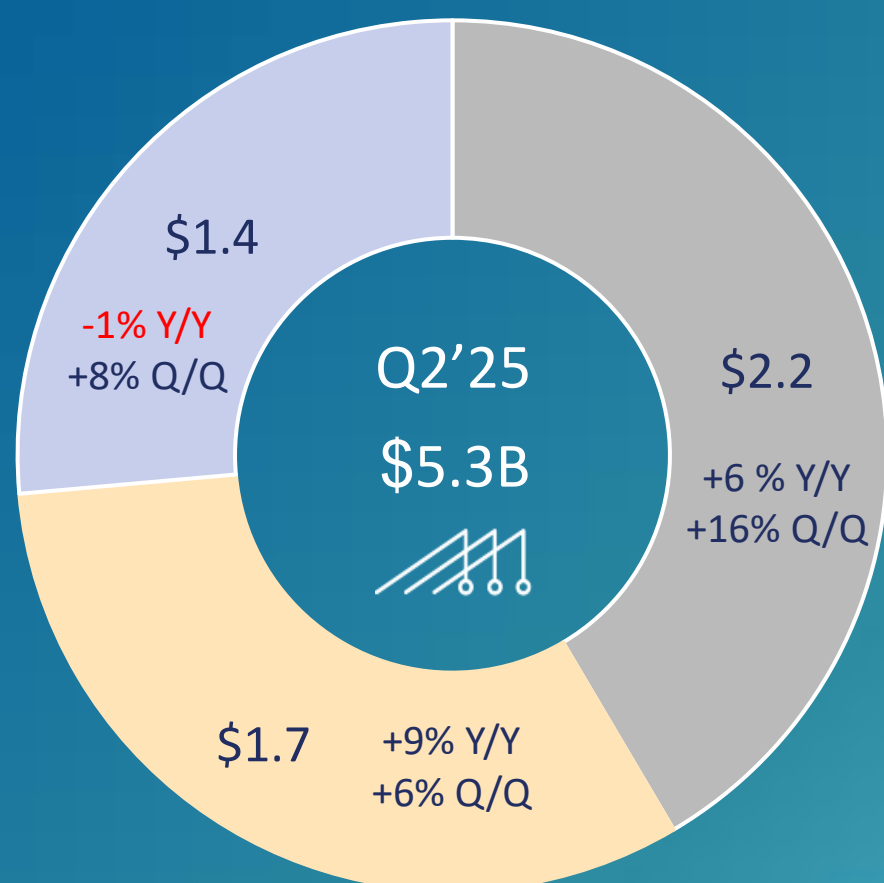
- Americas – strength in Industrial, aerospace & defense, and resilient transportation
- APAC – broad-based strength across verticals
- EMEA – strength in Industrial, transportation, and aerospace & defense

2. Enterprise Computing Solutions up +23% YoY, up +15% QoQ

- EMEA and Americas – broad-based growth in EMEA; strength in cloud, infrastructure software, and data storage in Americas
- Continued adoption of the Arrowsphere digital platform

*IP&E- Interconnect, Passive, and Electromechanical components

Global Components

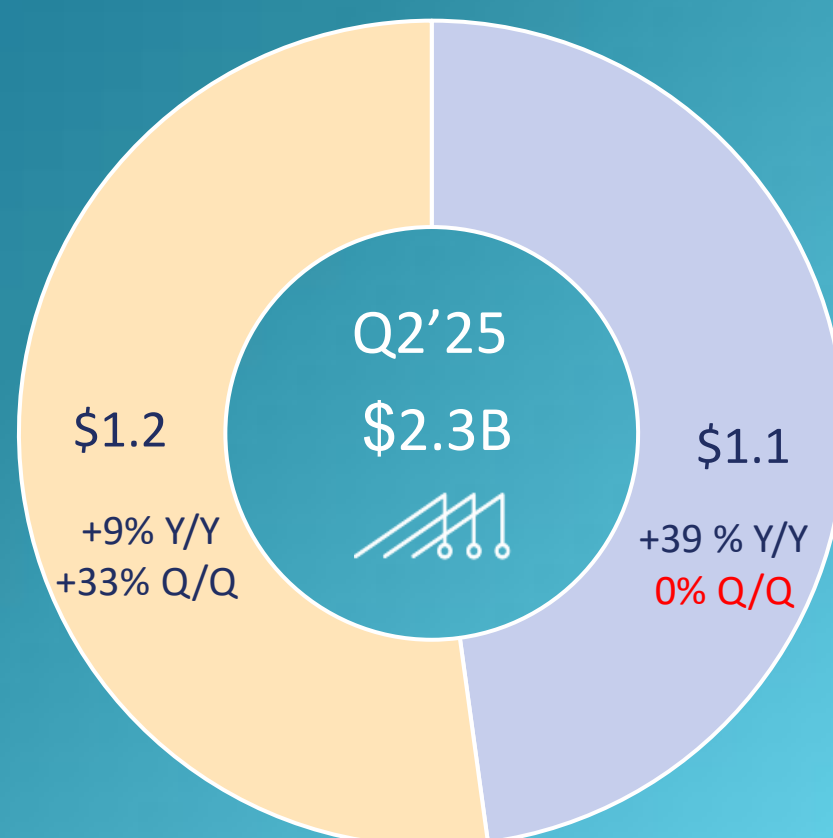


Asia Pacific

Americas


EMEA

Enterprise Computing Solutions



Outlook

- Sales expected to outperform typical seasonal trends in Q3
- Midpoint guidance for Q3'25:

	QoQ	YoY
Consolidated Sales	Flat	+12%
Global Components	+4%	+12%
Global ECS	-8%	+11%

H2'25 Outlook:

- Backlogs are growing steadily and extending into Q4 and early Q1'26
- Global Components: Gradual recovery helped by Asia, OEMs, and backlog
- ECS*: Growth continues in cloud and cybersecurity



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