TD SYNNEX Corporation (SNX)

Updated March 28th, 2025 by Quinn Mohammed

Key Metrics

Current Price:	$107	**5 Year CAGR Estimate:**	15.6%	**Market Cap:**	$11 B
Fair Value Price:	$136	**5 Year Growth Estimate:**	9.0%	**Ex-Dividend Date:**	04/11/25
% Fair Value:	79%	**5 Year Valuation Multiple Estimate:**	4.9%	**Dividend Payment Date:**	04/25/25
Dividend Yield:	1.6%	**5 Year Price Target**	$209	**Years Of Dividend Growth:**	5
Dividend Risk Score:	A	**Sector:**	Technology	**Rating:**	Buy

Overview & Current Events

TD SYNNEX Corporation is a technology distributor with a hand in a wide range of technological products, including servers and storage, software, networking, PCs, peripherals, mobile, services, and more. It serves customers in five continents, and over 100 countries. The company has more than 200,000 products and solutions, which it sells to over 2,500 OEMs and vendor partners, constituting more than 150,000 customers. TD SYNNEX was founded in 1980, is headquartered in Fremont, California, and has a market capitalization of $11 billion. On September 1st, 2021, SYNNEX Corporation merged with Tech Data Corporation, becoming TD SYNNEX. On December 1st, 2020, SYNNEX spun off Concentrix Corporation (CNXC) to shareholders. Shareholders were entitled to one share of CNXC for every single share of SNX held.

In the latest quarterly report, TD SYNNEX earned 58% of its revenue from the Americas, 35% from Europe, and 7% from Asia-Pacific and Japan.

On March 27th, 2025, TD SYNNEX reported first quarter 2025 results for the period ending February 28th 2025. For the quarter, the company generated revenue of $14.5 billion, which was 4% higher year-over-year. Adjusted net income equaled $237 million or $2.80 per share; a 6.4% decrease compared to Q1 2024.

TD SYNNEX repurchased $101 million of its common stock in the quarter, and paid $37 million of dividends.

Leadership initiated its second quarter 2025 outlook, expecting revenue to be $13.9 billion to $14.7 billion and adjusted EPS of $2.45 to $2.95. Investors were unimpressed with the quarterly report and shares declined 14% on the news.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$5.88	$7.51	$7.19	$10.87	$7.45	$7.38	$9.40	$11.94	$11.26	$11.68	***$12.36***	***$19.02***
DPS	$0.58	$0.85	$1.05	$1.40	$1.50	$0.40	$0.80	$1.20	$1.40	$1.60	***$1.76***	***$2.83***
Shares[1]	39.1	39.3	39.6	41.2	50.7	50.9	62.2	95.2	92.6	90.4	***83.0***	***80.0***

TD SYNNEX has grown at a fairly stable rate over the last decade, even through spinoffs and mergers, with a 5- and 9-year EPS CAGR of 7.9% and 9.4%, respectively. The spinoff of Concentrix in 2019 explains the drop in EPS for the year. And the merger with Tech Data in 2021 essentially rebased EPS and DPS, and set a new base from which to grow.

From its current base, TD SYNNEX expects to expand its strategic technologies business, such as Cloud, Data, AI, Internet of Things, Security and Hyperscale Infrastructure. These technologies accounted for 17% of adjusted gross billings in FY 2021, but grew to 25% for FY 2024, as they becomes more and more important to the composition and growth of the business.

SYNNEX is targeting shareholder returns of 15% to 20% in the medium term. It expects to increase its dividend at the same rate as EPS. It also has $1.7 billion remaining on its current share repurchase authorization. In 2024 and 2023, SYNNEX repurchased $612 million and $621 million of its common stock, respectively. Even so, its share count has risen over the long term.

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[1] In millions.

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We are now forecasting $12.36 in earnings-per-share for 2025 along with a 9.0% medium-term growth rate.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	8.8	9.3	10.1	6.8	7.1	8.9	12.7	12.6	11.3	13.6	***8.7***	***11.00***
Avg. Yld.	1.0%	1.5%	1.6%	2.6%	2.9%	2.6%	0.5%	1.1%	1.4%	1.3%	***1.6%***	***1.4%***

TD SYNNEX has traded at a very fair multiple over the last decade, at just 10.1 times earnings. Over the last five years, and following its merger with Tech Data, the company has traded at an average P/E ratio of 11.8. SYNNEX is currently trading at 8.7 times forecast EPS for 2025, which is below where we peg fair value, at 11.0 times earnings. Following the pandemic, and since its merger with Tech Data, TD SYNNEX has increased its dividend every year, for a 5-year dividend increase streak. Furthermore, from the 2020 low, its dividend has increased by a 35% CAGR. The yield is likely to remain in line with the broader market, at just above 1%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	10%	11%	15%	13%	20%	5%	9%	10%	12%	14%	***14%***	***15%***

TD SYNNEX benefits from its massive product portfolio, comprised of over 200,000 products and solutions, as well as its global employee and customer base. Furthermore, its products fall into a wide range of categories, softening the impact if any one of its product groups endure a downturn.

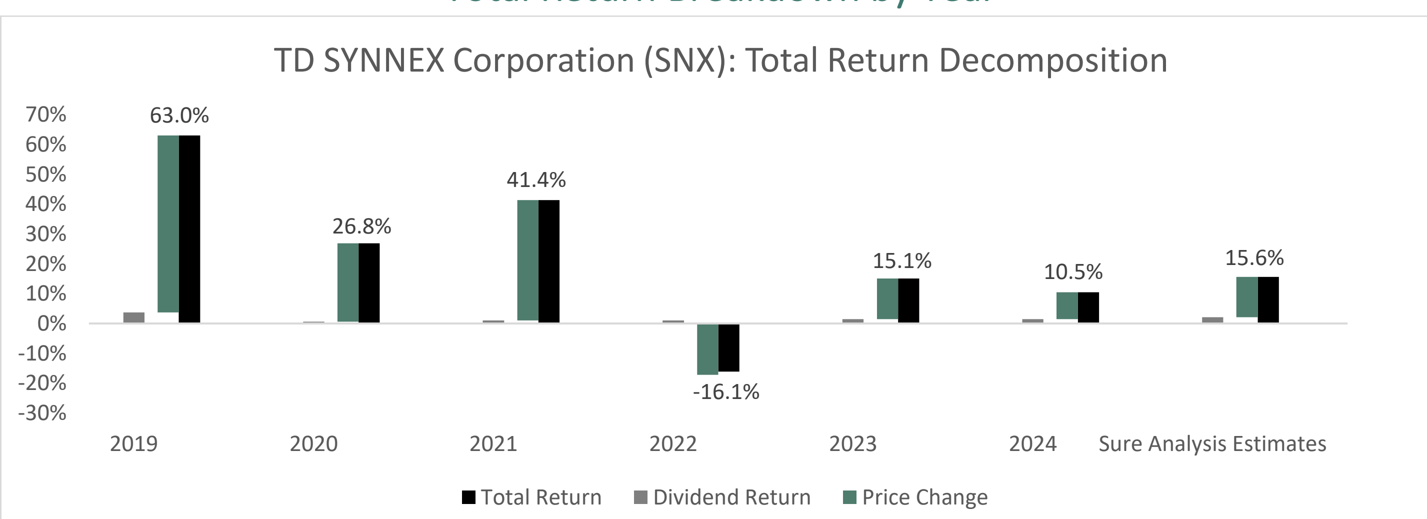
Given that TD SYNNEX is a multinational corporation with exposure to the US, Europe, and Asia, one of the business's current risks is the impending danger of tariffs on computer parts and accessories.

As of the most recent quarter, TD SYNNEX possessed over $5 billion available liquidity, and total debt and net debt leverage ratios were 2.5X and 2.2X, respectively.

Final Thoughts & Recommendation

After a positive start to the year, TD SYNNEX shares have now dropped 8% year-to-date, underperforming the 3.2% loss of the S&P 500 Index. The company does not have the earnings growth history of more flashy tech companies, nor the valuation, but it has produced a very consistent, strong, and reliable record that investors can respect. We are forecasting 15.6% total return potential stemming from 9.0% earnings-per-share growth, the 1.6% dividend yield, and 4.9% P/E multiple expansion. TD SYNNEX maintains its buy rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	13,338	14,062	16,771	19,768	19,070	19,977	31,614	62,344	57,555	58,452
Gross Profit	1,192	1,283	1,549	1,927	1,157	1,194	1,890	3,900	3,957	3,981
Gross Margin	8.9%	9.1%	9.2%	9.7%	6.1%	6.0%	6.0%	6.3%	6.9%	6.8%
SG&A Exp.	837	903	1,042	1,377	637	665	1,154	2,627	2,673	2,716
D&A Exp.	104	121	160	225	372	342	152	463	418	408
Operating Profit	355	380	507	550	520	529	735	1,273	1,284	1,266
Operating Margin	2.7%	2.7%	3.0%	2.8%	2.7%	2.6%	2.3%	2.0%	2.2%	2.2%
Net Profit	209	235	300	300	501	529	395	651	627	689
Net Margin	1.6%	1.7%	1.8%	1.5%	2.6%	2.6%	1.2%	1.0%	1.1%	1.2%
Free Cash Flow	541	201	79	(25)	412	1,636	755	(167)	1,257	1,043
Income Tax	119	121	163	157	111	102	71	176	163	177

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	4,444	5,215	7,699	11,543	11,698	13,469	27,666	29,734	29,413	30,274
Cash & Equivalents	336	381	551	455	226	1,412	994	523	1,034	1,059
Accounts Receivable	1,759	1,756	2,846	3,640	3,927	2,792	8,310	9,421	10,298	10,342
Inventories	1,329	1,742	2,163	2,393	2,547	2,684	6,643	9,067	7,146	8,287
Goodwill & Int. Ass.	465	785	1,456	3,581	3,417	610	8,830	8,227	8,148	7,807
Total Liabilities	2,644	3,239	5,415	8,108	7,910	9,130	19,760	21,708	21,230	22,239
Accounts Payable	1,445	1,683	2,627	3,048	3,149	3,751	12,035	13,989	13,347	15,084
Long-Term Debt	731	964	1,942	3,456	3,017	1,622	4,136	4,104	4,083	3,907
Shareholder's Equity	1,799	1,976	2,284	3,435	3,788	4,339	7,906	8,026	8,183	8,035
LTD/E Ratio	0.41	0.49	0.85	1.01	0.80	0.37	0.52	0.51	0.50	0.49

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.6%	4.9%	4.6%	3.1%	4.3%	4.2%	1.9%	2.3%	2.1%	2.3%
Return on Equity	12.1%	12.4%	14.1%	10.5%	13.9%	13.0%	6.5%	8.2%	7.7%	8.5%
ROIC	8.1%	8.6%	8.4%	5.4%	7.3%	8.3%	4.4%	5.4%	5.1%	5.7%
Shares Out.	39.1	39.3	39.6	41.2	50.7	50.9	62.2	95.2	92.6	90.4
Revenue/Share	338.95	355.73	421.83	476.90	374.39	389.90	504.23	652.75	619.86	680.68
FCF/Share	13.75	5.10	1.99	(0.59)	8.10	31.94	12.04	(1.74)	13.54	12.14

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.