Avnet, Inc. (AVT)

Updated December 23rd, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$49	**5 Year Annual Expected Total Return:**	1.7%	**Market Cap:**	$4.02 B
Fair Value Price:	$35	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	03/05/26[1]
% Fair Value:	139%	**5 Year Valuation Multiple Estimate:**	-6.3%	**Dividend Payment Date:**	03/20/26[2]
Dividend Yield:	2.9%	**5 Year Price Target**	$45	**Years Of Dividend Growth:**	13
Dividend Risk Score:	C	**Sector:**	Information Technology	**Rating:**	Hold

Overview & Current Events

Avnet Inc. (AVT) is a global distributor of electronic components and technology solutions, connecting semiconductors and other components suppliers to customers in 140 countries. Avnet is the third largest semiconductor distributor in the world and the largest for European chip distribution. The company has two main operating segments: the Electronic Components segment, which sells electrical components, semiconductors, interconnect, passive and electromechanical components, and the Farnell segment, which sells kits, tools, test measurement, and electronic components. The Electronic Components segment is the primary segment of the company, constituting of more than 90% of sales, while the Farnell segment contributes the remainder. The company operates across the Americas, Europe, the Middle East, Africa (EMEA), and Asia/Pacific regions.

On October 29th, 2025, Avnet announced Q1 2026 results, reporting non-GAAP adjusted diluted EPS of $0.84, which beat estimates by $0.03. The company reported revenue of $5.9 billion, which was up 5.4% year-over-year.

Avnet reported solid first-quarter results. Performance was driven by continued momentum in Asia, which posted its fifth consecutive quarter of year-over-year sales growth, and strong double-digit growth at Farnell for a second straight quarter. Importantly, the company also returned to year-over-year sales growth in the Americas, signaling a gradual improvement in demand across key end markets despite lingering macro uncertainty.

Profitability remained stable, with a GAAP operating margin of 2.4% and an adjusted operating margin of 2.6%. Avnet continued to emphasize shareholder returns, repurchasing $138 million of stock during the quarter and paying $28 million in dividends, while increasing its quarterly dividend by 6% year over year. Looking ahead, Avnet guided towards second-quarter sales to be in a range of $5.85 billion to $6.15 billion, with adjusted diluted EPS expected between $0.90 and $1.00, reflecting cautious optimism and expectations for sequential growth in the Americas and Asia.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$4.22	$3.24	$3.55	$4.11	$2.02	$2.70	$6.93	$8.37	$5.43	$2.75	***$4.42***	***$5.63***
DPS	$0.17	$0.18	$0.19	$0.20	$0.21	$0.21	$0.26	$1.16	$1.24	$1.24	***$1.40***	***$1.79***
Shares[3]	127.4	123.1	115.8	104.0	98.8	99.6	97.3	97.3	91.8	87.4	***83.8***	***68.0***

Avnet has suffered some recent setbacks that have hurt its profitability and EPS growth. Starting in 2016, the company suffered from a failed implementation of a new ERP system in North America that has prolonged impacted the firm's profitability and efficiency. Management's mistakes and poor execution are reflected in the financials as the EPS dropped from $4.49 in 2015 to $2.02 in 2020. However, the company experienced significant EPS and profitability growth in 2022.

We expect the company to continue its growth, but at a moderate pace, since despite the operational challenges, the company has a robust business model and will continue to do well in the coming years. The company has consistently reported double-digit revenue growth and has surpassed market expectations on EPS. Therefore, we used the midpoint of analysts' EPS estimates of $4.42 for 2026 and expect an annual EPS growth rate of 5.0% over the next five years,

---

[1] Estimated ex-dividend date
[2] Estimated dividend payment date
[3] Shares in millions.

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.

Avnet, Inc. (AVT)

Updated December 23rd, 2025, by Yiannis Zourmpanos

leading to our estimated EPS of $5.63 by the end of the fiscal year 2031. Finally, we expect the company to maintain a healthy dividend distribution and forecast a dividend payment of $1.79 in 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	10.0	12.6	11.8	10.5	14.3	14.7	6.2	5.6	10.1	18.4	***11.1***	***8.00***
Avg. Yld.	0.4%	0.4%	0.5%	0.5%	0.7%	0.7%	0.6%	2.5%	2.3%	2.5%	***2.9%***	***4.0%***

Avnet currently trades at a forward P/E of 11.1, lower than its normalized 10-year average P/E of 11.4, but slightly higher than five-year average P/E of 11.0. Even though the company operates in the cyclical sector and earnings growth has not been consistent, we believe it will continue to benefit from the robust demand for its products in the communication and defense market. That said, we believe a P/E ratio of 8.0 would be a fair reflection of the business, in our view, which results in a five-year price target of $45.

Safety, Quality, Competitive Advantage, & Recession Resiliency

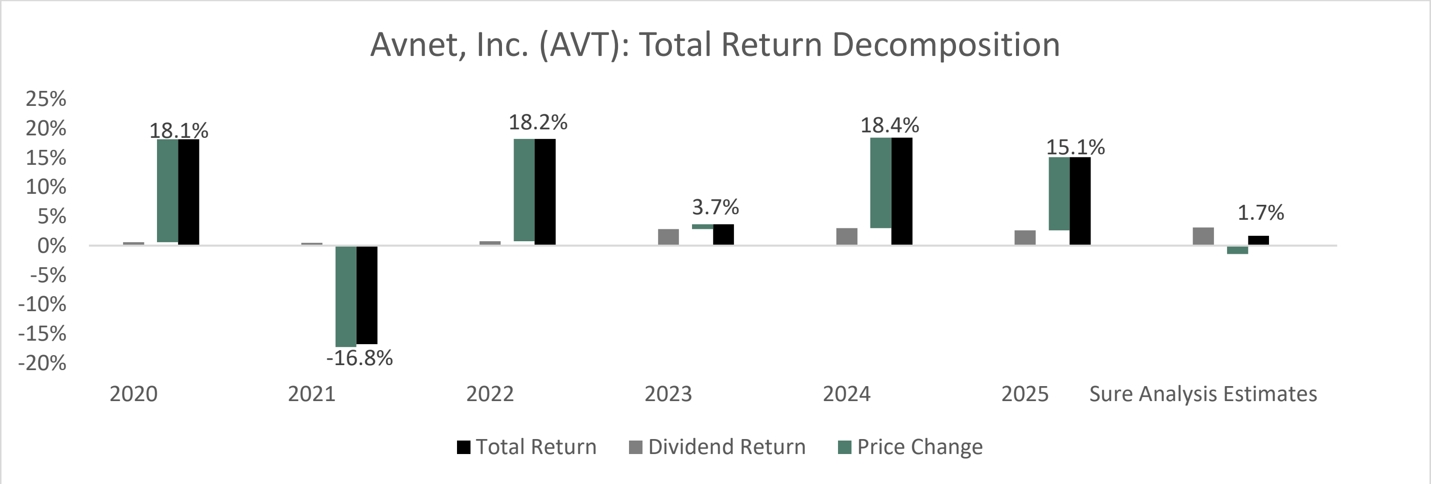
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	4%	6%	5%	5%	10%	8%	4%	14%	23%	45%	***32%***	***32%***

Avnet holds a competitive advantage as a global distributor of electronic components and solutions, benefiting from a vast network and industry expertise. Its recession performance has historically demonstrated resilience due to its diversified customer base spanning various sectors. However, its debt levels have fluctuated, impacting financial flexibility. Overall, AVT's competitive positioning and adaptable business model contribute to its stability during economic downturns, although debt management remains crucial for sustained growth. Avnet has paid increasing dividends over the past 12 years, with the payout ratio averaging 12%. The company has also been committed to increasing shareholder value by delivering a reliable dividend and continued share repurchases. During Q1, Avnet returned $138 million to shareholders through share repurchases, reducing shares outstanding by 3.2% and underscoring the company's continued commitment to disciplined capital allocation.

Final Thoughts & Recommendation

Although Avnet has suffered from implementation failures that have impacted its efficiency and profitability, the company remains the third largest chip distributor globally. Moreover, it holds the top market share in Europe. However, we maintain our hold rating premised our total annual return projection of 1.7% for the medium-term, derived from the forecasted earnings-per-share growth of 5.0%, a dividend yield of 2.9%, and multiple compression.

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.

Avnet, Inc. (AVT)

Updated December 23rd, 2025, by Yiannis Zourmpanos

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	16,741	17,440	19,037	19,519	17,634	19,535	24,310	26,540	23,760	22,200
Gross Profit	2,078	2,369	2,527	2,486	2,063	2,241	2,965	3,182	2,766	2,385
Gross Margin	12.4%	13.6%	13.3%	12.7%	11.7%	11.5%	12.2%	12.0%	11.6%	10.7%
SG&A Exp.	1,460	1,788	1,991	1,875	1,842	1,875	1,995	1,967	1,870	1,762
D&A Exp.	80	155	235	181	243	189	155	143	141	125
Operating Profit	618	581	536	611	221	366	971	1,215	897	623
Op. Margin	3.7%	3.3%	2.8%	3.1%	1.3%	1.9%	4.0%	4.6%	3.8%	2.8%
Net Profit	507	525	(156)	176	(31)	193	692	771	499	240
Net Margin	3.0%	3.0%	-0.8%	0.9%	-0.2%	1.0%	2.8%	2.9%	2.1%	1.1%
Free Cash Flow	87	(489)	98	412	657	41	(268)	(908)	464	577
Income Tax	87	47	288	60	(99)	(20)	141	212	134	10

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	11,240	9,700	9,597	8,565	8,105	8,925	10,390	12,480	12,210	12,170
Cash & Equivalents	1,031	836	621	546	477	200	154	288	311	192
Acc. Receivable	2,770	3,338	3,641	3,168	2,928	3,576	4,301	4,764	4,391	4,327
Inventories	2,560	2,825	3,142	3,008	2,732	3,237	4,244	5,465	5,469	5,235
Goodwill & Int.	644	1,426	1,201	1,020	839	867	771	781	781	837
Total Liabilities	6,549	4,518	4,912	4,424	4,379	4,841	6,196	7,725	7,284	7,154
Accounts Payable	1,591	1,862	2,269	1,864	1,754	2,401	3,432	3,374	3,346	3,487
Long-Term Debt	2,492	1,779	1,655	1,720	1,425	1,214	1,612	3,059	2,899	2,734
Total Equity	4,691	5,182	4,685	4,140	3,726	4,084	4,193	4,752	4,926	5,011
LTD/E Ratio	0.53	0.34	0.35	0.42	0.38	0.3	0.38	0.64	0.59	0.57

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	4.6%	5.0%	-1.6%	1.9%	-0.4%	2.3%	7.2%	6.7%	4.0%	2.0%
Return on Equity	10.8%	10.6%	-3.2%	4.0%	-0.8%	4.9%	16.7%	17.2%	10.3%	4.8%
ROIC	7.3%	7.4%	-2.4%	2.9%	-0.6%	3.7%	12.5%	11.3%	6.4%	3.0%
Shares Out.	127.4	123.1	115.8	104.0	98.8	99.6	99.8	93.4	91.8	87.4
Revenue/Share	125.71	135.56	158.76	176.16	175.51	195.02	243.55	284.22	258.69	253.98
FCF/Share	0.65	(3.80)	0.81	3.72	6.54	0.41	(2.69)	(9.73)	5.05	6.60

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