Avnet, Inc. (AVT)

Updated July 11th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$87	**5 Year Annual Expected Total Return:**	-7.0%	**Market Cap:**	$7.15 B
Fair Value Price:	$41	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	09/17/26[1]
% Fair Value:	212%	**5 Year Valuation Multiple Estimate:**	-13.9%	**Dividend Payment Date:**	09/25/26[2]
Dividend Yield:	1.6%	**5 Year Price Target**	$52	**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 April 29th, 2026, Avnet announced Q3 2026 results, reporting non-GAAP adjusted diluted EPS of $1.48, which beat estimates by $0.15. The company reported revenue of $7.1 billion in revenue, representing 34% year-over-year growth and a 12.7% increase from the prior quarter.

Avnet reported a strong fiscal third quarter, signaling that the semiconductor distribution market is entering a new upcycle as AI infrastructure demand, tighter component supply, and improving customer activity supported growth. Management said backlog continued to expand, with book-to-bill ratios remaining well above 1.0 across all regions, reflecting healthy demand. CEO Phil Gallagher noted that AI and data center investments are broadening into the company's core end markets, while supplier lead times are extending and memory prices have already begun to increase. CFO Ken Jacobson said higher memory pricing accounted for roughly half of sequential sales growth and about one-quarter of year-over-year revenue growth, although gross margin narrowed to 10.4% because of geographic and product mix.

Looking ahead, Avnet expects fiscal fourth-quarter revenue between $7.3 billion and $7.6 billion, with adjusted EPS of $1.70 to $1.80, assuming current market conditions remain intact. Management anticipates sequential sales growth across all Electronic Components regions, supported by further pricing gains and continued supply tightening. While executives acknowledged risks including geopolitical uncertainty, foreign exchange headwinds, and the potential for double ordering as lead times lengthen, they emphasized disciplined inventory management and confidence in the company's execution. Avnet also reiterated its goal of reducing leverage to around 3x by year-end before resuming share repurchases, underscoring its balanced focus on growth and capital allocation as industry conditions continue to improve.

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	***$5.14***	***$6.55***
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***

[1] The ex-dividend date is estimated based on historical data.
[2] The dividend payment date is estimated based on historical data.
[3] Shares in millions.

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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 should 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 $5.14 for 2026 and expect an annual EPS growth rate of 5.0% over the next five years, leading to our estimated EPS of $6.55 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	***16.9***	***8.0***
Avg. Yld.	0.4%	0.4%	0.5%	0.5%	0.7%	0.7%	0.6%	2.5%	2.3%	2.5%	***1.6%***	***3.4%***

Avnet currently trades at a forward P/E of 16.9, higher than both the 10-year average P/E of 11.4 and the 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 $52.

Safety, Quality, Competitive Advantage, & Recession Resiliency

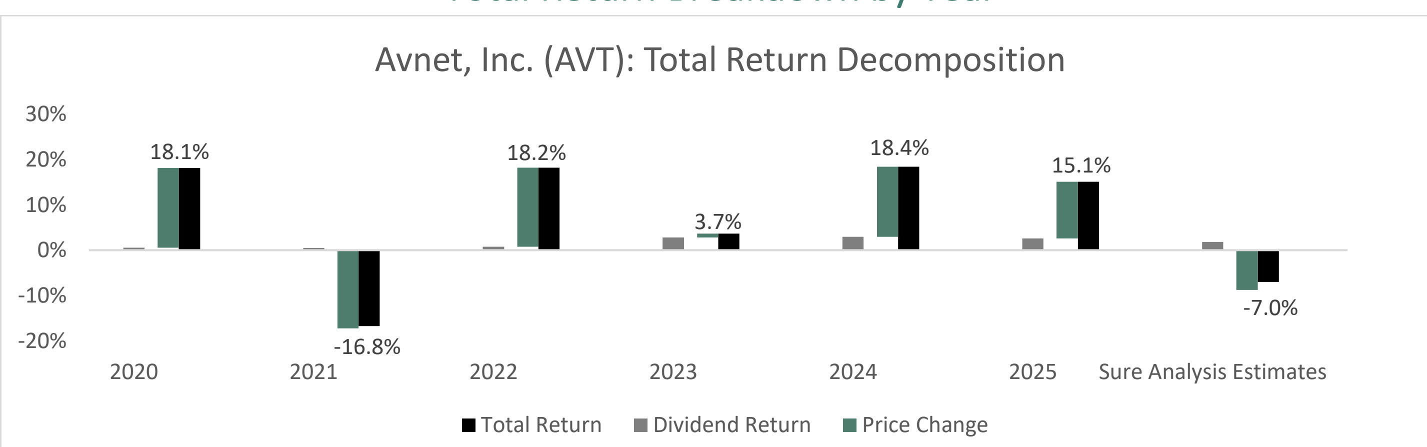
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	4%	6%	5%	5%	10%	8%	4%	14%	23%	45%	***27%***	***27%***

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 13 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.

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 -7.0% for the medium-term, derived from the forecasted earnings-per-share growth of 5.0%, a dividend yield of 1.6% and multiple compression.

Total Return Breakdown by Year



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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.