
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

(Mark One)

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

For the quarterly period ended May 31, 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: 001-31892



TD SYNEX CORPORATION
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

44201 Nobel Drive, Fremont, California

(Address of principal executive offices)

94-2703333

(IRS Employer Identification Number)

94538

(Zip Code)

(510) 668-3400

(Registrant's telephone number, including area code)

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|-------------------|---|
| Common Stock, par value \$0.001 per share | SNX | The 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 | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| Emerging growth company | <input type="checkbox"/> | | |

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Outstanding as of June 25, 2025 |
|---|---------------------------------|
| Common Stock, par value \$0.001 per share | 82,467,079 |

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TD SYNnex CORPORATION

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PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

TD SYNnex CORPORATION
CONSOLIDATED BALANCE SHEETS
(currency and share amounts in thousands, except par value)
(unaudited)

| | <u>May 31, 2025</u> | <u>November 30, 2024</u> |
|--|----------------------|--------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 767,099 | \$ 1,059,378 |
| Accounts receivable, net | 10,127,960 | 10,341,625 |
| Receivables from vendors, net | 987,901 | 958,105 |
| Inventories | 8,655,741 | 8,287,048 |
| Other current assets | 954,078 | 678,540 |
| Total current assets | <u>21,492,779</u> | <u>21,324,696</u> |
| Property and equipment, net | 482,912 | 457,024 |
| Goodwill | 3,997,641 | 3,895,077 |
| Intangible assets, net | 3,893,177 | 3,912,267 |
| Other assets, net | 642,673 | 685,415 |
| Total assets | <u>\$ 30,509,182</u> | <u>\$ 30,274,479</u> |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Borrowings, current | \$ 382,425 | \$ 171,092 |
| Accounts payable | 14,542,575 | 15,084,107 |
| Other accrued liabilities | 2,197,402 | 1,966,036 |
| Total current liabilities | <u>17,122,402</u> | <u>17,221,235</u> |
| Long-term borrowings | 3,723,280 | 3,736,399 |
| Other long-term liabilities | 487,227 | 468,648 |
| Deferred tax liabilities | 833,906 | 812,763 |
| Total liabilities | <u>22,166,815</u> | <u>22,239,045</u> |
| Commitments and contingencies (Note 13) | | |
| Stockholders' equity: | | |
| Preferred stock, \$0.001 par value, 5,000 shares authorized, no shares issued or outstanding | — | — |
| Common stock, \$0.001 par value, 200,000 shares authorized, 99,012 shares issued as of both May 31, 2025 and November 30, 2024 | 99 | 99 |
| Additional paid-in capital | 7,448,114 | 7,437,688 |
| Treasury stock, 17,092 and 15,289 shares as of May 31, 2025 and November 30, 2024, respectively | (1,737,413) | (1,513,017) |
| Accumulated other comprehensive loss | (402,554) | (645,117) |
| Retained earnings | 3,034,121 | 2,755,781 |
| Total stockholders' equity | <u>8,342,367</u> | <u>8,035,434</u> |
| Total liabilities and equity | <u>\$ 30,509,182</u> | <u>\$ 30,274,479</u> |

(Amounts may not add or compute due to rounding)

The accompanying Notes are an integral part of these Consolidated Financial Statements (unaudited).

TD SYNnex CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(currency and share amounts in thousands, except per share amounts)
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|---------------|------------------|---------------|
| | May 31, 2025 | May 31, 2024 | May 31, 2025 | May 31, 2024 |
| Revenue | \$ 14,946,315 | \$ 13,947,908 | \$ 29,478,022 | \$ 27,923,161 |
| Cost of revenue | (13,899,942) | (12,974,361) | (27,433,643) | (25,943,848) |
| Gross profit | 1,046,373 | 973,547 | 2,044,379 | 1,979,313 |
| Selling, general and administrative expenses | (717,570) | (671,714) | (1,410,055) | (1,343,259) |
| Acquisition, integration and restructuring costs | (664) | (37,885) | (1,726) | (69,534) |
| Operating income | 328,139 | 263,948 | 632,598 | 566,520 |
| Interest expense and finance charges, net | (89,982) | (76,701) | (177,862) | (152,592) |
| Other expense, net | (79) | (3,091) | (1,775) | (5,975) |
| Income before income taxes | 238,078 | 184,156 | 452,961 | 407,953 |
| Provision for income taxes | (53,157) | (40,551) | (100,503) | (92,220) |
| Net income | \$ 184,921 | \$ 143,605 | \$ 352,458 | \$ 315,733 |
| Earnings per common share: | | | | |
| Basic | \$ 2.22 | \$ 1.67 | \$ 4.20 | \$ 3.61 |
| Diluted | \$ 2.21 | \$ 1.66 | \$ 4.19 | \$ 3.60 |
| Weighted-average common shares outstanding: | | | | |
| Basic | 82,626 | 85,453 | 83,115 | 86,655 |
| Diluted | 82,935 | 85,869 | 83,447 | 87,019 |

(Amounts may not add or compute due to rounding)

The accompanying Notes are an integral part of these Consolidated Financial Statements (unaudited).

TD SYNnex CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(currency in thousands)
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | May 31, 2025 | May 31, 2024 | May 31, 2025 | May 31, 2024 |
| Net income | \$ 184,921 | \$ 143,605 | \$ 352,458 | \$ 315,733 |
| Other comprehensive income (loss): | | | | |
| Unrealized losses on cash flow hedges during the period, net of tax benefit of \$0 and \$0 for the three months ended May 31, 2025 and 2024, respectively, and \$0 and \$0 for the six months ended May 31, 2025 and 2024, respectively. | (1,619) | — | (1,626) | — |
| Reclassification of net losses on cash flow hedges to net income, net of tax benefit of \$3 and \$0 for the three months ended May 31, 2025 and 2024, respectively, and \$6 and \$0 for the six months ended May 31, 2025 and 2024, respectively. | 735 | — | 379 | — |
| Total change in unrealized losses on cash flow hedges, net of taxes | (884) | — | (1,247) | — |
| Foreign currency translation adjustments and other, net of tax benefit (expense) of \$16,405 and \$690 for the three months ended May 31, 2025 and 2024, respectively, and \$12,803 and (\$658) for the six months ended May 31, 2025 and 2024, respectively. | 284,935 | (13,212) | 243,810 | (45,036) |
| Other comprehensive income (loss) | 284,051 | (13,212) | 242,563 | (45,036) |
| Comprehensive income | <u>\$ 468,972</u> | <u>\$ 130,393</u> | <u>\$ 595,021</u> | <u>\$ 270,697</u> |

(Amounts may not add or compute due to rounding)

The accompanying Notes are an integral part of these Consolidated Financial Statements (unaudited).

TD SYNEX CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(currency in thousands, except per share amounts)
(unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---------------------|---------------------|---------------------|---------------------|
| | May 31, 2025 | May 31, 2024 | May 31, 2025 | May 31, 2024 |
| Total Stockholders' equity, beginning balance | \$ 8,050,395 | \$ 8,102,175 | \$ 8,035,434 | \$ 8,183,182 |
| Common stock and additional paid-in capital: | | | | |
| Beginning balance | 7,446,414 | 7,438,919 | 7,437,787 | 7,435,373 |
| Share-based compensation | 11,950 | 13,430 | 33,811 | 30,920 |
| Treasury stock reissued for employee benefit plans | (10,151) | (5,421) | (23,385) | (19,365) |
| Ending balance | <u>7,448,213</u> | <u>7,446,928</u> | <u>7,448,213</u> | <u>7,446,928</u> |
| Treasury stock: | | | | |
| Beginning balance | (1,595,512) | (1,138,919) | (1,513,017) | (949,714) |
| Repurchases of common stock for tax withholdings on equity awards | (4,582) | (1,489) | (8,832) | (6,287) |
| Reissuance of treasury stock for employee benefit plans | 12,883 | 8,201 | 35,898 | 24,872 |
| Repurchases of common stock | (150,202) | (256,638) | (251,462) | (457,716) |
| Ending balance | <u>(1,737,413)</u> | <u>(1,388,845)</u> | <u>(1,737,413)</u> | <u>(1,388,845)</u> |
| Retained earnings: | | | | |
| Beginning balance | 2,886,098 | 2,341,247 | 2,755,781 | 2,204,771 |
| Net income | 184,921 | 143,605 | 352,458 | 315,733 |
| Cash dividends declared | (36,898) | (34,191) | (74,118) | (69,843) |
| Ending balance | <u>3,034,121</u> | <u>2,450,661</u> | <u>3,034,121</u> | <u>2,450,661</u> |
| Accumulated other comprehensive loss: | | | | |
| Beginning balance | (686,605) | (539,072) | (645,117) | (507,248) |
| Other comprehensive income (loss) | 284,051 | (13,212) | 242,563 | (45,036) |
| Ending balance | <u>(402,554)</u> | <u>(552,284)</u> | <u>(402,554)</u> | <u>(552,284)</u> |
| Total stockholders' equity, ending balance | <u>\$ 8,342,367</u> | <u>\$ 7,956,460</u> | <u>\$ 8,342,367</u> | <u>\$ 7,956,460</u> |
| Cash dividends declared per share | <u>\$ 0.44</u> | <u>\$ 0.40</u> | <u>\$ 0.88</u> | <u>\$ 0.80</u> |

(Amounts may not add or compute due to rounding)

The accompanying Notes are an integral part of these Consolidated Financial Statements (unaudited).

TD SYNnex CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(currency in thousands)
(unaudited)

| | Six Months Ended | |
|---|-------------------------|---------------------|
| | May 31, 2025 | May 31, 2024 |
| Cash flows from operating activities: | | |
| Net income | \$ 352,458 | \$ 315,733 |
| Adjustments to reconcile net income to net cash (used in) provided by operating activities: | | |
| Depreciation and amortization | 203,305 | 206,906 |
| Share-based compensation | 33,811 | 30,920 |
| Provision for doubtful accounts | 10,942 | 4,922 |
| Other | 5,952 | 5,639 |
| Changes in operating assets and liabilities, net of acquisition of businesses: | | |
| Accounts receivable, net | 460,250 | 1,385,250 |
| Receivables from vendors, net | (7,041) | 128,921 |
| Inventories | (214,637) | 24,836 |
| Accounts payable | (870,147) | (1,145,971) |
| Other operating assets and liabilities | (149,708) | (687,155) |
| Net cash (used in) provided by operating activities | <u>(174,815)</u> | <u>270,001</u> |
| Cash flows from investing activities: | | |
| Purchases of property and equipment | (71,768) | (78,910) |
| Acquisition of businesses, net of cash acquired | (4,459) | (26,238) |
| Other | 5,149 | 4,351 |
| Net cash used in investing activities | <u>(71,078)</u> | <u>(100,797)</u> |
| Cash flows from financing activities: | | |
| Dividends paid | (74,118) | (69,843) |
| Proceeds from reissuance of treasury stock | 12,513 | 5,507 |
| Repurchases of common stock | (249,328) | (453,375) |
| Repurchases of common stock for tax withholdings on equity awards | (8,832) | (6,287) |
| Net borrowings (repayments) on revolving credit loans | 208,708 | (45,433) |
| Principal payments on long-term debt | (15,541) | (784,714) |
| Borrowings on long term debt | — | 1,349,376 |
| Cash paid for debt issuance costs | — | (12,715) |
| Net cash used in financing activities | <u>(126,598)</u> | <u>(17,484)</u> |
| Effect of exchange rate changes on cash and cash equivalents | 80,212 | (11,848) |
| Net (decrease) increase in cash and cash equivalents | (292,279) | 139,872 |
| Cash and cash equivalents at beginning of period | 1,059,378 | 1,033,776 |
| Cash and cash equivalents at end of period | <u>\$ 767,099</u> | <u>\$ 1,173,648</u> |

(Amounts may not add or compute due to rounding)

The accompanying Notes are an integral part of these Consolidated Financial Statements (unaudited).

TD SYNnex CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended May 31, 2025 and 2024
(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)
(unaudited)

NOTE 1—ORGANIZATION AND BASIS OF PRESENTATION:

TD SYNnex Corporation (together with its subsidiaries, herein referred to as "TD SYNnex", "SYNnex" or the "Company") is a leading global distributor and solutions aggregator for the information technology ("IT") ecosystem, headquartered in Fremont, California and Clearwater, Florida and has operations in North and South America, Europe and Asia-Pacific and Japan. The Company operates in three reportable segments based on its geographic regions: the Americas, Europe and Asia-Pacific and Japan ("APJ").

The Consolidated Financial Statements include the accounts of the Company, its wholly-owned subsidiaries and variable interest entities if the Company is the primary beneficiary. All intercompany accounts and transactions have been eliminated. The Company operates on a fiscal year that ends on November 30.

The accompanying interim unaudited Consolidated Financial Statements as of May 31, 2025 and for the three and six months ended May 31, 2025 and 2024 have been prepared by the Company, without audit, in accordance with the rules and regulations of the United States ("U.S.") Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles ("GAAP") in the U.S. have been condensed or omitted in accordance with such rules and regulations. In the opinion of management, the accompanying unaudited Consolidated Financial Statements reflect all adjustments, consisting only of normal recurring adjustments, necessary to state fairly the financial position of the Company and its results of operations and cash flows as of and for the periods presented. These financial statements should be read in conjunction with the annual audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2024.

Interim results of operations are not necessarily indicative of financial results for a full year, and the Company makes no representations related thereto. Certain columns and rows may not add or compute due to the use of rounded numbers.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

For a discussion of the Company's significant accounting policies, refer to the discussion in the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2024.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period. The Company evaluates these estimates on a regular basis and bases them on historical experience and on various assumptions that the Company believes are reasonable. Actual results could differ from the estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentration of credit risk consist principally of cash and cash equivalents, accounts receivable, receivables from vendors and derivative instruments.

The Company's cash and cash equivalents and derivative instruments are transacted and maintained with financial institutions with high credit standing, and their compositions and maturities are regularly monitored by management. Through May 31, 2025, the Company has not experienced any material credit losses on such deposits and derivative instruments.

TD SYNnex CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended May 31, 2025 and 2024
(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)
(unaudited)

Accounts receivable include amounts due from customers, including related parties. Receivables from vendors, net, includes amounts due from original equipment manufacturer ("OEM") vendors primarily in the technology industry. The Company performs ongoing credit evaluations of its customers' financial condition and limits the amount of credit extended when deemed necessary, but generally requires no collateral. The Company also maintains allowances for expected credit losses. In estimating the required allowances, the Company takes into consideration the overall quality and aging of its receivable portfolio, the existence of credit insurance and specifically identified customer and vendor risks.

The following table provides revenue generated from products purchased from vendors that exceeded 10% of our consolidated revenue for the periods indicated (as a percent of consolidated revenue):

| | Three Months Ended | | Six Months Ended | |
|-------------|--------------------|--------------|------------------|--------------------|
| | May 31, 2025 | May 31, 2024 | May 31, 2025 | May 31, 2024 |
| Apple, Inc. | 11 % | 11 % | 12 % | 12 % |
| HP Inc. | 11 % | 10 % | 10 % | N/A ⁽¹⁾ |

⁽¹⁾ Revenue generated from products purchased from this vendor was less than 10% of consolidated revenue during the period presented.

One customer accounted for 11% and 10% of the Company's total revenue during the three and six months ended May 31, 2025, respectively. One customer accounted for 12% and 11% of the Company's total revenue during the three and six months ended May 31, 2024, respectively. As of May 31, 2025 and November 30, 2024, no single customer comprised more than 10% of the consolidated accounts receivable balance.

Accounts Receivable

The Company maintains an allowance for doubtful accounts as an estimate to cover the future expected credit losses resulting from uncertainty regarding collections from customers or OEM vendors to make payments for outstanding balances. In estimating the required allowance, the Company takes into consideration historical credit losses, current conditions and reasonable and supportable forecasts. Adjustments to historical loss information are made for differences in current conditions as well as changes in forecasted macroeconomic conditions, such as changes in unemployment rates or gross domestic product growth. Expected credit losses are estimated on a pool basis when similar risk characteristics exist using an age-based reserve model. Receivables that do not share risk characteristics are evaluated on an individual basis.

The Company has uncommitted accounts receivable purchase agreements with global financial institutions under which trade accounts receivable of certain customers and their affiliates may be acquired, without recourse, by the financial institutions. Available capacity under these programs is dependent on the level of the Company's trade accounts receivable with these customers and the financial institutions' willingness to purchase such receivables. In addition, certain of these programs also require that the Company continue to service, administer and collect the sold accounts receivable. As of May 31, 2025 and November 30, 2024, accounts receivable sold to and held by the financial institutions under these programs were \$1.0 billion and \$1.2 billion, respectively. Discount fees related to the sale of trade accounts receivable under these facilities are included in "Interest expense and finance charges, net" in the Consolidated Statements of Operations. Discount fees for these programs totaled \$13.5 million and \$25.5 million in the three and six months ended May 31, 2025, respectively and \$16.6 million and \$32.6 million in the three and six months ended May 31, 2024, respectively.

Seasonality

The Company's operating results are affected by the seasonality of the IT products industry. The Company has historically experienced slightly higher sales in the first and fourth fiscal quarters due to patterns in capital budgeting, federal government spending and purchasing cycles of its customers and end-users. These historical patterns may not be repeated in subsequent periods.

TD SYNnex CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended May 31, 2025 and 2024
(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)
(unaudited)

Revenue Recognition

The Company generates revenue primarily from the sale of various IT products.

The Company recognizes revenue from the sale of IT hardware and software as control is transferred to customers, which is at the point in time when the product is shipped or delivered. The Company accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Binding purchase orders from customers together with agreement to the Company's terms and conditions of sale by way of an executed agreement or other signed documents are considered to be the contract with a customer. Products sold by the Company are delivered via shipment from the Company's facilities, drop-shipment directly from the vendor, or by electronic delivery of software products. In situations where arrangements include customer acceptance provisions, revenue is recognized when the Company can objectively verify the products comply with specifications underlying acceptance and the customer has control of the products. Revenue is presented net of taxes collected from customers and remitted to government authorities. The Company generally invoices a customer upon shipment, or in accordance with specific contractual provisions. Payments are due as per contract terms and do not contain a significant financing component. In relation to product support, supply chain management and other services performed by the Company, revenue is recognized over time as the services are performed.

Provisions for sales returns and allowances are estimated based on historical data and are recorded concurrently with the recognition of revenue. A liability is recorded at the time of sale for estimated product returns based upon historical experience and an asset is recognized for the amount expected to be recorded in inventory upon product return. These provisions are reviewed and adjusted periodically by the Company. Revenue is reduced for early payment discounts and volume incentive rebates offered to customers, which are considered variable consideration, at the time of sale based on an evaluation of the contract terms and historical experience.

The Company recognizes revenue on a net basis on certain contracts, where the Company's performance obligation is to arrange for the products or services to be provided by another party or the rendering of logistics services for the delivery of inventory for which the Company does not assume the risks and rewards of ownership, by recognizing the margins earned in revenue with no associated cost of revenue. Such arrangements include supplier service contracts, post-contract software support services, cloud computing and software as a service arrangements, certain fulfillment contracts, extended warranty contracts and certain of the Company's systems design and integration solutions arrangements which operate under a customer-owned procurement model.

The Company considers shipping and handling activities as costs to fulfill the sale of products. Shipping revenue is included in revenue when control of the product is transferred to the customer, and the related shipping and handling costs are included in cost of revenue.

The Company disaggregates its operating segment revenue by geography, which the Company believes provides a meaningful depiction of the nature of its revenue. Disaggregated revenue disclosure is presented in [Note 12](#) – Segment Information.

Reclassifications

Certain reclassifications have been made to prior period amounts in the Consolidated Financial Statements to conform to the current period presentation. These reclassifications did not have a material impact on previously reported amounts.

TD SYNnex CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended May 31, 2025 and 2024
(Except per share amounts or as otherwise indicated, currency and share amounts in thousands)
(unaudited)

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued an accounting standards update, ASU 2023-07, which requires the following enhanced segment disclosures on an annual and interim basis: (1) significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, (2) other segment items by reportable segment and a description of its composition, and (3) the title of the chief operating decision maker, an explanation of how they use the reported measures of segment profit/loss in assessing segment performance and decide how to allocate resources, as well as clarifications if they use more than one measure of a segment's profit or loss in assessing segment performance. The amendments in ASU 2023-07 will first be applied in the Company's Annual Report on Form 10-K for the fiscal year ending November 30, 2025, and for subsequent interim periods. The Company is currently evaluating the impact the new accounting standard will have on its segment reporting disclosures in the notes to the consolidated financial statements.

In December 2023, the FASB issued an accounting standards update, ASU 2023-09, which requires enhanced income tax disclosures. The enhanced disclosures required include disclosure of specific categories and disaggregation of information in the rate reconciliation table. ASU 2023-09 also requires disclosure of disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. The amendments in ASU 2023-09 are effective for annual periods beginning after December 15, 2024, which for the Company would be the fiscal year ending November 30, 2026. Early adoption is permitted and the amendments should be applied on a prospective basis. Retrospective application is permitted. The Company is currently evaluating the impact the new accounting standard will have on its income tax disclosures in the notes to the consolidated financial statements.

In November 2024, the FASB issued an accounting standards update, ASU 2024-03, which requires new tabular disclosures in the notes to consolidated financial statements, disaggregating certain cost and expense categories within relevant captions on the Consolidated Statements of Operations. The prescribed cost and expense categories requiring disaggregated disclosures include purchases of inventory, employee compensation, depreciation and intangible asset amortization, along with certain other expense disclosures already required by U.S. GAAP that would need to be integrated within the new tabular disaggregated expense disclosures. Additionally, the amendments also require the disclosure of total selling expenses and an entity's definition of those expenses. The amendments in ASU 2024-03 are effective for annual periods beginning after December 15, 2026, which for the Company would be the fiscal year ending November 30, 2028, and for subsequent interim periods. Early adoption is permitted and the amendments should be applied on a prospective basis. Retrospective application is permitted. The Company is currently evaluating the impact the new accounting standard will have on its expense disclosures in the notes to the consolidated financial statements.

NOTE 3—ACQUISITION, INTEGRATION AND RESTRUCTURING COSTS:

Acquisition, integration and restructuring costs during the three and six months ended May 31, 2024 were primarily comprised of costs related to the Merger (as defined below). Other acquisition, integration and restructuring costs were \$0.7 million and \$1.7 million during the three and six months ended May 31, 2025, respectively, and \$5.2 million during the three and six months ended May 31, 2024.

The Merger

On March 22, 2021, the Company entered into an agreement and plan of merger (the "Merger Agreement") which provided that legacy SYNnex Corporation would acquire legacy Tech Data Corporation, a Florida corporation ("Tech Data") through a series of mergers, which would result in Tech Data becoming an indirect subsidiary of TD SYNnex Corporation (collectively, the "Merger"). On September 1, 2021, pursuant to the terms of the Merger Agreement, the Company acquired all the outstanding shares of common stock of Tiger Parent (AP) Corporation, the parent corporation of Tech Data, for consideration of \$1.6 billion in cash (\$1.1 billion in cash after giving effect to a \$500.0 million equity contribution by Tiger Parent Holdings, L.P., Tiger Parent (AP) Corporation's sole stockholder and an affiliate of Apollo Global Management, Inc., to Tiger Parent (AP) Corporation prior to the effective time of the Merger) and 44 million shares of common stock of SYNnex valued at approximately \$5.6 billion.

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The Company completed the acquisition, integration and restructuring activities related to the Merger during the first half of fiscal year 2024. There were no related expenses recognized during the three and six months ended May 31, 2025 and there are no related expenses expected in future periods. The Company previously incurred acquisition, integration and restructuring costs related to the completion of the Merger, including professional services costs, personnel and other costs, and long-lived assets charges and termination fees. Professional services costs are primarily comprised of IT and other consulting services, as well as legal expenses. Personnel and other costs are primarily comprised of costs related to retention and other bonuses, severance and duplicative labor costs. Long-lived assets charges and termination fees include accelerated depreciation and amortization expense of \$5.1 million and \$5.5 million recorded during the three and six months ended May 31, 2024, respectively, due to changes in asset useful lives in conjunction with the consolidation of certain IT systems, along with \$10.4 million and \$17.0 million recorded during the three and six months ended May 31, 2024, respectively, for termination fees related to certain IT systems.

In July 2023, the Company offered a voluntary severance program ("VSP") to certain co-workers in the U.S. as part of the Company's cost optimization efforts related to the Merger. The Company incurred \$2.9 million and \$10.1 million of costs in connection with the VSP during the three and six months ended May 31, 2024, respectively, including \$2.0 million and \$8.0 million of severance costs and \$0.9 million and \$2.1 million of duplicative labor costs, respectively.

During the three and six months ended May 31, 2024, acquisition and integration expenses related to the Merger were composed of the following:

| | Three Months Ended | Six Months Ended |
|--|---------------------------|-------------------------|
| | May 31, 2024 | May 31, 2024 |
| | (currency in thousands) | |
| Professional services costs | \$ 7,058 | \$ 16,456 |
| Personnel and other costs | 7,316 | 15,279 |
| Long-lived assets charges and termination fees | 15,496 | 22,533 |
| Voluntary severance program costs | 2,893 | 10,113 |
| Total | \$ 32,763 | \$ 64,381 |

NOTE 4—SHARE-BASED COMPENSATION:

Overview of Stock Incentive Plans

The Company recognizes share-based compensation expense for all share-based awards made to employees and outside directors, including employee stock options, restricted stock awards ("RSAs"), restricted stock units ("RSUs"), performance-based RSUs ("PRsUs") and employee stock purchase rights, based on estimated fair values.

The following tables summarize the Company's share-based awards activity for stock incentive plans during the six months ended May 31, 2025.

A summary of the changes in the Company's stock options is set forth below:

| (shares in thousands) | <u>Stock options</u> |
|----------------------------------|----------------------|
| Balances as of November 30, 2024 | 482 |
| Exercised | (78) |
| Balances as of May 31, 2025 | 404 |

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A summary of the changes in the Company's non-vested RSAs and RSUs is presented below:

| (shares in thousands) | <u>RSAs and RSUs</u> |
|---------------------------------------|----------------------|
| Non-vested as of November 30, 2024 | 1,252 |
| Granted | 141 |
| Vested | (219) |
| Attainment adjustments ⁽¹⁾ | (12) |
| Cancelled | (35) |
| Non-vested as of May 31, 2025 | <u>1,127</u> |

⁽¹⁾ During the six months ended May 31, 2025, the attainment on PRSUs vested was adjusted to reflect actual performance.

The Company recorded \$12.0 million and \$33.8 million of share-based compensation expense during the three and six months ended May 31, 2025, respectively and \$13.4 million and \$30.9 million during the three and six months ended May 31, 2024, respectively within "Selling, general and administrative expenses" in the Consolidated Statements of Operations for stock incentive plans.

NOTE 5—STOCKHOLDERS' EQUITY:

Share Repurchase Program

In January 2023, the Board of Directors authorized a three-year \$1.0 billion share repurchase program. In March 2024, the Board of Directors authorized a \$2.0 billion share repurchase program (the "March 2024 share repurchase program"), supplementing the \$196.7 million remaining authorization under the prior program, pursuant to which the Company may repurchase its outstanding common stock from time to time in the open market or through privately negotiated transactions, including pursuant to one or more Rule 10b5-1 trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934. The March 2024 share repurchase program does not have an expiration date.

As of May 31, 2025, the Company had \$1.5 billion available for future repurchases of its common stock under the March 2024 share repurchase program.

The Company's common share repurchase activity for the six months ended May 31, 2025 is summarized as follows:

| (shares in thousands, except per share amounts) | <u>Shares</u> | <u>Weighted-average price per share</u> |
|--|---------------|---|
| Treasury stock balance as of November 30, 2024 | 15,289 | \$ 98.96 |
| Shares of treasury stock repurchased under share repurchase program ⁽¹⁾ | 2,091 | 119.19 |
| Shares of treasury stock repurchased for tax withholdings on equity awards | 72 | 123.16 |
| Shares of treasury stock reissued for employee benefit plans | (360) | 99.71 |
| Treasury stock balance as of May 31, 2025 | <u>17,092</u> | <u>\$ 101.65</u> |

⁽¹⁾ Weighted-average price per share excludes broker's commissions and excise taxes. "Repurchases of common stock" in the Consolidated Statements of Cash Flows for the six months ended May 31, 2025 and 2024 excludes amounts related to excise tax that when accrued are included in "Other current liabilities" and "Treasury stock" on the Consolidated Balance Sheets. Excise taxes paid are classified as operating activities in the Consolidated Statements of Cash Flows.

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Dividends

On June 24, 2025, the Company announced that its Board of Directors declared a quarterly cash dividend of \$0.44 per common share payable on July 25, 2025 to stockholders of record as of the close of business on July 11, 2025. Dividends are subject to continued capital availability and the declaration by the Board of Directors in the best interest of the Company's stockholders.

NOTE 6—EARNINGS PER COMMON SHARE:

The following table sets forth the computation of basic and diluted earnings per common share for the periods indicated:

| | Three Months Ended | | Six Months Ended | |
|---|--------------------|----------------|------------------|----------------|
| | May 31, 2025 | May 31, 2024 | May 31, 2025 | May 31, 2024 |
| (currency and share amounts in thousands, except per share amounts) | | | | |
| Basic earnings per common share: | | | | |
| Net income attributable to common stockholders ⁽¹⁾ | \$ 183,292 | \$ 142,280 | \$ 349,242 | \$ 312,887 |
| Weighted-average number of common shares - basic | 82,626 | 85,453 | 83,115 | 86,655 |
| Basic earnings per common share | <u>\$ 2.22</u> | <u>\$ 1.67</u> | <u>\$ 4.20</u> | <u>\$ 3.61</u> |
| Diluted earnings per common share: | | | | |
| Net income attributable to common stockholders ⁽¹⁾ | \$ 183,297 | \$ 142,284 | \$ 349,252 | \$ 312,896 |
| Weighted-average number of common shares - basic | 82,626 | 85,453 | 83,115 | 86,655 |
| Effect of dilutive securities: | | | | |
| Stock options and RSUs | 309 | 416 | 332 | 364 |
| Weighted-average number of common shares - diluted | 82,935 | 85,869 | 83,447 | 87,019 |
| Diluted earnings per common share | <u>\$ 2.21</u> | <u>\$ 1.66</u> | <u>\$ 4.19</u> | <u>\$ 3.60</u> |
| Anti-dilutive shares excluded from diluted earnings per share calculation | <u>67</u> | <u>137</u> | <u>33</u> | <u>179</u> |

⁽¹⁾ Diluted EPS is calculated using the two-class method. Unvested RSAs granted to employees are considered participating securities. For purposes of calculating Diluted EPS, net income allocated to participating securities was approximately 0.9% of net income for both the three and six months ended May 31, 2025 and 2024.

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NOTE 7—BALANCE SHEET COMPONENTS:

Accounts receivable, net:

The following table summarizes accounts receivable, net:

| | As of | |
|---------------------------------------|-------------------------|-------------------|
| | May 31, 2025 | November 30, 2024 |
| | (currency in thousands) | |
| Accounts receivable | \$ 10,223,250 | \$ 10,443,290 |
| Less: Allowance for doubtful accounts | (95,290) | (101,665) |
| Accounts receivable, net | \$ 10,127,960 | \$ 10,341,625 |

Allowance for doubtful trade receivables:

The following table summarizes the changes to the allowance for doubtful trade receivables (currency in thousands):

| | |
|--|------------|
| Balance as of November 30, 2024 | \$ 101,665 |
| Additions | 10,942 |
| Write-offs, recoveries, reclassifications and foreign exchange translation | (17,317) |
| Balance as of May 31, 2025 | \$ 95,290 |

Accumulated other comprehensive loss:

The components of accumulated other comprehensive loss (“AOCI”), net of taxes, were as follows:

| | Unrealized (losses) gains on cash flow hedges, net of taxes | Foreign currency translation adjustment and other, net of taxes | Total |
|--|---|---|--------------|
| Balance as of November 30, 2024 | \$ (110) | \$ (645,007) | \$ (645,117) |
| Other comprehensive (loss) income before reclassification | (1,626) | 243,810 | 242,184 |
| Reclassification of losses from accumulated other comprehensive loss | 379 | — | 379 |
| Balance as of May 31, 2025 | \$ (1,357) | \$ (401,197) | \$ (402,554) |

Refer to [Note 8](#) - Derivative Instruments for the location of gains and losses reclassified from AOCI to the Consolidated Statements of Operations.

NOTE 8—DERIVATIVE INSTRUMENTS:

In the ordinary course of business, the Company is exposed to foreign currency risk, interest rate risk, equity risk, commodity price changes and credit risk. The Company enters into transactions, and owns monetary assets and liabilities, that are denominated in currencies other than the legal entity’s functional currency. The Company may enter into forward contracts, option contracts, swaps, or other derivative instruments to offset a portion of the risk on expected future cash flows, earnings, net investments in certain international subsidiaries and certain existing assets and liabilities. However, the Company may choose not to hedge certain exposures for a variety of reasons including, but not limited to, accounting considerations and the prohibitive economic cost of hedging particular exposures. There can be no assurance the hedges will offset more than a portion of the financial impact resulting from movements in foreign currency exchange or interest rates. The Company does not use derivative instruments to cover equity risk and credit risk. The Company’s hedging program is not used for trading or speculative purposes.

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All derivatives are recognized on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded in the Consolidated Statements of Operations, or as a component of AOCI in the Consolidated Balance Sheets, as discussed below.

Cash Flow Hedges

The Company designates certain foreign currency forward contracts used to hedge forecasted sales transactions, inventory purchases and operating expenses that are denominated in currencies other than the legal entity's functional currency as cash flow hedges. These foreign currency forward contracts generally have terms up to 24 months. Gains and losses on cash flow hedges are recorded in AOCI until the hedged item is recognized in earnings. Deferred gains and losses associated with cash flow hedges are recognized in the Consolidated Statements of Operations in the same period as the related impacts from the hedged items, as follows: hedges of forecasted sales transactions are recognized in "Revenue", hedges of forecasted inventory purchases are recognized in "Cost of revenue" and hedges of forecasted operating expenses are recognized in "Selling, general and administrative expenses".

Derivative instruments designated as cash flow hedges must be de-designated as hedges when it is probable the forecasted hedged transaction will not occur in the initially identified time period or within a subsequent two-month time period. Deferred gains and losses in AOCI associated with such derivative instruments are reclassified into earnings in the period of de-designation. Any subsequent changes in fair value of such derivative instruments are recorded in earnings unless they are re-designated as hedges of other transactions. The Company classifies cash flows related to the settlement of its cash flow hedges as operating activities in the Consolidated Statements of Cash Flows.

Net Investment Hedges

The Company has entered into foreign currency forward contracts, as well as foreign currency forward contracts combined with zero cost foreign exchange collar contracts, to hedge a portion of its net investment in euro denominated foreign operations which are designated as net investment hedges. The Company entered into the net investment hedges to offset the risk of change in the U.S. dollar value of the Company's investment in a euro functional subsidiary due to fluctuating foreign exchange rates. Gains and losses on the net investment hedges, which have been recorded in AOCI and will remain in AOCI until the sale or substantial liquidation of the underlying assets of the Company's investment, are included within the "Foreign currency translation adjustments and other" caption on the Consolidated Statements of Comprehensive Income. The initial fair value of hedge components excluded from the assessment of effectiveness is being recognized in the Consolidated Statements of Operations under a systematic and rational method over the life of the hedging instrument. The Company classifies cash flows related to the settlement of its net investment hedges as investing activities in the Consolidated Statements of Cash Flows.

Non-Designated Derivatives

The Company uses short-term forward contracts to offset the foreign exchange risk of assets and liabilities denominated in currencies other than the functional currency of the respective entities. These contracts, which are not designated as hedging instruments, mature or settle within twelve months. Derivatives that are not designated as hedging instruments are adjusted to fair value through earnings in the financial statement line item to which the derivative relates.

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Fair Values of Derivative Instruments in the Consolidated Balance Sheets

The fair values of the Company's derivative instruments are disclosed in [Note 9](#) – Fair Value Measurements and summarized in the table below:

| Balance Sheet Line Item (currency in thousands) | Value as of | |
|--|--------------|-------------------|
| | May 31, 2025 | November 30, 2024 |
| Derivative instruments not designated as hedging instruments: | | |
| Foreign exchange forward contracts (notional value) | \$ 2,277,702 | \$ 1,962,852 |
| Other current assets | 4,615 | 11,863 |
| Other accrued liabilities | 15,500 | 8,096 |
| Derivative instruments designated as cash flow hedges: | | |
| Foreign exchange forward contracts (notional value) ⁽¹⁾ | \$ 54,941 | \$ — |
| Other current liabilities | 874 | — |
| Derivative instruments designated as net investment hedges: | | |
| Foreign currency forward contracts (notional value) | \$ 680,559 | \$ 687,475 |
| Other current assets | — | 220 |
| Other long-term assets | — | 2,320 |
| Other accrued liabilities | 827 | 91 |
| Other long-term liabilities | 42,198 | 7,889 |
| Foreign exchange collar contracts (notional value) | \$ 300,000 | \$ 300,000 |
| Other long-term assets | — | 1,792 |
| Other long-term liabilities | 6,113 | — |

⁽¹⁾ The Company had no material cash flow hedges outstanding as of November 30, 2024.

Volume of Activity

The notional amounts of foreign exchange forward contracts represent the gross amounts of foreign currency, including, principally, the Australian dollar, Brazilian real, British pound, Canadian dollar, Chinese yuan, Costa Rican colón, Czech koruna, Danish krone, Euro, Indian rupee, Indonesian rupiah, Japanese yen, Mexican peso, Norwegian krone, Polish zloty, Romanian leu, Singapore dollar, Swedish krona, Swiss franc and Turkish lira that will be bought or sold at maturity. The notional amounts of foreign exchange collar contracts represent the amounts of put and call options to sell or purchase Euros at a predetermined strike price. The notional amounts for outstanding derivative instruments provide one measure of the transaction volume outstanding and do not represent the amount of the Company's exposure to credit or market loss. The Company's exposure to credit loss and market risk will vary over time as currency and interest rates change.

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The Effect of Derivative Instruments on AOCI and the Consolidated Statements of Operations

The following table shows the gains and losses, before taxes, of the Company's derivative instruments designated as cash flow hedges and net investment hedges in Other Comprehensive Income ("OCI") and not designated as hedging instruments in the Consolidated Statements of Operations for the periods presented:

| Location of Gains (Losses) in Income | Three Months Ended | | Six Months Ended | |
|---|-------------------------|-----------------|--------------------|-----------------|
| | May 31, 2025 | May 31, 2024 | May 31, 2025 | May 31, 2024 |
| | (currency in thousands) | | | |
| Derivative instruments not designated as hedging instruments: | | | | |
| (Losses) gains recognized from foreign exchange contracts, net ⁽¹⁾ | \$ (62,401) | \$ 326 | \$ (47,404) | \$ 6,448 |
| (Losses) gains recognized from foreign exchange contracts, net ⁽¹⁾ | (125) | (290) | (2,612) | 1,766 |
| Total | <u>\$ (62,526)</u> | <u>\$ 36</u> | <u>\$ (50,016)</u> | <u>\$ 8,214</u> |
| Derivative instruments designated as cash flow hedges⁽²⁾: | | | | |
| Losses recognized in OCI on foreign exchange forward contracts | <u>\$ (1,619)</u> | <u>\$ —</u> | <u>\$ (1,626)</u> | <u>\$ —</u> |
| Losses on foreign exchange forward contracts reclassified from AOCI into income | <u>\$ (646)</u> | <u>\$ —</u> | <u>\$ (238)</u> | <u>\$ —</u> |
| Losses on foreign exchange forward contracts reclassified from AOCI into income | <u>\$ (92)</u> | <u>\$ —</u> | <u>\$ (147)</u> | <u>\$ —</u> |
| Derivative instruments designated as net investment hedges: | | | | |
| (Losses) gains recognized in OCI on foreign exchange forward contracts | <u>\$ (54,676)</u> | <u>\$ (872)</u> | <u>\$ (42,452)</u> | <u>\$ 4,572</u> |
| Gains recognized in income (amount excluded from effectiveness testing) | <u>\$ 2,554</u> | <u>\$ 2,388</u> | <u>\$ 5,077</u> | <u>\$ 4,644</u> |
| Losses recognized in OCI on foreign exchange collar contracts ⁽³⁾ | <u>\$ (9,806)</u> | <u>\$ —</u> | <u>\$ (7,905)</u> | <u>\$ —</u> |

⁽¹⁾ The gains and losses largely offset the currency gains and losses that resulted from changes in the assets and liabilities denominated in nonfunctional currencies.

⁽²⁾ The Company had no material cash flow hedges outstanding during the three and six months ended May 31, 2024.

⁽³⁾ The Company had no foreign exchange collar contracts outstanding during the three and six months ended May 31, 2024.

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Except for the net investment hedge amounts shown above, there were no gain or loss amounts excluded from the assessment of effectiveness. Existing net losses in AOCI that are expected to be reclassified into earnings in the normal course of business within the next twelve months are \$0.9 million.

Credit exposure for derivative financial instruments is limited to the amounts, if any, by which the counterparties' obligations under the contracts exceed the Company's obligations to the counterparties. The Company manages the potential risk of credit losses through careful evaluation of counterparty credit standing and selection of counterparties from a limited group of financial institutions.

NOTE 9—FAIR VALUE MEASUREMENTS:

The Company's fair value measurements are classified and disclosed in one of the following three categories:

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 inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following table summarizes the valuation of the Company's financial instruments that are measured at fair value on a recurring basis:

| | As of May 31, 2025 | | | | As of November 30, 2024 | | | |
|---|--------------------|---------------------------------|-----------|---------|-------------------------|---------------------------------|-------------------------|------|
| | Total | Fair value measurement category | | | Total | Fair value measurement category | | |
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 | (currency in thousands) | |
| Assets: | | | | | | | | |
| Forward foreign currency exchange contracts not designated as hedges | \$ 4,615 | \$ — | \$ 4,615 | \$ — | \$ 11,863 | \$ — | \$ 11,863 | \$ — |
| Forward foreign currency exchange contracts designated as net investment hedges | — | — | — | — | 2,540 | — | 2,540 | — |
| Foreign exchange collar contracts designated as net investment hedges | — | — | — | — | 1,792 | — | 1,792 | — |
| Liabilities: | | | | | | | | |
| Forward foreign currency exchange contracts not designated as hedges | \$ 15,500 | \$ — | \$ 15,500 | \$ — | \$ 8,096 | \$ — | \$ 8,096 | \$ — |
| Forward foreign currency exchange contracts designated as net investment hedges | 43,025 | — | 43,025 | — | 7,980 | — | 7,980 | — |
| Forward foreign currency exchange contracts designated as cash flow hedges ⁽¹⁾ | 874 | — | 874 | — | — | — | — | — |
| Foreign exchange collar contracts designated as net investment hedges | 6,113 | — | 6,113 | — | — | — | — | — |

⁽¹⁾ The Company had no material cash flow hedges outstanding as of November 30, 2024.

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The fair values of forward exchange contracts are measured based on the foreign currency spot and forward rates quoted by the banks or foreign currency dealers. The fair values of foreign exchange collar contracts are measured using the cash flows of the contracts, discount rates to account for the passage of time, implied volatility and current foreign exchange market data, which are all based on inputs readily available in public markets. The effect of nonperformance risk on the fair value of derivative instruments was not material as of May 31, 2025 and November 30, 2024.

The carrying values of accounts receivable, accounts payable and short-term debt approximate fair value due to their short maturities and interest rates which are variable in nature. The carrying value of the Company's term loans approximate their fair value since they bear interest rates that are similar to existing market rates. The estimated fair value of the Senior Notes was approximately \$2.3 billion as of both May 31, 2025 and November 30, 2024.

During the six months ended May 31, 2025, there were no transfers between the fair value measurement category levels.

NOTE 10—BORROWINGS:

Borrowings consist of the following:

| | As of | |
|---|-------------------------|-------------------|
| | May 31, 2025 | November 30, 2024 |
| | (currency in thousands) | |
| TD SYNnex Revolving Credit Facility | \$ 150,000 | \$ — |
| Other short-term borrowings | 232,425 | 171,092 |
| Borrowings, current | \$ 382,425 | \$ 171,092 |
| | | |
| TD SYNnex 1.750% Senior Notes due August 9, 2026 ⁽¹⁾⁽²⁾ | \$ 700,000 | \$ 700,000 |
| TD SYNnex 2.375% Senior Notes due August 9, 2028 ⁽¹⁾⁽²⁾ | 600,000 | 600,000 |
| TD SYNnex 2.650% Senior Notes due August 9, 2031 ⁽¹⁾⁽²⁾ | 500,000 | 500,000 |
| TD SYNnex 6.100% Senior Notes due April 12, 2034 ⁽²⁾ | 600,000 | 600,000 |
| Total TD SYNnex Senior Notes | \$ 2,400,000 | \$ 2,400,000 |
| TD SYNnex Term Loan | 581,250 | 581,250 |
| 2024 Term Loan | 750,000 | 750,000 |
| Total term loans | \$ 1,331,250 | \$ 1,331,250 |
| Other credit agreements and long-term debt | 9,471 | 24,956 |
| Long-term borrowings, before unamortized debt discount and issuance costs | \$ 3,740,721 | \$ 3,756,206 |
| Less: unamortized debt discount and issuance costs | (17,441) | (19,807) |
| Long-term borrowings | \$ 3,723,280 | \$ 3,736,399 |

⁽¹⁾ The interest rate payable on each of these series of Senior Notes is subject to adjustment from time to time if the credit rating assigned to such series of Senior Notes is downgraded (or downgraded and subsequently upgraded).

⁽²⁾ The Company pays interest semi-annually on the Senior Notes on each of February 9 and August 9, except for the 2034 Senior Notes in which the Company pays interest semi-annually on each of April 12 and October 12.

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TD SYNnex U.S. Accounts Receivable Securitization Arrangement

In the U.S., the Company has an accounts receivable securitization program to provide additional capital for its operations (the “U.S. AR Arrangement”). Under the terms of the U.S. AR Arrangement, as amended, the Company and its subsidiaries that are party to the U.S. AR Arrangement can borrow based on the key terms in the table below (currency in thousands):

| Maximum Borrowing Capacity⁽¹⁾ | Maturity Date | Effective Borrowing Cost⁽²⁾ | Program Fee Payable⁽³⁾ | Facility Fee Payable⁽⁴⁾ |
|---|----------------------|---|--|---|
| \$1,500,000 | November 30, 2026 | Blended rate | 0.85% | 0.30% - 0.40% |

⁽¹⁾ Based on eligible trade accounts receivable.

⁽²⁾ Based upon the composition of the lenders, that includes prevailing dealer commercial paper rates and a rate based upon SOFR.

⁽³⁾ Payable on the used portion of the lenders’ commitment; accrues per annum.

⁽⁴⁾ Payable on the adjusted commitment of the lenders, accrues at different tiers per annum depending on the amount of outstanding advances from time to time.

Under the terms of the U.S. AR Arrangement, the Company and certain of its U.S. subsidiaries sell, on a revolving basis, their receivables to a wholly-owned, bankruptcy-remote subsidiary. Such receivables, which are recorded in the Consolidated Balance Sheet, totaled approximately \$3.2 billion and \$3.4 billion as of May 31, 2025 and November 30, 2024, respectively. The borrowings are funded by pledging all of the rights, title and interest in the receivables acquired by the Company's bankruptcy-remote subsidiary as security. Any amounts borrowed under the U.S. AR Arrangement are recorded as debt on the Company's Consolidated Balance Sheets. There were no amounts outstanding under the U.S. AR Arrangement at May 31, 2025 or November 30, 2024.

TD SYNnex Credit Agreement

The Company is party to an amended and restated credit agreement, dated as of April 16, 2024 (as amended, the “TD SYNnex Credit Agreement”) with the lenders party thereto and Citibank, N.A., as agent, pursuant to which the Company received commitments for the extension of a senior unsecured revolving credit facility (the “TD SYNnex Revolving Credit Facility”) not to exceed an aggregate principal amount of \$3.5 billion, which may, at the request of the Company but subject to the lenders’ discretion, potentially be increased by up to an aggregate amount of \$500.0 million. The borrowers under the TD SYNnex Credit Agreement are TD SYNnex Corporation and certain subsidiaries of the Company. There was \$150.0 million outstanding under the TD SYNnex Revolving Credit Facility at May 31, 2025 at an interest rate of 5.61%. There were no amounts outstanding under the TD SYNnex Revolving Credit Facility at November 30, 2024. Borrowings under the TD SYNnex Revolving Credit Facility bear interest at a per annum rate equal to the applicable SOFR rate, plus a credit spread adjustment, plus the applicable margin, as well as a commitment fee as referenced in the table below:

| Maturity Date | Credit Spread Adjustment | Margin⁽²⁾ | Commitment Fee⁽³⁾ |
|-------------------------------|---------------------------------|-----------------------------|-------------------------------------|
| April 16, 2029 ⁽¹⁾ | 0.10% | 1.000%-1.750% | 0.100%-0.300% |

⁽¹⁾ As amended, the TD SYNnex revolving credit facility will mature on April 16, 2029, subject, in the lender's discretion to two one-year extensions upon the Company's prior notice to lenders.

⁽²⁾ The margin is based on the Company’s Public Debt Rating (as defined in the TD SYNnex Credit Agreement). The applicable margin on base rate loans is 1.00% less than the corresponding margin on SOFR rate based loans.

⁽³⁾ The commitment fee range is applied to any unused commitment under the TD SYNnex Revolving Credit Facility based on the Company’s Public Debt Rating.

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The TD SYNnex Credit Agreement also includes a senior unsecured term loan (the "TD SYNnex Term Loan") in an original aggregate principal amount of \$1.5 billion. There was \$581.3 million outstanding on the TD SYNnex Term Loan as of both May 31, 2025 and November 30, 2024. Loans borrowed under the TD SYNnex Credit Agreement bear interest at a per annum rate equal to the applicable SOFR rate, plus a credit spread adjustment, plus the applicable margin as referenced in the table below:

| Maturity Date | Credit Spread Adjustment | Margin⁽¹⁾ | Effective Interest Rate as of May 31, 2025 | Effective Interest Rate as of November 30, 2024 |
|----------------------|---------------------------------|-----------------------------|---|--|
| September 1, 2026 | 0.10% | 1.125%-1.750% | 5.80% | 6.05% |

⁽¹⁾ The margin is based on the Company's Public Debt Rating. The applicable margin on base rate loans is 1.00% less than the corresponding margin on SOFR rate based loans.

TD SYNnex Term Loan Credit Agreement

On April 19, 2024, the Company entered into a Term Loan Credit Agreement (the "2024 Term Loan Credit Agreement") with the initial lenders party thereto, Bank of America N.A., as administrative agent for the lenders, and BOFA Securities, Inc. as lead arranger and lead bookrunner. The 2024 Term Loan Credit Agreement provides for a senior unsecured term loan in the aggregate principal amount of \$750.0 million (the "2024 Term Loan"). The borrower under the 2024 Term Loan is the Company.

Loans borrowed under the 2024 Term Loan Credit Agreement bear interest at a per annum rate equal to the applicable SOFR rate, plus credit spread adjustment, plus the applicable margin within a range based on the Company's Public Debt Rating (as defined in the 2024 Term Loan Credit Agreement). Key terms for the 2024 Term Loan Credit Agreement are as follows:

| Maturity Date | Credit Spread Adjustment | Margin | Effective Interest Rate as of May 31, 2025 | Effective Interest Rate as of November 30, 2024 |
|----------------------|---------------------------------|-----------------|---|--|
| September 1, 2027 | 0.10% | 1.000% - 1.625% | 5.68% | 6.04% |

TD SYNnex Senior Notes

On August 9, 2021, the Company completed its offering of \$2.5 billion aggregate principal amount of senior unsecured notes due in 2024, 2026, 2028 and 2031 (collectively, the "Senior Notes," and such offering, the "Senior Notes Offering"). In July 2022, the Company completed an offer to exchange (the "Exchange Offer") its outstanding unregistered Senior Notes for new registered notes (the "Exchange Notes"). The aggregate principal amount of Exchange Notes that were issued was equal to the aggregate principal amount of Senior Notes that were surrendered pursuant to the Exchange Offer. The terms of the Exchange Notes are substantially identical to the terms of the respective series of the Senior Notes, except that the Exchange Notes are registered under the Securities Act, and certain transfer restrictions, registration rights, and additional interest provisions relating to the Senior Notes do not apply to the Exchange Notes.

On April 12, 2024, the Company issued and sold \$600.0 million of senior notes due in 2034 (the "2034 Senior Notes" and such offering, the "2034 Senior Notes Offering"). The Company used the net proceeds from the 2034 Senior Notes Offering, together with other available funds, to repay the \$700.0 million aggregate principal amount of the 1.250% Senior Notes that were due August 9, 2024 and for general corporate purposes. The Company incurred \$6.1 million towards issuance costs on the 2034 Senior Notes. References to the collective Senior Notes hereafter also include the 2034 Senior Notes.

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The Company may redeem the outstanding Senior Notes, in whole or in part, at any time and from time to time, prior to respective Par Call Dates (as reflected in the table below) at a redemption price equal to the greater of (x) 100% of the aggregate principal amount of the applicable Senior Notes to be redeemed and (y) the sum of the present values of the remaining scheduled payments of the principal and interest on the Senior Notes, in each case discounted to the date of redemption (assuming the applicable Senior Notes matured on the applicable Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a rate equal to the sum of the applicable treasury rate (as defined in the supplemental indenture establishing the terms of the applicable Senior Notes) plus the applicable spread, as shown in the table below, plus in each case, accrued and unpaid interest thereon to, but excluding, the redemption date. The Company may also redeem the Senior Notes of any series at its option, in whole or in part, at any time and from time to time on or after the applicable Par Call Date, at a redemption price equal to 100% of the principal amount of the Senior Notes to be redeemed.

Par Call Dates and the spread to the applicable treasury rate for the respective outstanding Senior Notes are as follows:

| Senior Notes | Par Call Date | Spread (in basis points) |
|-----------------------|----------------------|---------------------------------|
| Senior Notes due 2026 | July 9, 2026 | 20 |
| Senior Notes due 2028 | June 9, 2028 | 25 |
| Senior Notes due 2031 | May 9, 2031 | 25 |
| Senior Notes due 2034 | January 12, 2034 | 30 |

Other Short-Term Borrowings

The Company has various other committed and uncommitted lines of credit with financial institutions, short-term loans, term loans, credit facilities, and book overdraft facilities, totaling approximately \$616.8 million in borrowing capacity as of May 31, 2025. Most of these facilities are provided on a short-term basis and are reviewed periodically for renewal. Interest rates and other terms of borrowing under these lines of credit vary by country, depending on local market conditions. There was \$232.4 million outstanding on these facilities at May 31, 2025, at a weighted average interest rate of 8.87%, and there was \$171.1 million outstanding at November 30, 2024, at a weighted average interest rate of 7.91%. Borrowings under these lines of credit facilities are guaranteed by the Company or secured by eligible accounts receivable.

At May 31, 2025, the Company was also contingently liable for reimbursement obligations with respect to issued standby letters of credit in the aggregate outstanding amount of \$51.5 million. These letters of credit typically act as a guarantee of payment to certain third parties in accordance with specified terms and conditions.

The maximum commitment amounts for local currency credit facilities have been translated into U.S. dollars at May 31, 2025 exchange rates.

Covenant Compliance

The Company's credit facilities have a number of covenants and restrictions that require the Company to maintain specified financial ratios, including a maximum debt to EBITDA ratio and a minimum interest coverage ratio, in each case tested on the last day of each fiscal quarter. The covenants also limit the Company's ability to incur additional debt, create liens, enter into agreements with affiliates, modify the nature of the Company's business, and merge or consolidate. As of May 31, 2025, the Company was in compliance with all material financial covenants for the above arrangements.

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NOTE 11 – SUPPLIER FINANCE PROGRAMS:

The Company has certain arrangements with third-party financial institutions ("Supplier Finance Programs"), which facilitate the participating vendors' ability to sell their accounts receivable from the Company to the third-party financial institutions, at the sole discretion of these vendors. The Company is not party to the agreements between the vendor and the third-party financial institution. As part of these arrangements, the Company generally receives more favorable payment terms from its vendors. The Company's rights and obligations to its vendors, including amounts due, are generally not impacted by Supplier Finance Programs. However, the Company agrees to make all payments to the third-party financial institutions, and the Company's right to offset balances due from vendors against payment obligations is restricted by the agreements for those payment obligations that have been sold by the respective vendors. The Company generally does not incur any fees under Supplier Finance Programs; however, the Company did recognize an immaterial amount of fees during the three and six months ended May 31, 2025 and 2024 within "Cost of revenue" in the Company's Consolidated Statements of Operations related to an arrangement with a certain vendor. As of May 31, 2025 and November 30, 2024, the Company had \$2.8 billion and \$3.2 billion, respectively, in obligations outstanding under these programs included in "Accounts payable" in the Company's Consolidated Balance Sheets and all activity related to the obligations is presented within operating activities in the Consolidated Statements of Cash Flows.

NOTE 12—SEGMENT INFORMATION:

Summarized financial information related to the Company's reportable business segments for the periods presented is shown below:

| | <u>Americas</u> | <u>Europe</u> | <u>APJ</u> | <u>Consolidated</u> |
|--|-------------------------|---------------|--------------|---------------------|
| | (currency in thousands) | | | |
| Three Months Ended May 31, 2025 | | | | |
| Revenue | \$ 9,009,195 | \$ 4,889,997 | \$ 1,047,123 | \$ 14,946,315 |
| Operating income | 252,646 | 50,312 | 25,181 | 328,139 |
| Three Months Ended May 31, 2024 | | | | |
| Revenue | \$ 8,557,573 | \$ 4,426,775 | \$ 963,560 | \$ 13,947,908 |
| Operating income | 209,284 | 34,360 | 20,304 | 263,948 |
| Six Months Ended May 31, 2025 | | | | |
| Revenue | \$ 17,398,533 | \$ 10,027,762 | \$ 2,051,727 | \$ 29,478,022 |
| Operating income | 446,368 | 136,204 | 50,026 | 632,598 |
| Six Months Ended May 31, 2024 | | | | |
| Revenue | \$ 16,460,669 | \$ 9,544,027 | \$ 1,918,465 | \$ 27,923,161 |
| Operating income | 368,966 | 142,685 | 54,869 | 566,520 |

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NOTE 13—COMMITMENTS AND CONTINGENCIES:

As is customary in the technology industry, to encourage certain customers to purchase products from us, the Company also has other financing agreements with financial institutions to provide inventory financing facilities to the Company's customers and allow certain customers of the Company to finance their purchases directly with the financial institutions. The Company is contingently liable to repurchase inventory sold under these agreements in the event of any default by its customers under the agreement and such inventory being repossessed by the financial institutions. As the Company does not have access to information regarding the amount of inventory purchased from the Company still on hand with the customer at any point in time, the Company's repurchase obligations relating to inventory cannot be reasonably estimated. Losses, if any, would be the difference between the repossession cost and the resale value of the inventory. Repurchases under these arrangements have been insignificant to date and the Company is not aware of any pending customer defaults or repossession obligations. The Company believes that, based on historical experience, the likelihood of a material loss pursuant to these inventory repurchase obligations is remote.

In 2013, the French Autorité de la Concurrence ("Competition Authority") began an investigation into the French market for certain products of Apple, Inc. ("Apple") for which the Company is a distributor. In March 2020, the Competition Authority imposed fines on the Company, on another distributor, and on Apple, finding that the Company entered into an anticompetitive agreement with Apple regarding volume allocations of Apple products. The initial fine imposed on the Company was €76.1 million. The Company appealed its determination to the French courts, seeking to set aside or reduce the fine. On October 6, 2022, the appeals court issued a ruling that reduced the fine imposed on the Company from €76.1 million to €24.9 million. As a result of the appeals court ruling, the Company paid €24.9 million through fiscal year 2022. The Company continues to contest the arguments of the Competition Authority and has further appealed this matter. A civil lawsuit related to this matter, alleging anticompetitive actions in association with the established distribution networks for Apple, the Company and another distributor was filed by eBizcuss. On November 25, 2024, the Paris Commercial Court ruled in favor of the Company and the other defendants and dismissed the claims in the eBizcuss civil lawsuit. An appeal to the ruling has since been made by eBizcuss, and while the Company continues to evaluate this matter, based on the favorable ruling from the Paris Commercial Court, the Company believes the likelihood of a material loss related to the eBizcuss lawsuit is remote.

From time to time, the Company receives notices from third parties, including customers and suppliers, seeking indemnification, payment of money or other actions in connection with claims made against them. Also, from time to time, the Company has been involved in various bankruptcy preference actions where the Company was a supplier to the companies now in bankruptcy. In addition, the Company is subject to various other claims, both asserted and unasserted, that arise in the ordinary course of business. The Company evaluates these claims and records the related liabilities in cases where a contingent obligation is deemed probable and reasonably estimable. It is possible that the ultimate liabilities could differ from the amounts recorded.

The Company does not believe that the above commitments and contingencies will have a material adverse effect on the Company's results of operations, financial position or cash flows.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the Consolidated Financial Statements and related Notes included elsewhere in this Report. Amounts in certain tables may not add or compute due to rounding.

When used in this Quarterly Report on Form 10-Q, or this "Report", the words "anticipates," "believes," "estimates," "expects," "intends," "allows," "can," "may," "could," "designed," "will," and similar expressions are intended to identify forward-looking statements. These are statements that relate to future periods and include statements about our business model and our services, our business and market strategy, future growth, demand, our infrastructure, our investment in our information technology ("IT") systems, our employee hiring and retention, our revenue, sources of revenue, our gross margins, our operating costs and results, timing of payment, the value of our inventory, our competition, our future needs and sources for additional financing, contract terms, relationships with our suppliers, adequacy of our facilities, our legal proceedings, our operations, foreign currency exchange rates and hedging activities, our strategic acquisitions, seasonality of sales, adequacy of our cash resources, our debt and financing arrangements, including our supplier finance programs, the impact of any change to our credit rating, interest rate risk and impact thereof, cash held by our international subsidiaries and repatriation, changes in fair value of derivative instruments, our tax liabilities, adequacy of our disclosure controls and procedures, cybersecurity and cyberattacks, impact of our pricing policies, impact of economic and industry trends, changes to the markets in which we compete, impact of new reporting rules and accounting policies, our estimates and assumptions, impact of inventory repurchase obligations and commitments and contingencies, our effective tax rates, impact of any impairment of our goodwill and intangible assets, and our share repurchase and dividend program. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, those risks discussed herein and others, including risks related to the buying patterns of our customers, concentration of sales to large customers, the loss or consolidation of one or more of our significant original equipment manufacturer ("OEM") suppliers or customers, market acceptance of the products we assemble and distribute, competitive conditions in our industry and their impact on our margins, pricing and other terms with our OEM suppliers, our ability to retain key personnel, our ability to gain market share, variations in supplier-sponsored programs, changes in our costs and operating expenses, increased inflation, uncertainty over global trade policies and the impacts of related tariffs, dependence upon and trends in capital spending budgets in the IT industry, fluctuations in general economic conditions, changes in tax laws, risks associated with our international operations, any incidents of theft, uncertainties and variability in demand by our reseller and integration customers, credit exposure to our reseller customers and negative trends in their businesses, supply shortages or delays, any termination or reduction in our supplier finance programs; changes in value of foreign currencies and interest rates and other risk factors contained in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended November 30, 2024. These forward-looking statements speak only as of the date hereof. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based, unless otherwise required by law.

In the Management's Discussion and Analysis of Financial Condition and Results of Operations, all references to "TD SYNEX," "SYNEX," "we," "us," "our" or the "Company" mean TD SYNEX Corporation and its subsidiaries, except where it is made clear that the term means only the parent company or one of its segments.

TD SYNEX, the TD SYNEX logo and all other TD SYNEX company, product and services names and slogans are trademarks or registered trademarks of TD SYNEX Corporation. Other names and marks are the property of their respective owners.

Overview

We are a Fortune 100 corporation and a leading global distributor and solutions aggregator for the IT ecosystem. We serve a critical role, bringing products from the world's leading and emerging technology vendors to market, and helping our customers create solutions best suited to maximize business outcomes for their end-user customers.

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Digital transformation and the migration to cloud computing is reshaping our industry, enabling businesses and consumers to evaluate, procure, acquire, and consume technology products and services in a variety of ways. Hybrid models of IT consumption, supporting both physical and virtual delivery methods are emerging, as hardware and software-based solutions become increasingly combined. As a result, customers are seeking greater integration of products, services and solutions that tie technologies together. Therefore, we believe it is important to provide a broad, end-to-end portfolio, with deep capabilities across the computing continuum to help customers manage the increasingly complex IT ecosystem and deliver the solutions and business outcomes the market desires. Our vision for the future is to be the vital solutions aggregator and orchestrator that connects the IT ecosystem.

We are focusing on the following strategic imperatives in pursuit of our vision:

- **Unify our reach** through expansion of our portfolio in both mature and developing markets through our targeted go-to-market strategy.
- **Target new customers** by leveraging our specialist model to target emerging customer groups, offering deeply personalized solutions to grow our customer base.
- **Expand our addressable market** through our unique vendor value proposition, capitalizing on end-to-end capabilities through growth with our existing vendors and through building relationships with new vendors.
- **Diversify our offerings** within our end-to-end portfolio of products, services and solutions, including further investments in hyperscale infrastructure manufacturing.
- **Accelerate our focus on services** and invest in the growth of our services business to enhance our value proposition to vendors and customers.

We offer a comprehensive catalog of technology products from OEMs, such as personal computing devices, mobile phones and accessories, and strategic technologies such as cloud, security, data analytics, artificial intelligence ("AI") and hyperscale infrastructure. This enables us to offer comprehensive solutions to our customers, including value-added resellers ("VARs"), corporate resellers, government resellers, system integrators, direct marketers, retailers and managed service providers ("MSPs"). We combine our core strengths in distribution with demand generation, supply chain management and design and integration solutions to help our customers achieve greater efficiencies in time to market, cost minimization, real-time linkages in the supply chain and aftermarket product support. We also provide comprehensive IT solutions including hardware, software and services which provides a highly efficient route to market for both vendors and customers.

We group the majority of our offerings into two primary solutions portfolios, Endpoint Solutions and Advanced Solutions. Our Endpoint Solutions portfolio primarily includes personal computing devices and peripherals, mobile phones and accessories, printers and supplies. Our Advanced Solutions portfolio primarily includes data center technologies such as hybrid cloud, security, storage, networking, servers, software, converged and hyper-converged infrastructure and hyperscale infrastructure, via our Hyve business.

Our business is characterized by low gross profit as a percentage of revenue, or gross margin, and low operating income as a percentage of revenue, or operating margin. Relatedly, tariffs, value added taxes and other similar charges on our products are generally passed through to our customers as part of our sales price. The market for IT products has generally been characterized by declining unit prices and short product life cycles, although unit prices for certain products have increased during certain periods due to factors such as supply chain constraints and inflation. We set our sales price based on the market supply and demand characteristics for each particular product or bundle of products we distribute and services we provide.

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Economic and Industry Trends

We are highly dependent on the end-market demand for IT products, and on our partners' strategic initiatives and business models. This end-market demand is influenced by many factors including the introduction of new IT products and software by OEM suppliers, replacement cycles for existing IT products, trends toward cloud computing and AI, overall economic growth and general business activity. A difficult and challenging economic environment, due to the continued persistence of inflation, elevated interest rates, market volatility and adverse effects on product demand connected to geopolitical developments including tariff uncertainty, or other factors may also lead to decline in the IT industry or increased price-based competition. Our systems design and integration solutions business is highly dependent on the demand for cloud infrastructure, and the number of key customers and suppliers in the market. Our business includes operations in the Americas, Europe and Asia-Pacific and Japan ("APJ") so we are affected by demand for our products in those regions, as well as the impact of fluctuations in foreign currency exchange rates compared to the United States ("U.S.") dollar.

Acquisitions

As part of our corporate strategy and to augment organic growth, we evaluate strategic acquisitions of businesses and assets that complement and expand our existing capabilities or enable us to acquire new OEM relationships, enhance our supply chain and integration capabilities, the services we provide to our customers and OEM suppliers, and expand our geographic footprint. In addition, we continually review our operations and product and service offerings and divest businesses that we deem no longer strategic to our ongoing operations.

On March 22, 2021, we entered into an agreement and plan of merger (the "Merger Agreement") which provided that legacy SYNEX Corporation would acquire legacy Tech Data Corporation, a Florida corporation ("Tech Data") through a series of mergers, which would result in Tech Data becoming an indirect subsidiary of TD SYNEX Corporation (collectively, the "Merger"). On September 1, 2021, pursuant to the terms of the Merger Agreement, we acquired all the outstanding shares of common stock of Tiger Parent (AP) Corporation, the parent corporation of Tech Data, for consideration of \$1.6 billion in cash (\$1.1 billion in cash after giving effect to a \$500.0 million equity contribution by Tiger Parent Holdings, L.P., Tiger Parent (AP) Corporation's sole stockholder and an affiliate of Apollo Global Management, Inc., to Tiger Parent (AP) Corporation prior to the effective time of the Merger) and 44 million shares of common stock of SYNEX, valued at approximately \$5.6 billion.

Results of Operations

The following table sets forth, for the indicated periods, data as percentages of total revenue:

| Consolidated Statements of Operations Data: | Three Months Ended | | Six Months Ended | |
|--|---------------------------|---------------------|-------------------------|---------------------|
| | May 31, 2025 | May 31, 2024 | May 31, 2025 | May 31, 2024 |
| Revenue | 100.00 % | 100.00 % | 100.00 % | 100.00 % |
| Cost of revenue | (93.00)% | (93.02)% | (93.06)% | (92.91)% |
| Gross profit | 7.00 % | 6.98 % | 6.94 % | 7.09 % |
| Selling, general and administrative expenses | (4.80)% | (4.82)% | (4.78)% | (4.82)% |
| Acquisition, integration and restructuring costs | — % | (0.27)% | (0.01)% | (0.24)% |
| Operating income | 2.20 % | 1.89 % | 2.15 % | 2.03 % |
| Interest expense and finance charges, net | (0.61)% | (0.55)% | (0.60)% | (0.55)% |
| Other expense, net | — % | (0.02)% | (0.01)% | (0.02)% |
| Income before income taxes | 1.59 % | 1.32 % | 1.54 % | 1.46 % |
| Provision for income taxes | (0.35)% | (0.29)% | (0.34)% | (0.33)% |
| Net income | 1.24 % | 1.03 % | 1.20 % | 1.13 % |

Certain Non-GAAP Financial Information

In addition to disclosing financial results that are determined in accordance with GAAP, we also disclose certain non-GAAP financial information, including:

- Revenue in constant currency, which is revenue adjusted for the translation effect of foreign currencies so that certain financial results can be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons of our business performance. Revenue in constant currency is calculated by translating the revenue for the three and six months ended May 31, 2025 in the billing currency using the comparable prior period currency conversion rate. Generally, when the dollar either strengthens or weakens against other currencies, the growth at constant currency rates will be higher or lower than growth reported at actual exchange rates.
- Adjusted selling, general and administrative expenses, which excludes acquisition, integration and restructuring costs, the amortization of intangible assets and share-based compensation expense. TD SYNEX also uses adjusted selling, general and administrative expenses as a percentage of gross profit, which is a useful metric in considering the portion of gross profit retained after selling, general and administrative expenses.
- Non-GAAP operating income, which is operating income, adjusted to exclude acquisition, integration and restructuring costs, amortization of intangible assets and share-based compensation expense.
- Non-GAAP operating margin, which is non-GAAP operating income, as defined above, divided by revenue.
- Non-GAAP net income, which is net income, adjusted to exclude acquisition, integration and restructuring costs, amortization of intangible assets, share-based compensation expense and income taxes related to the aforementioned items.
- Non-GAAP diluted earnings per common share (“EPS”), which is diluted EPS excluding the per share impact of acquisition, integration and restructuring costs, amortization of intangible assets, share-based compensation expense and income taxes related to the aforementioned items.

Acquisition, integration and restructuring costs, which are expensed as incurred, primarily represent professional services costs for legal, banking, consulting and advisory services, severance and other personnel related costs, share-based compensation expense and debt extinguishment fees that are incurred in connection with acquisition, integration, restructuring and divestiture activities. From time to time, this category may also include transaction-related gains/losses on divestitures/spin-off of businesses, costs related to long-lived assets including impairment charges and accelerated depreciation and amortization expense due to changes in asset useful lives, as well as various other costs associated with the acquisition or divestiture.

Our acquisition activities have resulted in the recognition of finite-lived intangible assets which consist primarily of customer relationships and vendor lists. Finite-lived intangible assets are amortized over their estimated useful lives and are tested for impairment when events indicate that the carrying value may not be recoverable. The amortization of intangible assets is reflected in our Consolidated Statements of Operations. Although intangible assets contribute to our revenue generation, the amortization of intangible assets does not directly relate to the sale of our products. Additionally, intangible asset amortization expense typically fluctuates based on the size and timing of our acquisition activity. Accordingly, we believe excluding the amortization of intangible assets, along with the other non-GAAP adjustments which neither relate to the ordinary course of our business nor reflect our underlying business performance, enhances our and our investors’ ability to compare our past financial performance with our current performance and to analyze underlying business performance and trends. Intangible asset amortization excluded from the related non-GAAP financial measure represents the entire amount recorded within our GAAP financial statements, and the revenue generated by the associated intangible assets has not been excluded from the related non-GAAP financial measure. Intangible asset amortization is excluded from the related non-GAAP financial measure because the amortization, unlike the related revenue, is not affected by operations of any particular period unless an intangible asset becomes impaired or the estimated useful life of an intangible asset is revised.

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Share-based compensation expense is a non-cash expense arising from the grant of equity awards to employees and non-employee members of our Board of Directors based on the estimated fair value of those awards. Although share-based compensation is an important aspect of the compensation of our employees, the fair value of the share-based awards may bear little resemblance to the actual value realized upon the vesting or future exercise of the related share-based awards and the expense can vary significantly between periods as a result of the timing of grants of new stock-based awards, including grants in connection with acquisitions. Given the variety and timing of awards and the subjective assumptions that are necessary when calculating share-based compensation expense, we believe this additional information allows investors to make additional comparisons between our operating results from period to period.

We believe that providing this additional information is useful to the reader to better assess and understand our base operating performance, especially when comparing results with previous periods and for planning and forecasting in future periods, primarily because management typically monitors the business adjusted for these items in addition to GAAP results. Management also uses these non-GAAP measures to establish operational goals and, in some cases, for measuring performance for compensation purposes. As these non-GAAP financial measures are not calculated in accordance with GAAP, they may not necessarily be comparable to similarly titled measures employed by other companies. These non-GAAP financial measures should not be considered in isolation or as a substitute for the comparable GAAP measures and should be used as a complement to, and in conjunction with data presented in accordance with GAAP.

Three and Six Months Ended May 31, 2025 and 2024:

Revenue

The following table summarizes our revenue and change in revenue by segment for the three and six months ended May 31, 2025 and 2024:

| | Three Months Ended | | | Six Months Ended | | |
|---|--------------------|---------------|----------------|------------------|---------------|----------------|
| | May 31, 2025 | May 31, 2024 | Percent Change | May 31, 2025 | May 31, 2024 | Percent Change |
| Revenue in constant currency | (in thousands) | | | (in thousands) | | |
| Consolidated | | | | | | |
| Revenue | \$ 14,946,315 | \$ 13,947,908 | 7.2 % | \$ 29,478,022 | \$ 27,923,161 | 5.6 % |
| Impact of changes in foreign currencies | (114,574) | — | | 169,122 | — | |
| Revenue in constant currency | \$ 14,831,741 | \$ 13,947,908 | 6.3 % | \$ 29,647,144 | \$ 27,923,161 | 6.2 % |
| Americas | | | | | | |
| Revenue | \$ 9,009,195 | \$ 8,557,573 | 5.3 % | \$ 17,398,533 | \$ 16,460,669 | 5.7 % |
| Impact of changes in foreign currencies | 38,184 | — | | 104,423 | — | |
| Revenue in constant currency | \$ 9,047,379 | \$ 8,557,573 | 5.7 % | \$ 17,502,956 | \$ 16,460,669 | 6.3 % |
| Europe | | | | | | |
| Revenue | \$ 4,889,997 | \$ 4,426,775 | 10.5 % | \$ 10,027,762 | \$ 9,544,027 | 5.1 % |
| Impact of changes in foreign currencies | (142,261) | — | | 56,417 | — | |
| Revenue in constant currency | \$ 4,747,736 | \$ 4,426,775 | 7.3 % | \$ 10,084,179 | \$ 9,544,027 | 5.7 % |
| APJ | | | | | | |
| Revenue | \$ 1,047,123 | \$ 963,560 | 8.7 % | \$ 2,051,727 | \$ 1,918,465 | 6.9 % |
| Impact of changes in foreign currencies | (10,497) | — | | 8,282 | — | |
| Revenue in constant currency | \$ 1,036,626 | \$ 963,560 | 7.6 % | \$ 2,060,009 | \$ 1,918,465 | 7.4 % |

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Consolidated

- *Three Months Ended May 31, 2025 versus May 31, 2024* - Revenue and revenue in constant currency increased by \$1.0 billion and \$0.9 billion, respectively. The increases are primarily driven by growth in both our Endpoint Solutions and Advanced Solutions portfolios, partially offset by a greater percentage of our sales being presented on a net basis due to the mix of products sold, which negatively impacted our revenue compared to the prior three months ended May 31, 2024 by approximately \$700 million, or 5%. The impact of changes in foreign currencies is primarily due to the strengthening of the euro against the U.S. dollar.

- *Six Months Ended May 31, 2025 versus May 31, 2024* - Revenue and revenue in constant currency increased by \$1.6 billion and \$1.7 billion, respectively. The increases are primarily driven by growth in both our Endpoint Solutions and Advanced Solutions portfolios, partially offset by a greater percentage of our sales being presented on a net basis due to the mix of products sold, which negatively impacted our revenue compared to the prior six months ended May 31, 2024 by approximately \$1.2 billion, or 4%. The impact of changes in foreign currencies is primarily due to the weakening of the Canadian dollar against the U.S. dollar.

Americas

- *Three Months Ended May 31, 2025 versus May 31, 2024* - Revenue and revenue in constant currency increased by \$451.6 million and \$489.8 million, respectively. The increases are primarily driven by growth in both our Advanced Solutions and Endpoint Solutions portfolios in the region, partially offset by a greater percentage of our sales being presented on a net basis due to the mix of products sold, which negatively impacted our revenue compared to the three months ended May 31, 2024 by approximately \$300 million, or 4%. The impact of changes in foreign currencies is primarily due to the weakening of the Canadian dollar against the U.S. dollar.

- *Six Months Ended May 31, 2025 versus May 31, 2024* - Revenue and revenue in constant currency increased by \$937.9 million and \$1.0 billion, respectively. The increases are primarily driven by growth in both our Advanced Solutions and Endpoint Solutions portfolios in the region, partially offset by a greater percentage of our sales being presented on a net basis due to the mix of products sold, which negatively impacted our revenue compared to the six months ended May 31, 2024 by approximately \$460 million, or 3%. The impact of changes in foreign currencies is primarily due to the weakening of the Canadian dollar against the U.S. dollar.

Europe

- *Three Months Ended May 31, 2025 versus May 31, 2024* - Revenue and revenue in constant currency increased by \$463.2 million and \$321.0 million, respectively. The increases are primarily driven by growth in both our Endpoint Solutions and Advanced Solutions portfolios in the region, partially offset by a greater percentage of our sales being presented on a net basis due to the mix of products sold, which negatively impacted our revenue compared to the three months ended May 31, 2024 by approximately \$270 million, or 6%. The impact of changes in foreign currencies is primarily due to the strengthening of the euro against the U.S. dollar.

- *Six Months Ended May 31, 2025 versus May 31, 2024* - Revenue and revenue in constant currency increased by \$483.7 million and \$540.2 million, respectively. The increases are primarily driven by growth in both our Endpoint Solutions and Advanced Solutions portfolios in the region, partially offset by a greater percentage of our sales being presented on a net basis due to the mix of products sold, which negatively impacted our revenue compared to the six months ended May 31, 2024 by approximately \$480 million, or 5%. The impact of changes in foreign currencies is primarily due to the weakening of the euro against the U.S. dollar that occurred during the fiscal first quarter.

APJ

- *Three Months Ended May 31, 2025 versus May 31, 2024* - Revenue and revenue in constant currency increased by \$83.6 million and \$73.1 million, respectively. The increases are primarily driven by growth in both our Endpoint Solutions and Advanced Solutions portfolios in the region, partially offset by a greater percentage of our sales being presented on a net basis due to the mix of products sold, which negatively impacted our revenue compared to the three months ended May 31, 2024 by approximately \$120 million, or 13%. The impact of changes in foreign currencies is primarily due to the strengthening of the Japanese yen against the U.S. dollar.

- *Six Months Ended May 31, 2025 versus May 31, 2024* - Revenue and revenue in constant currency increased by \$133.3 million and \$141.5 million, respectively. The increases are primarily driven by growth in both our Endpoint Solutions and Advanced Solutions portfolios in the region, partially offset by a greater percentage of our sales being presented on a net basis due to the mix of products sold, which negatively impacted our revenue compared to the six months ended May 31, 2024 by approximately \$260 million, or 14%. The impact of changes in foreign currencies is primarily due to the weakening of the Indian rupee against the U.S. dollar.

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Gross Profit

| | Three Months Ended | | | Six Months Ended | | |
|---|--------------------|---------------|----------------|------------------|---------------|----------------|
| | May 31, 2025 | May 31, 2024 | Percent Change | May 31, 2025 | May 31, 2024 | Percent Change |
| Gross profit & gross margin - Consolidated | (in thousands) | | | (in thousands) | | |
| Revenue | \$ 14,946,315 | \$ 13,947,908 | 7.2 % | \$ 29,478,022 | \$ 27,923,161 | 5.6 % |
| Gross profit | \$ 1,046,373 | \$ 973,547 | 7.5 % | \$ 2,044,379 | \$ 1,979,313 | 3.3 % |
| Gross margin | 7.00 % | 6.98 % | | 6.94 % | 7.09 % | |

Our gross margin is affected by a variety of factors, including competition, selling prices, mix of products, the percentage of revenue that is presented on a net basis, product costs along with rebate and discount programs from our suppliers, reserves or settlement adjustments, freight costs, inventory losses and fluctuations in revenue.

Three Months Ended May 31, 2025 versus May 31, 2024

- Gross profit increased primarily due to the increase in revenue due to growth in both our Endpoint Solutions and Advanced Solutions portfolios.
- Gross margin was relatively consistent. The presentation of additional revenues on a net basis due to the mix of products sold positively impacted our gross margin by approximately 31 basis points, which was partially offset by higher strategic technologies margins in the prior year period.

Six Months Ended May 31, 2025 versus May 31, 2024

- Gross profit increased, primarily due to the increase in revenue due to growth in both our Endpoint Solutions and Advanced Solutions portfolios, partially offset by the decrease in gross margin.
- Gross margin decreased primarily due to higher strategic technologies margins during the prior year, partially offset by the impact of the presentation of additional revenues on a net basis due to the mix of products sold, which positively impacted our gross margin by approximately 27 basis points.

Selling, General and Administrative ("SG&A") Expenses

| | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|--------------|----------------|------------------|--------------|----------------|
| | May 31, 2025 | May 31, 2024 | Percent Change | May 31, 2025 | May 31, 2024 | Percent Change |
| | (in thousands) | | | (in thousands) | | |
| Gross profit | \$ 1,046,373 | \$ 973,547 | 7.5 % | \$ 2,044,379 | \$ 1,979,313 | 3.3 % |
| Selling, general and administrative expenses ⁽¹⁾ | \$ 717,570 | \$ 671,714 | 6.8 % | \$ 1,410,055 | \$ 1,343,259 | 5.0 % |
| Amortization of intangibles | (73,282) | (72,759) | | (144,689) | (145,636) | |
| Share-based compensation | (11,950) | (13,430) | | (33,811) | (30,920) | |
| Adjusted selling, general and administrative expenses | \$ 632,338 | \$ 585,525 | 8.0 % | \$ 1,231,555 | \$ 1,166,703 | 5.6 % |
| Selling, general and administrative expenses ⁽¹⁾ as a percent of gross profit | 68.6 % | 69.0 % | | 69.0 % | 67.9 % | |
| Adjusted selling, general and administrative expenses as a percent of gross profit | 60.4 % | 60.1 % | | 60.2 % | 58.9 % | |

⁽¹⁾ Excludes acquisition, integration and restructuring costs, which are presented separately on the Consolidated Statements of Operations.

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Our SG&A expenses consist primarily of personnel costs such as salaries, commissions, bonuses and temporary personnel costs. SG&A expenses also include cost of warehouses, delivery centers and other non-integration facilities, share-based compensation expense, utility expenses, legal and professional fees, depreciation on certain of our capital equipment, bad debt expense, amortization of our intangible assets, and marketing expenses, offset in part by reimbursements from our OEM suppliers.

Three Months Ended May 31, 2025 versus May 31, 2024

- SG&A expenses and adjusted SG&A expenses increased primarily due to higher personnel costs.
- SG&A expenses as a percentage of gross profit and adjusted SG&A expenses as a percentage of gross profit were relatively consistent as the increase in SG&A expenses primarily due to higher personnel costs correlated with the increase in revenue.

Six Months Ended May 31, 2025 versus May 31, 2024

- SG&A expenses and adjusted SG&A expenses increased primarily due to higher personnel costs.
- SG&A expenses as a percentage of gross profit and adjusted SG&A expenses as a percentage of gross profit increased primarily due to higher strategic technologies gross margins during the prior year, as the current period increase in SG&A expenses correlated with the increase in revenue.

Acquisition, Integration and Restructuring Costs

Acquisition, integration and restructuring costs during the three and six months ended May 31, 2024 were primarily comprised of costs related to the Merger. Other acquisition, integration and restructuring costs were \$0.7 million and \$1.7 million during the three and six months ended May 31, 2025, respectively, and \$5.2 million during the three and six months ended May 31, 2024.

The Merger

We completed the acquisition, integration and restructuring activities related to the Merger during the first half of fiscal year 2024. There were no related expenses recognized during the three and six months ended May 31, 2025 and there are no related expenses expected in future periods. We previously incurred acquisition, integration and restructuring costs related to the completion of the Merger, including professional services costs, personnel and other costs, and long-lived assets charges and termination fees. Professional services costs are primarily comprised of IT and other consulting services, as well as legal expenses. Personnel and other costs are primarily comprised of costs related to retention and other bonuses, severance and duplicative labor costs. Long-lived assets charges and termination fees include accelerated depreciation and amortization expense of \$5.1 million and \$5.5 million recorded during the three and six months ended May 31, 2024, respectively, due to changes in asset useful lives in conjunction with the consolidation of certain IT systems, along with \$10.4 million and \$17.0 million recorded during the three and six months ended May 31, 2024, respectively for termination fees related to certain IT systems.

In July 2023, we offered a voluntary severance program ("VSP") to certain co-workers in the U.S. as part of our cost optimization efforts related to the Merger. We incurred \$2.9 million and \$10.1 million of costs in connection with the VSP during the three and six months ended May 31, 2024, respectively, including \$2.0 million and \$8.0 million of severance costs and \$0.9 million and \$2.1 million of duplicative labor costs, respectively.

During the three and six months ended May 31, 2024, acquisition and integration expenses related to the Merger were composed of the following:

| | Three Months Ended | Six Months Ended |
|--|---------------------------|-------------------------|
| | May 31, 2024 | May 31, 2024 |
| | (in thousands) | |
| Professional services costs | \$ 7,058 | \$ 16,456 |
| Personnel and other costs | 7,316 | 15,279 |
| Long-lived assets charges and termination fees | 15,496 | 22,533 |
| Voluntary severance program costs | 2,893 | 10,113 |
| Total | <u>\$ 32,763</u> | <u>\$ 64,381</u> |

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Operating Income

The following tables provide an analysis of operating income and non-GAAP operating income on a consolidated and regional basis as well as a reconciliation of operating income to non-GAAP operating income on a consolidated and regional basis for the three and six months ended May 31, 2025 and 2024:

| | Three Months Ended | | | Six Months Ended | | |
|---|--------------------|---------------|----------------|------------------|---------------|----------------|
| | May 31, 2025 | May 31, 2024 | Percent Change | May 31, 2025 | May 31, 2024 | Percent Change |
| Operating income & operating margin - Consolidated | (in thousands) | | | (in thousands) | | |
| Revenue | \$ 14,946,315 | \$ 13,947,908 | | \$ 29,478,022 | \$ 27,923,161 | |
| Operating income | \$ 328,139 | \$ 263,948 | 24.3 % | \$ 632,598 | \$ 566,520 | 11.7 % |
| Acquisition, integration and restructuring costs | 664 | 37,885 | | 1,726 | 69,534 | |
| Amortization of intangibles | 73,282 | 72,759 | | 144,689 | 145,636 | |
| Share-based compensation | 11,950 | 13,430 | | 33,811 | 30,920 | |
| Non-GAAP operating income | \$ 414,035 | \$ 388,022 | 6.7 % | \$ 812,824 | \$ 812,610 | — % |
| Operating margin | 2.20 % | 1.89 % | | 2.15 % | 2.03 % | |
| Non-GAAP operating margin | 2.77 % | 2.78 % | | 2.76 % | 2.91 % | |

Consolidated Three Months Ended May 31, 2025 versus May 31, 2024

- Operating income increased, primarily due to an increase in revenue and lower acquisition, integration and restructuring costs, partially offset by higher personnel costs.
- Operating margin increased primarily due to lower acquisition, integration and restructuring costs.
- Non-GAAP operating income increased, primarily due to an increase in revenue, partially offset by higher personnel costs.
- Non-GAAP operating margin was relatively consistent.

Consolidated Six Months Ended May 31, 2025 versus May 31, 2024

- Operating income increased, primarily due to an increase in revenue and lower acquisition, integration and restructuring costs, partially offset by higher personnel costs and a decrease in strategic technologies gross margins.
- Operating margin increased, primarily due to lower acquisition, integration and restructuring costs, partially offset by a decrease in strategic technologies gross margins.
- Non-GAAP operating income was relatively consistent as an increase in revenue was offset by higher personnel costs and a decrease in strategic technologies gross margins.
- Non-GAAP operating margin decreased primarily due to a decrease in strategic technologies gross margins.

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| | Three Months Ended | | | Six Months Ended | | |
|---|--------------------|--------------|----------------|------------------|---------------|----------------|
| | May 31, 2025 | May 31, 2024 | Percent Change | May 31, 2025 | May 31, 2024 | Percent Change |
| Operating income & operating margin - Americas | (in thousands) | | | (in thousands) | | |
| Revenue | \$ 9,009,195 | \$ 8,557,573 | | \$ 17,398,533 | \$ 16,460,669 | |
| Operating income | \$ 252,646 | \$ 209,284 | 20.7 % | \$ 446,368 | \$ 368,966 | 21.0 % |
| Acquisition, integration and restructuring costs | 58 | 25,395 | | 382 | 52,767 | |
| Amortization of intangibles | 40,488 | 41,518 | | 80,905 | 82,971 | |
| Share-based compensation | 8,133 | 8,925 | | 21,784 | 20,723 | |
| Non-GAAP operating income | \$ 301,325 | \$ 285,122 | 5.7 % | \$ 549,439 | \$ 525,427 | 4.6 % |
| Operating margin | 2.80 % | 2.45 % | | 2.57 % | 2.24 % | |
| Non-GAAP operating margin | 3.34 % | 3.33 % | | 3.16 % | 3.19 % | |

Americas Three Months Ended May 31, 2025 versus May 31, 2024

- Operating income increased, primarily due to an increase in revenue and lower acquisition, integration and restructuring costs, partially offset by higher personnel costs.

- Operating margin increased primarily due to lower acquisition, integration and restructuring costs.
- Non-GAAP operating income increased, primarily due to an increase in revenue, partially offset by higher personnel costs.
- Non-GAAP operating margin was relatively consistent.

Americas Six Months Ended May 31, 2025 versus May 31, 2024

- Operating income increased, primarily due to an increase in revenue and lower acquisition, integration and restructuring costs, partially offset by higher personnel costs.

- Operating margin increased, primarily due to lower acquisition, integration and restructuring costs, partially offset by a decrease in strategic technologies gross margins.

- Non-GAAP operating income increased, primarily due to an increase in revenue, partially offset by higher personnel costs.
- Non-GAAP operating margin was relatively consistent.

| | Three Months Ended | | | Six Months Ended | | |
|---|--------------------|--------------|----------------|------------------|--------------|----------------|
| | May 31, 2025 | May 31, 2024 | Percent Change | May 31, 2025 | May 31, 2024 | Percent Change |
| Operating income & operating margin - Europe | (in thousands) | | | (in thousands) | | |
| Revenue | \$ 4,889,997 | \$ 4,426,775 | | \$ 10,027,762 | \$ 9,544,027 | |
| Operating income | \$ 50,312 | \$ 34,360 | 46.4 % | \$ 136,204 | \$ 142,685 | (4.5)% |
| Acquisition, integration and restructuring costs | 499 | 12,049 | | 1,125 | 16,001 | |
| Amortization of intangibles | 31,988 | 30,621 | | 62,177 | 61,423 | |
| Share-based compensation | 2,999 | 3,811 | | 9,859 | 8,574 | |
| Non-GAAP operating income | \$ 85,798 | \$ 80,841 | 6.1 % | \$ 209,365 | \$ 228,683 | (8.4)% |
| Operating margin | 1.03 % | 0.78 % | | 1.36 % | 1.50 % | |
| Non-GAAP operating margin | 1.75 % | 1.83 % | | 2.09 % | 2.40 % | |

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Europe Three Months Ended May 31, 2025 versus May 31, 2024

- Operating income increased, primarily due to an increase in revenue and a decrease in acquisition, integration and restructuring costs, partially offset by higher personnel costs.
- Operating margin increased, primarily due to a decrease in acquisition, integration and restructuring costs, partially offset by a decrease in strategic technologies gross margins.
- Non-GAAP operating income increased, primarily due to an increase in revenue, partially offset by higher personnel costs.
- Non-GAAP operating margin slightly decreased primarily due to a decrease in strategic technologies gross margins.

Europe Six Months Ended May 31, 2025 versus May 31, 2024

- Operating income decreased, primarily due to higher personnel costs and a decrease in strategic technologies gross margins, partially offset by a decrease in acquisition, integration and restructuring costs and an increase in revenue.
- Operating margin decreased, primarily due to a decrease in strategic technologies gross margins and higher personnel costs, partially offset by a decrease in acquisition, integration and restructuring costs.
- Non-GAAP operating income decreased, primarily due to higher personnel costs and a decrease in strategic technologies gross margins, partially offset by an increase in revenue.
- Non-GAAP operating margin decreased primarily due to a decrease in strategic technologies gross margins and higher personnel costs.

| | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|--------------|----------------|------------------|--------------|----------------|
| | May 31, 2025 | May 31, 2024 | Percent Change | May 31, 2025 | May 31, 2024 | Percent Change |
| Operating income & operating margin - APJ | (in thousands) | | | (in thousands) | | |
| Revenue | \$ 1,047,123 | \$ 963,560 | | \$ 2,051,727 | \$ 1,918,465 | |
| Operating income | \$ 25,181 | \$ 20,304 | 24.0 % | \$ 50,026 | \$ 54,869 | (8.8)% |
| Acquisition, integration and restructuring costs | 107 | 441 | | 219 | 766 | |
| Amortization of intangibles | 806 | 620 | | 1,607 | 1,242 | |
| Share-based compensation | 818 | 694 | | 2,168 | 1,623 | |
| Non-GAAP operating income | \$ 26,912 | \$ 22,059 | 22.0 % | \$ 54,020 | \$ 58,500 | (7.7)% |
| Operating margin | 2.40 % | 2.11 % | | 2.44 % | 2.86 % | |
| Non-GAAP operating margin | 2.57 % | 2.29 % | | 2.63 % | 3.05 % | |

APJ Three Months Ended May 31, 2025 versus May 31, 2024

- Operating income and non-GAAP operating income increased, primarily due to an increase in revenue, partially offset by higher personnel costs.
- Operating margin and non-GAAP operating margin increased primarily due the impact of the presentation of additional revenue on a net basis due to the mix of products sold.

APJ Six Months Ended May 31, 2025 versus May 31, 2024

- Operating income and non-GAAP operating income decreased, primarily due to a decrease in strategic technologies gross margins and higher personnel costs, partially offset by an increase in revenue.
- Operating margin and non-GAAP operating margin decreased, primarily due a decrease in strategic technologies gross margins, partially offset by the impact of the presentation of additional revenue on a net basis due to the mix of products sold.

Interest Expense and Finance Charges, Net

| | Three Months Ended | | | Six Months Ended | | |
|---|--------------------|--------------|----------------|------------------|--------------|----------------|
| | May 31, 2025 | May 31, 2024 | Percent Change | May 31, 2025 | May 31, 2024 | Percent Change |
| | (in thousands) | | | (in thousands) | | |
| Interest expense and finance charges, net | \$ 89,982 | \$ 76,701 | 17.3 % | \$ 177,862 | \$ 152,592 | 16.6 % |
| Percentage of revenue | 0.61 % | 0.55 % | | 0.60 % | 0.55 % | |

Amounts recorded in interest expense and finance charges, net, consist primarily of interest expense paid on our Senior Notes, our lines of credit, our accounts receivable securitization facility and our term loans, and fees associated with the sale of accounts receivable, partially offset by income earned on our cash investments.

Three Months Ended May 31, 2025 versus May 31, 2024

Interest expense and finance charges, net increased, primarily driven by an increase in short-term borrowings to fund working capital requirements, partially offset by decreased costs associated with the sale of accounts receivable due to lower related discount fees. Accounts receivable discount fees for these programs totaled \$13.5 million and \$16.6 million in the three months ended May 31, 2025 and 2024, respectively.

Six Months Ended May 31, 2025 versus May 31, 2024

Interest expense and finance charges, net increased, primarily driven by an increase in short-term borrowings to fund working capital requirements along with higher average interest rates on our Senior Notes, partially offset by decreased costs associated with the sale of accounts receivable due to lower related discount fees. Accounts receivable discount fees for these programs totaled \$25.5 million and \$32.6 million in the six months ended May 31, 2025 and 2024, respectively.

Other Expense, Net

| | Three Months Ended | | | Six Months Ended | | |
|-----------------------|--------------------|--------------|-------------------|------------------|--------------|-------------------|
| | May 31, 2025 | May 31, 2024 | Change in Dollars | May 31, 2025 | May 31, 2024 | Change in Dollars |
| | (in thousands) | | | (in thousands) | | |
| Other expense, net | \$ 79 | \$ 3,091 | \$ (3,012) | \$ 1,775 | \$ 5,975 | \$ (4,200) |
| Percentage of revenue | — % | 0.02 % | | 0.01 % | 0.02 % | |

Amounts recorded as other expense, net include foreign currency transaction gains and losses on certain financing transactions and the related derivative instruments used to hedge such financing transactions, the cost of hedging, investment gains and losses, and other non-operating gains and losses, such as settlements received from class action lawsuits.

Three and Six Months Ended May 31, 2025 versus May 31, 2024

Other expense, net decreased primarily due to decreased hedging costs.

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Provision for Income Taxes

| | Three Months Ended | | | Six Months Ended | | |
|--|--------------------|--------------|----------------|------------------|--------------|----------------|
| | May 31, 2025 | May 31, 2024 | Percent Change | May 31, 2025 | May 31, 2024 | Percent Change |
| | (in thousands) | | | (in thousands) | | |
| Provision for income taxes | \$ 53,157 | \$ 40,551 | 31.1 % | \$ 100,503 | \$ 92,220 | 9.0 % |
| Percentage of income before income taxes | 22.33 % | 22.02 % | | 22.19 % | 22.61 % | |

Income taxes consist of our current and deferred tax expense resulting from our income earned in domestic and foreign jurisdictions. 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.

Three Months Ended May 31, 2025 versus May 31, 2024

Income tax expense increased primarily due to higher income during the period and a slightly higher effective tax rate. The effective tax rate was higher primarily due to a favorable discrete item recorded during the prior year, net of the relative mix of earnings within the taxing jurisdictions in which we operate.

Six Months Ended May 31, 2025 versus May 31, 2024

Income tax expense increased, primarily due to higher income during the period, partially offset by a slightly lower effective tax rate. The effective tax rate was lower primarily due to the relative mix of earnings within the taxing jurisdictions in which we operate.

Net Income and Diluted EPS

The following tables present net income and diluted EPS as well as a reconciliation of our most comparable GAAP measures to the related non-GAAP measures presented:

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|--------------|------------------|--------------|
| | May 31, 2025 | May 31, 2024 | May 31, 2025 | May 31, 2024 |
| | (in thousands) | | | |
| Non-GAAP net income - Consolidated | | | | |
| Net Income | \$ 184,921 | \$ 143,605 | \$ 352,458 | \$ 315,733 |
| Acquisition, integration and restructuring costs | 664 | 37,885 | 1,726 | 69,534 |
| Amortization of intangibles | 73,282 | 72,759 | 144,689 | 145,636 |
| Share-based compensation | 11,950 | 13,430 | 33,811 | 30,920 |
| Income taxes related to the above | (20,300) | (30,818) | (44,796) | (58,739) |
| Non-GAAP net income | \$ 250,517 | \$ 236,861 | \$ 487,888 | \$ 503,084 |
| | | | | |
| Non-GAAP diluted EPS | | | | |
| Diluted EPS ⁽¹⁾ | \$ 2.21 | \$ 1.66 | \$ 4.19 | \$ 3.60 |
| Acquisition, integration and restructuring costs | 0.01 | 0.44 | 0.02 | 0.79 |
| Amortization of intangibles | 0.87 | 0.84 | 1.71 | 1.66 |
| Share-based compensation | 0.14 | 0.15 | 0.40 | 0.35 |
| Income taxes related to the above | (0.24) | (0.36) | (0.53) | (0.67) |
| Non-GAAP diluted EPS ⁽¹⁾ | \$ 2.99 | \$ 2.73 | \$ 5.79 | \$ 5.73 |

⁽¹⁾ Diluted EPS is calculated using the two-class method. Unvested restricted stock awards granted to employees are considered participating securities. For purposes of calculating Diluted EPS, net income allocated to participating securities was approximately 0.9% of net income for all periods presented.

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Liquidity and Capital Resources

Cash Conversion Cycle

| | | Three Months Ended | | |
|---|--|--------------------|-------------------|---------------|
| | | May 31, 2025 | November 30, 2024 | May 31, 2024 |
| (Amounts in thousands) | | | | |
| Days sales outstanding ("DSO") | | | | |
| Revenue | (a) | \$ 14,946,315 | \$ 15,844,563 | \$ 13,947,908 |
| Accounts receivable, net | (b) | 10,127,960 | 10,341,625 | 8,852,525 |
| Days sales outstanding | (c) = ((b)/(a))*the number of days during the period | 62 | 60 | 59 |
| Days inventory outstanding ("DIO") | | | | |
| Cost of revenue | (d) | \$ 13,899,942 | \$ 14,803,618 | \$ 12,974,361 |
| Inventories | (e) | 8,655,741 | 8,287,048 | 7,098,247 |
| Days inventory outstanding | (f) = ((e)/(d))*the number of days during the period | 57 | 51 | 50 |
| Days payable outstanding ("DPO") | | | | |
| Cost of revenue | (g) | \$ 13,899,942 | \$ 14,803,618 | \$ 12,974,361 |
| Accounts payable | (h) | 14,542,575 | 15,084,107 | 12,134,581 |
| Days payable outstanding | (i) = ((h)/(g))*the number of days during the period | 96 | 93 | 86 |
| Cash conversion cycle ("CCC") | (j) = (c)+(f)-(i) | 23 | 18 | 23 |

Cash Flows

Our business is working capital intensive. Our working capital needs are primarily to finance accounts receivable and inventory. We rely heavily on term loans, sales of accounts receivable, our securitization program, our revolver programs and net trade credit from vendors for our working capital needs. We have financed our growth and cash needs to date primarily through cash generated from operations and financing activities. As a general rule, when sales volumes are increasing, our net investment in working capital dollars typically increases, which generally results in decreased cash flow generated from operating activities. Conversely, when sales volumes decrease, our net investment in working capital dollars typically decreases, which generally results in increases in cash flows generated from operating activities.

We calculate CCC as days of the last fiscal quarter's revenue outstanding in accounts receivable plus days of supply on hand in inventory, less days of the last fiscal quarter's cost of revenue outstanding in accounts payable.

- CCC was 23 days as of May 31, 2025, and 18 and 23 days as of November 30, 2024 and May 31, 2024, respectively.
- CCC increased as compared to November 30, 2024 primarily due to an increase in DIO due to higher inventories related to strategic technologies products.
- CCC was consistent compared to May 31, 2024, with an increase in DPO due to timing of cash payments offsetting the impacts of an increase in DIO due to higher inventories related to strategic technologies products and a slight increase in DSO.

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To increase our market share and better serve our customers, we may further expand our operations through investments or acquisitions. We expect that any such expansions would require an initial investment in working capital, personnel, facilities and operations. These investments or acquisitions would likely be funded primarily by our existing cash and cash equivalents, additional borrowings, or the issuance of securities.

Operating Activities - Six Months Ended May 31, 2025 versus May 31, 2024

Net cash used in operating activities was \$174.8 million compared to net cash provided by operating activities of \$270.0 million. The decrease in net cash provided by operating activities was primarily due to a larger decrease in accounts receivable during the six months ended May 31, 2024, compared to current year activity, related to the timing of cash receipts. This impact was partially offset by a decrease in other accrued liabilities during the six months ended May 31, 2024.

Investing Activities - Six Months Ended May 31, 2025 versus May 31, 2024

Net cash used in investing activities was \$71.1 million and \$100.8 million, respectively. The decrease in cash used in investing activities is primarily due to a decrease in cash paid for acquisition of businesses, which was \$4.5 million paid compared to \$26.2 million paid, along with a slight decrease in capital expenditures.

Financing Activities - Six Months Ended May 31, 2025 versus May 31, 2024

Net cash used in financing activities was \$126.6 million and \$17.5 million, respectively. The increase in net cash used in financing activities is primarily due to decreased borrowings of \$326.1 million, partially offset by a net decrease in payments for share repurchases and dividends of \$199.8 million.

We believe our current cash balances, cash flows from operations and credit availability are sufficient to support our operating activities for at least the next twelve months.

Capital Resources

Our cash and cash equivalents totaled \$767.1 million and \$1.1 billion as of May 31, 2025 and November 30, 2024, respectively. Our cash and cash equivalents held by international subsidiaries are no longer subject to U.S. federal tax on repatriation into the U.S. Repatriation of some foreign balances is restricted by local laws. If in the future we repatriate foreign cash back to the U.S., we will report in our Consolidated Financial Statements the impact of state and withholding taxes depending upon the planned timing and manner of such repatriation. Presently, we believe we have sufficient resources, cash flow and liquidity within the U.S. to fund current and expected future working capital, investment and other general corporate funding requirements.

We believe that our available cash and cash equivalents balances, cash flows from operations and our existing sources of liquidity, including available capacity under our borrowing facilities, will be sufficient to satisfy our current and planned working capital and investment needs for the next twelve months in all geographies. We also believe that our longer-term working capital, planned capital expenditures, anticipated stock repurchases, dividend payments and other general corporate funding requirements will be satisfied through cash flows from operations and, to the extent necessary, from our borrowing facilities and future financial market activities.

Credit Facilities and Borrowings

In the U.S., we have an accounts receivable securitization program to provide additional capital for our operations (the "U.S. AR Arrangement"). Under the terms of the U.S. AR Arrangement, we and our subsidiaries that are party to the U.S. AR Arrangement can borrow up to a maximum of \$1.5 billion based upon eligible trade accounts receivable. The U.S. AR Arrangement, as amended, has a maturity date of November 2026. We also have an amended and restated credit agreement, dated as of April 16, 2024 (as amended, the "TD SYNEX Credit Agreement"), pursuant to which we received commitments for the extension of a senior unsecured revolving credit facility not to exceed an aggregate principal amount of \$3.5 billion, which revolving credit facility (the "TD SYNEX Revolving Credit Facility") may, at our request but subject to the lenders' discretion, potentially be increased by up to an aggregate amount of \$500.0 million. Our borrowings on these facilities vary within the period primarily based on changes in our working capital. There were no amounts outstanding under the U.S. AR Arrangement at May 31, 2025 or November 30, 2024. There was \$150.0 million outstanding under the TD SYNEX Revolving Credit Facility at May 31, 2025 at an interest rate of 5.61%. There were no amounts outstanding on the TD SYNEX Revolving Credit Facility at November 30, 2024. As amended, the TD SYNEX Revolving Credit Facility will mature on April 16, 2029, subject, in the lender's discretion, to two one-year extensions upon our prior notice to the lenders.

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The TD SYNEX Credit Agreement also includes a \$1.5 billion term loan facility (the "TD SYNEX Term Loan") that has a maturity date of September 1, 2026. There was \$581.3 million outstanding on the TD SYNEX Term Loan as of both May 31, 2025 and November 30, 2024.

On April 19, 2024, we entered into a Term Loan Credit Agreement (the "2024 Term Loan Credit Agreement") which provides for a senior unsecured term loan in the amount of \$750.0 million (the "2024 Term Loan"). The proceeds from the 2024 Term Loan were used to repay a portion of the TD SYNEX Term Loan. The 2024 Term Loan will mature on September 1, 2027.

We have various other committed and uncommitted lines of credit with financial institutions, short-term loans, term loans, credit facilities and book overdraft facilities, totaling approximately \$616.8 million in borrowing capacity as of May 31, 2025. Our borrowings on these facilities vary within the period primarily based on changes in our working capital. There was \$232.4 million outstanding on these facilities at May 31, 2025, at a weighted average interest rate of 8.87%, and there was \$171.1 million outstanding on these facilities at November 30, 2024, at a weighted average interest rate of 7.91%.

Historically, we have renewed our accounts receivable securitization program and our parent company credit facilities on, or prior to, their respective expiration dates. We have no reason to believe that these and other arrangements will not be renewed or replaced as we continue to be in good credit standing with the participating financial institutions. We have had similar borrowing arrangements with various financial institutions throughout our years as a public company.

We had total outstanding borrowings of approximately \$4.1 billion and \$3.9 billion as of May 31, 2025 and November 30, 2024, respectively. Our outstanding borrowings include Senior Notes of \$2.4 billion as of both May 31, 2025 and November 30, 2024, and term loans described above as the TD SYNEX Term Loan and 2024 Term Loan of approximately \$1.3 billion as of both May 31, 2025 and November 30, 2024. For additional information on our borrowings, see [Note 10](#) – Borrowings to the Consolidated Financial Statements included in Part I, Item 1 of this Report.

Accounts Receivable Purchase Agreements

We have uncommitted accounts receivable purchase agreements under which trade accounts receivable owed by certain customers may be acquired, without recourse, by certain financial institutions. Available capacity under these programs is dependent upon the level of our trade accounts receivable eligible to be sold into these programs and the financial institutions' willingness to purchase such receivables. In addition, certain of these programs also require that we continue to service, administer and collect the sold accounts receivable. At May 31, 2025 and November 30, 2024, we had a total of \$1.0 billion and \$1.2 billion, respectively, of trade accounts receivable sold to and held by financial institutions under these programs. Discount fees for these programs totaled \$13.5 million and \$25.5 million in the three and six months ended May 31, 2025, respectively and \$16.6 million and \$32.6 million in the three and six months ended May 31, 2024, respectively.

Share Repurchase Program

In January 2023, our Board of Directors authorized a three-year \$1.0 billion share repurchase program. In March 2024, our Board of Directors authorized a new \$2.0 billion share repurchase program, supplementing the amount remaining under the prior program, pursuant to which we may repurchase our outstanding common stock from time to time in the open market or through privately negotiated transactions, including pursuant to one or more Rule 10b5-1 trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934. The March 2024 share repurchase authorization does not have an expiration date. We repurchased 1.4 million shares of common stock for \$148.8 million and 2.1 million shares for \$249.3 million in the three and six months ended May 31, 2025, respectively and 2.3 million shares for \$254.2 million and 4.2 million shares for \$453.4 million during the three and six months ended May 31, 2024, respectively. As of May 31, 2025, we had \$1.5 billion available for future repurchases of our common stock. For additional information on our share repurchase program, see [Note 5](#) – Stockholders' Equity to the Consolidated Financial Statements included in Part I, Item 1 of this Report.

Covenant Compliance

Our credit facilities have a number of covenants and restrictions that require us to maintain specified financial ratios. They also limit our (or our subsidiaries', as applicable) ability to incur additional debt or liens, enter into agreements with affiliates, modify the nature of our business, and merge or consolidate. As of May 31, 2025, we were in compliance with all material financial covenants for the above arrangements.

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Critical Accounting Policies and Estimates

During the six months ended May 31, 2025, there were no material changes to our critical accounting policies and estimates previously disclosed in our Annual Report on Form 10-K for the fiscal year ended November 30, 2024.

Recently Issued Accounting Pronouncements

For a summary of recent accounting pronouncements and the anticipated effects on our consolidated financial statements, see [Note 2](#) – Summary of Significant Accounting Policies to the Consolidated Financial Statements, which can be found under Part I, Item 1 of this Report.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

For a description of the Company’s market risks, see “Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk” in our Annual Report on Form 10-K for the fiscal year ended November 30, 2024. No material changes have occurred in our market risks since November 30, 2024.

ITEM 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. We maintain “disclosure controls and procedures,” as such term is defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the U.S. Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our disclosure controls and procedures have been designed to meet reasonable assurance standards. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Based on their evaluation as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer (our principal executive officer) and Chief Financial Officer (our principal financial officer) have concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

(b) Changes in internal control over financial reporting. There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) identified in connection with management’s evaluation during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

The information set forth under [Note 13](#) - Commitments and Contingencies in the Notes to the Consolidated Financial Statements in Part I, Item 1 of this Report, is incorporated herein by reference.

ITEM 1A. Risk Factors

You should carefully review and consider the information regarding certain factors that could materially affect our business, financial condition or future results set forth under Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended November 30, 2024. There have been no material changes to the risk factors disclosed in our 2024 Annual Report on Form 10-K.

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

In January 2023, our Board of Directors authorized a three-year \$1.0 billion share repurchase program. In March 2024, our Board of Directors authorized a new \$2.0 billion share repurchase program (the "March 2024 share repurchase program"), supplementing the \$196.7 million remaining authorization under the prior program, pursuant to which we may repurchase our outstanding common stock from time to time in the open market or through privately negotiated transactions, including pursuant to one or more Rule 10b5-1 trading plans adopted in accordance with Rule 10b5-1 of the Securities Exchange Act of 1934 (the "Exchange Act"). The March 2024 share repurchase program does not have an expiration date.

The following table presents information with respect to purchases of common stock by the Company under the March 2024 share repurchase program during the quarter ended May 31, 2025:

| Period | Issuer Purchases of Equity Securities (amounts in thousands except for per share amounts) | | | |
|--------------------------|---|---|---|--|
| | Total number of shares purchased | Average price paid per share ⁽¹⁾ | Total number of shares purchased as part of publicly announced plans or program | Maximum dollar value of shares that may yet be purchased under the plans or programs |
| March 1 - March 31, 2025 | 110 | \$ 122.95 | 110 | \$ 1,669,962 |
| April 1 - April 30, 2025 | 1,001 | 102.29 | 1,001 | 1,567,594 |
| May 1 - May 31, 2025 | 273 | 120.28 | 273 | 1,534,704 |
| Total | 1,384 | \$ 107.49 | 1,384 | |

⁽¹⁾ Excludes excise taxes, whether accrued or paid, and excludes broker's commissions.

ITEM 5. Other Information***Trading Arrangements***

On May 12, 2025, Marshall Witt, the Company's Chief Financial Officer, adopted a trading arrangement for the sale of securities of the Company's common stock that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act. Mr. Witt's Rule 10b5-1 trading arrangement provides for the sale of up to (i) 10,333 shares of common stock (of which all such shares are to be acquired upon the exercise of employee stock options) and (ii) specified percentages of net shares (not yet determinable) of common stock resulting from the vesting of certain equity awards (net shares are net of tax withholding), until June 30, 2026 pursuant to the terms of the plan.

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ITEM 6. Exhibits

| <u>Exhibit Number</u> | <u>Description of Document</u> |
|-----------------------|--|
| 3(i).1 | Restated Certificate of Incorporation, as amended. |
| 3(ii).1 | Amended and Restated Bylaws (incorporated by reference to Exhibit 3(ii).1 to the Company's Current Report on Form 8-K filed on September 30, 2024). |
| 10.1 ⁺ | Sixth Omnibus Amendment to the Fifth Amended and Restated Receivables Funding and Administration Agreement and the Third Amended and Restated Receivables Sale and Servicing Agreement, dated as of March 5, 2025 by and among SIT Funding LLC, TD SYNEX Corporation, the originators party thereto, the lenders and managing agents party thereto and the Toronto-Dominion Bank, as administrative agent. |
| 31.1 | Rule 13a-14(a) Certification of Chief Executive Officer. |
| 31.2 | Rule 13a-14(a) Certification of Chief Financial Officer. |
| 32.1* | Statement of the Chief Executive Officer and Chief Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350). |
| 101.INS | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101) |

Indicates management contract or compensatory plan or arrangement.

* In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Form 10-Q and will not be deemed "filed" for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

+Schedules (or similar attachments) and certain information have been omitted pursuant to Items 601(a)(5), 601(a)(6) and/or 601(b)(10)(iv) of Regulation S-K. TD SYNEX hereby undertakes to furnish supplementally a copy of any omitted schedule or exhibit to such agreement to the U.S. Securities and Exchange Commission upon request; provided, however, that TD SYNEX may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedules or exhibits so furnished.

