3Q2026: IT and Component Trading: AI Demand and Rising Component Prices Shape the 2027 Outlook

Published: 24 November 2026 | Author: David Daoud

Four of the world's largest technology and electronic component distributors reported strong revenue growth in their latest quarters, but higher sales are not necessarily translating into more hardware moving through distribution channels. Rising component prices are lifting revenue, while supplying large artificial intelligence infrastructure projects is requiring substantial investment in inventory.

These developments could have significant consequences for the secondary market for electronic components and IT equipment. Rising prices and longer procurement lead times could make refurbished hardware and recovered components more attractive to buyers, while weaker demand for new PCs could alter corporate replacement schedules and the flow of retired equipment into IT asset disposition (ITAD) channels.

The latest earnings disclosures from Arrow Electronics, Avnet, Ingram Micro and TD SYNNEX offer insight into the changing competitive landscape for electronics recovery businesses, particularly as major technology distributors extend their activities beyond new hardware sales into repair and reverse logistics.

Higher sales without higher volumes

Arrow Electronics reported quarterly sales of $10.7 billion. Management attributed most of the revenue growth in its electronic components business to price increases rather than higher volumes.

Fellow component distributor **Avnet** also reported sales of $10.72 billion, although its latest reporting period included an additional week compared with a standard 13-week quarter.

The effects of rising hardware prices are visible further down the supply chain. TD SYNNEX, which distributes finished technology products and manufactures data center infrastructure

through its Hyve business, reported a 16% increase in gross billings for its Endpoint Solutions business despite a decline in unit volumes.

Higher prices for new computers could give refurbished equipment suppliers more room to compete, particularly among businesses facing fixed technology budgets. Component traders could also benefit from customers seeking alternatives to increasingly expensive new parts.

Distributors commit billions to inventory

The expansion of AI infrastructure is placing considerable financial demands on distributors supplying large customer programs. **Arrow Electronics** added approximately $1.4 billion to its inventory during the quarter, bringing the total to $7.3 billion. About $600 million of the increase was associated with Arrow Intelligent Solutions. The company reported that its backlog now extends into the middle of 2027, although component lead times remain below previous peaks.

At **TD SYNNEX**, inventory reached $15.29 billion at the end of August, compared with $9.50 billion at the end of November 2025.
The company recorded negative free cash flow of approximately $976 million during the quarter. Management attributed the cash consumption to inventory investments supporting Hyve and new customer programs.

Independent component traders have considerably less financial capacity to absorb similar inventory commitments. Buying ahead of anticipated shortages may secure profitable transactions, but a reversal in component prices could leave traders holding expensive stock that must be sold into a falling market.
The distinction between inventory purchased against customer commitments and stock acquired in anticipation of demand becomes increasingly important when component prices are rising rapidly.

Server modernization could release older equipment

Another development emerged during the TD SYNNEX earnings call. Management described how a new generation of servers can replace several older systems, with higher selling prices compensating for lower unit volumes.

The transition to higher-capacity servers is expected to increase the number of older machines entering ITAD and secondary-market channels as enterprises consolidate their computing infrastructure. This could generate additional decommissioning and remarketing activity, although rising energy-efficiency requirements may limit demand for some older server models.

Ingram Micro expands its repair and reverse logistics business

Ingram Micro reported quarterly net sales of $15.2 billion, up 20.8% from a year earlier. Its Advanced Solutions business grew 40%, with GPU and AI infrastructure products contributing to growth despite carrying lower margins.

A smaller part of the company's business offers a more direct connection to the electronics recovery industry. Revenue in its Other services category increased 35% globally and 114% in North America. Ingram Micro attributed the North American growth to its U.S. reverse logistics and repair business.

Although Ingram Micro did not separately disclose IT asset disposition revenue, its services growth illustrates how distributors can generate additional business from equipment after its initial sale.
Distributors already have established relationships with resellers responsible for supplying and supporting corporate technology fleets. Extending those relationships into repair and equipment recovery could allow them to capture business that might otherwise go to independent service providers.

For ITAD companies, the expansion of distributor-led recovery services could open new partnership opportunities while gradually changing how retired corporate equipment reaches the secondary market.

More broadly, the latest distribution results point to a technology market increasingly shaped by AI infrastructure investment, rising component costs and changing hardware replacement patterns. Higher prices for new equipment could strengthen demand for refurbished systems and recovered components, while weaker PC unit sales could affect the timing of corporate equipment retirements.
These developments could create uneven conditions across the electronics recovery

industry in 2027, with opportunities emerging in enterprise infrastructure decommissioning, component remarketing and repair, even as the availability of used PCs remains uncertain.

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