



Synnex Corporation (SNX) — Research Summary

Technology | Electronics & Computer Distribution | 2026-06-03

Price: \$279.25

Signal: **BUY** (7.52/10)

Market: bull_tech

Equity Research Summary: TD SYNnex Corporation (SNX)

Sector: Technology | **Industry:** Electronics & Computer Distribution

Price: \$279.25 | **Market Cap:** \$20.2B | **52-Week Range:** \$138.07 – \$296.47

1. Company Overview & Investment Thesis

TD SYNnex is one of the world's largest IT distributors, connecting hardware, software, and cloud vendors with a vast network of resellers and managed service providers. The stock is compelling right now because it is riding steady double-digit revenue growth, an unbroken streak of earnings beats, and expanding recurring-revenue partnerships in high-demand areas like cybersecurity and financial-operations software.

2. Fundamental Snapshot

- **Valuation:** Shares trade at ~18x trailing and forward earnings, with an EV/EBITDA near 10.8x and a very low price-to-sales ratio of 0.29 — typical of a high-volume, thin-margin distribution business. Valuation looks reasonable rather than stretched given the growth trajectory.
- **Earnings Trend:** Strongly positive. The company has beaten estimates four quarters in a row, most recently posting \$4.73 vs. a \$3.31 estimate (+42.9%) in February 2026. The magnitude of recent beats suggests conservative guidance and improving execution.
- **Revenue & Margins:** Revenue grew 12.6% year-over-year to \$19.6B in the most recent quarter. Margins are inherently thin — gross margin ~6.8%, operating margin ~2.7%, and net profit margin ~1.6% — which is normal for distribution. TTM revenue stands at \$69.8B.
- **Balance Sheet:** Modest leverage with \$4.7B total debt against \$1.1B cash (net debt position); a healthy D/E ratio of 0.53. One caution: recent free cash flow was slightly negative (-\$0.2B), largely reflecting working-capital needs tied to growth.

3. Technical Outlook

The stock sits near the very top of its 52-week range, recently touching a new high of \$296.47 and trading at \$279.25 — roughly double its 52-week low of \$138.07. Momentum is clearly **building**, with shares up ~14.5% over the past month and several single-session jumps of 6%+ on above-average volume.

- **Resistance:** ~\$296 (recent high)
- **Support:** ~\$261 (recent breakout level), with deeper support in the low \$200s

Given the run-up, some near-term consolidation would not be surprising, but the trend remains firmly upward.

4. News & Sentiment

Overall Sentiment: Bullish

Three key themes dominate recent coverage:

1. **Strategic partnerships expanding recurring revenue** — new distribution deals with Ramp (financial-operations platform) and ConnectSecure (cybersecurity) push the company beyond traditional hardware distribution toward higher-value, subscription-style offerings.
2. **Earnings momentum** — media outlets repeatedly highlight the consistent beat streak and flag SNX as likely to beat again.
3. **Price momentum recognition** — multiple articles frame SNX as both a momentum pick and a value stock, a rare and attractive combination.

The prevailing market narrative is that TD SYNEX is a well-run, under-the-radar beneficiary of steady IT and cloud spending, gradually shifting its business mix toward stickier, more profitable services.

5. Bottom Line

- **Aerondight Systems Signal: BUY (7.52/10)**
- **Thesis:** A dominant IT distributor delivering reliable growth and earnings beats while strengthening its recurring-revenue mix — with room to run toward the \$331 analyst target (~18.6% upside).
- **Key Upcoming Catalyst:** The next quarterly earnings report, where another beat could extend the streak and support further upside.
- **Risk Level: Medium** — Thin margins, slightly negative recent free cash flow, a beta above 1.4, and a share price near all-time highs warrant monitoring, but strong fundamentals and analyst support (9 Buy, 2 Hold, 0 Sell) balance these concerns.

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