

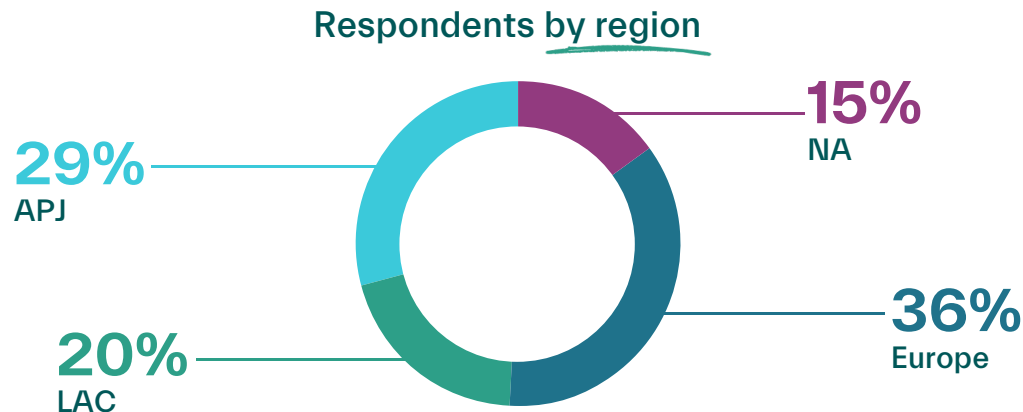


The Third Annual Direction of Technology Ecosystem Report

TD SYNnex Latin America and Caribbean

About the Direction of Technology Ecosystem Report

The 2024 Direction of Technology Ecosystem Report is the outcome of a comprehensive channel partner survey conducted between April and June 2024. We captured feedback from a record 1,006 business-to-business (B2B) channel partners from over 60 countries in all our global regions, including 204 respondents from the Latin America and Caribbean (LAC) region, their perspectives on current business models and expectations for 2025 and beyond.



This supplement provides insights on four fundamental factors:

- LAC partners anticipate the highest revenue growth in 2024 among global regions.
- Security, Storage, Networking, Servers, and Hybrid Cloud solutions are the most commonly sold products.
- AI adoption in LAC is expected to rise over the next 24 months.
- Partner enablement is crucial for long-term success in the IT ecosystem.
- Sustainability and DE&I are emerging priorities in the region.

“Navigating the future requires more than just strategy; it demands a deep understanding of our partners' insights. This year's Direction of Technology Ecosystem Report assesses not only performance and perspectives on current business models but also the expectations of our partners for 2024 and beyond. By amplifying their voices, we can better align our strategies and empower them for sustained success in a rapidly changing landscape. This comprehensive analysis reflects our commitment to fostering strong relationships and adapting to the dynamic needs of the market.”

Otavio Lazarini
President
Latin American and Caribbean
TD SYNEX



Content



The Growth Surge: LAC Partners Unwavering Optimism

Companies continue to accelerate their efforts for digital transformation, driving demand for IT solutions and services exponentially. Notably, among all global regions, LAC partners exhibit the most optimism for growth in 2024. Nearly half of them reported double-digit growth in the previous fiscal year and anticipate further organic growth while engaging with other partners (Figure 1). This positive outlook underscores the resilience of the region despite ongoing economic, political, and social challenges.



Q: Which statement best reflects your company's revenue performance this fiscal year, compared to the previous fiscal year?

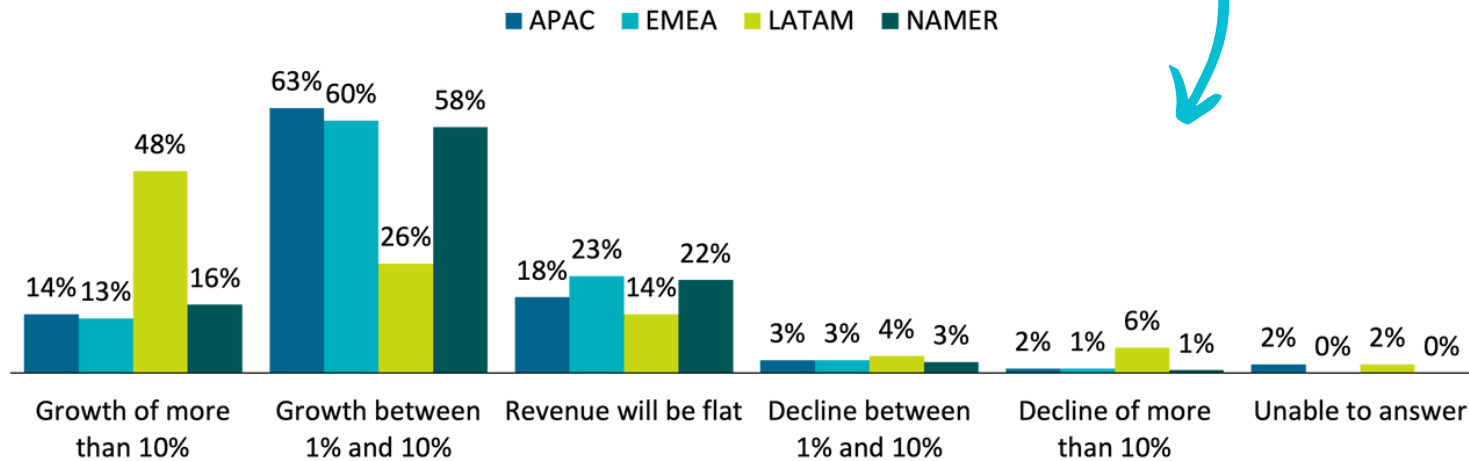


Figure 1

48% OF RESPONDENTS REPORTED GROWTH

OF MORE THAN 10% IN THE PREVIOUS FISCAL YEAR

LAC Power Players: Security, Storage, Networking, Servers and Hybrid Cloud

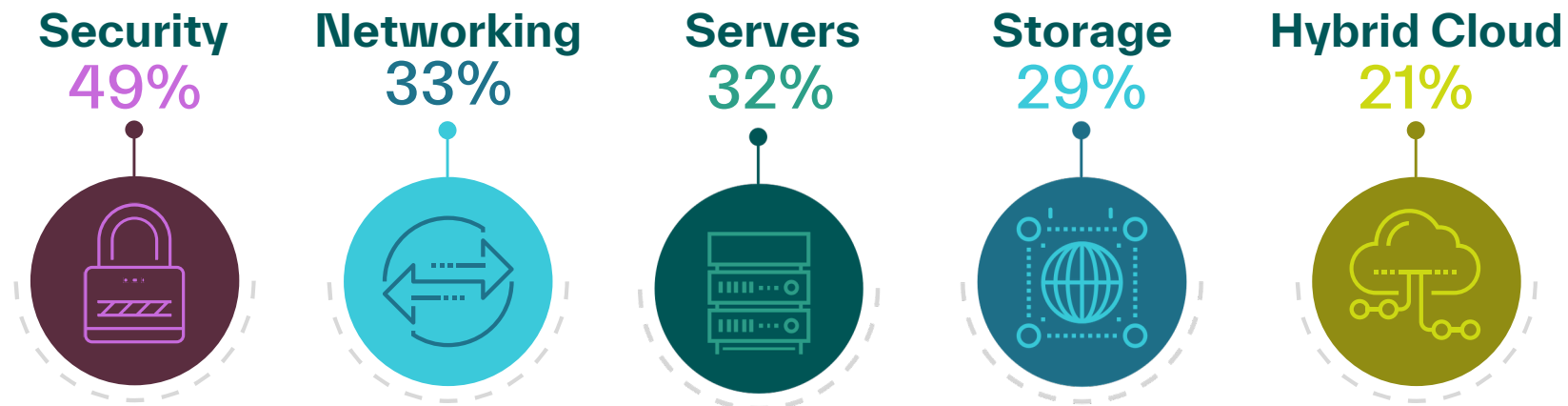
Channel models in Latin America are evolving at a gradual pace, with hardware and software resale remaining a vital component of partners' businesses (Figure 2). This dynamic is not only strengthening existing partnerships but also paving the way for new growth opportunities in the market.

Within this context, security, storage, networking, servers, and hybrid cloud continue to be critical focal points. Security is recognized as the most vital product for revenue generation, with 61% of partners planning to offer security solutions in the next two years (Figure 3). Additionally, partners are focusing on infrastructure as a key area for growth, with networking specifically prioritized by 33% of partners (Figure 4).

Channel partners, recognizing the transformative potential of high-growth technologies, are strategically expanding their portfolios to align with the escalating demands for advanced solutions.



Top revenue drivers in LAC



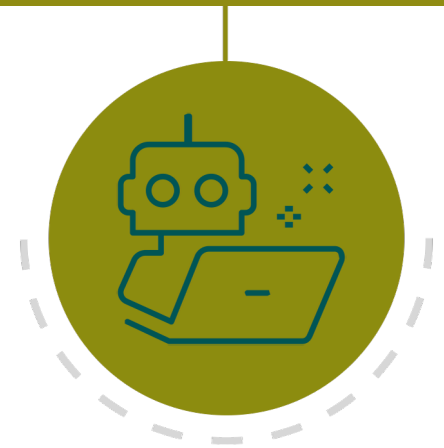
71% OF RESPONDENTS CURRENTLY

SELL SECURITY SOLUTIONS

AI Adoption in LAC: Bridging Innovation and Integration

Artificial intelligence (AI) remains a hot topic across the globe, and its application in business is rapidly advancing in Latin America despite the sale of IA as a standalone product not being very significant with 56% of respondents reporting no deals involving AI or GenAI in the past year and over a third indicated that AI constituted less than 20% of their transactions.

Partners anticipate a significant increase in the sale of AI-related products and solutions within the next two years (Figure 5). Importantly, AI is not just seen as a standalone offering; it is integrated with other solutions, such as cybersecurity and networking. This integration reflects a growing demand for comprehensive services rather than isolated products, paving the way for greater specialization in professional services.



Q: What percentage of deals that you have closed in the last 12 months involved Artificial Intelligence and what do you expect in the next 12 months?

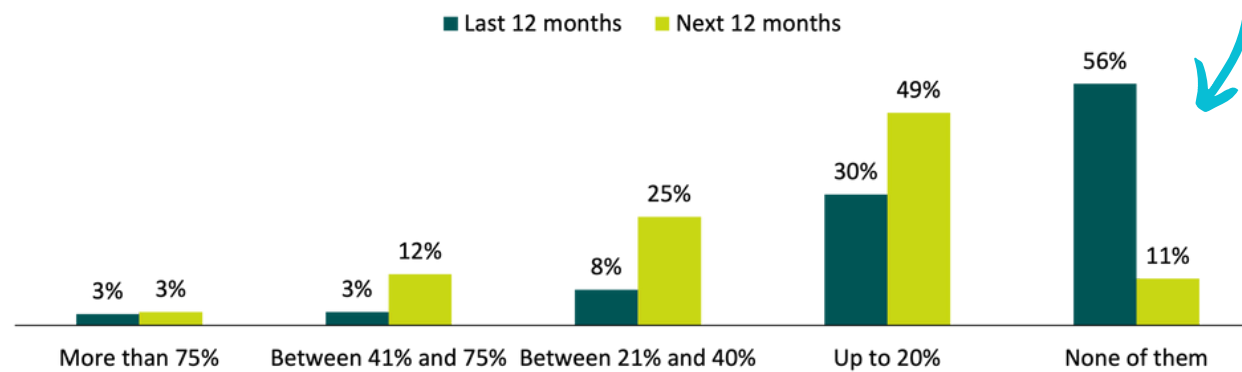


Figure 5

89% OF RESPONDENTS EXPECT

DEALS INVOLVING AI IN THE NEXT TWO YEARS



Destination AI

To empower partners on their AI journey, TD SYNnex Destination AI program offers a comprehensive and strategic aggregation of AI services and resources.

The strategic addition of the many artificial intelligence services and resources available in-house helps partners gain a competitive advantage. This includes access to training, solutions and services to support additional strategic opportunities and differentiate among competitors.

Always looking to offer new opportunities to its customers, TD SYNnex formed a team of specialists with representatives in the different regions of Latin America to meet the needs of the business partners in all countries. All of them have specialized training in artificial intelligence technologies.

Destination AI is available in Latin America for all business partners looking to stay ahead of the curve.

For more information about the program, please visit <https://lp.lac.tdsynnex.com/en-lac-destination-ai/>.

“At TD SYNnex we have the necessary tools to support our customers to focus on growing and optimizing their business. Our Destination AI program is designed to empower our business partners to lead the right conversations with their end customers while providing them with effective artificial intelligence solutions that meet their business needs.”

Marcos Murata

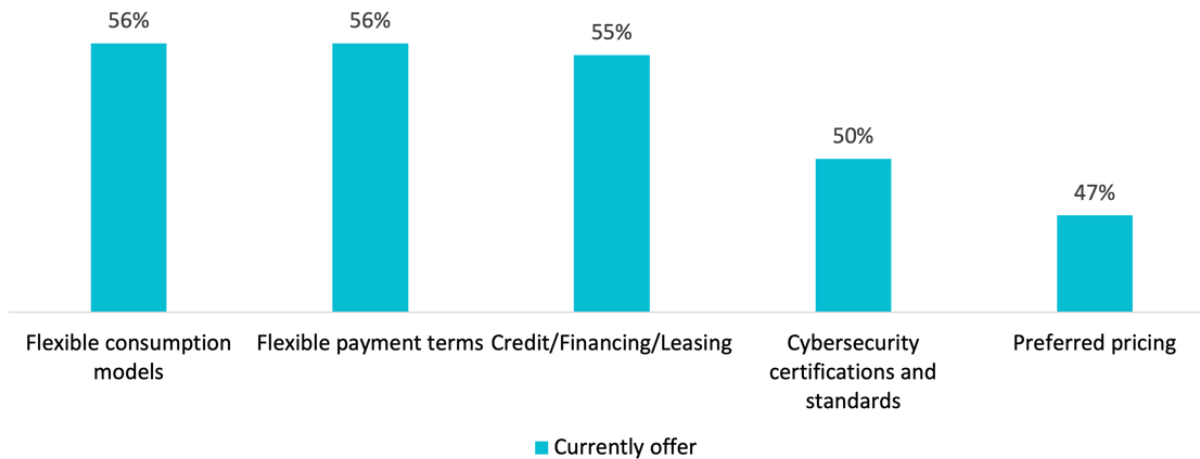
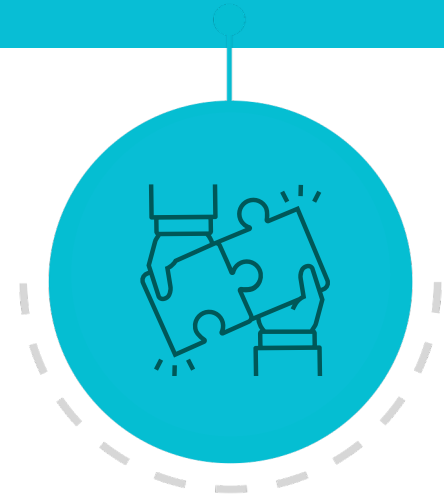
Vice President
Vendor Management and
Business Strategy
Latin America and Caribbean
TD SYNnex



Partnering for Tomorrow: Enabling Long-Term Success

In today's rapidly evolving technology landscape, strategic partnerships between IT distributors and business partners are essential. For TD SYNnex, fostering collaborative relationships that drive innovation and growth is crucial. By leveraging a diverse array of solutions, including professional and tailored financial services, our partnerships become transformational rather than merely transactional. Together, we can navigate challenges, seize opportunities, and create a synergistic ecosystem that supports long-term success in a competitive marketplace.

LAC partners show greater sensitivity to payment options than to the technology itself, which may influence the way in which offers are structured. Credit, financing and leasing are important to LAC customers, given the challenges of cash flow and liquidity (Figure 6).



Q: Which business solutions do you currently offer? Select all that apply.

Figure 6

57% OF RESPONDENTS CURRENTLY OFFER

FLEXIBLE PAYMENT TERMS AND CONSUMPTION MODELS



TD SYNEX Capital

TD SYNEX Capital is a financial services division that aims to bridge the gap between technology and finance with flexible leasing, lending and collaboration programs with vendors. This strategic initiative aligns with our vision to be a catalyst for business growth and innovation.

The wide range of tailored financial products and services that TD SYNEX Capital offers, support business growth and sustainability. This division underscores TD SYNEX's commitment to fostering economic development and empowering businesses to reach their full potential.

TD SYNEX Capital is now available in Mexico and is expected to expand to the rest of the LAC region to drive growth and create new opportunities for partners in a variety of sectors, including technology, healthcare, manufacturing and retail.

For more information about the program, please visit <https://lac.tdsynex.com/mx/es/td-synex-capital/>

“We understand that access to financial resources is a critical component to business success, and with TD SYNEX Capital, our goal is to provide the financial support our partners need to thrive in today's competitive marketplace.”

Alberto Mora

Director
Financial Solutions
Latin America and Caribbean
TD SYNEX



Partnering for Tomorrow: Enabling Long-Term Success

To empower our partners, it is essential to facilitate their transition to selling professional services and adopting a service-based business model. By focusing on continuous training, developing educational materials, and collaborating on projects, partners can better position themselves to meet market demands and adapt to emerging trends. Notably, 85% of respondents anticipate shifting towards selling professional services within the next three years (Figure 7).

Professional and managed services are the most valued business skills, with more than half of surveyed partners currently hiring for these set of skills (Figure 8); while security, AI and hybrid cloud remain the most valued technical skills (Figure 9).

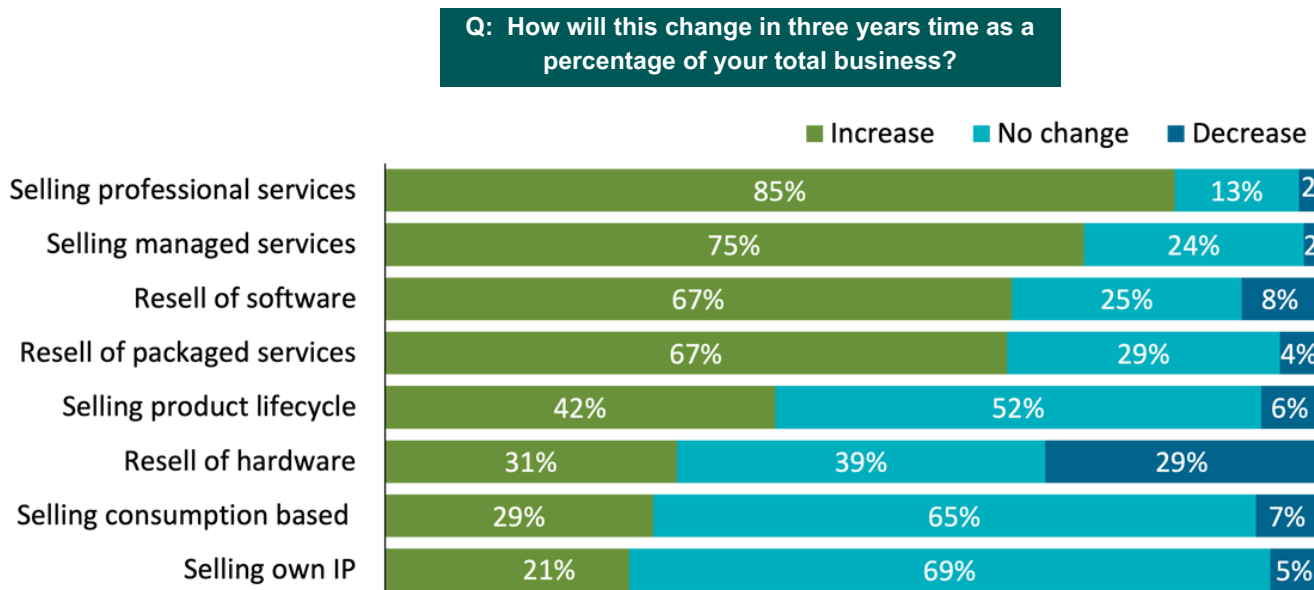
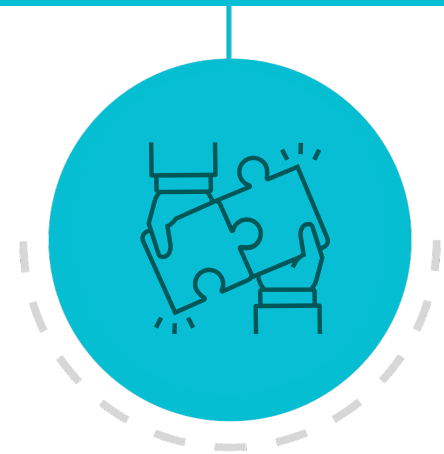


Figure 7

**85% OF RESPONDENTS EXPECT TO SHIFT
TO SELLING PROFESSIONAL SERVICES**



Services

At TD SYNnex, we recognize that markets and customers are continuously evolving, each with unique challenges that demand adaptability and competitiveness. Embracing cutting-edge technology and innovation is vital for business success. To thrive in this dynamic landscape, it's crucial to partner with trusted allies who can offer the necessary support to achieve strategic goals.

That's why our Services division, ServiceSolv, is dedicated to acting as an extension of our customers' capabilities, empowering them to drive the growth they need. We are committed to being a reliable partner in this journey.

ServiceSolv provides partners with solution-based services, bridging the gaps between technology complexity and outcomes through engineering resources, integrations and configurations, onsite or remote deployments, migrations, IT asset disposition, support and managed services, and much more.

“As cloud adoption continues to grow in Latin America, TD SYNnex stands ready to empower business partners to capture and better capitalize on opportunities related to their cloud business. Through our portfolio of cloud services, partners can accelerate their transformation and provide added value to their customers by supporting them in their transition to the cloud.”



Fernando Ayllon

Vice President
Professional Services
Latin America and Caribbean
TD SYNnex

Overview of Sustainability in Latin America and Caribbean

How TD SYNEX supports partners in implementing ESG practices

Adoption of ESG and sustainability practices is rapidly growing in Latin America, with a focus on supply chain transparency, regulatory compliance, and the implementation of sustainable solutions (Figure 10). TD SYNEX aligns with these trends by providing robust support to partners and customers to meet these increasing demands.

Sustainability Training Modules

TD SYNEX offers sustainability training modules that help companies prepare to meet regulatory and ESG demands. These trainings empower teams to better understand sustainable practices and how to effectively implement them in their operations.

Commitment to SBTi-Approved Reduction Targets

TD SYNEX reinforces its commitment to sustainability by having its emission reduction targets approved by the Science Based Targets initiative (SBTi). This global commitment underscores the seriousness with which the company addresses climate change and creates a positive impact in Latin America, serving as a model of leadership and concrete actions that can be followed by partners and customers in the region.

“With our global structure and standardization, TD SYNEX is ready to support companies in Latin America as new regulations and sustainability trends become relevant in the region.”

Ricardo Angelotti
Global Sustainability Manager
TD SYNEX



DE&I: An Emerging Priority for all Businesses

The results highlight an encouraging trend for Diversity, Equity, and Inclusion (DE&I) metrics, which are expected to gain importance in the next two years (Figure 11). While currently ranked lower compared to other regulatory areas like data protection and cybersecurity, the rising focus on DE&I reflects a growing recognition of its value in fostering inclusive business practices. As organizations continue to evolve, we can anticipate that DE&I will play an increasingly vital role in shaping regulatory frameworks and strategies.



Figure 11

**76% OF RESPONDENTS REPORT THAT DE&I METRICS
WILL BE THE MOST IMPORTANT SOLUTION AREA WITHIN 2 YEARS**

DE&I: An Emerging Priority for all Businesses

Our Commitment to Diversity, Equity and Inclusion

We Listen to Our People

We value the perspectives of our co-workers and encourage them to share their experiences and suggestions for improvement. Our annual *Your Voice Matters* employee engagement survey is key to this initiative. In 2024, we achieved a remarkable regional participation rate of 92% and an overall engagement score of 88, setting an exceptional benchmark within the tech sector and beyond.

Focused Actions in the LAC region

In 2023, we conducted the DE&I LAC Survey, which saw participation from 1,134 co-workers, representing 60% of our total workforce in the LAC region. This survey helps us gauge our effectiveness in promoting diversity and inclusion, allowing us to identify areas for improvement and focus our efforts strategically.

At TD SYNEX, we believe that diversity, equity, and inclusion are fundamental to success and innovation. Our DE&I strategy and efforts in Latin America seek promote an inclusive and welcoming work environment for all coworkers, where together, we can continuous build a more inclusive and equitable future for everyone



Isabelle Galvao

Sr Director
Human Resources
Latin America and Caribbean
TD SYNEX



Summary

LAC partners are most optimistic about revenue growth in 2024

- Almost half plan for double digit growth, approximately the same as in 2023.
- Of all the major regions globally, LATAM partners are most optimistic about growth in 2024.

Security, storage, networking, servers and hybrid cloud are most frequently sold products in LAC

- Security is the most important to revenue generation, but infrastructure is also key for many, led by networking.
- Unlike other geographies, AI/GenAI remains less important, according to the majority of LAC partners surveyed.

Security will be most commonly offered in two years time, but AI/GenAI will also rise in importance

- GenAI will be the second most commonly-offered technology solution by LAC partners in 24 months.
- Hybrid cloud, servers and networking will also be important to many partners within two years.

Channel models are slow to transform, with hardware and software resell remaining most important

- The average share of managed & professional services is increasing slowly, but most partners are heavily product dependent.
- Within three years, however, the vast majority expect the share from professional and managed services to increase.

Flexible consumption models and flexible payments are most commonly offered business solutions

- Credit, financing and leasing are also important to LAC customers, given the challenges of cash flow and liquidity.
- Cybersecurity standards remain further behind the offering of flexible payment options.

Despite limited (current) demand for AI, partners are most likely to hire security and GenAI skills

- Professional and managed services are the most valued business skills.
- From a technical point of view, skills around hybrid cloud and infrastructure are also important.

In regulatory terms, data protection/governance, cybersecurity and AI are most important in LAC

- This is expected to remain roughly the same within the next two years.
- Other regulatory skills are expected to stay less important, though DE&I metrics will be the most important solution area within 2 years.

The biggest challenges today are the need for internal training & increased competition from new names

- Keeping up to speed with new technologies remains a key challenge.
- In 2 years, the biggest challenges will be keeping up with rapid technological change and new regulations around ESG etc.

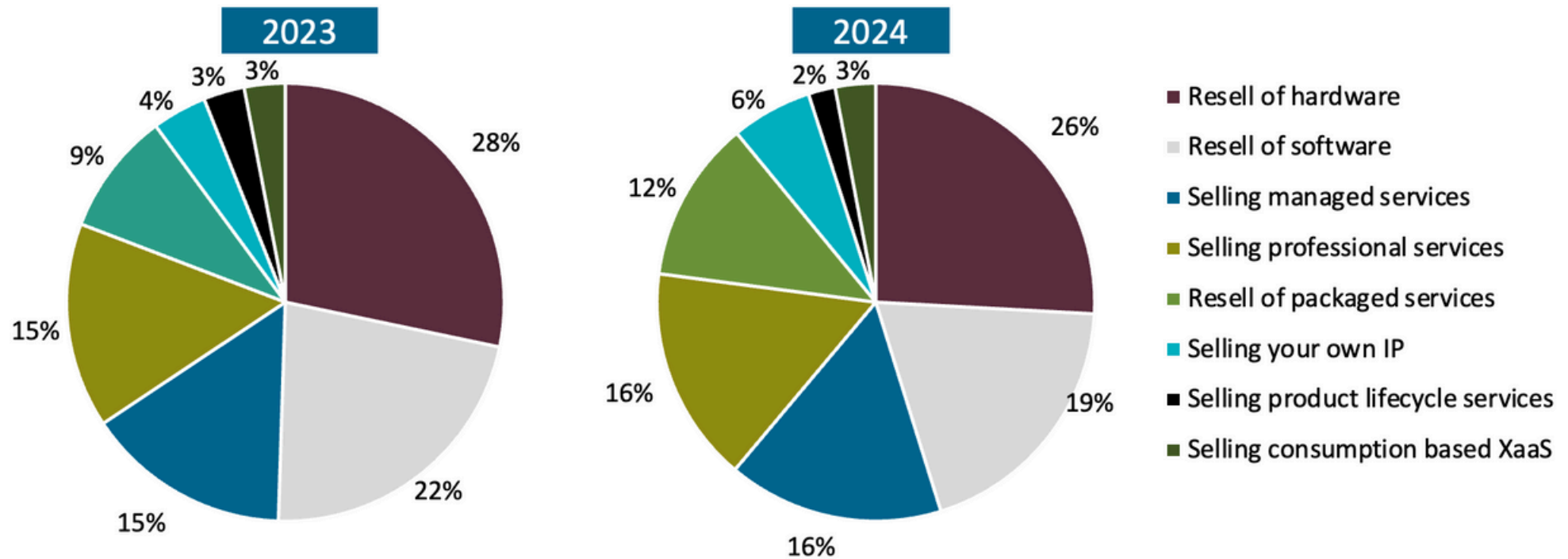
Most LAC partners plan to grow organically as well as engage with other partners

- Very few partners surveyed showed significant interest in M&A activity.
- Expanding domestically while offering new technologies/solutions are most popular growth drivers.

Appendix

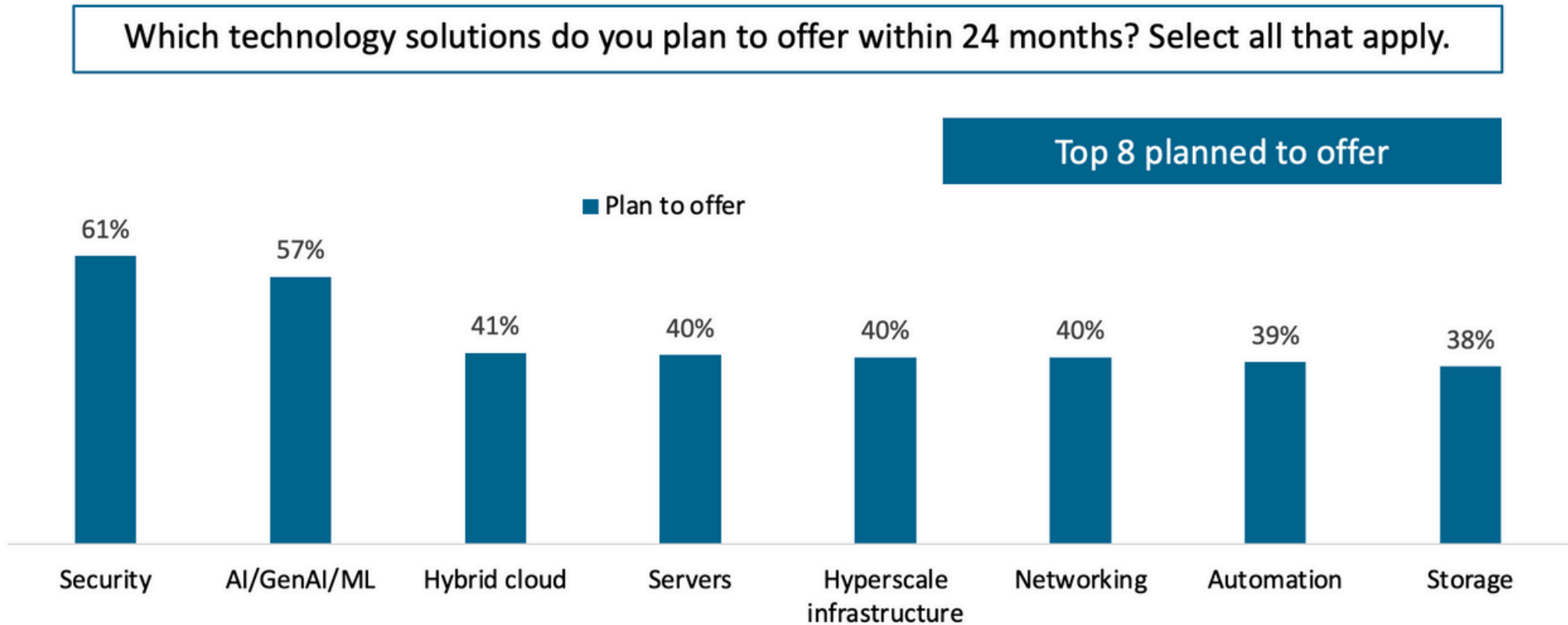
Figure 2

What percentage of your business is derived from the following today?
Average percentage across all respondents



Appendix

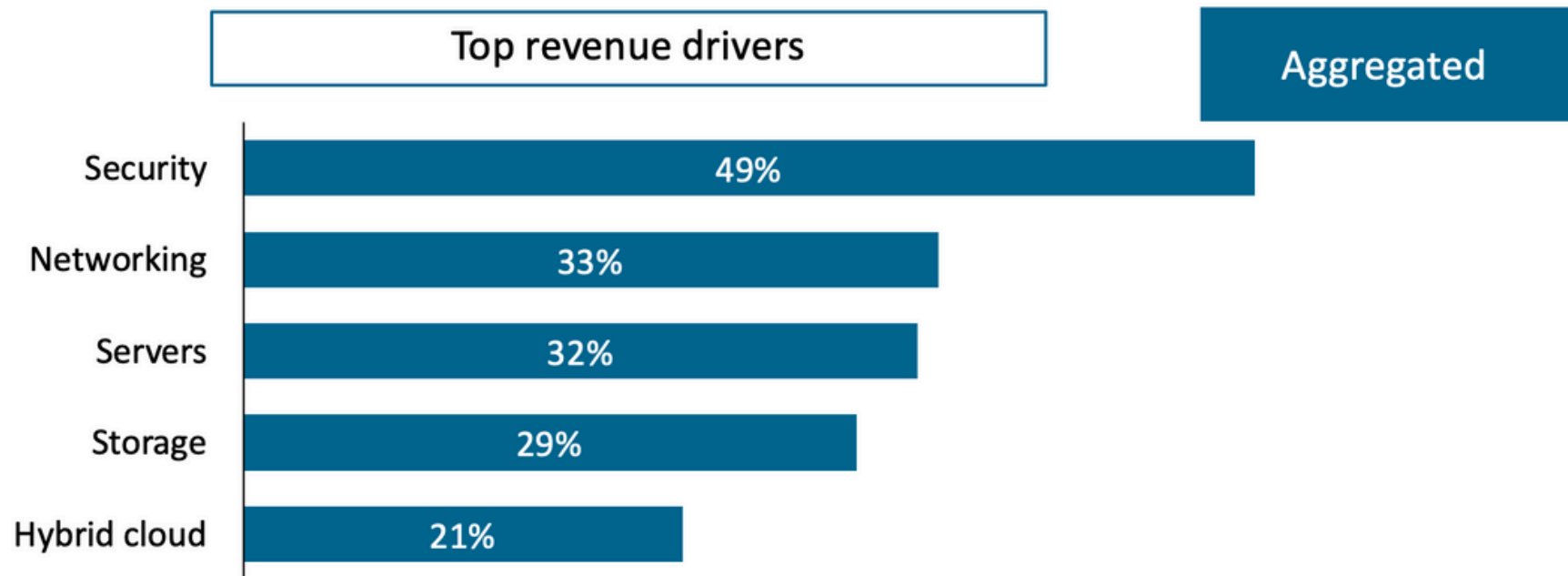
Figure 3



Appendix

Figure 4

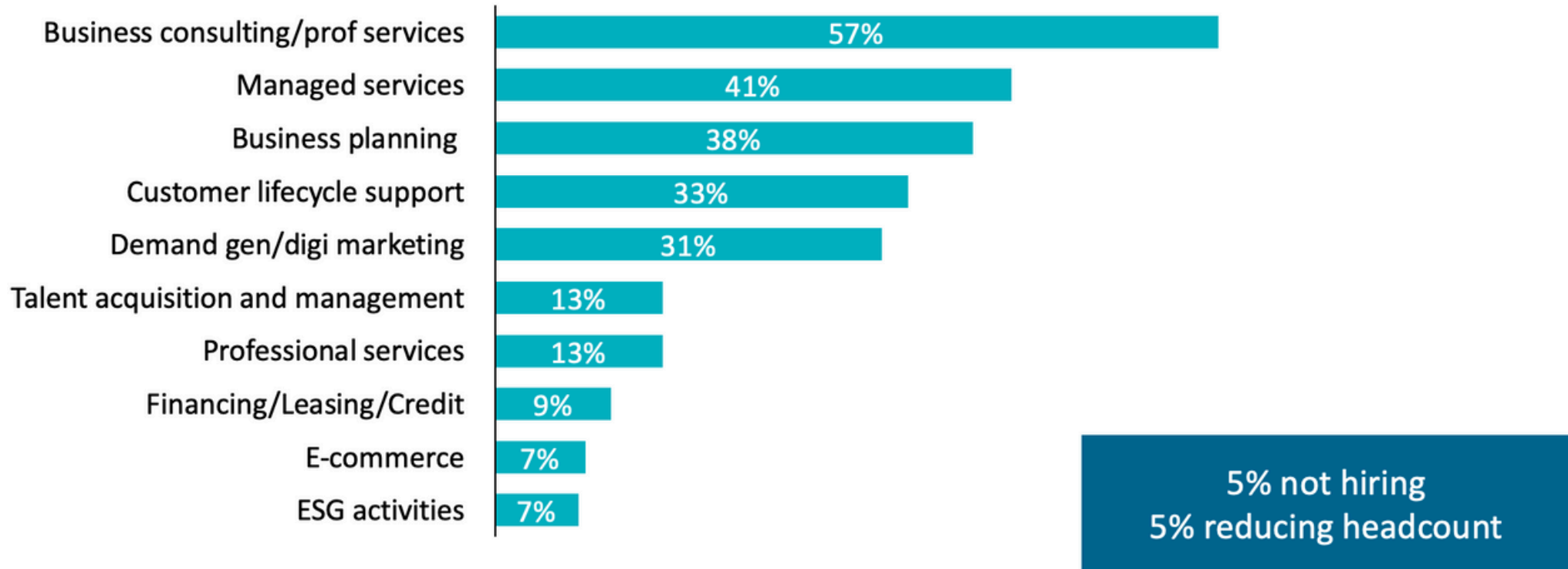
Considering your business during the last 12 months, from the list of technologies, please choose the top three revenue drivers.



Appendix

Figure 8

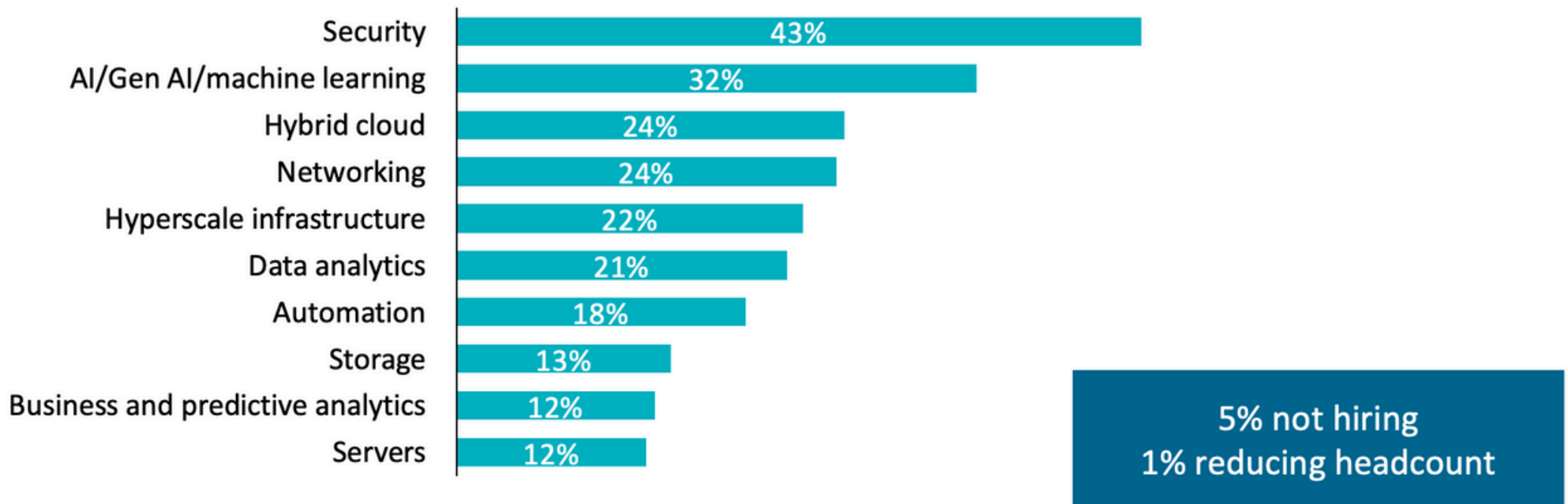
Which business skill sets are you hiring for? Please choose top three priorities.



Appendix

Figure 9

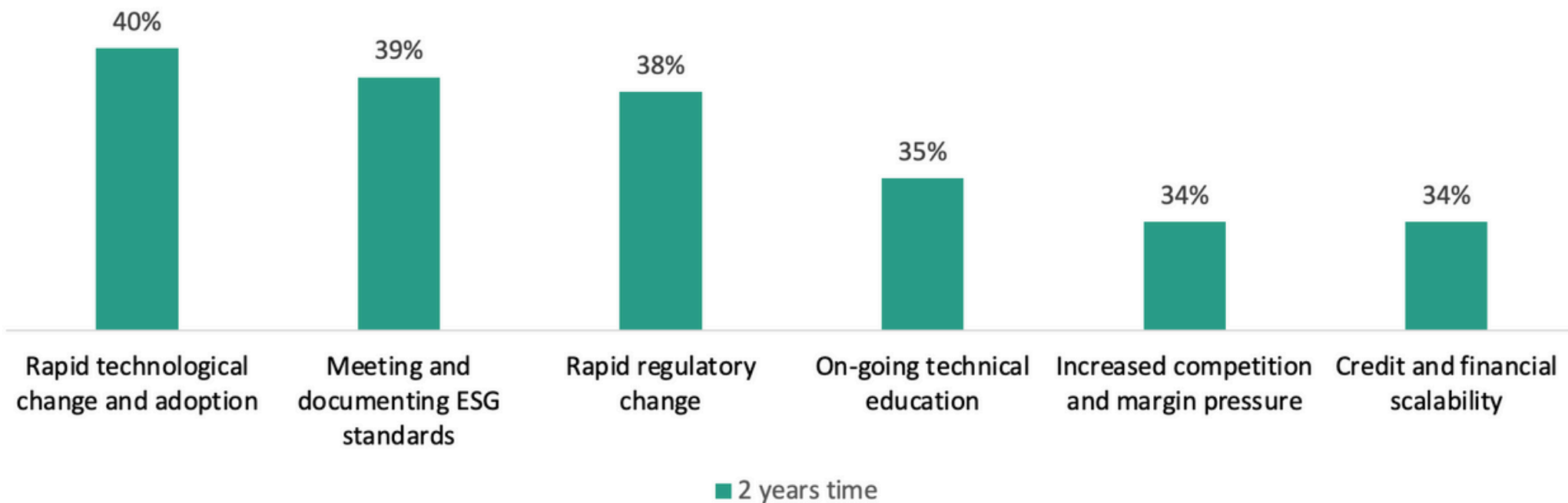
Which technology skill sets are you hiring for? Please consider both general technology skills and vendor-specific knowledge. Please choose top three priorities.



Appendix

Figure 10

Considering the following business challenges, please select all that will impact your business in two years time.



Safe Harbor Statement

A note regarding forward-looking statements: Statements in this report regarding TD SYNEX Corporation which are not historical facts may be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements may be identified by terms such as believe, expect, may, will, provide, could and should and the negative of these terms or other similar expressions. These forward-looking statements include, but are not limited to, statements regarding strategies and goals. These are subject to risks and uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements. Please refer to the documents filed with the Securities and Exchange Commission, specifically our most recent Form 10-K and subsequent SEC filings, for information on risk factors that could cause actual results to differ materially from those discussed in these forward-looking statements. Statements included in this report are based upon information known to TD SYNEX Corporation as of the date of presentation and TD SYNEX Corporation assumes no obligation to update information contained in this report except as otherwise required by law.