



press release

German Component Distribution Sees Upturn in 2025 and Requests Investment Initiative for the All-Electric-Society

Sales in electronic components distribution (according to FBDi e.V.) fell by almost 43% in the third quarter of 2024. Incoming orders provide little stimulus. Prospects remain modest until mid-2025.

Georg Steinberger: "2024 is no cause for joy. Although the downturn was expected after years of explosive growth and despite the fact that customer inventories are being depleted slowly, there are hardly any positive signals from the market. It remains difficult to assess the situation of end customers, and the news from the industrial and automotive markets make it difficult to provide a stable forecast. Either way, 2025 is going to be exciting."

Berlin, 5 November 2024 - The consolidation of sales in the German component distribution market continues. The third quarter of 2024 also fell short of expectations. With a drop of almost 43%, the turnover of the FBDi reporting members decreased to 779 million euros, the lowest level since the end of 2020. Bookings also remained moderate, reinforcing the view that a turnaround is still some way off. The book-to-bill ratio rose slightly to 0.77.

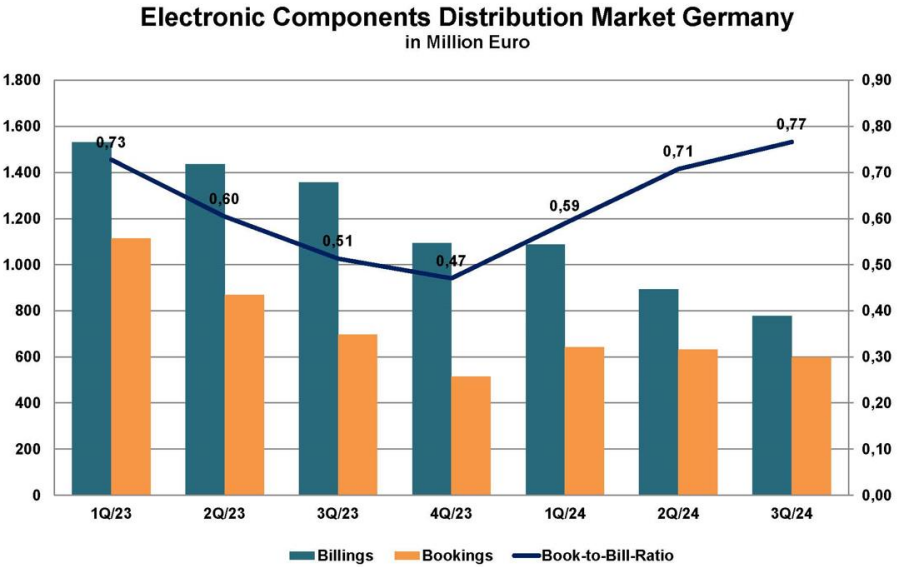
Again, semiconductors were hit hardest. Once the winners in the recent shortage, they are now suffering the most from sub-optimal market conditions. Compared to the third quarter of 2023, sales fell by 50% to EUR 477 million, while new orders remained at a low level of EUR 320 million (-13.5%). The book-to-bill ratio improved slightly to 0.67. The situation for other components was less dramatic. Sales of passive components fell by 'only' 32% to 113 million euros. As the decline in incoming orders was less pronounced, the book-to-bill ratio improved to 0.83. Sales of electromechanical components fell by 19% to EUR 124 million, order income by almost 9% to EUR 118 million and the book-to-bill ratio was just under 1. In other product areas, the downturn is losing its steam, with single-digit declines and book-to-bill

ratios of around 1. The sharp decline in semiconductors reduced their share of the total market to just a little over 61%.

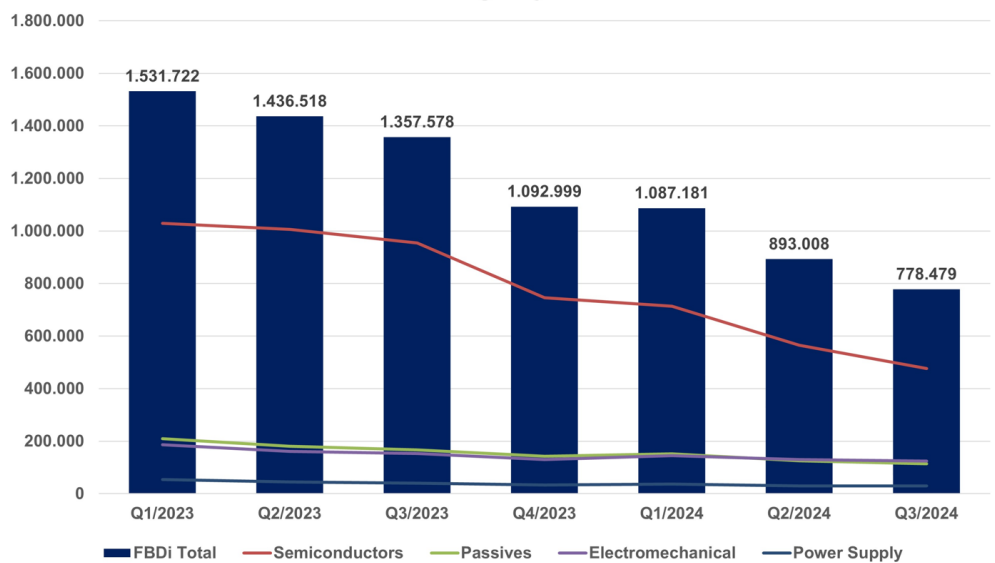
FBDi Chairman Georg Steinberger: “The distortions caused by the deteriorating geopolitical situation in recent years can be seen very clearly in the German market. Component distributors are heavily dependent on the success of customers in leading industry segments. They, however, are currently struggling with worsening economic conditions, a lack of innovation and a toxic political culture in which a necessary consensus for the future, as outlined by former Italian Prime Minister Mario Draghi, seems difficult to achieve. Unfortunately, this is not only the case in Germany, but as the largest economy in Europe, Germany is in danger of losing its role as a driving force for other regions.”

The FBDi and its chairman Georg Steinberger are cautious about the prospects for 2025: "Unfortunately, we are not yet seeing a turnaround in incoming orders, so a return to growth before mid-2025 is rather unlikely. What is needed is the right impetus from the most important application markets in the direction of future-proof innovations. As ZVEI President Dr Gunter Kegel repeatedly emphasises, striving for an all-electric society is a matter of reason and future competitiveness. Politicians and business need to finally agree on this and set the right course.

Our influence as a distribution industry is limited, but when it comes to innovations in electronics, we can bring all kinds of expertise to the table, from energy technology to artificial intelligence.”



FBDi Billings by Product



Source: FBDi e.V., November 2024

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Fachverband der Bauelemente Distribution e.V. (www.fbdi.de):

Founded in 2003, FBDi e.V. is an established player in the German association landscape and bundles the interests of its members from the distribution sector, who represent around three quarters of the sales volume of electronic components in Central Europe (DACH). In doing so, it oversees the entire electronics value chain.

In addition to the preparation and further development of data on the Central European distribution market, competence teams on important regulatory topics in the electronics industry (including CE, directives and ordinances) generate a high level of market-related competence. This qualifies the FBDi as a sought-after partner for politics, electronics manufacturers and customers.

Through its membership in the international distribution association IDEA, the FBDi exchanges information with other associations at the European level.

Member companies (as per July 2024):

Regular members: Acal BFi Germany; AL-Elektronik Distribution; Arrow Europe; Avnet EMG EMEA; Beck Elektronische Bauelemente; Blume Elektronik Distribution; Bürklin Elektronik; CODICO; Conrad Electronic; DACOM WEST; Distrelec; Ecomal Europe; Endrich Bauelemente; EVE; Future Electronics Deutschland; Glyn; Gudeco Elektronik; Haug Components Holding; Hy-Line Holding; JIT electronic; Kruse Electronic Components; MB Electronic; MEDI Kabel; Memphis Electronic; Menges Electronic; MEV Elektronik Service; mewa electronic; Mouser Electronics; Multi-Bauelemente-Service mbs; Neumüller Elektronik; pk components; Püpflichuisen; RS Components; Rutronik Elektronische Bauelemente; Schukat electronic; TTI Europe; WDI.

Supporting members: TDK Europe, Recom.

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