press release

German Component Distribution Starts 2024 with Expected Sales Drop

Turnover in electronic component distribution (according to FBDi e.V.) declines by 29% in the first quarter of 2024. Incoming orders at a low level. Outlook for 2024 remains moderate.

Georg Steinberger: 'After the records of the past three years, a little patience is now required until the market normalises. The long-term prospects for electronics remain excellent, and not just because of AI.'

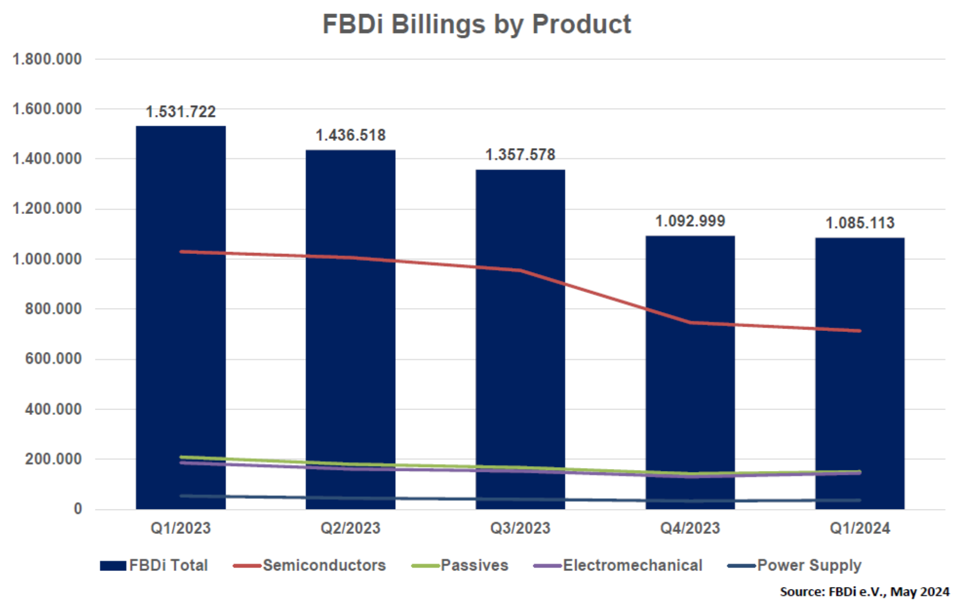
Berlin, May 13, 2024 – As expected, the drop in orders in the German component distribution market that has been showing since last year, is now being reflected in declining sales. After -20% in the fourth quarter of 2024, turnover in the first quarter of 2024 fell by 29% to EUR 1.09 billion, compared to the record quarter of Q1/2023. New orders were down by -43% to EUR 640 million, but managed a slight sequential turnaround (compared to Q4/23), which led to a slight improvement in the book-to-bill ratio to 0.59.

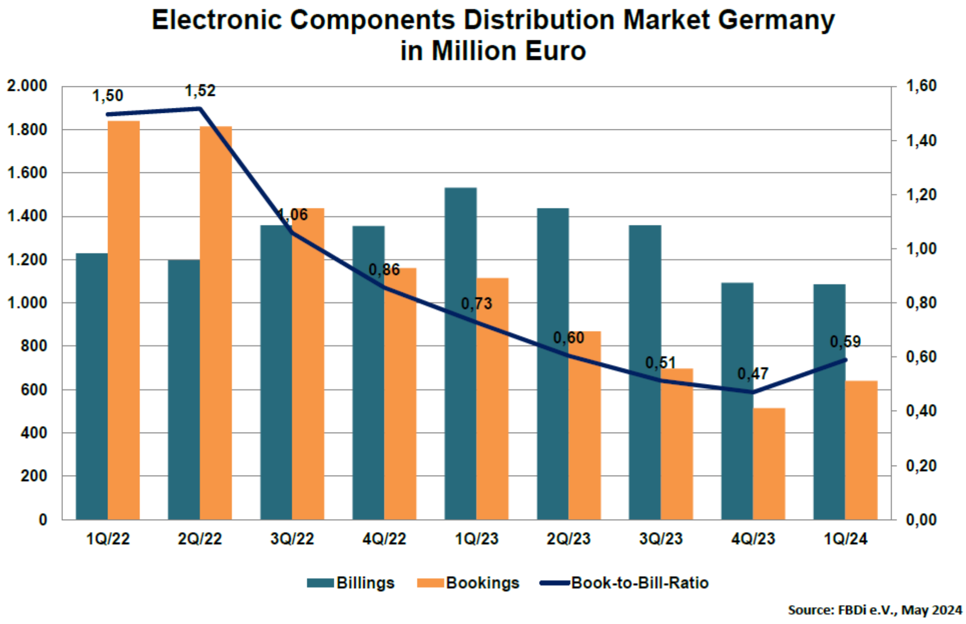
It is no coincidence that semiconductors were the area of concern in Q1/24. Sales fell by 30.7% to 713 million euros, while orders dropped by over 50% to 345 million euros, resulting in a book-to-bill ratio of 0.48. Passive Components did slightly better, with sales down 28% (to 150 million euros) and incoming orders down 42% (99 million euros). Electromechanical components fell by 22% to 145 million euros (new orders: -25% to 127 million euros). Other components such as sensors, displays, power supplies and assemblies followed the general trend. The sales split of the various component technologies shifted slightly to the disadvantage of semiconductors (only 65% of the total pie).

FBDi CEO Georg Steinberger: "The expected consolidation after three record years has now hit our industry hard and will continue over the next few quarters. Surprisingly, the mood on both the distributor and customer side is by no means negative; at the recent Embedded World exhibition, we could perceive a really positive atmosphere, the developers' enthusiasm for projects seems unbroken and, above all, they can now devote themselves to new developments again. In the past, in times of shortage, the demand was more for re-coding and re-design."

Commenting on the overall situation, Steinberger said: 'The situation in the components market varies greatly around the world. While semiconductor sales in the US and China increased by more than 20% in the first quarter, the signs in Europe and Japan point to consolidation, with a more moderate outlook for the year as a whole. Due to a different focus in the regions, it is difficult to speak of ONE single market. While China is generally booming - although it remains to be seen how sustainable this will be - and the US is benefiting from the hype around artificial intelligence, Europe and Japan are marching at the same pace through a period of weakness and uncertainty in their flagship sectors of automotive and industrial electronics. The looming disruptions, especially in the automotive market due to the strength of Chinese electric car companies, will keep us busy for some time to come."

Nevertheless, the FBDi remains optimistic: "The electronics industry remains the driving force behind any societal transformation, be it digital or energy. The biggest challenge is not the short-term cyclical fluctuations, but the worsening skills shortage in the long term. There is a risk that our industry will become dwarfed, because we will no longer be able to innovate ourselves, but will have to import innovation. It is already the case that German climate transformation will not work without Chinese technology. Something must change here urgently; immigration of skilled workers alone will not solve the problem. We need a different attitude towards technology and innovation across society."





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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 May 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; 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; Püplichhuisen; RS Components; Rutronik Elektronische Bauelemente; Schukat electronic; TTI Europe; WDI.
Supporting members: TDK Europe, Recom.

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