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German components distribution with a strong second quarter

43% increase in turnover and still high incoming orders characterise the second quarter of the German components distribution (according to FBDi e.V.)

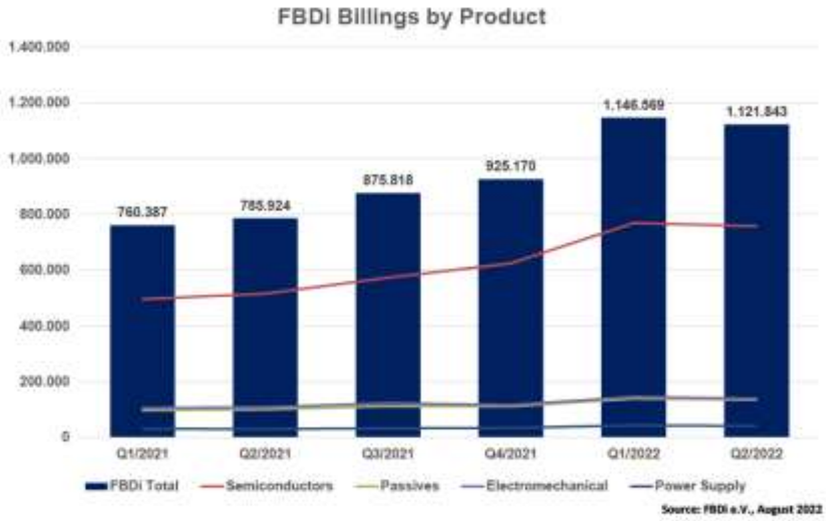
Berlin, 10 August 2022 – A brilliant second quarter of 2022 continues to let the German component distribution dream of a “record” year. The turnover of the distributors reporting in the FBDi grew by 43% to 1.12 billion Euros, incoming orders increased at least by 21% to 1.71 billion Euros, almost as high as in Q1. Although the book-to-bill rate could not reach the absolute record level of last year, it still remains above "normal" at 1.52. The first half of the year thus ended with a turnover of just under 2.3 billion Euros and new orders of almost 3.5 billion Euros.

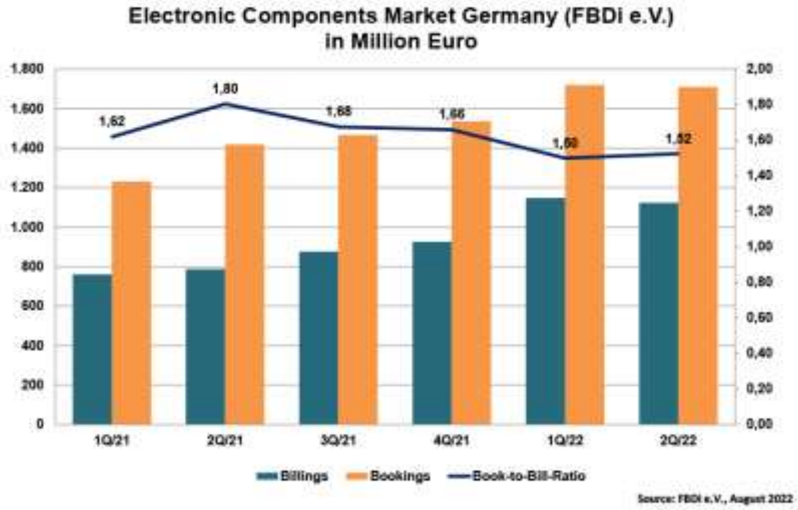
The development in the product segments was much more diverse. While Semiconductors grew by 47% to 756 million Euros, Passives lagged behind somewhat with a 34.7% plus to 135 million Euros. Electromechanics "normalised" to +28.4% and 139 million Euros turnover. Other products such as Power Supplies, Sensors, Displays and Assemblies & Systems ranged between +31% (Assemblies) and +75% (Sensors). The differences in incoming orders were more significant than in sales: Semiconductors +26%, Passives -2.3% and Electromechanics +10.4%. However, the basis of comparison for 2021 was much higher than for turnover. Q2 revenue distribution by product area differed slightly from Q1: Semiconductors 68%, Passives and Electromechanics 12% each, Power Supplies just under 4% and 4% for the remaining products (Power Supplies, Sensors, Displays and Assemblies & Systems).

FBDi Chairman Georg Steinberger: "What is most surprising about the second quarter is the fact that bookings have so far remained drastically above a healthy level. Traditionally, the market starts to talk about shortages at a book-to-bill rate of 1.2, and we have remained above 1.5 since the beginning of 2021. Looking at it in a more differentiated way, however, you can already see normalisation tendencies in almost all product areas outside of semiconductor components. What this means for the rest of the year or for next year is open to speculation - bets are already out on a slowdown as early as this year or a continuing structural shortage in individual product segments until next year.

Potential disruptive factors in the further development of the components market are obvious and only to a limited degree within the market itself, says Steinberger: "The horrendous inflation, the development of energy prices including the threat of shortages, the ongoing war in Ukraine and the growing tensions between China and the West are significantly demolishing the general growth prospects and will also leave their mark on our market if the major growth opportunities such as digitalisation, e-mobility, 5G, renewable energies and investments in the entire public and private infrastructure cannot be realised or would be postponed due to a lack of funding."

Nevertheless, the expectation that the European high-tech market has bright long-term prospects remains firm. Steinberger: "Further long-term growth opportunities in demand and further innovation will not disappear, if things slow down cyclically for some time - but the prerequisites for sustainable success would be that we contribute more to the solutions than to the problems, that we have the necessary raw materials and technical skills, and above all that we have the necessary well-trained staff available. The engineering gap is visible everywhere and could become the biggest showstopper for growth."





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About FBDI e. V. (www.fbdi.de):

The FBDi e.V. – Fachverband der Bauelemente Distribution e.V. (Professional Association of Component Distribution), founded in 2003, is well-established in the German association community and represents a large portion of distributors of electronic components with operations in Germany. In addition to the preparation and advancement of numerical data and statistics concerning the German distribution market for electronic components, competence teams engagement and reporting on important industry themes (amongst others, education, liability and rights, traceability, and environmental themes) form essential pillars of the association's work. The FBDi is a member of the International Distribution of Electronics Association (IDEA).

Member companies (as per January 2022):

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; Neumüller Elektronik; pk components; Püplichhuisen; RS Components; Rutronik Elektronische Bauelemente; Schukat electronic; TTI Europe.

Supporting members: TDK Europe, Recom.

Information about FBDi:

Georg Steinberger, Chairman of the Board FBDi e.V., georg_steinberger@yahoo.com , ph: +49-151-40338672

Media contact:

Agentur Lorenzoni GmbH, Public Relations, Landshuter Str. 29, 85435 Erding;
ph: +49 8122 55917-0, www.lorenzoni.de; Beate Lorenzoni-Felber, beate@lorenzoni.de