



press release

German component distribution expects consolidation after 3 years of rapid growth

Third quarter of 2023 brings slight decline in sales and weaker order situation for German component distribution (according to FBDi e.V.)

Berlin, November 10, 2023 – The decline in German components distribution’s bookings continues. Unsurprisingly, it starts to be reflected in revenues. Although the third quarter ended at a relatively high sales level, with 1.34 billion euros (-1%), the slowdown in bookings continues. Orders were down by more than 50% compared to the record year of 2022. The book-to-bill ratio was 0.51.

Semiconductors continued to perform strongly. Sales remained surprisingly stable with an increase of 5.7% to 953 million euros. However, the record sales of the last four quarters are now being reflected in high customer inventories, leading to an expected decline in bookings. Other product areas have been consolidating for some time. Passive components shrank by 13.7% in the third quarter to 160 million euros, while electromechanics including connectors fell by 12.1% to 150 million euros. Power supplies also declined by 14% to 40 million euros. Other components such as sensors, displays and assemblies followed a similar trend. The breakdown of sales by component remained relatively unchanged: semiconductors 71%, passives 12%, electromechanics 11%, power supplies 3% and the rest also 3%.

FBDi Chairman Georg Steinberger: "The trend of the last quarter is continuing, the consolidation after almost three turbulent years is as expected as it is inevitable. Although a significant number of components is still difficult to obtain, general availability has improved significantly. We expect 2023 to end slightly positive for distribution overall. However, patience is required for 2024, as the turnaround in orders will depend not only on stock levels, but also on the situation in the end markets."

Commenting on the situation, Steinberger says: "Anyone speculating on falling prices at the moment could be disappointed, as manufacturers are facing high energy prices and financing costs, which they will certainly try to pass on to the market. Our expectation at the

moment is that there will be more capacity reductions and postponements of production expansions. Personally, I think this is healthier as it would be irresponsible to return to the previous price fight behaviour in the supply chain.”

According to Steinberger and his FBDi colleagues, the future basically looks like this: "The electronification of all areas of society continues to progress. Some industries may be somewhat cautious at the moment due to the economic situation, but the demand for semiconductors and innovative component solutions will remain high in the long term. Even the general geopolitical situation - however critical at the moment - will not change this. But, our industry also needs to be more aware of its responsibilities and become much more active in the fight for sustainable business".

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20 years of 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 2023):

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; WDI.

Supporting members: TDK Europe, Recom.

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