



Press release

German components distribution: Downturn stopped

German distribution of components (according to FBDi e.V.) increases order intake by 23% in the fourth quarter. Sales down "only" by 8.1%. Full year 2020 shows deep COVID-19 traces.

Berlin, February 15, 2020 – While other regions of the world achieved - in some cases significant - growth in 2020 despite COVID-19, Europe and particularly the German electronic components market were slow. Sales of the distribution companies organized in the Fachverband Bauelemente-Distribution (FBDi e.V.) fell by 14.6% to €2.85 billion, dropping well below the former peak of €3.6 billion in 2018. At the end of the year, the situation became somewhat friendlier, with the fourth quarter ending with a minus of 8.1% and €632 million. By contrast, order intake grew at an above-average rate of just under 23% to €769 million, corresponding to a book-to-bill ratio of 1.22.

At product level, Passive Components suffered most, with -21% over the whole year. At Q4, with a minus of 3.4% and €77.5 million, they lagged behind electromechanical components, which fell by 9.5% to €87 million, but were significantly more stable in a full-year comparison (-5.3%) and represented a good 13% of the sales pie (passives: 11.7%). Semiconductors were down 15.6% year-on-year, bringing Q4 sales to around €414 million. The share of the total market remained stable at 68%. The smaller product areas such as sensors (-8.9%), power supplies (-8.2%) and displays performed better, with the latter even increasing significantly (but this is probably due to the reporting mechanism of some members).

FBDi Chairman Georg Steinberger: "This was a surprisingly positive end to a thoroughly bad year. The fact that we are now sliding into a supply crisis for components, with in some cases extreme bottlenecks and equally significant price increases by many manufacturers, is due to two significant circumstances: First, many market participants behave too digitally and reduce their inventory at the slightest sign of a crisis, only to immediately go into panic action in the opposite case. And secondly, Europe is a sub-strategic region whose total component requirements correspond to those of a single large contract manufacturer in China. The fact that, in the event of shortages, large smartphone giants are supplied in a different way than

the multitude of European OEMs and also differently than the "system-critical" automotive industry should come as no surprise to anyone who has read the FBDi's market statistics for the past 15 years."

The FBDi takes a skeptical view of the German government's recent offensive to secure greater independence from Asian contract manufacturers in the semiconductor industry. Steinberger: "We know of many programs from the past that have not changed the current situation. The semiconductor industry thrives on innovative chip designs and intellectual property, on know-how and billions invested in groundbreaking manufacturing technology, and last but not least on huge volumes that usually only come from large platforms (smartphones, tablets, laptops, etc.) and thus global key customers. 50 billion euros in funding sounds nice, but where will the money go? If this is managed in a similar way to Corona aid, then good night."

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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, work group 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 2021):

Regular members: Acal BFi Germany; 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; Ryosan Europe; Schukat electronic; TTI Europe.

Supporting members: TDK Europe, Recom.

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