



press release

German components distribution: sales grow, order situation normalizes

Fourth quarter sees high sales of electronic components (according to FBDi e.V.) and weaker order situation. Consolidation likely in 2023.

Berlin, February 7, 2023 – The fourth quarter of 2022 ended for German components distribution sector almost at the same sales level as the record quarter Q3. Sales of distributors reporting through the FBDi rose by almost 38% to €1.36 billion. By contrast, bookings shrank by ~ minus 20% to €1.16 billion. The book-to-bill ratio (ratio of incoming orders to sales) dropped to 0.86. The full year ended for distribution with record sales of 5.14 billion euros, representing year-on-year growth of around 43%, the highest since 2010.

Q4 also showed major differences between the product areas. Sales of semiconductors - the products most affected by the allocation - increased in Q4 by almost 50% to 942 million euros (full year: ~3.4 billion euros), corresponding to a share of the total market of almost 70% (full year: 66%). Passive components increased, but "only" by 10.5% to 161 million euros (full year 708 million euros), a share of just under 12% (full year: 14%). Better progress made Electromechanics with +15% to 157 million euros, increasing its share to 12% (full year 670 million euros and 13% share). Power supplies grew by 32% and reached sales of 46 million euros (full year 178 million and 3.5% share). Other product areas such as sensors, displays and assemblies grew similarly strongly, but only account for 4% of the total market.

FBDi Chairman of the board Georg Steinberger explains: "For components distribution, this was another special quarter in terms of sales. Semiconductors recorded the largest growth in over 12 years. The full year ended at a record level, even higher than expected just a few months ago. Several factors helped here, such as inflation, price increases by manufacturers, but also a significantly increased delivery of volume to customers. The allocation that still exists in various cases has ensured that many customers have already covered their requirements for 2023 ahead of time to be on the safe side, which we can also see in the weakening orders. In addition, distributors have been able to noticeably increase their share of the overall market, which has grown significantly less. This is a strong signal that no distribution customers are being disadvantaged."

The general satisfaction in distribution cannot conceal the fact that expectations for 2023 are rather subdued. Steinberger: "Distribution in Germany has increased its delivery volume - in units - in two years by 50%, despite allocation. This growth does not correspond to the typical growth in demand, so consolidation is more than likely in 2023. And that's regardless of the multitude of geopolitical challenges that exist."

How things progress in general depends on a lot of factors, according to Steinberger: "Climate change is inevitably driving an economic and technological rethink, which is positive for our industry. However, the speed of transformation in society and especially politics is still far too slow: Europe must be careful not to gamble away its still significant role through too much dissent and bureaucracy."

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20 years of Fachverband der Bauelemente Distribution e.V. (www.fbd.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 January 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.

Supporting members: TDK Europe, Recom.

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