



press release

German components distribution continues to grow through summer quarter

While incoming orders continue to normalize, sales of components distributors (according to FBDi e.V.) benefit from a strong summer quarter with 44% growth. Inflation and the weak euro contribute to surge.

Berlin, 7 November 2022 – In the third quarter of 2022, sales in the German components distribution sector continued to grow like crazy. Sales by distributors reported to the FBDi rose by a surprising 44% to €1.36 billion, significantly outstripping the record quarter of Q1/2022. In contrast, order intake declined by 7% to €1.44 billion, continuing to normalize. The book-to-bill ratio of 1.06 (ratio of orders received to sales) is back to normal.

The development in the various product segments varied: While semiconductors grew by 55.7% to 901 million Euro (book-to-bill rate at 1.09), passive components continued to grow by almost 23% to 185 million Euro (book-to-bill rate at 1.01) and electromechanics (including connectors) by more than 18% to 171 million Euro (book-to-bill rate at 1). Power supplies also grew strongly by almost 40% to 46 million euros. Growth in the remaining products (sensors, displays, assemblies & systems) ranged from 24% (sensors) to 85% (displays). The total market has split as follows: Semiconductors 66.4%, Passives 13.6%, Electromechanics 12.6%, Power Supplies 3.4% and all others combined 4%.

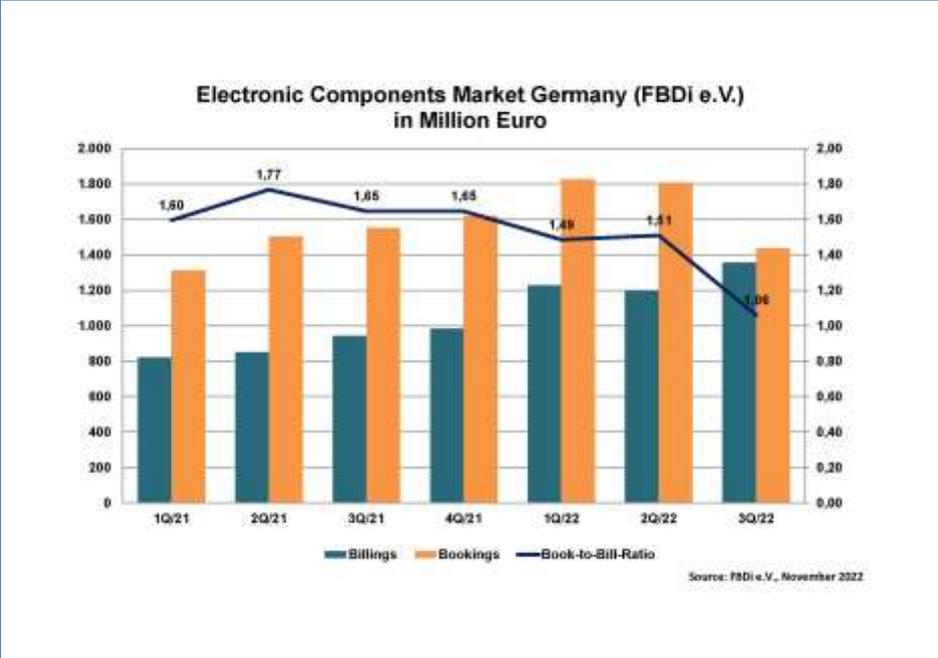
FBDi CEO Georg Steinberger: "What has surprised us more than the high sales, which were mainly driven by semiconductors, is the fact that the order situation has remained at such a high level. However, the trend towards a slowdown or normalization can no longer be ignored. In many cases, we have so far benefited from the fact that customers have placed orders well into next year. This will presumably come to an end over the next few months. In terms of sales, 2022 will definitely end with a plus of over 30%."

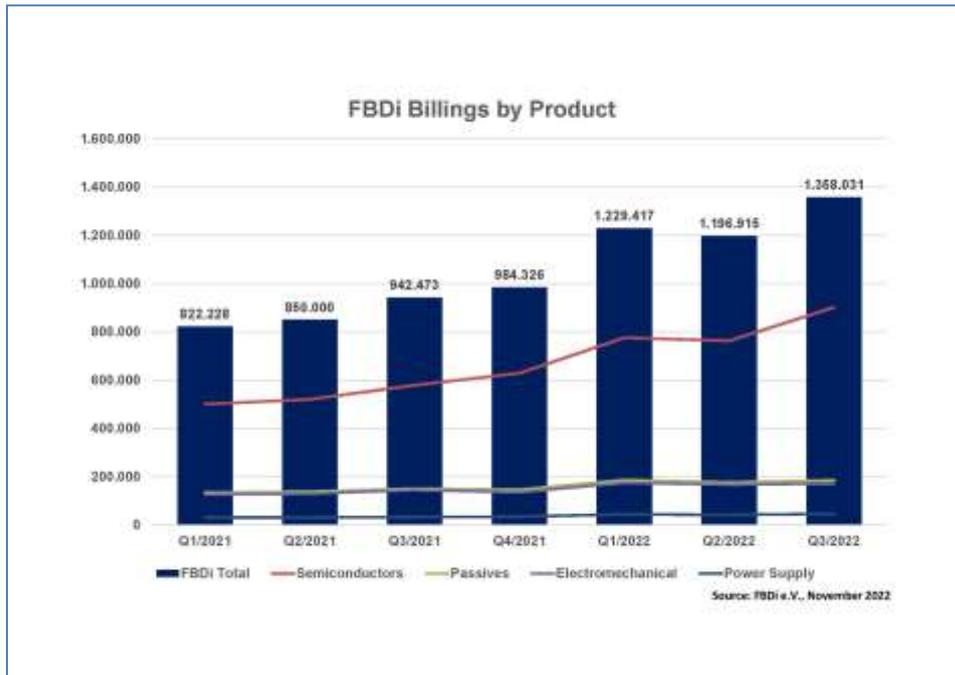
According to Steinberger, the general components market is already showing strong signs of a slowdown, and - according to WSTS - the growth curve of the global semiconductor market slipped into negative territory in September. Steinberger said, "Driven by the two product groups of memory and processors, which are predominantly needed in the computer and smartphone markets, sales growth for semiconductors is declining globally, and forecasts for

next year are fluctuating between a standstill and a downturn. This doesn't necessarily apply to all market segments, but we have to assume that the very dominant computer and communications products are causing a general downward pull - as usual, one might add."

Steinberger continues: "The boom of the last seven quarters was driven on the one hand by a spillover demand from the 2020 pandemic slowdown and on the other hand by forward orders due to allocation and concerns of future supply. This makes predictions difficult, as are the geopolitical, economic, demographic and climate situation that get more serious virtually every quarter. The great disruption is in full swing. Everything we have in store in terms of linear plans and growth opportunities depends on whether humanity comes together again or continues to divide. The challenges ahead can only be solved together."

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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; Pülplichhuisen; 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.de; phone: +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

