2024 Hits Distributors with Sales Drop of -9.3%

2023/2024 Declines Follow Record Revenue Growth of 2021/2022 by Top 50 Americas Distributors

The results of 2024 sales growth continue a revenue growth pattern for the Top 50 Americas Authorized Electronic Component Distributors that began eight years ago. In 2017 and 2018 the industry enjoyed double digit growth. These two years of strong sales growth were followed by two years of declining sales. Then in 2021 and 2022 the industry experienced an unprecedented boom in sales growth. Once again, the surge in sales for two years has been followed by a two-year decline. The latest survey results of the Top 50 Americas Authorized Electronic Component Distributors finds that 2024 sales fell by 9.3 percent compared to 2023 sales. Revenues for 2024 were still $5.4 Billion, or 23.4%, above 2020 revenues, the last year before this current cycle. This was an especially challenging year for the largest distributors with the top five largest distributors seeing their cumulative revenues fall by more than 11%. All top five of the distributors suffered a decline in revenues in 2024. This strong drop in revenue among the top distributors is explained by their large share of Semiconductors and Passive Components, which both experienced strong declines. By contrast, 73% of companies ranked between #6 and #50 achieved revenue growth in 2024. This group saw their combined revenues grow by 4.9% and added 4% to their cumulative share of the total authorized Americas distribution market.

Dale Ford, ECIA
Chief Analyst

It would be hoped that the historic pattern of Americas sales growth would continue and support renewed strong growth in 2025. Unfortunately, the imposition of steep tariffs on all countries around the world by the Trump administration has created extremely strong headwinds even though they were paused for 90 days for all countries except China. Given the strong role of China in the electronics industry, the trade war between the U.S. and China is especially troubling for the industry. It is no surprise that Tariffs and Geopolitical Conflicts surged to the top of the most significant challenges currently facing the electronics components distribution industry as identified in the survey. Tariffs were the main focus of meetings in the recent ECIA joint council meetings with the major discussions centered around managing tariffs from both a strategic and operational perspective. This was followed by a major Town Hall meeting with all ECIA members to share insights into tariffs from the discussions in these joint council meetings. It would appear that tariffs are the dragon which must be slayed if the electronics component distribution industry is to return to overall growth in 2025.

Interviews with experienced distribution executives yield important understanding regarding major challenges and opportunities facing authorized electronics components supply chain participants. As part of the survey to identify the "Top 50 Americas Authorized Distributors," executives were asked to rate the level of severity they anticipate for various supply chain challenges. As noted above, Tariffs and Geopolitical Conflict were the top areas of concern. Looking at opportunities, Artificial Intelligence (AI) surpassed all other areas in the assessment of opportunities for both the near-term and long-term. The results of the survey are shown below. Selected categories aligned with these topics were addressed in interviews with these leading industry executives.

Tariffs and the Value Delivered by Authorized Distribution

Tariffs and export controls have re-emerged as critical challenges for

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electronics component distributors. The uncertainty around tariffs has resulted in a significant increase in risk for all participants in the supply chain. The question presented in interviews with top industry executives is, "How can distributors support their partners in managing through this uncertain climate?"

"It is extremely important that distributors have frequent and open communication with their customers and suppliers to ensure no misunderstandings on their handling of tariffs beyond their control" according to David Loftus, ECIA, President & CEO. He highlighted a valuable tool provided by ECIA to help with clear communication. "One tool is the website TrustedParts.com that informs customers proactively that certain parts are subject to tariffs. This invites conversation about how those tariffs are handled and also what alternatives may be available. Distributors can

Chris Wadsworth, WESCO, VP/GM, Global OEM

communicate with their suppliers which devices with imposed tariffs are losing competitively in the marketplace, so that suppliers may have more information and justification for potentially relocating production sites."

Chris Wadsworth, WESCO, VP/GM, Global OEM, elaborated on the importance of communication and the opportunity this affords to identify solutions. "Regular and consistent communication, which includes providing as much detail as possible to justify the increases, as well as the operating procedures to pass on the inflationary tariff costs, is critical. Each company has equal exposure so working together is table-stakes. The rules and conditions are changing with each day/week which drives many starts and stops in planning execution across the wide and diverse set of products with subcomponents coming from all over the world. This disruption is an operating cost and tight communication between suppliers and distributors to our customers must happen. Knowing where all the sub products come from and how they impact on the total cost of goods is necessary as we work to pass on these costs rationally and logically. Manufacturers and distributors can provide some very short-term options to have our customers purchase products ahead of the tariffs with timely information on price/cost dynamics and or provide alternative solutions that may avoid or minimize the tariff impact. Customers with design flexibility will be in the best position to offset the total tariff impact."

"Avnet leverages its Foreign Trade Zone (FTZ) and global warehouse network to support customers' supply chain needs" shared Dayna Badhorn, Avnet, Regional President, Americas Electronic Components. "While supply chain adjustments take time, collaborative partnerships help develop optimal solutions. Additionally, we are actively assisting customers in analyzing their Bill of Materials to identify and mitigate potential tariff risks."

Mike Slater, Digi-Key, VP, Global Business Development, describes how their engaged communications combined with their FTZ program enables valuable benefits for their customers. "DigiKey is actively engaged in discussions with our suppliers and industry tariff experts

David Loftus, ECIA, President & CEO

to understand how we can mitigate the impact these tariffs have on our customers. We continue to monitor and adapt to evolving changes, which will best position DigiKey to continue providing high-quality products at cost-effective pricing. In our experience, consumers are aware of tariff-eligible products and frequently compare products with and without tariffs to make their purchasing decisions based on factors such as specific specifications, quality, and reputation. Partnering with DigiKey's Foreign Trade Zone (FTZ) program allows DigiKey to become the Importer of Record (IOR), handling paperwork, declarations, and tariff management, resulting in lower costs and more competitive prices."

"Distributors are always a critical node in the supply chain, especially during times of uncertainty" states Adam Osmancevic, Arrow, VP, Global Supplier Development. "In today's business environment, we are focused on balancing consistency, agility, and compliance in our strategic responses with the goal of offering fairness and predictability to our partners. We don't know what the future will

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Aiden Mitchell, Arrow, SVP, Global Supplier Management

bring, but we're confident in our global network and our ability to adjust course as needed."

Inventory, inventory everywhere! But not what I need!

While overall average component lead times have declined substantially, there is an ongoing issue related to the mix of components that can still result in challenges delivering the latest, more advanced components. The industry executives were asked, "How can distributors best support their customers in balancing their component supply?"

David Loftus states, "Reducing the impact of lead times is a two-way proposition. Distributors must work with their customers to provide rolling extended forecasts to provide insight into longer-term needs such that the distributor can pipeline proper inventory on behalf of the customer."

Providing a specific scenario where two-way communication and flexibility enables optimal results, Chris Wadsworth shares, "Partnering with our customers on their forecasts well ahead of the need for delivery is key to success. Forecast accuracy drives many issues in the supply chain and the better real data, the better the results will be. Many times, the supply chain is surprised by demand which creates issues on components and many failures result and the channel goes into "chasing part mode" and the customers are often left with few choices other than to wait. As we communicate to our manufactures the real demand, many times they can get the raw materials in place to hit the timelines. Having flexibility in the components selected in the design cycle drives lead times down. The single sourced solution has improved over time, but many still exist. When a distribution company like WESCO is

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Mike Slater, DigiKey, VP, Global Business Development

able to offer alternatives that would improve the lead time, the customer has a winning solution. WESCO works hard on the design side and have many technical resources in place to help our customer's engineers choose alternative options which de-risks the lead time challenges."

Elaborating on the critical role of communication, Aiden Mitchell, Arrow, SVP, Global Supplier Management, explains, "Demand Forecasting and Planning: Implementing robust demand forecasting and planning tools can help distributors predict which advanced components will be in high demand. Accurate forecasting enables us to place orders well in advance and manage inventory more effectively to meet customer needs.

- Customers are looking for improved visibility around longer lead time parts to be able to track and look for delays/decommits

- Customers are also establishing processes to handle just in case situations by applying buffer demand in the event longer lead time parts are not positioned in time"

DigiKey employs a three-pronged approach to help their customers with inventory issues as described by Mike Slater. "At DigiKey, our goal is simple - we want the widest selection of products available for our customers. We grow that selection in three key ways:

- New Product Introductions (NPI): We take a minimum order of almost everything and let our customers decide what sells. We want our customers to have immediate access to the latest technology to drive innovation and solve problems. DigiKey distributes more NPIs than any electronics distributor.

- Part Conversions: We list many parts we don't stock initially. We also analyze many data points, vertical markets and industry trends to spot rising demand. Based on that, we move high-potential parts from "non-stocking" to "stocking" status.

- Marketplace Growth: This platform lets us offer parts that may not fit traditional models to keep in stock—whether due to size, complexity, or niche demand—while still giving customers DigiKey's service guarantees.

We're always looking for new ways to expand selection and meet customer needs, and we're confident that our approach will continue to deliver results."

Dayna Badhorn summarizes, "Effectively managing varying lead times requires visibility into future production needs and close collaboration with partners on supply chain planning. This approach enables distributors to work with manufacturers to establish supply pipelines, ensuring lead times are streamlined and aligned with customer requirements."

Distributors Enabling the Future

The question posed to executives was, "With exciting opportunities in new, high-growth markets such as AI, Automotive Electronics, and pervasive

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Communications solutions, what types of specialized support must distributors provide to their customers to enable their success?" Distributors have the opportunity to build expertise and tailor offerings to unique needs. For instance, the EV boom drives demand for power electronics, while healthcare seeks reliable, long-life lifecycle components.

David Loftus summarizes the opportunity for distributors. "With emerging technologies, distributors are at an advantage if they can provide detailed reference designs and even demo boards with newer components to customers to help accelerate the customers' design cycle. This also offers the distributor the opportunity to pull through other devices from that supplier or other suppliers on their line card that are included in reference designs. Most engineers will readily accept a valuable reference design as a subset of their overall design process if it is a proven and reliable solution."

Continuing this perspective, Dayna Badhorn states, "By understanding technologies within specific end equipment and verticals, distributors serve as an extension of their supplier partners and provide valuable support to OEM customers. Access to extensive data enables us to identify widely used components across various applications, helping streamline the design process and reduce engineering time by ensuring customers have the right technology from the start."

Adam Osmancevic, Arrow, VP, Global Supplier Development

Mike Slater shares multiple tools that DigiKey delivers to support customers. "DigiKey supports customers in several ways. First, through our industry-leading website, which offers several different buying experiences, like APIs, EDI, punchout catalog, our parts list management tool, myLists, and more. We also offer digital tools like our Scheme-It, CAD models, various forms of content and TechForum, where customers can ask questions of our community of technicians, engineers, and, in some cases, the manufacturer. We are a stocking e-commerce distributor where nearly 95% of our products are in stock and ready to ship the same day the order is placed."

Outsourcing non-core functions to distribution partners enables companies to focus on their key differentiators as they compete in the market as explained by Chris Wadsworth. "Service and value add offerings that take labor, and non-core competencies off of the customer, will help customers win in hot growth markets. Oftentimes, customers find themselves in a capacity constrained situation when they attempt to perform all aspects of their product to market ecosystem. By outsourcing non-core functions to a distribution company, that customer can spend their capacity where they can add the most value and invest in those areas, versus in every area of their ecosystem. Each customer is unique, but companies like WESCO offer many options, which include kitting and light assembly, sourcing and stocking and managing tail spend, and product configurations to name a few. Secondly, customers can leverage

Dayna Badhorn, Avnet, Regional President, Americas Electronic Components

the engineering and design expertise from the channel, including WESCO, that will help the customer meet their goals and needs in the strong secular vertical market trends. At WESCO we continue to expand our service portfolio both organically and through acquisitions to help our customers win in the booming growth markets."

Adam Osmancevic provides excellent examples of specific needs related to advanced technologies and how Arrow provides essential technical support for their customers. "Customers are always pressured to accelerate their time to market while technology complexities continue to increase and there's a shortage of engineering talent, thus customers are leaning on distribution partners to become an extension of their engineering organization to support R&D efforts. This was validated in the recent 'Mind of the Engineer' survey completed by Aspencore where design engineers in all regions acknowledged an increase in outsourced engineering development to third parties. 63% of engineers also agreed that SW has become

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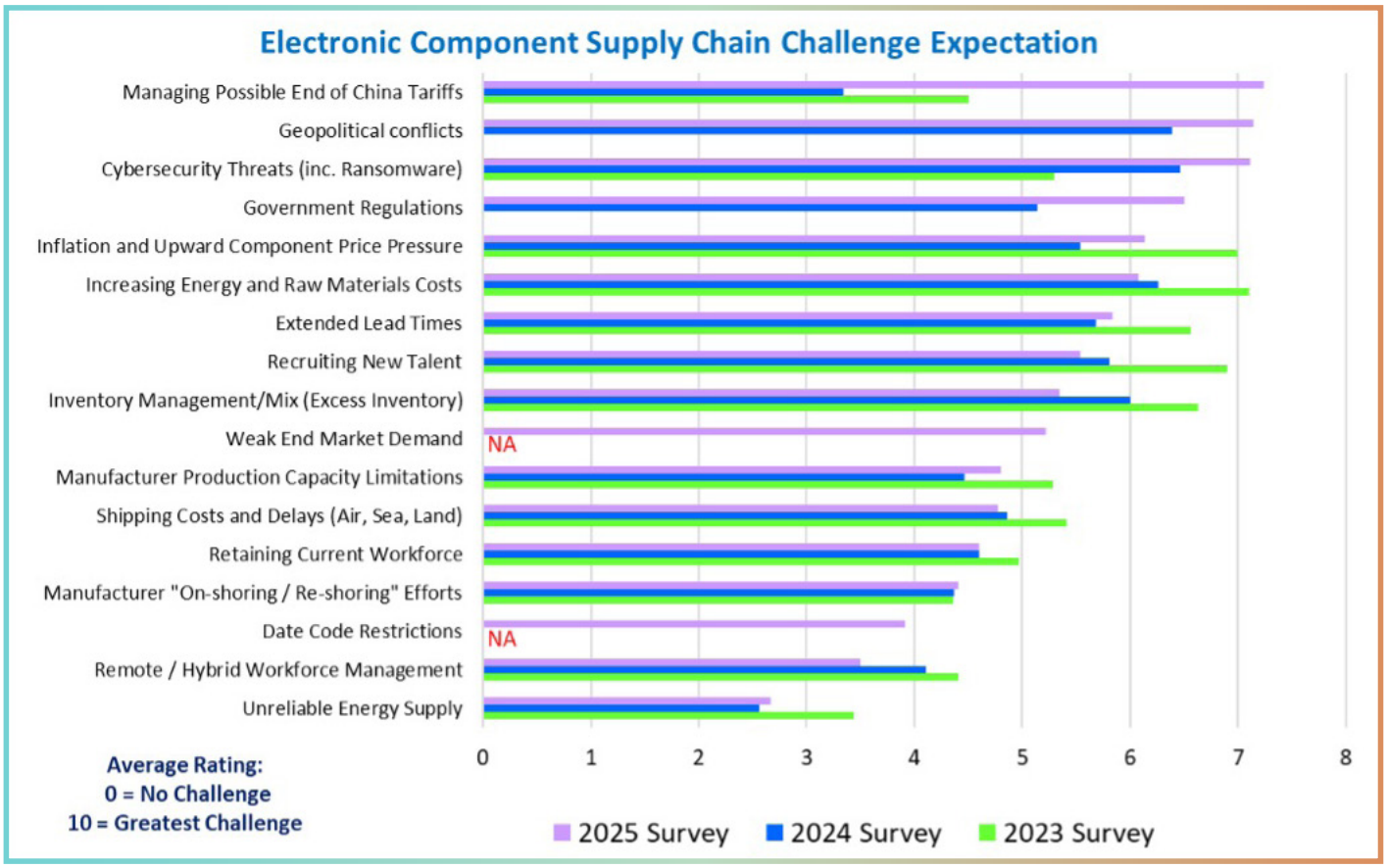
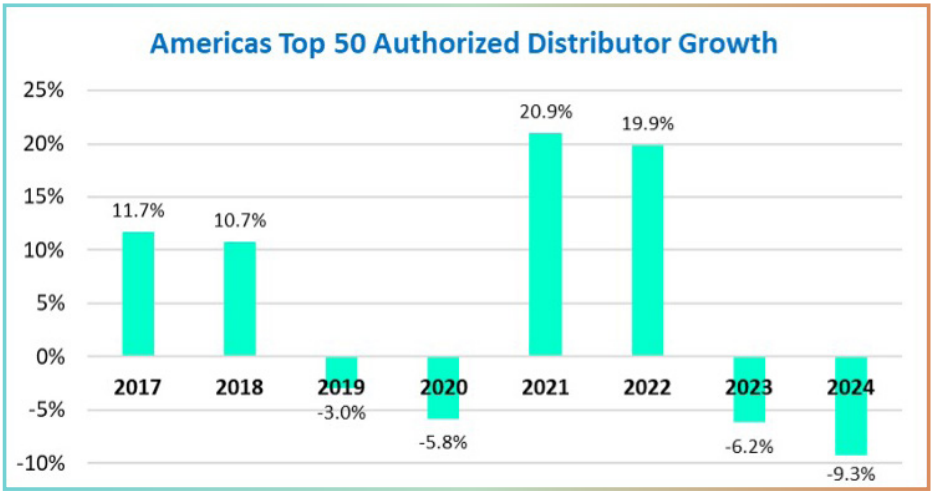


an important consideration for all projects and, of course, with the rise of AI at the edge there's an increasing demand for embedded software development. Some examples include the importance of Autosar expertise for software defined vehicles and transportation, the increasing importance of cyber security driven by the Cyber Resilience Act, and functional safety for industrial 4.0.

"Distributors must have vertical segment domain engineering expertise at the system level to help customers get to market. The development of pre-certified system level solutions, reference designs and IP accelerators, and proof of concepts for high growth applications like EV-C, Battery Management Systems, and AMR are good examples where distributors must have product engineering design expertise from edge to cloud, scaling beyond component level only technical support with subject matter expertise."



Delivering Intelligence to the Channel

As the suppliers and customers of electronics component distributors adopt AI technology in their supply chain management, how are distributors responding to successfully interface and engage upstream and downstream? Distribution executives shared their insights into this question.

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Dayna Badhorn explains that "The possibilities for AI applications are endless, offering opportunities to enhance both internal efficiency and external customer responsiveness. By leveraging AI for customer service, product information, marketing and purchasing analytics, businesses can streamline operations and improve decision-making. Seamless connectivity with customers and supplier partners further enhances supply chain efficiency, effectiveness, and transparency, driving greater overall performance.

Badhorn shares a compelling, quantitative view of this topic from Avnet's research. "Based on Avnet's annual survey, Avnet Insights, Avnet found the top challenges engineers expect when considering integrating AI into their products include security and privacy concerns (37%) and data quality issues (31%). For about a quarter, integration with existing tools (25%) and high costs (24%) also are top-of-mind. Engineers also expect certain skills will help them capitalize on the immediate opportunity. The top skills engineers feel are most necessary to use AI effectively in product design include: data analysis and interpretation (16%), AI model optimization (16%), and problem-solving and critical thinking (16%)."

The holistic investment approach and whole of enterprise approach related to Artificial Intelligence at WESCO is described by Chris Wadsworth. "We have acquired dozens of companies over the last ten years. Our focus is investing in and completely connecting all of our disparate systems together to communicate across a wide range of functions that take the manual and non-value add work away and replace it with technological interfaces including cutting-edge AI tools to bring the entire WESCO value proposition to all customers. The opportunity in the short term will be more accurate and robust supply chain data including accurate and real-time updates on dates in the product lifecycle, accurate ordering elements between the distributor and manufacturer, and automating price and availability to free up sales desks to drive customer value. Distribution companies must manage the data across hundreds of manufactures and keeping the data fresh is a challenge to keep accurate. By having real time feeds updating the thousands of attributes will drive efficiency and the accuracy of the relationship. AI takes this effort to a new level by anticipating issues and challenges ahead of time and acting prior to an issue occurring. From

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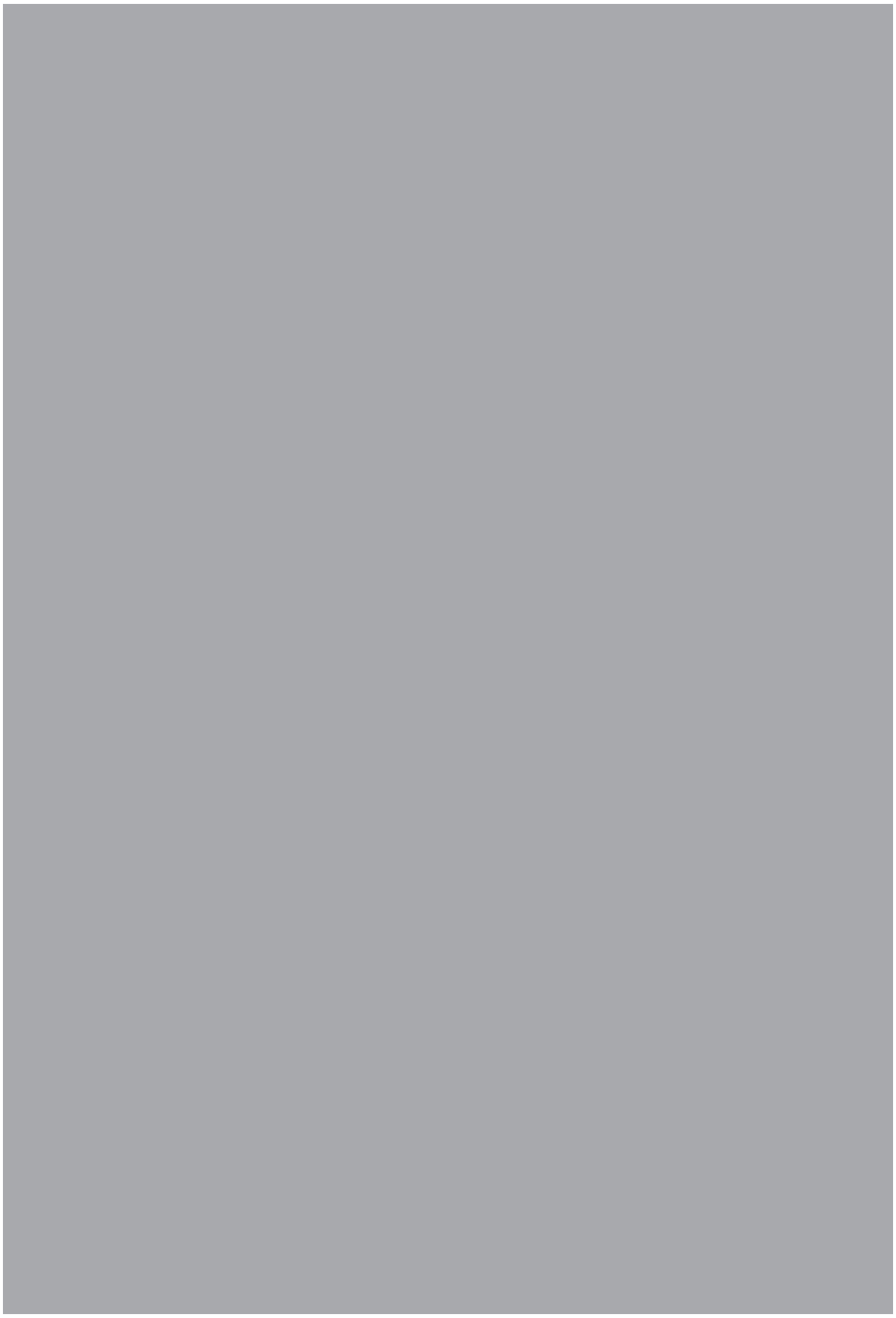

a human capital standpoint, AI will drive basic information exchange between buyers and sellers by replacing the manual work that is in a system where today that work is most often achieved through manual exchanges between humans. Simple tasks, like price and availability and product substitutions and complimentary product suggestions will be driven heavily by AI, helping engineers come up with options for their designs. WESCO is committed to strategic investment in our technology stack, as we drive the best-in-class elements in our IT architecture.

Aiden Mitchell shares his observations related to AI in the following bullet points:

- "AI driven forecasting and demand planning, Enhanced supplier collaboration, supply chain visibility & transparency, dynamic pricing strategies & data analytics are all going to be key areas of focus.
- The use of AI in supply chain management is in its infancy.
- Companies are in experimental mode locking down potential use cases.
- General themes are around automation and advanced analytics.
- Arrow is set up in many ways to help in the journey:
  - o Integrating data into AI processes via API or other means

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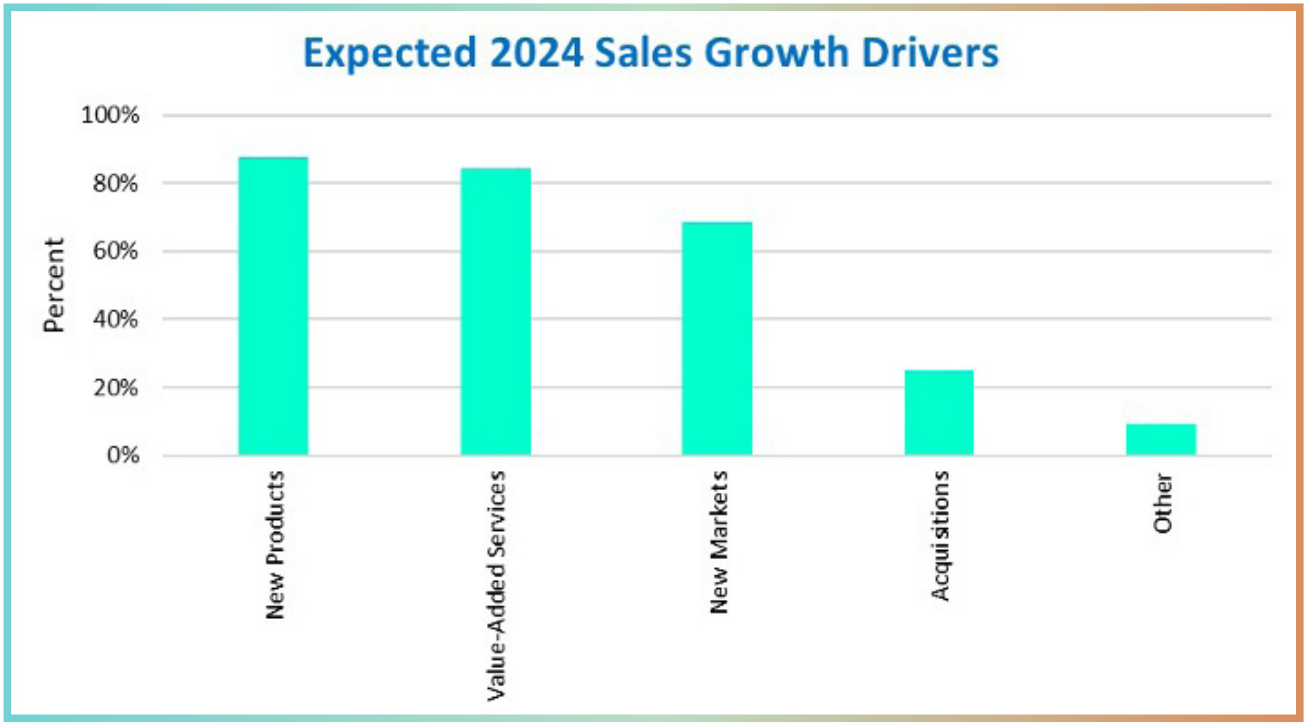

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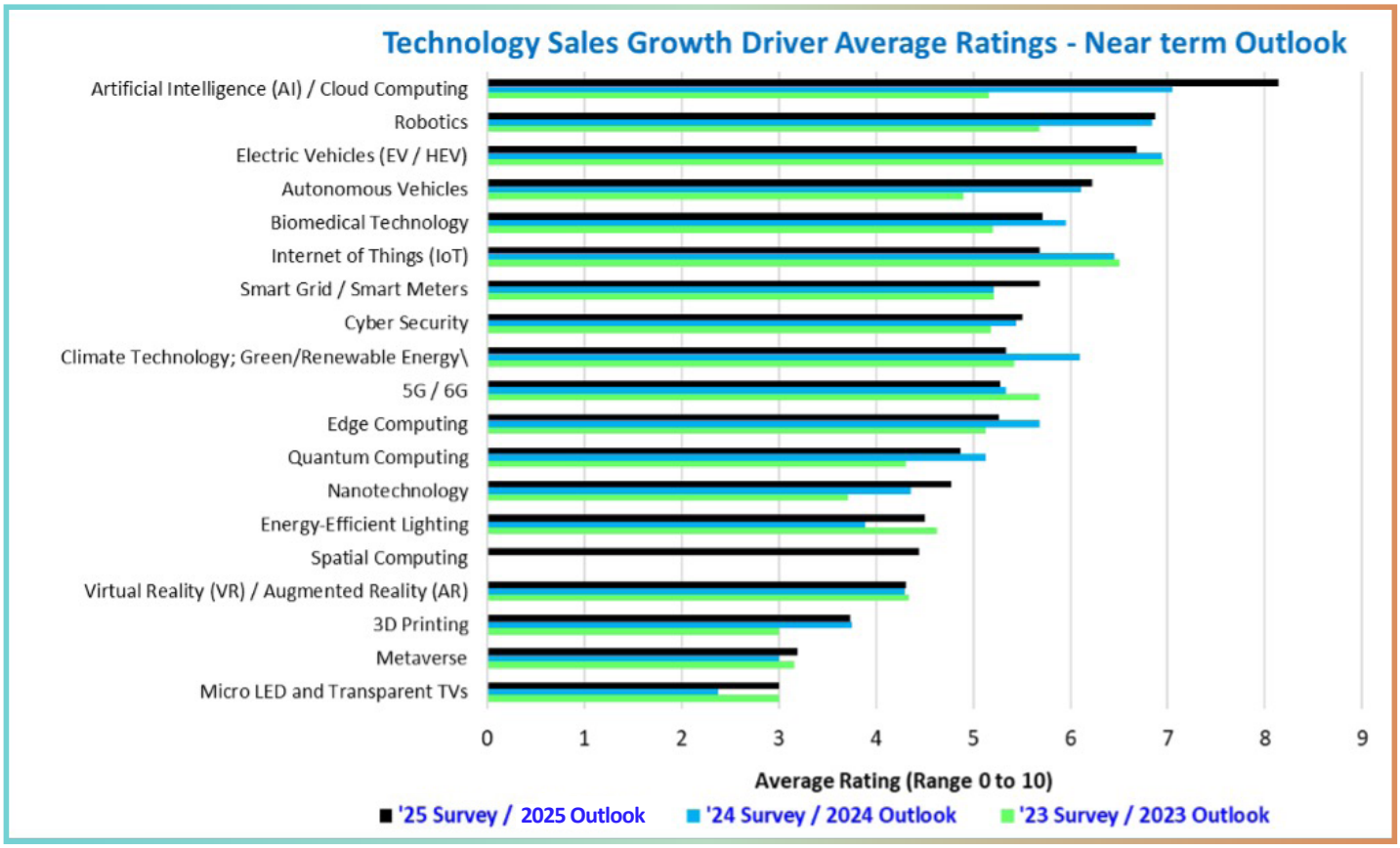

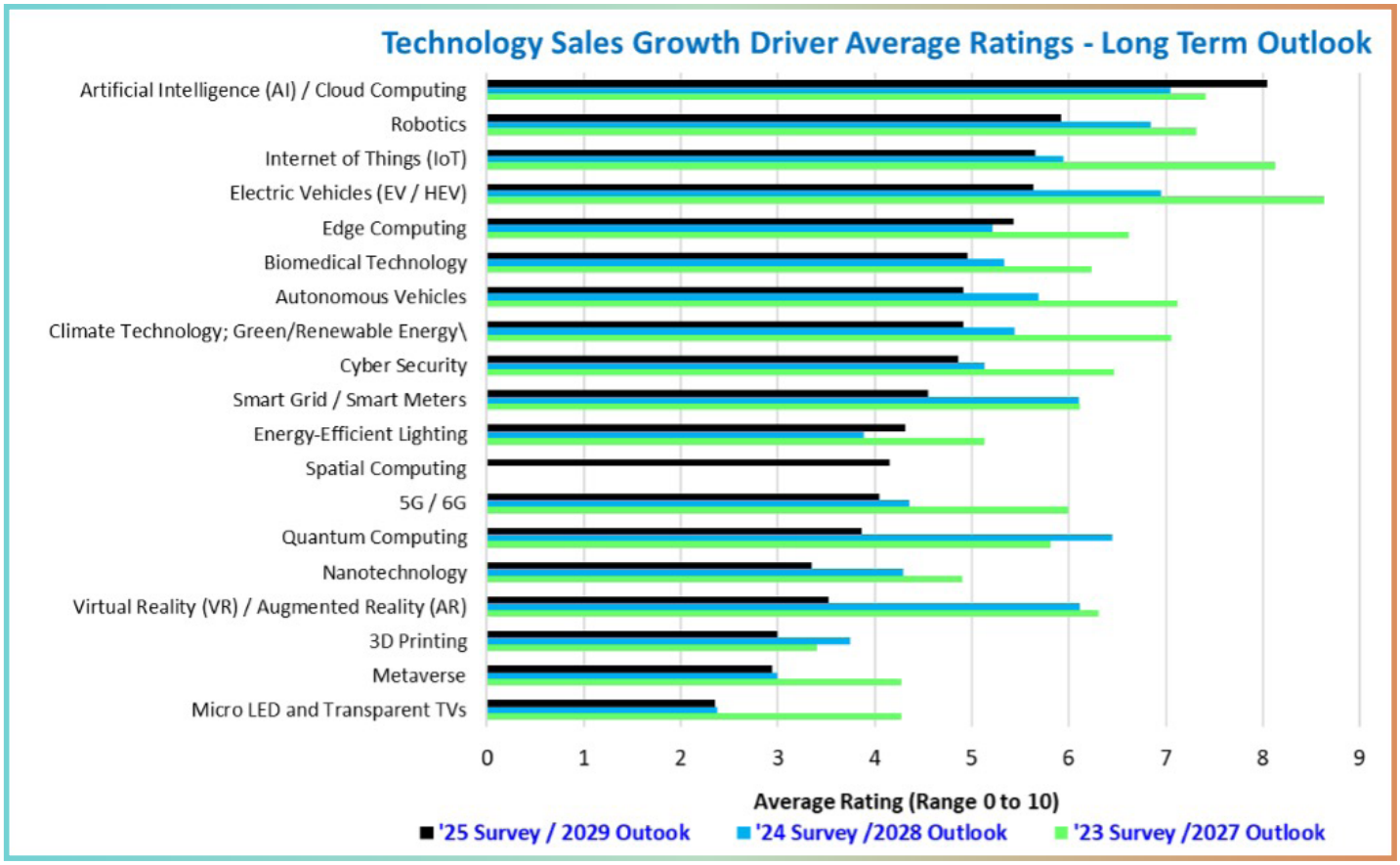

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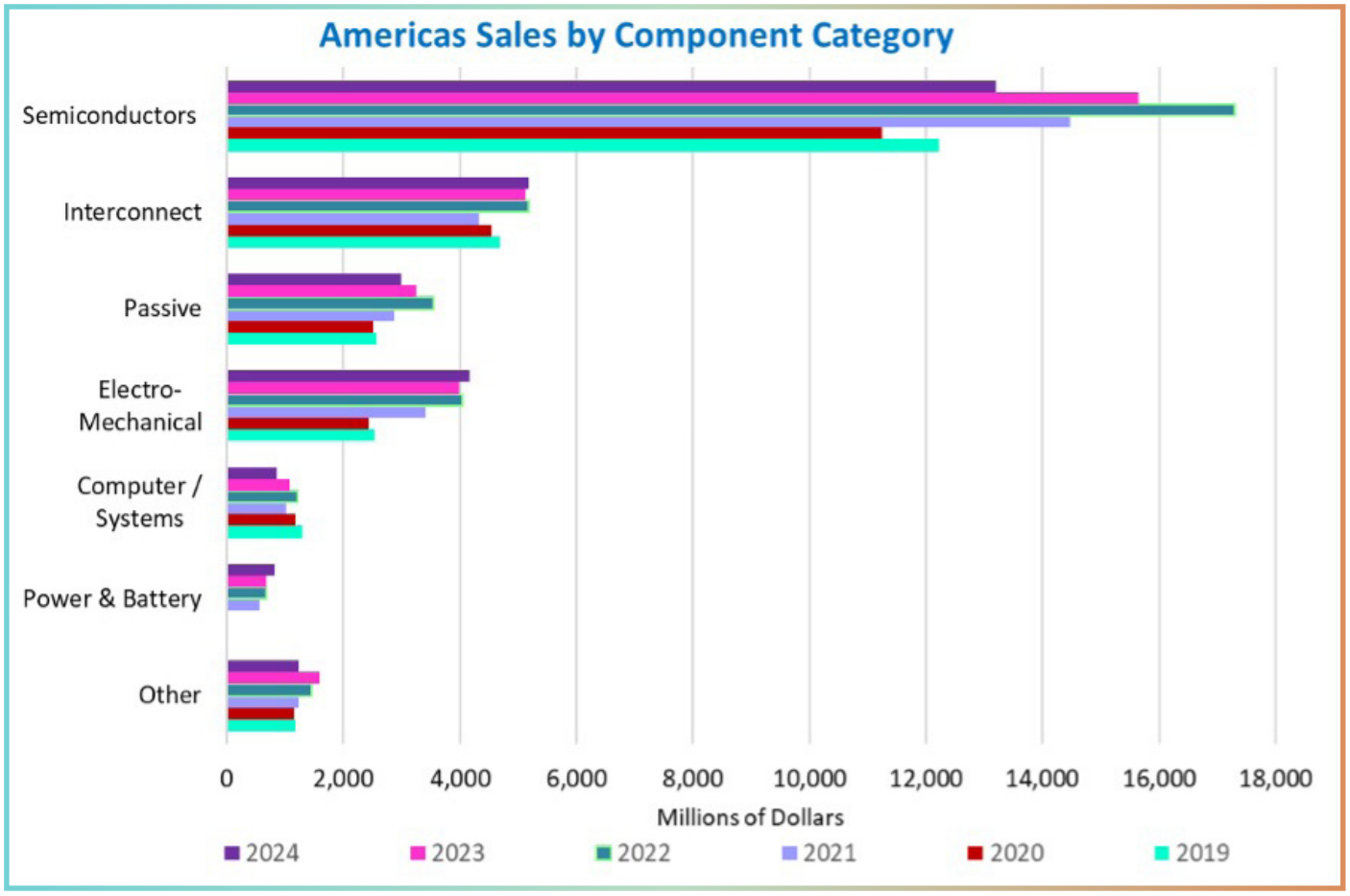

o Proving concepts around using AI agents to support key supply chain workflows such as planning and procurement."

Mike Slater explains how AI is core to their work. "AI is everywhere at DigiKey and we continue to stock more and more parts for AI development. We're using AI to solve real business problems across almost every part of the company including pricing, procurement, accounting, warehousing and e-commerce. AI isn't just a buzzword for us, it's a core part of how we work, helping us scale, improve efficiency, and deliver a better experience for our customers.

Eco-Friendly Practices and the Supply Chain

Growing consumer and regulatory pressure for eco-friendly practices (e.g., ESG, RoHS, REACH, etc.) demands that distributors adopt sustainable sourcing, reduce carbon footprints, and manage end-of-life components responsibly. Transitioning to green materials or recycling programs often incurs upfront costs. The growing demand for refurbished and recycled components opens new areas of opportunity and threats. The question posed to supply chain executives is, "How can distributors most effectively support eco-friendly practices with their partners in the supply chain?"

David Loftus shares this recommendation based on a key ECIA initiative, "One incredibly important opportunity is educating customers to adjust their obsolete opinion on component date codes. Many customers still cling to a 50-year-old standard that components should not be used more than two or three years after the manufacturer date code. This creates significant waste in the supply chain, increases lead times, and snarls the supply chain. It often costs the customers significant amounts of money when they destroy perfectly good product that they deem past the usable date code. Modern electronics components in environmentally sealed packages are capable of being used indefinitely. Enlightening the extended supply chain will improve the environmental footprint and decrease costs across the supply chain."

"While there is still much work to be done, many leaders and companies in the manufacturing industry are already collaborating and using their innovative technologies to leverage data, analytics and automation to help customers make more informed decisions, choose smarter products, implement sustainable practices, reduce greenhouse emissions and more" according to Mike Slater. He

describes the operational practices that can make a major contribution to environmental improvements. "When considering how to optimize operations, it's fundamental to begin by looking at material flow, industrial vision and automated robotic systems – key areas that are helping move the industry toward a more sustainable future. Optimizing material flow within and between facilities minimizes transportation distances, reduces fuel consumption and lowers emissions. In our warehouses, DigiKey uses automation to increase productivity, utilize space better and maintain inventory accuracy in our distribution center. We also bundle orders to save on packaging, space and freight costs when shipping products. Every sustainable action or practice put into action adds up from an environmental perspective."

Adam Osmancevic provides an excellent description of a comprehensive approach distributors can take to support environmentally friendly solutions in the supply chain. He outlines this approach below:

Promoting Product Transparency

- "Empowering our partners to understand the environmental impacts of the products that they purchase empowers those partners to factor things like product carbon footprint or recycled content into their purchasing decisions

- Leveraging a robust supplier engagement program to collect product information – in addition to implementing sustainability questions within sourcing processes – is a highly effective tool in increasing the dialogue and, therefore, this product transparency

- At Arrow, we also leverage our broad network of suppliers to inform things like our SiliconExpert database where we house information for millions of components, including things like carbon emissions related to the manufacturing of products

- Distributors should also encourage partners to consider life cycle assessments (LCAs). These tools assess the environmental impact of a product across its lifespan from manufacturing to disposal

    - o Investments in LCAs can pinpoint products that require decarbonization or products that may be candidates for inclusion of recycled content

Decarbonizing the supply chain – from manufacturing through distribution and end-of-product life

- As a distributor, decarbonizing our own operations first demonstrates to our partners that this can be done and that we are joining them together on this environmental journey.

- We have focused on energy efficiency, electrification, and renewable electricity deployment within our own operations. We do this in a way that prioritizes environmental impact while leveraging cost-effective solutions

    - o Cost-effective solutions include prioritizing energy efficiency in high-cost electricity markets where the payback is short and electrifying assets at the end of their useful life

- We can leverage this playbook to support our partners as they do the same.

- Additionally, distributors should encourage partners to think about emissions - and costs - across the entire product life cycle

- As an example, recycling material can be energy-intensive and expensive, but may potentially be less energy intensive and expensive than sourcing and processing raw material, with the added benefit of reducing the net environmental impact

- Distributors can play a key role in reducing transportation and distribution emissions through optimizing logistics using efficient warehousing, route planning, and consolidated shipments.

Supporting Infrastructure for Impactful Recycling

- Distributors can engage with suppliers and customers to understand which materials hold the highest value and/or present the greatest environmental risk

- Supporting consumer transparency around which materials or components are prioritized for recycling may change consumer preferences / habits

- Distributors, like Arrow, have the opportunity to create streamlined returns, and reverse logistics, channels that support e-waste and high impact material collection

- We also can promote the existing e-waste recycling, product buy-back, trade-in or hardware-as-a-service programs of our customers

- We also should prioritize logistics channels that are powered by low-emission modes of transportation, like EVs, ocean freight, or rail, to reduce the carbon footprint of e-waste recycling infrastructure

- Incorporating education and resources into supplier engagement programs to increase awareness of the financial and environmental opportunities of optimizing material recovery and extending product lifecycles."

What Does the Global Market of the Future Look Like?

The volatile global trading environment and the threats

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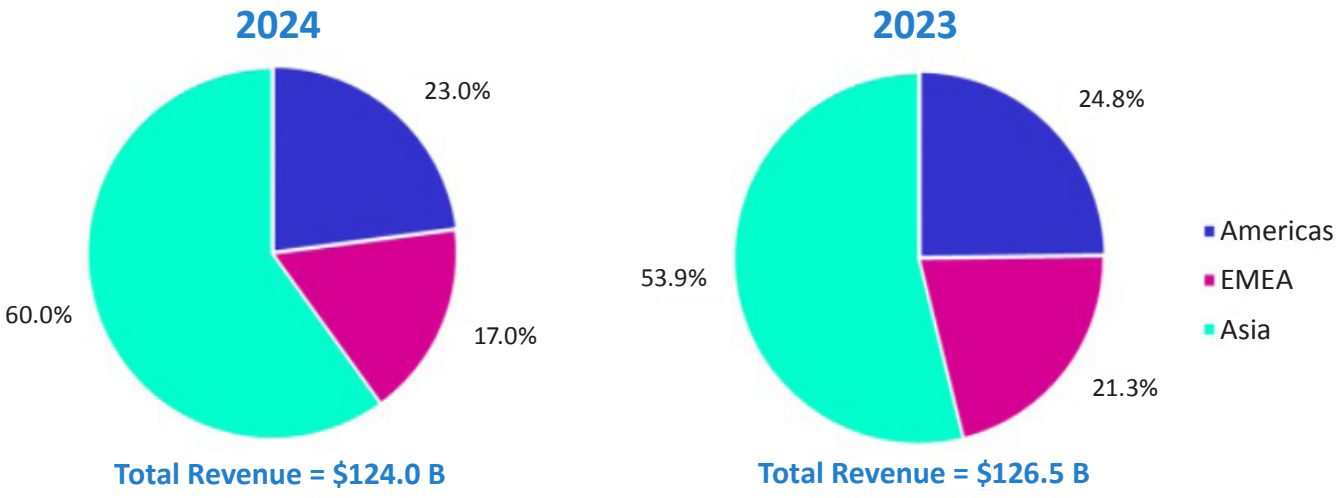
Top 50 Total Revenue Share by Region



to the supply chain raises the following questions as the global "free trade" market is challenged. What types of opportunities are developing in "emerging" regional markets such as Latin America, Africa, and Asia? Is investment in these emerging markets worth the trade-off in diverting resources from larger markets in the U.S., Europe, China, Japan, and other developed Asian countries?

David Loftus cuts to key issues that must be assessed in answering these questions. "This is a risk/reward equation. Suppliers and distributors normally invest as demonstrated revenue grows. But with the imposition of tariffs creating an international trade war, pockets of opportunity will arise that can benefit the bold companies that invest ahead of the curve. The trick will be finding those countries that have the necessary infrastructure, resources, and personnel to increase their home-grown electronics businesses."

Adam Osmancevic points to one region of opportunity. "One exciting opportunity is the "Make in India" program which aims to promote indigenous manufacturing across sectors, including electronics. With a focus on reducing imports, boosting exports, and creating jobs, the initiative has brought strategic policy reforms and infrastructure development to support the electronics industry. We've seen more and more semiconductor suppliers establish design centers across the region as well as industrial OEM's create outsourced design centers to leverage the opportunity as these engineering teams augment their onshore teams."

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Mike Slater emphasizes localization efforts that will be important in the evolving global environment. "We're seeing more manufacturers adopt a "China+1" strategy, increasing demand in Malaysia, Vietnam, and Thailand, so we've invested in localization efforts there. At the end of the day, our goal is simple: meet customers where they are and make it as easy as possible to do business with DigiKey."

Seeking and Supporting Multi-Generational Talent

The never-ending challenge for all business is the cultivation of a motivated, productive team. This presents key questions such as How do you see successful labor management processes continuing to evolve? Is the challenge of new talent recruitment improving? How are companies successfully promulgating the company culture across an increasingly diverse and distributed workforce?

Dayna Badhorn emphasizes culture as fundamental. "Culture starts at the top, making it essential for management to align with the company's core values and mission. This alignment should be consistently reinforced in meetings to ensure employees understand these principles and their impact. Highlighting examples of employees embodying core values further reinforces their importance, bringing them to life through real-world actions."

Mike Slater highlights strategies implemented at DigiKey as they support their teams with new technologies and encourage out-of-the-box thinking. "Since we're based in Thief River Falls, a town of fewer than 10,000 people, we're investing in innovative ways to scale, like:

- Warehouse efficiency: We're working with suppliers on Advance Shipping Notices (ASNs) to speed up receiving and repositioning inventory so it can be picked and shipped faster.

- Call center improvements: We're making it easier for customers to self-serve for things like schedules, backorders, and expediting while also ramping up API/EDI ordering and predictive messaging.

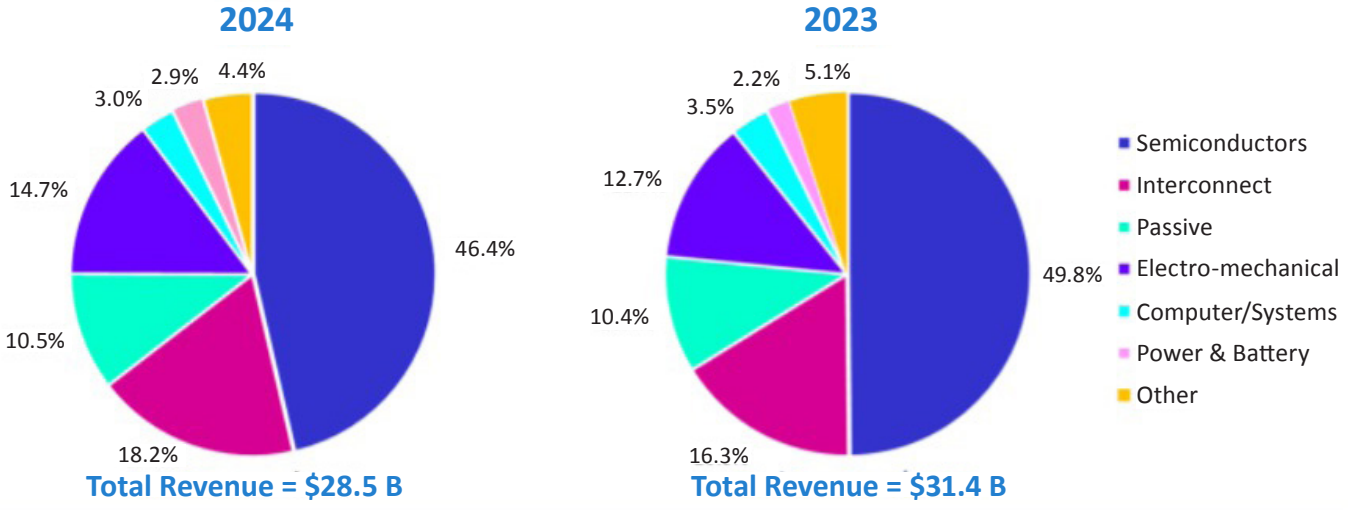
- Back-office automation: We just rolled out cutting-edge Oracle tools to modernize billing, accounts payable, and receivables, making these processes more seamless."

Slater continues, "One of DigiKey's core strategies is to be as localized as possible. We have dedicated regional teams in EMEA and APAC that manage performance in their markets and localize customer experience. In terms of company culture, we strive to create a culture where people feel encouraged to think differently, challenge assumptions, and experiment with new approaches. At DigiKey, we try to model innovative thinking in the following ways:

- Encouraging curiosity: We strive to foster a mindset where team members ask, 'What if?' and 'Why not?' instead of sticking to the status quo. This has been a significant part of DigiKey's growth history and is part of what makes us an industry leader. Creating an environment where questions are welcomed allows new perspectives and creative solutions to emerge.

- Embracing smart risks: Innovation requires trying new things, even when the outcome isn't guaranteed. DigiKey constantly experiments across all business units and levels of the organization. This mindset has helped us stay ahead in rapidly changing market conditions.

Americas Revenue Share by Component



• Collaborating across teams: This is the key attribute of innovative thinking. By breaking down silos and encouraging cross-functional teamwork, we create an environment that drives diversity in thinking to generate ideas and solve problems more effectively.

"Creating this type of environment as part of our everyday work has clear benefits. It leads to finding smarter, more efficient ways to serve our customers. Our environment also drives engagement, as team members feel empowered and motivated when they know their ideas matter."

Aiden Mitchell breaks these questions down individually to address them:

• "How do you see successful labor management processes continuing to evolve?

o Companies will have to become more people focused. Companies must truly be willing to invest in employees through career development, upskilling, and employee engagement. This will improve retention and productivity which will result in stronger teams and better output. AI and technology are evolving fast, which means job functions are shifting, and companies (leaders) must make sure employees feel valued and supported throughout a rapidly evolving tech landscape.

• Is the challenge of new talent recruitment improving?

o It's still a challenge. AI and other tech advancements have helped recruiters by streamlining processes and improving the candidate experience, which in turn strengthens a company's brand. But the competition for top talent is still fierce, and companies need to be proactive in setting themselves apart. People want to work for companies that offer competitive pay, flexibility, career growth, a positive culture, and a strong brand - all these things come together to recruit and retain top talent.

• How are companies successfully promulgating the company culture across an increasingly diverse and distributed workforce?

o It all starts with strong leadership. Employees need to see it to believe it. That's why it's so important for leaders to be collaborative, transparent, and genuinely respectful of everyone. Leaders who genuinely care about their team and the work their team is doing will reinforce the positive culture that is intended across a diverse population. Leaders should recognize individual contributions, team contributions, remove roadblocks and set people up for success and recognition. All of this contributes to a strong company culture across a distributed workforce."

Chris Wadsworth describes the challenges they face in recruitment and the solutions they are pursuing. "Many companies have adopted creative programs to attract the generations post Gen X into their companies. The electrical and electronic industry provides very high growth prospects over the next ten plus years and younger people are starting to notice and come into our industry, but I would say we are still struggling to recruit the next generation at the same rate as the boomers are retiring. Some creative ideas include leadership development and mentoring programs as well as offering specialized business resource groups to serve outside of the normal day-to-day business in the communities around the country and then simple things like positive recognition. For example, one of our business groups is centered around training and attracting skilled employees that are either veterans or those with military backgrounds and we are seeing increased success year-over-year. A positive and winning culture is the ultimate goal, and talent management is a core tenant to our long-term strategy at WESCO."

2025: Year of Opportunity or Caution?

A recent article on the electronics industry proclaimed, "2025 is a year for caution." Is this a year for caution or should players take the initiative in aggressively pursuing new opportunities?

David Loftus shares his opinion that "Most companies will wait until the dust settles on Trump administration decisions on tariffs. The back-and-forth with many countries on many technologies, the volatility of decisions that are changed on a day-to-day basis, will motivate most companies to be conservative until the world economic picture clears up a bit."

"At DigiKey, we know 2025 will be a dynamic year, and while the market may be flat overall, we're confident in our ability to navigate the challenges ahead" stated Mike Slater. "We're making targeted investments in inventory, technology, and regional expansion to ensure we stay agile and continue delivering value to our customers. While there's still some uncertainty in the market, our focus remains the same: providing the widest selection, the best service, and the smartest solutions to help our customers succeed, no matter what the year brings."

Chris Wadsworth summarizes WESCO's strategy in this environment. "Although 2025 started with a new political administration driving many changes, the secular trends driving the electrical and electronic industry are still in play and provide a very strong outlook over the next five to ten years. WESCO is taking the initiative to really lean into these secular trends (electrification, on shoring, alternative

Continues on page 60

energy sources, grid modernization and AI, including data centers) and we see 2025 being a solid year for growth. Opportunities do need to be strategically vetted with the policy changes and inflationary characteristics, but the momentum of our strategic initiatives are focused on investment into growth. This growth will be enhanced by offering additional services and solutions to drive share across the existing and new customer base addressing the customer's individual growth goals, needs and expectations."

Aiden Mitchell states simply and bluntly, "Yes, we are aggressively pursuing new opportunities."

The Top 50 Americas Authorized Distributor survey results

Before presenting the results for 2024 (page 68) it is important to highlight key areas of methodology followed in preparing this report.

1. Only "Authorized Distributors" are included in the research and rankings. This is consistent with ECIA's mission to support the Authorized Channel. As a result, brokers and others are not included, and they have been replaced by authorized distributors in the Top 50 rankings.

2. The revenues reported for Arrow Electronics are limited to include only their revenues associated with electronic component distribution. For Arrow Electronics this corresponds to their "Electronic Components" division.

3. In some cases, companies have not provided inputs in all areas of the survey. Where companies did not provide inputs for Worldwide or Americas total revenues, estimates have been developed based on inputs from various sources. Where splits for revenues by component category or end market were not provided, estimates were developed based on various inputs and models. The market share research is an ongoing work in process as feedback enables refined estimates.

Total Americas revenue for the Top 50 authorized distributors in 2024 declined by -9.3% to $28.5 B from $31.4 B. This same group of Top 50 companies saw their combined worldwide revenue fall by -2.0% from $126.5 B to $124.0 B between 2023 and 2024. Worldwide revenues were boosted by the Asia/Pacific region with a rebound in growth of 9.1%. On the other hand, EMEA revenue fell sharply by -21.7% last year. The Americas share of global revenues for these 50 companies fell from 24.8% in 2023 to 23.0% in 2024.

Americas revenues for the Top 50 distributors grew for three component

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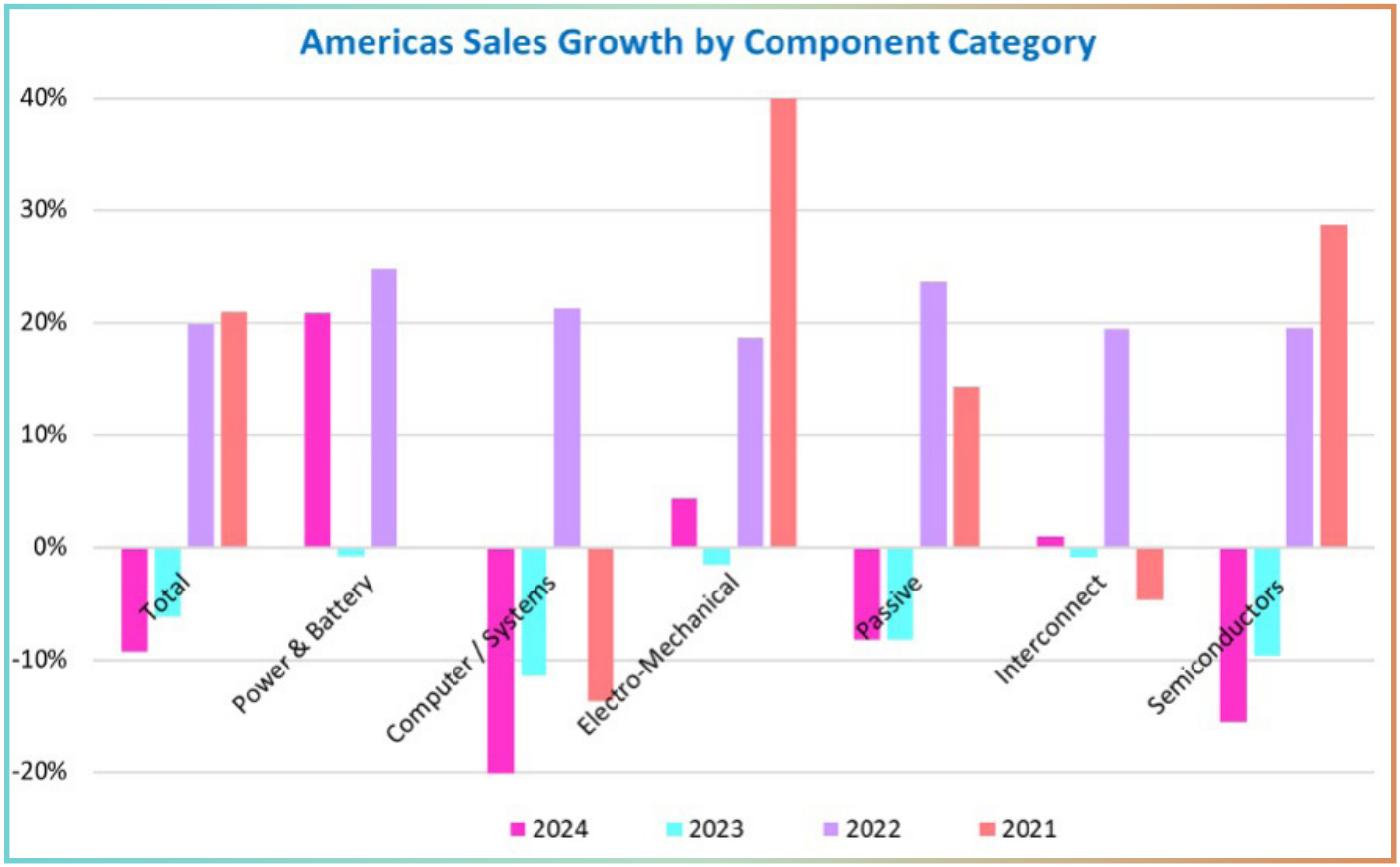
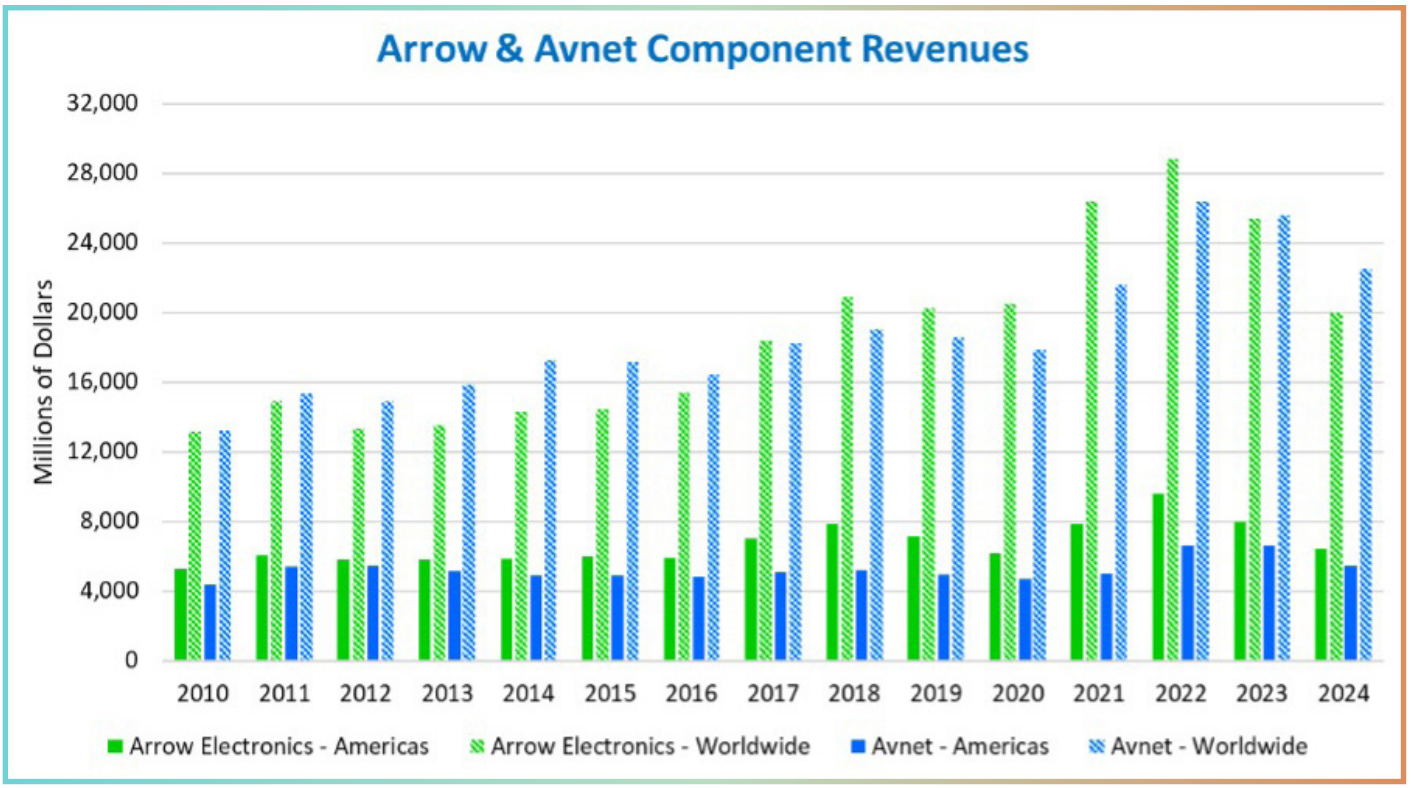
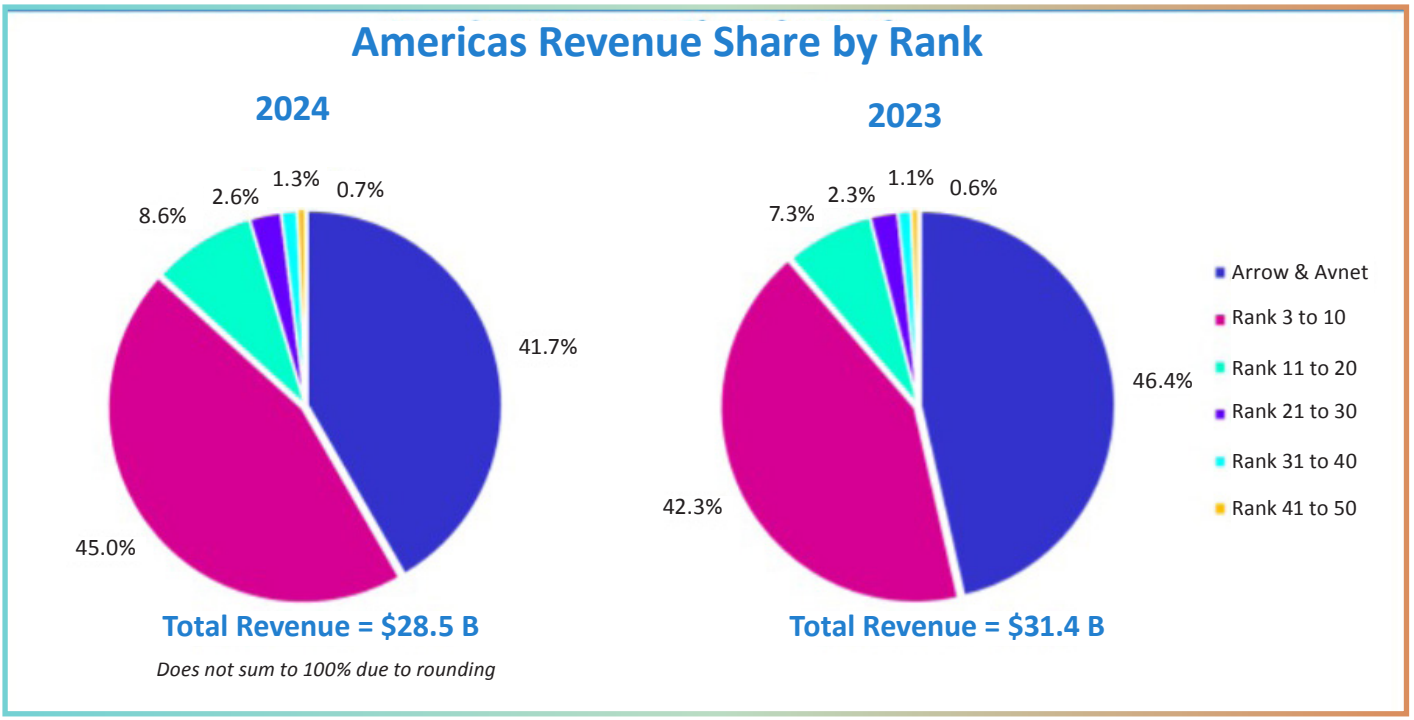
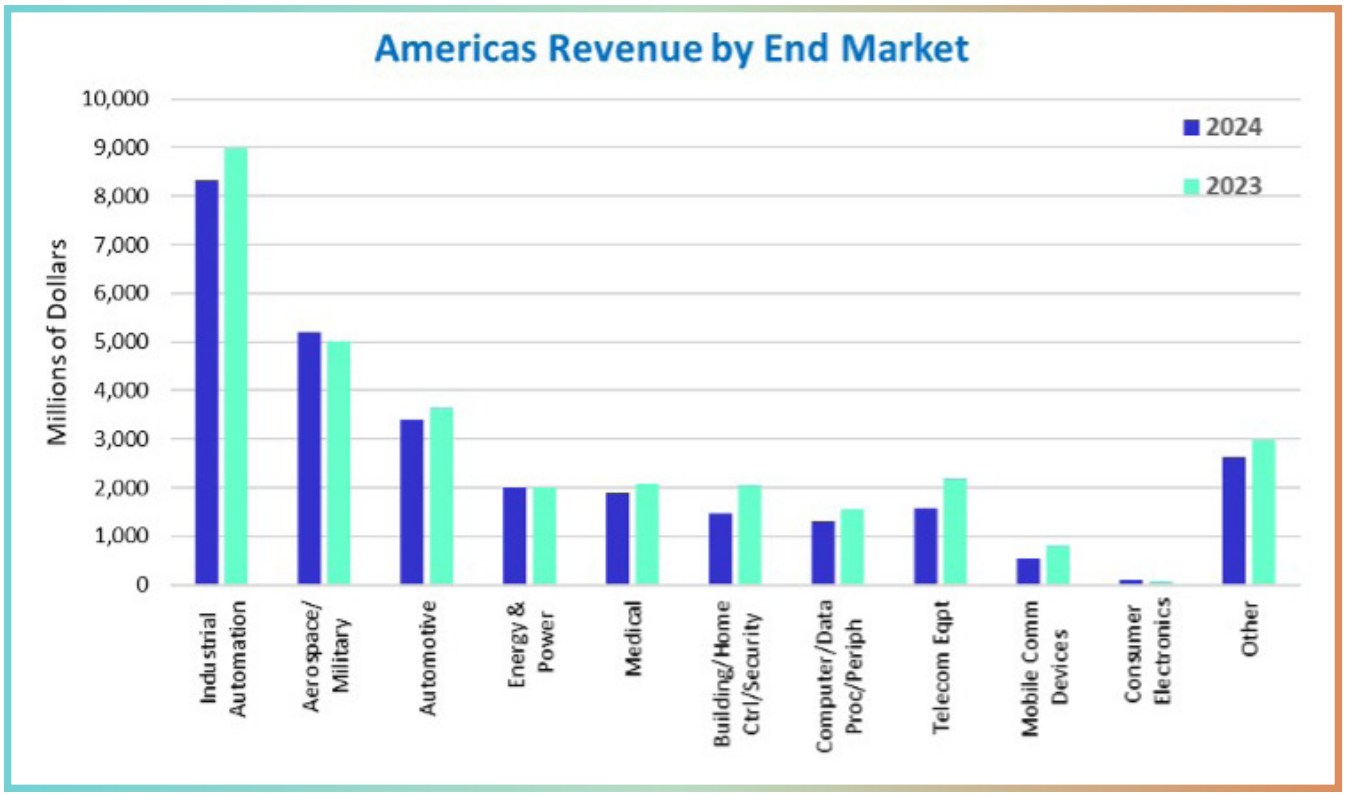




categories in 2024 lead by Power & Battery, once again, with 20.8% growth followed by Electro-Mechanical Components with 4.4% growth and Interconnect Components at 0.9% growth. The largest component category, semiconductors, saw its share of the total Americas market slip again from 49.8% to 46.4%. Over the five-year period from 2019 to 2024 total Americas distribution revenue grew by 3.1% Compound Annual



Does not sum to 100% due to rounding



Growth Rate (CAGR) with Electro-Mechanical components leading the way followed by Passive Components at 10.4% and 3.1% CAGR, respectively. Semiconductors grew by 1.6% CAGR and Interconnect components achieved 2.0% CAGR growth. Power & Battery was added as a separate category for the first time in 2021.

The top two North America Distributors, Arrow Electronics and Avnet both saw significant declines in their Americas revenues in 2024. Arrow Electronics sales fell by -19.4% while Avnet's fell by -17.5%. Both Avnet and Arrow experienced revenue declines on the global stage also. Avnet saw their worldwide revenue decline by -12.1% and Arrow Electronics fell by -21.4%. The Top 10 companies in 2024 with revenues of $24.7 B and a combined revenue share of 86.7% saw their revenues shrink by 11.3%. By comparison, companies ranked between 11 and 50 with combined revenues of $3.8 B and combined market share of 13.3% saw their revenues grow by 6.4%. Average 2024 revenue for the Top 10 companies was $2.5 B while average revenue for companies ranked 11 through 50 was $95 M. Once again, the largest end-market segments for Americas distributors in 2024 were Industrial Automation, Aerospace/Military, and Automotive, accounting for 29.3%, 18.3%, and 11.9% of the market, respectively. However, the market is fairly diversified with even the smallest segment, Consumer Electronics, driving $106 M in revenues in 2024. OEMs continued to be the largest customers of distributors with 54.3% of total Americas revenue.

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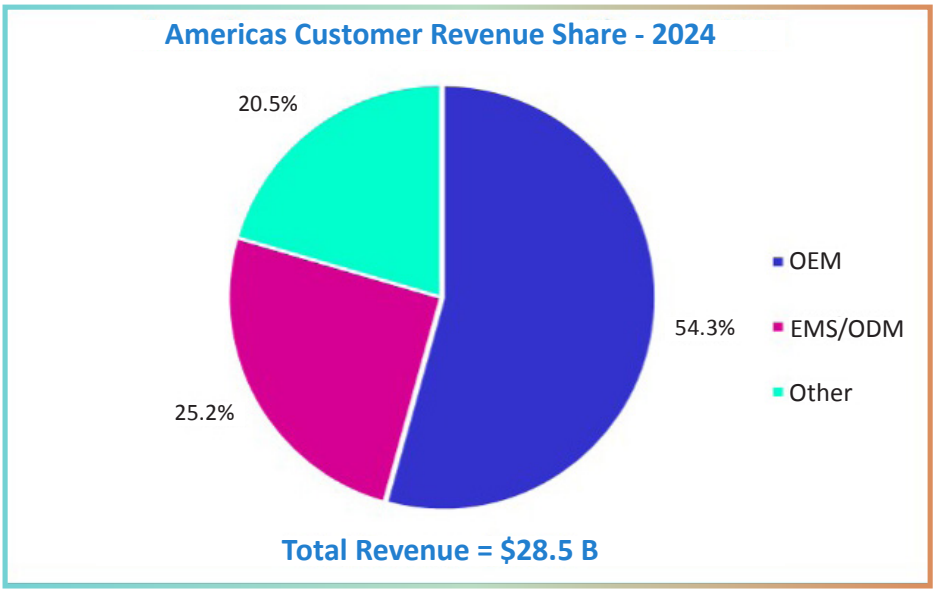

The Top 50 Americas Authorized Distributors

The final tables of this report present the complete list of Top 50 Americas Authorized Distributors for 2024 along with Top 10 rankings for individual component categories, top sales growth, and top revenue per employee.

2024 Rank	2023 Rank	Company	2024 Americas Sales ($ Thousands)	Growth 2023/2024 (%)	Share of Top 50 Total Sales (%)	Americas Sales Share of Worldwide (%)	Distributor Type*	Sales Breakdown by Percent: Semiconductor (Active)	Passive Component	Electro-Mechanical	Interconnect	Computer/ Systems	Power & Battery	Other	Total Americas Employees	Sales per Employee ($ Millions)
1	1	Arrow Electronics, Inc. [2]	6,411,701	-19.4	22.52	32.1	1	71.0	6.9	5.2	5.4	7.0	-	4.5	5,850	1.10
2	2	Avnet [2]	5,456,682	-17.5	19.17	24.3	1	75.2	5.9	3.9	8.0	3.0	-	4.0	4,700	1.16
3	3	TTI, Inc., Consolidated*	4,335,000	-2.4	15.23	55.2	2	17.0	28.0	11.0	36.0	2.0	5.0	1.0	5,000	0.87
4	4	DigiKey	2,100,000	-12.5	7.38	60.0	3	31.1	19.2	16.0	23.4	2.8	7.2	0.3	4,030	0.52
5	5	Future, a WT Microelectronics company [1]	1,800,000	-10.0	6.32	37.9	1	74.9	9.0	8.0	5.3	-	2.8	-	1,875	0.96
6	6	WESCO	1,600,000	0.6	5.62	100.0	1	-	-	80.0	10.0	-	10.0	-	700	2.29
7	7	RS Group	1,100,000	0.0	3.86	31.1	1	1.0	1.0	35.0	16.0	2.0	12.0	33.0	1,650	0.67
8	8	Heilind Electronics	924,824	-0.8	3.25	80.7	2	-	5.0	10.0	85.0	-	-	-	1,340	0.69
9	10	WPG Americas Inc.	515,000	30.4	1.81	1.9	2	75.0	-	-	-	5.0	15.0	5.0	90	5.72
10	9	Master Electronics [1]	444,750	10.6	1.56	75.0	1	10.5	16.9	26.1	39.0	4.7	-	2.8	500	0.89
11	11	FDH Electronics	379,000	8.1	1.33	89.6	2	-	-	49.1	50.9	-	-	-	675	0.56
12	12	Bisco Industries	358,400	13.3	1.26	95.4	1	1.0	20.0	40.0	20.0	1.0	2.0	16.0	580	0.62
13	13	Nexty Electronics [1]	307,580	7.9	1.08	6.5	1	85.0	4.0	3.0	5.0	1.0	-	2.0	130	2.37
14	15	Supreme Electronics [1]	295,181	22.5	1.04	4.0	1	96.2	0.9	2.9	-	-	-	-	175	1.69
15	14	Powell Electronics	280,357	8.9	0.98	93.2	1	-	-	11.0	89.0	-	-	-	242	1.16
16	16	Macnica	274,365	34.1	0.96	4.8	1	99.7	-	-	-	-	-	0.3	108	2.54
17	18	PEI-Genesis [1]	177,937	-5.4	0.63	64.4	1	-	-	-	100.0	-	-	-	330	0.54
18	17	Galco Industrial Electronics	168,286	-11.0	0.59	100.0	2	1.0	12.0	11.0	7.0	1.0	-	68.0	232	0.73
19	20	Hughes-Peters	113,000	-6.6	0.40	100.0	1	3.0	25.0	45.0	25.0	-	-	2.0	160	0.71
20	19	Richardson Electronics [1]	103,510	-26.6	0.36	51.0	2	69.0	12.0	1.0	4.0	-	5.0	9.0	350	0.30
21	21	Flame Enterprises	100,000	2.0	0.35	83.3	2	-	-	98.0	2.0	-	-	-	62	1.61
22	23	Marsh Electronics	98,466	15.8	0.35	100.0	1	0.3	39.5	24.9	6.1	-	4.7	24.5	138	0.71
23	25	All Tech Electronics, Inc.	85,310	15.4	0.30	100.0	2	90.0	5.0	5.0	-	-	-	-	35	2.44
24	22	Steven Engineering	79,736	-11.5	0.28	90.0	2	-	-	35.0	35.0	7.0	2.0	21.0	119	0.67
25	26	Brevan Electronics	78,300	8.0	0.28	100.0	1	30.0	35.0	20.0	5.0	2.0	3.0	5.0	63	1.24
26	24	SIIX [1]	73,133	-8.6	0.26	9.5	1	95.0	-	-	-	-	-	5.0	60	1.22
27	27	Peerless Electronics [1]	62,800	3.0	0.22	100.0	1	4.5	3.5	75.2	7.8	-	-	9.0	105	0.60
28	31	Falcon Electronics	62,000	33.3	0.22	98.9	2	100.0	-	-	-	-	-	-	19	3.26
29	29	Flip Electronics	57,200	4.2	0.20	59.2	2	100.0	-	-	-	-	-	-	88	0.65
30	28	Area51 Electronics	55,768	-7.1	0.20	99.2	1	4.0	17.0	32.0	19.0	5.0	1.0	22.0	61	0.91
31	30	Rutronik Elektronische Bauelemente GmbH	55,000	10.0	0.19	5.1	1	50.0	41.0	7.0	-	2.0	-	-	50	1.10
32	35	NASCO AEROSPACE & ELECTRONICS	53,074	41.8	0.19	100.0	1	25.0	5.0	25.0	25.0	10.0	5.0	5.0	29	1.83
33	32	EDOM Technology Co., Ltd.	49,082	12.8	0.17	1.4	1	100.0	-	-	-	-	-	-	-	NA
34	33	Beyond Components [1]	41,000	4.1	0.14	100.0	1	4.2	3.8	74.8	7.2	-	-	10.0	70	0.59
35	34	Edge Electronics, Inc. [1]	40,000	2.3	0.14	85.6	1	52.4	1.8	1.0	1.8	21.0	3.0	19.0	35	1.14
36	36	CDM Electronics [1]	33,800	5.3	0.12	92.3	1	-	-	6.0	94.0	-	-	-	120	0.28
37	37	Diverse Electronics	30,800	-2.5	0.11	87.0	1	15.0	12.0	18.0	30.0	2.0	22.0	1.0	45	0.68
38	39	March Electronics [1]	27,600	4.9	0.10	100.0	2	-	-	-	100.0	-	-	-	35	0.79
39	40	Sherburn Electronics [1]	27,000	3.8	0.09	100.0	2	10.0	20.0	35.0	25.0	10.0	-	-	11	2.45
40	41	NEP Electronics [1]	25,200	2.9	0.09	100.0	1	10.0	10.0	60.0	10.0	-	-	10.0	125	0.20
41	42	World Micro Components / MIT Distributors [1]	25,000	4.2	0.09	91.9	2	50.0	14.0	8.0	11.0	-	10.0	7.0	45	0.56
42	44	Bluff City Electronics	24,000	14.3	0.08	100.0	1	5.0	10.0	70.0	-	5.0	-	10.0	35	0.69
43	43	Microwave Components LLC	23,775	12.7	0.08	97.1	2	-	4.2	8.4	87.4	-	-	-	25	0.95
44	38	Ryoden [1]	22,110	-19.0	0.08	2.2	1	87.6	12.4	-	-	-	-	-	10	2.21
45	45	Benchmark Connector Corporation [1]	20,000	8.1	0.07	94.7	2	-	-	-	100.0	-	-	-	56	0.36
46	46	Kensington Electronics Inc	19,420	-2.9	0.07	97.9	1	-	93.0	-	5.0	-	-	2.0	24	0.81
47	48	S.A.S. Dragon [1]	17,686	12.6	0.06	0.5	1	90.0	4.1	5.5	-	-	-	0.4	10	1.78
48	47	Projections Unlimited, Inc. (PUI)	14,106	-21.2	0.05	91.4	1	13.0	22.0	54.0	11.0	-	-	-	30	0.47
49	49	Inductors Inc [1]	12,980	6.8	0.05	90.1	2	4.0	95.0	1.0	-	-	-	-	16	0.81
50	50	Transfer Multisort Elektronik (TME)	8,745	4.9	0.03	2.9	3	5.4	4.9	9.2	19.3	2.0	3.0	56.3	10	0.87
		TOTAL TOP 50	28,468,663	-9.3	100.00	23.0		46.4	10.5	14.7	18.2	3.0	2.9	4.4	30,248	0.94

***Type of Distributor:** 1 = Broadline; 2 = Specialized; 3 = High Service/E-Catalog
Notes: [1] ECIA Estimate for Total North America Sales and Sales Breakdown [2] ECIA Estimate for Sales Breakdown [3] ECIA Estimate for Total North America Sales

**TTI Consolidated* includes: TTI, Mouser, Sager, RFMW & Symmetry

ECIA Top 50 Americas Authorized Distributors Report 2025

Top 10 semiconductor (active) sales

Rank 2024	Company	2024 Americas Sales ($ Millions)	Share of Top 50 Total Sales (Percent)
1	Arrow Electronics, Inc. (1)	4,552.3	34.47
2	Avnet (1)	4,103.4	31.07
3	Future, a WT Microelectronics company (1)	1,348.2	10.21
4	TTI, Inc., Consolidated*	737.0	5.58
5	DigiKey	653.1	4.95
6	WPG Americas Inc.	386.3	2.92
7	Supreme Electronics (1)	284.0	2.15
8	Macnica	273.6	2.07
9	Nexty Electronics (1)	261.4	1.98
10	All Tech Electronics, Inc.	76.8	0.58
	Others	529.5	4.01
	TOTAL TOP 50	**13,205.5**	**100.00**

Top 10 passive component sales

Rank 2024	Company	2024 Americas Sales ($ Millions)	Share of Top 50 Total Sales (Percent)
1	TTI, Inc., Consolidated*	1,213.8	40.60
2	Arrow Electronics, Inc. (1)	442.4	14.80
3	DigiKey	403.9	13.51
4	Avnet (1)	321.9	10.77
5	Future, a WT Microelectronics company (1)	162.0	5.42
6	Master Electronics (1)	75.2	2.51
7	Bisco Industries	71.7	2.40
8	Heilind Electronics	46.2	1.55
9	Marsh Electronics	38.9	1.30
10	Hughes-Peters	28.3	0.94
	Others	185.3	6.20
	TOTAL TOP 50	**2,989.6**	**100.00**

Top 10 electro-mechanical sales

Rank 2024	Company	2024 Americas Sales ($ Millions)	Share of Top 50 Total Sales (Percent)
1	WESCO	1,280.0	30.68
2	TTI, Inc., Consolidated*	476.9	11.43
3	RS Group	385.0	9.23
4	DigiKey	336.1	8.06
5	Arrow Electronics, Inc. (1)	333.4	7.99
6	Avnet (1)	212.8	5.10
7	FDH Electronics	186.3	4.46
8	Future, a WT Microelectronics company (1)	144.0	3.45
9	Bisco Industries	143.4	3.44
10	Master Electronics (1)	116.1	2.78
	Others	557.6	13.37
	TOTAL TOP 50	**4,171.5**	**100.00**

Top 10 interconnect sales

Rank 2024	Company	2024 Americas Sales ($ Millions)	Share of Top 50 Total Sales (Percent)
1	TTI, Inc., Consolidated*	1,560.6	30.15
2	Heilind Electronics	786.1	15.19
3	DigiKey	491.9	9.50
4	Avnet (1)	436.5	8.43
5	Arrow Electronics, Inc. (1)	346.2	6.69
6	Powell Electronics	249.5	4.82
7	FDH Electronics	192.7	3.72
8	PEI-Genesis (1)	177.9	3.44
9	RS Group	176.0	3.40
10	Master Electronics (1)	173.5	3.35
	Others	584.5	11.29
	TOTAL TOP 50	**5,175.5**	**100.00**

Top 10 computer/system product sales

Rank 2024	Company	2024 Americas Sales ($ Millions)	Share of Top 50 Total Sales (Percent)
1	Arrow Electronics, Inc. (1)	448.8	51.94
2	Avnet (1)	163.7	18.94
3	TTI, Inc., Consolidated*	86.7	10.03
4	DigiKey	58.5	6.77
5	WPG Americas Inc.	25.8	2.98
6	RS Group	22.0	2.55
7	Master Electronics (1)	20.9	2.42
8	Edge Electronics, Inc. (1)	8.4	0.97
9	Steven Engineering	5.6	0.65
10	NASCO AEROSPACE & ELECTRONICS	5.3	0.61
	Others	18.5	2.14
	TOTAL TOP 50	**864.2**	**100.00**

Top 10 power & battery sales

Rank 2024	Company	2024 Americas Sales ($ Millions)	Share of Top 50 Total Sales (Percent)
1	TTI, Inc., Consolidated*	216.8	25.97
2	WESCO	160.0	19.17
3	DigiKey	150.8	18.06
4	RS Group	132.0	15.82
5	WPG Americas Inc.	77.3	9.26
6	Future, a WT Microelectronics company (1)	50.4	6.04
7	Bisco Industries	7.2	0.86
8	Diverse Electronics	6.8	0.81
9	Richardson Electronics (1)	5.2	0.62
10	Marsh Electronics	4.6	0.55
	Others	23.7	2.84
	TOTAL TOP 50	**834.6**	**100.00**

Top 10 distributors by sales growth

Rank 2024	Company	Sales Growth 2023/2024 (Percentage)	2024 Americas Sales ($ Millions)	2023 Americas Sales ($ Millions)
1	NASCO AEROSPACE & ELECTRONICS	41.8	53.1	37.4
2	Macnica	34.1	274.4	204.6
3	Falcon Electronics	33.3	62.0	46.5
4	WPG Americas Inc.	30.4	515.0	395.0
5	Supreme Electronics (1)	22.5	295.2	240.9
6	Marsh Electronics	15.8	98.5	85.1
7	All Tech Electronics, Inc.	15.4	85.3	73.9
8	Bluff City Electronics	14.3	24.0	21.0
9	Bisco Industries	13.3	358.4	316.2
10	EDOM Technology Co., Ltd.	12.8	17.8	15.7
	Others	-10.9	26,685.1	29,941.6
	TOTAL TOP 50	**-9.3**	**28,468.7**	**31,377.9**

Top 10 sales per Americas employee

Rank 2024	Company	2024 Americas Sales ($ Millions)	Americas Employees	Sales per Employee ($ Millions)
1	WPG Americas Inc.	515.0	90	5.72
2	Falcon Electronics	62.0	19	3.26
3	Macnica	274.4	108	2.54
4	Sherburn Electronics (1)	27.0	11	2.45
5	EDOM Technology Co., Ltd.	49.1	20	2.45
6	All Tech Electronics, Inc.	85.3	35	2.44
7	Nexty Electronics (1)	307.6	130	2.37
8	WESCO	1,600.0	700	2.29
9	Ryoden (1)	22.1	10	2.21
10	NASCO AEROSPACE & ELECTRONICS	53.1	29	1.83
	Others	25,473.1	29,116	0.87
	TOTAL TOP 50	**28,468.7**	**30,268**	**0.94**

Note = (1) ECIA Estimate