December Electronic Components Sales Sentiment Survey Participants Express Enthusiasm for January 2025 Outlook Compared to December

ECIA's Electronic Component Sales Trend (ECST) December 2024 Survey Results

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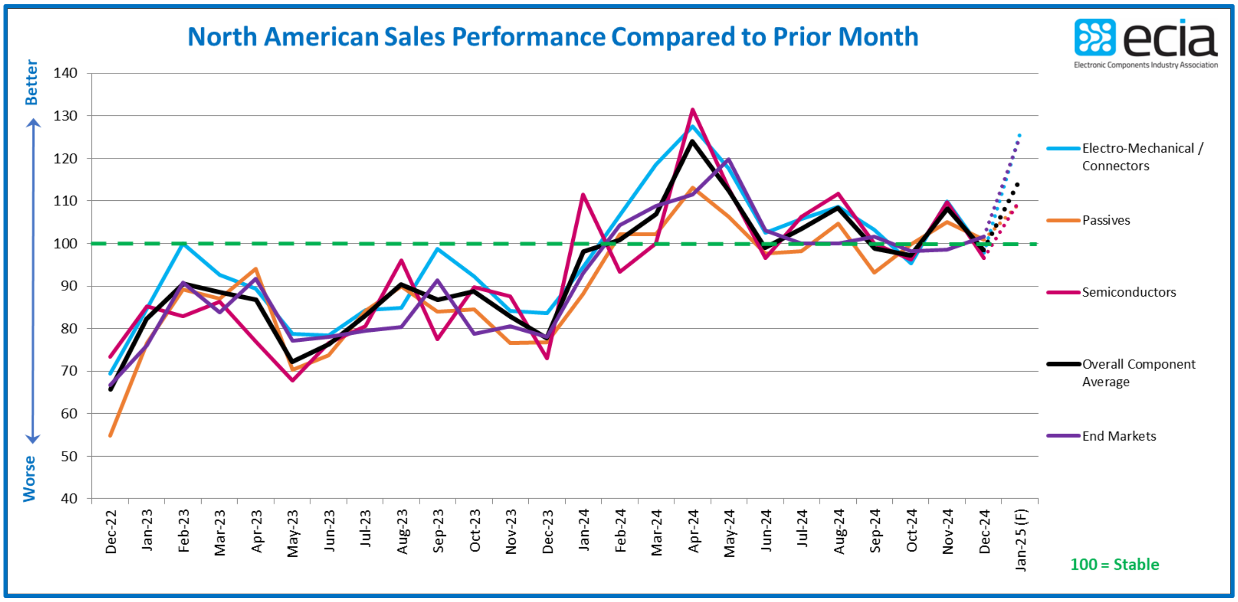
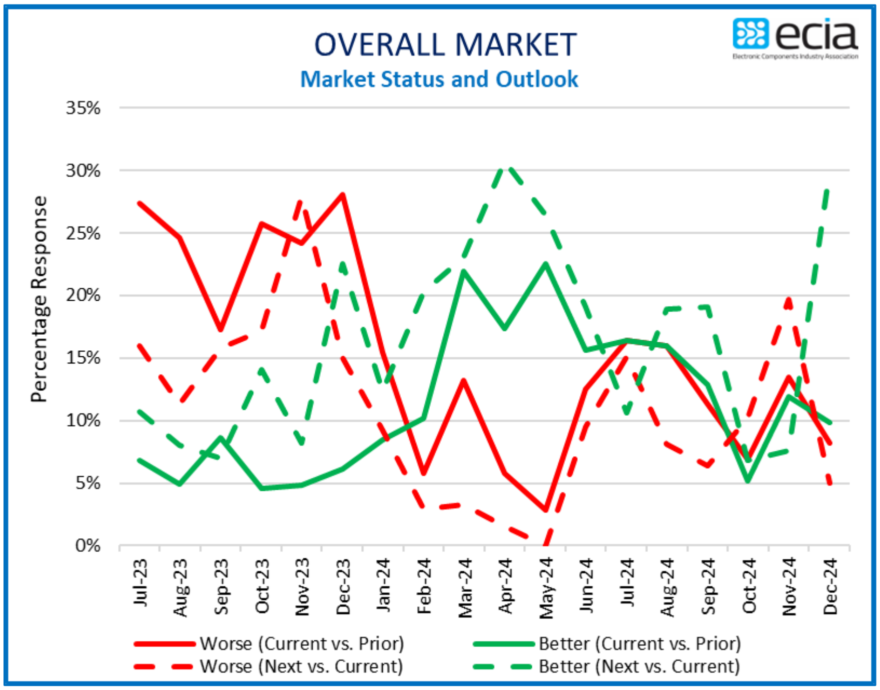
The December ECST survey of supply chain participants found that concerns about December sales were moderated from the November outlook. The November survey projected an overall index score of 94.4 which would have been the lowest since the prior December. The actual results measured in the December survey found concerns moderated somewhat with an actual score of 98.4, a steep drop from November but in line with prior months. Passive Components was the only category to top the threshold of 100 in December with a score of 101.0. The encouraging news comes in the outlook for January 2025 with a forecast leap of 16.8 points up to an overall score of 115.2. The January 2025 outlook is consistent with the optimism for Q1 2025 sales improvement measured in the Quarterly ECST survey conducted in November. The historical pattern for ECST scores changes between December and January shows a significant jump in January following a typically slow December. The average increase between December and January over the prior five years is 14.5. The January outlook from the latest December survey is consistent with the pattern of the previous 5 years. However, this jump is not always guaranteed. The increase in January 2022 was only 2.2 points. In spite of the slow start to 2022, the electronics components industry saw a 20%+ overall growth for the year. This would indicate that while the survey has been a reasonable indicator for near-term sales patterns, it is not a reliable predictor for long-term outcomes.

The strongest outlook for January sales comes in the Electro-Mechanical/Connector segment with a projected score of 125.7, an impressive jump of 27.9 points from December. The score of 110.3 in the January outlook for Semiconductors is simply a recovery back to the level it achieved in November before its December collapse down to 96.6. Passive Components builds on its solid December with an improvement to 109.6 forecast for January.

Comparing the survey responses across the three groups shows that Distributors have expressed the greatest optimism while Manufacturer Representatives are the most pessimistic. Manufacturers are generally aligned with the overall average results of the survey. The results for the end-market sentiment came in significantly higher in the December actuals than what had been predicted in the November survey. The December score of 101.6 was 13.8 points higher than what had been forecast. The outlook for the end-markets grows even brighter for January with a forecast of 125.0 overall. Led by Avionics/Military/Space and Industrial Electronics with January score forecasts of 145.8 and 135.6 respectively, every market except one is projected to top 100 in January. Only Consumer Electronics falls short at 97.8 in its January prediction. (Ironic given that January starts with the Consumer Electronics Show (CES), and the early vibe is quite positive.) Lead times continue to be dominated by stable expectations in the latest survey.





The ECST survey provides highly valuable and detailed visibility on industry expectations in the near-term through the monthly and quarterly surveys. This “immediate” perspective is helpful to participants up and down the electronics components supply chain. In the long-term, ECIA shares in the optimism for the future as the continued introduction and market adoption of exciting innovative technologies should motivate both corporate and consumer demand for next-generation products over the long term.

The complete ECIA Electronic Component Sales Trends (ECST) Report is delivered to all ECIA members as well as others who participate in the survey. <u>All participants in the electronics component supply chain are invited and encouraged to participate in the report so they can see the highly valuable insights provided by the ECST report</u>. The return on a small investment of time is enormous!

The monthly and quarterly ECST reports present data in detailed tables and figures with multiple perspectives and covering current sales expectations, sales outlook, product cancellations, product decommits and product lead times. The data is presented at a detailed level for six major electronic component categories, six semiconductor subcategories and eight end markets. Also, survey results are segmented by aggregated responses from manufacturers, distributors, and manufacturer representatives.