VIP Distributor Luncheon

Tatjana Wismeth
Head of Distribution & Supply Chain Intelligence

Kelsy McKinley
Global Distribution Partners

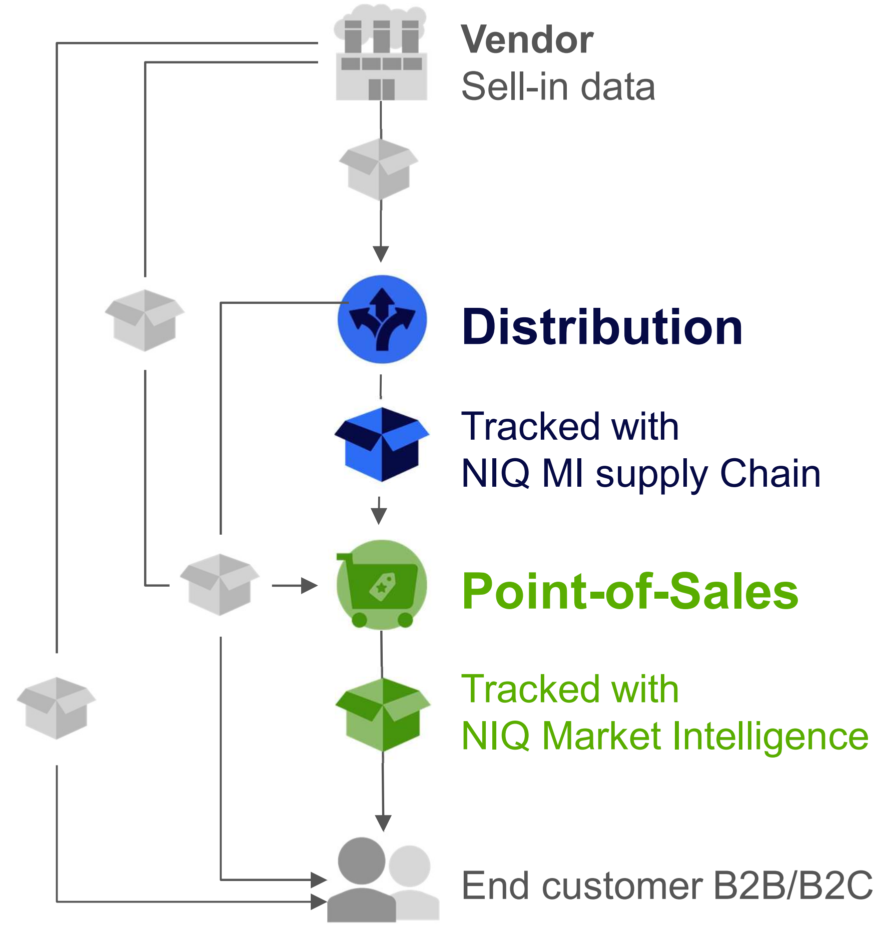
NielsenIQ GfK

Collaborate in the world's largest panel

Get a detailed understanding of **key trends & challenges** in the entire supply chain – **global & local, online & offline, across all relevant sales channels**

NIQ GfK

Join our distributor community with around 300 distributors worldwide



Benefit from Unique Insights by NIQ Distribution & Point-of-sale data – in one go

Some of the trusted partnerships around the globe

TD SYNNEX
INGRAM MICRO
nuvias
CMS distribution
Siewert & Kau
ARROW
INFINIGATE .... Adding Value to Distribution
Westcon Comstor
TIM IT Distribution
exertis
logicom Distribution
AB PL Digital World
esprinet
ELKO GROW SMARTER
tarsus technology group
computergross

NIQ GfK

strategic partnership with

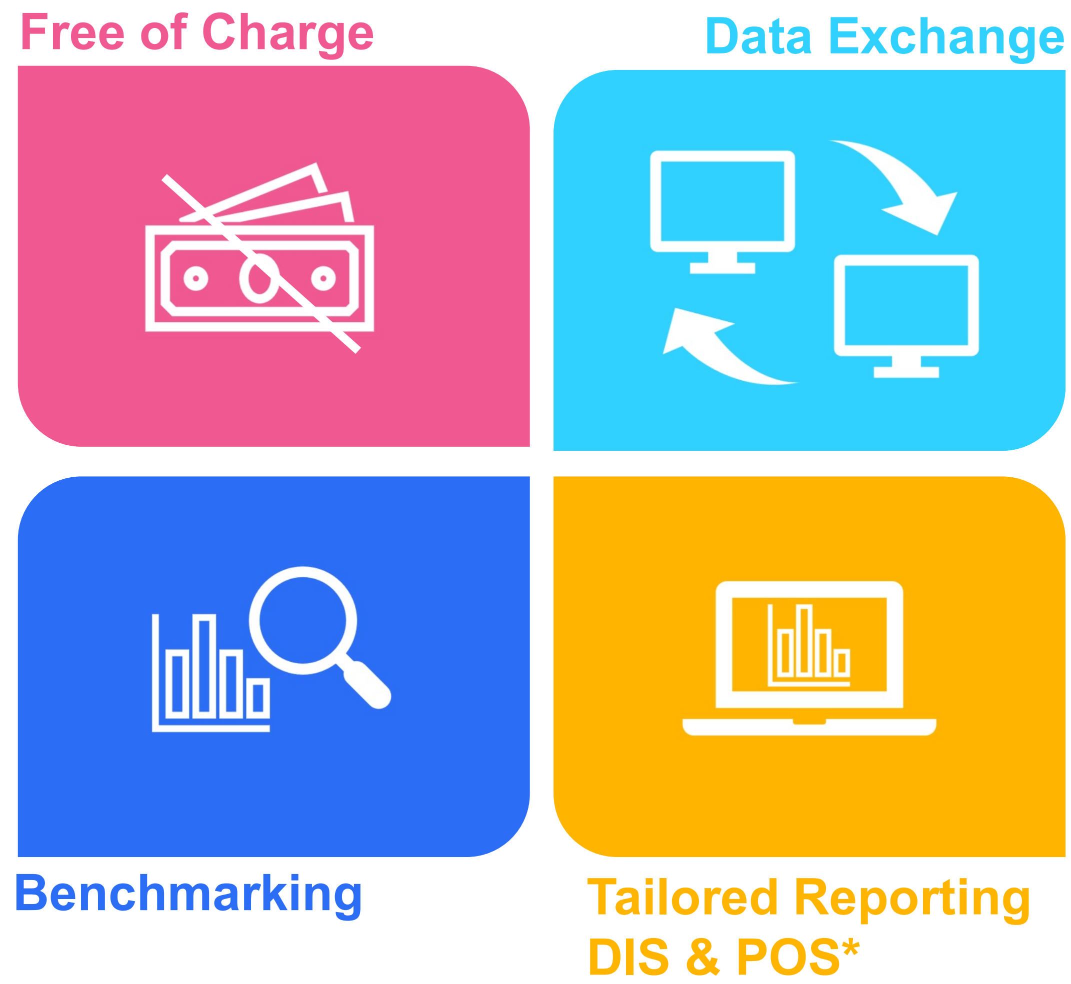
GTDC

EDUCATE · ADVOCATE · INFLUENCE

& more…

Our Partnership Model

Gain customized & valuable market insights as part of a global network



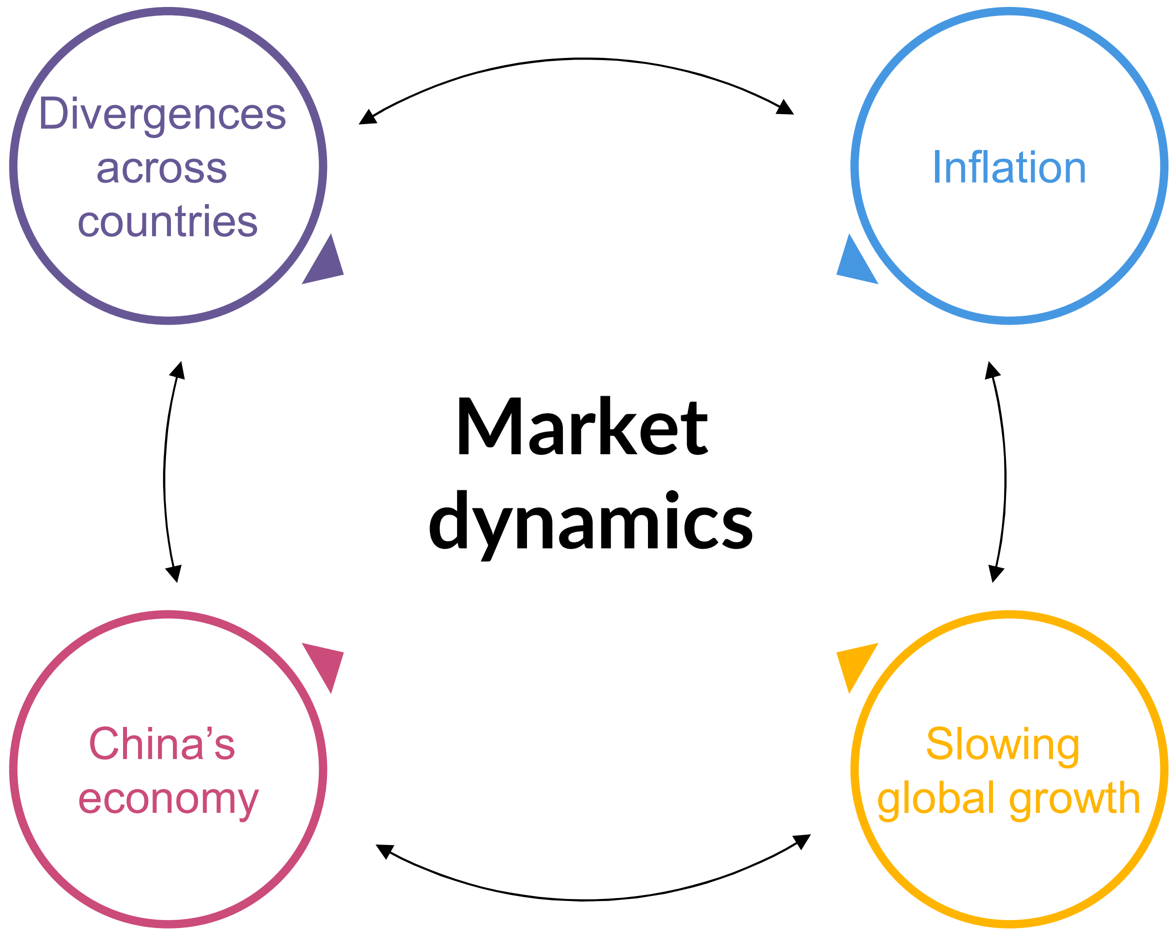
* Depends on Partnership Level


The World at a Glance:
Macroeconomic Shifts &
the State of Global &
European Distribution

Subdued global economic growth overshadowed by divergence among major economies

Major themes continue to disrupt market growth and inject further uncertainty

- Wars and geopolitical tensions as well as a rise in protectionist policies continue to amplify divergences across countries. This fragmentation negatively impacts international investment, global trade and supply chains



- Inflation is on track to subside back towards central bank targets in most regions. However, there is divergence between advanced economies and developing and emerging economies; the former are further ahead in bringing inflation back to target

- After 5% growth 2024*, IMF anticipates a 4.6% growth rate for China in 2025, subdued vs previous years.
- China faces ongoing challenges in the property sector, persistently low consumer and business confidence, and structural issues such as high debt levels among property developers and local governments, as well as an aging population.

- 5 year ahead growth forecast for global GDP is around 3%, the lowest in decades, with several factors weighing negatively on growth prospects.
- These include structural economic challenges and debt pressures, which have curbed investment and consumer spending.

*https://www.reuters.com/world/china/chinas-economic-growth-surpasses-forecasts-stimulus-push-2025-01-17/

Global T&D Trends Report Q4 2024 – Global Strategic Insights

Subdued growth projections overshadowed by divergence among major economies

IMF in January 2025 continues to predict medium-term risks tilted to the downside

Upsides

Stable growth outlook continues
Whilst there is increasing divergence amongst major economies, advanced economies are predicted to grow more in 2025 due to robust labor markets and accelerated investment – but the potential is being offset by trade policy uncertainty dampening investment in other areas

Inflation converging back to central bank targets
But slower in emerging market and developing economies, and low inflation persists in China

Underlying demand remains robust
In several economies, for example in the US due to strong wealth effects and a less restrictive monetary policy stance

Downsides/risks

Debt vulnerabilites
High levels of public and private debt in both advanced and emerging economies could become more problematic, especially if global interest rates remain elevated.

Continued inflationary pressures
Inflation could remain persistently high in certain emerging markets and developing countries. This could challenge monetary policy and economic growth

Geopolitical tensions
Ongoing geopolitical uncertainties in several regions could disrupt global trade, increase energy prices, and worsen economic conditions.

Trade and supply chain uncertainty
An intensification of protectionist policies, especially in the form of a new wave of tariffs, could negatively impact global trade, investments and supply chains

Source: IMF World Economic Outlook Jan 2025
Global T&D Trends Report Q4 2024 – Global Strategic Insights

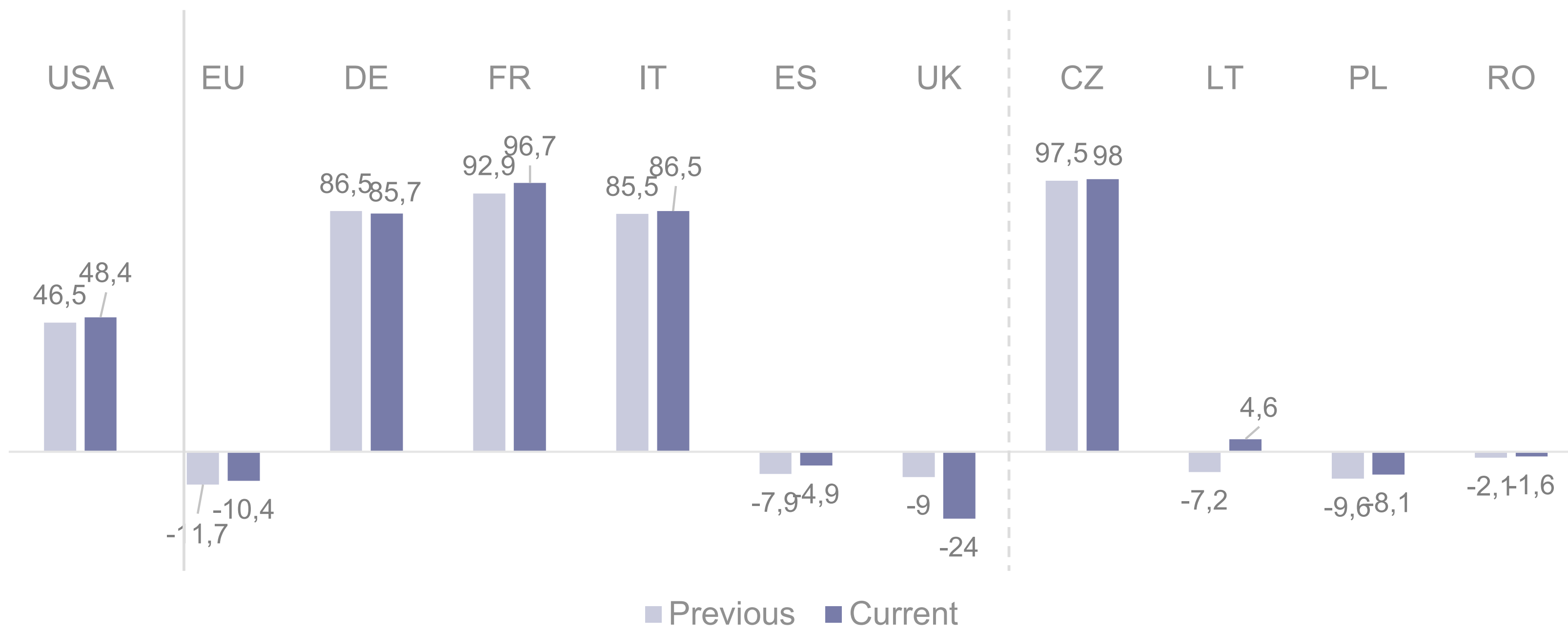
Burdened business confidence

However, key markets are able to gain in business confidence recently.

Especially EEU countries are recovering at a fast pace.

Economic challenges burden business confidence globally.

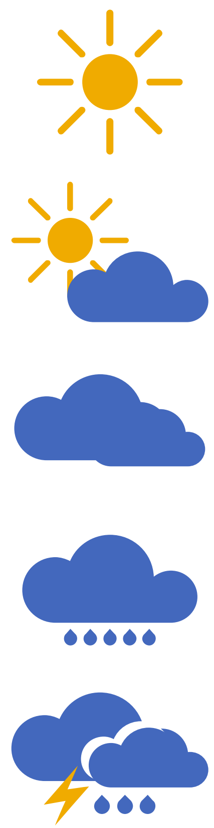
US & EU improve overall while UK´s business confidence even worsened.

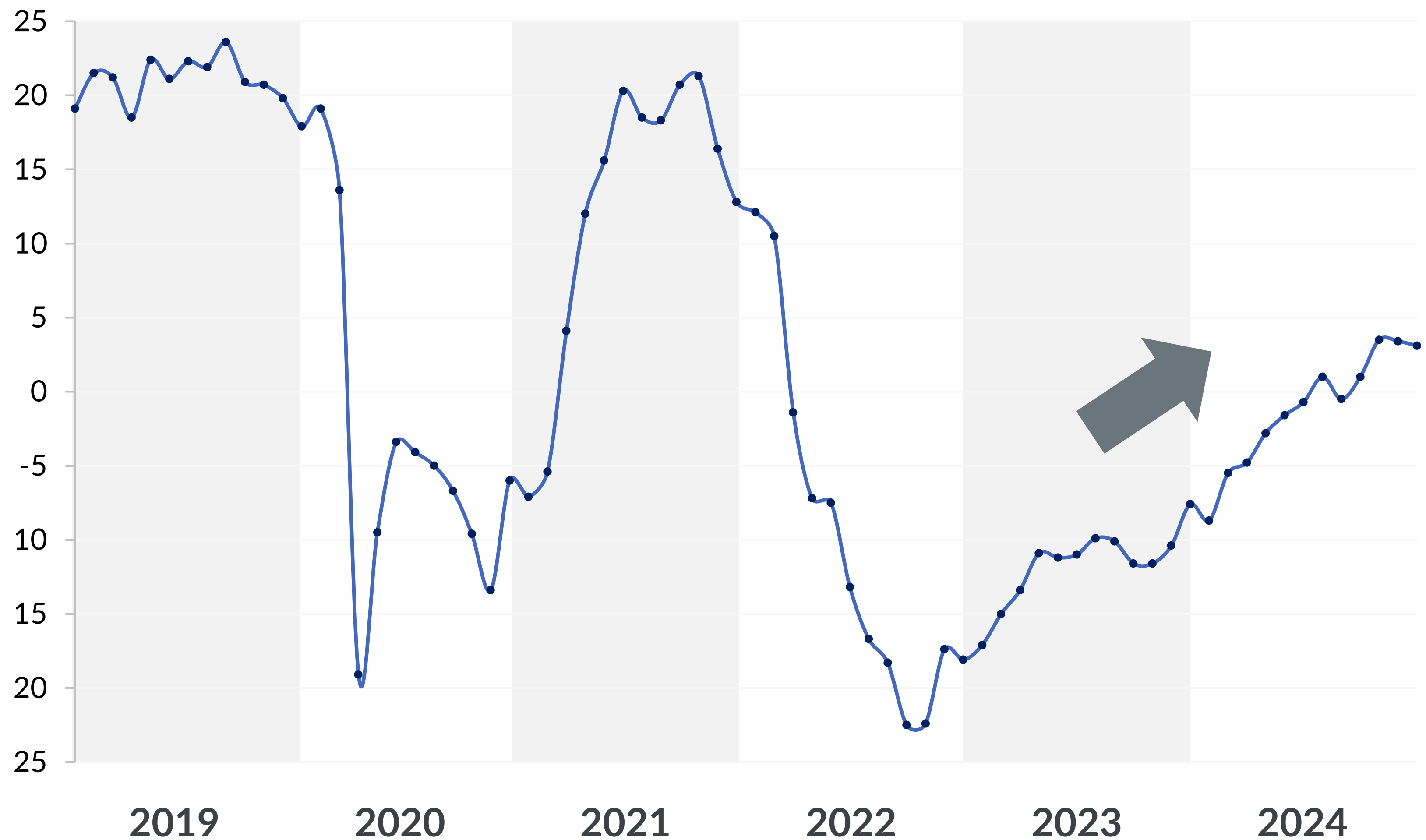


Source: Trading Economics, Business Confidence, Update December 13, 2024

European Consumer Climate declines

Consumer Climate EU 27 – December 2024



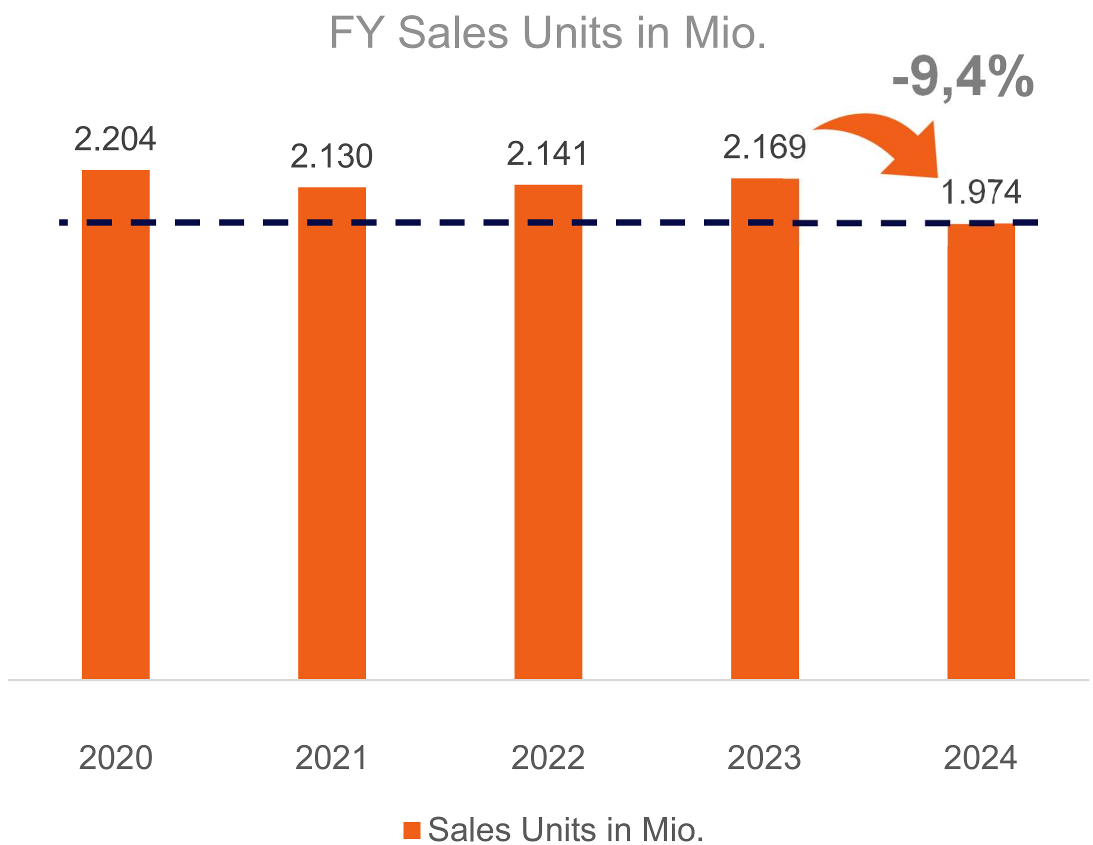


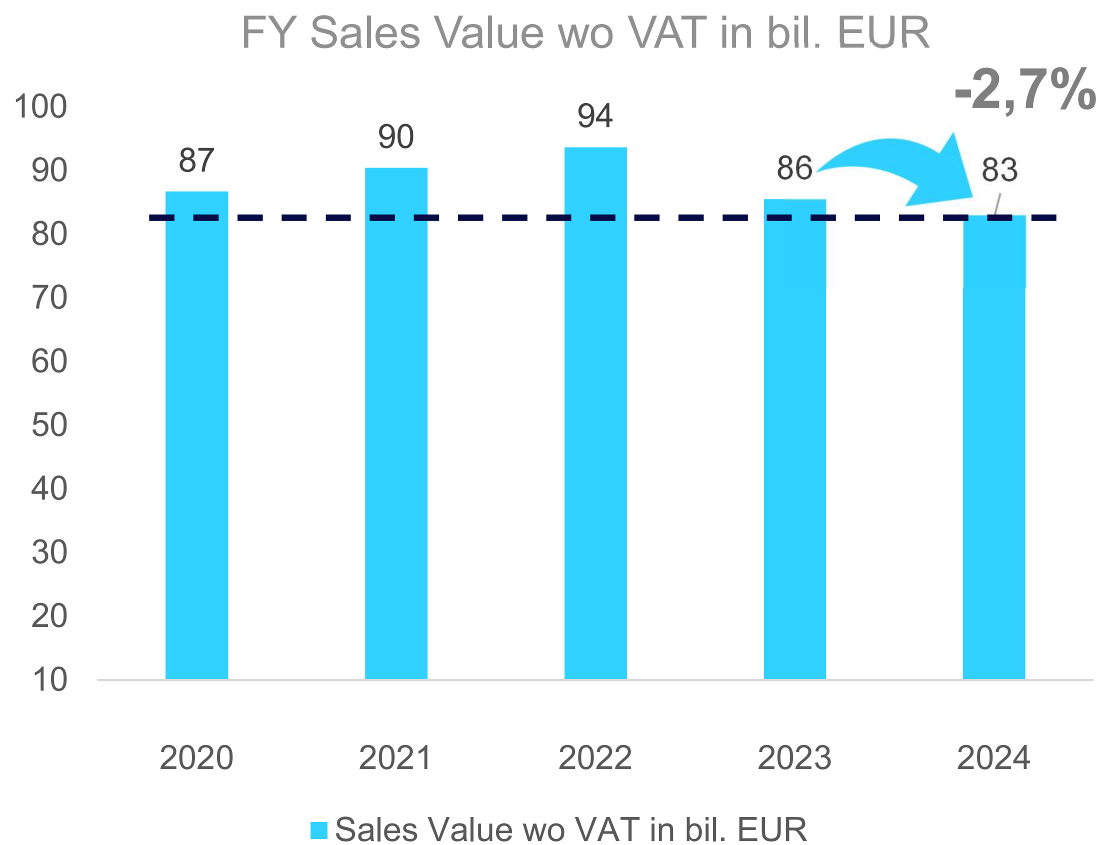
Source: GfK Euro Climate *powered by NIM* | December 2024

2024 was still behind expectations with lower demand as expected, esp. for major IT.

The pace of decline is however slowing, signaling the long-awaited recovery.

Distribution Europe

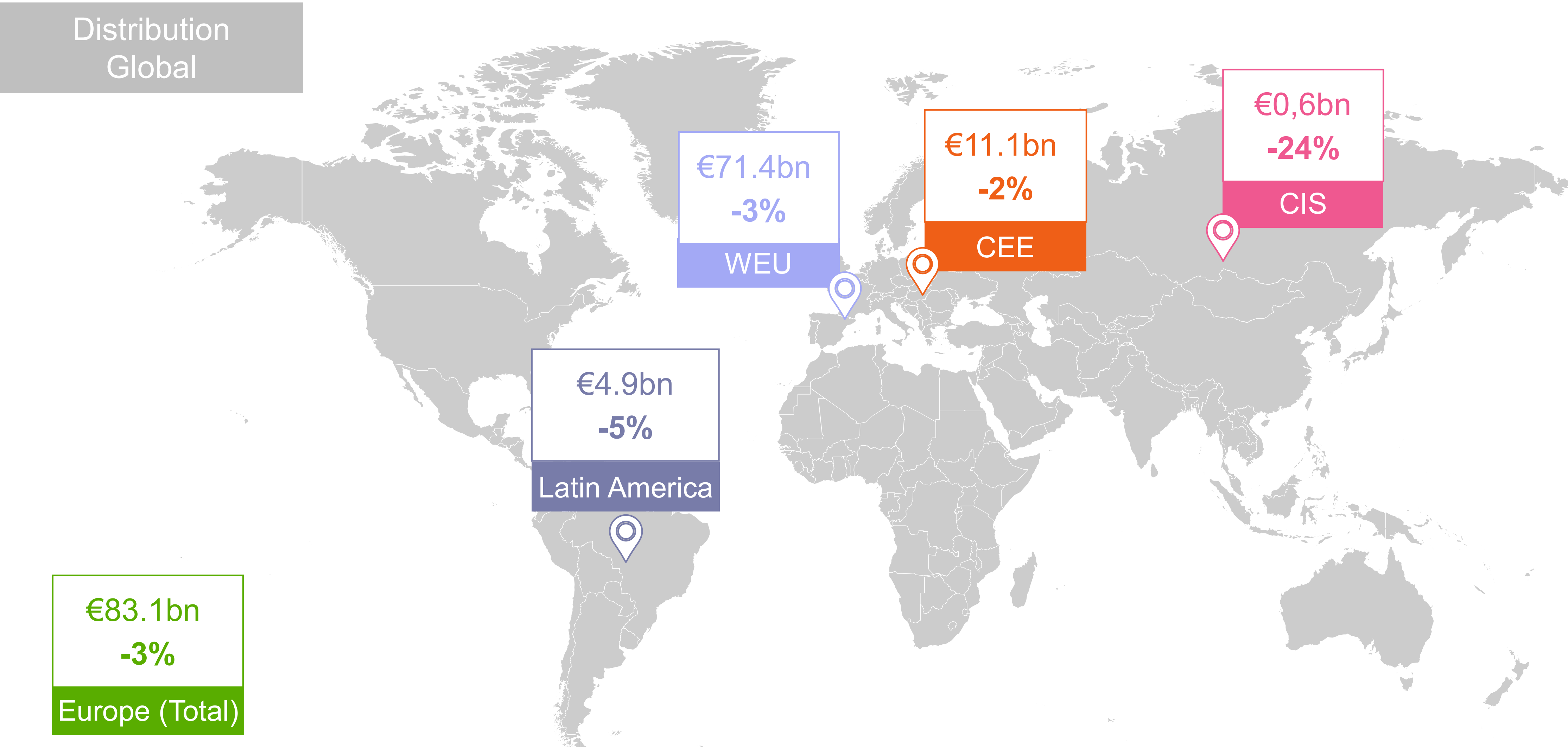




Source: GfK MI: Supply Chain, EUROPE excl. RU/BY

Slower Revenue Decline Signals Market Recovery for European Distributors

Revenue decline eases, indicating signs of broader market recovery



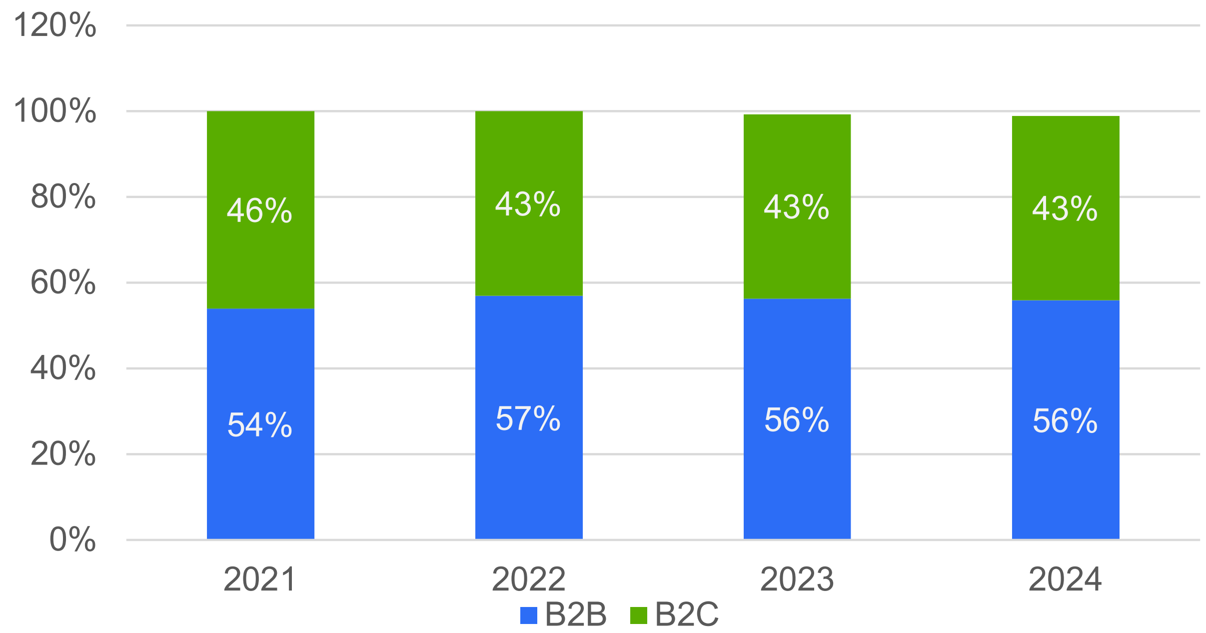
Source: GfK MI: Supply Chain, Global (ex. NA, RU) Sales Value EUR wo VAT | Jan-Dec 2024 vs. 2023

Retail Channel Outpaces B2B Recovery by 2 percent points

Despite ongoing negative growth, both retail and B2B channels are on an upward trajectory

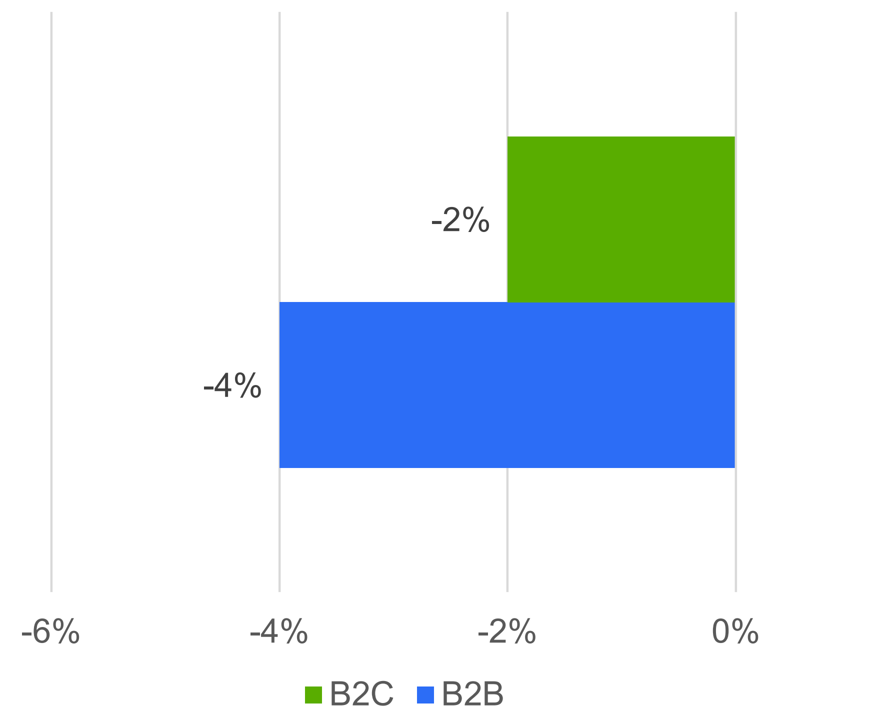
Distribution Europe

FY Shares | Sales Value EUR wo. VAT



	2021	2022	2023	2024
+/- % PY	4,3	3,6	-8,7	-2,8
+/- % PY DIS-B2C	3,5	-3,3	-8,8	-1,7
+/- % PY DIS-B2B	4,7	9,4	-8,9	-3,8

Growth Rates 2023 vs. 2024

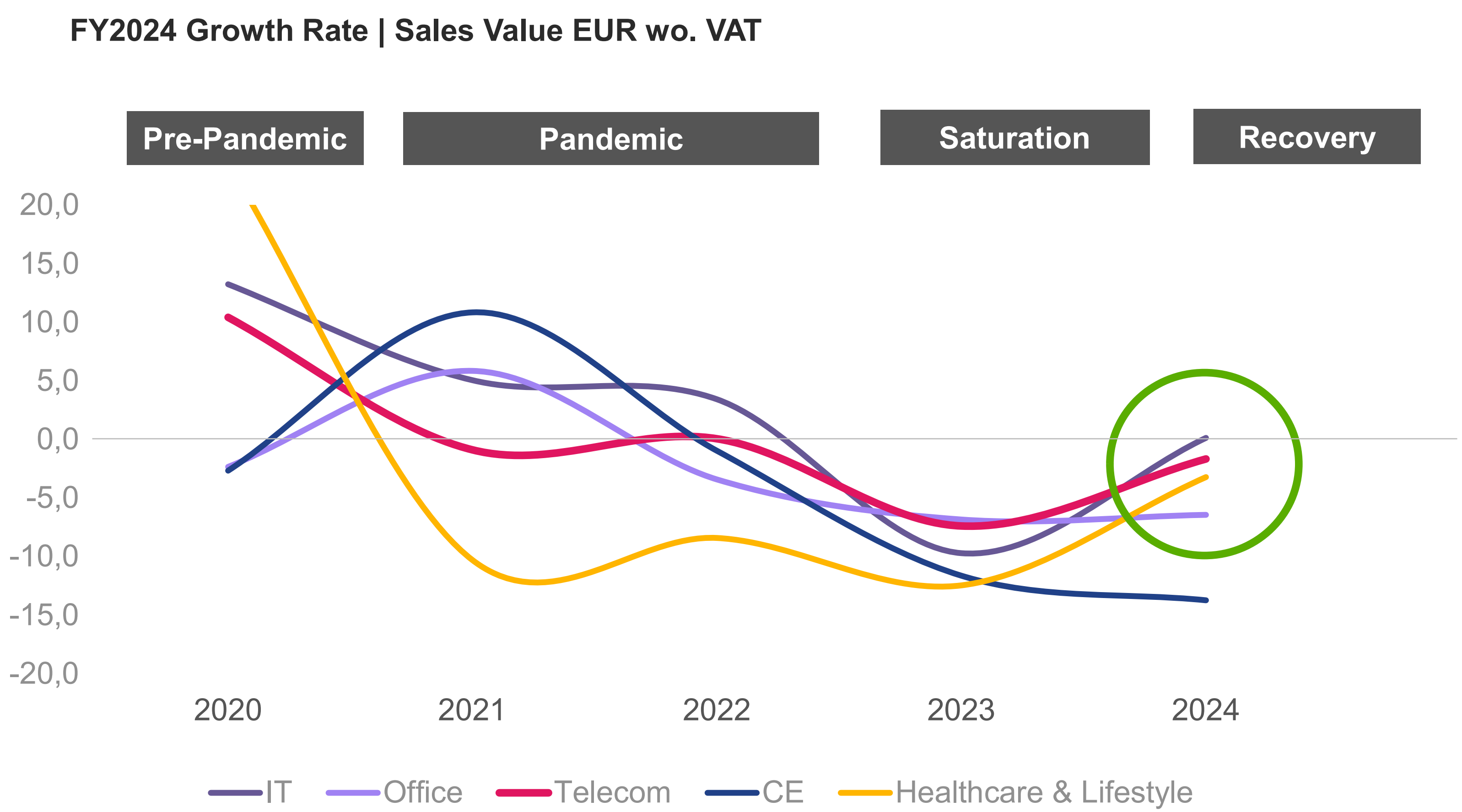


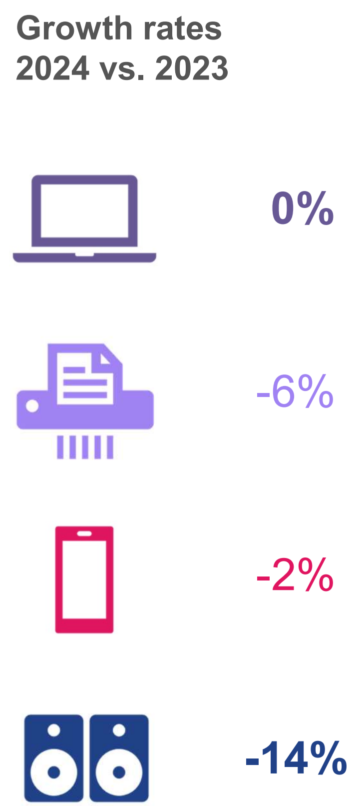
Source: GfK MI: Supply Chain, EUROPE excl. RU/BY

Sectors Move Beyond Negative Growth, Approaching Pre-Pandemic Levels

As pandemic timelines shift, most sectors are recovering, nearing or surpassing the 0-growth threshold

Distribution Europe





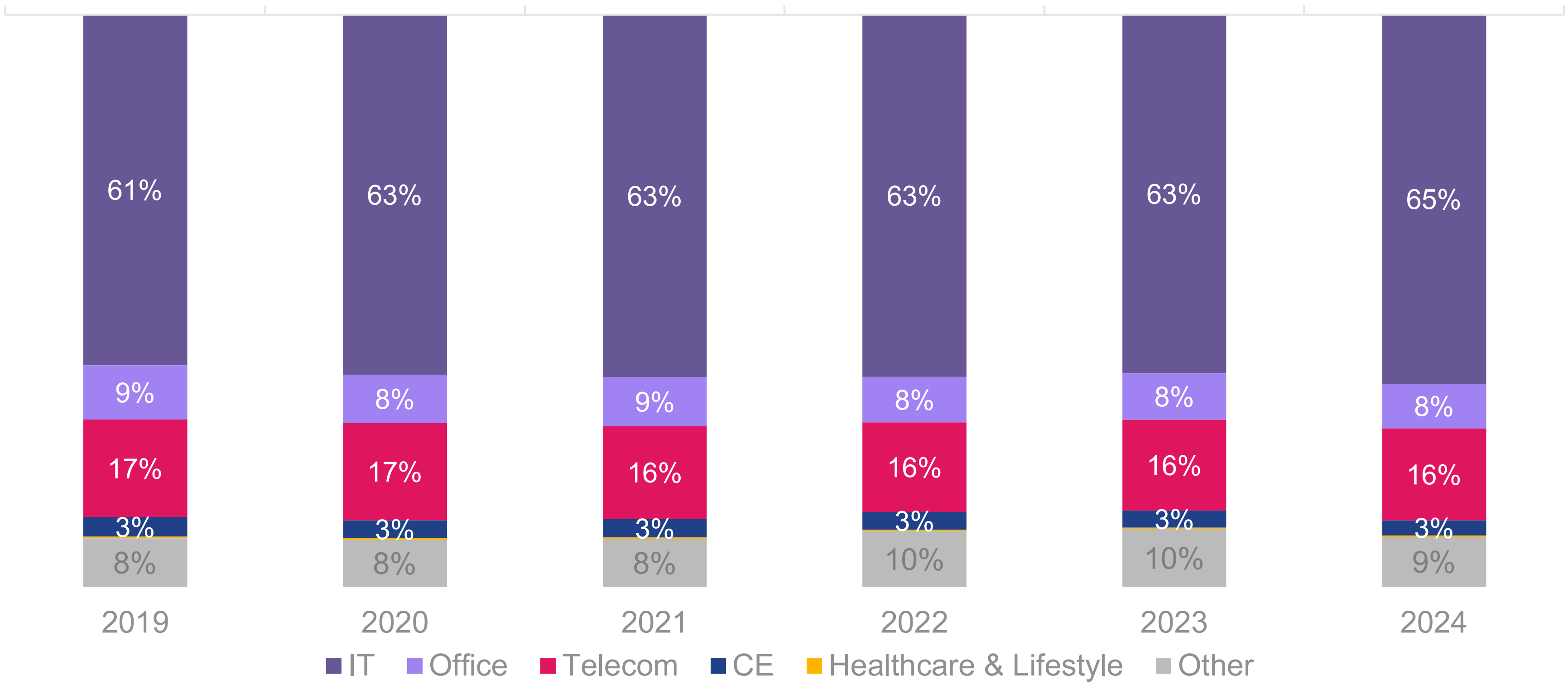
Source: GfK MI: Supply Chain, EUROPE excl. RU/BY, Groth Rates Sales Value EUR wo VAT, all channels, all product groups

IT Sector Recovers as Mobile Computing Lifecycle Shifts to Renewal Phase

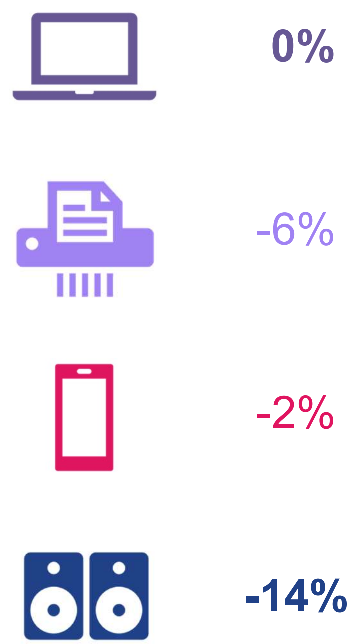
Following the pandemic-driven T&D boom, replacements for mobile PCs bought during the 2020 lockdowns start to kick in

Distribution
Europe

FY2024 Growth Rate | Sales Value EUR wo. VAT



Growth rates
2024 vs. 2023



Source: GfK MI: Supply Chain, EUROPE excl. RU/BY, Sales Value EUR wo VAT, all channels, all product groups

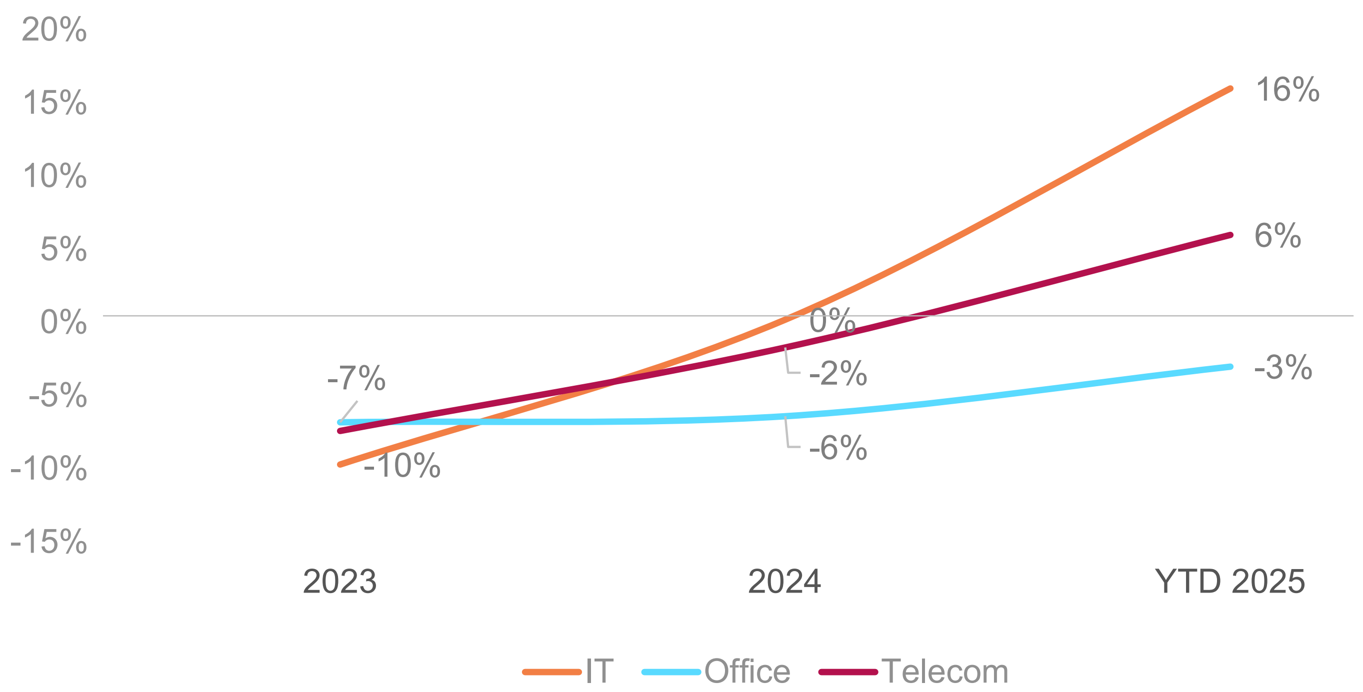
2024 Growth Trends Momentum, Shifts & What's Next

In 2025, replacements are kicking in for several categories!

Distribution is already picking up as a result.

Distribution Europe

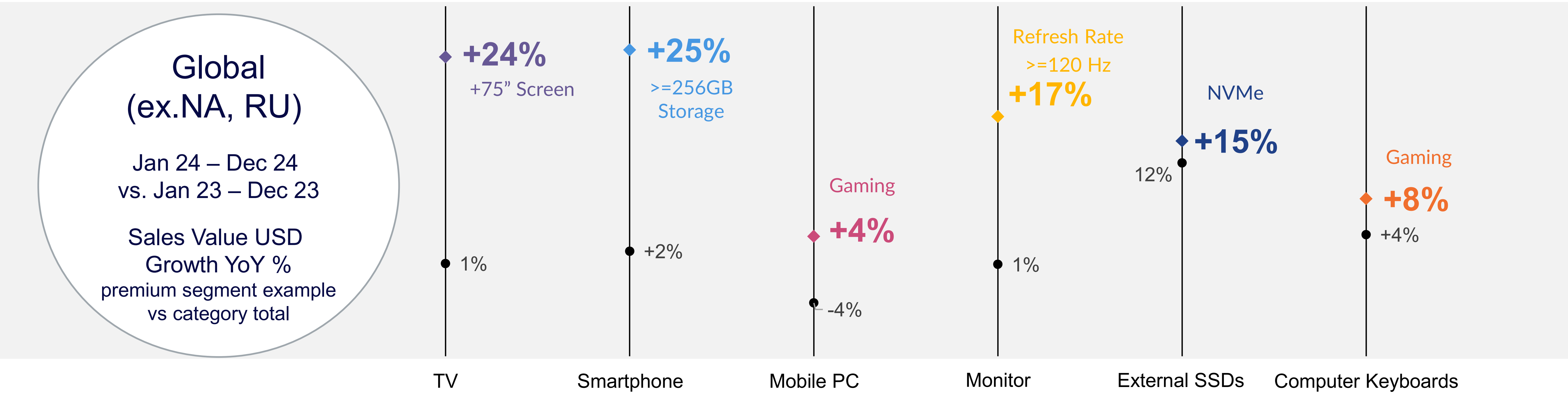
FY2024 Growth Rate | Sales Value EUR wo. VAT



Source: GfK MI: Supply Chain, EUROPE excl. RU/BY, Groth Rates Sales Value EUR wo VAT, all channels, all product groups

“Value” justifies high growth for premium features

Select premium feature sales increased/declined slower than the category average

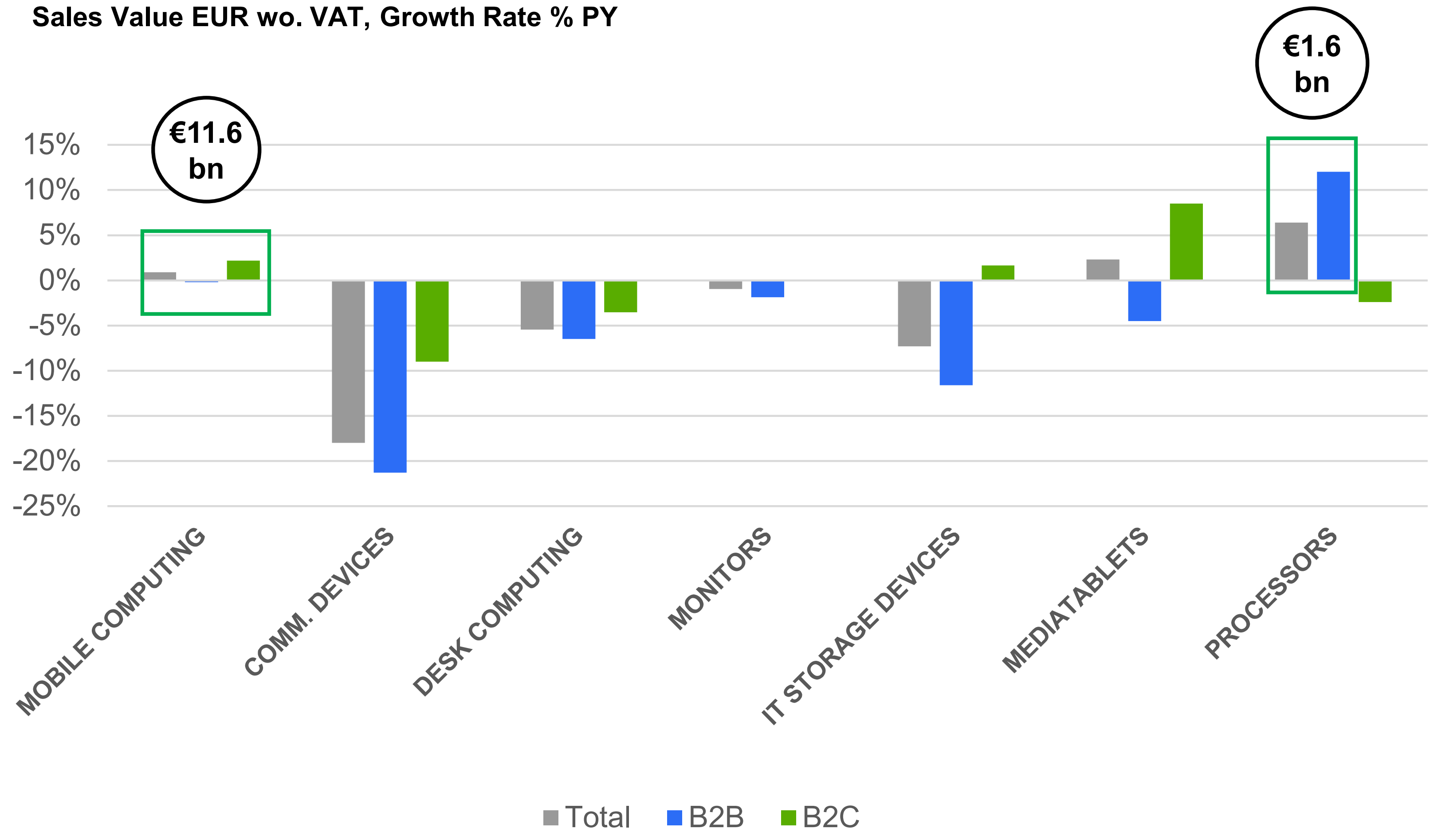


Source: GfK Market Intelligence: Sales Tracking, International Coverage (excl. North America and Russia), Sales revenue growth 2024 vs 2023
Global T&D Trends Report Q4 2024 – Global Strategic Insights

Mobile PC Replacement Cycle Fuels IT Growth

AI PCs and Refresh Cycles Drive Growth in the IT sector

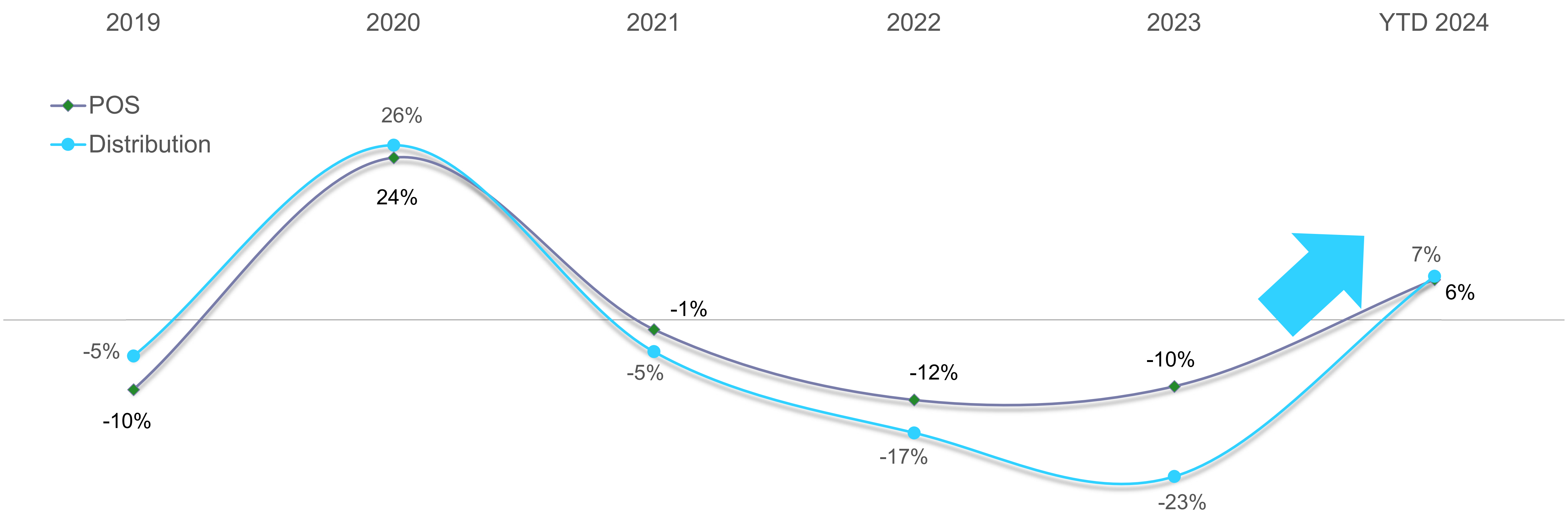
EUROPE Distributors FY2024
Sales Value EUR wo. VAT, Growth Rate % PY



Source: GfK MI: Supply Chain, EUROPE excl. RU/BY, Groth Rates Sales Value EUR wo VAT, all channels, all product groups

After post-pandemic saturation effects, the MediaTablet market is picking up again.

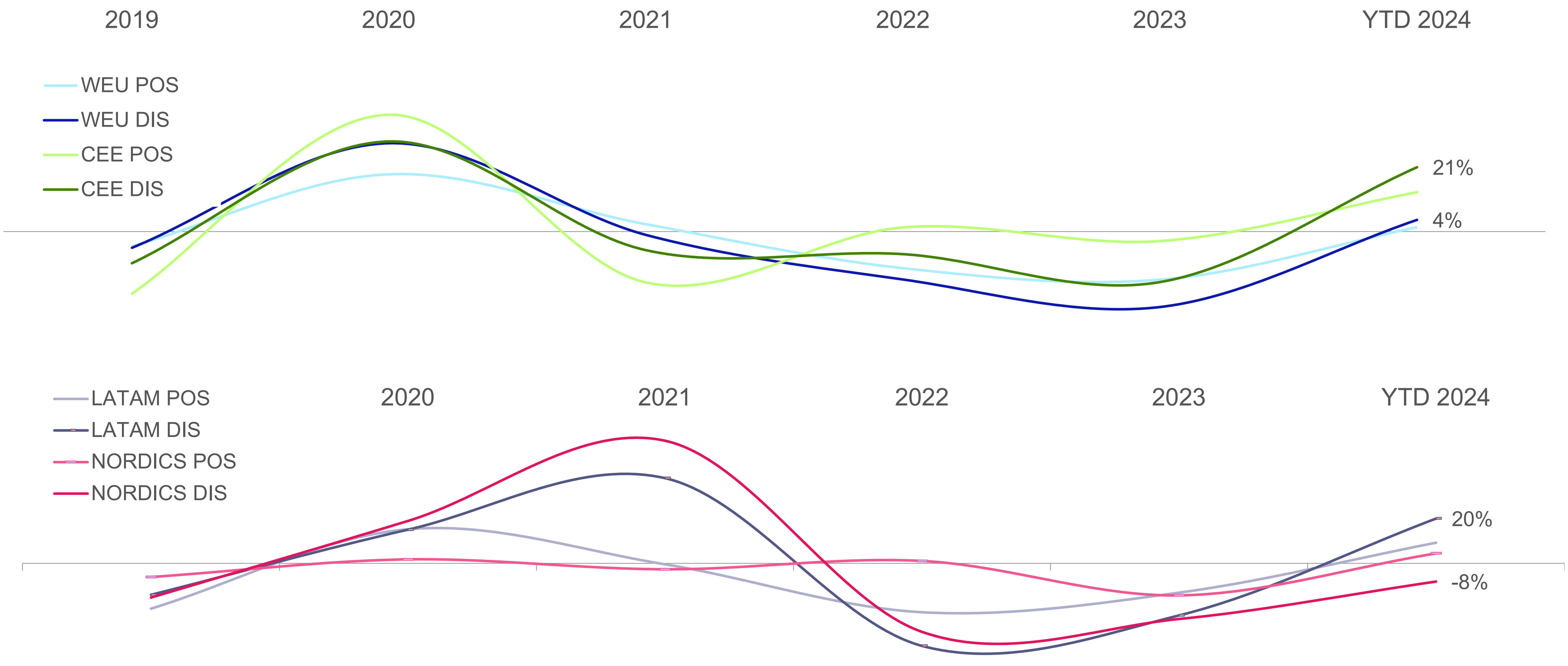
Distributor sales (sell-through) show steaper growth in 2024 with POS expected to follow.



Source: GfK Market Intelligence, GfK MI Supply Chain, Global excl. RU/BY and APAC, Sales Unit Growth per year

Sales grow in all regions, most dominantly in Distribution markets across Emerging Markets.

CEE is showing highest growth rate in 2024 followed by LATAM. Nordics is slowly recovering.

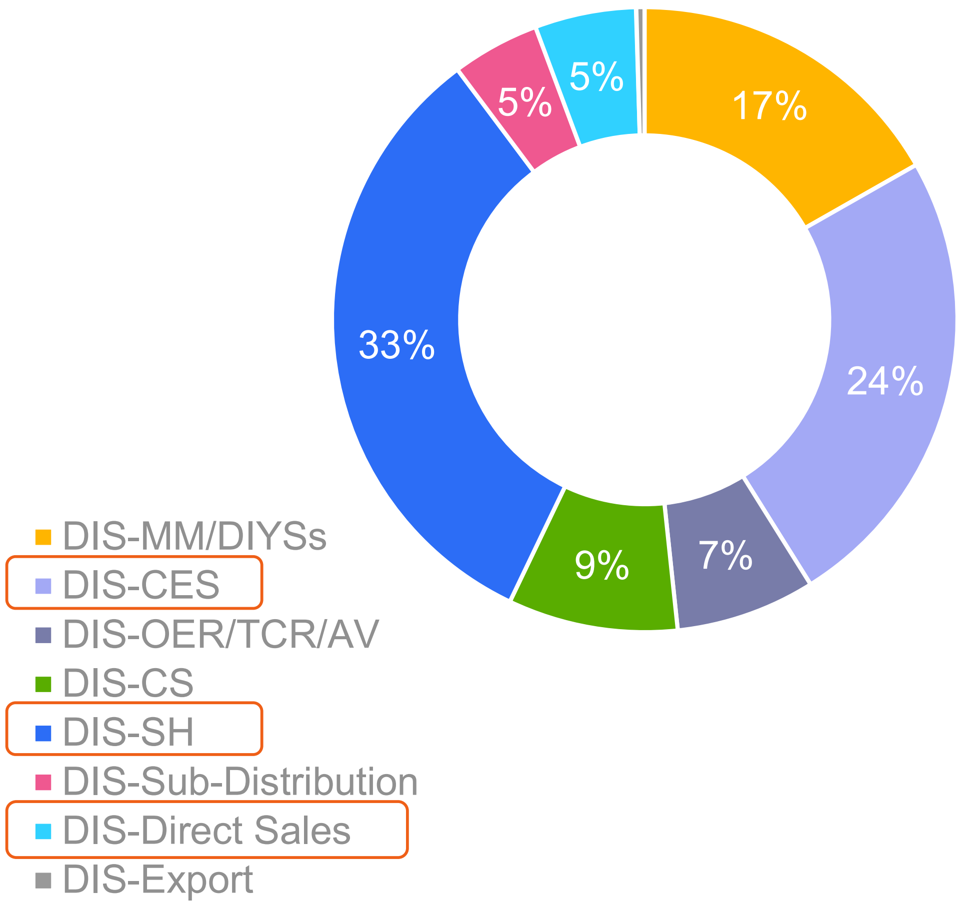


Source: GfK Market Intelligence, GfK MI Supply Chain, Global excl. RU/BY and APAC, Sales Unit Growth per year

But it is also important to have clear visibility on channel demands

Most MediaTablets sold by distributors are supplied to Systemhouses.
5% are even sold directly to verticals.

Global* Channel Share in Distribution



43%

of Media Tablets are sold to B2B channels by distributors

Source: GfK Market Intelligence, GfK MI Supply Chain, Global excl. RU/BY and APAC, Sales Unit Share by Channel 2024 YTD; Tier Overlay Europe 2024 YTD

59%

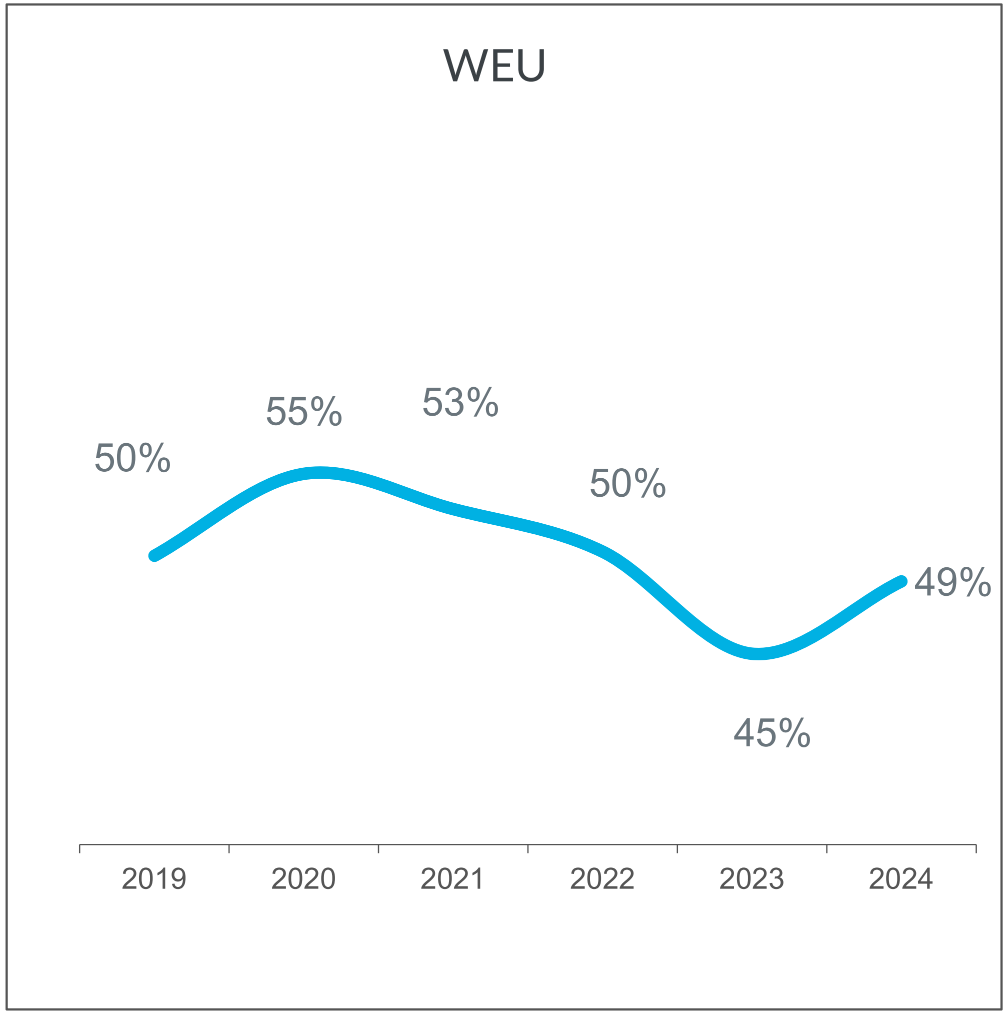
of all Media Tablets sold at European Retailers & Resellers are sourced via Distributors

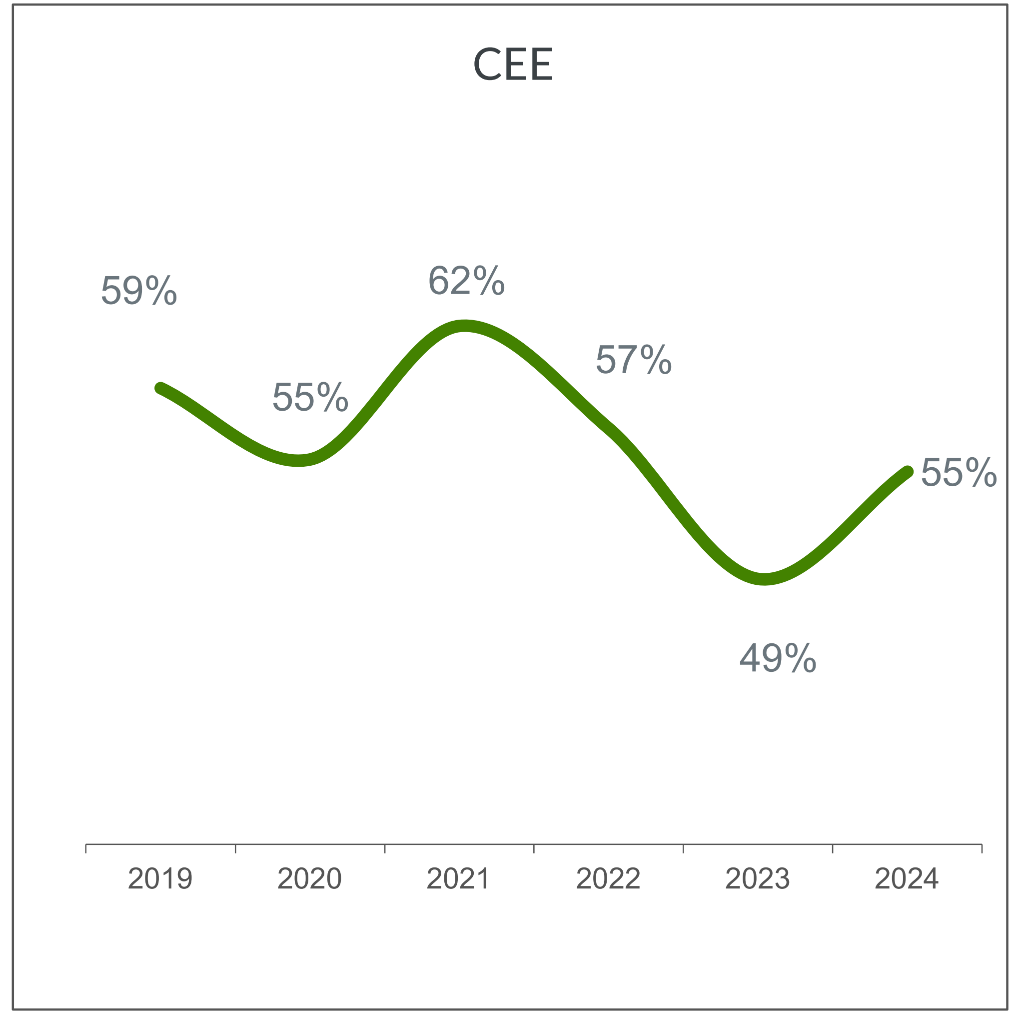
Regional pecularities have to be taken into consideration.

In CEE, retailers and resellers are sourcing even more via distributors than in Western Europe.
During the pandemic, distributors were used even more to safeguard supply and compensate shortages.

Regional differences

% of POS volume which was sourced via distribution in sales units



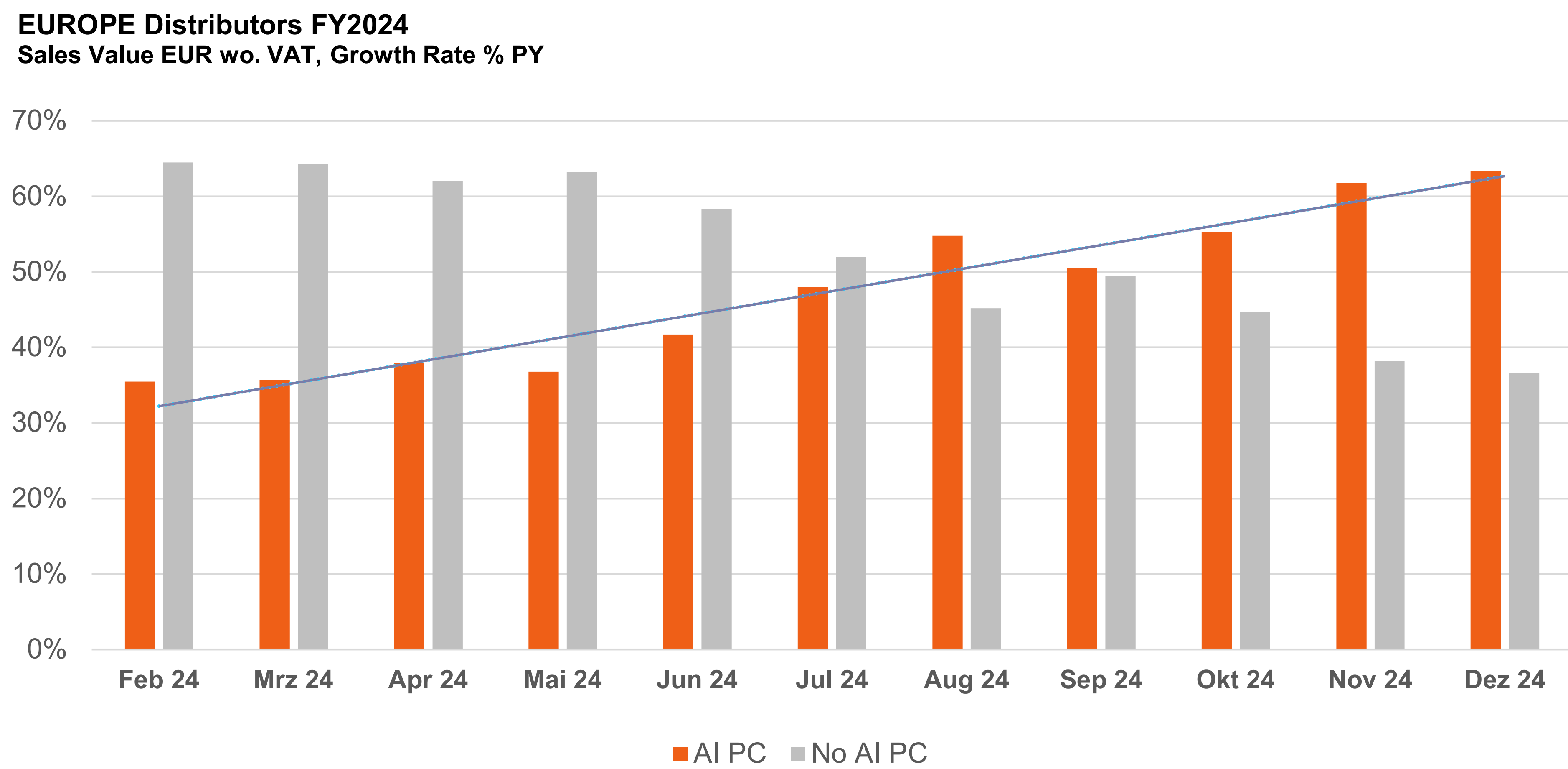


Source: GfK Market Intelligence, GfK MI Supply Chain, Tier Overlay by region

AI PCs on the Rise: Surpassing Traditional PCs in Market Share

AI PCs are outpacing traditional PCs as efficiency and intelligence become key priorities

Information Technology



Source: GfK MI: Supply Chain, EUROPE excl. RU/BY, Groth Rates Sales Value EUR wo VAT, all channels, all product groups

10%

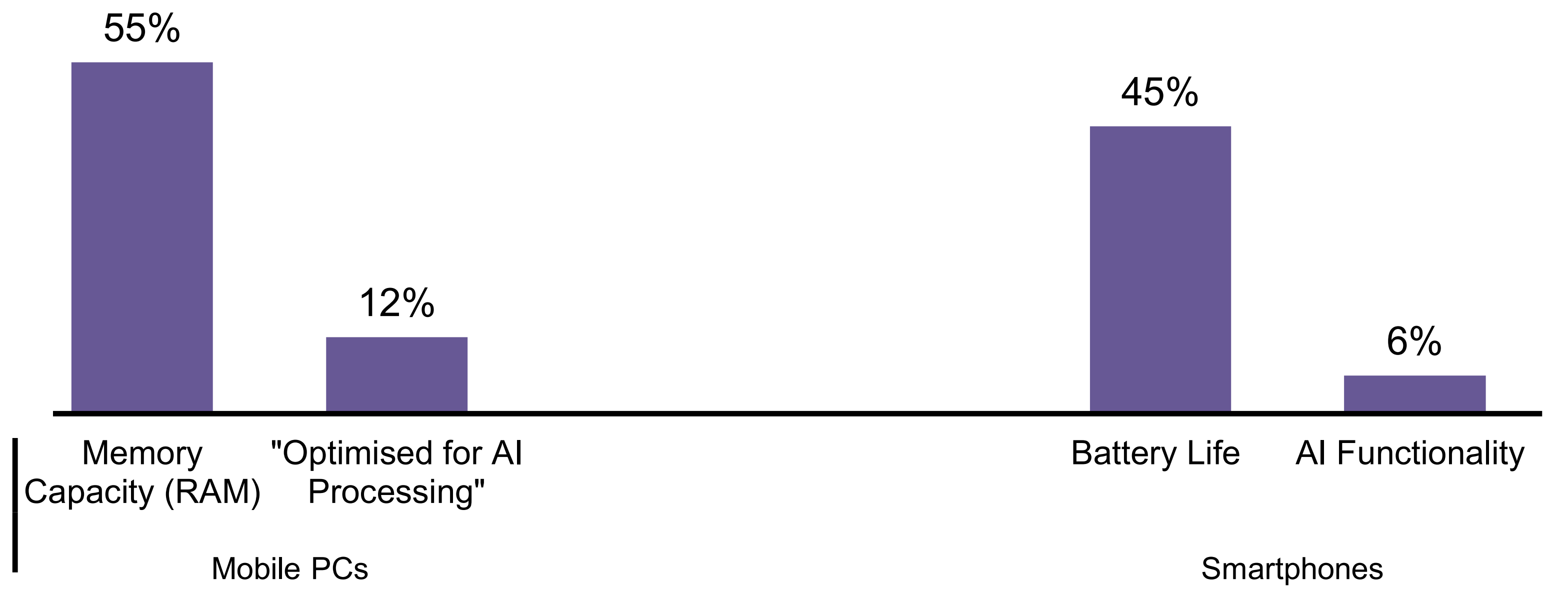
of consumers say that AI is an important purchase criterion for them

Source: gfknewron Consumer

AI optimization as choice driver for consumers?

AI Functions not yet on top of consumers' minds

Which of these product features were most important to your final choice?
Percentage of consumers confirming statement above

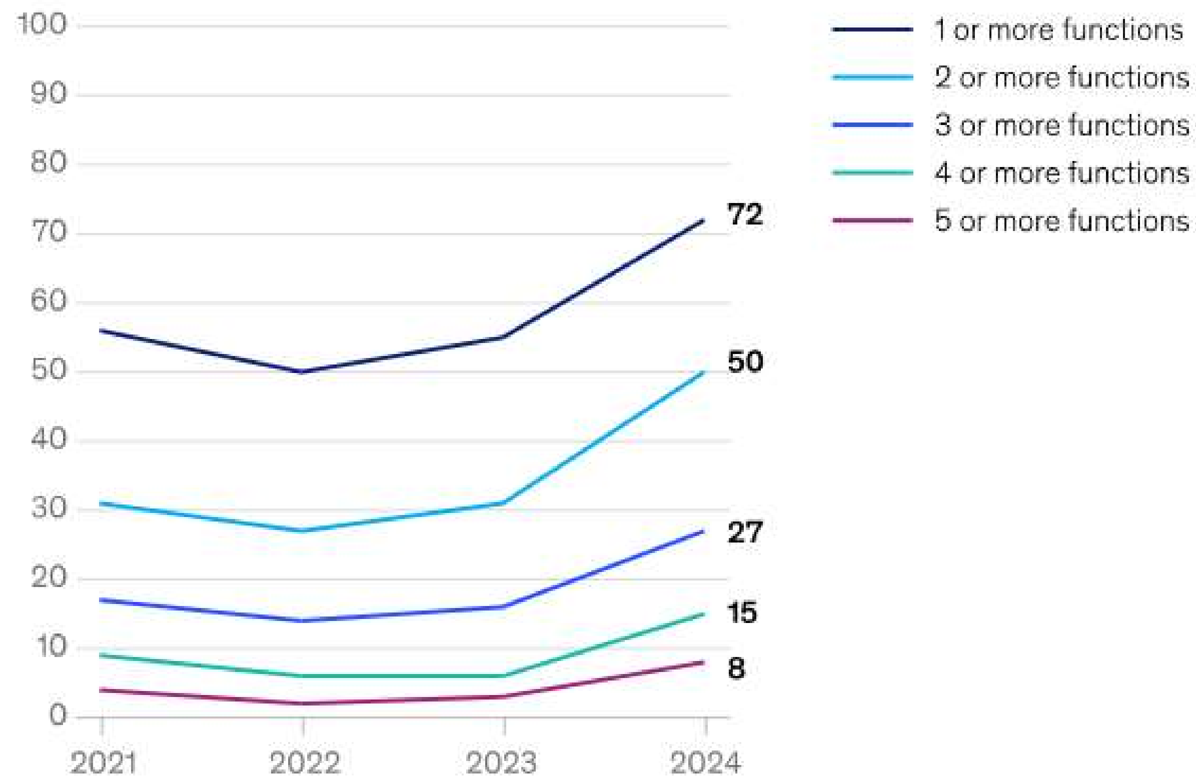


Source: gfknewron Consumer; Choice Drivers per category; Q2 2024. Countries: AT, BE, BR, CL, FR, DE, GB, GR, ID, IT, JP, NL, PL, ES, CH, TR

B2B AI adoption surging with GenAI displaying broader AI capabilities

Organizations see material benefits with cost decreases and revenue growth

Business functions at respondents' organization that have adopted AI
Percentage of respondents



Source: [The state of AI in early 2024 | McKinsey]

Despite market challenges, businesses are clear on investments

Technology investments are seen as most important in the B2B space to overcome current challenges.

Sustainability is still among top important themes for 2024+.

Most important topics for B2B

80%
Digitalization & AI

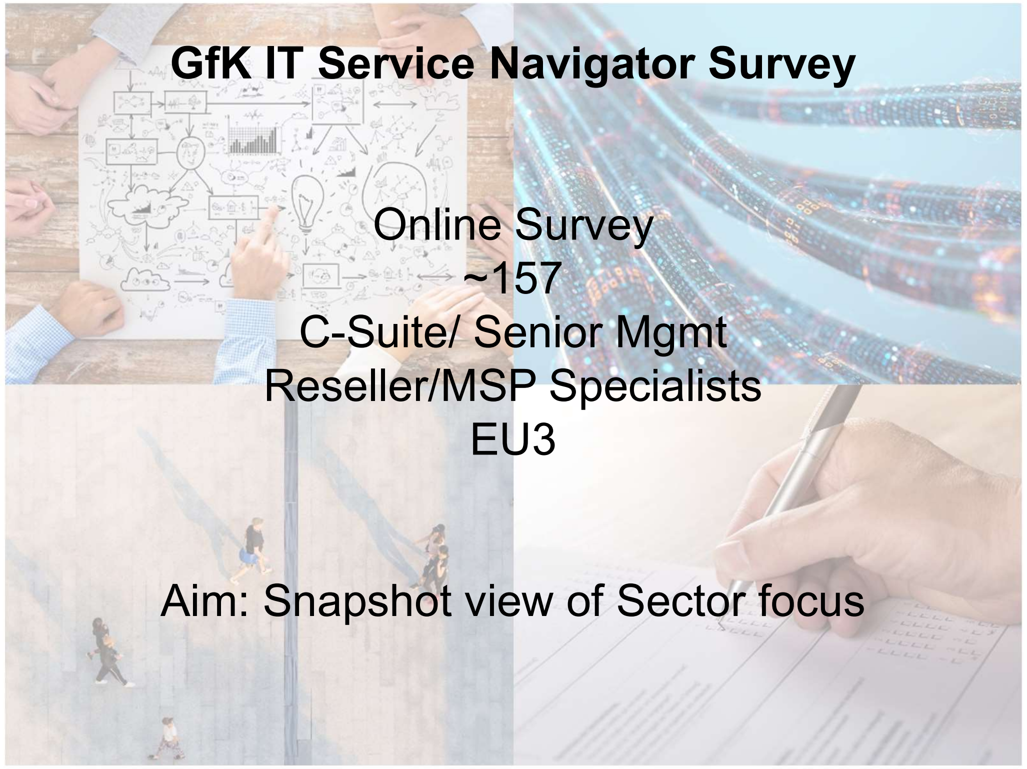
58%
Cyber Security

49%
Sustain-ability

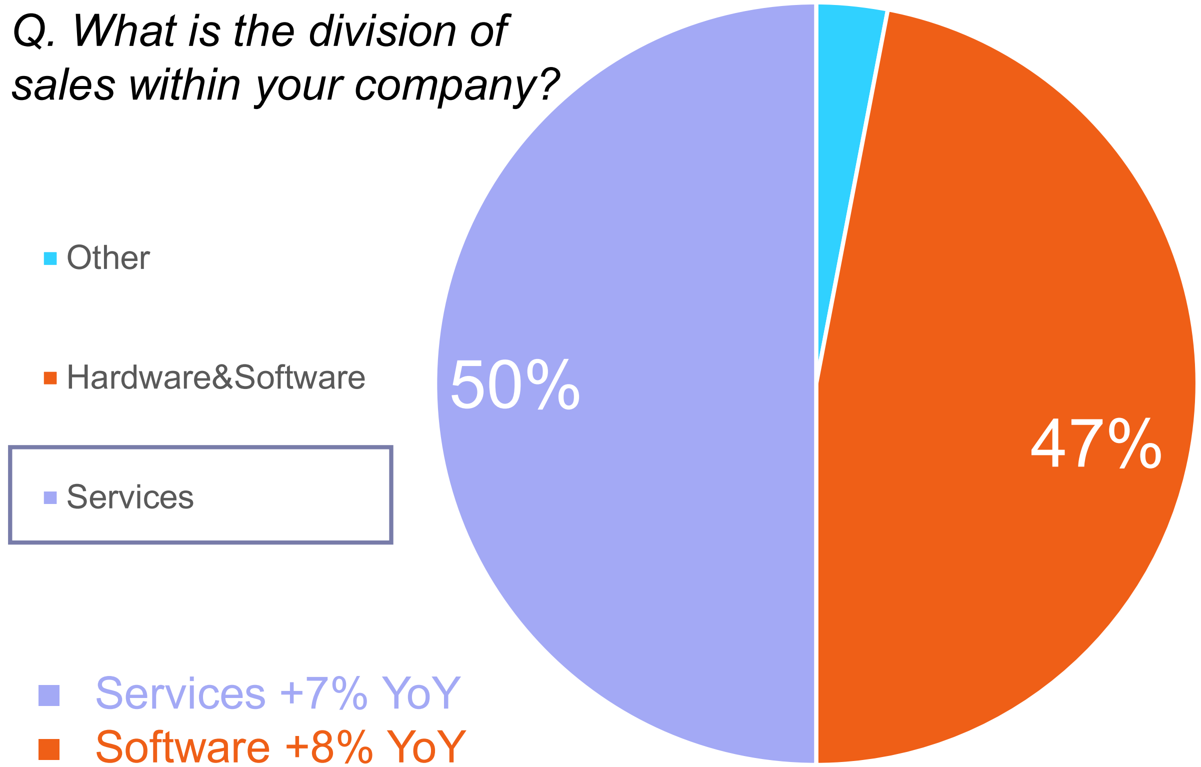
GfK ITO Service Navigator, EU3

IT Sector Trends

Services comprising significant chunk of a reseller'/MSP' business in recent times



Q. What is the division of sales within your company?



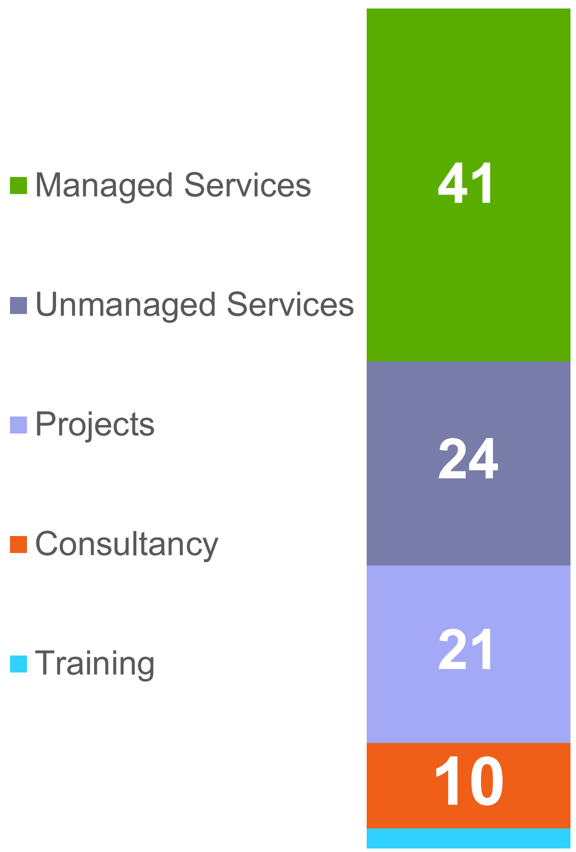
■ Services +7% YoY
■ Software +8% YoY

Source: GFK SCM Reseller Channel; Nov22-Oct23; Volume Sales

Opportunities for growth

Managed services drives the majority of MSP/Resellers revenue in services

Q. How is your turnover from services distributed across the following areas?



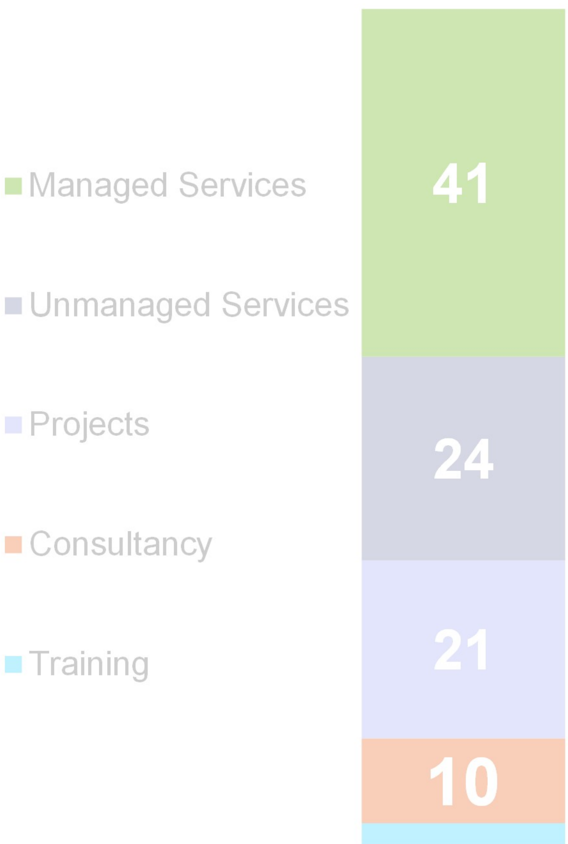
- ITC consultancy +5.6% YoY
- Security consultancy +170% YoY

Source: GFK SCM Reseller Channel; Nov22-Oct23; Value Sales

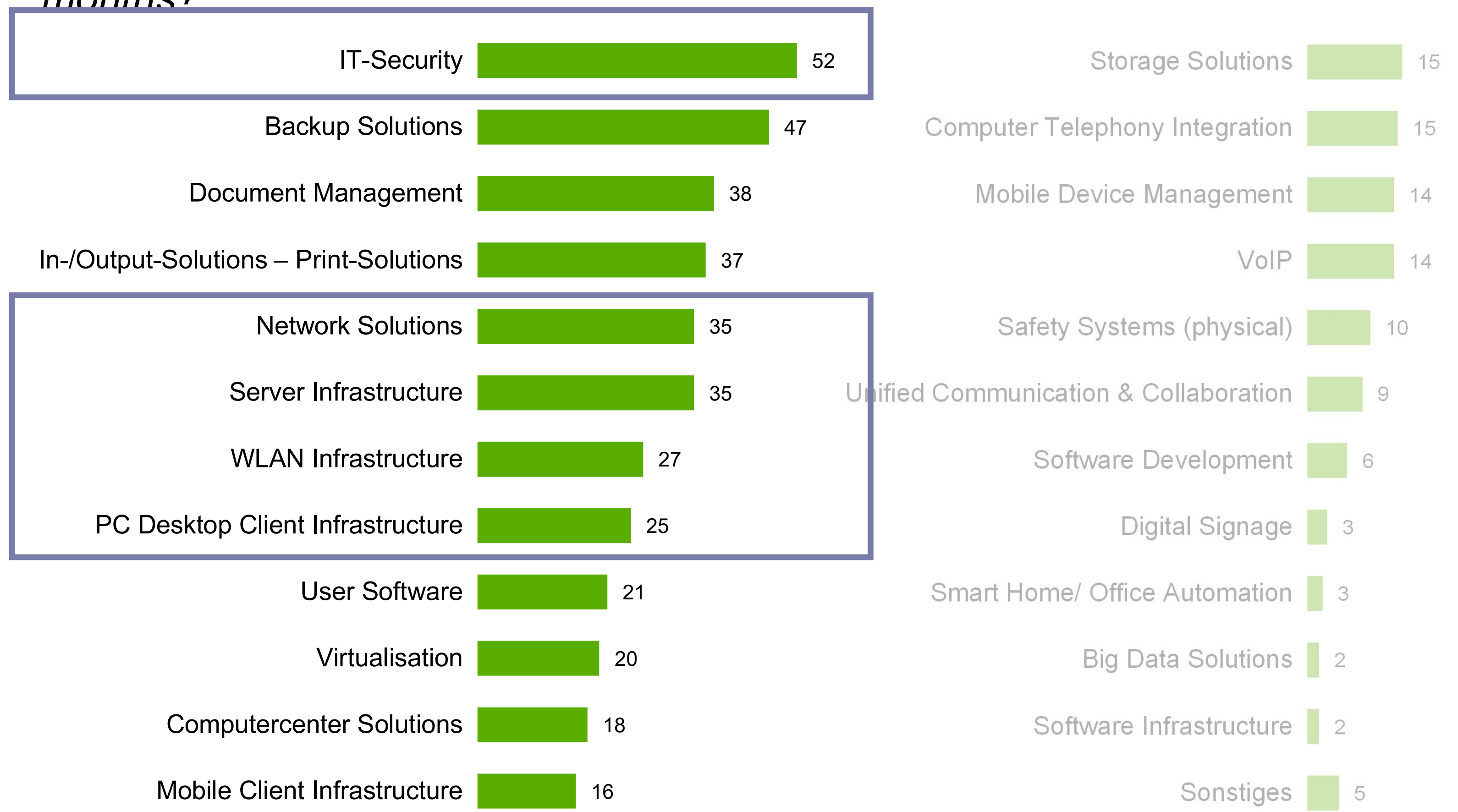
Opportunities for growth

And clearly there is a drive towards IT-Security being top of the list in terms of provision

Q. How is your turnover from services distributed across the following areas?



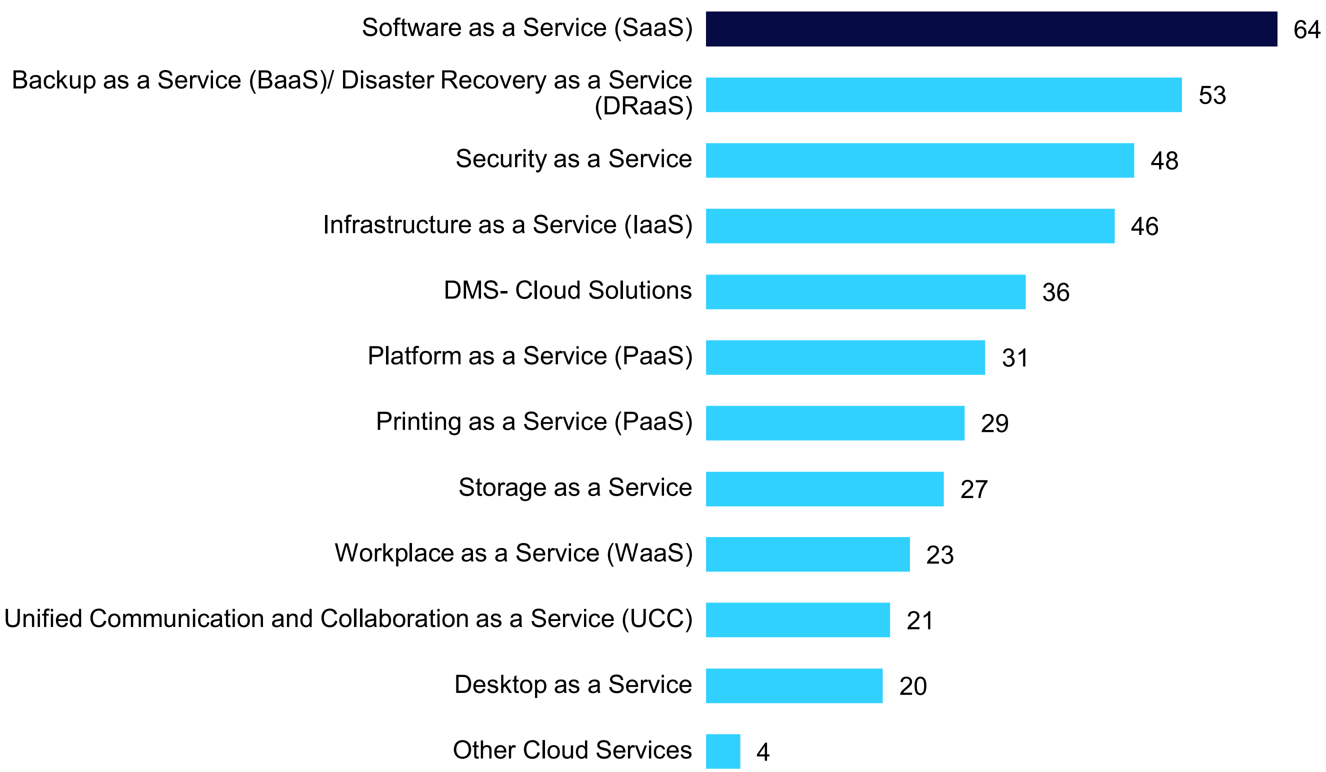
Q. And what have been the key managed service categories for you in the last 12 months?



Opportunities for growth

If you're not offering these top 10 cloud solutions – it might be time to

Q. Which of the following cloud solutions are you offering?



Source: GfK ITO Services Navigator 2022; EU3
GfK: Finding Growth in the IT Sector | For Synaxon | Greg Allen

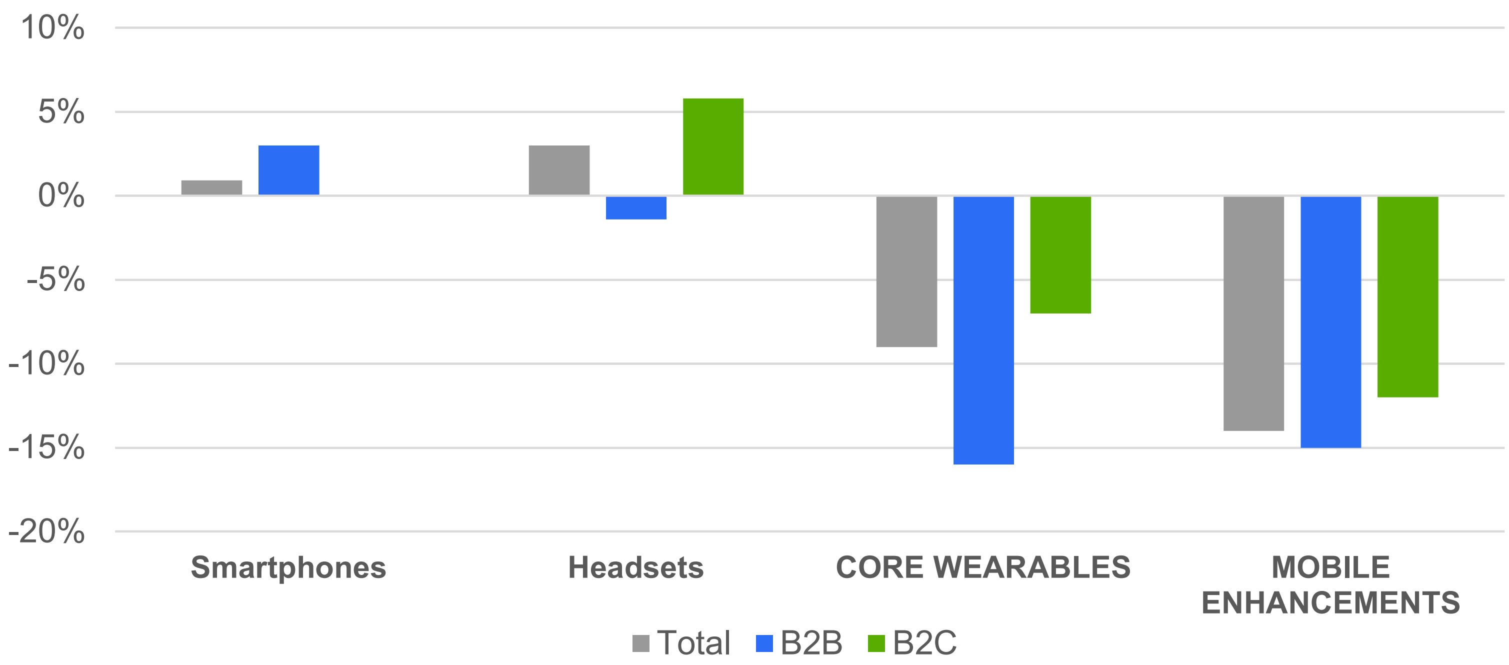
Telecommunication

Telecom

Smartphone Sales Rebound in 2024, Driven by B2B Upgrades

Lack of major innovations and limited consumer demand hinder growth in the wearable market

EUROPE Distributors FY2024
Sales Value EUR wo. VAT, Growth Rate PY



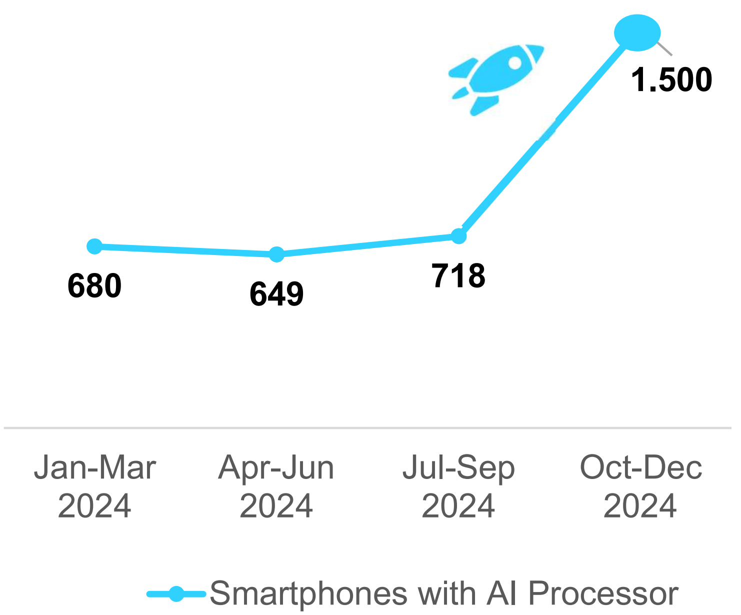
Source: GfK MI: Supply Chain, EUROPE excl. RU/BY, Groth Rates Sales Value EUR wo VAT, all channels, all product groups

Growing Revenue from AI- Powered Smartphones

European Distributors Generate 45% of Smartphone Revenue from Devices with Integrated AI Processors

Telecom

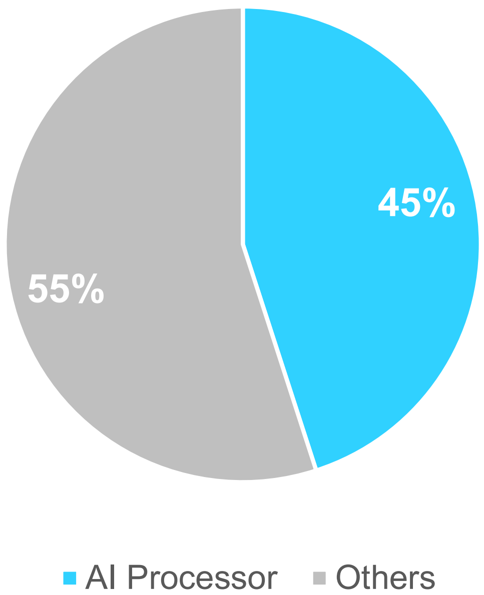
EUROPE Distributors Quarterly 2024
Sales Value in Mio EUR wo VAT



KM0

The significant surge in revenue is primarily driven by the launch of the Apple iPhone 16 and 16 Pro, with **premiumization** playing a key role in boosting higher-value sales.

Revenue Share in Q4 2024
Sales Value in EUR wo VAT



Source: GfK MI: Supply Chain, EUROPE excl. RU/BY, Groth Rates Sales Value EUR wo VAT, all channels, all product groups

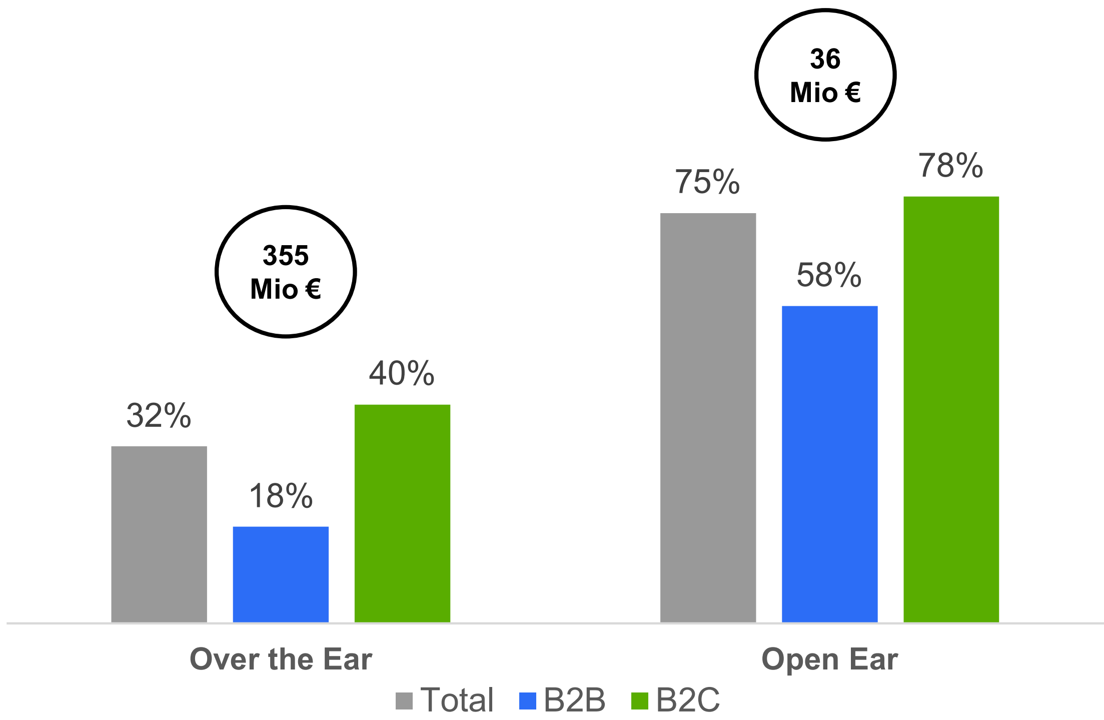
Folie 36

KM0	Habs in der linken Grafik leider nicht anders hinbekommen- Damit ich diesen Bruch zwischen Q3 und Q4 hinebkomme musste ich einen weissen Balken drüber packen, damit die Linie verschwindet... Kelsy McKinley; 2025-02-25T17:58:25.468

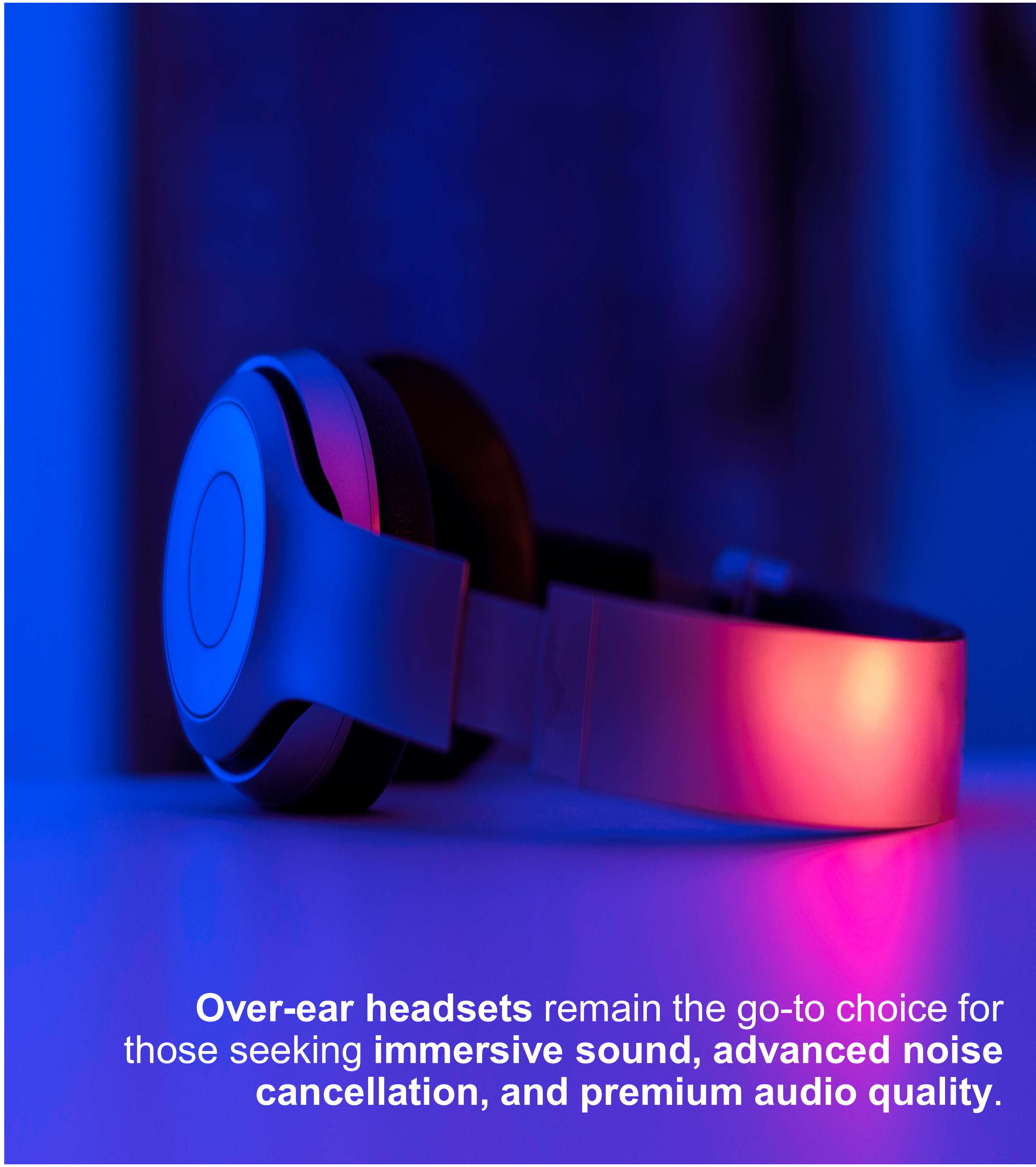
Finding the Perfect Balance Between Awareness, Comfort, and Immersive Sound

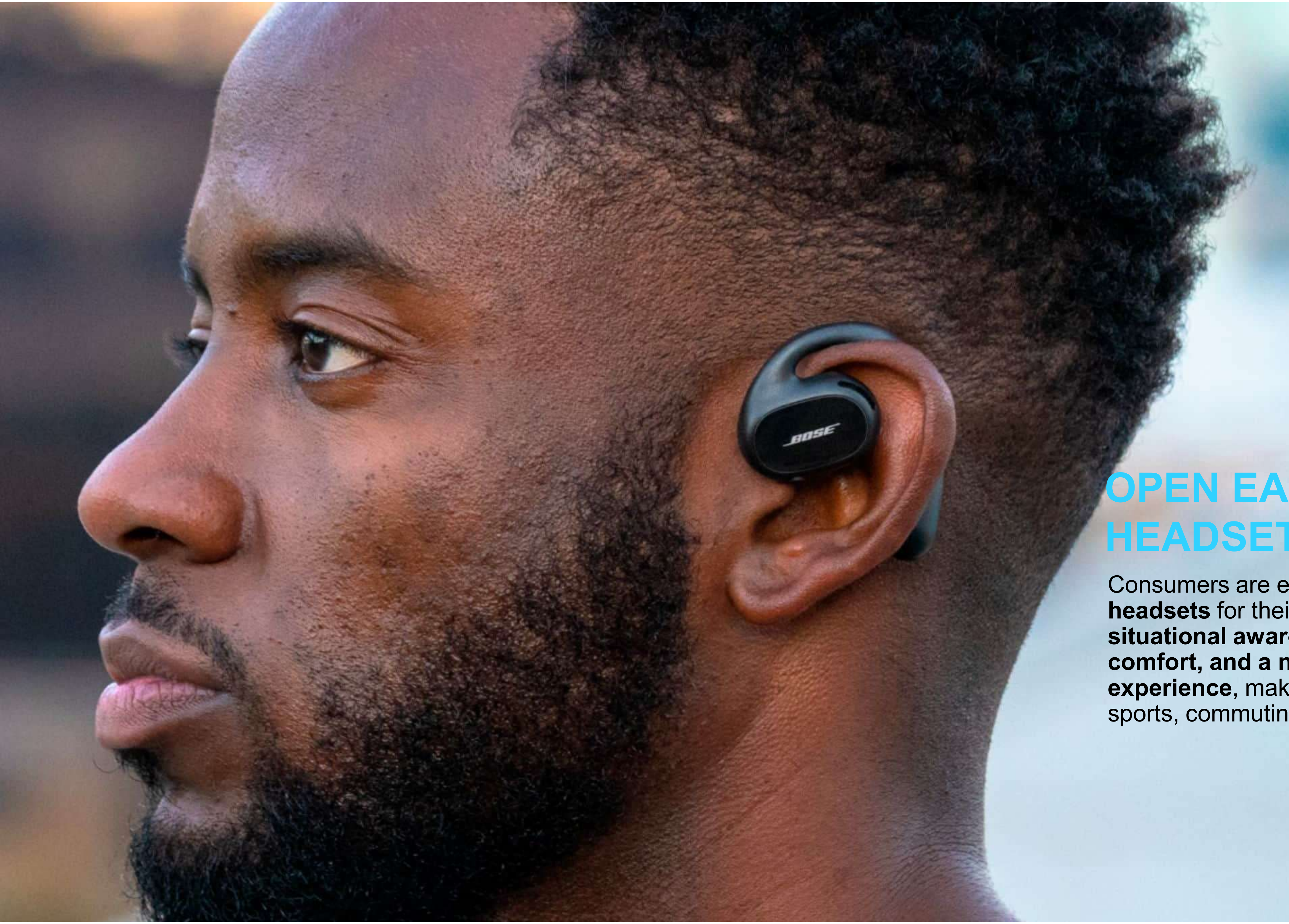
Telecom

EUROPE Distributors FY2024
Sales Value EUR wo. VAT, Growth Rate PY



Source: GfK MI: Supply Chain, EUROPE excl. RU/BY, Groth Rates Sales Value EUR wo VAT, all channels, all product groups





OPEN EAR HEADSETS

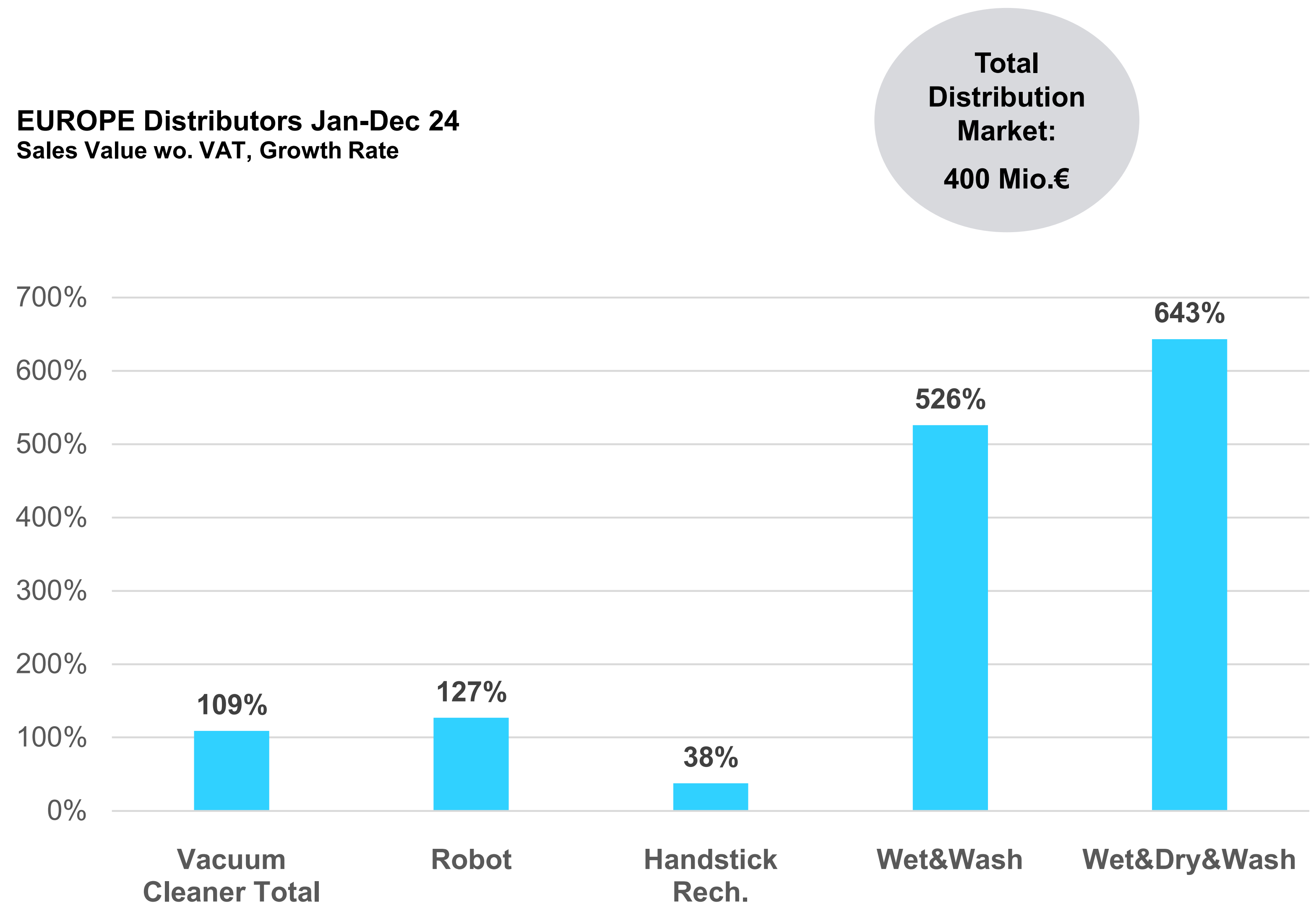
Consumers are embracing **open-ear headsets** for their ability to provide **situational awareness, long-term comfort, and a natural listening experience**, making them ideal for sports, commuting, and multitasking.

Robotic Vacuum Cleaners: A Booming Market with High Revenue Potential in Distribution

Rising demand for all-in-one cleaning solutions is driving the fastest growth in multifunction vacuum cleaners

Small Domestic Appliances

EUROPE Distributors Jan-Dec 24
Sales Value wo. VAT, Growth Rate



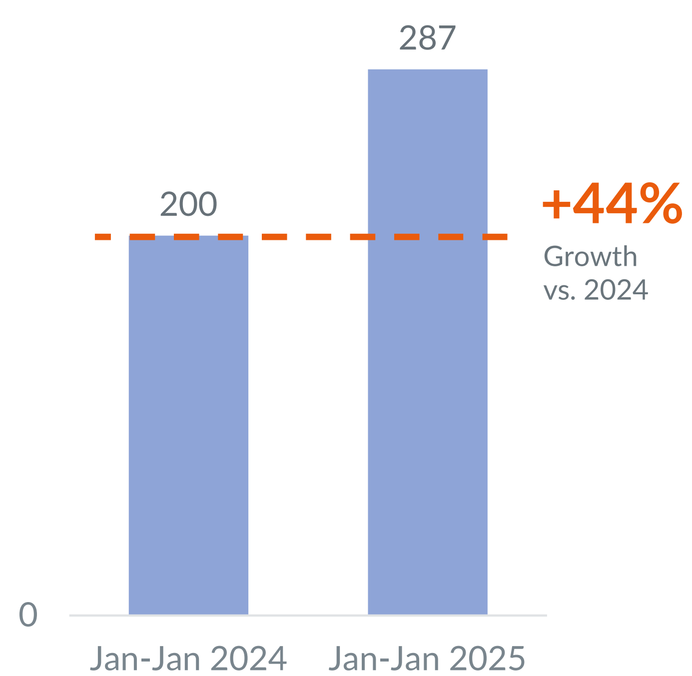
Source: GfK MI: Supply Chain, EUROPE excl. RU/BY, Groth Rates Sales Value EUR wo VAT, all channels, all product groups

2024 Growth Trends Momentum, Shifts & What's Next

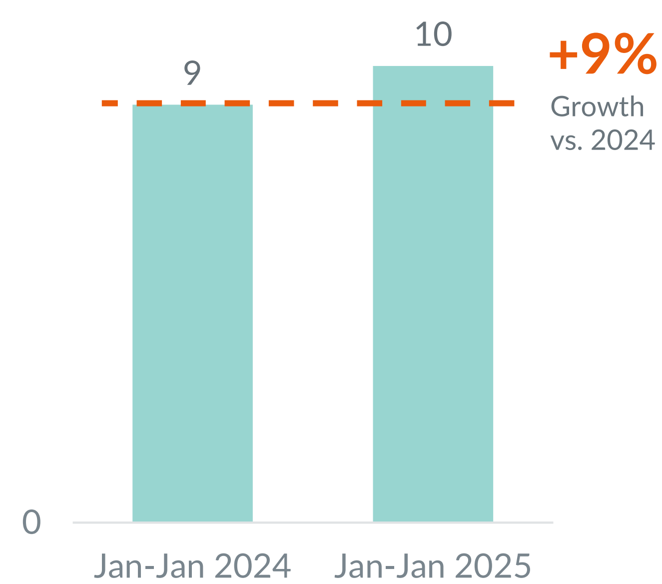
European Distributors start with strong demand into the new year 2025.

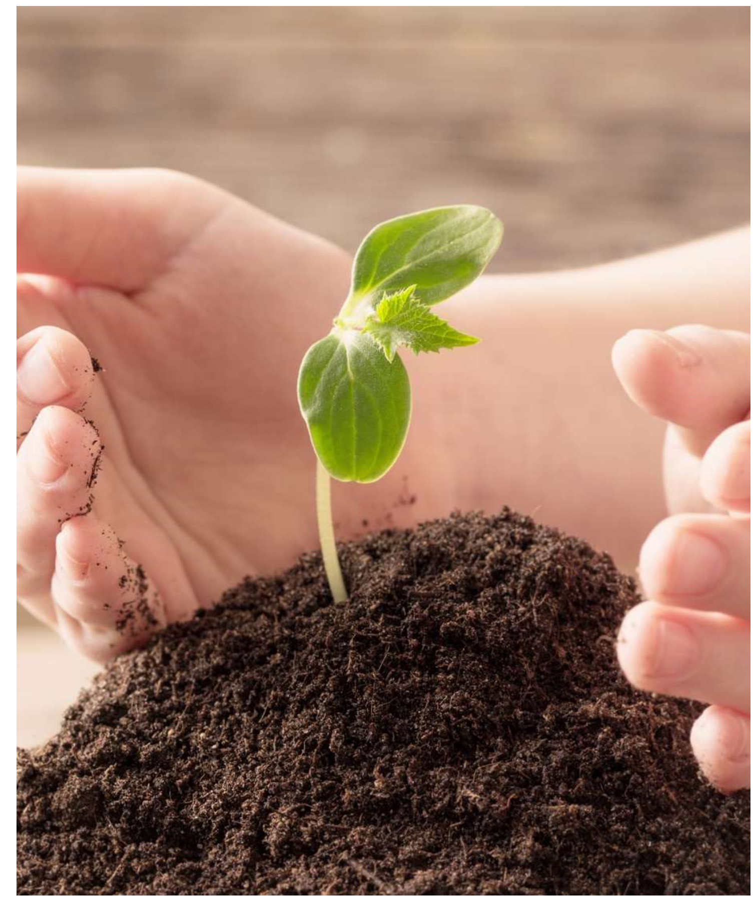
Sales Volume exceeds 2024 levels by strong 44%.

YTD Sales Units in Mio.



YTD Sales Value in bil. EUR





Source: GfK MI: Supply Chain, Europe, Sales Units, all channels & product groups, Periods until January 2025
RG 5955448, ID 625875925

Probable areas of growth in 2025

Hero categories & segments

Segment /Category	Why will it grow?
Mobile PCs	The end of a 5-year replacement cycle triggered by the pandemic boom is approaching, along with the end of support for Windows 10, and combined with a push on AI PCs, Mobile PCs are highly likely to have a strong 2025
Media tablets	Volume driven demand will continue to push media tablets even after a successful 2024.
Keyboards & Mice	Likely to continue its success story from last couple of years due to "Lipstick effect" combined with the gaming segment growth trend
Energy efficient appliances	Best in class labels along with money and energy saving savviness from consumers mean energy efficient appliances will likely see a strong 2025.
Built in appliances	With interest rates dropping further, built-in appliances are likely to return to growth after a weak 2023/24 (only strong tariffs may block such growth)
Smart appliances	Manufacturer push is expected to continue – and smart ecosystems' value starts to unfold. Strongest potential in kitchen appliances utilizing AIoT to elevate cooking experiences
SDA Categories	Vacuum Cleaners will likely return to growth, driven by premium segments i.e. Robot, and Wet & Dry. Premium categories like Espresso Full auto is also expected to grow moderately while Fryers will grow in specific markets.
Open ear headphones	With major brands backing thriving new technology, Open ear headphones are already seeing strong growth in many regions, and this will continue across the globe

NIQ GfK

Thank you

Please contact in case of any queries.

Tatjana Wismeth
Head of Distribution & Supply Chain Intelligence

Kelsy McKinley | Key Account Manager Distribution Partners
kelsy.mckinley@nielseniq.com

We´d love to hear your feedback:

Download the presentations: