

Product ranges: Customised for every target group



Designing a product range tailored to specific target groups is one of E/D/E's core tasks.



Complete, attractive product ranges, needs-based solutions and fast availability: these factors are more important than ever in the current economic climate. The E/D/E's supplier and product group management strengthens the members of the alliance with market-driven services and offers – customised for the respective target groups. Members and contract suppliers benefit equally from this product range policy.

Tools: Reluctance to invest

The tools sector market remained challenging in 2024 due to the reluctance to invest in capital goods. The construction industry continued to record significant slumps, while the industrial business saw a slight decline in trading volumes due to subdued market demand and uncertainties. Companies were noticeably reluctant to invest in goods and merchandise, as securing liquidity was and still is a priority.

To meet the market requirements, the key areas of action included, in particular, an adapted product range strategy, solutions for ongoing digitalisation and ongoing process optimisation. E/D/E also improved ordering processes by further increasing the use of the eLC logistics centre: this led to a reduction in stock levels in the trade itself and consequently to lower investment and handling costs.

The current year will also remain challenging. To secure market share, a targeted approach to members and suppliers is required. In this context, the focus is on consistently implementing and further developing the envisaged strategies. In addition, E/D/E will continue to promote the successful and established trade brands, to strengthen the market position of distributors in the long term.

In the medium term, our members and suppliers will benefit from a series of strategic measures. This includes a comprehensive revision of the concepts and product ranges, as well as the targeted expansion of the European business. E/D/E will also continue to sharpen the positioning of its private labels, to establish them even more robustly as attractive market alternatives.

The implementation of digital training concepts – for example, on the topic of lithium-ion battery storage – will generate further, significant added value, to sustainably strengthen the consulting expertise of specialist retailers.

Technical trade: Positive development bucking the market trend

The technical trade and PPE product ranges registered slightly positive development in 2024, bucking the general market trend. However, different developments are being observed in the respective product groups. To meet prevailing requirements, the supply ranges in stock were categorised according to defined target sectors. This helps to provide members with sustainable support in their day-to-day business. Furthermore, partners on the supplier and member side benefit from the optimisation of data quality.

Due to weak economic data – particularly from the automotive industry and mechanical engineering – the situation remains tense in the current year. The construction-related areas are also likely to remain at the previous year's level

Weakness in the construction-related craft sector affects HANDWERKSTADT and PLUS 1

The economic development in the construction-related craft sector slowed significantly in 2024. This led to a considerable decline in sales in the relevant product ranges. Hand tools and craft-related product ranges registered significant declines. In contrast, there was growth in the power tools segment – albeit starting from a weak prior year in 2023. The forecasts for the current year suggest a stable sideways movement at best.

Motor engineering: Market situation remains tense

In the motor engineering product range, manufacturers' expectations were once again not met. As reported by the Landbautechnik Bundesverband e. V., the majority of specialised companies have seen a decline in trading volumes, which has a direct impact on trade. There is currently no reason to expect any noticeable improvements in the sector. The general economic environment remains challenging.

Welding technology: Focus on services

The E/D/E welding technology registered a decline in 2024. The trend towards mechanisation and automation has accelerated, and is also likely to shape future developments. In addition to an attractive range of products at competitive rates, the focus is on product-related services such as servicing, repairs and maintenance. The BLACKWELD brand has become well-established among many retailers, and the training programme and networking platforms such as the welding technology marketplace – with the highest number of participants to date – have been used intensively. On balance, it can be said that networking between welding professionals has acquired new significance.

Construction industry: The crisis has worsened further

The construction industry in Germany finds itself in a complex crisis situation. The significant decline in building permits in the residential construction sector, the acute shortage of skilled workers, high construction costs, unfavourable financing conditions and global shortages of raw materials have further exacerbated the already tense situation in 2024. While building construction was at a very low level, the association's "GalaBau" and "Tiefbau" divisions still had a comparatively stable year in 2024.

108**Completed
customer projects****35 %****Corporate
customers****6 %****Growth in trading
volume****5.2** <sup>EUR
billion</sup>**Market potential**

Industrial services grow thanks to intelligent supply concepts

Systematic value creation: the product range within industrial business can be summarised as such. The trend is continuing; industrial customers from all sectors are interested in achieving sustainable efficiency improvements combined with savings. In view of the challenging market situation, the efficient supply of C-parts/MRO (maintenance, repair and operations) became even more important in 2024. This is where E/D/E members within the alliance can score top marks with intelligent MRO supply solutions and a high degree of reliability, so that the E/D/E range of services has successfully proven itself in the market with over 100 MRO/C parts projects.

With far-reaching integration into the MRO business processes and the security of an holistic supply, members position themselves with E/D/E as an important partner for the industry and can generate additional trading

volumes. This trend is continuing at a rapid pace in the current year. The modular approach – consisting of system, consulting and concept services – offers optimal conditions for excellent customer loyalty.

The continual development of the service portfolio through value-adding MRO supply concepts, networks and well thought-out supply chain management enjoy top priority in the expansion of the industrial business. There is also a focus on the entry into the robot automation business field, which began in the fourth quarter of 2024. It is to be expected that the market demand for optimisation on the part of industry will continue to grow dynamically in the coming years.



The trading volume in PPE products recorded growth.

In view of the persistently difficult market situation, process optimisation and strict cost management are more important than ever in this product range. The optimised storage concept and the integration of the eLC play an important role in this context.

To overcome this prevailing crisis situation, the optimisation and redesign of the target group ranges (processors, craftsmen and industry etc.) and the supply ranges (construction equipment, building fittings) are of central importance. The intention is to be able to offer a broad, high-performance basic range.

The building fittings product range also had to contend with a gloomy market trend in 2024, which is likely to continue in the current year. Diversification of the product portfolio provided new sources of impetus on the product range side. For example, the sun shading and façade sector still harbours attractive development potential in the building elements segment.

The continual development of merchandise-related services – such as the installation and maintenance of construction elements in the context of fire protection, security and building access – is also gaining in importance. One additional challenge for companies: the rapidly increasing shortage of skilled labour – for example, in the installation of doors and locking systems – is leading to bottlenecks in the processing of potential orders.

Construction equipment: The economic situation has stabilised

The construction equipment product range recorded a decline in 2024. Adjustments to the stock ranges relating to the civil engineering and landscaping target groups led to a slight improvement in the trading volumes achieved. The focus remains on expanding the supplier structure and thus increasing the billing volume for members.

For the current year, the construction industry as a whole is expected to move sideways with only a slight improvement. Falling construction activity-related interest rates and the positive development of the renovation market are contributing to a more hopeful outlook. In the property business, on the other hand, the persistently low order backlog is leading to intense competition. Civil engineering and infrastructure construction remain at a stable level. A slight upturn is expected in the capital goods sector.

EBH: Successful project work

Sales-orientated project work pays off: this has been proven by the cooperation with the Euro Baubeschlag-Handel AG, which is reflected in a slightly positive development – and better than the market trend. We succeeded, in particular, in gaining strategically important new members. And, last but not least, the consistent concentration of suppliers has contributed to the fact that the “Building Elements” product range has performed slightly better than the market as a whole.

In the current year, the focus will be on further developing and expanding our expertise in the SmartWorldPool and ELEMENTec projects, as well as on training and further education. SmartWorldPool is dedicated to networking different trades, to enable proactive market development in cooperation with electrical wholesalers and build up the “Smart Home & Building” business segment in a targeted manner. At ELEMENTec, the combination of expertise in building hardware and elements is leading to new solutions for all aspects of building access – with a high level of installation expertise, as well as engineering and installation from a single source.

Building services: The demand remains weak

Developments in the building services sector in 2024 were characterised by issues such as the energy transition, a shortage of skilled workers and changes in consumer behaviour, which led to subdued demand on balance.

In what remains a challenging market environment, E/D/E was able to contribute to strengthening its market position with the FORMAT trade brand, among other things. By way of targeted marketing centred around the highly competitive product portfolio and attractive conditions, this offers an economical alternative that supports retailers. The strategic importance of the FORMAT brand is, therefore, continuing to grow in the current year, while the building services market as a whole is stagnating.

The challenging market situation in 2024 also affected the business development of our European partner, VGH International. The key factors included the interest rate trend, continued high inflation rates and, in particular, rising construction prices. Only the southern European markets performed somewhat more positively. Overall, the trading volumes settled with E/D/E fell, but remained above the EUR one billion threshold. For the current year, VGH International expects the markets to move sideways, with only a slight upturn.

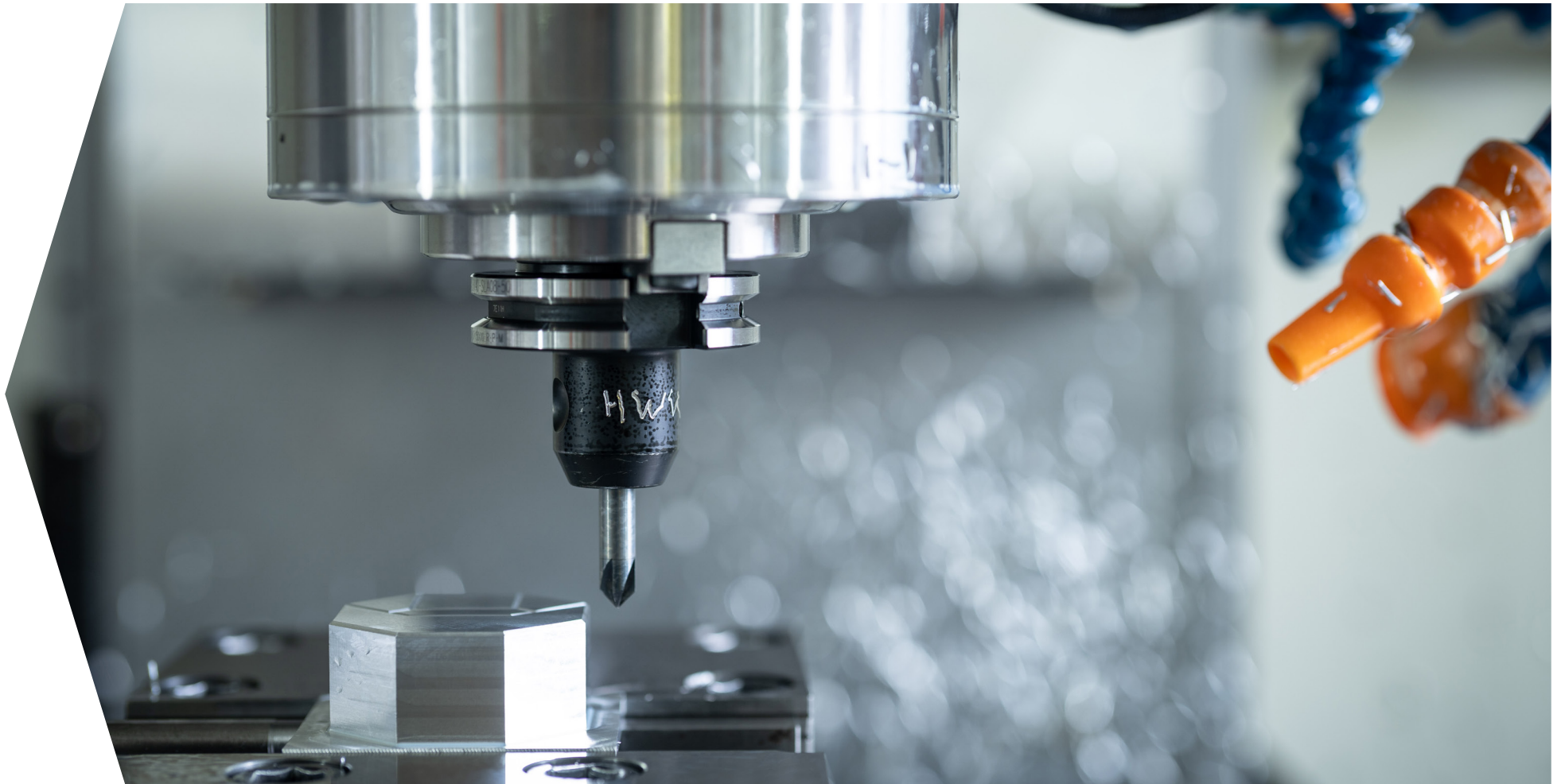
The IGH Einkaufs- und Marketing eG was also confronted with a challenging economic environment in the previous financial year. While the sanitary and plumbing sector stagnated at the previous year's level, the heating sector was significantly affected by the economic downturn. For the 2025 financial year, the IGH anticipates widespread stagnation, although a moderate recovery in the second half of the year cannot be ruled out. Despite this difficult economic environment, the membership structure developed positively. The acquisition of a new member in Denmark, a co-operative with eight affiliated companies, is particularly noteworthy. This growth contributed significantly to an increase of eleven per cent at EU level. As at the balance sheet date, the IGH had a total of 55 members.

Steel: Well positioned in a difficult market environment

The steel division was able to hold its own in a difficult market environment in 2024. We succeeded in increasing the volumes sold in specific product areas such as steel bars, moulded steel, tubes and sheets. With regard to reinforcing steel/mesh – which is relevant for construction – overall volumes were maintained. At the same time, we succeeded in strengthening existing partnerships and gaining new partners on the member and supplier side. Furthermore, the activities on the European market have been bolstered successfully – which, in turn, makes the ESH EURO STAHL-Handel even more interesting as a partner for suppliers.

In terms of its strategic development, the ESH always keeps a close eye on costs without jeopardising planned investments. Digitalisation and ongoing process optimisation were the primary focus of projects last year. The different platforms for professional dialogue and networking in a total of eight regional groups, along with the two SteelPower and SteelFocus groups, play an important role.

The current year will continue to be characterised by weak construction activity in the steel sector, which may not pick up until the end of the year or only in 2026. Infrastructure construction is proceeding at a similar level to 2024. Due to a positive change in the number of members and suppliers and the resulting stronger concentration, the E/D/E expects a positive development in the steel sector despite the challenging outlook.



Due to the reluctance to invest in capital goods, the tools segment experienced a challenging year.