

Flat European Revenues for Ingram Micro

Written by Marco Attard
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European Ingram Micro revenues remain flat Y-o-Y during Q1 2013 as the distributor sees higher global sales worth \$10.26 billion and lower operating income reaching \$90.8 million.



GAAP net income for the quarter is \$49.8m, down from \$90m for Q1 2012. However Q1 2012 did see a net discreet tax benefit worth \$28.5m and favourable HDD pricing.

Gross WW profit totals \$585.3m, up from \$467.6m for Q1 2012..

"In addition to shifting market dynamics, we also saw increased competitive pricing this quarter due to the sluggish economic environment in Europe," CEO Bill Humes says. "However, even though we expect some relief in the mid-term, we recognized many quarters ago that strategically we needed to develop and grow markets where inherently better margins are available.... we have made, and continue to make, investments in several of these areas, which, while they impact our near-term expense levels, are consistent with our strategy to increase the ratio of our higher margin, and better returns businesses."

Ingram Micro also sees additional revenues from Q4 2012 acquisitions BrightPoint and Aptec Holdings, who contribute \$1.1bn and \$75m respectively.

"High growth in tablets and other mobile devices continues to affect gross margins," Humes continues. "However, this high growth product opportunity also brings the addition of a new set

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of vendors and customers to the Ingram Micro ecosystem, which enables us to tap into the associated supply chain services to large OEMs and service providers."

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