



October 27 – 29, 2020

Virtual Event

Archive

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Semiconductor Market Overview Making sense of the data

TestConX China 2020

John West

VLSI Research Europe

VLSIresearch ... intelligence to make better decisions faster

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What's happening and what does it mean for you?

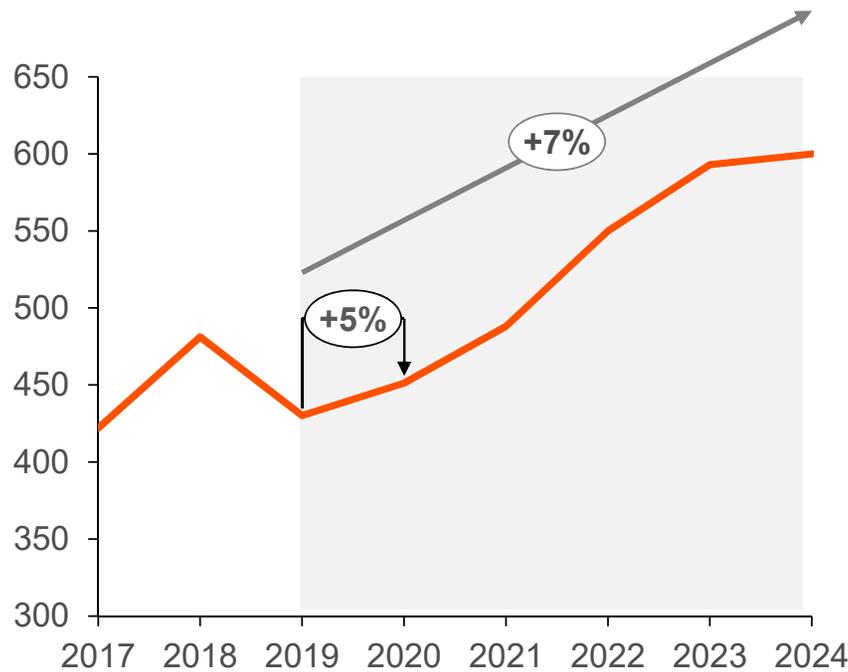
What we know

What we don't know

How should you be thinking about the future?

Semiconductors: Beating Expectations

Revenue in \$B, Outlook for 2020 is improving

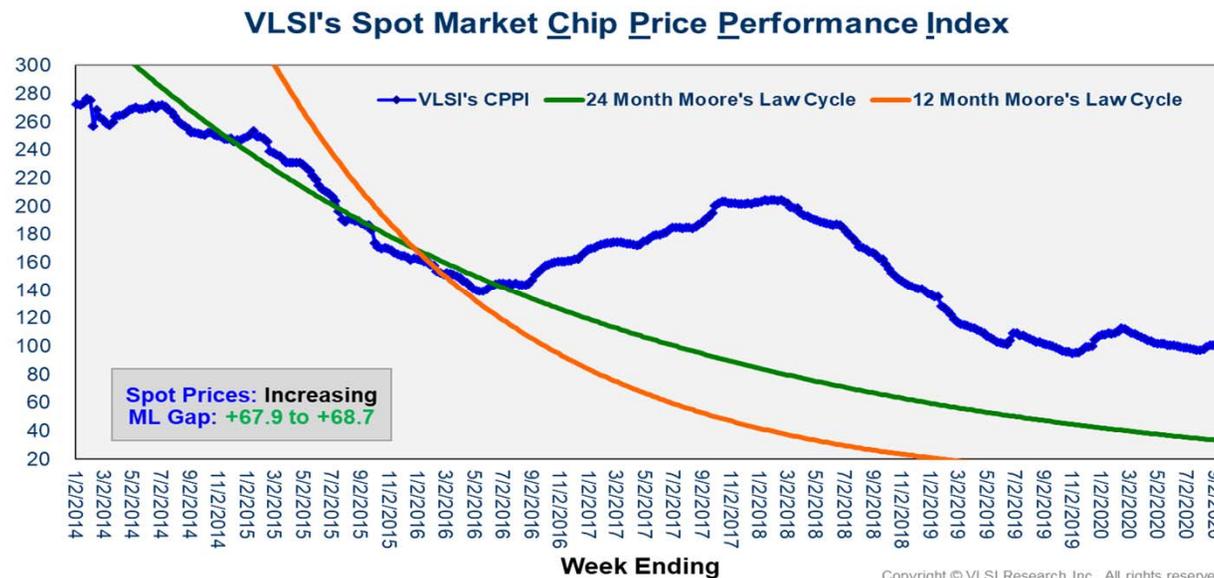


VLSI's April forecast for 2020 was for sales to fall by 4%

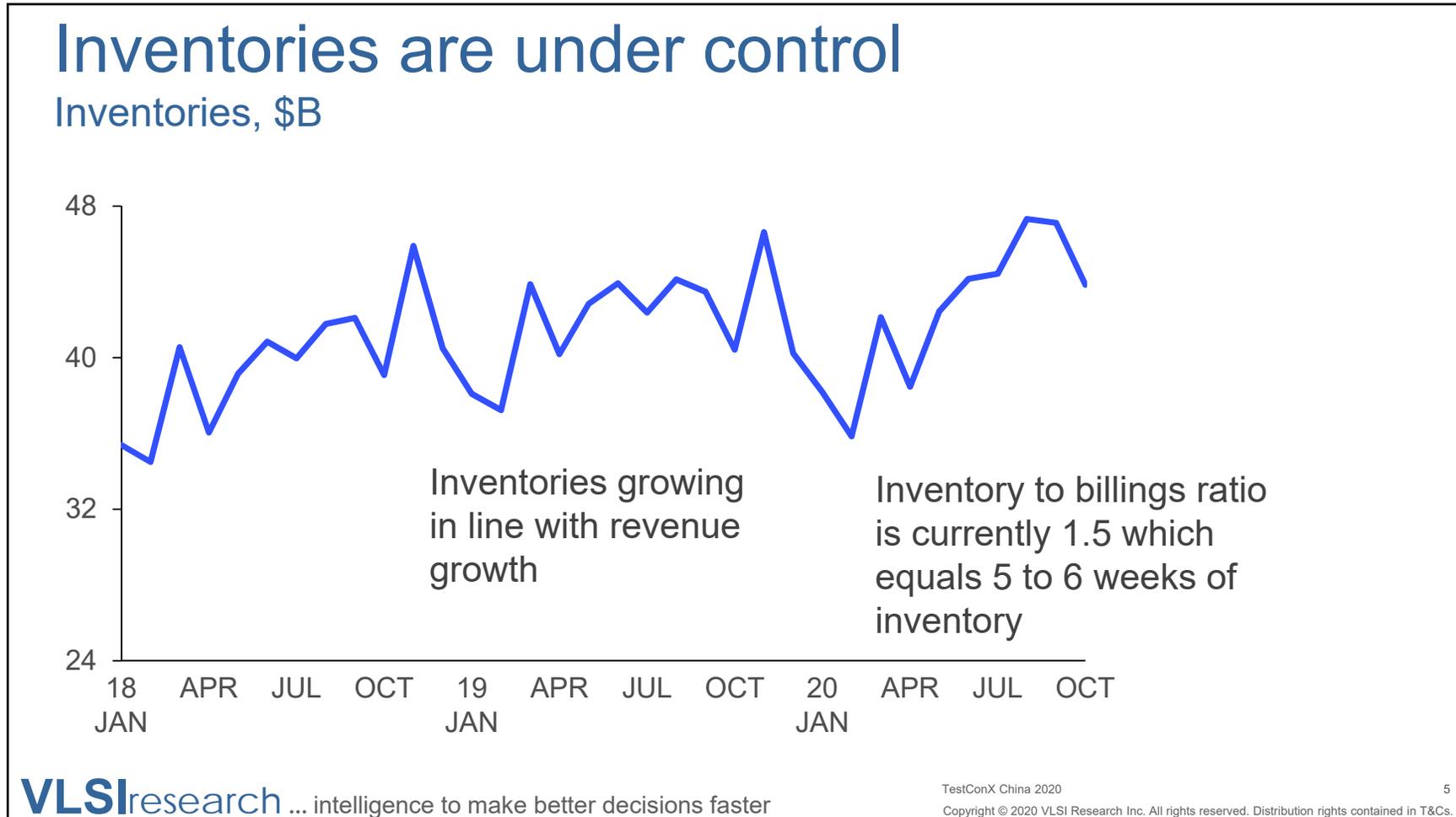
August forecast for 2020 is now for sales to increase by 5%

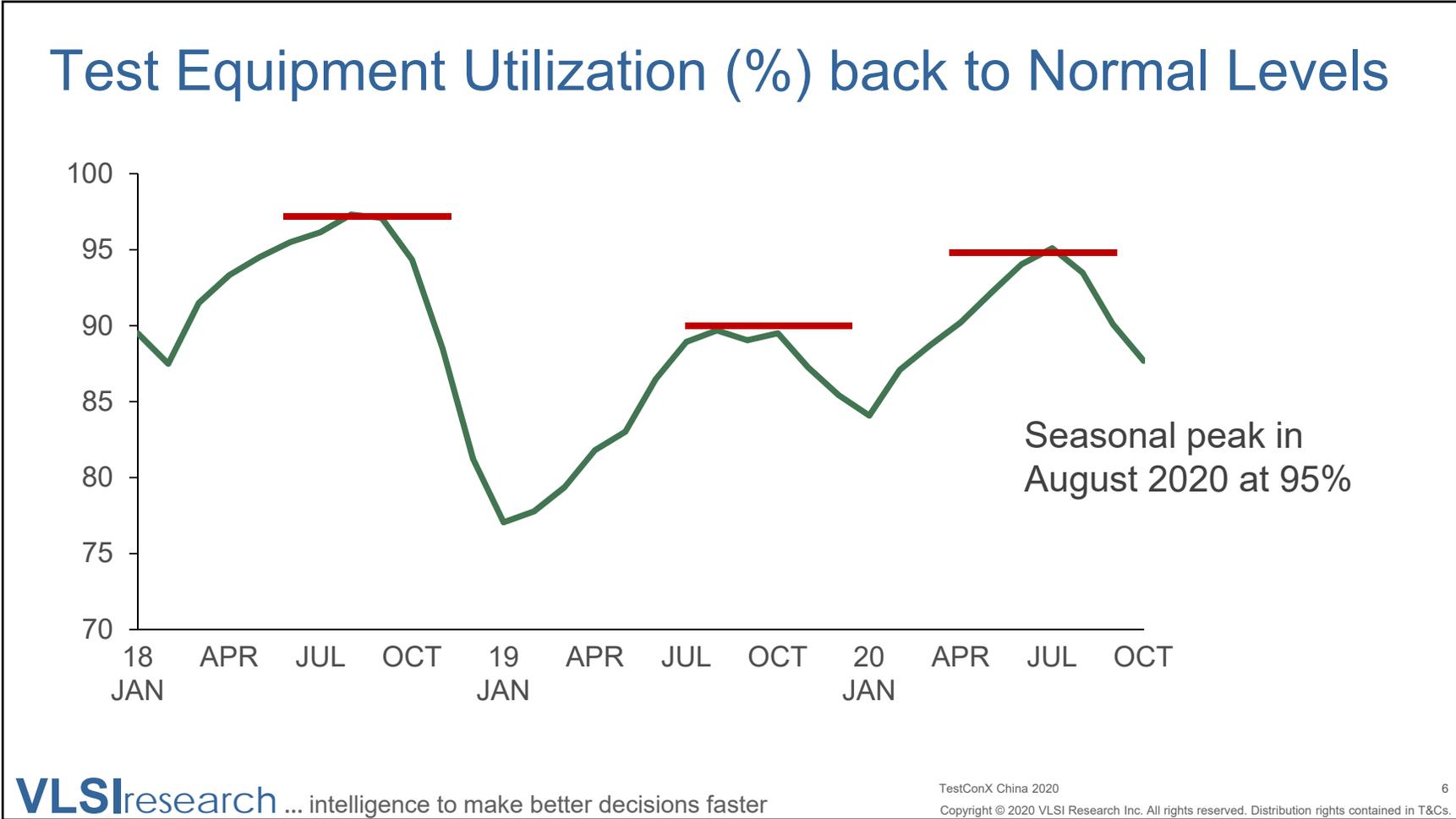
Long-term growth trend back on track

Prices for chips remain strong



VLSI's CPPI trending flat to slightly down since mid 2019.





Summary of what we know

- Semiconductor sales keep beating expectations in 2020
- Chip prices are strong
- Inventories are under control
- Test equipment utilization rates are at normal levels

However, these are not normal times...

What we don't know...

COVID-19

Outcome of the US-China trade dispute

2 significant and unpredictable factors are in play

Look out for a trigger event(s)

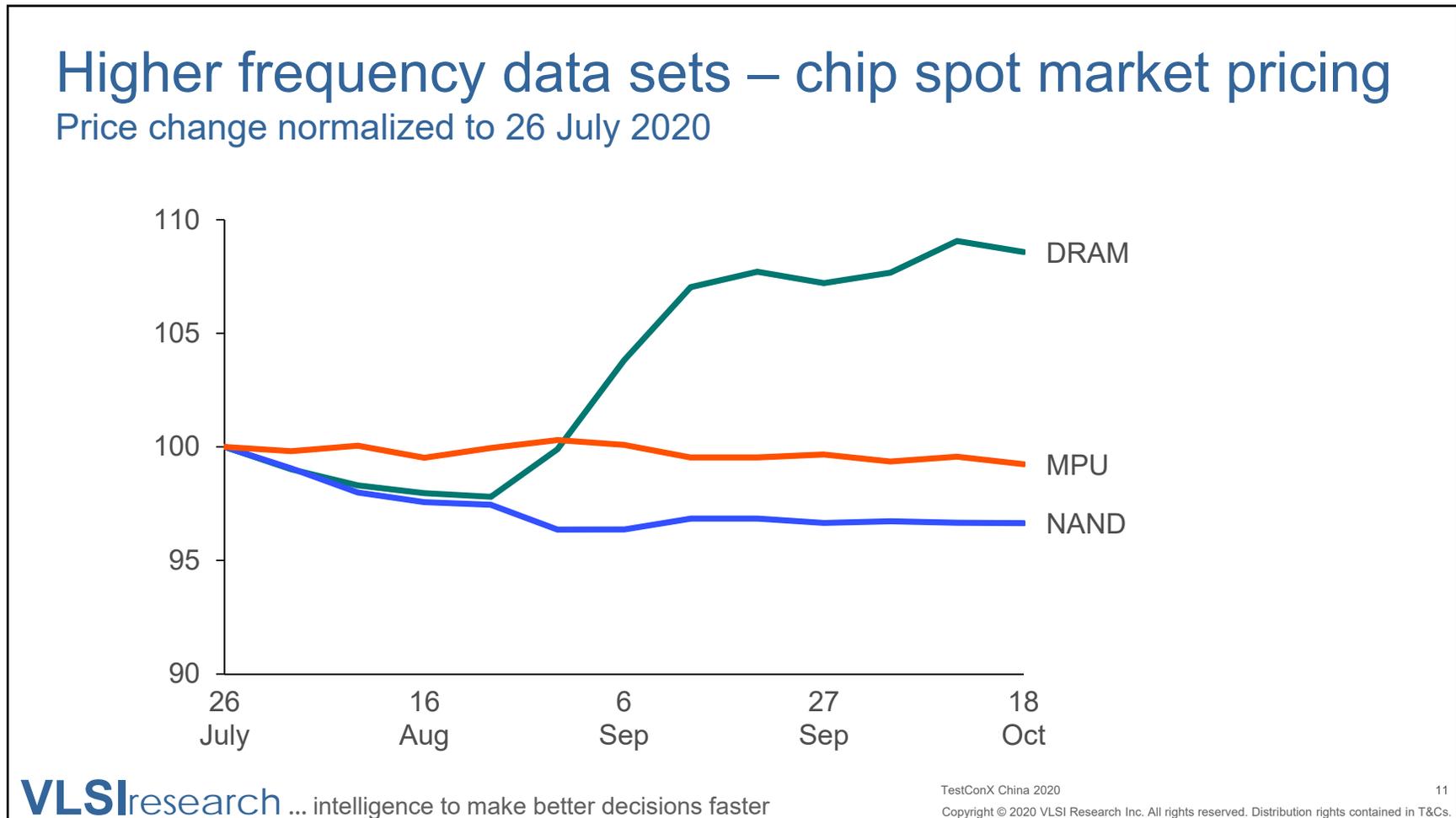
Unpredictable

You'll know it when you see it

What can we do?

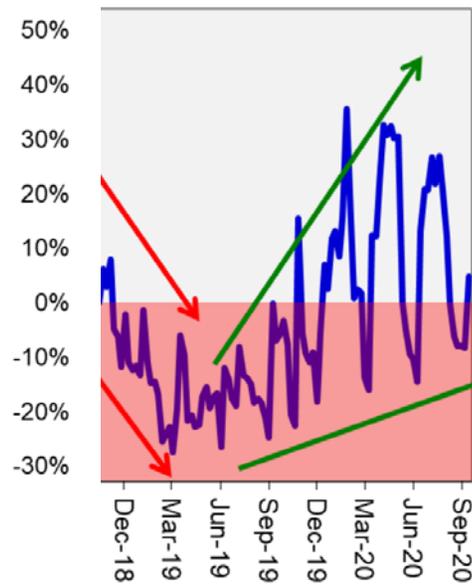
Use higher frequency data sets – daily/weekly

Collect and Analyze Anecdotal Information



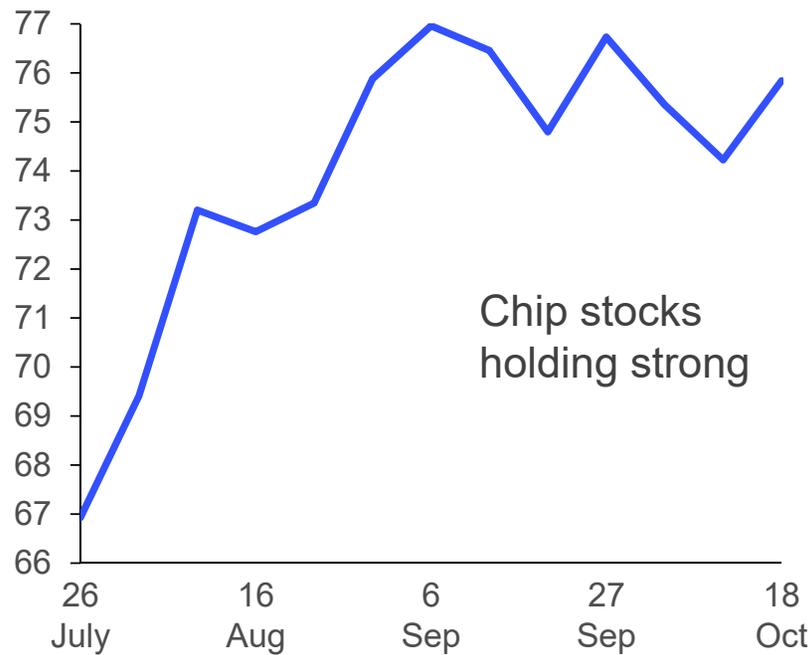
Higher frequency data sets

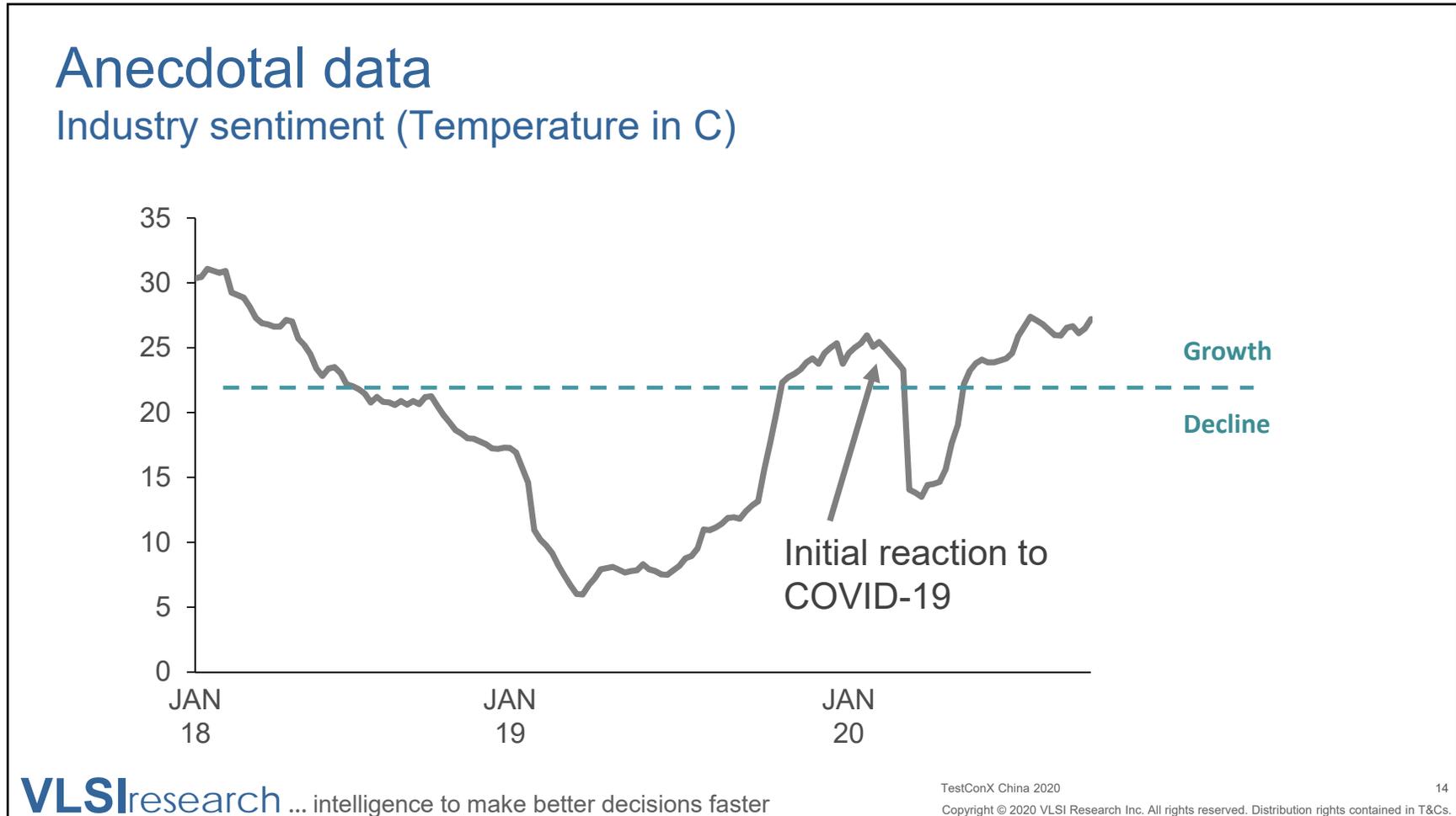
Weekly chip sales compared to the same week last year



Increased volatility, but trending upwards

Higher frequency data sets – chip stock prices





How should you think about the future?

Be cautiously optimistic

Keep track of the usual industry health indicators – chip prices, inventories and equipment utilization rates

Pay attention to changes in higher frequency data sets – chip prices, weekly chip sales, stock prices

Collect and analyze anecdotal data

Expect the unexpected

Final thoughts

Semiconductors will play a key role in the future

Worse case scenario – short sharp drop with fast recovery

Best case scenario – sustained, above average growth

Businesses need to be able to ramp production up or down fast

Decision makers need data so they can better decisions faster



Questions?

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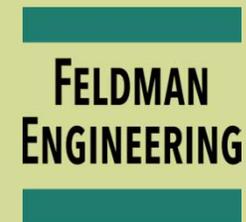
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Total headcount of 400 specialists



Total production area of 400,000 sqft.
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Total investment of USD 75 Million

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