

Electronic Components Industry Trends & Outlook



Survey Introduction/Mechanics

- **Frequency/Reminders**

- Survey is conducted monthly, 1st notification is typically emailed the 1st of the month
- There will be 2 additional reminders set by the system
- Results of published for the ERA members on the ERA Website
- Survey delivered by no-reply@mail.client.edgewaterresearch.com


Survey Introduction/Mechanics

LAST CALL: The ERA Industry Trends Survey Closes Soon



no-reply@mail.client.edgewaterresearch.com

To ● Dennis Reed

 If there are problems with how this message is displayed, click here to view it in a web browser.



ERA Electronic Components Industry Trends Survey

We've noticed the October, 2023 ERA Electronic Components Industry Trends Survey has not been started.

- The ERA Electronic Components Industry Trends Survey provides a summarized analysis of trends and insights garnered from the data of all participating ERA members.

[Access and complete the survey here.](#)

Results of the survey will be shared with participants via the ERA members' webpage.

[View the latest survey results HERE](#)

If you'd like to delegate the survey completion to another person please send the name and email of delegatee to: support@EdgewaterRC.com

Please contact [Dennis Reed](#) if you have any questions about completing the survey.

Please contact [Erin Collins](#) if you have any questions about this important member benefit.

Thank you in advance for your participation.

[Survey Access](#)

About Edgewater

Who is Edgewater Research?

- An **Independent Research Company** specializing in Technology, Internet & Consumer/Ecommerce
- We service many of the **largest money managers** in the world who invest in technology companies
- We provide **critical business insights** into complex and dynamic industries through **fundamental research**
- **Our reputation dates back two decades** of providing trusted, timely, and unbiased research to the clients we serve

Why Edgewater?

What We Are

- **Deeply connected in the industry**, on a worldwide basis, from foundry to supplier to distributor to end customer; contacts across purchasing/strategy/business development
- A **trusted resource** for the investment community, who provides access to capital and **invests public & private growth opportunities**
- A **critical partner** with the largest global technology companies, assisting in **identifying key trends and assist in shaping a strategy** to address those opportunities



Speaker Background & Contact Information



Dennis Reed

Sr. Research Analyst

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- Started as a Research Analyst in Technology in 2005 and **has over 10 years of experience** in semiconductors, memory, storage, and distribution with several respected firms including Edgewater Research.
- Developed an extensive network of technology industry professionals throughout the world and is a **trusted resource to his contacts and clients alike.**
- Worked in several roles of increasing responsibility in **strategy, product development, sales management & field sales at Travelers Insurance.**
- A 2002 graduate from Ohio University with a B.S. in Sports Administration



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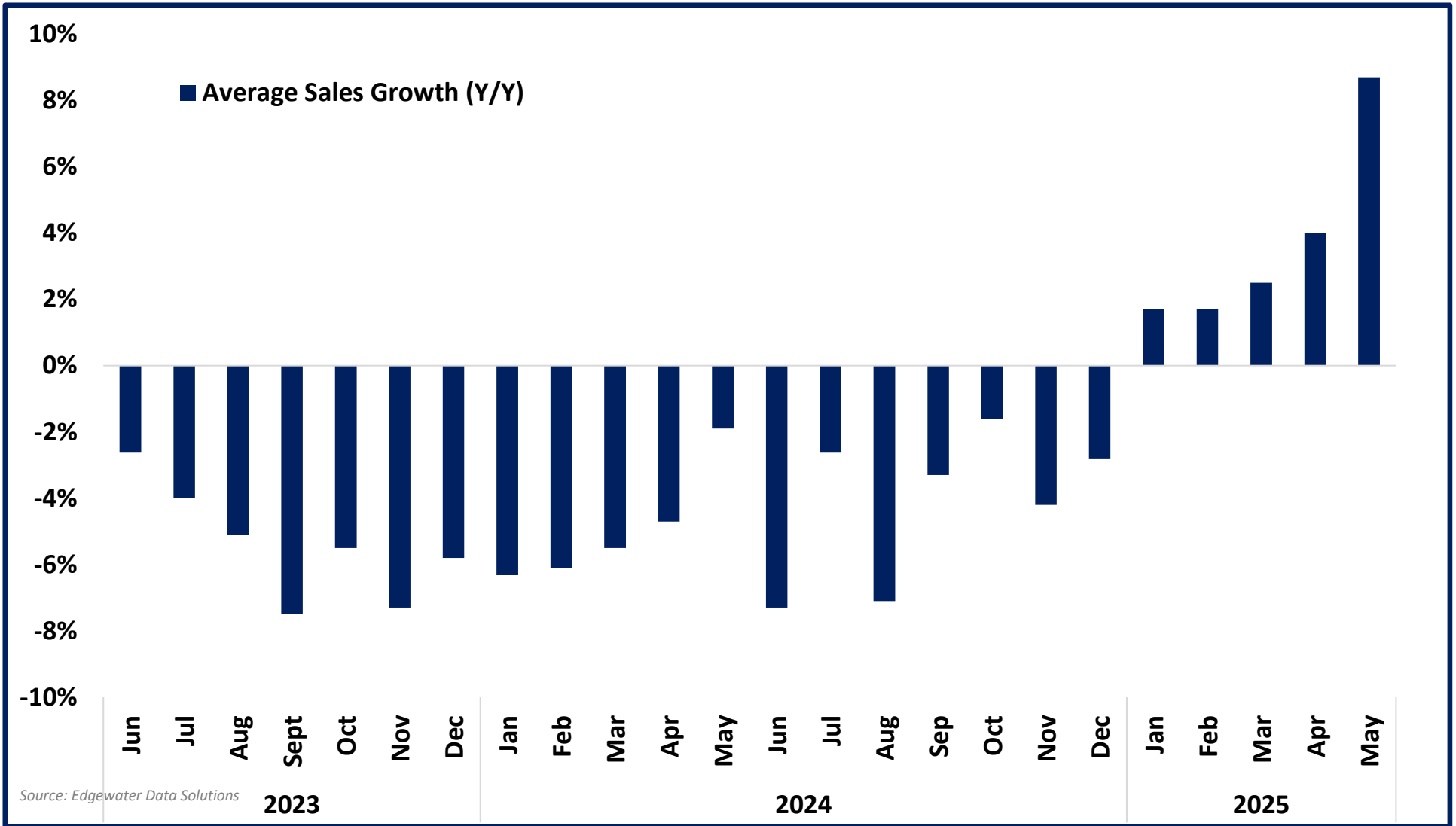
Believe It Or Not... We are in a Recovery!



Source: GIPHY

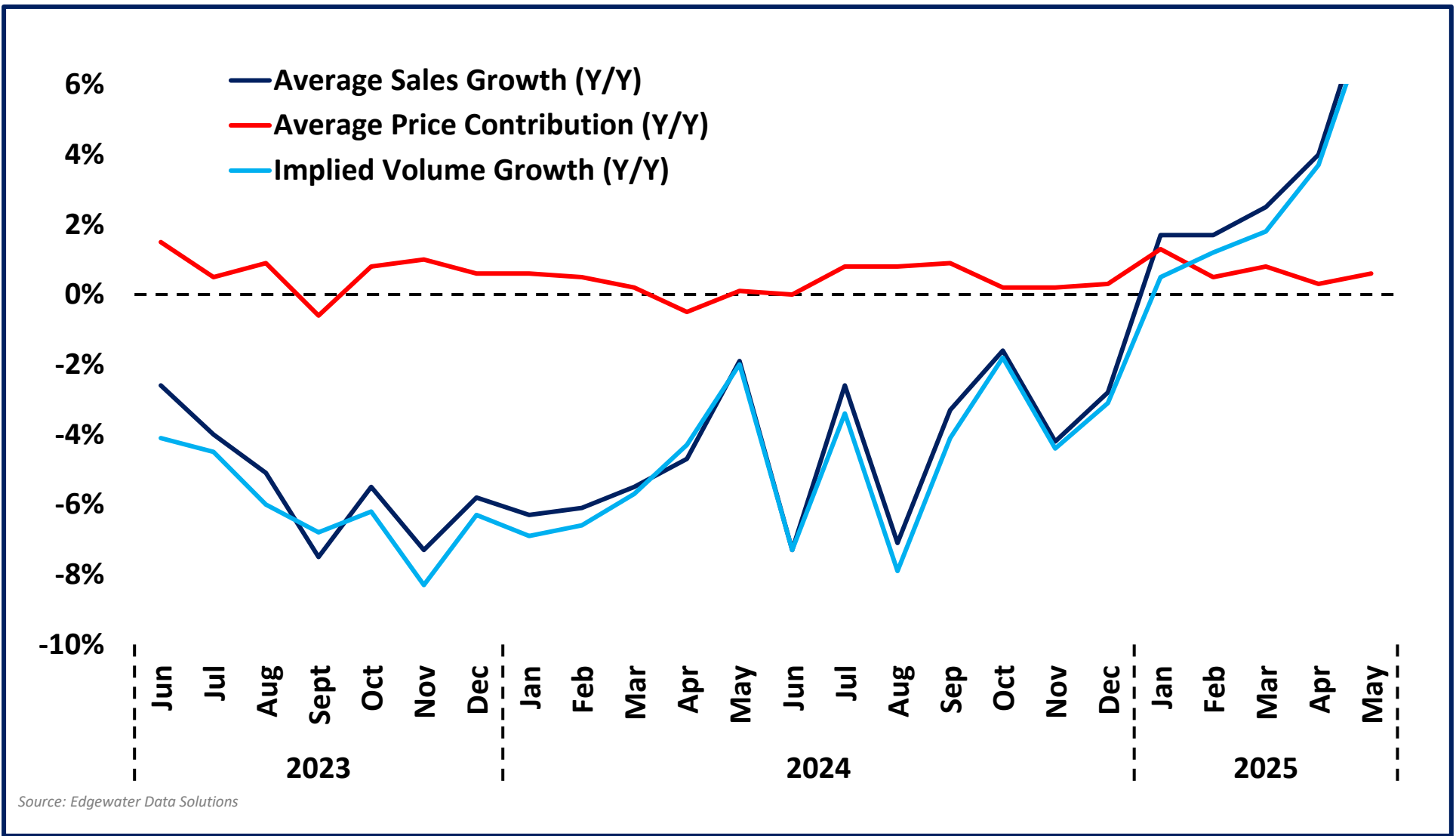
ERA Survey Sales Growth (Y/Y)

May sales marked 5 straight months of Y/Y sales growth, above trend in May likely tariff related



ERA Survey Sales Growth

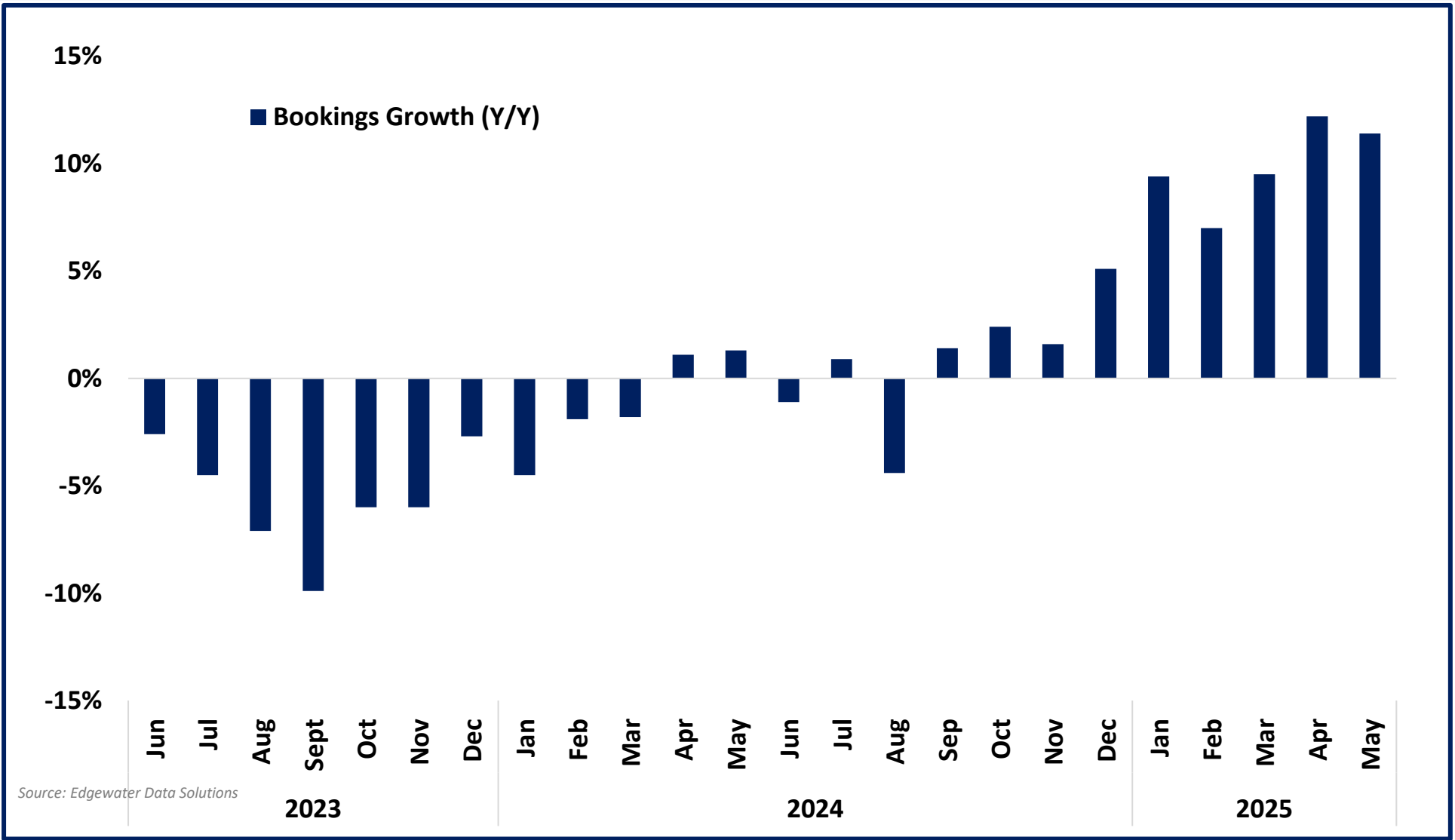
Sales growth seen in 2025 driven largely by volumes



Source: Edgewater Data Solutions

ERA Survey Bookings Trends

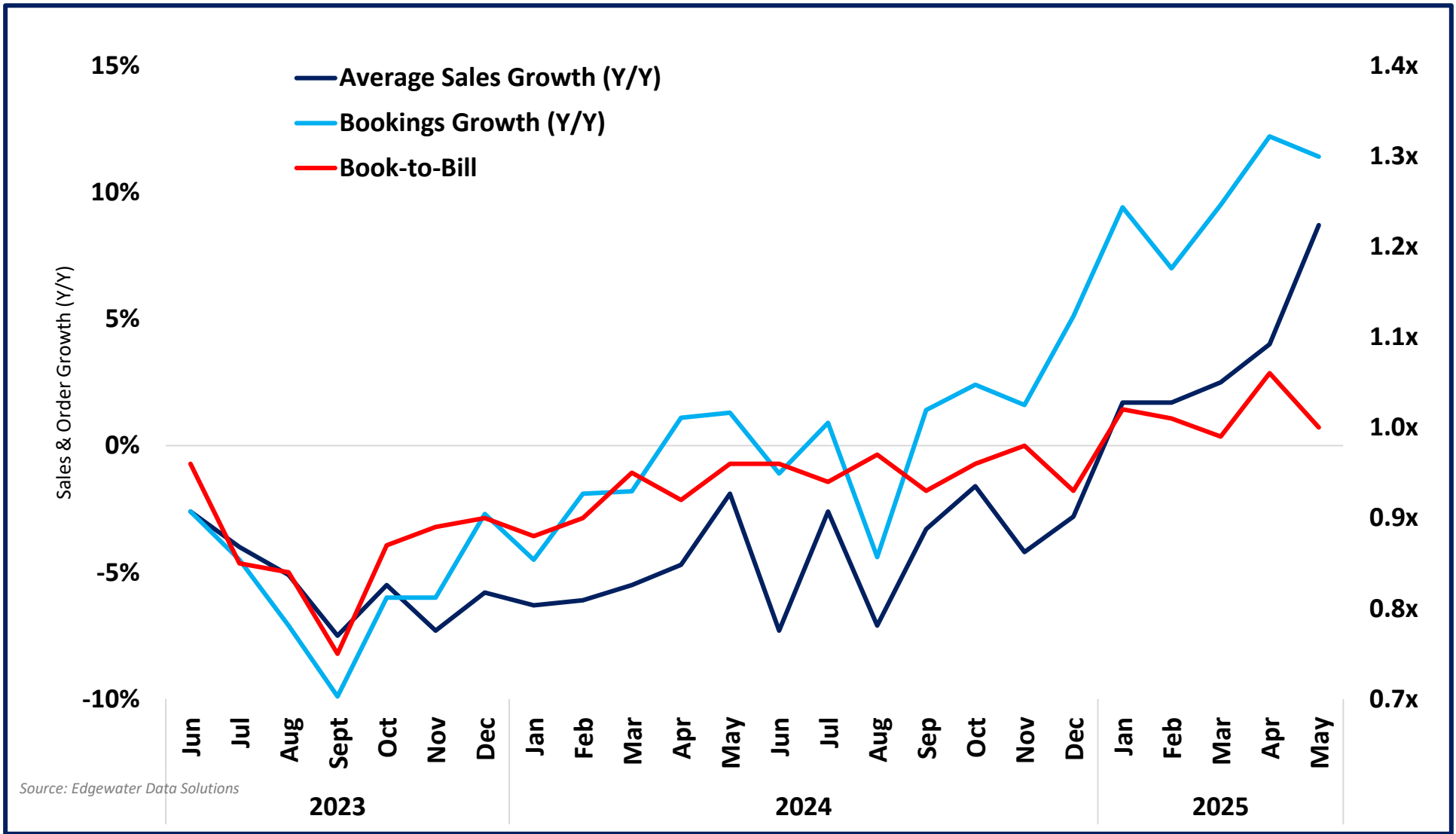
9 straight months of Y/Y bookings growth, minimal moderation following Liberation Day



Source: Edgewater Data Solutions

ERA Survey Sales Growth vs. Bookings Growth

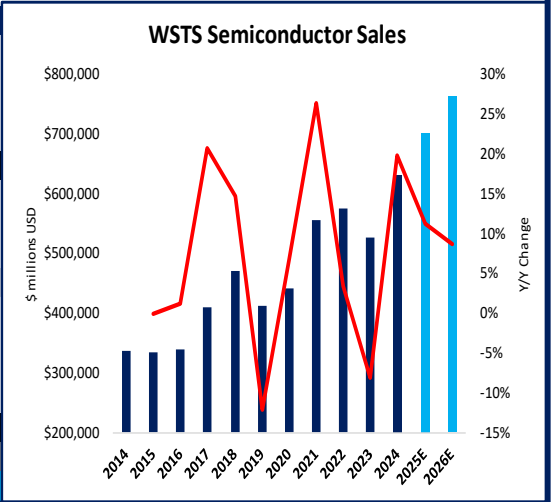
January book-to-bill of 1.02x marks 1st positive book-to-bill in 20-month history



WSTS Updated Sales Forecast

Per WSTS AI/Compute still dominating growth rates

	WSTS Forecast													CAGR		
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2014-2019 CAGR	2014-2026E CAGR	2023-2026E CAGR
Americas	\$69,324	\$68,738	\$65,537	\$86,458	\$102,997	\$78,741	\$95,366	\$121,481	\$141,136	\$134,377	\$195,123	\$230,256	\$252,472	3%	11%	23%
Europe	\$37,459	\$34,258	\$32,707	\$38,048	\$42,957	\$41,609	\$37,520	\$47,757	\$53,853	\$55,763	\$51,250	\$52,969	\$56,201	2%	3%	0%
Japan	\$34,830	\$31,102	\$32,292	\$36,350	\$39,961	\$36,069	\$36,471	\$43,687	\$48,158	\$46,751	\$46,739	\$47,037	\$49,776	1%	3%	2%
APAC	\$194,230	\$201,070	\$208,395	\$247,834	\$282,863	\$255,666	\$271,032	\$342,967	\$330,937	\$289,994	\$337,437	\$370,613	\$402,252	6%	6%	12%
Total (\$M)	\$335,843	\$335,168	\$338,931	\$408,690	\$468,778	\$412,085	\$440,389	\$555,892	\$574,084	\$526,885	\$630,549	\$700,875	\$760,700	4%	7%	13%
Discrete Semis	\$20,170	\$18,612	\$19,418	\$21,498	\$24,102	\$24,450	\$23,804	\$30,337	\$33,993	\$35,530	\$31,026	\$30,219	\$32,733	4%	4%	-3%
Optoelectronics	\$29,868	\$33,256	\$31,994	\$34,467	\$38,032	\$37,474	\$40,397	\$43,404	\$43,908	\$43,184	\$41,095	\$39,290	\$39,956	5%	2%	-3%
Sensors	\$8,502	\$8,816	\$10,821	\$12,537	\$13,356	\$13,295	\$14,962	\$19,149	\$21,782	\$19,730	\$18,923	\$19,782	\$20,622	9%	8%	1%
Integrated Circuits	\$277,302	\$274,484	\$276,698	\$340,189	\$393,288	\$336,867	\$361,226	\$464,621	\$474,402	\$428,442	\$539,505	\$611,582	\$667,390	4%	8%	16%
Analog	\$44,365	\$45,228	\$47,848	\$52,711	\$58,785	\$55,846	\$55,658	\$74,105	\$88,983	\$81,225	\$79,588	\$81,642	\$85,535	5%	6%	2%
Micro	\$62,072	\$61,298	\$60,585	\$63,147	\$67,233	\$66,519	\$69,678	\$80,221	\$79,073	\$76,340	\$78,633	\$77,840	\$80,186	1%	2%	2%
Logic	\$91,633	\$90,753	\$91,498	\$101,413	\$109,303	\$104,912	\$118,408	\$154,837	\$176,578	\$178,589	\$213,768	\$267,259	\$286,842	3%	10%	17%
Memory	\$79,232	\$77,205	\$76,767	\$122,918	\$157,967	\$109,590	\$117,482	\$155,458	\$129,767	\$92,288	\$167,053	\$184,841	\$214,826	7%	9%	33%
Total (\$M)	\$335,842	\$335,168	\$338,931	\$408,691	\$468,778	\$412,086	\$440,389	\$557,511	\$574,085	\$526,886	\$630,549	\$700,873	\$760,701	4%	7%	13%
Total (ex-Memory)	\$256,610	\$257,963	\$262,164	\$285,773	\$310,811	\$302,496	\$322,907	\$402,053	\$444,318	\$434,598	\$463,496	\$516,032	\$545,875	3%	6%	8%
Total (ex-Memory)/logic	\$164,977	\$167,210	\$170,666	\$184,360	\$201,508	\$197,584	\$204,499	\$247,216	\$267,740	\$256,009	\$249,728	\$248,773	\$259,033	4%	4%	0%
Y/Y	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E			
Americas		-1%	-5%	32%	19%	-24%	21%	27%	16%	-5%	45%	18%	10%			
Europe		-9%	-5%	16%	13%	-3%	-10%	27%	13%	4%	-8%	3%	6%			
Japan		-11%	4%	13%	10%	-10%	1%	20%	10%	-3%	0%	1%	6%			
APAC		4%	4%	19%	14%	-10%	6%	27%	-4%	-12%	16%	10%	9%			
Total	0%	1%	21%	15%	-12%	7%	26%	3%	-8%	20%	11%	9%				
Discrete Semis		-8%	4%	11%	12%	1%	-3%	27%	12%	5%	-13%	-3%	8%			
Optoelectronics		11%	-4%	8%	10%	-1%	8%	7%	1%	-2%	-5%	-4%	2%			
Sensors		4%	23%	16%	7%	0%	13%	28%	14%	-9%	-4%	5%	4%			
Integrated Circuits	-1%	1%	23%	16%	-14%	7%	29%	2%	-10%	26%	13%	9%				
Analog		2%	6%	10%	12%	-5%	0%	33%	20%	-9%	-2%	3%	5%			
Micro		-1%	-1%	4%	6%	-1%	5%	15%	-1%	-3%	3%	-1%	3%			
Logic		-1%	1%	11%	8%	-4%	13%	31%	14%	1%	20%	25%	7%			
Memory		-3%	-1%	60%	29%	-31%	7%	32%	-17%	-29%	81%	11%	16%			
Total	0%	1%	21%	15%	-12%	7%	27%	3%	-8%	20%	11%	9%				
Total (ex-Memory)		1%	2%	9%	9%	-3%	7%	25%	11%	-2%	7%	11%	6%			
Total (ex-Memory)/logic	1%	2%	8%	9%	-2%	3%	21%	8%	-4%	-2%	0%	4%				



Source: WSTS, Edgewater Research

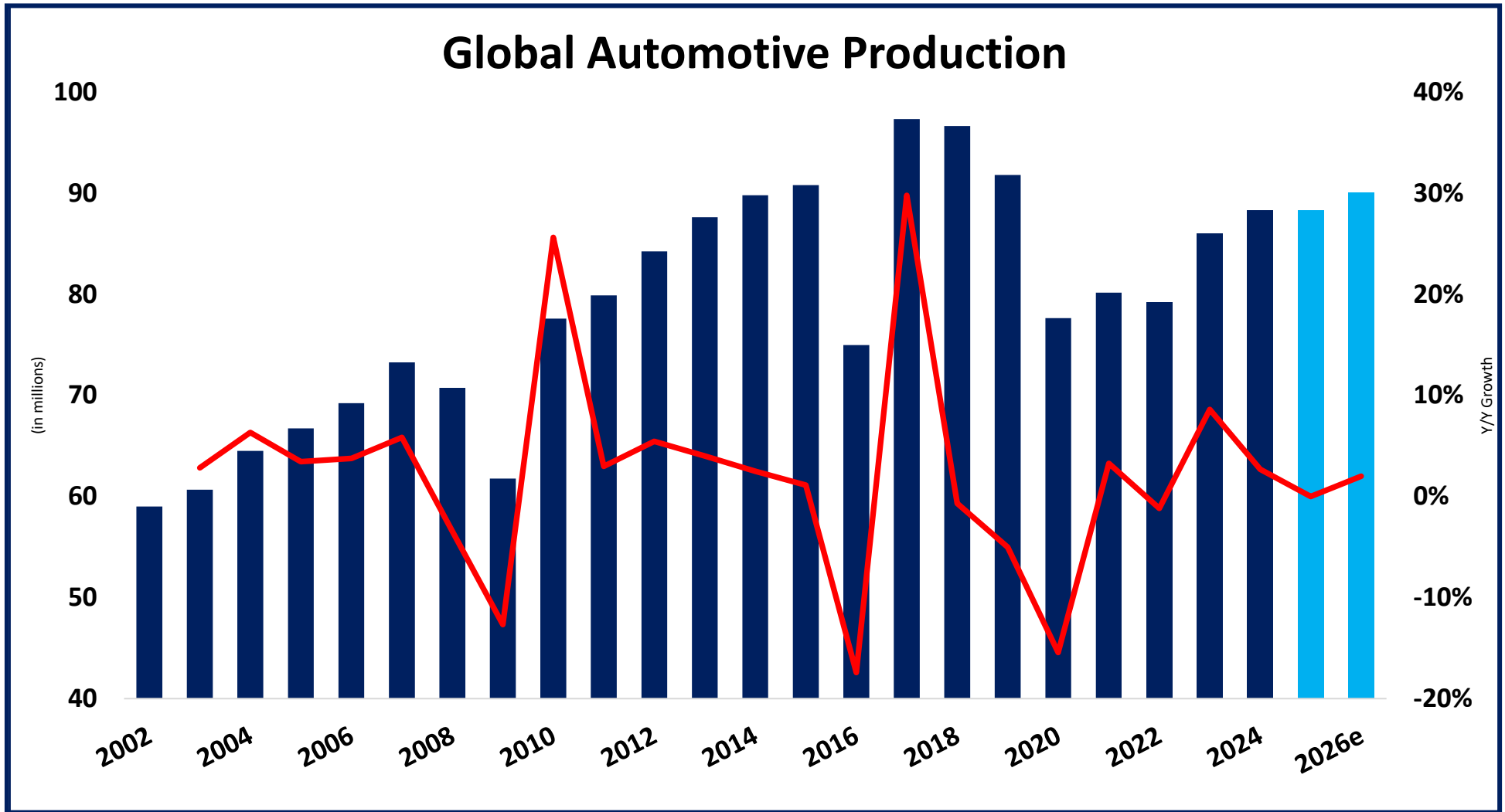
ERA Survey End Market Trends

End Market	2023							2024												2025			
	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4
Aerospace	86%	91%	71%	67%	91%	93%	76%	54%	68%	63%	58%	80%	58%	62%	80%	70%	81%	73%	76%	78%	55%	33%	38%
Appliances	-46%	-27%	-41%	-50%	-59%	-29%	-59%	-30%	-38%	-47%	-45%	-28%	-71%	-48%	-43%	-50%	-50%	-60%	-59%	-39%	-12%	-39%	-69%
Automotive	72%	65%	41%	32%	3%	17%	7%	9%	-4%	-11%	-13%	35%	-20%	-33%	0%	-40%	-24%	-37%	-46%	-33%	-27%	-50%	-100%
Consumer Electronics	-56%	-32%	-50%	-50%	-50%	-50%	-44%	-10%	-44%	-45%	-6%	-3%	-24%	-29%	-24%	-29%	-29%	-41%	-45%	-48%	-18%	-45%	-67%
Industrial	17%	50%	7%	29%	12%	12%	11%	4%	24%	31%	21%	23%	0%	-15%	-6%	-5%	-6%	-16%	10%	3%	38%	9%	0%
IT Hardware	-21%	-19%	-22%	-4%	-11%	-25%	-21%	-13%	-31%	26%	21%	12%	24%	-3%	-13%	-27%	0%	0%	-20%	5%	0%	13%	-13%
Medical	42%	37%	42%	53%	38%	47%	42%	45%	46%	32%	14%	39%	57%	31%	40%	38%	39%	22%	26%	34%	41%	7%	30%
Military												97%	96%	69%	76%	89%	110%	75%	100%	103%	79%	68%	81%
Mobile Equipment	29%	56%	35%	56%	28%	44%	21%	24%	3%	34%	27%	43%	9%	-18%	-5%	-32%	-25%	-31%	-17%	0%	0%	-32%	-29%
Mobile Networks	-33%	-30%	-33%	14%	-22%	-4%	-6%	-17%	-11%	-5%	0%	-5%	-27%	-18%	0%	-25%	-47%	-50%	-33%	0%	-13%	-50%	-20%
PCs	-90%	-63%	-73%	-79%	-86%	-67%	-52%	-47%	-38%	-54%	-11%	-7%	-30%	-33%	-47%	-47%	-54%	-58%	-60%	-43%	-8%	-60%	-55%
Smart Phones	-67%	-50%	-70%	-60%	-75%	-27%	-63%	-29%	-50%	-38%	-8%	-8%	-9%	-13%	0%	0%	-44%	25%	-25%	0%	-22%	-43%	-60%
Overall Average	-6%	7%	-9%	1%	-12%	1%	-8%	-1%	-7%	-1%	5%	23%	5%	-4%	5%	-5%	-4%	-8%	-8%	5%	9%	-16%	-22%

Source: Edgewater Data Solutions

2025 Auto Outlook

2025 production outlook unchanged through 1H despite near-term pull-forward in the West



Source: Factset, Company Reports Edgewater Research estimates



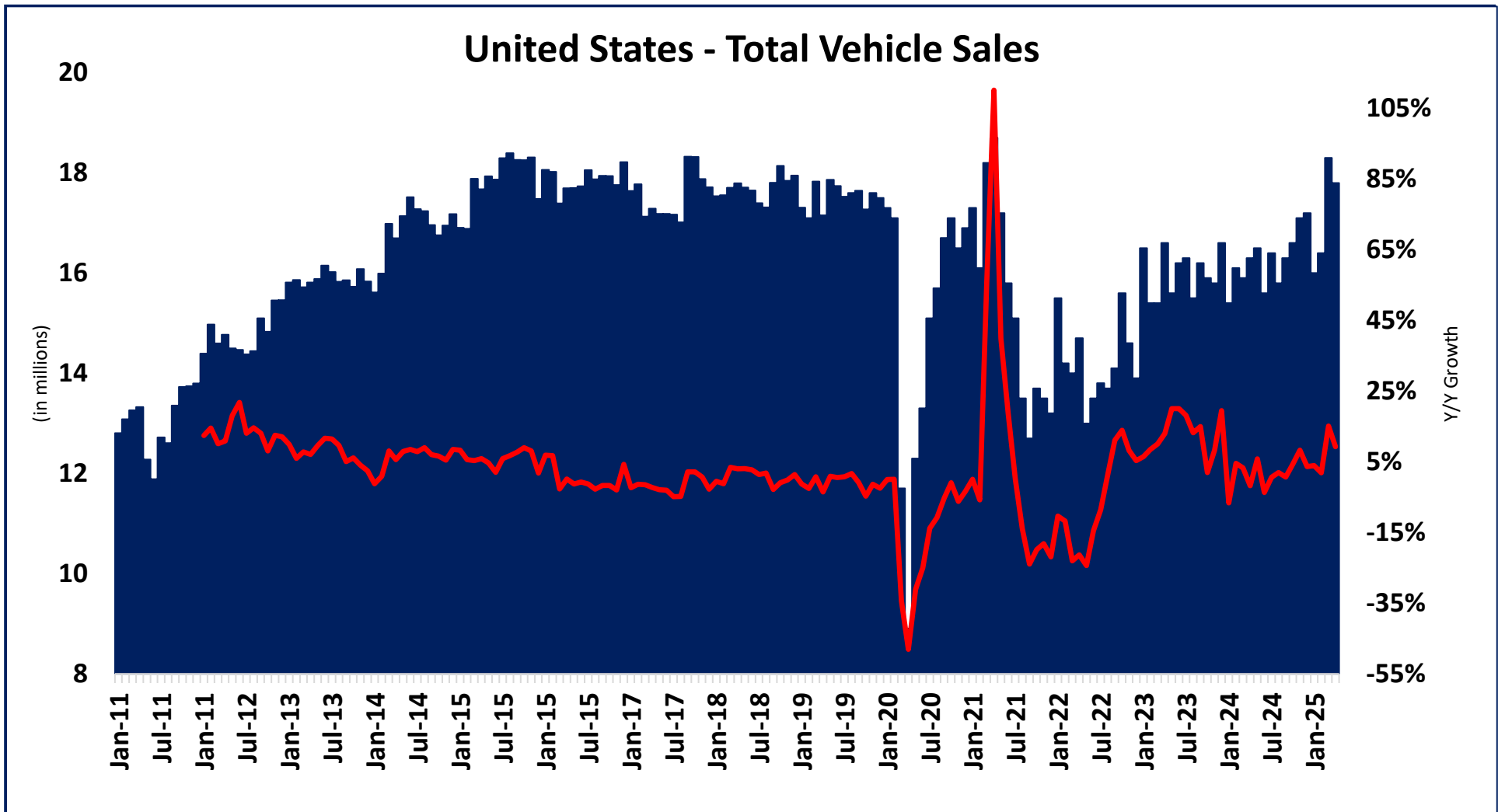
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2025 Auto Outlook

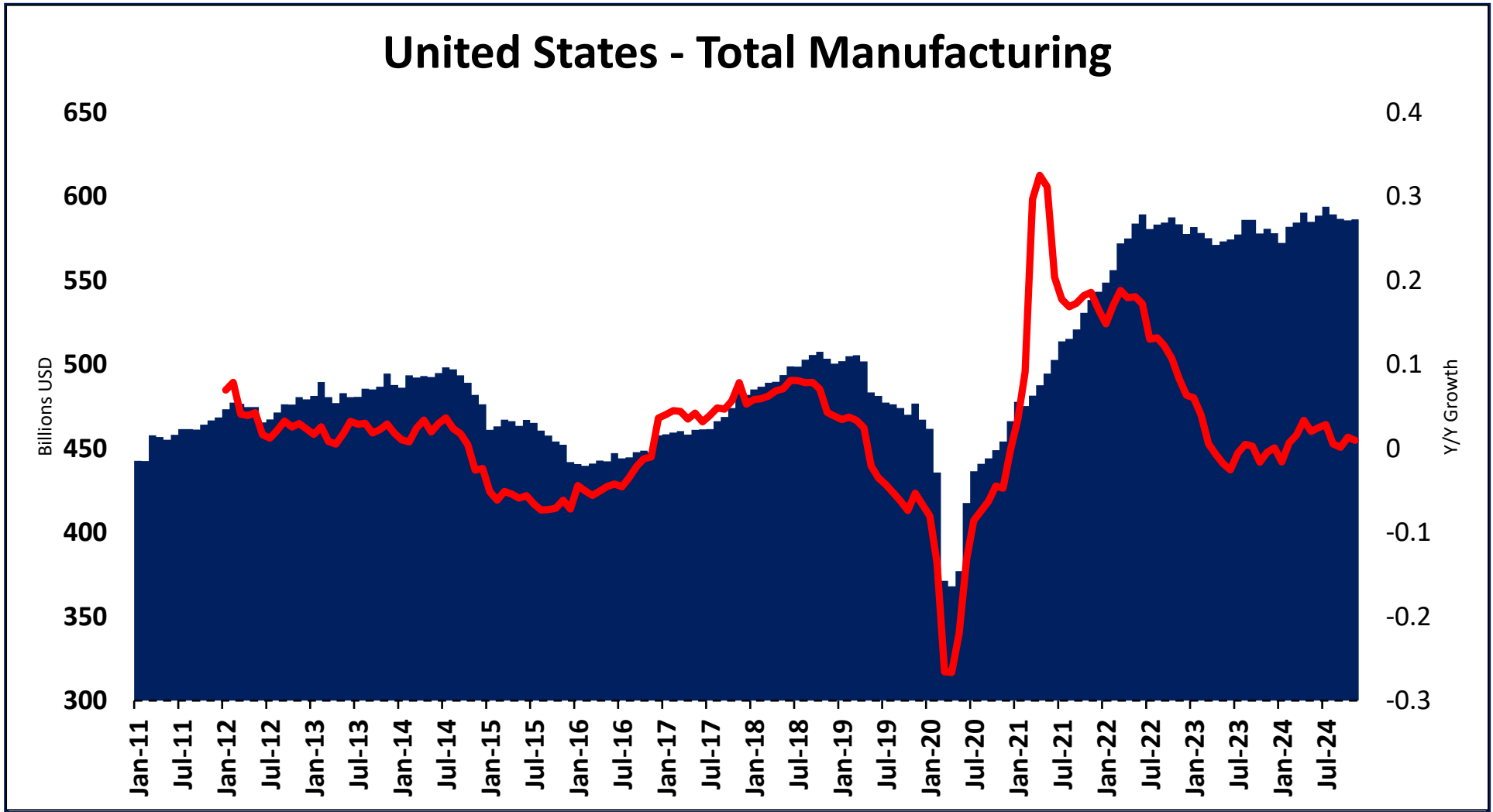
Strong SAAR performance in March/April likely pull-forward, FY25 outlook unchanged



Source: Factset, Company Reports Edgewater Research estimates

2025 Industrial Outlook

Limited change since March 2023, component inventories remain barrier to growth

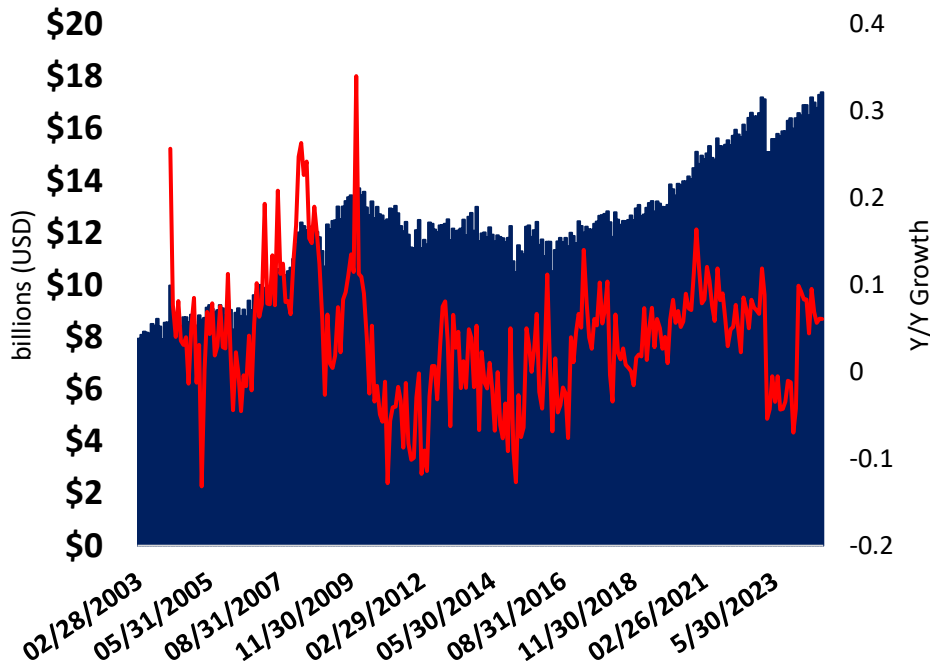


Source: Factset, Company Reports Edgewater Research estimates

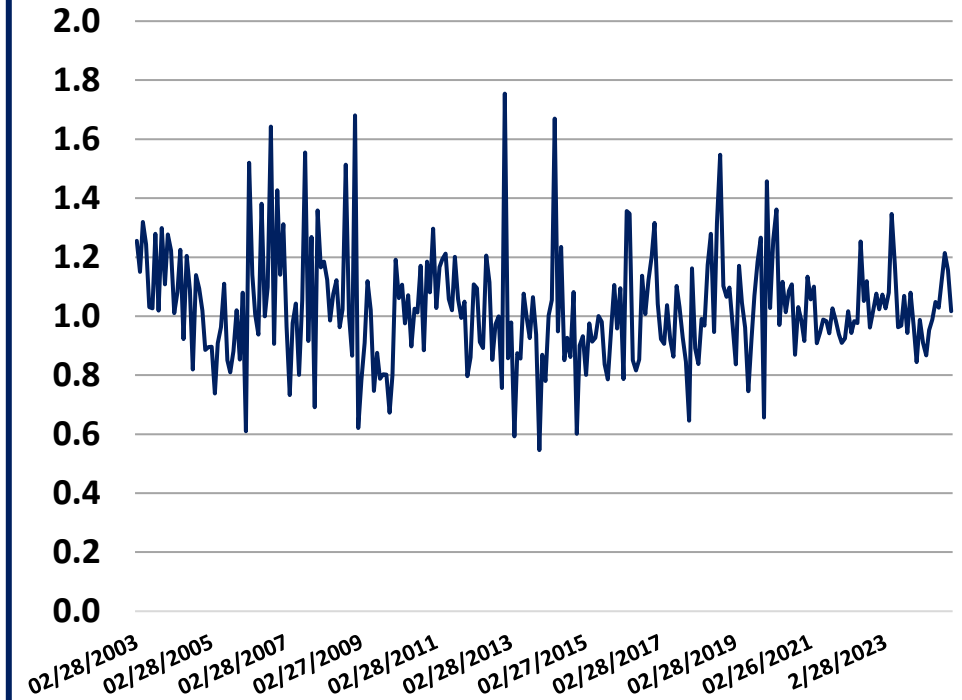
2025 Military Outlook

Limited changed YTD; Aerospace, Military & Defense driving better performance in EMEA

Total Defense Manufacturing - Shipments



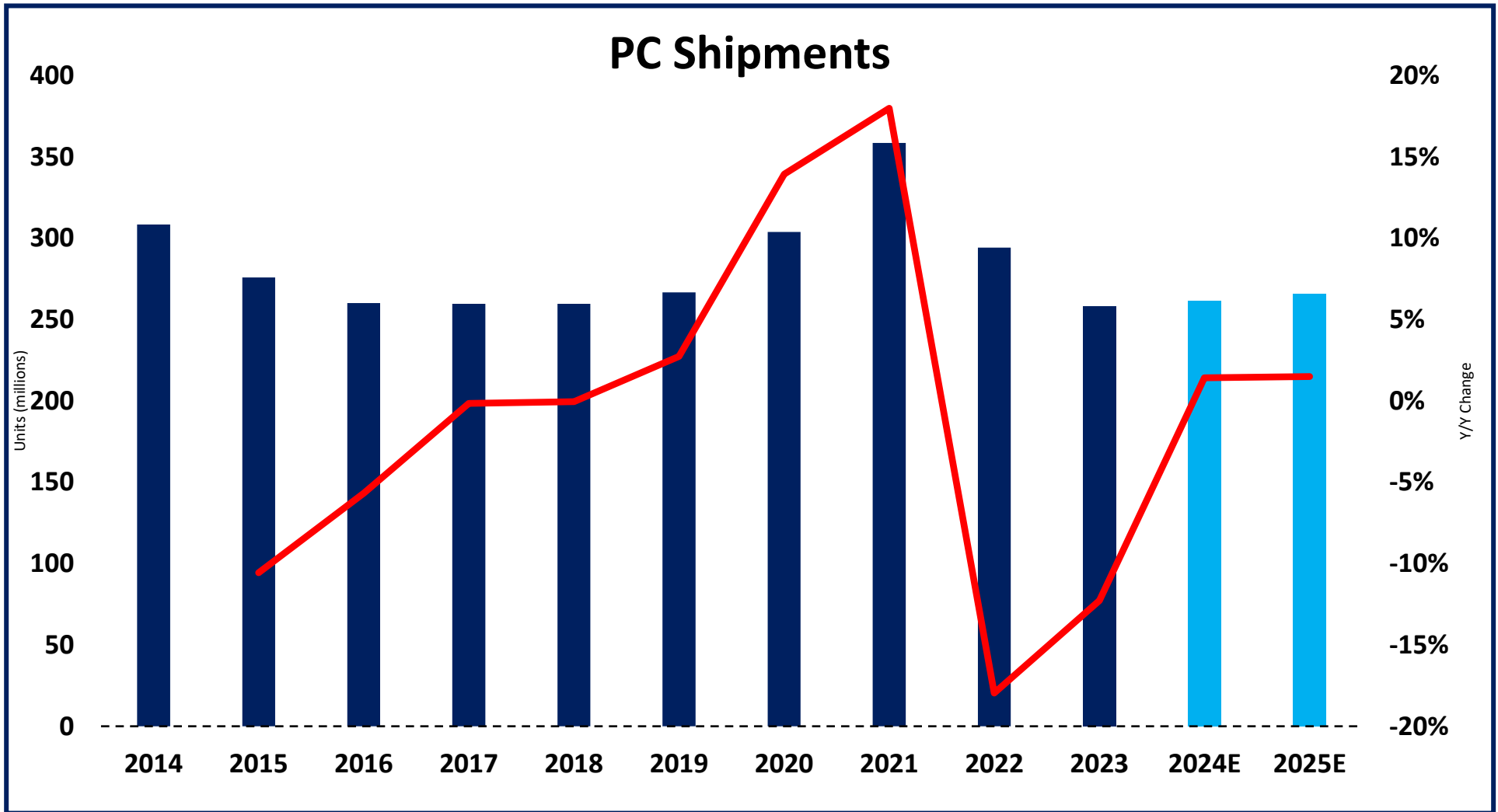
Defense B2B



Source: Factset, Company Reports Edgewater Research estimates

2025 PC Outlook

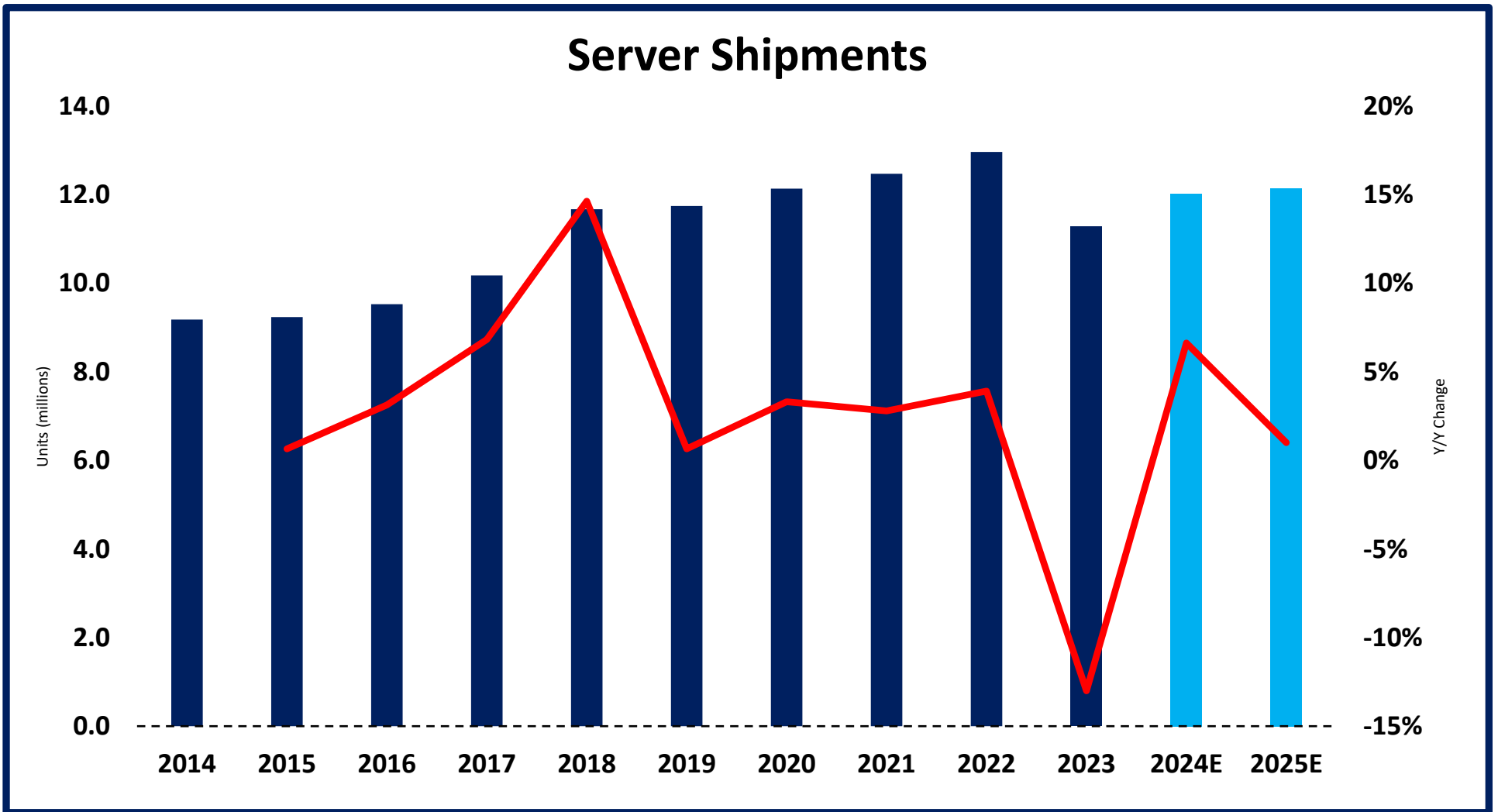
PC Outlook remains muted, no meaningful improvements in growth rates seen in near-term



Source: IDC, Edgewater Research estimates

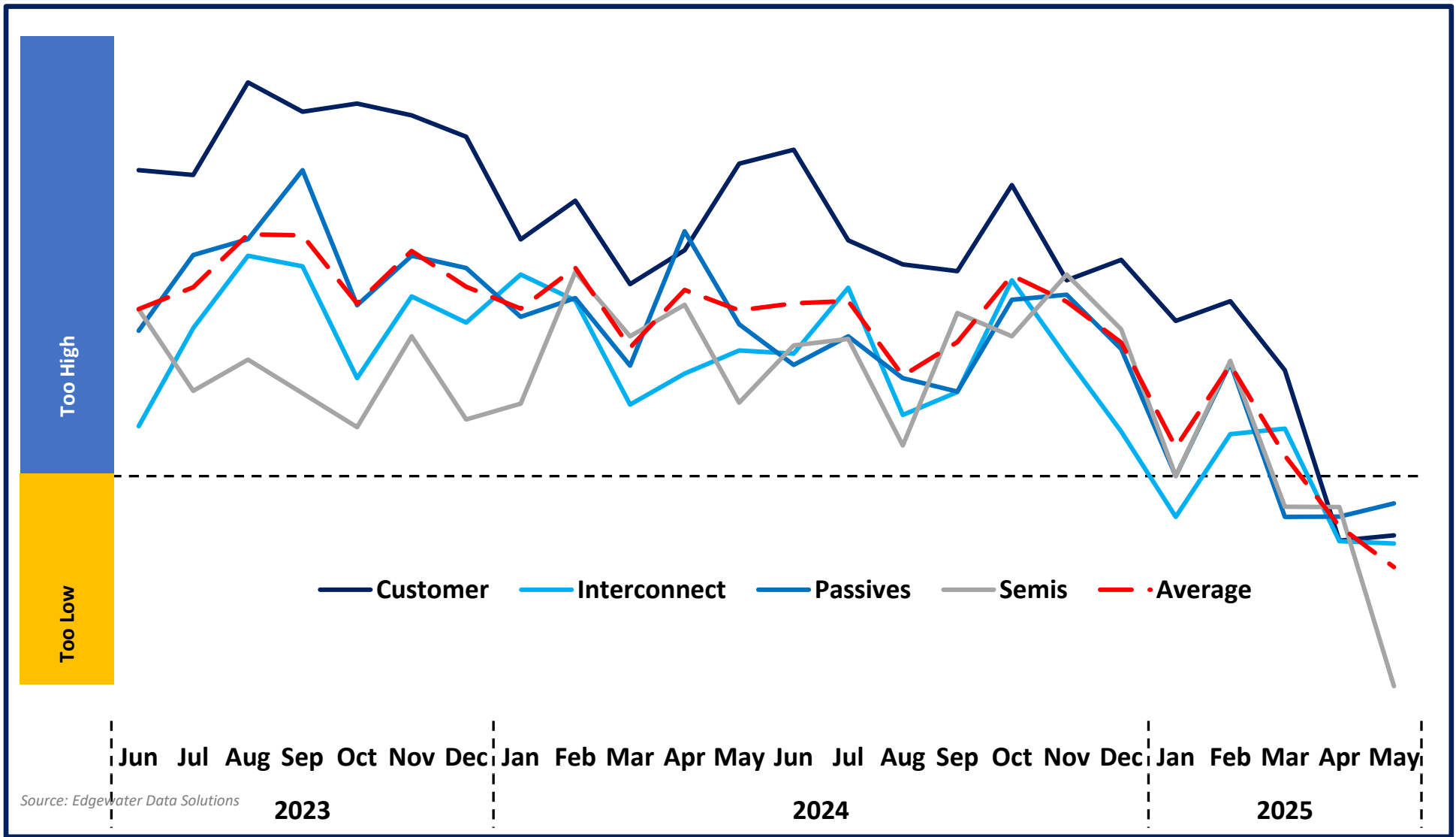
2024 & 2025 Server Outlook

Enterprise on-prem & cloud still seeing moderate growth, AI remains robust



Source: IDC, Edgewater Research estimates

ERA Survey Inventory Trends

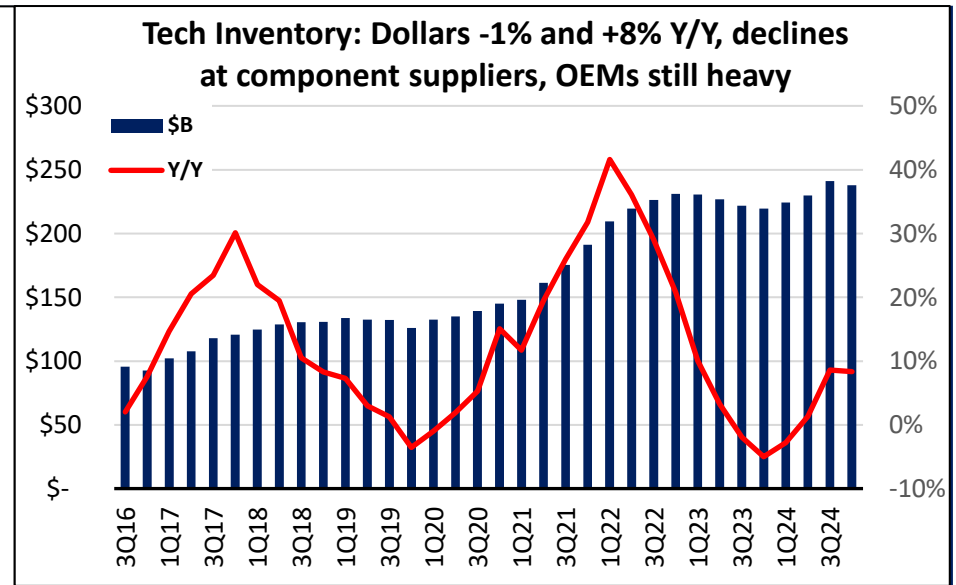
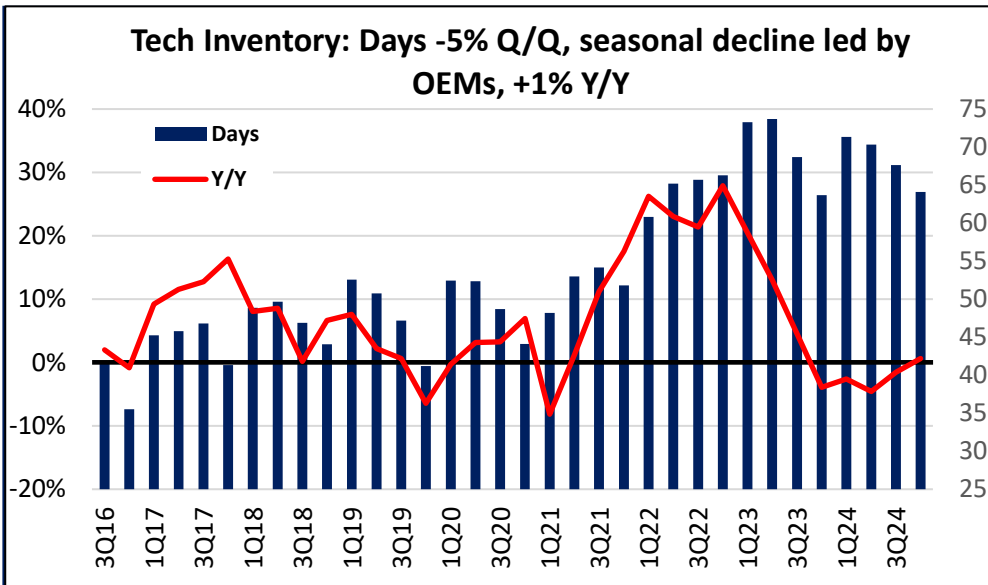


Tech Supply Chain Inventory Levels

Inventory dollars and days show progress sequentially, days down ~14% from peak of 74 days

Inventory - Days Decline Seasonally, OEMs Progressing But Still Heavy

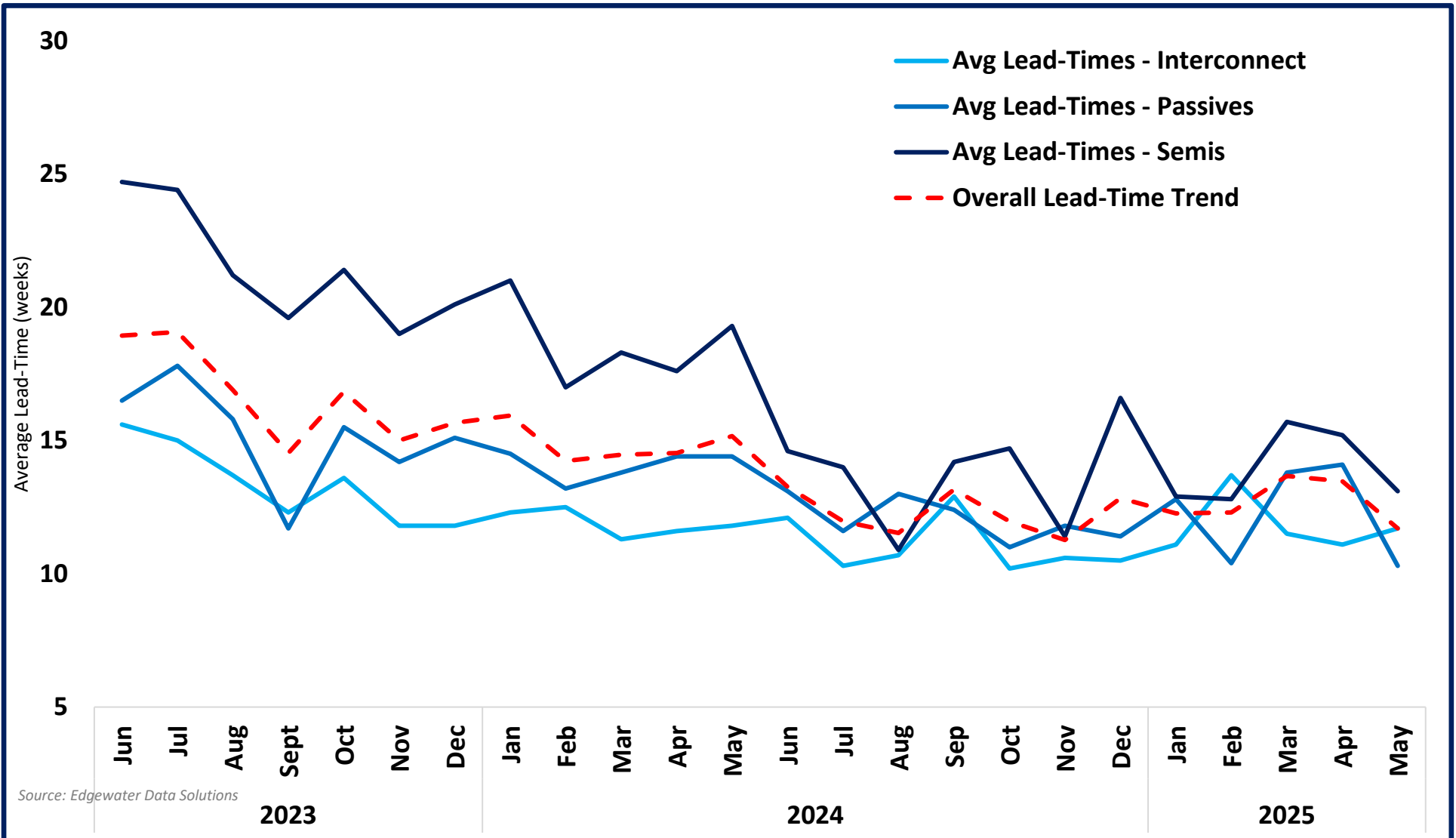
	Dollars (\$B)					Days					Dollars Change		Days Change	
	4Q21	4Q22	4Q23	3Q24	4Q24	4Q21	4Q22	4Q23	3Q24	4Q24	Q/Q	Y/Y	Q/Q	Y/Y
Total	\$191	\$231	\$220	\$241	\$238	52	66	64	68	64	-1%	8%	-5%	1%
Analog/Passive	\$27	\$32	\$36	\$38	\$37	81	97	105	106	102	-1%	4%	-3%	-3%
Compute Suppliers	\$68	\$89	\$84	\$89	\$86	91	127	112	107	106	-4%	2%	-1%	-6%
Comms Suppliers	\$10	\$14	\$12	\$13	\$12	79	117	79	80	75	-5%	2%	-5%	-4%
Distributors	\$21	\$27	\$26	\$27	\$28	43	55	57	55	57	5%	11%	3%	1%
ODM/EMS	\$25	\$29	\$23	\$23	\$23	55	71	62	58	61	2%	4%	4%	-2%
OEMs	\$41	\$39	\$39	\$51	\$51	26	27	28	39	34	-1%	29%	-12%	20%



Source: FactSet, Company Reports

ERA Survey Lead Times (Weeks)

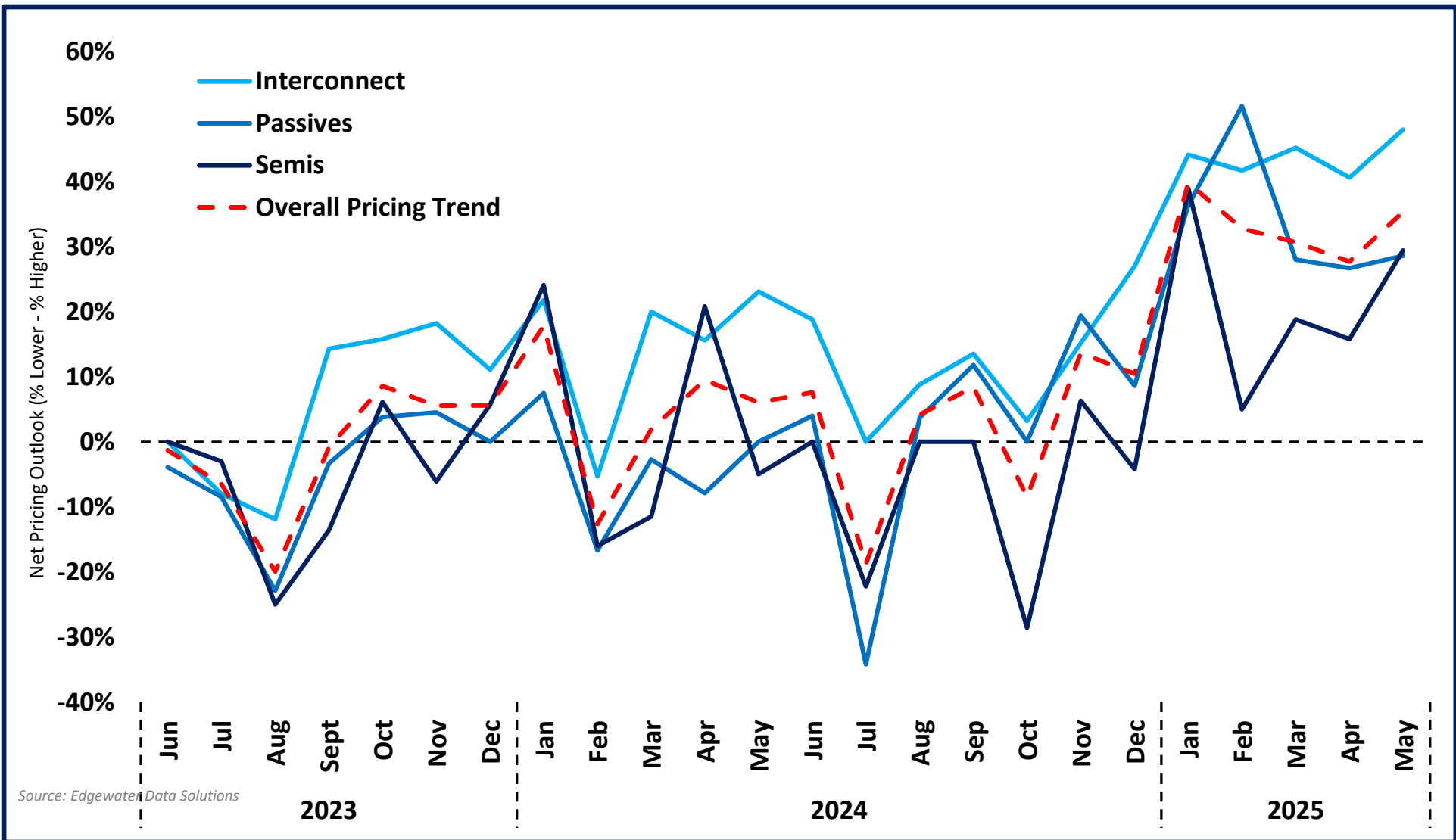
Lead times largely remain at low level no signs off extensions in the near-term



Source: Edgewater Data Solutions

ERA Survey Lead Pricing Outlook (Next 6 Months)

YTD pricing benign, outlook remains inflationary likely driven by potential tariff impact



Source: Edgewater Data Solutions



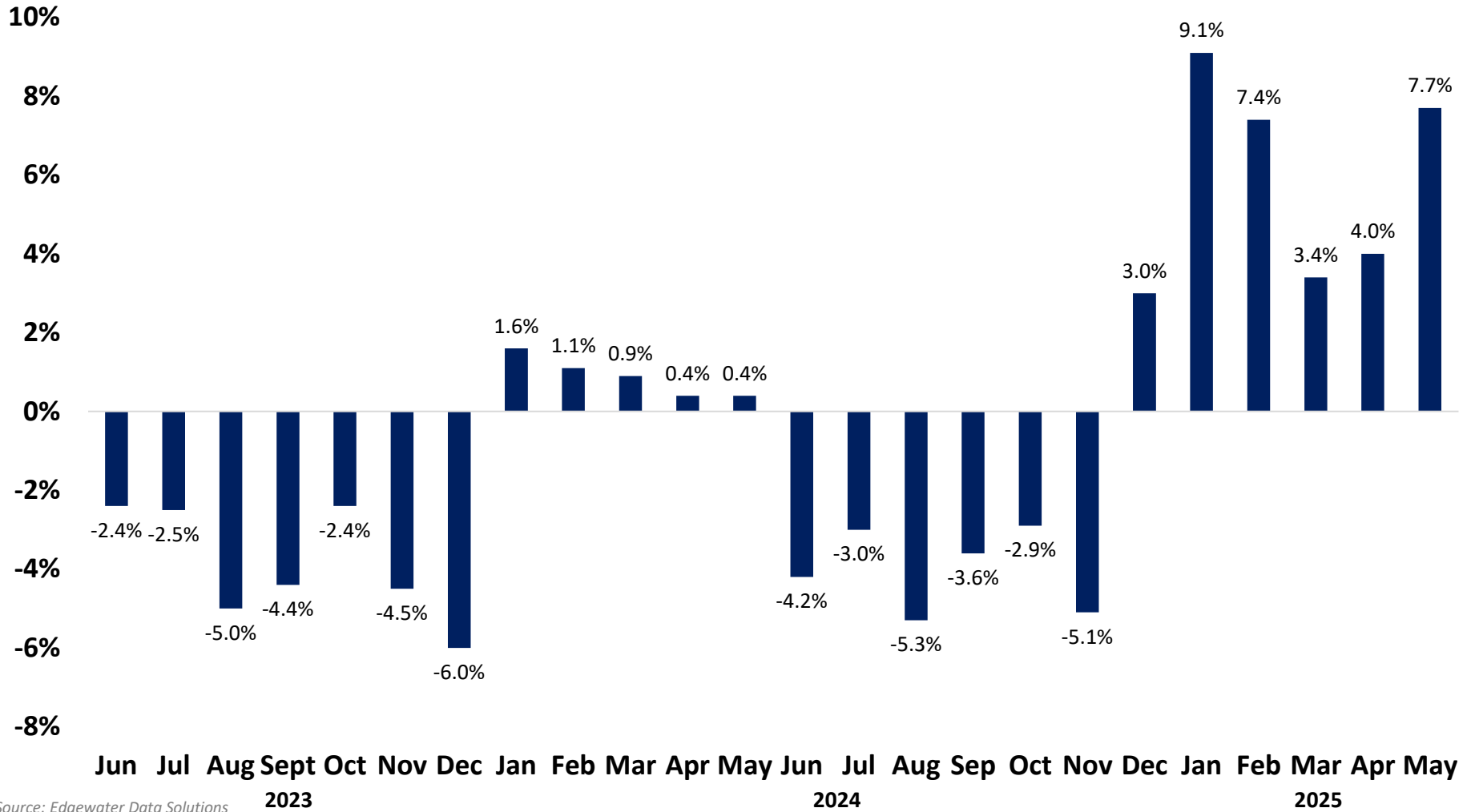
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ERA Survey 2025 Sales Outlook

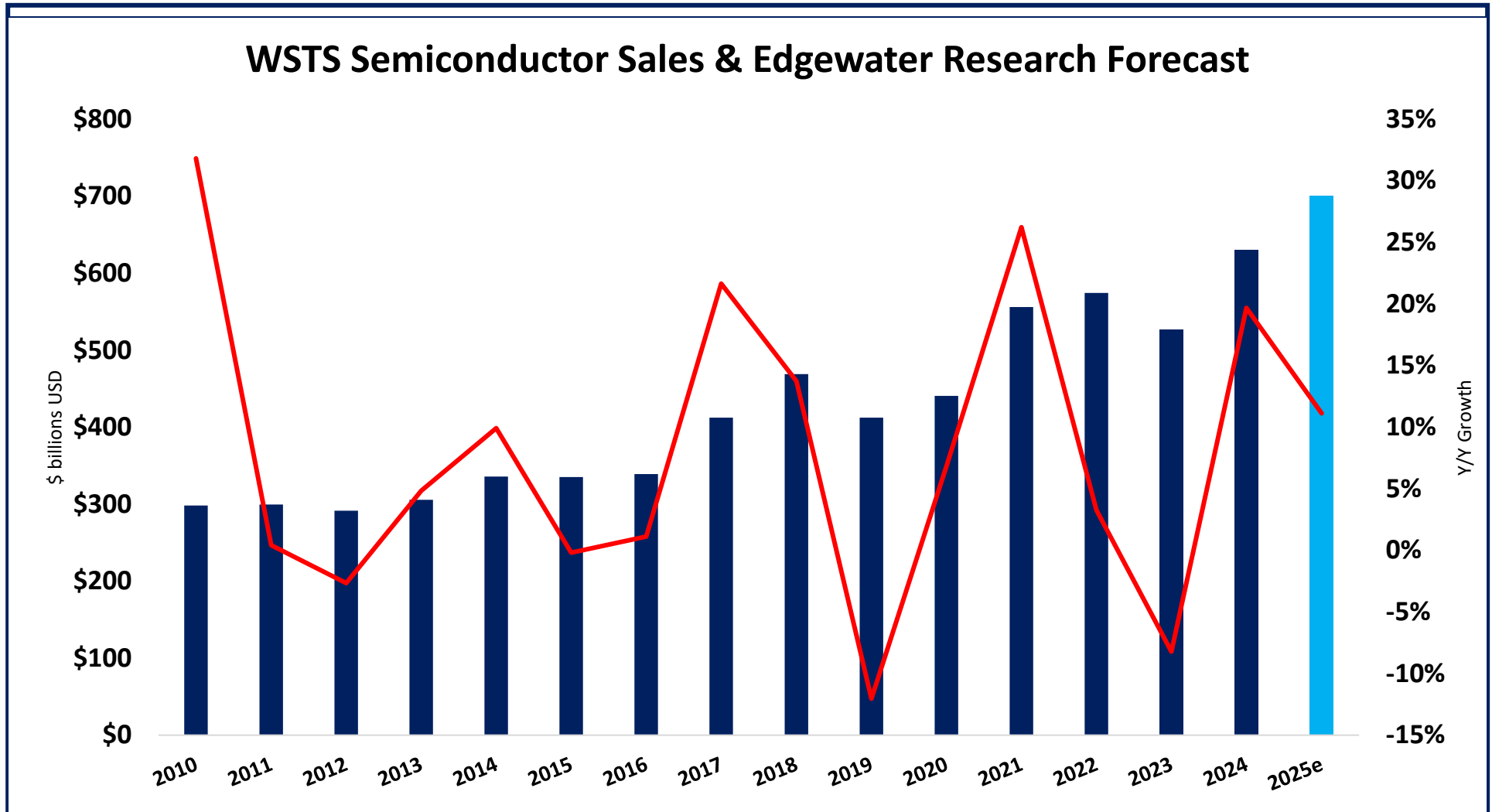
2025 outlook remains positive for ERA membership despite tariff volatility



Source: Edgewater Data Solutions

Edgewater Research Industry Sales Estimates

2025 sales +11 % (8% previously), 11% ex-memory, ex-memory/logic now +2% vs. flat previously



Source: WSTS, Edgewater Research estimates



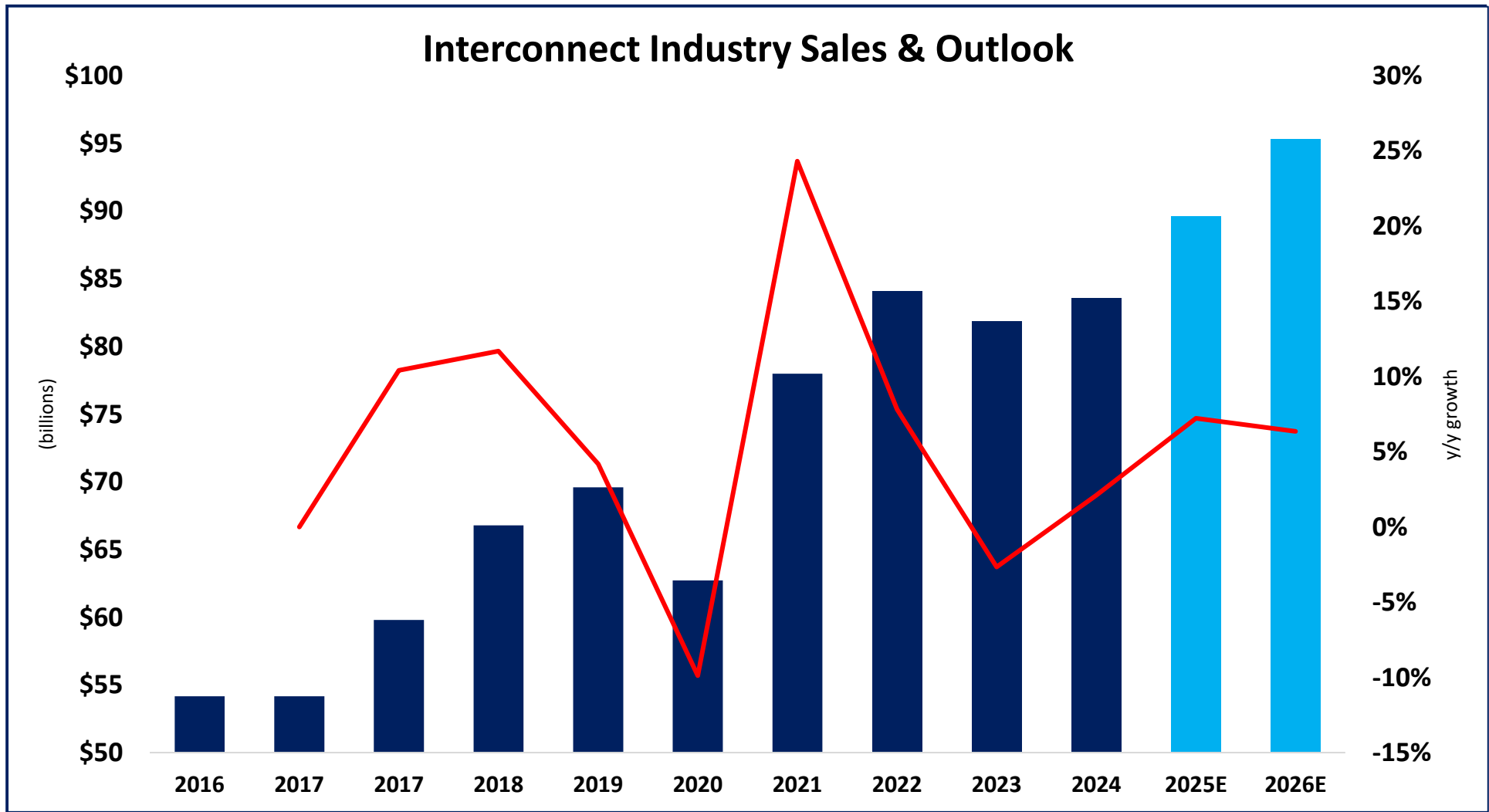
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Edgewater Research Industry Sales Estimates

2025 raised to +7-8% vs 6% previous on continued strength in AI & cyclical recovery



Source: Bishop Report, Edgewater Research estimates



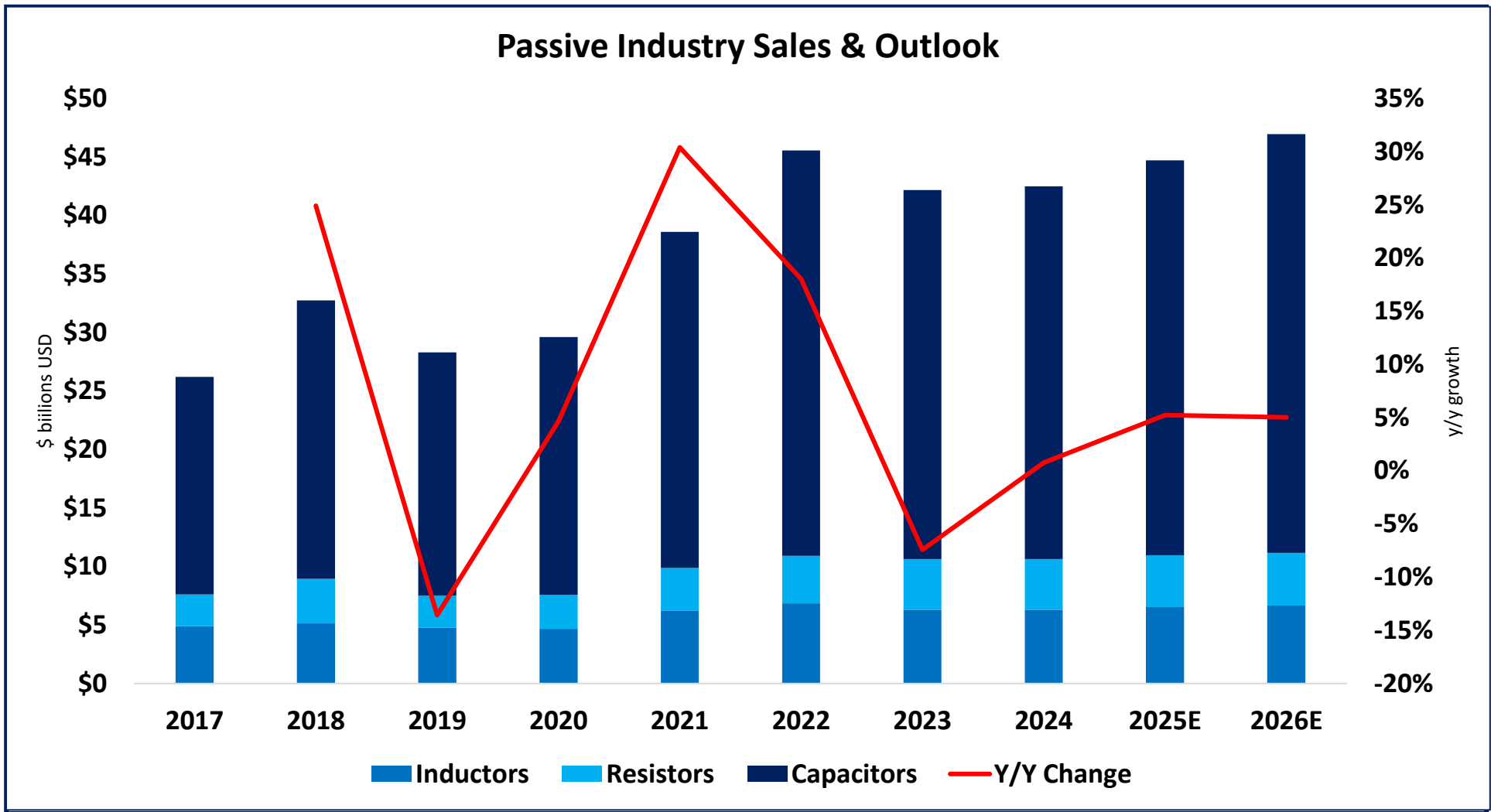
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Edgewater Research Industry Sales Estimates

2025 passive sales expected to grow 4-5% unchanged from previous forecast



Source: WSTS, Edgewater Research estimates



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Questions?

What Questions do you have?

APPENDIX

I, Dennis Reed, hereby certify that the views expressed in this research report accurately reflect our personal views about any or all of the subject securities referred to in this research report. We certify that no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this research report. The analyst(s) responsible for the preparation of this report have no ownership stake in this company. Edgewater Research Company provides no investment banking services on this or any company.

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