

1H26 Review and 2H26 Outlook



Agenda

- ERA Survey Reminder & Mechanics
- Edgewater Research Introduction
- 2026 YTD ERA Survey Results
- Outlook by End Market
- Supply Side Overview
- Edgewater Research's Outlook for 2026

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](#)



EDGEWATER RESEARCH

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

216.426.6279 (Office)

216.403.3354 (Mobile)

Dennis@edgewaterRC.com



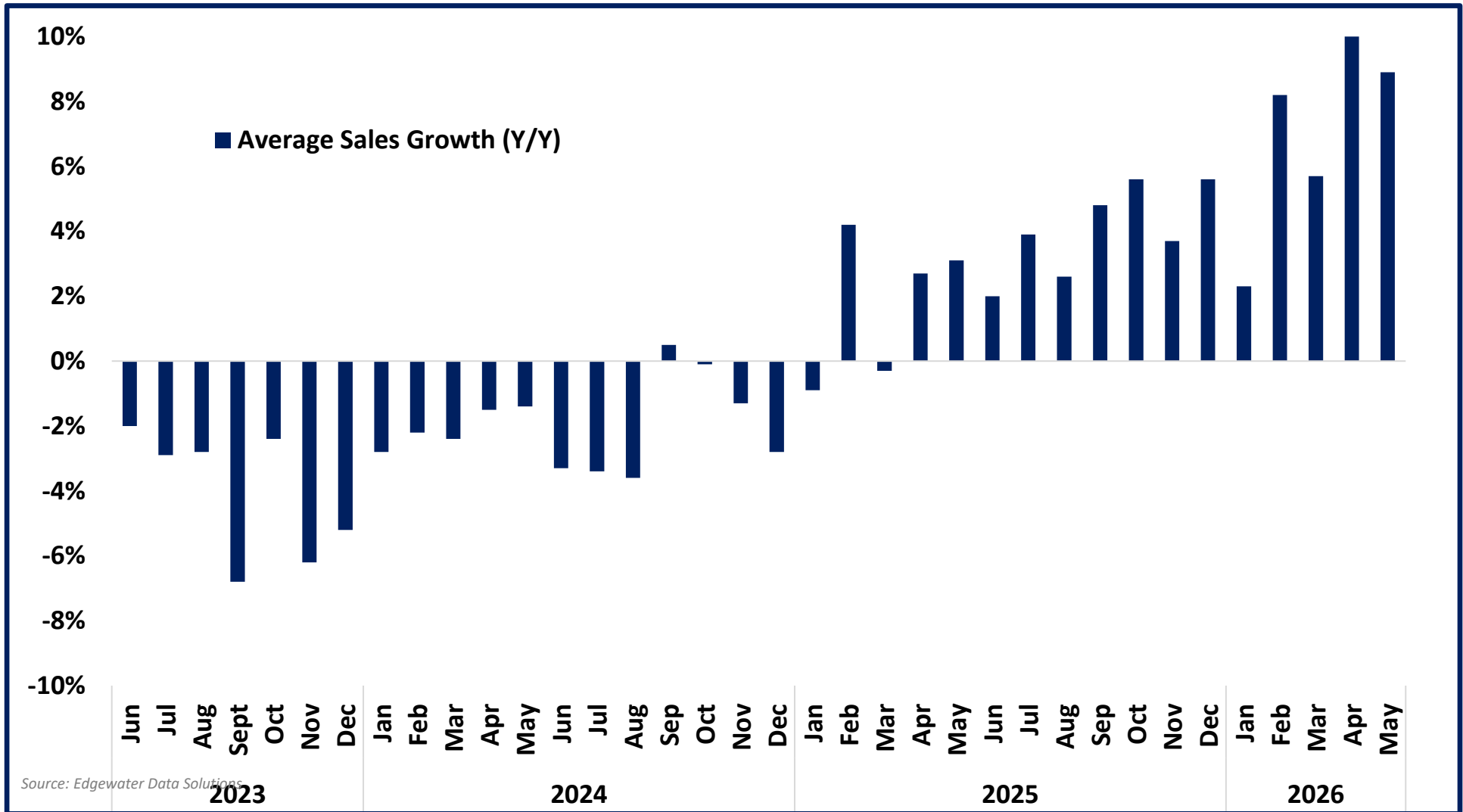
- Started as a Research Analyst in Technology in 2005 and **has over 10 years of experience** in semiconductors, memory, storage, and distribution with several respected firms including Edgewater Research.
- Developed an extensive network of technology industry professionals throughout the world and 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



EDGEWATER RESEARCH

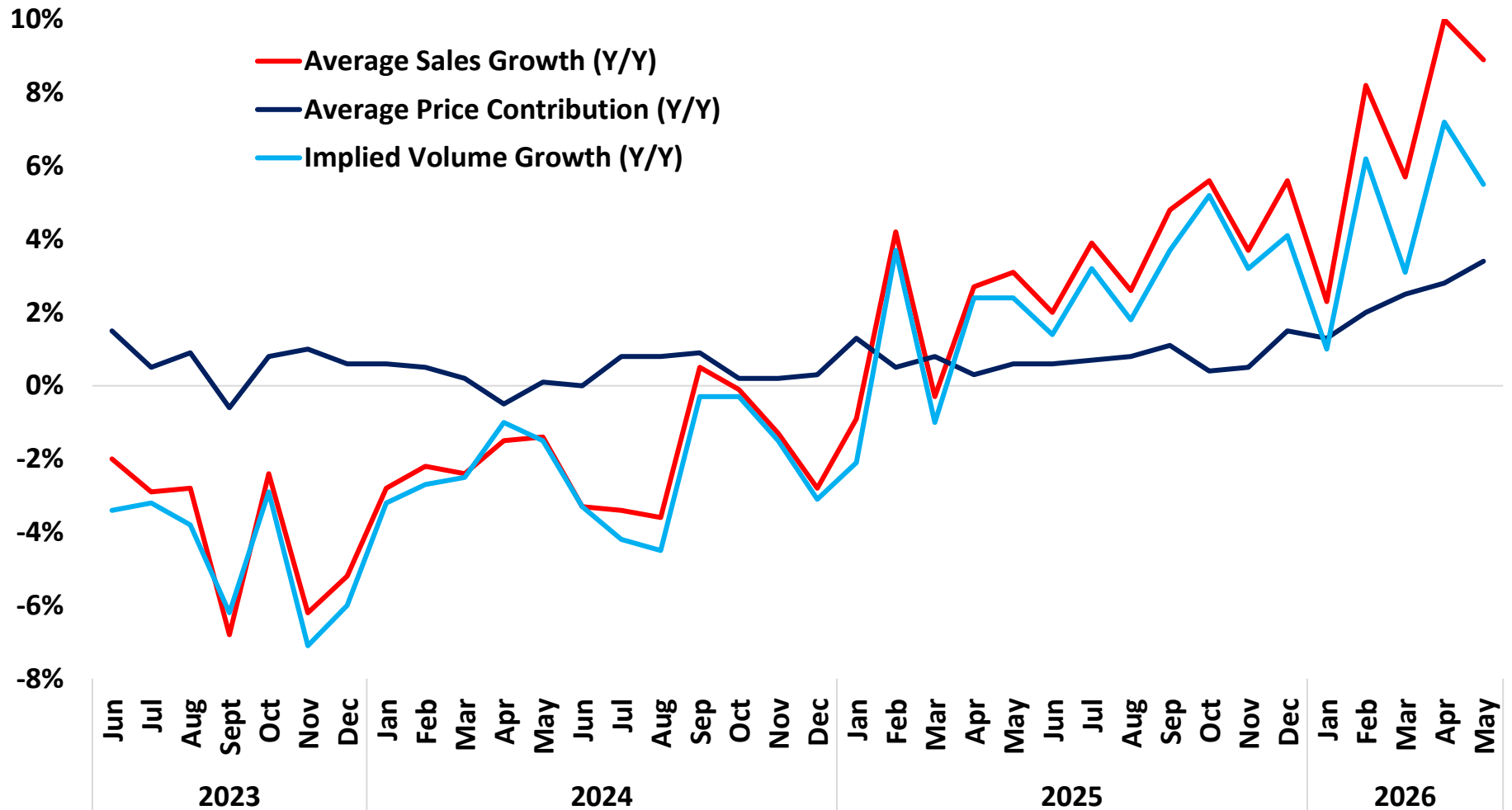
ERA Survey Sales Growth (Y/Y)

YTD sales tracking up HSD Y/Y



ERA Survey Sales Growth

Monthly sales growth vs. price contribution (Y/Y)



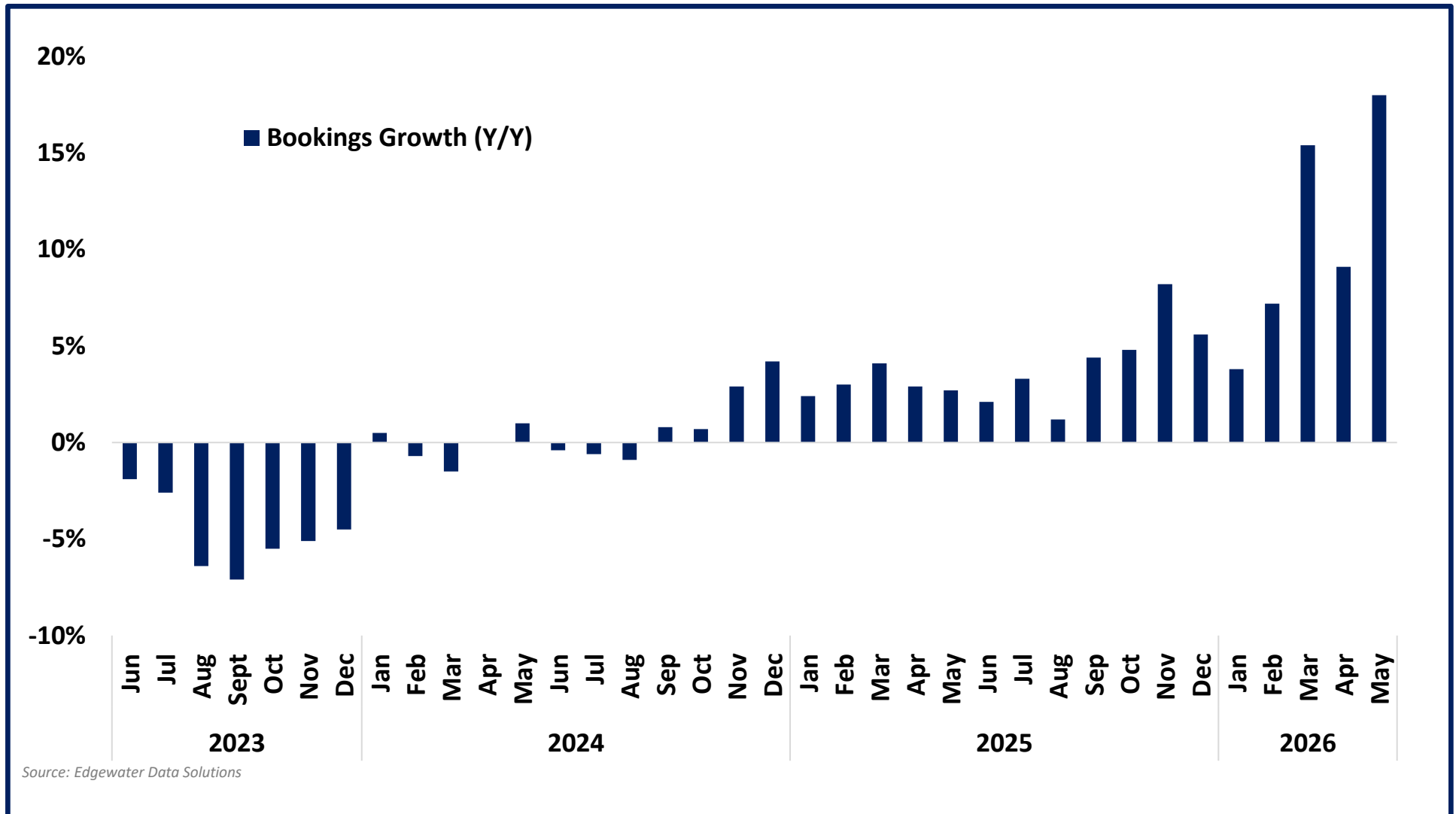
Source: Edgewater Data Solutions



EDGEWATER RESEARCH

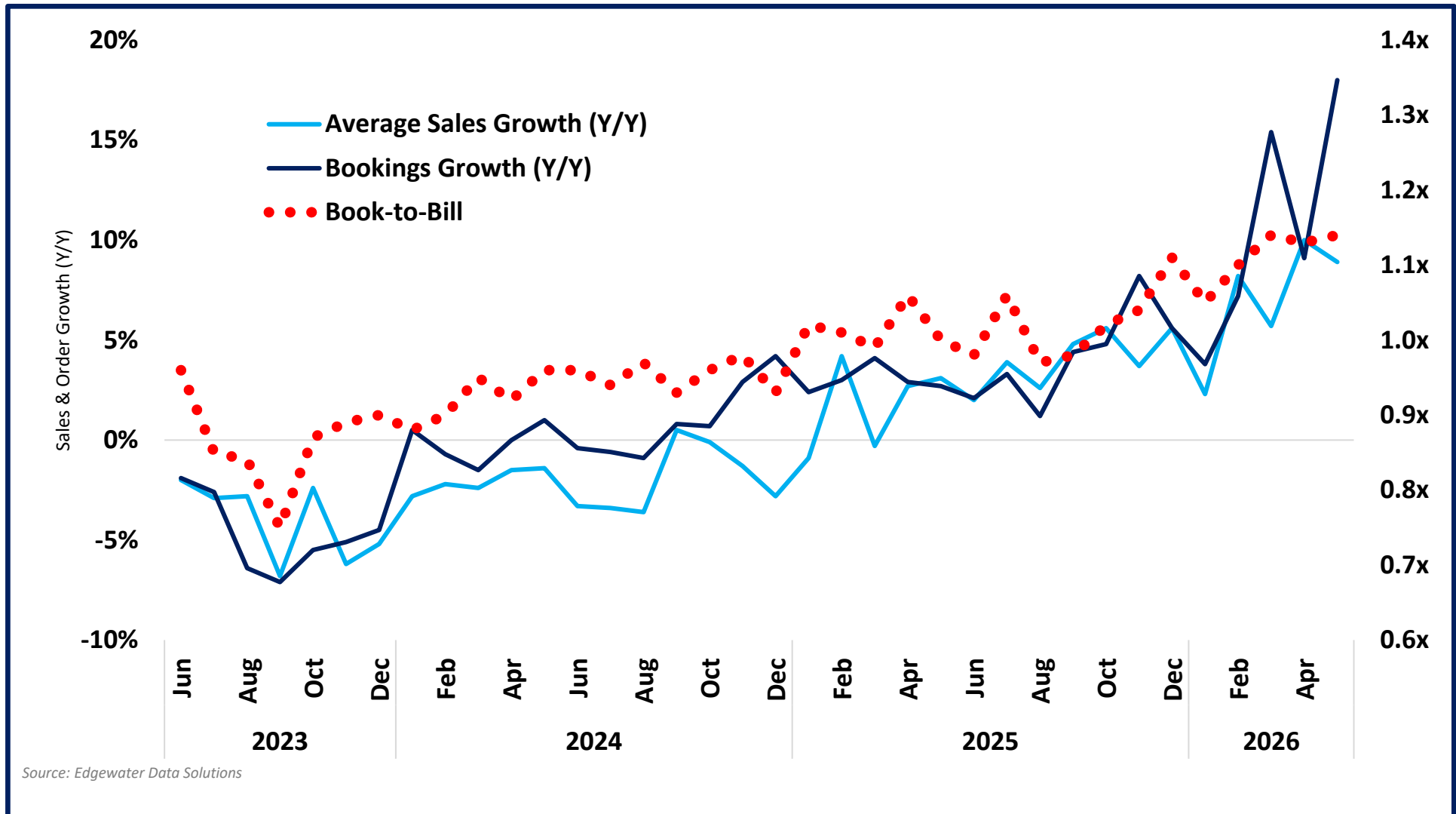
ERA Survey Bookings Trends

The recovery is real... 20+ months of bookings growth and still accelerating



ERA Survey Sales Growth vs. Bookings Growth

Book-to-bill firmly above 1x for all of 2025 and into 2026



End Market Outlook



Source: ChatGPT

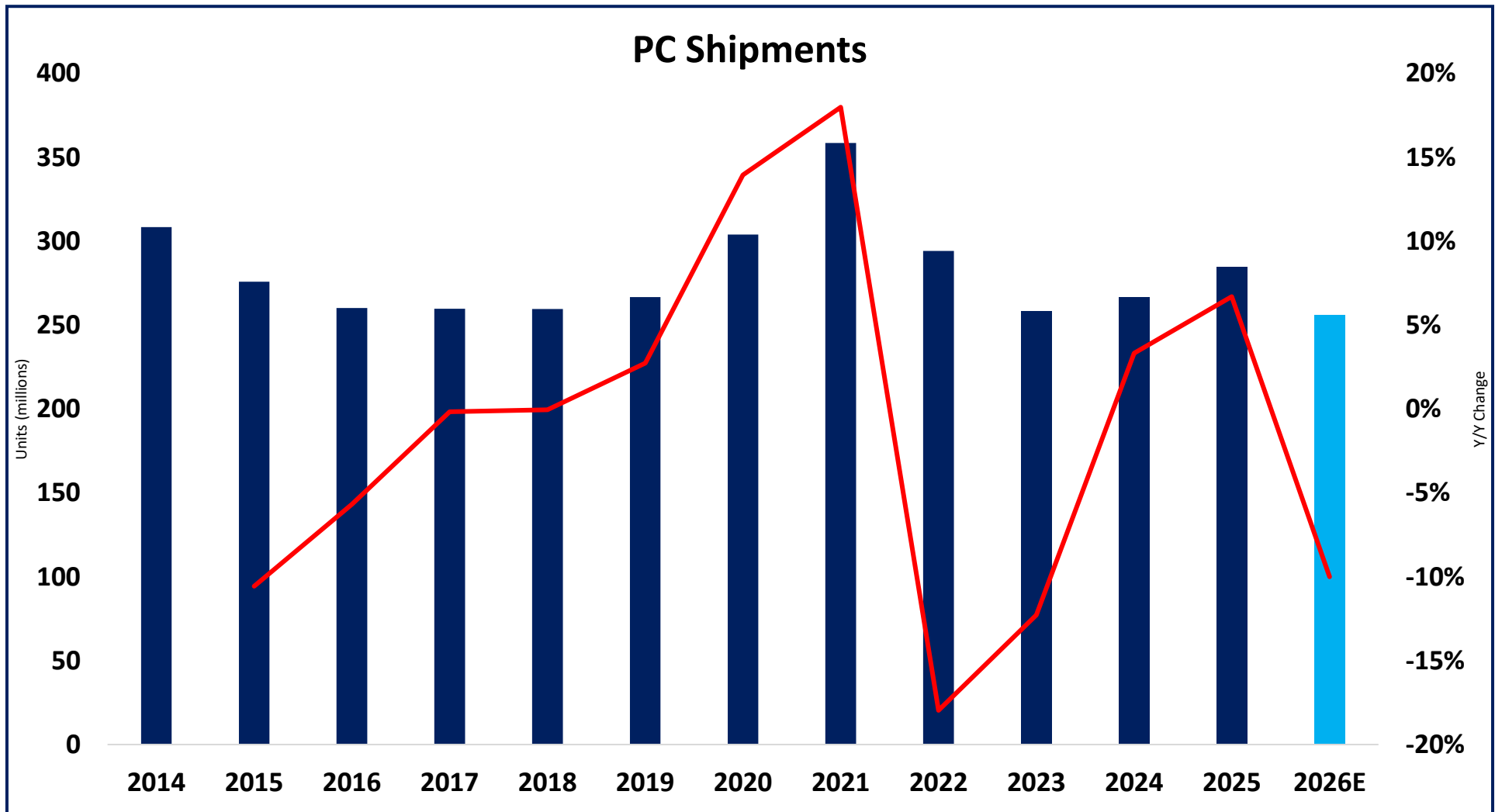
ERA Survey End Market Trends

End Market	2024												2025												2026				
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5
Aerospace	51%	68%	63%	58%	80%	58%	62%	80%	70%	81%	73%	76%	78%	55%	33%	38%	48%	79%	73%	63%	76%	76%	92%	110%	83%	117%	100%	134%	143%
Appliances	-30%	-36%	-47%	-45%	-28%	-71%	-48%	-43%	-50%	-50%	-60%	-59%	-39%	-12%	-39%	-69%	-13%	-24%	-42%	-13%	-40%	-15%	-35%	-5%	-21%	-17%	29%	14%	7%
Automotive	9%	-4%	-11%	-13%	35%	-20%	-33%	0%	-40%	-24%	-37%	-46%	-33%	-27%	-50%	-100%	-54%	-10%	-36%	-46%	-37%	-13%	-6%	-22%	-36%	0%	-26%	5%	-23%
Consumer Electronics	-10%	-44%	-45%	-6%	-3%	-24%	-29%	-24%	-29%	-29%	-41%	-45%	-48%	-18%	-45%	-67%	-25%	-14%	-21%	-18%	-18%	33%	16%	5%	6%	24%	40%	8%	-7%
Industrial	4%	24%	31%	21%	23%	0%	-15%	-6%	-5%	-6%	-16%	10%	3%	38%	9%	0%	22%	16%	21%	27%	42%	45%	47%	58%	68%	84%	72%	92%	85%
IT Hardware	-13%	-31%	26%	21%	12%	24%	-3%	-13%	-27%	0%	0%	-20%	5%	0%	13%	-13%	13%	38%	58%	31%	7%	53%	74%	35%	27%	78%	71%	78%	100%
Medical	45%	46%	32%	14%	39%	57%	31%	40%	38%	39%	22%	26%	34%	41%	7%	30%	61%	47%	47%	62%	47%	70%	48%	63%	77%	58%	103%	69%	83%
Military					97%	96%	69%	76%	89%	110%	75%	100%	103%	79%	68%	81%	86%	97%	100%	107%	119%	125%	123%	115%	108%	136%	162%	143%	159%
Mobile Equipment	24%	3%	34%	27%	43%	9%	-18%	-5%	-32%	-25%	-31%	-17%	0%	0%	-32%	-29%	0%	0%	0%	-26%	-16%	-5%	35%	-4%	22%	31%	16%	33%	35%
Mobile Networks	-17%	-11%	-5%	0%	-5%	-27%	-18%	0%	-25%	-47%	-50%	-33%	0%	-13%	-50%	-20%	-8%	-21%	-31%	-8%	-7%	0%	13%	40%	-9%	56%	0%	25%	0%
PCs	-47%	-38%	-54%	-11%	-7%	-30%	-33%	-47%	-47%	-54%	-58%	-60%	-43%	-8%	-60%	-55%	-60%	-58%	-50%	-69%	-50%	-18%	9%	0%	0%	7%	-11%	-20%	-14%
Smart Phones	-29%	-50%	-38%	-8%	-8%	-9%	-13%	0%	0%	-44%	25%	-25%	0%	-22%	-43%	-60%	-43%	-33%	-22%	-63%	-75%	-29%	-13%	0%	-17%	0%	0%	0%	0%
Overall Average	-1%	-7%	-1%	5%	23%	5%	-4%	5%	-5%	-4%	-8%	-8%	5%	9%	-16%	-22%	2%	10%	8%	4%	4%	27%	34%	33%	26%	48%	46%	48%	47%

Source: Edgewater Data Solutions

2026 PC Outlook

PC outlook unchanged Q/Q, units still forecasted down 10% Y/Y



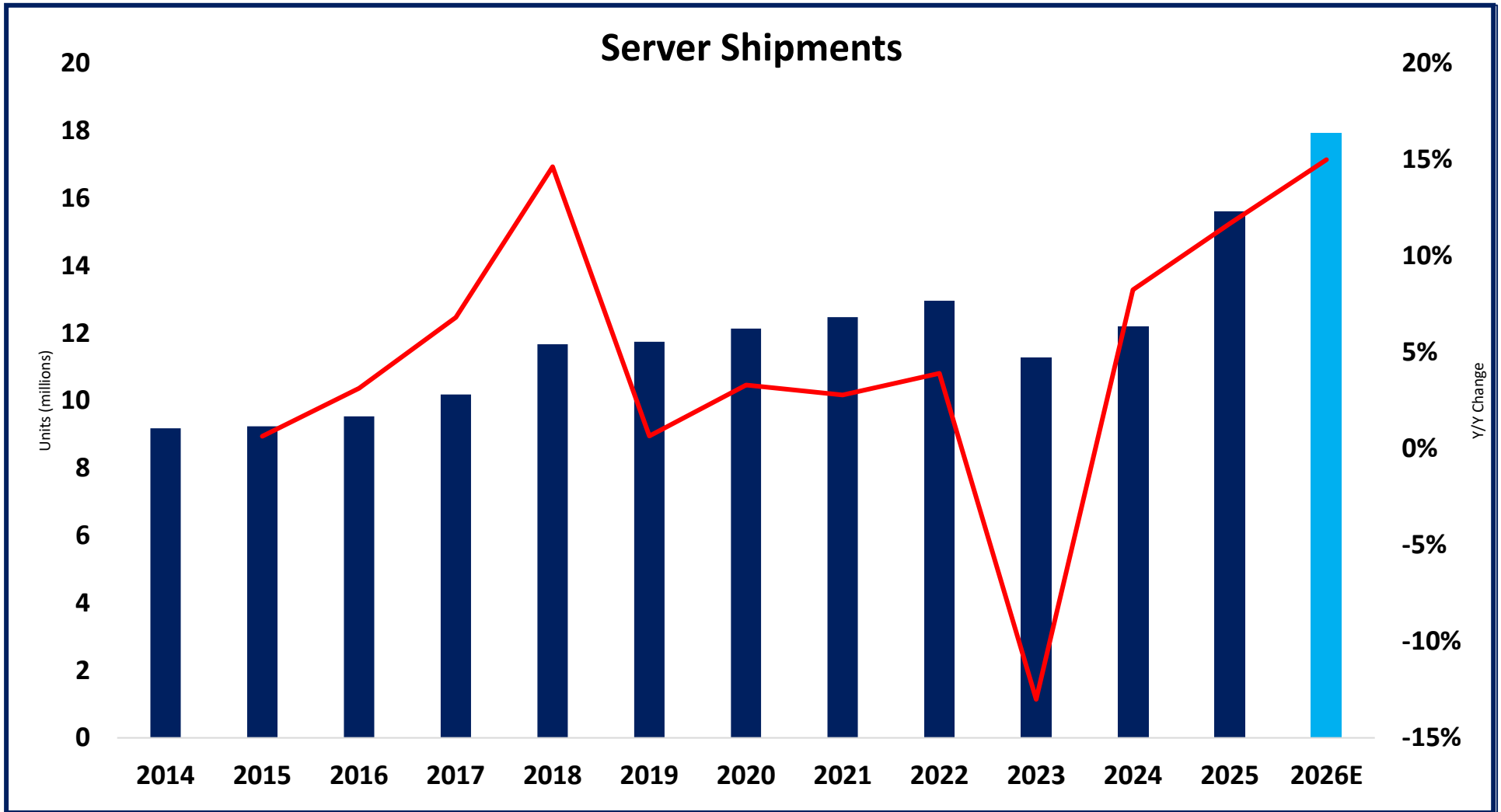
Source: IDC, Edgewater Research estimates



EDGEWATER RESEARCH

2026 Server Outlook

Server unit forecasts raised to 15% growth on better supply, lower memory content



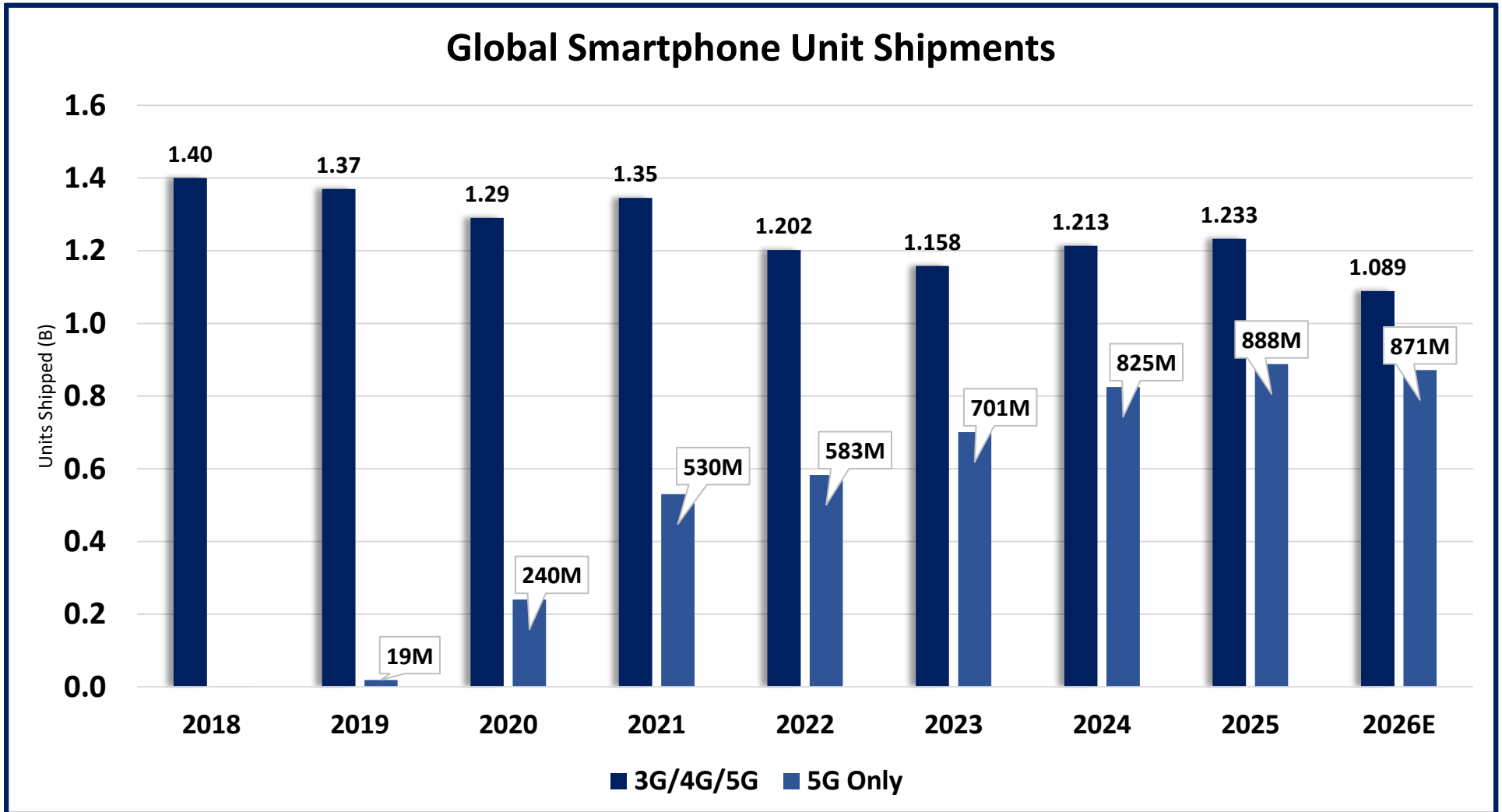
Source: IDC, Edgewater Research estimates



EDGEWATER RESEARCH

2026 Smartphone Outlook

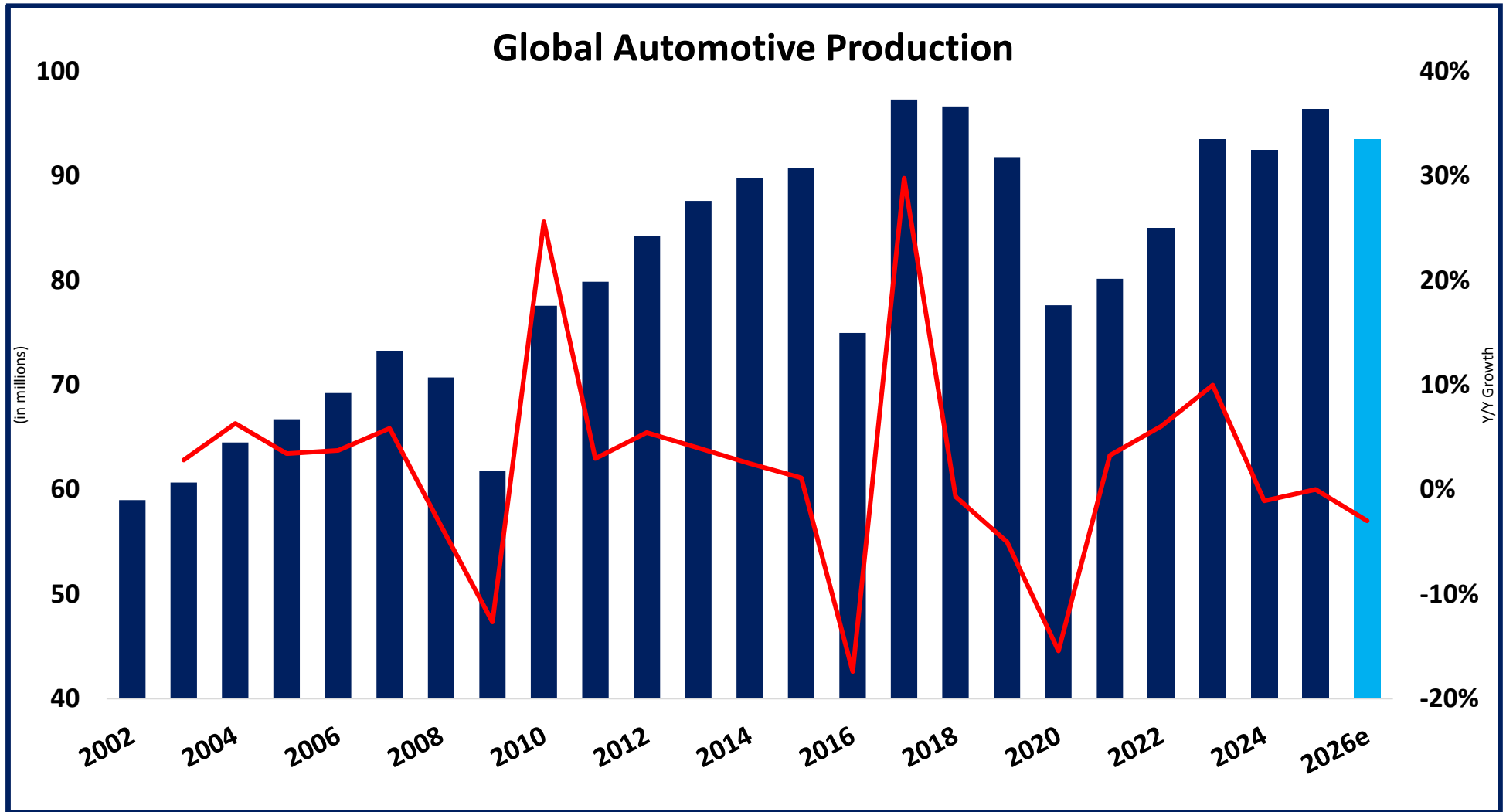
Smartphone forecasts unchanged Q/Q following sharp cuts in 1Q26



Source: IDC, Edgewater Research estimates

2026 Auto Outlook

Auto productions unchanged at flat to down Y/Y, mix more pressing on weaker EV



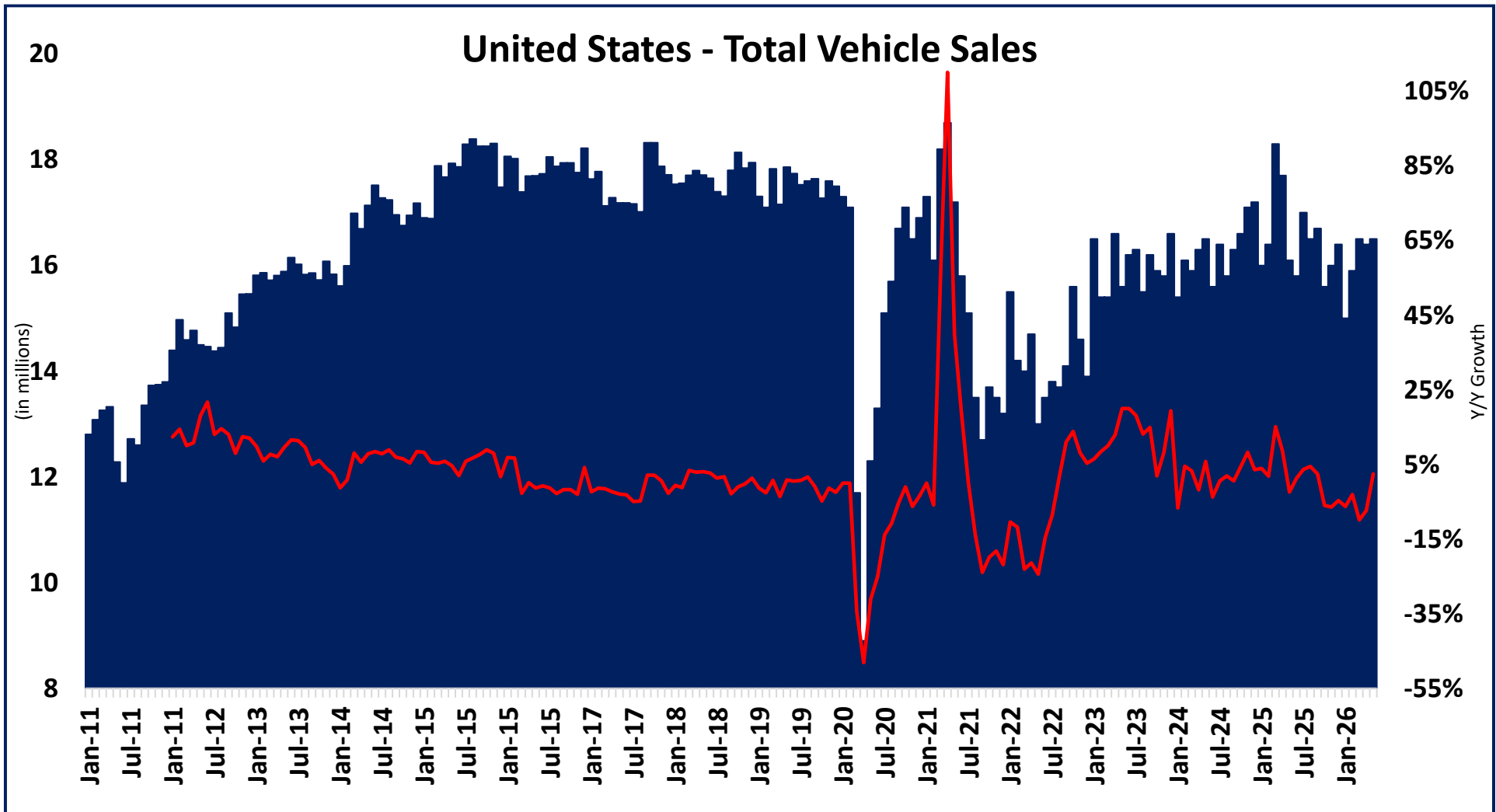
Source: Factset, Company Reports Edgewater Research estimates



EDGEWATER RESEARCH

2026 Auto Outlook

2026 SAAR outlook unchanged and flattish at ~16.5 million units



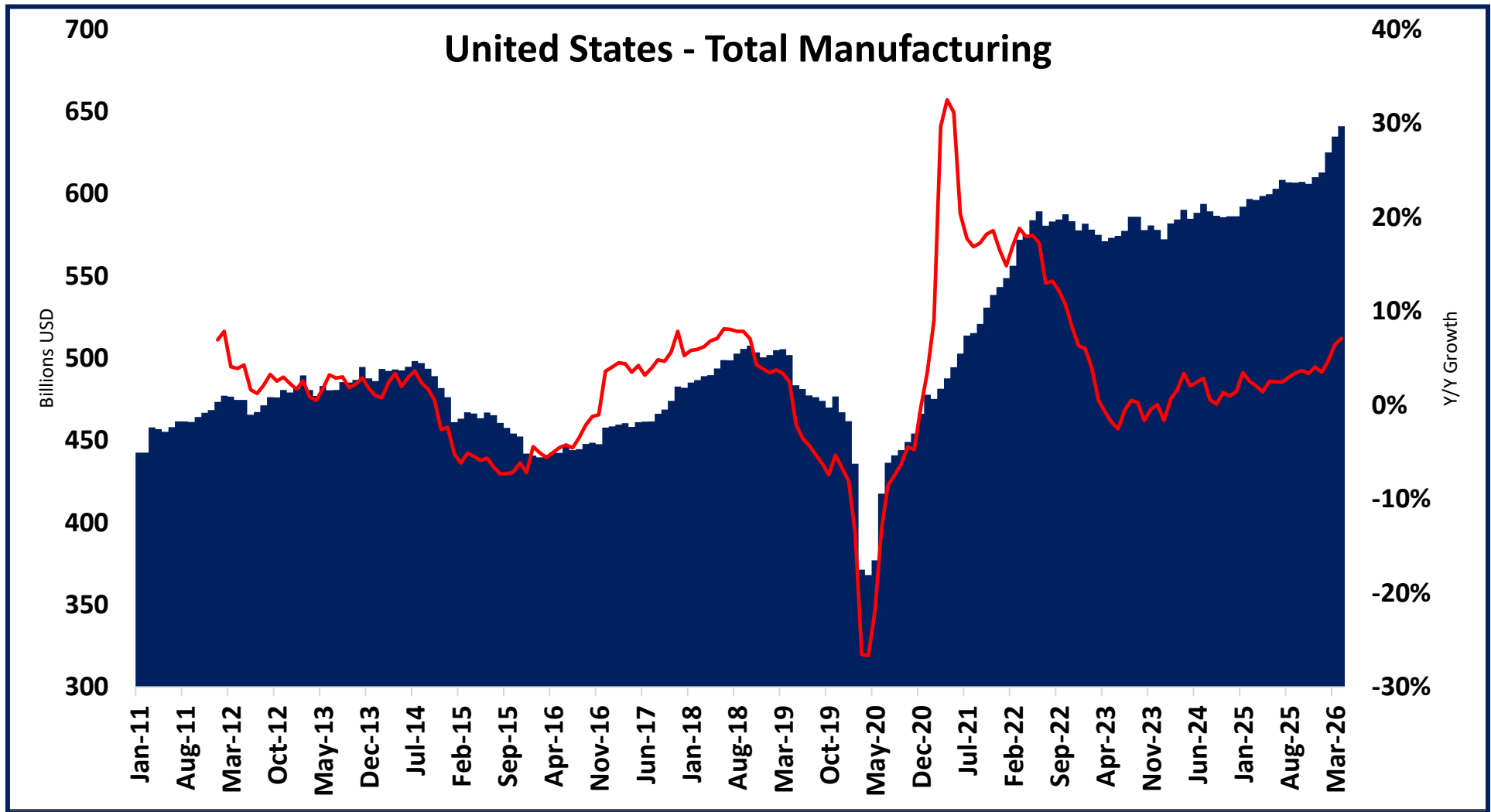
Source: Factset, Company Reports Edgewater Research estimates



EDGEWATER RESEARCH

2026 Industrial Outlook

Manufacturing continues to accelerate now growing MSD Y/Y on backs of AI spend



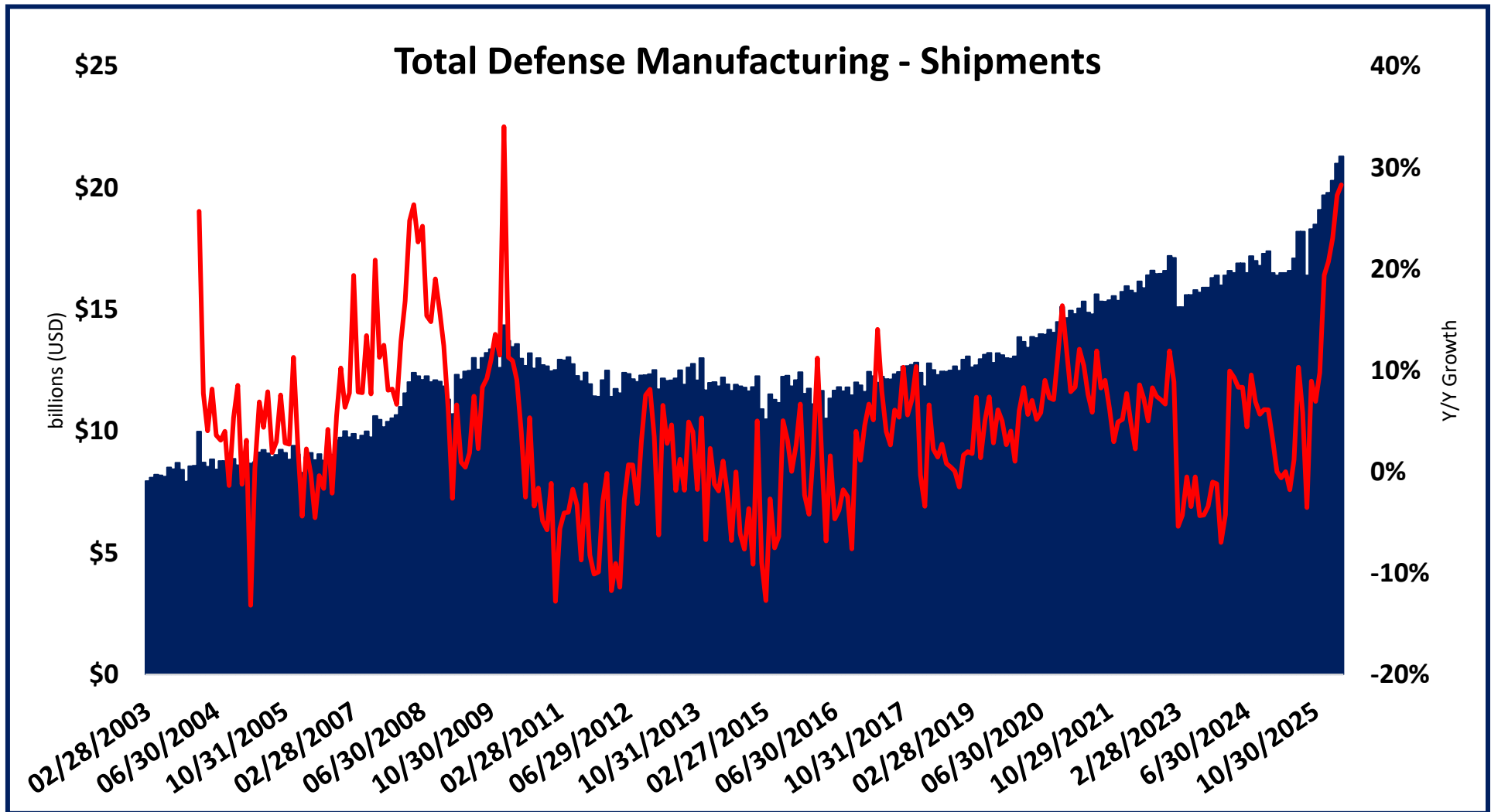
Source: Factset, Company Reports Edgewater Research estimates



EDGEWATER RESEARCH

2026 Aerospace & Defense Outlook

Defense manufacturing surges and provides likely a multi-year tailwind to the industry



Source: Factset, Company Reports Edgewater Research estimates



EDGEWATER RESEARCH

Electronics Components Supply Dynamics



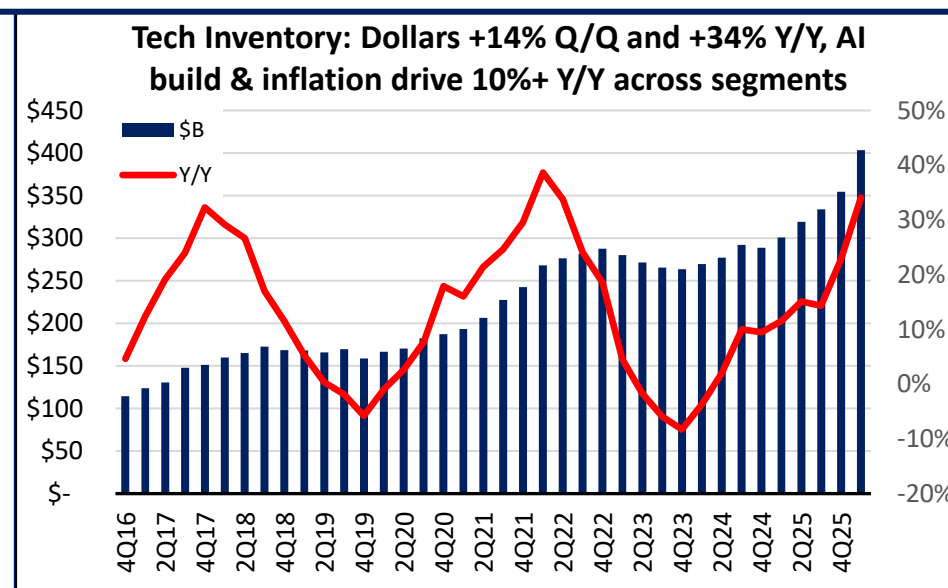
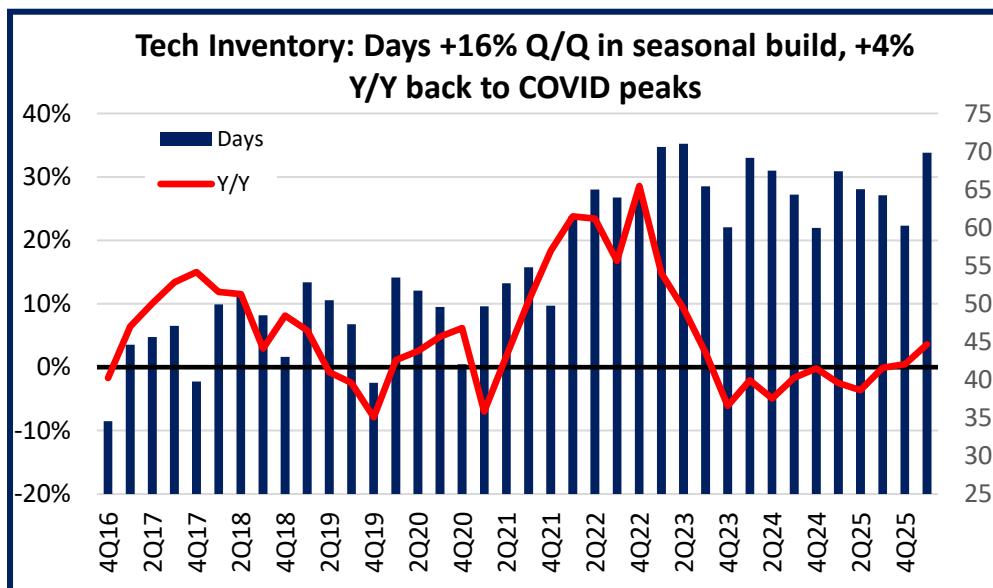
Source: ChatGPT

Tech Supply Chain Inventory Levels

Inventory levels normalized (days), dollars up on AI buildout & price, lead times extending

Inventory - Seasonal Days Growth, Dollars Continue to Climb on AI Build-out and Early Cost Pressures

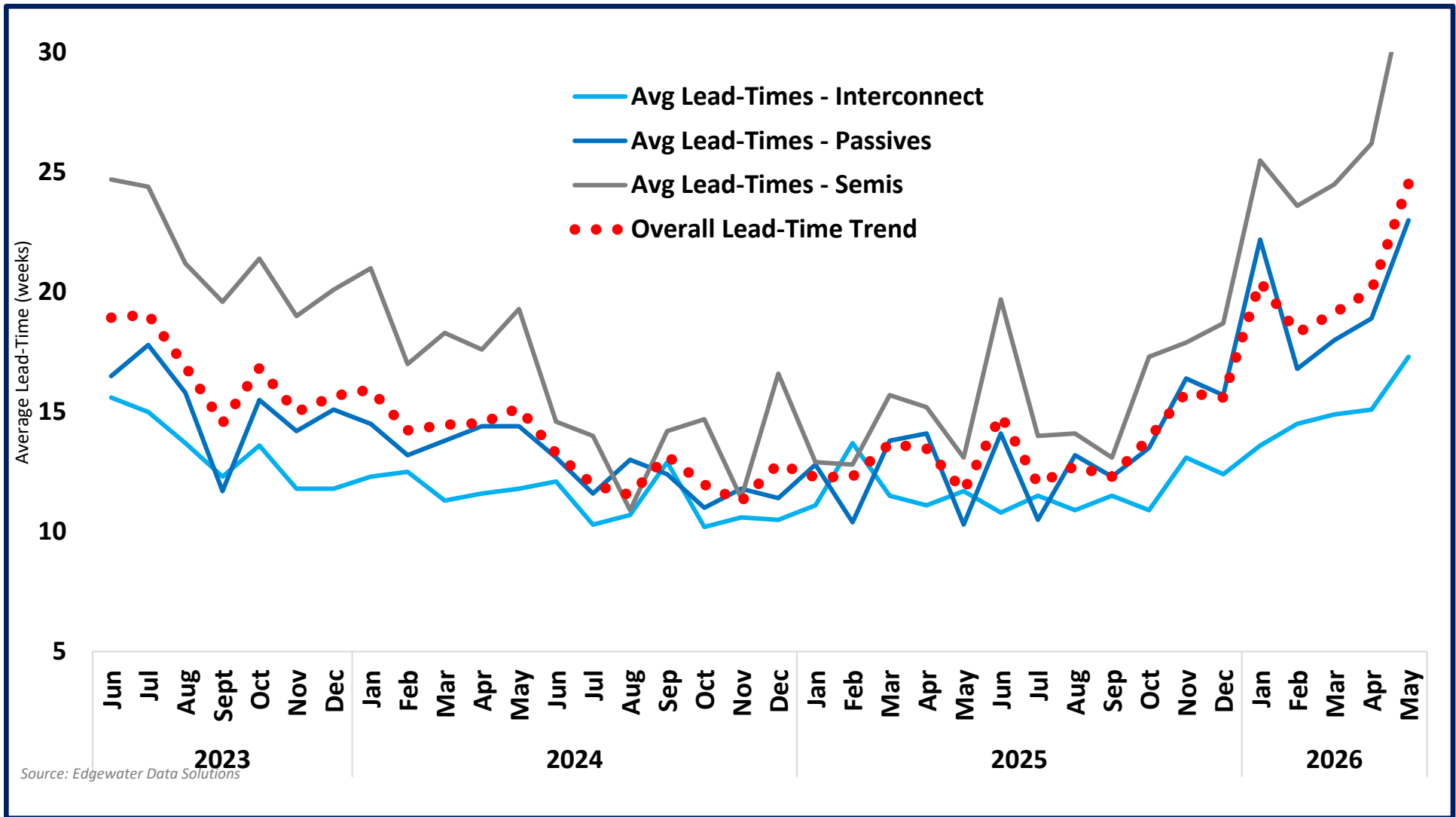
	Dollars (\$B)				Days				Dollars Change		Days Change	
	1Q24	1Q25	4Q25	1Q26	1Q24	1Q25	4Q25	1Q26	Q/Q	Y/Y	Q/Q	Y/Y
Total	\$270	\$301	\$355	\$403	69	67	60	70	14%	34%	16%	4%
Analog/Passive	\$36	\$38	\$41	\$42	110	106	97	101	4%	11%	4%	-4%
Compute Suppliers	\$85	\$90	\$100	\$108	117	103	110	112	8%	20%	2%	8%
Comms Suppliers	\$12	\$12	\$15	\$18	79	75	80	93	15%	43%	16%	24%
Distributors	\$25	\$29	\$33	\$37	58	62	58	56	10%	26%	-4%	-10%
ODM/EMS	\$59	\$73	\$92	\$113	61	63	51	66	24%	56%	30%	5%
OEMs	\$53	\$59	\$73	\$85	41	41	37	47	17%	45%	26%	14%



Source: FactSet, Company Reports

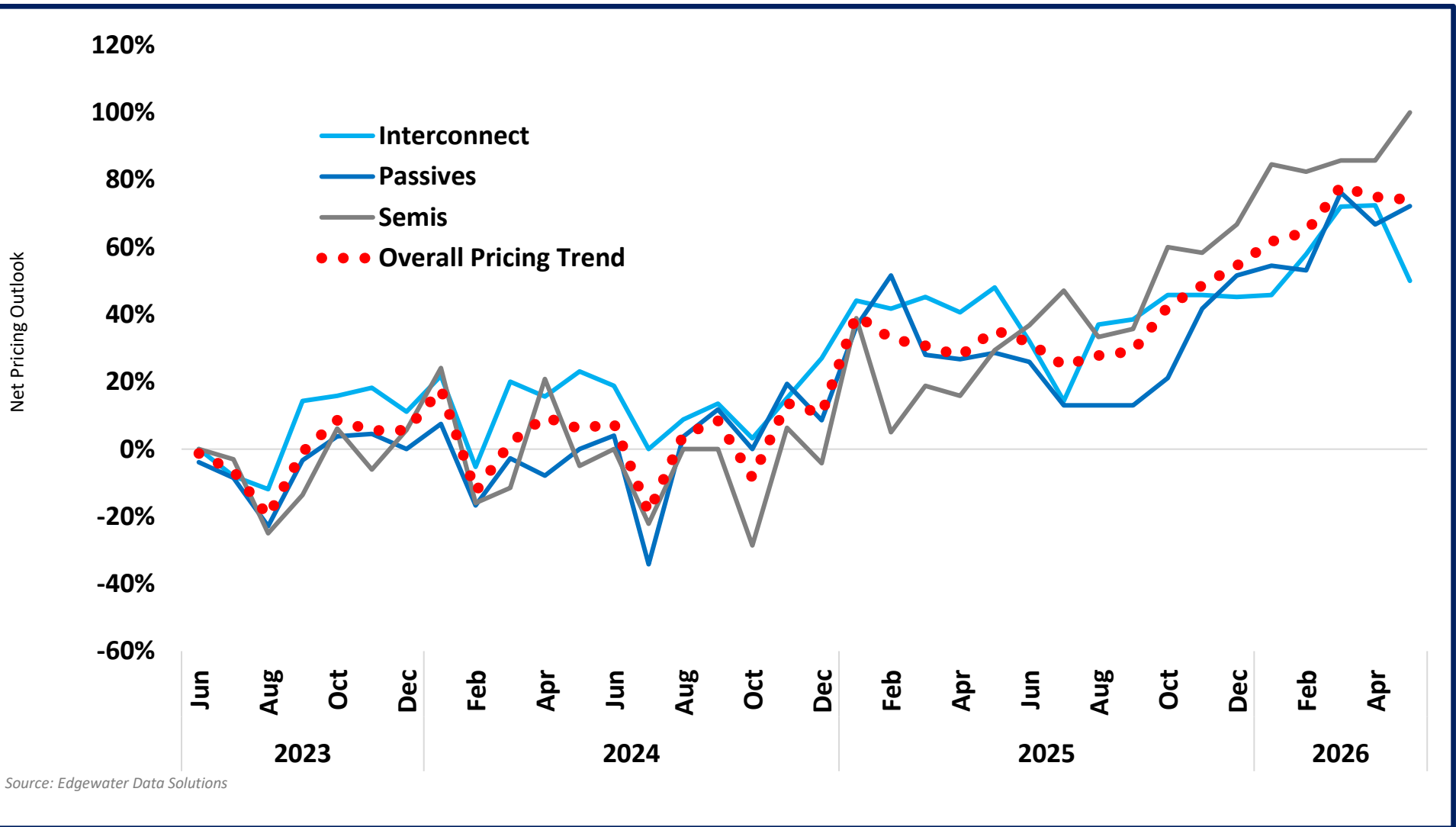
ERA Survey Lead Times (Weeks)

Lead times continue to extend, shortages expanding and concerns growing



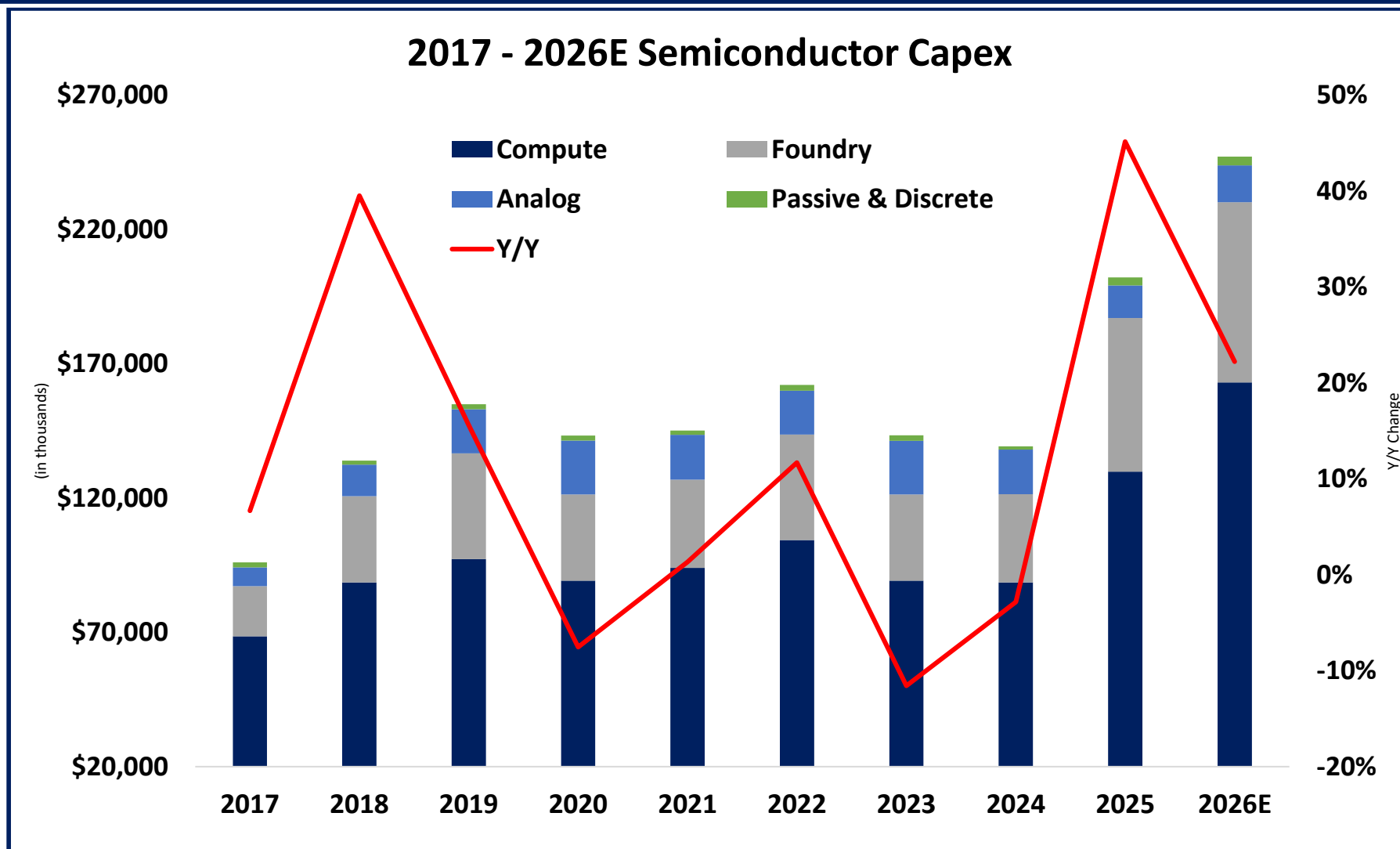
ERA Survey Lead Pricing Outlook (Next 6 Months)

Pricing outlook remains inflationary and a tailwind to sales growth in 2025



Capex Outlook

Capacity is coming following strong spending growth in 2025 and 2026



Source: Factset, Edgewater Research estimates

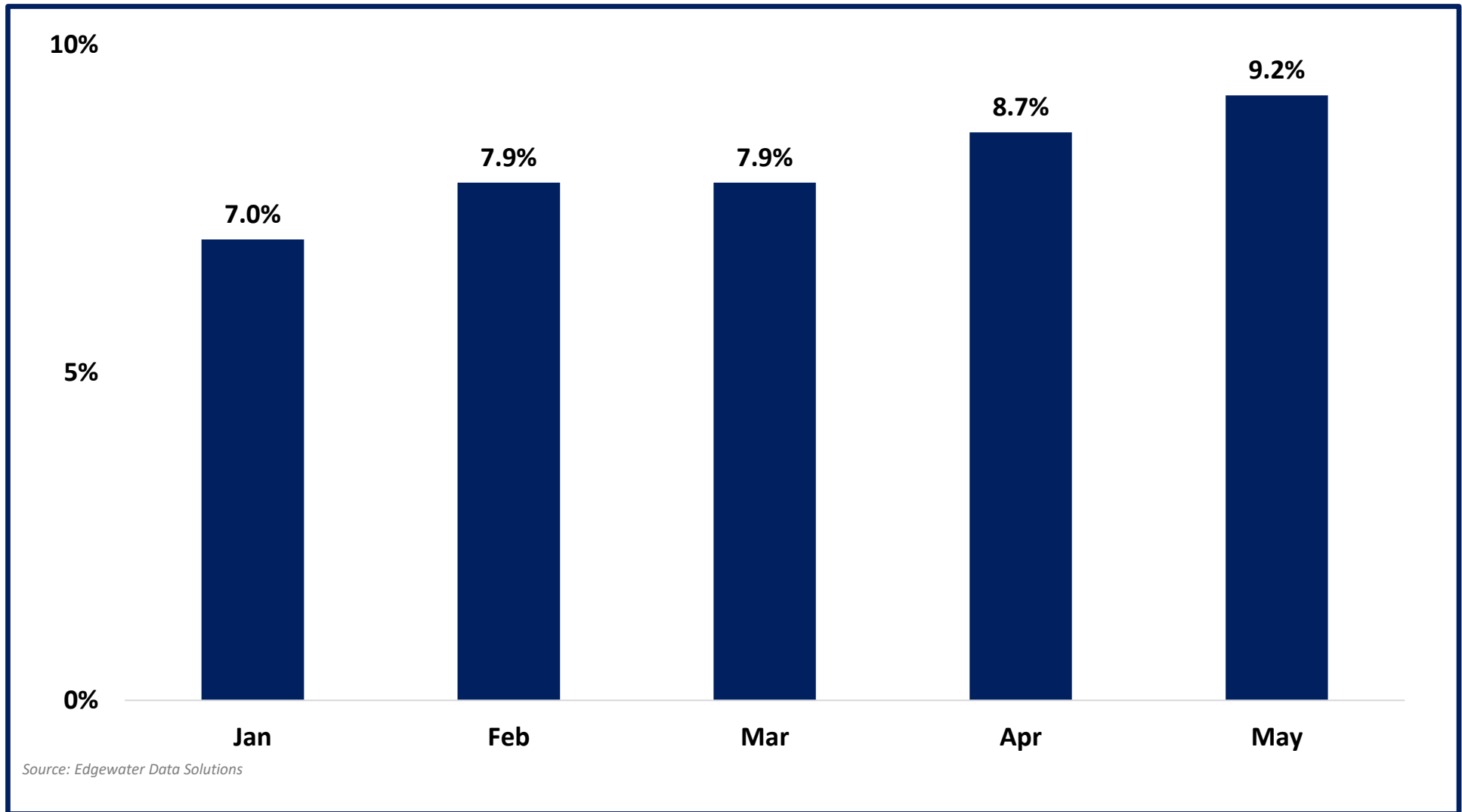
What Does All This Mean?



Source: ChatGPT

ERA Survey 2026 Sales Outlook

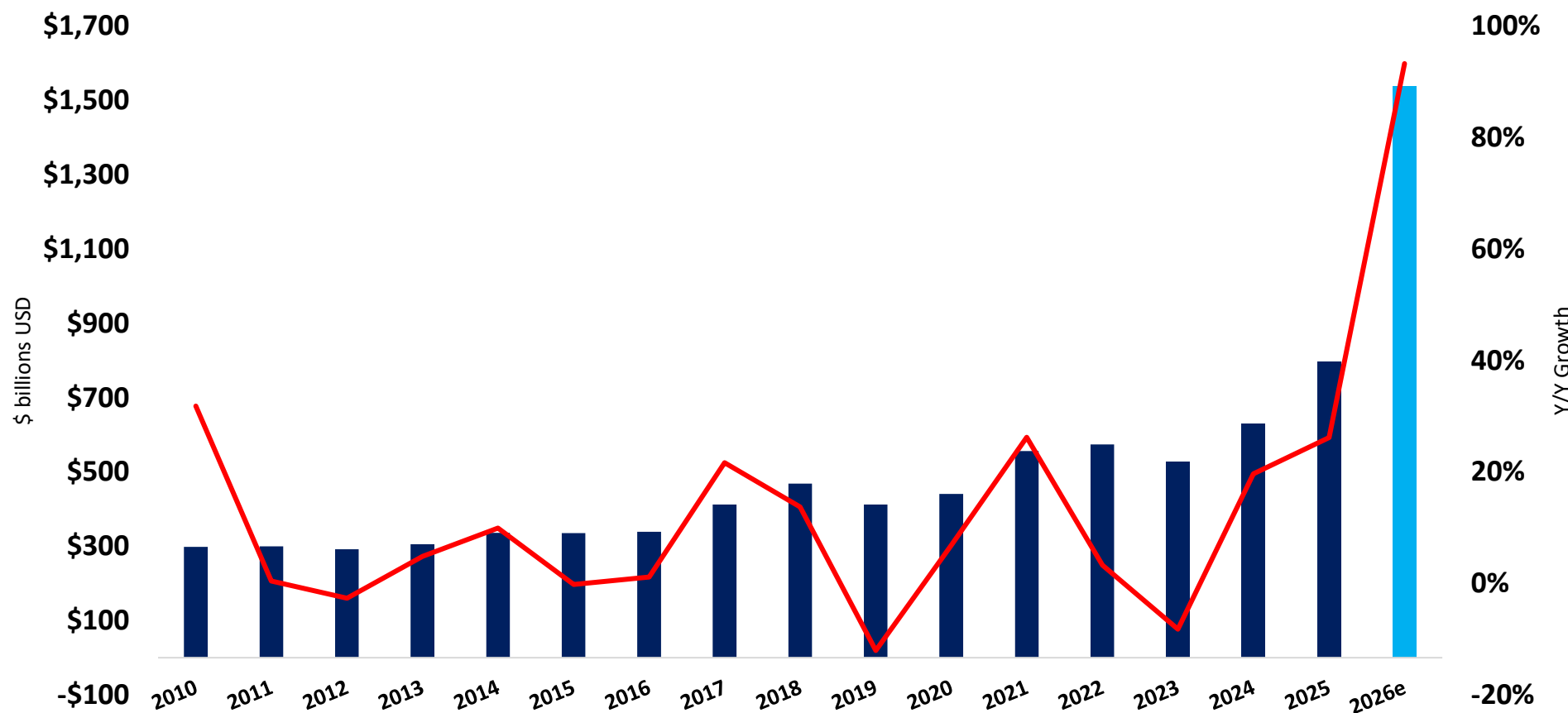
ERA membership calling for MSD growth in 2026, outlooks going up M/M



Edgewater Research Industry Sales Estimates

2026 Growth of 93%, fastest growth rate dating back to 1990 on strength in memory & AI

WSTS Semiconductor Sales & Edgewater Research Forecast



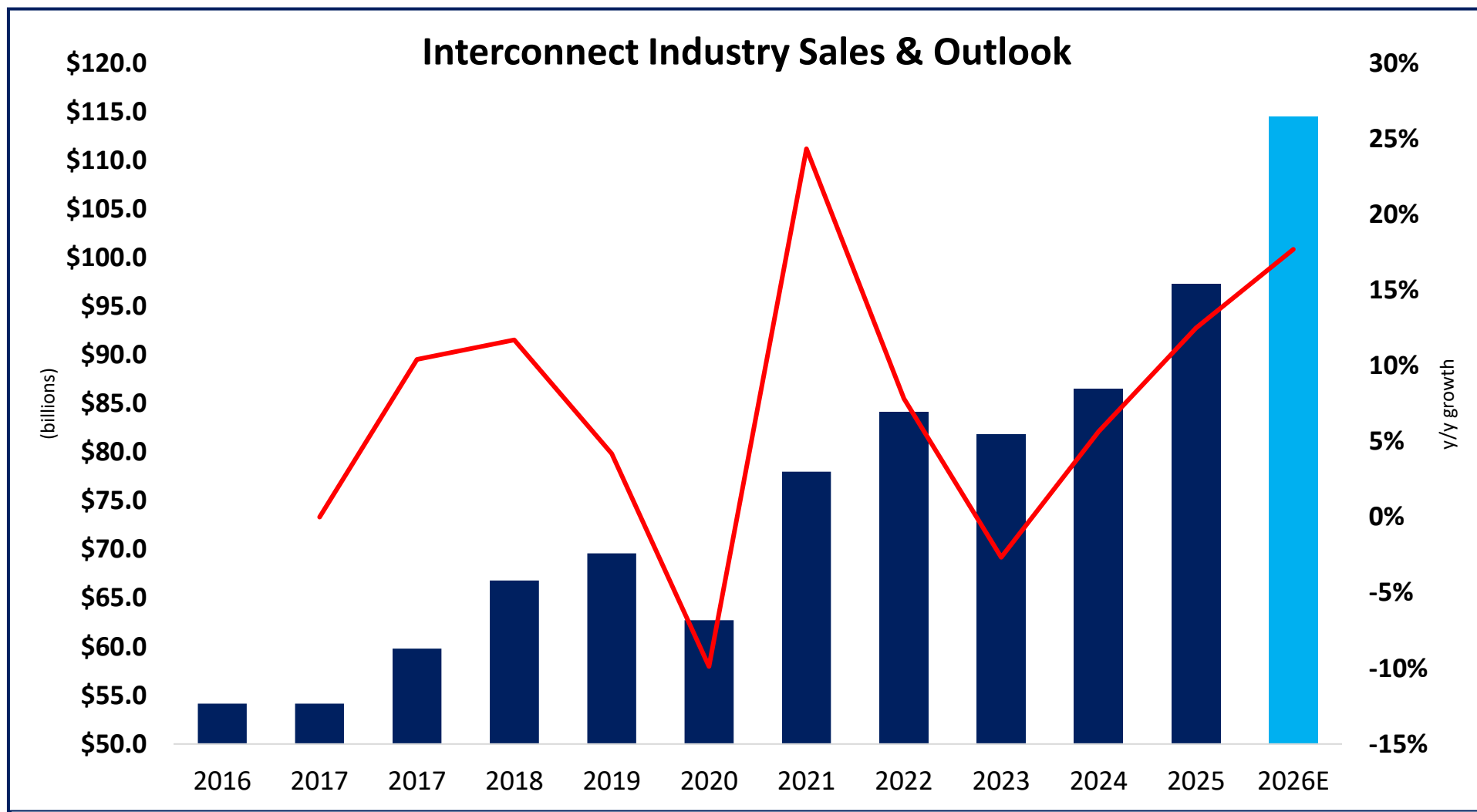
Source: WSTS, Edgewater Research estimates



EDGEWATER RESEARCH

Edgewater Research Industry Sales Estimates

Raising Interconnect sales growth to +18% Y/Y on continued AI strength, Industrial recovery



Source: Bishop Report, Edgewater Research estimates

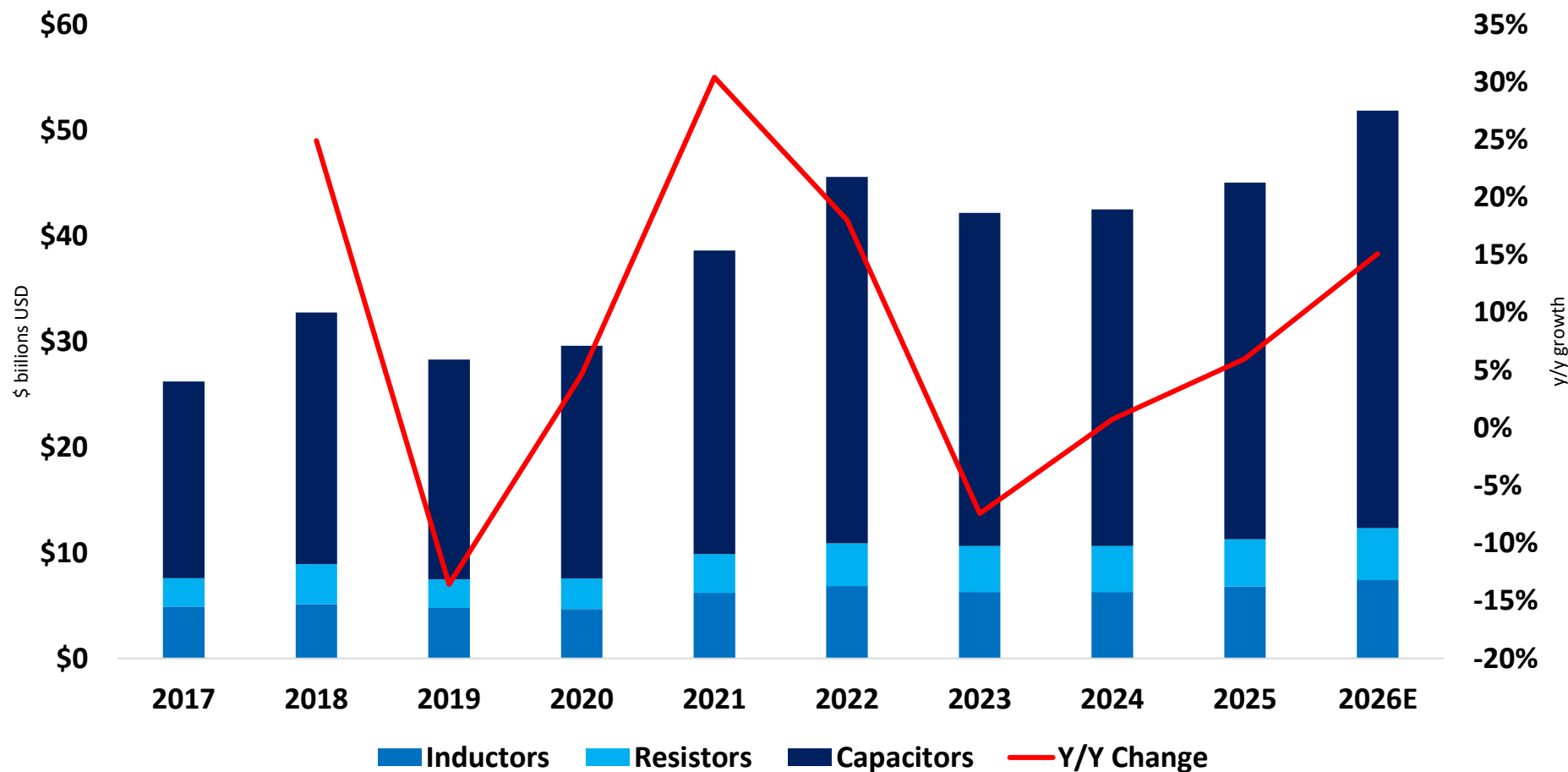


EDGEWATER RESEARCH

Edgewater Research Industry Sales Estimates

2026 passive sales expected to increase 15% Y/Y on cyclical recovery & AI

Passive Industry Sales & Outlook



Source: WSTS, Edgewater Research estimates



EDGEWATER RESEARCH

What Can You Do as ERA Members to Help?

- **Please Participate!**

- The broader the participation, the more impactful and helpful this will be for the membership
- ERA has 600+ organizations or “boots on the ground,” the membership can unlock tremendous value overtime to identify inflection points in the industry and better position your business
- Creates and opportunity for benchmarking – can look at your company’s results vs. your peer group monthly

- **Regional Differentiation**

- The survey’s demographic questions (only completed on 1st survey) allows the results to be segmented by region and tied to the ERA regions
- This differentiation, with proper participation at the regional levels allows Edgewater and ERA to provide insights at the regional level and conduct various regional events/webinars with real local data

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.

Proprietary research and information contained within which forms the basis for findings or opinions expressed by Edgewater Research Company may be used by Edgewater Research Company for other purposes in the course of compensated consulting and other services rendered to third parties.

