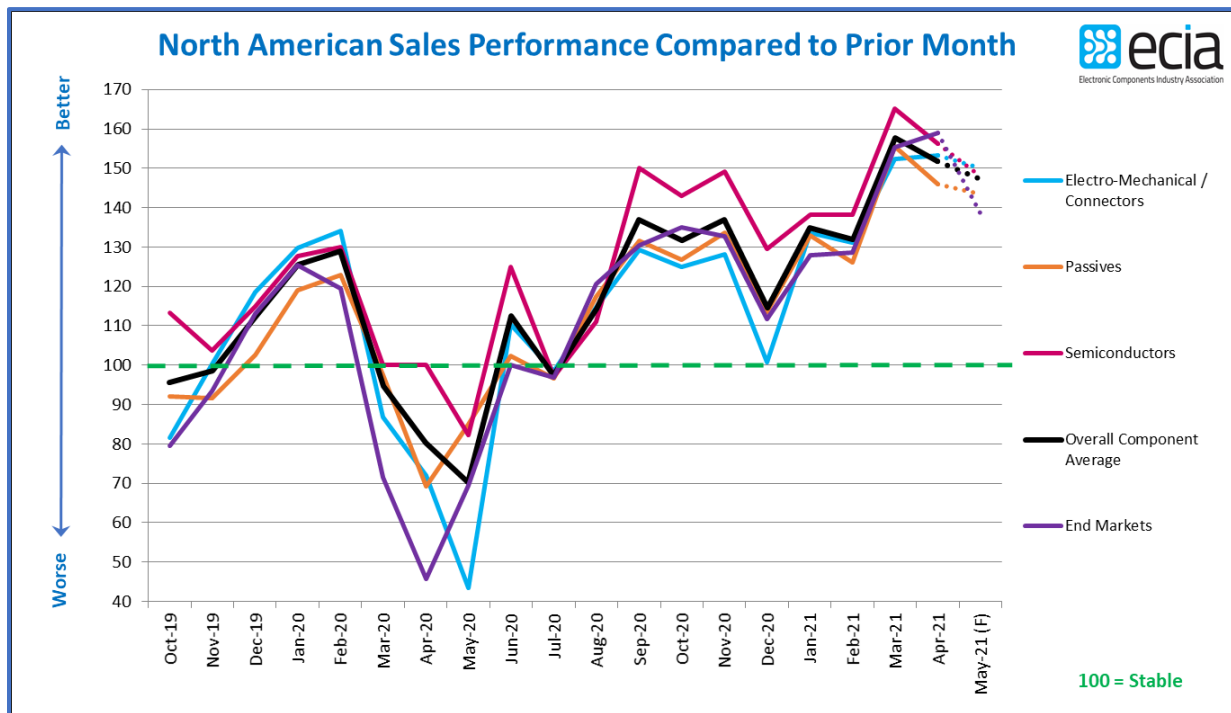


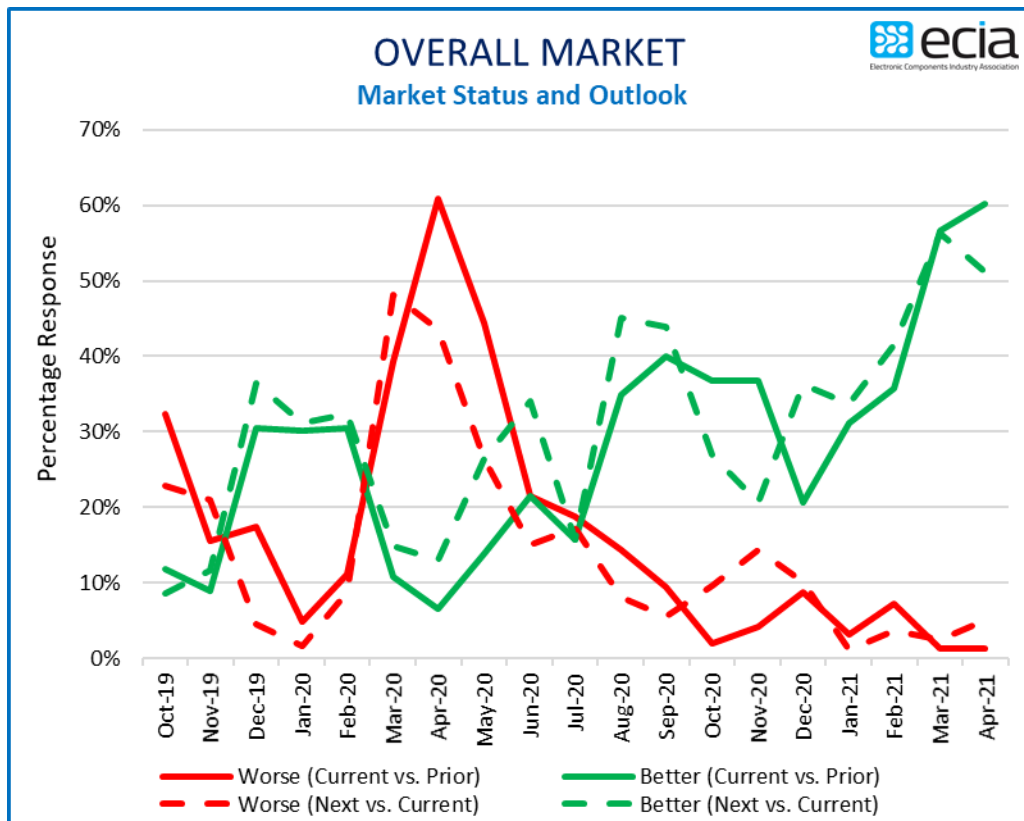
Component Market & Product Sales Assessment Surges to Dramatic High

ECIA's Electronic Component Sales Trend (ECST) April 2021 Survey

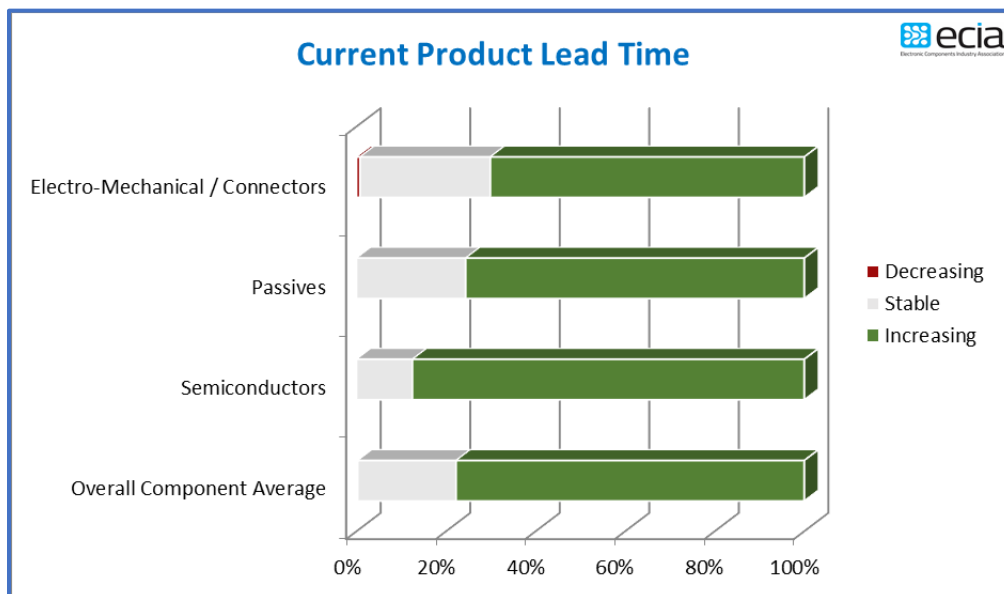
Industry sentiment for the electronics component market sales sustained strong growth in April as quantified by the ECIA's Electronic Component Sales Trend (ECST) monthly survey. The survey which assesses month-to-month sales growth ranged between 146 and 159 in component and end-market measures from March to April as shown in the accompanying figure. Looking forward the sentiment looking toward May softens modestly compared to April. However, it should be remembered that any score above 100 indicates growth expectations. Hence this softening is an indication of a decrease in the rate of market acceleration and not an indication of weakening growth. Given the continued strong pressure on growth it should be expected that demands on supply will continue to result in increased lead times and upward price pressure.



The survey measurement of end-market sales demand shows a market that is pushing very high levels of growth. The figure below shows the percentage of survey respondents that expect market growth in the end-markets compared to the previous month. The average market growth assessment for April expanded to an amazing 60% of survey respondents compared to a miniscule one percent viewing the market as declining in April. The overall outlook for May continues to be extremely strong even though it is slightly lower than April. The ECST index reflects the incredible market strength as it is propelled by multiple powerful forces. Given reports about electronics and end equipment factory slowdowns due to a lack of component supply, it may be that growth is actually supply limited rather than demand limited at this point. The interdependent relationships between component types and various raw materials may have resulted in a group dynamic that is constraining increased rates of growth. In other words, aggregate supply dynamics appear to be the primary limiting factor in the near-term.



Assessments of lead times continue to point toward extending lead times. This effect is amplified by the bullwhip effect as increased demand in the end market is amplified up the supply chain as companies work to restock inventory and prepare for future growth. The data presented in the full report show that Microcontrollers, Analog ICs and Discrete semiconductor components continue to exhibit the strongest lead time pressure. However, lead time pressure in Electro-Mechanical components and connectors jumped up significantly in March and April. Data in this report validates other lead time measures published by ECIA. The chart illustrating increasing vs. decreasing lead times highlights the strong upward lead time pressure which is also manifest in strong increasing price pressure.



The complete ECIA Electronic Component Sales Trends (ECST) Report is delivered only to those who participate in the survey. All participants in the electronics component supply chain are invited and

encouraged to participate in the report so they can see the highly valuable insights provided by the ECST report. The return on a small investment of time is enormous!

The monthly and quarterly ECST reports present data in detailed tables and figures with multiple perspectives and covering current sales expectations, sales outlook, product cancellations, product decommits and product lead times. The data is presented at a detailed level for six major electronic component categories and eight end markets. Also, survey results are segmented by aggregated responses from manufacturers, distributors, and manufacturer representatives.

Recent enhancements in the report provide additional detail and new views of the data that enable additional analysis. A summary of the enhancements is described below:

- 1- Addition of new component sub-categories: Data is now captured for the semiconductor subcategories of Memory, MCU/MPU, Analog/Linear ICs, and Discretes. The data is provided in the trend tables in this report and will be charted in the trend graphs next month after we have two months of data from the survey.
- 2- We now present a distinction between product “Cancellations/Push-Outs” and product “Decommits.” This data will be presented in a trends tab next month when there is more than one month of data. You can see the current Product Decommit data in the Product_Decommits tab at the end of the report.
- 3- For each component and market category two new views of the data is presented in additional tabs in the spreadsheet.