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ESD ALLIANCE REPORTS EDA INDUSTRY REVENUE INCREASE FOR Q1 2016

SAN JOSE, Calif., June 30, 2016—The Electronic System Design (ESD) Alliance (formerly EDAC) Market Statistics Service (MSS) today announced that the Electronic Design Automation (EDA) industry revenue increased 4.5 percent for Q1 2016 to $1962 million, compared to $1877 million in Q1 2015. The four-quarters moving average, which compares the most recent four quarters to the prior four quarters, increased by 4.3 percent.

"Double digit revenue increases in Japan, combined with increases in all other geographic regions, led to an overall EDA industry revenue increase in Q1," said Walden C. Rhines, board sponsor for the ESD Alliance MSS and chairman and CEO of Mentor Graphics. "Revenue categories Semiconductor IP, IC Physical Design & Verification, PCB & MCM, and Services all reported increases this quarter."

Companies that were tracked employed a record 34,519 professionals in Q1 2016, an increase of 7.4 percent compared to the 32,127 people employed in Q1 2015, and up 1 percent compared to Q4 2015.

The complete quarterly MSS report, containing detailed revenue information broken out by both categories and geographic regions, is available to members of the ESD Alliance.

Revenue by Product Category

Computer Aided Engineering (CAE), generated revenue of $619.9 million in Q1 2016, which represents a 2.2 percent decrease compared to Q1 2015. The four-quarters moving average for CAE increased 0.8 percent.

IC Physical Design & Verification revenue was $375.8 million in Q1 2016, a 4.6 percent increase compared to Q1 2015. The four-quarters moving average increased 3.1 percent.

Printed Circuit Board and Multi-Chip Module (PCB & MCM) revenue of $166 million for Q1 2016 represents an increase of 2.8 percent compared to Q1 2015. The four-quarters moving average for PCB & MCM decreased 5.1 percent.

Semiconductor Intellectual Property (SIP) revenue totaled $688.7 million in Q1 2016, an 11.4 percent increase compared to Q1 2015. The four-quarters moving average increased 11.6 percent.

Services revenue was $111.6 million in Q1 2016, an increase of 6.9 percent compared to Q1 2015. The four-quarters moving average increased 3.2 percent.

Revenue by Region

The Americas, EDA's largest region, purchased $863 million of EDA products and services in Q1 2016, an increase of 1.1 percent compared to Q1 2015. The four-quarters moving average for the Americas increased 3.5 percent.

Revenue in Europe, the Middle East, and Africa (EMEA) increased 4.1 percent in Q1 2016 compared to Q1 2015 on revenues of $289.8 million. The EMEA four-quarters moving average increased 1.2 percent.

First quarter 2016 revenue from Japan increased 11.9 percent to $234.3 million compared to Q1 2015. The four-quarters moving average for Japan increased 2.1 percent.

The Asia/Pacific (APAC) region revenue increased to $575 million in Q1 2016, an increase of 7.2 percent compared to the first quarter of 2015. The four-quarters moving average increased 8.1 percent.

The complete MSS report, available to the ESD Alliance members, contains additional detail for countries in the Asia/Pacific region.

About the MSS Report

The ESD Alliance Market Statistics Service reports EDA industry revenue data quarterly and is available to Alliance members. Both public and private companies contribute data to the report. Each quarterly report is

published approximately three months after quarter close. MSS report data is segmented as follows: revenue type (product licenses and maintenance, services, and SIP), application (CAE, PCB/MCM Layout, and IC Physical Design & Verification), and region (the Americas, Europe Middle East and Africa, Japan, and Asia Pacific), with many subcategories of detail provided. The report also tracks total employment of the reporting companies.

About the ESD Alliance

The Electronic System Design Alliance (ESD Alliance) is an international association of companies that provide goods and services that are the foundation of the semiconductor design ecosystem. This ecosystem encompasses all of the activities required to create a semiconductor design and associated hardware and software for manufacturing and delivery of new electronic products.

Member companies include developers and suppliers of EDA, semiconductor IP, embedded software, packaging, PCB/interconnect and others. Collectively, they provide the software, services, intellectual property and hardware needed to design and verify semiconductors, associated software, packaging and interconnect technologies for the manufacturing of these products. Markets served by these products range from computers, communications, networking, medical and industrial equipment, automotive electronics, and consumer electronics to emerging markets such as the Internet of Things (IoT). For more information about the ESD Alliance, visit http://www.esd-alliance.org/.

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