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## ESD ALLIANCE REPORTS EDA INDUSTRY REVENUE INCREASE FOR Q3 2016

**SAN JOSE, Calif., December 22, 2016**—The Electronic System Design (ESD) Alliance Market Statistics Service (MSS) today announced that the Electronic Design Automation (EDA) industry revenue increased 7.0 percent for Q3 2016 to $2093.7 million, compared to $1957.5 million in Q3 2015. The four-quarters moving average, which compares the most recent four quarters to the prior four quarters, increased by 3.7 percent.

"The industry realized solid growth in Q3, with all of the geographic regions – Americas, Europe, Middle East and Africa, Japan, and Asia/Pacific - reporting revenue increases," said Walden C. Rhines, board sponsor for the ESD Alliance MSS and chairman and CEO of Mentor Graphics. "Product categories CAE, Semiconductor IP, IC Physical Design & Verification, and services all reported increases in the third quarter."

Companies that were tracked employed a record 35,515 professionals in Q3 2016, an increase of 6.2 percent compared to the 33,430 people employed in Q3 2015, and up 1.5 percent compared to Q3 2016.

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 $666.7 million in Q3 2016 which represents a 5 percent increase compared to Q3 2015. The four-quarters moving average for CAE decreased 1.2 percent.

IC Physical Design & Verification revenue was $441.3 million in Q3 2016, an 8.2 percent increase compared to Q3 2015. The four-quarters moving average increased 2.8 percent.

Printed Circuit Board and Multi-Chip Module (PCB & MCM) revenue of $162.2 million for Q3 2016 represents a decrease of 0.1 percent compared to Q3 2015. The four-quarters moving average for PCB & MCM increased 0.9 percent.

Semiconductor Intellectual Property (SIP) revenue totaled $720.9 million in Q3 2016, a 10.4 percent increase compared to Q3 2015. The four-quarters moving average increased 10.1 percent.

Services revenue was $102.6 million in Q3 2016, an increase of 3 percent compared to Q3 2015. The four-quarters moving average increased 2.9 percent.

**Revenue by Region**

The Americas, EDA's largest region, purchased $932.9 million of EDA products and services in Q3 2016, an increase of 3.2 percent compared to Q3 2015. The four-quarters moving average for the Americas increased 1.3 percent.

Revenue in Europe, the Middle East, and Africa (EMEA) increased 2.3 percent in Q3 2016 compared to Q3 2015 on revenues of $297 million. The EMEA four-quarters moving average decreased 0.7 percent.

Third-quarter 2016 revenue from Japan increased 3.9 percent to $213.2 million compared to Q3 2015. The four-quarters moving average for Japan increased 5.5 percent.

The Asia/Pacific (APAC) region revenue increased to $650.6 million in Q3 2016, an increase of 16.6 percent compared to the third quarter of 2015. The four-quarters moving average increased 9 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://esd-alliance.org/.

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