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ESD ALLIANCE REPORTS EDA INDUSTRY REVENUE INCREASE FOR Q1 2017

Redwood City, Calif., July 6, 2017—The Electronic System Design (ESD) Alliance Market Statistics Service (MSS) today announced that the Electronic Design Automation (EDA) industry revenue increased 10.5 percent for Q1 2017 to $2167.5 million, compared to $1962 million in Q1 2016. The four-quarters moving average, which compares the most recent four quarters to the prior four quarters, increased by 10.6 percent.

"The EDA industry reported double-digit growth in Q1, led by gains in the two largest categories, CAE and Semiconductor IP," said Walden C. Rhines, board sponsor for the ESD Alliance MSS and president and CEO of Mentor, a Siemens business. "The two largest regions, Americas and Asia-Pacific, also reported double-digit growth in Q1."

Companies that were tracked employed 37,195 professionals in Q1 2017, an increase of 7.8 percent compared to the 34,519 people employed in Q1 2016, and up 2.2 percent compared to Q4 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 $707.4 million in Q1 2017, which represents a 14.1 percent increase compared to Q1 2016. The four-quarters moving average for CAE increased 9.3 percent.

IC Physical Design & Verification revenue was $396 million in Q1 2017, a 5.4 percent increase compared to Q1 2016. The four-quarters moving average increased 8.7 percent.

Printed Circuit Board and Multi-Chip Module (PCB & MCM) revenue of $169.9 million for Q1 2017 represents an increase of 2.4 percent compared to Q1 2016. The four-quarters moving average for PCB & MCM increased 13.3 percent.

Semiconductor Intellectual Property (SIP) revenue totaled $790.5 million in Q1 2017, a 14.8 percent increase compared to Q1 2016. The four-quarters moving average increased 14.3 percent.

Services revenue was $103.6 million in Q1 2017, a decrease of 7.2 percent compared to Q1 2016. The four-quarters moving average decreased 1.3 percent.

Revenue by Region

The Americas, EDA's largest region, purchased $960.7 million of EDA products and services in Q1 2017, an increase of 11.3 percent compared to Q1 2016. The four-quarters moving average for the Americas increased 8.7 percent.

Revenue in Europe, the Middle East, and Africa (EMEA) increased 6.2 percent in Q1 2017 compared to Q1 2016 on revenues of $307.8 million. The EMEA four-quarters moving average increased 5.9 percent.

First quarter 2017 revenue from Japan decreased 0.3 percent to $233.7 million compared to Q1 2016. The four-quarters moving average for Japan increased 9.2 percent.

The Asia/Pacific (APAC) region revenue increased to $665.2 million in Q1 2017, an increase of 15.7 percent compared to the first quarter of 2016. The four-quarters moving average increased 16.6 percent.

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

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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 Electronic System Design Alliance

The Electronic System Design (ESD) Alliance, an international association of companies providing goods and services throughout the semiconductor design ecosystem, is a forum to address technical, marketing, economic and legislative issues affecting the entire industry. It acts as the central voice to communicate and promote the value of the semiconductor design industry as a vital component of the global electronics industry. For more information about the ESD Alliance, visit http://esd-alliance.org.

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