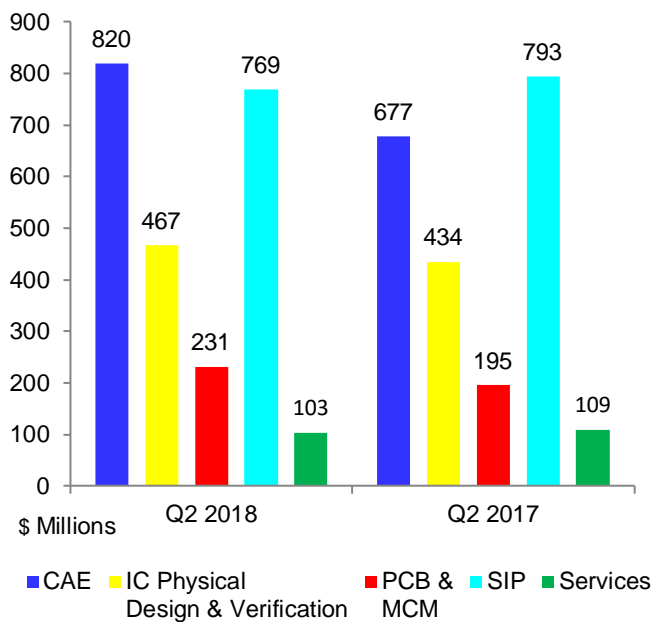


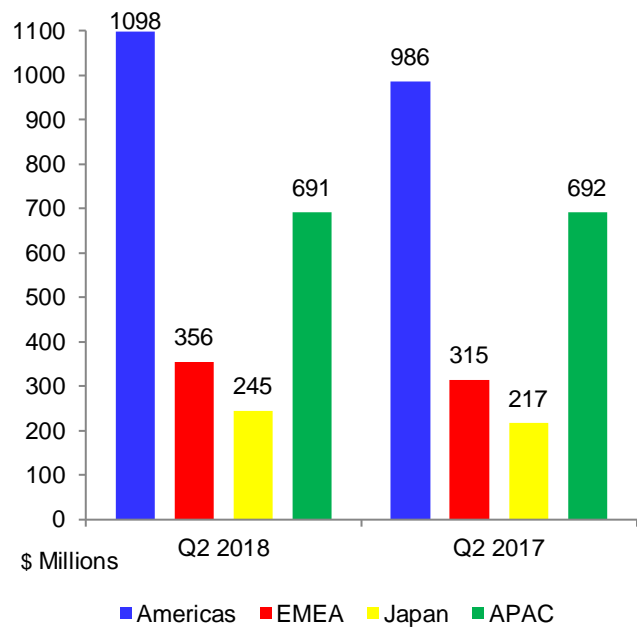


Each quarter, the ESD Alliance publishes the Market Statistics Service (MSS) report containing detailed revenue data for the EDA, Semiconductor IP, and design services industries. The report compiles data submitted confidentially by both public and private EDA and SIP companies into tables and charts listing the data by both product category and geographic region. This newsletter highlights the results for the second quarter of 2018. Additional details are available in the [press release](#), or by joining ESD Alliance and receiving the full [ESD Alliance MSS report](#).

Overall, second quarter 2018 industry revenues increased 8.2% compared to Q2, 2017. Total revenue for Q2 was \$2389.8 million. Figures 1 and 2, below, summarize the revenue growth for Q2 2018 compared to Q2 2017, detailed by category (figure 1) and geographic region (figure 2). The MSS report contains many additional sub-categories, allowing subscribers to perform a more detailed analysis of revenues affecting their business. A complete list of categories is available [here](#).



**Figure 1: Q2 2018 revenue growth by category**



**Figure 2: Q2 2018 revenue growth by region**

Tables 1 and 2 detail the percentage growth for the industry by major category (table 1) and region (table 2).

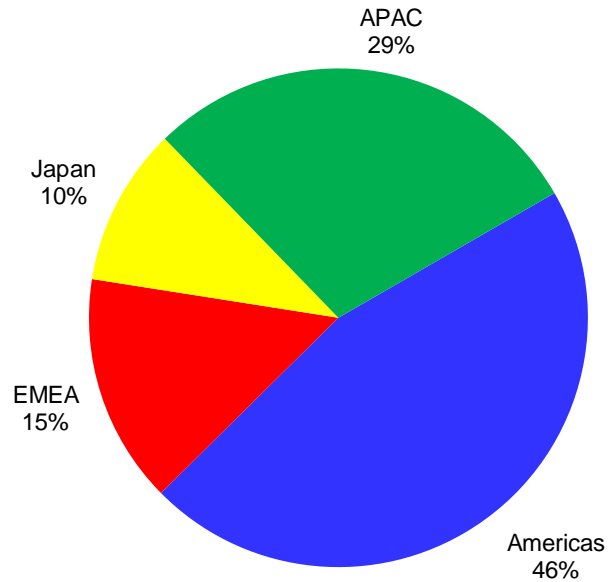
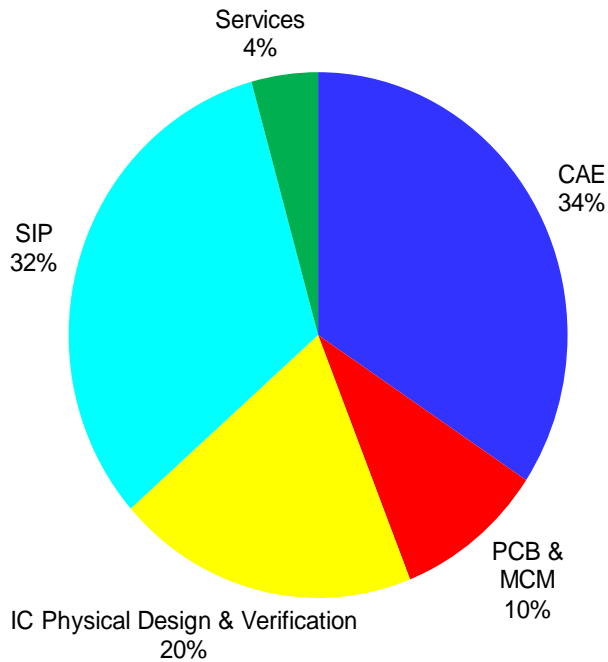
| Category                          | Revenue (\$Millions) | % Change |
|-----------------------------------|----------------------|----------|
| CAE                               | 819.9                | 21.1%    |
| IC Physical Design & Verification | 466.9                | 7.5%     |
| PCB & MCM                         | 231.5                | 18.5%    |
| SIP                               | 768.7                | -3.1%    |
| Services                          | 103.0                | -5.4%    |

**Table 1: Q2 2018 revenue growth by category**

| Region       | Revenue (\$Millions) | % Change    |
|--------------|----------------------|-------------|
| Americas     | 1097.7               | 11.3%       |
| EMEA         | 355.7                | 13.0%       |
| Japan        | 245.4                | 13.2%       |
| APAC         | 691.0                | -0.1%       |
| <b>Total</b> | <b>2389.8</b>        | <b>8.2%</b> |

**Table 2: Q2 2018 revenue growth by region**

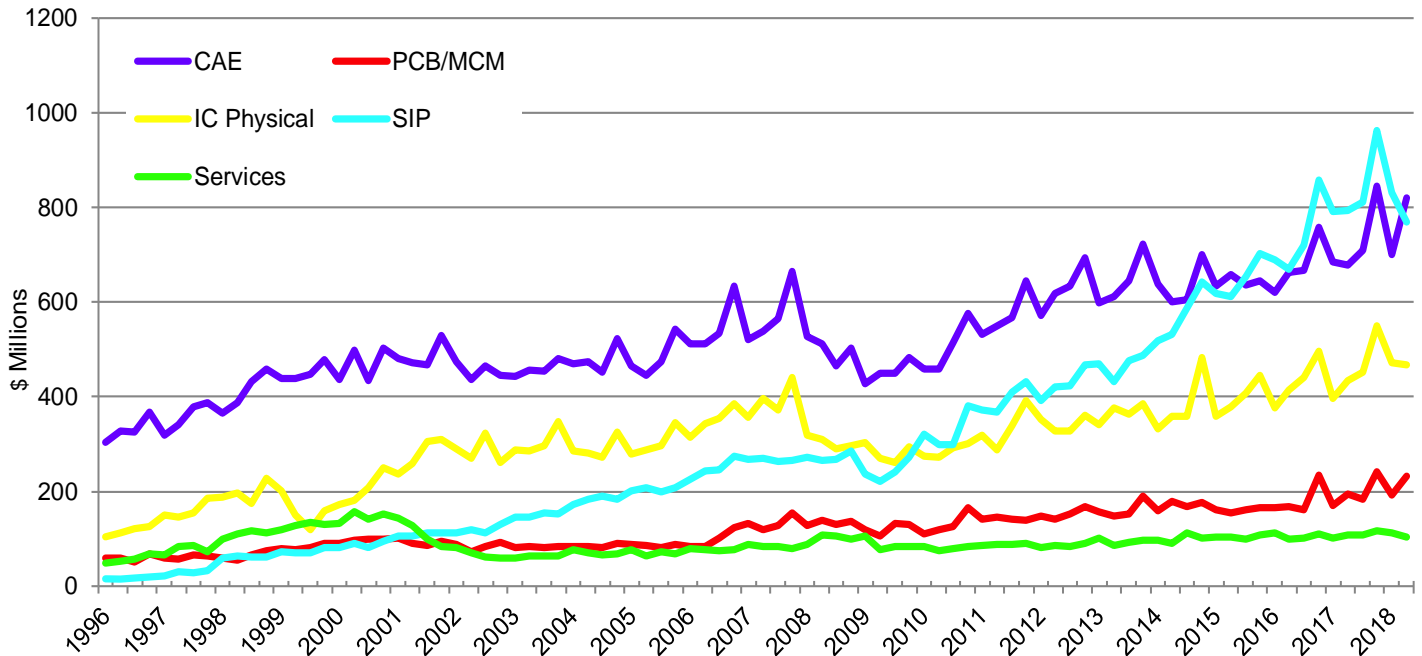
Figure 3 (below) shows the revenue percentages by major category. As the chart shows, CAE is the largest category in Q2, followed by SIP. Geographically, the Americas is the largest consumer of EDA tools, with the remainder divided amongst Europe, Middle East, and Africa (EMEA), Japan, and Asia Pacific (APAC), as shown in Figure 4. The quarterly MSS report includes additional details for the Asia Pacific region.



**Figure 3: Q2 2018 revenue percentage by category**

**Figure 4: Q2 2018 revenue percentage by region**

Figure 5 shows the historical revenue for the major categories (CAE, PCB & MCM, IC Physical Design and Verification, SIP and Services) from Q1 1996 through Q2 2018. Each quarter's MSS report contains detailed data for the current year as well as the previous 3 years quarterly data in both tabular and graphical formats.



**Figure 5: Revenue history, 1996 – present**

Revenue data is reported confidentially to an independent accounting firm, which allows both public and private companies to report revenue data by detailed category. Individual company data is not reported, and steps are taken to further protect individual data for categories with a small number of reporting companies. Contributing data is free, and contributors will receive the quarterly MSS executive summary report. The full report is available to ESD Alliance member companies, and contains substantially more detailed information for industry revenues by category and region, providing the information subscribers need to analyze industry trends.

[For more information on the MSS report](#), including information on contributing data, or on the benefits of joining the ESD Alliance and receiving the full report, please visit the [ESD Alliance web site](#), or [contact us](#).

|   |   |
|---|---|
| <p><b>The ESD Alliance — Where Electronics Begins</b><br/>         The ESD Alliance MSS newsletter is a publication of the ESD Alliance, a SEMI Strategic Association Partner. For more information, visit: <a href="http://esd-alliance.org">esd-alliance.org</a><br/>         Q2, 2018.<br/>         Electronic System Design Alliance, 673 South Milpitas Blvd, Milpitas, CA 95035. Phone (408) 287-3322</p> |   |
| <p><b>Executive Director</b> Bob Smith</p>  | <p><b>Editor</b> Paul Cohen</p>   |
| <p><b>Governing Council</b></p>   |   |
| <p>Aart de Geus, Synopsys, Inc<br/>         Dean Drako, IC Manage<br/>         John Kibarian, PDF Solutions<br/>         Grant Pierce, Sonics, Inc.</p>   | <p>Walden C. Rhines, Mentor Graphics, A Siemens Business<br/>         Simon Segars, ARM<br/>         Lip-Bu Tan, Cadence Design Systems</p> |