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ESD ALLIANCE REPORTS EDA INDUSTRY REVENUE INCREASE FOR Q1 2019

Milpitas, Calif., July 8, 2019—The Electronic System Design (ESD) Alliance Market Statistics Service (MSS) today announced that the Electronic Design Automation (EDA) industry revenue increased 16.3 percent for Q1 2019 to \$2606.4 million, compared to \$2241 million in Q1 2018. The four-quarters moving average, which compares the most recent four quarters to the prior four quarters, increased by 6.1 percent.

“The EDA industry overall reported double digit increased revenue in Q1 compared to Q1 2018, with all categories, except services, reporting double digit increases,” said Walden C. Rhines, CEO Emeritus of Mentor, a Siemens Business and member of the ESD Alliance Governing Council. “Geographically, all major regions reported an increase in growth for the four-quarters moving average, all but North America reported sequential growth, and all but Japan reported year-over-year quarterly growth.”

Companies that were tracked employed 43,500 professionals in Q1 2019, an increase of 5.8 percent compared to the 41,110 employed in Q1 2018, and up 1.7 percent compared to Q4 2018.

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 \$840.7 million in Q1 2019, which represents a 20.2 percent increase compared to Q1 2018, the second highest year over year growth record in history. The four-quarters moving average for CAE increased 11.7 percent.

IC Physical Design & Verification revenue was \$557.4 million in Q1 2019, a 17.9 percent increase compared to Q1 2018. The four-quarters moving average increased 3.7 percent.

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Printed Circuit Board and Multi-Chip Module (PCB & MCM) revenue of \$224.1 million for Q1 2019 represents an increase of 15.9 percent compared to Q1 2018. The four-quarters moving average for PCB & MCM increased 10.3 percent.

Semiconductor Intellectual Property (SIP) revenue totaled \$876.1 million in Q1 2019, a 14.8 percent increase compared to Q1 2018. The four-quarters moving average increased 2.4 percent.

Services revenue was \$108 million in Q1 2019, a decrease of 3.9 percent compared to Q1 2018. The four-quarters moving average decreased 2.4 percent.

Revenue by Region

The Americas, EDA's largest region, purchased \$1112.8 million of EDA products and services in Q1 2019, an increase of 8.6 percent compared to Q1 2018. The four-quarters moving average for the Americas increased 4.3 percent.

Revenue in Europe, the Middle East, and Africa (EMEA) increased 2.8 percent in Q1 2019 compared to Q1 2018 on revenues of \$345.9 million. The EMEA four-quarters moving average increased 1.6 percent.

First quarter 2019 revenue from Japan decreased 1.4 percent to \$244.7 million compared to Q1 2018. The four-quarters moving average for Japan increased 3.3 percent.

The Asia/Pacific (APAC) region revenue increased to \$902.9 million in Q1 2019, an increase of 29 percent compared to the first quarter of 2018. The four-quarters moving average increased 8.4 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](http://esd-alliance.org), a SEMI Strategic Association Partner, is the central voice to communicate and promote the value of the semiconductor design ecosystem as a vital component of the global electronics industry. As an international association of companies providing goods and services throughout the semiconductor design ecosystem, it is a forum to address technical, marketing, economic and legislative issues affecting the entire industry. For more information about the ESD Alliance, visit <http://esd-alliance.org>.

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