



**Press Contacts:**

Paul Cohen, ESD Alliance, A SEMI Strategic Association Partner, 978-769-2106

Suzanne Graham, Mentor, A Siemens Business, 503-685-7789

## **EDA INDUSTRY REVENUE GROWS FOR FULL YEAR 2018 BUT SLOWS FOR FOURTH QUARTER**

**Milpitas, Calif., April 15, 2019**—The Electronic System Design (ESD) Alliance Market Statistics Service (MSS) today announced that the Electronic Design Automation (EDA) industry revenue decreased 3.1 percent for Q4 2018 to \$2570.1 million, compared to \$2652 million in Q4 2017. The four-quarters moving average, which compares the most recent four quarters to the prior four quarters, increased by 3.7 percent.

“While CAE and PCB & MCM categories reported an increase, the EDA industry overall reported reduced revenues in Q4, partly due to accounting and reporting changes by IP providers. The decrease is also in comparison to a particularly strong Q4 2017,” said Walden C. Rhines, CEO Emeritus of Mentor, a Siemens Business, and member of the ESD Alliance Governing Council. “An annual revenue increase of 3.7 percent in 2018 completes nine years of continuous positive growth.”

Companies that were tracked employed 42,790 professionals in Q4 2018, an increase of 7.1 percent compared to the 39,964 employed in Q4 2017, and up 1.5 percent compared to Q3 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 \$866.2 million in Q4 2018, which represents a 2.4 percent increase compared to Q4 2017. The four-quarters moving average for CAE increased 7.5 percent.

IC Physical Design & Verification revenue was \$485.1 million in Q4 2018, an 11.8 percent decrease compared to Q4 2017. The four-quarters moving average increased 3.4 percent.

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Printed Circuit Board and Multi-Chip Module (PCB & MCM) revenue of \$247.3 million for Q4 2018 represents an increase of 2.6 percent compared to Q4 2017. The four-quarters moving average for PCB & MCM increased 9.7 percent.

Semiconductor Intellectual Property (SIP) revenue totaled \$866.1 million in Q4 2018, a 3.5 percent decrease compared to Q4 2017. The four-quarters moving average decreased 0.8 percent. The decrease is due in part to software IP accounting and reporting\* changes by SIP providers in 2018.

Services revenue was \$105.5 million in Q4 2018, a decrease of 10.7 percent compared to Q4 2017. The four-quarters moving average increased 0.8 percent.

*\* The worldwide revenue results were restated for the eight historical quarters [Q416-Q318] due to a significant reporting change from one company. The region results below are based on previous MSS reports.*

### **Revenue by Region**

The Americas, EDA's largest region, purchased \$1159 million of EDA products and services in Q4 2018, a decrease of 7.4 percent compared to Q4 2017. The four-quarters moving average for the Americas increased 4.1 percent.

Revenue in Europe, the Middle East, and Africa (EMEA) decreased 12 percent in Q4 2018 compared to Q4 2017 on revenues of \$339.8 million. The EMEA four-quarters moving average increased 3.7 percent.

Fourth quarter 2018 revenue from Japan decreased 1.7 percent to \$225 million compared to Q4 2017. The four-quarters moving average for Japan increased 5.3 percent.

The Asia/Pacific (APAC) region revenue decreased slightly to \$846.3 million in Q4 2018, a decrease of 0.4 percent compared to the fourth quarter of 2017. The four-quarters moving average increased 2.8 percent.

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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 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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