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ESD ALLIANCE REPORTS EDA INDUSTRY REVENUE INCREASE FOR Q4 2019

8% Growth in 2019 Drives Tenth Consecutive Year of EDA Growth and Surpasses \$10B

Milpitas, Calif., March 25, 2020—The Electronic System Design (ESD) Alliance Market Statistics Service (MSS) today announced that the Electronic Design Automation (EDA) industry revenue increased 2.2 percent for Q4 2019 to \$2626.3 million, compared to \$2570.1 million in Q4 2018. For 2019, the EDA industry revenue reached \$10.2 billion which was an 8.3 percent increase over 2018.

“The EDA industry reported increased revenue in Q4 compared to Q4 2018, in part due to strong growth in Europe, Middle East and Africa,” said Walden C. Rhines, CEO Emeritus of Mentor, a Siemens Business. “The Printed Circuit Board and Multi-Chip Module category also reported double digit gains in Q4. For the full year 2019, we saw increased growth in all four of the major EDA categories - CAE, PCB & MCM, IC Physical Design and Verification, and SIP as well as in the Americas, EMEA, and Asia-Pacific regions.”

Companies that were tracked employed 45,416 professionals in Q4 2019, an increase of 6.1 percent compared to the 42,790 employed in Q4 2018, and up 1 percent compared to Q3 2019.

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 \$874.4 million in Q4 2019, which represents a 1 percent increase compared to Q4 2018. The four-quarters moving average for CAE increased 6.5 percent.

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IC Physical Design & Verification revenue was \$466.4 million in Q4 2019, a 3.9 percent decrease compared to Q4 2018. The four-quarters moving average increased 9.5 percent.

Printed Circuit Board and Multi-Chip Module (PCB & MCM) revenue of \$295.3 million for Q4 2019 represents an increase of 19.4 percent compared to Q4 2018. The four-quarters moving average for PCB & MCM increased 15.1 percent.

Semiconductor Intellectual Property (SIP) revenue totaled \$900.6 million in Q4 2019, a 4 percent increase compared to Q4 2018. The four-quarters moving average increased 10.1 percent.

Services revenue was \$89.6 million in Q4 2019, a decrease of 15 percent compared to Q4 2018. The four-quarters moving average decreased 10.9 percent.

Revenue by Region

The Americas, EDA's largest region, purchased \$1125.6 million of EDA products and services in Q4 2019, a decrease of 2.9 percent compared to Q4 2018. The four-quarters moving average for the Americas increased 2.4 percent.

Revenue in Europe, the Middle East, and Africa (EMEA) increased 31 percent in Q4 2019 compared to Q4 2018 on revenues of \$445.1 million. The EMEA four-quarters moving average increased 8.6 percent.

Fourth quarter 2019 revenue from Japan decreased 6 percent to \$211.4 million compared to Q4 2018. The four-quarters moving average for Japan decreased 6.7 percent.

The Asia/Pacific (APAC) region revenue decreased to \$844.2 million in Q4 2019, a decrease of 0.2 percent compared to the fourth quarter of 2018. The four-quarters moving average increased 13.6 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](http://esd-alliance.org), a SEMI Strategic Technology Community, 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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