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ESD ALLIANCE REPORTS EDA INDUSTRY REVENUE INCREASE FOR Q3 2018

Milpitas, Calif., January 7, 2019—The Electronic System Design (ESD) Alliance Market Statistics Service (MSS) today announced that the Electronic Design Automation (EDA) industry revenue increased 6.7 percent for Q3 2018 to $2435.6 million, compared to $2283.2 million in Q3 2017. The four-quarters moving average, which compares the most recent four quarters to the prior four quarters, increased by 8.4 percent.

"The EDA industry continues to report growth, with all major product categories and geographic regions reporting revenue increases," said Walden C. Rhines, CEO Emeritus of Mentor, a Siemens Business and member of the ESD Alliance Governing Council. "Geographically, the Americas reported the largest regional increase for Q3, followed closely by Asia Pacific."

Companies that were tracked employed 42,162 professionals in Q3 2018, an increase of 8 percent compared to the 39,044 employed in Q3 2017, and up 1.1 percent compared to Q2 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 $756.6 million in Q3 2018, which represents a 5.6 percent increase compared to Q3 2017. The four-quarters moving average for CAE increased 10.1 percent.

IC Physical Design & Verification revenue was $475.8 million in Q3 2018, a 3.9 percent increase compared to Q3 2017. The four-quarters moving average increased 10.2 percent.

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Printed Circuit Board and Multi-Chip Module (PCB & MCM) revenue of $200.7 million for Q3 2018 represents an increase of 5.9 percent compared to Q3 2017. The four-quarters moving average for PCB & MCM increased 9.7 percent.

Semiconductor Intellectual Property (SIP) revenue totaled $883.5 million in Q3 2018, an 8.8 percent increase compared to Q3 2017. The four-quarters moving average increased 5.9 percent.

Services revenue was $119.1 million in Q3 2018, an increase of 11.3 percent compared to Q3 2017. The four-quarters moving average increased 5.6 percent.

Revenue by Region

The Americas, EDA's largest region, purchased $1060 million of EDA products and services in Q3 2018, an increase of 7.4 percent compared to Q3 2017. The four-quarters moving average for the Americas increased 11.8 percent.

Revenue in Europe, the Middle East, and Africa (EMEA) increased 5.5 percent in Q3 2018 compared to Q3 2017 on revenues of $350.8 million. The EMEA four-quarters moving average increased 6.9 percent.

Third quarter 2018 revenue from Japan increased 4.1 percent to $242 million compared to Q3 2017. The four-quarters moving average for Japan increased 5.8 percent.

The Asia/Pacific (APAC) region revenue increased to $782.9 million in Q3 2018, an increase of 7 percent compared to the third quarter of 2017. The four-quarters moving average increased 5.1 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, 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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