We completed our monthly survey last weekend (~9,700 respondents) which saw slight improvement in C3Q growth while showing slight weakening in C4Q growth expectations. However, the seasonality outlook for C4Q improved for both quarters.

In addition the initial C4Q outlook is weaker than last year.

End customers have still been reluctant to cancel production to their manufactures instead pushing out production into future quarters but appear to be booking less for C4Q.

The survey showed a growth outlook for C3Q20 slightly better vs. last month with 54% expecting q/q growth vs. 51% previously and 11% see it as weaker vs. 14% last month.

The survey also showed improvement in bookings for C3Q20 with 29% expecting improving bookings vs. C2Q compared to 25% last month, and 25% now expect weaker bookings vs. 28% last month.

The C4Q outlook weakened slightly with 5% expecting q/q growth vs. 7% previously and 62% see it as weaker vs. 59% last month. There were also slightly more respondents who saw C4Q bookings weakening vs. last month.

Backlog cancellation expectations (slide 6) also improved slightly and remains more neutral vs. 2 months ago.

Availability of critical parts continues to improve and in most cases are at or below normal levels. Slide 7, which shows a more granular view of inventory by key components, showed improvements across most products in inventory and availability.
Q/Q Demand Growth Outlook

3Q Growth Expectations

- April: 66%
- May: 59%
- June: 54%
- July: 40%
- August: 31%
- September: 54%

Worse than Q2 - Red
Better than Q2 - Green

C3Q Growth Expectations vs. C2Q

C4Q Growth Expectations

- July: 61%
- August: 55%
- September: 62%
- October: 5%
- November: 7%
- December: 5%
- January: 5%

Worse than Q3 (2019) - Red
Better than Q3 (2019) - Green

C4Q Growth Expectations vs. C3Q

- 2019: Lower than Q3 (2019)
- 2020: Higher than Q3 (2020)

Worse than Q3 - Red
Better than Q3 - Green
Q/Q Seasonality Expectations

3Q Seasonality Expectations

- April: 24%
- May: 27%
- June: 30%
- July: 19%
- August: 22%
- September: 25%

4Q Seasonality Expectations

- July: 21%
- August: 16%
- September: 13%
- October: 13%
- November: 12%
- December: 13%
- February: 10%

C3Q Seasonality Expectations

- 2017: Above 34%, Below 34%
- 2018: Above 30%, Below 40%
- 2019: Above 35%, Below 30%
- 2020: Above 30%, Below 30%

C4Q Seasonality Expectations

- 2017: Above 30%, Below 20%
- 2018: Above 30%, Below 40%
- 2019: Above 35%, Below 30%
- 2020: Above 30%, Below 30%
Q/Q Bookings Growth Expectations

C3Q Bookings Expectations

4Q Bookings Expectations

C4Q Bookings Expectations Seasonality

September 2020
Backlog Order Cancellations vs. 30 Days Ago
(Delta between increasing and decreasing cancellations – Higher % is more positive)
Inventory Status

(Using a scale of 1 to 5 with 1 being extremely low inventory, 3 being the normal amount, and 5 being extremely high; how do you view inventory levels for the following products?)

Continuing to see most products being at or above normal inventory levels.
Q/Q Inventory Growth

C4Q20 Inventories vs. C3Q20

C3Q20 Inventories vs. C2Q20

- Decreasing
- Increasing
Q/Q Pricing Trends

C4Q20 Pricing vs. C3Q20

C3Q20 Pricing vs. C2Q20
Vertical Outlook

The outlook for Communications continues to be above previous years while Auto continues to erode.