TPC July 2020 Survey Summary

Survey Date: July 1-7  Respondents: ~10,600 Location: Worldwide (~80% Asia)  Who: Active Electronics Industry Professionals
Response Composition (multiple choices): Industrial 45%, Auto 18%, Comm 20%, Computing 24%, Mobile 38%, Data Ctr 22%, Other 14%

• We completed our monthly survey last weekend (~10,600 respondents) which saw continued weakening in C3Q growth expectations. In addition C3Q bookings expectations also continued to weaken.

• 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 the near term during the past 30 days.

• The survey showed a growth outlook for C2Q20 about the same vs. last month with 45% expecting q/q growth vs. 47% previously and only 11% see it as weaker vs. 14% last month.

• The survey showed a growth outlook for C3Q20 weaker vs. last month with 54% expecting q/q growth vs. 59% previously and only 12% see it as weaker vs. 8% last month.

• The survey showed a weakening in bookings growth outlook for C3Q20 with 30% expecting improving bookings vs. C2Q compared to 33% last month. Now 18% expect weaker bookings vs. 13% last month.

• Backlog cancellation expectations (slide 6) shows a continued increase in cancellations over the last 2 months which we view as a leading negative indicator for C4Q.

• Availability of critical parts are now becoming less of a concern with lead-times shrinking slightly and inventories starting to increase slightly. 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

C2Q20 Growth Expectations

- January: 95%
- February: 50%
- April: 12%
- May: 14%
- June: 11%

C2Q Growth Expectations vs. C1Q

- 2017: 50%
- 2018: 50%
- 2019: 11%
- 2020: 45%

3Q Growth Expectations

- April: 66%
- May: 50%
- June: 54%

C3Q Growth Expectations vs. C2Q

- 2017: 80%
- 2018: 50%
- 2019: 40%
- 2020: 40%

June 2020

TPC Proprietary
Q/Q Seasonality Expectations

C2Q Seasonality Expectations

- Above (2019): Green
- Below (2019): Red

3Q Seasonality Expectations

- Above (2019): Green
- Below (2019): Red

C3Q Seasonality Expectations

- Above Seasonal: Green
- Below Seasonal: Red
Q/Q Bookings Growth Expectations
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?)

Still seeing most products being at normal inventory levels.
Q/Q Inventory Growth

### C2Q20 Inventories vs. C1Q20
- **Jan**: 7%
- **Feb**: 14%
- **Apr**: 8%
- **May**: 10%
- **Jun**: 7%

### C3Q20 Inventories vs. C2Q20
- **Apr**: 26%
- **May**: 25%
- **Jun**: 23%
Q/Q Pricing Trends

C2Q20 Pricing vs. C1Q20

C3Q20 Pricing vs. C2Q20
The outlook for Communications continues to be above previous years while Auto continues to erode.