

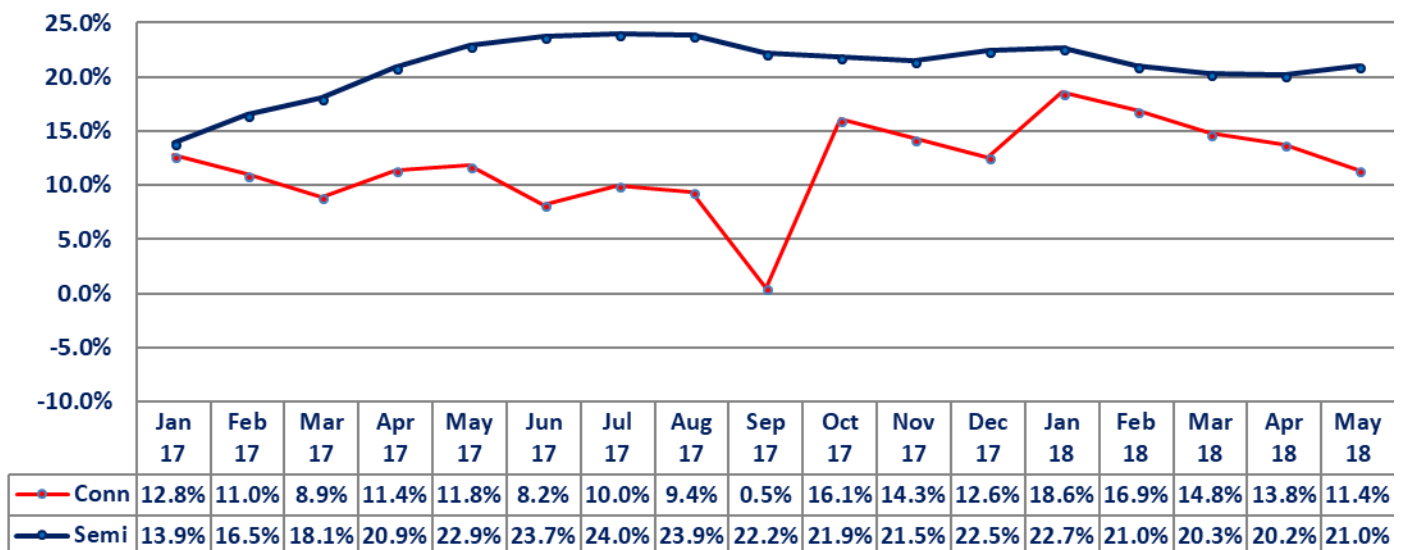
Semi Sales Up +21.1% in May

The Semiconductor Industry Association (SIA) reported record May sales of \$38.7 billion, up +21.0% from prior year and up +3.0% sequentially. Regionally for May, the SIA reported that China grew +28.5% YOY, Japan grew +14.7%, Asia Pacific/Other grew +8.7%, the Americas grew +31.6% and Europe grew +18.7%.

The connector industry sales, measured in U.S. dollars, increased +11.4% to prior year and grew +7.8% sequentially. Regionally for May, YOY sales increased +9.9% in North America, +14.4% in Europe, +11.2% in China, +9.1% in Japan, +14.1% in Asia Pacific and contracted -5.5% in ROW.

The following graph compares semiconductor sales performance to the connector industry.

**Monthly Sales Performance
Year-Over-Year**



- Semis grew for the 22st consecutive month and have outpaced Connectors for the last 18 months. Semis have grown in the lower 20% range for the last 14 months.
- Semi sales continue strong YOY growth despite difficult comparison to prior year. Connector growth is slowing down due to difficult comparisons to prior year.
- The continuing strong growth of sales of semis and connectors demonstrates strength in the worldwide economies.

The following table displays year-to-date performance, measured in U.S. dollars, by geographic region for both components.

**Sales Performance
May Year-To-Date**

	Semiconductors	Connectors
North America	35.9%	10.3%
Europe	21.0%	25.0%
Japan	14.6%	7.7%
China	21.0%	12.1%
Asia Pacific/Other	13.2%	10.0%
World	21.1%	14.4%

Source SIA & Bishop

Both components sales growth performance is tracking more closely in total world sales. On a regional basis, however, performance is diverging in North America, Japan and China.

High demand for semiconductors always leads to strong connector sales. Both components had record sales in 2017 and have a very strong start to 2018.

Connectors are projected to grow +10.8% in 2018 to \$66.6 billion. Gartner projects semiconductors to grow +7.5% in 2018 to \$451 billion. We believe this forecast will be revised upward.