

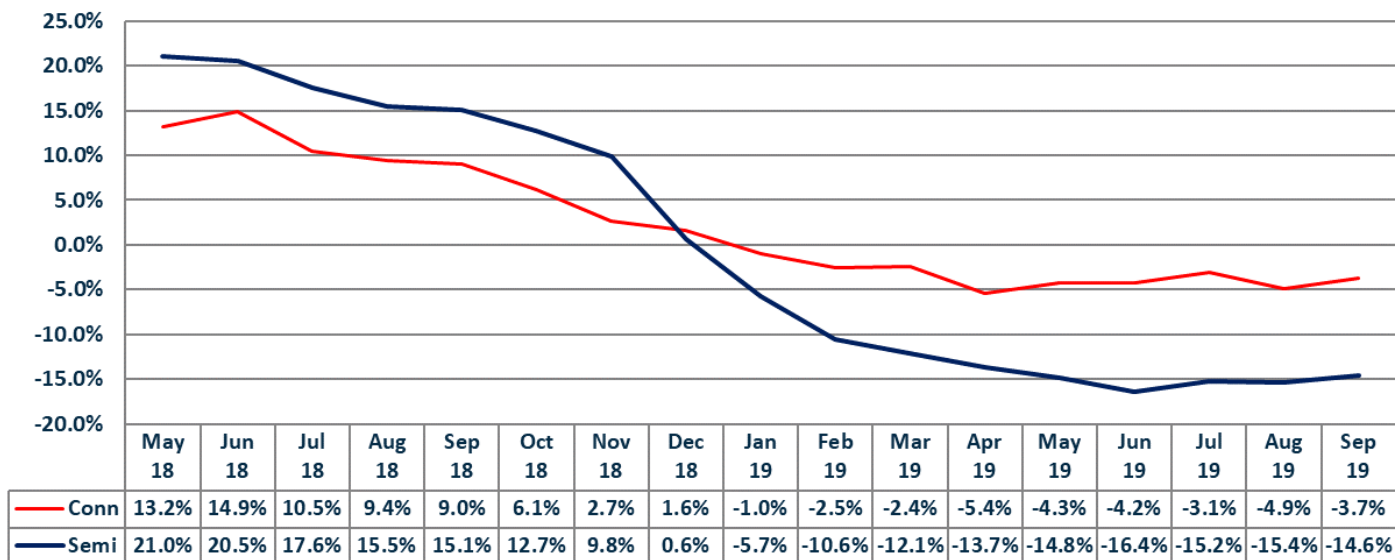
Semi Sales Contracted -14.6% in September Semis Sales Record Sequential Growth in Four of Last Five Months

The Semiconductor Industry Association (SIA) reported September sales of \$35.6 billion, down -14.6% from prior year and up +3.4% sequentially. Regionally for September, the SIA reported that the Americas contracted -30.4% YOY, Japan was down -10.0%, Asia Pacific/Other decreased by -6.9%, Europe was down -6.4% and China contracted -12.9%.

Connector industry sales, measured in US dollars, declined -3.7% to prior year and increased +2.9% sequentially. Regionally for September, YOY sales increased +1.6% in Japan, declined -4.6% in Asia Pacific, declined -4.6% in Europe, decreased -4.3% in China, decreased -6.7% in ROW and North America decreased -3.4%.

The following graph compares semiconductor sales performance to the connector industry since May 2018.

Monthly Sales Performance
Year-Over-Year



- In September, both semi and connector sales contracted for the ninth consecutive month. Connector sales have outperformed semis in the last ten months.
- Semi and connector sales performance is leveling off in the YOY comparisons, in the negative mid-single-digits for connectors and the negative mid-teens for semis.

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

**Sales Performance
2019 September YTD**

	Semiconductors	Connectors
North America	-30.4%	1.4%
Europe	-6.4%	-4.6%
Japan	-10.0%	-3.2%
China	-12.9%	-7.6%
Asia Pacific/Other	-6.9%	-3.3%
World	-14.6%	-3.4%

Source SIA & Bishop

Semi sales are declining at a faster rate than connectors, separated by over 11 percentage points. YTD sales growth in North America is separated by almost 32 percentage points. Considering the positive number for North American YTD connector growth, it is somewhat surprising that the semis contraction is so large in comparison.

High demand for semiconductors has always led to strong connector sales, but the opposite has also been true. If semi sales continue to contract, historically, connector sales have also continued to contract.

The various tariffs between the major economies, and slowing economic growth, had an impact on growth in the first nine months of 2019. The move by the Federal Reserve and the ECB to reduce interest rates may help slow the economic contraction. China is taking similar actions.