

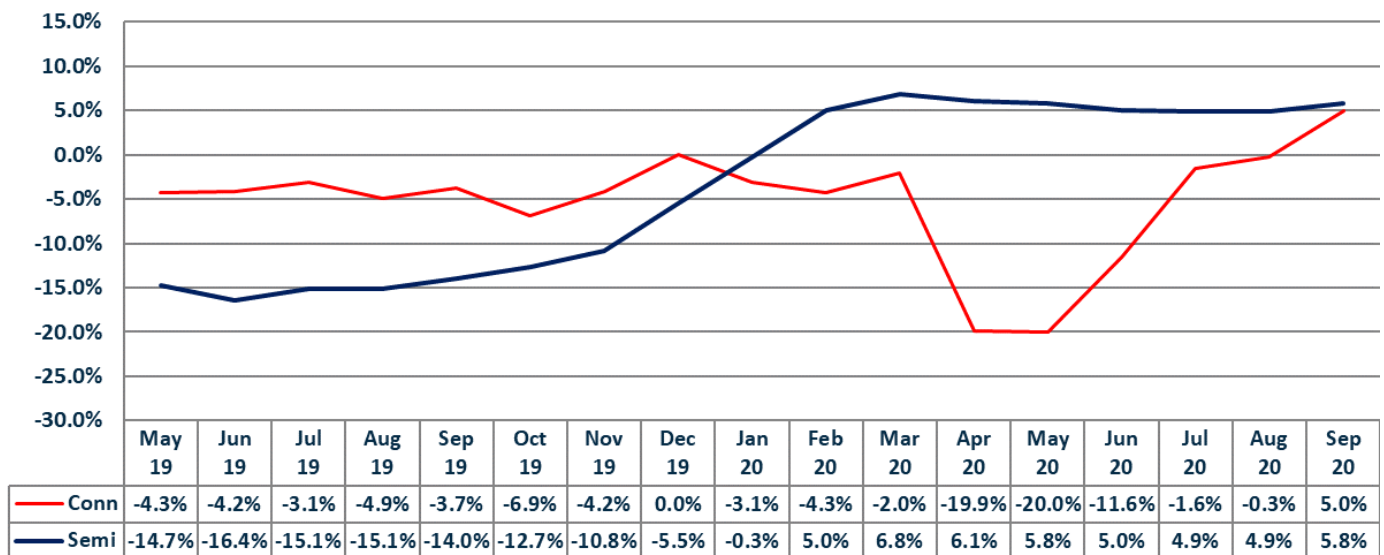
Semis Up +5.8% in September 3Q20 Sales Grew +11.0% Sequentially

The Semiconductor Industry Association (SIA) reported September sales of \$37.9 billion, up +5.8% from the prior year, and up +4.5% sequentially. Regionally for September, the SIA reported that the Americas grew +20.1% YOY, China increased +6.5% and Asia Pacific/Other increased by +2.9%. Europe was down -9.8% and Japan was down -1.8%. 3Q20 sales growth was up +5.8% YOY and up 11.0% sequentially.

Connector industry sales, in September, were up +5.0% from the prior year and increased +1.7% sequentially as the industry had some further recovery from the COVID shutdowns. Regionally for September, YOY sales decreased -10.1% in Japan and increased +7.5% in Europe, +6.0% in North America, +8.1% in China, +2.1% in Asia Pacific, and +2.8% in ROW. 3Q20 sales performance was up +1.3% YOY and up an amazing +25.2% sequentially.

The following graph compares semiconductor sales performance to the connector industry since May 2019.

Monthly Sales Performance
Year-Over-Year



As seen in the above graph, connector industry performance has started to recover, while semis have remained positive in the mid-single digits for the last six months. This converging sales performance makes more sense for the two components which are mostly used in unison.

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

**Sales Performance
2020 September YTD**

	Semiconductors	Connectors
North America	20.1%	-5.7%
Europe	-8.9%	-9.3%
Japan	-0.2%	-12.5%
China	4.1%	0.2%
Asia Pacific/Other	-2.6%	-7.4%
World	4.9%	-6.3%

Source SIA & Bishop

Semi sales performance has now surpassed connector sales performance for eight consecutive months although YOY performance is starting to converge. Many countries have started to revive their economy's, but some have also had setbacks. China clearly has a head-start on their reopening. We do not anticipate that there will be significant setbacks in the industry performance in the next quarter. There are at least four vaccines in stage three studies, and they appear promising. Pfizer just announced their vaccine proved 90% effective in their trials. Although COVID will be around for several more months, or longer, the world now seems capable of dealing with it while they get on with business.