

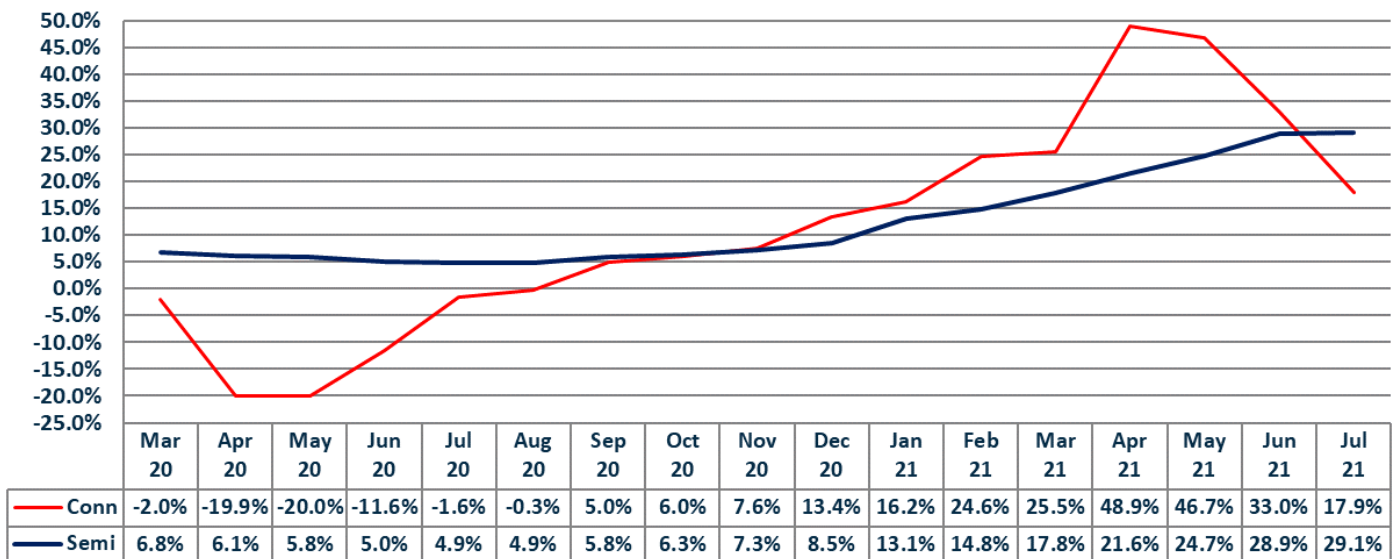
Semi Sales Up +29.1% in July Beats Connector Growth

The Semiconductor Industry Association (SIA) reported July sales of \$45.4 billion, up +29.1% from the prior year, and up +2.1% sequentially. Regionally for July, the SIA reported that the Americas grew +27.0% YOY, China increased +29.0%, Japan increased +21.1%, Asia Pacific/Other increased by +31.2%, and Europe increased +37.6%.

Connector industry sales in July were up +17.9% from the prior year and decreased -4.2% sequentially. Regionally for July, YOY sales increased +10.4% in North America, +17.5% in China, +21.1% in Japan, +21.2% in Asia Pacific, +24.9% in ROW, and +22.8% in Europe.

The following graph compares semiconductor sales performance to the connector industry since March 2020.

Monthly Sales Performance
Year-Over-Year



For the first time since October 2020, connector industry sales performance was lower than semiconductors. Sales performance for semis did not decline in early 2021, as connectors did.

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

**Sales Performance
2021 July YTD**

	Semiconductors	Connectors
North America	17.1%	24.5%
Europe	20.1%	38.6%
Japan	13.8%	23.2%
China	23.7%	30.0%
Asia Pacific/Other	24.7%	30.1%
World	21.4%	30.6%

Source SIA & Bishop

Semiconductor customers have begun to hedge against shortages and price increases by over-ordering. The connector industry is experiencing the same phenomenon. We believe over-ordering accounts for some of the growth. We anticipate both components to experience slower sales in the second half of 2021 as the demand moderates and comparisons become more difficult.

Although the surge in COVID-19 Delta variant cases in recent months has picked up in some countries, an increase in industrial production around the world has resulted in spiking demand for semiconductors and other materials, with many shortages showing up since the beginning of the year. New COVID outbreaks in Asia Pacific and China could further exacerbate the semi shortages. Gardner predicts that semiconductor shortages will continue through 1Q22.

Many countries have made progress in reviving their economies. We do not anticipate that there will be significant setbacks, beyond those discussed in this news brief, in connector industry performance in the second half of 2021. The year-over-year growth will continue to slow, however, as the comparisons get more difficult.