

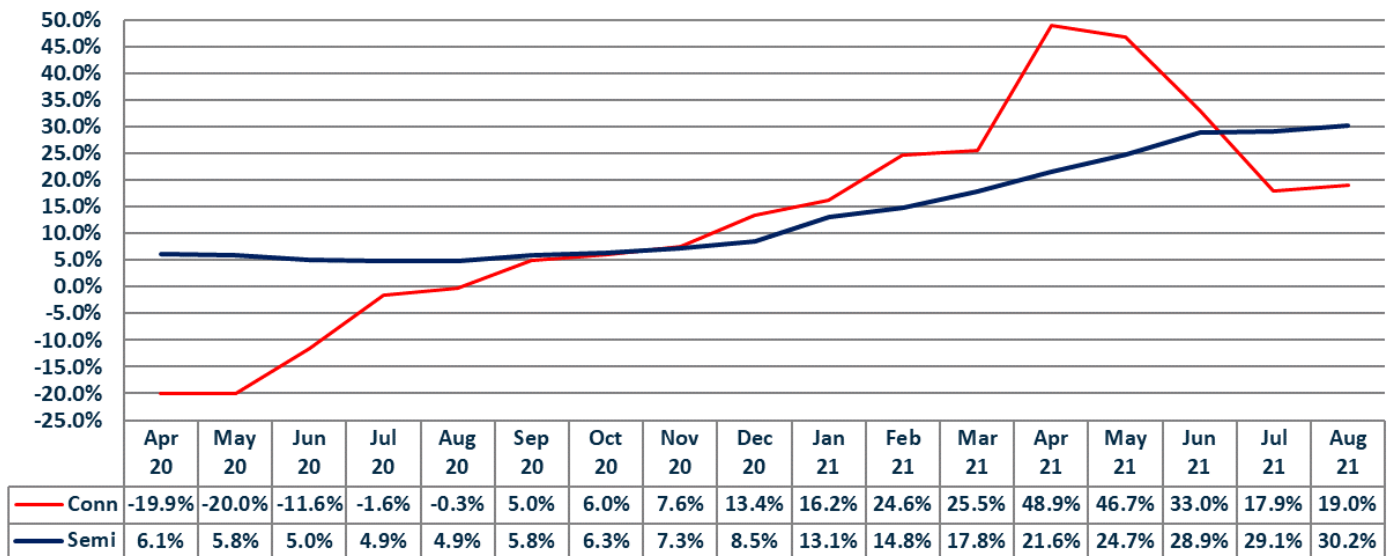
Semi Sales Up +30.2% in August

The Semiconductor Industry Association (SIA) reported August sales of \$47.2 billion, up +30.2% from the prior year, and up +3.8% sequentially. Regionally for August, the SIA reported that the Americas grew +30.6% YOY, China increased +30.8%, Japan increased +23.8%, Asia Pacific/Other increased by +28.2%, and Europe increased +33.5%.

Connector industry sales in August were up +19.0% from the prior year and increased +8.9% sequentially. Regionally for August, YOY sales increased +15.5% in North America, +18.9% in China, +20.2% in Japan, +21.4% in Asia Pacific, +26.8% in ROW, and +20.5% in Europe.

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

Monthly Sales Performance
Year-Over-Year



Connector sales growth was lower than semiconductors for the second consecutive month.

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

**Sales Performance
2021 August YTD**

	Semiconductors	Connectors
North America	18.8%	23.2%
Europe	21.7%	36.0%
Japan	15.1%	22.8%
China	24.8%	28.4%
Asia Pacific/Other	25.2%	28.9%
World	22.5%	28.9%

Source SIA & Bishop

To hedge against shortages and price increases, we believe that, similar to the phenomenon occurring in the connector industry, customers are over-ordering, and this accounts for some of the growth in both components. 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.