The European Institute for the PCB Community

EIPC SPEeDNEWS

The Weekly On-Line Newsletter
Issue 19 - July 2022

NEWS FROM FINLAND

Aspocomp Group Board of Directors have decided on the establishment of a share-based long-term incentive scheme for the company's top management and selected key employees

Aspocomp Group Plc, Stock Exchange Release, July 20, 2022, at 9:30 a.m. EEST
The Board of Directors of Aspocomp Group Plc has decided on the establishment of a share-based long-term incentive scheme for the company's top management and selected key employees. It comprises a Performance Share Plan (also "PSP").

The objectives of the Performance Share Plan are to align the interests of Aspocomp's management with those of the company's shareholders and, thus, to promote shareholder value creation in the long term as well as to commit the management to achieving Aspocomp's strategic targets.

The Performance Share Plan consists of annually commencing individual performance share plans. The commencement of each new plan is subject to a separate decision of Aspocomp's Board of Directors.

Each plan comprises a performance period followed by the payment of the potential share rewards in listed shares of Aspocomp. The payment of the rewards is conditional on the achievement of the performance targets set by the Board of Directors for the respective plan.

The performance period of the first plan, PSP 2022 – 2024, covers the period from the beginning of July 2022 until the end of the year 2024. The share rewards potentially payable thereafter will be paid during the first half of the year 2025. The possible subsequent plans will include a three-year performance period as in each case separately decided by the Board of Directors. The length of the first plan is shorter due to the transition phase to the new long-term incentive structure.
The performance measures based on which the potential share rewards under PSP 2022 – 2024 will be paid are cumulative EBIT and the total shareholder return of Aspocomp's share (absolute TSR).
Eligible for participation in PSP 2022 – 2024 are approximately 20 individuals, including the members of Aspocomp's Management Team.

If all the performance targets set for the first plan, PSP 2022 – 2024, are fully achieved, the aggregate maximum number of shares to be paid as a reward based on this plan is approximately 92,000 shares (referring to gross earnings before the withholding of the applicable payroll tax).

Other terms
The maximum value of the reward payable to the participants based on PSP is limited by a cap which is linked to Aspocomp's share price development with a multiplier set by the Board of Directors.
If the individual's employment with Aspocomp terminates before the payment of the reward, the individual is not, as a main rule, entitled to any reward based on the respective plan.

Aspocomp applies a share ownership recommendation to the members of the company's Management Team. According to this recommendation each member of Aspocomp's Management Team is expected to retain in his/her ownership at least half of the shares received under the share-based incentive plans of the company until the value of his/her share ownership in the company in case of the President and CEO corresponds to at least the CEO's annual gross base salary and in case of the other members of the Management.

ASPOCOMP GROUP PLC
Aspocomp is headquartered in Espoo and its plant is in Oulu, one of Finland's major technology hubs.

Aspocomp Group: Excellent second quarter, net sales increased by 33% and operating result was 17% of net sales

SECOND QUARTER 2022 HIGHLIGHTS
Net sales EUR 9.6 (7.2) million, increase of 33%
Operating result EUR 1.6 (0.5) million, 16.6% (6.4%) of net sales
Earnings per share EUR 0.23 (0.06)
Operative cash flow EUR 0.9 (-0.1) million
Equity ratio 67.1% (63.6%)
Orders received EUR 9.6 (12.7) million, decrease of 24%
JANUARY-JUNE 2022 HIGHLIGHTS
Net sales EUR 18.6 (13.4) million, increase of 39%
Operating result EUR 2.4 (0.0) million, 12.9% (-0.3%) of net sales
Earnings per share EUR 0.35 (-0.01)
Operative cash flow EUR 1.6 (0.5) million
Equity ratio 67.1% (63.6%)
Orders received EUR 22.6 (19.9) million, increase of 14%
Order book at the end of the review period EUR 20.5 (10.8) million, increase of 89%

OUTLOOK FOR 2022

Demand is expected to improve in all customer segments. However, a global shortage of components may limit growth in customer demand.

Russia's war of aggression against Ukraine and the sanctions imposed against Russia are not expected to have any direct impact on Aspocomp's business, financial position or cash flow.

Aspocomp reiterates the guidance that was published on July 14, 2022. Aspocomp estimates that its net sales for 2022 will increase and its operating result for 2022 will improve clearly from 2021. In 2021, net sales amounted to EUR 33.2 million and the operating result to EUR 2.2 million.

In its previous outlook for 2022 (Interim Report for January 1-March 31, 2022, on April 26, 2022), Aspocomp estimated that its net sales for 2022 will increase and its operating result for 2022 will improve from 2021. In 2021, net sales amounted to EUR 33.2 million and the operating result to EUR 2.2 million.

CEO'S REVIEW

"The second quarter of the year went excellently. Net sales continued to grow strongly and rose 33 percent to EUR 9.6 million. Net sales for the first half of the year rose to EUR 18.6 million, a year-on-year increase of 39 percent.

Strong demand continued in the Semiconductor Industry customer segment, and its net sales tripled to EUR 4.2 million. The Telecommunication segment also saw brisk growth, up 50 percent, and its net sales reached EUR 1.5 million. The Industrial Electronics segment clearly slowed down and its net sales fell by 50 percent to EUR 1.0 million.

New orders valued at EUR 9.6 million were received and the order book increased to EUR 20.5 million. Growth in the order book was particularly supported by increased demand in the Semiconductor Industry customer segment. Of the order book, EUR 17.2 million has been scheduled for delivery this year and the remaining EUR 3.3 million next year.

The second-quarter operating result increased clearly to EUR 1.6 million, amounting to 17 percent of net sales. The improvement in operating result in the second quarter was mainly due to the increase in net sales and the improved product mix focusing on more technologically demanding PCBs. The operating result for the first half of the year amounted to EUR 2.4 million and the operating result percentage rose to 13 percent.

Russia's war of aggression in Ukraine and the sanctions imposed on Russia have no direct impact on Aspocomp's business. We reiterate the guidance for 2022 that was updated in July."

NET SALES AND EARNINGS

April-June 2022

Second-quarter net sales amounted to EUR 9.6 (7.2) million, a year-on-year increase of 33%.

The Semiconductor Industry customer segment's net sales tripled to EUR 4.2 (1.3) million during the second quarter. The growth of the Semiconductor Industry customer segment was driven by ongoing global investments in significant increases in chip capacity.

The Industrial Electronics customer segment's net sales decreased by 40% to EUR 1.1 (1.8) million during the second quarter. Inflationary pressures and problems with the availability of components slowed down industrial investments.

The Security, Defence and Aerospace customer segment's net sales increased by 16% to EUR 1.5 (1.3) million. The changing geopolitical environment increases the demand for local manufacturing.

The Automotive customer segment's demand declined by 29%, with net sales remaining at EUR 1.2 (1.7) million. Growth in the automotive segment was limited by a general shortage of components and extended delivery times in the automotive industry.

The Telecommunication customer segment's net sales amounted to EUR 1.5 (1.0) million, a year-on-year increase of 50%. Growth was supported by customers' increased PCB needs in product development and new customers.

The five largest customers accounted for 56% (49%) of net sales. In geographical terms, 92% (84%) of net sales were generated in Europe and 8% (16%) on other continents.

The operating result for the second quarter amounted to EUR 1.6 (0.5) million. The improvement in operating result in the second quarter was mainly due to the increase in net sales and the improved product mix. Second-quarter operating result was 16.6% (6.4%) of net sales.

Net financial expenses amounted to EUR 0.0 (0.0) million. Earnings per share were EUR 0.23 (0.06).

January – June 2022

First-half net sales amounted to EUR 18.6 (13.4) million, a year-on-year increase of 39 percent.

The Semiconductor Industry customer segment's net sales grew strongly to EUR 7.1 (2.0) million. The growth of the Semiconductor Industry customer segment was driven by ongoing global investments in significant increases in chip capacity.

The Industrial Electronics customer segment's net sales decreased by 12% to EUR 2.8 (3.2) million. Inflation and problems with the availability of components caused the segment's demand to decline during the second quarter.

The Security, Defence and Aerospace customer segment's net sales increased by 16% to EUR 3.0 (2.6) million. The changing geopolitical environment increases the demand for local manufacturing.

The Automotive customer segment's demand declined by 13%, with net sales remaining at EUR 2.9 (3.3) million. Growth in the automotive segment was limited by a general shortage of components and extended delivery times in the automotive industry.

The Telecommunication customer segment's net sales amounted to EUR 2.7 (2.3) million, a year-on-year increase of 23%. Growth was supported by customers' increased PCB needs in product development and new customers.

The five largest customers accounted for 54 (45) percent of net sales. In geographical terms, 91 (86) percent of net sales were generated in Europe and 9 (14) percent on other continents.
First-half operating result amounted to EUR 2.4 (0.0) million. First-half operating result was 12.9 (-0.3) percent of net sales.
Net financial expenses amounted to EUR 0.0 (0.0) million, including a deferred exchange gain of EUR 0.1 million. Earnings per share were EUR 0.35 (-0.01).
The order book at the end of the review period was EUR 20.5 (10.8) million. Growth in the order book was particularly supported by increased demand in the Semiconductor Industry customer segment. Of the order book, EUR 17.2 million has been scheduled for delivery this year and the remaining EUR 3.3 million next year.

THE GROUP'S KEY FIGURES								
	4-6/22	**4-6/21**	**Change**		**1-6/22**	**1-6/21**	**Change**	
Net sales, M€	9.6	7.2	33	*%*	18.6	13.4	39	*%*
EBITDA, M€	2.1	0.9	121	*%*	3.3	0.9	280	*%*
Operating result, M€	1.6	0.5	244	*%*	2.4	0.0	6818	*%*
% of net sales	17%	6%	10	*ppts*	13%	0%	13	*ppts*
Pre-tax profit/loss, M€	1.6	0.4	291	*%*	2.4	0.0	5226	*%*
% of net sales	17%	6%	11	*ppts*	13%	0%	13	*ppts*
Profit/loss for the period, M€	1.6	0.4	292	*%*	2.4	0.0	4916	*%*
% of net sales	17%	6%	11	*ppts*	13%	0%	13	*ppts*
Earnings per share, €	0.23	0.06	283	*%*	0.35	-0.01	2600	*%*
Investments, M€	0.3	0.2	108	*%*	1.2	0.8	59	*%*
% of net sales	4%	2%	1	*ppts*	7%	6%	1	*ppts*
Cash, end of the period	1.5	2.0	-48	*%*	2.6	2.0	67	*%*
Equity / share, €	3.00	2.50	*50*	*%*	3.00	2.50	*50*	*%*
Equity ratio, %	67%	64%	3	*ppts*	67%	64%	3	*ppts*

Gearing, %	11%	18%	-6	*ppts*	11%	18%	-6	*ppts*
Personnel, end of the period	148	140	8	persons	148	140	8	persons
* The total may deviate from the sum totals due to rounding up and down.								

The total may deviate from the sum totals due to rounding up and down.

Further information

For further information, please contact Mikko Montonen, President and CEO,
tel. +358 40 5011 262, mikko.montonen(at)aspocomp.com.

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NEWS FROM THE UK

Tuesday 18 October 2022 at South Devon College, Paignton, Devon, UK

CALL FOR POSTERS - SUBMIT BY FRIDAY 2ND SEPTEMBER JULY 2022
3RD INTERNATIONAL CONFERENCE ON PHOTONICS AND OPTO PACKAGING (POP3)
LINKING OPTOELECTRONICS DESIGNERS AND MANUFACTURERS

IMAPS-UK, in partnership with the Torbay Hi-Tech Cluster, the Electronics and Photonics Innovation Centre (EPIC) and South Devon College is pleased to announce a Call for Posters on the following Conference Topics:

- Academic Research and Development
- Developing Applications
- Advanced Packaging Technologies

THOSE WISHING TO PRESENT THEIR POSTER AT POP3 SHOULD SUBMIT AN ABSTRACT OF APPROXIMATELY 200 WORDS BY FRIDAY 2ND SEPTEMBER 2022, ELECTRONICALLY TO: OFFICE@IMAPS.ORG.UK

For Any other details or information Please contact:
IMAPS-UK Secretariat
125 High Street Chesterton, Cambridge, UK
Tel: +44 0131 2029004
e-mail: Office@imaps.org.uk

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ELECTRONICS INDUSTRY NEWS

TSMC Trims Expansion Plans as Outlook Dims

By Alan Patterson

Taiwan Semiconductor Manufacturing Company (TSMC) has pared back its plan to spend more than $40 billion this year for capacity expansion. The outlook for demand has worsened on expectations of an inventory reduction in the PC and consumer electronics segments.

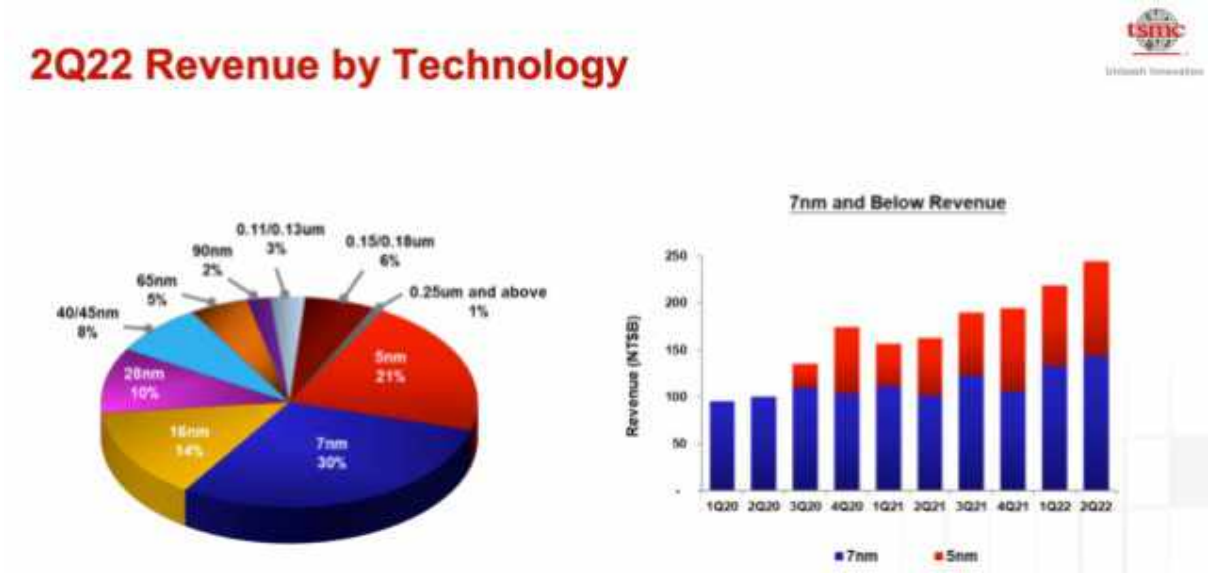
At a quarterly result meeting on July 14, TSMC predicts its capital expenditure this year will reach about $40 billion. Three months ago, the company forecasted that number could have reached $44 billion.

"Due to the softening device momentum in smartphone, PC, and consumer end–market segments, we observe the supply chain is already taking action and expect inventory levels to reduce throughout the second half of 2022," said TSMC CEO C.C. Wei at the event. "We believe the current semiconductor cycle will be more similar to a typical cycle, with a few quarters of inventory adjustment likely through first half 2023."

The world's top–ranked chip foundry, which makes semiconductors for customers ranging from Apple to Xilinx, is a bellwether for the electronics industry. While the consumer electronics segment slows, TSMC said it's still not able to keep up with demand, especially in the high–performance computing (HPC) segment that now accounts for the largest portion of its revenue. The company expects HPC to be the main engine of its long–term growth.

Data center and automotive–related demand remains solid, and the company has been reallocating capacity to support these areas. TSMC expects its capacity to remain tight throughout 2022, and predicts its full–year growth to reach the mid–30% range in U.S. dollar terms.

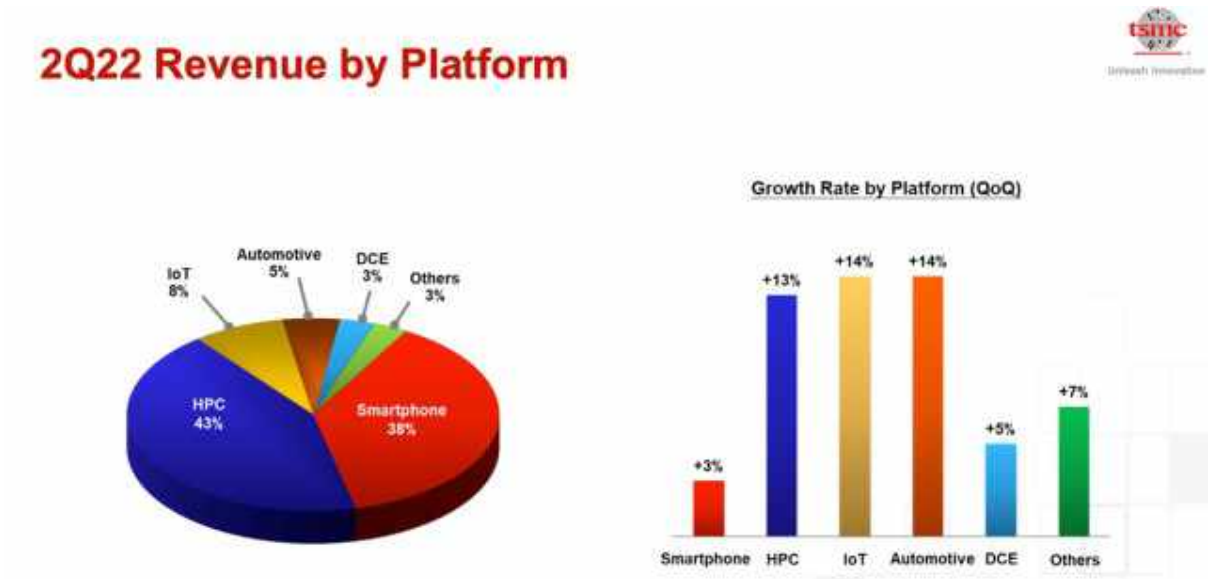
The drive by HPC customers to meet performance and energy–efficiency targets is fueling demand for TSMC's leading–edge technologies at the 7nm and 5nm process nodes, which together accounted for 51% of its second–quarter revenue.



TSMC 2020 revenue by technology (Source: TSMC)

The company leads foundry rivals such as Samsung and Intel in the advanced 7nm and 5nm nodes, where TSMC had more than 90% of the market, according to market research firm Gartner.

While macroeconomic headwinds may persist, silicon content is increasing in end devices, fueled by process technology migration and increased functionality, according TSMC. The number of CPUs, GPUs, and AI accelerators in data centers is increasing, the chipmaker said.



TSMC 2022 revenue by platform (Source: TSMC)

TOOL SHORTAGES AND INCREASED COSTS

A shortage in supply of chip–making equipment, such as extreme ultraviolet (EUV) lithography tools, has also constrained TSMC's ability to expand production capacity.

"Our suppliers have been facing greater challenges in their supply chains, which are extending delivery lead times for both advanced and mature nodes," Wei said. "As a result, we expect some of our capex this year to be pushed out into 2023."

TSMC also said that the cost of building its new 5nm fab in Arizona will be higher than expected.

"During these past two years, we found that the labor cost in the States is higher than we planned," TSMC chairman Mark Liu said at the event. "Some of the Covid supply chain interruptions also were unexpected."

"Our customers in the U.S. all want to load that fab," he added. "We also believe there is ample business opportunity there. The cost is increasing, but cost is not the only factor. We are still working on government subsidies, and we'll continue working on cost reduction."

TSMC is counting on a yet–to–be approved package of subsidies from the U.S. government worth $52 billion that is aimed at reviving the American chip industry.

Alan Patterson

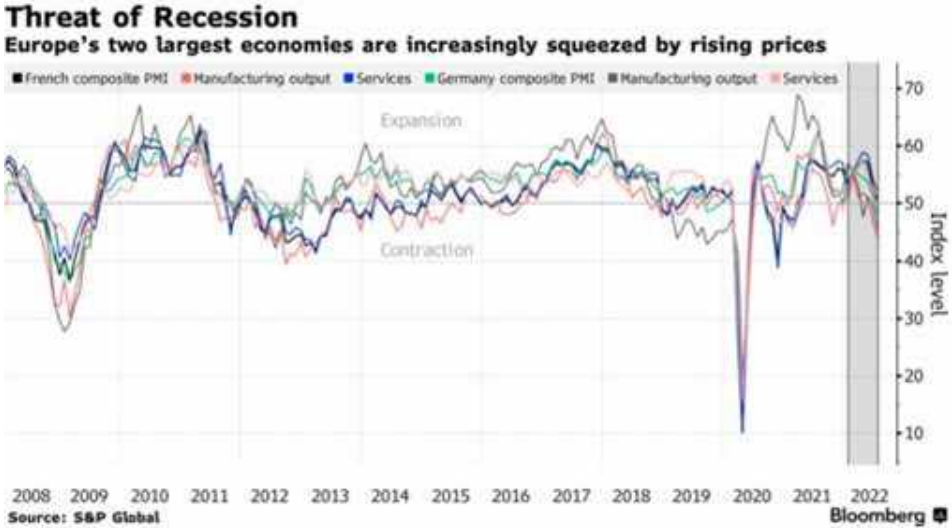
Alan has worked as an electronics journalist in Asia for most of his career. In addition to EE Times, he has been a reporter and an editor for Bloomberg News and Dow Jones Newswires. He has lived for more than 30 years in Hong Kong and Taipei and has covered tech companies in the greater China region during that time.

German Economic Activity Unexpectedly Shrinks on Inflation

PMI slumps to 48, more than expected and lowest in 25 months
French economy is headed for stagnation, survey shows
By Alexander Weber
Bloomberg

Germany's economy is shrinking for the first time this year as inflation squeezes businesses and households and the war in Ukraine destroys confidence.

A gauge of private-sector activity by S&P Global dropped to the lowest in 25 months in July, falling more than economists had expected and dipping below the threshold that separates expansion from contraction.



Expectations about the future turned negative for the first time since the pandemic began as domestic and foreign demand declined. The figures reinforce predictions that Europe's biggest economy is heading into a recession in the second half of 2022.

"Having enjoyed a growth boost from the previous easing of virus-related restrictions, a collision of various headwinds in July served to push the German economy into contraction," said Paul Smith, an economist at S&P Global.

"The decline in output was broad-based, with the downturn in manufacturing deepening, and service-sector activity dropping into contraction territory for the first time since December," he said.

The euro fell 0.9% against the dollar to $1.0141, the lowest since Tuesday, while German two-year yields, which are among the most sensitive to changes in monetary policy, slumped 18 basis points to 0.50% as money markets pared rate hike wagers.

Germany is among the most-exposed economies to Russia's invasion of its neighbour due to its outsized reliance on the Kremlin for natural-gas supplies, which have been limited in recent months. Firms in the services industry, meanwhile, are being restrained by labour shortages and customers whose finances are increasingly stretched by inflation.

French activity faced similar issues, though despite activity there also declining more than expected it continued to expand. Still, the data raises concerns that France is also at risk of a recession, S&P Global said.

- *With assistance by Harumi Ichikura, and James Hirai*

EMS industry reaches a new revenue record of $683 billion

Despite two years of component shortages and hopelessly snarled logistics, the global electronics manufacturing services (EMS and ODM) industry grew 14.8 percent in 2021 to reach a new revenue record of $683 billion, according to New Venture Research's annual study. Growth for the original device manufacturing industry was quite a bit higher than for the EMS industry, achieving an 18.9 percent increase while the EMS market only grew by 13.8 percent.

Foxconn, at $214.5 billion, continued its dominance as the leading EMS firm, outdistancing its closest contender by more than four times. The top 10 leaders account for 74.5 percent of total industry production revenue.

EMS companies are among the largest consumers of electronics components and therefore are at the front of the line when devices are in short supply. Although few industries were satisfied with their component supplies over the past few years, EMS providers received enough parts to achieve double-digit growth in 2021.

Table 1
Top Ten EMS Company Market Share, 2021

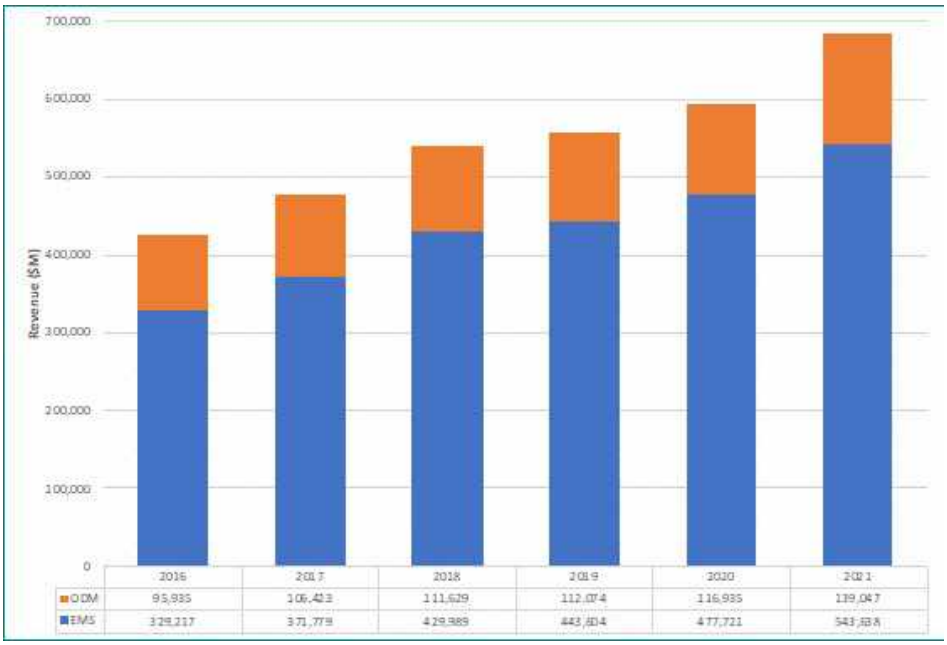
Company	Revenue ($M)	Share
Foxconn (Hon Hai)	214,563	39.5%
Pegatron	45,235	8.3%
Wistron	30,859	5.7%
Jabil	30,020	5.5%
Flex	25,456	4.7%
Luxshare Precision	23,865	4.4%
BYD Electronics	13,806	2.5%
Universal Scientific Ind.	8,575	1.6%
Sanmina	6,759	1.2%
New Kinpo Group	5,788	1.1%
Others	138,712	25.5%
Total	**543,638**	**100.0%**

- *Source: New Venture Research*

The contract manufacturing market was sustained by strong demand for notebooks, smartphones, servers and enterprise storage systems that supported cloud computing and social networking while workers endured isolation by their governments and employers. Capital spending in wireless infrastructure and enterprise LANs was strong and driven by the build-out of 5G wireless networks (soon 6G) in many regions in 2021 by OEMs such as Cisco, Ericsson, Huawei, Nokia, and Samsung, and supported by wireless carriers like AT&T, China Mobile, Deutsche Telekom, Mobile T, NTT DoCoMo, Reliance Jio, SK Telecom, Verizon and Vodafone.

The pandemic-caused downturn in CM revenue was not as severe in 2021 as it was in 2020, New Venture Research reported, resulting in some recovery in certain industries such as transportation and retail. The information technology industries — computing and communications — drove revenue growth as replacement sales took over. Indeed, all industries grew for EMS and ODM companies in 2021, although the medical sector did not profit as much as first assumed because suppliers shifted their attention from high-cost product assemblies to more low-cost emergency hardware

The highest-growth applications were in the computer industry, as demand surged for the latest versions of notebooks, servers and the replacement of older computers. These equipment purchases were spawned in the Covid-19 pandemic as workers were quarantined and relied on video and Zoom calls for most of 2021.



ODM/EMS revenue growth 2016-2021; Source: New Venture Research

For the 12th year in a row, the industry was profitable, at $16.2 billion, the highest ever recorded (for 36 EMS public companies and 14 ODM public companies), increasing by $4.4 billion from 2020, New Venture found.

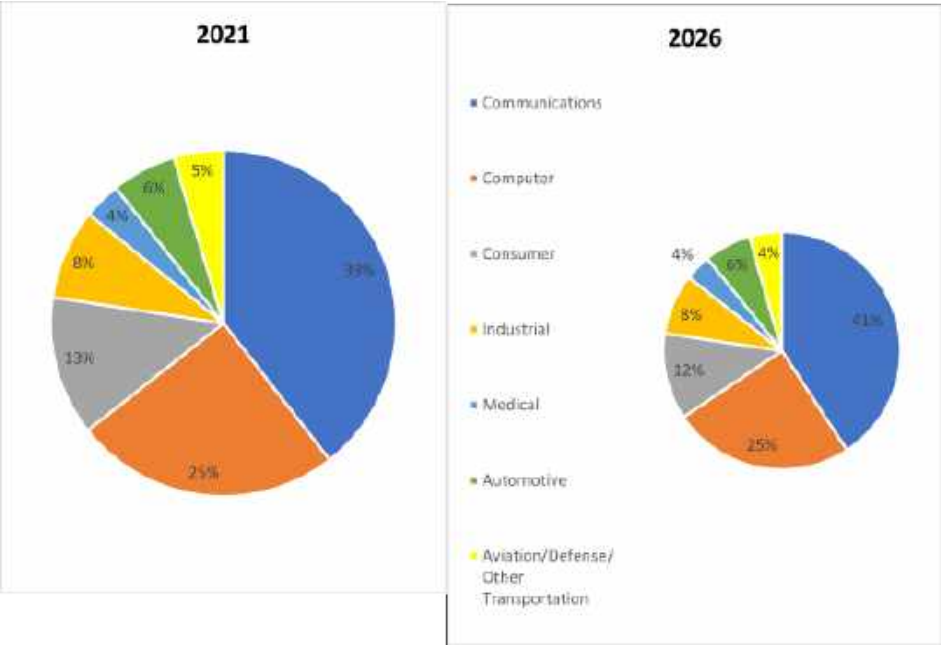
Foxconn accounted for almost one-third of all the profit ($5.0 billion) made by the EMS industry in 2021, and EMS companies accounted for approximately 66 percent of the CM total revenue. Five EMS companies and no ODM companies lost money in 2021.

Second in line was Quanta Computer which earned $1.3 billion, followed by Luxshare Precision which ranked third in total earnings with $1.1 billion. Delta Electronics earned $959 million; Pegatron, $896 million; and Jabil, $696 million.

Communications dominates EMS markets

The largest EMS market in size is the communications segment — thanks to smartphones — which have almost replaced PCs. The traditional computer market is not far behind, with steady demand for business machines, servers and specialty tablets. The consumer market ranks third, sustained by strong demand for digital TVs. The industrial market ranks fourth in size, followed by the automotive and aviation/defense/other transportation segments, and lastly by the medical equipment market. These markets accounted for approximately $1.4 trillion in total assembly revenue in 2021.

New Venture Research forecasts demand for electronics should continue to grow at a CAGR of 6.8 percent over the next five years. Communications and medical products will be growth leaders.



- *EMS industry market segments; Source: New Venture Research*

By 2026, the total industry is expected to reach $1.8 trillion in annual assembly value (COGS) as consumption and replacement of electronic products continues, the firm added. Subsequently, outsourcing remains a critical element in electronics industry innovation and expansion. The trend toward moving price-sensitive manufacturing to low-cost regions will continue to impact the industry.

This shift has been largely accomplished, said New Venture Research, although some migration will continue unless tariff impositions reverse the market growth, which seems likely.

However, OEM customers are increasingly insisting that their CM partners manufacture products near the regions where the products are sold, which includes more business for Mexico and Eastern Europe. For certain high-volume products like smartphones and PCs, OEMs need to leverage the lowest cost in manufacturing and labor cost differentials between regions are becoming less significant when weighed against the total cost of production — including transportation and logistical obstacles.

Author: Barbara Jorgensen

Barbara Jorgensen

Barb Jorgensen is editor-in-chief for supply chain publication EPSNews and has covered electronics manufacturing, procurement and business for more than 25 years. Barb spent most of her career with Electronic Business magazine and EBN; freelanced; and then founded online publication EPSNews with two industry veterans—Bolaji Ojo and Gina Roos. EPSNews was acquired by AspenCore in 2017.

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SEMICONDUCTOR NEWS

Future Horizons Semiconductor Monthly Update Report Is Back

Delivered to your inbox during the first week of the month, this C-Suite favourite report is everything the busy exec needs to stay on top of the industry

Why? The chip market is still booming but strong growth cannot last forever; all good things eventually come to an end, and the road ahead is starting to look less perfect. The first signs of softening in the PC, Smartphone and memory markets are showing and the global economy is starting to face serious headwinds.

What?

To counteract these increasingly nagging uncertainties, Future Horizons is relaunching its Global Semiconductor Monthly Update Report, revamped to give you convenient monthly updates to the industry trends in a compact series of easy-to-read graphs and explanatory key takeaways. Published monthly, each edition is a stand-alone executive summary of the key global semiconductor issues. The updates are published in the first week of each month and e-mailed to subscribers, to ensure that the content is timely and current.

Who?

A widely recognized C-Suite favourite, this Report is essential reading for anyone working in, or involved with, investment or planning semiconductor market strategy, whether a semiconductor supplier, user, EDA provider, equipment and materials firm, service provider, investor, government agency, trade organisation, researcher, designer or individual.

Price?

Priced at only 395 UK pounds / 475 US dollars / 465 Euros for an individual year's subscription (12 issues), this Report is not only full of highly useful and insightful information, it is also highly affordable for a single manager or a small company and outstanding value for money. Multi-user / site licence also available, pls call

Why Future Horizons?

We have been in the business of forecasting and analysing the semiconductor market for over 55 years and have been a trusted advisor to governments, investors and most of the top global semiconductor firms. Time and time again we have delivered sound advice and saved our clients time and money with our timely, insightful and accurate analysis of the industry.

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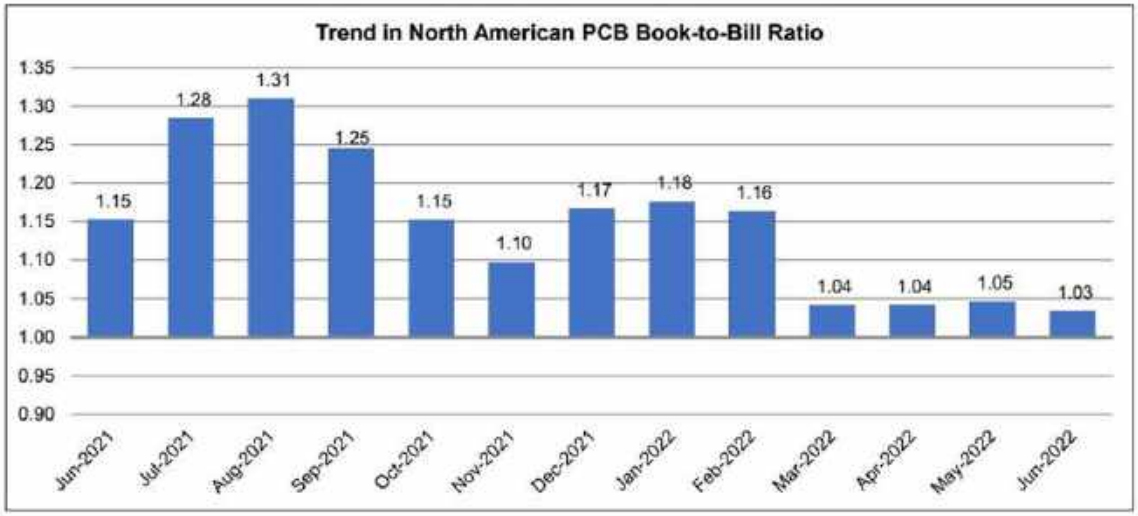
World Electronic Circuits Council

Issue 19 – July 2022

NEWS FROM THE IPC

North American PCB shipments in June 2022 were up 17.1 percent compared to the same month last year; PCB year-to-date bookings in June were down 4.1 percent compared to last year - IPC

IPC Releases PCB Industry Results for June 2022
Jul 21, 2022
IPC announced today the June 2022 findings from its North American Printed Circuit Board (PCB) Statistical Program. The book-to-bill ratio stands at 1.03.
Total North American PCB shipments in June 2022 were up 17.1 percent compared to the same month last year. Compared to the preceding month, June shipments rose 26.3 percent.
PCB year-to-date bookings in June were down 4.1 percent compared to last year. Bookings in June increased 14.4 percent from the previous month.
"Shipments in the PCB sector are improving, suggesting supply chain challenges might be abating. Shipments are up 10.4 percent over the last three months compared to a year ago," said Shawn DuBravac, IPC's chief economist. "Orders appear to be stabilizing at a high level. Orders are off 1 percent over the same period, but up 23.6 percent compared to pre-pandemic levels."



Detailed Data Available

Companies that participate in IPC's North American PCB Statistical Program have access to detailed findings on rigid PCB and flexible circuit sales and orders, including separate rigid and flex book-to-bill ratios, growth trends by product types and company size tiers, demand for prototypes, sales growth to military and medical markets, and other timely data.

Interpreting the Data

The book-to-bill ratios are calculated by dividing the value of orders booked over the past three months by the value of sales billed during the same period from companies in IPC's survey sample. A ratio of more than 1.00 suggests that current demand is ahead of supply, which is a positive indicator for sales growth over the next three to twelve months. A ratio of less than 1.00 indicates the reverse.

Year-on-year and year-to-date growth rates provide the most meaningful view of industry growth. Month-to-month comparisons should be made with caution as they reflect seasonal effects and short-term volatility. Because bookings tend to be more volatile than shipments, changes in the book-to-bill ratios from month to month might not be significant unless a trend of more than three consecutive months is apparent. It is also important to consider changes in both bookings and shipments to understand what is driving changes in the book-to-bill ratio.

IPC's monthly PCB industry statistics are based on data provided by a representative sample of both rigid PCB and flexible circuit manufacturers selling in the USA and Canada. IPC publishes the PCB book-to-bill ratio by the end of each month.

North American EMS Industry Down 7.6 Percent in June
IPC Releases EMS Industry Results for June 2022

IPC announced today the June 2022 findings from its North American Electronics Manufacturing Services (EMS) Statistical Program. The book-to-bill ratio stands at 1.39.

Total North American EMS shipments in June 2022 were down 7.6 percent compared to the same month last year. Compared to the preceding month, June shipments increased 9.6 percent.

EMS bookings in June decreased 13.9 percent year-over-year and increased 12.0 percent from the previous month.

“The headlines seem to be focused on recession, but the most recent results from IPC's North American EMS statistical program tell a different story,” said Shawn DuBravac, IPC chief economist. “Yes, order flow is slowing, but orders remain strong. Orders through the first 6 months of 2022 are down 6.4 percent compared to a historically strong 2021. But orders are up 8.4 percent compared to the first six months of 2019. Orders continue to outpace shipments, suggesting supply chains are still tight.”

Detailed Data Available

Companies that participate in IPC’s North American EMS Statistical Program have access to detailed findings on EMS sales growth by type of production and company size tier, order growth and backlogs by company size tier, vertical market growth, the EMS book-to-bill ratio, 3-month and 12-month sales outlooks, and other timely data.

Interpreting the Data

The book-to-bill ratios are calculated by dividing the value of orders booked over the past three months by the value of sales billed during the same period from companies in IPC’s survey sample. A ratio of more than 1.00 suggests that current demand is ahead of supply, which is a positive indicator for sales growth over the next three to twelve months. A ratio of less than 1.00 indicates the reverse.

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IPC’s monthly EMS industry statistics are based on data provided by a representative sample of assembly equipment manufacturers selling in the USA and Canada. IPC publishes the EMS book-to-bill ratio by the end of each month.

EIPC SPEeDNEWS

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International Diary

2022

EIPC Technical Snapshot Webinar
Registrations via www.eipc.org
14 September

KPCA Korea
21-23 September
Korea

EIPC @ FED Conference
29-30 September
Bamberg, Germany

EIPC Technical Snapshot Webinar
Registrations via www.eipc.org
19 October

TPCA Taiwan
26-28 October
Taiwan

EIPC @ Electronica
15-18 November
Munich, Germany

EIPC Technical Snapshot Webinar
Registrations via www.eipc.org
30 November