TPC Semiconductor Market Survey

July/August 2023
We recently completed our monthly survey (~8,200 respondents) which saw few changes in how C2Q finished but saw slight improvements to C3Q. Additionally, our initial results for C4Q show a better outlook than last year. The bookings for both C2Q and C3Q also showed slight improvements. We continue to believe these results is an indication of supply chain inventories still being too high and end customers attempting to bring them under control. We believe this will take them 2+ quarters to accomplish this as end demand is still anemic.

The backlog cancellation expectations (slide 8) showed continued its sideways movement but remains above the “positive” trend line.

We believe we are at a bottom but will not be able to substantially recover until inventory is dealt with.

The survey showed C2Q23 roughly the same vs. last month with 33% seeing the quarter being worse vs. 32% previously; while only 25% see it as better vs. 24% last month.

The survey showed C3Q23 improved vs. last month with 40% seeing the quarter being better vs. 39% previously; while 25% see it as worse vs. 26% last month.

Key product inventory and availability (slide 9) roughly the same across all key products and are now at nominal levels.

Both C2Q and C3Q inventory growth outlook trend (slide 10) showed net increasing inventories vs. last month.

Pricing trends (slide 11) for C3Q was worse vs. last month’s survey. Again, we think this is indicative of excess inventory and some suppliers lowering pricing to encourage customers to take product.
C2Q23 Outlook

C2Q23 Growth Expectations

C2Q Growth Expectations vs. C1Q

C2Q Seasonality Expectations

C2Q Seasonality Expectations
C4Q23 Initial Outlook

C4Q Growth Expectations

C4Q Seasonality Expectations

C4Q Bookings Expectations
Bookings Outlook

C2Q23 Bookings Expectations

C2Q Bookings Expectations

C3Q23 Bookings Expectations

C3Q Bookings Expectations

July/August 2023
Book to Bill History & Trends
(Calendar quarters)

% Responses with Book-Bill ≥ 1.0

Qtr Begin
Qtr End or Curr Mo
4 per. Mov. Avg. (Qtr Begin)
4 per. Mov. Avg. (Qtr End or Curr Mo)
Backlog Order Push Outs/Cancellations vs. 30 Days Ago
(Delta between increasing and decreasing cancellations – Higher % is more positive)

Increasing/Decreasing Delta

July/August 2023  TPC Proprietary
Inventory Status

(Using a scale of 1 to 5 with 1 being extremely low inventory, 3 being the normal amount, and 5 being extremely high; how do you view inventory levels for the following products?)

Seeing above nominal inventory across all key products
Q/Q Inventory Growth

C2Q23 Inventories vs. C1Q23

C3Q23 Inventories vs. C2Q23
Q/Q Pricing Trends

C2Q22 Pricing vs. C1Q22

C3Q23 Pricing vs. C2Q23
Vertical Outlook

- Automotive
- Industrial
- Communication
- Consumer

Jan'18 - Jan'23