Presentation to ESCCON 2021

Semiconductor Environment & Market Trends

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Semiconductor Market Environment

Total semiconductor TAM (Total Available Market)	• **Market optimism continues in CY21, confidence in further expansion growing** • Trade tensions and initial COVID-19 shock waning but still pose a risk for even growth • WW Semiconductor market grew **5.7%** in CY2020
Avnet served TAM (IP&E + Semi w/o DRAM, Flash, MPU)	• **2021 TAM $406B; ↑ 7.9% Y/Y**; upward revisions gain traction after April CY20 depths • 2022 TAM $430B; ↑ 5.9% ; upturn in cycle continues; GDP rebounds and lean inventory • **3-year CAGR by region**: 5.4% Americas, 5.6% Asia, **5.2% EMEA**, 3.8% Japan
Avnet Served semiconductor verticals	• **WW 2021 automotive ↑ 21.1% ; swift recovery expected but chip shortages growing concern** • 2022 Y/Y growth in Automotive ↑ 10.6% Industrial ↑ 8.6% Communication ↑ 6.7% • 3-year CAGR growth led by Automotive ↑ 9.1% and Industrial ↑ 8.6%
Semiconductor inventory	• Chip manufacturers have ramped up production as demand soars for auto applications • Consistent demand in CY22 will continue to impact inventory mix and availability

EMEA market – availability is today's biggest challenge

- Order intake has increased dramatically since Q4 2020.
- Semiconductor suppliers are facing challenges on wafer and test capacities. Popular foundaries TSMC, Global Foundries and UMS are all running at full capacity.
- The winter storms in Texas and an earthquake in Japan have also affected availability.

- Semiconductor suppliers have increased lead-times (many now 26+ weeks) & prices. They are asking for NCNR (non cancellable non returnable) orders, frozen backlog windows and order coverage for 2021.
- They are working hard on expanding capacities but, due to the major investment needed and the complexity of the production process, none of these expansions will materialize within a few months.
- We strongly encourage our customers to order their 2021 needs now.
- Stay up to date with leadtime info here

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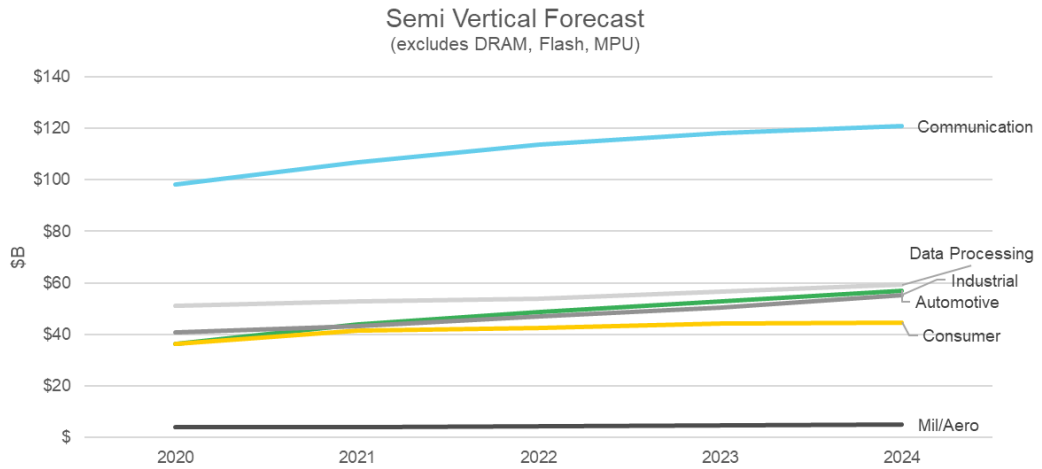
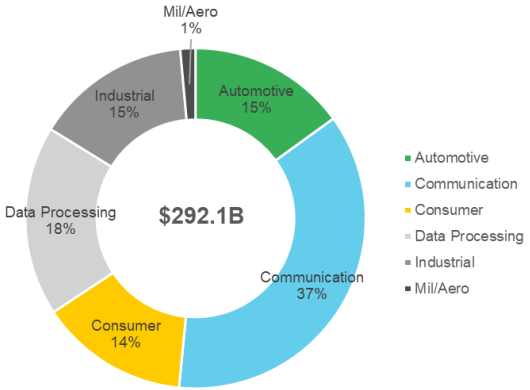
WW served semiconductor TAM vertical market growth



Vertical Market	2020	2021	2022	2023	2024	2021-2024 CAGR	2021-2024 Growth ($B)
Automotive	-5.1%	21.1%	10.6%	9.0%	7.7%	9.1%	$13.1
Communication	4.6%	8.8%	6.7%	3.8%	2.4%	4.3%	$14.3
Consumer	11.4%	13.7%	2.8%	3.7%	1.2%	2.6%	$3.3
Data Processing	13.9%	3.4%	2.4%	4.6%	4.9%	4.0%	$6.5
Industrial	6.5%	6.1%	8.6%	7.3%	10.1%	8.6%	$12.2
Mil/Aero	-6.4%	1.4%	4.4%	7.4%	6.8%	6.2%	$.8
Grand Total	**5.7%**	**9.6%**	**6.2%**	**5.3%**	**4.8%**	**7.0%**	**$50.3**

2021



Vertical Market	2021 Spend $B
Automotive	$43.9
Communication	$106.7
Consumer	$41.4
Data Processing	$52.8
Industrial	$43.2
Mil/Aero	$4.2
Grand Total	**$292.1**

Source: Avnet estimate based on industry data - Jan 2021

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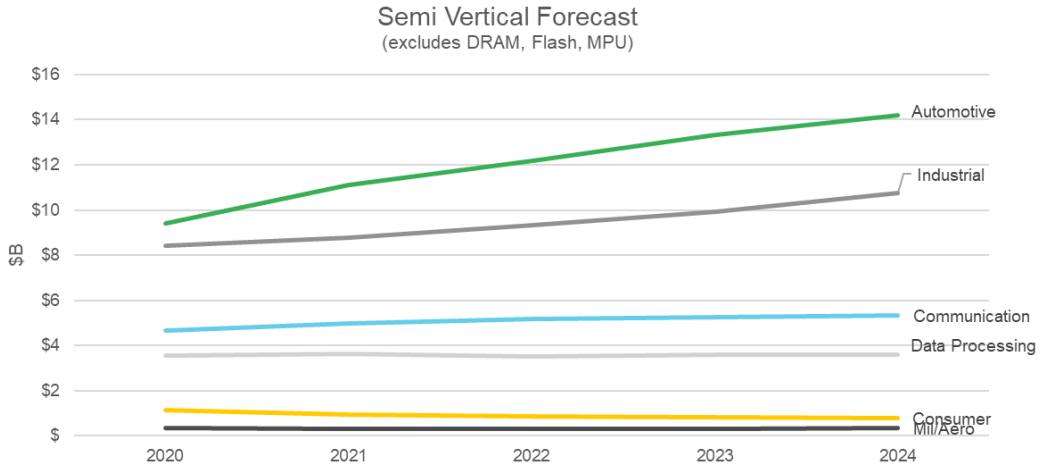
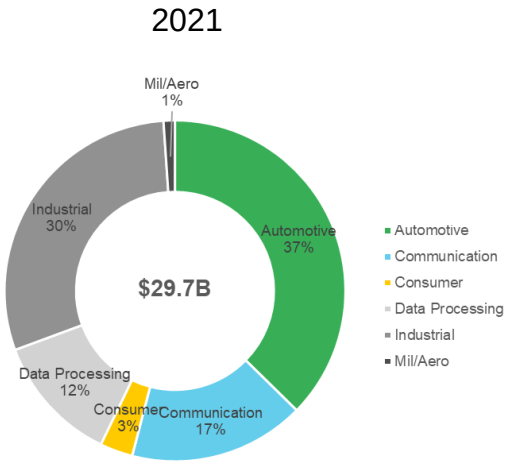
Europe served semiconductor TAM vertical market growth





Vertical Market	2020	2021	2022	2023	2024	2021-2024 CAGR	2021-2024 Growth ($B)
Automotive	-3.6%	18.3%	9.7%	9.2%	6.8%	8.6%	$3.1
Communication	2.9%	6.8%	4.0%	1.9%	1.3%	2.4%	$.4
Consumer	8.7%	-17.4%	-8.2%	-4.8%	-3.9%	-5.6%	-$.1
Data Processing	2.9%	1.6%	-2.8%	1.6%	0.2%	-0.4%	$.0
Industrial	4.1%	4.4%	6.4%	6.1%	8.5%	7.0%	$2.0
Mil/Aero	-13.8%	-3.3%	-1.7%	3.0%	1.2%	0.8%	$.0
Grand Total	**0.9%**	**8.2%**	**5.6%**	**5.8%**	**5.4%**	**6.5%**	**$5.3**

Vertical Market	2021 Spend $B
Automotive	$11.1
Communication	$5.0
Consumer	$.9
Data Processing	$3.6
Industrial	$8.8
Mil/Aero	$.3
Grand Total	**$29.7**

Source: Avnet estimate based on industry data - Jan 2021

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Thank you!