

RESEARCH BULLETIN

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Fabless Company Share of IC Sales to Set New Record in 2020 at 32.9%
Fabless IC company sales forecast to surge 22% in 2020 while IDM IC sales increase by only 6%.

IC Insights will release its new 2021 *McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry* next month. A portion of the new report will examine the top-50 semiconductor sales leaders, the top-50 fabless IC companies, and the major semiconductor foundries in 2020.

There is a relatively close relationship between the annual market growth of the fabless IC suppliers and foundries. However, the sales growth of fabless IC companies versus IDM (integrated device manufacturers) IC suppliers has typically been very different (Figure 1).

MORE INFORMATION CONTACT

Bill McClean
 President
 Phone: +1-480-348-1133
 Email: bill@icinsights.com

Fabless/System vs IDM Company IC Sales (2002-2020)

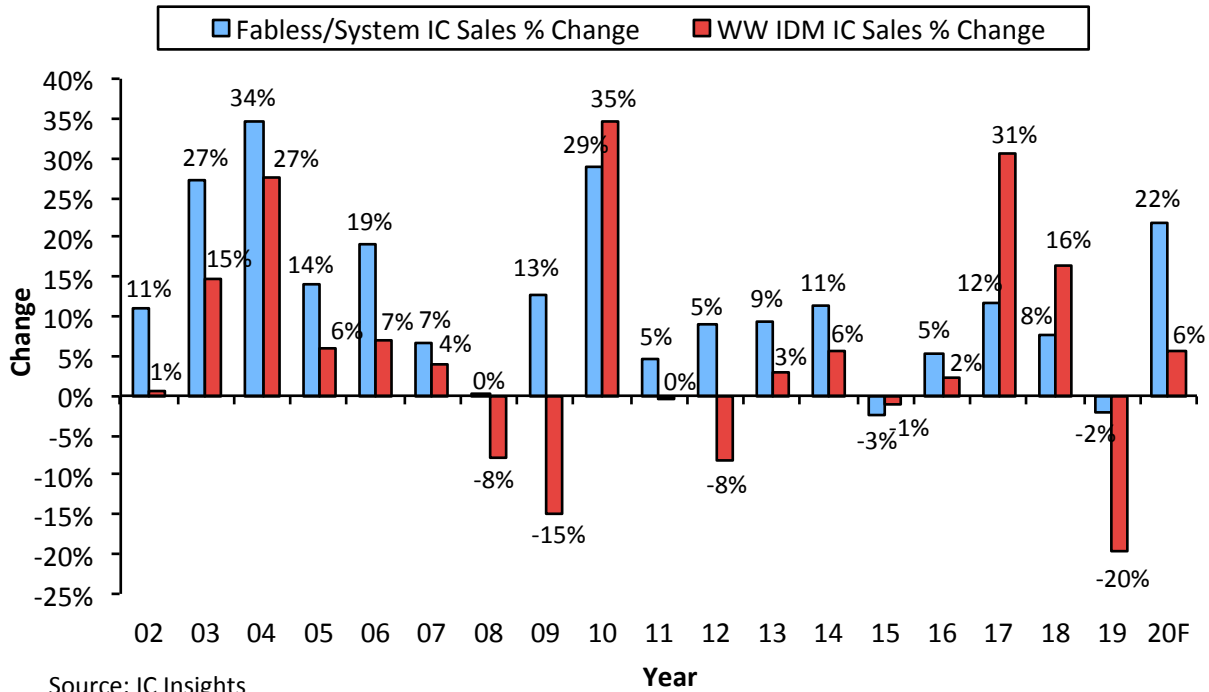


Figure 1

Fabless/system IC company sales are forecast to more than double from 2010 to 2020 (\$63.5 billion to \$130.0 billion) whereas the total IDM IC sales are expected to be up only 30% over this same timeperiod, from \$204.3 billion in 2010 to \$265.7 billion in 2020.

Given the typical disparity in the annual growth rates in favor of the fabless/system IC suppliers versus the IDMs, it comes as little surprise that, except in 2010, 2015, 2017, and 2018 fabless/system IC companies increased their share of the total IC market (Figure 2).

Fabless/System Company IC Sales as a Percent of Worldwide IC Sales (2002-2020)

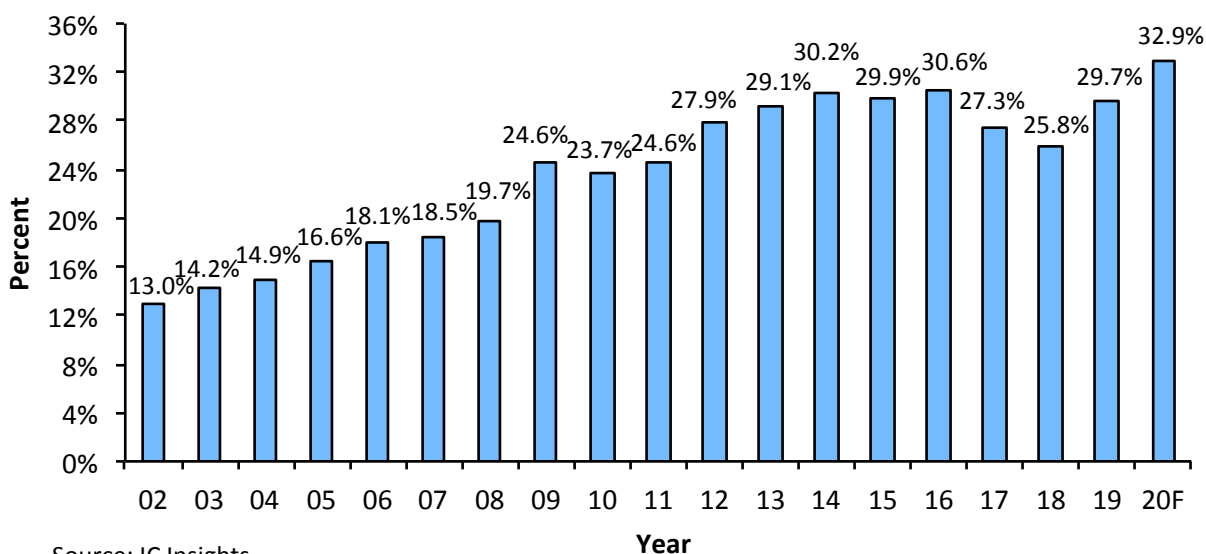


Figure 2

In 2002, fabless/system IC company sales accounted for only 13% of the total IC market. With the memory market soaring in 2017 and 2018, a market in which the fabless companies have very little share, the fabless share of the total IC market shrank in both of those years. However, with the memory market registering significant weakness last year, this situation reversed itself, with the fabless share of the total IC market increasing 3.9 percentage points in 2019 to 29.7%.

With a 22% jump expected in fabless company IC sales this year, led by a forecasted \$2.8 billion sales increase by AMD, as compared to only a 6% IC sales increase forecast for the IDMs, IC Insights believes that the fabless company share of worldwide IC sales will set a new all-time record high in 2020 at 32.9%! Over the long-term, IC Insights believes that fabless/system IC suppliers, and the IC foundries that serve them, will continue to be a strong force in the total IC industry landscape with their percentage share of the total IC market expected to remain in the low 30s over the next five years.

Report Details: *The 2021 McClean Report*

The 2021 edition of *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry*, will be released in January 2021. A subscription to *The McClean Report* includes **free** monthly updates from March through November (including a 180+ page *Mid-Year Update*), and **free** access to subscriber-only pre-recorded webcasts through November. An individual-user license to the 2021 edition of *The McClean Report* runs through November of 2021 and is priced at \$5,390 and includes an Internet access password. A multi-user worldwide corporate license is available through November of 2021 for \$8,590.

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About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

Web Site: www.icinsights.com • **Phone:** +1-480-348-1133 • **E-mail:** info@icinsights.com