• The forty leading PCB suppliers, which account for over one-half of industry sales, reported aggregate revenue increases of 11.5% in Q2 2020 over Q2 2019.
• The first half of 2020 has been surprisingly positive for the PCB market, for a number of reasons discussed in this report. Prismark expects the third quarter to decline YoY, and the fourth quarter to be flat YoY.
• Prismark has revised its forecast for the PCB market, and is now expecting a growth of 0.3% in 2020 over 2019. This growth is very lopsided, however, and driven almost exclusively by the strong demand for package substrates.
• This report provides:
  – An update on Prismark’s assessment of the coronavirus impact on the global electronics industry, including the PCB market.
  – Comprehensive data and analysis of the PCB market, showing Prismark’s revised forecast for 2020, as well as our longer-term forecast for 2024 by PCB technology and region of production.
  – A detailed discussion of major technology and market developments of flexible circuits, with a particular focus on rigid-flex circuits.
The forty leading PCB suppliers, which account for over one-half of industry sales, reported aggregate revenue increases of 6.9% in Q1 2020 over Q1 2019.

Prismark estimates that the entire PCB market grew by 2.3% in terms of value in Q1 2020 over Q1 2019. This was a surprisingly positive outcome, as Prismark had expected the market to decline due to the coronavirus outbreak.

In reality, the Q1 2020 PCB market was generally weak, but was bolstered by a few strong growth areas, primarily benefiting the package substrate business.

Currently available data points suggest that positive momentum continued into Q2, but 2H remains highly uncertain. Prismark fears that 2H will experience a significant YoY decline. Altogether, Prismark’s forecast of a 4.9% decline of the PCB market in 2020 has not been changed.

This report provides:
- An update on Prismark’s assessment of the coronavirus impact on the global electronics industry, including the PCB market.
- Comprehensive data on the PCB market for 2019, our forecast for 2020, as well as our longer-term forecast for 2024 by PCB technology and region of production.
- A detailed discussion of the high-speed PCB market, which has seen significant market and technology shifts in the past few years. Trends are also explored on the systems, PCB, and laminate level.
The fifty leading PCB suppliers, which account for over one-half of industry sales, reported aggregate revenue increases of 0.4% in 2019 over 2018. The entire PCB market declined by 1.7% in value for 2019 over 2018.

The PCB market declined in all regions except for China. Even there, PCB value growth was subdued at just 0.7% in value for 2019 over 2018.

All PCB categories except for package substrates (+7.7%) declined. The decline was particularly strong for commodity paper (-9.2%) and composite (-7.9%), but most multilayer PCB products also performed poorly.

Huawei was the main growth driver for PCB demand in 2019, and that company’s PCB supply chains have benefited handsomely.

The impact of the Coronavirus epidemic on PCB demand is still difficult to assess. Based on our current assumptions, Prismark forecasts the PCB market to grow by 2.0% in 2020, down from our previous expectations of 3.3% growth.
The forty leading PCB suppliers, which account for over one-half of industry sales, reported aggregate revenue increases of 24.2% in Q3 2019 over Q2 2019. Year-to-date, 2019 aggregate revenues remain just 1.8% below those of the comparable period in 2018.

In spite of headwinds faced by both Apple and Huawei, these two companies were significant drivers of PCB demand in the latest quarter. Their PCB supply chains have benefitted handsomely.

The PCB industry has gained positive momentum, and Prismark is confident that its total 2019 outlook of a 1.7% decline for the PCB industry will be met, in spite of the poor start to the year.

As a preliminary forecast, Prismark expects a strong rebound of 3.3% growth in 2020. The five-year CAAGR 2018 – 2023 for the PCB market value is calculated at 4.3%.

This report provides detailed data on the particular PCB growth drivers, with a detailed discussion of 2019. Forecasts are provided for 2019 and 2023 by PCB technology and region of production.

This report also discusses the HDI market, which has seen significant market and technology shifts in the past few years. Prismark’s outlook for the HDI market situation is presented.
The Q2 2019 performance of the forty leading PCB suppliers is provided, and additional company news is discussed in each regional section.

The PCB market rebounded in Q2 2019, but H1 2019 remains below H1 2018.

The third quarter is expected to perform very well, but Q4 remains uncertain. Altogether, Prismark has not revised its forecast for 2019 or 2023.

Further details of the PCB market – segmented by application and technology – are provided for 2018, 2019 and 2023 in area and value terms.

A special section discusses the key growth drivers of the flex circuit market, including teardown analyses of important products.
The forty leading PCB suppliers, which account for over one-half of industry sales, reported aggregate revenue increases of 6.6% in 2018 over 2017. For Q1 2019, however, the aggregate revenues show a strong decline of 21.0% over Q4 2018, and a decline of 7.5% over Q1 2018.

The first quarter seasonal weakness is to be expected, but this stronger-than-usual decline in revenues appears to be the result of additional headwinds stemming from:
- Weak demand, as consumers and businesses are reluctant to spend
- Inventory adjustments, because Q4 2018 demand was weaker than had been expected
- Cautious prospects, due to serious uncertainty in business outlook

The second quarter is expected to show the typical improvement over Q1, but the overall market will remain well below (-4.7%) the prior year’s quarter. The recovery in Q2 is expected to be broad, but still quite shallow.

The outlook for the second half of 2019 remains clouded by much uncertainty. A recovery is anticipated, but Prismark expects the PCB industry to shrink by 1.7% in value for 2019 over 2018.
CONSULTANTS TO THE ELECTRONICS INDUSTRY
BUSINESS OPPORTUNITY FROM TECHNOLOGY AND
MARKET CHANGES