

# How is the Global Recession and Financial Crisis Impacting EMS & ODM?

By Adam Pick, Director & Principal Analyst and Jeffrey Wu, Senior Analyst

**Forecast**

**Frequency, Time Period**

- 5-year annual + 2-year rolling

**Revenue Forecast**

- EMS
- ODM
- Industry

**Regional Forecast**

- North America
- Europe
- Asia
- Japan

**Electronics System Forecast**

- Wireless
- Wireline
- Data processing
- Consumer
- Industrial

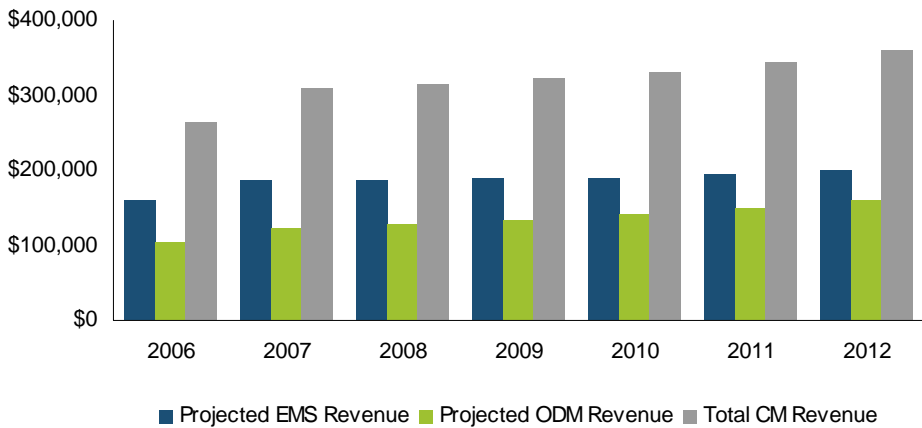
**Semiconductor Spend Forecast**

The contract manufacturing markets ended 2008 in a turbulent position – OEM demand was eroding, EMS/ODM sales were shrinking and the financial markets had wiped out the market capitalizations of most contract manufacturers.

Given the performance of many EMS/ODM providers during the last recession, there exists some residual optimism that this volatile industry could benefit as OEMs restructure manufacturing processes in favor of an outsourced or hybrid manufacturing model.

However, iSuppli sees several challenges and opportunities for both the EMS and ODM providers in 2009 and beyond. This report series, issued quarterly, provides a strategic and tactical review of the current and future considerations of this volatile industry, along with an extensive database which profiles each of the top 20 EMS/ODM providers around the world.

EMS/ODM Worldwide Revenues, 2006-2012



**Critical Questions Answered**

- Will the contract manufacturing markets expand or shrink in 2009? Why?
- What are the key industrial and business trends shaping this industry?
- Which EMS/ODMs are winning and losing? Why?
- How is supply chain power shifting among OEMs, EMS providers, ODMs and component suppliers?
- Which product segments are growing? Which segments are contracting?
- What can financial analysis tell us about the contract manufacturing industry? Are any suppliers at risk of bankruptcy?
- How is mergers and acquisitions activity impacting the competitive landscape?
- How is the regional manufacturing footprint changing? In Asia? In Europe? In the Americas?

**Who Should Read This?**

- OEMs
- Component suppliers
- EMS providers
- ODMs
- Distributors
- Consultants
- Financial analysts

**Lead Analyst****Adam Pick,  
Director & Principal Analyst**

Adam brings extensive market research, strategic planning, and operational experience to the iSuppli team. In addition to following the EMS and ODM sectors, Adam previously served as a program manager on a global, new product introduction for a \$500 million, NASDAQ-traded client of iSuppli. The project involved several suppliers, hundreds of employees and a roadmap of over 20 new products.

Formerly, Adam was employed by leading technology companies including Dell Corporation and Ariba, Inc. where he developed, implemented and executed supplier selection services specific to silicon, packaging, test, software and foundry suppliers.

Adam earned a Bachelor of Arts and a Masters of Business Administration from the University of Michigan.

**Jeffrey Wu,  
Senior Analyst**

Jeffrey is responsible for the analysis and projection of the trends and dynamics of the electronics contract manufacturing industry. Prior to joining iSuppli, Jeffrey worked for leading technology companies such as BenQ and Dell, where his main responsibilities included channel management, product management, and OEM project management. While working on the OEM engagement, he was in charge of cost estimation, cost reduction, logistics and service terms negotiation, and supplier-managed inventory implementation.

Jeffrey earned a Bachelor of Science degree in Computer Science from Taiwan University and a Master of Business Administration degree from the University of Michigan.

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**Sample Database**

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**Sample Database (continued)**

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ODM Mergers and Acquisitions Matrix, 2006-2008

Vertical Analysis for Flextronics, Q3 2008

Jabil Revenue Results by Segment, Q3 2008

Plexus Revenue Results by Segment, Q3 2008

Sanmina Revenue Results by Segment, Q3 2008

**Select EMS Financial Information**

Foxconn

Flextronics

Jabil Circuit

Sanmina-SCI

Celestica

Elcoteq

Benchmark

Venture

Universal Scientific

Plexus

**Select ODM Financial Information**

Quanta Computer

Asustek

Compal Electronics

Lite-On Technology

Inventec

Wistron

TPV Technology

Qisda

Inventec Appliances

Innolux