



“ATE Countdown”

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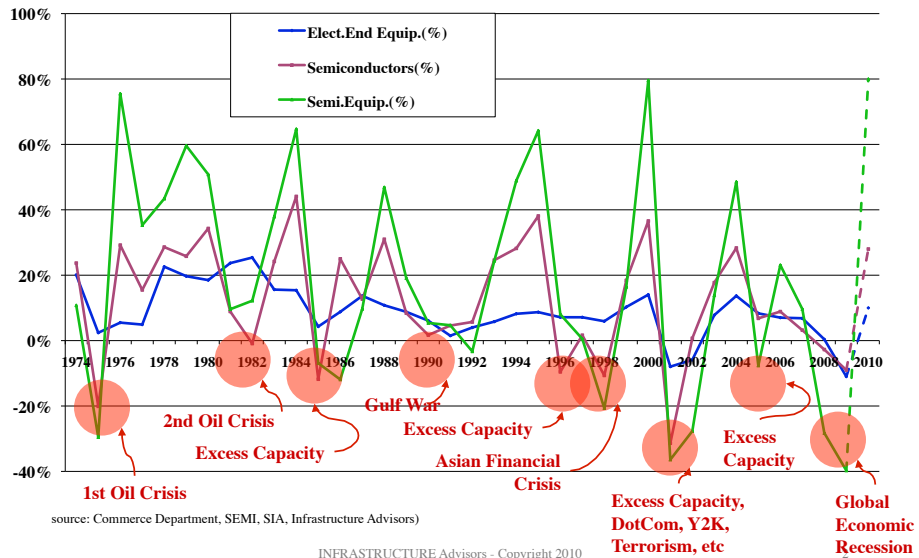
Ron Leckie

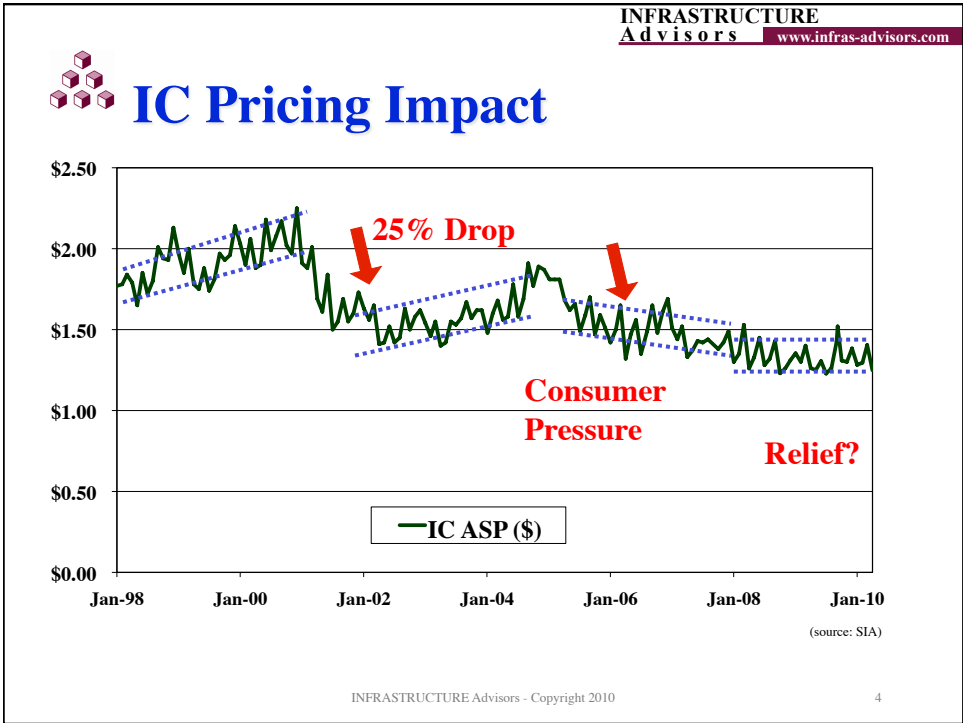
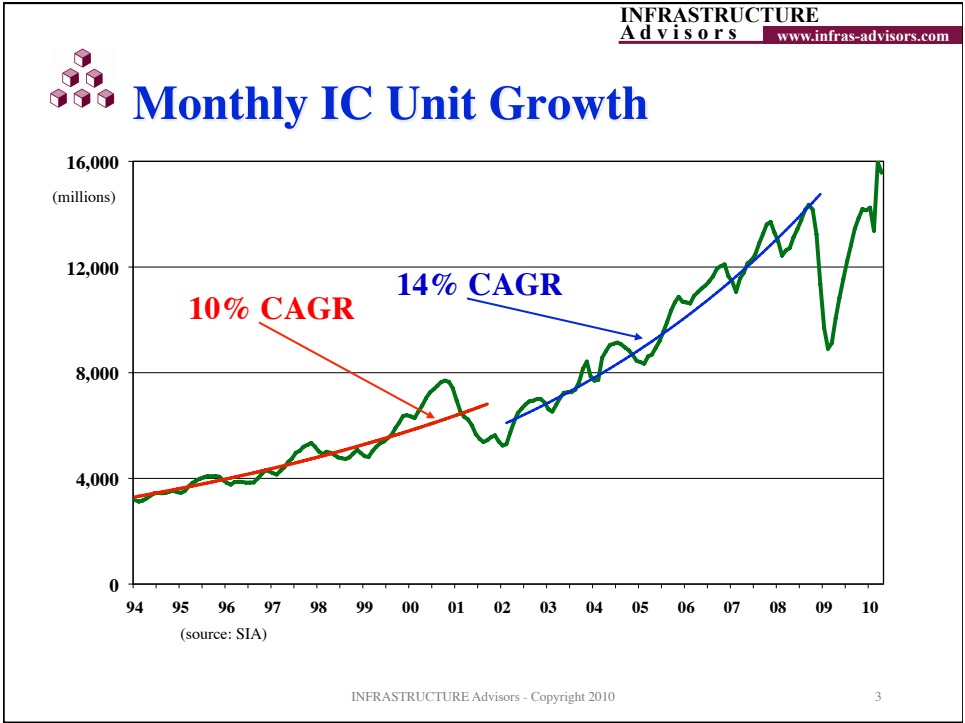
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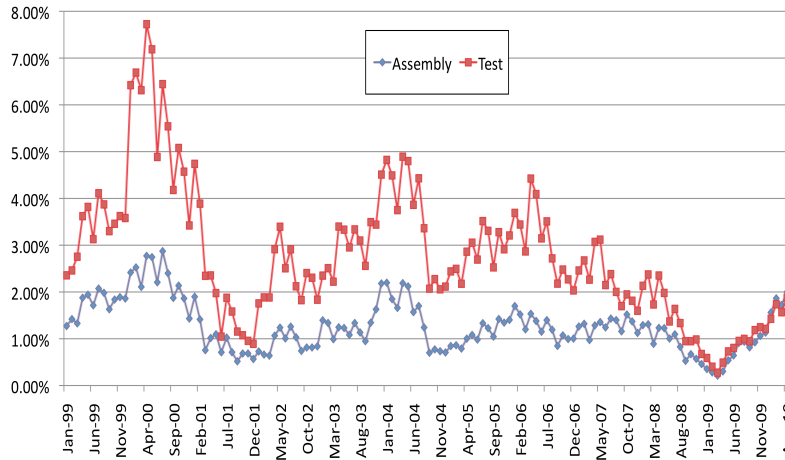
The Wild Rides...







Capital Spending Ratios



(sources: SEMI, SIA)



What's Changed...

- Fixturing costs are a significant portion of Cost-of-Ownership at Test
- Productivity gains:
 - Parallel, Concurrent
- New Test Methodologies have been adopted:
 - Scan, BIST, Adaptive Test...
- Shorter Time-To-Market & Life Cycles
- Fewer Customers
- Fewer Suppliers

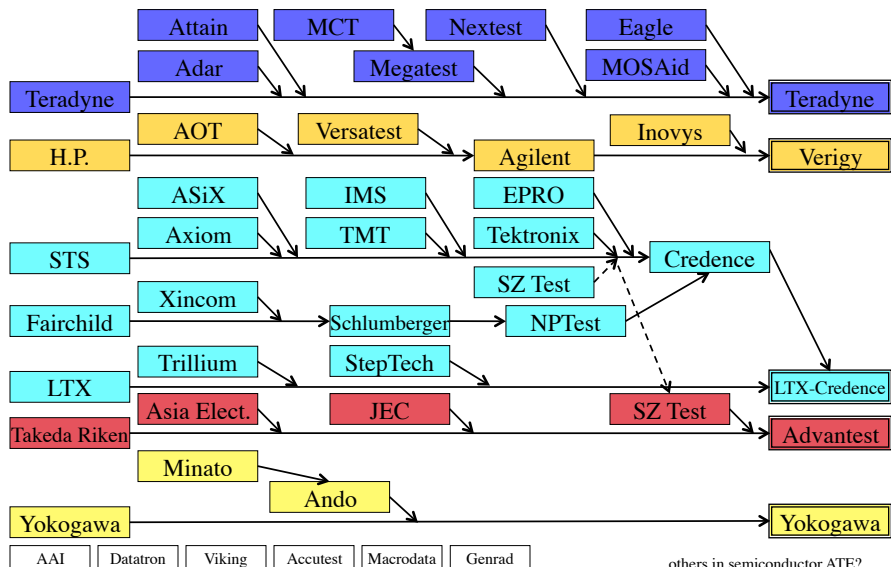


The Rule of Three

- The Rule of Three: Surviving & Thriving in Competitive Markets (New York: Free Press, January 2002)
 - by Jagdish Sheth and Rajendra Sisodia
- Markets evolve into 3 Generalists + Specialists
 - 1 Dominant player (usually least innovative) ~40%
 - 1 Strong 2nd player ~20%
 - 1 3rd player: fragile but innovative ~10%
- Specialists: niche players / narrow segment
- Nationally - > Globally



And Then There Were 5...





“Niche” ATE Players

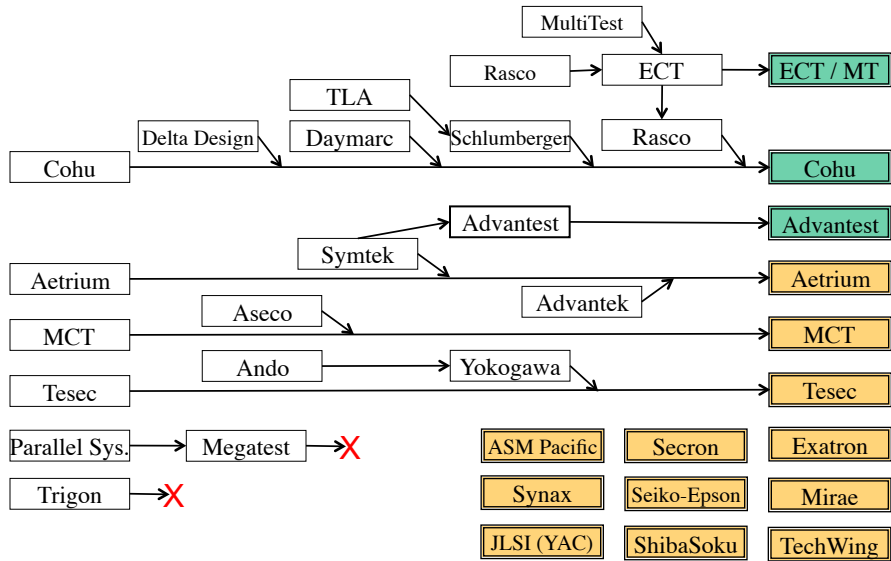
- Roos Instruments
- AEHR Test
- Micro Control Company
- SPEA
- ELES
- FETtest
- Production Line Testers
- PEI
- KVD
- 3MTS
- ShibaSoku
- Test Evolution
- CoreTest Technologies
- Chroma ATE



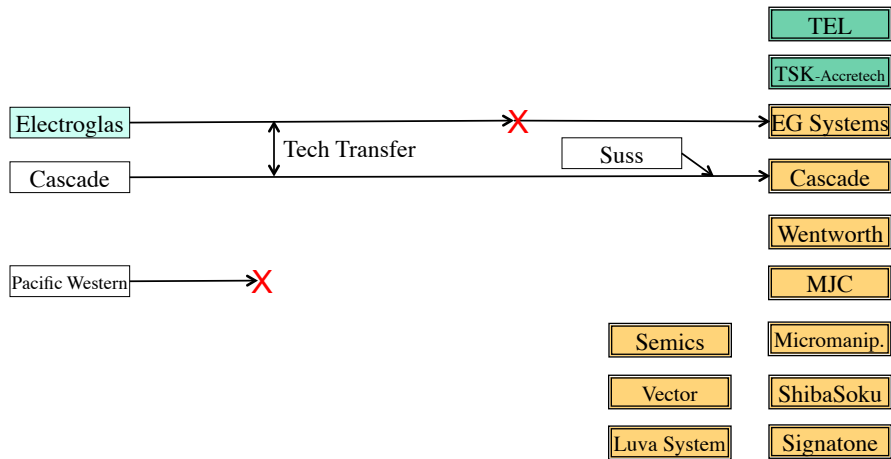
What's Next?

- Likely:
 - It could reduce to 3 Dominant Global Players
 - Further M&A in Specialist / Niche space
- Unlikely:
 - M&A with Fab Equipment Players
 - M&A with Handler / Probers

IC Handler Evolution



Wafer Prober Evolution





Handler & Prober Markets

- Dominant players are evident
- Too many niche players
- More consolidation?
- Market Convergence?



Where is ATE headed?

- Global Consolidation to 3 Major ATE Players
- Consolidation of Handler + Niche Prober Players
- Further Consolidation or Exit of Niche Players



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