

QUICKPRINTS

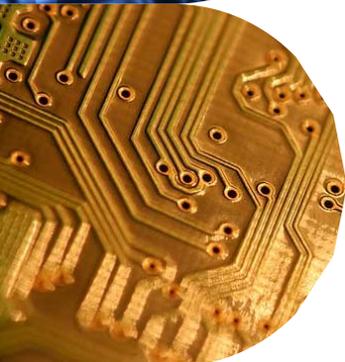
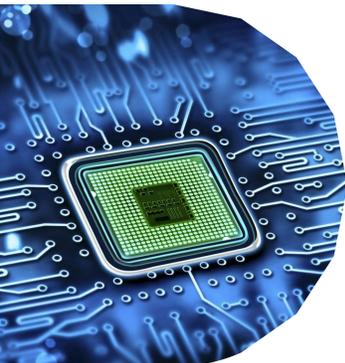
TECHNOLOGY SECTOR

↳ SEMICONDUCTOR INDUSTRY

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FOOTPRINTSSM
ASSET MANAGEMENT & RESEARCH, INC.
discovering absolute value est. 2003

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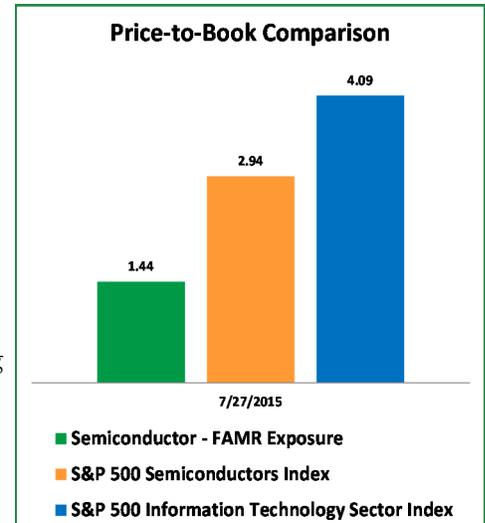


Footprints Asset Management & Research (FAMR) focuses on discovering deeply discounted securities, and assesses whether or not they are being mispriced by the markets for various reasons. We begin by identifying companies that are selling close to their book value per share, i.e. price-to-book (P/B) ratio.

Since the market recession of 2008, the Semiconductor Tool industry has traded at a discount to its parent Technology sector based on the P/B ratio. As large purchasers of semiconductor components (Google and Apple, among others) have made healthy recoveries, some of the suppliers of these companies have lagged.

Currently, the Semiconductor index is trading at just under 3 times book value. FAMR's industry exposure is trading at less than 1.5 times book value, a potential for price appreciation.

TECHNOLOGY TOOLS



WHY WE LIKE THIS INDUSTRY

- We are now on the brink of 5G technology, which will allow for faster processing and downloading of data. In turn, this will increase demand for processors and chips as these products contribute to further mobile technology, Internet-of-Things (IoT), and smart TVs.
- Technology companies are ordering more from their supply chain to meet the demand of the new technology for electronic and smart devices. Through the supply chain these Semiconductor Tool companies benefit from the increased demand.
- As a whole, the Semiconductor industry has a Book-to-Bill ratio above 1.0, an indication that demand is exceeding supply.
- With new products being released every 12-20 months, there is a race to produce efficient and reliable internal hardware, as well as the most precise components.
- FAMR sees great potential in this industry with the deeply-discounted, mispriced companies supplying the demand for the Technology sector.

INTERESTED IN LEARNING MORE ABOUT THIS INDUSTRY? [Click here](#) to contact the Footprints team.

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