

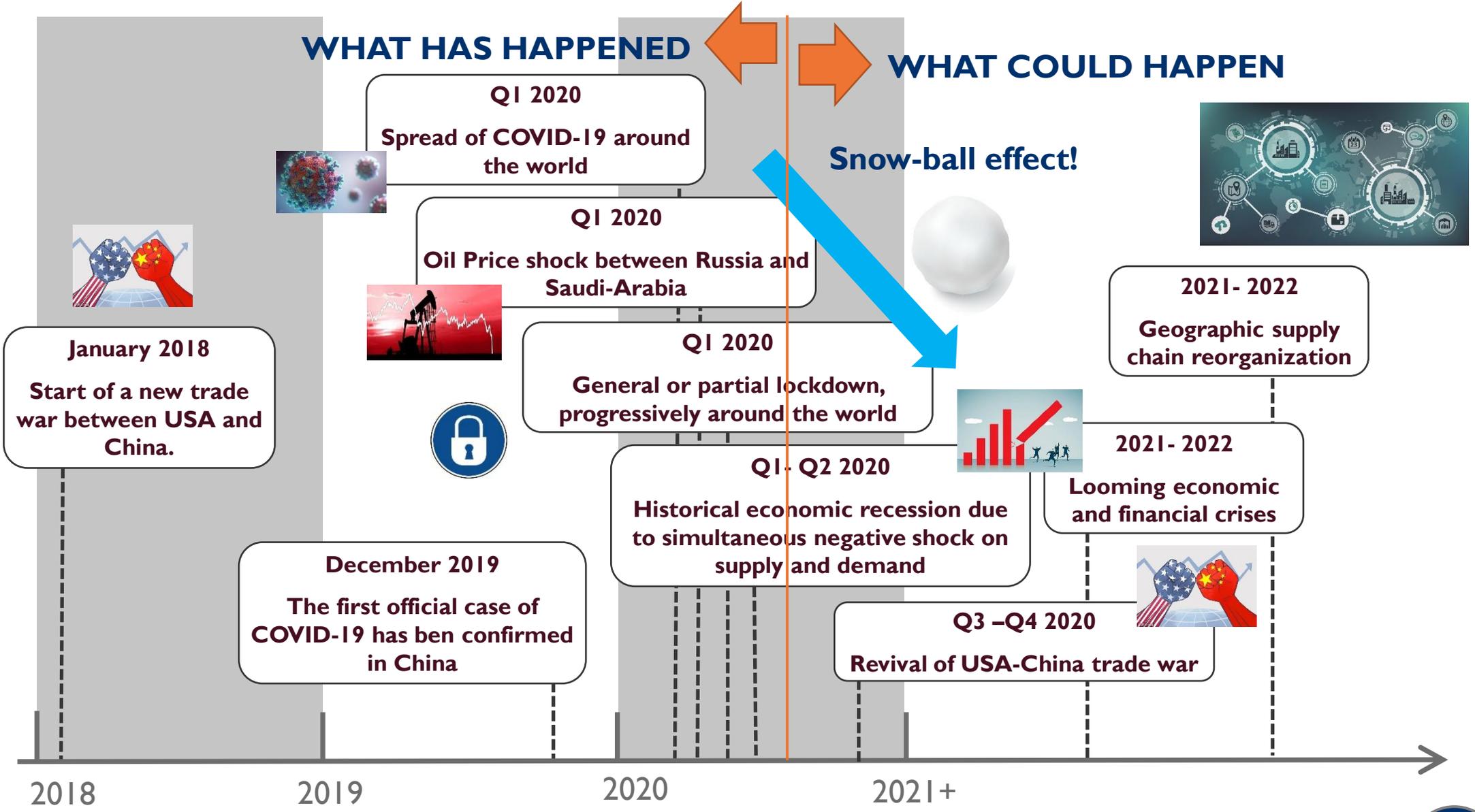
COVID-19 impact

**A Yole
Perspective**

A CONCOMITANCE WITH POTENTIALLY WORSENING FACTORS



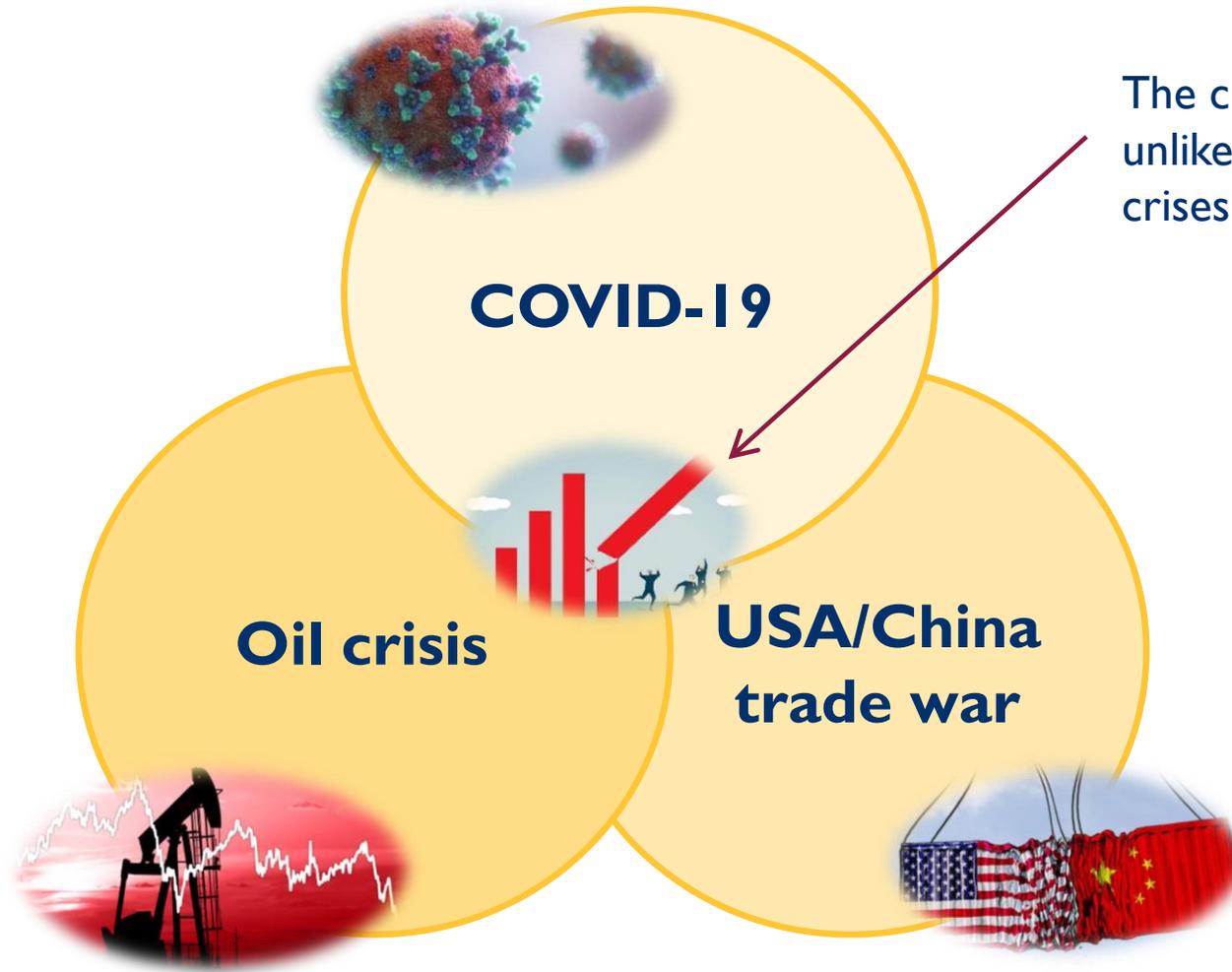
At the same time, or in close proximity, there have been various situations or shocks undermining global sustainability and the global economy.



AN UNLIKELY CONJUNCTION!

COVID-19 pandemic effect has been worsened by other factors:

- In March 2020, an oil price war began between Russia and Saudi Arabia, and the demand for oil products dramatically decreased due to the lockdown!
- The trade war between the USA and China seems to have been relaunched as a result of tension over China's management of the health crisis.



The current situation is an unlikely conjunction of 3 crises!



WHAT IS THE EFFECT OF SIMULTANEOUS NEGATIVE SUPPLY AND DEMAND SHOCKS?

A significant reduction in the generated wealth



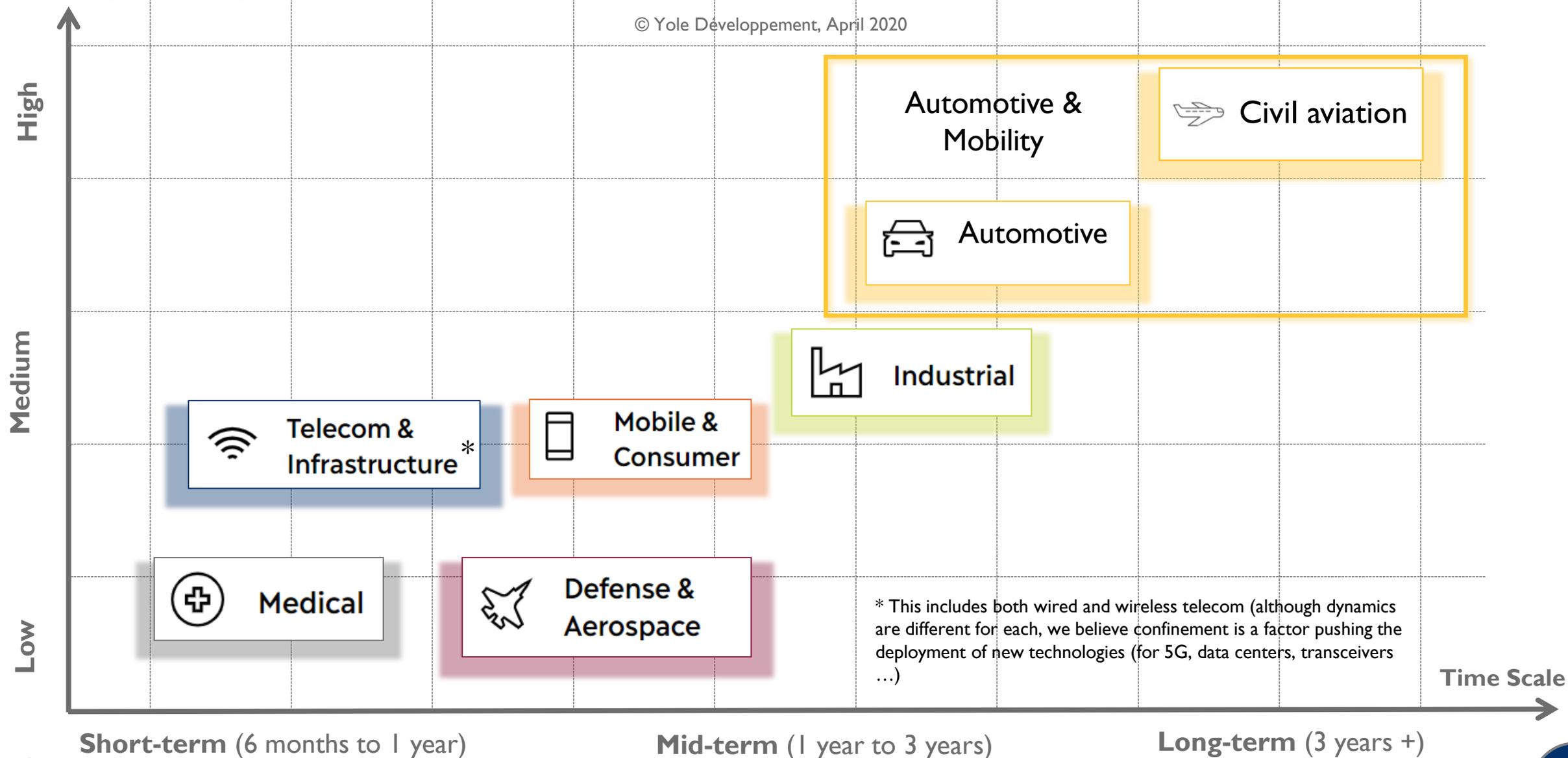
- Simultaneous negative supply and demand shocks on economy make initial curves S & D move to new curves S_c & D_c;
- Compared to equilibrium situation, we have:
 - Strong destruction of the wealth created by producers (they sell at a slightly higher price but in greatly reduced quantities);
 - Large loss for consumers who pay a slightly higher price though strongly reduce the quantities consumed.

DIFFERENT IMPACTS ON DIFFERENT MARKETS



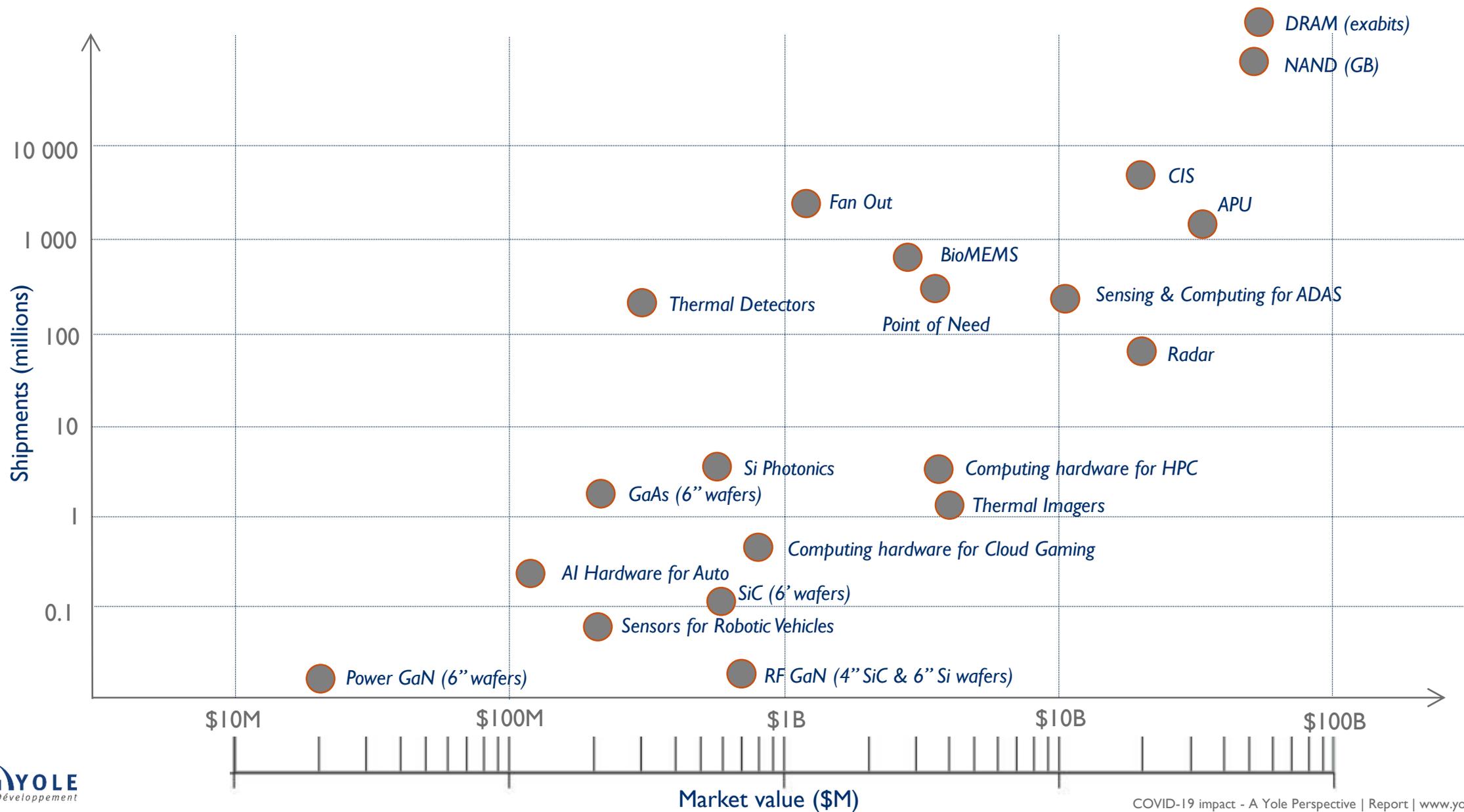
How strong is the negative impact on the market

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* This includes both wired and wireless telecom (although dynamics are different for each, we believe confinement is a factor pushing the deployment of new technologies (for 5G, data centers, transceivers ...))

PRE-COVID SITUATION: 2019 MARKET DATA



COVID IMPACT: 2020 MARKET DATA

