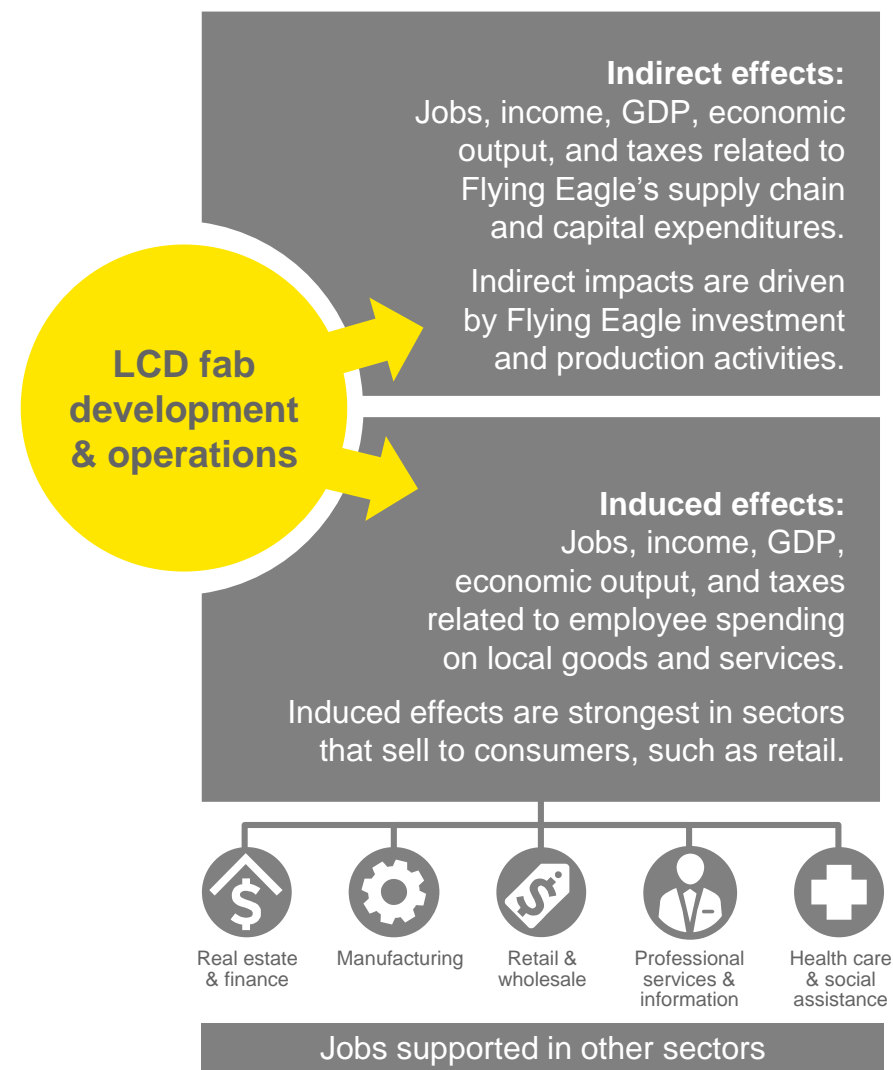


Overview & methodology – initial economic impact estimates

- ▶ The construction and operation of the proposed facilities will support additional economic activity through purchases from local suppliers and payments to employees. The economic impact analysis describes three types of economic effects:
 - ▶ **Direct effects:**
 - ▶ **Construction** – Flying Eagle’s capital investments to construct the LCD fabrication facilities will result in temporary direct construction-sector jobs and income.
 - ▶ **Operations** – The direct effects of fab operations include Flying Eagle employees at the facility.
 - ▶ **Indirect effects** are the impact of first tier and additional supplier purchases. These impacts trace the flow of purchases (backward linkages) throughout Flying Eagle’s potential US supply chain. Indirect effects do not include business activity supported by purchasers of Flying Eagle products.
 - ▶ **Tier 1 indirect effects** – The analysis includes estimates of the Tier 1 (first-round) indirect effects. These effects represent the potential impacts at in-state companies selling directly to Flying Eagle. These estimates are based on current economic activity in the state in the selected activity from the IMPLAN model and do not reflect specifics of the proposed facility operations.
 - ▶ **Induced effects** result from employee consumption spending. As employees spend their incomes at local grocery stores, restaurants, and retailers, they support sales and jobs at these and other businesses selling to employees.
- ▶ Indirect and induced contributions are estimated using the IMPLAN input-output multiplier models of each state. This methodology is widely used to quantify the economic linkages related to a company’s operations or investments.
- ▶ The modeling approach quantifies the potential linkages between Flying Eagle and the state economy. Estimates reflect industry averages within each state and have not been adjusted to reflect specifics of the proposed investment or operations, including location of potential suppliers.
- ▶ Induced impacts do not consider that employees may find alternate sources of income in the absence of Flying Eagle.



Wisconsin – Based on existing business activity, how might the proposed facilities impact the state economy?

On average, in Wisconsin:

- Every \$10 million of construction investment supports 78 temporary construction-sector jobs and 45 additional related temporary jobs through indirect and induced economic activity.
- Based on preliminary construction cost estimates,
 - Fab 868 will support **6,480 jobs per year during construction** (average over 2 years)
 - Fab 818 will support **9,410 jobs each year for 2 years**
- On average, Wisconsin semiconductor and other electronic component manufacturers have **employment multipliers between 1.8 and 4.3**.
 - The 4.3 multiplier can be interpreted as 33 additional indirect & induced jobs supported for every 10 direct jobs – 43 jobs total.
 - Wisconsin multipliers estimated by IMPLAN reflect the availability of supplier goods and services as well as differences in the operating profile for businesses currently operating in Wisconsin.
- Based on preliminary employment estimates provided by Flying Eagle,
 - Fab 868 operations will support between **9,900 and 22,600 total jobs annually**
 - Fab 818 operations will support between **16,800 and 38,300 total jobs annually**
- The analysis does not quantify downstream impacts related to potential future substrate sales. In reality, new businesses may choose to locate or expand within the state as a result of newly-locally-available technology.

1	FACILITY CONSTRUCTION		
	Fab 868	Fab 818	
FACILITY CONSTRUCTION <i>One-time (temporary) impacts: Average over 2 years</i>	4,110	5,970	DIRECT jobs (construction contractors)
	680	990	INDIRECT jobs (construction suppliers)
	1,690	2,450	INDUCED jobs (employee consumption spending)
	6,480	9,410	TOTAL job impact

2	FACILITY OPERATIONS		
	Fab 868	Fab 818	
FACILITY OPERATIONS <i>Ongoing (annual) impacts*</i>	5,200	8,800	DIRECT jobs (Flying Eagle employees)
	1,300 - 7,100	2,200 - 12,000	TIER 1 INDIRECT jobs (suppliers selling directly to Flying Eagle)
	700 - 3,400	1,300 - 5,700	ADDITIONAL INDIRECT jobs (Tier 2+ suppliers)
	2,700 - 6,900	4,500 - 11,700	INDUCED jobs (employee consumption spending)
	9,900 - 22,600	16,800 - 38,300	TOTAL job impact

*The analysis presents a range of potential impacts based on the Other Electronic Component Manufacturing (NAICS 334419) and Semiconductor and Related Device Manufacturing (NAICS 334413) sectors. NAICS 334419 includes LCD screen manufacturing. Note: Figures may not appear to sum due to rounding; Source: EY analysis based on the IMPLAN Input-Output economic model of Wisconsin.