



Semiconductor 2Q2025 Sector Results and Implications on Hardware Decommissioning Industry

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The latest semiconductor earnings reveal a sharp divide whereby AI and data centers are fueling extraordinary growth, while PCs and consumer devices remain sluggish. Furthermore, the data shows evidence of a clear split in the data center market, with significant implications on ITAD corporate strategy. On one side are the hyperscalers, where Nvidia, TSMC, and the big memory makers are driving record demand from AI and cloud. Their refresh cycles are intense, 18-24 months, and the hardware coming out is some of the most valuable anywhere. But the catch is access. More than 90% of that equipment is reused internally or moved through locked vendor contracts. Only a sliver ever makes it to independent ITADs.

On the other side are corporate and enterprise data centers. Their refresh cycles are slower, usually 3-5 years, but their behavior is different. Enterprises in finance, healthcare, government, and industry rely heavily on outside ITAD partners for compliance, data destruction, and resale. They don't grab headlines like the "Magnificent Seven," but they provide steady volumes, long-term client relationships, and accessible inventory.

For the ITAD and recycling sector, that's the real divide. Hyperscalers make the splash, but enterprises keep the pipeline flowing. Where is the opportunity? It is in balancing both: stay alert for hyperscaler spillover, but build the business around enterprise refreshes, where the work, and the revenue, is most consistent.

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