SURVEY SYNOPSIS June 2020

Coronavirus Survey – Update 8

Results of Manufacturer & Distributor Survey Ended June 12, 2020

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Introduction

As electronics components supply chain participants continue to manage the continuing impact of the Coronavirus / COVID-19 pandemic, the most recent results of ECIA's survey of manufacturers and distributors yields highly encouraging results. The responses across a range of measures reflect renewing optimism among supply chain participants that is consistent with improvements seen in general business metrics. Just as employment numbers, retail sales data and stock market performance metrics are improving, the health of the supply chain and outlook for improvement is brightening. Certainly, the challenges of the pandemic remain and concerns regarding a "second wave" continue. In the face of these concerns, the results of the latest electronics components supply chain health survey should give industry participants reason for renewed hope.

To provide important visibility in the midst of the COVID-19 pandemic, ECIA began conducting surveys of member manufacturing and distributor companies at the start of February to gain an understanding of this ever-evolving situation. ECIA has published survey results on nearly a bi-weekly basis in an attempt to provide continuous updates to our members. This most recent survey was conducted between Monday, June 8th and Friday, June 12th, nearly three weeks after the conclusion of the last survey. Between the most recent survey and the previous survey that ended May 26th the process of reopening the economy has continued to grow with an increasing number of state and local governments allowing businesses, including non-essential retailers and restaurants, to resume business while maintaining social distancing precautions. Unfortunately, this has also been a period of social upheaval across the country with protests around the death of George Floyd spawning riots and looting in cities around the country. In addition to local damage to businesses, this situation has deepened divisions concerning governance, economic philosophy, and management of the pandemic. This survey was not designed to capture this type of disruption and so it is not reflected in the results.

The survey ended June 12th presents a picture of renewed optimism as concern about impact on the supply chain and extended lead times fell significantly for all major component categories – Passives, Electro-Mechanical and Semiconductors. This survey saw concerns about nearly every stage of the supply chain, including end-market demand, reduce substantially. The outlook for individual end markets improved in every sector with the exception of medical electronics which already presented the brightest future prospect. All of this has resulted in a major boost in confidence in order backlogs for every component category and every end market.

The Computer & Data Processing, Telecom Infrastructure and Defense/Aerospace markets saw the biggest jump in confidence in future growth. The most recent results show 74% of respondents projecting growth in Medical Electronics followed by 53% for Computers & Data Processing and 40% for Telecom Infrastructure. Consumer Electronics (including Smartphones and Tablets) saw a bipolar change with significant groups shifting from "No Change" or "Don't

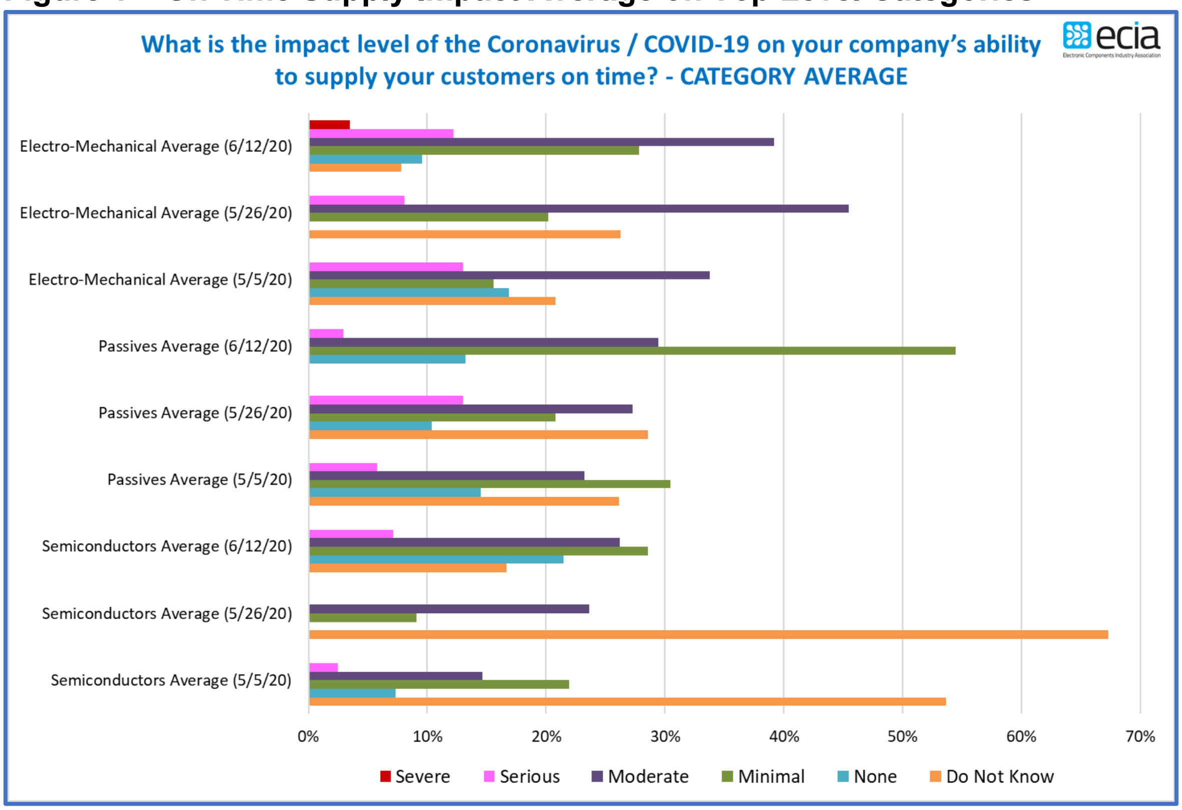
Know" to both increasing and declining growth expectations. In Consumer Electronics, 31% now expect growth with 46% projecting a decline. The overall average for end market performance has 37% expecting growth and 42% predicting a decline.

ECIA is conducting a new survey - different from previous surveys about the impact of COVID-19. The purpose of this survey is to enable visibility on "Business Operations Modifications & Plans and Reopening Schedules" in light of COVID-19 for electronic component manufacturer and distributor companies.

The full report provides detailed data by component type for the major categories of: Electro-Mechanical, Passives and Semiconductors.

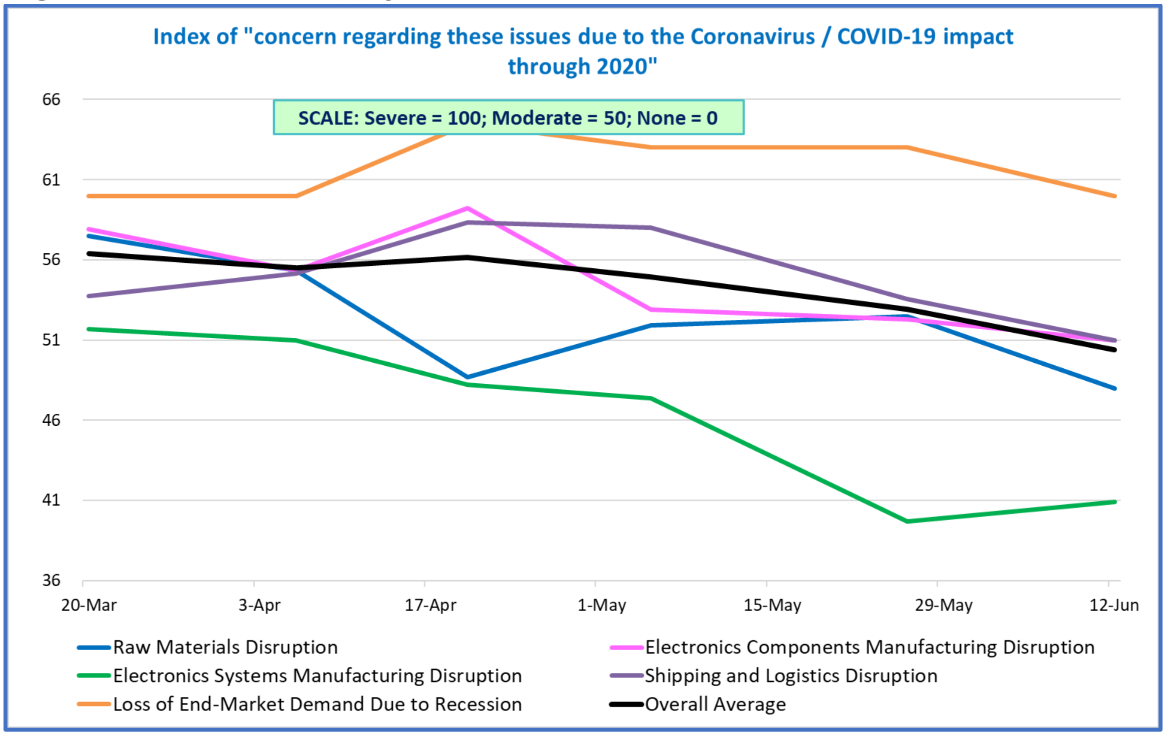
The complete report presents data in 15 detailed tables and 26 figures. In addition, this report presents indexes to provide a perspective on how sentiment has shifted over time.

Figure 1 – On Time Supply Impact Average on Top Level Categories



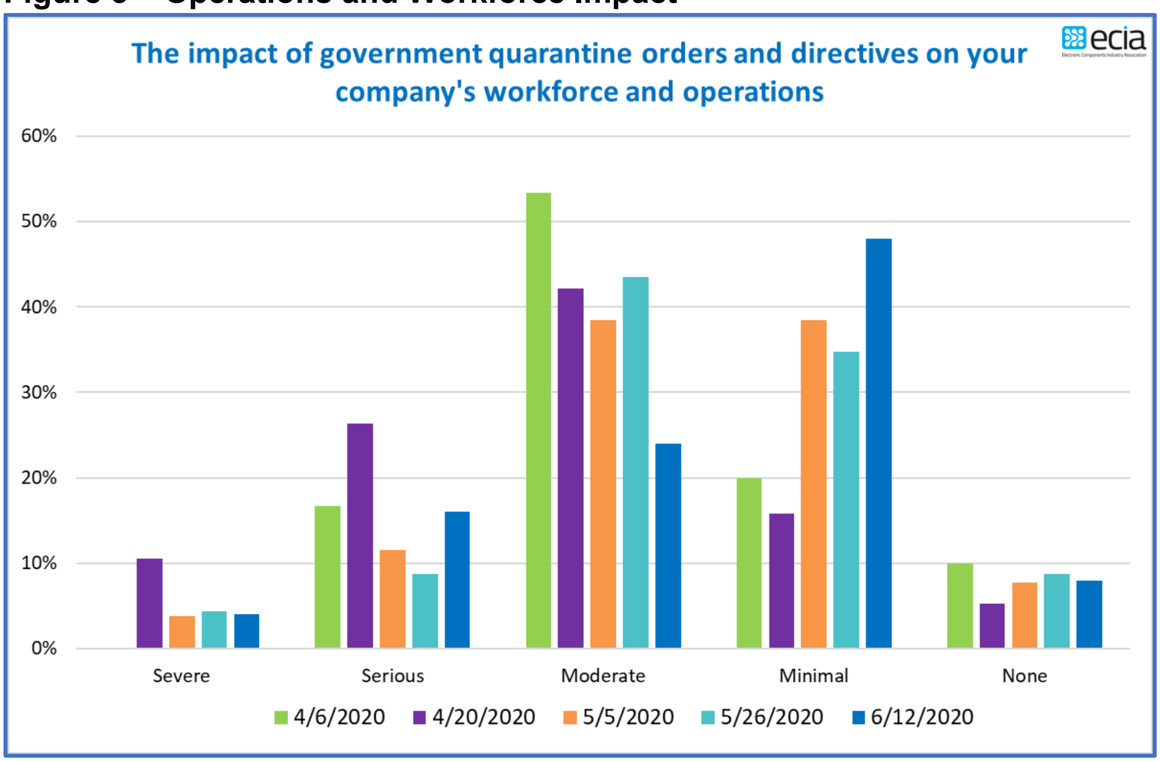
Source: ECIA

Figure 2 – Index of Supply Chain Concerns



Source: ECIA

Figure 3 – Operations and Workforce Impact



Source: ECIA