As a follow up to our ongoing research on the impact to the electronics supply chain in China from the COVID-19; we did our 2nd special survey. The survey had ~4000 respondents with ~85% located in China. Our key findings along with our supporting on the ground checks are as follows:

- 57% of the respondents are seeing an incremental negative impact over the past 2 weeks to demand and/or production from the virus; vs. 83% previously.
- Roughly one-third of the respondents see production down more than 10% for C1Q due to the virus’ impact which is down vs. 48% from our February survey. Another 47% see it down 6-10% vs. previous production plans.
- Only 16% think this shortfall in C1Q will be made up in C2Q which is down from 44% in last month’s survey.
- 28% are saying the production shortfall will never be fully made up.
- Regarding the C2Q shortfall, ~19% (vs. 70% previously) of these responses believe there will not be enough workers back by C2Q to make up the C1Q production deficit; while ~51% (vs. 65% previously) believe there will not be enough components available in C2Q to make up the shortfall.
- Only ~7% (vs. 25% previously) see any demand being destructed in C2Q because of production shortfalls in C1Q.
- 28% of the respondents see 5% or less demand destruction from the virus while 45% see 6-10% demand destruction.
Have you seen any additional negative impact to component demand and/or production due to the COVID-19 over the last 2 weeks?

- Yes: 57%
- No: 43%
February Survey: Have you seen a negative impact to component demand and/or production due to the COVID-19?

- Yes: 83%
- No: 17%
What % do you think this will impact C1Q’s electronics production vs. previous plans?

- 0% Respondents
- 10% Respondents
- 20% Respondents
- 30% Respondents
- 40% Respondents
- 50% Respondents
- 60% Respondents
- 70% Respondents
- 80% Respondents
- 90% Respondents
- 100% Respondents

**Feb’20**
- 48% No Impact
- 39% Down 1-5%
- 13% Down >10%

**Mar’20**
- 33% No Impact
- 47% Down 1-5%
- 18% Down >10%
When do you think this shortfall in production delta will be made up?

- 44% Never
- 28% C2Q
- 16% C3Q
- 12% C4Q
If production delta will not be recovered in C2Q, why? (multiple answers OK)

Not enough workers to complete builds
Not enough components to complete builds
Virus still will not be contained enough
Demand destruction

% Responses

Feb'20          Mar'20

March 2020 COVID-19 Impact Survey
TPC Proprietary Research
How much demand destruction (if any) do you think we will see due to the virus?

- None: 45%
- 0-5%: 27%
- 6-10%: 19%
- 11-15%: 8%
- >15%: 1%