



February 24<sup>th</sup>, 2020

## Coronavirus Update

We are very happy to report that none of our associates have contracted the Coronavirus, more of our associates have been able to return work and we are well on our way to operational recovery. Our suppliers in China are increasing their output at a very positive rate as well. Over the next few weeks we may experience isolated material delays but we do not anticipate major outages.

Our Operations Team is taking advantage of our redundant manufacturing capabilities by moving orders slated to be built in China to alternate manufacturing locations. This is being done in conjunction with our increase in daily output. Connector Manufacturing in our Huizhou facility is currently achieving 75% output, we expect it to increase to 85% by the end of February and return to 100% by the end of March. On-time delivery, thus far in February, for all Samtec China Manufacturing is 93.4% and we expect it to continue to improve.

Due to continued growth in our HDR (High Data Rate) Cable products and the temporary reduced output in Huizhou facility, we will experience overall HDR capacity constraints over the next several weeks.

The following short-term actions are being implemented specific to our HDR Products:

- 4 weeks have been added to all new HDR orders
- All existing HDR orders scheduled between now and May 1<sup>st</sup> have been evaluated and if necessary, rescheduled to reflect our true delivery date
- Customers will be notified if their order is pushed out
- Operations will move China HDR orders that can be built at our Costa Rica or US facilities to minimize delays. Order moves may be limited to available capacity, material and tooling constraints but Operations will proactively reposition orders to deliver the best lead times and highest OTD%. ***HDR Expedite flexibility will remain limited for the next several weeks.***

Longer term initiatives for increasing HDR capacity are:

- Additional HDR manufacturing equipment will be coming on-line in April, 2020

- Samtec Penang will begin manufacturing HDR Cable in June, 2020

We will continue to evaluate this developing situation and we will advise you of any anticipated changes to our approach. As always, we greatly appreciate your business.

If you need additional information, please contact us at [ecustomerservice@Samtec.com](mailto:ecustomerservice@Samtec.com).

Sincerely,

Scott Lamb  
Director of Global Sales Operations  
Samtec, Inc.