

## Tense Situation in Electronics Supply Chain

Dear Customer,

Since the beginning of 2017 the global demand for electronic components as well as for PCBs kept on constantly increasing. Even though Toradex is committed to keeping significant inventory of components and finished products, the situation is getting worse and we see some delays due to increasing reduction of available supply at vendors.

Soaring demands for copper foil by the globally booming battery industry have increased PCB suppliers lead times from 8 weeks to 16 weeks earlier this year. Additionally, there is a shortage of memory components and their lead times moved up to 22 weeks or are even on allocation. High volume markets, such as automotive, add further pressure to the already tight supply of integrated circuits, discrete and passive components.

As a result, we are experiencing that trusted suppliers have started to push out confirmed delivery dates of components. The suppliers expect this state to continue for the next 6 months.

Rest assured that Toradex is taking further measures to improve on stock availability and the lead times. Toradex targets at identifying critical supply situations at an early stage and meeting your production needs. We therefore would highly appreciate your help by providing us with your demand forecasts (no need for a formal PO here) or order estimates for this year. This is particularly critical for products in ramping up phase or in a product status change where demand planning is most challenging due to reduced visibility of respective demands. Please direct any such information to your local Toradex Sales team or account contact.

Toradex is aware that this difficult situation creates overhead and concerns in your production planning. We would like to apologize for any occasion where we are not able to confirm any incoming request for new demand immediately.

Thank you for your understanding of this extraordinary supply chain situation and your help with improvement measures.

Best regards



Stephan Dubach  
CEO  
Toradex ® group

April 19, 2017