



Expertise Applied | Answers Delivered

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Dear Valued Customer:

As you are undoubtedly aware, there is currently a severe shortage of electronic components impacting manufacturers across the entire electronic component segment. This is due to a number of factors outside of our control which have resulted in a dramatic increase in delivery times during the past few weeks.

The sharp rise in demand for electronic components in the consumer sector beginning in the first half of 2020 and the economic recovery during the last six months, have also resulted in an enormous increase in demand from our customers in the field of construction and agricultural equipment.

The current situation is made more difficult by the globally limited freight capacities by sea, air and rail. Before the COVID-19 pandemic, approximately 80% of freight from Asia was sent to Europe by passenger aircraft. This freight option has been limited by nearly 80% since the first lock down in March 2020 as passenger aircraft flights were grounded. As a result, the vast majority of freight has shifted to sea or rail. Now even sea and rail freight routes have become scarce due to the second wave of the COVID-19 pandemic.

Compounding all of this, we have received Force Majeure notices from many of our resin suppliers due to the unseasonably cold weather event in the Gulf Coast which strained electric and natural gas supplies and shut down factories.

All of these pressures have unfortunately created a perfect storm placing unprecedented pressure on the supply chain which ultimately leads to necessary product allocation.

WHAT CONSEQUENCES DOES THIS HAVE FOR YOU?

As a manufacturer of electronic products which depends on commercially available components, Littelfuse is in global competition with other manufacturers. The increased demand for electronic components around the world combined with the resin shortage has also led to material bottlenecks. We are experiencing severe shortages and allocations in the electronic component and resin market, which are affecting us.

Due to the current situation, Littelfuse has taken the following measures to ensure the equitable supply of components to our valued customers:

The minimum stocks of our raw materials have been increased to create a buffer to mitigate delivery issues. Procurement times for all electronic components were also increased and the available horizon extended in an effort to achieve long-term security of supply to the greatest extent possible. We are in constant contact with our suppliers in an effort to receive up to date information about delivery problems, allocation, and if necessary, to initiate escalations.

Nevertheless, due to the supply bottlenecks for our products, the standard lead-times are currently extended by approx. 10 weeks. It does not appear that the delivery situation will normalize again in the near future, so further increasing delivery times should be expected.

RECOMMENDATIONS TO REDUCE YOUR SUPPLY DISRUPTIONS

Place your Littelfuse product supply requirements as early as possible and ideally for the next 6 - 12 months. Delivery times are currently increasing steadily due to factors outside of our control. We want to continue to meet your supply needs, but need your active participation in this process.

As soon as we have reliable information about any supply issues that may affect your orders, we will of course inform you. Thanks as always for being a loyal Littelfuse customer.

Sincerely,



Marko Wilsdorf
Global Director CVP Sales