



February 20, 2020

BCM February 20th Update on the Impact of the COVID-19 Coronavirus

Dear Valued Customers & Partners,

BCM would like to keep our customers and partners updated on the COVID-19 coronavirus as it relates to the electronics industry and its possible impact on supply and demand of such products and components. As you may be aware from the news, in an effort to curtail the spread of COVID-19, there has been a lock-down or highly reduced travel or activity within affected cities in China including Beijing, Shanghai, Guangzhou, and Wuhan. Some regions are now asking companies to remain closed through mid-March. Our heartfelt thoughts go out to those and their loved ones impacted by this event.

China is a major supplier to the electronics industry for both finished goods and components. The extended work stoppage and unknown timeframe for full resumption of work activity is having a ripple effect not only on component supplies and lead-times but even impacting landing costs due to shortages in transportation as a result of reduced flights and restricted ground travel.

Many of BCM's customers have requested information pertaining to how COVID-19 may impact the flow of goods and services from BCM. These are reasonable requests and BCM would like to provide the following impact summary and overview.

Current Status & Impact Analysis:

1. BCM's manufacturing is located in Taiwan. Taiwan has not reported any major outbreaks of COVID-19. BCM's Taiwan operations and manufacturing facilities returned to work as normal on January 30th following the Chinese New Year annual holiday and have been in normal operations since then.
2. Production scheduled through February 14th had no impact due to having materials on hand two weeks prior to production as normal.
3. Production scheduled through March 7th we are estimating a lead-time impact of approximately two additional weeks.
4. Production scheduled after March 7th we are estimating lead-times to extend out four weeks. This is just an estimate due to the still limited information with so many China suppliers still offline and a still moving target on when work will resume.
5. It is possible that current reduced availability of transport and component supplies will have a negative impact on freight and component costs. BCM's priority will be to minimizing production schedule delays while balancing cost overages. It is possible cost overages may be start to reflected in BCM products produced in March and onward until normalization of supply chain.
6. At this time, it is too early to gauge the extent of any supply and lead-time and cost impacts until there is a firm schedule on when and at what capacity manufacturing activities will resume in China.

Suggested Actions by BCM

1. BCM customers may want to consider placing orders further in advance.



2. Reach out to your BCM representative regarding any possible demand spikes or special circumstances we should be aware of.

We at BCM will continue to try our best to keep you informed on the COVID-19 coronavirus situation and its impact on BCM's supply chain and manufacturing lead-times. We appreciate your understanding and working with us over the coming weeks while the world works together in addressing this issue. Please contact your BCM representative if you have any questions.

Thank you,

Jennifer Morris

Jennifer Morris– Executive Vice President