

September 24th, 2021

**Service Level Update**

**UPDATE 9/24/2021**

 All Samtec manufacturing sites, except for Vietnam, have now been approved to operate at 100% capacity. We’re working to return to 100% staffed but associate quarantines continue to be the reality of the pandemic. The removal of the MCO restrictions in Malaysia, a result of all associates being fully vaccinated, has increased our global capacity by 10% and we’re starting to see the increase in output.

**Current Staffing Capacity by Manufacturing Site:**

US (New Albany/Scottsburg) = 90%

Costa Rica = 90%

South Malaysia (SiLC/Skudai) = 80%

Penang = 90%

China (HZ) = 90%

Vietnam = 65% (Staffing has stabilized but hiring is not expected until movement restrictions are lifted)

For the month of September our OTD% has dropped to 75%. We view the short term drop in OTD% as being positive because OTD% is the ratio of orders that ship on-time compared to the total number of orders shipped. As we begin to catch up, past due orders represent a higher % of the total orders shipped so this as a sign of things moving in the right direction. From an OTD% perspective, things may look a little worse before they look better but that’s part of the recovery process.

In effort to provide greater visibility of customer orders that are at risk of not shipping on-time, we completed a mass reschedule update on Wednesday, Sept. 22nd. Reschedule notifications were also sent out. Orders that were scheduled to ship within the next two weeks and were likely to be rescheduled due to material availability or capacity constraints have proactively been given a reschedule date. We’ll continue to work on providing early visibility of at-risk orders until we return to “normal” Service levels.

Material shortages continue to be a challenge with 32% of our past due orders resulting from material delays. Like most others in our industry, we expect these challenges to continue well into 2022 as raw material shortages, supplier capacity and labor constraints impact the entire supply chain.

We are in the early phases of our recovery and over the past year and half we’ve learned to expect the unexpected. Being able to increase our staffing levels has provided a much-needed lift toward the ability to increase our output. In lieu of unforeseeable inhibitors, we expect to see a noticeable improvement as we move into the 4th quarter.

Sincerely,

Scott Lamb