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Rising Electronic Component, Plastic and Metal Prices Impacting Your Production Costs

President and CEO Marc Iacona Addresses Price Increases and Strategies to Address its Impact

Rochester, NY – May 11, 2021 – From 2020 to 2021, prices of electronic components increased by 7% or more, plastic materials by 20% and metal materials by as much as 40%.

We are also experiencing an increase in shipping costs as manufacturers compete for a limited number of transports. The cost of shipments from Asia has doubled in the last 12 months, resulting in increased landed costs of materials.

These price increases, in addition to rising costs of raw materials, continue to impact our business, resulting in higher product prices and lower gross margins.

In addition, disruptions in supply have directly impacted our customers' production lines. The ongoing interaction of these factors have caused other problems, for instance:

- Decrease in labor utilization
- Inflationary pressure
- Logistics uncertainty (including freight)

How can Simcona help you cope with these challenges?

Simcona will continue to rely on our customer service best practices. This includes proactive communication with our customers and providing timely and relevant notices regarding orders.

Simcona welcomes the opportunity to discuss options that will reduce stress on your production lines, and to suggest strategies to avoid cost increases and alleviate extended lead times.

Your Field Account Manager will be reaching out to you in the near future. As always, we value your business, and thank you for trusting Simcona.

Sincerely,

Marc Iacona
President & CEO, Simcona Electronics

About Simcona

Simcona is your Simcona is your supply chain partner delivering engineering, sourcing, procurement, logistics, inventory management, and manufacturing services. For over 50 years, Simcona has helped manufacturing customers manage their supply chain, handling any component or assembly that is on the product bill of materials. The company has the experience, business processes, and information technology necessary to help customers get their products to market and overcome supply chain challenges.

For more information on Simcona and their supply chain and sourcing programs, or for expert assistance with challenges that you may face regarding your supply chain, please contact Simcona at 800.274.6266 or visit www.simcona.com.

