



*AutomationDirect
Supply Chain Update
June, 2023*

AutomationDirect is paying close attention to the frequently changing news regarding shortages and delays found in many areas of the global supply chain. As a result, we are continuing regular communications with all our suppliers to gain information on the effects as quickly as possible.

Currently, many of our suppliers are reporting extended supply disruptions caused by:

- material shortages (i.e. semiconductors, plastic, copper, steel)
- labor shortages and plant capacity limitations

AutomationDirect will continue to monitor these situations and work with our suppliers on methods to reduce the impact on shipments and deliveries.

Although AutomationDirect continues to hold a significant amount of inventory overall with additional amounts in transit, these disruptions are leading to depleted stock among various individual items and product lines. Changes to backorder expected ship dates are also more common as information changes within the entire supply chain.

Regarding the limited worldwide semiconductor supply, we are facing some situations where delivery times are subject to last minute changes and more frequent stock-outs. Our suppliers often receive partial shipments or get last minute delays on components that have been on order for many months, causing our expected ship dates to shift with little notice. These types of issues commonly affect products such as PLCs, HMIs, Drives, and other products that feature control capabilities. For some products, we are beginning to see conditions improve, but we do not expect overall supply to return to normal before the fourth quarter of 2023.

Please be assured that AutomationDirect and our valued suppliers consider product availability as one of our highest priorities for our customers. We will minimize any disruptions in the flow of product within our supply chain, to the best of our ability. These are just some of the actions we are taking to improve availability:

- expediting deliveries via air freight to shorten lead times
- placing additional orders with suppliers to rebuild stock levels
- prioritizing timing of manufacturing and shipment of the most critical items

Please check our online webstore or contact our customer support team if you need detailed information about quantities available for specific items.

While AutomationDirect is not able to fill out individual surveys or respond to individual reporting portals due to the volume and variety of these requests, we will continue to monitor this situation and update this statement regularly until normal business conditions resume. We thank you for your patience during this challenging time.