

CONVERGE[®]
AN ARROW COMPANY

The Hangover

AFTER THE PERFECT STORM

State of the Global Electronics Supply Chain

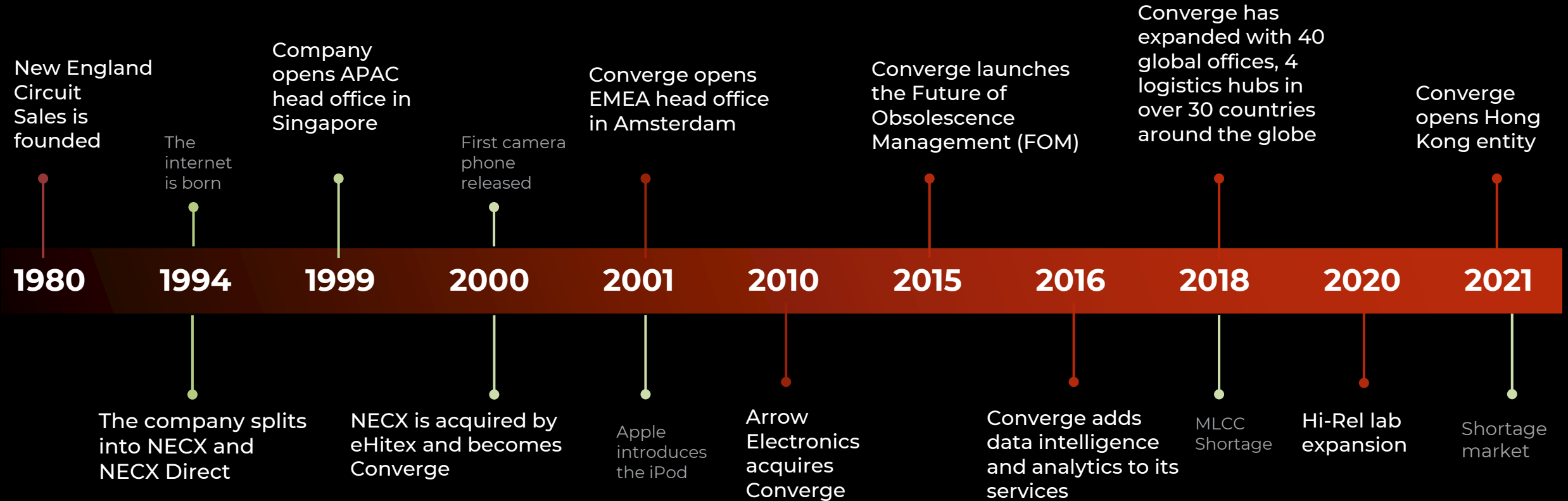
E&A
ELECTRONICS
APPLICATIONS **23**



26 T/M **28**
SEPTEMBER '23
JAARBEURS UTRECHT

The Converge story

Who are we and why are we here?



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Converge global operations footprint

THE AMERICAS

Global Headquarters: Peabody, MA

Arizona	Texas
California (Orange County, San Jose)	Canada (Halifax, Ontario)
Colorado (Arrow)	Mexico

EUROPE, MIDDLE EAST, AFRICA

EMEA Headquarters. Amsterdam, The Netherlands

EMEA Global Hub. Meer, The Netherlands

Denmark	Italy
Estonia	Poland
France	Spain
Hungary	Sweden (Gothenburg, Stockholm)
Germany	United Kingdom
Israel	

ASIA PACIFIC

Asia Pacific (APAC) Headquarters & Hub. Singapore

APAC Global Hub. Kowloon, Hong Kong

China (Beijing, Chengdu, Hefei, Shanghai, Shenzhen, Suzhou, Tsingtao)	Japan
India (Bangalore, New Delhi)	Korea
	Malaysia
	Taiwan



Carpe Data – “Seize the Data”



The Questions:

Why have the rules changed?

Best practices and lessons learned?

Where are we now?

What issues remain?





The strain on the global supply chain had been building for years, creating the **Perfect Storm.**



The supply chain will
never be **the same**.
The players, process,
and predictability
have all changed.



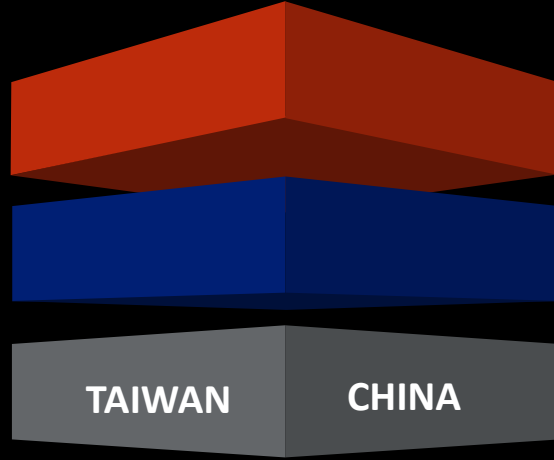


BAD THINGS HAPPEN...
"PLAN ON IT" ...



We learned to pay attention to hidden layers

Sub-Components

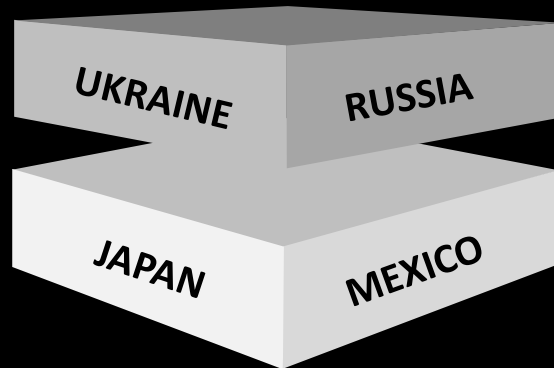


Finished Goods

Manufacturing

Refinement

Examples = neon, nitrogen trifluoride, helium, tungsten hexafluoride, germane, and nitrous oxide.



Raw Materials

Examples = C₄F₆, palladium, copper, aluminum, tungsten, scandium, silicon, and gallium arsenide.

WHERE ARE WE TODAY

Foundational
root causes
remain



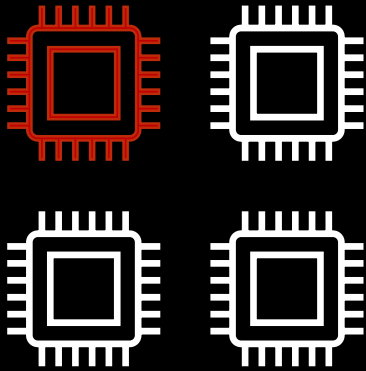
Decreasing global
demand

“Is it only a temporary
solution?”



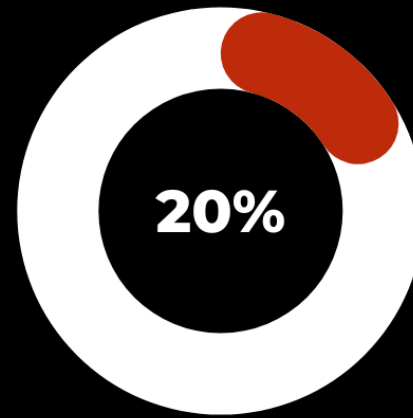
GLOBAL ECONOMIC IMPACTS CONTINUE

EOL & PCN Data



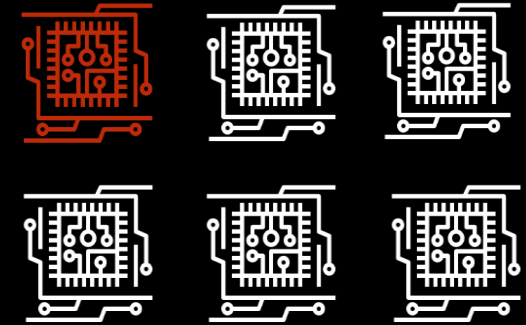
1 IN 4

COMPONENTS WENT OBSOLETE
WITHOUT A PCN IN 2022



20% OBSOLETE PCNs

HAD LAST TIME BUY
AS IMMEDIATE



1 IN 6

WERE VITAL
SEMICONDUCTOR COMPONENTS

Source:  SILICONEXPERT 2022 Data

General Outlook

All indications are that the global shortage market is now **recovering**, as demand for electronic component declines as a direct result of **global economic uncertainty**.

A global supply chain **"hangover"** is now being experienced by almost every vertical segment, as **buffer inventories** and non-cancellable / non-returnable forecast orders continue to flow into inventories creating **ROWC issues** and concerns.

Most **root causes** of the unprecedented shortage market we've experienced **still exist**, therefore any future disruptions will have an impact on the supply chain. This includes the issues around obsolescence.

**IS IT
REALLY
OVER?**



The **global economic downturn** may have just shouted “**LAST CALL**” to officially end the shortage market.

But now, companies face the morning after. The **hangover** begins...



Peer Group Current Focus Areas



Inventory and Capacity Buffers (HUBS)



Distribution Networks / Sell side Buffers



EMS/ODM Network Modifications



Product Design and Portfolio Simplification



Supplier / Sourcing Model Diversification



Data Analytics and Information Networks

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**Visit Us at
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Thank you.



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