

Ivent Solutions Market Trend Update

March 2021

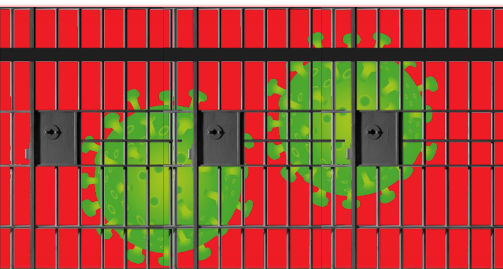
Price and Leadtime Pressure Continues

Ivent is continuing to see price increases from suppliers throughout Asia. The main reason for these increases as defined by our OEM's is currency variation, labour rates and the ongoing increase in raw material costs. Some suppliers have advised increases of up to 50%, however most are in the 10-25% range. In terms of product ranges, the increases seem consistent across all products ranging from batteries, power supplies, componentry through to cable assemblies. Ivent is working with its suppliers to minimize any increases and will discuss individually with customers only if absolutely required.

Leadtimes are also increasing, but not at the same rate as cost pricing. This is being driven by global demand and is normally adding only 1-2 weeks to actual manufacturing time. The more significant threat to leadtimes is the ongoing tightness in the shipping lines. Where Ivent would quote 3-4 weeks sea-freight leadtime from China to New Zealand (including devanning and delivery), we are now quoting 6-7 weeks. Industry commentators are suggesting June as the earliest timeframe that we will see an improvement at the Ports of Auckland, however our team believe Q3 and into Q4 is the earliest that shipping to Auckland will return to "normal".

Maersk Removes Half its Normal Auckland Schedule

Maersk, the world's largest container shipping line, says it has dropped 50 per cent of its normal ship calls in to the Ports of Auckland and expect New Zealand's congestion problems will continue until June. "We continue to see problems in Auckland with 12 to 14-days waiting time (for unloading)," said Ms. Therese Blank, head of the Oceania Export Market at Maersk. Instead of three calls a week at Auckland, Maersk vessels now operate 1.5 calls. Its Oceania USEC service, which was a standard weekly call, now misses Auckland. The weekly Panz-Oceania/US West Coast service now calls bi-weekly and the Japan-Star Oceania North East Asia service continues to call weekly but the schedule is disrupted due to the waiting time at Auckland port. Retailers' advocate, Retail NZ said news of the reduction in Maersk calls was "frankly, a disaster for the retail sector".



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Consumer Electronics Market Forecast

The Consumer Electronics Market size valued at USD 1 trillion in 2019 is estimated to grow at a CAGR of over 7% between 2020 and 2026. Continuous investments by industry players in R&D for development of new consumer electronic products including smartphones, smart wearables, and home appliances will drive the ongoing market growth. Rapidly increasing penetration of internet connectivity and services in several developed and developing economies across the globe is providing robust growth opportunities for the consumer electronics market. According to the market data by the China Internet Network Information Center, internet penetration reached 61.2% in 2019, increasing by 1.6% compared to 2018. The Central Intelligence Agency reported 62.9 million active internet users in the UK as of 2019.

The industry trends of incorporating “microLED” technology in televisions and large displays are expected to augment the market size of audio and video consumer electronics over the coming years. Leading market players are investing heavily in the development of this technology to cater to the high consumer demand. For instance, in January 2020, LG and Samsung, leading consumer electronics manufacturers, announced their plans to launch microLED TVs for residential and commercial applications. The ability of this technology to provide high contrast and brightness compared to conventional LEDs is expected to enhance its market representation. Short product lifecycles and increasing product variants are posing significant challenges to the consumer electronics industry growth. Dynamically changing technology landscape is encouraging consumers to shift to electronics integrated with these latest technologies. This has led to a rapid reduction in the product lifecycle of consumer electronics, such as smartphones, televisions, and cameras, hampering market demand. Manufacturers are facing challenges of reducing their product development time and time-to-market to sustain in the highly competitive market.

The rapid spread of the COVID-19 pandemic, since the beginning of January 2020, has adversely impacted the consumer electronics sector. Several factors including disruptions in supply chain & logistics, restrictions on trade, and acute shortage of raw materials have hampered the production capacity of consumer electronics manufacturers. Companies including Samsung, Apple, and LG suspended their production in several countries including India, Malaysia, and China to comply with government regulations and contain virus spread. According to the industry forecast, the market is expected to regain momentum in Q1 of 2021.

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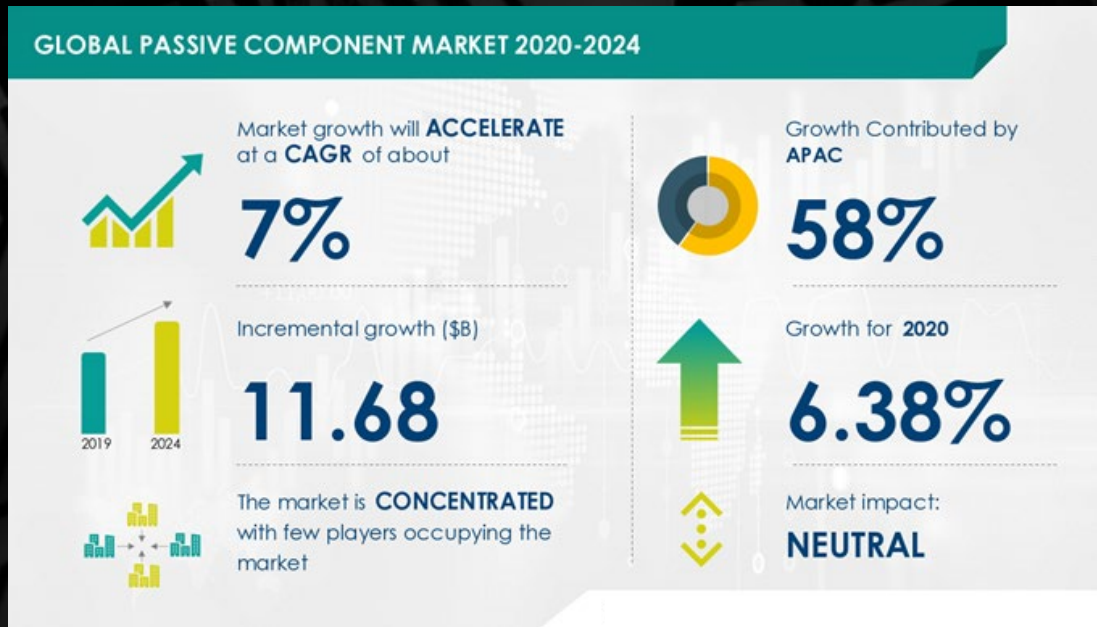


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Passive Component Market Update

New passive component market research indicates neutral growth in the short term as the business impact of COVID-19 spreads. One of the primary growth drivers for this market is the growth in demand for communication equipment, says a senior analyst for the industrials industry at Technavio. The market vendors should focus more on the growth prospects in the fast-growing segments while maintaining their positions in the slow-growing segments. As the markets recover, Technavio expects the passive component market size to grow by USD 11.68 billion during the period 2020-2024. It is always a good idea to keep a close on eye on passive component trends as these parts have been historically unstable in the global supply chain.



- The passive component market is expected to post a year-over-year growth rate of 6.38%
- Based on the product, the capacitors segment saw maximum growth in 2019. The growth in demand for communication equipment is driving the market
- The growth of the segment will be significant during the forecast period
- 58% of the growth will originate from the **APAC** region
- The rising demand for smart automotive electronic devices will increase passive component market growth in the APAC region
- China, Taiwan, and Japan are the key markets for the passive components in APAC

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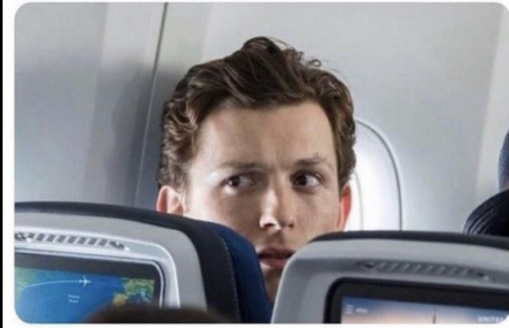
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I was told 2021 would be different.

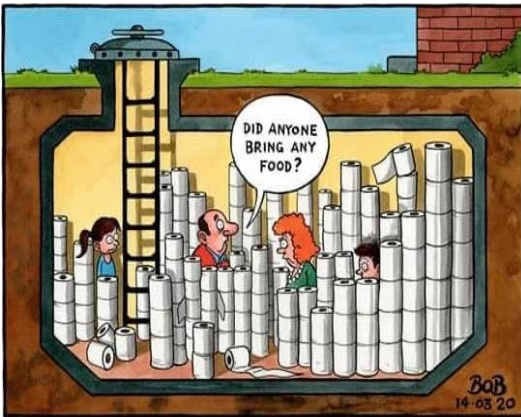


me after hearing someone cough on
my \$8 round trip flight to Italy



Fencing: the perfect COVID-19 Sport

1. Masks
2. Gloves
3. If anybody gets closer than 6 feet to you, you stab them.



Lets see who's really
behind COVID-19



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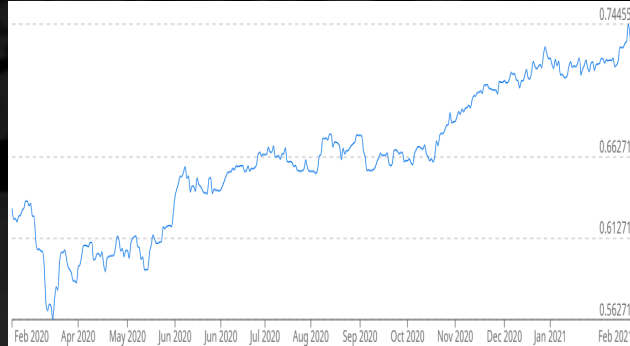
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Raw Materials
Rising 10-25%

NZD versus AUD - AU\$0.940 vs NZ\$1.00



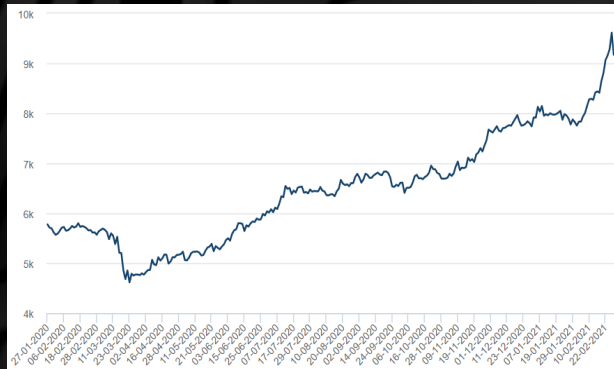
NZD versus USD - US\$0.725 vs NZ\$1.00



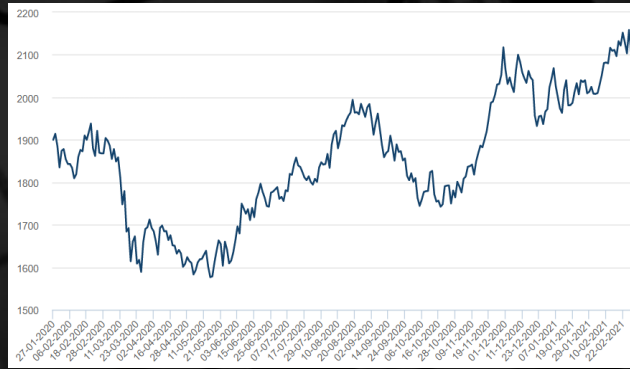
NZD versus EUR - EU\$0.600 vs. NZ\$1.00



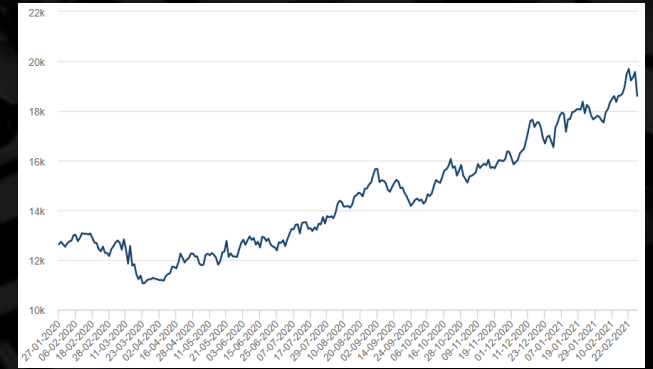
Copper - USD9100 / tonne



Lead - USD2100 / tonne



Nickel - USD18500 / tonne



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This Month in Tech History...

March 7, 1876 – Alexander Graham Bell receives a patent (US No. 174,465) for an “Improvement in Telegraphy,” which will later come to be known as the variable resistance telephone.

March 31, 1880 – Wabash, Indiana becomes the first city in the world to be completely illuminated by electric lighting. And the light was good.

March 2, 1969 – The Concorde supersonic transport (SST) jet makes its maiden flight. The Concorde is only the second supersonic passenger airliner to have been commercially operated. The Concorde fleet flew until November 26, 2003.

March 18, 1974 – Atari Introduces Gran Trak 10. It is the first arcade game to use solid state read-only memory (ROM) to store sprites for each car, the game timer, the racetrack, and the score. As such, it's the Concorde first game to have defined characters rather than mathematically manipulated dots. The game's controls, which include a four-position gear shifter, a steering wheel, and two foot pedals, are also all firsts for arcade games.

March 15, 1985 – The first Internet domain symbolics.com is registered by Symbolics, a Massachusetts computer company.

March 13, 1986 – Ten years after the company's founding, Microsoft Corporation stock goes public at \$21 per share. The stock, which eventually closed at \$27.75 a share, peaked at \$29.25 a share shortly after the opening. It is said that the rising value of Microsoft stock has made an estimated 4 billionaires and 12,000 millionaires of Microsoft employees.

March 6, 1992 – The Michelangelo virus, so-named because it activates on March 6, the birthday of Michelangelo, begins infecting computers. The virus will also make news in 1993. It was one of the earliest viruses to receive widespread media attention and also one of the first to prompt widespread hysteria. The irony of the name of the virus was that nothing in the virus' code referenced Michelangelo. It is possible the virus author, who was never identified, did not know March 6th was Michelangelo's birthday!

March 25, 1996 – The movie Twister becomes the first featured film put on DVD. FYI, it sounds really good in surround sound!

March 23, 2001 – The Russian space station Mir burns up in the Earth's atmosphere after fifteen years in orbit. The debris that isn't burned up falls safely into the Pacific ocean between Chile and New Zealand, in a region from which governments had routed planes and ships away. The station, which was launched in 1986, far exceeded its intended lifespan of five years.

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