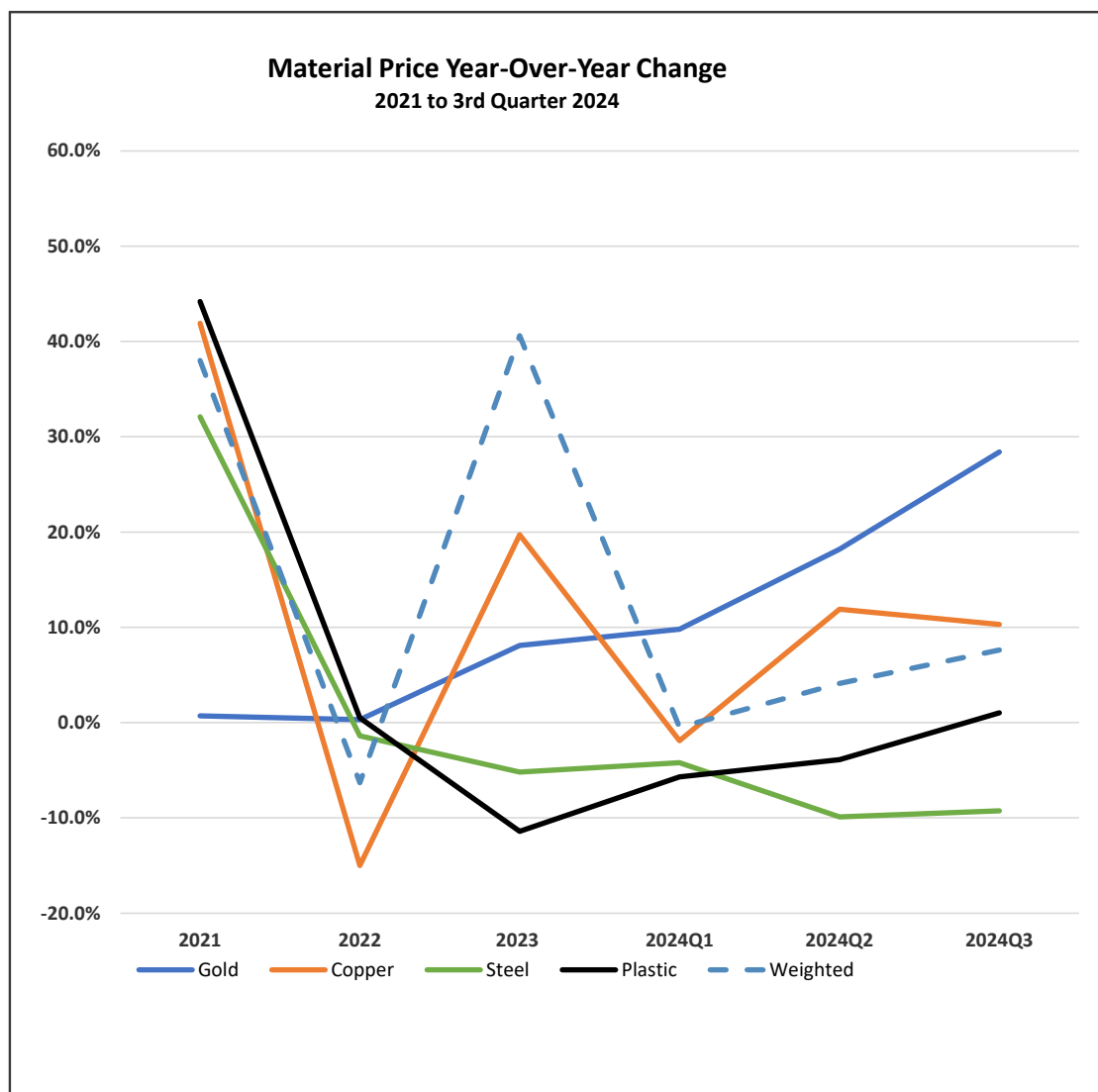


Raw Material Prices Increased Year-over-Year +4.1% in 2Q2024, and +7.6% in 3Q2024

Connectors are composed of four primary raw materials, gold, copper, steel, and thermoplastic/plastic. During the third quarter of 2024, prices on these key materials used in connectors increased +7.6% year-over-year (YOY) and remained flat quarter-over-quarter (QoQ) or sequentially. For the third quarter of 2024, prices of these materials on a weighted average increased +8.3%.

The following chart shows the YOY change in the cost of these primary materials over 2021, 2022, 2023 and the first three quarters of 2024.



The following tables show the year-over-year change in 2Q2024 and 3Q2024 for each material.

In the second quarter of 2024, the price of copper/brass was the greatest driver of the overall increase in materials cost. Representing 46.7% of the weighted usage, the 11.9% increase in the price of copper/brass initiated a weighted price increase of 5.6%. The price increase in copper/brass was followed by the increase in the price of gold, which increased 18.2% year-over-year in the second quarter, and a weighted increase of 2.4%. Although like the first quarter, the price of steel showed the greatest decrease, but because of its weighted value of only 6.7%, only caused a weighted decrease of -0.7%. In addition to steel, the price of thermoplastics also decreased in the second quarter. The overall weighted price of raw materials in the second quarter of 2024 increased 6.0%.

**Change in Material Costs
Year-over-Year 2Q2024**

Material	2Q24 YOY	Usage Weight	2Q24 Weighted
Gold	18.2%	13.3%	2.4%
Copper/Brass	11.9%	46.7%	5.6%
Steel	-9.9%	6.7%	-0.7%
Thermoplastics	-3.9%	33.3%	-1.3%
Total Change	4.1%	100.0%	6.0%

During the third quarter of 2024, the price of copper/brass was once again the greatest driver of the overall increase in materials cost. With an increase of 10.3% in the price of copper/brass and a weighted average of 46.7%, the price of copper/brass created an increase of 4.8% in material costs. The price increase in copper/brass was followed by an increase in the price of gold, which increased a whopping 28.4% year-over-year in the third quarter, and a weighted increase of 3.8%. Although, like in the previous quarters, the price of steel showed the greatest decrease, because of its weighted value of only 6.7%, it only created a weighted decrease of -0.6%. In addition to copper/brass and gold, the price of thermoplastics also increased in the third quarter. The overall weighted price of raw materials in the third quarter of 2024 increased 8.3%.

**Change in Material Costs
Year-over-Year 3Q2024**

Material	3Q24 YOY	Usage Weight	3Q24 Weighted
Gold	28.4%	13.3%	3.8%
Copper/Brass	10.3%	46.7%	4.8%
Steel	-9.3%	6.7%	-0.6%
Thermoplastics	1.0%	33.3%	0.3%
Total Change	7.6%	100.0%	8.3%

On a quarter-over-quarter basis (1Q24 to 2Q24), material costs increased +4.9% sequentially, with gold leading the increase at +12.7%, followed by copper/brass at +11.9%. The weighted total cost for connectors on a sequential basis was +7.0%. This is up significantly from the weighted total change of +2.6% for 1Q2024 versus 2Q2024.

**Change in Material Costs
Quarter-over-Quarter
1Q2024 over 2Q2024**

Material	2Q24 QOQ	2Q24 Weighted
Gold	12.7%	1.7%
Copper/Brass	11.9%	5.6%
Steel	-5.5%	-0.4%
Thermoplastics	0.4%	0.1%
Total Change	4.9%	7.0%

Comparing third quarter 2024 (3Q2024) to second quarter 2024 (2Q2024), we see material costs remaining flat, driven by an increase in gold of +5.9% the was countered by a decrease in steel of -4.6%. The total weighted cost for connectors on a sequential basis was -0.2%. This is down significantly from the weighted total change of +7.0% for 1Q2024 versus 2Q2024.

**Change in Material Costs
Quarter-over-Quarter
2Q2024 over 3Q2024**

Material	3Q24 QOQ	3Q24 Weighted
Gold	5.9%	0.8%
Copper/Brass	-1.6%	-0.7%
Steel	-4.6%	-0.3%
Thermoplastics	0.2%	0.1%
Total Change	0.0%	-0.2%

If we examine 2Q2024 and 3Q2024 from a year-to-date perspective, as the charts on the following page show in 2Q2024 total raw material price increased +1.4% with gold showing a year-to-date increase of +14.2% in the second quarter and copper/brass an increase of 3.5%. The price of all other materials declined in the second quarter, with steel showing the greatest decline at -7.2%. In 3Q2024, gold once again showed the greatest price increase, increasing 18.8%, while copper/brass increased +3.5%. Overall, in the third quarter of 2024, prices increased 2.7% year-to-date.

**Change in Material Costs
Year-to-Date
2Q2024**

Material	2Q24 YTD	Usage Weight	2Q24 Weighted
Gold	14.2%	13.3%	1.9%
Copper/Brass	3.5%	46.7%	1.6%
Steel	-7.2%	6.7%	-0.5%
Thermoplastics	-4.8%	33.3%	-1.6%
Total Change	1.4%	100.0%	1.4%

**Change in Material Costs
Year-to-Date
3Q2024**

Material	3Q24 YTD	Usage Weight	3Q24 Weighted
Gold	18.8%	13.3%	2.5%
Copper/Brass	3.5%	46.7%	1.6%
Steel	-7.8%	6.7%	-0.5%
Thermoplastics	-2.9%	33.3%	-1.0%
Total Change	2.9%	100.0%	2.7%

It is important to understand that the change in raw material costs will differ based on individual usage of these materials in connector production.

Bishop Comments

As we finish out 2024, we expect connector prices to increase only slightly, if at all. Although material costs will continue to be a key driver in connector prices, wages and manufacturing overhead, especially things like shipping costs, packaging cost, regulatory fees, import duties, and insurance, will remain important factors. Increases in these, coupled with continued increases in energy prices, which affect not only transportation costs but also plant overhead and manufacturing costs, will have an increasing effect on connector prices. One additional factor that can affect manufacturing costs will be interest rates, which today although decreasing slightly, still increase the cost of financing, making it more difficult for manufacturers to expand operations.