

Raw Material Costs Increased 7.3% YOY in 3Q24 and 9.1% YOY In 4Q24 For a Full Year 2024 Increase of 5.0%

The price of essentially every product including energy, food, building supplies, white goods, vehicles, and electronics were affected by inflation in 2024. The primary raw materials in the manufacture of connectors are gold, copper/brass, steel, and thermoplastics. These items account for 75% of raw material costs.

The following tables show the year-over-year change in 3Q24 and 4Q24 for each material. Gold increased +28.4% YOY in 3Q2024 and +34.6% in 4Q2024. Copper/brass increased +9.6% in 3Q2024 and +13.0% in 4Q2024. In both quarters, steel decreased, and in 4Q2024, thermoplastics also decreased, declining -0.5%. In 3Q2024, the overall weighted increase was +7.8% for all materials and +9.8% in the fourth quarter.

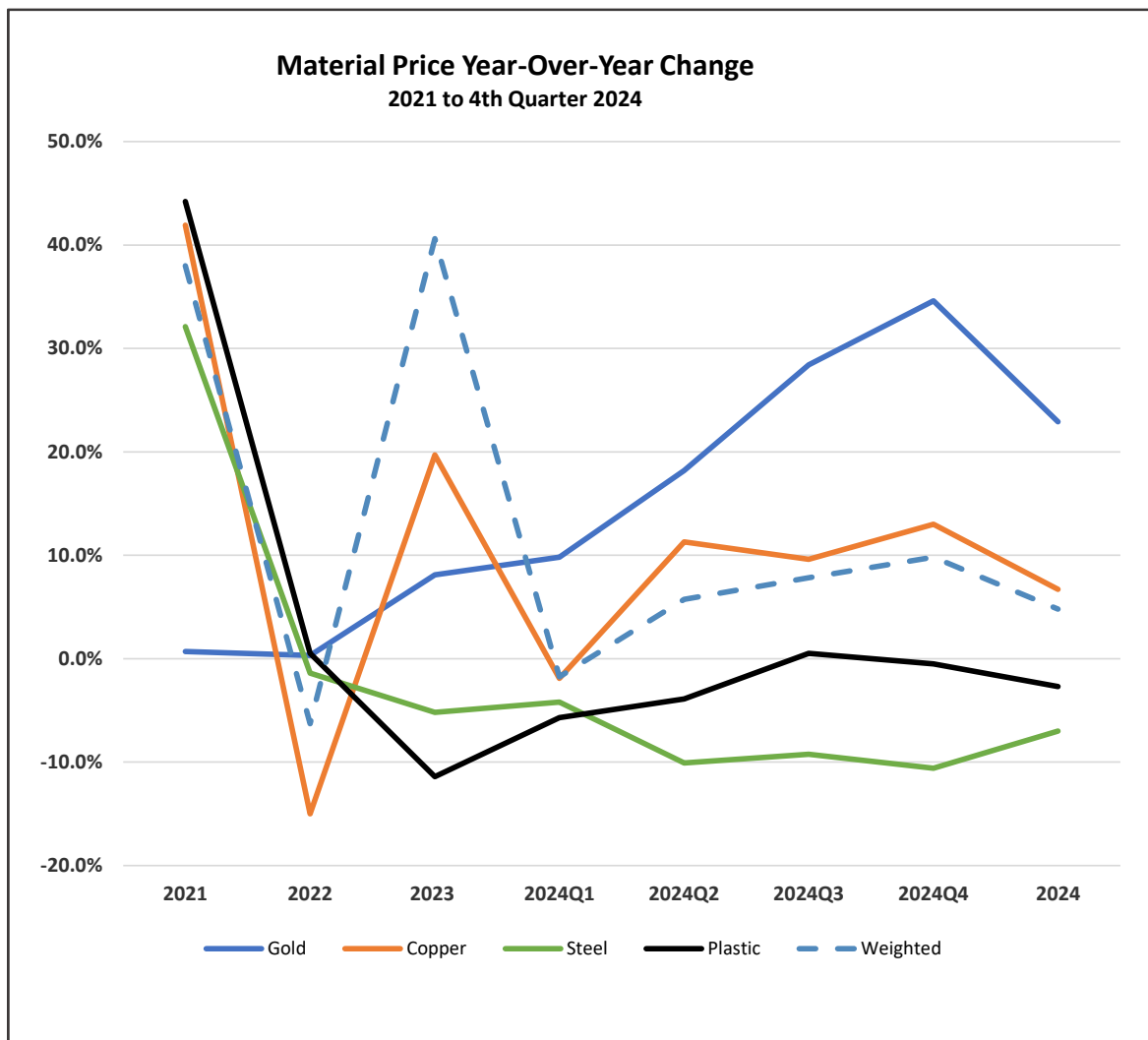
Change in Material Cost 3Q2024 Year-Over-Year

Material	3Q24 YOY	Usage Weight	3Q24 Weighted
Gold	28.4%	13.3%	3.8%
Copper/Brass	9.6%	46.7%	4.5%
Steel	-9.3%	6.7%	-0.6%
Thermoplastics	0.5%	33.3%	0.2%
Total Change	7.3%	100.0%	7.8%

Change in Material Cost 4Q2024 Year-Over-Year

Material	4Q24 YOY	Usage Weight	4Q24 Weighted
Gold	34.6%	13.3%	4.6%
Copper/Brass	13.0%	46.7%	6.1%
Steel	-10.6%	6.7%	-0.7%
Thermoplastics	-0.5%	33.3%	-0.2%
Total Change	9.1%	100.0%	9.8%

The following chart shows the YOY change in the cost of these materials over the last three years and the four quarters of 2024.



As seen in the next table, average material costs increased +5.0% for full-year 2024 and +4.8% on a weighted basis.

Change in Material Cost Full Year 2024

Material	2024 YOY	Usage Weight	2024 Weighted
Gold	22.9%	13.3%	3.1%
Copper/Brass	6.7%	46.7%	3.1%
Steel	-7.0%	6.7%	-0.5%
Thermoplastics	-2.7%	33.3%	-0.9%
Total Change	5.0%	100.0%	4.8%

Bishop Comments

Full year 2024 connector raw material costs increased 4.8% (weighted basis). This is a small increase compared to 2021 when raw material costs were up a record setting 36.5%.

Change in Connector Raw Materials Weighted Basis

Year	Price Increase
2018	-5.0%
2019	-2.5%
2020	4.2%
2021	36.5%
2022	-3.6%
2023	4.1%
2024	4.8%

We believe 2025 raw material prices will increase modestly, probably in the 2% to 3% range. It is important to note that this modest price increase does not consider any raw material pricing instabilities that may occur due to the implementation of tariffs or other government regulations. It is too early in the enactment of these possible tariffs to conclude what effect they may have on pricing.