



MAY 24TH, 2021

TO OUR VALUED CUSTOMERS:

Extraordinary external economic forces are continuing to place immediate inflationary pressure on every product that Merit Brass Company manufactures and master distributes. Raw material shortages and unpredictable lead times from international sources have become the norm throughout the industry. While raw material prices have moved off their recent highs, the upward trend remains in place. Key global ports remain extremely congested as demand for vessels, containers and equipment continues to outstrip supply. Overseas shipping costs have increased dramatically; container costs have as much as quadrupled in some instances. Inland freight charges are also rising sharply and delays are occurring due to a lack of drivers. New anti-dumping actions, tariffs and foreign government policy changes are adding additional pressures. International manufacturers are overriding contracted pricing and adding new, unanticipated costs to existing orders. Add to this the fact that global production volumes of many products was cut back in 2020 due to the pandemic, a sudden rebound in demand has led to shortages that will take time to see recovery, and we now are experiencing the “perfect storm” of forces that are totally beyond our control.

The impact from these combined factors are forcing us to break with our traditional price increase notification lead times, and implement immediate price increases on

- **Stainless Steel ANSI Flanges – Increase is 20-25%**
- **Stainless Steel Butt-Weld Fittings and Type A Stub Ends – Increases are 10-15%**

The increases will be implemented in the form of higher discount multipliers that will become effective this Wednesday, May 26th. Orders submitted by the close of business on Tuesday, May 25th will be honored at current pricing, but we must reserve the right to limit quantities based on historical purchasing patterns. Please contact your Merit Brass Sales representative to receive your updated multipliers.

We fully understand the inconvenience of this change in our traditional notification of price increases, but we are experiencing unprecedented volatility and must implement these changes immediately to ensure that we are able to maintain our traditionally strong service levels.

Thank you for your continued support.

Regards,

Merit Brass Company