



April 14<sup>th</sup>, 2020

TO OUR VALUED CUSTOMERS:

Merit Brass Company, along with all of you, is enduring an unprecedented era of change and uncertainty. Our very first priority continues to be ensuring the health and safety of our associates, customers and vendors. We are maintaining our Cleveland-based manufacturing capabilities working under enhanced health-assurance rules, and we have enabled much of our Customer Service and Administrative staff to work from home. Will-call, small package, LTL and flatbed procedures have been changed as well in order to protect everyone's health and safety. Our intent is to continue providing an extremely high level of service despite these abnormal conditions.

Regardless of the challenges that we all face, we are committed to maintaining the lines of communication and ensuring that we keep all of you as up to date as possible given the ever-changing circumstances. While our Regional Sales Managers are no longer making customer visits, they are all readily available through cell phone, e-mail and video conferencing. Our Customer Service Department is also fully staffed and stands ready to assist you in any way possible. There is also technological assistance at your fingertips through [www.meritbrass.com](http://www.meritbrass.com) and [www.mbwebxpress.com](http://www.mbwebxpress.com).

We continue to receive inquiries from customers voicing concern over potential Supply Chain disruptions, and our pledge is to keep you as fully informed as we possibly can. Accordingly, we can offer an update today on our own circumstances and will continue to apprise you of significant changes on [www.meritbrass.com](http://www.meritbrass.com) as new information becomes available. Should something even more urgent occur we will send an e-mail communication to everyone in our database.

*India has been temporarily shut down in an attempt to mitigate the viral spread. As of this writing, the mandate has been extended until May 3<sup>rd</sup> but some factories further away from infection hotspots will be allowed to open on April 20<sup>th</sup>. This will no doubt result in some short-term shortages, and we anticipate that we will experience some stock-outs over the next several weeks; however, our overall service levels remain reasonably healthy on the lines we source primarily from India (Stainless Steel Welded Pipe, Stainless Steel ANSI Flanges, Forged Steel Fittings). We are maintaining close contact with our major suppliers to understand the specifics regarding disruptions to our pending shipments. We could, however begin to see spot shortages if the shutdowns extend much beyond the current, planned reopening date(s).*

*The manufacturers of the lines that we source from China were closed longer than normal for Chinese New Year and did experience some production delays, but all of them have resumed full production. Our inventories on hand and already on the water are strong and we don't see a need for concern with our offering of 150# Stainless Fittings, Stainless Steel & Brass Ball Valves, Seamless Pipe & Tube or the portion of our Butt-Weld fittings that are manufactured in China.*

*As mentioned above, our Cleveland manufacturing facility continues to operate at nearly full capacity; our Stainless Steel & Brass Nipple inventories remain very healthy and our fill rates continue to be high.*

*The majority of our Butt-Weld Fittings are sourced in Malaysia. The country's previously announced mandatory shut-down has been extended until at least May 1<sup>st</sup>, and while our in-stock and on-the-water pipelines remain robust, any further extension to the shutdown could begin to affect our service levels by mid-Summer.*

*Merit's import lines of Brass Fittings and Nipples come from Thailand and we carry Taiwanese Ball Valves and Taiwanese 3000# Stainless Steel Fittings; these countries remain unaffected to date.*

*We are seeing some delays at overseas ports in the countries that have been closed, and this will contribute to the resumption of normal export levels as there will be back-ups of material that were manufactured and packed prior to the closures. We will report accordingly if we begin to experience any additional impact from delays in incoming product.*

Thank you for your continued support, and please be assured that our current inventory and service levels remain strong, and barring further extraordinary circumstances, we fully expect to remain in that position for the foreseeable future. Please continue to be safe and healthy-and remain hopeful of a rapid resolution to this ever-fluid situation.

Sincerely,

Merit Brass Company