



July 26th, 2021

TO OUR VALUED CUSTOMERS:

Unprecedented upward costing pressure is forcing another price increase on Stainless Steel Butt-Weld Fittings and ANSI Flanges. External economic forces far beyond our control continue to place immediate inflationary pressure on every product that Merit Brass Company manufactures and master distributes.

Contributing factors include:

- Nickel prices have rebounded to their January highs
- Raw material shortages and extended lead times are stressing inventories at all levels of the Supply Chain
- Global ports remain congested with demand for vessels, containers and equipment outstripping supply
- Overseas freight and container costs have as much as quadrupled
- Anti-Dumping actions, Tariffs and taxes as well as foreign government policies add to pricing
- Production capacity was reduced during Pandemic shutdowns and demand rebound is leaving producers struggling to catch up in capacity and manpower
- Inland freight charges in the U.S.A. have risen dramatically with a shortage of drivers
- Some global suppliers are overriding contracted prices and imposing additional unanticipated costs to existing orders

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

- **Stainless Steel ANSI Flanges – Increase is 16% to 20%**
- **Stainless Steel Butt-Weld Fittings and Type “A” Stub Ends – Increase is 21% to 25%.**

These increases will be implemented in the form of higher discount multipliers that will become effective this Wednesday, July 28th. There are no list price changes involved. Orders submitted by the close of business on Tuesday, July 28th will be honored at current pricing, but we must reserve the right to limit quantities based on historical purchasing patterns and inventory availability. Due to the dramatically higher costs of inbound material we will not be able to accept back-orders at the current price levels. All back-ordered items will be priced at the July 28th multiplier. Please contact your Merit Brass Sales representative to receive your updated multipliers.

We fully understand the inconvenience of this change in our normal historical 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.

Merit Brass Co.