

hoffmaster GROUP, Inc.®

April 1, 2022

Dear Valued Customer,

Coming off two years of marketplace turbulence driven by the pandemic, it appears we are headed for continued challenges in '22.

We are seeing the principles of economic supply/demand in full force, creating extreme inflationary conditions. Despite our best efforts to predict and forecast the marketplace headwinds, it continues to be a challenge.

As your Specialty Disposables partner, we are working diligently to get back to the quality of service and solutions you have come to expect from our brand. To accomplish this, rest assured that we are looking at all functions of our business. Some of the specific examples of actions we have taken include but are not limited to:

- (a) Seeking alternative sources of raw materials
- (b) Identifying new substrates
- (c) Carrying more inventory to improve order fill
- (d) Investing in our supply chain to improve on-time delivery
- (e) Increasing wages to draw more labor for production to meet demand and shorten lead times
- (f) Providing more transparent and frequent communications to help you better plan

We are making progress and have mitigated a good portion of inflation; however, we have not been able to absorb all of it. Our raw material suppliers continue to rapidly pass along price increases with little notice, and freight, along with most of our other cost components, continues to rise. We are seeing a blended average of 31% inflation from January '21! To date, we have fought these pressures and have only passed along a small portion but are now facing the need to take some additional increases.

Therefore, effective May 1, 2022, we will be increasing the price of certain product categories for all orders received after May 1, 2022.

Airlaid	6%
Imported Items	9%
All Other	9.5%


We appreciate you as our partner and look forward to winning with you during these chaotic times.

Please contact your Hoffmaster customer service representative or salesperson with any questions.

Sincerely,



Jim Johnson
Vice President, Sales



Christina Klem
Vice President, Marketing

