



Taking the work out of work.

Legacy Manufacturing Company
6509 Partners Ave.
Marion, IA 52302

May 24th, 2021

Dear Valued Customer:

Due to the continued trend of limited supply and double digit increases in PVC raw materials, packaging, and freight up 3.5 times higher than a year ago, we are forced to institute a 7.7% across the board increase effective September 1st, 2021. Orders received with a ship date on or after September 1st, 2021 will be invoiced at the new 2021 prices.

These are unprecedented times and appreciate your partnership during these times. Legacy is continuously seeking ways to keep costs down and is sharing a higher burden on these cost increases to lessen the impact on our customers. Once we receive cost reductions we will pass these on to you.

Enclosed is our new September 1st 2021 price list for your review.

We really appreciate support and are committed to supporting your growth with us in 2021 and beyond.

As always, thank you for your business!

Sincerely,

Rick Jones

Director of Sales, Legacy Manufacturing Company



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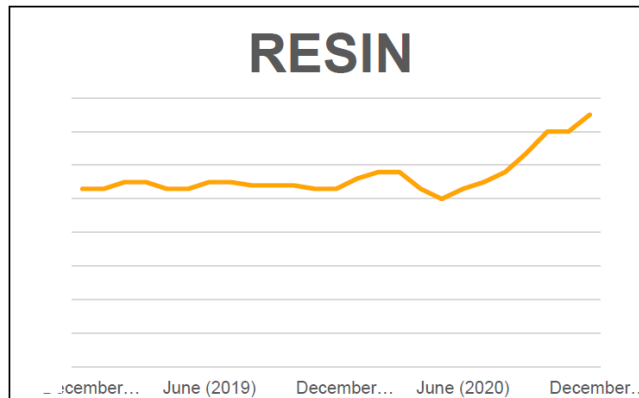
Raw Materials – Resins & Plasticizer

Resin and plasticizer suppliers have announced price increases in 2020 which have continued into 2nd quarter 2021 and expected throughout the year.

- Resin producers are at a reduced capacity and in a tight supply domestically and globally.
- Plasticizers continue to rise due to reduced supply and price increases for major components.
- PVC compound continues to increase by more than 13% with multiple price increase over the last three months.
- Propylene, a key feedstock in plasticizers, are in short supply which is leading to higher prices

PVC RESIN IMPACT

- 42 % increase and expect to continue to rise in 2021
- Continued Low inventory level more than 50% less than normal, has instigated another increase to manufacturers
- PVC resins are sold out and limiting supply to customer

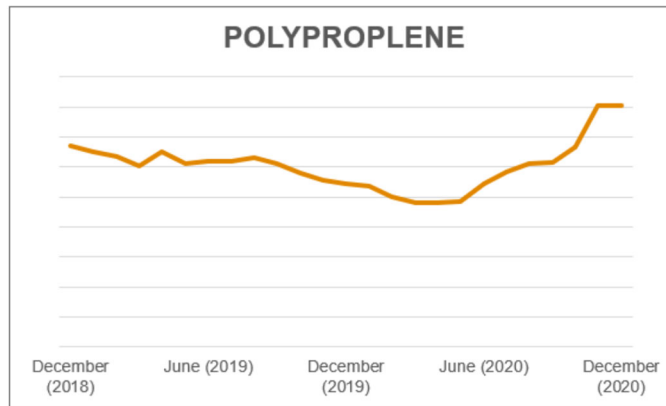




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POLYPROPLENE IMPACT

- More than 20% increase and continued into 2021
- Major demand spike has led to significant shortages and rounds of price increases
- Supply chain low in general due to demand spike and hurricane shutdown impacts in 2020



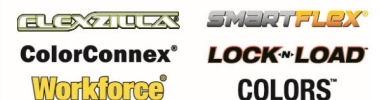
FREIGHT IMPACT

- Asia-West Coast Pricing now 3.5 times higher than a year ago
- Rates are now 3.5 times higher than in mid-May 2020, up almost 250% year-on-year (y/y).



(Chart: FreightWaves SONAR. To learn more about FreightWaves SONAR, click here.)

On the longer route from Asia to the East Coast via the Panama Canal (SONAR: FBXD.CNAE), Freightos assessed Monday's spot rate at \$7,891 per FEU, up 203% y/y, also an all-time high.

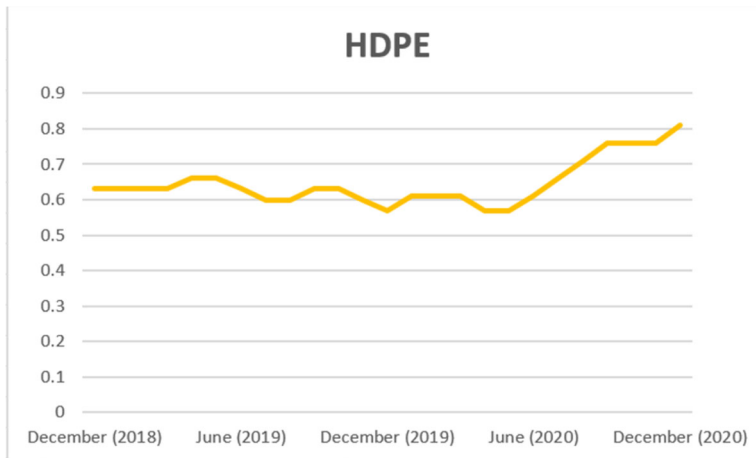




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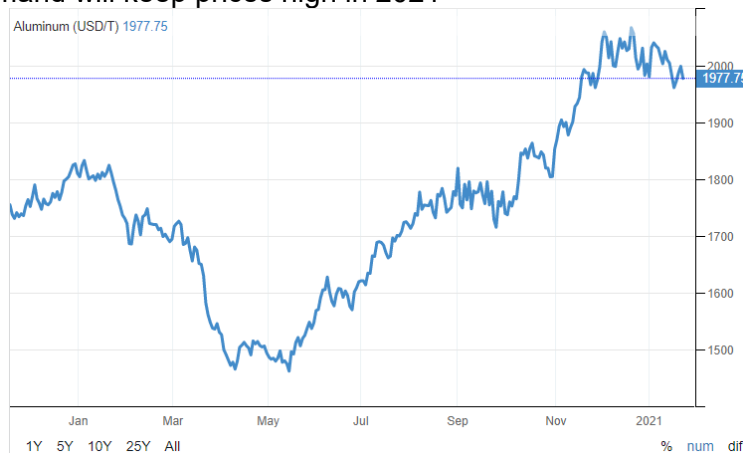
HDPE IMPACT

- 18% Increase and predicted to continue to increase in 2021
- Double digit price increase in the last quarter in 2020
- Low supply and high demand causing shortages



ALUMINUM IMPACT

- Aluminum has rising since May last year.
- Continue high demand will keep prices high in 2021





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CORRUGATED

- 4 of the largest six North America containerboard companies out with an 10 -12% in November of 2020

STEEL IMPACT

- Demand and prices for raw materials used to make steel are driving cost up double digits
- Steel Production has been inconsistent due to Covid restrictions and limiting supply

