



Taking the work out of work.

Legacy Manufacturing Company
6509 Partners Ave.
Marion, IA 52302

January 21st, 2021

Dear Valued Customer:

Due to the continued trend of double digit increases in raw materials and packaging over the last 6 months we are forced to institute a small 5.56% across the board increase effective May 1st, 2021. Orders received with a ship date on or after May 1st, 2021 will be invoiced at the new 2021 prices.

Legacy is continuously seeking ways to keep costs down and is sharing the cost increases listed below with our supplier partners to lessen the impact on our customers.

Enclosed is our new 2021 price list for your review.

Freight charges continue to rise each month and are at all-time highs and all manufacturers are facing these increased costs. We are not factoring these cost now. If we do not see some relief in the next few weeks, unfortunately we will have to take some additional cost action.

We really appreciate your business and support during these challenging times 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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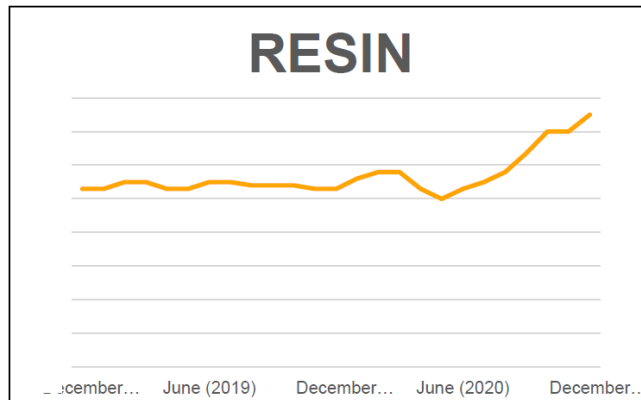
Raw Materials – Resins & Plasticizer

Resin and plasticizer suppliers have announced price increases in 2020 which have continued into 1st 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

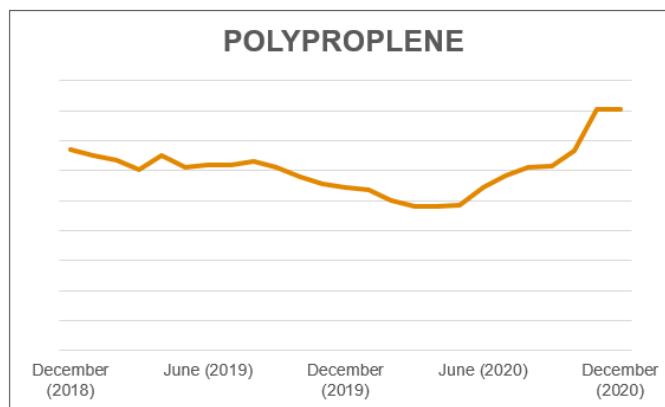
PVC RESIN IMPACT

- 37% increase and expect to continue to rise in 2021
- Low inventory level more than 50% less than normal
- PVC resins are sold out and limiting supply to customer



POLYPROPLENE IMPACT

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

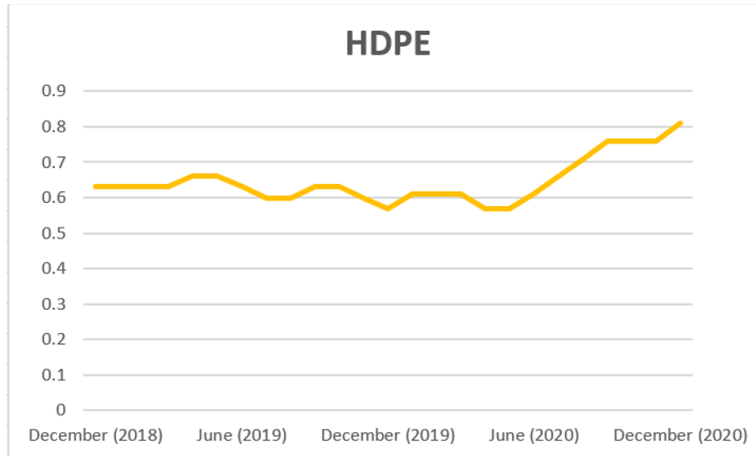




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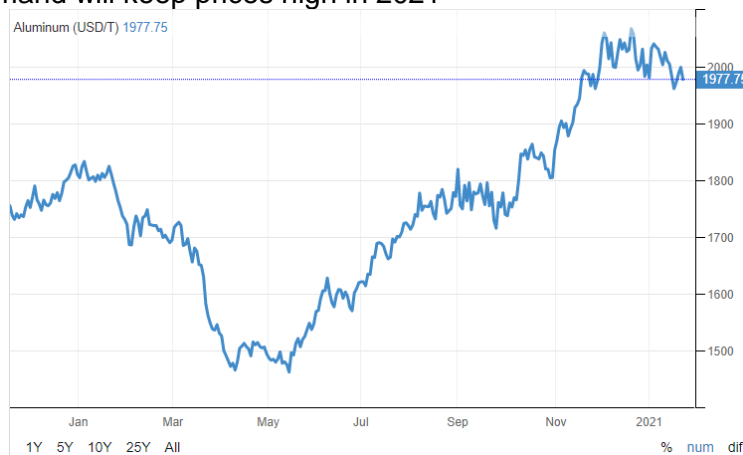
HDPE IMPACT

- 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





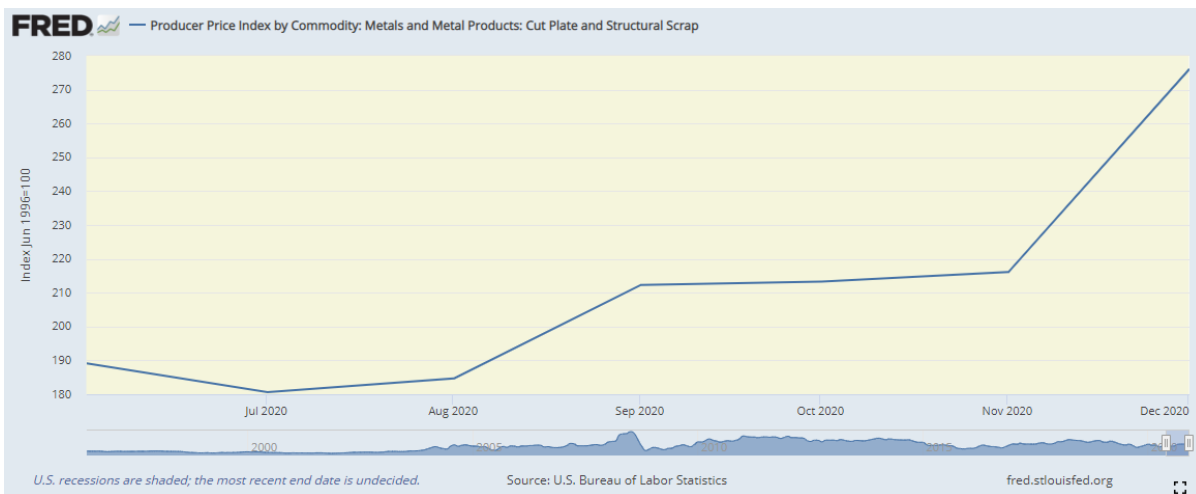
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CORRUGATED

- 4 of the largest six North America containerboard companies out with an 8-11% 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



FREIGHT

- Article on impacts the industry is facing.
- <https://www.washingtonpost.com/business/2021/01/24/pandemic-shipping-economy/>

