

February 1st, 2021

Dear Valued Customer,

We hope this finds you, family, teammates and friends all healthy and safe as we all continue to work thru the challenging times.

Thank you for continuing to support Milton, which has operated as an essential business throughout the past year of Covid. While we've been hoping for changes to start evolving for 2021 we continue to see an increase in adverse conditions throughout both our domestic and global supply chains.

Material, Parts & Components;

We continue to be inundated with price increases of raw material and component parts. Brass and rubber, depending on content and global source are seeing increase ranges of 8% to as high as 45%. Steel rod, cold rolled and blank domestic and Asian sources are pushing thru increases in price ranging from 9% to 18%, while noting sources of supply are becoming difficult.

Labor:

Covid has effected personnel within Milton and our valued supply sources. We've lost highly skilled set-up operators to the virus. Labor and material availability issues have impacted production efficiencies and outputs. Combined with significant increases in consumer good demands (e.g. just one example - grill fixture components), there is an overall increase in demand vs. available component supply resulting in cost increases by all vendors.

Within the City of Chicago, we'll be incurring the annual required \$1/hour increase, in addition to increased medical benefits coverage costs, even with transferring to a new provider.

Freight costs have escalated due to shortage of containers and surprisingly carriages.

Cumulatively, the inefficiencies and increases have had a substantial effect on all of our products. Effective April 1st, we will have a general price increase of 5.85% on the majority of Milton Products. Hose Reels will increase 11%. All brass and steel Couplers will increase 8%.

Thank you for your understanding and the continued support. If you have any questions please feel free to call us at any time.

Curt Evey
Vice President Sales & Business Development

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COO/CFO