November 30, 2020

PRICE INCREASE ANNOUNCEMENT – JANUARY 4, 2021

To Our Valued Customers,

As 2020 draws to a close and we prepare for the new year, various unrelated forces continue to constrain the availability of steel in the United States. This tightening of supply has led to another round of price increase announcements from our supplier steel mills.

There are several root causes affecting steel availability and price. First, steel buyers have been operating with relatively *low inventories* as they manage through the Covid-19 environment. Meanwhile, *utilization rates* at steel mills have spiked as outputs have been affected by both planned and unplanned *outages* in 2020.

The issue has been further compounded by the absence of competitively priced *imports*. All of this is underscored by a *strengthening demand* of steel across multiple industries. The combination of these events has created an environment where steel prices are escalating at a *historically sharp valley-to-peak* clip.

In reaction to the mill's latest price increase announcement, **CEMCO will increase prices on ALL PRODUCTS FOR ALL MARKETS**, effective with shipments on or after **January 4, 2021**. As always, your price sheets will be available from your sales representative prior to the effective date.

At this point, these factors seem likely to persist through the first quarter of 2021. Under these conditions, additional increases will likely be necessary to offset the impact of ever rising steel costs. We promise to do our best to keep you informed if future increases become necessary.

As per our written job quote policy, all quotes will be honored if they were committed in writing within thirty (30) days of being written. In addition, both parties to a "committed" job quote shall honor quoted prices regardless of market conditions.

Please refer to CEMCO's job quote policy posted as follows:

https://cemcosteel.com/terms-and-conditions

Thank you for your continued support.

Sincerely,

CEMCO Sales Management Team