

October 11, 2021

Dear Valued Customer,

This market continues to exhibit unprecedented events and behavior patterns relative to physical occurrences in the chemical industry, super surges in ocean freight costs, inflation of all raw materials, and rising demand. We track the indices, market influencers and shipping capacity on a regular basis so that we optimally operate and make the best decisions to serve you. Our order fill rate is outpacing capacity and our lead times are extending to 16+ weeks for onshore and offshore supplies.

The US economy has always relied on imports for its day-to-day needs. Customers and/or end-users have looked for cost-competitive products which more often than not were not possible to be met with domestic production. The situation is no different for Polyester Films. Historically, offshore suppliers would fill the void at lower price points than domestic production. In the films industry, the volume of imports is higher YOY for the last two years. Over the last several months we have seen landed costs of imports higher than domestically produced films.

We at Polyplex have absorbed significant increased cost of raw materials, packing, freight, labor and other cost inputs. Our service model is built around a blend of domestic and offshore films. Polyplex continues to invest in domestic capacity and capabilities to further serve our customers and build a lasting business model. In order to normalize our increased costs and restore domestic versus import parity we are announcing a price increase of \$0.15/lb effective November 1.

We understand that there may be other avenues of supply for your business and we will work with you if there are orders you would like to cancel (not already produced) over the next 30 days. We hope that this process will help us optimize and lower our lead time to the industry.

We appreciate your partnership and look forward to a continued mutual success.

Sincerely,

Manav Singh
Vice President – Sales & Marketing

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