

Endingen, 28.04.2022

**Oetiker Price increases effective June 1<sup>st</sup>, 2022**

Dear Sir or Madam,

Counting you among our valued customers, please be assured that you, your business and your orders are the focus of our daily work.

However, as you are well aware, continuing and increasing inflationary pressures coupled with global supply chain interruptions, labor shortages and increase of labor costs, have created unprecedented disruption in the industry.

We therefore have to contact you with an acute issue today. While we are working diligently to secure supply of raw materials, conversion labor, and more, the hard reality is that we continue to see spot cost increases without advanced notice, declarations of force majeure, and even suppliers exiting production positions.

Needless to state, that we are getting hit on all sides with the increase in costs. Base material has more than doubled. Current alloy surcharge prevailing is 3250 Euro per ton for stainless steel which had a 100% increase over the past 9 months.

Freight and logistics cost inflation has deepened. FBX Global Container Index is up by 187% since May 2021. It is up by enormous 466% vs October 2020.

There is also a significant increase in labor costs of over 12% in all the countries we operate in. Packaging materials too have been impacted since polypropylene is directly linked to crude prices which increased due to the devastating war in Ukraine.

**It is therefore necessary that we implement a flat price increase of 14% for all running parts that are being supplied to you to cover the costs which have spiraled upwards, valid from 1<sup>st</sup> June 2022.**

Please also refer to our price list, which is available here: [www.oetiker.com/emea-pricelist](http://www.oetiker.com/emea-pricelist).

As a fundamental relaxation of this situation is currently not in sight, we will keep observing the development and might have to adjust our prices again to ensure the reliable supply and quality you have come to expect from us.

Your contact person stated below will be happy to answer any questions you may have.

We look forward to continuing our good cooperation and thank you for your understanding.

Best regards

For any questions, please contact:

Markus Haenzi  
Chief Commercial Officer Americas and EMEA