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## **-----High Importance Communication-----**

**To:** All Mold-Rite Plastics Customers  
**From:** Brian Bauerbach, President and CEO  
**Date:** March 9, 2021  
**RE:** Resin Situation Update

Mold-Rite Customers,

Staying true to our core Mold-Rite values of transparency and open communication, we wanted to provide an update on the resin industry shut down.

We are cautiously optimistic that things are improving but we are clearly not out of the woods just yet. The refineries in Texas and the Gulf Coast have begun to slowly come back on line. However, the impact will be felt across the industry for quite some time. To put this in perspective, PE and PP in the USA is a 67 Billion pound per year business which translates to 966 railcars (184MM pounds) per day. With 88% of that capacity offline, 850 railcars (162MM lbs) of production have been lost per day for the past 21 days or 20,286 total cars of lost production. This lost production cannot be recovered given that demand exceeds capacity. Therefore, we are anticipating that we will not see stabilization in the industry until end of Q2 and complete recovery for as long as six months. The current freight congestion across the country will make the resin situation more challenging. We also want you to know that another 7-9 cents has been nominated for March 1 pricing, so expect another increase soon.

For Mold-Rite specifically, as of now, our supply position is covered across our facilities through mid-April. However, this has required daily management, securing alternatives, and stretching the supply we have. We have made progress stabilizing our supply and have made some spot purchases of alternative PP resins to augment.

What does this mean to our valued customers? We are working diligently to mitigate all risks and keep our facilities producing at full capacity. However, due to the need to use alternate, supplemental materials, we will need you to remain receptive to potential changes in specifications, colors, pricing, base material and supply locations\manufacturers. We are doing our part to qualify and ensure equivalency in base materials, so feel confident these products will provide a seamless transition option.



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We realize that some manufactures have elected not to share as much info but we are confident they are or will be facing the same challenges. Mold-Rite believes it is our responsibility to share all the facts as we know them so you can be well informed.

Thank you for your patience and trust during this time. Our mission, as always, is to be the most responsive, flexible and customer oriented supplier of specialty packaging in the industry and we commit to working through this together!

Sincerely,

*Brian Bauerbach*

President and CEO