



August 20th, 2021

Dear Valued Customer,

Early this year, it became very clear that 2021 would be marked with severe shortages and dramatic price escalation for nearly every commodity used in construction. Simpson's commitment to customer service led us to the decision that we would put availability ahead of cost in our supply chain decisions during these extreme market conditions.

We are shipping overseas containers via quicker but more expensive routes and we continue to pay premium rates for over the road trucks. We have airfreighted chemicals and fasteners from overseas vendors and without hesitation, we continue to buy every pound of steel that the mills make available in spite of the continuous and rapid price escalation. These decisions have minimized the impact of tight supply on our customers and have allowed us to maintain the same high fill rates and rapid service that you expect from us during normal times.

With regard to steel prices, unlike lumber, the market continues to tighten with further price escalation. The American Metals Market and CRU indexes are at an all-time high and we are currently buying steel that is over 300% of the price from 2020. New mill capacity slated to come on-line this year has been delayed until early 2022. At the same time, automotive, appliance, and construction demand has been strong, continuing to push prices even higher. In all likelihood, it will be well into next year before we see any significant relief in steel availability and pricing.

Because we had significant inventories of both raw materials and finished goods, we were able to delay price increases and initiate them in stages as steel price levels kept rising. We did this while continuing to buy higher priced steel to maintain product availability. Although the price of steel has tripled, it is not our intention to push the full impact of the cost on to our customers. Simpson will realize that impact well into 2022.

We are providing all of this background information as explanation for why we must, once again raise prices on Simpson connectors, steel Strong-Wall shearwalls and many of our fasteners. For orders placed on or after **October 18, 2021** our prices will be increased by the following percentages outlined in your new net pricing that is attached. Truss plate price increase information will be sent to our Component Solutions customers separately.

Connectors and Steel Strong-Walls	12%
QuikDrive, Carbon and Stainless Steel Fasteners	5% - 20%

Please continue to maintain reasonable product order quantities prior to this increase.

We hope this will be our last increase for the near term as we too look forward to a less volatile market and a return to more normalized times. Until then, we appreciate your understanding and your business.

Sincerely,

Roger J. Dankel
President, North American Sales
Simpson Strong-Tie Company