



1 PLANT STREET  
PLATTSBURGH, NY 12901  
TEL 518.561.1812  
FAX 518.561.0017  
[MRPCAP.COM](http://MRPCAP.COM)

**To:** All Mold-Rite Plastics Customers  
**From:** Brian Bauerbach, President and CEO  
**Date:** May 10, 2021  
**RE:** State of the Business Update

Mold-Rite Customers,

It has been a little over a month since our last update, and we continue to face challenges and headwinds that are negatively impacting our ability to delight our customers.

In terms of resin supply, we continue to see positive signs of stabilization and progress getting back to full capacity from our resin suppliers. Converters are managing to come back online and although we are not completely out of the woods, we do feel the back-up supply and alternates we have successfully sourced, enable us to avoid any long term disruptions. Monomer seems to have crested and resin pricing is starting to show some signs of relief as you are realizing in the decreases we are passing through as promised.

As for other raw materials, our supply chain continues to be very constrained. The liner industry, due to consolidations, the resin crisis, increased demand and labor issues, has experienced tremendous strain which has impacted lead times, availability and pricing. We continue to seek out alternate supply and back-up materials to help support our business. As you know, we have been forced to pass through these increases. All raw materials (corrugate, colorant, ink, etc.) and freight are feeling pressure and impacting our costs along with lead times. We continue to closely monitor all channels and stay ahead of the curve to ensure we minimize any disruption to your supply as best as possible. We ask for your continued flexibility and approvals for alternate materials to help us meet your demand.

Our third and most significant challenge currently is maintaining a stable, consistent labor force. The COVID impact continues to affect our workforce to a small degree but the current market conditions and expanded unemployment benefits, have unfortunately compounded the issue and put major constraints on our production team. We realize that many of our competitors have passed through general price increases and we have worked very hard to avoid this, but in order to maintain the labor force critical to run our operations, we found it necessary to increase wages substantially within our facilities and as a consequence we have raised prices dollar-for-dollar to cover this increase.

We continue to struggle, along with the rest of the country, to find people to run our machines. The nationwide labor shortage is putting a huge constraint on our ability to meet your demand. It is forcing us to shut lines down and operate below our capacity. Although we have more employees than ever, our factories struggle to run at full capacity which could potentially force us to update delivery dates and lead times based on our output capabilities. We are taking aggressive actions to address the labor shortages and part of that action is the wage / price increase.

We understand 2021 has been a challenge for all. We are grateful for your support, flexibility and partnership through these challenging times. We will continue to monitor the situation and provide critical updates as necessary. We remain committed to overcoming these and all challenges that we face so we can serve our customers as you deserve.

Sincerely,

A handwritten signature in blue ink that reads "Brian Bauerbach".

President and CEO