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Dear Valued Customer

6th May 2021

Further to my previous correspondence to you regarding the shortage of supply in EPS raw material throughout North America and Europe which resulted in an unprecedented level of price increases placed on the Global EPS market, I now write to let you know that this unwelcome trend has continued to affect every user of EPS. Unfortunately, we have now had further increases of around 23% in the cost of the raw material we buy during April and May.

Supply of EPS throughout Europe is extremely tight with raw material now on allocation and subject to delays. The result of all this is that the raw materials are now 100% more expensive than they were 12 months ago. Sadly, therefore I must advise you that we are unable to absorb the further large increase in prices which leave us with no option but to pass on a proportion of these.

EPS raw material prices are given on a monthly basis and are only finalised at the beginning of each month and in line with the European Contract price for Styrene, as published in ICIS.

As we are now faced with virtual spot pricing of EPS and instability of supply, we will have to introduce at least in the short term, a monthly surcharge to reflect the current pricing levels, therefore for all orders either delivered or collected with effect from and including 1st June 2021 there will be a 10% surcharge added to all invoices to cover the current increase in costs of raw material. This will then be reviewed at the beginning of June, at which point we will inform you of what any additional charge will be for July, should one be necessary. However, should the situation ease and price levels drop again then the surcharge will be adjusted accordingly.

I am sorry that this is further bad news, however, to remain in the market we must implement this and ask for your continued support and understanding.

Kind Regards

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