



February 5, 2021

To: Our Valued Customers

Subject: Price Increase – Bailey Metal Products Limited April 2021

Since our last increase announcement, the steel industry continues to experience unprecedented volatility related to both rapidly increasing prices and tightened supply in both domestic and international markets. The simple reality is that the demand for steel products continues to outpace global capacity.

The cost of steel has been increasing exponentially over the last 5 months and is currently in excess of 60% higher than the same time period in 2020. Steel has reached the highest price ever and continues to climb! Escalating prices, mill backlogs, increasing lead times and spot shortages of standard products have made it very difficult to secure a reliable source of steel. In addition to these already impactful supply challenges, domestic mill order books are full until April and import opportunities are limited due to government imposed countervailing tariffs applied to shipments from certain countries and limited shipping availability.

The aforementioned market dynamics have led to additional aggressive and immediate price increases from the steel mills for February with the threat of more to come.

As a result, Bailey Metal Products Limited is forced to announce an additional price increase as follows:

The price of all Bailey steel products in all regions will increase 15% effective April 1, 2021.

This increase is in addition to the previously implemented price increases of 10% effective January 1, 2021 and 15% February 1, 2021. We recommend that you review your current commitments and requote at these higher rates with additional price escalation as we expect further increases in coming months.

This continues to be a very challenging time for our industry. Bailey is committed to supplying you with an uninterrupted supply of quality building products and will endeavor to keep you informed as the situation changes. Please contact your local Bailey representative with any questions or concerns, or if we can be of service in any way.

We appreciate your business and thank you for your continued support.

Sincerely,



Derick Vinthers
Vice President, Sales

CC: Angelo Sarracini