

17th of May, 2021
Kaunas, Lithuania

Dear Partner,

We would like to express our sincere gratitude for being together in such a tough period.

The raw material prices started to increase from 2020 Q4 and are still increasing. In May they are hitting the five years' peak. After a careful and thorough analysis of the current situation in the global market, CRAFT bearings is forced to take immediate actions again by revising its product pricing. An average price increase of 4,5% for the overall range of CRAFT bearings products (in all packing) is effective starting 24th of May, 2021.

From the beginning of the year 2021, CRAFT bearings observed and was affected by the ever-increasing cost of raw materials, manufacturing and transportation prices. The cost of purchasing raw materials increased by 25-40%, starting from the 2020 Q2 and continuing up until today. The overall transportation cost tripled from 2020 Q4 till 2021 Q1, however in the first week of May the price increased by 450% on average and the lack of containers worldwide causes delays of the production as well.

The decision to increase our prices is solely based on the ability to maintain the product quality that we are offering our customers as well as to keep a reasonable stock level. With apologies of not informing you far in advance once again, we have no other way than to take this action immediately to absorb the future cost of the product manufacturing and transportation.

Our primary strategy and goal is to maintain reasonable pricing of our products, simultaneously increasing their stock and we are eager to follow it. Be noted that after the market and the situation with transportation stabilize, according to the changes the prices will be decreased.

Thank you for your support and cooperation.

Sincerely,

The CRAFT bearings team

