



Dear Customer,

Conducting business during this pandemic has created many challenges for us all. The purpose of this communication is to bring you up to date on our current status, some of the challenges we are working through, and what to expect from Precision in the coming months.

Our business has fluctuated unpredictably since the pandemic was declared in March 2020. Some portions of our customer base nearly shut down for several months while other parts of our business spiked to unprecedented levels creating difficult scenarios in managing labor and inventory. While we have made every effort to react to the business climate and be proactive there are many areas which are simply out of our control.

Reduced capacity with ground and ocean-based shipping lines have delayed inbound container shipments anywhere from a few weeks to several months, along with production delays with our overseas factories where Covid is spiking again. We are doing our best to plan production proactively and compensate for all the delays, but shortages are inevitable and this is where we need your help.

Precision has added to staffing levels as necessary and are already planning inventory into next spring with additional warehouse space secured to store the additional inventory we have planned, but anything you can do to share forecasting would be appreciated. We also encourage planning your purchases farther in advance. Example- if you are currently buying 4 weeks in advance you might consider planning for 8-12 weeks of lead time.

Not unexpectedly, we are experiencing cost increases throughout nearly every aspect of our business. General overhead has increased due to Covid safety protocols and reduced production capacity. Raw material prices are increasing at every turn. Labor costs are rising. Transportation and import costs have more than doubled. Due to these challenges and while we do not have any specific information currently, we feel a cost increase is inevitable sometime in 2021.

All of us at Precision would like to thank you for your business and partnership during these unprecedented times. We will continue to monitor our current situation and communicate any upcoming changes once we have more information.

Sincerely,

The Precision Team