

Effect of the market situation



Effects of the market situation.

Price development and delivery times.

Dear Sir or Madam,

Firstly, we hope that you've all successfully made it through this year, which has been characterised by such huge changes.

Last year, right in the first phase of the pandemic, who would have been able to predict how 2021 would turn out? Who would have imagined that there would be any momentum or business development with all of the challenges we'd been facing for many months?

And various political decisions have also had an extraordinary impact both on our private lives as well as at a business level.

We were very pleased to receive some orders and requests within just a few weeks of the start of this year, and from March, our production sites were all well-utilised all the way through to October/November. By this point, it was already clear that there would be supply problems and material shortages, as we have previously discussed.

Demand can no longer be met on time, and we do not expect the situation to ease before the first quarter of 2022.

The obstruction in the Suez Canal showed for the first time just how strong the connection is between functioning supply and logistic chains, and this was highlighted by additional temporary obstructions at major Chinese ports. A lack of container and freight capacity lead to delays in the transportation of goods, while prices and air-freight occupancy rates went through the roof. Today, capacities are overbooked and air-freight rates have reached unprecedented levels.

Growing order numbers with shorter and shorter intervals have lead to full capacity utilisation for over 12 months over the entire procurement and production chain.

Initial price adaptations have already been implemented over the entire market as a result of this situation. Nevertheless, the flow of incoming orders has not stopped. As a result of this, neither ttv nor our sub-suppliers or production sites will be able to take on any new customers or new projects. This also means that it will not easily be possible to avoid or reactivate second or third productions.

After being in business for over 30 years, we are now facing spiralling prices for the very first time, with price increases of 100% with some products. This has lead to market consolidation in all sectors, regardless of whether this was politically intended or not. Some sub-suppliers have not survived this crisis, and some producers have not made it through either. Demand is now being shared across the remaining market, meaning that the limits of possibility are being reached even more quickly. Prices are continuing to rise as a result of overbooked capacities. Prices are spiralling higher and higher and more and more quickly.

Our sales employees from the Trade, Industry and Automotive teams are working hard on to create an individual-item approach and are calculating the best possible current purchase prices for you. ttv has implemented only moderate price adaptations over 2021 to date.

We have purposely kept this transparent as you were still able to benefit from stock produced in 2020. Due to the strong sales levels experienced by all of our customers, however, our stock levels have now been fully depleted and our stock turnover has also increased.

As of October, only newly produced goods will be delivered. It is unfortunately essential for us to pass the corresponding price increases and developments on to you. You will therefore receive a copy of our new price list in the next few days.

We are already working intensively with our partners to find solutions that will allow us to offer you more stability again in 2022.

Thank you for your understanding.

Best regards from Germany

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Dear Sir/Madam,

We would like to take this opportunity to once again talk about the current procurement situation that the market is facing. As you will already know from the media and no doubt from your own experience as well, the global supply chain is under extraordinary strain.

The suspension of production as a result of global shortages and bottlenecks is something that is being reported by all areas and sectors.

Over the last few days, you will have received the new prices for your items from ttv. Unfortunately, it is no longer uncommon to see increases of 100%. We were only able to negotiate the best possible conditions for you by carrying out an item-specific evaluation and recalculation.

In the areas of production and manufacturing, there were above-average increases in raw material prices, with increases of 100% for steel, 30% for NBR and 70% for FPM. Even more dramatic is the fact that some production-relevant chemicals are currently no longer available on the market at all. This situation combined with the ongoing high demand across all industries has led to the creation of a bidding process for the necessary materials.

Freight costs have also gone through the roof since the start of 2020. Whereas a 40' container could previously be purchased for a little over USD 2000 USD, the same container would now cost over USD 14,000. Follow-up costs and costs incurred within Germany have also increased accordingly, with spiralling prices also being driven by factors such as energy costs and wages.

We therefore see no other option but to introduce another price adaptation consisting of increases of up to 60% for certain items.

You can rest assured that we are doing everything in our power to relieve this situation and to maintain our delivery capability, albeit with the corresponding changes to our lead times.

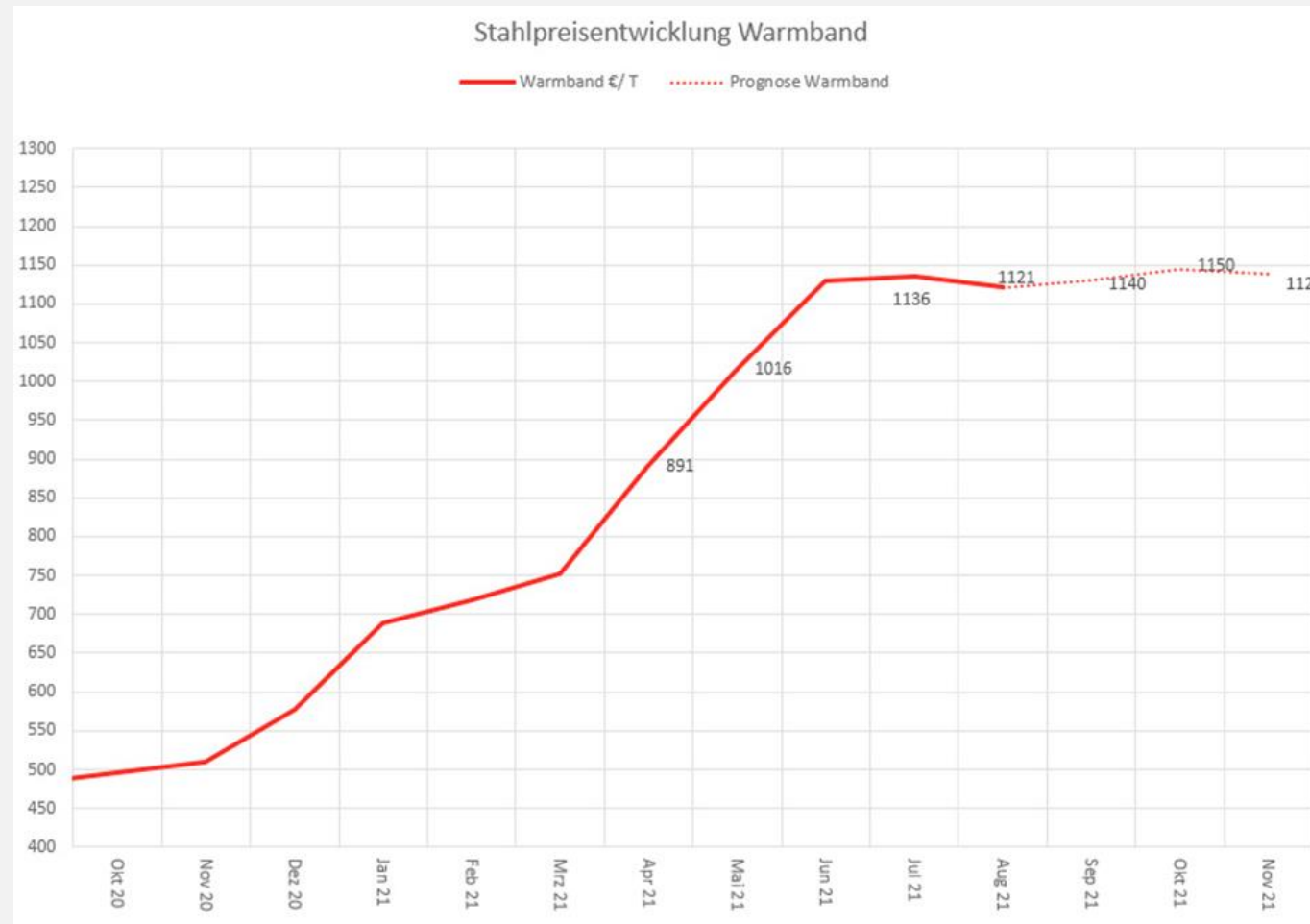
Thank you for your understanding

Best wishes

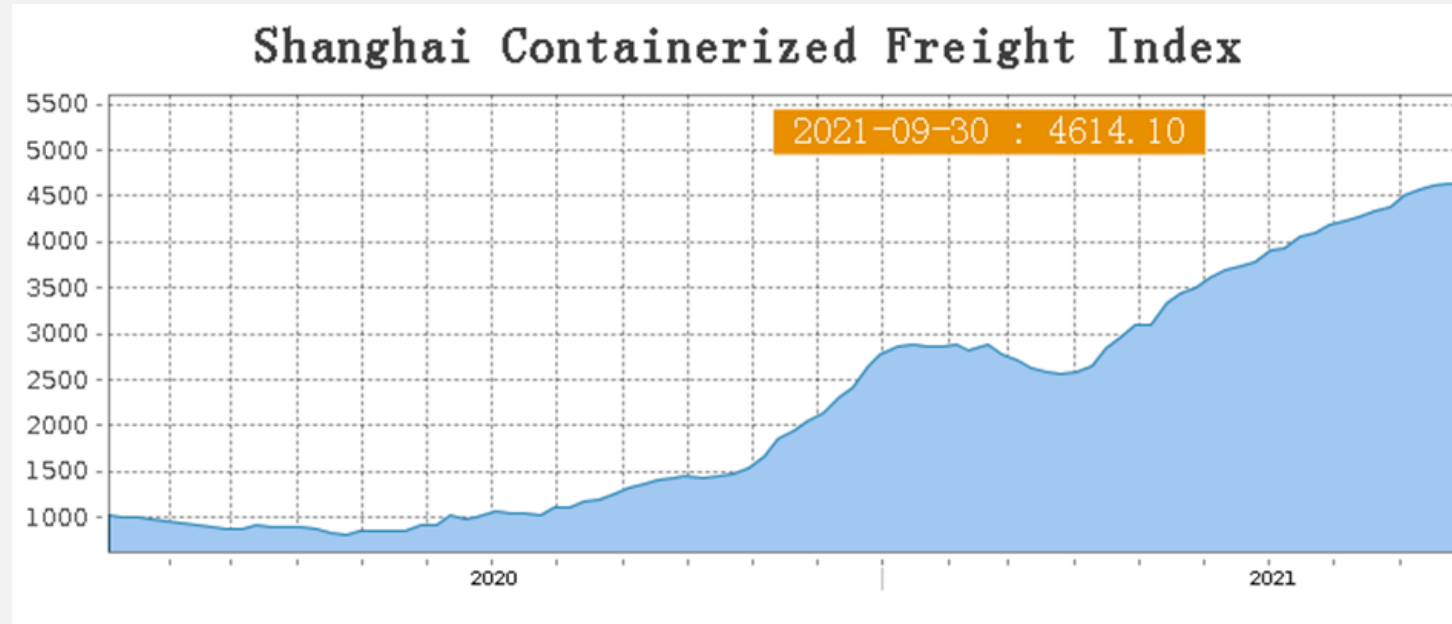
PS: We will also gladly provide you with charts showing price development indices on

Greetings from Germany

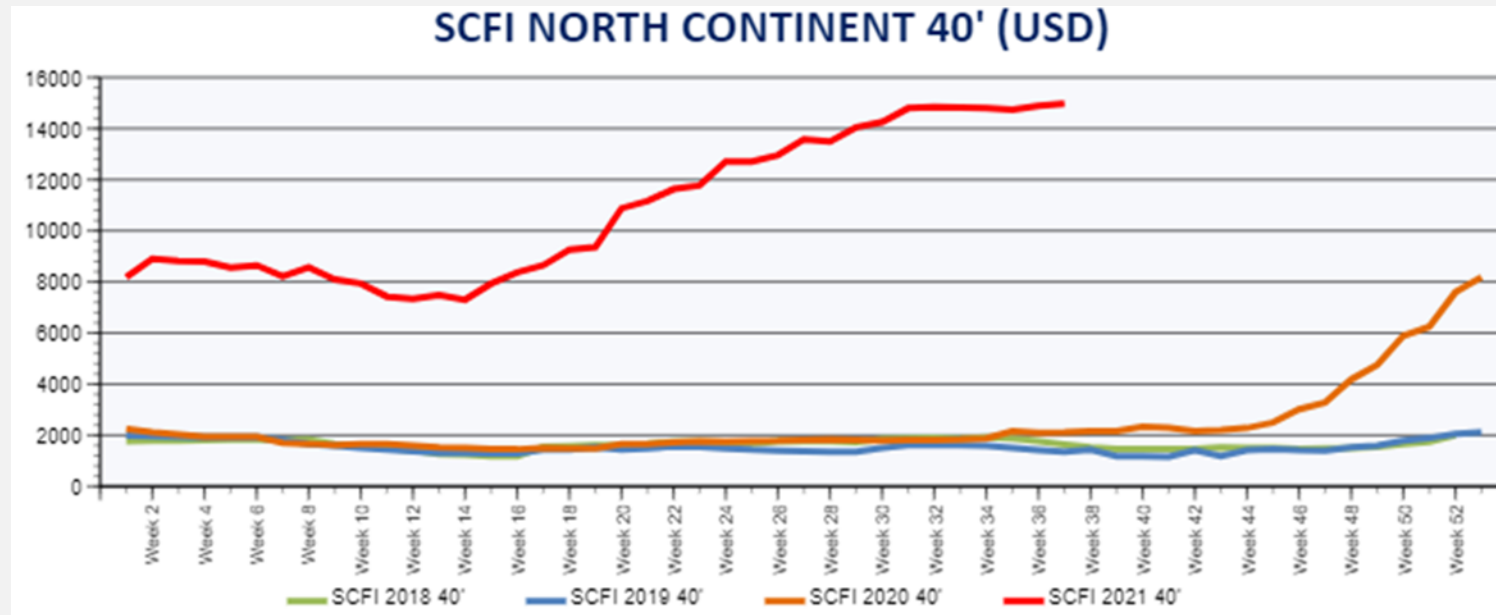
Price development and delivery times.



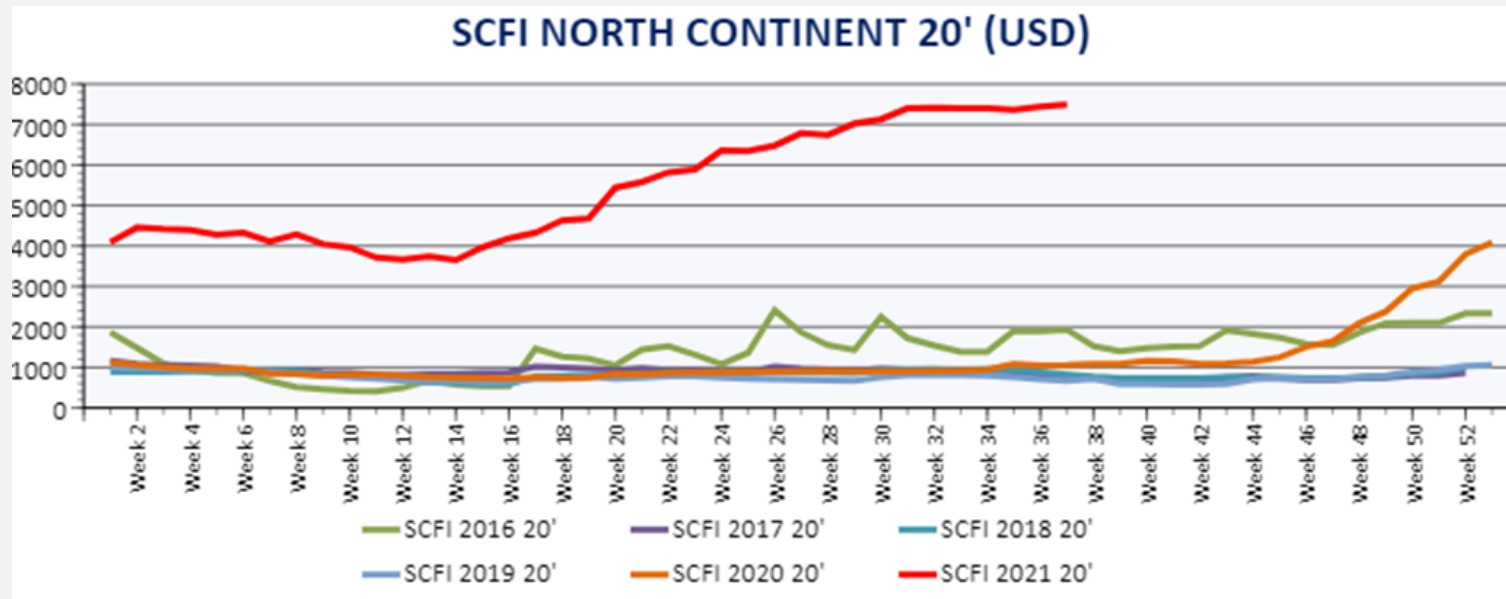
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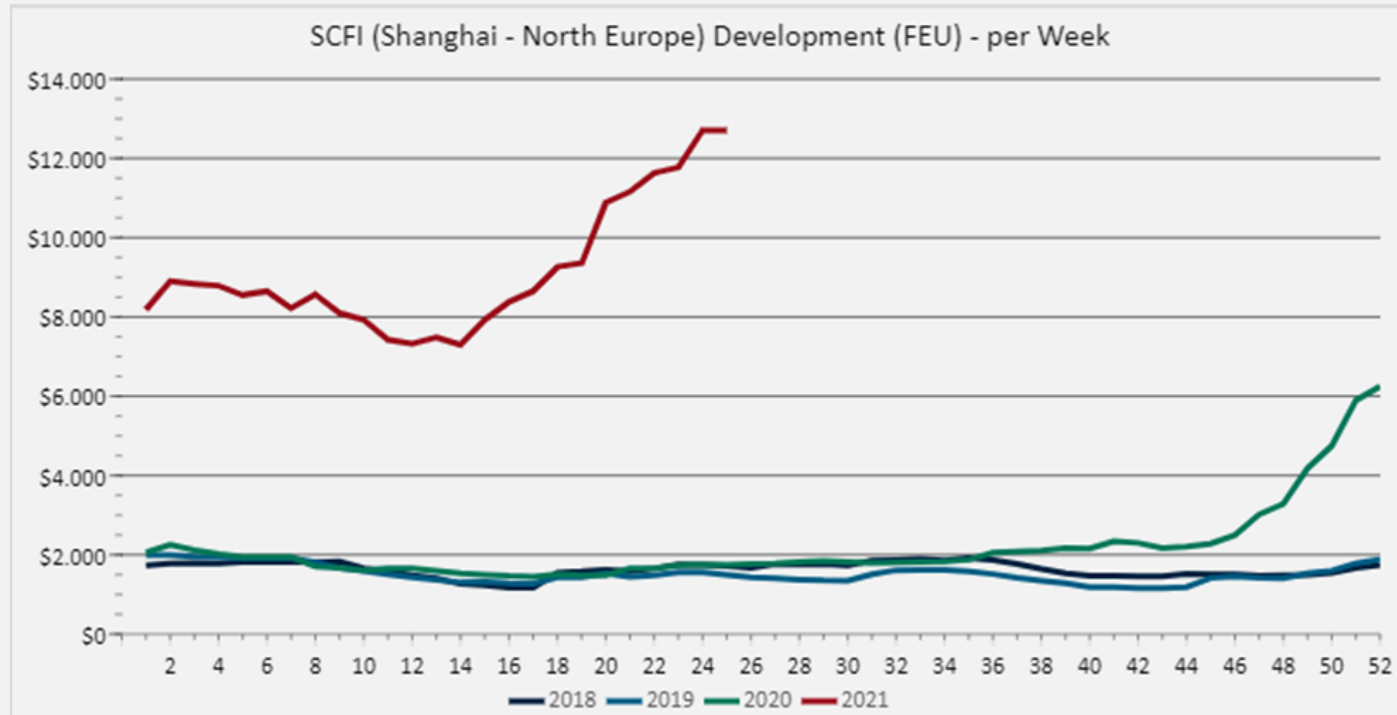
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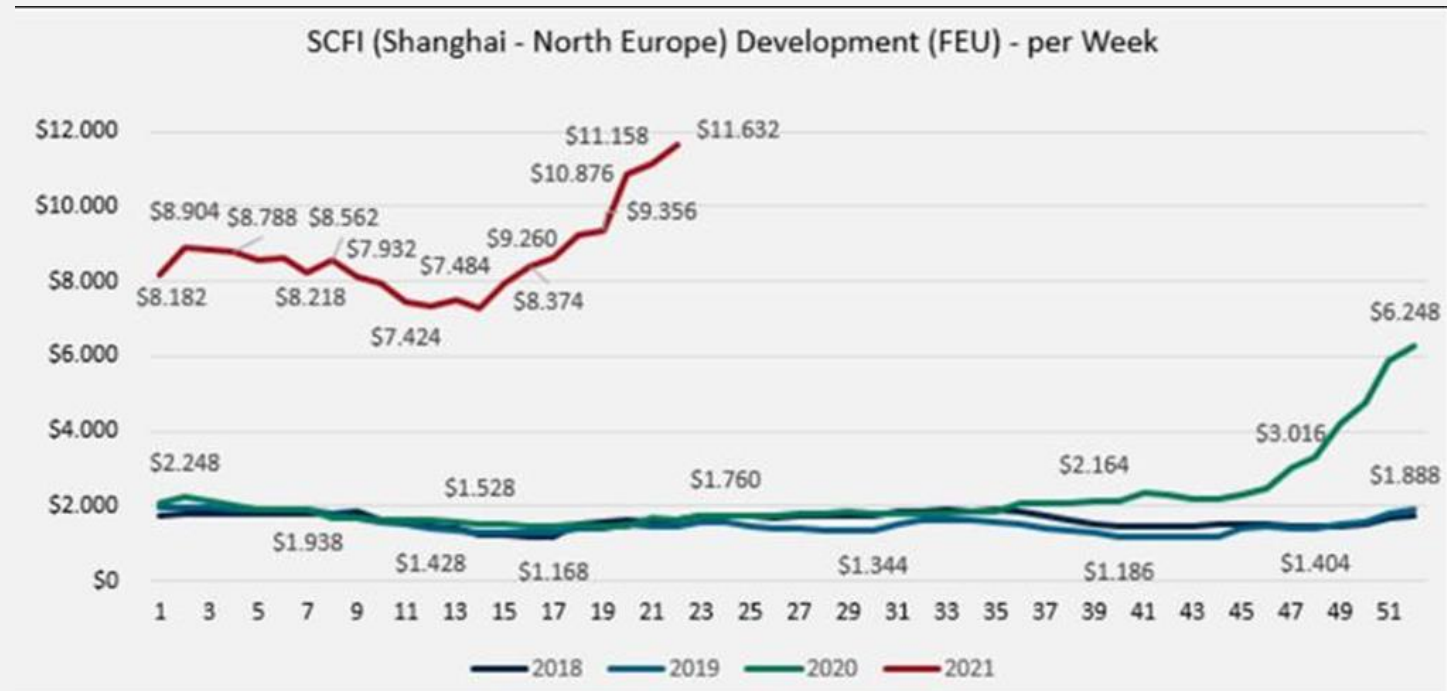
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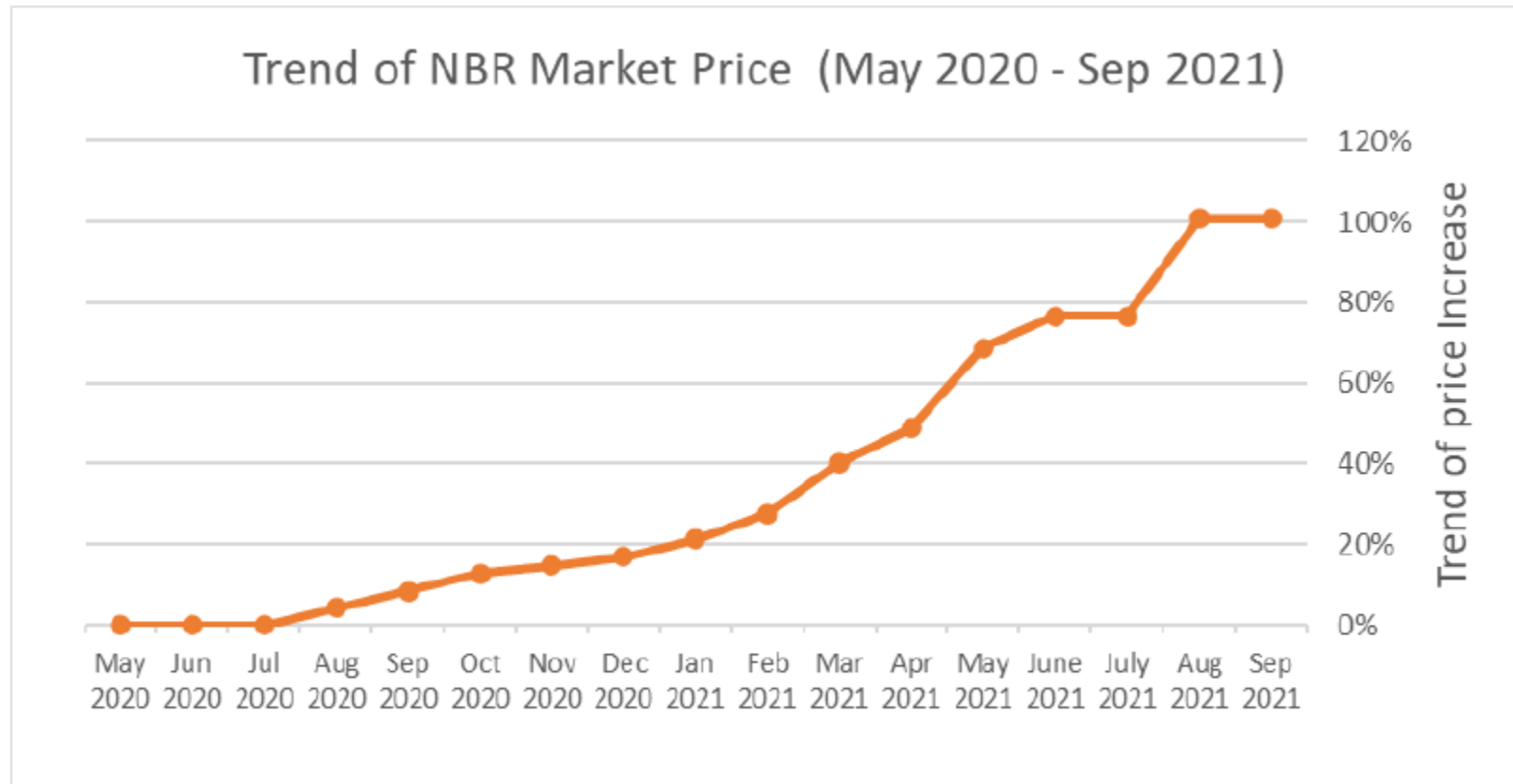


Price development and delivery times.

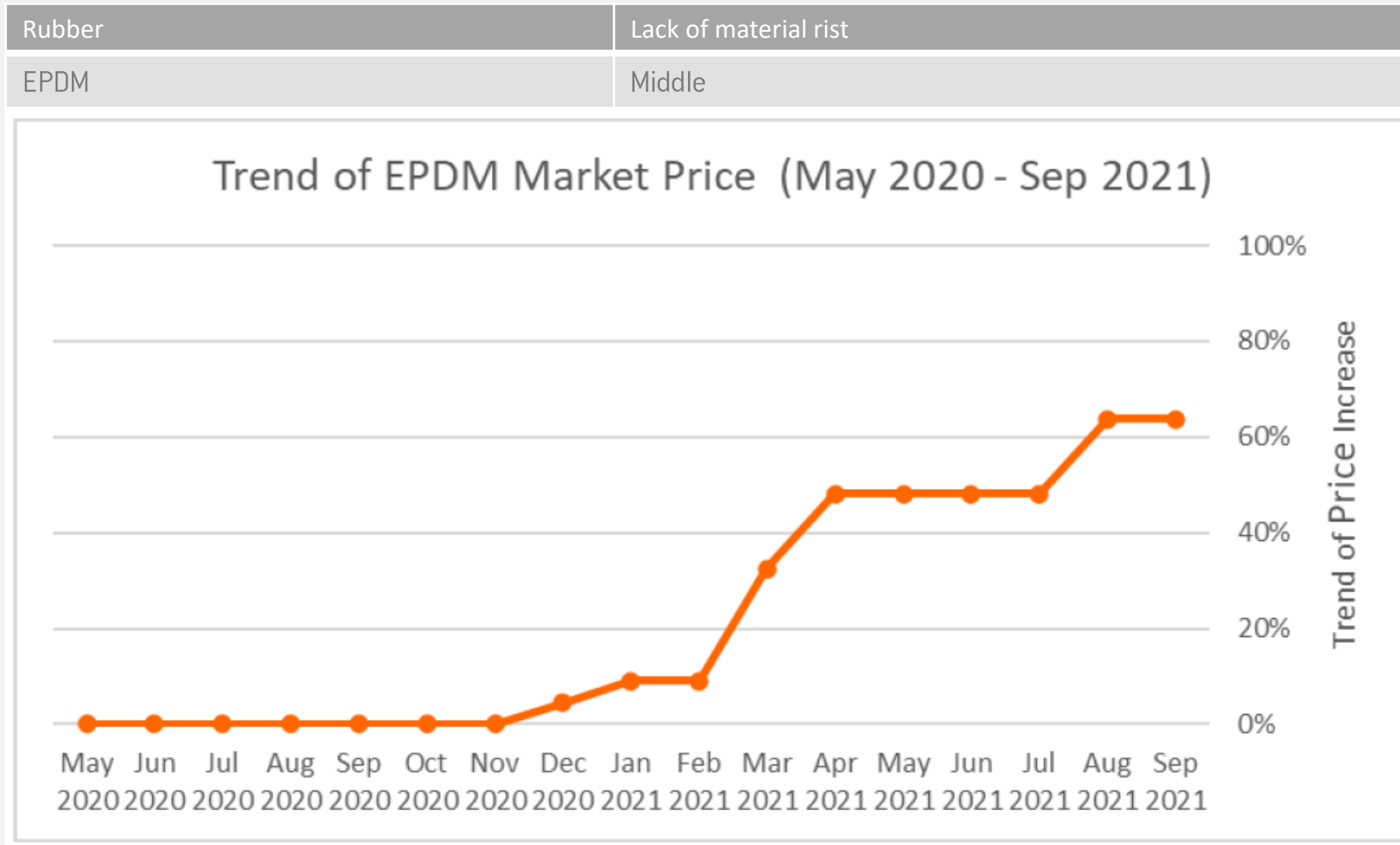


Price development and delivery times.

Rubber	Lack of material rist
NBR	Low

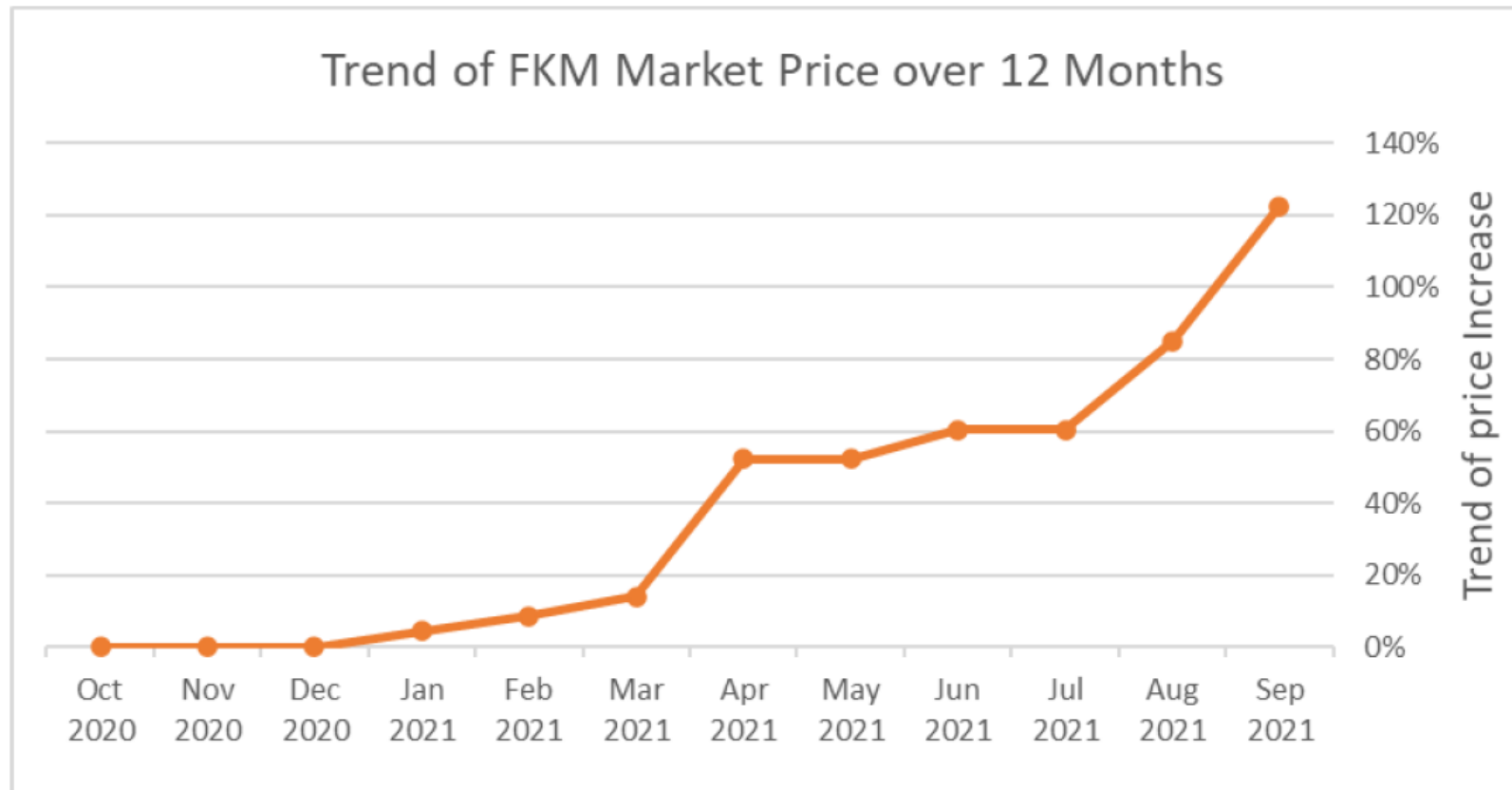


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Rubber	Lack of material risk	note
FKM	High	Less raw rubber now, cost is going to increase again



Price development and delivery times.

Rubber	Lack of material rist	Note
Silicone	High	Almost NO raw rubber now,daily price

