

July 15th, 2022

Dear Valued Partner,

As industry demand recovers, supply chain imbalances and disruptions continue to drive cost increases with commodities, labor, and freight. The following is a summary of recent cost increases we have borne for key materials utilized in the production and shipment of furniture for the customers we collectively serve.

Commodity	Inflation
Steel Raw Material	14%
Steel Components	6%
OSB Board	23%
Aluminum Extrusions	6%
Seating Foam	3%
Particleboard	14%
Corrugated / Packaging	11%
Wages	8%
Freight	5%

Due to the continued escalation and volatility of material, freight, and labor costs, we recently implemented a surcharge of 9% effective on July 1, 2022. Today we are announcing a market price increase at an average effective October 3rd, which is intended to replace the current surcharge.

The average 10% price increase is made up of increases ranging from 0%, 5%, 10% and 12% on all products within the Kimball, National, Etc. and Interwoven brands. These percent increases are the result of the deep analysis we have conducted regarding material and related cost increases, balanced with our goal of maintaining competitive prices and protecting your ability to compete strongly in the marketplace.

Continuous improvement and intentional actions to mitigate the escalating cost increases, including supplier diversification, commodity hedging, nearshoring (domestic supplier), insourcing (make vs buy), and expanding freight and warehousing capacity are actively being pursued to help offset the above necessary actions.

More than ever, your partnership is essential to our mutual success. We are working tirelessly to provide the level of service in the industry and look forward to sharing more news on that front with you shortly. Thank you for your continued support of Kimball International.

Regards,



Lisa Schmidt
Senior Director, Trade Marketing, Workplace & Health
Kimball International