



IBOCO Corporation  
1205 Paco Way Suite D  
Lakewood, New Jersey 08837  
(P) 713.417.0066  
[www.iboco.com](http://www.iboco.com)

October 1, 2020

TO: IBOCO Valued Partners

Subject: PL2122 Price Increase Announcement – January 1, 2021

As we look back at 2020, most of us will be happy to leave this year behind. For IBOCO, the year was challenging to say the least. Yet even during the most challenging year for all of us, IBOCO excelled in several areas:

1. IBOCO made the conscience decision in March 2020 to increase inventory levels by 25% to ensure strong support to our valued customers. In the professional opinion of many people, IBOCO has the highest level of inventory of our products vs. competition.
2. IBOCO continues to ship 99% of all orders within 48 hours of receipt of order.
3. IBOCO was opened and fully operational for more days in 2020 vs. any year for the past 10 years.
4. IBOCO has maintained firm pricing for three (3) years while many of our competitors has implemented several price increases over the same period of time.

For 2021, we are announcing an average price increase of 7% for all IBOCO Products. The last price increase was announced in the fall of 2017. With IBOCO pricing remaining consistent for three full years regardless of several cost increases that impacted IBOCO. The average inflation rate for 2018, 2019, and forecasted 2020 is shown below.

Year	Inflation Rate
2018	2.4%
2019	1.8%
2020	0.6%

The 2021 price increase is required due to several cost increases IBOCO has experienced over the past three years. Prices will be increased for shipments on or after January 1, 2021 and not later than December 31, 2022. The new Price List PL2122 will be in effect for two (2) full years for shipments during 2021 & 2022.

What areas of the business have been impacted by cost increases during 2018, 2019, & 2020?

- **Raw Material** – Several raw materials including PVC costs have increased since January.
- **Health Insurance** – IBOCO continues to receive double-digit increases. For 2018, 2019, and 2020 we experienced cumulative premium increases of +/- 36%. For 2021, we are expecting another increase of +/- 15% based on early estimates. IBOCO continues to seek ways to reduce these costs without the reduction in the quality of the healthcare coverage provided with IBOCO employees.
- **Labor** – The labor costs of employees has increased over the past three years (mostly in 2018 & 2019). To achieve and maintain the high quality of the employees, IBOCO continues to offer a competitive salary in the marketplace.
- **Transportation** – The overall costs from the factory to the customer's destination have increased and are forecasted to increase in the coming years.

Finally, as we move into 2021, IBOCO's goal is to continue offering a quality product, competitive pricing, and industry leading customer service to our partners. We appreciate your business and look forward to servicing your requirements today and into the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry M Darst". The signature is fluid and cursive, with a large initial "L" and "D".

Larry M Darst, President  
[LDARST@IBOCO.COM](mailto:LDARST@IBOCO.COM)  
908.472.6704