ANNOUNCEMENT

TO: Hunter Panels Roofing Customers
DT: February 5, 2019

Since October 2018, crude oil prices dropped from the mid $70’s a barrel to today’s price in the mid-$50’s. As crude is one cost driver of Hunter Panels’ raw materials, we are starting to be asked if Hunter will be reducing prices. Let me explain why we continue to stand by our 2018 price increases and are not reducing prices at this time:

1. While oil is now in the mid $50’s, back essentially to where it was in January 2017, prices rose steadily thereafter to the peak of about $75 in October. During that almost two-year period, Hunter experienced sustained and significant raw material inflation that was only fractionally offset by the price increases announced during 2018.
2. Since its recent low at the end of 2018, oil has recovered more than 25% in price and most industry experts predict this trend to continue. The sharp decline in oil prices looks to be temporary and any impact on raw materials will be similarly short-lived.

The net effect of the changes in raw material and freight costs over the last two years has been a significant challenge to Hunter’s margins. It is essential that Hunter takes responsible actions to alleviate these cost increases and continue to invest in the people, facilities and research. This supports our mission to provide industry leading products and services to our many customers and sales channel partners.

Thank you for your understanding and we look forward to a great 2019.

Sincerely,

Matt Peterson
General Manager