



Weil-McLain Buy Up Program

Valued Partners,

As we continue to evolve and adjust to the Covid-influenced world, we are experiencing strong orders and intermittent, but consistently-difficult, supply chain issues leading to extended lead times in many of our product lines. We are starting to see an improved supply chain and look forward to reducing lead times as we go into the off season, but are concerned about a relapse in some areas due to Covid resurgences or further disruptions trickling through the supply chain due to the war in Ukraine.

Typically at this time of year, we are winding down from the heating season and working through our final orders before we start building ahead for our spring buy-up. This year, we still have a significant backlog and continue to see strong demand with many customers preferring earlier delivery dates over discounts. As a result, we are making some adjustments to our 2022 spring buy-up. We are looking at this purely as an adjustment based on current circumstances, with plans to re-evaluate next year.

For 2022, we are making the following changes:

- We will start the program earlier to enable you to place orders sooner, which will secure your place in the order queue and allow greater visibility to our factories for production and demand planning. This program will be effective from April 18 through May 13.
- To participate in the program, you must place an order greater than \$100k during this period. This will entitle you to free freight and turn on your DAP elective. Parts and Commercial Cast Iron are not included in the minimum \$100k order.
- While this program does not have an associated discount, we will strive to deliver based on order receipt date.
- Provided we receive the expected order volume for the program, we anticipate that we will be able to ship the majority of products by end of Q3 versus Q2 as in previous buy-ups, with the exception of Commercial Cast Iron, which we project will have extended lead-times.

Why are we making these changes?

- With customers' placing significant orders and prioritizing earlier delivery dates over discounts, we felt the need to respond quickly by offering a clearly-defined program and setting clear expectations to all customers.
- As we have a significant backlog, as a company, we feel it would be unfair to offer discounts on new orders and not those already in the system.

- As a result of continued prices increases and fluctuations in materials and components, we anticipate a price increase effective approximately June 13. The timing of the buy up program and price increase will offset some of the typical discounts offered. In addition, the early introduction of the buy up program will enable you to lock in current pricing before the price increase goes live.

We take pride in exceeding our customers' expectations, providing consistent service and offering valuable programs to support our selling partners. We are committed to using this offseason to sharpen our focus on bringing our lead-times closer to normal, with our distributors' well-stocked going into the heating season.

As always, thank you for your continued support of Weil-McLain.

Michael Doorhy
General Manager
Weil-McLain

