



## **Loctite® Industrial Products Price Increase - Effective January 1, 2020**

We have made this letter available to our authorized Loctite® Industrial Adhesives Products Distributors to provide additional information regarding our price revision.

Effective January 1, 2020, Henkel Corporation will implement a price revision with a 1.5% average increase. The price revision applies to all Loctite® Industrial Adhesive and Sealant Products. This letter is intended to provide general information about the price revision and if there are any item specific questions, please contact your Henkel Adhesives Representative.

Trade anxiety, tariff angst, high demand and low inventories are some of the factors which continue to foster a tight marketplace concerning the manufacturing of and delivery of these finished goods. There has been no impedance of supply and demand issues, capacity additions will not keep pace with demand, and prices will rise as competition for supply intensifies. All modes of transportation have had a significant increase year over year on the order of 10-15%. Additionally, the threat of tariffs was made real when suppliers started announcing increases to offset higher tariff related costs. In total these dynamics lead to the escalating cost of doing business.

Henkel is committed to safeguarding supply to our customers, therefore is adamant about securing supply from our vendors. Our dedication to supply is pricier than in years past. Our devotion to innovation and continuous improvement has not wavered, as it can help enable us to take cost out of our operations, as well as develop new adhesive technologies. Henkel Corporation is committed to your business and to providing high quality materials. We highly respect our business relationship and look forward to serving your needs well into the future.