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SUBJECT:

Educational Bulletin: Industry Update on Tariffs, Metal Roofing Pricing, Availability & Strategic Planning

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Dear Valued Stakeholders,

As the metal roofing industry continues to evolve in response to changing market conditions, we want to keep you informed about recently announced tariffs on imported steel and aluminum materials. While the full extent of their impact is still unfolding, we anticipate some adjustments in pricing and material availability in the months ahead. However, the industry has successfully navigated similar changes in the past, and we remain confident in our ability to do so again.

A Look Back: Tariffs in 2018 and Industry Adaptation

In 2018, the implementation of Section 232 tariffs on steel and aluminum imports led to initial price fluctuations and supply chain adjustments. While prices increased at the onset, the market adapted over time as businesses refined procurement strategies and manufacturers collaborated with suppliers to maintain availability. This history serves as a reminder that while short-term challenges may arise, long-term stability is achievable through strategic planning and proactive communication.

Newly Announced Tariffs and Market Expectations

The latest tariffs are expected to affect various metals critical to the roofing and construction industries. While some pricing adjustments may occur, the industry is well-equipped to manage these changes. Supply chains today are more adaptable than ever, and manufacturers are actively exploring solutions to sustain steady pricing and product availability.

Recommended Strategies for Stakeholders

To help our valued partners navigate potential market fluctuations, we recommend the following proactive strategies:

- **Incorporate Pricing Provisions in Bids** – Given the potential for price adjustments, we advise including escalation clauses in project bids to account for unforeseen material cost increases. This approach helps protect margins and ensures financial stability.
- **Monitor Inventory Levels Closely** – Staying informed about inventory availability will allow you to make informed purchasing decisions. We encourage regular stock assessments to avoid potential shortages or delays.
- **Plan Ahead for Material Needs** – While lead times currently remain manageable, securing materials in advance can help mitigate the impact of any supply chain fluctuations. Early planning and open communication with vendors ensures you have what you need when you need it.

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Why Partner with Coated Metals Group?

Selecting the right supplier is critical to maintaining stability and profitability in a fluctuating market. Working with CMG offers key advantages that help mitigate the challenges posed by shifting tariffs and supply chain disruptions:

- **More Stable Pricing Through Domestic Sourcing** – Unlike some suppliers that rely on imported materials subject to fluctuating international tariffs, CMG sources painted products exclusively from domestic steel mills. This practice protects against import tariffs, assures consistent quality, reduces exposure to extreme price volatility, and ensures a more predictable pricing structure for our customers.
- **Privately Owned, Small Business Agility** – As an employee-owned, privately held company, CMG operates with lean, efficient business structures. This enables us to make fast, strategic decisions without the bureaucratic delays often associated with larger corporations. Our agility allows us to quickly respond to market changes, ensuring the best possible outcomes for our customers.
- **Comparatively Fair Pricing Structures** – Our streamlined operations and small business structure allow us to maintain fair and competitive pricing. Unlike larger manufacturers burdened by high overhead costs or corporate agendas, CMG operates efficiently, passing cost savings on to our customers.

CMG's Commitment: Your Trusted Partner in Changing Markets

At Coated Metals Group, we are committed to maintaining robust inventory levels and short lead times to support your business needs. We continue to work closely with our suppliers to ensure product availability and minimize disruptions. Our agile approach allows us to adapt swiftly to market changes, and we will keep you informed of any significant developments affecting pricing or supply.

We value your partnership and are here to support you through these market shifts. If you have any questions or would like to discuss strategies tailored to your business, please reach out to your CMG representative. Thank you for your continued trust in CMG.

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