

Surcharges

Dear Business Partners,

The economic developments play a decisive role in shaping our daily work. The continuing negative trend on the raw materials markets is also leading to significant global restrictions. As a supplier to the construction industry in the field of reinforced concrete construction, the impact of steel price developments is particularly notable for us. The trend in the steel sector since the outbreak of the Russia-Ukraine conflict is characterized by extreme price distortions in the energy price sector (electricity / gas) as well as the market prices for steel scrap. In addition to the intensification of price dynamics, the steel market is accompanied by shortages and cutbacks in production capacities in the steel industry.

The strong market distortions in the stainless steel sector, especially for the raw material nickel, and the subsequent heavy alloy surcharges for stainless steels need to be emphasised. Other MAX FRANK business units are also strongly affected by the price increases in the raw material groups cement, plastics, wood, paper and chemicals.

In addition, our production costs have risen unexpectedly sharply as a result of the Russia-Ukraine conflict with regard to energy costs, which is why we cannot fully compensate for these costs without a price adjustment. The increased costs for fuel and the tense situation on the transport market due to a lack of qualified staff also play a decisive role here.

In sum, many economic factors are currently affecting the entire construction industry to an extent that is unusual and unpredictable for all of us. Consequently, we are also forced to compensate for these additional costs for a large part of the MAX FRANK product range with inflation surcharges. Regrettably, another logical consequence is the extension of delivery times, which goes hand in hand with the aforementioned aspects.

Now we have to adapt to the circumstances and face the challenges together. We wish you and your customers all the best in dealing with the current challenges and are of course available to answer any questions you may have.

Kind regards

Max Frank GmbH & Co. KG