



Dear Valued Customer,

At Superior Duct Fabrication we are committed to ensuring we support our customers and provide quarterly market updates. As you might be aware, the West Coast steel industry is facing unique and exceptional market conditions. On September 29, 2023, United States Steel Corporation (USS) filed a WARN notice with the state of California for the employees at UPI. UPI is a steel mill in Pittsburg, California, which is now expected to be shuttered by the end of this year. UPI's galvanized capacity represented approximately one third of domestic production on the West Coast.

California Steel Industries (CSI) is a steel mill located in Fontana, CA, and represents approximately two thirds of domestic galvanized production capacity on the West Coast. CSI is expected to have limited availability for the foreseeable future.

As a result of these exceptional market conditions, steel prices have increased 25% in the last 30 days and are expected to continue to rise in the coming weeks. We are keeping a close eye on these market dynamics and remain strategic in our procurement methods. However, you may see a 10-15% increase in overall duct prices, assuming steel is available. We would strongly encourage you to get your orders in ASAP so we can ensure we have raw material to support your needs.

Superior Duct Fabrication continues to work hard as an organization on behalf of our customers to mitigate any increases. We are committed to working with you, our customers, to evaluate your current projects and provide the most cost-effective product possible.

If you have any questions, please reach out to your sales professional for further information.

Thank you,
Superior Duct Fabrication Management Team

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