



HOOSIER RACING TIRE

Lakeville, April 07, 2022

## **Price Increase and continued shortage of supply**

Dear Valued Customer

On April 04, 2022, Hoosier Racing Tire Corporation implemented a price increase on select products. Prices and increases vary across specific articles within different racing segments.

The continuation of unprecedented, skyrocketing costs in four key areas has led to this action:

- Raw material prices continue to increase at historically high levels with limited supply.
- Labor costs continue to increase in a tight labor market.
- Logistic costs especially for imported raw materials are at record levels.
- Gas and energy costs dramatically increased.

Hoosier is extremely sensitive to the impact price increases have to the motorsports market, and we are committed to doing everything we can to limit that impact; however, we are left with no choice but to pass along a fraction of the cost increases we are seeing in order to continue to produce products for all of the different segments we service.

In addition to the challenge of ever-increasing costs, Hoosier continues to be faced with an inventory deficit and increased market demand leading to tire supply shortages in certain market segments. While our tire production has seen record output in recent weeks, the depletion of inventory stock throughout the supply chain, coupled with continued increase in demand for product, has resulted in little improvement to the tire supply shortages seen in 2021.

We will work with our distribution partners as well as individual customers to find solutions in the months to come, but we do have to inform you that you may see tire supply shortages throughout 2022. We are forecasting and planning to produce many more tires in 2022 than in 2021; however, the inventory hole which has been created will take a significant amount of time to overcome.

We sincerely regret the impact this may have for racers and your business. Rest assured, we are striving to meet everyone's needs and will continue to communicate any updates as conditions change.

We appreciate your understanding during this difficult period.

Sincerely,



**Joerg Burflen**  
- President -  
Hoosier Racing Tire Corporation