

Market Update – Price Increase Notification

June 1, 2018

Dear Valued Customers:

First, I want to thank you again for your patience and partnership in what remains an ever-evolving marketplace. Your confidence in Iconex continues to be a vital piece in managing these on-going circumstances.

Since March 1st Iconex has been working very hard to fulfill our 90-day pricing guarantee. Current market conditions made this a very difficult task however it was important to me that we make the sacrifice to ensure a much-needed period of stability for our customers. This was accomplished without risking adequate supply or impacting quality for any of our customers.

On May 4th we published our latest Global Thermal Paper Update to keep you, our customers, informed on the latest developments, rumors, and speculation impacting the thermal paper market. Since that time, we have received several additional cost increase notifications across multiple product categories. Leuco Dye and Pulp are driving the direct material cost increases however inflationary issues such as labor, transportation, interest rates, and currency fluctuations are also contributing economic factors.

After carefully analyzing the data amidst many key variables such as the number of suppliers, the varying increase levels, and implementation dates we are announcing a price increase across our product portfolio. The increase is effective on all orders shipped on or after July 2nd, 2018. This price increase will impact the majority of our product categories including labels and paper receipts. Due to the varying price increase amounts by product category an Iconex Sales representative will be communicating the specific details to each customer individually.

Our highest priority continues to be ensuring adequate supply for all our existing customers. The announced increases will enable Iconex to continue our successful product sourcing strategy which has prevented supply interruptions during these historically difficult conditions. We recognize the pressure and difficulty resulting from these unprecedented market conditions and assure you that our team continues to work diligently to minimize all cost factors by reducing waste and improving efficiencies.

As always, you can also find the latest market information by contacting your Iconex Sales Representative or visiting www.iconex.com.

We appreciate your valued business and continued support!

Sincerely,



Craig A. Gunckel
Chief Executive Officer