



3237 Satellite Blvd. Suite 550
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www.iconex.com

May 13th, 2021

Dear Valued Customer:

2021 continues to present challenges for our industry as a result of the pandemic. Its effects are proving substantial as rapid volatility introduces new obstacles for your business and ours. However, we are confident in the business recovery trend that grows stronger with each and every day.

As part of our continued support, we wanted to provide an update on the Petition for the Imposition of Antidumping duties filed by Appvion Operations Inc. and Domtar Corporation. On May 6th the USITC published their preliminary findings in this case. The final position will not be determined until September or October of this year. The published preliminary duties are:

Germany	Japan	Korea	Spain
Koehler – 2.78%	Nippon – 35.71%	Hansol – 6.19%	Torraspapel – 41.45%
All Others – 2.78%	All Others – 35.71%	All Others – 6.19%	All Others – 37.07%

The effects of this action have been immediate in the days following the announcement. Koehler and Hansol, the largest foreign suppliers, have each announced a 12% price increase effective immediately. Domtar, the domestic supplier, has also announced an immediate increase in the range of 12% to 15%. Suppliers from Japan and Spain appear to be in an uncompetitive position and will likely exit the US market entirely.

There are several key points to clarify with these increase announcements. First, in addition to the anticipated duties these increases are representative of the additional cost pressures that have been accumulating since an earlier announcement in March. Rising input costs specifically related to pulp and freight are the primary factors. It is also important to note that all assessed duties may be retroactive to February 1st, 2021. Therefore, it is expected that all companies subject to the duties are going to be very deliberate in representing all rising cost components in an immediate and transparent fashion.

These preliminary duties have also given Domtar, the petitioner, the confidence to raise their prices based on their original assertion that thermal paper originating from Germany, Japan, Korea, and Spain has been imported into the United States at less than fair value. Per the official petition, “The significant and increasing volume of dumped imports has severely damaged the U.S. thermal paper industry. As shown above, the subject imports occupy a significant and increasing share of the U.S. market and supply that market at significantly lower prices than the domestic industry. As a result, U.S. producers have lost sales volume and market share and have been unable to increase prices on remaining sales to cover increased costs of production.”

Iconex anticipates short term supply pressure as suppliers from Japan and Spain exit the market. It will take the remaining suppliers time to increase production to cover this exit in an addition to the increased volume demands from a recovering market. We remain committed to a sourcing strategy that ensures adequate supply for our customers however this is only possible by meeting the new market pricing.



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In addition to the cost of thermal paper, we like you are not immune to the pressure resulting from inflation across all commodities. Costs associated with corrugate cartons, plastic cores, pallets, as well as freight and labor have risen sharply.

Due to the immediate market increase announcements, Iconex will be implementing price increases across all orders for receipt paper products shipped on or after June 14th, 2021. The increases will correspond with the 12% to 15% market announcements and activities referenced above. Your sales representative will be in contact in the coming weeks to communicate the exact details.

Lastly, we want to thank you for your continued partnership and support. We appreciate your business and look forward to a new normal as we take the next step in pandemic recovery together.

Sincerely,

A handwritten signature in black ink that reads "Craig Gunckel". The signature is written in a cursive style.

Craig Gunckel
Chief Executive Officer