



# Connecting with Customers in times of Crisis

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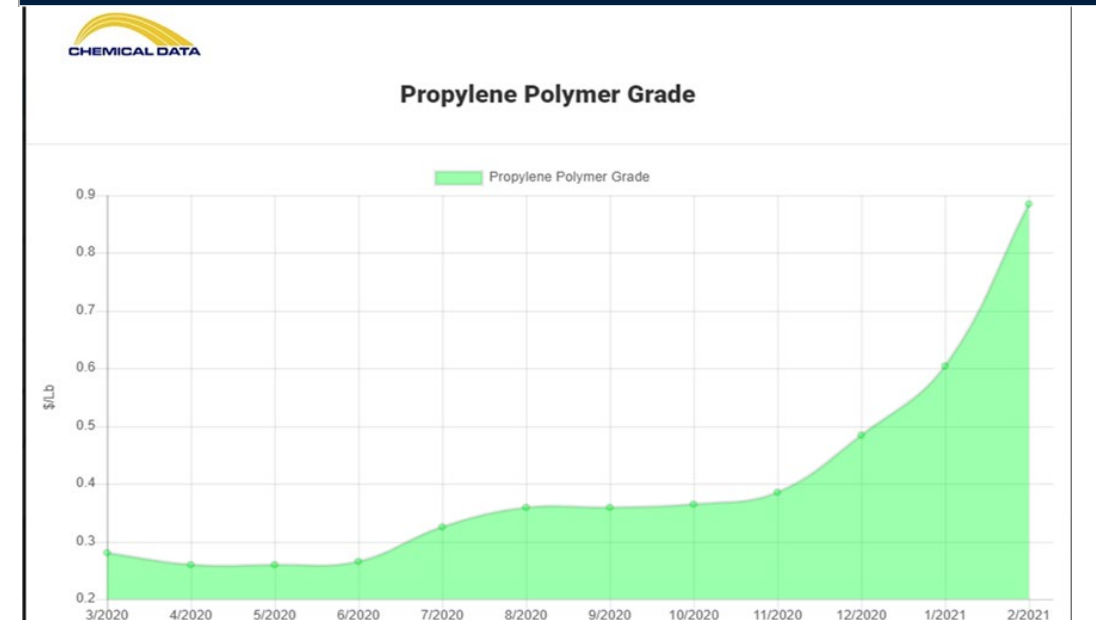
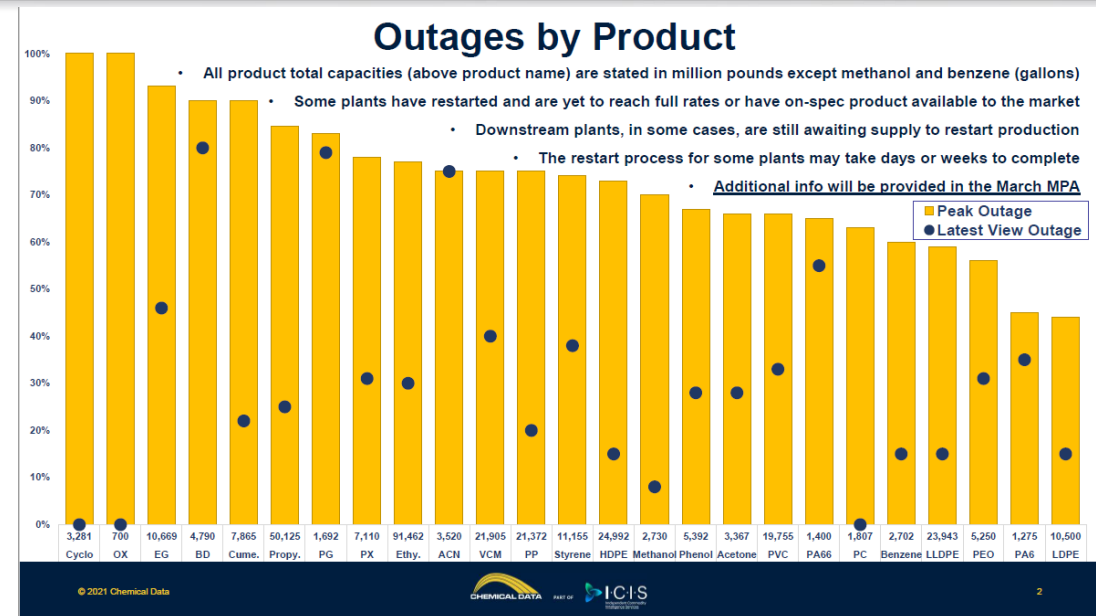
# 2020 Market Disruptions

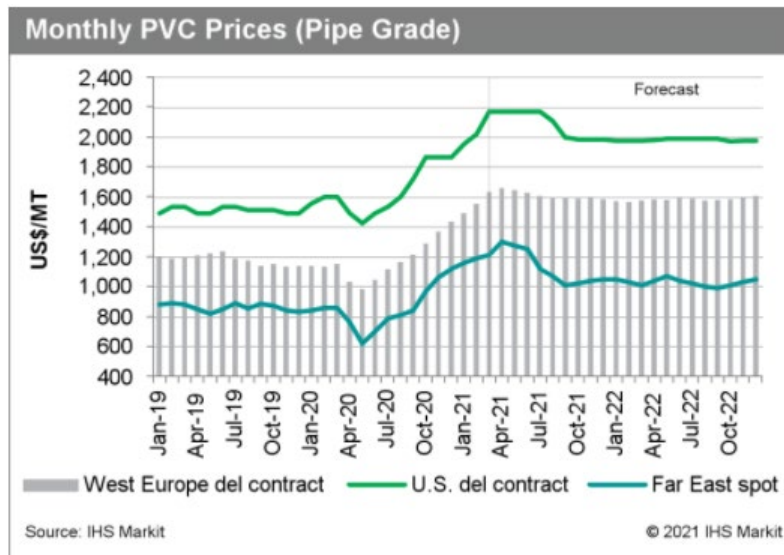
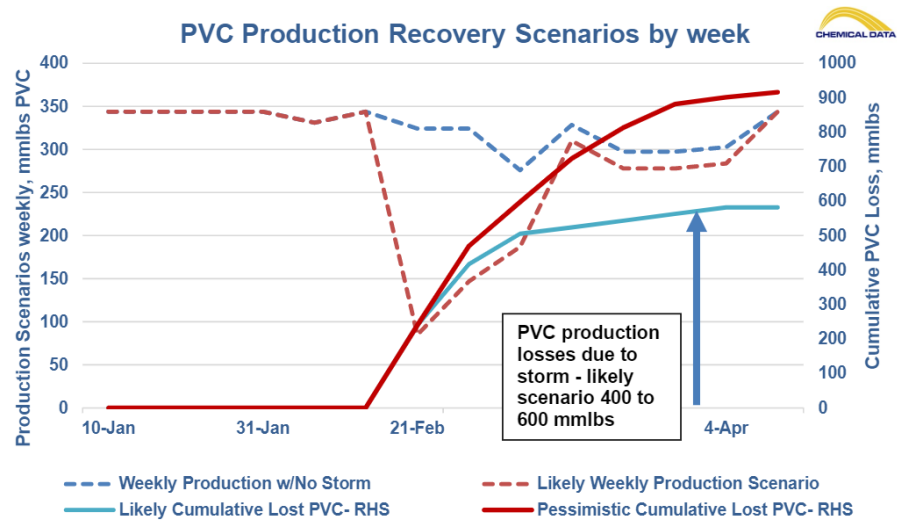
- 2020 – Pandemic hits North America
  - Impact
    - Automotive shutdown
    - Business drops
- Strategic Actions taken by GEON
  - Launched “Project Collaboration”
  - Leveraged Size, Connections, Customers, SK
- Results
  - YOY GEON results better
  - Positive Customer feedback
- 2021...



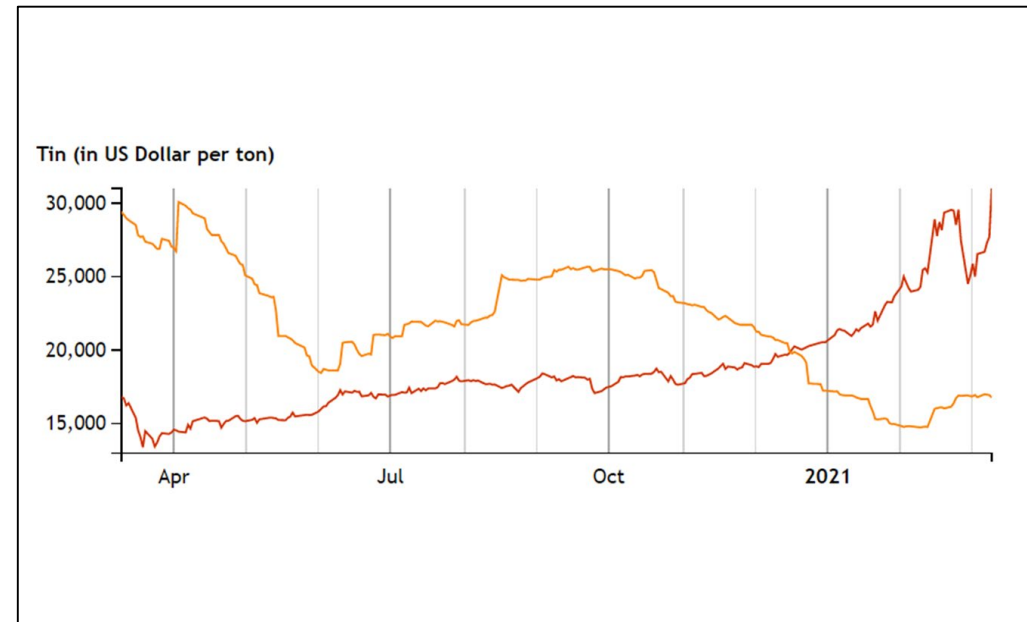
# 2021 Market Disruptions – Raw Materials

- Q1 Events
  - Pent up demand and replenishment of global supply chain from 2020 pandemic
  - Winter Storm Uri (mid-Feb)
  
- Raw Material Shortages / Force Majeures
  - Gulf coast Producers shut plants down
  - 3+ weeks post storm, plants still under 40% capacity
  - 20 GEON Suppliers on Force Majeure
  - Customers on allocation with increased lead-times
  - Tin Stabilizers: market supply short since November
  
- Raw Material Inflation
  - Majority of categories showing significant inflation since Q4
  - RM inflation of double digits i Q1 with further headwinds in Q2
    - PVC
    - Polypropylene – Feb’21 settled +34cpp
    - Stabilizers, Plasticizers – 20%+
    - Other Additives – 20%+





## Tin pricing and inventory



- **Strategic Actions taken**

- Maximized our contractual purchases with all suppliers
- Qualifying new suppliers, improving sourcing flexibility to our customers
- Pre-buying, where feasible, to build for forecasted shortfalls
- New supplier contracts, providing better supply for material under Force Majeure
- Collaboration across SK Capital portfolio network on supply and alternate solutions

- **Market Expectations**

- Tight supply on most materials to continue through end-Q2
- Raw material inflation expected to continue upward in Q2 before beginning to stabilize sometime in Q3



# 2021 Market Disruptions – Supply Chain

- 2021 Q1 Events

- Rates High and Capacity Tight
- Diesel fuel rising
- Continued Port struggles
  - Creates freight imbalance with so much freight outbound California
  - Import/Export imbalance
- Produce season

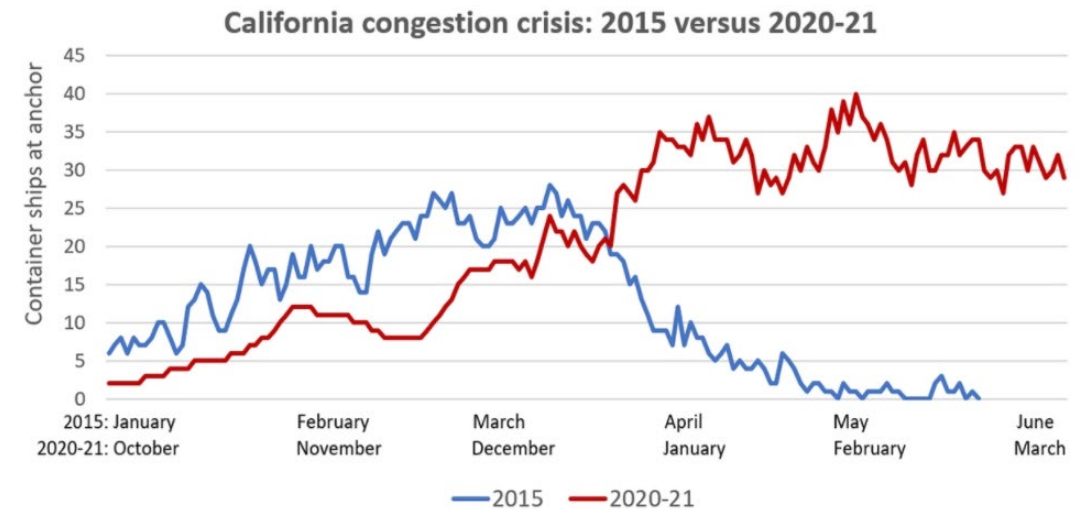
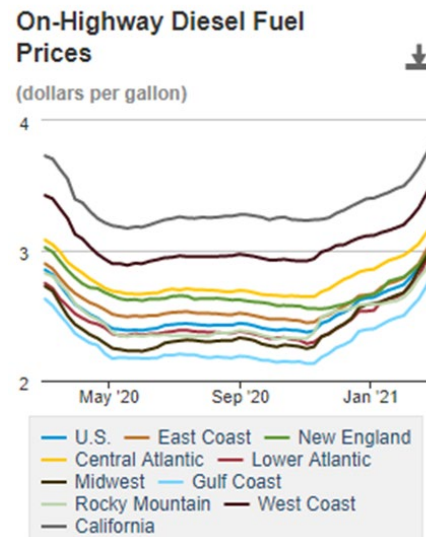


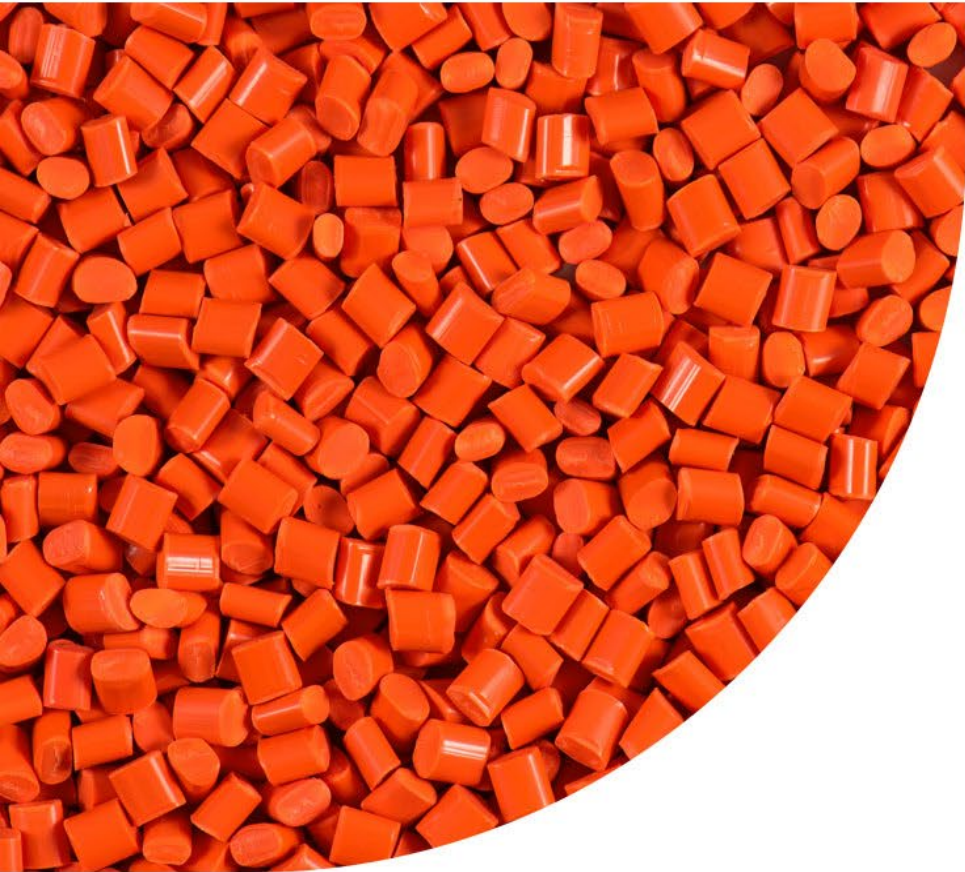
Chart by American Shipper using data provided by the Marine Exchange of Southern California



- **Strategic Actions taken**
  - Planning loads further in advance to secure trucks
  - Upgraded our carrier network
  - Contracted to secure more trucks
- **Expectations**
  - West Coast congestion till Summer
  - Slight cost escalation to Q3







# Collaboration

- We hope this presentation provided more detail on the challenges the industry is facing
- The Value Chain is under pressure
- GEON stands ready to work closely with our customers to find solutions to their challenges

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**Thank you**