



- Founded in 1955, SteelFab is a North Carolina based company that employs 1,500+ people nation-wide and has seen over \$1 Billion dollars in revenue
- We have Operated in the Charlotte, Raleigh, and Southern US markets since the 1960s

Our Challenges During the COVID-19 Pandemic:

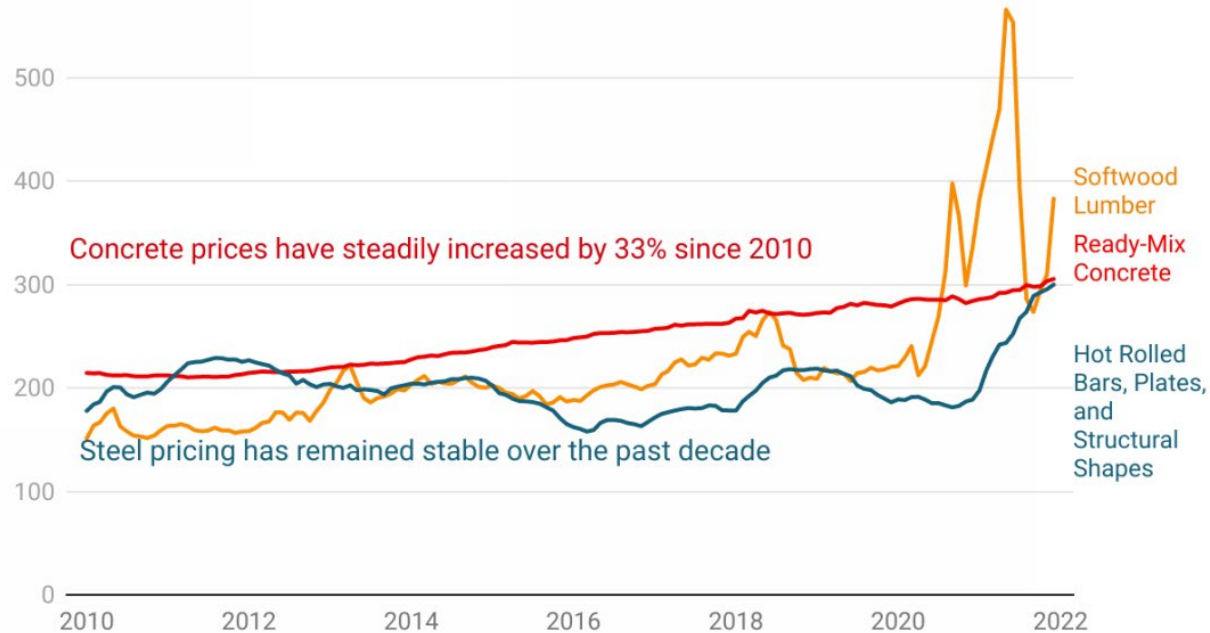
- Material Escalation
- Lead times of some materials
- Labor Challenges



NCSU Plant Science Building

2010-2022 Material Trends

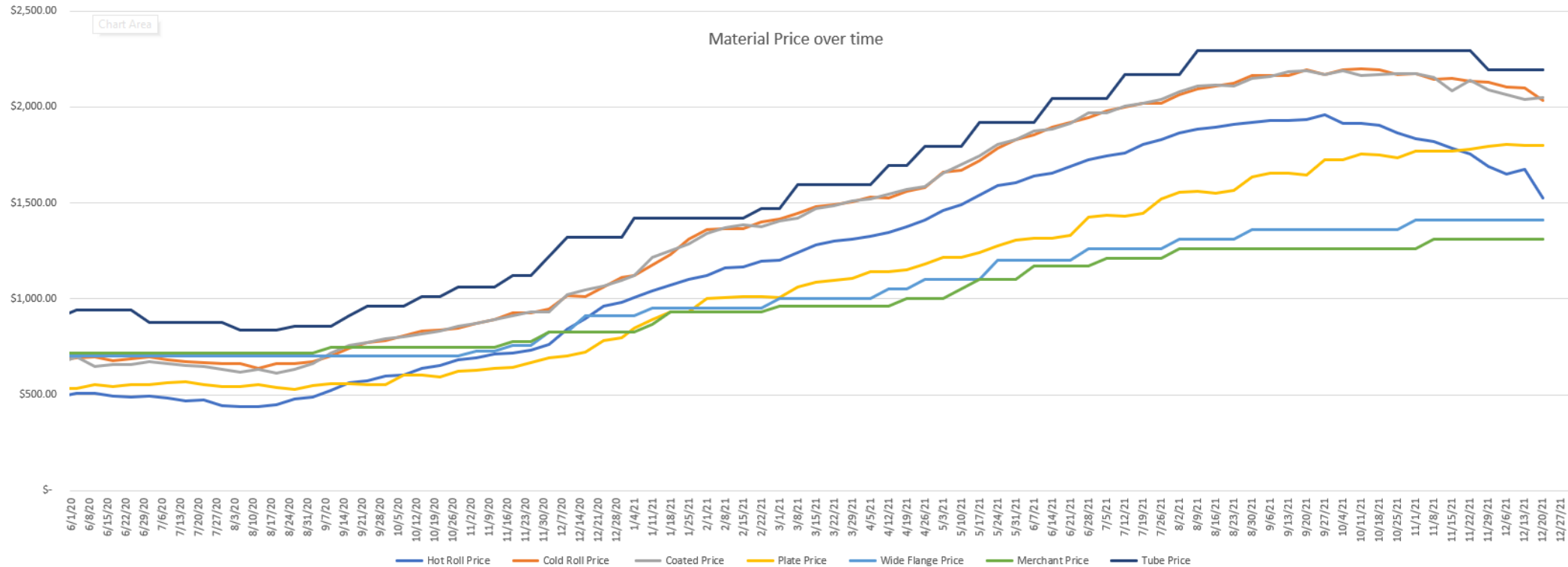
Producer Price Index



As Covid-19 slowed construction activities in early 2020, steel demand decreased. This caused a short-term softening of prices and a supply reduction. When the economy began to reopen, the demand for steel toppled the slowed production and reduced inventories.

per American Institute of Steel Construction (AISC) last updated 1/13/22

Cost Impacts



Pre-Covid: Steel materials on an average project represented 30% of our total price (remainder is freight, labor, installation, equipment)

TODAY: Steel materials on average represent 55% of our total price

Total impact to projects have been increases of 20-25%

Steel Market



- Virtually all steel used in the market is domestic
- Steel sizes have increased 75-125% depending on shape
- No shortages of availability, nor significant lead time changes on the main beams, columns, which account for 80%+ of the total weight

THEN WHY ARE THERE INCREASES?

- Robust rebound of the construction industry starting in Q4 2021
- It is much more challenging to restaff and ramp up production of steel that had immediately shrunk at the start of the pandemic
- All aspects of the supply chain have had to re-start from scratch (scrap inventories were record lows, shutdowns for major production, maintenance was scheduled due to slowdown, etc.)

Lead Times

HOW LONG MUST WE WAIT ON OUR STEEL?

- Lead times involve (3) main components
 - Structural steel (beams, columns)
 - Steel decking (on which concrete is poured and roofs are supported)
 - Steel joist trusses (these are trusses in the roofs of warehouses – what you see in the open ceiling of Home Depot or Lowes)
- Steel lead times have not increased significantly
- Deck lead times have increased from 12 weeks to 24 weeks. Mostly due to LARGE increase in large e-commerce distribution centers (Amazon, etc.)
- Joist lead times have increased from 12 weeks to 40 weeks. Same reasoning of e-commerce and longer extension due to more intensive labor to build this product

