Coronavirus Update
February 28, 2020

Greetings,

First and foremost, the health and safety of our employees and their communities is our top priority.

Gerber Plumbing Fixtures, LLC. has been closely monitoring the Coronavirus situation as it develops globally. Our company has a dedicated task force led by our executives worldwide whom are meeting every 48 hours to monitor the virus and its effects. While the situation remains very fluid, we are cautiously optimistic about our ability to quickly respond to potential issues caused by the virus. Please see below for updates on Gerber’s current operational status.

Production
Both our vitreous china and brass factories are currently open and in the process of ramping up production to full capacity.

Our factories experience a regularly scheduled annual shut down in observation of the Lunar New Year, however our vitreous china factory opened two weeks later than planned and is expected to be operating at completely full capacity by the middle of March. Additionally, our factory in Mexico has also started shipping Gerber products, providing us with some coverage for key items. Taking our current inventory position into account, we foresee very little impact to our supply chain and order delivery.

Due to the brass factory location, many employees travel home during the holiday to visit their families. Recovery in our brass factory will be slower than our VC factory, but consistent with the majority of other factories in China. We still anticipate very little impact on brass orders due to our strong inventory position in North America.

Inventory
We have favorable inventory levels across North America due to previously planned additional purchases made ahead of the Lunar New Year, providing us with the supplemental stock required to weather the extended factory shut down due to the Coronavirus.

Shipments
All shipments within North America and from our distribution centers remain unaffected at this time. Factory shipments out of China are conducted mostly by ocean freight, which continues to operate smoothly. Air freight orders out of China are very tight due to restricted air travel in and out of China.

We will continue to monitor the Coronavirus and its effects closely, but do not anticipate any major disruptions to our customers due to our healthy inventory positions and preventative actions. We will continue to keep all informed and advise of any major changes.

Thank you for your patience and continued support,

Keith Yurko
CEO, Globe Union North American Group