

QUICK SUMMARY: In 2023, we anticipate powder availability to return to Pre-COVID conditions. Our powders will be readily available on dealer shelves and for purchase on our website. While demand has remained at a record high for now nearly 3 years, we look forward to closing the gap between demand and supply and thank you for your patience.

WILL ALL YOUR POWDERS BE READILY AVAILABLE?

While there are some exceptions such as our Enduron and Trail Boss powders, the majority of our powders will be easily located via various retailers.

WHY CAN'T HODGDON MAKE MORE POWDER?

We wish it were that simple - what we have experienced since 2020 is a demand issue and not a supply issue. The reality is we are doing everything possible to maximize shipments to our customers, including running overtime in production, packaging and shipping areas and working with our shipping partners to add new inbound and outbound shipping options. During the past 3 years, we broke record after record for powder shipments. We learned what worked best in terms of distribution and will continue to maximize all efforts to maintain this high level of shipping.

WILL HODGDON BUILD ANOTHER PLANT TO KEEP UP WITH FUTURE SPIKES IN DEMAND?

A new powder production facility would require an investment far beyond our finances and no financial institution would finance this type of building project. While the past 3 years of demand appears to be different from demand spikes in the last 20 years, the "normal" powder demand for the U.S. would not support an additional manufacturing plant. Most companies cannot afford to build a new production facility and then have it set idle until demand spikes. An additional complicating factor would be locating this plant – there are only a handful of these facilities in North America and none have been built in the last 30 years.

WHY IS HODGDON SELLING POWDER TO AMMUNITION MANUFACTURERS?

Our focus is the handloading enthusiast. Yes, we sell some powder to strategic, mostly smaller ammunition manufacturers, but that is a small part of our business. The heart of our business is smokeless powder for the handloading enthusiast. Every day, we receive calls from potential OEM customers who are looking for powder to load in ammunition. Every day, we politely decline this new business so we can focus on our long-term customers and sales channels and most importantly, our customers who have supported us for decades.

WHY IS HODGDON SELLING POWDER ON AUCTION SITES?

Hodgdon does not sell powder on any online auction sites. We sell through traditional sales channels to wholesalers, retailers and dealer customers. While we recently began selling direct-to-consumer on our own websites, we prioritize our shipments to our

traditional sales channels to maximize powder availability at sporting goods and gun shops everywhere.

CLOSING NOTES:

Hodgdon is still a small business, with fewer than a hundred employees between three facilities in Kansas and Montana. We are not driven by profit margins, but rather tradition and a genuine love for our jobs and what is made possible because of the work we do.