



Table Covers

Retractable  
Banners

Banner Displays

Banners & Flags

Tents & Event  
Products

Signage

Tabletop Displays

Floor Displays

Accessories

Total Show  
Packages

September 24, 2018

RE: Showdown Displays Response to Tariffs on Imported Product

Valued Partner;

As you are aware, the U.S. Trade Representative has placed a 10% tariff on a wide variety of goods shipping from China to the United States effective September 24, 2018. These tariffs are scheduled to remain in place and increase in impact to 25% effective January 1, 2019.

Our mission at Showdown Displays is to provide you with great products and legendary customer experiences always for a fair price. However, these recently enacted tariffs will impact both Showdown Displays as a manufacturer and you our trusted distributor partner. To ease the anxiety surrounding these tariffs and potential impact, Showdown is taking the proactive measure of informing you of our approach.

Showdown Displays is approaching this tariff challenge in a three-phased approach which we believe reinforces our commitment to you our reseller partners, as well as to the industry, as the leader in our category.

**Phase 1:** While the tariffs themselves and associated expenses become effective on September 24, 2018, Showdown Displays will absorb those expenses while adhering to our stated and published 2018 pricing throughout the remainder of the calendar year.

**Phase 2:** Effective January 1, 2019, Showdown Displays will publish an updated 2019 price list which will reflect new pricing inclusive of the 25% tariffs that will be in effect at that time. This 2019 price list will supersede all previous pricing guides and follows Showdown's standard annual price list release.

Rest assured, while the impact of the tariffs will indeed be tangible, only portions of products - at the raw material level - are subject to the 25% tariff. The team at Showdown will be assessing and adjusting 2019 pricing with the intention of minimizing those prices, which will include Showdown absorbing a portion of these added costs. That said, we anticipate that the impact of these tariffs will vary by product but will translate to a 3%-6% price increase above current 2018 prices.

**Phase 3:** Beginning January 1, 2019 Showdown Displays will actively monitor the full assortment of products impacted by these tariffs. Should a tariff be eliminated, Showdown will adjust prices accordingly, within 30 days, to account for the tariff impact. Those changes, should they occur, would be highlighted on Showdown Displays website as well as any external industry search engines.

As the largest supplier of portable lightweight displays and signage in North America, Showdown Displays has a responsibility to our distributor reseller partners to provide them with the most accurate and consistent product, safety, compliance and pricing information. This phased approach will ensure that our distributor partners continue to receive the most competitive, consistent and accurate pricing information to support their customers, their programs and their business. Thank you.

In the event you have any additional questions on tariffs and pricing, please contact:

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