



Date: November 1, 2024
To: Valued Customers
Subject: Lavazza North America Pricing Action

Dear Valued Customer,

We at Lavazza North America are grateful for your ongoing support and partnership. The current macro-economic conditions continue to evolve, and we remain faced with significant financial pressure. We diligently monitor the factors affecting our costs.

The high volatility of green coffee prices remains since the surge began in 2021. As Arabica's price increased, it drove a large increase in the world's demand for Robusta which has led to the constant rise in Robusta prices. After two years of consistent increase in coffee prices, we are seeing Arabica increase again and Robusta reaching its highest peak. As Lavazza pays a premium to source premium green coffee for our superior blends, these market dynamics have a pronounced impact on our cost of goods. Additionally, the consistent weakening US dollar has further escalated our costs as well as many commodities and raw materials experience a global surge. To continue providing the high-quality products and services you have come to expect from us, we find it necessary to adjust our prices.

After thorough consideration, we have decided to implement a list price increase across the Lavazza North America portfolio. This change will be effective for **all orders placed on or after March 1st, 2025**. The adjustments will be as follows:

- Lavazza Roast & Ground: All SKUs
- Lavazza Capsules: all SKUs (*Includes: Blue, Expert, EP, NCC and pods*)

We will monitor order patterns to prevent speculative buying and may limit purchases to a 30-day supply to maintain consistency with current buying trends.

We continue our commitment to finding efficiencies in our supply chain and reinvesting in our brands to support our business with you. Our dedication to delivering exceptional products and service remains steadfast, and this price adjustment will help us uphold that goal.

Our Sales team is ready to discuss the details of this change and provide any necessary support. We deeply value your business and thank you for your understanding.

Sincerely,

Hossam Ashraf
President
Lavazza North America