**Market Analysis**

**Gypsum-based boards**

* Lime and Plaster Manufacturing - £193.3 M, 3.7% growth in 2021-26, -2.5% growth in 2020-21
* £5.2M profit, avg profit margin – 2.7%
* Main players: Saint-Gobain Construction Products UK Ltd (13.7%), Lhoist UK Ltd (13.5%), Singleton Birch Ltd (12.4%), Tarmac Cement and Lime Ltd (5.6%)
* Residential market driving demand
* Growth phase in market life cycle, high barrier to entry, capital intensive
* Lime plaster products account for 25% of market
* Manufacturing concentrated in East Midlands
* Control over value chain is similar to cement-based board market for key players
* Environmental regulation compliance key to success
* Contractual arrangements – long and medium-term is how products are sold
* Low technology change – no new innovations

**Cement-based boards**

* Building plaster products account for £831.7M annual revenue – 6.8% growth 2021-26, -1% growth 2016-21
* Average Profit margin – 17%
* Mature market
* Low technology change
* High competition, medium barriers to entry, capital intensive
* Major players – Saint-Gobain (56.9%), Etex (19.1%) and Knauf (14.1%)
  + Knauf has a manufacturing facility in Kent, British Gypsum HQ in East Midlands, Etex has a manufacturing plant in Yorkshire
  + Key players have extensive distribution network and retail centres
  + Also have control over raw materials
  + Key costs are labour (39%) and acquiring of materials for manufacturing and processing (37%)
* Industry heavily affected by COVID – 20% decrease in revenue for 2020-21
* Market segmented into commercial and residential – players to focus on residential for short to medium-term (42.9% of expected revenue from here)
* Product innovation has focused on building lightweight materials, diversifying product properties to include aesthetics, ecofriendliness and insulation