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12-13 June 2024

European Flexible PU Foam Market Report FY 2023

& PREVIEW 2024

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Clint Raine
Co-owner, Belvedere & Partner

2023 / 2024 – Any clear direction??

2023 better
than
predicted at
2022
conference



2024 –
sluggish
demand and
rising costs



A very mixed
overall
picture



2024: No clear signals!



Automotive – slight recovery as supply chains improve, although EV's in 2024 has slowed.



So far 2024 - sluggish demand with little sign of increase. Margins under pressure.



All costs – energy, raw materials, labour, logistics, etc. - volatile



EofL (Recycling, Sustainability, Circular Economy) still important despite other challenges



Credit squeeze affecting demand for end products

Data Summary for 2023

(EU27, UK, NO, CH, RUS, TR & Rest of wider Europe)

TOTAL PU FLEXIBLE FOAM PRODUCTION	1,594,126 tonnes
Total PU Slabstock Foam Production	1,370,315 tonnes
Total POLYETHER Slabstock Foam Production:	1,321,552 tonnes
Total POLYESTER Slabstock Foam Production:	48,763 tonnes
Total PU Moulded Foam Production	223,811 tonnes

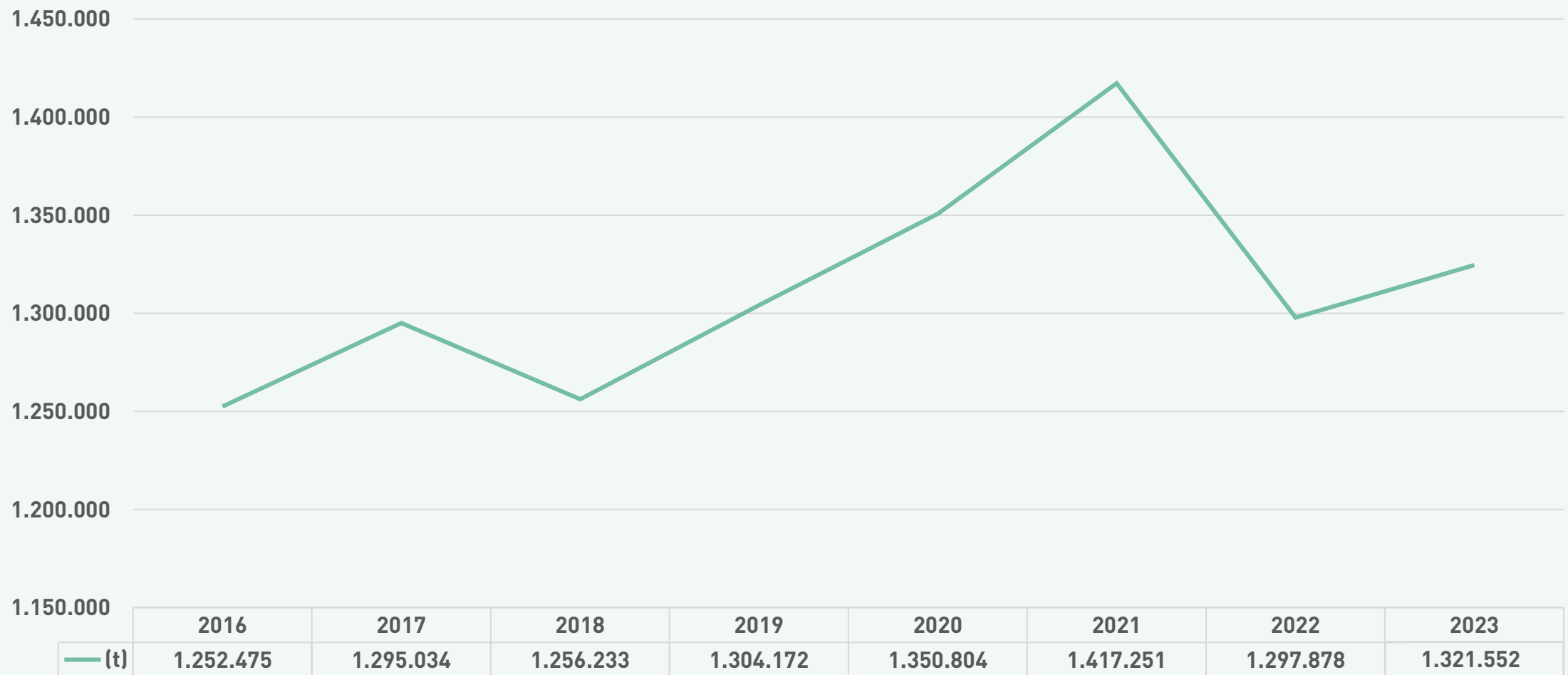
Total Number of Continuous Foaming Plants:	173
Estimated Full Time Employees in PU Foam Production:	24,380 FTE
Estimated PU Foam Industry Turnover:	5.1 billion EUR

Polyether Slabstock Production Wider Europe (t)

Region	2019	2020	2021	2022	2023	% AAGR (2022/2023)
Austria, Germany, Switzerland	129.987	133.748	141.921	119.006	108.410	-8,9%
Benelux	88.392	88.498	82.041	72.863	62.539	-14,2%
UK and Ireland	78.488	74.041	75.298	66.614	68.549	2,9%
Scandinavia & Baltics	77.345	78.981	82.181	76.777	64.793	-15,6%
Poland	223.185	217.739	228.037	204.019	206.042	1,0%
Iberia	109.716	126.499	138.818	129.511	125.162	-3,4%
France	32.734	30.765	31.192	27.994	25.319	-9,6%
Italy and Malta	105.916	105.900	116.696	113.668	105.916	-6,8%
Balkans, Greece, and Cyprus	42.396	47.625	44.383	40.576	40.492	-0,2%
Romania and Bulgaria	62.728	72.679	83.492	70.186	66.646	-5,0%
Hungary, Croatia, Czechia, and Slovenia	52.192	54.032	54.847	44.713	43.648	-2,4%
EEA + UK	1.003.079	1.030.506	1.078.906	965.929	917.515	-5,0%
Eurasia*	138.940	140.813	156.281	133.922	189.364	41,4%
Türkiye	162.153	179.485	182.064	198.027	214.673	8,4%
Grand Total	1.304.172	1.350.804	1.417.251	1.297.878	1.321.552	1,8%

*Ukraine, Belarus, Russia, Kazakhstan, Uzbekistan

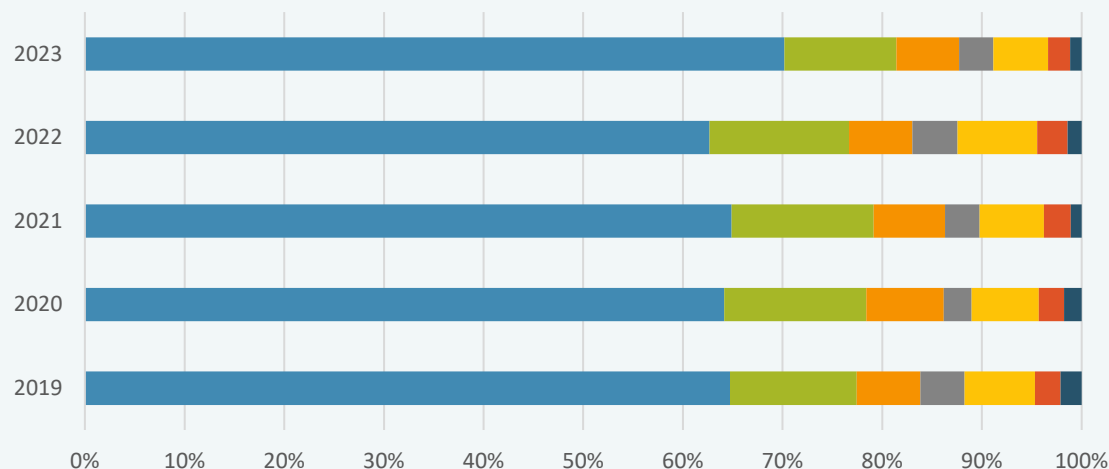
Polyether Slabstock Production Wider Europe (t)



Polyether Slabstock Production 2023

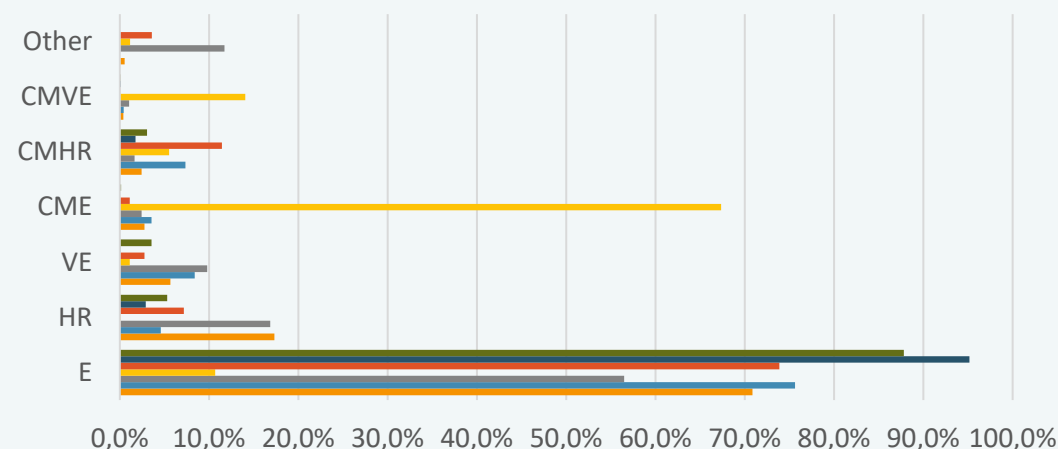
(EUROPUR MEMBERS ONLY DATA)

POLYETHER PRODUCTION BY TYPE (%) 2019-2023



	2019	2020	2021	2022	2023
E	64,7%	64,2%	64,9%	62,7%	70,2%
HR	12,7%	14,2%	14,2%	14,0%	11,2%
VE	6,4%	7,8%	7,2%	6,4%	6,3%
Other	4,4%	2,8%	3,5%	4,5%	3,4%
CME	7,1%	6,8%	6,5%	8,0%	5,5%
CMHR	2,5%	2,5%	2,7%	3,1%	2,2%
CMVE	2,1%	1,8%	1,1%	1,4%	1,1%

POLYETHER PRODUCTION BY TYPE BY REGION FY 2023



	E	HR	VE	CME	CMHR	CMVE	Other
Turkey	88%	5%	4%	0%	3%	0%	0%
Eurasia	95%	3%	0%	0%	2%	0%	0%
Iberia	74%	7%	3%	1%	11%	0%	4%
UK and Ireland	10,7%	0,1%	1,1%	67,4%	5,5%	14,1%	1,2%
West Europe	56,5%	16,9%	9,8%	2,4%	1,7%	1,0%	11,7%
Italy	75,6%	4,6%	8,4%	3,6%	7,4%	0,5%	0,0%
East Europe	70,8%	17,3%	5,7%	2,8%	2,4%	0,4%	0,5%

Main Downstream Markets Distribution

(EUROPUR Members only)

- This year we asked members to share with us where their flexible PU foam is used
- The results are representing answers from 40 companies (64 slabstock PU foam plants)

50%



Bedding

35%



Upholstered
Furniture

5%



Automotive

2%



Other
Transport

8%



Other Applications

- More details will follow in the full Market Report FY 2023, planned to be shared in August 2024

EU Mattresses Market

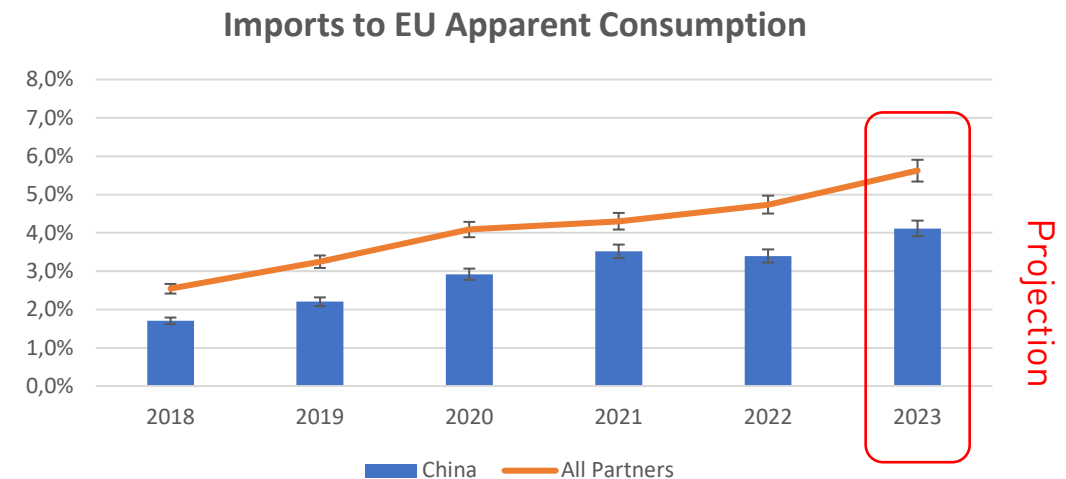
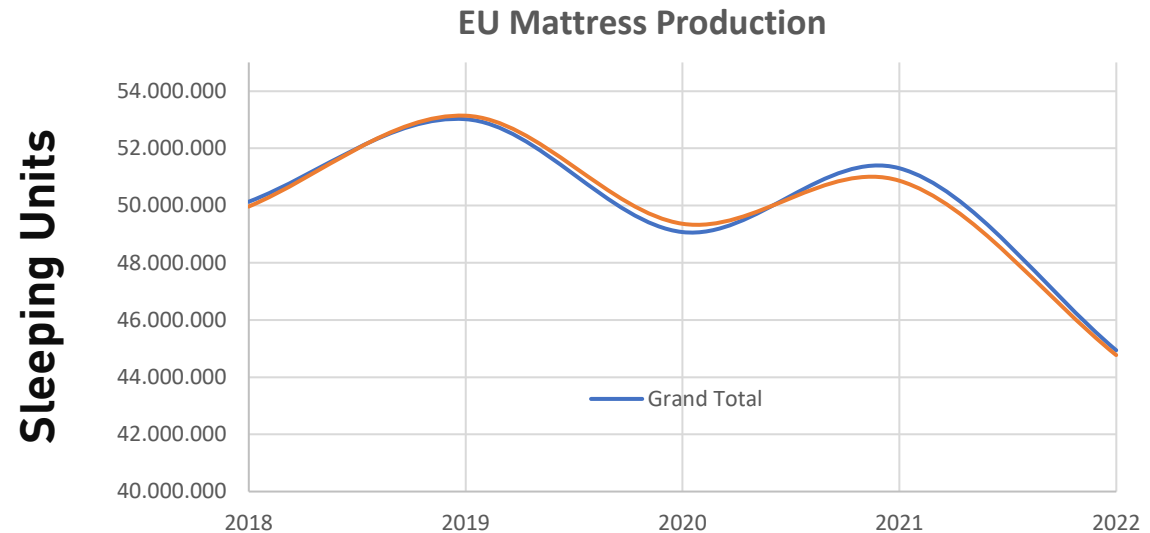
93% of trade occurs within the EU region

In value, 8% of the production is exported

Total value of exports in 2023 was €625 million of which 25% is to Switzerland.

In value, 6.0% of the consumption is imported

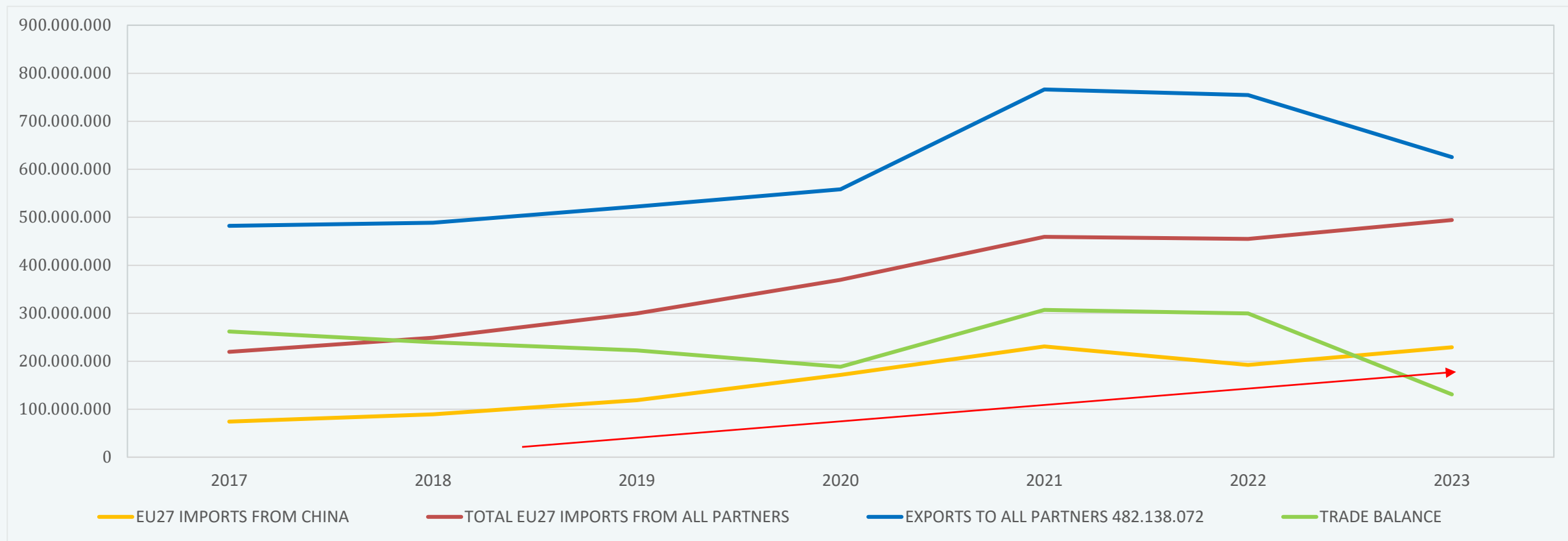
* For calculations on apparent consumption, assumption on imported mattress (15kg), for exported (20kg).



Source: COMTRADE; EUROPUR Calculations

Imports, Exports and Trade Balance to and from EU27, **Value** (EUR) (940429-940421)

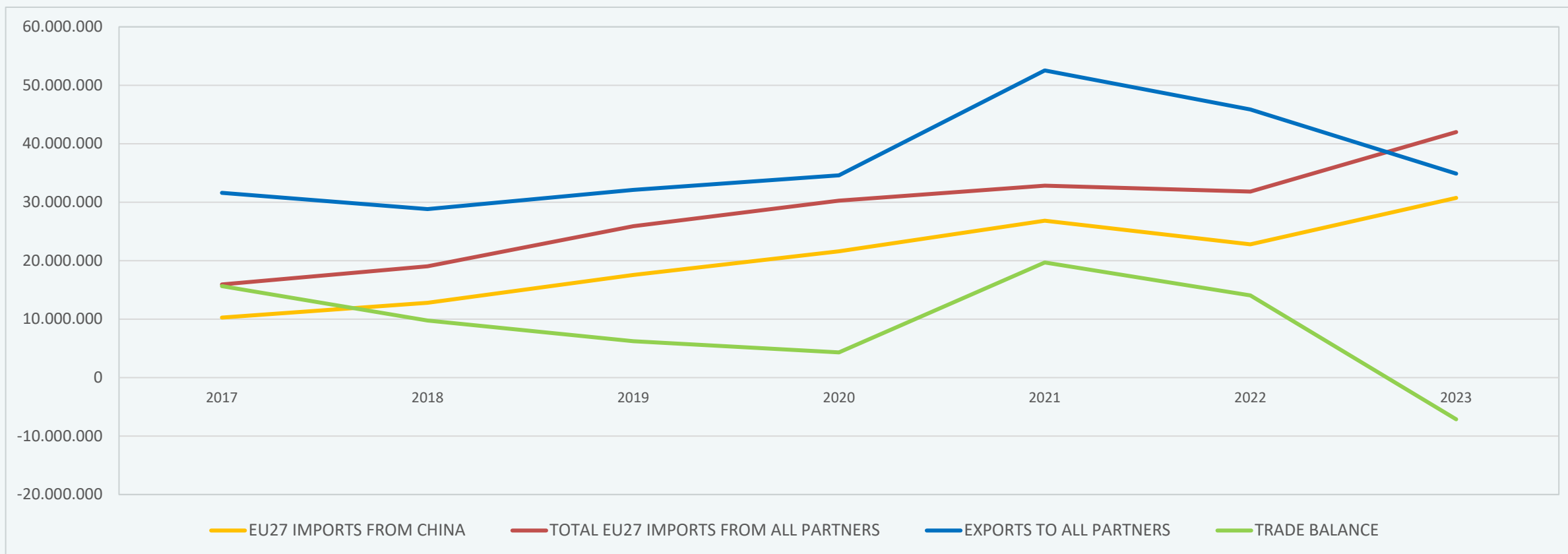
Chinese Imports/Exports – All Mattresses



YEAR	2017	2018	2019	2020	2021	2022	2023
% of CN imports to TOTAL EU imports	33,8%	35,9%	39,6%	46,4%	50,2%	42,3%	46,4%
% of CN imports to WIDER EUROPE imports (UN COM)	22,4%	24,7%	28,1%	29,0%	31,2%	27,4%	XX
TRADE BALANCE of EU	262.250.351	239.633.923	222.508.944	188.522.661	306.892.466	299.805.401	131.113.713

Imports, Exports and Trade Balance to and from EU27, **Quantity** (Kg) [940421]

Chinese Imports/Exports – Cellular Rubber or Plastics



YEAR	2017	2018	2019	2020	2021	2022	2023
% of CN imports to TOTAL EU imports	64,5%	67,2%	67,9%	71,4%	81,8%	71,7%	73,2%
% of CN imports to WIDER EUROPE imports (UN COM)	No valid info						
TRADE BALANCE of EU	15.656.515	9.753.012	6.215.669	4.327.881	19.696.347	14.070.007	-7.118.904

Slabstock PU Foam Industry in Türkiye

- Largest flexible PU foam industry in Europe in terms of number of foam plants
 - 29 continuous lines operated by 25 different companies (to the best of our knowledge)
 - Production ranges from 100 t to 25,000 t of slabstock per year
- Became the **largest slabstock PU foam-producing region by volume** in wider Europe in 2023
- EUROPUR members collectively account for ca 70% of local production



Source: EURORUR (2022)

The main end-use markets for flexible slabstock are upholstered furniture, mattresses, footwear, clothing and the automotive industry. Buoyant demand for trim foam for stuffing pillows, cushions, furniture and toys, as well as for high-density rebounded foams and use as a lightweight packaging material.

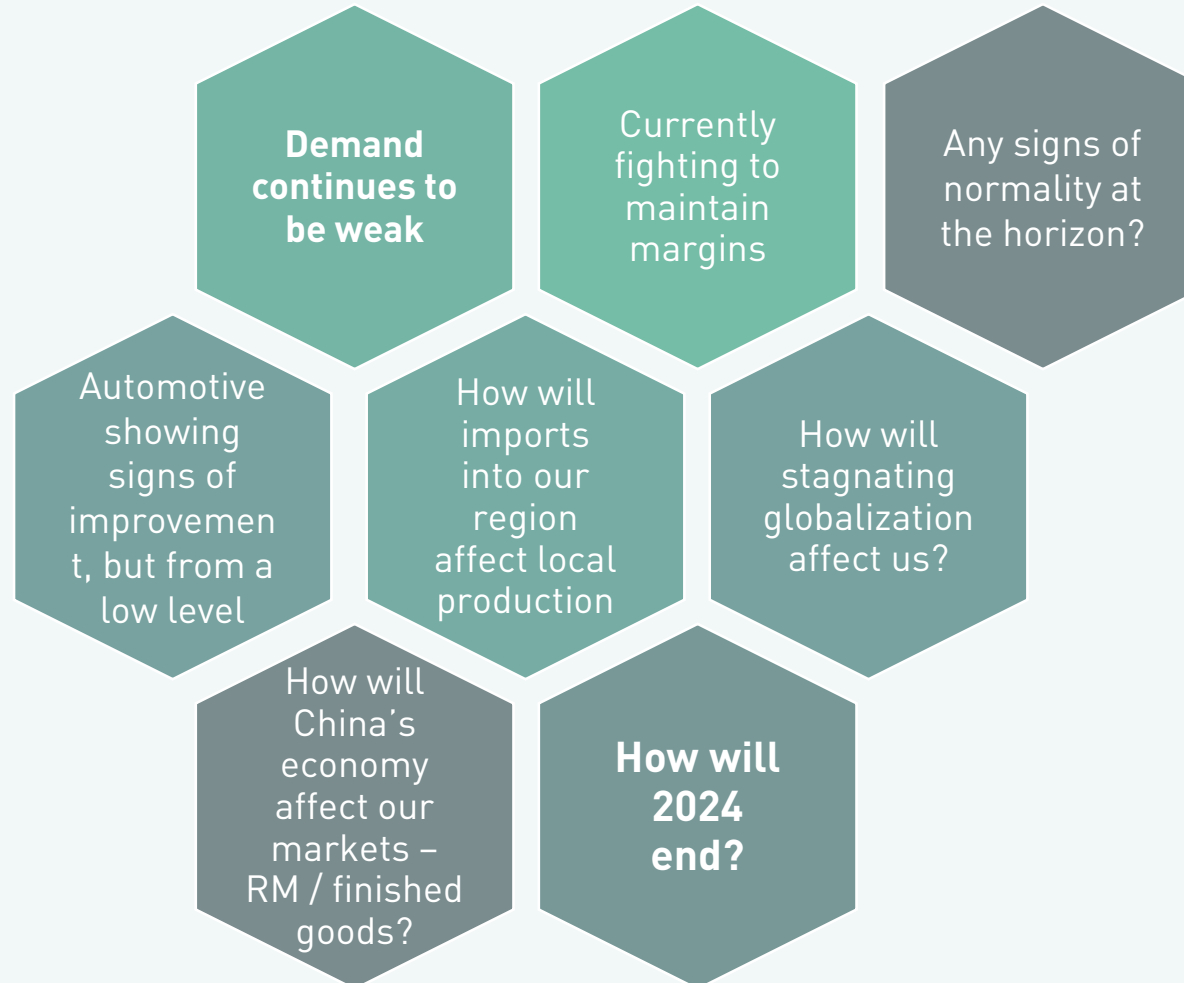
Polyether Slabstock Industry **in Türkiye** in 2023

Again in 2023 another significant **increase in production of 8,4%**

- Strong performance driven by high demand for comfort goods – e.g. earthquake support.
- Exports to the EU rose slightly but exports to the Middle East and northern Africa increased again.
- Exports to the United States fell by over 90% due to the anti-dumping tariffs.
- The availability of chemical raw materials for foam was significantly better in Türkiye than in other countries, with imports of TDI increasing by up to 7.1% in 2023 vs 2022.
- View 2024 – lower growth driven by local credit squeeze, inflation & logistic issues.

Country	2019	2020	2021	2022	2023	% AAGR (2022/2023)
Türkiye	162.153	179.485	182.064	198.027	214.673	8,4

2024 – After some challenging years - **What now ?**



Thank you for your attention!



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