

Housekeeping

Please keep microphones on mute

Please initially use the chat to make comments and questions, the chair will then invite you to unmute and ask the question.

TOPICS / QUESTIONS

➤ **Current market direction**

Service concerns and cost expectations

The transition out of lockdown as the world reopens

➤ **Coronavirus Pandemic & Brexit**

Impact and residual effects

➤ **The current materials supply chain**

Materials supply & cost management in the entire supply chain

➤ **Future views - confidence in price and service stability**

How do we address future demands?

Present innovation in service, innovation and bespoke solutions which deliver:

VFM and sustained cost savings,

Technical procurement expertise & support,

Risk management & mitigation

Close CRM & SRM.

➤ **Business Resilience Group?**



Today's Panel

Jeff Edginton - Materials Solutions Manager – Fusion21

Karen Thody – Director - Cammerons

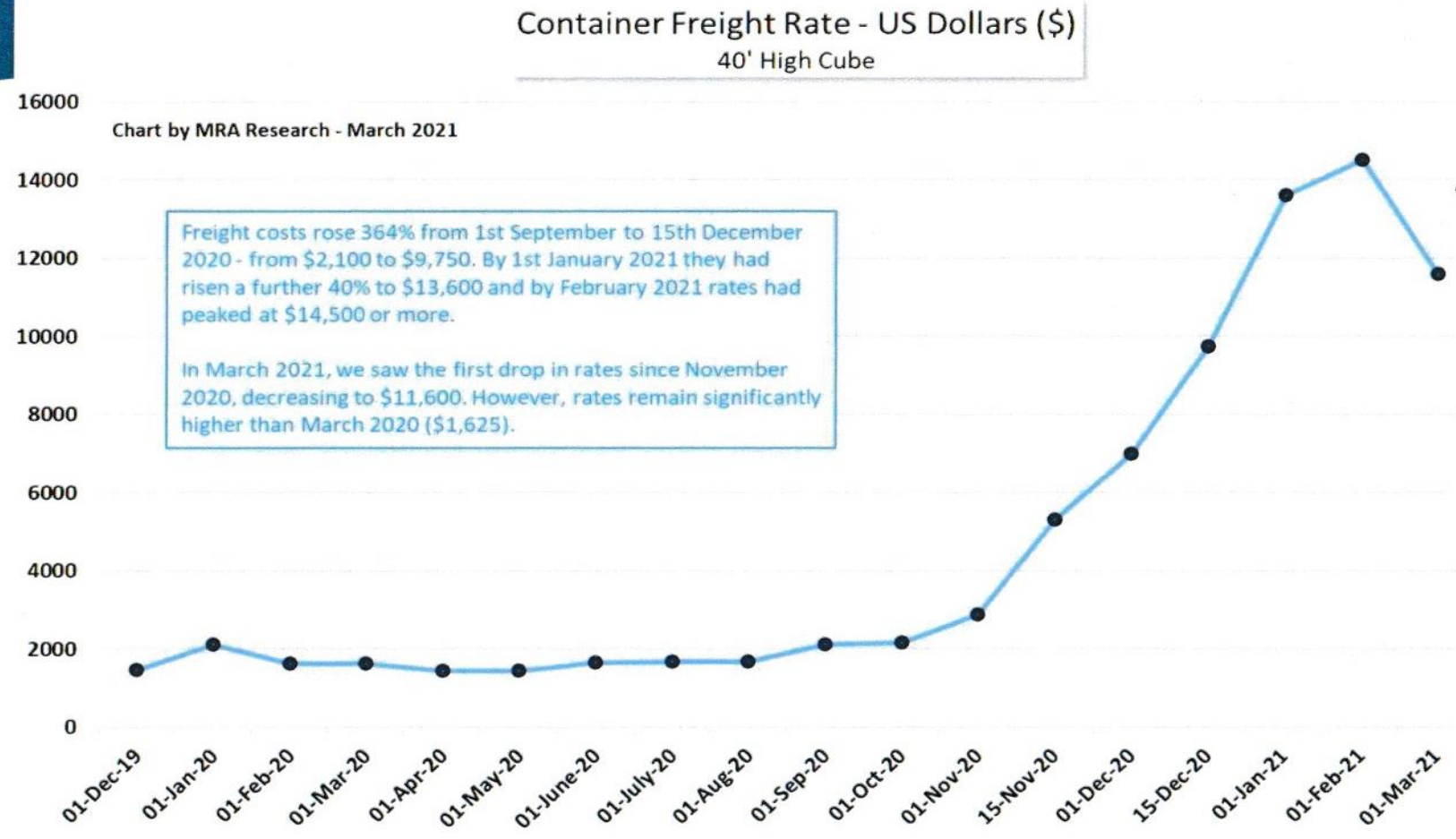
The current materials supply chain & Market Conditions



Product Availability Issues

Product	Better/Same/Worse	Reason
Timber	Allocation/Same	World demand – battens and decking 2 worst affected areas
Particle Board (OSB/MDF/Chipboard)	Allocation/Worse	Production reduced by 20%
PIR Board	Allocation/Same	World MDI Component shortage
Plasterboard	Allocation/Better	National shortage, imports arriving from Poland/Spain
Some Landscaping products	Long Delivery/same	National demand. 2 days availability turned into 2 weeks
Roof Tiles	Long Delivery/Worse	National demand/No allocation system in place from manufacturers, forcing ghost orders to be placed, forcing some tiles out to 6 months delivery
Paints/varnishes	Worse	Impacted by force majeure, availability of raw materials causing issues in April/May
PVC/Resin	Worse	Serious supply constraints around polymers globally. 32 force majeure around Europe constraining supply. Market shortages will last until 2 nd half of 2021.
Screws/Fixings	Long delivery/Same	Import Issues
Sanitaryware	Long delivery/Same	Import Issues/ National demand

Ports/Container Issues



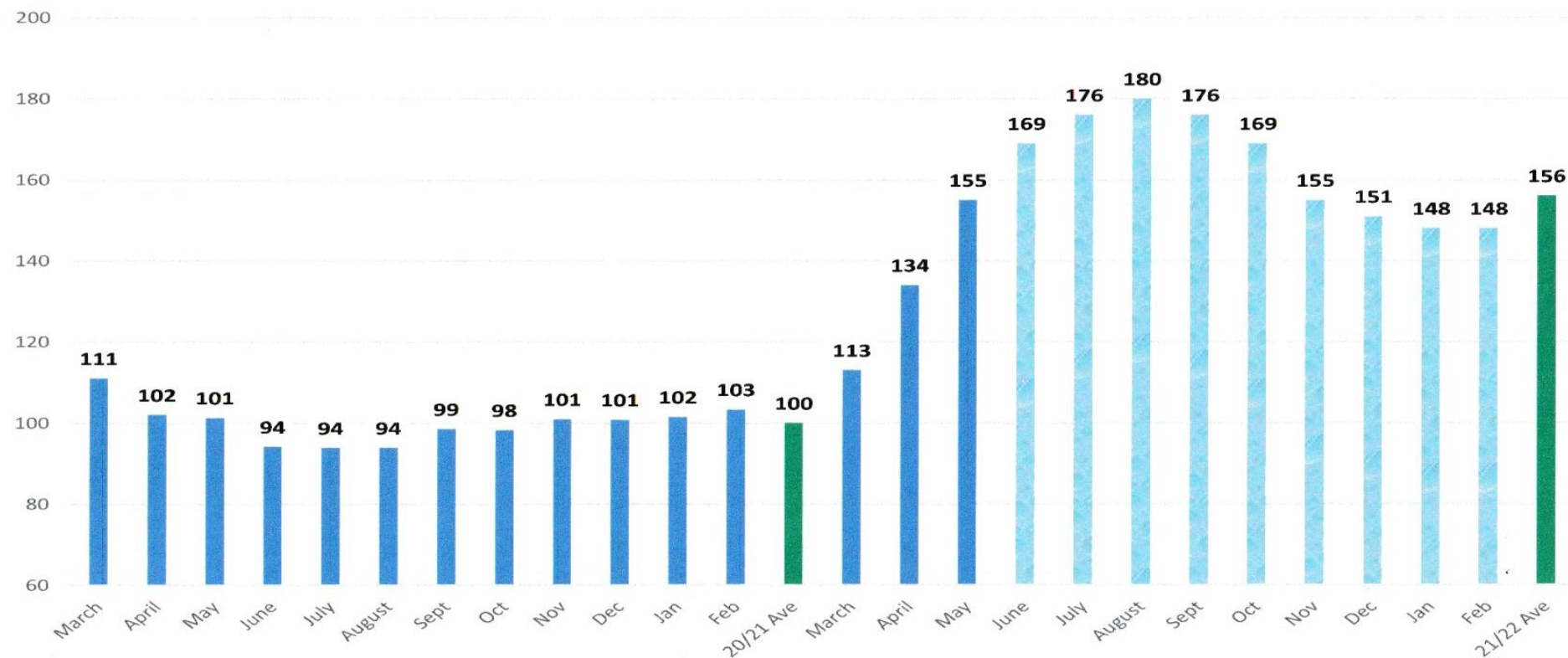
Jim Ratcliffe CEO - Ineos



- Polythelene (PE)
 - Demand remains strong across all applications
 - Industry supply restricted with European producers constrained on Ethylene
 - Imports from the US remain scarce
 - Spot spreads are top of the cycle and forecast to prevail into Q2 and beyond
 - Ramadan and Storm Uri expected to curtail imports from the Middle East and the US respectively
 - Shutdowns are also scheduled for EU producers in Q2
- Polypropylene (PP)
 - Lack of industry supply continues to raise tensions between suppliers and converters
 - Propylene shortages in Europe combined with producer reliability issues has left the market short
 - Converters fixated on securing supply at just about any cost
 - Prices and price spreads at 10-year high
 - Chinese and US markets are short, any surplus from Asian exporters likely to end up there
 - Market prices to prevail for 1H and into the start of 2H.

Forecast of HD Polyethylene prices

Raw Material price 20/21 and assumptions 2021/2



Questions and Comments



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Thank You



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