

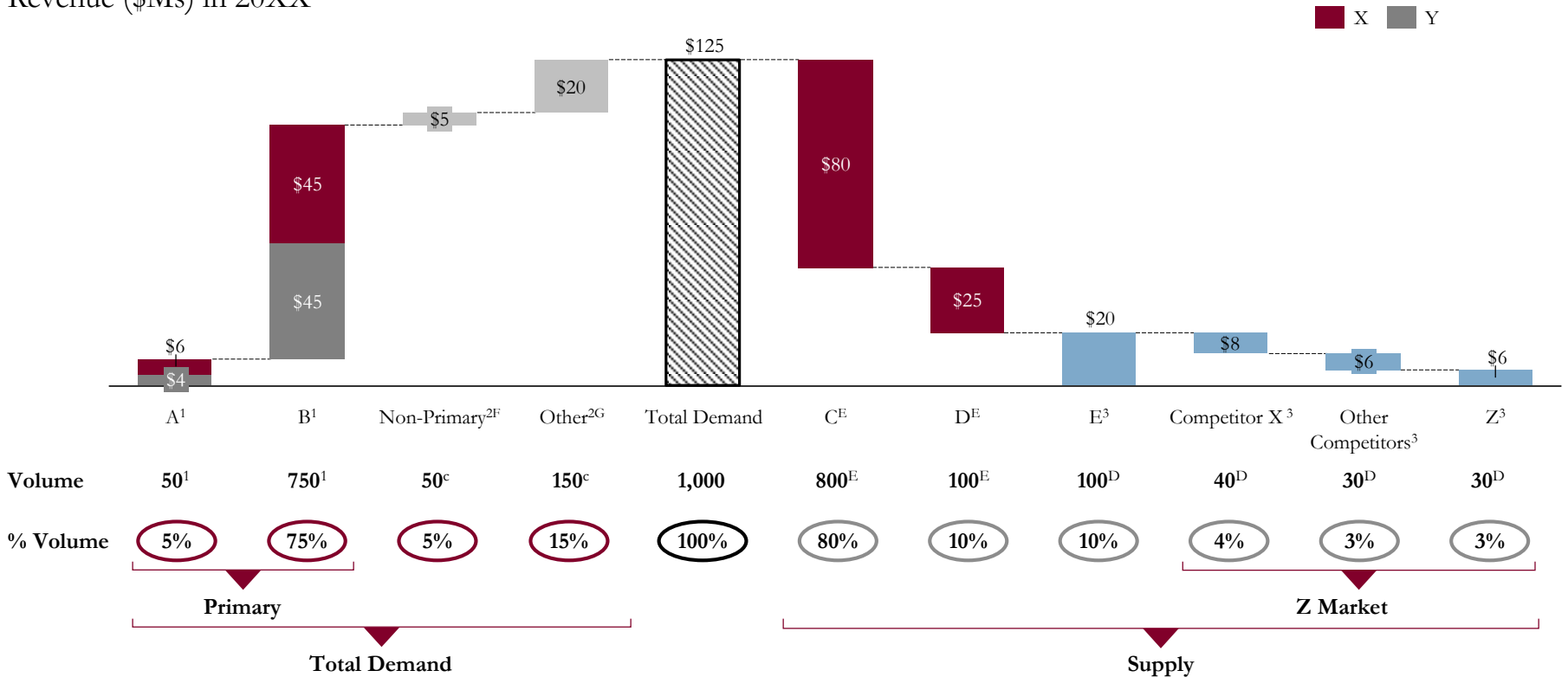


**Market Diagnostic:
Example Deliverable**

Maximizing Growth. Transforming Organizations. Unlocking Digital.

X and Y: Market overview

Revenue (\$Ms) in 20XX



Insights to consider

- The majority of Primary X and Y spend (90%) comes from B with the other 10% tied to A^B
- C captures the largest share of total revenue (64%) but notably less than its share of volume (80%) due to its lower average sales price per unit of volume
- D captures the second largest share of revenue with \$25M (20% of total revenue) followed by E which capture \$20M (16% of total revenue) with only 10% of the volume given the much higher sales price

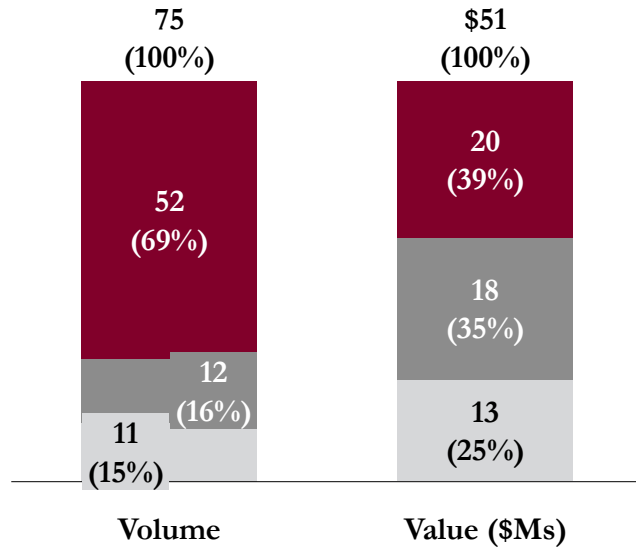
Source: (1) Source 1 (2) Source 2 (3) Source 3

Notes: (A) Note A (B) Note B (C) Note C (D) Note D (E) Note E (F) Note F (G) Note G

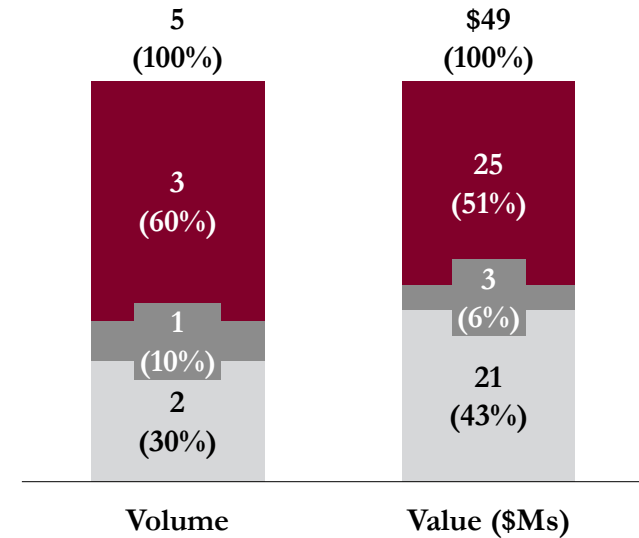
B capture a much larger share of Primary X volume and value than Y

■ A ■ B ■ Other^B

Primary X market breakdown (20XX^A)



Primary Y market breakdown (20XX^A)



Insights to consider

- In the Primary market, B captures more than a third of total X revenue (35%) but only 6% of Y revenue due to the commonly preferred features of other materials including X and X
- Y has less than 10% the volume of X (5 to 75) but captures almost half the market's value (49%) given Y's much higher average sales price per unit
- "Other" types are much more prevalent in Y than X, capturing almost 43% of total Y revenue given the distinctive features of these (e.g., X, Y, Z)^C

Source: (1) Source 1

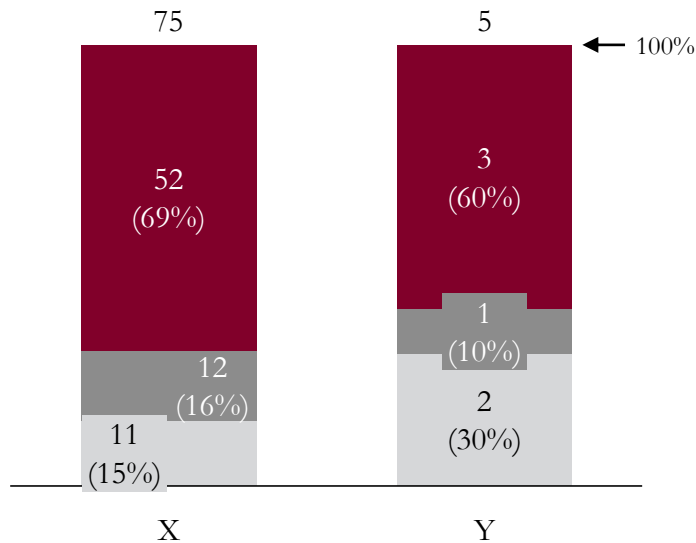
Notes: (A) Note A (B) Note B (C) Note C

Note: (i) Note i

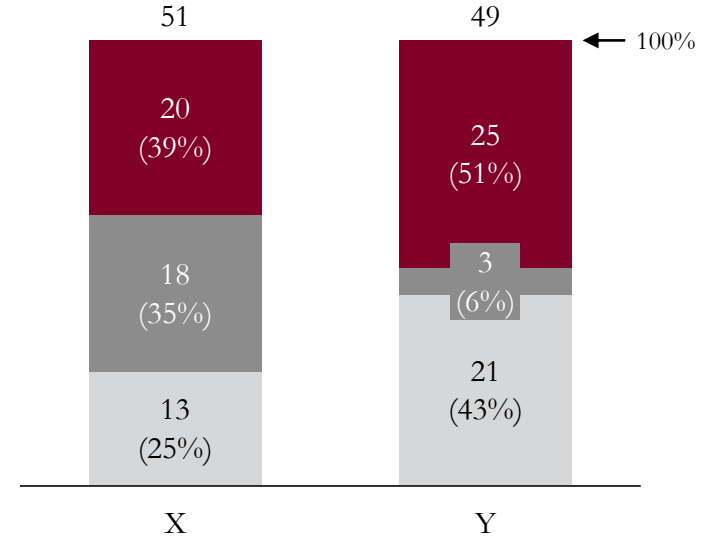
A dominates volume sales but barely captures a majority of value in either the X or Y market

■ A ■ B ■ Other^B

Volume breakdown (MMLF)^A



Value breakdown (\$Ms)^A



Insights to consider

- A has more than 60% of the market in volume terms for X and Y, providing alternatives (e.g., X) significant opportunity to grow
- B have gained 16% market share in X volume and 35% of value but remain marginal in Y (10% of volume) due to the relative appeal of others
- “Other” (e.g., X, Y, Z) has gained a strong foothold in Y with 30% market share and 43% of the value given its distinctive features and higher X

Source:(1) Source 1

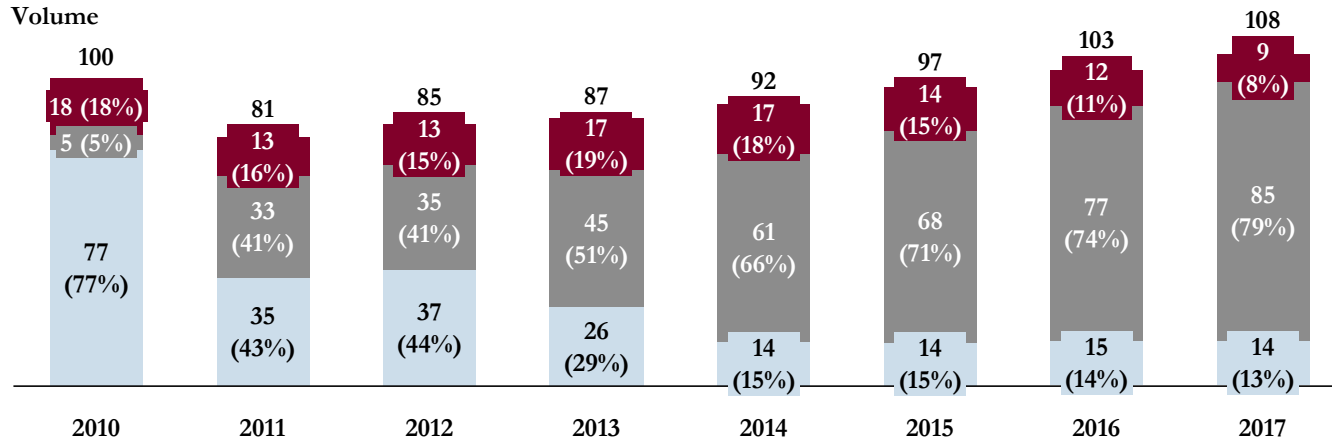
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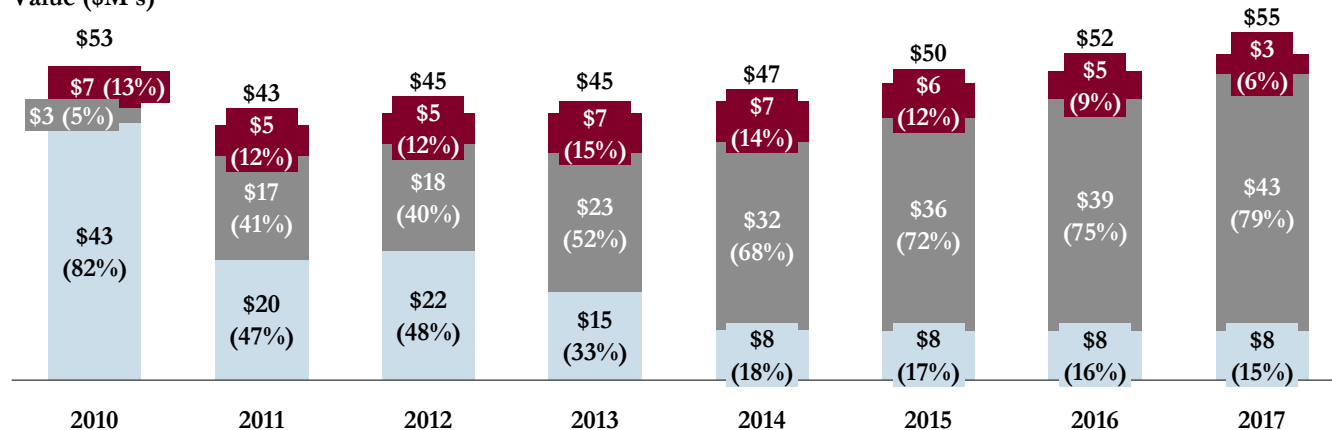
In recent years, the X market has seen a significant shift towards M with forecasts expecting the trend to continue

X projections 2010-2017 (X and Y)

Volume



Value (\$M's)^A



L
M
N

Insights to consider

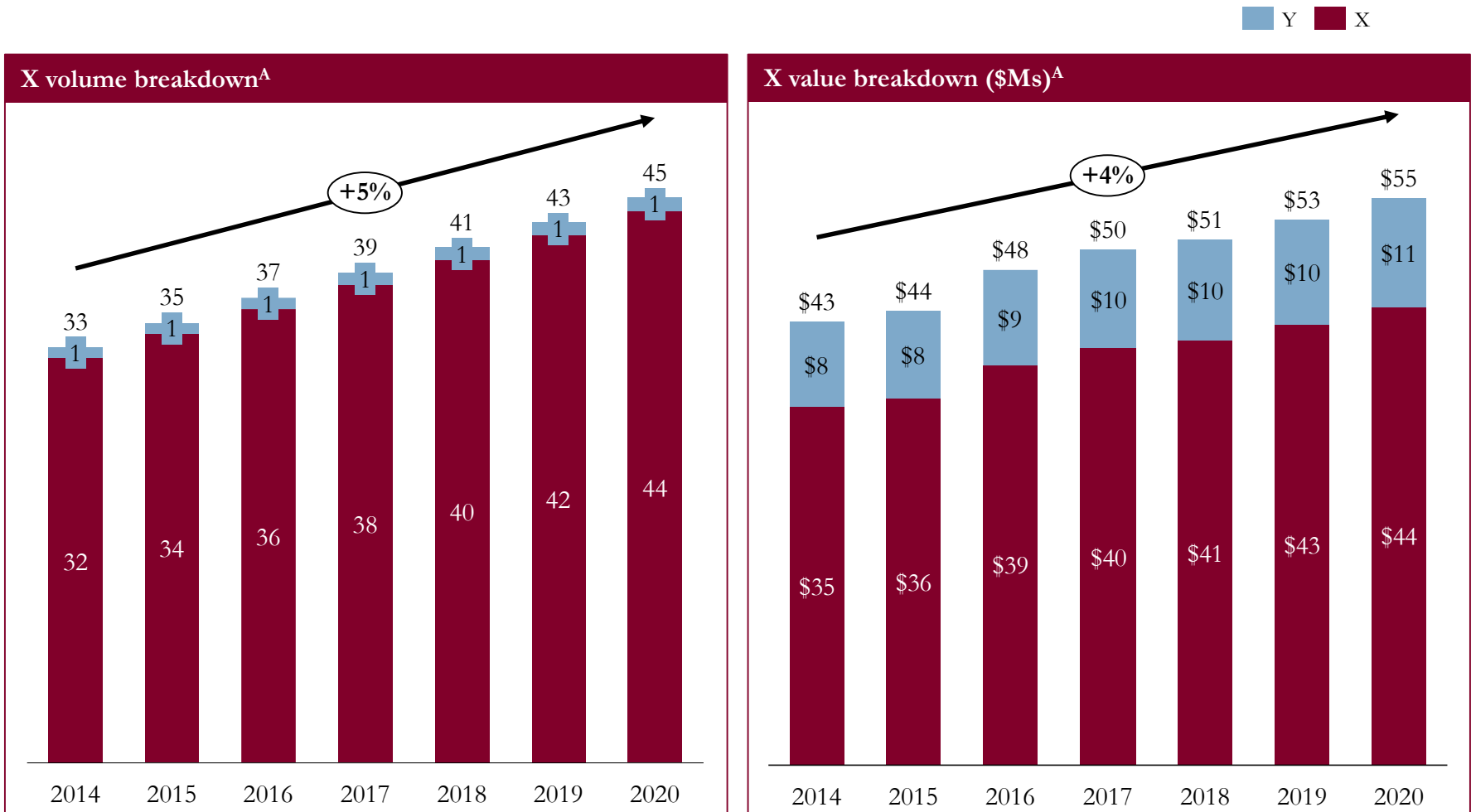
- M increased its percentage of X volume by 60% from 2010 to 2014 (5% to 66%)
- N has held a stable position in the market over recent years in both volume and value terms
- From 2014 to 2017, M is expected to grow more moderately at an 11% CAGR, limited by an already high market share

Source: (1) Source 1 (2) Source 2

Notes: (A) Note A (B) Note B

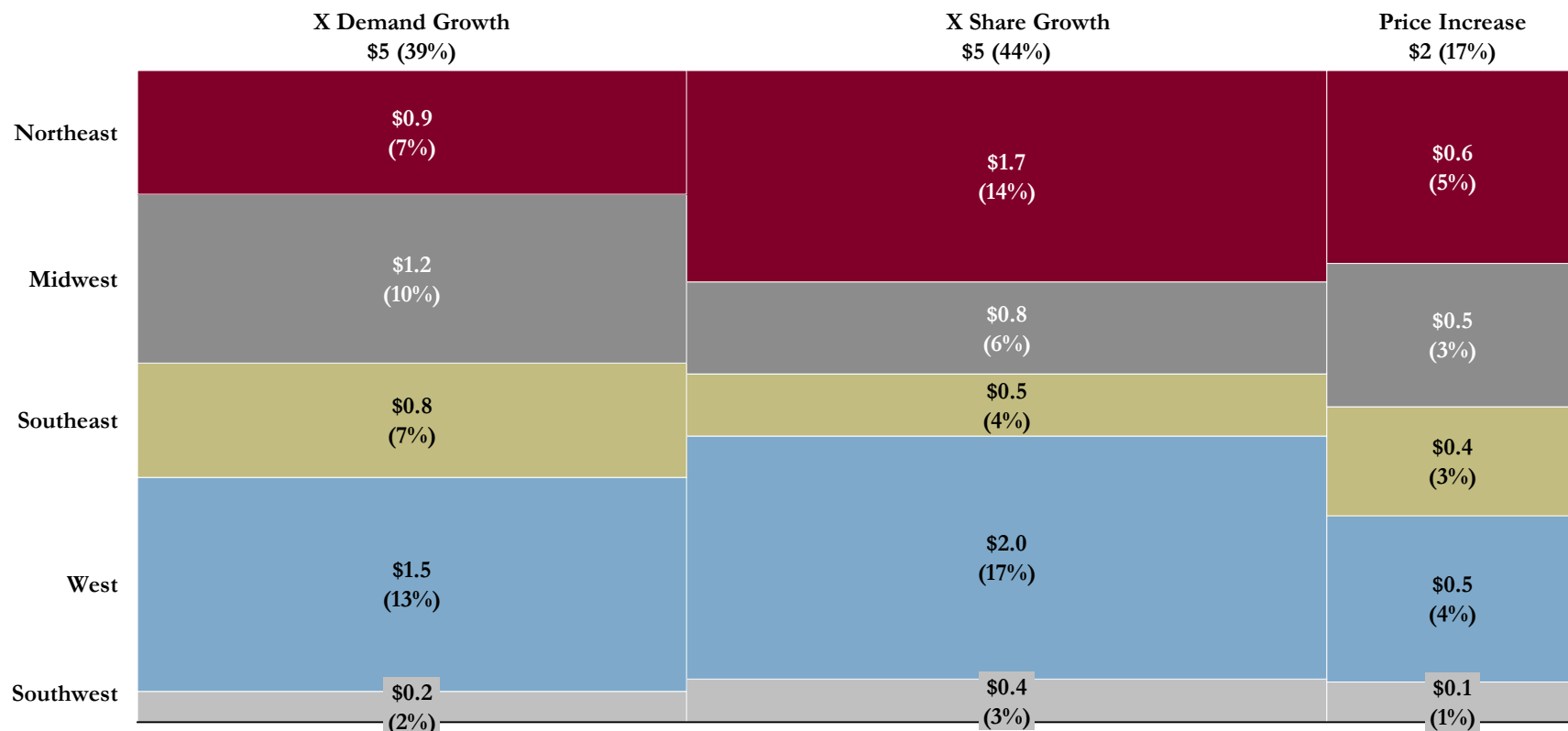
Note: (i) Note i

Over the next few years, X in the US Primary market are expected to see healthy volume and value growth



Source: (1) Source 1 (2) Source 2
 Notes: (A) Note A (i) Note i

X's growth in revenues can be broken down by regions and the three major drivers



Insights to consider

- The West contributes most to the increase in total revenue; with 34% of total growth, driven largely by demand growth (13%) and X share growth (17%)
- The Northeast represents the second highest regional contributor, driven largely by X share growth (14%)
- The Southwest makes the smallest contribution with only 6% of total

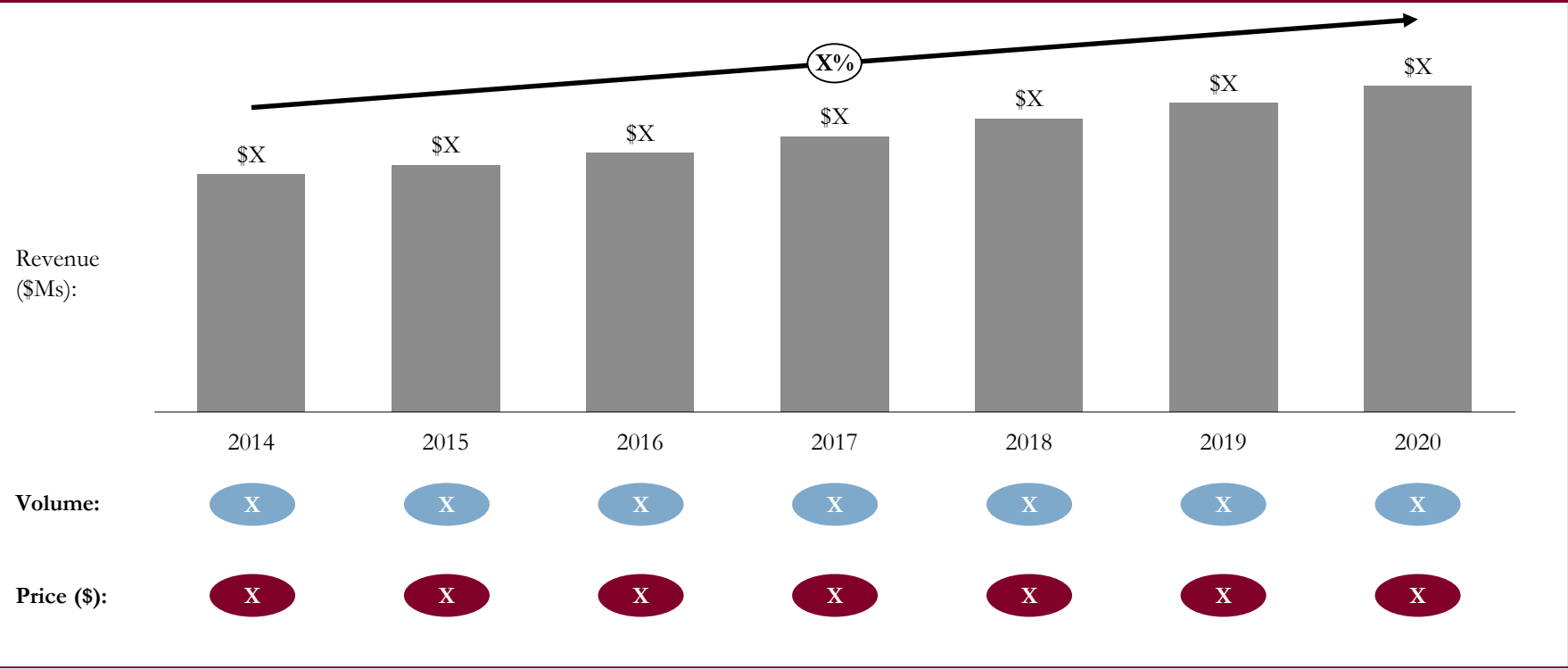
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Northeast: X demand by volume and value

Northeast X demand^A



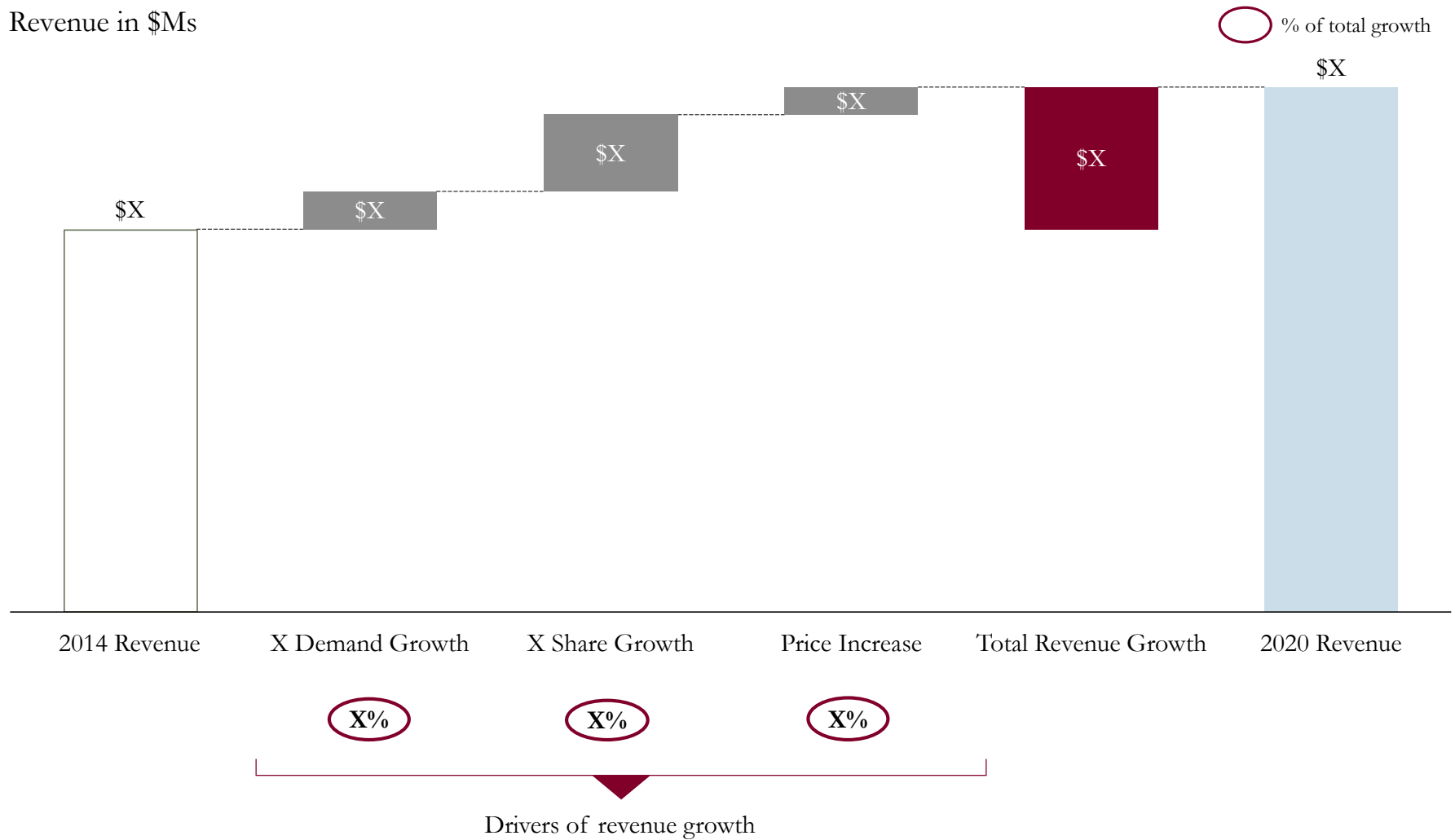
Insights to consider

- Overall sales are expected to increase \$XXM from \$XM to \$XM from 2014 to 2020 (CAGR of X%)
- The Northeast shows a moderate growth rate at X% but has the highest estimated 2020 total spend (\$XM) due to its already large market size
- The region sees significant X spending due to the combination of high X penetration and high X penetration of the X market due to the challenging climate (cold and wet) and relatively high incomes

Notes: (A) Note A
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Northeast: Decomposition of growth

Revenue in \$Ms

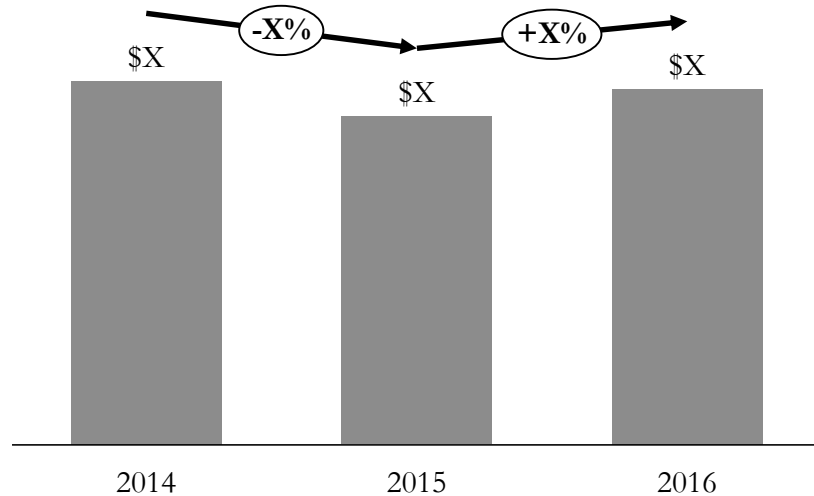


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Notes: (A) Note A

Northeast: X revenue performance versus regional market revenue performance, 2014 to 2016

X Revenue Estimate^A

Revenue in \$Ms



Regional Market Revenue Estimate^B

Revenue in \$Ms

