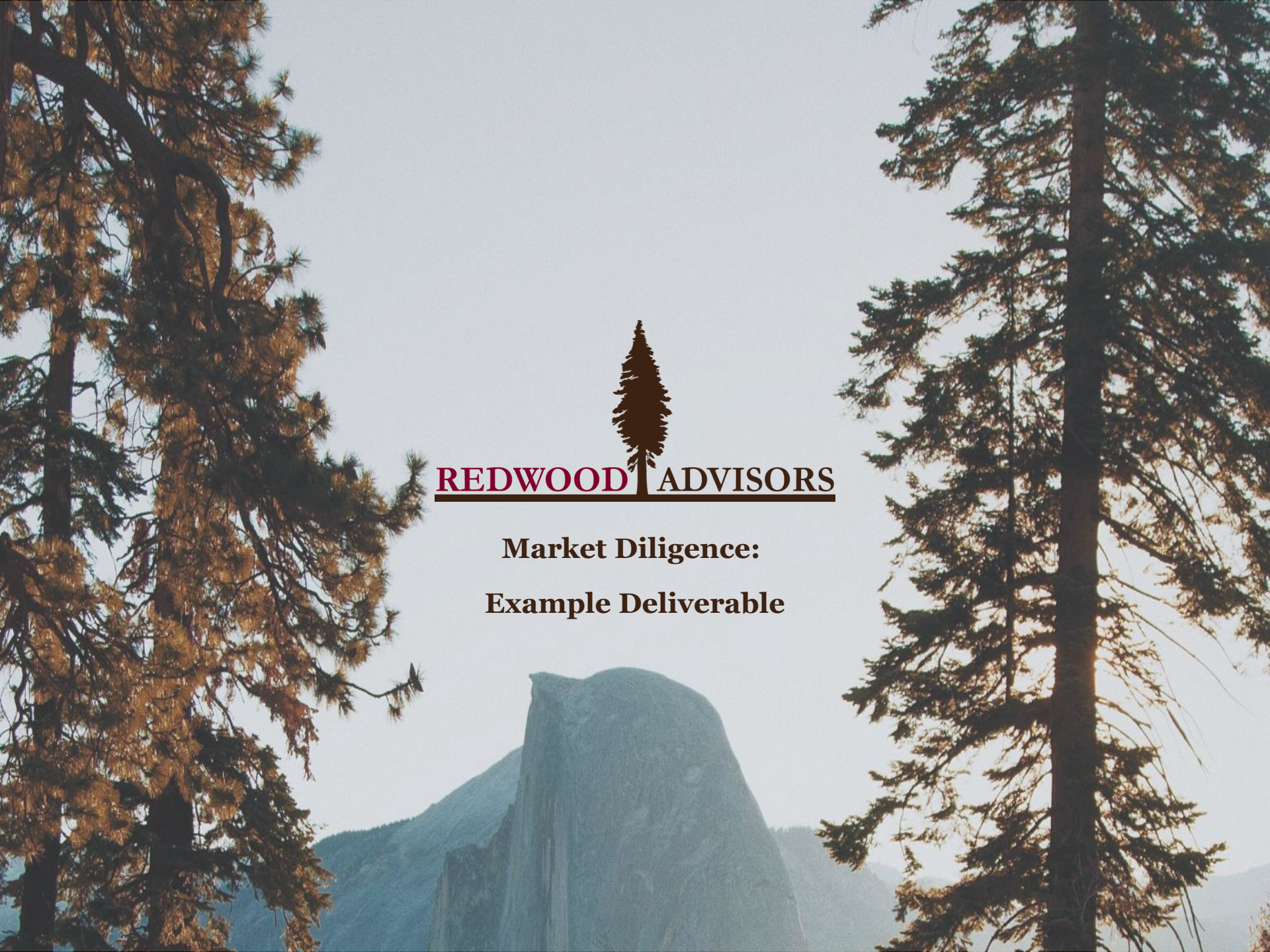

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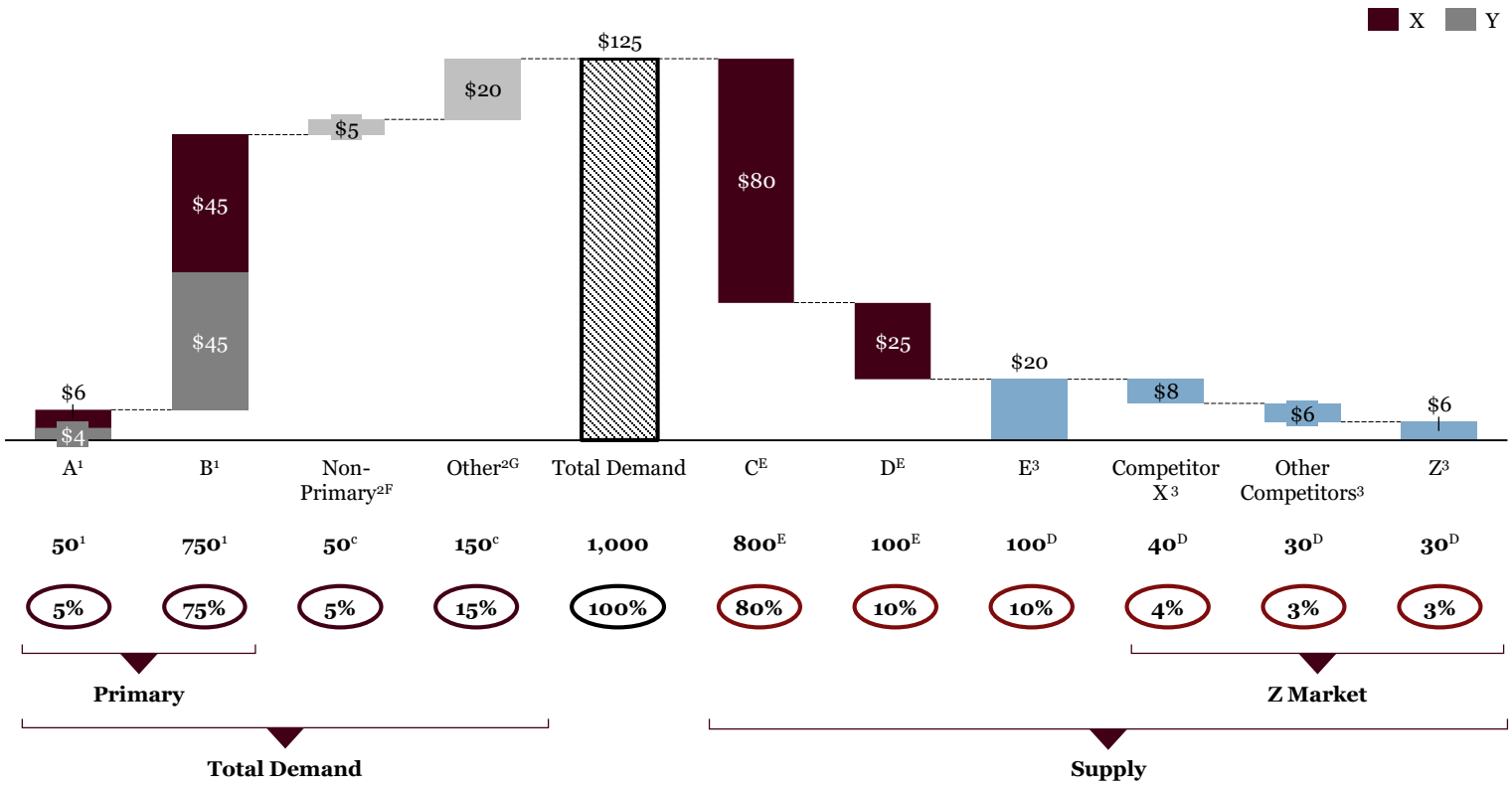
Market Diligence:

Example Deliverable

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

Notes: (A) Note A (B) Note B (C) Note C (D) Note D (E) Note E (F) Note F (G) Note G
Source: (1) Source 1 (2) Source 2 (3) Source 3

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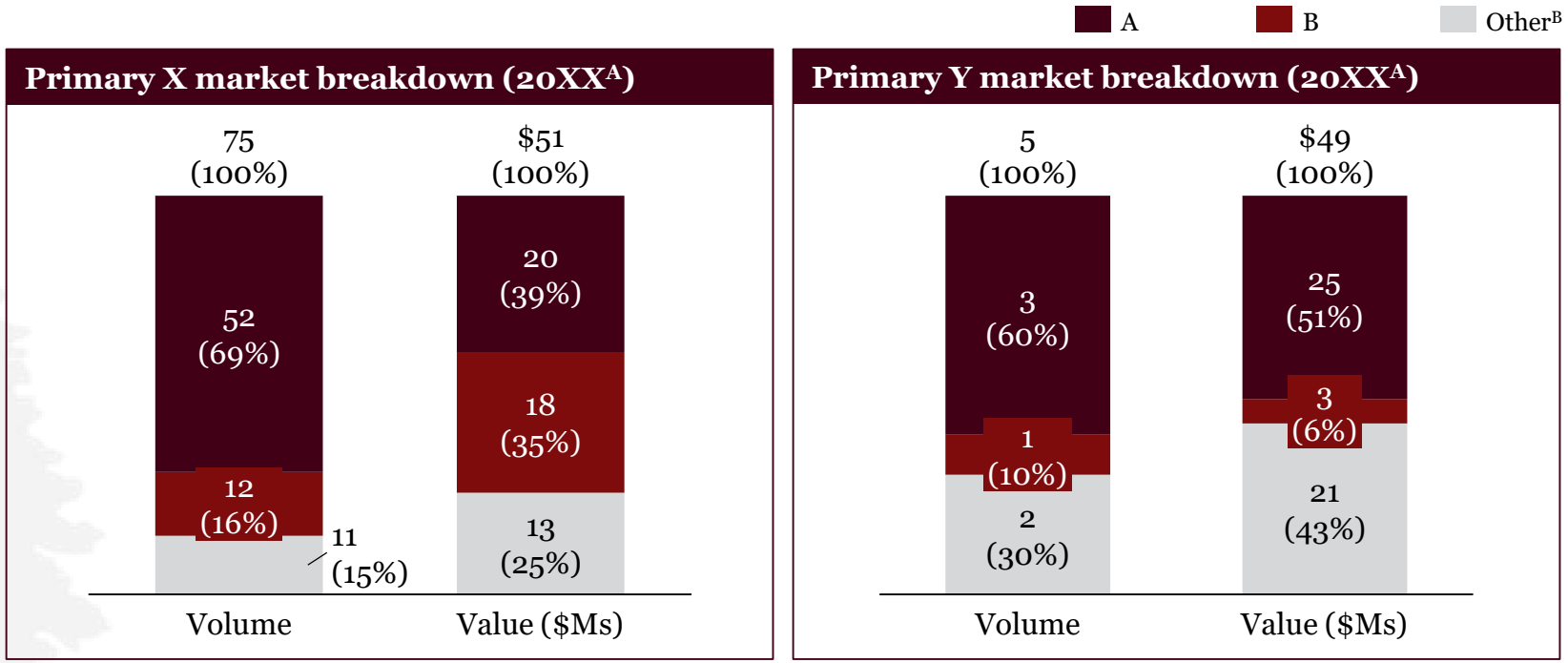
B capture a much larger share of Primary X volume and value than Y



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]

Note: (i) Note i
Notes: (A) Note A (B) Note B (C) Note C
Source: (1) Source 1

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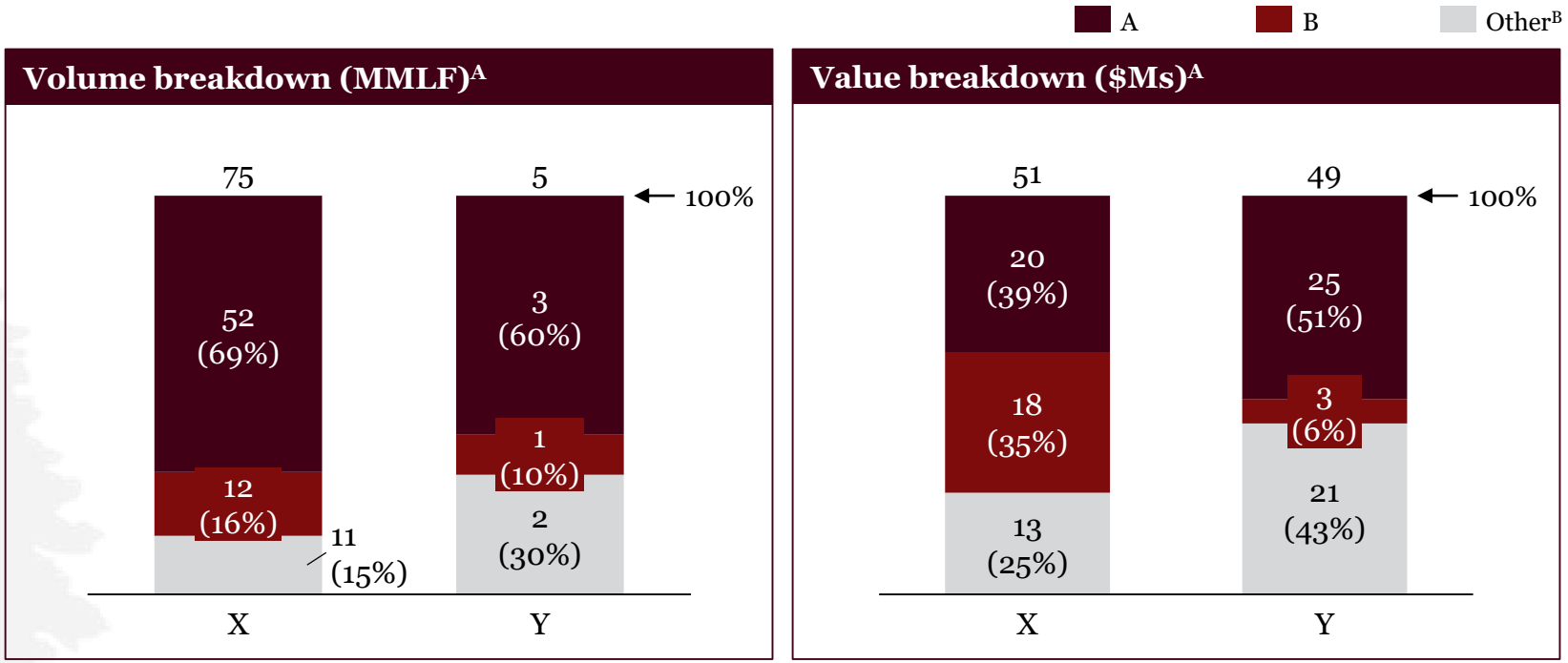
A dominates volume sales but barely captures a majority of value in either the X or Y market



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

Note: (i) Note i
Notes: (A) Note A (B) Note B (C) Note C
Source: (1) Source 1

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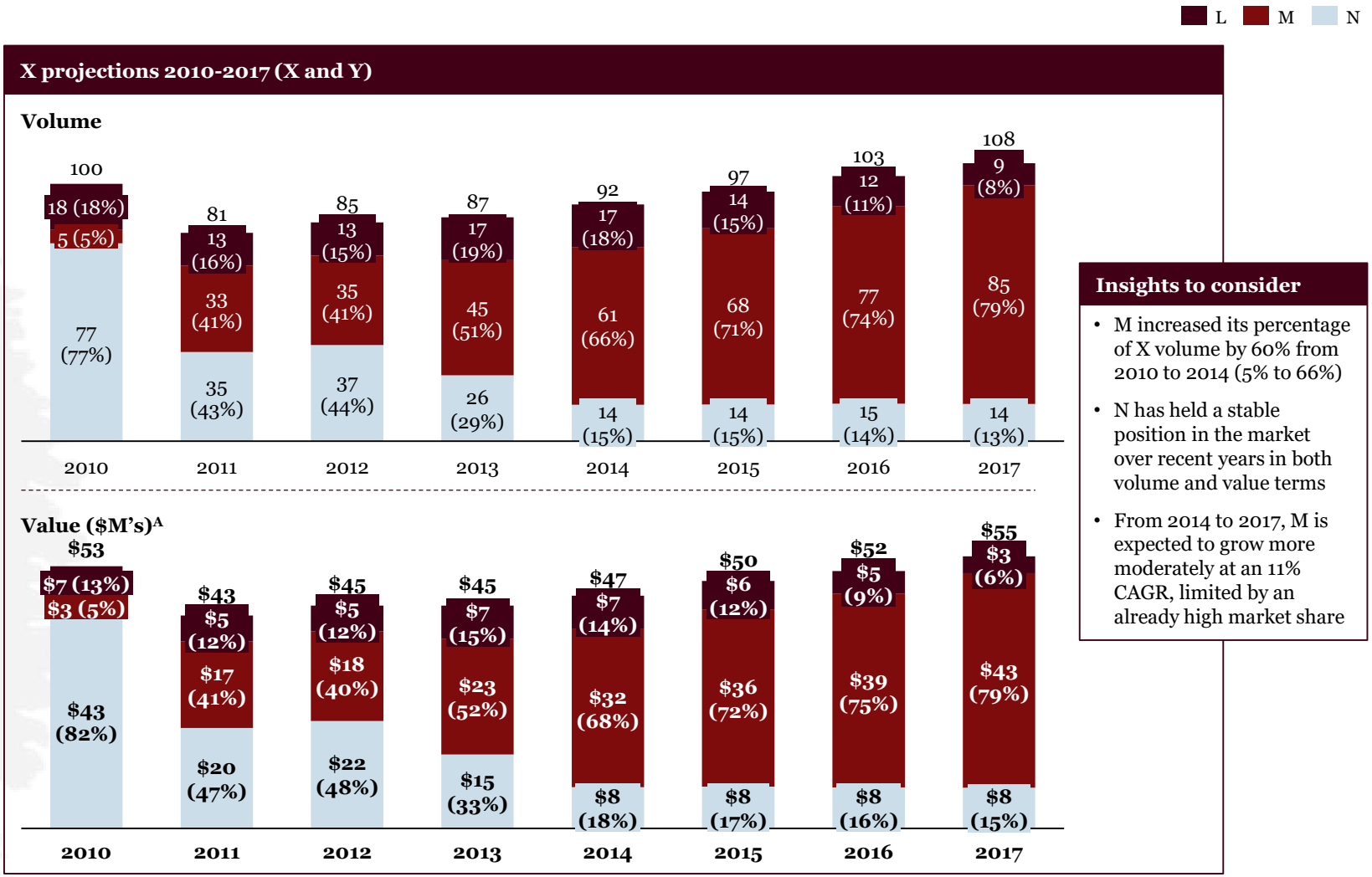
In recent years, the X market has seen a significant shift towards M with forecasts expecting the trend to continue

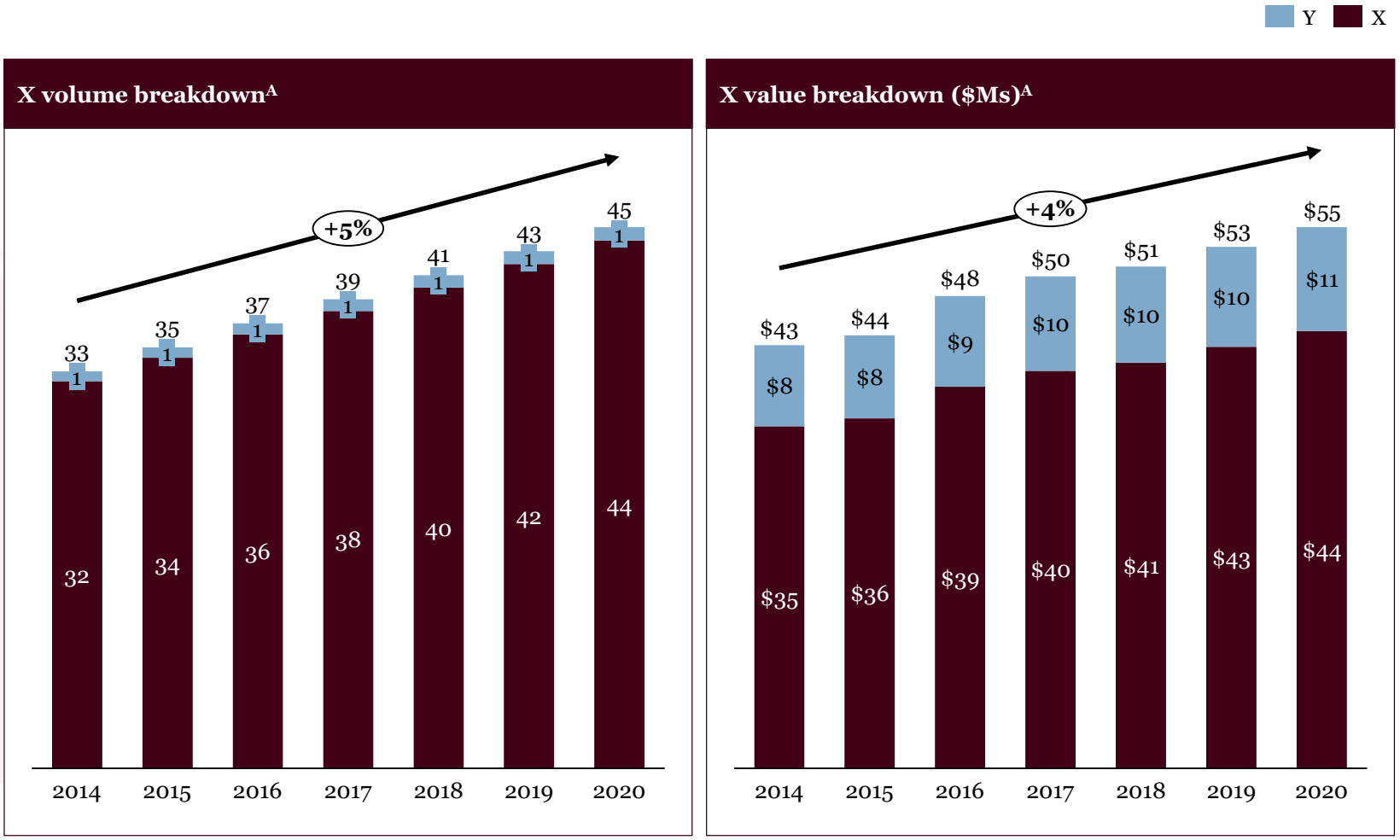


Insights to consider

- 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

Note: (i) Note i
Notes: (A) Note A (B) Note B (C) Note C
Source: (1) Source 1

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



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

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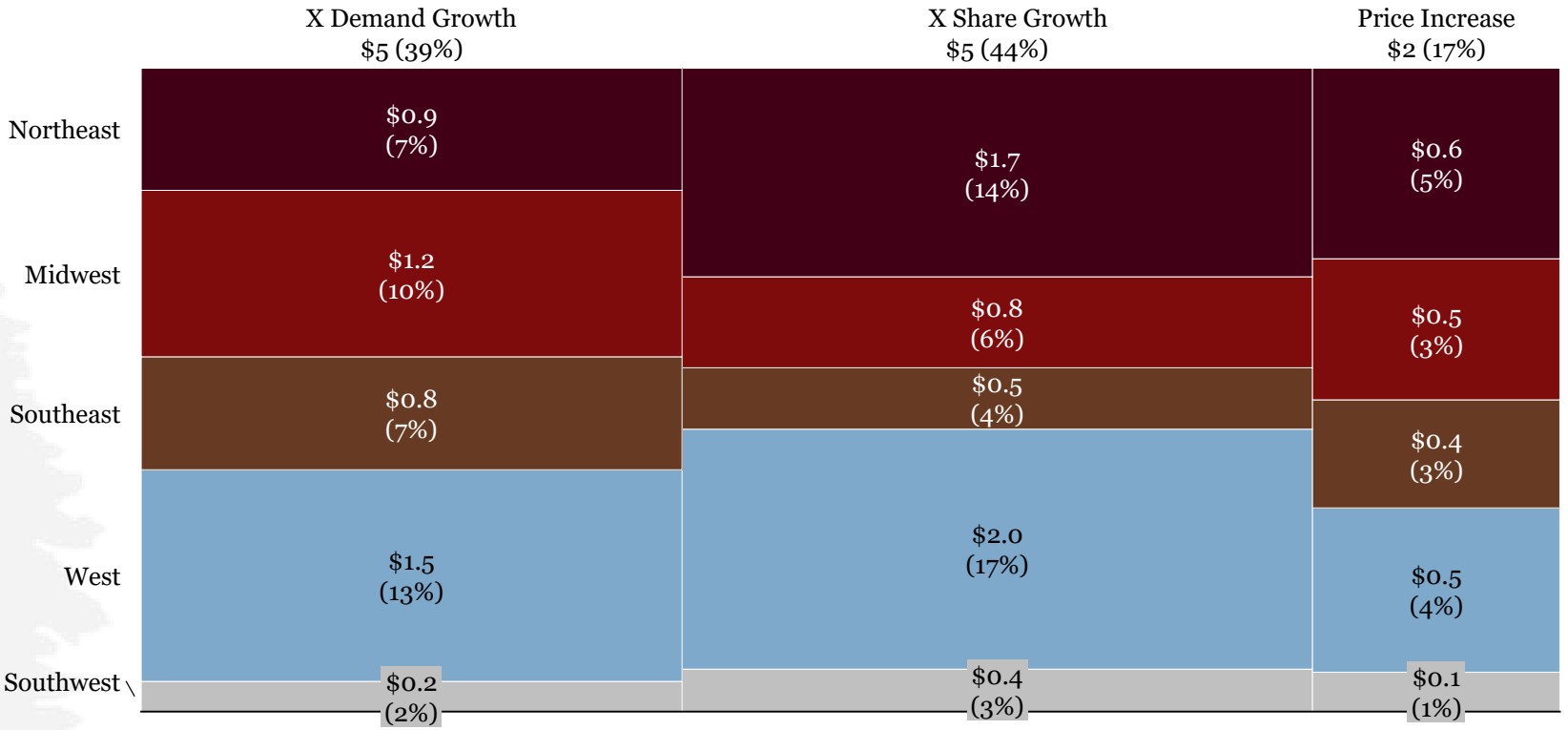
X's growth in revenues can be broken down by regions and the three major drivers



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

Note: (i) Note i
Notes: (A) Note A (B) Note B (C) Note C
Source: (1) Source 1

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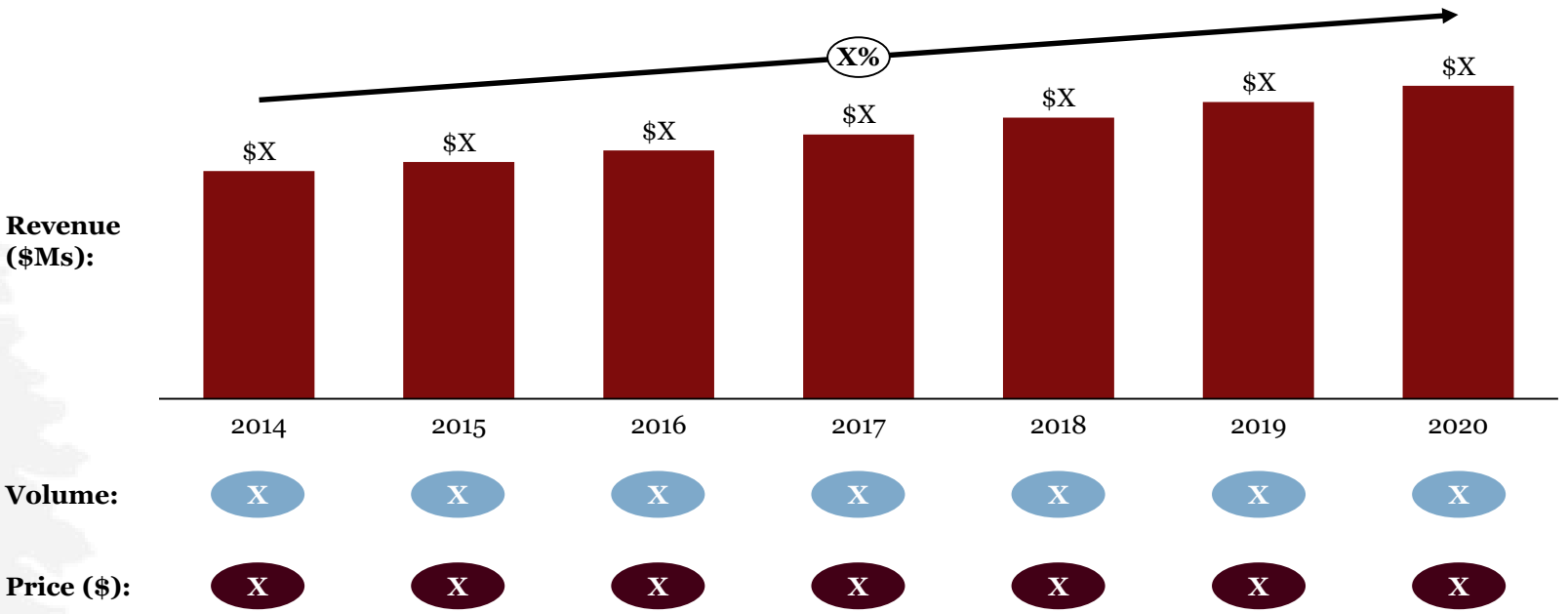
Northeast: X demand by volume and value

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

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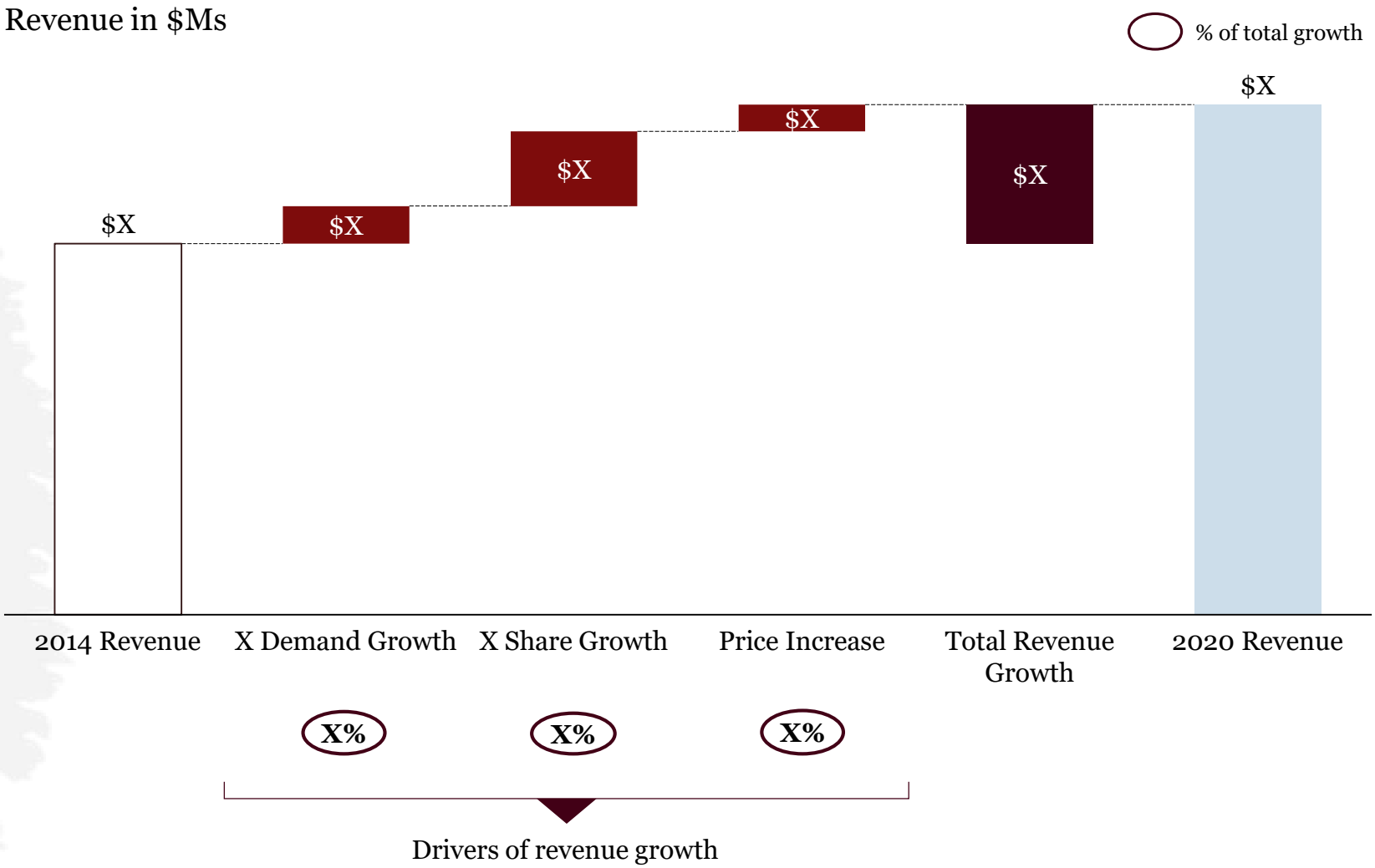
Northeast: Decomposition of growth



Notes: (A) Note A
Source: (1) Source 1 (2) Source 2 (3) Source 3

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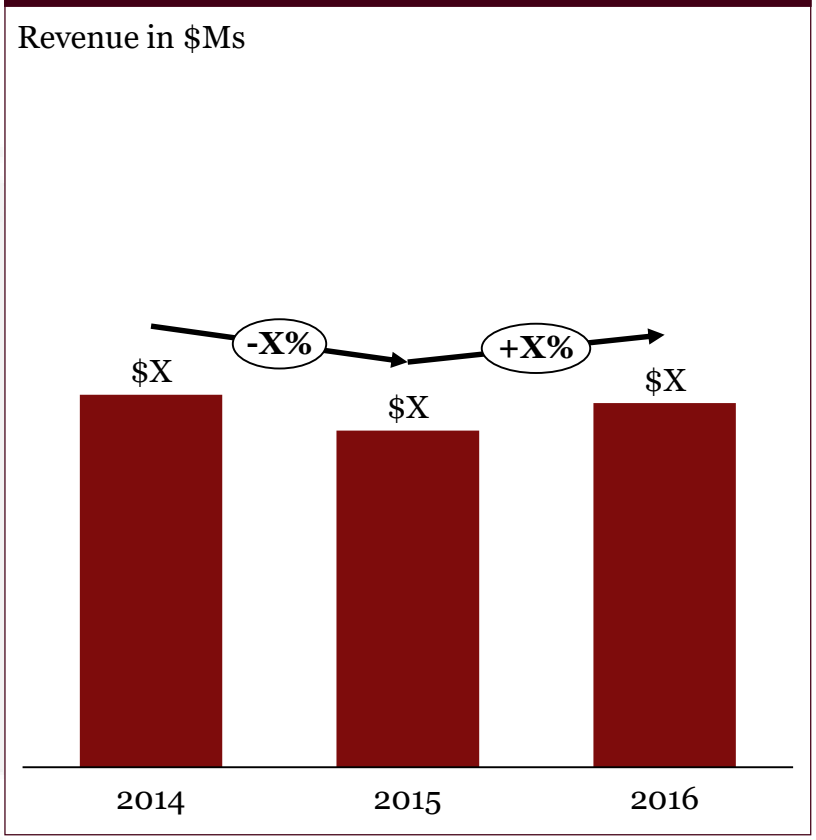
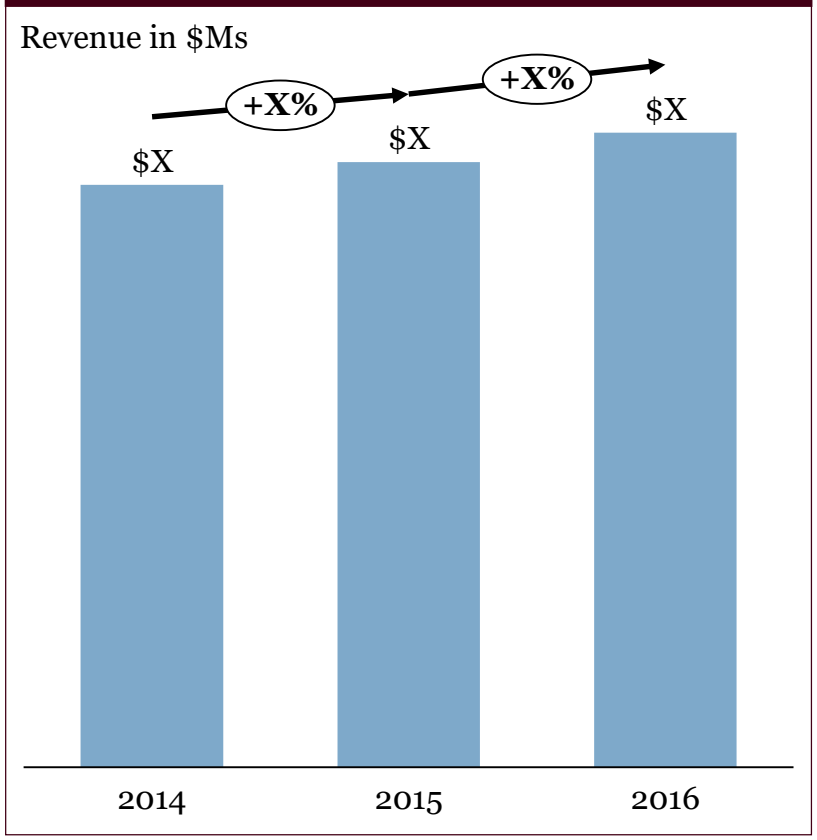
Northeast: X revenue performance versus regional market revenue performance, 2014 to 2016

X Revenue Estimate[A]



Regional Market Revenue Estimate[B]



Notes: (A) Note A (B) Note B
Sources: (1) Source 1 (2) Source 2 (3) Source 3 (4) Source 4

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