

## **PRESS RELEASE**

### **New Report - The Specialist Industrial Flooring Market** **UK 2006**

AMA Research have published the third edition of "**The Specialist Industrial Flooring Market Report UK 2006**". The report incorporates original research and provides a comprehensive and up-to-date review of the market – representing an invaluable aid to sales and marketing professionals involved in the industry.

The report analyses the market size, key trends, product mix, market shares and customers and distribution channels. Product areas covered in the report include Resin Flooring, Cement Based Systems, Anhydrite Systems.

In addition, market end use application areas, trends and issues are addressed, including food processing and storage, chemical processing and pharmaceuticals, manufacturing, hospitals and health, computer installations, distribution & warehousing.

Emphasis is given to both quantitative and qualitative assessments of market developments – with interpretation of relevant data to give support to the trends and to provide a basis for extrapolating future prospects. This 90+ page report is available now and is priced to give excellent value at £595.

#### **Editor's Note:**

Enclosed is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

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- It would be appreciated if a copy of the review could be forwarded to AMA.

## **SPECIALIST INDUSTRIAL FLOORING MARKET - UK 2006**

### **SUMMARY**

The **Specialist Industrial Flooring Market** consists of a discreet market of suppliers and contractors covering construction and refurbishment applications. In volume terms, the market is estimated at approximately 5 million m<sup>2</sup> in total, and is part of a much wider ready mixed flooring and screed market. The market is worth an estimated £135m in 2005, though this includes both material and installation. Recent growth rates have been relatively buoyant, as illustrated below.

<b><u>Industrial Floorings Market - Product And Application– 2001-2010</u></b> <b><u>By Value (£ Million At MSP)</u></b>		
<b>Year</b>	<b>Value (£m MSP)</b>	<b>Change (%)</b>
<b>2001</b>	115	- 4
<b>2002</b>	120	+ 4
<b>2003</b>	125	+ 4
<b>2004</b>	130	+ 4
<b>2005</b>	135	+ 4
<b>2006 Fcst</b>	137	+ 2
<b>2007 Fcst</b>	140	+ 2
<b>2008 Fcst</b>	144	+ 3
<b>2009 Fcst</b>	148	+ 3
<b>2010 Fcst</b>	152	+ 3

*Source: AMA Research/Trade Estimates*

In terms of the mix between product and installation values, the material market is estimated at approximately **£74 million in product** sales, with installation valued at around £60m.

The history of the development of resin flooring in the UK is rather chequered with relatively ‘haphazard’ introduction of technologies, leading to low barriers to entry in both the manufacturing and contracting sectors.

The relative maturity of the market means that resin products are increasingly regarded as commodities. As a result, there is a good understanding of what can be undertaken and many contractors are experienced in using many different suppliers products, with price becoming increasingly important in the specification and product selection process.

There has been growth in the use of decorative resin systems, and it is anticipated that this part of the market will continue to grow. Conversely, neither resin or polymer based cementitious systems are widely used in the UK compared with mainland Europe, where there is a larger market and many more applications, including some domestic use.

In terms of **application areas**, new work is estimated to account for around 30-40% of the market, with refurbishment work accounting for the remaining 60-70% of contracts. It is not anticipated that this ratio will change to any significant degree over the medium to longer term future. The industrial flooring industry is likely to benefit from underlying growth in repair and maintenance, particularly in retail, commercial, health and education sectors where the government has committed to further capital expenditure to develop and improve services.

The market is supplied by a large number of **manufacturing companies**, but there are no large companies who concentrate on supply of resin flooring products exclusively. The largest supplier in the UK market is Flowcrete, though exports account for over 50% of sales.

In overall terms, suppliers are a mix of a small number of companies who focus on the market and have a turnover in excess of £10 million per annum, divisions of multi national companies which have flooring divisions amongst a wider product range, and niche product suppliers with annual turnovers of considerably less than £10 million.

It is estimated that 90% of sales are direct from the manufacturer to the **contractor**, who works either directly for the client or is a sub contractor. There are approximately 250 contractors operating in the market and turnovers range from £100,000 pa to £10 million, but the majority of companies fall within a range from £0.5 - £2.0 million.

It is not anticipated that there will be any significant changes in the distribution and application of resin type floors. It is understood that there are no major technical innovations on the horizon, and there is a good appreciation by clients and specifiers of the use of these products, reflecting the relative mature state of the market. However, the suppliers of cement/anhydrite based materials are likely to increase in number, reflecting the growth opportunities for these products.