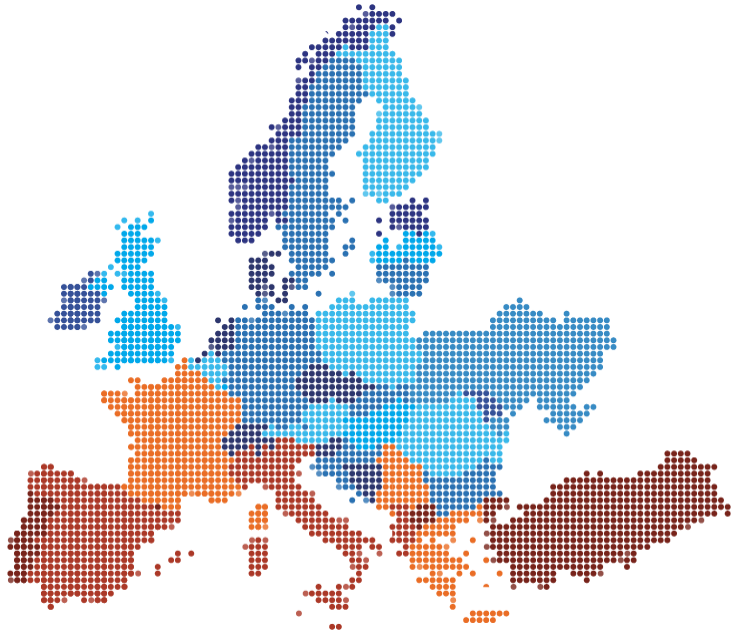
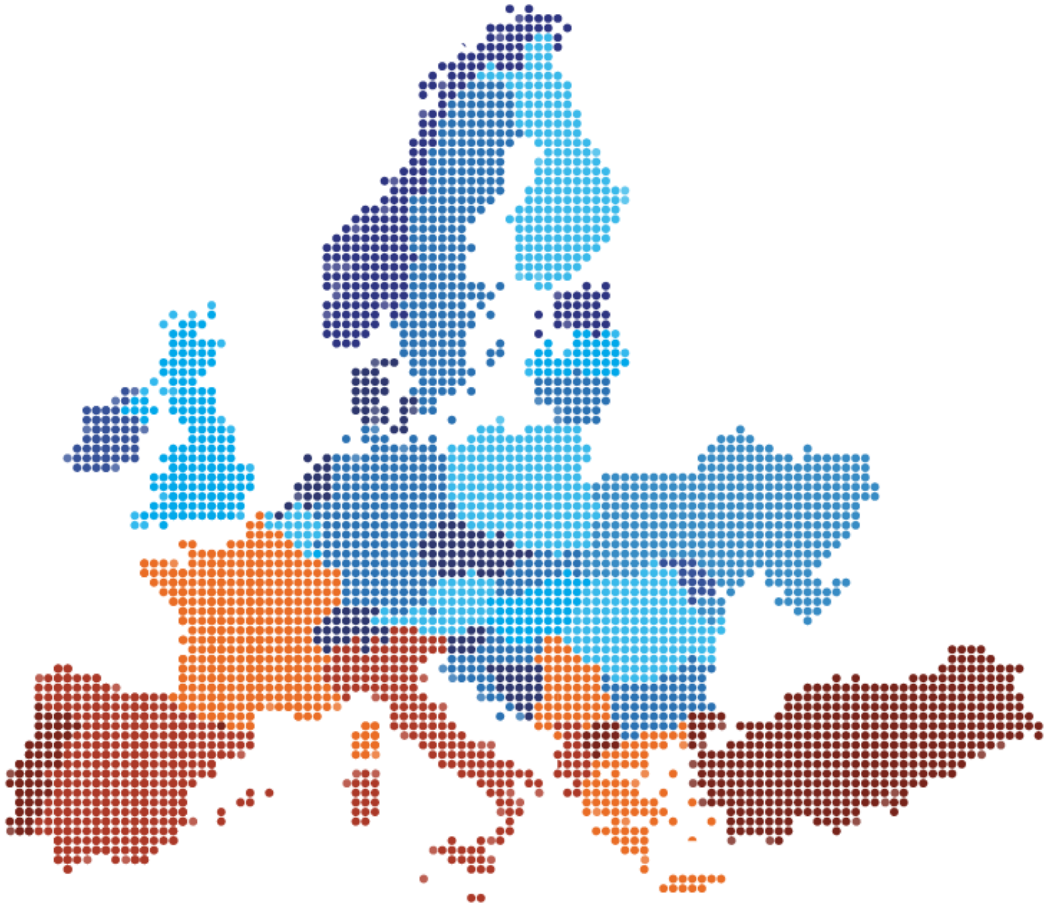


THE EUROPEAN ETICS MARKET & KEY FIGURES ABOUT EUROPE'S BUILDING STOCK

Ralf Pasker, EAE Managing Director

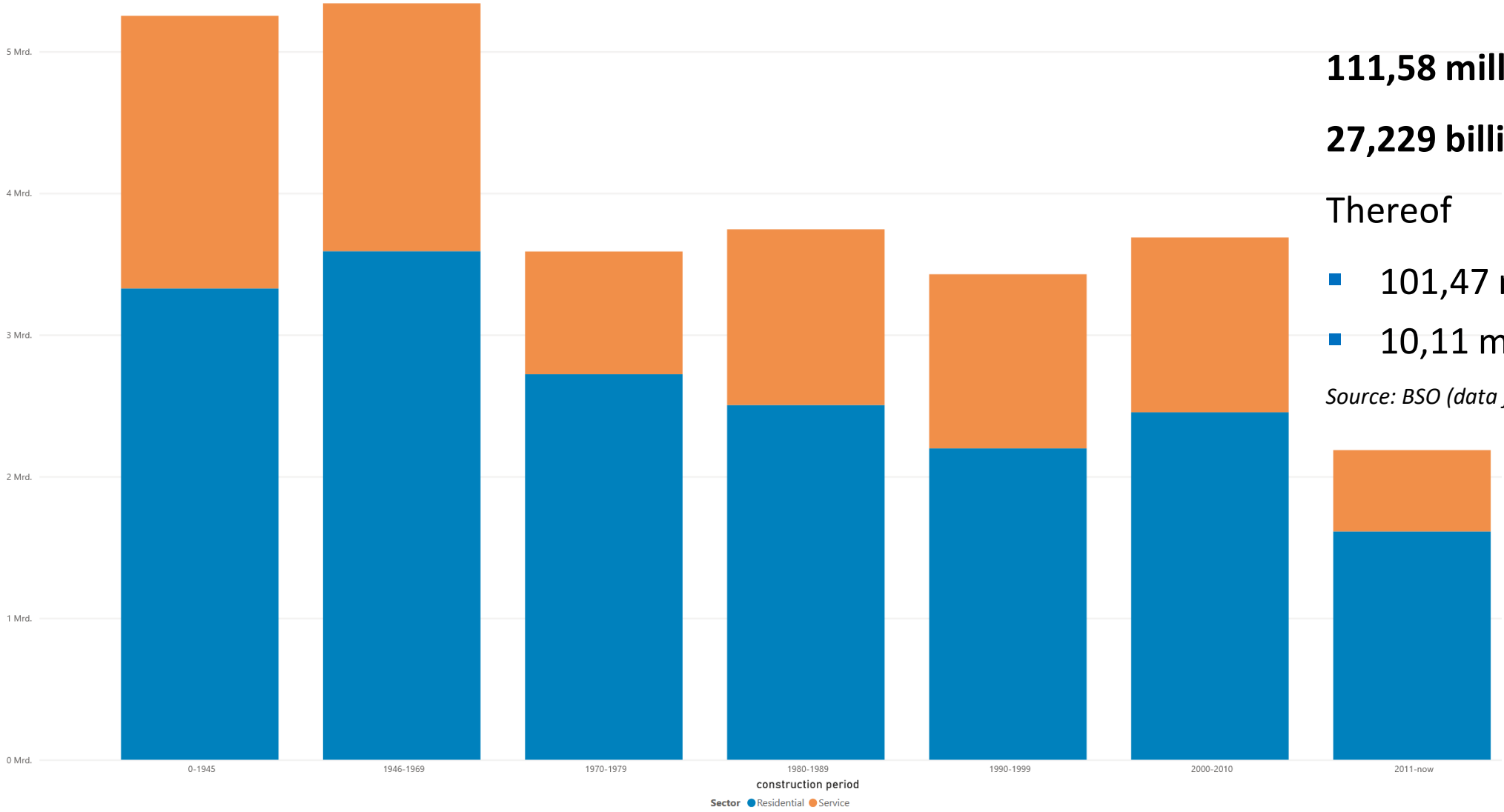
AGENDA

1. Europe’s building stock in a nutshell
2. Gross economic aspects
3. European ETICS market
4. Conclusions



Europe’s building stock in a nutshell

EUROPE'S BUILDING STOCK IN A NUTSHELL



111,58 million buildings

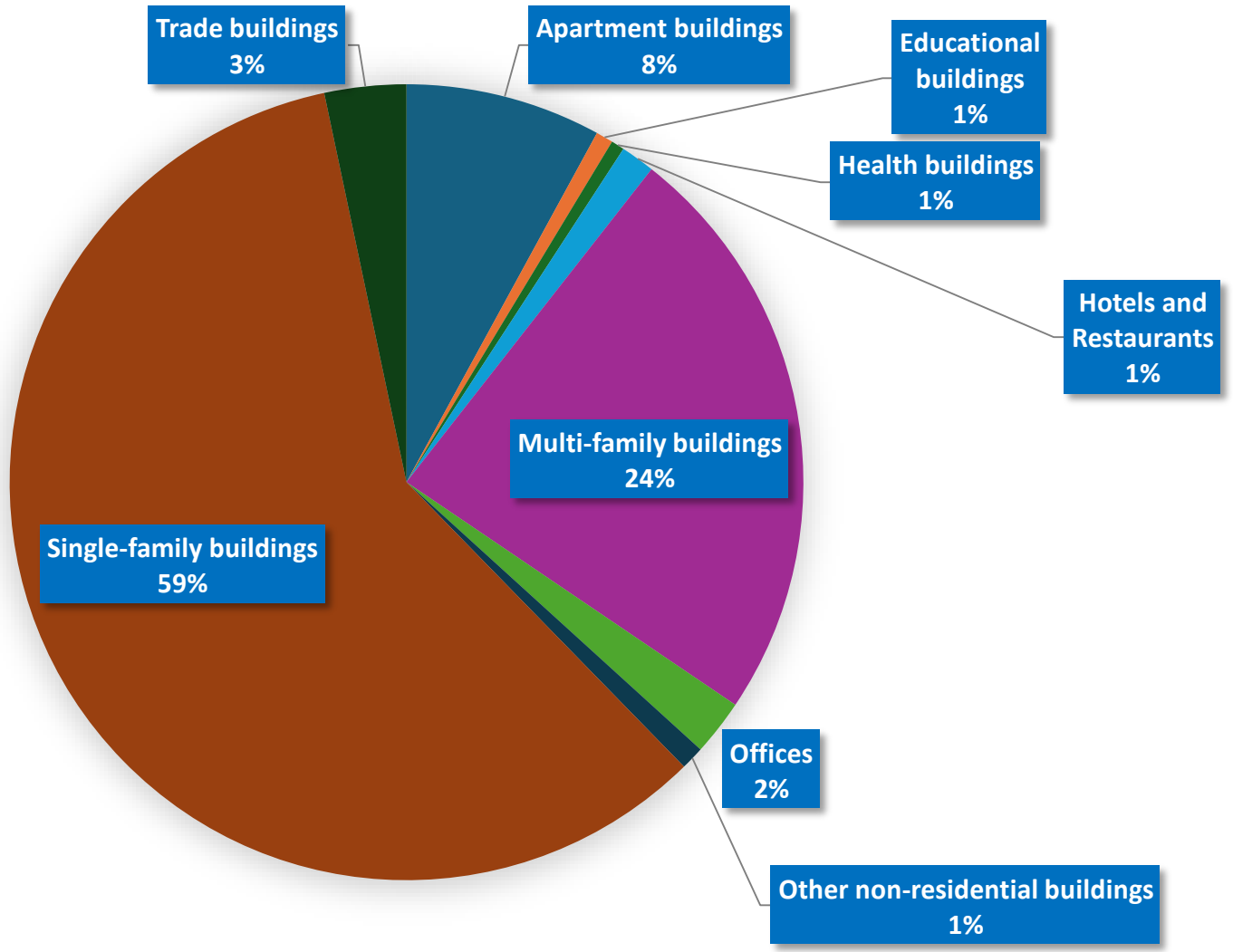
27,229 billion sqm

Thereof

- 101,47 million residential
- 10,11 million services

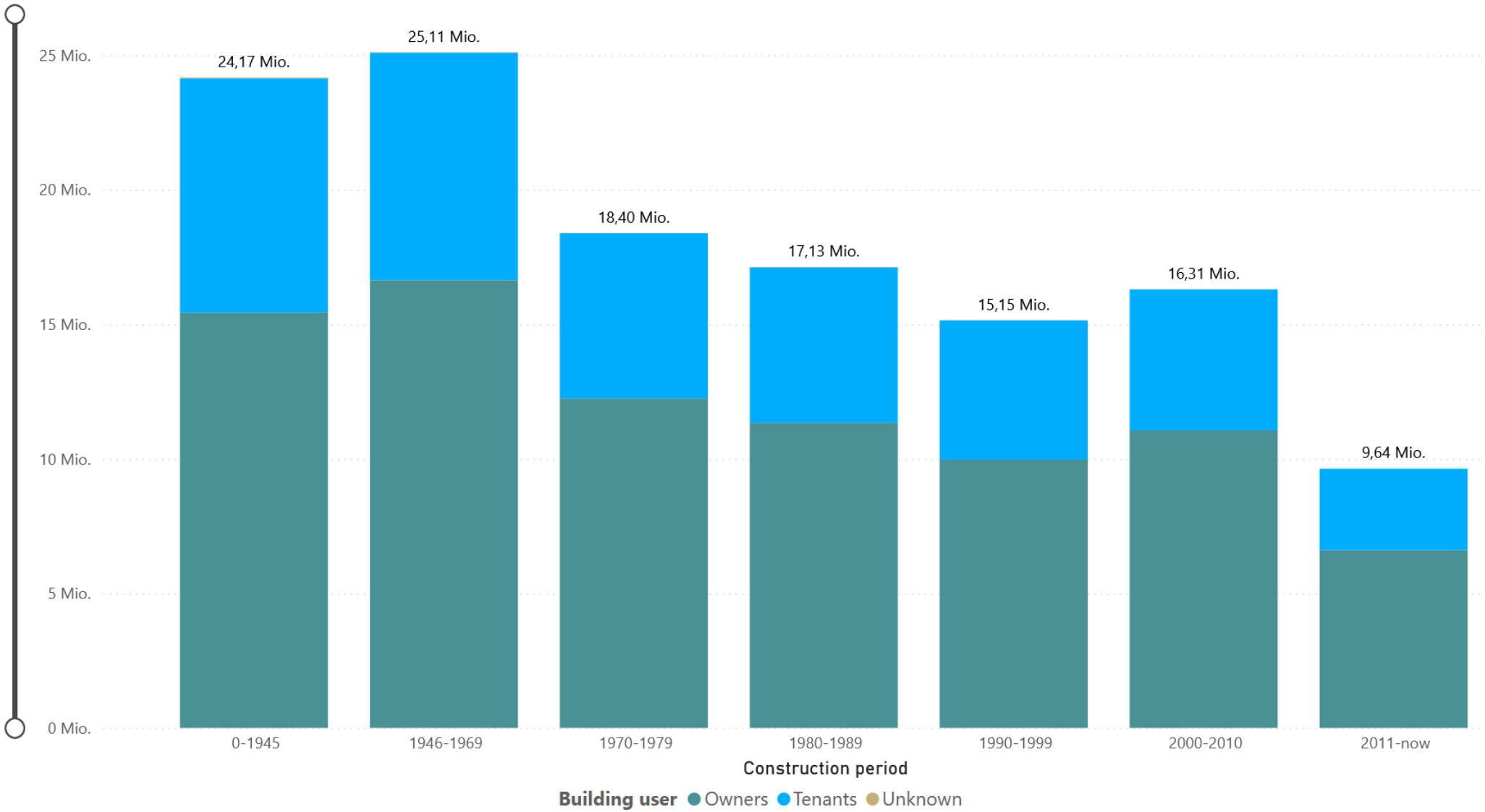
Source: BSO (data from 2020)

EUROPE'S BUILDING STOCK IN A NUTSHELL



Data source (2020): BSO (all building ages)

EUROPE'S BUILDING STOCK IN A NUTSHELL



Source: BSO (2020)

EUROPE'S BUILDING STOCK IN A NUTSHELL

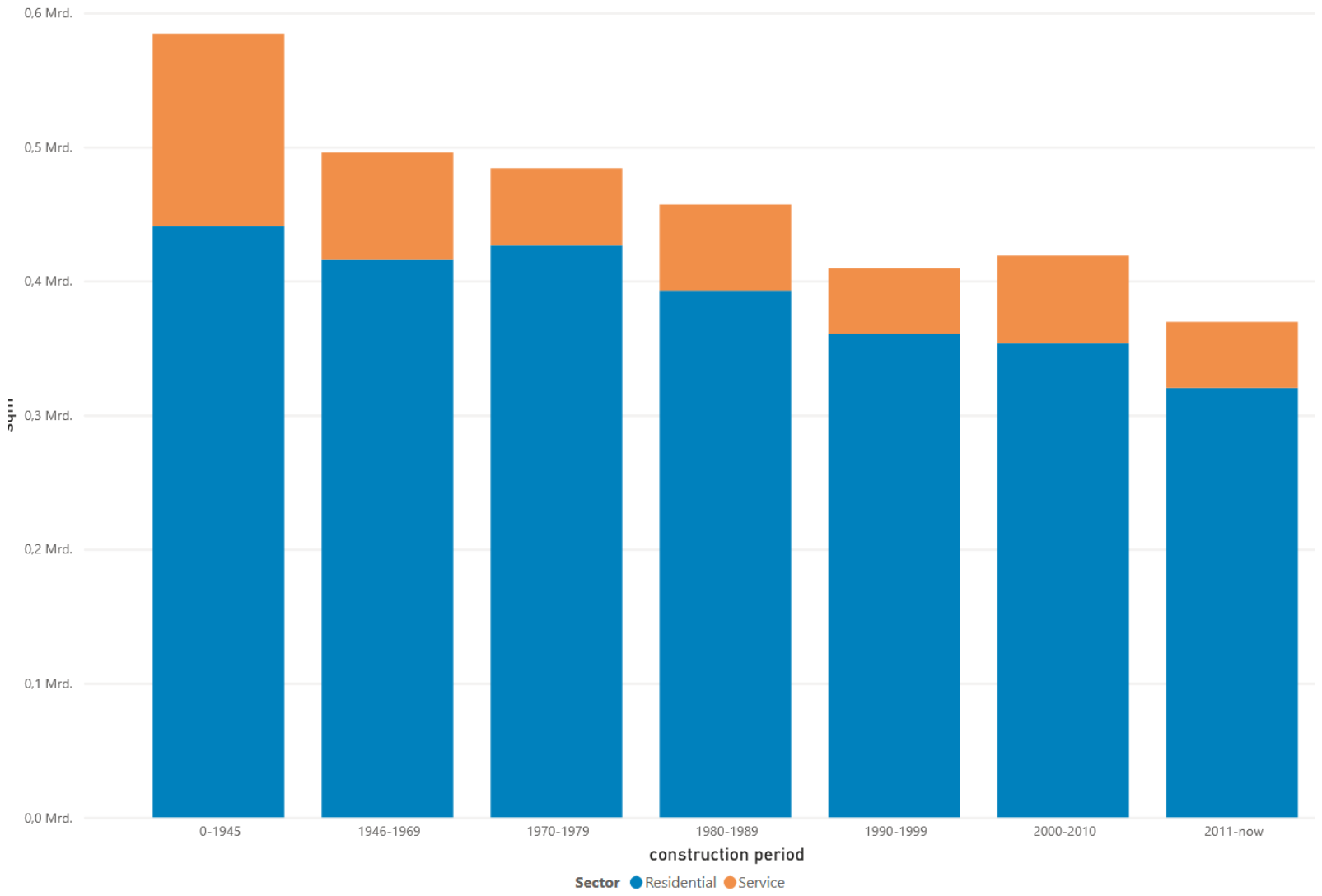
European Association for External Thermal Insulation Composite Systems

Buildings stand for

- **40,31%** of Europe's **energy consumption** and
- **34,35% GHG emissions.**
- **64,0%** of the energy consumption is used for space **heating and cooling.**
- **Two thirds** of the energy used for heating and cooling of buildings still comes from **fossil fuels**.
- **75%** of building stock is **inefficient** according to current building standards.
- **85% to 95%** of today's buildings **will** still **exist in 2050.**
- Weighted **annual energy renovation** rate is persistently **low at around 1 %.**

Source: Energy Performance of Buildings Directive (2024)

EUROPE'S BUILDING STOCK IN A NUTSHELL



ITALY

12,15 million buildings
3,219 billion sqm floorspace

- 11,62 million residential
- 0,54 million services
- 43,66% energy consumption
- 69,3% energy consumption for space heating/cooling

⇨ **Share of residential higher than EU27 average**

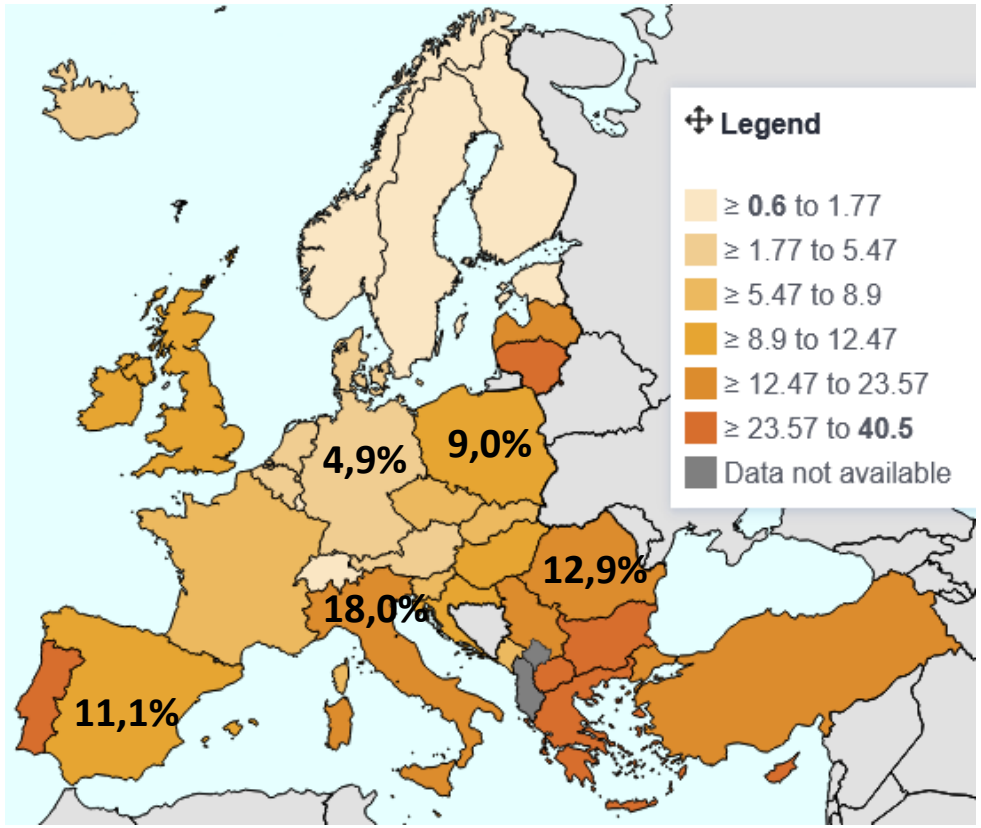
⇨ **Same with energy consumption**

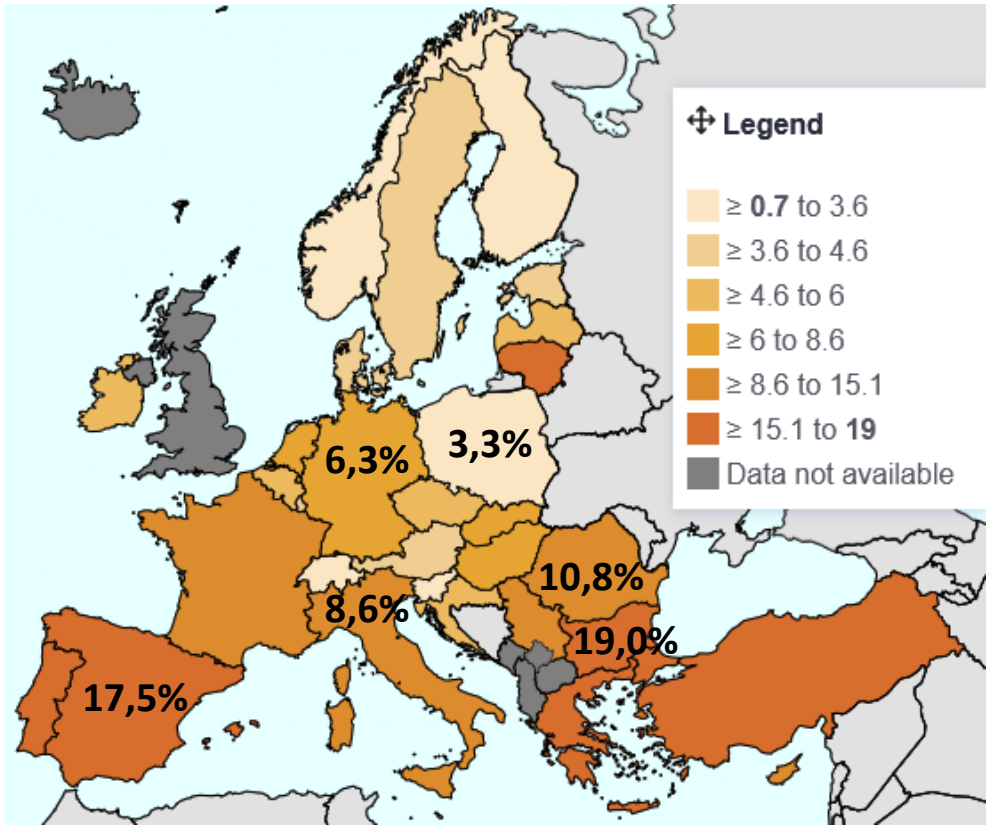
Source: BSO (data from 2020)

EUROPE'S BUILDING STOCK IN A NUTSHELL

Population unable to keep home adequately warm by poverty status 2014 vs. 2024

- At average great achievements over last decade.
- Still **one in 10 Europeans suffers -** with **up to 19%** in Bulgaria, Greece, Spain, Lithuania



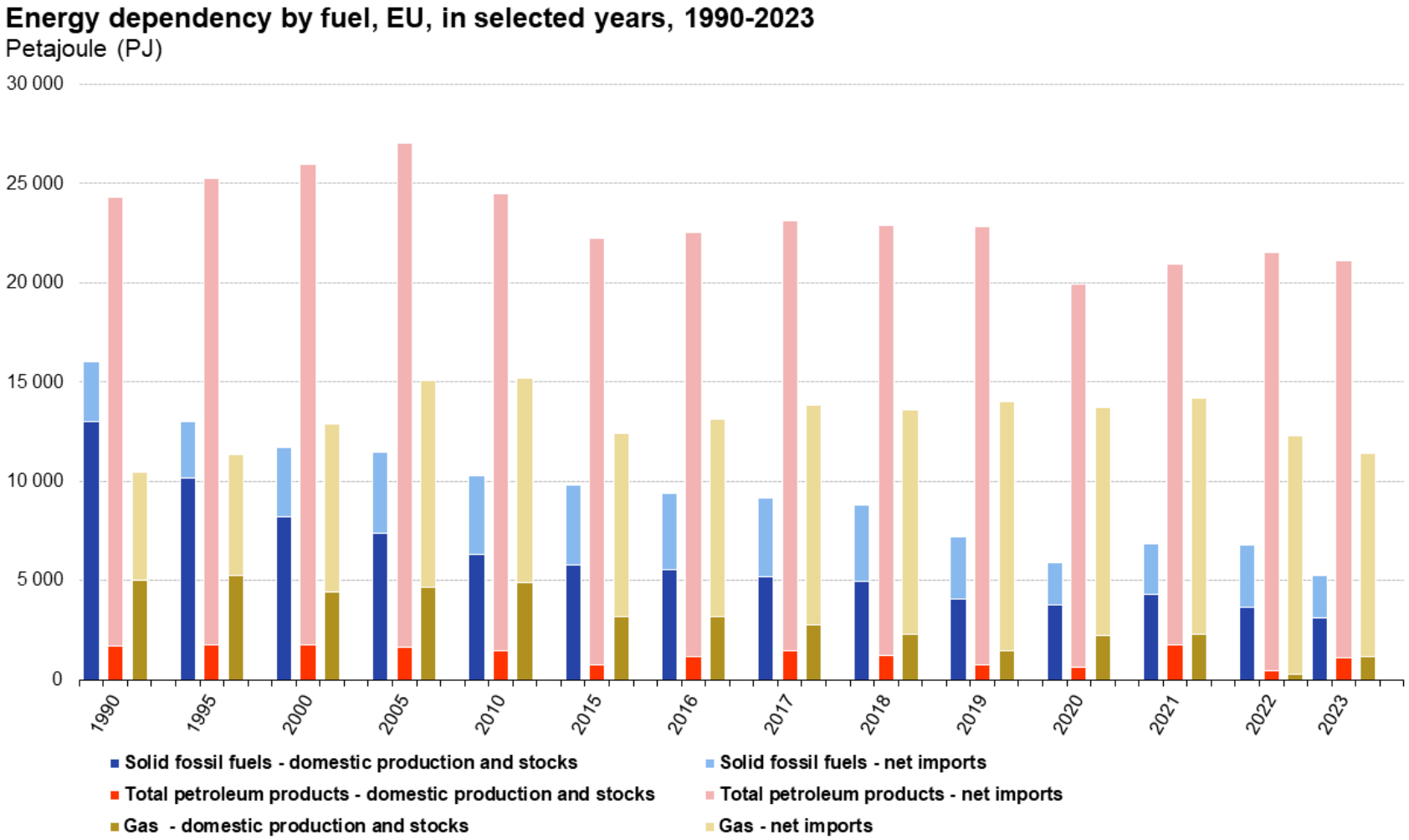


Source: Eurostat

Gross economic aspects

Competitiveness, resilience.

GROSS ECONOMIC ASPECTS



Note: the upper part of the column shows net imports with respect to gross inland energy consumption (including international maritime bunkers), which is represented by total column height.

Source: Eurostat (online data code: nrg_bal_s)

eurostat

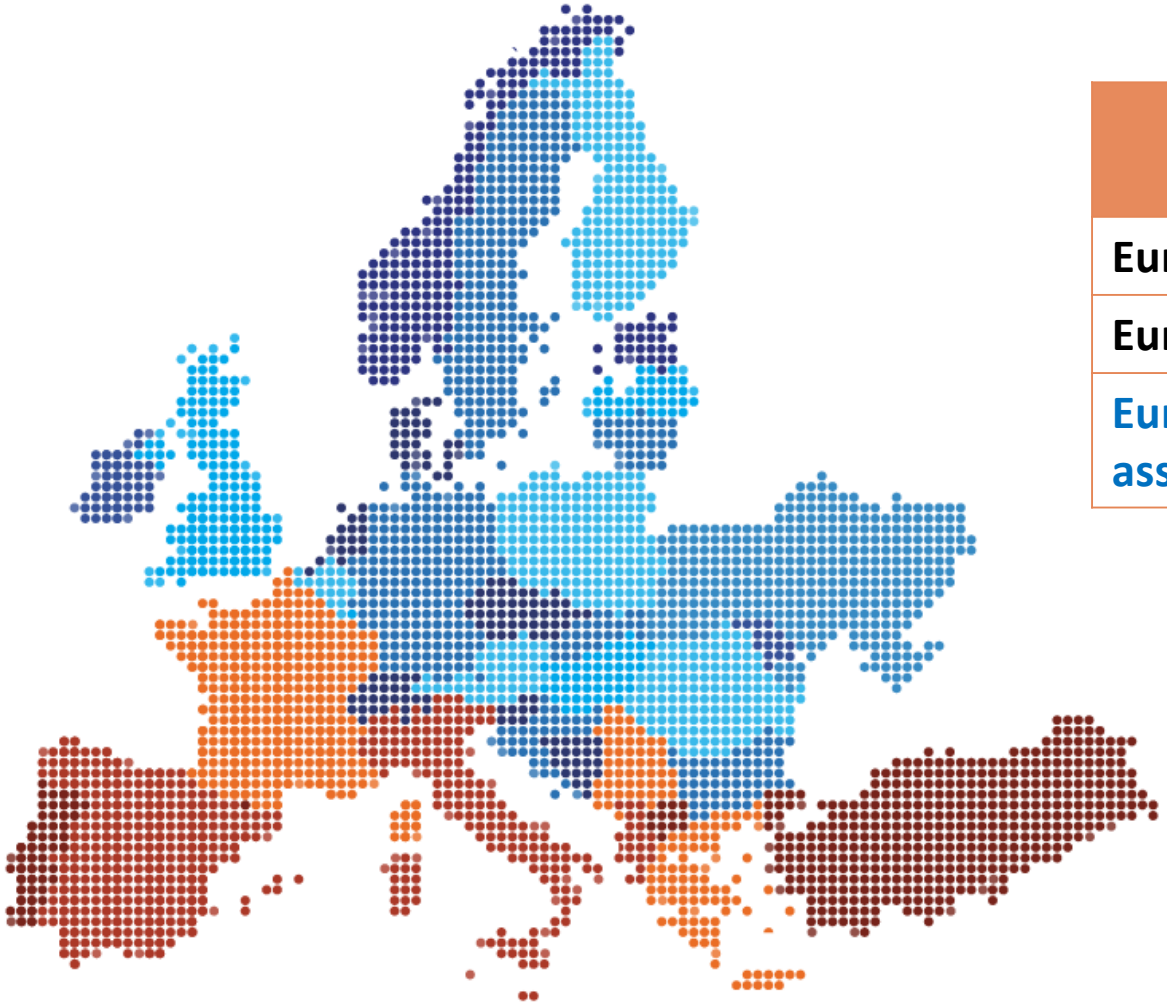
EU economies still very much dependent on energy imports

- Especially natural gas and petroleum products
- Not resilient against external shocks
- Affect both competitiveness and affordable housing

European ETICS market

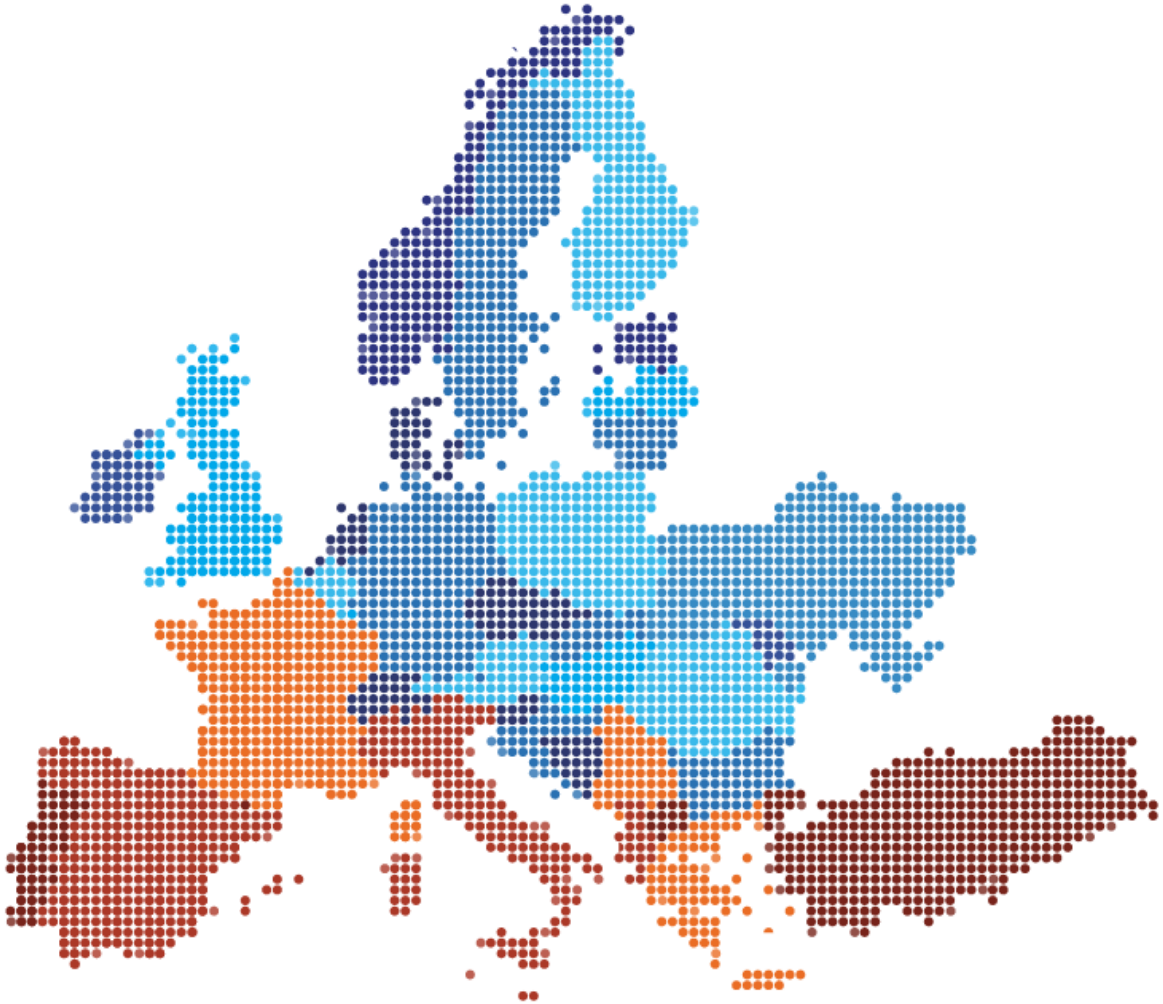
Facts, figures & trends.

EUROPEAN ETICS MARKET



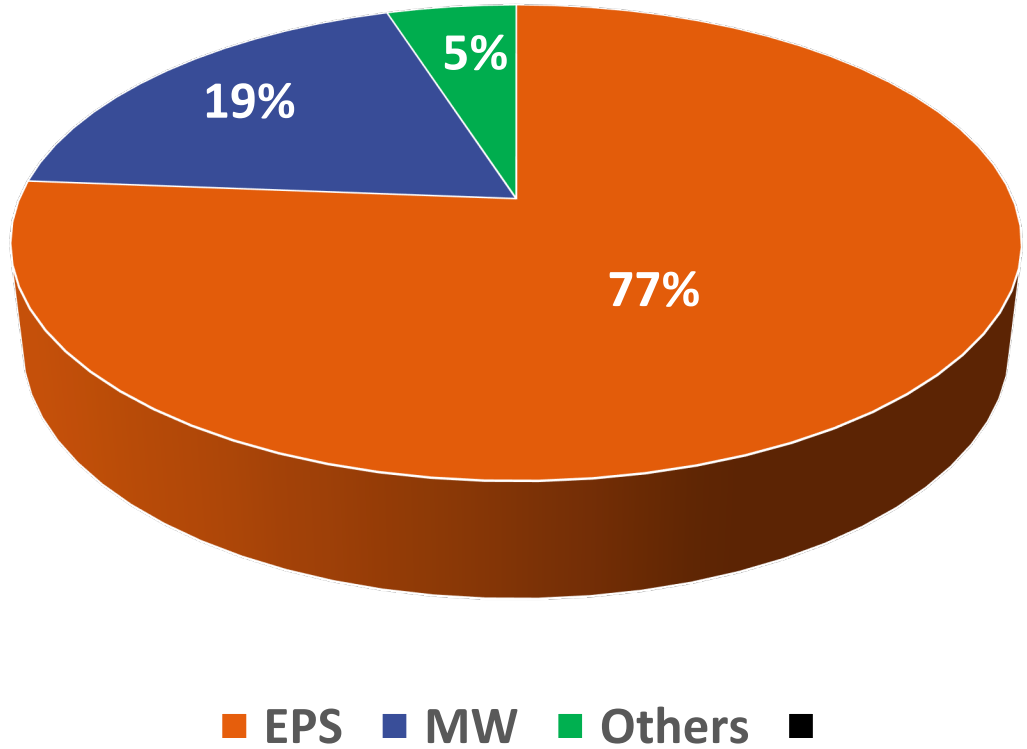
	2020 in million sqm	2024 in million sqm
Europe (total)	313,8	tbd.
Europe (EEA)	241,3	tbd.
Europe (EAE national associations)	**184,4**	**214,6**

EUROPEAN ETICS MARKET

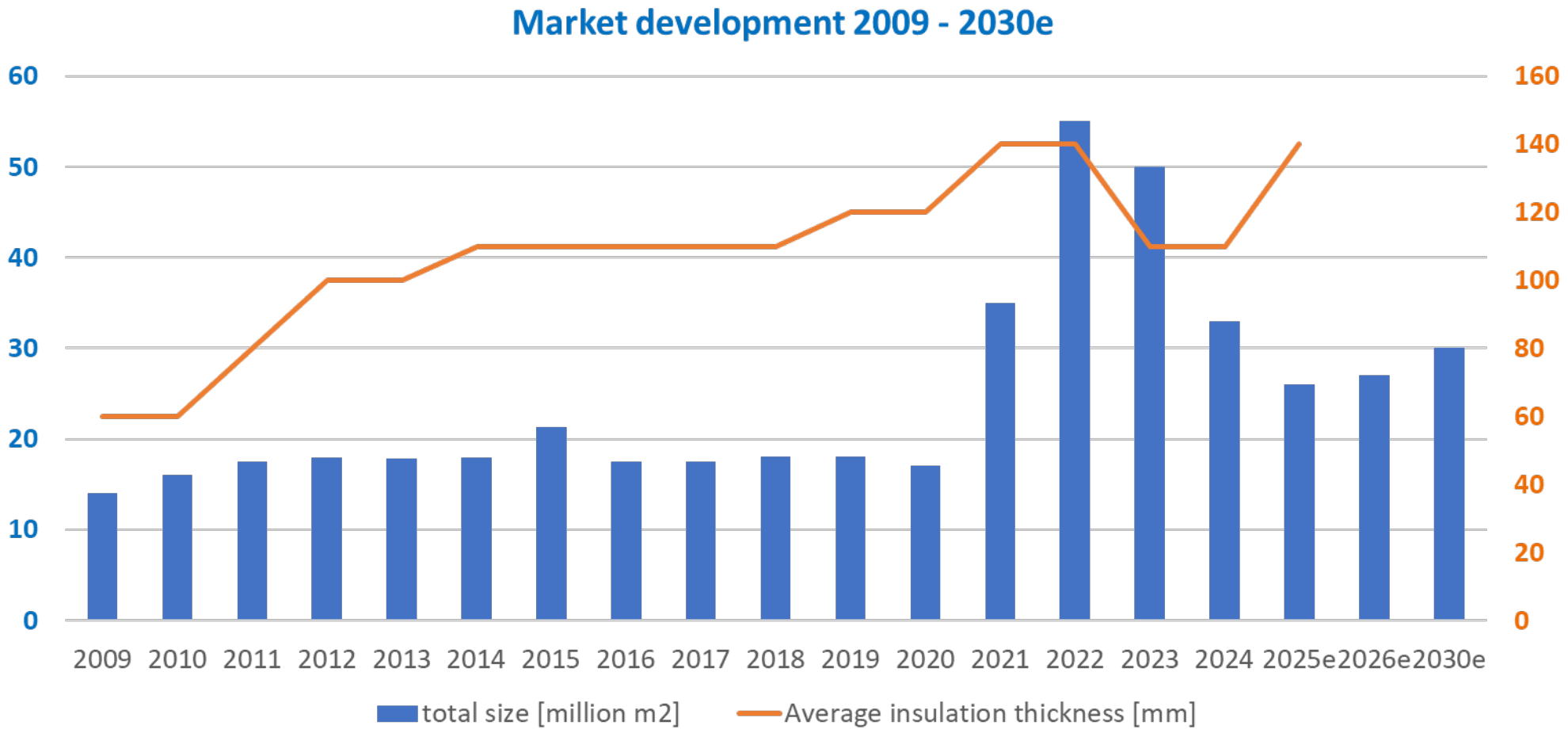


Share of insulation used in ETICS 2024

EAE national member associations



ITALY


Market development 2009 - 2030e
60
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30
20
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0
160
140
120
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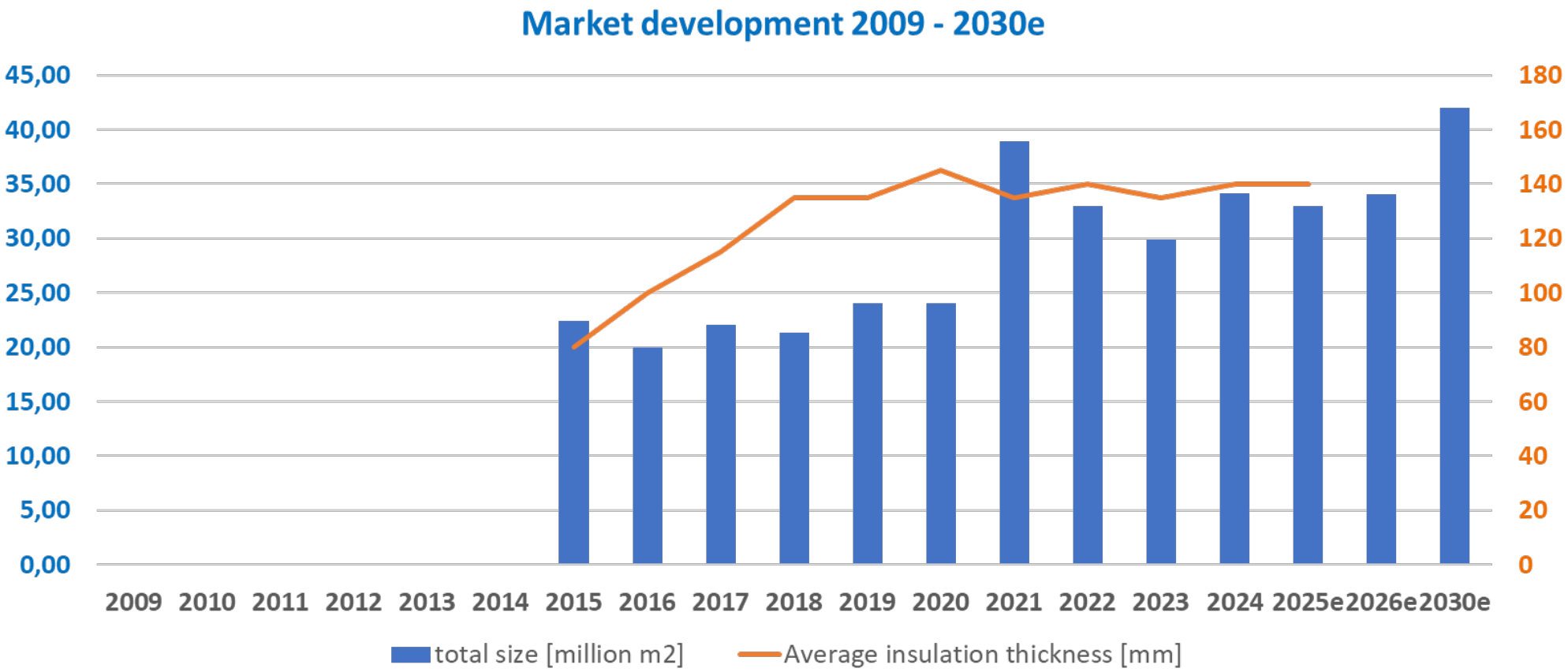
80
60
40
20
0
2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025e 2026e 2030e
total size [million m2]
Average insulation thickness [mm]

ITALY

- **Certain quality erosion after Superbonus 110%**:
  - Rocketing market demand served by less skilled workers
  - Eroding system loyalty
  - Installation failures and use of not certified products lead to defects and eroding image of ETICS
- **Ecobonus 2026**
  - 50% tax deduction for the house where the investor HAS his primary residence
  - 36% for homes where the investor DOES NOT HAVE his primary residence
- **Ecobonus 2027** (in case no legislative changes occur in the meanwhile)
  - 36% tax deduction for the house where the investor HAS his primary residence
  - 30% for homes where the investor DOES NOT HAVE his primary residence
- **Pros:** presence of financial support schemes. Schemes explicitly identify ETICS as relevant measure.
- **Cons:** support is not strong enough to stimulate an extensive building renovation project

ROMANIA


Market development 2009 - 2030e
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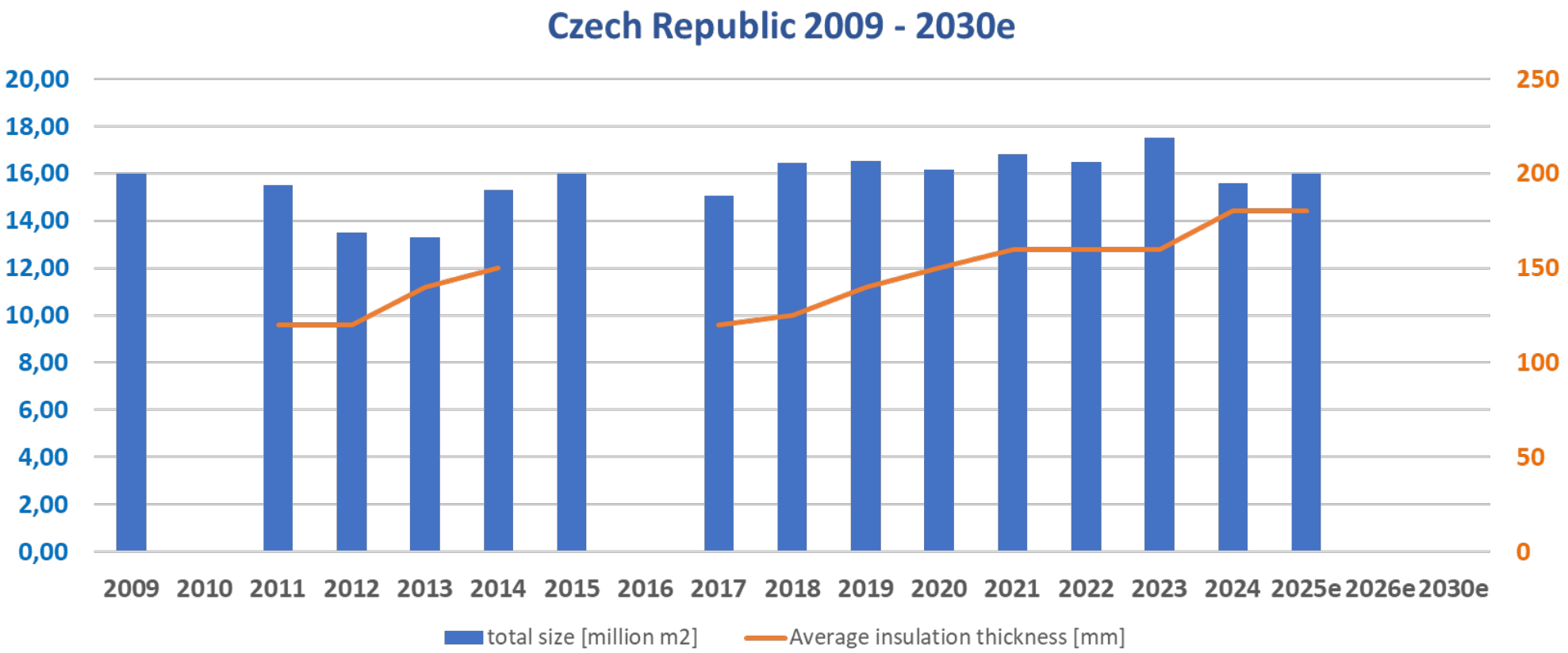
0
2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025e 2026e 2030e
total size [million m2]
Average insulation thickness [mm]

ROMANIA

- **Cost increase**
  - Raw materials, electricity, construction products (stabilizing now)
- **Quality issues**
  - Lack system loyalty: use of components not assessed and certified by the ETICS kit manufacturer
- **Numerous programs to support energy-efficient construction & renovations**
  - National Program Plus Construct (NPPC)
  - Recovering and Resilience National Program (RRNP)
  - Anghel Saligny Program (ASP)
  - Durability Development Program (DDP)
  - Improvement of the Energetic Efficiency in the public buildings
  - Building Construction National Program for public and/or social area (culture, education, health, sport)

CZECHIA


Czech Republic 2009 - 2030e
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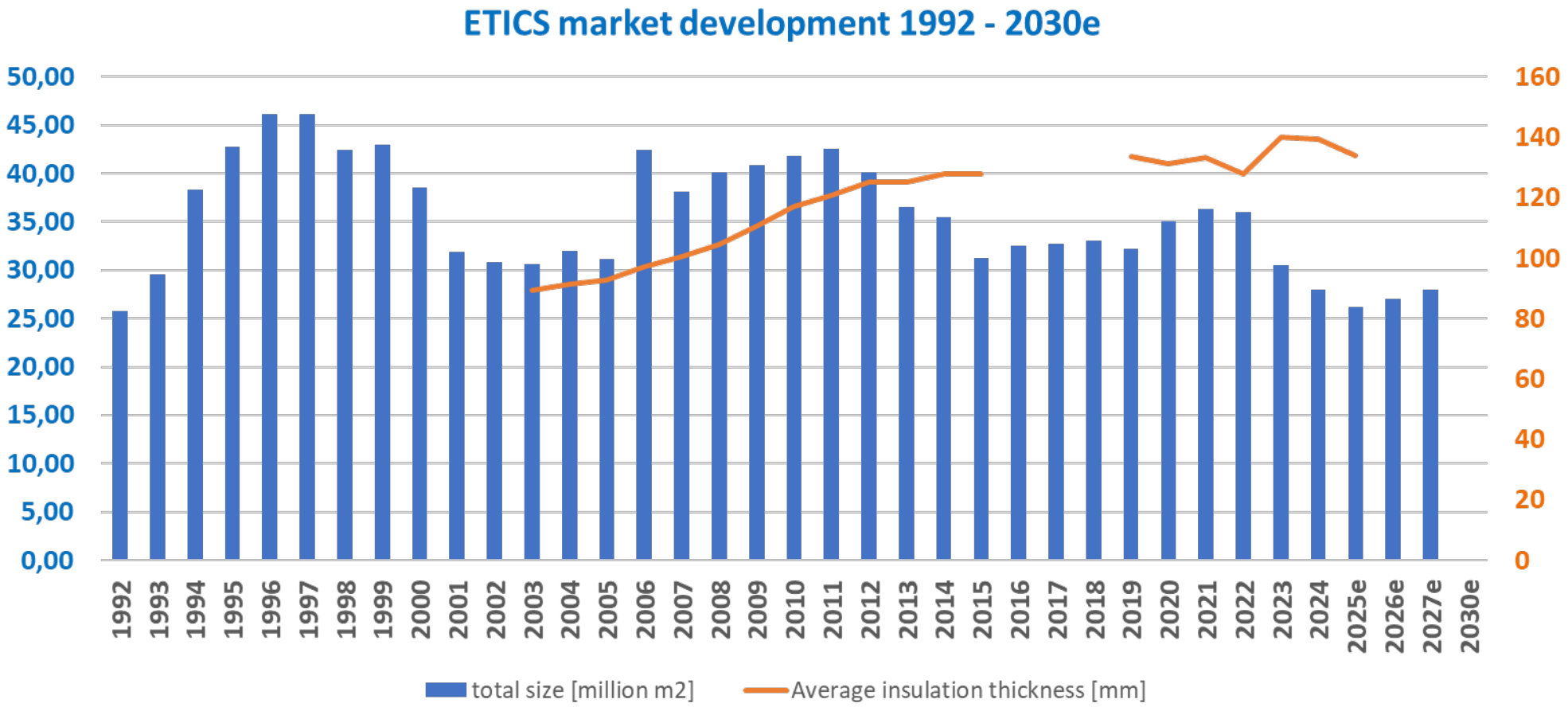
2025e
2026e
2030e
total size [million m2]
Average insulation thickness [mm]

CZECHIA

- **Market drivers**
  - Stable market price
  - Stable supply chains
  - Long-term reliable financial support schemes
- **Barriers & concerns**
  - Time to receive building permits
  - Uncertainty if and how new government will keep financial support & policies
  - Insufficient financial support for low-income households and vulnerable people
- **Trends**
  - Incorporation of shading technology in ETICS
  - Growing interest of banks and building societies in promoting and offering loans for building renovations - in combination with subsidy program

GERMANY


ETICS market development 1992 - 2030e
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2027e
2030e
total size [million m2]
Average insulation thickness [mm]

GERMANY

- **Barriers & concerns**
  - Weak market for new construction: increased interest rates & costs for construction
  - High level of uncertainties:
    - Unclear national EPBD implementation: existing Building Energy Act heavily discussed during election campaign
    - Stop-and-go financial support schemes
    - Funding for single building renovation measures and highly energy-efficient new construction continued
- **Outlook**
  - “Construction boost” to take effect from 2026
  - Special fund for infrastructure and climate neutrality: EUR 500 billion over 12 years; will promote construction/renovation of educational and healthcare facilities, military and infrastructure buildings

CHAMPIONS 2024



By market size in sqm

By annual ETICS installation per capita

GENERAL TRENDS

- **Increasing share of** ETICS with **mineral wool** insulation:
  - Revision of national building codes towards more restrictive building codes for higher buildings
  - Use of fire barriers in ETICS with EPS insulation increasingly required for larger buildings
- **Increasing share** of ETICS with especially **wood fibre** insulation:
  - In some countries (e.g. France, Netherlands) incentives for use of renewable raw materials
- **Off-site construction**:
  - To compensate lack of qualified workers
  - To accelerate construction/renovation
- ETICS with **alternative facings** more popular
  - Brick slips, ceramic tiles

GENERAL TRENDS

- **Political discussions**
  - More focus on energy generation (supply side)
  - Less focus on reducing energy-consumption (demand side)
  - High hopes in electrification alone and green hydrogen will not materialize: huge investments in infrastructure needed, higher energy costs
  - Technologies not available at scale
  - As for affordable housing:
    - New construction and new renovations today determine the operational costs for decades.
    - Low ambition especially affects most vulnerable people.

Conclusions

Renovate, baby, renovate!

CONCLUSIONS

- We can do better.
- We must do better.
- Solutions are available on the market.
- The energy-efficiency sector stands ready to deliver.

⇨ A bold EPBD implementation and pointed Affordable Housing Plan are key.

⇨ ETICS are an important part of Europe's journey to decarbonization & a just transition.

TOGETHER WE ARE STRONGER!

European Association for External Thermal Insulation Composite Systems



Information about EAE membership:

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