



Swedish Pellet Association

Swedish market from our perspective

Magnus Kyhlberg

Chairman

Our mission

Every day, the Pellets' Association works to support, strengthen and stimulate the pellet industry

60 Members

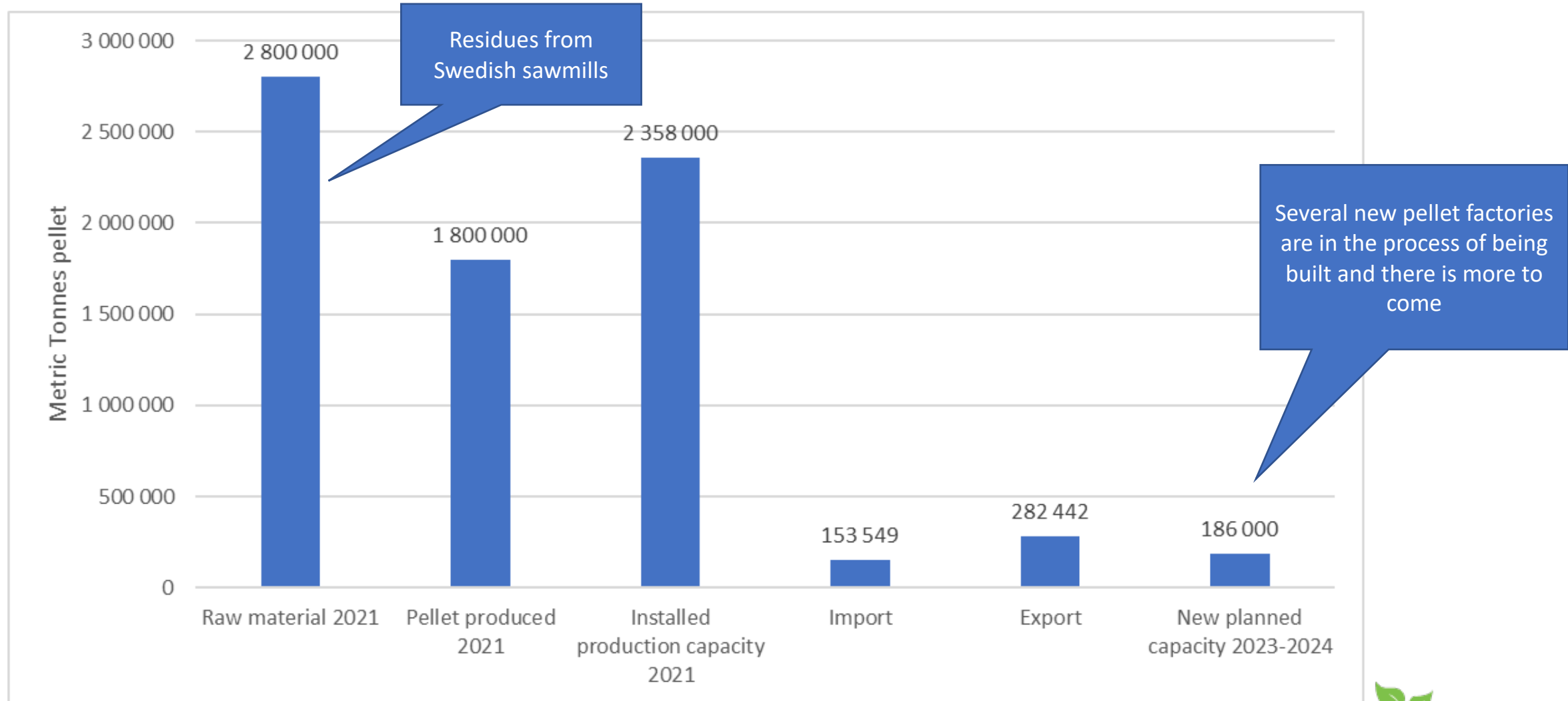
- 26 Installers and resellers
- 18 Pellet producers
- 8 Stove and boiler supplier
- 8 Consultants, organisations and others

Office

- Anders Haaker
- Maria Zettergren



Sweden in figures 2021

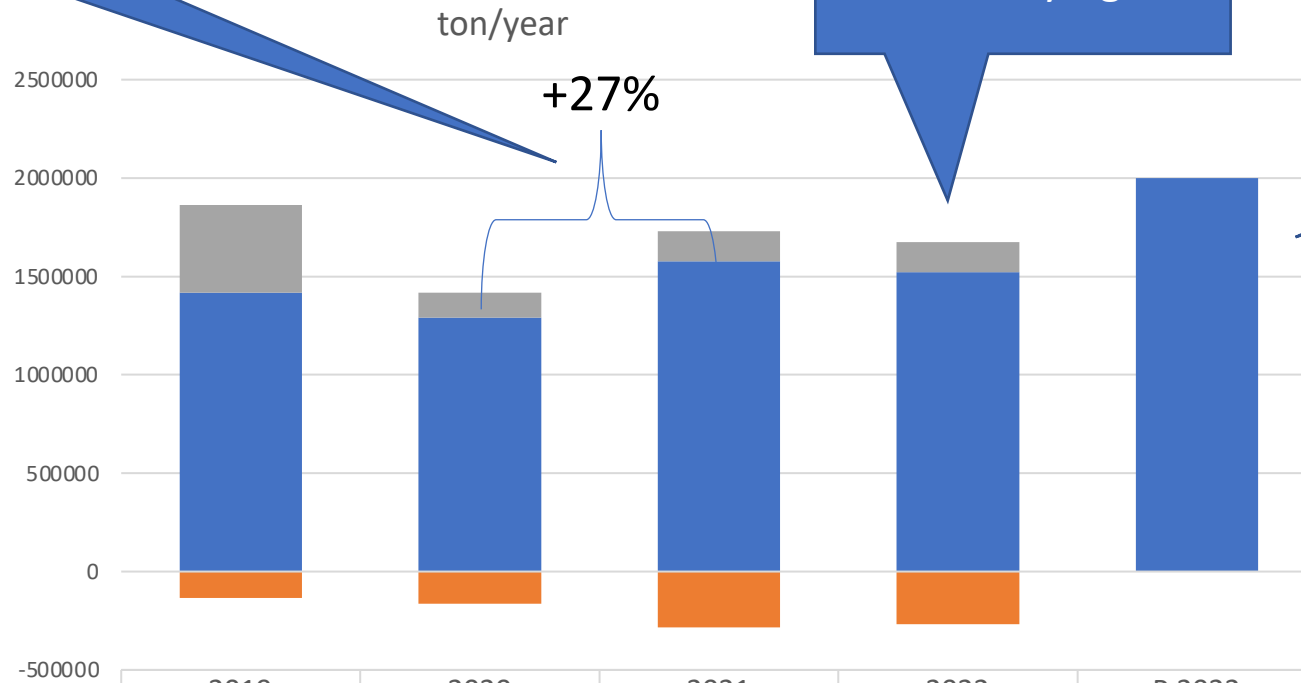


Swedish pellet market

Volatile market – historically driven by temperature

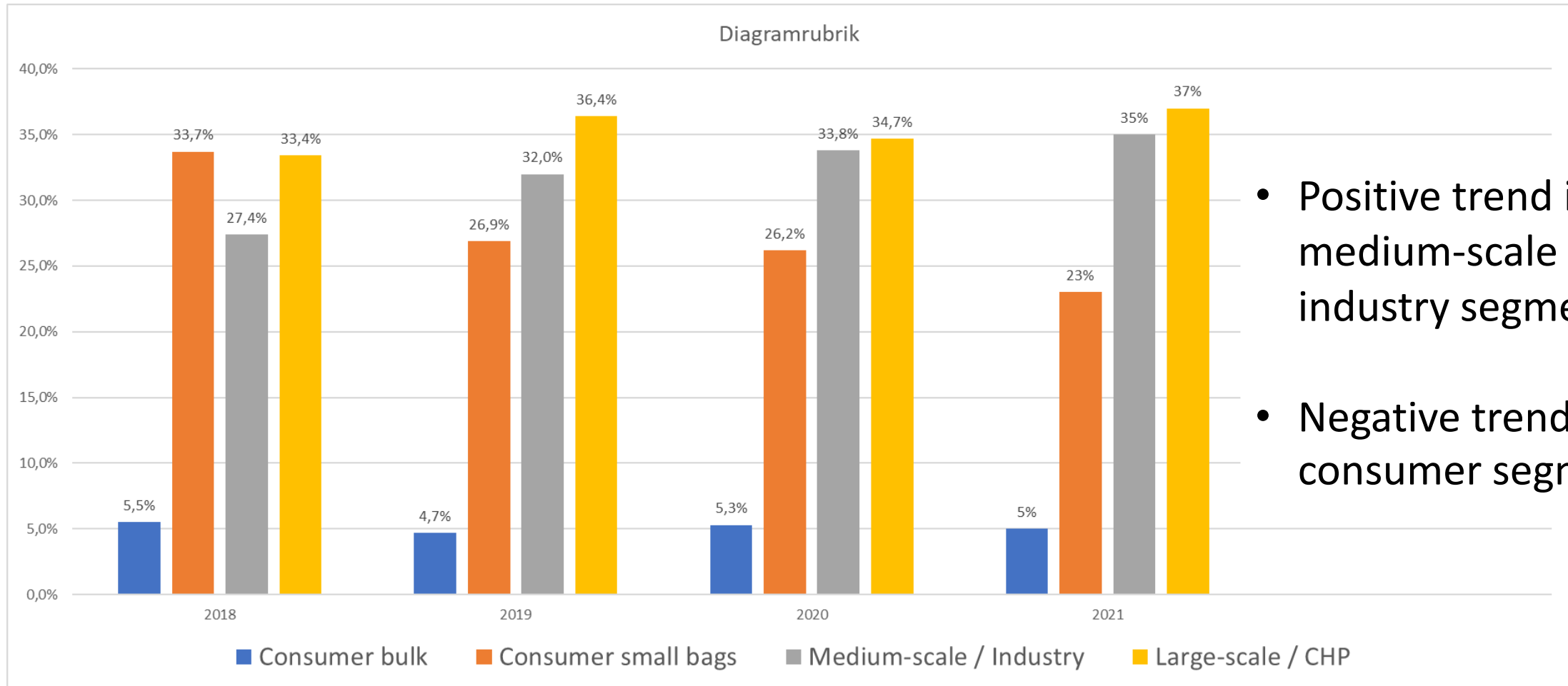
Preliminary figures

Production forecast from Swedish producers



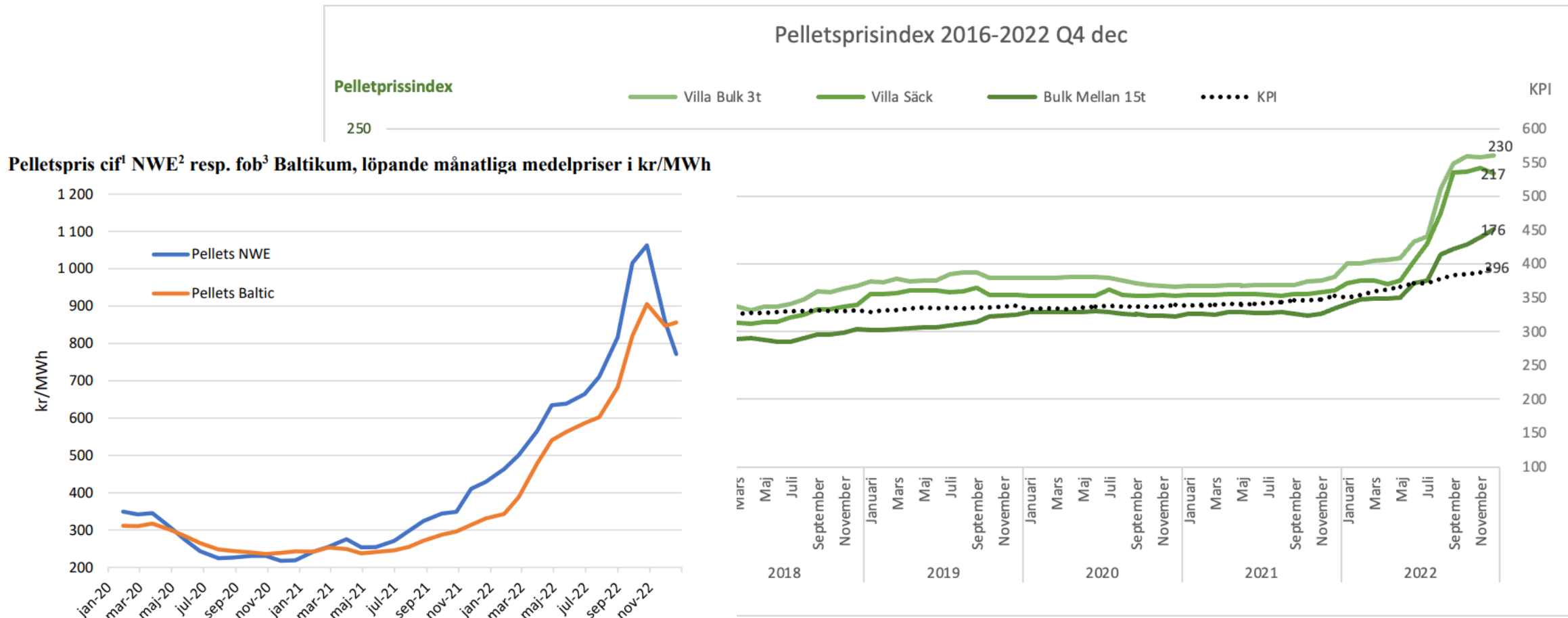
	2019	2020	2021	2022	P 2022
■ Import	443708	126518	153549	154330	
■ Export	-133392	-163186	-282442	-268111	
■ Total supply Swedish market	1418945	1291869	1575213	1520498	2000000

Swedish market - development by segment



- Positive trend in the medium-scale / industry segment
- Negative trend in the consumer segment

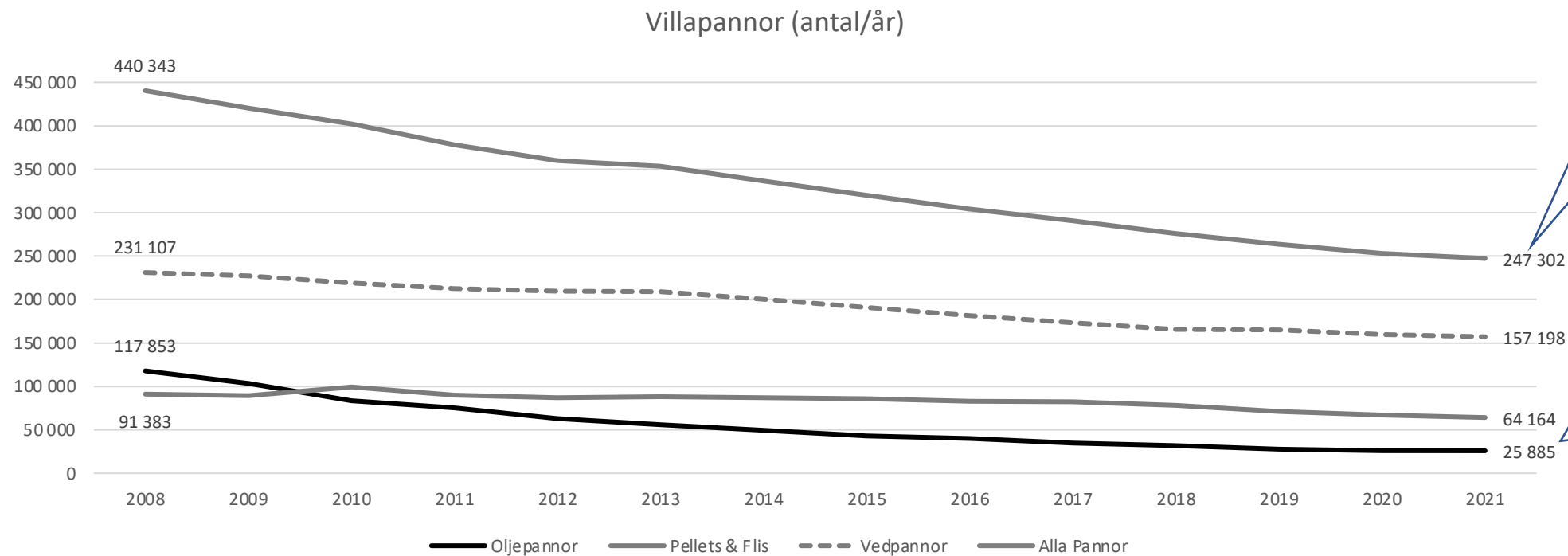
Pellet price peak in november/december in Sweden and are dropping in the international market



Figur 4. Månadsmedelvärden spotpriser industripellets NWE och Baltikum, kr/MWh

Källa: Argus Media 2023

Downward trend for residential boilers

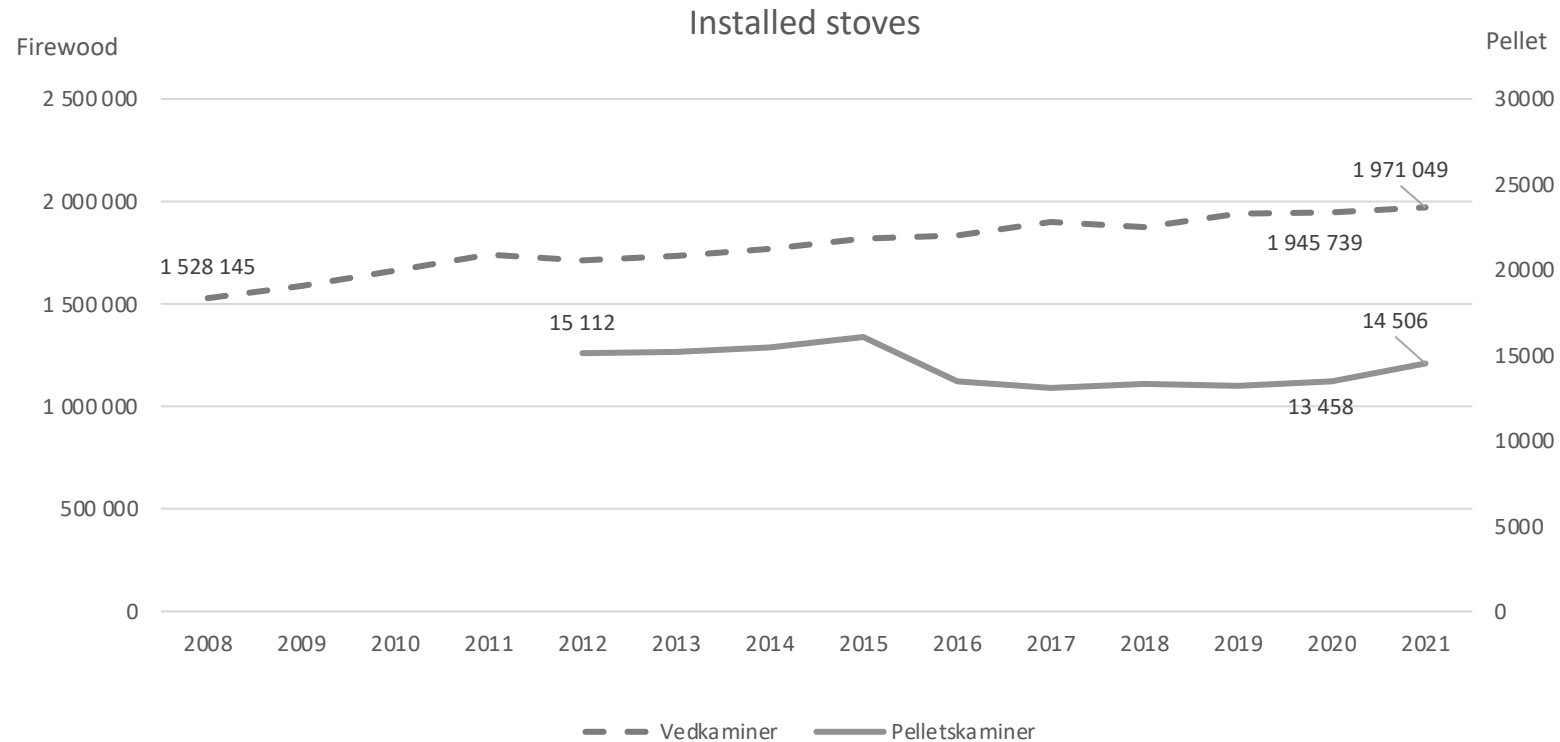


Downward trend in competition with heat pumps

Still some oil burners to convert

Kategori	2008	2019	2020	2021	2021/2020	2021/2008
Oljepannor	117 853	27 735	25 966	25 885	-0,3%	-78,0%
Pellets & Flis	91 383	71 136	67 270	64 164	-4,4%	-32,9%
Vedpannor	231 107	164 941	159 684	157 198	-1,6%	-32,0%
Alla Fastbränsle	322 490	236 077	226 954	221 417	-2,4%	-31,3%
Alla Villapannor	440 343	263 812	252 920	247 302	-2,2%	-43,8%

Upward trend in pellet stoves driven by high electricity costs



Category	2008	2019	2020	2021	2021/2020
Firewood stoves	1 528 145	1 940 843	1 945 739	1 971 049	1,3%
Pellet stoves	-	13 197	13 458	14 506	7,8%

Electric Power Project – By Swedish Pellet Association



GOAL

- 200.000 stoves installed in Swedish houses until 2032
- 10% of Swedish houses



POWER

- 5kW X 200.000 installed stoves provides released electrical power equivalent to one nuclear reactor



TARGET

- Politicians
- House owners
- Energy advisors
- House manufacturers

SCANDBIO



SALES

- 150.000 – 200.000 tonnes annually
- 20.000 stoves annually

Trends, opportunities and challenges 2022-2023

- Historically large variations in demand between seasons
 - Is the market about to stabilize at a higher level?
- *Strong market for European sawmills*
 - *Positive raw material situation*
 - Strained raw material situation
- Demand for pellets produced from residues is increasing
 - Need for new raw materials
- Available capacity in pellets production
- Price for pulpwood increased with 19% during 2022 – price driver in the firewood and chip market
- FSC® and SBP® Certified pellets demands certified raw material
 - Availability in the market must increase
- No FSC-certified material from Russia and Belarus
 - Increases demand in other European producer countries
- Logistical constraints is still a challenge

Demand for sawn products has decreased and Swedish sawmills are reducing production



Strained supply situation today but long-term positive development

- Extreme demand due to the strained energy situation across Europe
- Many companies invest in pellets – Market growth
- The pellets industry calls for a long-term approach
- Continue to develop alternative raw materials
- Joint responsibility throughout the supply chain
- Negative trend in consumer market – Will pellet stoves be the game changer also in Sweden
- Maintains competitiveness vis-à-vis other types of energy





The World Needs Green Energy!

Let's Continue!