



European Market Developments

Austria and Germany new
biomass boiler sales

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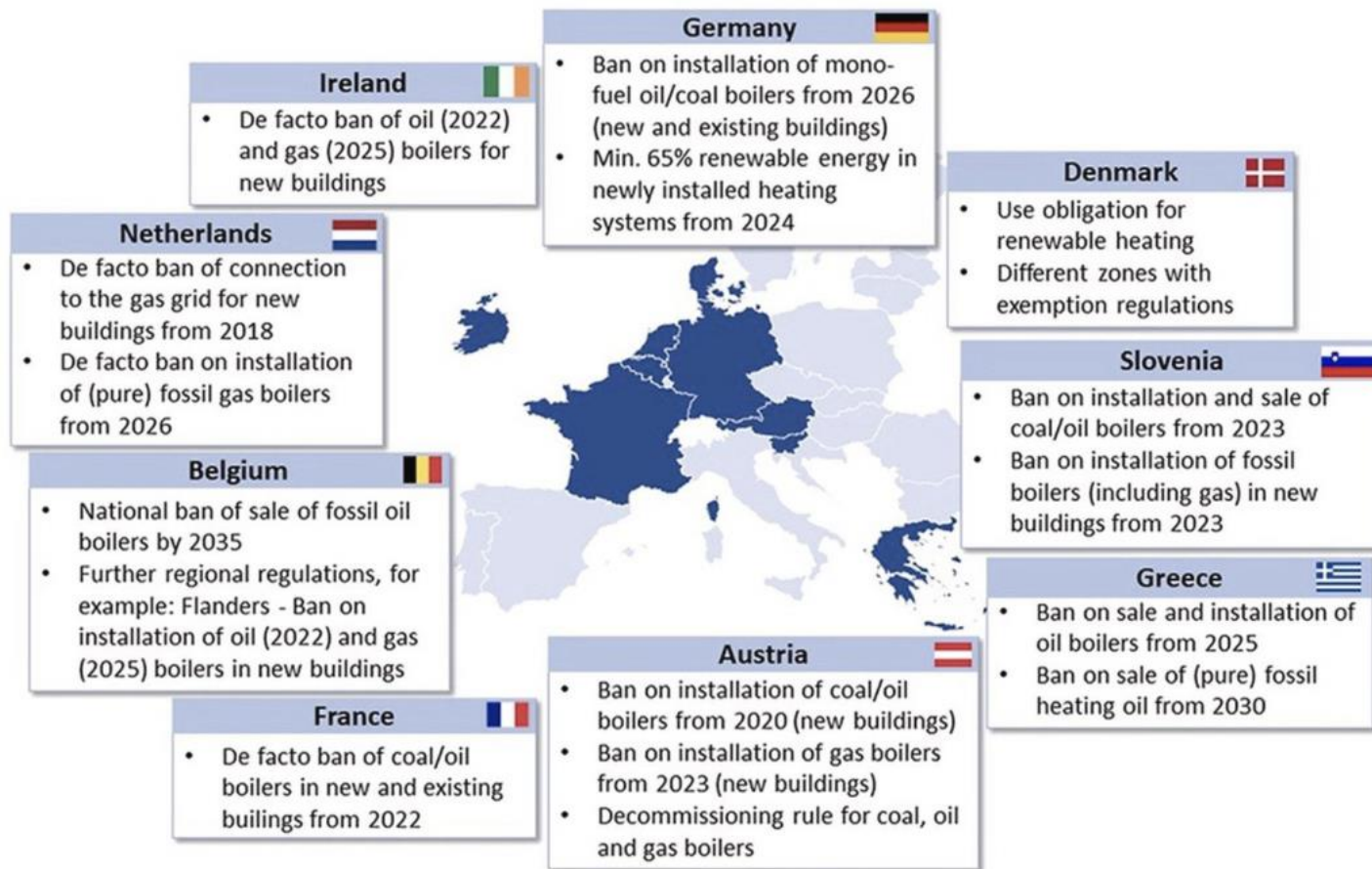
26 October, 2023

European Markets Austria & Germany

- Politics – much debate over renewable status of Biomass
- RED III classifying woody biomass as renewable, but debate will continue
- Ban of fossil fuel heating, how to get away from fossil fuel heating?
 - big public debate!

European Markets

Fossil fuel phase-out regulations in place or announced in the European Union



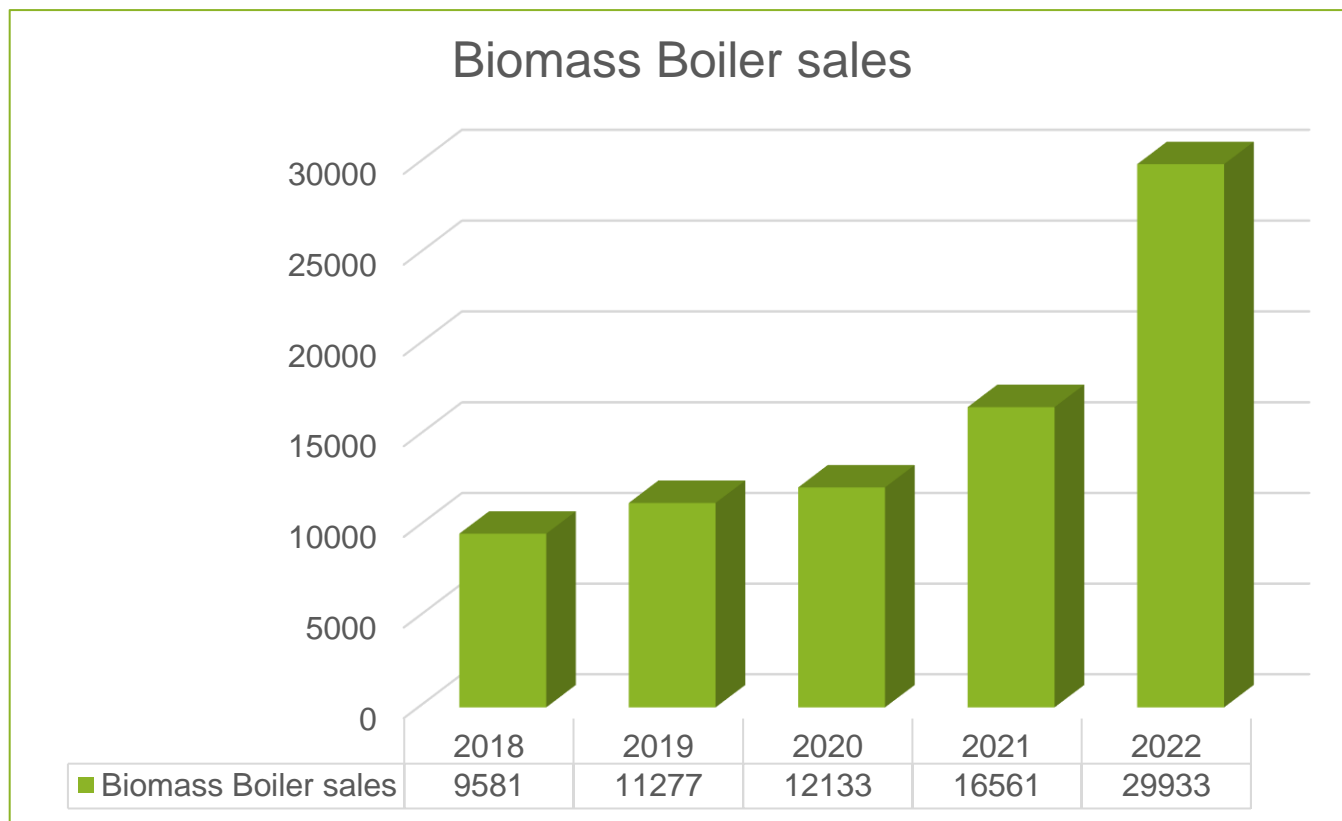
European Markets

Austria & Germany

- 2021 and 2022 have seen exceptionally strong demand for renewable heating systems – particularly domestic
- Biomass and heat pumps installers were fully booked for 12 months and more, long lead times from manufacturers
- 2023 shows some slow-down of biomass boiler sales on a high level
- Main Market Drivers
 - Carbon reduction targets and incentive programs
 - Strong ambition to get away from Russian oil and gas
 - Energy security and independence
 - Lower bills

Biomass Boiler Market AUSTRIA

9mn population



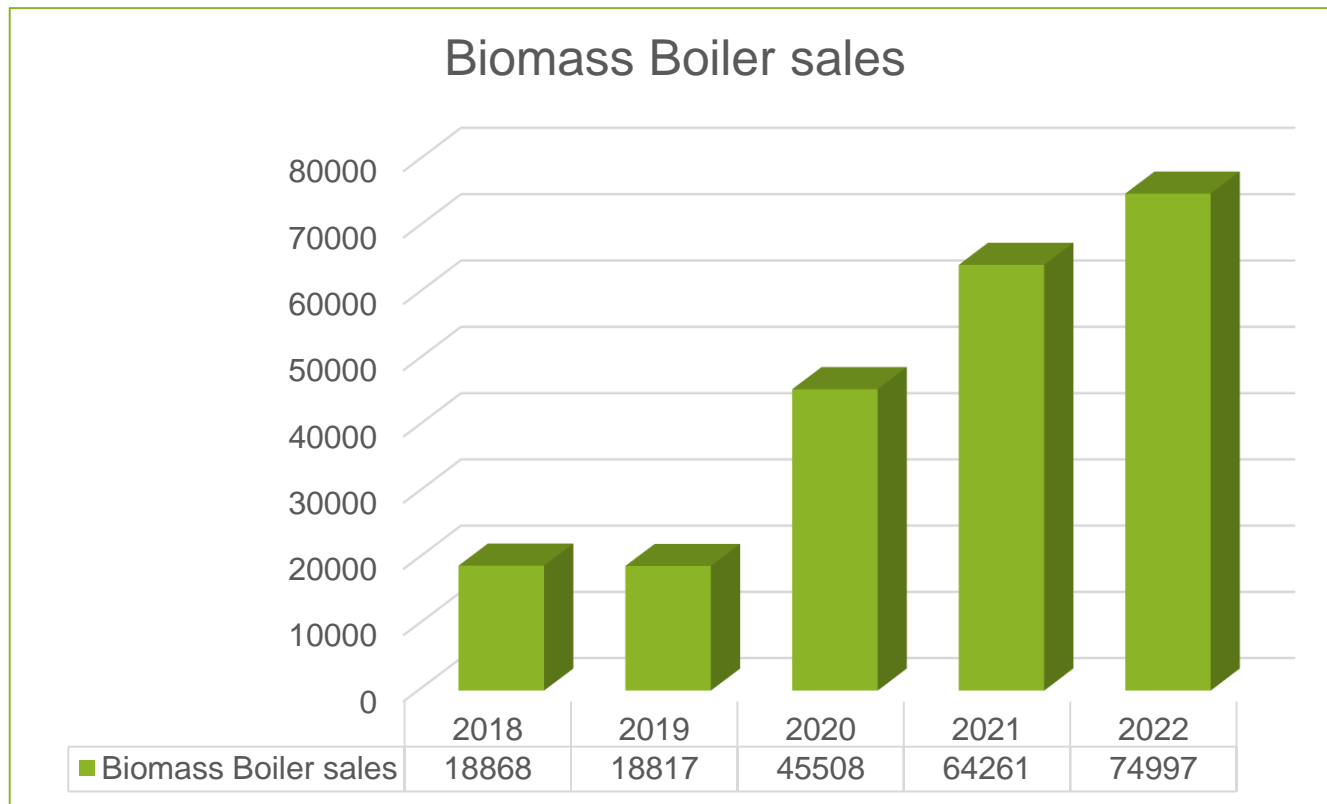
Biomass Boiler Market AUSTRIA

9mn population

- High dependence on Russian gas, high energy costs
- Incentive to replace fossil fuel heating:
 - €10,000 to €16.000 grant
 - max. 50% of installation cost
 - This shall be increased in 2024!
- Ban of fossil fuel heating
 - Ban of oil and coal heating in new buildings from 2020
 - Ban of gas heating in new buildings from 2024
 - But no ban of fossil fuel heating for existing heating installations. This was announced but has been withdrawn now
- Market cooling down now in 2023 ➔ minus 36.9% in Q1/Q2

Biomass Boiler Market GERMANY

80mn population



Biomass Boiler Market GERMANY

80mn population

- Incentive to replace fossil fuel heating:
 - Up to 45% of installation cost, max. €27,000 grant of max. €60,000 investment
 - Then biomass was reduced to max. 20% from 08/2022
 - New regime planned from 2024: up to 50%, max. €30,000
- High dependence on Russian gas, high energy costs
- Ban of fossil fuel heating announced, then withdrawn; ideology driven debate
 - New heating systems must have a 65% renewable share
 - Existing heating systems can run until 2045
 - Only oil and gas heating older than 30yrs. must be replaced
- Market cooling down in 2023 ➡ -12.6% in Q1/Q2

European Markets



Please note:
hybrid heat
pumps figures
are included in
boilers and
heat pumps
figures, hence
they are also
included in the
total market

Germany
1st half 2023

• Total Market:	+ 44,3 %	666.500	Pieces
➤ Gas condensing:	+ 31,8 %	344.000	Pieces
➤ Oil condensing:	+ 102,2 %	46.500	Pieces
➤ Gas non-condensing:	+ 6,5 %	41.000	Pieces
➤ Biomass:	- 12,6 %	38.000	Pieces
➤ Heat pumps total:	+ 105,2 %	197.000	Pieces
- Air-to-water monobloc HPs:	+ 132,7 %	131.500	Pieces
- Air-to-water split HPs:	+ 79,2 %	47.500	Pieces
- Ground-to-water HPs:	+ 27,3 %	14.000	Pieces
- Other HPs:	+ 100,0 %	4.000	Pieces
➤ Hybrid heat pumps:	+ 133,3 %	7.000	Pieces
• Solar thermal systems:	- 30,9 %	240.000	m²

Impact on Biomass Boiler Sales

What helps:

- Political leadership, strong commitment
- Positive communication
- Energy security and independence
- Government incentives
- Ban of fossil fuel heating

What does not help:

- Ideology driven public debates
- No or unattractive Government incentives
- Ignoring end customer's concerns
- Low fossil fuel prices – carbon tax?

THANK YOU

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