

Composites Market Update for March 2025

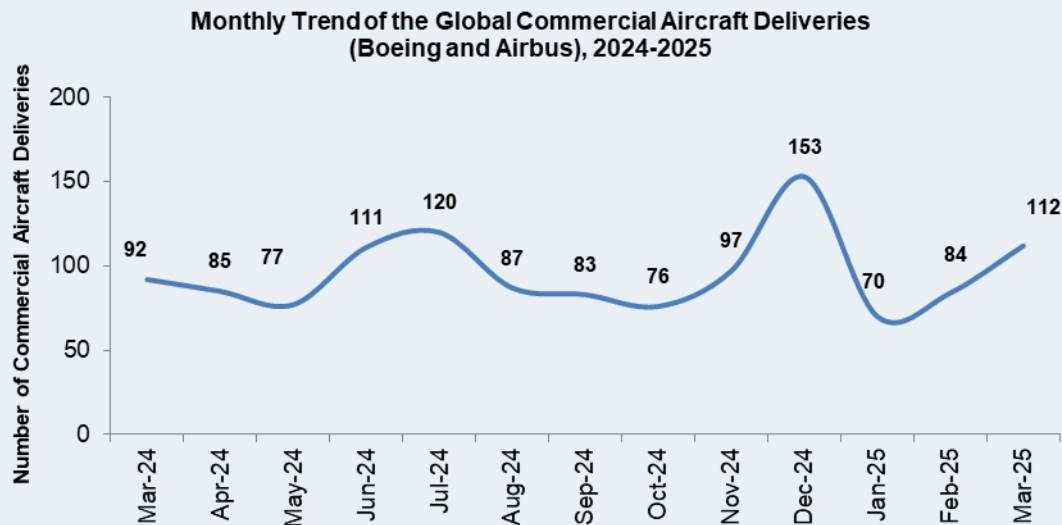
The composites industry continues to navigate a mixed landscape of growth and volatility. Year-over-year, the sector reported a 3.5% decline compared to March last year, largely driven by persistent weakness in the construction sector. Spending in areas like kitchens and bathrooms remains muted due to consumer hesitation, and while marine and pool segments are beginning to stabilize, they have yet to contribute meaningful growth. On a more encouraging note, the RV market is showing early signs of recovery, posting an 8–10% increase compared to its recent low points, although volumes remain well below historical norms.

On a month-over-month basis, the composites market experienced a 10% increase in March compared to February. This spike can be attributed largely to seasonal factors and recovery from February's weather-related disruptions. The construction and infrastructure segments were primary drivers behind the month-over-month lift, although activity levels remain modest in absolute terms. Looking ahead to April, the market is expected to hold steady or see a slight uptick compared to March, with increased optimism for concentrated growth over the summer months, particularly in infrastructure projects. Notably, while concerns around ecological regulations have somewhat eased, inflationary pressures and tariff uncertainties continue to cast a shadow over consumer confidence and long-term capital investments.

Despite the near-term challenges, underlying market sentiment suggests that pent-up demand—especially in marine and construction—could lead to a more pronounced rebound in the second half of 2025. Companies that position themselves now with diversified offerings and strategic resilience will be best poised to capitalize on the next wave of growth.

Aerospace

Commercial aircraft (Boeing and Airbus) deliveries increased from 84 aircraft deliveries in February 2025 to 112 aircraft deliveries in March 2025.

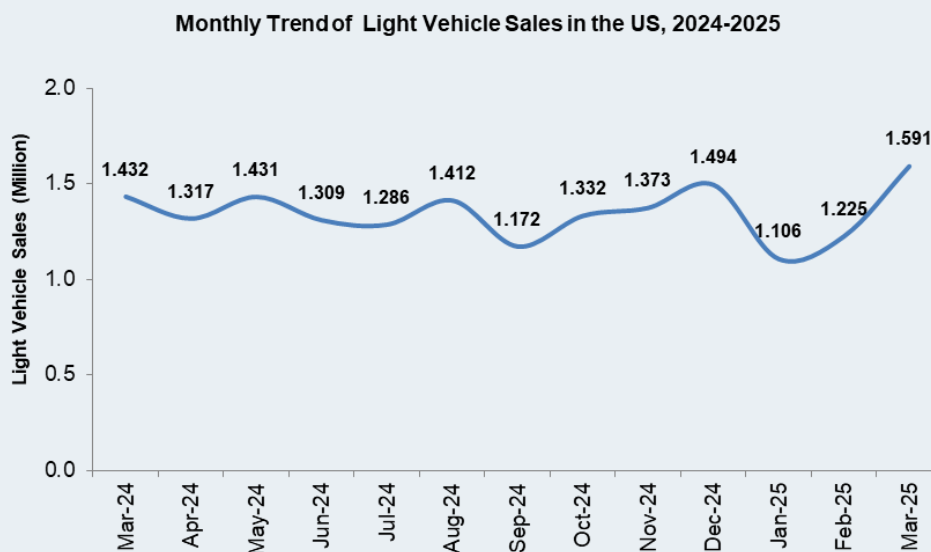


Some of the highlights of March 2025 are as follows:

- **Natilus to Build World's Most Efficient Commercial Aircraft with Carbon Fiber Frames.** Natilus, an aerospace manufacturer of blended-wing-body aircraft, has begun the process of selecting the site of its first U.S. manufacturing facility. The large-scale facility will produce Natilus's regional blended-wing-body freighter KONA, the first of its kind in the world. A strong signal of the momentum in commercializing blended-wing-body aircraft, the facility will be expanded with a larger production footprint for its 200-passenger aircraft, HORIZON. Natilus's family of blended-wing-body aircraft will be made with carbon fiber airframes and offer major advantages in fuel consumption, carbon emissions and payload capacity.
- **Airbus Unveils Light Twin-Engined H140.** Airbus Helicopters has introduced its H140 at the vertical lift industry show VERTICON in Dallas, Texas. The multi-mission helicopter raises the bar in the light twin-engined category, for performance, cost-effectiveness, and passenger and crew comfort. The H140 is a 3-ton class rotorcraft that complements Airbus Helicopters' current light twin offering for the emergency medical services, passenger transport, and private and business aviation markets. The entry into service of the helicopter is planned in 2028 for the emergency medical services segment. Airbus Helicopters has also made extensive use of composite material on the H140 – a specialism of the Donauwörth plant – “to reduce the weight of the platform to a minimum”. The new H140 also features the same five-bladed rotor system that was introduced on the H145 in 2019. The H140 will feature Helionix, Airbus Helicopters’ avionic system that also equips the H135, H145, H160 and H175.

Automotive

The U.S. light vehicle sales of 1,591,209 units in March 2025 represented an increase of 11.1% as compared to 1,432,130 units in March 2024.

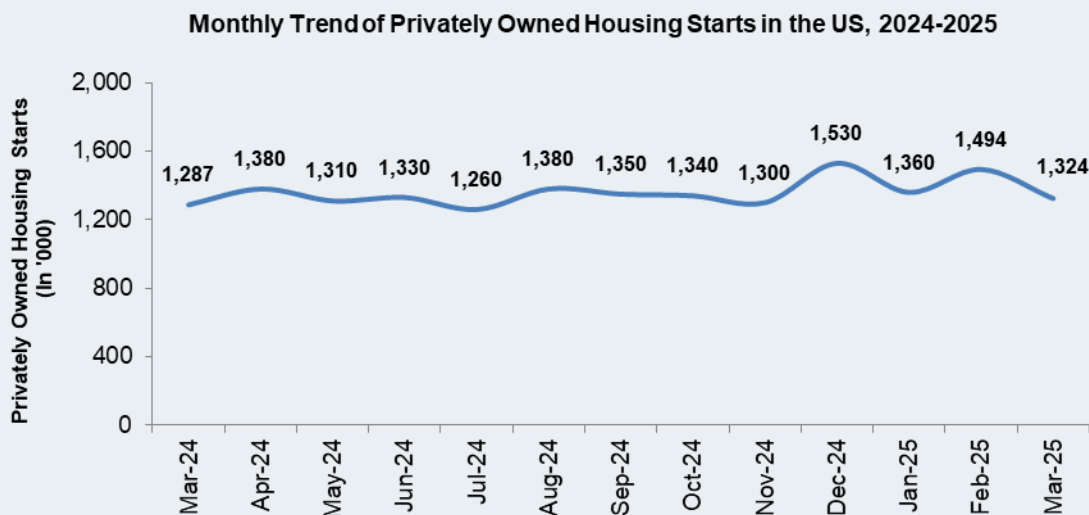


One of the highlights of March 2025 is as follows:

- FIBIAS++ Project Targets Recycled TPC Innovations for Automotive Applications.** The French Institute for Technological Research informed about the FIBIAS++ project, which has a goal to develop thermoplastic composites (TPC) based on recycled materials for use in the automotive industry, where reducing vehicle emissions and weight has become crucial. The FIBIAS++ project is the continuation of an initial research project that focused on developing technologies for processing TPC. This second phase adds an environmental dimension, with the aim of developing composites with a low CO2 footprint and incorporating recycled materials, while maintaining high performance for semi-structural, and even structural, automotive applications.

Construction

Privately-owned housing starts in March were at a seasonally adjusted annual rate of 1,324,000. This is 11.4% below the revised February estimate of 1,494,000 but is 1.9% above the March 2024 rate of 1,299,000. Single-family housing starts in March were at a rate of 940,000; this is 14.2% below the revised February figure of 1,096,000. The March rate for units in buildings with five units or more was 371,000.



One of the highlights of March 2025 is as follows:

- Rock Fiber Inc., ReforceTech form ReforceTech Americas.** Rock Fiber Inc., an emerging upstream company in the basalt fiber industry and ReforceTech Ltd., a global company offering composite reinforcement solutions for concrete structures, are forming the joint venture (JV), ReforceTech Americas. This new entity aims to become a driving forward for fiber-reinforced composites in construction, delivering high-performance materials to clients worldwide including projects aimed at coastal resiliency, and several Big Tech data center projects already in its pipeline.

Wind Energy

As per the most recent "Energy Infrastructure Update" released by the Office of Energy Projects within the Federal Energy Regulatory Commission, wind energy with the combined installed capacity of 5 units in January 2025 amounted to 1,301 MW. Wind energy, with an aggregated generating capacity of 155.59 GW that contributes 11.77% to the total energy sources, amounted to 1,321.97 GW.

Consumer Goods

New orders for manufactured durable goods in March, up three consecutive months, increased \$26.6 billion or 9.2% to \$315.7 billion. This followed a 0.9% February increase. Excluding transportation, new orders were virtually unchanged. Excluding defense, new orders increased 10.4%. Transportation equipment, also up three consecutive months, led the increase, \$26.5 billion or 27.0% to \$124.6 billion.

One of the highlights of March 2025 is as follows:

- **Baffin Uses TPE Compound in Its New Launch BROOK.** Canadian footwear brand Baffin presents BROOK, a new women's waterproof boot that combines style, comfort, and versatility. The boot of choice for varied, diverse lifestyles, BROOK adapts with the needs to transition from a fashion forward accessory to a utility product. Manufactured in Baffin's 166,000 square foot Canadian production headquarters, BROOK features a tall, lightweight, and flexible fully molded Thermoplastic elastomer (TPE) compound upper and is made with all vegan materials. These durable rubber boots have a removable, multi-layer insole featuring Thermaplush for added comfort and are designed to keep customers dry and warm in wet environments.

Recent Development in Material

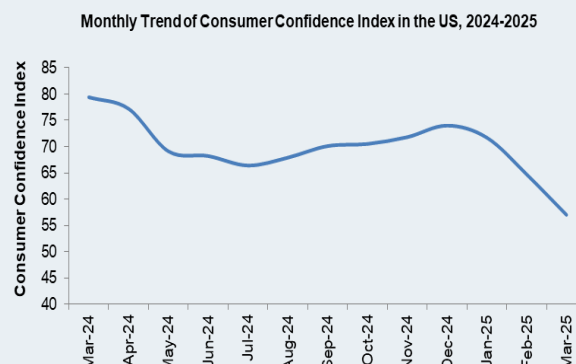
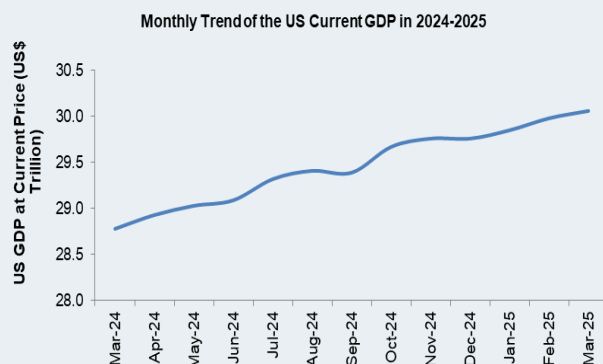
- **Teijin Carbon Introduces Tenax Next.** Teijin Carbon, a producer of carbon fibers and carbon fiber-based materials, is launching a new brand for its next generation of carbon fiber products. The Tenax Next brand is redefining what is possible in sustainable carbon fiber materials. Tenax Next represents a remarkable leap forward in eco-conscious material science. Featuring circular feedstock with a significantly reduced carbon footprint, the carbon fiber materials under this new brand maintain the strength, durability and performance that Tenax carbon fiber products are known for. This innovation aligns with Teijin Carbon's commitment to sustainability and addresses growing demand for environmentally responsible, high-performance materials.
- **IST Launches IMIDETEX, a Breakthrough in Aerospace Composites.** Industrial Summit Technology (IST) introduced IMIDETEX, an advanced polyimide fiber engineered to meet the demanding challenges of the aerospace and satellite industries. With high tensile strength of 3.0GPa, a continuous use temperature exceeding 250°C, and an ultra-low water absorption rate of <0.9%, IMIDETEX is said to deliver unmatched structural resilience, thermal stability, and lightweight performance crucial factors for next-generation aerospace composites. IMIDETEX isn't designed to replace existing glass or carbon fiber composites, but rather to enhance and complement them, expanding their capabilities in critical aerospace applications. By integrating IMIDETEX into existing aerospace materials, manufacturers can develop lighter, stronger, and more resilient components, reducing fuel consumption while enhancing structural integrity.

The US Economic Overview – March 2025

The US Consumer Confidence Index decreased to 57.0 in March 2025 as compared to 64.7 in February 2025. The GDP at current price of the US increased from US \$29.98 trillion in February 2024 to US \$30.06 trillion in March 2025.

Real gross domestic product (GDP) increased at an annual rate of 0.3% in the first quarter of 2025, according to the advance estimate. In the fourth quarter of 2024, real GDP increased 2.4%. The decrease in real GDP in the first quarter primarily reflected an increase in imports, which are a subtraction in the calculation of GDP, and a decrease in government spending. These movements were partly offset by increases in investment, consumer spending, and exports.

The price index for gross domestic purchases increased 3.4% in the first quarter of 2025, compared with an increase of 2.2% in the fourth quarter of 2024. The personal consumption expenditures (PCE) price index increased 3.6%, compared with an increase of 2.4%. Excluding food and energy prices, the PCE price index increased 3.5%, compared with an increase of 2.6%.



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