



Dear Reader,

October 2022

We have pleasure in enclosing our 3rd edition of the Foam Engineers Company Newsletter. In this newsletter we hope to offer you interesting updates regarding our business and cover some key events and topics which are impacting our industry. We are also excited to offer updates on our latest achievements. We hope you find this useful and enjoy reading.

Succession Planning - Foam Engineers Directorships

We are delighted to announce some exciting changes at Foam Engineers which include some structural reinforcements. We have made 3 of our senior management team directors. Steve MacWhirter Managing Director, Heather Mumford Finance Director, Matt Wright Commercial Director. This decision was made to give Foam Engineers greater adaptability and to streamline the process of succession planning which has been a key part of recognising and rewarding talent within the business. It also allows us to plan continuity and provides a solid foundation for future growth whilst broadening our outlook with fresh ideas. It's important to note that our directors are supported by our company Chair – James Wiles, who is still involved in the background, as well as our strong management team. We are also confident that this reflects well with our external parties as we strengthen our management team. We are essentially covering the usual important aspects of the business but are now incorporating additional responsibilities as company directors. Join us on this exciting journey as we continue to innovate and grow.

Foam Expo 2022 – Stuttgart Germany



We are delighted to announce that we are exhibiting at this year's Foam Expo.

Come and visit Foam Engineers Ltd at stand No. 650 at Foam / Adhesives & Bonding Expo Europe in Stuttgart, Germany - 8-10 November. Join us and thousands of other professionals from the foam and adhesives & bonding community. We will be show casing our latest products and developments and will be on hand to meet you and discuss any enquiries and requirements you may have.

The Manufacturing MX Awards

Best of British shortlist announced: The Manufacturer MX Awards 2022 Finalists Foam Engineers is amongst Britain's top manufacturing companies who have made it through to the finals. We are delighted to have been shortlisted as finalists in 5 categories for The Manufacturing MX Awards.

We are finalists in:

Achieving Customer Value
Operational Excellence
Product Innovation & Design
Leadership & Strategy
Supply Chain Excellence



The Manufacturing MX Awards is the UK's largest and most rigorous industry awards program, which we're thankful to be a part of for the second year in a row.

We will now go head-to-head with manufacturers across the country for first place in all 5 above mentioned categories.

We have recently welcomed judges onsite to demonstrate our skills, achievements and work culture.

Good luck to all involved and we look forward to celebrating UK manufacturing excellence with you in Liverpool on 17th November 2022.

Best of British – Digital Manufacturing Week 2022

<https://www.digital-manufacturing-week.com/best-of-british>

We have been chosen to take part in the Best of British Manufacturing Awards - A celebration of domestic manufacturing, featuring world-beating new designs, innovative modes of manufacture, products that redefine categories, and export successes that plant the flag in overseas markets.

Includes finalists in The Manufacturer MX and Top 100 Awards.

The Best of British showcase will be featured in the atrium of the Exhibition Centre Liverpool, which will be viewed by all attendees at Digital Manufacturing Week 2022.

FOAM ENGINEERS LTD

T : +44 (0)1494 448855

E : sales@foamengineers.co.uk

Dashwood Avenue ▶ High Wycombe ▶ Buckinghamshire ▶ HP12 3EA ▶ UK

Registered Office: Dashwood Avenue, High Wycombe, Buckinghamshire, HP12 3EA. Registered in England 864353





Birmingham 2022 Opening Ceremony - The Bull

Foam Engineers are enormously proud to have been involved in the supply of various Plastazote foam materials from Zotefoams, as well as other technical foam grades used in the construction of the magnificent Bull which was a major scenic prop for the Opening Ceremony of the Birmingham 2022 Commonwealth Games.



We supplied foam to our customer Artem who were responsible for designing and building the 10m tall Bull, capable of propelling itself around the stadium and interacting with performers. The Bull is 10m high x 4.5m wide x 15m long and weighed in at just 2.5 tonnes. Due to time restraints, our short lead times and geographical location offered great benefit to Artem as we seamlessly supplied foam when required.

The use of foam, due to its light-weight properties, became a common feature throughout the Bulls design and construction. Its skin, hooves and interior mechanical elements were all cut and shaped from foam which was then art-worked to look like metal.

Energy - The worst is yet to come

Converters like us, and many other energy-intensive industries, have been shocked by the dramatic increase in electricity and gas prices. The industry average for electricity costs has doubled since the beginning of the year. Many companies are said to be dealing with electricity bills up by 750% compared to January.

In certain countries, salary increases on top of the rise in energy costs have converters facing a dilemma to continue production or stop certain processing lines.

A challenging month for flexible foam

We have received notifications from most of our supply base informing of us of a precarious supply situation. Many chemical producing companies such as Covestro, BASF and BorsodChem have issued force majeure notifications due to technical reasons, high energy costs involved in production and a chlorine leak at a major Dormagen facility which subsequently forced a TDI production shutdown. This leaves approximately 30% of available European TDI capacity. TDI is one of the key chemicals used in the manufacture of flexible polyurethane foams. We have been forced to struggle with allocations in addition to significantly higher prices.

This situation will not change substantially in October and full TDI production is not expected to resume until the end of November.

We expect the situation to remain volatile for some time given all the various events and factors at play. We are working to minimise the impact of supply to our customers and will keep you updated as the situation develops and we receive further updates. This is an unprecedented situation and is having an impact on pricing which is continually under review. We are closely monitoring the fragility of our supply chain, working closer than ever before with our suppliers. However, we strongly urge our customers to re-evaluate their stock holding policies with a view to offering Foam Engineers order coverage or underwrite stock held as RM, WIP, or FG. This will help us to mitigate the risk and avoid any potential disruption and delays to our lead times and deliveries. If you have any concerns that your orders may be impacted, then please do not hesitate to contact our sales team to discuss in more detail.

LinkedIn

We are dedicated and focused on developing our LinkedIn page and expanding our list of followers. We aim to regularly post updates and share Foam Engineers successes. If you haven't already, we would appreciate you following our Foam Engineers Company page as this is a great way for us to keep you informed of our latest news.

Please click on the link below to follow our page.

<https://www.linkedin.com/company/foam-engineers-ltd/mycompany/?viewAsMember=true>

As ever, wishing you well and thanking you for your continued co-operation and of course your highly valued custom.

Sincerely

Foam Engineers