

SWOT analysis

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Leading company that is customer-centric and has an operations strategy to respond to varying customer needs</li> <li>• Wide range of product portfolio and extensive market collaborations that accelerate growth, business resilience and innovation</li> <li>• Consistent investments in strategic marketing and consumer engagements that have built market leadership and top of mind recall for consumers</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Like other players, Betek Boya is subject to external factors such as economic conditions, fluctuating demand, volatility in raw material cost and the impact of the global pandemic</li> <li>• However, with Betek Boya's operation strategies, the company has been able to mitigate these effects as much as possible and continues to drive resilient growth and innovation</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Drive market opportunities towards environmentally friendly products as focus on health and environment continues to build in the region, an area that Betek Boya is already ready to deliver on</li> <li>• Help to strengthen the Nippon Paint Group's position in the western DIY market with Betek Boya's flagship paint brand - Fıllı Boya, as consumer demand for DIY products continues to increase</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Prevailing economic conditions have led to conscious consumer buying habits, driving more consumers into budget segments</li> <li>• Compete with strong established multinational companies</li> </ul>

Tayfun Küçüköğlü  
CEO

PROFILE

Tayfun Küçüköğlü has held various roles within the Betek Boya Group, where he was a founding member in 1988. Küçüköğlü has also been operating as Betek Boya's CEO and is a member of the Board of Directors since 1995. He is also one of the founding members of the Paint Manufacturers Association (BOSAD) founded in 2003 and continues to be a part of its Board of Directors. Between 2015 and 2017, Küçüköğlü served as the Chairman of the Board of Heat, Water, Sound and Fire Insulators Association (ZODER). He has also been the Chairman of the Board of Directors at IMSAD (Construction Materials Industry Association) since 2020.

Market features and outlook

- Stable GDP growth, brand loyalty, consumer confidence and growth in renovation market is expected to continue
- High growth of renovation market is anticipated for decorative paints segment
- Increase in demand for ETICS (External Thermal Insulation Composite System) is anticipated due to stricter European environment regulations. 70% of the building in the market are still non-insulated and current 30% market growth level is expected to continue in ETICS sector
- Continuous monitoring of Turkish Lira FX changes required

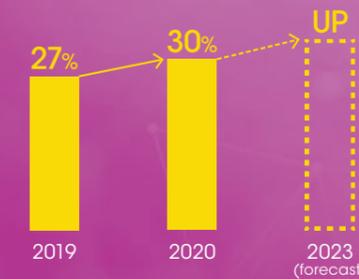
Growth strategy for FY2021-2023

- Promote multi-brand strategy in decorative paint segment for market share expansion by strengthening premium brands, optimizing product portfolio and driving trade and commercial initiatives
- Expand market share in ETICS segment and maintain profitable growth for this sector
- Focus on expanding the number of "New Generation Dealers" stores along with driving product innovation
- Continue to build brand presence outside of Turkey
- Drive aggressive growth in the industrial group using the power of synergy with Nippon Paint

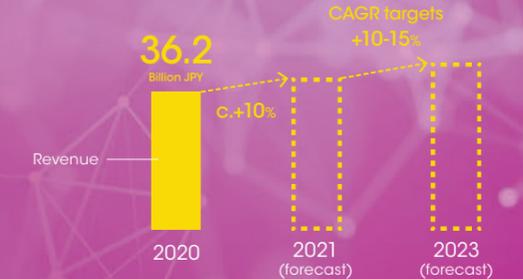
Market growth rate (decorative: Turkey) <sup>1</sup>



Market share (decorative/value: Turkey) <sup>2</sup>



Performance <sup>3</sup>



<sup>1</sup> ACA-published Global Market Analysis for the Paint & Coatings Industry (2019-2024). <https://paint.org/market> <sup>2</sup> NPHD's estimates <sup>3</sup> FY2020 figures are in JPY; FY2021 figures and CAGR figures for FY2021-2023 are in local currency <sup>4</sup> PPA amortization: JPY1.0 bn/year

OP margin (before PPA) <sup>4</sup> 13.8% → →

# Betek Boya



Betek Boya is a leading Turkish paint and ETICS company. Its multi-brand portfolio covers premium brands to budget options in the Turkish paint market. Betek Boya has been leading the Turkish decorative paint segment for the last 21 years, has 7 production facilities and is listed as no.1 in the paint companies reputation index for more than 10 years in the market. Betek Boya also includes industrial coatings in its portfolio and is eager to gain extra market share in selective geographies by exporting its entire product group to more than 30 countries. Betek Boya is also proud to be the first certificated company in Turkey with Hygiene Process Certificate during the pandemic, marking its responsibility towards society.

**Corporate data**  
Employees: 1,709  
Headquarters: Istanbul, Turkey  
Ownership Ratio: 99.6%

Market features and outlook

Betek Boya is a market leader in paint and ETICS industry in Turkey, providing a broad portfolio of products including architectural, industrial, furniture and protective paints & coatings to its customers, with an increasing investment in technology and innovation. Betek Boya exports its entire product group to more than 30 countries and moving forward, and will continue to expand their market share in adjacent geographies.

Decorative paints account for more than 55% of the Turkish paint segment with a forecasted market growth of 3.6% every year. This lucrative segment, which forms a premium share of Betek Boya's product portfolio (approximately 60% of total revenue) is expected to show further growth as the

demand for renovation and repairs increase with stable GDP growth.

With stringent EU regulations in health and environment expected to be effective by 2023, there will be a rise in demand for environment friendly products, leading to a higher uptake for products within the ETICS category. With Betek Boya's innovative ETICS products, the company is ready to respond to customer needs and grow this sector to deliver positive revenue outcomes.

A customer-centric approach, strong dealership network and continuous focus on innovation are key factors in Betek Boya's consistent growth in Turkey and will continue to outline revenue growth efforts in the region.

Growth strategy for FY2021-2023

We remain focused on driving consistent growth in Turkey while strategically ensuring that we are able to expand Nippon Paint's global footprint and maximize value for all our stakeholders.

Our key growth strategies pillar can be outlined as:

1. Expanding our market share in decorative paints through a multi-brand approach.
2. Aiming for sustainable growth and expansion in the ETICS category.
3. Expanding brand presence in adjacent geographies.
4. Building a customer centric approach by delivering seamless and unique customer experiences through our marketing and trade channels.
5. Making steady investments in both product and technology through the Nippon Paint synergy in the industrial coatings sector.

Our main growth strategy for decorative paints is to continue and

strengthen our multi-brand strategy and optimize our product portfolio to improve our market share. This involves the differentiation of brands by strengthening our premium brands with seamless customer experience and comprehensive product portfolio and fostering our budget brands with dynamic portfolio optimization and trade marketing and commercial initiatives.

Betek Boya has the largest integrated ETICS production facility in Europe and is the only system provider in Turkish market. Dalmaçyalı is the founding and leading brand within this category in Turkey competing against more than 200 local brands. Stimulating demand in ETICS category as the leader and maintaining profitable growth by consistent brand and high-tech product portfolio investments will form our main growth strategies to gain a higher market share within this sector.

Delivering notable customer experiences and building their confidence in the Betek Boya brand will continue to outline our marketing

efforts in the region. The inception of seamless painting service (Fıllı Ustam) and one of a kind 'New Generation Dealer' stores designed to accelerate consumer shopping experiences complete the omni-channel experience for our customers. As e-commerce and online engagements seek to grow post pandemic, Betek Boya will continue to explore innovative strategies to better connect with our customers and deliver new experiences for them.

Betek Boya exports its entire product group to more than 30 countries and we will aim to grow our market share in selective geographies by optimizing and refreshing our product portfolio and distribution channels while simultaneously looking for newer growth opportunities in other markets.