DuluxGroup aims to continue delivering consistent, profitable growth by focusing on three strategic growth pillars:
1. Extending our market-leading positions in the Pacific region, Australia, New Zealand and Papua New Guinea (PNG); and
2. Leveraging capability for growth into the mature European paint and coatings market; and
3. Leveraging capability for growth into global sealants, adhesives & fillers segments.

**1. Extending DuluxGroup’s market-leading positions in the Pacific**

From its heritage dating back to 1918, DuluxGroup has evolved to become a leading marketer and manufacturer of premium branded products that enhance, protect, and maintain the places and spaces in which people live and work. This is expressed in our core purpose: “Imagine a Better Place.”

In relatively mature ANZ markets, DuluxGroup has invested in and leveraged its market leadership position and regional scale in well-structured market segments to deliver consistent and profitable growth.

In Australia and New Zealand, approximately 75% of DuluxGroup’s business is comprised of Dulux paint & coatings and the Selleys sealants, adhesives & fillers businesses. They are complemented by other home improvement segment businesses Yates, B&Q Group and Lincoln Sentry, which are each profitable market leaders.

DuluxGroup has also operated in Papua New Guinea since 1968, where it replicates its core Dulux and Selleys offers.

DuluxGroup’s largest product market, decorative paints, historically grows volume at approximately 1% per year, and market leader Dulux has consistently grown value ahead of that, at an average of 5% a year over the past two decades. With strict margins and cost discipline, DuluxGroup has a strong track record of frame-through frame growth over many years.

Success underpinned by investment in, and focus on, the fundamentals

DuluxGroup’s track record of consistent delivery has been underpinned by putting customers and customers at the heart of everything we do, and by an evolving strategy for an ever-shifting world.

1. Leverage and continue to invest in our core capabilities across our market leading business, particularly:
   - our premium brands,
   - consumer-led insights, innovation and marketing, and
   - growth through our retail and trade customer channels by focusing on service and experience.

2. Focus on well-structured markets and market segments that deliver consistent growth and strong returns, with an emphasis on the relatively stable existing home renovation and maintenance markets, typically 65% of Group revenue.

3. Focus on product categories that are premium branded - where consumer trust, quality, continuous innovation and supply chain excellence drive competitive advantage.

4. Continue to foster our strong culture, which is reflected in world-leading employee engagement levels and is underpinned by our Values and Behaviors and also recruiting, developing and retaining a diverse and talented workforce.

**Organic growth supported by value generating M&A**

Organic growth will be driven by ongoing investment in the fundamentals that have underpinned success to date. More specifically:

- generating increased participation in the innovation and repair market through strong marketing and innovation, including increased do-it-for-me services to consumers,
- increasing consumer engagement through digital platforms,
- promoting omni-channel and optimization of logistics for the trade/professional market.

Further, DuluxGroup aims to grow into adjacent markets with similar market and consumer dynamics.

DuluxGroup continues to invest in its company Trade supply chain and distribution network.

**Dulux has been voted the most trusted paint brand in Australia for the last 10 years in a row.**

*Reader’s Digest 2022*
2. Leveraging capability for growth into the mature European paint & coatings market

DuluxGroup established foothold positions in European decorative paints markets with the acquisitions of Craig & Rose in the UK in 2016 and Maietti Dezo in France in 2019, followed by acquiring the French brand Pure & Paint in 2020. With these relatively small-scale acquisitions, DuluxGroup has leveraged its expertise in premium brands and consumer-led marketing and innovation, along with its retail channel management capability, to progressively grow its presence in European Big Box consumer retail, complemented by other channels including online.

Cromology and JUB – a strong platform with scale and capable management to enable growth

The acquisition of major market leaders French-based Cromology and Slovenia-based JUB provides the market position and regional scale needed to drive DuluxGroup and Nippon Paint Group’s growth ambitions in Europe’s premium paints markets. They each have premium brands, leading market positions across western and central Europe respectively, capable management teams, local market know-how, strong trade and retail distribution, well-established manufacturing assets and supply chain capability.

Cromology and JUB, along with Maietti Dezo and Craig & Rose, provide DuluxGroup a substantial European decorative paints platform from which to deliver ongoing growth in the world’s second largest decorative paints market (after China).

Symmetry with DuluxGroup – consumers, customers and market dynamics

Europe, like Australia, is a mature market where delivering consistent, year-on-year, organic growth is underpinned by ongoing investment in the core fundamentals of premium brands, consumer-led marketing and innovation, customer service and supply chain excellence.

DuluxGroup is the natural owner for Cromology and JUB. They have much in common in terms of their respective consumers (do-it-yourself and DIY), customers (trade/own stores, Big Box and independent) and competitive landscapes. While there are large global decorative paint market players in Europe, DuluxGroup already competes with many of these players in ANZ and has done so for many years.

Over time, we see growing opportunity leveraging the product portfolio, technology, marketing and innovation, procurement and customer channel management capability of DuluxGroup along with the global scale and resources of the wider Nippon Paint Group. DuluxGroup’s European “partner companies” – Cromology in France, Maietti Dezo and Craig & Rose – will drive European decorative paints growth over the medium to long term, including through leveraging DuluxGroup’s core capability, which has delivered above-market, profitable growth in Australia, New Zealand and PNG for many decades.

Enabling our European partner companies to drive organic and inorganic growth through:

- Customer channels – grow share in trade customer channels (e.g. omni-channel trade fulfillment) and continue to build a meaningful presence in DIY consumer retail (e.g. step-up Big Box presence) over time.
- Product category extensions – leveraging the wider DuluxGroup and Nippon Paint Group technology and product portfolio, including specialty coatings (e.g. wood, metal, concrete and texture coatings), ETICS and SAF.
- Geographic extensions – focusing on adjacent markets with similar market and consumer dynamics.

3. Leveraging capability for growth into global sealants, adhesives & fillers segments

DuluxGroup has successfully grown into paint adjacent segments in ANZ, most notably with its market leading Selleys sealants, adhesives & fillers (SAF) business. DuluxGroup is now collaborating with NIPREA Group, to help build a material, sustainable and market leading SAF business in Asia through transferring our Selleys capabilities including consumer insights, marketing, product, technical and supply chain expertise. We will continue to focus on this collaboration, building on its success to date.

Further, DuluxGroup aims to grow into global SAF segments in markets where structures are similar to Selleys ANZ experience and where we know we can successfully compete. Given DuluxGroup’s European expansion in paint related distribution networks, we will continue to explore options to add local SAF businesses to generate growth in paint adjacent categories.

In doing so, we will focus on opportunities offering premium established brands, local product, locally compliant technology, strong supply chain capability, distribution reach, management talent and deep SAF experience. DuluxGroup will look to leverage its capability, including in Big Box retail, to generate long-term sustainable growth.

Message from Management

Our Medium- and Long-Term Management Strategy

Cromology

Profile

Sébastien Cromology joined in 2018, with deep industry experience, including at Hilti France, Signatone and PPG. He holds an engineering degree from the Ecole Nationale Supérieure de Chimie de Paris - PPSI Architectural Coatings France. DuluxGroup has an Engineering Master's Degree in Business Management in Markets and Marketing, and as a MBA from ESCP.

Cromology geographic presence and market position

Cromology is Europe’s fourth largest decorative paints producer and is a leader in the B2B segment in Western Europe, where it is a strong player in Italy, France, Spain and Portugal. Xenovit is a portfolio of premium brands, broadly marketed through a extensive company store network, it is well-positioned for growth opportunities into other customer channels, as well as an adjacent product and geographic segments.

JUB

Profile

Sašo Kokalj
President & CEO

Slovenia

JUB geographic presence and market position

JUB has a strong market position in interior paints and ETICS in central Europe in the former Yugoslavia, and in strengthening its position in other Eastern European countries, particularly in painting components, leading companies and ETICS systems.

SWOT analysis

Strategies

• Strong market positions
• Robust product portfolio with strong H&I capability
• Strategic management with excellent market know-how

Opportunities

• Extend product portfolio and geographical footprint
• Shift to a stronger focus on ETICS

Weaknesses

• Smaller procurement scale
• Fewer economic synergies and operating economies

Threats

• Current disruption in global supply chains due to volatility

SWOT analysis

Strategies

• Premium brands, backed by strong R&D capability
• Strong management with excellent market know-how
• Robust product portfolio, including strong ETICS capability

Opportunities

• Extend product portfolio and geographical footprint
• Shift to a stronger focus on ETICS

Weaknesses

• Like most companies, there are ongoing challenges from volatile raw material and consumer input costs. However, Cromology has demonstrated a strong track record and has long-term strategy to manage this risk.

Threats

• Macroeconomic uncertainty, low growth
• Major currency risks, exposure to foreign exchange movements

Our Medium- and Long-Term Management Strategy

Cromology geographic presence and market position

1. Continue to deliver ongoing growth in the world’s leading decorative paints market from which to deliver ongoing growth in the world’s second largest decorative paints market (after China).

2. Leveraging capability for growth into the mature European paint & coatings market

3. Leveraging capability for growth into global sealants, adhesives & fillers segments

Portfolio

DuluxGroup aims to continue delivering sustainable growth. In doing so, we will focus on opportunities offering premium established brands, local product, locally compliant technology, strong supply chain capability, distribution reach, management talent and deep SAF experience. DuluxGroup will look to leverage its capability, including in Big Box retail, to generate long-term sustainable growth.

In doing so, we will focus on opportunities offering premium established brands, local product, locally compliant technology, strong supply chain capability, distribution reach, management talent and deep SAF experience. DuluxGroup will look to leverage its capability, including in Big Box retail, to generate long-term sustainable growth.

Corporate data

Employees
774

Headquarters
Ljubljana, Slovenia

Ownership ratio
99.83%

Corporate data

Employees
3,184

Headquarters
La Defense, Paris, France

Ownership ratio
100%

Corporate data

Employees
744

Headquarters
Ljubljana, Slovenia

Ownership ratio
99.83%

Corporate data

Employees
744

Headquarters
Ljubljana, Slovenia

Ownership ratio
99.83%

Corporate data

Employees
3,184

Headquarters
La Defense, Paris, France

Ownership ratio
100%

Corporate data

Employees
744

Headquarters
Ljubljana, Slovenia

Ownership ratio
99.83%

Corporate data

Employees
3,184

Headquarters
La Defense, Paris, France

Ownership ratio
100%

Corporate data

Employees
3,184

Headquarters
La Defense, Paris, France

Ownership ratio
100%

Corporate data

Employees
3,184

Headquarters
La Defense, Paris, France

Ownership ratio
100%