



Tikkurila Analyst Day 2015

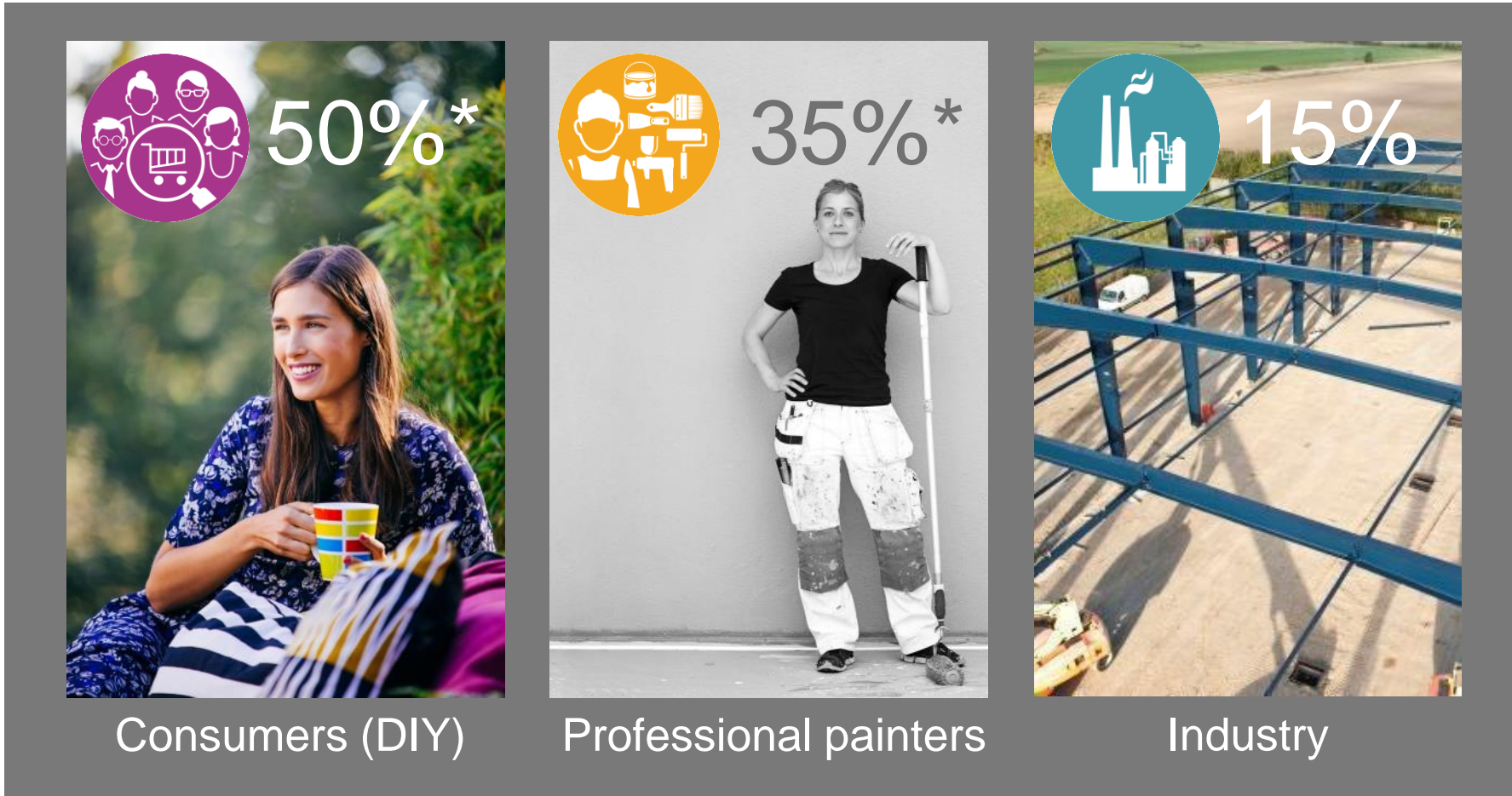
Growth from the professional business

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Our end-customers



*Tikkurila estimate

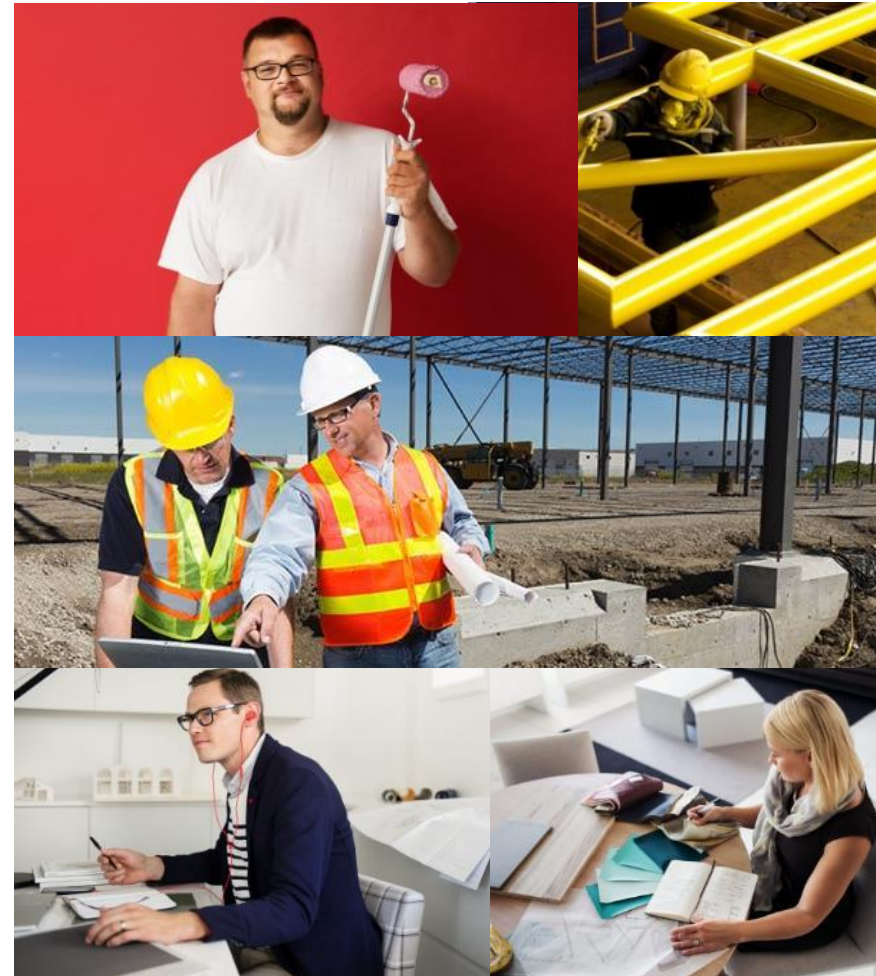
Professional segment customers

Buying customers

- Painting contractors
 - ✓ B2B
 - ✓ B2C
- Industrial painters
- Professional and industrial retailers

Influencers

- Designers
 - ✓ Architect designers
 - ✓ Structural designers
 - ✓ Interior designers
- Technical controllers
- Developers / investors
- Construction companies
- Property managers
- Maintenance companies
- Town officials





Brands and products for professionals

Significant amount of the consumer branded products are used also by professionals

Products aimed at professional painters

Functional products

Industrial products





Distribution channels

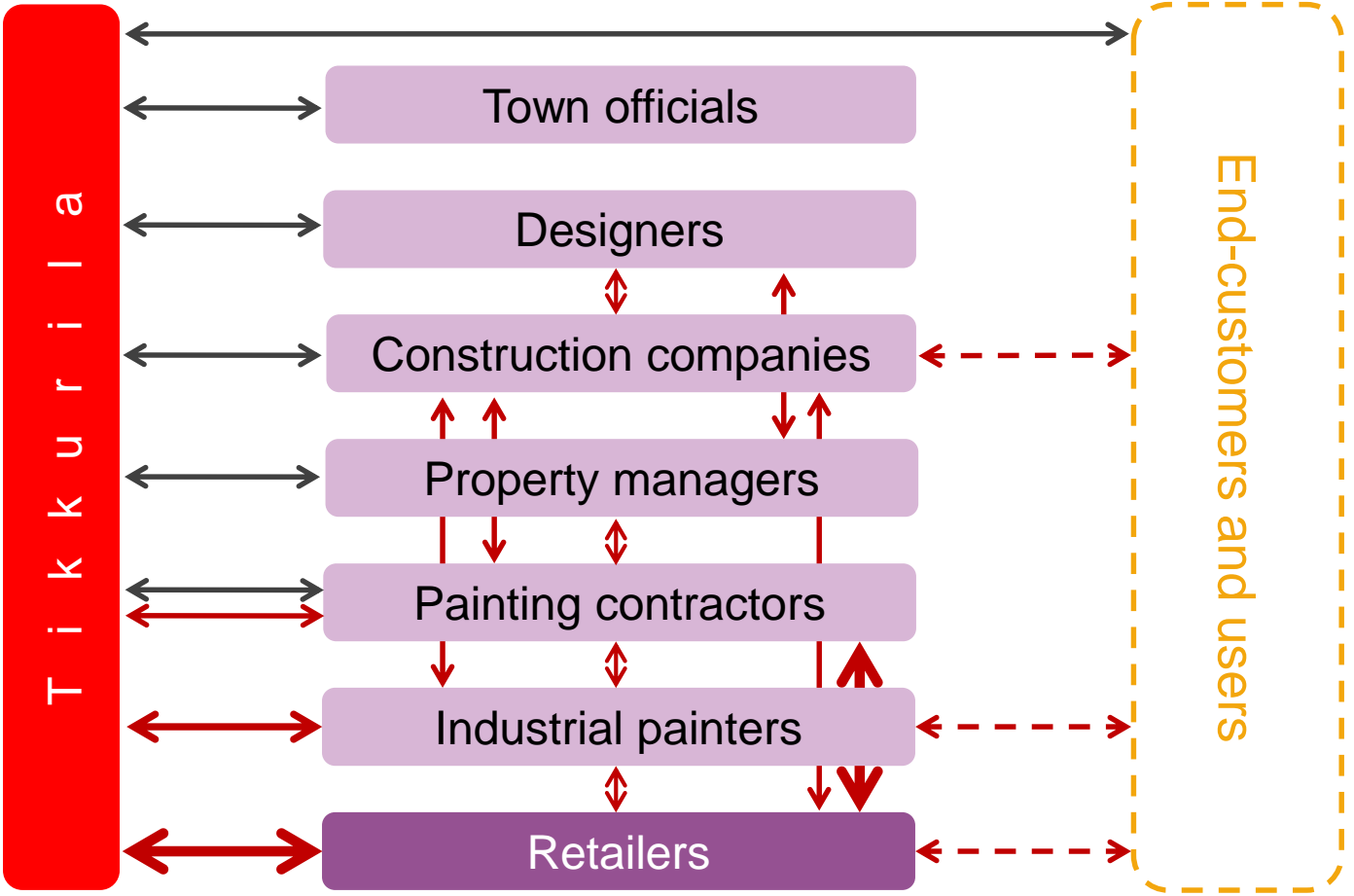


* Only in some markets

** Big boxes, specialized paint shops

Consumers  Professionals 

Sales and services to professionals



- A major part of decorative products used by professionals are currently sold through retailers
- Approximately one third of industrial products are sold through retailers

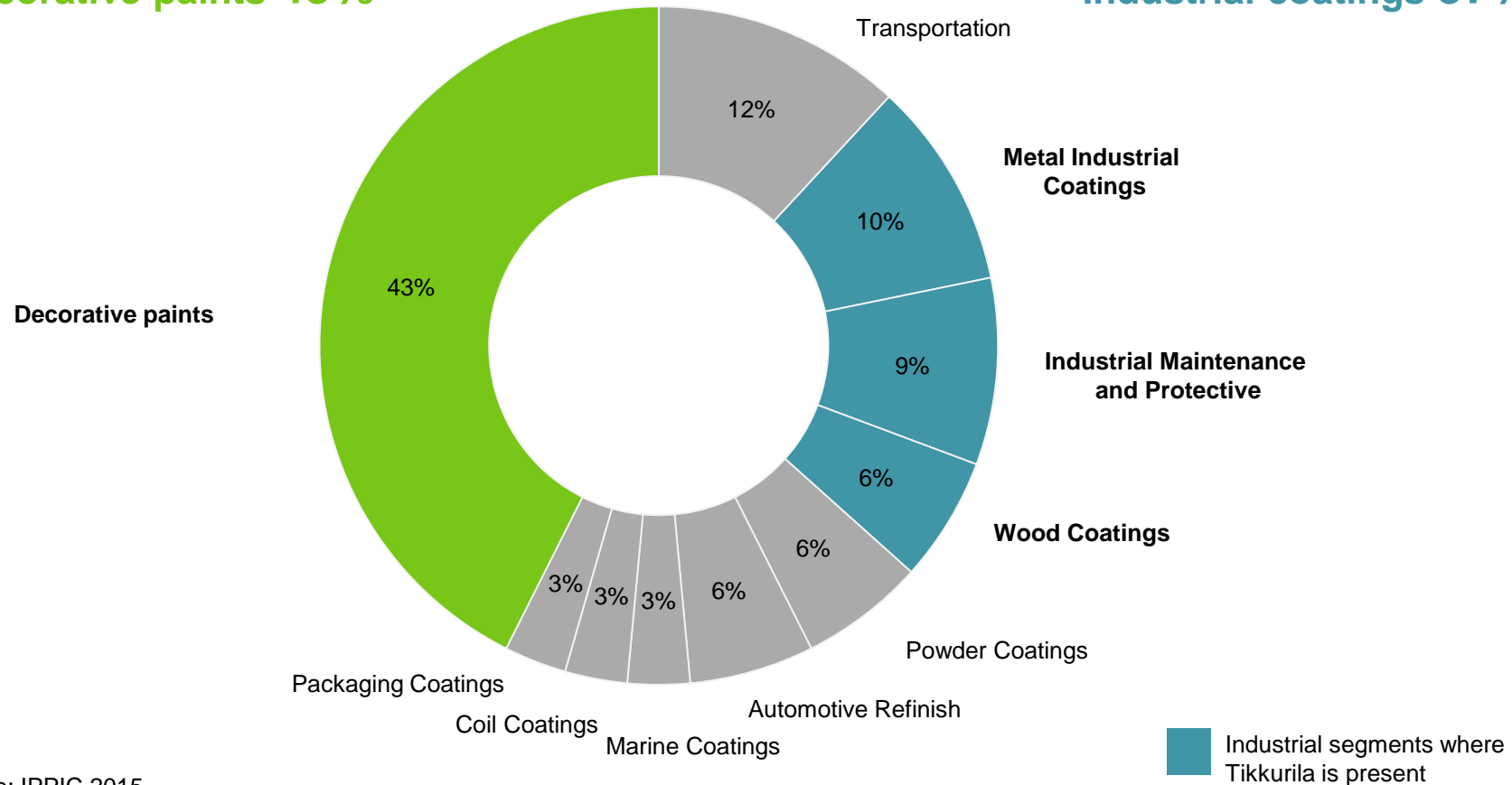
 Sales
 Influence



Value of the global paints and coatings market; USD ~130 billion

Decorative paints 43%

Industrial coatings 57%



Source: IPPIC 2015

Increasing the professional and industrial business

We are aiming at significant additional sales to professional and industrial customers



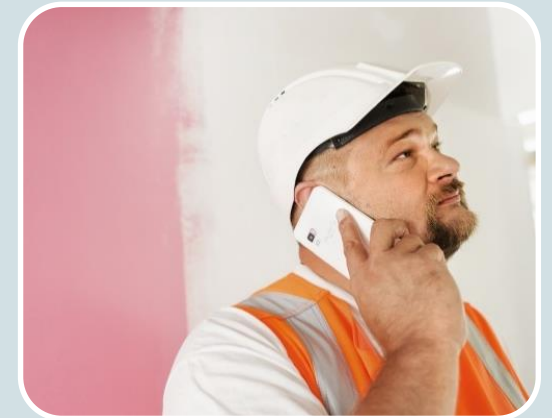
Functional coatings



Industrial business



Professional decorative business



Services business



Eco-efficient solutions from IsoPaint Nordic

- Tikkurila acquired the Danish IsoPaint Nordic in 2014
- IsoPaint Nordic is a niche company developing and marketing products for the renovation of roofs and facades
- IsoPaint Nordic is operating internationally with key markets in Europe
- Products are sold to roof contractors (either directly or through local agents)
- Sales model is solution sales, not standard product sales
- Certain products will be re-branded



IsoPaint Nordic functional products



- Climate Cooler product family; products for cooling roof temperatures and saving energy in air-conditioning and cooling



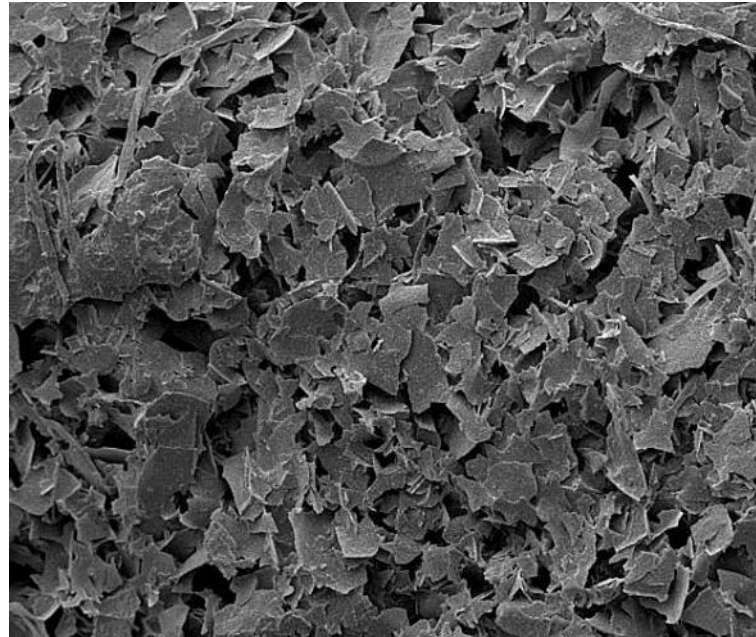
- Isonit product family; roof coatings solutions



- Hydro Block protects surfaces from moisture (dry walls need less heating energy)

Tikkurila Drytech's unique microporous technology

- Millions of micropores temporarily absorb water
- When surface temperature is above dew point, moisture evaporates
- Enlarges the surface and speeds up evaporation and keeps the surface dry



Tikkurila Drytech functional products

BioRid for mold protection



- Eliminates water and keeps the surface dry

GrafoTherm for anti-condensation



- Absorbs condensation water and retains it until it disappears in the form of vapor

Acoustic for noise damping



- Excellent acoustic damping and vibration absorbing properties

AsbestGuard for encapsulation of asbestos



- Encapsulates asbestos and seals asbestos that can not be removed

Our offer for the industrial customers

- Solutions for metal surfaces
 - e.g. steel structures, bridges, storage tanks, machinery and equipment, railway vehicles
- Solutions for wood finishes
 - e.g. wooden claddings and logs, interior panels and frames, doors and windows, furniture and stairs
- Concrete and design floors
- Functional coatings for production lines



[Introduction to industrial coatings](#)

Developing industrial business

Case: New operating model

- Tikkurila has established an international Key Account Management team to enhance its business with international industrial customers

Case: New products

- Tikkurila developed FonteFacade, a fast-drying, one-component water-borne painting system for fiber-cement boards. They are modern composite building and construction materials widely used for facades, partition walls, humid facilities, plinths and balcony railings. Fiber-cement boards are initially gray in color.



Growth from combining off-site and on-site painting

- In the construction industry, an increasing amount of the painting work is done in factories and only assembling is done on-site (traditional way in e.g. OEM metal)

First you paint



Then you build



- Repainting is usually done with the same product (close connection between decorative and industrial business)



Concepts: Pro Service and Pro Club

- Pro Service is Tikkurila's service entity for professional and industrial customers.
 - Present services under the Pro Service include technical service, consultation, training, color service, materials (samples, brochures, technical documents, etc.), pools of professionals (painters, designers)
- Pro Club is a customer club for smaller painting constructions, helping them to do better business among consumers, who are their primary customer group
- The targets are to increase the revenue from services, to boost high- and middle-segment products among professionals, and to ensure market share in market transition (from DIY to DFM)





Comprehensive training

- Tikkurila trains its customers, retailers, and other professionals and students in its training centers and in stores
- Tikkurila organizes seminars, lectures and training on paints and coatings, painting and tinting
- Training centers located in nine countries
- For professional and industrial customers ,Tikkurila has Tikkurila Academy, which offers various technical trainings, product demonstrations, lectures and workshops
- Emphasizing also training of own sales personnel





Service concept for industrial distributors



- Tikkurila Industrial Paint Service is a product and service package that our distributors provide to industrial customers



Stores for professional users

Two main orientations

- Pro Center Special product model
- Pro Center Traditional Scandinavian model

Our targets

- To develop and strengthen our presence on the B2B market
- To become the best supplier and partner for professional users and to build a new B2B model for our distributors and retailers

Impact on sales

- Growth in B2B and industrial products
- Higher total margins



The next professional shop will be opened in Kazakhstan

Pro Center concept



Skilled and dedicated personnel



Services specially developed for professionals



Selected assortment of paint products



Selected assortment of industrial products



Paint-related tools and equipment

Conclusions and next steps

- We are aiming at significant additional sales to professional and industrial customers
 - Existing products and services (incl. recent acquisitions)
 - New products and services (own RDI and technical service)
 - Possible M&As
- Sales and segment development resources will be strengthened





Q&A