



# Africa Strategy Briefing

March 27 2025



## Agenda

- ① Value of Africa for Kansai Paint
- ② Kansai Paint Africa Segment Overview
- ③ 18<sup>th</sup> Mid-Term Plan and One Africa
- ④ Q&A



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# Importance of Africa

The KANSAI PAINT Group's mission is to develop paint that contribute to sustainability and spread them all over the world. To achieve this mission, Africa with its strategic competitive position is the most important region.



## The role of each segments:

### **Africa, India, Asia**

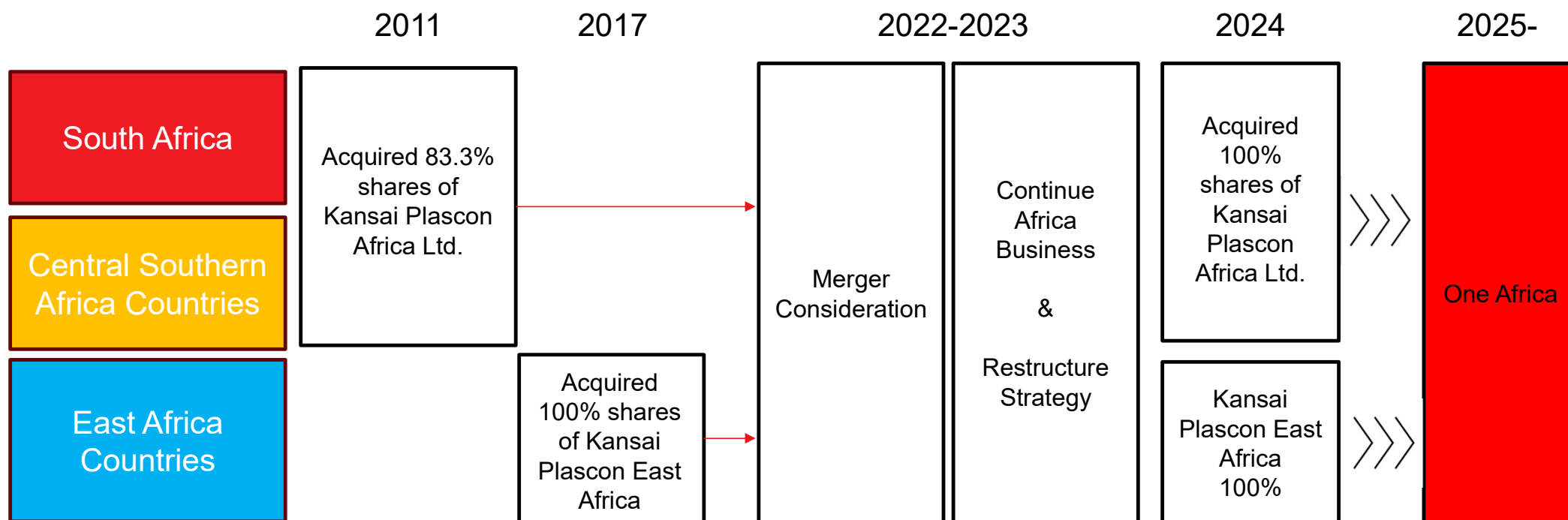
- Maximize group resources to expand business beyond market growth

### Japan, Europe

- Develop innovative technology

# The Journey to One Africa Concept

Engagements throughout turnarounds and merger considerations have provided confidence to commit to Africa Segment business





# Goal of Africa segment

## Long-term – by 2030

- Source of long-term, sustainable growth for the Group

### Financial KPI

Revenue  
>74B yen

EBITDA  
margin  
>18%

### Non-Financial KPI

Decarbonization

Improvement of Quality of Life(QOL)

Enhancement of Achieving Resource  
and Economic Circulation

Transformation into a Group where  
Diverse People play Active Roles

## Short-term – next 2-3 years

- Group-leading top-line and margin growth rates

### Financial KPI

Revenue  
>59B yen

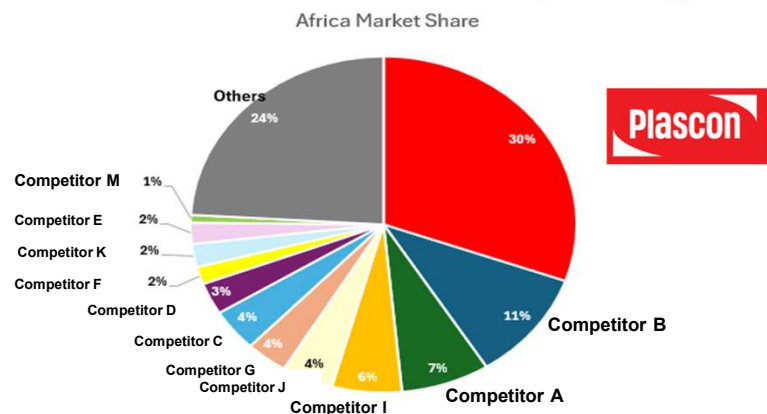
EBITDA  
margin  
>18%

## Expectations for Africa segment:

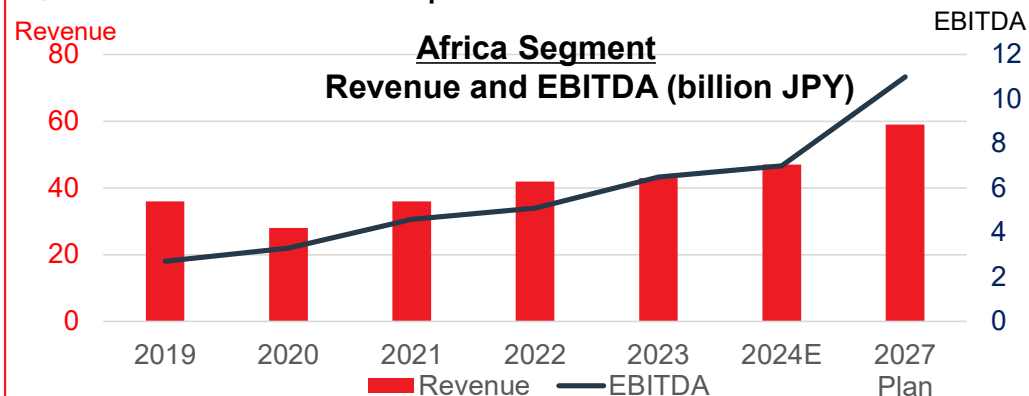
- To be a giant player in Africa continent
- To be a leader of BtoC business in KANSAI PAINT group
- To drive structural reform with Japan
- Great management team with experience in difficult situations will contribute globally

# Africa is the Next Powerhouse in Kansai Paint after India

## ① Number One Market Share in Operating Countries



## ③ Transformed into a profitable business



## ② Outgrown the growing market

【2019-2024E Revenue CAGR】

**KP Africa Segment 4.7%**

KP Africa Operating Countries Market 3.9%

Global coating market 3.7%

【2025-2027 Revenue CAGR】

**KP Africa Segment 7.9%**

KP Africa Operating countries Market 4.3%

Global coating market 3.9%

## ④ Top-tier growth within Kansai Paint Group

**2023-2027 Revenue and EBITDA CAGR**

	Revenue	EBITDA
Japan	2%	6%
India	7%	11%
Europe	9%	17%
<b>Africa</b>	<b>8%</b>	<b>14%</b>
Asia	3%	5%
North America	5%	7%
Total	6%	10%



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# Introduction



**Prejay Lalla**  
Head of Africa Segment

- Appointed as CEO of Kansai Plascon Africa Ltd. in 2017
- Joined Kansai Plascon Group as Commercial Unit Executive in 2016
- Joined Akzo Nobel Decorative Coatings in 2010
- Joined ICI Paints UK in 2008
- Started career at Dulux Paints in 1991



**Jay Venkanna**  
Kansai Plascon Africa -CFO

- Appointed as CFO of Kansai Plascon Africa Ltd. in 2024
- Joined Kansai Plascon Group in 2008 and held various leadership roles in Finance and Auditing
- Audit Manager at Deloitte South Africa, Johannesburg until 2008
- Commenced career at Deloitte South Africa Johannesburg in 2003

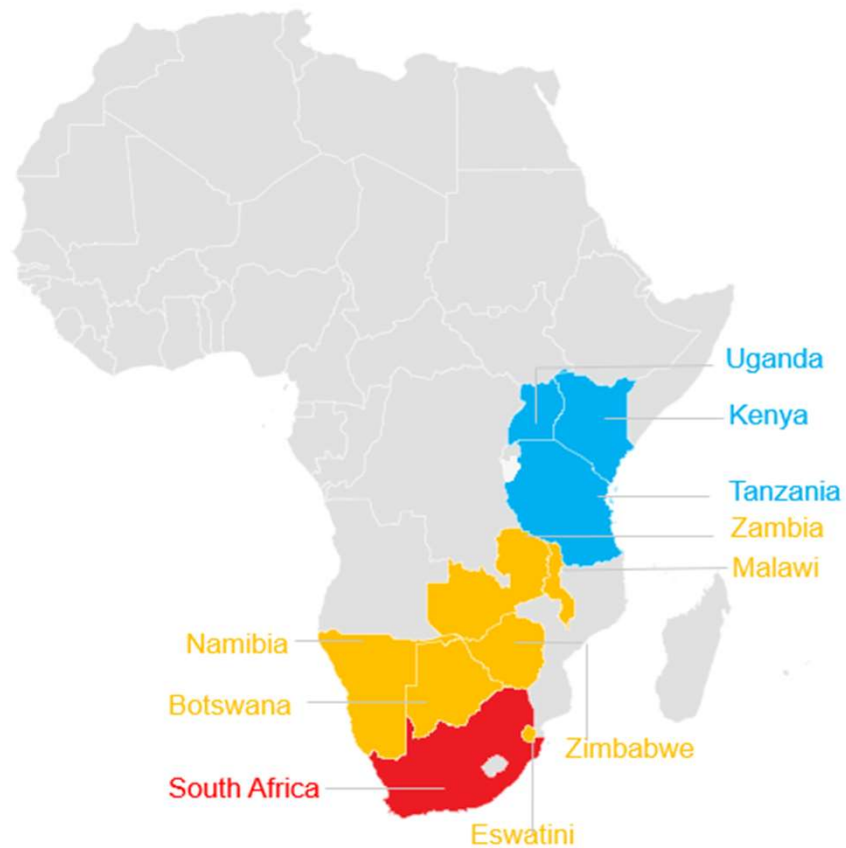


**Kota Enami**  
Kansai Plascon Africa-  
Executive Director

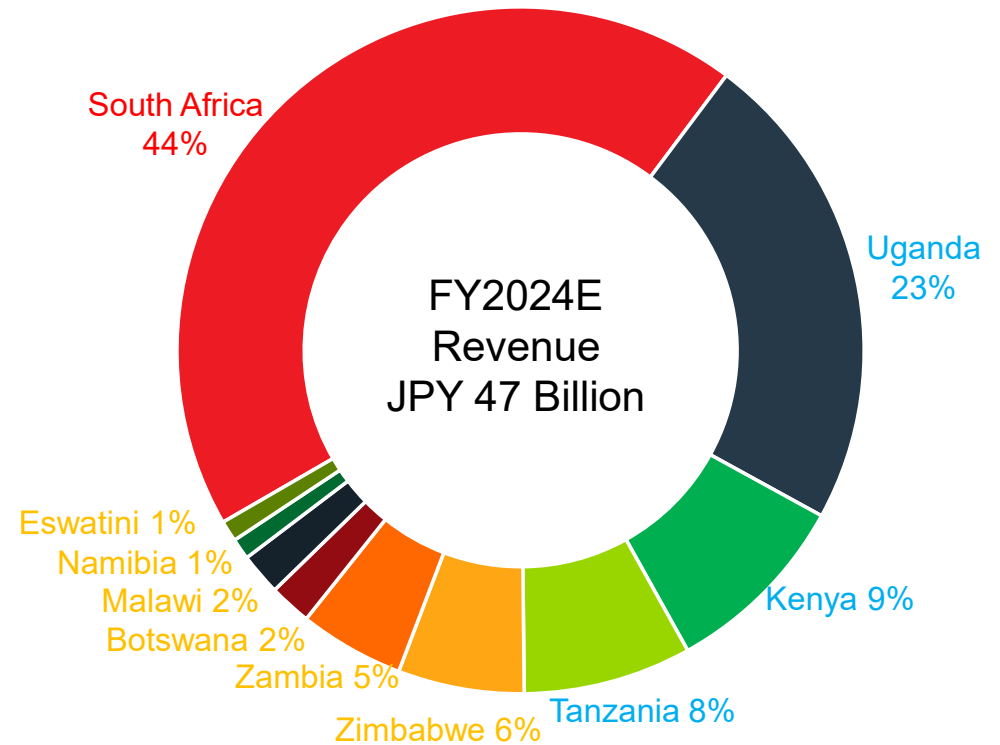
- Seconded to Kansai Plascon in March 2025
- Appointed as Director of Kansai Plascon Africa Ltd. in 2024
- Manager at corporate planning division until February 2025 and held various roles in M&A, strategy and sustainability
- Started career at Kansai Paint Japan in 2016 as global procurement specialist

# Africa Segment at a Glance

We are #1 paint and coatings company in the Africa Segment, operating in 10 countries



FY2024E Revenue Breakdown by Country



# Market Outlook and Competition

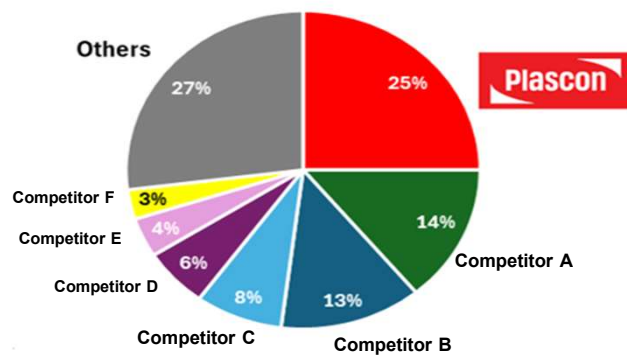
30% market share in the operating countries

## South Africa

Market Growth: ~1.7%

Kansai Paint 2019-2024 CAGR 2.5%

South Africa - Market Share



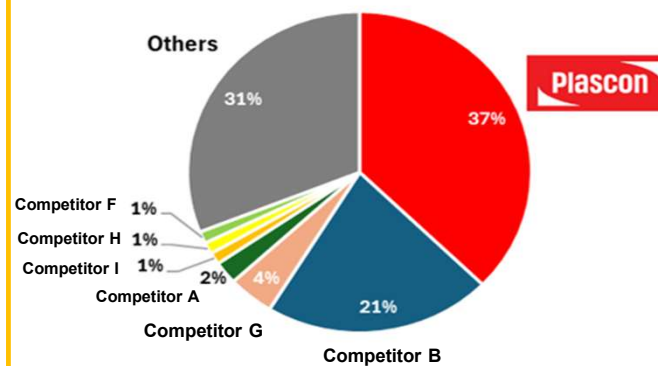
## Central Southern Africa

Central Southern Africa: Zambia, Zimbabwe, Malawi, Botswana, Namibia

Market Growth: ~2%

Kansai Paint 2019-2024 CAGR 2.9%

Central Southern Africa - Market Share



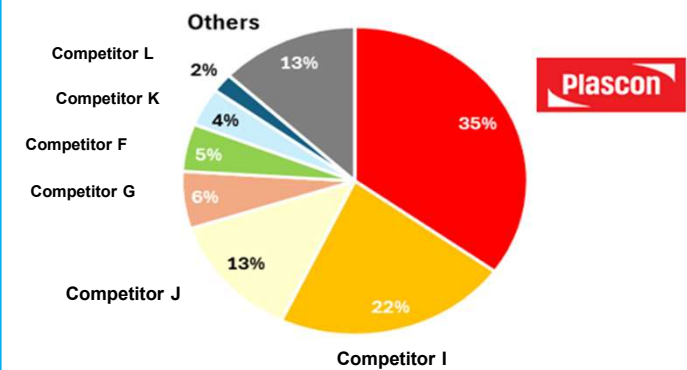
## East Africa

East Africa: Uganda, Kenya, Tanzania

Market Growth: ~7%

Kansai Paint 2019-2024 CAGR 7.9%

East Africa Market Share



# Competitive Edge of Kansai Paint Africa Segment

## Brand Equity and the Capability to address shifts in market



- 130-year brand heritage
- Product with unmatched characteristics
- Differentiated production methodology
- Largest distribution footprint
- R&D capability

### East Africa

—Brand Equity enables to have strong presence in the premium tier

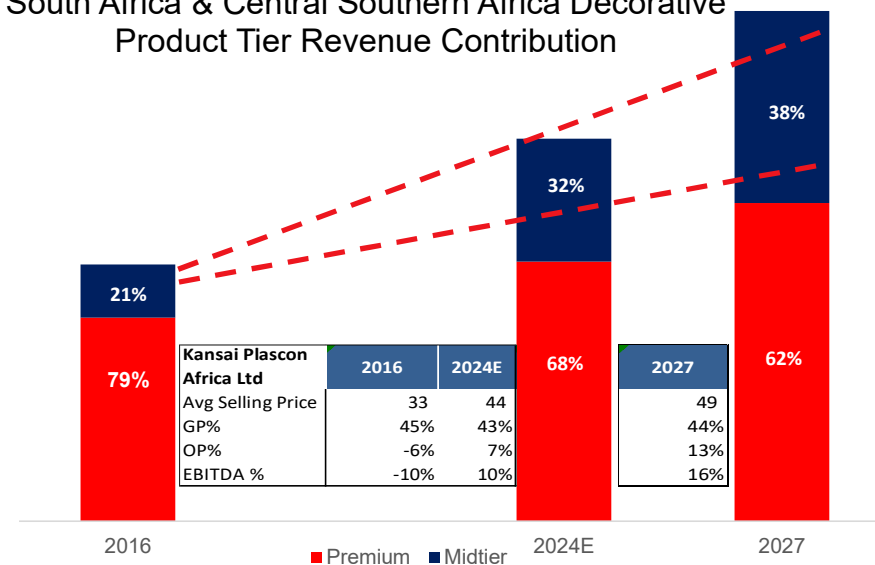
- Remains static at 44 % Premium and 56 % Mid tier
- High growth rates offers an opportunity to increase Premium sales
- We will be investing more to accomplish this in the future

### South Africa and Central Southern Africa

—The capability to adapt to drastic market shifts

- Increased demand for Mid-Tier products
- Driven by low growth rates
- Push by customers to create a differential advantage
- We have created a future fit operating model to align with market shifts
  - Complete product offering for all tiers
  - Optimized Low cost Production operation

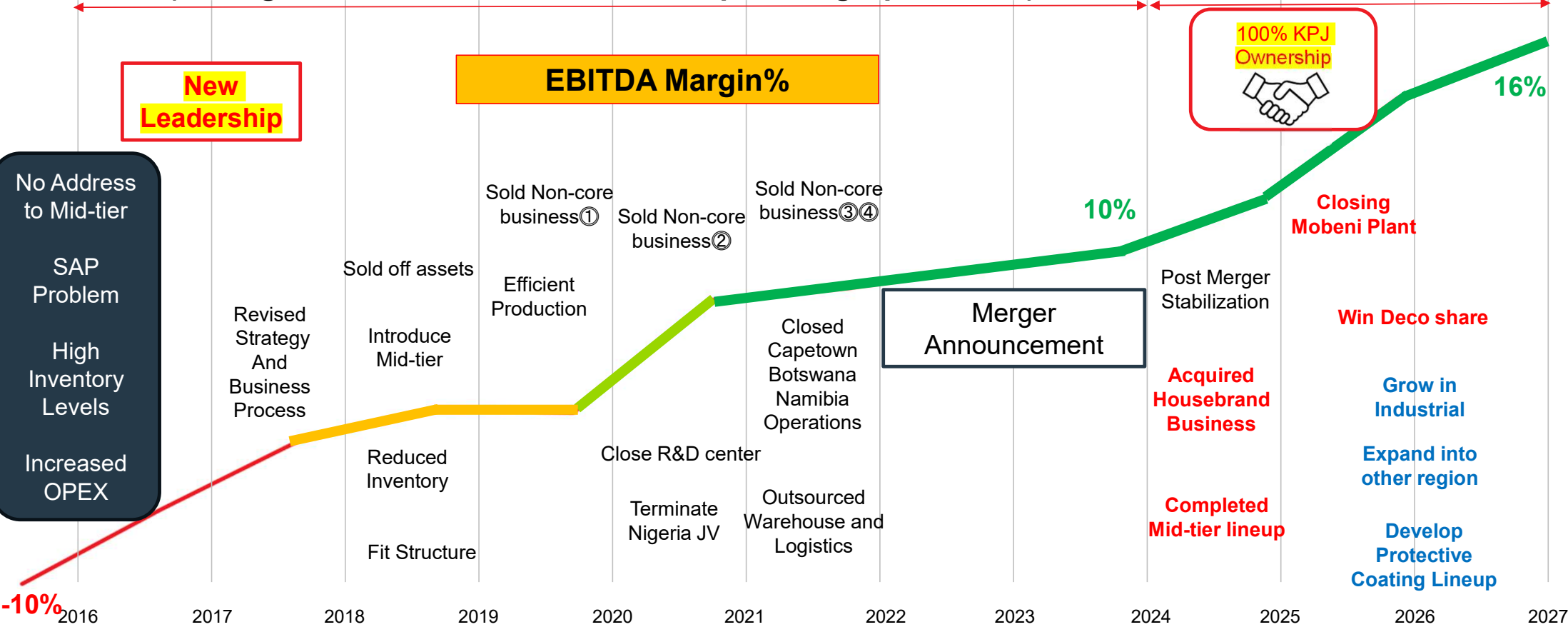
South Africa & Central Southern Africa Decorative Product Tier Revenue Contribution



# South Africa and Central Southern Africa Transformation

Track record of Restructuring and Improving Margins  
(Exiting unsustainable business and Optimizing Operations)

Lead the Market

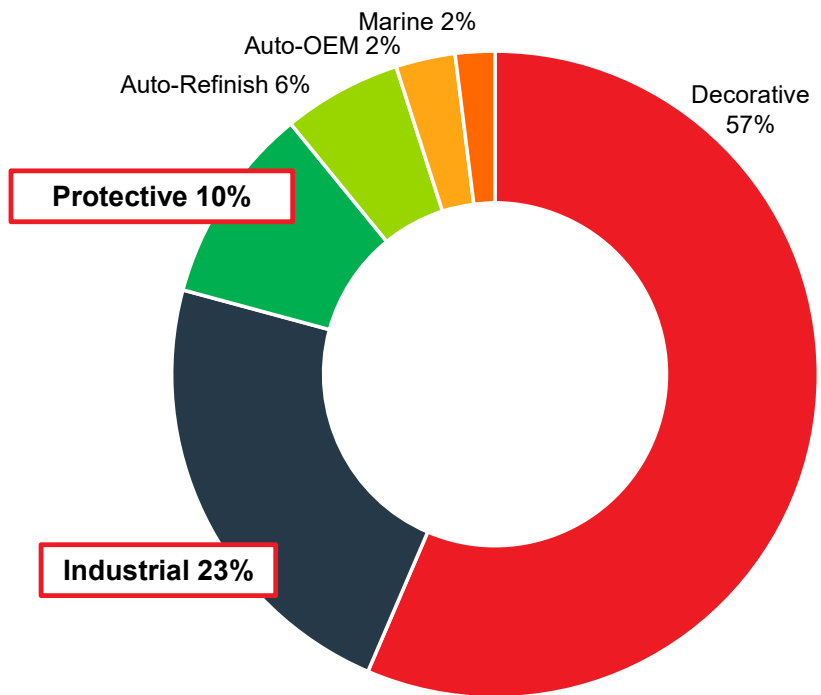




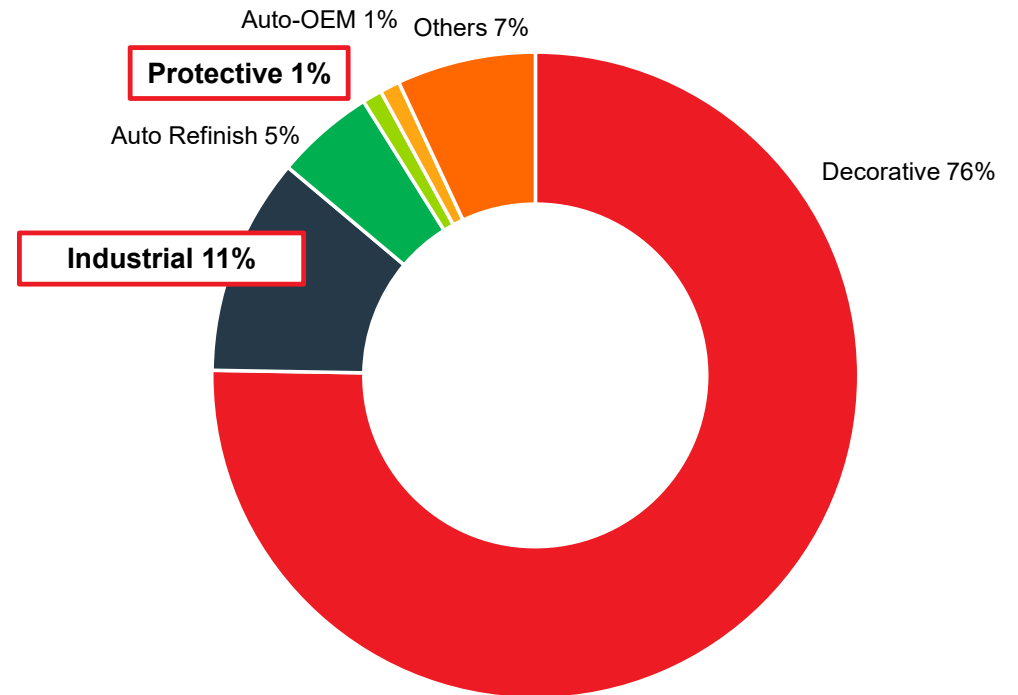
# Further Growth Potential in Industrial and Protective Coatings

Expand by New Product Development and Bolt-on Acquisitions

## 2024 Operating Countries Coating Market Breakdown



## 2024 Kansai Paint Africa Segment Breakdown



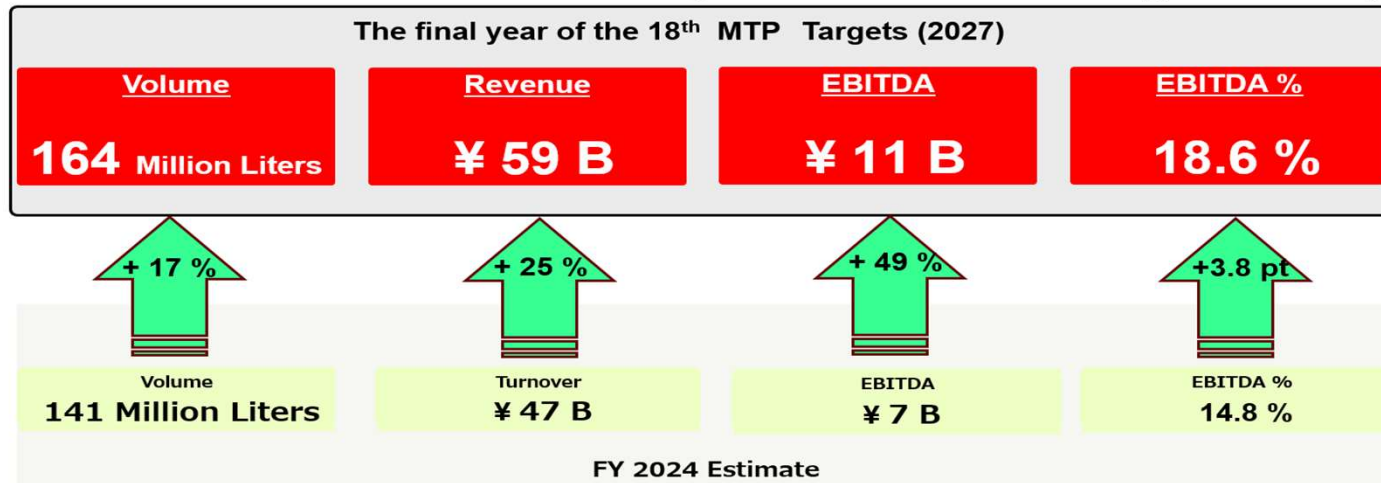


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# Africa Segment's 18<sup>th</sup> Mid-Term Plan (2025-2027) Targets

Achieve CAGR 7.9% Revenue Growth driven by Decorative Coatings and Improve Efficiency



		Volume	Revenue	EBITDA	EBITDA %
South Africa ZAR'millions	2027	65	3,412	523	15.3%
	Growth	↑ 21%	↑ 39%	↑ 170%	↑ 7.4%
	2024E	54	2,452	193	7.9%
Central Southern Africa - ZAR'millions	2027	21	1,097	217	19.8%
	Growth	↑ 24%	↑ 27%	↑ 58%	↑ 3.9%
	2024E	17	865	138	15.9%
East Africa USD'millions	2027	78	147	31	21.2%
	Growth	↑ 12%	↑ 10%	↑ 10%	↑ 0.1%
	2024E	70	134	28	21.0%

# Africa Market can Expect Future Growth

## Mega Trends



### GDP per Capita Growth

2024: ~\$2,000 → 2030: \$3,000

Source: World Bank/IMF



Urbanization to grow  
by 24M each year until  
2045

Source: McKinsey Global Institute Analysis



Population will double  
by 2050

Source: Unpopulation.org



## Effect to Coating Market

① Increase in demand for premium decorative coatings

② Emerging market for industrial and protective coating

# One Africa Initiatives will be an addition to the 18<sup>th</sup> Mid-term Plan

## Foundation to kick off stronger 19<sup>th</sup> Mid-term Plan

Revenue Synergy	Develop strategy with Kansai Paint Group Resource for the following -Protective coatings -Industrial coatings
Gross Margin Synergy	Leverage procurement with larger purchasing power R&D collaboration to optimize formula and raw material utilization Sharing manufacturing technology to increase production efficiency
SG&A Synergy	Sharing marketing resource and enhance the Plascon brand Consolidate back offices and streamline process
Territory Expansion	Ghana, Angola, Rwanda, and Mozambique



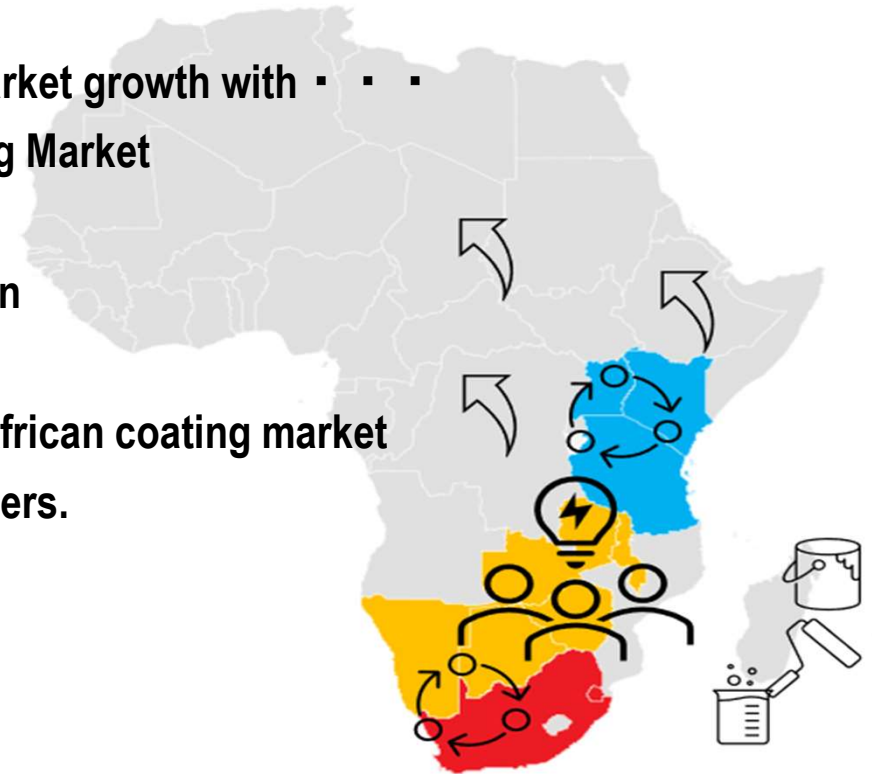
# Role of Africa for Kansai Paint Group-The Next Powerhouse

In the rapid growing market, Africa Segment will achieve above market growth with . . .

- ① Strong Presence and Competitiveness in the Decorative Coating Market
- ② Expansion into Industrial and Protective Coatings
- ③ One Africa Initiatives enhancing margins and territory expansion

Africa Segment will solidify its platform as a market leader in the African coating market

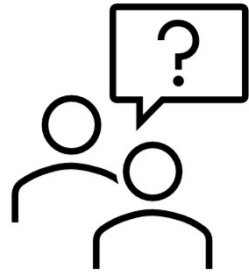
We will maximize and capture the growth more than any other players.



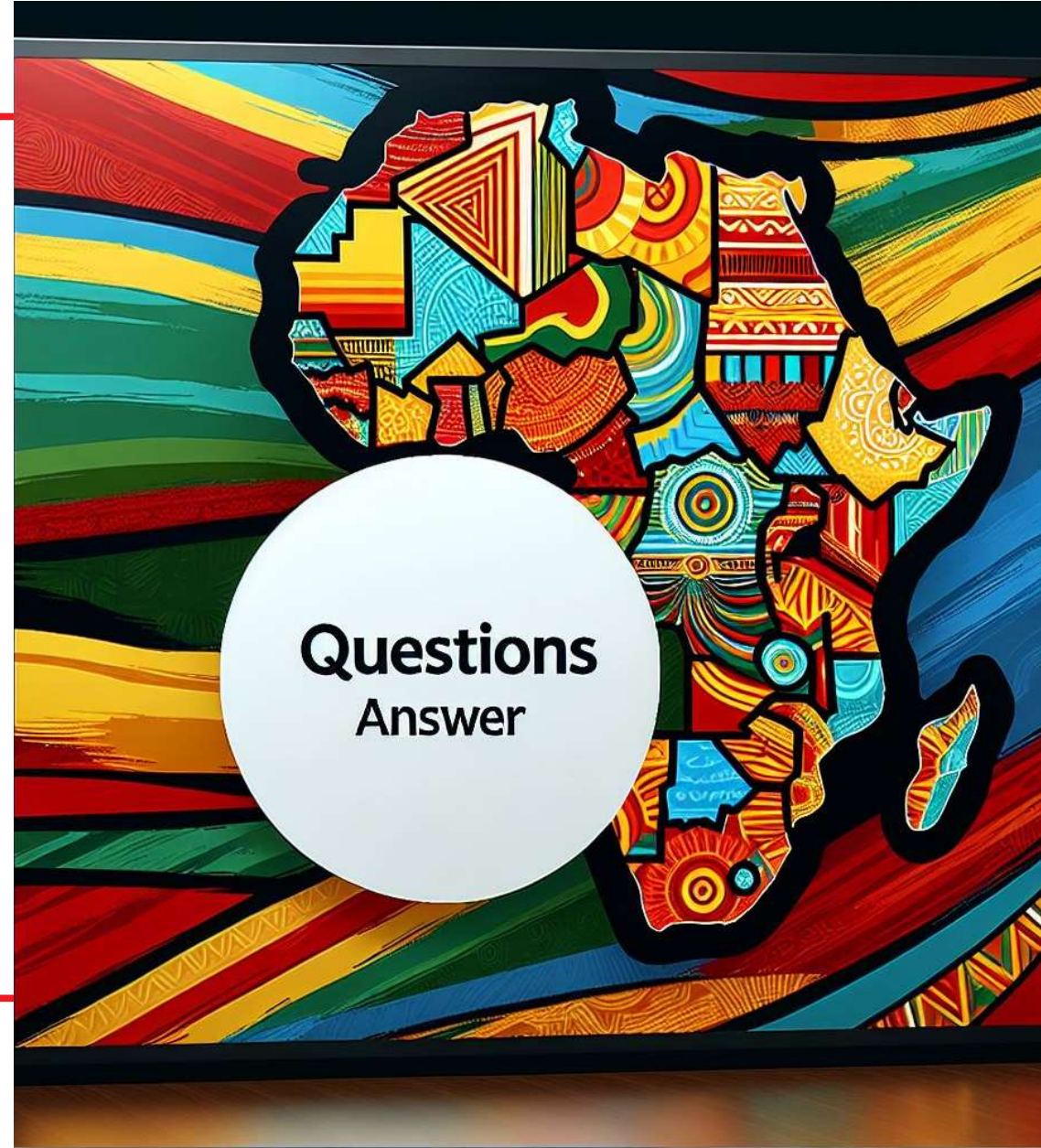


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# Questions and Answers Session





# Thank you

Forecasts of financial results stated in this document are forecasts based on currently available information that includes potential risks and uncertain elements. Therefore, actual financial results may differ from the forecast figures.