

# PT AVIA AVIAN TBK RECEIVES THE 2023 MARKET LEADERSHIP AWARD

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*Identified as best in class in the Indonesia  
architectural paints and coatings industry*

## Congratulations!

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Frost & Sullivan is proud to present PT Avia Avian Tbk with this year's Best Practices Market Leadership Award in the Indonesia architectural paints and coatings industry.

Frost & Sullivan's global team of Growth Pipeline experts continually identifies and evaluates growth opportunities across multiple industries, technologies, and regions of the world. As part of this ongoing effort, we identify companies that consistently develop growth strategies based on a visionary understanding of the future and effectively address new challenges and opportunities. This approach involves the deployment of best practices and strategic analytics across a value chain. Against this backdrop, Frost & Sullivan recognizes PT Avia Avian Tbk for its valuable achievement.

Frost & Sullivan reserves this recognition for companies at the forefront of innovation and growth in their respective industries. These companies consolidate their leadership positions by innovating and creating new products, solutions, and services that meet ever-evolving customer needs. By strategically broadening their product portfolios, leading companies advance the overall market. Driving innovation and growth is a difficult task made even harder by the strategic imperatives forcing change today, such as disruptive technologies, value chain compression, industry convergence, and new business models. In this context, PT Avia Avian Tbk's recognition signifies an even greater accomplishment.

Moreover, this recognition is the result of many individuals (employees, customers, partners, and investors) making critical decisions every day to support the organization and contribute to its future. Frost & Sullivan enthusiastically acknowledges and celebrates their contributions.

Once again, congratulations on your accomplishments. We wish you great success!

Sincerely,



David Frigstad  
Chairman  
Frost & Sullivan

## Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. PT Avia Avian Tbk excels in many of the criteria in the architectural paints and coatings space.

AWARD CRITERIA	
Growth Strategy Excellence	Technology Leverage
Implementation Excellence	Price/Performance Value
Brand Strength	Customer Purchase Experience
Product Quality	Customer Ownership Experience
Product Differentiation	Customer Service Experience

### *PT Avia Avian Tbk: A Paints and Coatings Powerhouse*

Founded in 1978 and headquartered in East Java, Indonesia, PT Avia Avian Tbk is a market-leading paint producer, integrating groundbreaking formulations into its products and driving paints and coatings advancement. From eco-friendly and low-volatile organic compound formulations to advanced anti-viral and cooling properties, PT Avia Avian Tbk’s cutting-edge solutions elevate current market offerings. The company’s exceptional products have earned an excellent reputation over the years, primarily due to the widespread recognition of its paint brands, namely Avian (wood and metal), Avitex (wall), and No Drop (waterproofing). Supported by its solid research and development (R&D) facilities and unwavering commitment to quality, PT Avia Avian Tbk strives to offer the best-in-class products to address the various needs of consumers across all income levels. Its exceptional, wide-ranging portfolio caters to many sectors, such as residential, automotive, furniture, and marine.

With an extensive distribution network ensuring nationwide product availability, PT Avia Avian Tbk solidifies its position as a significant player in the Indonesian paints and coatings market. In 2021, the company achieved a significant milestone by accomplishing the largest initial public offering in Asia and the second largest (globally) for a paint producer, generating \$400 million through its listing on the Indonesia Stock Exchange.<sup>1</sup> Frost & Sullivan believes that with its financial strength and competitive edge,

<sup>1</sup> <https://www.forbes.com/sites/yessarrosendar/2021/12/10/indonesias-avia-avian-pulls-off-asias-largest-paint-ipo-paints-promising-future/?sh=6ab6ee1c182f>



PT Avia Avian Tbk is poised to expand its market presence and make a significant contribution to the architectural paints and coatings industry.

### ***Sustaining Market Leadership through Innovation***

PT Avia Avian Tbk reinforces its position as a market leader through its robust research and development (R&D) capabilities. The company owns an advanced innovation center and employs over 70 top chemists while also collaborating with external researchers (veterans from the global paint industry), resulting in the development of innovative products. The company draws inspiration for new products through extensive market research in neighboring countries such as the Philippines, Thailand, India, and China. This approach, coupled with continuous efforts to address unfulfilled industry and customer needs, formulates the company's product roadmap.

Since the surge in raw materials costs due to the COVID-19 pandemic, PT Avia Avian Tbk has been

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**- Mahendra Chahar**  
**Principal Consultant – Chemicals**  
**Materials and Nutrition**

undertaking a rigorous program of research and development aimed at creating cost-effective products to enable affordability amid a challenging economic climate. One notable outcome of these efforts was the launch of an economical decorative waterproofing paint in 2023, which was achieved through the optimization of raw materials utilization while maintaining the company's stringent quality standards. In contrast to many manufacturers that facilitate low-cost products with cheap, low-quality, and often

harmful raw materials, PT Avia Avian Tbk focuses on delivering products that meet high standards of quality and safety while still being affordable for consumers.

PT Avia Avian Tbk asserts its market dominance with an extensive market presence, providing products across different segments (economic, mid-tier, and premium). In 2022, the company unveiled several groundbreaking products for the mid-tier and premium segments to bolster widespread customer penetration. Among its innovative products is a paint with double the viscosity of typical paints available in the market. Acknowledging Indonesian painters' preference for thicker paints, PT Avia Avian Tbk's R&D team created a formula allowing users to dilute the paint by up to 40%, reportedly making it the only paint in the country with this level of dilution. In the premium market segment, the company launched an advanced, heat-resistant waterproofing solution. Leveraging its deep know-how in the waterproofing category, the company formulated a paint with exceptional capability that can reduce indoor temperatures by up to 7°C, enhancing the comfort of living spaces.

PT Avia Avian Tbk continuously pushes the boundaries of innovation and, in the process, exceeds customer's expectations. Recently, the company introduced a pioneering three-in-one solution in the wood and metal category. The product surpassed the standard two-in-one formulations available in the market with the primer, topcoat, and anti-corrosive integrated into its formulation. The company also unveiled a revolutionary wall paint remover that addresses the challenges of traditional paint removal methods by streamlining the labor-intensive and time-consuming process.

Maximizing two years of dedicated R&D, PT Avia Avian Tbk successfully engineered a water-based wall paint remover with the remarkable capability to effectively remove up to 24 layers of wall paint, waterproofing, and decorative coatings from surfaces. What makes this product unique is that it lacks the hazardous odor that is commonly associated with conventional paint removers, making it a safer option for users. Moreover, this water-based paint remover eliminates the need for strenuous physical labor and significantly reduces the time required for paint removal. Its innovative formula is specially engineered to

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*- Rubini Kamal  
Best Practices Research Analyst*

be highly effective, allowing quicker and more efficient removal of paint coatings. Users can apply the paint remover to the wall, wait one hour, and then effortlessly remove the layers with a paint scraper.

With more innovative products in the pipeline, including a wood varnish and a waterproofing solution in a can for effortless application, PT Avia Avian Tbk exemplifies a visionary product roadmap that upholds its leading market position and growth strategy. Product innovations are also

accompanied by strategic marketing and branding efforts. The company places significant emphasis on elevating the diverse array of marketing strategies, including TV and digital, below-the-line, and in-store branding and promotion advertising. Frost & Sullivan commends PT Avia Avian Tbk for its agility, quality focus, diverse product offering, and forward-thinking, empowering continuous innovation centered on customer pain points, convenience, and safety.

### ***Strategic Acquisitions and Superior Infrastructure Underscore Exceptional Market Reach***

PT Avia Avian Tbk recognizes the importance of establishing proximity to customers, especially in Indonesia, with its vast archipelago of over 17,000 islands. Since its inception over four decades ago, the company has established an unparalleled market presence with a robust supply chain. It has the most superior distribution network in the paints and coatings market, totaling 118 wholly-owned distribution centers across major cities in the country, providing high-quality services to 57,000 shops. The vast distribution network, which spans over 280,000 sqm of warehouse with more than 600 delivery trucks, is managed through PT Avia Avian Tbk’s wholly-owned subsidiary, PT Tirtakencana Tatawarna. Driven by its vision to be the biggest paint company in Indonesia, PT Avia Avian Tbk is constantly expanding its customer reach and making its products more accessible to consumers in previously underserved areas. In 2023, the company initiated mini distribution centers to serve customers in more remote cities and islands, with 14 centers established until now. With a feasible roadmap to expand its distribution centers to 167 (including 27 mini distribution centers) by 2026, PT Avia Avian Tbk leads in market visibility, highlighting its substantial growth prospects. Moreover, in 2023, the company elevated its delivery service with the launch of Express Delivery. This development allows PT Avia Avian Tbk to offer same-day delivery, facilitated by three-wheeler motorbikes capable of carrying up to 500 kilograms, enabling faster delivery and multiple deliveries in a single day. This unrivaled initiative enables customers to expand their product offerings without increasing their stock, which leads to profit improvement.

PT Avia Avian Tbk further enhances its market reach by expanding beyond the decorative paints category, strengthening its value proposition through strategic acquisitions. In 2022, the company acquired a 67%

stake in PT Multipro Paint Indonesia, a well-regarded provider of admiral protective and marine coatings.<sup>2</sup> This strategic move aims to broaden the company's presence in two of Indonesia's largest market segments (marine and protective coatings) following decorative paints. As an island nation, Indonesia presents a significant opportunity in the maritime sector.

PT Multipro Paint Indonesia has already established its presence in the large vessel market, and PT Avia Avian Tbk is capitalizing on the former's technology to cater to the underserved small-scale fishing sector. With affordable marine paints, PT Avia Avian Tbk provides a more suitable product for protecting fishermen's boats, which previously relied on decorative paints. Similarly, expanding infrastructure projects under Indonesia's current administration underscores the demand for protective coatings, offering a substantial market opportunity.

Over the years, PT Avia Avian Tbk has fortified its end-to-end operations to drive growth and provide exceptional customer value. The company has successfully implemented vertical integration in its production line to optimize processes and reduce production costs. This was achieved by engaging in internal production of raw materials, enabling the company to offer cost-effective products. Apart from that, PT Avia Avian Tbk also strives to conduct business in a responsible and sustainable manner, demonstrated by the company's line of eco-friendly products and various corporate social responsibility programs. To ensure the company's operational excellence, PT Avia Avian Tbk complies with International Organization of Standardization (ISO) certifications, including ISO 9001 on Quality Management, ISO 14001 on Environment, ISO 45001 on Occupational Health and Safety, ISO 50001 on Energy, and ISO 27001 on Information Security. PT Avia Avian Tbk has also made substantial investments in its innovation center with modern facilities and equipment to empower the R&D team to maximize its potential and spearhead the invention. Furthermore, PT Avia Avian Tbk leverages advanced technologies to drive the efficiency and productivity of its delivery operations. In 2023, the company's information technology team completed the two-year rollout of the Locus software to optimize its delivery operations. The software facilitates delivery planning by making recommendations based on the orders received at distribution centers, offering insights into truck loading and route optimization, and enabling real-time tracking. It also implemented a racking system to maximize the use of its one-story warehouses, preventing the need to lease additional spaces to accommodate its growing needs. With its advanced technology and expansive distribution network, PT Avia Avian Tbk reports that 95% of orders are fulfilled within a single day. Frost & Sullivan is impressed with PT Avia Avian Tbk's relentless efforts in bolstering its infrastructure and distribution network, strengthening its competitive positioning and value proposition.

### ***Building Upon a Strong Foundation***

With its customer-centric corporate philosophy, PT Avia Avian Tbk operates on the central tenet that its success depends on customer satisfaction. This philosophy permeates the company's daily practices, from providing exceptional last-mile delivery to proactive customer support. The company's customer care platform empowers users to present feedback regarding delivery quality, product, and service, thereby enabling immediate and efficient responses to any issues that may arise. Moreover, the management actively engages with customers by organizing gatherings where they listen to feedback and share the

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<sup>2</sup> <https://industri.kontan.co.id/news/avia-avian-avia-dan-boy-thohir-gandengan-perkuat-bisnis-cat-kapal-admiral>

latest insights. Furthermore, the company's Paint Academy hosts paint programs annually to increase awareness of the wide range of products available and its multiple applications, helping customers make informed choices for their projects.

PT Avia Avian Tbk's high growth potential is evident. The company has a third factory underway, which will increase its production capacity to 225,000 metric tons annually. The expansion aligns with the company's target of double-digit growth and starts operating in 2025.<sup>3</sup> Moreover, PT Avia Avian Tbk has also redoubled the efforts to reinforce its project division to diversify its revenue channels. With its unmatched offerings and customer-centric strategy, Frost & Sullivan believes PT Avia Avian Tbk is well-positioned to drive the architectural paints and coatings space into its next growth phase, capturing market share and sustaining its leadership in the coming years.

## Conclusion

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Guided by its vision of being the largest paint producer in Indonesia, PT Avia Avian Tbk is driving paints and coatings advancement. Frost & Sullivan applauds the company for its strong focus on research and development, resulting in a diverse product portfolio centered on high-quality, eco-friendly, and innovative solutions. Its customer-centric approach to product development, complemented by industry trends, elevates current market offerings and continuously exceeds customers' expectations. PT Avia Avian Tbk maintains a strong presence in the market and ensures nationwide customer penetration through continuous investments in its distribution network. It also offers unmatched last-mile delivery, guaranteeing a single-day turnaround. Through strategic acquisitions and a focus beyond retail, PT Avia Avian Tbk is diversifying its product and service offerings and creating new revenue streams, strengthening its value proposition and competitive positioning.

With its strong overall performance, PT Avia Avian Tbk earns Frost & Sullivan's 2023 Indonesia Market Leadership Award in the architectural paints and coatings industry.

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<sup>3</sup> <https://voi.id/en/economy/142724/>

## What You Need to Know about the Market Leadership Recognition

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Frost & Sullivan's Market Leadership Award recognizes the company that achieved the greatest market share resulting from outstanding performance, products, and services.

### Best Practices Award Analysis

For the Market Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

**Growth Strategy Excellence:** Company demonstrates an ability to consistently identify, prioritize, and pursue emerging growth opportunities

**Implementation Excellence:** Company processes support efficient and consistent implementation of tactics designed to support the strategy

**Brand Strength:** Company is respected, recognized, and remembered

**Product Quality:** Products or services receive high marks for performance, functionality, and reliability at every stage of the life cycle

**Product Differentiation:** Products or services carve out a market niche based on price, quality, or uniqueness (or some combination of the three) that other companies cannot easily replicate

**Technology Leverage:** Company is committed to incorporating leading-edge technologies into product offerings to enhance product performance and value

**Price/Performance Value:** Products or services provide the best value for the price compared to similar market offerings

**Customer Purchase Experience:** Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

**Customer Ownership Experience:** Customers are proud to own the company's product or service, and have a positive experience throughout the life of the product or service

**Customer Service Experience:** Customer service is accessible, fast, stress-free, and of high quality



## About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

## The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

[Learn more.](#)

### Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



## The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

### Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

