

**Pioneering a world  
of possibilities to  
bring surfaces to life**

since 1792

**Analyst update**

September 9, 2021

## Agenda



Opening remarks



Demand environment



Raw material cost inflation and pricing



Concluding remarks and Q&A

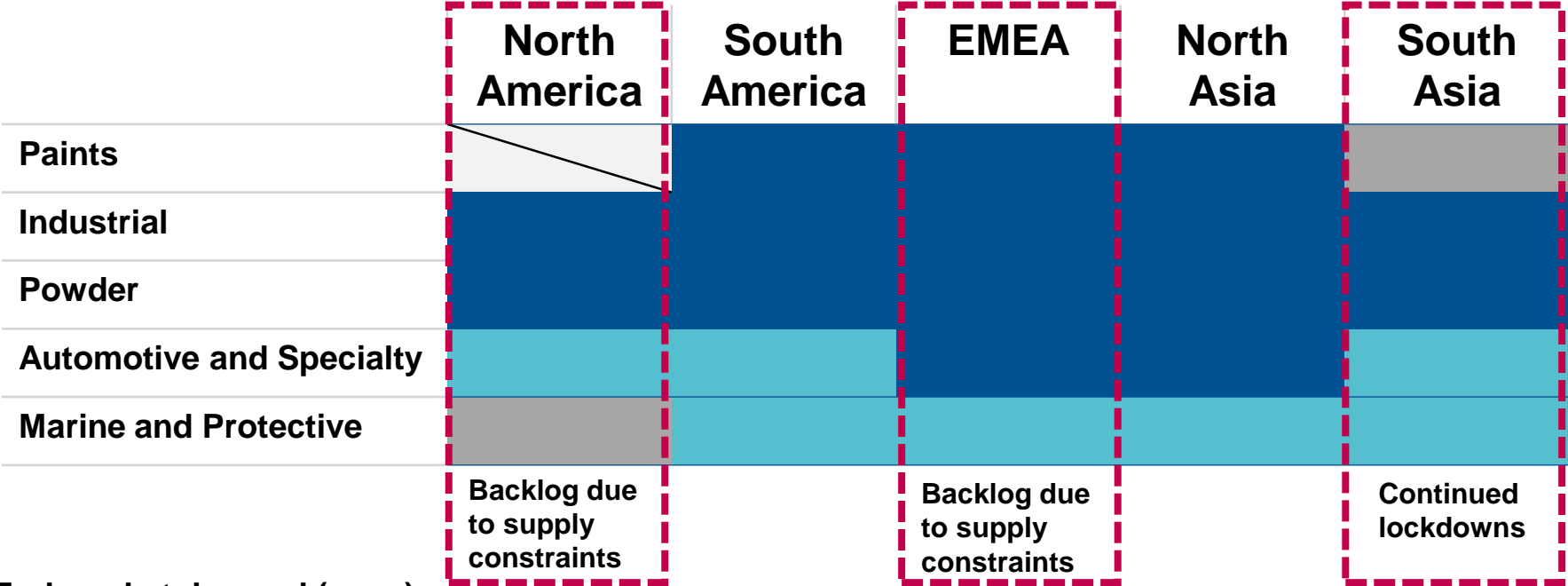
# Underlying demand robust, Q3 impacted by ongoing lockdowns and supply constraints

**AkzoNobel**

- ↯ In South East Asia, both paints and coatings are impacted by renewed and extended lockdowns
- ↯ Supply constraints continue to weigh on the business with the impact of hurricane IDA unclear
- ↯ Significant raw material cost inflation impacting second half 2021
- ↯ Continued focus and strong progress on pricing in all regions and segments
- ↯ On track to offset raw material cost inflation with pricing on run-rate basis in Q4 based on current market conditions



# Overall revenues for Q3 expected to be ~€100m lower



End market demand (y-o-y)

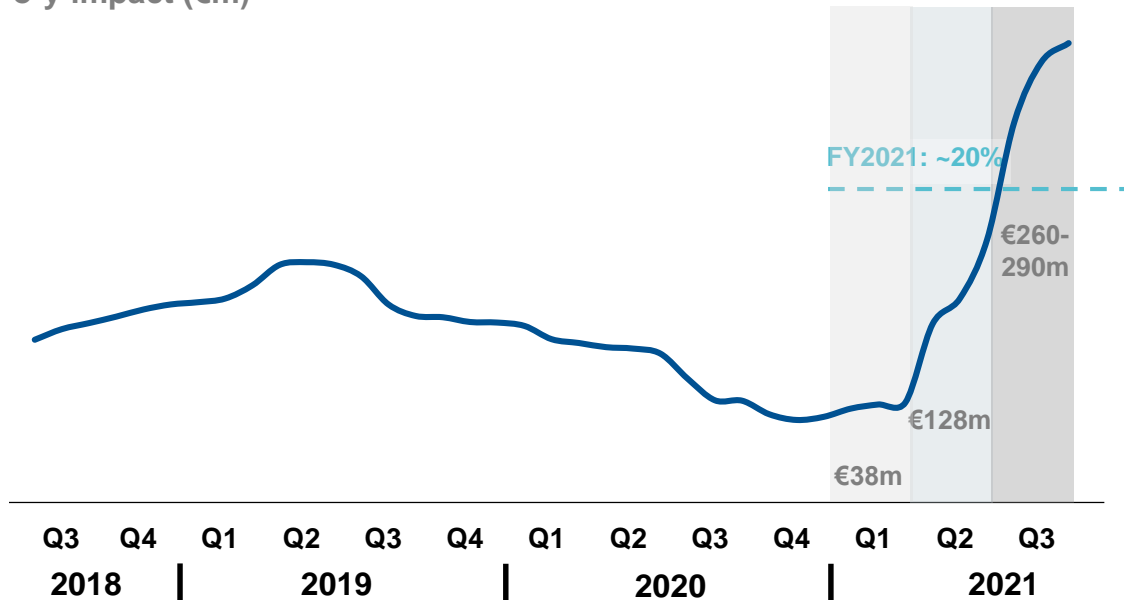
Strong Medium Weak



# Significant raw material cost inflation impacting second half 2021

### Raw material price index development

y-o-y impact (€m)

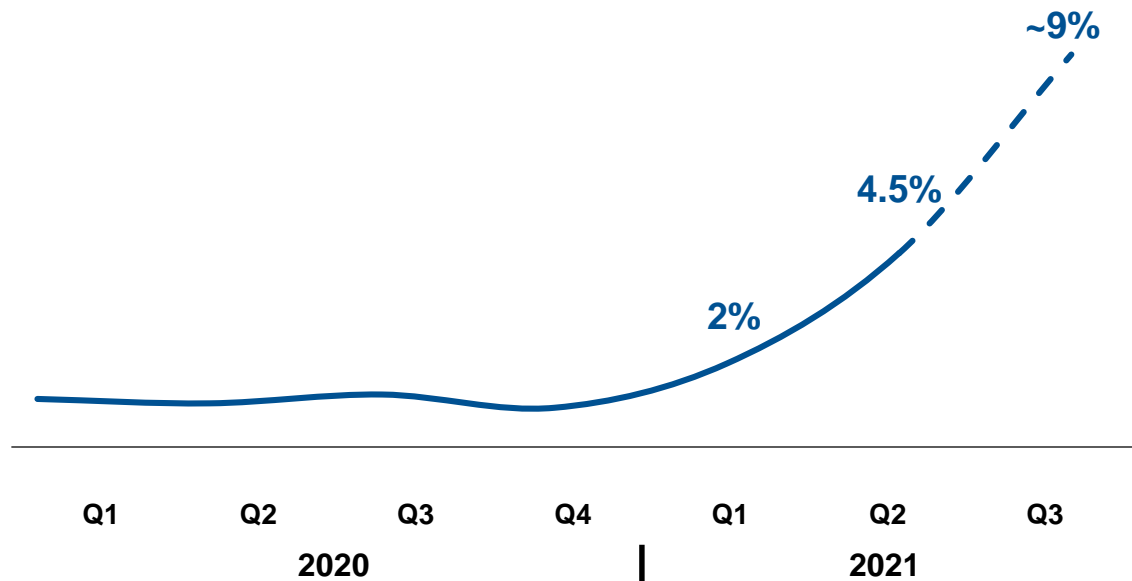


- Expect ~20% raw material cost inflation for 2021 versus prior year
- Q3 raw material cost inflation expected to be €260m-€290m versus prior year



# Implementing strong pricing across the board

### AkzoNobel pricing (%)\*



- Implementing strong pricing across the board
- Expect Q3 pricing to be ~9%
- On track to offset raw material cost inflation through pricing on run-rate basis during Q4 based on current market conditions

\*Price only (excluding mix), percentage change vs. prior year

# Confidence in Grow & Deliver strategy despite near term headwinds

- 7 Underlying demand remains robust, although Q3 impacted by ongoing lockdowns and supply constraints
- 7 Overall revenues for Q3 expected to be ~€100 million lower
- 7 Q3 raw material cost inflation impact expected to be €260-€290 million versus prior year
- 7 Implementing strong pricing across the board with Q3 pricing expected to be ~9% versus prior year
- 7 On track to offset raw material cost inflation with pricing on run-rate basis in Q4 based on current market conditions
- 7 Confident in the annual average improvement of 50 basis points margin expansion in line with our Grow & Deliver strategy as well as our €2 billion EBITDA target for 2023

**AkzoNobel**



# Q&A



# Disclaimer/forward-looking statements

This presentation does not constitute or form a part of any offer to sell, or any invitation or other solicitation of any offer, to buy or subscribe for any securities in the United States or any other jurisdiction.

Some statements in this presentation are 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industries in which we operate and management's beliefs and assumptions about possible future events. You are cautioned not to put undue reliance on these forward-looking statements, which only speak as of the date of this presentation and are neither predictions nor guarantees of possible future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

This report contains statements which address such key issues as AkzoNobel's growth strategy, future financial results, market positions, product development, products in the pipeline and product approvals. Such statements should be carefully considered, and it should be under-stood that many factors could cause forecast and actual results to differ from these statements. These factors include, but are not limited to, price fluctuations, currency fluctuations, developments in raw material and personnel costs, pensions, physical and environmental risks, legal issues, and legislative, fiscal, and other regulatory measures, as well as significant market disruptions such as the impact of pandemics. Stated competitive positions are based on management estimates supported by information provided by specialized external agencies. For a more comprehensive discussion of the risk factors affecting our business, please see our latest annual report, a copy of which can be found on the company's corporate website

[www.akzonobel.com](http://www.akzonobel.com)



**Thank you**