

People. Planet. Paint.



**Q2 update**  
June 14, 2022



- ↗ Overall demand signals remain robust, with North America still constrained in raw material availability and logistics, but sequentially improving
- ↗ Macro-economic uncertainty related to consumer confidence has increased, especially in Europe
- ↗ Slow start to Q2 for the consumer demand in the Deco DIY channels in Europe (40% of total Deco EMEA revenue); subsequently impacted by inventory reductions
  - June Deco DIY channel demand back to 2019 levels
  - Deco Professional business performing as anticipated
- ↗ Q2 COVID-19 lockdowns in China impact both paints and coatings
  - Paints able to almost fully offset impact with geographical expansion initiatives
  - Re-opening in June showing positive rebound, but not enough to catch missed revenue within Q2
- ↗ Accelerating H2 cost adjustments and working capital optimization
- ↗ Trends in June largely in line with earlier views; pricing actions remain ahead of raw material and logistics inflation
- ↗ Continue to focus on realizing Grow & Deliver and 2023 EBITDA ambition

# Overall Q2 demand signals remain robust despite short-term headwinds

	North America	Latin America	EMEA	North Asia	South Asia
Paints	Medium	Strong	Weak	Weak	Strong
Industrial	Strong	Strong	Strong	Weak	Strong
Powder	Strong	Strong	Strong	Weak	Strong
Automotive and Specialty	Medium	Medium	Strong	Weak	Strong
Marine and Protective	Medium	Medium	Medium	Weak	Strong
	Signals of sequential improvement		Slow start to Q2 in DIY Europe; €50m OPI impact*	Q2 COVID lockdowns; €40m OPI impact*	Strong sequential recovery

End market demand (y-o-y): **Strong** Medium Weak

Source: Company estimates.  
\* versus expectations entering Q2.

## Our Grow & Deliver ambitions

**Grow  
& Deliver**



### Ambitions for 2021-2023\*

- ↯ Revenue growth at or above our relevant markets
- ↯ Adjusted EBITDA of €2bn in 2023
- ↯ Average annual 50 basis points increase in return on sales over the period 2021-2023

# Q&A

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**Thank you**