

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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