



People. Planet. Paint.



AkzoNobel



Investor update Grow & Deliver

February 17, 2022

Investor update Q1 2022

April 21, 2022

Agenda



Setting the stage



Capital allocation



GROW



Concluding remarks



Sustainable innovation



Q&A



DELIVER



Investor update Q4 2021

Disclaimer/forward-looking statements

Alternative performance measures (APM)

When presenting operating results, AkzoNobel uses certain APM's not defined by IFRS, which exclude the so-called identified items that are generated outside the normal course of business. Measures included in this presentation such as (Adjusted) EBITDA (margin), Net Debt / EBITDA, EV/EBITDA, Adjusted EPS, Adjusted Operating Income, ROS and ROI are all APM's. Please refer to the appendix for definitions of these APM's as well as the definition for Identified items. Reconciliations of these APM's to the most directly comparable IFRS measures can be found in our Quarterly Reports.

Market data (Orr & Boss)

Market data in this presentation is provided by Orr & Boss as of January 4, 2022. The data is provided in US Dollar; a €/ \$ 1.18 exchange rate was used for conversion purposes.

Adjusted market data is based on Orr & Boss and reduced by AkzoNobel.

Competitive positions are by value and based on internal estimates and Orr & Boss information.

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 presentation 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 understood 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

Speakers

AkzoNobel



Thierry Vanlancker
Chief Executive Officer



Maarten de Vries
Chief Financial Officer



Michael Friede
Chief Commercial Officer



Klaas Kruithof
Chief Technology Officer



Karen-Marie Katholm
Chief Integrated Supply
Chain Officer

Setting the stage

Thierry Vanlancker



A focused paints and coatings company

AkzoNobel

People. Planet. Paint.



2021 key data

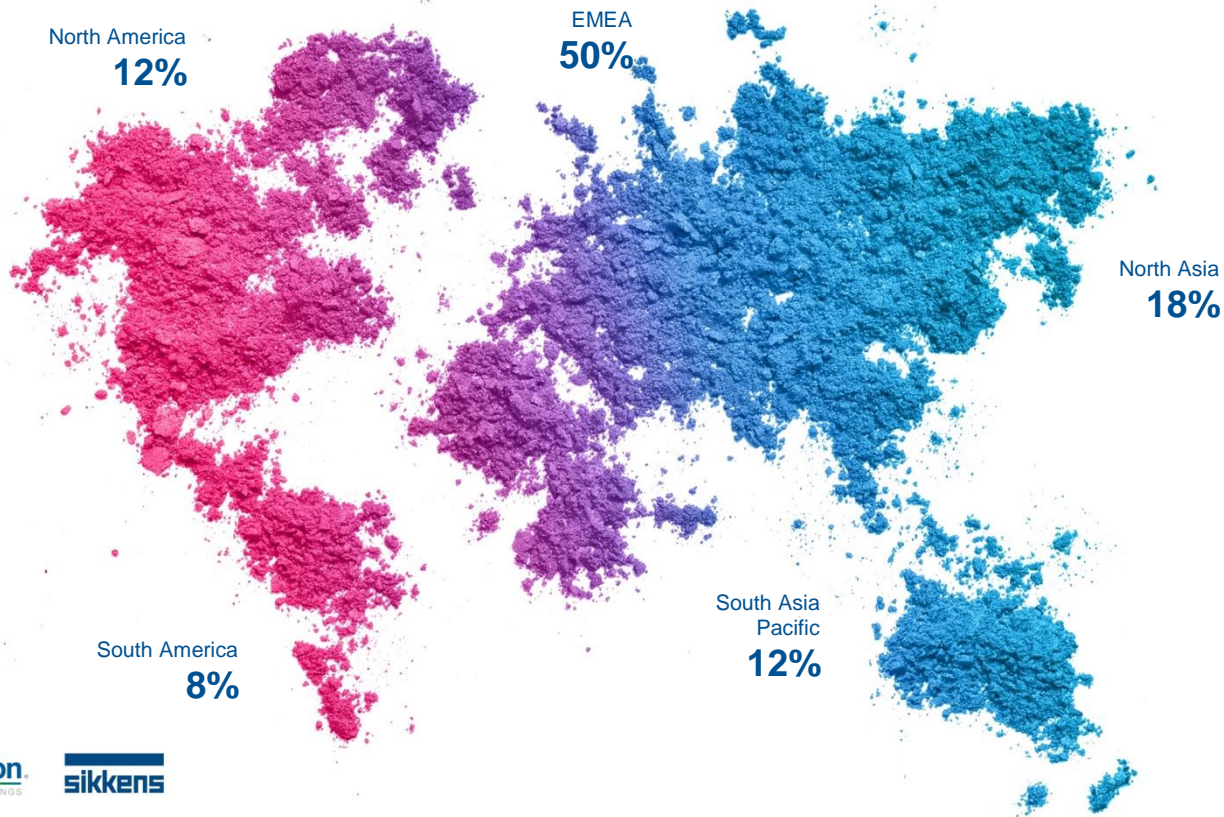
€9.6bn revenue

€1.1bn adjusted OPI

€1.4bn adjusted EBITDA

16.0% return on investment (ROI)

32,800 employees



Note: Full-year 2021 revenue by destination for all regions.

People. Planet. Paint.

Clear purpose as the engine of our organization

AkzoNobel



People.

We care about people and communities, a passion that's reflected in our commitment to safety, integrity and sustainability.



Planet.

We challenge ourselves and our partners every day to be better global citizens and protect the future of our planet.



Paint.

We keep pushing boundaries to develop pioneering paint solutions that make a world of difference



Global paints and coatings industry

AkzoNobel

Leading global player in large and attractive market

Peer revenue comparison

€ billion, 2021*

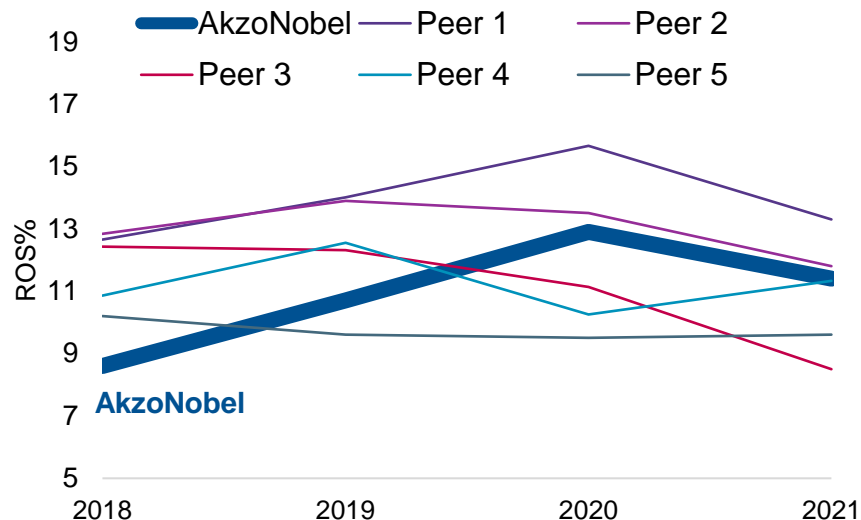


* Revenue for BASF, Kansai Paint, Jotun, Asian Paints and Hempel is for 2020.
Source: company reporting, internal analysis.

From 15 by 20 to Grow & Deliver

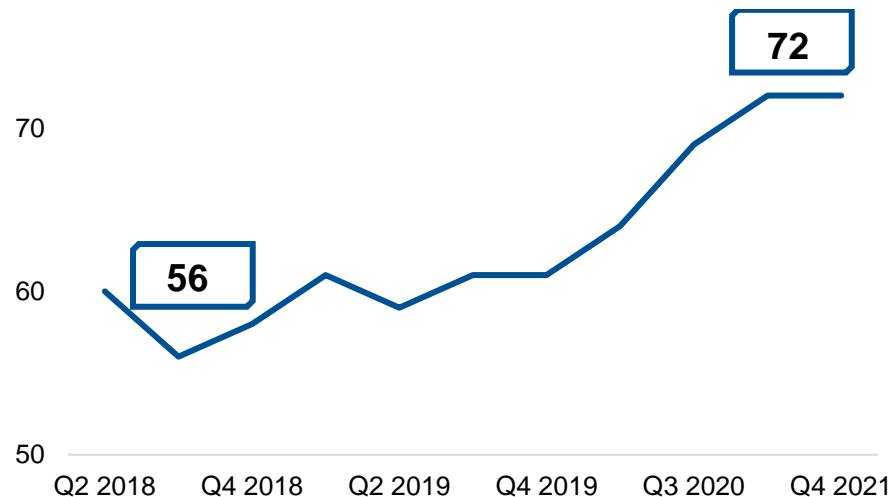
Significant culture change with margins in top tier

Strong margin progress versus peers



Organizational Health Index (OHI)**

Participation rate at 86%



EV/EBITDA multiple remains below peers at ~11.5x*

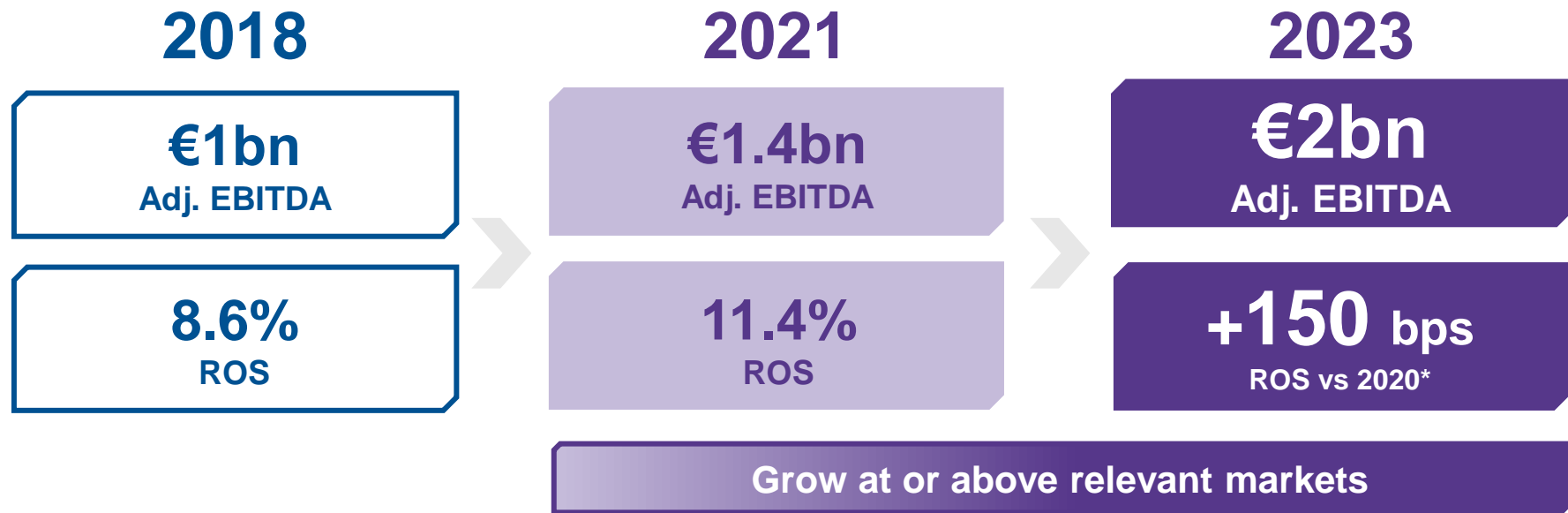
* Source: Bloomberg, based on next twelve months EBITDA (2021 year-end).

** Source: Organizational Health Index by McKinsey.

Grow & Deliver targets

Building on new and strong foundation

AkzoNobel

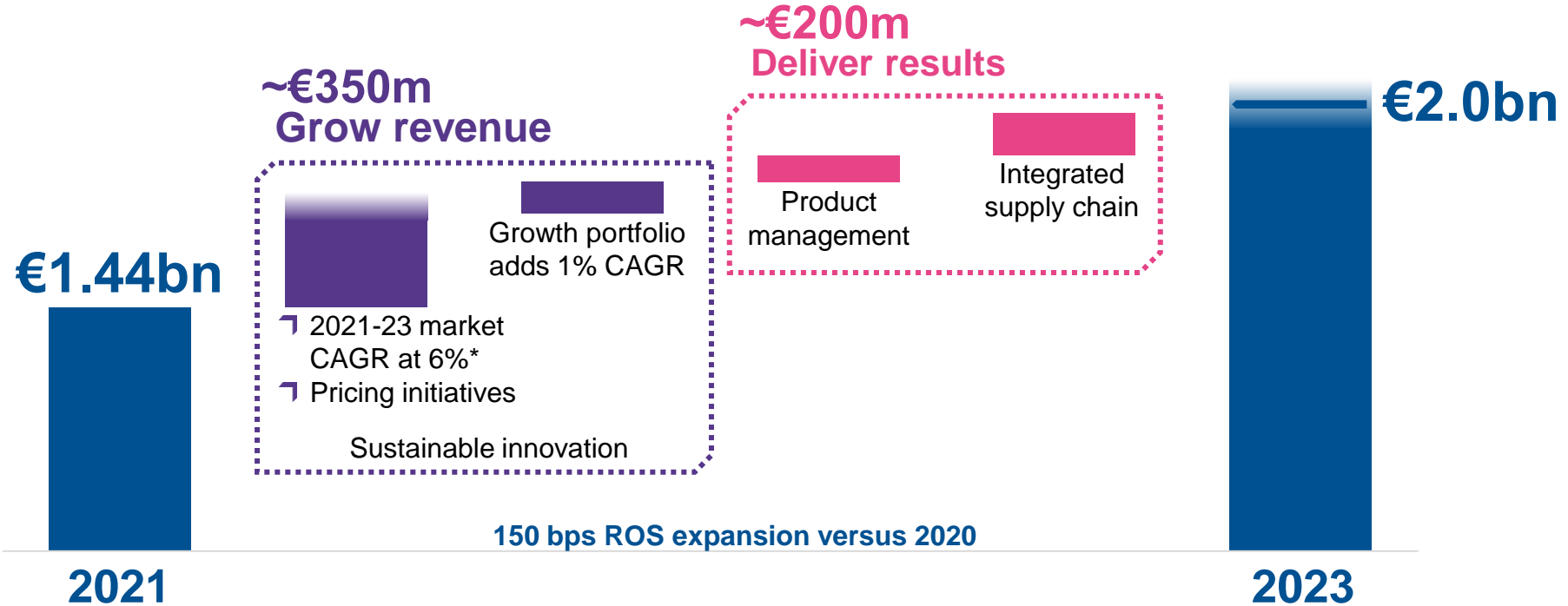


* 2020 ROS margin at 12.9%.

Assumes no significant market disruption.

Grow & Deliver: €2bn adj. EBITDA by 2023

AkzoNobel



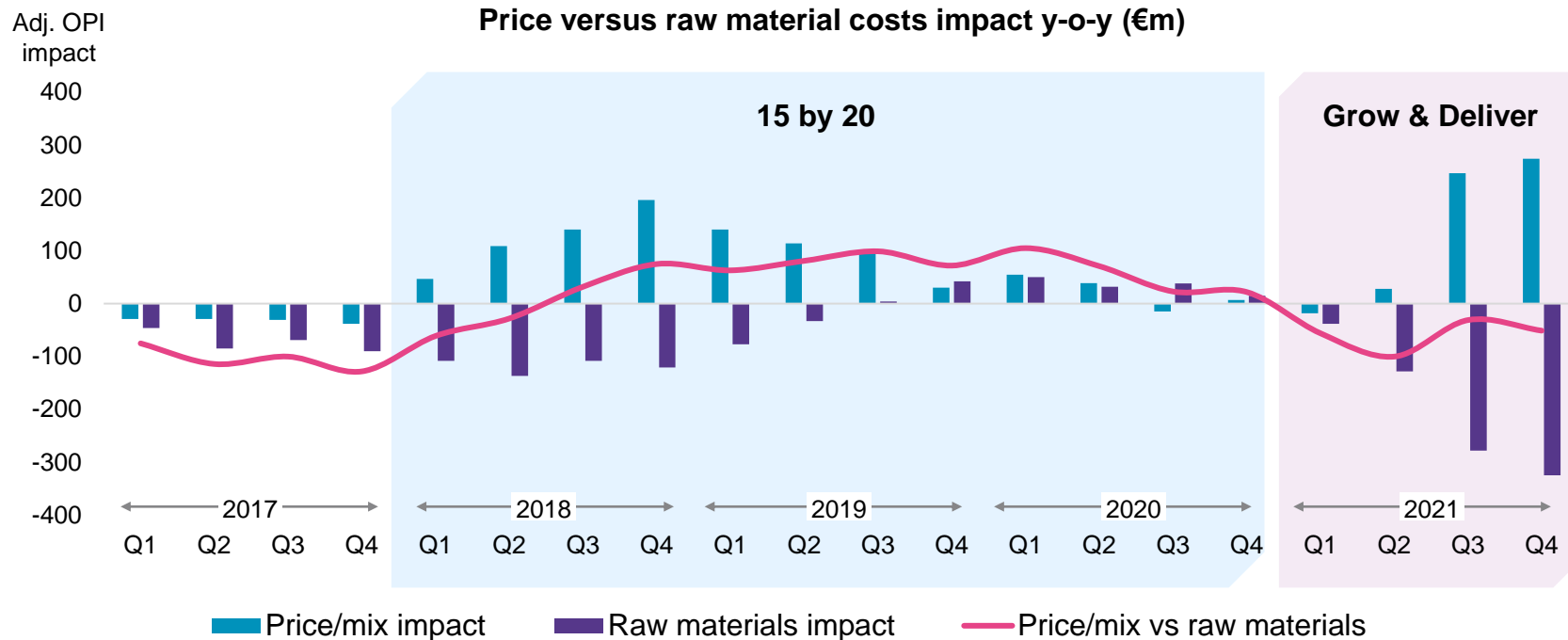
2021

2023

* Source: Orr & Boss, internally reduced forecast.
Assumes no significant market disruption.

Stronger and faster pricing initiatives

Previous cycle as proof point for margin expansion





GROW

Thierry Vanlancker
Michael Friede



Strong global coatings portfolio with leading positions in key markets

Business	Market size ~€bn, 2021*	Position by revenue	Market growth value '21-'23	Adj. market growth value '21-'23	Current market dynamics
Powder Coatings	10	1	10%	8%	<ul style="list-style-type: none"> ↗ Demand for sustainable solutions ↗ Strong value proposition including technical quality ↗ New markets and applications: e.g. NAM architecture, EV, wood
Industrial Coatings	15	2	8%	6%	<ul style="list-style-type: none"> ↗ Sustainability-driven higher demand and industry capacity for metal beverage packaging ↗ Coil highly correlated to GDP especially industrial and housing ↗ Wood to benefit from strong housing and remodel market
Marine and Protective Coatings	15	2	8%	6%	<ul style="list-style-type: none"> ↗ Marine growth from market trough, both new build and dry dock ↗ Energy investments both in oil & gas and green energy ↗ Yacht demand remains strong
Automotive and Specialty Coatings	14	3	7%	5%	<ul style="list-style-type: none"> ↗ Automotive production recovery ↗ Vehicle refinish correlated to collision rates & urban miles driven ↗ Aerospace OEM to improve and MRO** recovering faster ↗ Consumer electronics demand for quality waterborne coatings

* Excluding ~€50bn (total paints and coatings) in regions/businesses where AkzoNobel is not present.

** Maintenance, repair, and overhaul.

Strong global paints portfolio with leading positions in key regions

Region	Market size ~€bn, 2021*	Position by revenue	Market growth value '21-'23	Adj. market growth value '21-'23	Current market dynamics
Paints EMEA	24	1	7%	5%	<ul style="list-style-type: none"> DIY demand stabilized at higher level Recovery of professional and project segments Visible tailwind from EU-subsidized Green Deal E-commerce, favorable for stronger brands
Paints Asia	13	3	11%	9%	<ul style="list-style-type: none"> Higher GDP and continued urbanization South Asia as highest growth market globally Health & wellbeing products DIY painting pickup in South Asia China project business less relevant for AkzoNobel
Paints LATAM**	4	1	7%	5%	<ul style="list-style-type: none"> Home improvement and more sustainable products Demand for healthy and clean surfaces Emerging DIY trend Dollar-based costing and pricing

* Excluding ~€50bn (total paints and coatings) in regions/segments where AkzoNobel is not present.

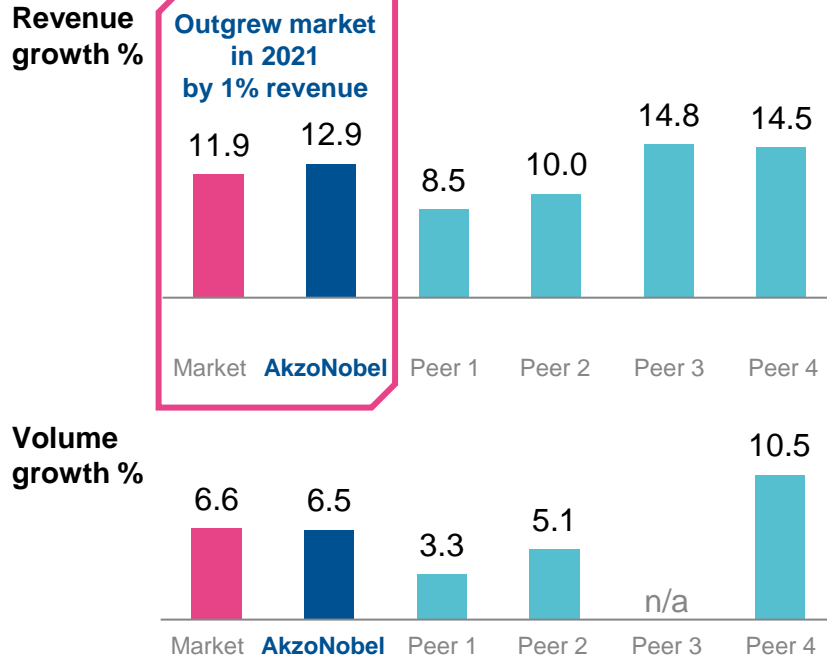
** Latin America excluding Mexico.

Strong start to Grow & Deliver

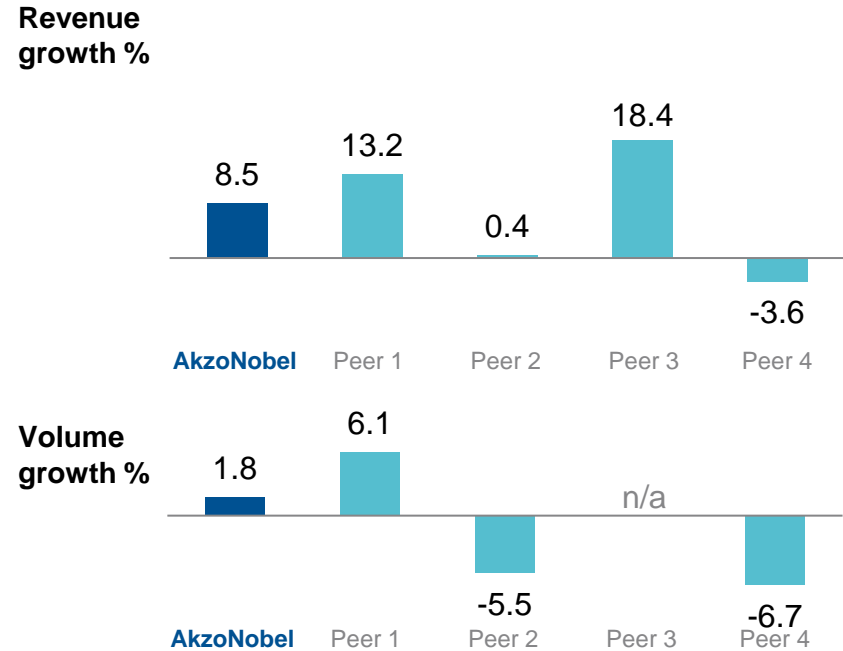
AkzoNobel

Outgrew market by 1% in 2021, in line with strategy

2021 versus 2020 comparison (organic)



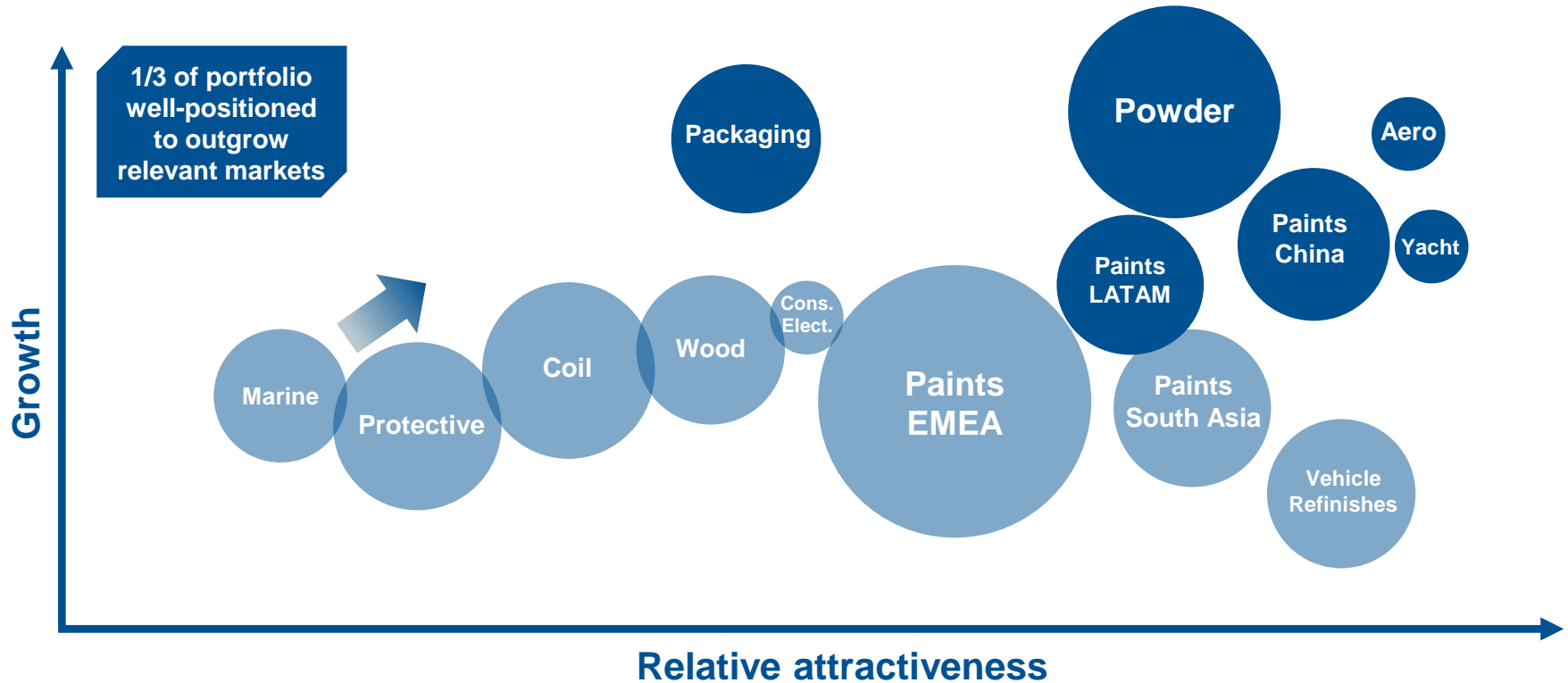
2021 versus 2019 comparison (organic)



Well-positioned in key growth markets

AkzoNobel

Growth businesses to drive additional 1% revenue CAGR



Bubble size is illustrative for AkzoNobel revenue and not exactly proportionate.
Growth and attractiveness is AkzoNobel-specific.



GROW Coatings

Michael Friede



Performance Coatings

AkzoNobel

Leading global businesses; strong technologies and brands

Key sub-segments

- Architecture
- Automotive
- Functional
- General Industry

Revenue
2021

€1.3bn

Market CAGR*
2021-23

8%

Key brands

Interpon
POWDER COATINGS

RESICOAT
Experts in Functional Powder Coatings

Industrial

- Packaging
- Coil & Extrusion
- Wood

€1.9bn

6%

Chemcraft

sikkens
WOOD COATINGS

ZWEIHORN

Marine and Protective

- Marine
- Protective
- Yacht

€1.2bn

6%

Interlux

AWLGRIP

International

Sea Hawk
PREMIUM YACHT FINISHES

Automotive and Specialty

- Vehicle Refinishes
- Specialty Plastics
- Aerospace
- Consumer Electronics

€1.2bn

5%

WANDA

DYNACOAT

MAPAERO

LESONAL

sikkens

*By value. Source: Orr & Boss, internally reduced forecast.

2022 Investor update | Grow & Deliver 19

Megatrends driving growth in Coatings

AkzoNobel



Sustainability and energy transition

- ↗ Liquid-to-powder conversion (low VOC* and waste)
- ↗ Electric vehicle growth with expected 30% market penetration**
- ↗ Shift from plastic to metal beverage packaging
- ↗ Asset investments into global energy transition



Hybrid working

- ↗ Consumer preference for personal transport versus. public transportation
- ↗ Demand for high value and sustainable surfaces in direct environment
- ↗ Structurally higher electronics demand (home offices, remote education)



Recovery and Rebound

- ↗ Airline industry recovery for new build and MRO
- ↗ Marine new build and dry dock to bounce back
- ↗ High energy prices driving business in protective coatings

* Volatile organic compounds.

** By 2030. Source: Deloitte Insights.

Powder Coatings

Clear leadership position and aggressively investing for growth

€10bn market

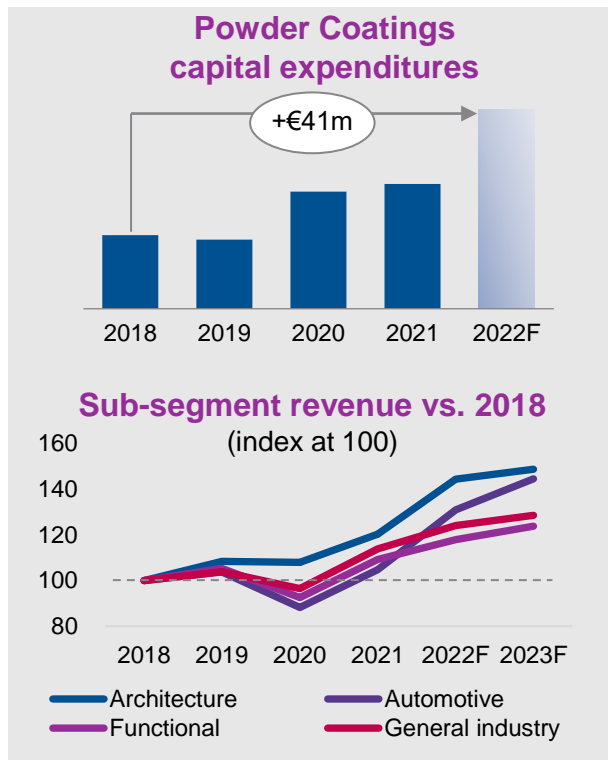
8%
market CAGR 2021-23

#1 in the market



Interpon®
POWDER COATINGS
RESICOAT®
Experts in Functional Powder Coatings

AkzoNobel



Key growth drivers:

- ↗ Liquid-to-powder conversion, e.g. North America architectural
- ↗ New applications including e-mobility and wood
- ↗ Multi-year comprehensive investment program in people and assets to support growth
- ↗ Unrivalled global supply, digital and next-day service

Success:

- ↗ Approved at seven major EV OEM and battery manufacturers (accounts for ~70% of EV market)
- ↗ First co-patent for e-motor
- ↗ Low cure powder Interpon W (unique technology to enable new market entry)

Packaging Coatings

Gaining share and success in beverage 'can-ends'

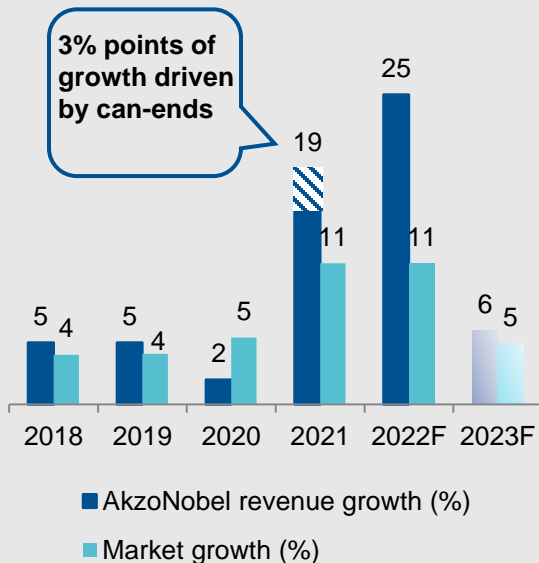
€2.7bn market

8%
market CAGR 2021-23

#1 inside can



Packaging revenue growth



Key growth drivers:

- Accelerated shift from plastic to metal
- Sustainable technology (BPAni)
- ~85 new can production lines to launch within next 24 months
- Higher growth from emerging markets and entrance into beverage can-ends

Success:

- Key supplier to all major can manufacturers
- Market share gains of ~1% in 2021
- Successful entrance into beverage can-ends; full portfolio

Aerospace Coatings

Leading technology and strong customer relationship

€0.5bn market

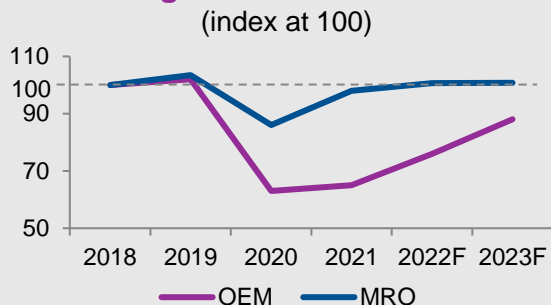
6%
market CAGR 2021-23

#1 in the market

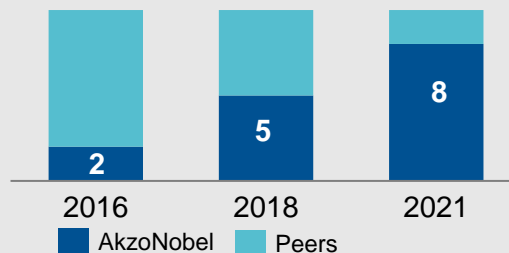


Key AkzoNobel repainting programs

Solid recovery in MRO
Sub-segment revenue vs. 2018
(index at 100)



Supply to top ten airlines
(by fleet size)



Key growth drivers:

- Accelerated MRO recovery
- Rebound of OEM business
- Acceleration of film and markings
- Growth trajectory in Asia
- Entry into interior coatings leveraging Mapaero acquisition

Success:

- Basecoat/clearcoat technology qualified at all major global OEMs
- Commercialization of sustainable solutions (chrome-free technology)
- Strong key account management and global technical service

Yacht Coatings

Attractive growth business with leading brands and technology

€0.5bn market

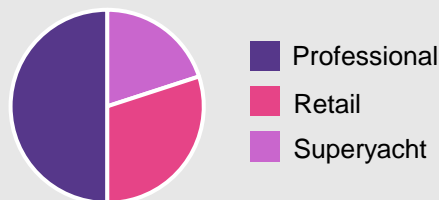
6%
market CAGR 2021-23

#1 in the market

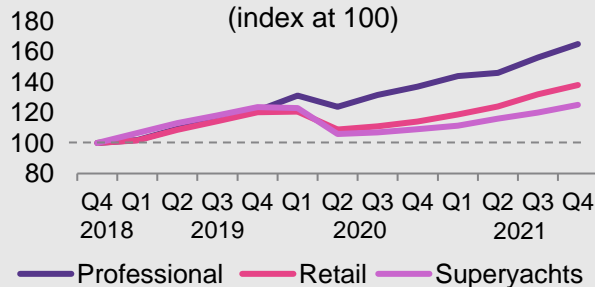


AkzoNobel

Yacht business split by € value



Sub-segment revenue moving average sales growth vs. Q4 2018 (index at 100)



Key growth drivers:

- Leading position in all segments, including maintenance with complete offering
- Increased retail demand from consumer lifestyle changes
- Strong key account management
- Emerging markets, especially Asia

Success:

- Integration of Sea Hawk, acquired end of 2020
- Commercial launch of spray filler
- Strong brands and customer intimacy



GROW Decorative Paints

Thierry Vanlancker



Decorative Paints

One global brand portfolio with strong local positions

AkzoNobel

Key sub-segments and regions

Revenue 2021

**Market CAGR*
2021-23**

Key brands

EMEA

- UK and Ireland
- Benelux
- Nordics, Eastern Europe
- Middle East, Africa

€2.4bn

5%



LATAM

- Brazil
- Argentina
- Colombia (Grupo Orbis)

€0.5bn

5%



North Asia

- China retail
- China project

€0.6bn

6%



South Asia

- India
- Indonesia
- Vietnam

€0.5bn

12%



* By value. Source: Orr & Boss, internally reduced forecast.
Acquisition of Grupo Orbis is expected to close in Q1 2022.
North Asia and South Asia are reported as Decorative Paints Asia.

Megatrends driving growth in paints



Sustainability, health and well-being

- Strong demand for sustainable products supporting well-being & health
- Driven by legislation, e.g. EU Green Deal
- Growing middle class in Asia leads to higher quality consumption in lower tier cities (especially China & India)



DIY trend

- Structurally higher demand versus pre-pandemic level
- Increasing labor costs drive demand for DIY products
- Consumers in Europe increasingly preferring brands



Digital acceleration

- Digital sales channels with paint stores fulfilling “last mile” delivery service
- O2O (offline to online) introduces traffic for consumer convenience
- Introduction of market platform to connect consumers with painters



Strong brand recognition

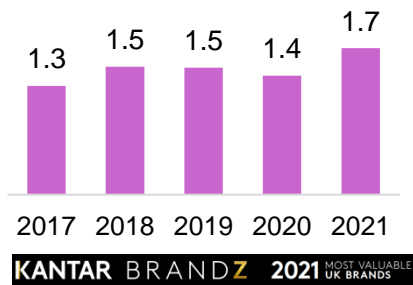
Leveraging our unique global scale for local impact

AkzoNobel

#1 choice for consumers and professionals

Only paint brand listed
in top 50
UK consumer brands

Dulux brand value (€bn)



Innovation

Easycare family



31 markets
€130m
Revenue

Branding

Global leveraging



10 countries
in 18 months

Professional loyalty

Painter Academy



17 countries

100k
Professionals
trained in 2020

Color

Color of the Year



All countries
196m
Impressions

Digital

Visualizer app



All countries
+30m
global
downloads

Sustainability

Dulux Valentine

Le Blanc Recyclé



Contains
35%
recycled paint



Decorative Paints EMEA

Distribution, brand leverage and strong innovation pipeline

€24bn market

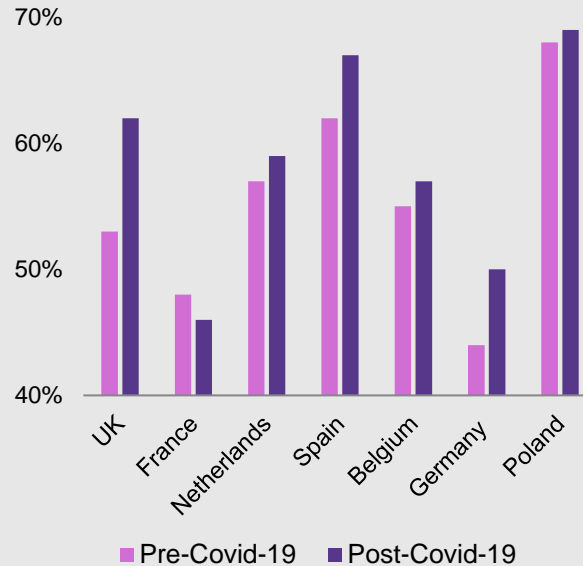
5%
market CAGR 2021-23

20 leading positions

Including in the UK, Ireland, Netherlands,
Belgium, Spain, Russia and Italy



Consumers preferring brands*
(in AkzoNobel top seven markets)



Key growth drivers:

- Higher DIY demand
- EU Green Deal (+1% CAGR)
- Expand distribution network
- Effective brand investment

Success:

- Share gains in key markets
- Spain acquisitions
- UK Heritage launch
- AntiScuff wall paint launch
- Increased online sales

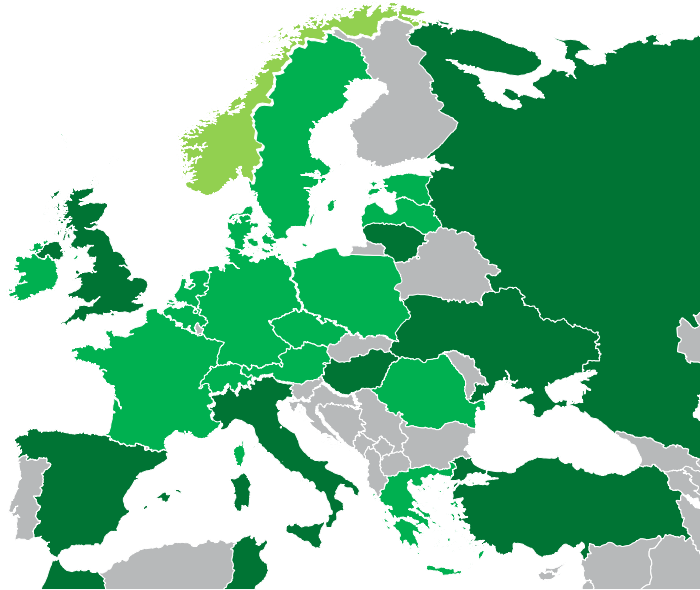
Source: Orr & Boss, internally reduced forecast for market CAGR.

* European Home Improvement Monitor 2020 (comparing 2020 to 2019).

Paints EMEA outgrowing the market

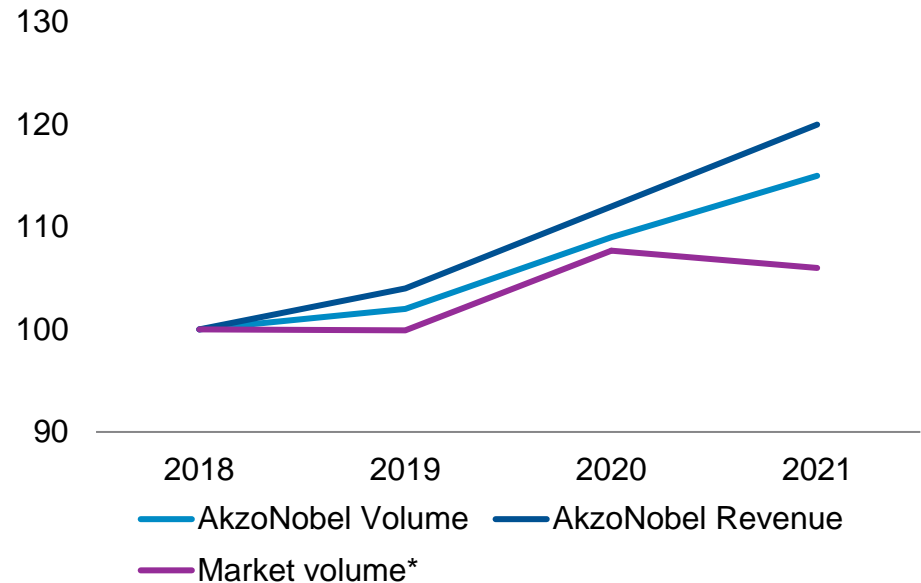
Driven by strong brands and distribution

AkzoNobel



At market Above market Strongly outgrowing market

AkzoNobel Decorative Paints Europe development
(Excludes Middle East and Africa)
(Index at 100)



* Source: CEPE, for 2021 preliminary numbers.

Decorative Paints China

AkzoNobel

Geographic retail expansion with strong brand and sustainable products

~€6bn market

6%
market CAGR 2021-23

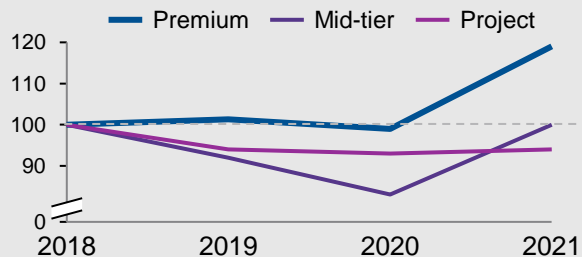
Double digit growth in premium
retail focused post 2018 “reset”

Recognized “*super brand*”

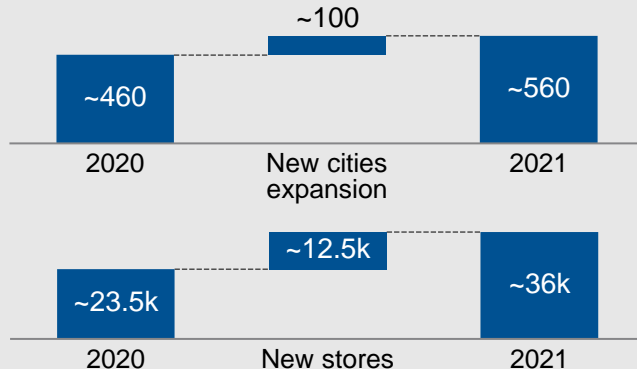


Sub-segment revenue vs. 2018

(index at 100)



Further expansion in 2021



Key growth drivers:

- Geographic expansion focused on tier 3-5 cities
- Digital ecosystem upgrade
- Leverage core premium Dulux brand
- Eco-friendly & well-being products
- Limited and selective exposure to project business – quality optimized

Success:

- 2021 expansion into +100 new cities and +12.5k new stores
- Dulux online platform in 128 cities
- Launch of Dulux Forest Breath

Decorative Paints Latin America

Expanding strong presence with Grupo Orbis acquisition

AkzoNobel

€4bn market*

5%
market CAGR 2021-23

Leading positions

in Brazil, Argentina, Uruguay, Bolivia and Colombia (Grupo Orbis)



Leader overall with Grupo Orbis



Key growth drivers:

- Proactive margin management to offset raw materials and FX impact
- Developing premium business through innovation and branding
- Expansion through Blue Store program
 - 1,000 stores, adding 500 in 2021
 - Distributor network (doubled over the past five years)
- Stronger customer and painter preference

Grupo Orbis as expansion platform

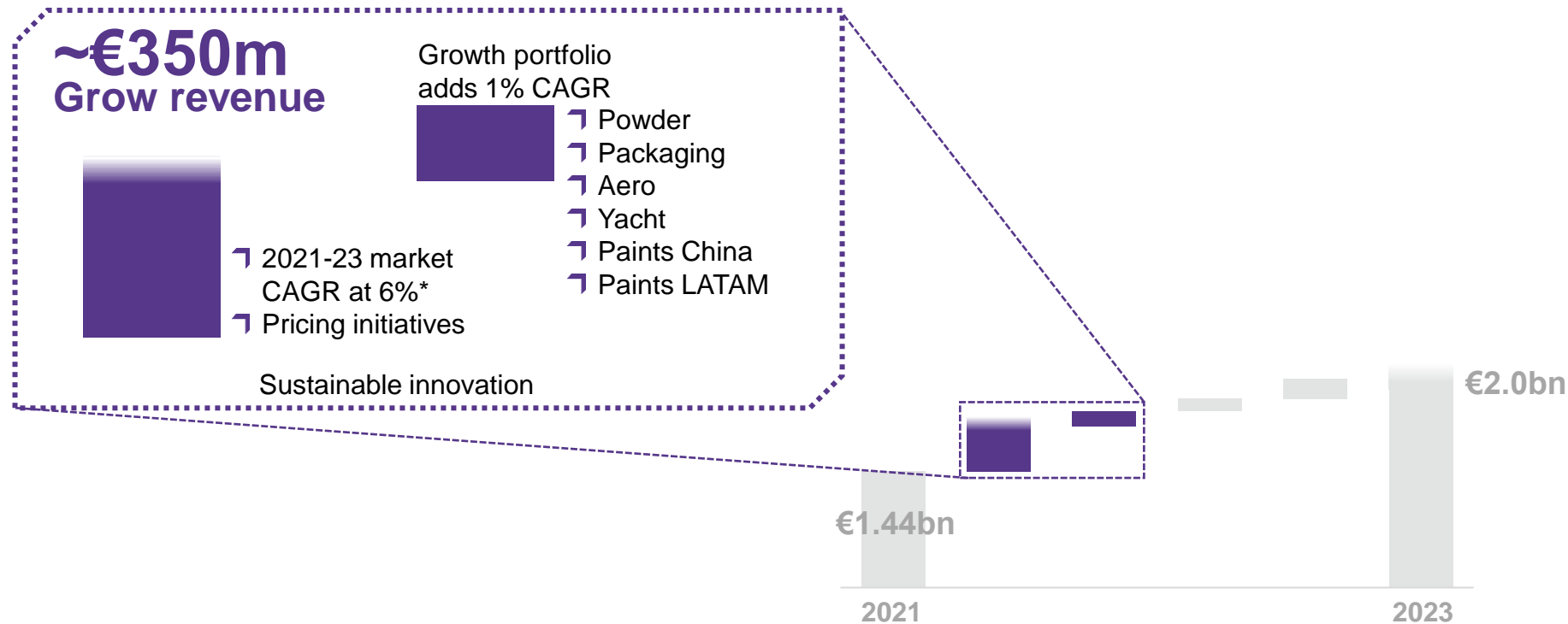
- Colombia-based, leading presence from Ecuador to Central America
- Leading local brands include Pintuco, Protecto and AVF Paints
- Annualized revenues at ~€360m

This slide has been updated post the closing of Grupo Orbis acquisition on April 22, 2022.
Source: Orr & Boss, internally reduced forecast for market CAGR.

* Our definition of Latin America as a region excludes Mexico (part of North America).

Grow & Deliver: €2bn adj. EBITDA by 2023 AkzoNobel

Grow revenue in line with the market and outgrow selected markets



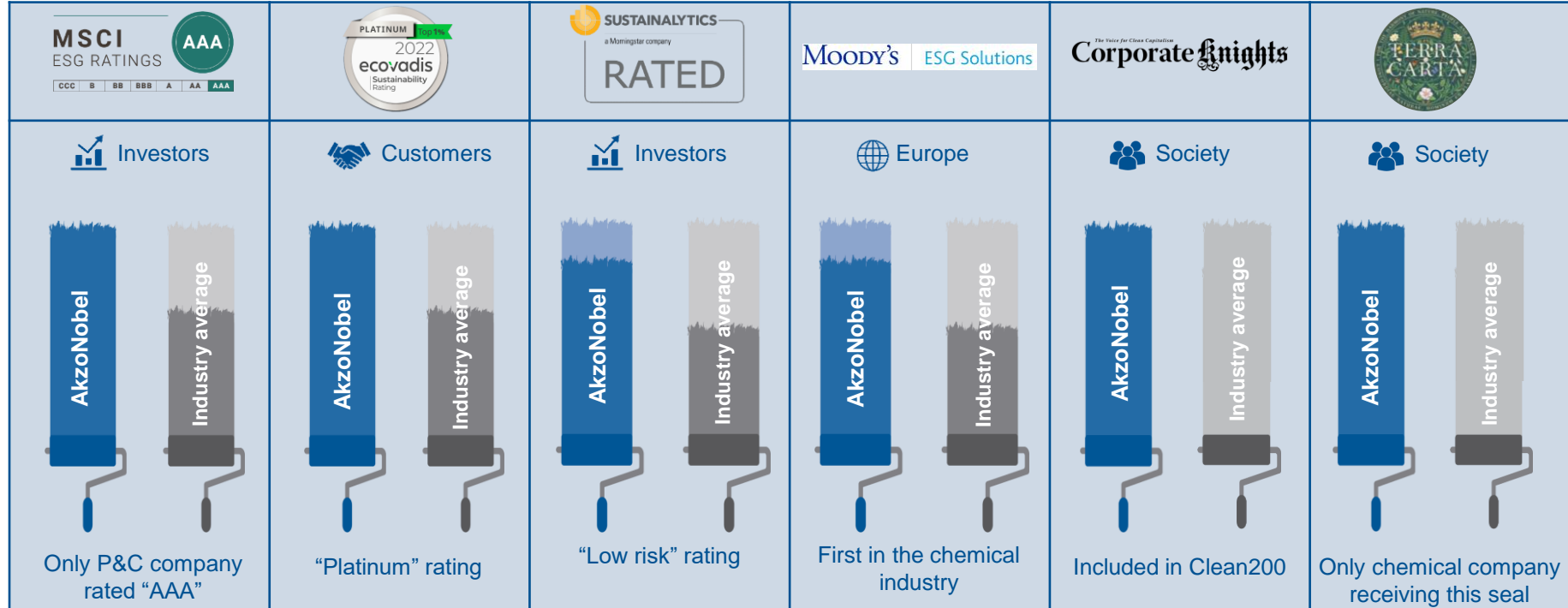
* Source: Orr & Boss, internally reduced forecast.

Sustainable Innovation

Klaas Kruithof

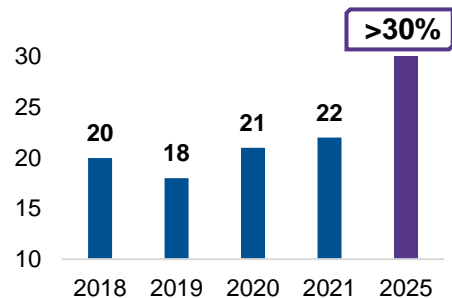


Recognized sustainability leader in industry AkzoNobel



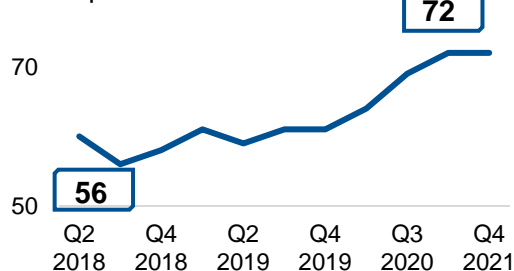
People. Building a diverse, inclusive and caring organization

Female executives (in %)



Organizational Health Index (OHI)*

Participation rate **86%**



Demonstrating diversity and inclusion

- Leading safety record in the industry
- >1,000 projects to help revitalize communities between 2020 and 2025
- 35,000 community members trained between 2020 and 2025

Top employer recognition in many key countries, including **China, the UK, the Netherlands, US, Brazil, France and Germany** and **top employer** in Europe

AkzoNobel

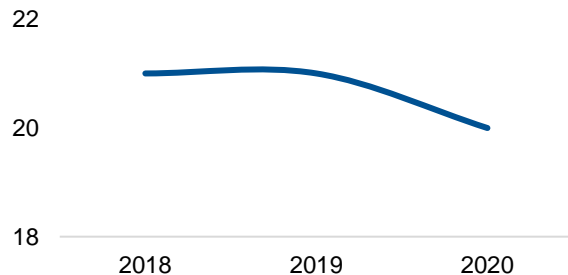


* Source: Organizational Health Index by McKinsey.

Planet. 50% less carbon emissions from our own operations by 2030

AkzoNobel

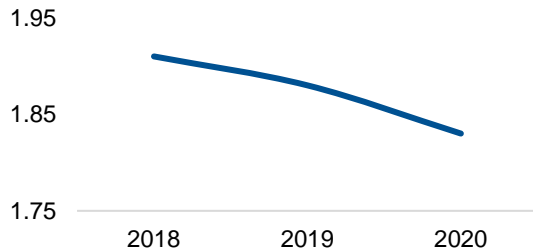
Waste per ton of production (in kg)



Ambitious 2030 environmental targets

- ↗ 100% renewable electricity
- ↗ >30% energy reduction*
- ↗ Towards zero waste:
 - ↗ 100% reusable waste
 - ↗ 100% of water intensive sites reusing water

Energy use per ton of production (in GJ)



€9 million

Saved from projects directly related to **waste, energy reduction and water reuse** in 2020



100%
Renewable electricity in Europe in 2022



Circular use of paint sludge (Vietnam)



* Versus 2018 baseline.
2021 numbers for energy and waste to be published on March 2, 2022.

Paint. Delivering value by offering increasingly more sustainable solutions

AkzoNobel

From...

~40%

Revenue from **sustainable solutions** in 2021

Ambitious sustainable portfolio targets

- >50% of revenue from sustainable solutions by 2030
- 50% recycled content to be used in plastic packaging by Deco Paints EU by 2025

...Towards

>50%

Revenue from **sustainable solutions** by 2030

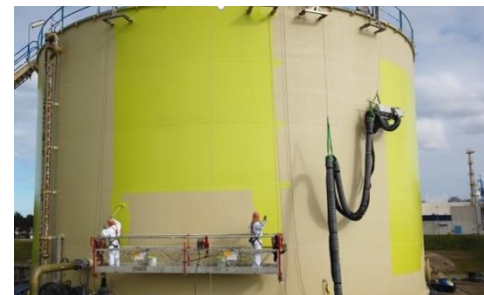


Margin accretive sustainable solutions

Higher gross margin for sustainable solutions versus standard products*



Dulux Trade contains 35% recycled paint



Robotized application

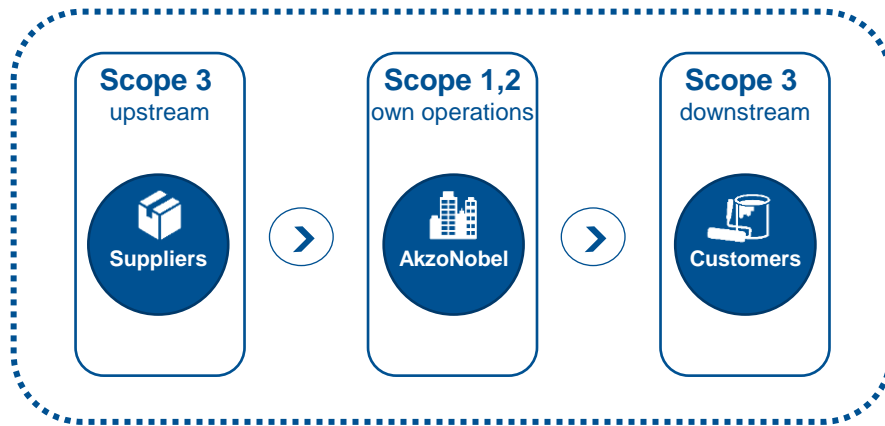
* For Performance Coatings, analysis covers majority of coatings product portfolio.

Pioneering carbon reduction target validated by the Science Based Targets initiative AkzoNobel

- First paints and coatings company with a **carbon reduction target** for the full value chain
- Our target is to reduce carbon emissions for the **whole value chain by 50% by 2030***
- Our target is **aligned with the Paris agreement**, aiming to limit global warming to max 1.5°C**

50%

Reduction in
carbon emissions
for the whole
value chain



SCIENCE
BASED
TARGETS

info@sciencebasedtargets.org
www.sciencebasedtargets.org

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Facebook icon Twitter icon

Approved science-based target

The Science Based Targets initiative has validated that the corporate greenhouse gas emissions reduction target(s) submitted by

AkzoNobel NV

have been deemed to be in conformance with the SBTi Criteria and Recommendations (version 4.2). The SBTi's Target Validation Team has classified your company's scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

The official target wording is:

Dutch multinational paints and coatings company AkzoNobel NV commits to reduce absolute scope 1 and 2 GHG emissions 42% by FY2030 from a FY2020 base year. AkzoNobel NV also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, processing of sold products, and end-of-life treatment of sold products 42% by 2030 from a 2020 base year.

Date of issue: August, 2021

Certificate Number: AKZO-NET-003-OFF

An initiative by



* Baseline 2018.

** Above pre-industrial levels.

Sustainable innovation

Solutions beyond generations for our customers worldwide

AkzoNobel

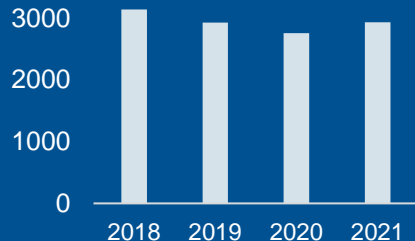
€1.25 billion
spent on R&D in the last five years

3,000
scientists employed worldwide

70
laboratories globally

5
global technology centers

Patent positions

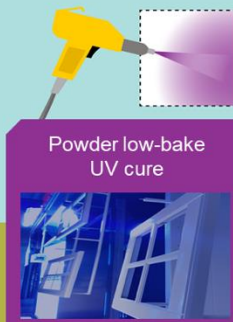


SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Productivity



Asset
protection



Surface
enhancement



Environmental
protection



Customers | Suppliers | Startups | Academia

Collaborative innovation

AkzoNobel



Startup challenges Global – Brazil – China



MEMBERS
10.008

SUBMISSIONS
750

SoMe REACH
71m

Supplier challenges 2019-2021



INVITEES
127

SUBMISSIONS
214

SoMe REACH
157k



Advanced Research Center
Chemical Building Blocks Consortium



Utrecht University

TU/e EINDHOVEN
UNIVERSITY OF
TECHNOLOGY



rijksuniversiteit
 groningen

Academic program 2016-2026



- Employing ~150 PhDs
- Scientific leader: Prof. Ben Feringa, Nobel Prize Chemistry Laureate 2016



Collaborative Sustainability Challenge 2022

Expanding our collaborative innovation ecosystem and collectively reducing our carbon footprint together with our value chain partners





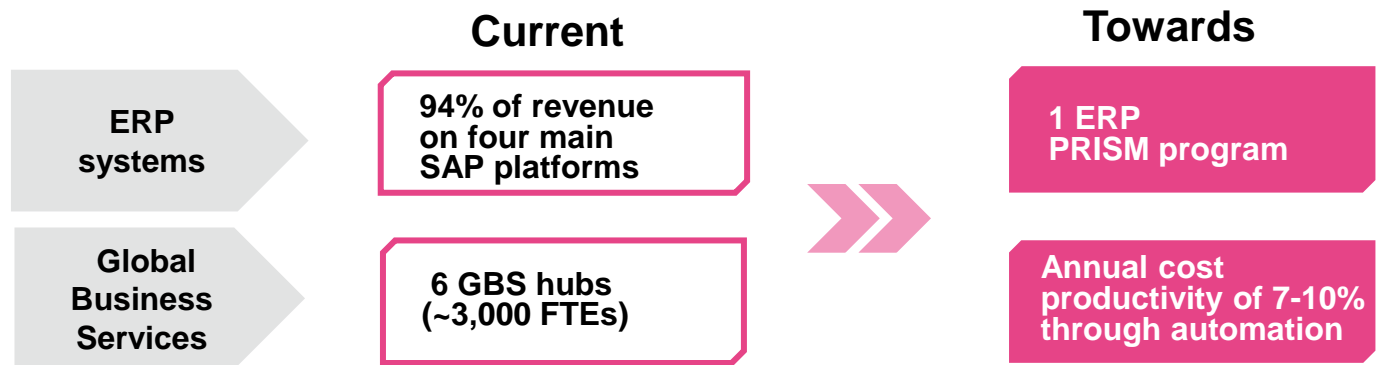
DELIVER

Maarten de Vries

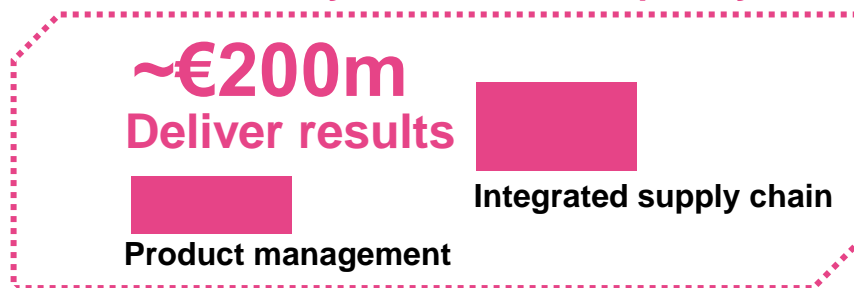


Strong foundation enables Grow & Deliver AkzoNobel

Precise processes allow for further complexity reduction



Foundation serves as key enabler for complexity reduction





DELIVER

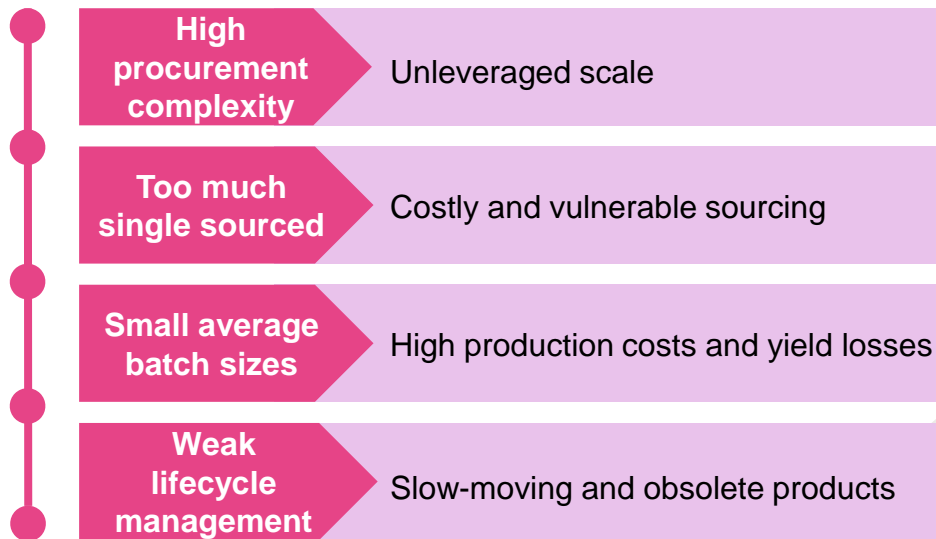
Product management

Thierry Vanlancker



Product management unlocking end-to-end value through complexity reduction

Legacy...

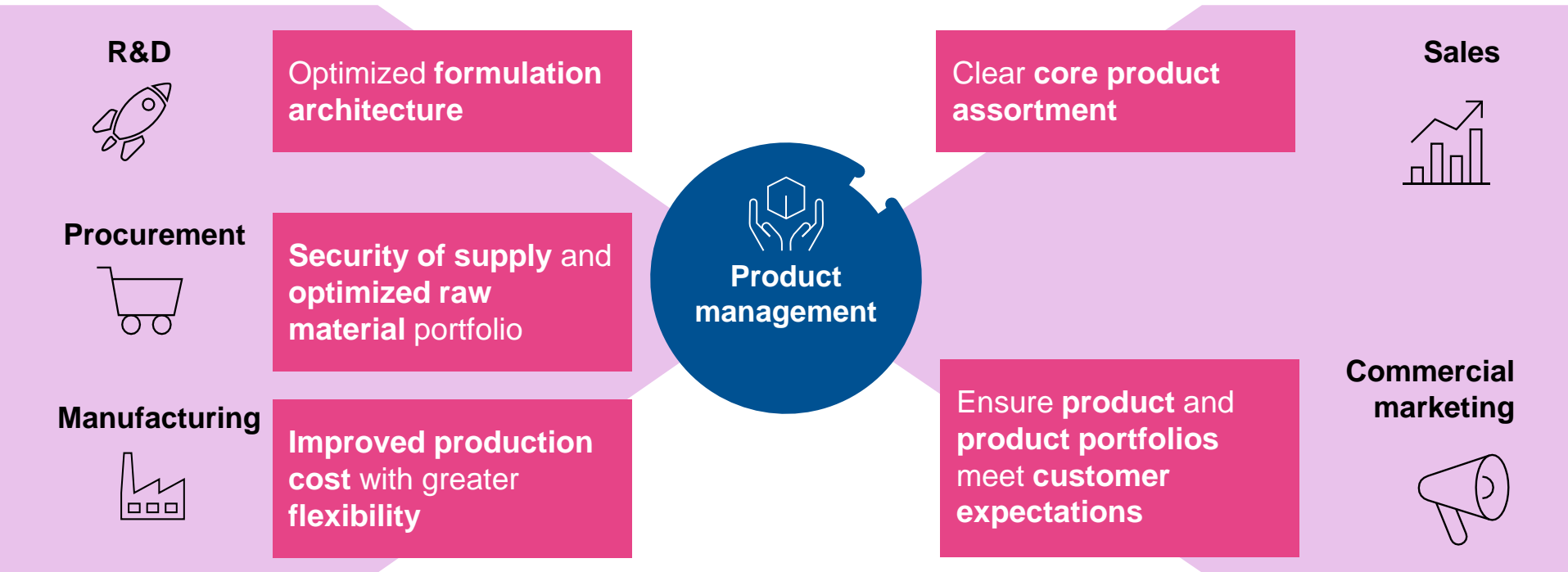


Cross-functional collaboration is key to make product management successful

AkzoNobel

Delivering cost competitive portfolio...

... Defining winning product range



Product management in place

Driving standardization and simplification

AkzoNobel

Resulting in
reduced complexity

Half

of raw materials

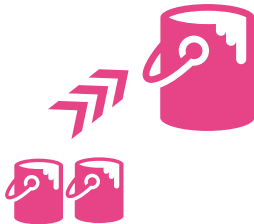
Double

dual sourcing

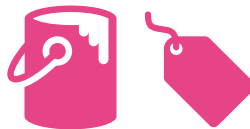
Fewer raw materials



Increased batch size



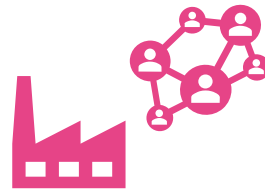
Late differentiation



Standardized packaging



Network optimization



Case study 1: Product management Decorative Paints EMEA

AkzoNobel

From

- ↗ High complexity in
 - ↗ Raw materials and packaging
 - ↗ Finished products
- ↗ Minimal product portfolio and manufacturing leverage
- ↗ 8,400 semi-finished products / formulations with slow-moving and obsoletes



To

- ↗ EMEA catalog of **formulations** and **packaging**
- ↗ **Late differentiation** for color, labeling and packaging
- ↗ **Reduced complexity** in raw materials
- ↗ **Leverage** of manufacturing network through **archetypes**
- ↗ **Optimization opportunity** in working capital



-40%
formulations

-25%
packaging variants

~€30m
EBITDA improvement
by 2023*

* Compared to 2021 baseline.

Case study 2: Resins manufacturing and supplyAkzoNobel

Creating additional in-house value for sustainable growth

Resins to support innovation,
growth and sustainability



Strategically positioned to leverage scale
and generate value with 23 resin assets



Investments to drive asset efficiency, secure
raw material supply and maximize utilization



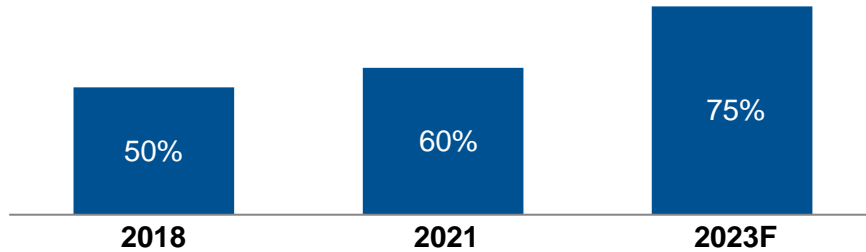
Significant value creation to drive
EBITDA improvement by 2023



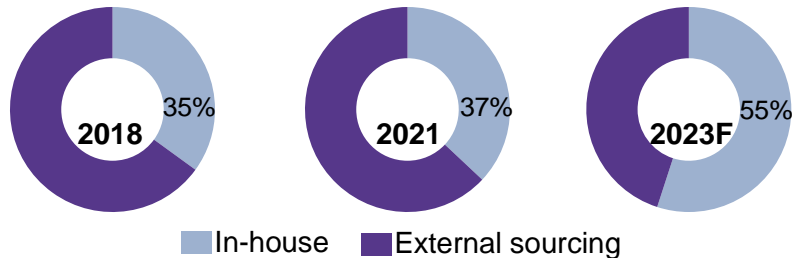
Resins: Value creation opportunity

Delivering more balanced supply at lower cost

Our global Resin plants' utilization (%)



In-house production volumes vs. external sourcing



- **Resins** assets to be better utilized
- Improving overall **profitability**
- Driving **supply chain resilience** for one of our key raw material streams (2021: ~€1.6bn sourced externally*)
- Driving **innovation** through key resins in **collaboration** between our supply partners and our in-house capabilities
- **EBITDA improvement of ~€15-20m** by 2023

* Excluding raw material for in-house production.

DELIVER: Integrated supply chain

Karen-Marie Katholm



Fit-for-purpose integrated supply chain

AkzoNobel

Focusing on customer centricity with our 2023 ambitions in mind

~14,000 People

120 Manufacturing Sites

330 Warehouses

~€300m CapEx/Year

~€1.5bn OpEx

80m Customer order lines per year

134,000 End products

>12,000 Raw materials



2023 ambitions

Safety



Remain best-in-class

Service



Top notch service levels

Cost



Efficiency offsetting fixed cost inflation

People



Top quartile in organizational health

Enablers



Network optimization



Digitization



Maturity improvement



Customer segmentation

Turning supply chain into a competitive advantage



Plan

- ↗ Enhanced operating model
- ↗ Standardized and integrated processes
- ↗ Best-in-class, end-to-end planning system



Source

- ↗ Digital transformation
- ↗ Enhanced forecasting capabilities
- ↗ Sourcing experts located close to all markets



Make

- ↗ Network optimization with insourcing capabilities
- ↗ Continuous improvement
- ↗ Digital enablers and sustainable solutions



Deliver

- ↗ End-to-end visibility in logistics
- ↗ Optimized warehouse and transport management
- ↗ Best-in-class order fulfilment



State-of-the-art demand & supply planning AkzoNobel

Increased reliability, responsiveness and visibility for value-driven decisions



Plan



From

- Multiple versions of truth
- Manual, disconnected planning
- Limited effectiveness of decision-making



Through

- Optimally centralized supply planning
- Standardized processes
- One source of truth
- Scenarios generated by state-of-the-art planning suite



To

- Efficiently leveraged** and resilient supply chain network
- High responsiveness** to changing conditions while sensing external dynamics
- Agile, effective and speedy** decision-making



~20% lower days of inventory* and improved service levels

EBITDA improvement of ~€30m by 2023*

* Compared to 2021 baseline.

Digital procurement transformation

AkzoNobel

Unlocking further value through sourcing efficiency and supply security



Source




Challenges


Supply
disruptions


Inflation


Raw material
shortages


Logistics
capacity
shortages


Labor shortages

Our response

- ↗ Optimizing operating model
- ↗ Improving forecasting capabilities
- ↗ Preparation for digital transformation

Towards 2023

- ↗ Increase dual-sourcing through **portfolio optimization**
- ↗ Improve **supplier risk and performance management**
- ↗ More **effective tendering** and increased **market insights**



Enabling lower **cost to serve**, **value engineering** and **product management**

Customer-centric network optimization

Organized through manufacturing archetypes, while investing for growth

AkzoNobel



Simple and efficient

60%
of volumes



- Lowest total cost for high volumes at consistent quality
- Example: White wall paint, packaging coatings



Managed complexity

35%
of volumes



- Many end products with selective customizations at balanced cost
- Example: Coloured wall paint, basecoats for vehicle refinishes



Make



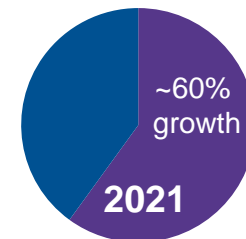
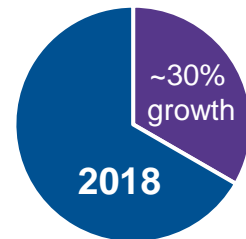
Agile and adaptive

5%
of volumes



- Fulfil new and/or last-minute customer requests at a fast pace
- Example: Aerospace Coatings, rapid service unit for Powder

CAPEX shifting towards growth



■ Growth
■ Maintenance

Driving operational efficiency

AkzoNobel

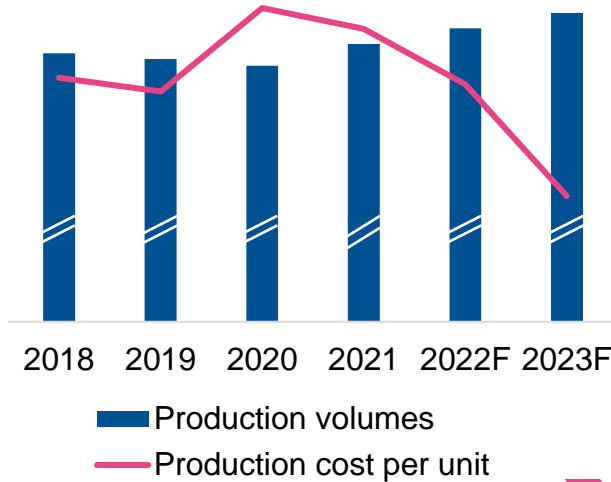
Continuous improvement via digitization & automation to offset fixed cost inflation



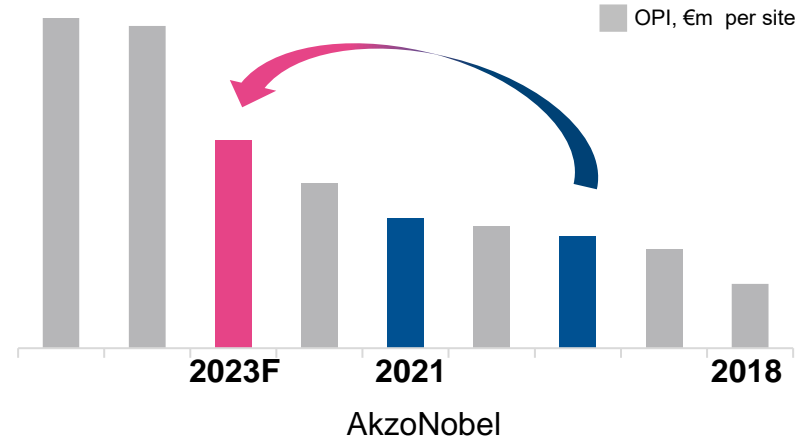
3+% efficiency gains on average
(year-on-year)



Make



Improvement in OPI per
site vs peers by 2023*



EBITDA improvement of ~€60m by 2023**
(net of fixed cost inflation)

Source: company reporting and internal analysis.

*AkzoNobel assumes 2021 OPI (peers latest available annual figures and number of plants).

** Compared to 2021 baseline and by end of 2023.

Improved customer service

Enabled by transparency and agility at competitive cost levels



↗ Freight optimization

↗ Predictive analytics



↗ Warehouse management

↗ Network optimization



↗ Tailored service level agreements

↗ Track and trace



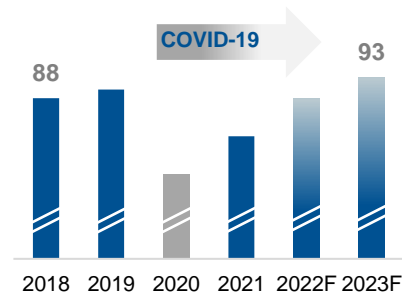
Deliver



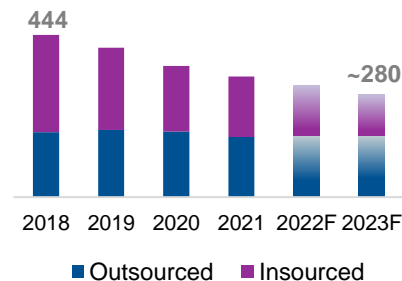
EBITDA improvement of ~€60m by 2023**

AkzoNobel

Improved service levels*



Optimized warehouse network



* Measured by the metric “on time, in full %”.

** Compared to 2021 baseline.

Grow & Deliver: €2bn adj. EBITDA by 2023 AkzoNobel

Deliver efficiency gains and cost optimization

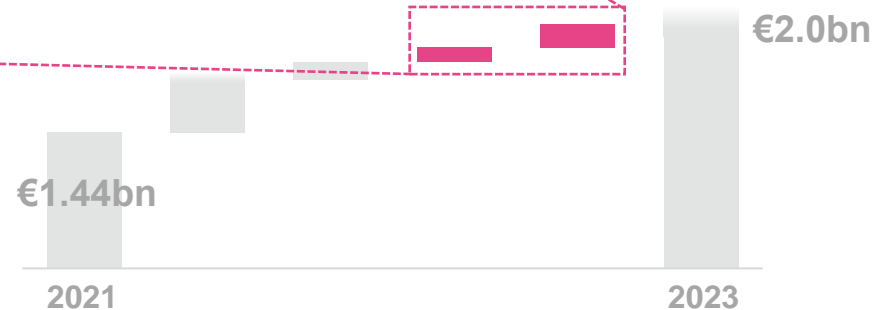
~€200m
Deliver results

Product management

- Raw material and product standardization
- Reduced complexity
- (In)sourcing as enabler

Integrated supply chain

- Planning optimization
- Increased productivity and archetypes
- Network optimization
- Improvement in working capital health



Capital allocation

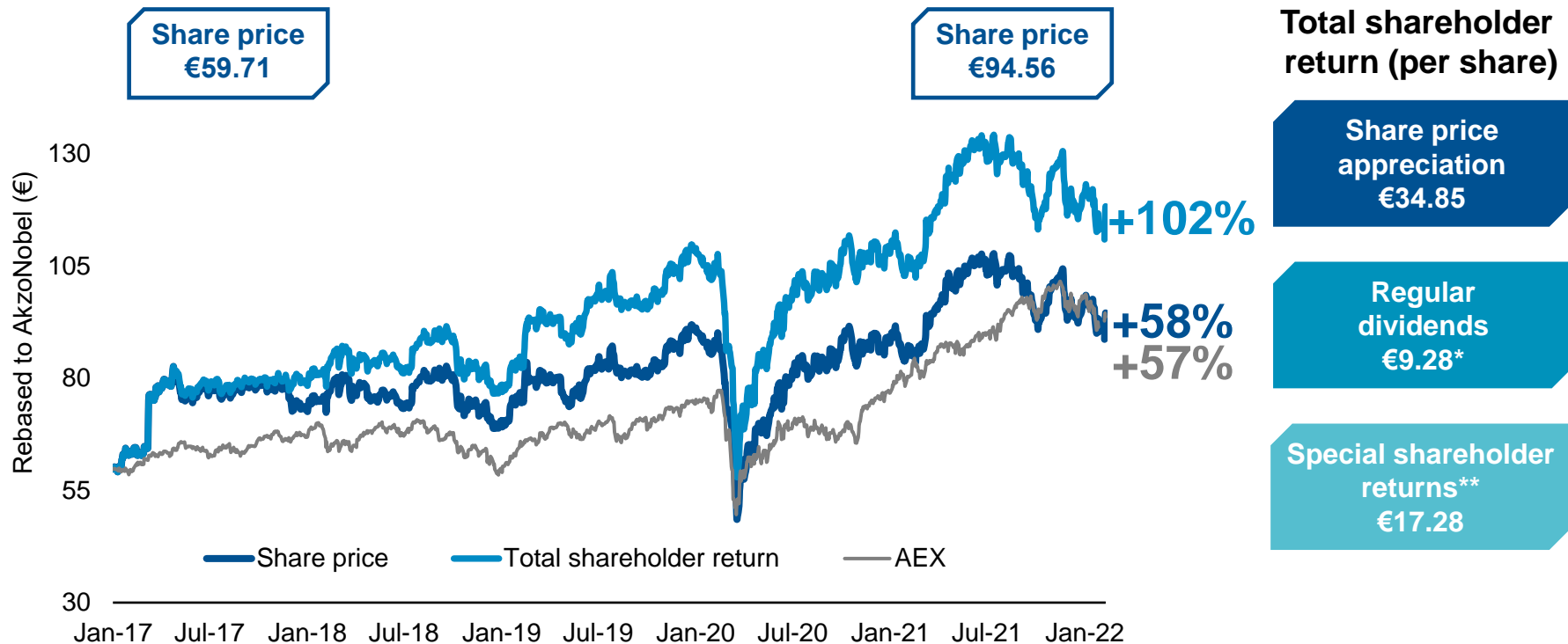
Maarten de Vries



Total shareholder return

Significant value unlocked since 2017

AkzoNobel



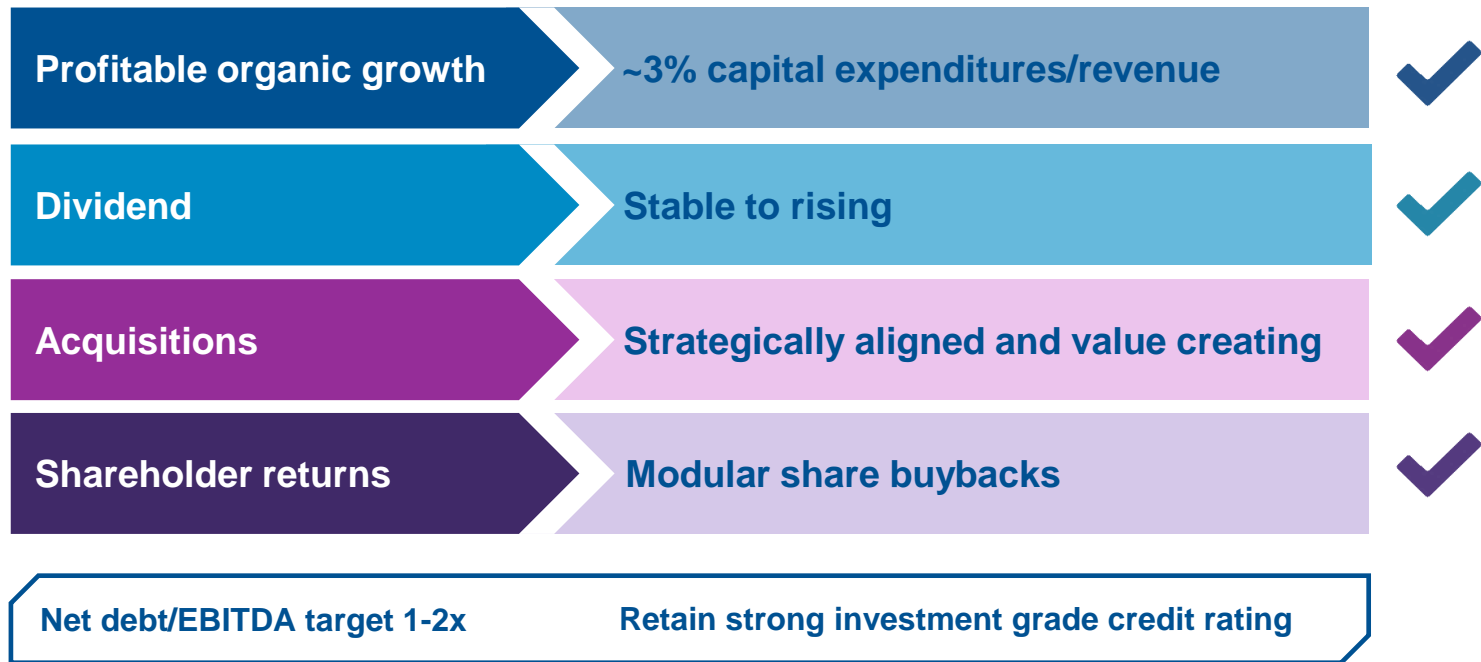
Source: Bloomberg; January 2, 2017 to February 10, 2022.

* Regular dividends declared for 2017-2021.

**Special dividend (€4.00) + capital repayment (€8.78) + special dividend (€4.50).

Delivering on capital allocation priorities

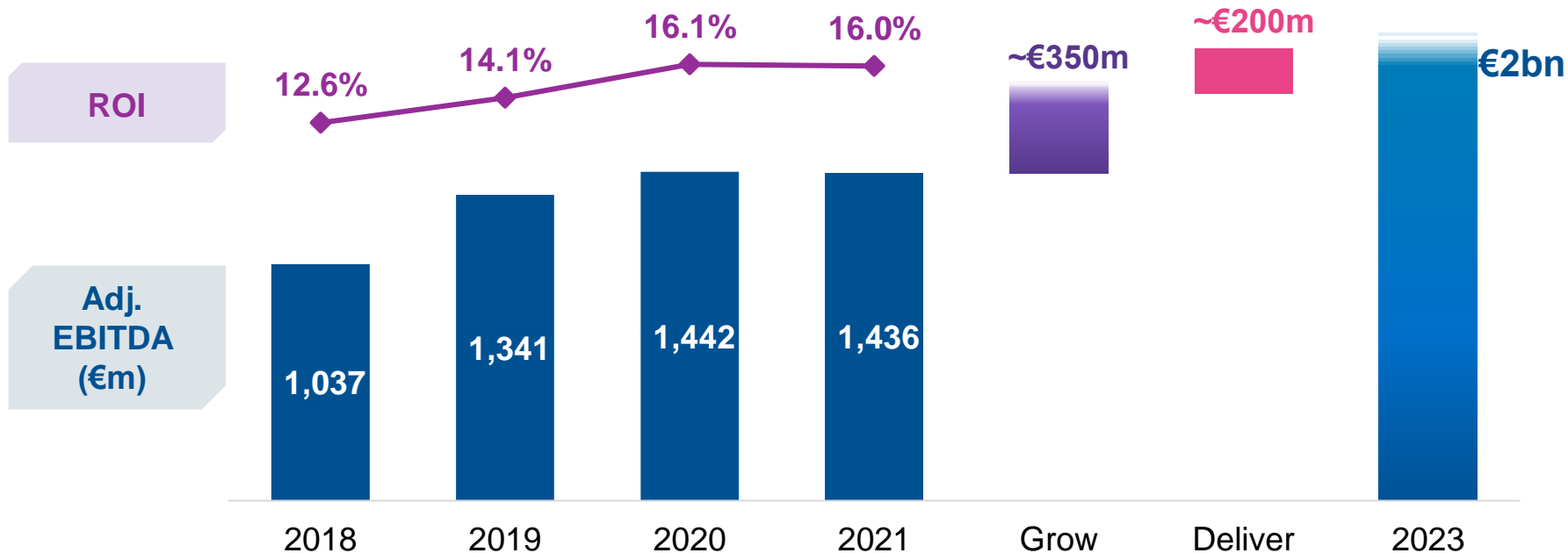
AkzoNobel



On the way to €2bn adj. EBITDA by 2023

AkzoNobel

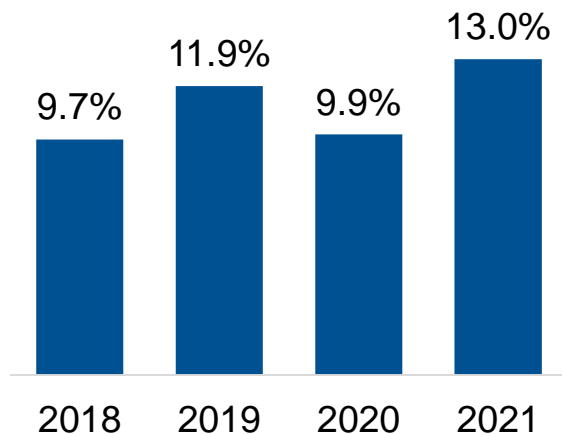
Increasing return on invested capital



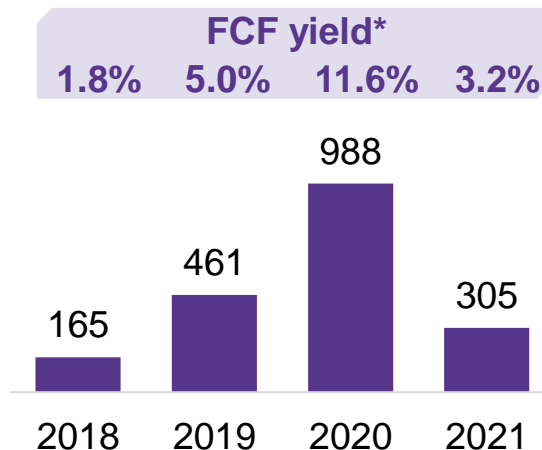
Working capital and free cash flow

Impacted by raw material inflation and supply constraints

Operating working capital
(Trade) as a % of revenue



Free cash flow (FCF) €m
excl. pension pre-funding and
top-up payments



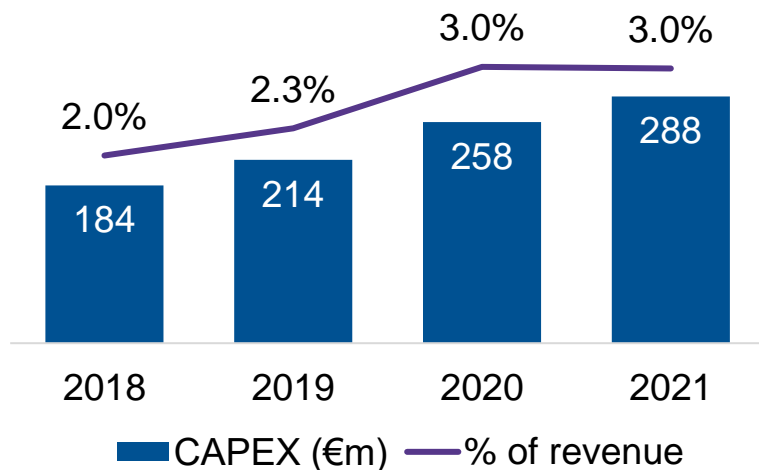
- Working capital lower versus comparable peers
- Working capital impact from raw material inflation at ~2% (2021)
- Supply chain initiatives to drive 20% improvement in days in inventory by 2023
- Annual pension top-up payments of ~€10m moving forward

* Defined as free cash flow excl. pension pre-funding and top-payments as percentage of revenue.

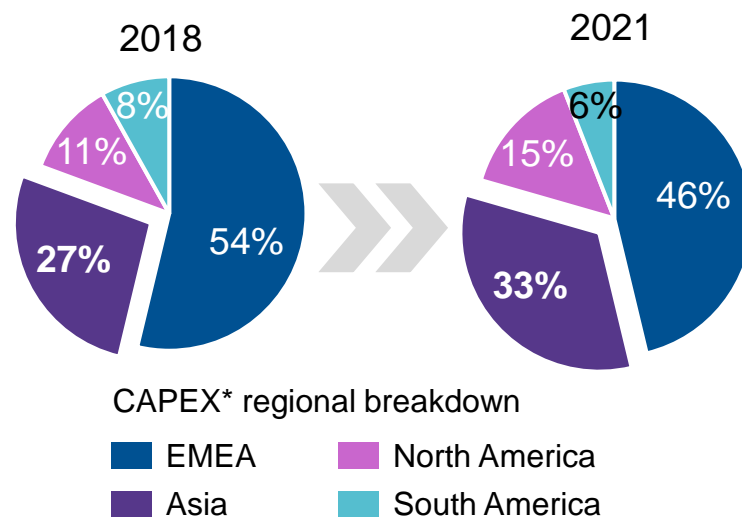
Capital expenditures

Directing investments to support growth businesses

CAPEX expansion to support Grow & Deliver ...



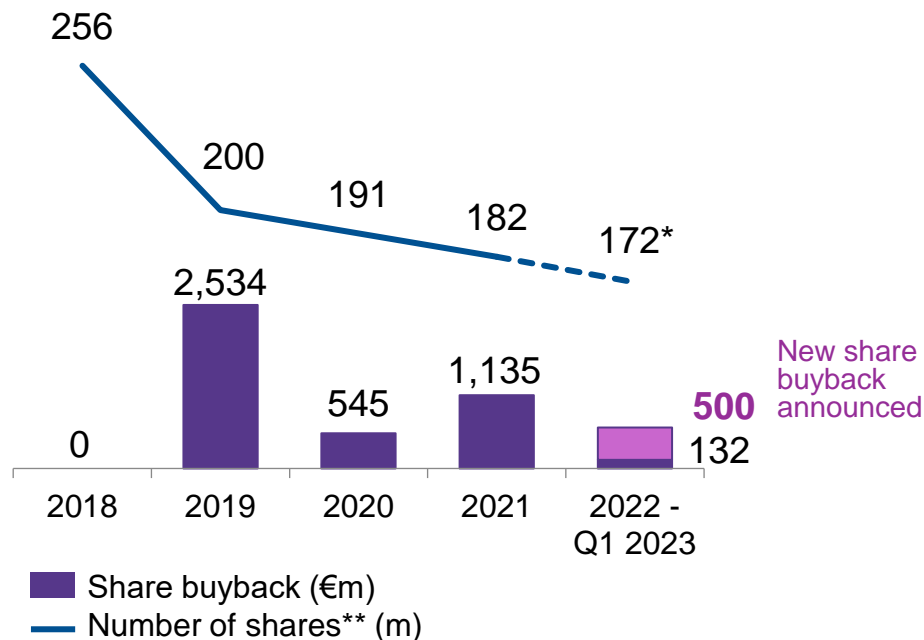
...with increased focus on Asia



* Excludes CAPEX in intangible assets.

Shareholder returns

Significant reduction in shares through share buybacks



- ↗ **29%** of shares canceled vs 2018
- ↗ **€2.5bn** cash returned from Specialty Chemicals divestment in 2019
- ↗ **€1.8bn***** in Q4 2019-22 YTD
- ↗ **€500m** new share buyback to be completed by Q1 2023

* Based on the share price as of February 10, 2022, and cancellation of treasury shares.

** At year-end and including treasury shares.

*** Includes €132m share buyback completed in Q1 2022.

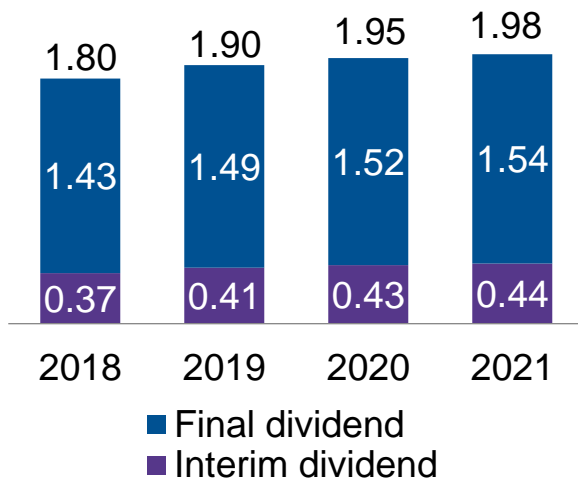
Dividends and earnings per share

Stable to rising dividends and significant EPS growth

2.3%

avg. dividend
yield 2018-21

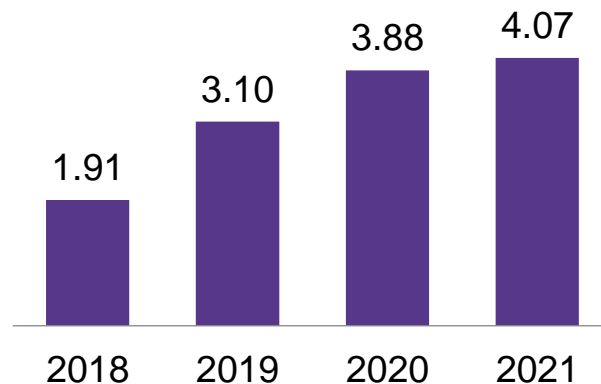
Dividends per share (€)



113%

adj. EPS
growth
2018-21

Adj. earnings per share* (EPS) (€)

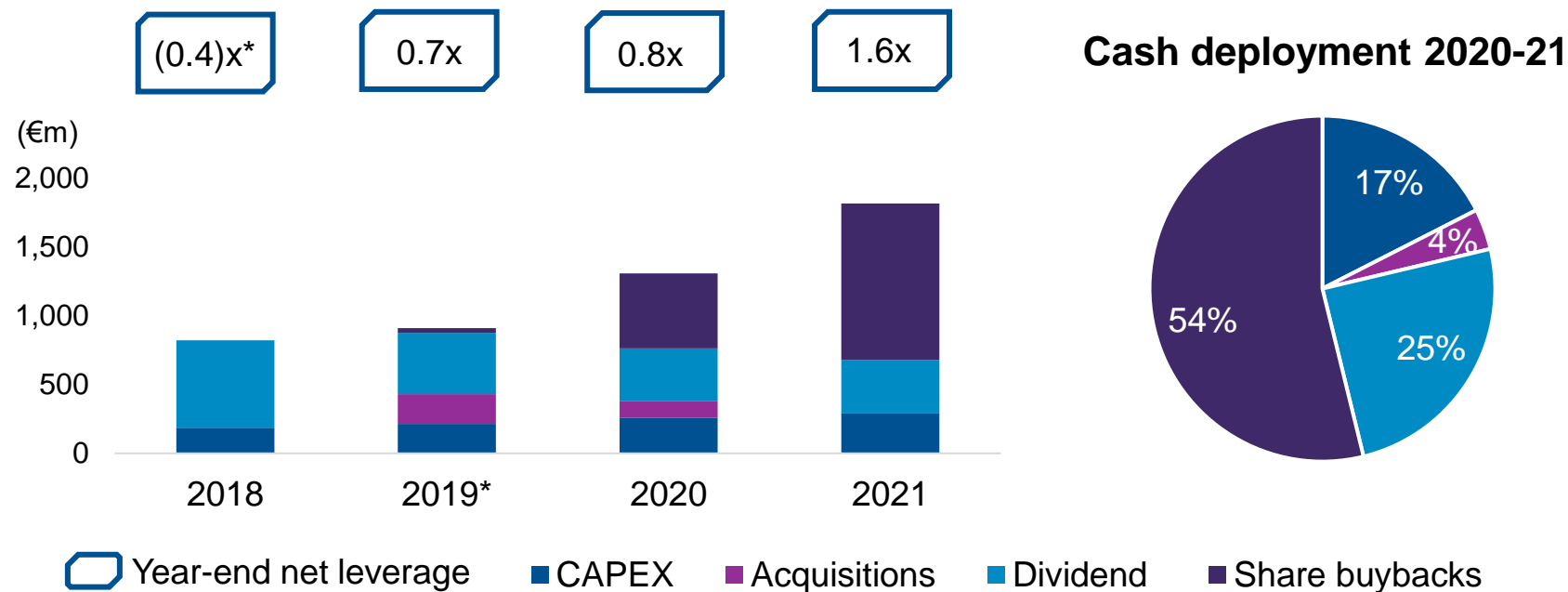


* Adjusted earnings per share from continuing operations.

Executing on capital allocation priorities

AkzoNobel

Deployed >75% of cash to shareholder returns (2020-21)



* Adjusted for the cash returned to shareholders from the Specialty Chemicals divestment.

Track record of strategic M&A

AkzoNobel

2018

xylazel

Spain

Leading woodcare position



Romania

Leading paints position



Malaysia

Leading paints position

2019

MAPAERO

Aerospace

Cabin/interior coatings



Mauritius

Leading paints position

2020



Yacht

North America retail

2021



Spain

Leading paints position

2022



Central and South America

Leading paints position

- Track record of accretive acquisitions
- Clear mapping to business and regional gaps and opportunities
- Delivered **1% CAGR** of **inorganic topline growth (2018-21)**
- Discipline to buy the right assets at the right price, post synergy value-weighted multiple **<11.5x***

Acquisition of Grupo Orbis is expected to close in Q1 2022.

* EV-weighted average of EV/EBITDA transaction multiples.

M&A case study: Decorative Paints Spain

AkzoNobel

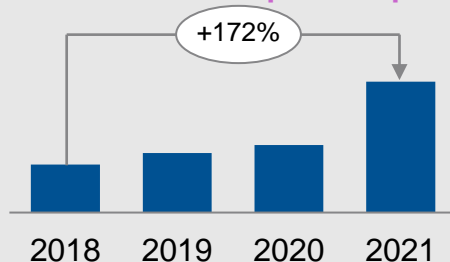
Building on strong foundations with series of acquisitions

€600m* market

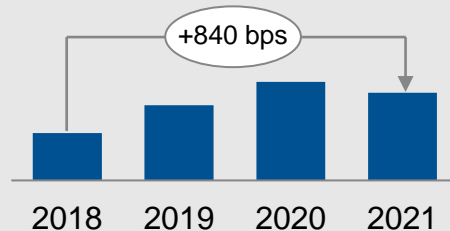
#1 position**



Revenue AkzoNobel paints Spain (€m)



ROS AkzoNobel paints Spain (%)



Logical fit

- Leading position**
- Leading local brands:
 - #1 brand** in color (Bruguer)
 - #1 brand** in premium wall paint (Titan)
 - Leading woodcare position** (Xylazel)
- Joint technical and commercial expertise
- Foundation for future growth opportunities including Green Deal

Synergy case

- Network optimization
- Selling, general & administrative costs
- Cross-channel sales opportunities
- Titan: 50% of synergies will be realized in 2022

* Source: internal analysis.

** By value.

GROW & DELIVER recap

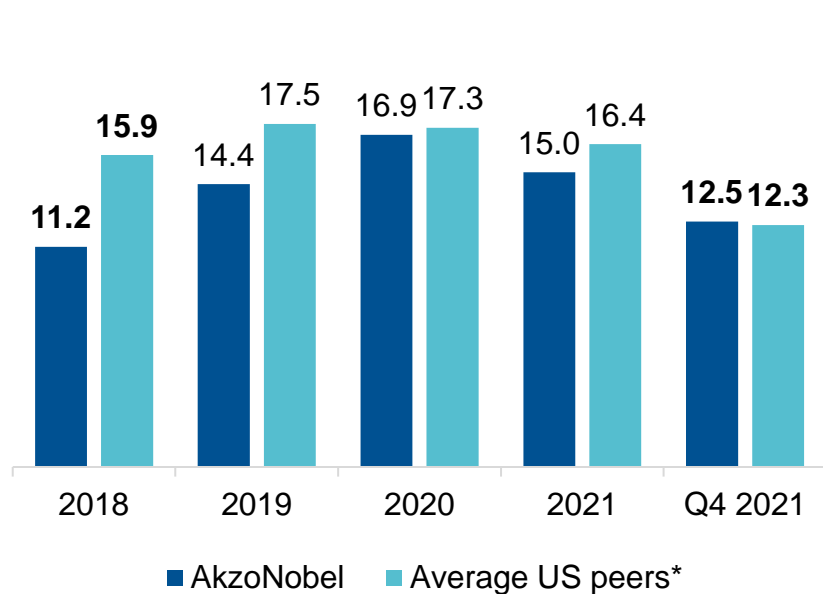
Thierry Vanlancker



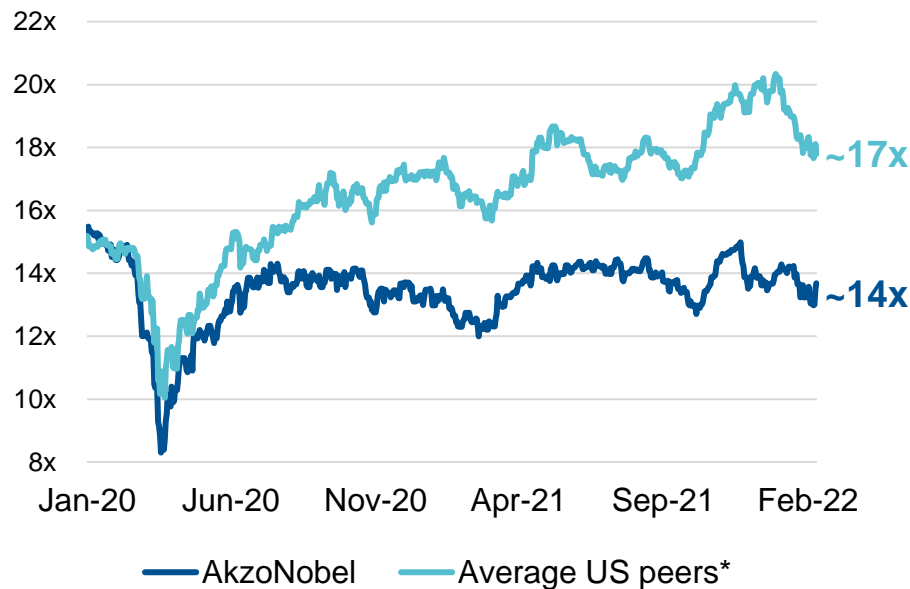
EBITDA margin on par with US peers

AkzoNobel

Adj. EBITDA margin (%)



Evolution of EV to trailing 12 months adj. EBITDA**



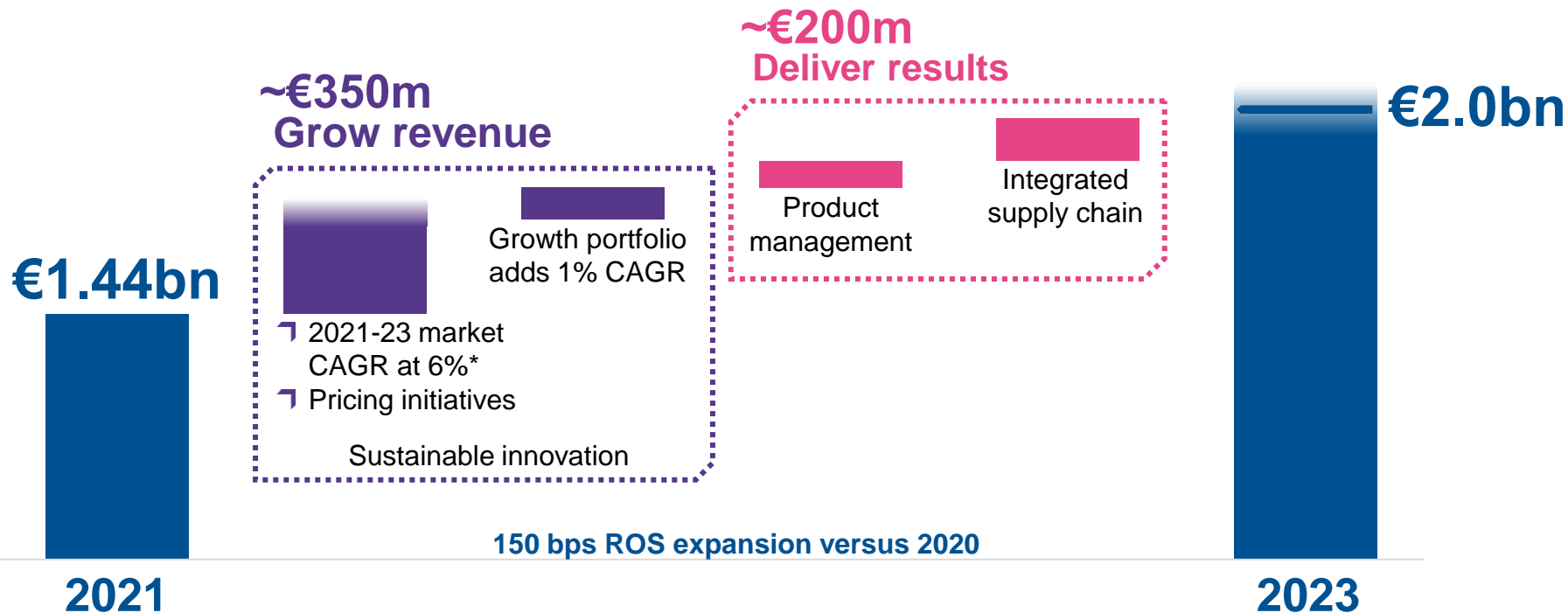
* Sherwin-Williams, PPG, Axalta. Source: company reporting.

** Source: Factset; January 1, 2020 to February 10, 2022.

Grow & Deliver: €2bn adj. EBITDA by 2023

Step-up underpinned by growth and operational efficiencies

AkzoNobel



2021

2023

* Source: Orr & Boss, internally reduced forecast.
Assumes no significant market disruption.

Investor update Q1 2022

April 21, 2022

AkzoNobel

Cetol products used on eye-catching museum

Sustainable technology and responsible architecture blend beautifully in this visually stunning museum, which recently opened in Uruguay. Inspired by the shape of an ark and constructed from wood, the futuristic Atchugarry Museum of Contemporary Art (MACA) is surrounded by 40 hectares of greenery. Our Cetol woodcare brand supplied more than 1,000 liters of products for both the interior and exterior, which help to protect the impressive structure. The eye-catching museum is regarded as a prime example of how wood can be used for architectural purposes and not just for decorative applications.

Agenda



Key highlights



Financial review



Concluding remarks



Q&A

Alternative performance measures (APM)

AkzoNobel uses APM adjustments to the IFRS measures to provide supplementary information on the reporting of the underlying developments of the business.

A reconciliation of the alternative performance measures to the most directly comparable IFRS measures can be found in the appendix to this presentation.

This Investor Update covers the highlights for the quarter. We recommend to read the Investor Update in combination with the AkzoNobel Q1 2022 Report.

The Q1 2022 Report provides additional information, including the IAS34 condensed consolidated financial statements.

All figures in this presentation and in the AkzoNobel Q1 2022 Report are unaudited. The interim condensed consolidated financial statements were discussed and approved by the Board of Management and the Supervisory Board.

2021

Ukraine

- Revenue: ~€14m
- Number of employees: 16
- Supply: no local manufacturing; imported finished products
- Immaterial supply of raw materials to countries outside of Ukraine

Russia

- Revenue: ~€210m
- Number of employees: ~600
- Supply: 4 local manufacturing sites with ~60% local and ~40% imported raw materials, and imported finished products
- Limited supply of raw materials to countries outside of Russia

Q1 2022

Ukraine

- Business activities suspended

Russia

- Compliance with sanctions
- Aerospace coatings activities suspended in March
- New investments and marketing activities suspended
- Challenging operational environment

Financial impact

- ~€5m OPI impact in Q1 2022

Going forward

Russia

- Implementing the latest sanctions against Russia
- Biggest impact in coatings
- 2022 revenue expected to decrease by ~70% versus 2021



Key highlights

Revenue up 12% on strong pricing of 17%, AkzoNobel offsetting raw material inflation in Q1

Q1 2022:

Revenue

Up 12%
(up 10% in CC)

Pricing

Up 17%
(Q1 and exit rate)

Pricing vs raw
material & freight
inflation

+€38m*
(+€3m in Q1'21)

€64m of
new €500m share
buyback
completed

Adjusted
operating income**

€230m
(€307m in Q1'21)

ROS**

9.1%
(13.6% in Q1'21)

ROI**

14.5%
(17.7% in Q1'21)

€1.2bn
dual-tranche bond
issued
successfully

* Raw materials impact includes freight in Q1 2022.

** Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.

Topline growth and continued progress in line with Grow & Deliver strategy

AkzoNobel

People. Planet. Paint.

- ↗ Growth for 7th consecutive quarter
- ↗ Strong pricing of 17% offsetting raw material and freight inflation
- ↗ Strong growth in paints globally with double-digit growth in South America and Asia
- ↗ Double-digit growth in coatings despite supply constraints

GROW

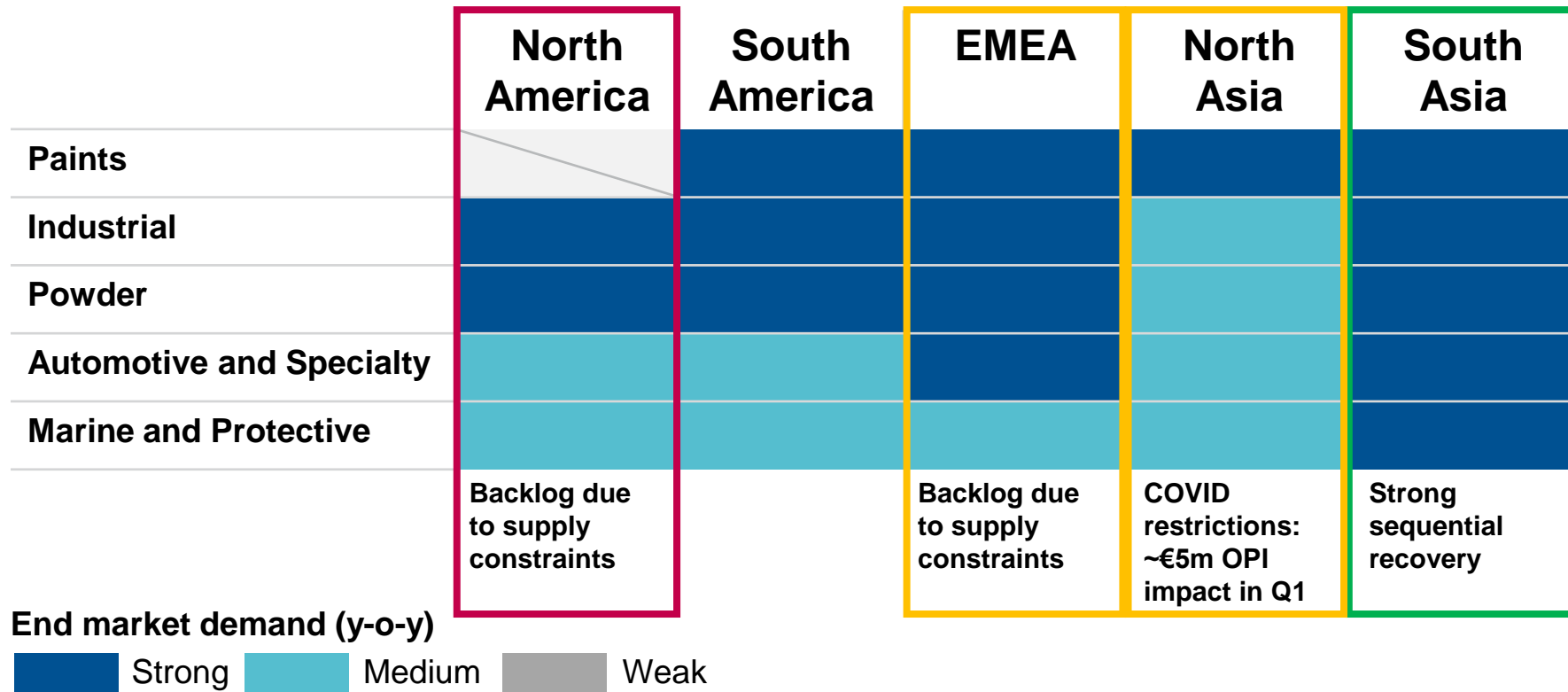
- ↗ 5 consecutive quarters of delivering on pricing and inflation forecast
- ↗ Completed planned PRISM SAP roll-out in Asia
- ↗ Awarded Platinum status by EcoVadis maintaining highest rating for 8 years
- ↗ Recognized as a European Top Employer by the Top Employers Institute
- ↗ 2nd global Paint the Future startup challenge, winners sign letters of intent

DELIVER



Underlying demand robust, continued supply constraints and China COVID resurgence

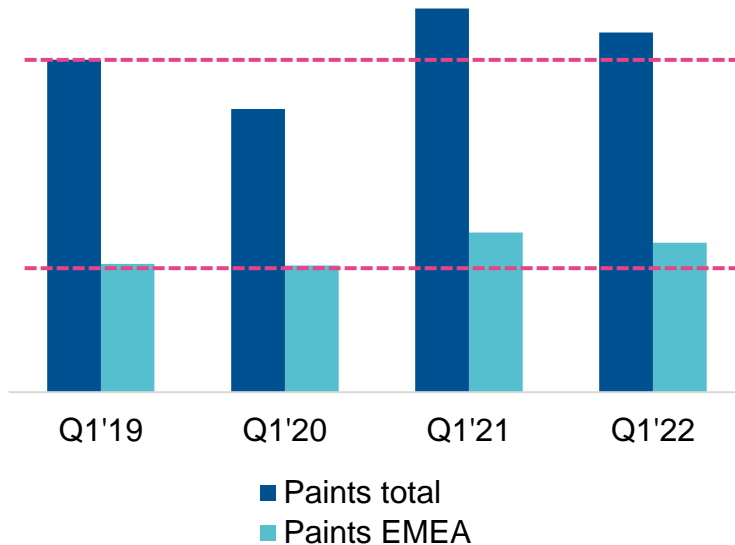
AkzoNobel



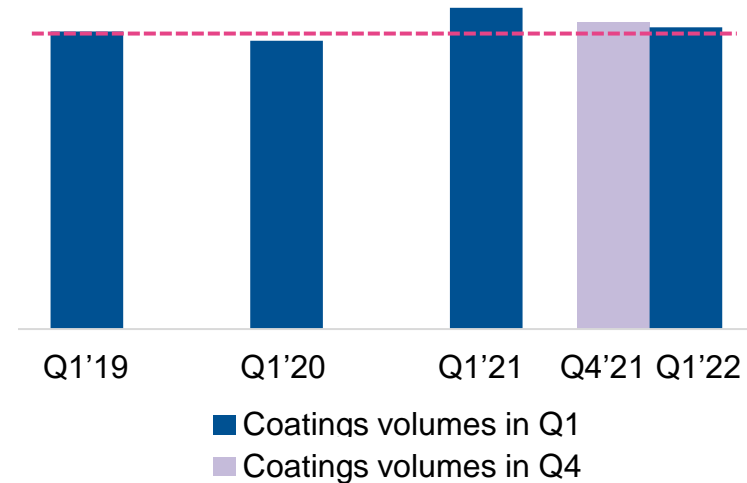
Volume progression

Paints above pre-pandemic level and Coatings constrained

**Paints sales volumes
stabilized above 2019 level in Q1 2022**



**Coatings sales volumes recovering yet
limited by COVID and supply constraints**



Powder Coatings

AkzoNobel

Clear leadership position and aggressively investing for growth

€10bn market

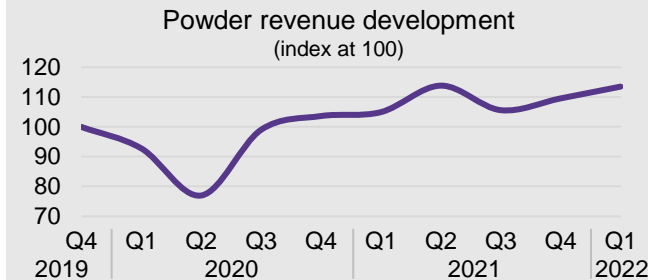
8%
market CAGR 2021-23

#1 in the market

Interpon®
POWDER COATINGS

RESICOAT®
Experts in Functional Powder Coatings

Powder coatings revenue growth



Powder factory
in Hanoi



Liquid to powder coatings
conversion for chassis

Growth fundamentals:

- ↗ Liquid-to-powder conversion
- ↗ New applications including e-mobility and industrial wood
- ↗ Decreasing curing temperatures below 100°C

Highlights:

- ↗ New powder factory in Hanoi (13th powder plant in Asia)
- ↗ Continued powder conversion for chassis
- ↗ Launch of Interpon Redox® one coat solution for general industrial market
- ↗ Approved at 10 major EV OEM and battery manufacturers (3 approvals in Q1)



Decorative Paints China

Strong growth from geographic expansion, leading brand and sustainable products

~€6bn market

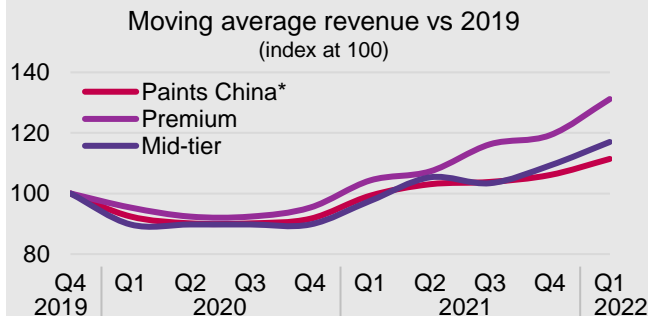
6%
market CAGR 2021-23

Double digit growth in premium
retail focused post 2018 “reset”

Recognized “*super brand*”



Continuing growth in Premium and Mid-tier segments



Accelerated expansion

	Cities	Stores
2020	~460	~23,500
2021	~560	~36,000
Q1 2022	~620	~36,700

Growth fundamentals:

- Geographic expansion focused on tier 3-5 cities
- Digital ecosystem upgrade
- Leverage core premium Dulux brand
- Eco-friendly and well-being
- Limited exposure to project business which is an advantage

Highlights:

- Q1 revenue growth from pricing and volume despite COVID impact
- Expansion into 66 new cities in Q1
- Increased reach to additional 700 stores selling Dulux paints
- Launch of Dulux solvent-free asthma and allergy-friendly paint

* Paints China includes Project business accounting for <20% of revenue.

Source: for market data, Orr & Boss as of January 4, 2022, internally reduced forecast for market CAGR.

Financial review

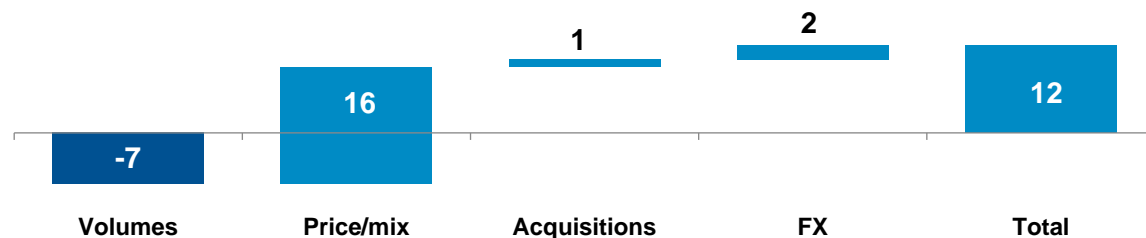
Revenue up 12% driven by strong pricing initiatives

€ million	Q1 2021	Q1 2022	Δ%	Δ%CC
Revenue	2,263	2,525	12%	10%
Adjusted EBITDA*	391	317	(19%)	
Adjusted operating income*	307	230	(25%)	
ROS*	13.6%	9.1%		
ROI*	17.7%	14.5%		



Revenue development Q1 2022 (%)

■ Increase ■ Decrease



Sustainability ratings reflect People. Planet. Paint. commitment

We're extremely proud to have been awarded Platinum status by **EcoVadis** – a leading provider of business sustainability ratings. It's the eighth year in a row we've received their highest rating. A key contributing factor was our ambitious science-based sustainability target of halving our carbon footprint across the full value chain by 2030. It follows on from Sustainalytics awarding us our best-ever rating, with our sustainable portfolio, carbon program and reduction in waste and hazardous substance use among the highlighted strengths.

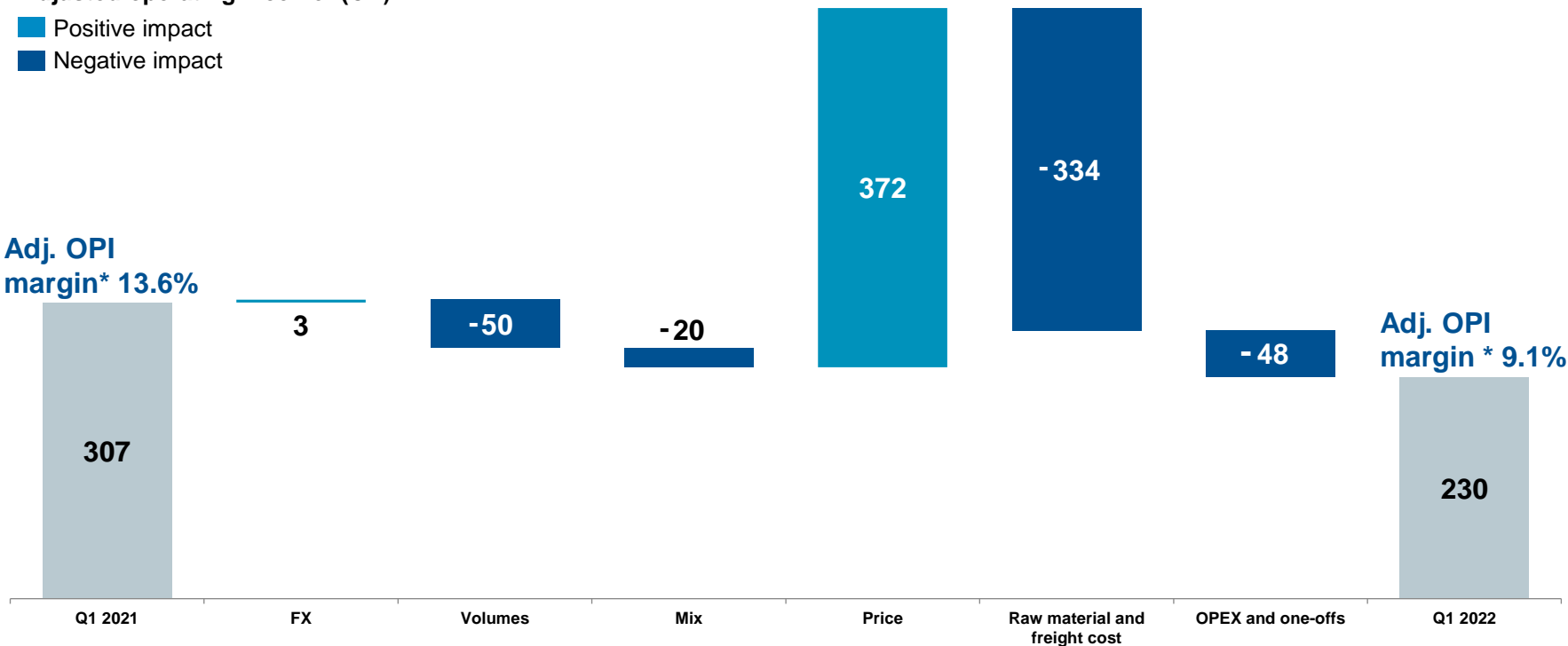
* Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.

Significant pricing more than offsets raw material inflation

Adjusted operating income* (€m)

- Positive impact
- Negative impact

Adj. OPI
margin* 13.6%

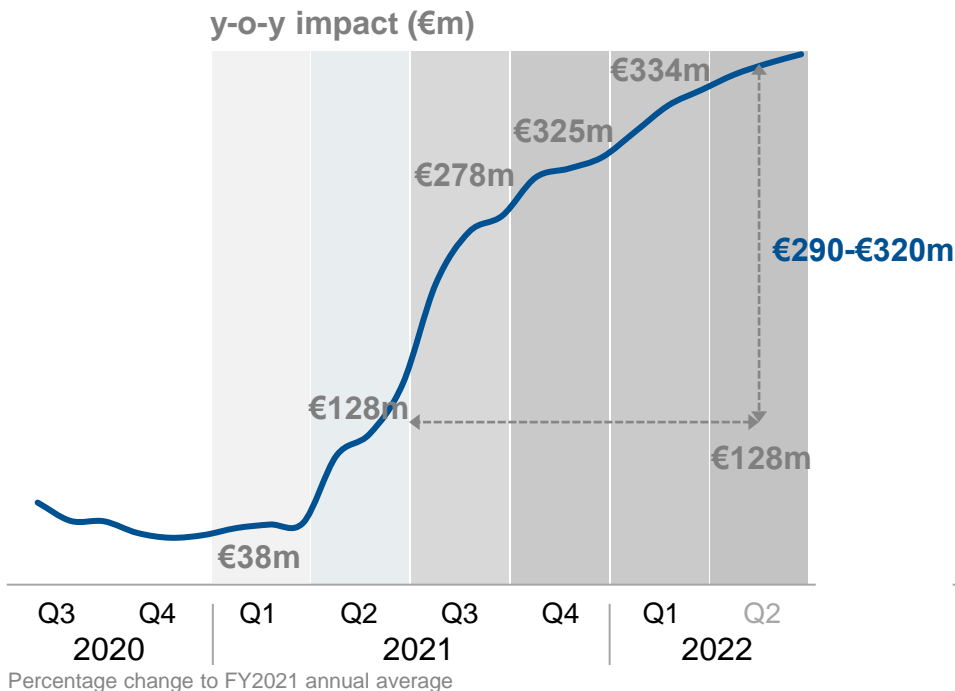


* Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.

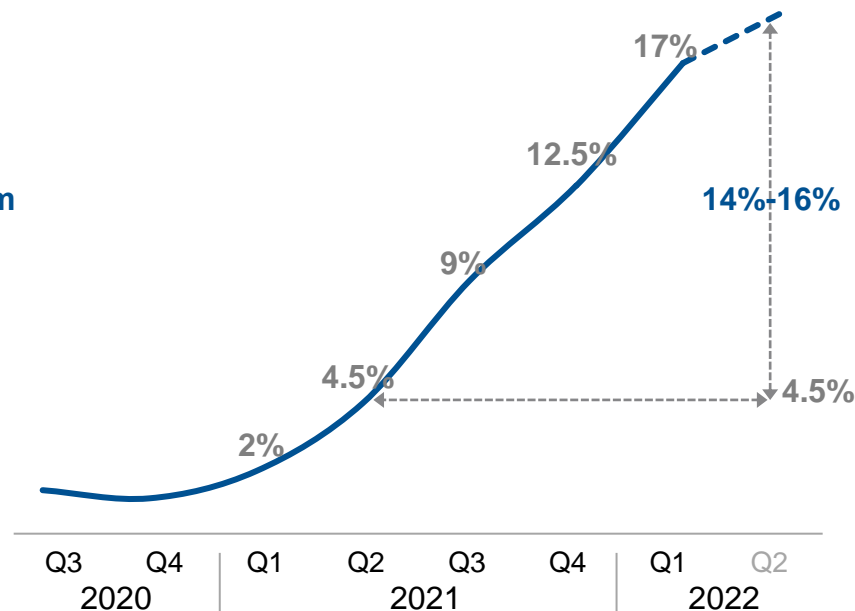
Q1 pricing up 17%

Positive net pricing versus raw material and freight cost inflation for Q1

Raw material* price index development



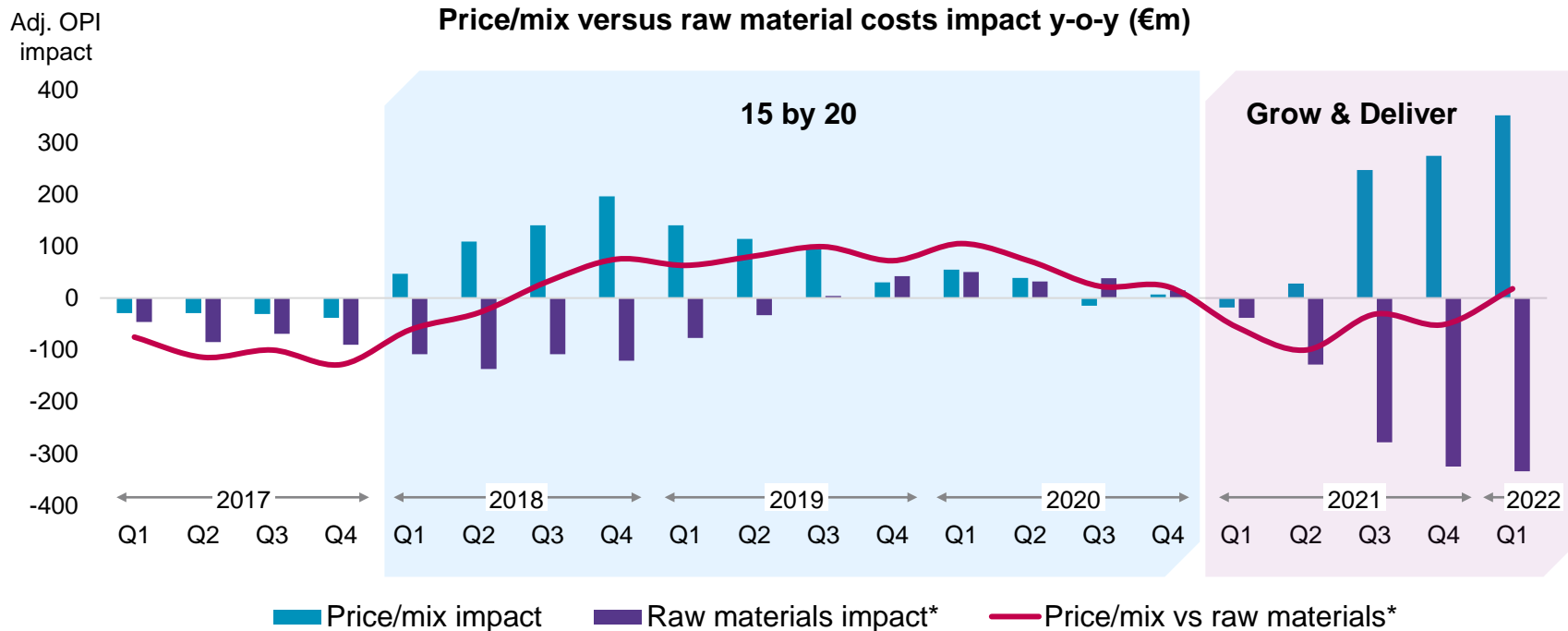
AkzoNobel pricing (%)**



* Raw material and other variable cost Euro value includes freight value from Q1 2022 onwards.

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

Stronger and faster pricing initiatives offset raw material cost inflation



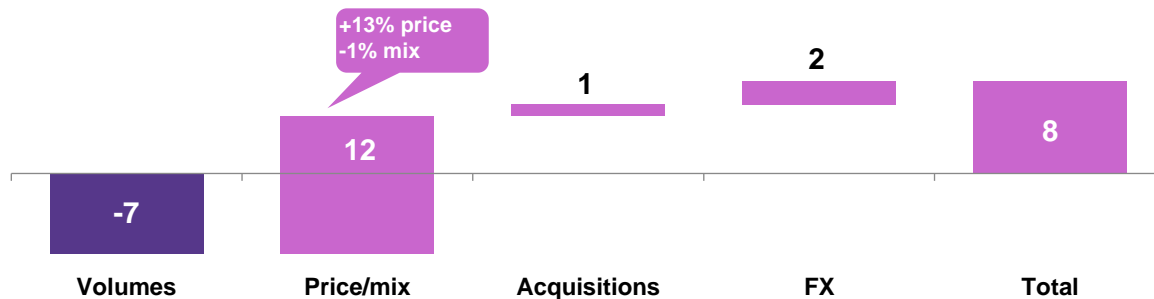
* Raw materials impact includes freight from Q1 2022 onwards.

Paints revenue up 8% despite DIY normalization

€ million	Q1 2021**	Q1 2022	Δ%	Δ%CC
Revenue	930	1,006	8%	6%
Adjusted EBITDA*	179	142	(21%)	
Adjusted operating income*	144	105	(27%)	
ROS*	15.5%	10.4%		

Revenue development Q1 2022 (%)

■ Increase ■ Decrease



Paint the Future winners sign letters of intent
Three startups have signed letters of intent to continue working together on sustainable business opportunities with AkzoNobel following our latest global Paint the Future startup challenge. SolCold from Israel, Aerones from Latvia and SprayVision from the Czech Republic received their awards following an intense three-day bootcamp at our head office in Amsterdam, the Netherlands.

* Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.

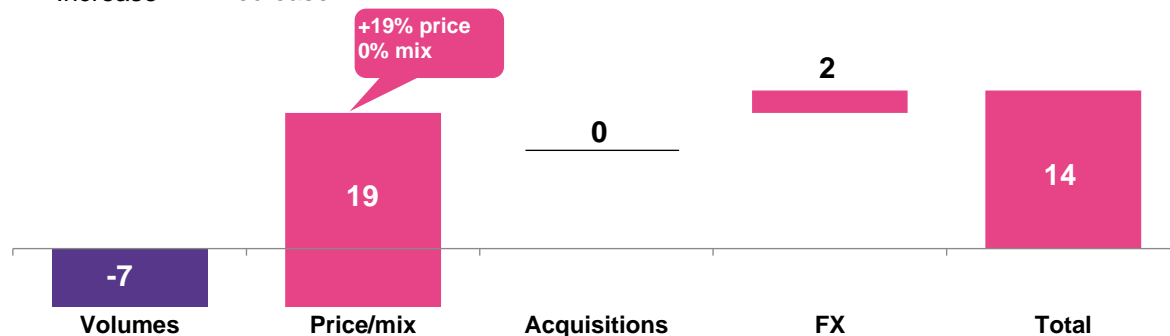
** Adjusted EBITDA, adjusted operating income and ROS per segment for 2021 have been updated to reflect changes in the financial reporting structure related to a narrower definition of corporate activities and corporate costs in 'Other activities'. More information is available on our website.

Coatings revenue up 14% on strong pricing of 19%

€ million	Q1 2021**	Q1 2022	Δ%	Δ%CC
Revenue	1,332	1,518	14%	12%
Adjusted EBITDA*	225	188	(16%)	
Adjusted operating income*	188	149	(21%)	
ROS*	14.1%	9.8%		

Revenue development Q1 2022 (%)

■ Increase ■ Decrease



In-house production of resins being scaled-up

We're investing in the expansion of in-house resin manufacturing as part of the company's Grow & Deliver strategy. The scale-up program, which is already underway, will help build resilience against supply disruptions while making an important contribution to achieving our financial and Scope 3 (upstream) carbon reduction ambitions.

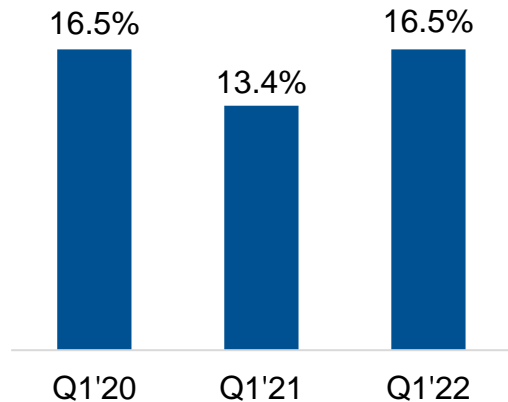
* Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.

** Adjusted EBITDA, adjusted operating income and ROS per segment for 2021 have been updated to reflect changes in the financial reporting structure related to a narrower definition of corporate activities and corporate costs in 'Other activities'. More information is available on our website.

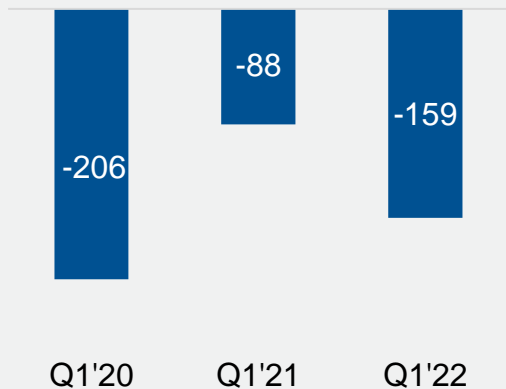
Working capital and free cash flow

Impacted by raw material inflation and supply constraints

Operating working capital (Trade)*
as a % of revenue



Free cash flow (FCF) €m**



Working capital impact from raw material inflation ~2% of revenue

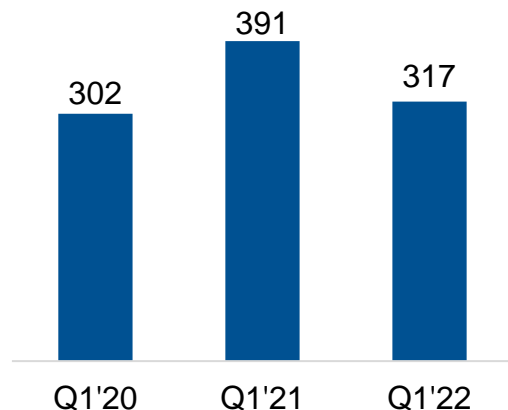
Net Debt/EBITDA 1.9 times
(Q1 2021: 1.0 times)

* Defined as the sum of inventories, trade receivables and trade payables. Operating working capital is measured against four times last quarter revenue.

** Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.

Adjusted EBITDA and adjusted EPS

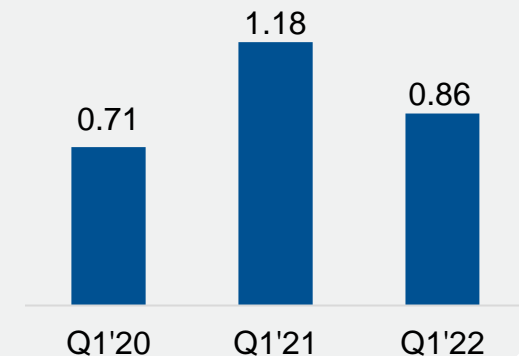
Adjusted EBITDA* (€m)



Adjusted earnings per share* (EPS) from continuing operations (€)

Number of shares (weighted average)

194m 189m 178m

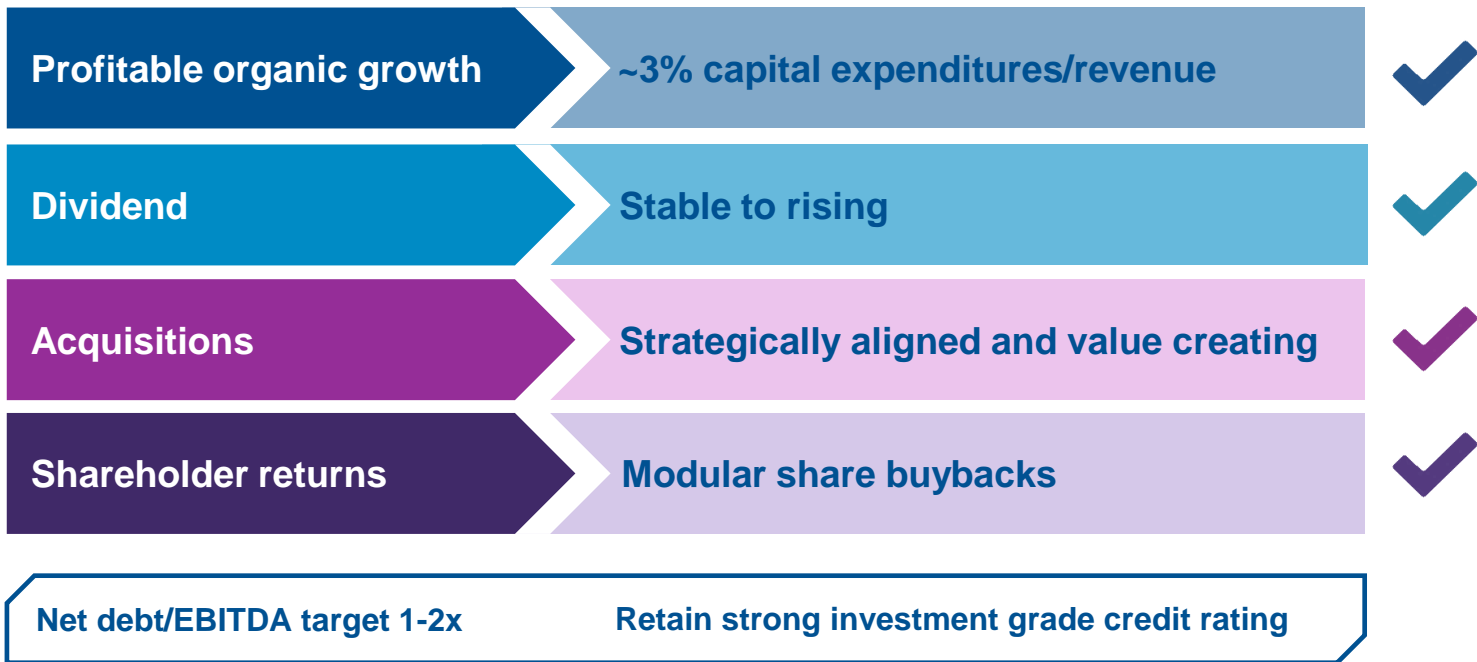


↗ €132m in shares repurchased of €1bn program completed in January 2022

↗ €64m shares repurchased of new €500m buyback program

Delivering on capital allocation priorities

AkzoNobel



Concluding remarks

Q1 Highlights

- Pricing up 17% compared with Q1 2021. Revenue 12% higher
- Raw material and freight costs increased €334 million compared with Q1 2021 and were fully offset by pricing of €372m
- Adjusted operating income at €230 million (€307 million in Q1 2021 and €209 million in Q4 2021)
 - OPI impact of ~€10m from conflict in Ukraine and COVID resurgence in China
- €64m of €500m share buyback completed

Outlook

AkzoNobel targets to grow at or above its relevant markets, in line with the company's Grow & Deliver strategy. Trends differ per region and segment, with raw material and other variable cost inflation (including freight) expected to gradually ease during the second half of 2022. AkzoNobel aims to continue to offset raw material and other variable cost inflation (including freight) through pricing initiatives.

Market uncertainties have increased due to the sanctions on Russia and the resurgence of COVID-19 in China, among others. Assuming there are no further significant market disruptions, AkzoNobel aims to deliver the €2 billion adjusted EBITDA target for 2023, and an average annual 50 basis points increase in return on sales over the period 2021-2023*.

AkzoNobel targets a leverage ratio of 1-2 times net debt/EBITDA and is committed to retaining a strong investment grade credit rating.

* Please see appendix for 2022-2023 assumptions

Upcoming events

AkzoNobel

Annual general meeting of shareholders
Ex-dividend date of 2021 final dividend
Record date of 2021 final dividend
Payment of 2021 final dividend
Report for the second quarter 2022

April 22, 2022
April 26, 2022
April 27, 2022
May 4, 2022
July 20, 2022

A focused, high performing, paints and coatings company

AkzoNobel

- Strong global brands
- Leading positions in large and attractive markets
- Balanced geographic exposure: ~50% revenue from emerging markets
- Grow & Deliver strategy balances growth and margin improvement
- People. Planet. Paint. approach to sustainable business
- Science Based Targets carbon reduction target of 50% by 2030*



People. Planet. Paint.

* Baseline 2018.

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

Appendix

AkzoNobel completes* Grupo Orbis acquisition to accelerate growth in Latin America

AkzoNobel



- Headquartered in Medellín, Colombia, with presence in countries across South America, Central America and the Antilles
- 100-year heritage
- Main company brands: Pintuco, Protecto and AVF Paints
- Pintuco: leading paints and coatings player
- Andercol/Poliquim: manufacture and sell resins, adhesives and specialty chemicals
- Mundial: sells and distributes across Colombia
- Strong approach to sustainability and social impact through Fundación Pintuco

Revenue 2021

~€360 million



2,700
employees



8

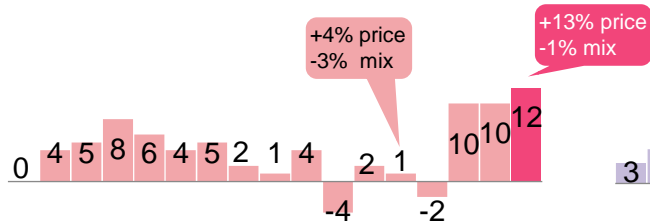
Operational manufacturing sites:

Colombia, Ecuador, Costa Rica, Panama and Curaçao

Robust pricing initiatives continue, Q1 pricing up 17%

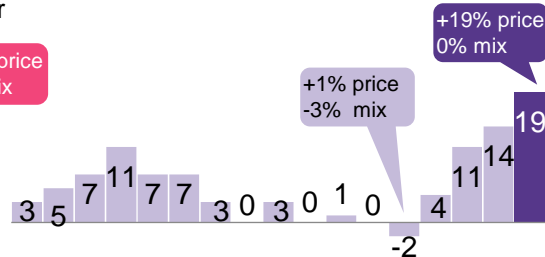
Paints

Quarterly price/mix development in % year-on-year



Q1 18 Q2 18 Q3 18 Q4 18 Q1 19 Q2 19 Q3 19 Q4 19 Q1 20 Q2 20 Q3 20 Q4 20 Q1 21 Q2 21 Q3 21 Q4 21 Q1 22

Coatings



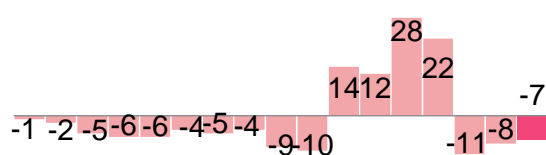
Q1 18 Q2 18 Q3 18 Q4 18 Q1 19 Q2 19 Q3 19 Q4 19 Q1 20 Q2 20 Q3 20 Q4 20 Q1 21 Q2 21 Q3 21 Q4 21 Q1 22

Total

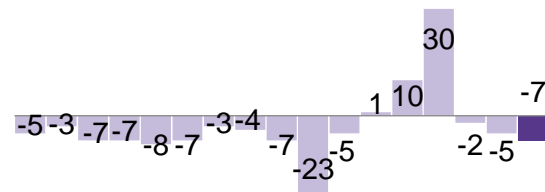


Q1 18 Q2 18 Q3 18 Q4 18 Q1 19 Q2 19 Q3 19 Q4 19 Q1 20 Q2 20 Q3 20 Q4 20 Q1 21 Q2 21 Q3 21 Q4 21 Q1 22

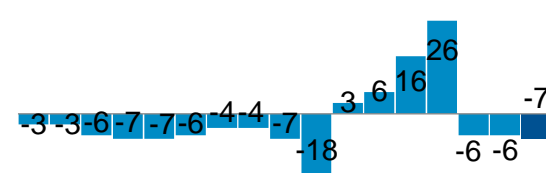
Quarterly volume* development in % year-on-year



Q1 18 Q2 18 Q3 18 Q4 18 Q1 19 Q2 19 Q3 19 Q4 19 Q1 20 Q2 20 Q3 20 Q4 20 Q1 21 Q2 21 Q3 21 Q4 21 Q1 22



Q1 18 Q2 18 Q3 18 Q4 18 Q1 19 Q2 19 Q3 19 Q4 19 Q1 20 Q2 20 Q3 20 Q4 20 Q1 21 Q2 21 Q3 21 Q4 21 Q1 22



Q1 18 Q2 18 Q3 18 Q4 18 Q1 19 Q2 19 Q3 19 Q4 19 Q1 20 Q2 20 Q3 20 Q4 20 Q1 21 Q2 21 Q3 21 Q4 21 Q1 22

Definitions of alternative performance measures

- ↗ **Adjusted earnings per share** are the basic earnings per share from operations, excluding identified items and taxes thereon
- ↗ **Adjusted EBITDA** is operating income excluding depreciation, amortization and identified items
- ↗ **Adjusted operating income** is operating income excluding identified items
- ↗ **Constant currencies** calculations exclude the impact of changes in foreign exchange rates
- ↗ **Free cash flow** is net cash generated from/(used for) operating activities minus capital expenditures.
- ↗ **Identified items** are special charges and benefits, results on acquisitions and divestments, major restructuring and impairment charges, and charges and benefits related to major legal, environmental and tax cases
- ↗ **ROI** is adjusted operating income of the last 12 months as percentage of average invested capital
- ↗ **ROS** is adjusted operating income as percentage of revenue
- ↗ **Leverage ratio** is calculated as net debt divided by EBITDA, which is calculated as the total of the last 12 months
- ↗ **Operating working capital (Trade)** is defined as the sum of inventories, trade receivables and trade payables. When expressed as a ratio, operating working capital is measured against four times last quarter revenue

Assumptions for 2022-2023

- ↗ Revenue growth \geq market CAGR**
- ↗ €2bn adjusted EBITDA for 2023
- ↗ 150 bps ROS* expansion versus 2020
- ↗ Other activities €100-130 million per year
- ↗ Effective tax rate ~26%
- ↗ Capital expenditures ~3% of revenue
- ↗ Dividend policy “stable to rising”
- ↗ Leverage 1-2x net debt/EBITDA
- ↗ No significant market disruption

* Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.

** Market data by Orr & Boss, internally reduced forecast.

Consolidated statement of free cash flows*

€ million	Q1 2021	Q1 2022
EBITDA	388	321
Impairment losses	—	3
Pre-tax results on acquisitions and divestments	(11)	(13)
Changes in working capital	(291)	(404)
Pension pre-funding	—	48
Pension top-up payments	(8)	(1)
Other changes in provisions	(58)	(13)
Interest paid	(4)	(4)
Income tax paid	(44)	(39)
Other	(3)	—
Net cash generated from/(used for) operating activities	(31)	(102)
Capital expenditures	(57)	(57)
Free cash flow	(88)	(159)
Net Debt	1,408	2,687
Leverage (Net Debt/EBITDA)	1.0	1.9

Operating income to net income

€ million	Q1 2021	Q1 2022
Operating income	303	232
Net financing expenses	(8)	(12)
Results from associates and joint ventures	7	8
Profit before tax	302	228
Income tax	(73)	(62)
Profit from continuing operations	229	166
Profit from discontinued operations	(2)	—
Profit for the period	227	166
Non-controlling interests	(10)	(12)
Net income	217	154
Earnings per share (in €)		
Total operations	1.15	0.87
Adjusted earnings per share* (in €)		
Continuing operations	1.18	0.86

* Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.

Alternative performance measures

Operating income (€m)	Q1 2021	Q1 2022	Δ%
Decorative Paints	143	113	(21%)
Performance Coatings	185	150	(19%)
Other activities	(25)	(31)	
Total	303	232	(23%)

Identified items (€m)	Q1 2021	Q1 2022
Decorative Paints	(1)	8
Performance Coatings	(3)	1
Other activities	—	(7)
Total	(4)	2

Adjusted operating income (€m)	Q1 2021	Q1 2022	Δ%
Decorative Paints	144	105	(27%)
Performance Coatings	188	149	(21%)
Other activities	(25)	(24)	
Total	307	230	(25%)

EBITDA (€m)	Q1 2021	Q1 2022	Δ%
Operating income	303	232	(23%)
Depreciation and Amortization	85	89	
EBITDA	388	321	(17%)

Adjusted EBITDA (€m)	Q1 2021	Q1 2022	Δ%
Adjusted operating income	307	230	(25%)
Depreciation and Amortization (excl. identified items)	84	87	
Adjusted EBITDA	391	317	(19%)

OPI margin (%)	Q1 2021	Q1 2022
Decorative Paints	15.4	11.2
Performance Coatings	13.9	9.9
Other activities*		
Total	13.4	9.2

ROS (%)	Q1 2021	Q1 2022
Decorative Paints	15.5	10.4
Performance Coatings	14.1	9.8
Other activities*		
Total	13.6	9.1

Adjusted earnings per share from continuing operations	Q1 2021	Q1 2022
Profit before tax from continuing operations	302	228
Identified items reported in operating income	4	-2
Adjusted income tax	(74)	(61)
Non-controlling interests	(10)	(12)
Adjusted net income from continuing operations	222	153

Weighted average number of shares (in millions)	188.8	177.7
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Adjusted earnings per share from continuing operations	1.18	0.86
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Average invested capital (€m)	2021	2022	Δ%
April 2020 - March 2021/April 2021 - March 2022			
Decorative Paints	2,776	2,997	8%
Performance Coatings	3,394	3,593	6%
Other activities	556	418	
Total	6,726	7,008	4%

ROI (%)	2021	2022
April 2020 - March 2021/April 2021 - March 2022		
Decorative Paints	23.5	18.1
Performance Coatings	20.6	16.0
Other activities*		
Total	17.7	14.5

EBITDA (€m)	2021	2022
April 2020 - March 2021/April 2021 - March 2022		
Operating income	1,079	1,047
Depreciation and amortization	356	355
EBITDA	1,435	1,402

Net Debt (€m)	March 31, 2021	March 31, 2022
Short term investments	(301)	(1,081)
Cash and cash equivalents	(1,197)	(1,418)
Long-term borrowings	2,765	3,178
Short-term borrowings	141	2,008
Net Debt	1,408	2,687

Leverage ratio	2021	2022
April 2020 - March 2021/April 2021 - March 2022		
Net debt	1,408	2,687
EBITDA	1,435	1,402
Leverage ratio	1.0	1.9

Updates in financial reporting structure

Operating income, adjusted operating income, EBITDA and adjusted EBITDA (and related measures) per segment for 2021 have been updated to reflect changes in the financial reporting structure related to a narrower definition of corporate activities and corporate costs in 'Other activities'. More information is available on our website.

Recognized sustainability leader in industry AkzoNobel

