



People. Planet. Paint.



AkzoNobel



Investor update Grow & Deliver

February 17, 2022

Investor update Q3 2022

October 20, 2022

Agenda



Setting the stage



Capital allocation



GROW



Concluding remarks



Sustainable innovation



Q&A



DELIVER



Investor update Q3 2022

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

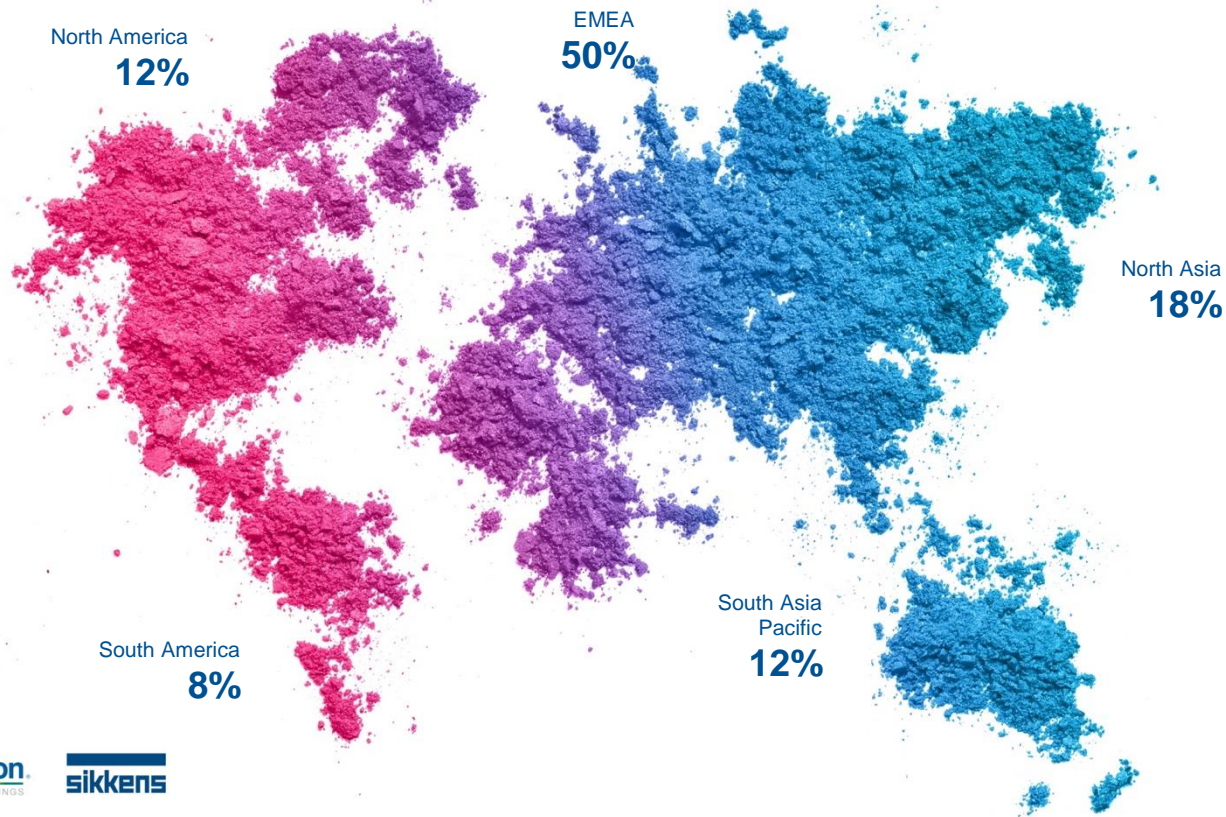
€9.6bn revenue

€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*



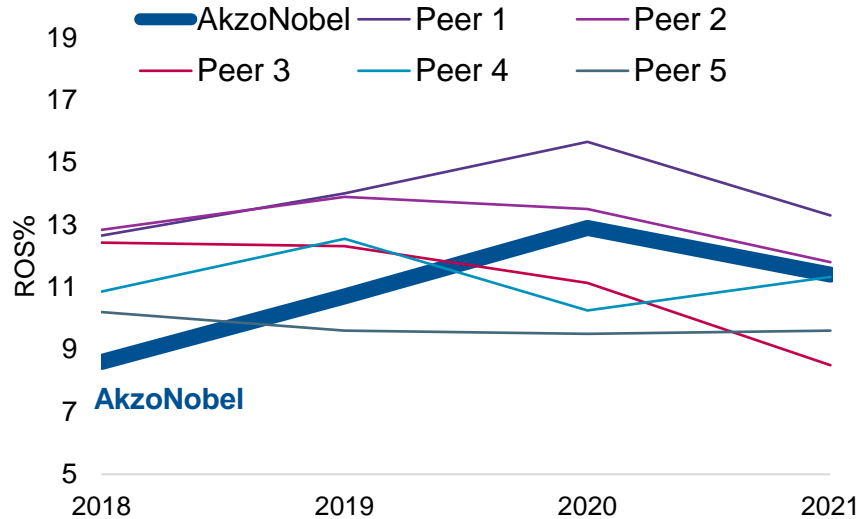
* Revenue for BASF, Kansai Paint, Jotun, Asian Paints and Hempel is for 2020.
Source: company reporting, internal analysis.

From 15 by 20 to Grow & Deliver

Significant culture change with margins in top tier

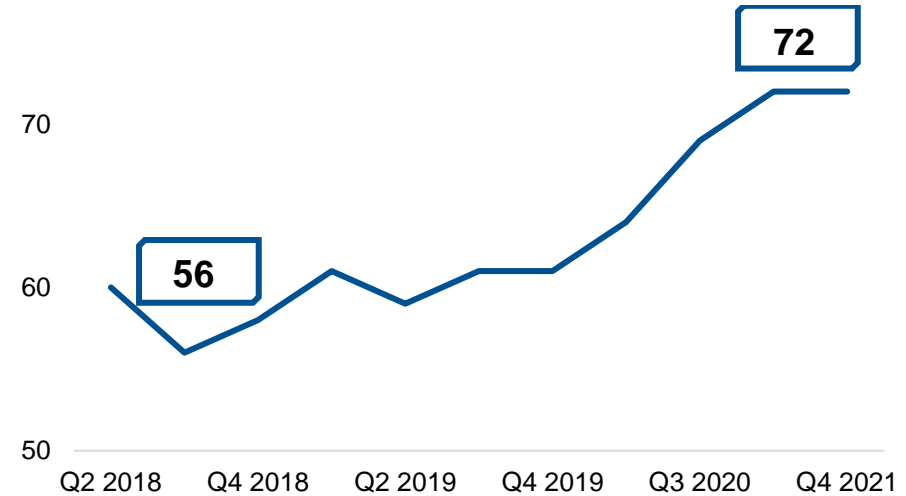
AkzoNobel

Strong margin progress versus peers



Organizational Health Index (OHI)**

Participation rate at 86%



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

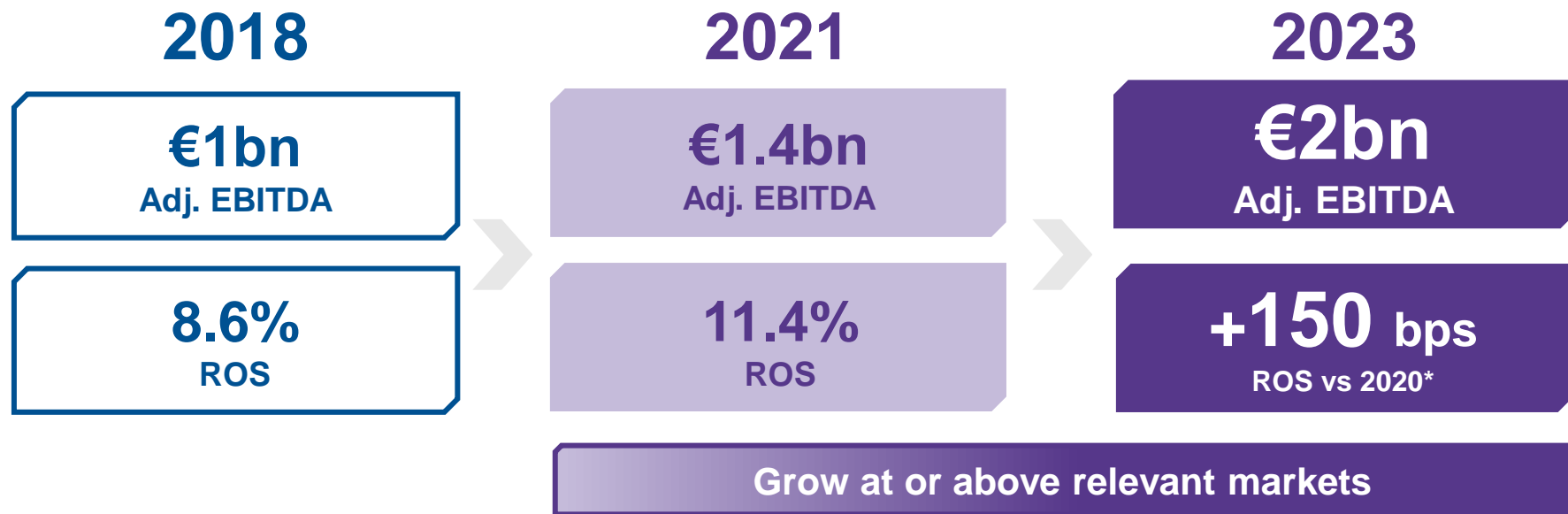
* Source: Bloomberg, based on next twelve months EBITDA (2021 year-end).

** Source: Organizational Health Index by McKinsey.

Grow & Deliver targets

Building on new and strong foundation

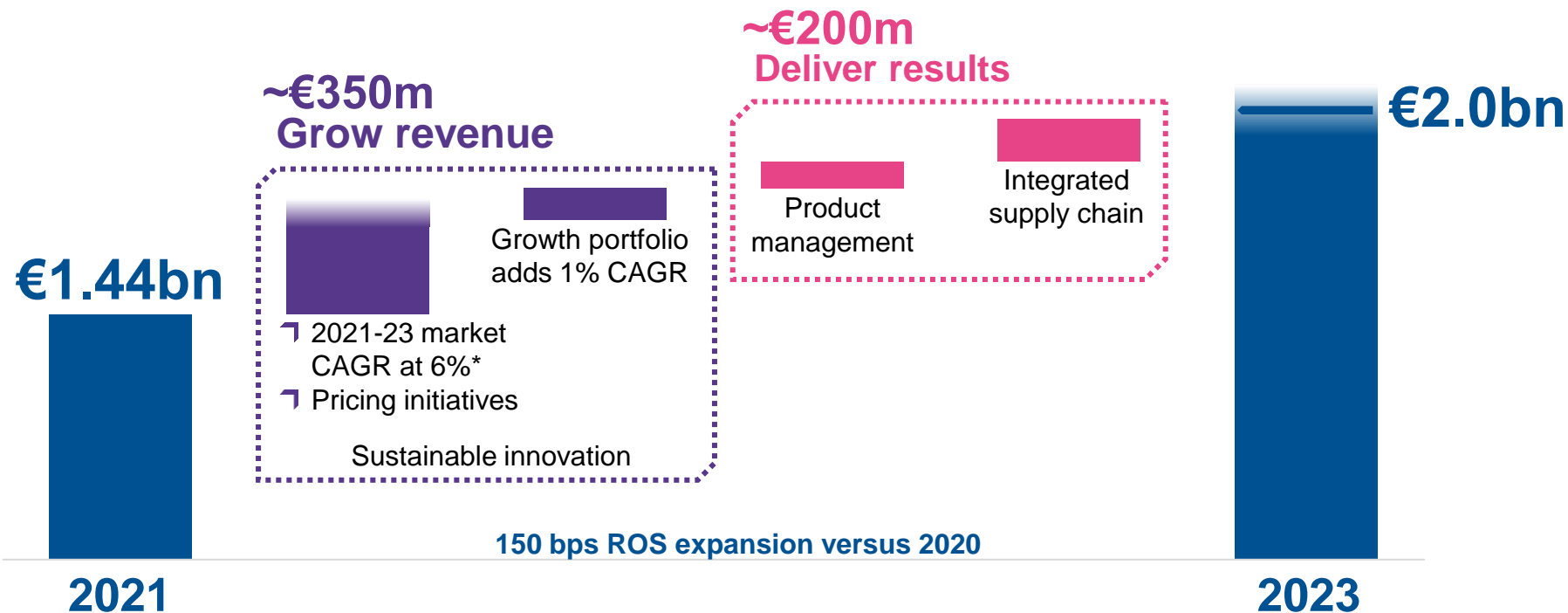
AkzoNobel



* 2020 ROS margin at 12.9%.

Assumes no significant market disruption.

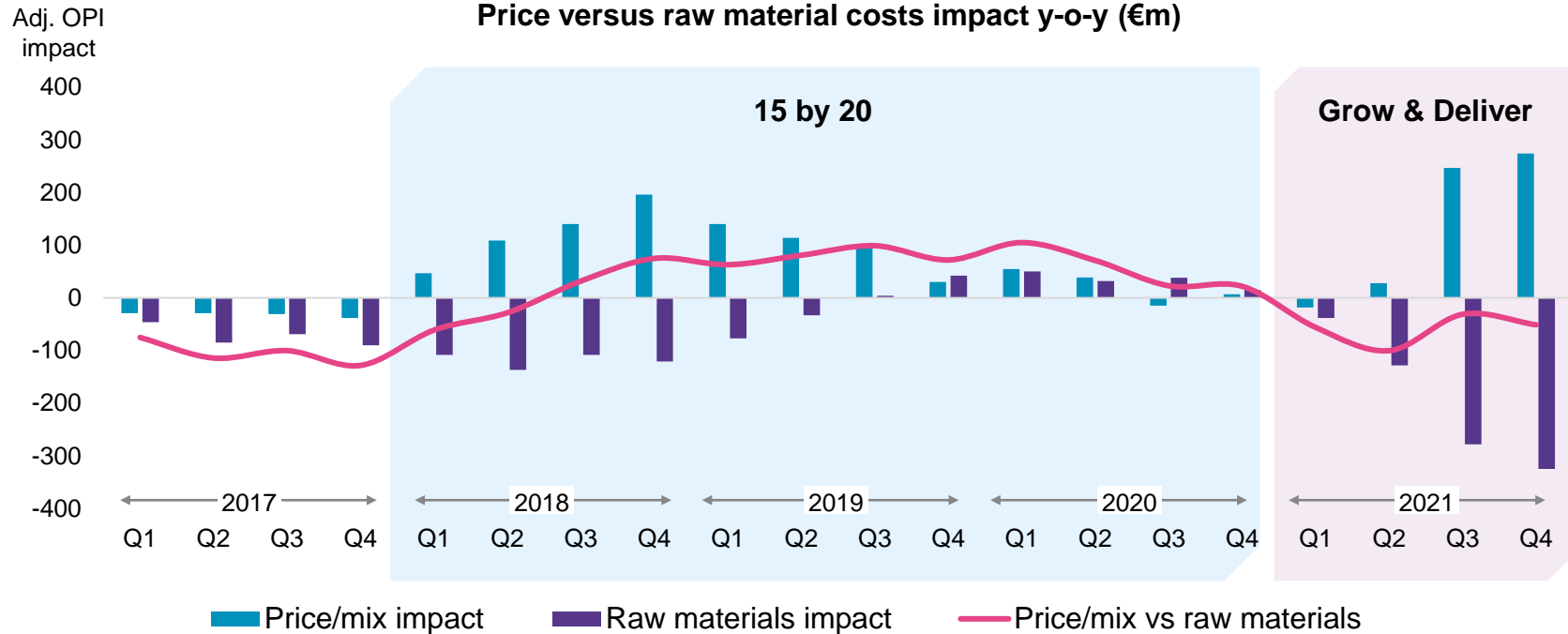
Grow & Deliver: €2bn adj. EBITDA by 2023



* 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

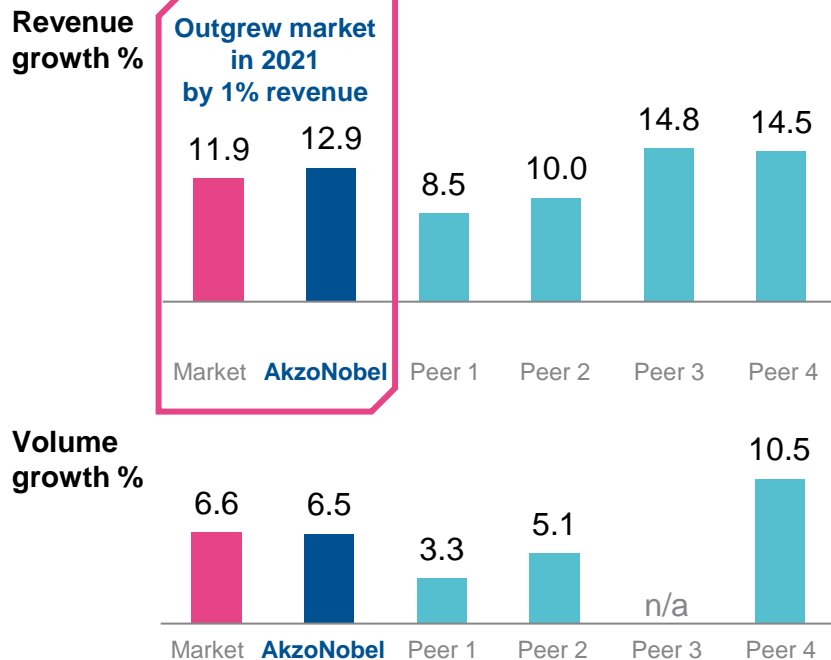
* Excluding ~€50bn (total paints and coatings) in regions/segments where AkzoNobel is not present.

** Latin America excluding Mexico.

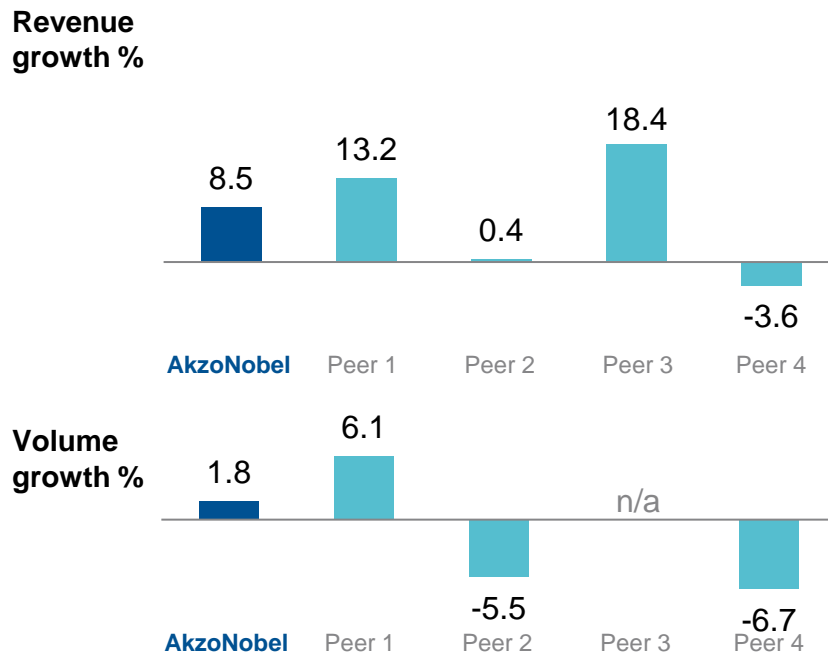
Strong start to Grow & Deliver

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

2021 versus 2020 comparison (organic)



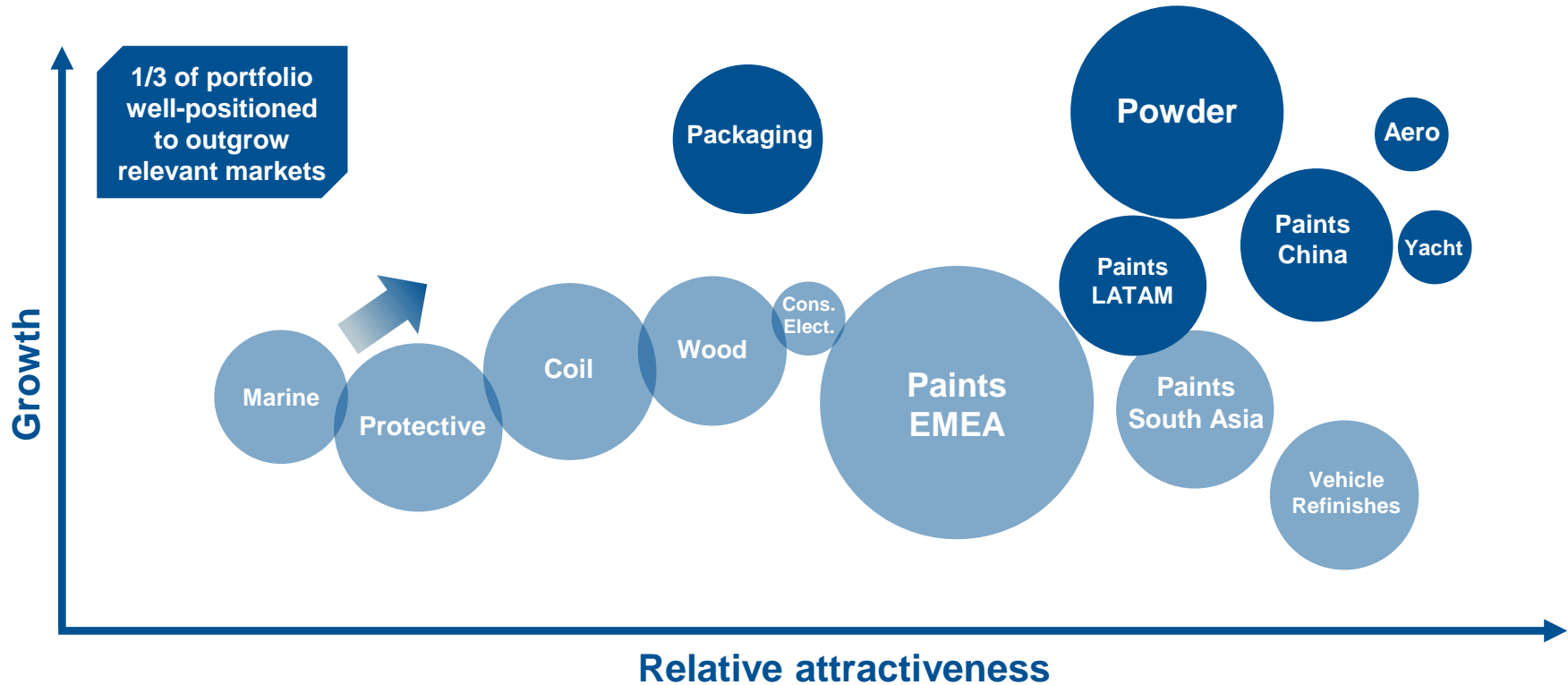
2021 versus 2019 comparison (organic)



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

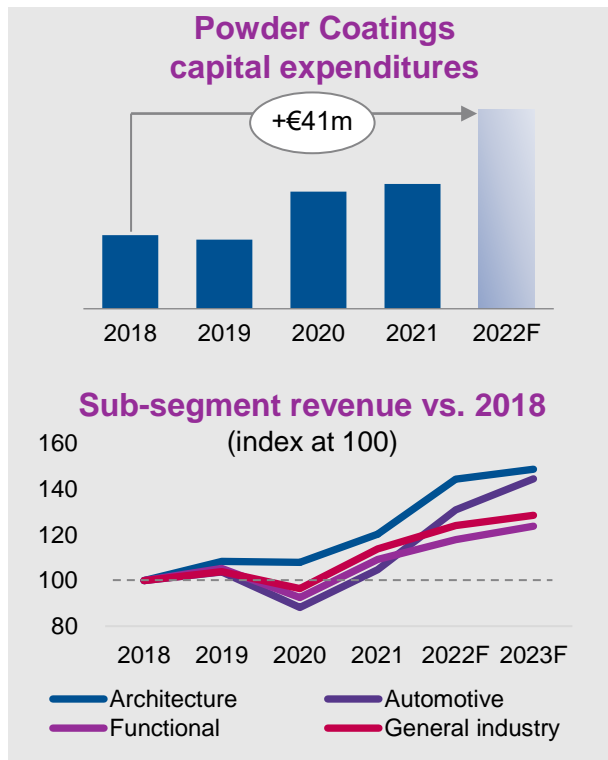
8%
market CAGR 2021-23

#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'

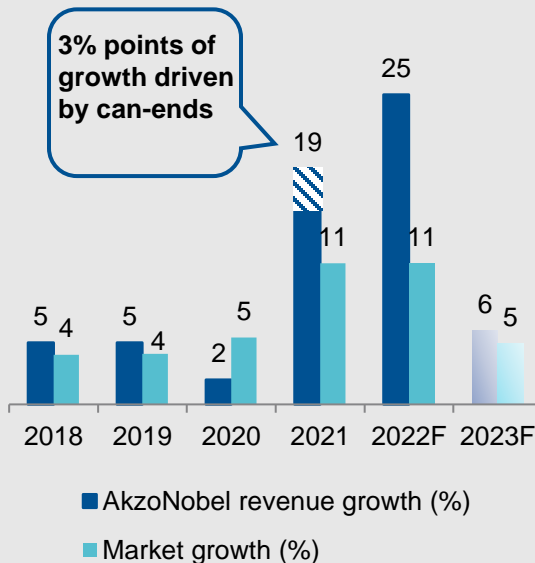
€2.7bn market

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

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Aerospace Coatings

Leading technology and strong customer relationship

€0.5bn market

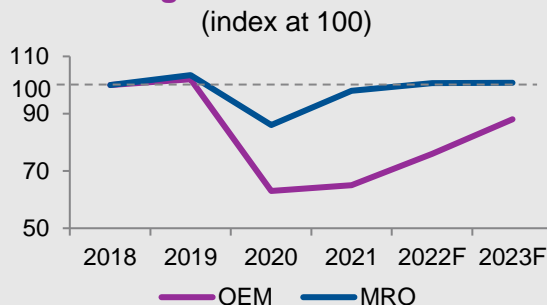
6%
market CAGR 2021-23

#1 in the market

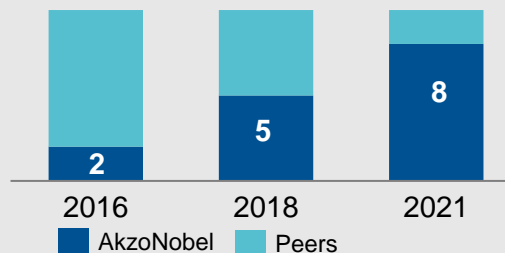


Key AkzoNobel repainting programs

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

AkzoNobel

Yacht Coatings

Attractive growth business with leading brands and technology

€0.5bn market

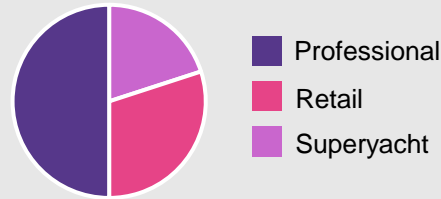
6%
market CAGR 2021-23

#1 in the market

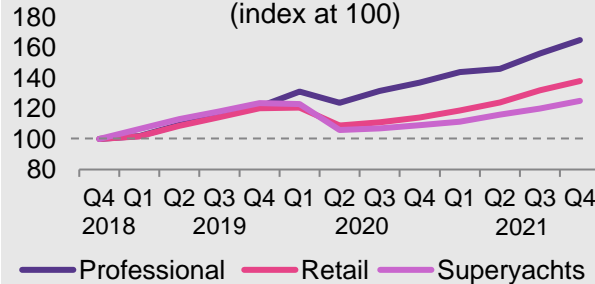


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Yacht business split by € value



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

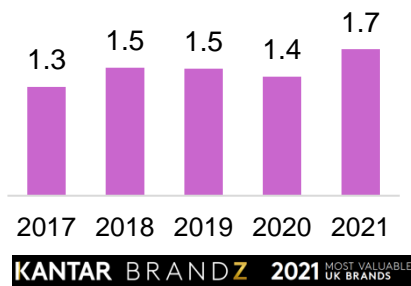
Leveraging our unique global scale for local impact

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

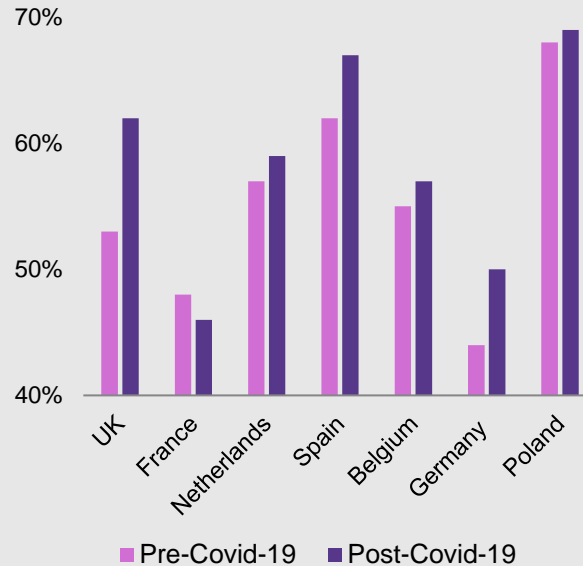
5%
market CAGR 2021-23

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

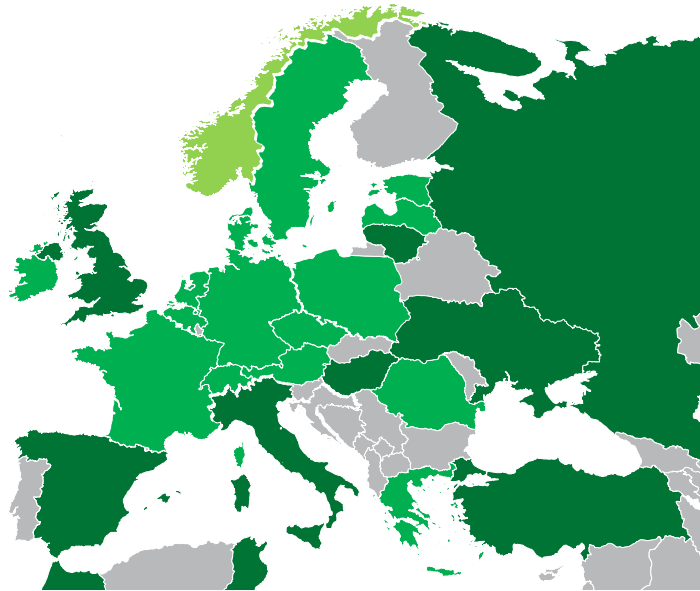
Source: Orr & Boss, internally reduced forecast for market CAGR.

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

Paints EMEA outgrowing the market

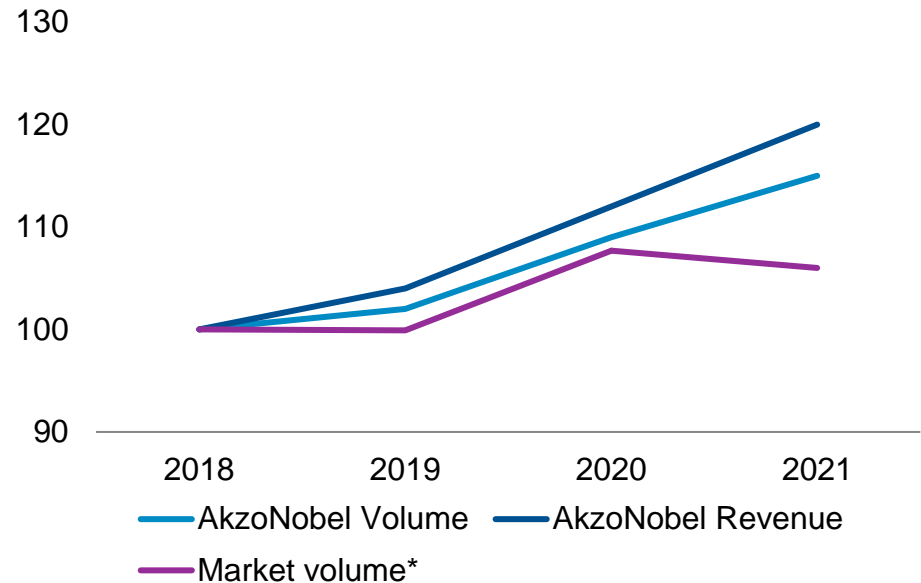
Driven by strong brands and distribution

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

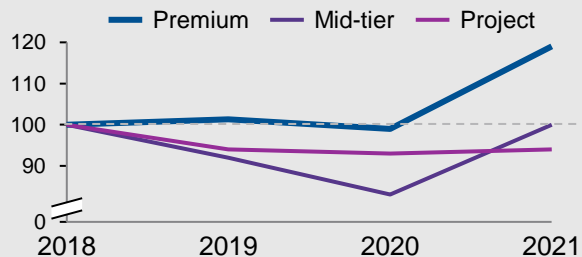
Double digit growth in premium
retail focused post 2018 “reset”

Recognized “*super brand*”

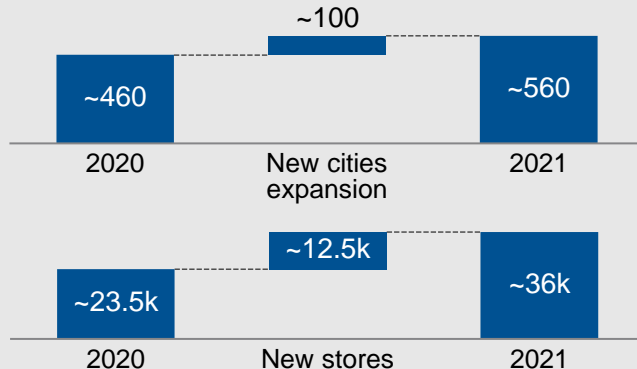


Sub-segment revenue vs. 2018

(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

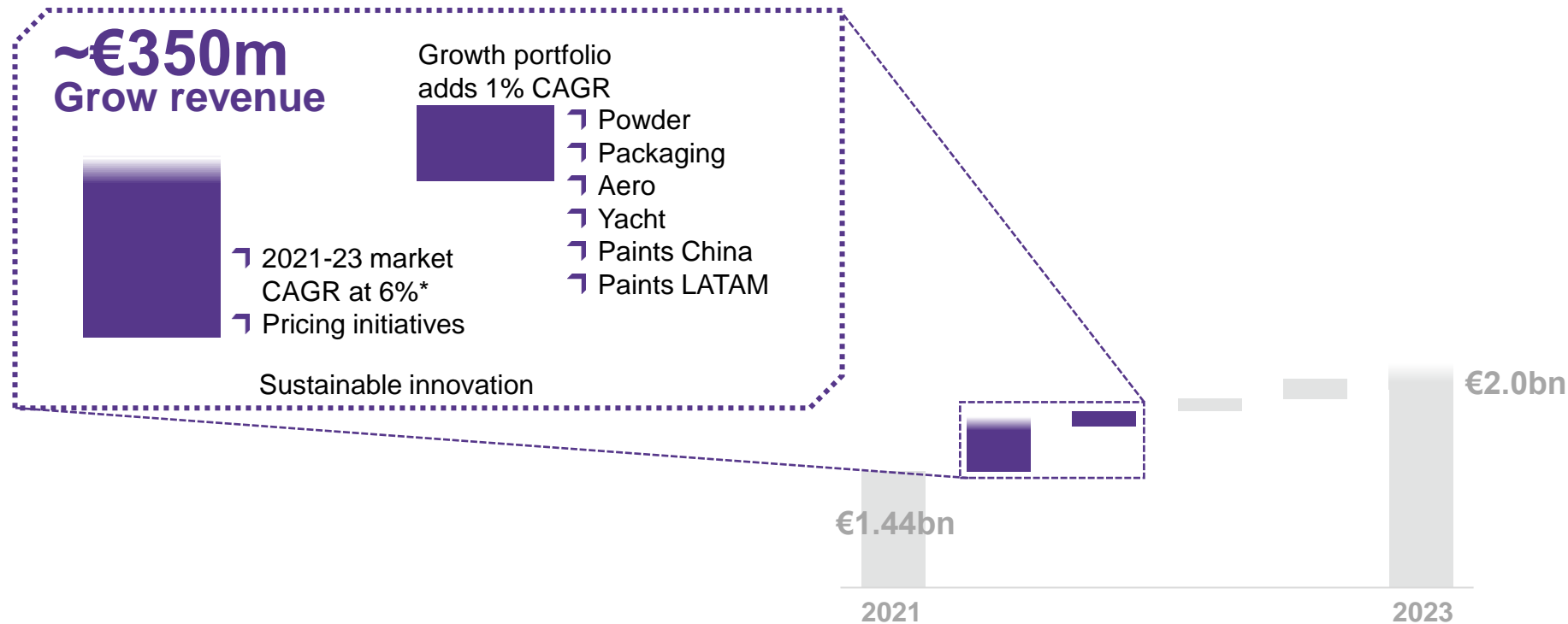
- Colombia-based, leading presence from Ecuador to Central America
- Leading local brands include Pintuco, Protecto and AVF Paints
- Annualized revenues at ~€360m

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



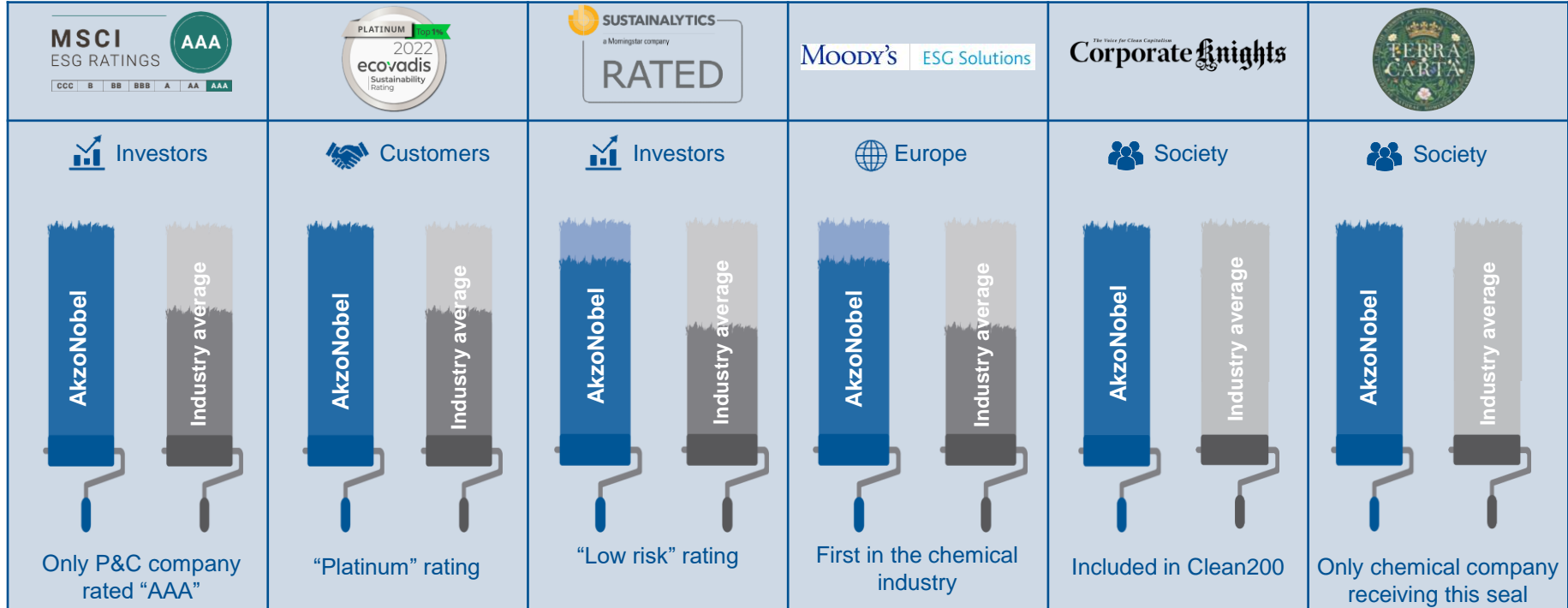
* Source: Orr & Boss, internally reduced forecast.

Sustainable Innovation

Klaas Kruithof

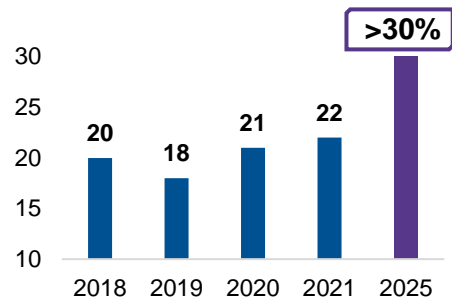


Recognized sustainability leader in industry AkzoNobel



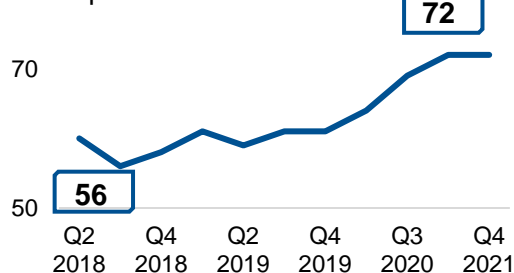
People. Building a diverse, inclusive and caring organization

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

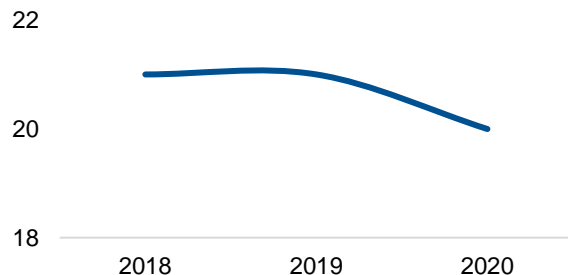


* Source: Organizational Health Index by McKinsey.

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

AkzoNobel

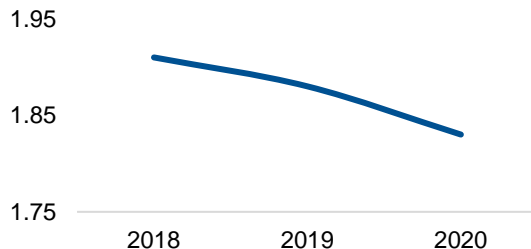
Waste per ton of production (in kg)



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

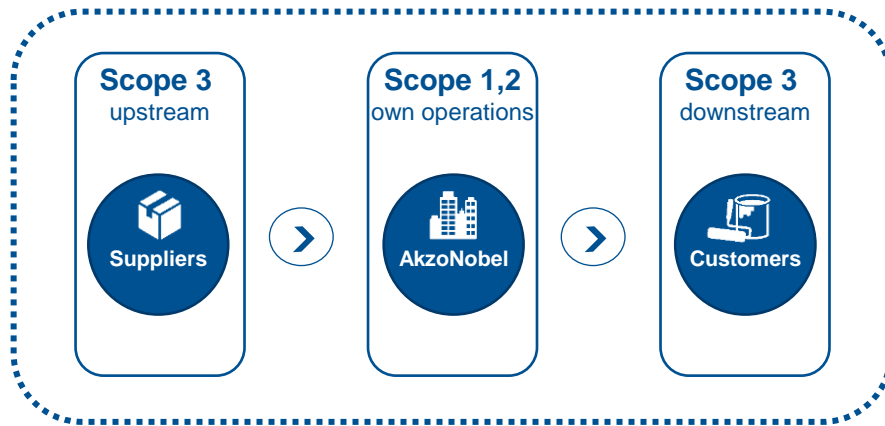
* For Performance Coatings, analysis covers majority of coatings product portfolio.

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

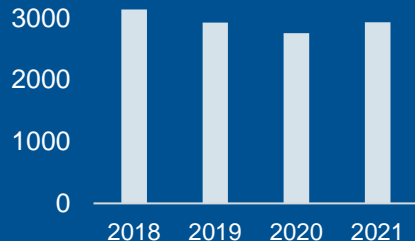
€1.25 billion
spent on R&D in the last five years

3,000
scientists employed worldwide

70
laboratories globally

5
global technology centers

Patent positions

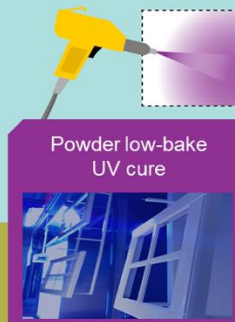


SCIENCE BASED TARGETS

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





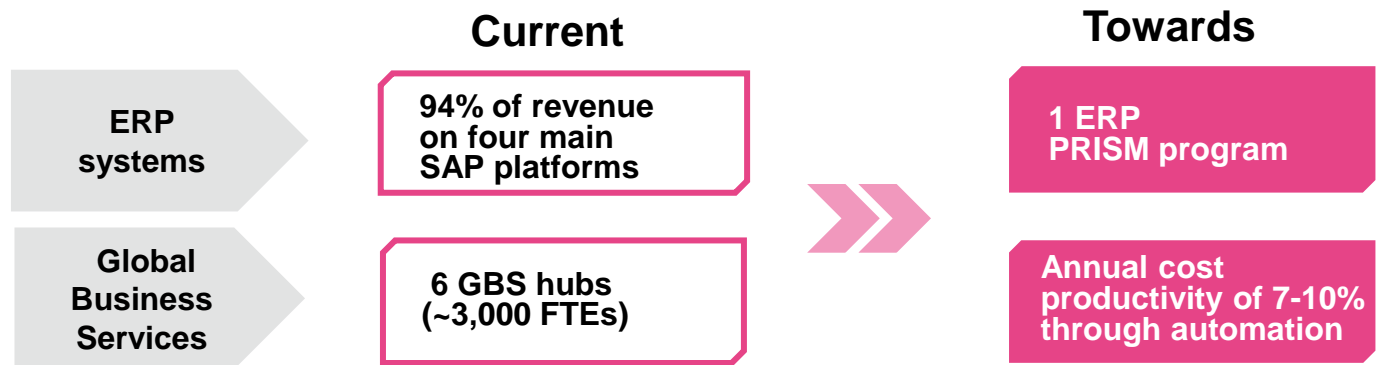
DELIVER

Maarten de Vries

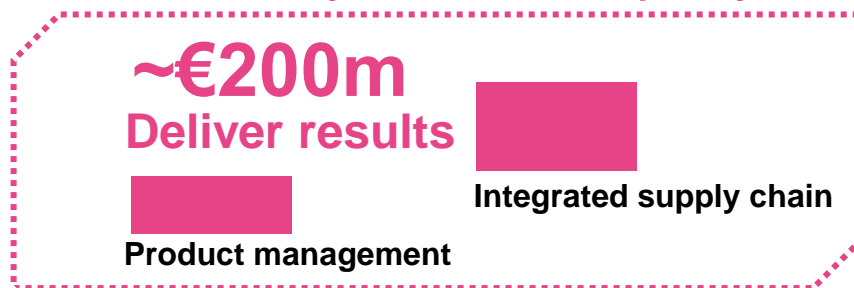


Strong foundation enables Grow & Deliver AkzoNobel

Precise processes allow for further complexity reduction



Foundation serves as key enabler for complexity reduction





DELIVER

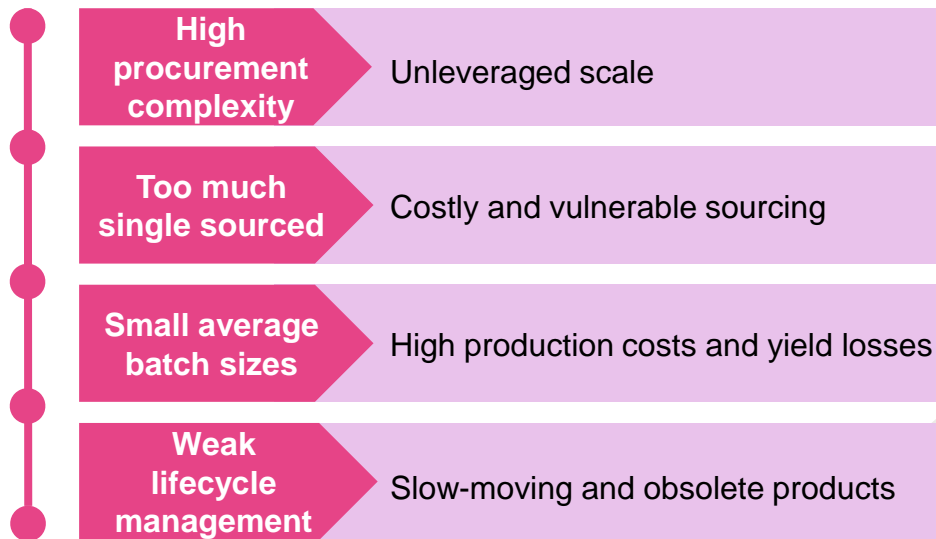
Product management

Thierry Vanlancker



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

Legacy...

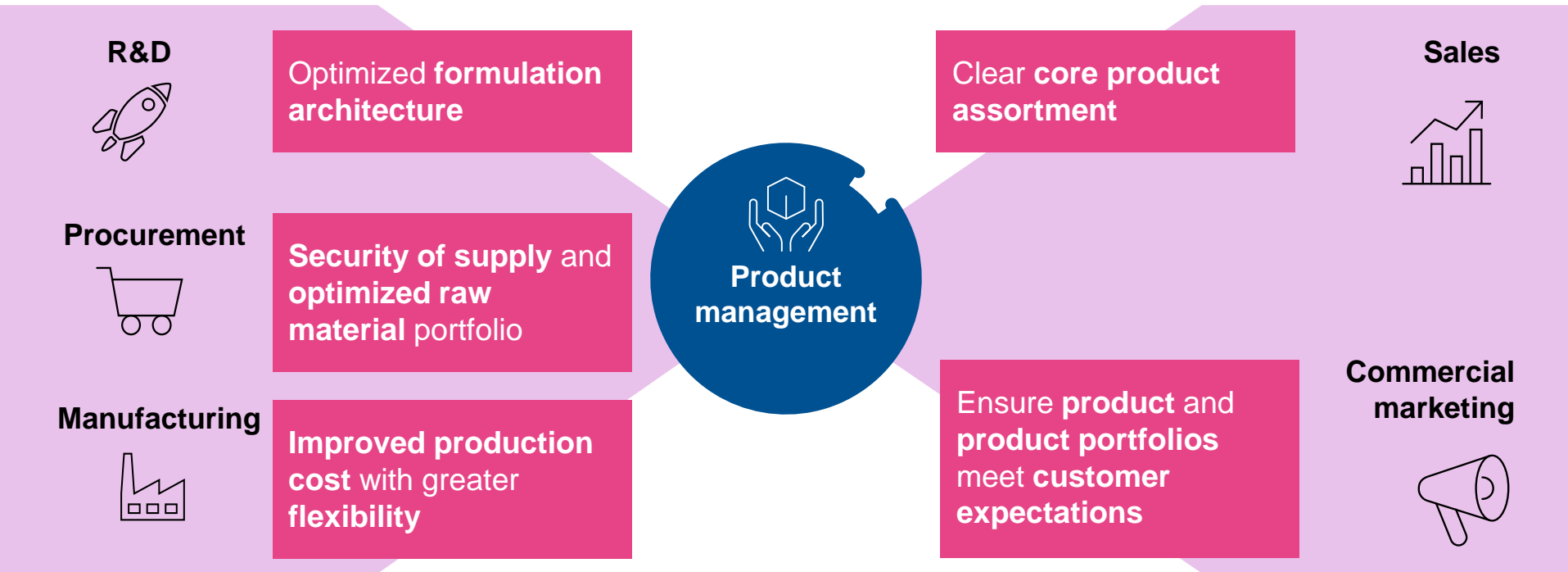


Cross-functional collaboration is key to make product management successful

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

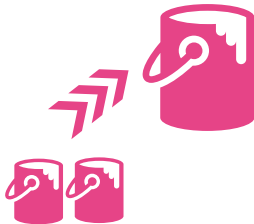
Double

dual sourcing

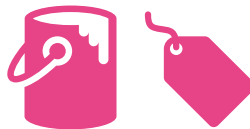
Fewer raw materials



Increased batch size



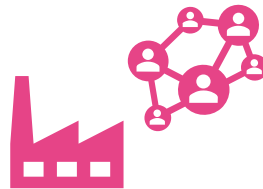
Late differentiation



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



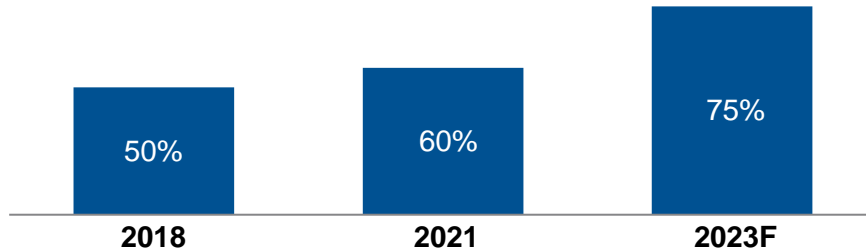
Significant value creation to drive
EBITDA improvement by 2023



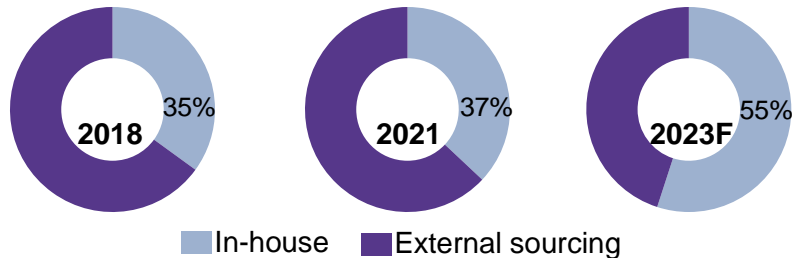
Resins: Value creation opportunity

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



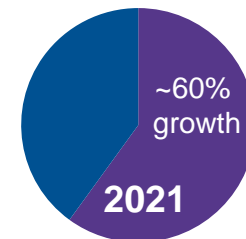
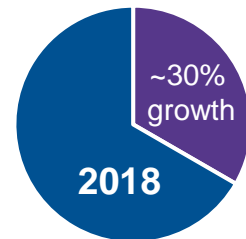
Agile and adaptive

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

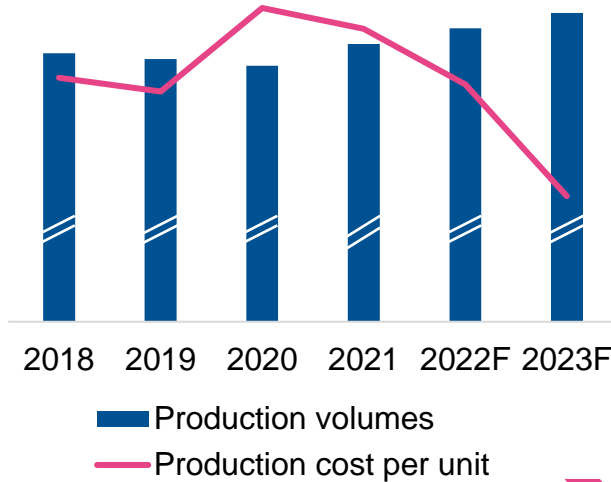
Continuous improvement via digitization & automation to offset fixed cost inflation



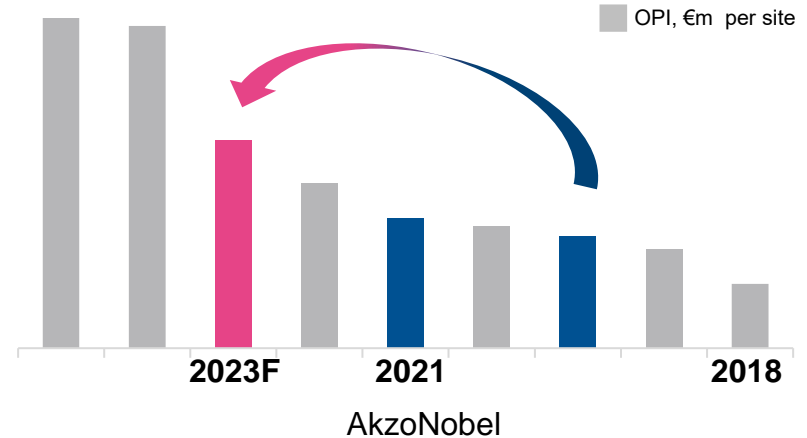
3+% efficiency gains on average
(year-on-year)



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



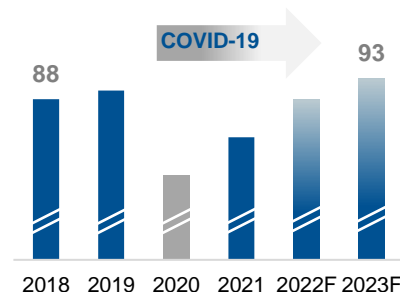
Deliver



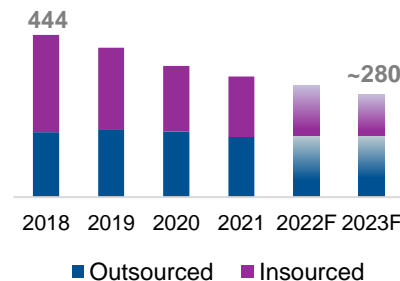
EBITDA improvement of ~€60m by 2023**

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

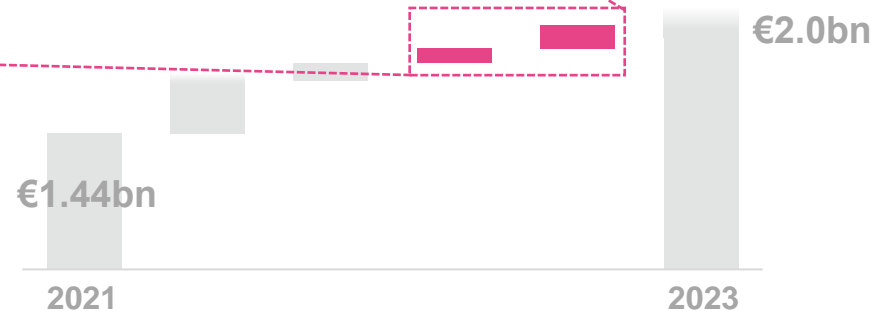
~€200m
Deliver results

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

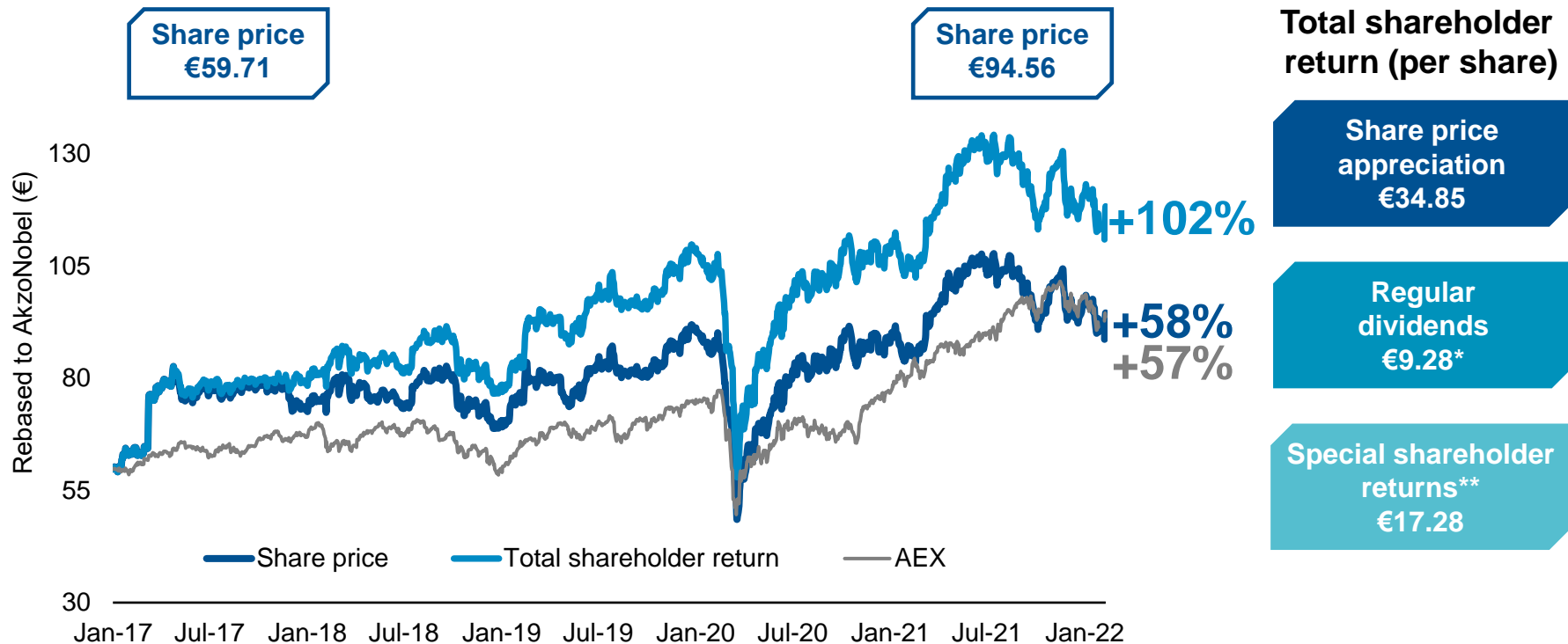
Maarten de Vries



Total shareholder return

Significant value unlocked since 2017

AkzoNobel



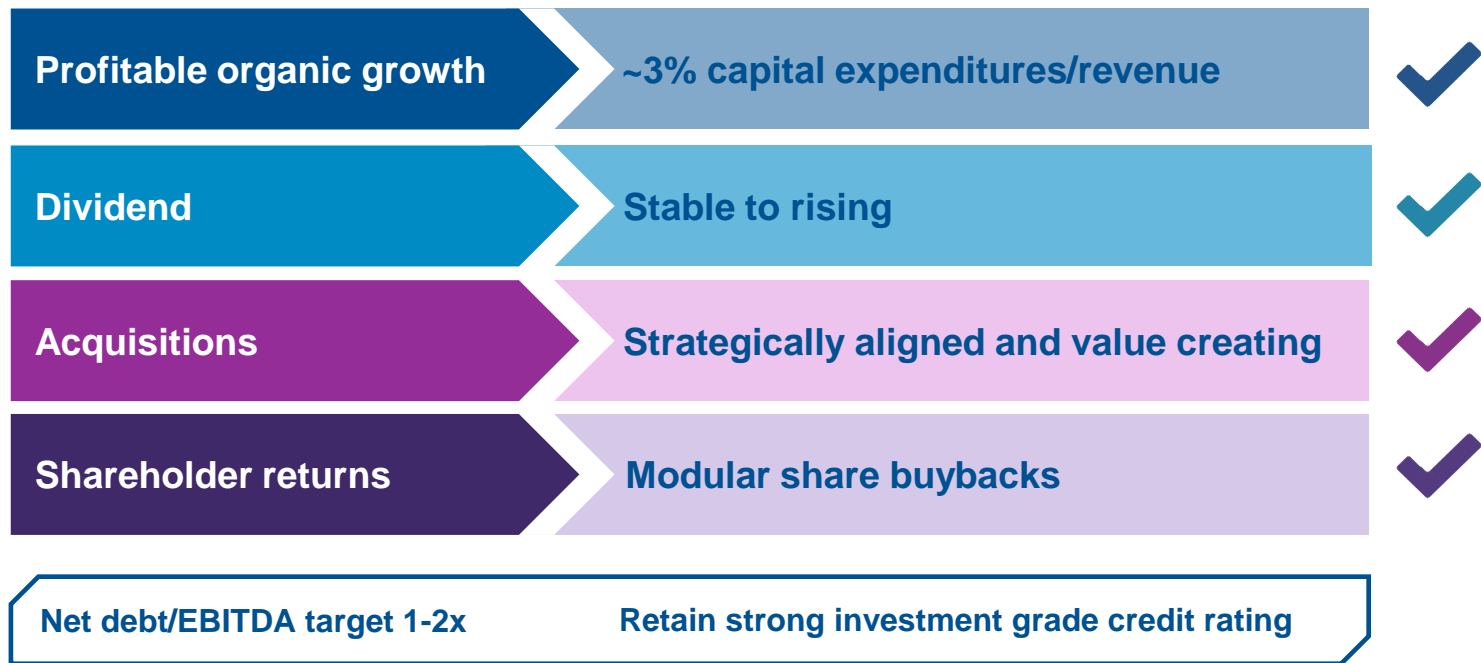
Source: Bloomberg; January 2, 2017 to February 10, 2022.

* Regular dividends declared for 2017-2021.

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

Delivering on capital allocation priorities

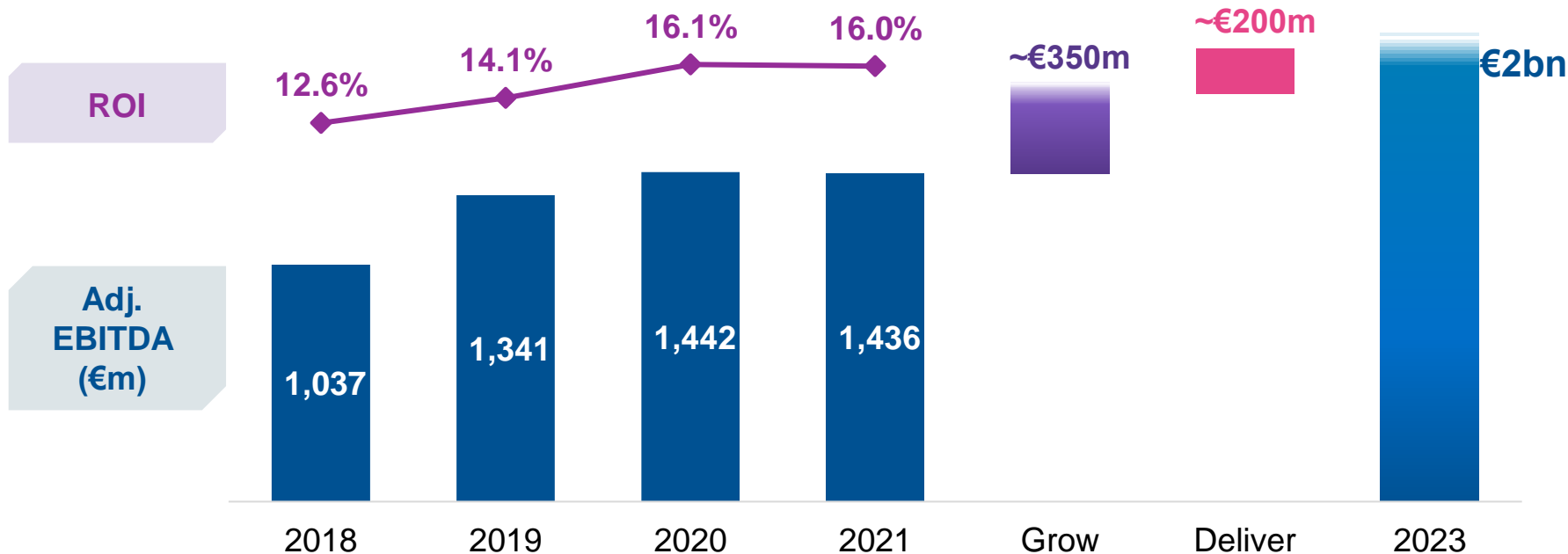
AkzoNobel



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

AkzoNobel

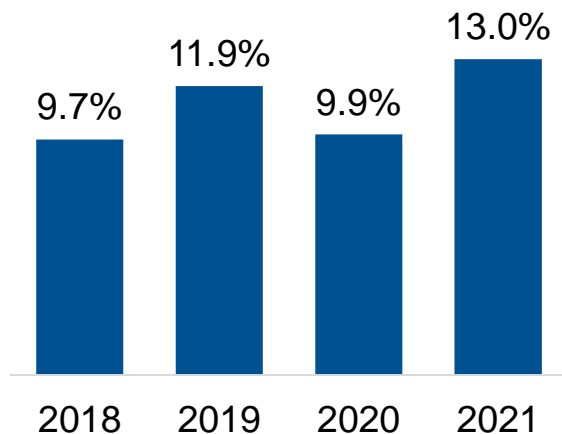
Increasing return on invested capital



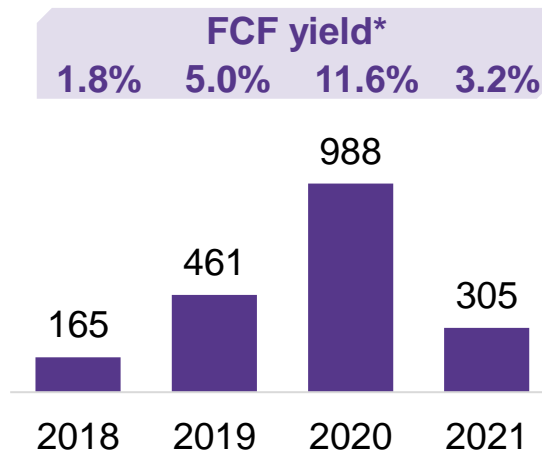
Working capital and free cash flow

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



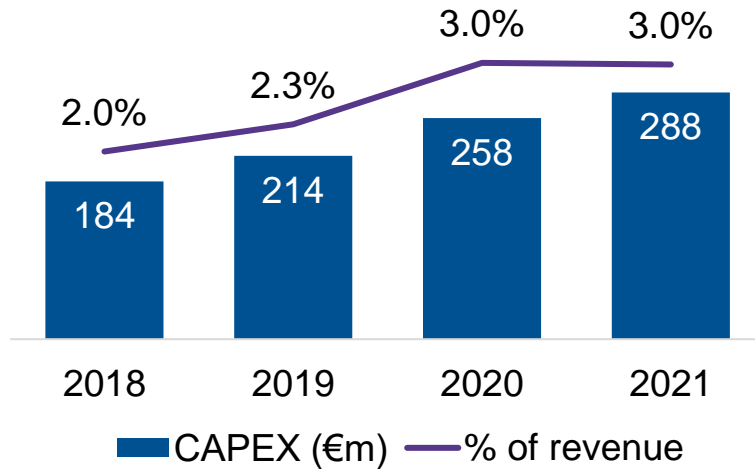
- Working capital lower versus comparable peers
- Working capital impact from raw material inflation at ~2% (2021)
- Supply chain initiatives to drive 20% improvement in days in inventory by 2023
- Annual pension top-up payments of ~€10m moving forward

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

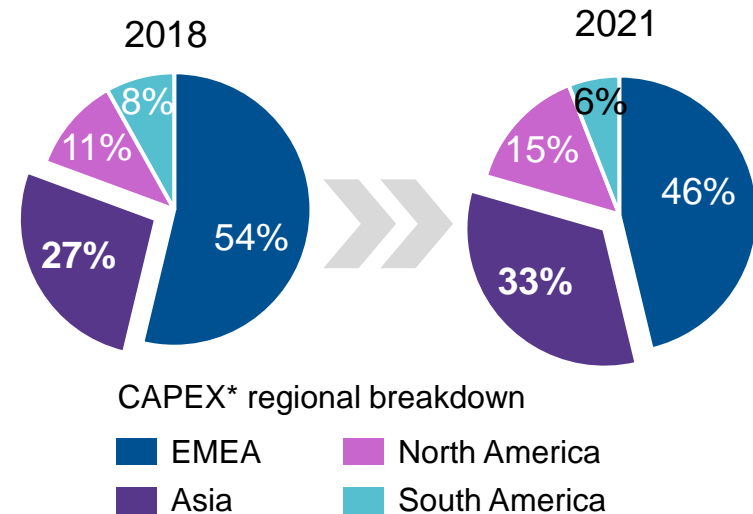
Capital expenditures

Directing investments to support growth businesses

CAPEX expansion to support Grow & Deliver ...



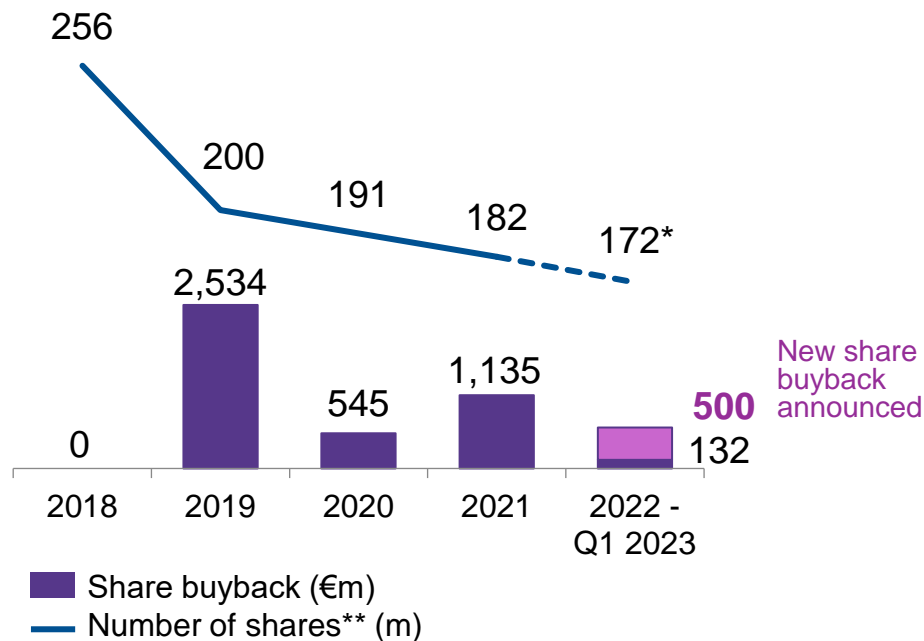
...with increased focus on Asia



* 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.

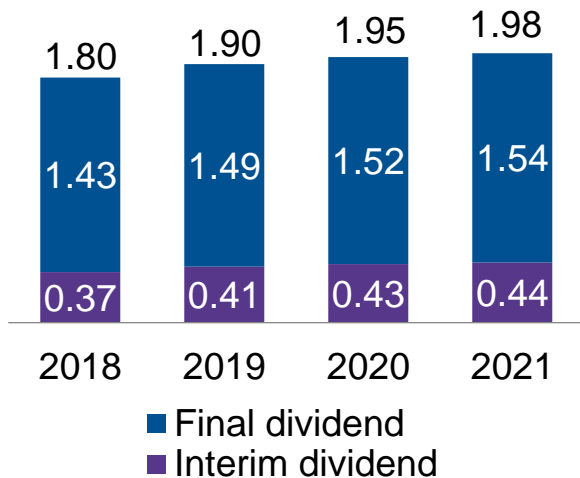
Dividends and earnings per share

Stable to rising dividends and significant EPS growth

2.3%

avg. dividend
yield 2018-21

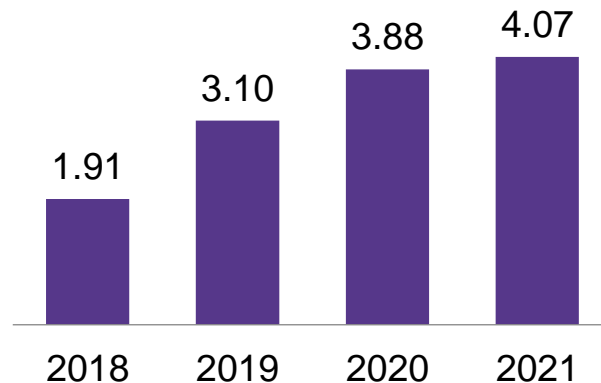
Dividends per share (€)



113%

adj. EPS
growth
2018-21

Adj. earnings per share* (EPS) (€)

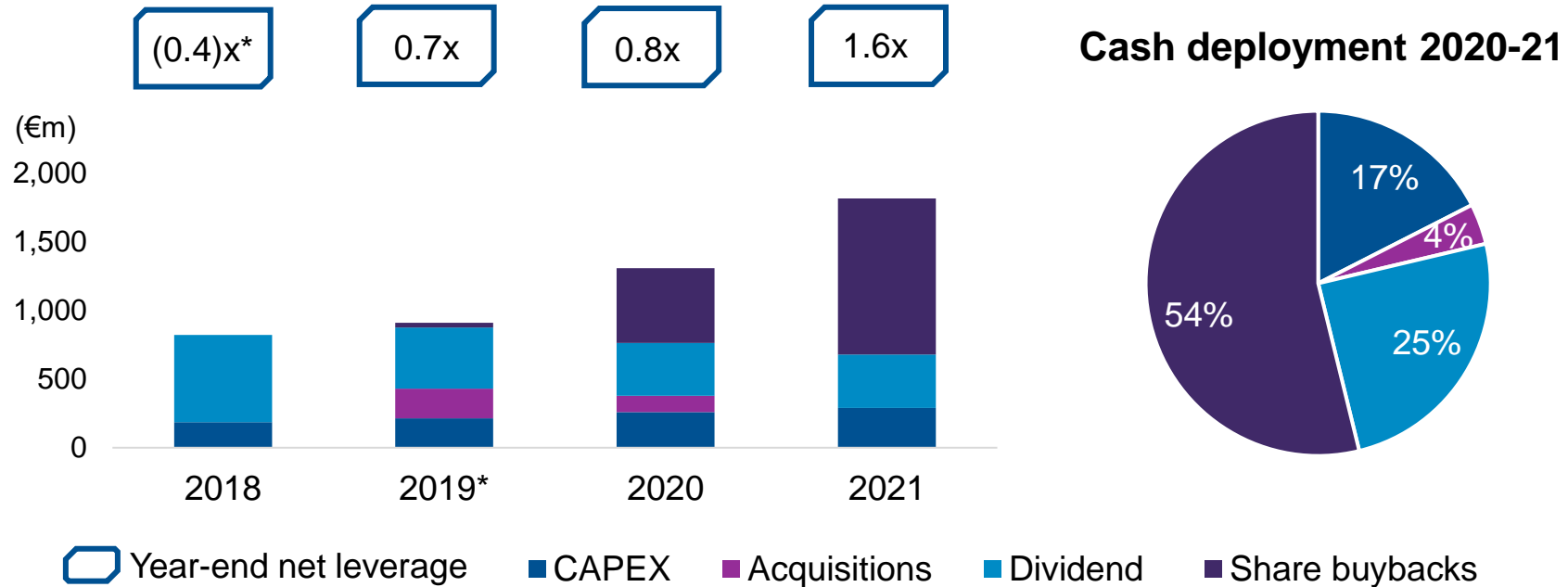


* Adjusted earnings per share from continuing operations.

Executing on capital allocation priorities

AkzoNobel

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



Year-end net leverage



CAPEX



Acquisitions



Dividend



Share buybacks

* 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

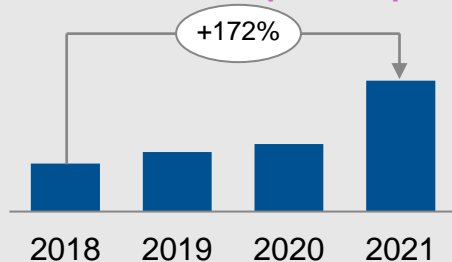
Building on strong foundations with series of acquisitions

€600m* market

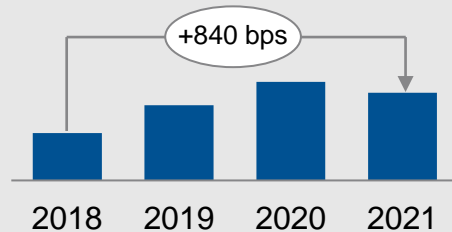
#1 position**



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

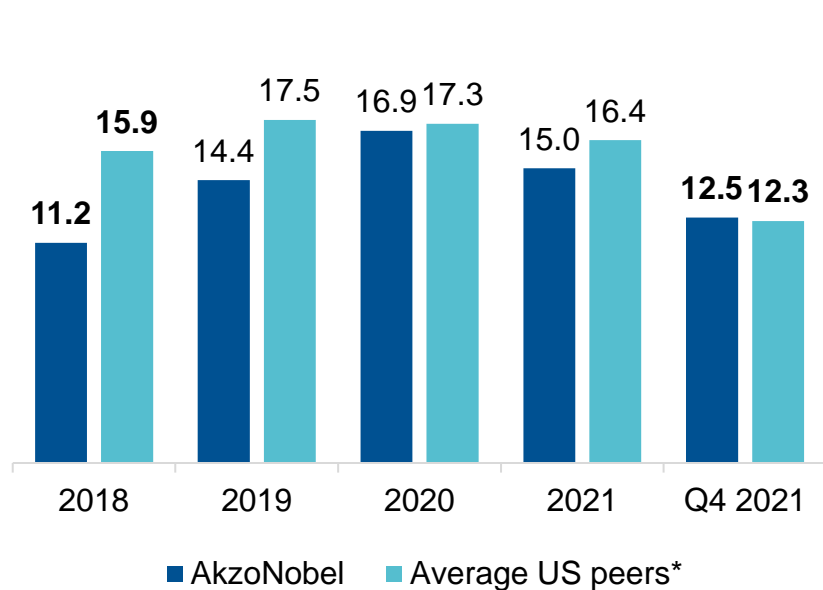
Thierry Vanlancker



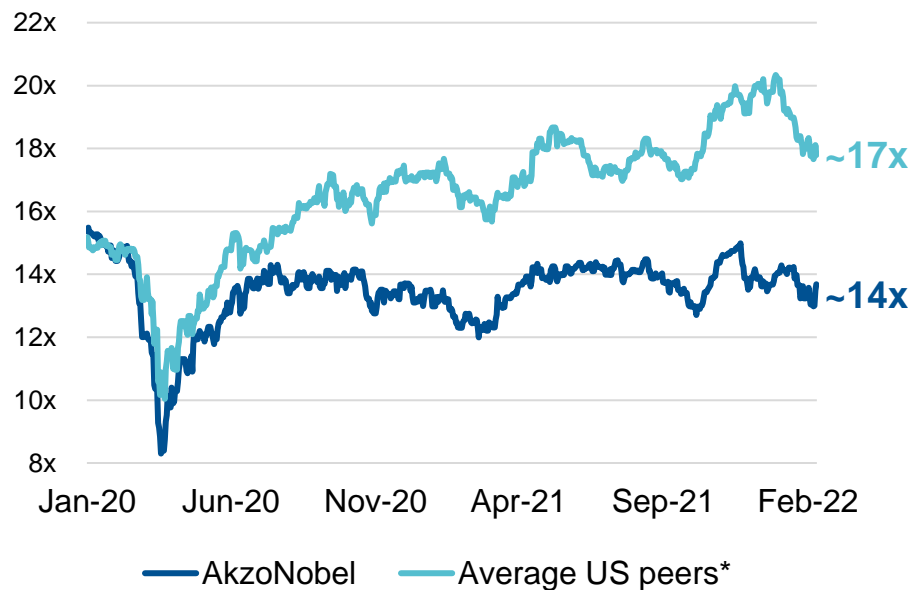
EBITDA margin on par with US peers

AkzoNobel

Adj. EBITDA margin (%)



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



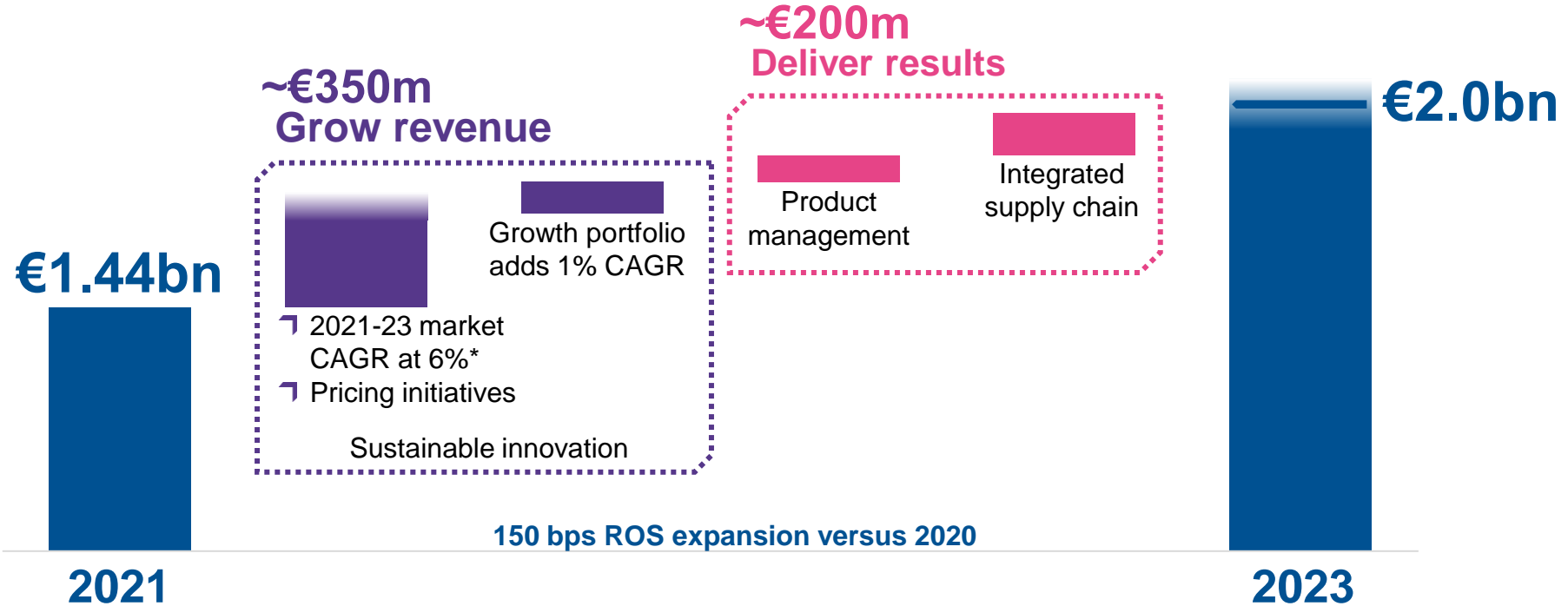
* Sherwin-Williams, PPG, Axalta. Source: company reporting.

** 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 Q3 2022

October 20, 2022

AkzoNobel



Powering the future of electric vehicles

The electric vehicle market continued to accelerate during Q3, reflected in ongoing interest for our dedicated powder coatings portfolio. We supply products that help batteries to last longer and vehicles to drive further.

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 Q3 2022 Report.

The Q3 2022 Report provides additional information, including the IAS34 condensed consolidated financial statements.

All figures in this presentation and in the AkzoNobel Q3 2022 Report are unaudited. The interim condensed consolidated financial statements were discussed and approved by the Board of Management and the Supervisory Board.

Revenue up 19% on strong pricing of 13% 3rd consecutive quarter offsetting raw material inflation

AkzoNobel

Q3 2022:

Revenue

Up 19%
(up 6% in Q3'21)

Pricing

Up 13%
(up 9% in Q3'21)

Adjusted operating income¹

(excl. retrospective hyperinflation accounting)

€201m²
(€241m in Q3'21)

ROS¹

6.4%
(10.0% in Q3'21)

YTD 2022:

Revenue

Up 15%
(up 14% in YTD'21)

Adjusted operating income¹

€663m
(€883m in YTD'21)

€354m of €500m
share buyback
completed

4% reduction
in share count
vs 2021YE



**Interim dividend
€0.44 per share**



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

2. Excludes €17m negative impact from retrospective hyperinflation accounting. See appendix for details.

Progress despite external headwinds

Cumulative pricing offsets cumulative raw material inflation

- ↗ Growth for 9th consecutive quarter
- ↗ Cumulative pricing 22% offsets cumulative raw material inflation over seven quarters
- ↗ Strong growth in Paints LATAM and Paints South Asia
- ↗ Share gain in Automotive & Specialty and continued recovery in Marine & Protective

GROW

- ↗ Paints EMEA packaging rationalization: number of packs reduced by 35%
- ↗ In-house resins helped mitigate force majeure impact from North America supplier
- ↗ Cost savings and inventory reduction initiatives actioned
- ↗ Grupo Orbis revenue and margin performance above plan

DELIVER



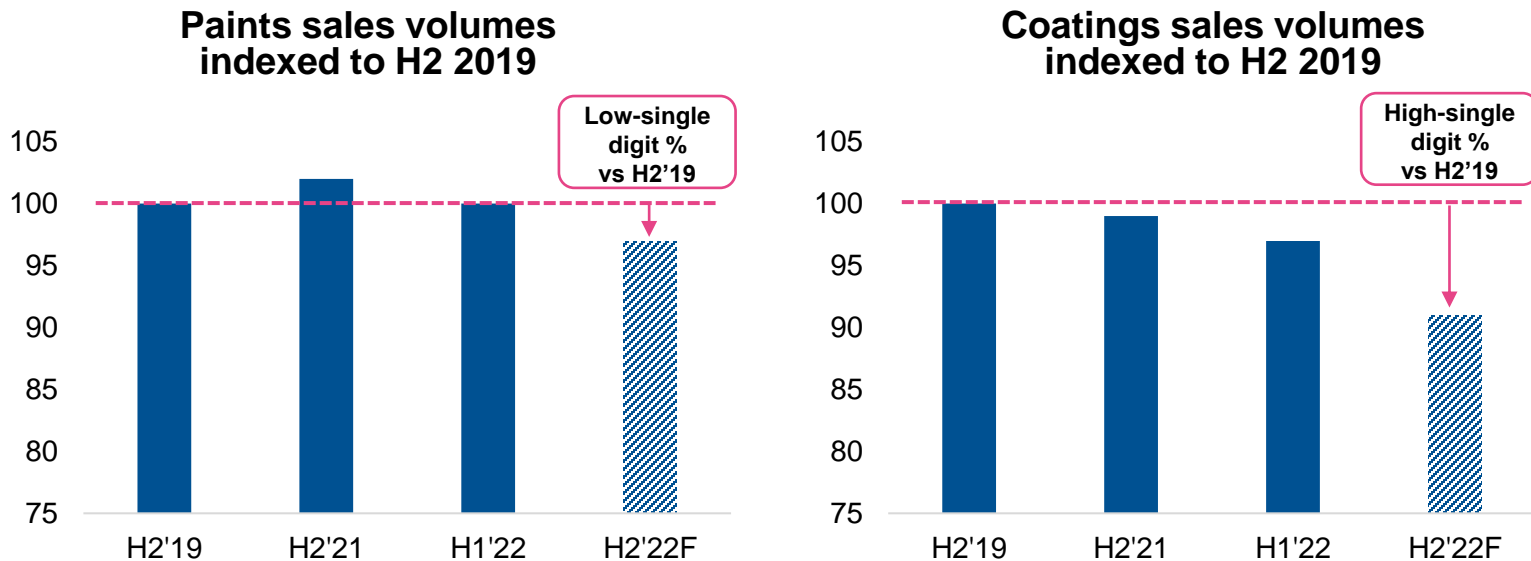
High macro-economic uncertainty in Europe and China

	North America	Latin America	EMEA	North Asia	South Asia
Paints			Europe: ↴ Weakening consumer confidence ↴ Deterioration in economic outlook ↴ Proactive destocking across channels	China: ↴ COVID restrictions ↴ Declining real estate market ↴ Weakening consumer confidence	
Industrial					
Powder	Continued supply chain constraints				
Automotive and Specialty					
Marine and Protective	Sequential recovery				



Organic volume trends below 2019 level

Destocking across distribution channels and market slowdown



Excluding M&A, Q4 volumes expected to be down mid to high-single digit % y-o-y

Organic volumes indexed to H2 2019, H2 2022 internal forecast.



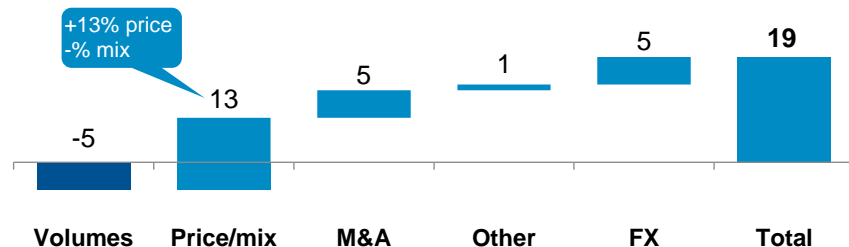
Financial review

Revenue 19% higher driven by strong pricing

€ million	Q3 2021	Q3 2022	Δ%	Δ%CC
Revenue	2,410	2,862	19%	14%
Adjusted EBITDA ¹	325	283	(13%)	
Adjusted operating income ¹	241	184	(24%)	
excl. retrospective hyperinflation accounting	241	201	(17%)	
ROS¹	10.0%	6.4%		
ROI¹	17.5%	11.3%		

Revenue development Q3 2022 (%)

■ Increase ■ Decrease



- **Volumes** lower driven by destocking in the distribution channels for Deco Europe and Coatings, as well as lower market demand in China
- **Revenue** growth with pricing, M&A and FX offsetting lower volumes
- **Adj. operating income** lower mainly due to volumes and retrospective hyperinflation accounting



€20 million to be invested in French facilities

A €20 million investment has been announced by AkzoNobel to increase and improve production at two sites in France. A total of €15 million will be spent on the company's aerospace coatings facility in Pamiers (Mapaero acquisition in 2019). The other €5 million will be spent on improving production flexibility at the decorative paints site in Montataire.

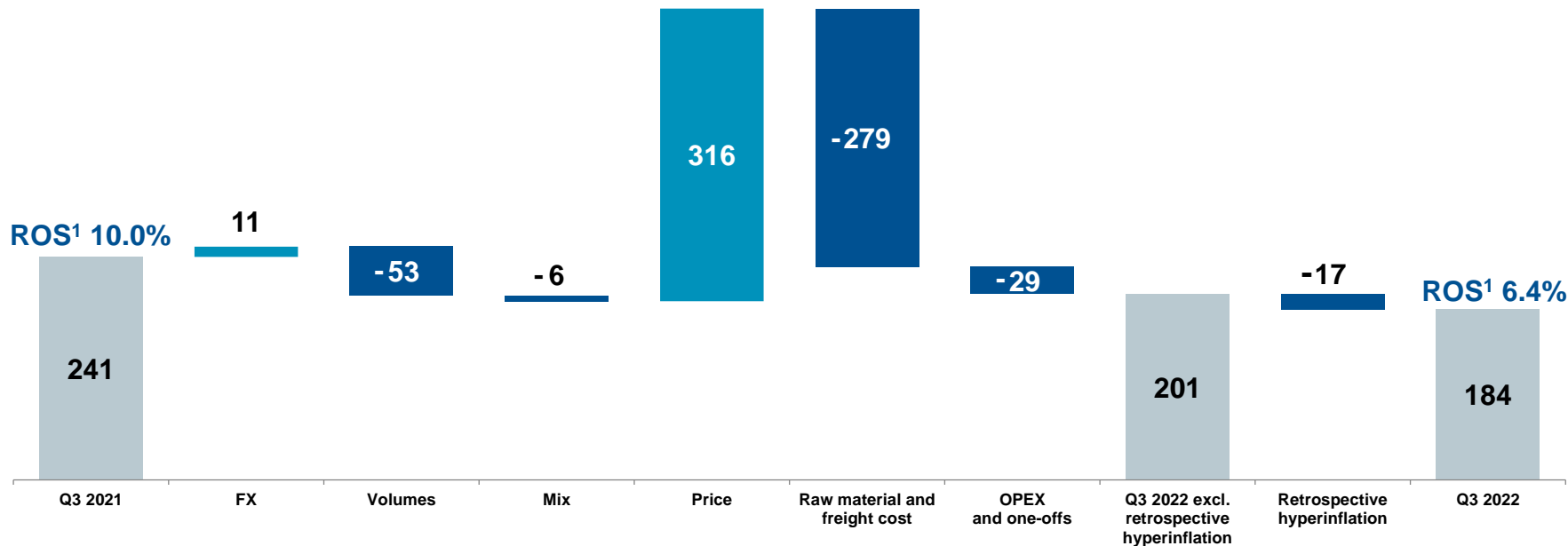
1. Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.

Pricing offsets inflation headwind for the third consecutive quarter

Adjusted operating income¹ (€m)

Positive impact

Negative impact

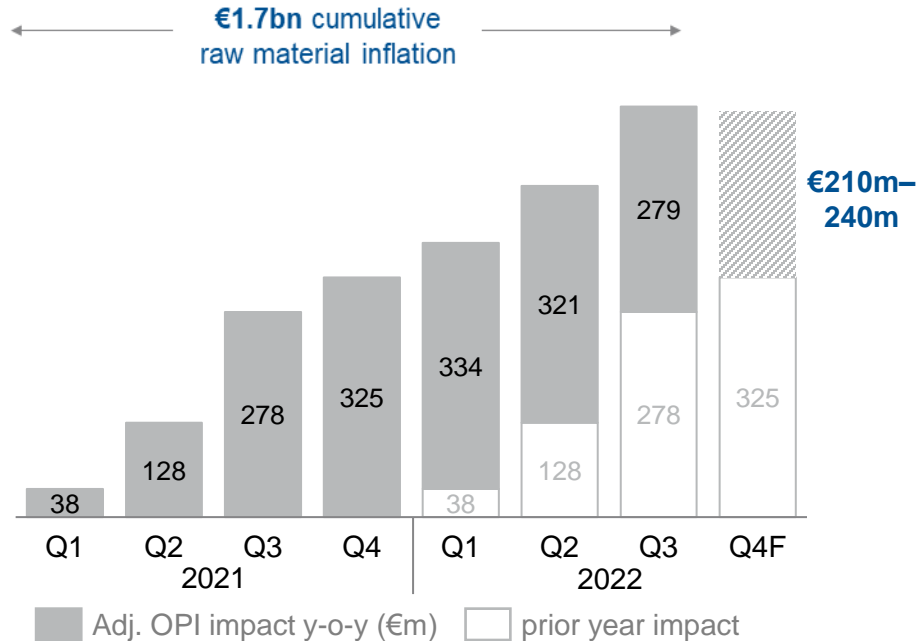


1. Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.

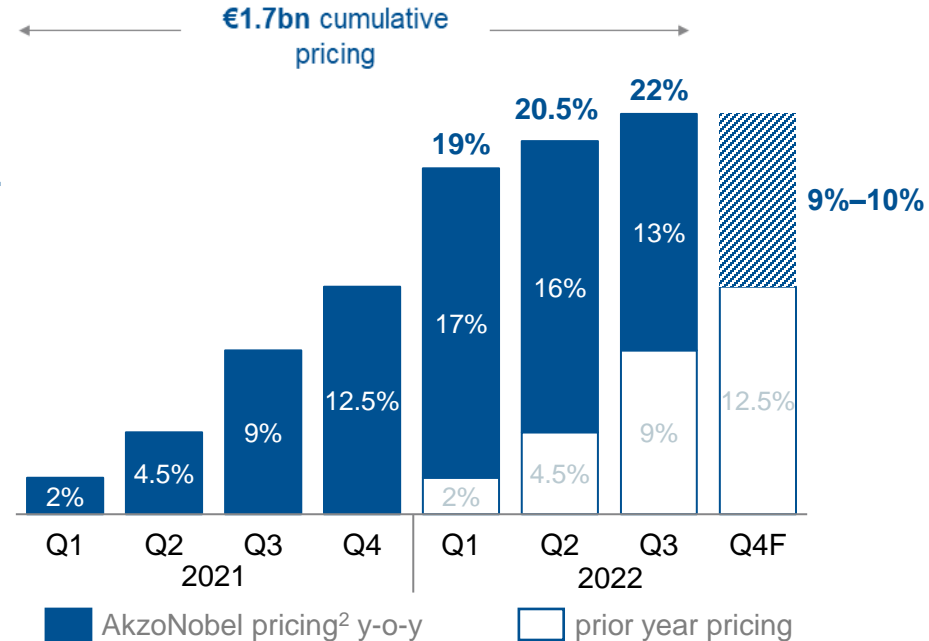
Raw material and freight inflation of €1.7bn fully offset by strong pricing initiatives over Q1'21-Q3'22

AkzoNobel

Raw material and freight inflation¹



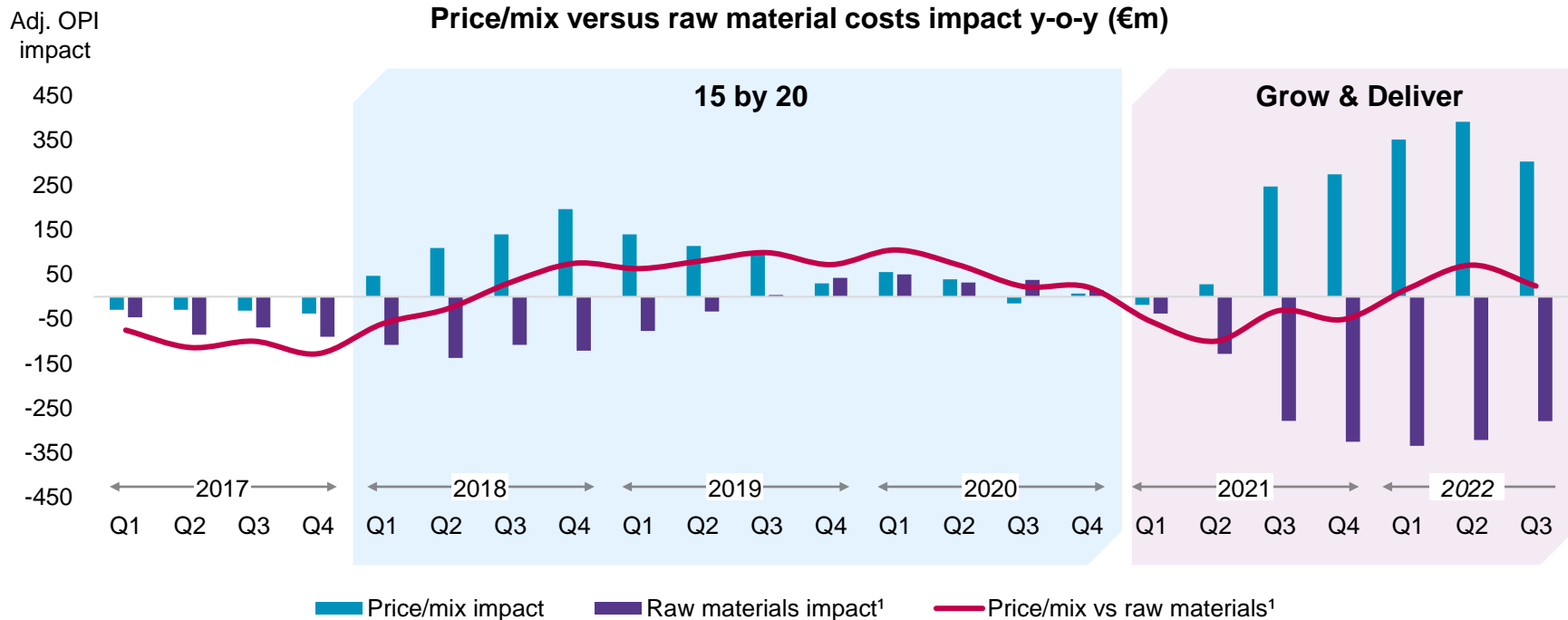
Pricing



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

2. Price only and excluding mix.

Early signs of raw material cycle turning



1. Raw materials impact includes freight from Q1 2022 onwards.

Paints pricing up 11%

Strong growth in LATAM and recovery in South Asia

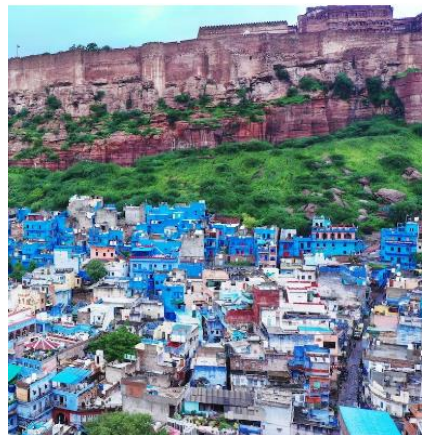
€ million	Q3 2021 ²	Q3 2022	Δ%	Δ%CC
Revenue	1,013	1,170	15%	13%
Adjusted EBITDA ¹	184	148	(20%)	
Adjusted operating income ¹	147	105	(29%)	
excl. retrospective hyperinflation accounting	147	116	(21%)	
ROS¹	14.5%	9.0%		

Revenue development Q3 2022 (%)

■ Increase ■ Decrease



- ↗ **EMEA:** revenue 1% higher, strong pricing and relatively stable demand in professional trade offset by lower volumes in DIY segment
- ↗ **LATAM:** revenue 83% higher driven by pricing, store expansion and Grupo Orbis (revenue up 34% excluding Grupo Orbis)
- ↗ **Asia:** revenue 15% higher due to pricing and volume recovery in South Asia while China impacted by COVID-19 restrictions and softer demand



Jodhpur given a transformational dose of the blues

India's world famous Blue City, Jodhpur, has been repainted and refreshed by AkzoNobel as part of a major "Let's Colour" project involving 250 homes. More than 5,600 liters of Dulux paint has been used to revitalize the iconic area of Rajasthan, which is known the world over as a leading tourist destination. As well as painting exterior walls in a distinctive shade of vibrant blue, the roofs of more than 100 houses have been coated with Dulux Weathershield Protect, which can help to reduce temperatures by up to 5°C.

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

2. 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 pricing up 15%

Volume growth in Automotive & Specialty and Marine & Protective

€ million	Q3 2021 ²	Q3 2022	Δ%	Δ%CC
Revenue	1,396	1,691	21%	15%
Adjusted EBITDA ¹	168	149	(11%)	
Adjusted operating income ¹	127	105	(17%)	
excl. retrospective hyperinflation accounting	127	111	(13%)	
ROS ¹	9.1%	6.2%		

- Industrial: revenue up 17% despite lower volumes from destocking
- Powder: revenue up 7% with material impact from destocking in Europe and North America
- Marine and Protective: revenue up 27% reflecting continued sequential recovery in marine and protective demand
- Automotive and Specialty: revenue up 16% driven by volume growth in aerospace and vehicle refinishes

Revenue development Q3 2022 (%)

■ Increase ■ Decrease



Industry-first tool launched to drive bodyshop sustainability

Bodyshops can now take advantage of the vehicle refinish industry's first repair calculator to measure, manage and reduce carbon emissions, which has been developed by AkzoNobel. Designed to help customers improve their carbon footprint when using the company's premium refinish products, the CO₂eRepairCalculator is part of a new initiative which aims to encourage bodyshops to become more sustainable.

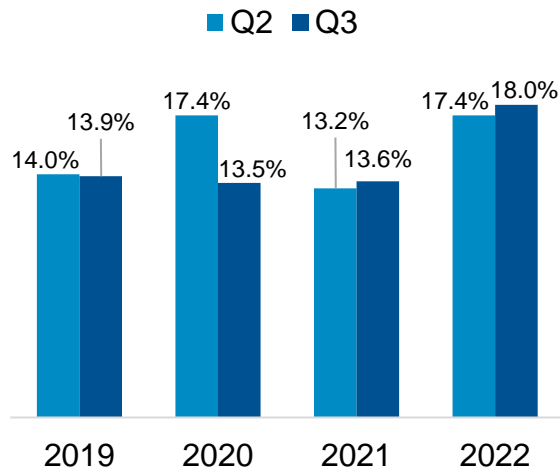
1. Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.

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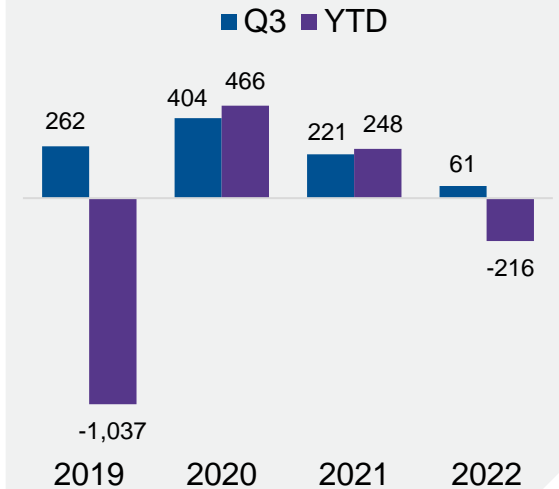
Working capital and free cash flow

Impacted by raw material inflation and destocking in end-markets

Operating working capital (Trade)¹ as a % of revenue



Free cash flow (FCF)² €m excl. pension top-up payments



- Working capital impacted by increase in raw material prices
 - vs Q2, inventory reduction outweighed by lower payables

- Focus2: inventory reduction³**
 - ~€200m by 2022YE
 - ~€100m in early 2023

- Net Debt/EBITDA 3.4 times
 - expected to stay elevated by 2022YE
- Higher leverage partly due to Grupo Orbis acquisition

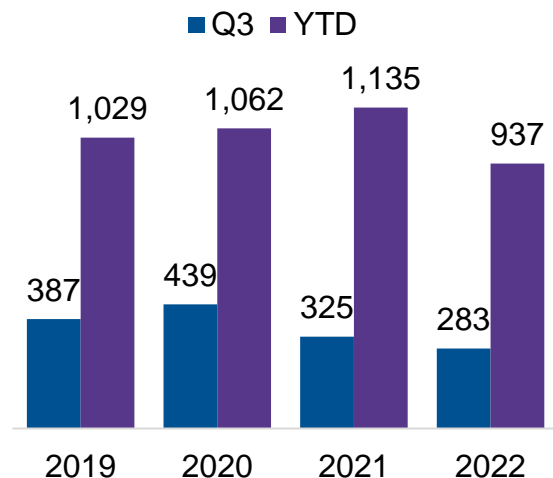
1. Defined as the sum of inventories, trade receivables and trade payables. Operating working capital is measured against four times last quarter revenue.

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

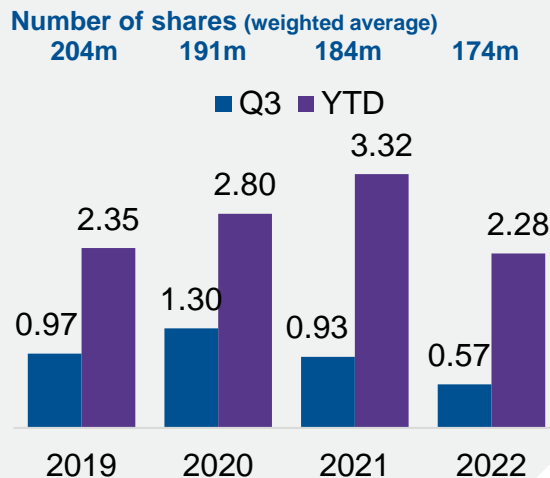
3. Versus Q2 2022 in constant currencies.

Adjusted EBITDA, adjusted EPS and dividends

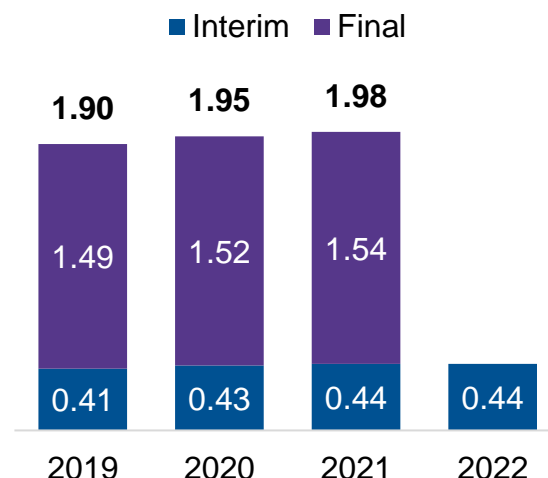
Adjusted EBITDA¹ (€m)



Adjusted earnings per share¹ (EPS) from continuing operations (€)



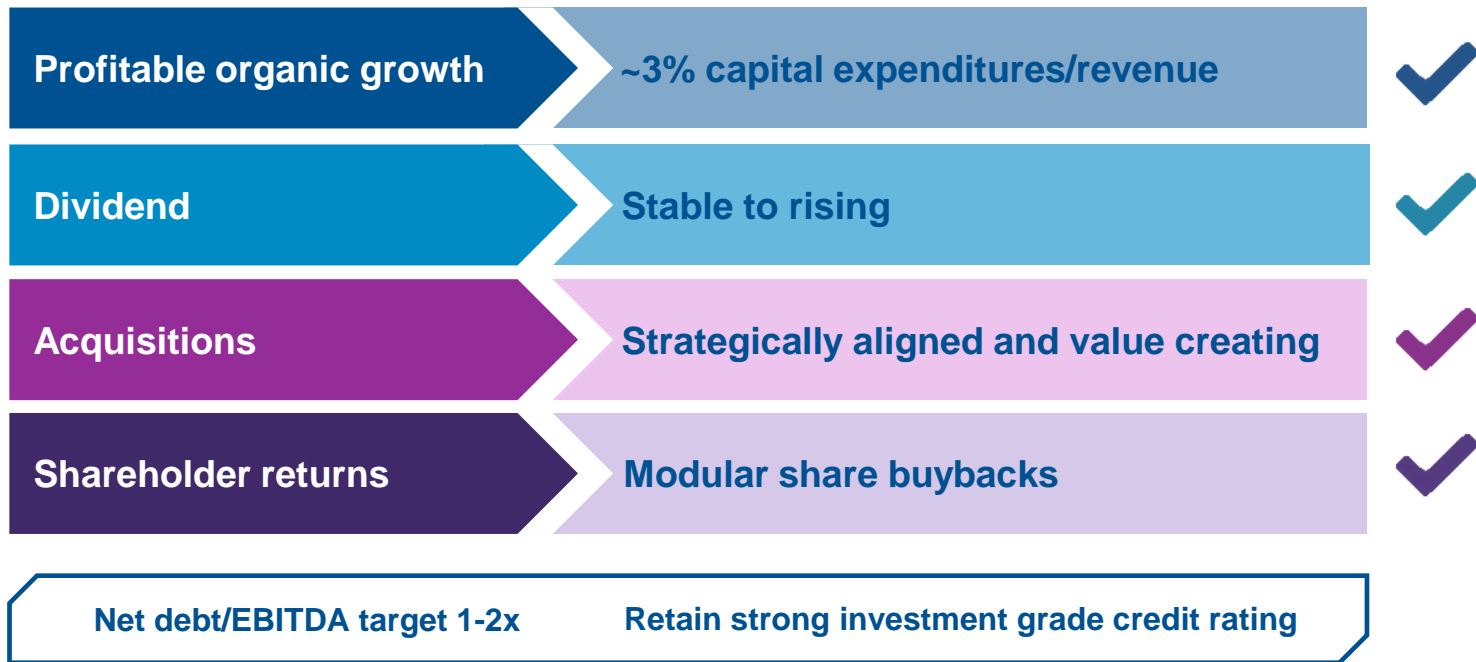
Dividends per share (€)



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

Delivering on capital allocation priorities

AkzoNobel



Concluding remarks

Q3 Highlights

- ⤴ Pricing up 13% compared with Q3 2021. Revenue 19% higher
- ⤴ Weakening consumer confidence resulting in destocking in Europe and softer demand in China
- ⤴ Raw material and freight costs increased €279 million compared with Q3 2021 and were fully offset by pricing of €316 million
- ⤴ Adjusted operating income¹ at €201 million, excl. negative impact of €17m from retrospective hyperinflation accounting
- ⤴ €354m of current €500m share buyback completed by end of Q3
- ⤴ €0.44 per share interim dividend

Q4 Assumptions

- ⤴ Volumes down mid to high-single digit% y-o-y (excluding M&A)
- ⤴ Raw material and freight inflation of €210m- €240m y-o-y
- ⤴ Pricing in the range of 9%-10% y-o-y
- ⤴ Expected adjusted operating income¹ below €150m

Outlook

AkzoNobel targets to grow at or above its relevant markets, in line with the company's Grow & Deliver strategy. Several end markets are expected to experience significant disruptions due to the ongoing deterioration in the macro-economic environment. As such, the company has suspended the ambition of €2 billion adjusted EBITDA for 2023 and will provide further guidance when announcing the full-year 2022 results.

AkzoNobel expects declining raw material cost to have a favorable margin impact for 2023. Margin management and cost reduction programs have been introduced to mitigate the current challenges. The company aims to return to a leverage ratio of around 2 times net debt/EBITDA and is committed to retaining a strong investment grade credit rating.

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

Upcoming events

AkzoNobel

Ex-dividend date of 2022 interim dividend
Record date of 2022 interim dividend
Payment date of 2022 interim dividend
Report for fourth quarter

October 24, 2022
October 25, 2022
November 3, 2022
February 8, 2023

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
- Sustainability fully integrated with our People. Planet. Paint. purpose
- Science Based Targets carbon reduction target of 50% by 2030¹



1. Baseline 2018.

Disclaimer/forward-looking statements

This presentation¹ 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

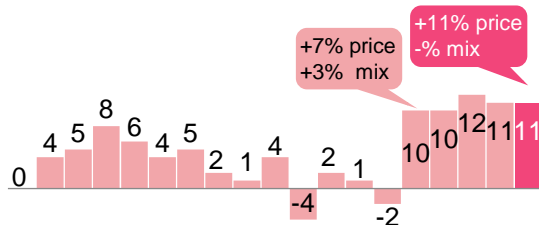
1. Please note numbers in this presentation are unaudited.

Appendix

Robust pricing initiatives continue; Q3 pricing up 13%

Paints

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



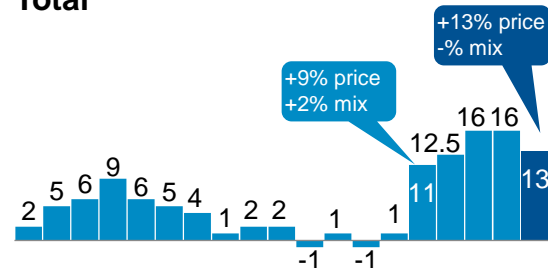
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3
18 18 18 18 19 19 19 19 20 20 20 20 21 21 21 21 22 22 22

Coatings



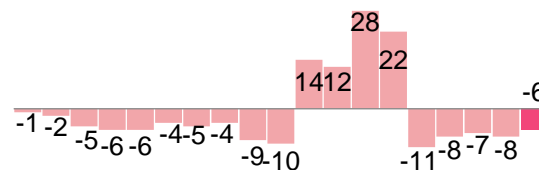
Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3
18 18 18 18 19 19 19 19 20 20 20 20 21 21 21 21 22 22 22

Total

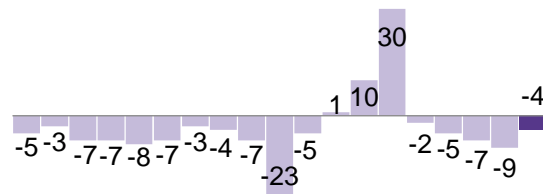


Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1 Q2 Q3
18 18 18 18 19 19 19 19 20 20 20 20 21 21 21 21 22 22 22

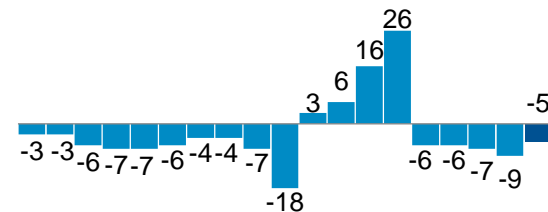
Quarterly volume¹ development in % year-on-year



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



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



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

1. Organic volume development, does not include acquisition impact.

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

Consolidated statement of free cash flows¹

Q3 2021	Q3 2022	€ million	YTD 2021	YTD 2022
313	265	EBITDA	1,170	878
3	2	Impairment losses	3	6
(1)	(3)	Pre-tax results on acquisitions and divestments	(12)	(16)
66	(25)	Changes in working capital	(395)	(713)
23	—	Pension pre-funding	23	48
(1)	(7)	Pension top-up payments	(10)	(8)
(9)	(10)	Other changes in provisions	(105)	(18)
(37)	(34)	Interest paid	(62)	(58)
(67)	(73)	Income tax paid	(157)	(171)
—	11	Other	(28)	24
290	126	Net cash generated from/(used for) operating activities	427	(28)
(70)	(72)	Capital expenditures	(189)	(196)
220	54	Free cash flow	238	(224)
Net Debt			1,983	3,946
Leverage (Net Debt/EBITDA)			1.3	3.4

Operating income to net income

Q3 2021	Q3 2022	€ million	YTD 2021	YTD 2022
226	168	Operating income	913	605
(19)	(33)	Financing income and expenses	(31)	(73)
6	6	Results from associates and joint ventures	21	19
213	141	Profit before tax	903	551
(48)	(51)	Income tax	(244)	(180)
165	90	Profit from continuing operations	659	371
—	(4)	Profit from discontinued operations	5	(10)
165	86	Profit for the period	664	361
(1)	(2)	Non-controlling interests	(22)	(17)
164	84	Net income	642	344
Earnings per share (in €)				
0.89	0.48	Total operations	3.44	1.96
Adjusted earnings per share¹ (in €)				
0.93	0.57	Continuing operations	3.32	2.28

1. 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

Q3 2021	Q3 2022	Δ%	Operating income (€m)	YTD 2021	YTD 2022	Δ%
143	102	(29%)	Decorative Paints	520	343	(34%)
125	98	(22%)	Performance Coatings	488	360	(26%)
(42)	(32)		Other activities	(95)	(98)	
226	168	(26%)	Total	913	605	(34%)

Q3 2021	Q3 2022	Identified items (€m)	YTD 2021	YTD 2022
(4)	(3)	Decorative Paints	42	—
(2)	(7)	Performance Coatings	2	(37)
(9)	(6)	Other activities	(14)	(21)
(15)	(16)	Total	30	(58)

Q3 2021	Q3 2022	Δ%	Adjusted operating income (€m)	YTD 2021	YTD 2022	Δ%
147	105	(29%)	Decorative Paints	478	343	(28%)
127	105	(17%)	Performance Coatings	486	397	(18%)
(33)	(26)		Other activities	(81)	(77)	
241	184	(24%)	Total	883	663	(25%)

Q3 2021	Q3 2022	Δ%	EBITDA (€m)	YTD 2021	YTD 2022	Δ%
226	168	(26%)	Operating income	913	605	(34%)
87	97		Depreciation and amortization	257	273	
313	265	(15%)	EBITDA	1,170	878	(25%)

Q3 2021	Q3 2022	Δ%	Adjusted EBITDA (€m)	YTD 2021	YTD 2022	Δ%
241	184	(24%)	Adjusted operating income	883	663	(25%)
84	99		Depreciation and amortization (excluding Identified items)	252	274	
325	283	(13%)	Adjusted EBITDA	1,135	937	(17%)

Q3 2021	Q3 2022	OPI margin (%)	YTD 2021	YTD 2022
14.1	8.7	Decorative Paints	17.2	10.2
9.0	5.8	Performance Coatings	11.8	7.4
		Other activities ¹		
9.4	5.9	Total	12.7	7.3

Q3 2021	Q3 2022	ROS (%)	YTD 2021	YTD 2022
14.5	9.0	Decorative Paints	15.8	10.2
9.1	6.2	Performance Coatings	11.7	8.1
		Other activities ¹		
10.0	6.4	Total	12.3	8.0

Q3 2021	Q3 2022	Adjusted earnings per share from continuing operations (€m)	YTD 2021	YTD 2022
213	141	Profit before tax from continuing operations	903	551
15	16	Identified items reported in operating income	(30)	58
(1)	—	Identified items reported in interest	(21)	(10)
(54)	(55)	Adjusted income tax	(211)	(181)
(1)	(2)	Non-controlling interests	(22)	(17)
172	100	Adjusted net income from continuing operations	619	401

184.1	174.0	Weighted average number of shares (in millions)	186.6	175.8
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0.93	0.57	Adjusted earnings per share from continuing operations	3.32	2.28
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Average invested capital (€m)	2021	2022	Δ%
Oct'20 – Sep'21/Oct'21 – Sep'22			
Decorative Paints	2,771	3,450	25%
Performance Coatings	3,434	3,856	12%
Other activities	501	438	
Total	6,706	7,744	15%

ROI (%)	2021	2022
Oct'20 – Sep'21/Oct'21 – Sep'22		
Decorative Paints	21.8	12.9
Performance Coatings	20.3	13.6
Other activities ¹		
Total	17.5	11.3

EBITDA (€m)	2021	2022
Oct'20 – Sep'21/Oct'21 – Sep'22		
Operating income	1,156	810
Depreciation and amortization	347	367
EBITDA	1,503	1,177

Net Debt (€m)	Sep 30, 2021	Sep 30, 2022
Short-term investments	(13)	(23)
Cash and cash equivalents	(1,087)	(1,346)
Long-term borrowings	2,000	3,362
Short-term borrowings	1,083	1,953
Total	1,983	3,946

Leverage ratio	2021	2022
Oct'20 – Sep'21/Oct'21 – Sep'22		
Net debt	1,983	3,946
EBITDA	1,503	1,177
Leverage ratio	1.3	3.4

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.

Impact from hyperinflation accounting

€ million	Revenues	Adj. OPI ¹	Net income
Impact related to Q3	19	(8)	(22)
Impact related to H1 recognized in Q3	(6)	(17)	(6)
Total impact recognized in Q3	13	(25)	(28)
YTD impact	26	(30)	(48)

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

Recognized sustainability leader in industry AkzoNobel

