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of possibilities to
bring surfaces to life**

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Analyst update

September 9, 2021

Agenda



Opening remarks



Demand environment



Raw material cost inflation and pricing



Concluding remarks and Q&A

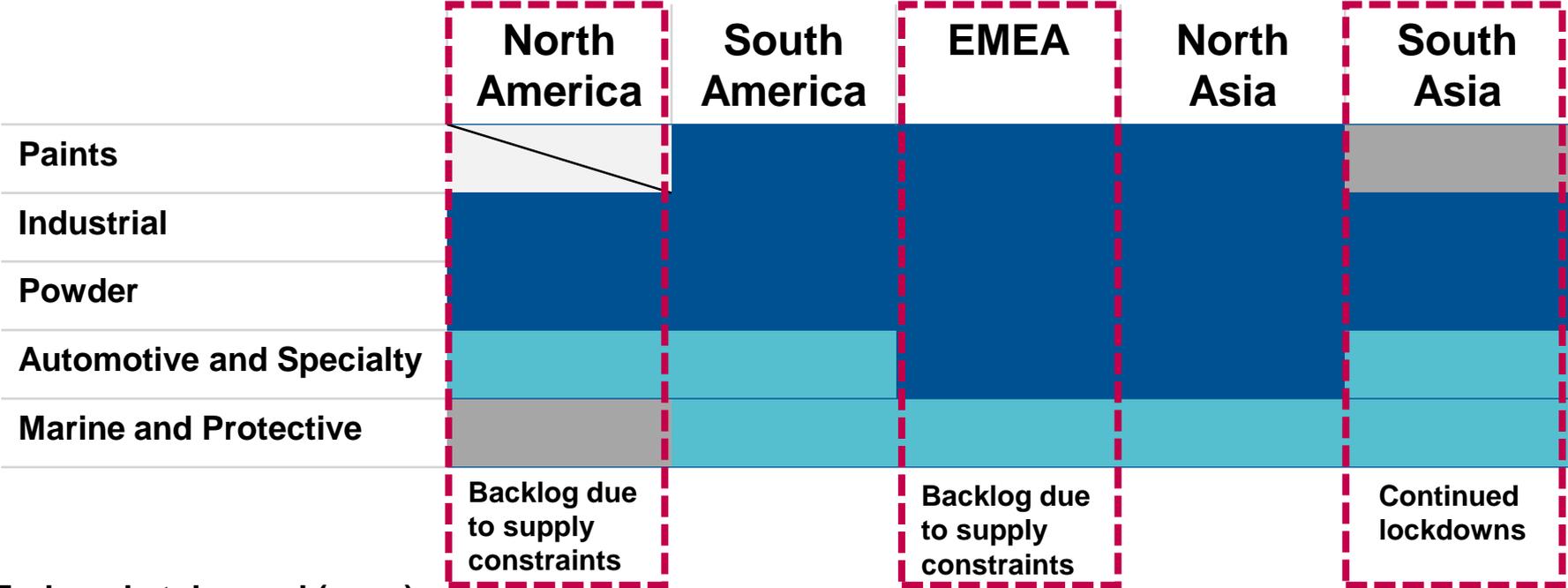
Underlying demand robust, Q3 impacted by ongoing lockdowns and supply constraints

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



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



End market demand (y-o-y)

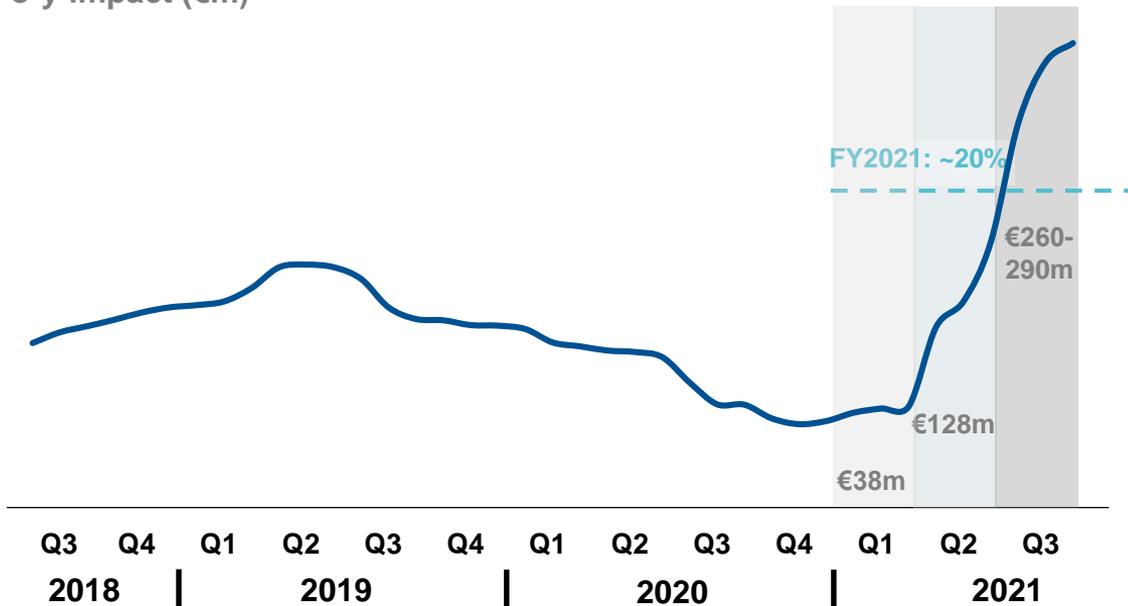
Strong
 Medium
 Weak



Significant raw material cost inflation impacting second half 2021

Raw material price index development

y-o-y impact (€m)

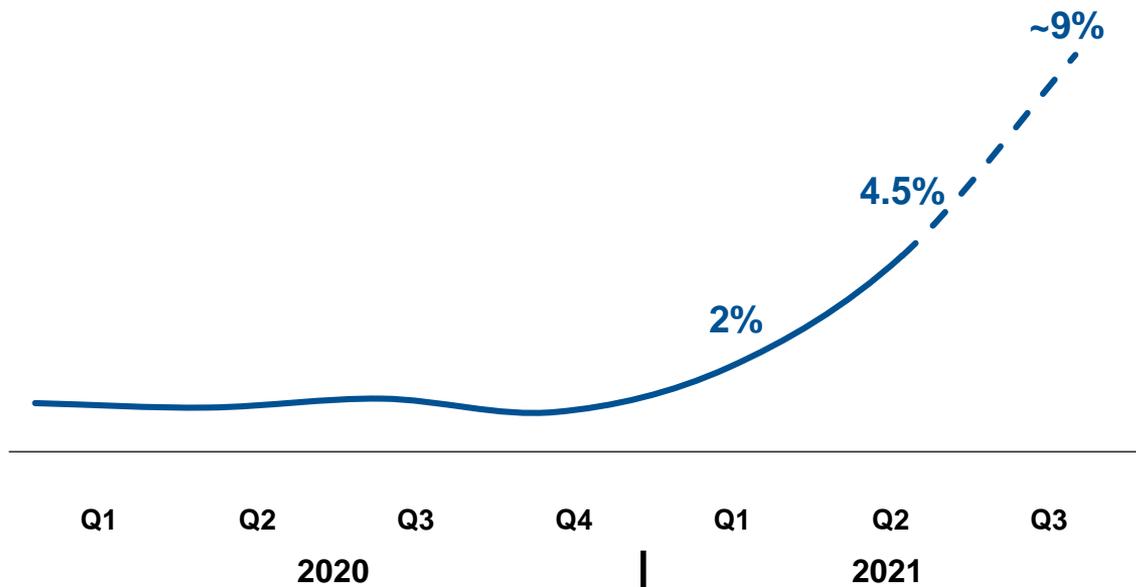


- Expect ~20% raw material cost inflation for 2021 versus prior year
- Q3 raw material cost inflation expected to be €260m-€290m versus prior year



Implementing strong pricing across the board

AkzoNobel pricing (%)*



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

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

Confidence in Grow & Deliver strategy despite near term headwinds

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

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Q&A

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Thank you