



# Winning together: 15 by 20

## People. Planet. Paint.

European ESG and SRI Conference  
November 13, 2019, Société Générale

# AkzoNobel

# **Winning Together: 15 by 20**

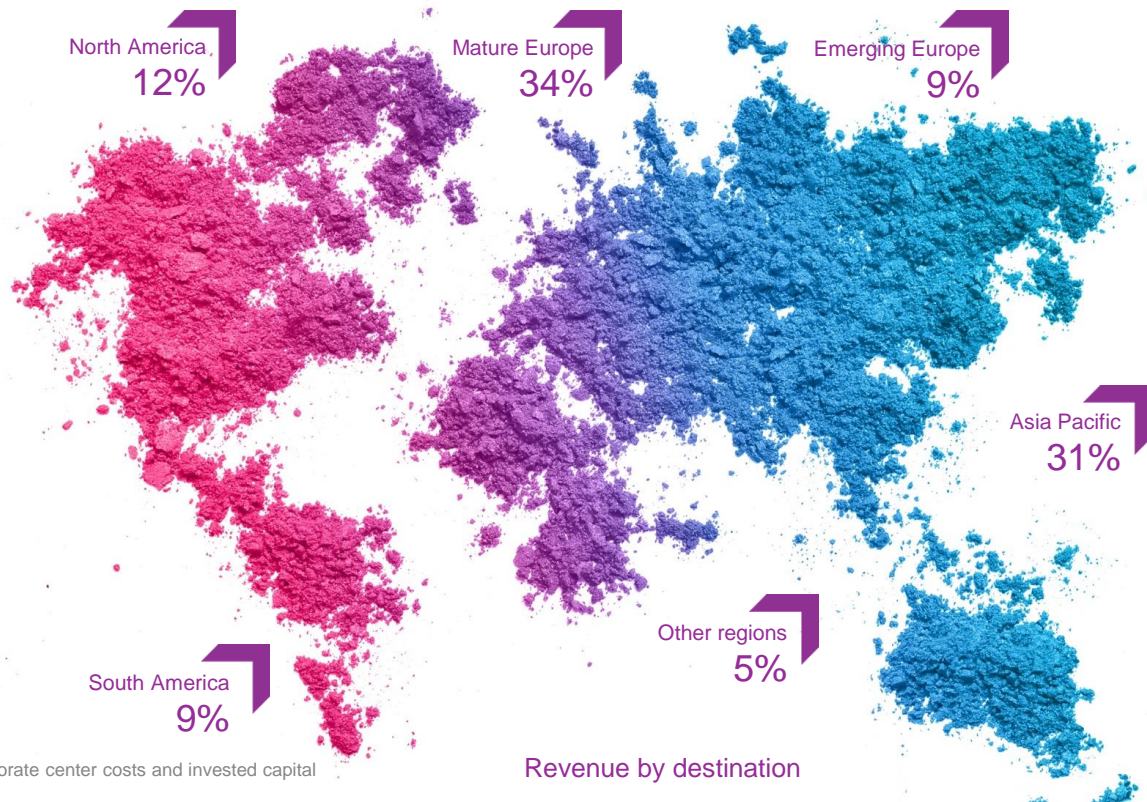
# A focused Paints and Coatings company

# AkzoNobel



**€9.3 bn** revenue  
**€1.0 bn** EBITDA  
**€0.8 bn** EBIT  
**10.6%** ROS  
**12.6%** ROI  
**34,500** employees

All figures are based on year-end 2018, excluding unallocated corporate center costs and invested capital





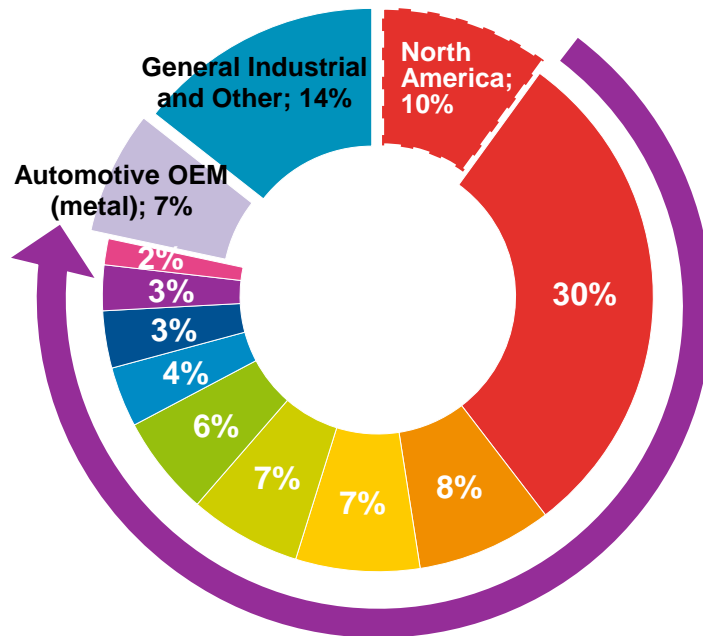
# Top 3 player with leading positions in large and attractive markets

**AkzoNobel**

## Global paints and coatings by market sector

~€110 billion, 2017

- Decorative paints
- Powder coatings
- Protective coatings
- Wood finishes
- Vehicle refinish
- Specialty / plastics
- Marine coatings
- Coil coatings
- Packaging coatings
- Automotive OEM (metal)
- General Industrial / Other



Source: KNG, Internal estimates

Global paints and coatings market  
~€110 bn

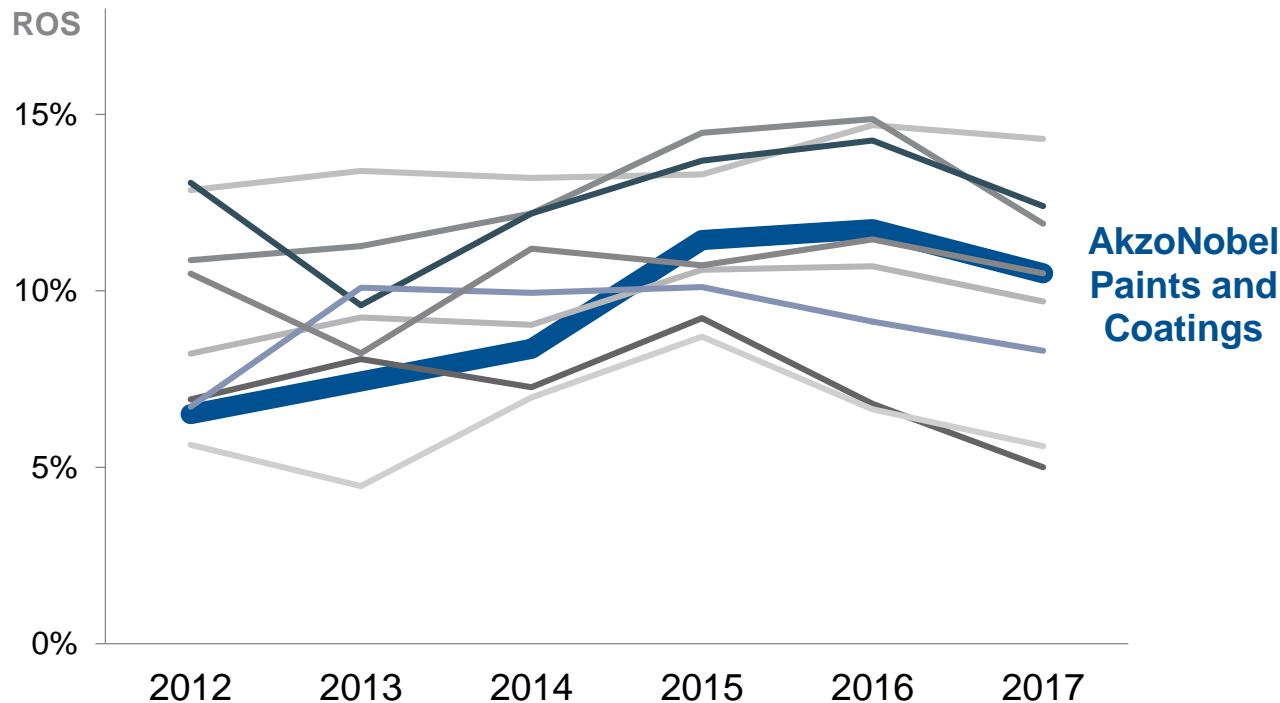
AkzoNobel active markets  
~€70 bn

AkzoNobel  
market share  
~€10 bn

Top 3 players ~30% total market  
Top 20 players ~60% total market

# Performance versus peers improved; potential for further improvement remains

**AkzoNobel**

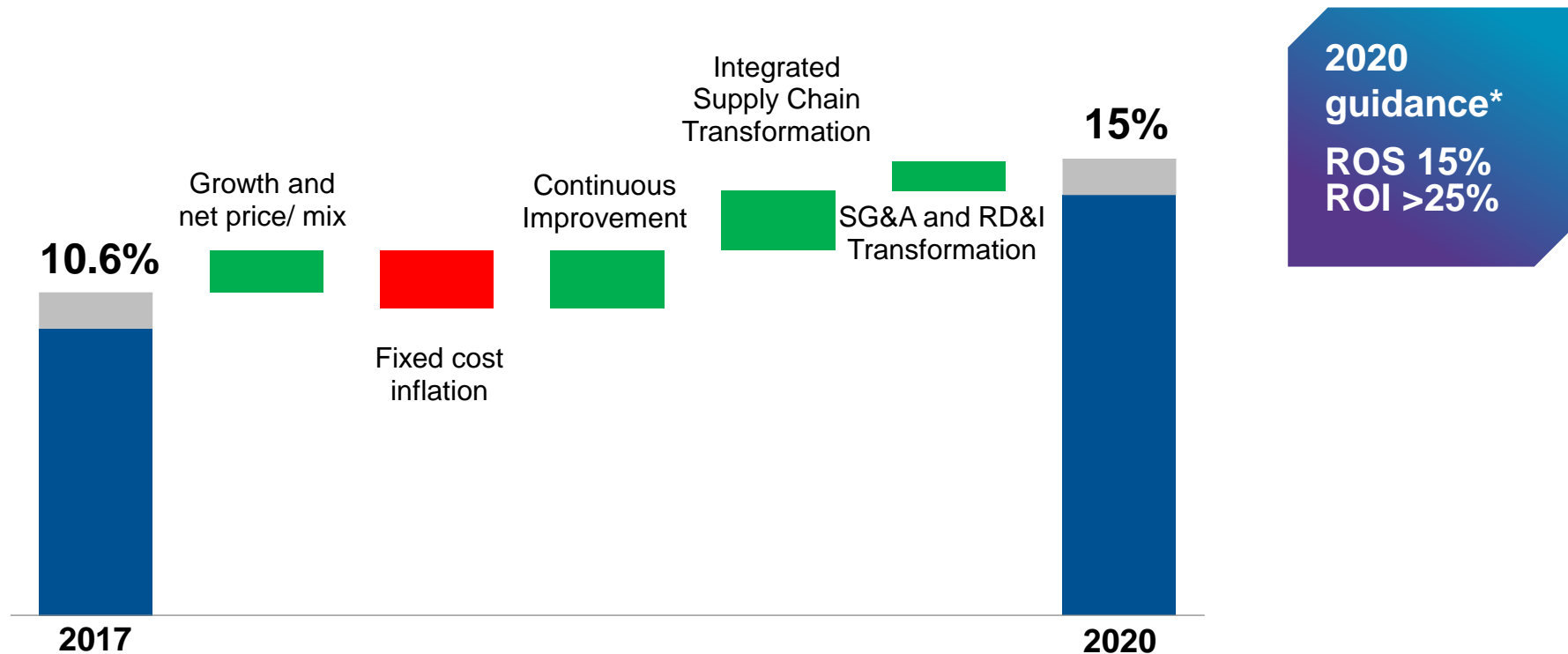


Source: Company data, internal estimates



# Clear path to deliver on 2020 guidance

AkzoNobel



\*Excluding unallocated corporate center costs and invested capital; assumes no significant market disruption

Unallocated corporate cost

**People. Planet. Paint.**

# Our sustainability agenda focuses on where we can have the biggest impact

AkzoNobel

## Resource productivity

We are creating a culture of care for all materials used, eliminating waste and reducing variable cost. Increased resource productivity in our operations and supply chain makes us more competitive and sustainable.

## Value selling

We are innovating to give our customers choice and competitive advantage through product and service offerings designed to bring tangible benefits and deliver positive social and environmental impact.

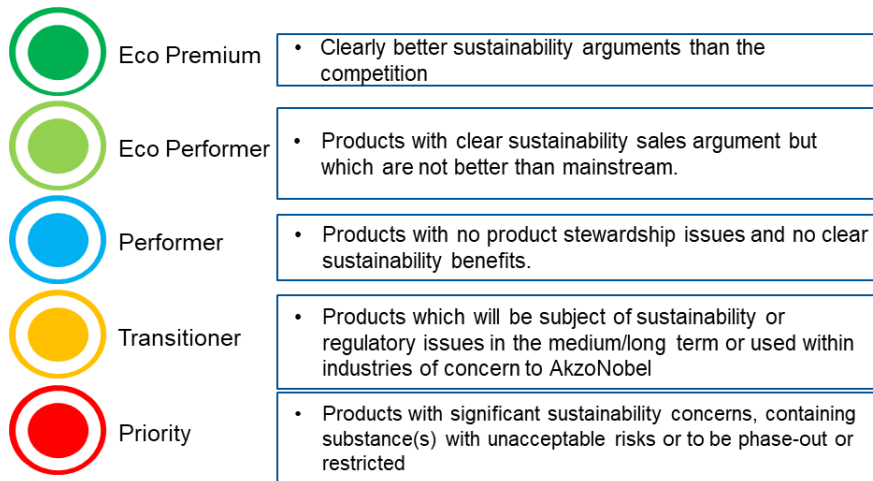




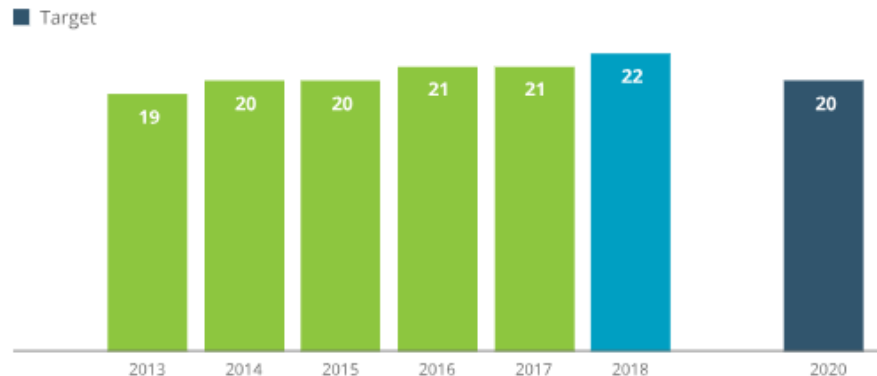
# Sustainable solutions make up more than 40% of total sales

Portfolio review...

... Delivering results \*



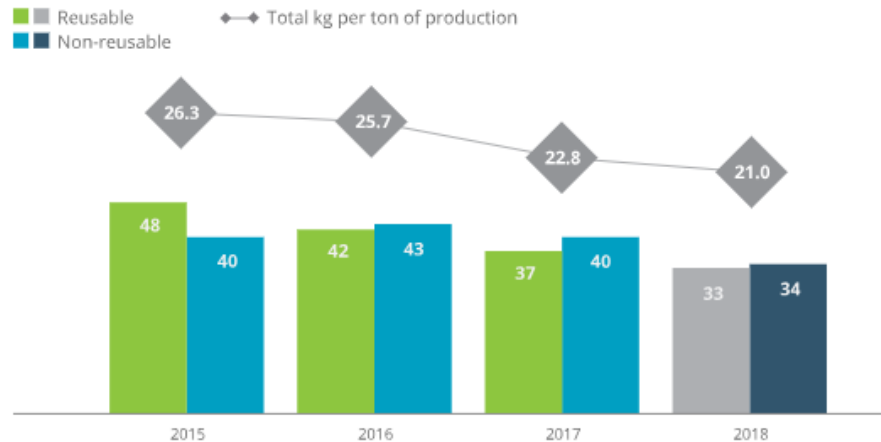
**Eco-premium solutions with customer benefits**  
in % of revenue



# Reducing waste and energy use every year

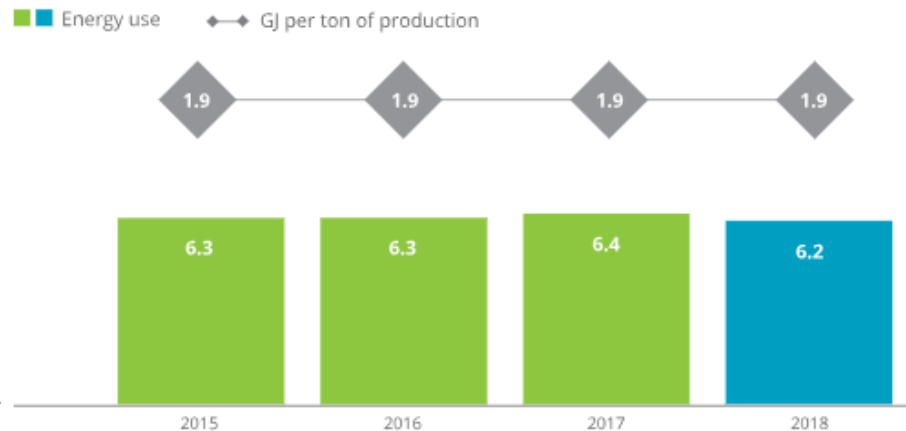
### Total waste

in kilotons



### Energy use

in 1000 TJ



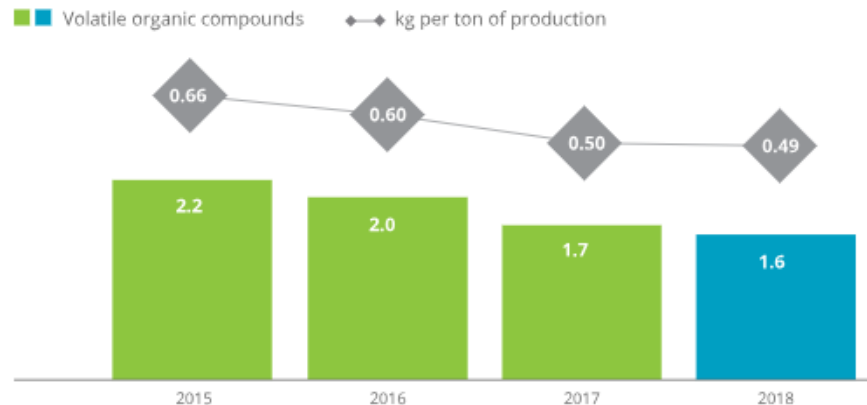
- 40% waste reduction over the last 8 years
- Over 50% of waste is recycled or reuse
- On track for zero waste to landfill by 2020

- 32% of energy comes from renewable sources
- 8 countries and 33 sites have 100% renewable electricity
- 12 sites installed solar panels

# Continuous focus on VOC reduction

## Volatile organic compounds (VOC)

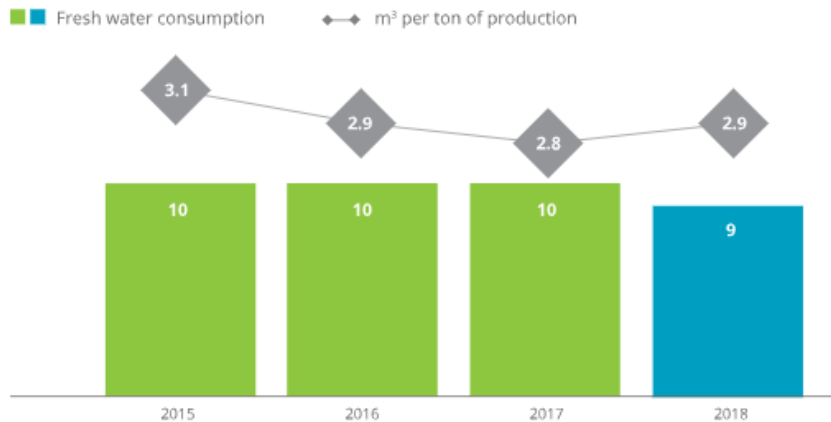
in kilotons



We measure halogenated and non-halogenated organic compounds discharged to air.

## Fresh water use

in million m<sup>3</sup>



Fresh water use is the sum of the intake of groundwater, surface water and potable water

▮ 10% annual reduction of VOC at production

▮ 68% of fresh water intake is from surface water

# Decorative Paints: Sustainable innovation to meet growing demand

**AkzoNobel**



## Dulux Forest Breath

First bio-based interior wall paint in China

Captures and purifies harmful air pollutants like formaldehyde



## Dulux Trade Evolve

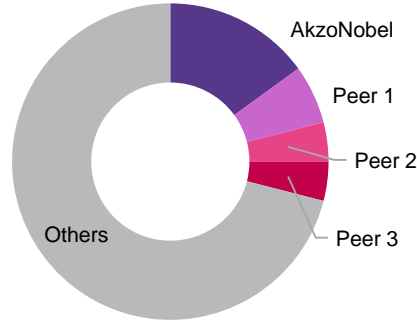
First major manufacturer to launch a recycled paint

Contains 35% recycled paint and meets high standards



# Powder Coatings: Clear global #1 in fastest growing and highly profitable market

**AkzoNobel**



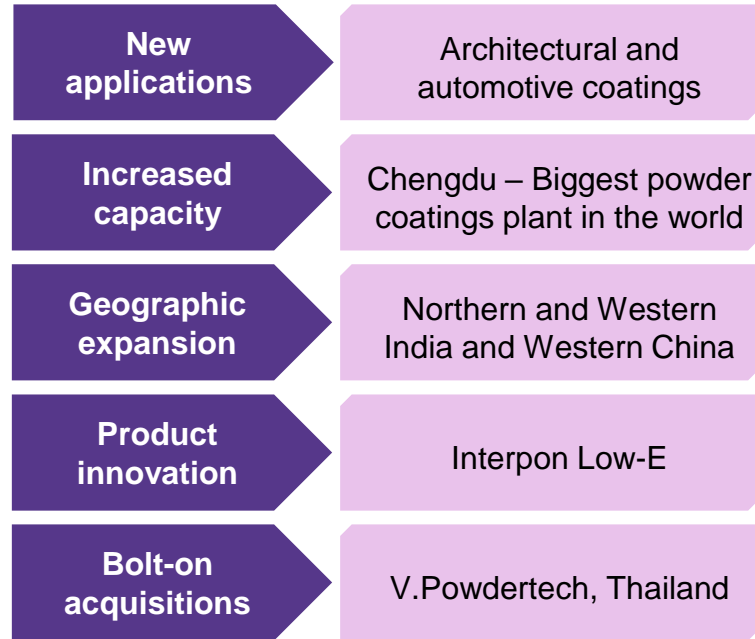
~€8bn market

Growth 2X industrial GDP

#1 with 2x relative market share

**Interpon**  
POWDER COATINGS

## Multiple sources of growth (examples):



Sustainability advantages of powder coatings over liquid coatings:

- Zero Volatile Organic Compounds (VOCs)
- Less waste during application (>95% usage efficiency)

## Interpon Reflex

Reflective coating inside light fixtures increases light reflectance – up to 30% higher output

Interpon Reflex reduces energy use and therefore saves money

## Interpon “Low-E”

Low-E is more energy efficient through faster curing, reducing production cost

Lower curing temperature is more environmentally friendly

# Connecting with communities and supporting their development



# Creating a diverse and inclusive working environment

## Human capital ambitions

	2015	2016	2017	2018	Ambition 2020
Organizational health score				58	(77) <sup>3</sup>
Female executives (in %) <sup>1</sup>	19	19	19	20	25
Female executive potential pool (in %) <sup>1</sup>	25	30	28	31	30
Executive vacancies filled internally (in %) <sup>1</sup>	58	61	74	54	60 <sup>2</sup>
High potential turnover (in %) <sup>1</sup>	6	4	5	8	<5

<sup>1</sup> 2015-2017 data includes discontinued operations.

<sup>2</sup> Previously communicated 70.

<sup>3</sup> Top quartile.





# Continue to focus where we can have the biggest positive impact

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- Powder Coatings for green buildings
- Dulux Weathershield



- Renewable raw materials and paint recycling
- Lower curing technology



- Paint the Future open innovation
- ARC-CBBC for bio-based paints

# Supervisory Board reflects the nature and variety of our businesses

	N.S. Andersen	P. Bruzelius	S. Clark	B. Grote	M. Jaski	P. Kirby	D. Sluimers	P. Thomas	B. Verwaayen
Independent	•	•	•	•	•	•	•	•	•
Consumer Goods end-user segment	•	•	•	•		•			
Industrial end-user segment	•	•		•	•	•	•	•	•
Buildings and Infrastructure end-user segment		•			•			•	
Transportation end-user segment	•		•	•		•	•	•	•
(International) business, commerce, finance/economics	•	•	•	•	•	•	•	•	•
Scientific/information technology experience				•	•	•		•	•
Public sector experience							•		
Management experience	•	•	•	•	•	•	•	•	•
Business strategy planning	•	•	•	•	•	•	•	•	•
Investor relations	•	•	•	•	•	•	•	•	•
Manufacturing experience	•		•	•		•		•	
Supply chain/logistics experience	•			•		•			•
Social, environmental or sustainability experience	•	•	•	•		•	•	•	•
Finance expert		•		•			•		
Four or less external directorships	•	•	•	•	•	•	•	•	•
Dutch/EU national	•	•	•	•	•	•	•	•	•
Non-EU national				•					
Pensions experience		•					•		
Business-to-business sales experience						•		•	•
R&D experience				•	•	•		•	
Legal experience						•			•
Industrial/employment relations								•	
Risk management		•		•	•	•	•		
Consulting		•				•	•		•



**Nils Smedegaard Andersen**  
Chairman of the Supervisory Board



**Ben Verwaayen**



**Byron Grote**



**Dick Sluimers**



**Dr. Pamela Kirby**



**Jolanda Poots-Bijl**



**Michiel Jaski**



**Sue Clark**



**Patrick Thomas**





# AkzoNobel

Challenge Themes 2019:



Smart Application



Circular Solutions



Enhanced Functionality




Life Science Infusion



Predictable Performance

# PAINT THE FUTURE

The **AkzoNobel** startup challenge

Powered by  KPMG



AkzoNobel

**alucha**  
RESOURCES THROUGH INNOVATION

circular  
inorganic  
pigments



qlayers

zero overspray  
application



**SAS** Smart  
Advanced  
Sustainable  
Nanotechnologies

encapsulated  
corrosion  
inhibitors



**INTERFACE**  
POLYMERS

Changing the face of Polyolefins. Forever.

di-block  
resin  
architecture



**ΔPELLIX**

application by  
data driven  
drones



**PAINT  
THE  
FUTURE**



**AkzoNobel**

**People. Planet. Paint.**