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.
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.
## Impact of conflict in Ukraine/Russia

### 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

**Ukraine**
- Business activities suspended

**Financial impact**
- ~€5m OPI impact in Q1 2022

**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)
- Adjusted operating income**: €230m (€307m in Q1’21)
- ROS**: 9.1% (13.6% in Q1’21)
- ROI**: 14.5% (17.7% in Q1’21)
- €64m of new €500m share buyback completed
- €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

**GROW**
- 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

**DELIVER**
- 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
Underlying demand robust, continued supply constraints and China COVID resurgence

<table>
<thead>
<tr>
<th>End market demand (y-o-y)</th>
<th>North America</th>
<th>South America</th>
<th>EMEA</th>
<th>North Asia</th>
<th>South Asia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paints</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Powder</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive and Specialty</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine and Protective</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Backlog due to supply constraints**
- **Strong sequential recovery**
- **COVID restrictions: ~€5m OPI impact in Q1**

Source: Company estimates.
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

Q1'19  Q1'20  Q1'21  Q1'22
- Paints total
- Paints EMEA

Q1'19  Q1'20  Q1'21  Q4'21  Q1'22
- Coatings volumes in Q1
- Coatings volumes in Q4
Powder Coatings

Clear leadership position and aggressively investing for growth

€10bn market

8% market CAGR 2021-23

#1 in the market

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)

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

Highlight:

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

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

* 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

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1 2021</th>
<th>Q1 2022</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,263</td>
<td>2,525</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td>Adjusted EBITDA*</td>
<td>391</td>
<td>317</td>
<td>(19%)</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating income*</td>
<td>307</td>
<td>230</td>
<td>(25%)</td>
<td></td>
</tr>
<tr>
<td>ROS*</td>
<td>13.6%</td>
<td>9.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROI*</td>
<td>17.7%</td>
<td>14.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue development Q1 2022 (%)

- Increase
- Decrease

16
1
2
12

Volumes Price/mix Acquisitions FX Total

-7
1
2
12

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%

<table>
<thead>
<tr>
<th>Q1 2021</th>
<th>FX</th>
<th>Volumes</th>
<th>Mix</th>
<th>Price</th>
<th>Raw material and freight cost</th>
<th>OPEX and one-offs</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>307</td>
<td>3</td>
<td>-50</td>
<td>-20</td>
<td>372</td>
<td>-334</td>
<td>-48</td>
<td>230</td>
</tr>
</tbody>
</table>

Adj. OPI margin* 9.1%

* 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

Price/mix versus raw material costs impact y-o-y (€m)

* Raw materials impact includes freight from Q1 2022 onwards.
Paints revenue up 8% despite DIY normalization

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1 2021**</th>
<th>Q1 2022</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>930</td>
<td>1,006</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Adjusted EBITDA*</td>
<td>179</td>
<td>142</td>
<td>(21%)</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating income*</td>
<td>144</td>
<td>105</td>
<td>(27%)</td>
<td></td>
</tr>
<tr>
<td>ROS*</td>
<td>15.5%</td>
<td>10.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue development Q1 2022 (%)
- Increase
- Decrease

+13% price
-1% mix

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%

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1 2021**</th>
<th>Q1 2022</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,332</td>
<td>1,518</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>Adjusted EBITDA*</td>
<td>225</td>
<td>188</td>
<td>(16%)</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating income*</td>
<td>188</td>
<td>149</td>
<td>(21%)</td>
<td></td>
</tr>
<tr>
<td>ROS*</td>
<td>14.1%</td>
<td>9.8%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue development Q1 2022 (%)

<table>
<thead>
<tr>
<th>Volumes</th>
<th>Price/mix</th>
<th>Acquisitions</th>
<th>FX</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>-7</td>
<td>19</td>
<td>0</td>
<td>2</td>
<td>14</td>
</tr>
</tbody>
</table>

* 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

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

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>Q1'20</th>
<th>Q1'21</th>
<th>Q1'22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>16.5%</td>
<td>13.4%</td>
<td>16.5%</td>
</tr>
</tbody>
</table>

Free cash flow (FCF)** €m

<table>
<thead>
<tr>
<th></th>
<th>Q1'20</th>
<th>Q1'21</th>
<th>Q1'22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>-206</td>
<td>-88</td>
<td>-159</td>
</tr>
</tbody>
</table>

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

Working capital impact from raw material inflation ~2% of revenue
Adjusted EBITDA and adjusted EPS

Adjusted EBITDA* (€m)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1'20</th>
<th>Q1'21</th>
<th>Q1'22</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>302</td>
<td>391</td>
<td>317</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q1'20</th>
<th>Q1'21</th>
<th>Q1'22</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>0.71</td>
<td>1.18</td>
<td>0.86</td>
</tr>
</tbody>
</table>

Number of shares (weighted average)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>194m</th>
<th>189m</th>
<th>178m</th>
</tr>
</thead>
</table>

- €132m in shares repurchased of €1bn program completed in January 2022
- €64m shares repurchased of new €500m buyback program

* 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

- **Profitable organic growth**: ~3% capital expenditures/revenue
- **Dividend**: Stable to rising
- **Acquisitions**: Strategically aligned and value creating
- **Shareholder returns**: Modular share buybacks

- **Net debt/EBITDA target 1-2x**: Retain strong investment grade credit rating
Concluding remarks
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

- Annual general meeting of shareholders: April 22, 2022
- Ex-dividend date of 2021 final dividend: April 26, 2022
- Record date of 2021 final dividend: April 27, 2022
- Payment of 2021 final dividend: May 4, 2022
- Report for the second quarter 2022: July 20, 2022
A focused, high performing, paints and coatings company

- 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*

* 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 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

* Please note numbers in this presentation are unaudited.
Robust pricing initiatives continue, Q1 pricing up 17%

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

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

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

* 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.

**Assumptions for 2022-2023**

- Revenue growth ≥ 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.
## Additional financial information

### Consolidated statement of free cash flows*

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>388</td>
<td>321</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>—</td>
<td>3</td>
</tr>
<tr>
<td>Pre-tax results on acquisitions and divestments</td>
<td>(11)</td>
<td>(13)</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>(291)</td>
<td>(404)</td>
</tr>
<tr>
<td>Pension pre-funding</td>
<td>—</td>
<td>48</td>
</tr>
<tr>
<td>Pension top-up payments</td>
<td>(8)</td>
<td>(1)</td>
</tr>
<tr>
<td>Other changes in provisions</td>
<td>(58)</td>
<td>(13)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(44)</td>
<td>(39)</td>
</tr>
<tr>
<td>Other</td>
<td>(3)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net cash generated from/(used for) operating activities</strong></td>
<td>(31)</td>
<td>(102)</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(57)</td>
<td>(57)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>(88)</td>
<td>(159)</td>
</tr>
</tbody>
</table>

### Operating income to net income

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>303</td>
<td>232</td>
</tr>
<tr>
<td>Net financing expenses</td>
<td>(8)</td>
<td>(12)</td>
</tr>
<tr>
<td>Results from associates and joint ventures</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>302</td>
<td>228</td>
</tr>
<tr>
<td>Income tax</td>
<td>(73)</td>
<td>(62)</td>
</tr>
<tr>
<td><strong>Profit from continuing operations</strong></td>
<td>229</td>
<td>166</td>
</tr>
<tr>
<td>Profit from discontinued operations</td>
<td>(2)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>227</td>
<td>166</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(10)</td>
<td>(12)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>217</td>
<td>154</td>
</tr>
</tbody>
</table>

**Earnings per share (in €)**
- **Total operations** 1.15 0.87
- **Adjusted earnings per share* (in €)** 1.18 0.86

**Net Debt** 1,408 2,687

**Leverage (Net Debt/EBITDA)** 1.0 1.9

---

*Alternative performance measure, for definitions and reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix.*
Investor update | Q1 2022

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 |

Adjustments to EBITDA

EBITDA (€m) | April 2020 - March 2021/April 2021 - March 2022 | 2021 | 2022 | Δ%
--- | --- | --- | --- | ---
Operating income | 1,079 | 1,047 |
Depreciation and amortization | 85 | 89 | | 
EBITDA | 1,164 | 1,136 |

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 | 3,718 |
Short-term borrowings | 141 | 2,008 |
Net Debt | 1,408 | 2,667 |

Leverage ratio

Leverage ratio | April 2020 - March 2021/April 2021 - March 2022 | 2021 | 2022
--- | --- | ---
Net debt | 1,408 | 2,667 |
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.

* OPI margin, ROS and ROI for Other activities are not shown, as this is not meaningful.
Recognized sustainability leader in industry AkzoNobel

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<th>MSCI ESG RATINGS</th>
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<th>Industry average</th>
<th>“Low risk” rating</th>
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Investors

- AkzoNobel
- Industry average

Customers

- AkzoNobel
- Industry average

Investors

- Europe
- AkzoNobel
- Industry average

Society

- AkzoNobel
- Industry average

Europe

- AkzoNobel
- Industry average

Society

- AkzoNobel
- Industry average

Only P&C company rated “AAA”

“Platinum” rating

“Low risk” rating

First in the chemical industry

Included in Clean200

Only chemical company receiving this seal