

# PAINT THE FUTURE

REPORT Q3  
24

# Our results at a glance

## Highlights Q3 2024 (compared with Q3 2023)

- Organic sales up 1% driven by volume growth; revenue down 3%
- Operating income €259 million (2023: €354 million)
- Adjusted EBITDA €394 million (2023: €414 million); Adjusted EBITDA margin 14.8% (2023: 15.1%)
- Net cash from operating activities positive €294 million (2023: positive €297 million)

## Outlook\*

Based on current market conditions and constant currencies, AkzoNobel expects to deliver 2024 adjusted EBITDA of around €1.5 billion.

For the mid-term, AkzoNobel aims to expand profitability to deliver an adjusted EBITDA margin of above 16% and a return on investment between 16% and 19%, underpinned by organic growth and industrial excellence.

The company aims to lower its leverage to around 2.7 times net debt/EBITDA by the end of 2024 and around 2 times in the mid-term, while remaining committed to retaining a strong investment grade credit rating.

\* Outlook is based on organic volumes and constant currencies, and assumes no significant market disruptions.

## Alternative performance measures (APM)

AkzoNobel uses APM adjustments to 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 Notes to the condensed consolidated financial statements, paragraph "Alternative performance measures."

## Summary of financial results

Third quarter			January-September		
2023	2024	Δ%	2023	2024	Δ%
2,741	2,668	(3%)	8,139	8,092	(1%)
354	259	(27%)	815	790	(3%)
30	(44)		(38)	(96)	
324	303	(6%)	853	886	4%
414	394	(5%)	1,116	1,157	4%
15.1	14.8		13.7	14.3	
			8,301	8,243	(1%)
			11.8	13.4	
54	77		172	192	
			4,103	4,069	
			3.2	3.0	
297	294		552	275	
243	217		380	83	
189	163		401	521	
170.6	170.8		170.6	170.7	
1.11	0.95		2.35	3.05	
0.99	1.14		2.64	3.33	

\* Alternative performance measure: For more details on these measures, including reconciliation to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

# Financial highlights

## Q3 2024

### Revenue

Organic sales up 1% due to volume growth in Coatings, driven by high single-digit growth in Marine and Protective and mid single-digit growth in Powder Coatings. Volumes in Paints were flat, with growth in SESA and LATAM, flat volumes in EMEA and a continued challenging market environment in China.

Price/mix was flat, with positive pricing and negative regional mix impact in both Paints and Coatings.

Adverse currencies impacted revenue by 3%, while Other (which mainly relates to hyperinflation accounting) was 1% negative.

## Year-to-date 2024

### Revenue

Organic sales up 2% due to volume growth and higher price/mix, revenue down 1%. Volumes were up 2% in Coatings, while Paints was flat. Volume growth in Coatings was driven by mid single-digit growth in Powder Coatings and strong growth for most Coatings businesses in China. Volumes in Paints were flat, with higher volumes in SESA offset by weaker demand in China. Deco EMEA and LATAM were flat.

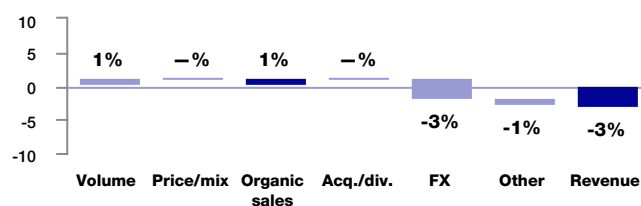
Adverse currencies impacted revenue by 3%, resulting in 1% lower revenue.

### Revenue

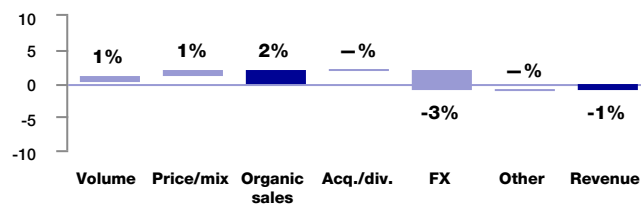
Third quarter					January-September			
2023	2024	Δ%	Δ% Organic*	in € millions	2023	2024	Δ%	Δ% Organic*
1,121	1,089	(3%)	1%	Decorative Paints	3,314	3,284	(1%)	1%
1,620	1,579	(3%)	2%	Performance Coatings	4,825	4,808	—%	2%
—	—			Other activities	—	—		
2,741	2,668	(3%)	1%	Total	8,139	8,092	(1%)	2%

\* Alternative performance measure: For more details on these measures, including explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

### Revenue development Q3 2024



### Revenue development year-to-date 2024



in % versus Q3 2023	Volume	Price /mix	Organic sales	Acq./div	FX	Other	Revenue
Decorative Paints	—	1	1	—	(3)	(1)	(3)
Performance Coatings	2	—	2	—	(3)	(2)	(3)
<b>Total</b>	<b>1</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>(3)</b>	<b>(1)</b>	<b>(3)</b>

in % versus year-to-date 2023	Volume	Price /mix	Organic sales	Acq./div	FX	Other	Revenue
Decorative Paints	—	1	1	1	(3)	—	(1)
Performance Coatings	2	—	2	—	(2)	—	—
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>—</b>	<b>(3)</b>	<b>—</b>	<b>(1)</b>

Volume development per quarter (year-on-year) in %	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Decorative Paints	—	3	1	(1)	—
Performance Coatings	—	3	2	2	2
<b>Total</b>	<b>—</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>

Price/mix development per quarter (year-on-year) in %	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Decorative Paints	3	2	2	—	1
Performance Coatings	3	2	—	2	—
<b>Total</b>	<b>3</b>	<b>2</b>	<b>—</b>	<b>1</b>	<b>—</b>

Organic sales development per quarter (year-on-year) in %	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Decorative Paints	3	5	3	(1)	1
Performance Coatings	3	5	2	4	2
<b>Total</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>2</b>	<b>1</b>

Revenue development per quarter (year-on-year) in %	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Decorative Paints	(3)	(2)	1	(1)	(3)
Performance Coatings	(5)	(3)	(2)	3	(3)
<b>Total</b>	<b>(4)</b>	<b>(3)</b>	<b>(1)</b>	<b>2</b>	<b>(3)</b>

# Financial highlights

## Q3 2024

### Operating income

Operating income at €259 million (2023: €354 million) was significantly impacted by identified items of negative €44 million (2023: positive €30 million) and higher operating costs year-on-year, which showed sequential reduction during the quarter on cost measures. Adjusted gross margin expanded.

Identified items mainly contained restructuring related costs due to the implementation of our restructuring programs, while identified items in 2023 were positive due to property divestments.

### Adjusted EBITDA

Adjusted EBITDA at €394 million (2023: €414 million). Adjusted EBITDA margin at 14.8% (2023: 15.1%).

Adjusted EBITDA includes €6 million negative impact from hyperinflation accounting (2023: €9 million negative).

## Year-to-date 2024

### Operating income

Operating income at €790 million (2023: €815 million), mainly due to identified items of negative €96 million (2023: negative €38 million). Excluding identified items, gross margin expansion more than offset operating cost inflation.

Identified items were mainly related to restructuring related costs, while identified items in 2023 were positively impacted by the benefits of property divestments.

### Adjusted EBITDA

Adjusted EBITDA increased to €1,157 million (2023: €1,116 million). Adjusted EBITDA margin at 14.3% (2023: 13.7%).

Adjusted EBITDA includes €25 million negative impact from hyperinflation accounting (2023: €32 million negative).

### Financing income and expenses

Financing income and expenses amounted to negative €66 million (2023: negative €151 million). The €85 million decrease in expenses is mainly due to hyperinflation accounting and the interest impact related to the release of provisions for uncertain tax positions.

### Income tax

The effective tax rate was 25.2% (2023: 36.1%). The tax rate in 2024 was impacted by the release of provisions for uncertain tax positions and adjustments on the tax positions for the UK ACT case, which together decreased the effective tax rate by 10%. The net derecognition of deferred tax positions and hyperinflation accounting together increased the effective tax rate by 8%.

### Net income

Net income attributable to shareholders was €521 million (2023: €401 million). Earnings per share from total operations was €3.05 (2023: €2.35).

### Adjusted EBITDA\*

Third quarter			January-September		
2023	2024	Δ%	in € millions	2023	2024
196	188	(4%)	Decorative Paints	524	522
245	225	(8%)	Performance Coatings	646	683
(27)	(19)		Other activities	(54)	(48)
414	394	(5%)	<b>Total</b>	1,116	1,157
					4%

\* Alternative performance measure: For more details on these measures, including reconciliation to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

### Operating income

Third quarter			January-September		
2023	2024	Δ%	in € millions	2023	2024
156	127	(19%)	Decorative Paints	401	364
245	171	(30%)	Performance Coatings	543	529
(47)	(39)		Other activities	(129)	(103)
354	259	(27%)	<b>Total</b>	815	790
					(3%)

### Operating income to net income

Third quarter			January-September	
2023	2024	in € millions	2023	2024
354	259	<b>Operating income</b>	815	790
(68)	(19)	Financing income and expenses	(151)	(66)
8	7	Results from associates	20	19
294	247	<b>Profit before tax</b>	684	743
(96)	(77)	Income tax	(247)	(187)
198	170	<b>Profit from continuing operations</b>	437	556
(1)	—	Profit from discontinued operations	(2)	—
197	170	<b>Profit for the period</b>	435	556
(8)	(7)	Non-controlling interests	(34)	(35)
189	163	<b>Net income</b>	401	521

# Decorative Paints

## Highlights Q3 2024

- Organic sales up 1% driven by pricing; revenue down 3%
- Adjusted EBITDA margin at 17.3% (2023: 17.5%)

## Q3 2024

Organic sales up 1% and revenue down 3%. Organic sales growth was due to positive pricing. Volumes were flat, with double digit volume growth in SESA and mid single-digit growth in LATAM, while volumes in China were lower. Deco EMEA was flat.

Adverse currencies impacted revenue by 3% while Other, (which mainly relates to hyperinflation accounting) was 1% negative.

Operating income at €127 million (2023: €156 million), mainly due to identified items of negative €23 million (2023: negative €3 million).

Excluding identified items, gross margin expansion was more than offset by higher operating expenses.

Adjusted EBITDA at €188 million (2023: €196 million). Adjusted EBITDA margin at 17.3% (2023: 17.5%).

## Year-to-date 2024

Organic sales up 1%, revenue down 1%. Organic sales growth was due to positive pricing. Volumes were flat, with high-single digit volume growth in SESA, lower volumes in China and Deco EMEA was flat.

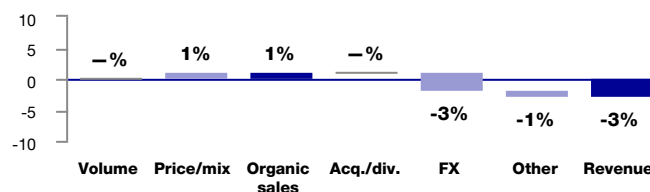
Acquisitions added 1% due to the acquisition of Huarun in China (completed in August 2023), while adverse currencies negatively impacted revenue by 3%.

Operating income at €364 million (2023: €401 million), mainly due to identified items of negative €47 million (2023: negative €17 million).

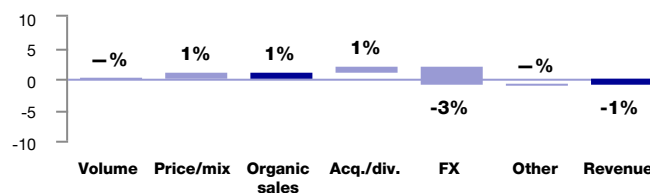
Excluding identified items, margin expansion mitigated operating cost inflation.

Adjusted EBITDA at €522 million (2023: €524 million). Adjusted EBITDA margin at 15.9% (2023: 15.8%).

### Revenue development Q3 2024



### Revenue development year-to-date 2024



## Revenue

Third quarter					January-September			
2023	2024	Δ%	Δ% Organic*	in € millions	2023	2024	Δ%	Δ% Organic*
631	635	1%	2%	Decorative Paints EMEA	1,897	1,935	2%	3%
213	207	(3%)	13%	Decorative Paints Latin America	586	574	(2%)	7%
277	247	(11%)	(11%)	Decorative Paints Asia	831	775	(7%)	(8%)
1,121	1,089	(3%)	1%	Total	3,314	3,284	(1%)	1%

\* Alternative performance measure: For more details on these measures, including explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

## Key financial figures

Third quarter				January-September		
2023	2024	Δ%	in € millions/%	2023	2024	Δ%
156	127	(19%)	Operating income	401	364	(9%)
(3)	(23)		Identified items <sup>1</sup>	(17)	(47)	
(37)	(38)		Depreciation and amortization <sup>2</sup>	(106)	(111)	
196	188	(4%)	Adjusted EBITDA <sup>1</sup>	524	522	—%
17.5	17.3		Adjusted EBITDA margin (%) <sup>1</sup>	15.8	15.9	
			Average invested capital <sup>1</sup>	3,823	3,849	1%
			ROI (%) <sup>1</sup>	12.3	12.8	

<sup>1</sup> Alternative performance measure: For more details on these measures, including reconciliation to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

<sup>2</sup> Excluding identified items.

## Europe, Middle East and Africa

Q3 organic sales up 2% and revenue up 1%. Organic sales growth was driven by positive pricing. Higher volumes in UK, Benelux and Sub-Saharan Africa, while volumes were lower in South Eastern Europe, Central Europe and France.

## Latin America

Q3 organic sales up 13% due to higher volumes and positive pricing, revenue down 3%. Revenue was significantly impacted by currency devaluation. Higher volumes were driven by strong growth in Brazil, partly offset by soft market demand in Colombia. Higher pricing includes inflationary pricing in Argentina.

## Asia

Q3 organic sales down 11% and revenue down 11%, driven by competitive pricing in China and parts of SESA. Double digit volume growth in SESA was driven by strength in India, Vietnam and Indonesia, while China volumes were down due to challenging market conditions.



### Color of the Year radiates True Joy

If any color could paint a smile on your face, it's True Joy, AkzoNobel's Color of the Year for 2025. The sunny yellow shade is on a mission to fill our homes with optimism, pride and a splash of vibrant color. Supported by three complementary color palettes, True Joy is the result of extensive research into color, design, cultural, economic and social trends, which identified a desire to make a joyful leap into the unknown, celebrate craftsmanship and embrace who we are.

# Performance Coatings

## Highlights Q3 2024

- Organic sales up 2%, driven by higher volumes; revenue -3%
- Adjusted EBITDA margin at 14.2% (2023: 15.1%)

## Q3 2024

Organic sales up 2%, driven by volume growth in Marine and Protective, particularly in marine new-build, and Powder Coatings. Price/mix was flat, with positive pricing and negative regional mix.

Adverse currencies negatively impacted revenue by 3%, while Other (which relates to hyperinflation accounting and rounding) was 2% negative.

Operating income at €171 million (2023: €245 million), mainly due to identified items of €10 million negative (2023: €43 million positive). Identified items mainly contained restructuring related costs, while identified items in 2023 were impacted by the benefits of property divestments.

Excluding identified items, operating income decreased due to a combination of lower revenue and higher operating expenses.

Adjusted EBITDA at €225 million (2023: €245 million), with Adjusted EBITDA margin at 14.2% (2023: 15.1%).

## Year-to-date 2024

Organic sales up 2% and revenue flat. Organic sales growth was driven by higher volumes in most businesses, including mid single-digit growth in Powder Coatings and strong growth for most businesses in China.

Price/mix was flat.

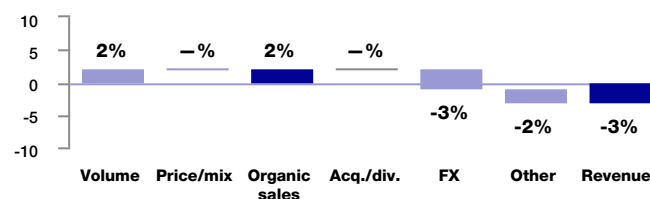
Adverse currencies negatively impacted revenue by 2%.

Operating income at €529 million (2023: €543 million). Gross margin expansion was more than offset by operating cost inflation and higher identified items.

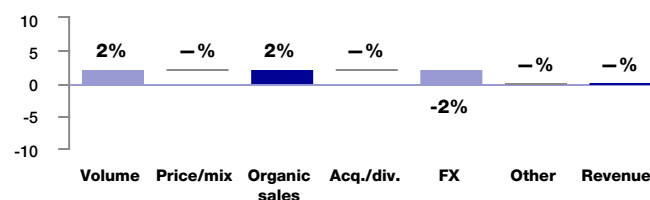
Operating income includes identified items of negative €22 million, mainly due to restructuring related costs (2023: positive €23 million).

Adjusted EBITDA increased to €683 million (2023: €646 million), with Adjusted EBITDA margin at 14.2% (2023: 13.4%).

### Revenue development Q3 2024



### Revenue development year-to-date 2024



### Revenue

Third quarter					January-September			
2023	2024	Δ%	Δ% Organic*	in € millions	2023	2024	Δ%	Δ% Organic*
350	336	(4%)	—%	Powder Coatings	1,039	1,027	(1%)	2%
378	390	3%	7%	Marine and Protective Coatings	1,119	1,161	4%	6%
362	346	(4%)	(1%)	Automotive and Specialty Coatings	1,079	1,082	—%	2%
530	507	(4%)	1%	Industrial Coatings	1,588	1,538	(3%)	—%
1,620	1,579	(3%)	2%	Total	4,825	4,808	—%	2%

\* Alternative performance measure: For more details on these measures, including explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

### Key financial figures

Third quarter				January-September			
2023	2024	Δ%	in € millions / %	2023	2024	Δ%	
245	171	(30%)	Operating income	543	529	(3%)	
43	(10)		Identified items <sup>1</sup>	23	(22)		
(43)	(44)		Depreciation and amortization <sup>2</sup>	(126)	(132)		
245	225	(8%)	Adjusted EBITDA <sup>1</sup>	646	683	6%	
15.1	14.2		Adjusted EBITDA margin (%) <sup>1</sup>	13.4	14.2		
			Average invested capital <sup>1</sup>	3,796	3,765	(1%)	
			ROI (%) <sup>1</sup>	16.3	19.0		

<sup>1</sup> Alternative performance measure: For more details on these measures, including reconciliation to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

<sup>2</sup> Excluding identified items.



## Powder Coatings

Q3 organic sales flat and revenue down 4%. Continued volume growth, especially in the industrial & consumer segment, was partly offset by market weakness in automotive.

## Marine and Protective Coatings

Q3 organic sales up 7% and revenue up 3%, driven by higher volumes in all regions and continued strong volume growth in marine new-build.

## Automotive and Specialty Coatings

Q3 organic sales down 1% and revenue down 4%, driven by lower volumes in automotive due to market weakness, partly offset by growth in aerospace and vehicle refinishes, despite a softening market.

## Industrial Coatings

Q3 organic sales up 1%, revenue down 4%. Organic sales growth due to positive price/mix. Higher volumes driven by a solid quarter in wood adhesives. Coil and packaging market demand was softer in the quarter.



### **Superdurable powder coatings range strengthens carbon reduction commitment**

Architectural customers can now take advantage of a superdurable low-bake powder coating developed by AkzoNobel, which helps to protect building surfaces in more challenging environments. Having launched a standard durability option in 2023, the newly introduced Interpon D2525 Low-E range has been specifically designed to withstand conditions in more extreme locations, such as those exposed to harsh weather.



# Condensed consolidated financial statements

## Condensed consolidated statement of income

Third quarter			January-September	
2023	2024	in € millions	2023	2024
<b>Continuing operations</b>				
2,741	2,668	Revenue	8,139	8,092
(1,619)	(1,585)	Cost of sales	(4,929)	(4,781)
1,122	1,083	<b>Gross profit</b>	3,210	3,311
(815)	(819)	SG&A costs	(2,434)	(2,516)
47	(5)	Other results	39	(5)
354	259	<b>Operating income</b>	815	790
(68)	(19)	Financing income and expenses	(151)	(66)
8	7	Results from associates	20	19
294	247	<b>Profit before tax</b>	684	743
(96)	(77)	Income tax	(247)	(187)
198	170	<b>Profit for the period from continuing operations</b>	437	556
<b>Discontinued operations</b>				
(1)	—	Profit/(loss) for the period from discontinued operations	(2)	—
197	170	<b>Profit for the period</b>	435	556
<b>Attributable to</b>				
189	163	Shareholders of the company	401	521
8	7	Non-controlling interests	34	35
197	170	<b>Profit for the period</b>	435	556

## Condensed consolidated statement of comprehensive income

Third quarter			January-September	
2023	2024	in € millions	2023	2024
197	170	Profit for the period	435	556
<b>Other comprehensive income</b>				
73	(61)	Exchange differences arising on translation of foreign operations	44	24
11	—	Cash flow hedges	2	—
(98)	7	Post-retirement benefits	(189)	(46)
23	(6)	Tax relating to components of other comprehensive income	45	9
9	(60)	<b>Other comprehensive income for the period (net of tax)</b>	(98)	(13)
206	110	<b>Comprehensive income for the period</b>	337	543
<b>Comprehensive income for the period attributable to</b>				
193	104	Shareholders of the company	308	503
13	6	Non-controlling interests	29	40
206	110	<b>Comprehensive income for the period</b>	337	543

## Condensed consolidated balance sheet

in € millions	December 31, 2023	September 30, 2024
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	4,081	4,010
Property, plant and equipment	1,994	2,023
Right-of-use assets	302	309
Other non-current assets	2,137	2,025
<b>Total non-current assets</b>	<b>8,514</b>	<b>8,367</b>
<b>Current assets</b>		
Inventories	1,649	1,805
Trade and other receivables	2,483	2,832
Current tax assets	134	164
Short-term investments	265	222
Cash and cash equivalents	1,513	1,958
<b>Total current assets</b>	<b>6,044</b>	<b>6,981</b>
<b>Total assets</b>	<b>14,558</b>	<b>15,348</b>
<b>Equity and liabilities</b>		
<b>Group equity</b>		
	4,546	4,809
<b>Non-current liabilities</b>		
Provisions and deferred tax liabilities	1,141	1,082
Long-term borrowings	3,165	3,672
<b>Total non-current liabilities</b>	<b>4,306</b>	<b>4,754</b>
<b>Current liabilities</b>		
Short-term borrowings	2,398	2,577
Trade and other payables	2,933	2,928
Current tax liabilities	211	129
Current portion of provisions	164	151
<b>Total current liabilities</b>	<b>5,706</b>	<b>5,785</b>
<b>Total equity and liabilities</b>	<b>14,558</b>	<b>15,348</b>

## Cash flows

Net cash from operating activities in Q3 was an inflow of €294 million (2023: inflow of €297 million), stable compared with prior year, mainly due to a lower outflow from income taxes paid of €106 million (2023: €153 million) and a lower inflow from changes in working capital of €64 million (2023: €97 million).

Net cash from investing activities in Q3 was an outflow of €282 million (2023: outflow of €5 million). The increased outflow was mainly due to temporarily higher capital expenditures as we implement our industrial excellence program, and short-term investments.

Net cash from financing activities in Q3 was an inflow of €824 million (2023: outflow of €133 million). The Q3 2024 inflow was mainly related to changes from borrowings, including the proceeds from a €500 million bond issuance.

## Net debt

At September 30, 2024, net debt was €4,069 million versus €3,785 million at year-end 2023, mainly due to capital expenditures (€192 million) and dividends paid (€286 million), partly offset by net cash generated for the period (€275 million). The net debt/EBITDA leverage ratio at September 30, 2024, was 3.0 (December 31, 2023: 2.7).

### Net debt

in € millions	September 30, 2023	December 31, 2023	September 30, 2024
Short-term investments	(235)	(265)	(222)
Cash and cash equivalents	(1,668)	(1,513)	(1,958)
Long-term borrowings	3,664	3,165	3,672
Short-term borrowings	2,342	2,398	2,577
<b>Total</b>	<b>4,103</b>	<b>3,785</b>	<b>4,069</b>

### Consolidated statements of cash flows

Third quarter		in € millions	January-September	
2023	2024		2023	2024
1,451	1,088	<b>Net cash and cash equivalents at beginning of period</b>	1,398	1,453
198	170	Profit for the period from continuing operations	437	556
89	96	Amortization and depreciation	264	277
—	—	Impairment losses	2	—
68	19	Financing income and expenses	151	66
(8)	(7)	Results from associates	(20)	(19)
(50)	2	Pre-tax result on acquisitions and divestments	(47)	2
96	77	Income tax	247	187
97	64	Changes in working capital	(116)	(424)
(12)	(3)	Changes in post-retirement benefit provisions	(24)	(7)
4	(6)	Changes in other provisions	8	(17)
(41)	(32)	Interest paid	(131)	(145)
(153)	(106)	Income tax paid	(247)	(235)
9	20	Other changes	28	34
297	294	<b>Net cash generated from/(used for) operating activities</b>	552	275
(54)	(77)	Capital expenditures	(172)	(192)
25	2	Acquisitions and divestments net of cash acquired/divested	(14)	13
(9)	(219)	Investments in short-term investments	(33)	(219)
11	—	Repayments of short-term investments	140	263
22	12	Other changes	47	37
(5)	(282)	<b>Net cash generated from/(used for) investing activities</b>	(32)	(98)
(117)	833	Changes from borrowings	13	606
(16)	(5)	Dividends paid	(288)	(286)
—	(4)	Buy-out of non-controlling interests	—	(4)
(133)	824	<b>Net cash generated from/(used for) financing activities</b>	(275)	316
159	836	<b>Net cash generated from/(used for) continuing operations</b>	245	493
(1)	—	Cash flows from discontinued operations	(3)	(4)
158	836	<b>Net change in cash and cash equivalents of continuing and discontinued operations</b>	242	489
1	(21)	Effect of exchange rate changes on cash and cash equivalents	(30)	(39)
1,610	1,903	<b>Net cash and cash equivalents at September 30</b>	1,610	1,903

## Free cash flow

The free cash flow in Q3 2024 was lower compared with Q3 2023, as lower inflow from changes in working capital and higher capital expenditures were only partly offset by lower income taxes paid.

### Consolidated statement of free cash flows

Third quarter		in € millions	January-September	
2023	2024		2023	2024
443	355	<b>EBITDA</b>	1,079	1,067
—	—	Impairment losses	2	—
(50)	2	Pre-tax results on acquisitions and divestments	(47)	2
97	64	Changes in working capital	(116)	(424)
(7)	—	Pension top-up payments	(8)	—
(1)	(9)	Other changes in provisions	(8)	(24)
(41)	(32)	Interest paid	(131)	(145)
(153)	(106)	Income tax paid	(247)	(235)
9	20	Other	28	34
297	294	<b>Net cash generated from/(used for) operating activities</b>	552	275
(54)	(77)	Capital expenditures	(172)	(192)
243	217	<b>Free cash flow</b>	380	83

## Shareholders' equity

Shareholders' equity amounted to €4.6 billion at September 30, 2024, compared with €4.3 billion at year-end 2023. The main movements in 2024 related to:

- Profit for the period of €521 million
- Dividend of €263 million

## Dividend

The dividend policy remains unchanged and is to pay a stable to rising dividend. An interim dividend of €0.44 per share will be paid. In 2023, an interim dividend of €0.44 per share was also paid.

A final 2023 dividend of €1.54 per common share (2022: €1.54) was approved at the AGM on April 25, 2024, which resulted in a total 2023 dividend of €1.98 per share (2022: €1.98).

## Outstanding share capital

The outstanding share capital was 170.8 million common shares at the end of September 2024. The weighted average number of shares in Q3 2024 was 170.8 million shares.

## Consolidated statement of changes in equity

in € millions	Subscribed share capital	Cash flow hedge reserve	Cumulative translation reserves	Other (legal) reserves and undistributed profit	Shareholders' equity	Non-controlling interests	Group equity
Balance at December 31, 2022	87	(34)	(656)	4,936	4,333	215	4,548
Profit for the period	—	—	—	401	401	34	435
Other comprehensive income/(expense)	—	2	49	(189)	(138)	(5)	(143)
Tax on other comprehensive income	—	—	(1)	46	45	—	45
<b>Comprehensive income for the period</b>	<b>—</b>	<b>2</b>	<b>48</b>	<b>258</b>	<b>308</b>	<b>29</b>	<b>337</b>
Dividend	—	—	—	(263)	(263)	(21)	(284)
Share buyback	(2)	—	—	2	—	—	—
Equity-settled transactions	—	—	—	14	14	—	14
Acquisitions and divestments	—	—	—	(1)	(1)	—	(1)
<b>September 30, 2023</b>	<b>85</b>	<b>(32)</b>	<b>(608)</b>	<b>4,946</b>	<b>4,391</b>	<b>223</b>	<b>4,614</b>
Balance at December 31, 2023	85	—	(711)	4,948	4,322	224	4,546
Profit for the period	—	—	—	521	521	35	556
Other comprehensive income/(expense)	—	—	19	(46)	(27)	5	(22)
Tax on other comprehensive income	—	—	(1)	10	9	—	9
<b>Comprehensive income for the period</b>	<b>—</b>	<b>—</b>	<b>18</b>	<b>485</b>	<b>503</b>	<b>40</b>	<b>543</b>
Dividend	—	—	—	(263)	(263)	(31)	(294)
Share buyback	—	—	—	—	—	—	—
Equity-settled transactions	—	—	—	18	18	—	18
Acquisitions and divestments	—	—	—	(3)	(3)	(1)	(4)
<b>September 30, 2024</b>	<b>85</b>	<b>—</b>	<b>(693)</b>	<b>5,185</b>	<b>4,577</b>	<b>232</b>	<b>4,809</b>

## Invested capital

Invested capital\* at September 30, 2024, totaled €8.3 billion, up €0.5 billion from year-end 2023. This increase was mainly caused by seasonal patterns resulting in higher trade receivables and inventories.

### Invested capital

in € millions	September 30, 2023	December 31, 2023	September 30, 2024
Trade receivables	2,490	2,187	2,433
Inventories	1,717	1,649	1,805
Trade payables	(2,342)	(2,312)	(2,345)
<b>Operating working capital (trade)</b>	<b>1,865</b>	<b>1,524</b>	<b>1,893</b>
Other working capital items	(356)	(402)	(149)
Non-current assets	8,422	8,514	8,367
Less investments in associates	(211)	(216)	(226)
Less pension assets	(891)	(1,017)	(1,039)
Deferred tax liabilities	(512)	(557)	(514)
<b>Invested capital</b>	<b>8,317</b>	<b>7,846</b>	<b>8,332</b>

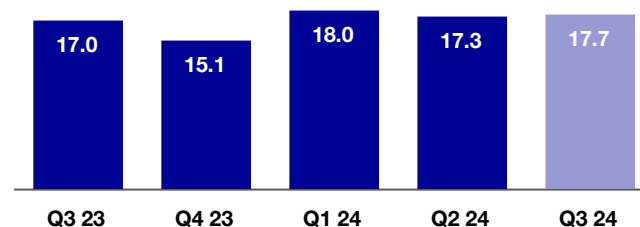
## Operating working capital (trade)

Operating working capital (trade)\* was €1.9 billion at September 30, 2024 (September 30, 2023: €1.9 billion).

Operating working capital (trade) as a percentage of revenue was 17.7% in Q3 2024, compared with 17.0% in Q3 2023, mainly due to higher inventories.

### Operating working capital (trade)

As % of revenue



\* Alternative performance measures: For more details on these measures, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

# Notes to the condensed consolidated financial statements

## General information

Akzo Nobel N.V. is a public limited liability company headquartered in Amsterdam, the Netherlands. The interim condensed consolidated financial statements include the condensed financial statements of Akzo Nobel N.V. and its consolidated subsidiaries (in this document referred to as "AkzoNobel", "the Group" or "the company"). The company was incorporated under the laws of the Netherlands and is listed on Euronext Amsterdam.

## Basis of preparation

All figures in this report are unaudited. The interim condensed consolidated financial statements were discussed and approved by the Board of Management and the Supervisory Board. These interim condensed financial statements have been authorized for issue.

The interim condensed consolidated financial statements should be read in conjunction with AkzoNobel's consolidated financial statements in the 2023 annual report as published on February 28, 2024. The 2023 financial statements were adopted by the Annual General Meeting of shareholders on April 25, 2024. In accordance with Article 393 of Book 2 of the Dutch Civil Code, PricewaterhouseCoopers Accountants N.V. has issued an unqualified auditor's opinion on the 2023 financial statements.

## Accounting policies

The material accounting policies applied in the interim condensed consolidated financial statements are consistent with those applied in AkzoNobel's consolidated financial statements for the year ended December 31, 2023, except for IFRS standards and interpretations becoming effective on January 1, 2024. This includes, among others, amendments to IAS 1 "Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants", amendments to IFRS 16 "Lease Liability in a Sale and Leaseback" and amendments to IAS 7 and IFRS 7 "Disclosures: Supplier Finance Arrangements".

These changes have been assessed for their potential impact. It was concluded that these changes do not have a material effect on AkzoNobel's consolidated financial statements.

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 "Interim financial reporting".

Further, in 2024, Pillar Two regulation came into force. Year-to-date, the implementation did not have a material impact on the effective tax rate.

## Seasonality

Revenue and results in Decorative Paints are impacted by seasonal influences. Revenue and profitability tend to be higher in the second and third quarter of the year as weather conditions determine whether paints and coatings can be applied.

In Performance Coatings, revenue and profitability vary, among others, with building patterns from original equipment manufacturers.

## Other activities

In Other activities, we report activities which are not allocated to a particular segment.

## Revenue disaggregation

The table below reflects the disaggregation of revenue. Additional disaggregation of revenue is included on the respective pages of Decorative Paints and Performance Coatings.

Revenue disaggregation				January-September 2024
in € millions	Decorative Paints	Performance Coatings	Other	Total
The Netherlands	173	82	—	255
Other EMEA countries	1,762	1,888	—	3,650
North Asia	362	894	—	1,256
South East and South Asia	413	560	—	973
North America	—	1,040	—	1,040
Latin America	574	344	—	918
<b>Total</b>	<b>3,284</b>	<b>4,808</b>	<b>—</b>	<b>8,092</b>
Timing of revenue recognition				
Goods transferred at a point in time	3,229	4,661	—	7,890
Services transferred over time	55	147	—	202
<b>Total</b>	<b>3,284</b>	<b>4,808</b>	<b>—</b>	<b>8,092</b>

## Hyperinflation accounting (Türkiye and Argentina)

For Türkiye and Argentina, hyperinflation accounting is applied. The impact of the application of hyperinflation accounting, which includes the use of end of period rates to translate the statement of the income statement, is shown in the table below.

Hyperinflation accounting				
Third quarter			January-September	
2023	2024	in € millions	2023	2024
44	(3)	<b>Revenue</b>	(6)	<b>13</b>
(9)	(15)	<b>Operating income</b>	(32)	<b>(39)</b>
(17)	1	Hyperinflation: gain/loss on net monetary position	(32)	<b>18</b>
(2)	2	Other financing income/expenses	(1)	<b>1</b>
(28)	(12)	<b>Profit before tax</b>	(65)	<b>(20)</b>
(9)	2	Income tax	(16)	<b>(12)</b>
(37)	(10)	<b>Profit for the period</b>	(81)	<b>(32)</b>
4	2	Non-controlling interests	8	<b>7</b>
(33)	(8)	<b>Net income</b>	(73)	<b>(25)</b>

Hyperinflation impact on adjusted operating income year-to-date was €25 million negative (2023: €32 million negative); the impact for Q3 was €6 million negative (2023: €9 million negative).

## Workforce

At September 30, 2024, the number of employees was 35,400 (June 30, 2024: 35,700).

## Pensions

The net balance sheet position (according to IAS19) of the pension plans at the end of Q3 was a surplus of €0.7 billion (year-end 2023: surplus of €0.7 billion). The development during 2024 was mainly the net effect in key countries of higher discount rates and lower plan asset returns.

## Financial risk management

The consolidated financial statements for the year ended December 31, 2023, provide a description of the financial risks faced by the company in its regular operations, as well as the policies and procedures established to mitigate these risks.

The risks, policies and procedures outlined in the consolidated financial statements are still applicable and relevant.

The carrying amount of the financial assets and current liabilities is a reasonable approximation of their fair value. The fair value of total borrowings as at September 30, 2024, was €6,147 million (December 31, 2023: €5,405 million); the carrying amount measured at amortized cost was €6,249 million (December 31, 2023: €5,563 million).

During the nine months ended September 30, 2024, there have been no material changes in the fair value hierarchy.

## Related parties

AkzoNobel traded goods and services with various related parties in which we hold a 50% or less equity interest (associates). We consider the members of the Executive Committee and the Supervisory Board to be the key management personnel as defined in IAS 24 "Related parties".

In the ordinary course of business, we have transactions with various organizations with which certain members of the Supervisory Board and Executive Committee are associated.

## Alternative performance measures

In presenting and discussing AkzoNobel's operating results, management uses certain alternative performance measures (APM) not defined by IFRS. Management considers these alternative performance measures to be relevant supplementary indicators of the company's performance. These or similar measures are widely used in the industry to assess operational performance, developments and positions. Management believes that reporting these measures supports readers' understanding of, among others, the company's sales performance, profitability, financial strength and funding requirements.

Alternative performance measures should not be viewed in isolation as alternatives to the equivalent IFRS measures. Rather, they should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Alternative performance measures do not have a standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies.

Explanations and reconciliations of the alternative performance measures to the most directly comparable IFRS measures can be found in this paragraph.

## Identified items

Identified items are special charges and benefits, (post) acquisition and divestment related items, major restructuring and impairment charges, charges and benefits related to major legal, environmental and tax cases, and hyperinflation accounting adjustments for inventory positions that exceed normal operational levels.

Since Q2 2024, "hyperinflation accounting adjustments for inventory positions that exceed normal operational levels" have been added to the definition of identified items. With this change, the most excessive shifts between financing income and operating income are taken out and the alternative performance measures provide a better view of the underlying business performance in hyperinflationary environments. Prior period figures have not been restated, as the impact for prior periods was immaterial.

Identified items are excluded when calculating adjusted operating income, adjusted EBITDA, adjusted EBITDA margin, return on investments (ROI) and adjusted earnings per share (EPS).



## Adjusted EBITDA

Adjusted EBITDA is operating income excluding depreciation, amortization and identified items.

Adjusted EBITDA is used to evaluate the performance of the company and its segments. By excluding identified items, the comparability of the operational results increases and financial performance can be evaluated more effectively. Management views adjusted EBITDA as an appropriate measure for (segment) performance.

## Adjusted EBITDA margin

Adjusted EBITDA margin is an operational profit margin. Adjusted EBITDA margin is adjusted EBITDA as a percentage of revenue. The measure provides a clear picture of (the development of) profitability.

Adjusted EBITDA margin				
Third quarter			January-September	
2023	2024	in %	2023	2024
17.5	17.3	Decorative Paints	15.8	15.9
15.1	14.2	Performance Coatings	13.4	14.2
		Other activities*		
15.1	14.8	<b>Total</b>	13.7	14.3

\* Adjusted EBITDA margin for Other activities is not shown, as this is not meaningful

## Free cash flow

AkzoNobel reports on free cash flow as management believes it to be a useful measure to provide additional insight into the cash generating capability of its operations. A reconciliation of free cash flow to the most directly comparable IFRS measure is available in the condensed consolidated financial statements.

## Capital expenditures

Capital expenditures is the total of investments in property, plant and equipment and investments in intangible assets. Reporting on capital expenditures gives insight into the total investments in fixed assets.

### Capital expenditures

Third quarter			January-September	
2023	2024	in € millions	2023	2024
49	72	Purchase of property, plant and equipment	157	172
5	5	Purchase of intangible assets	15	20
54	77	<b>Capital expenditures</b>	172	192

## Organic sales

Organic sales exclude the impact of changes in consolidation, the impact of changes in foreign exchange rates and the impact of hyperinflation accounting.

The impact of changes in foreign exchange rates is calculated by re-translating the prior year local currency amounts into euros at the current year's foreign exchange rates.

Organic sales comparison provides a better understanding of underlying revenue growth factors. Reconciliation to the development of revenue is available in the financial highlights (for consolidated revenues), as well as in the Decorative Paints and Performance Coatings sections.

## Operating working capital (trade)

Operating working capital 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. A reconciliation of operating working capital to the most

### Operating income to adjusted EBITDA

January - September 2023				January - September 2024			
Decorative Paints	Performance Coatings	Other activities	Total	Decorative Paints	Performance Coatings	Other activities	Total
401	543	(129)	815	364	529	(103)	790
(17)	(24)	(20)	(61)	(26)	(17)	(20)	(63)
—	49	(24)	25	(8)	(1)	(7)	(16)
—	—	—	—	(10)	(4)	—	(14)
—	(2)	—	(2)	(3)	—	—	(3)
(17)	23	(44)	(38)	(47)	(22)	(27)	(96)
418	520	(85)	853	411	551	(76)	886
(106)	(126)	(31)	(263)	(111)	(132)	(28)	(271)
524	646	(54)	1,116	522	683	(48)	1,157

\* Excluding identified items.

### Operating income to adjusted EBITDA

Third quarter 2023				Third quarter 2024			
Decorative Paints	Performance Coatings	Other activities	Total	Decorative Paints	Performance Coatings	Other activities	Total
156	245	(47)	354	127	171	(39)	259
(4)	(6)	(4)	(14)	(12)	(7)	(9)	(28)
—	49	(6)	43	(2)	—	(2)	(4)
—	—	—	—	(6)	(3)	—	(9)
1	—	—	1	(3)	—	—	(3)
(3)	43	(10)	30	(23)	(10)	(11)	(44)
159	202	(37)	324	150	181	(28)	303
(37)	(43)	(10)	(90)	(38)	(44)	(9)	(91)
196	245	(27)	414	188	225	(19)	394

\* Excluding identified items

directly comparable IFRS measure is available in the condensed consolidated financial statements.

Management uses Operating working capital to evaluate our cash flow management, identify opportunities to improve efficiency in generating cash, and ensure that we maintain low balances to minimize our need for excess cash reserves.

## Adjusted earnings per share

Adjusted earnings per share is used to provide additional insight into the underlying profitability of the company. It helps with comparing performance over time, as well as to industry benchmarks and peers.

### Adjusted earnings per share from continuing operations

Third quarter			January-September	
2023	2024	in € millions	2023	2024
198	170	Profit from continuing operations	437	556
(30)	44	Identified items reported in operating income	38	96
(1)	(3)	Identified items reported in interest	—	(18)
10	(10)	Identified items reported in income tax	10	(31)
(8)	(7)	Non-controlling interests	(34)	(35)
169	194	<b>Adjusted net income from continuing operations</b>	451	568
170.6	170.8	Weighted average number of shares (in millions)	170.6	170.7
0.99	1.14	<b>Adjusted earnings per share from continuing operations</b>	2.64	3.33

## (Average) invested capital

Average invested capital is the average of the quarter-end invested capital balances for the last four quarters. Invested capital is total assets (excluding cash and cash equivalents, short-term investments, investments in associates, pension assets, assets held for sale) less current tax liabilities, deferred tax liabilities and trade and other payables.

### Average invested capital

October 2022 - September 2023/October 2023 - September 2024			
in € millions	2023	2024	Δ%
Decorative Paints	3,823	3,849	1%
Performance Coatings	3,796	3,765	(1%)
Other activities	682	629	
<b>Total</b>	<b>8,301</b>	<b>8,243</b>	<b>(1%)</b>

Management uses average invested capital to assess the total amount of capital invested over the last 12 months.

## Return on investment (ROI)

ROI is adjusted operating income of the last 12 months as a percentage of average invested capital. Management uses ROI to assess the efficiency of investments and make informed decisions on how to allocate capital to maximize returns and drive long-term growth.

### Return on investment (ROI)

October 2022 - September 2023/October 2023 - September 2024		
in %	2023	2024
Decorative Paints	12.3	12.8
Performance Coatings	16.3	19.0
Other activities*		
<b>Total</b>	<b>11.8</b>	<b>13.4</b>

\* ROI for Other activities is not shown, as this is not meaningful.

## Adjusted gross margin

Adjusted gross profit is revenue less cost of sales, excluding identified items. Adjusted gross margin is adjusted gross profit as a percentage of revenue. This measure provides insight into profit development excluding SG&A costs.

By excluding identified items, the comparability of the gross margin development, increases and financial performance can be evaluated more effectively.

### Adjusted gross margin

Third quarter		January-September	
2023	2024	2023	2024
1,122	1,083	3,210	3,311
(3)	(26)	(18)	(44)
<b>1,125</b>	<b>1,109</b>	<b>3,228</b>	<b>3,355</b>
<b>41.0</b>	<b>41.6</b>	<b>39.7</b>	<b>41.5</b>

## Leverage ratio

Consistent with other companies in the industry, management monitors capital headroom based on the leverage ratio net debt/EBITDA. The leverage ratio is calculated based on the net debt per balance sheet position divided by EBITDA of the last 12 months.

### EBITDA

October 2022 - September 2023/October 2023 - September 2024		
in € millions	2023	2024
Operating income	918	1,004
Depreciation and amortization	359	370
<b>EBITDA</b>	<b>1,277</b>	<b>1,374</b>

### Leverage ratio

October 2022 - September 2023/October 2023 - September 2024		
in € millions	2023	2024
Net debt*	4,103	4,069
EBITDA	1,277	1,374
<b>Leverage ratio</b>	<b>3.2</b>	<b>3.0</b>

\* Breakdown of net debt is available in the net debt paragraph in the condensed consolidated financial statements section.

## Outlook\*

Based on current market conditions and constant currencies, AkzoNobel expects to deliver 2024 adjusted EBITDA of around €1.5 billion.

For the mid-term, AkzoNobel aims to expand profitability to deliver an adjusted EBITDA margin of above 16% and a return on investment between 16% and 19%, underpinned by organic growth and industrial excellence.

The company aims to lower its leverage to around 2.7 times net debt/EBITDA by the end of 2024 and around 2 times in the mid-term, while remaining committed to retaining a strong investment grade credit rating.

\*Outlook is based on organic volumes and constant currencies, and assumes no significant market disruptions

## Amsterdam, October 22, 2024 The Board of Management

**Greg Poux-Guillaume**  
**Maarten de Vries**

# Quarterly statistics

2023					2024				
Q1	Q2	Q3	Q4	Full-year	in € millions	Q1	Q2	Q3	Year-to-date
<b>Revenue</b>									
1,046	1,147	1,121	986	4,300	Decorative Paints	1,056	1,139	1,089	3,284
1,611	1,594	1,620	1,543	6,368	Performance Coatings	1,584	1,645	1,579	4,808
—	—	—	—	—	Other activities	—	—	—	—
2,657	2,741	2,741	2,529	10,668	<b>Total</b>	2,640	2,784	2,668	8,092
<b>EBITDA*</b>									
129	185	193	138	645	Decorative Paints	152	158	166	476
172	210	288	198	868	Performance Coatings	220	227	219	666
(32)	(28)	(38)	(29)	(127)	Other activities	(22)	(23)	(30)	(75)
269	367	443	307	1,386	<b>Total</b>	350	362	355	1,067
<b>Adjusted EBITDA (excluding Identified items)*</b>									
137	191	196	121	645	Decorative Paints	156	178	188	522
187	214	245	208	854	Performance Coatings	221	237	225	683
(19)	(8)	(27)	(16)	(70)	Other activities	(14)	(15)	(19)	(48)
305	397	414	313	1,429	<b>Total</b>	363	400	394	1,157
11.5	14.5	15.1	12.4	13.4	<b>Adjusted EBITDA margin (in %)</b>	13.8	14.4	14.8	14.3
<b>Depreciation/Depreciation excluding Identified items</b>									
(30)/(30)	(29)/(29)	(31)/(31)	(33)/(33)	(123)/(123)	Decorative Paints	(30)/(30)	(31)/(31)	(33)/(32)	(94)/(93)
(33)/(33)	(34)/(33)	(34)/(34)	(35)/(34)	(136)/(134)	Performance Coatings	(35)/(35)	(37)/(36)	(39)/(35)	(111)/(106)
(4)/(4)	(6)/(5)	(4)/(5)	(4)/(4)	(18)/(18)	Other activities	(4)/(4)	(5)/(5)	(4)/(4)	(13)/(13)
(67)/(67)	(69)/(67)	(69)/(70)	(72)/(71)	(277)/(275)	<b>Total</b>	(69)/(69)	(73)/(72)	(76)/(71)	(218)/(212)
<b>Amortization/Amortization excluding Identified items</b>									
(5)/(5)	(5)/(5)	(6)/(6)	(6)/(6)	(22)/(22)	Decorative Paints	(6)/(6)	(6)/(6)	(6)/(6)	(18)/(18)
(9)/(9)	(8)/(8)	(9)/(9)	(8)/(9)	(34)/(35)	Performance Coatings	(9)/(9)	(8)/(8)	(9)/(9)	(26)/(26)
(6)/(6)	(6)/(6)	(5)/(5)	(7)/(6)	(24)/(23)	Other activities	(5)/(5)	(5)/(5)	(5)/(5)	(15)/(15)
(20)/(20)	(19)/(19)	(20)/(20)	(21)/(21)	(80)/(80)	<b>Total</b>	(20)/(20)	(19)/(19)	(20)/(20)	(59)/(59)

\* Alternative performance measures: For more details on these measures, including reconciliations to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

# Quarterly statistics

2023					2024				
Q1	Q2	Q3	Q4	Full-year	in € millions	Q1	Q2	Q3	Year-to-date
<b>Operating income</b>									
94	151	156	99	500	Decorative Paints	116	121	127	364
130	168	245	155	698	Performance Coatings	176	182	171	529
(42)	(40)	(47)	(40)	(169)	Other activities	(31)	(33)	(39)	(103)
182	279	354	214	1,029	<b>Total</b>	261	270	259	790
<b>Identified items included in operating income</b>									
(8)	(6)	(3)	17	—	Decorative Paints	(4)	(20)	(23)	(47)
(15)	(5)	43	(10)	13	Performance Coatings	(1)	(11)	(10)	(22)
(13)	(21)	(10)	(14)	(58)	Other activities	(8)	(8)	(11)	(27)
(36)	(32)	30	(7)	(45)	<b>Total</b>	(13)	(39)	(44)	(96)
<b>Adjusted operating income (excluding identified items)*</b>									
102	157	159	82	500	Decorative Paints	120	141	150	411
145	173	202	165	685	Performance Coatings	177	193	181	551
(29)	(19)	(37)	(26)	(111)	Other activities	(23)	(25)	(28)	(76)
218	311	324	221	1,074	<b>Total</b>	274	309	303	886
<b>Reconciliation financing income and expenses</b>									
11	15	18	25	69	Financing income	15	9	12	36
(38)	(45)	(51)	(58)	(192)	Financing expenses	(45)	(47)	(44)	(136)
(27)	(30)	(33)	(33)	(123)	<b>Net interest on net debt</b>	(30)	(38)	(32)	(100)
<b>Other interest</b>									
8	9	8	8	33	Financing income related to post-retirement benefits	7	7	7	21
(1)	2	—	(2)	(1)	Interest on provisions	(4)	—	(1)	(5)
(18)	(26)	(43)	(94)	(181)	Other items	11	—	7	18
(11)	(15)	(35)	(88)	(149)	<b>Net other financing charges</b>	14	7	13	34
(38)	(45)	(68)	(121)	(272)	<b>Financing income and expenses</b>	(16)	(31)	(19)	(66)

\* Alternative performance measures: For more details on these measures, including reconciliations to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

# Quarterly statistics

2023						2024			
Q1	Q2	Q3	Q4	Full-year		Q1	Q2	Q3	Year-to-date
<b>Quarterly net income analysis (in € millions)</b>									
7	5	8	7	27	Results from associates	7	5	7	19
151	239	294	100	784	Profit before tax	252	244	247	743
(45)	(106)	(96)	(49)	(296)	Income tax	(57)	(53)	(77)	(187)
106	133	198	51	488	Profit for the period from continuing operations	195	191	170	556
30	44	33	49	38	Effective tax rate (in %)	23	22	31	25
<b>Earnings per share from continuing operations (in €)</b>									
0.56	0.69	1.11	0.26	2.62	Basic	1.07	1.03	0.95	3.05
0.56	0.69	1.11	0.26	2.61	Diluted	1.06	1.03	0.95	3.03
<b>Earnings per share from discontinued operations (in €)</b>									
(0.01)	—	(0.01)	(0.02)	(0.03)	Basic	(0.01)	0.01	—	—
(0.01)	—	(0.01)	(0.02)	(0.03)	Diluted	(0.01)	0.01	—	—
<b>Earnings per share from total operations (in €)</b>									
0.55	0.69	1.11	0.24	2.59	Basic	1.06	1.04	0.95	3.05
0.55	0.69	1.10	0.24	2.58	Diluted	1.06	1.03	0.95	3.03
<b>Number of shares (in millions)</b>									
170.5	170.6	170.6	170.6	170.6	Weighted average number of shares <sup>1</sup>	170.6	170.7	170.8	170.7
170.6	170.6	170.6	170.6	170.6	Number of shares at end of quarter <sup>1</sup>	170.6	170.8	170.8	170.8
<b>Adjusted earnings from continuing operations (in € millions)*</b>									
106	133	198	51	488	Profit from continuing operations	195	191	170	556
36	32	(30)	7	45	Identified items reported in operating income	13	39	44	96
—	1	(1)	44	44	Identified items reported in interest	(1)	(14)	(3)	(18)
(7)	7	10	(23)	(13)	Identified items reported in income tax	(3)	(18)	(10)	(31)
(11)	(15)	(8)	(7)	(41)	Non-controlling interests	(13)	(15)	(7)	(35)
124	158	169	72	523	<b>Adjusted net income from continuing operations</b>	<b>191</b>	<b>183</b>	<b>194</b>	<b>568</b>
0.73	0.93	0.99	0.42	3.07	<b>Adjusted earnings per share from continuing operations (in €)</b>	<b>1.12</b>	<b>1.07</b>	<b>1.14</b>	<b>3.33</b>

\* Alternative performance measure: For more details on this measure, including reconciliations and explanation of its use, refer to the Notes to the consolidated financial statements, APM paragraph.

# Glossary

**Adjusted earnings per share** are the basic earnings per share from continuing operations, excluding Identified items and taxes thereon.

**Adjusted EBITDA** is operating income excluding depreciation, amortization and Identified items.

**Adjusted EBITDA margin** is adjusted EBITDA as percentage of revenue.

**Adjusted operating income** is operating income excluding Identified items.

**Capital expenditures** is the total of investments in property, plant and equipment and investments in intangible assets.

**Comprehensive income** is the change in equity during a period resulting from transactions and other events other than those changes resulting from transactions with shareholders in their capacity as shareholders.

**Constant currencies** calculations exclude the impact of changes in foreign exchange rates by retranslating the prior year local currency amounts into euros at the current year's foreign exchange rates.

**EBITDA** is operating income excluding depreciation and amortization.

**EBITDA margin** is EBITDA as a percentage of revenue.

**EMEA** is Europe, Middle East and Africa.

**Free cash flow** is net cash generated from/(used for) operating activities minus capital expenditures.

**Huarun** is the acquired Chinese decorative paints business of Sherwin-Williams.

**Identified items** are special charges and benefits, (post) acquisition and divestment related items, major restructuring and impairment charges, charges and benefits related to major legal, environmental

and tax cases, and hyperinflation accounting adjustments for inventory positions that exceed normal operational levels.

**Invested capital** is total assets (excluding cash and cash equivalents, short-term investments, investments in associates, pension assets, assets held for sale) less current tax liabilities, deferred tax liabilities and trade and other payables.

**Average invested capital** is the average of the quarter-end invested capital balances for the last four quarters.

**Latin America** excludes Mexico.

**Leverage ratio** is calculated as net debt divided by EBITDA, which is calculated as the total of the last 12 months.

**Net debt** is defined as long-term borrowings plus short-term borrowings less cash and cash equivalents and short-term investments.

**North America** includes Mexico.

**North Asia** includes, among others, China, Japan and South Korea.

**Operating income** is defined as income excluding net financing expenses, results from associates, income tax and profit/loss from discontinued operations. Operating income includes the share of non-controlling interests. Operating income includes Identified items to the extent these relate to lines included in operating income.

**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.

**Organic sales** compares sales between periods, excluding the impact of changes in consolidation, the impact of changes in foreign exchange rates and the impact of hyperinflation accounting. Refer to "Constant currencies" for details on the calculation of the foreign exchange rate impact.

**Other working capital** is defined as other receivables, plus current tax assets, less other payables and current tax liabilities.

**ROI** is adjusted operating income of the last 12 months as percentage of average invested capital.

**SG&A costs** include selling and distribution expenses, general and administrative expenses and research, development and innovation expenses.

**SESA** is South East and South Asia and includes the Pacific.

## Safe harbor statement

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.

## Brand and trademarks

In this report, reference is made to brands and trademarks owned by, or licensed to, AkzoNobel. Unauthorized use of these is strictly prohibited.



**Akzo Nobel N.V.**

Christian Neefestraat 2  
P.O. Box 75730  
1070 AS Amsterdam, the Netherlands  
T +31 88 969 7555  
[www.akzonobel.com](http://www.akzonobel.com)

For more information:

The explanatory sheets used during the press conference can be viewed on AkzoNobel's corporate website: [www.akzonobel.com](http://www.akzonobel.com)

AkzoNobel Global Communications  
T +31 88 969 7833  
E [media.relations@akzonobel.com](mailto:media.relations@akzonobel.com)

AkzoNobel Investor Relations  
T +31 88 969 0139  
E [investor.relations@akzonobel.com](mailto:investor.relations@akzonobel.com)

**Financial calendar**

Ex-dividend date of 2024 interim dividend	October 28, 2024
Record date of 2024 interim dividend	October 29, 2024
Payment of 2024 interim dividend	November 7, 2024
Report for the full-year and the fourth quarter 2024	January 29, 2025

# AkzoNobel

Since 1792, we've been supplying the innovative paints and coatings that help to color people's lives and protect what matters most. Our world class portfolio of brands – including Dulux, International, Sikkens and Interpon – is trusted by customers around the globe. We're active in more than 150 countries and use our expertise to sustain and enhance everyday life. Because we believe every surface is an opportunity. It's what you'd expect from a pioneering and long-established paints company that's dedicated to providing sustainable solutions and preserving the best of what we have today – while creating an even better tomorrow. Let's paint the future together.

For more information, please visit [www.akzonobel.com](http://www.akzonobel.com).

© 2024 Akzo Nobel N.V. All rights reserved.