

PAINT THE FUTURE

Investor Update
April 23, 2025

**Q1
25**

Forward-looking statements

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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. 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

Q1 2025 Highlights

Adj. EBITDA flat YoY at CC on lower volumes, higher prices and strong cost reduction

Q1 2025 YoY

- Organic sales flat
- Volumes -2%, incl. Turkey in-year rebalancing
- Price/mix +2%
- Adj. EBITDA at €357m (13.7% margin), €364m excluding FX impact
- Adj. leverage ratio 2.8x

Highlights

- OPEX flat YoY despite 8% wage + inflation
 - >70% of SG&A net reductions already achieved
 - CLA negotiations completed on target
 - France restructuring underway
- Q2 OPEX projected down YoY
- €500m 10Y bond @4.00% issued in March

Volume development

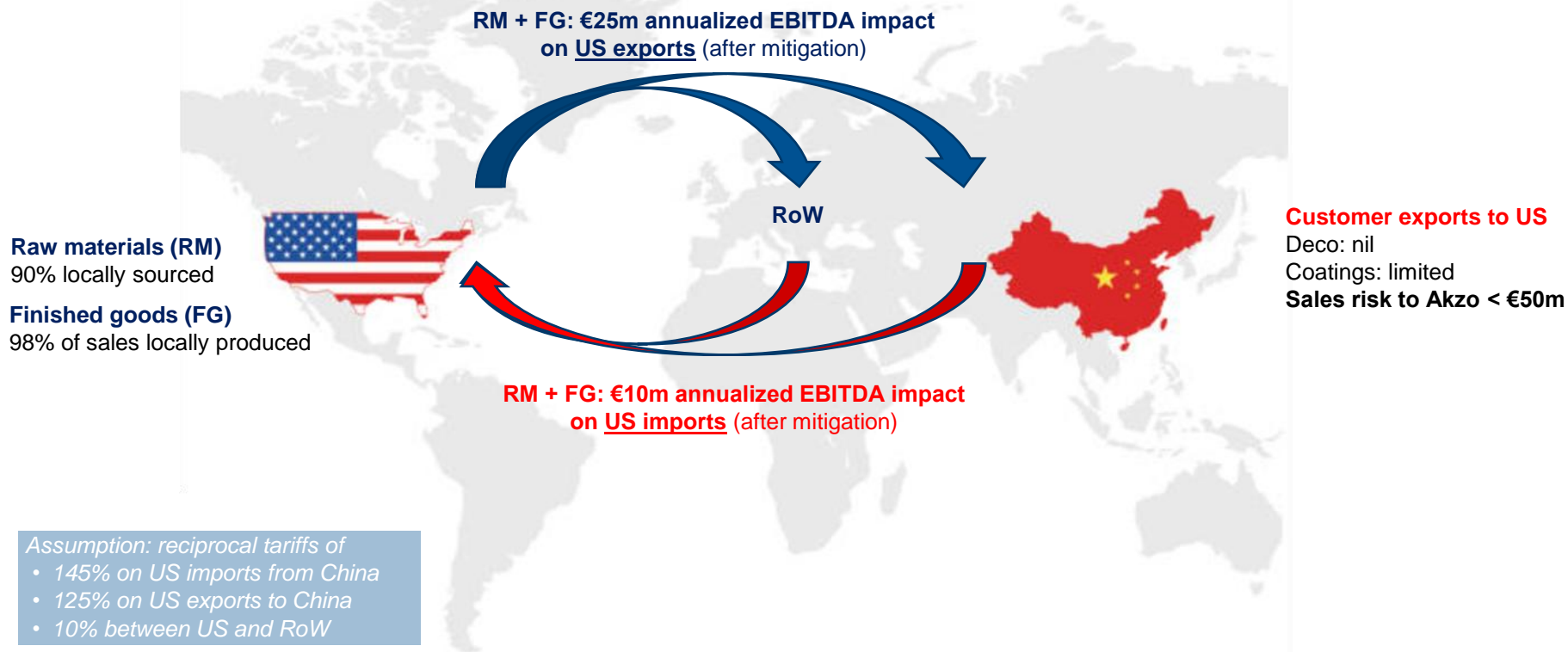
Q1 -1% excl. Turkey rebalancing; NAM softer, Deco China improving

		Q1 2025
Deco EMEA	Flattish excl. Turkey rebalancing; improved trends in Pro	-LSD%
Deco LATAM	Brazil impacted by timing of price increase	-MSD%
Deco SE Asia	India outperforming in softer market; Vietnam rebounding; Indonesia slow	-MSD%
Deco China	Volume sequentially improving, pricing stable	-LSD%
Powder Coatings	Architectural and Auto soft; Industrial & Consumer up	-LSD%
Marine & Protective	Marine strong; Protective accelerating	+DD%
Automotive & Specialty	Auto/VR remain soft in NAM & EMEA; Aero strong in EMEA/Asia, down in NAM	-HSD%
Industrial Coatings	Packaging and Coil soft; Wood slightly up	-LSD%
AkzoNobel		-2%

Organic volumes YoY

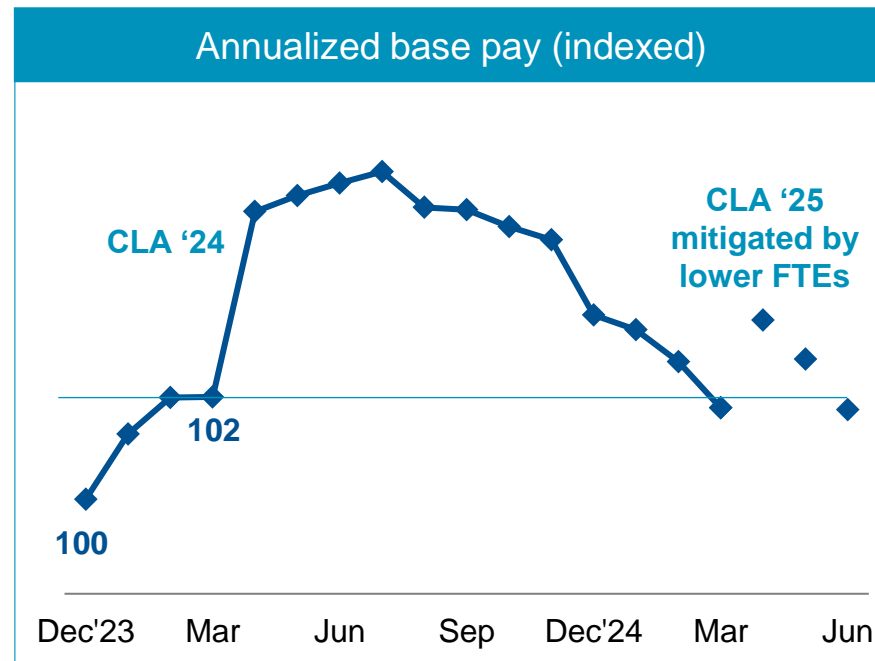
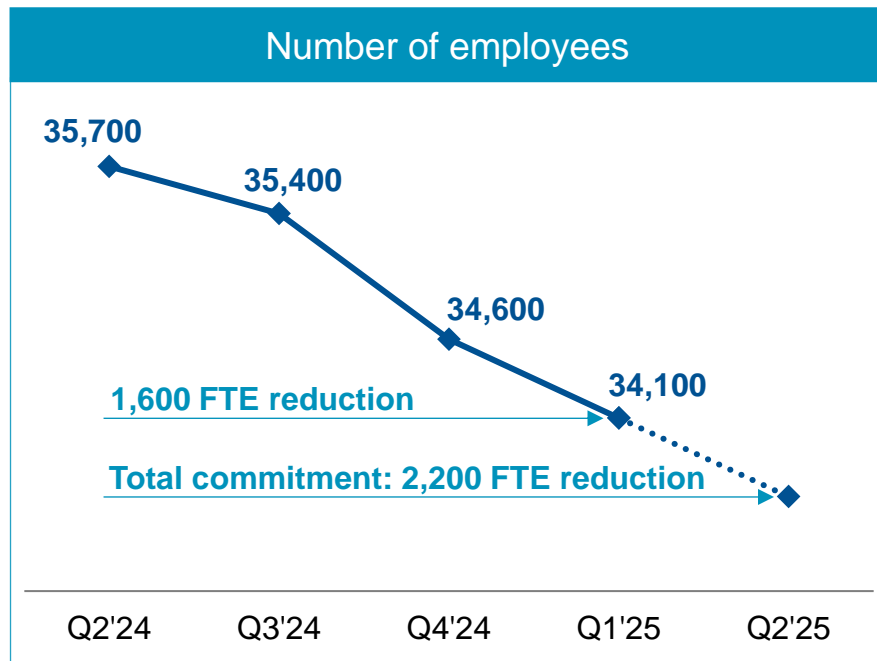
Tariff impact

Manageable cost impact given localized production; real risk is demand / macro



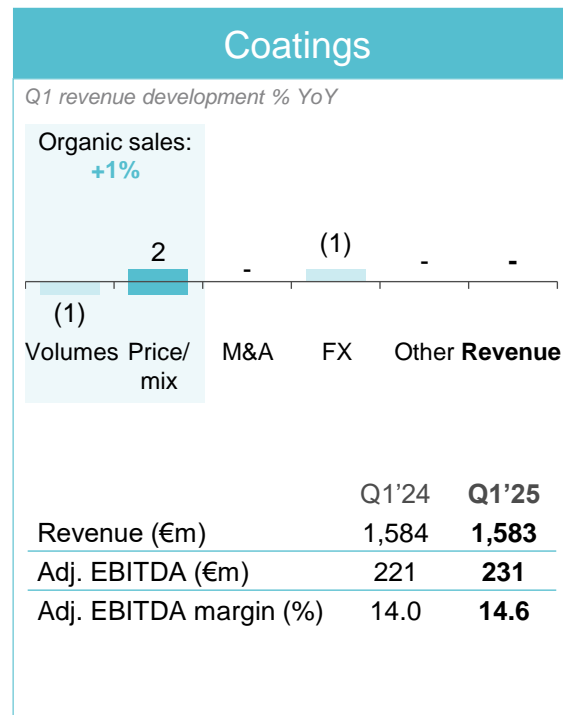
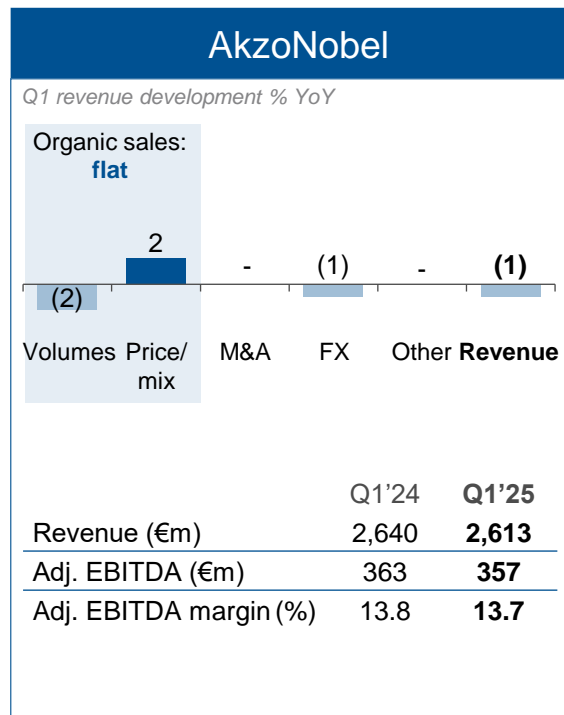
SG&A actions – headcount and base pay

Neutralized 8% salary increase in '24; < half expected in '25 + further streamlining



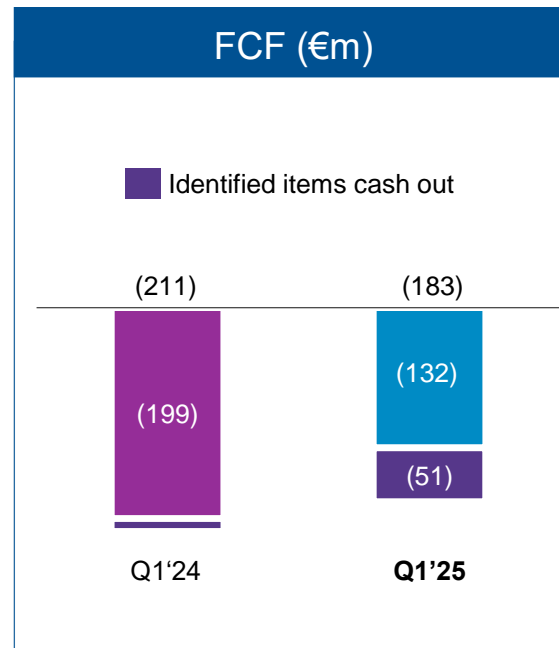
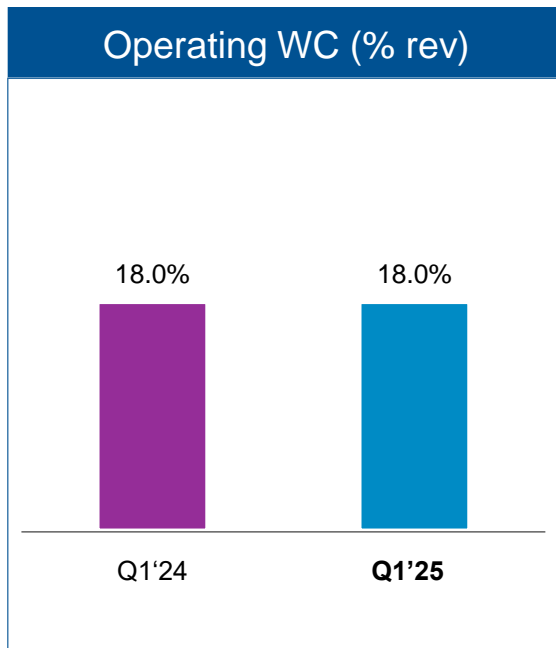
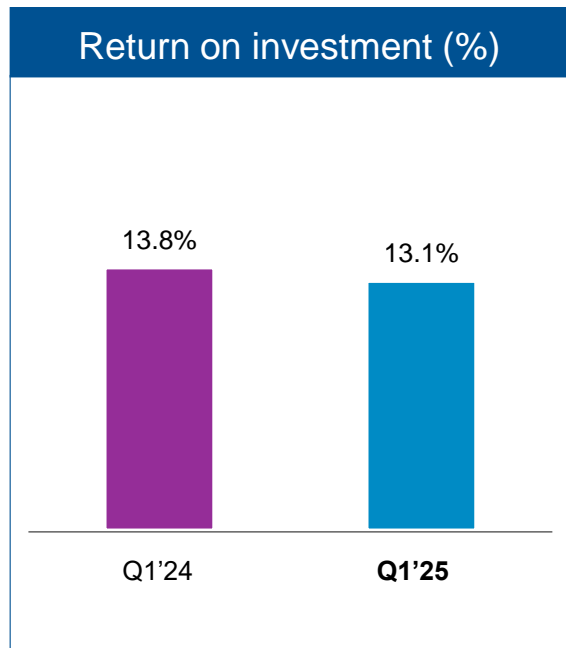
Q1 business performance

Good Coatings performance; Deco softer in Q1 (robust '24 comps + rebalancing)



Operating results for Q1 2025

Underlying FCF rebound; adj. leverage at 2.8x on seasonality



Outlook

Q2 visibility impacted by macro + FX translation; FY underpinned by pricing and savings

FY2025 Outlook

Adj. EBITDA

above €1.55 billion

Volumes

Flat to +LSD%

- Gross savings: **+€170m**
- Identified items / cash out: **~€220m**
- CAPEX: **€350m**
- Net Debt/adj. EBITDA: **below 2.5x**
- Net Debt/EBITDA: **below 2.9x**
- Stable dividend

Outlook represents company expectations based on organic volumes, subject to ongoing market uncertainties and assuming constant currencies.

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Upcoming events

Annual General Meeting of shareholders	April 25
Ex-dividend date of 2024 final dividend	April 29
Record date of 2024 final dividend	April 30
Payment date of 2024 final dividend	May 7
Q2 results	July 22

Alternative performance measures (APM)

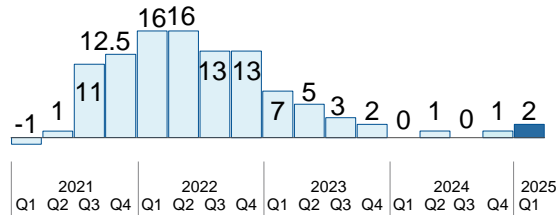
AkzoNobel uses APM adjustments to the IFRS measures to provide supplementary information on the reporting of the underlying developments of the business. A reconciliation of the alternative performance measures to the most directly comparable IFRS measures can be found in the appendix to this presentation. This Investor Update covers the highlights for the quarter. We recommend to read the Investor Update in combination with the AkzoNobel Q1 2025 Report. The Q1 2025 Report provides additional information, including the IAS34 condensed consolidated financial statements.

All figures in this presentation and in the AkzoNobel Q1 2025 Report are unaudited. The interim condensed consolidated financial statements were discussed and approved by the Board of Management and the Supervisory Board.

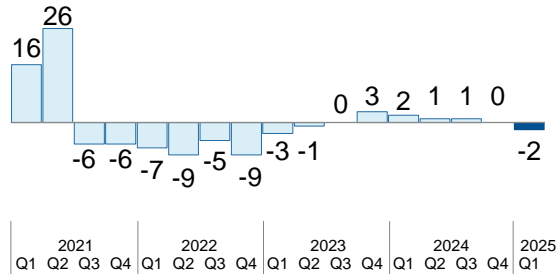
Price/mix and volumes

AkzoNobel

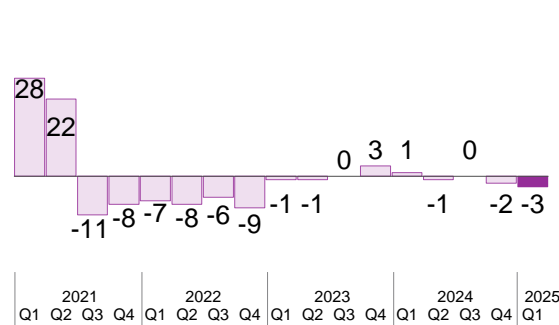
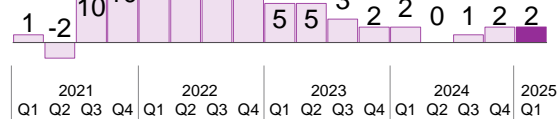
price/mix (% YoY)



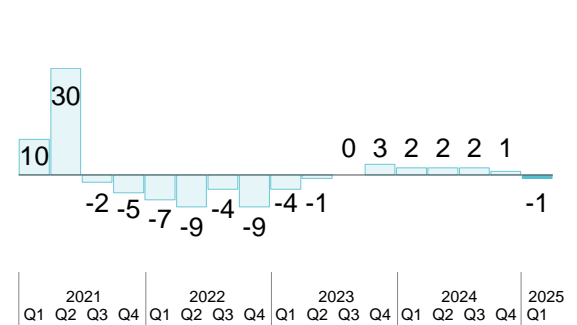
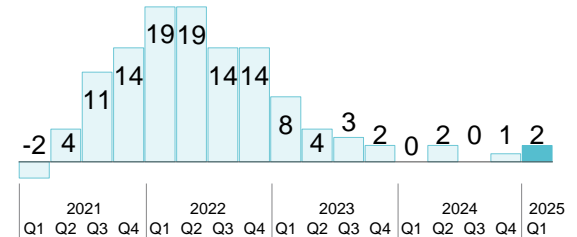
organic volumes (% YoY)



Deco



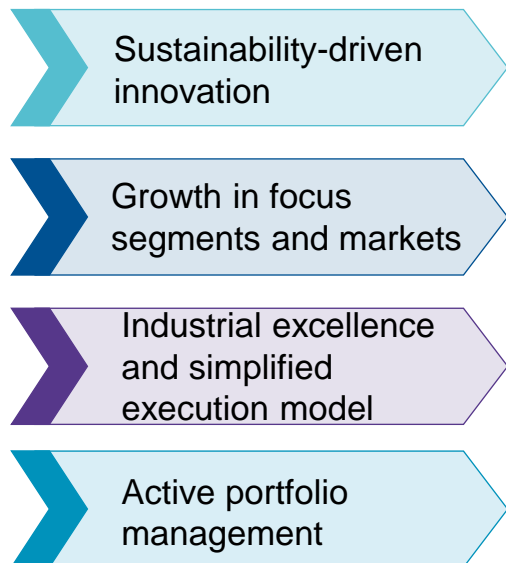
Coatings



Mid-term ambitions

Expanding profitability underpinned by growth and operational efficiencies

Strategic priorities



Targets

Adj. EBITDA margin	ROI
>16%	16-19%
➤ Adj. EBITDA growth CAGR: >6%	➤ Industrial transformation benefit €300m by 2027
➤ Volume growth CAGR: +LSD%	➤ Leverage ~2x, strong investment grade

Outlook represents company expectations based on organic volumes, subject to ongoing market uncertainties and assuming constant currencies. CAGR on 2023 baseline.

Planning assumptions

	2025	Mid-term
Adj. EBITDA	>€1.55bn	CAGR '23-'27: >6%; Margin: >16%
Organic volumes	Flat to +LSD%	+LSD%
Gross savings	€170m Industrial transformation €70m SG&A actions €100m	>€450m (vs 2023) Industrial transformation €300m SG&A actions >€150m
Identified items	~€220m (cash out ~€220m)	Efficiency programs cost: Industrial transformation ~€200m SG&A actions ~€140m
CAPEX	€350m	€350m pa, incl. €50m pa from industrial transformation ('24-'26)
Working capital	~14.5% revenue	~13% revenue
Effective tax rate	~28%	~28%
Leverage	Net Debt/adj. EBITDA <2.5x Net Debt/EBITDA <2.9x	~2x

Subject to ongoing market uncertainties and assuming constant currencies.

Performance measures

Definitions of alternative performance measures

- **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
- **Capital expenditures** is the total of investments in property, plant and equipment and investments in intangible assets
- **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
- **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 4 quarters
- **Leverage ratio** is calculated as net debt divided by (adjusted) 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
- **Organic sales** excludes 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
- **Return on investment (ROI)** is adjusted operating income of the last 12 months as percentage of average invested capital

Additional financial information

Consolidated statement of free cash flows

€ million	Q1'24	Q1'25
EBITDA	350	286
Impairment losses	—	3
Pre-tax results on acquisitions and divestments	1	1
Changes in working capital	(418)	(336)
Other changes in provisions	(16)	9
Interest paid	(48)	(41)
Income tax paid	(48)	(44)
Other	9	10
Net cash generated from/(used for) operating activities	(170)	(112)
Capital expenditures	(41)	(71)
Free cash flow	(211)	(183)

Operating income to net income

€ million	Q1'24	Q1'25
Operating income	261	192
Financing income and expenses	(16)	(30)
Results from associates	7	7
Profit before tax	252	169
Income tax	(57)	(48)
Profit from continuing operations	195	121
Profit from discontinued operations	(1)	—
Profit for the period	194	121
Non-controlling interests	(13)	(14)
Net income	181	107
Earnings per share (in €)		
Total operations	1.06	0.63
Adjusted earnings per share (in €)		
Continuing operations	1.12	0.94

Alternative performance measures

Operating income (€m)	Q1'24	Q1'25	Δ%
Decorative Paints	116	77	(34%)
Performance Coatings	176	171	(3%)
Other activities	(31)	(56)	
Total	261	192	(26%)

Identified items (€m)	Q1'24	Q1'25
Decorative Paints	(4)	(32)
Performance Coatings	(1)	(14)
Other activities	(8)	(26)
Total	(13)	(72)

Adjusted operating income (€m)	Q1'24	Q1'25	Δ%
Decorative Paints	120	109	(9%)
Performance Coatings	177	185	5%
Other activities	(23)	(30)	
Total	274	264	(4%)

Adjusted EBITDA (€m)	Q1'24	Q1'25	Δ%
Adjusted operating income	274	264	(4%)
Depreciation and amortization (excluding identified items)	89	93	
Adjusted EBITDA	363	357	(2%)

Adjusted EBITDA margin (%)	Q1'24	Q1'25
Decorative Paints	14.8	14.3
Performance Coatings	14.0	14.6
Total	13.8	13.7

Adjusted earnings per share from continuing operations (€m)	Q1'24	Q1'25
Profit from continuing operations	195	121
Identified items reported in operating income	13	72
Identified items reported in interest	(1)	(2)
Identified items reported in income tax	(3)	(17)
Non-controlling interests	(13)	(14)
Adjusted net income from continuing operations	191	160

Weighted average number of shares (in millions)	Q1'24	Q1'25
	170.6	170.8

Adjusted earnings per share from continuing operations	Q1'24	Q1'25
	1.12	0.94

Adjusted EBITDA (€m)	Q1'24	Q1'25
April 2023 - March 2024/April 2024 - March 2025		
Operating income	1,108	848
Depreciation and amortization*	357	369
Identified items	22	255
Adjusted EBITDA	1,487	1,472

*Excluding identified items

Average invested capital (€m)	Q1'24	Q1'25	Δ%
April 2023 - March 2024/April 2024 - March 2025			
Decorative Paints	3,735	3,901	4%
Performance Coatings	3,805	3,733	(2%)
Other activities	642	759	
Total	8,182	8,393	3%

ROI (%)	Q1'24	Q1'25
April 2023 - March 2024/April 2024 - March 2025		
Decorative Paints	13.9	12.2
Performance Coatings	18.8	19.9
Other activities ¹		
Total	13.8	13.1

Net Debt (€m)	Q1'24	Q1'25
Short-term investments	(29)	(173)
Cash and cash equivalents	(1,069)	(1,599)
Long-term borrowings	3,183	4,170
Short-term borrowings	1,946	1,717
Total	4,031	4,115

Leverage ratio	Q1'24	Q1'25
April 2023 - March 2024/April 2024 - March 2025		
Net debt/Adjusted EBITDA	2.7	2.8