Speakers

Thierry Vanlancker
CEO

Maarten de Vries
CFO

Ruud Joosten
Chief Operating Officer

David Prinselaar
Chief Supply Chain Officer
Executive summary
Thierry Vanlancker
A focused paints and coatings company

**€9.3bn** revenue
**€1.2bn** EBITDA
**€1bn** EBIT
12.0% ROS
17.2% ROI
33,800 employees

Revenue by destination:
- **North America**: 12%
- **Mature Europe**: 35%
- **Emerging Europe**: 10%
- **Asia Pacific**: 30%
- **South America**: 9%
- **Other regions**: 4%

All figures are based on year-end 2019. ROS = adjusted operating income as percentage of revenue (excluding unallocated cost) ROI = adjusted operating income of the last 12 months as percentage of average invested capital (excluding unallocated cost and invested capital)
## Delivering on promises made in 2017

<table>
<thead>
<tr>
<th>Promise</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creating two focused businesses as a logical next step</td>
<td>Dual-track separation process completed</td>
</tr>
<tr>
<td>Accelerating growth momentum and enhanced profitability</td>
<td>Revenue growth ambition reduced</td>
</tr>
<tr>
<td></td>
<td>ROS increased from 10.6% to 12.0%</td>
</tr>
<tr>
<td>Clear separation of Specialty Chemicals within 12 months</td>
<td>€10.1bn private sale in &lt;12 months</td>
</tr>
<tr>
<td>Increasing returns to shareholders</td>
<td>€6.5bn proceeds returned before end 2019</td>
</tr>
<tr>
<td>Committed to investing in sustainability, innovation and society</td>
<td>Paint the Future launched and expanding</td>
</tr>
<tr>
<td>Best placed to unlock value ourselves</td>
<td>Share price increased 52% and TSR 82%</td>
</tr>
</tbody>
</table>

ROS full-year 2018 and 2019. ROS = adjusted operating income as percentage of revenue (excluding unallocated cost); Share price and total shareholder return (TSR) January 2017 - December 2019
Winning together: 15 by 20

- Passion for paint
- Precise processes
- Powerful performance
- Proud people
Performance improvement accelerated during H2 2019

Return on sales (ROS), full-year

<table>
<thead>
<tr>
<th>Year</th>
<th>H2 2017</th>
<th>H2 2018</th>
<th>H2 2019</th>
<th>FY 2020 Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>9.2</td>
<td>10.6</td>
<td>12.5</td>
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</tr>
<tr>
<td>FY 2018</td>
<td>10.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2019</td>
<td>12.0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Return on sales (ROS), second half-year

<table>
<thead>
<tr>
<th>Year</th>
<th>H2 2017</th>
<th>H2 2018</th>
<th>H2 2019</th>
<th>FY 2020 Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2 2017</td>
<td>9.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2 2018</td>
<td>10.6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H2 2019</td>
<td>12.5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RS = adjusted operating income as percentage of revenue (excluding unallocated cost)
Assumes no significant market disruption
Significant share price increase and total shareholder return delivered since 2017

Source: Bloomberg

*Special dividend (€4.00) + capital repayment (€8.78) + special dividend (€4.50)
Performance gap versus top peers narrowed, with further room to improve

ROS = adjusted operating income as percentage of revenue (including unallocated cost)
Source: Company data, internal estimates
Strategy beyond 2020 balances growth and profitability improvement…

GROW & DELIVER
Market dynamics
Ruud Joosten
Paints and coatings protect assets and inspire people’s everyday lives
Attractive €125bn industry with multiple opportunities for growth

Global paints and coatings by market sector
~€125 billion, 2018

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

Peer revenue comparison
€ billion, 2018

Top players
~50% of the market

Source: Orr&Boss, Chem Research, internal estimates
Strong global portfolio of businesses with leading positions in most segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Market size ~€bn, 2018*</th>
<th>Position by revenue</th>
<th>Market growth 2017-2020</th>
<th>Current market dynamics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decorative Paints (ex. North America)</td>
<td>35</td>
<td>1</td>
<td>1-2%</td>
<td>Consolidation in fragmented market</td>
</tr>
<tr>
<td>Marine and Protective Coatings</td>
<td>12</td>
<td>1</td>
<td>0-1%</td>
<td>Investments in oil and gas upstream</td>
</tr>
<tr>
<td>Powder Coatings</td>
<td>8</td>
<td>1</td>
<td>2-3%</td>
<td>Demand for more sustainable solutions</td>
</tr>
<tr>
<td>Industrial Coatings</td>
<td>14</td>
<td>2</td>
<td>0-1%</td>
<td>Strong demand for beverage packaging</td>
</tr>
<tr>
<td>Automotive and Specialty Coatings</td>
<td>11</td>
<td>2/3</td>
<td>1-2%</td>
<td>Downturn in automotive industry</td>
</tr>
</tbody>
</table>

*Excluding ~€40 bn in regions/segments where AkzoNobel is not present
Source: Orr&Boss, Chem Research, internal estimates
Business portfolio managed according to clear strategic mandates

<table>
<thead>
<tr>
<th>Strategic mandates</th>
<th>Actions</th>
<th>Performance cells 2017 view</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grow</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Invest to grow market share and/or profit</td>
<td>--- Average ROS</td>
</tr>
<tr>
<td><strong>Maintain</strong></td>
<td></td>
<td>Grow</td>
</tr>
<tr>
<td></td>
<td>Maintain current investment level for ROS improvement and maintaining market share</td>
<td>ROS 10.6%</td>
</tr>
<tr>
<td><strong>Harvest</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improve ROS, ROI and cash with reduced resources</td>
<td></td>
</tr>
<tr>
<td><strong>Change the game</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ROS = adjusted operating income as percentage of revenue
Decorative Paints EMEA
Combining leading positions with strong brands and distribution

Largest player in fragmented market

- 60% #1 positions
- 20% #2 positions

€2.2bn revenue
2x relative market share
#1 in Africa

Strong foundation to grow revenue and profit:
- Stable volume share
- Expanded store network in UK
- Progress in France
- Successful operating model

Leveraging strong brands:

Source: Orr&Boss, internal estimates
Decorative Paints
Successful bolt-on acquisitions

Focus on strategically aligned and value generating acquisitions:

- Strengthen market position
- Increase relative market share
- Expand distribution
- Leverage synergies
- Support footprint optimization
- New technologies

Further opportunities for consolidation…

Source: Internal estimates
Marine and Protective Coatings
Recovered to double-digit ROS in tough market

Profitability back in double-digits
- Focus on value over volume
- Right-sized cost structure
- Effective portfolio management

Industry headwinds persisted in marine and oil and gas industries

€1.3bn revenue
#1 position

Marine
- Pockets of growth: LNG
- Solution based product technology and service innovation
- Big data analytics and digital automation

Protective
- Global market leader with strong position in oil and gas
- Robust pipeline of opportunities
- Technology as key success lever

Investor update | 2020 and beyond
*Compensated gross tonnage
Source: Clarkson Research, company data, internal estimates
Industrial Coatings
Turnaround with focus on value over volume and cost savings

€1.7bn revenue
#1 packaging (inside the can)
#2 coil
#2 wood

Deliberate focus on value over volume
- Raw material pricing inflation recovery
- Margin management
- Tail slicing discipline
- Shift in positioning

Case study: Coil in Europe
- Exited non-profitable business
- Strategic long-term contracts to secure future with top customers
- SKU rationalization to capture business integration synergies
- Footprint optimization: closed one factory and invested in two others

Investing in our assets: €50m upgrade for wood coatings in the US

Source: Orr&Boss, internal estimates
Winning together: 15 by 20
Maarten de Vries
Winning together: 15 by 20 strategy continues to deliver results

Sales force effectiveness
Margin management
Innovation excellence

- 10% cumulative price increases (2017-2019)
- Moving towards ongoing margin management
- Paint the Future creating an innovation ecosystem

Global Business Services
Integrated Business Planning
ERP and systems platform

- All 5 GBS hubs operational; 38 transitions completed in 2019
- 16 ERP integrations realized out of 18 planned for 2019

ALPS continuous improvement
Fit-for-purpose organization
Procurement excellence

- Continuous improvement continues to offset fixed cost inflation
- Delivered €80m out of €200m savings for 2019 and 2020

High-performance culture
Career and capability development
Core principles

- Executive organizational health in 2nd quartile
- Recognized as Top Employer in key countries
Transformation delivering towards previously announced cost savings

- Sales force effectiveness
- Margin management
- Innovation excellence
- ALPS continuous improvement
- Fit-for-purpose organization
- Procurement excellence
- Global Business Services
- Integrated Business Planning
- ERP and systems platform
- High-performance culture
- Career and capability development
- Core principles

Cost savings (€m)
- Achieved cost savings
- Carryover cost savings

Next step: €200m
Total €220m
Phase 1: €110m

Cost savings chart:
- Q1 2018: €10
- Q2 2018: €25
- Q3 2018: €35
- Q4 2018: €40
- Q1 2019: €38
- Q2 2019: €33
- Q3 2019: €43
- Q4 2019: €19
- Q1 2020: €10

Investor update | 2020 and beyond
Good progress and sustained focus on transformation plans

- **Sales force effectiveness**
- **Margin management**
- **Innovation excellence**

- **Global Business Services**
- **Integrated Business Planning**
- **ERP and systems platform**

- **ALPS continuous improvement**
- **Fit-for-purpose organization**
- **Procurement excellence**

- **High performance culture**
- **Career and capability development**
- **Core principles**

- **Initiate**
- **Implement**
- **Complete**
- **Significant € contribution to 2020**

- **2017**
- **2018**
- **2019**
- **2020**

*Investor update | 2020 and beyond*
Several key initiatives contribute to 2020

<table>
<thead>
<tr>
<th>Inititative</th>
<th>Key Areas</th>
<th>Significant € contribution to 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales force effectiveness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Margin management</td>
<td></td>
<td>❯ Moving towards margin management</td>
</tr>
<tr>
<td>Innovation excellence</td>
<td></td>
<td>❯ 1-2% annual pricing discipline</td>
</tr>
<tr>
<td>Global Business Services</td>
<td></td>
<td>❯ Additional 36 GBS transitions in progress</td>
</tr>
<tr>
<td>Integrated Business Planning</td>
<td></td>
<td>❯ 4 ERP integrations planned for 2020 (65% of revenue in 1 ERP by end 2020)</td>
</tr>
<tr>
<td>ERP and systems platform</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ALPS continuous improvement</td>
<td></td>
<td>❯ Selective Supply Chain footprint optimization</td>
</tr>
<tr>
<td>Fit-for-purpose organization</td>
<td></td>
<td>❯ Transformation of support functions continues</td>
</tr>
<tr>
<td>Procurement excellence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High performance culture</td>
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<td>Career and capability development</td>
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<tr>
<td>Core principles</td>
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</table>
Momentum to deliver higher ROS in 2020
Margin management and cost savings drive profitability improvement

Return on sales (ROS)

<table>
<thead>
<tr>
<th>%</th>
<th>Unallocated cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.2</td>
<td>H2 2017</td>
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<tr>
<td>10.6</td>
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</tr>
<tr>
<td>12.5</td>
<td>H2 2019</td>
</tr>
</tbody>
</table>

Marginal management 1-2%
Continuous improvement
Remaining cost savings €120m

<table>
<thead>
<tr>
<th>FY 2020 Ambition</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.5</td>
</tr>
<tr>
<td>14.5</td>
</tr>
</tbody>
</table>

ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
Assumes no significant market disruption
Momentum to deliver improved ROI in 2020 AkzoNobel despite lower growth assumptions and impact of IFRS 16

Return on investment (ROI)

ROI = adjusted operating income of the last 12 months as percentage of average invested capital (excluding unallocated cost and invested capital). Assumes no significant market disruption.

<table>
<thead>
<tr>
<th>Year</th>
<th>ROI</th>
<th>Unallocated cost and invested capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>18.0</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>16.6</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>17.2</td>
<td></td>
</tr>
</tbody>
</table>

Excluding impact of IFRS 16

ROI also impacted by:
- Lower revenue growth
- Recent acquisitions
Delivered promised shareholder returns
Moving towards target leverage 1-2x net debt/EBITDA

Net Leverage 1.7x
Net Leverage (5.6x)
Net Leverage 0.7x
Net Leverage 1.0x – 2.0x

-7,812
-5,861
642
5,500
521
802
500

Special dividend 2017
Net debt end 2017
Net cash generation and proceeds from specialty chemicals
Net debt end 2018
Total pension contributions
Cash returned to shareholders
Net cash flow (incl. impact of IFRS16)
Net debt end 2019
Share buyback to be completed by H1 2020

Return of proceeds from Specialty Chemicals

*Mainly UK pension contributions (€481m top-up and €161m payment into escrow)

Investor update | 2020 and beyond
Winning together: 15 by 20

- Passion for paint
- Precise processes
- Powerful performance
- Proud people
Beyond 2020
Thierry Vanlancker
Strategy beyond 2020 balances growth and profitability improvement…

GROW & DELIVER
Key levers to grow and deliver profitability improvement 2021-2023

- Portfolio management
- Market segment growth
- Sustainable (open) innovation

- Integrated Supply Chain
- Value engineering
- ERP and application integration
- End-to-end processes
- Attractive capital allocation
Rigorous portfolio management
Creating a high-performance culture

2017

2019

Average ROS  Grow  Maintain  Harvest  Change the game

ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
Market segment growth and sustainable innovation
Ruud Joosten
Attractive growth opportunities exist across geographies and industries

Source: internal estimates
Decorative Paints in China
Highly profitable with strong growth drivers

~€5bn market

#1 in premium segment
Leader in sustainability
Recognized “Superbrand”

Strong platform in place
- Renewed management team
- Cleaned-up product portfolio
- Acquired minority shareholding
- Growing premium Dulux brand
- Highly profitable business

Positioned for future growth
- Drive product penetration and partnerships for premium
- Disciplined pricing and promotion mechanisms
- Optimize channels and retail standards
- Upgrade distributor network

Source: Orr&Boss, internal estimates
Decorative Paints
Leverage global scale to drive growth and efficiency

<table>
<thead>
<tr>
<th>Marketing</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Color of the Year</td>
<td>Easycare</td>
</tr>
<tr>
<td>All countries</td>
<td>31 countries</td>
</tr>
<tr>
<td>TV campaigns</td>
<td>Rezisto</td>
</tr>
<tr>
<td>25 countries</td>
<td>13 countries</td>
</tr>
</tbody>
</table>

€3.7bn revenue

ROS +300bps

H2 2017

H2 2019
Powder Coatings
Clear global #1 - fastest growing and high performing

~€8bn market
€1.2bn revenue
2x relative market share

Multiple sources of growth..

New applications
Wood and plastic

Increased capacity
China and India

Market share growth focus
North America and Asia

Sustainability advantages
Zero VOCs, no waste and easy application

Product launches..

Interpon 610 Low E
Reduced energy consumption

Interpon D X-Pro
Improved scratch resistance

Interpon Redox
Enhanced corrosion protection

Other
48 new colors and effects

Source: Orr&Boss, internal estimates
Packaging Coatings
Well placed to capture share in a growing market segment

Shift from plastic
New categories
Brand differentiation
Leading technology

~€2.5bn market
Growing faster than the market
Present on >50% cans

Market expected to continue to grow..

Source: Global Data, internal estimates
Aerospace Coatings
Leading position with strong growth dynamics

#1 in exterior coatings
50:50 new:maintenance

Serve 8/10 world’s top airlines

- Leading position with basecoat/clearcoat technology
- Sustainable solutions (e.g. chrome-free technology)
- Strong key account management
- Key customers: Boeing, Airbus, Bombardier, Embraer and Gulfstream

Commercial aircraft deliveries (forecast)

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,308</td>
<td>2,650</td>
<td>2,638</td>
<td>2,557</td>
</tr>
</tbody>
</table>

Source: Aviation Week, internal estimates
Yacht Coatings
Attractive, growing niche segment; leading brands and technology

Only player with global presence:
- Present in all segments:
  - Recreational boating (distribution)
  - Superyacht (OEM and distribution)
- Complete offering:
  - Below water (primers, anti-fouling)
  - Above water (undercoats, non-skid deck coatings)
  - Interiors (finishes, tanks/wet areas)
- Strong key account management and technical support
- Broadest technology innovation (Awlgrip HDT, sprayable fillers, biocide-free)

New-build expected to remain stable at 2019 numbers, with growth driven by refits

Source: Superyacht Group, internal estimates
Innovation
Solutions beyond generations for our customers worldwide

~€1.25 billion
spent on R&D in the last five years

~3,000
scientists worldwide

2,900+
patents

Priority patent applications filed

Innovation drivers

Productivity
Asset protection
Surface enhancement
Environmental protection

Investor update | 2020 and beyond
Creating an innovation ecosystem
Collaborative open innovation transforming the industry

Paint the Future startup challenge
Spring 2019

Innovation acceleration with suppliers
November 2019

Regional startup acceleration
Brazil
Spring 2020

Collaborative innovation ecosystem
Integrated Supply Chain and value engineering
David Prinselaar
Integrated Supply Chain
Reinventing our supply chain to become strategic and customer-driven

2023 ambitions

- Safety: Remain top quartile
- Capital: Reduced inventory
- Service: Become top quartile
- People: Become top quartile (OHI)
- Cost: 4% annual cost productivity

13,500 People
125 Sites
365 Warehouses
~€250m CapEx/year
€1.5bn Cost
Integrated Supply Chain
Reinventing our supply chain to become strategic and customer-driven

2017-2019
Functional to integrated
- Organizational transformation
- ALPS implementation
- Integrated Business Planning

2020 and beyond
Reinventing supply chain
- End-to-end customer service
- Asset network based on supply chain archetypes
- Expand ALPS

People, team and capabilities
Operational excellence
End-to-end customer service
Asset network

Integrated supply chain
Integrated business planning
Customers
Integrated Supply Chain
ALPS continuous improvement drives operational excellence

**ALPS continues to offset inflation**
(Implementation level 2020 to 2023 in %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Waste (kg/t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>25</td>
</tr>
<tr>
<td>2018</td>
<td>20</td>
</tr>
<tr>
<td>2019</td>
<td>15</td>
</tr>
<tr>
<td>2023</td>
<td>10</td>
</tr>
</tbody>
</table>

**ALPS delivering results**
Manufacturing cost productivity (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total sites</th>
<th>Mature sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>35%</td>
<td></td>
</tr>
</tbody>
</table>

**ALPS continuous improvement drives operational excellence**

**Better performance, a better place to work**

**ALPS**

**Integrated Supply Chain**

**ALPS**

**PLAN**
Regional 100%
Local 35%

**MAKE**
Industry best
100%

**DELIVER**
100%
35%

**Regional**
100%

**Industry**
best

**100%**

**35%**
**Integrated Supply Chain**

Streamlined manufacturing footprint; consolidated warehouse network

**EBIT per site**

- **Peer 1**: 15.6
- **Peer 2**: 15.2
- **Peer 3**: 12.4
- **AkzoNobel**: 128
- **Peer 4**: 10.0
- **Peer 5**: 8.6
- **AkzoNobel**: 65
- **Peer 6**: 7.8
- **AkzoNobel**: 41
- **Peer 7**: 3.2
- **Peer 8**: 2.5

**Number of warehouses AkzoNobel**

- **2017**: 410
- **2019**: 350
- **2023**: 250

**From…**

- Broad manufacturing and warehouse footprint with strategy driven by business units only
- Sub-optimal product allocation and low efficiency
- Upstream product differentiation

**To…**

- Streamlined manufacturing footprint driven by supply chain archetypes
- Consolidated warehouse network
- Late differentiation at optimal step in value chain

*AkzoNobel assumes 2019 EBIT (peers 2018)*

Source: various
Integrated Supply Chain
Three archetypes enable customer-driven supply chain optimization

Simple and efficient
- Lowest total cost for high volumes at consistent quality
  - Example: White wall paint, packaging coatings

Managed complexity
- Offer many SKUs with selective customizations at balanced cost with best-in-class reliability
  - Example: Colored wall paint, basecoats for Vehicle Refinishes

Agile and adaptive
- Fulfill new and/or unexpected customer requests at a fast pace
  - Example: Aerospace Coatings, Rapid Service Unit for Powder

50% of total volumes
40% of total volumes
10% of total volumes
Integrated Supply Chain

Capital expenditure based on strategic mandates and archetypes

~€250m CapEx/year

40% Maintain
60% Invest

PLAN
- Advanced planning system
- Data analytics

MAKE
- Performance portals
- In line technology
- Automation
- Capacity optimization

DELIVER
- 4PL
- Data analytics
- Capacity optimization
Value engineering
Procurement category management, enabling efficiency gains

Category management in place

Value engineering 2.0

Efficiency gains...

**Achieved:**

- TiO₂ rationalization China
  - ~20% average reduction of TiO₂ grades per site

**Underway...**

- Latex rationalization Decorative Paints Europe
  - Planned reduction from 120 to 50 grades in four-year timeline

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> **12,000** Raw material SKU
> **4,000** Suppliers

Breakdown of total raw material spend 2019 (%)
ERP, end-to-end, and capital allocation

Maarten de Vries
Information Technology
Removing complexity; creating a future-proof technology backbone

Driving cost savings through standardization and simplification

2017
43 ERP systems
>1,000 applications

2020
29 ERP systems
~725 applications

2023
1 ERP system
~350 applications

End 2020

- ~65% of revenue in 1 ERP
- SuccessFactors and OneCRM

- Improve employee productivity with new industry standard digital workplace
- Start of network renewal preparing for digital innovation

Beyond 2020

- One single ERP based on SAP S/4HANA
- Advanced and predictive analytics

- Next generation network roll out
- Foundation for digital innovation, IOT and digital manufacturing

- Security operations center in place
- Security by design in entire IT landscape
Global Business Services (GBS)
Embed operational excellence and deliver cost savings

END 2020
- 2,600 people (from 350 in 2017)
- Centralize before standardize
- Transparency of end-to-end metrics
- Reliable data management

BEYOND 2020
- Rigorous standardization
- Automation of activities
- Annual cost productivity (7%-10%)
- Data-driven culture

Expanding scope of GBS with more end-to-end processes

Level of maturity
- Plan-Make-Deliver
- Order to cash
- Attract to grow
- Master data management
- Source to pay
- Plan to report
Stepping up free cash flow

Free cash flow (FCF) €m

- Free cash flow excluding pension top-up payments
- Reported free cash flow from operations

<table>
<thead>
<tr>
<th>Year</th>
<th>FCF yield*</th>
<th>FCF</th>
<th>FCF yield*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.8%</td>
<td>165</td>
<td>461</td>
</tr>
<tr>
<td>2019</td>
<td>5.0%</td>
<td>-181</td>
<td></td>
</tr>
</tbody>
</table>

Strong cash generation

- Increased profitability
- Minimal pension top-up payments
- Industry top quartile working capital
- Further improvement opportunities in working capital
- Low capital intensity (~2.5% capital expenditures/revenue)

*FCF excluding pension top-up payments as a percentage of revenue
Note: EBITDA (and FCF) was impacted by the adoption of IFRS 16 in 2019. 2018 has not been restated.
Stable to rising dividend and modular share buybacks

Dividend (€)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend (€)</th>
<th>Number of shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1.45</td>
<td>252m</td>
</tr>
<tr>
<td>2015</td>
<td>1.55</td>
<td>253m</td>
</tr>
<tr>
<td>2016</td>
<td>1.65</td>
<td>256m</td>
</tr>
<tr>
<td>2017</td>
<td>2.50</td>
<td>199m</td>
</tr>
</tbody>
</table>
Strategically aligned, value creating, M&A
Disciplined approach, in line with strategic mandates

**Strategic fit:**
- Paints and coatings segments
- Aligned with strategic mandates
- Add geography and/or technology
- Opportunity for synergies

**Ability to execute:**
- Target availability
- Culture fit
- Ease of integration
- Regulatory

**Integration**

**Strong financial discipline**
EBITDA multiple, IRR, ROS accretive
## Capital allocation priorities 2021-2023

<table>
<thead>
<tr>
<th>Chemicals separation proceeds returned</th>
<th>Pension liabilities de-risked</th>
</tr>
</thead>
</table>

### Profitable organic growth
- ~2.5% capital expenditures/revenue
- ≥ market CAGR; +50 bps ROS CAGR

### Dividend
- Stable to rising

### Acquisitions
- Strategically aligned and value creating

### Shareholder returns
- Modular share buybacks

---

**Leverage ratio**
1-2x net debt/EBITDA

**Retain strong investment grade credit rating**
PEOPLE. PLANET. PAINT.
and concluding remarks
Thierry Vanlancker
PEOPLE. PLANET. PAINT.
Our approach to sustainability
Organizational health up 9% (2018-2019)

Response rate 65%

Overall engagement trend positive

Executives (~300 people) 2nd quartile Above leadership benchmark

Accreditation by Top Employers Institute in key countries: Brazil, China, the Netherlands, UK, US

2019 Employer awards in China, France, the Netherlands, Poland, and Sweden
2025 ambitions

>25%  
Reduced carbon emissions  
(Baseline 2018)

50%  
Water re-usage

>50%  
Renewable energy

75%  
Reusable waste
Sustainable solutions make up >40% of total revenue

Eco-premium solutions >20% target for 4 consecutive years

Dulux Trade Evolve
- First major manufacturer to launch a recycled paint
- Contains 35% recycled paint and meets high standards

Interpon “Low-E”
- Low-E is more energy efficient through faster curing, reducing production cost
- Lower curing temperature is more environmentally friendly
Strategy beyond 2020 balances growth and profitability improvement

GROW & DELIVER
Financial ambitions 2021-2023

- Revenue growth ≥ market CAGR
- ROS +50bps CAGR

PLANNING ASSUMPTIONS

- Constant currencies
- ROS = Adjusted operating income as percentage of revenue (including other activities/eliminations)
- Effective tax rate 27%
- ~2.5% Capital expenditures as a percentage of revenue
- Leverage ratio 1-2x net debt/EBITDA
- Assumes no significant market disruption
Unearth your courage in 2021 with AkzoNobel's Color of the Year
Brave Ground has been unveiled as AkzoNobel's Color of the Year for 2021. It's a warm and grounding neutral shade that gives us the courage to embrace change. A range of palettes has been developed to help customers of the company's Decorative Paints, Automotive and Specialty Coatings, Powder Coatings and Wood Coatings businesses choose on-trend colors with confidence.
Agenda

- Key highlights
- Financial review
- Concluding remarks
- Q&A
Key highlights
Strong profitability during Q3, driven by disciplined margin and cost focus

- ROS, excluding unallocated costs, increased to 17.7% (2019: 13.8%) due to strong margin management and cost savings
- Growth in volumes of 3%, with strong demand trends for most segments and regions
- Total cost savings delivered €49 million, of which €27 million structural savings related to transformation initiatives
- Net cash from operating activities improved by 46% to €457 million (2019: €312 million); maintained a strong balance sheet
- Interim dividend of €0.43 per share (2019: €0.41 per share)
- On October 19, the acquisition of Titan Paints in Spain was announced, with completion expected before the end of Q1 2021
- €300 million share buyback announced, to be completed in the first half of 2021
Q3 2020 ROS* improved to 17.7%, and 51% increased cash generation

Q3 2020:

- **ROS***
  - Increased to 17.7%
  - (2019: 13.8%)

- **ROI**
  - 18.8%
  - (2019: 16.8%)

YTD 2020:

- **Revenue**
  - In constant currencies
  - Up 1%

- **Adjusted EPS**
  - From continuing operations
  - Up 19% at €2.80

- **Free cash flow**
  - 51% higher

- **Leverage**
  - (Net Debt/EBITDA)
  - 1.0x
  - (Target 1-2x by end 2020)

---

*ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
**ROI = adjusted operating income of the last 12 months as percentage of average invested capital (excluding unallocated cost and invested capital).
COVID-19 headwinds eased in Q3; revenue up 1% in constant currencies

Revenue development YTD 2020 (Δ%)*

*Four week moving average
Demand trends continue to differ per region and segment

- Automotive and Specialty
- South Asia
- Industrial
- Powder
- South America
- China
- EMEA
- Marine and Protective
## Taking steps to rapidly reduce costs and key parts of transformation resumed

<table>
<thead>
<tr>
<th>Sales force effectiveness</th>
<th>Delivering strong margin management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Margin management</strong></td>
<td>Powder technology acquisition accelerated access to low curing technology</td>
</tr>
<tr>
<td><strong>Innovation excellence</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Global Business Services</th>
<th>10 GBS transitions completed in Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated Business Planning</td>
<td>Successfully transitioned 60% of revenue to final ERP solution (SAP HANA technology)</td>
</tr>
<tr>
<td>ERP and systems platform</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ALPS continuous improvement</th>
<th>€49m cost savings overall in Q3, including €27m transformation cost savings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fit-for-purpose organization</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Procurement excellence</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>High performance culture</th>
<th>EcoVadis platinum rating (top 1%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Career and capability development</strong></td>
<td>Progress towards zero non-reusable waste, with 5% less waste YTD*</td>
</tr>
<tr>
<td><strong>Core principles</strong></td>
<td>Highest ever participation rate of 81% for latest employee survey (OHI)</td>
</tr>
</tbody>
</table>

*Volume adjusted, 2030 ambition

---

**EcoVadis platinum rating (top 1%)**
Progress towards zero non-reusable waste, with 5% less waste YTD*
Highest ever participation rate of 81% for latest employee survey (OHI)
Financial review
ROS* increased 390bps during Q3 2020, due to margin management and cost savings

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q3 2019</th>
<th>Q3 2020</th>
<th>Δ%</th>
<th>Δ% CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,398</td>
<td>2,276</td>
<td>(5%)</td>
<td>1%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>387</td>
<td>439</td>
<td>13%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Adjusted operating income</strong></td>
<td>300</td>
<td>353</td>
<td>18%</td>
<td>32%</td>
</tr>
<tr>
<td>Operating income</td>
<td>247</td>
<td>326</td>
<td>32%</td>
<td></td>
</tr>
</tbody>
</table>

ROS* excluding unallocated cost

ROS excluding unallocated cost

ROI excluding unallocated cost

Revenue development Q3 2020 (%)

Revenue was 5% lower, while up 1% up in constant currencies. Volumes were up 3% overall, mainly driven by Decorative Paints. Price/mix was 1% lower.

Adjusted operating income was up 18% at €353 million (2019: €300 million); driven by strong margin management and cost-saving programs. Continuous improvement initiatives successfully offset inflation.
Revenue up 1% in constant currencies, with differing trends per segment

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
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<th>18</th>
<th>18</th>
<th>19</th>
<th>19</th>
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<th>19</th>
<th>20</th>
<th>20</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>6</td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

-2% price
-6% geo-mix

**Performance Coatings**
Quarterly volume* development in % year-on-year

<table>
<thead>
<tr>
<th>Quarter</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>19</th>
<th>19</th>
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<th>19</th>
<th>20</th>
<th>20</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>-5</td>
<td>-3</td>
<td>-7</td>
<td>-7</td>
<td>-8</td>
<td>-7</td>
<td>-3</td>
<td>-4</td>
<td>-7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>19</th>
<th>19</th>
<th>19</th>
<th>19</th>
<th>20</th>
<th>20</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>5</td>
<td>6</td>
<td>9</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

-1

Quarterly volume* development in % year-on-year

<table>
<thead>
<tr>
<th>Quarter</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>19</th>
<th>19</th>
<th>19</th>
<th>19</th>
<th>20</th>
<th>20</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3</td>
<td>-3</td>
<td>-6</td>
<td>-7</td>
<td>-7</td>
<td>-6</td>
<td>-4</td>
<td>-4</td>
<td>-7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

-18

*Organic volume development, does not include acquisition impact
Margin management and cost savings delivered 18% higher profitability in Q3 2020

Adjusted operating income
- Positive impact
- Negative impact

ROS* 13.8%

<table>
<thead>
<tr>
<th>Q3 2019</th>
<th>FX</th>
<th>Volumes</th>
<th>Price/mix</th>
<th>Raw materials/Variable cost</th>
<th>Transformation and temporary cost savings</th>
<th>One-offs and other</th>
<th>Q3 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>300</td>
<td></td>
<td>32</td>
<td>-15</td>
<td>49</td>
<td>€27m transformation</td>
<td>€22m temporary</td>
<td>353</td>
</tr>
</tbody>
</table>

*ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
Decorative Paints ROS at 20.7%, driven by strong demand globally

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q3 2019</th>
<th>Q3 2020</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>968</td>
<td>1004</td>
<td>4%</td>
<td>11%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>174</td>
<td>243</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>135</td>
<td>208</td>
<td>54%</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>130</td>
<td>202</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td>ROS*</td>
<td>13.9%</td>
<td>20.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROI**</td>
<td>12.5%</td>
<td>18.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue development Q3 2020 (%)

- **Increase**
- **Decrease**

<table>
<thead>
<tr>
<th>Volumes</th>
<th>Price/mix</th>
<th>Acquisitions</th>
<th>Other</th>
<th>FX</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>-4</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-7</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)

**ROI = adjusted operating income of the last 12 months as percentage of average invested capital (excluding unallocated cost and invested capital).
Performance Coatings demand improving with revenue in constant currency up in September

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q3 2019</th>
<th>Q3 2020</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,413</td>
<td>1,270</td>
<td>(10%)</td>
<td>(5%)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>238</td>
<td>232</td>
<td>(3%)</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>194</td>
<td>195</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>156</td>
<td>179</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td><strong>ROS</strong></td>
<td>13.7%</td>
<td>15.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROI</strong></td>
<td>20.8%</td>
<td>19.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue development Q3 2020 (%)

```
<table>
<thead>
<tr>
<th>Volumes</th>
<th>Price/mix</th>
<th>Acquisitions</th>
<th>Other</th>
<th>FX</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-5</td>
<td>1</td>
<td>-1</td>
<td>-5</td>
<td>-10</td>
</tr>
</tbody>
</table>
```

During Q3, we completed the acquisition of Stahl Performance Powder Coatings and its range of products for heat sensitive substrates. The deal gives us accelerated access to unique low curing technology which is the only one of its kind in the powder coatings industry. It includes both UV and thermally curing powders and will enable the company to penetrate the ultra-low cure (80-100°C) domain.

*ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
**ROI = adjusted operating income of the last 12 months as percentage of average invested capital (excluding unallocated cost and invested capital*
Adjusted EPS for continuing operations up 34% for Q3 and 19% YTD

<table>
<thead>
<tr>
<th>Q3 2019</th>
<th>Q3 2020</th>
<th>€ million</th>
<th>YTD 2019</th>
<th>YTD 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>247</td>
<td>326</td>
<td>Operating income</td>
<td>668</td>
<td>720</td>
</tr>
<tr>
<td>(27)</td>
<td>(15)</td>
<td>Net financing expenses</td>
<td>(58)</td>
<td>(53)</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>Results from associates and joint ventures</td>
<td>16</td>
<td>18</td>
</tr>
<tr>
<td>226</td>
<td>317</td>
<td>Profit before tax</td>
<td>626</td>
<td>685</td>
</tr>
<tr>
<td>(51)</td>
<td>(82)</td>
<td>Income tax</td>
<td>(151)</td>
<td>(189)</td>
</tr>
<tr>
<td>175</td>
<td>235</td>
<td>Profit from continuing operations</td>
<td>475</td>
<td>496</td>
</tr>
<tr>
<td>-</td>
<td>(5)</td>
<td>Profit from discontinued operations</td>
<td>16</td>
<td>(6)</td>
</tr>
<tr>
<td>175</td>
<td>230</td>
<td>Profit for the period</td>
<td>491</td>
<td>490</td>
</tr>
<tr>
<td>(13)</td>
<td>(10)</td>
<td>Non-controlling interests</td>
<td>(33)</td>
<td>(27)</td>
</tr>
<tr>
<td>162</td>
<td>220</td>
<td>Net income from total operations</td>
<td>458</td>
<td>463</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q3 2019</th>
<th>Q3 2020</th>
<th>Earnings per share (in €)</th>
<th>YTD 2019</th>
<th>YTD 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.79</td>
<td>1.15</td>
<td>Total operations</td>
<td>2.10</td>
<td>2.41</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q3 2019</th>
<th>Q3 2020</th>
<th>Adjusted earnings per share (in €)</th>
<th>YTD 2019</th>
<th>YTD 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.97</td>
<td>1.30</td>
<td>Continuing operations</td>
<td>2.35</td>
<td>2.80</td>
</tr>
</tbody>
</table>

The outstanding share capital was 190.6 million common shares at the end of September 2020.
Q3 free cash flow improved by 51%; maintained strong balance sheet

<table>
<thead>
<tr>
<th>Q3 2019</th>
<th>Q3 2020</th>
<th>€ million</th>
<th>YTD 2019</th>
<th>YTD 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>334</td>
<td>417</td>
<td>EBITDA</td>
<td>929</td>
<td>991</td>
</tr>
<tr>
<td>28</td>
<td>1</td>
<td>Impairment losses</td>
<td>61</td>
<td>1</td>
</tr>
<tr>
<td>(5)</td>
<td>(10)</td>
<td>Pre-tax result on acquisitions and divestments</td>
<td>(71)</td>
<td>(10)</td>
</tr>
<tr>
<td>35</td>
<td>101</td>
<td>Changes in working capital</td>
<td>(502)</td>
<td>(182)</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>Pension pre-funding</td>
<td>(161)</td>
<td>-</td>
</tr>
<tr>
<td>(2)</td>
<td>(11)</td>
<td>Pension top-up payments</td>
<td>(481)</td>
<td>(17)</td>
</tr>
<tr>
<td>(14)</td>
<td>6</td>
<td>Other changes in provisions</td>
<td>(27)</td>
<td>(46)</td>
</tr>
<tr>
<td>(29)</td>
<td>(22)</td>
<td>Interest paid</td>
<td>(50)</td>
<td>(37)</td>
</tr>
<tr>
<td>(45)</td>
<td>(32)</td>
<td>Income tax paid</td>
<td>(132)</td>
<td>(93)</td>
</tr>
<tr>
<td>10</td>
<td>7</td>
<td>Other changes</td>
<td>13</td>
<td>(2)</td>
</tr>
<tr>
<td>312</td>
<td>457</td>
<td>Net cash from operating activities</td>
<td>(421)</td>
<td>605</td>
</tr>
<tr>
<td>(52)</td>
<td>(64)</td>
<td>Capital expenditures</td>
<td>(135)</td>
<td>(156)</td>
</tr>
<tr>
<td>260</td>
<td>393</td>
<td>Free cash flow</td>
<td>(556)</td>
<td>449</td>
</tr>
</tbody>
</table>

Net Debt | 537 | 1,315

Leverage (Net Debt/EBITDA*) | 0.5x | 1.0x

*Last twelve months.
Delivering on capital allocation priorities

Profitable organic growth

- ~2.5% CAPEX/revenue
- Investing in our sites and systems

Dividend

- Policy “stable to rising”
- Interim dividend €0.43 (2019: €0.41)

Acquisitions

- Strategically aligned and value creating
- Acquisition of Titan Paints and Stahl Powder Coatings

Shareholder returns

- Modular share buybacks
  - €300 million share buyback to be completed in the first half of 2021

Dividend € per share

- Related to the Specialty Chemicals business
- Final dividend
- Interim dividend

Net debt/EBITDA Target 1-2x

- 1.0x (Q3 2020)

Retain strong investment grade credit rating
Concluding remarks
Strong profitability during Q3, driven by disciplined margin and cost focus

- ROS, excluding unallocated costs, increased to 17.7% (2019: 13.8%) due to strong margin management and cost savings
- Growth in volumes of 3%, with strong demand trends for most segments and regions
- Total cost savings delivered €49 million, of which €27 million structural savings related to transformation initiatives
- Net cash from operating activities improved by 46% to €457 million (2019: €312 million); maintained a strong balance sheet
- Interim dividend of €0.43 per share (2019: €0.41 per share)
- On October 19, the acquisition of Titan Paints in Spain was announced, with completion expected before the end of Q1 2021
- €300 million share buyback announced, to be completed in the first half of 2021
Outlook

AkzoNobel has suspended its 2020 financial ambition in response to the significant market disruption resulting from the pandemic.

Headwinds related to COVID-19 continued to ease, although demand trends differ per region and segment in an uncertain macro-economic environment.

Raw material costs are expected to have a favorable impact for the fourth quarter of 2020.

Continued margin management and cost-saving programs are in place to address the current challenges.

The company targets a leverage ratio of 1-2 times net debt/EBITDA and commits to retain a strong investment grade credit rating.
<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ex-dividend date of 2020 interim dividend</td>
<td>October 23, 2020</td>
</tr>
<tr>
<td>Record date of 2020 interim dividend</td>
<td>October 26, 2020</td>
</tr>
<tr>
<td>Payment of 2020 interim dividend</td>
<td>November 5, 2020</td>
</tr>
<tr>
<td>Report for the full-year and the fourth quarter</td>
<td>February 17, 2021</td>
</tr>
</tbody>
</table>
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
- Well positioned to accelerate growth and enhance profitability
- Transformation plans in place and clear path to deliver
- Significant returns to shareholders

* Excluding unallocated costs and invested capital; assumes no significant market disruption
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
### YTD 2020

<table>
<thead>
<tr>
<th>€ million</th>
<th>YTD 2019</th>
<th>YTD 2020</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>7,034</td>
<td>6,321</td>
<td>(10%)</td>
<td>(7%)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>1,029</td>
<td>1,062</td>
<td>3%</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted operating income</strong></td>
<td><strong>768</strong></td>
<td><strong>805</strong></td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>668</td>
<td>720</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>(\text{ROS}^%) excluding unallocated costs</td>
<td>12.3%</td>
<td>14.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(\text{ROS})</td>
<td>10.9%</td>
<td>12.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(\text{ROI}^%)** excluding unallocated costs</td>
<td>16.8%</td>
<td>18.8%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Revenue development YTD 2020 (%)

-8 1 -3 -10

<table>
<thead>
<tr>
<th>Volumes</th>
<th>Price/mix</th>
<th>Acquisitions</th>
<th>Other</th>
<th>FX</th>
<th>Total</th>
</tr>
</thead>
</table>

1 Adjusted operating income was €805 million (2019: €768 million); driven by margin management and cost-saving programs. Continuous improvement initiatives successfully offset inflation.

\(\text{ROS} = \frac{\text{adjusted operating income}}{\text{revenue}}\) (excluding unallocated cost)

**\(\text{ROI} = \frac{\text{adjusted operating income of the last 12 months}}{\text{average invested capital}}\) (excluding unallocated cost and invested capital)
YTD 2020: Decorative Paints

<table>
<thead>
<tr>
<th></th>
<th>YTD 2019</th>
<th>YTD 2020</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,801</td>
<td>2,657</td>
<td>(5%)</td>
<td>-%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>446</td>
<td>554</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>331</td>
<td>447</td>
<td>35%</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>350</td>
<td>429</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td><strong>ROS%</strong></td>
<td>11.8%</td>
<td>16.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROI%</strong></td>
<td>12.5%</td>
<td>18.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Decorative Paints performance continued to improve. Margin management and cost savings more than compensated for lower volumes.
### YTD 2020: Performance Coatings

<table>
<thead>
<tr>
<th>€ million</th>
<th>YTD 2019</th>
<th>YTD 2020</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,184</td>
<td>3,651</td>
<td>(13%)</td>
<td>(10%)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>661</td>
<td>601</td>
<td>(9%)</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted operating income</strong></td>
<td>529</td>
<td>488</td>
<td>(8%)</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>427</td>
<td>450</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td><strong>ROS%</strong></td>
<td>12.6%</td>
<td>13.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROI%</strong></td>
<td>20.8%</td>
<td>19.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Performance Coatings adjusted operating income was lower, with positive price/mix, margin management and cost savings more than offset by lower volumes.**

### Revenue development YTD 2020 (%)

<table>
<thead>
<tr>
<th>Volumes</th>
<th>Price/mix</th>
<th>Acquisitions</th>
<th>FX</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>-12</td>
<td>2</td>
<td>-3</td>
<td>-3</td>
<td>-13</td>
</tr>
</tbody>
</table>

*ROS% = Adjusted operating income/revenue

**ROI% = 12 months adjusted operating income/12 months average invested capital.
## Representation of revenue 2019

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reported</td>
<td>Represented</td>
<td>Reported</td>
<td>Represented</td>
</tr>
<tr>
<td>Decorative Paints EMEA</td>
<td>506</td>
<td>498</td>
<td>620</td>
<td>611</td>
</tr>
<tr>
<td>Decorative paints South America</td>
<td>99</td>
<td>98</td>
<td>103</td>
<td>102</td>
</tr>
<tr>
<td>Decorative Paints Asia</td>
<td>240</td>
<td>240</td>
<td>284</td>
<td>284</td>
</tr>
<tr>
<td>Other/eliminations</td>
<td>(1)</td>
<td>-</td>
<td>(2)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Decorative Paints total</strong></td>
<td>844</td>
<td>836</td>
<td>1,005</td>
<td>997</td>
</tr>
<tr>
<td>Powder Coatings</td>
<td>298</td>
<td>298</td>
<td>317</td>
<td>316</td>
</tr>
<tr>
<td>Marine and Protective Coatings</td>
<td>300</td>
<td>295</td>
<td>341</td>
<td>338</td>
</tr>
<tr>
<td>Automotive and Specialty Coatings</td>
<td>336</td>
<td>319</td>
<td>364</td>
<td>345</td>
</tr>
<tr>
<td>Industrial Coatings</td>
<td>424</td>
<td>420</td>
<td>445</td>
<td>439</td>
</tr>
<tr>
<td>Other/eliminations</td>
<td>(19)</td>
<td>1</td>
<td>(22)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Performance Coatings total</strong></td>
<td>1,339</td>
<td>1,333</td>
<td>1,445</td>
<td>1,438</td>
</tr>
<tr>
<td>Other/eliminations</td>
<td>2</td>
<td>16</td>
<td>1</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,185</td>
<td>2,185</td>
<td>2,451</td>
<td>2,451</td>
</tr>
</tbody>
</table>

2019 revenue is represented to present revenue from third parties instead of total revenue. This table reflects the reported and the represented 2019 revenue.
Definitions and assumptions 2020

- ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
- ROI = adjusted operating income of the last 12 months as percentage of average invested capital (excluding unallocated cost and invested capital)
- Other activities/eliminations €140-180m
- Leverage 1-2x net debt/EBITDA
- CapEx €200-250m
- Effective tax rate 27%
- Dividend policy “stable to rising”