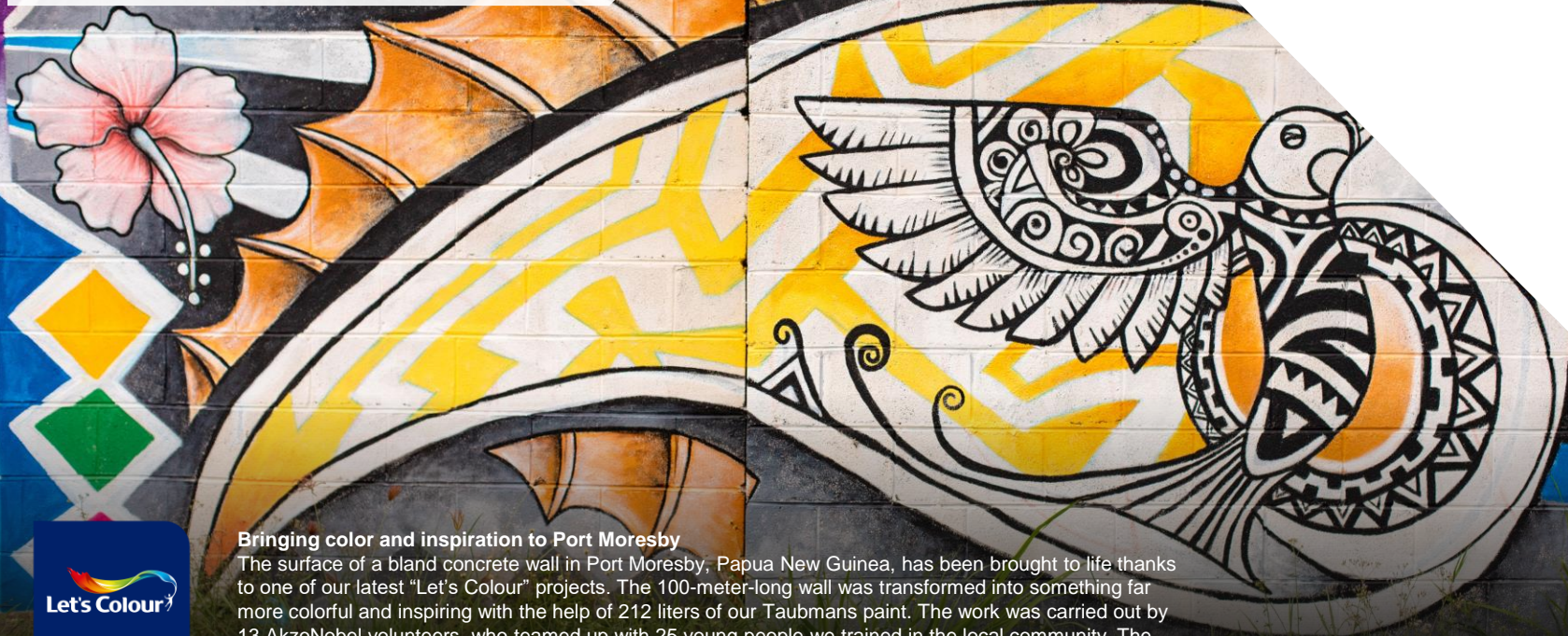


Investor update Q2 2021

July 21, 2021

AkzoNobel



Bringing color and inspiration to Port Moresby

The surface of a bland concrete wall in Port Moresby, Papua New Guinea, has been brought to life thanks to one of our latest "Let's Colour" projects. The 100-meter-long wall was transformed into something far more colorful and inspiring with the help of 212 liters of our Taubmans paint. The work was carried out by 13 AkzoNobel volunteers, who teamed up with 25 young people we trained in the local community. The project involved creating a colorful mural full of modern, traditional and cultural motifs.


Let's Colour

Agenda



Key highlights



Financial review



Concluding remarks



Q&A

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 Q2 2021 Report. The Q2 2021 Report provides additional information, including the IAS34 condensed consolidated financial statements.

Key highlights

Strong growth and higher profit in Q2 2021

Q2 2021:

Revenue

In constant currencies*

29% higher
(up 8% vs 2019)

Adjusted EBITDA*

Up 31% at €419m

Adjusted operating income*

Increased 41%
ROS up at 13.3% (2020: 12.0%)

Adjusted EPS*

From continuing operations

50% higher at €1.20

H1 2021:

Revenue

In constant currencies*

23% higher
(up 9% vs 2019)

Adjusted operating income*

Increased 42%
ROS up at 13.4% (2020: 11.2%)

**€223m of €1bn
share buyback
completed**



**Announced
Grupo Orbis
acquisition**



Grow & Deliver strategy continues strong momentum

- ↗ Growth for fourth consecutive quarter (revenue* up 8% versus 2019)
- ↗ Announced acquisition of Grupo Orbis (~€260m); leadership in South America
- ↗ Received more than 200 submissions for Paint the Future's second global startup challenge

GROW

- ↗ Strong focus on margin management; prices up 4.5%
- ↗ Sustainability: highest possible MSCI rating (AAA) for six consecutive years
- ↗ Record participation and score for OHI (engagement)

DELIVER



Acquisition of Grupo Orbis expands position in South and Central America

AkzoNobel

~€260m
revenue



3,000
employees



8 manufacturing
sites

Complimentary geographic fit



- ↗ Headquartered in Colombia
- ↗ Presence across South and Central America
- ↗ 100-year heritage
- ↗ Brands include Pintuco, Protecto and AVF Paints
- ↗ Strong sustainability and social impact

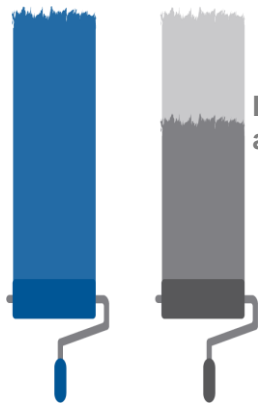


Leading industry in sustainability ratings and ambitions

AkzoNobel



AkzoNobel

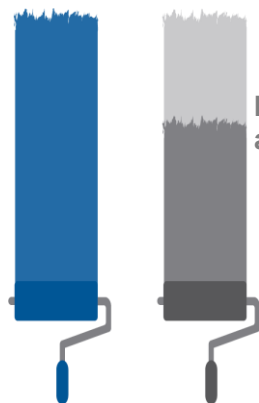


Industry average

MSCI

Only Paints and Coatings company... rated "AAA"

AkzoNobel



Industry average

ecovadis

...with "Platinum" rating

AkzoNobel



Industry average

SUSTAINALYTICS

...and "Low risk" rating

2030 ambitions

People.

- ↗ Top quartile Organizational Health
- ↗ >30% female executives

Planet.

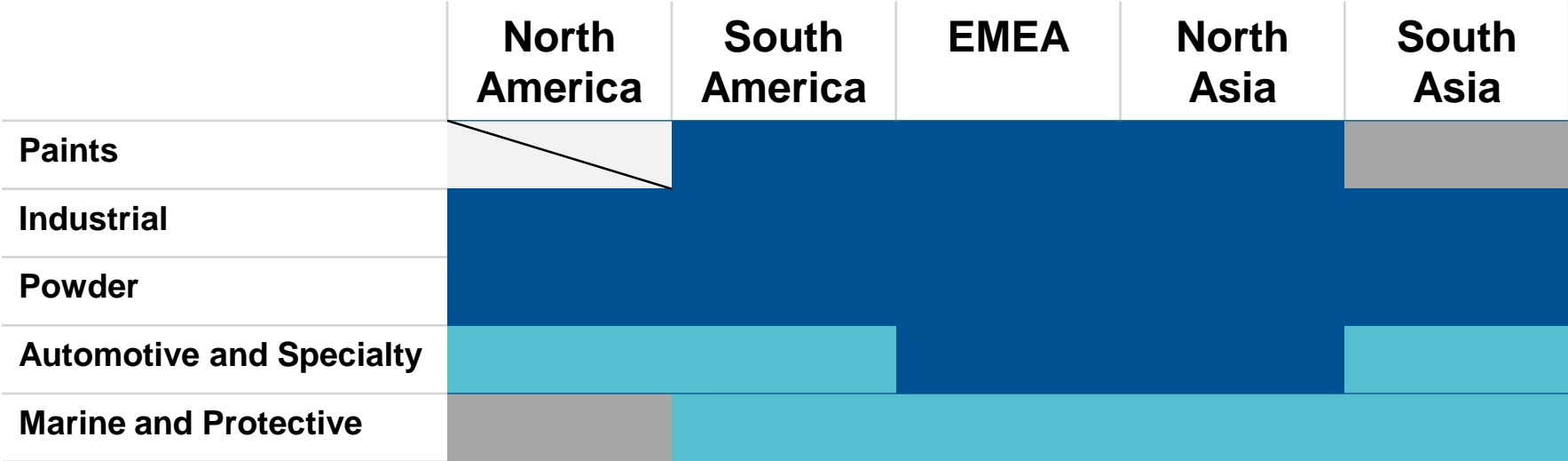
- ↗ Cut carbon emissions in half, versus 2018 baseline (no offsetting)
 - 30% reduction in energy use
 - 100% renewable electricity
 - Zero non-reusable waste

Paint.

- ↗ >50% of revenue from sustainable solutions by 2030



Focus on growth underpinned by robust end market demand



End market demand (y-o-y)



Industrial coatings strong profitability and growth opportunities ahead

~€17bn market

€1.6bn revenue in 2020

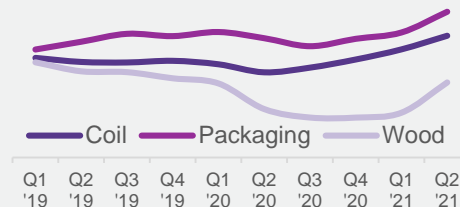
#1 packaging
(inside metal cans)

#2 coil

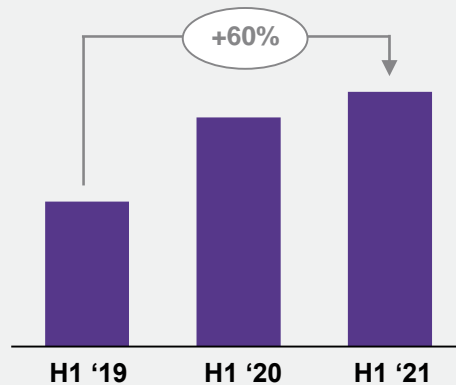
#2 wood



Moving average revenue vs. 2018 (index)



Adj. Operating Income*



Transforming surfaces through...

➤ More safe and sustainable coil coatings



➤ Expanded offering for packaging customers

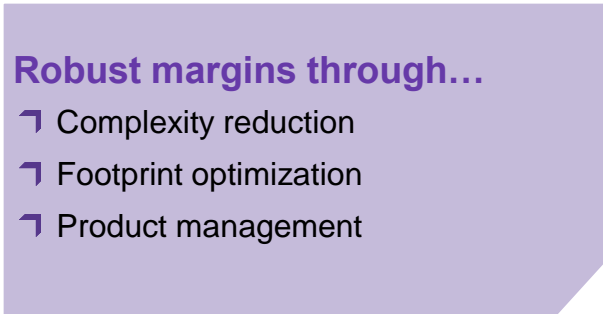


➤ New UV cured wood coatings saving application time and energy



Robust margins through...

- Complexity reduction
- Footprint optimization
- Product management



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

Paints EMEA growing leading positions organically and with bolt-on acquisitions

€2.2bn revenue in 2020

#1 in Europe and Africa

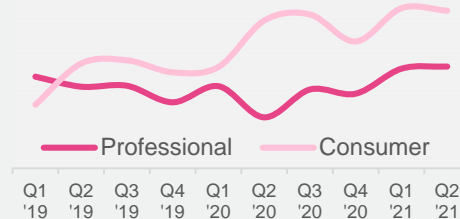
Presence in all major markets



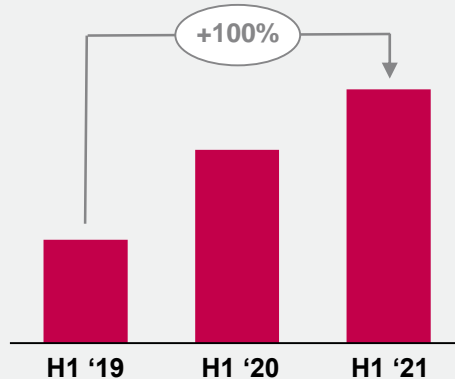
Strong launch of premium local concept 'Heritage' in the UK



Quarterly revenue growth (%) vs. 2018



Adj. Operating Income*



Successful bolt-on acquisitions...

2021



2020



2018



2018



Driving efficiency through...

- Reduced complexity of plastic packaging
- Harmonized raw materials
- Regional product catalogue

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

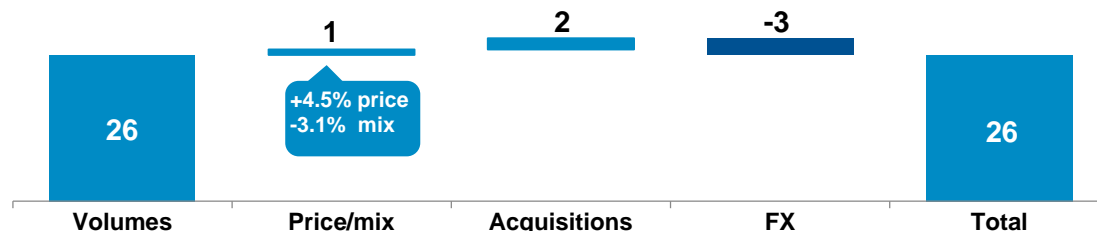
Financial review

Adjusted operating income 41% higher, driven by higher volumes and prices

€ million	Q2 2020	Q2 2021	Δ%	Δ%CC	Δ%CC Vs. Q2 '19
Revenue	1,987	2,511	26%	29%	8%
Adjusted EBITDA*	321	419	31%		
Adjusted operating income*	238	335	41%		
ROS*	12.0%	13.3%			
ROI*	13.8%	19.3%			

Revenue development Q2 2021 (%)

■ Increase ■ Decrease



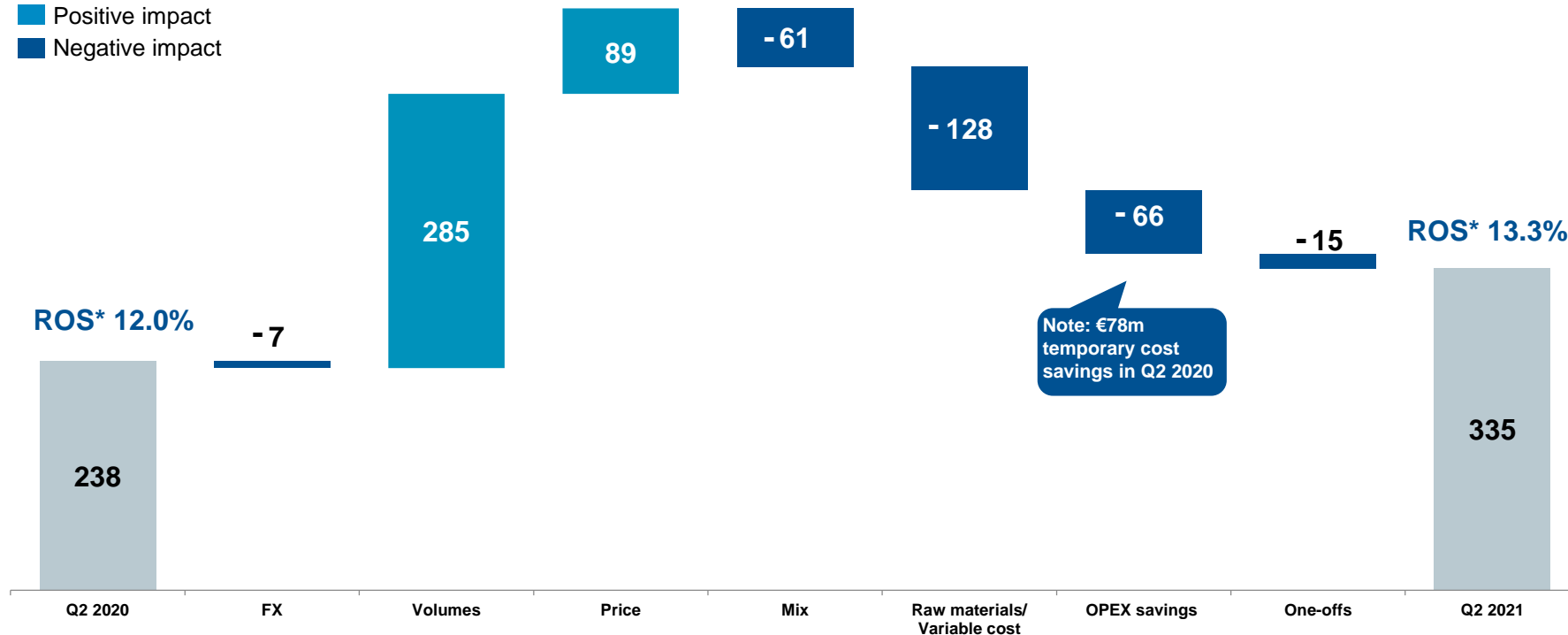
Our innovative Paint the Future startup challenge is continuing to attract interest from around the world. We received more than 200 submissions for our second global edition – which was launched in May – with a follow-up bootcamp event scheduled for November. Meanwhile, this year's regional startup event in China attracted 210 submissions (the bootcamp is in August)

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

Revenue growth and margin management delivered ~€100m more profit for Q2 2021

Adjusted operating income* (€m)

- Positive impact
- Negative impact



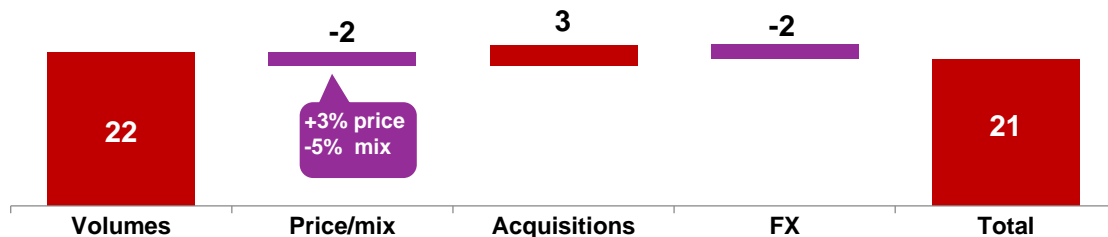
*Alternative performance measure, for definitions reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix

Paints volumes up 22%, driven by continued strong demand

€ million	Q2 2020	Q2 2021	Δ%	Δ%CC	Δ%CC Vs. Q2 '19
Revenue	899	1,086	21%	23%	18%
Adjusted EBITDA*	211	226	7%		
Adjusted operating income*	175	191	9%		
ROS*	19.5%	17.6%			

Revenue development Q2 2021 (%)

■ Increase ■ Decrease



Two major projects to install solar panels are being finalized in China, helping us to accelerate our ambition of cutting carbon emissions in half by 2030. Being installed at two Decorative Paints plants – more than 5,000 at our Shanghai site and almost 3,000 in Guangzhou – it represents further progress for our greener manufacturing plans

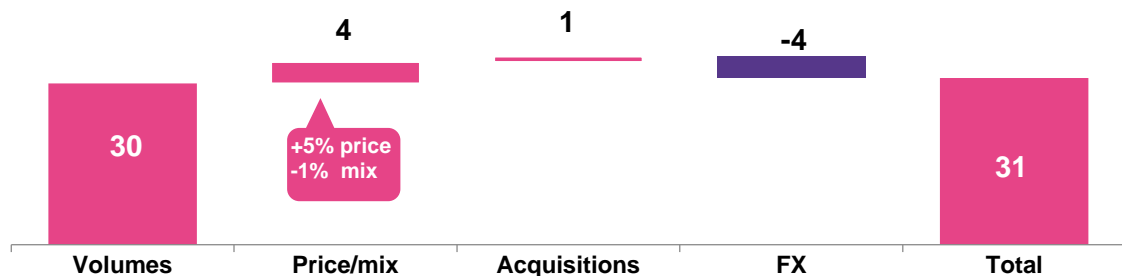
*Alternative performance measure, for definitions reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix

Coatings adjusted operating income up 74%, with prices 5% higher

€ million	Q2 2020	Q2 2021	Δ%	Δ%CC	Δ%CC Vs. Q2 '19
Revenue	1,086	1,423	31%	35%	4%
Adjusted EBITDA*	139	218	57%		
Adjusted operating income*	103	179	74%		
ROS*	9.5%	12.6%			

Revenue development Q2 2021 (%)

■ Increase ■ Decrease

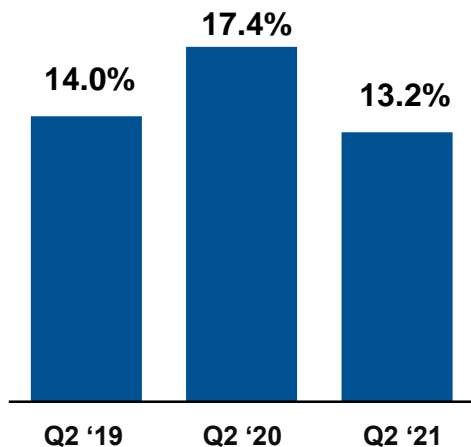


Our Yacht Coatings business has partnered with the Water Revolution Foundation to help create a more sustainable yacht industry and protect the world's oceans. The business will share its expert knowledge and insight, which has been acquired over many decades of developing pioneering solutions for customers around the world

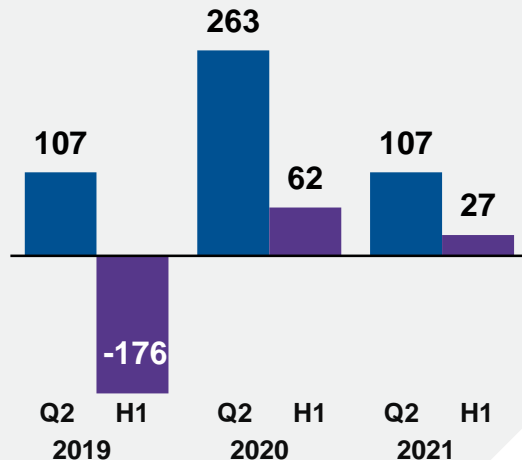
*Alternative performance measure, for definitions reconciliation of the alternative performance measures to the most directly comparable IFRS measures please see appendix

Strong working capital management

Operating working capital (Trade) as a % of revenue



Free cash flow (FCF) €m excl. pension pre-funding and top-up payments*

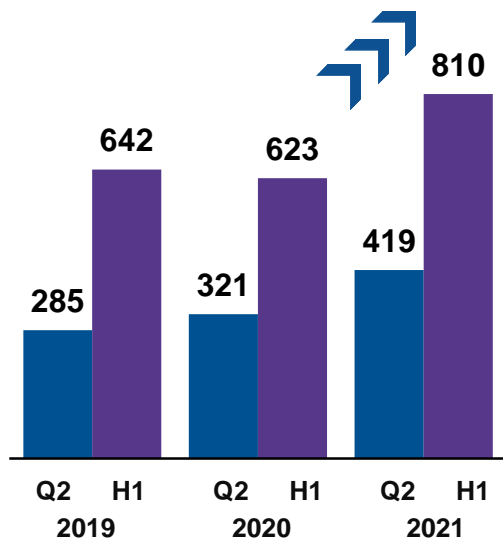


Net Debt/EBITDA 1.2 times
(Q2 2020: 1.4)

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

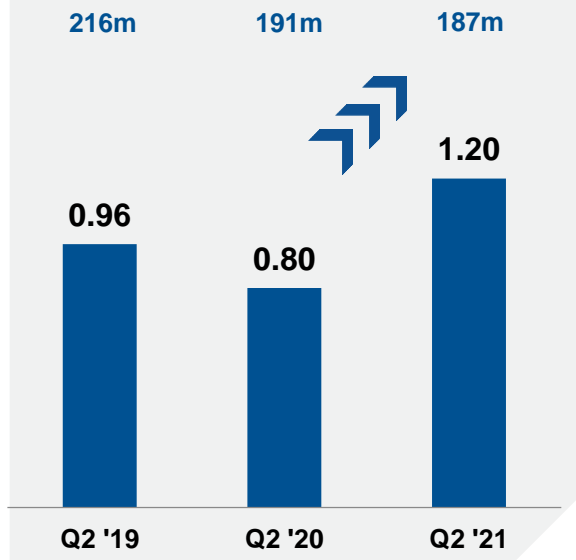
Adjusted EPS up 50% to €1.20 per share

Adjusted EBITDA*
(€m)



Adjusted earnings per share*
(EPS) from cont. operations (€)

Number of shares (weighted average)



€223 million of €1 billion share buyback completed by end Q2

**Towards €2bn
adjusted EBITDA
in 2023**

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

Concluding remarks

Q2 Highlights

- Revenue up 26% and 29% higher in constant currencies, with 4.5% price increase
- Adjusted operating income 41% higher (ROS up at 13.3%)
- €1 billion share buyback started April 27, 2021; €223 million completed by end of Q2 2021
- Acquisition of Grupo Orbis announced, expected to be completed by the end of 2021 or early 2022

Outlook

AkzoNobel targets to grow at least in line with its relevant markets. Trends differ per region and segment with significant raw material inflation expected to continue in the second half of 2021.

Margin management and cost discipline are in place to deliver an average annual 50 basis points increase in return on sales over the period 2021-2023.

The company targets a leverage ratio of 1-2 times net debt/EBITDA and commits to retain a strong investment grade credit rating.

Upcoming events

AkzoNobel

Report for third quarter 2021

October 20, 2021

A focused, high performing, paints and coatings company

AkzoNobel

- ↗ 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
- ↗ Significant returns to shareholders



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 under-stood 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

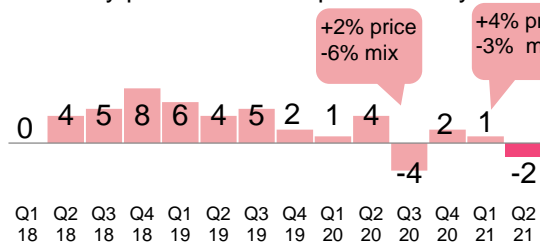


Appendix

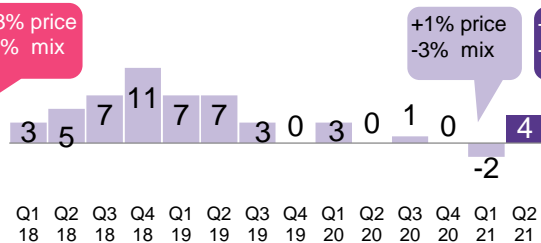
Delivered growth fourth quarter in a row; Q2 revenue up 29% in constant currencies

Paints

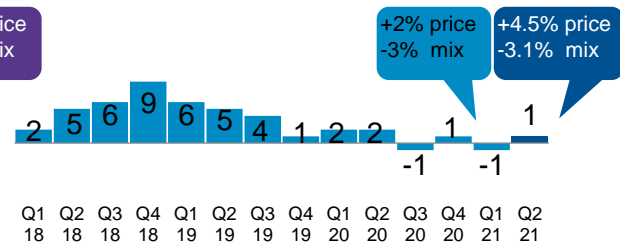
Quarterly price/mix development in % year-on-year



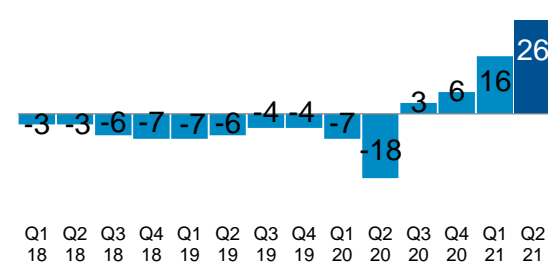
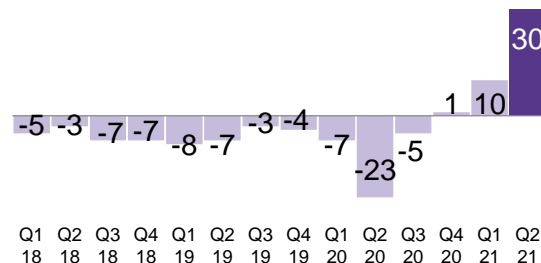
Coatings



Total



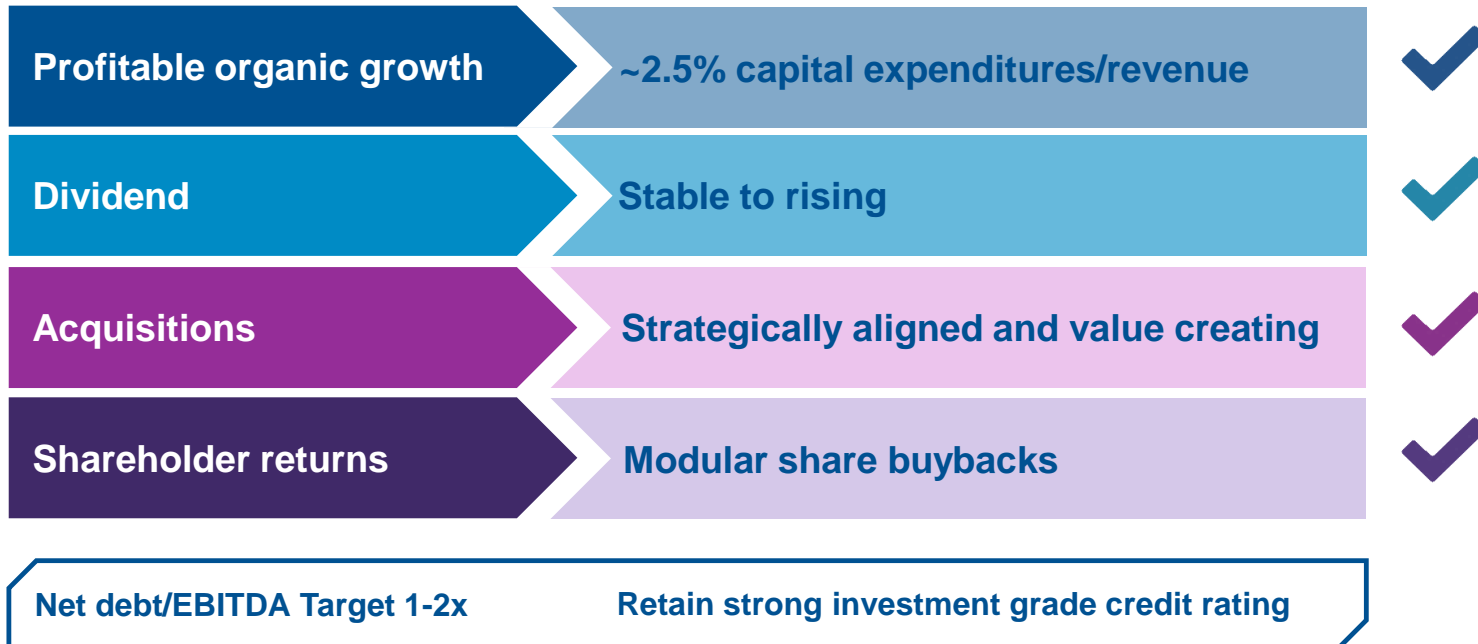
Quarterly volume* development in % year-on-year



*Organic volume development, does not include acquisition impact

Delivering on capital allocation priorities

AkzoNobel



Definitions of alternative performance measures

- ↗ **Adjusted earnings per share** are the basic earnings per share from operations, excluding identified items and taxes thereon
- ↗ **Adjusted operating income** is operating income excluding identified items
- ↗ **Adjusted EBITDA** is operating income excluding depreciation, amortization and identified items
- ↗ **Constant currencies** calculations exclude the impact of changes in foreign exchange rates
- ↗ **Identified items** are special charges and benefits, results on acquisitions and divestments, major restructuring and impairment charges, and charges and benefits related to major legal, environmental and tax cases
- ↗ **ROI** is adjusted operating income of the last 12 months as percentage of average invested capital
- ↗ **ROS** is adjusted operating income as percentage of revenue; ROS excluding unallocated cost was reported in relation to the Winning together: 15 by 20 strategy and is no longer reported
- ↗ **Leverage ratio** is calculated as net debt divided by EBITDA, which is calculated as the total of the last 12 months
- ↗ **Operating working capital (Trade)** is defined as the sum of inventories, trade receivables and trade payables. When expressed as a ratio, operating working capital is measured against four times last quarter revenue

Assumptions for 2021-2023

- ↗ Revenue growth \geq market CAGR
- ↗ ROS* +50bps CAGR
- ↗ Other activities €140-180 million
- ↗ Effective tax rate ~27% (cash tax rate ~20%)
- ↗ Capital expenditures ~€275 million
- ↗ Dividend policy “stable to rising”
- ↗ Leverage 1-2x net debt/EBITDA

Consolidated statement of free cash flows*

Q2 2020	Q2 2021	€ million	H1 2020	H1 2021
297	469	EBITDA	574	857
-	-	Pre-tax result on acquisitions and divestments	-	(11)
70	(170)	Changes in working capital	(283)	(461)
(1)	(1)	Pension top-up payments	(6)	(9)
(20)	(38)	Other changes in provisions	(52)	(96)
(10)	(21)	Interest paid	(15)	(25)
(27)	(46)	Income tax paid	(61)	(90)
(1)	(25)	Other changes	(9)	(28)
308	168	Net cash from operating activities	148	137
(46)	(62)	Capital expenditures	(92)	(119)
262	106	Free cash flow	56	18
Net Debt		1,683	1,857	

Leverage (Net Debt/EBITDA)

1.4

1.2

Operating income to net income

Q2 2020	Q2 2021	€ million	H1 2020	H1 2021
207	384	Operating income	394	687
(25)	(4)	Net financing expenses	(38)	(12)
5	8	Results from associates and joint ventures	12	15
187	388	Profit before tax	368	690
(53)	(123)	Income tax	(107)	(196)
134	265	Profit from continuing operations	261	494
-	7	Profit from discontinued operations	(1)	5
134	272	Profit for the period	260	499
(5)	(11)	Non-controlling interests	(17)	(21)
129	261	Net income	243	478
Q2 2020	Q2 2021	Earnings per share (in €)	H1 2020	H1 2021
0.68	1.40	Total operations	1.26	2.54
Q2 2020	Q2 2021	Adjusted earnings per share* (in €)	H1 2020	H1 2021
0.80	1.20	Continuing operations	1.51	2.38

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

Alternative performance measures

Q2 '20	Q2 '21	Δ%	Operating income (€m)	H1 '20	H1 '21	Δ%
169	238	41%	Decorative Paints	227	385	70%
89	186	109%	Performance Coatings	271	380	40%
(51)	(40)		Other activities	(104)	(78)	
207	384	86%	Total	394	687	74%

Q2 '20	Q2 '21	Identified items (€m)	H1 '20	H1 '21
(6)	47	Decorative Paints	(12)	46
(14)	7	Performance Coatings	(22)	5
(11)	(5)	Other activities	(24)	(6)
(31)	49	Total	(58)	45

Q2 '20	Q2 '21	Δ%	Adjusted operating income (€m)	H1 '20	H1 '21	Δ%
175	191	9%	Decorative Paints	239	339	42%
103	179	74%	Performance Coatings	293	375	28%
(40)	(35)		Other activities	(80)	(72)	
238	335	41%	Total	452	642	42%

Q2 '20	Q2 '21	Δ%	EBITDA (€m)	H1 '20	H1 '21	Δ%
207	384	86%	Operating income	394	687	74%
90	85	(6%)	Depreciation and Amortization	180	170	(6%)
297	469	58%	EBITDA	574	857	49%

Q2 '20	Q2 '21	Δ%	Adjusted EBITDA (€m)	H1 '20	H1 '21	Δ%
238	335	41%	Adjusted operating income	452	642	42%
83	84	1%	Depreciation and Amortization (excl. identified items)	171	168	(2%)
321	419	31%	Adjusted EBITDA	623	810	30%

Q2 '20	Q2 '21	OPI margin (%)	H1 '20	H1 '21
18.8	21.9	Decorative Paints	13.7	19.1
8.2	13.1	Performance Coatings	11.4	13.8
		Other activities*		
10.4	15.3	Total	9.7	14.4

Q2 '20	Q2 '21	ROS (%)	H1 '20	H1 '21
19.5	17.6	Decorative Paints	14.5	16.8
9.5	12.6	Performance Coatings	12.3	13.6
		Other activities*		
12.0	13.3	Total	11.2	13.4

Q2 '20	Q2 '21	Adjusted earnings per share from continuing operations	H1 '20	H1 '21
187	388	Profit before tax from continuing operations	368	690
31	(49)	Identified items reported in operating income	58	(45)
-	(20)	Identified items reported in interest	-	(20)
(60)	(83)	Adjusted income tax	(119)	(157)
(5)	(11)	Non-controlling interests	(17)	(21)
153	225	Adjusted net income from continuing operations	290	447

190.7	187.0	Weighted average number of shares (in millions)	192.3	187.9
0.80	1.20	Adjusted earnings per share from continuing operations	1.51	2.38

Average invested capital (€m)	2020	2021	Δ%
Decorative Paints	2,959	2,734	(8%)
Performance Coatings	3,400	3,409	-%
Other activities	701	530	(24%)
Total	7,060	6,673	(5%)

ROI (%)	2020	2021
Decorative Paints	15.5	24.6
Performance Coatings	19.0	22.9
Total	13.8	19.3

EBITDA (€m)	2020	2021
Operating income	814	1,256
Depreciation and amortization	366	351
EBITDA	1,180	1,607

Net Debt (€m)	2020	2021
Short term investments	(50)	(295)
Cash and cash equivalents	(1,230)	(1,216)
Long-term borrowings	2,779	2,761
Short-term borrowings	184	607
Net Debt	1,683	1,857

Leverage ratio	2020	2021
Net debt	1,683	1,857
EBITDA	1,180	1,607
Leverage ratio	1.4	1.2

*OPI/ROS for Other activities is not shown, as this is not meaningful