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

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

- Creating two focused businesses as a logical next step
  - Dual-track separation process completed

- Accelerating growth momentum and enhanced profitability
  - Revenue growth ambition reduced
  - ROS increased from 10.6% to 12.0%

- Clear separation of Specialty Chemicals within 12 months
  - €10.1bn private sale in <12 months

- Increasing returns to shareholders
  - €6.5bn proceeds returned before end 2019

- Committed to investing in sustainability, innovation and society
  - Paint the Future launched and expanding

- Best placed to unlock value ourselves
  - Share price increased 52% and TSR 82%

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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>ROS</th>
<th>Unallocated cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017</td>
<td>10.6</td>
<td>10.6</td>
</tr>
<tr>
<td>FY 2018</td>
<td>10.6</td>
<td>10.6</td>
</tr>
<tr>
<td>FY 2019</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>FY 2020</td>
<td>15.5</td>
<td>14.5</td>
</tr>
</tbody>
</table>

Assumes no significant market disruption

Return on sales (ROS), second half-year

<table>
<thead>
<tr>
<th>Period</th>
<th>ROS</th>
<th>Unallocated cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2 2017</td>
<td>9.2</td>
<td>9.2</td>
</tr>
<tr>
<td>H2 2018</td>
<td>10.6</td>
<td>10.6</td>
</tr>
<tr>
<td>H2 2019</td>
<td>12.5</td>
<td>12.5</td>
</tr>
<tr>
<td>FY 2020</td>
<td>15.5</td>
<td>15.5</td>
</tr>
</tbody>
</table>

*ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)*
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>
</table>
| Decorative Paints (ex. North America) | 35                       | 1                   | 1-2%                    | • Consolidation in fragmented market  
  • Asia continues to outgrow more developed markets                                         |
| Marine and Protective Coatings        | 12                       | 1                   | 0-1%                    | • Investments in oil and gas upstream  
  • Demand growing in LNG  
  • Marine demand stabilized at lower level                                                   |
| Powder Coatings                       | 8                        | 1                   | 2-3%                    | • Demand for more sustainable solutions  
  • Continued growth in architectural use  
  • New applications                                                                         |
| Industrial Coatings                   | 14                       | 2                   | 0-1%                    | • Strong demand for beverage packaging  
  • Geographic shifts in demand for wood coatings                                             |
| Automotive and Specialty Coatings     | 11                       | 2/3                 | 1-2%                    | • Downturn in automotive industry  
  • Aircraft order backlog drives demand for aerospace coatings                                |

*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>
</tr>
</thead>
<tbody>
<tr>
<td>Grow</td>
<td></td>
</tr>
<tr>
<td>Invest to grow market share and/or profit</td>
<td></td>
</tr>
<tr>
<td>Maintain</td>
<td></td>
</tr>
<tr>
<td>Maintain current investment level for ROS improvement and maintaining market share</td>
<td></td>
</tr>
<tr>
<td>Harvest</td>
<td></td>
</tr>
<tr>
<td>Improve ROS, ROI and cash with reduced resources</td>
<td></td>
</tr>
<tr>
<td>Change the game</td>
<td></td>
</tr>
</tbody>
</table>

Performance cells 2017 view

- Average ROS
- Grow
- Maintain
- Harvest
- Change the game

ROS

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

+€85m revenue in 2019
Integration on track
Accretive to ROS post synergies
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Marine order book CGT*</th>
<th>Oil and gas capital expenditure ($ bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>120,000</td>
<td>100,000</td>
</tr>
<tr>
<td>2013</td>
<td>110,000</td>
<td>110,000</td>
</tr>
<tr>
<td>2014</td>
<td>100,000</td>
<td>120,000</td>
</tr>
<tr>
<td>2015</td>
<td>90,000</td>
<td>130,000</td>
</tr>
<tr>
<td>2016</td>
<td>80,000</td>
<td>140,000</td>
</tr>
<tr>
<td>2017</td>
<td>70,000</td>
<td>150,000</td>
</tr>
<tr>
<td>2018</td>
<td>60,000</td>
<td>160,000</td>
</tr>
<tr>
<td>2019</td>
<td>50,000</td>
<td>170,000</td>
</tr>
<tr>
<td>2020</td>
<td>40,000</td>
<td>180,000</td>
</tr>
</tbody>
</table>

€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

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

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

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

Q1  Q2  Q3  Q4  Q1  Q2  Q3  Q4  Q1..  ..
2018  2019  2020
10  25  35  40  38  33  43  19  10

Phase 1: €110m
Next step: €200m

Total €220m

Investor update | 2020 and beyond  23
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
## Several key initiatives contribute to 2020

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Significant € contribution to 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales force effectiveness</td>
<td>Moving towards margin management</td>
</tr>
<tr>
<td>Margin management</td>
<td>1-2% annual pricing discipline</td>
</tr>
<tr>
<td>Innovation excellence</td>
<td></td>
</tr>
<tr>
<td>Global Business Services</td>
<td>Additional 36 GBS transitions in progress</td>
</tr>
<tr>
<td>Integrated Business Planning</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>
</tr>
<tr>
<td>ALPS continuous improvement</td>
<td>Selective Supply Chain footprint optimization</td>
</tr>
<tr>
<td>Fit-for-purpose organization</td>
<td>Transformation of support functions continues</td>
</tr>
<tr>
<td>Procurement excellence</td>
<td></td>
</tr>
<tr>
<td>High performance culture</td>
<td></td>
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<tr>
<td>Core principles</td>
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</table>

**Notes:**
- ALPS = AkzoNobel Lean Performance System
- GBS = Global Business Services
- ERP = Enterprise Resource Planning

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**Investor update | 2020 and beyond**
Momentum to deliver higher ROS in 2020

Margin management and cost savings drive profitability improvement

Return on sales (ROS)
%

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

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

Fixed cost inflation

FY 2020 Ambition

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)

% Unallocated cost and invested capital

<table>
<thead>
<tr>
<th>Year</th>
<th>ROI</th>
<th>Ambition</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>
<tr>
<td>2020</td>
<td>&gt;20</td>
<td>Excluding impact of IFRS 16</td>
</tr>
</tbody>
</table>

ROI also impacted by:
- Lower revenue growth
- Recent acquisitions

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

Special dividend 2017
Net debt end 2017
Net cash generation and proceeds from speciality 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
Target net debt end 2020

-1,000
1,951
-7,812
-5,861
5,500
521
802
500

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

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

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

Sales to 3rd parties, €m

2017

2019

ROS 10.6%

ROS 12.0%

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.
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

ROS
+350bps

H2 2017
H2 2019

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

### Marketing

**Color of the Year**
- All countries

**TV campaigns**
- 25 countries

### Innovation

**Easycare**
- 31 countries

**Rezisto**
- 13 countries

**Color Sensor**
- 18 countries

**Wet tester**
- 22 countries

### Financial Performance

- ROS: +300bps
- H2 2017: €3.7bn revenue
- H2 2019: €3.7bn revenue

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AkzoNobel

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Investor update | 2020 and beyond  37
Powder Coatings
Clear global #1 - fastest growing and high performing

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

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

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..

Beverage can count

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

Productivity
Asset protection
Surface enhancement
Environmental protection

Innovation drivers

2017 2018 2019
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

**Key numbers**

- **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
ALPS continuous improvement drives operational excellence

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

2023

ALPS delivering results
Manufacturing cost productivity (%)

2020

Regional 100%
Local 35%
Industry best
100%
100%
35%

Waste (kg/t)

2017 2018 2019 2023

17 20 15 10

0 3 6 9

2018 2019

Total sites Mature sites
Integrated Supply Chain
Streamlined manufacturing footprint; consolidated warehouse network

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**

- **50%** of total volumes
- Lowest total cost for high volumes at consistent quality
- Example: White wall paint, packaging coatings

**Managed complexity**

- **40%** of total volumes
- 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**

- **10%** of total volumes
- Fulfill new and/or unexpected customer requests at a fast pace
- Example: Aerospace Coatings, Rapid Service Unit for Powder
Integrated Supply Chain
Capital expenditure based on strategic mandates and archetypes

~€250m
CapEx/year

40%
60%

Maintain
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:

TiO$_2$ rationalization China
~20% average reduction of TiO$_2$ grades per site

Underway...

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

>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

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2020</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERP systems and applications</td>
<td>43</td>
<td>29</td>
<td>1</td>
</tr>
<tr>
<td>&gt;1,000 applications</td>
<td>~725 applications</td>
<td>~350 applications</td>
<td></td>
</tr>
</tbody>
</table>

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
- Security operations center in place

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

**Free cash flow (FCF) €m**

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

**FCF yield***

<table>
<thead>
<tr>
<th>Year</th>
<th>FCF (€m)</th>
<th>FCF yield*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>165</td>
<td>1.8%</td>
</tr>
<tr>
<td>2019</td>
<td>461</td>
<td>5.0%</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

Adjusted earnings per share* (EPS) (€)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS</td>
<td>0.33</td>
<td>0.35</td>
<td>0.37</td>
<td>0.56</td>
<td>0.37</td>
<td>0.41</td>
</tr>
</tbody>
</table>

Dividend (€)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>1.12</td>
<td>1.20</td>
<td>1.28</td>
<td>1.09</td>
<td>1.43</td>
<td>1.49</td>
</tr>
</tbody>
</table>

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

Dividend policy remains “stable to rising”

- €2.5bn share buyback completed in 2019
- €500m share buyback to be completed in H1 2020

Dividend yield ±2.5% 2014-2019

*From continuing operations
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

Strong financial discipline
EBITDA multiple, IRR, ROS accretive

Integration

Target list Prioritizing Exploratory and due diligence Signing and closing
Capital allocation priorities 2021-2023

Chemicals separation proceeds returned
Pension liabilities de-risked

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

ROS = adjusted operating income as percentage of revenue
Assumes constant currencies and no significant market disruption
PEOPLE. PLANET. PAINT.
and concluding remarks
Thierry Vanlanacker
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
Interpon “Low-E”
- Low-E is more energy efficient through faster curing, reducing production cost
- Lower curing temperature is more environmentally friendly

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

Sustainable solutions
make up >40% of total revenue

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

Eco-premium solutions as % of sales

<table>
<thead>
<tr>
<th>Year</th>
<th>15</th>
<th>17</th>
<th>19</th>
<th>21</th>
<th>23</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>20</td>
<td>20</td>
<td>21</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>2015</td>
<td>20</td>
<td>21</td>
<td>21</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>2016</td>
<td>21</td>
<td>21</td>
<td>22</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>2017</td>
<td>21</td>
<td>21</td>
<td>22</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>2018</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>2019</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>22</td>
</tr>
</tbody>
</table>
Strategy beyond 2020 balances growth and profitability improvement

GROW & DELIVER

GROWTH

PROFIT
Financial ambitions 2021-2023

Revenue growth ≥ market CAGR

GROWTH

ROS +50bps CAGR

PROFIT

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
AkzoNobel’s powder coatings take landmark building to another level. Europe will soon have a new tallest building – and it’s being protected from the ravages of the Warsaw weather by a high class powder coatings system supplied by AkzoNobel.
Key highlights
Q4 2019 profitability on track despite softer end market demand

- Adjusted operating income up 23% at €223 million (2018: €181 million), despite softer end market demand
- ROS, excluding unallocated cost, increased to 11.0% (2018: 9.0%)
- Margin management and cost-saving programs successfully improved profitability
- Delivered on commitment by returning €6.5 billion to our shareholders following the sale of the Specialty Chemicals
- New €500 million share buyback program announced in October 2019, to be completed in the first half of 2020
- Final dividend proposed for €1.49 per share (2018: €1.43)
Continued progress towards delivering our Winning together: 15 by 20 strategy

<table>
<thead>
<tr>
<th>Q4 2019:</th>
<th>FY 2019:</th>
</tr>
</thead>
<tbody>
<tr>
<td>*<em>ROS</em></td>
<td>*<em>ROS</em></td>
</tr>
</tbody>
</table>
| Increased to 11.0%  
(2018: 9.0%)  | Increased to 12.0%  
(2018: 10.6%)  |
| **Free cash flow** | **Free cash flow**  
(excluding pension top-ups)**  |
| Up 47%  | Up 179%  |

| Revenue | Adjusted EPS  
(continuing operations) |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Up 0.2%</td>
<td>62% higher</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adjusted Operating Income</th>
<th>€2.5 billion share buyback completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up 24%</td>
<td></td>
</tr>
</tbody>
</table>

*ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
** Excluding pension top up payments and pension pre-funding
Performance improvement accelerated during H2 2019

Return on sales (ROS), full-year

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on sales (ROS), full-year</td>
<td>10.6%</td>
<td>10.6%</td>
<td>12.0%</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

Return on sales (ROS), second half-year

<table>
<thead>
<tr>
<th>Half Year</th>
<th>H2 2017</th>
<th>H2 2018</th>
<th>H2 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on sales (ROS), second half-year</td>
<td>9.2%</td>
<td>10.6%</td>
<td>12.5%</td>
<td>15.5%</td>
</tr>
</tbody>
</table>

ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
Assumes no significant market disruption
Uncertain macro-economic environment with softer end market demand

Foreign exchange

South America

EMEA

Raw materials

Powder Coatings

Automotive and Specialty Coatings

China
Coronavirus is expected to impact Q1 results

Industrial Coatings

South East and South Asia

Marine and Protective Coatings
Winning together: 15 by 20 strategy continues to deliver results

- **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**

- **10% cumulative price increases (2017-2019)**
  - Moving towards ongoing margin management

- **38 GBS transitions completed in 2019**
  - 16 ERP integrations realized out of the 18 planned

- **€80m cost savings delivered towards €200m by 2020**
  - Delivered €10m cost savings in Q4

- **Top Employer awards in five major countries**
Financial review
Q4 adjusted operating income up 23% despite softer end market demand

Revenue was 3% lower, and 4% lower in constant currencies. Price/mix was up 1% overall.

**ROS**, excluding unallocated cost, increased to 11.0% (2018: 9.0%).

Adjusted operating income up 23% at €223 million (2018: €181 million) driven by margin management and cost-saving programs.

ROS increased to 9.9% (2018: 7.8%).

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,308</td>
<td>2,242</td>
<td>(3%)</td>
<td>(4%)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>240</td>
<td>312</td>
<td>30%</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted operating income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>68</td>
<td>173</td>
<td>154%</td>
<td></td>
</tr>
<tr>
<td><strong>ROS</strong>&lt;sup&gt;1&lt;/sup&gt; excluding unallocated cost</td>
<td>9.0%</td>
<td>11.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROS</strong>&lt;sup&gt;1&lt;/sup&gt; excluding unallocated cost</td>
<td>7.8%</td>
<td>9.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROI</strong>&lt;sup&gt;2&lt;/sup&gt; excluding unallocated cost</td>
<td>16.6%</td>
<td>17.2%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue development Q4 2019 (%)

<table>
<thead>
<tr>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>-4</td>
<td>1</td>
</tr>
<tr>
<td>1</td>
<td>-1</td>
</tr>
<tr>
<td>1</td>
<td>-3</td>
</tr>
</tbody>
</table>

1ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)

2ROI = 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.
# 2019 adjusted operating income up 24% and total revenue flat

<table>
<thead>
<tr>
<th>€ million</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>Δ%</th>
<th>Δ% CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>9,256</td>
<td>9,276</td>
<td>-%</td>
<td>-%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>1,037</td>
<td>1,341</td>
<td>29%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted operating income</strong></td>
<td>798</td>
<td>991</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Operating income</td>
<td>605</td>
<td>841</td>
<td>39%</td>
<td>-</td>
</tr>
<tr>
<td><strong>ROS</strong> excluding unallocated cost</td>
<td>10.6%</td>
<td>12.0%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>ROS</strong></td>
<td>8.6%</td>
<td>10.7%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>ROI% excluding unallocated cost</strong></td>
<td>16.6%</td>
<td>17.2%</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

## Revenue development FY 2019 (%)

<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>-5</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Revenue was flat. Price/mix was up 4% overall, mainly driven by pricing initiatives.
- Acquisitions contributed 1%. Volumes were 5% lower due to our value over volume strategy.
- ROS, excluding unallocated cost, increased to 12.0%.

---

1. ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
2. 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.

Other activities/eliminations includes royalty and service revenue related to continued services to the former Specialty Chemicals business. This will not recur in 2020.
Momentum to deliver improved ROI in 2020 AkzoNobel despite lower growth assumptions and impact of IFRS 16

Return on investment (ROI)

% Unallocated cost and invested capital

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.
Cumulative price/mix increase of 10% now moving towards margin management

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

-3 -3 -3 -5
0 4 5 8 6 4 5 2

Quarterly volume* development in % year-on-year
9 3 5 12
-1 -2 -5 -6 -6 -4 -5 -4

**Performance Coatings**

1 0 0 3 5 7 11 7 7 3 0
-1

Total

-1 -1 -1 2
5 6 9 6 5 4 1

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

**Total**

-1 -1 -1 -1
2 5 6 9 6 5 4 1

Quarterly volume* development in % year-on-year

0 1 -4 -2 -5 -3 -7 -7 -8 -7 -3 -4
-1

**Total**

4 3 3 -3 -3 -6 -7 -7 -6 -4 -4
-1

*Organic volume development, does not include acquisition impact
Adjusted operating income up 23% due to positive price/mix and cost savings

Adjusted operating income

- Positive impact
- Negative impact

Q4 2018

- ROS* 9.0%
- 181

FX

- 3

Volumes

- -43

Price/mix

- 30

Raw materials/Variable cost

- 42

OPEX

- 10

Q4 2019

- ROS* 11.0%
- 223

ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
Decorative Paints ROS up significantly at 9.9% in seasonally low quarter

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>896</td>
<td>877</td>
<td>(2%)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>76</td>
<td>127</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted operating income</strong></td>
<td>52</td>
<td>87</td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>37</td>
<td>75</td>
<td>103%</td>
<td></td>
</tr>
</tbody>
</table>

ROS¹  
1.4%  9.9%

ROI²  
12.4%  13.4%

Dulux has introduced six special effects paints under the name Ambiance Our Dulux brand has launched a series of paints under the Ambiance name which are by artisans and their materials. The new colors offer consumers a perfect balance of craftsmanship and personalization and have been successfully launched in the Netherlands, Belgium, Brazil, Tunisia, Indonesia, Vietnam and India.

¹ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
²ROI = adjusted operating income of the last 12 months as percentage of average invested capital (excluding unallocated cost and invested capital)
Performance Coatings ROS up at 11.7% despite softer end market demand

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,403</td>
<td>1,361</td>
<td>(3%)</td>
<td>(4%)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>187</td>
<td>200</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating income</td>
<td>153</td>
<td>159</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>130</td>
<td>138</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>ROS¹</td>
<td>10.9%</td>
<td>11.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROI²</td>
<td>20.5%</td>
<td>20.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Revenue development Q4 2019 (%)

-4
1
-3

Increase
Decrease

Volumes | Price/mix | Acquisitions | FX | Total

¹ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)
²ROI = adjusted operating income of the last 12 months as percentage of average invested capital (excluding unallocated cost and invested capital).
Q4 adjusted EPS up 72% at €0.74
and 2019 adjusted EPS up 62% at €3.10

<table>
<thead>
<tr>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>€ million</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>68</td>
<td>173</td>
<td>Operating income</td>
<td>605</td>
<td>841</td>
</tr>
<tr>
<td>(23)</td>
<td>(18)</td>
<td>Net financing expenses</td>
<td>(52)</td>
<td>(76)</td>
</tr>
<tr>
<td>6</td>
<td>4</td>
<td>Results from associates and joint ventures</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>51</td>
<td>159</td>
<td>Profit before tax</td>
<td>573</td>
<td>785</td>
</tr>
<tr>
<td>(6)</td>
<td>(79)</td>
<td>Income tax</td>
<td>(118)</td>
<td>(230)</td>
</tr>
<tr>
<td>45</td>
<td>80</td>
<td>Profit from continuing operations</td>
<td>455</td>
<td>555</td>
</tr>
<tr>
<td>5,814</td>
<td>6</td>
<td>Profit from discontinued operations</td>
<td>6,274</td>
<td>22</td>
</tr>
<tr>
<td>5,859</td>
<td>86</td>
<td>Profit for the period</td>
<td>6,729</td>
<td>577</td>
</tr>
<tr>
<td>(10)</td>
<td>(5)</td>
<td>Non-controlling interests</td>
<td>(55)</td>
<td>(38)</td>
</tr>
<tr>
<td>5,849</td>
<td>81</td>
<td>Net income from total operations</td>
<td>6,674</td>
<td>539</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Earnings per share (in €)</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.83</td>
<td>0.41</td>
<td>Total operations</td>
<td>26.19</td>
<td>2.53</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>Adjusted earnings per share (in €)</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.43</td>
<td>0.74</td>
<td>Continuing operations</td>
<td>1.91</td>
<td>3.10</td>
</tr>
</tbody>
</table>
Q4 free cash flow improved 47% mainly due to higher EBITDA

<table>
<thead>
<tr>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>€ million</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>127</td>
<td>272</td>
<td>EBITDA</td>
<td>844</td>
<td>1,201</td>
</tr>
<tr>
<td>1</td>
<td>5</td>
<td>Impairment losses</td>
<td>1</td>
<td>66</td>
</tr>
<tr>
<td>(2)</td>
<td>(12)</td>
<td>Pre-tax results on acquisitions and divestments</td>
<td>(42)</td>
<td>(83)</td>
</tr>
<tr>
<td>250</td>
<td>258</td>
<td>Changes in working capital</td>
<td>(177)</td>
<td>(244)</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>Pension pre-funding*</td>
<td>-</td>
<td>(161)</td>
</tr>
<tr>
<td>(1)</td>
<td>-</td>
<td>Pension top-up payments</td>
<td>(187)</td>
<td>(481)</td>
</tr>
<tr>
<td>46</td>
<td>(16)</td>
<td>Other changes in provisions</td>
<td>(16)</td>
<td>(43)</td>
</tr>
<tr>
<td>(48)</td>
<td>(16)</td>
<td>Interest paid</td>
<td>(89)</td>
<td>(66)</td>
</tr>
<tr>
<td>(53)</td>
<td>(52)</td>
<td>Income tax paid</td>
<td>(164)</td>
<td>(184)</td>
</tr>
<tr>
<td>(1)</td>
<td>15</td>
<td>Other changes</td>
<td>(8)</td>
<td>28</td>
</tr>
<tr>
<td>319</td>
<td>454</td>
<td>Net cash from operating activities</td>
<td>162</td>
<td>33</td>
</tr>
<tr>
<td>(64)</td>
<td>(79)</td>
<td>Capital expenditures</td>
<td>(184)</td>
<td>(214)</td>
</tr>
<tr>
<td>255</td>
<td>375</td>
<td>Free cash flow</td>
<td>(22)</td>
<td>(181)</td>
</tr>
</tbody>
</table>

Pension pre-funding for the full-year 2019 has been included in net cash from operating activities, whereas in the first quarter of 2019, when the payment was made, this was included in the net cash from investing activities.

| Net Debt | (5,861) | 802 |
Final dividend of €1.49 per share

Dividend € per share
- Related to the Speciality Chemicals business
- Final dividend
- Interim dividend

Dividend policy remains “stable to rising”
Dividend paid in cash

<table>
<thead>
<tr>
<th>Year</th>
<th>Final dividend</th>
<th>Interim dividend</th>
<th>Dividend Yield*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1.45</td>
<td>0.33</td>
<td>2.5%</td>
</tr>
<tr>
<td>2015</td>
<td>1.55</td>
<td>0.35</td>
<td>2.5%</td>
</tr>
<tr>
<td>2016</td>
<td>1.65</td>
<td>0.37</td>
<td>2.8%</td>
</tr>
<tr>
<td>2017</td>
<td>2.50</td>
<td>0.56</td>
<td>2.6%**</td>
</tr>
<tr>
<td>2018</td>
<td>1.80</td>
<td>0.37</td>
<td>2.6%</td>
</tr>
<tr>
<td>2019</td>
<td>1.90</td>
<td>0.41</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

*Based on year-end share price
**Based on rebased dividend
Concluding remarks
Q4 2019 profitability on track despite softer end market demand

- Adjusted operating income up 23% at €223 million (2018: €181 million), despite softer end market demand
- ROS, excluding unallocated cost, increased to 11.0% (2018: 9.0%)
- Margin management and cost-saving programs successfully improved profitability
- Delivered on commitment by returning €6.5 billion to our shareholders following the sale of the Specialty Chemicals
- New €500 million share buyback program announced in October 2019, to be completed in the first half of 2020
- Final dividend proposed for €1.49 per share (2018: €1.43)

Our team in China has gained Top Employer status from the Top Employers Institute for the seventh year in a row. The award recognizes the company’s excellence in creating the best conditions for its employees. AkzoNobel also received similar recognition in Brazil, the UK, the Netherlands and the US during the course of 2019.
Outlook

We are delivering towards our Winning together: 15 by 20 strategy and continue creating a fit-for-purpose organization for a focused paints and coatings company, contributing to the achievement of our 2020 ambition.

Demand trends differ per region and segment in an uncertain macro-economic environment. Raw material costs are expected to have a moderately favorable impact for the first half of 2020. Continued margin management and cost-saving programs are in place to address the current challenges.

We continue executing our transformation, incurring one-off costs, to deliver the previously announced €200 million cost savings. We target a leverage ratio of 1.0-2.0 times net debt/EBITDA by the end of 2020 and commit to retain a strong investment grade credit rating.

Assumes no significant market disruption
Upcoming events

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investor update - 2020 and beyond</td>
<td>February 13, 2020</td>
</tr>
<tr>
<td>Publication annual report 2019</td>
<td>March 10, 2020</td>
</tr>
<tr>
<td>Report for the first quarter 2020</td>
<td>April 22, 2020</td>
</tr>
<tr>
<td>Annual general meeting of Shareholders</td>
<td>April 23, 2020</td>
</tr>
<tr>
<td>Ex-dividend date of 2019 final dividend</td>
<td>April 27, 2020</td>
</tr>
<tr>
<td>Record date of 2019 final dividend</td>
<td>April 28, 2020</td>
</tr>
<tr>
<td>Payment of 2019 final dividend</td>
<td>May 7, 2020</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 presentation also 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 factors. 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
## FY 2019: Decorative Paints

<table>
<thead>
<tr>
<th>€ million</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>Δ%</th>
<th>Δ%CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,699</td>
<td>3,703</td>
<td>-%</td>
<td>1%</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>438</td>
<td>573</td>
<td>23%</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Adjusted operating income</strong></td>
<td><strong>346</strong></td>
<td><strong>418</strong></td>
<td><strong>21%</strong></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>308</td>
<td>425</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td><strong>ROS</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td><strong>9.4%</strong></td>
<td><strong>11.3%</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROI</strong>&lt;sup&gt;2&lt;/sup&gt;</td>
<td>12.4%</td>
<td>13.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Revenue development FY 2019 (%)

<table>
<thead>
<tr>
<th></th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volumes</td>
<td>-5</td>
<td>-1</td>
</tr>
<tr>
<td>Price/mix</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>FX</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>0</strong></td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup>ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)

<sup>2</sup>ROI = adjusted operating income of the last 12 months as percentage of average invested capital (excluding unallocated cost and invested capital).
## FY 2019: Performance Coatings

<table>
<thead>
<tr>
<th>€ million</th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>Δ%</th>
<th>Δ% CC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5,587</td>
<td>5,563</td>
<td>-%</td>
<td>(1%)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>767</td>
<td>861</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted operating income</strong></td>
<td><strong>629</strong></td>
<td><strong>688</strong></td>
<td><strong>9%</strong></td>
<td></td>
</tr>
<tr>
<td>Operating income</td>
<td>577</td>
<td>565</td>
<td>(2%)</td>
<td></td>
</tr>
</tbody>
</table>

**ROS**<sup>1</sup>  
11.3%  
12.4%

**ROI**<sup>2</sup>  
20.5%  
20.7%

### Revenue development FY 2019 (%)

<table>
<thead>
<tr>
<th>Volumes</th>
<th>Price/mix</th>
<th>Acquisitions</th>
<th>FX</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>-5</td>
<td>4</td>
<td>1</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

Increase
Decrease

<sup>1</sup>ROS = adjusted operating income as percentage of revenue (excluding unallocated cost)

<sup>2</sup>ROI = adjusted operating income of the last 12 months as percentage of average invested capital (excluding unallocated cost and invested capital).
IFRS 16 has limited impact; adopting the modified retrospective approach

<table>
<thead>
<tr>
<th>Fourth Quarter</th>
<th>January - December</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before IFRS16</td>
<td>Impact</td>
</tr>
<tr>
<td>282</td>
<td>30</td>
</tr>
<tr>
<td>242</td>
<td>30</td>
</tr>
<tr>
<td>(72)</td>
<td>(27)</td>
</tr>
<tr>
<td>220</td>
<td>3</td>
</tr>
<tr>
<td>(50)</td>
<td>-</td>
</tr>
<tr>
<td>170</td>
<td>3</td>
</tr>
<tr>
<td>(15)</td>
<td>(3)</td>
</tr>
<tr>
<td>75</td>
<td>-</td>
</tr>
<tr>
<td>429</td>
<td>25</td>
</tr>
<tr>
<td>(911)</td>
<td>(25)</td>
</tr>
<tr>
<td>9.8%</td>
<td>0.1</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

€ million

<table>
<thead>
<tr>
<th>As reported at December 31, 2018</th>
<th>Restatement due to adoption IFRS 16</th>
<th>Restated opening balance at January 1, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>3,458</td>
<td>(36)</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1,748</td>
<td>(29)</td>
</tr>
<tr>
<td>Right-use-of asset</td>
<td>-</td>
<td>432</td>
</tr>
<tr>
<td>Other financial non-current assets</td>
<td>1,965</td>
<td>-</td>
</tr>
<tr>
<td>Current assets</td>
<td>11,613</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>18,784</strong></td>
<td><strong>363</strong></td>
</tr>
<tr>
<td>Group equity</td>
<td>12,038</td>
<td>-</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>3,066</td>
<td>270</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>3,680</td>
<td>93</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>18,784</strong></td>
<td><strong>363</strong></td>
</tr>
</tbody>
</table>

A
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)
- Assumes no significant market disruption
- Other activities/eliminations €140-180m
- Leverage 1-2x net debt/EBITDA by end 2020
- CapEx €200-250m
- Effective tax rate 27%
- Dividend policy “stable to rising”