

## Media release

June 11, 2020

### AkzoNobel weathering COVID-19 storm

As the complex situation regarding the global pandemic continues to evolve, AkzoNobel (AKZA; AKZOY) remains focused on ensuring employee health and safety and maintaining business continuity.

The various steps taken to continue serving customers and rapidly reduce costs are proving successful, while at the same time keeping the organization intact and able to respond quickly to changes in end market demand.

During the first quarter, COVID-19 adversely impacted revenue by around minus 5%. Asia was most affected throughout Q1, with other regions impacted only from the second half of March onwards.

In more recent months, end market demand has evolved in line with company planning assumptions. Market headwinds were strongest during April and resulted in revenue almost 30% lower versus last year. Demand improved as some lockdown measures started to ease, although revenue for May remained around 20% below 2019.

Distribution channels for Decorative Paints have mostly reopened in China and Europe, with demand returning towards previous levels. Varying degrees of market disruption persist in the rest of Asia and South America. Demand for Performance Coatings has also improved, although at a much slower pace than for Decorative Paints. Segments related to automotive and aerospace industries continue to be more significantly impacted than others. Market headwinds are expected to ease further throughout June, although continue to differ per region and segment.

Various cost-saving measures and strict margin management continue to be implemented throughout the organization to help compensate. AkzoNobel has also maintained a strong balance sheet due to rigorous cash management and robust working capital controls.

Commenting on the evolving situation, AkzoNobel CEO, Thierry Vanlancker, said: “We’re weathering the COVID-19 storm, taking care of our employees while protecting our business. Thank you to everyone at AkzoNobel for working hard to continue serving our customers and provide many essential products for critical industries, while following all necessary health and safety measures.

“Although the pandemic situation forced us to pause key parts of our transformation, our teams have focused on minimizing all discretionary costs, as well as carefully managing cash and working capital. The actions we’ve taken, together with our strong balance sheet, provide a solid platform for AkzoNobel to perform as an industry frontrunner.”

Financial results for the second quarter will be announced on July 22, 2020.

#### About AkzoNobel

AkzoNobel has a passion for paint. We're experts in the proud craft of making paints and coatings, setting the standard in color and protection since 1792. Our world class portfolio of brands – including Dulux, International, Sikkens and Interpon – is trusted by customers around the globe. Headquartered in the Netherlands, we are active in over 150 countries and employ around 33,500 talented people who are passionate about delivering the high-performance products and services our customers expect.

**Not for publication – for more information**

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This media release 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. [www.akzonobel.com](http://www.akzonobel.com).