

Media release

March 31, 2020

AKZA; AKZOY

AkzoNobel focuses on COVID-19 response, ready to resume momentum towards Winning together: 15 by 20 ambition when markets normalize

AkzoNobel pauses key parts of the company's transformation and suspend its 2020 financial ambition in response to significant market disruption resulting from the COVID-19 pandemic. Once markets normalize, AkzoNobel intends to resume its positive momentum and drive performance in line with industry frontrunners.

The company is taking maximum precautions to ensure the safety and well-being of its employees, while also taking all reasonable steps to sustain business operations and continue serving its customers. AkzoNobel takes care to fully support and comply with the requirements of relevant authorities. In affected countries and regions, employees are working remotely if their jobs allow.

As the situation continues to evolve, the company is constantly adapting its actions.

AkzoNobel CEO, Thierry Vanlancker, commented:

"It's clear COVID-19 is having a huge impact – for you, for us at AkzoNobel, and for the whole world. Our priority right now is the health and safety of our employees, their families, and our partners. At the same time, we're taking all reasonable steps to continue serving our customers, some of whom are relying on us to provide products across a whole range of critical industries.

"Headwinds related to COVID-19, including unpredictable and lower end market demand as well as various measures impacting our business operations, are increasing for most parts of the world and will have a significant impact during Q2. In China, activity is gradually returning to normal after being significantly impacted in Q1.

"The supply and demand balance and regulatory situation are complex, constantly evolving, and differs per region and segment. There is currently little reliable visibility on the second quarter, however we expect end market demand to be significantly below any of our previous expectations.

"We're closely monitoring the pandemic situation and taking all necessary measures, including steps to rapidly reduce costs and carefully manage cash flows in the short-term. The significant market disruption forces us to pause key parts of our transformation and hence to suspend our 2020 financial ambition. Once markets normalize, we remain eager and passionate to resume our Winning together: 15 by 20 momentum to drive AkzoNobel's performance in line with industry frontrunners."

AkzoNobel has a strong balance sheet and solid cash position. At December 31, 2019, net cash and cash equivalents were €1.2 billion and financial leverage was 0.7x net debt/EBITDA. The company has a €1.3 billion unutilized revolving credit facility with a maturity of 2025. The next bond maturity is €750 million in July 2022. AkzoNobel is committed to retain a strong investment grade credit rating.

Financial results for the first quarter 2020 will be announced on April 22. The company will hold its Annual General Meeting of shareholders on April 23, 2020. Given the circumstances, AkzoNobel strongly encourages its shareholders to exercise their voting rights via proxy or to attend and vote virtually. As the situation continues to evolve, please check the company website for updates.

This is a public announcement by Akzo Nobel N.V. pursuant to section 17 paragraph 1 of the European Market Abuse Regulation (596/2014).

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 34,000 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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Safe Harbor Statement

This press release contains statements which address such key issues such 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 forecasted 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. 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 our website: www.akzonobel.com