

Media release

July 13, 2020

AkzoNobel delivers robust profitability during Q2, despite COVID-19 headwinds

Akzo Nobel N.V. (AKZA; AKZOY) today provides a further update on recent business performance and announces preliminary financial results for the second quarter of 2020:

- Revenue 19% lower at €1,987 million (2019: €2,451 million)
- Adjusted operating income¹ €238 million (2019: €305 million)
- ROS², excluding unallocated cost, increased to 14% (2019: 13.7%)

Market headwinds continued to ease during Q2, although revenue for June was nearly 5% lower than the same month in 2019. As previously announced, revenue for May was around 20% lower than last year, while market headwinds were strongest during April, when revenue was almost 30% lower compared with 2019.

Trends have differed significantly per region and segment. Demand for Decorative Paints rebounded strongly in Europe – and faster than company planning assumptions. By the end of the second quarter, China had almost recovered to previous levels, although other regions continued to be impacted by varied degrees of lockdown. As expected, demand for Performance Coatings continued to improve during the quarter, although remained significantly below the previous year, especially for automotive and aerospace related markets.

Strong margin management and strict temporary cost-saving measures have helped to compensate for lower end market demand.

AkzoNobel will provide further information and publish financial results for the second quarter and half-year on July 22, 2020.

¹ Adjusted operating income = Operating income excluding identified items

² ROS = Adjusted operating income as percentage of revenue (excluding unallocated cost)

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 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Not for publication – for more information

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Safe Harbor Statement

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.