

People. Planet. Paint.



**Q3 update**  
September 27, 2022



- ⌚ High macro-economic uncertainty, esp. in Europe and China
  - Near historical low consumer confidence resulting in weaker demand
  - Customers and channel partners proactively destocking anticipating lower demand
- ⌚ Q3 volumes trending lower than anticipated\*
  - Mid-single digit percent below prior year, excl. M&A
  - Deco volumes: LATAM and South Asia strong as expected; Europe DIY channel sell-out at 2019 level with further destocking; lower consumer demand in China
  - Coatings volumes: sequential recovery in Marine & Protective and Automotive & Specialty; softer demand and destocking in Powder and Industrial Coatings
- ⌚ Raw material market prices starting to decline
  - Raw material impact at highest point in Q3 and continued to be offset by pricing initiatives
- ⌚ Q3 adj. OPI expected to be in the range of €195m-215m (€241m in Q3'21) before impact from hyperinflation accounting
  - Q3 retroactive impact on adj. OPI from hyperinflation accounting in Türkiye expected to be in the range of €15m-20m
- ⌚ Current demand trends expected to continue into Q4; benefits from *Focus2* initiatives to begin improving OPEX and working capital in Q4

# High macro-economic uncertainty in Europe and China

	North America	Latin America	EMEA	North Asia	South Asia
Paints			Europe: ↴ Weakening consumer confidence ↴ Deterioration in economic outlook ↴ Proactive destocking across channels	China: ↴ COVID restrictions ↴ Declining real estate market ↴ Weakening consumer confidence	
Industrial					
Powder	Continued supply constraints				
Automotive and Specialty					
Marine and Protective	Sequential recovery				

Source: Company estimates.

# Q&A

# 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 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, a copy of which can be found on the company's corporate website

[www.akzonobel.com](http://www.akzonobel.com)

**Thank you**