

**PAIN
THE
FUTURE**

**REPORT Q4
24**

Our results at a glance

Highlights Q4 2024 (compared with Q4 2023)

- Organic sales up 1% on price/mix; revenue up 4%
- Operating income €127 million (2023: €214 million), mainly impacted by restructuring costs
- Adjusted EBITDA up 3% to €321 million; Adjusted EBITDA margin 12.3%
- Net cash from operating activities €398 million (2023: €574 million)

Highlights full-year 2024 (compared with full-year 2023)

- Organic sales up 2% driven by higher volumes and increase in price/mix; revenue flat
- Operating income €917 million (2023: €1,029 million), mainly impacted by restructuring costs
- Adjusted EBITDA up 3% to €1,478 million; Adjusted EBITDA margin 13.8%
- Net cash from operating activities €673 million (2023: €1,126 million)
- Final dividend proposed of €1.54 per share (2023: €1.54)

Outlook*

Based on current market conditions and constant currencies, AkzoNobel expects to deliver 2025 adjusted EBITDA above €1.55 billion.

For the mid-term, AkzoNobel aims to expand profitability to deliver an adjusted EBITDA margin of above 16% and a return on investment between 16% and 19%, underpinned by organic growth and industrial excellence.

The company targets leverage below 2.5 times net debt/adjusted EBITDA (below 2.9 times net debt/EBITDA) by the end of 2025 and around 2 times in the mid-term, while remaining committed to retaining a strong investment grade credit rating.

* Outlook is based on organic volumes and constant currencies, and assumes no significant market disruptions.

Alternative performance measures (APM)

AkzoNobel uses APM adjustments to IFRS measures to provide supplementary information on the reporting of the underlying developments of the business. A reconciliation of the alternative performance measures to the most directly comparable IFRS measures can be found in the Notes to the condensed consolidated financial statements, paragraph "Alternative performance measures."

Summary of financial results

Fourth quarter			January-December			
2023	2024	Δ%	in € millions/%	2023	2024	Δ%
2,529	2,619	4%	Revenue	10,668	10,711	—%
214	127	(41%)	Operating income	1,029	917	(11%)
(7)	(100)		Identified items*	(45)	(196)	
221	227	3%	Adjusted operating income*	1,074	1,113	4%
313	321	3%	Adjusted EBITDA*	1,429	1,478	3%
12.4	12.3		Adjusted EBITDA margin (%)*	13.4	13.8	
			Average invested capital*	8,233	8,350	1%
			ROI (%)*	13.0	13.3	
114	114		Capital expenditures*	286	306	
			Net debt*	3,785	3,901	
			Net debt/Adjusted EBITDA*	2.6	2.6	
			Net debt/EBITDA*	2.7	3.0	
574	398		Net cash from operating activities	1,126	673	
460	284		Free cash flow*	840	367	
41	21		Net income attributable to shareholders	442	542	
170.6	170.8		Weighted average number of shares (in millions)	170.6	170.7	
0.24	0.12		Earnings per share from total operations (in €)	2.59	3.17	
0.42	0.56		Adjusted earnings per share from continuing operations (in €)*	3.07	3.88	

* Alternative performance measure: For more details on these measures, including reconciliation to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

Financial highlights

Q4 2024

Revenue

Organic sales up 1% due to higher pricing. Higher volumes in Coatings, particularly in Asia, offset by lower volumes in Deco EMEA and China. Deco LATAM showed strong growth.

Price/mix was up 1%, with positive pricing in both Coatings and Deco.

Currencies positively impacted revenue by 3%, resulting in 4% revenue growth. Currency benefit was driven by Argentinian peso, where prior year comparatives contained the full-year impact of the devaluation in December 2023. Excluding this, currency impact was flat.

Full-year 2024

Revenue

Organic sales up 2% due to 1% volume growth and 1% higher price/mix. Volume growth driven by Coatings, with continued growth in Marine and Protective and Powder, particularly in China. Volumes in Deco were flat, with growth in LATAM and SESA offset by continued weakness in China.

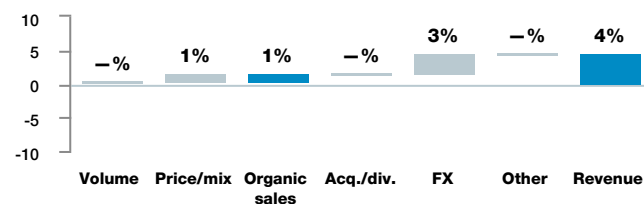
Adverse currencies impacted revenue by 1%.

Revenue

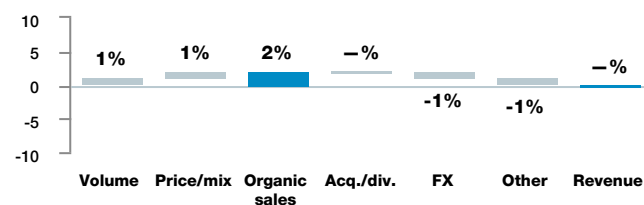
Fourth quarter				January-December				
2023	2024	Δ%	Δ% Organic*	in € millions	2023	2024	Δ%	Δ% Organic*
986	1,017	3%	—%	Decorative Paints	4,300	4,301	—%	1%
1,543	1,602	4%	2%	Performance Coatings	6,368	6,410	1%	2%
2,529	2,619	4%	1%	Total	10,668	10,711	—%	2%

* Alternative performance measure: For more details on these measures, including explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

Revenue development Q4 2024



Revenue development full-year 2024



in % versus Q4 2023	Volume	Price /mix	Organic sales	Acq./div	FX	Other	Revenue
Decorative Paints	(2)	2	—	—	4	(1)	3
Performance Coatings	1	1	2	—	2	—	4
Total	—	1	1	—	3	—	4

in % versus full-year 2023	Volume	Price /mix	Organic sales	Acq./div	FX	Other	Revenue
Decorative Paints	—	1	1	1	(1)	(1)	—
Performance Coatings	2	—	2	—	(1)	—	1
Total	1	1	2	—	(1)	(1)	—

Volume development per quarter (year-on-year) in %	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Decorative Paints	3	1	(1)	—	(2)
Performance Coatings	3	2	2	2	1
Total	3	2	1	1	—

Price/mix development per quarter (year-on-year) in %	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Decorative Paints	2	2	—	1	2
Performance Coatings	2	—	2	—	1
Total	2	—	1	—	1

Organic sales development per quarter (year-on-year) in %	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Decorative Paints	5	3	(1)	1	—
Performance Coatings	5	2	4	2	2
Total	5	2	2	1	1

Revenue development per quarter (year-on-year) in %	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Decorative Paints	(2)	1	(1)	(3)	3
Performance Coatings	(3)	(2)	3	(3)	4
Total	(3)	(1)	2	(3)	4

Financial highlights

Q4 2024

Operating income

Operating income at €127 million (2023: €214 million) was impacted by identified items of negative €100 million (2023: negative €7 million).

Excluding identified items, operating income was up mainly due to higher revenue. Operating expenses were slightly lower.

Identified items mainly contained restructuring related costs due to the implementation of our restructuring programs, while identified items in 2023 also included gains from property divestments.

Adjusted EBITDA

Adjusted EBITDA increased to €321 million (2023: €313 million). Adjusted EBITDA margin at 12.3% (2023: 12.4%).

Full-year 2024

Operating income

Operating income at €917 million (2023: €1,029 million) was impacted by identified items of negative €196 million (2023: negative €45 million).

Excluding identified items, gross margin expansion more than offset operating cost inflation.

Identified items mainly included restructuring related costs, while identified items in 2023 also included gains from property divestments.

Adjusted EBITDA

Adjusted EBITDA increased to €1,478 million (2023: €1,429 million). Adjusted EBITDA margin increased to 13.8% (2023: 13.4%).

Financing income and expenses

Financing income and expenses amounted to negative €102 million (2023: negative €272 million). The €170 million decrease in expenses is mainly due to hyperinflation accounting, the interest impact related to the release of provisions for uncertain tax positions, and lower negative exchange rate results.

Income tax

The effective tax rate was 29.4% (2023: 37.8%). The tax rate in 2024 was impacted by the release of provisions for uncertain tax positions, derecognition of deferred tax positions and hyperinflation accounting. The net derecognition of deferred tax positions and hyperinflation accounting together increased the effective tax rate by 8%, while the release of uncertain tax positions decreased the effective tax rate by 7%.

Net income

Net income attributable to shareholders was €542 million (2023: €442 million). Earnings per share from total operations was €3.17 (2023: €2.59).

Adjusted EBITDA*

Fourth quarter			January-December			
2023	2024	Δ%	in € millions	2023	2024	Δ%
121	113	(7%)	Decorative Paints	645	635	(2%)
208	230	11%	Performance Coatings	854	913	7%
(16)	(22)		Other activities	(70)	(70)	
313	321	3%	Total	1,429	1,478	3%

* Alternative performance measure: For more details on these measures, including reconciliation to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

Operating income

Fourth quarter			January-December			
2023	2024	Δ%	in € millions	2023	2024	Δ%
99	41	(59%)	Decorative Paints	500	405	(19%)
155	150	(3%)	Performance Coatings	698	679	(3%)
(40)	(64)		Other activities	(169)	(167)	
214	127	(41%)	Total	1,029	917	(11%)

Operating income to net income

Fourth quarter			January-December	
2023	2024	in € millions	2023	2024
214	127	Operating income	1,029	917
(121)	(36)	Financing income and expenses	(272)	(102)
7	4	Results from associates	27	23
100	95	Profit before tax	784	838
(49)	(59)	Income tax	(296)	(246)
51	36	Profit from continuing operations	488	592
(3)	—	Profit from discontinued operations	(5)	—
48	36	Profit for the period	483	592
(7)	(15)	Non-controlling interests	(41)	(50)
41	21	Net income	442	542

Decorative Paints

Highlights Q4 2024

- Organic sales flat, revenue up 3%
- Adjusted EBITDA margin at 11.1% (2023: 12.3%)

Q4 2024

Organic sales flat, with an increase in price/mix offset by lower volumes. Lower volumes in China and EMEA more than offset strong growth in LATAM and solid growth in SESA. Price/mix was up 2%.

Currencies positively impacted revenue by 4%, resulting in revenue being up 3%.

Operating income at €41 million (2023: €99 million), mainly due to identified items of negative €33 million (2023: positive €17 million). Identified items in 2024 mainly contained restructuring related costs, while identified items in 2023 also included gains from property divestments.

Excluding identified items, operating income was marginally lower due to a decrease in gross margins.

Adjusted EBITDA at €113 million (2023: €121 million). Adjusted EBITDA margin at 11.1% (2023: 12.3%).

Full-year 2024

Organic sales up 1%, due to an increase in price/mix. Flat volumes, with higher volumes in SESA and LATAM offset by continued market weakness in China.

The acquisition of Huarun in China (completed in August 2023) added 1%, while adverse currencies negatively impacted revenue by 1%, resulting in revenue being flat.

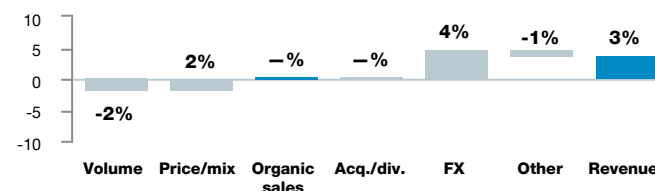
Operating income at €405 million (2023: €500 million), mainly due to identified items of negative €80 million (2023: nil). Identified items in

2024 mainly contained restructuring related costs, while identified items in 2023 also included gains from property divestments.

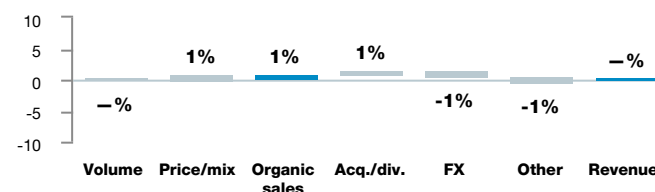
Excluding identified items, margin expansion partly mitigated operating cost inflation.

Adjusted EBITDA at €635 million (2023: €645 million). Adjusted EBITDA margin at 14.8% (2023: 15.0%).

Revenue development Q4 2024



Revenue development full-year 2024



Revenue

Fourth quarter				January-December				
2023	2024	Δ%	Δ% Organic*	in € millions	2023	2024	Δ%	Δ% Organic*
516	527	2%	(1%)	Decorative Paints EMEA	2,413	2,462	2%	2%
194	251	29%	22%	Decorative Paints Latin America	780	825	6%	11%
276	239	(13%)	(14%)	Decorative Paints Asia	1,107	1,014	(8%)	(9%)
986	1,017	3%	—%	Total	4,300	4,301	—%	1%

* Alternative performance measure: For more details on these measures, including explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

Key financial figures

Fourth quarter				January-December		
2023	2024	Δ%	in € millions/%	2023	2024	Δ%
99	41	(59%)	Operating income	500	405	(19%)
17	(33)		Identified items ¹	—	(80)	
(39)	(39)		Depreciation and amortization ²	(145)	(150)	
121	113	(7%)	Adjusted EBITDA ¹	645	635	(2%)
12.3	11.1		Adjusted EBITDA margin (%) ¹	15.0	14.8	
			Average invested capital ¹	3,755	3,921	4%
			ROI (%) ¹	13.3	12.4	

¹ Alternative performance measure: For more details on these measures, including reconciliation to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

² Excluding identified items.

Europe, Middle East and Africa

Q4 organic sales down 1% and revenue up 2%. Organic sales down mainly due to lower volumes in Western and Central Europe, while pricing was positive.

Full-year organic sales up 2% and revenue up 2%. Organic sales growth was due to higher price/mix. Higher volumes in Benelux and Sub-Saharan Africa, offset by lower volumes in South Eastern Europe and France.

Latin America

Q4 organic sales up 22% due to higher volumes and positive pricing, revenue up 29%. Revenue benefited from prior year comparatives, which contained the full-year impact of the Argentinian peso devaluation in December 2023. Higher volumes were mainly driven by strong growth in Brazil. Higher pricing includes inflationary pricing in Argentina.

Full-year organic sales up 11% and revenue up 6%. Organic sales growth was driven by positive price/mix. Higher volumes due to strong growth in Brazil were partly offset by volume decline from a challenging economic environment in Colombia and Argentina.

Asia

Q4 organic sales down 14% and revenue down 13%, driven by lower demand in China. Solid growth in South East Asia with Vietnam rebounding, while the China market continued to be challenging. Continued competitive pricing in China, which sequentially stabilized versus Q3.

Full-year organic sales down 9% and revenue down 8%, driven by competitive pricing in China and parts of SESA. Volumes were down in China from Q2 onwards. High single digit volume growth in SESA was driven by strength in India and Vietnam.



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Residents of three remote villages in India are literally on top of the world after our products were used to help protect more than 100 homes and several buildings of cultural significance. The unique "Let's Colour" project was staged in Komic (the world's highest village reachable by a motorable road); Hikkim (home to the world's highest post office); and Langza (where marine fossils older than the Himalayas have been found).

Performance Coatings

Highlights Q4 2024

- Organic sales up 2% on volumes and pricing; revenue up 4%
- Adjusted EBITDA margin increased to 14.4% (2023: 13.5%)

Q4 2024

Organic sales up 2%, with volume growth in Marine and Protective and Powder, partly offset by weakness in Industrial Coatings and Automotive and Specialty Coatings. Price/mix was up 1%, with positive pricing.

Currencies positively impacted revenue by 2%, resulting in revenue being up 4%.

Operating income at €150 million (2023: €155 million), impacted by identified items of €34 million negative (2023: €10 million negative). Identified items in 2024 mainly contained restructuring related costs.

Excluding identified items, operating income increased due to higher revenue, with stable operating expenses and margins.

Adjusted EBITDA increased to €230 million (2023: €208 million). Adjusted EBITDA margin increased to 14.4% (2023: 13.5%).

Full-year 2024

Organic sales up 2% driven by higher volumes in most businesses. Strong growth in Marine and Protective and low single digit growth in Powder, along with strong growth for most businesses in China. Price/mix was flat.

Adverse currencies negatively impacted revenue by 1%, resulting in revenue being up 1%.

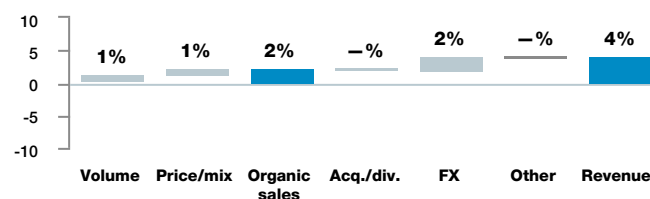
Operating income at €679 million (2023: €698 million), impacted by identified items of negative €56 million, mainly due to restructuring related costs (2023: positive €13 million identified items), while

identified items in 2023 also included gains from property divestments.

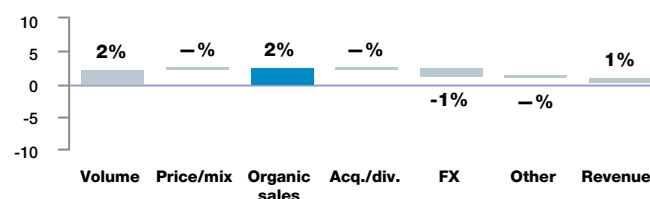
Gross margin expansion excluding identified items more than offset operating cost inflation.

Adjusted EBITDA increased to €913 million (2023: €854 million). Adjusted EBITDA margin increased to 14.2% (2023:13.4%).

Revenue development Q4 2024



Revenue development full-year 2024



Revenue

Fourth quarter				January-December				
2023	2024	Δ%	Δ% Organic*	in € millions	2023	2024	Δ%	Δ% Organic*
338	338	-%	-%	Powder Coatings	1,377	1,365	(1%)	1%
363	414	14%	13%	Marine and Protective Coatings	1,482	1,575	6%	8%
343	352	3%	-%	Automotive and Specialty Coatings	1,422	1,434	1%	2%
499	498	-%	(3%)	Industrial Coatings	2,087	2,036	(2%)	(1%)
1,543	1,602	4%	2%	Total	6,368	6,410	1%	2%

* Alternative performance measure: For more details on these measures, including explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

Key financial figures

Fourth quarter				January-December		
2023	2024	Δ%	in € millions / %	2023	2024	Δ%
155	150	(3%)	Operating income	698	679	(3%)
(10)	(34)		Identified items ¹	13	(56)	
(43)	(46)		Depreciation and amortization ²	(169)	(178)	
208	230	11%	Adjusted EBITDA ¹	854	913	7%
13.5	14.4		Adjusted EBITDA margin (%) ¹	13.4	14.2	
			Average invested capital ¹	3,725	3,773	1%
			ROI (%) ¹	18.4	19.5	

¹ Alternative performance measure: For more details on these measures, including reconciliation to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

² Excluding identified items.

Powder Coatings

Q4 organic sales and revenue flat, with volume growth in the industrial & consumer segment offset by weak demand in automotive and negative mix.

Full-year organic sales up 1% and revenue down 1%. Organic sales growth was driven by the industrial & consumer segment and the architectural segment. Automotive was slightly down on a weak second half-year.

Marine and Protective Coatings

Q4 organic sales up 13% and revenue up 14%, driven by higher volumes in all regions and continued strong volume growth in marine new-build and an increased level of activity in protective North America.

Full-year organic sales up 8% and revenue up 6%. Organic sales growth was driven by higher volumes in marine new-build, with yacht, and protective in South Asia also contributing.

Automotive and Specialty Coatings

Q4 organic sales flat and revenue up 3%, with lower volumes due to weak demand in automotive and vehicle refinishes, offset by an increase in price/mix. Aerospace volumes were impacted by OEM challenges, while the order book is still strong.

Full-year organic sales up 2% and revenue up 1%. Organic sales growth was mainly driven by higher price/mix. Volumes were down in vehicle refinishes and automotive, with aerospace flat.

Industrial Coatings

Q4 organic sales down 3%, revenue flat. Organic sales decreased driven by lower volumes in all segments, while price/mix was stable.

Full-year organic sales down 1% and revenue down 2%. Higher volumes in packaging and wood adhesives, with coil flat, were more than offset by lower price/mix in the first half-year, driven by indexed contracts.



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How do you protect Egypt's huge New Administrative Capital near Cairo from extreme temperatures? With our Interpon powder coatings. We've partnered with Deleamar Industrial Group – the region's largest supplier of facades and architectural products – and are providing a full range of architectural powder coatings for the city's ongoing construction. Designed to work as a hi-tech model for Egypt's future, Interpon's durability will play an important role in the project's long-term vision.

Condensed consolidated financial statements

Condensed consolidated statement of income

Fourth quarter			January-December	
2023	2024	in € millions	2023	2024
Continuing operations				
2,529	2,619	Revenue	10,668	10,711
(1,505)	(1,593)	Cost of sales	(6,434)	(6,374)
1,024	1,026	Gross profit	4,234	4,337
(831)	(898)	SG&A costs	(3,265)	(3,414)
21	(1)	Other results	60	(6)
214	127	Operating income	1,029	917
(121)	(36)	Financing income and expenses	(272)	(102)
7	4	Results from associates	27	23
100	95	Profit before tax	784	838
(49)	(59)	Income tax	(296)	(246)
51	36	Profit for the period from continuing operations	488	592
Discontinued operations				
(3)	—	Profit/(loss) for the period from discontinued operations	(5)	—
48	36	Profit for the period	483	592
Attributable to				
41	21	Shareholders of the company	442	542
7	15	Non-controlling interests	41	50
48	36	Profit for the period	483	592

Condensed consolidated statement of comprehensive income

Fourth quarter			January-December	
2023	2024	in € millions	2023	2024
48	36	Profit for the period	483	592
Other comprehensive income				
(105)	124	Exchange differences arising on translation of foreign operations	(61)	148
32	—	Cash flow hedges	34	—
40	(89)	Post-retirement benefits	(149)	(135)
(8)	22	Tax relating to components of other comprehensive income	37	31
(41)	57	Other comprehensive income for the period (net of tax)	(139)	44
7	93	Comprehensive income for the period	344	636
Comprehensive income for the period attributable to				
2	67	Shareholders of the company	310	570
5	26	Non-controlling interests	34	66
7	93	Comprehensive income for the period	344	636

Condensed consolidated balance sheet

in € millions	December 31, 2023	December 31, 2024
Assets		
Non-current assets		
Intangible assets	4,081	4,049
Property, plant and equipment	1,994	2,122
Right-of-use assets	302	318
Other non-current assets	2,137	1,924
Total non-current assets	8,514	8,413
Current assets		
Inventories	1,649	1,721
Trade and other receivables	2,483	2,498
Current tax assets	134	150
Short-term investments	265	165
Cash and cash equivalents	1,513	1,302
Total current assets	6,044	5,836
Total assets	14,558	14,249
Equity and liabilities		
Group equity		
	4,546	4,816
Non-current liabilities		
Provisions and deferred tax liabilities	1,141	1,032
Long-term borrowings	3,165	3,671
Total non-current liabilities	4,306	4,703
Current liabilities		
Short-term borrowings	2,398	1,697
Trade and other payables	2,933	2,740
Current tax liabilities	211	120
Current portion of provisions	164	173
Total current liabilities	5,706	4,730
Total equity and liabilities	14,558	14,249

Cash flows

Net cash from operating activities in Q4 was an inflow of €398 million (2023: inflow of €574 million). The lower net inflow is mainly due to lower payables resulting from inventory reduction.

Net cash from investing activities in Q4 was an outflow of €34 million (2023: outflow of €112 million). The decreased outflow was mainly due to net repayment of short-term investments.

Net cash from financing activities in Q4 was an outflow of €1.0 billion (2023: outflow of €552 million), mainly related to changes from borrowings, including the redemption of a €500 million bond and a net decrease of the short-term loan position.

Net debt

At December 31, 2024, net debt increased to €3,901 million (2023: €3,785 million) due to lower net cash generated from operating activities for the period (€673 million), mainly due to lower payables resulting from inventory reduction. Net debt/EBITDA at December 31, 2024, was 3.0 (December 31, 2023: 2.7), while net debt / adjusted EBITDA was 2.6 (December 21: 2023: 2.6).

Net debt

in € millions	December 31, 2023	December 31, 2024
Short-term investments	(265)	(165)
Cash and cash equivalents	(1,513)	(1,302)
Long-term borrowings	3,165	3,671
Short-term borrowings	2,398	1,697
Total	3,785	3,901

Consolidated statements of cash flows

Fourth quarter			January-December	
2023	2024	in € millions	2023	2024
1,610	1,903	Net cash and cash equivalents at beginning of period	1,398	1,453
51	36	Profit for the period from continuing operations	488	592
93	94	Amortization and depreciation	357	371
2	—	Impairment losses	4	—
121	36	Financing income and expenses	272	102
(7)	(4)	Results from associates	(27)	(23)
(19)	1	Pre-tax result on acquisitions and divestments	(66)	3
49	59	Income tax	296	246
370	218	Changes in working capital	254	(206)
(16)	(10)	Changes in post-retirement benefit provisions	(40)	(17)
(21)	41	Changes in other provisions	(13)	24
(36)	(29)	Interest paid	(167)	(174)
(48)	(56)	Income tax paid	(295)	(291)
35	12	Other changes	63	46
574	398	Net cash generated from/(used for) operating activities	1,126	673
(114)	(114)	Capital expenditures	(286)	(306)
(4)	(11)	Acquisitions and divestments net of cash acquired/divested	(18)	2
(31)	(101)	Investments in short-term investments	(64)	(320)
2	160	Repayments of short-term investments	142	423
35	32	Other changes	82	69
(112)	(34)	Net cash generated from/(used for) investing activities	(144)	(132)
(472)	(901)	Changes from borrowings	(459)	(295)
(80)	(99)	Dividends paid	(368)	(385)
—	—	Buy-out of non-controlling interests	—	(4)
(552)	(1,000)	Net cash generated from/(used for) financing activities	(827)	(684)
(90)	(636)	Net cash generated from/(used for) continuing operations	155	(143)
(3)	(1)	Cash flows from discontinued operations	(6)	(5)
(93)	(637)	Net change in cash and cash equivalents of continuing and discontinued operations	149	(148)
(64)	7	Effect of exchange rate changes on cash and cash equivalents	(94)	(32)
1,453	1,273	Net cash and cash equivalents at December 31	1,453	1,273

Free cash flow

The free cash flow in Q4 2024 was lower compared with Q4 2023, mainly due to lower payables resulting from inventory reduction and lower EBITDA; EBITDA was impacted by restructuring related costs.

Consolidated statement of free cash flows

Fourth quarter			January-December	
2023	2024	in € millions	2023	2024
307	221	EBITDA	1,386	1,288
2	—	Impairment losses	4	—
(19)	1	Pre-tax results on acquisitions and divestments	(66)	3
370	218	Changes in working capital	254	(206)
(1)	(1)	Pension top-up payments	(8)	(1)
(36)	32	Other changes in provisions	(45)	8
(36)	(29)	Interest paid	(167)	(174)
(48)	(56)	Income tax paid	(295)	(291)
35	12	Other	63	46
574	398	Net cash generated from/(used for) operating activities	1,126	673
(114)	(114)	Capital expenditures	(286)	(306)
460	284	Free cash flow	840	367

Shareholders' equity

Shareholders' equity amounted to €4.6 billion at December 31, 2024, compared with €4.3 billion at year-end 2023. The main movements in 2024 related to:

- Profit for the period of €542 million
- Currency effects of €132 million (net of taxes)

Offset by movements from:

- Dividend of €338 million
- Actuarial losses of €104 million (net of taxes)

Dividend

The dividend policy remains unchanged and is to pay a stable to rising dividend.

The final 2023 dividend of €1.54 per common share (2022: €1.54) was approved at the AGM on April 25, 2024, which resulted in a total 2023 dividend of €1.98 per share (2022: €1.98).

In 2024, an interim dividend of €0.44 per share was paid (2023: €0.44). A final 2024 dividend of €1.54 (2023: €1.54) per common share is proposed.

Outstanding share capital

The outstanding share capital was 170.8 million common shares at the end of December 2024. The weighted average number of shares in Q4 2024 was 170.8 million shares.

Consolidated statement of changes in equity

in € millions	Subscribed share capital	Cash flow hedge reserve	Cumulative translation reserves	Other (legal) reserves and undistributed profit	Shareholders' equity	Non-controlling interests	Group equity
Balance at December 31, 2022	87	(34)	(656)	4,936	4,333	215	4,548
Profit for the period	—	—	—	442	442	41	483
Reclassification into the statement of income	—	46	(4)	—	42	—	42
Other comprehensive income/(expense)	—	(12)	(50)	(149)	(211)	(7)	(218)
Tax on other comprehensive income	—	—	(1)	38	37	—	37
Comprehensive income for the period	—	34	(55)	331	310	34	344
Dividend	—	—	—	(338)	(338)	(25)	(363)
Share buyback	(2)	—	—	2	—	—	—
Equity-settled transactions	—	—	—	17	17	—	17
Balance at December 31, 2023	85	—	(711)	4,948	4,322	224	4,546
Balance at December 31, 2023	85	—	(711)	4,948	4,322	224	4,546
Profit for the period	—	—	—	542	542	50	592
Other comprehensive income/(expense)	—	—	132	(135)	(3)	16	13
Tax on other comprehensive income	—	—	—	31	31	—	31
Comprehensive income for the period	—	—	132	438	570	66	636
Dividend	—	—	—	(338)	(338)	(47)	(385)
Share buyback	—	—	—	—	—	—	—
Equity-settled transactions	—	—	—	23	23	—	23
Acquisitions and divestments	—	—	—	(3)	(3)	(1)	(4)
Balance at December 31, 2024	85	—	(579)	5,068	4,574	242	4,816

Invested capital

Invested capital* at December 31, 2024, totaled €8.3 billion, up €0.5 billion from year-end 2023. This increase was mainly caused by higher trade working capital (mainly due to lower payables), investments in property, plant and equipment and lower current tax liabilities.

Invested capital

in € millions	December 31, 2023	December 31, 2024
Trade receivables	2,187	2,144
Inventories	1,649	1,721
Trade payables	(2,312)	(2,220)
Operating working capital (trade)	1,524	1,645
Other working capital items	(402)	(137)
Non-current assets	8,514	8,413
Less investments in associates	(216)	(227)
Less pension assets	(1,017)	(929)
Deferred tax liabilities	(557)	(491)
Invested capital	7,846	8,274

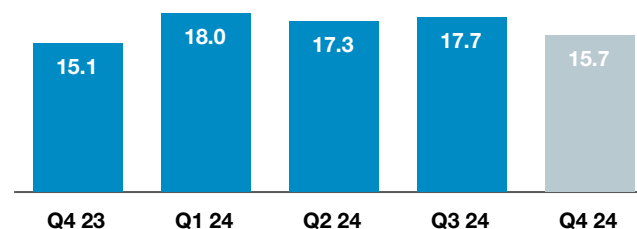
Operating working capital (trade)

Operating working capital (trade)* was €1.6 billion at December 31, 2024 (December 31, 2023: €1.5 billion).

Operating working capital (trade) as a percentage of revenue was 15.7% in Q4 2024, compared with 15.1% in Q4 2023, driven by lower trade payables and higher inventories, partly offset by lower trade receivables.

Operating working capital (trade)

As % of revenue



* Alternative performance measures: For more details on these measures, refer to the Notes to the condensed consolidated financial statements, APM paragraph.



AkzoNobel's largest European solar energy plant goes live in Poland

A major solar energy plant – our largest in Europe – has been installed at the Pilawa site in Poland, further powering the company's efforts to transition all production locations to renewable electricity. Covering nearly three hectares (around the size of four football pitches), there are 3,551 solar panels, with an installed capacity of 1.9 MWp. They'll provide nearly a quarter of the decorative paints facility's electricity needs.

Notes to the condensed consolidated financial statements

General information

Akzo Nobel N.V. is a public limited liability company headquartered in Amsterdam, the Netherlands. The interim condensed consolidated financial statements include the condensed financial statements of Akzo Nobel N.V. and its consolidated subsidiaries (in this document referred to as "AkzoNobel", "the Group" or "the company"). The company was incorporated under the laws of the Netherlands and is listed on Euronext Amsterdam.

Basis of preparation

All figures in this report are unaudited. The interim condensed consolidated financial statements were discussed and approved by the Board of Management and the Supervisory Board. These interim condensed financial statements have been authorized for issue.

The interim condensed consolidated financial statements should be read in conjunction with AkzoNobel's consolidated financial statements in the 2023 annual report as published on February 28, 2024. The 2023 financial statements were adopted by the Annual General Meeting of shareholders on April 25, 2024. In accordance with Article 393 of Book 2 of the Dutch Civil Code, PricewaterhouseCoopers Accountants N.V. has issued an unqualified auditor's opinion on the 2023 financial statements.

The full-year 2024 numbers included in the interim condensed consolidated financial statements are derived from the consolidated financial statements 2024. The consolidated financial statements 2024 have not yet been audited nor published by law, and still have to be adopted by the Annual General Meeting of shareholders. The consolidated financial statements will be published on February 26, 2025.

Accounting policies

The material accounting policies applied in the interim condensed consolidated financial statements are consistent with those applied

in AkzoNobel's consolidated financial statements for the year ended December 31, 2023, except for IFRS Accounting Standards as adopted by the European Union becoming effective on January 1, 2024. This includes, among others, amendments to IAS 1 "Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants", amendments to IFRS 16 "Lease Liability in a Sale and Leaseback" and amendments to IAS 7 and IFRS 7 "Disclosures: Supplier Finance Arrangements".

These changes have been assessed for their potential impact. It was concluded that these changes do not have a material effect on AkzoNobel's consolidated financial statements.

The interim condensed consolidated financial statements have been prepared in accordance with, and containing the information required by IFRS Accounting Standards as issued by the International Accounting Standards Board as adopted by the European Union (EU-IFRS), IAS 34 "Interim Financial Reporting".

In 2024, Pillar Two regulation came into force. The implementation did not have a material impact on the effective tax rate.

Seasonality

Revenue and results in Decorative Paints are impacted by seasonal influences. Revenue and profitability tend to be higher in the second and third quarter of the year as weather conditions determine whether paints and coatings can be applied.

In Performance Coatings, revenue and profitability vary, among others, with building patterns from original equipment manufacturers.

Other activities

In Other activities, we report activities which are not allocated to a particular segment.

Revenue disaggregation

The table below reflects the disaggregation of revenue. Additional disaggregation of revenue is included on the respective pages of Decorative Paints and Performance Coatings.

Revenue disaggregation				January-December 2024	
in € millions	Decorative Paints	Performance Coatings	Other	Total	
The Netherlands	222	107	—	329	
Other EMEA countries	2,240	2,487	—	4,727	
North Asia	459	1,209	—	1,668	
South East and South Asia	555	756	—	1,311	
North America	—	1,363	—	1,363	
Latin America	825	488	—	1,313	
Total	4,301	6,410	—	10,711	
Timing of revenue recognition					
Goods transferred at a point in time	4,237	6,196	—	10,433	
Services transferred over time	64	214	—	278	
Total	4,301	6,410	—	10,711	

Hyperinflation accounting (Türkiye and Argentina)

For Türkiye and Argentina, hyperinflation accounting is applied. The impact of the application of hyperinflation accounting, which includes the use of end of period rates to translate the statement of the income statement, is shown in the table below.

Hyperinflation accounting			January-December	
Fourth quarter			2023	2024
2023	2024	in € millions	2023	2024
(58)	54	Revenue	(64)	67
(22)	(8)	Operating income	(54)	(47)
(14)	(3)	Hyperinflation: gain/loss on net monetary position	(46)	15
72	(4)	Other financing income/expenses	71	(3)
36	(15)	Profit before tax	(29)	(35)
(32)	(6)	Income tax	(48)	(18)
4	(21)	Profit for the period	(77)	(53)
4	3	Non-controlling interests	12	10
8	(18)	Net income	(65)	(43)

Hyperinflation impact on adjusted EBITDA year-to-date was €28 million negative (2023: €55 million negative); the impact for Q4 was €3 million negative (2023: €23 million negative).

Workforce

At December 31, 2024, the number of employees was 34,600 (September 30, 2024: 35,400).

Pensions

The net balance sheet position (according to IAS19) of the pension plans at the end of Q4 was a surplus of €0.6 billion (year-end 2023: surplus of €0.7 billion). The development during 2024 was mainly the net effect of higher discount rates and lower plan asset returns in key countries.

Financial risk management

The consolidated financial statements for the year ended December 31, 2023, provide a description of the financial risks faced by the company in its regular operations, as well as the policies and procedures established to mitigate these risks.

The risks, policies and procedures outlined in the consolidated financial statements are still applicable and relevant.

The carrying amount of the financial assets and current liabilities is a reasonable approximation of their fair value. The fair value of total borrowings as at December 31, 2024, was €5,256 million (December 31, 2023: €5,405 million); the carrying amount measured at amortized cost was €5,368 million (December 31, 2023: €5,563 million).

During the year there have been no material changes in the fair value hierarchy.

Related parties

AkzoNobel traded goods and services with various related parties in which we hold a 50% or less equity interest (associates). We consider the members of the Executive Committee and the Supervisory Board to be the key management personnel as defined in IAS 24 "Related parties".

In the ordinary course of business, we have transactions with various organizations with which certain members of the Supervisory Board and Executive Committee are associated.

Alternative performance measures

In presenting and discussing AkzoNobel's operating results, management uses certain alternative performance measures (APM) not defined by IFRS Accounting Standards. Management considers these alternative performance measures to be relevant supplementary indicators of the company's performance. These or similar measures are widely used in the industry to assess operational performance, developments and positions. Management believes that reporting these measures supports readers' understanding of, among others, the company's sales performance, profitability, financial strength and funding requirements.

Alternative performance measures should not be viewed in isolation as alternatives to the equivalent IFRS measures. Rather, they should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Alternative performance measures do not have a standardized meaning under IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other companies.

Explanations and reconciliations of the alternative performance measures to the most directly comparable IFRS measures can be found in this paragraph.

Identified items

Identified items are special charges and benefits, (post) acquisition and divestment related items, major restructuring and impairment charges, charges and benefits related to major legal, legacy, environmental and tax cases, and hyperinflation accounting adjustments for inventory positions that exceed normal operational levels.

Since Q2 2024, "hyperinflation accounting adjustments for inventory positions that exceed normal operational levels" have been added to the definition of identified items. With this change, the most excessive shifts between financing income and operating income are taken out and the alternative performance measures provide a better view of the underlying business performance in hyperinflationary environments. Prior period figures have not been restated, as the impact for prior periods was immaterial.

Identified items are excluded when calculating adjusted operating income, adjusted EBITDA, adjusted EBITDA margin, return on investments (ROI) and adjusted earnings per share (EPS).

Adjusted EBITDA and Adjusted operating income

Adjusted EBITDA is operating income excluding depreciation, amortization and identified items. Adjusted operating income is operating income excluding identified items.

The measures are used to evaluate the performance of the company and its segments. By excluding identified items, the comparability of the operational results increases and financial performance can be evaluated more effectively.

Management views adjusted EBITDA and adjusted operating income as appropriate measures for (segment) performance.

Adjusted EBITDA margin

Adjusted EBITDA margin is an operational profit margin. Adjusted EBITDA margin is adjusted EBITDA as a percentage of revenue. The measure provides a clear picture of (the development of) profitability.

Adjusted EBITDA margin

Fourth quarter			January-December	
2023	2024	in %	2023	2024
12.3	11.1	Decorative Paints	15.0	14.8
13.5	14.4	Performance Coatings	13.4	14.2
		Other activities*		
12.4	12.3	Total	13.4	13.8

* Adjusted EBITDA margin for Other activities is not shown, as this is not meaningful

Free cash flow

AkzoNobel reports on free cash flow as management believes it to be a useful measure to provide additional insight into the cash generating capability of its operations. A reconciliation of free cash flow to the most directly comparable IFRS measure is available in the condensed consolidated financial statements.

Capital expenditures

Capital expenditures is the total of investments in property, plant and equipment and investments in intangible assets. Reporting on capital expenditures gives insight into the total investments in fixed assets.

Capital expenditures

Fourth quarter			January-December	
2023	2024	in € millions	2023	2024
108	110	Purchase of property, plant and equipment	265	282
6	4	Purchase of intangible assets	21	24
114	114	Capital expenditures	286	306

Organic sales

Organic sales exclude the impact of changes in consolidation, the impact of changes in foreign exchange rates and the impact of hyperinflation accounting.

The impact of changes in foreign exchange rates is calculated by re-translating the prior year local currency amounts into euros at the current year's foreign exchange rates.

Organic sales comparison provides a better understanding of underlying revenue growth factors. Reconciliation to the development of revenue is available in the financial highlights (for consolidated revenues), as well as in the Decorative Paints and Performance Coatings sections.

Operating working capital (trade)

Operating working capital is defined as the sum of inventories, trade receivables and trade payables. When expressed as a ratio, operating working capital is measured against four times last quarter revenue. A reconciliation of operating working capital to the most directly comparable IFRS measure is available in the condensed consolidated financial statements.

Management uses Operating working capital to evaluate our cash flow management, identify opportunities to improve efficiency in generating cash and ensure that we maintain low balances to minimize our need for excess cash reserves.

Adjusted earnings per share

Adjusted earnings per share is used to provide additional insight into the underlying profitability of the company. It helps with comparing performance over time, as well as to industry benchmarks and peers.

Operating income to adjusted EBITDA

January - December 2023				January - December 2024			
Decorative Paints	Performance Coatings	Other activities	Total	Decorative Paints	Performance Coatings	Other activities	Total
500	698	(169)	1,029	405	679	(167)	917
(20)	(30)	(30)	(80)	(51)	(48)	(45)	(144)
21	49	(27)	43	(12)	(2)	(9)	(23)
—	—	—	—	(15)	(4)	—	(19)
(1)	(6)	(1)	(8)	(2)	(2)	(6)	(10)
—	13	(58)	(45)	(80)	(56)	(60)	(196)
500	685	(111)	1,074	485	735	(107)	1,113
(145)	(169)	(41)	(355)	(150)	(178)	(37)	(365)
645	854	(70)	1,429	635	913	(70)	1,478

* Excluding identified items.

Operating income to adjusted EBITDA

Fourth quarter 2023				Fourth quarter 2024			
Decorative Paints	Performance Coatings	Other activities	Total	Decorative Paints	Performance Coatings	Other activities	Total
99	155	(40)	214	41	150	(64)	127
(3)	(6)	(10)	(19)	(25)	(31)	(25)	(81)
21	—	(3)	18	(4)	(1)	(2)	(7)
—	—	—	—	(5)	—	—	(5)
(1)	(4)	(1)	(6)	1	(2)	(6)	(7)
17	(10)	(14)	(7)	(33)	(34)	(33)	(100)
82	165	(26)	221	74	184	(31)	227
(39)	(43)	(10)	(92)	(39)	(46)	(9)	(94)
121	208	(16)	313	113	230	(22)	321

* Excluding identified items

Adjusted earnings per share from continuing operations

Fourth quarter			January-December		
2023	2024	in € millions	2023	2024	
51	36	Profit from continuing operations	488	592	
7	100	Identified items reported in operating income	45	196	
44	(3)	Identified items reported in interest	44	(21)	
(23)	(23)	Identified items reported in income tax	(13)	(54)	
(7)	(15)	Non-controlling interests	(41)	(50)	
72	95	Adjusted net income from continuing operations	523	663	
170.6	170.8	Weighted average number of shares (in millions)	170.6	170.7	
0.42	0.56	Adjusted earnings per share from continuing operations	3.07	3.88	

(Average) invested capital

Average invested capital is the average of the quarter-end invested capital balances for the last four quarters. Invested capital is total assets (excluding cash and cash equivalents, short-term investments, investments in associates, pension assets, assets held for sale) less current tax liabilities, deferred tax liabilities and trade and other payables.

Average invested capital

January 2023 - December 2023/January 2024 - December 2024				
in € millions	2023	2024	Δ%	
Decorative Paints	3,755	3,921	4%	
Performance Coatings	3,725	3,773	1%	
Other activities	753	656		
Total	8,233	8,350	1%	

Management uses average invested capital to assess the total amount of capital invested over the last 12 months.

Return on investment (ROI)

ROI is adjusted operating income of the last 12 months as a percentage of average invested capital. Management uses ROI to assess the efficiency of investments and make informed decisions on how to allocate capital to maximize returns and drive long-term growth.

Return on investment (ROI)

January 2023 - December 2023/January 2024 - December 2024		
in %	2023	2024
Decorative Paints	13.3	12.4
Performance Coatings	18.4	19.5
Other activities*		
Total	13.0	13.3

* ROI for Other activities is not shown, as this is not meaningful.

Adjusted gross margin

Adjusted gross profit is revenue less cost of sales, excluding identified items. Adjusted gross margin is adjusted gross profit as a percentage of revenue. This measure provides insight into profit development excluding SG&A costs.

By excluding identified items, the comparability of the gross margin development increases and financial performance can be evaluated more effectively.

Adjusted gross margin

Fourth quarter		January-December	
2023	2024	2023	2024
1,024	1,026	4,234	4,337
(5)	(29)	(23)	(73)
1,029	1,055	4,257	4,410
40.7	40.3	39.9	41.2

Leverage ratio(s)

Consistent with other companies in the industry, management monitors capital headroom based on the leverage ratio net debt/(adjusted) EBITDA. The leverage ratios are calculated based on the net debt per balance sheet position divided by (adjusted) EBITDA of the last 12 months.

EBITDA

January 2023 - December 2023/January 2024 - December 2024		
in € millions	2023	2024
Operating income	1,029	917
Depreciation and amortization	357	371
EBITDA	1,386	1,288

Adjusted EBITDA

January 2023 - December 2023/January 2024 - December 2024		
in € millions	2023	2024
Operating income	1,029	917
Depreciation and amortization*	355	365
Identified items	45	196
Adjusted EBITDA	1,429	1,478

* Excluding identified items.

Leverage ratios

January 2023 - December 2023/January 2024 - December 2024		
in € millions	2023	2024
Net debt*	3,785	3,901
Net debt/EBITDA	2.7	3.0
Net debt/Adjusted EBITDA	2.6	2.6

* Breakdown of net debt is available in the net debt paragraph in the condensed consolidated financial statements section.

Outlook*

Based on current market conditions and constant currencies, AkzoNobel expects to deliver 2025 adjusted EBITDA above €1.55 billion.

For the mid-term, AkzoNobel aims to expand profitability to deliver an adjusted EBITDA margin of above 16% and a return on investment between 16% and 19%, underpinned by organic growth and industrial excellence.

The company targets leverage below 2.5 times net debt/adjusted EBITDA (below 2.9 times net debt/EBITDA) by the end of 2025 and around 2 times in the mid-term, while remaining committed to retaining a strong investment grade credit rating.

*Outlook is based on organic volumes and constant currencies, and assumes no significant market disruptions

**Amsterdam, January 28, 2025
The Board of Management**

Greg Poux-Guillaume
Maarten de Vries

Quarterly statistics

						2023					2024						
	Q1	Q2	Q3	Q4	Full-year	in € millions	Q1	Q2	Q3	Q4	Full-year		Q1	Q2	Q3	Q4	Full-year
Revenue																	
	1,046	1,147	1,121	986	4,300	Decorative Paints	1,056	1,139	1,089	1,017	4,301		1,056	1,139	1,089	1,017	4,301
	1,611	1,594	1,620	1,543	6,368	Performance Coatings	1,584	1,645	1,579	1,602	6,410		1,584	1,645	1,579	1,602	6,410
	–	–	–	–	–	Other activities	–	–	–	–	–		–	–	–	–	–
	2,657	2,741	2,741	2,529	10,668	Total	2,640	2,784	2,668	2,619	10,711		2,640	2,784	2,668	2,619	10,711
EBITDA*																	
	129	185	193	138	645	Decorative Paints	152	158	166	80	556		152	158	166	80	556
	172	210	288	198	868	Performance Coatings	220	227	219	196	862		220	227	219	196	862
	(32)	(28)	(38)	(29)	(127)	Other activities	(22)	(23)	(30)	(55)	(130)		(22)	(23)	(30)	(55)	(130)
	269	367	443	307	1,386	Total	350	362	355	221	1,288		350	362	355	221	1,288
Adjusted EBITDA (excluding Identified items)*																	
	137	191	196	121	645	Decorative Paints	156	178	188	113	635		156	178	188	113	635
	187	214	245	208	854	Performance Coatings	221	237	225	230	913		221	237	225	230	913
	(19)	(8)	(27)	(16)	(70)	Other activities	(14)	(15)	(19)	(22)	(70)		(14)	(15)	(19)	(22)	(70)
	305	397	414	313	1,429	Total	363	400	394	321	1,478		363	400	394	321	1,478
	11.5	14.5	15.1	12.4	13.4	Adjusted EBITDA margin (in %)	13.8	14.4	14.8	12.3	13.8		13.8	14.4	14.8	12.3	13.8
Depreciation/Depreciation excluding Identified items																	
	(30)/(30)	(29)/(29)	(31)/(31)	(33)/(33)	(123)/(123)	Decorative Paints	(30)/(30)	(31)/(31)	(33)/(32)	(33)/(33)	(127)/(126)		(30)/(30)	(31)/(31)	(33)/(32)	(33)/(33)	(127)/(126)
	(33)/(33)	(34)/(33)	(34)/(34)	(35)/(34)	(136)/(134)	Performance Coatings	(35)/(35)	(37)/(36)	(39)/(35)	(38)/(38)	(149)/(144)		(35)/(35)	(37)/(36)	(39)/(35)	(38)/(38)	(149)/(144)
	(4)/(4)	(6)/(5)	(4)/(5)	(4)/(4)	(18)/(18)	Other activities	(4)/(4)	(5)/(5)	(4)/(4)	(4)/(4)	(17)/(17)		(4)/(4)	(5)/(5)	(4)/(4)	(4)/(4)	(17)/(17)
	(67)/(67)	(69)/(67)	(69)/(70)	(72)/(71)	(277)/(275)	Total	(69)/(69)	(73)/(72)	(76)/(71)	(75)/(75)	(293)/(287)		(69)/(69)	(73)/(72)	(76)/(71)	(75)/(75)	(293)/(287)
Amortization/Amortization excluding Identified items																	
	(5)/(5)	(5)/(5)	(6)/(6)	(6)/(6)	(22)/(22)	Decorative Paints	(6)/(6)	(6)/(6)	(6)/(6)	(6)/(6)	(24)/(24)		(6)/(6)	(6)/(6)	(6)/(6)	(6)/(6)	(24)/(24)
	(9)/(9)	(8)/(8)	(9)/(9)	(8)/(9)	(34)/(35)	Performance Coatings	(9)/(9)	(8)/(8)	(9)/(9)	(8)/(8)	(34)/(34)		(9)/(9)	(8)/(8)	(9)/(9)	(8)/(8)	(34)/(34)
	(6)/(6)	(6)/(6)	(5)/(5)	(7)/(6)	(24)/(23)	Other activities	(5)/(5)	(5)/(5)	(5)/(5)	(5)/(5)	(20)/(20)		(5)/(5)	(5)/(5)	(5)/(5)	(5)/(5)	(20)/(20)
	(20)/(20)	(19)/(19)	(20)/(20)	(21)/(21)	(80)/(80)	Total	(20)/(20)	(19)/(19)	(20)/(20)	(19)/(19)	(78)/(78)		(20)/(20)	(19)/(19)	(20)/(20)	(19)/(19)	(78)/(78)

* Alternative performance measures: For more details on these measures, including reconciliations to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

Quarterly statistics

					2023						2024
Q1	Q2	Q3	Q4	Full-year	in € millions	Q1	Q2	Q3	Q4	Full-year	
Operating income											
94	151	156	99	500	Decorative Paints	116	121	127	41	405	
130	168	245	155	698	Performance Coatings	176	182	171	150	679	
(42)	(40)	(47)	(40)	(169)	Other activities	(31)	(33)	(39)	(64)	(167)	
182	279	354	214	1,029	Total	261	270	259	127	917	
Identified items included in operating income											
(8)	(6)	(3)	17	—	Decorative Paints	(4)	(20)	(23)	(33)	(80)	
(15)	(5)	43	(10)	13	Performance Coatings	(1)	(11)	(10)	(34)	(56)	
(13)	(21)	(10)	(14)	(58)	Other activities	(8)	(8)	(11)	(33)	(60)	
(36)	(32)	30	(7)	(45)	Total	(13)	(39)	(44)	(100)	(196)	
Adjusted operating income (excluding Identified items)*											
102	157	159	82	500	Decorative Paints	120	141	150	74	485	
145	173	202	165	685	Performance Coatings	177	193	181	184	735	
(29)	(19)	(37)	(26)	(111)	Other activities	(23)	(25)	(28)	(31)	(107)	
218	311	324	221	1,074	Total	274	309	303	227	1,113	
Reconciliation financing income and expenses											
11	15	18	25	69	Financing income	15	9	12	25	61	
(38)	(45)	(51)	(58)	(192)	Financing expenses	(45)	(47)	(44)	(51)	(187)	
(27)	(30)	(33)	(33)	(123)	Net interest on net debt	(30)	(38)	(32)	(26)	(126)	
Other interest											
8	9	8	8	33	Financing income related to post-retirement benefits	7	7	7	6	27	
(1)	2	—	(2)	(1)	Interest on provisions	(4)	—	(1)	2	(3)	
(18)	(26)	(43)	(94)	(181)	Other items	11	—	7	(18)	—	
(11)	(15)	(35)	(88)	(149)	Net other financing charges	14	7	13	(10)	24	
(38)	(45)	(68)	(121)	(272)	Financing income and expenses	(16)	(31)	(19)	(36)	(102)	

* Alternative performance measures: For more details on these measures, including reconciliations to the most directly comparable IFRS measures and explanation of their use, refer to the Notes to the condensed consolidated financial statements, APM paragraph.

Quarterly statistics

					2023					2024						
Q1	Q2	Q3	Q4	Full-year		Q1	Q2	Q3	Q4	Full-year		Q1	Q2	Q3	Q4	Full-year
Quarterly net income analysis (in € millions)																
7	5	8	7	27	Results from associates	7	5	7	4	23		7	5	7	4	23
151	239	294	100	784	Profit before tax	252	244	247	95	838		252	244	247	95	838
(45)	(106)	(96)	(49)	(296)	Income tax	(57)	(53)	(77)	(59)	(246)		(57)	(53)	(77)	(59)	(246)
106	133	198	51	488	Profit for the period from continuing operations	195	191	170	36	592		195	191	170	36	592
30	44	33	49	38	Effective tax rate (in %)	23	22	31	62	29		23	22	31	62	29
Earnings per share from continuing operations (in €)																
0.56	0.69	1.11	0.26	2.62	Basic	1.07	1.03	0.95	0.12	3.17		1.07	1.03	0.95	0.12	3.17
0.56	0.69	1.11	0.26	2.61	Diluted	1.06	1.03	0.95	0.12	3.16		1.06	1.03	0.95	0.12	3.16
Earnings per share from discontinued operations (in €)																
(0.01)	—	(0.01)	(0.02)	(0.03)	Basic	(0.01)	0.01	—	—	—		(0.01)	0.01	—	—	—
(0.01)	—	(0.01)	(0.02)	(0.03)	Diluted	(0.01)	0.01	—	—	—		(0.01)	0.01	—	—	—
Earnings per share from total operations (in €)																
0.55	0.69	1.11	0.24	2.59	Basic	1.06	1.04	0.95	0.12	3.17		1.06	1.04	0.95	0.12	3.17
0.55	0.69	1.10	0.24	2.58	Diluted	1.06	1.03	0.95	0.12	3.16		1.06	1.03	0.95	0.12	3.16
Number of shares (in millions)																
170.5	170.6	170.6	170.6	170.6	Weighted average number of shares ¹	170.6	170.7	170.8	170.8	170.7		170.6	170.7	170.8	170.8	170.7
170.6	170.6	170.6	170.6	170.6	Number of shares at end of quarter ¹	170.6	170.8	170.8	170.8	170.8		170.6	170.8	170.8	170.8	170.8
Adjusted earnings from continuing operations (in € millions)*																
106	133	198	51	488	Profit from continuing operations	195	191	170	36	592		195	191	170	36	592
36	32	(30)	7	45	Identified items reported in operating income	13	39	44	100	196		13	39	44	100	196
—	1	(1)	44	44	Identified items reported in interest	(1)	(14)	(3)	(3)	(21)		(1)	(14)	(3)	(3)	(21)
(7)	7	10	(23)	(13)	Identified items reported in income tax	(3)	(18)	(10)	(23)	(54)		(3)	(18)	(10)	(23)	(54)
(11)	(15)	(8)	(7)	(41)	Non-controlling interests	(13)	(15)	(7)	(15)	(50)		(13)	(15)	(7)	(15)	(50)
124	158	169	72	523	Adjusted net income from continuing operations	191	183	194	95	663		191	183	194	95	663
0.73	0.93	0.99	0.42	3.07	Adjusted earnings per share from continuing operations (in €)	1.12	1.07	1.14	0.56	3.88		1.12	1.07	1.14	0.56	3.88

* Alternative performance measure: For more details on this measure, including reconciliations and explanation of its use, refer to the Notes to the consolidated financial statements, APM paragraph.

Glossary

Adjusted earnings per share are the basic earnings per share from continuing operations, excluding Identified items and taxes thereon.

Adjusted EBITDA is operating income excluding depreciation, amortization and Identified items.

Adjusted EBITDA margin is adjusted EBITDA as percentage of revenue.

Adjusted operating income is operating income excluding Identified items.

Capital expenditures is the total of investments in property, plant and equipment and investments in intangible assets.

Comprehensive income is the change in equity during a period resulting from transactions and other events other than those changes resulting from transactions with shareholders in their capacity as shareholders.

Constant currencies calculations exclude the impact of changes in foreign exchange rates by retranslating the prior year local currency amounts into euros at the current year's foreign exchange rates.

EBITDA is operating income excluding depreciation and amortization.

EBITDA margin is EBITDA as a percentage of revenue.

EMEA is Europe, Middle East and Africa.

Free cash flow is net cash generated from/(used for) operating activities minus capital expenditures.

Huarun is the acquired Chinese decorative paints business of Sherwin-Williams.

Identified items are special charges and benefits, (post) acquisition and divestment related items, major restructuring and impairment charges, charges and benefits related to major legal, environmental

and tax cases, and hyperinflation accounting adjustments for inventory positions that exceed normal operational levels.

Invested capital is total assets (excluding cash and cash equivalents, short-term investments, investments in associates, pension assets, assets held for sale) less current tax liabilities, deferred tax liabilities and trade and other payables.

Average invested capital is the average of the quarter-end invested capital balances for the last four quarters.

Latin America excludes Mexico.

Leverage ratio(s) are calculated as net debt divided by (adjusted) EBITDA, which is calculated as the total of the last 12 months.

Net debt is defined as long-term borrowings plus short-term borrowings less cash and cash equivalents and short-term investments.

North America includes Mexico.

North Asia includes, among others, China, Japan and South Korea.

Operating income is defined as income excluding net financing expenses, results from associates, income tax and profit/loss from discontinued operations. Operating income includes the share of non-controlling interests. Operating income includes Identified items to the extent these relate to lines included in operating income.

Operating working capital (trade) is defined as the sum of inventories, trade receivables and trade payables. When expressed as a ratio, operating working capital is measured against four times last quarter revenue.

Organic sales compares sales between periods, excluding the impact of changes in consolidation, the impact of changes in foreign exchange rates and the impact of hyperinflation accounting. Refer to "Constant currencies" for details on the calculation of the foreign exchange rate impact.

Other working capital is defined as other receivables, plus current tax assets, less other payables and current tax liabilities.

ROI is adjusted operating income of the last 12 months as percentage of average invested capital.

SG&A costs include selling and distribution expenses, general and administrative expenses and research, development and innovation expenses.

SESA is South East and South Asia and includes the Pacific.

Safe harbor statement

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.

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Financial calendar

Publication annual report	February 26, 2025
Report for the first quarter 2025	April 23, 2025
Annual General Meeting of shareholders	April 25, 2025
Ex-dividend date of 2024 final dividend	April 29, 2025
Record date of 2024 final dividend	April 30, 2025
Payment of 2024 final dividend	May 7, 2025

AkzoNobel

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