

PAINT THE FUTURE

**REPORT Q1
25**

Our results at a glance

Highlights Q1 2025 (compared with Q1 2024)

- Organic sales flat; revenue down 1%
- Operating income €192 million (2024: €261 million), mainly impacted by restructuring costs
- Efficiency actions ahead of schedule
- Adjusted EBITDA €357 million (adjusted EBITDA margin: 13.7%), flat at constant currencies
- Higher prices and strong cost reduction compensating for lower volumes and inflation
- Net cash from operating activities negative €112 million (2024: negative €170 million)

Outlook*

Subject to ongoing market uncertainties and assuming 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 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 represents current company expectations based on organic volumes, subject to ongoing market uncertainties and assuming constant currencies.

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

First quarter			
in € millions/%	2024	2025	Δ%
Revenue	2,640	2,613	(1%)
Operating income	261	192	(26%)
Identified items*	(13)	(72)	
Adjusted operating income*	274	264	(4%)
Adjusted EBITDA*	363	357	(2%)
Adjusted EBITDA margin (%)*	13.8	13.7	
Average invested capital*	8,182	8,393	3%
ROI (%)*	13.8	13.1	
Capital expenditures*	41	71	
Net debt*	4,031	4,115	
Leverage ratio	2.7	2.8	
Net cash from operating activities	(170)	(112)	
Free cash flow*	(211)	(183)	
Number of employees (FTEs)	35,500	34,100	
Net income attributable to shareholders	181	107	
Weighted average number of shares (in millions)	170.6	170.8	
Earnings per share from total operations (in €)	1.06	0.63	
Adjusted earnings per share from continuing operations (in €)*	1.12	0.94	

* 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.

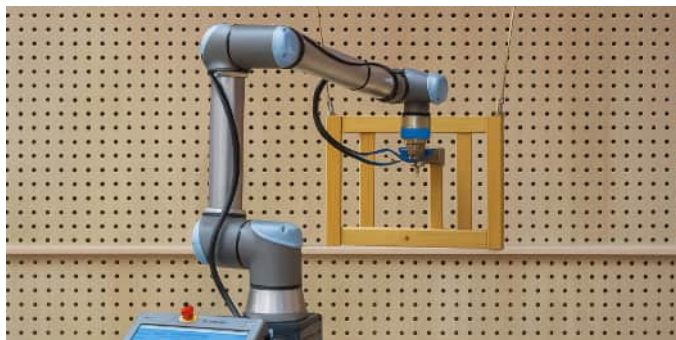
Financial highlights

Q1 2025

Revenue

Organic sales flat, with an increase in price/mix offset by lower volumes. Price/mix was up 2%, mainly due to positive pricing. Lower volumes include the in-year commercial rebalancing in Türkiye, as well as the impact of macro-economic uncertainties, particularly in North America.

Adverse currencies impacted revenue by 1%, resulting in 1% lower revenue.



Collaborative robot learns how to paint

Colleagues at our Sikkens Wood Coatings business have been working with Nordbo Robotics to develop a fast robot programming solution. Trained by humans, it copies the movements of expert craftsmen to carry out intricate wood coating applications. It will help address skilled labor shortages and its compact size means operators can safely work alongside, using it as they would any tool.

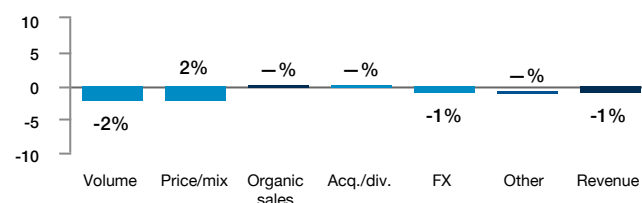
Revenue

First quarter

in € millions	2024	2025	Δ%	Δ% Organic*
Decorative Paints	1,056	1,030	(2%)	(1%)
Performance Coatings	1,584	1,583	—%	1%
Total	2,640	2,613	(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.

Revenue development Q1 2025



in % versus Q1 2024	Volume	Price/mix	Organic sales	Acq./div	FX	Other	Revenue
Decorative Paints	(3)	2	(1)	—	(1)	—	(2)
Performance Coatings	(1)	2	1	—	(1)	—	—
Total	(2)	2	—	—	(1)	—	(1)

Volume development per quarter (year-on-year) in %	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25
Decorative Paints	1	(1)	—	(2)	(3)
Performance Coatings	2	2	2	1	(1)
Total	2	1	1	—	(2)

Price/mix development per quarter (year-on-year) in %	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25
Decorative Paints	2	—	1	2	2
Performance Coatings	—	2	—	1	2
Total	—	1	—	1	2

Organic sales development per quarter (year-on-year) in %	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25
Decorative Paints	3	(1)	1	—	(1)
Performance Coatings	2	4	2	2	1
Total	2	2	1	1	—

Revenue development per quarter (year-on-year) in %	Q1 24	Q2 24	Q3 24	Q4 24	Q1 25
Decorative Paints	1	(1)	(3)	3	(2)
Performance Coatings	(2)	3	(3)	4	—
Total	(1)	2	(3)	4	(1)

Financial highlights

Q1 2025

Operating income

Operating income at €192 million (2024: €261 million) was impacted by identified items of negative €72 million (2024: negative €13 million), mainly related to restructuring costs from our industrial excellence and SG&A programs.

Adjusted EBITDA

Adjusted EBITDA at €357 million (2024: €363 million). An increase in gross margins and cost mitigating measures enabled us to absorb the majority of the impact of lower revenues. Operating expenses back at 2024 level, despite wage and general inflation. Adjusted EBITDA margin at 13.7% (2024: 13.8%).

Financing income and expenses

Financing income and expenses amounted to negative €30 million (2024: negative €16 million). The €14 million increase in expenses is mainly due to hyperinflation accounting, partly offset by less negative exchange rate results. Prior year comparatives also contained the positive interest impact related to the release of a provision for an uncertain tax position.

Income tax

The effective tax rate was 28.4% (2024: 22.6%). The lower tax rate in the prior year was primarily due to the release of a provision for an uncertain tax position.

Net income

Net income attributable to shareholders was €107 million (2024: €181 million). Earnings per share from total operations was €0.63 (2024: €1.06).

Adjusted EBITDA*

First quarter			
in € millions	2024	2025	Δ%
Decorative Paints	156	147	(6%)
Performance Coatings	221	231	5%
Other activities	(14)	(21)	
Total	363	357	(2%)

* 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

First quarter			
in € millions	2024	2025	Δ%
Decorative Paints	116	77	(34%)
Performance Coatings	176	171	(3%)
Other activities	(31)	(56)	
Total	261	192	(26%)

Operating income to net income

First quarter		
in € millions	2024	2025
Operating income	261	192
Financing income and expenses	(16)	(30)
Results from associates	7	7
Profit before tax	252	169
Income tax	(57)	(48)
Profit from continuing operations	195	121
Profit from discontinued operations	(1)	—
Profit for the period	194	121
Non-controlling interests	(13)	(14)
Net income	181	107

Decorative Paints

Highlights Q1 2025

- Organic sales down 1%, revenue down 2%
- Adjusted EBITDA margin at 14.3% (2024: 14.8%)

Q1 2025

Organic sales down 1%, with an increase in price/mix more than offset by lower volumes. Deco EMEA volumes were impacted by in-year commercial rebalancing in Türkiye. Volumes in China were down, although sequentially better.

Price/mix up 2%, driven by positive pricing in Deco EMEA and Deco LATAM.

Currencies negatively impacted revenue by 1%, resulting in 2% lower revenue.

Operating income at €77 million (2024: €116 million) was impacted by identified items of negative €32 million (2024: negative €4 million), mainly due to restructuring programs.

Excluding identified items, operating income was impacted by lower revenue, with flat gross margins and operating expenses.

Adjusted EBITDA at €147 million (2024: €156 million). Adjusted EBITDA margin at 14.3% (2024: 14.8%).

Europe, Middle East and Africa

Q1 organic sales and revenue down 1%. An increase in price/mix was offset by lower volumes. The majority of the volume decline was caused by in-year commercial rebalancing in Türkiye. Volumes were higher in Central and Eastern Europe. Trends in the Professional segment improved.

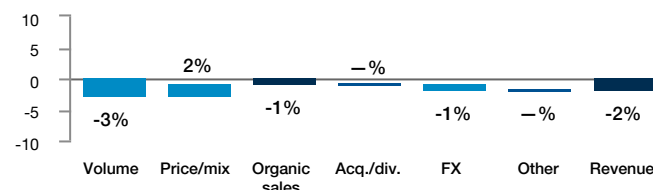
Latin America

Q1 organic sales up 5% due to positive pricing more than offsetting lower volumes; revenue down 7%. Pricing was positive, also when excluding inflationary pricing in Argentina. Volumes were lower, driven by Brazil and Colombia. In Brazil, volumes were impacted by the timing of our price increases, while the market in Colombia showed signs of recovery during the quarter.

Asia

Q1 organic sales were down 5% and revenue down 3%. Price/mix continued to be down, while pricing stabilized in China. Volumes were down in China but improved sequentially. In SESA, volumes were lower in Indonesia and India, with India outperforming a soft market.

Revenue development Q1 2025



Revenue

First quarter

in € millions	2024	2025	Δ%	Organic*
Decorative Paints EMEA	612	607	(1%)	(1%)
Decorative Paints Latin America	183	171	(7%)	5%
Decorative Paints Asia	261	252	(3%)	(5%)
Total	1,056	1,030	(2%)	(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

First quarter

in € millions/%	2024	2025	Δ%
Operating income	116	77	(34%)
Identified items ¹	(4)	(32)	
Depreciation and amortization ²	(36)	(38)	
Adjusted EBITDA ¹	156	147	(6%)
Adjusted EBITDA margin (%) ¹	14.8	14.3	
Average invested capital ¹	3,735	3,901	4%
ROI (%) ¹	13.9	12.2	

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.

Performance Coatings

Highlights Q1 2025

- Organic sales up 1%; revenue flat
- Adjusted EBITDA margin increased to 14.6% (2024: 14.0%)

Q1 2025

Organic sales up 1%, driven by positive pricing in all businesses, partly offset by lower volumes. Double digit volume growth in Marine and Protective Coatings was more than offset by macro-economic uncertainties impacting volumes, particularly in North America.

Currencies negatively impacted revenue by 1%, resulting in revenue being flat.

Operating income at €171 million (2024: €176 million), impacted by identified items of negative €14 million (2024: negative €1 million), mainly due to restructuring programs.

Excluding identified items, operating income increased due to a combination of higher revenue, a slight increase in gross margins and lower operating expenses.

Adjusted EBITDA increased to €231 million (2024: €221 million). Adjusted EBITDA margin increased to 14.6% (2024: 14.0%).

Powder Coatings

Q1 organic sales down 3% and revenue down 4%. Higher volumes in the industrial & consumer segments were more than offset by lower volumes in automotive and architectural segments.

Marine and Protective Coatings

Q1 organic sales up 13% and revenue up 12%, with continued strong growth in marine new-build and notable improvement in protective, both delivering double digit growth.

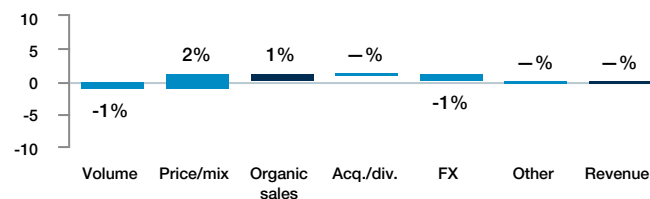
Automotive and Specialty Coatings

Q1 organic sales and revenue down 5%. Lower volumes reflected continued weak demand within automotive and vehicle refinishes in North America and Europe, while price/mix was positive. Aerospace volumes were impacted by OEM challenges in North America, while volumes were higher in Europe.

Industrial Coatings

Q1 organic sales down 1%, revenue down 3%. Volumes in coil and packaging were down, while wood adhesives and wood finishes were slightly up. Packaging volumes were lower due to strong prior year comparatives.

Revenue development Q1 2025



Revenue

First quarter

in € millions	2024	2025	Δ%	Organic*
Powder Coatings	341	328	(4%)	(3%)
Marine and Protective Coatings	359	403	12%	13%
Automotive and Specialty Coatings	372	354	(5%)	(5%)
Industrial Coatings	512	498	(3%)	(1%)
Total	1,584	1,583	— %	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

First quarter

in € millions / %	2024	2025	Δ%
Operating income	176	171	(3%)
Identified items ¹	(1)	(14)	
Depreciation and amortization ²	(44)	(46)	
Adjusted EBITDA ¹	221	231	5%
Adjusted EBITDA margin (%) ¹	14.0	14.6	
Average invested capital ¹	3,805	3,733	(2%)
ROI (%) ¹	18.8	19.9	

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.

Condensed consolidated financial statements

Condensed consolidated statement of income

First quarter		
in € millions	2024	2025
Continuing operations		
Revenue	2,640	2,613
Cost of sales	(1,553)	(1,565)
Gross profit	1,087	1,048
SG&A costs	(825)	(855)
Other results	(1)	(1)
Operating income	261	192
Financing income and expenses	(16)	(30)
Results from associates	7	7
Profit before tax	252	169
Income tax	(57)	(48)
Profit for the period from continuing operations	195	121
Discontinued operations		
Profit/(loss) for the period from discontinued operations	(1)	—
Profit for the period	194	121
Attributable to		
Shareholders of the company	181	107
Non-controlling interests	13	14
Profit for the period	194	121

Condensed consolidated statement of comprehensive income

First quarter		
in € millions	2024	2025
Profit for the period	194	121
Other comprehensive income		
Exchange differences arising on translation of foreign operations	96	(84)
Post-retirement benefits	(33)	12
Tax relating to components of other comprehensive income	8	(3)
Other comprehensive income for the period (net of tax)	71	(75)
Comprehensive income for the period	265	46
Comprehensive income for the period attributable to		
Shareholders of the company	248	43
Non-controlling interests	17	3
Comprehensive income for the period	265	46

Condensed consolidated balance sheet

	December 31, 2024	March 31, 2025
in € millions		
Assets		
Non-current assets		
Intangible assets	4,049	3,991
Property, plant and equipment	2,122	2,109
Right-of-use assets	318	317
Other non-current assets	1,924	1,907
Total non-current assets	8,413	8,324
Current assets		
Inventories	1,721	1,777
Trade and other receivables	2,498	2,809
Current tax assets	150	168
Short-term investments	165	173
Cash and cash equivalents	1,302	1,599
Total current assets	5,836	6,526
Total assets	14,249	14,850
Equity and liabilities		
Group equity	4,816	4,862
Non-current liabilities		
Provisions and deferred tax liabilities	1,032	1,025
Long-term borrowings	3,671	4,170
Total non-current liabilities	4,703	5,195
Current liabilities		
Short-term borrowings	1,697	1,717
Trade and other payables	2,740	2,787
Current tax liabilities	120	114
Current portion of provisions	173	175
Total current liabilities	4,730	4,793
Total equity and liabilities	14,249	14,850

Cash flows

Net cash from operating activities in Q1 was an outflow of €112 million (2024: outflow of €170 million). The improvement compared to Q1 2024 is mainly due to a lower outflow from changes in working capital.

Net cash from investing activities in Q1 was an outflow of €63 million (2024: inflow of €219 million). Q1 2024 contained a high net inflow from short-term investments.

Net cash from financing activities in Q1 was an inflow of €471 million (2024: outflow of €581 million), mainly due to proceeds from a €500 million bond issuance in the quarter.

Net debt

At March 31, 2025, net debt was €4,115 million (December 31, 2024: €3,901 million). The increase was mainly due to seasonal build up of working capital and cash outflow related to our restructuring programs. Net debt/adjusted EBITDA at March 31, 2025, was 2.8 (December 31: 2024: 2.6).

Net debt

in € millions	March 31, 2024	December 31, 2024	March 31, 2025
Short-term investments	(29)	(165)	(173)
Cash and cash equivalents	(1,069)	(1,302)	(1,599)
Long-term borrowings	3,183	3,671	4,170
Short-term borrowings	1,946	1,697	1,717
Total	4,031	3,901	4,115

Consolidated statements of cash flows

First quarter			
in € millions	2024	2025	
Net cash and cash equivalents at beginning of period	1,453	1,273	
Profit for the period from continuing operations	195	121	
Amortization and depreciation	89	94	
Impairment losses	—	3	
Financing income and expenses	16	30	
Results from associates	(7)	(7)	
Pre-tax result on acquisitions and divestments	1	1	
Income tax	57	48	
Changes in working capital	(418)	(336)	
Changes in post-retirement benefit provisions	(4)	(1)	
Changes in other provisions	(12)	10	
Interest paid	(48)	(41)	
Income tax paid	(48)	(44)	
Other changes	9	10	
Net cash generated from/(used for) operating activities	(170)	(112)	
Capital expenditures	(41)	(71)	
Acquisitions and divestments net of cash acquired/divested	7	—	
Investments in short-term investments	—	(8)	
Repayments of short-term investments	238	1	
Other changes	15	15	
Net cash generated from/(used for) investing activities	219	(63)	
Changes from borrowings	(573)	477	
Dividends paid	(8)	(6)	
Net cash generated from/(used for) financing activities	(581)	471	
Net cash generated from/(used for) continuing operations	(532)	296	
Cash flows from discontinued operations	(3)	(1)	
Net change in cash and cash equivalents total operations	(535)	295	
Effect of exchange rate changes on cash and cash equivalents	(3)	(7)	
Net cash and cash equivalents at March 31	915	1,561	

Free cash flow

The free cash flow in Q1 2025 improved compared with Q1 2024, mainly due to a lower outflow from changes in working capital, partly offset by higher cash out for our industrial excellence and SG&A restructuring programs, and higher capital expenditures.

Consolidated statement of free cash flows

First quarter			
in € millions	2024	2025	
EBITDA	350	286	
Impairment losses	—	3	
Pre-tax results on acquisitions and divestments	1	1	
Changes in working capital	(418)	(336)	
Other changes in provisions	(16)	9	
Interest paid	(48)	(41)	
Income tax paid	(48)	(44)	
Other changes	9	10	
Net cash generated from/(used for) operating activities	(170)	(112)	
Capital expenditures	(41)	(71)	
Free cash flow	(211)	(183)	

Shareholders' equity

Shareholders' equity amounted to €4.6 billion at March 31, 2025, compared with €4.6 billion at year-end 2024. The main movements in 2025 related to profit for the period of €107 million and negative currency effects of €73 million (net of taxes).

Dividend

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

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 for approval at the AGM on April 25, 2025.

Outstanding share capital

The outstanding share capital was 170.9 million common shares at the end of March 2025. The weighted average number of shares in Q1 2025 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	Share- holders' equity	Non- controlling interests	Group equity
Balance at December 31, 2023	85	—	(711)	4,948	4,322	224	4,546
Profit for the period	—	—	—	181	181	13	194
Other comprehensive income/(expense)	—	—	92	(33)	59	4	63
Tax on other comprehensive income	—	—	—	8	8	—	8
Comprehensive income for the period	—	—	92	156	248	17	265
Dividend	—	—	—	—	—	(8)	(8)
Equity-settled transactions	—	—	—	6	6	—	6
Balance at March 31, 2024	85	—	(619)	5,110	4,576	233	4,809
Balance at December 31, 2024	85	—	(579)	5,068	4,574	242	4,816
Profit for the period	—	—	—	107	107	14	121
Other comprehensive income/(expense)	—	—	(73)	12	(61)	(11)	(72)
Tax on other comprehensive income	—	—	—	(3)	(3)	—	(3)
Comprehensive income for the period	—	—	(73)	116	43	3	46
Dividend	—	—	—	—	—	(7)	(7)
Equity-settled transactions	—	—	—	7	7	—	7
Balance at March 31, 2025	85	—	(652)	5,191	4,624	238	4,862

Invested capital

Invested capital* at March 31, 2025, totaled €8.5 billion, up €0.2 billion from year-end 2024. This increase was mainly caused by normal seasonality resulting in higher trade receivables and inventories.

Invested capital

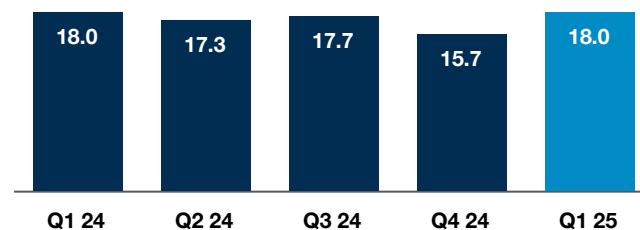
in € millions	March 31, 2024	December 31, 2024	March 31, 2025
Trade receivables	2,457	2,144	2,414
Inventories	1,779	1,721	1,777
Trade payables	(2,331)	(2,220)	(2,310)
Trade working capital	1,905	1,645	1,881
Other working capital items	(273)	(137)	(28)
Non-current assets	8,479	8,413	8,324
Less investments in associates	(223)	(227)	(234)
Less pension assets	(1,026)	(929)	(931)
Deferred tax liabilities	(519)	(491)	(501)
Invested capital	8,343	8,274	8,511

Trade working capital

Trade working capital* was €1.9 billion at March 31, 2025 (March 31, 2024: €1.9 billion). Trade working capital as a percentage of revenue was 18.0% in Q1 2025, which is the same as in Q1 2024.

Trade working capital

As % of revenue



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



Embracing circularity by reusing industrial residue to make paint

Industrial residue is being used by AkzoNobel in Brazil as a more sustainable raw material for making paint. Nearly a third of the total residue generated during industrial effluent treatment at the Mauá plant in São Paulo goes into the manufacture of Coral Pinta Piso floor paint. As well as helping to eliminate landfill disposal, it's also contributing to the preservation of natural resources.

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 2024 annual report as published on February 26, 2025. The 2024 financial statements are to be adopted by the Annual General Meeting of shareholders on April 25, 2025. 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 2024 financial statements.

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, 2024, except for IFRS Accounting Standards as adopted by the European Union becoming effective on January 1, 2025, which for this year relates to amendments to IAS 21 "Lack of exchangeability".

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".

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-March 2025
in € millions	Decorative Paints	Performance Coatings	Other	Total
The Netherlands	52	29	—	81
Other EMEA countries	555	625	—	1,180
North Asia	108	273	—	381
South East and South Asia	144	186	—	330
North America	—	350	—	350
Latin America	171	120	—	291
Total	1,030	1,583	—	2,613
Timing of revenue recognition				
Goods transferred at a point in time	1,014	1,529	—	2,543
Services transferred over time	16	54	—	70
Total	1,030	1,583	—	2,613

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		
First quarter		
in € millions	2024	2025
Revenue	2	(7)
Operating income	(8)	(6)
Hyperinflation: gain/loss on net monetary position	14	(6)
Other financing income/expenses	—	—
Profit before tax	6	(12)
Income tax	(12)	(2)
Profit for the period	(6)	(14)
Non-controlling interests	3	2
Net income	(3)	(12)

Hyperinflation impact on adjusted EBITDA for Q1 was negative €5 million (2024: negative €8 million).

Workforce

At March 31, 2025, the number of employees was 34,100 (March 31, 2024: 35,500).

Pensions

The net balance sheet position (according to IAS 19) of the pension plans at the end of Q1 was a surplus of €0.6 billion (year-end 2024: surplus of €0.6 billion). The development during 2025 was mainly the offsetting 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, 2024, 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 March 31, 2025, was €5,758 million (December 31, 2024: €5,256 million); the carrying amount measured at amortized cost was €5,887 million (December 31, 2024: €5,368 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, environmental and tax cases, and hyperinflation accounting adjustments for inventory positions that exceed normal operational levels.

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.

These 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

First quarter		
in %	2024	2025
Decorative Paints	14.8	14.3
Performance Coatings	14.0	14.6
Other activities*		
Total	13.8	13.7

* 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

First quarter		
in € millions	2024	2025
Purchase of property, plant and equipment	35	68
Purchase of intangible assets	6	3
Capital expenditures	41	71

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.

Trade working capital

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

Management uses trade working capital to evaluate our cash flow management, to identify opportunities to improve cash generation and to optimize our use of cash.

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

First quarter 2024				First quarter 2025				
Decorative Paints	Performance Coatings	Other activities	Total	in € millions	Decorative Paints	Performance Coatings	Other activities	Total
116	176	(31)	261	Operating income	77	171	(56)	192
(4)	(1)	(7)	(12)	Restructuring-related costs	(29)	(14)	(7)	(50)
—	—	(1)	(1)	Acquisition/divestment-related costs	(2)	—	(5)	(7)
—	—	—	—	Hyperinflation	(1)	—	—	(1)
—	—	—	—	Legal and environmental	—	—	(13)	(13)
—	—	—	—	Other	—	—	(1)	(1)
(4)	(1)	(8)	(13)	Total identified items	(32)	(14)	(26)	(72)
120	177	(23)	274	Adjusted operating income	109	185	(30)	264
(36)	(44)	(9)	(89)	Depreciation and amortization*	(38)	(46)	(9)	(93)
156	221	(14)	363	Adjusted EBITDA	147	231	(21)	357

* Excluding identified items

Adjusted earnings per share from continuing operations

First quarter		
in € millions	2024	2025
Profit from continuing operations	195	121
Identified items reported in operating income	13	72
Identified items reported in interest	(1)	(2)
Identified items reported in income tax	(3)	(17)
Non-controlling interests	(13)	(14)
Adjusted net income from continuing operations	191	160
Weighted average number of shares (in millions)	170.6	170.8
Adjusted earnings per share from continuing operations	1.12	0.94

(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

	April 2023 - March 2024/April 2024 - March 2025		
in € millions	2024	2025	Δ%
Decorative Paints	3,735	3,901	4%
Performance Coatings	3,805	3,733	(2%)
Other activities	642	759	
Total	8,182	8,393	3%

Management uses average invested capital to monitor, assess and optimize the total amount of capital invested.

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 capital allocation, in order to maximize returns and drive long-term growth.

Return on investment (ROI)

April 2023 - March 2024/April 2024 - March 2025		
in %	2024	2025
Decorative Paints	13.9	12.2
Performance Coatings	18.8	19.9
Other activities*		
Total	13.8	13.1

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

Leverage ratio

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.

Adjusted EBITDA

April 2023 - March 2024/April 2024 - March 2025		
in € millions	2024	2025
Operating income	1,108	848
Depreciation and amortization*	357	369
Identified items	22	255
Adjusted EBITDA	1,487	1,472

* Excluding identified items.

Leverage ratio

April 2023 - March 2024/April 2024 - March 2025		
in € millions	2024	2025
Net debt*	4,031	4,115
Adjusted EBITDA	1,487	1,472
Leverage ratio	2.7	2.8

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

Outlook*

Subject to ongoing market uncertainties and assuming 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 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 represents current company expectations based on organic volumes, subject to ongoing market uncertainties and assuming constant currencies

**Amsterdam, April 22, 2025
The Board of Management**

Greg Poux-Guillaume
Maarten de Vries

Quarterly statistics

	2024						2025
	Q1	Q2	Q3	Q4	Full-year	in € millions	Q1
Revenue							
	1,056	1,139	1,089	1,017	4,301	Decorative Paints	1,030
	1,584	1,645	1,579	1,602	6,410	Performance Coatings	1,583
	2,640	2,784	2,668	2,619	10,711	Total	2,613
EBITDA*							
	152	158	166	80	556	Decorative Paints	116
	220	227	219	196	862	Performance Coatings	217
	(22)	(23)	(30)	(55)	(130)	Other activities	(47)
	350	362	355	221	1,288	Total	286
Adjusted EBITDA (excluding Identified items)*							
	156	178	188	113	635	Decorative Paints	147
	221	237	225	230	913	Performance Coatings	231
	(14)	(15)	(19)	(22)	(70)	Other activities	(21)
	363	400	394	321	1,478	Total	357
	13.8	14.4	14.8	12.3	13.8	Adjusted EBITDA margin (in %)	13.7
Depreciation and amortization							
	(36)	(37)	(39)	(39)	(151)	Decorative Paints	(39)
	(44)	(45)	(48)	(46)	(183)	Performance Coatings	(46)
	(9)	(10)	(9)	(9)	(37)	Other activities	(9)
	(89)	(92)	(96)	(94)	(371)	Total	(94)
Depreciation and amortization (excluding Identified items)							
	(36)	(37)	(38)	(39)	(150)	Decorative Paints	(38)
	(44)	(44)	(44)	(46)	(178)	Performance Coatings	(46)
	(9)	(10)	(9)	(9)	(37)	Other activities	(9)
	(89)	(91)	(91)	(94)	(365)	Total	(93)

* 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

				2024		2025
Q1	Q2	Q3	Q4	Full-year	in € millions	Q1
Operating income						
116	121	127	41	405	Decorative Paints	77
176	182	171	150	679	Performance Coatings	171
(31)	(33)	(39)	(64)	(167)	Other activities	(56)
261	270	259	127	917	Total	192
Identified items included in operating income						
(4)	(20)	(23)	(33)	(80)	Decorative Paints	(32)
(1)	(11)	(10)	(34)	(56)	Performance Coatings	(14)
(8)	(8)	(11)	(33)	(60)	Other activities	(26)
(13)	(39)	(44)	(100)	(196)	Total	(72)
Adjusted operating income (excluding Identified items)*						
120	141	150	74	485	Decorative Paints	109
177	193	181	184	735	Performance Coatings	185
(23)	(25)	(28)	(31)	(107)	Other activities	(30)
274	309	303	227	1,113	Total	264
Reconciliation financing income and expenses						
15	9	12	25	61	Financing income	14
(45)	(47)	(44)	(51)	(187)	Financing expenses	(42)
(30)	(38)	(32)	(26)	(126)	Net interest on net debt	(28)
Other interest						
7	7	7	6	27	Financing income related to post-retirement benefits	8
(4)	—	(1)	2	(3)	Interest on provisions	—
11	—	7	(18)	—	Other items	(10)
14	7	13	(10)	24	Net other financing charges	(2)
(16)	(31)	(19)	(36)	(102)	Financing income and expenses	(30)

* 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

				2024		2025
	Q1	Q2	Q3	Q4	Full-year	Q1
Quarterly net income analysis (in € millions)						
	7	5	7	4	23 Results from associates	7
	252	244	247	95	838 Profit before tax	169
	(57)	(53)	(77)	(59)	(246) Income tax	(48)
	195	191	170	36	592 Profit for the period from continuing operations	121
	23	22	31	62	29 Effective tax rate (in %)	28
Earnings per share from continuing operations (in €)						
	1.07	1.03	0.95	0.12	3.17 Basic	0.63
	1.06	1.03	0.95	0.12	3.16 Diluted	0.62
Earnings per share from discontinued operations (in €)						
	(0.01)	0.01	—	—	— Basic	—
	(0.01)	0.01	—	—	— Diluted	—
Earnings per share from total operations (in €)						
	1.06	1.04	0.95	0.12	3.17 Basic	0.63
	1.06	1.03	0.95	0.12	3.16 Diluted	0.62
Number of shares (in millions)						
	170.6	170.7	170.8	170.8	170.7 Weighted average number of shares ¹	170.8
	170.6	170.8	170.8	170.8	170.8 Number of shares at end of quarter ¹	170.9
Adjusted earnings from continuing operations (in € millions)*						
	195	191	170	36	592 Profit from continuing operations	121
	13	39	44	100	196 Identified items reported in operating income	72
	(1)	(14)	(3)	(3)	(21) Identified items reported in interest	(2)
	(3)	(18)	(10)	(23)	(54) Identified items reported in income tax	(17)
	(13)	(15)	(7)	(15)	(50) Non-controlling interests	(14)
	191	183	194	95	663 Adjusted net income from continuing operations	160
	1.12	1.07	1.14	0.56	3.88 Adjusted earnings per share from continuing operations (in €)	0.94

* 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.

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 is 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.

Trade working capital is defined as the sum of inventories, trade receivables and trade payables. When expressed as a ratio, trade 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. 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.

Brand and trademarks

In this report, reference is made to brands and trademarks owned by, or licensed to, AkzoNobel. Unauthorized use of these is strictly prohibited.

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Financial calendar

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
Report for the second quarter 2025	July 22, 2025

AkzoNobel

Since 1792, we've been supplying the innovative paints and coatings that help to color people's lives and protect what matters most. Our world class portfolio of brands – including Dulux, International, Sikkens and Interpon – is trusted by customers around the globe. We're active in more than 150 countries and use our expertise to sustain and enhance everyday life. Because we believe every surface is an opportunity. It's what you'd expect from a pioneering and long-established paints company that's dedicated to providing more sustainable solutions and preserving the best of what we have today – while creating an even better tomorrow. Let's paint the future together.

For more information, please visit www.akzonobel.com.

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