AkzoNobel

PAINT THE FUTURE

REPORT Q2 25

Our results at a glance

Highlights Q2 2025 (compared with Q2 2024)

- Organic sales flat, pricing up 2%; revenue down 6% on adverse currencies
- Operating income €214 million (2024: €270 million), mainly impacted by restructuring costs
- Adjusted EBITDA €393 million, including €24 million adverse currency impact (2024: €400 million)
- Adjusted EBITDA margin expansion to 15.0% (2024: 14.4%) driven by efficiency actions
- Net cash from operating activities positive €234 million (2024: positive €151 million)
- Binding agreement signed to sell Akzo Nobel India to the JSW Group, expected to close in Q4

Highlights half-year 2025 (compared with half-year 2024)

- Organic sales flat; revenue down 3% on adverse currencies
- Operating income €406 million (2024: €531 million), mainly impacted by restructuring costs
- Efficiency actions ahead of schedule
- Adjusted EBITDA €750 million, including €31 million adverse currency impact (2024: €763 million)
- Adjusted EBITDA margin: 14.3% (2024: 14.1%)
- Higher pricing and cost reduction compensated for lower volumes and inflation
- Net cash from operating activities positive €122 million (2024: negative €19 million)

Outlook*

AkzoNobel's guidance, provided at constant currencies, remains unchanged. Subject to ongoing market uncertainties and adjusted for exchange rates as of the end of H1, the company expects to deliver adjusted EBITDA above €1.48 billion for full-year 2025.

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, is subject to ongoing market uncertainties and assumes constant currencies.

Summary of financial results

Second quarter				January-June		
2024	**2025**	**Δ%**	in € millions/%	**2024**	**2025**	**Δ%**
2,784	2,626	(6%)	Revenue	5,424	5,239	(3%)
270	214	(21%)	Operating income	531	406	(24%)
(39)	(89)		Identified items*	(52)	(161)	
309	303	(2%)	Adjusted operating income*	583	567	(3%)
400	393	(2%)	Adjusted EBITDA*	763	750	(2%)
14.4	15.0		Adjusted EBITDA margin (%)*	14.1	14.3	
			Average invested capital*	8,239	8,302	1%
			ROI (%)*	13.7	13.2	
74	72		Capital expenditures*	115	143	
			Net debt*	4,253	4,280	
			Leverage ratio*	2.9	2.9	
151	234		Net cash from operating activities	(19)	122	
77	162		Free cash flow*	(134)	(21)	
			Number of employees (FTEs)	35,700	33,700	
177	124		Net income attributable to shareholders	358	231	
170.7	171.0		Weighted average number of shares (in millions)	170.7	170.9	
1.04	0.73		Earnings per share from total operations (in €)	2.10	1.35	
1.07	1.13		Adjusted earnings per share from continuing operations (in €)*	2.19	2.07	

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

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."

Financial highlights

Q2 2025

Revenue

Organic sales flat, with an increase in price/mix offset by lower volumes. Price/mix was up 1%, driven by positive pricing in all businesses, except for Deco Asia. Volumes were lower, reflecting macro-economic uncertainties, particularly in North America, offsetting volume growth in Deco China.

Currency headwinds impacted revenue by 5%, while Other (which mainly relates to hyperinflation accounting) was down 1%, resulting in 6% lower revenue.

Half-year 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 due to the impact of macro-economic uncertainties, particularly in North America.

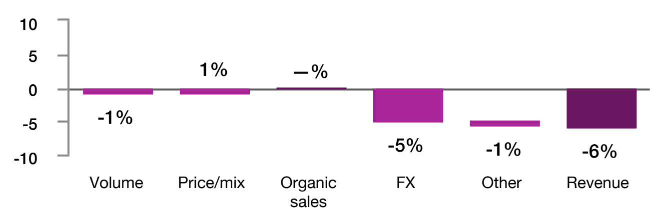
Currency headwinds impacted revenue by 3%, resulting in 3% lower revenue.

Revenue

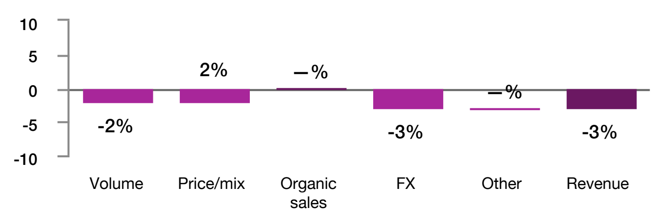
Second quarter					January-June			
2024	2025	Δ%	Δ% Organic*	in € millions	2024	2025	Δ%	Δ% Organic*
1,139	1,080	(5%)	1%	Decorative Paints	2,195	2,110	(4%)	—%
1,645	1,546	(6%)	—%	Performance Coatings	3,229	3,129	(3%)	—%
2,784	**2,626**	**(6%)**	**—%**	**Total**	**5,424**	**5,239**	**(3%)**	**—%**

* 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 Q2 2025



Revenue development half-year 2025



in % versus Q2 2024	Volume	Price/ mix	Organic sales	Acq./ div	FX	Other	Revenue
Decorative Paints	—	1	1	—	(5)	(1)	(5)
Performance Coatings	(2)	2	—	—	(5)	(1)	(6)
Total	**(1)**	**1**	**—**	**—**	**(5)**	**(1)**	**(6)**

in % versus half-year 2024	Volume	Price/ mix	Organic sales	Acq./ div	FX	Other	Revenue
Decorative Paints	(2)	2	—	—	(3)	(1)	(4)
Performance Coatings	(2)	2	—	—	(3)	—	(3)
Total	**(2)**	**2**	**—**	**—**	**(3)**	**—**	**(3)**

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

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

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

Revenue development per quarter (year-on-year) in %	Q2 24	Q3 24	Q4 24	Q1 25	Q2 25
Decorative Paints	(1)	(3)	3	(2)	(5)
Performance Coatings	3	(3)	4	—	(6)
Total	**2**	**(3)**	**4**	**(1)**	**(6)**

Financial highlights

Q2 2025

Operating income

Operating income at €214 million (2024: €270 million) was impacted by identified items of negative €89 million (2024: negative €39 million), mainly related to our restructuring programs.

Adjusted EBITDA

Adjusted EBITDA at €393 million (2024: €400 million), including €24 million adverse currency impact. Adjusted EBITDA margin improved to 15.0% (2024: 14.4%). Structural cost measures and disciplined execution helped offset most of the impact from adverse currencies and lower volumes. Operating expenses were lower year-on-year, despite wage and general inflation.

Half-year 2025

Operating income

Operating income at €406 million (2024: €531 million) was impacted by identified items of negative €161 million (2024: negative €52 million), mainly related to our restructuring programs.

Adjusted EBITDA

Adjusted EBITDA at €750 million (2024: €763 million), including €31 million adverse currency impact. Cost mitigating measures enabled us to absorb the majority of the impact of lower volumes and negative currency impact; operating expenses were down compared with 2024, despite wage and general inflation. Adjusted EBITDA margin improved to 14.3% (2024: 14.1%).

Financing income and expenses

Financing income and expenses amounted to negative €80 million (2024: negative €47 million), with net interest on net debt stable at €66 million (2024: €68 million). The €33 million increase in expenses is mainly due to hyperinflation accounting and the interest impact related to the release of a provision for an uncertain tax position in 2024.

Income tax

The effective tax rate was 26.4% (2024: 22.2%). 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 €231 million (2024: €358 million). Earnings per share from total operations was €1.35 (2024: €2.10).

Adjusted EBITDA*

Second quarter				January-June		
2024	**2025**	**Δ%**	in € millions	**2024**	**2025**	**Δ%**
178	192	8%	Decorative Paints	334	339	1%
237	213	(10%)	Performance Coatings	458	444	(3%)
(15)	(12)		Other activities	(29)	(33)	
400	**393**	**(2%)**	**Total**	**763**	**750**	**(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

Second quarter				January-June		
2024	**2025**	**Δ%**	in € millions	**2024**	**2025**	**Δ%**
121	101	(17%)	Decorative Paints	237	178	(25%)
182	150	(18%)	Performance Coatings	358	321	(10%)
(33)	(37)		Other activities	(64)	(93)	
270	**214**	**(21)%**	**Total**	**531**	**406**	**(24%)**

Operating income to net income

Second quarter			January-June	
2024	**2025**	in € millions	**2024**	**2025**
270	**214**	**Operating income**	**531**	**406**
(31)	(50)	Financing income and expenses	(47)	(80)
5	15	Results from associates	12	22
244	**179**	**Profit before tax**	**496**	**348**
(53)	(44)	Income tax	(110)	(92)
191	**135**	**Profit from continuing operations**	**386**	**256**
1	—	Profit from discontinued operations	—	—
192	**135**	**Profit for the period**	**386**	**256**
(15)	(11)	Non-controlling interests	(28)	(25)
177	**124**	**Net income**	**358**	**231**

Held for sale

On June 27, 2025, AkzoNobel announced that a binding agreement had been signed to sell its controlling shareholding in Akzo Nobel India Limited (ANIL) to the JSW Group. The India Powder Coatings business and International Research Center, both currently part of ANIL, will be retained by AkzoNobel under full ownership. The net cash proceeds are expected to be approximately €900 million.

The transaction involves the sale of up to 75% of shares in ANIL, and is subject to customary closing conditions, including regulatory approvals. The transaction is expected to be completed in the fourth quarter of 2025.

The assets and liabilities of ANIL, excluding its Powder Coatings business and the International Research Center, qualified as held for sale as per June 30, 2025. The business reported as held for sale represents approximately 3% of our revenue, of which more than 60% sits within Decorative Paints and the remainder in Performance Coatings.

Assets and liabilities held for sale

June 30, 2025 in € millions	2025
Intangible assets	57
Property, plant and equipment	49
Other non-current assets	21
Inventories	56
Receivables	74
Other current assets	51
Assets held for sale	**308**
Non-current liabilities	29
Current liabilities	108
Liabilities held for sale	**137**

No impairment losses have been recorded as a result of this reclassification. Discontinued operations accounting is not applicable.

Decorative Paints

Highlights Q2 2025

- Organic sales up 1%, revenue down 5% on adverse currencies
- Adjusted EBITDA margin improved to 17.8% (2024: 15.6%)

Q2 2025

Organic sales up 1%, driven by positive pricing in Deco EMEA and Deco LATAM. Volumes were flat, with strong growth in Deco Asia, offset by lower volumes in Deco EMEA and Deco LATAM. Mix was negative.

Currency headwinds impacted revenue by 5%, while Other (which mainly relates to hyperinflation accounting) was down 1%, resulting in 5% lower revenue.

Operating income at €101 million (2024: €121 million) was impacted by identified items of negative €55 million (2024: negative €20 million), mainly related to restructuring programs.

Excluding identified items, lower operating expenses and an expanding gross margin more than offset the impact from lower volumes and currency headwinds.

Adjusted EBITDA improved to €192 million (2024: €178 million), despite €11 million adverse currency impact. Adjusted EBITDA margin expanded to 17.8% (2024: 15.6%).

Half-year 2025

Organic sales flat, with an increase in price/mix offset by lower volumes. Lower volumes in Deco EMEA and Deco LATAM, while volumes in Deco Asia were flat, with Deco China returning to growth.

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

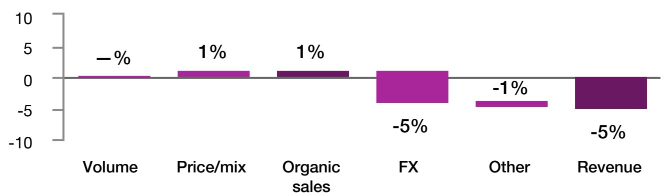
Currency headwinds impacted revenue by 3%, while Other (which mainly relates to hyperinflation accounting) was down 1%, resulting in 4% lower revenue.

Operating income at €178 million (2024: €237 million) was impacted by identified items of negative €87 million (2024: negative €24 million), mainly related to restructuring programs.

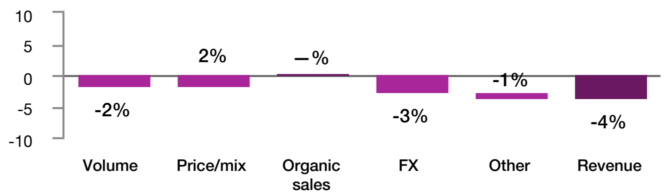
Excluding identified items, lower operating expenses and an expanding gross margin more than offset the impact from lower revenue and currency headwinds.

Adjusted EBITDA improved to €339 million (2024: €334 million), despite €16 million adverse currency impact. Adjusted EBITDA margin expanded to 16.1% (2024: 15.2%).

Revenue development Q2 2025



Revenue development half-year 2025



Revenue

Second quarter					January-June			
2024	2025	Δ%	Δ% Organic*	in € millions	2024	2025	Δ%	Δ% Organic*
688	672	(2%)	—%	Decorative Paints EMEA	1,300	1,279	(2%)	—%
184	164	(11%)	10%	Decorative Paints Latin America	367	335	(9%)	7%
267	244	(9%)	(4%)	Decorative Paints Asia	528	496	(6%)	(4%)
1,139	**1,080**	**(5%)**	**1%**	**Total**	**2,195**	**2,110**	**(4%)**	**—%**

*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

Second quarter				January-June		
2024	2025	Δ%	in € millions/%	2024	2025	Δ%
121	101	(17%)	Operating income	237	178	(25%)
(20)	(55)		Identified items[1]	(24)	(87)	
(37)	(36)		Depreciation and amortization[2]	(73)	(74)	
178	192	8%	Adjusted EBITDA[1]	334	339	1%
15.6	17.8		Adjusted EBITDA margin (%)[1]	15.2	16.1	
			Average invested capital[1]	3,813	3,790	(1%)
			ROI (%)[1]	13.2	12.9	

[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.

Europe, Middle East and Africa

Q2 organic sales flat, revenue down 2%. An increase in price/mix was offset by lower volumes. Higher volumes in Western Europe were more than offset by lower volumes in South and Eastern Europe.

Half-year organic sales flat and revenue down 2%. An increase in price/mix was offset by lower volumes in South and Eastern Europe.

Latin America

Q2 organic sales up 10% due to positive pricing more than offsetting lower volumes; revenue down 11%. Pricing was positive, also when excluding inflationary pricing in Argentina. Higher volumes in Colombia were more than offset by lower volumes in Brazil, where volumes were impacted by the timing of our price increases.

Half-year organic sales up 7% due to positive pricing more than offsetting lower volumes, mainly driven by Brazil; revenue down 9%.

Asia

Q2 organic sales were down 4%, revenue down 9%. Higher volumes in China, which returned to growth. In SESA, volumes were flat with strong growth in Vietnam, offset by softness in South Asia and Indonesia.

Half-year organic sales down 4%, revenue down 6%. Price/mix continued to be down, while pricing stabilized in China. Volumes were flat, with growth in China and Vietnam, while South Asia and Indonesia were soft.

New “sunscreen” coating system set to redefine urban cooling

A new thermal insulation coating system which can cool down buildings and make them more energy efficient has been launched by AkzoNobel in China. Featuring a radiative cooling topcoat and a thermal radiation barrier mid-coat, the innovative technology from the company's Decorative Paints business acts like a sunscreen. It means the surface temperature of buildings can be lowered by up to 10% during hot summer months, compared with using conventional coatings.

Performance Coatings

Highlights Q2 2025

- Organic sales flat; revenue down 6% on adverse currencies
- Adjusted EBITDA margin at 13.8% (2024: 14.4%)

Q2 2025

Organic sales flat, driven by positive pricing in all businesses, offset by lower volumes. Strong volume growth in Marine and Protective Coatings, along with growth in most businesses in Asia, was more than offset by the continued impact from macro-economic uncertainties, particularly in North America.

Currency headwinds impacted revenue by 5%, while Other (which mainly relates to hyperinflation accounting) was down 1%, resulting in revenue being down 6%.

Operating income at €150 million (2024: €182 million). Lower operating expenses partly offset lower volumes, currency headwinds and higher restructuring costs of €20 million (2024: €9 million).

Adjusted EBITDA at €213 million (2024: €237 million), including €16 million adverse currency impact. Adjusted EBITDA margin at 13.8% (2024: 14.4%).

Half-year 2025

Organic sales flat, driven by positive pricing in all businesses, offset by lower volumes. Strong volume growth in Marine and Protective Coatings was more than offset by the impact from macro-economic uncertainties, particularly in North America.

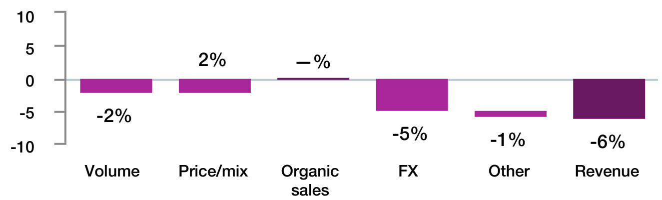
Currency headwinds impacted revenue by 3%, while Other (which mainly relates to hyperinflation accounting) was flat, resulting in revenue being down 3%.

Operating income at €321 million (2024: €358 million), impacted by identified items of negative €34 million (2024: negative €12 million), mainly due to restructuring programs.

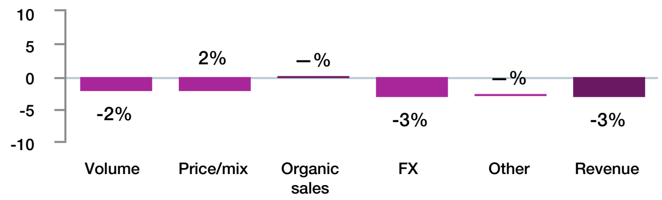
Excluding identified items, lower operating expenses and higher pricing partly offset the impact of lower volumes and currency headwinds.

Adjusted EBITDA at €444 million (2024: €458 million), including €20 million adverse currency impact. Adjusted EBITDA margin at 14.2% (2024: 14.2%).

Revenue development Q2 2025



Revenue development half-year 2025



Revenue

Second quarter					January-June			
2024	**2025**	**Δ%**	**Δ% Organic***	in € millions	**2024**	**2025**	**Δ%**	**Δ% Organic***
350	325	(7%)	(1%)	Powder Coatings	691	653	(5%)	(2%)
412	413	—%	6%	Marine and Protective Coatings	771	816	6%	9%
364	335	(8%)	(3%)	Automotive and Specialty Coatings	736	689	(6%)	(4%)
519	473	(9%)	(2%)	Industrial Coatings	1,031	971	(6%)	(2%)
1,645	**1,546**	**(6%)**	**—%**	**Total**	**3,229**	**3,129**	**(3%)**	**—%**

* 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

Second quarter				January-June		
2024	**2025**	**Δ%**	in € millions / %	**2024**	**2025**	**Δ%**
182	150	(18%)	Operating income	358	321	(10%)
(11)	(20)		Identified items[1]	(12)	(34)	
(44)	(43)		Depreciation and amortization[2]	(88)	(89)	
237	213	(10%)	Adjusted EBITDA[1]	458	444	(3%)
14.4	13.8		Adjusted EBITDA margin (%)[1]	14.2	14.2	
			Average invested capital[1]	3,742	3,710	(1%)
			ROI (%)[1]	19.7	19.4	

[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.

Powder Coatings

Q2 organic sales down 1%, revenue down 7%. Volumes were slightly down due to weak demand in the architectural segment. Automotive showed signs of recovery.

Half-year organic sales down 2%, revenue down 5%. Higher volumes in the industrial & consumer segment were more than offset by lower volumes in automotive and architectural segments.

Marine and Protective Coatings

Q2 organic sales up 6% and revenue flat. Double digit growth in protective was driven by North America and Asia, with marine stabilizing due to strong prior year comparatives.

Half-year organic sales up 9% and revenue up 6%. Double digit growth in protective and continued strength in marine new-build.

Automotive and Specialty Coatings

Q2 organic sales down 3%, revenue down 8%. For the half-year organic sales were down 4% and revenue was down 6%. Both in Q2 and for the half-year, lower volumes reflected continued weak demand within automotive and vehicle refinishes, particularly in North America. Price/mix was positive.

Industrial Coatings

Q2 organic sales down 2%, revenue down 9%. For the half-year organic sales were down 2% and revenue was down 6%. Both in Q2 and for the half-year, volumes were down in all segments, with packaging impacted by strong prior year comparatives.

Painting a brighter future with Signify
A shared commitment to making the built environment more sustainable and lowering carbon emissions has resulted in AkzoNobel extending the supply of its Interpon powder coatings to Signify, the world leader in lighting. AkzoNobel will provide Interpon F products for Signify's Philips LED consumer outdoor luminaires. The coatings range, which is specifically designed for outdoor use, was selected after extensive testing of its proven durability, as well as its ten-year warranties for gloss retention.

Principal risks and uncertainties

In our 2024 annual report, we consider risk assessment and mitigation a continuous process, which is carried out against the background of an evolving risk landscape that includes short, medium and longer term challenges. We consider the major risk factors as communicated in the annual report of 2024 to be still valid. The information below reflects the updated risk assessment since the publication of the 2024 annual report. Mitigation of the risks is defined and progressing as planned.

Risks assessed to increase

Risk	Risk description	Mitigating actions
Geopolitical instability	The risk that increasing geopolitical turbulence results in declining customer and industry confidence and a decline in key markets and significant losses to our sales and profitability.	• Balanced geographic presence with revenue generated from all regions and continued investment focus on higher growth markets to optimize geographic spread • Geo-political assessment as part of investment decisions and medium-term operational planning • Continue to drive business unit strategic initiatives underpinning the company strategy • Diversifying our supply chain and managing redundancy, accelerated localization to offset direct tariff impacts
Macro-economic crisis	The risk of a prolonged macro-economic downturn, leading to local currency devaluation, high inflation, customer destocking and a reduction in volume and margin.	• Balanced geographic presence with revenue generated from all regions and continued investment focus on higher growth markets to optimize geographic spread • Focus on operational cost, complexity reduction, margin management and commercial and procurement excellence • Continue to drive business unit strategic initiatives underpinning the company strategy • Strategic portfolio review: Redeploy capital to create synergetic scale in areas with clear path to leadership
Cybersecurity	The risk of significant business disruption and/or inadequate recovery following a cybersecurity attack, leading to production interruption, unauthorized access and disclosure or loss of business sensitive information, and/or inability to align or comply with laws, regulations and contractual obligations concerning cyber security which can limit our presence in some regions markets	• Continually reinforcing a cybersecurity awareness and culture within the entire organization (e.g. phishing tests, training) • Strengthening protection, detection and response capabilities on both IT and OT (operational technology) domains by leveraging new technologies. In addition, accelerate the integration of the IT and OT infrastructure from M&A entities where not fully completed • Improving the capacity for reducing the impact from sophisticated cyber attacks and quickly recovering from them • Improving our capacity for assessing cyber risks in critical domains and monitoring their remediation • Increasing the level and quality of partnerships with public and private institutions for improving the level of security of our business ecosystem.

Risks assessed to remain fairly stable

Risk	Risk description	Mitigating actions
Business continuity risk	The risk of being unable to respond adequately to a significant business interruption, leading to financial and reputational damage	• Continue to enhance our business continuity processes and plans, supported by taking Integrated BusinessPlanning to a next maturity level and increasing cross-functional and business collaboration
Integrated Business Planning maturity	The risk that we don't reach the required service levels due to inadequate end-to-end planning processes and supply chain infrastructure, leading to loss of existing business and inability to win new business	• Focus on complexity reduction and improving efficiency of the product portfolio and supply chain • Increase agility and velocity in the end-to-end process through simplification, cross-company initiatives, digitalization and data-driven modelling • Stronger performance management via aligned sets of lagging and leading KPIs, and mature IBP governance
Pricing & margin management	The risk of lower margins resulting from lower price capture (price execution / increased competitive pressure) and/ or higher inflation and raw material cost vs plan	• More data-driven approach to pricing plans, based on value pricing. • Monthly control cycle in place to monitor pricing plan execution and pricing concessions • Strengthening controls on price overrides and full gross to net transactional pricing transparency • Investment in sales capability and focus on commercial excellence • Continue to closely monitor raw material prices and availability, pass through of tariff impact that cannot be offset through localization
Non-compliance and litigation	The risk of potential impact of current and future business conduct, Environmental, Social and Governance (ESG) standards, product compliance, safety and environmental regulations concerning existing and legacy operations or assets, which may subject the company to litigation, financial losses, or reputational harm	• Exposures over a defined threshold are reported, monitored and managed by the AkzoNobel Legal Group (Legal) and Finance, and reported to the Audit Committee twice a year • Developments around business conduct, ESG, product compliance, safety and environmental legislation and the impact thereof on our current and legacy operations and assets are reviewed regularly by Health, Safety and Environment, Sustainability, Legal and Finance • There's a quarterly process for review of our portfolio of legacy operations and assets, including Integrated Supply Chain, Finance and Legal • Updates on significant claims and litigation are regularly provided to the Board of Management and Supervisory Board
Ability to execute	The risk of misalignment between the business and functions and short term versus long term, leading to inability to support and drive the business agenda and growth plans, resulting in not delivering the set targets	• Leadership team changed, flattening the organization, increasing business representation in the Executive Committee and consolidating the Commercial and Strategic functions • Improving our industrial operations by focusing on reducing complexity, improving capacity utilization and investing in the modernization of our sites • Streamlining the execution model by addressing over-functionalization, including reintegrating R&D into the Business Units and realigning the Coatings ISC model. This will restore end-to-end accountability and further simplify the structure through delayering

Risks assessed to decrease

Risk	Risk description	Mitigating actions
Supply shortages	The risk of supply shortages of key raw materials, packaging and/or spare parts, resulting in production interruptions, additional cost and muted organic growth	• Maintain and further improve strong industry and market intelligence analysis of suppliers and raw material markets • Drive supply chain network design, end-to-end, from supplier to end customer • Assess climate change impact and develop mitigation plans for own operations, key suppliers' locations and logistics (see the Sustainability statements) • Supply chain risk management tool implemented to secure early warnings across the globe • New Raw Material Risk Management approach being rolled out to define risks across regions and BUs to further improve mitigation planning
Product portfolio	The risk of lacking a fit-for-purpose product portfolio, leading to a cost base that's too high and an inability to compete in the market	• Continuing to reduce our product portfolio complexity, accelerated reductions to facilitate IX footprint moves • Constantly reengineering our products, accelerated localization to offset direct tariff impacts • Enhancement of our product lifecycle and product change management

Condensed consolidated financial statements

Condensed consolidated statement of income

Second quarter 2024	Second quarter 2025	in € millions	January-June 2024	January-June 2025
		Continuing operations		
2,784	2,626	Revenue	5,424	5,239
(1,643)	(1,588)	Cost of sales	(3,196)	(3,153)
1,141	**1,038**	**Gross profit**	**2,228**	**2,086**
(872)	(826)	SG&A costs	(1,697)	(1,681)
1	2	Other results	—	1
270	**214**	**Operating income**	**531**	**406**
(31)	(50)	Financing income and expenses	(47)	(80)
5	15	Results from associates	12	22
244	**179**	**Profit before tax**	**496**	**348**
(53)	(44)	Income tax	(110)	(92)
191	**135**	**Profit for the period from continuing operations**	**386**	**256**
		Discontinued operations		
1	—	Profit/(loss) for the period from discontinued operations	—	—
192	**135**	**Profit for the period**	**386**	**256**
		Attributable to		
177	124	Shareholders of the company	358	231
15	11	Non-controlling interests	28	25
192	**135**	**Profit for the period**	**386**	**256**

Condensed consolidated statement of comprehensive income

Second quarter 2024	Second quarter 2025	in € millions	January-June 2024	January-June 2025
192	135	Profit for the period	386	256
		Other comprehensive income		
(11)	(286)	Exchange differences arising on translation of foreign operations	85	(370)
(20)	(67)	Post-retirement benefits	(53)	(55)
7	20	Tax relating to components of other comprehensive income	15	17
(24)	**(333)**	**Other comprehensive income for the period (net of tax)**	**47**	**(408)**
168	**(198)**	**Comprehensive income for the period**	**433**	**(152)**
		Comprehensive income for the period attributable to		
151	(194)	Shareholders of the company	399	(151)
17	(4)	Non-controlling interests	34	(1)
168	**(198)**	**Comprehensive income for the period**	**433**	**(152)**

Condensed consolidated balance sheet

in € millions	December 31, 2024	June 30, 2025
Assets		
Non-current assets		
Intangible assets	4,049	3,790
Property, plant and equipment	2,122	1,990
Right-of-use assets	318	285
Other non-current assets	1,924	1,773
Total non-current assets	**8,413**	**7,838**
Current assets		
Inventories	1,721	1,638
Trade and other receivables	2,498	2,665
Current tax assets	150	155
Short-term investments	165	14
Cash and cash equivalents	1,302	1,552
Assets held for sale	—	308
Total current assets	**5,836**	**6,332**
Total assets	**14,249**	**14,170**
Equity and liabilities		
Group equity	**4,816**	**4,385**
Non-current liabilities		
Provisions and deferred tax liabilities	1,032	965
Long-term borrowings	3,671	3,656
Total non-current liabilities	**4,703**	**4,621**
Current liabilities		
Short-term borrowings	1,697	2,190
Trade and other payables	2,740	2,590
Current tax liabilities	120	66
Current portion of provisions	173	181
Liabilities held for sale	—	137
Total current liabilities	**4,730**	**5,164**
Total equity and liabilities	**14,249**	**14,170**

Cash flows

Net cash from operating activities in Q2 was an inflow of €234 million (2024: inflow of €151 million). The improvement compared with Q2 2024 is mainly due to changes in working capital.

Net cash from investing activities in Q2 was an inflow of €118 million (2024: outflow of €35 million). Q2 2024 contained a lower net inflow from short-term investments.

Net cash from financing activities in Q2 was an outflow of €319 million and contained the outflow of the final dividend. In Q2 2024, the inflow of €73 million included inflow from borrowings.

Net debt

At June 30, 2025, net debt was €4,280 million (December 31, 2024: €3,901 million). The increase was mainly due to seasonal build up of working capital, cash outflow related to our restructuring programs and the payment of the final dividend. Net debt/adjusted EBITDA at June 30, 2025, was 2.9 (December 31, 2024: 2.6).

Net debt

in € millions	June 30, 2024	December 31, 2024	June 30, 2025
Short-term investments	(3)	(165)	(14)
Cash and cash equivalents	(1,166)	(1,302)	(1,552)
Long-term borrowings	3,182	3,671	3,656
Short-term borrowings	2,240	1,697	2,190
Total	**4,253**	**3,901**	**4,280**

Consolidated statements of cash flows

Second quarter 2024	Second quarter 2025	in € millions	January-June 2024	January-June 2025
915	**1,561**	**Net cash and cash equivalents at beginning of period**	**1,453**	**1,273**
191	135	Profit for the period from continuing operations	386	256
92	92	Amortization and depreciation	181	186
–	4	Impairment losses	–	7
31	50	Financing income and expenses	47	80
(5)	(15)	Results from associates	(12)	(22)
(1)	(12)	Pre-tax result on acquisitions and divestments	–	(11)
53	44	Income tax	110	92
(70)	26	Changes in working capital	(488)	(310)
–	–	Changes in post-retirement benefit provisions	(4)	(1)
1	33	Changes in other provisions	(11)	43
(65)	(58)	Interest paid	(113)	(99)
(81)	(65)	Income tax paid	(129)	(109)
5	–	Other changes	14	10
151	**234**	**Net cash generated from/(used for) operating activities**	**(19)**	**122**
(74)	(72)	Capital expenditures	(115)	(143)
4	17	Acquisitions and divestments net of cash acquired/divested	11	17
–	(1)	Investments in short-term investments	–	(9)
25	158	Repayments of short-term investments	263	159
10	16	Other changes	25	31
(35)	**118**	**Net cash generated from/(used for) investing activities**	**184**	**55**
346	(33)	Changes from borrowings	(227)	444
(273)	(269)	Dividends paid	(281)	(275)
–	(17)	Buy-out of non-controlling interests	–	(17)
73	**(319)**	**Net cash generated from/(used for) financing activities**	**(508)**	**152**
189	**33**	**Net cash generated from/(used for) continuing operations**	**(343)**	**329**
(1)	–	Cash flows from discontinued operations	(4)	(1)
188	**33**	**Net change in cash and cash equivalents total operations**	**(347)**	**328**
(15)	(41)	Effect of exchange rate changes on cash and cash equivalents	(18)	(48)
1,088	**1,553**	**Net cash and cash equivalents at June 30**	**1,088**	**1,553**

Free cash flow

The free cash flow in Q2 2025 improved compared with Q2 2024, mainly due to changes in working capital.

Consolidated statement of free cash flows

Second quarter 2024	Second quarter 2025	in € millions	January-June 2024	January-June 2025
362	**306**	**EBITDA**	**712**	**592**
–	4	Impairment losses	–	7
(1)	(12)	Pre-tax results on acquisitions and divestments	–	(11)
(70)	26	Changes in working capital	(488)	(310)
1	33	Changes in provisions	(15)	42
(65)	(58)	Interest paid	(113)	(99)
(81)	(65)	Income tax paid	(129)	(109)
5	–	Other changes	14	10
151	**234**	**Net cash generated from/(used for) operating activities**	**(19)**	**122**
(74)	(72)	Capital expenditures	(115)	(143)
77	**162**	**Free cash flow**	**(134)**	**(21)**

Shareholders' equity

Shareholders' equity amounted to €4.2 billion at June 30, 2025, compared with €4.6 billion at year-end 2024. The main movements in 2025 related to:

- Profit for the period of €231 million

Offset by:

- Negative currency effects of €341 million (net of taxes) driven by strengthening of the euro versus the US dollar, Chinese yuan, and pound sterling
- Dividend of €263 million

Dividend

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

A final 2024 divided of €1.54 per common share (2023: €1.54) was approved at the AGM on April 25, 2025, which resulted in a total 2024 dividend of €1.98 per share (2023: €1.98).

Outstanding share capital

The outstanding share capital was 171.0 million common shares at the end of June 2025. The weighted average number of shares in Q2 2025 was 171.0 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	—	—	—	358	358	28	386
Other comprehensive income/(expense)	—	—	79	(53)	26	6	32
Tax on other comprehensive income	—	—	1	14	15	—	15
Comprehensive income for the period	**—**	**—**	**80**	**319**	**399**	**34**	**433**
Dividend	—	—	—	(263)	(263)	(18)	(281)
Equity-settled transactions	—	—	—	12	12	—	12
Balance at June 30, 2024	**85**	**—**	**(631)**	**5,016**	**4,470**	**240**	**4,710**
Balance at December 31, 2024	85	—	(579)	5,068	4,574	242	4,816
Profit for the period	—	—	—	231	231	25	256
Other comprehensive income/(expense)	—	—	(344)	(55)	(399)	(26)	(425)
Tax on other comprehensive income	—	—	3	14	17	—	17
Comprehensive income for the period	**—**	**—**	**(341)**	**190**	**(151)**	**(1)**	**(152)**
Dividend	—	—	—	(263)	(263)	(10)	(273)
Equity-settled transactions	—	—	—	11	11	—	11
Issue of common shares	1	—	—	(1)	—	—	—
Minority share buy-out	—	—	—	1	1	(18)	(17)
Balance at June 30, 2025	**86**	**—**	**(920)**	**5,006**	**4,172**	**213**	**4,385**

Invested capital

Invested capital[1] at June 30, 2025, totaled €8.1 billion, down €0.2 billion from year-end 2024. This decrease was mainly caused by negative currency translation and the transfer of invested capital in Akzo Nobel India Limited to held for sale, partly offset by normal seasonality, resulting in higher trade receivables.

Invested capital

in € millions	June 30, 2024	December 31, 2024	June 30, 2025
Trade receivables	2,517	2,144	2,299
Inventories	1,836	1,721	1,638
Trade payables	(2,425)	(2,220)	(2,153)
Trade working capital	**1,928**	**1,645**	**1,784**
Other working capital items	(151)	(137)	18
Non-current assets	8,426	8,413	7,838
Less investments in associates	(234)	(227)	(248)
Less pension assets	(1,003)	(929)	(854)
Deferred tax liabilities	(514)	(491)	(449)
Invested capital	**8,452**	**8,274**	**8,089**

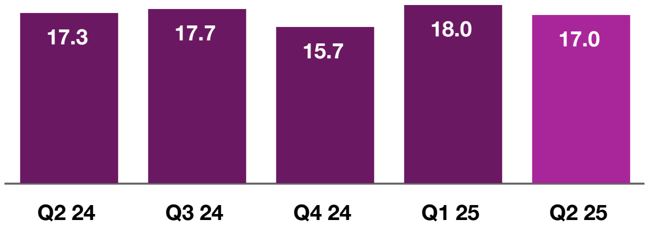
Trade working capital

Trade working capital[1] was €1.8 billion at June 30, 2025 (June 30, 2024: €1.9 billion). Held for sale accounting decreased trade working capital by €24 million.

Trade working capital as a percentage of revenue was 17.0% in Q2 2025. On a comparable basis (excluding held for sale accounting) it was 17.2%, which is in line with prior year.

Trade working capital

As % of revenue



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

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 were 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 contain 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-June 2025
in € millions	Decorative Paints	Performance Coatings	Other	Total
The Netherlands	115	53	–	168
Other EMEA countries	1,164	1,224	–	2,388
North Asia	231	581	–	812
South East and South Asia	265	366	–	631
North America	–	678	–	678
Latin America	335	227	–	562
Total	**2,110**	**3,129**	**–**	**5,239**
Timing of revenue recognition				
Goods transferred at a point in time	2,078	3,020	–	5,098
Services transferred over time	32	109	–	141
Total	**2,110**	**3,129**	**–**	**5,239**

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

Second quarter			January-June	
2024	**2025**	in € millions	**2024**	**2025**
14	(18)	**Revenue**	16	(25)
(16)	(7)	**Operating income**	(24)	(13)
3	(8)	Hyperinflation: gain/loss on net monetary position	17	(14)
(1)	1	Other financing income/expenses	(1)	1
(14)	(14)	**Profit before tax**	(8)	(26)
(2)	(1)	Income tax	(14)	(3)
(16)	(15)	**Profit for the period**	(22)	(29)
2	2	Non-controlling interests	5	4
(14)	(13)	**Net income**	(17)	(25)

Hyperinflation impact on adjusted EBITDA for the half-year was €11 million negative (2024: €19 million negative); the impact for Q2 was €6 million negative (2024: €11 million negative).

Workforce

At June 30, 2025, the number of employees was 33,700 (June 30, 2024: 35,700).

Pensions

The net balance sheet position (according to IAS 19) of the pension plans at the end of Q2 was a surplus of €0.6 billion (year-end 2024: surplus of €0.6 billion). The development during 2025 was mainly the result of lower inflation rates being offset by 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 June 30, 2025, was €5,783* million (December 31, 2024: €5,256 million); the carrying amount measured at amortized cost was €5,856* million (December 31, 2024: €5,368 million).

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

*Including borrowings held for sale (fair value €10 million; book value €10 million).

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.

Contingent liabilities (Project Ichthys)

A number of claims against AkzoNobel are pending, many of which are contested. This includes those where AkzoNobel is defending claims brought by INPEX Operations Australia and JKC Australia LNG relating to the specification and use of an AkzoNobel product which was applied to part of the pipework at the Ichthys Onshore Project in Darwin, Australia, a large LNG project. The claims allege that AkzoNobel is liable for significant damages (degradation of the coating on extensive parts of the pipework) and associated remediation costs are sought under the Australian Consumer Law.

The vast majority of the damages claimed for remediation costs have not yet been incurred, rather they relate to (modelled) future inspection and remediation costs. AkzoNobel denies liability and also contests the quantum of alleged damages.

In 2024, the case proceeded to trial in the Federal Court of Australia, with further trial hearing days having taken place in May 2025. As part of the proceedings, the Federal Court of Australia appointed a Referee for the consideration of the potential quantum should any liability be established.

Following issuance of the Referee’s report, INPEX has sought damages in the amount of AUD 4.8 billion (€2.7 billion). There are several other scenarios in the Referee’s report for calculating potential damages with significantly lower amounts. AkzoNobel maintains that it is not liable for any alleged damages and thus argues its liability is zero (0). Further, AkzoNobel argues that, even if found liable, INPEX should not be awarded the amount of damages it seeks. The Federal Court of Australia has yet to decide on liability and if AkzoNobel is found liable, on the appropriate amount of damages that AkzoNobel is liable for (including whether any liability should be shared with other parties involved).

In view of the foregoing and due to the inherent uncertainty surrounding the outcome of the proceedings it is not possible for AkzoNobel to reliably estimate any potential financial impact at this stage. AkzoNobel is insured with a maximum coverage of €500 million.

The timing of the Federal Court of Australia's judgment remains uncertain, although it is not anticipated before mid-2026.

Alternative performance measures

In presenting and discussing AkzoNobel’s operating results, management uses certain alternative performance measures (APMs) not defined by IFRS Accounting Standards. Management considers these APMs 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.

APMs 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. APMs 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 APMs 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 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

Second quarter			January-June	
2024	**2025**	in %	**2024**	**2025**
15.6	17.8	Decorative Paints	15.2	16.1
14.4	13.8	Performance Coatings	14.2	14.2
		Other activities*		
14.4	**15.0**	**Total**	**14.1**	**14.3**

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

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.

Operating income to adjusted EBITDA

January - June 2024					January - June 2025			
Decorative Paints	**Performance Coatings**	**Other activities**	**Total**	in € millions	**Decorative Paints**	**Performance Coatings**	**Other activities**	**Total**
237	358	(64)	531	**Operating income**	178	321	(93)	406
(14)	(10)	(11)	(35)	Restructuring-related costs	(83)	(34)	(8)	(125)
(6)	(1)	(5)	(12)	Acquisition/divestment-related costs	(2)	–	(8)	(10)
–	–	–	–	Hyperinflation	(2)	–	–	(2)
–	–	–	–	Legal and environmental	–	–	(15)	(15)
(4)	(1)	–	(5)	Other	–	–	(9)	(9)
(24)	**(12)**	**(16)**	**(52)**	**Total identified items**	**(87)**	**(34)**	**(40)**	**(161)**
261	**370**	**(48)**	**583**	**Adjusted operating income**	**265**	**355**	**(53)**	**567**
(73)	(88)	(19)	(180)	Depreciation and amortization*	(74)	(89)	(20)	(183)
334	**458**	**(29)**	**763**	**Adjusted EBITDA**	**339**	**444**	**(33)**	**750**

* Excluding identified items.

Operating income to adjusted EBITDA

Second quarter 2024					Second quarter 2025			
Decorative Paints	**Performance Coatings**	**Other activities**	**Total**	in € millions	**Decorative Paints**	**Performance Coatings**	**Other activities**	**Total**
121	182	(33)	270	**Operating income**	101	150	(37)	214
(10)	(9)	(4)	(23)	Restructuring-related costs	(54)	(20)	(1)	(75)
(6)	(1)	(3)	(10)	Acquisition/divestment-related costs	–	–	(3)	(3)
–	–	–	–	Hyperinflation	(1)	–	–	(1)
–	–	–	–	Legal and environmental	–	–	(2)	(2)
(4)	(1)	(1)	(6)	Other	–	–	(8)	(8)
(20)	**(11)**	**(8)**	**(39)**	**Total identified items**	**(55)**	**(20)**	**(14)**	**(89)**
141	**193**	**(25)**	**309**	**Adjusted operating income**	**156**	**170**	**(23)**	**303**
(37)	(44)	(10)	(91)	Depreciation and amortization*	(36)	(43)	(11)	(90)
178	**237**	**(15)**	**400**	**Adjusted EBITDA**	**192**	**213**	**(12)**	**393**

* Excluding identified items

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

Second quarter			January-June	
2024	2025	in € millions	2024	2025
65	68	Investments in property, plant and equipment	100	136
9	4	Investments in intangible assets	15	7
74	**72**	**Capital expenditures**	**115**	**143**

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 for 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 per share of the company. It helps with comparing performance over time, as well as to industry benchmarks and peers.

Adjusted earnings per share from continuing operations

Second quarter			January-June	
2024	2025	in € millions	2024	2025
191	135	Profit from continuing operations	386	256
39	89	Identified items reported in operating income	52	161
(14)	—	Identified items reported in interest	(15)	(2)
(18)	(20)	Identified items reported in income tax	(21)	(37)
(15)	(11)	Non-controlling interests	(28)	(25)
183	**193**	**Adjusted net income from continuing operations**	**374**	**353**
170.7	171.0	Weighted average number of shares (in millions)	170.7	170.9
1.07	**1.13**	**Adjusted earnings per share from continuing operations**	**2.19**	**2.07**

(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

July 2023 - June 2024/July 2024 - June 2025			
in € millions	2024	2025	Δ%
Decorative Paints	3,813	3,790	(1%)
Performance Coatings	3,742	3,710	(1%)
Other activities	684	802	
Total	**8,239**	**8,302**	**1%**

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)

July 2023 - June 2024/July 2024 - June 2025		
in %	2024	2025
Decorative Paints	13.2	12.9
Performance Coatings	19.7	19.4
Other activities[1]		
Total[2]	**13.7**	**13.2**

[1] ROI for Other activities is not shown, as this is not meaningful.
[2] Excluding held for sale accounting, ROI for 2025 is also 13.2%.

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

Second quarter			January-June	
2024	2025		2024	2025
1,141	1,038	Gross profit	2,228	2,086
(17)	(64)	Identified items	(18)	(98)
1,158	**1,102**	**Adjusted gross profit**	**2,246**	**2,184**
41.6	**42.0**	**Adjusted gross margin**	**41.4**	**41.7**

Leverage ratio

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

Adjusted EBITDA

July 2023 - June 2024/July 2024 - June 2025

in € millions	2024	2025
Operating income	1,099	792
Depreciation and amortization*	362	368
Identified items	29	305
Adjusted EBITDA	**1,490**	**1,465**

* Excluding identified items.

Leverage ratio

July 2023 - June 2024/July 2024 - June 2025

in € millions	2024	2025
Net debt*	4,253	4,280
Adjusted EBITDA	1,490	1,465
Leverage ratio	**2.9**	**2.9**

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

Held for sale

On June 27, 2025, AkzoNobel announced that a binding agreement had been signed to sell its controlling shareholding in Akzo Nobel India Limited (ANIL) to the JSW Group. The India Powder Coatings business and International Research Center, both currently part of ANIL, will be retained by AkzoNobel under full ownership. The net cash proceeds are expected to be approximately €900 million.

The transaction involves the sale of up to 75% of shares in ANIL, and is subject to customary closing conditions, including regulatory approvals. The transaction is expected to be completed in the fourth quarter of 2025.

The assets and liabilities of ANIL, excluding its Powder Coatings business and the International Research Center, qualified as held for sale as per June 30, 2025. The business reported as held for sale represents approximately 3% of our revenue, of which more than 60% sits within Decorative Paints and the remainder in Performance Coatings.

No impairment losses have been recorded as a result of this reclassification. Discontinued operations accounting is not applicable.

For an overview of the assets and liabilities reported as held for sale, refer to page 5 of this report.

Board of Management's statement on the condensed consolidated half-year 2025 financial statements and interim management report

We have prepared this half-year 2025 financial report of AkzoNobel, and the undertakings included in the consolidation taken as a whole, in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and additional Dutch disclosure requirements for half-yearly financial reports.

To the best of our knowledge:
1. The condensed consolidated financial statements in this half-year 2025 financial report give a true and fair view of our assets and liabilities, financial position at June 30, 2025, and of the result of our consolidated operations for the first half-year of 2025.
2. The interim management report in this half-year 2025 financial report includes a fair view of the information required pursuant to section 5:25d, subsections 8 and 9 of the Dutch Act on Financial Supervision.

Outlook*

AkzoNobel's guidance, provided at constant currencies, remains unchanged. Subject to ongoing market uncertainties and adjusted for exchange rates as of the end of H1, the company expects to deliver adjusted EBITDA above €1.48 billion for full-year 2025.

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, July 21, 2025
The Board of Management

Greg Poux-Guillaume
Maarten de Vries

Quarterly statistics

				2024				2025
Q1	Q2	Q3	Q4	Full-year	in € millions	Q1	Q2	Year-to-date
Revenue								
1,056	1,139	1,089	1,017	4,301	Decorative Paints	1,030	1,080	2,110
1,584	1,645	1,579	1,602	6,410	Performance Coatings	1,583	1,546	3,129
2,640	**2,784**	**2,668**	**2,619**	**10,711**	**Total**	**2,613**	**2,626**	**5,239**
EBITDA*								
152	158	166	80	556	Decorative Paints	116	139	255
220	227	219	196	862	Performance Coatings	217	193	410
(22)	(23)	(30)	(55)	(130)	Other activities	(47)	(26)	(73)
350	**362**	**355**	**221**	**1,288**	**Total**	**286**	**306**	**592**
Adjusted EBITDA (excluding Identified items)*								
156	178	188	113	635	Decorative Paints	147	192	339
221	237	225	230	913	Performance Coatings	231	213	444
(14)	(15)	(19)	(22)	(70)	Other activities	(21)	(12)	(33)
363	**400**	**394**	**321**	**1,478**	**Total**	**357**	**393**	**750**
13.8	**14.4**	**14.8**	**12.3**	**13.8**	**Adjusted EBITDA margin (in %)**	**13.7**	**15.0**	**14.3**
Depreciation and amortization								
(36)	(37)	(39)	(39)	(151)	Decorative Paints	(39)	(38)	(77)
(44)	(45)	(48)	(46)	(183)	Performance Coatings	(46)	(43)	(89)
(9)	(10)	(9)	(9)	(37)	Other activities	(9)	(11)	(20)
(89)	**(92)**	**(96)**	**(94)**	**(371)**	**Total**	**(94)**	**(92)**	**(186)**
Depreciation and amortization (excluding Identified items)								
(36)	(37)	(38)	(39)	(150)	Decorative Paints	(38)	(36)	(74)
(44)	(44)	(44)	(46)	(178)	Performance Coatings	(46)	(43)	(89)
(9)	(10)	(9)	(9)	(37)	Other activities	(9)	(11)	(20)
(89)	**(91)**	**(91)**	**(94)**	**(365)**	**Total**	**(93)**	**(90)**	**(183)**

* 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	Q2	Year-to-date
Operating income								
116	121	127	41	405	Decorative Paints	77	101	178
176	182	171	150	679	Performance Coatings	171	150	321
(31)	(33)	(39)	(64)	(167)	Other activities	(56)	(37)	(93)
261	**270**	**259**	**127**	**917**	**Total**	**192**	**214**	**406**
Identified items included in operating income								
(4)	(20)	(23)	(33)	(80)	Decorative Paints	(32)	(55)	(87)
(1)	(11)	(10)	(34)	(56)	Performance Coatings	(14)	(20)	(34)
(8)	(8)	(11)	(33)	(60)	Other activities	(26)	(14)	(40)
(13)	**(39)**	**(44)**	**(100)**	**(196)**	**Total**	**(72)**	**(89)**	**(161)**
Adjusted operating income (excluding Identified items)*								
120	141	150	74	485	Decorative Paints	109	156	265
177	193	181	184	735	Performance Coatings	185	170	355
(23)	(25)	(28)	(31)	(107)	Other activities	(30)	(23)	(53)
274	**309**	**303**	**227**	**1,113**	**Total**	**264**	**303**	**567**
Reconciliation financing income and expenses								
15	9	12	25	61	Financing income	14	10	24
(45)	(47)	(44)	(51)	(187)	Financing expenses	(42)	(48)	(90)
(30)	**(38)**	**(32)**	**(26)**	**(126)**	**Net interest on net debt**	**(28)**	**(38)**	**(66)**
Other interest								
7	7	7	6	27	Financing income related to post-retirement benefits	8	8	16
(4)	—	(1)	2	(3)	Interest on provisions	—	(2)	(2)
11	—	7	(18)	—	Other items	(10)	(18)	(28)
14	**7**	**13**	**(10)**	**24**	**Net other financing charges**	**(2)**	**(12)**	**(14)**
(16)	**(31)**	**(19)**	**(36)**	**(102)**	**Financing income and expenses**	**(30)**	**(50)**	**(80)**

* 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	Q2	Year-to-date
Quarterly net income analysis (in € millions)								
7	5	7	4	23	Results from associates	7	15	22
252	244	247	95	838	Profit before tax	169	179	348
(57)	(53)	(77)	(59)	(246)	Income tax	(48)	(44)	(92)
195	191	170	36	592	Profit for the period from continuing operations	121	135	256
23	22	31	62	29	Effective tax rate (in %)	28	25	26
Earnings per share from continuing operations (in €)								
1.07	1.03	0.95	0.12	3.17	Basic	0.63	0.73	1.35
1.06	1.03	0.95	0.12	3.16	Diluted	0.62	0.72	1.34
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	0.73	1.35
1.06	1.03	0.95	0.12	3.16	Diluted	0.62	0.72	1.34
Number of shares (in millions)								
170.6	170.7	170.8	170.8	170.7	Weighted average number of shares[1]	170.8	171.0	170.9
170.6	170.8	170.8	170.8	170.8	Number of shares at end of quarter[1]	170.9	171.0	171.0
Adjusted earnings from continuing operations (in € millions)*								
195	191	170	36	592	Profit from continuing operations	121	135	256
13	39	44	100	196	Identified items reported in operating income	72	89	161
(1)	(14)	(3)	(3)	(21)	Identified items reported in interest	(2)	—	(2)
(3)	(18)	(10)	(23)	(54)	Identified items reported in income tax	(17)	(20)	(37)
(13)	(15)	(7)	(15)	(50)	Non-controlling interests	(14)	(11)	(25)
191	**183**	**194**	**95**	**663**	**Adjusted net income from continuing operations**	**160**	**193**	**353**
1.12	**1.07**	**1.14**	**0.56**	**3.88**	**Adjusted earnings per share from continuing operations (in €)**	**0.94**	**1.13**	**2.07**

* 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 from continuing operations 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 re-translating 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 for 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 a 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

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Financial calendar

Report for the third quarter 2025	October 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.