

AkzoNobel India Annual General Meeting

8th Aug 2019

AkzoNobel



Agenda



About AkzoNobel Global (Pages 3-8)



Indian Business Environment



Akzo Nobel India Performance



Concluding Remarks

About AkzoNobel

A focused, high performing Paints & Coatings company

AkzoNobel

Strong global brands

Leading positions in large and attractive markets

Balanced geographic exposure: 50% revenue from emerging markets

Well positioned to accelerate growth and enhance profitability

Transformation plans in place and clear path to deliver

Significant returns to shareholders



About AkzoNobel

AkzoNobel

200+ years of legacy in Paints & Coatings

Presence in 150+ countries

€9.3 bn revenue in 2018

World class portfolio of brands

3,000 scientists worldwide; 3100 patents owned

34,500 employees

13 years of top 10 ranking in DJSI

70 labs, 5 technology centers globally

5% reduction in value chain carbon emissions

20% revenue from eco-premium solutions

Listed on Euronext Amsterdam

€20 bn* Market Capitalization

Iconic Brands across Paints & Coatings



* As of 29th July 2019

DJSI - Dow Jones Sustainability Index

Winning together

AkzoNobel

Our target:

15% ROS by 2020

Our ambition:

To be the reference in paints and coatings

Our success factors:

 **Passion for paint**

We put **making and selling** at the heart of all we do

 **Precise processes**

We have **speed and discipline** in execution

 **Powerful performance**

We keep **focus and deliver** on our priorities

 **Proud people**

We own and celebrate our shared success

Our foundations:

Core principles:	Safety Sustainability Integrity	Values:	Customer focused Deliver on commitments Passion for excellence Winning together
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Protecting the world:
You can find us in all
seven continents



Proud of...

AkzoNobel



Stunning colors
help revive
McLaren F1
team's racing
heritage

Proud of...

AkzoNobel

Aerospace coatings

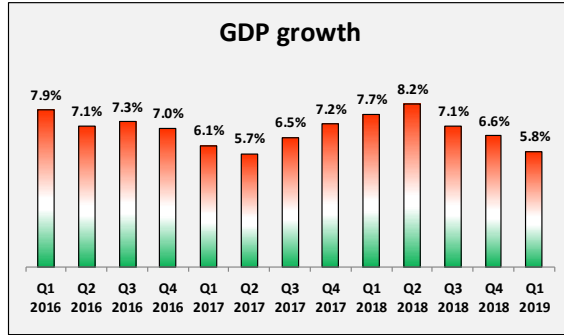
Aircraft maker Embraer used our coatings to create eye-catching artworks on four of its E190-E2 commercial jets. The stunning designs – featuring an eagle, a tiger, a shark and a snow leopard – were applied with products from our Alumigrip and Aerodur ranges. The work was carried out at Embraer's facility in São José dos Campos, Brazil, which houses a dedicated AkzoNobel color center.



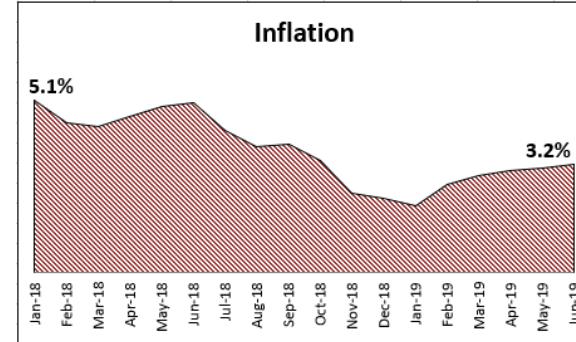
Indian Business Environment



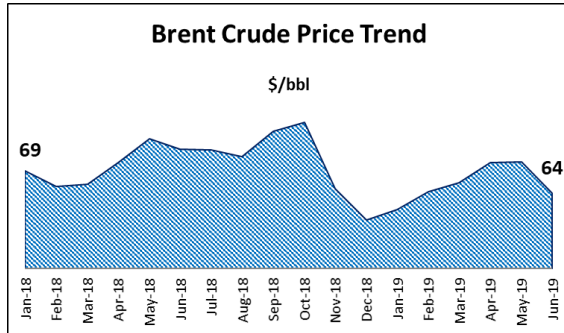
The Economy Report Card



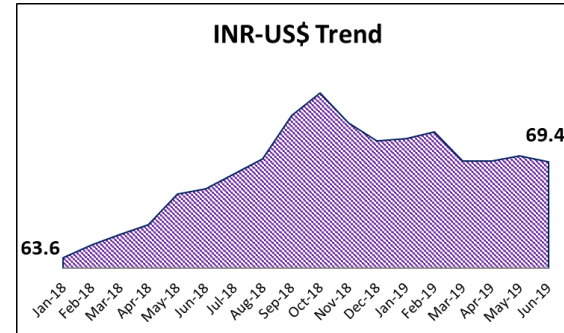
Despite growth slowdown, India remains the fastest growing economy



Stable and low level of inflation; maintained within RBI target of 4%



Prices range-bound in spite of geopolitical volatilities



Although depreciating, Rupee performed better than some other major emerging market currencies

Budget 2019 – Reform, Perform, Transform

Targeting to be \$5 trillion economy by 2024

Plans to achieve 175 GW renewable energy by 2022; mega investments in solar photo voltaic cells & charging infrastructure

Protective, Coil



Aim to be an aviation hub with airline leasing, financing, easier FDI norms

Paints, Protective, Coil

Rural Development through Farm Producer Organizations, Zero Budget Farming, pension schemes, electrification

Coil



Continued focus on Pradhan Mantri Awas Yojana

Paints

- Focus on safety, modernization
- PPP in Rail Infra development
- Dedicated Freight corridors

Protective, Coil

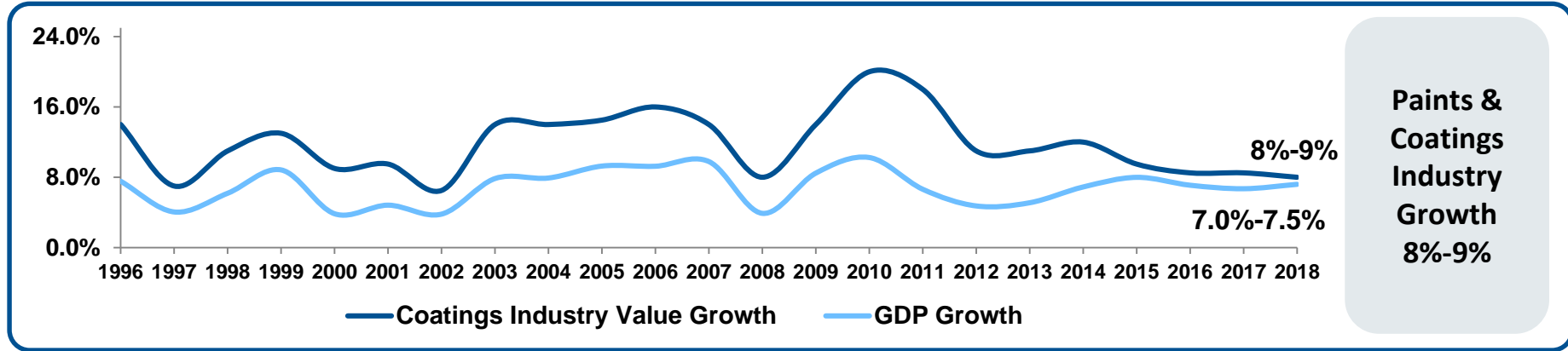


Improved connectivity through 1.25 lakh km of rural roads and inland waterways (Bharatmala and Sagarmala projects)

Auto & Specialty Coatings, Coil

Indicates our segments that could likely benefit

Paints & Coatings Industry Growth – India



Slowdown in GDP growth to 5.8% a cause of concern



The eight key infrastructure sectors rose 5.1% YoY in May 2019



Focus on the manufacturing sector to create 100 million new jobs by 2022



Real estate sector expected to contribute 13% to GDP by 2025

*Industry saw higher growth in 2018 on account of movement to organized sector post GST implementation

Akzo Nobel India Performance



Consumer Centric Innovations for Paints



Dulux Flash



Fastest Way to protection – only one product that combines primer and paint in one

Dulux Powerflex



Industry's first **Smart release** Premium Exterior emulsion

Dulux Color Play Tester



Now you can test out colours on your wall with the Dulux Colour Play™ Tester, before you decide on the paint colour



Woodcare experts for more than 200 years , protecting every kind of wood with lasting beauty



Ultimate Water Defence range through unique technologies

Consumer Centric Innovations for Coatings

AkzoNobel



The smart refinishing solution



Biocide-free & Anti fouling
Used by large ships for fuel saving



Universal anticorrosive primer



Passive Fire protection
for commercial installation



Recognized worldwide for consistency,
appearance and durability



Used in furniture, cabinets,
flooring ,etc.



Expert in Functional
Powder Coatings



Coat the metal containers for
storing food, beverages ,etc.

Applauding our innovations

CSR Award in Malaysia



Receiving Green-pro Certification



Golden Peacock Innovative Product Award



Listed for past 40+ years

Fair basis of sharing benefits with all shareholders:

- Consistent dividend paying record
- 4 rounds of Share buyback in last 12 years at fair prices

High scores in Sustainability; State of Art technology and manufacturing practices:

- No added lead or heavy metals in manufacturing process, a decade before it became mandatory
- A reference in Manufacturing and HSES practices

Pro-Employee Policies:

- Employee welfare schemes like Health Insurance, Pension benefits introduced ~5 decades back
- All business restructurings protected employee terms and conditions

Global Governance practices implemented ahead of time well before they were mandated in India:

- constitution of Audit Committee; Nomination & Remuneration Committee
- presence of Woman Director
- Code of Conduct with Zero tolerance on violation

Key Financial Highlights 2018-19

AkzoNobel

Revenue from Operations



Rs. 29,184 mn

8% YoY growth (L2L)

Profit from Operations



Rs. 2,771 mn

15% YoY growth

Fixed Asset Turnover*



5.4x

Rs. 418 mn invested

Market Capitalization



Rs. 81 bn

1.3% Dividend Yield

Contribution Margin



42.3%

40 bps down

Return on Sales (EBIT%)



9.5%

30 bps up

Return on Capital Employed



33%

70 bps up

Profit after Tax



Rs. 2,110 mn

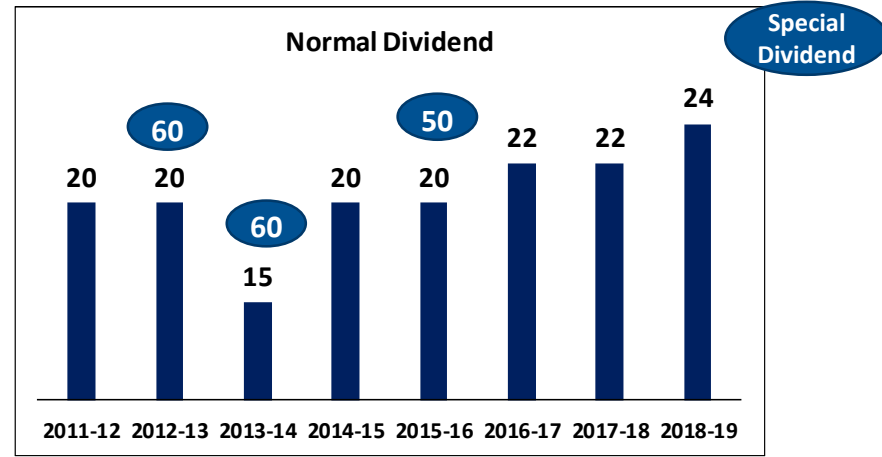
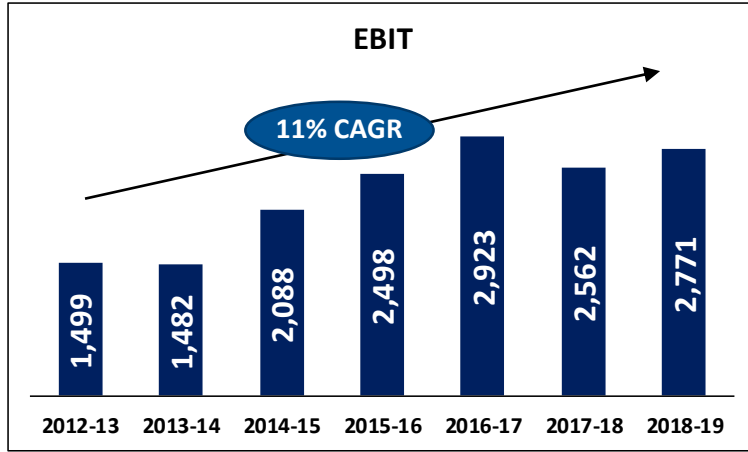
3% up

Based on Coatings segment results; excludes discontinued operations and exceptional items

Market data as on 31st Mar 2019

* excludes intangibles

Focus on Profitable Growth

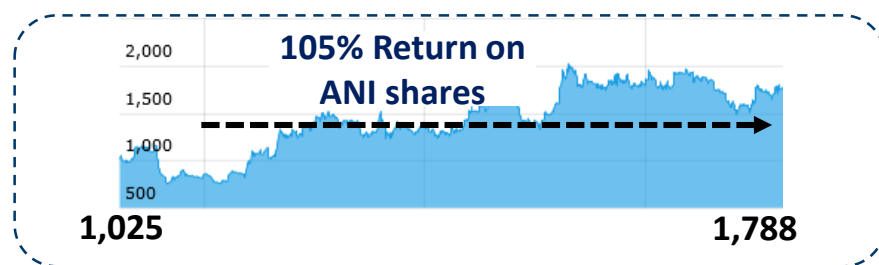
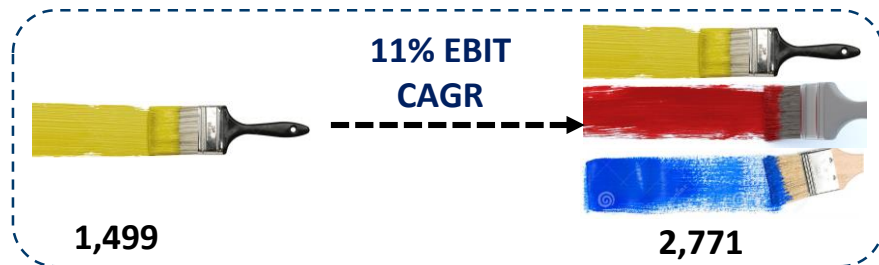
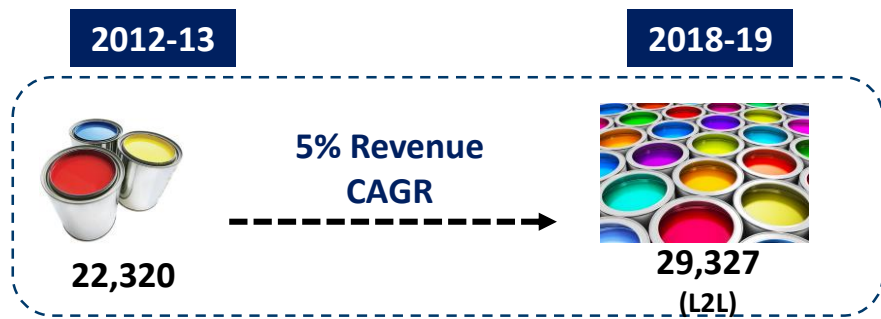


Improving profitability....Rewarding our shareholders!

EBIT figures in INR mn. Dividend amount in INR

Based on published financials; Data until 2017-18 includes results from discontinued operations

Our 6-year Journey: 2012-13 to 2018-19



All values in INR mn, except share price data

Based on published financials; Data until 2017-18 includes results from discontinued operations

Return on share includes dividends

AKZONOBEL PAINT ACADEMY



Trained over 5000 youth including over 100 women painters

EDUCATION



10,000+ under privileged children have received early childhood, non-formal and remedial education

COMMUNITY HEALTH



5,000 + villagers been provides access of specialist doctors through E health clinics at Hoskote, Bengaluru



Looking Ahead

AkzoNobel



Focus on The Core

- Bringing best in class global and regional brands to India
- Focus on key brands.
- Grow Premium



Innovation

- Leverage global technology to bring Best in Class products to Indian Consumers.



Adjacent Categories

- Focus on growing adjacent categories of Waterproof & Woodcare



To be the reference in paints and coatings

Winning Together

AkzoNobel

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celebrate our
shared success

Proud
people

Winning
together

Passion
for paint

We keep focus
and deliver
on our priorities

Powerful
performance

We put **making
and selling** at the
heart of all we do

Precise
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We have
speed and discipline
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Summary

- India to maintain its momentum; poised to grow at ~7%
- Sustained growth expectations for the coatings industry (CAGR 8% - 10%)
- Driving operational efficiencies with sustainability
- On track to create a more fit-for-purpose organization
- Rewarding our shareholders for their support through our growth journey; Rs 24/share Dividend recommended



Thank you!

AkzoNobel



Safe Harbour Statement

AkzoNobel

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. 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.