

## Media release

April 19, 2017

### **AkzoNobel unveils new strategy to accelerate growth and value creation**

**Akzo Nobel N.V. (AKZA.AS; AKZOY)**

- **Creation of two focused, high-performing businesses with sustainable growth plans**
- **Separation of Specialty Chemicals within 12 months: the vast majority of net proceeds will be returned to shareholders**
- **Increased financial guidance\* for 2020: Paints and Coatings: 15% ROS, ROI >25%; Specialty Chemicals: 16% ROS, ROI >20%**
- **€1.6 billion to be returned to shareholders for 2017 via a €1 billion special dividend combined with a 50% increase to the regular dividend**

AkzoNobel today outlines a new strategy to accelerate growth and value creation with two focused, high-performing businesses – Paints and Coatings and Specialty Chemicals – which will lead to a step change in value creation for shareholders and all stakeholders.

The logical next phase of creating two separate companies builds on the strong financial and operational foundation developed in recent years. It will generate superior, faster and more certain value creation than the alternatives and with substantially fewer risks, uncertainties and social costs.

#### **Strategy: create two focused businesses**

- Separation of Specialty Chemicals to take place within 12 months; project teams in place
- Dual-track process with active consideration of a separate listed entity or sale
- Focused Paints and Coatings business, with fit-for-purpose structure and processes

#### **Accelerating sustainable growth and profitability**

- €150 million annual savings resulting from ongoing continuous improvement programs in Paints and Coatings
- Additional €50 million expected cost savings related to the separation of Specialty Chemicals
- Continued commitment to sustainability with ambition to use 100% renewable energy and be carbon neutral by 2050
- Investment of €1 billion in research and development by 2020 to maintain focus on innovation and new product development

#### **Enhanced financial guidance\***

- 2017 EBIT to be around €100 million ahead of 2016 due to significant growth momentum across all Business Areas
- Increased 2020 guidance: Paints and Coatings 15% ROS, ROI >25%; Specialty Chemicals 16% ROS, ROI >20%, reflecting continued growth in profitability equivalent to AkzoNobel's current portfolio of 14% ROS and >20% ROI\*\*

## **Increased shareholder returns**

- 50% increase to the regular dividend per share to €2.50 per share, reinforcing confidence in the future plan to further drive growth and profitability
- Vast majority of net proceeds from the separation of Specialty Chemicals to be returned to shareholders
- €1 billion special dividend to be paid in November reflecting confidence in the planned separation

AkzoNobel also reported a record financial performance with its first quarter 2017 results today, which are available in a separate [release](#).

## **Ton Büchner, CEO of AkzoNobel, said:**

“Our commitment to substantial shareholder returns reinforces our belief that the plan we are outlining today will create a step change in value creation, generating significant shareholder value in the short, medium and long term. It will be delivered at pace, with a clear timeline and is in the best interest of all stakeholders.

“During recent years, we have consistently delivered on our commitments to improve profitability and growth, while building momentum within our Company. We have world class teams and a solid financial and operational foundation.

“The industry-leading performance and outlook of our Specialty Chemicals business gives us the confidence to return proceeds to shareholders in advance of the separation. In addition, we see extensive growth momentum in our Paints and Coatings business, which we expect to keep growing faster than market rates, allowing us to improve our long-term financial guidance.

“Now is the right time to create two focused, high-performing businesses. This strategy will create substantial value for shareholders with significant less risks and uncertainties compared to alternatives.

“We believe our long-term focus in sustainability creates value for all stakeholders, including our shareholders, customers and employees. We continue to lead the industry with our ambition to being carbon neutral and using 100% renewable energy by 2050.

“Our ongoing commitment to invest around €1 billion in research and development by 2020 will create innovative products and services, as well as making a positive contribution to the communities in which we operate.

“We have laid out a new plan today with clear, ambitious goals. With the support of our colleagues across the world and building on our incredible brands, we will create two leading, customer focused businesses which will deliver enhanced value for all our stakeholders.”

## **Antony Burgmans, Chairman of the AkzoNobel Supervisory Board, said:**

“The Supervisory Board believes that management’s plan for AkzoNobel’s future will deliver superior shareholder value compared to the alternatives.

“It will be delivered by a competent, experienced management team with a proven track record at a faster pace, with considerably less risk and at significantly lower social cost.

“The plan will enable AkzoNobel to thrive both to the benefit of our shareholders and the communities worldwide in which we operate.”

A webcast of the investor event, which will take place today at 10.00am BST, is available here: [Register for the video webcast here.](#)

*\* Note: Current financial guidance for 2016 to 2018:*

- *Paints and Coatings 10-12% ROS, ROI >18%*
- *Specialty Chemicals 11.5-13% ROS, ROI >16%*

*\*\* Excluding unallocated corporate costs*

*This is a public announcement by AkzoNobel N.V. pursuant to section 17 paragraph 1 of the European Market Abuse Regulation (596/2014). This public announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in AkzoNobel N.V.*

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**About AkzoNobel**

AkzoNobel creates everyday essentials to make people's lives more liveable and inspiring. As a leading global paints and coatings company and a major producer of specialty chemicals, we supply essential ingredients, essential protection and essential color to industries and consumers worldwide. Backed by a pioneering heritage, our innovative products and sustainable technologies are designed to meet the growing demands of our fast-changing planet, while making life easier. Headquartered in Amsterdam, the Netherlands, we have approximately 46,000 people in around 80 countries, while our portfolio includes well-known brands such as Dulux, Sikkens, International, Interpon and Eka. Consistently ranked as a leader in sustainability, we are dedicated to energizing cities and communities while creating a protected, colorful world where life is improved by what we do. AkzoNobel had total revenues of €14.2 billion in 2016: Specialty Chemicals - €4.8 billion, Decorative Paints - €3.8 billion, Performance Coatings - €5.7 billion.

**Not for publication – for more information**

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**Safe Harbor Statement**

This press release contains statements which address key issues such 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 forecasted 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, a copy of which can be found on our website: [www.akzonobel.com](http://www.akzonobel.com).