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AkzoNobel publishes Q1 2015 results

April 21, 2015



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Solid first quarter for AkzoNobel

- Operating income up 42 percent at €306 million (2014: €216 million), reflecting the effects of process optimization, reduced restructuring expenses, lower costs and favorable currencies
- Revenue up 6 percent due to 8 percent favorable currency effects
- Improved performance with ROS at 8.5 percent (2014: 6.4 percent); and ROI at 10.6 percent (2014: 9.7 percent)
- Net income attributable to shareholders up 24 percent at €160 million
- Adjusted EPS up 25 percent at €0.76 (2014: €0.61)
- Net cash outflow from operating activities was €622 million (2014: €552 million)
- Overall market conditions remain challenging
- On track to deliver 2015 targets

Q1 2015 in € million

	Q1 2014	Q1 2015	Δ %
Revenue	3,383	3,591	6
Operating income	216	306	42
Return on sales (ROS) %	6.4	8.5	
EBITDA	364	462	27
Net income attributable to shareholders	129	160	24

[Q1 2015 report \(PDF, 465kb\)](#)

https://www.akzonobel.com/news_center/publications/reports_and_presentations/2015/q1_2015_report.aspx

Akzo Nobel N.V. (AKZA.AS; AKZOY) today reported a solid first quarter with positive developments in all three Business Areas despite a challenging market environment.

First quarter operating income increased 42 percent to €306 million, reflecting the effects of process optimization efforts, reduced restructuring expenses, lower costs and favorable currency effects. Revenues of €3,591 million were up 6 percent compared with the same period last year – an 8 percent impact of currency translation effects was offset by lower volumes, reflecting a slow start to the year. Profitability improved, with return on sales at 8.5 percent compared with 6.4 percent last year.



CFO Maëlys Castella:

"Our results for the first quarter demonstrate that AkzoNobel is continuing to deliver an improved performance in a challenging economic environment. Our strategy is working, and its positive effects are becoming increasingly visible in our results. We continue to build on this strong foundation to further increase our profitability and we remain on track to deliver our 2015 targets."

Decorative Paints achieved a solid growth in profitability, with operating income and revenue both increasing. Revenue was up 3 percent compared with 2014, due to a 7 percent favorable currency effect, but offset by an adverse volume impact and the sale of the German stores. Operating income showed a clear improvement with an increase of 10 percent. This website uses cookies. They allow us to optimize your browsing experience and help us to understand how you use our website. [\[https://www.akzonobel.com/cookies.aspx\]](https://www.akzonobel.com/cookies.aspx) Currency developments. Volumes for the first quarter were up in Latin America, but down in Asia and Europe due to a slow start of the season.

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Performance Coatings continued to benefit from the de-layering and simplification of its business structure. Revenue was up in all businesses, benefiting from favorable currency effects and price/mix. Operating income increased 35 percent due to cost reductions generated by improvement activities, including the simplification of the business structure, cost control measures, currencies and lower restructuring expenses. Volumes increased in North America but declined in other regions, with performance across segments being mixed regionally.

Specialty Chemicals further improved its profitability. Revenue was up 6 percent as a result of favorable currency effects. Operating income rose 21 percent versus last year due to continuous improvement measures, cost focus, lower restructuring costs and favorable currency developments. Volumes were flat overall, with a mixed and volatile picture across segments and regions. Volumes in the US continued to perform well, while there was more modest growth in China.

Outlook

We anticipate that exchange rate movements and lower growth rates in high growth economies will principally determine the dynamics of 2015. The preparations made in 2013 and 2014 form a sound basis for improved performance. AkzoNobel remains on track to deliver its 2015 targets*.

Business Area highlights in € million**Decorative Paints**

	Q1 2014	Q1 2015	Δ%
Revenue	865	890	3
Operating income	17	50	194
ROS %	2.0	5.6	
EBITDA	56	88	57

* Overall targets for the full year 2015 are 9.0 percent return on sales and 14.0 percent return on investment.

The Q1 2015 report can be downloaded via the AkzoNobel Report **iPad app** [<http://bit.ly/obljrf>] or read online at www.akzonobel.com/quarterlyresults [<https://www.akzonobel.com/quarterlyresults/>].

Page Navigation**Performance Coatings**

	Q1 2014	Q1 2015	Δ%
Revenue	1,319	1,430	8
Operating income	126	170	35
ROS %	9.6	11.9	
EBITDA	163	206	26

Specialty Chemicals

	Q1 2014	Q1 2015	Δ%
Revenue	1,222	1,296	6
Operating income	135	163	21
ROS %	11.0	12.6	
EBITDA	204	242	19

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