



FOCUS
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8 T/M 12 NOVEMBER 2021

Welkom

Central Finance @ AkzoNobel

Sjef Quaedvlieg, Solution architect & Jaap van Zomeren, Functional domain manager Finance - AkzoNobel

Agenda

Introduction AkzoNobel

Why Central Finance?

Phased landscape and architectural highlights

Implementation approach and timeline

What does success look like?

**Pioneering a world
of possibilities to
bring surfaces to life**

since 1792

The background is a collage of four images: a city skyline at night, a hand holding a smartphone, a blue industrial machine part, and a blurred red train. The AkzoNobel logo is in the top right corner.

AkzoNobel

Thanks to our technical expertise and comprehensive color know-how...

Buildings stand the test of time

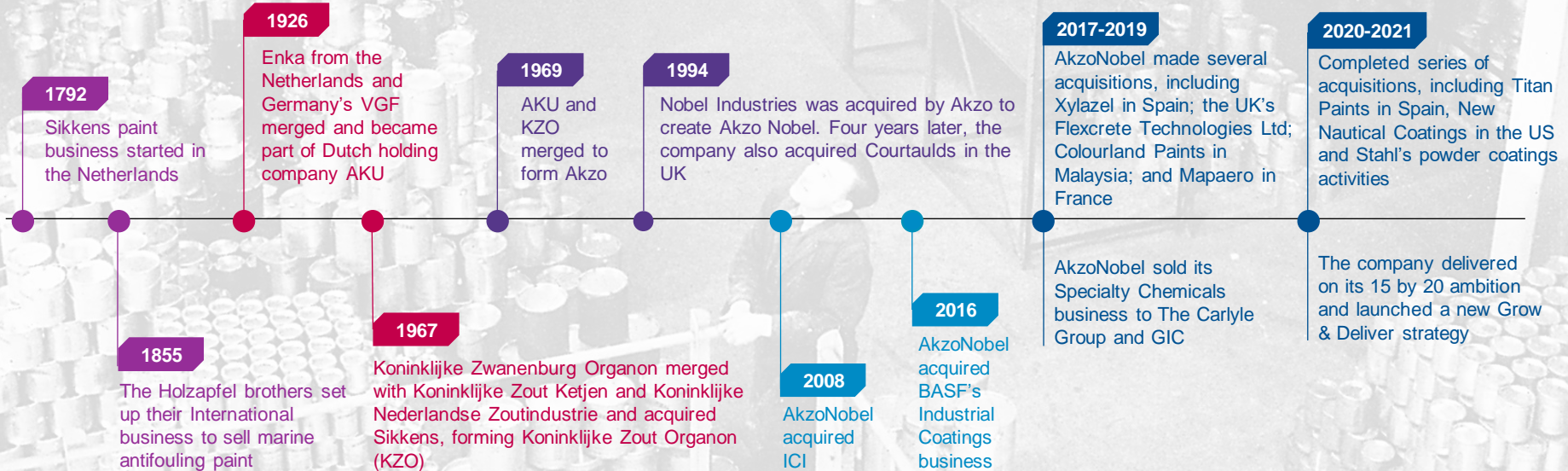
Your **devices** stay on trend

The wheels of **industry** keep turning

Your **living spaces** feel like home

And the **transport** we all use is more sustainable

We've been setting the standard in color and protection for more than 200 years



Our company at a glance

AkzoNobel

2020 revenue
by destination:



2020 financial summary:

€8.5 bln revenue
€1.4 bln adjusted EBITDA
€1.1 bln adjusted operating income
12.9% return on sales (ROS)
16.1% return on investment (ROI)
32,200 employees

Decorative Paints

Our business activities are reported in three regions:

- ↗ Asia
- ↗ Europe, Middle East and Africa
- ↗ South America

Key brands:



sikkens



2020 financial performance:

€3.56 bln revenue

16.1% ROS

20.5% ROI

Performance Coatings

Our activities are organized into four main businesses:

Marine and Protective Coatings

- ↴ Marine Coatings
- ↴ Protective Coatings
- ↴ Yacht Coatings

Automotive and Specialty Coatings

- ↴ Vehicle Refinishes
- ↴ Aerospace Coatings
- ↴ Automotive OEM
- ↴ Consumer Electronics

Industrial Coatings

- ↴ Coil and Extrusion Coatings
- ↴ Packaging Coatings
- ↴ Wood Coatings

Powder Coatings

Key brands:

 International

 **Interpon**
POWDER COATINGS

 Chemcraft

 cromadex®

 **DYNACOAT**

 **LESONAL**®

 **RELEST**®

 **RESICOAT**®
Experts in Functional Powder Coatings

 Salcomix

 Powdertech®

 sikkens

 Sea Hawk
PREMIUM YACHT FINISHES

 **TRINAR**®

 **WANDA**

 **ZWEIHORN**



2020 financial performance:

€4.96 bln revenue

14.1% ROS

20.7% ROI

Making a world of **DIFFERENCE**

Many of the things you see, touch and use every day are protected and made more attractive by our paints and coatings. You'll also find us on some of the world's most iconic buildings and landmarks. In fact, our products, technology and expertise cover all seven continents.



London Eye
London, UK

Varso Tower
Warsaw, Poland

Flame Towers
Baku, Azerbaijan

Burj Al Arab
Dubai, United Arab Emirates

Jin Mao Tower
Shanghai, China

Gardens by the Bay
Singapore

Nelson Mandela Bay Stadium
Port Elizabeth, South Africa

Sydney Harbour Bridge
Sydney, Australia

Halley VI research base
Antarctica

Maracanã Stadium
Rio de Janeiro, Brazil

Brooklyn Bridge
New York, US

Recent acquisitions



Titan Paints

Titan is one of Spain's best-known brands. Acquiring their decorative paints activities – which share our commitment to sustainable product innovation – will boost our presence in the region.

Completed March 2021



Mauvilac

A leading paints and coatings company in Mauritius. The transaction strengthens our footprint in Sub-Saharan Africa and supports our leading position in the African decorative paints market.

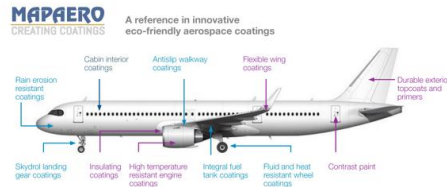
Completed April 2020



New Nautical Coatings

The deal to acquire New Nautical Coatings, owner of the premium Sea Hawk brand, will increase our presence in the North American yacht coatings market – the largest of its kind in the world.

Completed December 2020



Mapaero

Strengthens our global position in aerospace coatings, notably in the structural and cabin coating sub-segments, and enables us to offer customers a much wider portfolio of innovative and sustainable solutions.

Completed November 2019



Stahl's performance powder coatings activities

Acquiring Stahl's range of products for heat sensitive substrates opens up new market opportunities. The commercially ready technology is unique in the powder industry and includes UV and thermally curing powders.

Completed September 2020



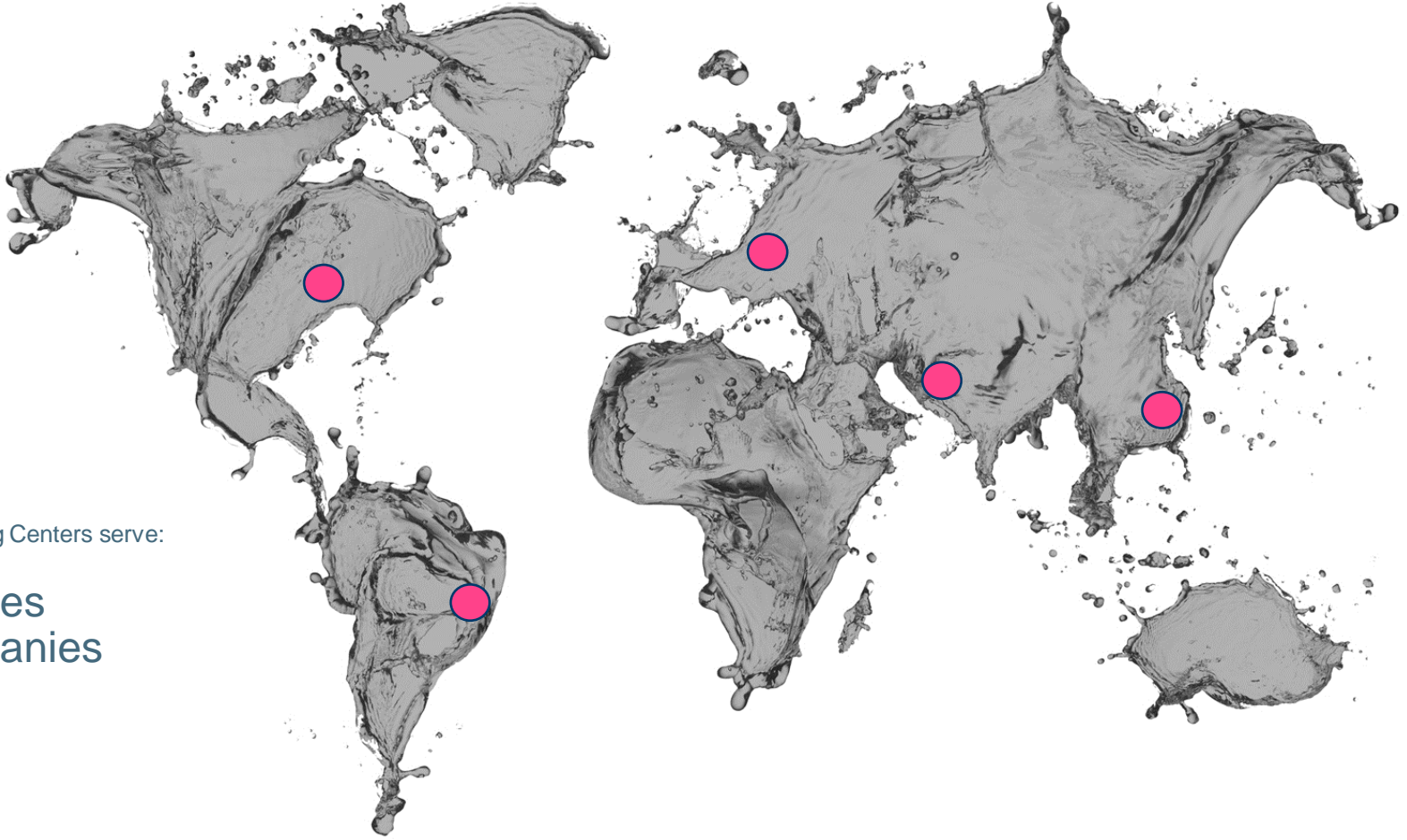
Colourland Paints and AkzoNobel Swire Paints

Acquiring Colourland in Malaysia and the minority interest share to obtain full ownership of the AkzoNobel Swire Paints joint venture in China helped to increase our footprint in Asia.

Completed November 2018/December 2018

Accounting organization changes

AkzoNobel



Regional Accounting Centers serve:

55+ countries
250+ companies

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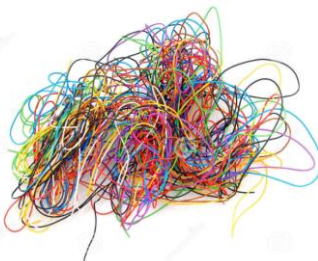
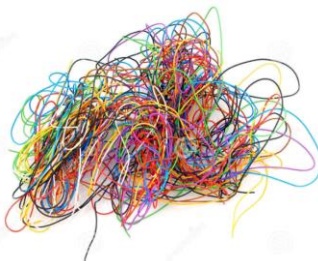
What does success look like?

What has been the impact on Information Management

- ↴ An organization in continuous change
- ↴ Simplification and harmonization are key
- ↴ Creating an organization fit for the future
- ↴ Moving towards a data driven organization

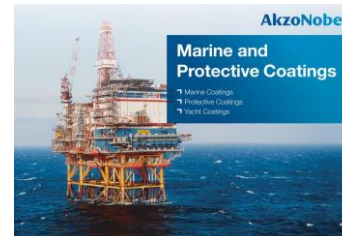


Changing from de-centralized to a centralized organization

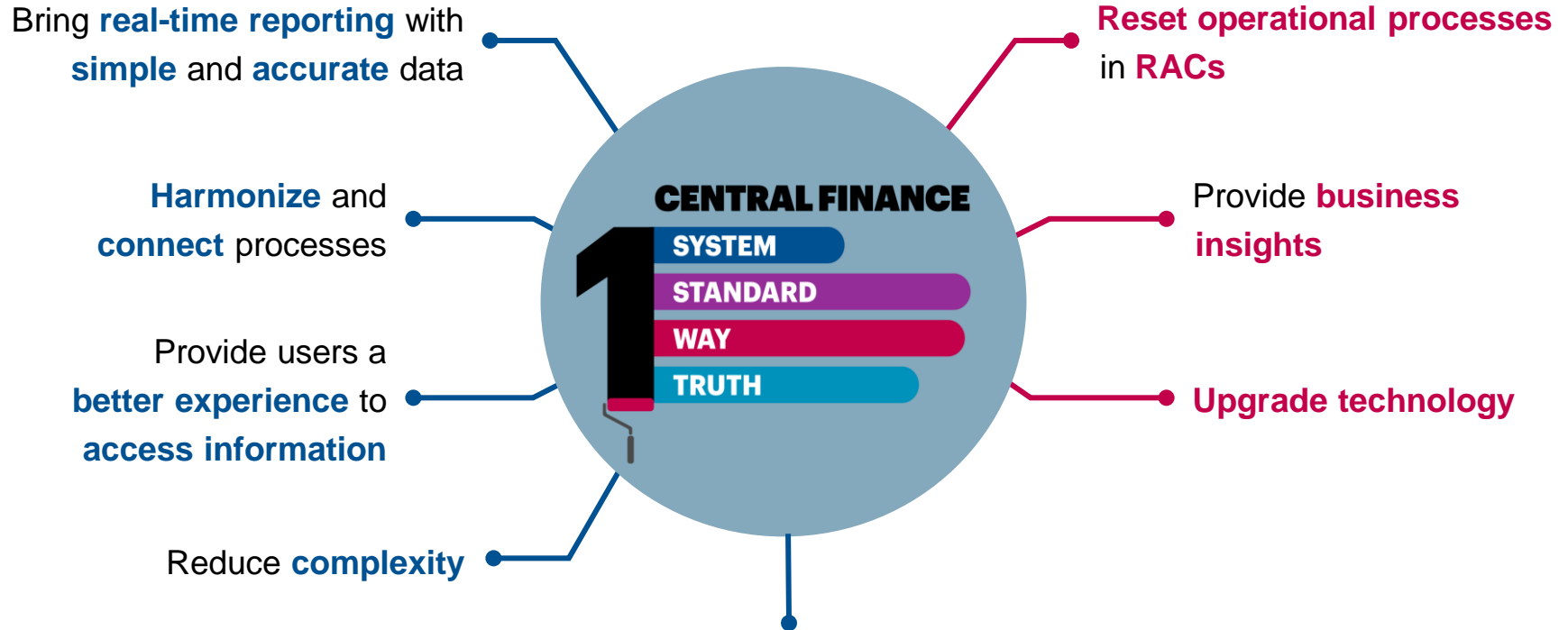


Changing into a Global Process Owner model with harmonized global systems

AkzoNobel



CFIN will be our **one** source of truth



Having an **alternative for ERP consolidation** as well as **Mergers & Acquisitions** in the landscape

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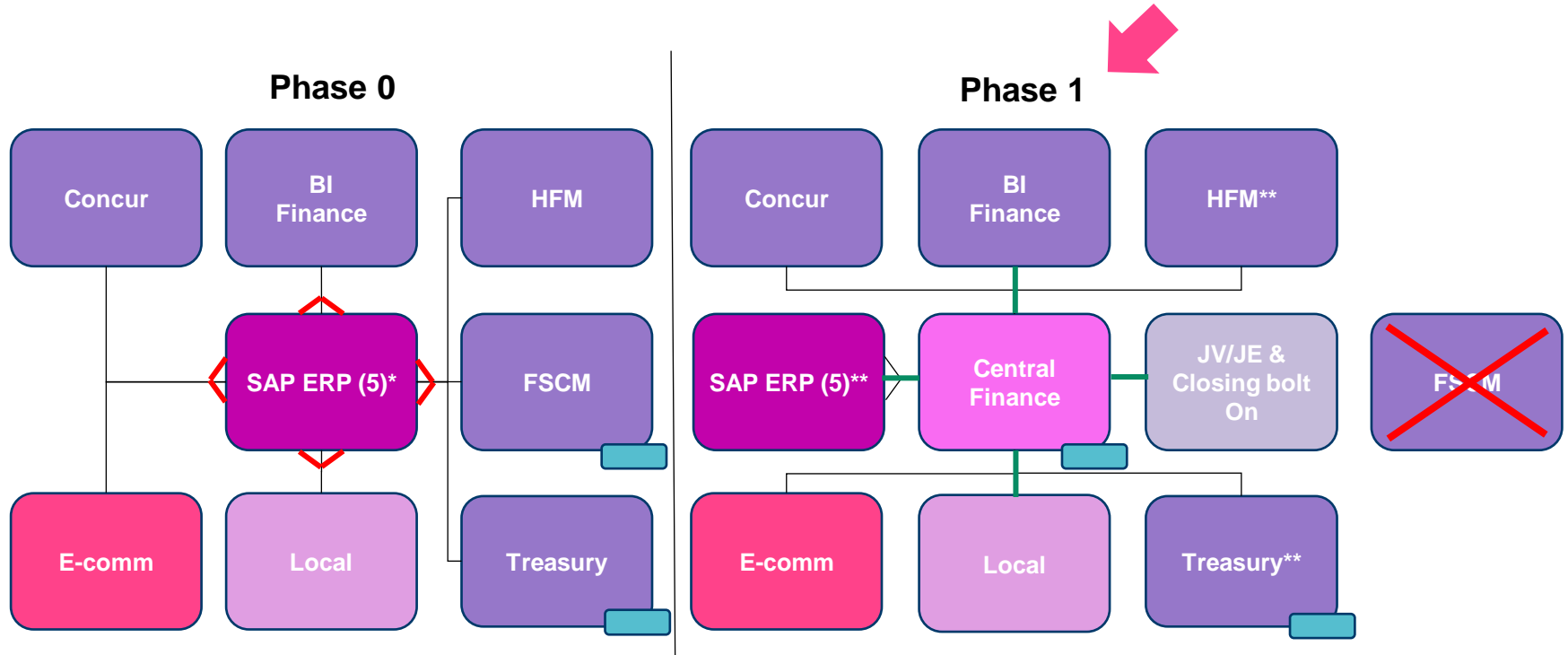
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Phased landscape

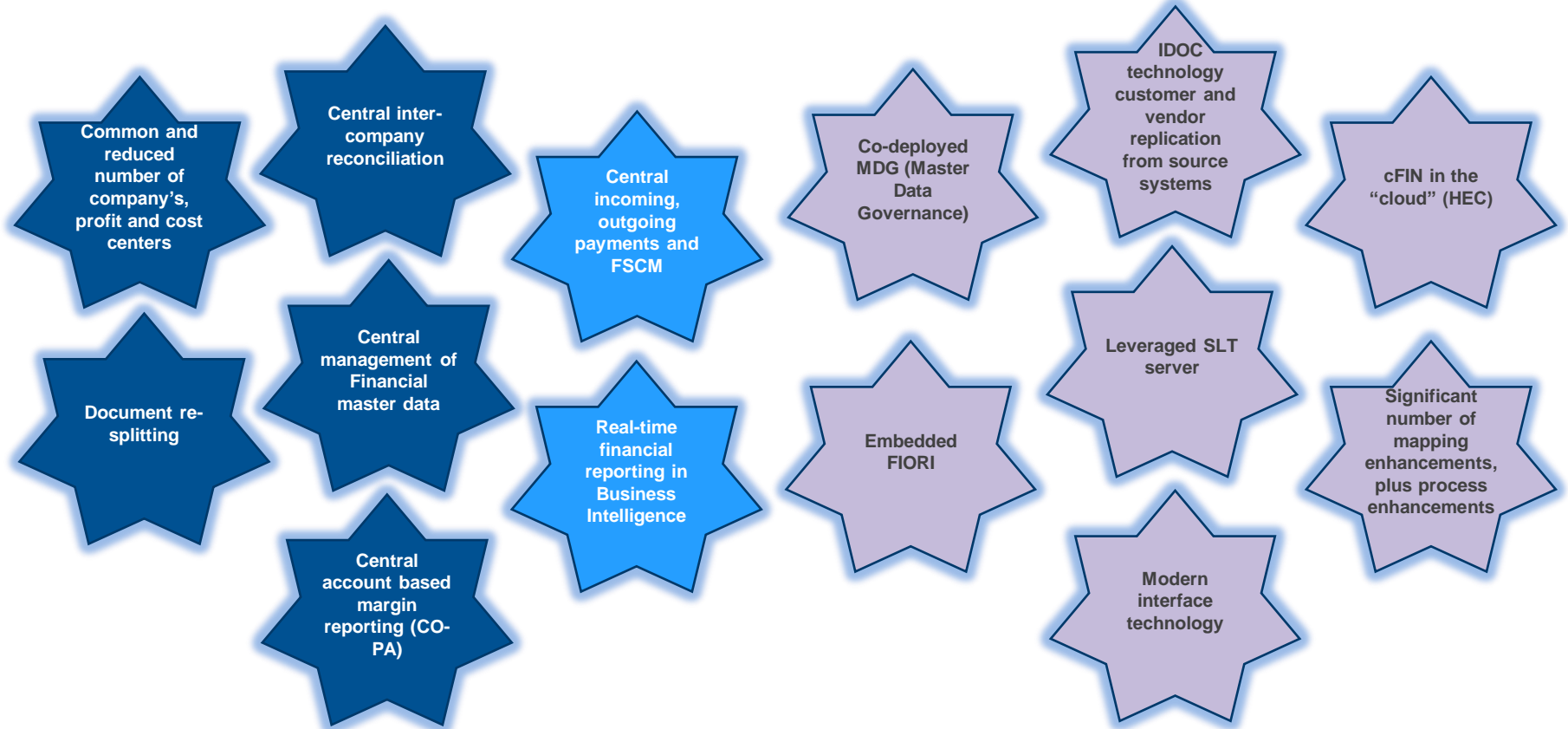


 Interfaces with external parties

*SAP source systems on new G/L and classic G/L (also, many more ERP's in addition to the 5)

**Considered for cFIN absorption phase 2,3,...








Architectural highlights









CFIN coming in phases

PHASE 1A

PHASE 1B*

-  Real time data replication
-  Common data model
-  Single source of truth
-  Standard reports and Fiori apps
-  Centralized Finance MDG
-  ICMR - Intercompany matching
-  Centralized month-end close**

-  Centralized I2P process
-  Centralized I2C process
-  Bank accounting
-  Manual journal entries
-  System of record
-  Link to BI

****A phase 2 will follow phase 1B - Items on the radar for Phase 2:
Upgrade, Treasury, Group Reporting and Planning **Temporary***

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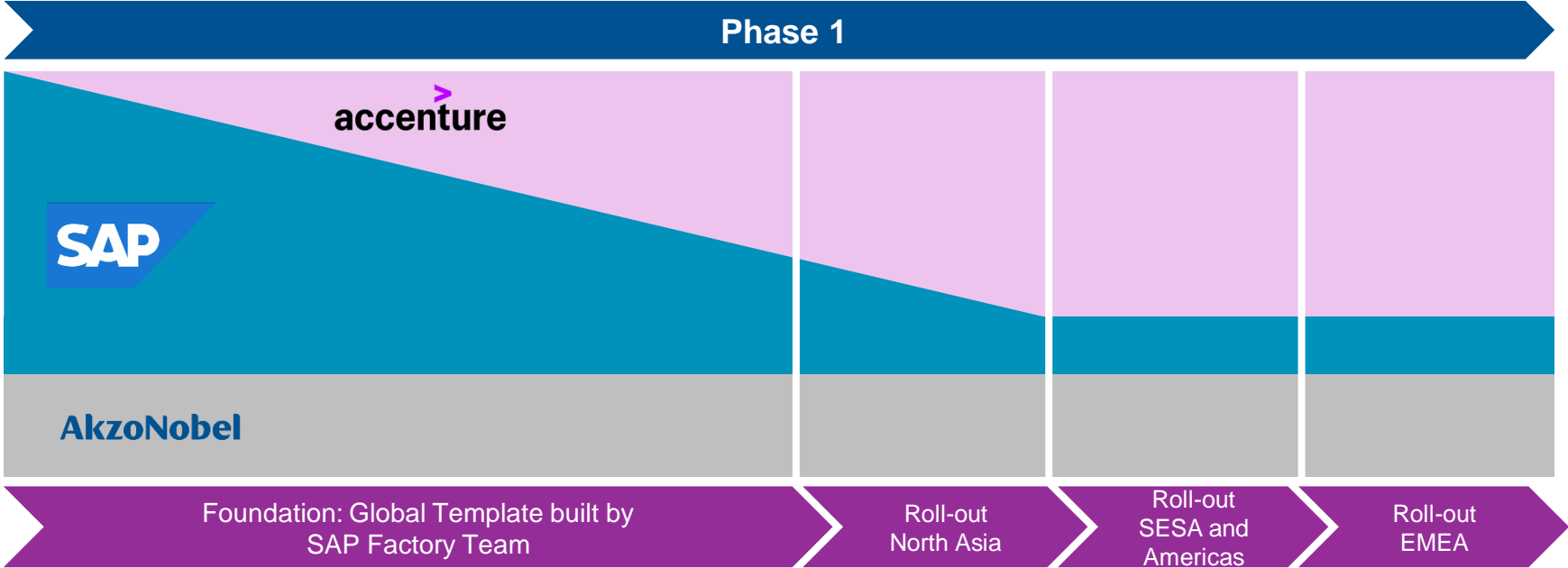
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Our CFIN implementation approach



Our CFIN journey sofar



CENTRAL PROCESSES



REPLICATIONS



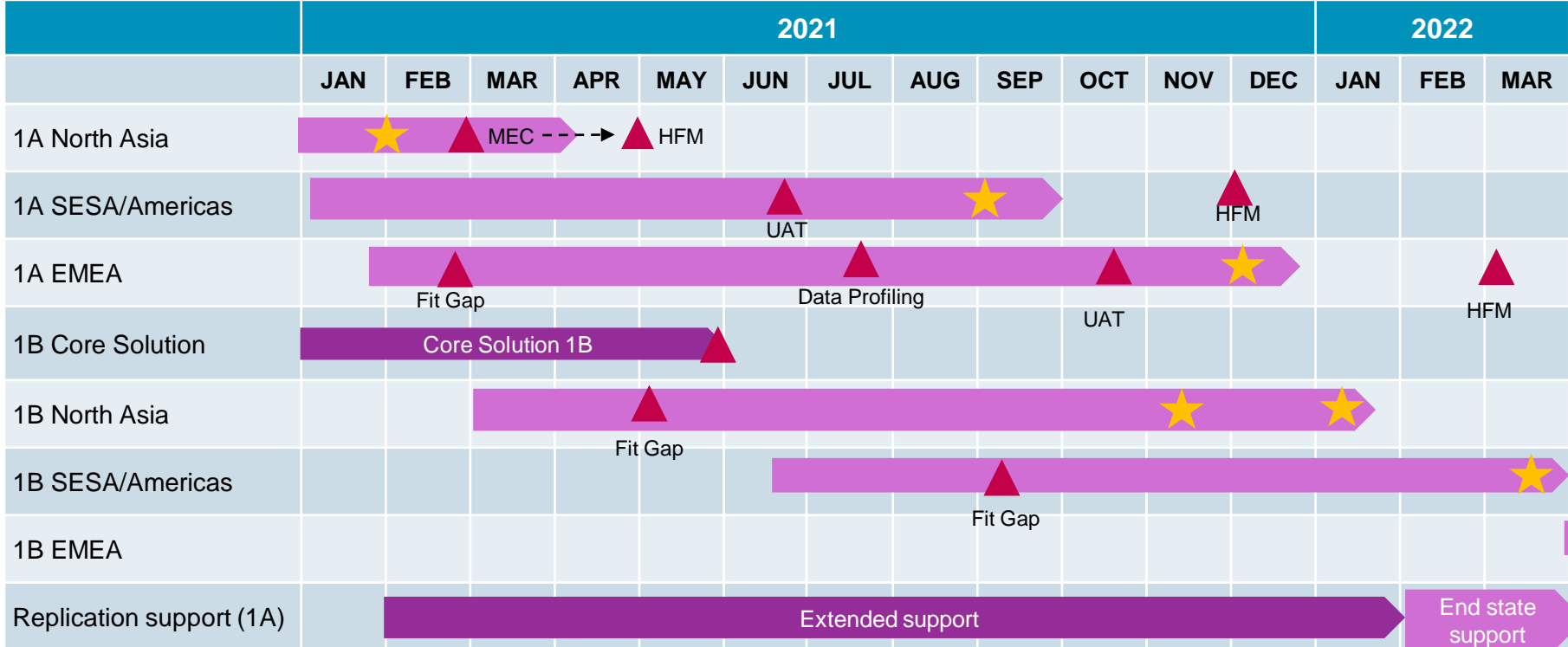
TEMPLATE AND CORE SOLUTION

- In 2019, **template development** started with the SAP VPT team
- In 2020 the template was delivered by SAP in two parts: 1A and 1B
- The **Core Solution** is finalized

- Phase 1A is the **replication / reporting** phase
- In North Asia, CFIN 1A is live since Feb 2021
- SESA and Americas are live since Sept 1st
- Deployment for EMEA is ongoing

- Phase 1B adds Central Processes to CFIN, making CFIN a system of record
- In North Asia, CFIN 1B is nearing the end of UAT meaning Full Dress Rehearsal is about to start
- 1B deployment in SESA and Americas has started

CFIN Deployment Plan



★ Go-Live ▲ Milestone



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Some statistics

AkzoNobel

~ 100
company
codes on
production

~ 50% of
AkzoNobel
total revenue
in CFIN

Stable
replication
for live
entities

>25 mm
documents
replicated in
2021 sofar

>75 source
system
changes
realized

Team work

What does success look like?

Our experience

Don't do the CFIN project for reporting only, as then you can better spend time building a data warehouse, do it when you want to execute central processing

If CFIN is a stepping stone for S/4 HANA migration, take into account that clean-up later is difficult, so try not to pollute the system with data that is not set for future direction

Make a split between replication of data and data processing. It makes sense to check replicated data first before central processing is switched on

When MDG-F is foreseen then stay away from 1 to N mapping rules back into source systems. This is a conceptual nightmare

Take considerable time for reconciliation. Finance expects to be at 100% especially when CFIN is used as a basis for consolidation

Take considerable time to discuss support organization and people and skills, as integrated solutions require broad expertise and often speed and agility in resolution

Try to harmonize as much upfront and in source that reduces complexity in CFIN

Questions?



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8 T/M 12 NOVEMBER 2021

Bedankt voor je deelname

Bekijk op www.VNSGFocusOnline.nl welke sessies er nog meer zijn!