

Press release

Jotun continues to grow

(Sandefjord, 30 September 2016): In the first eight months of 2016, Jotun recorded sales of NOK 10.9 billion and an operating profit of NOK 1.7 billion. To help secure long-term growth, the company continues to pursue investments in new production capacity and product innovation, both in Norway and other key markets.

Jotun recorded a two per cent increase in revenues compared to the same period last year, improving from NOK 1.6 billion to 1.7 billion. While decreased activity in shipbuilding and the offshore sector has impacted sales in the Marine and Protective Coatings segments, growth remains strong in the Decorative Paints segment, especially in the Middle East, Southeast Asia and Eastern Europe.

According to Jotun's President & CEO Morten Fon, Jotun's positive results are notable considering that the year before, the company achieved record results and growth in all segments and regions. "Our long-term focus on organic growth and continued investments in emerging economies has proven to be a durable business model, even when market uncertainties impact our business in some segments," he says.

Good profitability

Profitability remains satisfactory, but sales growth eased compared to 2015. This modest growth rate is expected to continue. "We anticipate that due to weak demand for new shipping tonnage, slower growth will persist for some time," says Fon. "However, we have extensive experience operating in cyclical industries and have taken appropriate steps to maintain our long-term growth trajectory."

Investing in the future

Jotun's investments in the first eight months of 2016 amount to NOK 722 million, up NOK 175 million compared with the same period last year. These figures represent one of the company's largest investment periods on record, equal to about seven per cent of total sales. Investments are related to building new factories in Oman, the Philippines, Malaysia and Myanmar, and new facilities in Norway.

"In August we broke ground for new headquarters and research centre here in Sandefjord," says Fon. "These new facilities represent our continued investment in Norway and we are confident the new building will not only support product innovation, but create a more attractive work environment for existing staff and help us recruit top talent."

Highlights so far in 2016:

- Revenue growth and good profitability
- Stable raw material prices
- Investments for future growth in Oman, the Philippines, Myanmar and Norway

Financial key figures (NOK million)	T1+T2 2016	T1+T2 2015	Change
Operating revenues	10 917	10 753	2%
Operating profit	1 716	1 630	5%
Profit before tax	1 652	1 543	7%

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