

Press release

Jotun achieves another record-breaking year

(Sandefjord, February 10, 2016) The Jotun Group is pleased to announce that the company recorded growth in sales and volume in all segments and regions in 2015, with profits exceeding NOK two billion. CEO Morten Fon believes the company is in a strong position to sustain this growth trend in 2016.

In 2015, Jotun reported a 23.6 per cent increase in turnover (NOK 16.3 billion against NOK 13.2 billion in 2014). Operating profit increased by 57 per cent, NOK 2.0 billion up from NOK 1.3 billion in 2014.

President and CEO Morten Fon says that 2015 was a remarkable year in terms of volume, sales and profit. "For the first time in recent memory, Jotun had growth in all segments and regions," he says. "We performed particularly well in the Marine Coatings segment, where Jotun remains the global market leader, and in the Decorative Paints segment, where Jotun continues to gain market share in high-growth countries." Fon adds that the company has also identified promising opportunities to further strengthen the company's global market position in the Powder Coatings and Protective Coatings segments.

The company also performed well in all of the seven regions where the company is active - especially in the Middle East, Southeast Asia and North East Asia. "However, in the Americas we wish for improved results."

Fon notes that because the majority of Jotun's activities take place outside Norway, Jotun's 2015 result were somewhat inflated by currency effects, notably the weakening of the Norwegian krone against the US dollar. Likewise, results in Scandinavia were negatively impacted by foreign exchange rates, which resulted in higher costs for imported raw materials. "However, even when adjusting for currency effects, Jotun's underlying growth was 10 per cent in 2015," he says. "This remarkable growth rate is a credit to all the hard work and dedication of our global network of almost 10,000 workers."

Building a new research centre in Sandefjord

In 2015, Jotun continued to devote significant capital resources toward the future development of the company. Investments included the construction of new factories in Brazil and Oman, but also other investments in existing companies to ensure a good platform for further development. In addition, the company reached a Final Investment Decision in December 2015 to build a new Research & Development Centre in Sandefjord at a total investment cost of more than NOK 1.1 billion.

"As one of the fastest growing companies in the paints and coatings industry, Jotun must achieve a balance between our growth ambitions and controlling costs to retain healthy profit margins," Fon says. "And to secure our long-term growth, we must continue to develop innovative paints and coatings systems in-house. Jotun's ability to build on our record of innovation represents a genuine competitive advantage and the new R&D center will allow us to stay one step ahead. I am confident that these investments, combined with a highly skilled workforce, will support Jotun's continued growth in the years to come."

Highlights in 2015:

- Jotun achieved a record high operating profit (EBITA): 2 billion NOK
- Growth in all segments and regions
- Jotun increase investments in market development and innovation

Financial key figures (million)	2015	2014	Change
Operating revenues	16 282	13 171	23,6%
Operating profit	2 064	1 314	57,1%
Profit before tax	1 918	1 301	47,4%

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