

Press release

Strong results in an unusual year

(Sandefjord, 18 February 2020) Jotun recorded sales of NOK 21,070 million in 2020, an increase of seven per cent compared to the previous year. Operating profit ended at NOK 3,489 million in a year that was strongly affected by the coronavirus pandemic.

The pandemic had a negative impact on sales in all segments in 2020 and adjusted for currency effects as a result of a weaker Norwegian krone, underlying sales growth was three per cent. The growth was primarily achieved by good growth in sales of decorative paints.

According to CEO Morten Fon, the impact of the coronavirus pandemic on Jotun's business in 2020 varied from region to region. "We have experienced a decline in sales in South East Asia and low growth in the Middle East but recorded strong sales growth in important markets such as Scandinavia, Turkey and Saudi Arabia," he says. "Throughout this period, Jotun has focused on business continuity measures and avoided laying off employees, helping the company to operate successfully and retain a highly skilled and experienced workforce."

Operating profit is up by 50 per cent compared to 2019. The increase is mainly explained by improved margins, good cost control and positive currency translation effects.

Investments

Jotun invested NOK 1,407 million in 2020, which accounts for about seven per cent of sales and is in line with strategic ambitions. The largest investments were related to new production facilities in Vietnam and Egypt, factory upgrades in Norway and the Czech Republic, a new regional office and research and development (R&D) centre in Dubai and completion of the Group's new headquarters and R&D centre in Norway.

Future outlook

Looking ahead, Jotun anticipates lower activity in shipping and a weaker oil and gas market. In addition, raw materials costs, which began to rise towards the end of last year, are expected to continue to increase. Finally, market uncertainties related to the coronavirus pandemic are likely to persist in 2021.

"While we have realistic expectations for 2021, Jotun's robust business model has proven very resilient in a challenging year," says Fon. "With operations across four segments, a global presence and a strong corporate culture we are confident that Jotun will achieve further profitable growth in the years to come."

| Key figures (NOK million) | 2020 | 2019 | Change |
|---------------------------|--------|--------|--------|
| Operating revenue | 21,070 | 19,652 | 7 % |
| Operating profit | 3,489 | 2,320 | 50 % |
| Profit before tax | 3,158 | 2,079 | 52 % |

Jotun is one of the world's leading manufacturers of decorative paints, marine, protective and powder coatings. The Group has 65 companies and 39 production facilities on all continents, and more than 10 000 employees. Jotun products are available in more than 100 countries through own subsidiaries, joint ventures, agents, branch offices and distributors. The Jotun Group's sales in 2019 was NOK 19.7 billion. The Jotun Group is organised into four segments and seven geographical regions, and has its head office in Sandefjord, Norway.



Jotun Protects Property

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