

Press release

Solid progress for Jotun, but outlook is uncertain

(Sandefjord, September 30th 2021): **Jotun achieved record high revenue of NOK 14 975 million in the first eight months of 2021. The operating profit was NOK 2 496 million, but high raw material prices put pressure on the operating margin.**

Market situation

Sales in the segments for Decorative Paints, Performance Coatings and Powder Coatings have shown a positive development so far this year. In the Marine Coatings segment, Jotun has experienced a decline in sales due to reduced newbuilding activity for ships. The strong growth in the first eight months of the year is attributable, among other factors, to the Covid-19 pandemic that resulted in lower activity in the same period of last year. There remains significant uncertainty, but the markets are now showing positive signs.

"We are satisfied to have achieved another record result in a challenging period. Despite high raw material prices and continued uncertainty surrounding the pandemic in individual markets, Jotun has delivered a solid performance in most business areas," President & CEO Morten Fon says.

Raw material prices

Jotun has experienced a significant increase in raw material prices since autumn 2020. The reason for this is an imbalance between supply and demand, which has had a persistent and increasingly negative effect on Jotun's raw material costs in 2021.

Outlook

The fire in Sandefjord on September 15th is expected to have little impact on Jotun's delivery capability. Lower newbuilding activity for ships, the pressure on raw material prices and uncertainty related to the pandemic, however, make the development going forward uncertain.

Raw material prices are assumed to continue their upward trend, which will negatively affect the operating result in the next four-month period.

"Further price increases will be necessary in all business segments," Fon says.

Jotun remains well-positioned for further profitable growth, and the company continues to adhere to its long-term growth strategy and investment plan.

Key financials (NOK million)	T1 + T2 2021	T1 + T2 2020	Change
Operating revenue	14 975	13 916	8%
Operating profit	2 496	2 402	4%
Profit before tax	2 315	2 122	9%

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