

Press release

Strong growth, but lower margins for Jotun

(Sandefjord, October 6th 2022): Jotun increased both operating revenue and operating profit year to date. However, the operating margin was challenged by high raw material prices and significant global unrest.

Market status

Increased sales volume and prices led to strong topline growth for Jotun during the first and second tertiary 2022. Operating revenue came in at NOK 18 243 million, up 22 per cent from the same period last year. All segments (Decorative Paints, Protective Coatings, Marine Coatings and Powder Coatings) delivered double-digit sales growth.

"We are satisfied with the development. It is great to see that the marine newbuilding market has recovered after a difficult period. We also see sales improving within ship maintenance products, protective coatings and decorative paints", President & CEO Morten Fon says.

Global challenges

The positive development comes in a time of major global challenges. The war in Ukraine is affecting the raw material markets and creating an energy crisis in Europe. In addition, there are persistent challenges in global supply chains.

"The geopolitical imbalance puts international trade under pressure. However, our people throughout the world have handled the demanding situation well", Fon says.

Consequently, costs have increased. Even though Jotun's operating profit rose to NOK 2 653 million, the operating margin came in below the level seen last year.

Outlook

Going forward, Jotun expects continued sales growth. The high raw material prices will still be a challenge. However, there are signs that raw material prices have now peaked and started to ease. In addition, challenges related to the war in Ukraine, the energy crisis, the global supply chain issues, and the Covid-19 pandemic persist.

"The world around us is characterised by unrest and uncertainty. However, our organisation is robust and intact, and we are ready for continued growth", Fon says.

Jotun is well-positioned for further profitable growth, and the company remains committed to its long-term growth strategy and investment plans.

Jotun is one of the world's leading manufacturers of decorative paints, marine, protective and powder coatings. The Group has 67 companies and 39 production facilities globally, and over 10 200 employees. Jotun products are available in more than 100 countries through own subsidiaries, joint ventures, branch offices, dealers and distributors. The Jotun Group's sales in 2021 was NOK 22.8 billion. The Jotun Group is organised into four segments and six geographical regions, and has its head office in Sandefjord, Norway.



Jotun Protects Property

Key financials

<i>(NOK mill)</i>	<i>T2 2022</i>	<i>T2 2021</i>	<i>Change</i>
Operating revenue	9 783	7 534	30 %
Operating profit	1 510	1 027	47 %
Profit before tax	1 256	908	38 %

<i>(NOK mill)</i>	<i>T1 + T2 2022</i>	<i>T1 + T2 2021</i>	<i>Change</i>
Operating revenue	18 243	14 975	22 %
Operating profit	2 653	2 496	6 %
Profit before tax	2 236	2 315	-3 %

For more information

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