



# JOTUN

Jotun Protects Property



**FINANCIAL REPORT**

1 January – 30 April 2024



## Jotun Group – Interim Financial Report

- Good sales growth
- Double-digit earnings growth
- Positive gross margin development
- Persistent uncertainty in outlook

The condensed consolidated financial statements for the Jotun Group consist of Jotun A/S and 57 subsidiaries, three joint ventures in China and Korea and five associates in UAE and Saudi Arabia. Subsidiaries are fully consolidated independent of shareholding, while Jotun's share of profits from joint ventures and associates is presented on a separate line in the consolidated income statement.

### Operating revenue and profit

Operating revenue increased by 5 per cent to NOK 10 897 million in the first four months of 2024 (2023: NOK 10 389 million). Adjusted for negative currency translation effects, mainly due to a weakening of Turkish Lira, Chinese Yuan, and the Egyptian Pound relative to the Norwegian krone, the underlying sales growth was 9 per cent.

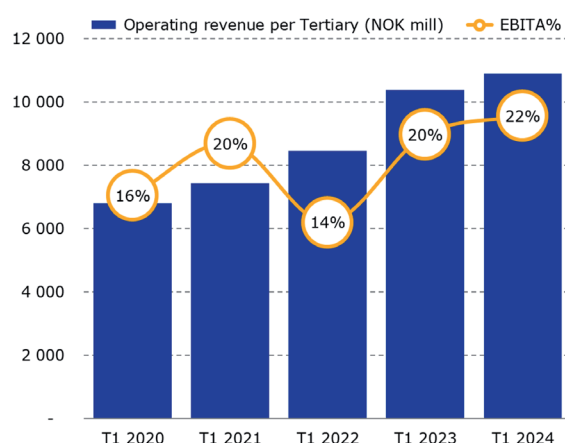
The positive underlying sales development was mainly driven by volume growth, with sales increasing in all segments. Sales grew in all regions, except Southeast Asia & Pacific where sales remained flat.

Operating profit increased by 13 per cent to NOK 2 390 million in the first four months of 2024 (2023: NOK 2 122 million), driven by increased sales and continued improvement in gross margin.

### Egypt devaluation

It should be noted that a significant devaluation of the Egyptian Pound (EGP) following the Central Bank of Egypt's decision to float the EGP in early March, resulted in a total currency loss of NOK 449 million. Of this amount, NOK 259 million negatively impacted operating profit while the remaining amount of NOK 190 million is recorded as an unrealised currency loss in net financial items.

While the short-term effect of the EGP devaluation is negative, floating of the EGP is expected to have a positive effect on the Egyptian economy and Jotun's business in Egypt over time.



### Operating Cash flow

Operating activities generated a positive cash flow of NOK 312 million as of April 2024 (2023: NOK 369 million). The decrease in operating cash flow compared to last year is mainly attributable to increased working capital.

### Investments

Investments in tangible and intangible assets amounted to NOK 381 million as of April 2024 (2023: NOK 497 million). Ongoing construction of new factories in Indonesia and Egypt and a new regional office and R&D centre in Malaysia account for the main investments year to date.

### Net interest-bearing debt

The net interest-bearing debt for the Group was NOK 142 million as of 30 April 2024, compared to NOK -1 184 million as of 31 December 2023. The increase in net interest-bearing debt is driven by reduced cash balance which is attributable to build-up of working capital and dividends paid to Jotun A/S shareholders. Despite an increase in net-interest bearing debt, the Group has a solid financial position with a net interest-bearing debt to EBITDA ratio of 0.02.

### Shareholders' equity

Shareholders' equity, including non-controlling interests, increased slightly during the first four months of 2024 to NOK 18 339 million (31 December 2023: NOK 18 325), yielding an equity ratio of 57 per cent as of 30 April 2024 (31 December 2023: 61 per cent). Profit for the period and positive currency translation effects was offset by distribution of annual dividend to Jotun A/S shareholders.

### Outlook

Going forward, Jotun expects continued sales growth in all segments. Year over year growth rates, however, are expected to be lower due to strong comparison months last year.

Raw material prices have remained relatively stable in the first tertiary and will continue to support solid gross margins in the coming months. However, raw material prices are expected to increase in the medium term. Combined with inflationary pressure in operating expenses in several markets, this is expected to influence gross margins and profitability later in the year.

Significant uncertainties persist, including heightened geopolitical tensions, supply chain disruptions due to ongoing wars and conflicts, increased currency volatility, and lower global growth forecasts. Despite the uncertainties, Jotun is well-positioned to achieve further profitable growth through its broad industrial and international footprint. Jotun therefore maintains its long-term growth strategy and investment plans.

1 January – 30 April 2024

## Jotun Group – Financial consolidated information (Unaudited)

### CONDENSED CONSOLIDATED INCOME STATEMENT

(NOK million)	30/4 2024	30/4 2023	31/12 2023
Operating revenue	10 897	10 389	31 861
Share of profit from associates and joint ventures	483	390	1 333
Cost of goods sold	-5 564	-5 526	-16 646
Other operating expenses	-3 069	-2 798	-9 081
Depreciation, amortisation and impairment	-358	-332	-1 038
<b>Operating profit</b>	<b>2 390</b>	<b>2 122</b>	<b>6 430</b>
Net financial items	-451	-262	-552
<b>Profit before tax</b>	<b>1 939</b>	<b>1 860</b>	<b>5 879</b>
Income tax	-578	-404	-1 378
<b>Profit for the period</b>	<b>1 361</b>	<b>1 456</b>	<b>4 500</b>

### CONDENSED CONSOLIDATED BALANCE SHEET

(NOK million)	30/4 2024	30/4 2023	31/12 2023
Intangible assets	1 456	1 283	1 360
Property, plant and equipment	9 088	8 835	8 747
Financial fixed assets	2 430	2 373	2 400
<b>Total non-current assets</b>	<b>12 974</b>	<b>12 491</b>	<b>12 507</b>
Inventories	4 892	4 892	4 529
Trade and other receivables	9 839	8 840	7 654
Cash and cash equivalents	4 202	2 834	5 390
<b>Total current assets</b>	<b>18 933</b>	<b>16 566</b>	<b>17 574</b>
<b>Total assets</b>	<b>31 908</b>	<b>29 057</b>	<b>30 082</b>
Share capital	103	103	103
Other equity	17 886	15 759	17 789
Non-controlling interests	351	395	433
<b>Total equity</b>	<b>18 339</b>	<b>16 257</b>	<b>18 325</b>
Non-current liabilities	3 556	2 931	2 770
Current interest-bearing debt	1 630	2 732	2 163
Other current liabilities	8 383	7 137	6 823
<b>Total liabilities</b>	<b>13 569</b>	<b>12 800</b>	<b>11 756</b>
<b>Total equity and liabilities</b>	<b>31 908</b>	<b>29 057</b>	<b>30 082</b>

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	30/4 2024	30/4 2023
Equity as of 1 January	18 325	14 493
Profit of the period	1 361	1 456
Dividends	-2 244	-879
Other comprehensive income	897	1 187
<b>Equity as of 30 April</b>	<b>18 339</b>	<b>16 257</b>

### CONDENSED CASH FLOW STATEMENT

(NOK million)	30/4 2024	30/4 2023
Operating profit	2 390	2 122
Adjustments to reconcile operating profit to net cash flows:		
Share of profit from associates and joint ventures	-483	-390
Dividend paid from associates and joint ventures	695	-
Depreciation, amortisation and impairment	358	332
Change in accruals, provisions and other	397	609
Change in operating working capital	-2 136	-1 636
<b>Cash generated from operating activities</b>	<b>1 221</b>	<b>1 038</b>
Net financial items	-301	-312
Tax payments	-608	-356
<b>Net cash flow from operating activities</b>	<b>312</b>	<b>369</b>
<b>Net cash flow from investing activities</b>	<b>-381</b>	<b>-497</b>
Dividends paid to Jotun A/S shareholders	-1 112	-428
Dividends paid to non-controlling interests	-21	-24
Payment of principal portion of lease liabilities	-60	-50
Net proceeds from borrowings	91	-44
<b>Net cash flow from financing activities</b>	<b>-1 102</b>	<b>-546</b>
<b>Net increase / decrease (-) in cash</b>	<b>-1 172</b>	<b>-674</b>
Net currency translation effect	-206	136
Inflation effect on cash	189	59
Cash at beginning of period	5 390	3 312
<b>Cash at end of period</b>	<b>4 202</b>	<b>2 834</b>

Sandefjord, Norway, 28 May 2024

The Board of Directors

Jotun A/S

Odd Gleditsch d.y.  
Chairman

Jørgen Arnesen

Nicolai A. Eger

Karoline Gleditsch

Jannicke Nilsson

Nils K. Selte

Camilla Hagen Sørli

Per Kristian Aagaard

Björg Engevik Nilsen

Morten Fon  
President and CEO