

Press release

Jotun delivers solid results

Sandefjord, 2nd June 2016: Jotun Group recorded sales of NOK 5.48 billion and an operating profit of NOK 935 million in the first four months of the year. While somewhat lower growth is anticipated moving forward, the Group expects to deliver good results in 2016.

Jotun's operating revenues reached 5.48 billion in the first four months this year, up 4.8 per cent from the same period last year. Operating profit for the period was 935 million, up 20.8 per cent compared with the same period last year.

According to President and CEO Morten Fon, the company got off to a good start in 2016. "We are pleased with strong growth in the Decorative Paints segment and high activity in the Marine Coatings segment, although the growth in Marine is levelling off " he says. "Profitability has also been good in the Powder and Protective Coatings segments, despite a somewhat lower growth. All in all, we are satisfied with our performance."

Investment levels maintained

Jotun remains committed to an ambitious investment programme. In the first four months of 2016, the company' total investment in property, factories, equipment and intangible assets amounted to NOK 323 million.

Fon notes that these investments, which represent about six per cent of the company's total revenue, are necessary in pursuit of the company's strategic growth ambitions. "New factories in Oman, the Philippines and Myanmar constitute the main part of the investments, along with investments related to product innovation, personnel and systems to improve operational efficiency", he says.

Looking ahead

Over all, underlying volume growth is solid, at ten per cent so far this year. However, weak demand for newbuildings is likely to slow growth in the Marine Coatings segment while low oil prices continue to depress activity in the offshore sector, impacting sales of Protective Coatings going forward. By contrast, growth in the Decorative Paint and Powder Coatings segment is expected to continue. Commodity prices remain favourable but are expected to rise in the future.

"While we remain focused on controlling costs, Jotun remains committed to our organic growth strategy, which applies to both existing and new markets," says Fon. "We will also continue to recruit, train and develop personnel, who are essential to maintaining Jotun's enduring success."

Highlights of T1 in 2016:

- Continued revenue growth
- Good results in all segments
- Investments in Oman, the Philippines and Myanmar

Financial key figures (NOK million)	T1 2016	T1 2015	Change
Operating revenues	5,483	5,234	4.8 %
Operating profit	935	774	20.8 %
Profit before tax	918	770	19.2 %

Further information:

Morten Fon, President and CEO, mobile + 47 909 19 822

Sverre Knudsen, Group Communications Director, mobil +47 906 32 035