

Press release

Sales growth and solid results for Jotun so far this year

(Sandefjord, 24 September 2020): In the first eight months of the year, Jotun achieved sales of NOK 13,916 million and posted a record operating profit of NOK 2,402 million.

The sales growth of eight per cent is strongly affected by positive currency translation effects due to a weak Norwegian krone. Adjusted for currency, the underlying sales growth was one per cent. The increase is driven by modest growth in Marine Coatings and Decorative Paints, while sales in Protective Coatings were flat and sales of powder coatings declined.

Operating profit is up 37 per cent compared with the same period last year and is mainly explained by positive currency translation effects and improved margins.

Consequences of the corona virus pandemic

Due to COVID-19, government authorities in markets where Jotun operates have introduced strict restrictions and infection control measures. These steps have had a negative effect on sales in all segments. But according to President and CEO Morten Fon, the negative impact is easing as restrictions have started to lift in several countries.

“There are large differences between regions and countries,” he says. “For example, our companies in South East Asia and the Middle East are strongly affected by the pandemic with lower sales so far this year. As these are large and important markets for Jotun, it affects our performance. At the same time, we have seen strong growth throughout the period in other important markets, like Scandinavia.”

Investments in research and increased capacity

Jotun invested NOK 813 million in the first eight months of the year, which accounts for about six per cent of operating revenue. Completion of Jotun's new headquarters and research and development centre and a factory upgrade in Sandefjord represent the largest part of the investments. In addition, the company also continues to invest overseas, including construction of a new factory in Vietnam, a capacity expansion in Egypt, and a new regional office and research and development centre in Dubai.

Future prospects

Despite good results so far this year, Fon cautions that many uncertainties remain. “In the short term, we anticipate that the pandemic will continue to impact Jotun, although the impact will vary between segments and regions,” he says. “In the longer term, we also expect lower activity in the offshore industry and the newbuilding market for ships. However, with solid equity, good cash flow and access to increased liquidity when needed, Jotun is in a strong position to manage whatever may come”, Fon says.

Financial key figures (NOK million)	T1+T2 2020	T1+T2 2019	Change
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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

Operating revenue	13,916	12,875	+8 %
Operating profit	2,402	1,749	+37 %
Result before tax	2,122	1,561	+36%

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