

Press release

Growth in uncertain times

(Sandefjord, 24th May 2022): **Jotun increased its revenue by 14 per cent to NOK 8 459 million in the first four months of 2022. Record-high raw material prices weakened the operating profit compared to the same period last year.**

Demanding market situation

Jotun navigated well through the turbulent first four months of 2022. The group achieved a new sales record and recorded revenue growth in all segments (Decorative Paints, and Marine, Protective and Powder Coatings). However, the paints and coatings manufacturer was challenged by a number of events, including the war in Ukraine, the Covid shutdown in China, continuing supply chain disruptions and record-high raw material prices.

"The organisation has handled the situation well. Higher sales volumes and price increases contributed to Jotun delivering record-high revenues. In March, we passed one billion litres of paints and coatings sold on 12-month basis", President & CEO Morten Fon says.

The high raw material prices led to a fall in operating profit in the first tertiary compared to the same period last year.

Sanctions against Russia

Due to the war in Ukraine and the international sanctions against Russia, Jotun has suspended its operations in Russia. The organisation has focused on taking care of its 300 employees in Russia as well as the four in Ukraine.

"There is a great deal of uncertainty associated with our business in Russia. We are preparing for all possible outcomes", Morten Fon says.

Nevertheless, the situation is manageable for Jotun, as the company's operations in Russia only account for between 2 and 3 per cent of Jotun Group's total revenue.

Significant uncertainty

Going forward, Jotun has identified uncertainties related to rising inflation, global supply chain disruptions and the Covid situation in China. On the opposite hand, the company is registering positive tendencies in selected key markets, including newbuilding of ships, which may contribute to further growth.

"High raw material prices will continue to put pressure on our margins. Therefore, we must continue with price increases and cost control", Morten Fon says.

However, Jotun is well-positioned to generate further profitable growth and remains committed to its long-term growth and investment strategy.

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 on all continents, 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 seven geographical regions, and has its head office in Sandefjord, Norway.



Jotun Protects Property

Key figures (NOK million)	<i>T1 2022</i>	<i>T1 2021</i>	<i>Change</i>
Operating revenue	8 459	7 441	14 %
Operating profit	1 143	1 469	-22 %
Profit before tax	980	1 407	-30 %

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