

Press release

Jotun delivers strong result in challenging times

(Sandefjord, May 28, 2020): Jotun recorded sales of NOK 6 804 million and achieved an operating profit of NOK 1 065 million in the first four months of the year, despite impacts from the ongoing coronavirus pandemic.

Adjusted for positive currency effects, Jotun recorded sales growth of one per cent. The modest growth was supported by strong sales in the ship maintenance market, where activity remains high despite the pandemic. Sales of protective coatings were on level with last year, while sales of decorative paints and powder coatings declined, especially in the Middle East and South East Asia. Operating profit is up 25 per cent compared to the same period last year, due to positive currency effects and improved margins.

Pandemic effects

The coronavirus pandemic resulted in the temporary shut-down of production facilities in a number of countries. Other restrictions put in place by government authorities to contain the virus have also led to lower activity in several important markets.

According to Jotun's President and CEO Morten Fon, the company has moved quickly to manage the issue. "Our priority has been to secure the well-being of our employees," he says. "We introduced a number of measures to limit risk of infection at our factories to ensure we could continue to operate safely. Thanks to these efforts, we have managed to continue producing paints and coatings in all countries where we were not required to close."

All affected production facilities have now resumed operations.

Looking ahead

Fon acknowledges that the pandemic will likely impact results going forward. "As government authorities in different markets implement strict measures to manage outbreaks, we anticipate lower sales for some time," he says. "In addition, the pandemic has created financial uncertainties which may affect demand for paints and coatings in some markets."

Jotun has a solid financial position, with high equity and good cash flow. Measures have also been taken to ensure access to increased liquidity, if required. "Jotun's strategy remains unchanged," says Fon. "We have a global presence and are active in four paints and coatings segments, creating a diversified business model that has proven to be resilient over time. We are confident that the company will manage through this challenging period in a good way".

Financial key figures (NOK million)	T1 2020	T1 2019	Change
Operating revenue	6 804	6 245	+9 %
Operating profit	1 065	851	+25 %
Profit before tax	892	792	+13 %

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.



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