



JOTUN

Jotun Protects Property



FINANCIAL REPORT

1 January – 31 August 2024

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Jotun Group – Interim Financial Report

- Continued sales growth
- Increased earnings and solid profitability
- Positive gross margin development
- Positive outlook despite global uncertainties

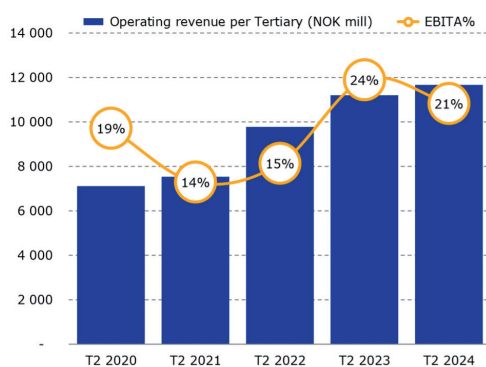
The condensed consolidated financial statements for the Jotun Group consist of Jotun A/S and 57 subsidiaries, three joint ventures in China and Korea, and five associates in UAE and Saudi Arabia. Subsidiaries are fully consolidated independent of shareholding, while Jotun's share of profits from joint 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 22 573 million in the first eight months of 2024 (2023: NOK 21 589 million). Adjusted for negative currency translation effects, mainly due to a weakening of the Turkish Lira and the Egyptian Pound relative to the Norwegian krone, the underlying sales growth was 8 per cent.

The positive underlying sales development was driven by sales growth in all segments and regions, led by Marine and Protective Coatings with strong performance in the Middle East and North-East Asia.

Operating profit increased to NOK 4 865 million in the first eight months of 2024 compared to NOK 4 754 million in the same period last year. The earnings improvement was driven by increased sales and higher gross margin, mainly attributed to increased premium sales and positive mix effects. While profitability remained at a strong level, the EBITA-margin decreased from 24% in T2 2023 to 21% in T2 2024 due to increased operating costs.



Operating Cash flow

Operating activities generated a positive cash flow of NOK 2 550 million as of August 2024 (2023: NOK 2 947 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 844 million as of August 2024 (2023: NOK 908 million). The ongoing construction of new factories in Indonesia and Egypt, as well as a new regional office and R&D centre in Malaysia, account for the main investments of the year to date.

Net interest-bearing debt

The net interest-bearing debt for the Group was NOK -243 million as of 31 August 2024, compared to NOK -1 184 million as of 31 December 2023. The development in net interest-bearing debt is driven by a reduced cash balance, which is attributable to a build-up of working capital and dividends paid to Jotun A/S shareholders. Despite an increase in the net-interest-bearing debt, the Group has a solid financial position with a net interest-bearing debt to EBITDA ratio of zero.

Shareholders' equity

Shareholders' equity, including non-controlling interests, increased during the first eight months of 2024 to NOK 19 648 million (31 December 2023: NOK 18 325 million), yielding an equity ratio of 60 per cent as of 31 August 2024 (31 December 2023: 61 per cent). Profit for the period and positive currency translation effects were offset by the distribution of annual dividends to Jotun A/S shareholders.

Outlook

The overall outlook remains positive, and Jotun expects continued sales growth and good profitability for the remaining part of the year. However, year-over-year growth rates are expected to be lower due to exceptionally strong comparison months last year.

Raw material prices have remained relatively stable so far in 2024 and are expected to remain stable also in the coming months. This will continue to support solid gross margins for the remainder of the year. However, increased price competition in bids for new contracts combined with inflationary pressure on operating expenses in several markets, is expected to influence gross margins and profitability moving forward.

Despite persistent global uncertainties in the outlook, Jotun remains well-positioned for future growth due to its robust business model and geographical reach. Jotun continues to pursue its long-term growth and investment plans.

1 January – 31 August 2024

Jotun Group – Financial consolidated information (Unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT

(NOK million)	31/8 2024	31/8 2023	31/12 2023
Operating revenue	22 573	21 589	31 861
Share of profit from associates and joint ventures	1 007	891	1 333
Cost of goods sold	-11 517	-11 307	-16 646
Other operating expenses	-6 461	-5 745	-9 081
Depreciation, amortisation and impairment	-737	-674	-1 038
Operating profit	4 865	4 754	6 430
Net financial items	-657	-399	-552
Profit before tax	4 209	4 355	5 879
Income tax	-1 100	-1 066	-1 378
Profit for the period	3 108	3 289	4 500

CONDENSED CONSOLIDATED BALANCE SHEET

(NOK million)	31/8 2024	31/8 2023	31/12 2023
Intangible assets	1 444	1 291	1 360
Property, plant and equipment	9 122	8 799	8 747
Financial fixed assets	2 327	2 079	2 400
Total non-current assets	12 893	12 168	12 507
Inventories	5 363	4 798	4 529
Trade and other receivables	9 751	8 768	7 654
Cash and cash equivalents	4 849	4 563	5 390
Total current assets	19 962	18 129	17 574
Total assets	32 855	30 297	30 082
Share capital	103	103	103
Other equity	19 233	17 205	17 789
Non-controlling interests	312	399	433
Total equity	19 648	17 707	18 325
Non-current liabilities	3 580	2 924	2 770
Current interest-bearing debt	1 885	2 429	2 163
Other current liabilities	7 743	7 238	6 823
Total liabilities	13 208	12 590	11 756
Total equity and liabilities	32 855	30 297	30 082

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	31/8 2024	31/8 2023
Equity as of 1 January	18 325	14 493
Profit for the period	3 108	3 289
Dividends	-2 342	-947
Other comprehensive income	556	872
Equity as of 31 August	19 648	17 707

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(NOK million)	31/8 2024	31/8 2023
Operating profit	4 865	4 754
Adjustments to reconcile operating profit to net cash flows:		
Share of profit from associates and joint ventures	-1 007	-891
Dividend paid from associates and joint ventures	1 203	799
Depreciation, amortisation and impairment	737	674
Change in accruals, provisions and other	577	404
Change in operating working capital	-2 206	-1 585
Cash generated from operating activities	4 169	4 155
Net financial items	-548	-424
Tax payments	-1 071	-784
Net cash flow from operating activities	2 550	2 947
Net cash flow from investing activities	-844	-908
Dividends paid to Jotun A/S shareholders	-2 223	-428
Dividends paid to non-controlling interests	-119	-92
Payment of principal portion of lease liabilities	-113	-97
Net proceeds from borrowings	322	-355
Net cash flow from financing activities	-2 133	-971
Net increase / decrease (-) in cash	-427	1 068
Cash at beginning of period	5 390	3 312
Net currency translation effect	-348	90
Inflation effect on cash	233	92
Cash at end of period	4 849	4 563

Sandefjord, Norway, 26 September 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