

9 May 2025

Quarterly Update – Q1 2025

Good sales and earnings growth

- ✓ Sales growth in all segments and regions
- ✓ Growth in earnings
- ✓ Increased uncertainty due to US tariffs and trade wars

Operating revenue

Jotun recorded good sales growth in the first quarter of 2025, with operating revenue increasing 6.4% compared to the same period last year.

The positive sales development in Q1 was driven by sales growth across all segments. Volume was the main driver of growth, except in Decorative, where increased premium sales and positive regional mix effects were the main drivers. All regions contributed to the sales growth, led by Northeast Asia, where strong newbuilding activity in both China and Korea led to increased sales of marine coatings.

Operating profit

Operating profit grew by 3.9% in the first quarter compared to 2024, mainly explained by increased sales and gross profit, with gross margin only slightly down compared to the same period last year. In addition, growth in total costs year over year was relatively low as operating profit in Q1 last year included a currency loss of NOK 252 million, triggered by the devaluation of the Egyptian Pound.

Outlook

Jotun has had a good start to the year and expects sales to continue to develop positively in 2025. Earnings are also expected to be solid in 2025, albeit with a lower operating margin compared to previous years. While raw material costs are forecasted to remain flat over the next three months, competitive pressure on selling prices is expected to lead to a gradual decline in gross margins moving forward.

The recent increase in US tariffs and subsequent retaliations from other countries have created significant uncertainty with respect to global trade and economic growth, supply chain efficiency, inflation, and foreign currency. While the effects on Jotun's business from higher tariffs have thus far been limited, the outlook for the paint and coatings markets has in general become more uncertain.

Jotun has a business model that is highly diversified geographically with limited direct exposure to the US market (< 1% of sales). Furthermore, the business model is based on local production and has proven itself to be robust through global financial crises in the past. Jotun therefore remains confident in its long-term strategy and prospects for continued profitable growth.

Financial key figures (NOK million)	Jan. – Mar. 2025	Jan. – Mar. 2024	Change
Operating revenue	8,571	8,056	6.4%
Operating profit	1,890	1,818	3.9%

For further information:

Morten Fon, CEO. Mobile +47 909 19 822

Øyvind Willumsen Haugå, Group Communications Director. Mobile +47 957 47 495