



# JOTUN

Jotun Protects Property



**FINANCIAL REPORT**

1 January – 31 August 2025

## Jotun Group – Interim Financial Report

- Sales growth in all segments and regions
- Negative currency translation effects on reported figures
- Outlook remains positive, 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 six associates in UAE, Saudi Arabia, and Bahrain. Subsidiaries are fully consolidated independent of shareholding, while Jotun's share of profits from associates and joint ventures is presented on a separate line in the consolidated income statement.

### Operating revenue and profit

Operating revenue increased by two per cent to NOK 22 998 million in the first eight months of 2025 (2024: NOK 22 573 million). Adjusted for negative currency translation effects, mainly due to the strengthening of the Norwegian krone relative to USD, the underlying sales growth was 4 per cent.

All segments have contributed positively to the underlying sales growth year to date, as have all regions, led by the Middle East, South-East Asia, and North-East Asia. In North-East Asia, high activity in shipyards has continued to drive Marine sales, which have now reached maximum yard capacity.

Operating profit increased to NOK 4 991 million in the first eight months of 2025 compared to NOK 4 865 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. As indicated in the figure below, this has supported a continued solid operating margin, despite an increase in operating costs compared to the same period last year.



Although the Norwegian krone strengthened against most of Jotun's key trading currencies during the first eight months of the year, the impact on reported operating revenue and profit has been limited. However, currency movements have had a significant effect on both operating cash flow and equity during the reporting period.

### Operating Cash flow

Operating activities generated a positive cash flow of NOK 5 416 million as of August 2025 (2024: NOK 4 169 million). The strong improvement is largely explained by significant positive currency translation effects, as the strengthening of the Norwegian krone reduced the impact of increased working capital on cash flow reported in NOK. In contrast, a weakening of the Norwegian krone during the same period last year led to a larger increase in working capital and negative impact on operating cash flow when translated to NOK.

### Investments

Investments in tangible and intangible assets amounted to NOK 935 million as of August 2025 (2024: NOK 844 million). The ongoing construction of a new factory in Indonesia, as well as a new regional office and R&D centre in Malaysia, account for the main investments year to date.

### Net interest-bearing debt

The net interest-bearing debt for the Group was NOK -2 024 million as of 31 August 2025, compared to NOK -1 481 million as of 31 December 2024. While total interest-bearing debt in the Group has remained stable, cash holdings in the Group have increased, mainly driven by strong cash flow from operations. The Group has a solid financial position with a net interest-bearing debt to EBITDA ratio of -0.2.

### Shareholders' equity

Shareholders' equity, including non-controlling interests, decreased during the first eight months of 2025 to NOK 21 316 million (31 December 2024: NOK 21 660 million), yielding an equity ratio of 62 per cent as of 31 August 2025 (31 December 2024: 62 per cent). The decrease in shareholders' equity is explained by negative currency translation effects and the distribution of dividends to Jotun A/S shareholders, which more than offset profit for the period.

### Outlook

The outlook for Jotun remains positive, with expectations of continued underlying sales growth and solid profitability for the remainder of 2025. However, negative currency translation effects on reported sales and earnings are expected to continue, as the NOK is forecasted to further strengthen against several of Jotun's key currencies.

The Group's operating margin remains at a historically high level, supported by increased premium sales and favourable raw material prices. While raw material prices are forecasted to remain stable in the months ahead, increasing pressure on selling prices and operating costs remains a challenge. This is expected to lead to a gradual reduction of operating margin moving forward.

Increased geopolitical tensions and heightened trade barriers have led to increased global economic uncertainty. Despite this, Jotun has a proven business model that is highly diversified geographically with a strong presence in growth markets. Jotun therefore remains confident in its long-term organic growth strategy and investment plans.

1 January – 31 August 2025

## Jotun Group – Financial consolidated information (Unaudited)

### CONDENSED CONSOLIDATED INCOME STATEMENT

(NOK million)	31/8 2025	31/8 2024	31/12 2024
Operating revenue	22 998	22 573	34 206
Share of profit from associates and joint ventures	1 066	1 007	1 492
Cost of goods sold	-11 567	-11 517	-17 466
Other operating expenses	-6 716	-6 461	-10 307
Depreciation, amortisation and impairment	-790	-737	-1 160
<b>Operating profit</b>	<b>4 991</b>	<b>4 865</b>	<b>6 766</b>
Net financial items	-138	-657	-916
<b>Profit before tax</b>	<b>4 853</b>	<b>4 209</b>	<b>5 849</b>
Income tax	-1 259	-1 100	-1 400
<b>Profit for the period</b>	<b>3 594</b>	<b>3 108</b>	<b>4 449</b>

### CONDENSED CONSOLIDATED BALANCE SHEET

(NOK million)	31/8 2025	31/8 2024	31/12 2024
Intangible assets	1 504	1 444	1 528
Property, plant and equipment	8 985	9 122	9 511
Financial fixed asset	2 335	2 327	2 875
<b>Total non-current assets</b>	<b>12 825</b>	<b>12 893</b>	<b>13 914</b>
Inventories	4 964	5 363	5 623
Trade and other receivables	9 714	9 751	9 191
Cash and cash equivalents	6 636	4 849	6 176
<b>Total current assets</b>	<b>21 314</b>	<b>19 962</b>	<b>20 990</b>
<b>Total assets</b>	<b>34 138</b>	<b>32 855</b>	<b>34 904</b>
Share capital	103	103	103
Other equity	20 861	19 233	21 186
Non-controlling interests	353	312	372
<b>Total equity</b>	<b>21 316</b>	<b>19 648</b>	<b>21 660</b>
Non-current liabilities	3 154	3 580	3 521
Current interest-bearing debt	2 379	1 885	2 007
Other current liabilities	7 289	7 743	7 716
<b>Total liabilities</b>	<b>12 822</b>	<b>13 208</b>	<b>13 243</b>
<b>Total equity and liabilities</b>	<b>34 138</b>	<b>32 855</b>	<b>34 904</b>

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	31/8 2025	31/8 2024
Equity as of 1 January	21 660	18 325
Profit of the period	3 594	3 108
Dividends	-2 319	-2 342
Other comprehensive income	-1 619	556
<b>Equity as of 31 August</b>	<b>21 316</b>	<b>19 648</b>

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(NOK million)	31/8 2025	31/8 2024
Operating profit	4 991	4 865
Adjustments to reconcile operating profit to net cash flows:		
Share of profit from associates and joint ventures	-1 066	-1 007
Dividend paid from associates and joint ventures	1 313	1 203
Depreciation, amortisation and impairment	790	737
Change in accruals, provisions and other	-587	577
Change in operating working capital	-25	-2 206
<b>Cash generated from operating activities</b>	<b>5 416</b>	<b>4 169</b>
Net financial items	-319	-548
Tax payments	-1 140	-1 071
<b>Net cash flow from operating activities</b>	<b>3 957</b>	<b>2 550</b>
<b>Net cash flow from investing activities</b>	<b>-935</b>	<b>-844</b>
Dividends paid to Jotun A/S shareholders	-2 223	-2 223
Dividends paid to non-controlling interests	-96	-119
Payment of principal portion of lease liabilities	-114	-113
Net proceeds from borrowings	-39	322
<b>Net cash flow from financing activities</b>	<b>-2 472</b>	<b>-2 133</b>
<b>Net increase / decrease (-) in cash</b>	<b>551</b>	<b>-427</b>
Cash at beginning of period	6 176	5 390
Net increase / decrease (-) in cash	551	-427
Net currency translation effect	-238	-348
Inflation effect on cash	146	233
<b>Cash at end of period</b>	<b>6 636</b>	<b>4 849</b>

Sandefjord, Norway, 25 September 2025

The Board of Directors  
Jotun A/S

Odd Gleditsch d.y.  
Chairman

Jørgen Arnesen

Nicolai A. Eger

Karoline Gleditsch

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Björg Engevik Nilsen

Morten Fon  
President and CEO