Jotun Protects Property

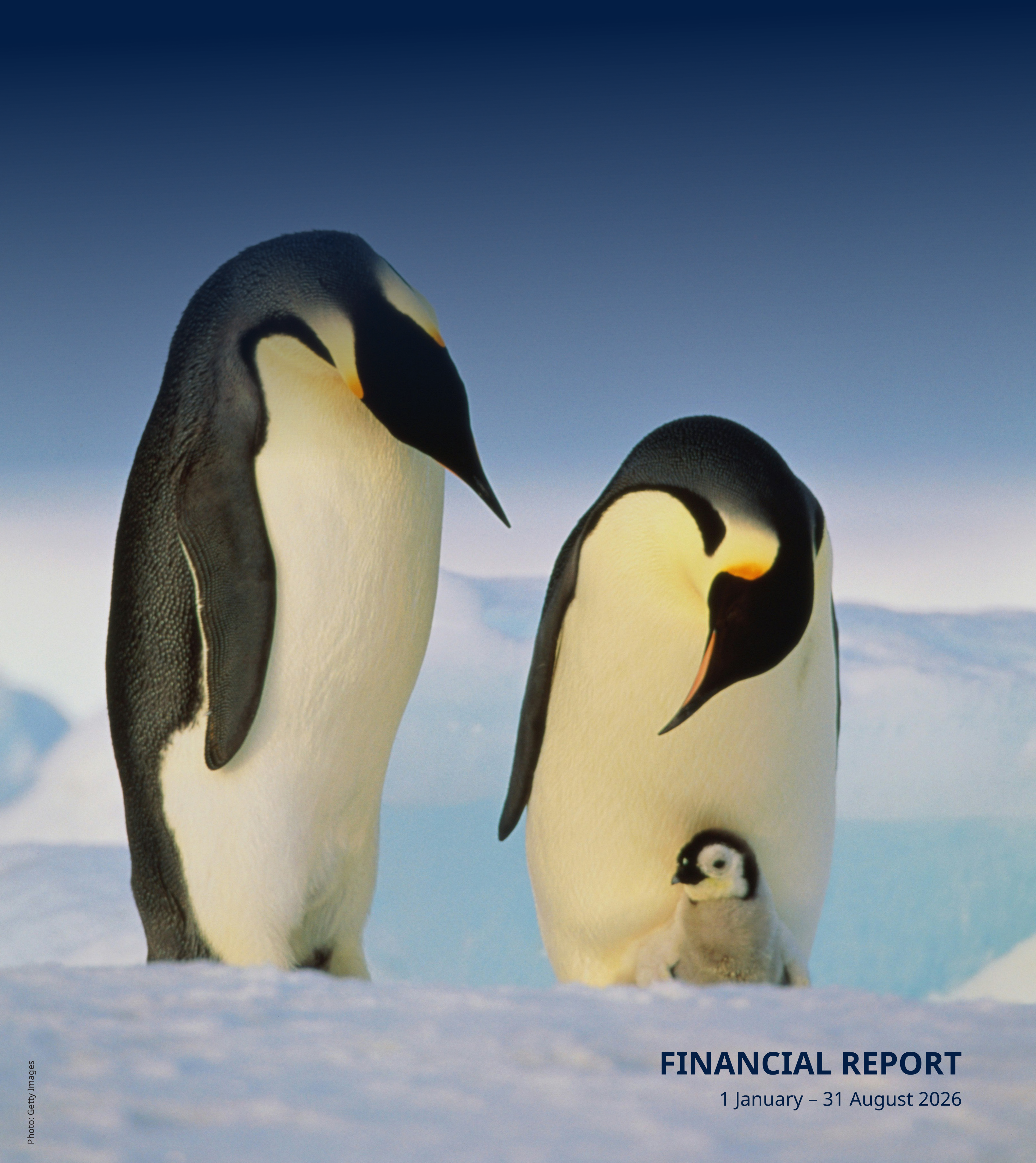


Photo: Getty Images

FINANCIAL REPORT

1 January – 31 August 2026

Jotun Group – Interim Financial Report

- Sales growth across all segments and regions
- Reported figures continuously impacted by negative currency translation effects from a stronger NOK
- The outlook remains uncertain amid prolonged geopolitical tensions in the Middle East

The condensed consolidated financial statements for the Jotun Group consist of Jotun A/S and 58 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.

Jotun delivered strong results in the first eight months of 2026 despite the ongoing conflict in the Middle East. Production and sales in the war-affected markets were maintained, although supply chain constraints continued to affect raw material availability, lead times and logistics.

Operating revenue and profit

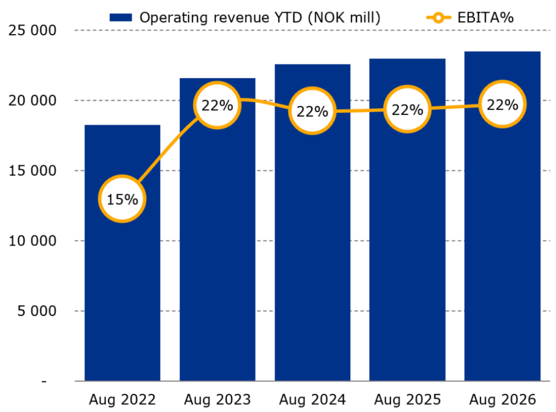
Operating revenue increased by 2 per cent to NOK 23 478 million in the first eight months of 2026 (2025: NOK 22 998 million). Adjusted for negative currency translation effects resulting from a stronger Norwegian krone, underlying sales growth was 10 per cent.

All segments and regions contributed to the positive development. Growth was primarily driven by higher volumes and pricing measures implemented to offset higher raw material costs. Decorative Paints delivered solid growth, particularly in Europe & Central Asia and South East Asia & Pacific, while Protective Coatings recorded increased sales across all regions except the Middle East.

Share of profit from associates and joint ventures decreased by 17 per cent to NOK 886 million as of August 2026 (2025: NOK 1 066 million). The decline reflects increasing margin pressure in the Marine segment in North East Asia and the impact of the ongoing conflict in the Middle East.

Operating profit increased to NOK 5 183 million (2025: NOK 4 991 million), corresponding to an increase of 4 per cent. Excluding negative currency translation effects, the underlying improvement was 13 per cent.

The earnings improvement was driven by higher sales and stable gross margins. Increased premium sales and positive mix effects, together with good cost control, supported a continued solid operating margin, as shown in the figure below. .



Operating Cash flow

Operating activities generated a positive cash flow of NOK 1 946 million as of August 2026 (2025: NOK 3 957 million). Cash flow was lower than last year, primarily due to higher working capital. Inventory increased, mainly reflecting higher raw material costs, while customer receivables increased due to sales growth. The year-on-year decline was also influenced by a significantly larger positive currency translation effect in 2025 following a stronger Norwegian krone.

Investments

Investments in tangible and intangible assets amounted to NOK 1 250 million as of August 2026 (2025: NOK 935 million). The ongoing construction of a new regional office and R&D centre in Malaysia, construction of new R&D facilities in China, and construction of warehouses in China and Norway account for the main investments year to date.

Net interest-bearing debt

The net interest-bearing debt for the Group was NOK –448 million as of 31 August 2026, compared to NOK –2 470 million as of 31 December 2025. The change in net interest-bearing debt is driven by reduced cash holdings mainly due to a build-up of working capital as well as payment of dividends to Jotun A/S shareholders. The Group has a solid financial position with a net interest-bearing debt to EBITDA ratio of -0.1.

Shareholders' equity

Shareholders' equity, including non-controlling interests, decreased during the first eight months of 2026 to NOK 21 448 million (31 December 2025: NOK 21 657 million), yielding an equity ratio of 61 per cent as of 31 August 2026 (31 December 2025: 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

Jotun continues to deliver solid underlying growth in both sales and earnings. At the same time, the outlook remains uncertain due to the ongoing conflict in the Middle East. While operations in the affected areas have been maintained, prolonged geopolitical uncertainty is expected to increasingly affect supply chains, logistics and raw material markets beyond the region.

Raw material prices and logistics costs remain at elevated levels, although developments have been more favourable than initially anticipated. Due to the time lag between cost developments and their effect on margins, the full impact of higher raw material costs has yet to be reflected in Jotun's results. Although raw material prices and logistics costs are expected to remain relatively stable in the coming months, current cost levels are still expected to put pressure on margins in the coming period.

Despite the uncertainty, Jotun's global presence and diversified business model provide resilience. The Group therefore continues to execute its long-term growth strategy and investment plans.

1 January – 31 August 2026

Jotun Group – Financial consolidated information (Unaudited)

CONDENSED CONSOLIDATED INCOME STATEMENT

(NOK million)	**31/8 2026**	31/8 2025	31/12 2025
Operating revenue	23 478	22 998	34 333
Share of profit from associates and joint ventures	866	1 066	1 535
Cost of goods sold	–11 576	–11 567	– 17 254
Other operating expenses	–6 839	–6 716	–10 332
Depreciation, amortisation and impairment	767	790	–1 201
Operating profit	**5 183**	**4 991**	**7 081**
Net financial items	–289	–138	–257
Profit before tax	**4 894**	**4 853**	**6 824**
Income tax	–1 356	–1 259	– 1 581
Profit for the period	**3 538**	**3 594**	**5 243**

CONDENSED CONSOLIDATED BALANCE SHEET

(NOK million)	**31/8 2026**	31/8 2025	31/12 2025
Intangible assets	1 576	1 504	1 529
Property, plant and equipment	9 318	8 985	9 222
Financial fixed asset	2 288	2 335	2 788
Total non-current assets	**13 182**	**12 825**	**13 540**
Inventories	5 834	4 964	5 233
Trade and other receivables	10 270	9 714	9 004
Cash and cash equivalents	6 038	6 636	6 876
Total current assets	**22 142**	**21 314**	**21 113**
Total assets	**35 323**	**34 138**	**34 653**
Share capital	103	103	103
Other equity	21 012	20 861	21 230
Non-controlling interests	333	353	324
Total equity	**21 448**	**21 316**	**21 657**
Non-current liabilities	3 851	3 154	3 077
Current interest-bearing debt	2 695	2 379	2 184
Other current liabilities	7 329	7 289	7 734
Total liabilities	**13 876**	**12 822**	**12 996**
Total equity and liabilities	**35 323**	**34 138**	**34 653**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	**31/8 2026**	31/8 2025
Equity as of 1 January	21 657	21 660
Profit of the period	3 538	3 594
Dividends	–2 445	–2 319
Other comprehensive income	–1 303	–1 619
Equity as of 31 August	**21 448**	**21 316**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(NOK million)	**31/8 2026**	31/8 2025
Operating profit	5 183	4 991
Adjustments to reconcile operating profit to net cash flows:		
Share of profit from associates and joint ventures	–886	–1 066
Dividend paid from associates and joint ventures	1 281	1 313
Depreciation, amortisation and impairment	767	790
Change in accruals, provisions and other	–1 053	–587
Change in operating working capital	–1 713	–25
Cash generated from operating activities	**3 579**	**5 416**
Net financial items	–465	–319
Tax payments	–1 167	–1 140
Net cash flow from operating activities	**1 946**	**3 957**
Net cash flow from investing activities	**–1 250**	**–935**
Dividends paid to Jotun A/S shareholders	–2 394	–2 223
Dividends paid to non-controlling interests	–51	–96
Payment of principal portion of lease liabilites	–116	–114
Net proceeds from borrowings	1 166	–39
Net cash flow from financing activities	**–1 395**	**–2 472**
Net increase / decrease (–) in cash	**–698**	**551**
Cash at beginning of period	6 876	6 176
Net increase / decrease (–) in cash	–698	551
Net currency translation effect	–307	–238
Inflation effect on cash	166	146
Cash at end of period	**6 038**	**6 636**

Sandefjord, Norway, 24 September 2026
The Board of Directors
Jotun A/S

Odd Gleditsch d.y.
Chairman

Jørgen Arnesen | Karoline Gleditsch | Jannicke Nilsson | Nils K. Selte

Camilla Hagen | Silje Kristin Engen | Bjørg Engevik | Morten Fon *President and CEO*