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## Quarterly Update – Q4 2024

### Double-digit sales and earnings growth for Jotun

In advance of Orkla's quarterly report for Q4 2024 and the announcement of the Jotun Group's annual results for 2024 on 14 February 2025, Jotun reports the following developments in Q4 2024:

- ✓ Record sales and earnings in Q4
- ✓ Sales growth in all segments and regions
- ✓ Solid operating margin

#### Operating income

The strong sales momentum continued in the fourth quarter of 2024, with an increase in operating revenue of 15% compared to the same period in 2023. Adjusted for positive currency translation effects, mainly due to a further strengthening of USD versus NOK, the underlying sales growth was 12%.

The strong underlying sales development resulted in double-digit sales growth in all segments, primarily driven by volume growth and supported by positive mix effects.

All regions contributed to the sales growth. While sales showed signs of picking up in Southeast Asia & Pacific in Q4, Decorative sales in Scandinavia remained a challenge. In addition, the Marine market in Europe was slow, mainly explained by postponed drydockings due to favourable ocean freight rates.

#### Operating profit

Operating profit grew by 17% in the fourth quarter, driven by higher sales and improved gross margin, supported by relatively stable raw material prices. This more than compensated for an increase in operating costs, among other due to high inflationary pressure in some markets, such as Türkiye and Egypt. Adjusted for currency translation effects, the underlying earnings growth was 14%.

#### Outlook

After a strong Q4 and record high sales and operating profit in 2024, Jotun enters the new year with good sales momentum and expects sales growth in 2025 to continue to outpace projected market growth. Jotun also expects to generate solid earnings in 2025 albeit with a lower operating margin compared to the historically high level seen the last two years.

Raw material costs are forecasted to remain stable over the next three months and support gross margins in the beginning of 2025. However, intensified competition in bidding for new contracts is expected to put increased pressure on selling prices and lead to a gradual reduction in gross margins through the year. To maintain overall solid profitability, Jotun will continue to focus on controlling growth in operating costs.

While Jotun's overall outlook is positive, significant macroeconomic uncertainties and geopolitical tensions persist, including lower global growth forecasts and supply chain disruptions due to ongoing wars and conflicts. However, Jotun is well-positioned for further profitable growth and maintains its long-term strategy and investment plans.

Financial key figures (NOK mill)	Oct. – Dec.	Oct. – Dec.	Change
	2024	2023	
Operating revenue	8 663	7 561	14.6%
Operating profit	1 298	1 110	17.0%

#### For further information:

Morten Fon, CEO. Mobile +47 909 19 822

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