

Press release

2 March 2022

Hempel delivers solid 2021 full-year results and embeds ambitious sustainability framework

Key messages

- Strong growth of 15.1 per cent, with all customer segments reporting positive revenue growth
- Highest organic growth in ten years of 5.9 per cent, with ten consecutive quarters of organic growth
- Satisfactory and stable EBITDA margin of 11.4 per cent with EBITDA of EUR 203 million
- Two major strategic acquisitions in first full year of its *Double Impact* strategy
- Hempel embeds its ESG/Sustainability framework and launches CO₂ reduction targets in line with the Science Based Targets initiative 1.5°C pathway
- Hempel coatings enable marine customers to reduce CO₂ emissions by 4.5 million tonnes, an increase of 25 per cent since 2020.

Combining organic growth and two major strategic acquisitions, Hempel grew its revenue in 2021 to EUR 1.8 billion. The company also continued to build partnerships that deliver both financial and environmental value for customers as it aims to double its business by 2025.

Copenhagen, 2 March 2022: Hempel continued its growth trajectory in 2021, ending the year with 5.9 per cent organic growth, following ten consecutive quarters of organic growth. Total growth was 15.1 per cent, despite supply chain challenges across the coatings industry. The 5.9 per cent organic growth was the highest in more than ten years, driven by strong performance in the Marine and Infrastructure segments, and stronger than expected in the face of unprecedented raw material cost increases and shortages. EBITDA was EUR 203 million, resulting in a stable EBITDA margin of 11.4 per cent, in line with outlook.

“Our performance in 2021 was very satisfactory and demonstrates that the decisive actions taken to refocus our ambitions and deliver on our strategy are paying off,” says Lars Petersson, Group President & CEO of Hempel. “Our ambition is to double our business by 2025 and to increase our positive impact in terms of sustainability – and we remain on track.”

Hempel made two major strategic acquisitions during 2021. In April, it acquired Watty, one of Australia and New Zealand’s leading manufacturers of coatings for the decorative and infrastructure segments. In September, it followed with the acquisition of UK-based Farrow & Ball, the world’s leading luxury decorative paint and wallpaper company. Together, the two companies added revenue of EUR 162 million in 2021, with expectations of an annualised full year impact in 2022 of around EUR 275 million.

The 2022 outlook is mid to high single-digit organic revenue growth. Further, despite the unpredictable circumstances affecting raw materials, Hempel foresees a slightly increasing EBITDA margin between 11 and 12 per cent, leading to an EBITDA of EUR 220-240 million.

Securing a sustainable future with Futureproof

In February 2021, the company introduced Futureproof, a comprehensive framework and guide

for embedding sustainability throughout the Hempel business, from its core operations to product development and investments.

Futureproof lays out measurable Environmental, Social & Governance (ESG) goals, including CO₂ reduction targets. In November, Hempel submitted its CO₂ reduction targets, in line with a 1.5°C pathway, to be independently verified by the Science Based Targets initiative and expects validation in 2022.

“Putting sustainability at the heart of how we do business is the right thing to do and the smart thing to do,” says Lars Petersson. “To win key customers, we must deliver solutions and develop partnerships that answer to their sustainability challenges. One such example is our new strategic partnership with GRI Renewable Industries, which will see us drive sustainability and cost improvements in wind tower production.”

Enabling our customers to reduce emissions

The company also saw increased demand for its more sustainable products, such as its advanced hull coatings. These deliver fuel savings, and thereby CO₂ reductions, by improving a vessel’s hydrodynamics. In 2021, Hempel’s hull coatings helped marine customers reduce CO₂ emissions by 4.5 million tonnes, up from 3.6 million tonnes in 2020. Hempel aims to increase this to 5.5 million tonnes in 2022.

“As a company, we have a responsibility to act and make a difference. In 2021, we took great steps within our operations, commercial organisation, product development and sustainability work, laying the foundation for doubling our impact by 2025. Over the next few years, we will radically advance our environmental and social performance, while also expanding our business, so we can continue to create a brighter future with more sustainable solutions and fund the philanthropic work of our owner, the Hempel Foundation,” Lars Petersson concludes.

Contact

Joanna Ashmead, Head of Media Relations
Email: joaa@hempel.com
Tel: +45 3077 2816

About Hempel

As a world-leading supplier of trusted coating solutions, Hempel is a global company with strong values, working with customers in the decorative, marine, infrastructure and energy industries. Hempel factories, R&D centres and stock points are established in every region.

Across the globe, Hempel’s paints and coatings can be found in almost every country of the world. They protect and beautify buildings, infrastructure and other assets, and play an essential role in our customers’ businesses. They help minimise maintenance costs, improve aesthetics and increase energy efficiency.

At Hempel, our purpose is to shape a brighter future with sustainable coating solutions. We firmly believe that we will succeed as a business only if we place sustainability at our heart. Not only is it the right thing to do, it will also strengthen our competitive position, make ourselves more resilient and reduce our risk.

Hempel was founded in Copenhagen, Denmark in 1915. It is proudly owned by the Hempel Foundation, which ensures a solid economic base for the Hempel Group and supports cultural, social, humanitarian and scientific purposes around the world.