

Press release

14 March 2023

Hempel delivers double-digit growth in 2022 and shifts up a gear on its sustainability efforts

In a challenging 2022, Hempel grew its revenue in line with strategic focus, delivering record high organic growth of 12.7 per cent and revenue of EUR 2,159 million. Compared to 2021, this represents an increase of EUR 415 million, including acquisitions.

Key messages

- Record high organic revenue growth of 12.7 per cent, in line with strategic focus.
- Total revenue growth including acquisitions of 23.8 per cent in 2022.
- Adjusted EBITDA margin of 12 per cent.
- Adjusted EBITDA of EUR 257 million, an increase of EUR 52 million versus 2021.
- Hempel's Marine business delivered highest ever organic revenue growth of 33.1 per cent.
- Hempel's ambitious carbon emissions reduction targets were validated by the Science Based Targets initiative and Hempel received a B rating from CDP in its annual environmental disclosure and scoring process. Hempel's B score was awarded for good environmental management, which is the second best rating.

Copenhagen, 14 March 2023: Hempel delivered record high organic revenue growth of 12.7 per cent in 2022 and revenue of EUR 2,159 million. Compared to 2021, this represents an increase of EUR 415 million, driven by increased sales prices and acquisitions. In 2022, Hempel emphasised its focus on improving earnings by reducing costs to compensate for rising raw material costs and lower volumes.

Despite very challenging market conditions, Hempel continued its growth trajectory in line with its strategic ambitions to become market leader within the group's core industries, delivering a total growth of 23.8 per cent for the year. Adjusted EBITDA was EUR 257 million, an increase of EUR 52 million versus 2021, and the adjusted EBITDA margin was 12 per cent in 2022.

"Our results demonstrate that we are very high performing and work together to do our utmost for customers, colleagues, our owner and the societies we are a part of," says Michael Hansen, Group President and CEO of Hempel. "In a challenging year, we reached some noteworthy strategic milestones across our portfolio of business areas."

Hempel's Marine business closed the year with revenue of EUR 626 million, an increase of EUR 159 million, corresponding to an impressive organic revenue growth of 33.1 per cent - the highest ever for this business area. In addition, Hempel expanded its own store network and range for Decorative customers, launched a ground-breaking new sustainable solution for wind turbine blades, and opened a large new factory in Yantai, marking 30 years with Hempel factories in China.

The 2023 outlook is mid to high single-digit organic revenue growth and an increasing EBITDA margin, leading to an EBITDA in the range of EUR 260-290 million.

Accelerated earnings

A continuously improving bottom line is fundamental for Hempel to execute on its ambitious Double Impact strategy.

“Our growth path is very ambitious and, since we launched our Double Impact strategy in 2020, we have been very focused on sales growth. Moving forward and in line with our strategy, we want to more cost-effectively scale our business and significantly increase our EBITDA margin,” says Michael Hansen. “This will help us to invest even more in new sustainable solutions for our customers.”

A prosperous Hempel means even greater opportunities for its employees to grow and develop – and higher returns for the company’s owner, the Hempel Foundation, to be able to donate more to its extremely important philanthropic work around the world.

Advancing towards sustainability leadership

In 2022, Hempel made progress on Futureproof, its comprehensive framework for embedding sustainability throughout its business through measurable Environmental, Social & Governance (ESG) goals. In April, Hempel’s clear and ambitious carbon reduction targets were approved by the Science Based Targets initiative. In December, the company received a B rating from CDP in its annual environmental disclosure and scoring process, regarded as the gold standard for corporate environmental transparency. Hempel’s B score was awarded for good environmental management, which is the second best rating.

“We are naturally very pleased to receive this rating in the first year of our participation. Having our efforts validated externally is integral to making further progress towards becoming the sustainability leader within our core business areas in the industry,” said Michael Hansen. “At Hempel, we strive to put sustainability at the heart of everything we do. Like all companies, we have a responsibility to lower emissions from our operations and reduce the resources we use, whilst at the same time, continuing to develop products and solutions that support our customers on their sustainability journeys.”

As an example, Hempel saw a sharp increase in demand for its innovative, sustainable products, such as its silicone hull coatings, which enable marine customers to significantly decrease fuel consumption and reduce their environmental impact as a result.

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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 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. www.hempel.com