

Press release

8 May 2024

Hempel enters strategic partnership with CVC to accelerate long-term growth

The Hempel Foundation, in agreement with the Hempel A/S Board of Directors, has agreed to invite CVC Funds to become a minority investor in Hempel A/S to help accelerate Hempel's ambitious long-term organic and inorganic growth strategy.

Key messages

- The Hempel Foundation, in agreement with the Hempel A/S Board of Directors, welcomes CVC Funds on board, as minority investor in Hempel A/S.
- CVC is a leading global private markets manager with approximately EUR186bn of assets under management and a global network of 29 offices throughout EMEA, the Americas and Asia.
- The partnership with CVC will support the acceleration of Hempel's organic growth and value creation plan, such as increasing investment in the development of new, cutting-edge sustainable technologies for the benefit of Hempel's customers.
- Hempel will benefit from CVC's deep experience of investing in, and growing businesses organically and through strategic acquisitions.
- The Hempel Foundation continues to be the majority shareholder in Hempel A/S.
- CVC Funds will invest in Hempel A/S through its Strategic Opportunities platform, which was established to invest in businesses over longer time horizons.

The partnership with CVC will support the acceleration of Hempel's organic growth plan, bringing complementary competencies and resources to support Hempel's growth and value creation plans. In addition, Hempel will benefit from CVC Fund's experience in making and integrating transformational acquisitions, as the business continues to expand into new segments and geographies.

CVC Funds as the minority investor will subscribe to new shares, equating to a stake in Hempel A/S of up to 30% over time. This investment will also strengthen Hempel's ability to develop new, cutting-edge sustainable technologies for the benefit of its customers and to execute potential acquisition opportunities, to accelerate its growth journey towards becoming a leading global company within the paints and coatings industry.

Richard Sand, Chair of the Hempel Foundation Board of Directors commented: "The Hempel Foundation has been the sole owner of Hempel for 75 years and has an ongoing commitment to secure Hempel's financial base and ensure its future growth. After careful consideration, the Hempel Foundation has decided to welcome a minority investor that brings both unique experience and capital to support Hempel's accelerated growth journey. It is our clear expectation that the Company's value, and therefore the value of the shares belonging to the Hempel

Foundation, will increase more over the coming five to ten years with CVC as new minority shareholder than without. This, in turn, will also increase the dividends that the Hempel Foundation receives, strengthening our future opportunities for philanthropic work. I am therefore pleased to welcome CVC to Hempel.”

“The competitive landscape is moving at an increasingly faster rate in the paint and coatings industry and we need to continue to grow to remain at the forefront,” says **Michael Hansen, Group President and CEO of Hempel A/S**. “We have already made solid progress on our strategy of driving profitable growth, both organically and inorganically through M&A activity, delivering record-breaking results in 2023. This new partnership will considerably strengthen our industry position, will ignite further growth in our winning brands and means we are well-placed to seek out transformative acquisition opportunities.”

Christoffer Sjøqvist, Partner and Head of CVC Denmark, said, “Hempel’s development over the years has been very impressive and we are delighted to be joining their ongoing growth story. We are excited to partner with the Hempel Foundation and Michael and his team, and look forward to supporting Hempel with CVC Funds’ capital and experience to help them achieve their growth ambitions.” **Michael Lavrysen, Partner at CVC**, commented: “CVC Strategic Opportunities invests in high-quality businesses with longer growth horizons, often partnering with likeminded families and foundations looking for specific expertise to advance expansion. Our investment in Hempel aligns perfectly within this strategy, especially the partnership with the Hempel Foundation and we are eager to begin to leverage CVC’s expertise to support the continued success of this world-class business.”

The Hempel Foundation will continue to be the majority shareholder in Hempel A/S.

The transaction is expected to close in the second half of 2024 and is subject to regulatory approval.

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Press contact:

Joanna Ashmead, Head of Media Relations
Tel: +45 30772816
Email: communications@hempel.com

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

About Hempel Foundation

The Hempel Foundation is the owner of the Hempel Group – a world-leading supplier of coatings – and a committed philanthropist within the fields of education and sustaining biodiversity, among others.

The Hempel Foundation was established in 1948 by Jørgen Christian Hempel, the founder of the Hempel Group. Its main purpose is to provide and maintain a solid economic base for the Hempel Group. This economic base provides a long-term framework for the Hempel Group.

The Hempel Foundation's secondary purpose is philanthropic: To make a positive and sustainable difference around the globe, based on the principles set down in the Foundation's trust deed. Within their philanthropic work, the Foundation aim to contribute to sustainable impact on some of the biggest and most urgent global challenges facing us today. The Foundation work strategically to both lead and leverage in the ongoing fight to empower children living in poverty to learn as well as to sustain some of the planet's most important and valuable nature. Hempel Foundation work to make tangible change, and aspire to accelerate positive change by scaling impact. www.hempelfonden.dk

About CVC



CVC is a leading global private markets manager with a network of 29 office throughout EMEA, the Americas, and Asia, with approximately €186 billion of assets under management. CVC has seven complementary strategies across private equity, secondaries, credit and infrastructure, for which CVC funds have secured commitments of approximately of €230 billion from some of the world's leading pension funds and other institutional investors. Funds managed or advised by CVC's private equity strategy are invested in over 125 companies worldwide, which have combined annual sales of approximately €165 billion and employ more than 600,000 people. For further information about CVC please visit: www.cvc.com. Follow us on [LinkedIn](#).



Hempel A/S
Lundtoftegårdsvej 9 f
DK-2800 Kgs. Lyngby
Denmark
hempel.com

Tel: +45 4593 3800
Dir: +45 3077 2816

Email: communications@hempel.com

About CVC Strategic Opportunities

The CVC Strategic Opportunities platform was established in response to growing demand from large investors to be able to invest longer term in high-quality businesses. The platform provides partnership capital to make control, co-control, and minority investments in companies with a longer-term return profile and a secure capital structure. For further information about CVC Strategic Opportunities please visit: www.cvc.com/strategies/strategic-opportunities/.