

Press release

7 March 2025

2024 saw Hempel deliver its best EBITDA result to date and welcome CVC as minority investor and strategic partner.

In an historic year, Hempel achieved an adjusted EBITDA of EUR 392 million and an adjusted EBITDA margin of 17.9% and welcomed CVC as minority investor, alongside its majority owner, the Hempel Foundation.

Key messages

- Best bottom-line result to date with an adjusted EBITDA margin of 17.9%, an increase of 1.3 percentage points versus 2023.
- Significant progress in free cash flow of EUR 139 million, up from EUR 29 million in 2023.
- Revenue of EUR 2,185 million and organic revenue growth of -1.3%.
- Leverage ratio improved to 1.4 in December 2024, down from 3.1 in December 2023.
- Progressed on Double Impact strategy, executing on strategic plans, including welcoming CVC as minority investor, launching cutting-edge sustainable innovation and divesting two non-core decorative businesses, J.W. Ostendorf and Renaulac.
- Reduced CO₂ emissions from operations by 65% from an updated 2019 baseline.

Copenhagen, 7 March 2025: In 2024, Hempel achieved its strongest bottom-line result ever, in a defining year, which saw it welcome CVC as minority investor and strategic partner, alongside its majority owner, the Hempel Foundation. Following a year of double digit growth in 2023, organic revenue growth in 2024 was -1.3%, impacted primarily by a decline in Marine sales, driven by a number of factors, including price adjustments and the postponement of vessel dockings. Hempel's revenue in 2024 was EUR 2,185 million.

"I am satisfied with Hempel's 2024 performance, a year in which we delivered the best bottom-line result to date with an adjusted EBITDA of EUR 392 million and improved our free cash flow by over EUR 100 million since 2023, to EUR 139 million," says Michael Hansen, Group President and CEO of Hempel A/S. "We remain steadfast in our commitment to long-term sustainable growth. Our ambition is to run a highly profitable business that enables us to reinvest in Hempel and contribute positively to society through our brands and technologies. We progressed with our strategic ambitions during 2024, executing on the plans we had for the year, and we are deeply committed to the road ahead. I extend my thanks to our dedicated Hempel colleagues around the world for their commitment and efforts during the past year."

In 2025, Hempel expects to deliver mid-single-digit organic revenue growth and an EBITDA margin above 17%.

Cutting-edge sustainable innovation

2024 saw the launch of many new products and solutions for Hempel's customers across its core business areas.

"Future success in the paints and coatings industry will be defined by groundbreaking technologies and innovation," says Michael Hansen. "To move us further along this path, we established a new Technology function that comprises Research & Development, Procurement

and Sustainability. This ensures an even closer link between our customers' needs, sustainability and product development.”

In Marine, Hempel launched Hempaguard Ultima, a new silicone coating system to enhance ships' hull performance. Hempel works relentlessly to accelerate the decarbonisation of shipping, and its range of Hempaguard solutions are key to this goal. An industry-wide shift toward silicone technologies contributed to Hempel experiencing a record year in volume for its Hempaguard solutions. In 2024, sales in Marine declined 5.8% organically, driven by a number of factors, including the postponement of vessel dockings, primarily related to the Red Sea crisis. Revenue for the year landed at EUR 709 million, which was the second highest ever recorded for the business, surpassed only by the record-breaking sales of 2023.

In the Energy & Infrastructure segment, Hempel's solutions extend the lifetime of critical assets, lowering costs and emissions for its customers. In 2024, Hempel launched a new Avantguard solution for infrastructure assets that require long-term protection in high corrosivity environments. Sales in Energy & Infrastructure grew 0.1% organically over the year, landing at EUR 823 million. Growth in Energy, was driven by the oil and gas sector and general strong performance in the Middle East. Despite challenging market conditions in the renewables business in Europe, Hempel maintained its strong market-leading position in wind tower coatings. Sales in Infrastructure declined, mainly due to global macroeconomic instability.

In Decorative, sales grew 2.4% organically, landing at EUR 653 million. This was mainly achieved by gaining market share in the face of subdued construction activity and lower consumer demand from the rising cost of living, highlighting the strength of Hempel's brand portfolio. Following the divestment of two of its private label businesses, J.W. Ostendorf and Renaulac, Hempel put greater strategic focus on growing its full-service branded businesses with Crown Paints, Wattyl, Hempel and Farrow & Ball.

Steadfast progress on ESG ambitions

Throughout 2024, Hempel made significant strides in its sustainability initiatives, with a focus on reducing its environmental footprint, enhancing its social impact and maintaining its strong corporate governance standards.

In 2024, Hempel reduced CO₂ emissions from its operations by 65% from an updated 2019 baseline. This reduction makes good progress towards achieving Hempel's ambitious science-based target to reduce its Scope 1 and 2 emissions 90% by 2026. Hempel also achieved a 97% reduction in waste sent to landfill at production sites, compared to the 2019 baseline, working towards a target to limit waste to landfill to less than 1% of total waste generated from its own operations by 2025.

Hempel met its 2024 targets of achieving 31% women in leadership positions and 34% women in general workforce and will continue to work towards achieving more balanced gender representation across the Hempel workforce, with the long-term goal of not exceeding 60% representation of one gender.

As part of its commitment to minimise any risks associated with the development, production and application of its coatings, Hempel significantly exceeded its target of achieving a 15% reduction in hazardous raw material intensity for the year, compared to its 2022 baseline, decreasing the intensity of hazardous raw materials in its products by 59%. Efforts in this area are guided by Hempel's Hazardous Raw Material Programme, which supports its R&D teams when developing safer alternatives and working with Procurement to source substitute raw materials.

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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 majority 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