

Press Release

Record 2025 profitability strengthens Hempel's position for future growth

With solid financial performance, disciplined cost management and continued investment in innovation, 2025 was another strong year for Hempel A/S, reinforcing the company's resilience and momentum despite a challenging global environment.

Key messages:

- Significant positive development with best free cash flow to date of EUR 259 million, up from EUR 139 million in 2024.
- Adjusted EBITDA margin of 18.2%, with organic sales growth of 3.4% and total revenue at EUR 2,165 million.
- Organic sales in Hempel's Marine segment grew 9.8% to EUR 750 million, marking the strongest marine performance ever.
- Hempel helped customers reduce approximately 35.9 million tonnes of CO₂ by end 2025.

Copenhagen, 4 March 2026: Hempel A/S delivers its best financial result to date with free cash flow of EUR 259 million and the strongest adjusted EBITDA margin in the company history, achieving 18.2%, and an adjusted EBITDA of EUR 394 million. This reflects Hempel's continued financial discipline and strong operational performance.

Total revenue in 2025 amounted to EUR 2,165 million. Organic growth for the year, in fixed currency and adjusted for divestments, was 3.4%. Sales in actual numbers were negatively affected by foreign exchange movements, primarily due to the USD depreciation, but organic growth was continuously supported by strong underlying volume growth, especially in the Marine segment.

"I am very pleased with our 2025 performance - a year in which we delivered our best free cash flow to date while continuing to invest in innovation and customer value," says **Peter la Cour Gormsen, Executive Vice President and Chief Financial Officer at Hempel A/S**. "The external environment shifted significantly in 2025, but despite these headwinds, we managed to deliver strong financial results. Thanks to our unique solutions, strong brands and competent colleagues around the world, we are building on a position of strength and enter 2026 with clear opportunities to grow and deliver even greater value for our customers."

Hempel's financial foundation was particularly strengthened through disciplined cash flow management, delivering strong performance in free cash flow, amounting to EUR 259 million in 2025, compared to EUR 139 million in 2024, while maintaining strategic investments across the business. This disciplined approach enabled the company to balance short-term performance with long-term growth priorities.

Customer-focused innovation fuels segment momentum

In 2025, Hempel amongst others brought three major innovations to market: Hempaguard NB for Marine newbuilding, Hempafire Extreme for next-generation infrastructure fire safety and Farrow & Ball's Flat Eggshell, a durable low-sheen finish for interiors.

In the Marine segment, organic sales grew 9.8% to EUR 750 million, marking the strongest Marine performance in Hempel's history, with double-digit volume growth in both drydock and newbuilding. Growth was fuelled by sustained customer confidence and high demand for premium solutions. Hempel maintained strong momentum, achieving record volumes with its Hempaguard range and benefitted from the global newbuilding boom.

In the Energy & Infrastructure segment, sales grew 0.1% organically to EUR 775 million, as growth in Infrastructure was offset by lower Energy sales. Infrastructure delivered solid results, supported by global volume wins and strong demand for Hempel's leading passive fire protection (PFP) solutions, Neogard high-performance waterproofing and Avantguard corrosion protection. Sales were softer in our Energy business, driven by weakness in the oil and gas sector, particularly in the United States and the Middle East. However, this was partly offset by significant volume gains in Asia-Pacific, where our modern factories achieved record production and delivery levels.

The Decorative segment grew 0.6% organically to EUR 640 million, driven by strong performance in the luxury segment through Farrow & Ball and by Crown Paints in the UK mid-market. Farrow & Ball introduced a new studio retail format alongside an award-winning e-commerce experience and continued its expansion in the US.

Continued progress on ESG

Hempel continues to progress towards its long-term climate ambitions, delivering a 70% reduction in Scope 1 and 2 CO₂e emissions versus the established 2019 baseline. Our target remains to reduce emissions by 90% by 2026.

Accounting for 99% of Hempel's total footprint, Scope 3 emissions have been tracked since 2018, steadily strengthening data quality and insight across the value chain. In 2025, Hempel updated its ambition to a 55% reduction in emissions intensity per euro added - an approach that measures emissions against the financial value created and provides a more accurate reflection of the company's growing business while remaining aligned with the 1.5°C pathway. Hempel also introduced emissions-based supplier screening, giving sustainability a 20% weighting in global tenders, and increased the proportion of suppliers committed to science-based targets.

By end 2025, Hempel helped customers reduce approximately 35.9 million tonnes of CO₂ through low-emission coating technologies and solutions that improve operational efficiency and extend asset lifetime.

Hempel exceeded its 2025 target of achieving 32% women in leadership, reaching 34%, and now also has 34% female representation across its total workforce. The company continues to work toward more balanced gender representation, guided by its long-term goal of ensuring that no single gender makes up more than 60% of the organisation.

2026 outlook

Hempel enters 2026 performing at historically strong levels and with clear opportunities to deliver even greater value to customers. At the same time, the company expects the complex market conditions experienced in 2025 to continue in the coming year.

With the launch of its new company strategy, *Accelerate to win*, in January 2026, Hempel will sharpen its commercial focus and increase its pace of execution, ensuring it is well-positioned to capture the opportunities ahead. In 2026, Hempel expects to continue its growth journey, delivering low-single-digit organic revenue growth and an adjusted EBITDA margin of around 18%.

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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 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.

We are guided by our purpose - Make our world last longer, beautifully - which is our shared call to action: to protect what matters, enhanced by colour and craftsmanship.

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.

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