

Press release

3 March 2020

Key messages

- Hempel's revenue grew by 14 per cent in 2019, of which 2.5 percentage points were driven organically
- The company returned to positive organic growth with revenue of EUR 1,502 million and an EBITDA margin of 10.5 per cent
- Hempel remains fully committed to delivering on its ambitious growth strategy of doubling revenue, which will be achieved through organic growth and acquisitions
- Hempel has an important role to play in helping customers on their journeys towards sustainability and sees increased interest in sustainable solutions across segments – Hempel's coatings have never been more in demand than they are today

Annual Report 2019: Hempel returns to growth and is positioned for new acquisitions

Hempel delivered 14 per cent growth and grew 2.5% organically in 2019. With the European decorative acquisition, J.W. Ostendorf, fully integrated, Hempel is looking for new acquisitions in order to double in size.

Hempel's revenue grew by 14 per cent, of which 2.5 percentage points were driven organically, and its EBITDA margin ended the year at 10.5 per cent for continuing business. Hempel continued to deliver strong growth in the last two quarters of the year.

Group President & CEO of Hempel Lars Petersson comments: "2019 was a great year for Hempel. We returned to positive organic growth with a revenue of more than EUR 1,500 million. The strong results are based on organic growth, especially in Asia, a stable EBITDA margin and the first full year with our European Decorative acquisition, J.W. Ostendorf, fully integrated."

Hempel to double

Hempel has set an ambitious growth target, with the aim of doubling its revenue. With the refinancing of its credit facility in 2019, Hempel has a facility of EUR 1 billion. In addition, Hempel has released net working capital improvements of more than EUR 170 million since the beginning of 2016.

"We are fully committed to delivering on our growth strategy and will thereby double Hempel. We completed the first part of that journey last year and we will achieve our ambitious target through organic growth, by helping our customers reach their targets, and via acquisitions. We have learned valuable lessons through the rapid integration of J.W. Ostendorf. Combined with our net working capital improvements, this puts us in a strong position to pursue our growth strategy," explains Lars Petersson.

Sustainability offers new opportunities for Hempel

There is increased global focus on sustainability and Hempel is determined to make a positive contribution to solving a number of the world's current and future sustainability issues.

"Hempel has a very important role to play in helping our customers on their separate journeys towards sustainability. In the marine segment, our coatings have never been more in demand than they are today. As

an example, this is illustrated by the demand for our Hempaguard MaX solution. In the wind industry, we help reduce the total lifecycle cost of wind turbine components, which increases the competitiveness of wind energy compared to traditional non-sustainable energy generation. And, we are seeing increased interest in our sustainable solutions in other areas, such as private homes, airports and bridges. As sustainability becomes ever more engrained in our customers' core business, we expect this trend to continue," says Lars Petersson.

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, protective, marine, container and yacht industries. Hempel factories, R&D centres and stock points are established in every region.

Across the globe, Hempel's coatings protect surfaces, structures and equipment. They extend asset lifetimes, reduce maintenance costs and make homes and workplaces safer, more sustainable and more colourful.

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. The Hempel Foundation's secondary purpose is philanthropic: To make a positive, sustainable difference around the globe in three main areas: empowering children living in poverty to learn; promoting independent research within sustainable coatings science and technology; and sustaining nature's biodiversity.

For pictures, please visit our press room [here](#).

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