KINGSPAN GROUP PLC

PRELIMINARY RESULTS

Year Ended 31 December 2021

KINGSPAN GROUP PLC

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

Kingspan, the global leader in high-performance insulation and building envelope solutions, reports its preliminary results for the year ended 31 December 2021.

Financial Highlights:

- Revenue up 42% to €6.5bn, (pre-currency, up 42%).
- Trading profit up 49% to €755m, (pre-currency, up 49%).
- Acquisitions contributed 12% to sales growth and 11% to trading profit growth in the year.
- Group trading margin of 11.6%, an increase of 50bps.
- Basic EPS up 48% to 305.6 cent.
- Final dividend per share of 26.0 cent giving a total dividend for the year of 45.9 cent.
- Year end net debt[1] of €756.1m (2020: €236.2m). Net debt[4] to EBITDA[4] of 0.88x (2020: 0.4x).
- ROCE of 19.5% (2020: 18.4%).

Operational Summary:

- Unprecedented raw material inflation with strong price recovery effort.
- Strong underlying volume growth of 13% and 11% in Insulated Panels and Insulation respectively.
- Insulated Panels sales increase of 45% driven by strong momentum generally in construction activity, raw material led price growth further enhanced by strong demand in high growth sectors. Year end order backlog volume 28% ahead of the same point in 2020. 66% growth in sales value of QuadCore™.
- Insulation sales increase of 50% reflecting strong demand in key markets and inflation recovery on pricing. Strong development activity during the year including acquisition of Logstor, a leading global supplier of technical insulation solutions.
- Light & Air sales growth of 24% reflecting the acquisition of Colt Group in Q2 2020 and the acquisition of Skydome in 2021. Strong backlog at year end.
- Water & Energy sales increase of 29% reflecting a strong performance across all key markets, with the exception of Australasia.
- Data & Flooring sales growth of 21% reflecting strong datacentre activity and ongoing development of the European operations.
- Invested a total of €714m in acquisitions, capex and financial investments during the period.
- Since period end, approximately €800m committed on three transactions subject to customary approvals.

Summary Financials:

	FY'21	*FY'20*	*change*
Revenue €m	6,497	4,576	+42%
Trading Profit[2] €m	755	508	+ 49%
Trading Margin[3]	11.6%	11.1%	+ 50bps
EBITDA[5] €m	893	630	+42%
Profit after tax €m	571	385	+ 48%
EPS (cent)	306	206	+ 48%

[1] *Net Debt pre-IFRS 16*
[2] *Operating profit before amortisation of intangibles*
[3] *Trading profit divided by total revenue*
[4]*Net debt to EBITDA ratio is pre-IFRS 16 per banking covenants*
[5]*Earnings before finance costs, income taxes, depreciation and amortisation. Prior period comparative has been re-presented to reflect this revised definition.*

Gene M. Murtagh, Chief Executive Officer of Kingspan commented:

"The business delivered an exceptional performance last year, with our growing sales to customers in the technology, online distribution, and automotive sectors instrumental in the results. Whilst dramatic input price inflation was a major feature, our cost recovery efforts helped ensure continued margin improvement.

We continue to drive expansion through acquisition, with over half a billion euro invested in buying new businesses during the year. This was complemented by our organic growth activity as we opened 5 new manufacturing facilities or production lines this year, and plan for a further 25 over the next four years. Since year end we have committed a further €800m on three transactions, subject to customary approval, that create exciting new global platforms for further development.

We have made good progress on our Planet Passionate targets, achieving an absolute reduction in Scope 1 and 2 GHG emissions for the second year of the programme, with a 4.3% reduction achieved this year. We will also implement a €70 per tonne internal carbon charge from 2023 to accelerate the pace of decarbonisation across our global business.

Despite a slower fourth quarter, with a large order backlog we are cautiously optimistic about the outlook for this year, whilst mindful of the high bar in comparison with last year's performance. High energy costs and supply threats around the world are a catalyst for a focus on conservation measures, which is likely to accelerate the demand for lower energy solutions which we believe will be supportive of demand for our products."

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Business Review

2021 was a year marked by extraordinary volatility in supply chains and wider society. Whilst this dynamic created significant challenges to our business, and indeed our industry, underlying demand remained strong through the year, albeit somewhat weaker in quarter four. Our key raw materials also saw dramatic price inflation, and in all, in the region of €700m of cost increases were required to be passed through to market. The result of all of this was a record performance by the Group with revenue growing by 42% to €6.5bn, and trading profit growth of 49% to €755m. Basic EPS grew by 48%.

Activity was strong across most of our markets in both residential and industrial construction, newbuild and RMI. Order intake trends displayed in the first half eased off over the course of the second half. That said, the Insulated Panels global order backlog finished the year ahead by 28% in volume. North and South America, France and Britain were particular stand-out positives. The Group's growing presence in the tech, online distribution and automotive segments was instrumental in delivering this performance.

The demand for significantly more efficient materials and methods of construction is clearly gaining much needed momentum and, with the prevailing energy cost and supply threats around the world, it is likely that the drive toward conservation will be accelerated.

Planet Passionate
2021 was the second year of our ambitious ten-year programme to further boost the environmental ethos of Kingspan. This builds upon the foundations laid over our previous ten-year Net Zero Energy programme that completed successfully in 2020. The current programme encompasses stretching goals across twelve targets (see below).

We have recently announced revised 1.5ºC aligned science-based targets bringing them in line with our Planet Passionate programme goals to reduce Scope 1, 2 and 3 greenhouse gas (GHG) emissions. The Group has now committed to reducing absolute Scope 1 and 2 GHG emissions by 90% by 2030 from a 2020 base year. It has also pledged to reduce absolute Scope 3 GHG emissions by 42% within the same timeframe. We will also implement a €70 per tonne internal carbon charge from 2023 which will galvanise full alignment across the organisation.

Planet Passionate Targets		Target Year	2020	2021**	Change	2022 (f/c)
Carbon	Net Zero Carbon Manufacturing - scope 1 & 2[1] GHG emissions (t/CO2e)	2030	312,640*	299,077	-4.3%	287,000
	50% reduction in product CO2e intensity from primary supply chain partners (%)	2030	0	0	-	0
	Zero emission company funded cars (annual replacement %)	2025	11	29	164%	30
Energy	60% Direct renewable energy (%)	2030	19.5*	26.1	34%	28
	20% On-site renewable energy generation (%)	2030	4.9*	4.8	-2.0%	6
	Solar PV systems on all wholly owned facilities (%)	2030	21.7*	28.4	31%	34
	Net Zero Energy (%)	2020	100	100	-	100
Circularity	Zero Company waste to landfill (tonnes)	2030	18,642*	16,294	-13%	15,000
	Recycle 1 billion PET bottles into our manufacturing processes (million bottles)	2025	573	843	47%	900
	QuadCore™ products utilising	2025	5	5	-	15

	recycled PET (% sites)					
Water	Harvest 100 million litres of rainwater (million litres)	2030	20.1*	20.6	2.5%	35
	Support 5 Ocean Clean-Up projects (No.)	2025	1	2	100%	3

[1] excluding biogenic emissions
*Restated figures due to improved data collection methodologies
**Scope and boundaries: Planet Passionate targets include manufacturing & assembly sites within the Kingspan Group in 2020 and organic growth.

Intensity Indicators	Change YoY
Carbon Intensity (tCO_2e/€m)	29% reduction
Energy Intensity (MWh/€m)	15% reduction
Landfill Waste Intensity (t/€m)	35% reduction
Water Intensity (million lt/€m)	14% reduction

Expansion
Over the course of the year we invested a total of €714m on acquisitions, capex and financial investments. The largest of these was Logstor Group, a European based provider of highly insulated district heating infrastructure, acquired in June 2021 for €245m. The acquisition of Romania based TeraSteel also completed in the period. Additionally, we entered the Uruguay Insulated Panel market with the acquisition of 51% of Bromyros, and enhanced our insulation channel in Australia and New Zealand with the acquisition of Thermakraft. We also became a founding investor in the ground breaking H2 Green Steel in Sweden that aims to become the world's first zero carbon steel facility. In the second half of 2021 we acquired California based Solatube International, an exciting bolt-on to our North American Light & Air offering.

Organically, we commissioned 5 new manufacturing facilities or lines across the globe in 2021, enabling the ongoing conversion to high-performance materials. We have plans for approximately 25 new manufacturing facilities or lines over the next four years to support the growth of our full spectrum of building envelope solutions.

Acquisitions After Year End
Following year end we have reached agreement to acquire Ondura Group ('Ondura') from Naxicap. Ondura, headquartered in France, is a leading global provider of roofing membranes and associated roofing solutions with 14 manufacturing sites and a distribution network in 100 countries worldwide. The business recorded sales in 2021 of €424m with EBITDA of €63m. The consideration is €550m payable in cash on completion and conditional on obtaining customary approvals. The acquisition of Ondura is fully aligned with Kingspan's long stated strategy to develop multiple technologies in roofing applications and will serve as our global platform for advancing these solutions.

We have also reached agreement, subject to customary approvals, to acquire Troldtekt, a leading Danish headquartered manufacturer of natural low carbon acoustic insulation. In addition we have acquired THU Perfil, an architectural and ceilings solutions business in Spain.

Innovation
PowerPanel™ (an engineered combination of QuadCore™ insulated panel and solar PV) development completed during the period and a large scale project on an in-house roof was completed in quarter three. This is now fully operational with real time energy monitoring

underway. The approval process is nearing completion which should pave the way for a full scale market launch during quarter two, in Britain and Ireland initially. We are also fine-tuning our Rooftricity™ proposition, a funded solution whereby the customer outlay for a re-roof or newbuild incorporating PowerPanel™ will be minimal. Encouragingly, the soft launch project pipeline is ahead of our expectations.

QuadCore™ 2.0 is also progressing and in a coldstore application, the product reached a 120 minute fire rating, which is a dramatic leap forward and will in many cases match if not exceed the performance of synthetic mineral fibre cored products. QuadCore™ sales value grew by 66% globally in 2021.

The team at our IKON Innovation Hub has also developed a low carbon insulated panel in collaboration with our suppliers. This is a prime example of how our Planet Passionate agenda is translating into market leading, sustainable products. Initial testing suggests the development panel will have c.25% less embodied carbon and contain upwards of 45% recycled content.

In addition, projects are underway to achieve an 'A' classification for Optim-R®, AlphaCore®, and 'B' classification for key Kooltherm® applications. Significant progress is also being made on entering the 'natural' insulation category.

Product Integrity

The Group's product integrity audit and compliance programme is extensive. Over the course of the year, 576 third party external product and system audits took place. A further 90 manufacturing sites were internally audited under the process overseen by the Audit & Compliance Committee of the Group's Board.

ISO37301 is the leading global standard for establishing, developing and monitoring compliance systems. We have embarked on a programme of widespread adoption of this standard across the Group and during 2021, the standard's first year of implementation, 9 manufacturing facilities across Kingspan achieved it. During 2022, we anticipate adding another 25 locations, including the Kingscourt Insulated Panels facility which will be the first of its kind in Europe. Two of our US plants in Modesto and Deland were fully approved in 2021 making them joint first in the world.

Insulated Panels

	FY'21	***FY'20***	**Change**
Turnover €m	4,229.2	2,917.4	+45%(1)
Trading Profit €m	519.8	321.3	+62%
Trading Margin	12.3%	11.0%	+ 130bps

(1) Comprising underlying +38%, currency -1% and acquisitions +8%. Like-for-like volume +13%.

Activity was particularly strong throughout the year in our largest segment. Sales volumes reached a record at almost 80 million m^2, order intake by volume was up by 20% and the volume backlog ended the year ahead by 28%. QuadCore™ comprised 16% of global insulated panel order intake value and we again expect that to increase in the year ahead.

Non-residential newbuild construction has been buoyant in many of our key markets, and coupled with our growing segmental exposure to high growth end markets combined to deliver a record year. Raw material expectations were instrumental in driving demand early in the year and as inflation topped out, so too did order intake leading to a reduction in backlog, albeit finishing the year comfortably ahead of prior year.

Raw material movements for 2022 are unclear and we will respond appropriately with pricing of our own products in the event of any significant movement.

The organic volume expansion we are experiencing necessitates a number of new greenfield facilities across the world. These expansion projects are, or will be shortly, underway in France, Romania, the US, Brazil, Vietnam and Australia.

Insulation

	FY '21	***FY '20***	**Change**
Turnover €m	1,182.9	787.0	+50%(1)
Trading Profit €m	146.7	110.1	+33%
Trading Margin	12.4%	14.0%	-160bps

(1) **Comprising underlying +26%, currency +1% and acquisitions +23%. Like-for-like volume +11%.**

Sales volumes in the first half of the year were particularly healthy, easing back somewhat in the latter half as the distribution network began to unwind high inventories accumulated during the period of rising prices earlier in the year. In total, volume for the year was ahead by 11% accounting to just over 70 million m^2 of deliveries globally. Kooltherm® volume was modestly ahead for the full year. Industrial insulation sales, including applications like pipe, ducting and district heating/cooling were in the region of €300m for the full year, including €150m from the acquisition of Logstor in the second half. We believe industrial applications are a real opportunity for significant growth potential over the longer term.

To support future organic growth we are either underway with, or planning, new facilities for Optim-R® in the US, PIR board in France, industrial pipe insulation in the Benelux, PIR board in Saudi Arabia and are carrying out a viability assessment for a district heating pipe insulation plant in either Britain or Ireland. Conversion of waste heat from manufacturing and data warehousing processes will increasingly be captured and re-distributed through such infrastructure.

We are relentless in our commitment to offer an unparalleled spectrum of insulation solutions. In addition to the technologies referred to in the innovation section, early feasibility work has begun on entering the production of stone wool to support our existing and future requirement of that material.

Light & Air

	FY '21	***FY '20***	**Change**
Turnover €m	552.2	445.5	+24% (1)
Trading Profit €m	36.0	31.2	+15 %
Trading Margin	6.5%	7.0%	-50bps

(1) Comprising underlying +1% and acquisitions +23%

This relatively new segment for the Group has been evolving rapidly with global revenue for the year of €552.2m. Organic growth in 2021 amounted to a modest 1%, and the contribution of the

Colt acquisition in 2020 delivered €178m revenue in 2021. The recovery of cost inflation has been slower than expected owing to the long contract lead time with customers. Recovery is now well underway and should deliver a positive margin evolution during 2022.

France and Germany were both strong performers whilst the US slipped back a little against very strong project comparatives in 2020.

In addition to bedding down the Colt acquisition, a number of bolt-ons were added during 2021 including Solatube International and Major Industries in the US. The former creates a wider global opportunity for the transmission of natural light into buildings via tubular daylighting systems, whilst Major Industries adds to our existing range of architectural wall daylighting solutions.

Water & Energy

	FY '21	***FY '20***	**Change**
Turnover €m	261.3	202.7	+29%(1)
Trading Profit €m	20.0	16.3	+23%
Trading Margin	7.6%	8.0%	-40bps

(1) Comprising underlying +14%, currency +4% and acquisitions +11%

This division delivered a good performance despite the headwinds presented by market constraints evident in Australia.

The focus of this business unit is water related storage, heating, treatment and harvesting solutions all of which present attractive opportunities across the world. The business has focused to date on Europe and Australia and the Americas is a real development opportunity and will therefore become a region of growing focus.

Separately, a product development initiative on hydrogen storage for the transportation sector is underway and expected to be an interesting opportunity over the longer term.

Data & Flooring

	FY '21	***FY '20***	**Change**
Turnover €m	271.4	223.4	+21%(1)
Trading Profit €m	32.3	29.3	+10%
Trading Margin	11.9%	13.1%	-120bps

(1) Comprising underlying +21%

This business unit offers solutions to both office flooring and multiple data centre offerings, primarily designed to conserve the use of power in the storage and management of data. Whilst the office sector has been comparatively subdued, data applications are expanding apace worldwide. Our aim is to partner with the leading global providers in helping optimise energy consumption and related emissions.

Financial Review

The Financial Review provides an overview of the Group's financial performance for the year ended 31 December 2021 and of the Group's financial position at that date.

Overview of results
Group revenue increased by 42% to €6.5bn (2020: €4.6bn) and trading profit increased by 49% to €754.8m (2020: €508.2m) with an increase of 50 basis points in the Group's trading profit margin to 11.6% (2020: 11.1%). Basic EPS for the year was 305.6 cent (2020: 206.2 cent), representing an increase of 48%.

The Group's underlying sales and trading profit growth by division are set out below:

Sales	Underlying	Currency	Acquisition	Total
Insulated Panels	+38%	-1%	+8%	+45%
Insulation	+26%	+1%	+23%	+50%
Light & Air	+1%	-	+23%	+24%
Water & Energy	+14%	+4%	+11%	+29%
Data & Flooring	+21%	-	-	+21%
Group	+30%	-	+12%	+42%

The Group's trading profit measure is earnings before interest, tax and amortisation of intangibles:

Trading Profit	Underlying	Currency	Acquisition	Total
Insulated Panels	+52%	-	+10%	+62%
Insulation	+16%	+1%	+16%	+33%
Light & Air	+3%	-	+12%	+15%
Water & Energy	+4%	+3%	+16%	+23%
Data & Flooring	+11%	-1%	-	+10%
Group	+38%	-	+11%	+49%

The key drivers of sales and trading profit performance in each division are set out in the Business Review.

Finance costs (net)
Finance costs for the year increased by €11.3m to €36.3m (2020: €25.0m). A net non-cash charge of €nil (2020: charge of €2.0m) was recorded in respect of swaps on USD private placement notes which were fully repaid during the year. The Group's net interest expense on borrowings (bank and loan notes net of interest receivable) was €32.2m (2020: €19.3m). This increase reflects higher average gross debt levels in 2021. In particular, this includes a full year interest expense for the Green Private Placement loan notes issued in December 2020, as well as a negative return on Euro denominated cash balances. Lease interest of €3.7m (2020: €3.6m) was recorded for the year. €0.2m (2020: €0.1m) was recorded in respect of a non-cash finance charge on the Group's defined benefit pension schemes.

Taxation
The tax charge for the year was €118.4m (2020: €74.9m) which represents an effective tax rate of 17.2% (2020: 16.3%). The increase in the effective rate reflects, primarily, the change in the geographical mix of earnings year on year.

Dividends and share buyback

The Board has proposed a final dividend of 26.0 cent (2020: 20.6 cent) per ordinary share payable on 6 May 2022 to shareholders registered on the record date of 25 March 2022. An interim dividend of 19.9 cent per ordinary share was declared during the year (2020: nil). In summary, therefore, the total dividend for 2021 is 45.9 cent compared to 20.6 cent for 2020. This is in line with the previously announced revised shareholder returns policy.

During the year, the Company issued 405,588 shares in satisfaction of obligations falling under share schemes which comprised newly issued shares of 189,444 and the reissuance of 216,144 treasury shares.

Separately, the Company repurchased 600,000 shares at a weighted average price of €78.16 during the year. This is consistent with an objective of maintaining a broadly constant issued share capital over time.

Retirement benefits
The primary method of pension provision for current employees is by way of defined contribution arrangements. The Group has three legacy defined benefit schemes in the UK which are closed to new members and to future accrual. In addition, the Group has a number of smaller defined benefit pension liabilities in Mainland Europe. The net pension liability in respect of all defined benefit schemes was €28.0m as at 31 December 2021 (2020: €45.9m) with the decrease reflecting, primarily, the impact of actuarial gains in the year.

Intangible assets and goodwill
Intangible assets and goodwill increased during the year by €440.3m to €2,001.8m (2020: €1,561.5m). Intangible assets and goodwill of €418.9m (2020: €57.3m) were recorded in the year relating to acquisitions completed by the Group. An increase of €50.9m (2020: decrease of €72.4m) arose due to year end exchange rates used to translate intangible assets and goodwill other than those denominated in euro. There was an annual amortisation charge of €29.5m (2020: €23.5m).

Financial key performance indicators
The Group has a set of financial key performance indicators (KPIs) which are presented in the table below. These KPIs are used to measure the financial and operational performance of the Group and to track ongoing progress and also in achieving medium and long term targets to maximise shareholder return.

Key performance indicators	2021	2020
Basic EPS growth	48%	1%
Sales performance	+42%	-2%
Trading margin	11.6%	11.1%
Free cashflow (€m)	127.1	479.7
Return on capital employed	19.5%	18.4%
Net debt/EBITDA	0.88x	0.40x

(a) Basic EPS growth. The growth in EPS is accounted for primarily by a 49% increase in trading profit partially offset by an increase in the Group's effective tax rate by 90 basis points to 17.2% and an increase in minority interest. The effective tax increased due to the geographical mix of earnings year on year. The minority interest amount increased year on year due to a strong performance at the Group's operations which have minority stakeholders.

(b) Sales performance of +42% (2020: -2%) was driven by a 30% increase in underlying sales and a 12% contribution from acquisitions. The increase in underlying sales reflected a combination of strong price growth due to raw material inflation, volume growth due to ongoing structural adoption and buoyant construction markets worldwide.

(c) Trading margin by division is set out below:

	2021	2020
Insulated Panels	12.3%	11.0%
Insulation	12.4%	14.0%
Light & Air	6.5%	7.0%
Water & Energy	7.6%	8.0%
Data & Flooring	11.9%	13.1%

The Insulated Panels division trading margin advanced year on year reflecting the market mix of sales as well as positive operating leverage driven by 13% volume growth in the year. The trading margin decrease in the Insulation division reflects, in the main, a strong margin performance in 2020 reflecting a positive lag effect on raw material prices in the early part of 2020 and short term overhead curtailment with both factors not applying in 2021. The reduced trading margin in Light & Air reflects a lag in inflation recovery and investment in specification and other processes as the division continues to scale up. The Water & Energy trading margin decrease reflects the category and geography mix and overhead curtailment in the prior year. The decrease in trading margin in Data & Flooring reflects the geographic market and product mix of sales year on year and impact of increased raw material prices.

(d) Free cashflow is an important indicator and reflects the amount of internally generated capital available for re-investment in the business or for distribution to shareholders.

Free cashflow	2021 €m	2020 €m
EBITDA*	893.2	630.2
Lease payments	(38.6)	(33.7)
Movement in working capital**	(429.3)	107.7
Movement in provisions	6.9	(2.1)
Net capital expenditure	(163.6)	(126.1)
Net interest paid	(34.5)	(21.6)
Income taxes paid	(126.8)	(89.7)
Other including non-cash items	19.8	15.0
Free cashflow	127.1	479.7

**Earnings before finance costs, income taxes, depreciation and amortisation. Prior period comparative has been re-presented to reflect this revised definition.*

***Excludes working capital on acquisition but includes working capital movements since that point*

Working capital at year end was €977.8m (2020: €450.8m) and represents 13.8% (2020: 8.8%) of annualised sales based on fourth quarter sales. This metric is closely managed and monitored throughout the year and is subject to a certain amount of seasonal variability associated with trading patterns and the timing of significant purchases of steel and chemicals. Working capital levels in the business were unusually low at the end of 2020 reflecting constrained supply chains and restricted availability at that point. Furthermore, the 30% growth in underlying sales in 2021 required a consequential investment in working capital to support the sales growth. The December 2021 working capital position is untypically high reflecting higher than normal inventory levels. The business took the opportunity to build an element of buffer stocks as availability opened up in the second half of 2021. We expect working capital levels to normalise during 2022.

(e) Return on capital employed, calculated as operating profit divided by total equity plus net debt, was 19.5% in 2021 (2020: 18.4%). The creation of shareholder value through the delivery of long term returns well in excess of the Group's cost of capital is a core principle of Kingspan's financial strategy. The increase in profitability was the key driver of enhanced returns on capital during the year.

(f) Net debt to EBITDA measures the ratio of net debt to earnings and at 0.88x (2020: 0.40x) is comfortably less than the Group's banking covenant of 3.5x in both 2021 and 2020. The calculation is pre-IFRS 16 in accordance with the Group's banking covenants.

Acquisitions and capital expenditure
During the year the Group made a number of acquisitions for a total upfront consideration of €540.2m.

In February 2021, the Group acquired 100% of the share capital of TeraSteel a Romanian based manufacturer of insulated panels and ancillary products for a consideration of €81.6m.

In June 2021, the Group acquired 100% of the Logstor Group a leading global supplier of technical insulation solutions. The total consideration, including debt acquired, amounted to €244.5m.

The Group also made a number of smaller acquisitions during the year for a combined cash consideration of €214.1m.

- The Insulated Panels division acquired 51% of Bromyros in Uruguay, the remaining 50% of Dome Solar in France, Solarsit in France and the assets of Krohn in Russia.
- The Insulation division acquired Thermakraft in Australasia, Hectar in the Netherlands and the assets of Dyplast Products, Diversifoam Products and Thermal Visions in North America.
- The Light & Air division acquired Skydôme in Western Europe and Major Industries and Solatube International in North America.
- The Water & Energy division acquired BAGA in Sweden, Heritage Tanks in Australia and the assets of Enviro Water Tanks in Australia.

The Group's organic capital expenditure during the year was €168.8m encompassing a number of strategic capacity enhancements and ongoing maintenance.

EU Taxonomy
New disclosures are required in the current year under the EU Taxonomy Regulation (Sustainable finance taxonomy - Regulation (EU) 2020/852). The disclosures will be included in our Planet Passionate Sustainability Report that will be published at a later date within the required timeframe.

COVID-19 Pandemic
The Group took a number of steps to protect its financial position at the outset of the global pandemic in the first quarter of 2020. Many construction markets were severely impacted at the early stage of the virus albeit most experienced some element of recovery through 2020 and

improving further in 2021. The key impact in 2021 was reduced availability of materials particularly in the first half of the year. The Group did not avail of Covid-19 related furlough and benefits in either 2020 or 2021 having repaid in full €17m in supports received in 2020.

Capital structure and Group financing

The Group funds itself through a combination of equity and debt. Debt is funded through a syndicated bank facility and private placement loan notes. The primary bank debt facility is a €700m Planet Passionate Revolving Credit Facility arranged in May 2021, maturing in May 2026, and which was undrawn at year end. This substantially replaced outgoing facilities of €751m.

The Group's core funding is provided by six private placement loan notes (2020: seven); one (2020: two) USD private placement totalling $200m (2020: $400m) maturing in December 2028, and five (2020: five) EUR private placements totalling €1.2bn (2020: €1.2bn) which will mature in tranches between November 2022 and December 2032. The weighted average term, as at 31 December 2021, of all drawn debt was 6.3 years (31 December 2020: 6.3 years).

The Group had significant committed undrawn facilities and cash balances which, in aggregate, were €1.3bn at 31 December 2021.

Net debt

Net debt increased by €519.9m during 2021 to €756.1m (2020: €236.2m). This is analysed in the table below:

Movement in net debt	2021 €m	2020 €m
Free cashflow	127.1	479.7
Acquisitions	(540.2)	(46.1)
Purchase of financial asset	(5.0)	-
Share issues	0.1	-
Repurchase of treasury shares	(46.9)	-
Dividends paid	(73.5)	-
Dividends paid to non-controlling interests	(3.2)	(1.2)
Cashflow movement	(541.6)	432.4
Exchange movements on translation	21.7	(35.4)
Movement in net debt	(519.9)	397.0
Net debt at start of year	(236.2)	(633.2)
Net debt at end of year	(756.1)	(236.2)

Key financial covenants

The majority of Group borrowings are subject to primary financial covenants calculated in accordance with lenders' facility agreements which exclude the impact of IFRS 16:

- A maximum net debt to EBITDA ratio of 3.5 times; and
- A minimum EBITDA to net interest coverage of 4 times.

The performance against these covenants in the current and comparative year is set out below:

	Covenant	2021 Times	2020 Times

Net debt/EBITDA	Maximum 3.5	0.88	0.40
EBITDA/Net interest	Minimum 4.0	26.2	27.9

Investor relations
Kingspan is committed to interacting with the international financial community to ensure a full understanding of the Group's strategic plans and its performance against these plans. During the year, the executive management and investor team presented at eight capital market conferences and conducted 586 institutional one-on-one and group meetings.

Share price and market capitalisation
The Company's shares traded in the range of €52.75 to €105.50 during the year. The share price at 31 December 2021 was €105.00 (31 December 2020: €57.40) giving a market capitalisation at that date of €19.0bn (2020: €10.4bn). Total shareholder return for 2021 was 84% (2020: 5.4%).

Financial risk management
The Group operates a centralised treasury function governed by a treasury policy approved by the Group Board. This policy primarily covers foreign exchange risk, credit risk, liquidity risk and interest rate risk. The principal objective of the policy is to minimise financial risk at reasonable cost. Adherence to the policy is monitored by the CFO and the Internal Audit function. The Group does not engage in speculative trading of derivatives or related financial instruments.

Looking Ahead
2022 has started well helped by the strong order backlog at the end of last year, although it is still early days. Raw material prices which saw steep increases through much of 2021 remain at elevated levels with no evidence yet of this situation changing significantly. Our trading outlook beyond the first quarter is less visible although the prevailing mood in our end markets, for the most part, remains one of cautious optimism.

Our innovation pipeline is most encouraging and, in particular, this year should see the market launch of PowerPanel™ and Rooftricity™ our fully integrated insulated panel and solar propositions. Our Planet Passionate agenda continues to meet all our targeted commitments and is resonating strongly with our customers worldwide. The Group remains well capitalised with approximately €1.3 billion of cash and undrawn facilities on hand.

Worldwide, there is a growing momentum amongst policy makers, consumers and other stakeholders to design and occupy buildings which consume less energy and we are evidently well positioned to harness this over the long term.

On behalf of the Board

Gene M. Murtagh
Chief Executive Officer
18th February 2022

Geoff Doherty
Chief Financial Officer
18th February 2022

Kingspan Group plc

Consolidated Income Statement

for the year ended 31 December 2021

	Note	**2021 €m**	2020 €m
REVENUE	2	**6,497.0**	4,576.0
Cost of sales		**(4,640.9)**	(3,190.5)
GROSS PROFIT		**1,856.1**	1,385.5
Operating costs, excluding intangible amortisation		**(1,101.3)**	(877.3)
TRADING PROFIT	2	**754.8**	508.2
Intangible amortisation		**(29.5)**	(23.5)
OPERATING PROFIT		**725.3**	484.7
Finance expense	3	**(36.3)**	(26.1)
Finance income	3	**-**	1.1
PROFIT FOR THE YEAR BEFORE INCOME TAX		**689.0**	459.7
Income tax expense		**(118.4)**	(74.9)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**570.6**	384.8
Attributable to owners of Kingspan Group plc		**554.1**	373.6
Attributable to non-controlling interests		**16.5**	11.2
		570.6	384.8
EARNINGS PER SHARE FOR THE YEAR			
Basic	8	**305.6c**	206.2c
Diluted	8	**303.0c**	204.4c

Kingspan Group plc

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2021

	2021 **€m**	2020 €m
Profit for the year	**570.6**	384.8
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**123.1**	(129.7)
Effective portion of changes in fair value of cash flow hedges	**0.3**	-
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains/(losses) on defined benefit pension schemes	**21.5**	(19.9)
Income taxes relating to actuarial gains/losses on defined benefit pension schemes	**(5.5)**	4.1
Total other comprehensive income	**139.4**	(145.5)
Total comprehensive income for the year	**710.0**	239.3
Attributable to owners of Kingspan Group plc	**691.8**	238.7
Attributable to non-controlling interests	**18.2**	0.6
	710.0	239.3

Kingspan Group plc

Consolidated Statement of Financial Position

as at 31 December 2021

	2021 €m	2020 €m
ASSETS		
NON-CURRENT ASSETS		
Goodwill	**1,908.6**	1,478.8
Other intangible assets	**93.2**	82.7
Financial asset	**13.2**	8.2
Property, plant and equipment	**1,155.8**	972.9
Right of use assets	**155.5**	113.0
Retirement benefit assets	**17.9**	8.0
Deferred tax assets	**34.7**	23.0
	3,378.9	2,686.6
CURRENT ASSETS		
Inventories	**1,138.9**	505.9
Trade and other receivables	**1,228.4**	799.6
Derivative financial instruments	**0.3**	19.8
Cash and cash equivalents	**641.4**	1,329.7
	3,009.0	2,655.0
TOTAL ASSETS	**6,387.9**	5,341.6
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	**1,389.8**	854.5
Provisions for liabilities	**67.8**	55.7
Lease liabilities	**35.0**	27.3
Derivative financial instruments	**-**	0.2
Deferred contingent consideration	**41.7**	-
Interest bearing loans and borrowings	**77.4**	209.6
Current income tax liabilities	**57.7**	55.9
	1,669.4	1,203.2
NON-CURRENT LIABILITIES		
Retirement benefit obligations	**45.9**	53.9
Provisions for liabilities	**74.9**	63.3
Interest bearing loans and borrowings	**1,320.1**	1,376.1
Lease liabilities	**123.0**	87.5
Deferred tax liabilities	**34.7**	32.4
Deferred contingent consideration	**160.6**	127.6
	1,759.2	1,740.8
TOTAL LIABILITIES	**3,428.6**	2,944.0
NET ASSETS	**2,959.3**	2,397.6
EQUITY		
Share capital	**23.9**	23.8
Share premium	**94.4**	95.6
Capital redemption reserve	**0.7**	0.7
Treasury shares	**(57.3)**	(11.6)
Other reserves	**(277.7)**	(356.8)
Retained earnings	**3,108.1**	2,597.2
EQUITY ATTRIBUTABLE TO OWNERS OF KINGSPAN GROUP PLC	**2,892.1**	2,348.9
NON-CONTROLLING INTERESTS	**67.2**	48.7
TOTAL EQUITY	**2,959.3**	2,397.6

Kingspan Group plc
Consolidated Statement of Changes in Equity
for the year ended 31 December 2021

	Share Capital €m	Share Premium €m	Capital Redemption Reserve €m	Treasury Shares €m	Translation Reserve €m	Cash Flow Hedging Reserve €m	Share Based Payment Reserve €m	Revaluation Reserve €m	Put Option Liability Reserve €m	Retained Earnings €m	Total Attributable to Owners of the Parent €m	Non-Controlling Interests €m	Total Equity €m
Balance at 1 January 2021	23.8	95.6	0.7	(11.6)	(229.9)	0.3	40.4	0.7	(168.3)	2,597.2	2,348.9	48.7	**2,397.6**
Transactions with owners recognised directly in equity													
Employee share based compensation	0.1	-	-	-	-	-	17.7	-	-	-	17.8	-	**17.8**
Tax on employee share based compensation	-	-	-	-	-	-	9.7	-	-	3.8	13.5	-	**13.5**
Exercise or lapsing of share options	-	(1.2)	-	1.2	-	-	(10.5)	-	-	10.5	-	-	**-**
Repurchase of shares	-	-	-	(46.9)	-	-	-	-	-	-	(46.9)	-	**(46.9)**
Dividends	-	-	-	-	-	-	-	-	-	(73.5)	(73.5)	-	**(73.5)**
Transactions with non-controlling interests:													
Arising on acquisition	-	-	-	-	-	-	-	-	-	-	-	3.5	**3.5**
Dividends to NCI	-	-	-	-	-	-	-	-	-	-	-	(3.2)	**(3.2)**
Fair value movement	-	-	-	-	-	-	-	-	(59.5)	-	(59.5)	-	**(59.5)**
Transactions with owners	0.1	(1.2)	-	(45.7)	-	-	16.9	-	(59.5)	(59.2)	(148.6)	0.3	**(148.3)**
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	-	-	554.1	554.1	16.5	**570.6**
Other comprehensive income:													
Items that may be reclassified subsequently to profit or loss													
Cash flow hedging in equity													
- current year	-	-	-	-	-	0.3	-	-	-	-	0.3	-	**0.3**
- tax impact	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Exchange differences on translating foreign operations	-	-	-	-	121.4	-	-	-	-	-	121.4	1.7	**123.1**
Items that will not be reclassified subsequently to profit or loss													
Actuarial gains on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	21.5	21.5	-	**21.5**
Income taxes relating to actuarial gains on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	(5.5)	(5.5)	-	**(5.5)**
Total comprehensive income for the year	-	-	-	-	121.4	0.3	-	-	-	570.1	691.8	18.2	**710.0**
Balance at 31 December 2021	23.9	94.4	0.7	(57.3)	(108.5)	0.6	57.3	0.7	(227.8)	3,108.1	2,892.1	67.2	**2,959.3**

Kingspan Group plc
Consolidated Statement of Changes in Equity
for the year ended 31 December 2020

	Share Capital €m	Share Premium €m	Capital Redemption Reserve €m	Treasury Shares €m	Translation Reserve €m	Cash Flow Hedging Reserve €m	Share Based Payment Reserve €m	Revaluation Reserve €m	Put Option Liability Reserve €m	Retained Earnings €m	Total Attributable to Owners of the Parent €m	Non-Controlling Interests €m	Total Equity €m
Balance at 1 January 2020	23.8	95.6	0.7	(11.8)	(110.8)	0.3	38.9	0.7	(188.7)	2,221.6	2,070.3	50.1	**2,120.4**
Transactions with owners recognised directly in equity													
Employee share based compensation	-	-	-	-	-	-	16.0	-	-	-	16.0	-	**16.0**
Tax on employee share based compensation	-	-	-	-	-	-	(0.9)	-	-	4.4	3.5	-	**3.5**
Exercise or lapsing of share options	-	-	-	0.2	-	-	(13.6)	-	-	13.4	-	-	**-**
Repurchase of shares	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Dividends	-	-	-	-	-		-	-	-	-	-	-	**-**
Transactions with non-controlling interests:													
Arising on acquisition	-	-	-	-	-	-	-	-	-	-	-	(0.8)	**(0.8)**
Dividends to NCI	-	-	-	-	-	-	-	-	-	-	-	(1.2)	**(1.2)**
Fair value movement	-	-	-	-	-	-	-	-	20.4	-	20.4	-	**20.4**
Transactions with owners	-	-	-	0.2	-	-	1.5	-	20.4	17.8	39.9	(2.0)	**37.9**
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	-	-	373.6	373.6	11.2	**384.8**
Other comprehensive income:													
Items that may be reclassified subsequently to profit or loss													
Cash flow hedging in equity													
- current year	-	-	-	-	-	-	-	-	-	-	-	-	**-**
- tax impact	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Exchange differences on translating foreign operations	-	-	-	-	(119.1)	-	-	-	-	-	(119.1)	(10.6)	**(129.7)**
Items that will not be reclassified subsequently to profit or loss													
Actuarial losses on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	(19.9)	(19.9)	-	**(19.9)**
Income taxes relating to actuarial losses on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	4.1	4.1	-	**4.1**
Total comprehensive income for the year	-	-	-	-	(119.1)	-	-	-	-	357.8	238.7	0.6	**239.3**
Balance at 31 December 2020	23.8	95.6	0.7	(11.6)	(229.9)	0.3	40.4	0.7	(168.3)	2,597.2	2,348.9	48.7	**2,397.6**

Kingspan Group plc

Consolidated Statement of Cash Flows

for the year ended 31 December 2021

	Note	2021 €m	2020 €m
OPERATING ACTIVITIES			
Profit for the year		**570.6**	384.8
Add back non-operating expenses:			
Income tax expense		**118.4**	74.9
Depreciation of property, plant and equipment		**138.4**	122.0
Amortisation of intangible assets		**29.5**	23.5
Impairment of non-current assets		**3.1**	2.4
Employee equity-settled share options		**17.7**	16.0
Finance income	3	**-**	(1.1)
Finance expense	3	**36.3**	26.1
Loss/(profit) on sale of property, plant and equipment		**0.4**	(1.1)
Movement of deferred consideration		**0.4**	(0.7)
Changes in working capital:			
Inventories		**(525.7)**	38.2
Trade and other receivables		**(298.8)**	(1.8)
Trade and other payables		**395.2**	71.3
Other:			
Change in provisions		**6.9**	(2.1)
Pension contributions		**(1.8)**	(1.6)
Cash generated from operations		**490.6**	750.8
Income tax paid		**(126.8)**	(89.7)
Interest paid		**(34.6)**	(22.6)
Net cash flow from operating activities		**329.2**	638.5
INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(168.8)**	(131.8)
Proceeds from disposals of property, plant and equipment		**5.2**	5.7
Purchase of subsidiary undertakings (including net debt/cash acquired)		**(540.2)**	(46.1)
Purchase of financial asset		**(5.0)**	-
Interest received		**0.1**	1.0
Net cash flow from investing activities		**(708.7)**	(171.2)
FINANCING ACTIVITIES			
Drawdown of loans	5	**55.1**	751.2
Repayment of loans and borrowings	5	**(263.2)**	(3.4)
Settlement of derivative financial instrument		**18.5**	-
Payment of lease liability	6	**(38.6)**	(33.7)
Proceeds from share issues		**0.1**	-
Repurchase of shares		**(46.9)**	-
Dividends paid to non-controlling interests		**(3.2)**	(1.2)
Dividends paid	7	**(73.5)**	-
Net cash flow from financing activities		**(351.7)**	712.9
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	5	**(731.2)**	1,180.2
Effect of movement in exchange rates on cash held		**42.9**	(41.4)
Cash and cash equivalents at the beginning of the year		**1,329.7**	190.9
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**641.4**	1,329.7

Notes to the Preliminary Results
for the year ended 31 December 2021

1 GENERAL INFORMATION

The financial information presented in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as set out in the Group's annual financial statements in respect of the year ended 31 December 2020 except as noted below. The financial information does not include all the information and disclosures required in the annual financial statements. The Annual Report will be distributed to shareholders and made available on the Company's website www.kingspan.com in due course. It will also be filed with the Company's annual return in the Companies Registration Office. The auditor has consented to the publication of this preliminary announcement. The audit of the Group's statutory consolidated financial statements for the year ended 31 December 2021 is substantially complete and the report of the auditor is expected to be unqualified and not contain any matters to which attention will be drawn by way of emphasis. The principle outstanding procedures as identified by our auditors include the receipt of final ESEF financial statements incorporating their observations in respect of the tagging alone, consequent completion of subsequent event procedures and the receipt of final audit representations from management. The financial information for the year ended 31 December 2020 represents an abbreviated version of the Group's statutory financial statements on which an unqualified audit report was issued and which have been filed with the Companies Registration Office.

Basis of preparation and accounting policies

The financial information contained in this Preliminary Statement has been prepared in accordance with the accounting policies set out in the last annual financial statements.

IFRS does not define certain Income Statement headings. For clarity, the following are the definitions as applied by the Group:

- Trading profit refers to the operating profit generated by the businesses before intangible asset amortisation.
- Trading margin refers to the trading profit, as calculated above, as a percentage of revenue.
- Operating profit is profit before income taxes and net finance costs.
- EBITDA is earnings before finance costs, income taxes, depreciation and amortisation.

The following amendments to standards and interpretations are effective for the Group from 1 January 2021 and do not have a material effect on the results or financial position of the Group:

	Effective Date – periods beginning on or after
Amendments to IFRS 9 *Financial Instruments,* IAS 39 *Financial Instruments: Recognition and measurement,* IFRS 7 *Financial Instruments: Disclosures,* IFRS 4 *Insurance Contracts* and IFRS 16 *Leases* – Interest Rate Benchmark Reform	1 January 2021

The following standard amendment was issued for annual reporting periods beginning on or after 1 April 2021 with earlier application permitted and does not have a material effect on the results or financial position of the Group:

	Effective Date - periods beginning on or after
Amendments to IFRS 16 *Leases* – COVID-19 related rent concessions beyond 30 June 2021	1 April 2021

There are a number of new standards, amendments to standards and interpretations that are not yet effective and have not been applied in preparing these consolidated financial statements. These new standards, amendments to standards and interpretations are either not expected to have a material impact on the Group's financial statements or are still under assessment by the Group. The principal new standards, amendments to standards and interpretations are as follows:

	Effective Date – periods beginning on or after
IFRS 17 *Insurance Contracts*	1 January 2023
Amendments to IAS 1 *Presentation of Financial Statements* – Classification of Liabilities as Current or Non-current	1 January 2023*
Amendments to IAS 12 *Income Taxes* – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023*
Amendment to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023*
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Policies and Errors* – Definition of Accounting Estimates	1 January 2023*
Amendments to IFRS 3 *Business Combinations* – Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 *Property, Plant and Equipment* – Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* – Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* – Subsidiary as a first-time adopter	1 January 2022
Amendments to IFRS 9 *Financial Instruments* – Fees in the '10 per cent' test for derecognition of financial liabilities	1 January 2022
Amendments to IAS 41 *Agriculture* – Taxation in fair value measurements	1 January 2022

* Not EU endorsed

2 SEGMENT REPORTING

In identifying the Group's operating segments, management based its decision on the product supplied by each segment and the fact that each segment is managed and reported separately to the Chief Operating Decision Maker. These operating segments are monitored and strategic decisions are made on the basis of segment operating results.

Operating segments

The Group has the following five operating segments:

Insulated Panels	Manufacture of insulated panels, structural framing and metal facades.
Insulation	Manufacture of rigid insulation, technical insulation and engineered timber systems.
Light & Air	Manufacture of daylighting, smoke management and ventilation systems.
Water & Energy	Manufacture of energy and water solutions and all related service activities.
Data & Flooring	Manufacture of data centre storage solutions and raised access floors.

Analysis by class of business
Segment revenue and disaggregation of revenue

	Insulated Panels €m	Insulation €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	Total €m
Total revenue – 2021	4,229.2	1,182.9	552.2	261.3	271.4	**6,497.0**
Total revenue – 2020	2,917.4	787.0	445.5	202.7	223.4	4,576.0
Disaggregation of revenue 2021						
Point of Time	4,210.9	1,152.0	296.3	258.8	240.1	**6,158.1**
Over Time & Contract	18.3	30.9	255.9	2.5	31.3	**338.9**
	4,229.2	1,182.9	552.2	261.3	271.4	**6,497.0**
Disaggregation of revenue 2020						
Point of Time	2,908.4	759.8	227.3	200.9	199.8	4,296.2
Over Time & Contract	9.0	27.2	218.2	1.8	23.6	279.8
	2,917.4	787.0	445.5	202.7	223.4	4,576.0

The disaggregation of revenue by geography is set out in more detail below.

The segments specified above capture the major product lines relevant to the Group.

The combination of the disaggregation of revenue by product group, geography and the timing of revenue recognition capture the key categories of disclosure with respect to revenue. Typically, individual performance obligations are specifically called out in the contract which allow for accurate recognition of revenue as and when performances are fulfilled. Given the nature of the Group’s product set, customer returns are not a significant feature of our business model. No further disclosures are required with respect to disaggregation of revenue other than what has been presented in this note.

Inter-segment transfers are carried out at arm's length prices and using an appropriate transfer pricing methodology. As inter-segment revenue is not material, it is not subject to separate disclosure in the above analysis. For the purposes of the segmental analysis, corporate overheads have been allocated to each division based on their respective revenue for the year.

Segment result (profit before net finance expense)

	Insulated Panels €m	Insulation €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	Total 2021 €m	Total 2020 €m
Trading profit – 2021	519.8	146.7	36.0	20.0	32.3	**754.8**	
Intangible amortisation	(13.7)	(8.6)	(5.8)	(1.2)	(0.2)	**(29.5)**	
Operating profit – 2021	506.1	138.1	30.2	18.8	32.1	**725.3**	
Trading profit – 2020	321.3	110.1	31.2	16.3	29.3		508.2
Intangible amortisation	(13.7)	(4.6)	(4.1)	(0.9)	(0.2)		(23.5)
Operating profit – 2020	307.6	105.5	27.1	15.4	29.1		484.7
Net finance expense						**(36.3)**	(25.0)
Profit for the year before tax						**689.0**	459.7
Income tax expense						**(118.4)**	(74.9)
Net profit for the year						**570.6**	384.8

Segment assets

	Insulated Panels €m	Insulation €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	Total 2021 €m	Total 2020 €m
Assets – 2021	3,266.4	1,309.4	665.0	243.5	227.2	**5,711.5**	
Assets – 2020	2,350.4	787.1	474.0	183.5	174.1		3,969.1
Derivative financial instruments						**0.3**	19.8
Cash and cash equivalents						**641.4**	1,329.7
Deferred tax assets						**34.7**	23.0
Total assets as reported in the Consolidated Statement of Financial Position						**6,387.9**	5,341.6

Segment liabilities

	Insulated Panels €m	Insulation €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	Total 2021 €m	Total 2020 €m
Liabilities – 2021	(1,240.7)	(307.1)	(218.1)	(98.4)	(74.4)	**(1,938.7)**	
Liabilities – 2020	(778.8)	(192.9)	(184.1)	(72.8)	(41.2)		(1,269.8)
Interest bearing loans and borrowings (current and non-current)						**(1,397.5)**	(1,585.7)
Derivative financial instruments (current and non-current)						**-**	(0.2)
Income tax liabilities (current and deferred)						**(92.4)**	(88.3)
Total liabilities as reported in the Consolidated Statement of Financial Position						**(3,428.6)**	(2,944.0)

Other segment information

	Insulated Panels €m	Insulation €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	Total €m
Capital investment – 2021 *	164.3	94.2	32.3	8.4	5.5	**304.7**
Capital investment – 2020 *	92.5	17.4	40.6	2.8	3.7	157.0
Depreciation included in segment result – 2021	(77.7)	(32.2)	(15.8)	(7.0)	(5.7)	**(138.4)**
Depreciation included in segment result – 2020	(73.4)	(23.9)	(12.9)	(6.5)	(5.3)	(122.0)

Non-cash items included in segment result – 2021	(10.2)	(3.4)	(1.4)	(1.1)	(1.6)	**(17.7)**
Non-cash items included in segment result – 2020	(9.0)	(3.2)	(1.1)	(1.0)	(1.7)	(16.0)

* Capital investment also includes fair value of property, plant and equipment and intangible assets acquired in business combinations.

Analysis of segmental data by geography

	Western & Southern Europe ** €m	Central & Northern Europe €m	Americas €m	Rest of World €m	Total €m
Income Statement Items					
Revenue – 2021	3,239.8	1,629.8	1,269.8	357.6	**6,497.0**
Revenue – 2020	2,377.2	997.8	916.0	285.0	4,576.0
Statement of Financial Position Items					
Non-current assets – 2021 *	1,535.8	842.2	720.8	245.4	**3,344.2**
Non-current assets – 2020 *	1,407.7	520.1	546.4	189.4	2,663.6
Other segmental information					
Capital investment – 2021	97.3	130.6	66.3	10.5	**304.7**
Capital investment – 2020	81.0	42.2	32.1	1.7	157.0

* Total non-current assets excluding derivative financial instruments and deferred tax assets.
** Prior year figures have been re-presented to include Britain in Western & Southern Europe.

The Group has a presence in over 70 countries worldwide. Foreign regions of operation are as set out above and specific countries of operation are highlighted separately below on the basis of materiality where revenue exceeds 15% of total Group revenues.

Revenues, non-current assets and capital investment (as defined in IFRS 8) attributable to France were €988.3m (2020: €683.0m), €251.2m (2020: €183.0m) and €29.3m (2020: €11.7m) respectively. Revenues, non-current assets and capital investment (as defined in IFRS 8) attributable to Britain were €999.8m (2020: €743.6m), €424.9m (2020: €388.8m) and €14.3m (2020: €10.8m) respectively.

Revenues, non-current assets and capital investment (as defined in IFRS 8) attributable to the country of domicile (Ireland) were €206.0m (2020: €150.7m), €89.0m (2020: €72.6m) and €19.3m (2020: €16.4m) respectively.

The country of domicile is included in Western & Southern Europe. Western & Southern Europe also includes France, Benelux, Spain and Britain while Central & Northern Europe includes Germany, the Nordics, Poland, Hungary, Romania, Czech Republic, the Baltics and other South Central European countries. Americas comprises the US, Canada, Central Americas and South America. Rest of World is predominantly Australasia and the Middle East.

There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8. The individual entities within the Group each have a large number of customers spread across various activities, end-uses and geographies.

3 FINANCE EXPENSE AND FINANCE INCOME

	2021 €m	2020 €m
Finance expense		
Lease interest	**3.7**	3.6
Deferred contingent consideration fair value movement	**0.1**	-
Bank loans	**5.4**	3.1
Private placement loan notes	**26.8**	17.3
Fair value movement on derivative financial instrument	**-**	6.4
Fair value movement on private placement debt	**-**	(4.4)
Other interest	**0.3**	0.1
	36.3	26.1
Finance income		
Interest earned	**-**	(1.1)
Net finance expense	**36.3**	25.0

€3.9m of borrowing costs were capitalised during the period (2020: €0.2m). No costs were reclassified from other comprehensive income to profit during the year (2020: €nil).

4 ANALYSIS OF NET DEBT

	2021 €m	2020 €m
Cash and cash equivalents	**641.4**	1,329.7
Derivative financial instruments - net	**-**	19.8
Current borrowings	**(77.4)**	(209.6)
Non-current borrowings	**(1,320.1)**	(1,376.1)
Total Net Debt	**(756.1)**	(236.2)

The Group's core funding is provided by six private placement loan notes; one USD private placement totalling $200m (2020: $400m) maturing in December 2028, and five EUR private placements totalling €1.2bn (2020: €1.2bn) which will mature in tranches between November 2022 and December 2032. The notes have a weighted average maturity of 6.4 years (31 December 2020: 6.1 years).

The primary bank debt facility is a €700m revolving credit facility, which was undrawn at year end, and which matures in May 2026. This replaces the previously held revolving credit facilities of €451m and €300m which were scheduled to mature in June 2022. During 2021, the bilateral 'Green Loan' of €50m was also repaid.

Included in cash at bank and in hand are overdrawn positions of €1,439.8m (31 December 2020: €1,047.2m). These balances form part of a notional cash pool arrangement and are netted against cash balances of €1,463.6m (31 December 2020: €1,443.0m). The net cash pool balance of €23.8m (31 December 2020: €395.8m) is included in the cash and cash equivalents balance above. There is a legal right of offset between these balances and the balances are physically settled on a regular basis.

Net debt, which is an Alternative Performance Measure, is stated net of interest rate and currency hedges which relate to hedges of debt. Foreign currency derivative assets of €0.3m (2020: €nil) and foreign currency derivative liabilities of €nil (2020: €0.2m) which are used for transactional hedging are not included in the definition of net debt. Lease liabilities recognised due to the implementation of IFRS 16 and deferred contingent consideration have also been excluded from the calculation of net debt.

5 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2021	2020
	€m	€m
Movement in cash and bank overdrafts	**(731.2)**	1,180.2
Drawdown of loans	**(55.1)**	(751.2)
Repayment of loans and borrowings	**263.2**	3.4
Settlement of derivative financial instrument	**(18.5)**	-
Change in net debt resulting from cash flows	**(541.6)**	432.4
Translation movement - relating to US dollar loan	**(19.7)**	13.5
Translation movement - other	**42.7**	(41.4)
Derivative financial instruments movement	**(1.3)**	(7.5)
Net movement	**(519.9)**	397.0
Net debt at start of the year	**(236.2)**	(633.2)
Net debt at end of the year	**(756.1)**	(236.2)

Further analysis of net debt at the start and end of the year is provided in note 4.

6 LEASES

Right of use asset

	2021	2020
	€m	€m
At 1 January	**113.0**	121.6
Additions	**28.4**	17.3
Arising on acquisitions	**32.2**	12.8
Remeasurement	**17.3**	2.2
Terminations	**(2.9)**	(2.6)
Depreciation charge for the year	**(37.0)**	(32.3)
Effect of movement in exchange rates	**4.5**	(6.0)
At 31 December	**155.5**	113.0

Lease liability

	2021	2020
	€m	€m
At 1 January	**114.8**	122.3
Additions	**27.0**	17.1
Arising on acquisitions	**32.1**	12.6
Remeasurement	**17.3**	1.7
Terminations	**(3.0)**	(2.7)
Payments	**(38.6)**	(33.7)
Interest	**3.7**	3.6
Effect of movement in exchange rates	**4.7**	(6.1)
At 31 December	**158.0**	114.8
Split as follows:		
Current liability	**35.0**	27.3
Non-current liability	**123.0**	87.5
At 31 December	**158.0**	114.8

7 DIVIDENDS

Equity dividends on ordinary shares:	**2021**	2020
	€m	€m
2021 Interim dividend 19.9 cent (2020: nil cent) per share	**36.1**	-
2020 Final dividend 20.6 cent (2019: nil cent) per share	**37.4**	-
	73.5	-
Proposed for approval at AGM		
Final dividend of 26.0 cent (2020: 20.6 cent) per share	**47.2**	37.4

The 2020 interim dividends were cancelled during 2020 due to the uncertainty created by the pandemic.

This proposed dividend for 2021 is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in the Consolidated Statement of Financial Position of the Group as at 31 December 2021 in accordance with IAS 10 *Events after the Reporting Period*. The proposed final dividend for the year ended 31 December 2021 will be payable on 6 May 2022 to shareholders on the Register of Members at close of business on 25 March 2022.

8 EARNINGS PER SHARE

	2021	2020
	€m	€m
The calculations of earnings per share are based on the following:		
Profit attributable to ordinary shareholders	**554.1**	373.6
	Number of shares ('000) 2021	Number of shares ('000) 2020
Weighted average number of ordinary shares for the calculation of basic earnings per share	**181,348**	181,212
Dilutive effect of share options	**1,565**	1,598
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**182,913**	182,810

	2021	2020
	€ cent	€ cent
Basic earnings per share	**305.6**	206.2
Diluted earnings per share	**303.0**	204.4

Dilution is attributable to the weighted average number of share options outstanding at the end of the reporting period.

The number of options which are anti-dilutive and have therefore not been included in the above calculations is nil (2020: nil).

9 BUSINESS COMBINATIONS

A key strategy of the Group is to create and sustain market leading positions through acquisitions in markets it currently operates in, together with extending the Group's footprint in new geographic markets. In line with this strategy, the principal acquisitions completed during the year were as follows:

In February 2021, the Group acquired 100% of the share capital of TeraSteel a Romanian based manufacturer of insulated panels. The total consideration, including net debt acquired amounted to €81.6m.

In June 2021, the Group acquired 100% of the share capital of the Logstor Group a leading global supplier of technical insulation solutions. The total consideration, including net debt acquired amounted to €244.5m

The Group also made a number of smaller acquisitions during the year for a combined cash consideration of €214.1m:

- The Insulated Panels division acquired 51% of Bromyros in Uruguay, the remaining 50% of Dome Solar in France, Solarsit in France and the assets of Krohn in Russia;
- The Insulation division acquired Thermakraft in Australasia, Hectar in the Netherlands, the assets of Dyplast Products, Diversifoam Products and Thermal Visions in North America;
- The Light & Air division acquired Skydôme in Western Europe and Major Industries and Solatube International in North America;
- The Water & Energy division acquired BAGA in Sweden, Heritage Tanks in Australia and the assets of Enviro Water Tanks in Australia.

The table below reflects the fair value of the identifiable net assets acquired in respect of the acquisitions completed during the year. Any amendments to fair values will be made within the twelve-month period from the date of acquisition, as permitted by IFRS 3, *Business Combinations*.

	Logstor €m	**TeraSteel €m**	**Other* €m**	**Total €m**
Non-current assets				
Intangible assets	20.4	6.4	11.7	**38.5**
Property, plant and equipment	36.0	22.9	35.1	**94.0**
Right of use assets	10.8	0.3	21.1	**32.2**
Deferred tax asset	2.6	0.3	2.2	**5.1**
Current assets				
Inventories	40.0	24.3	27.8	**92.1**
Trade and other receivables	53.6	9.4	32.7	**95.7**
Current liabilities				
Trade and other payables	(68.7)	(19.5)	(37.1)	**(125.3)**
Provisions for liabilities	(5.3)	(2.2)	(5.0)	**(12.5)**
Lease liabilities	(3.9)	-	(2.5)	**(6.4)**
Non-current liabilities				
Retirement benefit obligations	(1.3)	-	(1.7)	**(3.0)**
Lease liabilities	(6.9)	(0.3)	(18.5)	**(25.7)**
Deferred tax liabilities	(4.2)	(1.1)	(2.4)	**(7.7)**
Total identifiable assets	73.1	40.5	63.4	**177.0**
Non-controlling interests arising on acquisition**	-	-	(3.5)	**(3.5)**
Goodwill	171.4	41.1	167.9	**380.4**
Joint Venture becoming subsidiary	-	-	(1.6)	**(1.6)**
Total consideration	244.5	81.6	226.2	**552.3**
Satisfied by:				
Cash (net of cash acquired)	244.5	81.6	214.1	**540.2**

Deferred consideration	-	-	12.1	**12.1**
Total consideration	244.5	81.6	226.2	**552.3**

*Included in Other are certain immaterial remeasurements of prior year accounting estimates as a result of the finalisation of the assignment of fair values to identifiable net assets.
**Non-controlling interests arising are measured at the proportionate share of net assets.

The acquired goodwill is attributable principally to the profit generating potential of the businesses, together with cross-selling opportunities and other synergies expected to be achieved from integrating the acquired businesses into the Group's existing business.

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis due to the relative size of the acquisitions and the timing of the transactions. Any amendments to these fair values within the twelve-month timeframe from the date of acquisition will be disclosable in the 2022 Annual Report, as stipulated by IFRS 3.

In the post-acquisition period to 31 December 2021, the businesses acquired during the current year contributed revenue of €478.8m and trading profit of €64.1m to the Group's results.

10 POST BALANCE SHEET EVENTS

In February 2022, the Group reached agreement, subject to customary approvals, to acquire Ondura Group from Naxicap. Ondura Group, headquartered in France, is a leading global provider of roofing membranes and associated roofing solutions with 14 manufacturing sites and a distribution network in 100 countries worldwide.

The Group has also reached agreement in February 2022, subject to customary approvals, to acquire Troldtekt, a leading Danish headquartered manufacturer of low carbon acoustic insulation. In addition, the Group also completed the acquisition of THU Perfil, an architectural and ceilings solutions business in Spain.

There have been no other material events subsequent to 31 December 2021 which would require disclosure in this report.

11 EXCHANGE RATES

The financial information included in this report is expressed in Euro which is the presentation currency of the Group and the functional and presentation currency of the Company. Results and cash flows of foreign subsidiary undertakings have been translated into Euro at actual exchange rates or average, where this is a reasonable approximation, and the related Statements of Financial Position have been translated at the rates of exchange ruling at the balance sheet date.

Exchange rates of material currencies used were as follows:

	Average rate		Closing rate	
Euro =	**2021**	2020	**2021**	2020
Pound Sterling	**0.860**	0.889	**0.838**	0.900
US Dollar	**1.183**	1.142	**1.133**	1.229
Canadian Dollar	**1.483**	1.530	**1.442**	1.567
Australian Dollar	**1.575**	1.655	**1.558**	1.596
Czech Koruna	**25.642**	26.463	**24.851**	26.264
Polish Zloty	**4.565**	4.444	**4.588**	4.589

Hungarian Forint	**358.52**	351.21	**368.89**	364.92
Brazilian Real	**6.381**	5.898	**6.309**	6.384

12 CAUTIONARY STATEMENT

This report contains certain forward-looking statements including, without limitation, the Group's financial position, business strategy, plans and objectives of management for future operations. Such forward-looking information involves risks and uncertainties, assumptions and other factors that could cause the actual results, performance or achievements of the Group to differ materially from those in the forward-looking statements. The forward-looking statements in this report reflect views held only as of the date hereof. Neither Kingspan nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement in this report will actually occur. Kingspan undertakes no duty to and will not necessarily update any such statements in light of new information or future events, except to the extent required by any applicable law or regulation.

13 BOARD APPROVAL

This announcement was approved by the Board on 18 February 2022.