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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