

KINGSPAN GROUP PLC

RESULTS FOR THE HALF YEAR 30 JUNE 2022

Kingspan, the global leader in high performance insulation and building envelope solutions, issues its half-yearly financial report for the six-month period ended 30 June 2022.

Financial Highlights:

- Revenue up 42% to €4.2bn, (underlying up 27%).
- Trading profit up 32% to €434.2m, (underlying up 15%).
- Group trading margin of 10.5%, a decrease of 80bps versus the same period in 2021.
- Acquisitions contributed 12% to sales growth and 13% to trading profit growth in the period.
- Net debt¹ of €1,206.6m (H1 2021: €601.7m). Net debt⁴ to EBITDA⁴ of 1.25x (H1 2021: 0.83x).
- Basic EPS up 29% to 170.6 cent (H1 2021: 132.4 cent).
- Interim dividend up 29% to 25.6 cent (H1 2021: 19.9 cent) in line with policy guidance.
- ROCE at 18.1 % (H1 2021: 18.9%) reflecting timing of acquisitions.

Operational Highlights:

- Record performance overall in a testing environment, lower order intake in quarter two yet solid quotation pipelines in most key markets.
- Insulated Panels sales increase of 39% driven by raw material led price growth and a 63% increase in global sales volume of QuadCore™.
- Insulation sales strongly ahead by 69%, driven by inflation and acquisitions. District heating applications order intake up by 50% year on year with an annualised run rate of c.€500m. Technical insulation now comprising c.35% of divisional revenue.
- Roofing + Waterproofing global platform established. Annualised revenue run rate will be in excess of €500m post acquisition of Derbigum in June and acquisition of Ondura Group cleared in August. Strategic minority stake of 24% acquired in Nordic Waterproofing in August.
- Technical insulation and Roofing significantly increase the Group's exposure to RMI.
- Significant progress at Light + Air, margins progressing positively year on year.
- Data + Flooring medium term pipeline stronger than at any time in the past.
- Water + Energy margin recovery underway following a lag experienced in the first half of the year.
- Invested a total of €522m in acquisitions, purchase of a minority interest and capex during the period.

Summary Financials:

	<i>H1 '22</i>	<i>H1 '21</i>	<i>Change</i>
Revenue €m	4,153.4	2,920.1	+42%
Trading Profit €m²	434.2	328.9	+32%

Trading Margin³	10.5%	11.3%	-80bps
EBITDA €m⁵	512.2	392.9	+30%
EPS (cent per share)	170.6	132.4	+29%

1 Net debt pre-IFRS16

2 Operating profit before amortisation of intangibles and non trading item

3 Operating profit before amortisation of intangibles and non trading item divided by total revenue

4 Net debt to EBITDA ratio is pre-IFRS16 per banking covenants

5 Earnings before finance costs, income taxes, depreciation, amortisation and non trading item.

Gene Murtagh, Chief Executive of Kingspan commented:

“Despite a challenging trading environment Kingspan delivered record half year results, with revenues over €4bn for the first time. We have been able to navigate large input cost increases with only modest margin impact.

We invested €522m in new businesses and capex in the period, including significant progress executing on our strategy of developing a new business division focussed on roofing and waterproofing solutions. We also continue our organic expansion plans, with the intention to build 25 new production lines in the next 5 years, including our plans to invest €200m in a new Building Technology Campus in Ukraine.

Looking forwards we retain the outlook flagged in our June trading update but are confident in the long term demand for the energy efficient solutions we deliver. Whilst inflationary pressures have eased in recent months, the context of energy supply constraints over the winter months in Europe will be something we will be closely monitoring.”

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