

Kingspan Group plc

Trading Update

29 April 2022

Kingspan Group plc, the global leader in high performance insulation and building envelopes, is issuing this Trading Update today for the quarter ended 31 March 2022 ahead of our AGM at 10.00am.

The Group had a record first quarter. Group sales of €1.89bn for the three-month period to 31 March were 47% ahead of prior year (+31% underlying). Raw material inflation which had eased considerably at the turn of the year has returned sharply over the past six weeks and the associated recovery effort is ongoing.

By market during the first quarter, Europe was strongly ahead overall, the Americas had a positive start to the year with a very encouraging pipeline in North America and robust order intake activity recently in Latin America. Australasia, which was subdued for most of last year, is looking better as we move through 2022.

Insulated Panels sales were up 44% (+37% underlying). Sales were positive across most significant markets worldwide with raw material inflation necessitating significant pricing activity year on year. Order intake volumes overall were broadly flat versus the first quarter of 2021 which itself was very buoyant. The global backlog at the end of March was 19% ahead of the same point last year in volume. QuadCore™ specification continues to advance globally.

Insulation sales were up 72% (+22% underlying) in the first quarter. The year on year sales comparison was helped considerably by Logstor, which was acquired mid year in 2021 and which is trading very well with district heating solutions a particular highlight. Much of the underlying sales growth reflected inflation led pricing with volumes broadly in line with a strong Q1 2021. Volumes grew strongly in Australasia which together with growth in Central and Eastern Europe offset modest decreases elsewhere against a strong comparative.

Light & Air sales were up 41% (+16% underlying) in the first quarter. The underlying sales performance was positive across all key markets with momentum in order intake and progress in margins. The pipeline in both daylighting and associated natural air ventilation applications is encouraging.

Data & Flooring sales increased by 32% in the first quarter (+26% underlying). Datacentre solutions continue to grow and are offsetting the anticipated weakness in new office construction.

Water & Energy has started the year well with sales 24% ahead in the first quarter (+11% underlying) albeit margins have seen some pressure. Wastewater and rainwater solutions are an increasing area of opportunity.

Net debt as at 31 March 2022 was €905m and reflects an acquisition spend of €67m in the first quarter. Working capital levels remain elevated as we continue to hold higher than average levels in a choppy supply chain environment. The Group's current liquidity is very

strong with in excess of €2.1bn in cash and undrawn committed facilities including €800m of new additional term facilities agreed on 13th April.

The Group's trading outlook for the second quarter is positive with a strong order backlog on hand and decent activity in most end markets. Raw material inflation remains an issue to be firmly managed, coming on the back of a highly inflationary year in 2021. As previously highlighted, margins year on year are likely to see a lag associated with this. In addition to the €800m committed on acquisitions announced earlier in the year, the Group's development agenda and pipeline are strong, although nothing can be certain on that front. The acquisition of Troldekt has received competition clearances, and is expected to complete imminently.

Overall, given ever increasing concerns around energy conservation, availability and climate change, Kingspan's distinctive range of solutions and Planet Passionate agenda positions the Group favourably for the years ahead.

Kingspan's Annual General Meeting will take place at 10.00am today.

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