



KINGSPAN GROUP PLC

RESULTS FOR THE HALF YEAR 30 JUNE 2020

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 2020.

Financial Highlights:

- Revenue down 8% to €2.1bn, (underlying, down 13%).
- Trading profit down 13% to €200.1m, (underlying, down 16%).
- Group trading margin of 9.7%, a decrease of 60bps versus the same period in 2019.
- Acquisitions contributed 6% to sales growth and 4% to trading profit growth in the period.
- Net debt of €437.9m (H1 2019: €734.3m). Net debt to EBITDA of 0.79x (H1 2019: 1.31x).
- Basic EPS down 14.9 % to 79.8 cent (H1 2019: 93.8 cent).
- A more than three-fold increase in free cashflow to €260.4m (H1 2019: €80.6m).
- Interim dividend nil (H1 2019: 13.0 cent per share). Medium term dividend and shareholder returns policy under review.
- ROCE of 16.9 % (H1 2019: 17.1%).

Operational Highlights:

- Resilient performance overall in times without parallel.
- Insulated Panels sales decrease of 8%. Good recovery in key markets particularly in Europe in more recent months. UK slower to recover with Americas softer recently. Continued progress on QuadCore™ adoption and Bacacier acquisition integrating well.
- Insulation Boards sales decrease of 18%. Positive Kooltherm® performance. UK and Ireland experiencing more prolonged disruption than Mainland European and North American markets. Australasia relatively resilient.
- Light & Air sales growth of 20%. Another milestone marked in the period with the acquisition of Colt Group significantly adding to the scale and breadth of the category and service offering.
- Water & Energy sales decrease of 10% with solid rainwater harvesting and wastewater activity.
- Data & Flooring sales growth of 6% with strong data centre activity driving this trend.

Summary Financials:

	<i>H1 '20</i>	<i>H1 '19</i>	<i>Change</i>
Revenue €m	2,072.7	2,243.1	-8%
Trading Profit* €m	200.1	230.4	-13%
Trading Margin**	9.7%	10.3%	-60bps

EPS (cent per share)	79.8	93.8	-15%
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**Operating profit before amortisation of intangibles*

*** Operating profit before amortisation of intangibles divided by total revenue*

Gene Murtagh, Chief Executive of Kingspan commented:

“Kingspan has delivered a resilient first half result in a period of unparalleled challenges. Performance has varied substantially from region to region depending on the severity and length of Government restrictions, and been helped by our rapid introduction of cost containment measures.

With over €1bn in cash and undrawn facilities we are well placed to come through the crisis in a strong position. In 2020 we have completed or agreed terms on three major acquisitions of businesses with revenue totalling over €400m, and we also continue our organic expansion, with new facilities being developed in locations including Brazil, Russia, and Sweden.

We have decided it is prudent not to pay an interim dividend and our shareholder returns policy is under review. We expect that the economic environment will remain weak, with confidence for businesses to make investment decisions curtailed. On a more positive note, policy makers are more focussed on ensuring buildings are more energy efficient, which is a supportive long-term trend.”

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