

2021 Interim Results

20TH AUGUST 2021



School, Doha
Light & Air

Disclaimer

Forward Looking Statements

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H1 2021 in Summary

- Insulated Panels sales increase of 44% driven by strong momentum in construction activity, raw material led price growth further enhanced by strong demand in high growth sectors. Order backlog strongly ahead of the same point in 2020
- Insulation Boards sales increase of 36% reflecting strong demand in key markets and inflation recovery on pricing. Acquisition of Logstor, a leading global supplier of technical insulation solutions, completed before the period end
- Light & Air sales growth of 39% reflecting the acquisition of Colt Group in Q2 2020 and the acquisition of Skydome in the period
- Water & Energy sales increase of 36% reflecting a strong performance across all key markets, with the exception of Australasia, and further acquisition activity
- Data & Flooring sales growth of 22% reflecting strong datacentre activity and ongoing development of the European operations



REVENUE

€2.9bn

+41%



TRADING PROFIT

€329m

+64%



EPS

132.4c

+66%

Our Mission

To accelerate a **net zero emissions future built environment** with the **wellbeing** of **people** and **planet** at its heart.



Ultra Energy-Efficient

196 million* tonnes of CO₂e will be saved over the life of our insulation systems sold in 2021



Net Zero Carbon

Over 8%* reduction in absolute Scope 1 & 2 CO₂ emissions since our 2019 Planet Passionate launch



Circular Materials

In 2021 alone we expect to upcycle over 800 million* waste plastic bottles



Natural Daylight & Ventilation

The capacity to create 9 billion lumens of natural light annually through our daylighting systems



Conserved Water

Over 41 billion* litres of rainwater will be harvested by our systems produced in 2021

*2021 forecasts

The Envelope and the Arteries

Flat Roof Membrane

Embryonic position presently –
global scale opportunity



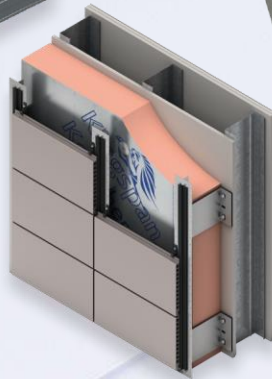
Insulated Panels

Global Leader
66% Revenue



Insulation Boards

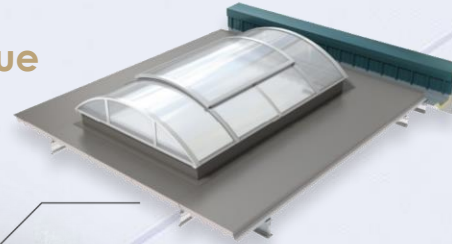
Global Leader
17% Revenue



Light & Air

Global Leader

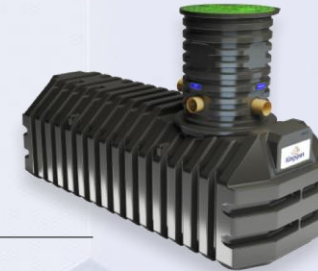
8% Revenue



Water & Energy

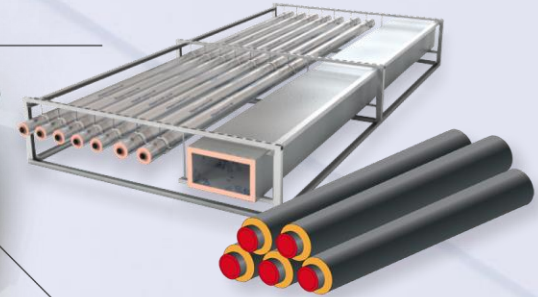
Global Leader

4% Revenue



Technical Insulation

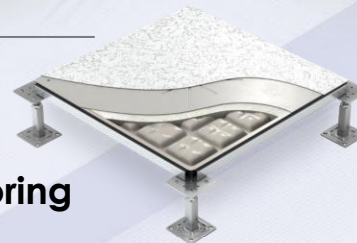
Developing position presently –
global scale opportunity



Data & Flooring

Global Leader

5% Revenue



PowerPanel®

Launch 2021 as part of
Insulated Panels



Megatrends That Drive Us



Politics and Regulation

Averting a climate emergency

Paris Agreement goal to limit the temperature increase above pre-industrial levels to **1.5°C**



Market and Customers

Future proofing of asset values

7% increase in asset value of green buildings above the value of traditional buildings¹

Growth of new industry

2x increase in share of online as a percentage of retail sales in the first half of 2020 over 2019²



Sustainability and Resilience

Resource Scarcity

No.1 consumer of global raw materials is the construction industry

Sustainability requirements

50% of the solid waste in the United States is produced by the construction industry

Energy and Climate Change

39% of global greenhouse gas emissions are attributable to buildings



Society and Workforce

Health/comfort needs of citizens

8-11% productivity improvements are not uncommon as a result of better air quality³

Talent and ageing workforce

50% of general contractors are concerned about finding experienced crafts workers for their workforce

Source: The Future of Construction, World Economic Forum

Note 1 – Source: Dodge Data & Analytics 2018

Note 2 – Source: JLL preliminary research

Note 3 – Source: World Green Building Council

Building(s) For The Future

Auto and Battery Manufacturing



Global sales of electric cars grew

43% in 2020

Global electric vehicle penetration is just

4.6%



Logistics and Distribution

Western Europe e-commerce sales grew

29% in 2020

Western Europe e-commerce penetration was

13.4%

in 2020, which compares to 32.5% in the UK

Data Centre Solutions



Global mobile data traffic has grown

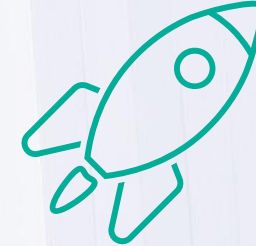
10x 2015 to 2020

and is expected to more than

triple

by 2025

The Space Economy



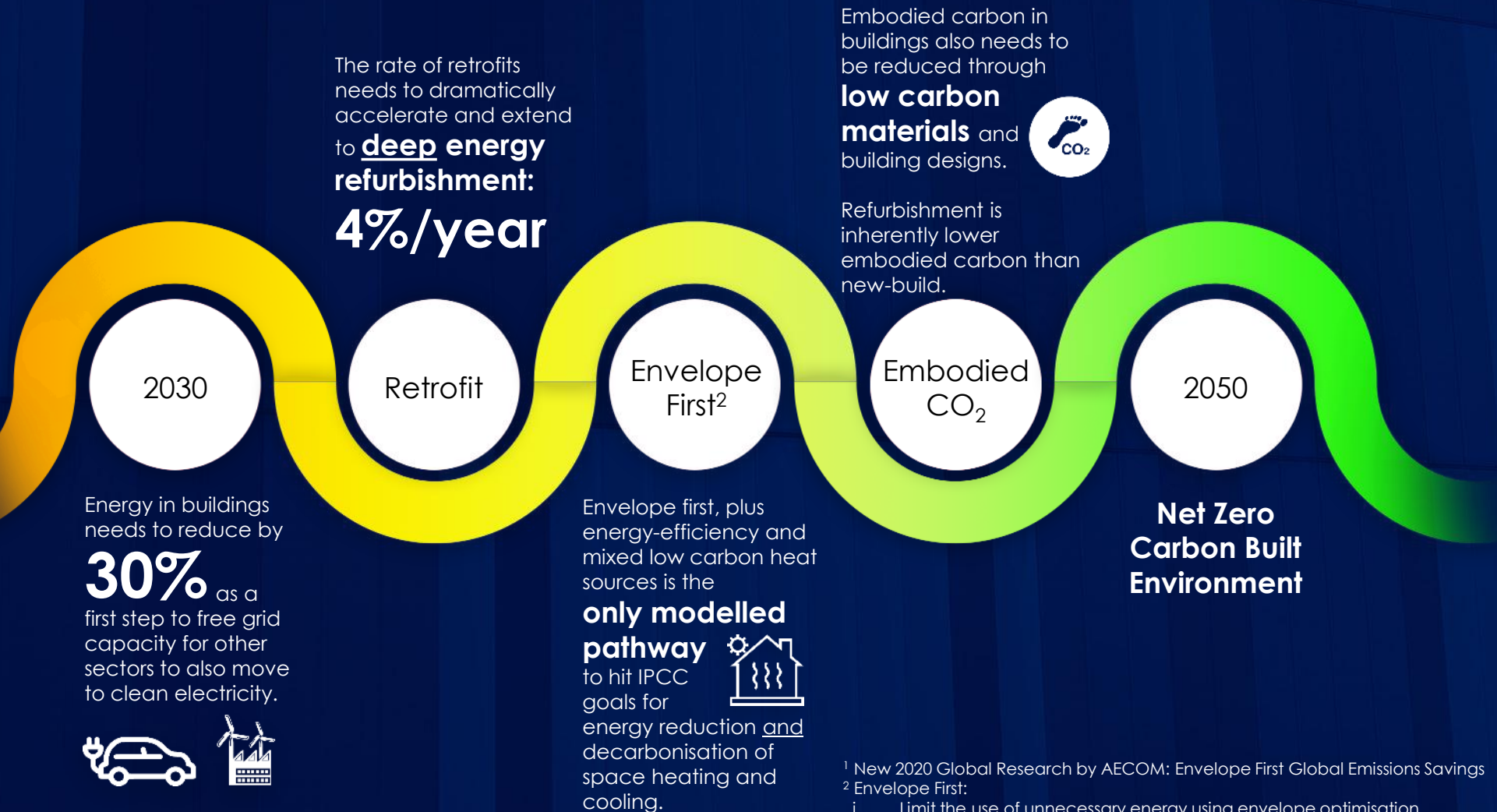
The global space economy generates approximately

\$350bn of annual revenue currently

The next frontier could generate

\$1 tr of revenue by 2040, largely driven by satellite broadband

IPCC 1.5°C – AECOM Research¹



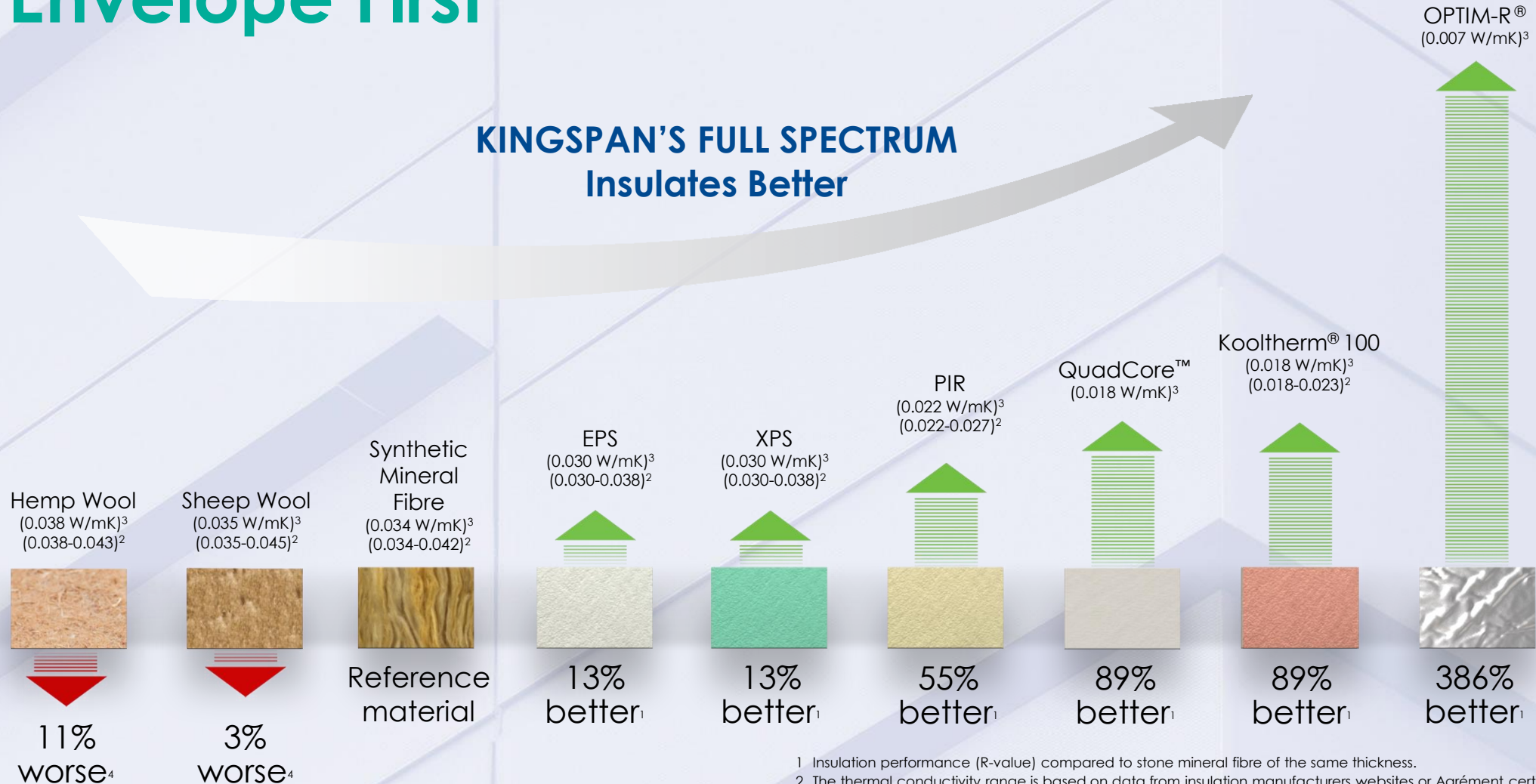
¹ New 2020 Global Research by AECOM: Envelope First Global Emissions Savings

² Envelope First:

- Limit the use of unnecessary energy using envelope optimisation.
- Ensure that the remaining energy requirements are served efficiently.
- Meet energy demands using renewable sources.

Better Insulation is the Cornerstone of Envelope First

KINGSPAN'S FULL SPECTRUM
Insulates Better



¹ Insulation performance (R-value) compared to stone mineral fibre of the same thickness.

² The thermal conductivity range is based on data from insulation manufacturers websites or Agrément certificates.

³ Thermal conductivity (Lambda) W/m.K values quoted at 10°C.

⁴ % Change v mineral wool (based on R-value for same thickness).

Product Integrity



Leading
Standard in
Compliance

Kingspan Group's Compliance function has been accredited to

ISO 37301

and we are among the first in the world to receive this accreditation at one of our manufacturing sites.

20 further facilities on track to be accredited to ISO 37301 by H1 2022.

Kingspan is fully committed to implementing the UK's Code for Construction Product Information (CCPI).



Oversight

Kingspan Compliance Team has audited

50

manufacturing facilities to date, with a further 30 planned by year-end 2021.

Over
250

external product and system audits carried out in H1 2021.



Framework

17 Lead Product Compliance Officers appointed across the business.

An additional 27 compliance personnel appointed to support Lead Compliance Officers.

270

employees selected for external compliance training to consolidate the competence across the business.

Solutions Driven Innovation

QuadCore™ versus Synthetic Mineral Fibre¹



Market and Customers

25% lower panel system cost²

20% savings in installation costs

20-30% savings in accessories

6 more BREEAM credits enabled than typical retail or distribution warehouse



Sustainability and Resilience

297 fewer truck deliveries to site

1,300 tonnes lighter facade with savings in structure & foundation

15% contains up to 15% recycled content when upcycled PET is incorporated



Society and Workforce

12% savings in installation time (faster build programme)

60mins fire resistance (EI 60)³



Politics and Regulation

40_{year} up to 40 year warranty

Estimates based on a 100,000m² facility

¹ Estimates based on a 150mm QuadCore™ wall panel system versus a 300mm Synthetic Mineral Fibre wall panel system (to achieve equivalent U-value)

² Estimate based on Continental European prices

³ QuadCore™ AWP-S 150mm wall panel system tested to EN 1364-1



POWERED BY
QuadCore™
TECHNOLOGY

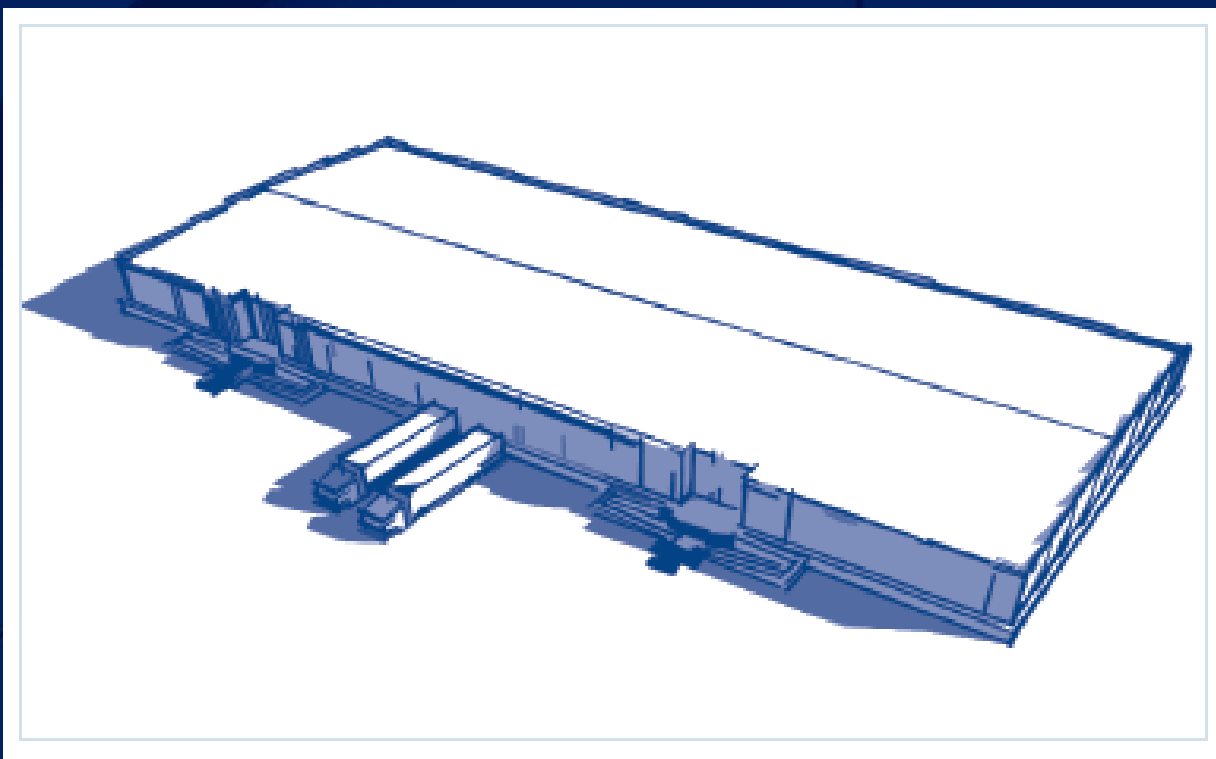
VS



Synthetic Mineral Fibre

Space Matters

UK Industrial/Office



Details of the UK Industrial / Office Case Study with an external wall system incorporating Kingspan **QuadCore™** KS1000RW wall panels





Source: Cushman Wakefield Report

Description	Value
Kingspan External Wall Construction	Kingspan QuadCore™ KS1000RW sandwich panels
Lettable floor area	35,800 sq.m (385,348 sq.ft)
Additional floor area	87.10 sq.m (937.54 sq.ft)
Additional development cost	£71,379
Capitalised value of additional space	£275,667

286%

Return on additional CapEx

Planet Passionate 2021 Forecast

	TARGET	TARGET YEAR	2020 (A)	2021 (F)
ENERGY	 Net Zero Energy (%)	2020	100%	100%
	60% direct renewable energy use (%)	2030	28%	30%
	20% on-site renewable energy generation (%)	2030	4.7%	5%
	Solar PV systems on all wholly owned facilities (%)	2030	21%	29%
CARBON	 Net zero carbon manufacturing (% yoy reduction in scope 1 & 2 GHG emissions)	2030	5.2%	4%
	Zero emission company funded cars (% annual conversion)	2025	11%	25%
	50% reduction in product CO2e intensity from our primary supply partners (% reduction)	2030	0%	0%
CIRCULARITY	 Zero company waste to landfill (tonnes)	2030	18,450	17,000
	Recycle 1 billion PET bottles into our manufacturing processes (bottles)	2025	573m	800m
	QuadCore™ products utilising recycled PET (% of sites)	2025	5%	5%
WATER	 Harvest 100 million litres of rainwater (litres)	2030	21.1m	24m
	5 active ocean clean-up projects (No. of initiatives)	2025	1	2

Circularity & QuadCore™ – the LIFECycle approach

Input Materials

QuadCore™ panels contain up to 25% recycled steel and will contain recycled feedstocks in raw materials.

QuadCore™ panels made in USA, containing recycled PET.



Factory Processes

By 2030, all factories across the world making QuadCore™ panels will be zero waste to landfill.

Extended Life

QuadCore™'s modularity enables re-use, which Kingspan is exploring to support at scale.



Lean & Circular

QuadCore™ is thinner & lighter, saving materials, transport & even building structure.

Comparison of synthetic mineral fibre and QuadCore™ panels, u-value of 0.18 W/mK.



POWERED BY
QuadCore™
TECHNOLOGY



Cycling

Our first QuadCore™ panels Recycling Hub is opening in 2022 for end-of-life products.

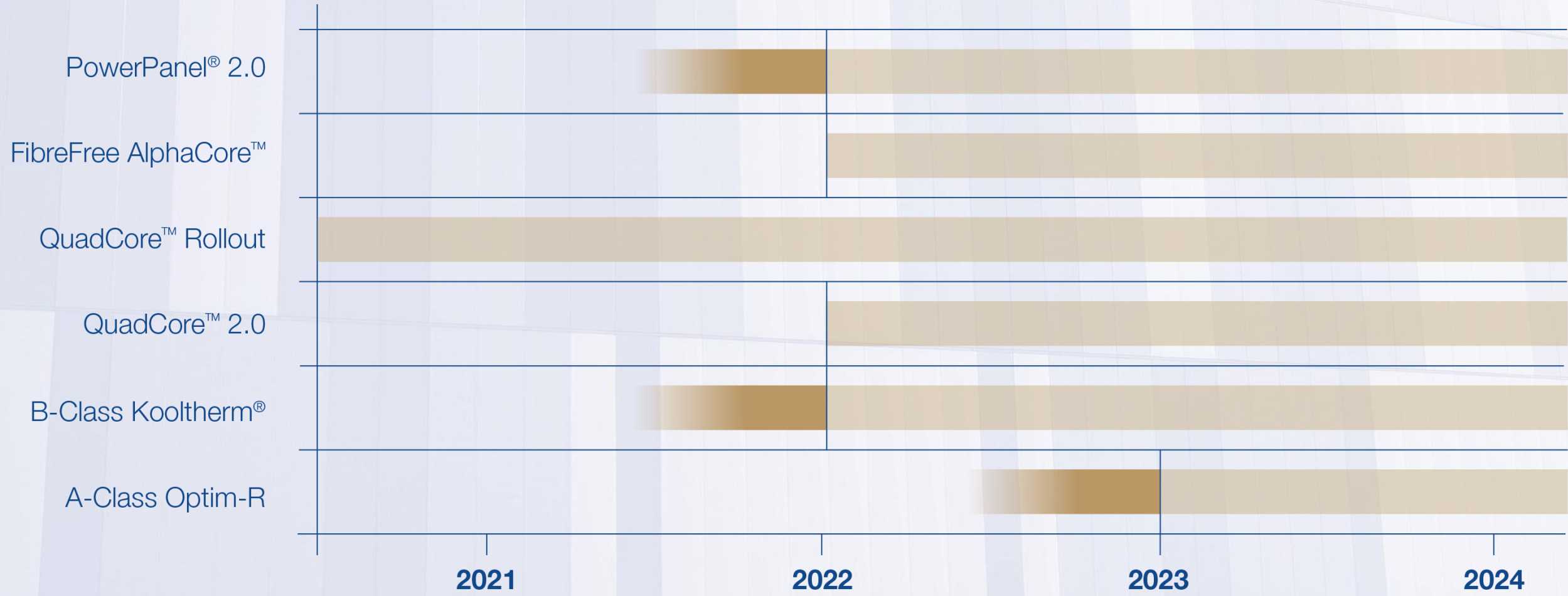
The first hub is planned to open in 2022 to enable reprocessing of production waste, site waste and end-of-life panels back into new insulated panels & other products.



Global Organic Expansion

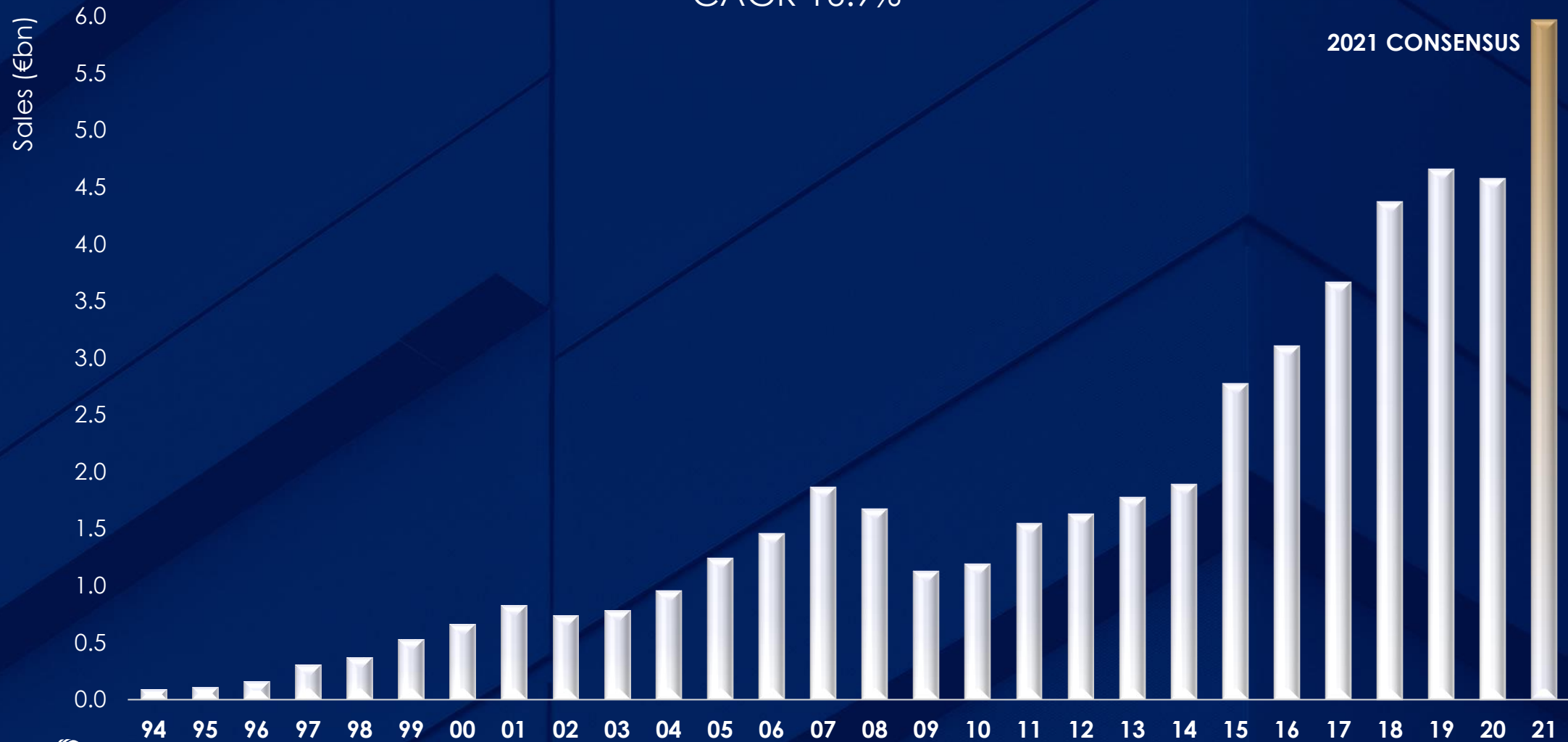


Key Innovations



Progress so Far

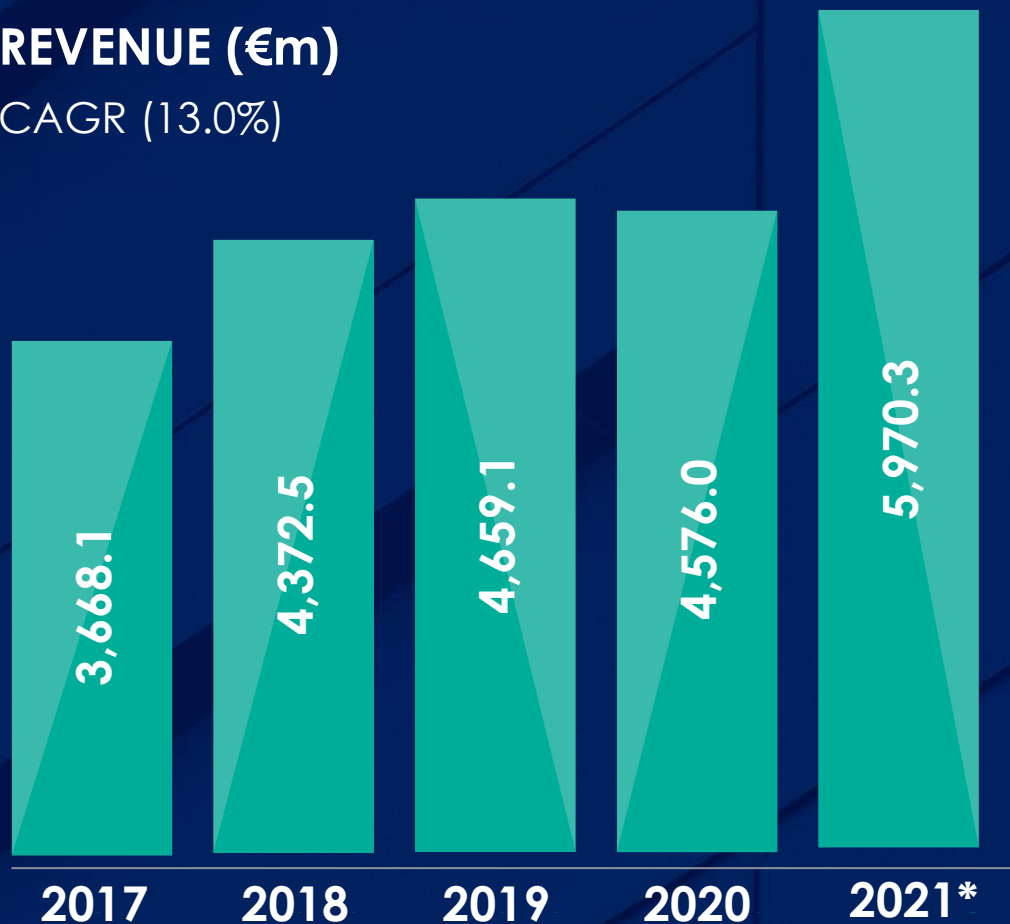
CAGR 16.9%



5 Year Financial Performance

REVENUE (€m)

CAGR (13.0%)

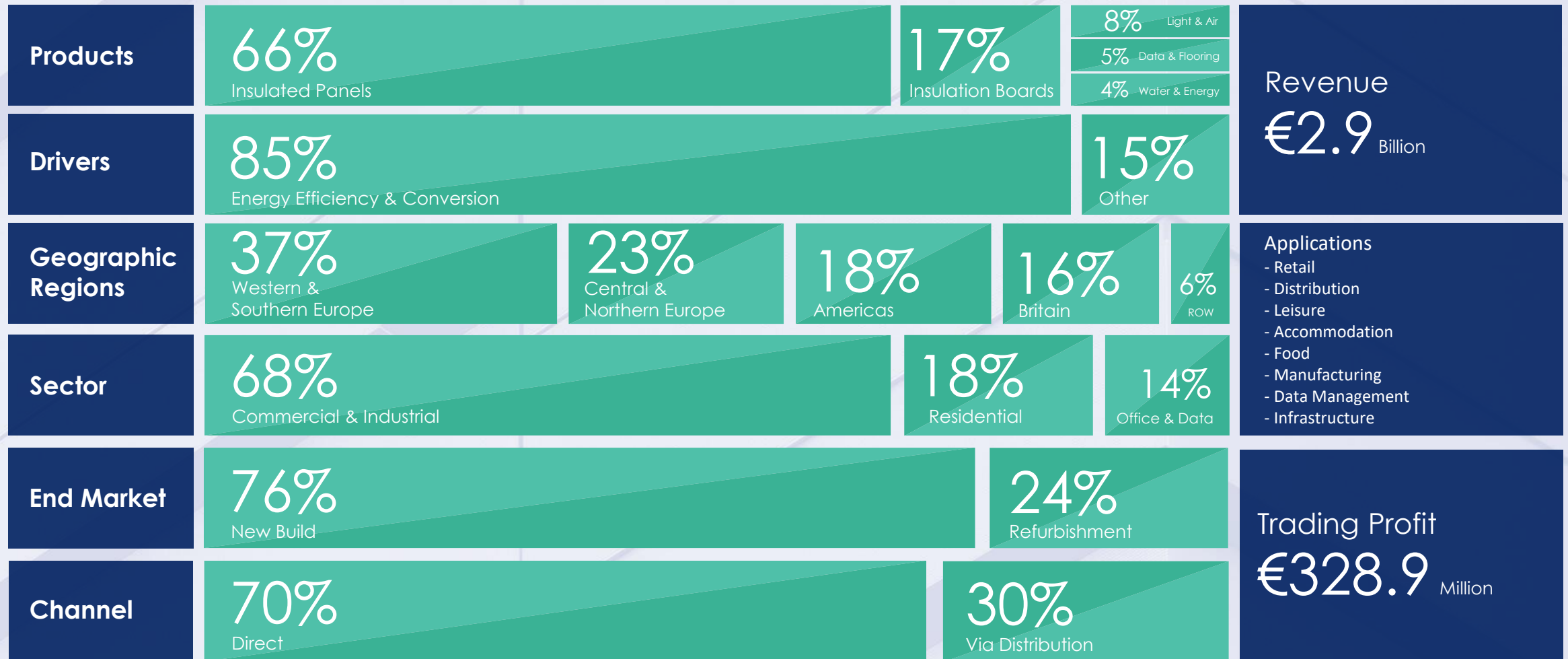


TRADING PROFIT (€m)

CAGR (14.7%)



H1 2021 In a Nutshell



Financial Highlights

	H1 2021	H1 2020	YoY % Change	cc change*
Revenue (€m)	2,920.1	2,072.7	+41%	+44%
Trading Profit (€m)	328.9	200.1	+64%	+67%
Earnings per share (cent)	132.4	79.8	+66%	-
Interim Dividend (cent)	19.9	-	-	-
Free Cashflow (€m)	141.8	260.4	-46%	-
Net Debt (€m)	601.7	437.9	+37%	-
Trading Margin	11.3%	9.7%	+160bps	-
Net debt/EBITDA	0.83x	0.79x	-	-
Effective Tax Rate	17.0%	16.9%	+10bps	-
ROCE	18.9%	16.9%	+200bps	-

* Constant currency change

Trading Profit and Margin

TRADING MARGIN

	H1 21	FY 20	H1 20
Insulated Panels	11.6%	11.0%	9.3%
Insulation Board	14.0%	14.0%	13.2%
Light & Air	2.7%	7.0%	4.4%
Water & Energy	9.4%	8.0%	7.4%
Data & Flooring	12.9%	13.1%	12.8%
Group	11.3%	11.1%	9.7%

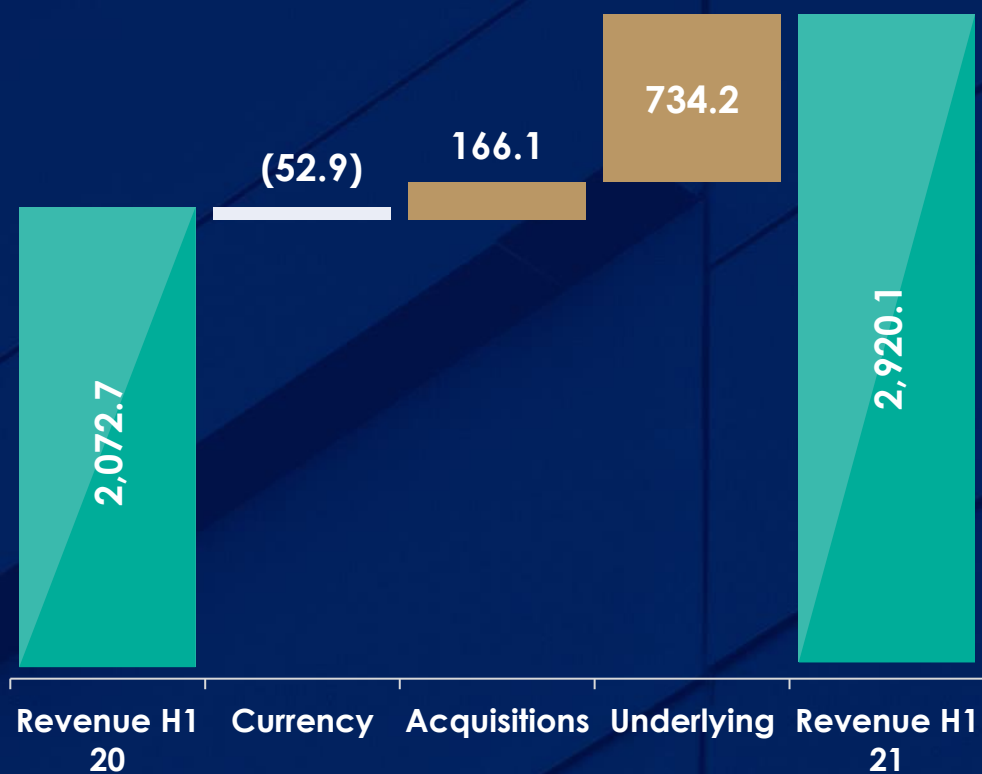
TRADING PROFIT (€m)

CAGR (16.7%)

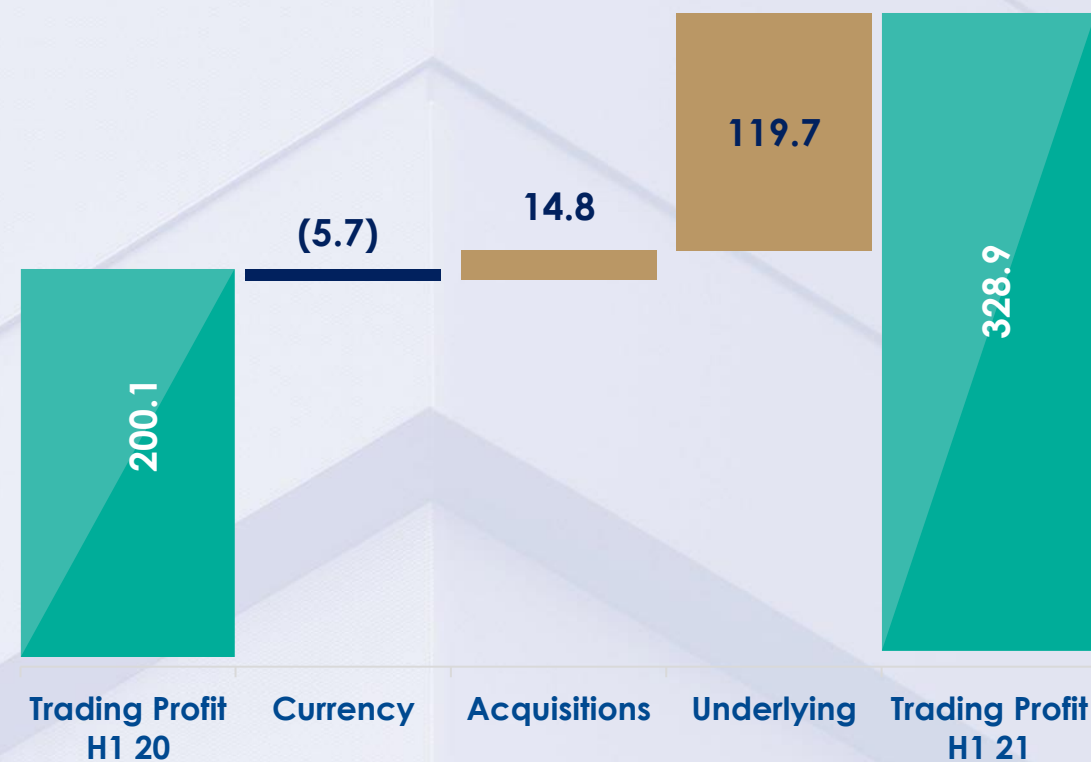


Group Sales & Profit Bridge

Revenue €m



Trading Profit €m



Strong Free Cash Flow (€m)



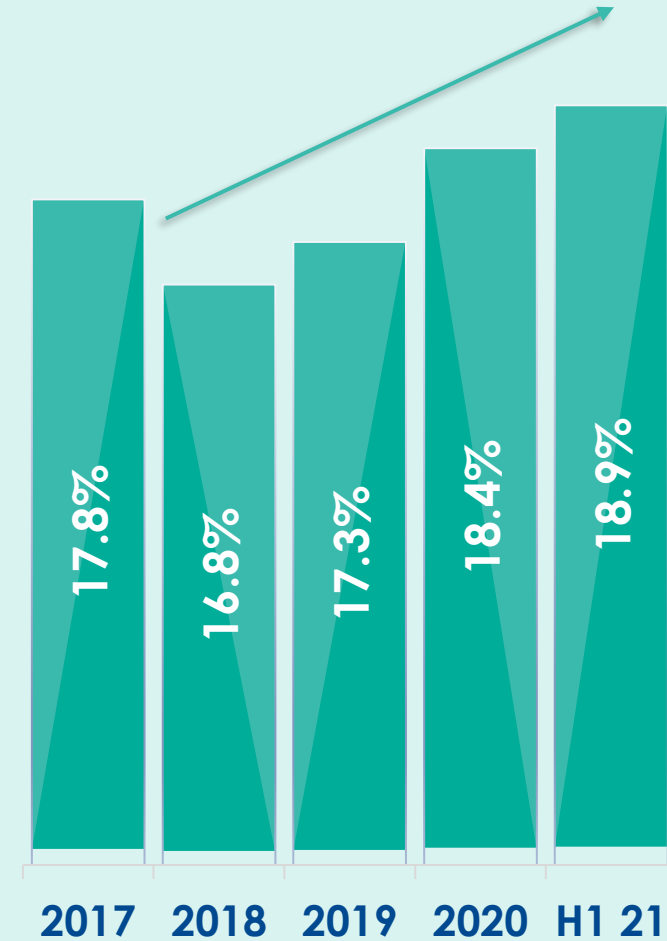
Net Debt Reconciliation (€m)



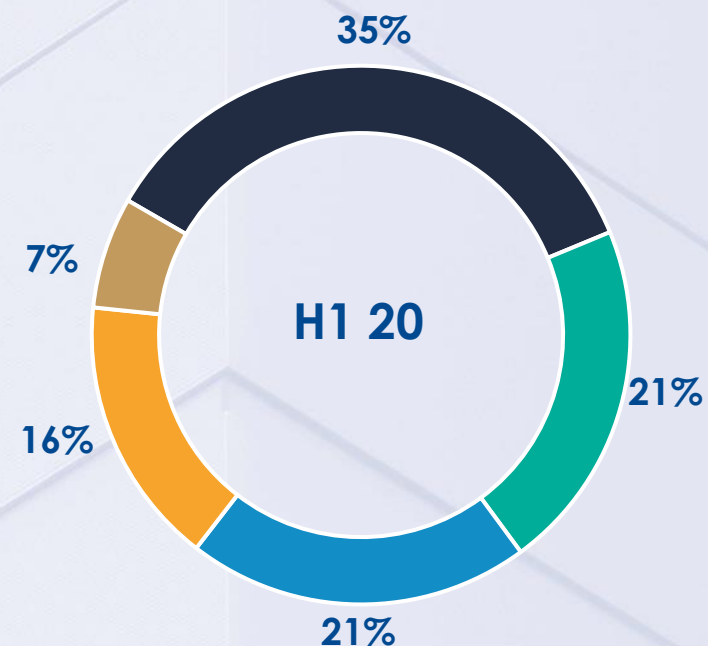
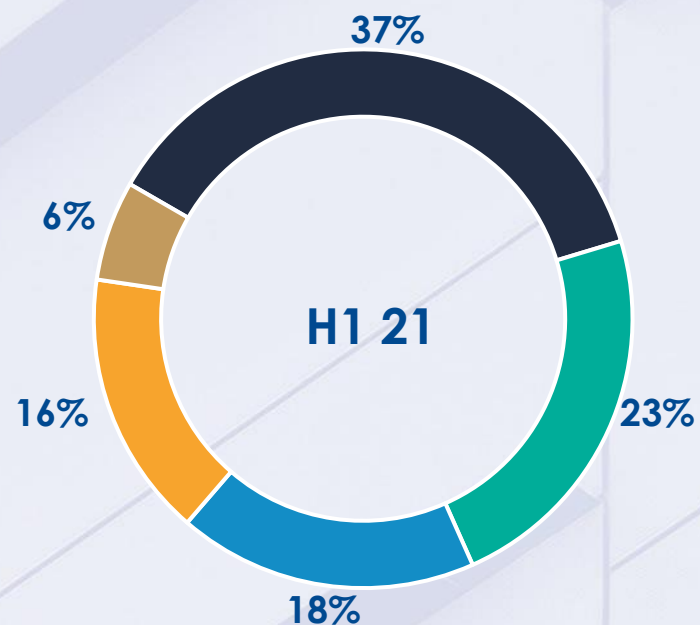
Strong ROCE



Train Maintenance Facility, Australia
Insulated Panels



Sales by Geography



€m	H1 21	H1 20	YoY % Change	cc change*
Western & Southern Europe	1,086.2	734.2	+48%	+48%
Central & Northern Europe	657.8	438.2	+50%	+51%
Americas	539.4	426.6	+26%	+38%
Britain	472.5	335.0	+41%	+40%
Rest of World	164.2	138.7	+18%	+19%
Total	2,920.1	2,072.7	+41%	+44%

* Constant currency change

Insulated Panels

- Strong momentum in H1 2021
- Revenue and volume strongly ahead and order intake volume was up +50% leaving backlog over double that at June 2020
- Construction activity clearly ahead in most markets, further enhanced by increased penetration of Insulated Panels in a number of key markets
- Encouraging growth in the US, Brazil, France and the Benelux
- Germany is strong and significant growth in order intake was registered in the UK
- A remarkably strong first half in Ireland



Etihad Arena, Abu Dhabi
Insulated Panels

	H1 21	H1 20
Sales (€m)	1,922.8	1,332.0
% of Group Sales	66%	64%

Analysis of YoY % Change			
Underlying	Currency	Acquisition	Total
+41%*	-3%	+6%	+44%

* Volume +30% and price/mix +11%

Insulated Panels

- Work commenced on a new Insulated Panel facility in Central France due for completion in late 2022
- In North America work is progressing on a new greenfield facility in the north east and an additional greenfield plant will be added in the midwest region
- Brazil has commenced production at the new facility in Santa Catarina with plans afoot to add further lines in the north of the country
- The plan for plant construction in Vietnam has experienced logistical challenges in recent times but remains central to the strategy for the region



Entertainment & Sports Arena, USA
Insulated Panels

- Sales value and volume were both well ahead of last year in all key markets
- Newbuild has recovered strongly in many regions
- Western Europe and North America posted significant volume increases and momentum in Australasia has improved substantially
- Volume growth in the Britain was comfortably in excess of 20%
- Production commenced in our new Kooltherm® facility in Sweden, with a fully electrified manufacturing process powered by 100% renewable electricity, of which 20% is produced on-site
- Acquisition of Logstor completed, a global leader in core insulated pipes for multiple applications but predominantly for the district heating sector
- Agreement signed to acquire Thermakraft in New Zealand which will significantly enhance our presence in Australasia
- Acquired Dyplast in the US, a force in the industrial insulation sphere



	H1 21	H1 20
Sales (€m)	499.5	367.9
% of Group Sales	17%	18%

Analysis of YoY % Change			
Underlying	Currency	Acquisition	Total
+36%*	-2%	+2%	+36%

* Volume +27% and price/mix +9%

- Significant step forward in 2020 with the acquisition of Colt, adding material scale to the division and revenue of c. €250m
- Geographically, Colt resulted in Northern Europe taking a leap forward, in particular Germany and the Netherlands
- Most recently Skydome entered the fold which broadly doubles our presence in France while Major Industries in the US was acquired close to period end
- Organic and acquired assets on track to deliver revenue of approximately €550m with a return on sales in the region of 8%. Medium term aim to drive revenue towards €1bn delivering a trading profit margin of 10%
- H1 21 demonstrated a significant lag in raw material recovery but anticipate a more complete recovery during the second half
- Additionally, the segment bore the first quarter seasonal weakness at Colt, which last year was pre-acquisition



Mercedes Showroom, Vienna
Light & Air

	H1 21	H1 20
Sales (€m)	239.5	171.9
% of Group Sales	8%	8%

Analysis of YoY % Change			
Underlying	Currency	Acquisition	Total
+2%	-1%	+38%	+39%

Water & Energy

- Robust performance with notable growth in most geographic regions
- Product portfolio ranges from rainwater harvesting to water treatment and hot water storage
- Solid activity in the Britain and Poland across water treatment and fuel storage product sales
- Encouraging progress in France in the waste water area while activity in the Nordics has recovered well
- More challenging in Australia for the rainwater harvesting business with pandemic restrictions continuing to hamper activity
- Product range expansion and innovation are key to this division's future growth, with work underway to design hydrogen tanks for the transportation sector



University of Queensland Main Campus, Brisbane
Water & Energy

	H1 21	H1 20
Sales (€m)	126.3	92.9
% of Group Sales	4%	5%

Analysis of YoY % Change			
Underlying	Currency	Acquisition	Total
+24%	+3%	+9%	+36%

Data & Flooring

- Relatively strong performance with sales and trading profit ahead by 22% and 23% respectively
- Predominant focus on unique solutions aimed at efficient running of data warehouses
- Product suite includes airflow panels, aisle containment and structural ceilings, all designed to minimise energy consumed in the cooling process of these facilities
- Office construction market remains subdued



McGough HQ, USA
Data & Flooring

	H1 21	H1 20
Sales (€m)	132.0	108.0
% of Group Sales	5%	5%

Analysis of YoY % Change			
Underlying	Currency	Acquisition	Total
+25%	-3%	-	+22%

Outlook



- Very positive first half with strong order backlog entering second half of year
- Raw material inflation and constrained availability theme to persist through remainder of 2021 and likely into 2022
- Construction industry activity has been lively in most key markets with outperformance by Kingspan given the robustness of our global supply chain
- This dynamic may change in time when raw material availability issues subside
- 2021 is an abnormally buoyant year in an unparalleled environment, whatever way the market evolves Kingspan is well placed for the years ahead

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