

KINGSPAN GROUP PLC

RESULTS FOR THE HALF YEAR 30 JUNE 2021

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 2021.

Financial Highlights:

- Revenue up 41% to €2.9bn, (pre-currency and acquisitions, up 36%).
- Trading profit up 64% to €329m, (pre-currency and acquisitions, up 60%).
- Group trading margin of 11.3%, an increase of 160bps versus the same period in 2020.
- Acquisitions contributed 8% to sales growth and 7% to trading profit growth in the period.
- Net debt of €601.7m (H1 2020: €437.9m). Net debt to EBITDA of 0.83x (H1 2020: 0.79x).
- Basic EPS up 65.9 % to 132.4 cent (H1 2020: 79.8 cent).
- Interim dividend 19.9 cent (H1 2020: nil) in line with policy guidance.
- Continued growth in ROCE at 18.9 % (H1 2020: 16.9%).

Operational Highlights:

- Unprecedented and ongoing raw material inflation with the price recovery effort on track.
- Strong underlying volume growth of 30% and 27% in Insulated Panels and Insulation Boards.
- Insulated Panels sales increase of 44% driven by strong momentum generally 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.
- Invested a total of €496m in acquisitions, capex and financial investments during the period.

Summary Financials:

	<i>HI '21</i>	<i>HI '20</i>	<i>Change</i>
Revenue €m	2,920.1	2,072.7	+41%
Trading Profit* €m	328.9	200.1	+64%
Trading Margin**	11.3%	9.7%	+160bps
EPS (cent per share)	132.4	79.8	+66%

**Operating profit before amortisation of intangibles*

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

Gene Murtagh, Chief Executive of Kingspan commented:

“Growth in the first half of the year has been remarkably strong with revenue and trading profit at record levels driven by high levels of demand and a global recovery in the construction sector. Despite inflation in our input costs, effective price management has helped increase trading margins, with a stand out performance in our largest division – insulated panels.

Our strategy of expanding through acquisition and diversifying geographically has continued, with ten acquisitions made during the period across four continents, and a robust balance sheet positioned to support future growth. We also continue to invest in organic expansion, product innovation, digitalisation, enhanced compliance and executing on our ambitious Planet Passionate sustainability targets.

A strong pipeline of future demand means we are positive about the outlook for the second half of the year. Longer term, the decarbonisation agenda and increasing awareness of the need to reduce the contribution of the built environment to climate change is supportive of our focus on delivering customers with high performance solutions that deliver best-in-class thermal performance.”

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