KINGSPAN GROUP PLC

PRELIMINARY RESULTS

Year Ended 31 December 2019

KINGSPAN GROUP PLC

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Kingspan, the global leader in high-performance insulation and building envelope solutions, reports its preliminary results for the year ended 31 December 2019.

Financial Highlights:

- Revenue up 7% to €4.7bn, (pre-currency, up 6%).
- Trading profit up 12% to €497.1m, (pre-currency, up 10%).
- Free cashflow up 9% to €337.1m.
- Group trading margin of 10.7%, an increase of 50bps.
- Basic EPS up 11% to 204.6 cent.
- Final dividend per share of 33.5 cent. Total dividend for the year up 10.7% to 46.5 cent.
- Year-end net debt[1] of €633.2m (2018: €728.3m). Net debt[1] to EBITDA[1] of 1.1x (2018: 1.4x).
- ROCE of 17.3% (2018: 16.8%).

Operational Highlights:

- Insulated Panels sales growth of 7%. Strong performance in the Americas. Mainland Europe performed well overall with the notable exception of Germany. Difficult UK market particularly in the second half. Further headway in key markets on QuadCore™, now 9% of global sales.
- Insulation Boards sales growth of 2%. Continuing progress on Kooltherm® and share gain from traditional materials.
- Strong underlying volume growth of 4% and 8% in Insulated Panels and Insulation Boards partially offset by the pricing impact of raw material deflation.
- Light & Air sales growth of 12% buoyed by a strong performance in the US. Solid activity in Mainland Europe. Daylighting centre of excellence under construction in Ireland.
- Water & Energy sales growth of 3% with progress in the Nordics, a difficult UK environment and more subdued rainwater harvesting activity in Australia.
- Data & Flooring sales growth of 13% reflecting strong datacentre activity and geographic expansion in Europe.

Summary Financials:

	2019	*2018*	*change*
Revenue €m	4,659.1	4,372.5	+7%
Trading Profit[2] €m	497.1	445.2	+12%
Trading Margin[3]	10.7%	10.2%	+50bps
Profit after tax €m	377.8	335.8	+13%
EPS (cent)	204.6	184.0	+11%

[1] Net Debt and EBITDA both pre-IFRS 16
[2] Operating profit before amortisation of intangibles
[3] Trading profit divided by total revenue

Gene M. Murtagh, Chief Executive of Kingspan commented:

"2019 was another year of solid growth for the business, ending a decade during which the company's revenue increased fourfold, and trading profit increased sevenfold. Performance this year was helped by increased penetration of our proprietary high-performance insulation products QuadCore™ and Kooltherm®. This structural shift in building techniques and materials used also drove our increased profit margins.

Organic expansion is supported by new production facilities we have commissioned during the year in the US, Brazil and Sweden, and the level of demand building in Southeast Asia will soon justify investment in local manufacturing capacity there. We also continue to focus on acquisition opportunities, and have a healthy pipeline of targets under consideration.

The uncertain economic outlook in our end markets has seen a slow start to 2020, however, Kingspan's longer-term growth potential is supported by investment in innovation to ensure we have a product suite that continues to differentiate us from the competition, operated through a sustainable business model that is underpinned by the ambitious Planet Passionate targets we set in 2019."

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Douglas Keatinge

Business Review

2019 capped off a decade of great progress for Kingspan with revenue and trading profit ahead of prior year by 7% and 12% respectively. Over the past decade, sales and trading profit grew in excess of fourfold and sevenfold respectively. Group sales reached almost €4.7bn, and trading profit €497m. Despite the significant macro instability in a number of our key markets the Group performed well in the first half, but was weaker towards year end. Predictably, the UK was the most notable illustration of this.

Underlying volume growth at the larger Insulated Panels and Insulation Boards divisions was 4% and 8% respectively. Underlying revenue was 1% ahead in Insulated Panels and 1% lower in Insulation Boards reflecting the impact of lower pricing due to raw material deflation over prior year.

During the year we invested a total of €305m continuing on our path of both organic and new acquisition expansion worldwide. New facilities were either completed or commenced in Sweden, UAE, USA, the Netherlands and Brazil. Acquisition investment was €144m, comprising most notably Bacacier in France for €122m.

2019 marked the launch of our global Planet Passionate initiative, building upon the last decade of progress on our Net Zero Energy agenda. We have now embarked on our next ambitious 10-year journey to radically advance Kingspan across the four key themes of Energy, Carbon, Circularity and Water. This agenda is central to our purpose and entails the following targets and timelines:

Energy	Maintain our Net Zero Energy status Increase our direct use of renewable energy to 60% by 2030 Increase our on-site generation of renewable energy to 20% by 2030 Install solar PV systems on all wholly owned facilities by 2030
Carbon	Net zero carbon manufacturing by 2030 50% reduction in product CO_2 intensity from our primary supply partners by 2030 100% zero emission company funded cars by 2025
Circularity	1 billion PET bottles upcycled into our manufacturing processes by 2025 All QuadCore™ insulation to utilise upcycled PET by 2025 Zero company waste to landfill by 2030
Water	5 active ocean clean-up projects by 2025 100 million litres of rainwater harvested by 2030

Insulated Panels

	***FY* '19**	***FY* '18**	**Change**
Turnover €m	3,031.9	2,823.1	+7%(1)
Trading Profit €m	316.1	281.8	+12%
Trading Margin	10.4%	10.0%	+40bps

(1) Comprising underlying +1%, currency +1% and acquisitions +5%. Like-for-like volume +4%.

QuadCore™ penetration reached 9% globally, with sales up 36% over prior year. In Mainland Europe, the trading picture was quite mixed overall although most regions started the year ahead of 2018. France and Spain performed particularly well throughout the year as the Kingspan model has become more embedded in these markets in recent years. In the Benelux, revenue was marginally ahead although the Netherlands weakened in the last quarter owing to environmental legislation that affected progress on many building sites. This headwind is expected to ease somewhat in 2020. The German market has been key for us in recent years although it stagnated during 2019. We have taken steps to ensure our competitiveness is enhanced, including significant focus on QuadCore™. Poland and the broader Central European markets were steady as was our activity in the Nordics.

Significant progress was achieved across all markets in the Americas over the year. Penetration in the USA and Canada has continued to grow as modern and more efficient methods of construction become increasingly adopted and Kingspan's solutions become the basis of specification in many applications which historically would have used more traditional materials. The roll-out of QuadCore™ is also gaining momentum and this will be further enabled with the new production line in Modesto, California, that is nearing completion. In Latin America, progress has also been encouraging with a gradual gain in position in Mexico and continuing our momentum in Brazil where we opened a new facility in Cambui late last year. We have also broken ground on a fifth plant in the region which will be in southern Brazil. Other regions in Latin America are now also under developmental review.

At the outset of 2019 the UK backlog and general activity was healthy, showing no signs of the weakness that ensued in the second half of the year. As the political uncertainty grew through the year more building projects were postponed which, when combined with accelerating deflation in the latter part of the year, resulted in a disappointing outturn overall. QuadCore™, however, continued to grow in share. With the momentum in QuadCore™ continuing through early 2020, together with a more stable political backdrop, we should see activity improve from the evident weakness of the first quarter.

Activity for Insulated Panels in Australia was solid over the year while in New Zealand the business advanced significantly over 2018. Although relatively embryonic in Southeast Asia, revenue has grown year-on-year and we continue to build a base level of demand in the region which should necessitate local manufacturing in the not too distant future. Our Indian business delivered its plan for the year while the Middle East remains a challenge for the Panels business.

Volume growth in Ireland was healthy for most of the year but weakened towards year-end, pointing towards a slow start to 2020.

Insulation Boards

	FY **'19**	***FY*** **'18**	**Change**
Turnover €m	876.9	864.1	+2%(1)
Trading Profit €m	117.1	105.1	+11%
Trading Margin	13.4%	12.2%	+120bps

(1) **Comprising underlying -1%, currency +1% and acquisitions +2%. Like-for-like volume +8%.**

On the whole, the Insulation Boards business performed well across Continental Europe. 2018 was marred by heavy raw material inflation followed by rapid deflation through 2019. This led to a challenge in maintaining price, and of course margins. Despite this, volumes grew substantially in the Benelux and Southern Europe and improved in Germany and the Nordics. A new Kooltherm® plant will come on stream later this year in Sweden to support continued conversion from legacy mineral fibre insulation. Kooltherm® volumes grew by 15% in the year.

In the UK, volumes were strong in the early part of the period followed by weakness in the latter half of the year, largely owing to the uncertain political backdrop which was very pronounced at that point.

Progress continued in North America where our presence to date has been limited to a single XPS facility in the North East. We expect to build and commission a new PIR/QuadCore™ board facility during 2021/2022 which will be the first plant of our phased roll-out in the US, and will sit alongside a new Insulated Panel facility currently under development in Pennsylvania.

Our business in the Middle East delivered another year of solid growth largely in the Industrial Insulation sphere. Strong recovery was evident in the Australasia market as Kooltherm® grew its presence against local legacy mineral fibre and other insulation materials. In Ireland, the business had a solid outcome for the year across both the Insulation Board and structural residential Timberframe business units.

Light & Air

	FY **'19**	***FY*** **'18**	**Change**
Turnover €m	327.7	291.8	+12% (1)
Trading Profit €m	25.2	21.5	+17%
Trading Margin	7.7%	7.4%	+30bps

(1) Comprising underlying +9%, currency +1% and acquisitions +2%.

Revenue grew by 12% in 2019 and trading profit by 17% aided by improving synergies and efficiencies as this relatively embryonic business segment evolves. The story was somewhat mixed however with activity in Germany weakening notably through the second half and the Benelux performed similarly. In contrast to this, France and Southern Europe generally experienced attractive growth supported by the recently commissioned new facility in Lyon from which we anticipate continued momentum through the current year.

North America delivered a stand-out performance across both the standard and architecturally bespoke offerings. The UniQuad® wall-light, produced near Chicago, has also been launched across Europe where we anticipate penetration growth in the coming years.

Work has commenced on a significant plant expansion in Ireland to extrude polycarbonate daylighting for both roof and wall applications and we anticipate production to commence mid-2021.

Water & Energy

	***FY* ’19**	***FY* ’18**	**Change**
Turnover €m	208.1	202.9	+3%[(1)]
Trading Profit €m	14.2	14.2	-
Trading Margin	6.8%	7.0%	-20bps

(1) Comprising underlying -3% and acquisitions +6%

2019 was a year of stability for the Water & Energy business segment with profit in line with prior year. The UK and Ireland were both broadly flat on prior year, Mainland Europe grew and in Australia sales weakened as housing starts in New South Wales came under pressure. This pattern can be expected to continue into the current year and longer term we would expect to grow large scale water storage applications in more rural and afforested parts of Australia. The focus of this wider unit will increasingly revolve around water applications with a plan to establish a more global footprint beyond the European and Australian presence we currently have.

Data & Flooring

	***FY* ’19**	***FY* ’18**	**Change**
Turnover €m	214.5	190.6	+13%[(1)]
Trading Profit €m	24.5	22.6	+8%
Trading Margin	11.4%	11.9%	-50bps

(1) Comprising underlying +4%, currency +3% and acquisitions +6%

2019 was a positive year for our global Data & Flooring business segment largely driven by an increased product offering into the data sector and our growing geographic presence in Europe.

The UK was predictably weak however as office construction faltered particularly in the greater London area. We anticipate this trend to remain a drag through 2020 compensated somewhat by growth in Germany and the Benelux. Whilst the data opportunity remains front and central to the division’s future, the projects can be large and lumpy with respect to the timing, resulting in an inconsistent pattern of revenue. 2020 is expected to be no different in that regard.

Innovation

During the year we completed and opened our Global Innovation Centre, IKON, which sits alongside our headquarters in Kingscourt, Ireland.

The primary near-term focus is to soft launch PowerPanel® 2.0, and the fibre-free A1 AlphaCore® before the end of 2020. Both will offer Kingspan a significantly broadened specification opportunity and will no doubt be followed by more advanced iterations over the coming years. QuadCore™ 2.0 and the next generation of Kooltherm® are also at the early stages of development as part of our ongoing innovation agenda.

Financial Review

The Financial Review provides an overview of the Group's financial performance for the year ended 31 December 2019 and of the Group's financial position at that date.

Overview of results
Group revenue increased by 7% to €4.7bn (2018: €4.4bn) and trading profit increased by 12% to €497.1m (2018: €445.2m) with an increase of 50 basis points in the Group's trading profit margin to 10.7% (2018: 10.2%). Basic EPS for the year was 204.6 cent (2018: 184.0 cent), representing an increase of 11%.

The Group's underlying sales and trading profit growth by division are set out below:

Sales	Underlying	Currency	Acquisition	Total
Insulated Panels	+1%	+1%	+5%	+7%
Insulation Boards	-1%	+1%	+2%	+2%
Light & Air	+9%	+1%	+2%	+12%
Water & Energy	-3%	-	+6%	+3%
Data & Flooring	+4%	+3%	+6%	+13%
Group	+1%	+1%	+5%	+7%

The Group's trading profit measure is earnings before interest, tax and amortisation of intangibles:

Trading Profit	Underlying	Currency	Acquisition	Total
Insulated Panels	+7%	+1%	+4%	+12%
Insulation Boards	+6%	+2%	+3%	+11%
Light & Air	+11%	+2%	+4%	+17%
Water & Energy	-2%	-	+2%	-
Data & Flooring	-	+3%	+5%	+8%
Group	+6%	+2%	+4%	+12%

The key drivers of sales and trading profit performance in each division are set out in the Business Review.

IFRS 16 *Leases*
A new accounting standard, IFRS 16 *Leases*, was adopted with effect from 1 January 2019. The standard requires leases which were previously treated as operating leases to be recognised as a lease liability with the associated asset capitalised and treated as a right of use asset. On 1 January 2019, €127.9m of leases were recognised as liabilities on adoption of the standard and €128.8m capitalised as right of use assets. During 2019 depreciation on the right of use assets was €30.0m and the associated lease rental charge decreased by €31.8m leading to an increase in

operating profit of €1.8m. The interest charge on the associated leases was €3.8m and the aggregate impact of IFRS 16 on profit before tax was a decrease of €2.0m.

Finance costs (net)

Finance costs for the year increased by €2.7m to €20.8m (2018: €18.1m). A net non-cash charge of €0.1m (2018: credit of €0.6m) was recorded in respect of swaps on the Group's USD private placement notes. The Group's net interest expense on borrowings (bank and loan notes) was €16.7m (2018: €18.0m). This decrease reflects lower average gross and net debt levels in 2019. The interest expense is driven extensively by gross debt balances with low cash yields in the current environment. An amount of €3.8m (2018: €nil) was recorded as interest on leases capitalised in accordance with IFRS 16 which was adopted with effect from 1 January 2019.

Taxation

The tax charge for the year was €76.6m (2018: €69.1m) which represents an effective tax rate of 16.9% (2018: 17.1%). The decrease in the effective rate reflects, primarily, the change in the geographical mix of earnings year on year and reductions in certain territorial tax rates.

Dividends

The Board has proposed a final dividend of 33.5 cent per ordinary share payable on 7 May 2020 to shareholders registered on the record date of 27 March 2020. When combined with the interim dividend of 13.0 cent per share, the total dividend for the year increased to 46.5 cent (2018: 42.0 cent), an increase of 10.7%.

Retirement benefits

The primary method of pension provision for current employees is by way of defined contribution arrangements. The Group has two legacy defined benefit schemes in the UK which are closed to new members and to future accrual. In addition, the Group has a number of smaller defined benefit pension liabilities in Mainland Europe. The net pension liability in respect of all defined benefit schemes was €15.1m (2018: €13.1m) as at 31 December 2019.

Intangible assets and goodwill

Intangible assets and goodwill increased during the year by €98.0m to €1,600.1m (2018: €1,502.1m). Intangible assets and goodwill of €95.2m were recorded in the year relating to acquisitions completed by the Group. An increase of €24.7m arose due to year end exchange rates used to translate intangible assets and goodwill other than those denominated in euro, offset by annual amortisation of €21.9m (2018: €22.2m).

Financial key performance indicators

The Group has a set of financial key performance indicators (KPIs) which are presented in the table below. These KPIs are used to measure the financial and operational performance of the Group and are used to track ongoing progress and also in achieving medium and long term targets to maximise shareholder return.

Key performance indicators	2019	2018
Basic EPS growth	11%	16%
Sales growth	7%	19%
Trading margin	10.7%	10.2%
Free cashflow (€m)	337.1	308.4
Return on capital employed	17.3%	16.8%
Net debt/EBITDA	1.1x	1.4x

(a) Basic EPS growth. The growth in EPS is accounted for primarily by a 12% increase in trading profit. The minority interest amount increased year on year due to a strong performance at the Group's operations which have minority stakeholders, leading to a basic EPS increase of 11%.

(b) Sales growth of 7% (2018: 19%) was driven by a 5% contribution from acquisitions, a 1% increase in underlying sales and a 1% increase due to the effect of currency translation. Whilst underlying sales growth overall was a modest 1%, volume growth exceeded this in many markets although it was partially offset by price deflation due to raw material price reductions.

(c) Trading margin by division is set out below:

	2019	2018
Insulated Panels	10.4%	10.0%
Insulation Boards	13.4%	12.2%
Light & Air	7.7%	7.4%
Water & Energy	6.8%	7.0%
Data & Flooring	11.4%	11.9%

The Insulated Panels division trading margin advanced year on year reflecting ongoing progress in sales of QuadCore™ and the market mix of sales. The trading margin improvement in the Insulation Boards division reflects a positive Kooltherm® mix, operating leverage as a consequence of volume growth and a positive lag effect on raw material price reductions. The increased trading margin in Light & Air reflects improved efficiencies overall and the market mix of sales. The Water & Energy trading margin was broadly stable year on year. The decrease in trading margin in Data & Flooring reflects the geographic market and product mix of sales year on year.

(d) Free cashflow is an important indicator and it reflects the amount of internally generated capital available for re-investment in the business or for distribution to shareholders.

Free cashflow	2019 €m	2018 €m
EBITDA*	579.8	521.2
Movement in working capital**	5.6	2.3
Movement in provisions	1.7	(5.8)
Net capital expenditure	(154.3)	(131.3)
Net interest paid	(16.7)	(15.6)
Income taxes paid	(87.2)	(75.0)
Other including non-cash items	8.2	12.6
Free cashflow	337.1	308.4

**Earnings before finance costs, income taxes, depreciation, amortisation and the impact of IFRS 16*
***Excludes working capital on acquisition but includes working capital movements since that point*

Working capital at year end was €582.8m (2018: €543.9m) and represents 11.9% (2018: 11.5%) of annualised turnover based on fourth quarter sales. This metric is closely managed and monitored throughout the year and is subject to a certain amount of seasonal variability associated with trading patterns and the timing of significant purchases of steel and chemicals. The movement year on year reflects a 40 basis points increase in underlying working capital levels primarily due to higher inventory levels in recently acquired businesses.

(e) Return on capital employed, calculated as operating profit divided by total equity plus net debt, was 17.3% in 2019 (2018: 16.8%) or 17.7% including the annualised impact of acquisitions. The creation of shareholder value through the delivery of long term returns well in excess of the Group's cost of capital is a core principle of Kingspan's financial strategy. The increase in profitability together with the deployment of further capital has enhanced returns on capital during the year.

(f) Net debt to EBITDA measures the ratio of net debt to earnings and at 1.1x (2018: 1.4x) is comfortably less than the Group's banking covenant of 3.5x in both 2019 and 2018. The calculation is pre-IFRS 16 which is consistent with the Group's banking covenant.

Acquisitions and capital expenditure
During the period the Group made the following acquisitions for a total upfront cash consideration of €142.2m.

On 6 November 2019, the purchase of 85% of Group Bacacier SAS for an initial cash amount of €122.0m. The Group also made a number of smaller acquisitions during the year for a combined cash consideration of €22.2m:

- the purchase of 100% of the share capital of WeGo Floortec GmbH, a German manufacturer of access floors;
- the purchase of 100% of the share capital of Epur SA, a French water treatment business; and
- the purchase of the assets of SkyCo a US Light & Air business.

The deferred consideration paid during the period of €59.7m (2018: €3.1m) represents €30m relating to the Synthesia business which was acquired in 2018 and €29.7m relating to the Isoeste business which was acquired in 2017.

Capital structure and Group financing
The Group funds itself through a combination of equity and debt. Debt is funded through syndicated and bilateral bank facilities and private placement loan notes. The primary bank debt facility is a €451m revolving credit facility, which was undrawn at year end and which matures in June 2022. In June 2019 an additional 3 year bank facility of €300m was arranged, which was undrawn at year end. As at 31 December 2019, the Group also had private placement loan note funding net of related derivatives totalling €814m. The weighted average maturity of the notes is 4.5 years. Subsequent to the year end the Group arranged a bilateral 'Green Loan' of €50m to fund the Group's Planet Passionate initiatives.

The Group had significant available undrawn facilities and cash balances which, in aggregate, were €942m at 31 December 2019. This, together with the Green Loan of €50m provides appropriate headroom for ongoing operational requirements and development funding.

Net debt
Net debt decreased by €95.1m during 2019 to €633.2m (2018: €728.3m). This is analysed in the table below:

Movement in net debt	2019 €m	2018 €m
Free cashflow	337.1	308.4
Acquisitions	(142.2)	(469.2)
Deferred consideration paid	(59.7)	(3.1)
Share issues	0.1	0.1
Repurchase of treasury shares	(0.6)	-
Dividends paid	(77.6)	(68.3)
Dividends paid to non-controlling interests	(0.4)	(0.1)
Cashflow movement	56.7	(232.2)
Exchange movements on translation	8.4	(2.2)
Deferred consideration	30.0	(30.0)
Movement in net debt	95.1	(264.4)
Net debt at start of year	(728.3)	(463.9)
Net debt at end of year	(633.2)	(728.3)

Key financial covenants
The majority of Group borrowings are subject to primary financial covenants calculated in accordance with lenders' facility agreements which exclude the impact of IFRS 16:

- A maximum net debt to EBITDA ratio of 3.5 times; and
- A minimum EBITDA to net interest coverage of 4 times.

The performance against these covenants in the current and comparative year is set out below:

	Covenant	2019 Times	2018 Times
Net debt/EBITDA	Maximum 3.5	1.1	1.4
EBITDA/Net interest	Minimum 4.0	34.1	28.8

Investor relations
Kingspan is committed to interacting with the international financial community to ensure a full understanding of the Group's strategic plans and its performance against these plans. During the year, the executive management and investor team presented at nine capital market conferences and conducted 351 institutional one-on-one and group meetings.

Share price and market capitalisation
The Company's shares traded in the range of €35.70 to €55.25 during the year. The share price at 31 December 2019 was €54.45 (31 December 2018: €37.38) giving a market capitalisation at that date of €9.9bn (2018: €6.7bn). Total shareholder return for 2019 was 47.2%.

Financial risk management
The Group operates a centralised treasury function governed by a treasury policy approved by the Group Board. This policy primarily covers foreign exchange risk, credit risk, liquidity risk and interest rate risk. The principal objective of the policy is to minimise financial risk at reasonable

cost. Adherence to the policy is monitored by the CFO and the Internal Audit function. The Group does not engage in speculative trading of derivatives or related financial instruments.

Looking Ahead

As flagged in our most recent trading update underlying sales in the early part of 2020 are behind prior year. Despite the poor start we have experienced some element of recovery in order placement in recent weeks and our backlog globally is in reasonable shape. This could point towards an improved second quarter.

Our acquisitions pipeline is healthy with a number of projects currently under consideration. Furthermore, the understandable ratcheting in recent months of the climate debate chimes fully with the advanced energy efficiency solutions provided by Kingspan and our Planet Passionate agenda. This, combined with the global footprint of our business and the strength of the Group's balance sheet, positions Kingspan well for the years ahead.

On behalf of the Board

Gene M. Murtagh
Chief Executive Officer
21 February 2020

Geoff Doherty
Chief Financial Officer
21 February 2020

Kingspan Group plc

Consolidated Income Statement
for the year ended 31 December 2019

	Note	**2019 €m**	2018 €m
REVENUE	2	**4,659.1**	4,372.5
Cost of sales		**(3,304.3)**	(3,158.0)
GROSS PROFIT		**1,354.8**	1,214.5
Operating costs, excluding intangible amortisation		**(857.7)**	(769.3)
TRADING PROFIT	2	**497.1**	445.2
Intangible amortisation		**(21.9)**	(22.2)
OPERATING PROFIT		**475.2**	423.0
Finance expense	3	**(23.7)**	(19.5)
Finance income	3	**2.9**	1.4
PROFIT FOR THE YEAR BEFORE INCOME TAX		**454.4**	404.9
Income tax expense		**(76.6)**	(69.1)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**377.8**	335.8
Attributable to owners of Kingspan Group plc		**369.4**	330.9
Attributable to non-controlling interests		**8.4**	4.9
		377.8	335.8
EARNINGS PER SHARE FOR THE YEAR			
Basic	8	**204.6c**	184.0c
Diluted	8	**202.9c**	182.3c

Gene M. Murtagh	Geoff Doherty	21 February 2020
Chief Executive Officer	*Chief Financial Officer*	

Kingspan Group plc

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2019

	2019	2018
	€m	€m
Profit for the year	**377.8**	335.8
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**61.0**	4.0
Effective portion of changes in fair value of cash flow hedges	**(0.2)**	0.3
Items that will not be reclassified subsequently to profit or loss		
Actuarial (losses)/gains on defined benefit pension schemes	**(0.2)**	0.9
Income taxes relating to actuarial losses/gains on defined benefit pension schemes	**-**	(0.2)
Total other comprehensive income	**60.6**	5.0
Total comprehensive income for the year	**438.4**	340.8
Attributable to owners of Kingspan Group plc	**430.2**	337.1
Attributable to non-controlling interests	**8.2**	3.7
	438.4	340.8

Kingspan Group plc

Consolidated Statement of Financial Position

as at 31 December 2019

	2019 €m	2018 €m
ASSETS		
NON-CURRENT ASSETS		
Goodwill	**1,506.9**	1,391.0
Other intangible assets	**93.2**	111.1
Financial asset	**8.2**	8.2
Property, plant and equipment	**965.2**	850.5
Right of use assets	**121.6**	-
Derivative financial instruments	**27.3**	27.4
Retirement benefit assets	**9.2**	7.4
Deferred tax assets	**14.1**	15.6
	2,745.7	2,411.2
CURRENT ASSETS		
Inventories	**557.6**	524.9
Trade and other receivables	**794.2**	798.6
Derivative financial instruments	**-**	0.2
Cash and cash equivalents	**190.9**	294.5
	1,542.7	1,618.2
TOTAL ASSETS	**4,288.4**	4,029.4
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	**768.9**	779.8
Provisions for liabilities	**58.0**	47.5
Lease liabilities	**25.6**	-
Derivative financial instruments	**0.1**	-
Deferred consideration (including contingent consideration)	**-**	59.5
Interest bearing loans and borrowings	**3.1**	53.2
Current income tax liabilities	**72.9**	78.8
	928.6	1,018.8
NON-CURRENT LIABILITIES		
Retirement benefit obligations	**24.3**	20.5
Provisions for liabilities	**51.7**	56.8
Interest bearing loans and borrowings	**848.3**	967.0
Lease liabilities	**96.7**	-
Deferred tax liabilities	**31.9**	40.8
Deferred contingent consideration	**186.5**	136.6
	1,239.4	1,221.7
TOTAL LIABILITIES	**2,168.0**	2,240.5
NET ASSETS	**2,120.4**	1,788.9
EQUITY		
Share capital	**23.8**	23.7
Share premium	**95.6**	95.6
Capital redemption reserve	**0.7**	0.7
Treasury shares	**(11.8)**	(12.7)
Other reserves	**(259.6)**	(273.2)
Retained earnings	**2,221.6**	1,916.2
EQUITY ATTRIBUTABLE TO OWNERS OF KINGSPAN GROUP PLC	**2,070.3**	1,750.3
NON-CONTROLLING INTEREST	**50.1**	38.6
TOTAL EQUITY	**2,120.4**	1,788.9

Gene M. Murtagh
Chief Executive Officer

Geoff Doherty
Chief Financial Officer

21 February 2020

Kingspan Group plc
Consolidated Statement of Changes in Equity
for the year ended 31 December 2019

	Share Capital €m	Share Premium €m	Capital Redemption Reserve €m	Treasury Shares €m	Translation Reserve €m	Cash Flow Hedging Reserve €m	Share Based Payment Reserve €m	Revaluation Reserve €m	Put Option Liability Reserve €m	Retained Earnings €m	Total Attributable to Owners of the Parent €m	Non-Controlling Interest €m	Total Equity €m
Balance at 1 January 2019	23.7	95.6	0.7	(12.7)	(172.0)	0.5	36.9	0.7	(139.3)	1,916.2	1,750.3	38.6	**1,788.9**
Transactions with owners recognised directly in equity													
Employee share based compensation	0.1	-	-	-	-	-	13.1	-	-	-	13.2	-	**13.2**
Tax on employee share based compensation	-	-	-	-	-	-	1.7	-	-	2.5	4.2	-	**4.2**
Exercise or lapsing of share options	-	-	-	1.5	-	-	(12.8)	-	-	11.3	-	-	**-**
Repurchase of shares	-	-	-	(0.6)	-	-	-	-	-	-	(0.6)	-	**(0.6)**
Dividends	-	-	-	-	-		-	-	-	(77.6)	(77.6)	(0.4)	**(78.0)**
Transactions with non-controlling interests:													
Arising on acquisition	-	-	-	-	-	-	-	-	(26.7)	-	(26.7)	3.7	**(23.0)**
Fair value movement	-	-	-	-	-	-	-	-	(22.7)	-	(22.7)	-	**(22.7)**
Transactions with owners	0.1	-	-	0.9	-	-	2.0	-	(49.4)	(63.8)	(110.2)	3.3	**(106.9)**
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	-	-	369.4	369.4	8.4	**377.8**
Other comprehensive income:													
Items that may be reclassified subsequently to profit or loss													
Cash flow hedging in equity													
- current year	-	-	-	-	-	(0.2)	-	-	-	-	(0.2)	-	**(0.2)**
- tax impact	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Exchange differences on translating foreign operations	-	-	-	-	61.2	-	-	-	-	-	61.2	(0.2)	**61.0**
Items that will not be reclassified subsequently to profit or loss													
Actuarial losses on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	(0.2)	(0.2)	-	**(0.2)**
Income taxes relating to actuarial losses on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Total comprehensive income for the year	-	-	-	-	61.2	(0.2)	-	-	-	369.2	430.2	8.2	**438.4**
Balance at 31 December 2019	23.8	95.6	0.7	(11.8)	(110.8)	0.3	38.9	0.7	(188.7)	2,221.6	2,070.3	50.1	**2,120.4**

Kingspan Group plc

Consolidated Statement of Changes in Equity

for the year ended 31 December 2018

	Share Capital €m	Share Premium €m	Capital Redemption Reserve €m	Treasury Shares €m	Translation Reserve €m	Cash Flow Hedging Reserve €m	Share Based Payment Reserve €m	Revaluation Reserve €m	Put Option Liability Reserve €m	Retained Earnings €m	Total Attributable to Owners of the Parent €m	Non-Controlling Interest €m	Total Equity €m
Balance at 1 January 2018	23.6	95.6	0.7	(14.0)	(177.2)	0.2	35.2	0.7	(79.4)	1,642.7	1,528.1	39.9	**1,568.0**
Transactions with owners recognised directly in equity													
Employee share based compensation	0.1	-	-	-	-	-	12.3	-	-	-	12.4	-	**12.4**
Tax on employee share based compensation	-	-	-	-	-	-	(2.0)	-	-	2.9	0.9	-	**0.9**
Exercise or lapsing of share options	-	-	-	1.3	-	-	(8.6)	-	-	7.3	-	-	**-**
Dividends	-	-	-	-	-	-	-	-	-	(68.3)	(68.3)	(0.1)	**(68.4)**
Transactions with non-controlling interests:													
Arising on acquisition	-	-	-	-	-	-	-	-	(24.5)	-	(24.5)	(4.9)	**(29.4)**
Fair value movement	-	-	-	-	-	-	-	-	(35.4)	-	(35.4)	-	**(35.4)**
Transactions with owners	0.1	-	-	1.3	-	-	1.7	-	(59.9)	(58.1)	(114.9)	(5.0)	**(119.9)**
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	-	-	330.9	330.9	4.9	**335.8**
Other comprehensive income:													
Items that may be reclassified subsequently to profit or loss													
Cash flow hedging in equity													
- current year	-	-	-	-	-	0.3	-	-	-	-	0.3	-	**0.3**
- tax impact	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Exchange differences on translating foreign operations	-	-	-	-	5.2	-	-	-	-	-	5.2	(1.2)	**4.0**
Items that will not be reclassified subsequently to profit or loss													
Actuarial gains on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	0.9	0.9	-	**0.9**
Income taxes relating to actuarial gains on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	(0.2)	(0.2)	-	**(0.2)**
Total comprehensive income for the year	-	-	-	-	5.2	0.3	-	-	-	331.6	337.1	3.7	**340.8**
Balance at 31 December 2018	23.7	95.6	0.7	(12.7)	(172.0)	0.5	36.9	0.7	(139.3)	1,916.2	1,750.3	38.6	**1,788.9**

Kingspan Group plc

Consolidated Statement of Cash Flows
for the year ended 31 December 2019

	Note	**2019** €m	2018 €m
OPERATING ACTIVITIES			
Profit for the year		**377.8**	335.8
Add back non-operating expenses:			
Income tax expense		**76.6**	69.1
Depreciation of property, plant and equipment		**114.5**	76.0
Amortisation of intangible assets		**21.9**	22.2
Impairment of non-current assets		**0.2**	5.2
Employee equity-settled share options		**13.1**	12.3
Finance income	3	**(2.9)**	(1.4)
Finance expense	3	**23.7**	19.5
Profit on sale of property, plant and equipment		**(3.3)**	(4.9)
Movement of deferred consideration		**(0.6)**	0.8
Changes in working capital:			
Inventories		**5.8**	4.7
Trade and other receivables		**57.3**	(33.0)
Trade and other payables		**(57.5)**	30.6
Other:			
Change in provisions		**1.7**	(5.8)
Pension contributions		**(1.2)**	(0.8)
Cash generated from operations		**627.1**	530.3
Income tax paid		**(87.2)**	(75.0)
Interest paid		**(19.5)**	(17.0)
Net cash flow from operating activities		**520.4**	438.3
INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(161.0)**	(144.2)
Proceeds from disposals of property, plant and equipment		**6.7**	12.9
Purchase of subsidiary undertakings		**(142.2)**	(461.0)
Purchase of financial asset		**-**	(8.2)
Payment of deferred contingent consideration in respect of acquisitions		**(59.7)**	(3.1)
Interest received		**2.8**	1.4
Net cash flow from investing activities		**(353.4)**	(602.2)
FINANCING ACTIVITIES			
Drawdown of loans	5	**7.8**	445.0
Repayment of loans and borrowings	5	**(181.6)**	(92.7)
Payment of lease liability	6	**(31.8)**	-
Proceeds from share issues		**0.1**	0.1
Repurchase of shares		**(0.6)**	-
Dividends paid to non-controlling interests		**(0.4)**	(0.1)
Dividends paid	7	**(77.6)**	(68.3)
Net cash flow from financing activities		**(284.1)**	284.0
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	5	**(117.1)**	120.1
Effect of movements in exchange rates on cash held		**13.5**	(2.2)
Cash and cash equivalents at the beginning of the year		**294.5**	176.6
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**190.9**	294.5

Notes to the Preliminary Results
for the year ended 31 December 2019

1 GENERAL INFORMATION

The financial information presented in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as set out in the Group's annual financial statements in respect of the year ended 31 December 2018 except as noted below. The financial information does not include all the information and disclosures required in the annual financial statements. The Annual Report will be distributed to shareholders and made available on the Company's website www.kingspan.com in due course. It will also be filed with the Company's annual return in the Companies Registration Office. The auditors have reported on the financial statements for the year ended 31 December 2019 and their report was unqualified and did not contain any matters to which attention was drawn by way of emphasis. The financial information for the year ended 31 December 2018 represents an abbreviated version of the Group's statutory financial statements on which an unqualified audit report was issued and which have been filed with the Companies Registration Office.

Basis of preparation and accounting policies

The financial information contained in this Preliminary Statement has been prepared in accordance with the accounting policies set out in the last annual financial statements with the exception of changes in accounting policy in respect of IFRS 16 *Leases* and IFRIC 23 *Uncertainty over income tax treatment.*

IFRS does not define certain Income Statement headings. For clarity, the following are the definitions as applied by the Group:

- Trading profit refers to the operating profit generated by the businesses before intangible asset amortisation.
- Trading margin refers to the trading profit, as calculated above, as a percentage of revenue.
- Operating profit is profit before income taxes and net finance costs.
- EBITDA is earnings before finance costs, income taxes, depreciation, amortisation and the impact of IFRS 16.

New and amended standards and interpretations effective during 2019

IFRS 16 *Leases*

IFRS 16 is effective for accounting periods beginning on or after 1 January 2019, and the Group adopted IFRS 16 with effect from 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. For lessees, IFRS 16 eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model whereby all leases are accounted for as finance leases, with some exemptions for short-term and low-value leases. It also includes an election which permits a lessee not to separate non-lease components (e.g. maintenance) from lease components and instead capitalise both the lease cost and associated non-lease cost.

The standard primarily affects the accounting for the Group's operating leases. The application of IFRS 16 results in the recognition of additional assets and liabilities in the consolidated statement of financial position and in the consolidated income statement it replaces the straight-line operating lease expense with a depreciation charge for the right of use asset and an interest expense on the lease liabilities.

The incremental borrowing rate is the rate of interest that the lessee would expect to incur on funds borrowed over a similar term and security to obtain a comparable value to the right of use asset in the relevant economic environment. The Group's weighted average incremental borrowing rate pertaining to these leases is 3%.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

Transition

The Group adopted the new standard by applying the modified retrospective approach.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. All right of use assets were measured at the amount of the lease liability on adoption, adjusted by the amount of any prepaid or accrued interest payments.

Previously under IAS 17 operating lease rentals were charged to the Income Statement on a straight-line basis over the term of the lease.

The Group availed of the recognition exemption for short-term and low-value leases and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group also elected not to separate non-lease components from lease components and instead capitalise both the lease cost and associated non-lease cost.

The Group has also availed of the practical expedient which allows for a single discount rate to be applied to a portfolio of leases with reasonably similar characteristics.

The Group had a small number of finance leases under IAS 17. For these leases, the carrying amount of the asset and liability at 1 January 2019 were recognised at the equivalent carrying amount under IAS 17 immediately before that date.

On 1 January 2019, €127.9m of leases were recognised as liabilities on adoption of the standard and €128.8m capitalised as right of use assets. During 2019, depreciation on the right of use assets was €30.0m and the associated lease rental charge decreased by €31.8m leading to an increase in operating profit of €1.8m. The interest charge on the associated leases was €3.8m and the aggregate impact of IFRS 16 on profit before tax was a decrease of €2.0m. The adoption of IFRS 16 reduced the 2019 EPS by 1 cent. While IFRS 16 had no net impact on cash and cash equivalents at the end of 2019, it had an impact on the cashflow statement in respect of profit, depreciation and finance expense by amounts outlined above, offset by the payment of lease liabilities of €31.8m.

Measurement

The Group recognises right of use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments at the lease commencement date. The right of use assets are initially measured at cost, and subsequently measured at cost less accumulated depreciation and impairment losses.

Lease liabilities are measured at the present value of the future lease payments, discounted at the Group's incremental borrowing rate. Subsequent to the initial measurement, the lease liabilities are increased by the interest cost and reduced by lease payments made.

The right of use assets and lease liabilities are remeasured when there are changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised or where there is a change in future lease payments as a result of a change in an index or rate.

The Group has applied judgement to determine the lease term of contracts that include termination and extension options. If the Group is reasonably certain to exercise such options the relevant amount of right of use assets and lease liabilities are recognised. The Group has also applied judgement in determining the incremental borrowing rate, the basis of which is set out above.

IFRIC 23 *Uncertainty over income tax treatment*

IFRIC 23 is effective for accounting periods beginning on or after 1 January 2019, and the Group adopted IFRIC 23 with effect from 1 January 2019. IFRIC 23 sets out how to determine taxable profits and losses, tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12 *Income Taxes*. Where the Group considers it is probable that an uncertain tax treatment will not be accepted by a tax authority it is measured using either the most likely amount method or the expected value method, as appropriate. The adoption and application of IFRIC 23 did not have a material impact on the Group.

The new standards, amendments to standards and interpretations are as follows:

	Effective Date – periods beginning on or after
IFRS 16: *Leases (13 January 2016)*	1 January 2019
IFRIC 23: *Uncertainty over income tax treatment* (7 June 2017)	1 January 2019

The following amended standards and interpretations do not have a significant impact on the Group's consolidated financial statements:

	Effective Date – periods beginning on or after
Annual Improvements to IFRS Standards 2015–2017 Cycle – various standards	1 January 2019
Amendments to IAS 19: *Plan amendment, curtailment or settlement*	1 January 2019
Amendments to IAS 28: *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Amendments to IFRS 9: *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	1 January 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1 January 2020

2 SEGMENT REPORTING

In identifying the Group's operating segments, management based its decision on the product supplied by each segment and the fact that each segment is managed and reported separately to the Chief Operating Decision Maker. These operating segments are monitored and strategic decisions are made on the basis of segment operating results.

Operating segments

The Group has the following five operating segments:

Insulated Panels	Manufacture of insulated panels, structural framing and metal facades.
Insulation Boards	Manufacture of rigid insulation boards, building services insulation and engineered timber systems.
Light & Air	Manufacture of daylighting, smoke management and ventilation systems.
Water & Energy	Manufacture of energy and water solutions and all related service activities.
Data & Flooring	Manufacture of data centre storage solutions and raised access floors.

Analysis by class of business
Segment revenue and disaggregation of revenue

	Insulated Panels €m	Insulation Boards €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	Total €m
Total revenue – 2019	3,031.9	876.9	327.7	208.1	214.5	**4,659.1**
Total revenue – 2018	2,823.1	864.1	291.8	202.9	190.6	4,372.5
Disaggregation of revenue 2019						
Point of Time	3,025.2	834.4	202.3	207.4	186.1	**4,455.4**
Over Time & Contract	6.7	42.5	125.4	0.7	28.4	**203.7**
	3,031.9	876.9	327.7	208.1	214.5	**4,659.1**
Disaggregation of revenue 2018						
Point of Time	2,816.8	831.8	190.4	201.6	166.2	4,206.8
Over Time & Contract	6.3	32.3	101.4	1.3	24.4	165.7
	2,823.1	864.1	291.8	202.9	190.6	4,372.5

The disaggregation of revenue by geography is set out in more detail below.

The segments specified above capture the major product lines relevant to the Group.

The combination of the disaggregation of revenue by product group, geography and the timing of revenue recognition capture the key categories of disclosure with respect to revenue. Typically, individual performance obligations are specifically called out in the contract which allow for accurate recognition of revenue as and when performances are fulfilled. Given the nature of the Group's product set customer returns are not a significant feature of our business model. No further disclosures are required with respect to disaggregation of revenue other than what has been presented in this note.

Inter-segment transfers are carried out at arm's length prices and using an appropriate transfer pricing methodology. As inter-segment revenue is not material, it is not subject to separate disclosure in the above analysis. For the purposes of the segmental analysis, corporate overheads have been allocated to each division based on their respective revenue for the year.

Segment result (profit before net finance expense)

	Insulated Panels €m	**Insulation Boards €m**	**Light & Air €m**	**Water & Energy €m**	**Data & Flooring €m**	**Total 2019 €m**	Total 2018 €m
Trading profit – 2019	316.1	117.1	25.2	14.2	24.5	**497.1**	
Intangible amortisation	(13.1)	(4.9)	(2.9)	(0.9)	(0.1)	**(21.9)**	
Operating profit – 2019	303.0	112.2	22.3	13.3	24.4	**475.2**	
Trading profit – 2018	281.8	105.1	21.5	14.2	22.6		445.2
Intangible amortisation	(12.2)	(4.4)	(4.4)	(1.2)	-		(22.2)
Operating profit – 2018	269.6	100.7	17.1	13.0	22.6		423.0
Net finance expense						**(20.8)**	(18.1)
Profit for the year before tax						**454.4**	404.9
Income tax expense						**(76.6)**	(69.1)
Net profit for the year						**377.8**	335.8

Segment assets

	Insulated Panels €m	**Insulation Boards €m**	**Light & Air €m**	**Water & Energy €m**	**Data & Flooring €m**	**Total 2019 €m**	Total 2018 €m
Assets – 2019	2,495.9	832.2	348.0	191.8	188.2	**4,056.1**	
Assets – 2018	2,231.7	782.2	331.2	180.3	166.3		3,691.7
Derivative financial instruments						**27.3**	27.6
Cash and cash equivalents						**190.9**	294.5
Deferred tax assets						**14.1**	15.6
Total assets as reported in the Consolidated Statement of Financial Position						**4,288.4**	**4,029.4**

Segment liabilities

	Insulated Panels €m	**Insulation Boards €m**	**Light & Air €m**	**Water & Energy €m**	**Data & Flooring €m**	**Total 2019 €m**	Total 2018 €m
Liabilities – 2019	(831.4)	(194.4)	(80.2)	(64.2)	(41.5)	**(1,211.7)**	
Liabilities – 2018	(755.0)	(179.2)	(73.2)	(58.2)	(35.1)		(1,100.7)
Interest bearing loans and borrowings (current and non-current)						**(851.4)**	(1,020.2)
Derivative financial instruments (current and non-current)						**(0.1)**	-
Income tax liabilities (current and deferred)						**(104.8)**	(119.6)
Total liabilities as reported in the Consolidated Statement of Financial Position						**(2,168.0)**	(2,240.5)

Other segment information

	Insulated Panels €m	Insulation Boards €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	Total €m
Capital investment – 2019 *	135.7	36.8	11.8	4.5	4.0	**192.8**
Capital investment – 2018 *	160.8	87.9	22.7	7.1	2.8	281.3
Depreciation included in segment result – 2019	(70.9)	(24.2)	(8.3)	(6.1)	(5.0)	**(114.5)**
Depreciation included in segment result – 2018	(49.8)	(15.9)	(4.8)	(2.4)	(3.1)	(76.0)
Non-cash items included in segment result – 2019	(7.6)	(2.7)	(0.7)	(0.8)	(1.3)	**(13.1)**
Non-cash items included in segment result – 2018	(7.4)	(2.5)	(0.5)	(0.8)	(1.1)	(12.3)

* Capital investment also includes fair value of property, plant and equipment and intangible assets acquired in business combinations.

Analysis of segmental data by geography

	Republic of Ireland €m	United Kingdom €m	Rest of Europe €m	Americas €m	Others €m	Total €m
Income Statement Items						
Revenue – 2019	176.0	891.8	2,286.7	990.9	313.7	**4,659.1**
Revenue – 2018	156.0	938.2	2,092.3	887.6	298.4	4,372.5
Statement of Financial Position Items						
Non-current assets – 2019 *	64.0	411.4	1,415.8	605.4	207.7	**2,704.3**
Non-current assets – 2018 *	52.7	375.2	1,227.0	524.5	188.8	2,368.2
Other segmental information						
Capital investment – 2019	15.2	18.2	106.3	49.1	4.0	**192.8**
Capital investment – 2018	6.0	23.9	204.8	27.8	18.8	281.3

* Total non-current assets excluding derivative financial instruments and deferred tax assets.

The Group has activities in over 90 countries worldwide. The revenues from external customers and non-current assets (as defined in IFRS 8) attributable to the country of domicile and all foreign countries or regions of operation are as set out above and specific regions are highlighted separately on the basis of materiality.

There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8. The individual entities within the Group each have a large number of customers spread across various activities, end-users and geographies.

3 FINANCE EXPENSE AND FINANCE INCOME

	2019 €m	2018 €m
Finance expense		
Lease interest	**3.8**	-
Deferred contingent consideration fair value movement	**0.1**	0.3
Bank loans	**2.4**	2.7
Private placement loan notes	**17.2**	16.7
Fair value movement on derivative financial instrument	**2.6**	(3.1)
Fair value movement on private placement debt	**(2.5)**	2.5
Other interest	**0.1**	0.4
	23.7	19.5
Finance income		
Interest earned	**(2.9)**	(1.4)
Net finance cost	**20.8**	18.1

No costs were reclassified from other comprehensive income to profit during the year (2018: €nil).

4 ANALYSIS OF NET DEBT

	2019 €m	2018 €m
Cash and cash equivalents	**190.9**	294.5
Derivative financial instruments - net	**27.3**	27.4
Current borrowings	**(3.1)**	(53.2)
Non-current borrowings	**(848.3)**	(967.0)
Deferred consideration	-	(30.0)
Total Net Debt	**(633.2)**	(728.3)

The Group's core funding is provided by five private placement loan notes; one USD private placement totalling US$200m which matures in August 2021, and four EUR private placements totalling €662.5m which will mature in tranches between March 2021 and January 2028. The notes have a weighted average maturity of 4.5 years.

The Group also has two revolving credit facilities. The €300m facility matures in June 2022 and the €451m facility also matures in June 2022. No amount was drawn on either of the facilities as at 31 December 2019. The Group had no committed bilateral bank facilities at year end, however, a Green Loan of €50m had been agreed but was undrawn.

Net debt, which is an Alternative Performance Measure, is stated net of interest rate and currency hedges which relate to hedges of debt. Foreign currency derivative assets of €nil (2018: €0.2m) and foreign currency derivative liabilities of €0.1m (2018: €nil) which are used for transactional hedging are not included in the definition of net debt. Lease liabilities recognised due to the implementation of IFRS 16 and deferred contingent consideration have also been excluded from the calculation of net debt.

5 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2019	2018
	€m	€m
Movement in cash and bank overdrafts	**(117.1)**	120.1
Drawdown of loans	**(7.8)**	(445.0)
Repayment of loans and borrowings	**181.6**	92.7
Decrease/(increase) in deferred consideration	**30.0**	(30.0)
Change in net debt resulting from cash flows	**86.7**	(262.2)
Translation movement - relating to US dollar loan	**(5.0)**	(5.5)
Translation movement - other	**13.5**	(1.9)
Derivative financial instruments movement	**(0.1)**	5.2
Net movement	**95.1**	(264.4)
Net debt at start of the year	**(728.3)**	(463.9)
Net debt at end of the year	**(633.2)**	(728.3)

Further analysis on net debt at the start and end of the year is provided in note 4.

6 LEASES

A new accounting standard, IFRS 16 *Leases*, was adopted with effect from 1 January 2019. The standard requires leases which were previously treated as operating leases to be recognised as a lease liability with the associated asset capitalised and treated as a right of use asset. On 1 January 2019, €127.9m of leases were recognised as liabilities on adoption of the standard and €128.8m capitalised as right of use assets. During 2019, depreciation on the right of use assets was €30.0m and the associated operating lease rental charge decreased by €31.8m leading to an increase in operating profit of €1.8m. The interest charge on the associated leases was €3.8m and the aggregate impact of IFRS 16 on profit before tax was a decrease of €2.0m.

Right of use asset

	Land and buildings	**Plant, machinery and other equipment**	**Motor vehicles**	**Total 2019**
	€m	**€m**	**€m**	**€m**
At 1 January 2019	**102.1**	**12.7**	**14.0**	**128.8**
Additions	**4.8**	**1.1**	**8.2**	**14.1**
Arising on acquisitions	**6.0**	**0.2**	**0.1**	**6.3**
Remeasurement	**2.6**	**-**	**-**	**2.6**
Terminations	**(1.6)**	**(0.1)**	**(0.8)**	**(2.5)**
Depreciation charge for the year	**(17.4)**	**(4.8)**	**(7.8)**	**(30.0)**
Effect of movement in exchange rates	**2.0**	**0.1**	**0.2**	**2.3**
At 31 December 2019	**98.5**	**9.2**	**13.9**	**121.6**

Lease liability

	2019 €m
At 1 January 2019	**127.9**
Additions	**14.0**
Arising on acquisitions	**6.2**
Remeasurement	**2.5**
Terminations	**(2.5)**
Payments	**(31.8)**
Interest	**3.8**
Effect of movement in exchange rates	**2.2**
At 31 December 2019	**122.3**
Split as follows:	
Current liability	**25.6**
Non-current liability	**96.7**
At 31 December 2019	**122.3**

Reconciliation of IAS 17 operating lease commitments and IFRS 16 lease liability

	2019 €m
Operating lease commitment at 31 December 2018 as disclosed in the Group's Annual Report	**151.5**
Impact of discounting	**(19.9)**
Recognition exemption for short term and low value assets	**(1.0)**
Adjustments as a result of alignment of extension and termination options with accounting policies	**(2.7)**
Lease liabilities recognised at 1 January 2019	**127.9**

The €0.9m difference between the opening right of use asset and lease liability relates to lease prepayments.

7 DIVIDENDS

Equity dividends on ordinary shares:	**2019 €m**	2018 €m
2019 Interim dividend 13.0 cent (2018: 12.0 cent) per share	**23.6**	21.7
2018 Final dividend 30.0 cent (2017: 26.0 cent) per share	**54.0**	46.6
	77.6	68.3
Proposed for approval at AGM		
Final dividend of 33.5 cent (2018: 30.0 cent) per share	**60.6**	54.1

This proposed dividend for 2019 is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in the Consolidated Statement of Financial Position of the Group as at 31 December 2019 in accordance with IAS 10 *Events after the Reporting Period*. The proposed final dividend for the year ended 31 December 2019 will be payable on 7 May 2020 to shareholders on the Register of Members at close of business on 27 March 2020.

8 EARNINGS PER SHARE

	2019 €m	2018 €m
The calculations of earnings per share are based on the following:		
Profit attributable to ordinary shareholders	**369.4**	330.9
	Number of shares ('000) 2019	Number of shares ('000) 2018
Weighted average number of ordinary shares for the calculation of basic earnings per share	**180,586**	179,840
Dilutive effect of share options	**1,489**	1,696
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**182,075**	181,536
	2019 € cent	2018 € cent
Basic earnings per share	**204.6**	184.0
Diluted earnings per share	**202.9**	182.3
Adjusted basic earnings per share	**215.0**	193.5
Adjusted diluted earnings per share	**213.2**	191.7

Adjusted basic earnings reflects the profit attributable to ordinary shareholders after eliminating the impact of the Group's intangible amortisation charge, net of tax.

Adjusted diluted earnings reflects the profit attributable to ordinary shareholders after eliminating the impact of the Group's intangible amortisation charge, net of tax and the dilutive effect of share options.

Dilution is attributable to the weighted average number of share options outstanding at the end of the reporting period.

The number of options which are anti-dilutive and have therefore not been included in the above calculations is nil (2018: nil).

9 BUSINESS COMBINATIONS

A key strategy of the Group is to create and sustain market leading positions through acquisitions in markets it currently operates in, together with extending the Group's footprint in new geographic markets. In line with this strategy, the principal acquisitions completed during the year were as follows:

In November 2019, the Group acquired 85% of the share capital of Group Bacacier SAS, a French integrated profiling and insulated panel distributor. The total consideration, including debt acquired amounted to €122.0m, representing the maximum amount of identifiable consideration, comprising of €120.0m paid in cash on completion and €2.0m in deferred contingent consideration.

The Group also made a number of smaller acquisitions during the year for a combined cash consideration of €22.2m:

- the purchase of 100% of the share capital of WeGo Floortec GmbH, a German manufacturer of access floors;
- the purchase of 100% of the share capital of Epur SA, a French water treatment business; and
- the purchase of the assets of SkyCo, a US Light & Air business.

The table below reflects the fair value of the identifiable net assets acquired in respect of the acquisitions completed during the year. Any amendments to fair values will be made within the twelve month period from the date of acquisition, as permitted by IFRS 3, *Business Combinations*.

	Bacacier €m	**Other* €m**	**Total €m**
Non-current assets			
Intangible assets	1.9	0.8	**2.7**
Property, plant and equipment (including right of use assets)	25.2	6.6	**31.8**
Deferred tax asset	-	-	-
Current assets			
Inventories	29.2	2.1	**31.3**
Trade and other receivables	33.7	5.8	**39.5**
Current liabilities			
Trade and other payables	(36.6)	(6.3)	**(42.9)**
Provisions for liabilities	(0.3)	(1.5)	**(1.8)**
Non-current liabilities			
Trade and other payables	(3.6)	(1.4)	**(5.0)**
Deferred tax liabilities	-	(0.2)	**(0.2)**
	49.5	5.9	**55.4**
Total identifiable assets			
Non-controlling interest arising on acquisition	(3.7)	-	**(3.7)**
Goodwill	76.2	16.3	**92.5**
Total consideration	122.0	22.2	**144.2**
Satisfied by:			
Cash (net of cash acquired)	120.0	22.2	**142.2**
Deferred contingent consideration	2.0	-	**2.0**
	122.0	22.2	**144.2**

*Included in Other are certain immaterial remeasurements of prior year accounting estimates.

The acquired goodwill is attributable principally to the profit generating potential of the businesses, together with cross-selling opportunities and other synergies expected to be achieved from integrating the acquired businesses into the Group's existing business.

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of Group Bacacier SAS due to the relative size of the acquisition and the timing of the transaction. Any amendments to these fair values within the twelve month timeframe from the date of acquisition will be disclosable in the 2020 Annual Report, as stipulated by IFRS 3.

In the post-acquisition period to 31 December 2019, the businesses acquired during the current year contributed revenue of €38.7m and trading profit of €2.0m to the Group's results.

10 POST BALANCE SHEET EVENTS

There have been no material events subsequent to 31 December 2019 which would require disclosure in this report.

11 EXCHANGE RATES

The financial information included in this report is expressed in Euro which is the presentation currency of the Group and the functional and presentation currency of the Company. Results and cash flows of foreign subsidiary undertakings have been translated into Euro at actual exchange rates or average, where this is a reasonable approximation, and the related Statements of Financial Position have been translated at the rates of exchange ruling at the balance sheet date.

Exchange rates of material currencies used were as follows:

	Average rate		Closing rate	
Euro =	**2019**	2018	**2019**	2018
Pound Sterling	**0.877**	0.885	**0.852**	0.898
US Dollar	**1.120**	1.181	**1.121**	1.144
Canadian Dollar	**1.485**	1.530	**1.461**	1.557
Australian Dollar	**1.610**	1.580	**1.600**	1.620
Czech Koruna	**25.669**	25.648	**25.414**	25.711
Polish Zloty	**4.297**	4.260	**4.260**	4.299
Hungarian Forint	**325.31**	318.78	**330.52**	321.02
Brazilian Real	**4.415**	4.307	**4.512**	4.435

12 CAUTIONARY STATEMENT

This report contains certain forward-looking statements including, without limitation, the Group's financial position, business strategy, plans and objectives of management for future operations. Such forward-looking information involves risks and uncertainties, assumptions and other factors that could cause the actual results, performance or achievements of the Group to differ materially from those in the forward-looking statements. The forward-looking statements in this report reflect views held only as of the date hereof. Neither Kingspan nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement in this report will actually occur. Kingspan undertakes no duty to and will not necessarily update any such statements in light of new information or future events, except to the extent required by any applicable law or regulation.

13 BOARD APPROVAL

This announcement was approved by the Board on 21 February 2020.