



FEBRUARY 2021

Full Year Results



The Hub @ IKON
Kingspan Group, Kingscourt, Cavan, Ireland

Disclaimer

Forward Looking Statements

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2020 in Summary

- Insulated Panels sales decrease of 4% mainly due to Q2 lows. Solid performance with most end markets experiencing recovery in H2. Europe positive, particularly Germany and France, strong finish to the year in the UK and strong order intake in the Americas in Q4
- Insulation Boards sales decrease of 10% albeit much improved in H2, down 2%. Strong performance in Western Europe, good H2 recovery in Ireland and UK, Americas and Australia ahead of prior year while softer in the Middle East and Southern Europe
- Another year of progress in Light & Air with sales up 36%, acquisition of Colt a key driver. Europe positive overall although softer in North America
- Water & Energy sales down 3% with a resilient performance overall and year on year margin improvement
- Data & Flooring sales increase by 4%. Strong performance across data centre applications offsetting softer office activity



REVENUE

€4.6bn

-2%



TRADING PROFIT

€508.2m

+2%



EPS

206.2c

+1%

Our Mission

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



Ultra Energy-Efficient

164 million tonnes of CO₂ will be saved over the life of our insulation systems sold in 2020



Net-Zero Carbon

35% reduction in absolute Scope 1 & 2 greenhouse gas emissions since 2013



Circular Materials

In 2020 alone we upcycled 573 million waste plastic bottles



Natural Daylight & Ventilation

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

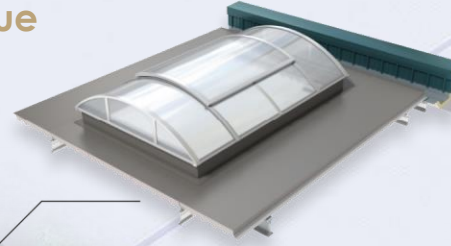


Conserved Water

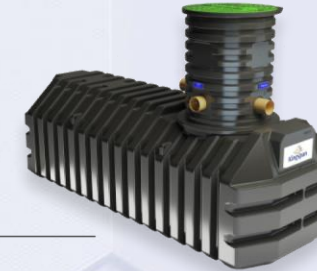
Over 34 gigalitres of rainwater will be harvested by our systems produced in 2020

The Envelope

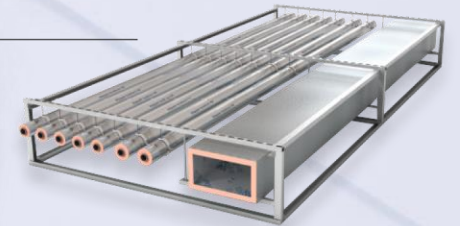
Light & Air
Global Leader
10% Revenue



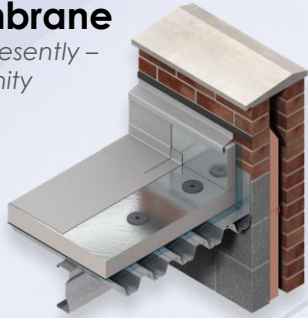
Water & Energy
Global Leader
4% Revenue



Industrial Insulation
Embryonic position presently –
global scale opportunity



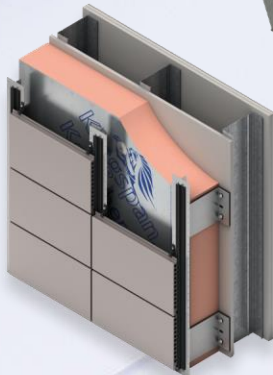
Flat Roof Membrane
Embryonic position presently –
global scale opportunity



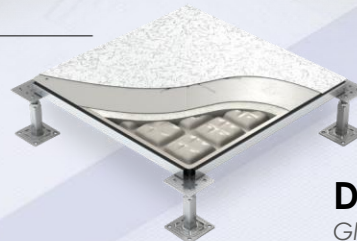
Insulated Panels
Global Leader
64% Revenue



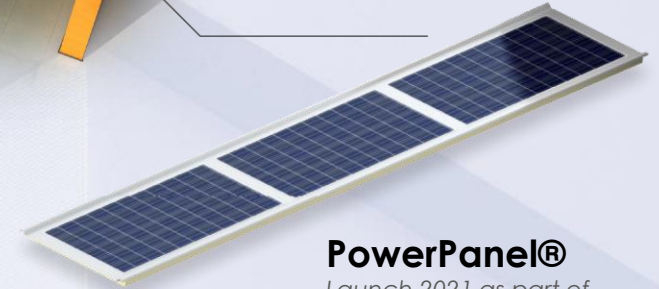
Insulation Boards
Global Leader
17% Revenue



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

30% 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

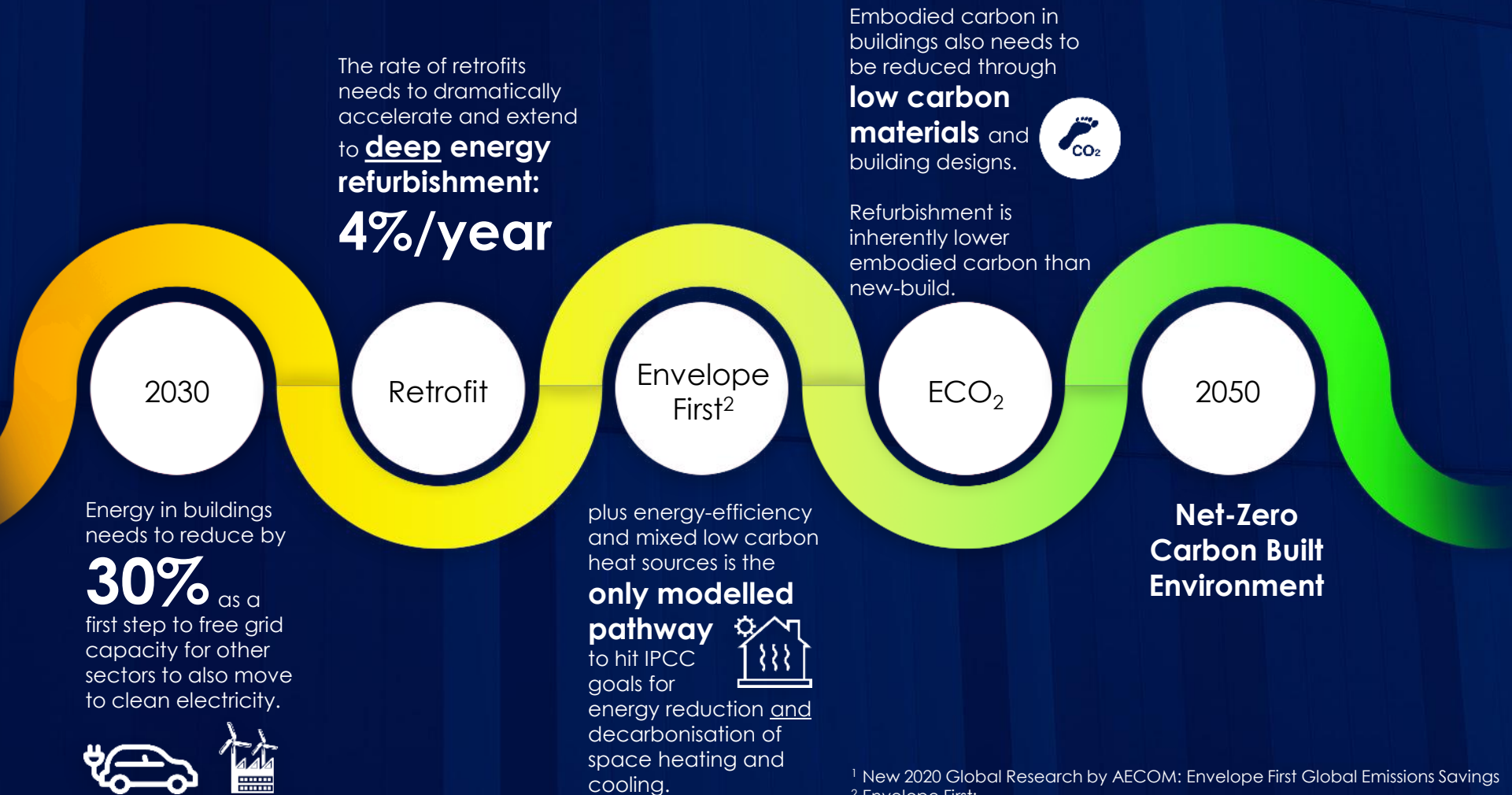
Source: The Future of Construction, World Economic Forum

Note 1 – Source: Dodge Data & Analytics 2018

Note 2 – Source: JLL preliminary research

Note 3 – Source: World Green Building Council

IPCC 1.5°C – AECOM Research¹



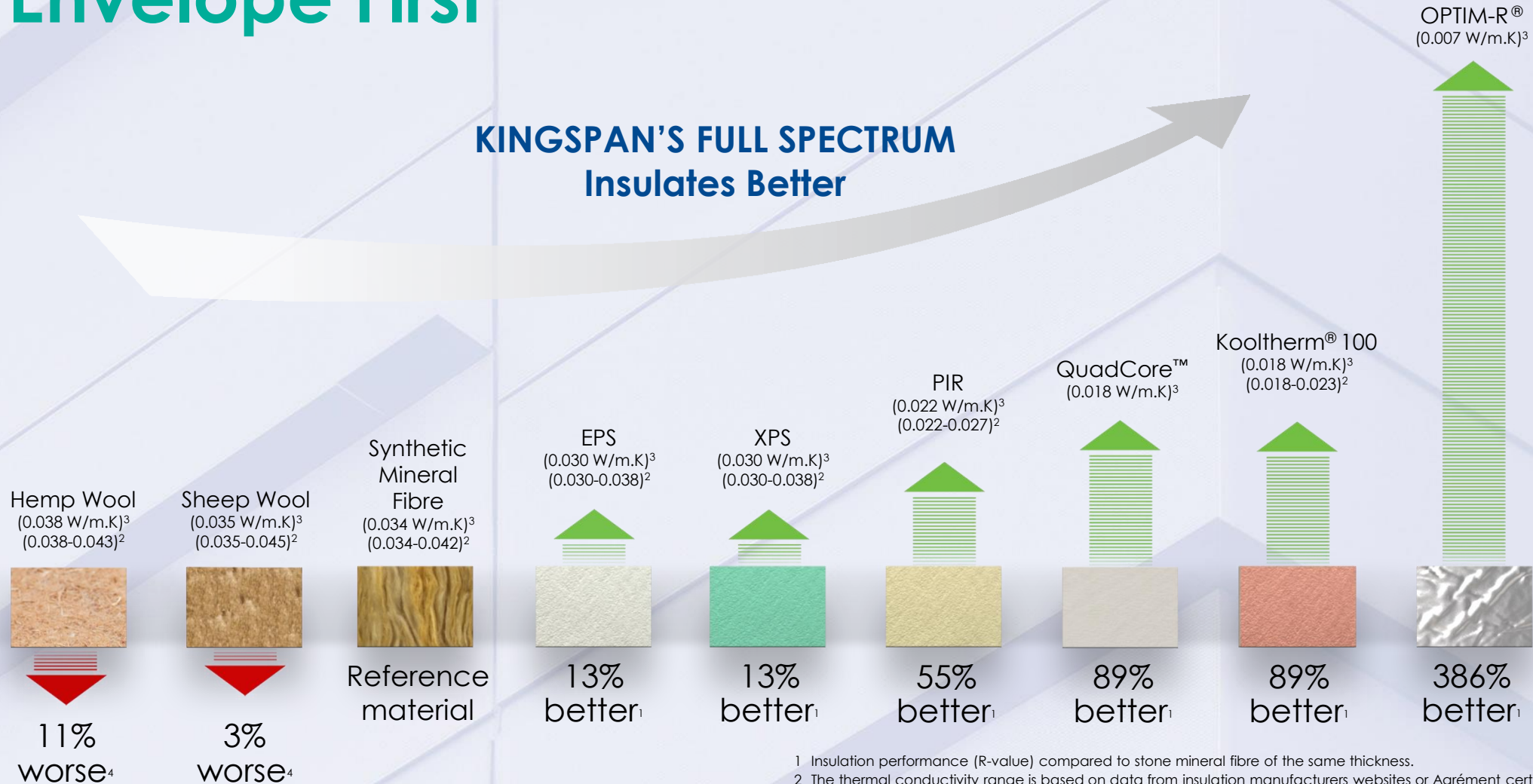
¹ New 2020 Global Research by AECOM: Envelope First Global Emissions Savings

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).

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

40year 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

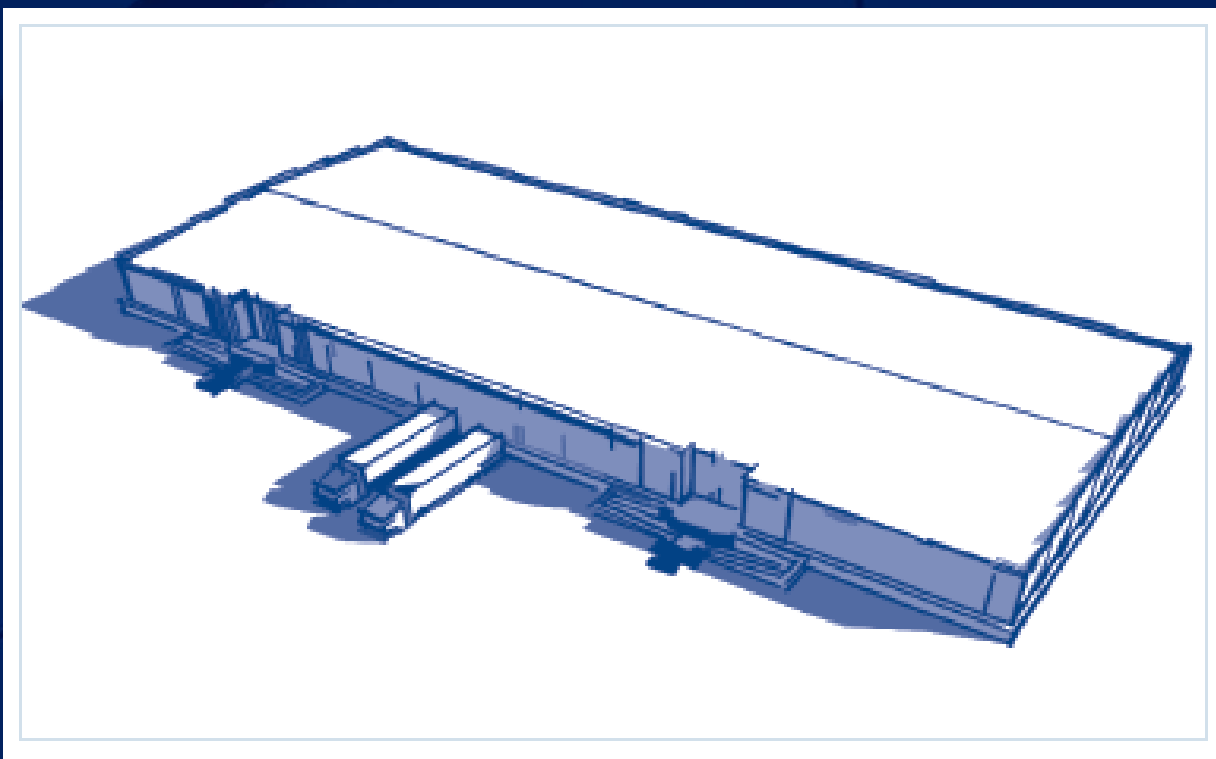
VS



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

TARGET

TARGET YEAR

2020

2020 KEY HIGHLIGHTS



ENERGY

Net Zero Energy (%)

60% direct renewable energy use (%)

20% on-site renewable energy generation (%)

Solar PV systems on all owned facilities (%)

2020

100%

2030

28%

2030

5.3%

2030

21%

Net Zero
Energy
Achieved



IKON

Achieved
LEED v4
Gold



22



Solar PV
systems in
place

32 GWh

On-site
renewable
energy
generation



CARBON

Net zero carbon manufacturing (% change)

Zero emission company cars (% annual conversion)

50% reduction in product CO2e intensity from our
primary supply partners (% reduction)

2030

0.1%*

2025

11%

2030

0%

11%

annual conversion
to zero emission
cars achieved



CDP Climate Change
A List Company



CDP supplier
engagement leader



CIRCULARITY

Zero company waste to landfill (tonnes)

Recycle 1 billion PET bottles into our processes
(bottles)

QuadCore™ products utilising recycled PET
(% of sites)

2030

18,167

2025

573m

2025

5%



573 million
recycled PET
bottles

Zero waste
to landfill
achieved
in Tate division



Recycled PET

utilised at Modesto,
USA for Quadcore™
products



WATER

Harvest 100 million litres of rainwater (litres)

5 active ocean clean-up projects (No.)

2030

21.1m

2025

1



21.1 million
litres of rainwater
harvested

180 Tonnes

of marine debris collected
by ECOALF's Upcycling the
ocean project in Spain



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 WmK.



POWERED BY
QuadCore™
TECHNOLOGY



Cycling

Our first QuadCore™ panels Recycling Hub is opening in 2021 for end-of-life products

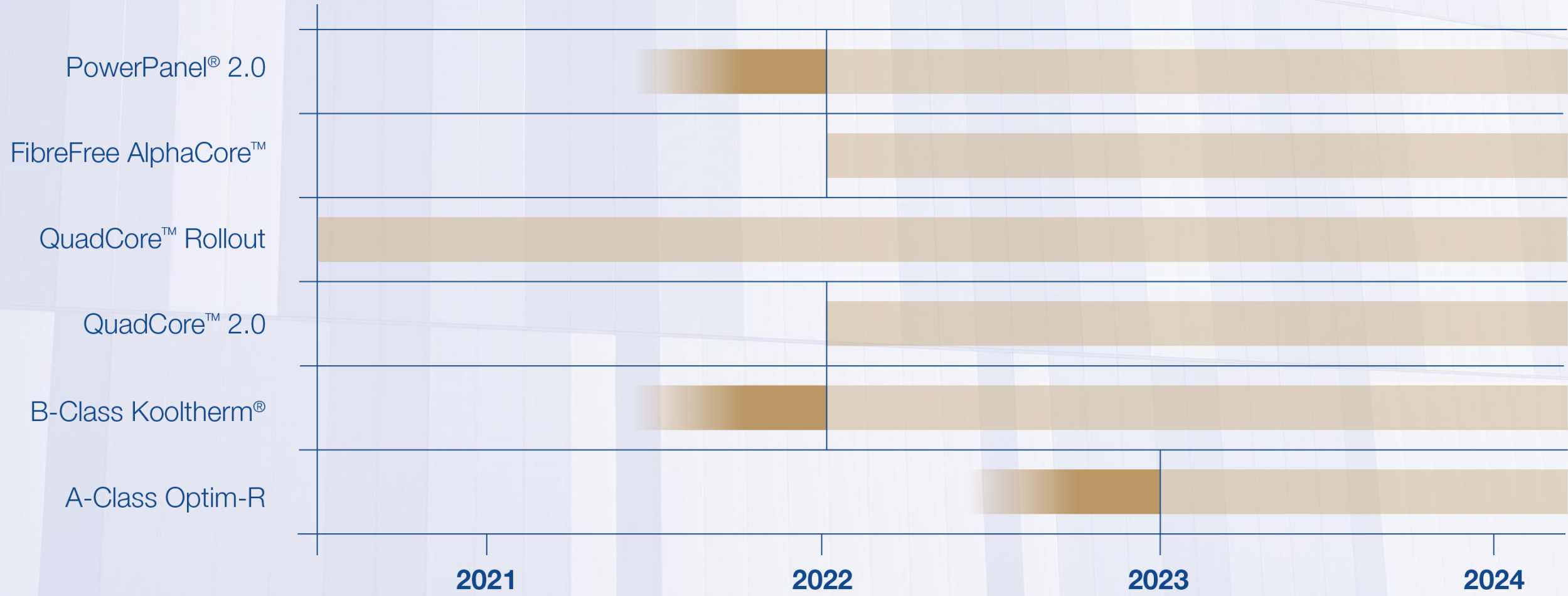
The first hub is planned to open in 2021 to enable reprocessing of production waste, site waste and end-of-life panels back into new insulated panels & other products.



Global Organic Expansion

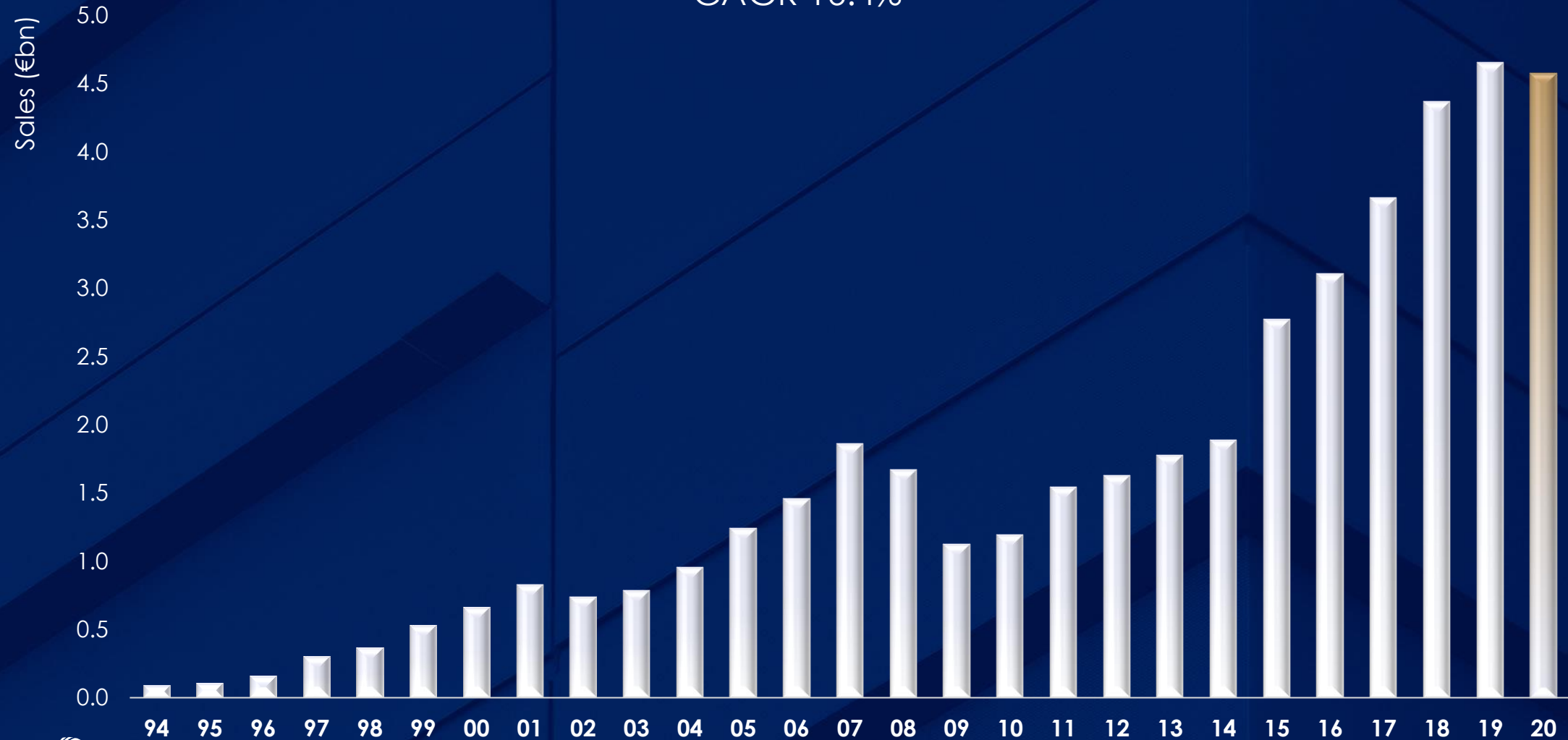


Key Innovations



Progress so Far

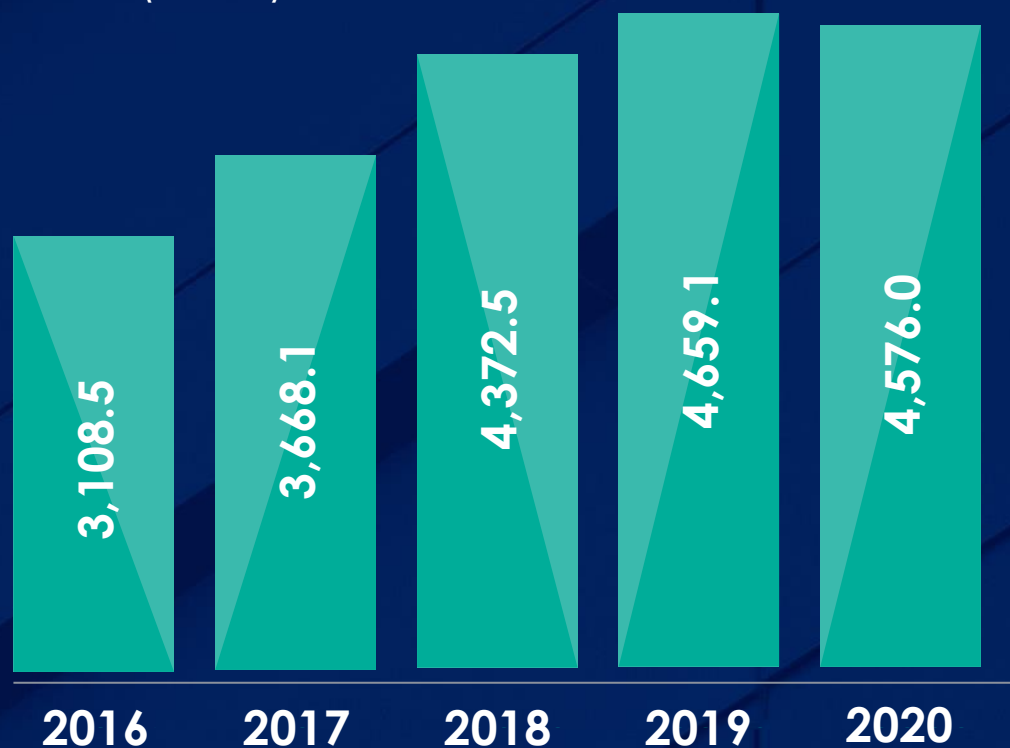
CAGR 16.4%



5 Year Financial Performance

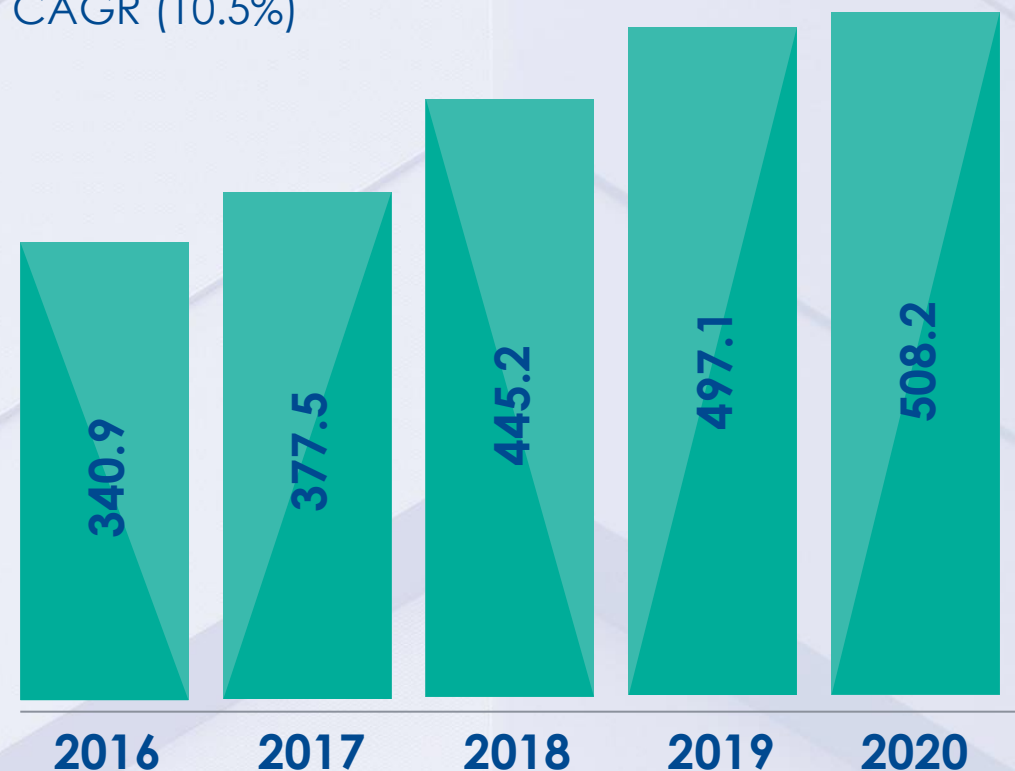
REVENUE (€m)

CAGR (10.1%)

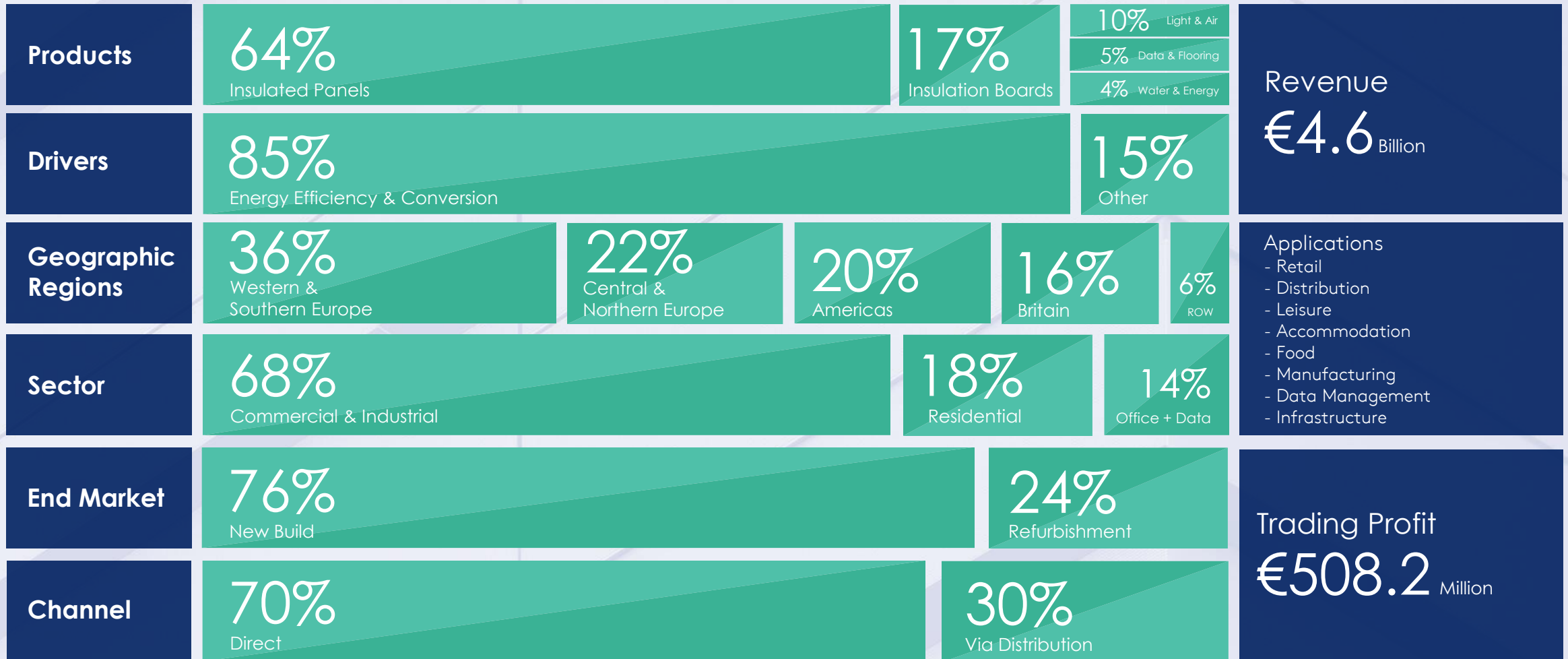


TRADING PROFIT (€m)

CAGR (10.5%)



2020 In a Nutshell



Financial Highlights

	2020	2019	YoY % Change	cc change*
Revenue (€m)	4,576.0	4,659.1	-2%	-
Trading Profit (€m)	508.2	497.1	+2%	+5%
Earnings per share (cent)	206.2	204.6	+1%	-
Total Dividend (Cent)	20.6	13.0**	+58%	-
Free Cashflow (€m)	479.7	337.1	+42%	-
Net Debt (€m)	236.2	633.2	-63%	-
Trading Margin	11.1%	10.7%	+40bps	-
Net debt/EBITDA	0.4x	1.1x	-	-
Effective Tax Rate	16.3%	16.9%	-60bps	-
ROCE	18.4%	17.3%	+110bps	-

* Constant currency change

** Adjusted for cancellation of 2019 final dividend

Trading Profit and Margin

TRADING MARGIN

	FY 20	FY 19	FY 18
Insulated Panels	11.0%	10.4%	10.0%
Insulation Board	14.0%	13.4%	12.2%
Light & Air	7.0%	7.7%	7.4%
Water & Energy	8.0%	6.8%	7.0%
Data & Flooring	13.1%	11.4%	11.9%
Group	11.1%	10.7%	10.2 %

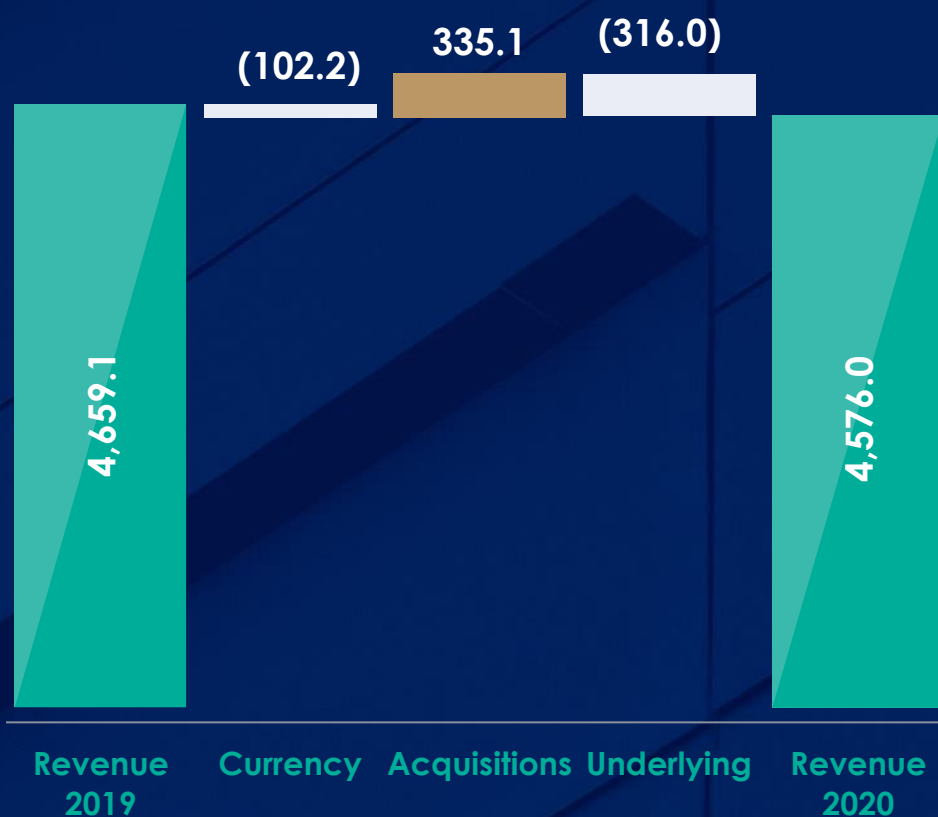
TRADING PROFIT (€m)

CAGR (10.5%)

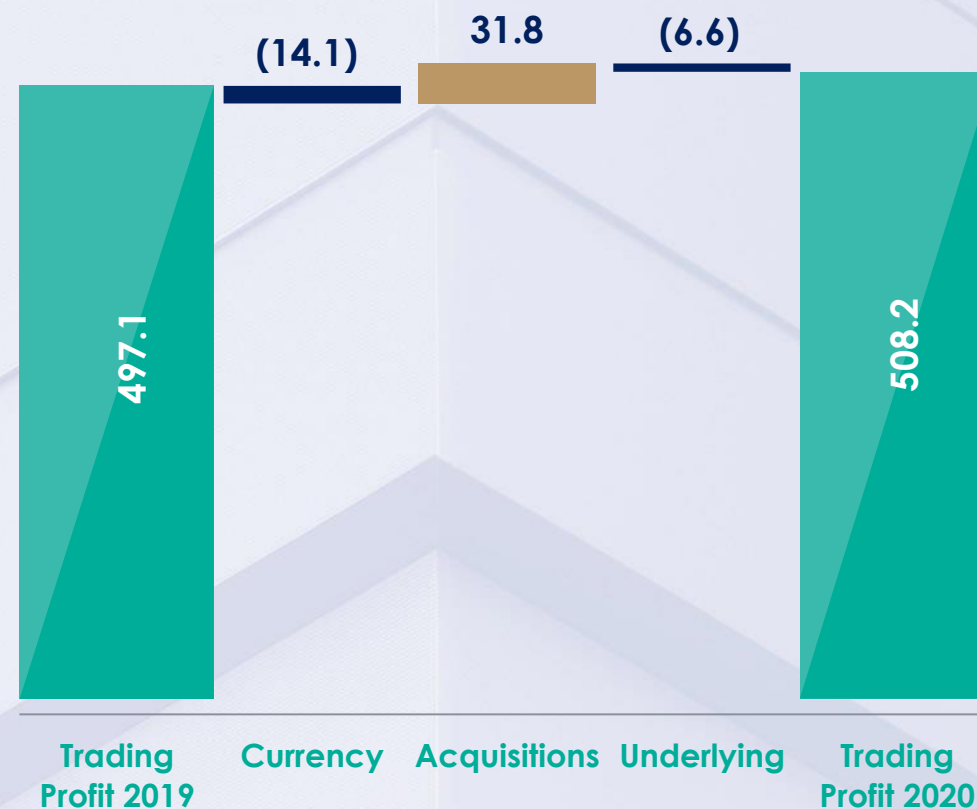


Group Sales & Profit Bridge

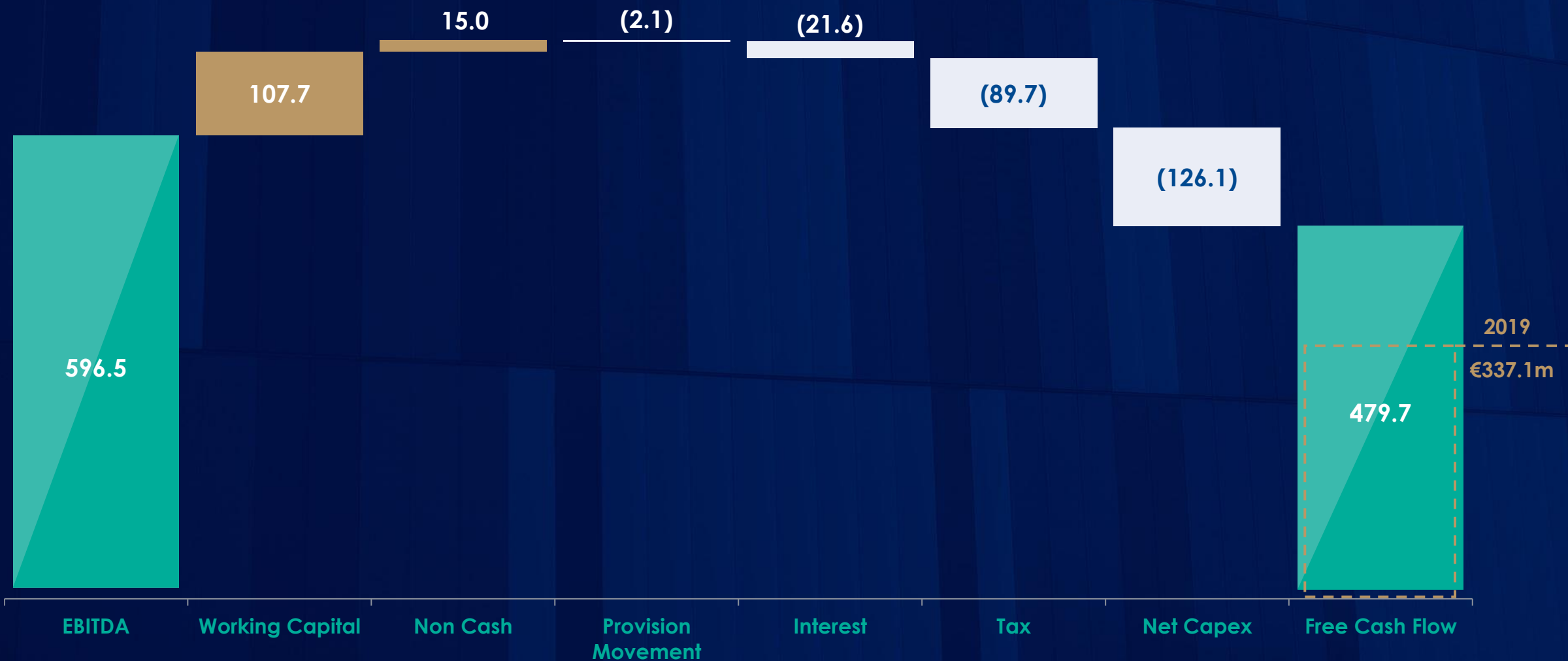
Revenue €m



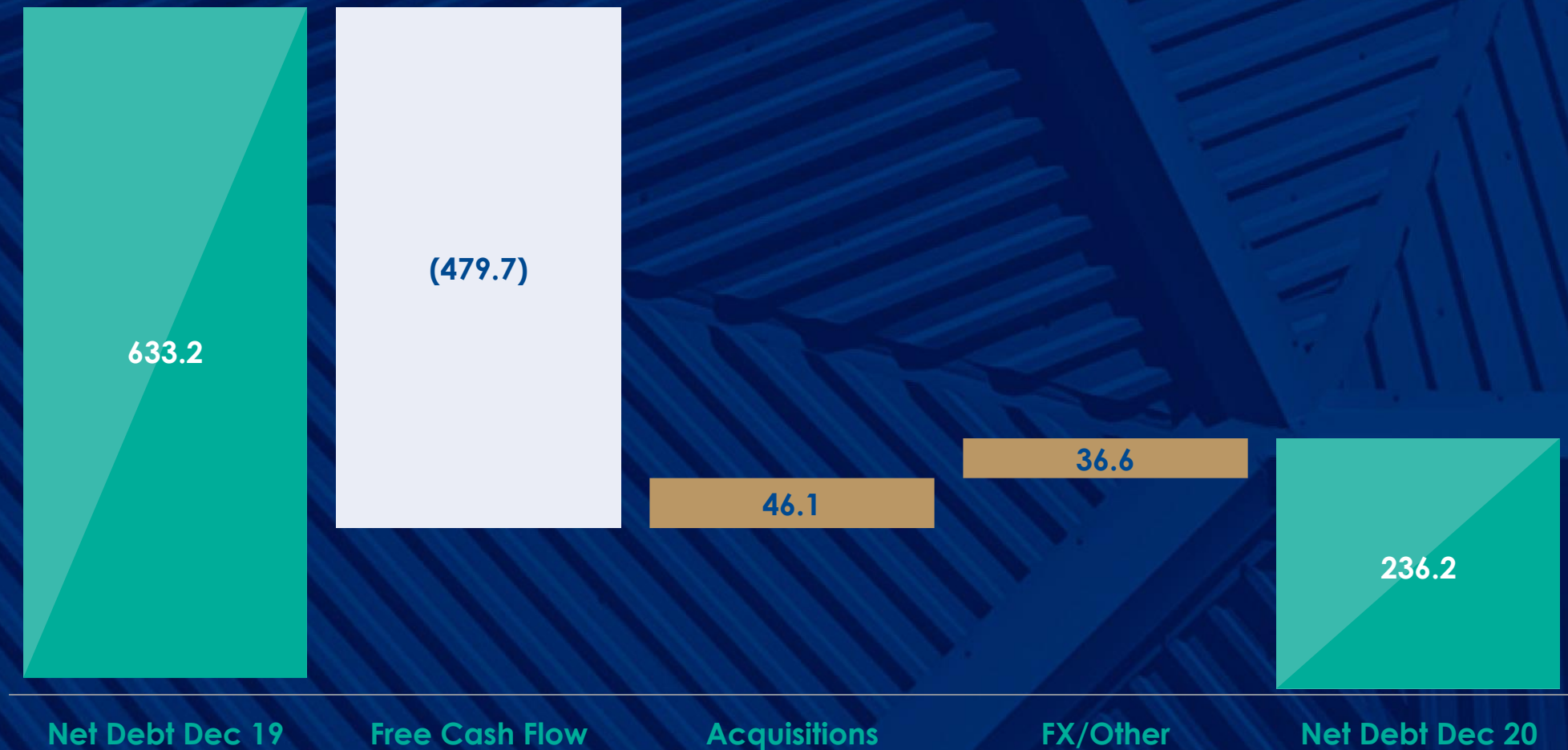
Trading Profit €m



Strong Free Cash Flow (€m)



Net Debt Reconciliation (€m)



Dividend Policy

- In 2020 committed to reviewing policy
- Sought shareholder views
- Objective to balance dividend with capital allocation for longer term growth and to preserve balance sheet strength
- Outgoing policy was a 25% pay-out
- Revised policy is to pay-out 15% with effect from 2021
- Final 2020 dividend amounting to 10% pay-out as an intermediate step

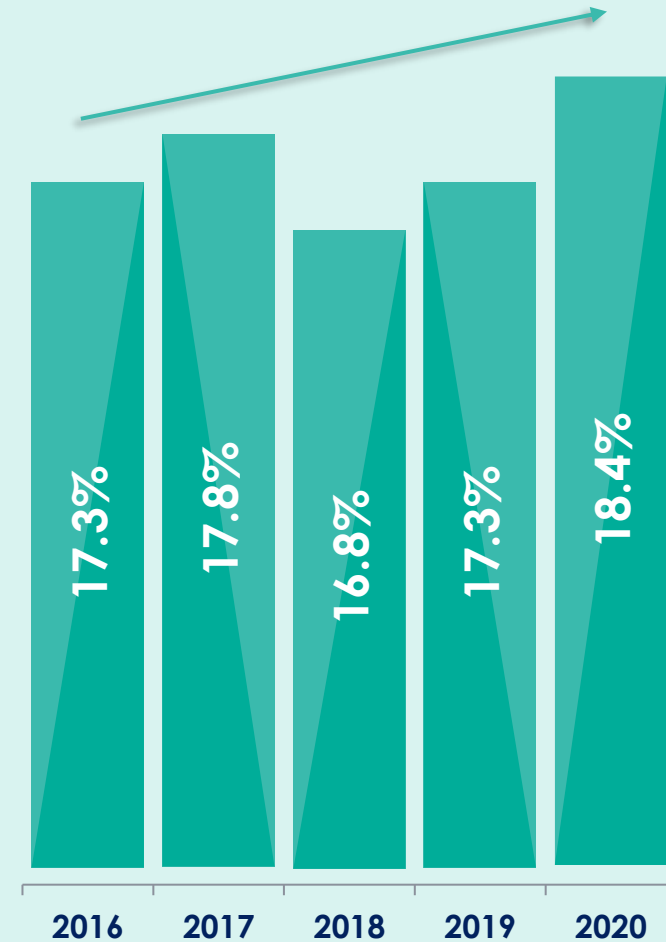


ECU Science, Australia
Insulated Panels

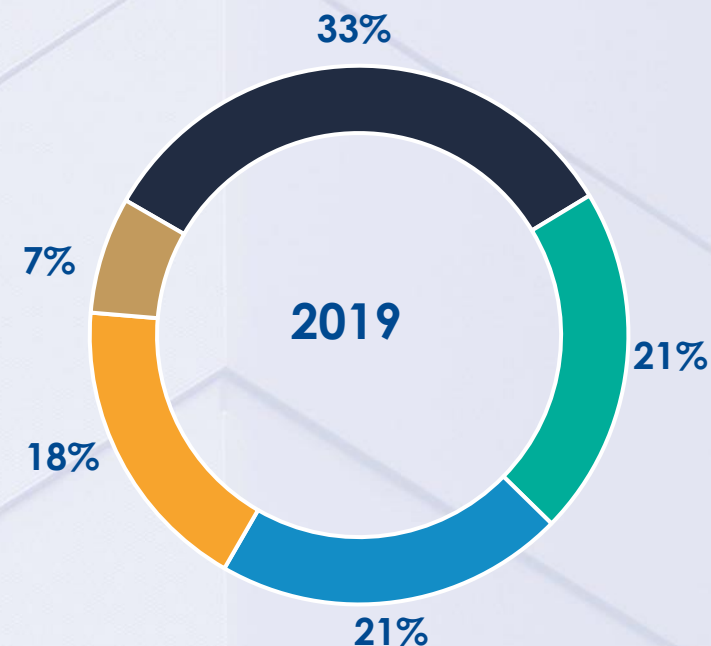
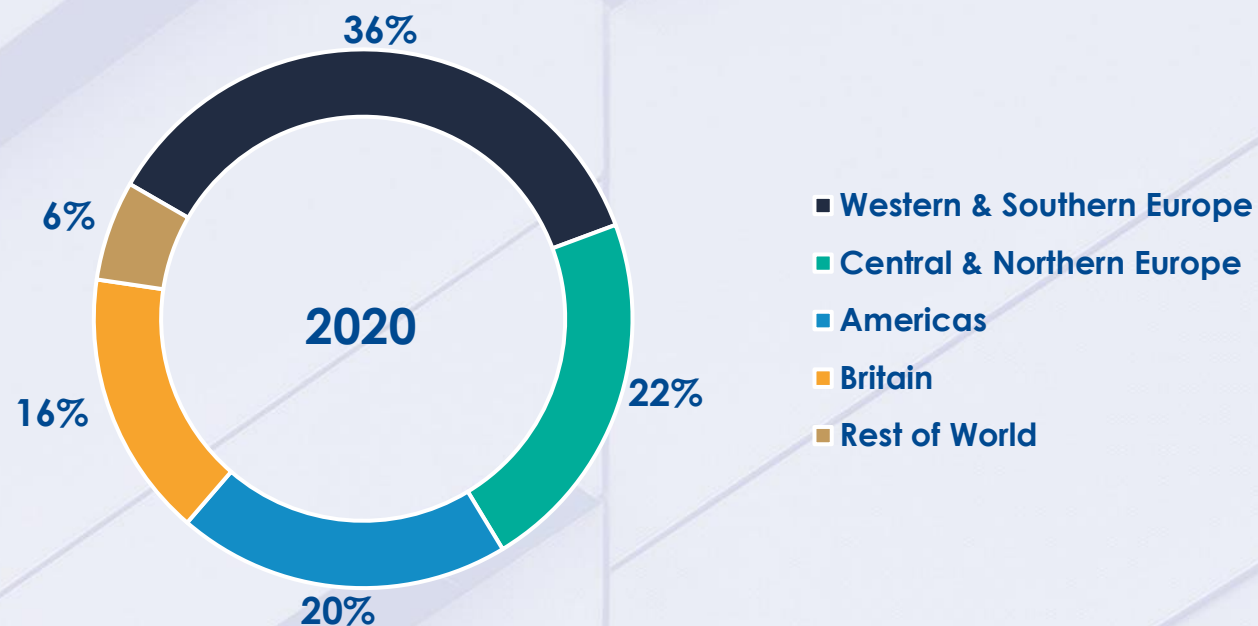
Strong ROCE



Aperture Cellars, California, USA
Insulated Panels



Sales by Geography



€m	2020	2019	YoY % Change	cc change*
Western & Southern Europe	1,633.6	1,546.1	+6%	+6%
Central & Northern Europe	997.8	960.0	+4%	+6%
Americas	916.0	990.9	-8%	-1%
Britain	743.6	848.4	-12%	-11%
Rest of World	285.0	313.7	-9%	-7%
Total	4,576.0	4,659.1	-2%	-

Insulated Panels

Belmont Hub, Australia
Insulated Panels

- Global order intake recovered through H2 with year-end backlog ahead by 19%
- QuadCore™ sales grew by 33% in 2020 and comprised 12% of insulated panels product sales
- Most markets continued to recover well in the aftermath of the first severe lockdown earlier in the year
- Germany, Belgium and France were stand-outs where positive market dynamics and an element of share gain drove revenue growth through H2
- A tough start to the year in Spain which was difficult to recover from, although activity improved markedly in H2
- Panel businesses in the Nordics and much of Central Europe were slightly behind prior year as a whole



	2020	2019
Sales (€m)	2,917.4	3,031.9
% of Group Sales	64%	65%

Analysis of YoY % Change			
Underlying	Currency	Acquisition	Total
-6%	-3%	+5%	-4%

Insulated Panels

- UK delivered a strong Q4 although still lagged 2019's revenue by year-end and Ireland performed similarly. Both markets entered 2021 with orderbooks comfortably ahead of prior year
- US market finished the year with revenue slightly behind prior year, albeit with an order bank well ahead due to exceptionally strong intake in Q4 2020
- Canada disappointing following a particularly weak first half
- A strong performance in Latin America with volumes ahead by double digits, supported by deliveries from the new facility near Sao Paulo
- A further facility in the south of Brazil is nearing completion
- Bromyros, the market leader for insulated panels in Uruguay, was acquired in January 2021



Oceanic Acqarium, Brazil
Insulated Panels



- Division delivered a strong performance in H2 across most of the markets in which it operates
- Volumes were in line with H2 2019, a recovery from the sharp decreases in H1 2020
- Western Europe posted a record year with revenue well ahead in the Benelux and Germany
- Southern Europe outcome was still below prior year despite a marked recovery in H2
- North America and Australasia performed ahead of 2019, while the Middle East performed well in the circumstances, albeit below prior year
- Ireland and the UK were both severely impacted during H1 although delivered strong recoveries in H2

	2020	2019
Sales (€m)	787.0	876.9
% of Group Sales	17%	19%

Analysis of YoY % Change			
Underlying	Currency	Acquisition	Total
-9%	-1%	-	-10%

- Robust performance during the more challenging first half of the year
- Activity improved in a number of key markets through the latter half
- The business performed particularly well in the Benelux and France and somewhat weaker in Germany toward year-end
- 2019 was a strong year in North America and the 2020 performance lagged that, owing to a weaker pipeline of larger projects
- In April 2020 the acquisition of Colt completed, bringing a significant boost in revenue and a highly complementary product suite for the division
- Agreed to acquire Skydome in December 2020, the daylighting activity of SMAC in France



Médiathèque Angoulême, France
Light & Air

	2020	2019
Sales (€m)	445.5	327.7
% of Group Sales	10%	7%

Analysis of YoY % Change			
Underlying	Currency	Acquisition	Total
-8%	-1%	+45%	+36%

- Strong operating performance in 2020 owing largely to tight margin management across the units
- Steady year for the energy storage business
- Water unit delivered a result well ahead of prior year, particularly in the UK
- In Australia, rainwater harvesting still dominates the offering, performing well in both residential and rural & commercial end markets



Eglise Notre Dame de Beauregard, France
Water & Energy

	2020	2019
Sales (€m)	202.7	208.1
% of Group Sales	4%	4%

Analysis of YoY % Change			
Underlying	Currency	Acquisition	Total
-3%	-2%	+2%	-3%

- 2020 proved to be a positive year for this business
- Growing exposure to the datacentre market, predominantly in North America and Europe
- Solutions provide flexibility in how buildings are configured with the combination of access floors, structural ceiling grids and airflow management systems
- In contrast, the office segment was less buoyant which is anticipated to remain the case for the foreseeable future



Dublin Airport, Ireland
Data & Flooring

	2020	2019
Sales (€m)	223.4	214.5
% of Group Sales	5%	5%

Analysis of YoY % Change			
Underlying	Currency	Acquisition	Total
-3%	-1%	+8%	+4%

Outlook



National Test Centre, The Netherlands
Insulated Panels

- 2021 has started well helped by the strong backlogs at the turn of the year
- Raw material price inflation is a very significant feature at present and a challenging recovery effort is underway
- Whilst there can be limited certainty in the near-term, sentiment across end markets remains positive overall
- The Group's innovation agenda continues to move ahead at pace
- Kingspan's product proposition and Planet Passionate programme are aligned fully with urgent climate action agenda
- The balance sheet is in a robust position which will support organic and inorganic development
- The sustainability of our proposition and the resolve of Kingspan people positions the business well into the future



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