

Kingspan, the global leader in high-performance insulation and building envelope solutions, reports its preliminary results for the year ended 31 December 2020.

Financial Highlights:

- Revenue down 2% to €4.6bn, (pre-currency, in line with prior year).
- Trading profit up 2% to €508.2m, (pre-currency, up 5%) after accounting for repayment of government COVID supports worldwide.
- Acquisitions contributed 7% to sales growth and 6% to trading profit growth in the year.
- Free cashflow up 42% to €479.7m.
- Group trading margin of 11.1%, an increase of 40bps.
- Basic EPS up 1% to 206.2 cent.
- Final dividend per share of 20.6 cent.
- Year-end net debt¹ of €236.2m (2019: €633.2m). Net debt¹ to EBITDA¹ of 0.4x (2019: 1.1x).
- ROCE of 18.4% (2019: 17.3%).

Operational Summary:

- Insulated Panels sales decrease of 4% due mainly to second quarter lows. Solid performance with most end markets experiencing recovery in the second half. Europe positive overall, particularly in Germany and France. Strong finish to the year in the UK. Strong order intake in the Americas in the fourth quarter. 33% growth in QuadCore™ sales globally in 2020.
- Insulation Boards sales decrease of 10% albeit much improved in the second half which was down 2%. Strong performance in Western Europe and good second half recovery in Ireland and the UK, Americas and Australia ahead of prior year. Softer in the Middle East and Southern Europe.
- Another year of progress in Light & Air with sales up 36% in the year, acquisition of Colt a key driver. Europe positive overall although softer in North America. Further bolt on acquisition in Europe, Skydome, agreed after year end.
- Water & Energy sales down 3% with a resilient performance overall and year on year margin improvement. Water applications particularly positive.
- Data & Flooring sales increase of 4%. Strong performance across data centre applications offsetting softer office activity.
- Steep raw material inflation a key theme as we enter 2021 with a challenging recovery effort underway.
- Actions taken in respect of the Grenfell Inquiry are covered fully in this release immediately after the outlook statement (“Looking Ahead”).

Summary Financials:

	<i>FY'20</i>	<i>FY'19</i>	<i>change</i>
Revenue €m	4,576.0	4,659.1	-2%
Trading Profit² €m	508.2	497.1	+ 2%
Trading Margin³	11.1%	10.7%	+ 40bps
Profit after tax €m	384.8	377.8	+ 2 %
EPS (cent)	206.2	204.6	+ 1 %

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 Officer of Kingspan commented:

“The company’s financial performance in 2020 was robust, with the deep reduction in activity in April and May partly offset by a strong recovery towards the end of the year. Continued cost discipline helped us to deliver a small increase in trading profit despite the decline in revenue, and our organic and acquisition-led expansion of the business remains an ongoing focus.

The role our products can play in helping customers to reduce carbon emissions over the lifetime of a building is growing in importance. We also completed the first year of our ambitious Planet Passionate programme which is tracking 12 targets we have set the business to reduce its own environmental footprint.

2021 has started well, with performance helped by the strong backlog of activity from last year. Raw material price inflation is a significant ongoing issue to manage, but sentiment across our end markets is positive.”

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