

Kingspan

Interim Results

24th August 2018



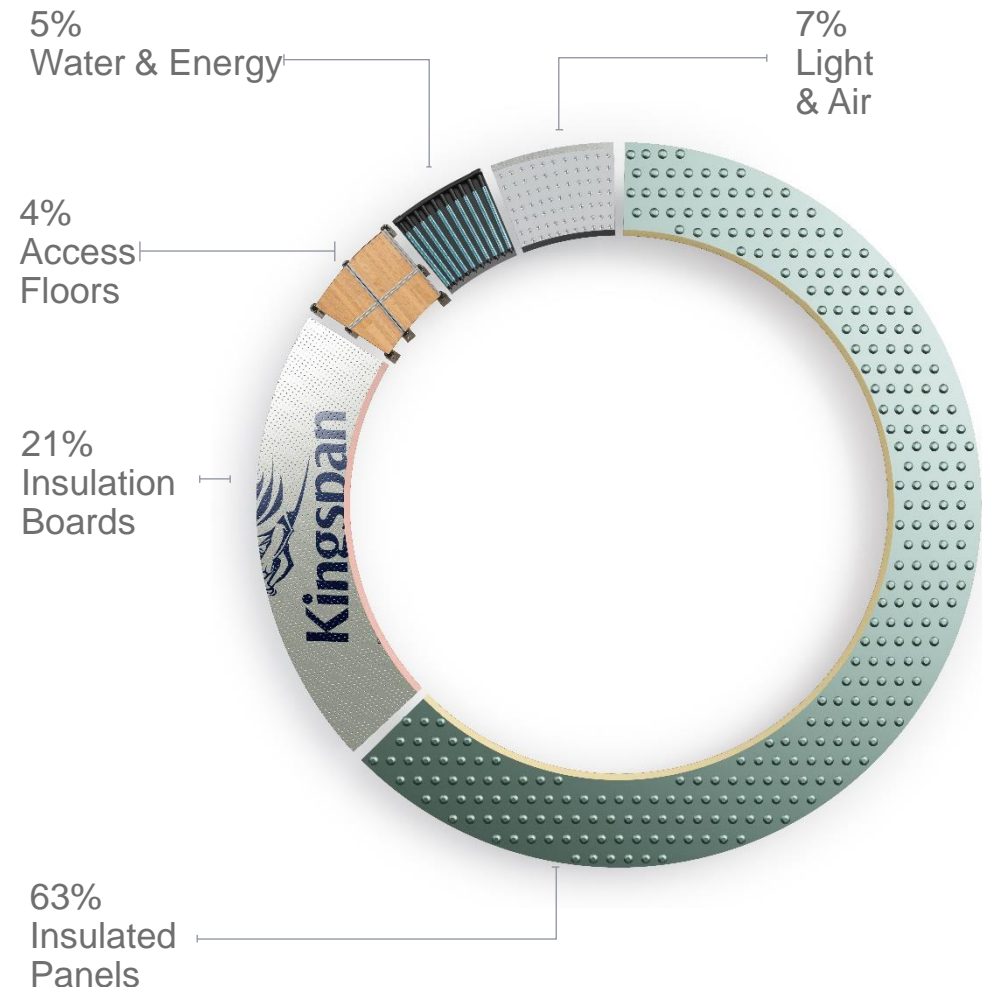
Disclaimer

Forward Looking Statements

This presentation 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 presentation 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 statements in this presentation 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.

The Business

- > A global leader in high performance insulation and building envelopes.
- > Market leading positions in UK, Continental Europe, The Americas and Australasia.
- > Proprietary technology drives differentiation in product performance.



Our Strategy

- Be the leader in high performance insulation globally – proprietary and differentiating technologies.
- Be the world's leading provider of low energy building envelopes.
- Greater geographic reach – focus on The Americas, Continental Europe and certain developing markets.
- 20% ROI target.

Innovation

**Net Zero
Energy**

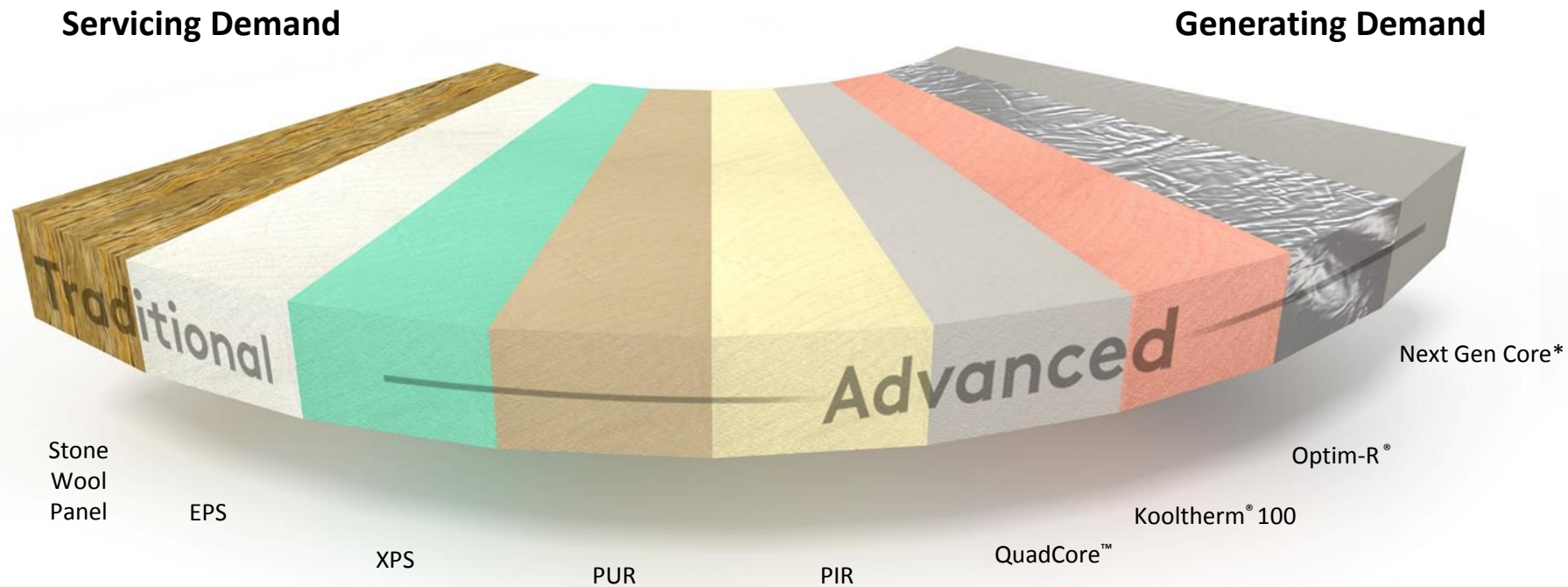
Penetration

Globalisation

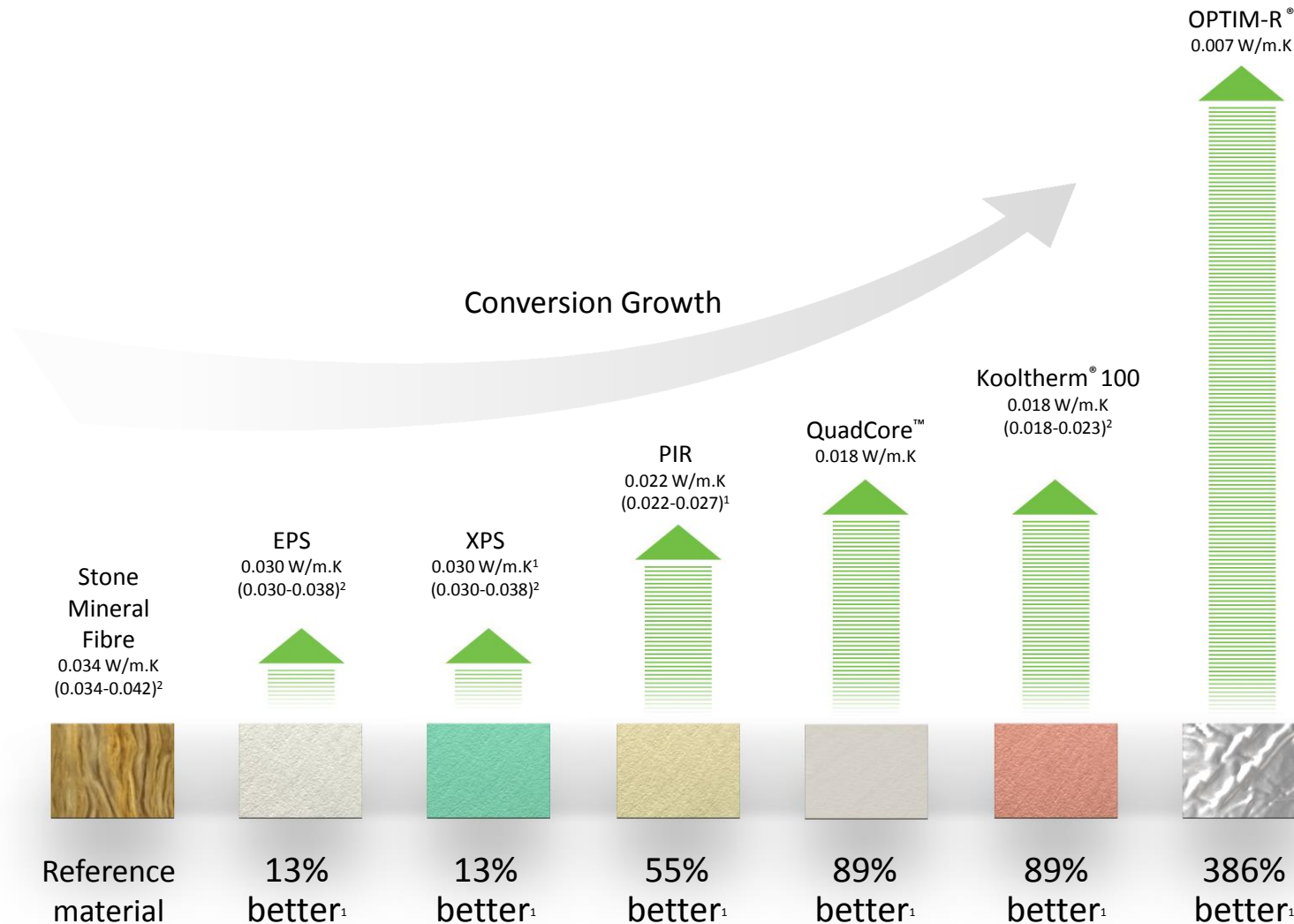
Kingspan – The Full Spectrum



The complete 'Toolbox' for all applications and design preferences



Kingspan – Insulates Better

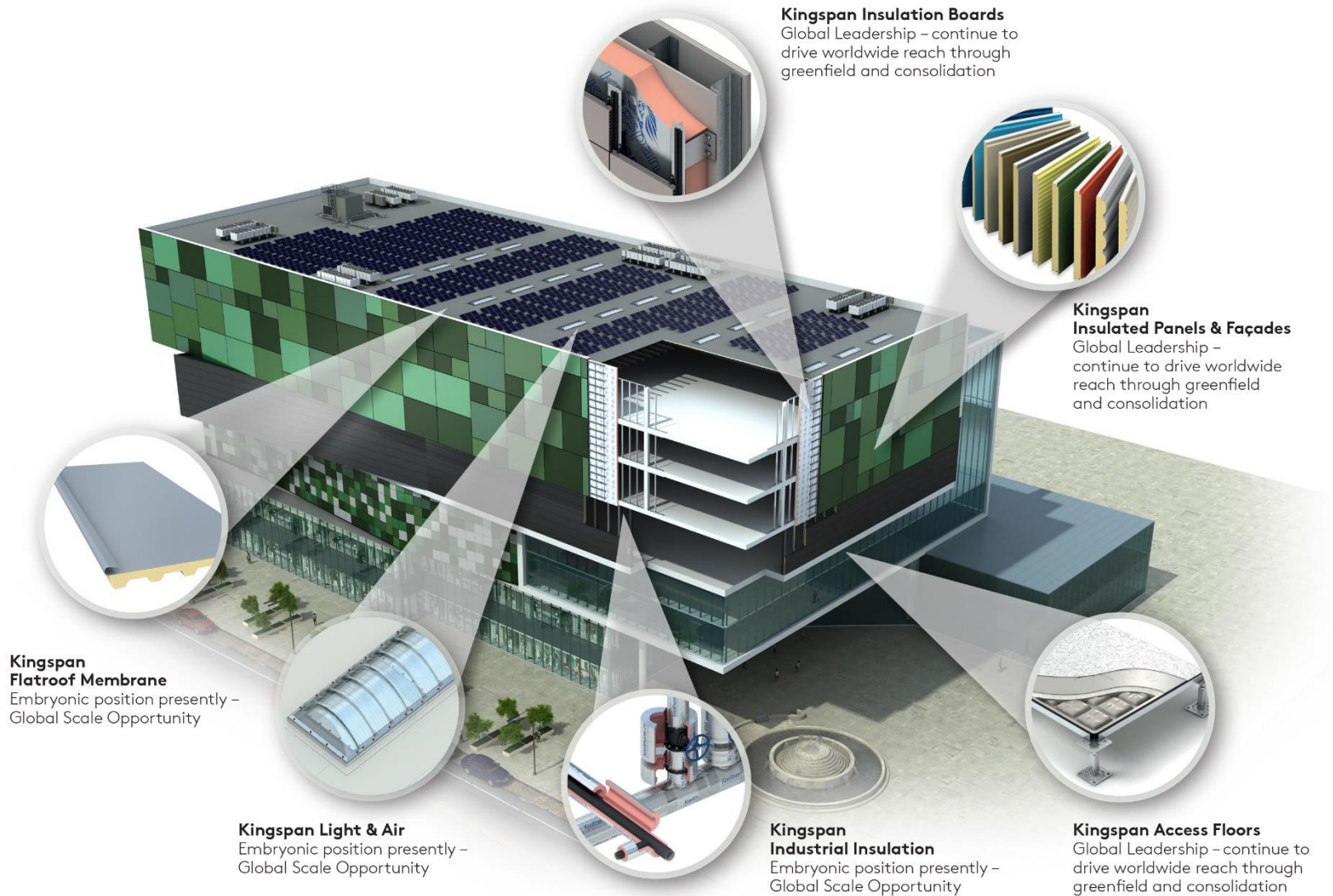


1 Insulation performance (R-value) compared to stone mineral fibre of the same thickness.

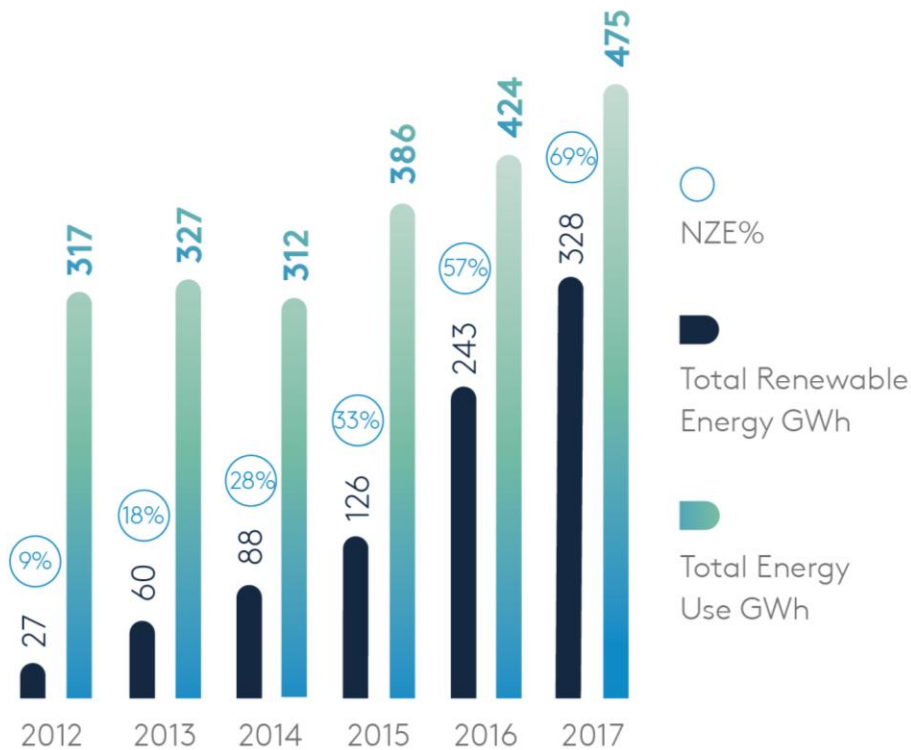
2 The thermal conductivity range is based on data from insulation manufacturers websites or Agrément certificates.

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

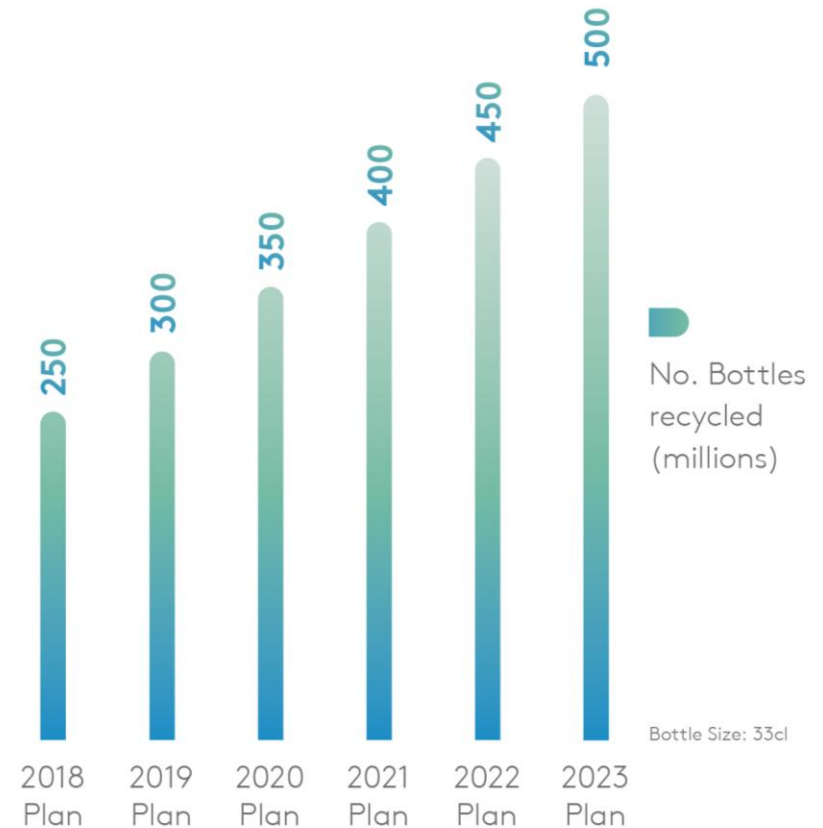
Completing the Envelope



Net Zero



Recycling PET (Land & Ocean)



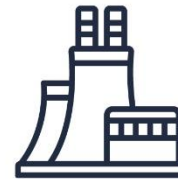
Energy Savings

In 2017 the total energy saved* by our insulation systems is equivalent to:



100m

Over one hundred million barrels of oil



61

The annual output of sixty-one power stations



19m

Taking nineteen million cars off the road

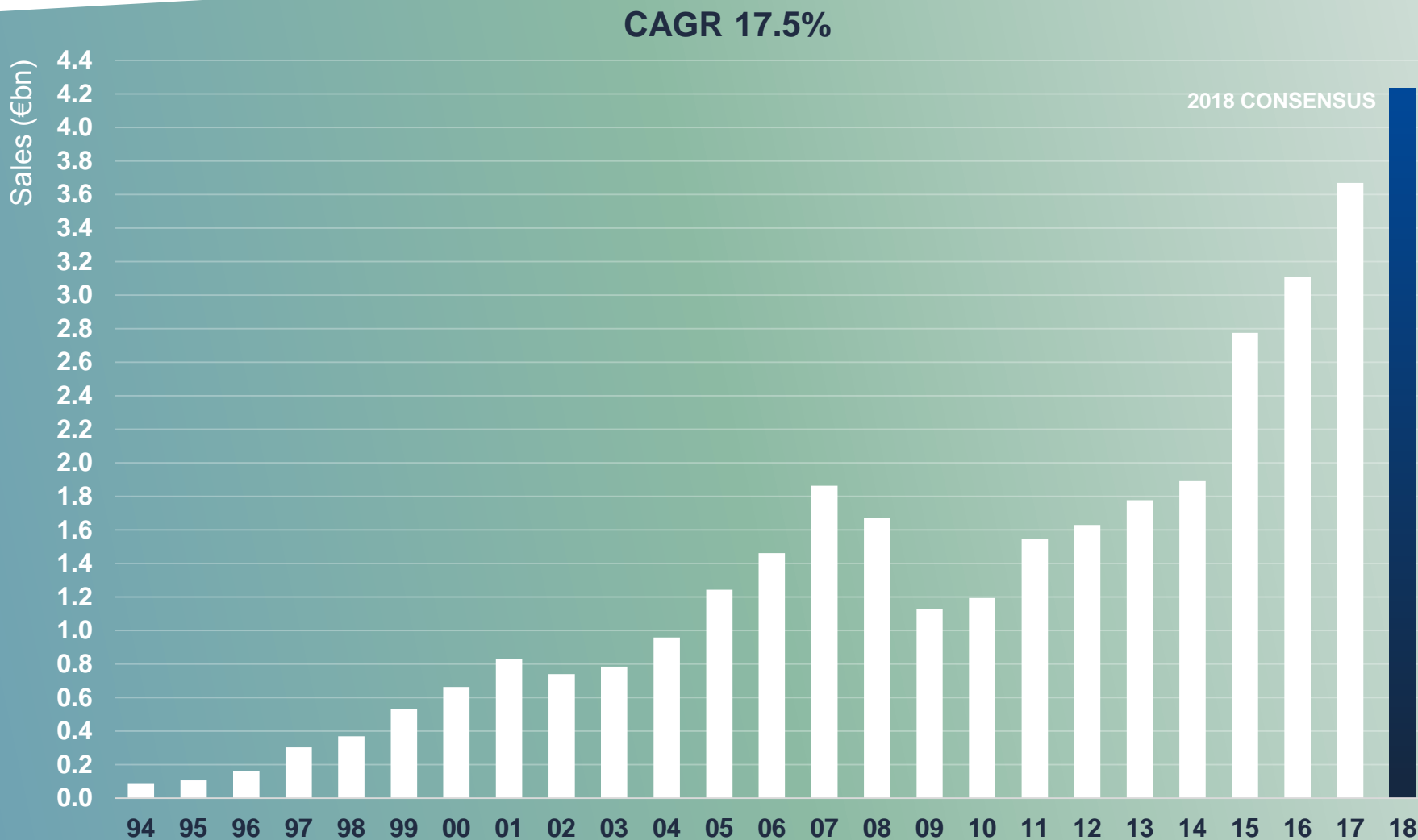


4.3

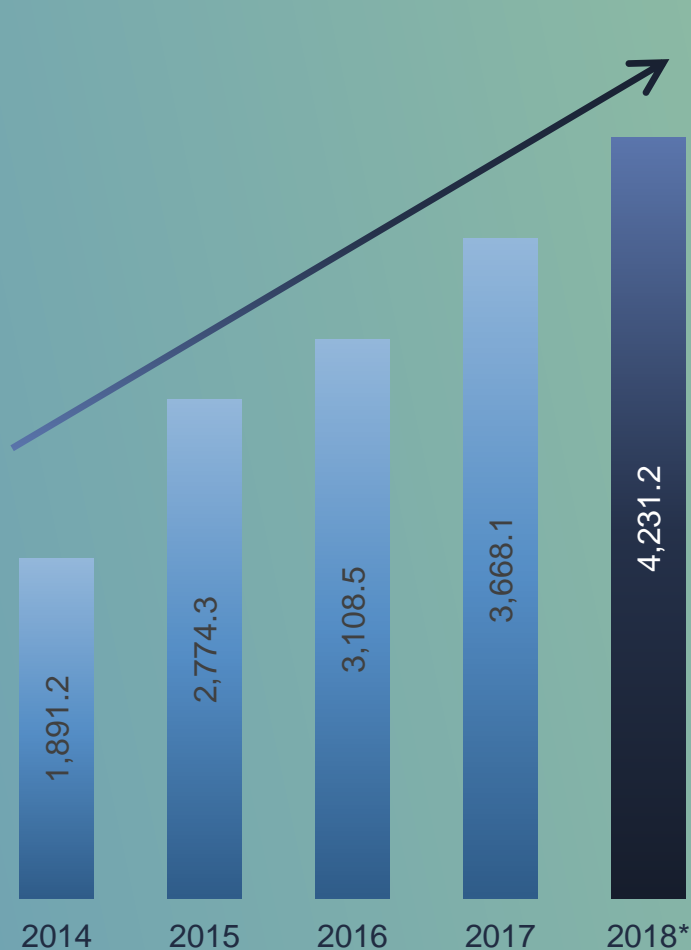
Up to 4.3 times the annual electricity consumption of Greater London

*These figures relate to sales of Insulated Panels and Insulation Boards between 1993 and 2017.

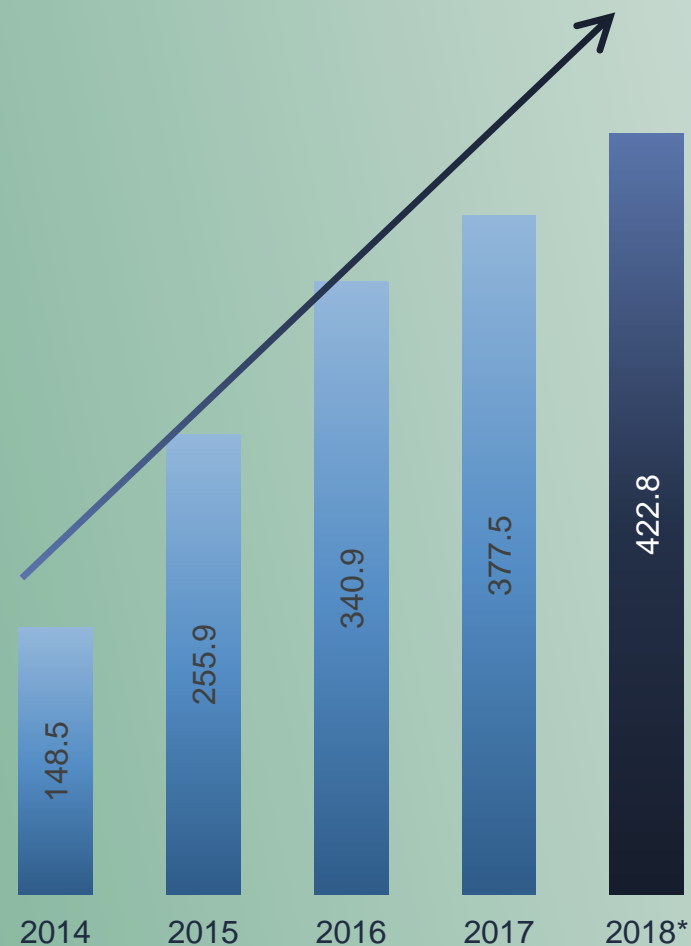
Our Evolution - Revenue



5 Year Financial Performance

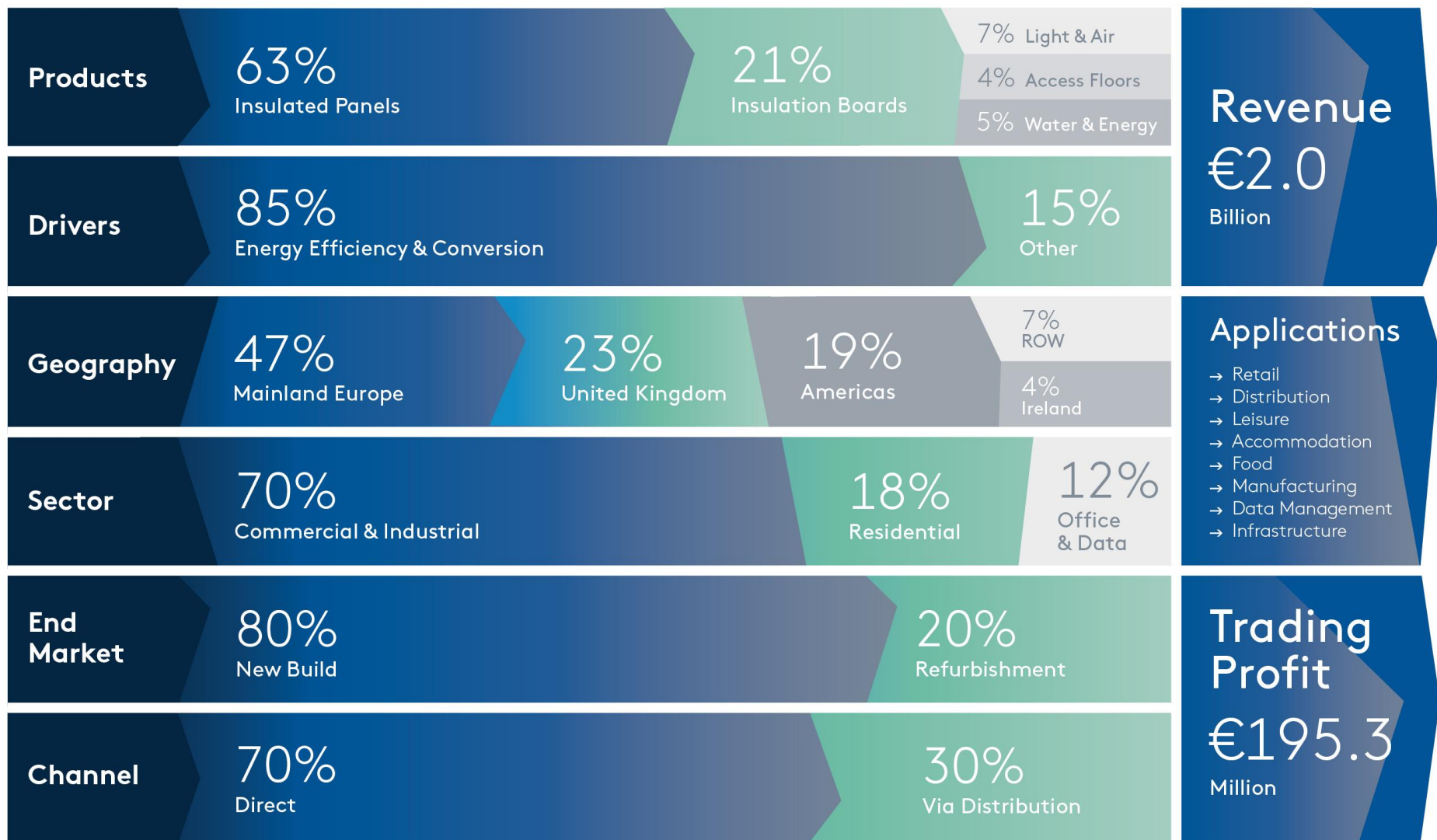


Revenue
(€m) (CAGR 22.3%)



Trading Profit
(€m) (CAGR 29.9%)

2018 H1 In A Nutshell



Brand → Specification → Differentiation

Above are based on internal estimates, and are directional rather than precise. Profit is EBITA.

2018 H1 In Summary

- **Insulated Panels** sales growth of 14% with notable improvement in Q2 after a sluggish start. Quadcore™ revenue growth of 76%, now 6% of global Panels.
- **Insulation Boards** sales growth of 15% mainly reflecting inflation recovery on pricing. Kooltherm® revenue growth of 12%, now 35% of global Insulation.
- **Light & Air** sales of €128.6m, up 11% like for like. Good performance in Continental Europe offsetting softer activity in the US.
- **Water & Energy** (formerly Environmental) broadly in line with prior year after a slow start.
- **Access Floors** 7% behind H1 2017 reflecting a subdued US market and slowdown in the UK.
- Significant position established in Southern Europe Insulated Panels and Boards through acquisition of Synthesia Group.
- Entry into India through the establishment Kingspan Jindal.

↑
Revenue
UP 15%
to €2.0bn

↑
Trading Profit
UP 10%
to €195.3m

↑
Basic EPS
UP 8%
to 80.7c

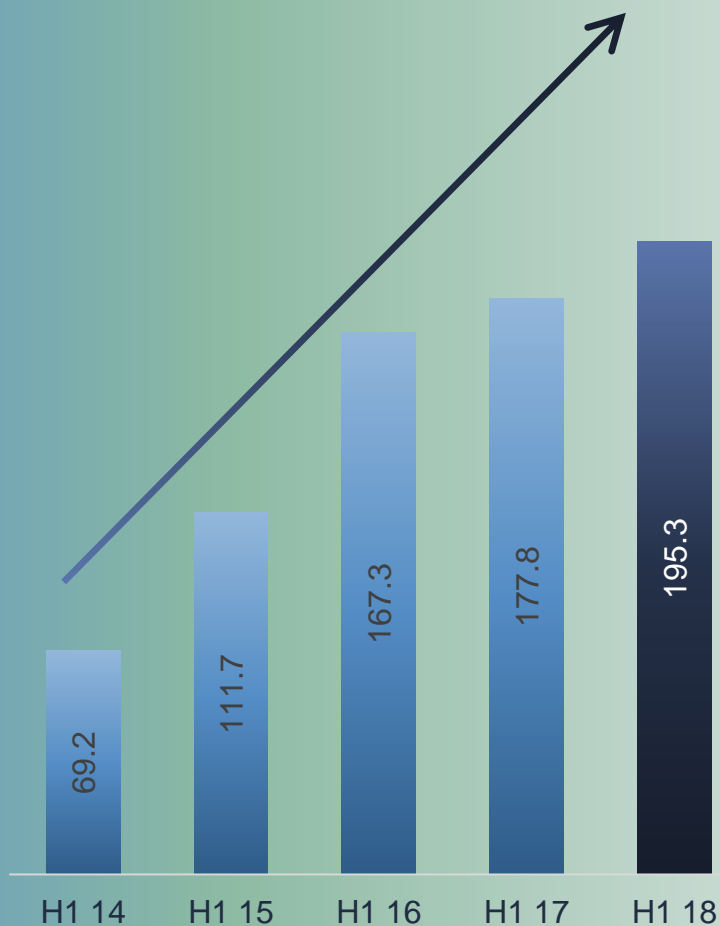
Financial Highlights

	H1 2018	H1 2017	YoY % Change	cc change*
Revenue (€m)	2,009.9	1,749.3	+15%	+19%
Trading Profit (€m)	195.3	177.8	+10%	+13%
EBITDA (€m)	231.6	209.2	+11%	+14%
Earnings per share (cent)	80.7	74.4	+8%	-
Interim Dividend (cent)	12.0	11.0	+9%	-
Free Cashflow (€m)	38.4	39.4	-3%	-
Net Debt (€m)	739.4	440.3	+299.1m	-
Trading Margin	9.7%	10.2%	-50bps	-
Net Debt/EBITDA	1.59x	1.06x	-	-
ROCE	15.6%**	17.3%	-170bps	-

* **constant currency**

** **16.6% after the annualised impact of acquisitions**

Trading Profit & Margin Performance

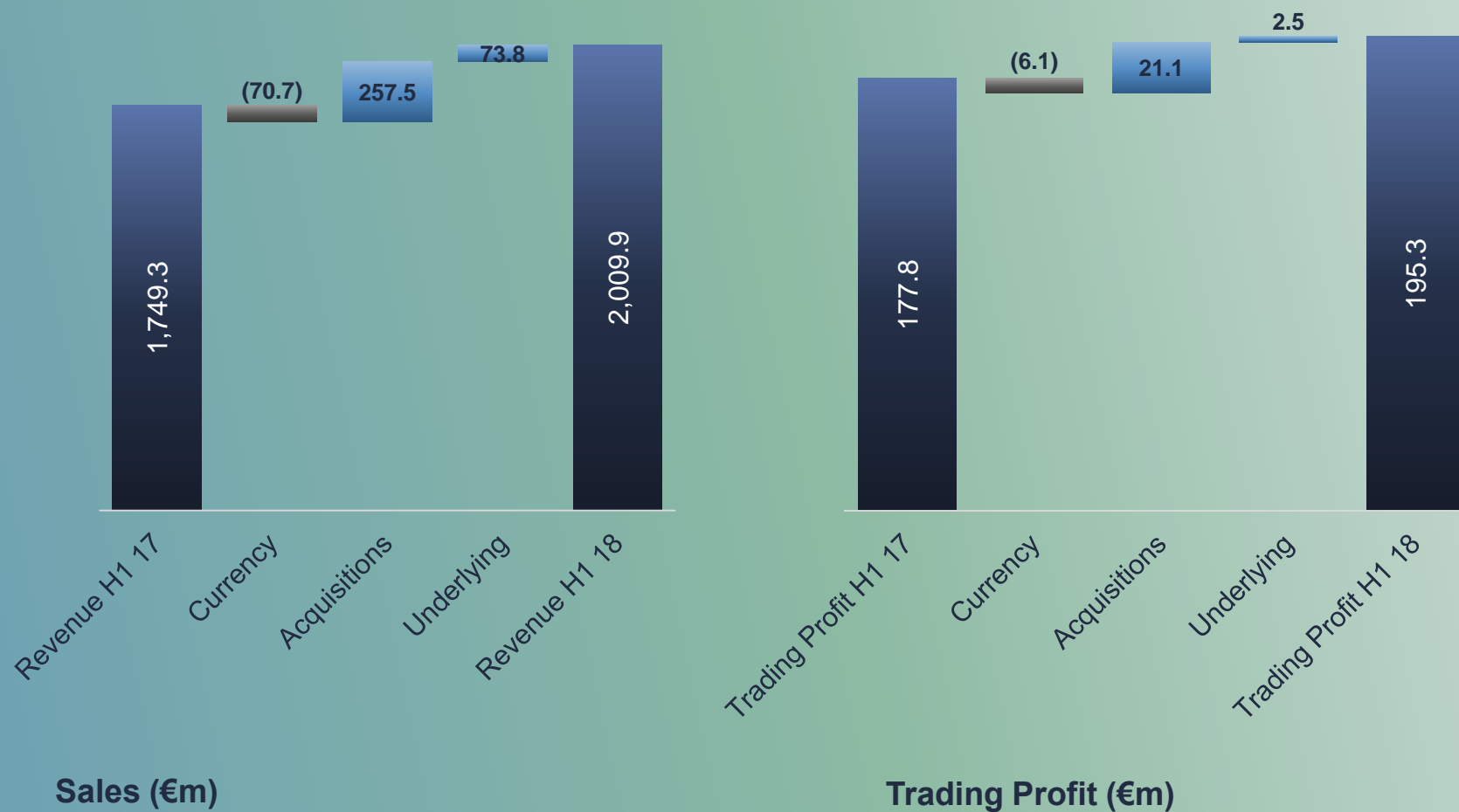


Trading Profit
(€m)

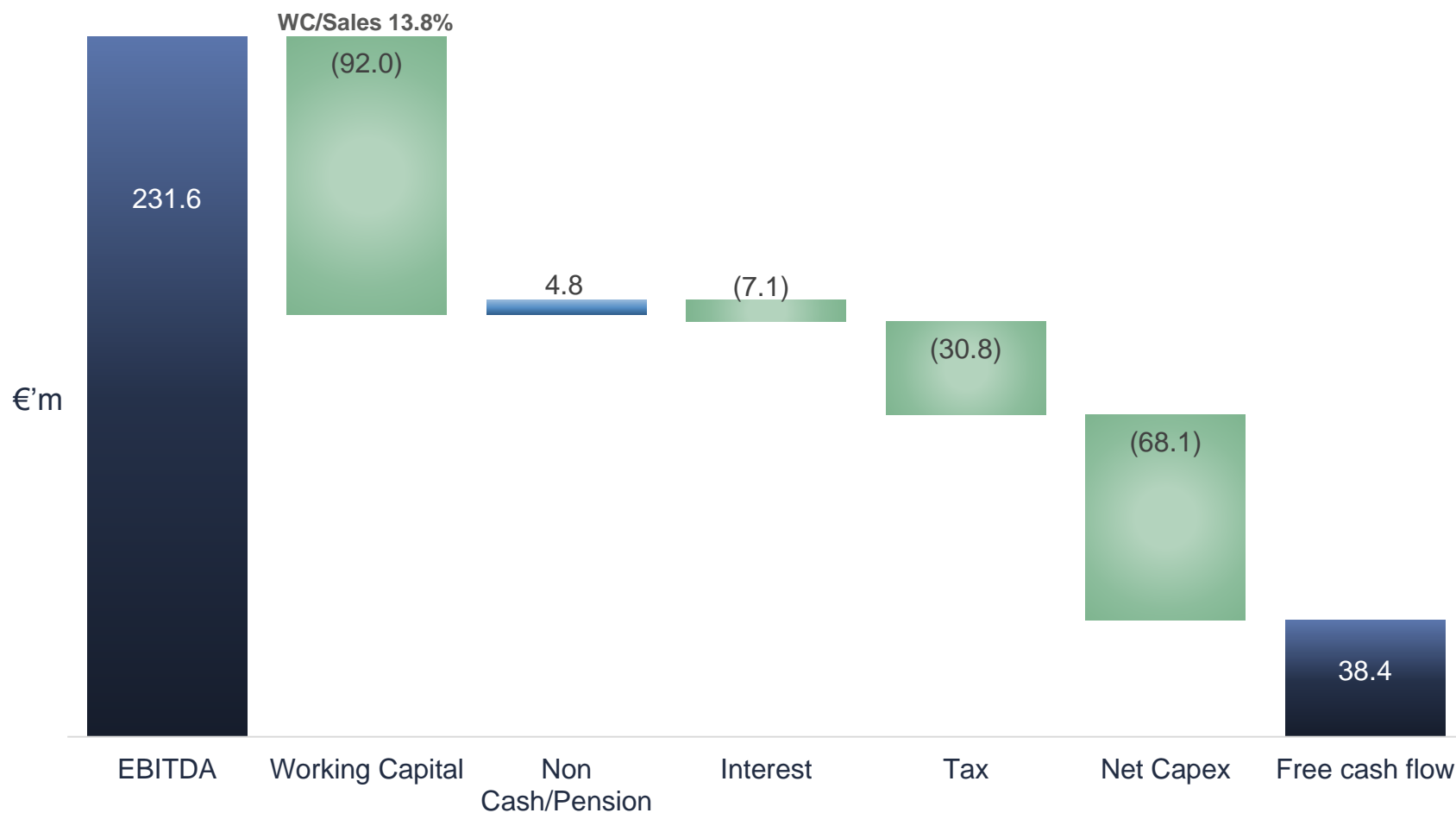


	H1 17	FY 17	H1 18
Insulated Panels	10.5%	10.0%	9.7%
Insulation Boards	10.7%	11.9%	12.4%
Light & Air	3.7%	7.2%	4.0%
Water & Energy	7.5%	9.0%	5.7%
Access Floors	12.0%	11.8%	10.3%
Group	10.2%	10.3%	9.7%

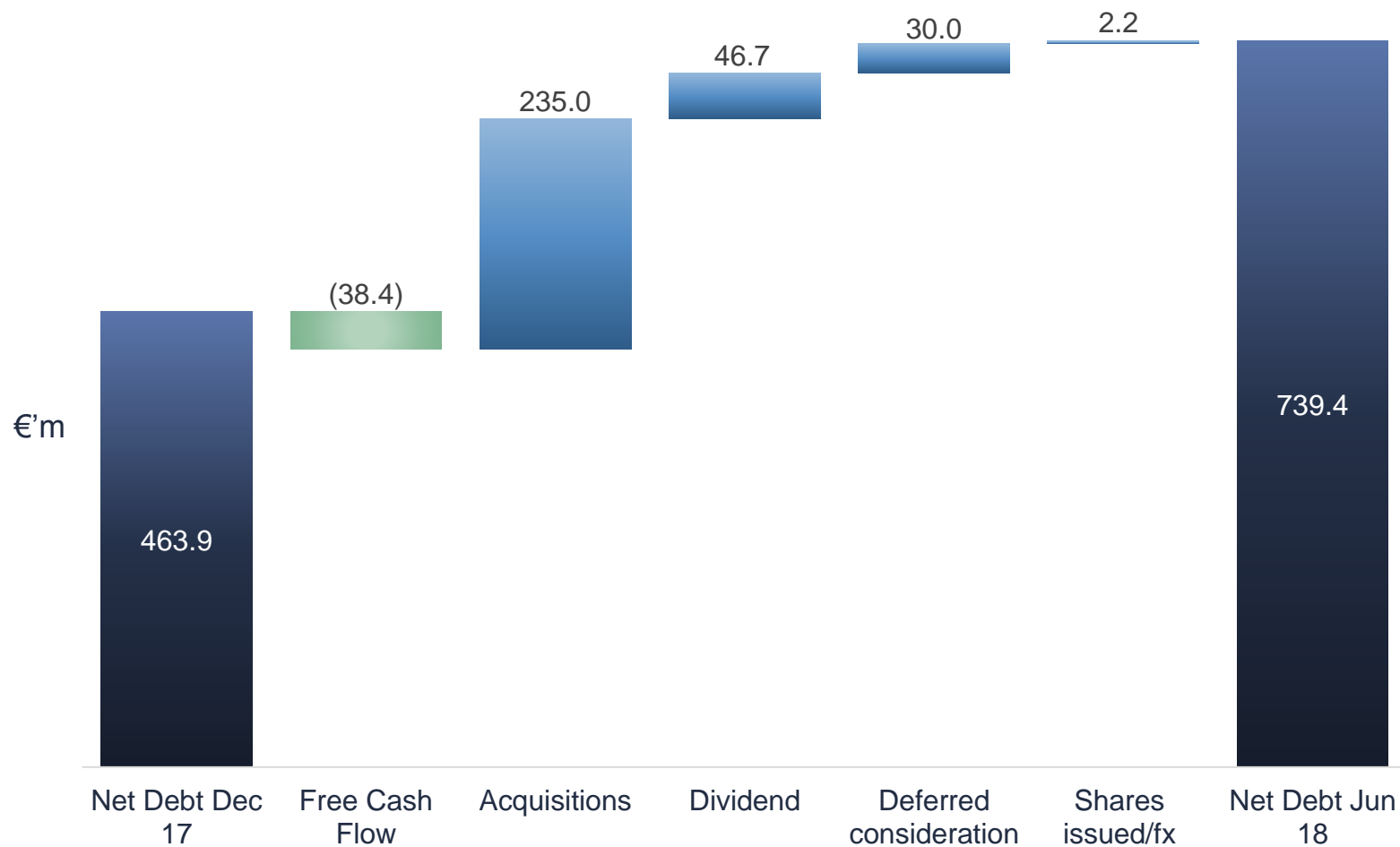
Group Sales & Profit Bridge



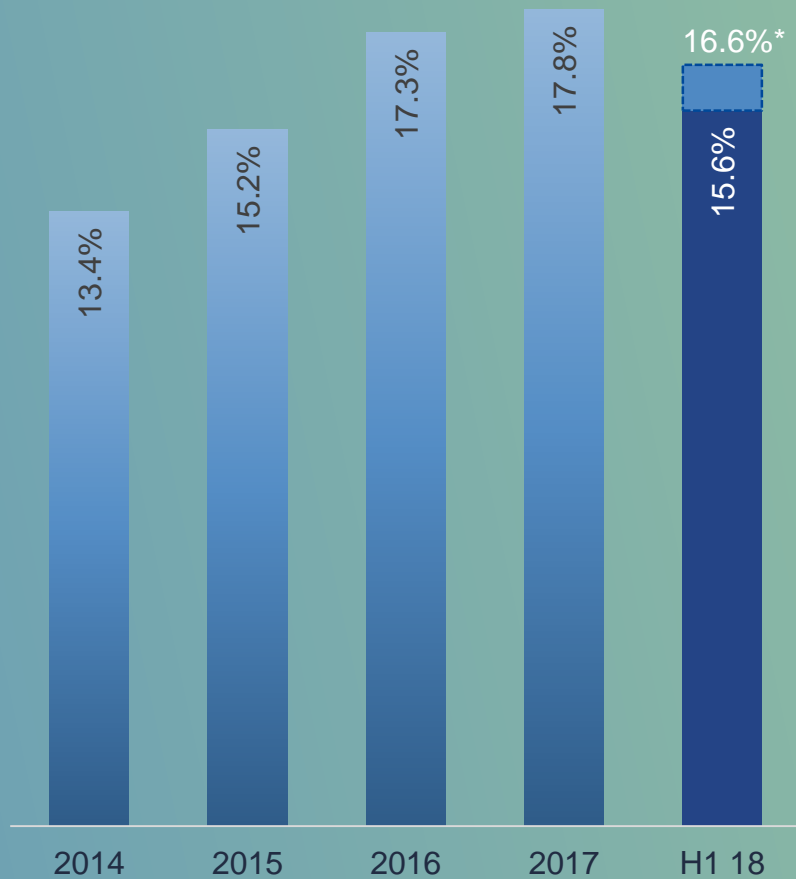
Free Cash Flow



Net Debt Reconciliation



ROCE



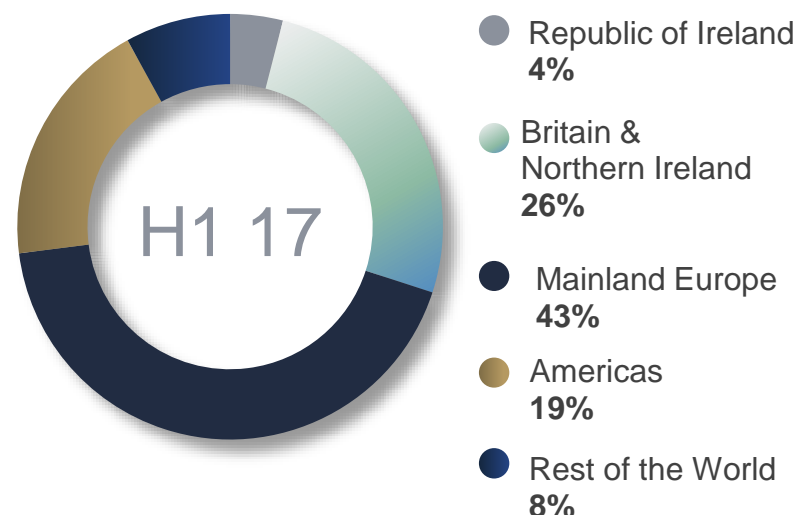
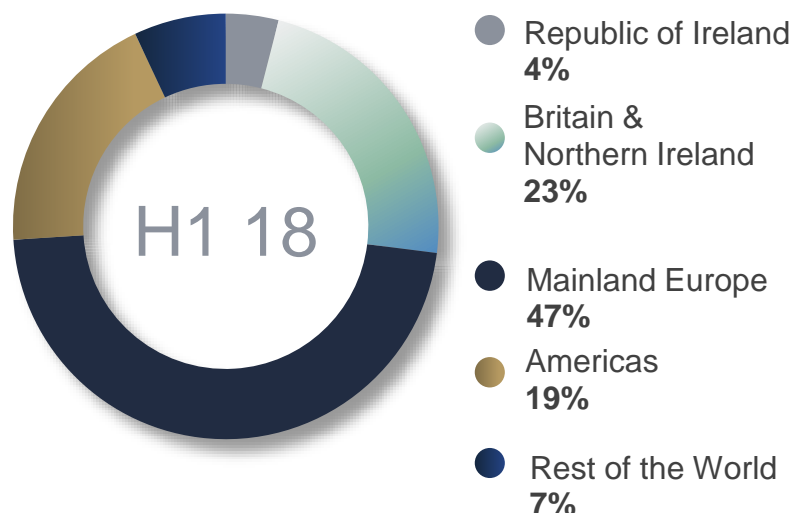
*Ombrière de l'Oeuf gascon, France
Joris Ide*

* After annualised impact of acquisitions

Strong Balance Sheet

- Total available cash balances and committed undrawn facilities of €671m.
- €175m US Private Placement arranged in December 2017, drawn January 2018.
- 5 year €500m revolving credit facility agreed in June 2017.
- €50m bilateral drawn February 2018.
- Weighted average maturity of debt of 5.8 years.

Sales by Geography



€m	H1 18	H1 17	Constant Currency Change	YoY % Change
Britain & Northern Ireland	455.3	455.4	+2%	-
Mainland Europe	946.7	759.1	+25%	+25%
Americas	392.1	336.4	+30%	+17%
Republic of Ireland	76.9	66.2	+16%	+16%
Rest of World	138.9	132.2	+15%	+5%
Group Sales	2,009.9	1,749.3	+19%	+15%

Insulated Panels

- Overall solid performance, underlying sales up 4%. Quadcore™ revenue growth of 76%, now 6% of global Panels.
- Slow start for Continental Europe in most regions albeit activity improved markedly in Q2, particularly France and Germany.
- The Netherlands displayed signs of growth as did the Nordics region.
- UK solid, although project postponements have been a feature of the trading environment.
- Ireland has continued pattern of growth demonstrated in recent years.
- After a lacklustre start to 2018 momentum in North America increased significantly in Q2.

	H1 18	H1 17
Sales (€m)	1,268.6	1,111.7
% of Group Sales	63%	64%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+4%	-4%	+14%	+14%



Muscogee Hospital, Oklahoma, USA
Insulated Panels

Insulated Panels (cont.)

- Orderbook in North America at record levels which bodes well for H2 18.
- LATAM encouraging with both Brazil and Colombia advancing materially in the period.
- Middle East growth boosted by recent success winning the roofing contract for Kuwait Airport.
- Activity in Australia and New Zealand has improved across broad spectrum of end applications.

*Bunjil Place, Australia
Insulated Panels*



Insulation Boards

- Strong H1 18 sales overall. Kooltherm® revenue growth of 12%, now 35% of global Insulation.
- UK significantly up on prior year owing to strong Kooltherm® performance and inflationary benefit of PIR range.
- Mixed performances in Mainland Europe, weakness in Benelux PIR market, strong progress in the Nordics and solid residential roofing element sales in the Netherlands.
- Middle East activity progressed well with growth in ducting Insulation business.
- Trading in Australasia has been solid.
- Ireland well up on prior year and volume intake encouragingly ahead.

	H1 18	H1 17
Sales (€m)	428.9	373.7
% of Group Sales	21%	21%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+7%	-3%	+11%	+15%

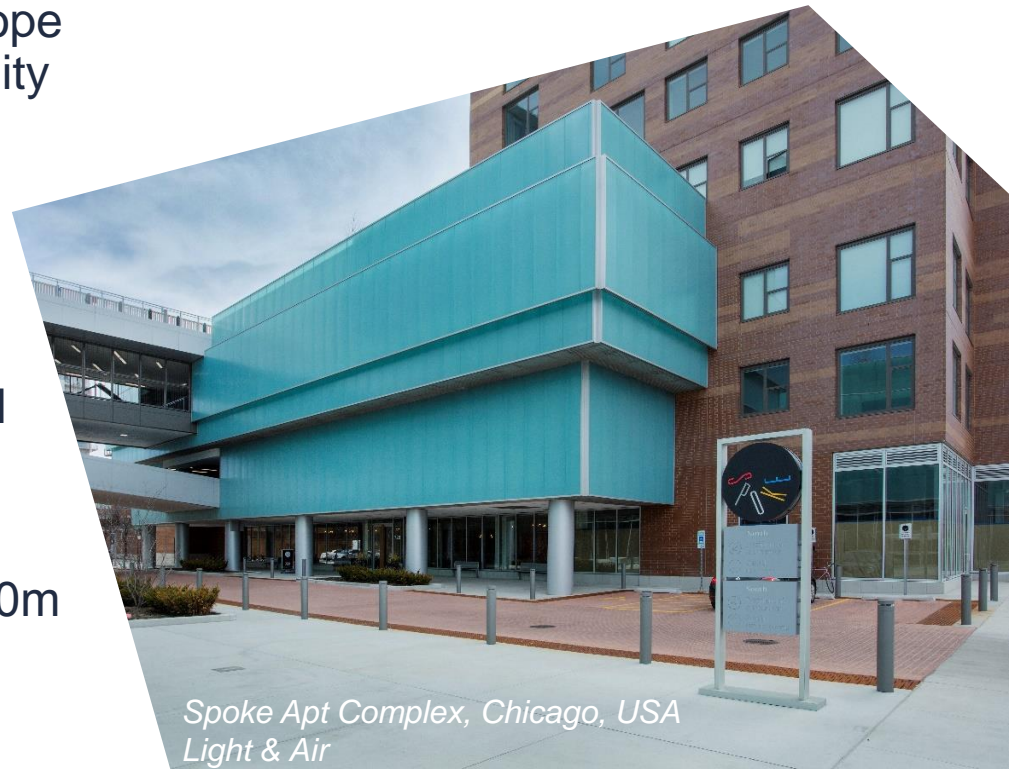


Moe Rail, Australia
Insulation

- Solid H1 sales performance for relatively embryonic division.
- Continue to build upon progress made during 2017.
- Western Europe, in particular Germany, performed strongly.
- Strong order intake in Southern Europe supported by investment in new facility in Lyon, France.
- Focus on operational efficiency and streamlining of systems through site consolidation in North America.
- Overall strategy to build international footprint and broaden range of solutions.
- Expected full year revenue of c. €300m with a trading margin of circa 8%.

	H1 18	H1 17
Sales (€m)	128.6	81.7
% of Group Sales	7%	5%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+11%	-3%	+49%	+57%



Spoke Apt Complex, Chicago, USA
Light & Air

- Stable sales performance overall, underlying sales up 1%.
- Increased momentum in quarter 2 after slower start to the year.
- Margins somewhat weaker with price pressure in hot water segment and dilutive impact of acquired on-line business.
- Rainwater harvesting and treatment solutions delivered growth, most prominently in Australia and the Nordics.
- Expansion in the Nordics through acquisition of VPI.

	H1 18	H1 17
Sales (€m)	96.6	88.9
% of Group Sales	5%	5%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+1%	-4%	+12%	+9%

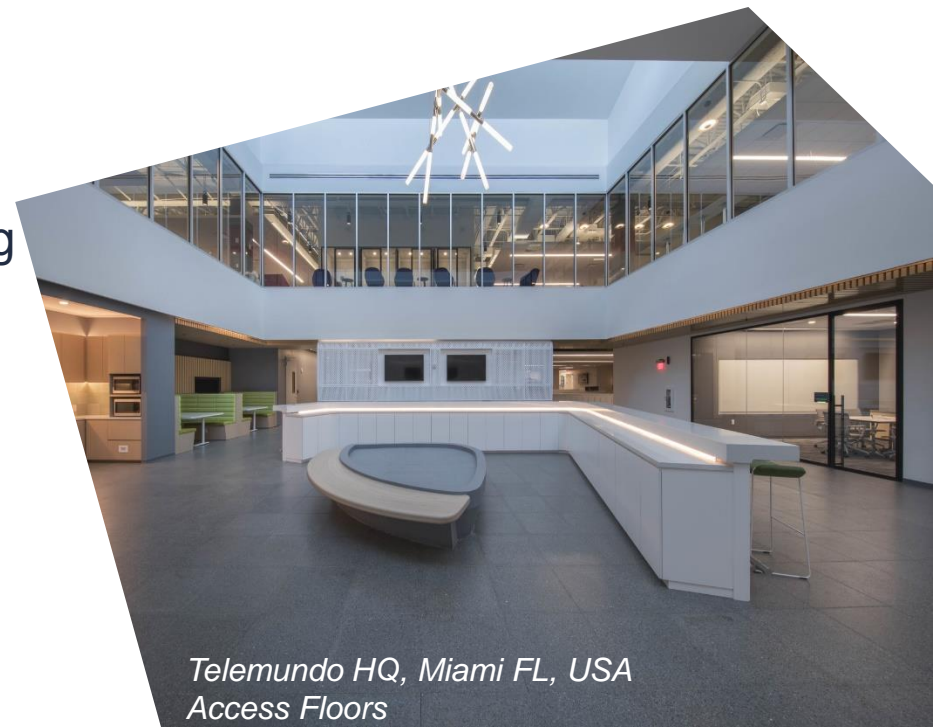


Access Floors

- Overall sales slightly behind prior year and mixed performances regionally.
- Some weakening in the UK in H1 albeit expect to stabilise in H2.
- Grade A office construction in North America somewhat down, compensated by increased revenue from new product sets.
- Continued progress in Mainland Europe due to acquired manufacturing facility in Belgium.
- Australia performing well.

	H1 18	H1 17
Sales (€m)	87.2	93.3
% of Group Sales	4%	5%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
-5%	-6%	+4%	-7%



Telemundo HQ, Miami FL, USA
Access Floors

Outlook

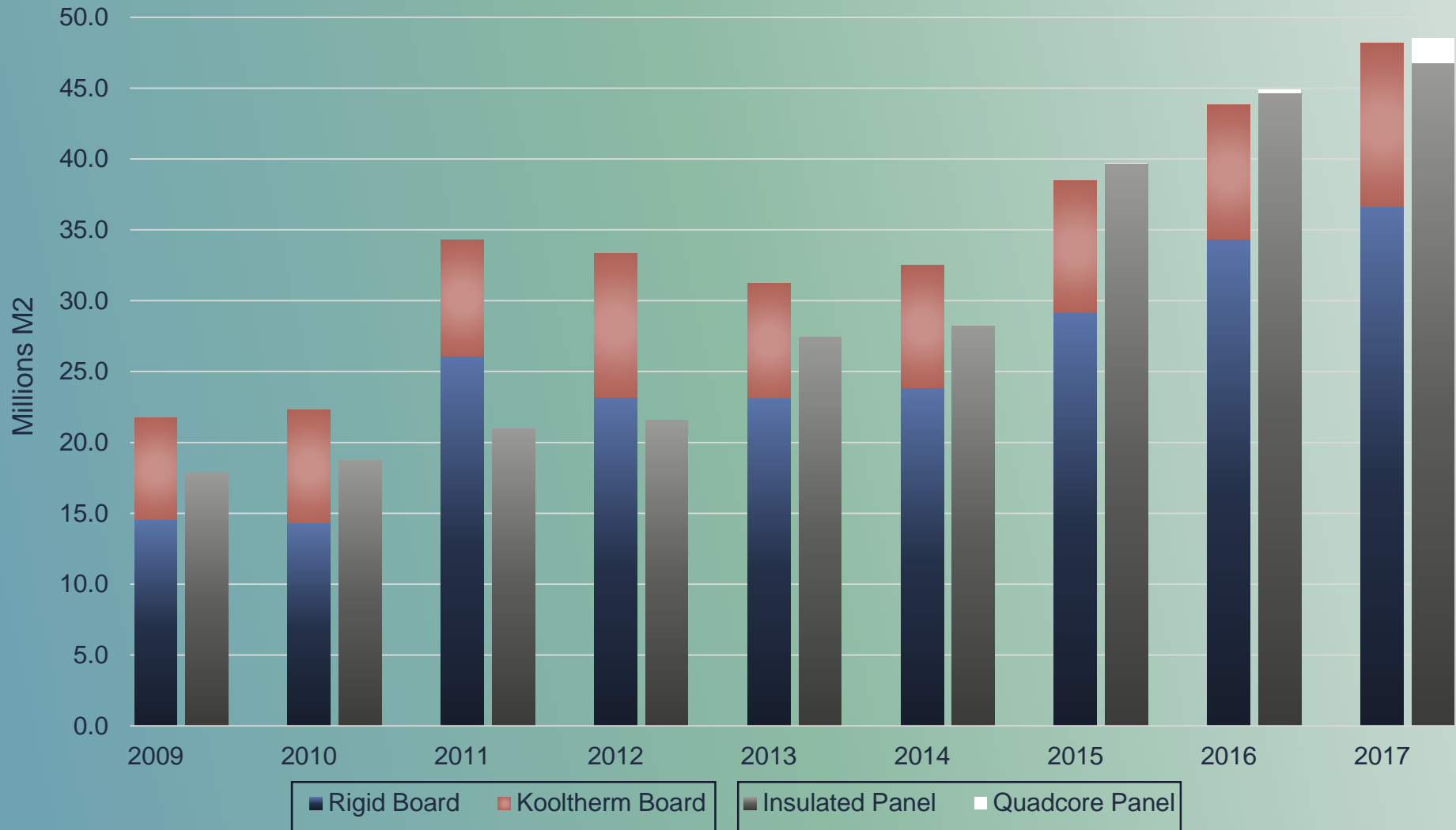
- Improved momentum through quarter two has continued in key markets since half year.
- Relative strength of Western Europe and the Americas should compensate for any easing in UK activity during EU negotiations.
- Combination of solid order books, normalising raw material environment and recent acquisitions integrating well should deliver a strong second half.
- Relentless focus on innovation, unrivalled routes to market and ever increasing geography, leaves Kingspan well positioned to advance further in the years ahead.

Additional Information

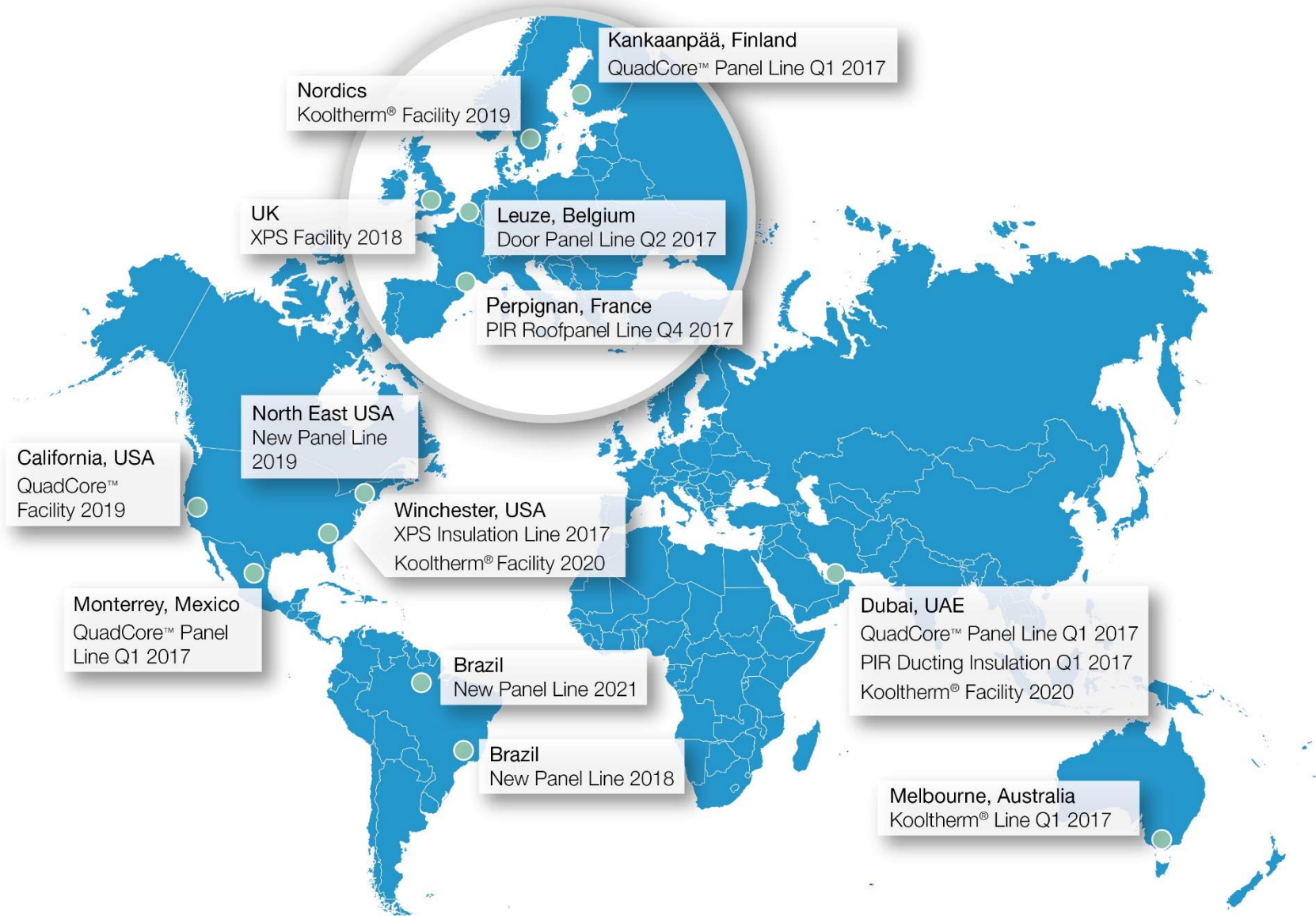


Salle de sports, France
Joris Ide

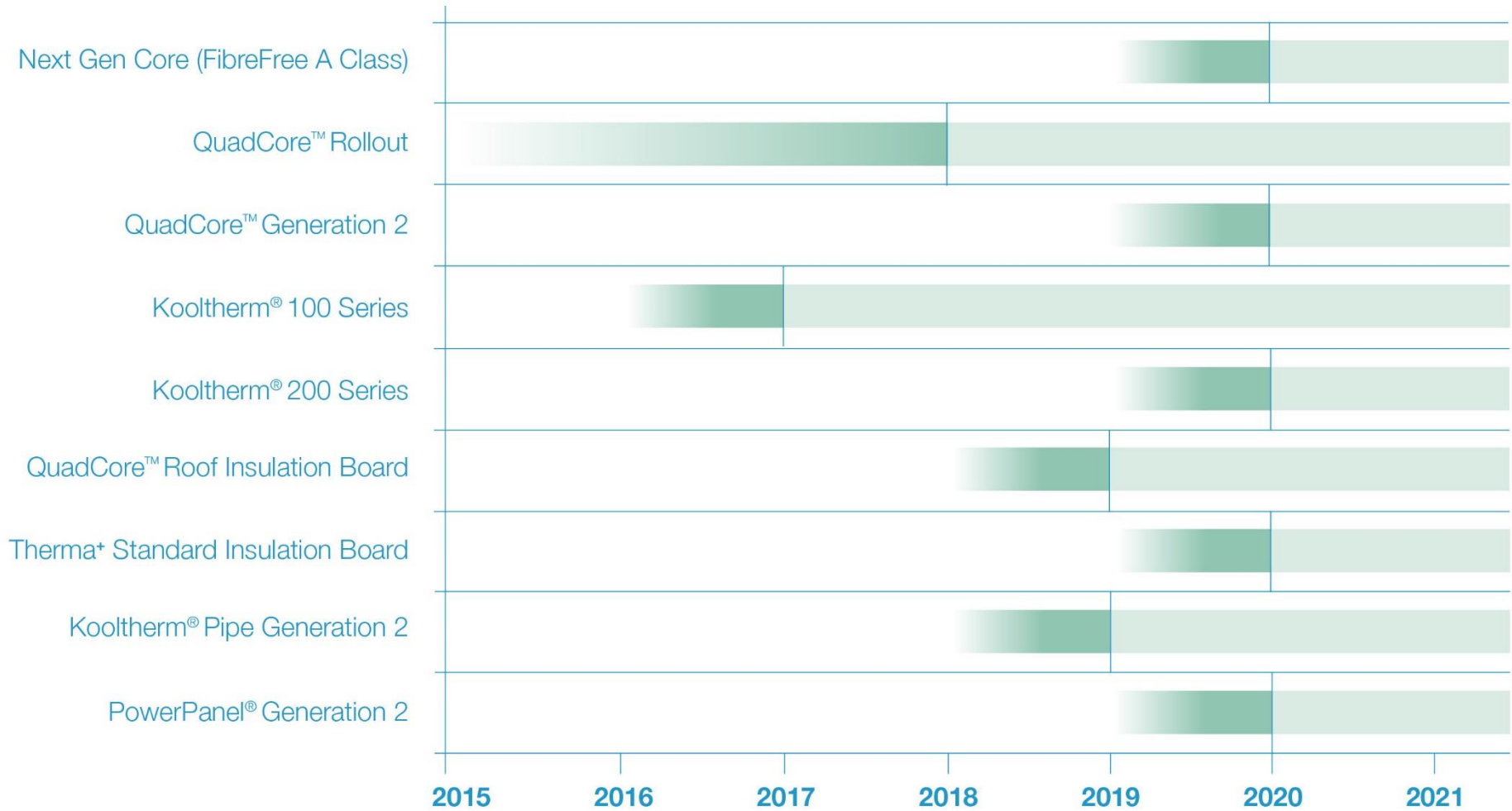
Panel & Board – Sales Volume



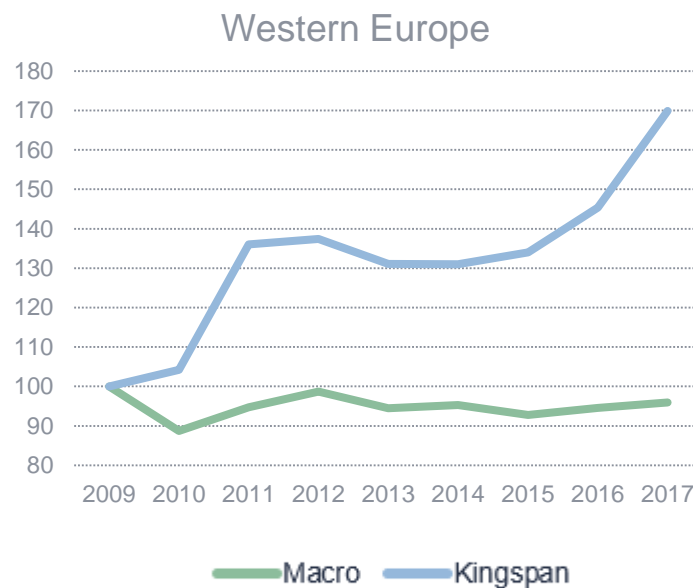
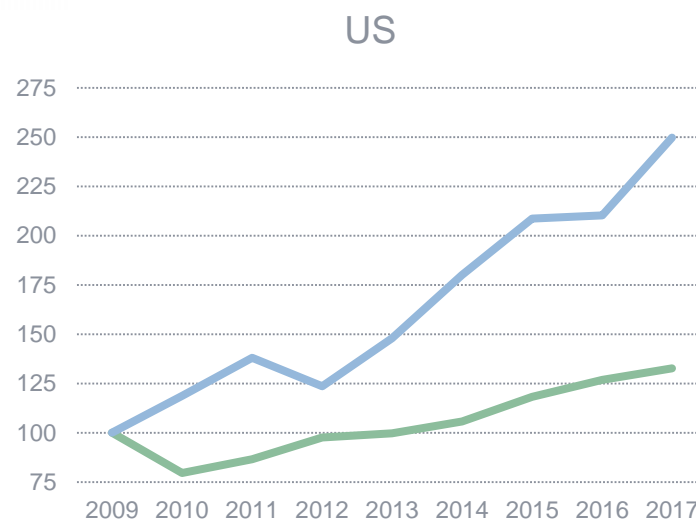
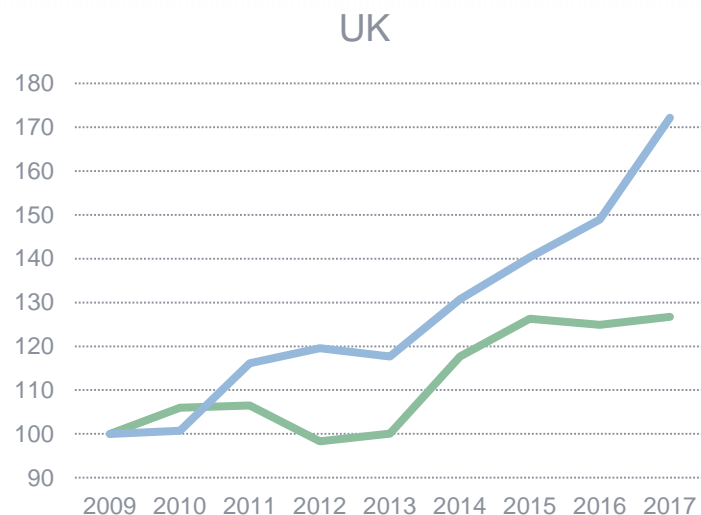
Global Organic Expansion



Key Innovations



Kingspan v Construction Macro



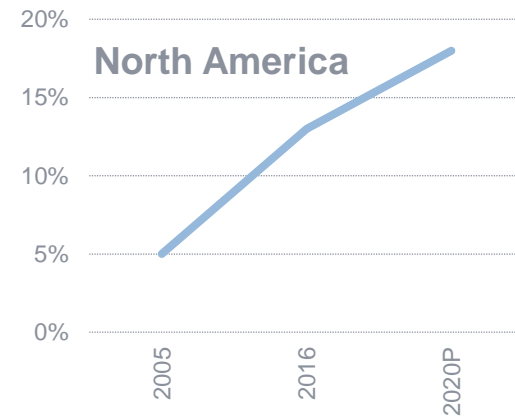
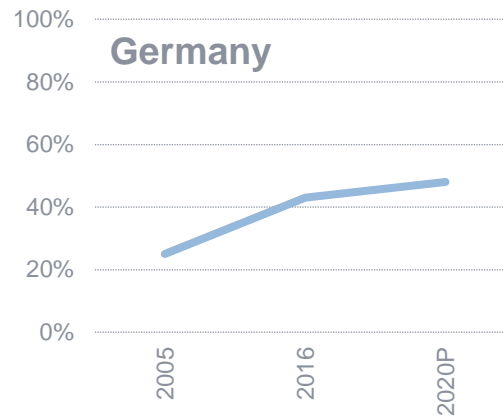
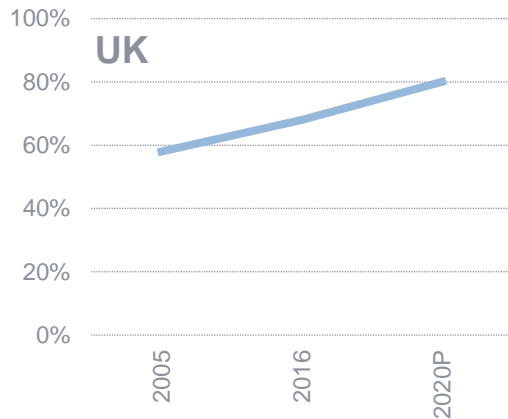
Source:

- 1 UK – Kingspan UK Insulated Panels + Insulation Board underlying sales, rebased for acquisitions; UK National Statistics Construction Output Non-Res data
- 2 US – Kingspan US Insulated Panels + Insulation Board underlying sales, rebased for acquisitions; US Census Bureau Non-Res Construction Spending data
- 3 Western Europe – Kingspan Western Europe Insulated Panels + Insulation Board underlying sales, rebased for acquisitions; Euroconstruct Non-Res data

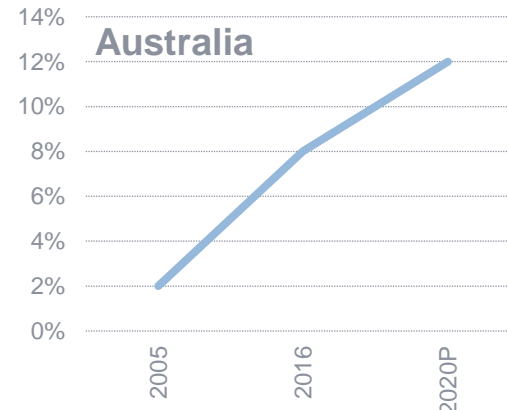
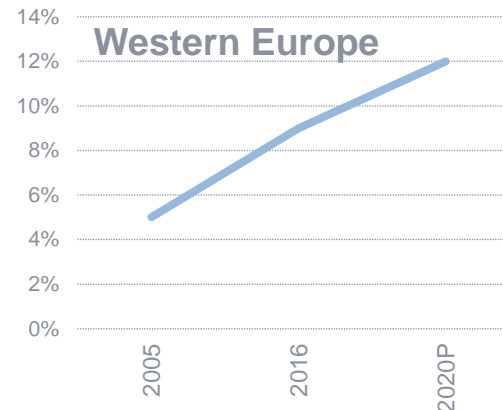
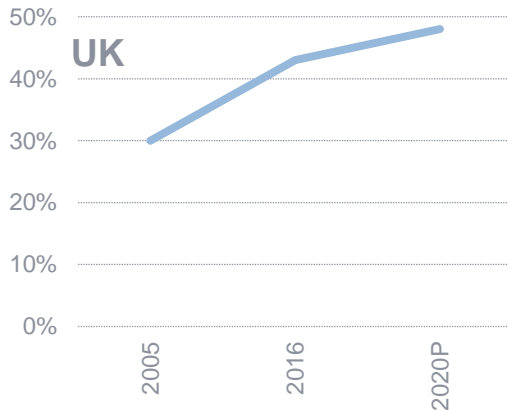
Driving Penetration Growth

Aim to change Building Practices / Material Choices

INSULATED PANELS



INSULATION BOARDS





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