

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 debt¹ of €633.2m (2018: €728.3m). Net debt¹ to EBITDA¹ 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 Profit² €m	497.1	445.2	+12%
Trading Margin³	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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