
Full Year Results

22nd February 2019



Disclaimer

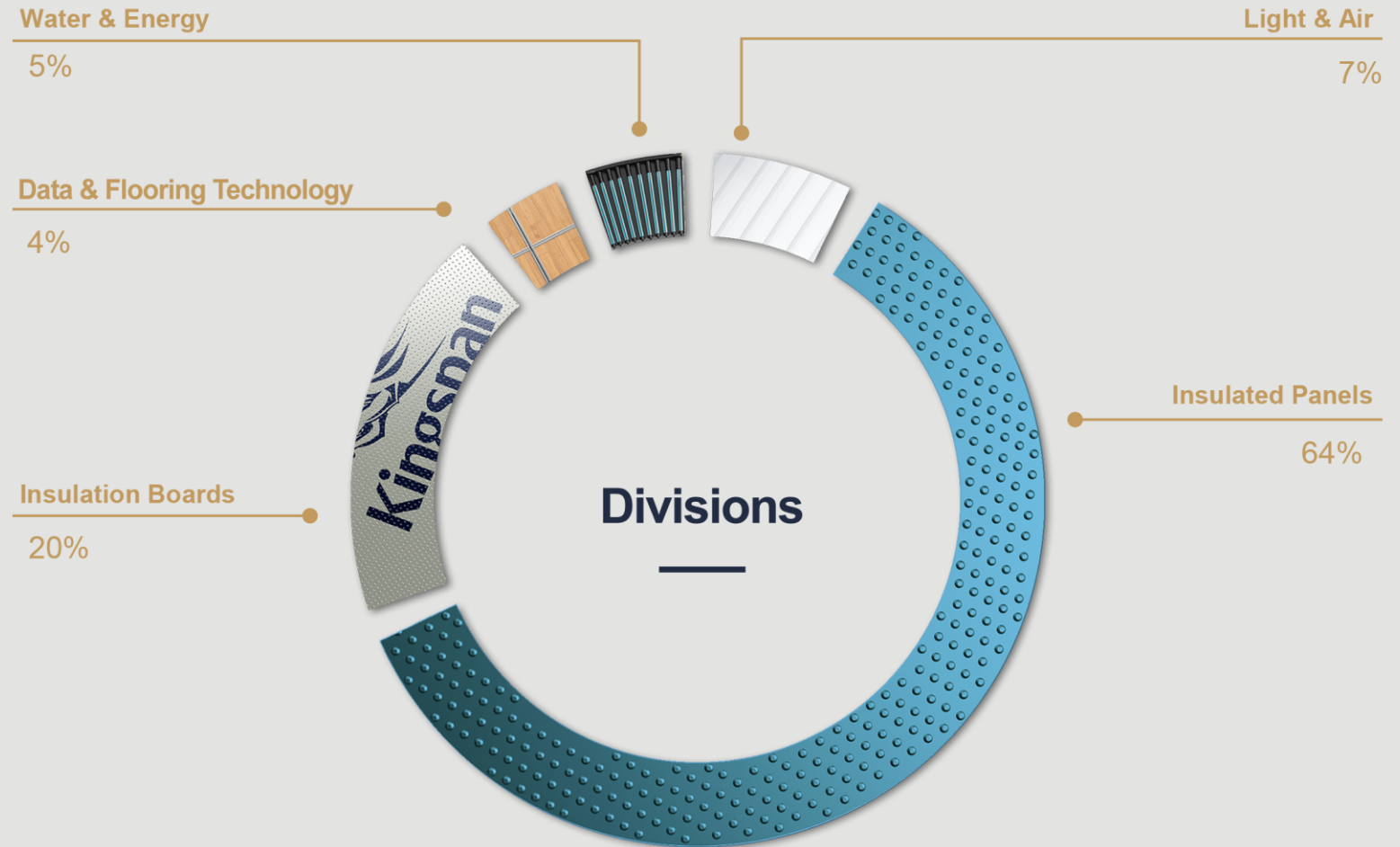
Forward Looking Statements

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, Mainland Europe, North America 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

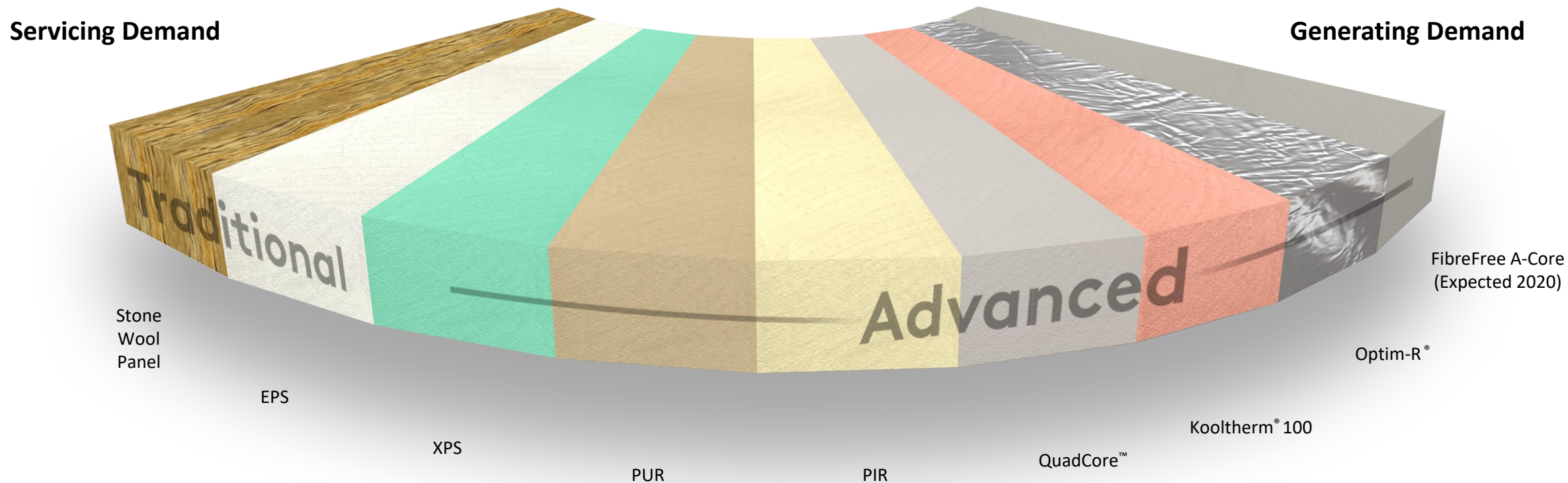
INNOVATION

PLANET PASSIONATE

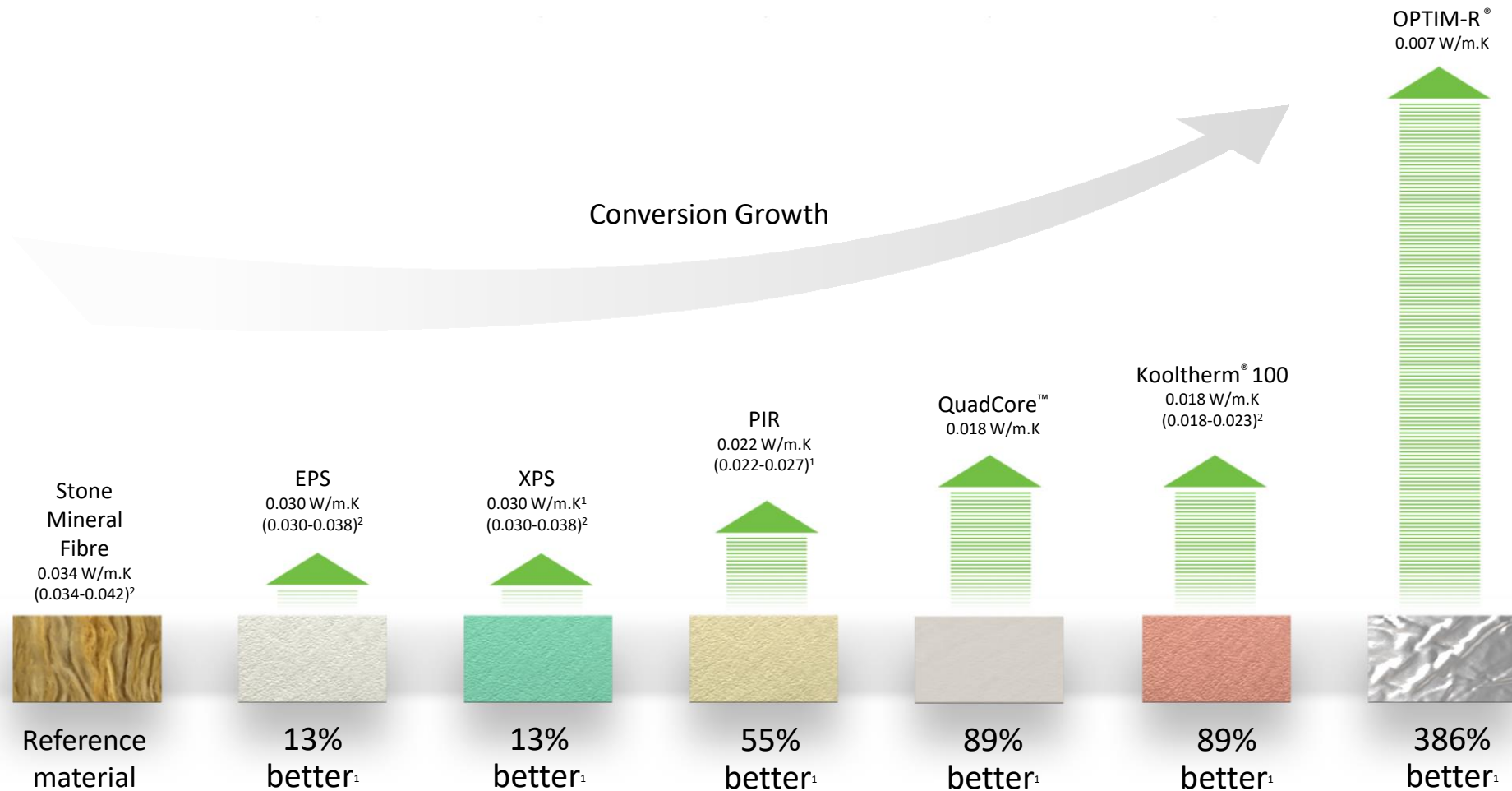
PENETRATION

GLOBALISATION

The complete 'Toolbox' for all applications and design preferences



Kingspan Insulates Better

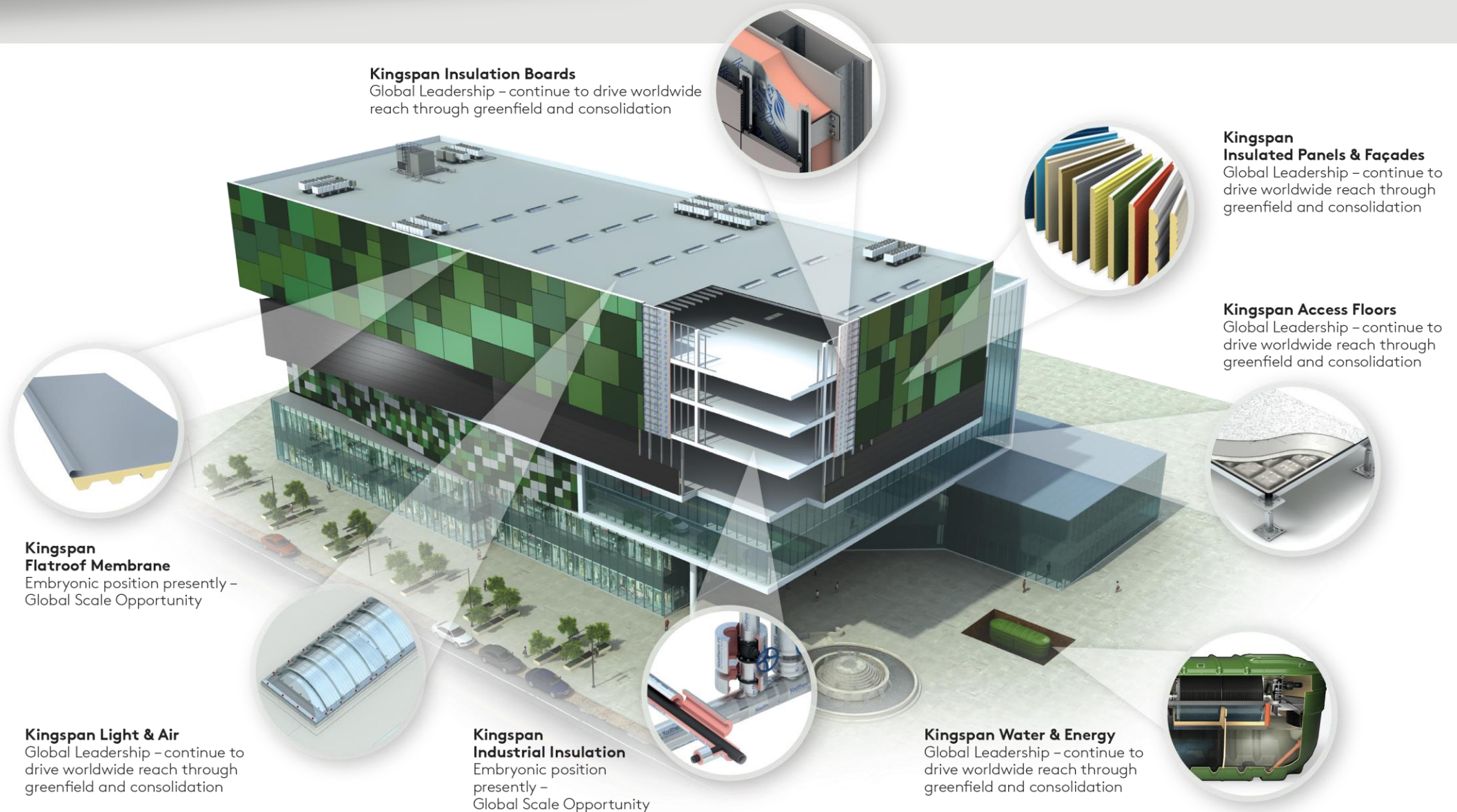


1 Insulation performance (R-value) compared to stone mineral fibre of the same thickness.

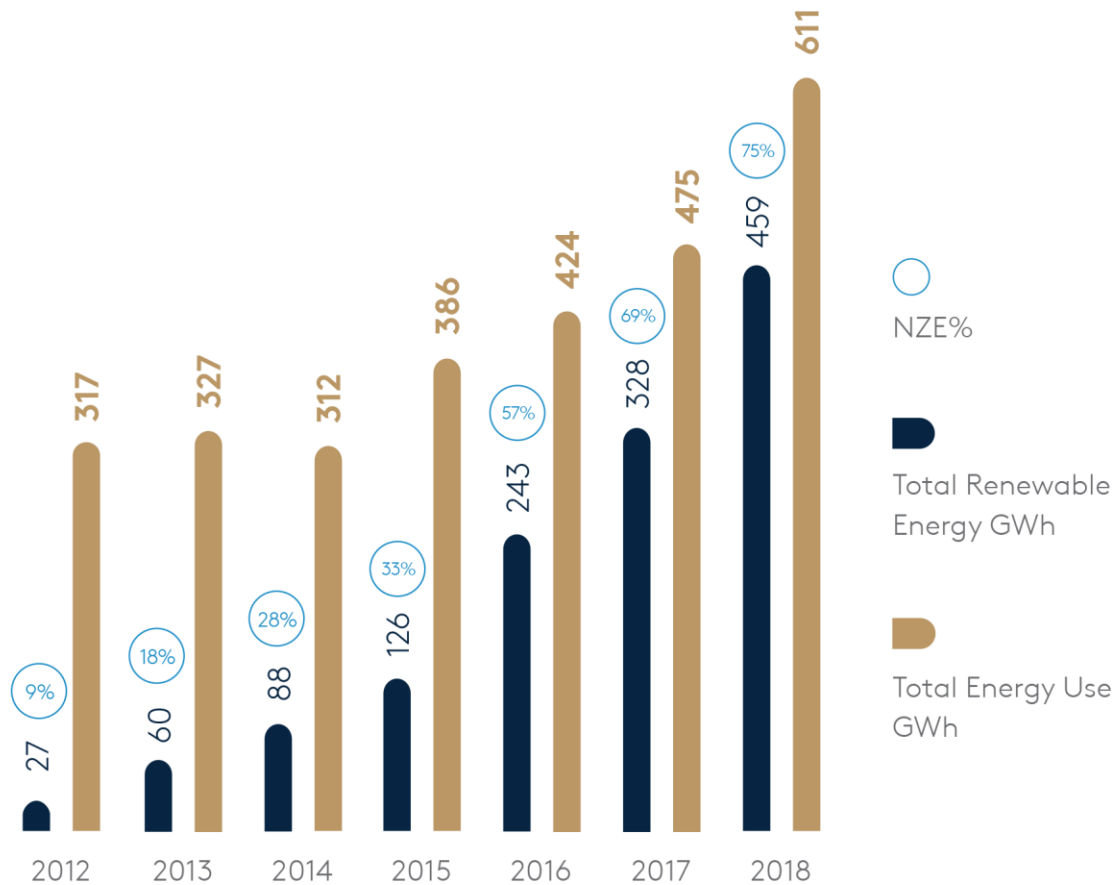
2 The thermal conductivity range is based on data from insulation manufacturers websites or Agrément certificates.

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

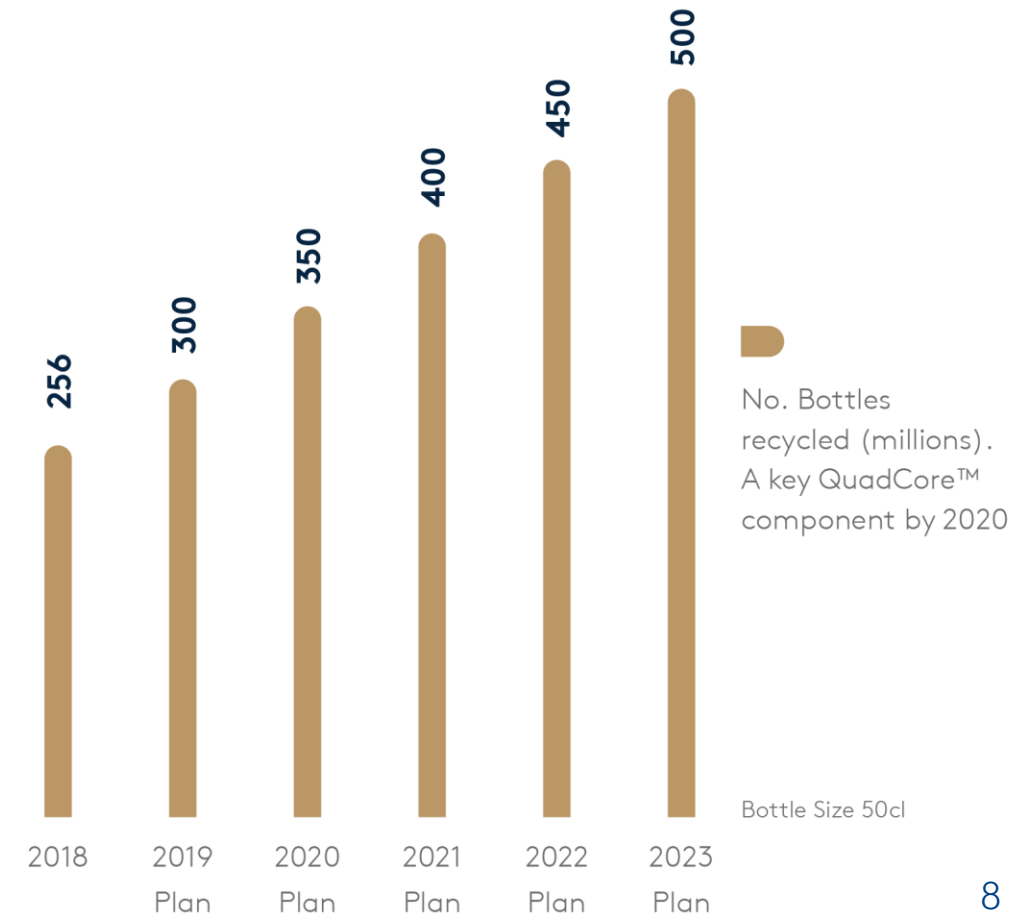
Completing the Envelope



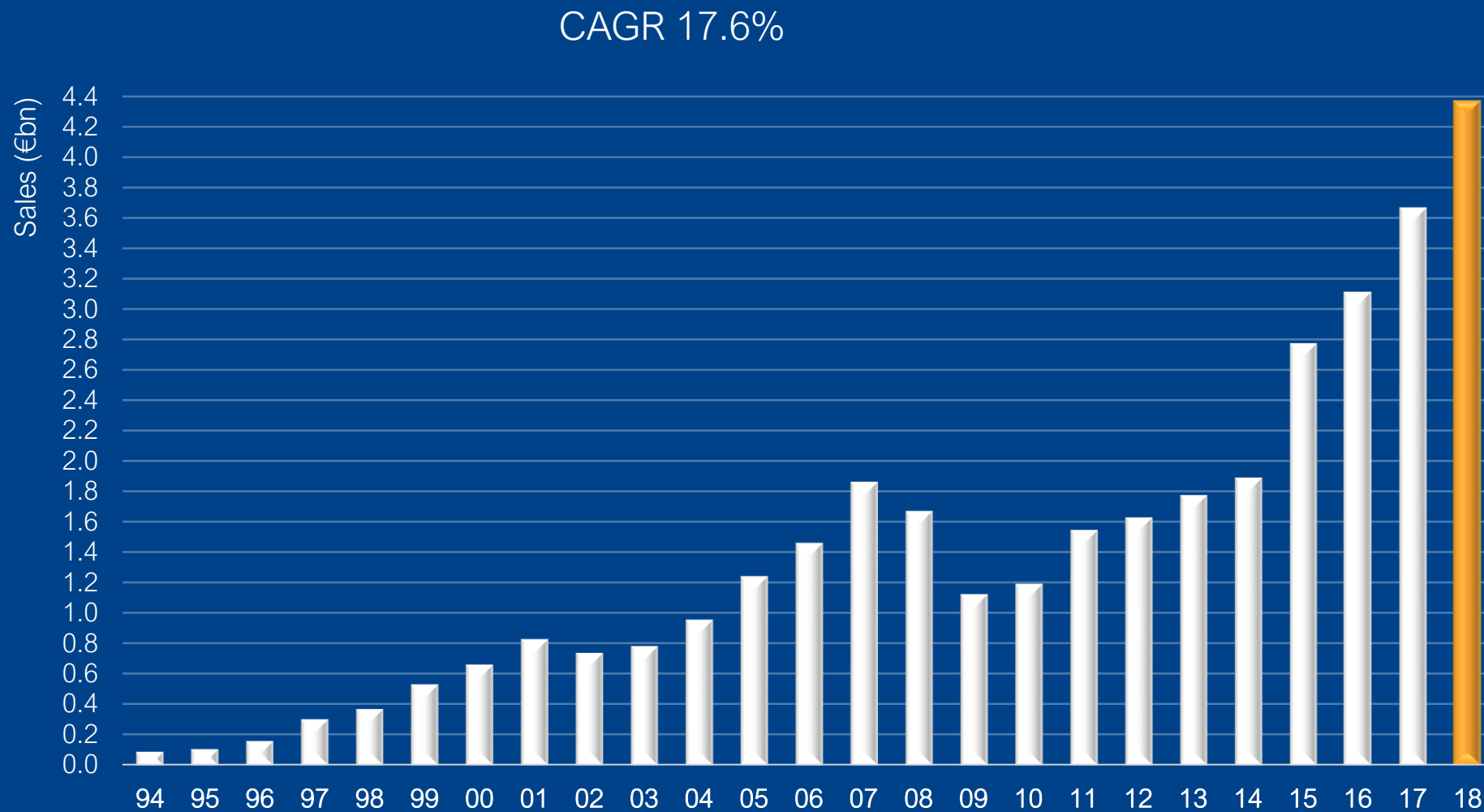
Net-Zero Target 100% by 2020



Recycling PET (Land & Ocean)

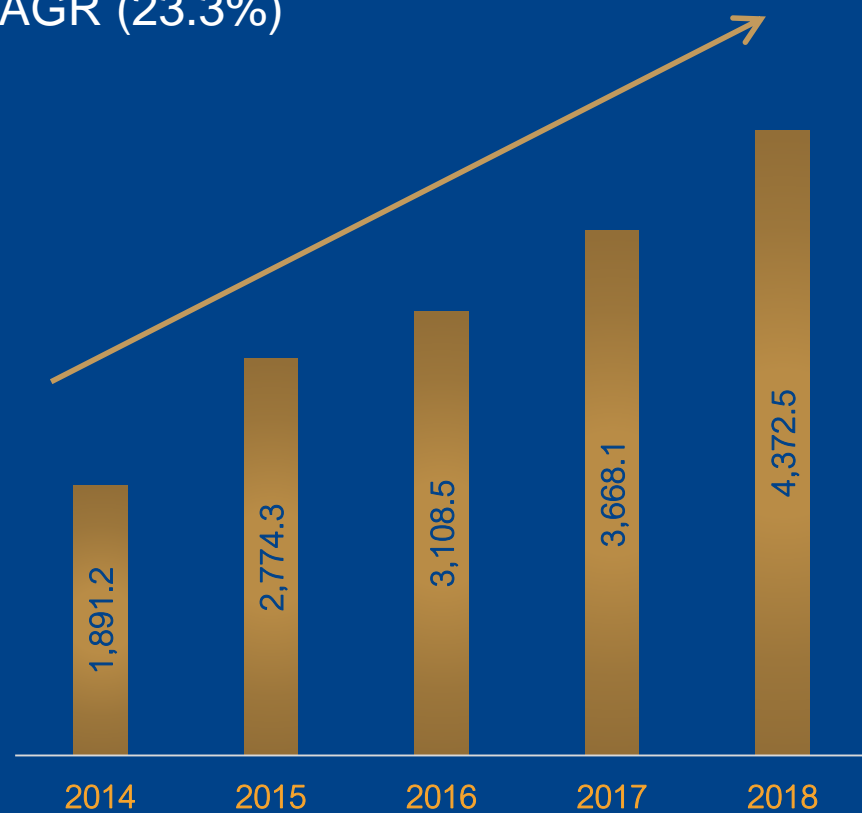


Our Evolution - Revenue

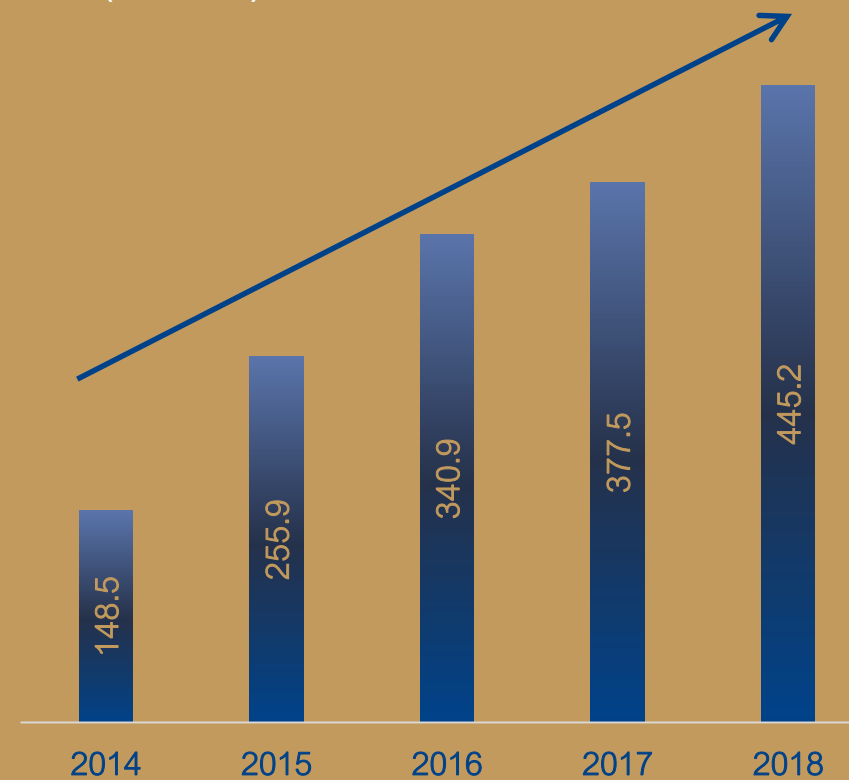


5 Year Financial Performance

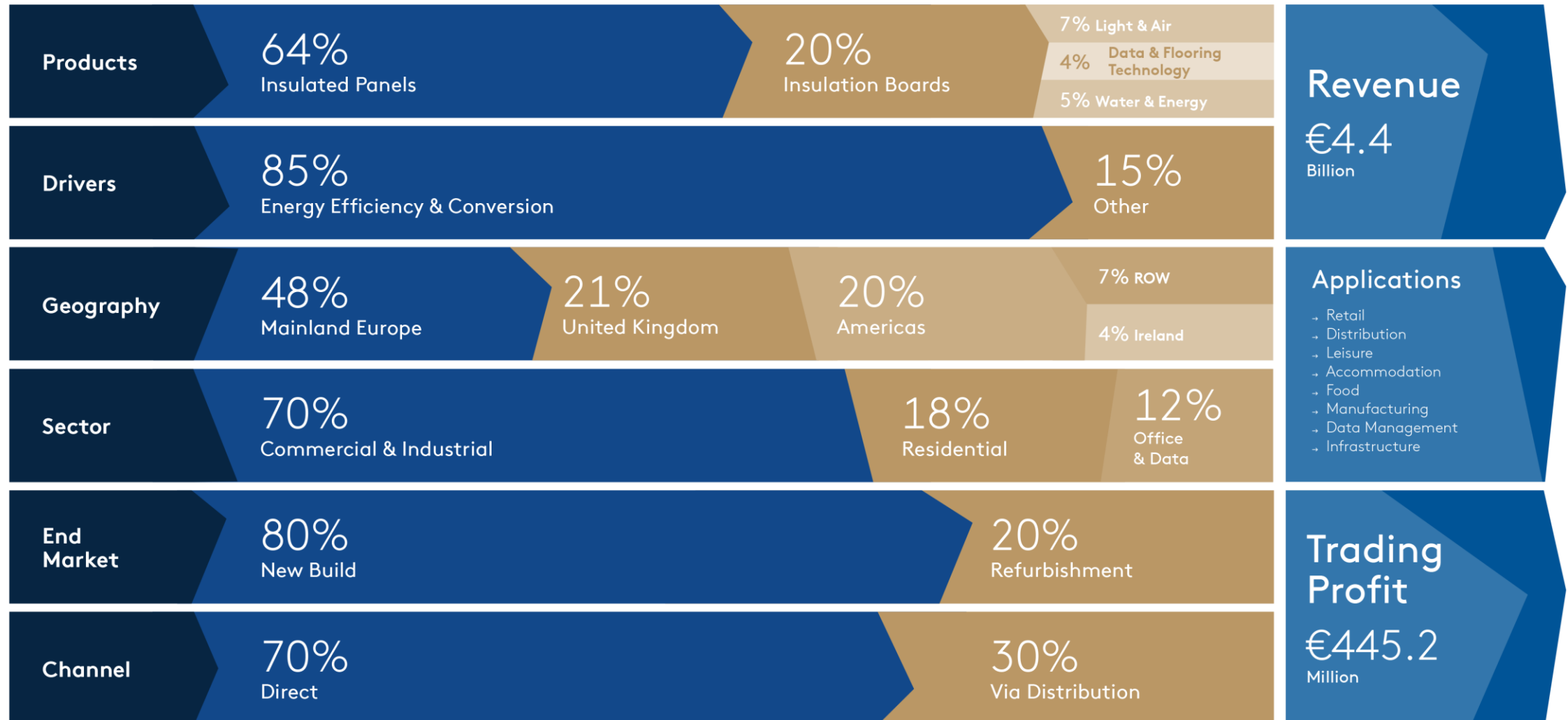
Revenue (€m)
CAGR (23.3%)



Trading Profit (€m)
CAGR (31.6%)



2018 In A Nutshell



Brand -> Specification -> Differentiation
 Above are based on internal estimates, and are directional rather than precise. Profit is EBITA.

- > **Insulated Panels** sales growth of 21% driven by strong activity in the Americas, a positive performance in Continental Europe and a solid UK outturn against a difficult backdrop. Good contribution from acquisitions in Europe and Latin America.
- > **Insulation Boards** sales growth of 12% owing to a positive result in the Iberian acquisition, ongoing advancement of Kooltherm® and solid underlying markets overall
- > **Light & Air** sales approaching €300m with improved margins in Europe offsetting softer US margin
- > **Water & Energy** sales growth of 13% with a new frontier established in the Nordic region
- > **Data & Flooring Technology** sales growth of 3% with strong sales of data centre solutions offsetting more sluggish office activity

↑ **Revenue**
UP 19% to
€4.4bn

↑ **Trading Profit**
UP 18% to
€445m

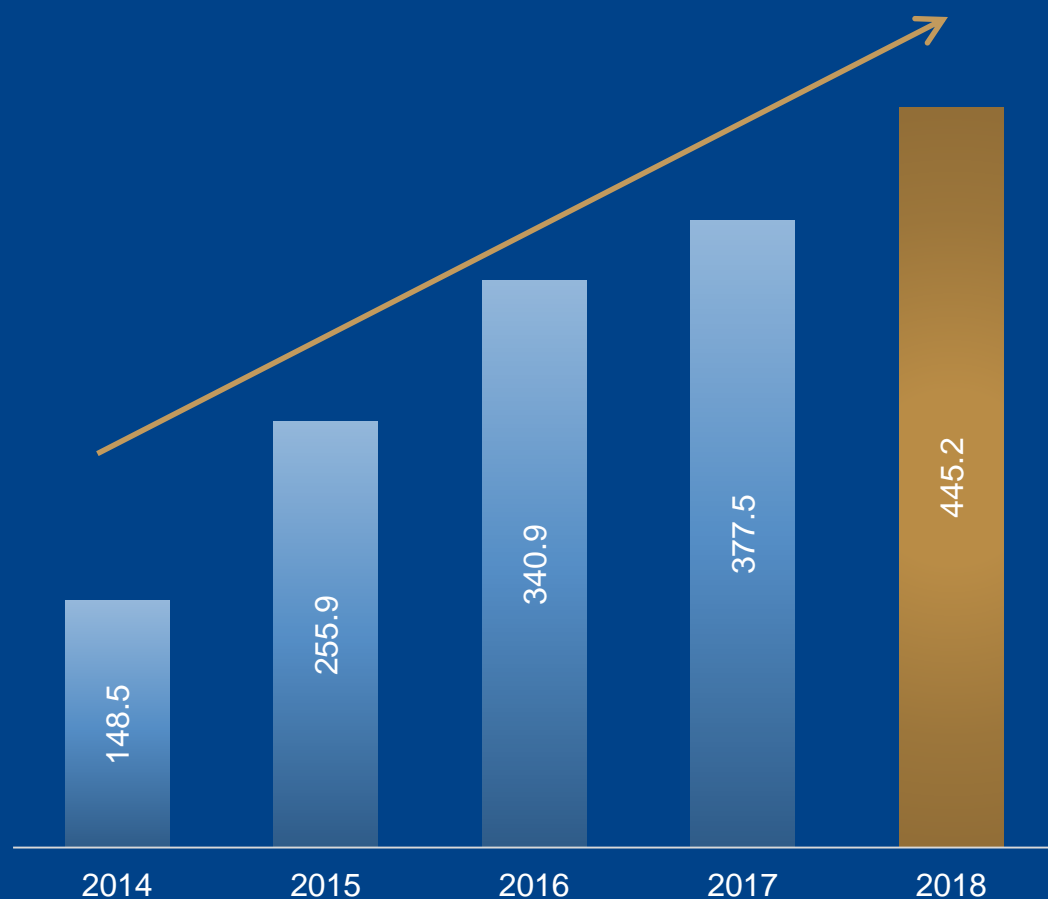
↑ **Basic EPS**
UP 16% to
184.0c

Financial Highlights

	2018	2017	YoY % Change	cc change
Revenue (€m)	4,372.5	3,668.1	+19%	+22%
Trading Profit (€m)	445.2	377.5	+18%	+20%
EBITDA (€m)	521.2	441.7	+18%	+20%
Earnings per share (cent)	184.0	159.0	+16%	
Total Dividend (cent)	42.0	37.0	+14%	
Free Cashflow (€m)	308.4	198.5	+55%	
Net Debt (€m)	728.3	463.9	+264.4	
Trading Margin	10.2%	10.3%	-10bps	
Net Debt/EBITDA	1.4x	1.05x	-	
ROCE	16.8%	17.8%	-100bps	

Trading Profit & Margin

CAGR 31.6%



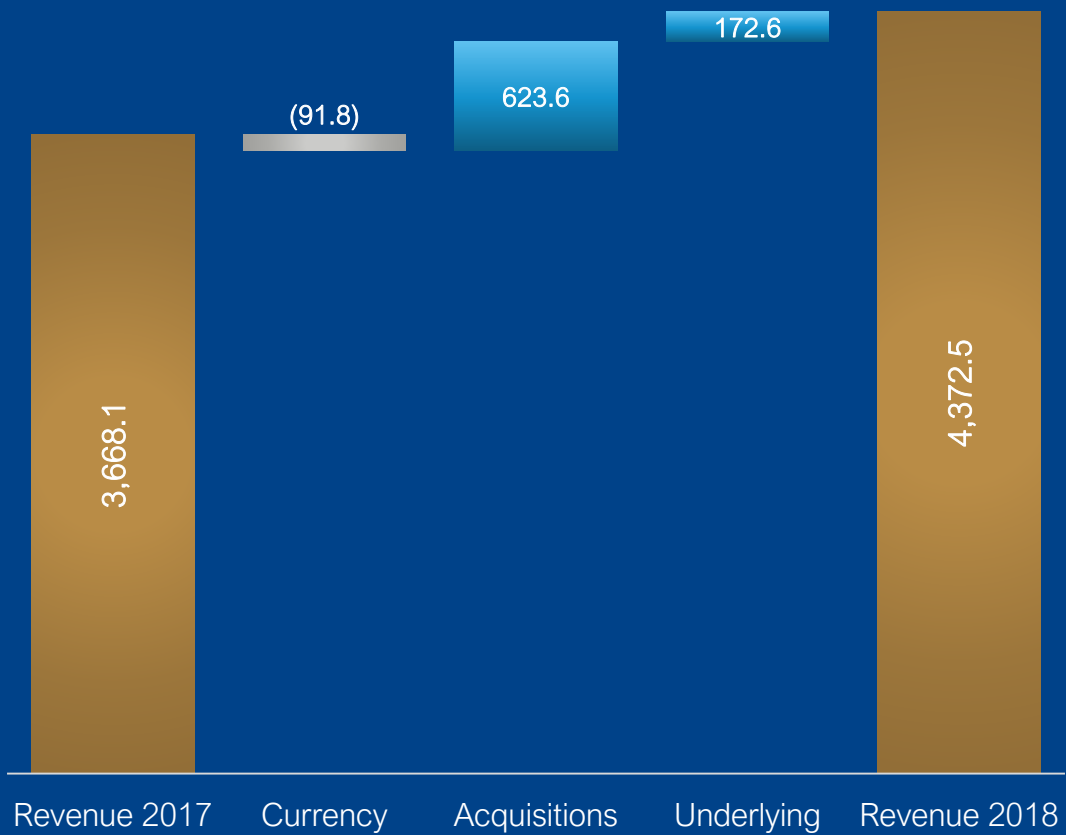
	FY 16	FY 17	FY 18
Insulated Panels	11.2%	10.0%	10.0%
Insulation Boards	11.4%	11.9%	12.2%
Light & Air	4.7%	7.2%	7.4%
Water & Energy	7.0%	9.0%	7.0%
Data & Flooring Technology	12.5%	11.8%	11.9%
Group	11.0%	10.3%	10.2%

Salle des Sports, Thuir, France
Joris Ide

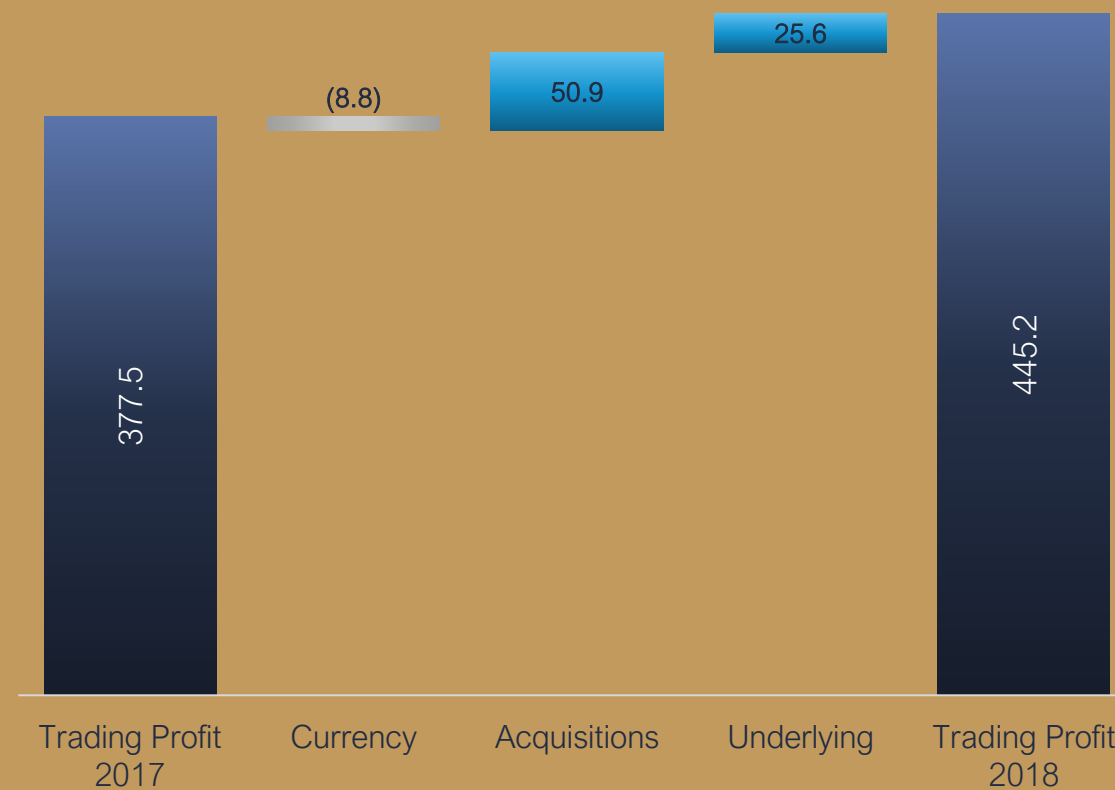


Group Sales & Profit Bridge

Sales (€m)



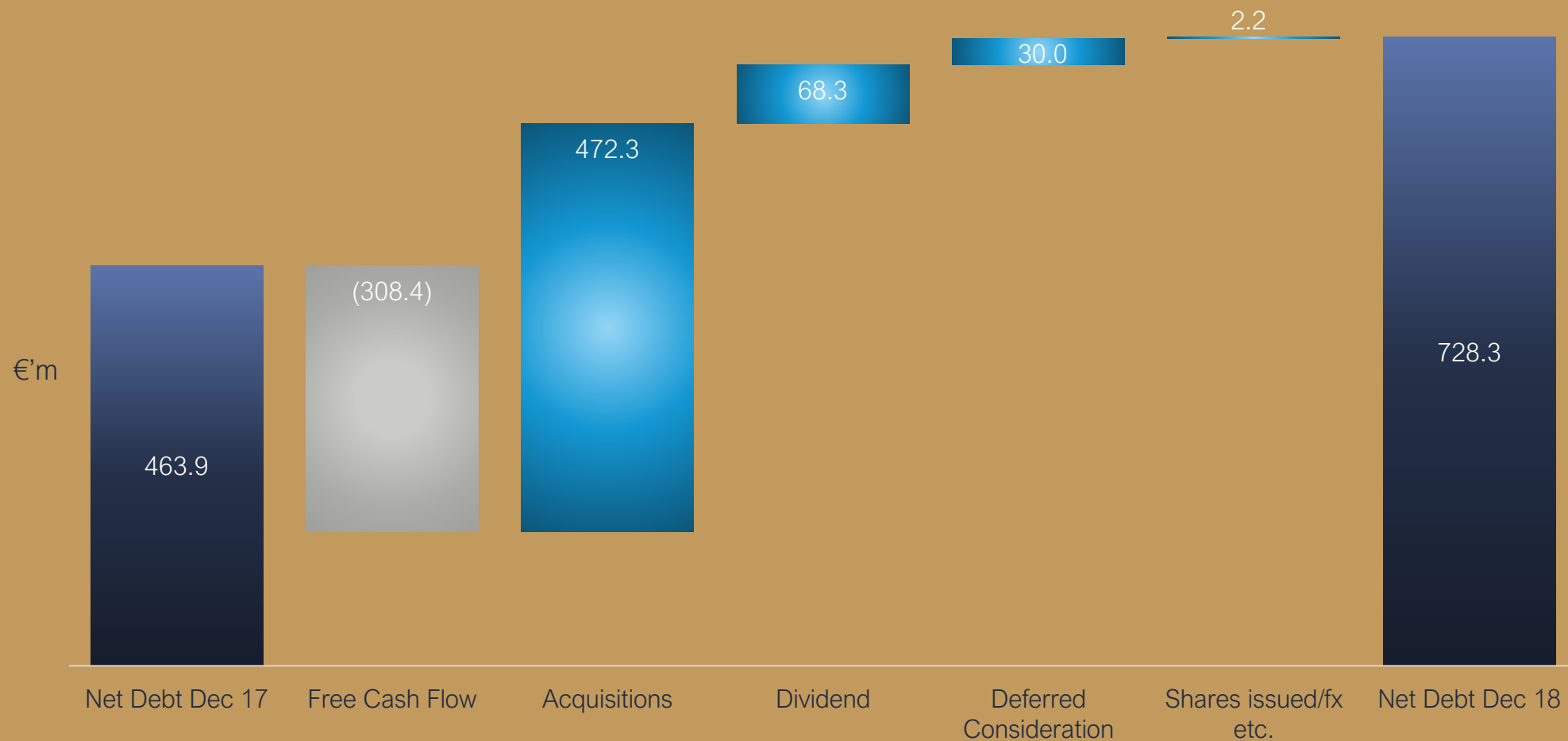
Trading Profit (€m)



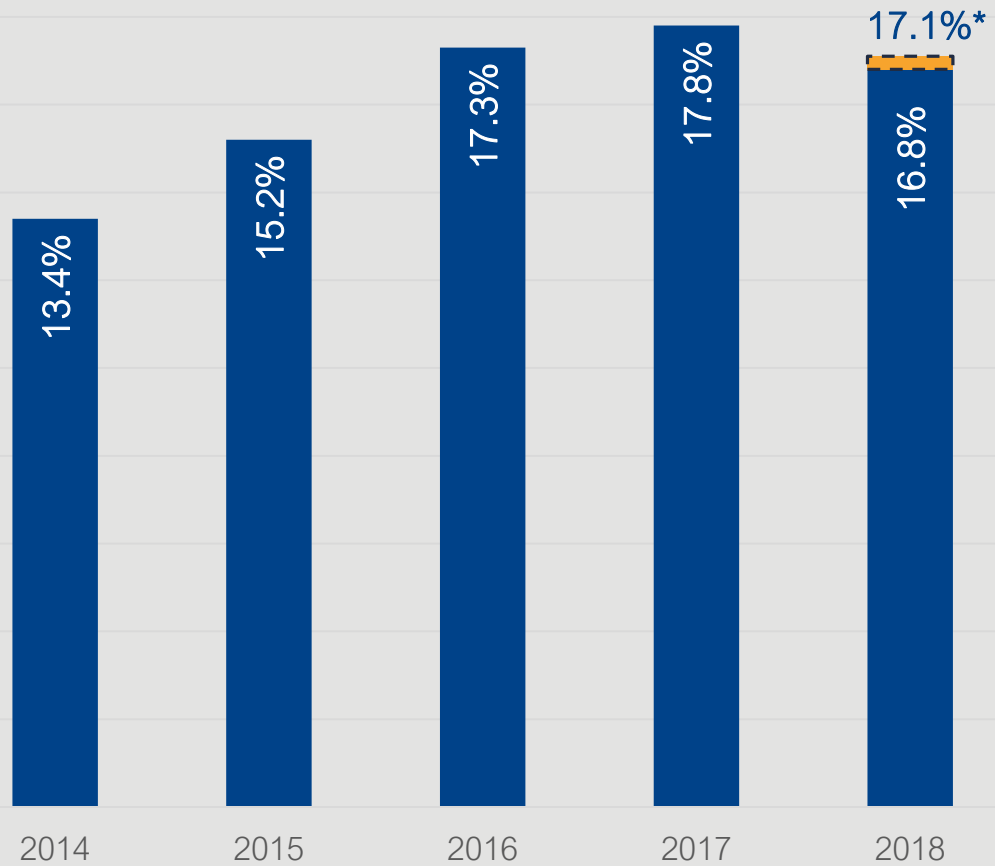
Strong Free Cash Flow



Net Debt Reconciliation



ROCE

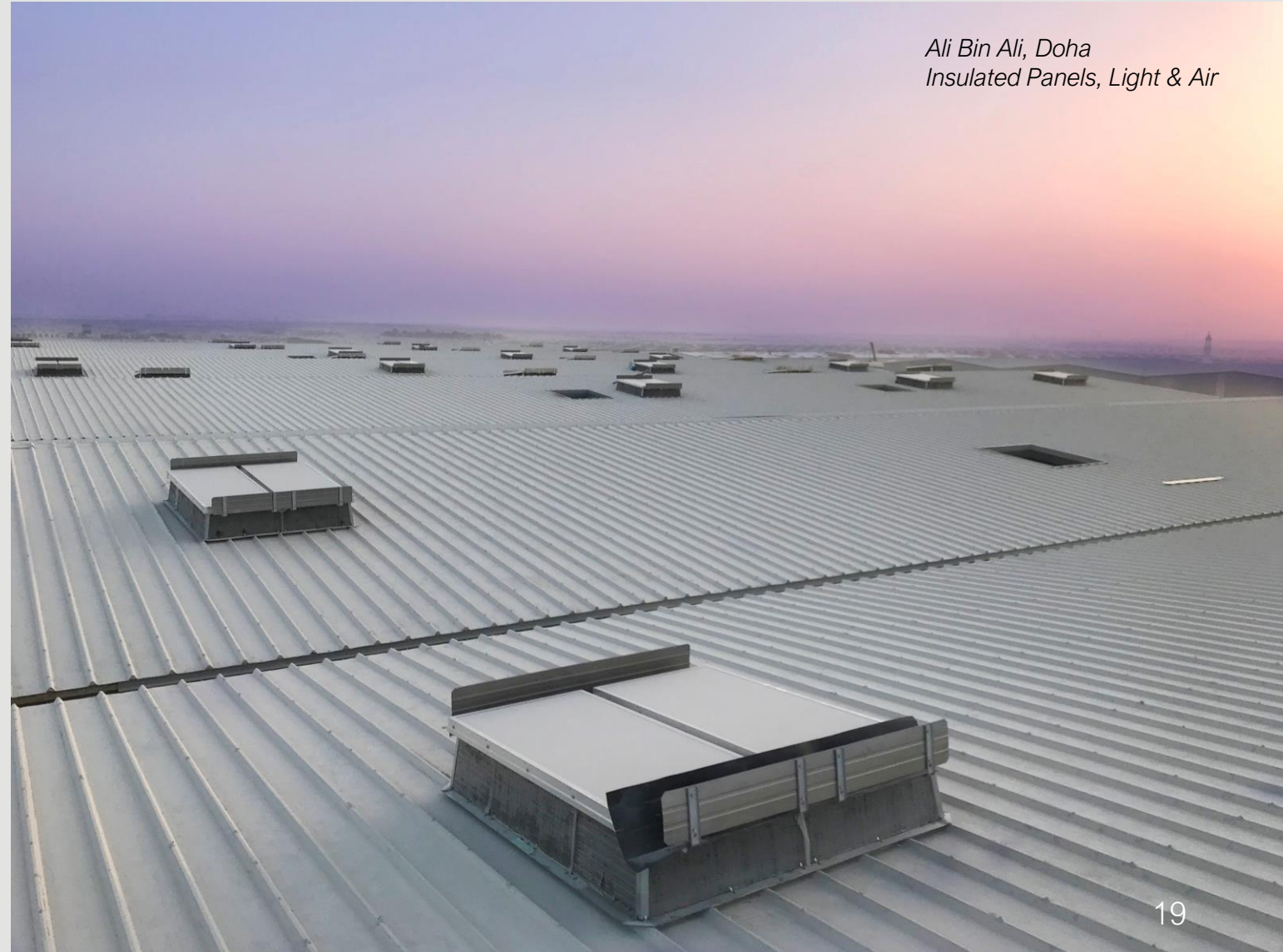


**After annualised impact of acquisitions*



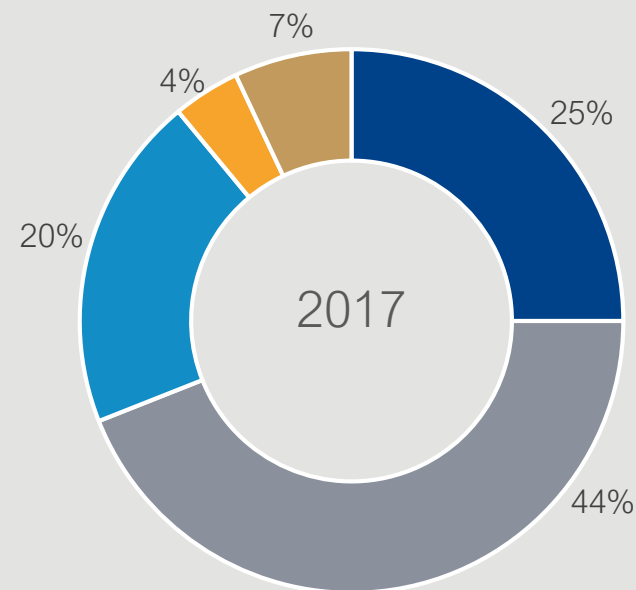
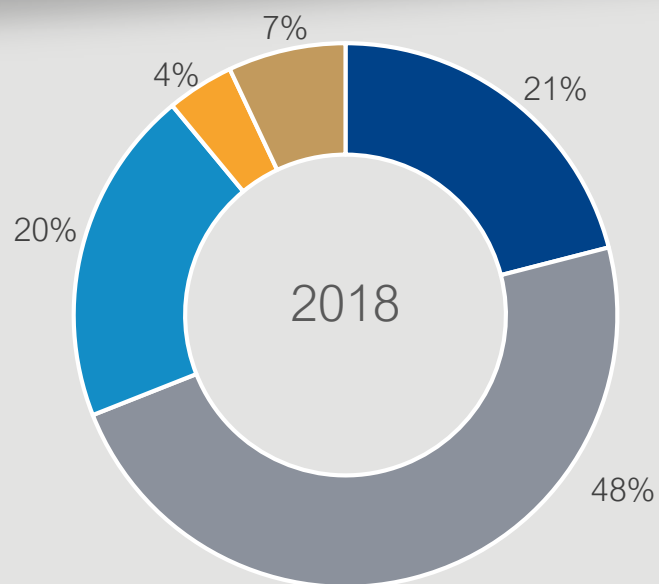
Strong Balance Sheet

- > €175m US Private Placement arranged in December 2017, drawn in January 2018
- > Total available cash balances and committed undrawn facilities of €675m
- > 5 year €500m revolving credit facility - €120m of which was drawn at year end
- > €50m bilateral drawn February 2018
- > Weighted average maturity of debt is 5.0 years



*Ali Bin Ali, Doha
Insulated Panels, Light & Air*

Sales by Geography



■ UK
 ■ Mainland Europe
 ■ Americas
 ■ Republic of Ireland
 ■ Rest of World

€'m	2018	2017	Constant Currency Change	YoY % Change
UK	938.2	909.2	+4%	+3%
Mainland Europe	2,092.3	1,628.5	+29%	+28%
Americas	887.6	738.1	+28%	+20%
Republic of Ireland	156.0	138.1	+13%	+13%
Rest of World	298.4	254.2	+24%	+17%
Group Sales	4,372.5	3,668.1	+22%	+19%

Insulated Panels

- > Strong 2018 sales overall
- > Continental Europe performed well overall – an excellent performance in France and the Netherlands, solid outcomes in Germany and Belgium and market penetration advancement in the Nordics
- > Activity in Central Europe was mixed with focus on reviving margins. Region further bolstered by addition of Balex to portfolio
- > Entered the Iberian market through the Synthesia acquisition with home and export markets delivering an excellent first year performance
- > Sales volume finished strongly toward year end in UK, overall broadly in line with 2017
- > UK project pipeline in reasonable shape albeit with ongoing postponements from market uncertainty
- > Focus on accelerating QuadCore™ and Kingspan Façades growth to compensate for general contraction in UK activity

	2018	2017
Sales (€m)	2,823.1	2,328.5
% of Group Sales	64%	63%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+6%	-3%	+18%	+21%



PILZ Automation Company, Cork, Ireland
Insulated Panels

Insulated Panels (cont.)

- > Volume, margin and profitability all improved considerably in North America during 2018 as steep cost inflation was passed to the market
- > Both businesses in LATAM made significant progress over prior year now delivering broader technical and operational synergies
- > Across the Americas orderbank was well ahead of prior year at year end
- > Australasia regained momentum in 2018 with both orderbank and specification pipeline well improved
- > Growth resumed in Turkey & the Middle East and a healthy pipeline should provide a solid foundation for the medium term
- > Entered India through Kingspan Jindal partnership – provides two manufacturing facilities in relatively embryonic frontier

*Entertainment & Sports Arena, Washington, US
Insulated Panels*



Insulation Boards

- > Stable sales performance overall
- > Strong start to 2018 in UK due to Kooltherm® penetration growth and selling price inflationary impact. Since half year raw material prices have reversed resulting in deflated price of PIR based products albeit regaining market share
- > Demand for building products has eased in general in UK and likely to weaken further if uncertainty persists
- > Significant improvement in Mainland Europe in H2
- > The Netherlands was particularly strong, presence in the Nordics continued to advance and first year of the Synthesia insulation business in Spain was very satisfactory
- > North America improved as the year developed. New XPS line is fully operational and specification bank for Kooltherm® has grown significantly
- > APAC & Middle East region delivered strong growth
- > Growth in Ireland was largely driven by Kooltherm® sales and strong PIR pricing

	2018	2017
Sales (€m)	864.1	769.4
% of Group Sales	20%	21%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+2%	-2%	+12%	+12%

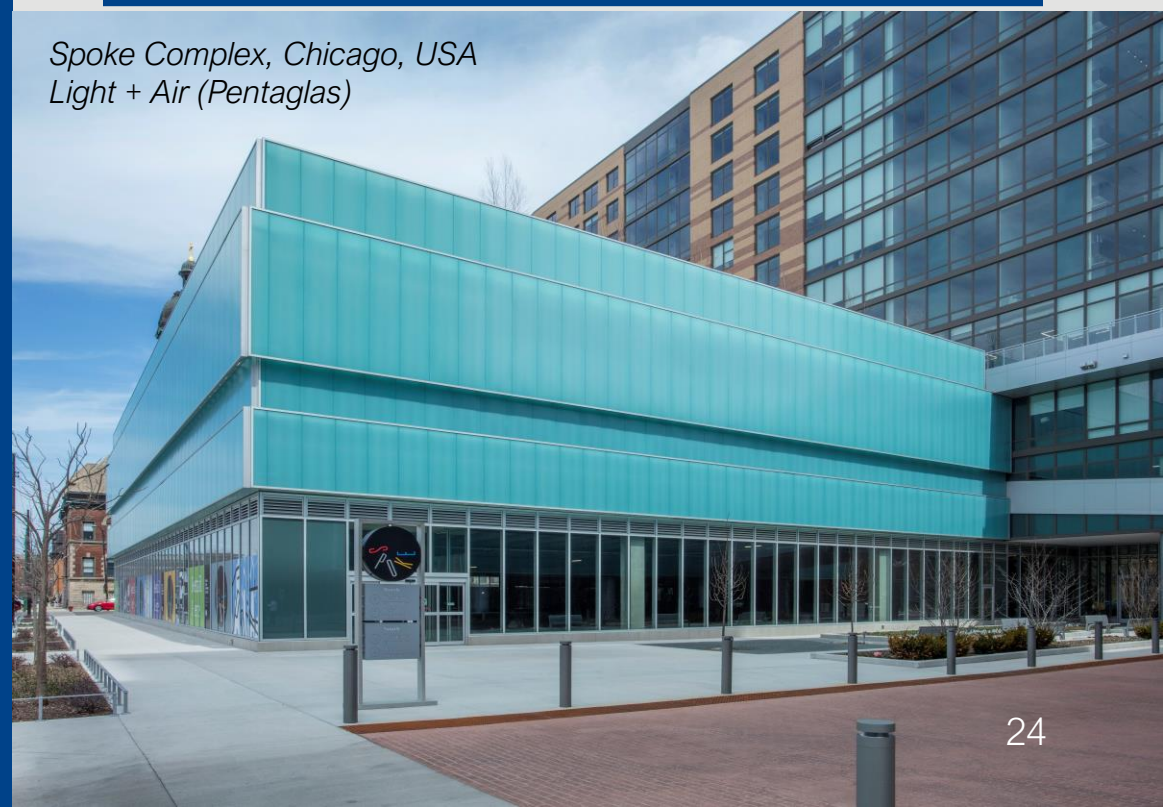


- > Solid sales performance overall, underlying revenue up 7%
- > Continental Europe, particularly Germany, performed well
- > A little more subdued in Benelux with a lower project pipeline in 2018
- > Southern Europe grew marginally. Relocation to new manufacturing facility to provide capacity for growth and support for daylighting requirement in the Middle East
- > Considerable growth in specification bank for high-end UniQuad® wall-lighting system helping to compensate highly competitive generic roof-lighting systems in North America
- > In time the integrated sales effort with Insulated Panels business will deliver meaningful sales leverage

	2018	2017
Sales (€m)	291.8	204.7
% of Group Sales	7%	6%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+7%	-1%	+37%	+43%

Spoke Complex, Chicago, USA
Light + Air (Pentaglas)



- > Underlying sales relatively stable
- > UK predictably weakened across most product segments in H2
- > Ireland performed well as did much of Mainland Europe
- > Integration of the VPI acquisition in the Nordics is progressing
- > Strong year in the rainwater harvesting business in Australia, particularly the residential segment in New South Wales albeit easing back of late
- > Exited from micro wind and solar thermal activities during 2018

	2018	2017
Sales (€m)	202.9	179.8
% of Group Sales	5%	5%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+3%	-3%	+13%	+13%



Data & Flooring Technology (Access Floors)

- > Overall sales 3% ahead of prior year
- > Product offering has evolved – now includes a wide range of sub-structure technology and air management solutions for data centres together with a broader offering on floor finishes
- > UK performed robustly through second half of 2018
- > While demand for access floors is expected to contract marginally in 2019, growth is anticipated in the data solution applications with the business well poised to deliver
- > The above will equally apply to North America and Australia with tangible progress expected in 2019
- > Continental Europe presence grew in 2018 through the business acquired in Belgium in late 2017

	2018	2017
Sales (€m)	190.6	185.7
% of Group Sales	4%	5%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+2%	-3%	+4%	+3%



Outlook

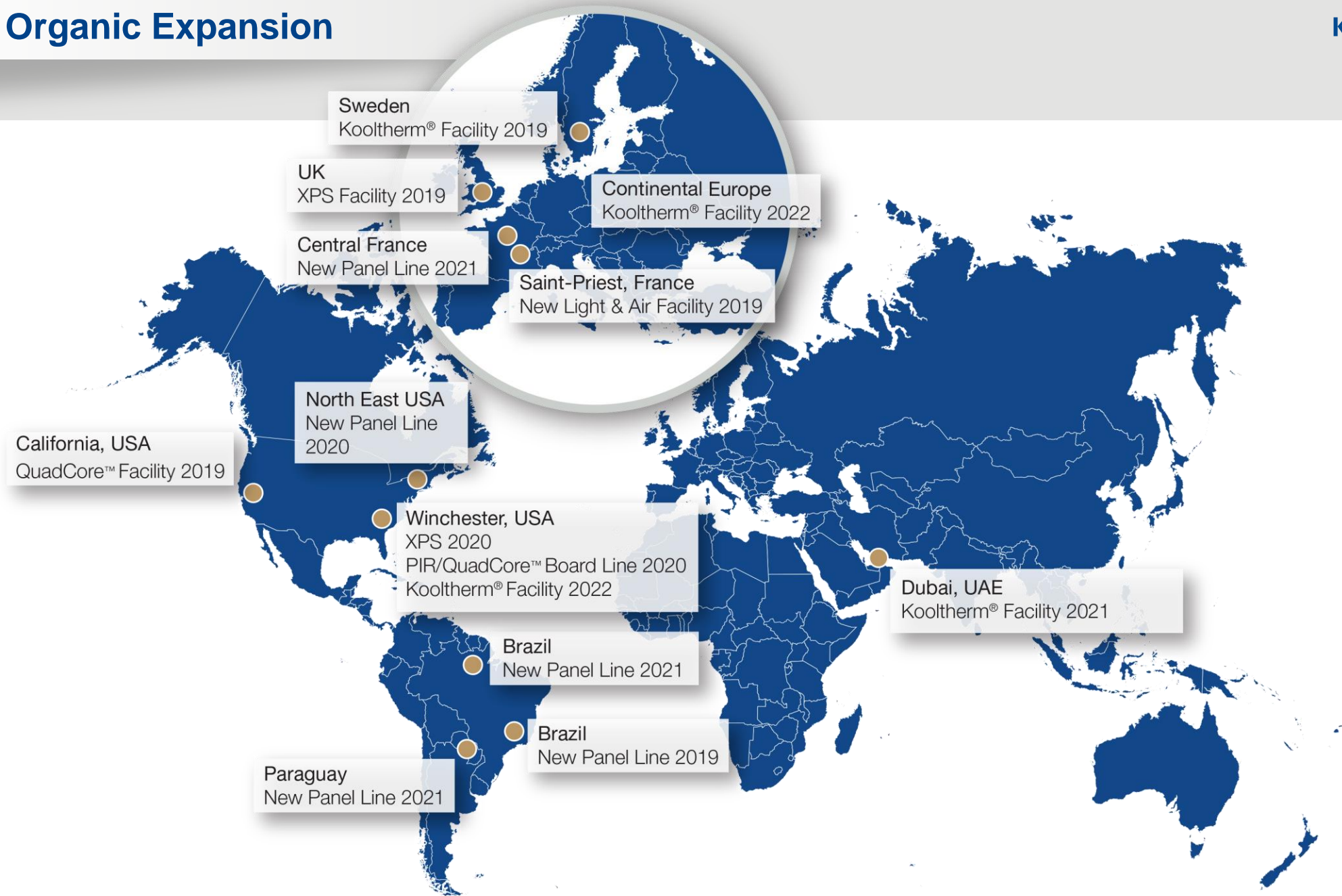
- > Solid start to 2019 with sales revenue and volume ahead of prior year
- > Order intake and order bank also ahead of prior year in many of our key markets
- > As competitive dynamics of insulation raw materials have recently changed, our proprietary non-fibrous cores have grown share following the supply chain turbulence earlier in 2018
- > While indicators bode well for the near-term, we are acutely mindful of the increasingly negative economic rhetoric that could impact the construction industry later in the year
- > Nonetheless we remain resolutely focused on the delivery of our long-term strategy



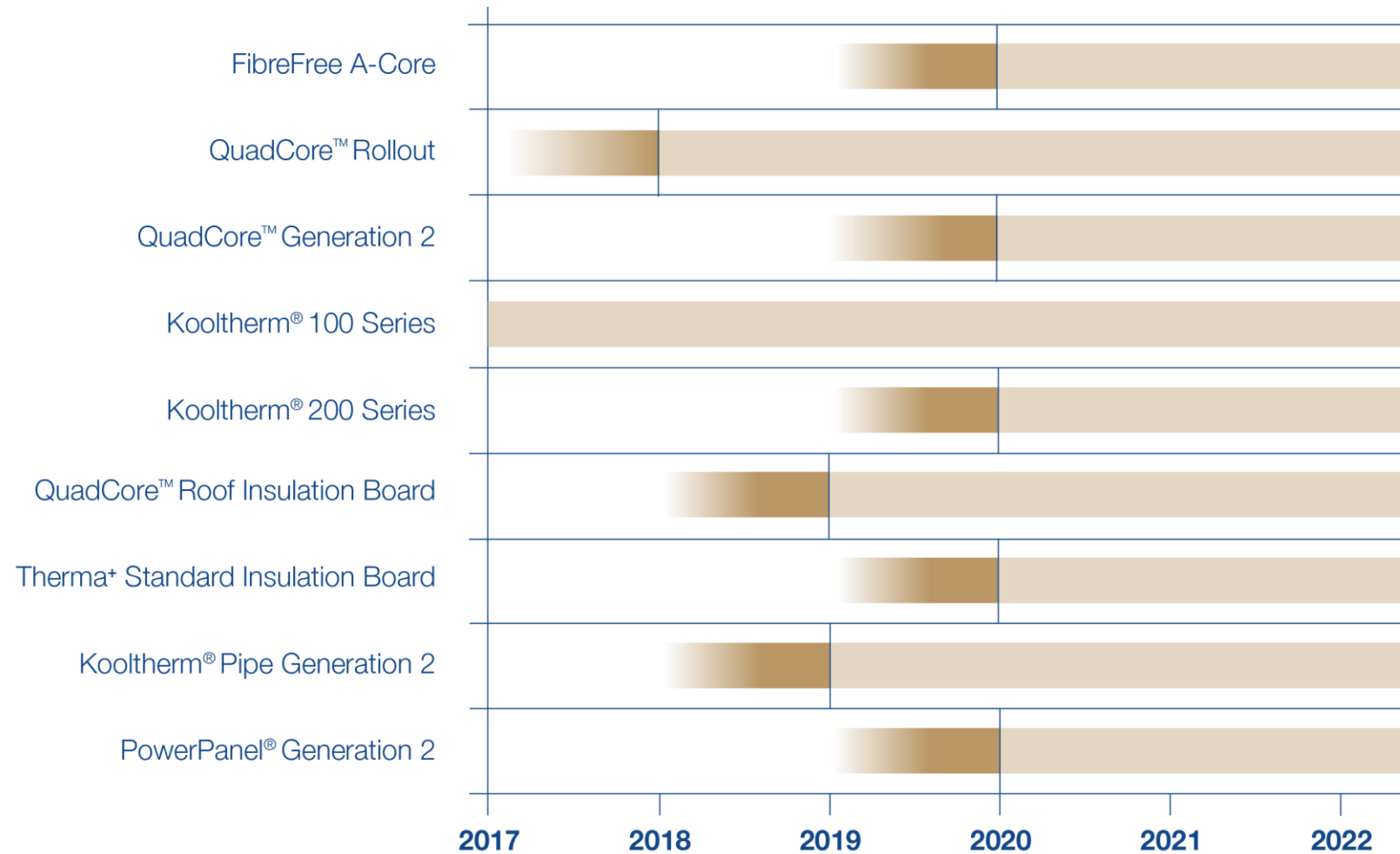


Additional Information

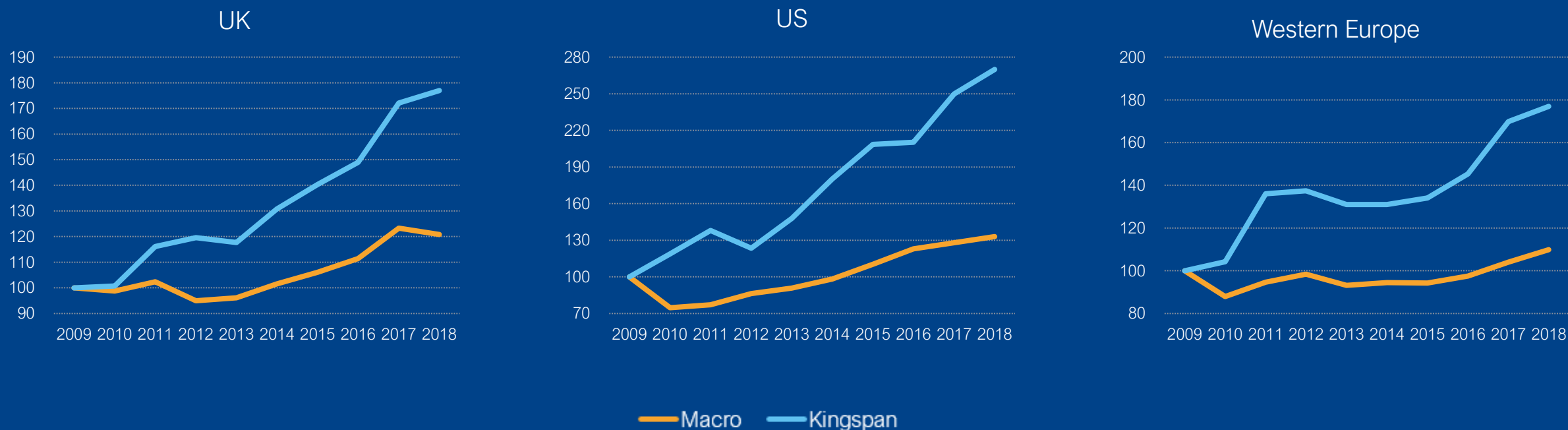
Global Organic Expansion



Key Innovations



Kingspan V Construction Macro

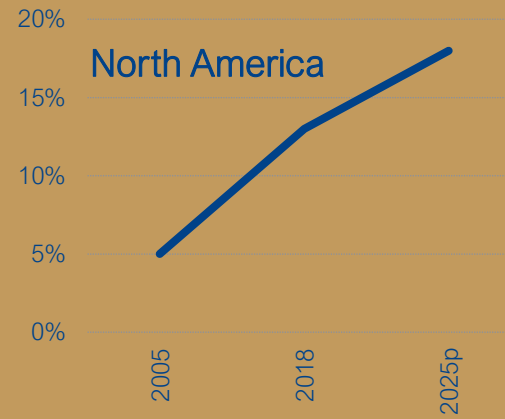
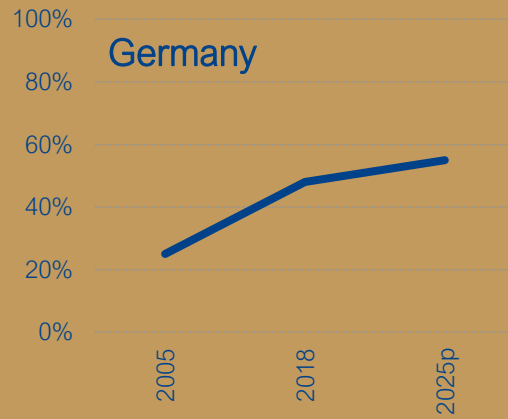
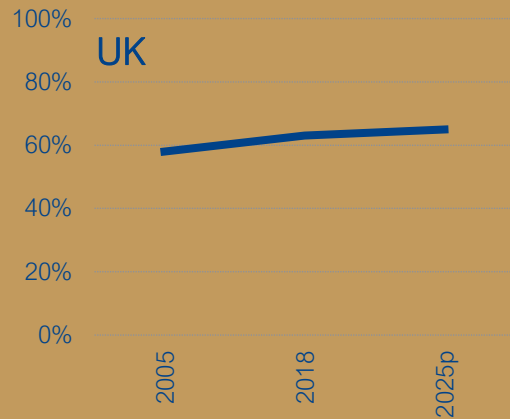


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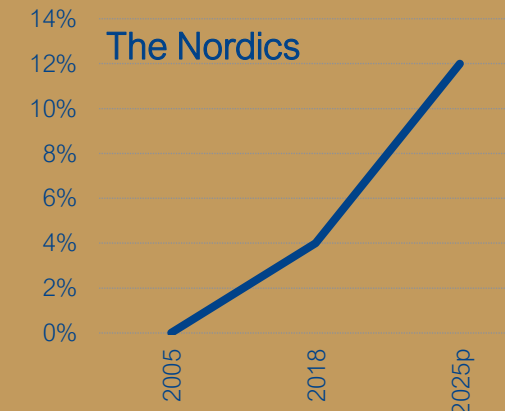
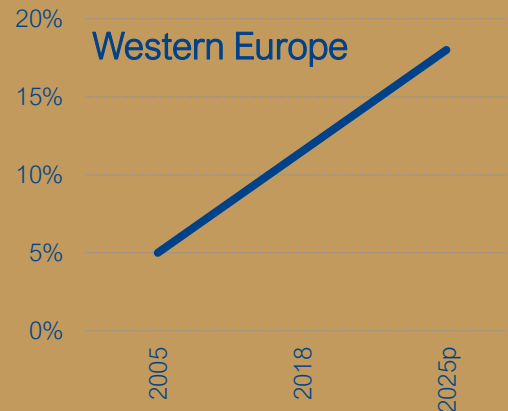
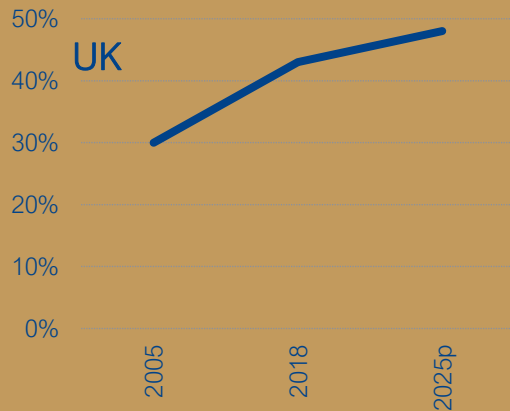
- 1 UK – Kingspan UK Insulated Panels + Insulation Board underlying sales, rebased for acquisitions; UK National Statistics Construction Output Non-Res data
- 2 US – Kingspan US Insulated Panels + Insulation Board underlying sales, rebased for acquisitions; US Census Bureau Non-Res Construction Spending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

Driving Penetration Growth

INSULATED PANELS



INSULATION BOARDS



Aim to Change Building Practices / Material Choices



We are a
community of doers.
We are Kingspan
people.



See more at:
[kingspan.com](https://www.kingspan.com)

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