

Kingspan Group Plc

Trading Update

19 April 2021

Kingspan Group Plc, the global leader in high performance insulation and building envelopes is issuing this Trading Update today ahead of, and in place of, its Trading Update scheduled for 30 April 2021.

The Group had a strong first quarter both in terms of sales and order intake. Group sales of €1.28bn for the three-month period to 31 March were 24% ahead of prior year (+22% underlying). Significant raw material inflation is a key feature of the current trading environment and the associated recovery effort is ongoing and on track, albeit with a lag.

By market during the first quarter, Mainland Europe was strongly ahead overall with Germany, France and the Benelux notably positive. The Americas has had an encouraging start to the year particularly in Latin America and order intake in North America significantly outpaced sales in the period. The UK business has also been strong year to date with buoyant sales and order intake activity.

Insulated Panels sales were up 25% (+27% underlying) in the first quarter. Sales and order intake patterns were very positive across all significant markets worldwide. The global backlog as we entered the year was significantly ahead of prior year and has grown by a further 28% since then. QuadCore™ specification continues to progress well internationally.

Insulation Boards sales were up 12% (+13% underlying) in the first quarter. Overall, Mainland Europe performed well with meaningful volume growth in a number of key markets. North America has seen strong trading in the early part of the year with Australia performing similarly. The UK recorded double digit volume growth in the period. The breadth of the division will be bolstered by the recently announced acquisition of Logstor Group, a global supplier of technical insulation solutions focused on the growing District Heating model and with revenues of approximately €250m. The acquisition is conditional on regulatory clearance and is expected to complete in the third quarter.

Light & Air sales were up a substantial 65% (+8% underlying) in the first quarter boosted significantly by the acquisition of Colt Group in April 2020. The underlying sales performance was positive across all key markets with an encouraging pipeline of projects both in daylighting and increasingly in associated natural air ventilation applications.

Data & Flooring sales increased by 11% in the first quarter (+14% underlying). Datacentre projects continue to be very active in Europe and North America more than offsetting predictably subdued office activity.

Water & Energy has started the year well with sales 21% ahead in the first quarter (+17% underlying). Wastewater activity in particular has been strong across most markets.

Net debt as at 31 March 2021 was €352m after taking account of a cumulative acquisition spend of €167m in the period. The Group has, in aggregate, in excess of €2.0bn of cash on hand and committed undrawn facilities.

The Group's trading outlook for the second quarter is positive with ongoing strong momentum across most key markets. Furthermore, raw material inflation, and indeed availability of same, is increasingly a challenge and we are doing our utmost to limit any impact on our own end markets. We have a strong backlog on hand which augurs well for the period ahead although in the current environment we are cautious about looking too far forward.

We were pleased to release our inaugural [Planet Passionate Report](#) on 12 April setting out our commitments and extensive global ten year sustainability plan. The report outlines Kingspan's industry-leading decarbonisation programme, which targets a reduction in manufacturing carbon (CO₂e) emissions to as close to zero as technically possible, together with halving carbon intensity in its primary supply chain, both by 2030. The twelve targets across our Planet Passionate programme will continue to be a centremost pillar of our strategy for years to come.

Kingspan's Annual General Meeting will take place at 10am on Friday 30 April.

This announcement contains inside information.

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