
Interim Results

23rd August 2019



Disclaimer

Forward Looking Statements

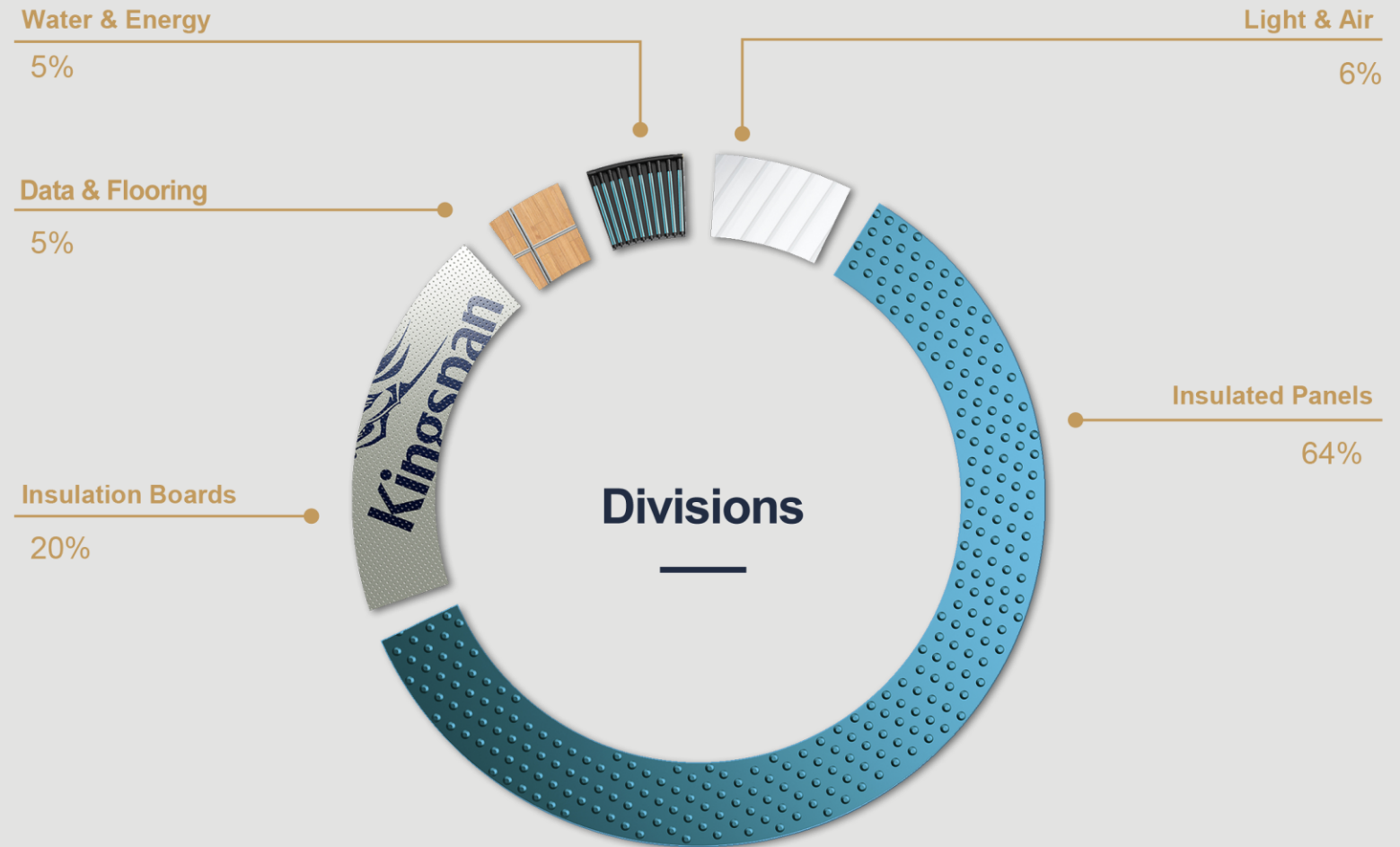
This presentation contains certain forward-looking statements including, without limitation, the Group's financial position, business strategy, plans and objectives of management for future operations. Such forward-looking information involves risks and uncertainties, assumptions and other factors that 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.



*BWI Airport, USA
Light & Air*

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

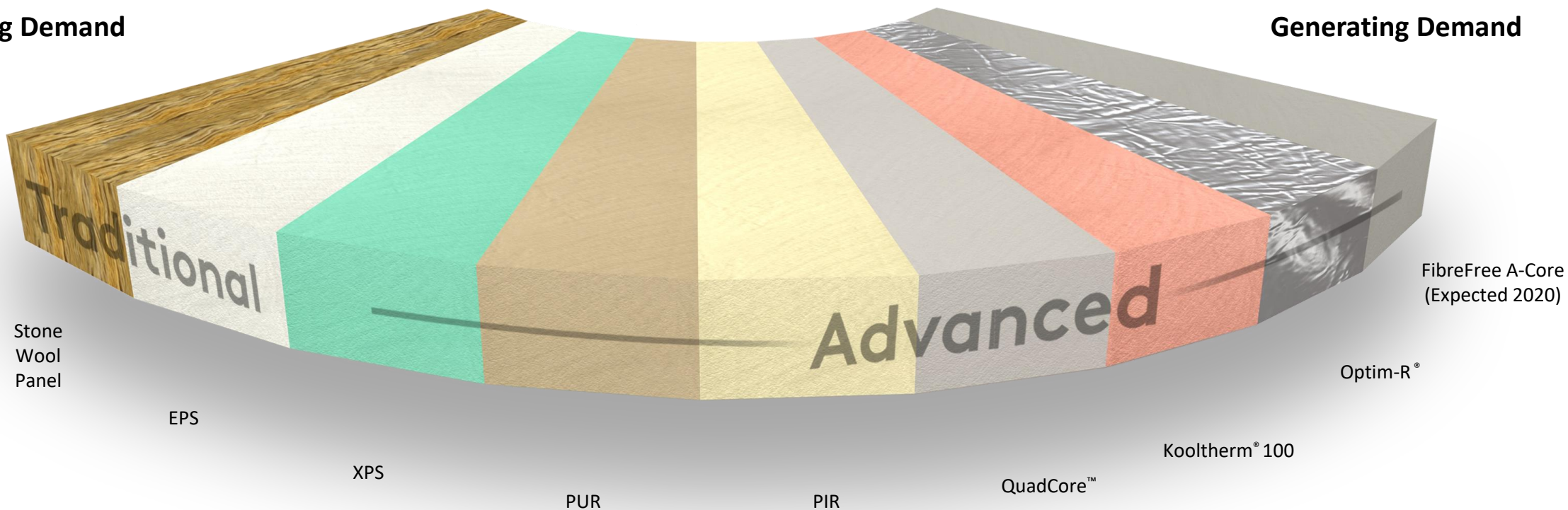
PENETRATION

GLOBALISATION

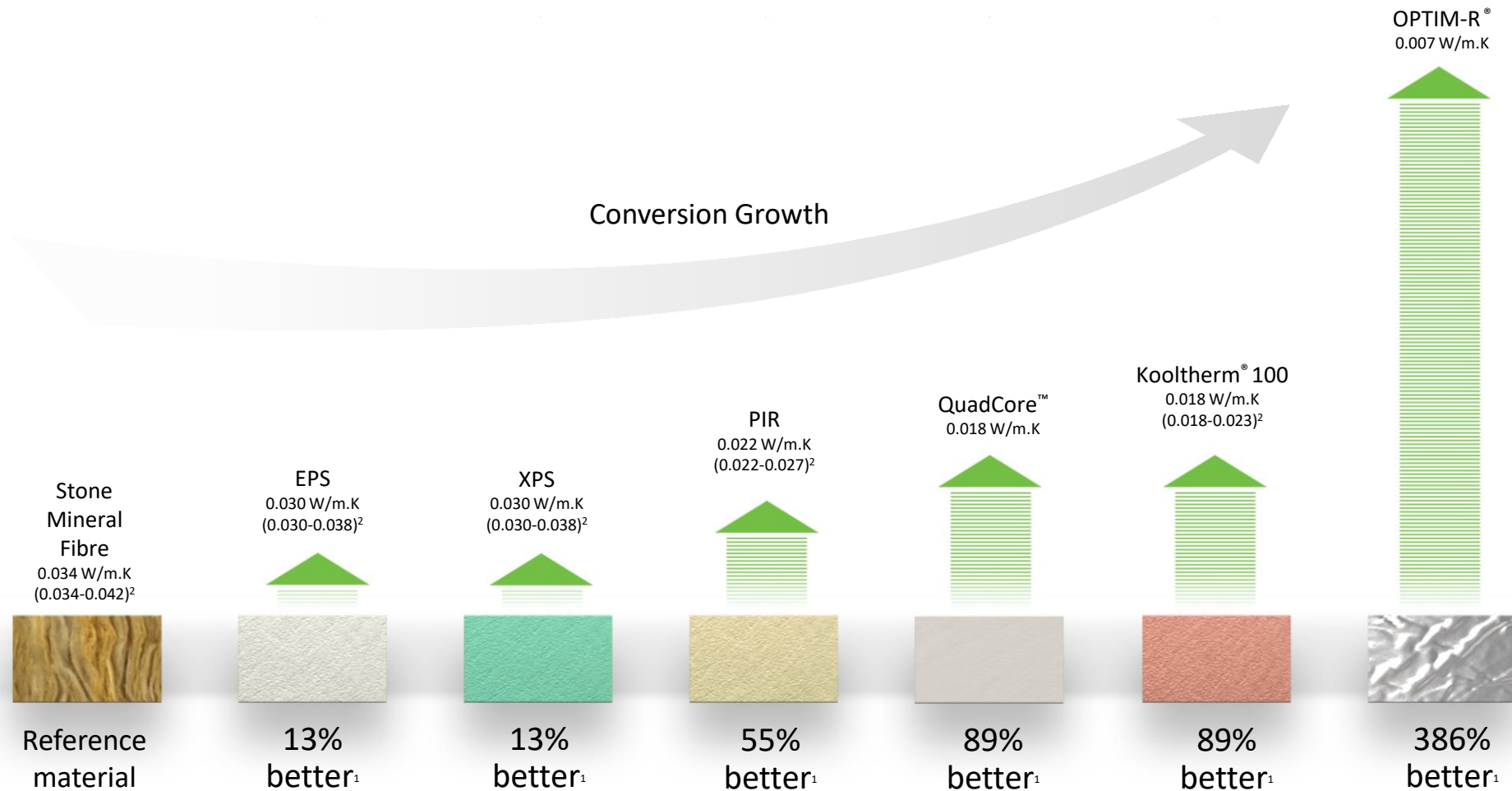
The complete 'Toolbox' for all applications and design preferences

Servicing Demand

Generating Demand



Kingspan Insulates Better



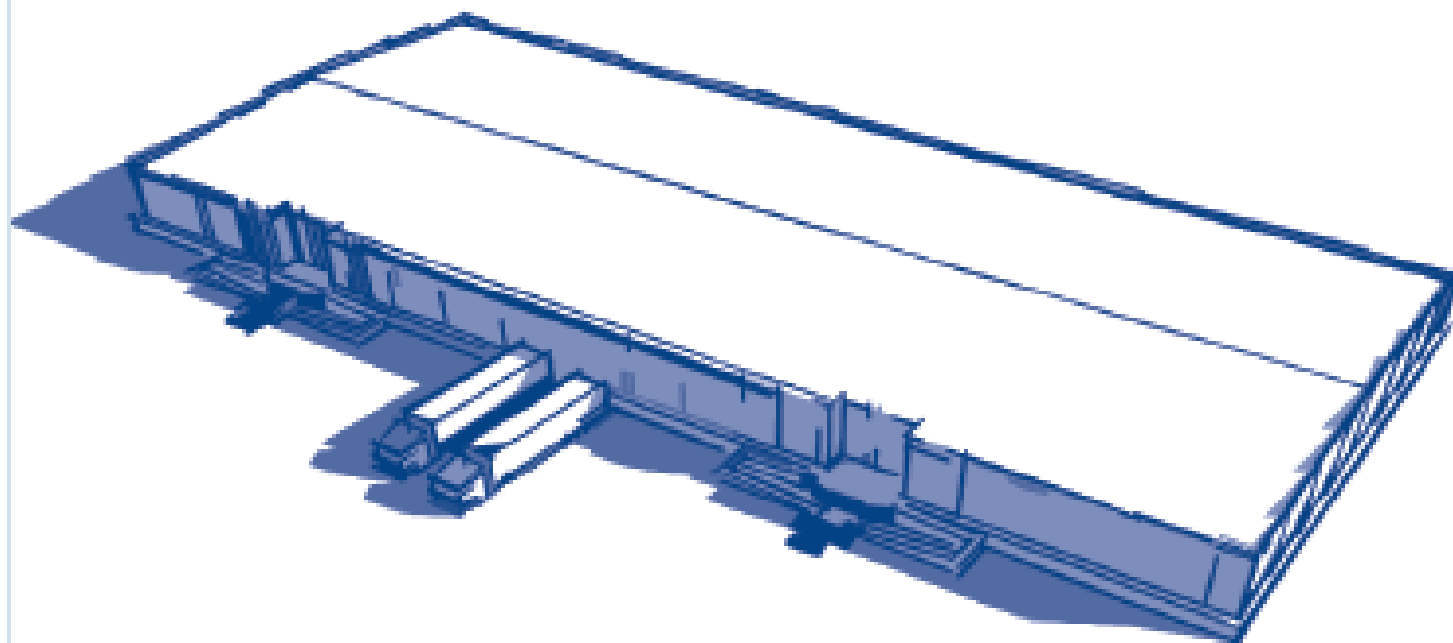
¹ Insulation performance (R-value) compared to stone mineral fibre of the same thickness.

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.

Why Space Matters

UK, Industrial / Office



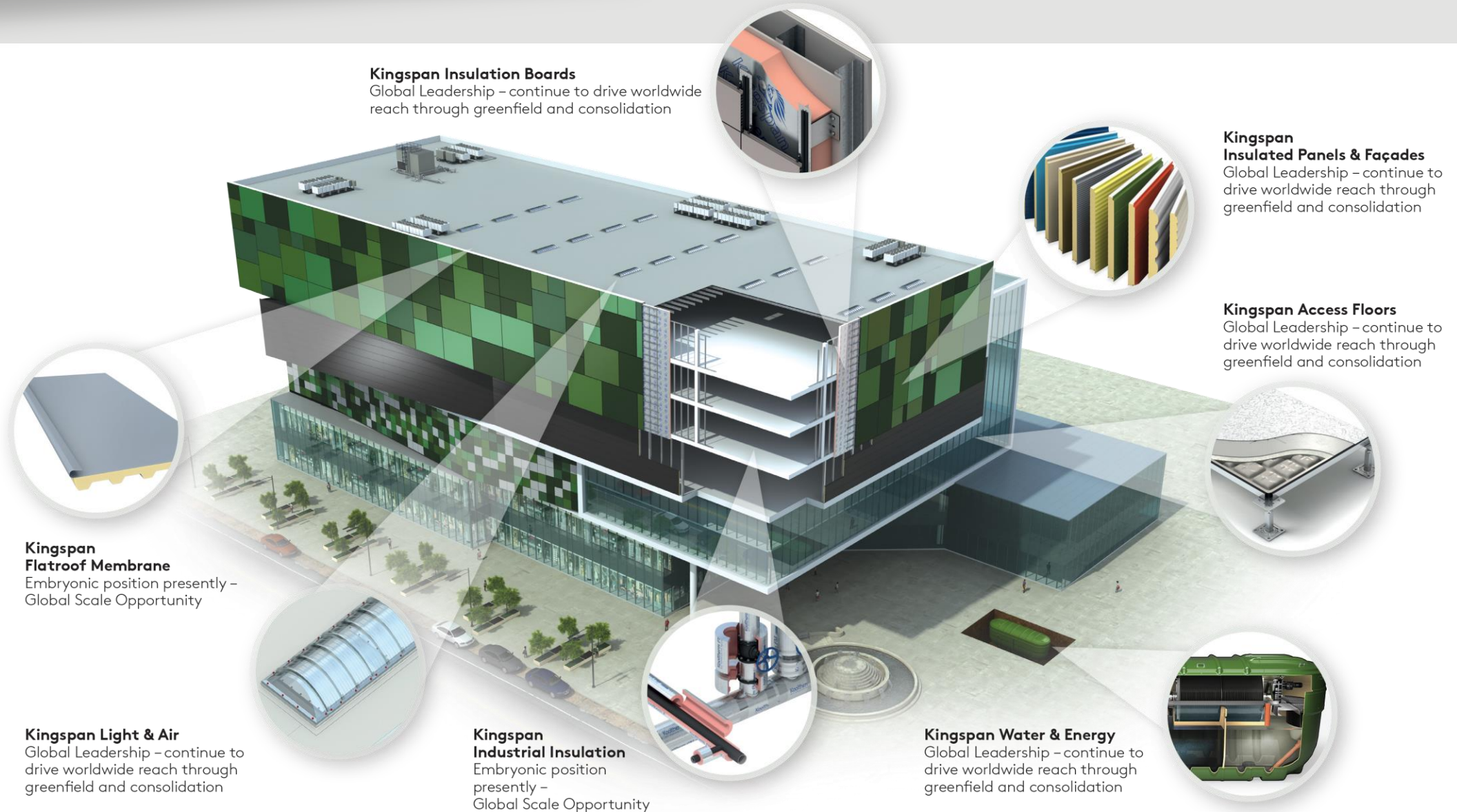
Details of the UK Industrial / Office Case Study with an external wall system incorporating Kingspan Kingspan **QuadCore™** KS1000RW wall panels
Source: Cushman Wakefield Report

Description	Value
Kingspan External Wall Construction	<i>Kingspan QuadCore KS1000RW sandwich panels</i>
Lettable floor area	35,800 sq.m (385,348 sq.ft)
Additional floor area	87.10 sq.m (937.54 sq.ft)
Additional development cost	£71,379
Capitalised value of additional space	£275,667

286%





Return on
additional
CapEx

Completing the Envelope



Planet Passionate – Our Commitments



		2020	2025	2030
 Energy	Net-Zero Energy Energy Positive Manufacturing 20% on-site power generation Solar PV systems on all wholly owned facilities	✓	✓	✓ ✓ ✓ ✓
 Carbon	Carbon Positive Manufacturing Zero Emission Company funded cars Carbon Alignment from primary supply chain		✓	✓ ✓ ✓
 Circularity	Zero Company waste to landfill Upcycle 1 billion PET bottles into Insulation QuadCore™ to use only recycled PET Polyol 5 Active Ocean Clean-up projects		✓ ✓ ✓	✓ ✓ ✓ ✓
 Water	5 million litres of our water usage harvested from rain 10 million litres of our water usage harvested from rain		✓	✓

Planet Passionate - Our Impact



In 2018 the total energy saved* by our insulation systems is equivalent to:

110m

Over one hundred and ten million barrels of oil



20m

Taking twenty million cars off the road



66

The annual output of sixty-six power stations



4.7

Up to 4.7 times the annual electricity consumption of Greater London



192.7m

MWh of energy



38.14m

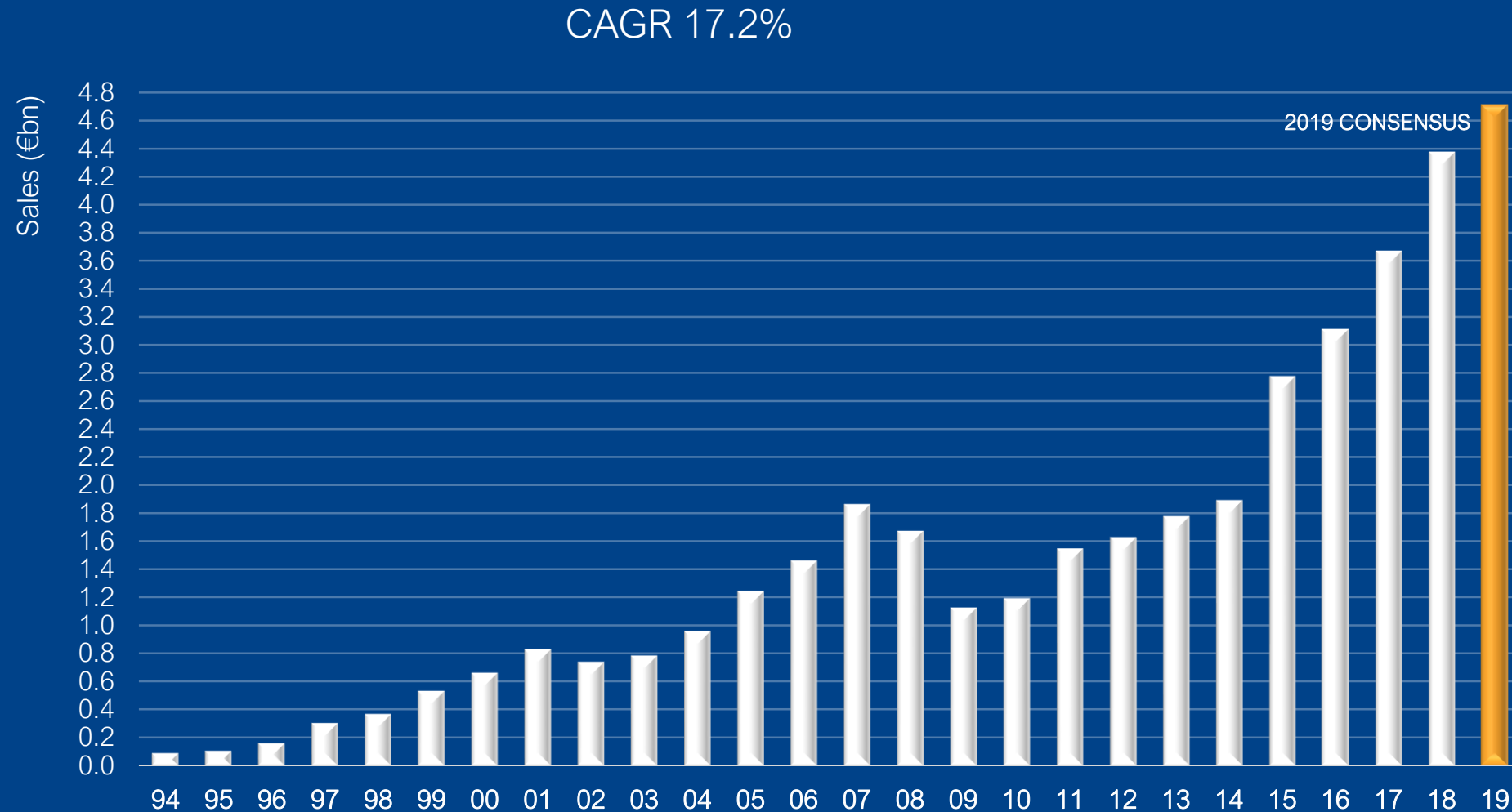
Tonnes of CO₂



€5 billion of costs*

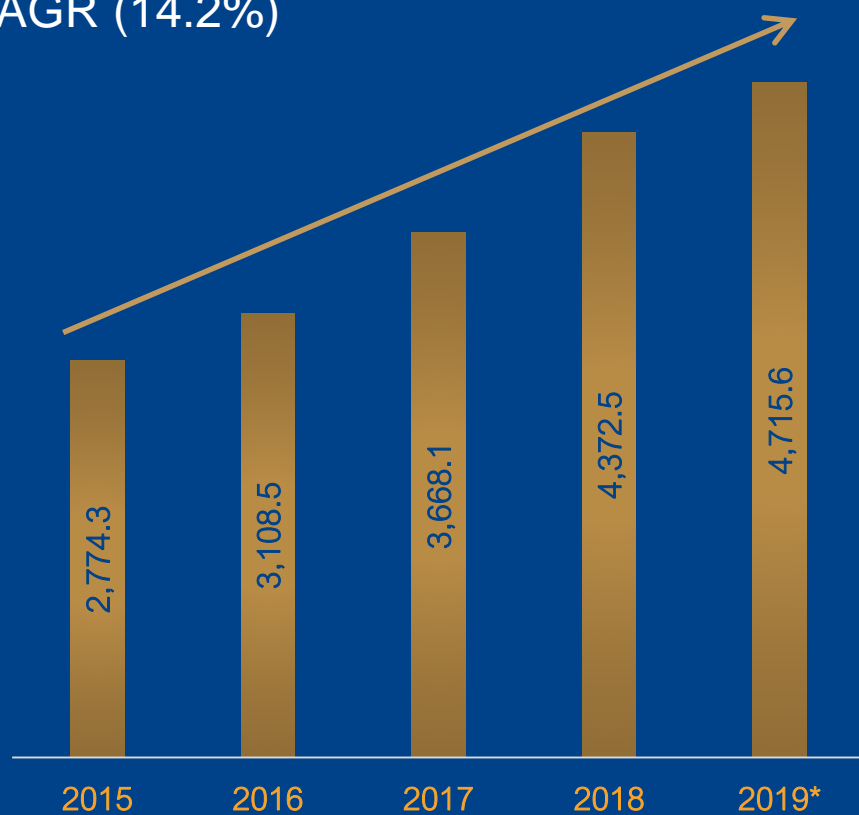
* These figures relate to sales of Insulated Panels and Insulation Boards between 1993 and 2018.

Our Evolution - Revenue

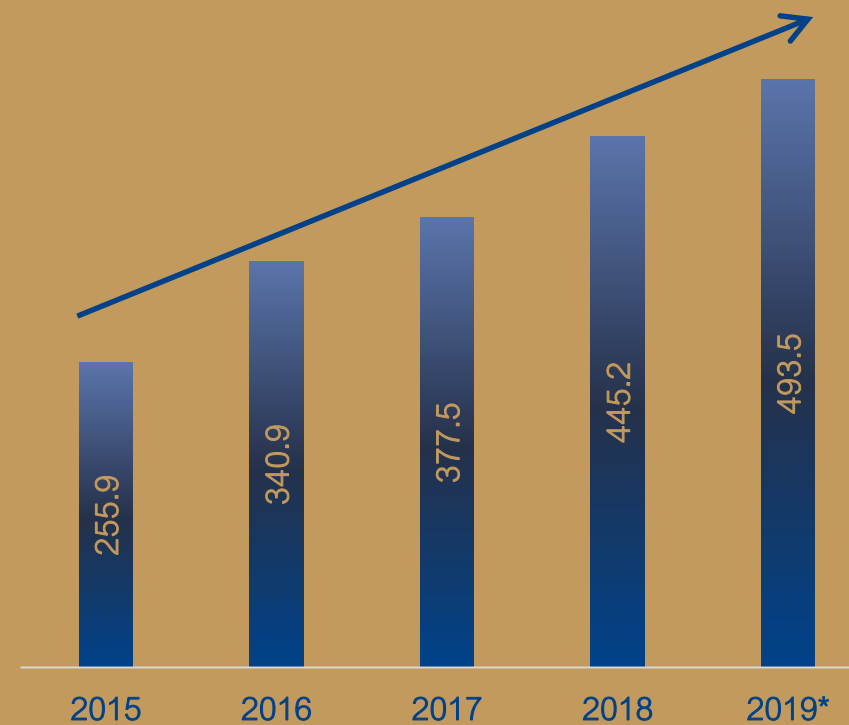


5 Year Financial Performance

Revenue (€m)
CAGR (14.2%)

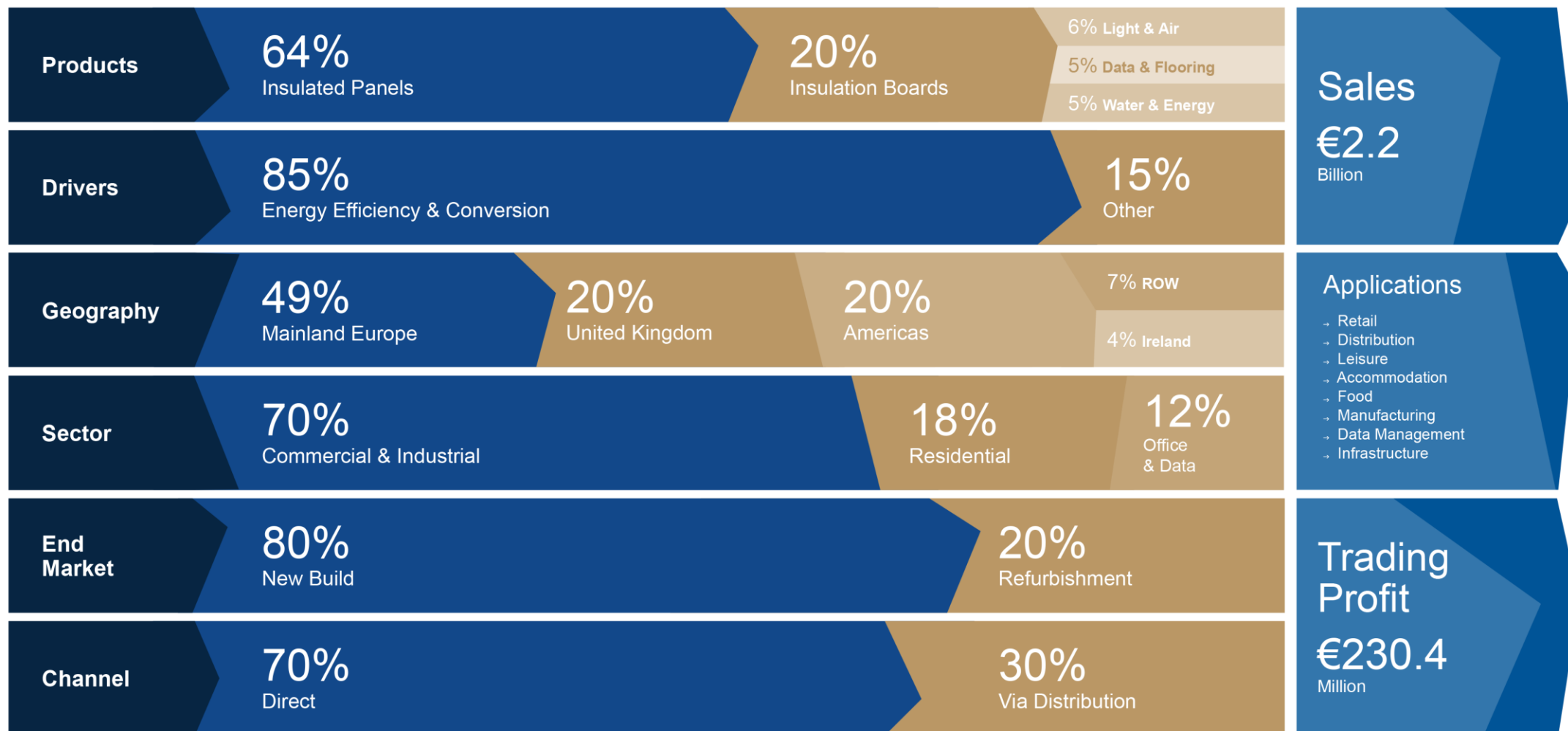


Trading Profit (€m)
CAGR (17.8%)



* Analyst consensus

2019 H1 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 14%. Solid performance in the UK, strong in the Americas and Ireland while Mainland Europe performed well overall.
- > **Insulation Boards** sales growth of 5%. Strong volume growth offsetting the impact of reduced selling prices due to lower raw material costs. Robust Kooltherm® activity as well as share gain from traditional materials.
- > **Light & Air** sales growth of 11% boosted by a strong performance in the US.
- > **Water & Energy** sales growth of 7% reflecting acquisition in the Nordic region. Softer rainwater harvesting activity in Australia.
- > **Data & Flooring** sales growth of 17% with strong datacentre activity.

↑ **Revenue**
UP 12% to
€2.2bn

↑ **Trading Profit**
UP 18% to
€230m

↑ **Basic EPS**
UP 16% to
93.8c

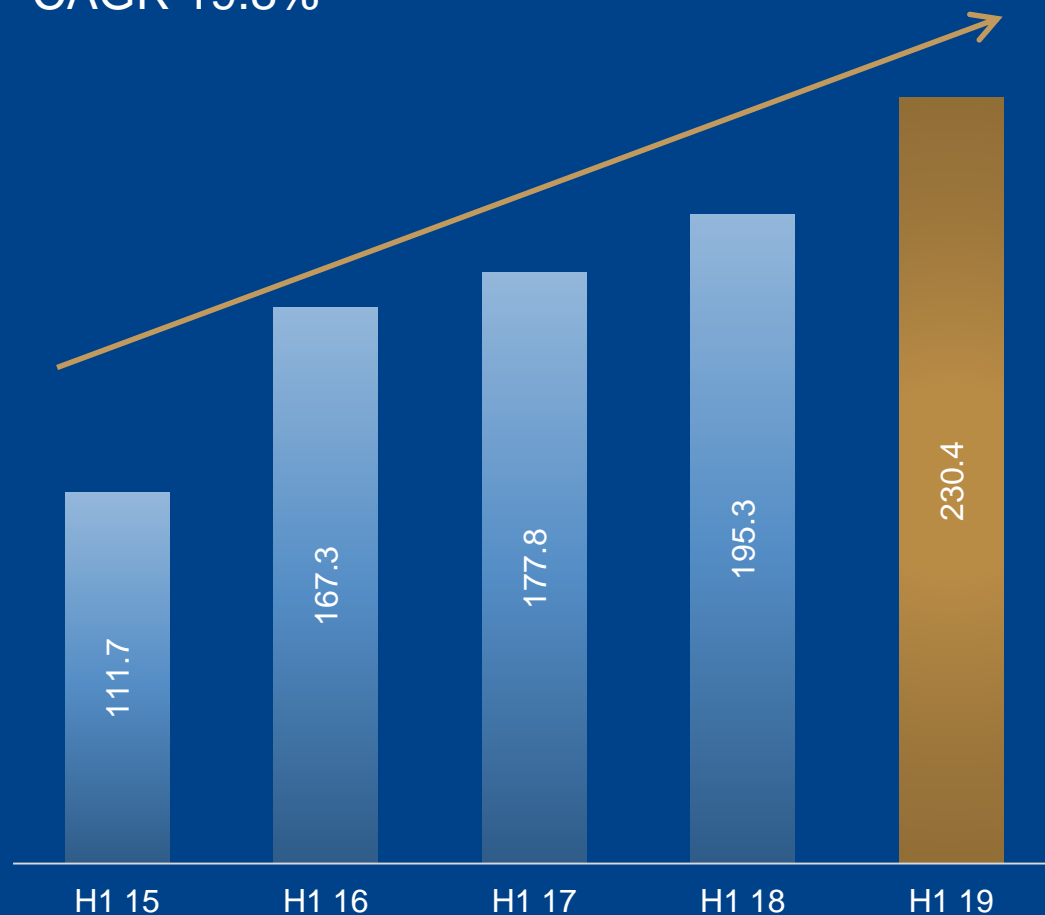
Financial Highlights

	H1 19	H1 18	YoY % Change	cc change*
Revenue (€m)	2,243.1	2,009.9	+12%	+11%
Trading Profit (€m)	230.4	195.3	+18%	+17%
Earnings per share (cent)	93.8	80.7	+16%	
Interim Dividend (cent)	13.0	12.0	+8%	
Free Cashflow (€m)	80.6	38.4	+110%	
Net Debt (€m)	734.3	739.4	-5.1	
Trading Margin	10.3%	9.7%	+60bps	
Net Debt/EBITDA	1.31x	1.59x	-	
ROCE	17.1%	15.6%	+150bps	

* Constant currency

Trading Profit & Margin

CAGR 19.8%



	H1 18	FY 18	H1 19
Insulated Panels	9.7%	10.0%	10.1%
Insulation Boards	12.4%	12.2%	13.4%
Light & Air	4.0%	7.4%	4.3%
Water & Energy	5.7%	7.0%	5.7%
Data & Flooring	10.3%	11.9%	11.2%
Group	9.7%	10.2%	10.3%

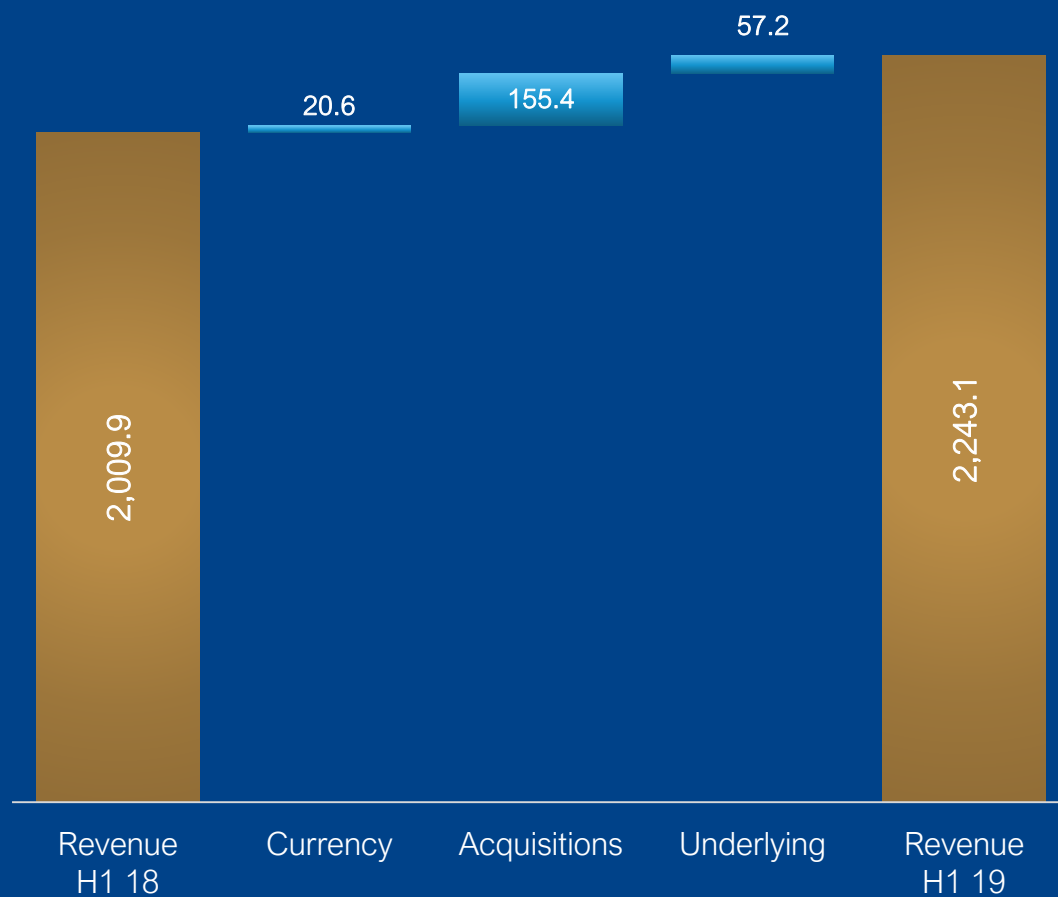
Lycée Lucie Aubrac, France
Light & Air



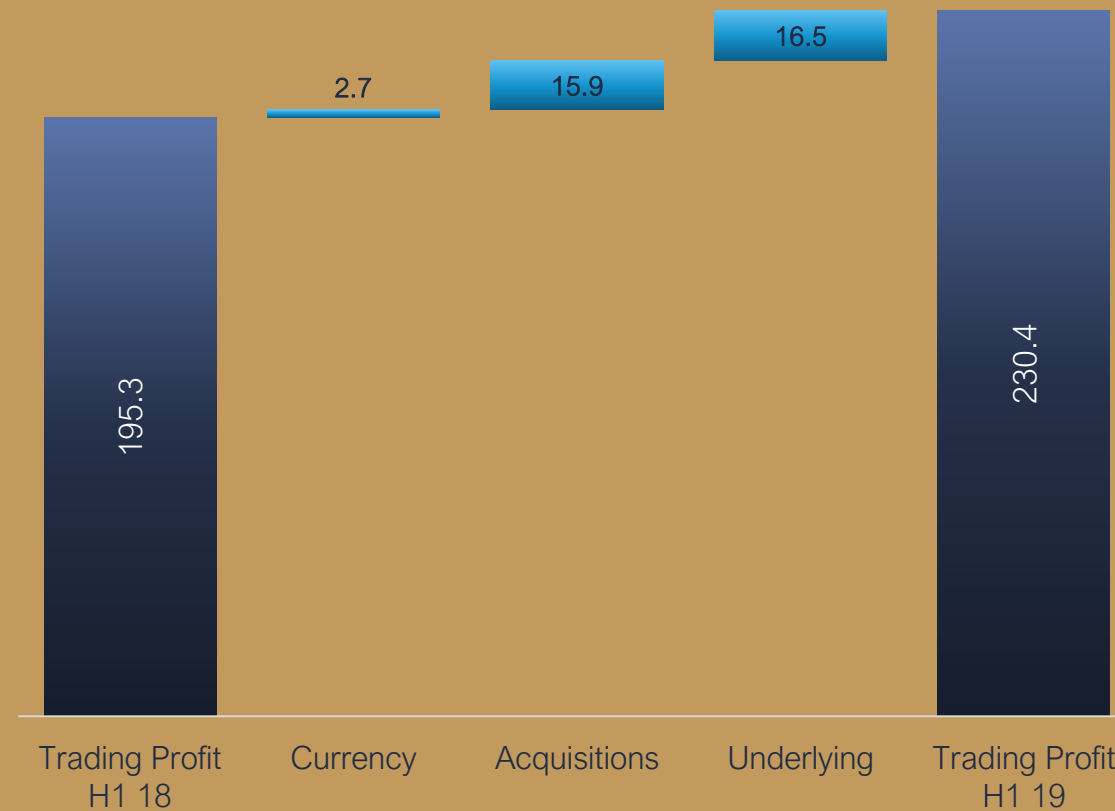
Group Sales & Profit Bridge



Sales (€m)



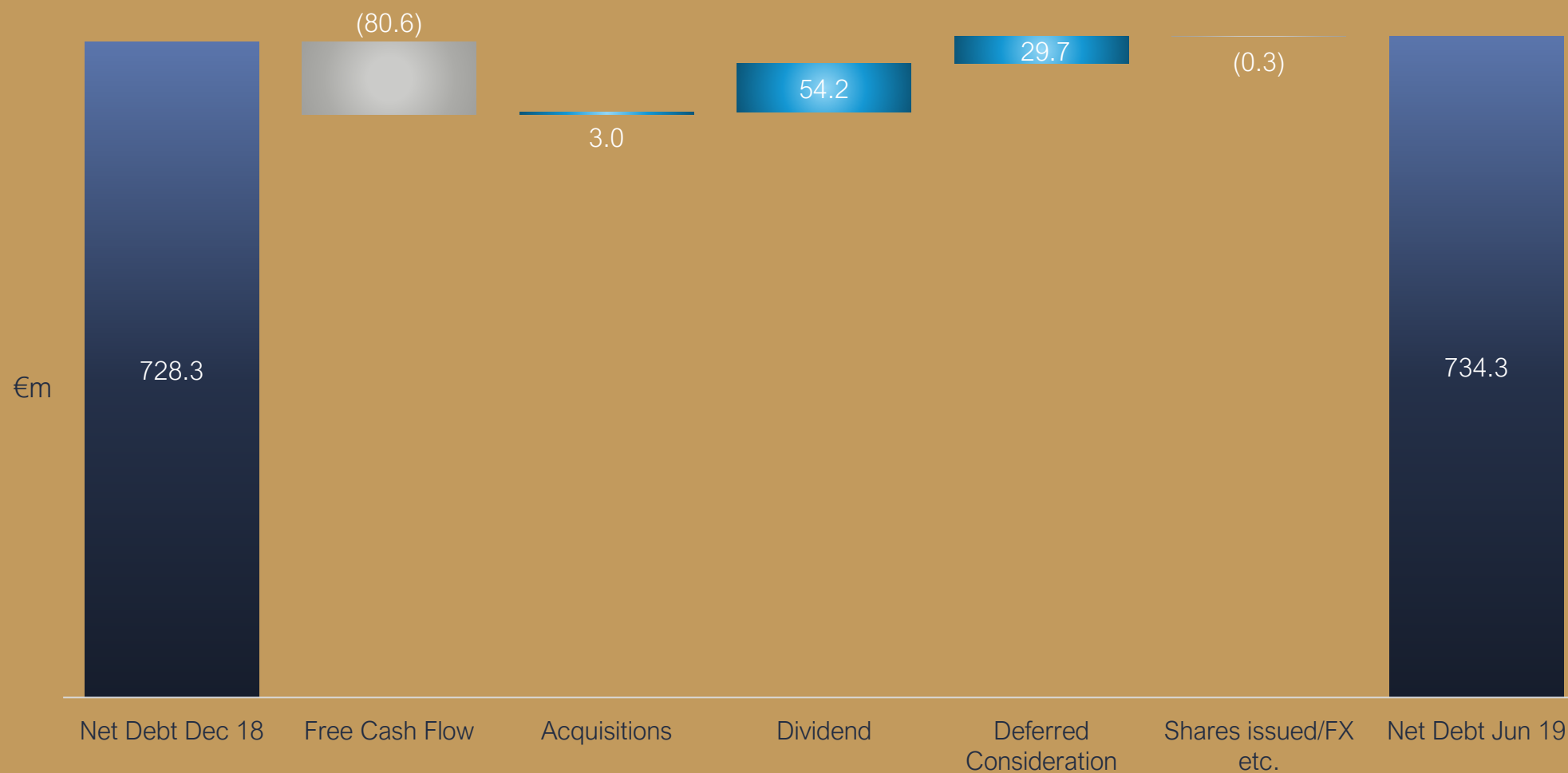
Trading Profit (€m)



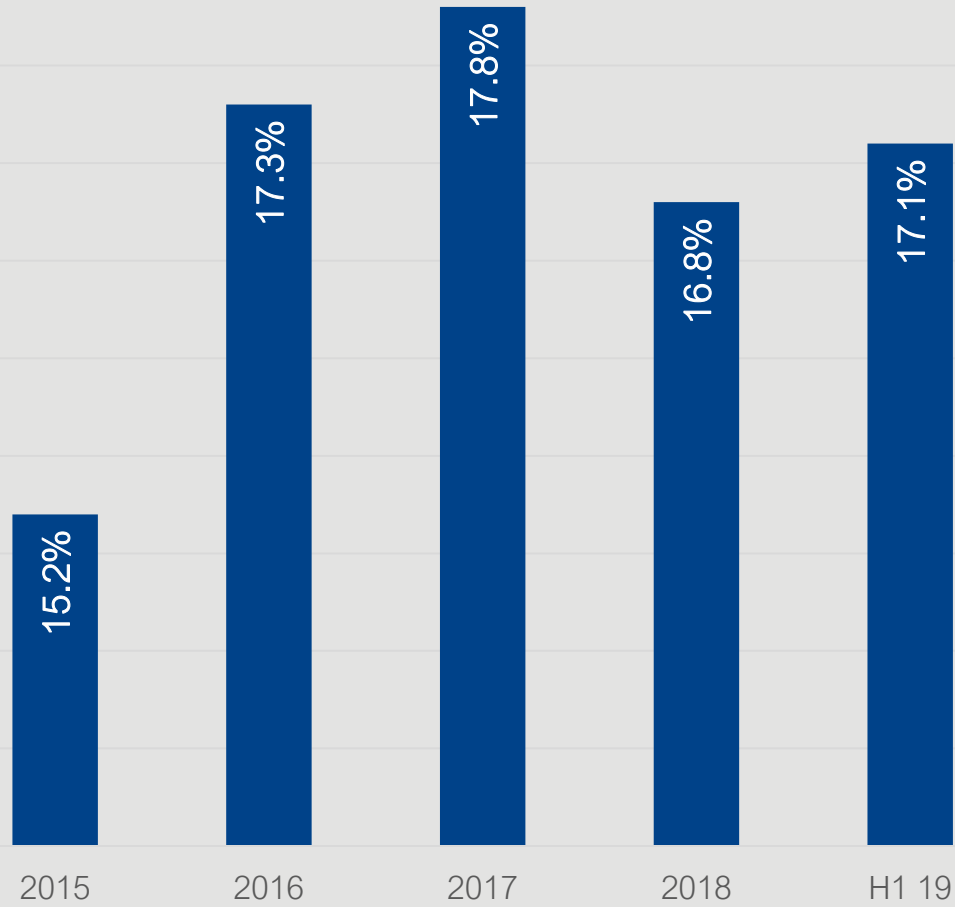
Strong Free Cash Flow



Net Debt Reconciliation



ROCE

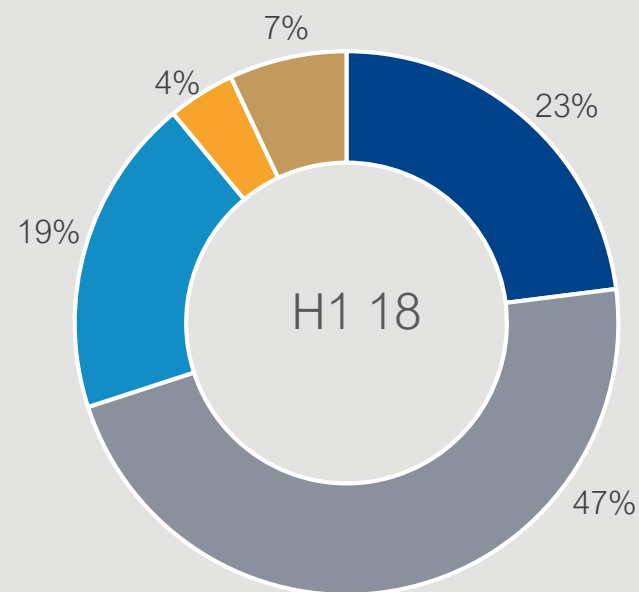
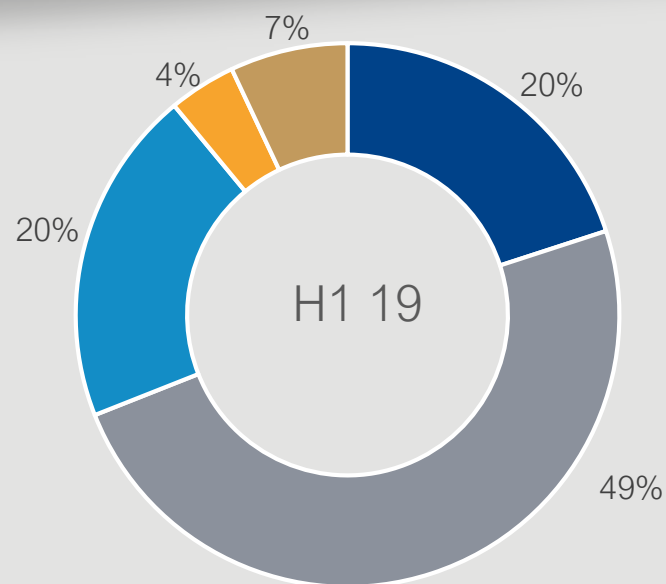


Strong Balance Sheet

- > Total available cash balances and committed undrawn facilities of €888.6m
- > 5 year €451m revolving credit facility - €20m of which was drawn at period end
- > Additional €300m Revolving Credit Facility arranged in June 2019 – this was undrawn at period end
- > Weighted average maturity of debt is 4.8 years



Sales by Geography



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

€m	H1 19	H1 18	Constant Currency Change	YoY % Change
UK	450.6	455.3	-2%	-1%
Mainland Europe	1,099.5	946.7	+16%	+16%
Americas	451.5	392.1	+11%	+15%
Republic of Ireland	93.8	76.9	+22%	+22%
Rest of World	147.7	138.9	+4%	+6%
Group Sales	2,243.1	2,009.9	+11%	+12%

Insulated Panels

- > Positive H1 2019 overall
- > Particularly strong outcomes in France and Spain. Momentum in conversion in France has continued while business has grown in Spain in line with wider recovery
- > Synthesia acquisition has performed excellently bolstered by significant operational and raw material synergies
- > Germany somewhat weaker with trend expected to continue for the foreseeable future
- > Central Europe performed solidly as did the Nordics. The Balex acquisition is integrating well and operating fully to plan
- > UK backdrop predictably negative albeit volumes only marginally down. Project pipeline is reasonably encouraging although we remain cautious given the heightened political uncertainty

	H1 19	H1 18
Sales (€m)	1,444.8	1,268.6
% of Group Sales	64%	63%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+3%	+1%	+10%	+14%



Seattle Opera Center, USA
Insulated Panels

Insulated Panels (cont.)

- > Good progress in the Americas
- > Continued growth in conversion and penetration rates in North America with strong near-term project pipeline
- > Three facilities in North America are now QuadCore™ enabled and specification effort has started in earnest
- > Business has performed well in Brazil despite the challenging economic environment. Focus on conversion from traditional building methods
- > Further organic expansion with a new plant in Modesto California nearing completion, plans for a new 2021 facility in Pennsylvania and a new facility in Cambuí Brazil operational by Q4 2019
- > Australia and New Zealand performed better than prior year while Middle East competitive environment remains a challenge

SFO Consolidated Administration Campus, USA
Insulated Panels



Insulation Boards

- > Segment performed exceptionally well during H1 19 driven by strong volume growth across Mainland Europe and Ireland and a solid outcome in the UK
- > Margins reached an all-time high benefitting from strong pricing in a deflationary raw material environment. However should gradually unwind in H2 19 and 2020
- > PIR regained competitiveness with share growth in Continental Europe while Nordics improved marginally
- > Q1 volumes exceptionally strong in UK albeit expected to turn in H2 as we prioritise margin over volume
- > Middle East benefited from growing transition to Kooltherm® based ducting
- > Activity in North America improved with increased XPS sales and a better Kooltherm® performance
- > Ireland Timberframe business experienced rapid growth in output and orderbook
- > New UK XPS plant is now operational as is the new Kooltherm® ducting line in the UAE

	H1 19	H1 18
Sales (€m)	450.5	428.9
% of Group Sales	20%	21%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
-	+1%	+4%	+5%

MedCar Showroom, Christchurch, NZ
Insulation



- > Encouraging growth over prior year
- > North America experienced a significant improvement on the West Coast as well as a notable advancement in the higher value Engineered Systems product set
- > First half order intake and the order bank indicate this trend continuing in North America for the remainder of the year
- > France performed solidly supported by the new facility in Lyon
- > Germany has been somewhat weaker
- > Benelux was stable with a strong order bank which should deliver an improved second half
- > In Ireland, the polycarbonate extrusion centre of excellence is operating well with ongoing expansion through 2020/2021

	H1 19	H1 18
Sales (€m)	142.9	128.6
% of Group Sales	6%	7%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+6%	+1%	+4%	+11%

*Astellas, Kerry, Ireland
Light & Air*



- > Activity across the segment somewhat mixed yet steady as a whole
- > Underlying revenue broadly flat with Continental Europe and the Nordics showing some improvement
- > Examine options for production closer to Benelux and France as we expand deeper into those markets
- > Stable performance in the UK
- > Australasia environment has been more challenging as the residential end market in New South Wales contracted further

	H1 19	H1 18
Sales (€m)	103.1	96.6
% of Group Sales	5%	5%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
-1%	-	+8%	+7%



Old Brora Distillery, Scotland
Water & Energy

Data & Flooring

- > Excellent performance during first half with revenue and margin growth
- > Continuing to expand its advanced product offering and global reach
- > North America particularly strong, with growth of data solutions, despite a relatively challenging office end market
- > UK market predictably weaker
- > Satisfactory growth over prior year in Australia
- > Data Solutions now represents over 50% of global revenue
- > Acquisition of WeGo in Germany in conjunction with Belgian business will advance presence across the continent
- > Data solutions project pipeline is strong and should support continued growth in H2 and beyond

	H1 19	H1 18
Sales (€m)	101.8	87.2
% of Group Sales	5%	4%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+13%	+4%	-	+17%

*Samson Place, Peterborough, UK
Data & Flooring*



Outlook

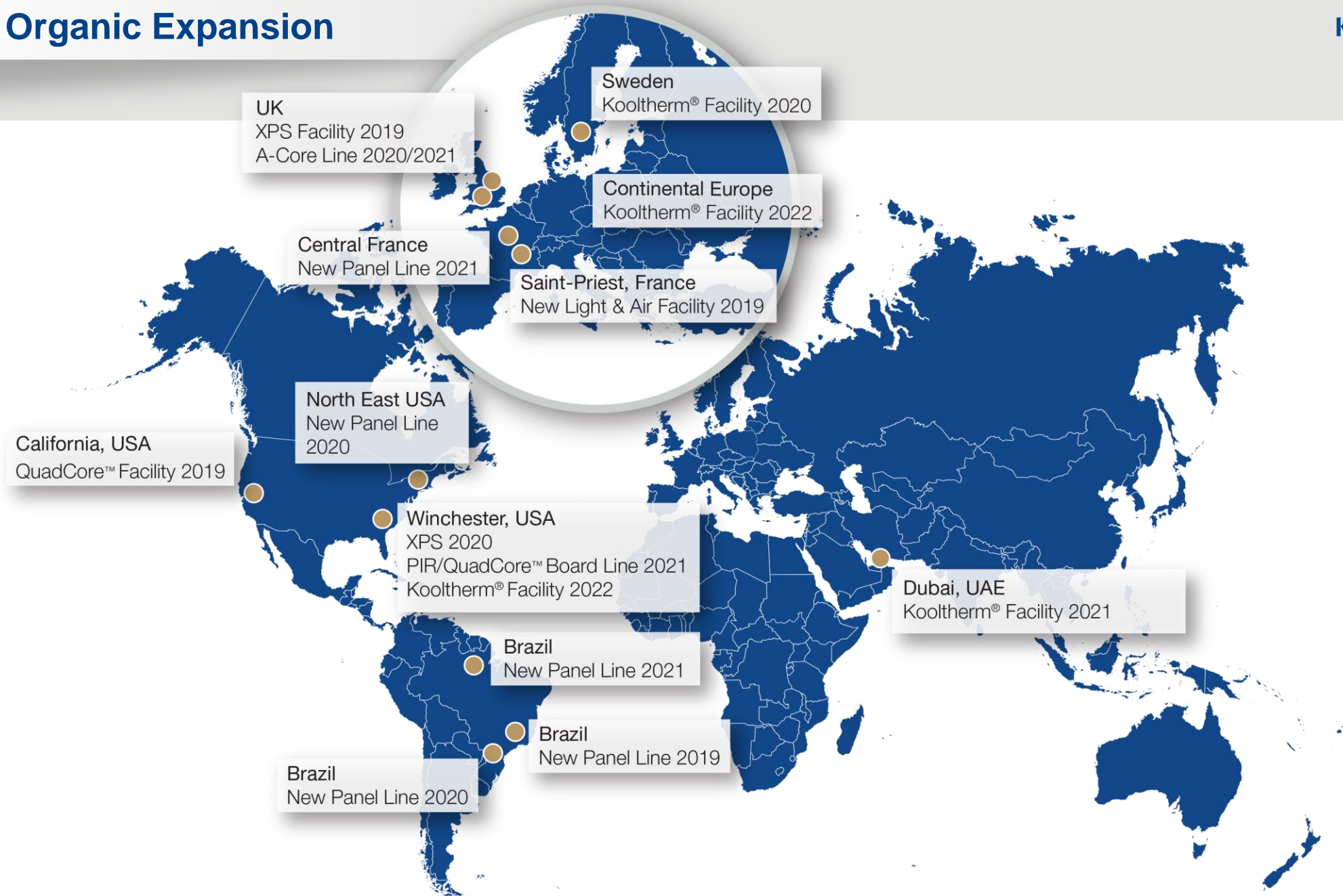
- > Enter second half with decent order books on hand and intake patterns have been broadly solid through the early part of H2
- > Mindful that the UK environment is highly uncertain while the trading environment in Germany is tough with no near term sign of that changing
- > Second half of the year has a steeper comparative overall exacerbated by the impact of a weaker Sterling exchange rate on translation
- > Nonetheless our business is in good shape and the quality of our proposition, diversity of end markets and conversion to energy efficient construction methods, position Kingspan well for the years ahead



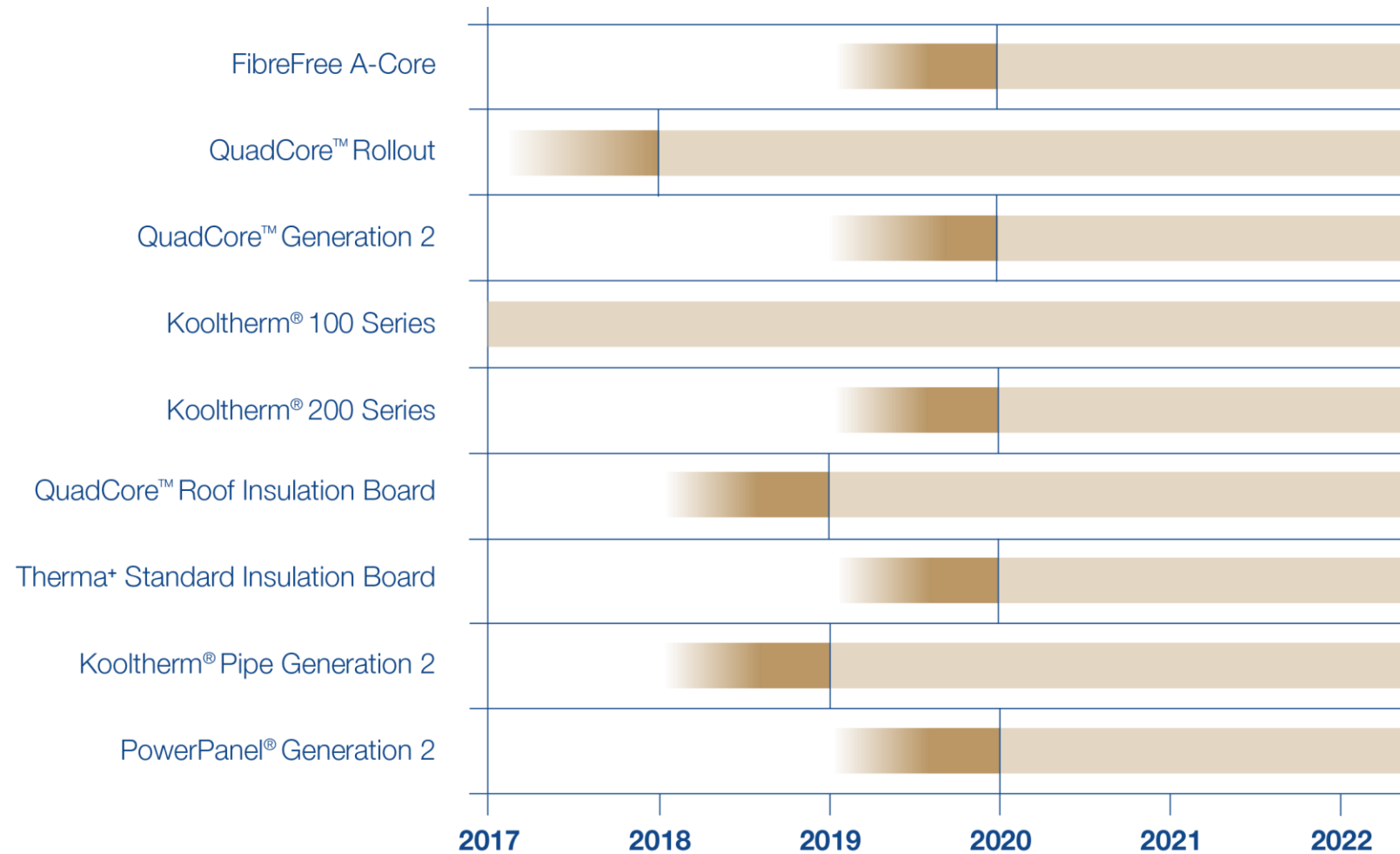


Additional Information

Global Organic Expansion



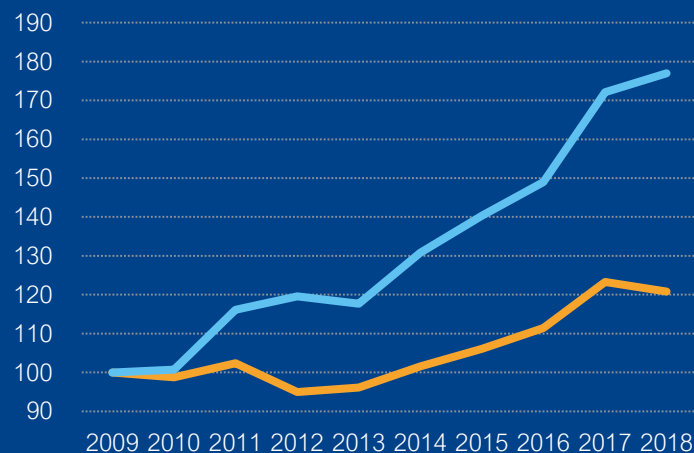
Key Innovations



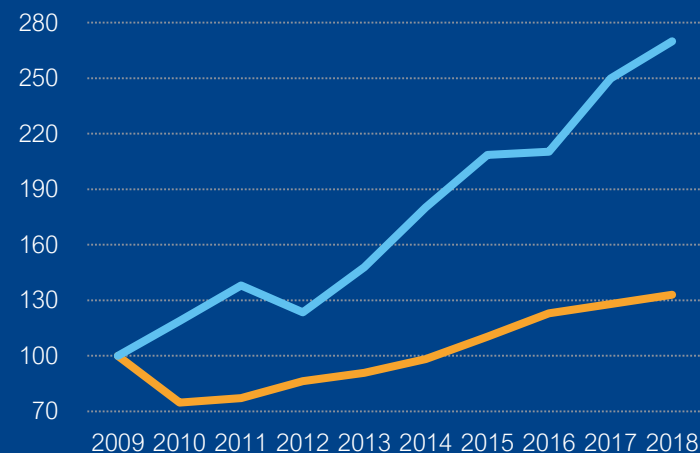
Kingspan V Construction Macro



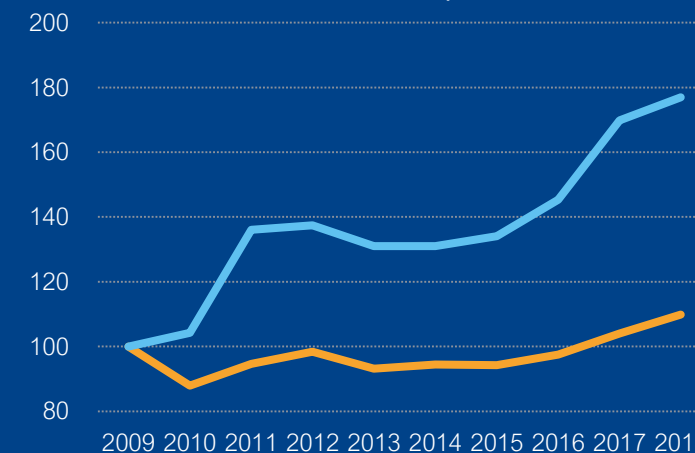
UK



US



Western Europe



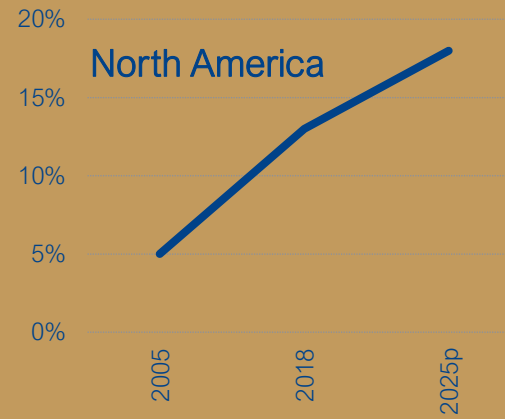
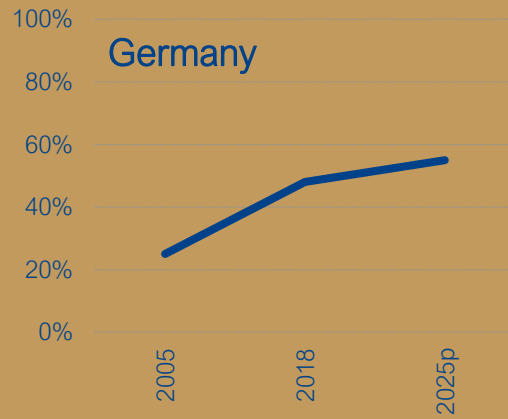
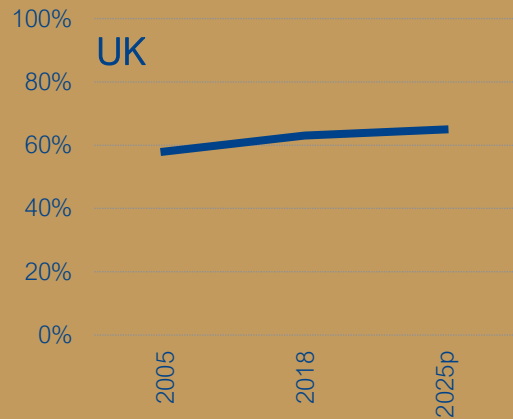
— Macro — Kingspan

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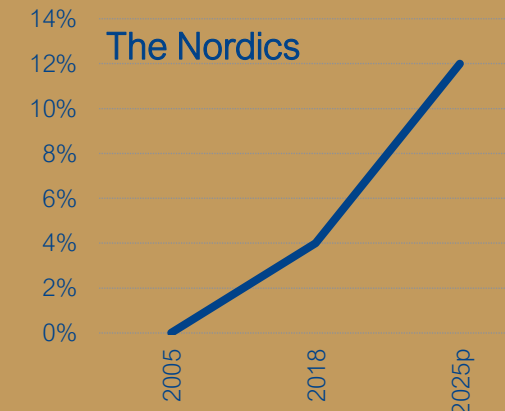
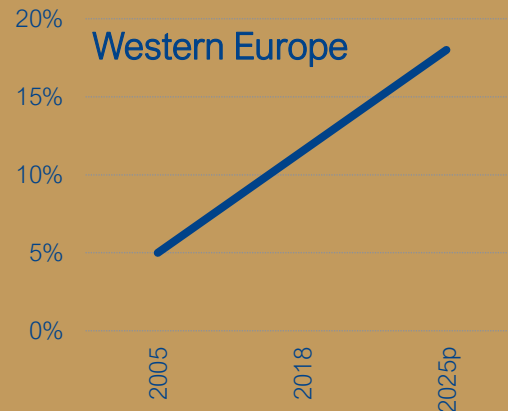
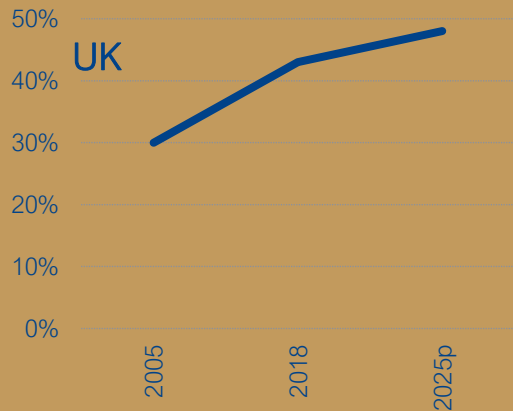
- 1 UK – Kingspan UK Insulated Panels + Insulation Board underlying sales, rebased for acquisitions; UK National Statistics Construction Output Non-Res data
- 2 US – Kingspan US Insulated Panels + Insulation Board underlying sales, rebased for acquisitions; US Census Bureau Non-Res Construction Spending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