
2020 INTERIM RESULTS

21st August 2020

Disclaimer

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Our Mission

To accelerate a **net-zero emissions built environment** with the **wellbeing** of **people** and **planet** at its heart.



Ultra Energy-Efficient

172 million tonnes of CO₂ will be saved over the life of our insulation systems sold in 2019



Net-Zero Carbon

Over 90% reduction in energy carbon intensity per euro of revenue since 2012



Circular Materials

In 2019 alone we upcycled 385 million waste plastic bottles



Natural Daylight & Ventilation

The capacity to create 9 billion lumens of natural light annually through our daylighting systems



Conserved Water

Over 75 billion litres of rainwater has been harvested by our rainwater systems

The Envelope

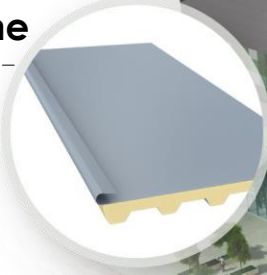
Insulation Boards
Global Leader
18% Revenue



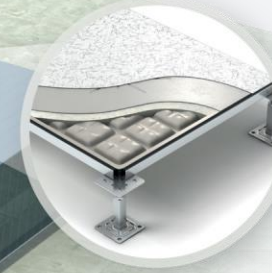
Insulated Panels
Global Leader
64% Revenue



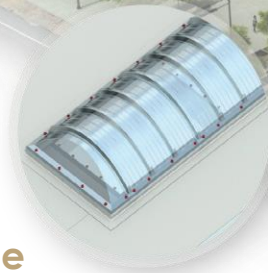
Flat Roof Membrane
*Embryonic position presently –
global scale opportunity*



Data & Flooring
Global Leader
5% Revenue



Light & Air
Global Leader
8% Revenue



Industrial Insulation
*Embryonic position presently –
global scale opportunity*



Water & Energy
Global Leader
5% Revenue



Megatrends That Drive Us



Politics and Regulation

Averting a climate emergency

Paris Agreement goal to limit the temperature increase above pre-industrial levels to **1.5°C**



Market and Customers

Future proofing of asset values

7% increase in asset value of green buildings above the value of traditional buildings¹

Growth of new industry

2x increase in share of online as a percentage of retail sales in the first half of 2020 over 2019²



Sustainability and Resilience

Resource Scarcity

No.1 consumer of global raw materials is the construction industry

Sustainability requirements

50% of the solid waste in the United States is produced by the construction industry

Energy and Climate Change

30% of global greenhouse gas emissions are attributable to buildings



Society and Workforce

Health/comfort needs of citizens

8-11% productivity improvements are not uncommon as a result of better air quality³

Talent and ageing workforce

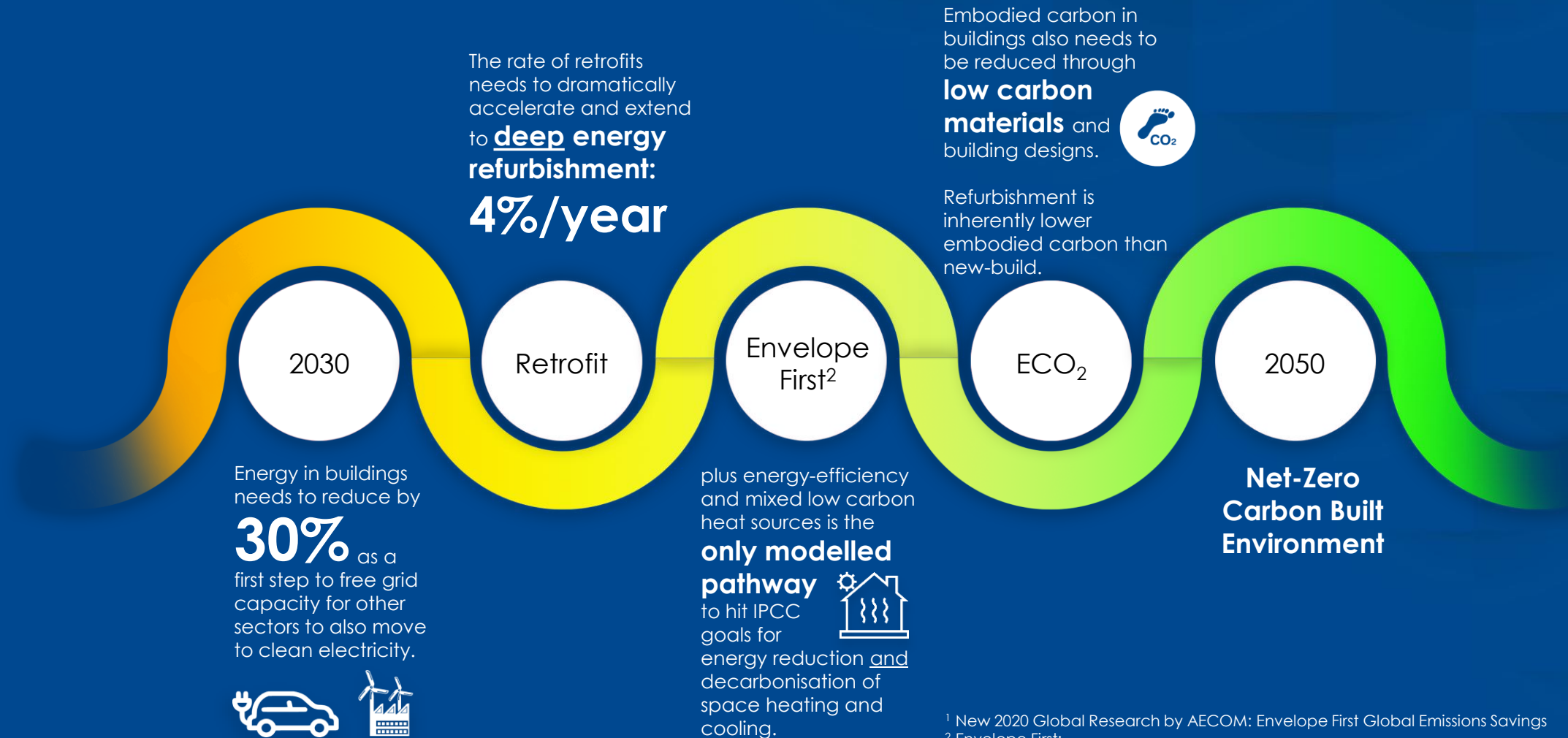
50% of general contractors are concerned about finding experienced crafts workers for their workforce

Source: The Future of Construction, World Economic Forum

Note 1 – Source: Dodge Data & Analytics 2018

Note 2 – Source: JLL preliminary research

Note 3 – Source: World Green Building Council

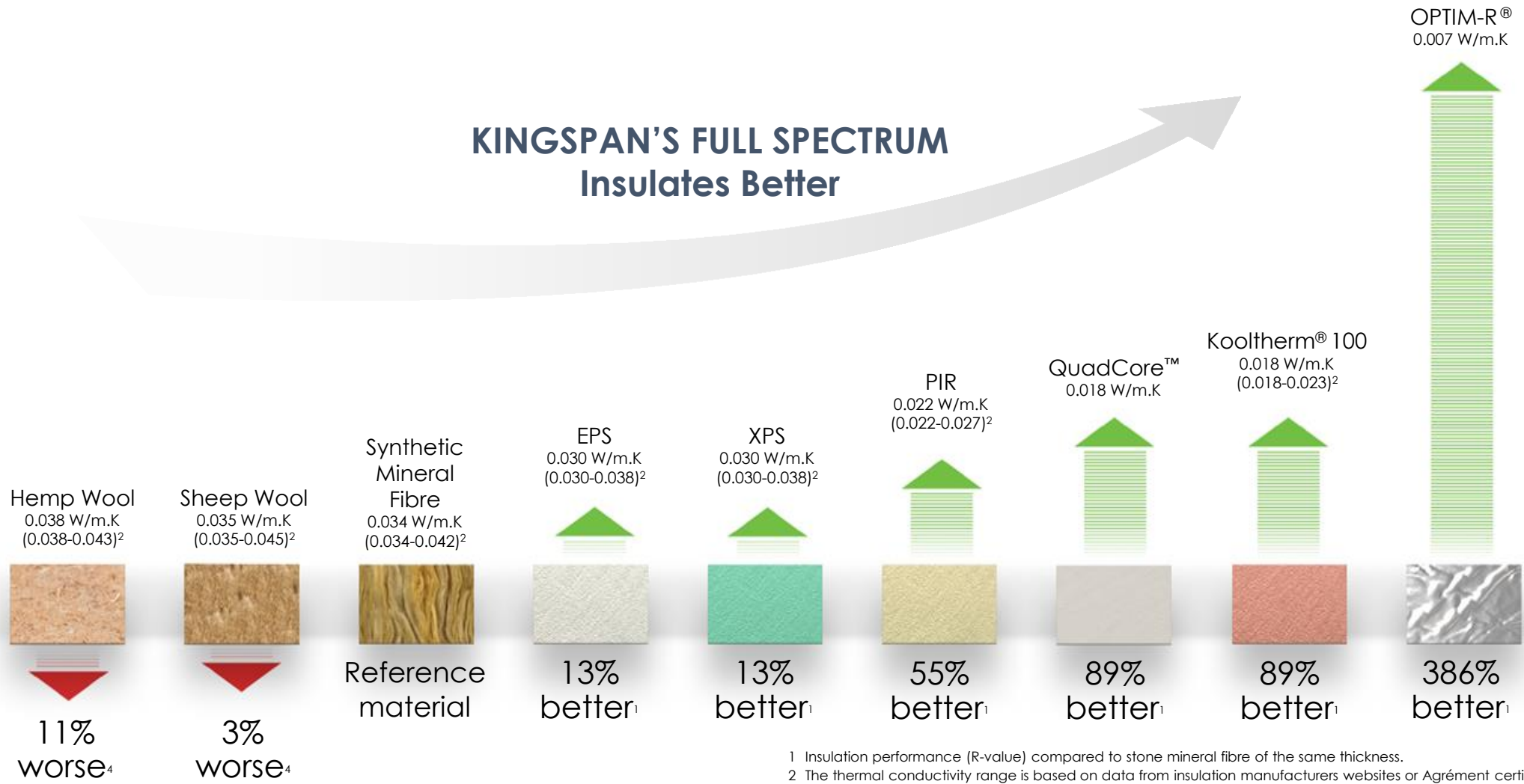


¹ New 2020 Global Research by AECOM: Envelope First Global Emissions Savings

² Envelope First:

- Limit the use of unnecessary energy using envelope optimisation.
- Ensure that the remaining energy requirements are served efficiently.
- Meet energy demands using renewable sources.

Better Insulation is the Cornerstone of Envelope First



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.
 4 % Change v mineral wool (based on R-value for same thickness).

Solutions Driven Innovation – QuadCore™ versus Synthetic Mineral Fibre¹



Market and
Customers

25% lower panel
system cost²

20% savings in
installation costs

20-30% savings in
accessories

6 more BREEAM credits
enabled than typical retail
or distribution warehouse



Sustainability and
Resilience

297 fewer truck deliveries
to site

1,300 tonnes lighter facade
with savings in structure
& foundation

15% contains up to 15%
recycled content when
upcycled PET is
incorporated



Society and
Workforce

12% savings in installation time
(faster build programme)

60mins fire resistance (EI 60)³



Politics and
Regulation

40year **thermal performance
guarantee**

POWERED BY
QuadCore
TECHNOLOGY



VS



Synthetic
Mineral Fibre

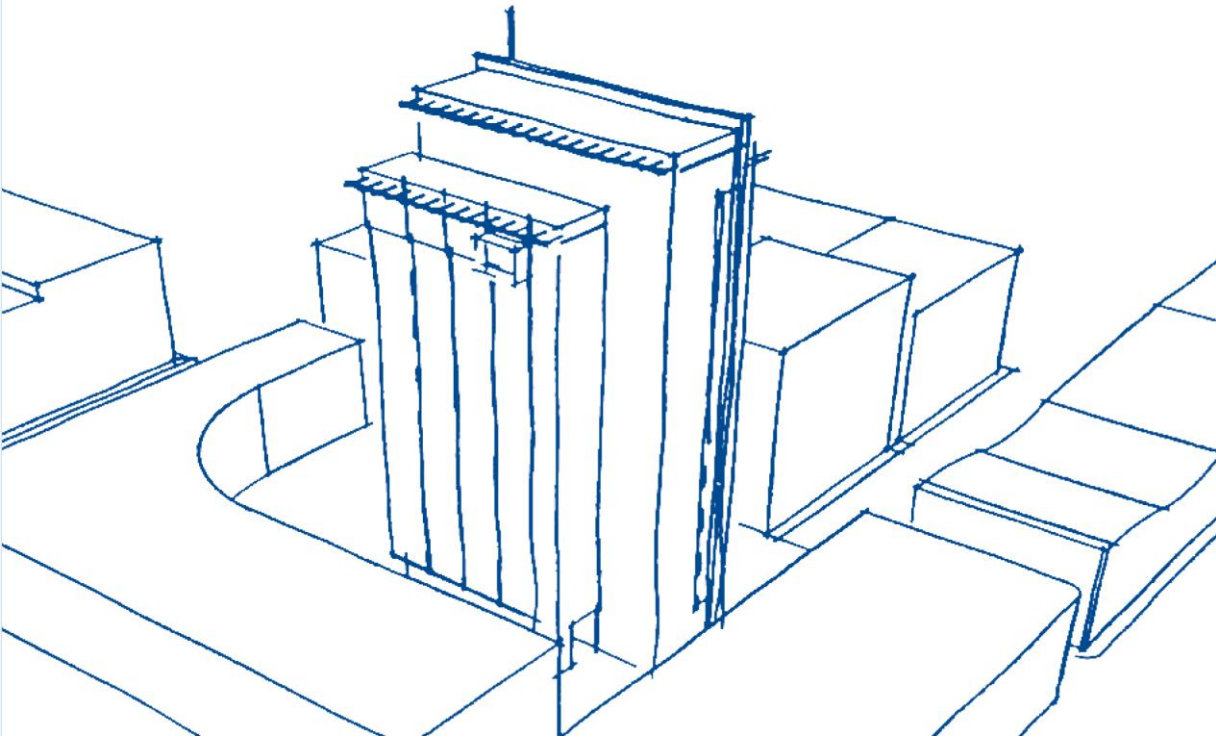
Estimates based on a 100,000m² facility

¹ Estimates based on a 150mm QuadCore™ wall panel system versus a 300mm
Synthetic Mineral Fibre wall panel system (to achieve equivalent U-value)

² Estimate based on Continental European prices

³ QuadCore™ AWP-S 150mm wall panel system tested to EN 1364-1

London, Office Tower



Description	Value
Wall build-up	Kingspan Kooltherm® K15 Rainscreen Board with Glass Mineral Fibre
Lettable floor area	15,650 sq.m (168,455 sq.ft)
Additional floor area	126.50 sq.m (1,361.63 sq.ft)
Additional development cost	£142,172.00 or 0.22%
Capitalised value of additional space	£1,766,384.00

1,142%

Return on additional CapEx

We are



Energy

- Our **Net-Zero** energy status maintained
- Increase our direct use of renewable energy to **60%** by 2030
- Increase our on-site generation of renewable energy to **20%** by 2030
- Install **Solar PV** systems on all wholly owned facilities by 2030



Carbon

- **Net-Zero** carbon manufacturing by 2030
- **50%** reduction in product CO₂ intensity from our primary supply partners by 2030
- **100%** zero emission company funded cars by 2025



Circularity

- **1 billion** PET bottles upcycled into our manufacturing processes by 2025
- All QuadCore™ insulation to utilise **upcycled PET** by 2025
- **Zero** company waste to landfill by 2030

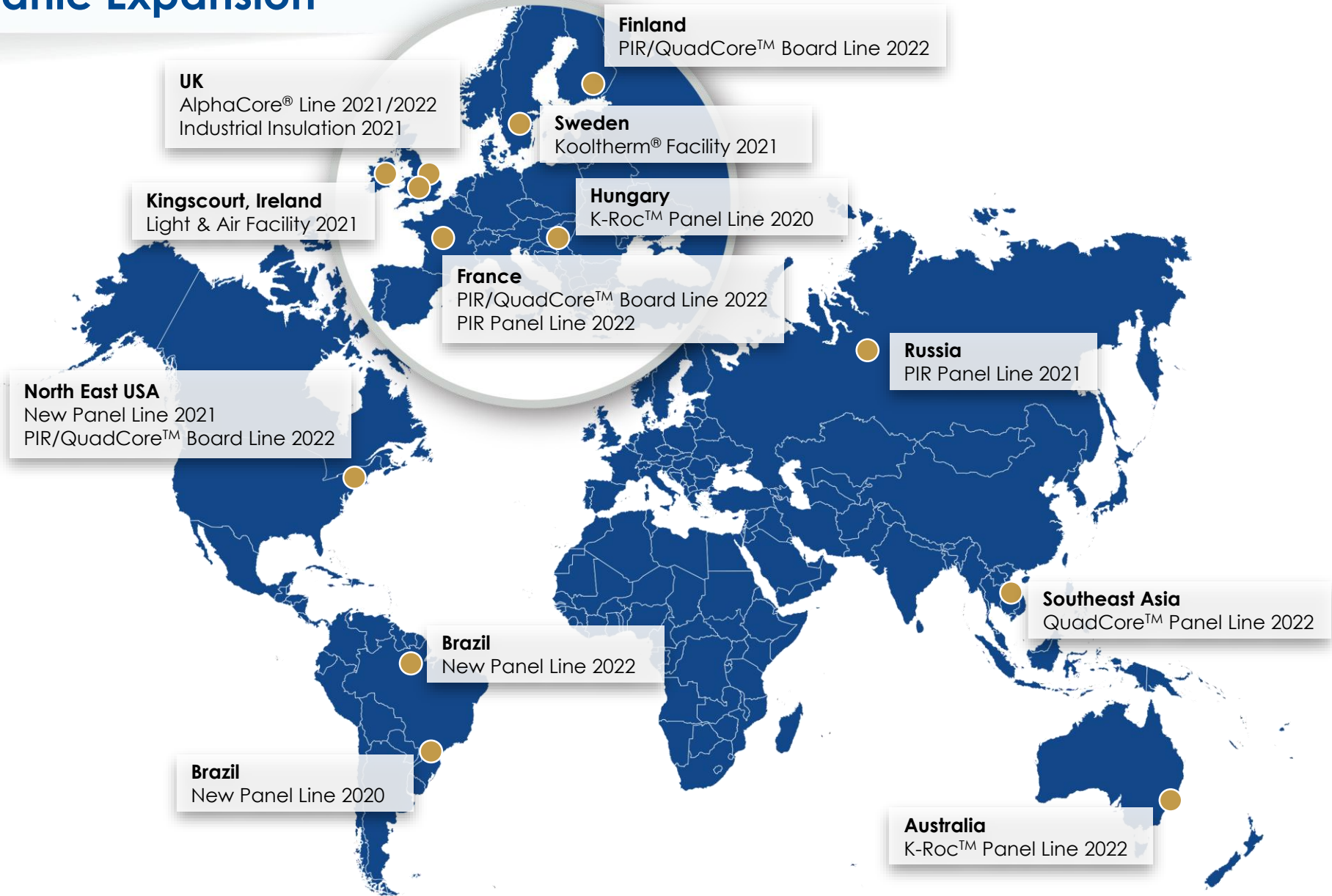


Water

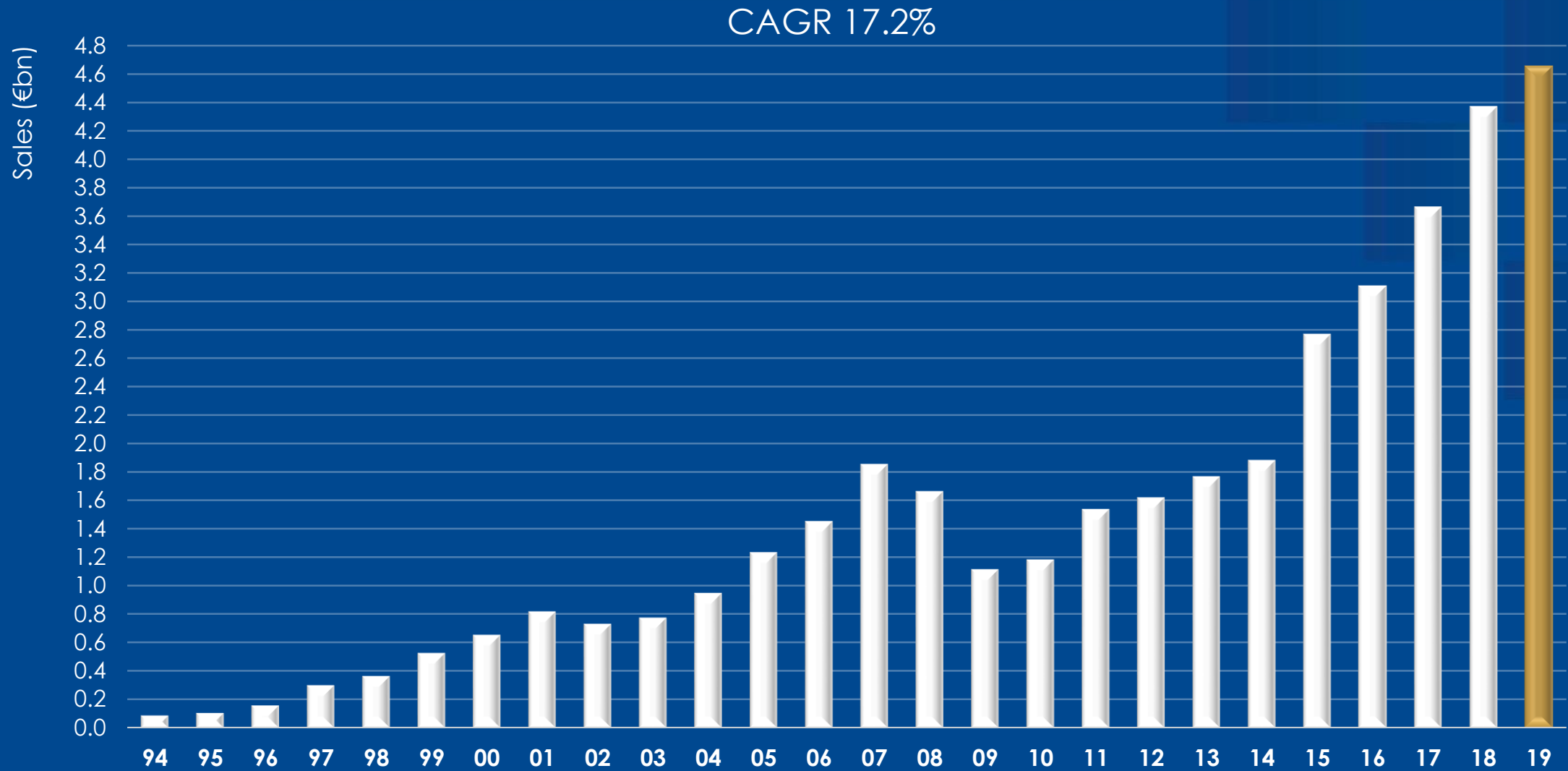
- **5** active ocean clean-up projects by 2025
- **100 million** litres of rainwater harvested by 2030



Global Organic Expansion



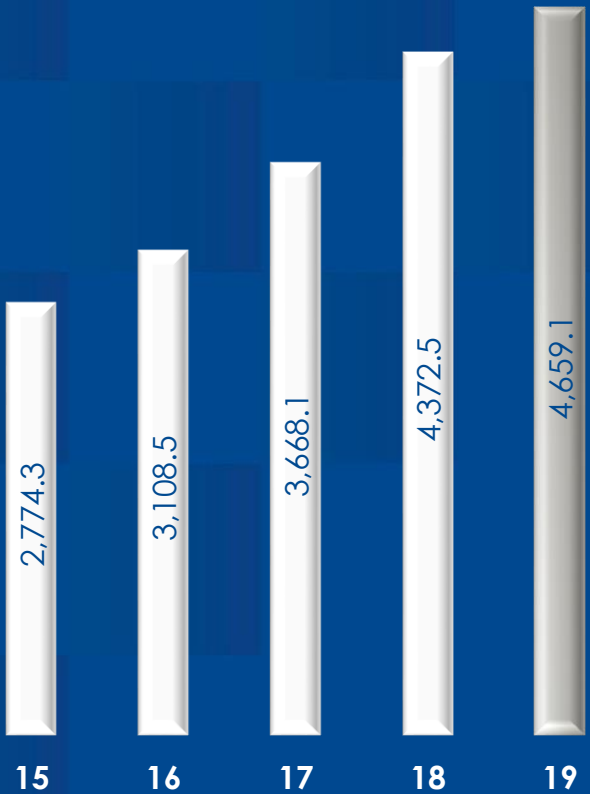
Progress So Far



5 Year Financial Performance

Revenue (€m)

CAGR (13.8%)

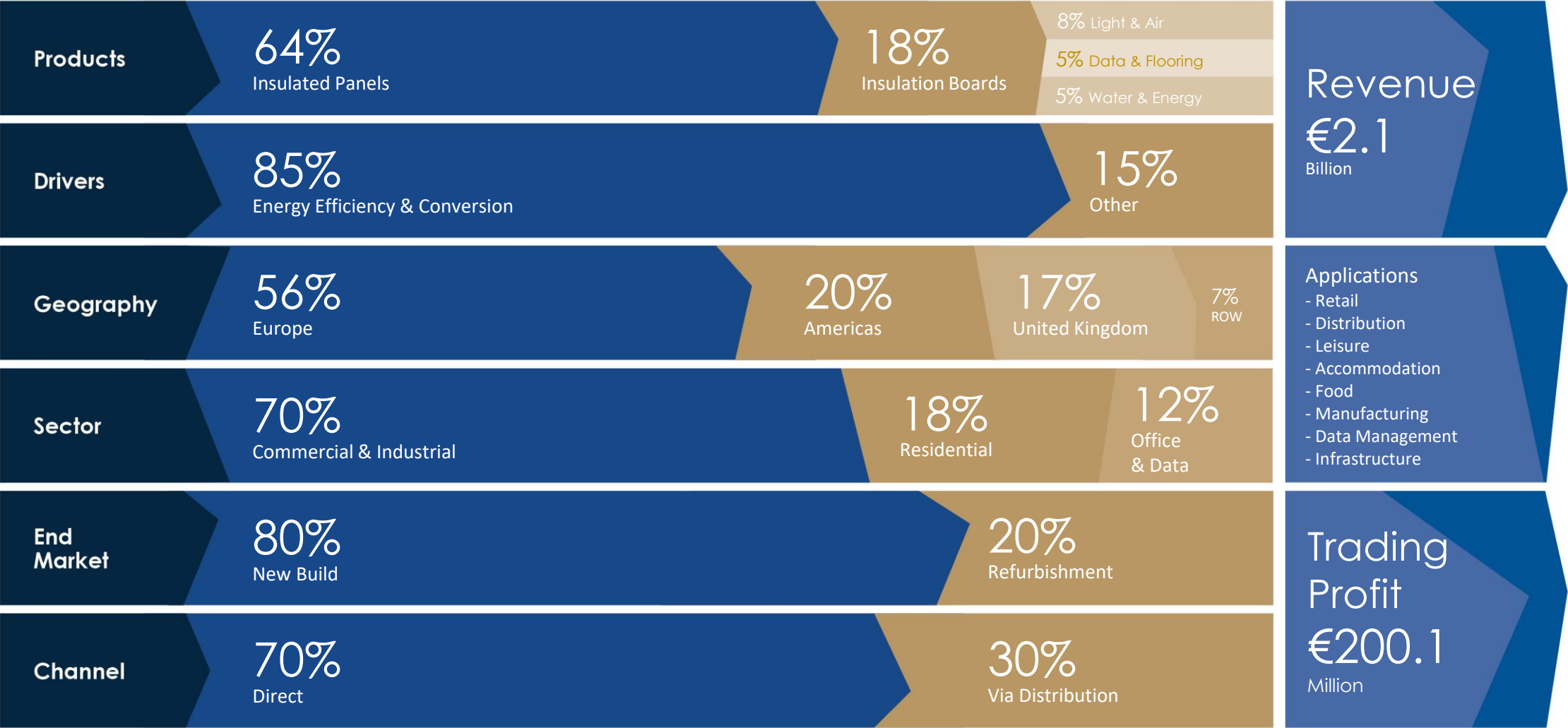


Trading Profit (€m)

CAGR (18.1%)



2020 H1 In A Nutshell



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

2020 H1 In Summary

- > Insulated Panels sales decrease of 8%. Good recovery in key markets particularly in Europe. UK slower to recover with Americas softer recently. Continued progress on QuadCore™ adoption and Bacacier integrating well
- > Insulation Boards sales decrease of 18%. Positive Kooltherm® performance. UK and Ireland experiencing more prolonged disruption than Mainland European and North American markets. Australasia relatively resilient
- > Light & Air sales growth of 20%. Another milestone marked in the period with acquisition of Colt Group significantly adding to the scale and breadth of the category and service offering
- > Water & Energy sales decrease of 10% with solid rainwater harvesting and wastewater activity
- > Data & Flooring sales growth of 6% with strong data centre activity overall

Revenue
down 8% to
€2.1bn

Trading Profit
down 13% to
€200m

Basic EPS
down 15% to
79.8c

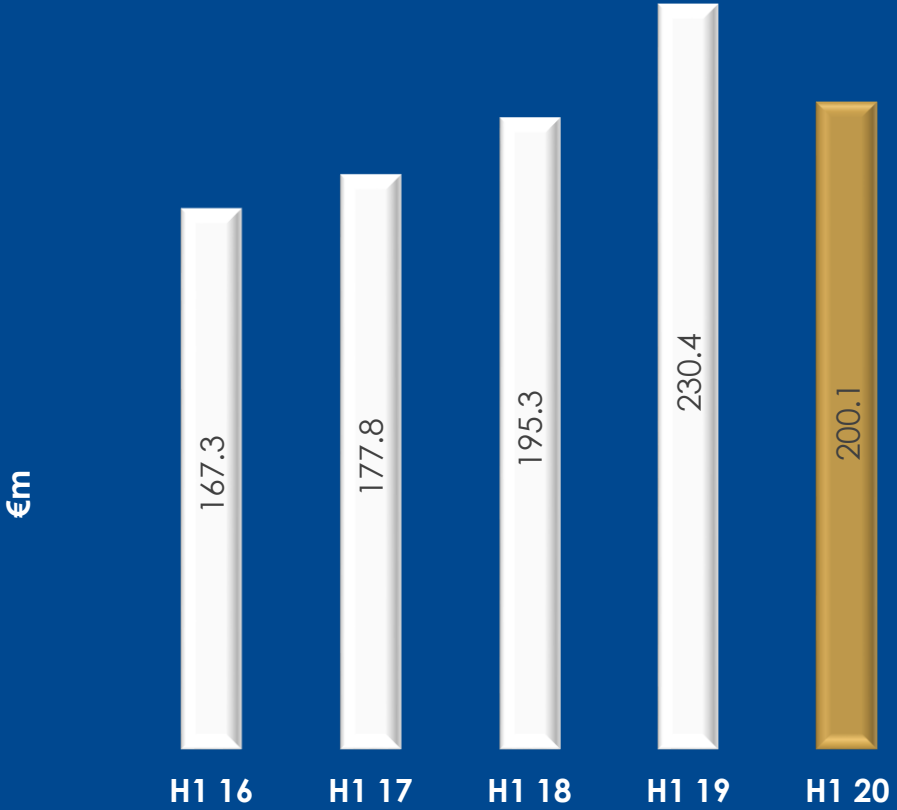
Financial Highlights

	H1 2020	H1 2019	Change	CC Change*
Revenue (€m)	2,072.7	2,243.1	-8%	-7%
Trading Profit (€m)	200.1	230.4	-13%	-12%
Earnings per share (cent)	79.8	93.8	-15%	
Interim Dividend (cent)	-	13.0	-100%	
Free Cashflow (€m)	260.4	80.6	+223%	
Net Debt (€m)	437.9	734.3	-296.4m	
Trading Margin	9.7%	10.3%	-60bps	
Net Debt/EBITDA	0.79x	1.31x	–	
Effective Tax Rate	16.9%	17.1%	-20bps	
ROCE	16.9%	17.1%	-20bps	

* Constant currency change

Trading Profit & Margin

CAGR 4.6%



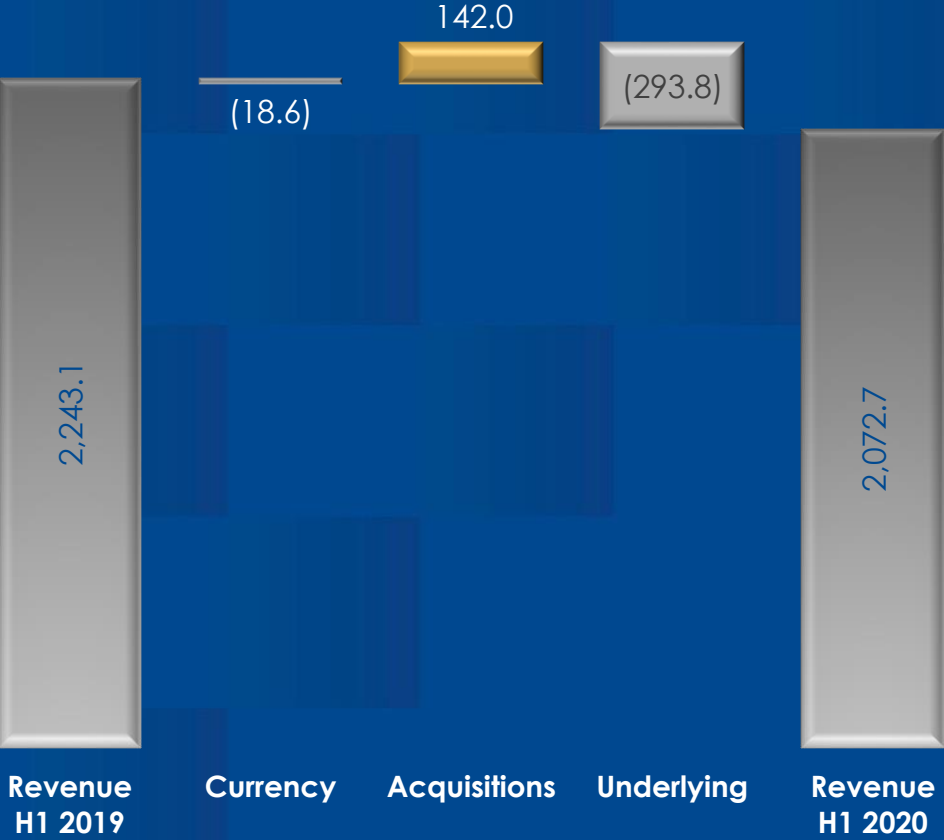
Trading Margin	H1 20	FY 19	H1 19
Insulated Panels	9.3%	10.4%	10.1%
Insulation Board	13.2%	13.4%	13.4%
Light & Air	4.4%	7.7%	4.3%
Water & Energy	7.4%	6.8%	5.7%
Data & Flooring	12.8%	11.4%	11.2%
Group	9.7%	10.7%	10.3%

Broadwater Bay Business Park, Montana, USA
Dri-Design

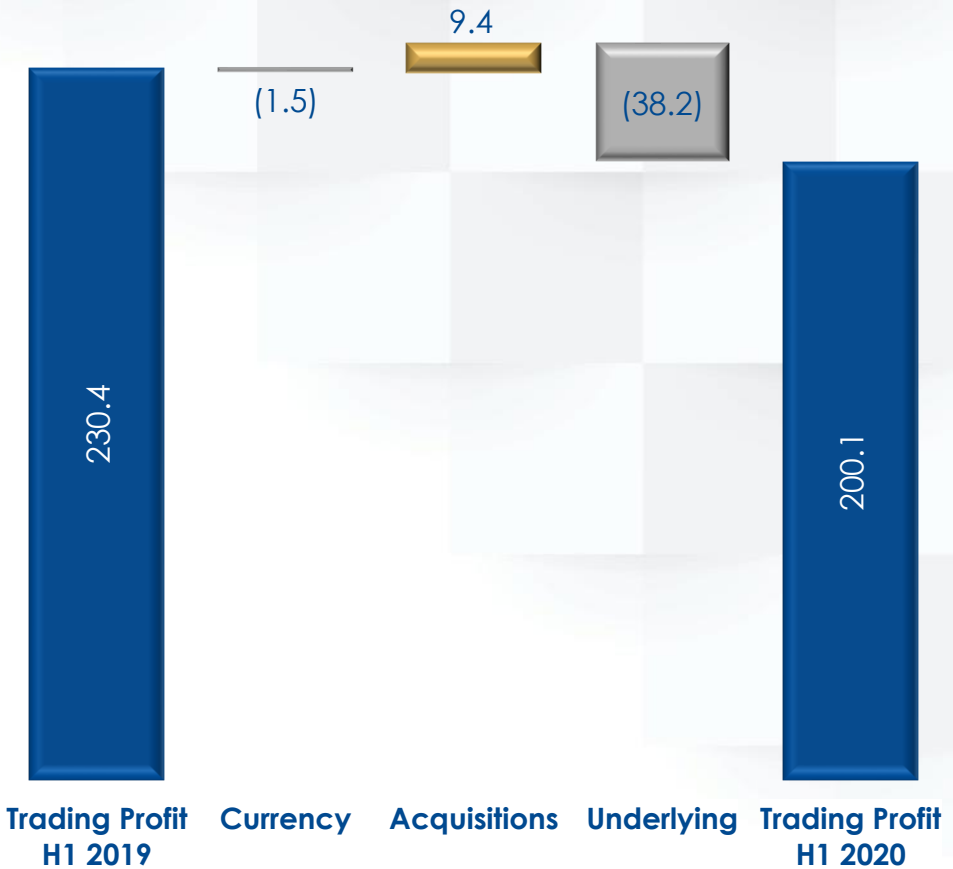


Group Sales & Profit Bridge

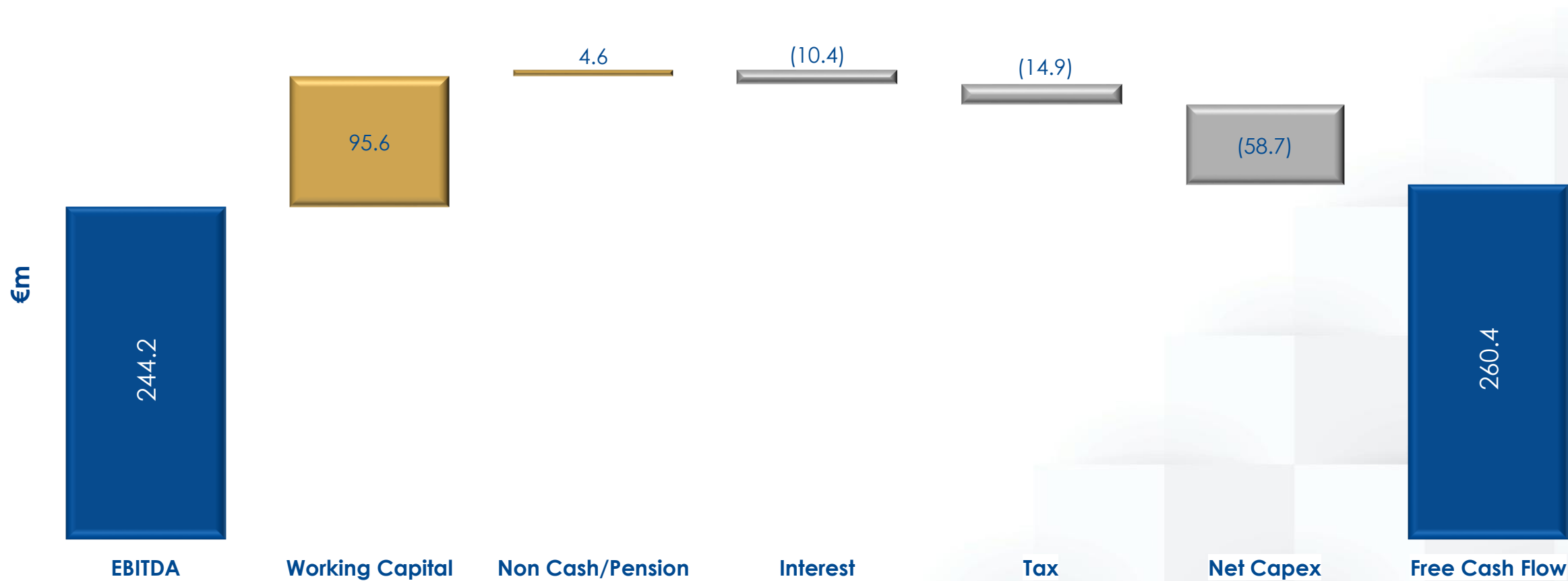
Revenue (€m)



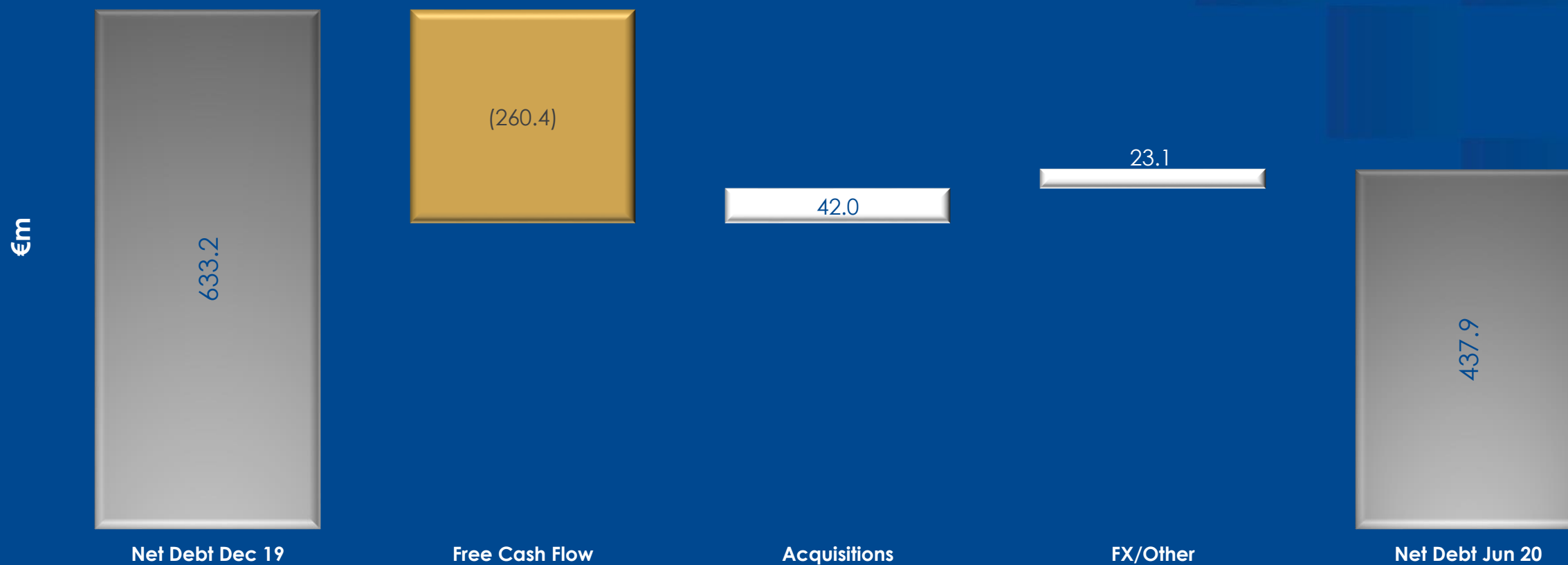
Trading Profit (€m)



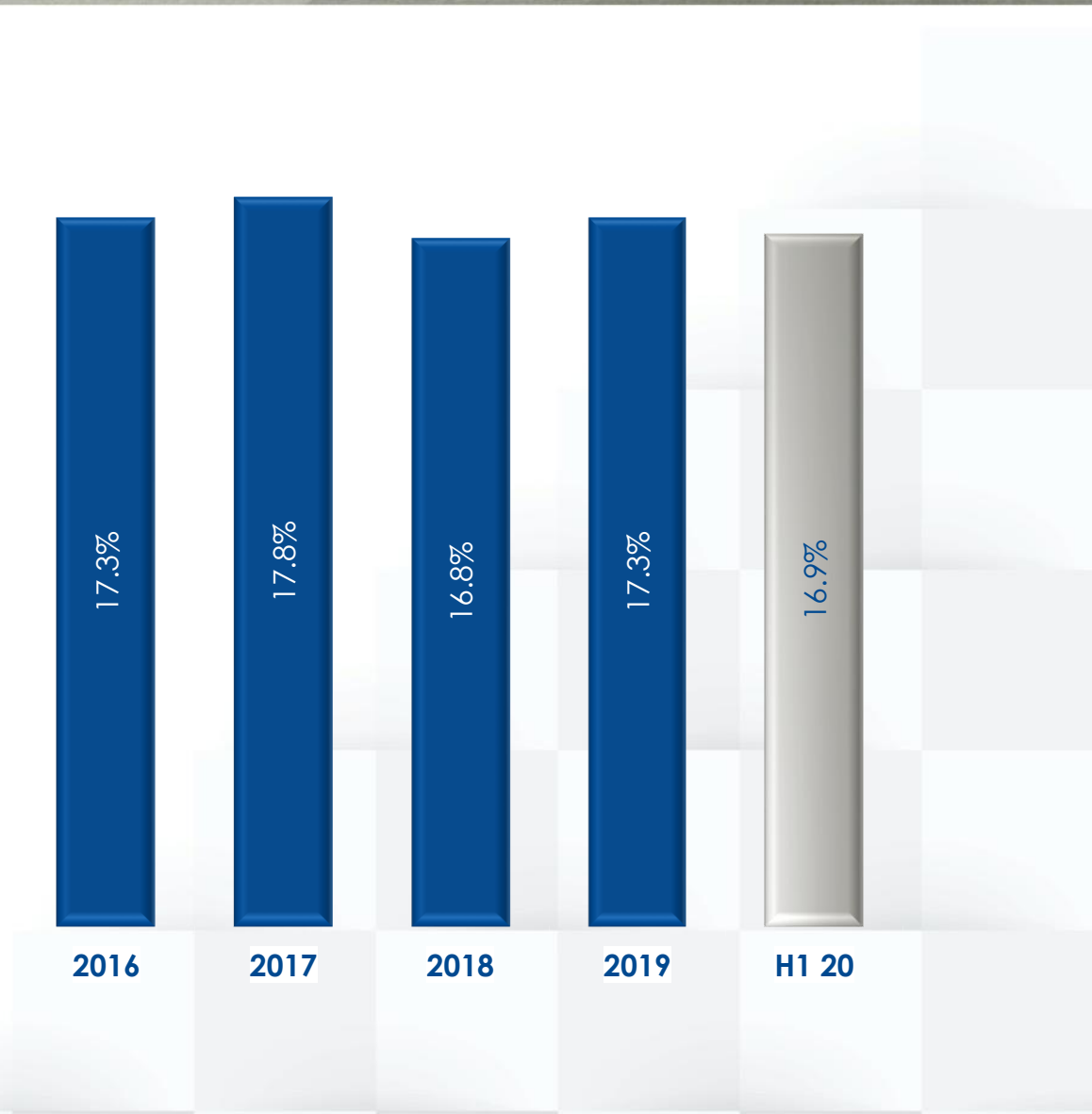
Strong Free Cash Flow



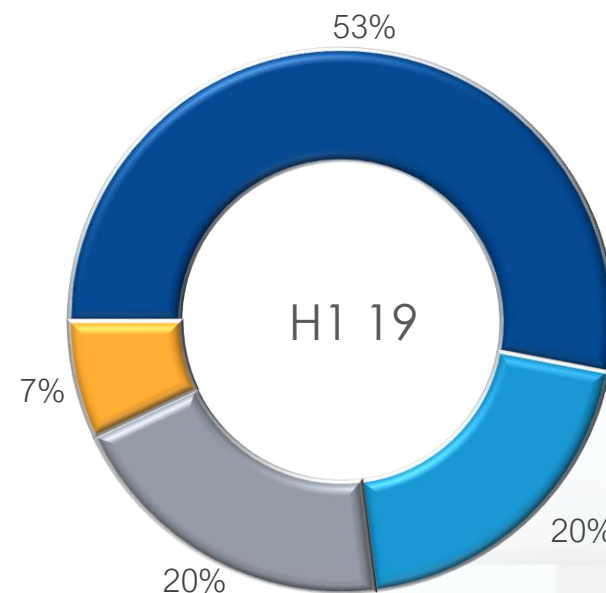
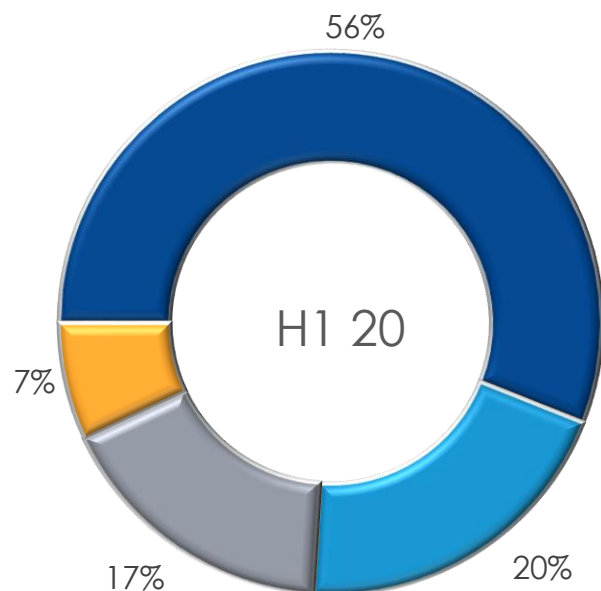
Net Debt Reconciliation



Strong ROCE



Sales by Geography



■ Europe ■ Americas ■ UK ■ Rest of World

€m	H1 20	H1 19	YOY % Change	Constant Currency Change
Europe	1,156.5	1,193.3	-3%	-3%
Americas	426.6	451.5	-6%	-3%
UK	350.9	450.6	-22%	-22%
Rest of World	138.7	147.7	-6%	-5%
Group Sales	2,072.7	2,243.1	-8%	-7%

Strong Balance Sheet

- > €300m revolving credit facility arranged in June 2019 – undrawn at 30 June 2020
- > €451m revolving credit facility in place until June 2022 – undrawn at 30 June 2020
- > €50m green loan to fund Planet Passionate initiatives signed in February 2020, fully drawn.
- > Total available cash balances and committed undrawn facilities of €1,182m
- > Weighted average maturity of debt is 3.8 years

*Eyescan, Utrecht
Insulated Panels*



Insulated Panels

- > Global order intake down 7% in the first six months of 2020 having started the year ahead
- > Backlog volume is 8% ahead pointing towards strong near-term deliveries assuming markets are open and receptive
- > Intake picture varies by region and although still relatively strong in Germany, France, the Benelux and Brazil, other key markets such as the UK and North America have weakened
- > Overall QuadCore™ represented 12% of insulated panel sales revenue in the period (H1 19: 8%)
- > In Europe markets have behaved differently with Germany largely unaffected, France well recovered after effective closure in April and the Benelux performing steadily
- > Central & Eastern Europe was a little behind but very robust in Poland
- > UK has been disappointing

	H1 20	H1 19
Sales (€m)	1,332.0	1,444.8
% of Group Sales	64%	64%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
-12%	-1%	+5%	-8%



Istanbul Airport Hangar, Turkey
Insulated Panels

Insulated Panels (cont.)

- > During the first half the US performed exceptionally well as the business traded largely uninterrupted, as was also the case in Brazil, supported by the new facility close to Sao Paulo
- > Canada took more extreme measures and as a result trading was significantly behind the same period in 2019, and particularly in the second quarter
- > Ireland performed weaker than any of our regions globally
- > Australasia did ease back but still performed robustly all things considered and intake in this region has been strong

MIVB Haren, Belgium
Insulated Panels



Insulation Boards

- > Pattern of sales in Insulation Boards mapped a similar path to that of Insulated Panels
- > Of note, strong performance in Western European markets, in particular the Netherlands, Germany and Denmark
- > Construction activity severely impacted in the UK with revenue significantly down. This has improved in recent months although still trailing prior year
- > Ireland revenue virtually halted for April and much of May and has since rebounded strongly
- > North America delivered growth with all product categories making progress
- > Australasia resumed growth, taking share from traditional materials
- > Middle East heavily impacted by shutdowns but has since begun to recover

	H1 20	H1 19
Sales (€m)	367.9	450.5
% of Group Sales	18%	20%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
-18%	-	-	-18%

Windermere Jetty, UK
Insulation

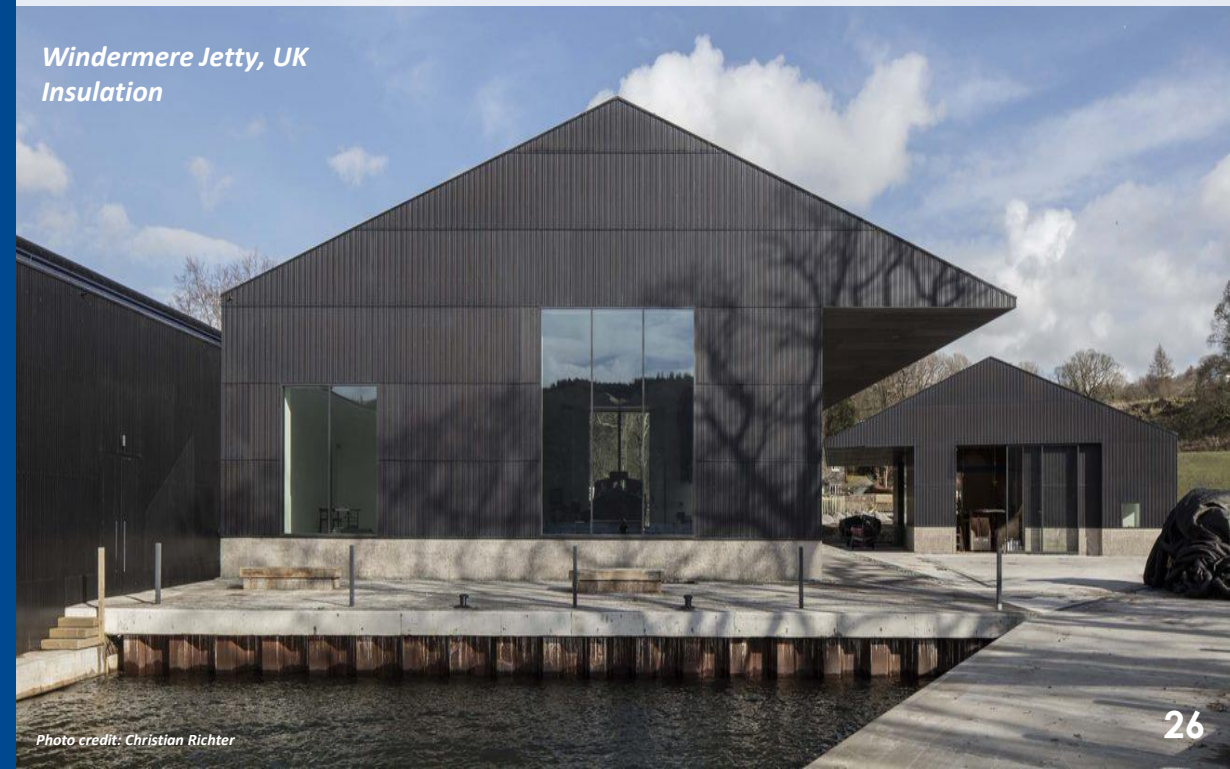


Photo credit: Christian Richter

Light & Air

- > Overall the business performed robustly through the turbulence of H1, albeit like-for-like revenue negatively impacted
- > Before and since then the underlying operation grew encouragingly in France and Germany
- > More challenging in the US compared to strong prior year performance
- > Colt acquisition completed in April and despite obvious hurdles is integrating to plan
- > H2 focus on regional integration of Colt
- > Ongoing assessment of further opportunities in Europe and beyond

	H1 20	H1 19
Sales (€m)	171.9	142.9
% of Group Sales	8%	6%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
-9%	-	+29%	+20%



Wilmington Basketball Centre, US
Light & Air

Water & Energy

- > Overall this business suffered at a revenue level in the UK and Ireland due to lockdown measures
- > Cost containment in these regions was particularly effective in delivering a relatively strong trading profit with momentum expected to continue into H2
- > Hot Water offering particularly weak in the UK, both newbuild and house renovations ground to a halt for a time
- > Water treatment was steady, most prominently in the Nordics and Western Europe
- > Rainwater Harvesting business in Australia delivered a strong outcome in the circumstances

	H1 20	H1 19
Sales (€m)	92.9	103.1
% of Group Sales	5%	5%

Analysis of YoY % Change

Underlying	Currency	Acquisitions	Total
-10%	-2%	+2%	-10%

The Glenmorangie Distillery, UK
Water & Energy / Insulated Panels

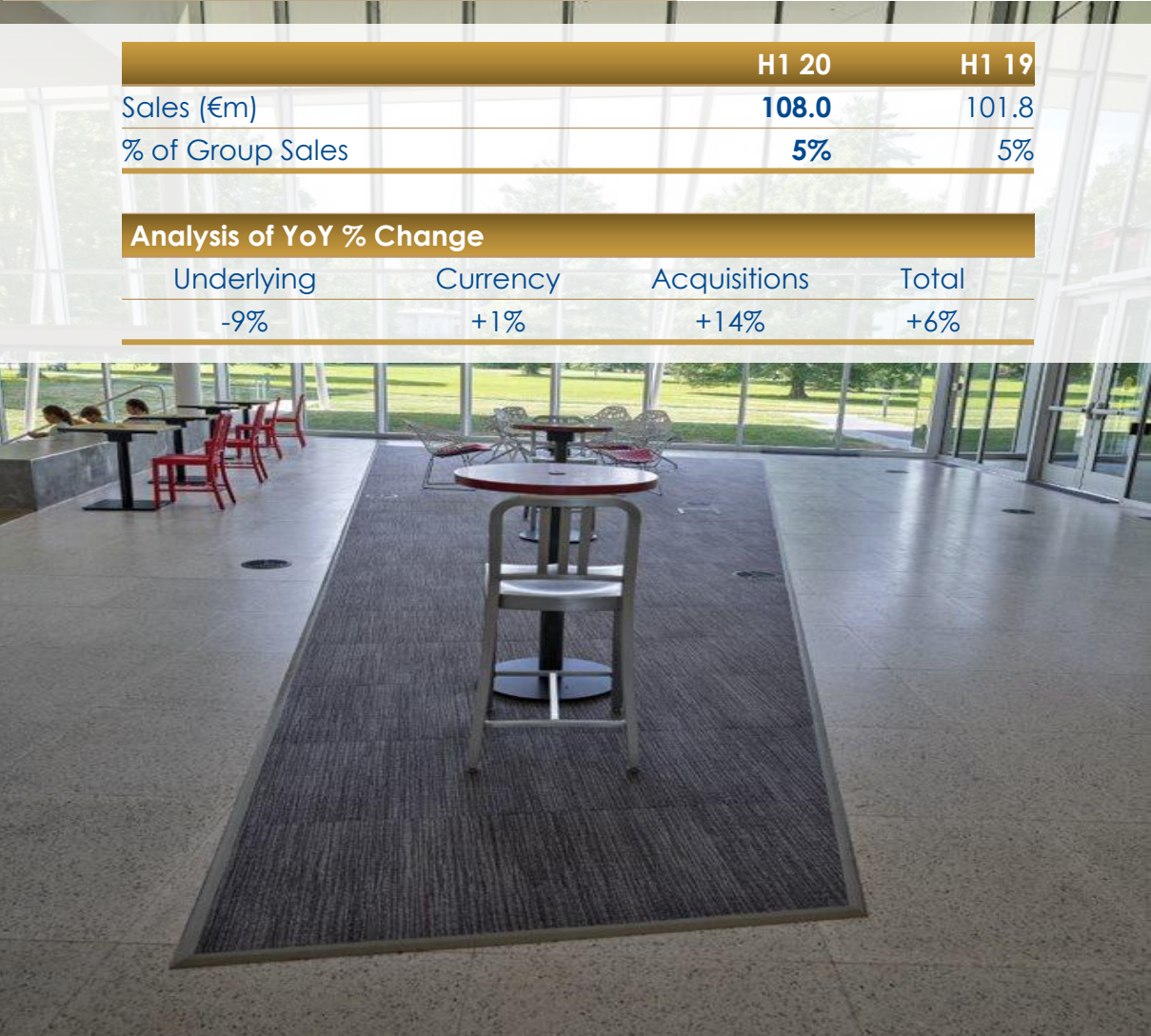


Data & Flooring

- > Positive first half overall in key regions of the US, Western Europe and Australia
- > UK was predictably weaker
- > Growing 'Data' dimension a key driver of robust delivery in recent years
- > Further growth achieved by the expanding product set aimed at the data warehousing opportunity
- > In Germany, the WeGo acquisition has been seamlessly integrated and is performing ahead of plan

	H1 20	H1 19
Sales (€m)	108.0	101.8
% of Group Sales	5%	5%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
-9%	+1%	+14%	+6%



Northeast Louisville Public Library, Kentucky
Data & Flooring

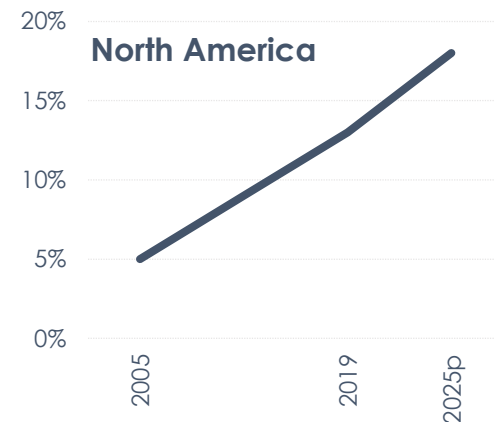
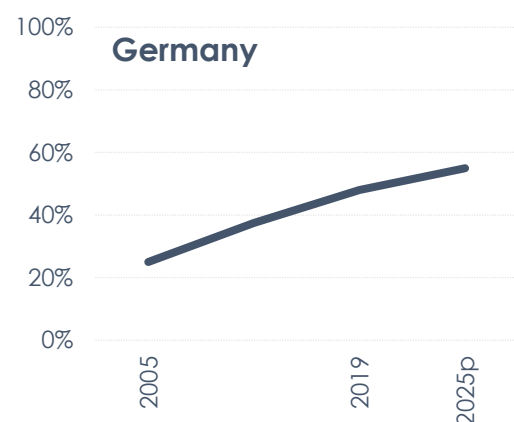
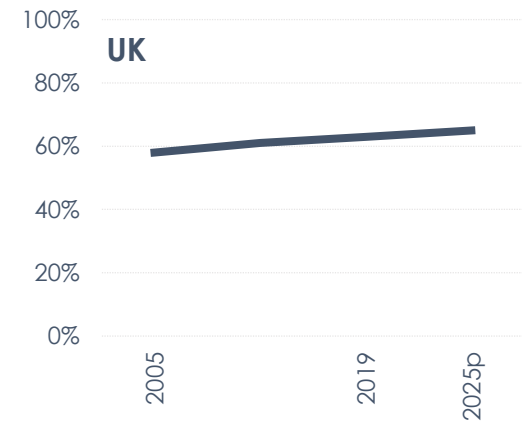
- > Accurate predictions are impossible at present, albeit certain that general confidence will have suffered and investment decisions will be curtailed through 2021
- > Conversely data, technology, online logistics and next generation automotive manufacturers could be buoyed up as consumer behaviour evolves with Kingspan well positioned for this change
- > Policy makers worldwide are becoming more purposeful about a move towards lower emissions, and more efficient buildings will be central to this
- > Despite near-term stimulus across the globe we expect the general economic environment to be tougher than pre-crisis
- > Kingspan remains well poised, agile and funded to play our part in whatever situation unfolds

*Cube Smart Storage, Florida, USA
Insulated Panels*

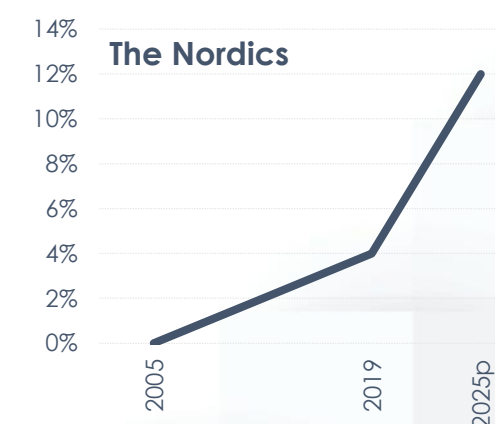
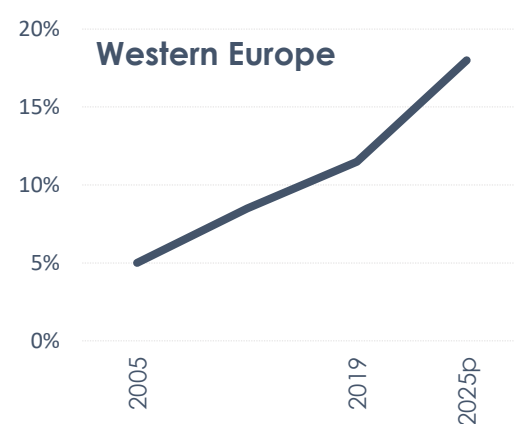
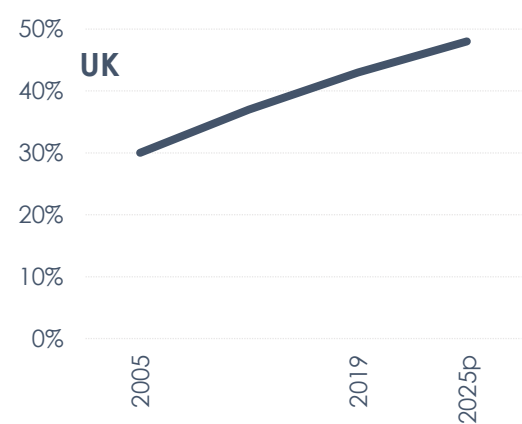


Driving Penetration Growth

INSULATED PANELS



INSULATION BOARDS



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