

LIGHT ON ENERGY LIGHT ON THE PLANET HIGH ON EFFICIENCY



JUST SAVE IT

Kingspan Interim Results
19th August 2013



Disclaimer



Forward Looking Statements

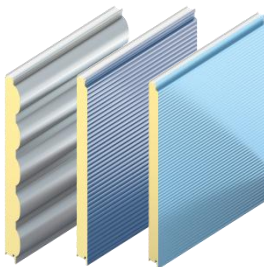
This presentation contains certain forward-looking statements. Actual results may differ materially from those projected or implied in such forward-looking statements. Such forward-looking information involves risks and uncertainties that could affect expected results.



At a Glance

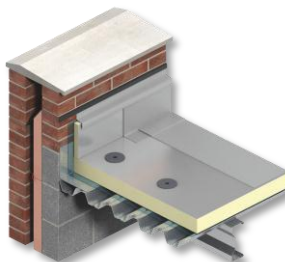
- A world leader in high performance insulation and building envelopes
- Market leading positions in UK, Mainland Europe, North America and Australasia
- Proprietary technology drives differentiation in product performance

Insulated Panels (57%)



- Insulated Roof & Wall Panel Systems
- Building Integrated Solar PV
- Benchmark Façade Systems
- Controlled Environments
- Structural Products
- Profiles & sections
- Door Components

Insulation (26%)



- Insulation Boards for Roofs, Walls & Floors
- HVAC, Piping & Ductwork Insulation
- Timber Frame Systems
- TEK Building Systems (SIPs)

Access Floors (9%)

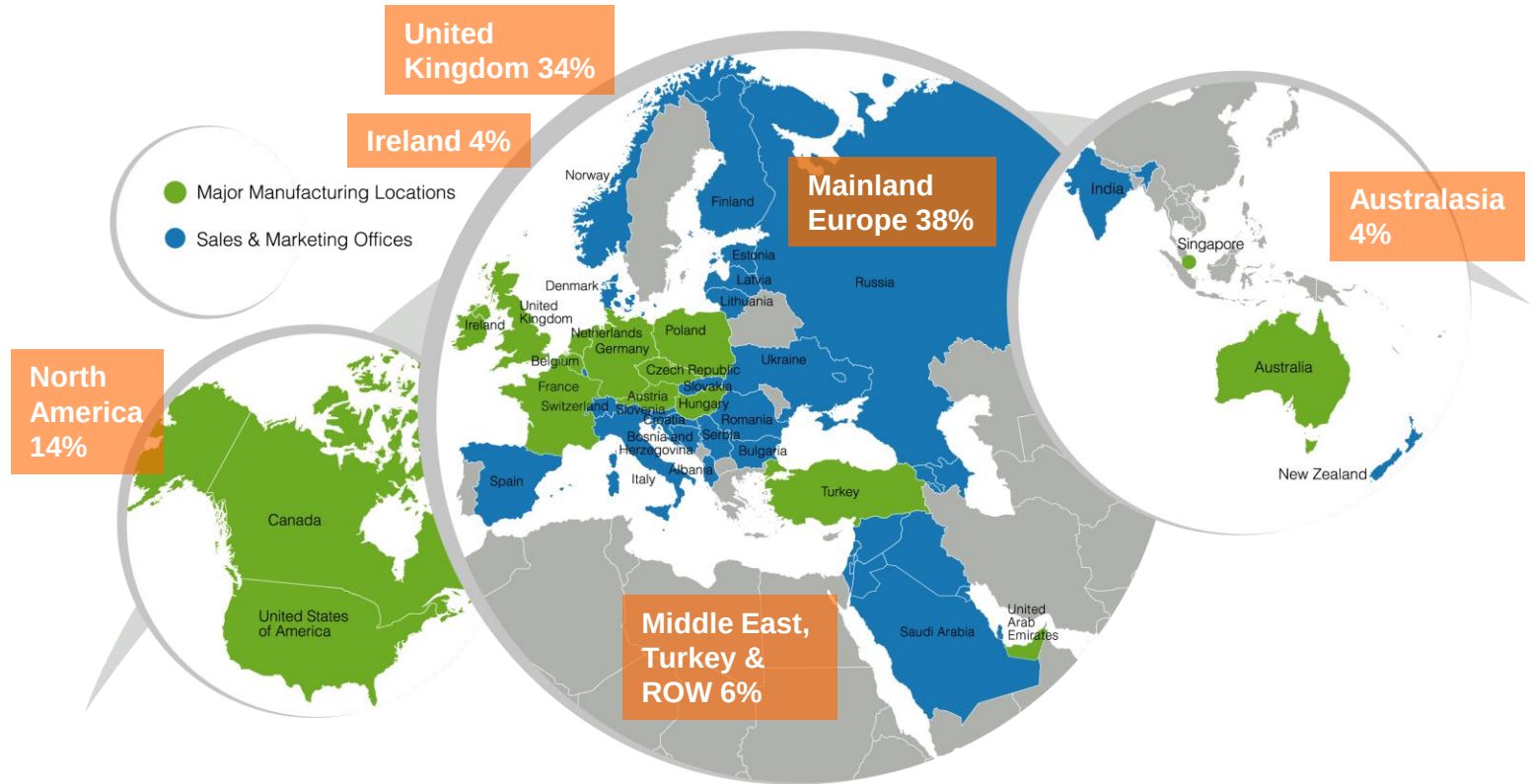


- Raised Access Floor Systems
- Underfloor Wire & Cable Management
- Underfloor Air Distribution

Environmental (8%)



- Solar Thermal Systems
- Solar Cooling & Heating Systems
- Micro Wind turbines
- Air Source Heat Pumps
- Hot Water Systems
- Environmental Rainwater Harvesting Systems
- Sustainable Drainage Systems
- Pollution Control Systems
- Fuel storage systems



- Manufacturing and distribution operations throughout Europe, North America, Australasia
- >70 Locations: 59 Manufacturing

Strategic Goals

- Lead the field in high performance insulation globally with proprietary and differentiating technologies.
- Become the world's leading provider of low energy building solutions
- Insulate & Generate
- Achieve greater geographic balance, primarily focusing on
The Americas, Western Europe and appropriate developing markets.

The 3 Pillars

Product

Differentiated
and proprietary

Penetration

Structural
growth of high
performance
buildings

Geography

Globalisation
of primary
product set

Achieve an
average
annual return
on investment
of ca. 15%

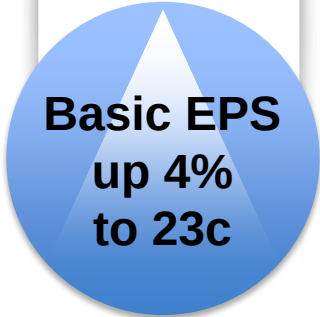
H1 2013 In Summary



**Revenue
up 13%
to €858.4m**



**Trading
Profit
up 6%
to €55.9m**

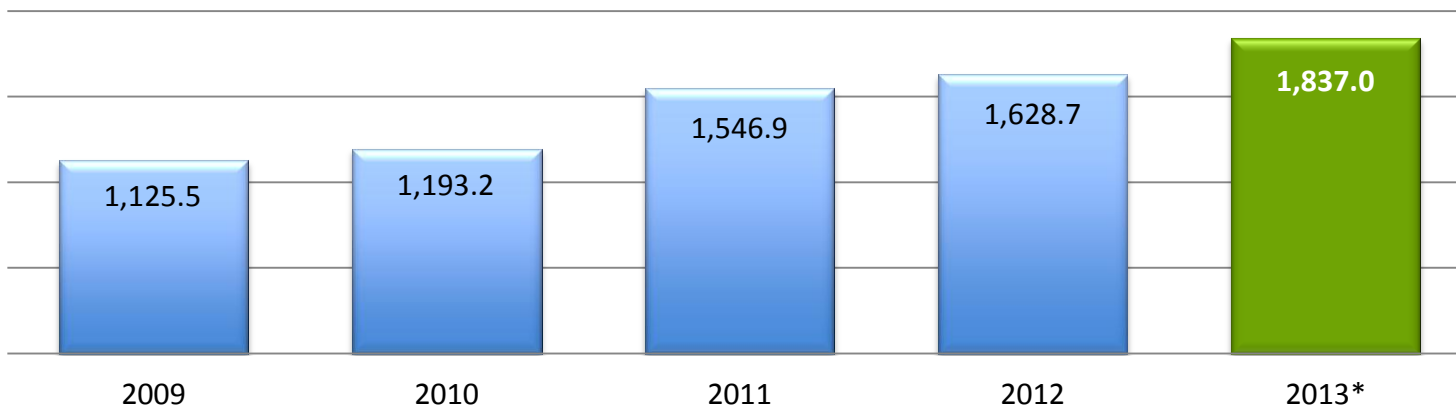


**Basic EPS
up 4%
to 23c**

- Solid performance overall considering the prevailing weakness in European construction markets.
- Insulated Panels sales up 34% and trading profit up 24% with significant contribution from both the ThyssenKrupp Construction and Rigidal Industries LLC acquisitions.
- Insulation Boards sales down by 3% and trading profit down 13% with a particularly solid performance in the UK.
- Environmental sales down by 17%, with quarter two down 3% as the division moves towards recovery.
- Access Floor sales were up 1% with stable datacentre activity internationally and improving UK office activity.
- Acquisitions integrating to plan.

5 Year Financial Performance

Revenue (€'m) (CAGR 13%)



Trading Profit (CAGR 15%)



* Analyst Consensus

Financial Review



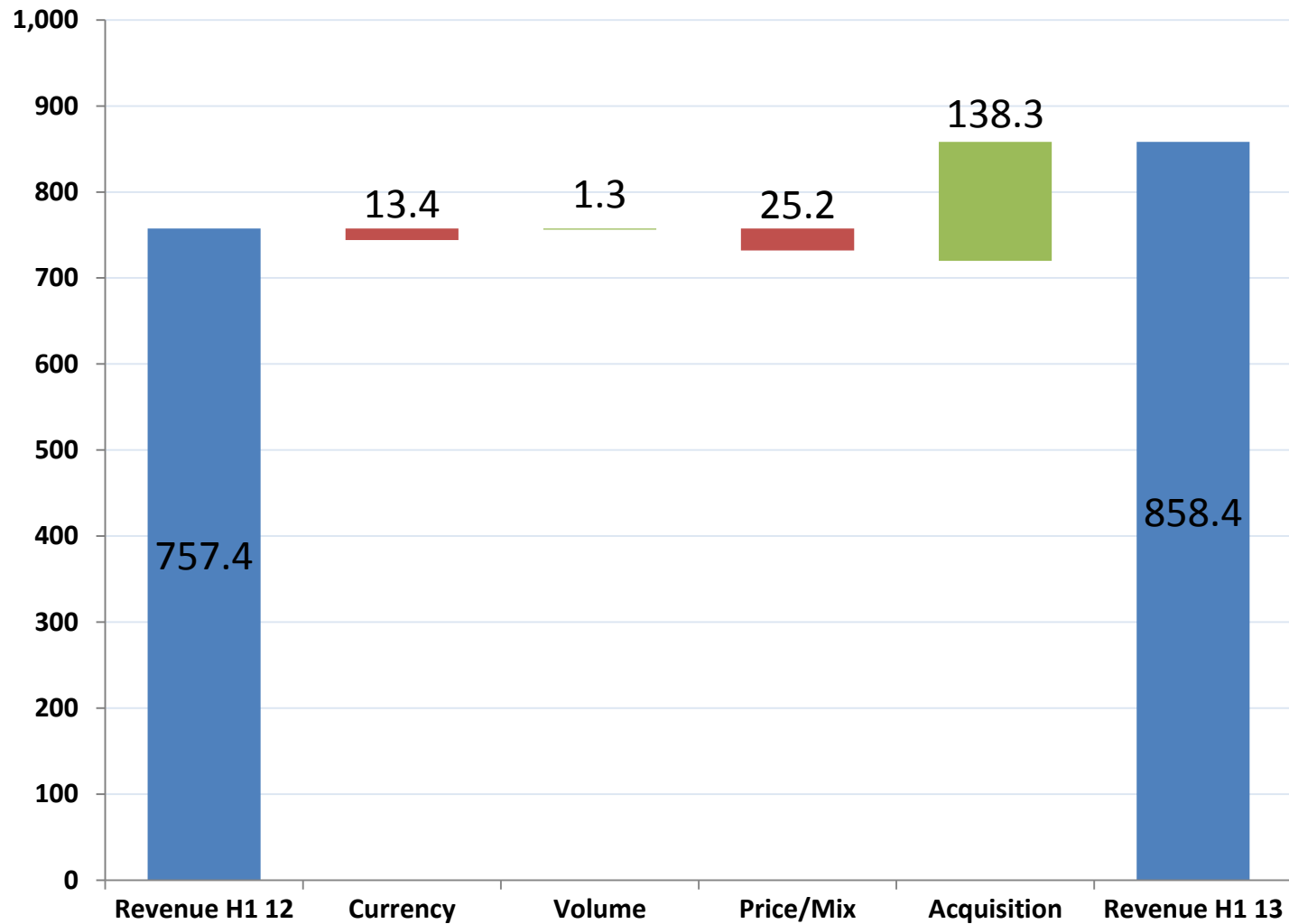
Financial Highlights

Revenue	→	€858.4m	+13% -3% like-for-like*
Trading Profit**	→	€55.9m	+6% -6% like-for-like*
Trading Margin	→	6.5%	-50bps
Profit after tax	→	€39.2m	+6%
Basic EPS	→	23c	+4%
Net debt	→	€165.9m	-3%
Interim dividend	→	5.5c	+10%

* Like-for-like comparisons exclude the impact of acquisitions and currency movements.

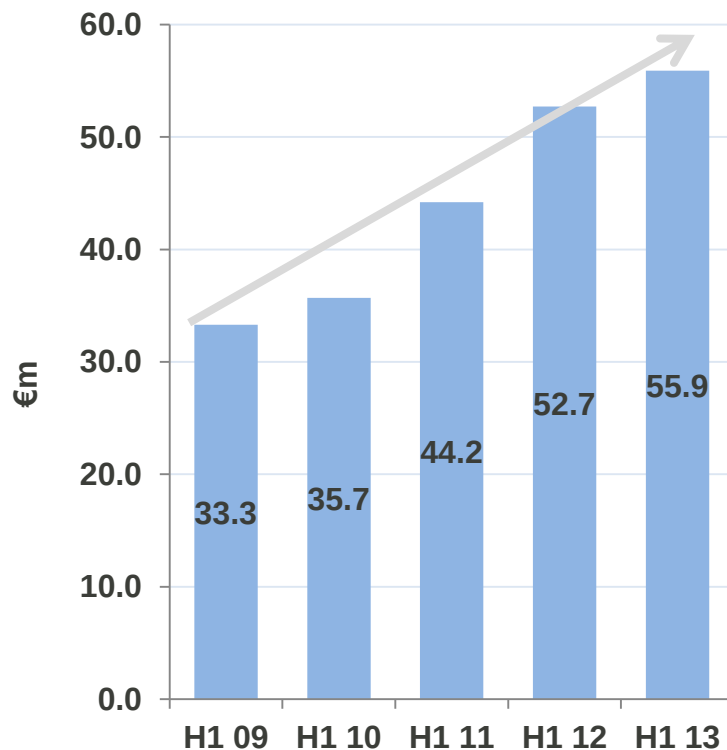
** Pre-intangible amortisation.

Sales Bridge



H1 Trading Profit & Margin Growth

Trading Profit
(CAGR 13.6%)



Margin %

Margin %			
	H1 12	FY 12	H1 13
Insulated Panels	7.5%	7.3%	6.9%*
Insulation Boards	6.7%	6.3%	6.0%
Environmental	1.4%	0.7%	1.1%
Access Floors	11.4%	9.9%	10.3%
Group	7.0%	6.6%	6.5%*

* Pre-acquisition: Group (6.6%), Panels (7.5%)

H1 2013 Trading Profit Like-for-Like growth

	Like-for-like growth	Acquisitions/Disposals	Currency Impact	Reported Growth
Insulated Panels	-3%	+30%	-3%	+24%
Insulation Boards	-10%	-	-3%	-13%
Environmental	-28%	-	-5%	-33%
Access Floors	-7%	-	-2%	-9%
Group	-6%	+15%	-3%	+6%



Budapest, Hungary

Strong Operating Cash Flow

€m	H1 13	H1 12	% change
Operating profit	53.9	51.3	+5%
Depreciation & amortisation	22.0	20.6	+7%
Working Capital decrease/(increase)	(40.8)	(17.8)	-129%
Operating cash flow	35.1	54.1	-35%
Interest and taxation	(11.6)	(16.3)	-29%
Net capital expenditure	(18.3)	(16.0)	+14%
Other including non cash items	8.7	5.8	-50%
Free cash flow	13.9	27.6	-50%

Strong Net Debt Performance

€m	H1 13	H1 12
Free cash flow	13.9	27.6
Acquisitions (net of disposal proceeds)	-	(7.2)
Settlement of legal costs	-	(12.3)
Dividends paid/other	(10.8)	(9.4)
Cashflow Movement	3.1	(1.3)
Debt Translation	(3.5)	0.2
Decrease/(increase) in net debt	(0.4)	(1.1)
Net debt at start of period	(165.5)	(170.1)
Net debt at end of period	(165.9)	(171.2)
Net debt: EBITDA	1.1x	1.21x

Key Ratios

	FY 11	H1 12	FY 12	H1 13
ROCE	10.0%	10.5%	10.7%	10.8%
Gearing (Net Debt: Shareholders Funds)	23.1%	21.7%	20.4%	20.1%
Net Debt/EBITDA	1.27	1.21	1.12	1.1
Interest Cover	10.2	9.9	10.0	10.3
Working Capital as % of Sales	12.2%	13.6%	12.3%	12.8%



Strong Balance Sheet

- Net Debt €166m – headroom (including cash) €437m
- Revolving credit facility of €300m
- 2005 Private placement €151m (USD200m)
- 2011 Private placement €150m (USD200m)
- Significant headroom on covenants
 - Max 3.5x net debt: EBITDA; actual 1.1
 - Min 4.0x interest cover; actual 10.3
- Weighted average maturity of debt facilities of 4.3 years



Sydney, Australia: Award Winner Housing Industry Association GreenSmart Home of the Year 2012.

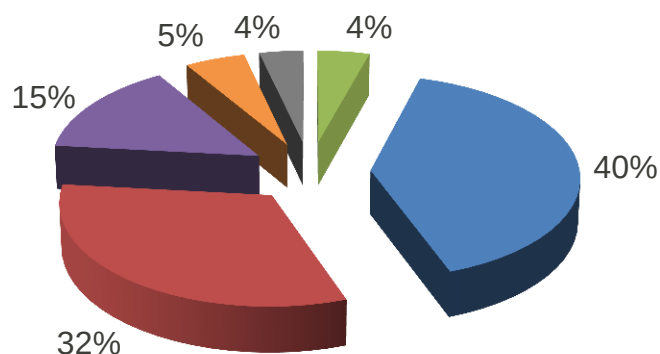


Business Review & Outlook

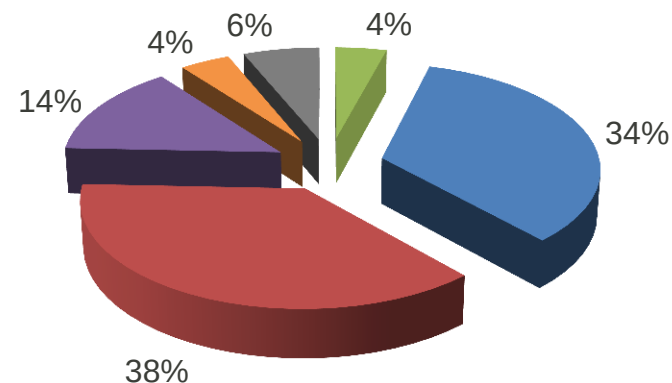


Sales by Geography

H1 2012



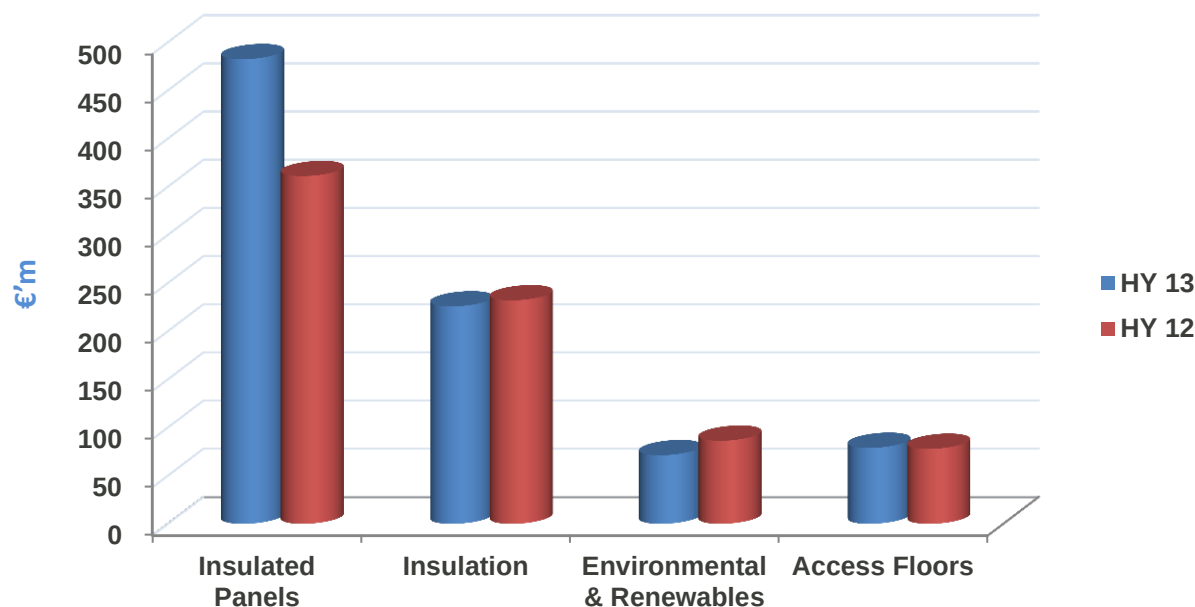
H1 2013



- Republic of Ireland
- Britain & Northern Ireland
- Mainland Europe
- Americas
- Australasia
- Rest of World

€mn	H1 13	H1 12	Constant Currency Change	YoY % Change
Britain & Northern Ireland	292.6	303.9	-1%	-4%
Mainland Europe	320.7	243.9	32%	31%
Americas	119.8	110.8	10%	8%
Australasia	35.4	38.2	-5%	-7%
Republic of Ireland	36.1	32.8	11%	10%
Rest of World	53.8	27.8	96%	93%
Group Sales	858.4	757.4	15%	13%

Sales by Product Group



€m	H1 13	H1 12	Constant Currency	YoY % Change
Insulated Panels	482.5	361.1	+36%	+34%
Insulation Boards	225.7	232.1	-1%	-3%
Environmental	71.3	86.3	-15%	-17%
Access Floors	78.9	77.9	+3%	+1%
Group Sales	858.4	757.4	+15%	+13%

Insulated Panels



Insulated Panels UK, IRL, WE

- Tough quarter one with improvement towards mid year
- Underlying volume in key markets
 - Britain -5%
 - Benelux -15%
 - France +9%
 - Ireland +13%
- Order intake down 10% (Q2 -2%)
- Orderbook +40% (-4% excluding acquisitions) versus June 2012
- Good contribution from ThyssenKrupp Construction and Rigidal Industries LLC acquisitions
- Growing PowerPanel® pipeline
- Further potential for Kingzip® in roof applications throughout GCC region and Australasia

	H1 13	H1 12
Sales (€m)	258.9	202.9
% of Group Sales	30%	27%

Analysis of YoY % Change				
Currency	Volume	Price & Mix	Acquisitions	Total
-2%	-4%	-2%	+36%	+28%



France

Insulated Panels CEMEI

- Mixed sales pattern across the territory with Q2 showing improvement
 - Germany -10%
 - Poland -2%
 - Czech +16%
 - Turkey -2%
- Order intake up 48% (up 5% excluding acquisitions)
- Orderbook +53% (+10% excluding acquisition) versus June 2012
- Good contribution from ThyssenKrupp Construction acquisition (Hoesch & EMS)
- Strong performance in Turkey, particularly in Coldstore applications

	H1 13	H1 12
Sales (€m)	151.4	91.8
% of Group Sales	18%	12%

Note: The above figures include Germany and Turkey

Analysis of YoY % Change				
Currency	Volume	Price & Mix	Acquisitions	Total
-1%	-1%	-3%	+70%	+65%



Vienna, Austria

Insulated Panels North America

- 11% growth in sales volume
- Order intake -2%
- Panel order book +15% versus June 2012
- Commercial & industrial conversion growth continuously evident
- Recovery of some market share in Coldstore
- Architectural sales improving in BENCHMARK range

	H1 13	H1 12
Sales (€m)	72.2	66.4
% of Group Sales	9%	9%

Analysis of YoY % Change			
Currency	Volume	Price & Mix	Total
-2%	+11%	+0%	+9%



Charlotte, North Carolina, USA

Insulation



Insulation

- Solid performance overall notwithstanding difficult market in Q1
- European markets particularly Benelux persistently weak
- Good UK performance
- Kooltherm® conversion slower in some markets
- Optim-R® (next generation insulation) scheduled to be in production in Q4
- Weaker refurbishment activity in the UK with uncertainty around incentive programmes
- Solid performance in Australia. Weaker residential market and continuing growth in market penetration
- Intense price competition in Ireland

	H1 13	H1 12
Sales (€m)	225.7	232.1
% of Group Sales	26%	31%

Analysis of YoY % Change			
Currency	Volume	Price & Mix	Total
-2%	-2%	+1%	-3%



University of Bedfordshire, UK

Access Floors

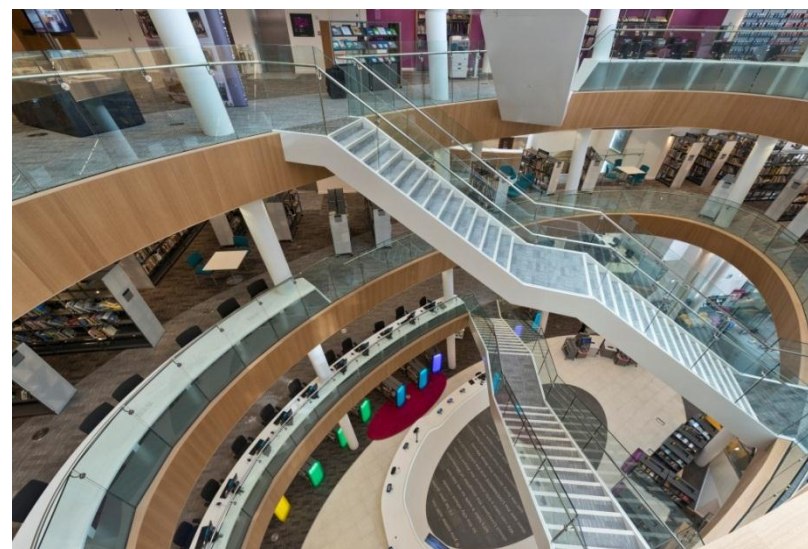


Access Floors

- Improving UK pipeline
- Grade A US office construction expected to improve late in 2013
- Stable datacentre activity with solid contribution from new air floor systems
- Australia subdued
- Solid export activity beyond home markets

	H1 13	H1 12
Sales (€m)	78.9	77.9
% of Group Sales	9%	10%

Analysis of YoY % Change				
Currency	Volume	Acquisition	Price & Mix	Total
-2%	-5%	0%	+8%	+1%



Liverpool Library, UK

Environmental



Environmental

- Stability evident from Q1 with Q2 sales -3%
- Restructuring benefits offsetting the impact of lower year-on-year sales
- Improving sales performance a key priority
- Kingspan Wind 15kw turbine scheduled for launch in H1 2014

	H1 13	H1 12
Sales (€m)	71.3	86.3
% of Group Sales	8%	11%

Analysis of YoY % Change		
Currency	Volume, Price & Mix	Total
-2%	-15%	-17%



The Royal Danish Academy of Fine Arts School of Architecture, Copenhagen, Denmark

Outlook

- Penetration growth driven by conversion towards modern high performance insulation and building envelopes remains the core of our strategy
- Expanded geographic platform adding further to diversification
- Continuing focus on new product introductions and innovation
- Solid H2 expected overall
- Strong balance sheet



Kingspan Facility, Perth, Australia

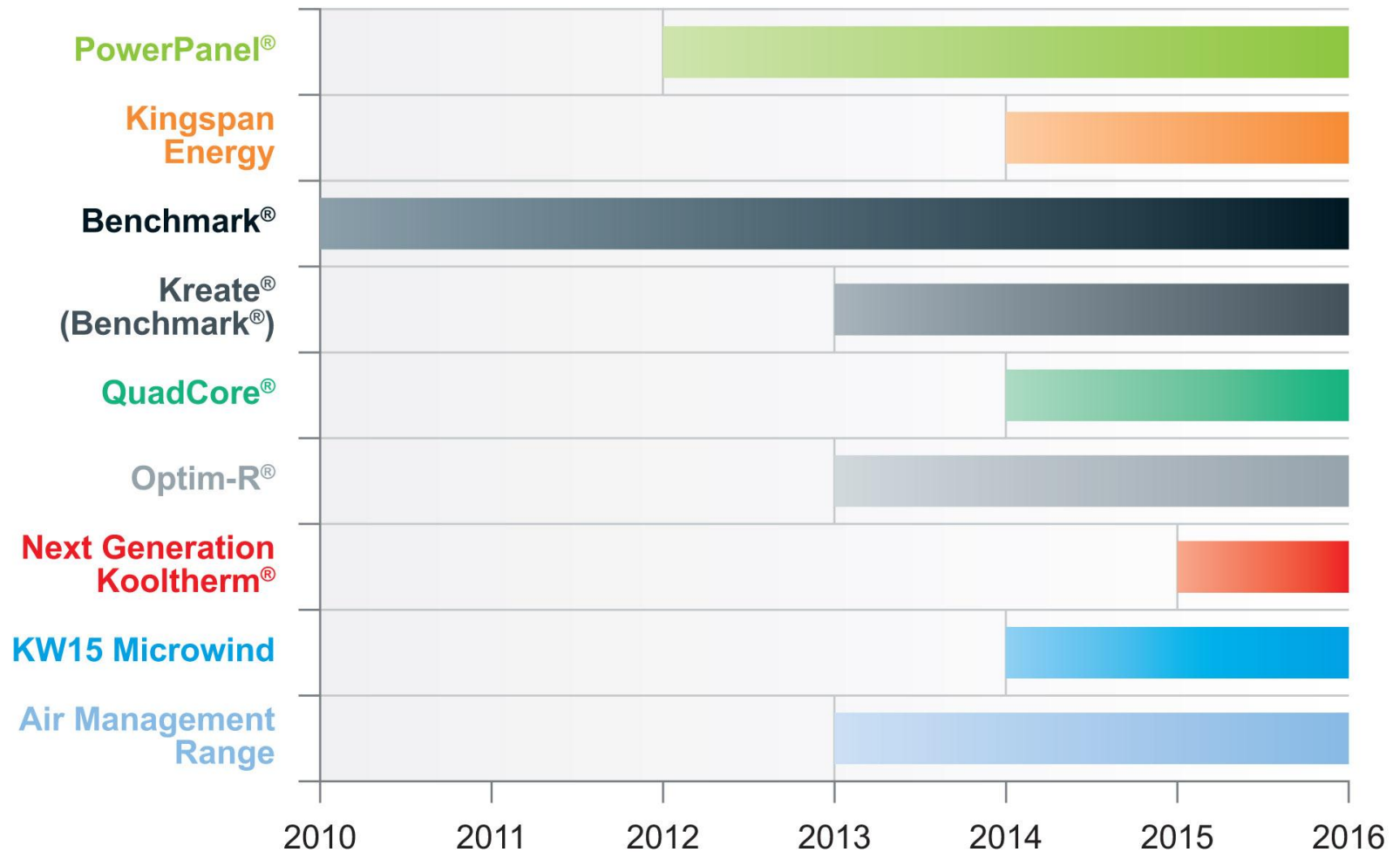
Additional Information



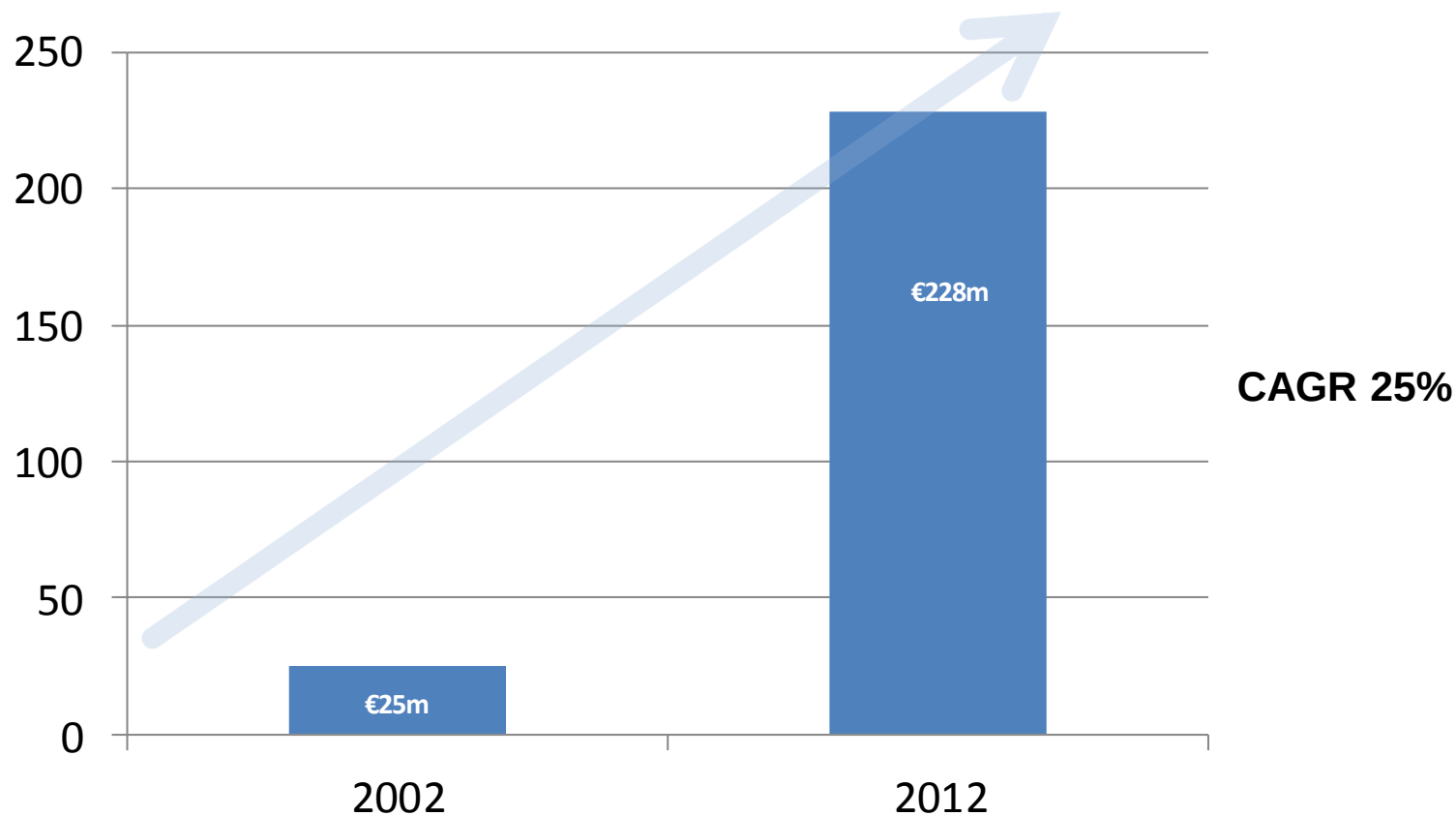
Innovation & Process Advancements



Innovation Pipeline



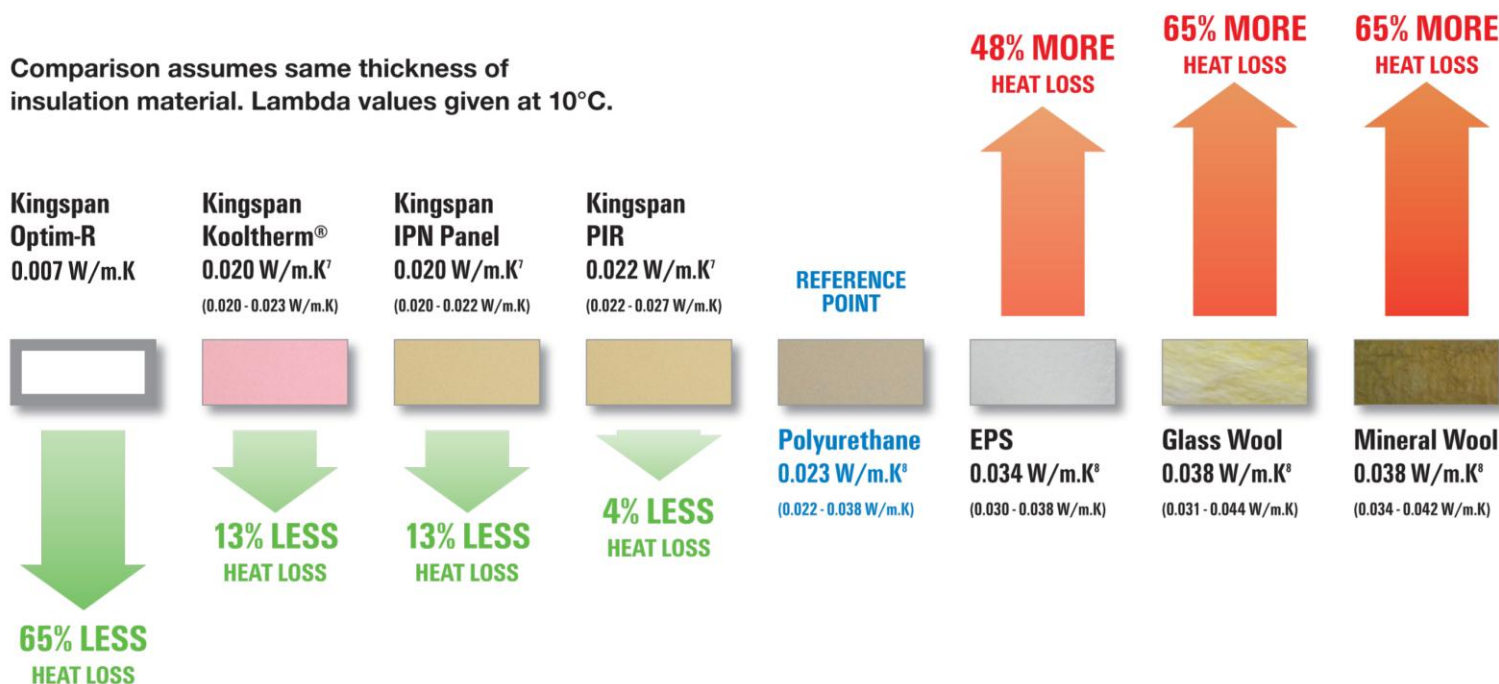
10 year organic growth of new/embryotic products*



* Includes Kooltherm®, Optim-R®, BENCHMARK, Topdek, X-Dek®

Kingspan Insulates Better

Comparison assumes same thickness of insulation material. Lambda values given at 10°C.



1 Heating energy only.

2 **Stuckes A.D.** *The Thermal Resistance of A Cavity Filled Wall – Physics Technology 15.*
Sandberg P.I. *Thermal Resistance Of A Wet Mineral Fibre Insulation – ASTM STP 922.*
Jespersen H.B. *Fugtige Materialers Varmedledningstal (Danish) VARME No 3.*
www.excellence-in-insulation.eu.

3 **Building Sciences Ltd** *Infra-red Comparison Study July 1997, published as a report by Kingspan.*

4 **Taylor B.E. & Phillips A.J.** *Thermal Transmittance and Conductance of Roof Constructions Incorporating Fibrous Insulation. ASTM STP 789.*

5 **Building Sciences Ltd.**

6 **Building Sciences Ltd** *Night Sky Radiation and its Effects, Insulated Metal Cladding Systems, October 1998.*

7 Most commonly sold variant of product.

8 Median value of the thermal conductivity range shown below. Thermal conductivity range based on insulation manufacturer's websites or Agrément certificates.

Rigid Insulation: How it Performs

THINNESS

Kingspan's mainstream insulation technologies can be less than 50% of the thickness of man-made mineral fibre (MMM). Optim-R can be less than 20% of the thickness of MMM.

Optim-R is less than half the thickness of aerogel based mineral fibre products.

FIRE

Kingspan's insulation technologies comply with regulatory authority requirements of their intended application, and many products also have insurance industry approvals from FM Global, LPCB and Underwriters Laboratories.

THERMAL

The thermal performance of Kingspan's mainstream insulated products is certified as being good for 25 years and significantly better than MMM on an equivalent thickness basis. What's more...

AIR INFILTRATION

...unlike MMM, Kingspan's mainstream insulation technologies have a closed cell structure which is impervious to air infiltration, thereby limiting the risk of loss in thermal performance, and...

MOISTURE

...MMM can absorb moisture in significant quantities and 1% moisture content by volume can decrease its thermal performance by 85%.²

ACOUSTICS

Kingspan's insulated panel and insulation board products have an acoustic benefit, however MMM can perform better.

MECHANICAL

Kingspan's mainstream flat roof insulation boards can have approximately 2x the compressive strength of mainstream MMM flat roof insulation boards.

WEIGHT

On flat roofs, MMM can be up to 8 times heavier than Kingspan's mainstream flat roof insulation boards. This may have an impact on handling, laying speed and structural steelwork costs.

IPN core steel faced panels can be half the weight of comparable MMM core panels to achieve the same thermal performance.

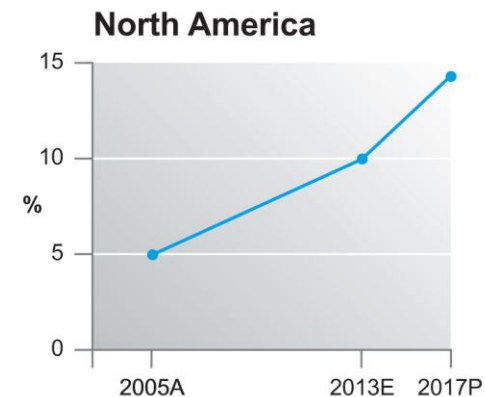
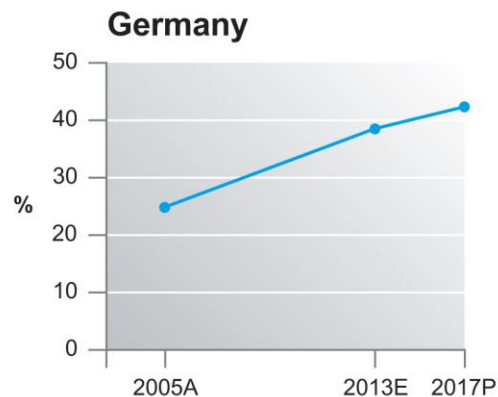
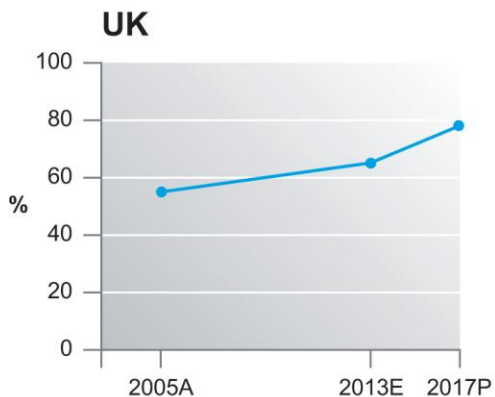


Structural Growth

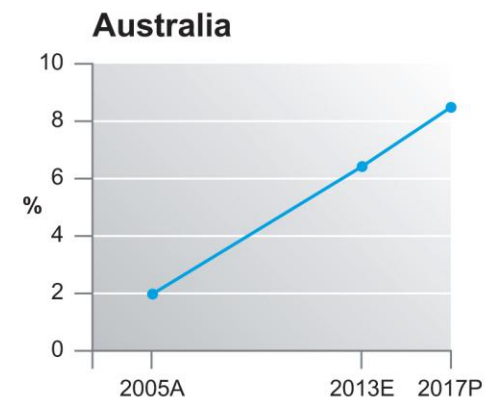
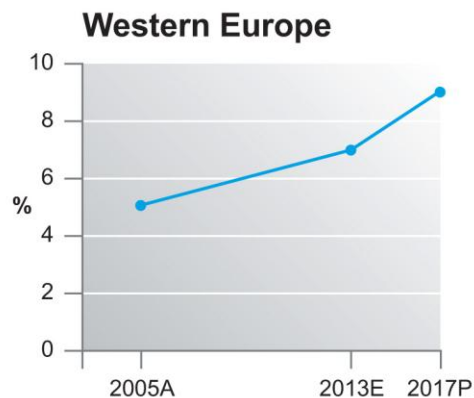
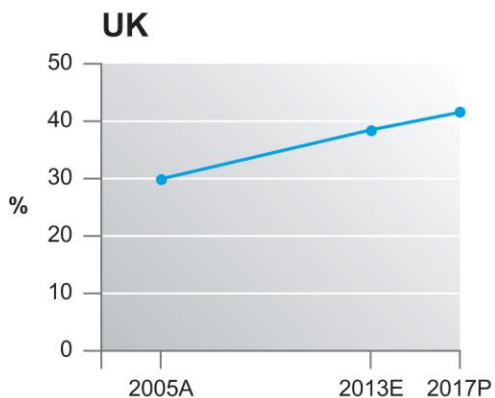


Penetration Rates

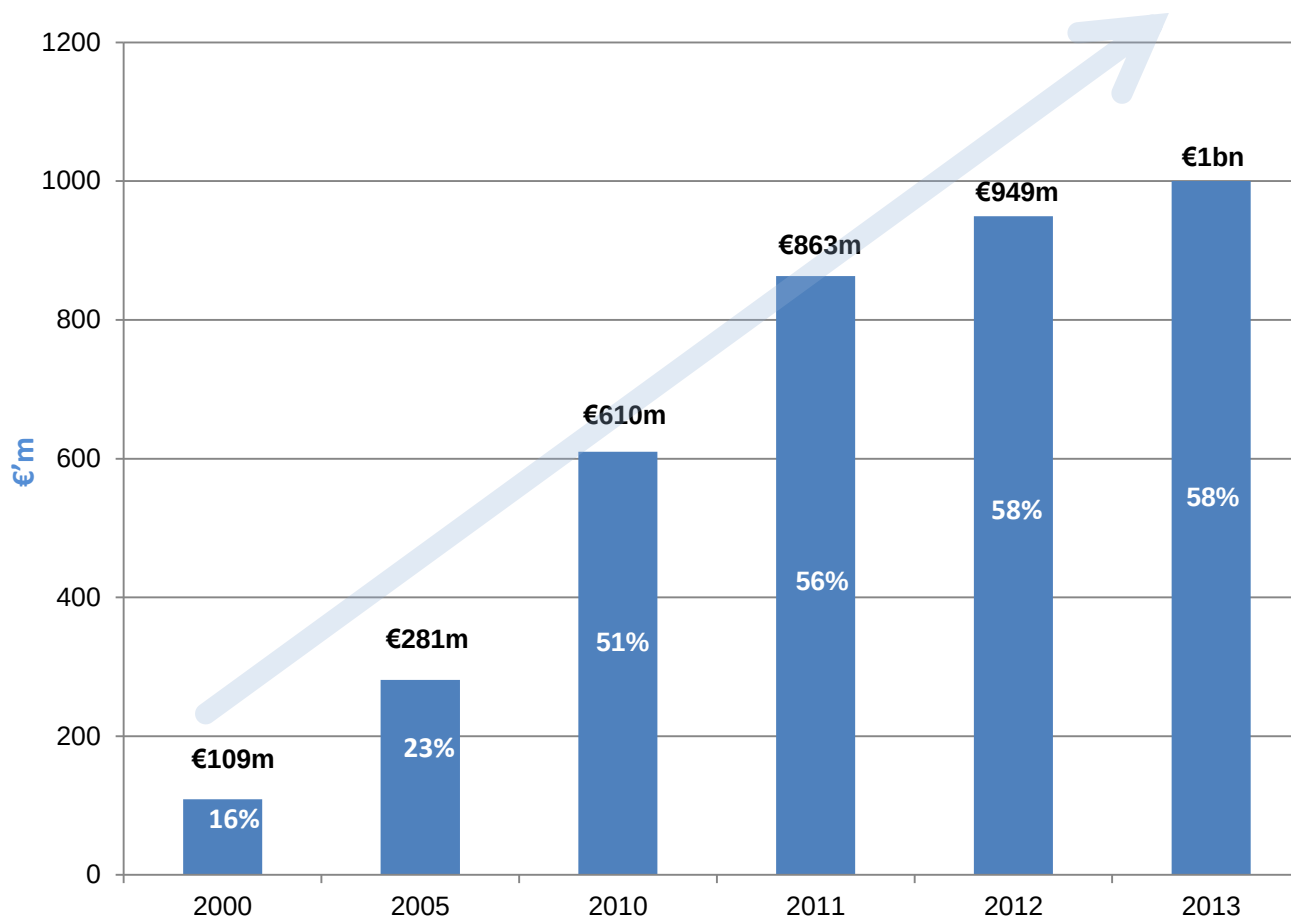
Insulated Panels



Insulation Boards

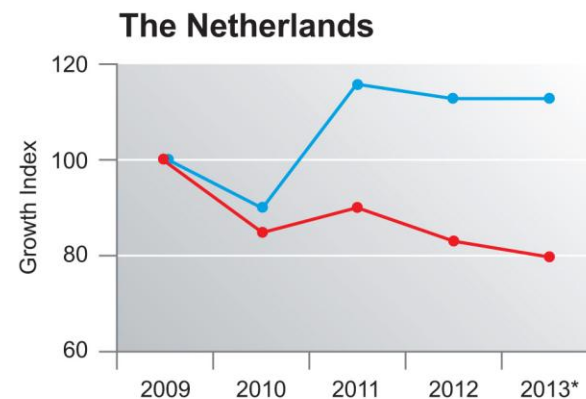
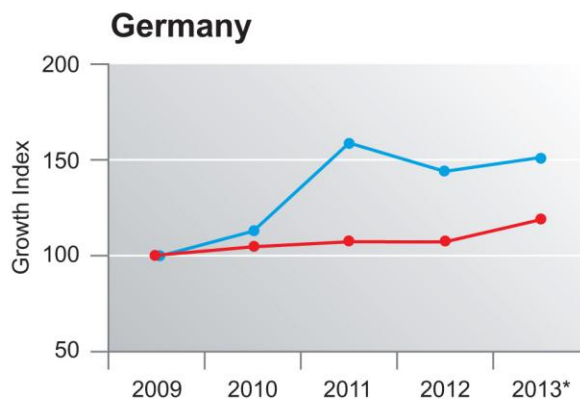
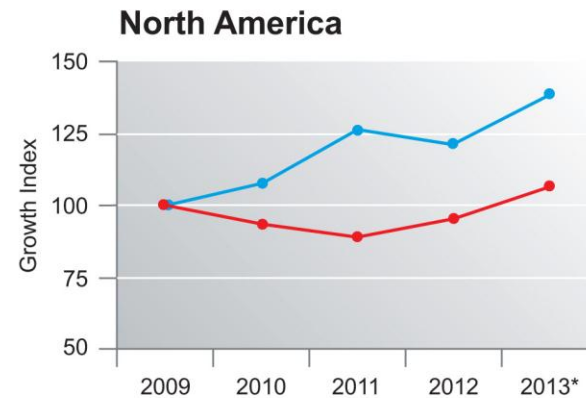
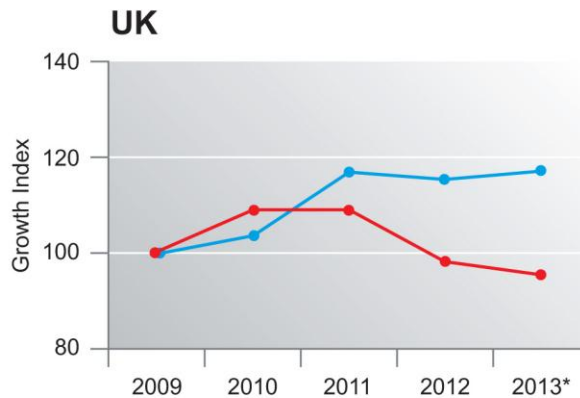


Group Sales Outside UK/IRL



- Internationalisation of the Group through the cycle (2013 estimate)

Kingspan v Construction Macro



Kingspan —●—
Other —●—

Addressable macro comparison with Insulated Panels and Rigid Boards.

Source: Euroconstruct, McGraw Hill.

*2013 Estimates.



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