

Kingspan

Full Year Results

23rd February 2018



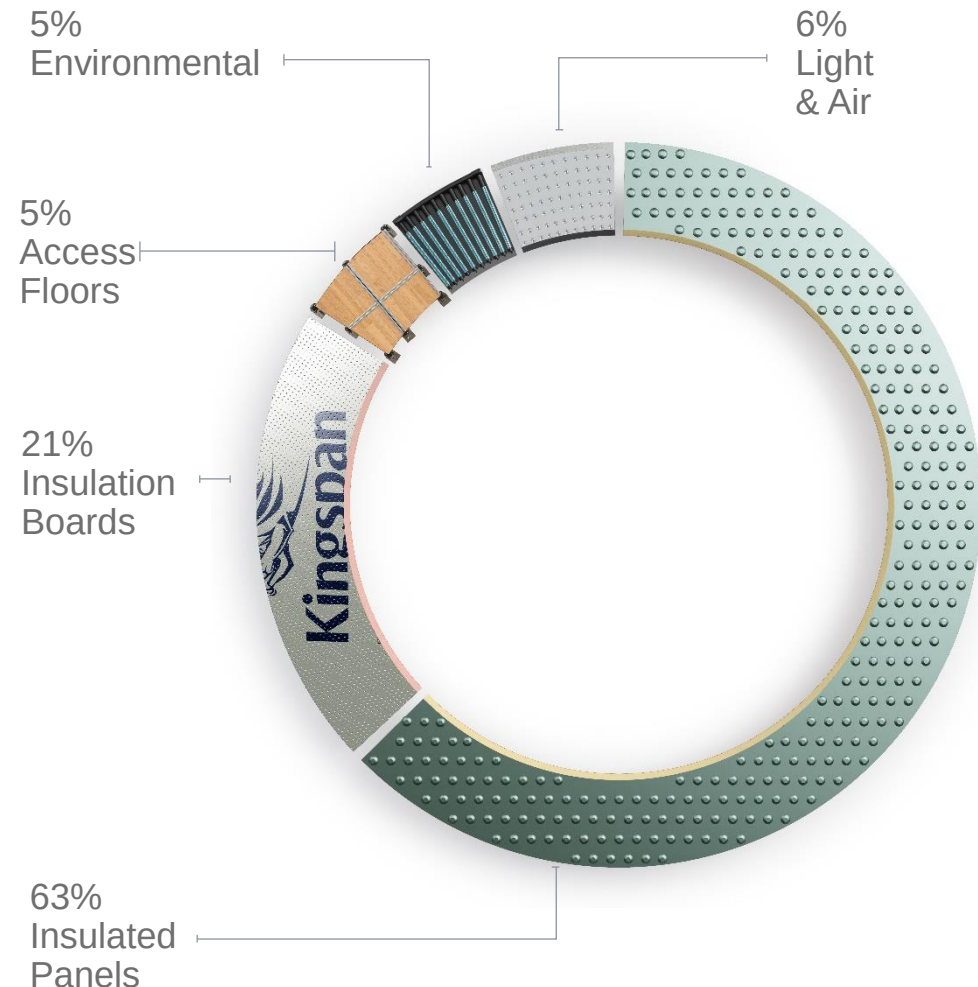
Disclaimer

Forward Looking Statements

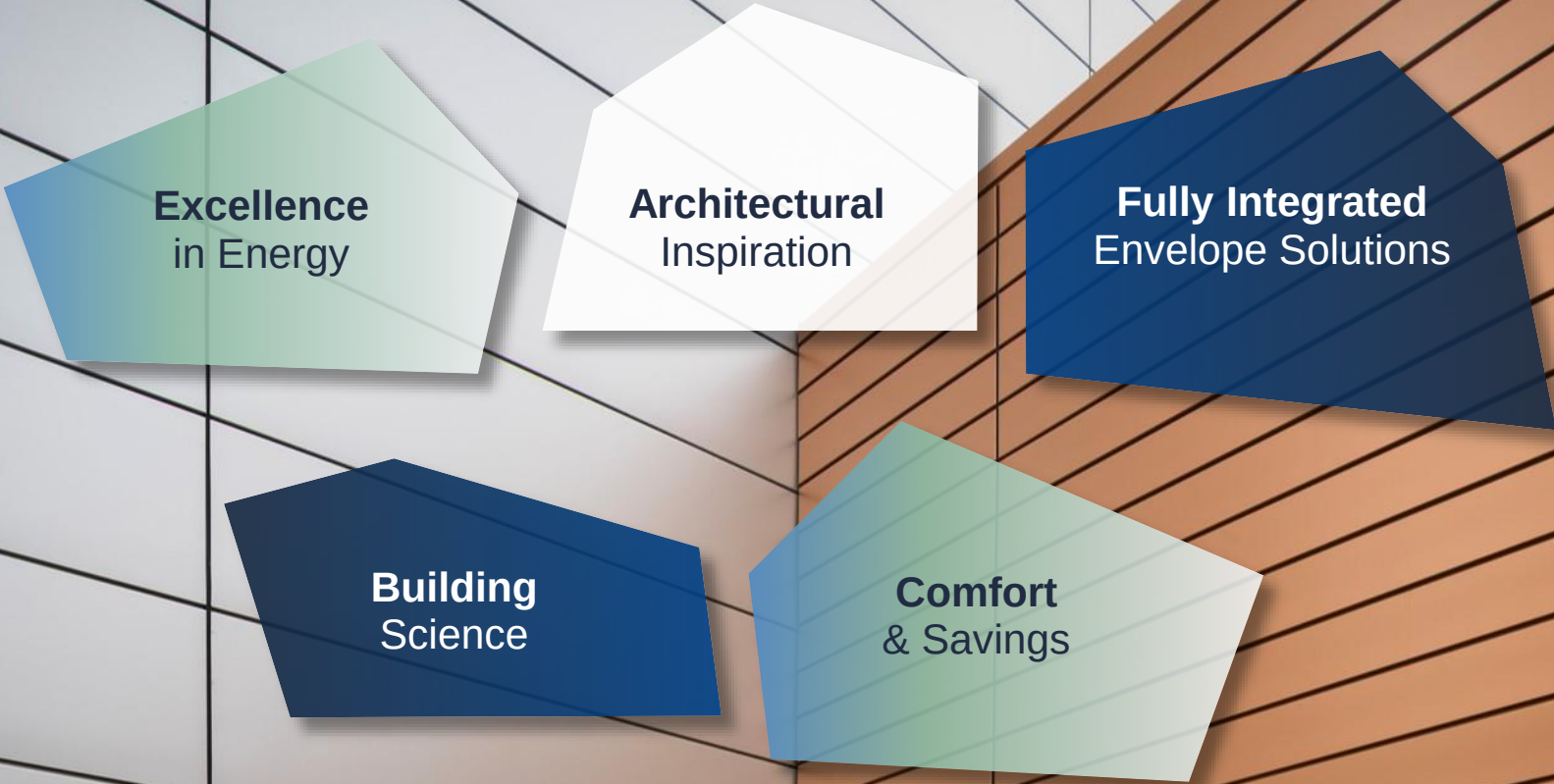
This presentation contains certain forward-looking statements including, without limitation, the Group's financial position, business strategy, plans and objectives of management for future operations. Such forward-looking information involves risks and uncertainties, assumptions and other factors that 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, Continental Europe, The Americas and Australasia
- > Proprietary technology drives differentiation in product performance



What We Deliver



**Excellence
in Energy**

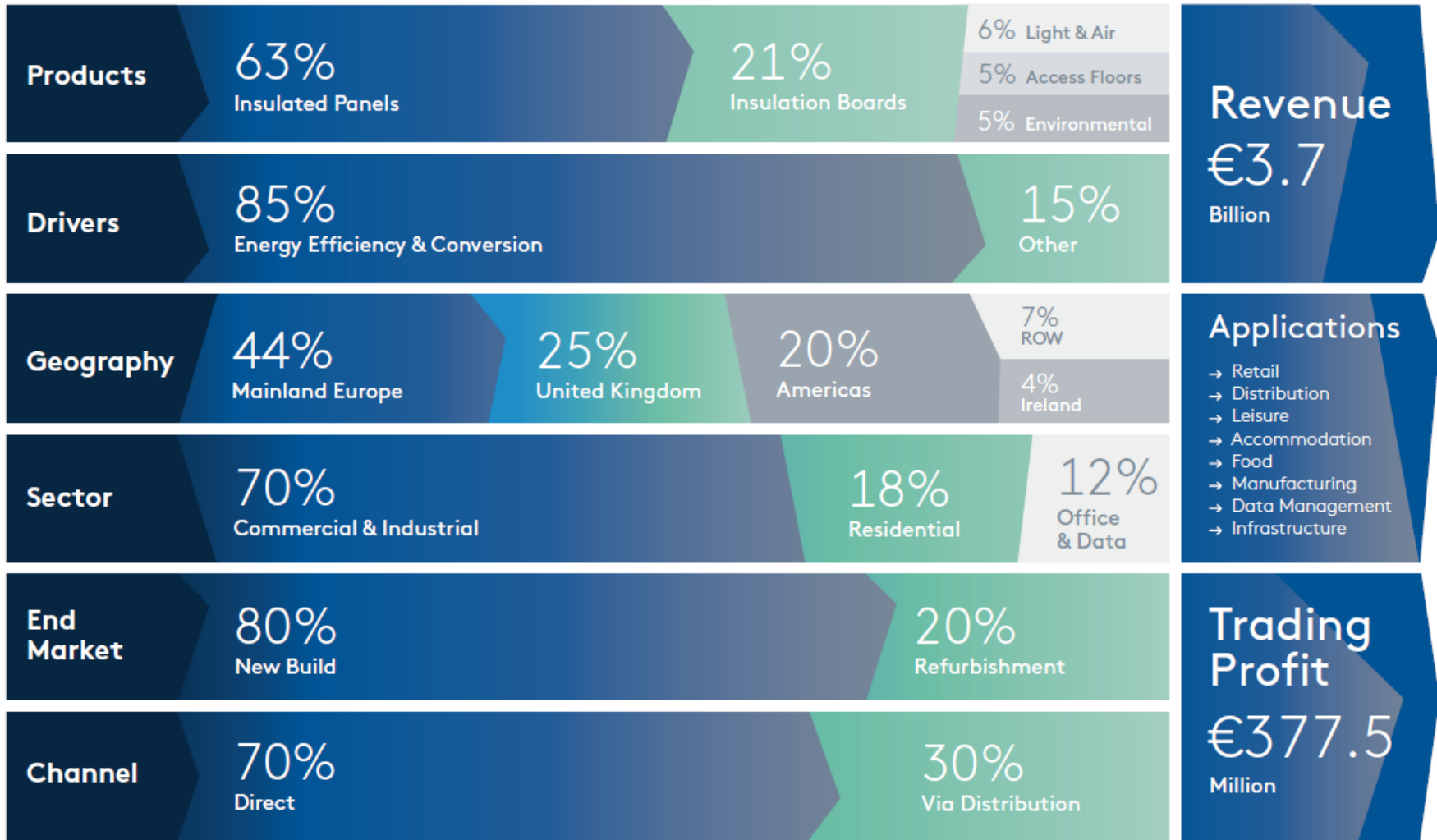
**Architectural
Inspiration**

**Fully Integrated
Envelope Solutions**

**Building
Science**

**Comfort
& Savings**

2017 In A Nutshell



Brand → Specification → Differentiation

Above are based on internal estimates, and are directional rather than precise. Profit is EBITA.

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

**Net Zero
Energy**

Penetration

Globalisation

Completing the Envelope

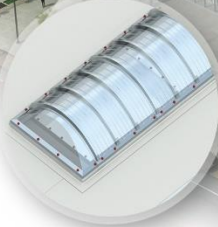
Kingspan Solar PV

Embryonic position presently –
Global Scale Opportunity



Kingspan Flatroof Membrane

Embryonic position presently –
Global Scale Opportunity



Kingspan Light & Air
Global Scale Opportunity



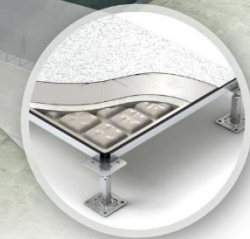
**Kingspan
Industrial Insulation**
Embryonic position presently –
Global Scale Opportunity



Kingspan Insulation Boards
Global Leadership – continue to
drive worldwide reach through
greenfield and consolidation

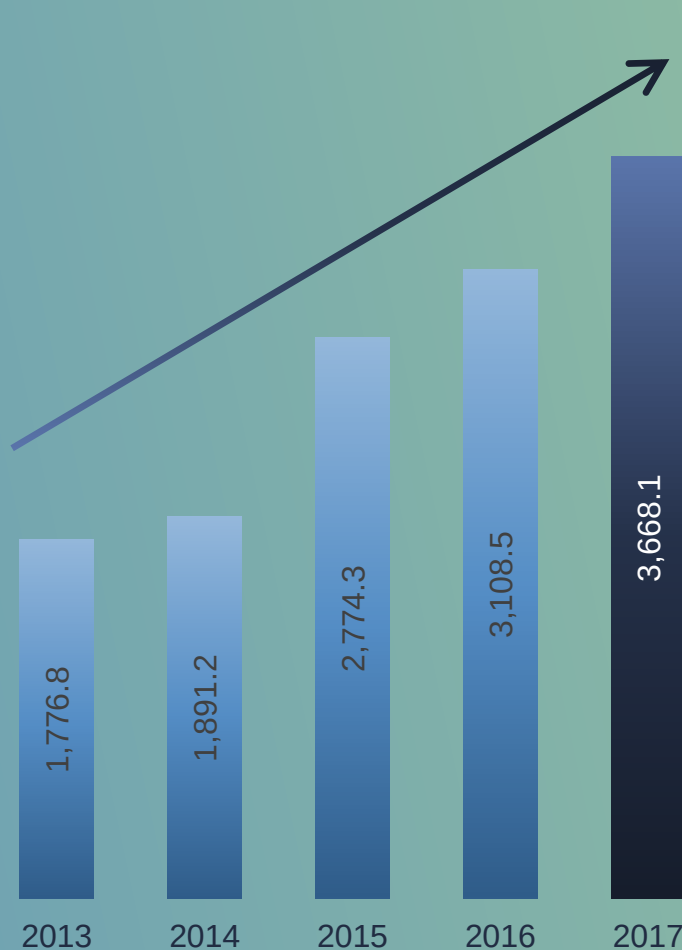


**Kingspan
Insulated Panels & Façades**
Global Leadership –
continue to drive worldwide
reach through greenfield
and consolidation

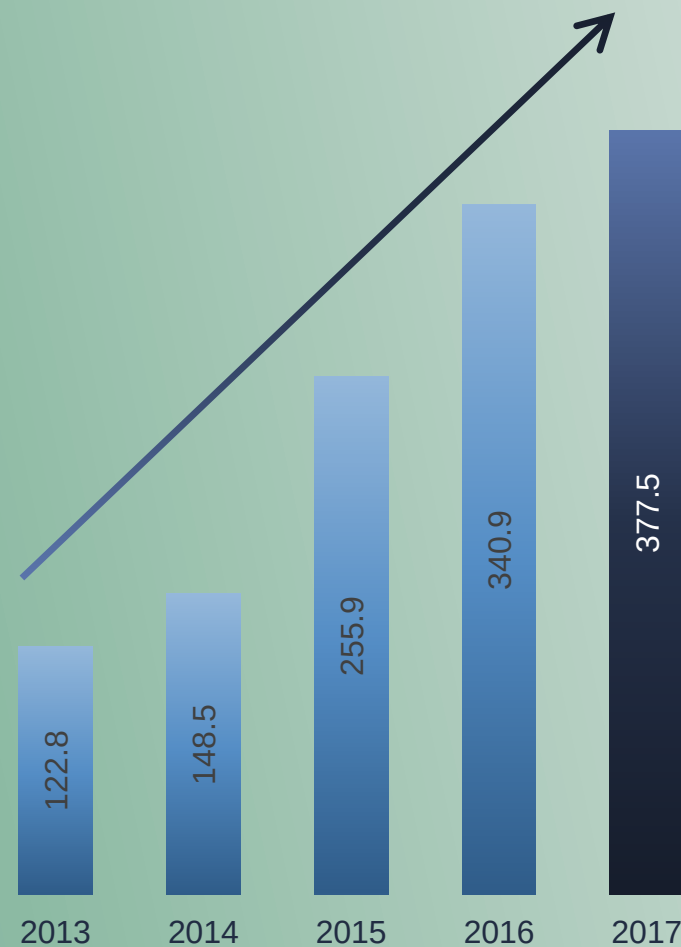


Kingspan Access Floors
Global Leadership – continue to
drive worldwide reach through
greenfield and consolidation

5 Year Financial Performance



Revenue
(€m) (CAGR 19.9%)



Trading Profit
(€m) (CAGR 32.4%)

- **Insulated Panels** sales growth of 17% driven by a positive performance in Continental Europe and a solid outcome in North America offsetting a sharp slowdown in the UK towards year end.
- **Insulation Boards** sales growth of 12% owing to significant price inflation and a structural shift to Kooltherm® in the UK, Ireland and Mainland Europe.
- **Light & Air** sales of €205m marking a strong first full year of trading and the development of a unique US and European footprint.
- Strong year for **Environmental** with ongoing improvement in profitability.
- **Access Floors** had a solid year albeit with a weakening UK backdrop.

↑
Revenue
UP 18%
to €3.7bn

↑
Trading Profit
UP 11%
to €377.5m

↑
Basic EPS
UP 11%
to 159.0c

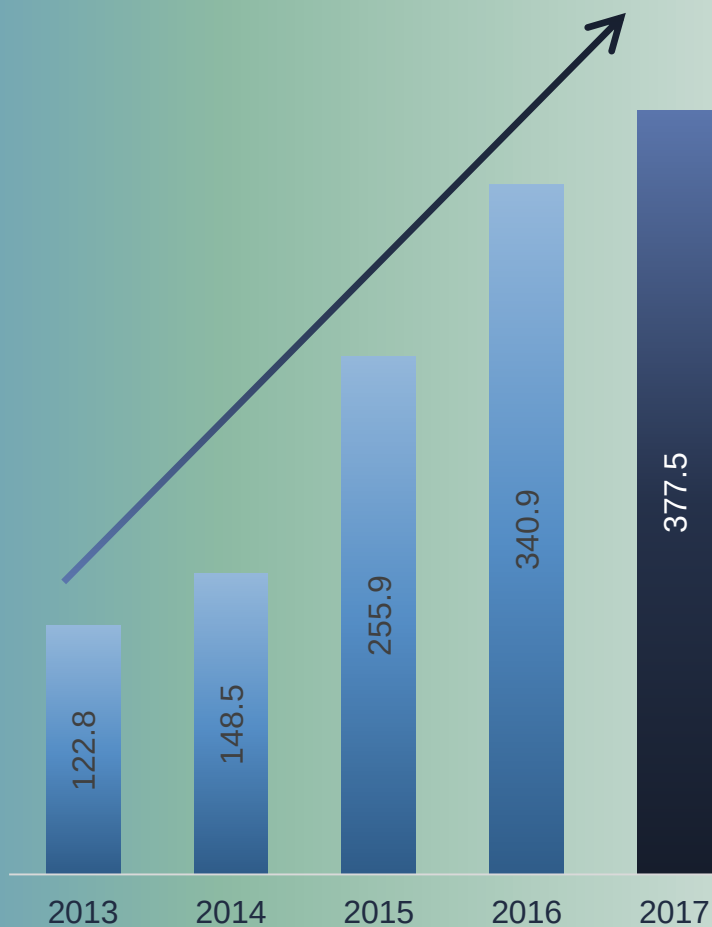
Financial Highlights



	2017	2016	YoY % Change	cc change*
Revenue (€m)	3,668.1	3,108.5	+18%	+20%
Trading Profit (€m)	377.5	340.9	+11%	+14%
EBITDA (€m)	441.7	404.1	+9%	+13%
Earnings per share (cent)	159.0	143.8	+11%	-
Full Year Dividend (cent)	37.0	33.5	+10%	-
Free Cashflow (€m)	198.5	206.6	-4%	-
Net Debt (€m)	463.9	427.9	+36.0m	-
Trading Margin	10.3%	11.0%	-70bps	-
Net Debt/EBITDA	1.05x	1.06x	-	-
ROCE	17.8%	17.3%	+50bps	-

**constant currency*

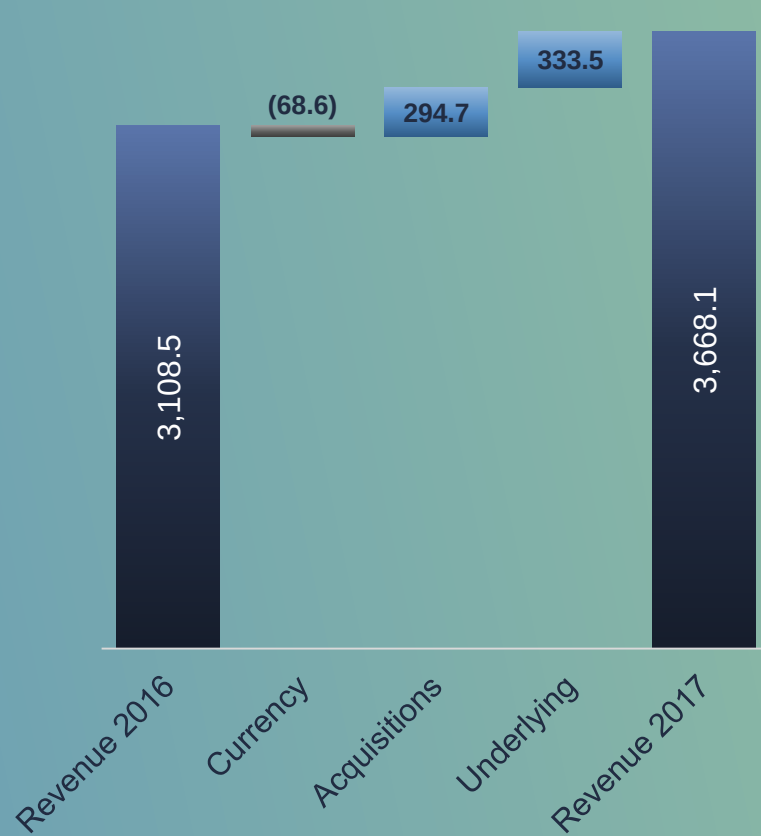
Trading Profit & Margin Progression



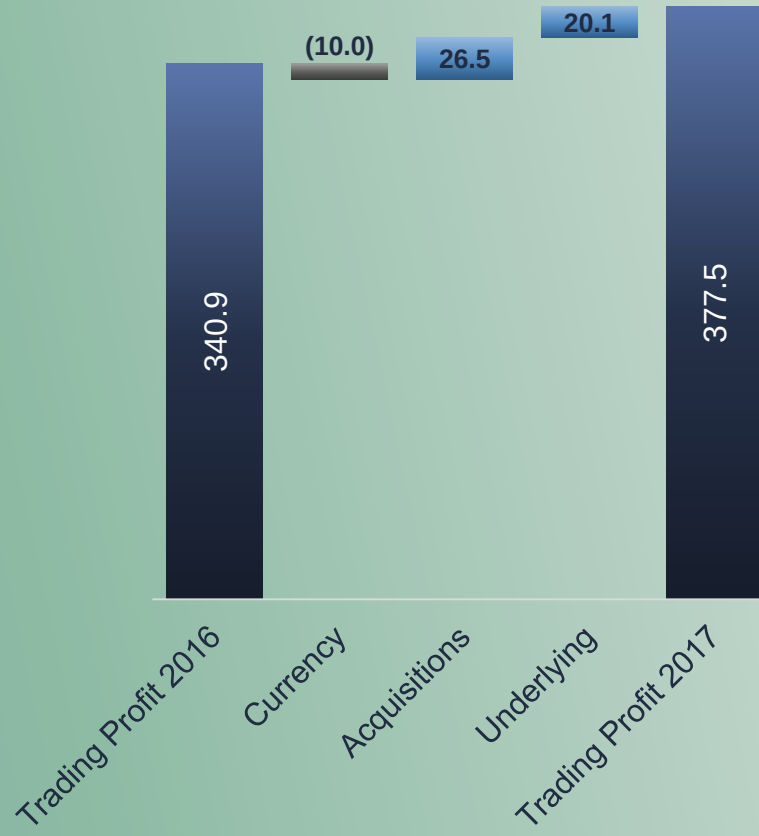
	FY 15	FY 16	FY 17
Insulated Panels	9.3%	11.2%	10.0%
Insulation Boards	9.2%	11.4%	11.9%
Light & Air	n/a	4.7%	7.2%
Environmental	5.1%	7.0%	9.0%
Access Floors	12.1%	12.5%	11.8%
Group Sales	9.2%	11.0%	10.3%

Trading Profit
(€m)

Group Sales & Profit Bridge

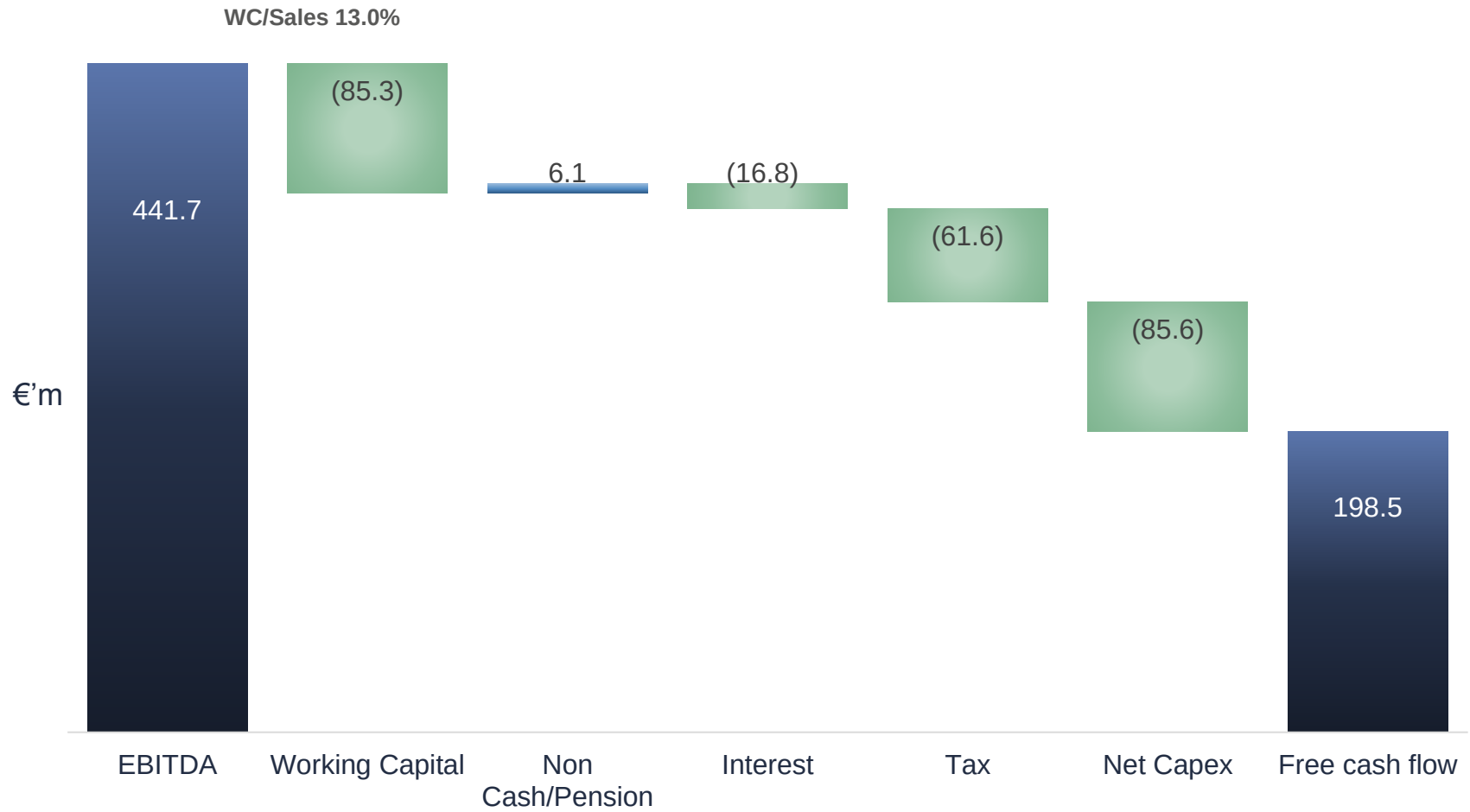


Sales (€m)

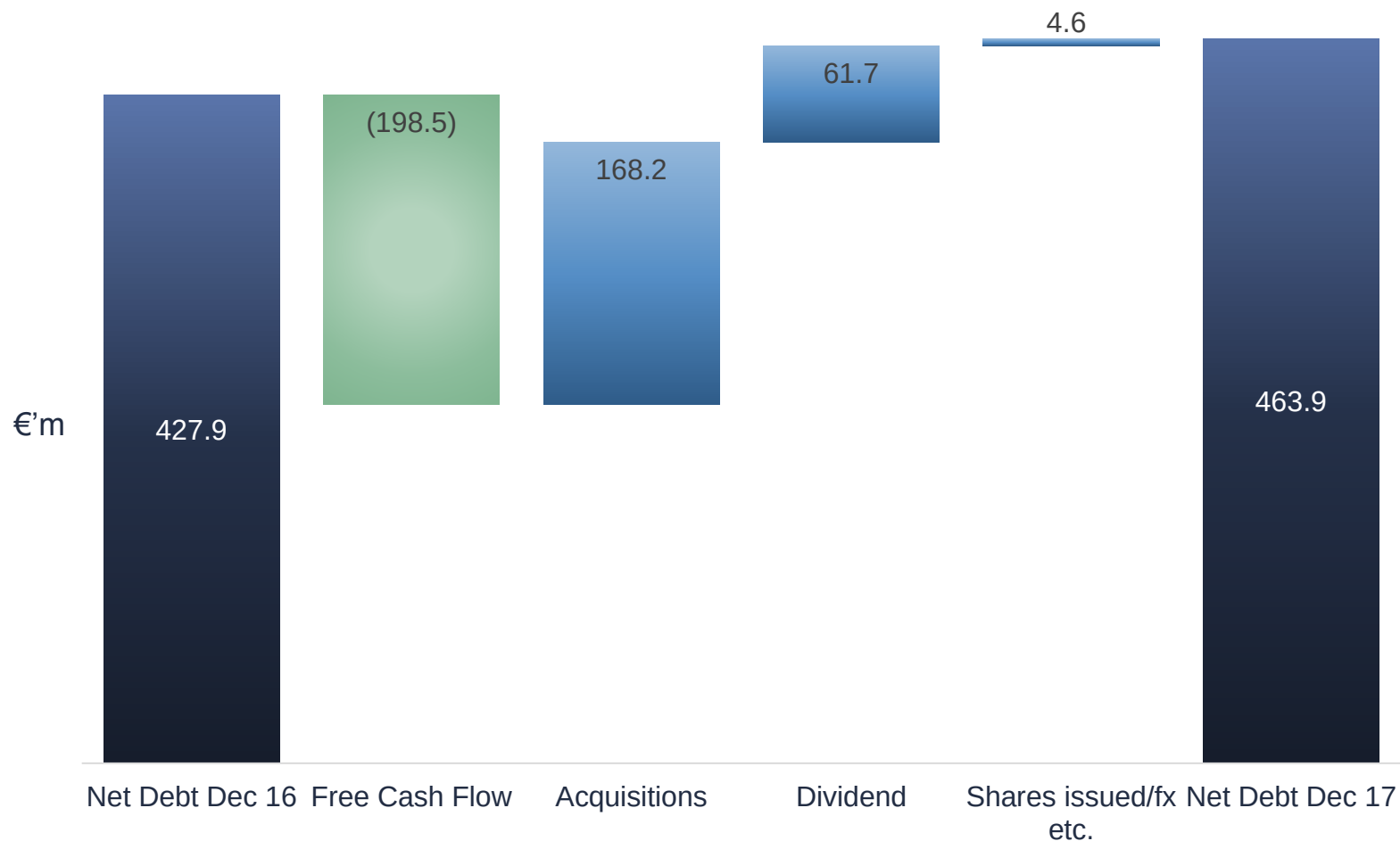


Trading Profit (€m)

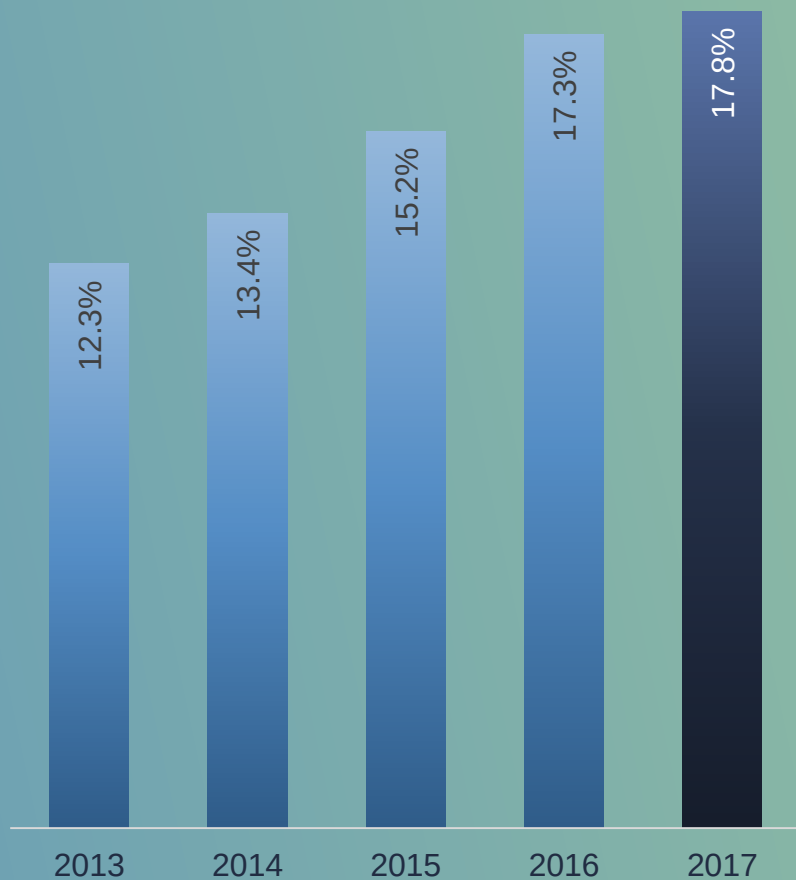
Strong Free Cash Flow



Net Debt Reconciliation



Growing ROCE

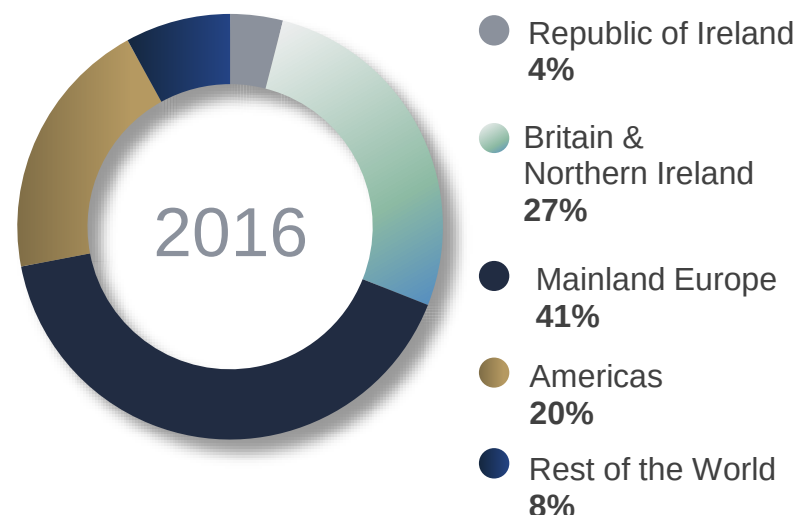
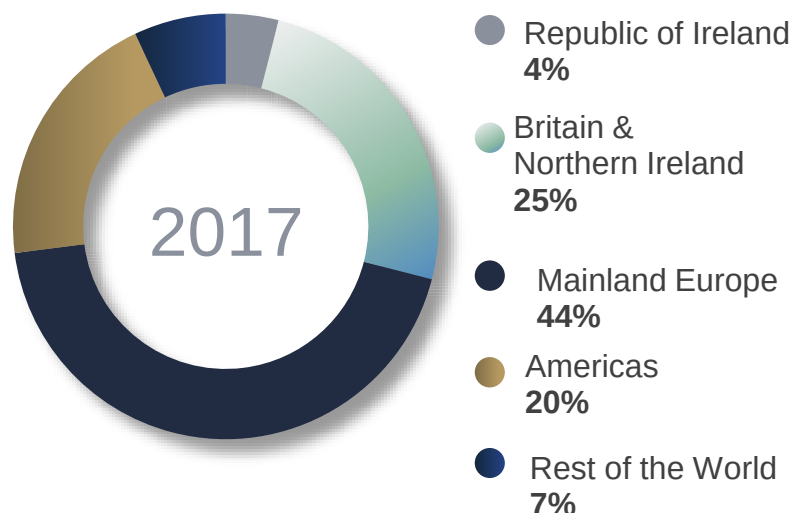


*The Word, UK
Insulation*

Strong Balance Sheet

- Total available cash balances and committed undrawn facilities of c. €901m
- €175m US Private Placement arranged in December 2017, drawn January 2018
- 5 year €500m revolving credit facility agreed in June 2017
- Weighted average maturity of debt of 6.5 years.

Sales by Geography



€m	2017	2016	Constant Currency Change	YoY % Change
Britain & Northern Ireland	909.2	834.4	+16%	+9%
Mainland Europe	1,628.5	1,287.5	+26%	+26%
Americas	738.1	630.4	+18%	+17%
Republic of Ireland	138.1	118.0	+17%	+17%
Rest of World	254.2	238.2	+7%	+7%
Group Sales	3,668.1	3,108.5	+20%	+18%

- Solid sales performance overall
- Positive year in continental Europe setting aside inflationary challenges faced
- Germany flat overall but weaker towards end of year relinquishing market share in pursuit of raw material inflation recovery
- Strong year in France, particularly Joris Ide brand
- Netherlands performed well
- Solid volumes in Central Europe but chemical cost recovery proved more difficult
- While UK started well it then tapered off considerably towards year end with decreasing number of large scale non-residential projects in the market

	2017	2016
Sales (€m)	2,328.5	1,998.2
% of Group Sales	63%	65%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
12%	-2%	+7%	+17%



Energy from Waste Facility, UK
Insulated Panels

Insulated Panels (cont.)



- Low double digit order intake growth in US somewhat compensating weaker activity in Canada
- Marked step-change to position in Latin America –manufacturing presence in Mexico, Colombia and four facilities in Brazil
- Tangible progress on Dri-Design® and Quadcore™ specifications
- Challenging year for Middle East region with weakness in Turkey. However project pipeline remains healthy
- Australia impacted by competitor capacity expansion. New Zealand delivering well
- Ireland broadly flat year-on-year



*Dokvast Rhenus, The Netherlands
Insulated Panels*

Insulation Boards

- Outstanding year for the division overall
- Excellent UK performance driven by price inflation, single digit volume growth and sharp shift in mix towards Kooltherm®
- Continued progress across Continental Europe. New Nordics facility planned for 2019
- North America XPS line commissioned in late 2017, expect return to growth in 2018 with new applications and extended product range
- Middle East performed well
- Kooltherm® facility commissioned in Melbourne better serves the Australasian region
- Positive year for Kooltherm® in Ireland facilitated by market shortage of PIR board

	2017	2016
Sales (€m)	769.4	688.1
% of Group Sales	21%	22%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+15%	-3%	-	+12%



High Speed Rail National College, UK
Insulation

- Milestone year for newly formed division
- Europe performed strongly, particularly Germany and France
- North America less positive, giving up market share in Western US in early 2017 but pattern reversed by year end
- Expanded global presence through addition of CPI Daylighting in North America and Brakel in Europe
- Extensive site consolidation planned for French business in 2018
- 2018 sales run rate circa €300m

	2017	2016
Sales (€m)	204.7	75.9
% of Group Sales	6%	2%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+1%	-1%	+170%	+170%



Eagle Academy, Washington, USA
Light & Air

- Strong year overall with ongoing improvement in profitability
- Excellent performance in Australian water storage business. Further benefit from acquired Rhino® brand
- UK traditional product range and service activity performed well
- Solar and wind more challenging, likely to continue for the foreseeable future
- Global expansion and trading margin restoration key themes

	2017	2016
Sales (€m)	179.8	162.0
% of Group Sales	5%	5%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+2%	-5%	+14%	+11%

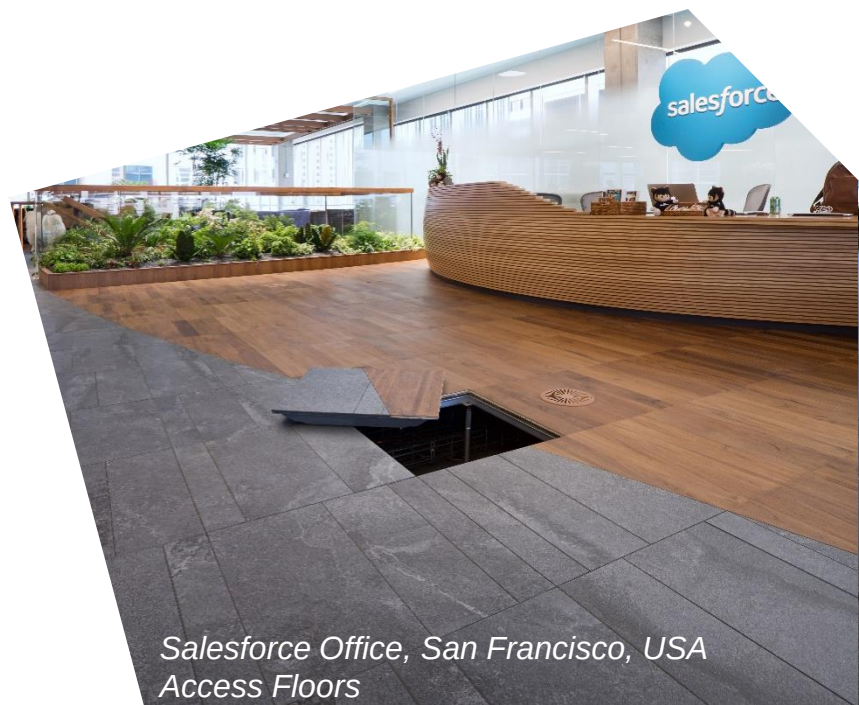


Access Floors

- Stable sales performance overall.
- UK performed well as a result of the strong orderbook entering 2017
- UK backdrop weakened during the latter half of the year resulting in lower order intake in H2 17
- Continued focus on expanding product offering in North America
- Pre-finished concrete access floors and data centre product set to provide key growth opportunity going forward

	2017	2016
Sales (€m)	185.7	184.3
% of Group Sales	5%	6%

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



Salesforce Office, San Francisco, USA
Access Floors

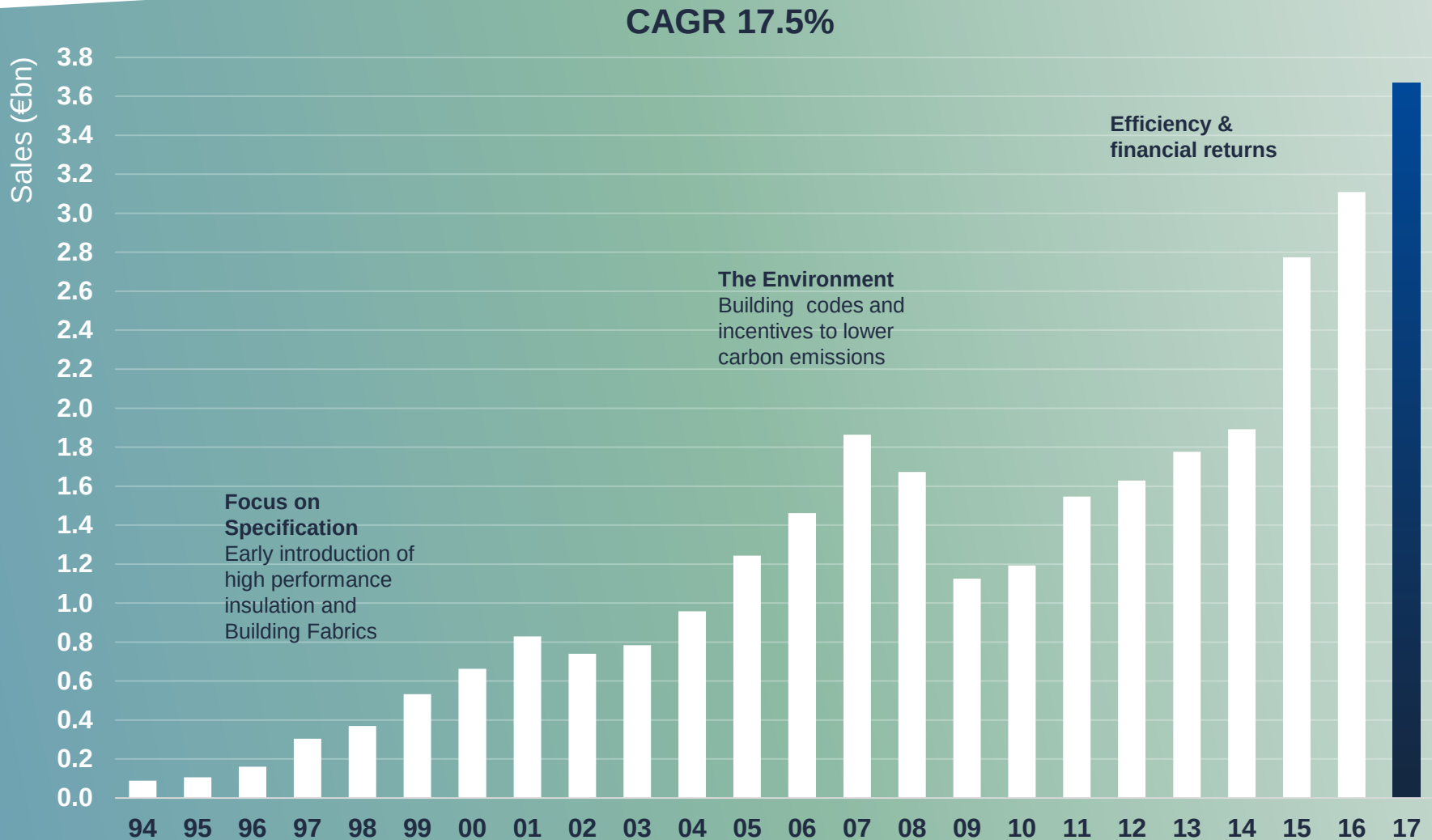
Outlook

- 2018 got off to a relatively slow start but improvement expected through the first quarter
- Project postponements in the UK have resulted in panel order intake value being down over 15% since the start of 2018
- UK sales volumes of Insulation Boards holding up reasonably well
- Other end markets remain in solid shape
- Trend of structural conversion to Quadcore™ and Kooltherm® expected to continue in 2018
- Evolving new frontiers and associated acquisitions to help counterbalance the near term weakening UK building environment

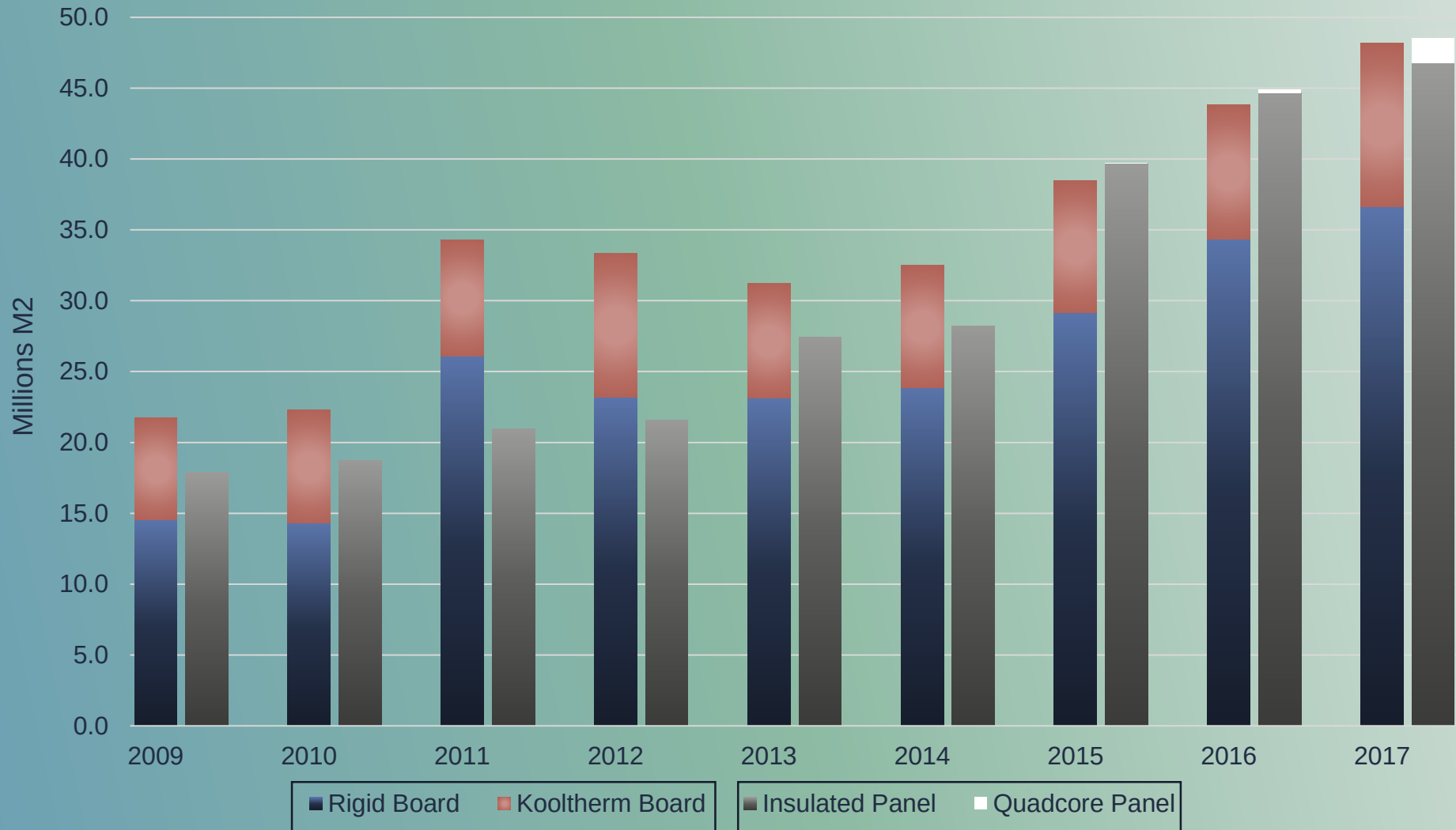
Additional Information



Our Evolution - Revenue



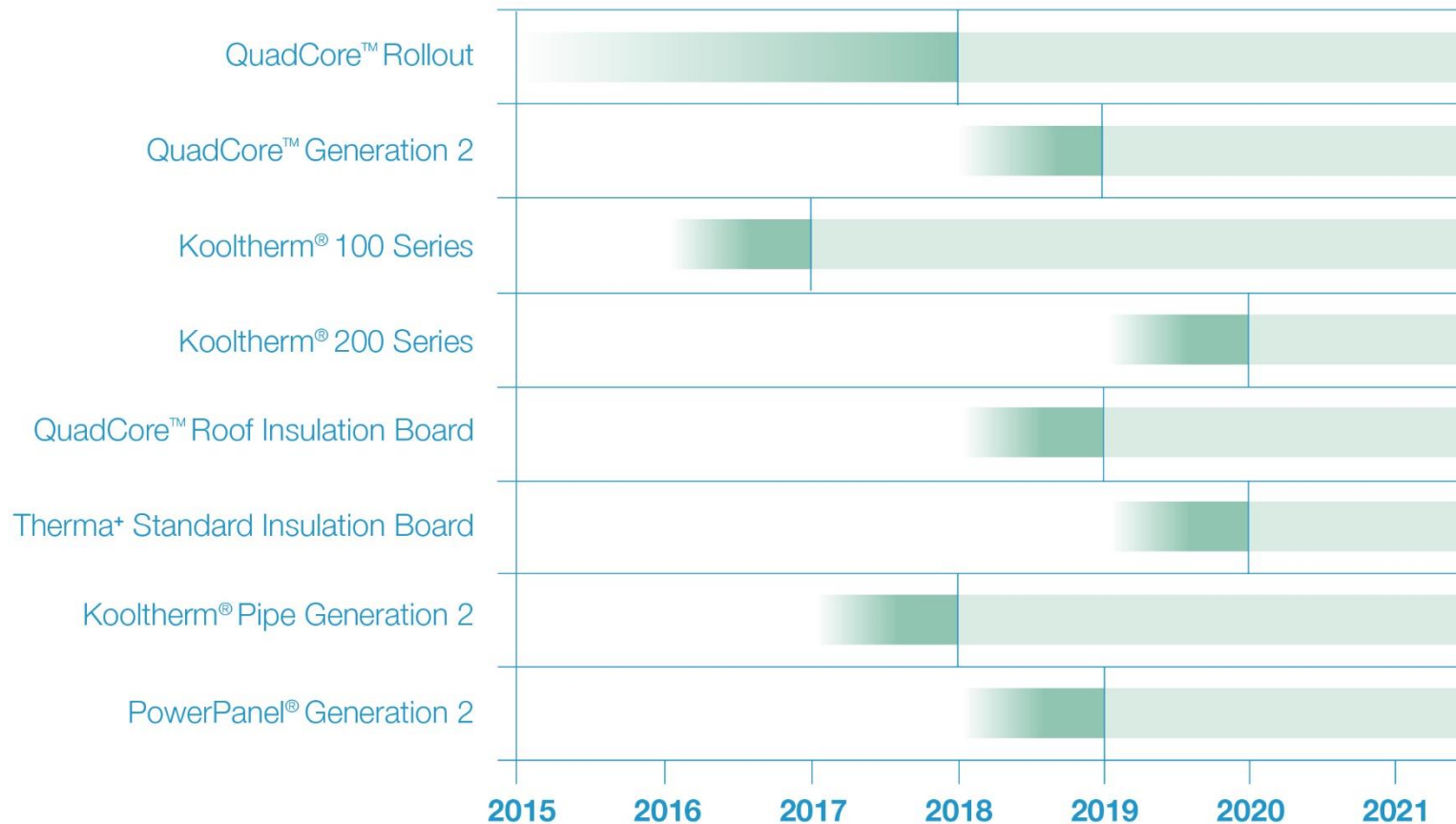
Panel & Board – Sales Volume



Global Organic Expansion

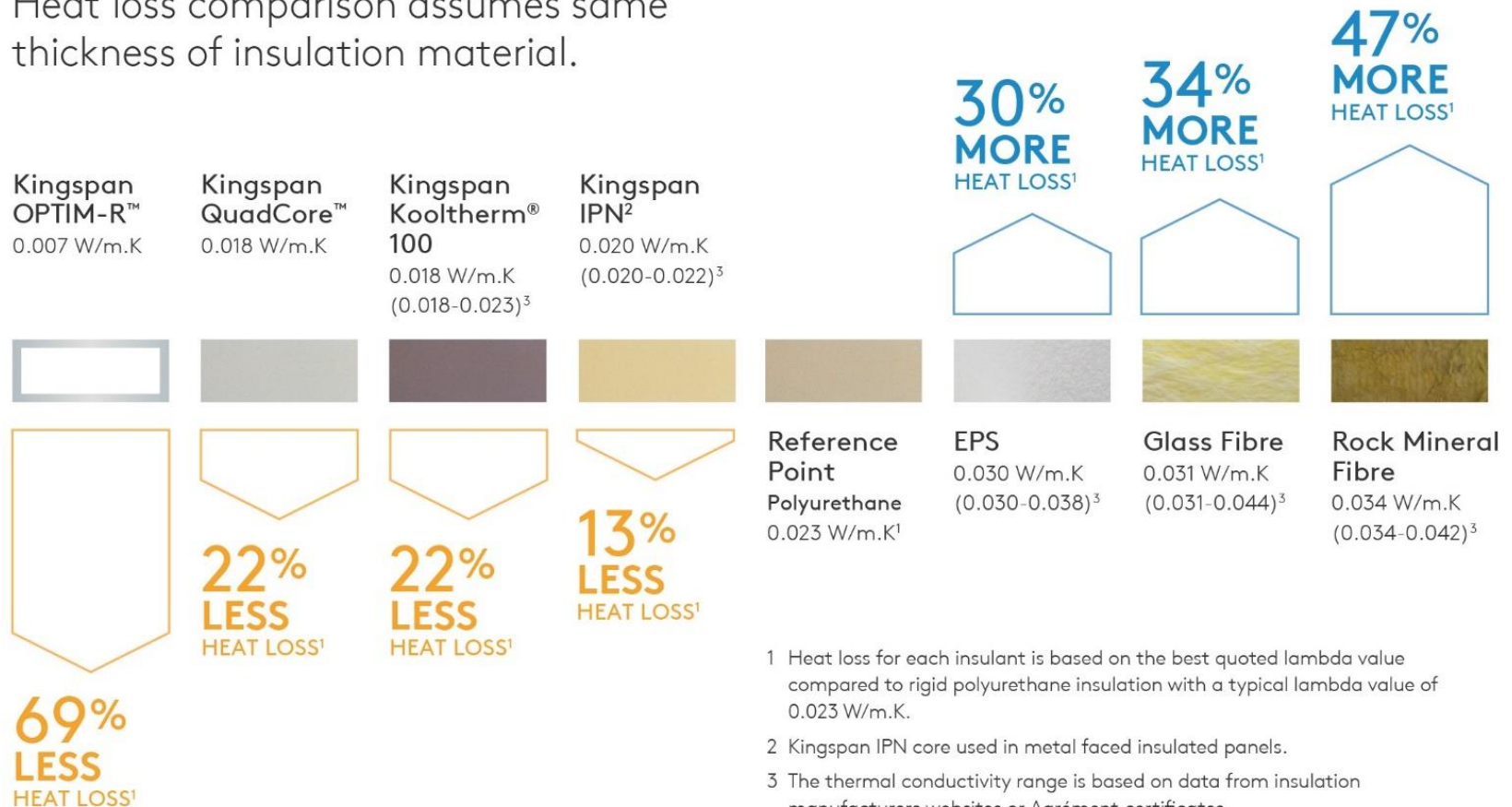


Key Innovations



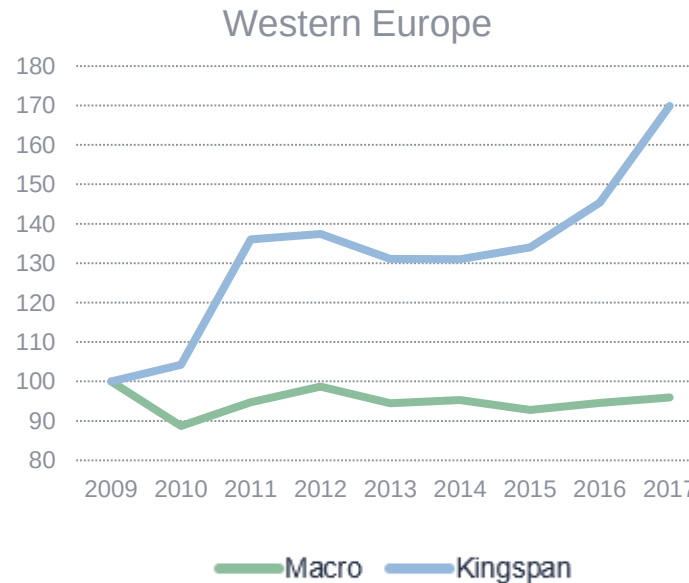
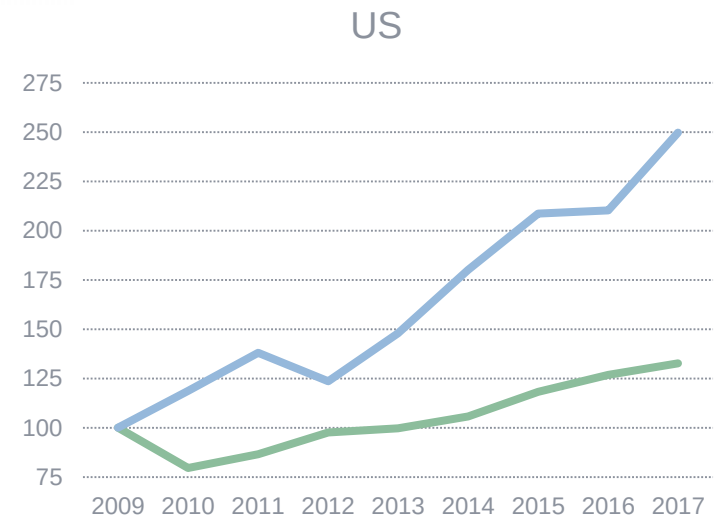
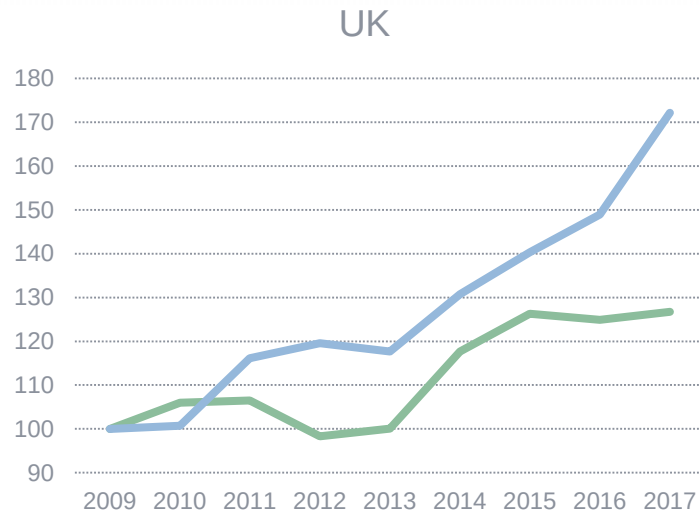
Kingspan Insulates Better

Heat loss comparison assumes same thickness of insulation material.



- 1 Heat loss for each insulant is based on the best quoted lambda value compared to rigid polyurethane insulation with a typical lambda value of 0.023 W/m.K.
- 2 Kingspan IPN core used in metal faced insulated panels.
- 3 The thermal conductivity range is based on data from insulation manufacturers websites or Agrément certificates.
- 4 Thermal conductivity (Lambda) W/m.K values quoted at 10°C.

Kingspan v Construction Macro



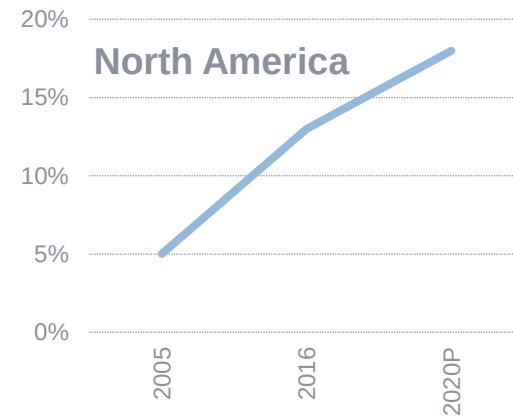
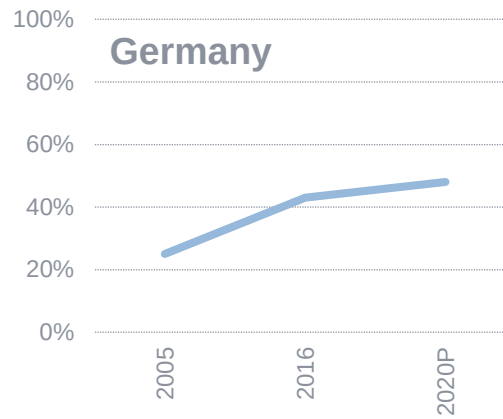
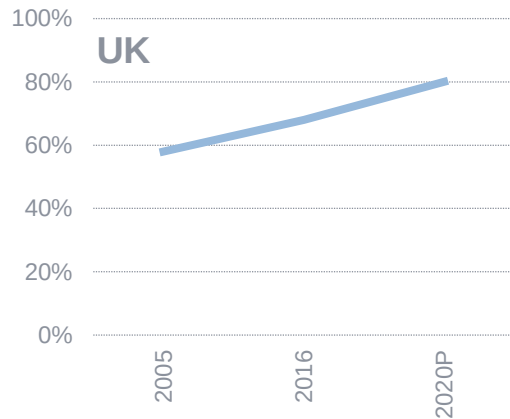
Source:

- 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

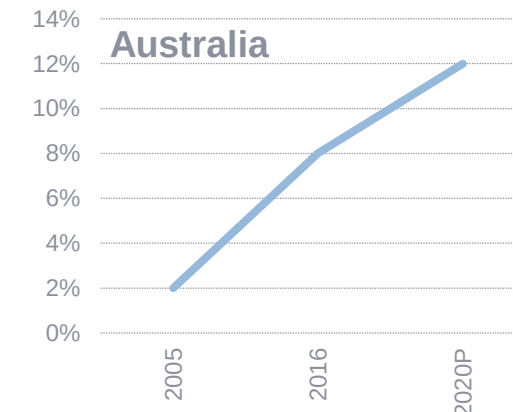
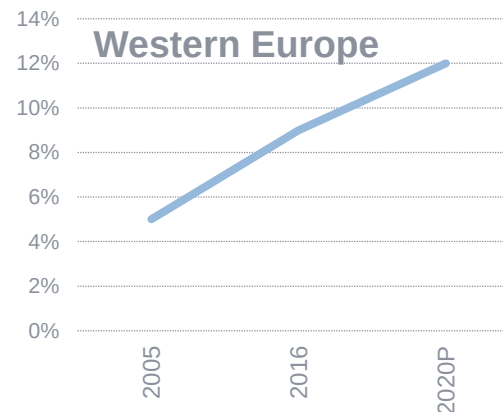
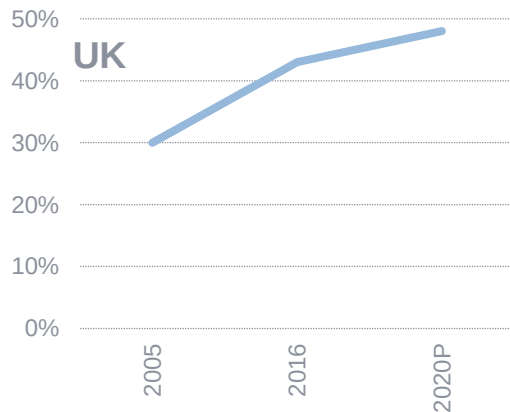
Driving Penetration Growth

Aim to change Building Practices / Material Choices

INSULATED PANELS

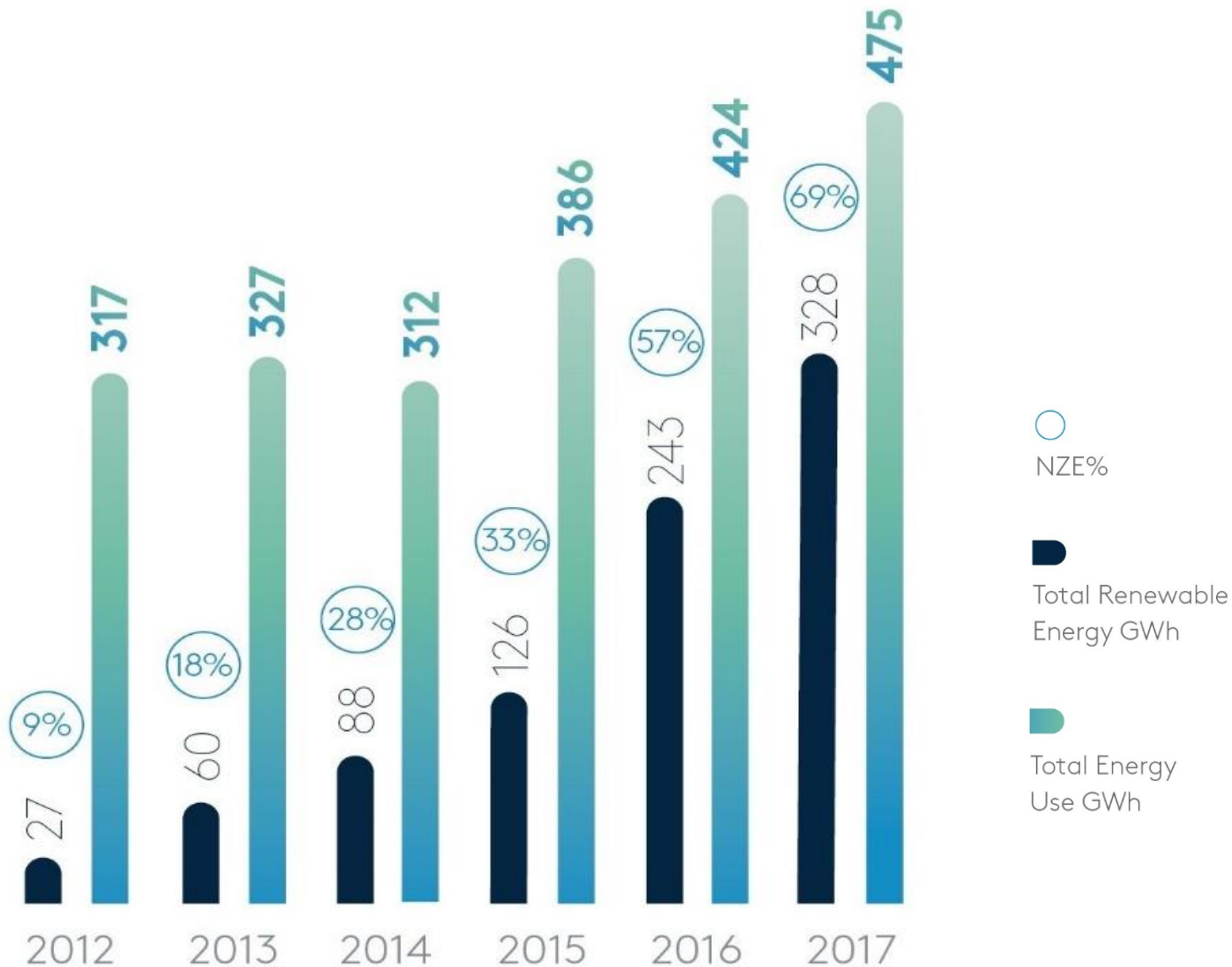


INSULATION BOARDS



All above either relates to Insulation Panels or Insulation Boards penetration as a % of the respective addressable markets

Net Zero Energy





Dublin Road
Kingscourt
Co Cavan
Ireland
A82 XY31

Tel: +353 42 969 8000

Fax: +353 42 966 7501

Email: admin@kingspan.com

www.kingspan.com