

Efficiency



It's in the core

Kingspan Interim Results
26th August 2014



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.



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The Business

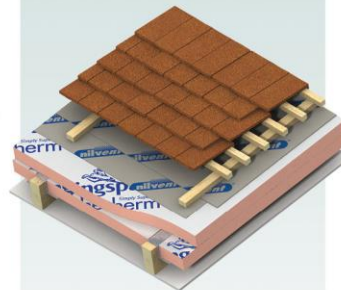


- A global leader in high performance insulation and building envelopes
- Market leading positions in UK, Mainland Europe, North America and Australasia
- Proprietary technology drives differentiation in product performance

59%
INSULATED
PANELS



25%
INSULATION
BOARDS



8%
ACCESS FLOORS

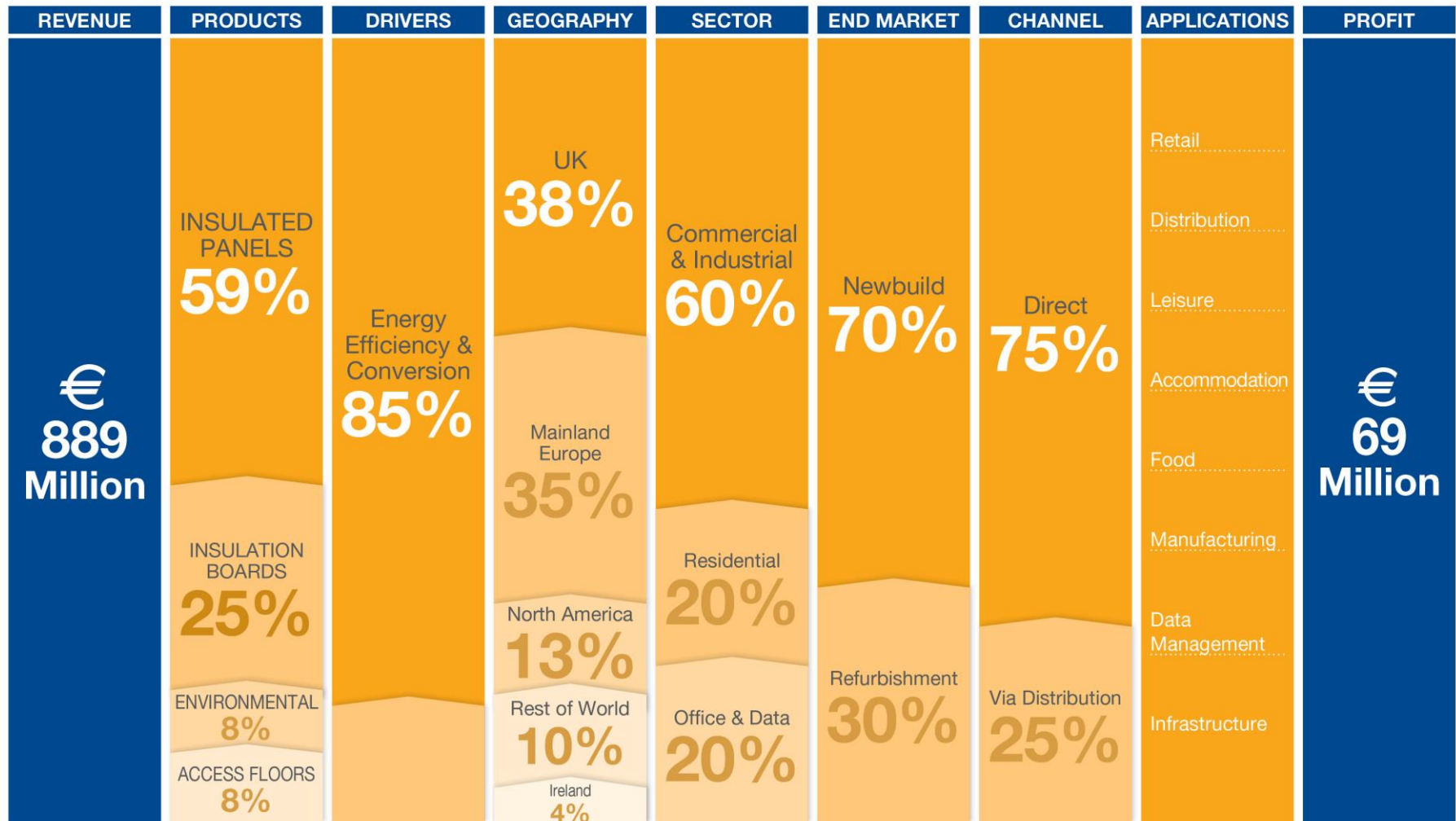


8%
ENVIRONMENTAL



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H1 2014 in a Nutshell



BRAND > SPECIFICATION > DIFFERENTIATION

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%

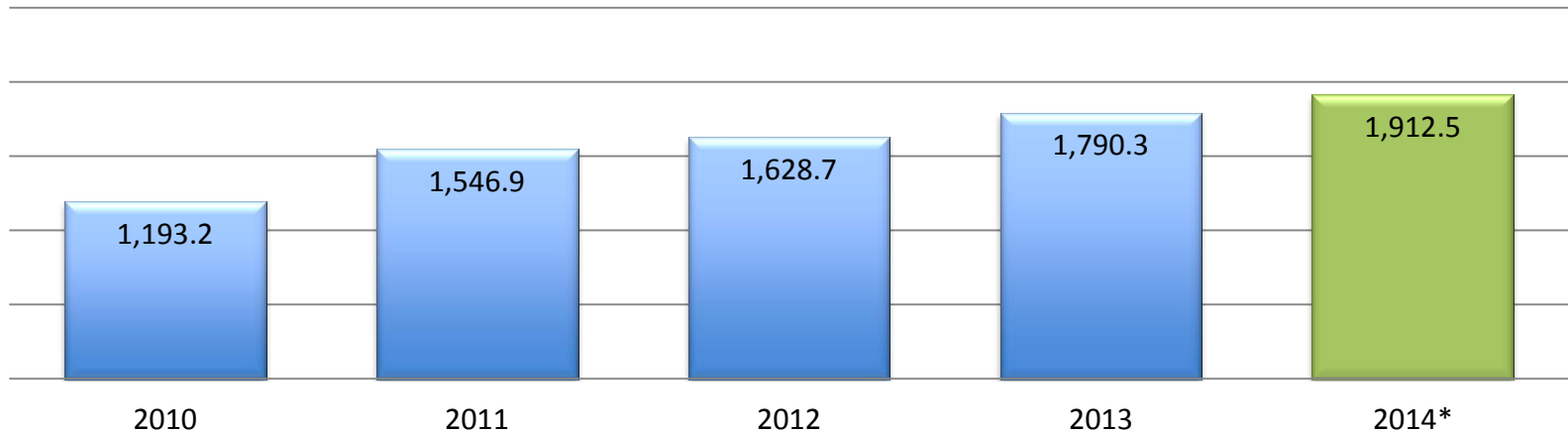


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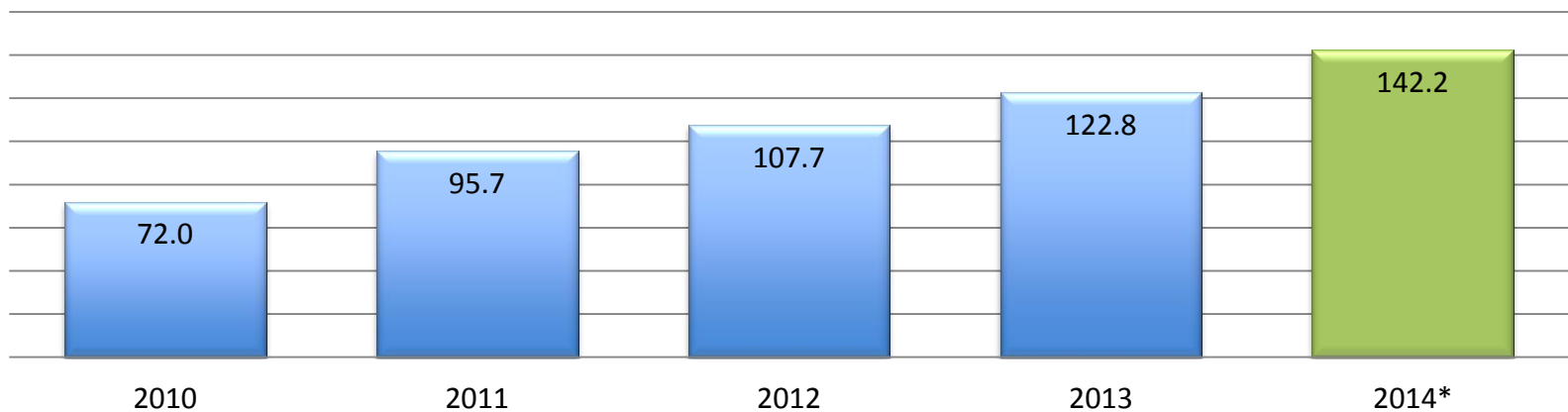
5 Year Financial Performance



Revenue (€'m) (CAGR 12.5%)



Trading Profit (€'m) (CAGR 18.5%)



* Analyst consensus



H1 2014 In Summary



Revenue
up 4%
to €889m

Trading Profit
up 24%
to €69m

Basic EPS
up 27%
to 29.2c

- Good performance overall with sales levelling off in quarter two following a strong, and unseasonal, quarter one.
- **Insulated Panels** sales up 9% and trading profit up 30%, reflecting continuing penetration gains, a positive business mix, and some improvement in end markets in certain regions.
- **Insulation Boards** up 1% and trading profit up 32%, with a good performance in the UK in particular and an improved business mix. The Group's new facility in the Eastern region of Germany fully commissioned.
- **Environmental** sales were flat, and have stabilised.
- **Access Floors** sales were down 11%, with weak US office activity offsetting a good performance in UK office volumes.



H1 Financial Highlights



Revenue	→	€889.3m	+4% +4% like-for-like*
EBITDA	→	€88.9m	+17% +17% like-for-like*
Trading Profit	→	€69.2m	+24% +23% like-for-like*
Trading Margin	→	7.8%	+120bps
Basic EPS	→	29.2c	+27%
ROCE	→	12.4%	+160bps
Interim dividend	→	6.25c	+14%

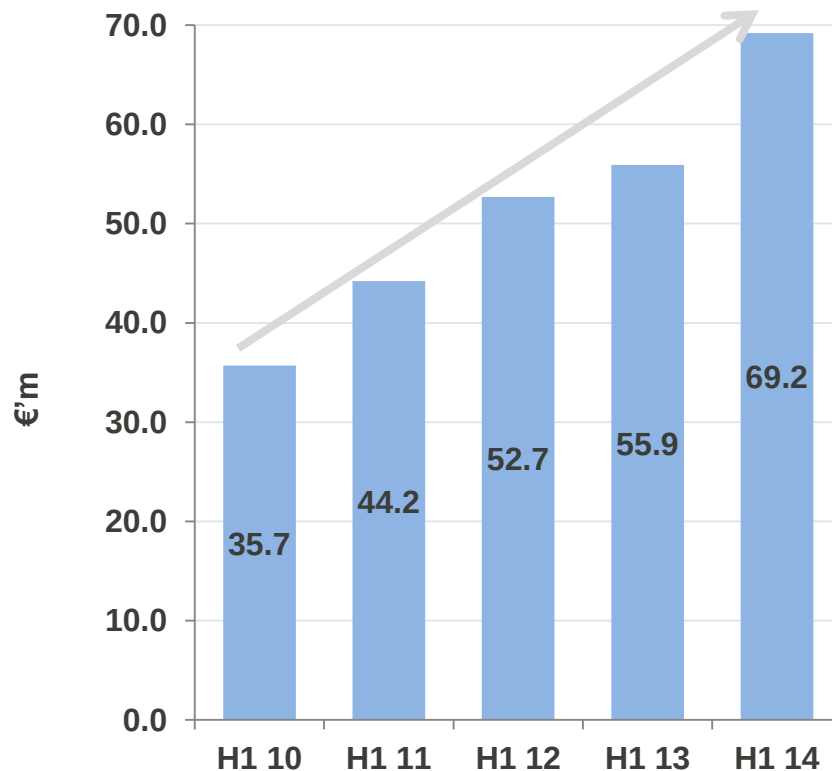
* Like-for-like comparisons exclude the impact of acquisitions & currency movements



H1 Trading Profit & Margin Growth



Trading Profit



Margin %

	H1 13	FY 13	H1 14
Insulated Panels	6.9%	7.3%	8.3%
Insulation Boards	6.1%	6.7%	8.0%
Environmental	1.1%	1.0%	0.3%
Access Floors	10.3%	10.5%	10.8%
Group	6.6%	6.9%	7.8%



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Strong Operating Cash Flow



€m	H1 14	H1 13	% change
Operating profit	67.0	53.9	+24%
Depreciation & amortisation	21.9	21.8	+0%
Working Capital decrease/(increase)	(29.5)	(40.2)	+27%
Operating cash flow	59.4	35.5	+67%
Interest and taxation	(13.6)	(11.6)	+17%
Net capital expenditure	(21.0)	(18.2)	+15%
Other including non cash items	3.9	4.1	-5%
Free cash flow	28.7	9.8	+193%



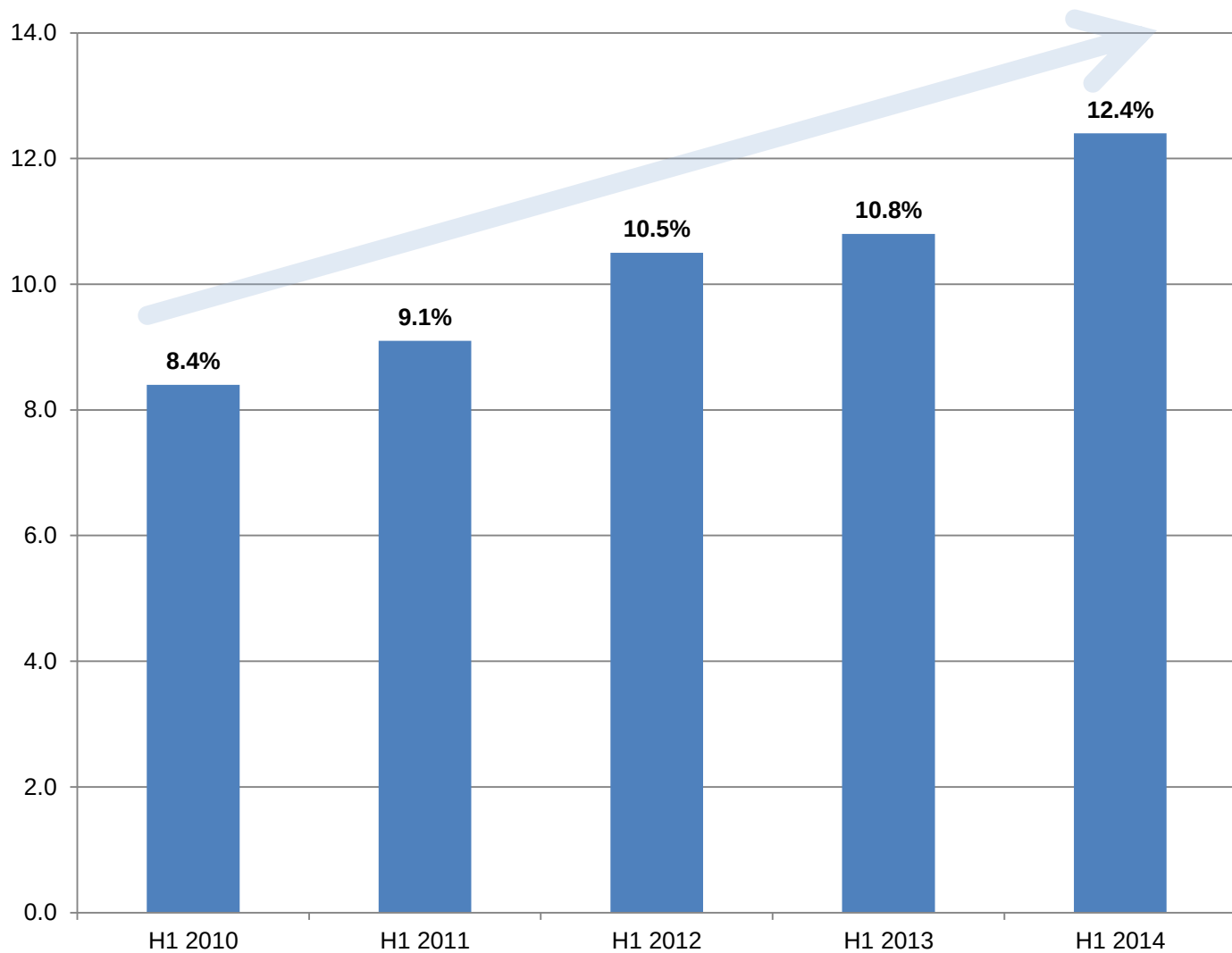
Strong Net Debt Performance



€m	H1 14	H1 13
Free cash flow	28.7	9.8
Acquisitions (net of disposal proceeds)	(23.4)	-
Dividends paid/other	(10.3)	(10.8)
Cashflow Movement	(5.0)	(1.0)
Debt Translation	(1.7)	1.1
Decrease/(increase) in net debt	(6.7)	0.1
Net debt at start of period	(106.7)	(165.2)
Net debt at end of period	(113.4)	(165.1)
Net debt:EBITDA	0.66x	1.1x



Growing ROCE



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Key Ratios

	FY 12	H1 13	FY 13	H1 14
ROCE	10.7%	10.8%	12.3%	12.4%
Gearing (Net Debt: Shareholders Funds)	20.4%	20.1%	12.5%	12.3%
Net Debt/EBITDA	1.12	1.1	0.66	0.66
Interest Cover	10.0	10.3	12.0	12.6
Working Capital as % of Sales	12.3%	12.8%	11.7%	12.7%



Strong Balance Sheet



- Net Debt €113.4m
 - headroom c. €492m compared to committed facilities and cash balances
- Undrawn revolving credit facility of €300m
 - Facility amended in March 2014
 - Margins materially lowered on drawn and undrawn basis
 - Term extended by two years to March 2019
- 2005 Private placement €147m (USD200m)
 - USD158 maturing March 2015
 - USD42 maturing March 2017
- 2011 Private placement €150m (USD200m)
 - Maturing August 2021
- Significant headroom on covenants
 - Max 3.5x net debt:EBITDA; actual 0.66x
 - Min 4.0x interest cover; actual 12.6x
- Weighted average maturity of debt facilities of 4.3 years

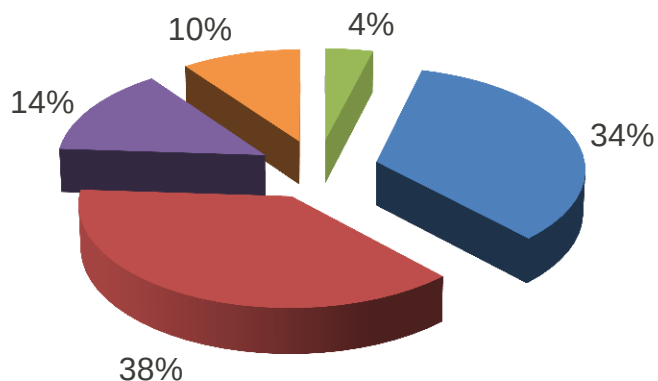


Kingspan Group Head Office, Ireland
Insulated Panels

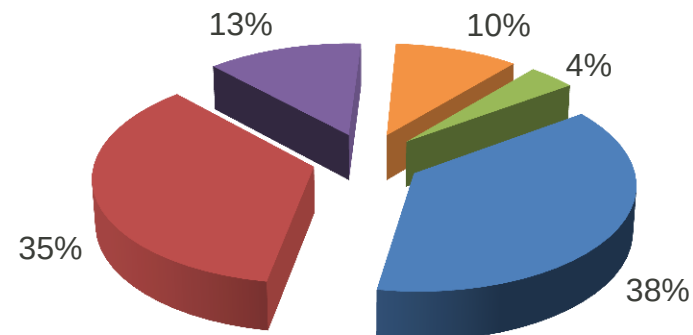


Sales by Geography

H1 2013



H1 2014



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

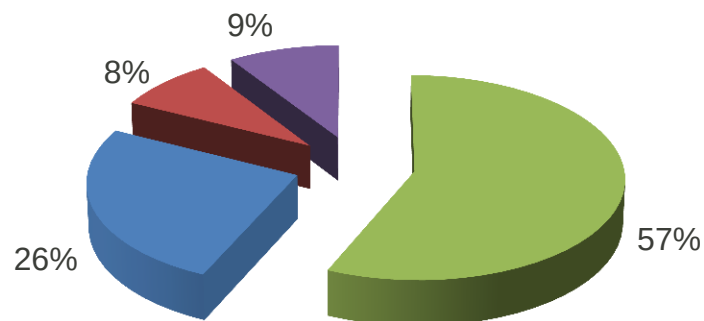
€'m	H1 14	H1 13	Constant Currency Change	YoY % Change
Britain & Northern Ireland	335.3	290.6	+12%	+15%
Mainland Europe	314.2	316.6	0%	-1%
Americas	113.7	119.8	0%	-5%
Republic of Ireland	35.1	36.0	-3%	-3%
Rest of World	91.0	88.5	+11%	+3%
Group Sales	889.3	851.5	+5%	+4%



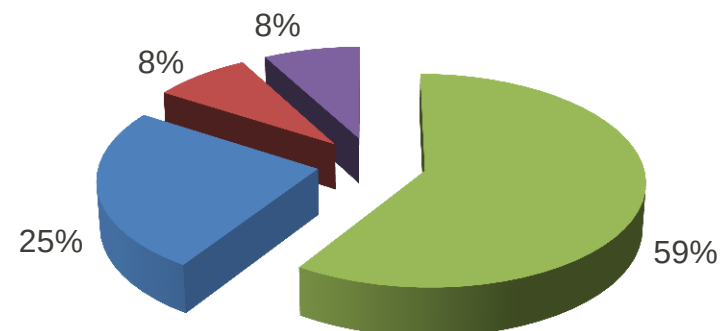
Sales by Product Group



H1 2013



H1 2014



- Insulated Panels
- Insulation Boards
- Environmental
- Access Floors

€m	H1 14	H1 13	Constant Currency	YoY % Change
Insulated Panels	526.1	482.5	+10%	+9%
Insulation Boards	221.1	218.8	0%	+1%
Environmental	71.6	71.3	-2%	0%
Access Floors	70.5	78.9	-9%	-11%
Group Sales	889.3	851.5	+5%	+4%



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Insulated Panels



- Strong start to 2014
- UK general building activity continued to recover with increased sales volumes
- Benelux and France remain under some macro-economic pressure
- Strong performance in Australasia and the Gulf region with substantial growth in sales and order intake
- Germany, a key market, was stable
- Improvement in Central and Eastern European markets, particularly Hungary and Poland
- Turkey was weak due to economic instability
- Increasing penetration in Nordic markets

	H1 14	H1 13
Sales (€m)	526.1	482.5
% of Group Sales	59%	57%

Analysis of YoY % Change				
Currency	Volume	Price & Mix	Acquisitions	Total
-1%	+7%	+2%	+1%	+9%



Jaguar Land Rover Manufacturing Centre, UK
Kingspan Energy



Insulated Panels (Cont.)



- Solid performance in North America, sales volumes achieve single digit increase
- Record high orderbook in North America points towards positive H2
- Benchmark architectural specifications well up on prior year indicating improved H2 performance
- Kingspan Energy pipeline building with target full year revenue in excess of €30m
- Sustained concentration on streamlining recent acquisitions



Rooftop Solar Power H1 2014 Funding Sources



On target for FY2014 revenue in excess of €30m.

Major Projects

- ❑ Jaguar Land Rover UK - 5.8MW
- ❑ Sainsburys - 4MW
- ❑ Lancashire County Council - 1.5MW



Insulation Boards



- UK grew strongly in H1, although abated in recent months
- Kooltherm® sales robust, benefitting margins
- Improvement in Benelux sales driven by penetration growth and unusually mild weather in Q1
- Ireland volumes improving but under significant price pressure
- New facility to serve eastern region of Germany and CEE recently commissioned
- Optim-R® specifications growing steadily
- Continued growth in penetration of Kooltherm® in Australasia, on target for manufacturing presence by 2016

	H1 14	H1 13
Sales (€m)	221.1	218.8
% of Group Sales	25%	26%

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



Greenhouses, Sulgrave Gardens, London
Insulation & Panels



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Access Floors



- Overall sales decreased by 11% with contrasting performance across the territories
- UK office construction improved markedly in H1
- US new office construction still at low levels
- Pipeline in US indicates positive activity for late 2015 and beyond
- Strong UK pipeline building for 2015 and 2016

	H1 14	H1 13
Sales (€m)	70.5	78.9
% of Group Sales	8%	9%

Analysis of YoY % Change			
Currency	Volume	Price & Mix	Total
-2%	+3%	-12%	-11%



San Francisco, US
Access Floors



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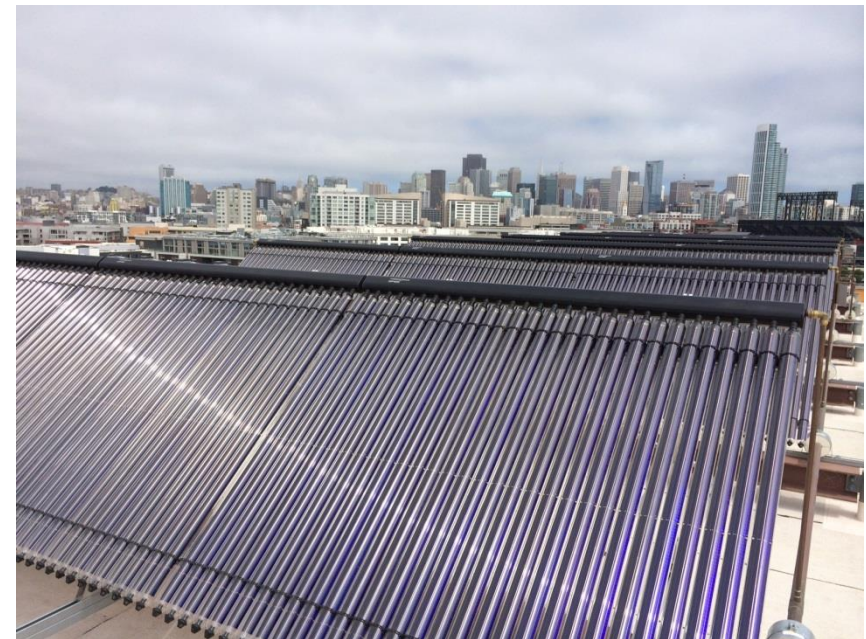
Environmental



- Stable H1 in UK, Ireland and Mainland Europe
- Improvement in Water Solutions sales in UK
- Hot Water products down slightly mainly due to competitive environment
- Solar thermal volumes remain under pressure
- KW15 microwind product launched in Q2 2014. Quotation levels encouraging

	H1 14	H1 13
Sales (€m)	71.6	71.3
% of Group Sales	8%	8%

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



San Francisco Public Safety Building
Kingspan Solar



Outlook



- Glacial economic recovery in general
- Easing of momentum in Q2 anticipated to continue in Western Europe
- Strong order intake in H1 in the UK, North America & Australia bodes well for H2 sales in those regions
- Continental Europe potentially weaker
- Kingspan remains well poised overall



Seattle Commercial Hanger, US
Insulated Panels



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