

Kingspan Group plc

Trading Update

28 April 2023

Kingspan Group plc, the global leader in high performance insulation and building envelopes, issues this Trading Update for the quarter ended 31 March 2023 ahead of our AGM at 9.00am today.

Overall, the Group had a good first quarter in a challenging environment. Group sales approached €2bn for the three-month period to 31 March and were 4% ahead of prior year (-3% underlying).

By market during the first quarter, the Americas overall was strong, Western Europe was solid for the most part with Central & Eastern Europe remaining tough, as it was for much of 2022. Australasia has seen a decent start to the year.

Insulated Panels sales were down 5% (-6% underlying) with volumes behind year on year versus a strong comparative when we experienced an element of accelerated demand in a highly inflationary environment this time last year. A feature of market activity over the last 18 months or so has been gyrating activity month on month. Whilst order placement in the first quarter has been sluggish overall it did represent 25% of all orders placed during 2022. QuadCore™ specification continues to progress globally with lower embodied carbon (LEC) advancements likely to help this further.

Insulation sales were in line with the first quarter of 2022 (-4% underlying). Technical Insulation continued its strong performance of 2022 boosted by district heating demand with board activity seeing some volume decreases and acoustic insulation contributing well. Divisional activity is seeing the benefit of an increasingly diverse range of end markets and its full spectrum of products and applications.

Light, Air + Water sales were up 3% (+4% underlying) in the first quarter. It was a milestone first quarter with the establishment of this enlarged division from two previously separate business units. Its end markets are in reasonable shape overall with a solid pipeline of daylighting, natural ventilation and rainwater harvesting applications.

Roofing + Waterproofing featured in Q1 2023 with no comparative as the acquired platform came on board from mid-year 2022. A further development step was taken in the first quarter with the completion of the acquisition of the CaPlast business, a leading German roofing solutions business with annual revenues of approximately €75m, on 21st April.

Data + Flooring sales increased by 18% in the first quarter (+18% underlying). Datacentre solutions continue to advance and are offsetting the weakness in new office construction.

Net debt at 31 March 2023 was €1,416m, a reduction of €123m in the first quarter. The Group's current liquidity is very strong with in excess of €1.5bn in cash and undrawn committed facilities. In April, the Group agreed new Private Placement Loan notes of €319m which when completed in June will bring the aggregate private placement issuances to €1.6bn at an average fixed interest cost of 2.33% per annum and a weighted average maturity of 5.5 years. This positions the Group very well, providing interest rate certainty at attractive levels, in a high-rate environment.

The Board has reviewed the Company's listing arrangements and notes that current share trading on the London Stock Exchange (LSE) is negligible as a percentage of total trading. The Board, therefore, proposes to delist from the LSE subject to shareholder approval and we will provide an update on process and timing in the coming weeks. We remain committed to our primary listing on the main market of Euronext Dublin, where the majority of share trading takes place.

The Group's trading outlook is relatively short dated as has been the case over the last year or so. The second quarter is a demanding comparative, perhaps less so on order intake which petered out in Q2 2022 after a strong first quarter. We expect to deliver a trading profit of just over €400m for the first half of 2023 albeit with much of Q2 still remaining.

Overall, given ever increasing concerns around energy conservation, the need for emphatic and accelerated reductions in carbon, Kingspan's distinctive range of solutions and Planet Passionate agenda positions the Group favourably for the years ahead.

Kingspan's Annual General Meeting will take place at 9.00am today.

For further information contact:

Gene Murtagh, Chief Executive Officer Tel: +353 (0) 42 9698016

Geoff Doherty, Chief Financial Officer Tel: +353 (0) 42 9698016

Pat Walsh, Murray Consultants Tel: +353 (0) 87 2269345