

KINGSPAN GROUP PLC
HALF-YEARLY FINANCIAL REPORT
for the period ended 30 June 2023





KINGSPAN GROUP PLC

RESULTS FOR THE HALF YEAR 30 JUNE 2023

Kingspan, the global leader in high performance insulation and building envelope solutions, issues its half-yearly financial report for the six-month period ended 30 June 2023.

Financial Highlights:

- Revenue down 2% to €4.1bn, (underlying down 8%).
- Trading profit up modestly to €435.5m, (underlying down 3%).
- Group trading margin of 10.7%, an increase of 20bps versus the same period in 2022.
- Acquisitions contributed 7% to sales growth and 4% to trading profit growth in the period.
- Profit after tax of €324.0m (H1 2022: €319.9m). Effective tax rate of 17.5% (H1 2022: 17.5%).
- Strong free cashflow of €356.9m (H1 2022: €12.9m) reflecting a significant reduction in working capital year on year.
- Net debt¹ of €1,372.7m (H1 2022: €1,206.6m). Net debt⁴ to EBITDA⁴ of 1.43x (H1 2022: 1.25x).
- Basic EPS up 3% to 175.2 cent (H1 2022: 170.6 cent).
- Interim dividend up 3% to 26.3 cent (H1 2022: 25.6 cent) in line with policy guidance.
- ROCE at 15.8% (H1 2022: 18.1%), or 16.3% after annualised impact of acquisitions.

Operational Highlights:

- Record performance in a testing environment, improving order intake trend overall in recent months versus a softer comparative.
- Direct GHG emissions reduced by 51% year on year.
- Insulated Panels sales decrease of 10% driven by sluggish volumes particularly in Central and Eastern Europe with strong activity in France and the US.
- Insulation sales behind by 5%, driven by weak residential markets. Technical insulation continuing to advance reflecting ongoing demand for district heating. Extending the full spectrum of insulation offerings with planned acquisition of 51% of Steico and completion of acquisition of HempFlax in the period.
- Roofing + Waterproofing sales of €239m (H1 2022: €nil). Further development step with the acquisition of CaPlast. Business integration plans fully on track in difficult end markets.
- Significant progress at Light, Air + Water, with broader scale and margins progressing positively year on year.
- Data + Flooring medium term pipeline is encouraging driven by the data sector with artificial intelligence applications starting to feature.
- Invested a total of €271m in acquisitions and capex during the period.

Summary Financials:

	<i>H1 '23</i>	<i>H1 '22</i>	<i>Change</i>
Revenue €m	4,083.9	4,153.4	-2%
Trading Profit €m²	435.5	434.2	-
Trading Margin³	10.7%	10.5%	+20bps
EBITDA €m⁵	528.4	512.2	+3%
EPS (cent per share)	175.2	170.6	+3%

1 Net debt pre-IFRS16

2 Operating profit before amortisation of intangibles and non trading item

3 Operating profit before amortisation of intangibles and non trading item divided by total revenue

4 Net debt to EBITDA ratio is pre-IFRS16 per banking covenants

5 Earnings before finance costs, income taxes, depreciation, amortisation and non trading item.

Gene Murtagh, Chief Executive of Kingspan commented:

“We are pleased with a strong first half performance in a testing environment. Performance outcomes varied by product and by market, against a backdrop of higher interest rates and a degree of price deflation.

This year the harsh reality of climate change has become an everyday reality for many, intensifying the urgency to deliver meaningful and increasingly smart decarbonisation solutions. Kingspan’s Innovation and Planet Passionate strategies have the firm aim of addressing this challenge through driving progressively sustainable building envelope solutions. These strategies are deeply embedded across Kingspan, delivering a reduction of direct GHG emissions by over 50% in the first half and reinforcing a common goal for our people globally.

Our expanding spectrum of insulation solutions continues to progress apace. Since period end, we agreed to acquire 51% of Steico, the world leader in wood-based insulation, adding to a growing bio-based portfolio including hemp and wood-wool acoustic insulation. Along with our portfolio of LEC (lower embodied carbon) products, the first of which launched this year, we are now firmly established as a leader in the growing market for lower embodied carbon construction products.

As we look to the remainder of the year, we expect continuing strategic momentum supported by a strong development pipeline, an increasingly stable supply chain and pricing environment, and the tail winds of a global decarbonisation drive.”

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Business Review

The first half of 2023 has been relatively pleasing for Kingspan given the somewhat challenging environment we were confronted with. Sales revenue reached €4.1bn and trading profit amounted to €436m, edging slightly ahead of the record achieved in the same period of 2022. Our direct GHG emissions reduced significantly in the first half, by 51%, reflecting ongoing traction from the many Planet Passionate initiatives underway across the business. In contrast to recent years, deflation has been a prominent theme, as has been de-stocking of our inventories which boosted the strong cash generation in the period.

Similar to the trading backdrop reported in the 2022 full year, conditions varied considerably by market and by end segment. The Americas, and the US in particular, has performed exceptionally well for us as Insulated Panels continued to deliver growth driven by conversion from traditional building envelope solutions. Europe has been more mixed with predominately weaker newbuild activity and refurbishment suffering somewhat due to the current interest rate environment. Broadly, France was strong with Southern and Eastern Europe weaker. APAC, albeit relatively small for us at present, performed well as our position in Australia improved and activity in South East Asia grew.

Planet Passionate and our Impact

Our Planet Passionate agenda, central to our purpose at Kingspan, continues to build upon the progress of recent years with the implementation of many more initiatives across the Group. Total Scope 1 & 2 emissions are expected to reduce by up to 60% since 2020 and direct renewable energy usage increase to 39%. The number of our wholly owned sites with solar PV installations forecasted to reach 48% and rainwater harvesting expected to double from 2020, increasing to 42 million litres throughout the year.

The table overleaf provides further detail on the progress within Kingspan by category:

Planet Passionate Targets		Target Year	Underlying Business		Whole Business	
			FY2020	FY2023(f)	FY2020	FY2023(f) ⁴
Carbon	Net Zero Carbon Manufacturing - scope 1 & 2 GHG emissions ¹ (t/CO ₂ e)	2030	410k ²	140k	518k ^{2,3}	206k
	50% reduction in product CO ₂ e intensity from primary supply partners (%)	2030	-	Not forecast at half year	-	Not forecast at half year
	Zero emission company funded cars (annual replacement %)	2025	11	40	11	40 ⁴
Energy	60% Direct renewable energy (%)	2030	19.5	40.9	19.5	38.7
	20% On-site renewable energy generation (%)	2030	4.9	8.5	4.9	8.0
	Solar PV systems on all wholly owned sites (%)	2030	21.7	55.2	21.7	48.5
Circularity	Zero Company waste to landfill (tonnes)	2030	18,642	6,000	18,642	8,300
	Recycle 1 billion PET bottles into our manufacturing processes annually (million bottles)	2025	573	602	573	602
	QuadCore™ products utilising recycled PET (no. of sites)	2025	1	8	1	8
Water	Harvest 100 million litres of rainwater annually (million litres)	2030	20.1	42.1	20.1	42.3
	Support 5 Ocean Clean-Up projects (no. of projects)	2025	1	4	1	4

Underlying Business includes manufacturing, assembly and R&D sites within the Kingspan Group in 2020 plus all organic growth.

Whole Business includes all manufacturing, assembly and R&D sites within the Kingspan Group, including additions since 2020.

1: Excluding biogenic emissions. Scope 2 GHG emissions calculated using market-based methodology.

2: Restated figures due to improved data collection and change in calculation methodologies.

3: GHG emissions were recalculated due to acquisitions in 2021 and 2022.

4: Businesses acquired during the first half may not be fully reflected in the 2023 forecast.

Investing in our future

A total of €271m in capital was deployed in the period, €156m on acquisitions, and €115m in capex across all the product streams, largely focused on capacity expansion and new market entry. In addition, the planned Ukraine Technology Campus is progressing with final site location having been selected in Lviv. The scope of the development is likely to exceed the €200m initially indicated when the campus completes, expected around 2026 (subject to geopolitical developments) reflecting the likely need for increased capacity in the region.

The largest acquisition investment in the period was CaPlast at €85m, adding to the growing array of solutions being offered by our emerging Roofing + Waterproofing segment. Since period end, we agreed to acquire 51% of Steico, the world leader in natural wood-based insulation for an initial consideration of €251m.

Innovation at work

A number of LEC (lower embodied carbon) products have been launched, including QuadCore™ Insulated Panels, Access Floors and Insulation Boards. All are being well received by specifiers as the demand for distinctive lower carbon building solutions gains momentum. We expect to add to this proposition in the second half.

Our PowerPanel™ and Rooftricity™ solutions have been reset after considerable trial activity as we seek to significantly enhance product performance and longevity with a completely new design. Meaningful progress has also been made in recent months with a strengthened and more robust supply chain. Extensive testing and certification processes point towards market launch in Q2 2024.

In our Data + Flooring division, tremendous progress has been made developing an advanced HAC (Hot Aisle Containment) offering which has resulted in expanded long term revenue potential in the data centre market. This initiative will require a new manufacturing plant in the US which we plan to commission during the first half of 2024.

Last year we acquired Trolldtekt in Denmark, a world leader in acoustic insulation and largely timber based. We recently added to the ‘natural insulation’ category by acquiring HempFlax, an emerging hemp materials business in Germany. Since period end we announced the acquisition of 51% of Steico, the world’s leading wood-based insulation business based near Munich, Germany, which will catapult our presence in this growing category.

Product and system integrity

By the end of the first half, 47 of our sites were certified to ISO 37301, with a plan to have 60 sites certified to the standard by the end of the year. ISO 37301 is the leading global standard for establishing, developing and monitoring compliance systems. Our enhanced product integrity programme is now deeply embedded across the Group. In 2023 to date, 56 of our sites have been audited by the Compliance Team, with a further 50 scheduled to be audited by year end. In addition, 346 third party external products and system audits took place through the first half.

Insulated Panels

	<i>H1 '23</i>	<i>H1 '22</i>	<i>Change</i>
Revenue €m	2,386.7	2,665.2	-10% ⁽¹⁾
Trading Profit €m	291.2	299.4	-3%
Trading Margin	12.2%	11.2%	+100bps

(1) Comprising underlying -10%, currency -1% and acquisitions +1%. Like-for-like volume -7%.

Trading in our largest division was relatively positive, albeit reflective of the regional variability in economic conditions. Global revenue trailed last year owing to weaker volume in some markets and a degree of price deflation, particularly in Continental Europe. North America delivered a stellar performance as conversion continued and the forward project pipeline of large scale tech and automotive factories is extremely encouraging. Order intake, which had been very lumpy in recent times due to general economic unpredictability, improved versus prior year as the months progressed. We expect quarter three order intake to be ahead of the same period in 2022. QuadCore™ sales represented 19% of total Insulated Panel volume as this unique advanced insulation core continues to advance in the specifier and end-user market.

Insulation

	<i>H1 '23</i>	<i>H1 '22</i>	<i>Change</i>
Revenue €m	798.8	842.0	-5% ⁽¹⁾
Trading Profit €m	75.8	88.2	-14%
Trading Margin	9.5%	10.5%	-100bps

(1) Comprising underlying -7%, currency -1% and acquisitions +3%.

Global sales across the various insulation solutions fell back in the first half with a corresponding reduction in trading profit. The margin performance progressed during Q2 following a weaker first quarter as we defended prices at the cost of short term volume.

Demand in Western Europe has been notably weak for the board businesses as the residential segment in particular feels the pressure. Raw material costs have been reducing with a consequential pricing impact in many markets. A deep program of structural operating cost reduction measures is underway in the PIR board business.

In contrast, the technical insulation segment has powered forward with revenue in the District Heating product set growing by 17%. The growth rate may ease a little in the near-term as second half comparatives are more demanding. That said, the forward project pipeline is significantly ahead of the same point last year which augurs well for the medium term.

Light, Air + Water

	<i>H1 '23</i>	<i>H1 '22</i>	<i>Change</i>
Revenue €m	470.6	474.2	-1% ⁽¹⁾
Trading Profit €m	30.0	24.8	+21%
Trading Margin	6.4%	5.2%	+120bps

(1) Comprising currency -1%

Total revenue in this enlarged division was broadly flat for the period, again reflective of mixed performances by geography and end-market. France, Benelux and Germany performed well as commercial measures executed during 2022 took effect with a positive margin performance.

North American performance was in line with prior year and the Middle East was somewhat weaker.

Water applications continue to perform well with resource scarcity on the minds of many.

Roofing + Waterproofing

	<i>H1 '23</i>	<i>H1 '22</i>	<i>Change</i>
Revenue €m	238.6	-	n/a
Trading Profit €m	10.7	-	n/a
Trading Margin	4.5%	-	n/a

We have been assembling this new platform over the past year or so. It is currently predominately European based and occupies positions in the three key categories of flat roofing, rigid pitched roofing and flexible pitched roofing. Rigid pitched roofing performed robustly in the period, as did the flexible category to which we added the €85m CaPlast acquisition earlier this year.

Our flat roofing business has been weakest, reflecting a difficult trading environment in Benelux and Germany in particular. Insulation pull-through, operational efficiency and product range expansion are the key priorities at present.

Data + Flooring

	<i>H1 '23</i>	<i>H1 '22</i>	<i>Change</i>
Revenue €m	189.2	172.0	+10% ⁽¹⁾
Trading Profit €m	27.8	21.8	+28%
Trading Margin	14.7%	12.7%	+200bps

(1) Comprising underlying +11% and currency impact -1%.

The data segment is, and has been, an important end-market for a number of our businesses given the focus on energy efficiency, emission conservation and lower carbon in that sector. It represents in excess of 50% of this division which can be expected to grow meaningfully in the near and medium term as we expand the internal air management offering in projects across the US, Europe and South East Asia. Many of these are supporting the world's leading bluechip data providers.

To support this growth and ambition, we will develop a new manufacturing facility in the North Eastern US to become operational early 2024.

Financial Review

Overview of results

Group revenue decreased by 2% to €4,083.9m (H1 2022: €4,153.4m) and trading profit increased modestly to €435.5m (H1 2022: €434.2m). This represents a 0.7% decrease in sales and a 1.4% increase in trading profit on a constant currency basis. The Group's trading margin increased by 20bps to 10.7% (H1 2022: 10.5%) primarily reflecting a strong margin performance in Insulated Panels and the divisional mix of sales. The amortisation charge in respect of intangibles was €20.6m compared to €12.9m in the first half of 2022 reflecting acquisition activity year on year. Group operating profit increased by 2% to €414.9m (H1 2022: €405.2m) reflecting a combination of a higher amortisation charge in H1 2023 and the non trading item of €16.1m recorded in H1 2022. Profit after tax was €324.0m compared to €319.9m in the first half of 2022. Basic EPS for the period was 175.2 cent, representing an increase of 3% on the first half of 2022 (H1 2022: 170.6 cent).

The Group's underlying sales and trading profit performance by division are set out below:

Sales	Underlying	Currency	Acquisition	Total
Insulated Panels	-10%	-1%	+1%	-10%
Insulation	-7%	-1%	+3%	-5%
Light, Air + Water	-	-1%	-	-1%
Data + Flooring	+11%	-1%	-	+10%
Roofing + Waterproofing	-	-	+100%	100%
Group	-8%	-1%	+7%	-2%

The Group's trading profit measure is earnings before interest, tax, amortisation of intangibles and non trading item:

Trading Profit	Underlying	Currency	Acquisition	Total
Insulated Panels	-3%	-1%	+1%	-3%
Insulation	-18%	-	+4%	-14%
Light, Air + Water	+23%	-2%	-	+21%
Data + Flooring	+29%	-1%	-	+28%
Roofing + Waterproofing	-	-	+100%	+100%
Group	-3%	-1%	+4%	-

Finance costs (net)

Finance costs for the period were higher than the same period last year at €22.1m (H1 2022: €17.6m). Finance costs include a non-cash charge of €0.4m (H1 2022: €0.1m) relating to the Group's defined benefit pension schemes. Finance income includes a dividend received from an equity investment of €2.5m (H1 2022: €nil). Lease interest of €2.7m was recorded during the period (H1 2022: €2.3m). The Group's net interest expense on borrowings (bank and loan notes) in the first half of 2023 was €21.3m compared to €15.2m in the same period in 2022. This increase was due mainly to the higher levels of drawn debt year on year as a consequence of the Group's development activity.

Free cashflow

	H1 '23	H1 '22
	€m	€m
EBITDA*	528.4	512.2
Lease payments	(32.8)	(27.1)
Movement in working capital **	84.8	(261.7)
Movement in provisions	(3.1)	(0.1)
Net capital expenditure	(114.7)	(117.5)
Pension contributions	(2.1)	(2.7)
Defined benefit scheme buy in settlement	(15.9)	-
Net finance costs paid	(18.5)	(16.2)
Income taxes paid	(78.4)	(82.4)
Other including non-cash items	9.2	8.4
Free cashflow	356.9	12.9

*Earnings before finance costs, income taxes, depreciation, amortisation and non trading item. Calculation is set out in Alternative Performance Measures at the end of the statement

**Excludes working capital on acquisition but includes working capital movements since that point

Working capital on 30 June 2023 was €1,118.8m (31 December 2022: €1,195.9m), a decrease of €77.1m (€84.8m excl. acquisitions) in the period. The decrease was driven by lower levels of inventories compared to both last year end and June 2022. As highlighted previously, inventory levels in 2022 were elevated intentionally in an uncertain supply environment at that time. Supply chains have now more or less returned to normal. The average working capital to sales percentage was 13.2% compared with 14.5% in H1 2022.

Net Debt

Net debt decreased by €166.9m during the first half of the year to €1,372.7m (31 December 2022: €1,539.6m). The movement in debt is analysed in the table below:

Movement in net debt	H1 '23	H1 '22
	€m	€m
Free cashflow	356.9	12.9
Acquisitions and divestments	(149.7)	(357.2)
Deferred consideration paid	(6.6)	(46.9)
Dividends paid	(43.3)	(47.2)
Dividends paid to non-controlling interests	(0.8)	(2.1)
Cashflow movement	156.5	(440.5)
Exchange movements on translation	10.4	(10.0)
Decrease/(increase) in net debt	166.9	(450.5)
Net debt at start of period	(1,539.6)	(756.1)
Net debt at end of period	(1,372.7)	(1,206.6)

Retirement benefits

The primary method of pension provision for current employees is by way of defined contribution arrangements. The Group has three legacy defined benefit schemes in the UK which are closed to new members and to future accrual. In addition, the Group has a number of smaller defined benefit pension liabilities in Mainland Europe. The net aggregate pension liability in respect of all schemes and obligations was €32.7m at 30 June 2023 (31 December 2022: €49.5m). The Group cash-settled a pension buy-in arrangement in respect of a legacy defined benefit scheme in the period for €15.9m.

Non trading item

The Group recorded a non trading charge of €nil (H1 2022: €16.1m) in the period. The comparative charge was in respect of the Group's net loss on the complete divestment of its Russian operations.

Taxation

The tax charge for the first half of the year was €68.8m (H1 2022: €67.7m) which represents an effective tax rate of 17.5% on profit before tax (H1 2022: 17.5%).

Acquisitions

The Group incurred €156.3m on acquisitions during the period (H1 2022: €397.7m).

Dividend

The Board has declared an interim dividend of 26.3 cent (H1 2022: 25.6 cent) payable on 13 October 2023 to shareholders on the register on the record date of 8 September 2023. This is in line with the previously announced revised shareholder returns policy.

Capital structure and Group financing

The Group funds itself through a combination of equity and debt. Debt is funded through a combination of syndicated bank facilities and private placement loan notes. The principal syndicated facility is a green revolving credit facility of €800m entered into in May 2021 with a committed term to May 2026. There were no drawings on this facility at period end.

In addition, as part of the Group's longer-term capital structure, the Group has total private placement loan notes of €1,594m (H1 2022: €1,392m) which includes a new private placement issuance of €319m in June 2023 with a 6 year maturity. The weighted average maturity of all outstanding private placement loan notes as of 30 June 2023 was 5.5 years (H1 2022: 5.8 years).

During the period, the Group repaid part (€319m) of the 2022 acquisition related financing facility, with the remainder of the facility fully drawn (€181m).

The weighted average maturity of all drawn debt facilities is 4.4 years (H1 2022: 5.4 years).

As well as ongoing free cashflow generation, the Group has significant available undrawn committed facilities and cash which provide appropriate headroom for operational requirements and development funding. Total available headroom was €1,561m at 30 June 2023 (H1 2022: €1,743m).

Related party transactions

There were no changes in related party transactions from the 2022 Annual Report that could have a material effect on the financial position or performance of the Group in the first half of the year.

Principal risks & uncertainties

Details of the principal risks and uncertainties facing the Group can be found in the 2022 Annual Report. These risks, namely volatility in the macro environment, failure to innovate, product failure, business interruption (including IT continuity), climate change, credit risks and credit control, employee development and retention, fraud and cybercrime, acquisition and integration of new businesses, health & safety, and laws and regulations remain the most likely to affect the Group in the second half of the current year. The Group actively manages these and all other risks through its control and risk management processes. We will continue to actively assess changes in the external environment on events which could change our risk assessment and profile.

Looking Ahead

As we have highlighted previously, our end markets are not uniform with varying activity levels in different regions and applications. Our overall performance reflects the diversity and breadth of the Group's proposition and sectors we serve. Our spectrum of insulation solutions continues to progress apace with natural and bio-based materials the latest milestone in this advancement.

In more recent months, our order intake volumes have been trending positively overall versus the same months last year albeit with less demanding comparatives as we trade through the second half. Raw material pricing, which experienced some level of inflation in the second quarter, could see some deflation in Q3. The Group's balance sheet is strong which is important given the backdrop of a strong development pipeline.

The evidence of climate change is ever more apparent and the need to decarbonise is now of hyper-importance. Kingspan's solutions are at the vanguard of energy efficiency, and driving lower carbon in the built environment, which ought to position the Group well in the years ahead.

2023 Statement of Directors Responsibilities

for the 6 month period ended 30 June 2023

The Directors are responsible for preparing the half-yearly financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, as amended, (the “**Transparency Regulations**”) and the Transparency Rules of the Central Bank of Ireland.

Each of the Directors confirm that to the best of their knowledge:

- 1) the condensed set of consolidated financial statements included within the half-yearly financial report of Kingspan Group Plc for the six months ended 30 June 2023 (the “**interim financial information**”) which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows and the related explanatory notes, have been presented and prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, the Transparency Directive and Transparency Rules of the Central Bank of Ireland;
- 2) the interim financial information presented, as required by the Transparency Regulations, includes:
 - a. a fair review of the important events that have occurred during the first 6 months of the financial year, and their impact on the condensed set of consolidated financial statements;
 - b. a description of the principal risks and uncertainties for the remaining 6 months of the financial year;
 - c. a fair review of related parties’ transactions that have taken place in the first 6 months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
 - d. any changes in the related parties’ transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first 6 months of the current financial year.

The directors of Kingspan Group plc, and their functions, are listed in the 2022 Annual Report, with the exception of the following changes during the period:

- Michael Cawley and John Cronin both retired as non-executive directors on 28 April 2023;
- Louise Phelan was appointed as a non-executive director on 28 April 2023.

On behalf of the Board

Gene M Murtagh
Chief Executive Officer

18 August 2023

Geoff Doherty
Chief Financial Officer

18 August 2023

Kingspan Group plc

Condensed consolidated income statement (unaudited) for the 6 month period ended 30 June 2023

		6 months ended 30 June 2023	6 months ended 30 June 2022
	<i>Note</i>	€m	€m
Revenue	4	4,083.9	4,153.4
Cost of Sales		<u>(2,903.0)</u>	<u>(3,044.3)</u>
Gross Profit		1,180.9	1,109.1
Operating Costs		<u>(745.4)</u>	<u>(674.9)</u>
Trading Profit	4	435.5	434.2
Intangible amortisation		(20.6)	(12.9)
Non trading item	6	<u>-</u>	<u>(16.1)</u>
Operating Profit		414.9	405.2
Finance expense	7	(32.0)	(18.0)
Finance income	7	<u>9.9</u>	<u>0.4</u>
Profit for the period before income tax		392.8	387.6
Income tax expense	8	<u>(68.8)</u>	<u>(67.7)</u>
Profit for the period		<u>324.0</u>	<u>319.9</u>
Attributable to owners of Kingspan Group plc		318.4	309.5
Attributable to non-controlling interests		<u>5.6</u>	<u>10.4</u>
		<u>324.0</u>	<u>319.9</u>
Earnings per share for the period			
Basic	13	175.2c	170.6c
Diluted	13	174.1c	169.3c

Kingspan Group plc

Condensed consolidated statement of comprehensive income (unaudited) for the 6 month period ended 30 June 2023

	6 months ended 30 June 2023	6 months ended 30 June 2022
	€m	€m
Profit for financial period	324.0	319.9
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(2.1)	49.0
Net changes in fair value of cash flow hedges	(0.5)	-
Items that will not be reclassified subsequently to profit or loss		
Actuarial (losses)/gains on defined benefit pension schemes	(0.1)	10.0
Income taxes relating to actuarial losses/(gains) on defined benefit pension schemes	-	(2.5)
Equity investments at FVOCI - net change in fair value	(8.2)	-
Total comprehensive income for the period	313.1	376.4
Attributable to owners of Kingspan Group plc	304.3	358.6
Attributable to non-controlling interests	8.8	17.8
	313.1	376.4

Kingspan Group plc
Condensed consolidated statement of financial position
as at 30 June 2023

		At 30 June 2023 (unaudited) €m	At 30 June 2022 (unaudited) €m	At 31 December 2022 (audited) €m
	<i>Note</i>			
Assets				
Non-current assets				
Goodwill	14	2,611.6	2,208.4	2,495.5
Other intangible assets		185.3	82.6	191.8
Financial assets		84.8	13.0	93.6
Property, plant and equipment	15	1,518.5	1,285.3	1,437.9
Right of use assets	16	216.4	173.9	205.3
Retirement benefit assets		3.2	29.7	3.3
Deferred tax assets		40.1	35.4	40.1
		<u>4,659.9</u>	<u>3,828.3</u>	<u>4,467.5</u>
Current assets				
Inventories		1,145.7	1,364.1	1,235.8
Trade and other receivables		1,555.9	1,675.2	1,328.4
Derivative financial instruments	10	-	0.5	0.4
Cash and cash equivalents	9	761.2	392.7	649.3
		<u>3,462.8</u>	<u>3,432.5</u>	<u>3,213.9</u>
Total assets		<u>8,122.7</u>	<u>7,260.8</u>	<u>7,681.4</u>
Liabilities				
Current liabilities				
Trade and other payables		1,582.8	1,732.6	1,368.7
Provisions for liabilities		73.0	68.3	74.0
Lease liabilities	16	41.6	38.1	43.2
Deferred contingent consideration	11	200.1	173.4	174.9
Interest bearing loans and borrowings	9	258.0	133.3	85.0
Current income tax liabilities		39.6	50.1	54.9
		<u>2,195.1</u>	<u>2,195.8</u>	<u>1,800.7</u>
Non-current liabilities				
Retirement benefit obligations		35.9	45.5	52.8
Provisions for liabilities		112.8	78.5	107.5
Interest bearing loans and borrowings	9	1,875.9	1,466.0	2,103.9
Lease liabilities	16	171.5	134.6	153.6
Deferred tax liabilities		51.7	39.1	55.2
Deferred contingent consideration	11	13.4	13.8	12.2
		<u>2,261.2</u>	<u>1,777.5</u>	<u>2,485.2</u>
Total liabilities		<u>4,456.3</u>	<u>3,973.3</u>	<u>4,285.9</u>
Net Assets		<u>3,666.4</u>	<u>3,287.5</u>	<u>3,395.5</u>
Equity				
Share capital		23.9	23.9	23.9
Share premium		122.6	93.2	112.4
Capital redemption reserve		0.7	0.7	0.7
Treasury shares		(55.9)	(56.1)	(56.9)
Other reserves		(314.3)	(204.4)	(288.0)
Retained earnings		3,797.2	3,356.0	3,527.6
		<u>3,574.2</u>	<u>3,213.3</u>	<u>3,319.7</u>
Equity attributable to owners of Kingspan Group plc		<u>3,574.2</u>	<u>3,213.3</u>	<u>3,319.7</u>
Non-controlling interests		<u>92.2</u>	<u>74.2</u>	<u>75.8</u>
Total Equity		<u>3,666.4</u>	<u>3,287.5</u>	<u>3,395.5</u>

Kingspan Group plc

Condensed consolidated statement of changes in equity (unaudited)

for the 6 month period ended 30 June 2023

	Share capital	Share premium	Capital redemption reserve	Treasury shares	Translation reserve	Cash flow hedging reserve	Share based payment reserve	Revaluation reserve	Put option liability reserve	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total equity
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Balance at 1 January 2023	23.9	112.4	0.7	(56.9)	(137.2)	0.6	55.1	0.7	(207.2)	3,527.6	3,319.7	75.8	3,395.5
Transactions with owners recognised directly in equity													
Employee share based compensation	-	-	-	-	-	-	10.2	-	-	-	10.2	-	10.2
Exercise or lapsing of share options	-	10.2	-	1.0	-	-	(14.0)	-	-	2.8	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(43.3)	(43.3)	-	(43.3)
<i>Transactions with non-controlling interests:</i>													
Arising on acquisition	-	-	-	-	-	-	-	-	(3.1)	-	(3.1)	8.4	5.3
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(0.8)	(0.8)
Fair value movement	-	-	-	-	-	-	-	-	(13.6)	-	(13.6)	-	(13.6)
Settlement of put option	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners	-	10.2	-	1.0	-	-	(3.8)	-	(16.7)	(40.5)	(49.8)	7.6	(42.2)
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	318.4	318.4	5.6	324.0
Other comprehensive income													
Items that may be reclassified subsequently to profit or loss													
Cash flow hedging in equity													
- current year	-	-	-	-	-	(0.5)	-	-	-	-	(0.5)	-	(0.5)
- tax impact	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	(5.3)	-	-	-	-	-	(5.3)	3.2	(2.1)
Items that will not be reclassified subsequently to profit or loss													
Actuarial loss on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Income taxes relating to actuarial loss on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	-	-	(8.2)	(8.2)	-	(8.2)
Total comprehensive income for the period	-	-	-	-	(5.3)	(0.5)	-	-	-	310.1	304.3	8.8	313.1
Balance at 30 June 2023	23.9	122.6	0.7	(55.9)	(142.5)	0.1	51.3	0.7	(223.9)	3,797.2	3,574.2	92.2	3,666.4

Kingspan Group plc

Condensed consolidated statement of changes in equity (unaudited) for the 6 month period ended 30 June 2022

	Share capital	Share premium	Capital redemption reserve	Treasury shares	Translation reserve	Cash flow hedging reserve	Share based payment reserve	Revaluation reserve	Put option liability reserve	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total equity
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Balance at 1 January 2022	23.9	94.4	0.7	(57.3)	(108.5)	0.6	57.3	0.7	(227.8)	3,108.1	2,892.1	67.2	2,959.3
Transactions with owners recognised directly in equity													
Employee share based compensation	-	-	-	-	-	-	9.1	-	-	-	9.1	-	9.1
Exercise or lapsing of share options	-	(1.2)	-	1.2	-	-	(6.0)	-	-	6.0	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	(47.2)	(47.2)	-	(47.2)
<i>Transactions with non-controlling interests:</i>													
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2.1)	(2.1)
Fair value movement	-	-	-	-	-	-	-	-	(8.0)	-	(8.0)	-	(8.0)
Settlement of put option	-	-	-	-	-	-	-	-	36.6	(27.9)	8.7	(8.7)	-
Transactions with owners	-	(1.2)	-	1.2	-	-	3.1	-	28.6	(69.1)	(37.4)	(10.8)	(48.2)
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	309.5	309.5	10.4	319.9
Other comprehensive income													
Items that may be reclassified subsequently to profit or loss													
Cash flow hedging in equity													
- current year	-	-	-	-	-	-	-	-	-	-	-	-	-
- tax impact	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	-	-	-	-	41.6	-	-	-	-	-	41.6	7.4	49.0
Items that will not be reclassified subsequently to profit or loss													
Actuarial gains on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	10.0	10.0	-	10.0
Income taxes relating to actuarial gains on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	(2.5)	(2.5)	-	(2.5)
Total comprehensive income for the period	-	-	-	-	41.6	-	-	-	-	317.0	358.6	17.8	376.4
Balance at 30 June 2022	23.9	93.2	0.7	(56.1)	(66.9)	0.6	60.4	0.7	(199.2)	3,356.0	3,213.3	74.2	3,287.5

Kingspan Group plc

Condensed consolidated statement of changes in equity (audited)

for the year ended 31 December 2022

	Share capital	Share premium	Capital redemption reserve	Treasury shares	Translation reserve	Cash flow hedging reserve	Share based payment reserve	Revaluation reserve	Put option liability reserve	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total equity
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Balance at 1 January 2022	23.9	94.4	0.7	(57.3)	(108.5)	0.6	57.3	0.7	(227.8)	3,108.1	2,892.1	67.2	2,959.3
Transactions with owners recognised directly in equity													
Employee share based compensation	-	-	-	-	-	-	18.4	-	-	-	18.4	-	18.4
Tax on employee share based compensation	-	-	-	-	-	-	(11.4)	-	-	2.5	(8.9)	-	(8.9)
Exercise or lapsing of share options	-	18.0	-	1.8	-	-	(9.2)	-	-	(10.6)	-	-	-
Repurchase of shares	-	-	-	(1.4)	-	-	-	-	-	-	(1.4)	-	(1.4)
Dividends	-	-	-	-	-	-	-	-	-	(93.7)	(93.7)	-	(93.7)
<i>Transactions with non-controlling interests:</i>													
Settlement of put option	-	-	-	-	-	-	-	-	36.6	(28.3)	8.3	(8.3)	-
Purchase of NCI	-	-	-	-	-	-	-	-	-	(0.4)	(0.4)	(1.6)	(2.0)
Dividends to NCI	-	-	-	-	-	-	-	-	-	-	-	(3.5)	(3.5)
Fair value movement	-	-	-	-	-	-	-	-	(16.0)	-	(16.0)	-	(16.0)
Transactions with owners	-	18.0	-	0.4	-	-	(2.2)	-	20.6	(130.5)	(93.7)	(13.4)	(107.1)
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	-	-	598.0	598.0	18.0	616.0
Other comprehensive loss:													
Items that may be reclassified subsequently to profit or loss													
Exchange differences on translating foreign operations	-	-	-	-	(28.7)	-	-	-	-	-	(28.7)	4.0	(24.7)
Items that will not be reclassified subsequently to profit or loss													
Actuarial losses on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	(20.3)	(20.3)	-	(20.3)
Income taxes relating to actuarial losses on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	4.9	4.9	-	4.9
Equity investment at FVOCI – net change in fair value	-	-	-	-	-	-	-	-	-	(32.6)	(32.6)	-	(32.6)
Total comprehensive income for the year	-	-	-	-	(28.7)	-	-	-	-	550.0	521.3	22.0	543.3
Balance at 31 December 2022	23.9	112.4	0.7	(56.9)	(137.2)	0.6	55.1	0.7	(207.2)	3,527.6	3,319.7	75.8	3,395.5

Kingspan Group plc

Condensed consolidated statement of cash flows (unaudited) for the 6 month period ended 30 June 2023

	6 months ended 30 June 2023	6 months ended 30 June 2022
	€m	€m
Operating activities		
Profit for the period	324.0	319.9
<i>Add back non-operating expenses:</i>		
Income tax expense	68.8	67.7
Depreciation of property, plant and equipment	92.9	78.0
Amortisation of intangible assets	20.6	12.9
Impairment of non-current assets	0.9	-
Loss on divestment of subsidiary	-	16.1
Employee equity-settled share options	10.2	9.1
Finance income	(9.9)	(0.4)
Finance expense	32.0	18.0
Profit on sale of property, plant and equipment	(0.7)	(0.7)
Movement of deferred contingent consideration	(1.2)	-
<i>Changes in working capital:</i>		
Inventories	114.4	(181.2)
Trade and other receivables	(225.1)	(367.9)
Trade and other payables	195.5	287.4
<i>Other:</i>		
Change in provisions	(3.1)	(0.1)
Defined benefit pension scheme buy in settlement	(15.9)	-
Pension contributions	(2.1)	(2.7)
Cash generated from operations	601.3	256.1
Income tax paid	(78.4)	(82.4)
Interest paid	(28.4)	(16.5)
Net cash flow from operating activities	494.5	157.2
Investing activities		
Additions to property, plant and equipment	(115.2)	(131.5)
Additions to intangible assets	(2.5)	-
Proceeds from disposals of property, plant and equipment	3.0	14.0
Purchase of subsidiary undertakings (including net debt/cash acquired)	(149.7)	(350.8)
Payment of deferred contingent consideration in respect of acquisitions	(6.6)	(46.9)
Divestment of subsidiary	-	(6.4)
Finance income	9.9	0.3
Net cash flow from investing activities	(261.1)	(521.3)
Financing activities		
Drawdown of interest bearing loans and borrowings	319.0	185.6
Repayment of interest bearing loans and borrowings	(370.3)	-
Payment of lease liabilities	(32.8)	(27.1)
Dividends paid to non-controlling interests	(0.8)	(2.1)
Dividends paid	(43.3)	(47.2)
Net cash flow from financing activities	(128.2)	109.2
Increase/(decrease) in cash and cash equivalents	105.2	(254.9)
Effect of movement in exchange rates on cash held	6.7	6.2
Cash and cash equivalents at the beginning of the period	649.3	641.4
Cash and cash equivalents at the end of the period	761.2	392.7

Kingspan Group plc

Notes

forming part of the financial statements

1 Reporting entity

Kingspan Group plc (“the Company”) is a public limited company registered and domiciled in Ireland.

The Company and its subsidiaries (together referred to as “the Group”) are primarily involved in the manufacture of high performance insulation and building envelope solutions.

The financial information presented in the half-yearly report does not represent full statutory accounts. Full statutory accounts for the year ended 31 December 2022 prepared in accordance with IFRS, as adopted by the EU, upon which the auditors have given an unqualified audit report, are available on the Group's website (www.kingspan.com).

2 Basis of preparation

This half-yearly financial report is unaudited and has not been reviewed by the Company’s auditor.

IFRS does not define certain Income Statement headings. For clarity, the following are the definitions as applied by the Group:

- ‘Trading profit’ refers to the operating profit generated by the businesses before intangible asset amortisation and gains or losses from non trading items.
- ‘Non trading items’ refer to certain items, which by virtue of their nature and amount, are disclosed separately in order for the user to obtain a proper understanding of the financial information. Non-trading items include gains or losses on the disposal or acquisition of businesses and material related acquisition and integration costs, and material impairments to the carrying value of intangible assets or property, plant and equipment. It is determined by management that each of these items relate to events or circumstances that are non-recurring in nature.
- ‘Operating profit’ is profit before income taxes and net finance costs.

(a) Statement of compliance

These condensed consolidated interim financial statements (“the Interim Financial Statements”) have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and do not include all of the information required for full annual financial statements.

The Interim Financial Statements were approved by the Board of Directors on 18 August 2023.

(b) Significant accounting policies and new standards, interpretations and amendments adopted by the Group

The significant accounting policies applied by the Group in the Interim Financial Statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2022.

The following amendments to standards and interpretations are effective for the Group from 1 January 2023 and do not have a material effect on the results or financial position of the Group:

	Effective Date - periods beginning on or after
Amendments to IAS 12 <i>Income Taxes</i> – Deferred Tax related to Assets and Liabilities arising from a single transaction	1 January 2023
Amendments to IAS 1 <i>Presentation of Financial Statements</i> and IFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 <i>Accounting policies, Changes in Accounting Estimates and Errors</i> – Definition of Accounting Estimates	1 January 2023
IFRS 17 <i>Insurance Contracts</i> ; including amendments to IFRS 17 <i>Insurance Contracts</i> : Initial Application of IFRS 17 and IFRS 9	1 January 2023

There are a number of new standards, amendments to standards and interpretations that are not yet effective and have not been applied in preparing these Interim Financial Statements. These new standards, amendments to standards and interpretations are either not expected to have a material impact on the Group's financial statements or are still under assessment by the Group. The principal new standards, amendments to standards and interpretations are as follows:

	Effective Date – periods beginning on or after
Amendments to IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures: Supplier Finance Arrangements</i>	1 January 2024*
Amendments to IAS 1 <i>Presentation of Financial Statements</i> – Classification of Liabilities as Current or Non-current Date, Classification of Liabilities as Current or Non-current – Deferral of Effective Date and Non-current Liabilities with Covenants	1 January 2024*
Amendments to IFRS 16 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024*
Amendments to IAS 12 <i>Income Taxes</i> : International Tax Reform – Pillar Two Model Rules	23 May 2023*

* Not EU endorsed

(c) Estimates and judgements

The preparation of Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022. The Interim Financial Statements are available on the Group's website (www.kingspan.com).

(d) Going concern

The directors have reviewed forecasts and projected cash flows for a period of not less than 12 months from the date of these Interim Financial Statements, and considered its net debt position, available committed banking facilities and other relevant information including the economic conditions currently affecting the building environment generally. On the basis of this review, the directors have concluded that there are no material uncertainties that would cast significant doubt over the Group's ability to continue as a going concern. For this reason, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

3 Reporting currency

The Interim Financial Statements are presented in Euro which is the functional currency of the Company and presentation currency of the Group.

Results and cash flows of foreign subsidiary undertakings have been translated into Euro at the average exchange rates for the period, as these approximate the exchange rates at the dates of the transactions. The related assets and liabilities have been translated at the closing rates of exchange applicable at the end of the reporting period.

The following significant exchange rates were applied during the period:

	Average rate			Closing rate		
	H1 2023	H1 2022	FY 2022	H1 2023	H1 2022	FY 2022
Euro =						
Pound Sterling	0.876	0.842	0.853	0.864	0.861	0.886
US Dollar	1.081	1.093	1.054	1.092	1.045	1.067
Canadian Dollar	1.456	1.389	1.370	1.449	1.348	1.444
Australian Dollar	1.600	1.520	1.517	1.650	1.518	1.569
Czech Koruna	23.679	24.647	24.562	23.681	24.738	24.143
Polish Zloty	4.625	4.636	4.685	4.455	4.663	4.680
Hungarian Forint	380.240	375.38	391.09	370.970	394.50	400.190
Brazilian Real	5.479	5.553	5.442	5.293	5.412	5.632

4 Operating segments

In identifying the Group's operating segments, management based its decision on the product supplied by each segment and the fact that each segment is managed and reported separately to the Chief Operating Decision Maker. These operating segments are monitored, and strategic decisions are made on the basis of segment operating results.

The Group established a new operating segment, Roofing + Waterproofing, during the second half of 2022. This encompasses the Group's waterproof membrane roofing solutions activities which has resulted from the acquisition of Derbigum (acquired June 2022), Ondura Group (acquired September 2022) and CaPlast (acquired April 2023). As Derbigum (acquired at the end of June 2022) was reported within the Insulation operating segment in the 2022 half year report, the prior period comparatives have been restated.

The Group also established a new operating segment, Light, Air + Water effective 1 January 2023. This encompasses the Group's previously reported operating segments "Light + Air" and "Water + Energy". The prior period comparatives have been restated to reflect this.

The Group has the following five reportable segments:

Insulated Panels	Manufacture of insulated panels, structural framing and metal facades.
Insulation	Manufacture of rigid insulation boards, technical insulation and engineered timber systems.
Light, Air + Water	Manufacture of energy and water solutions, daylighting, smoke management and ventilation systems.
Data + Flooring	Manufacture of data centre storage solutions and raised access floors.
Roofing + Waterproofing	Manufacture of roofing and waterproofing solutions for renovation and new construction of buildings.

Analysis by class of business

Segment revenue and disaggregation of revenue

	Insulated Panels €m	Insulation €m	Light, Air + Water €m	Data + Flooring €m	Roofing + Waterproofing €m	Total €m
Total revenue - H1 2023	2,386.7	798.8	470.6	189.2	238.6	4,083.9
Total revenue - H1 2022	2,665.2	842.0	474.2	172.0	-	4,153.4

Disaggregation of revenue H1 2023

Point in Time	2,385.6	785.9	327.7	172.8	238.6	3,910.6
Over Time	1.1	12.9	142.9	16.4	-	173.3
	2,386.7	798.8	470.6	189.2	238.6	4,083.9

Disaggregation of revenue H1 2022

Point in Time	2,638.1	828.9	341.2	152.7	-	3,960.9
Over Time	27.1	13.1	133.0	19.3	-	192.5
	2,665.2	842.0	474.2	172.0	-	4,153.4

	Insulated Panels €m	Insulation €m	Light, Air + Water €m	Data + Flooring €m	Roofing + Waterproofing €m	Total €m
Trading profit - H1 2023	291.2	75.8	30.0	27.8	10.7	435.5
Intangible amortisation	(5.4)	(5.5)	(1.7)	(0.1)	(7.9)	(20.6)
Non trading item	-	-	-	-	-	-
Operating result - H1 2023	285.8	70.3	28.3	27.7	2.8	414.9
Net finance expense						(22.1)
Profit for the period before income tax						392.8
Income tax expense						(68.8)
Profit for the period - H1 2023						324.0

	Insulated Panels €m	Insulation €m	Light, Air + Water €m	Data + Flooring €m	Roofing + Waterproofing €m	Total €m
Trading profit - H1 2022	299.4	88.2	24.8	21.8	-	434.2
Intangible amortisation	(7.0)	(2.4)	(3.4)	(0.1)	-	(12.9)
Non trading item	(16.1)	-	-	-	-	(16.1)
Operating result - H1 2022	<u>276.3</u>	<u>85.8</u>	<u>21.4</u>	<u>21.7</u>	<u>-</u>	<u>405.2</u>
Net finance expense						(17.6)
Profit for the period before income tax						387.6
Income tax expense						(67.7)
Profit for the period - H1 2022						<u>319.9</u>

Segment assets and liabilities

	Insulated Panels €m	Insulation €m	Light, Air + Water €m	Data + Flooring €m	Roofing + Waterproofing €m	Total 30 June 2023 €m	Total 30 June 2022 €m
Assets - H1 2023	3,541.0	1,714.1	948.3	231.9	886.1	7,321.4	
Assets - H1 2022	3,763.2	1,703.7	986.2	259.7	119.4		6,832.2
Derivative financial instruments						-	0.5
Cash and cash equivalents						761.2	392.7
Deferred tax asset						40.1	35.4
Total assets						<u>8,122.7</u>	<u>7,260.8</u>
Liabilities - H1 2023	(1,273.2)	(382.2)	(339.1)	(68.5)	(168.1)	(2,231.1)	
Liabilities - H1 2022	(1,427.4)	(422.3)	(346.1)	(68.6)	(20.4)		(2,284.8)
Derivative financial instruments						-	-
Interest bearing loans and borrowings (current and non-current)						(2,133.9)	(1,599.3)
Income tax liabilities (current and deferred)						(91.3)	(89.2)
Total liabilities						<u>(4,456.3)</u>	<u>(3,973.3)</u>

Other segment information

	Insulated Panels €m	Insulation €m	Light, Air + Water €m	Data + Flooring €m	Roofing + Waterproofing €m	Total €m
Capital Investment - H1 2023 *	83.3	33.8	8.5	2.4	32.1	160.1
Capital Investment - H1 2022 *	92.5	68.6	9.1	2.5	17.2	189.9
Depreciation included in segment result - H1 2023	(46.1)	(22.3)	(13.7)	(3.8)	(7.0)	(92.9)
Depreciation included in segment result - H1 2022	(41.1)	(20.7)	(13.3)	(2.9)	-	(78.0)
Non cash items included in segment result - H1 2023	(5.4)	(2.0)	(1.5)	(0.9)	(0.4)	(10.2)
Non cash items included in segment result - H1 2022	(5.3)	(1.8)	(1.1)	(0.9)	-	(9.1)

* Capital investment also includes fair value of property, plant and equipment and intangible assets acquired in business combinations.

Analysis of segmental data by geography

	Western & Southern Europe €m	Central & Northern Europe €m	Americas €m	Rest of World €m	Total €m
Income Statement Items					
Revenue - H1 2023	1,933.6	979.2	916.5	254.6	4,083.9
Revenue - H1 2022	2,019.2	1,022.1	846.6	265.5	4,153.4
Non-current assets - H1 2023 *	2,340.2	1,206.0	798.6	275.0	4,619.8
Non-current assets - H1 2022 *	1,678.6	1,056.4	787.2	270.7	3,792.9
Capital Investment - H1 2023	76.7	47.1	19.3	17.0	160.1
Capital Investment - H1 2022	89.6	75.2	13.3	11.8	189.9

* Total non-current assets excluding deferred tax assets.

The Group has a presence in over 80 countries worldwide. Foreign regions of operation are as set out above and specific countries of operation are highlighted separately below on the basis of materiality where revenue exceeds 15% of total Group revenues.

Revenues, non-current assets and capital investment (as defined in IFRS 8 *Operating Segments*) attributable to France were €672.2m (H1 2022: €677.3m), €730.4m (H1 2022: €263.8m) and €24.6m (H1 2022: €15.4m) respectively.

Revenues, non-current assets and capital investment (as defined in IFRS 8 *Operating Segments*) attributable to USA were €593.2m (H1 2022: €532.0m), €488.7m (H1 2022: €496.7m) and €6.7m (H1 2022: €6.9m) respectively.

Revenues, non-current assets and capital investment (as defined in IFRS 8 *Operating Segments*) attributable to the country of domicile (Ireland) were €124.9m (H1 2022: €131.0m), €165.2m (H1 2022: €91.0m) and €5.2m (H1 2022: €9.1m) respectively.

The country of domicile is included in Western & Southern Europe. Western & Southern Europe also includes France, Benelux, Spain and Britain while Central & Northern Europe includes Germany, the Nordics, Poland, Hungary, Romania, Czech Republic, the Baltics and other South Central European countries. Americas comprises the US, Canada, Central Americas and South America. Rest of World is predominantly Australasia and the Middle East.

There are no material dependencies or concentrations on individual customers which would warrant disclosure under IFRS 8. The individual entities within the Group each have a large number of customers spread across various activities, end-uses and geographies.

5 Seasonality of operations

Activity in the global construction industry is characterised by cyclicity and is dependent, to a significant extent, on the seasonal impact of weather in some of the Group's operating locations.

6 Non trading item

	6 months ended 30 June 2023 €m	6 months ended 30 June 2022 €m
Loss on disposal of subsidiary	<u>-</u>	<u>16.1</u>

During the prior period the Group's Russian operations were divested in full which resulted in a loss on disposal of €16.1m.

7 Finance expense and finance income

	6 months ended 30 June 2023 €m	6 months ended 30 June 2022 €m
<i>Finance expense</i>		
Bank loans	15.7	3.1
Private placement loan notes	13.0	12.5
Lease interest	2.7	2.3
Defined benefit pension scheme, net	0.4	0.1
Other interest	0.2	-
	<u>32.0</u>	<u>18.0</u>
<i>Finance income</i>		
Interest earned	(7.4)	(0.4)
Equity investments at FVOCI – dividend income	(2.5)	-
	<u>(9.9)</u>	<u>(0.4)</u>
Net finance cost	<u>22.1</u>	<u>17.6</u>

€0.8m of borrowing costs were capitalised during the period (H1 2022: €0.9m).

8 Taxation

Taxation provided for on profits is €68.8m (H1 2022: €67.7m) which represents 17.5% (H1 2022: 17.5%) of the profit before tax for the period. The full year effective tax rate in 2022 was 17.5%. The taxation charge for the six month period is accrued using the estimated applicable rate for the year as a whole.

9 Analysis of net debt

	At 30 June 2023 €m	At 30 June 2022 €m	At 31 December 2022 €m
Cash and cash equivalents	761.2	392.7	649.3
Derivative financial instruments	-	-	-
Current borrowings	(258.0)	(133.3)	(85.0)
Non-current borrowings	(1,875.9)	(1,466.0)	(2,103.9)
Total net debt	(1,372.7)	(1,206.6)	(1,539.6)

Net debt, which is an Alternative Performance Measure, is stated net of interest rate and currency hedge asset of €nil (at 31 December 2022: asset of €nil) which relate to hedges of debt. Foreign currency derivative assets of €nil (at 31 December 2022: €0.4m), which are used for transactional hedging, are not included in the definition of net debt. Lease liabilities recognised due to the implementation of IFRS 16 and deferred contingent consideration have also been excluded from the calculation of net debt which is consistent with the terms and conditions of the covenants as set out in the Group's external borrowing arrangements.

10 Financial instruments

The following table outlines the components of net debt by category:

	Financial assets/ (liabilities) at amortised cost €m	Liabilities in a fair value hedge relationship €m	Derivatives designated as hedging instruments €m	Total net debt by category €m
Assets:				
Foreign exchange and interest rate swaps	-	-	-	-
Cash at bank and in hand	761.2	-	-	761.2
Total assets	761.2	-	-	761.2
Liabilities:				
Private placement notes	(1,594.1)	-	-	(1,594.1)
Other loans	(539.8)	-	-	(539.8)
Total liabilities	(2,133.9)	-	-	(2,133.9)
At 30 June 2023	(1,372.7)	-	-	(1,372.7)

	Financial assets/ (liabilities) at amortised cost €m	Liabilities in a fair value hedge relationship €m	Derivatives designated as hedging instruments €m	Total net debt by category €m
Assets:				
Foreign exchange and interest rate swaps	-	-	-	-
Cash at bank and in hand	649.3	-	-	649.3
Total assets	649.3	-	-	649.3
Liabilities:				
Private placement notes	(1,322.0)	-	-	(1,322.0)
Other loans	(866.9)	-	-	(866.9)
Total liabilities	(2,188.9)	-	-	(2,188.9)
At 31 December 2022	(1,539.6)	-	-	(1,539.6)

	Financial assets/ (liabilities) at amortised cost €m	Liabilities in a fair value hedge relationship €m	Derivatives designated as hedging instruments €m	Total net debt by category €m
Assets:				
Foreign exchange and interest rate swaps	-	-	-	-
Cash at bank and in hand	392.7	-	-	392.7
Total assets	392.7	-	-	392.7
Liabilities:				
Private placement notes	(1,392.0)	-	-	(1,392.0)
Other loans	(207.3)	-	-	(207.3)
Total liabilities	(1,599.3)	-	-	(1,599.3)
At 30 June 2022	(1,206.6)	-	-	(1,206.6)

The Group's private placement loan notes of €1,594.1m (at 31 December 2022: €1,322.0m) have a weighted average maturity of 5.5 years (at 31 December 2022: 5.7 years).

Included in cash at bank and in hand are overdrawn positions of €1,483.4m (30 June 2022: €1,323.9m). These balances form part of a notional cash pool arrangement and are netted against cash balances of €1,515.1m (30 June 2022: €1,375.9m). There is legal right of offset between these balances and the balances are physically settled on a regular basis.

Fair value of financial instruments carried at fair value

Financial instruments recognised at fair value are analysed between those based on quoted prices in active markets for identical assets or liabilities (Level 1), those involving inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly (Level 2), and those involving inputs for the assets or liabilities that are not based on observable market data (Level 3).

The following table sets out the fair value of all financial instruments whose carrying value is measured at fair value:

	Level 1 30 June 2023 €m	Level 2 30 June 2023 €m	Level 3 30 June 2023 €m
Financial assets			
Equity investments	67.8	17.0	-
Foreign exchange swaps	-	-	-
Foreign exchange contracts for hedging	-	-	-
Financial liabilities			
Deferred contingent consideration	-	-	(14.7)
Put option liabilities	-	-	(198.8)
Foreign exchange contracts for hedging	-	-	-
At 30 June 2023	67.8	17.0	(213.5)
	Level 1 31 December 2022 €m	Level 2 31 December 2022 €m	Level 3 31 December 2022 €m
Financial assets			
Equity investments	76.0	17.6	-
Foreign exchange swaps	-	0.4	-
Foreign exchange contracts for hedging	-	-	-
Financial liabilities			
Deferred contingent consideration	-	-	(15.7)
Put option liabilities	-	-	(171.4)
Foreign exchange contracts for hedging	-	-	-
At 31 December 2022	76.0	18.0	(187.1)
	Level 1 30 June 2022 €m	Level 2 30 June 2022 €m	Level 3 30 June 2022 €m
Financial assets			
Equity investments	-	13.0	-
Foreign exchange swaps	-	-	-
Foreign exchange contracts for hedging	-	0.5	-
Financial liabilities			
Deferred contingent consideration	-	-	(16.1)
Put option liabilities	-	-	(171.1)
Foreign exchange contracts for hedging	-	-	-
At 30 June 2022	-	13.5	(187.2)

All derivatives entered into by the Group are included in Level 2 and consist of foreign currency forward contracts, interest rate swaps and cross currency interest rate swaps.

Where derivatives are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at the reporting date. Normally, the derivatives entered into by the Group are not traded in active markets. The fair values of these contracts are estimated using a valuation technique that maximises the use of observable market inputs, e.g. foreign exchange and interest rates.

Deferred contingent consideration is included in Level 3. The valuation methodology for estimating the fair value of deferred contingent consideration is consistent with 31 December 2022 and is set out in notes 19 and 20 of the 2022 Annual Report. The contingent element is measured on a series of trading performance targets and is adjusted by the application of a range of outcomes and associated probabilities.

During the period ended 30 June 2023, there were no significant changes in the business or economic circumstances that affect the fair value of financial assets and liabilities, no reclassifications and no transfers between levels of the fair value hierarchy used in measuring the fair value of the financial instruments.

Fair value of financial instruments at amortised cost

Except as detailed below, it is considered that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the Interim Financial Statements approximate their fair values.

Private placement notes	Carrying amount €m	Fair value €m
At 30 June 2023	1,594.1	1,549.7
At 31 December 2022	1,322.0	1,455.7
At 30 June 2022	1,392.0	1,383.6

The fair value of the private placement notes, which are Level 2 financial instruments, is derived by using observable market data, principally the relevant interest rates.

11 Deferred contingent consideration

	At 30 June 2023 €m	At 30 June 2022 €m	At 31 December 2022 €m
At the beginning of the period	187.1	202.3	202.3
Deferred contingent consideration arising on acquisitions	7.2	-	-
Put liabilities arising on acquisitions	3.1	-	-
Movement in deferred contingent consideration arising from fair value movement	(1.2)	-	-
Movement in put liability arising from fair value movement	13.6	8.0	16.0
Amounts paid	(6.6)	(46.9)	(45.4)
Effect of movement in exchange rates	10.3	23.8	14.2
Closing balance	213.5	187.2	187.1
<i>Split as follows:</i>			
Current liabilities	200.1	173.4	174.9
Non-current liabilities	13.4	13.8	12.2
	213.5	187.2	187.1

For each acquisition for which deferred contingent consideration has been provided, an annual review takes place to evaluate if the payment conditions are likely to be met. For the purposes of the fair value assessments all of the put option liabilities are valued using the option price formula in the shareholder's agreement and the most recent financial projections. These are classified as unobservable inputs. The significant unobservable inputs used in the fair value measurements and the quantitative sensitivity analysis are shown in the table below:

Type	Valuation technique	Significant unobservable inputs	Sensitivity of the input to the fair value
Deferred contingent consideration	<i>Discounted cashflow method</i> The net present value of the expected payment is calculated by using a risk adjusted discount rate where material. Discounting has not been applied in the current period as it is not deemed to be material. The expected payments are valued using the earn out formula in the shareholder's agreement and the most recent financial projections.	<ul style="list-style-type: none"> • EBITDA multiples of between 2.7 and 7.5. 	<ul style="list-style-type: none"> • A 5% increase in the assumed profitability of the acquired entities would result in an increase in the fair value of the deferred contingent consideration of €0.4m.
Put option liabilities	<i>Discounted cashflow method</i> The net present value of the expected payment is calculated by using a risk adjusted discount rate. The expected payments are valued using the option price formula in the shareholder's agreement and the most recent financial projections.	<ul style="list-style-type: none"> • Risk adjusted discount rates of between 4.4% and 6.1%. • EBITDA multiples of between 6.5 and 8.57. 	<ul style="list-style-type: none"> • A 10% decrease in the risk adjusted discount rate would result in an increase in the fair value of the put option liabilities of €0.1m. • A 5% increase in the assumed profitability of the acquirees would result in an increase in the fair value of the put option liabilities of €9.3m.

12 Dividends

A final dividend on ordinary shares of 23.8 cent per share in respect of the year ended 31 December 2022 (2021: 26.0 cent) was paid on 9 May 2023.

The directors have declared an interim dividend in respect of 2023 of 26.3 cent (2022: 25.6 cent) which will be paid on 13 October 2023 to shareholders on the register on the record date of 8 September 2023.

13 Earnings per share

	6 months ended 30 June 2023 €m	6 months ended 30 June 2022 €m
The calculations of earnings per share are based on the following:		
Profit attributable to owners of the Company	318.4	309.5
	Number of shares ('000) 6 months ended 30 June 2023	Number of shares ('000) 6 months ended 30 June 2022
Weighted average number of ordinary shares for the calculation of basic earnings per share	181,691	181,437
Dilutive effect of share options	1,213	1,412
Weighted average number of ordinary shares for the calculation of diluted earnings per share	182,904	182,849
	€ cent	€ cent
Basic earnings per share	175.2	170.6
Diluted earnings per share	174.1	169.3

At 30 June 2023, there were no anti-dilutive options (30 June 2022: Nil).

14 Goodwill

	At 30 June 2023 €m	At 30 June 2022 €m	At 31 December 2022 €m
At beginning of period	2,495.5	1,908.6	1,908.6
Acquired through business combinations	116.7	262.8	578.7
Effect of movement in exchange rates	(0.6)	37.0	8.2
At end of period	2,611.6	2,208.4	2,495.5
At end of period			
Cost	2,679.3	2,276.1	2,563.2
Accumulated impairment losses	(67.7)	(67.7)	(67.7)
Net carrying amount	2,611.6	2,208.4	2,495.5

15 Property, plant and equipment

	At 30 June 2023	At 30 June 2022	At 31 December 2022
	€m	€m	€m
Cost or valuation	3,112.4	2,723.4	2,942.6
Accumulated depreciation and impairment charges	<u>(1,593.9)</u>	<u>(1,438.1)</u>	<u>(1,504.7)</u>
Net carrying amount	<u>1,518.5</u>	<u>1,285.3</u>	<u>1,437.9</u>
Opening net carrying amount	1,437.9	1,155.8	1,155.8
Acquired through business combinations	33.9	55.9	144.9
Divested	-	(5.3)	(5.3)
Additions	111.9	133.1	276.3
Disposals	(2.3)	(13.3)	(18.2)
Depreciation charge	(65.7)	(56.4)	(117.9)
Impairment charge	(0.9)	-	-
Effect of movement in exchange rates	3.7	15.5	2.3
Closing net carrying amount	<u>1,518.5</u>	<u>1,285.3</u>	<u>1,437.9</u>

The disposals generated a profit in the period of €0.7m (H1 2022: €0.7m).

16 Leases

Right of use asset

	At 30 June 2023	At 30 June 2022	At 31 December 2022
	€m	€m	€m
At beginning of period	205.3	155.5	155.5
Additions	24.6	21.1	41.3
Arising on acquisitions	(7.1)	7.0	36.2
Remeasurement	25.7	8.5	19.6
Terminations	(3.4)	(0.8)	(1.7)
Depreciation charge for the year	(27.2)	(21.6)	(47.2)
Effect of movement in exchange rates	(1.5)	4.2	1.6
Closing net carrying amount	<u>216.4</u>	<u>173.9</u>	<u>205.3</u>

Lease liability

	At 30 June 2023	At 30 June 2022	At 31 December 2022
	€m	€m	€m
At beginning of period	196.8	158.0	158.0
Additions	22.6	20.5	39.7
Arising on acquisitions	3.7	6.9	25.3
Remeasurement	25.5	8.4	19.6
Terminations	(3.7)	(0.8)	(1.7)
Payments	(32.8)	(27.1)	(50.6)
Interest	2.7	2.3	4.7
Effect of movement in exchange rates	(1.7)	4.5	1.8
Closing net carrying amount	<u>213.1</u>	<u>172.7</u>	<u>196.8</u>

Split as follows:

Current liability	41.6	38.1	43.2
Non-current liability	171.5	134.6	153.6
Closing net carrying amount	<u>213.1</u>	<u>172.7</u>	<u>196.8</u>

17 Business combinations

During the period, the Group made six acquisitions for a combined total consideration of €156.9m.

In April 2023, the Group acquired 100% of the share capital of CaPlast and subsidiaries Now Contec and AerO Coated Fabrics, enhancing our roof & façade underlayment and vapour control offerings in the DACH region. The total consideration, including net debt acquired amounted to €84.8m.

The Group also made a number of smaller acquisitions during the period for a combined consideration of €72.1m:

- The Insulated Panels division acquired 100% of the share capital of Alaço in Portugal in January 2023, 100% of the share capital of LRM in France in May 2023 and 51% of the share capital of Montfrio in Uruguay in June 2023.
- In June 2023, the Insulation division acquired 80% of the share capital of HempFlax Building Solutions in Germany and 100% of the share capital of Thor Building Products in Australia.

The provisional fair values of the acquired assets and liabilities in respect of these acquisitions at their respective acquisition dates, along with fair value adjustments to certain 2022 acquisitions, are set out below:

	CaPlast	Other*	Total
	€m	€m	€m
Non-current assets			
Intangible assets	8.2	3.6	11.8
Property, plant and equipment	17.2	16.7	33.9
Right of use assets	1.9	(9.0)	(7.1)
Deferred tax assets	-	6.0	6.0
Current assets			
Inventories	11.0	11.0	22.0
Trade and other receivables	6.6	3.2	9.8
Current liabilities			
Trade and other payables	(6.8)	(7.2)	(14.0)
Provisions for liabilities	(1.1)	(5.6)	(6.7)
Lease liabilities	(0.4)	(0.3)	(0.7)
Non-current liabilities			
Retirement benefit obligations	-	(0.1)	(0.1)
Lease liabilities	(1.6)	(1.4)	(3.0)
Deferred tax liabilities	(1.8)	(1.5)	(3.3)
Total identifiable assets	33.2	15.4	48.6
Non-controlling interests arising in acquisition	-	(8.4)	(8.4)
Goodwill	51.6	65.1	116.7
Total consideration	84.8	72.1	156.9
Satisfied by:			
Cash (net of cash/debt acquired)	84.8	64.9	149.7
Deferred contingent consideration	-	7.2	7.2
Total consideration	84.8	72.1	156.9

*Other includes the remaining acquisitions completed during the period together with certain immaterial remeasurements of prior year accounting estimates.

The goodwill is attributable principally to the profit generating potential of the businesses, together with a strong workforce, new geographies and synergies expected to be achieved from integrating the businesses into Kingspan's existing structure.

In the post-acquisition period to 30 June 2023, the businesses acquired in the current period contributed total revenue of €19.1m and trading profit of €2.2m to the Group's results.

The valuation of the fair value of the assets and liabilities recently acquired is still in progress due to the relative size of the acquisitions and the timing of the transactions. The initial assignment of fair values to identifiable net assets acquired has therefore been performed on a provisional basis.

18 Capital and reserves

No new ordinary shares (H1 2022: Nil) were issued as a result of the exercise of vested options arising from the Group's share option schemes.

During the period, 179,042 (H1 2022: 201,980) treasury shares were re-issued as a result of vested options arising from the Group's share options schemes (see the 2022 Annual Report for full details of the Group's share option schemes).

Options were exercised at an average price of €0.13 per option.

19 Significant events and transactions

Other than the acquisitions referenced in note 17, there were no individually significant events or transactions in the period which contributed to material changes in the Statement of Financial Position.

20 Related party transactions

There were no changes in related party transactions from the 2022 Annual Report that could have a material effect on the financial position or performance of the Group in the first half of the year.

21 Subsequent events

In July 2023, the Group reached agreement, subject to customary approvals, to acquire 51% of the shares of Steico SE ("Steico") from Schramek GmbH. Steico is the world leader in natural insulation and wood-based building envelope products, based in Germany and listed on the unofficial markets of several German Stock Exchanges.

There have been no other material events subsequent to 30 June 2023 which would require disclosure in this report.

Alternative Performance Measures (APMs)

The Group uses a number of metrics, which are non-IFRS measures, to monitor the performance of its operations.

The Group believes that these metrics assist investors in evaluating the performance of the underlying business. Given that these metrics are regularly used by management, they also give the investor an insight into how Group management review and monitor the business on an ongoing basis.

The principal APMs used by the Group are defined as follows:

Trading profit

This comprises the operating profit as reported in the Income Statement before intangible asset amortisation and non trading item. This equates to the Earnings Before Interest, Tax and Amortisation (“EBITA”) of the Group. Trading profit is used by management as it excludes items which may hinder year on year comparisons.

		30 June 2023	30 June 2022
	Financial Statements Reference	€m	€m
Trading profit	Note 4	435.5	434.2

Trading margin

Measures the trading profit as a percentage of revenue.

		30 June 2023	30 June 2022
	Financial Statements Reference	€m	€m
Trading Profit	Note 4	435.5	434.2
Total Group Revenue	Note 4	4,083.9	4,153.4
Trading margin		10.7%	10.5%

EBITDA

The Group’s definition of EBITDA is earnings before finance expenses, income taxes, depreciation, amortisation and non trading item.

		30 June 2023	30 June 2022
	Financial Statements Reference	€m	€m
Trading profit	Condensed Consolidated Income Statement	435.5	434.2
Depreciation	Consolidated Statement of Cash Flows	92.9	78.0
EBITDA		528.4	512.2

Free cash flow

Free cash flow is the cash generated from operations after net capital expenditure, interest paid, income taxes paid and lease payments and reflects the amount of internally generated capital available for re-investment in the business or for distribution to shareholders.

		30 June 2023	30 June 2022
	Financial Statements Reference	€m	€m
Net cash flow from operating activities	Consolidated Statement of Cash Flows	494.5	157.2
Additions to property, plant, equipment and intangible assets	Consolidated Statement of Cash Flows	(117.7)	(131.5)
Proceeds from disposals of property, plant and equipment	Consolidated Statement of Cash Flows	3.0	14.0
Lease payments	Consolidated Statement of Cash Flows	(32.8)	(27.1)
Finance income	Consolidated Statement of Cash Flows	9.9	0.3
Free cash flow		356.9	12.9

Return on capital employed (ROCE)

ROCE is the operating profit before interest and tax for the previous 12 months expressed as a percentage of the net assets employed. The net assets employed reflect the net assets, excluding net debt, at the end of each reporting period.

		30 June 2023	30 June 2022	31 December 2022
	Financial Statements Reference	€m	€m	€m
Net Assets	Consolidated Statement of Financial Position	3,666.4	3,287.5	3,395.5
Net Debt	Note 9	1,372.7	1,206.6	1,539.6
		5,039.1	4,494.1	4,935.1
Operating profit before interest and tax		794.0	814.0	784.3
Return on capital employed		15.8%	18.1%	15.9%

Net debt

Net debt represents the net total of current and non-current borrowings, current and non-current derivative financial instruments, (excluding foreign currency derivatives which are used for transactional hedging), and cash and cash equivalents as presented in the Statement of Financial Position. Lease liabilities recognised due to the implementation of IFRS 16 and deferred contingent consideration have also been excluded from the calculation of net debt. This definition is in accordance with the terms and conditions of the covenants as set out in the Group's external borrowing arrangements.

		30 June 2023	30 June 2022	31 December 2022
	Financial Statements Reference	€m	€m	€m
Net Debt	Note 9	1,372.7	1,206.6	1,539.6

Net debt: EBITDA

Net debt as a ratio to 12-month EBITDA. EBITDA is solely adjusted for the impact of IFRS 16 *Leases* which is in accordance with the terms and conditions of the covenants as set out in the Group's external borrowing arrangements.

		30 June 2023	30 June 2022
	Financial Statements Reference	€m	€m
H1 EBITDA	EBITDA calculation	528.4	512.2
Lease liability payments	Note 16	(32.8)	(27.1)
H1 EBITDA (adjusted for the impact of IFRS 16)		495.6	485.1

		30 June 2023	30 June 2022	31 December 2022
	Financial Statements Reference	€m	€m	€m
Net Debt	Note 9	1,372.7	1,206.6	1,539.6
12 month EBITDA (adjusted for the impact of IFRS 16)		958.2	966.3	947.7
Net Debt : EBITDA times		1.43	1.25	1.62

Working capital

Working capital represents the net total of inventories, trade and other receivables and trade and other payables, net of transactional foreign currency derivatives excluded from net debt.

		30 June 2023	30 June 2022	31 December 2022
	Financial Statements Reference	€m	€m	€m
Trade and other receivables	Consolidated Statement of Financial Position	1,555.9	1,675.2	1,328.4
Inventories	Consolidated Statement of Financial Position	1,145.7	1,364.1	1,235.8
Trade and other payables	Consolidated Statement of Financial Position	(1,582.8)	(1,732.6)	(1,368.7)
Foreign currency derivatives excluded from net debt	Consolidated Statement of Financial Position	-	0.5	0.4
Working capital		1,118.8	1,307.2	1,195.9

Working capital ratio

Measures working capital as a percentage of the previous three months turnover annualised. The annualisation of turnover reflects the current profile of the Group rather than a partial reflection of any acquisitions completed during the period.

	30 June 2023	30 June 2022	31 December 2022
	€m	€m	€m
Working capital	1,118.8	1,307.2	1,195.9
Annualised turnover	8,474.8	9,033.8	8,272.2
Working Capital ratio	13.2%	14.5%	14.5%