

# Kingspan Group plc

## Trading Update

5 November 2024

Kingspan Group plc, the global leader in high performance insulation and building envelopes, issues this Trading Update for the period to 30 September 2024.

Sales in the nine-month period to 30 September were €6.35bn, up 3% on the same period in the prior year and up by 6% in the third quarter. Sales pre currency and acquisitions were down 4% in the year to date and were in line with the third quarter of 2023.

**Insulated Panels** sales improved sequentially in the third quarter, up 1%, and were down by 2% in the first nine months. Third quarter sales volumes were ahead globally, building on the positive trend seen in the first half. Activity in the Americas remains in line overall against a strong comparative, France is holding up well and Germany is showing growth more recently versus a soft third quarter in 2023. Eastern Europe is challenging overall while the Middle East saw strong activity in quarter three. Australasia and India have seen further momentum in recent months. Our innovation agenda continues to progress, notably QuadCore™ LEC Panels continuing to attract interest across all key markets. Global order placement in quarter three outpaced sales volumes in the period.

**Insulation** sales in the first nine months were up 18% and by 20% in the third quarter boosted by the impact of the acquisition of Steico. Sales pre currency and acquisitions were down 10% both year to date and in the third quarter. Acoustic insulation continues to perform well, and our natural insulation category is advancing following the cornerstone acquisition of 51% of Steico early in 2024. District heating applications have been softer in more recent months, and this expected to continue for the remainder of 2024. Board sales were down in the third quarter, with activity and margin in continental Europe, a particular challenge. Commissioning of our mineral fibre plant acquired earlier in the year is progressing albeit diluting margin in the near term.

**Data Solutions (formerly Data + Flooring)** sales in the first nine months were up 29% and up by 47% in the third quarter. Our solutions and geographic presence mirror the requirements of the major global organisations driving the world's burgeoning appetite for data. Having recently commissioned a new plant in Virginia, USA that is now almost fully operational, we expect to soon commence production in Arkansas, USA. Further developments are underway in Europe and Southeast Asia.

**Light, Air + Water** sales in the first nine months were down 2% and increased by 1% in the third quarter. We view daylighting and ventilation as a growing opportunity for us worldwide. Combined, they are becoming a crucial part of the low-energy building envelope.

**Roofing + Waterproofing** sales in the first nine months were up 4% and were down 4% in the third quarter reflecting somewhat subdued European roofing activity in more recent months. A number of development milestones have taken place recently with divisional sales now tracking €1 billion on an annualised basis following the acquisitions of a majority stake in Nordic Waterproofing Holding AB in Europe and IB Roofing in the US. The organic development plan in the US is progressing apace with the plants in Oklahoma and Maryland scheduled for production by the first quarter of 2026.

**Net Debt** at the end of September 2024 stood at €1.39bn. Liquidity was boosted further recently with our debut public bond of €750m secured on very attractive terms at a fixed annual coupon of 3.5%.

### **Looking Ahead**

It is difficult to look too far ahead when there are so many moving parts both economically and geopolitically. Whilst end markets have their obvious challenges the global backlog of orders is ahead year on year. In some markets we are seeing subdued near-term dispatches despite strong backlogs which should augur well for the early part of 2025, albeit at the expense of 2024. Whilst there is still some way to go in the current year, with the seasonally important fourth quarter remaining, we expect to deliver a full year trading profit broadly in line with the record level achieved in 2023. Notably, the Group's development pipeline remains strong.

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