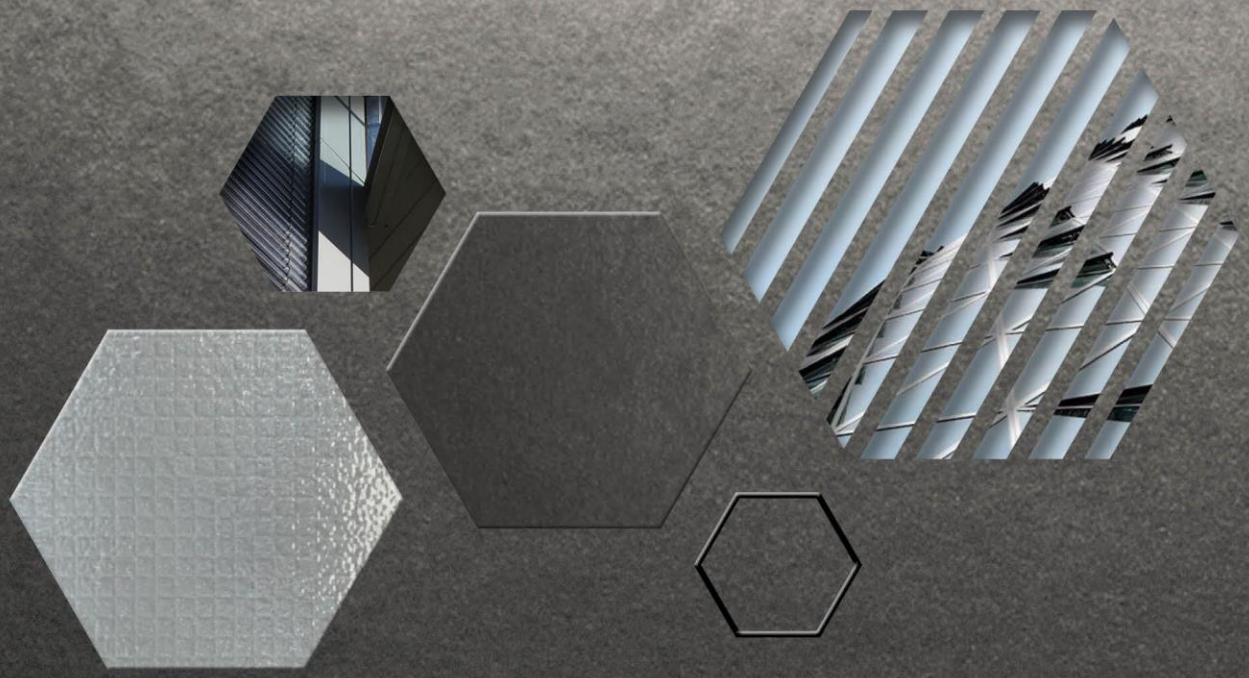
KINGSPAN
2016 FULL YEAR RESULTS

17TH FEBRUARY 2017



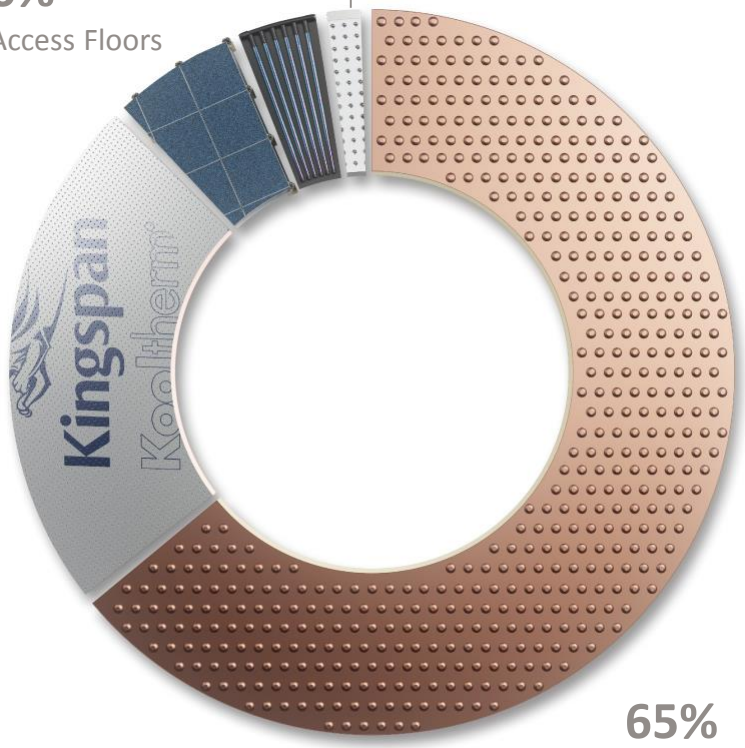
DISCLAIMER

Forward Looking Statements

This presentation contains certain forward-looking statements including, without limitation, the Group's financial position, business strategy, plans and objectives of management for future operations. Such forward-looking information involves risks and uncertainties, assumptions and other factors that could cause the actual results, performance or achievements of the Group to differ materially from those in the forward-looking statements. The forward-looking statements in this presentation reflect views held only as of the date hereof. Neither Kingspan nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. Kingspan undertakes no duty to and will not necessarily update any such statements in light of new information or future events, except to the extent required by any applicable law or regulation.

THE BUSINESS

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



5% Environmental

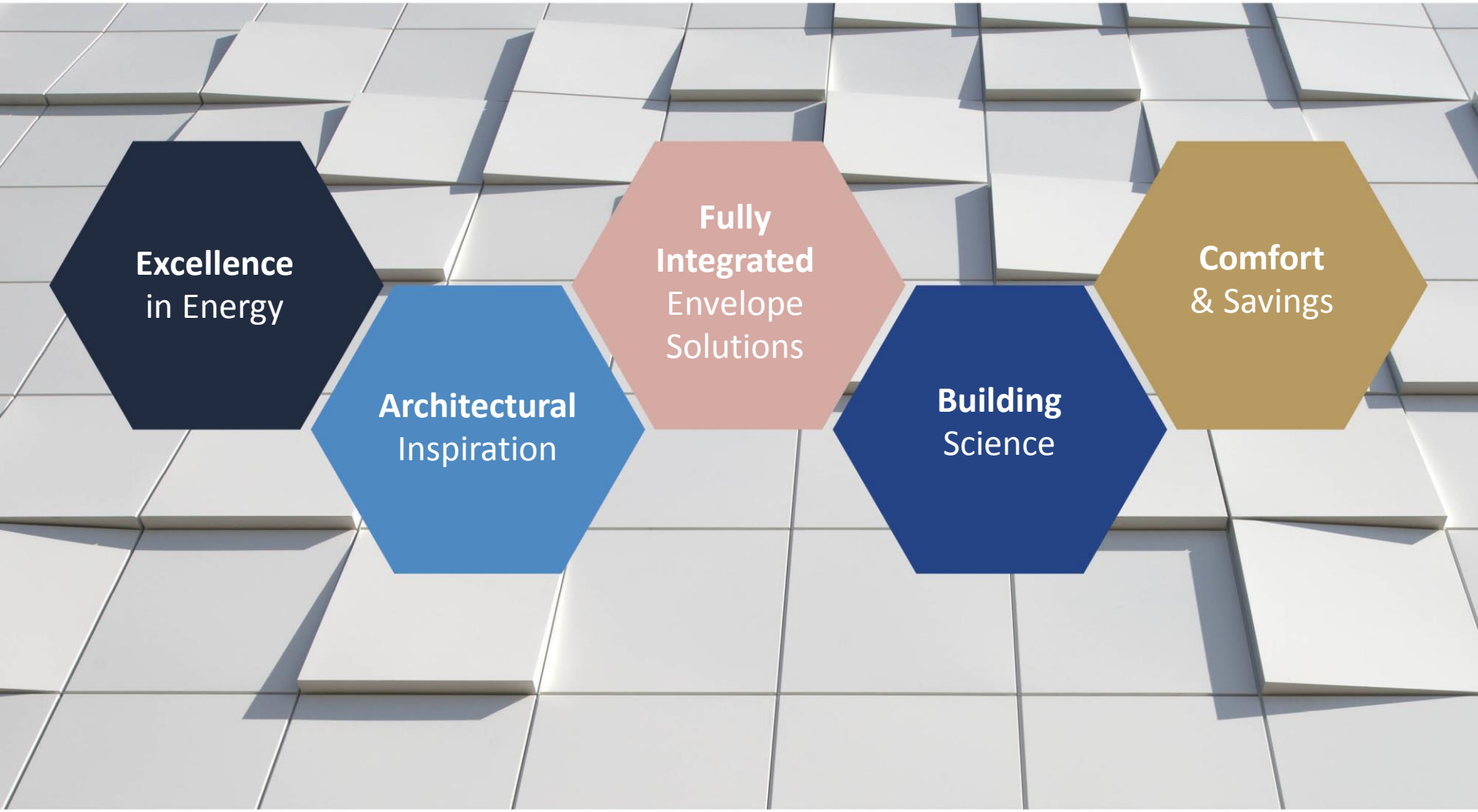
2% Light & Air

6% Access Floors

22% Insulation Boards

65% Insulated Panels

WHAT WE DELIVER



2016 IN A NUTSHELL

Kingspan

Products	67%* Insulated Panels	22% Insulation Boards	6% Access Floors	5% Environmental	Revenue €3.1 Billion
Drivers	85% Energy Efficiency & Conversion				
Geography	41% Mainland Europe	27% United Kingdom	20% North America	8% ROW / 4% Ireland	Applications: › Retail › Distribution › Leisure › Accommodation › Food › Manufacturing › Data Management › Infrastructure
Sector	72% Commercial & Industrial	18% Residential	10% Office & Data		
End Market	70% Newbuild	30% Refurbishment			Profit €341 Million
Channel	75% Direct	25% Via Distribution			

Brand → Specification → Differentiation

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

*includes 2% Light & Air

OUR STRATEGY

- Be the leader in high performance insulation globally – proprietary and differentiating technologies
- Be the world's leading provider of low energy building envelopes
- Greater geographic reach – focus on The Americas, Continental Europe and certain developing markets
- 20% ROI target

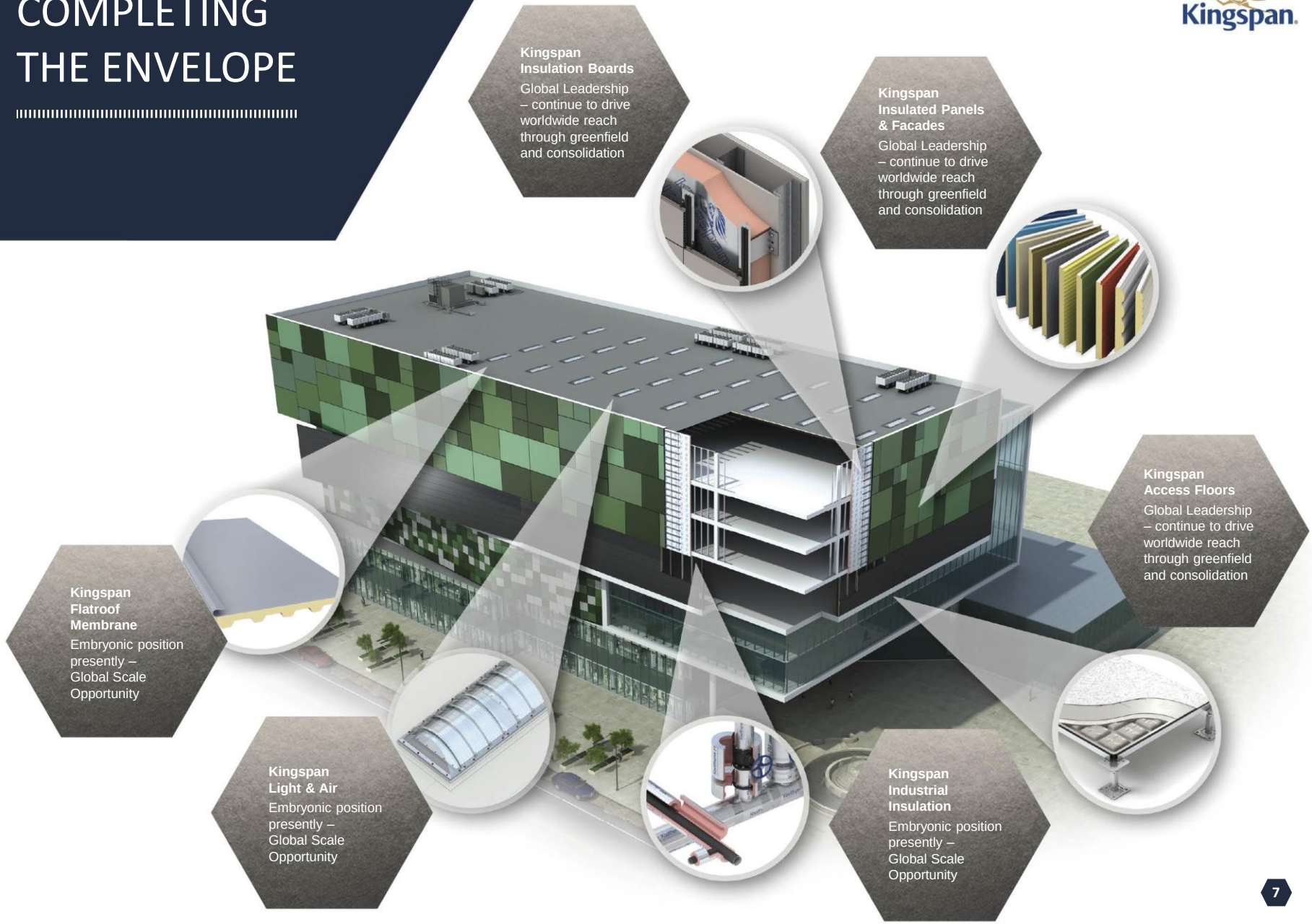
INNOVATION

PENETRATION

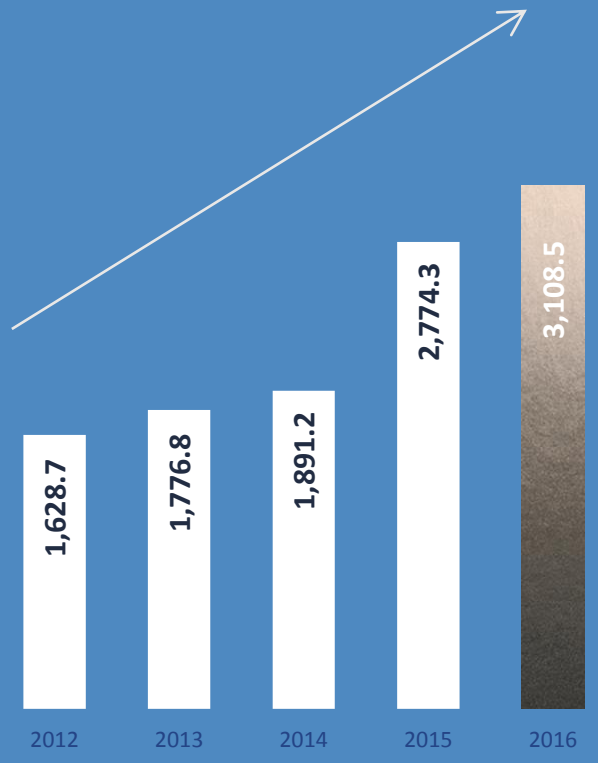
NET ZERO ENERGY

GLOBALISATION

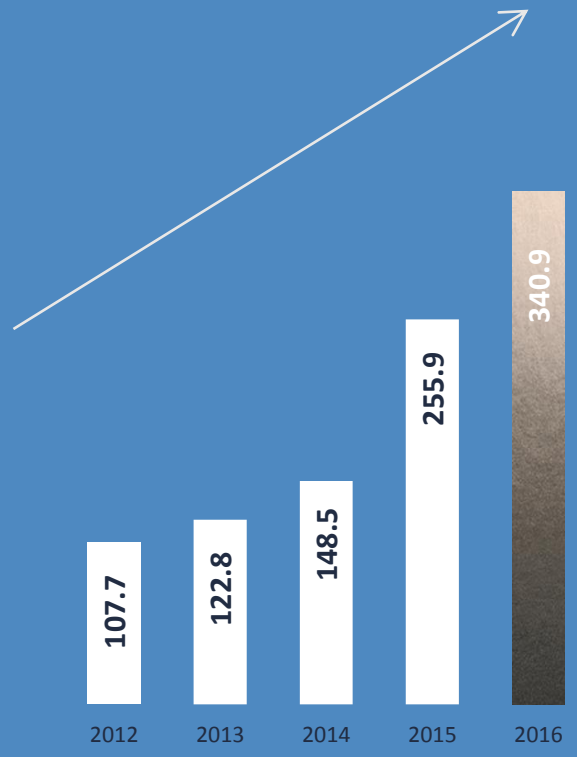
COMPLETING THE ENVELOPE



5 YEAR FINANCIAL PERFORMANCE



Revenue
(€m) (CAGR 17.5%)



Trading Profit
(€m) (CAGR 33.4%)

2016 IN SUMMARY

- Strong performance in the UK, clear recovery evident in much of Western Europe with the US more subdued in the second half.
- **Insulated Panels** in the UK had a strong year and the North American market cooled off somewhat towards year end. European sales were strong in the Netherlands and France, whilst more flat in Germany.
- **Insulation Boards** had another strong year in the UK with the US and the European business making good gains.
- **Environmental** continued its recovery and posted strong margin expansion year on year.
- **Access Floors** activity remains a challenge in North America. The UK was positive and is unlikely to dip until the second half of 2017. Datacentre solutions continued to progress.
- Total capital investment in the year was €364m, of which €113m was capex and an acquisition spend of €251m.

↑
Revenue
UP 12%
to
€3.1bn

↑
Trading Profit
UP 33%
to
€340.9m

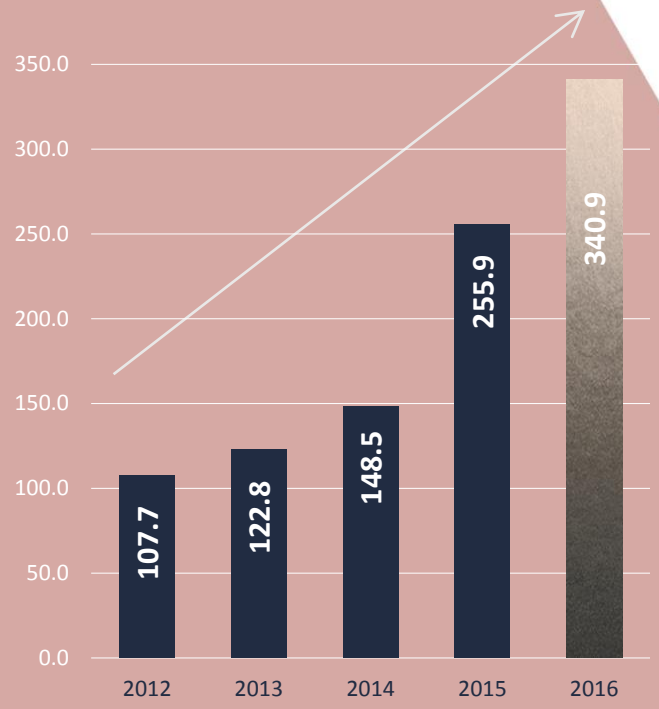
↑
Basic EPS
UP 35%
to
143.8c

FINANCIAL HIGHLIGHTS

	2016	2015	Change	cc*
Revenue (€m)	3,108.5	2,774.3	+12%	+16%
Trading Profit (€m)	340.9	255.9	+33%	+41%
EBITDA (€m)	404.1	316.4	+28%	+35%
Earnings per share (cent)	143.8	106.7	+35%	–
Full Year Dividend	33.5	25.0	+34%	–
Free Cashflow (€m)	206.6	267.0	-23%	–
Net Debt (€m)	427.9	328.0	+99.9m	–
Trading Margin	11.0%	9.2%	+180bps	–
Net Debt/EBITDA	1.06x	1.04x	–	–
ROCE	17.3%	15.2%	+210bps	–

** Constant Currency*

TRADING PROFIT & MARGIN PROGRESSION

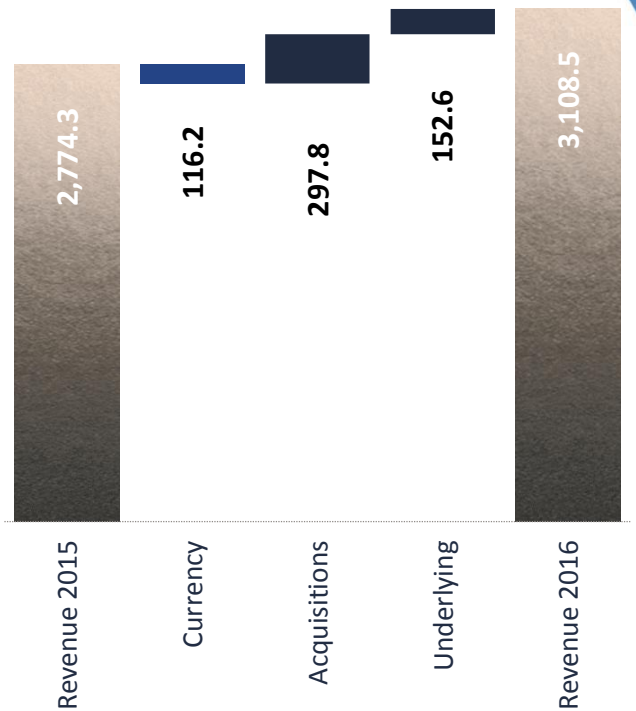


Trading Profit
(€m)

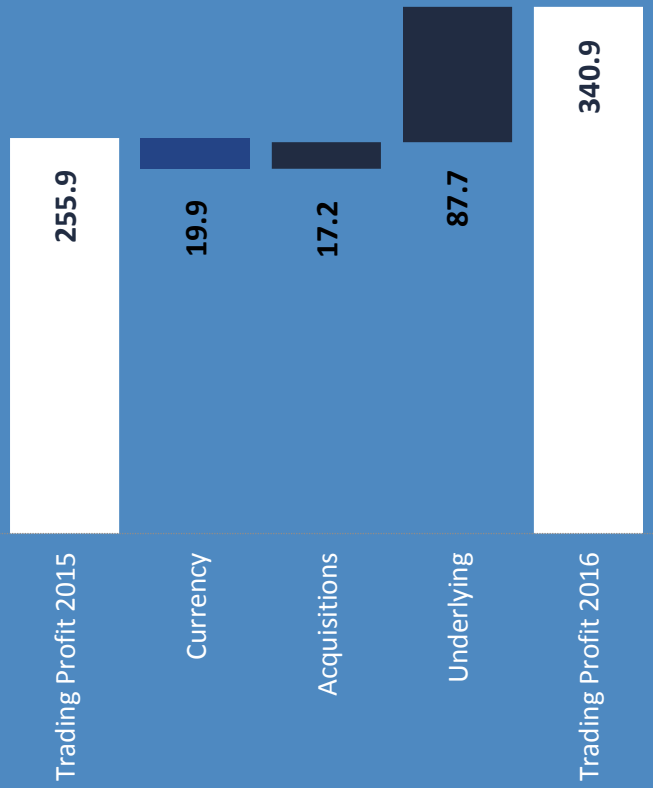
	FY 14	FY 15	FY 16
Insulated Panels	8.0%	9.3%	11.0%
Insulation Boards	8.4%	9.2%	11.4%
Environmental	0.8%	5.1%	7.0%
Access Floors	11.7%	12.1%	12.5%
Group	**7.9%**	**9.2%**	**11.0%**

Margin %

GROUP SALES & PROFIT BRIDGE

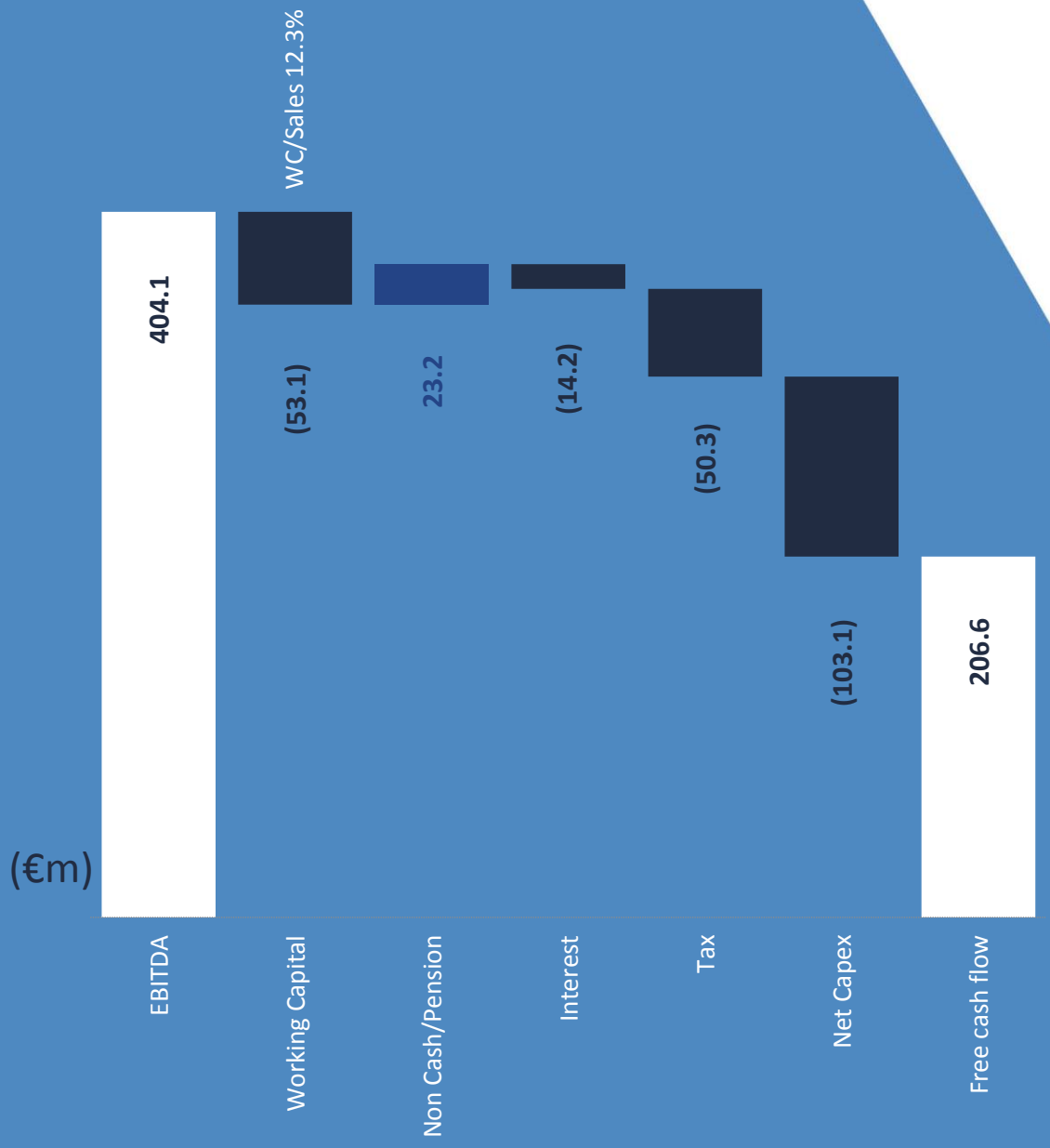


Sales (€m)



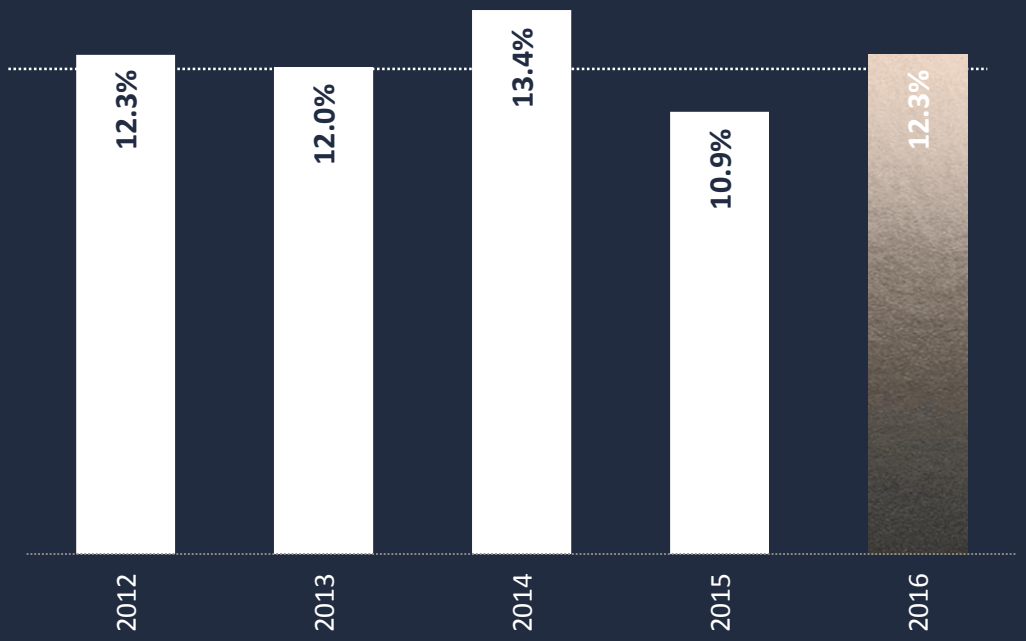
Trading Profit (€m)

STRONG FREE CASH FLOW

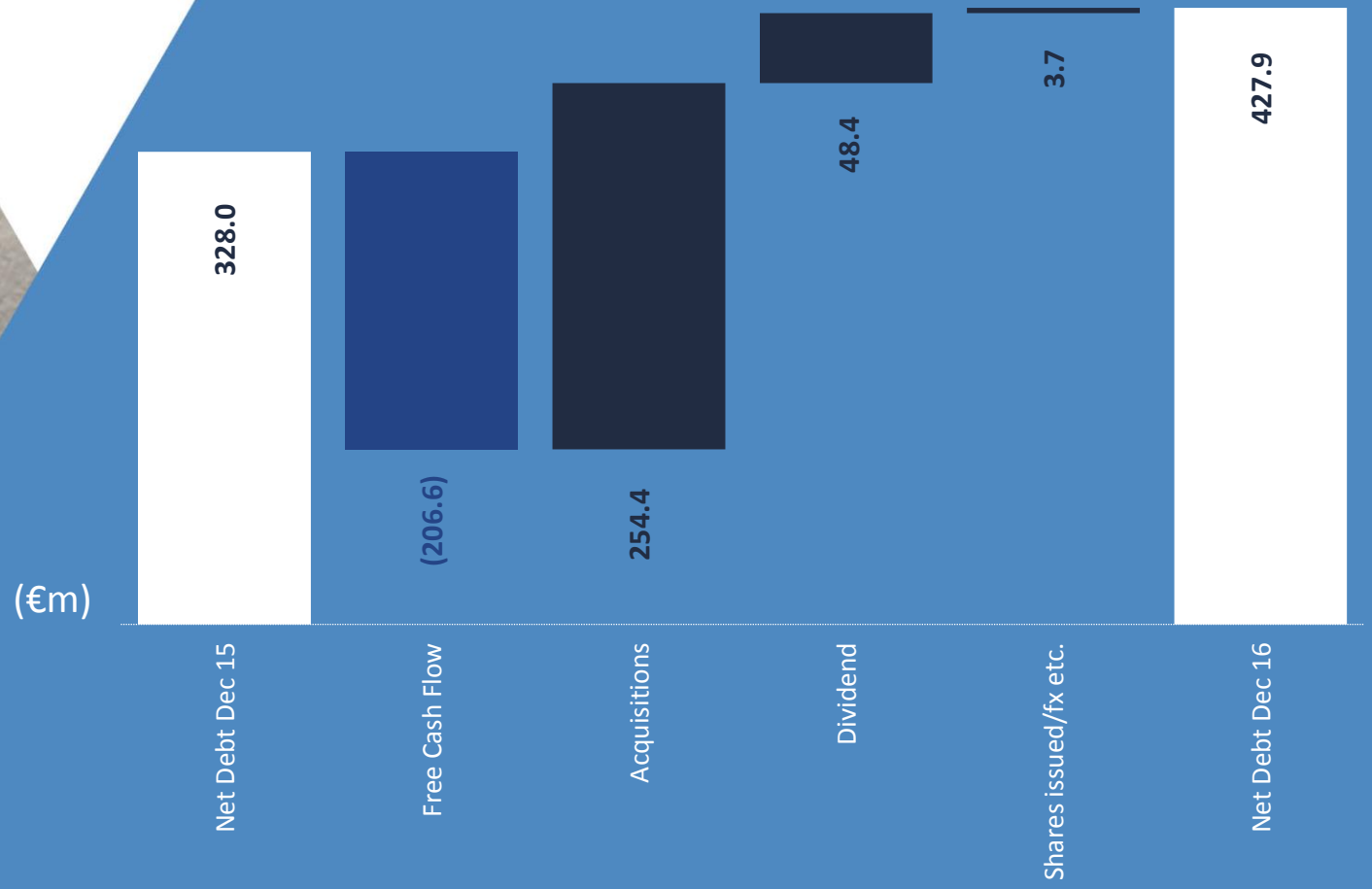


WORKING CAPITAL %

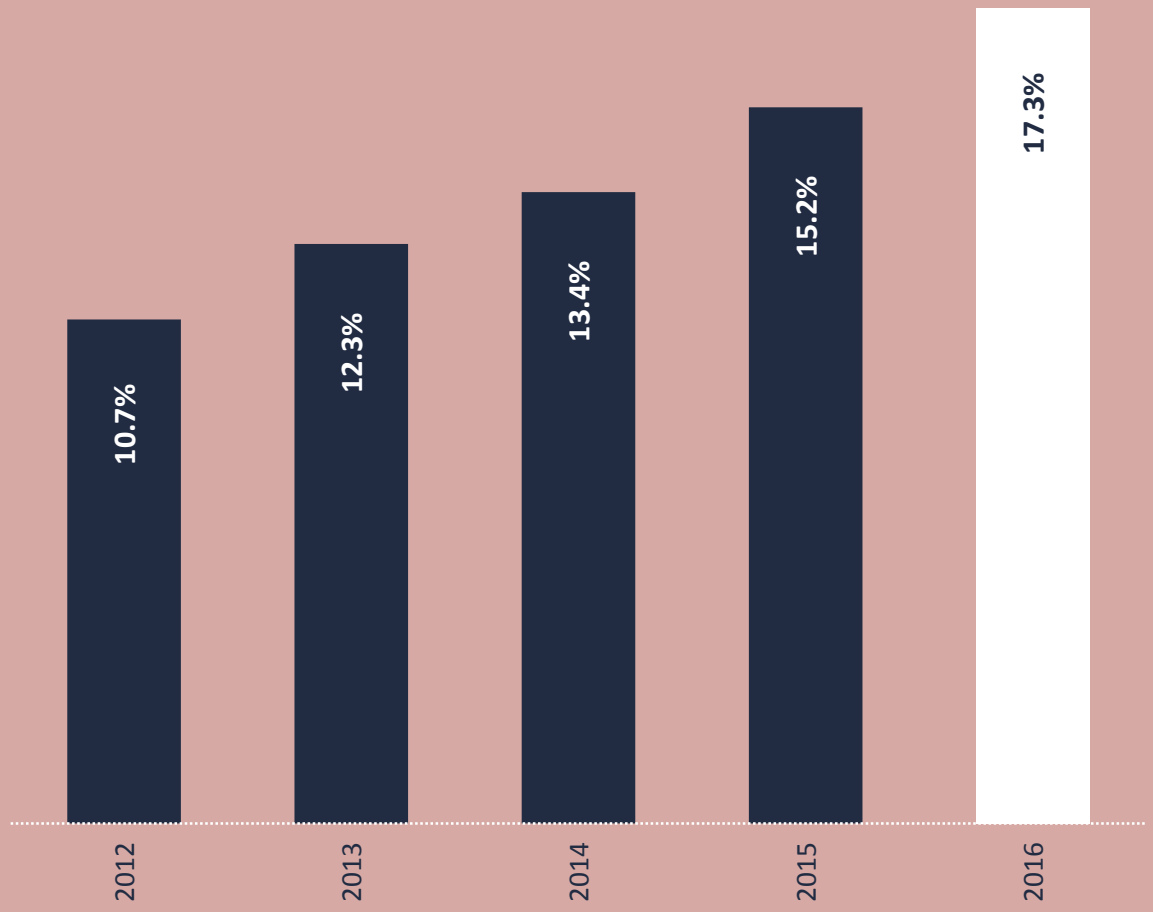
Average 12.2%



MOVEMENT IN NET DEBT



GROWING ROCE

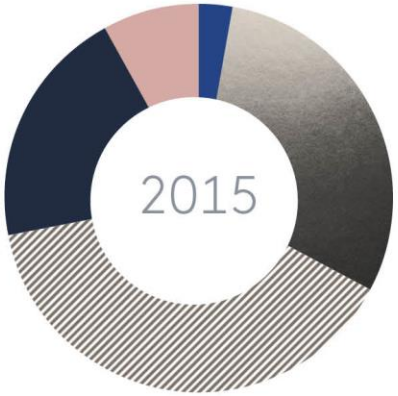


STRONG BALANCE SHEET

- €250m US Private Placement completed in November 2016 with a weighted average term of 9 years at a fixed coupon of 1.49%.
- Cumulative total long term financing of €450m raised in last 2 years at an average fixed coupon of 1.74%.
- Total available cash balances and committed undrawn facilities of €682m.
- Weighted average maturity of debt facilities of 6.5 years.

USA
Kennesaw State University
–
Insulated Panels

SALES BY GEOGRAPHY



- 3% Republic of Ireland
- 30% Britain and Northern Ireland
- 39% Mainland Europe
- 20% Americas
- 8% Rest of World

- 4% Republic of Ireland
- 27% Britain and Northern Ireland
- 41% Mainland Europe
- 20% Americas
- 8% Rest of World

€m	FY 16	FY 15	Constant Currency Change	YoY % Change
Britain & Northern Ireland	834.4	816.9	+14%	+2%
Mainland Europe	1,287.5	1,079.3	+20%	+19%
Americas	630.4	566.7	+12%	+11%
Republic of Ireland	118.0	92.4	+28%	+28%
Rest of World	238.2	219.0	+9%	+9%
Group Sales	**3,108.5**	**2,774.3**	**+16%**	**+12%**

INSULATED PANELS

- Solid sales performance overall.
- Encouraging increases in Netherlands & France, Germany by comparison relatively flat.
- Hungary, South Central Europe and Nordics performed well, Poland and Czech Republic slightly weaker.
- UK strong, orderbook comfortably ahead of 2015.
- Ongoing recovery in Ireland with double digit organic growth.
- Good progress in Australasia, strong order intake particularly in Australia.

	FY 16	FY 15
Sales (€m)	2,074.1	1,776.6
% of Group Sales	67%	64%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+5%	-3%	+15%	+17%

Aschheim, Germany
WWVT
–
Insulated Panels

INSULATED PANELS (CONT.)

- Considerable penetration advances in North America.
- US strong H1 but tougher H2, Canada performed well.
- Initial project pipeline in Mexico encouraging.
- Light & Air standalone division from 2017 – 2016 sales €75m, annualised run rate c. €190m.
- Quadcore® roll-out progressing well – available in approximately one third of Insulated Panel facilities worldwide.

UK
Friars Walk
–
Insulated Panels

INSULATION BOARDS

- UK performed well owing to targeted market share gains & robust Kooltherm® penetration growth.
- Positive performance in The Netherlands, Germany and the Nordics while Belgium and France more subdued.
- North America slightly ahead, additional capacity by mid 2017.
- Growth in Australasia – focus on growing Kooltherm® in run up to Melbourne start-up.
- Middle East less buoyant, weaker activity in Saudi Arabia.
- Activity in Ireland notably strong, likely to continue for the foreseeable future.

	FY 16	FY 15
Sales (€m)	688.1	662.8
% of Group Sales	22%	24%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
+7%	-5%	+2%	+4%

Australia
Victorian Comprehensive Cancer Centre
–
Insulation

ACCESS FLOORS

- Solid sales performance overall, although regionally mixed.
- Grade A office construction activity in North America remains a challenge.
- Ongoing diversification of offering, emphasis on cloud solutions for datacentre market.
- Strong UK office construction.
- UK pipeline robust for H1 2017, dipping thereafter.

	FY 16	FY 15
Sales (€m)	184.3	175.9
% of Group Sales	6%	6%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
10%	-5%	-	+5%

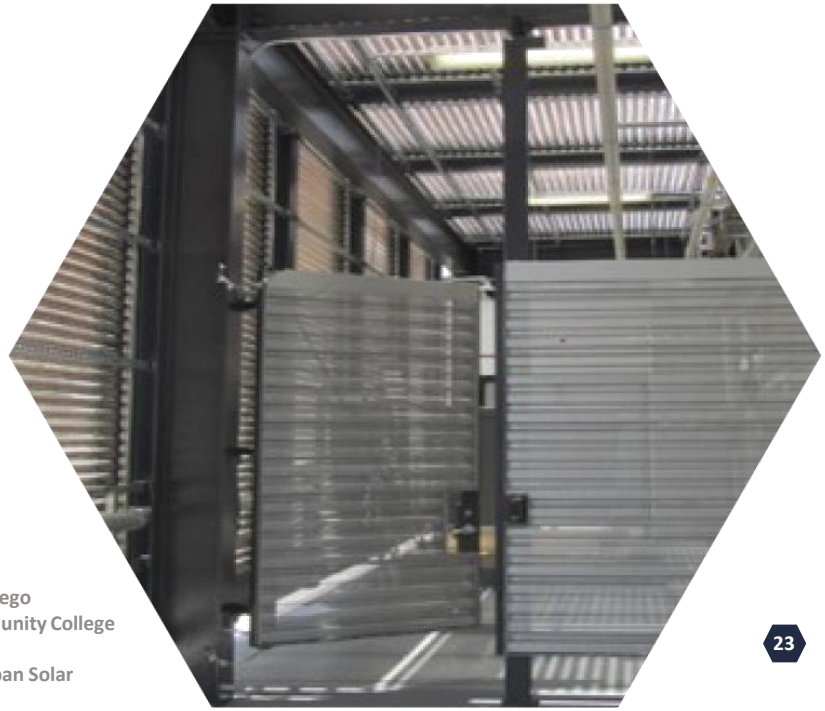
Maryland, USA
John Hopkins University Campus
–
Access Floors

ENVIRONMENTAL

- Stable sales performance amid continued recovery.
- Focus on geographic expansion and margin restoration.
- Tankworks acquisition provides platform for wider product offering in Australia.
- Significant improvement in margin year-on-year.

	FY 16	FY 15
Sales (€m)	162.0	159.0
% of Group Sales	5%	6%

Analysis of YoY % Change			
Underlying	Currency	Acquisitions	Total
-1%	-10%	+13%	+2%



USA
San Diego
Community College
–
Kingspan Solar

OUTLOOK

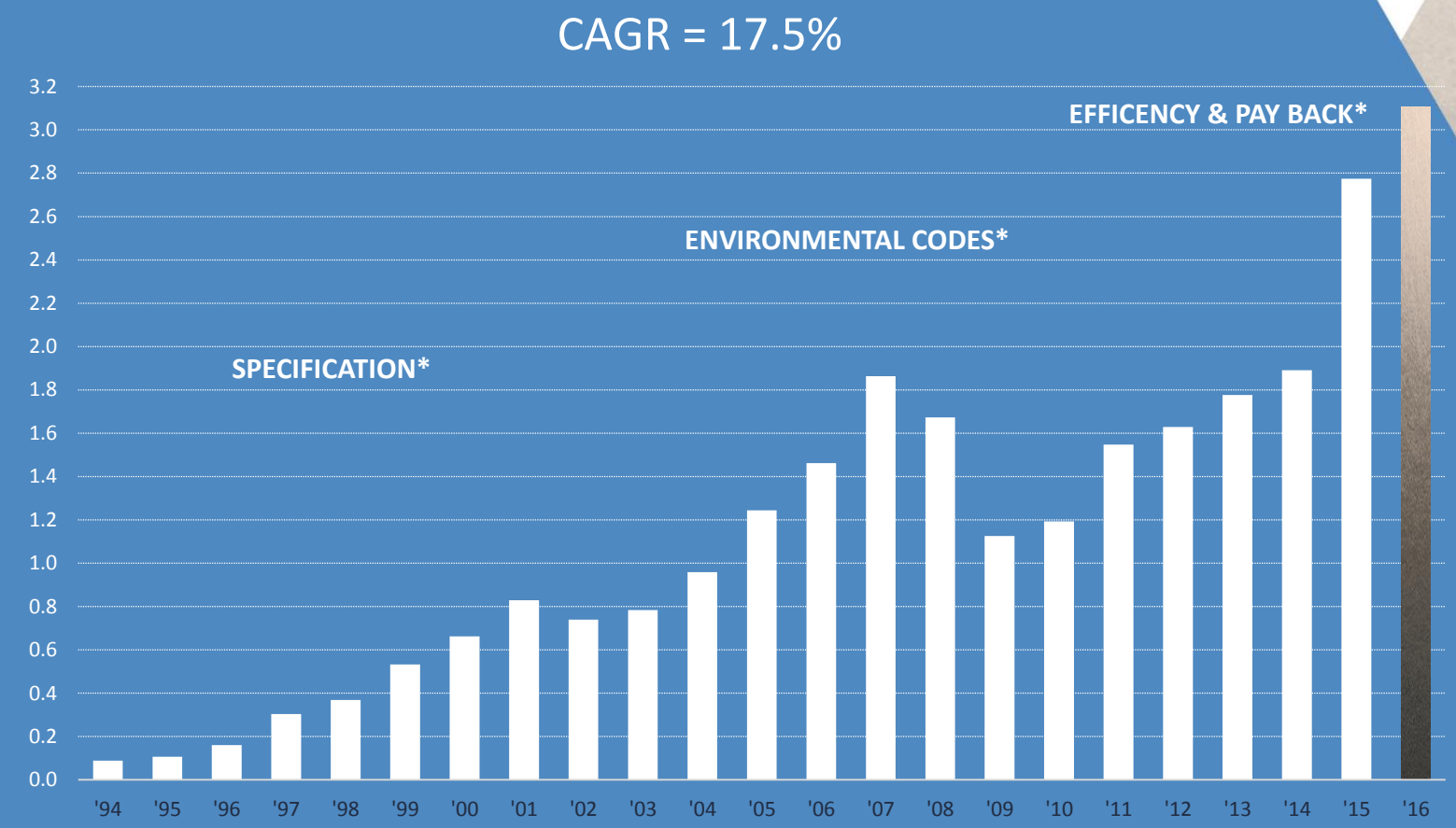
- Orderbooks solidly ahead of same point in 2016, bodes well for early 2017.
- Input prices rising from untypically low levels in 2016. Further increases in cost base expected in H1 17 with recovery effort ongoing.
- Kingspan well positioned for the global transition to a lower energy and lower emissions future.

Hungary
FCI Insulator
–
Insulated Panels

ADDITIONAL INFORMATION

USA
Texas State Capitol
–
Light & Air

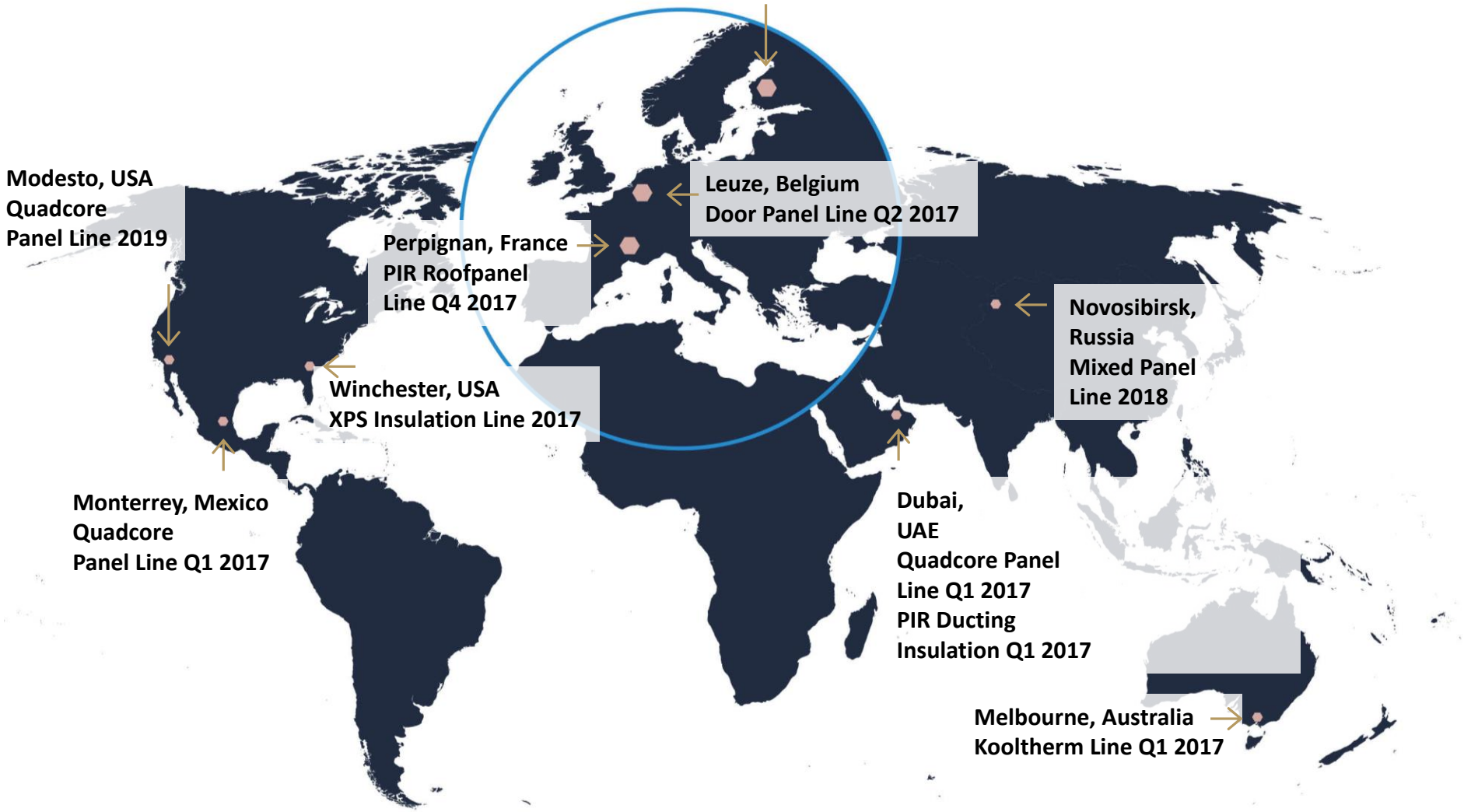
OUR EVOLUTION – REVENUE



Sales
(€bn)

** Key Drivers*

GLOBAL ORGANIC EXPANSION



KINGSPAN INSULATES BETTER

Kingspan Optim-R
0.007 W/m.K

69% Less
Heat Loss[1]

Kingspan QuadCore
0.018 W/m.K

22% Less
Heat Loss[1]

Kingspan Kooltherm® 100
0.018 W/m.K
(0.018-0.023)[3]

22% Less
Heat Loss[1]

Kingspan IPN[2]
0.020 W/m.K
(0.020-0.022)[3]

13% Less
Heat Loss[1]

Reference Point
Polyurethane
0.023 W/m.K[1]

30% More
Heat Loss[1]

EPS
0.030 W/m.K
(0.030-0.038)[3]

34% More
Heat Loss[1]

Glass Fibre
0.031 W/m.K
(0.031-0.044)[3]

47% More
Heat Loss[1]

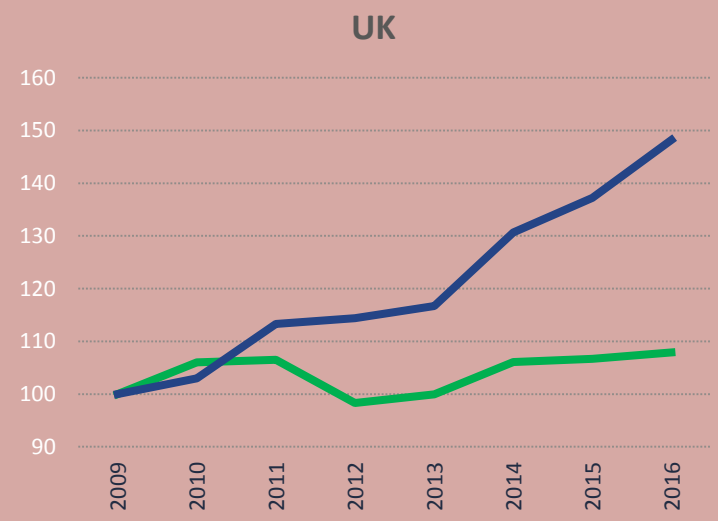
Rock Mineral Fibre
0.034 W/m.K
(0.034-0.042)[3]

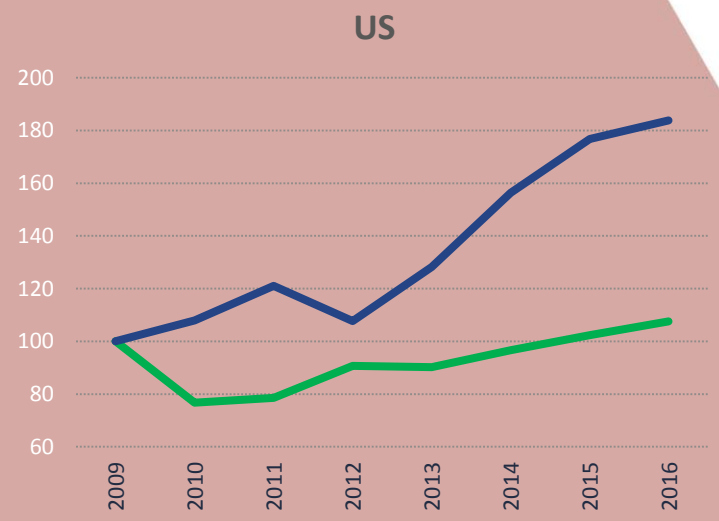
Heat loss comparison assumes same thickness of insulation material.

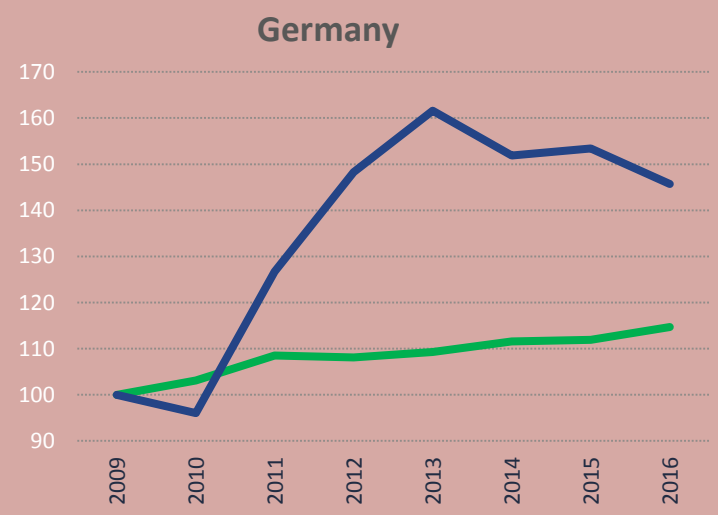
Notes:

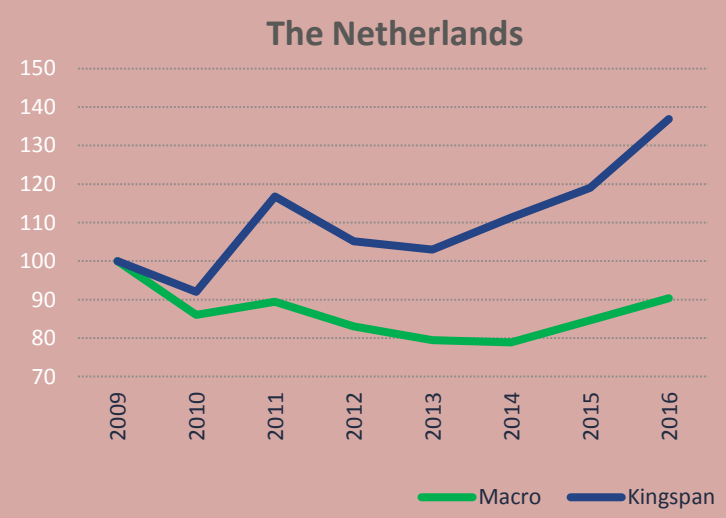
1. Heat loss for each insulant is based on the best quoted lambda value compared to rigid polyurethane insulation with a typical lambda value of 0.023 W/m.K.
2. Kingspan IPN core used in metal faced insulated panels.
3. The thermal conductivity range is based on data from insulation manufacturers websites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

KINGSPAN V CONSTRUCTION MACRO







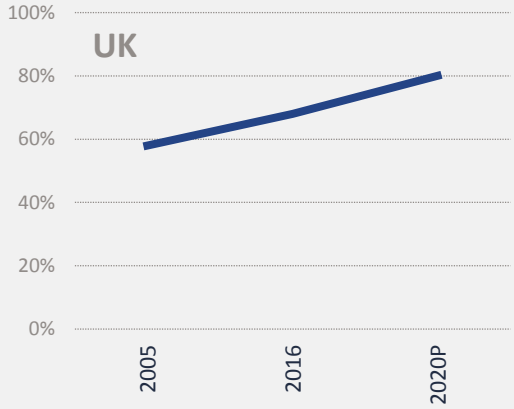


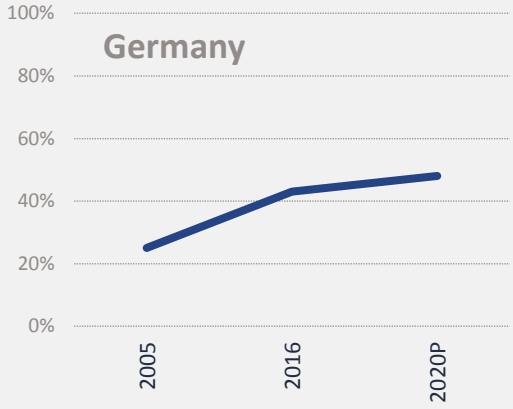
Source: Non-Residential Construction Stats Euroconstruct & Reed Data
1 **UK** Insulated Panels & Rigid Board underlying sales (excluding acquisitions)
2 **US** Insulated Panels underlying sales (excluding acquisitions)
3 **Germany** Insulated Panels & Rigid Board underlying sales (excluding acquisitions)
4 **The Netherlands** Insulated Panels & Rigid Board underlying sales (excluding acquisitions)
All Kingspan figures are at constant currency

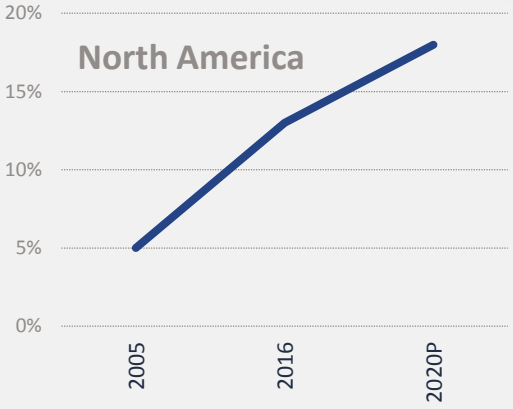
DRIVING PENETRATION GROWTH

Aim to change Building Practices / Material Choices

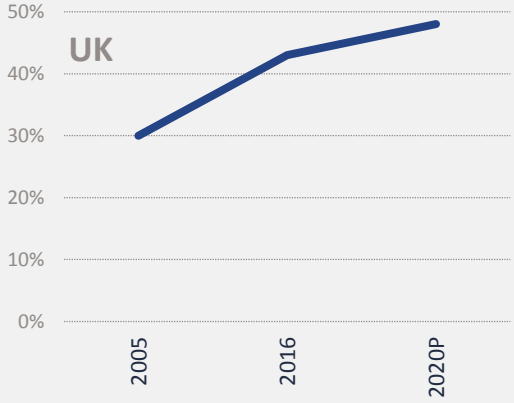
INSULATED PANELS

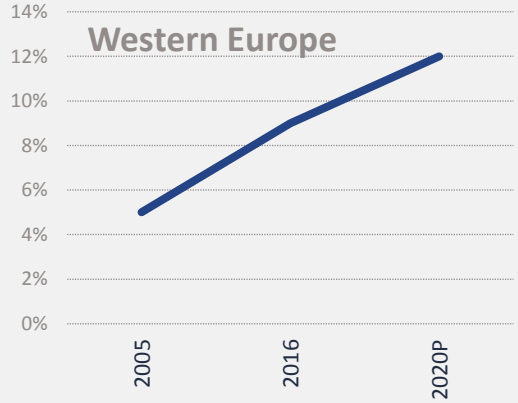


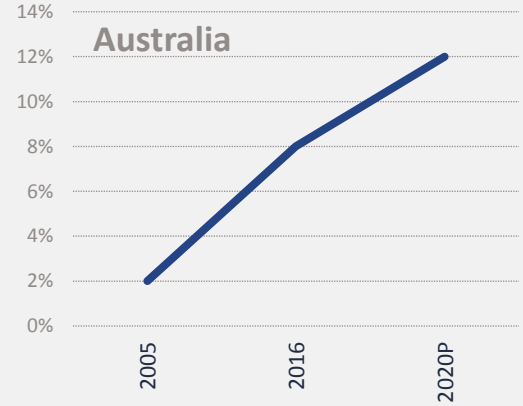




INSULATION BOARDS







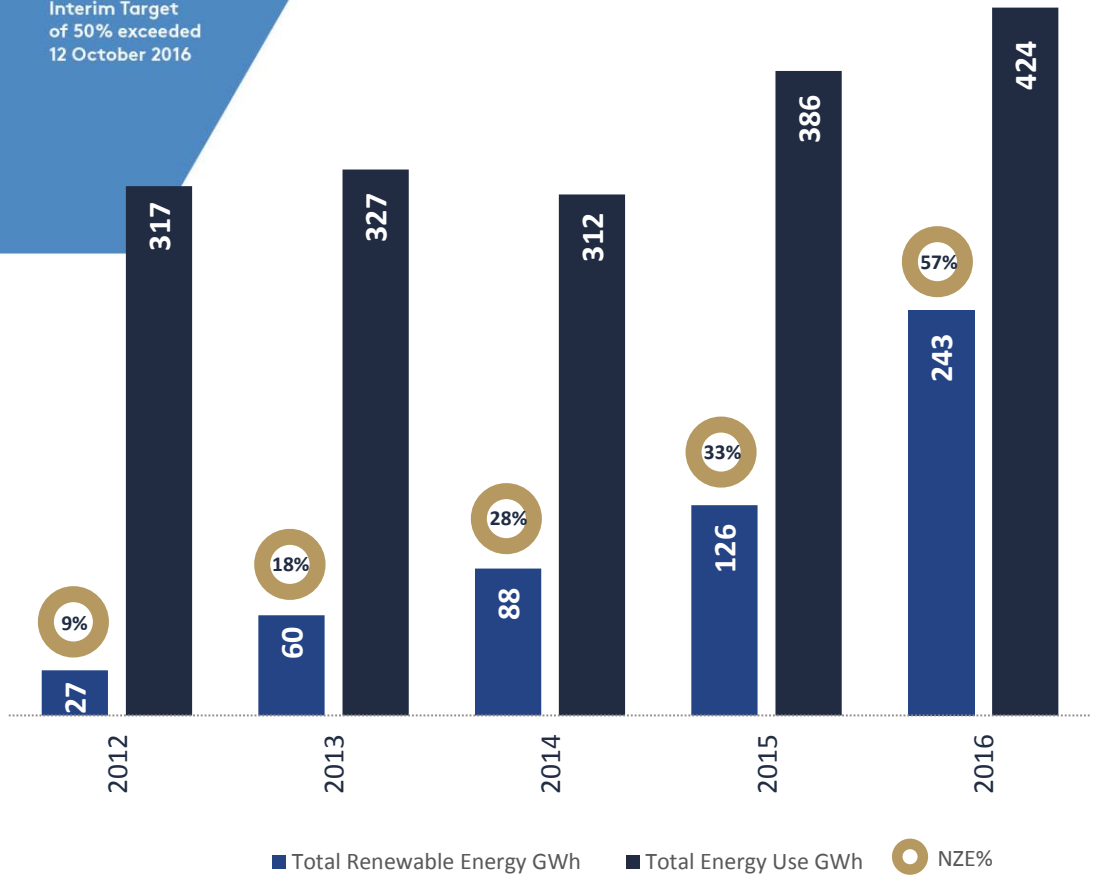
All above either relates to Insulation Panels or Insulation Boards penetration as a % of the respective addressable markets

OUR NET ZERO ENERGY PATH

NET ZERO ENERGY

57%

Interim Target of 50% exceeded 12 October 2016



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