Kingspan Group plc, the global leader in high performance insulation, building fabric, and solar integrated building envelopes, is issuing this Interim Management Statement in advance of its Annual General Meeting which is being held today at 10.00am in Dublin.

Overall, Kingspan has experienced a strong start to the year reflecting a continuation of the positive trading pattern seen in the second half of last year, particularly in our key UK and North American markets. Underlying Group profitability has also been strong in the year to date, complimented further by favourable translation reflecting Euro/Sterling and Euro/USDollar exchange rates which are significantly better than the average rates of the last ten years. Group sales of €719m in the first four months were 28% ahead of prior year (+19% pre-currency, +3% pre-currency and acquisitions).

By market, the UK is trading well, Germany is solid, and Eastern Europe remains relatively subdued. The Benelux region is demonstrating some level of positivity, albeit from a low base. North American sales have been strong in the year to date, driven by the ongoing trend of penetration growth. The GCC region is trading well with Australia relatively flat year on year.

Insulated Panel sales revenues were up 28% (+19% pre-currency, +3% pre-currency and acquisitions) in the first four months with most key markets recording growth, reflecting both penetration gains and in some instances increased market activity. A significant milestone in the period was the completion of the Joris Ide acquisition in March with the integration phase proceeding well and to plan. The Group is on track to launch our new hybrid technology, IPN-QuadCore™, with a phased global launch in the second half of the year.

Insulation Board sales revenues were 40% ahead (+29% pre-currency, +5% pre-currency and acquisitions) in the first four months reflecting a strong UK performance, solid activity in Mainland Europe, and an encouraging start by the US and GCC businesses acquired late last year. The footprint of the division is now increasingly global which augurs well for the future development of the division and its high performance product suite.

Access Floors sales revenues were 19% ahead (+1% pre-currency) in the first four months. UK sales were sluggish in the first quarter mainly due to project timing. The US business has had a good start and is benefitting from product innovation in recent years, particularly high efficiency datacentre and airflow management solutions.

Environmental sales revenues were 9% ahead (flat pre-currency) in the first four months and the division has had a good start to the year with tangible progress year on year.
Net debt at 24 April was €398m, an increase of €273m from the position at last year end reflecting the acquisition of Joris Ide which was completed in March. The Group’s funding position is robust with €425m of committed undrawn facilities.

The Board wishes to thank Kieran Murphy who will retire today as a Non-Executive Director. We are very grateful to Kieran for his contribution to the Board during his time as director.

Looking ahead, the order backlog across the Group points towards a strong first half for the business, driven primarily by a continued promising performance in the UK and US in particular, and countered partly by a flat Europe and impending weakness in Canada and Australia. The trading result is also likely to benefit from favourable exchange translation in addition to an untypically positive input environment, which will ebb and flow over time. The combination of recent development activity, growing conversion, a strong innovation pipeline and the increasing emphasis worldwide on energy efficiency, leave us confident about Kingspan’s longer term future.

Kingspan will issue its half-year financial report for the period ended 30 June 2015 on Monday 24 August 2015.

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