



2023 was a landmark period for our Planet Passionate agenda, delivering an enormous 65% reduction in Scope 1 and 2 GHG emissions, against a 2020 base year.

Gene Murtagh

University of Missouri  
Stephens Indoor Facility  
Missouri, USA  
Insulated Panels  
Designwall 2000  
insulated panels



## Financial Highlights



**3%**

Revenue down 3% to €8.1bn, (pre-currency, down 2%).



**5%**

Trading profit<sup>1</sup> up 5% to €877m, (pre-currency, up 7%).

**5%**

Acquisitions contributed 5% to sales growth and 4% to trading profit growth.



**6%**

Profit after tax of €654m (2022: €616m).



**80bps**

Group trading margin<sup>2</sup> of 10.8%, an increase of 80bps.

# CHIEF EXECUTIVE'S REVIEW

Gene Murtagh

## Business Review

2023 edged ahead of the record achieved in 2022 delivering a trading profit of €877m, up 5% on prior year. EPS was up by 7%, despite revenue declining marginally by 3% in total, and by 7% on an underlying basis. Whilst some markets displayed volume pressure, the predominant reason for the contraction in revenue was the knock-on deflationary impact of raw material pricing in the early part of the year.

Tremendous progress has been made to date on our Planet Passionate agenda which saw over 300 projects implemented across the entire group, delivering a 65% reduction in total Greenhouse Gas Emissions.

In all, €482m capital was invested across businesses, €248m of inorganic and €234m on internal capital projects, most of which was focused on demand led growth in capacity.

The trading picture in end markets in the second half was similar to that of the first, where patterns of activity around the globe varied significantly. A poor start to the year in Germany, the Nordics and Central Europe persisted in the latter part of the year. France (our largest market) remained positive and the Americas performed exceptionally well. Encouragingly, insulated panel order intake was consecutively ahead of prior year in each of the last seven months of 2023.

### Planet Passionate and our impact

2023 was a landmark year for our Planet Passionate programme, delivering a 65% reduction in scope 1 and 2 GHG emissions, against a 2020 base year. As well as the ongoing initiatives across the four key pillars of Carbon, Energy, Circularity and Water, the reduction in process carbon was the most significant in the year. Direct renewable energy usage increased to 34.1% and the percentage of wholly owned sites with on-site solar PV systems increased to 49.6%. Total rainwater harvested from our manufacturing locations increased to 56.7 million litres, almost triple the amount harvested in the 2020 base year.



7%

Basic EPS up 7% to 352.3 cent. Diluted EPS also up 7% to 349.6 cent.

17.7%

Effective tax rate of 17.7% (2022: 17.5%).

26.6c

Final dividend per share of 26.6 cent (2022: 23.8 cent) giving a total dividend for the year of 52.9 cent (2022: 49.4 cent).

0.97x

Year end net debt<sup>3</sup> of €979.5m (2022: €1,539.6m). Net debt<sup>4</sup> to EBITDA<sup>4</sup> of 0.97x (2022: 1.62x).

17%

ROCE increase to 17.0% (2022: 15.9%).

## Operational Summary

- Record performance against a challenging backdrop, improving order intake trend through the year.
- Insulated Panels sales decrease of 9% with strong activity in France, the US and LATAM offset by subdued volumes in Central and Eastern Europe and lower pricing due to input deflation.
- Insulation sales behind by 8%, driven by weak residential markets and price deflation led by inputs. Technical insulation progressing well. Extending the full spectrum of insulation offerings with acquisition of 51% of Steico in January 2024 and an agreement in February 2024 to acquire a stonewool production business in Germany.
- Strong traction on our Roofing + Waterproofing strategy with revenue touching €500m. Targeted North American market entry supported by a €750m capital injection over the next five years with the objective of achieving 15% of the relevant flat roofing market over time.
- Further progress at Light, Air + Water, with broader scale and margins progressing positively year on year.
- Data + Flooring medium term pipeline is very encouraging driven by demand in data and artificial intelligence applications.
- Invested a total of €482m in acquisitions and net capex during the year.

1 Operating profit before amortisation of intangibles and non trading item

2 Trading profit divided by total revenue

3 Net debt pre-IFRS 16 per banking covenants

4 Net debt to EBITDA ratio is pre-IFRS 16 per banking covenants

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

Intensity Indicators	Change from 2020 base year
Carbon Intensity (tCO <sub>2</sub> e/€m)	76% reduction
Energy Intensity (MWh/€m)	17% reduction
Landfill Waste Intensity (t/€m)	62% reduction
Water Intensity (million lt/€m)	4% increase

In summary, 25 solar PV projects were completed across our facilities during the year, which added 6.8 MW of on-site generation capacity. 858 million PET bottles equivalent of recycled material was processed across the Group and 11 rainwater harvesting systems were installed. Additionally, 69% of all company cars acquired during the year across the Group were zero emission vehicles and our waste to landfill for the whole business reduced by 33% since 2020.

Planet Passionate Targets	Target Year	Underlying Business <sup>1</sup>			Whole Business <sup>2</sup>			
		2020	2022	2023	2020	2022	2023	
<b>CARBON</b> 	<ul style="list-style-type: none"> <li>Net Zero Carbon Manufacturing (scope 1 &amp; 2 GHG emissions<sup>3</sup> - tCO<sub>2</sub>e)</li> </ul>	2030	409,783 <sup>4</sup>	243,954 <sup>4</sup>	<b>111,977</b>	515,813 <sup>4,5</sup>	387,581 <sup>4,5</sup>	<b>178,682<sup>5</sup></b>
	<ul style="list-style-type: none"> <li>50% reduction in product CO<sub>2</sub>e intensity from primary supply partners (% reduction)</li> </ul>	2030	-	3.2 <sup>4</sup>	<b>3.4</b>	-	3.2 <sup>4</sup>	<b>3.4</b>
	<ul style="list-style-type: none"> <li>Zero emission company cars<sup>6</sup> (annual replacement %)</li> </ul>	2025	11	60	<b>70</b>	11	58	<b>69</b>
<b>ENERGY</b> 	<ul style="list-style-type: none"> <li>60% direct renewable energy (%)</li> </ul>	2030	19.5	34.6 <sup>4</sup>	<b>38.0</b>	19.5	33.7 <sup>4</sup>	<b>34.1</b>
	<ul style="list-style-type: none"> <li>20% on-site renewable energy generation (%)</li> </ul>	2030	4.9	7.4 <sup>4</sup>	<b>9.9</b>	4.9	7.3 <sup>4</sup>	<b>8.8</b>
	<ul style="list-style-type: none"> <li>Solar PV systems on all wholly owned sites(%)</li> </ul>	2030	20.9 <sup>4</sup>	40.6 <sup>4</sup>	<b>54.1</b>	20.9 <sup>4</sup>	35.2	<b>49.6</b>
<b>CIRCULARITY</b> 	<ul style="list-style-type: none"> <li>Zero company waste to landfill (tonnes)</li> </ul>	2030	18,640 <sup>4</sup>	9,819 <sup>4</sup>	<b>8,282</b>	18,640 <sup>4</sup>	11,584 <sup>4</sup>	<b>12,407</b>
	<ul style="list-style-type: none"> <li>Recycle 1 billion PET bottles into our manufacturing processes annually (million bottles)</li> </ul>	2025	573	803	<b>858</b>	573	803	<b>858</b>
	<ul style="list-style-type: none"> <li>QuadCore™ products utilising recycled PET (no. of sites)</li> </ul>	2025	1	3	<b>8</b>	1	3	<b>8</b>
<b>WATER</b> 	<ul style="list-style-type: none"> <li>Harvest 100 million litres of rainwater annually (million litres)</li> </ul>	2030	20.1	27.3 <sup>4</sup>	<b>56.3</b>	20.1	27.4 <sup>4</sup>	<b>56.7</b>
	<ul style="list-style-type: none"> <li>Support 5 ocean clean-up projects (no. of projects)</li> </ul>	2025	1	3	<b>4</b>	1	3	<b>4</b>

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

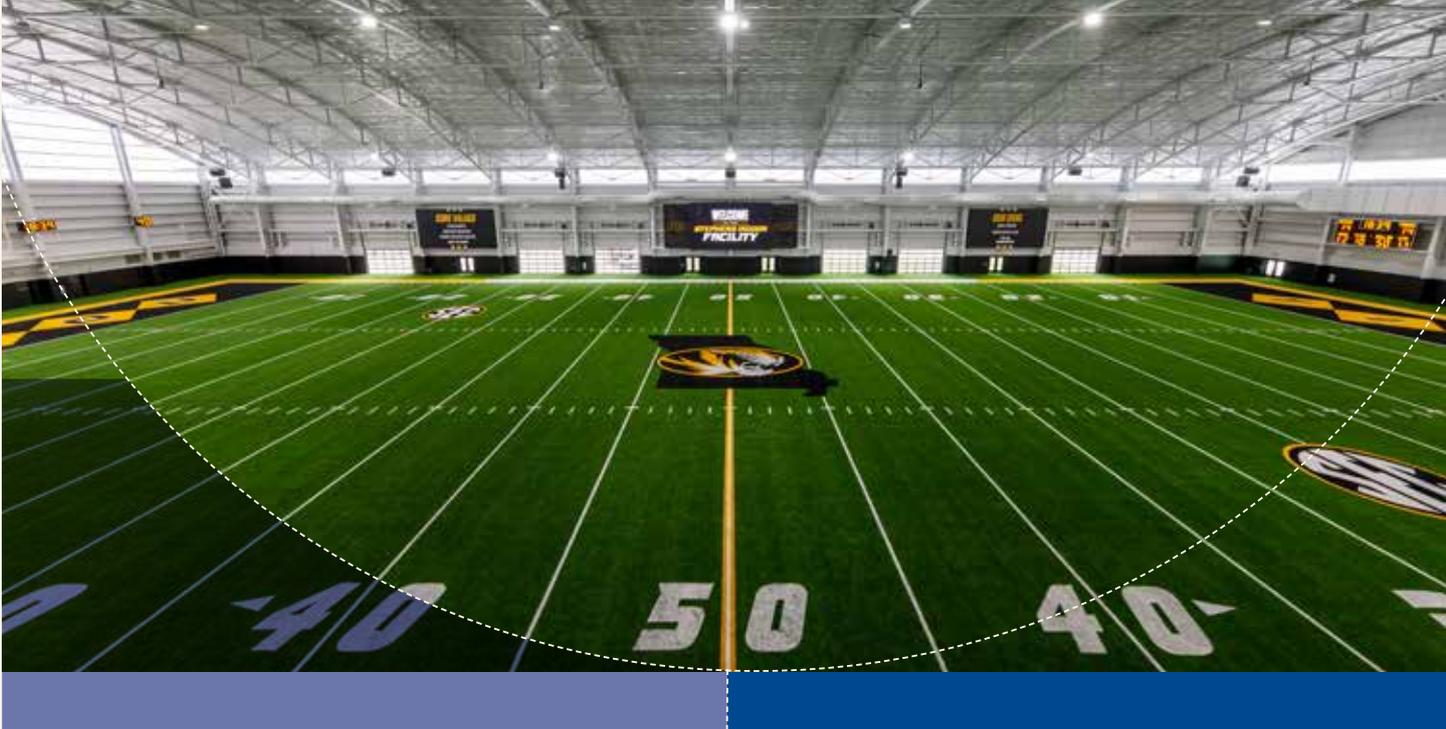
2: Whole Business includes all manufacturing, assembly and R&D sites within the Kingspan Group, including acquisitions that occurred in 2021 through to 30 September 2023.

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

4: Restated figures due to improved data collection, change in calculation methodologies and site disposal.

5: GHG emissions were recalculated due to acquisitions that occurred in 2021 through to 30 September 2023.

6: Kingspan defines a 'zero emissions car' as a vehicle with zero tailpipe emissions. The boundary does not include the energy used to power the vehicle or the embodied emissions from manufacturing.



### Investing in our Future

€482m of capital was invested during the year, €248m on acquisitions and €234m in capex. CaPlast in Germany was the largest single acquisition completed in the period, at €87m, bolstering our growing Roofing + Waterproofing platform. As part of our continued path into this exciting area, we acquired an additional 6.8% of the publicly quoted Nordic Waterproofing which increased our shareholding to 30.9% and triggered our subsequent mandatory offer. This process is now underway. During the year we made an offer for 51% of Steico, the world-leader in wood wool insulation and this transaction completed in January 2024 for an initial consideration of €263.5m (€188.5m cash, €75m equity). Additionally, we will be consolidating Steico's net debt of c. €160m.

Further strategic investments completed during the year including Alaço in Portugal, Toode Group in the Baltics, MontFrio in Uruguay, HempFlax in Germany, Provan Group in Belgium and Q-nis in Ireland.

Finally, after a considerable diligence and search process we have selected a 50 hectare site in Lviv, Ukraine, which is likely to be the location of our €250m+ Building Technology Campus over the next five years or so.

### Innovation in Action

LEC (Lower Embodied Carbon), natural materials, and PowerPanel™ are the priority areas of our current innovation agenda. During 2023 we launched several LEC products in QuadCore™, insulation boards and access floors and this will be expanded further across the wider product set in 2024.

Our PowerPanel™ and Rooftricity™ solutions are approaching launch stage and, after extensive testing and certification, we plan to be on the market early in the third quarter.

In Data + Flooring, the HAC (Hot Aisle Containment) solutions we have developed are advancing well and will require up to four additional manufacturing facilities across the globe in the next two years. The first of these will be in Virginia in the US, where we are well underway with commissioning, having acquired a facility last year. During the year, Data + Flooring also completed the acquisition of Q-nis in Ireland and Provan in Belgium.

Our 'natural' insulation category, branded BioKor®, advanced materially in 2023 with market entry to the Hemp insulation segment. This, together with the acquisition of a controlling stake in Steico, the world-leader in wood wool, firmly place Kingspan at the vanguard of this growing category. We believe that these and further innovations in the pipeline will form a meaningful part of the Group's offering in the future.

### Product and System Integrity

By the end of 2023, 59 of our global sites were certified to ISO 37301, with a plan to have 85 sites certified to this standard by the end of 2024. ISO 37301 is the leading global standard for establishing, developing and monitoring compliance systems. Our enhanced product integrity programme is deeply embedded across the Group. In 2023 alone, 109 of our global sites were audited by the Group Compliance and Certification Team. In addition, 480 third party external products and system audits took place throughout 2023.

**The Harry M. Cornell Arts & Entertainment Complex**

Missouri, USA

**Insulated Panels**

KS Series and Optimo®

insulated panels



## INSULATED PANELS

2023 was characterised by an extraordinary mix of market activity globally for insulated panels, our largest business category. Whilst volumes were slightly ahead, revenue was down 9% owing to price deflation from raw material movements following steep inflation in the prior year. Margins progressed reflecting a positive market mix and progression due to product innovation. Notably, global order intake volume was ahead of prior year in each of the last seven months of 2023.

In Europe, France and Benelux were strong performers, as was Romania and the Balkans where we continue to grow our presence. Germany was weak although showed some sequential volume improvement through the second half. The Nordics market was weak albeit with more positive signs towards year end.

In the Americas, the business performed exceptionally well, largely owing to years of missionary effort developing the right sector exposure and ongoing penetration growth of advanced building systems in North America and LATAM. Ongoing capacity expansion and product innovation should support further progress in the years ahead.

Australia, New Zealand and India were all ahead year on year and we expect this pattern to continue with additional capacity coming on stream. In Vietnam, we plan to commission our new greenfield manufacturing plant by mid-year 2024.

Globally, QuadCore™ sales were ahead by 7% and now represent 18% of category volume.



### Turnover

€4,722.1m

-9%<sup>(1)</sup>

2022: €5,181.5m



### Trading Profit

€573.8m

+5%

2022: €548.7m



### Trading Margin

12.2%

+160bps

2022: 10.6%

(1) Comprising underlying -9%, currency -1% and acquisitions +1%. Like-for-like volume +1%.



**Project Noorderwinkels**  
 Nagele, The Netherlands  
**Insulation**  
 TEK Building System

## INSULATION

**It was a challenging year for the insulation category as many newbuild residential markets were under considerable pressure coupled with deflation led by input prices. That said, the overall business performance was reasonable in that context. Margins decreased year on year and we fully expect this to improve in 2024.**

Technical insulation, and the district heating category, was again a strong performer. It is to be expected that, with the acute need for alternatives in Europe, the move towards district heating should continue.

Building insulation across Europe in general has been tough, albeit more steady in the US.

An appropriate level of realignment of our cost base has taken place in Europe which leaves the business on a leaner footing heading into 2024.

New product categories including AlphaCore™, Optim-R®, acoustic solutions and BioKor® are experiencing evident market appetite that should see each of these grow in the years ahead. The first steps in executing on our previously stated intention of entering the stonewool segment came to fruition during the year with the establishment of an experienced international leadership team, followed by an agreement in February 2024 to acquire a stonewool manufacturing business in Germany from Karl Bachl Kunststoffverarbeitung GmbH & Co. KG, which is expected to complete in March 2024.



**Turnover**

**€1,528.0m**

-8%<sup>(1)</sup>

2022: €1,658.3m



**Trading Profit**

**€145.1m**

-12%

2022: €165.2m



**Trading Margin**

**9.5%**

-50bps

2022: 10.0%

(1) Comprising underlying -9%, currency -1% and acquisitions +2%.

MHA Tribal Headquarters  
 North Dakota, USA  
**Light, Air + Water**  
 GridSpan™ Polygon Skylight



## LIGHT, AIR + WATER

**2023 was a positive year for this segment as trading margins progressed to 8.1%, moving closer to our goal of exceeding 10%. Much of the last three years has been focused on integrating and streamlining many relatively small acquisitions, and in the process, developing a highly effective regionalised business structure and product offering. As always, there is more to do and ongoing opportunity.**

In our core markets of Germany, France, Benelux and North America, revenue was ahead of prior year, offset somewhat by sluggish activity in smaller fringe markets. Gross margins were ahead by over 250bps, some of which flowed through to the bottom line as we continue to invest in service and innovation. This augers well for further margin progress in 2024.



Turnover

€967.4m

-2%<sup>(1)</sup>

2022: €987.8m



Trading Profit

€78.7m

+16%

2022: €67.7m



Trading Margin

8.1%

+120bps

2022: 6.9%

(1) Comprising underlying -1% and currency -1%.



**ZIN**  
 Brussels, Belgium  
**Roofing + Waterproofing**  
 Residek V3; Residek P VD;  
 Residek TOP SLS FR WW

## ROOFING + WATERPROOFING

Similar to the ambition we set out for Light + Air five years ago, we are now firmly on a path in the Roofing + Waterproofing segment to develop a global presence covering multiple technologies and combinations. With annual revenue now touching €500m, the concentration to date has been in Europe where further strategic advances are planned for the current year.

Our North American presence in this segment is currently embryonic, although the ambition to scale impactfully is clear. We have ring-fenced €750m of capital over the next five years, through organic and bolt-on acquisition activity, targeting a 15% share of the relevant flat roofing market over time, at a 15% return on sales. This will require at least three combined roofing and insulation facilities across the market and an executive team has now been assigned to execute this plan.



Turnover

€493.4m

+222%<sup>(1)</sup>

2022: €153.2m



Trading Profit

€28.1m

+231%

2022: €8.5m



Trading Margin

5.7%

+20bps

2022: 5.5%

(1) Comprising underlying -10%, currency -5% and acquisitions +237%.



**Frisco Public Library**  
Texas, USA  
**Data + Flooring**  
STONEWORKS panels;  
ConCore 1250

## DATA + FLOORING

**2023 was a significant year of progress for this segment, and marked a shift in the scale of opportunity for Kingspan in this space. Sales for the year were ahead by 5% although order intake is significantly up on that number and we expect that to accelerate in 2024 and subsequent years.**

As a result of this anticipated step-change in demand from the global leaders in data centres, we plan at least three new manufacturing facilities over the next two years, beginning in the US and Australia in 2024. It is conceivable that divisional revenue will approach €1bn within the next five years or so.



Turnover

**€379.7m**

+5%<sup>(1)</sup>

2022: €360.1m



Trading Profit

**€51.2m**

+19%

2022: €43.1m



Trading Margin

**13.5%**

+150bps

2022: 12.0%

(1) Comprising underlying +6%, currency -3% and acquisitions +2%.



## LOOKING AHEAD

**In the current environment it is difficult to predict what is in store near term with opportunities and challenges in equal measure. The performance of the business is varied across different geographies and sectors, a theme we have referred to consistently over the past year or so.**

It is still very much early days in the current financial year, although seasonal factors have hampered early progress in some markets. Our balance sheet is robust and this coupled with a strong development pipeline, purposeful strategy and innovation agenda ought to place us positively in the year ahead.

The combination of a resolute focus on our distinctive Planet Passionate strategy, strong structural demand for energy efficiency, ever increasing and obvious impacts of climate change and the diversified nature of our end markets all position Kingspan favourably for the long term.

**Gene Murtagh**  
**Chief Executive Officer**

20 February 2024