KINGSPAN GROUP PLC

PRELIMINARY RESULTS

Year Ended 31 December 2023

KINGSPAN GROUP PLC

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

Kingspan, the global leader in high-performance insulation and building envelope solutions, reports its preliminary results for the year ended 31 December 2023.

Summary Numbers:

- Revenue down 3% to €8.1bn, (pre-currency, down 2%).
- Trading profit up 5% to €877m, (pre-currency, up 7%).
- Acquisitions contributed 5% to sales growth and 4% to trading profit growth.
- EBITDA of €1.07bn (2022: €1bn).
- Group trading margin of 10.8%, an increase of 80bps.
- Basic EPS up 7% to 352.3 cent.
- Direct GHG emissions reduced by 54% year on year.
- Record free cash generation of €890.8m (2022: €392.5m).
- 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).
- Year end net debt[1] of €979.5m (2022: €1,539.6m). Net debt to EBITDA[4] of 0.97x (2022: 1.62x).
- ROCE increased 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.
- 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.

Summary Financials:

	FY'23	*FY'22*	*change*
Revenue €m	8,091	8,341	-3%
Trading Profit[2] €m	877	833	+5%
Trading Margin[3]	10.8%	10.0%	+80bps
EBITDA[5] €m	1,068	998	+7%
Profit after tax €m	654	616	+6%
EPS (cent)	352.3	329.5	+7%

[1] Net Debt pre-IFRS 16
[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-IFRS 16 per banking covenants
[5]Earnings before finance costs, income taxes, depreciation, amortisation and non trading item

Gene Murtagh, Chief Executive Officer of Kingspan commented:

"Despite markets and geographies moving at different speeds, Kingspan was pleased to deliver another year of record profits and record cash generation whilst continuing to innovate and diversify our revenue base. Through our Planet Passionate initiative we are well progressed in meeting our net zero ambitions by 2030, or sooner, and are already on the cusp of our 2030 ambition to recycle 1 billion PET bottles annually.

Beyond insulation, each of our climate focused business units across Roofing + Waterproofing, Light, Air + Water and Data + Flooring are scaling at pace with every potential for each to exceed €1bn divisional revenue over the coming years. Our building envelope solutions now increasingly comprise Lower Embodied Carbon, bio-based materials, and in the case of roofing, integrated insulation, water and solar energy solutions.

Last month we completed our acquisition of 51% of Steico, the world-leader in wood wool insulation and this morning we are pleased to announce our decision to ring-fence €750m of growth capital for our Roofing +Waterproofing business in the US over the next five years. These investments reflect our continuing ambition to innovate, diversify and future proof our businesses for sustainable growth over the longer term.

Given varying activity levels it is too early to provide any meaningful guidance on outlook, not least as seasonal factors have hampered early progress in some markets. However, given our robust balance sheet, strong development pipeline, strong structural demand for energy efficiency and the ever increasing and obvious impacts of climate change, we expect 2024 to be a year of continuing strategic and operational progress for Kingspan".

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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, approximately double the amount harvested in the 2020 base year.

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

Intensity Indicators	**Change from 2020 base year**
Carbon Intensity (tCO_2e/€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 funded 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.

			Underlying Business[1]		Whole Business[2]	
Planet Passionate Targets		**Target Year**	**2020**	**2023**	**2020**	**2023**
Carbon	Net Zero Carbon Manufacturing - scope 1 & 2 GHG emissions[3] (tCO2e)	2030	409,783[4]	111,977	515,813[4,5]	178,682[5]
	50% reduction in product CO2e intensity from primary supply partners (% reduction)	2030	-	3.4	-	3.4
	Zero emission company funded cars[6] (annual replacement %)	2025	11	70	11	69
Energy	60% direct renewable energy (%)	2030	19.5	38.0	19.5	34.1
	20% on-site renewable energy generation (%)	2030	4.9	9.9	4.9	8.8
	Solar PV systems on all wholly owned sites (%)	2030	20.9[4]	54.1	20.9[4]	49.6
Circularity	Zero company waste to landfill (tonnes)	2030	18,640[4]	8,282	18,640[4]	12,407
	Recycle 1 billion PET bottles into our manufacturing processes annually (million bottles)	2025	573	858	573	858
	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	56.3	20.1	56.7
	Support 5 ocean clean-up projects (no. of projects)	2025	1	4	1	4

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 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, MontFrío 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.

Our 'natural' insulation category, to be 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.

Insulated Panels

	FY '23	*FY '22*	**Change**
Turnover €m	4,722.1	5,181.5	-9%[1]
Trading Profit €m	573.8	548.7	+5%
Trading Margin	12.2%	10.6%	+160bps

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

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.

Insulation

	FY '23	*FY '22*	**Change**
Turnover €m	1,528.0	1,658.3	-8%[1]
Trading Profit €m	145.1	165.2	-12%
Trading Margin	9.5%	10.0%	-50bps

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

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. Margin 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. Our previously stated intention of entering the stone wool segment continues to progress with an experienced international leadership team now in place to lead execution.

Light, Air + Water

	FY'23	***FY'22***	**Change**
Turnover €m	967.4	987.8	-2% (1)
Trading Profit €m	78.7	67.7	+16%
Trading Margin	8.1%	6.9%	+120bps

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

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.

Roofing + Waterproofing

	FY'23	***FY'22***	**Change**
Turnover €m	493.4	153.2	+222% (1)
Trading Profit €m	28.1	8.5	+231%
Trading Margin	5.7%	5.5%	+20bps

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

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 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 tiny, 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.

Data + Flooring

	FY '23	*FY '22*	**Change**
Turnover €m	379.7	360.1	+5%(1)
Trading Profit €m	51.2	43.1	+19%
Trading Margin	13.5%	12.0%	+150bps

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

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.

Financial Review

The Financial Review provides an overview of the Group's financial performance for the year ended 31 December 2023 and of the Group's financial position at that date.

Overview of result

Group revenue decreased by 3% to €8.1bn (2022: €8.3bn) and trading profit increased by 5% to €876.9m (2022: €833.2m) with an increase of 80 basis points in the Group's trading profit margin to 10.8% (2022: 10.0%). Basic EPS for the year was 352.3 cent (2022: 329.5 cent), representing an increase of 7%.

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

Sales	Underlying	Currency	Acquisition	Total
Insulated Panels	-9%	-1%	+1%	-9%
Insulation	-9%	-1%	+2%	-8%
Light, Air + Water	-1%	-1%	-	-2%
Roofing + Waterproofing	-10%	-5%	+237%	+222%
Data + Flooring	+6%	-3%	+2%	+5%
Group	-7%	-1%	+5%	-3%

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	+6%	-2%	+1%	+5%
Insulation	-13%	-1%	+2%	-12%
Light, Air + Water	+18%	-2%	-	+16%
Roofing + Waterproofing	+10%	-8%	+229%	+231%
Data + Flooring	+21%	-4%	+2%	+19%
Group	+3%	-2%	+4%	+5%

The key drivers of sales and trading profit performance in each division are set out in the Business Review.

Finance costs (net)

Net finance costs for the year increased by €3.3m to €41.0m (2022: €37.7m). The Group's net interest expense on borrowings (bank and loan notes net of interest receivable) was €37.3m (2022: €32.9m). This increase in net interest expense reflects higher interest rates paid on new debt issued in 2023, which is mostly offset by higher interest received on cash. Lease interest of €6.0m (2022: €4.7m) was recorded for the year. €1.2m (2022: €0.1m) was recorded in respect of a non-cash finance charge on the Group's defined benefit pension schemes. Dividend income of €3.5m (2022: €nil) was received in respect of the Group's investment in Nordic Waterproofing.

Dividends

The Board has proposed a final dividend of 26.6 cent (2022: 23.8 cent) per ordinary share payable on 20 May 2024 to shareholders registered on the record date of 12 April 2024. An interim dividend of 26.3 cent per ordinary share was declared during the year (2022: 25.6 cent). In summary, therefore, the total dividend for 2023 is 52.9 cent compared to 49.4 cent for 2022. This payout is in line with our shareholder returns policy.

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. The total pension contributions to these schemes for the year amounted to €0.8m (2022: €1.8m) and the expected contributions for 2024 are €0.3m. In addition, the Group has a number of smaller defined benefit pension liabilities in Mainland Europe. The net pension liability in respect of all defined benefit schemes was €37.0m as at 31 December 2023 (2022: €49.5m) with the decrease reflecting, primarily, an increase in the value of scheme assets during the year partially offset by actuarial losses on scheme liabilities. The Group cash-settled a pension buy-in arrangement in respect of a legacy defined benefit scheme in the year for €15.9m.

Intangible assets and goodwill

Intangible assets and goodwill increased during the year by €161.7m to €2,849.0m (2022: €2,687.3m). Intangible assets and goodwill of €200.8m (2022: €708.9m) were recorded in the year relating to acquisitions completed by the Group. A decrease of €3.4m (2022: increase of €9.0m) arose due to year end exchange rates used to translate intangible assets and goodwill other than those denominated in euro. An increase of €6.0m (2022: €nil) was recorded relating to the purchase of intangible assets. There was an annual amortisation charge of €41.7m (2022: €32.4m).

Financial key performance indicators

The Group has a set of financial key performance indicators (KPIs) which are presented in the table below. These KPIs are used to measure the financial and operational performance of the Group and to track ongoing progress in achieving medium and long term targets to maximise shareholder return.

Key performance indicators	2023	2022
Basic EPS growth	+7%	+8%
Sales performance	-3%	+28%
Trading margin	10.8%	10.0%
Free cashflow (€m)	890.8	392.5
Return on capital employed	17.0%	15.9%
Net debt/EBITDA	0.97x	1.62x

(a) Basic EPS growth. The growth in EPS is accounted for primarily by a 5% increase in trading profit and a non trading item of €16.5m in 2022 impacting 2022 basic EPS.

(b) Sales performance of -3% (2022: +28%) was driven by a 7% decrease in underlying sales, a 5% contribution from acquisitions and negative currency translation of 1%. The decrease in underlying sales reflected, primarily, the pass through effect of lower raw material pricing year on year.

(c) Trading margin by division is set out below:

	2023	2022
Insulated Panels	12.2%	10.6%
Insulation	9.5%	10.0%
Roofing + Waterproofing	5.7%	5.5%
Light, Air + Water	8.1%	6.9%
Data + Flooring	13.5%	12.0%

The Insulated Panels division trading margin increased year on year reflecting the market mix of sales and inventory cost dynamics. The trading margin decrease in the Insulation division reflects, in the main, negative operating leverage associated with year on year volume declines and the category mix of sales. The Roofing + Waterproofing trading margin is broadly consistent year on year and margin progression is anticipated for 2024. The increased trading margin in Light, Air + Water reflects activity growth, investment in specification and other processes as the division continues to scale up. The increased trading margin in Data + Flooring reflects volume growth and associated operating leverage.

(d) Free cashflow is an important indicator and reflects the amount of internally generated capital available for re-investment in the business or for distribution to shareholders.

Free cashflow	2023 €m	2022 €m
EBITDA*	1,067.8	998.3
Lease payments	(60.5)	(50.6)
Movement in working capital**	298.1	(136.2)
Movement in provisions	(2.6)	7.7
Net capital expenditure	(233.5)	(250.6)
Defined benefit pension scheme buy in settlement	(15.9)	-
Net finance costs paid	(36.3)	(31.9)
Income taxes paid	(147.5)	(158.4)
Other including non-cash items	21.2	14.2
Free cashflow	890.8	392.5

**Earnings before finance costs, income taxes, depreciation, amortisation and non trading item*
***Excludes working capital on acquisition but includes working capital movements since that point*

Working capital at year end was €872.2m (2022: €1,195.9m) and represents 11.3% (2022: 14.5%) of annualised sales based on fourth quarter sales. This metric is closely managed and monitored throughout the year and is subject to a certain amount of seasonal variability associated with trading patterns and the timing of significant purchases of steel and chemicals. The December 2022 working capital position was relatively high reflecting higher than normal inventory levels and these were reduced to more typical levels during 2023. This was the key driver of the reduced working capital to sales %.

(e) Return on capital employed, calculated as operating profit divided by total equity plus net debt, was 17.0% in 2023 (2022: 15.9%). The increase year on year reflects the 80bps increase in trading margin and structural reduction in working capital. The creation of shareholder value through the delivery of long term returns well in excess of the Group's cost of capital is a core principle of Kingspan's financial strategy.

(f) Net debt to EBITDA measures the ratio of net debt to earnings and at 0.97x (2022: 1.62x) is comfortably less than the Group's banking covenant of 3.5x in both 2023 and 2022. The calculation is pre-IFRS 16 in accordance with the Group's banking covenants.

Acquisitions

The Group spent €248.4m on acquisitions during the year as follows:

In April 2023, the Group acquired 100% of the share capital of CaPlast, enhancing our Roofing + Waterproofing underlayment and vapour control offerings in the DACH region. The total consideration, including net debt acquired amounted to €86.9m.

The Group also made a number of smaller acquisitions during the year for a combined cash consideration of €139.3m:

- 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, 51% of the share capital of MontFrio in Uruguay in June 2023 and 100% of the share capital of Toode Group in the Baltics in September 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 Data + Flooring division acquired 70% of Q-nis in Ireland during September 2023 and 100% of the share capital of Provan Group in Belgium in November 2023.
- Payment of deferred contingent consideration of €6.6m on acquisitions made in previous years.

In September 2023, the Group acquired an additional 6.8% in Nordic Waterproofing Holding AB for a consideration of €22.2m.

EU Taxonomy and TCFD
Climate related disclosures are required under the EU Taxonomy Regulation (Sustainable finance taxonomy - Regulation (EU) 2020/852) and by the Task Force on Climate-related Financial Disclosures (TCFD). The disclosures will be included in our 2023 Planet Passionate Sustainability Report that will be published at a later date within the required timeframe.

Non trading item
The Group recorded a non trading charge of €nil (2022: €16.5m) in the year. The charge in the prior year was incurred on the Group's net loss on the complete divestment of its Russian operations.

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 €1,592m (2022: €1,322m) 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 31 December 2023 was 5 years (2022: 5.7 years).

During the period, the Group repaid part (€500m) of a 2022 acquisition related financing facility, with the remainder of the facility fully drawn.

The weighted average maturity of all drawn debt facilities is 4.4 years (2022: 4.1 years).

As well as ongoing free cashflow generation, the Group has significant available undrawn facilities and cash which provide appropriate headroom for operational requirements and development funding. Total available headroom was €1,874m at 31 December 2023 (2022: €1,450m).

Net debt
Net debt decreased by €560.1m during 2023 to €979.5m (2022: €1,539.6m). This is analysed in the table below:

Movement in net debt	2023 €m	2022 €m
Free cashflow	890.8	392.5
Acquisitions and divestments	(219.6)	(893.4)
Purchase of financial asset	(22.2)	(113.3)
Deferred consideration paid	(6.6)	(45.4)
Transactions involving non-controlling interests	1.0	(2.0)
Repurchase of treasury shares	(0.7)	(1.4)
Dividends paid	(91.2)	(93.7)
Dividends paid to non-controlling interests	(0.9)	(3.5)
Cashflow movement	550.6	(760.2)
Exchange movements on translation	9.5	(23.3)
Movement in net debt	560.1	(783.5)
Net debt at start of year	(1,539.6)	(756.1)
Net debt at end of year	(979.5)	(1,539.6)

Key financial covenants
The majority of Group borrowings are subject to primary financial covenants calculated in accordance with lenders' facility agreements which exclude the impact of IFRS 16:
- A maximum net debt to EBITDA ratio of 3.5 times; and
- A minimum EBITDA to net interest coverage of 4 times.

The performance against these covenants in the current and comparative year is set out below:

	Covenant	2023 Times	2022 Times
Net debt/EBITDA	Maximum 3.5	0.97	1.62
EBITDA/Net interest	Minimum 4.0	27.0	28.7

Investor relations
Kingspan is committed to interacting with the international financial community to ensure a full understanding of the Group's strategic plans and its performance against these plans. During the year, the executive management and investor team hosted a Capital Markets Day at our Light, Air + Water facility in Lyon, conducted 818 institutional one-on-one and group meetings, including presenting at 14 capital market conferences.

Share price and market capitalisation
The Company's shares traded in the range of €50.70 to €82.62 during the year. The share price at 29 December 2023 was €78.40 (30 December 2022: €50.58) giving a market capitalisation at that date of €14.3bn (2022: €9.2bn). Total shareholder return for 2023 was +56.2% (2022: -51.5%).

Financial risk management
The Group operates a centralised treasury function governed by a treasury policy approved by the Group Board. This policy primarily covers foreign exchange risk, credit risk, liquidity risk and interest rate risk. The principal objective of the policy is to minimise financial risk at reasonable cost. Adherence to the policy is monitored by the CFO and the Internal Audit & Compliance function. The Group does not engage in speculative trading of derivatives or related financial instruments.

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.

On behalf of the Board

Gene Murtagh
Chief Executive Officer
16th February 2024

Geoff Doherty
Chief Financial Officer
16th February 2024

Kingspan Group plc

Consolidated Income Statement
for the year ended 31 December 2023

	Note	**2023** **€m**	2022 €m
REVENUE	2	**8,090.6**	8,340.9
Cost of sales		**(5,750.9)**	(6,124.6)
GROSS PROFIT		**2,339.7**	2,216.3
Operating costs, excluding intangible amortisation		**(1,462.8)**	(1,383.1)
TRADING PROFIT	2	**876.9**	833.2
Intangible amortisation		**(41.7)**	(32.4)
Non trading item	3	**-**	(16.5)
OPERATING PROFIT		**835.2**	784.3
Finance expense	4	**(63.7)**	(39.4)
Finance income	4	**22.7**	1.7
PROFIT FOR THE YEAR BEFORE INCOME TAX		**794.2**	746.6
Income tax expense		**(140.3)**	(130.6)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**653.9**	616.0
Attributable to owners of Kingspan Group plc		**640.3**	598.0
Attributable to non-controlling interests		**13.6**	18.0
		653.9	616.0
EARNINGS PER SHARE FOR THE YEAR			
Basic	9	**352.3**	329.5c
Diluted	9	**349.6**	326.9c

Kingspan Group plc

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

	2023 €m	2022 €m
Profit for the year	**653.9**	616.0
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**(19.0)**	(24.7)
Effective portion of changes in fair value of cash flow hedges	**(0.6)**	-
Items that will not be reclassified subsequently to profit or loss		
Actuarial losses on defined benefit pension schemes	**(5.0)**	(20.3)
Income taxes relating to actuarial losses on defined benefit pension schemes	**0.4**	4.9
Equity investments at FVOCI – net change in fair value	**12.5**	(32.6)
Total other comprehensive loss	**(11.7)**	(72.7)
Total comprehensive income for the year	**642.2**	543.3
Attributable to owners of Kingspan Group plc	**626.4**	521.3
Attributable to non-controlling interests	**15.8**	22.0
	642.2	543.3

Kingspan Group plc

Consolidated Statement of Financial Position

as at 31 December 2023

	2023 €m	2022 €m
ASSETS		
NON-CURRENT ASSETS		
Goodwill	**2,660.6**	2,495.5
Other intangible assets	**188.4**	191.8
Financial assets	**128.4**	93.6
Property, plant and equipment	**1,567.2**	1,437.9
Right of use assets	**219.2**	205.3
Retirement benefit assets	**1.0**	3.3
Deferred tax assets	**79.6**	40.1
	4,844.4	4,467.5
CURRENT ASSETS		
Inventories	**964.3**	1,235.8
Trade and other receivables	**1,254.2**	1,328.4
Derivative financial instruments	**-**	0.4
Cash and cash equivalents	**938.7**	649.3
	3,157.2	3,213.9
TOTAL ASSETS	**8,001.6**	7,681.4
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	**1,346.1**	1,368.7
Provisions for liabilities	**70.2**	74.0
Lease liabilities	**48.0**	43.2
Derivative financial instruments	**0.2**	-
Deferred contingent consideration	**190.2**	174.9
Interest bearing loans and borrowings	**200.6**	85.0
Current income tax liabilities	**57.6**	54.9
	1,912.9	1,800.7
NON-CURRENT LIABILITIES		
Retirement benefit obligations	**38.0**	52.8
Provisions for liabilities	**113.7**	107.5
Interest bearing loans and borrowings	**1,717.6**	2,103.9
Lease liabilities	**171.8**	153.6
Deferred tax liabilities	**60.9**	55.2
Deferred contingent consideration	**38.9**	12.2
	2,140.9	2,485.2
TOTAL LIABILITIES	**4,053.8**	4,285.9
NET ASSETS	**3,947.8**	3,395.5
EQUITY		
Share capital	**23.9**	23.9
Share premium	**129.3**	112.4
Capital redemption reserve	**0.7**	0.7
Treasury shares	**(55.8)**	(56.9)
Other reserves	**(336.7)**	(288.0)
Retained earnings	**4,086.6**	3,527.6
EQUITY ATTRIBUTABLE TO OWNERS OF KINGSPAN GROUP PLC	**3,848.0**	3,319.7
NON-CONTROLLING INTERESTS	**99.8**	75.8
TOTAL EQUITY	**3,947.8**	3,395.5

Kingspan Group plc
Consolidated Statement of Changes in Equity
for the year ended 31 December 2023

	Share Capital €m	Share Premium €m	Capital Redemption Reserve €m	Treasury Shares €m	Translation Reserve €m	Cash Flow Hedging Reserve €m	Share Based Payment Reserve €m	Revaluation Reserve €m	Put Option Liability Reserve €m	Retained Earnings €m	Total Attributable to Owners of the Parent €m	Non-Controlling Interests €m	Total Equity €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	-	-	-	-	-	-	22.7	-	-	-	22.7	-	**22.7**
Tax on employee share based compensation	-	-	-	-	-	-	3.2	-	-	1.4	4.6	-	**4.6**
Exercise or lapsing of share options	-	16.9	-	1.8	-	-	(19.7)	-	-	1.0	-	-	**-**
Repurchase of shares	-	-	-	(0.7)	-	-	-	-	-	-	(0.7)	-	**(0.7)**
Dividends	-	-	-	-	-	-	-	-	-	(91.2)	(91.2)	-	**(91.2)**
Transactions with non-controlling interests:													
Arising on acquisition	-	-	-	-	-	-	-	-	(22.9)	-	(22.9)	7.7	**(15.2)**
Dividends to NCI	-	-	-	-	-	-	-	-	-	-	-	(0.9)	**(0.9)**
Increase in NCI	-	-	-	-	-	-	-	-	-	(0.4)	(0.4)	1.4	**1.0**
Fair value movement	-	-	-	-	-	-	-	-	(10.2)	-	(10.2)	-	**(10.2)**
Transactions with owners	-	16.9	-	1.1	-	-	6.2	-	(33.1)	(89.2)	(98.1)	8.2	**(89.9)**
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	-	-	640.3	640.3	13.6	**653.9**
Other comprehensive loss:													
Items that may be reclassified subsequently to profit or loss													
Cash flow hedging in equity													
- current year	-	-	-	-	-	(0.6)	-	-	-	-	(0.6)	-	**(0.6)**
- tax impact	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Exchange differences on translating foreign operations	-	-	-	-	(21.2)	-	-	-	-	-	(21.2)	2.2	**(19.0)**
Items that will not be reclassified subsequently to profit or loss													
Actuarial losses on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	(5.0)	(5.0)	-	**(5.0)**
Income taxes relating to actuarial losses on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	0.4	0.4	-	**0.4**
Equity investments at FVOCI – net change in fair value	-	-	-	-	-	-	-	-	-	12.5	12.5	-	**12.5**
Total comprehensive income for the year	-	-	-	-	(21.2)	(0.6)	-	-	-	648.2	626.4	15.8	**642.2**
Balance at 31 December 2023	23.9	129.3	0.7	(55.8)	(158.4)	-	61.3	0.7	(240.3)	4,086.6	3,848.0	99.8	**3,947.8**

Kingspan Group plc

Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

	Share Capital €m	Share Premium €m	Capital Redemption Reserve €m	Treasury Shares €m	Translation Reserve €m	Cash Flow Hedging Reserve €m	Share Based Payment Reserve €m	Revaluation Reserve €m	Put Option Liability Reserve €m	Retained Earnings €m	Total Attributable to Owners of the Parent €m	Non-Controlling Interests €m	Total Equity €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)**
Transactions with non-controlling interests:													
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 investments 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

Consolidated Statement of Cash Flows

for the year ended 31 December 2023

	Note	**2023 €m**	2022 €m
OPERATING ACTIVITIES			
Profit for the year		**653.9**	616.0
***Add back non-cash and/or non-operating expenses*:**			
Income tax expense		**140.3**	130.6
Depreciation		**190.9**	165.1
Amortisation of intangible assets		**41.7**	32.4
Impairment of property, plant and equipment		**2.9**	-
Loss on divestment of subsidiary	3	**-**	16.5
Employee equity-settled share options		**22.7**	18.4
Finance income	4	**(22.7)**	(1.7)
Finance expense	4	**63.7**	39.4
Profit on sale of property, plant and equipment		**(1.3)**	(0.4)
Movement of deferred consideration		**0.3**	-
Changes in working capital:			
Inventories		**299.2**	14.6
Trade and other receivables		**74.0**	25.7
Trade and other payables		**(75.1)**	(176.5)
Other:			
Change in provisions		**(2.6)**	7.7
Defined benefit pension scheme buy in settlement		**(15.9)**	-
Pension contributions		**(3.4)**	(3.8)
Cash generated from operations		**1,368.6**	884.0
Income tax paid		**(147.5)**	(158.4)
Interest paid		**(58.9)**	(33.6)
Net cash flow from operating activities		**1,162.2**	692.0
INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(234.2)**	(269.2)
Additions to intangible assets		**(3.5)**	-
Proceeds from disposals of property, plant and equipment		**4.2**	18.6
Purchase of subsidiary undertakings (including net debt/cash acquired)	10	**(219.6)**	(887.0)
Transactions involving non-controlling interests		**1.0**	(2.0)
Purchase of financial asset		**(22.2)**	(113.3)
Divestment of subsidiary		**-**	(6.4)
Payment of deferred contingent consideration		**(6.6)**	(45.4)
Finance income		**22.6**	1.7
Net cash flow from investing activities		**(458.3)**	(1,303.0)
FINANCING ACTIVITIES			
Drawdown of loans	6	**319.0**	846.0
Repayment of loans and borrowings	6	**(582.0)**	(66.0)
Payment of lease liability	7	**(60.5)**	(50.6)
Repurchase of shares		**(0.7)**	(1.4)
Dividends paid to non-controlling interests		**(0.9)**	(3.5)
Dividends paid	8	**(91.2)**	(93.7)
Net cash flow from financing activities		**(416.3)**	630.8
INCREASE IN CASH AND CASH EQUIVALENTS	6	**287.6**	19.8
Effect of movement in exchange rates on cash held		**1.8**	(11.9)
Cash and cash equivalents at the beginning of the year		**649.3**	641.4
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**938.7**	649.3

Notes to the Preliminary Results
for the year ended 31 December 2023

1 GENERAL INFORMATION

The financial information presented in this report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as set out in the Group's annual financial statements in respect of the year ended 31 December 2022 except as noted below. The financial information does not include all the information and disclosures required in the annual financial statements. The Annual Report will be distributed to shareholders and made available on the Company's website www.kingspan.com in due course. It will also be filed with the Company's annual return in the Companies Registration Office. The auditor has consented to the publication of this preliminary announcement. The audit of the Group's statutory consolidated financial statements for the year ended 31 December 2023 is substantially complete and the report of the auditor is expected to be unqualified and not contain any matters to which attention will be drawn by way of emphasis. The principle outstanding procedures as identified by our auditors include the receipt of final ESEF financial statements incorporating their observations in respect of the tagging alone, consequent completion of subsequent event procedures and the receipt of final audit representations from management. The financial information for the year ended 31 December 2022 represents an abbreviated version of the Group's statutory financial statements on which an unqualified audit report was issued and which have been filed with the Companies Registration Office.

Basis of preparation and accounting policies

The financial information contained in this Preliminary Statement has been prepared in accordance with the accounting policies set out in the last annual financial statements.

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.
- Trading margin refers to the trading profit, as calculated above, as a percentage of revenue.
- Operating profit is profit before income taxes and net finance costs.
- EBITDA is earnings before finance costs, income taxes, depreciation, amortisation and non trading items.

The following new standards, 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
IFRS 17 *Insurance Contracts* including Amendments to IFRS 17	1 January 2023
Amendments to IAS 12 *Income Taxes* – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to IAS 12 *Income Taxes*: International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendment to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Policies and Errors* – Definition of Accounting Estimates	1 January 2023
Amendments to IFRS 17 *Insurance Contracts*: Initial Application of IFRS 17 and IFRS 9 – Comparative information	1 January 2023

There are a number of amendments to standards and interpretations that are not yet effective and have not been applied in preparing these consolidated financial statements. These 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 1 *Presentation of Financial Statements* - Classification of Liabilities as Current or Non-current, 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 *Leases*: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments*: *Disclosures*: Supplier Finance Arrangements	1 January 2024*
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates:* Lack of Exchangeability	1 January 2025*

* Not EU endorsed

2 SEGMENT REPORTING

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, Light, Air + Water effective 1 January 2023. This encompasses the Group's previously reported operating segments 'Light + Air' and 'Water + Energy'. The prior year comparatives have been restated to reflect this.

Operating segments

The Group has the following five operating segments:

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

Analysis by class of business

	Insulated Panels €m	Insulation €m	Roofing + Waterproofing €m	Light, Air + Water €m	Data + Flooring €m	Total €m
Total revenue – 2023	4,722.1	1,528.0	493.4	967.4	379.7	**8,090.6**
Total revenue – 2022	5,181.5	1,658.3	153.2	987.8	360.1	8,340.9
Disaggregation of revenue 2023						
Point of Time	4,719.8	1,502.9	493.4	671.8	333.3	**7,721.2**
Over Time & Contract	2.3	25.1	-	295.6	46.4	**369.4**
	4,722.1	1,528.0	493.4	967.4	379.7	**8,090.6**
Disaggregation of revenue 2022						
Point of Time	5,147.7	1,633.1	153.2	696.1	325.4	7,955.5
Over Time & Contract	33.8	25.2	-	291.7	34.7	385.4
	5,181.5	1,658.3	153.2	987.8	360.1	8,340.9

The disaggregation of revenue by geography is set out in more detail below.

The segments specified above capture the major product lines relevant to the Group.

The combination of the disaggregation of revenue by product group, geography and the timing of revenue recognition capture the key categories of disclosure with respect to revenue. Typically, individual performance obligations are specifically called out in the contract which allow for accurate recognition of revenue as and when performances are fulfilled. Given the nature of the Group's product set, customer returns are not a significant feature of our business model. No further disclosures are required with respect to disaggregation of revenue other than what has been presented in this note.

Inter-segment transfers are carried out at arm's length prices and using an appropriate transfer pricing methodology. As inter-segment revenue is not material, it is not subject to separate disclosure in the above analysis. For the purposes of the segmental analysis, corporate overheads have been allocated to each division based on their respective revenue for the year.

	Insulated Panels €m	**Insulation €m**	**Roofing + Waterproofing €m**	**Light, Air + Water €m**	**Data + Flooring €m**	**Total 2023 €m**	Total 2022 €m
Trading profit – 2023	573.8	145.1	28.1	78.7	51.2	**876.9**	
Intangible amortisation	(10.2)	(10.1)	(17.2)	(3.5)	(0.7)	**(41.7)**	
Operating profit – 2023	563.6	135.0	10.9	75.2	50.5	**835.2**	
Trading profit – 2022	548.7	165.2	8.5	67.7	43.1		833.2
Intangible amortisation	(13.0)	(9.4)	(4.8)	(5.1)	(0.1)		(32.4)
Non trading item	(16.5)	-	-	-	-		(16.5)
Operating profit – 2022	519.2	155.8	3.7	62.6	43.0		784.3
Net finance expense						**(41.0)**	(37.7)
Profit for the year before tax						**794.2**	746.6
Income tax expense						**(140.3)**	(130.6)
Net profit for the year						**653.9**	616.0

	Insulated Panels €m	**Insulation €m**	**Roofing + Waterproofing €m**	**Light, Air + Water €m**	**Data + Flooring €m**	**Total 2023 €m**	Total 2022 €m
Assets – 2023	3,352.8	1,568.9	854.4	915.3	291.9	**6,983.3**	
Assets – 2022	3,350.6	1,683.4	783.1	934.1	240.4		6,991.6
Derivative financial instruments						**-**	0.4
Cash and cash equivalents						**938.7**	649.3
Deferred tax assets						**79.6**	40.1
Total assets as reported in the Consolidated Statement of Financial Position						**8,001.6**	7,681.4

	Insulated Panels €m	**Insulation €m**	**Roofing + Waterproofing €m**	**Light, Air + Water €m**	**Data + Flooring €m**	**Total 2023 €m**	Total 2022 €m
Liabilities – 2023	(1,114.4)	(278.7)	(180.8)	(320.7)	(122.3)	**(2,016.9)**	
Liabilities – 2022	(1,080.7)	(320.8)	(163.7)	(343.8)	(77.9)		(1,986.9)
Interest bearing loans and borrowings (current and non-current)						**(1,918.2)**	(2,188.9)
Derivative financial instruments (current and non-current)						**(0.2)**	-
Income tax liabilities (current and deferred)						**(118.5)**	(110.1)
Total liabilities as reported in the Consolidated Statement of Financial Position						**(4,053.8)**	(4,285.9)

	Insulated Panels €m	Insulation €m	Roofing + Waterproofing €m	Light, Air + Water €m	Data + Flooring €m	Total €m
Capital investment – 2023 *	173.5	55.4	51.5	20.2	13.1	**313.7**
Capital investment – 2022 *	178.8	136.8	208.7	20.9	6.2	551.4
Depreciation included in segment result – 2023	(95.1)	(45.7)	(14.5)	(27.9)	(7.7)	**(190.9)**
Depreciation included in segment result – 2022	(85.1)	(41.7)	(4.7)	(27.0)	(6.6)	(165.1)
Non-cash items included in segment result – 2023	(12.7)	(4.4)	(0.6)	(3.3)	(1.7)	**(22.7)**
Non-cash items included in segment result – 2022	(10.0)	(4.1)	(0.1)	(2.7)	(1.5)	(18.4)

* 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 – 2023	3,650.6	2,021.1	1,877.9	541.0	**8,090.6**
Revenue – 2022	3,850.2	2,133.3	1,823.7	533.7	8,340.9
Statement of Financial Position Items					
Non-current assets – 2023 *	2,409.3	1,269.0	805.4	281.1	**4,764.8**
Non-current assets – 2022 *	2,248.0	1,121.9	784.4	273.1	4,427.4
Other segmental information					
Capital investment – 2023	112.7	119.2	47.3	34.5	**313.7**
Capital investment – 2022	318.3	167.9	45.2	20.0	551.4

* Total non-current assets excluding deferred tax assets.

The Group is trading 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) attributable to France were €1,259.5m (2022: €1,238.1m), €757.7m (2022: €734.1m) and €20.4m (2022: €161.1m) respectively.

Revenues, non-current assets and capital investment (as defined in IFRS 8) attributable to the country of domicile (Ireland) were €234.3m (2022: €256.5m), €230.5m (2022: €168.0m) and €16.1m (2022: €15.5m) 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.

3 NON-TRADING ITEM

	2023	2022
	€m	€m
Loss on disposal of subsidiary	**-**	16.5

During the prior year the Group's Russian operations were divested in full which resulted in a loss on disposal of €16.5m.

4 FINANCE EXPENSE AND FINANCE INCOME

	2023	2022
	€m	€m
Finance expense		
Lease interest	**6.0**	4.7
Bank loan interest	**24.9**	10.1
Private placement loan note interest	**31.6**	24.5
Other interest	**1.2**	0.1
	63.7	39.4
Finance income		
Interest earned	**(19.2)**	(1.7)
Equity investments at FVOCI – dividend income	**(3.5)**	-
	(22.7)	(1.7)
Net finance expense	**41.0**	37.7

€0.8m of borrowing costs were capitalised during the year (2022: €0.7m). No costs were reclassified from other comprehensive income to profit during the year (2022: €nil).

5 ANALYSIS OF NET DEBT

	2023	2022
	€m	€m
Cash and cash equivalents	**938.7**	649.3
Current borrowings	**(200.6)**	(85.0)
Non-current borrowings	**(1,717.6)**	(2,103.9)
Total Net Debt	**(979.5)**	(1,539.6)

The Group's core funding is provided by seven (2022: six) private placement loan notes; one (2022: one) USD private placement totalling $200m (2022: $200m) maturing in December 2028 and six (2022: five) EUR private placements totalling €1.4bn (2022: €1.1bn) which mature in tranches between March 2023 and December 2032. The notes have a weighted average maturity of 5.0 years (2022: 5.7 years).

In June 2023, the Group issued a new private placement note of €319m with a 6 year maturity.

The primary bank debt facility is a €800m revolving credit facility, which was undrawn at year end, and which matures in May 2026.

During the year, the Group repaid part (€500m) of a 2022 acquisition related financing facility, with the remainder of the facility fully drawn.

Included in cash at bank and in hand are overdrawn positions of €1,789.1m (31 December 2022: €1,456.8m). These balances form part of a notional cash pool arrangement and are netted against cash balances of €1,805.9m (31 December 2022: €1,480.2m). The net cash pool balance of €16.8m (31 December 2022: €23.4m) is included in the cash and cash equivalents balance above. There is a legal right of offset between these balances and the balances are physically settled on a regular basis.

Net debt, which is an Alternative Performance Measure, is stated net of interest rate and currency hedges which relate to hedges of debt. Foreign currency derivative assets of €nil (2022: €0.4m) and foreign currency derivative liabilities of €0.2m (2022: €nil) 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.

6 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2023	2022
	€m	€m
Movement in cash and bank overdrafts	**287.6**	19.8
Drawdown of loans	**(319.0)**	(846.0)
Repayment of loans and borrowings	**582.0**	66.0
Change in net debt resulting from cash flows	**550.6**	(760.2)
Translation movement - relating to US dollar loan	**6.5**	(10.9)
Translation movement - other	**3.0**	(12.4)
Net movement	**560.1**	(783.5)
Net debt at start of the year	**(1,539.6)**	(756.1)
Net debt at end of the year	**(979.5)**	(1,539.6)

Further analysis of net debt at the start and end of the year is provided in note 5.

7 LEASES

Right of use asset

	2023 €m	2022 €m
At 1 January	**205.3**	155.5
Additions	**51.6**	41.3
Arising on acquisitions	**(5.1)**	36.2
Remeasurement	**34.1**	19.6
Terminations	**(8.1)**	(1.7)
Depreciation charge for the year	**(56.5)**	(47.2)
Effect of movement in exchange rates	**(2.1)**	1.6
At 31 December	**219.2**	205.3

Lease liability

	2023 €m	2022 €m
At 1 January	**196.8**	158.0
Additions	**47.9**	39.7
Arising on acquisitions	**5.5**	25.3
Remeasurement	**34.4**	19.6
Terminations	**(8.2)**	(1.7)
Payments	**(60.5)**	(50.6)
Interest	**6.0**	4.7
Effect of movement in exchange rates	**(2.1)**	1.8
At 31 December	**219.8**	196.8
Split as follows:		
Current liability	**48.0**	43.2
Non-current liability	**171.8**	153.6
At 31 December	**219.8**	196.8

8 DIVIDENDS

Equity dividends on ordinary shares:	2023 €m	2022 €m
2023 Interim dividend 26.3 cent (2022: 25.6 cent) per share	**47.9**	46.5
2022 Final dividend 23.8 cent (2021: 26.0 cent) per share	**43.3**	47.2
	91.2	93.7
Proposed for approval at AGM		
Final dividend of 26.6 cent (2022: 23.8 cent) per share	**48.4**	43.3

This proposed final dividend for 2023 is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in the Consolidated Statement of Financial Position of the Group as at 31 December 2023 in accordance with IAS 10 *Events after the Reporting Period*. The proposed final dividend for the year ended 31 December 2023 will be payable on 20 May 2024 to shareholders on the Register of Members at close of business on 12 April 2024.

9 EARNINGS PER SHARE

	2023	2022
	€m	€m
The calculations of earnings per share are based on the following:		
Profit attributable to ordinary shareholders	**640.3**	598.0

	Number of shares ('000) 2023	Number of shares ('000) 2022
Weighted average number of ordinary shares for the calculation of basic earnings per share	**181,773**	181,487
Dilutive effect of share options	**1,371**	1,451
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**183,144**	182,938

	2023	2022
	€ cent	€ cent
Basic earnings per share	**352.3**	329.5
Diluted earnings per share	**349.6**	326.9

Dilution is attributable to the weighted average number of share options outstanding at the end of the reporting period.

The number of options which are anti-dilutive and have therefore not been included in the above calculations is nil (2022: nil).

10 BUSINESS COMBINATIONS

A key strategy of the Group is to create and sustain market leading positions through acquisitions in markets it currently operates in, together with extending the Group's footprint in new geographic markets. In line with this strategy, the principal acquisitions completed during the year were as follows:

In April 2023, the Group acquired 100% of the share capital of CaPlast, enhancing our Roofing + Waterproofing underlayment and vapour control offerings in the DACH region. The total consideration, including net debt acquired amounted to €86.9m.

The Group also made a number of smaller acquisitions during the year for a combined consideration of €140.0m:

- 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, 51% of the share capital of MontFrio in Uruguay in June 2023 and 100% of the share capital of Toode Group in the Baltics in September 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 Data + Flooring division acquired 70% of Q-nis in Ireland during September 2023 and 100% of the share capital of Provan Group in Belgium in November 2023.

The table below reflects the provisional fair value of the identifiable net assets acquired in respect of the acquisitions completed during the year. Any amendments to fair values will be made within the twelve month period from the date of acquisition, as permitted by IFRS 3 *Business Combinations*.

	CaPlast €m	Other* €m	Total €m
Non-current assets			
Intangible assets	22.7	9.9	**32.6**
Property, plant and equipment	16.5	24.9	**41.4**
Right of use assets	1.8	(6.9)	**(5.1)**
Deferred tax assets	-	29.1	**29.1**
Current assets			
Inventories	10.4	23.5	**33.9**
Trade and other receivables	6.5	9.5	**16.0**
Current liabilities			
Trade and other payables	(7.9)	(51.7)	**(59.6)**
Provisions for liabilities	(2.0)	(4.3)	**(6.3)**
Lease liabilities	(0.6)	(0.8)	**(1.4)**
Non-current liabilities			
Retirement benefit obligations	-	(0.1)	**(0.1)**
Lease liabilities	(1.2)	(2.9)	**(4.1)**
Deferred tax liabilities	(7.0)	(3.0)	**(10.0)**
Total identifiable assets	39.2	27.2	**66.4**
Non-controlling interest arising on acquisition	(0.2)	(7.5)	**(7.7)**
Goodwill	47.9	120.3	**168.2**
Total consideration	86.9	140.0	**226.9**
Satisfied by:			
Cash (net of cash acquired)	86.9	132.7	**219.6**
Deferred contingent consideration	-	7.3	**7.3**
	86.9	140.0	**226.9**

*Included in Other are certain immaterial remeasurements of prior year accounting estimates as a result of the finalisation of the assignment of fair values to identifiable net assets.

The acquired goodwill is attributable principally to the profit generating potential of the businesses, together with cross-selling opportunities and other synergies expected to be achieved from integrating the acquired businesses into the Group's existing business.

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis due to the relative size of the acquisitions and the timing of the transactions. Any amendments to these fair values within the twelve-month timeframe from the date of acquisition will be disclosable in the 2024 Annual Report, as stipulated by IFRS 3 *Business Combinations*.

In the post-acquisition period to 31 December 2023, the businesses acquired during the current year contributed revenue of €110.6m and trading profit of €12.8m to the Group's results.

11 EVENTS SUBSEQUENT TO YEAR END

In January 2024, the Group completed the acquisition of a majority stake (51%) of the shares of Steico SE ("Steico") from Schramek GmbH for an initial consideration of €263.5m (€188.5m cash, €75m equity). Additionally, the Group will be consolidating Steico's net debt of approximately €160m. 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 31 December 2023 which would require adjustment to, or disclosure in this report.

12 EXCHANGE RATES

The financial information included in this report is expressed in Euro which is the presentation currency of the Group and the functional and presentation currency of the Company. Results and cash flows of foreign subsidiary undertakings have been translated into Euro at actual exchange rates or average, where this is a reasonable approximation, and the related Statements of Financial Position have been translated at the rates of exchange ruling at the balance sheet date.

Exchange rates of material currencies used were as follows:

	Average rate		Closing rate	
Euro =	**2023**	2022	**2023**	2022
Pound Sterling	**0.870**	0.853	**0.869**	0.886
US Dollar	**1.082**	1.054	**1.106**	1.067
Canadian Dollar	**1.459**	1.370	**1.464**	1.444
Australian Dollar	**1.629**	1.517	**1.622**	1.569
Czech Koruna	**24.000**	24.562	**24.701**	24.143
Polish Zloty	**4.541**	4.685	**4.344**	4.680
Hungarian Forint	**381.550**	391.090	**382.520**	400.190
Brazilian Real	**5.401**	5.442	**5.374**	5.632

13 CAUTIONARY STATEMENT

This report 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 report 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 statement in this report 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.

14 BOARD APPROVAL

This announcement was approved by the Board on 16 February 2024.