Chairman’s Statement

2018 was a year of new milestones, new frontiers and new developments for Kingspan. For the first time ever Kingspan’s revenues surpassed the €4 billion mark, with total sales of €4.4bn, and trading profits reaching a record €445m.

Our first full year in Brazil and Colombia, followed by further investment during the year in Panama, delivered a very encouraging performance for the LATAM region as a whole. At this same time Kingspan advanced its position in southern Europe, through our acquisition of the Synthesia Group. We also extended the company’s footprint into India through an Insulated Panel manufacturing partnership with Jindal Mectec. These are all exciting new markets for Kingspan, with considerable long-term growth potential. Organic investment in new frontiers also continued, with Kingspan currently constructing its first Kooltherm® manufacturing plant in Germany. Our first fibre free ‘A Core’ insulation has been developed, which is planned for launch next year. Additionally, during the year Kingspan QuadCore™ insulated panel systems achieved major milestones in fire resistance performance, including the achievement of up to 1 hour fire insulation and up to 4 hours fire integrity in our architectural wall panel range.

In 2018, Kingspan also launched its new digital strategy. This exciting plan is focused on the digitalisation of our business and of the broader construction industry, using world-leading technologies to transform the design, construction and performance of intelligent buildings. Through investment in technology, we can help drive cost-saving collaboration between partners on construction projects such as architects, engineers, contractors, and owners.

Notwithstanding the rapid expansion of our business, both organically and through acquisition, Kingspan’s commitment to reducing our carbon emissions and attaining our goal of becoming a Zero Energy business by 2020, remains as strong as ever. In 2018 renewable energy accounted for 71% of our total energy usage.

Management and employees

During the year the Board had the opportunity to visit several of our manufacturing facilities, and we were delighted to meet the local staff and management teams, and really appreciated seeing their contribution to our success in 2018.

Dividend

The Board is recommending a final dividend of 30.0 cent per share, which if approved at the Annual General Meeting, will give a total dividend for the year of 42.0 cent, an increase of 13.5% on prior year. This continues the Board’s policy of growing the shareholder dividend in line with the Company’s continued progression.

If approved, the final dividend will be paid (subject to Irish withholding tax rules) on 10 May 2019 to shareholders on the register at close of business on 29 March 2019.

Board governance and composition

The Board carefully monitors and manages risk across the business, and espouses best practice governance policies and procedures, details of which are set out in the Directors’ Report of this Annual Report. We also engage in open dialogue with our major shareholders on the Company’s strategic and financial performance, as detailed in the Financial Review in this Annual Report.

Looking ahead

Whilst acknowledging the challenges and uncertainties that lie ahead in some of our more mature markets, I am confident that Kingspan’s continued strategy of building on our existing leadership positions by investing in new geographies and new technologies, will continue to deliver improved shareholder returns into the future.

Eugene Murtagh
Chairman
22 February 2019