Business Model & Strategy

Kingspan is the global leader in high performance insulation and building envelopes. Through our relentless development of innovative and proprietary technology we have created a portfolio of products which help our customers reduce energy costs, reduce construction time, increase usable space, increase returns, enhance architectural design and all with a superior service offering.

Critically, through the differentiated thermal performance of our innovative solutions, we help design teams, architects and ultimately our customers to make a difference in tackling climate change. Building emissions are one of the highest contributors to greenhouse gas emissions, therefore the sector has a major role to play in addressing climate change.

Founded in Kingscourt, Co Cavan in Ireland in 1965, the Group has expanded into a global business operating in over 70 countries, employing more than 14,000 people. Kingspan manufactures a suite of complementary building envelope solutions for both the new build and refurbishment markets.

The Group manages its business through 5 operating divisions:

1. Insulated Panels
   A global leader in the design, development and manufacture of products and solutions for advanced building envelopes. Providing thermally efficient and airtight insulated panel building envelopes, and world-class customer and technical support in sustainable building design and realisation. All of our products and systems are backed by extensive testing and guarantees, and by 50 years of experience.

2. Insulation Boards
   Manufacturing insulation boards, pipe insulation and engineered timber systems. A wide product range suitable for a variety of applications in the domestic, non-domestic, new-build and refurbishment sectors.

3. Light & Air
   Initiated in 2016, Kingspan Light & Air is now established as a global leader providing a full suite of daylighting and energy efficient lighting, as well as natural ventilation and smoke management solutions, which complement Kingspan’s existing building envelope technologies.

4. Data & Flooring Technology
   The world’s largest supplier of raised access flooring, providing the most cost effective way of creating flexible space and convenient distribution of building services in a range of high-end architectural finishes. Our wide range of custom manufactured data centre airflow systems, including structural ceilings, airflow panels and containment, work together to maximise datacentre performance.

5. Water & Energy
   Providing trusted market-leading solutions for rainwater harvesting wastewater management, hot water systems, environmental fuel storage and smart monitoring for all types of building projects.

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Below: France, Paris, La Défense Arena
Insulated Panels: J1 Grégale 300
Fire Rating: Euroclass A1

<table>
<thead>
<tr>
<th>Products</th>
<th>Data &amp; Flooring Technology</th>
<th>Light &amp; Air</th>
<th>Insulation Boards</th>
<th>Water &amp; Energy</th>
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<td>Americas</td>
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Geography

Ireland: 4%
UK: 21%
Americas: 20%
Mainland Europe: 48%
Rest of World: 7%
**Differentiation from competitors driven by superior innovation:**
- Construction on *IKON™* is well underway at Kingspan’s Group headquarters in Kingscourt, Ireland. *IKON™* will be Kingspan’s global centre of excellence for Research and Development and we look forward to updating you on the future innovations it delivers.
- The ongoing roll-out of QuadCore™ during the year, which is now available from over half of our Insulated Panel facilities worldwide.
- The Kooltherm® 100 Series was launched towards the end of 2016, and work is ongoing on developing a Kooltherm® 200 Series.
- The digitalisation of Kingspan, designed to transform how we do business and how our specifiers and customers interact with us over the next three to five years.

**Increased penetration of Kingspan’s product suite underpinned by regulatory changes and environmental awareness:**
- Continued penetration growth and conversion from traditional insulation and building methods has been and will continue to be a core driver of our success.
- Ongoing revisions to key EU legislation including the Energy Performance of Buildings Directive (EPBD) continue to drive industry to take action.
- Through 2018 we continued to drive the penetration of Kingspan’s best in class proprietary products, QuadCore™ now represents 8% of Kingspan’s Insulated Panel global sales.

**The continued evolution of Kingspan’s geographic footprint as we build market leading positions globally:**
- In 2018 Kingspan closed a number of acquisitions which supplemented our geographic spread. Synthesia Group is our first manufacturing presence in Southern Europe and consists of Synthesia International, Poliuretanos and Huurre. In July we finalised the acquisition of Balex which supplemented our presence in Central and Eastern Europe.
- Following the investment in Isoeste in 2017, we announced plans in 2018 to invest in further capacity for the Kingspan Isoeste business in Brazil.
- In 2018 we announced a partnership with Jindal Mectec in India. This is Kingspan’s first manufacturing footprint in the Indian market, an economy with over 1.3 billion people and significant development plans.

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2018 In a Nutshell

How we operate
- Revenue
  €4.4bn
- Trading Profit
  €445.2m
- Employees
  14,000+

How we create value
- Global manufacturing facilities
- Applications
  > Retail
  > Distribution
  > Leisure
  > Accommodation
  > Food
  > Manufacturing
  > Data Management
  > Infrastructure

Value created
- EBITDA
  €521.2m
- Free cash
  €308.4m
- ROCE
  16.8%
- Trading profit
  €445.2m
- EPS
  184.0c
- Dividend
  42.0c

How we create value
- Product innovation and differentiation
- Excellent customer service
- Energy efficient sustainable building envelope solutions
- We operate our businesses to the highest standards
- We acquire excellent new businesses
- We recycle capital to provide the best return
- We maintain financial discipline
- We balance our portfolio of businesses across product and geography