KINGSPAN GROUP PLC

HALF-YEARLY FINANCIAL REPORT

for the period ended 30 June 2019

KINGSPAN GROUP PLC

RESULTS FOR THE HALF YEAR 30 JUNE 2019

Kingspan, the global leader in high performance insulation and building envelope solutions, issues its half-yearly financial report for the six-month period ended 30 June 2019.

Financial Highlights:

- Revenue up 12% to €2.2bn, (pre-currency, up 11%).
- Trading profit up 18% to €230.4m, (pre-currency, up 17%).
- Group trading margin of 10.3%, an increase of 60bps versus the same period in 2018.
- Acquisitions contributed 8% to sales growth and 8% to trading profit growth in the period.
- Net debt of €734.3m (H1 2018: €739.4m). Net debt to EBITDA of 1.31x (H1 2018: 1.59x).
- Basic EPS up 16% to 93.8 cent (H1 2018: 80.7 cent).
- Strong free cashflow of €80.6m (H1 2018: €38.4m).
- Interim dividend per share up 8% to 13.0 cent (H1 2018: 12.0 cent).
- ROCE of 17.1% (H1 2018: 15.6%).

Operational Highlights:

- Insulated Panels sales growth of 14%. Solid performance in the UK, strong performance in the Americas and Ireland with Mainland Europe performing well overall. Subdued activity in the Middle East.
- Insulation Boards sales growth of 5%. Strong volume growth offsetting the impact of reduced selling prices due to lower raw material costs. Robust Kooltherm® activity in key markets as well as share gain from traditional materials.
- Light & Air sales growth of 11% boosted by a strong performance in the US. Industry leading facility opened in Lyon in France to serve the wider region.
- Water & Energy sales growth of 7% reflecting an acquisition in the Nordic region in the second half of 2018. Softer rainwater harvesting activity in Australia.
- Data & Flooring sales growth of 17% with strong data centre activity.
- All acquisitions made in previous year performing to plan.
- Organic capacity expansion underway. Notable projects include new Insulated Panel plants under construction in California and Brazil as well as a Kooltherm® facility in Sweden.

Summary Financials:

	H1 '19	*H1 '18*	*Change*
Revenue €m	2,243.1	2,009.9	+12%
Trading Profit* €m	230.4	195.3	+18%
Trading Margin**	10.3%	9.7%	+60bps
EPS (cent per share)	93.8	80.7	+16%

**Operating profit before amortisation of intangibles*
*** Operating profit before amortisation of intangibles divided by total revenue*

Gene Murtagh, Chief Executive of Kingspan commented:
"We have delivered a record first half with revenue growth in all our business units and a strong trading profit performance. We continue to expand our global production footprint with new facilities under construction in the US, Brazil and Sweden. The near-term outlook is solid although the political uncertainty in the UK, weakness in sterling, and weaker German economy are amongst risks we are monitoring closely.

Alongside today's results, we are also announcing a series of sustainability targets under our Planet Passionate Programme, which builds on the Net Zero Energy journey we started in 2011. Seismic transformations are required to address the growing issue of climate change, and we are committed to delivering on the challenging targets we have set ourselves."

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Douglas Keatinge

Business Review

The first half of 2019 proved to be a strong period for Kingspan with both revenue and trading profit reaching records of €2,243m and €230m, growth of 12% and 18% respectively. Total investment in the period was €74.5m predominantly comprising expenditure around capacity expansion.

Trading was generally positive across most of Continental Europe, with the exception of Germany which was a little weaker. The UK performed robustly for us although weakness can be expected in the near-term, and activity in the Americas was encouraging once again as penetration growth continues in North America with solid organic expansion in Latin America.

By product group, Insulated Panels global sales were ahead by 14% and QuadCore™ volume was up 42% from the same period last year. Insulation Boards volumes were significantly ahead as advanced insulation continued to regain share from traditional fibrous materials following a temporary interruption due to raw material volatility in 2017 and early 2018. Light & Air achieved growth of 11% and was particularly strong in North America. Underlying Water & Energy revenue was broadly flat, hampered partly by softer demand for residential rainwater systems in Australia.

Data & Flooring had a strong outcome driven by our continued progress in our data solutions in both the Americas and Europe.

Planet Passionate: Our 2030 commitments

Back in 2011 we embarked on our Net Zero Energy mission with the then stated ambition of achieving 50% by 2016 and 100% by 2020. This programme is a success and we are on schedule to achieve our 2020 goal. Climate Change evidence is now undeniable and at Kingspan we are intensifying our efforts to play our part in delivering against the Sustainable Development Goals. We have set the following internal targets for the coming decade which is certain to be a seismic transformation in how we all address this growing issue.

		2020	**2025**	**2030**
Energy	Net Zero Energy	✓	✓	✓
	Energy Positive Manufacturing			✓
	20% onsite power generation			✓
	Solar PV systems on all wholly owned facilities			✓
Carbon	Carbon Positive Manufacturing			✓
	Zero Emission Company funded cars		✓	✓
	Carbon Alignment from primary supply chain			✓
Circularity	Zero Company waste to landfill			✓
	Upcycle 1 billion PET bottles into Insulation		✓	✓
	QuadCore™ to use only recycled PET Polyol		✓	✓
	5 Active Ocean Clean-Up projects		✓	✓
Water	5 million litres of our water usage harvested from rain		✓	
	10 million litres of our water usage harvested from rain			✓

Just as Net Zero Energy was a challenge ten years ago, delivering on these goals will be challenging but is core to what we plan to achieve in the next ten years.

Insulated Panels

	H1 '19	***H1 '18***	***Change***
Revenue €m	1,444.8	1,268.6	+14% (1)
Trading Profit €m	146.5	122.6	+19%
Trading Margin	10.1%	9.7%	+40bps

(1) Comprising underlying +3%, currency impact +1% and acquisitions +10%

The first half has been positive for the Insulated Panels business, with particularly strong outcomes in both France and Spain. The momentum in conversion from traditional systems in France has continued and as Spain continues its wider recovery so too has our business. The 2018 Synthesia acquisition in that region has performed excellently, bolstered by significant manufacturing and raw material synergies. In contrast, Germany has been somewhat weaker for Kingspan and we anticipate this trend continuing for the foreseeable future. More broadly, central Europe performed solidly, as did the Nordics, and the 2018 Balex acquisition in Poland has integrated well and is operating fully to plan. Overall, QuadCore™ represented 8% of insulated panels sales revenue in the period.

The backdrop in the UK has been predictably negative, yet despite this our volumes were only marginally down. Whilst the project pipeline in the region looks reasonably encouraging, we remain cautious given the political uncertainty that has heightened in recent weeks.

Progress has been good in the Americas where conversion and penetration growth continued in North America, and where the near-term project pipeline remains strong. Three facilities are now QuadCore™ enabled and the specification effort has started in earnest. In Brazil, our business has performed well in an economic environment that remains challenging despite the change in political leadership last year. Our focus is on conversion from traditional building methods in a region that remarkably still includes asbestos as an option.

In Australia and New Zealand, the business has performed better than prior year and in the Middle East the competitive environment remains a challenge.

To facilitate further organic expansion a new plant in Modesto California is nearing completion, plans are being finalised for a new 2021 facility in Pennsylvania and a new facility in Cambuí Brazil will be operational by the fourth quarter this year.

Insulation Boards

	H1 ’19	***H1 ’18***	***Change***
Revenue €m	450.5	428.9	+5% (1)
Trading Profit €m	60.4	53.1	+14%
Trading Margin	13.4%	12.4%	+100bps

(1) Comprising currency impact +1% and acquisitions +4%

Overall, the Insulation Boards segment performed exceptionally well during the first half with strong volume growth right across Mainland Europe and Ireland, and a solid outcome in the UK. Margins reached an all-time high benefiting from strong pricing in a deflationary raw material environment. This aspect of the business’ performance is not sustainable and is expected to gradually unwind through the latter part of 2019 and into 2020.

As PIR board regained its competitiveness over the last 12 months, volumes have consistently taken share from traditional fibrous material, particularly in Continental Europe. In the UK, first quarter volumes were exceptionally strong, although this trend is expected to turn through the second half as we prioritise margin over volume. Sales in the Nordics improved marginally despite an increasingly challenging economic environment in Sweden. In the Middle East, the business is benefitting from the growing transition to Kooltherm® based ducting as well as a growing presence in the building insulation market in the region.

Activity in North America improved over the same period last year with growing XPS sales and a better performance for Kooltherm®. In Australia the resolute focus on Kooltherm® conversion from PIR has delivered an improvement in volume in recent times.

Industrial Insulation performed well in the period as our new generation Kooltherm® pipe facility in the UK enabled volume growth against the traditional mineral fibre based alternatives. In

Ireland, the Insulated Timberframe business unit experienced rapid growth in output and orderbook as this type of building methodology grows in popularity against traditional block-based construction.

Regarding capacity expansion, a new UK based XPS plant is now operational, as is a new Kooltherm® ducting line in the UAE, and significant progress has been made on the construction of a greenfield Kooltherm® plant in Sweden due for production mid 2020. In Ireland we have recently commissioned a new Timberframe production facility that increases capacity by a further 50%.

Light & Air

	H1 '19	***H1 '18***	***Change***
Revenue €m	142.9	128.6	+11% (1)
Trading Profit €m	6.2	5.1	+22%
Trading Margin	4.3%	4.0%	+30bps

(1) Comprising underlying +6%, currency impact +1% and acquisitions +4%

This segment achieved encouraging growth over prior year, driven in the main by the performance in North America which experienced a significant improvement on the West Coast as well as a notable advancement in the higher value Engineered Systems product set. First half order intake and the order bank indicate this trend should continue through the remainder of the year.

In Europe, France has performed solidly supported by our new facility in Lyon, whilst Germany has been somewhat weaker, and the Benelux has been stable with a strong order bank which should deliver an improved second half.

In Ireland, the polycarbonate extrusion line is operating well and will be the subject of further and ongoing expansion through 2020 and 2021.

Water & Energy

	H1 '19	***H1 '18***	***Change***
Revenue €m	103.1	96.6	+7% (1)
Trading Profit €m	5.9	5.5	+7%
Trading Margin	5.7%	5.7%	-

(1) Comprising underlying -1% and acquisitions +8%

Activity across this segment has been somewhat mixed, yet steady on the whole. Underlying revenue was broadly flat with Continental Europe and the Nordics showing some improvement. Much of our Mainland European volume is sourced from our Polish facility and as we expand deeper into the Benelux and France we will examine options for production closer to those markets.

In the UK, the performance was stable and in Australia the environment has been more challenging as the residential end market in New South Wales contracted further.

Data & Flooring

	H1 '19	*H1 '18*	*Change*
Revenue €m	101.8	87.2	+17% (1)
Trading Profit €m	11.4	9.0	+27%
Trading Margin	11.2%	10.3%	+90bps

(1) Comprising underlying +13% and currency impact +4%

This segment delivered an excellent performance during the first half by growing revenues, and margins, and continuing to expand its advanced product offering and global reach.

Geographically, the North American market had a particularly strong performance largely as a result of the continuing growth of our data solutions and despite a relatively challenging office end market. In the UK, the market has been predictably weaker, and in Australia the first half performance delivered satisfactory growth over prior year.

The data solutions product set now represents over 50% of global revenue and is further bolstered by the recent acquisition of WeGo in Germany which, in conjunction with our existing Belgian unit, will advance our presence across the continent. The data solutions project pipeline is strong and should support the continuing growth of this offering through the second half and into 2020.

Financial Review

Overview of results

Group revenue increased by 12% to €2,243.1m (H1 2018: €2,009.9m) and trading profit increased by 18% to €230.4m (H1 2018: €195.3m). This represents an 11% increase in sales and a 17% increase in trading profit on a constant currency basis. The Group's trading margin increased by 60bps to 10.3% (H1 2018: 9.7%) primarily reflecting the divisional mix of earnings and the impact of lower raw material prices year on year. The amortisation charge in respect of intangibles was €11.0m compared to €9.0m in the first half of 2018 with the increase reflecting the effect of intangible assets acquired as part of business acquisition activity during 2018. Group operating profit after amortisation grew 18% to €219.4m (H1 2018: €186.3m). Profit after tax was €173.2m compared to €146.7m in the first half of 2018, driven in the main by the growth in trading profit. Basic EPS for the period was 93.8 cent, representing an increase of 16% on the first half of 2018 (H1 2018: 80.7 cent).

The Group's underlying sales and trading profit performance by division is set out below:

Sales	Underlying	Currency	Acquisition	Total
Insulated Panels	+3%	+1%	+10%	+14%
Insulation Boards	-	+1%	+4%	+5%
Light & Air	+6%	+1%	+4%	+11%
Water & Energy	-1%	-	+8%	+7%
Data & Flooring	+13%	+4%	-	+17%
Group	+3%	+1%	+8%	+12%

The Group's trading profit measure is earnings before interest, tax and amortisation of intangibles:

Trading Profit	Underlying	Currency	Acquisition	Total
Insulated Panels	+8%	+1%	+10%	+19%
Insulation Boards	+6%	+2%	+6%	+14%
Light & Air	+5%	+1%	+16%	+22%
Water & Energy	+10%	-	-3%	+7%
Data & Flooring	+22%	+5%	-	+27%
Group	+9%	+1%	+8%	+18%

IFRS 16 Leases
A new accounting standard, IFRS 16 Leases, was adopted with effect from 1 January 2019. The standard requires leases which were previously treated as operating leases to be recognised as a lease liability with the associated asset capitalised and treated as a right of use asset. On 1 January 2019 €127.9m of leases were recognised as liabilities on adoption of the standard and €128.8m capitalised as right of use assets. In the first half of 2019 depreciation on the right of use assets was €15.0m and operating lease rentals decreased by €16.2m leading to an increase in operating profit of €1.2m. The interest charge on the associated leases was €1.8m and the aggregate impact of IFRS 16 on profit before tax was a decrease of €0.6m.

Finance costs (net)
Finance costs for the period were higher than the same period last year at €10.5m (H1 2018: €8.7m). As referred to above, IFRS 16 Leases was adopted from 1 January 2019 and an amount of €1.8m was recorded (H1 2018: nil) in associated lease interest. Finance costs include a non-cash charge of €0.1m (H1 2018: €0.1m) relating to the Group's legacy defined benefit pension schemes. A net non-cash charge of €0.3m was recorded in respect of swaps on the Group's USD private placement notes (H1 2018: credit of €0.6m). The Group's net interest expense on borrowings (bank and loan notes) in the first half of 2019 was €8.2m compared to €8.9m in the same period in 2018. The decreased net interest charge reflects interest earned on higher average cash balances.

Free cashflow

	H1 '19 €m	**H1 '18 €m**
EBITDA*	271.1	231.6
Movement in working capital **	(72.2)	(92.0)
Net capital expenditure	(68.5)	(68.1)
Pension contributions	(0.2)	(0.5)
Net finance costs paid	(8.7)	(7.1)
Income taxes paid	(45.6)	(30.8)
Other including non-cash items	4.7	5.3
Free cashflow	80.6	38.4

**Earnings before finance costs, income taxes, depreciation, amortisation and IFRS 16 adjustments*
***Excludes working capital on acquisition but includes working capital movements since that point*

Working capital at 30 June 2019 was €617.4m (31 December 2018: €543.9m), an increase of €73.5m in the period. This increase is driven by the typical seasonal build in the first half of the year. The average working capital to sales percentage was 13.1% compared with 13.8% in H1 2018, reflecting, in the main, a targeted structural improvement in accounts payable days. The annualised sales in the last three months is used to calculate this metric reflecting the seasonal profile of the Group.

Net Debt

Net debt increased by €6m during the first half of the year to €734.3m (31 December 2018: €728.3m). The movement in debt is analysed in the table below:

Movement in net debt	**H1 '19 €m**	**H1 '18 €m**
Free cashflow	80.6	38.4
Acquisitions and disposals	(3.0)	(235.0)
Deferred consideration paid	(59.7)	-
Share issues	0.1	0.1
Repurchase of shares	(0.6)	-
Dividends paid	(54.2)	(46.7)
Dividends paid to non controlling interests	(0.3)	-
Cashflow movement	(37.1)	(243.2)
Deferred consideration*	30.0	(30.0)
Exchange movements on translation	1.1	(2.3)
Increase in net debt	(6.0)	(275.5)
Net debt at start of period	(728.3)	(463.9)
Net debt at end of period	(734.3)	(739.4)

***Adjustment reflects the inclusion of deferred consideration in prior period net debt, which was settled in cash in April 2019

Retirement benefits

The primary method of pension provision for current employees is by way of defined contribution arrangements. The Group has two legacy defined benefit schemes in the UK which are closed to new members and to future accrual. In addition, the Group assumed a number of defined benefit pension liabilities in Mainland Europe through acquisitions completed in recent years. The net pension liability in respect of these schemes and obligations was €12.8m at 30 June 2019 (30 June 2018: €13.9m).

Taxation

The tax charge for the first half of the year was €35.7m (H1 2018: €30.9m) which represents an effective tax rate of 17.1% on profit before tax (H1 2018: 17.4%). The decrease in the effective rate reflects the global mix of earnings year on year and rate reductions in certain territories.

Acquisitions

There were no material acquisitions during the period. The deferred consideration paid during the period of €59.7m represents €30m relating to the Synthesia business which was acquired in 2018 and €29.7m relating to the Isoeste business which was acquired in 2017 (2018: €nil).

During the first half of 2018 the Group made a number of acquisitions for a total consideration of €265m. The main components consisted of the Synthesia Group (€242.6m) and Vestfold Plastindustri AS (€12.3m).

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 revolving credit facility of €451m with a committed term to June 2022. There was €20m drawn on this facility at period end. The Group arranged an additional revolving credit facility of €300m in June 2019 with a committed term to June 2021. This facility was undrawn at period end.

In addition, as part of the Group's longer-term capital structure, the Group has total private placement loan notes of €839m (H1 2018: €833m) which have a weighted average maturity of 5 years (H1 2018: 6 years).

The weighted average maturity of all debt facilities is 4.8 years (H1 2018: 5.8 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 €888.6m at 30 June 2019 (H1 2018: €671m).

Related party transactions

There were no changes in related party transactions from the 2018 Annual Report that could have a material impact on the financial position or performance of the Group in the first half of the year.

Principal risks & uncertainties

Details of the principal risks and uncertainties facing the Group can be found in the 2018 Annual Report. These risks, namely volatility in the macro environment, failure to innovate, product failure, business interruption (including IT continuity), credit risks and credit control, employee development and retention, fraud and cybercrime and acquisition and integration of new businesses, remain the most likely to affect the Group in the second half of the current year. The Group actively manages these and all other risks through its control and risk management processes.

Dividend

The Board has proposed an interim dividend of 13.0 cent per ordinary share, an increase of 8% on the 2018 interim dividend of 12.0 cent per share. The interim dividend will be paid on 4 October 2019 to shareholders on the register on the record date of 6 September 2019.

Looking Ahead

Orders on hand are presently at decent levels and intake patterns through the early part of the second half have been broadly solid.

In assessing our prospects for the remaining part of the year we are mindful of a number of factors. In the UK, the environment remains highly uncertain and this is likely to persist for some time. In Europe, the trading environment in Germany is tough with no near term sign of that changing.

Furthermore, the second half of the year has a steeper comparative overall exacerbated by the impact of a weaker Sterling exchange rate on translation.

That said, our business is in good shape and the quality of our proposition, the diversity of our end markets and a world that is ever embracing energy efficient methods of construction positions Kingspan well for the years ahead.

2019 Statement of Directors Responsibilities
for the 6 month period ended 30 June 2019

The Directors are responsible for preparing the half-yearly financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, as amended, (the "**Transparency Regulations**") and the Transparency Rules of the Central Bank of Ireland.
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The Directors confirm that to the best of their knowledge:

1) the condensed set of consolidated financial statements included within the half-yearly financial report of Kingspan Group Plc for the six months ended 30 June 2019 (the "**interim financial information**") which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows and the related explanatory notes, have been presented and prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, the Transparency Directive and Transparency Rules of the Central Bank of Ireland;

2) the interim financial information presented, as required by the Transparency Regulations, includes:
a. a fair review of the important events that have occurred during the first 6 months of the financial year, and their impact on the condensed set of consolidated financial statements;
b. a description of the principal risks and uncertainties for the remaining 6 months of the financial year;
c. a fair review of related parties' transactions that have taken place in the first 6 months of the current financial year and that have materially affected the financial position or the performance of the enterprise during that period; and
d. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first 6 months of the current financial year.

On behalf of the Board

Gene M Murtagh Chief Executive Officer	Geoff Doherty Chief Financial Officer
23 August 2019	23 August 2019

Independent Review Report to Kingspan Group plc

Introduction

We have been engaged by Kingspan Group plc ("the Company") to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2019, which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows and the related explanatory notes. Our review was conducted having regard to the Financial Reporting Council's International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2019 is not prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU, the Transparency (Directive 2004/109/EC) (Amendment) Regulations 2007 ("Transparency Directive") and the Transparency Rules of the Central Bank of Ireland.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. The annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for ensuring that the condensed set of consolidated financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review.

Independent Review Report to Kingspan Group plc ***(continued)***

Scope of review

We conducted our review having regard to the Financial Reporting Council's International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

The purpose of our review work and to whom we owe our responsibilities

This report is made to the Company and its directors in accordance with the terms of our engagement to assist the Company and the directors in meeting the requirements of the Transparency Directive and the Transparency Rules of the Central Bank of Ireland. Our review has been undertaken so that we might state to the Company and the directors those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the directors for our review work, for this report, or for the conclusions we have reached.

KPMG 23 August 2019
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Kingspan Group plc

Condensed consolidated income statement (unaudited)
for the 6 month period ended 30 June 2019

	Note	**6 months ended 30 June 2019**	6 months ended 30 June 2018
	Note	**€m**	€m
Revenue	*4*	**2,243.1**	2,009.9
Cost of Sales		**(1,598.8)**	(1,448.2)
Gross Profit		**644.3**	561.7
Operating Costs		**(413.9)**	(366.4)
Trading Profit	*4*	**230.4**	195.3
Intangible amortisation		**(11.0)**	(9.0)
Operating Profit		**219.4**	186.3
Finance expense	*6*	**(12.1)**	(9.3)
Finance income	*6*	**1.6**	0.6
Profit for the period before income tax		**208.9**	177.6
Income tax expense	*7*	**(35.7)**	(30.9)
Profit for the period		**173.2**	146.7
Attributable to owners of Kingspan Group plc		**169.3**	144.8
Attributable to non-controlling interests		**3.9**	1.9
		173.2	146.7
Earnings per share for the period			
Basic	*13*	**93.8c**	80.7c
Diluted	*13*	**93.3c**	80.0c

Kingspan Group plc

Condensed consolidated statement of comprehensive income (unaudited)
for the 6 month period ended 30 June 2019

	6 months ended 30 June 2019	6 months ended 30 June 2018
	€m	€m
Profit for financial period	**173.2**	146.7
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**12.3**	6.9
Net changes in fair value of cash flow hedges	**0.2**	2.4
Income taxes relating to changes in fair value of cash flow hedges	**-**	(0.3)
Total comprehensive income for the period	**185.7**	155.7
Attributable to owners of Kingspan Group plc	**181.3**	155.1
Attributable to non-controlling interests	**4.4**	0.6
	185.7	155.7

Kingspan Group plc

Condensed consolidated statement of financial position

as at 30 June 2019

	Note	**At 30 June 2019 (unaudited)**	At 30 June 2018 (unaudited)	At 31 December 2018 (audited)
	Note	**€m**	€m	€m
Assets				
Non-current assets				
Goodwill	*14*	**1,402.9**	1,255.0	1,391.0
Other intangible assets		**100.7**	82.9	111.1
Financial asset		**8.2**	8.2	8.2
Property, plant and equipment	*15*	**888.3**	779.7	850.5
Right of use assets	*16*	**126.3**	-	-
Derivative financial instruments	*9*	**30.3**	23.3	27.4
Retirement benefit assets		**7.5**	7.5	7.4
Deferred tax assets		**15.6**	16.9	15.6
		2,579.8	2,173.5	2,411.2
Current assets				
Inventories		**578.2**	543.3	524.9
Trade and other receivables		**928.8**	873.8	798.6
Derivative financial instruments	*9*	**-**	1.1	0.2
Cash and cash equivalents	*9*	**157.6**	171.0	294.5
		1,664.6	1,589.2	1,618.2
Total assets		**4,244.4**	3,762.7	4,029.4
Liabilities				
Current liabilities				
Trade and other payables	*11*	**915.1**	800.3	779.8
Provisions for liabilities		**50.0**	45.0	47.5
Deferred consideration (including contingent consideration)	*10*	**-**	36.7	59.5
Interest bearing loans and borrowings	*8*	**52.7**	8.1	53.2
Current income tax liabilities		**67.1**	86.6	78.8
		1,084.9	976.7	1,018.8
Non-current liabilities				
Retirement benefit obligations		**20.3**	21.4	20.5
Provisions for liabilities		**61.4**	57.7	56.8
Interest bearing loans and borrowings	*8*	**869.5**	895.6	967.0
Other payables	*11*	**100.4**	-	-
Deferred tax liabilities		**42.8**	35.2	40.8
Deferred contingent consideration	*10*	**139.6**	100.7	136.6
		1,234.0	1,110.6	1,221.7
Total liabilities		**2,318.9**	2,087.3	2,240.5
Net Assets		**1,925.5**	1,675.4	1,788.9
Equity				
Share capital		**23.8**	23.7	23.7
Share premium		**95.6**	95.6	95.6
Capital redemption reserve		**0.7**	0.7	0.7
Treasury shares		**(12.4)**	(12.7)	(12.7)
Other reserves		**(264.6)**	(213.5)	(273.2)
Retained earnings		**2,039.7**	1,748.5	1,916.2
Equity attributable to owners of Kingspan Group plc		**1,882.8**	1,642.3	1,750.3
Non-controlling interests		**42.7**	33.1	38.6
Total Equity		**1,925.5**	1,675.4	1,788.9

Kingspan Group plc

Condensed consolidated statement of changes in equity (unaudited)

for the 6 month period ended 30 June 2019

	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 2019	23.7	95.6	0.7	(12.7)	(172.0)	0.5	36.9	0.7	(139.3)	1,916.2	1,750.3	38.6	**1,788.9**
Transactions with owners recognised directly in equity													
Employee share based compensation	-	-	-	-	-	-	6.7	-	-	-	6.7	-	**6.7**
Exercise or lapsing of share options	0.1	-	-	0.9	-	-	(9.3)	-	-	8.4	0.1	-	**0.1**
Repurchase of shares	-	-	-	(0.6)	-	-	-	-	-	-	(0.6)	-	**(0.6)**
Dividends	-	-	-	-	-	-	-	-	-	(54.2)	(54.2)	-	**(54.2)**
Transactions with non-controlling interests:													
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(0.3)	**(0.3)**
Fair value movement	-	-	-	-	-	-	-	-	(0.8)	-	(0.8)	-	**(0.8)**
Transactions with owners	0.1	-	-	0.3	-	-	(2.6)	-	(0.8)	(45.8)	(48.8)	(0.3)	**(49.1)**
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	169.3	169.3	3.9	**173.2**
Other comprehensive income													
Cash flow hedging in equity													
- current year	-	-	-	-	-	0.2	-	-	-	-	0.2	-	**0.2**
- tax impact	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Exchange differences on translating foreign operations	-	-	-	-	11.8	-	-	-	-	-	11.8	0.5	**12.3**
Total comprehensive income for the period	-	-	-	-	11.8	0.2	-	-	-	169.3	181.3	4.4	**185.7**
Balance at 30 June 2019	23.8	95.6	0.7	(12.4)	(160.2)	0.7	34.3	0.7	(140.1)	2,039.7	1,882.8	42.7	**1,925.5**

Kingspan Group plc

Condensed consolidated statement of changes in equity (unaudited)

for the 6 month period ended 30 June 2018

	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 2018	23.6	95.6	0.7	(14.0)	(177.2)	0.2	35.2	0.7	(79.4)	1,642.7	1,528.1	39.9	**1,568.0**
Transactions with owners recognised directly in equity													
Employee share based compensation	-	-	-	-	-	-	6.1	-	-	-	6.1	-	**6.1**
Exercise or lapsing of share options	0.1	-	-	1.3	-	-	(9.0)	-	-	7.7	0.1	-	**0.1**
Dividends	-	-	-	-	-	-	-	-	-	(46.7)	(46.7)	-	**(46.7)**
Transactions with non-controlling interests:													
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(0.1)	**(0.1)**
Fair value movement	-	-	-	-	-	-	-	-	(0.4)	-	(0.4)	(7.3)	**(7.7)**
Transactions with owners	0.1	-	-	1.3	-	-	(2.9)	-	(0.4)	(39.0)	(40.9)	(7.4)	**(48.3)**
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	144.8	144.8	1.9	**146.7**
Other comprehensive income													
Items that may be reclassified subsequently to profit or loss													
Cash flow hedging in equity													
- current year	-	-	-	-	-	2.4	-	-	-	-	2.4	-	**2.4**
- tax impact	-	-	-	-	-	(0.3)	-	-	-	-	(0.3)	-	**(0.3)**
Exchange differences on translating foreign operations	-	-	-	-	8.2	-	-	-	-	-	8.2	(1.3)	**6.9**
Total comprehensive income for the period	-	-	-	-	8.2	2.1	-	-	-	144.8	155.1	0.6	**155.7**
Balance at 30 June 2018	23.7	95.6	0.7	(12.7)	(169.0)	2.3	32.3	0.7	(79.8)	1,748.5	1,642.3	33.1	**1,675.4**

Kingspan Group plc

Condensed consolidated statement of changes in equity (audited)

for the financial year ended 31 December 2018

	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 2018	23.6	95.6	0.7	(14.0)	(177.2)	0.2	35.2	0.7	(79.4)	1,642.7	1,528.1	39.9	**1,568.0**
Transactions with owners recognised directly in equity													
Employee share based compensation	0.1	-	-	-	-	-	12.3	-	-	-	12.4	-	**12.4**
Tax on employee share based compensation	-	-	-	-	-	-	(2.0)	-	-	2.9	0.9	-	**0.9**
Exercise or lapsing of share options	-	-	-	1.3	-	-	(8.6)	-	-	7.3	-	-	**-**
Dividends	-	-	-	-	-	-	-	-	-	(68.3)	(68.3)	(0.1)	**(68.4)**
Transactions with non-controlling interests:													
Arising on acquisition	-	-	-	-	-	-	-	-	(24.5)	-	(24.5)	(4.9)	**(29.4)**
Fair value movement	-	-	-	-	-	-	-	-	(35.4)	-	(35.4)	-	**(35.4)**
Transactions with owners	0.1	-	-	1.3	-	-	1.7	-	(59.9)	(58.1)	(114.9)	(5.0)	**(119.9)**
Total comprehensive income for the year													
Profit for the year	-	-	-	-	-	-	-	-	-	330.9	330.9	4.9	**335.8**
Other comprehensive income:													
Items that may be reclassified subsequently to profit or loss													
Cash flow hedging in equity													
- current year	-	-	-	-	-	0.3	-	-	-	-	0.3	-	**0.3**
- tax impact	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Exchange differences on translating foreign operations	-	-	-	-	5.2	-	-	-	-	-	5.2	(1.2)	**4.0**
Items that will not be reclassified subsequently to profit or loss													
Actuarial gains of defined benefit pension scheme	-	-	-	-	-	-	-	-	-	0.9	0.9	-	**0.9**
Income taxes relating to actuarial gains on defined benefit pension scheme	-	-	-	-	-	-	-	-	-	(0.2)	(0.2)	-	**(0.2)**
Total comprehensive income for the year	-	-	-	-	5.2	0.3	-	-	-	331.6	337.1	3.7	**340.8**
Balance at 31 December 2018	23.7	95.6	0.7	(12.7)	(172.0)	0.5	36.9	0.7	(139.3)	1,916.2	1,750.3	38.6	**1,788.9**

Kingspan Group plc

Condensed consolidated statement of cash flows (unaudited)
for the 6 month period ended 30 June 2019

	6 months ended 30 June 2019	6 months ended 30 June 2018
	€m	€m
Operating activities		
Profit for the period	**173.2**	146.7
Add back non-operating expenses:		
Income tax	**35.7**	30.9
Depreciation of property, plant and equipment	**56.9**	36.3
Amortisation of intangible assets	**11.0**	9.0
Employee equity-settled share options	**6.7**	6.1
Finance income	**(1.6)**	(0.6)
Finance expense	**12.1**	9.3
Profit on sale of property, plant and equipment	**(1.7)**	(0.8)
Release of deferred consideration	**(0.3)**	-
Changes in working capital:		
Increase in inventories	**(52.4)**	(45.6)
Increase in trade and other receivables	**(128.5)**	(124.8)
Increase in trade, other payables and provisions	**108.7**	78.4
Other:		
Pension contributions	**(0.2)**	(0.5)
Cash generated from operations	**219.6**	144.4
Taxes paid	**(45.6)**	(30.8)
Interest paid	**(10.3)**	(7.7)
Net cash flow from operating activities	**163.7**	105.9
Investing activities		
Additions to property, plant and equipment	**(71.5)**	(70.1)
Proceeds from disposals of property, plant and equipment	**3.0**	2.0
Purchase of subsidiary undertakings (including net debt/cash acquired)	**(3.0)**	(226.8)
Purchase of financial asset	**-**	(8.2)
Payment of deferred consideration in respect of acquisitions	**(59.7)**	-
Interest received	**1.6**	0.6
Net cash flow from investing activities	**(129.6)**	(302.5)
Financing activities		
Drawdown of interest bearing loans and borrowings	**0.5**	237.9
Repayment of interest bearing loans and borrowings	**(102.2)**	-
Increase in finance lease liability	**-**	0.1
Payment of lease liabilities	**(16.2)**	-
Proceeds from share issues	**0.1**	0.1
Repurchase of treasury shares	**(0.6)**	-
Dividends to non-controlling interests	**(0.3)**	(0.1)
Dividends paid	**(54.2)**	(46.7)
Net cash flow from financing activities	**(172.9)**	191.3
Decrease in cash and cash equivalents	**(138.8)**	(5.3)
Translation adjustment	**1.9**	(0.3)
Cash and cash equivalents at the beginning of the period	**294.5**	176.6
Cash and cash equivalents at the end of the period	**157.6**	171.0

Kingspan Group plc

Notes
forming part of the financial statements

1 Reporting entity

Kingspan Group plc (“the Company”) is a public limited company registered and domiciled in Ireland.

The Company and its subsidiaries (together referred to as “the Group”) are primarily involved in the manufacture of high performance insulation and building envelope solutions.

The financial information presented in the half-yearly report does not represent full statutory accounts. Full statutory accounts for the year ended 31 December 2018 prepared in accordance with IFRS, as adopted by the EU, upon which the auditors have given an unqualified audit report, are available on the Group's website (www.kingspan.com).

2 Basis of preparation

This half-yearly financial report is unaudited but has been reviewed by the Company’s auditor.

(a) Statement of compliance

These condensed consolidated interim financial statements (“the Interim Financial Statements”) have been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information required for full annual financial statements.

The Interim Financial Statements were approved by the Board of Directors on 23 August 2019.

(b) Significant accounting policies

The accounting policies applied by the Group in the Interim Financial Statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2018 with the exception of changes in accounting policy in respect of IFRS 16, Leases and IFRIC 23 Uncertainty Over Income Tax Treatment which are described below.

The following standards are effective from 1 January 2019.

IFRS 16 *Leases*

IFRS 16 is effective for accounting periods beginning on or after 1 January 2019, and the Group adopted IFRS 16 with effect from 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. For lessees, IFRS 16 eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model whereby all leases are accounted for on-balance sheet, with some exemptions for short-term and low-value leases. It also includes an election which permits a lessee not to separate non-lease components (e.g. maintenance) from lease components and instead capitalise both the lease cost and associated non-lease cost.

The standard primarily affects the accounting for the Group's operating leases. The application of IFRS 16 results in the recognition of additional assets and liabilities in the consolidated statement of financial position and in the consolidated income statement it replaces the straight-line operating lease expense with a depreciation charge for the right-of-use asset and an interest expense on the lease liabilities.

The incremental borrowing rate is the rate of interest that the lessee would expect to incur on funds borrowed over a similar term and security to obtain a comparable value to the right-of-use asset in the relevant economic environment. The Group's weighted average incremental borrowing rate pertaining to these leases is 3%.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining Whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

Transition

The Group adopted the new standard by applying the modified retrospective approach.

At transition, for leases classified as operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 January 2019. All right-of-use assets were measured at the amount of the lease liability on adoption, adjusted by the amount of any prepaid or accrued interest payments.

Previously under IAS 17 operating lease rentals were charged to the Income Statement on a straight-line basis over the term of the lease.

The Group availed of the recognition exemption for short-term and low-value leases and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group also elected not to separate non-lease components from lease components and instead capitalise both the lease cost and associated non-lease cost.

The Group has also availed of the practical expedient which allows for a single discount rate to be applied to a portfolio of leases with reasonably similar characteristics.

The Group had a small number of finance leases under IAS 17. For these leases, the carrying amount of the asset and liability at 1 January 2019 were recognised at the equivalent carrying amount under IAS 17 immediately before that date.

The impact on the financial statements on transition to IFRS 16 is outlined in note 16.

Measurement

The Group recognises right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments at the lease commencement date. The right-of use assets are initially measured at cost, and subsequently measured at cost less accumulated depreciation and impairment losses.

Lease liabilities are measured at the present value of the future lease payments, discounted at the Group’s incremental borrowing rate. Subsequent to the initial measurement, the lease liabilities are increased by the interest cost and reduced by lease payments made.

The right-of-use assets and lease liabilities are remeasured when there are changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised or where there is a change in future lease payments as a result of a change in an index or rate. The Group applies judgement when determining the lease term where renewal and termination options are contained in the lease contract.

IFRIC 23 *Uncertainty over income tax treatment*

IFRIC 23 is effective for accounting periods beginning on or after 1 January 2019, and the Group adopted IFRIC 23 with effect from 1 January 2019. IFRIC 23 sets out how to determine taxable profits and losses, tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12 – Income Taxes. Where the group considers it is probable that an uncertain tax treatment will not be accepted by a tax authority the tax risk is measured using either the most likely amount method or the expected value method, as appropriate. The adoption and application of IFRIC 23 did not have a material impact on the Group.

(c) Estimates and judgements

The preparation of Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2018.

In addition, the Group has applied judgement to determine the lease term of contracts that include termination and extension options. If the Group is reasonably certain to exercise such options the relevant amount of right of use assets and lease liabilities are recognised. The Group has also applied judgement in determining the incremental borrowing rate, the basis of which is set out above under Significant accounting policies.

The Interim Financial Statements are available on the Group's website (www.kingspan.com).

(d) Going concern

The directors have reviewed forecasts and projected cash flows for a period of not less than 12 months from the date of these Interim Financial Statements, and considered its net debt position, available committed banking facilities and other relevant information including the economic conditions currently affecting the building environment generally. On the basis of this review, the directors have concluded that there are no material uncertainties that would cast significant doubt over the Group's ability to continue as a going concern. For this reason, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

3 Reporting currency

The Interim Financial Statements are presented in Euro which is the functional currency of the Company and presentation currency of the Group.

Results and cash flows of foreign subsidiary undertakings have been translated into Euro at the average exchange rates for the period, as these approximate the exchange rates at the dates of the transactions. The related assets and liabilities have been translated at the closing rates of exchange applicable at the end of the reporting period.

The following significant exchange rates were applied during the period:

	Average rate			**Closing rate**		
	H1 2019	**H1 2018**	**FY 2018**	**H1 2019**	**H1 2018**	**FY 2018**
Euro =						
Pound Sterling	**0.873**	0.880	0.885	**0.896**	0.883	0.898
US Dollar	**1.130**	1.210	1.181	**1.137**	1.156	1.144
Canadian Dollar	**1.506**	1.546	1.530	**1.492**	1.541	1.557
Australian Dollar	**1.599**	1.569	1.580	**1.625**	1.576	1.620
Czech Koruna	**25.682**	25.501	25.648	**25.433**	26.029	25.711
Polish Zloty	**4.291**	4.221	4.260	**4.256**	4.365	4.299
Hungarian Forint	**320.45**	314.060	318.78	**323.420**	328.590	321.02
Brazilian Real	**4.342**	4.143	4.307	**4.372**	4.463	4.435

4 Operating segments

The Group has the following five reportable segments:

Insulated Panels	Manufacture of insulated panels, structural framing and metal facades.
Insulation Boards	Manufacture of rigid insulation boards, building services insulation and engineered timber systems.
Light & Air	Manufacture of daylighting, smoke management and ventilation systems.
Water & Energy	Manufacture of energy and water solutions and all related service activity.
Data & Flooring	Manufacture of data centre storage solutions and raised access floors.

Analysis by class of business

Segment revenue and disaggregation of revenue

	Insulated Panels €m	Insulation Boards €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	Total €m
Total revenue - H1 2019	**1,444.8**	**450.5**	**142.9**	**103.1**	**101.8**	**2,243.1**
Total revenue - H1 2018	1,268.6	428.9	128.6	96.6	87.2	2,009.9
Disaggregation of revenue H1 2019						
Point in Time	1,414.7	427.9	82.6	81.1	78.0	2,084.3
Over Time	30.1	22.6	60.3	22.0	23.8	158.8
	1,444.8	**450.5**	**142.9**	**103.1**	**101.8**	**2,243.1**

	Insulated Panels €m	Insulation Boards €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	Total €m
Trading profit - H1 2019	**146.5**	**60.4**	**6.2**	**5.9**	**11.4**	**230.4**
Intangible amortisation	(6.4)	(2.4)	(1.7)	(0.5)	-	**(11.0)**
Operating result - H1 2019	**140.1**	**58.0**	**4.5**	**5.4**	**11.4**	**219.4**
Net finance expense						**(10.5)**
Profit for the period before income tax						**208.9**
Income tax expense						**(35.7)**
Profit for the period - H1 2019						**173.2**

	Insulated Panels €m	Insulation Boards €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	Total €m
Trading profit - H1 2018	122.6	53.1	5.1	5.5	9.0	195.3
Intangible amortisation	(4.9)	(1.0)	(2.4)	(0.7)	-	(9.0)
Operating result - H1 2018	117.7	52.1	2.7	4.8	9.0	186.3
Net finance expense						(8.7)
Profit for the period before income tax						177.6
Income tax expense						(30.9)
Profit for the period - H1 2018						146.7

Segment assets and liabilities

	Insulated Panels €m	Insulation Boards €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	**Total 30 June 2019 €m**	Total 30 June 2018 €m
Assets - H1 2019	**2,443.2**	**856.1**	**376.1**	**192.4**	**173.1**	**4,040.9**	
Assets - H1 2018	2,067.0	817.0	309.6	192.4	164.4		3,550.4
Derivative financial instruments						**30.3**	24.4
Cash and cash equivalents						**157.6**	171.0
Deferred tax asset						**15.6**	16.9
Total assets						**4,244.4**	3,762.7
Liabilities - H1 2019	**(855.2)**	**(215.1)**	**(104.7)**	**(70.0)**	**(41.8)**	**(1,286.8)**	
Liabilities - H1 2018	(696.7)	(203.2)	(67.4)	(60.5)	(34.0)		(1,061.8)
Interest bearing loans and borrowings (current and non-current)						**(922.2)**	(903.7)
Income tax liabilities (current and deferred)						**(109.9)**	(121.8)
Total liabilities						**(2,318.9)**	(2,087.3)

Other segment information

	Insulated Panels €m	Insulation Boards €m	Light & Air €m	Water & Energy €m	Data & Flooring €m	Total €m
Capital Investment - H1 2019 **	**48.5**	**20.1**	**6.2**	**2.0**	**0.7**	**77.5**
Capital Investment - H1 2018 **	52.9	42.4	14.0	5.3	1.5	116.1
Depreciation included in segment result - H1 2019	**(35.3)**	**(11.8)**	**(4.2)**	**(3.2)**	**(2.4)**	**(56.9)**
Depreciation included in segment result - H1 2018	(23.4)	(7.9)	(2.3)	(1.3)	(1.4)	(36.3)
Non cash items included in segment result - H1 2019	**(4.0)**	**(1.3)**	**(0.3)**	**(0.5)**	**(0.6)**	**(6.7)**
Non cash items included in segment result -H1 2018	(3.5)	(1.3)	(0.2)	(0.5)	(0.6)	(6.1)

Analysis of segmental data by geography

	Republic of Ireland €m	United Kingdom €m	Rest of Europe €m	Americas €m	Others €m	Total €m
Income Statement Items						
Revenue - H1 2019	**93.8**	**450.6**	**1,099.5**	**451.5**	**147.7**	**2,243.1**
Revenue - H1 2018	76.9	455.3	946.7	392.1	138.9	2,009.9
Statement of Financial Position Items						
Non-current assets - H1 2019 *	**56.4**	**392.1**	**1,292.0**	**585.7**	**207.7**	**2,533.9**
Non-current assets - H1 2018 *	51.4	375.7	1,028.3	520.1	157.8	2,133.3
Capital Investment - H1 2019 **	**5.1**	**9.4**	**41.7**	**20.9**	**0.4**	**77.5**
Capital Investment - H1 2018 **	1.7	12.9	84.2	15.3	2.0	116.1

* Total non-current assets excluding derivative financial instruments and deferred tax assets.

** Capital investment includes the fair value of property, plant, equipment and intangible assets acquired through additions in the period and also as part of business combinations. Additions to right of use assets are excluded.

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers. Segment assets are based on the geographic location of the assets.

5 Seasonality of operations

Activity in the global construction industry is characterised by cyclicality and is dependent to a significant extent on the seasonal impact of weather in some of the Group's operating locations. Activity is second half weighted.

6 Finance expense and finance income

	6 months ended 30 June 2019 €m	6 months ended 30 June 2018 €m
Finance expense		
Bank loans	**1.1**	1.4
Private placement loan notes	**8.7**	8.1
Capitalised lease interest	**1.8**	-
Finance lease interest	-	0.1
Deferred contingent consideration fair value movement	**0.1**	0.2
Defined benefit pension scheme, net	**0.1**	0.1
Fair value movement on derivative financial instruments	**(2.2)**	(1.4)
Fair value movement on private placement debt	**2.5**	0.8
	12.1	9.3
Finance income		
Interest earned	**(1.6)**	(0.6)
Net finance cost	**10.5**	8.7

€0.5m of borrowing costs were capitalised during the period (H1 2018: Nil).

7 Taxation

Taxation provided for on profits is €35.7m which represents 17.1% of the profit before tax for the period (H1 2018: 17.4%). The full year effective tax rate in 2018 was 17.1%. The taxation charge for the six month period is accrued using the estimated applicable rate for the year as a whole.

8 Analysis of net debt

	At 30 June 2019 €m	At 30 June 2018 €m	At 31 December 2018 €m
Cash and cash equivalents	**157.6**	171.0	294.5
Derivative financial instruments	**30.3**	23.3	27.4
Current borrowings	**(52.7)**	(8.1)	(53.2)
Non-current borrowings	**(869.5)**	(895.6)	(967.0)
Deferred consideration	-	(30.0)	(30.0)
Total net debt	**(734.3)**	(739.4)	(728.3)

Net debt does not include the impact of IFRS 16 – Leases.
Net debt, which is a non-IFRS measure, is stated net of interest rate and currency hedge asset of €30.3m (at 31 December 2018: asset of €27.4m) which relate to hedges of debt. Foreign currency derivatives of €nil (at

31 December 2018: asset of €0.2m), which are used for transactional hedging, are not included in the definition of net debt.

9 Financial instruments

The following table outlines the components of net debt by category:

	Financial assets/(liabilities) at amortised cost €m	Liabilities in a fair value hedge relationship €m	Derivatives designated as hedging instruments €m	Total net debt by category €m
Assets:				
Interest rate swaps	-	-	30.3	30.3
Cash at bank and in hand	157.6	-	-	157.6
Total assets	157.6	-	30.3	187.9
Liabilities:				
Private placement notes	(698.9)	(140.3)	-	(839.2)
Deferred consideration	-	-	-	-
Other loans	(83.0)	-	-	(83.0)
Total liabilities	(781.9)	(140.3)	-	(922.2)
At 30 June 2019	**(624.3)**	**(140.3)**	**30.3**	**(734.3)**

	Financial assets/(liabilities) at amortised cost €m	Liabilities in a fair value hedge relationship €m	Derivatives designated as hedging instruments €m	Total net debt by category €m
Assets:				
Interest rate swaps	-	-	27.4	27.4
Cash at bank and in hand	294.5	-	-	294.5
Total assets	294.5	-	27.4	321.9
Liabilities:				
Private placement notes	(698.7)	(137.2)	-	(835.9)
Other loans	(184.3)	-	-	(184.3)
Deferred consideration	(30.0)	-	-	(30.0)
Total liabilities	(913.0)	(137.2)	-	(1,050.2)
At 31 December 2018	(618.5)	(137.2)	27.4	(728.3)

	Financial assets/(liabilities) at amortised cost €m	Liabilities in a fair value hedge relationship €m	Derivatives designated as hedging instruments €m	Total net debt by category €m
Assets:				
Interest rate swaps	-	-	23.3	23.3
Cash at bank and in hand	171.0	-	-	171.0
Total assets	171.0	-	23.3	194.3
Liabilities:				
Private placement notes	(698.3)	(135.0)	-	(833.3)
Deferred consideration	(30.0)	-	-	(30.0)
Other loans	(70.4)	-	-	(70.4)
Total liabilities	(798.7)	(135.0)	-	(933.7)
At 30 June 2018	(627.7)	(135.0)	23.3	(739.4)

The Group's private placement loan notes of €839.2m have a weighted average maturity of 5 years.

Fair value of financial instruments carried at fair value

Financial instruments recognised at fair value are analysed between those based on quoted prices in active markets for identical assets or liabilities (Level 1), those involving inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly (Level 2), and those involving inputs for the assets or liabilities that are not based on observable market data (Level 3).

The following table sets out the fair value of all financial instruments whose carrying value is measured at fair value:

	Level 1 30 June 2019 €m	Level 2 30 June 2019 €m	Level 3 30 June 2019 €m
Financial assets			
Interest rate swaps	-	30.3	-
Foreign exchange contracts for hedging	-	-	-
Financial liabilities			
Deferred contingent consideration	-	-	(139.6)
Deferred consideration	-	-	-
Foreign exchange contracts for hedging	-	-	-
At 30 June 2019	**-**	**30.3**	**(139.6)**

	Level 1 31 December 2018 €m	Level 2 31 December 2018 €m	Level 3 31 December 2018 €m
Financial assets			
Interest rate swaps	-	27.4	-
Foreign exchange contracts for hedging	-	0.2	-
Financial liabilities			
Deferred contingent consideration	-	-	(166.1)
Deferred consideration	(30.0)	-	-
Foreign exchange contracts for hedging	-	-	-
At 31 December 2018	(30.0)	27.6	(166.1)

	Level 1 30 June 2018 €m	Level 2 30 June 2018 €m	Level 3 30 June 2018 €m
Financial assets			
Interest rate swaps	-	23.3	-
Foreign exchange contracts for hedging	-	1.1	-
Financial liabilities			
Deferred contingent consideration	-	-	(107.4)
Deferred consideration	(30.0)	-	-
Foreign exchange contracts for hedging	-	-	-
At 30 June 2018	(30.0)	24.4	(107.4)

All derivatives entered into by the Group are included in Level 2 and consist of foreign currency forward contracts, interest rate swaps and cross currency interest rate swaps.

Where derivatives are traded either on exchanges or liquid over-the-counter markets, the Group uses the closing price at the reporting date. Normally, the derivatives entered into by the Group are not traded in active markets. The fair values of these contracts are estimated using a valuation technique that maximises the use of observable market inputs, e.g. foreign exchange and interest rates.

Deferred contingent consideration is included in Level 3. The fair value estimate of deferred contingent consideration is consistent with 31 December 2018 and is set out in notes 18 and 19 of the 2018 Annual Report. The contingent element is measured on a series of trading performance targets and is adjusted by the application of a range of outcomes and associated probabilities.

During the period ended 30 June 2019, there were no significant changes in the business or economic circumstances that affect the fair value of financial assets and liabilities, no reclassifications and no transfers between levels of the fair value hierarchy used in measuring the fair value of the financial instruments.

Fair value of financial instruments at amortised cost

Except as detailed below, it is considered that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the Interim Financial Statements approximate their fair values.

Private placement notes	**Carrying amount**	**Fair value**
	€m	**€m**
At 30 June 2019	**839.2**	**909.2**
At 31 December 2018	835.9	889.0
At 30 June 2018	833.3	883.9

The fair value of the private placement notes, which are Level 2 financial instruments, is derived by using observable market data, principally the relevant interest rates.

10 Deferred Consideration

	At 30 June 2019 €m	At 30 June 2018 €m	At 31 December 2018 €m
At the beginning of the period	**196.1**	117.5	117.5
Effect of movement in exchange rates	**2.6**	(10.7)	(10.7)
Deferred consideration arising on acquisitions	**-**	30.0	30.0
Deferred contingent consideration arising on acquisitions	**-**	-	1.4
Movement in deferred contingent consideration arising from fair value movement	**0.1**	0.2	1.1
Put liability arising on current year acquisitions	**-**	-	24.5
Movement in put liability arising from fair value movement	**0.8**	0.4	35.4
Amounts released	**(0.3)**	-	-
Amounts paid	**(59.7)**	-	(3.1)
Closing balance	**139.6**	137.4	196.1
Split as follows:			
Current liabilities	**-**	36.7	59.5
Non-current liabilities	**139.6**	100.7	136.6
	139.6	137.4	196.1

During the period the Group paid €30m of deferred consideration relating to the Synthesia business which was acquired in 2018 (H1 2018: €nil). In addition, the Group paid €29.7m of deferred contingent consideration relating to the Isoeste business which was acquired in 2017 (H1 2018: €nil).

There were no adjustments to the range of outcomes as there were no material changes in the expected future profitability of the relevant business units. Profitability is the sole variable associated with calculating the ultimate obligation for the Group with respect to all deferred contingent consideration positions as at the reporting date.

The overall impact on the income statement and statement of financial position is immaterial when factors such as a 5% movement in cashflows and a 1% adjustment in the discount rate were layered on the most recent projections for the relevant businesses.

11 Trade and other payables

	At 30 June 2019	At 30 June 2018	At 31 December 2018
	€m	€m	€m
Current			
Trade payables	**459.6**	424.3	397.5
Other payables and accruals	**430.0**	376.0	382.3
Capitalised lease liabilities	**25.5**	-	-
	915.1	800.3	779.8
Non current			
Capitalised lease liabilities	**100.4**	-	-
	100.4	-	-

12 Dividends

A final dividend on ordinary shares of 30.0 cent per share in respect of the year ended 31 December 2018 (2017: 26.0 cent) was paid on 10 May 2019.

The directors are proposing an interim dividend of 13.0 cent (2018: 12.0 cent) per share in respect of 2019, which will be paid on 4 October 2019 to shareholders on the register on the record date of 6 September 2019.

13 Earnings per share

	6 months ended 30 June 2019	6 months ended 30 June 2018
	€m	€m
The calculations of earnings per share are based on the following:		
Profit attributable to owners of the Company	**169.3**	144.8
	Number of shares ('000) 6 months ended 30 June 2019	Number of shares ('000) 6 months ended 30 June 2018
Weighted average number of ordinary shares for the calculation of basic earnings per share	**180,408**	179,562
Dilutive effect of share options	**1,071**	1,558
Weighted average number of ordinary shares for the calculation of diluted earnings per share	**181,479**	181,120
	€ cent	**€ cent**
Basic earnings per share	**93.8**	80.7
Diluted earnings per share	**93.3**	80.0

At 30 June 2019, there were no anti-dilutive options (30 June 2018: Nil).

14 Goodwill

	At 30 June 2019	At 30 June 2018	At 31 Dec 2018
	€m	€m	€m
At beginning of period	**1,391.0**	1,095.7	1,095.7
Acquired through business combinations	**3.1**	159.8	296.8
Effect of movement in exchange rates	**8.8**	(0.5)	(1.5)
At end of period	**1,402.9**	1,255.0	1,391.0
At end of period			
Cost	**1,470.6**	1,322.7	1,458.7
Accumulated impairment losses	**(67.7)**	(67.7)	(67.7)
Net carrying amount	**1,402.9**	1,255.0	1,391.0

The assessment of fair values to identifiable assets was finalised in respect of current year and prior year acquisitions.

15 Property, plant and equipment

	At 30 June 2019 €m	At 30 June 2018 €m	At 31 Dec 2018 €m
Cost or valuation	**1,942.0**	1,705.0	1,865.4
Accumulated depreciation and impairment charges	**(1,053.7)**	(925.3)	(1,014.9)
Net carrying amount	**888.3**	779.7	850.5
Opening net carrying amount	**850.5**	703.3	703.3
Acquired through business combinations	**3.8**	42.0	93.7
Additions	**73.7**	72.2	144.3
Disposals	**(1.3)**	(1.2)	(8.0)
Depreciation charge	**(41.9)**	(36.3)	-
Impairment charge	**-**	-	(76.0)
Effect of movement in exchange rates	**3.5**	(0.3)	(5.2)
			(1.6)
Closing net carrying amount	**888.3**	779.7	850.5

The disposals generated a profit in the period of €1.7m (H1 2018: €0.8m).

16 Leases

A new accounting standard, IFRS 16 Leases, was adopted with effect from 1 January 2019. The standard requires leases which were previously treated as operating leases to be recognised as a lease liability with the associated asset capitalised and treated as a right of use asset. On 1 January 2019 €127.9m of leases were recognised as liabilities on adoption of the standard and €128.8m capitalised as right of use assets. In the first half of 2019 depreciation on the right of use assets was €15.0m and operating lease rentals decreased by €16.2m leading to an increase in operating profit of €1.2m. The interest charge on the associated leases was €1.8m and the aggregate impact of IFRS 16 on profit before tax was a decrease of €0.6m.

Right-of-use asset

	At 30 June 2019 €m
At 1 January 2019	**128.8**
Additions	**7.4**
Remeasurement/terminations	**4.1**
Depreciation charge for the year	**(15.0)**
Effect of movement in exchange rates	**1.0**
Closing net carrying amount	**126.3**

Lease liability

	At 30 June 2019 €m
At 1 January 2019	**127.9**
Additions	**7.3**
Remeasurement/terminations	**4.1**
Payments	**(16.2)**
Interest	**1.8**
Effect of movement in exchange rates	**1.0**
Closing net carrying amount	**125.9**
Split as follows:	
Current liability	**25.5**
Non-current liability	**100.4**
Closing net carrying amount	**125.9**

Reconciliation of IAS 17 operating lease commitments and IFRS 16 lease liability

	At 30 June 2019 €m
Operating lease commitment at 31 December 2018 as disclosed in the Group's Annual Report	**151.5**
Impact of discounting	**(19.9)**
Recognition exemption for short term and low value assets	**(1.0)**
Adjustments as a result of alignment of extension and termination options with accounting policies	**(2.7)**
Lease liabilities recognised at 1 January 2019	**127.9**

The €0.9m difference between the opening right-of-use asset and lease liability relates to lease prepayments.

17 Business combinations

There were no material business combinations in the period. All prior year business combination fair value calculations are now complete.

18 Capital and reserves

471,204 ordinary shares (H1 2018: 676,592) were issued as a result of the exercise of vested options arising from the Group's share option schemes (see the 2018 Annual Report for full details of the Group's share option schemes). Options were exercised at an average price of €0.13 per option.

19 Significant events and transactions

There were no individually significant events or transactions in the period which contributed to material changes in the Statement of Financial Position.

20 Related party transactions

There were no changes in related party transactions from the 2018 Annual Report that could have a material effect on the financial position or performance of the Group in the first half of the year.

21 Subsequent events

There have been no further material events subsequent to 30 June 2019 which would require disclosure in this report.

Alternative Performance Measures (APMs)

The Group uses a number of metrics, which are non-IFRS measures, to monitor the performance of its operations.

The Group believes that these metrics assist investors in evaluating the performance of the underlying business. Given that these metrics are regularly used by management, they also give the investor an insight into how Group management review and monitor the business on an ongoing basis.

The principal APMs used by the Group are defined as follows:

Trading profit
This comprises the operating profit as reported in the Income Statement before intangible asset amortisation. This equates to the Earnings Before Interest, Tax and Amortisation ("EBITA") of the Group.

	Financial Statements Reference	**30 June 2019 €m**	30 June 2018 €m
Trading profit	Note 4	**230.4**	195.3

Trading margin
Measures the trading profit as a percentage of revenue.

	Financial Statements Reference	**30 June 2019 €m**	30 June 2018 €m
Trading Profit	Note 4	**230.4**	195.3
Revenue	Note 4	**2,243.1**	2,009.9
Trading margin		**10.3%**	9.7%

Net interest
The Group defines net interest as the net total of finance costs and finance income as presented in the Income Statement.

	Financial Statements Reference	**30 June 2019 €m**	30 June 2018 €m
Finance Costs	Note 6	**12.1**	9.3
Finance Income	Note 6	**(1.6)**	(0.6)
Net Interest		**10.5**	8.7

Free cash flow

Free cash flow is the cash generated from operations after net capital expenditure, interest paid and income taxes paid and reflects the amount of internally generated capital available for re-investment in the business or for distribution to shareholders.

	Financial Statements Reference	**30 June 2019 €m**	30 June 2018 €m
Net cash flow from operating activities	Consolidated Statement of Cash Flows	**163.7**	105.9
Additions to property, plant, equipment and intangibles	Consolidated Statement of Cash Flows	**(71.5)**	(70.1)
Proceeds from disposals of property, plant and equipment	Consolidated Statement of Cash Flows	**3.0**	2.0
Lease payments	Consolidated Statement of Cash Flows	**(16.2)**	-
Interest received	Consolidated Statement of Cash Flows	**1.6**	0.6
Free cash flow		**80.6**	38.4

Return on capital employed (ROCE)

ROCE is the operating profit before interest and tax for the previous 12 months expressed as a percentage of the net assets employed. The net assets employed reflect the net assets, excluding net debt, at the end of each reporting period.

	Financial Statements Reference	**30 June 2019 €m**	30 June 2018 €m	31 December 2018 €m
Net Assets	Consolidated Statement of Financial Position	**1,925.5**	1,675.4	1,788.9
Net Debt	Note 8	**734.3**	739.4	728.3
		2,659.8	2,414.8	2,517.2
Operating profit before interest and tax		**456.0**	377.8	423.0
Return on capital employed		**17.1%**	15.6%	16.8%

Net debt

Net debt represents the net total of current and non-current borrowings, current and non-current derivative financial instruments, (excluding foreign currency derivatives which are used for transactional hedging), and cash and cash equivalents as presented in the Statement of Financial Position. It excludes deferred contingent consideration and lease liabilities. This definition is in accordance with the terms and conditions of the covenants as set out in the Group's external borrowing arrangements.

	Financial Statements Reference	**30 June 2019 €m**	30 June 2018 €m	31 December 2018 €m
Net Debt	Note 8	**734.3**	739.4	728.3

EBITDA

The Group defines EBITDA as earnings before finance costs, income taxes, depreciation, amortisation and IFRS 16 adjustments.

	Financial Statements Reference	**30 June 2019 €m**	30 June 2018 €m
Trading profit	Condensed Consolidated Income Statement	**230.4**	195.3
Depreciation	Consolidated Statement of Cash Flows	**56.9**	36.3
IFRS 16 adjustment	Consolidated Statement of Cash Flows	**(16.2)**	-
EBITDA		**271.1**	231.6

Net debt : EBITDA

Net debt as a ratio to 12 month EBITDA. EBITDA is solely adjusted for the impact of IFRS 16 – Leases which is in accordance with the terms and conditions of the covenants as set out in the Group's external borrowing arrangements.

	Financial Statements Reference	**30 June 2019 €m**	30 June 2018 €m	31 December 2018 €m
Net Debt	Note 8	**734.3**	739.4	728.3
EBITDA		**560.8**	464.1	521.2
Net Debt : EBITDA times		**1.31**	1.59	1.40

Working capital

Working capital represents the net total of inventories, trade and other receivables and trade and other payables, net of transactional foreign currency derivatives excluded from net debt.

	Financial Statements Reference	**30 June 2019 €m**	30 June 2018 €m	31 December 2018 €m
Trade and other receivables	Consolidated Statement of Financial Position	**928.8**	873.8	798.6
Inventories	Consolidated Statement of Financial Position	**578.2**	543.3	524.9
Trade payables	Note 11	**(459.6)**	(424.3)	(397.5)
Other payables and accruals	Note 11	**(430.0)**	(376.0)	(382.3)
Foreign currency derivatives excluded from net debt		**-**	1.1	0.2
Working capital		**617.4**	617.9	543.9

Working capital ratio

Measures working capital as a percentage of the previous three months turnover annualised. The annualisation of turnover reflects the current profile of the Group rather than a partial reflection of any acquisitions completed during the period.

	Financial Statements Reference	**30 June 2019 €m**	30 June 2018 €m	31 December 2018 €m
Working capital		**617.4**	617.9	543.9
Annualised turnover		**4,719.0**	4,477.5	4,711.6
Working Capital ratio		**13.1%**	13.8%	11.5%