

Kingspan concludes EUR 96 million spending spree

Insulation and building materials specialist Kingspan has completed the acquisition of ThyssenKrupp Construction, Germany and Rigidal Industries, Dubai for a total cost of just over EUR 96 million.

The Irish company confirmed the acquisition of ThyssenKrupp Construction Group, German steel giant ThyssenKrupp, for EUR 65 million and Dubai-based Rigidal Industries for EUR 31.44 million at the beginning of September. The acquisitions signal the continuation of the group's strategy to develop its presence internationally following the effects of the recession in its domestic and UK markets during 2007. Last year Britain and Northern Ireland accounted for 39 % of its EUR 1.55 billion sales, Europe 38 %, North America 14 % and Australasia 4 %. Following these acquisitions, sales in Europe are expected to account for more than 50 % in 2013 at around EUR 600 million.

The ThyssenKrupp insulation business currently operates seven manufacturing sites across Europe and will transform Kingspan's business in mainland Europe, providing increased market penetration.

Kingspan is also making its first manufacturing foray into the Middle East. It has agreed to pay EUR 31.5 million to buy Dubai-based insulation maker Rigidal Industries providing a platform to develop business in the region. Last year the company posted sales of USD 39 million across the Middle East, India and China. While Kingspan's products have been used extensively in projects in the Middle East, such as Dubai's metro project and the emirate's airport, it's the first time the company will have a manufacturing presence there.

Kingspan's insulation panel sales last year were EUR 758m and accounted for 49 % of the group's total sales of EUR 1.55 billion. Half year figures reported recently were better than expected. The Insulated Panels division reported sales up 3 % and trading profit up 25 % reflecting a higher specification sales mix and penetration growth in developing markets, while the Insulation Boards division reported sales up 4 % and trading profit up 7 %.

Source: www.kingspan.com

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