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Equity Research 20 Feb 2026

08:04

Upcoming Events

Company Events

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	Howden Joinery; FY25 Results
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Economic Events

Ireland

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	Wholesale Price Index

United Kingdom

20-Feb	Retail Sales
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Kingspan "Foreseeable future growth to exceed that of recent years"

Recommendation: Buy
Closing Price:€79.65

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Kingspan has delivered a strong set of FY25 numbers reporting record trading profit of €955m, slightly ahead of our and consensus expectations of €950m. The Group notes a resilient performance overall (Revenues +7% yoy; Trading Profit +5% yoy; Underlying pre-M&A margins +30bps) in 2025 despite tough markets with the second half of the year being stronger generally. The Group has once again invested significantly during the period, with acquisitions and capex totalling over €750m. Coupling this with the strong order backlogs reported (panel backlog volume ahead by 8%; Advnsys backlog ahead by 24% at year-end and order intake in 2026 to date is double the same period last year) helps lay the foundations for a confident growth outlook. For FY26, the Group expects to deliver trading profit "in the region" of €1.05bn, implying growth of c.10%. The Group is confident that this accelerated level of growth in 2026 versus prior periods is something that can be sustained with it noting that it expects: "trading profit growth between now and the end of the decade to exceed that achieved in recent years".

From a divisional perspective: i) IBE saw revenue growth of 6% (-1% lfl) and trading profit growth of 3%. Geographically, Southern, Central and Eastern Europe have improved, France has been challenging (although Kingspan has outperformed), the UK/Noridcs have struggled, Middle East and APAC have been encouraging & North America and LATAM performed solidly. Despite some challenges, the Group specifically notes that insulated panel volumes continue to "structurally outperform". In terms of its entry into the US roofing market, plans continue apace with the Group at the certification phase for its largest multi-solution Roofing and Insulation facility in Oklahoma; ii) Advnsys saw revenue growth of 12% (+7% lfl) and trading profit growth of 17%. The order backlog at year end was up 24% and the Group notes that it continues to build from month to month with order intake in 2026 thus far double the same period last year. The Group continues to ramp up capacity in the space as it develops an 800,000sq.ft plant in Kentucky to add to the recent new sites in both Virginia and Arkansas.

In terms of forecasts, despite a somewhat more burdensome FX environment and more challenging weather conditions, we expect FY26 consensus to remain largely unchanged (VA trading profit median cons is at €1049m) implying a more buoyant underlying backdrop then some may have anticipated. We will upgrade our own forecast of €1026m to €1050m to bring us in line with the more definitive guidance published this morning. We believe this is a strong statement from Kingspan with the confidence around the future growth trajectory out to 2030 exceeding recent years being a key highlight for us. This is a point which we believe significantly underpins continued multiple expansion. We re-iterate our bullish stance.

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Jet2 Trading update due on the 25th of February

Recommendation: Hold
Closing Price: £12.93

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At its H1 results in November Jet2 guided winter sale seat capacity +7.7% yoy at 5.5m seats. The later booking profile that was evident in the summer had continued implying somewhat reduced visibility. Average pricing for holidays and flight only was also following a similar trend to summer 2025 (H1 holidays pricing +3% yoy and flight only -7% yoy). Jet2 was continuing to reinvest marketing spend into pricing and it guided that it expected to deliver FY26 earnings in line with market expectations for EBIT (ex-Gatwick start-up losses) with company compiled consensus at £453m. The Gatwick losses were anticipated to be in the £10m - £15m range. We are forecasting FY26 EBIT of £432m with Gatwick losses at the upper end of the guided range. For reference the Gatwick losses in FY27 were expected to be no worse than £60m before moving to profitability in FY28.

Turning to summer 2026 (FY27 for Jet2). Total seat capacity on sale was c.+8.9% yoy at 20.1m. Capacity growth is heavily focused on Gatwick with over 900k seats on sale. Elsewhere Jet2 was planning to "exercise capacity discipline" with growth at existing bases put at +3.9% yoy. In November bookings were said to be in line with expectations. However, in late January Steve Heapy (CEO) commented that the later booking profile had continued in January with customers postponing their purchase decisions. He added that the expected surge in bookings on the first Saturday of January didn't happen. His view was that Jet2's bookings were likely to be "spread out over a longer period". This suggested that the forward bookings may currently be running a little behind yoy. Specifically on package holidays Mr Heapy said it was still performing strongly although certain areas of Spain were not achieving the expected performance. This is a concern for Jet2 with close to 50% of its summer 2026 seat capacity going to Spain.

We updated forecasts to incorporate the H1 results, H2 capacity and pricing guidance and to allow for the losses related to the new base at Gatwick. FY26 revenue is expected to be £7.6bn (+6% yoy) with package holiday revenues of £6.1bn (+6% yoy) and airline revenue of £1.0bn (+7% yoy). Flown passengers are anticipated to be 21.0m (+6% yoy) with package holiday customers making up 64.5% of the total (-200bps yoy). Package holiday pricing is expected to be +3% yoy while flight only ticket prices are forecast to decline by -6% yoy. Operating expenses are projected to be +7% yoy at £7.2bn with FY26 operating profit coming in at £432m (-3.3% yoy). Given the Gatwick losses we are only forecasting a slight improvement in EBIT in FY27 to £440m. We note that Jet2's share price has already fallen -7% in the year to date after falling by -11% in 2025. Combining this with the relatively low valuation (6.5x PE) suggests that expectations are low going into the trading update.

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Irish Banks Assessing key themes ahead of FY25 results

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Irish banks still trade at modest P/TBV multiples versus history (and other jurisdictions), despite stronger balance sheets, reduced risk, and improving returns, offering an appealing entry point. After recent share price weakness, driven more by rotation than fundamentals, we see mispricing relative to growth prospects, surplus capital positions, and a resilient domestic macro backdrop. In our view, the combination of visible earnings, disciplined capital management, and benign competitive dynamics sets up a favourable risk reward profile with upside potential as structural hedge tailwinds and mortgage growth support cash returns and multiple rerating. In this note we assess the key themes investors should be considering in the sector and preview FY25 results which will be reported across the first week of March.

A key focus for investors is on the competitive environment which we believe will remain broadly unchanged through 2026 (and likely most of 2027), with the three listed banks holding c.90% share, Avant Money c.7%, and nonbanks c.3%. Revolut has no definitive Irish mortgage launch timeline after multiple postponements, and their initial focus on switchers (c.10% of a normalised market) plus Ireland’s slow conveyancing process limits the near-term market share risk for incumbents, in our view.

AIB and Bank of Ireland are generating strong organic capital, supporting meaningful and repeatable distributions (ordinary dividends plus buybacks) that differentiate their returns profile from much of the European sector. Multiyear returns underscore this: despite volatility, Irish banks have delivered superior 5year outcomes (AIB: 418%, BOI 365%, PTSB: 241%) versus the Euro STOXX Banks benchmark (219%), aided by capital return and improving profitability. Excess CET1 buffers and healthy net organic capital generation provide headroom to sustain attractive payout pathways, maintaining investor confidence even as NII normalises with the rate cycle.

Ahead of upcoming FY25 results (BOI: 2nd March; AIB: 4th March; PTSB: 5th March) we make only modest changes to NII, primarily reflecting the stronger sector deposit growth reported in 4Q25. We maintain our Buy recommendation on all three banks and increase our Price Targets for AIB/BOI/PTSB to €10.29, €18.83 and €4.23 for upside of +16%, +16% and +33%, respectively.

Download: Irish Banks; Assessing key themes ahead of FY25 Results

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