

10 January 2024

Glenveagh Properties plc
Full Year Trading Statement 2023

Glenveagh Properties PLC ("Glenveagh" or the "Group") is today issuing a trading update for the year ended 31 December 2023 ahead of the publication of its full year results on Wednesday, 28 February 2024.

FY 2023 Performance Summary

	Year Ended 31 December 2023	Year Ended 31 December 2022	Change
Revenue €'m	608	645	-6%
Gross profit €'m	113	108	+5%
Gross margin	18.5%	16.8%	+170 bps
Operating profit €'m	71	70	+1%
Profit before tax €'m	55	63	-13%
Earnings Per Share (cent)	8.0	7.6	+5%
Net Debt €'m	51	14	+€37m
Suburban Completions	1,328	1,354	-2%
Suburban: forward order book – units ¹	680	408	+67%
Group: forward order book – €'m ¹	641.8	344.6	+86%

¹ As at 9 January 2024. Prior year data as at 5 January 2023

- In FY 2023 we increased suburban revenue and margin, generated revenue from our Partnerships business segment for the first time, and benefitted from strong planning momentum after the planning delays experienced in FY 2022. We delivered EPS at the top end of our guided range
- During 2023 we were granted permissions for approximately 4,600 units, almost 700 of which are currently in post-grant appeal periods. We also lodged planning applications for approximately 2,900 units during the year
- Net Debt was maintained at prudent levels as we continued to generate efficiencies from our landbank while also investing in our WIP for FY 2024, completing our significant investment in NUA and returning approximately €63m to shareholders
- We strongly advanced our operational capabilities in FY 2023, incorporating standardised house types into the manufacturing and delivery process, while enhancing build quality and customer service. We launched NUA as our off-site manufacturing business with capacity to deliver over 2,000 units, embedding innovation and modern methods of construction into our product offering
- We also progressed with our sustainability agenda, launching our Net Zero transition plan, including science-based targets (SBTs), in March 2023. Today we have published our Biodiversity strategy setting out our plan to take action to address the challenge of biodiversity loss across our value chain

Outlook

- The long-term demand outlook for the Irish residential housing market remains very positive, supported by a resilient domestic economy, a fast-growing population and supportive State initiatives. Given our proven operational capability and our established expertise in partnership and urban development models, we are very well placed to grow as a scale operator in the market
- We expect to generate strong revenue and profit growth across each of our Suburban, Urban and Partnerships business segments in FY 2024. This growth is underpinned by our healthy land portfolio and forward order book, continued planning momentum and strong operational and manufacturing capability. We are comfortable with current consensus EPS expectations for FY 2024 of approximately 17 cent
- Our forward suburban order book of 680 units contracted or reserved for FY 2024 provides good visibility on deliveries in early FY 2024. Strong reservation rates reflect robust private demand and supportive State initiatives in the market
- In addition to urban revenue from already contracted projects, we anticipate a renewed focus on urban development activity in FY 2024 as new opportunities emerge to partner with multiple state agencies as part of the Government's supply-side housing initiatives. Significant additional funding has been proposed for the Land Development Agency (LDA) and we have been successfully shortlisted to participate in its development programme that will be advanced in early FY 2024
- We expect to deliver revenue from our Partnerships segment of over €100m in FY 2024, with an anticipated gross margin of approximately 15%. We expect to commence the construction of almost 1,300 homes under our partnership schemes this year
- We continue to remain focused on enhancing capital efficiency and cash generation across the business. Once our capital allocation priorities are satisfied, we remain committed to returning any excess cash identified to shareholders
- Further guidance will be provided in the Full Year Results announcement on 28 February 2024

CEO Stephen Garvey commented:

"Glenveagh is strongly positioned for a pivotal year in 2024. We effectively responded to the challenges at the start of 2023 by delivering on key strategic priorities and this progress provides a solid platform to deliver at significant scale this year. Our healthy land portfolio and forward order book means that in 2024 we will provide the keys to approximately 2,700 new homes across the business. This is all underpinned by our proven operational and manufacturing capabilities that embrace sustainability and modern methods of construction.

The State is also providing a positive backdrop of targeted and effective input, in the form of supportive initiatives on both the demand and supply side, which are making a real difference to increasing supply. This is aided by encouraging improvements in the planning policy and system. As the biggest source of landbank for the development of new homes and with the extent of its funding capacity, the State will continue to be the major driver in resolving Ireland's accommodation shortage, in partnership with the housebuilding industry.

The strong performance in our Partnerships business shows how much can be achieved when public and private entities work together to deliver what Ireland needs – sustainable, high-quality, energy-efficient, mixed tenure developments that will alleviate the supply shortage. That said, there remains plenty to do to ensure the country can accelerate housing supply and provide an opportunity for home ownership at the pace Ireland needs. The industry requires a housing target that accurately reflects

current and future population requirements, designed for viable, desirable homes in locations where there is demand. To sustainably deliver increased housing supply requires appropriately aligning resourcing for planning bodies, local authorities and utility companies and ensuring the availability of land with critical infrastructure. Prioritising these actions as a matter of urgency will enhance industry wide efforts to expedite the delivery of quality homes and ultimately contribute to building flourishing communities.”

TRADING OVERVIEW

The Group reported total revenue for the year of €608m (FY 2022: €645m), including a first time contribution from our Partnerships business segment. Excluding the FY 2022 disposal of the East Road site for approximately €63m, that did not recur in FY 2023, there was a modest increase in Group revenue.

Group gross margin was 18.5%, ahead of the 16.8% margin reported in FY 2022, reflecting an improved suburban margin of approximately 20% and notwithstanding the continued elevated inflation experienced by the business of 4-5% during FY 2023.

The Group’s operating profit was approximately €71m in FY 2023 (FY 2022: €70m).

Earnings Per Share increased by 5% to 8.0 cents, at the top end of Group guidance.

The Group ended the year with net debt of approximately €51m. Further efficiencies were generated in our net investment in land and the landbank value (excluding development rights) at 31 December 2023 was below €410m (31 December 2022: €455m). There was strong underlying cash generation from unit sales in the second half of the year.

SUBURBAN

The Group reported suburban revenue of approximately €471m, modestly above the FY 2022 revenue of €455m. FY 2023 revenue primarily comprised 1,328 unit sales and the suburban Average Selling Price (“ASP”) of approximately €336k (FY 2022: €330k) reflecting the Group's strong operational performance in a challenging environment. ASP increased by 2% as a result of portfolio mix and house price inflation in the period.

FY 2023 suburban gross margin was approximately 20% and improved as the business benefitted from enhanced operational efficiencies that we achieved through rigorous management of our supply chain, augmented by an impact from land sales of approximately 70bps.

The Group spent or has contracted to spend a total of approximately €38m on six land sites in FY 2023. These sites have the capacity to deliver approximately 1,050 new own-door housing in sustainable communities. The Group is also prioritising structured land transactions which will enable more efficient standardisation of the suburban portfolio as well as maintaining an efficient balance sheet. Four of the six land transactions are structured deals allowing the group to progress with planning applications.

Glenveagh finished the year with 680 suburban units contracted or reserved for FY 2023 (FY 2022: 408).

URBAN

Urban revenue decreased by 36% to approximately €121m in FY 2023, reflecting a higher FY 2022 comparative that included approximately €63m from the disposal of the East Road site, that did not recur in FY 2023.

In FY 2023 two of our key contracted urban projects, Marina Village and Premier Inn, were completed. All of the remaining contracted projects – Cluain Mhuire, Citywest and Castleknock - are on track for delivery in FY 2024.

Urban gross margin was approximately 13% in FY 2023, broadly in line with the FY 2022 margin.

In November 2023 we were approved under the Croí Cónaithe (Cities) Scheme to develop 274 owner occupier apartments for sale on the open market in Blackrock, Cork. Our scale, operational capability and established expertise in partnership and urban development models, leave us ideally positioned to participate in such initiatives. These have the potential to generate significant incremental revenue and profits for the Group.

PARTNERSHIPS

Both Ballymastone and Oscar Traynor Road received final planning permissions in H2 2023 and construction works commenced on both sites in the final quarter. As a result, we reported our first revenue in this business segment of approximately €17m.

The Group expects to deliver revenue of over €100m from these two sites in FY 2024, with an anticipated gross margin of approximately 15%.

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Notes to Editors

About Glenveagh Properties PLC

Glenveagh Properties plc, listed on Euronext Dublin and the London Stock Exchange, is a leading Irish homebuilder.

Supported by innovation and supply chain integration, Glenveagh is committed to opening access to sustainable high-quality homes to as many people as possible in flourishing communities across Ireland. We are focused on three core markets - suburban housing, urban apartments and partnerships with local authorities and state agencies.

www.glenveagh.ie

Forward-looking statements

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This announcement contains statements that are, or may be deemed to be, forward-looking statements. Forward-looking statements include, but are not limited to, information concerning the Company's possible or assumed future results of operations, plans and expectations regarding demand outlook, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, expectations regarding inflation, macroeconomic uncertainty, geopolitical tensions, weather patterns, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target", "ensure", "arrive", "achieve", "develop" or "believe" (or the negatives thereof) or other variations thereon or comparable terminology. Forward-looking statements are prospective in nature and are based on current expectations of the Company about future events, and involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Although the Company believes that current expectations and assumptions with respect to these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct. Due to various risks and uncertainties, actual events or results or actual performance of the Company may differ materially from those reflected or contemplated in such forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statements.

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The forward-looking statements in this announcement do not constitute reports or statements published in compliance with any of Regulations 6 to 8 of the Transparency (Directive 2004/109/EC) Regulations 2007 (as amended).