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28 April 2022

## **Glenveagh Properties plc** (“Glenveagh” or the “Group”)

### **Trading Update**

Glenveagh Properties PLC (“Glenveagh” or the “Group”) a leading Irish homebuilder listed on Euronext Dublin and the London Stock Exchange is holding its 2022 AGM today at 1:00 p.m. at the Conrad Hotel, Earlsfort Terrace, Dublin 2. This statement comments on the Group’s year-to-date trading and outlook.

#### **Update Summary**

- Total order book of 2,160 units across Suburban and Urban segments
- On track to deliver 1,400 Suburban homes in 2022 with 80% now sold, signed, or reserved
- Three Urban forward fund transactions completed or agreed
- Sale of East Road site for approximately €63 million
- Light Gauge Steel (‘LGS’) added to Group’s manufacturing capability
- Intention to launch a further €75 million buyback programme

**Speaking today, Stephen Garvey, CEO, said:** “Strong demand for our high-quality, sustainable homes has resulted in the continuation of a supportive trading environment in recent months.

We remain focused on combining greater scale with greater integration in our supply chain, giving us enhanced certainty over more of our key inputs and driving more efficiencies throughout our business.

We are maximising capital efficiency by deploying capital in the segments of the market where we can have greatest impact and by returning excess capital to shareholders.

The business is in a strong position, with excellent product, rigorous cost control and robust customer demand. Our position is underpinned by close alignment with Government policy to increase supply urgently and to get more keys in the hands of first-time buyers, renters and people who need social housing.”

#### **Trading Environment**

The Group’s strategy of focusing on high-quality affordable homes aligned with supportive Government policy has resulted in a solid trading environment. As a result, we have strong visibility for the remainder of the year with 1,120 units (80%) of the 1,400 Suburban unit target for 2022 now sold, signed, or reserved.

The Group has a total order book of 2,160 units, including 358 Suburban homes currently reserved for 2023 and 682 Urban apartments at various stages of development.

The continuing supply chain constraints and geopolitical backdrop has led to inflationary pressures that are directly impacting the Group's material and commodity costs. Nevertheless, we have seen early signs of labour availability returning and are expecting this trend to continue. Our expectation for CPI in 2022 remains at 6%.

The cost pressures are being offset by a level of House Price Inflation that reflects the underlying strength of the market and the Group's attractive product offering.

## **Urban**

We continue to make strong progress in our Urban segment with three forward fund transactions, completed or agreed:

- The Group has closed the forward fund transaction for 320 apartments in Barn Oaks, Citywest, Dublin. This site is now under construction and will deliver land sale and development revenue in H1 2022;
- Our Castleknock site, of approximately 190 apartments, has agreed Heads of Terms in place. We expect this transaction to deliver revenue in H2 2022; and
- Finally, Heads of Terms have also been signed on a forward fund transaction for approximately 140 residential units at Cluain Mhuire, Blackrock, Dublin. This is expected to close in H2 2022.

Having made significant progress monetising our Urban portfolio, our focus and attention will be on delivering these developments over the coming years, with future land investment in the Urban segment remaining dependent on greater clarity on planning regulation and visibility on the full impact of global supply chain disruption on the apartment segment.

## **Dublin Docklands**

Consistent with the Group's strategy of focusing our construction resources on Suburban housing and low-rise Urban apartments, we are pleased to announce the signing and sale of the high-rise apartment site at East Road in Dublin's Dockland's for a cash consideration of €63 million to Eagle Street Partners Group Limited ("Eagle Street"). This transaction is expected to close in the coming weeks.

The East Road site was purchased by Glenveagh in 2017 and following extensive master planning, design and place making the site now consists of 554 residential units with ancillary commercial space.

## **Innovation and Supply Chain Integration**

We remain focused on supply chain integration as it allows the Group to pursue standardisation, creates supply chain resilience, assists in maintaining control over costs during inflationary periods and provides opportunities to innovate our product offering to align with evolving customer demands in addition to meeting our sustainability ambitions.

To complement our investment in timber-frame to date, we have recently entered into a supply agreement with a Light Gauge Steel ('LGS') manufacturer whereby we will work together in our new Carlow facility to deliver a steel frame panelised system and to allow for the delivery of Glenveagh's own NSAI certification to produce enhanced panelised systems in the future.

As part of this agreement, Glenveagh will invest approximately €10m-€15m over the coming years in the necessary machinery, equipment, and certification to deliver approximately 750 LGS units per annum by 2024. LGS will support the delivery of typologies such as apartments and duplex's.

### **Continued Capital Efficiency**

The Group is focused on our three capital allocation priorities: investment in supply chain, land, and work-in-progress. Once these priorities are satisfied, any excess cash identified will be returned to shareholders.

Since the beginning of 2022, we have continued to invest in supply chain integration while investing €30 million in land and are also well invested in work-in-progress in line with our normal construction cycle which will unwind over the remainder of the year.

Additionally, the Group will successfully complete its second share buyback programme today bringing the total invested to approximately €190m with the repurchase of approximately 166 million ordinary shares.

With the closure of the East Road transaction expected in the coming weeks, and based on the above parameters, the Group has identified a further €75 million as excess capital. We intend to commence a new share buyback programme of up to €75 million upon the completion of the sale of this site (subject to renewal of the related resolutions at the AGM) and an announcement will be issued in due course.

This third share buyback programme will bring the total capital returns announced since our previous AGM in May 2021 to approximately €265m.

### **Outlook**

The Group remains on track to deliver our 1,400 Suburban home target for 2022 which is underpinned by our strategy of focusing on the more affordable segment of the market, which is aligned with Government policy.

The continued strategy of accelerating the monetisation of our Urban portfolio provides strong visibility on reaching our target of €500m land value by year end, while also allowing the business to improve capital efficiency through a further €75m share buyback programme.

The growth in the Suburban segment, allied with the Partnership's business which is set to materially deliver from 2024, means the Group expects to see continued growth in 2024 and beyond.

### **For further information please contact:**

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## **Note to Editors**

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 are 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. We are targeting to deliver 1,400 suburban homes and a number of urban apartment forward fund transactions in 2022. The landbank we have assembled can deliver housing that is both in demand and affordable.

[www.glenveagh.ie](http://www.glenveagh.ie)