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5 January 2023

Glenveagh Properties plc
Full Year Trading Statement 2022

Glenveagh Properties PLC ("Glenveagh" or the "Group") is today issuing a trading update for the year ended 31 December 2022 ahead of the publication of its full year results on Wednesday, 1 March 2023.

FY 2022 Performance Summary

- Strong revenue growth in FY 2022 of 36% to €649m, driven by the Suburban business segment
- 1,354 suburban units closed, up 50% on the 902 units closed in FY 2021 and 90% ahead of the 712 suburban units closed in FY 2019
- Urban transactions completed during the year are expected to generate overall revenue of over €310m
- Overall gross margin approaching 17% (FY 2021: 17.4%), with over 18% gross margin from suburban units (FY 2021: 17.5%)
- EPS consistent with Group guidance at 7.6 cents
- Landbank value decreased to approximately €465m (FY21: €563m) with further reductions anticipated
- Net debt of less than €15m
- Advanced the Partnerships segment with planning submitted for both Oscar Traynor Road and Ballymastone in H2
- Strong progress on the Group's sustainability agenda, including formally submitting its commitment to setting science-based targets to the Science Based Targets initiative (SBTi) and in Ireland through the Carbon Pledge. Launching Net Zero transition plan in March 2023

FY 2023 Update

- Forward suburban order book of 408 units contracted or reserved for FY23, which has been actively managed to benefit from strong underlying market demand that is further supported by updated Housing for All initiatives and the change to the Central Bank of Ireland's macroprudential rules that both became effective in January 2023
- A further €210m of contracted revenue anticipated in coming years from the Group's urban asset monetisation
- Notwithstanding strong underlying market demand, planning delays will have a near term impact on suburban unit completions for FY 2023 and in this context we now anticipate suburban unit deliveries in line with FY 2022 levels
- We also anticipate an EPS outturn broadly in line with the FY 2022 performance
- Initiating a further buyback programme to repurchase up to 10% of the Group's issued share capital, having returned approximately €145m of capital to shareholders in FY 2022

CEO STEPHEN GARVEY COMMENTED:

"We made very good progress across the business in 2022 and we continue to focus on scaling our operations to deliver high quality, sustainable homes. We have delivered strong suburban unit growth and have actively de-risked our urban land portfolio. We have also advanced our off-site manufacturing capabilities and look forward to using our sustainable and innovative manufacturing technologies to deliver for Irish homebuyers in the years to come. Our capital allocation framework has also enabled us to return approximately €145m to shareholders during the year.

The strong underlying demand in the Irish market continues to be driven by a combination of a robust economic environment, a fast-growing population and increasing levels of inward migration. This is putting further pressure on what is an already undersupplied housing market. Addressing this significant undersupply continues to be obstructed by dysfunctional planning policy.

The Government's demand-side initiatives have been supportive most notably for first time buyers. The increased recent focus on planning system reform is also to be welcomed and is an important first step to alleviate near-term planning gridlock. However, we would now strongly encourage that planning policy reform is expedited to solve the longer term structural supply issues the sector faces."

TRADING OVERVIEW

Total revenue for the year grew strongly, as expected, to €649m (FY 2021: €477m), driven primarily by increased suburban revenues in the year.

Group gross margin approaching 17%, including an improved suburban margin of in excess of 18%, was delivered while managing the highly inflationary environment in which the business operated for all of FY 2022.

Inflation across materials and labour remained elevated through the year and CPI was 8-9% for FY 2022, broadly in line with what the Group experienced in H1. We continue to work in close collaboration with our supply chain partners to secure sustainable, competitive pricing, while maintaining the security of supply. In addition, we have further developed our own supply chain capabilities to give us greater control over input costs and mitigate the effects of the inflationary environment.

The Group's operating profit was approximately €70m in FY 2022 (FY 2021: €50.6m) and Earnings Per Share was 7.6 cents, compared to 4.5 cents in FY 2021.

The Group ended the year with modest net debt of less than €15m. This capital efficiency was achieved through a reduction in the net investment in land and strong underlying cash generation from unit sales in H2.

SUBURBAN

The Group reported suburban revenue of €454m, primarily comprising 1,354 unit sales and the suburban Average Selling Price ("ASP) of approximately €330k (FY 2021: €308k) reflecting the Group's strong operational performance in a challenging environment. ASP increased by 7% as a result of portfolio mix and house price inflation in the period.

Glenveagh finished the year with 408 suburban units contracted or reserved for FY 2023 (FY 2021: 605). Though forward sales rates are lower than prior year levels, this is being actively managed to benefit from strong underlying market demand that is further supported by updated Housing for All

initiatives and the change to the Central Bank of Ireland's macroprudential rules that both became effective in January 2023.

Suburban gross margins improved as the business benefitted from a full year not impacted by COVID-19 related restrictions. FY 2022 margin exceeded 18% and suburban margin in the second half of the year was higher still at over 18.5%.

The Group acquired nine new sites in the year for a total consideration of €34m (excluding taxes and fees) and these sites are expected to deliver over 1,150 units over the coming years. The Group remains focused on prioritising structured land transactions which will enable more efficient standardisation of the suburban portfolio as well as maintaining an efficient balance sheet.

URBAN

In FY 2022 the Group made significant progress in the monetisation of the urban land portfolio. This has served to improve the Group's Return on Equity, generated excess capital to return to shareholders and has significantly de-risked its urban assets in a more challenging environment for apartment construction.

The four projects signed in FY 2022 – East Road, Barn Oaks, Castleknock and Cluain Mhuire - are expected to generate over €310m of total revenue. In total approximately €600m of urban revenue will be generated from the Group's urban asset monetisation, with approximately €210m yet to be recognised.

Urban gross margin was approximately 13% in FY 2022, modestly below guidance, reflecting the transaction mix in the period, in particular the impact of the forward sale of our development in Cluain Mhuire, Blackrock where revenue and profits will now be fully recognised at completion.

PARTNERSHIPS

The Group progressed well in the Partnerships business in FY 2022 and, as expected, lodged planning applications for both Oscar Traynor Road and Ballymastone in H2. An initial planning decision in favour of our Ballymastone application has been made, subject to any ongoing appeals. We would expect to receive a final planning decision on both by Q3 2023 and, as previously indicated, we will start construction immediately once planning approval is granted. This timeline supports our target that the Partnership business will generate revenue and profits from 2024.

SUPPLY CHAIN INTEGRATION

The Group has made significant additions to its supply chain in 2022, which will benefit the long-term ambitions of the business. Our planned facility in Carlow is anticipated to become operational in FY 2023. Together with our existing Dundalk facility and the newly acquired capacity from Harmony, this will provide the capability to produce in excess of 2,000 timber frames per annum from FY 2024.

Furthermore, the supply agreement with a Light Gauge Steel ('LGS') manufacturer will allow the Group to develop enhanced steel frame panelised systems. The focus for Glenveagh is now to integrate these capabilities effectively and maximise the value of these investments.

CAPITAL ALLOCATION

The Group continues to implement a prudent capital allocation strategy which is focused on three capital allocation priorities: land, work-in-progress, and investment in supply chain. Once these priorities are satisfied, the Group intends to return any excess cash identified to shareholders.

Today the Group is pleased to announce the intention to commence on 6 January a further share buyback programme to repurchase up to 10% of its issued share capital. This follows approximately €145m of capital having been returned to shareholders in FY 2022.

OUTLOOK

The Group is very well positioned to grow longer term revenue and profitability, with a busy development schedule across our sites in what remains a strong market environment. Against this backdrop the Group's FY 2023 performance has been shaped specifically by planning momentum.

As noted in our H1 2022 Results, the current planning system and the delays experienced in getting timely decisions has directly impacted the business. In this context, we now anticipate that suburban unit deliveries for FY 2023 will be broadly in line with FY 2022 levels, and lower than our previous expectation of 1,700 units. This is driven by the fact that the Group has planning permission for 80% of the suburban units it had previously intended to deliver in FY 2023 and continues to await decisions on the remaining 20% which are currently more than 10 months overdue.

Though some of this delay in unit deliveries could have been mitigated with short term actions, an adjustment to our FY 2023 expectation is necessary so that the Group does not compromise on its strategy to incorporate high-density and standardised house types into our manufacturing and delivery process. Such a strategy ensures that the Group prioritises long term value creation.

We currently anticipate an EPS outturn for FY 2023 broadly in line with the FY 2022 performance.

The Group has a very healthy land portfolio and continues to have strong confidence in its capacity to achieve its 2,000 suburban unit target, as well as the continued delivery of urban projects and first revenue from its developing Partnerships business for FY 2024. We will also continue to focus on generating greater balance sheet efficiency which supports our confidence in achieving a Return on Equity of 15% by 2024.

Further guidance will be provided in the Full Year Results announcement on 1 March 2023.

ENDS

The person responsible for arranging the release of this announcement on behalf of Glenveagh is Chloe McCarthy, Group Company Secretary.

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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

This announcement does not constitute or form any part of an invitation to underwrite, subscribe for or otherwise acquire or dispose of any shares of Glenveagh Properties plc (the "Company" or "Glenveagh").

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.

These forward-looking statements are made as of the date of this document. The Company expressly disclaims any obligation to update these forward-looking statements other than as required by law.

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).