



Glenveagh Taylor Hill, Balbriggan, Co. Dublin



**Glenveagh**  
Properties PLC

# Pathway to our 2020 Targets

November 2018



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Appendix I – Business Unit Overview

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## **Presenting Team**

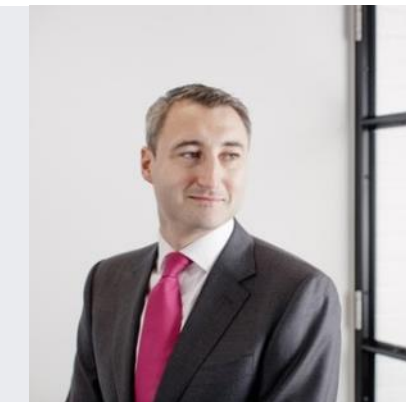
**Justin Bickle**  
Co-Founder & CEO



**Stephen Garvey**  
Co-Founder & COO



**Michael Rice**  
Chief Financial Officer



**Conor Murtagh**  
Director of Strategy & IR



# Introduction

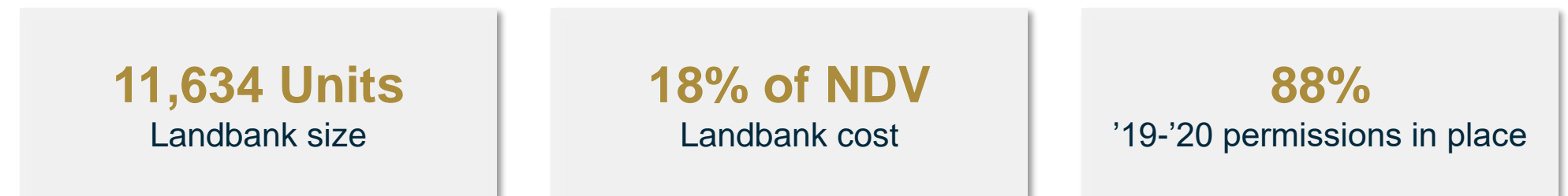
## Strong progress - building blocks in place to deliver business plan



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- **Land**
  - Strategically located 11,634 unit landbank acquired at less than 18% of NDV
  - Two further in-fill acquisitions announced today in Dublin and Cork for a combined acquisition cost of c. €20 million capable of delivering in excess of 265 units
  - Strong visibility on deployment of remaining Capital Raise proceeds within nine months
- **Construction and Planning**
  - Commenced on 14 sites year to date for Homes with c.800 residential units under construction during 2018
  - 88% of planning permissions in place to deliver 2019 / 2020 unit delivery targets (725 / 1,000 units respectively)
    - Balance of applications are progressing through the planning system with the relevant zoning in place
  - Targeting 2,500+ units by 2023 across Homes and Living
- **Sales**
  - On track to hit 250 completed sales target for 2018
    - Confirmation of exact sales outturn in January 2019 trading update
  - Completed units are weighted towards starter home sites
- **Group**
  - Majority of construction and support teams now in place to deliver 2020 Targets and beyond
  - 240 employees in Group with a strong network of 1,000+ sub-contractors

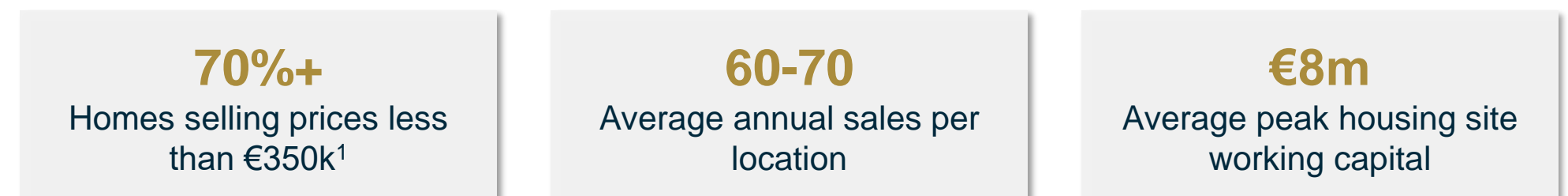
### Attractive landbank



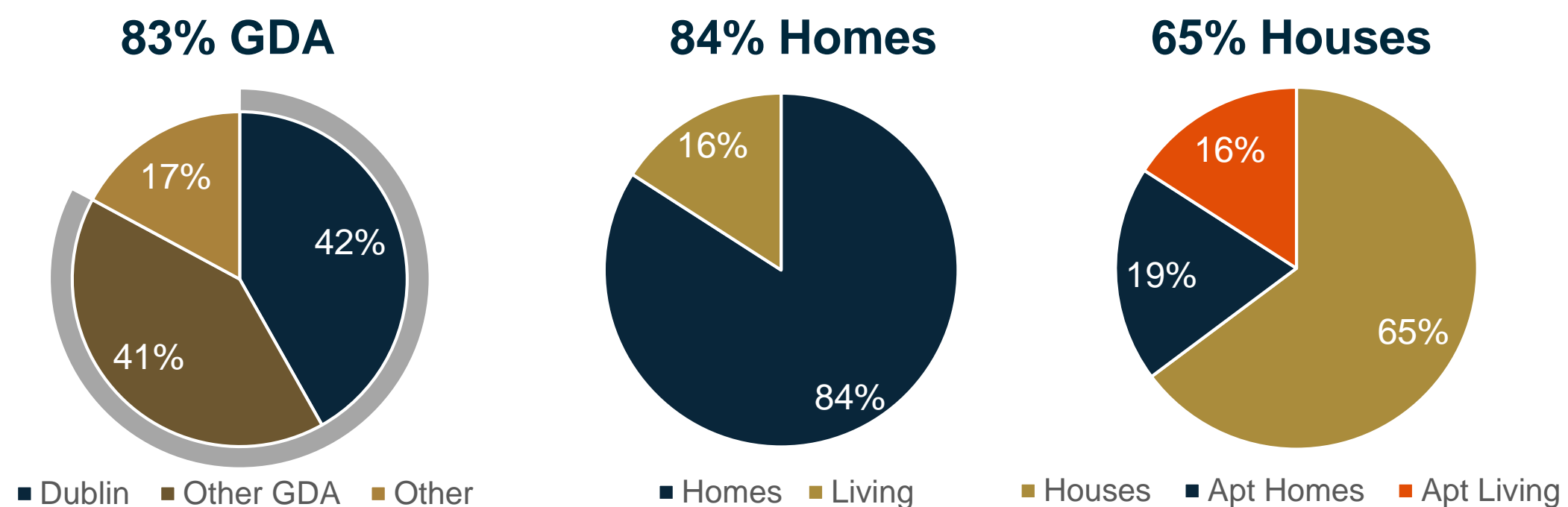
### Proven delivery platform



### De-risked business model



### Portfolio snapshot



Note 1: Inclusive of VAT. Based on 2018-2021 deliveries

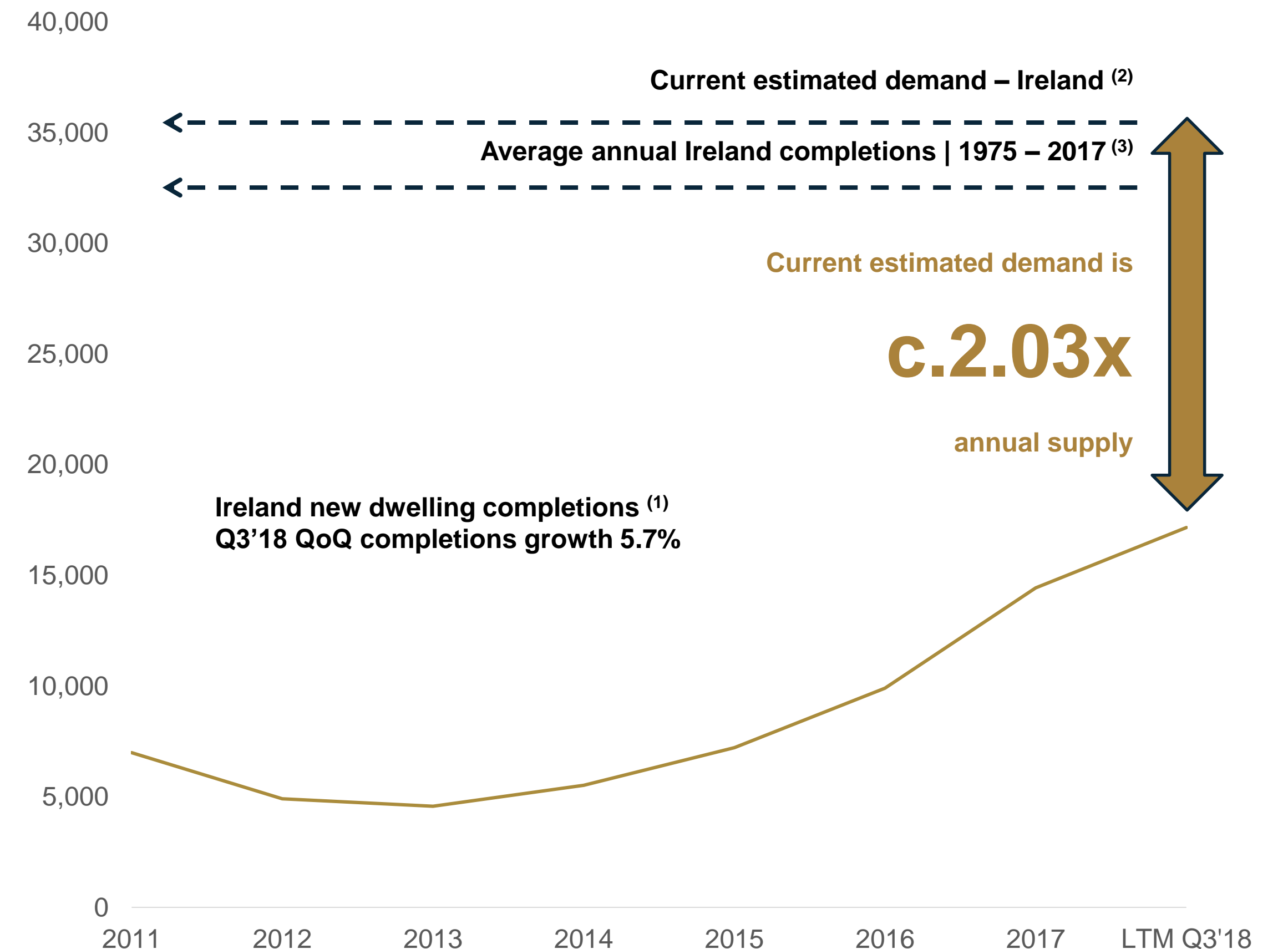
# Introduction

## Very favourable backdrop for volume homebuilding

### Strong macro conditions mean significant demand for new housing

<b>Robust GDP growth in Ireland</b>	<b>4.2%</b>	GDP growth forecast (2019)
<b>Strong population growth</b>	<b>1.2%</b>	Forecast population growth CAGR (2016-26)
<b>Attractive demographics with young population</b>	<b>23.3%</b>	% of 18 – 35 year olds in population (2017)
<b>Rising employment</b>	<b>3.4%</b>	Annual Increase (2017 - 2018)
<b>Mortgage availability</b>	<b>9.4%</b>	Increase in mortgage approvals (2017-2018)

### ... yet new builds remain under-supplied



Source: Department of Finance (SPU 2018, April 2018), CSO(based on 2016 Consensus of Population), Banking & Payments Federation Ireland  
 Note: CAGR = compounded annual growth rate  
 1. Source: CSO, New dwelling completions  
 2. Source: Economic and Social Research Institute (ESRI), Quarterly Economic Commentary Summer 2017  
 3. Source: CSO, National ESB Connections 1975 - 2017  
 \*LTM – last twelve months

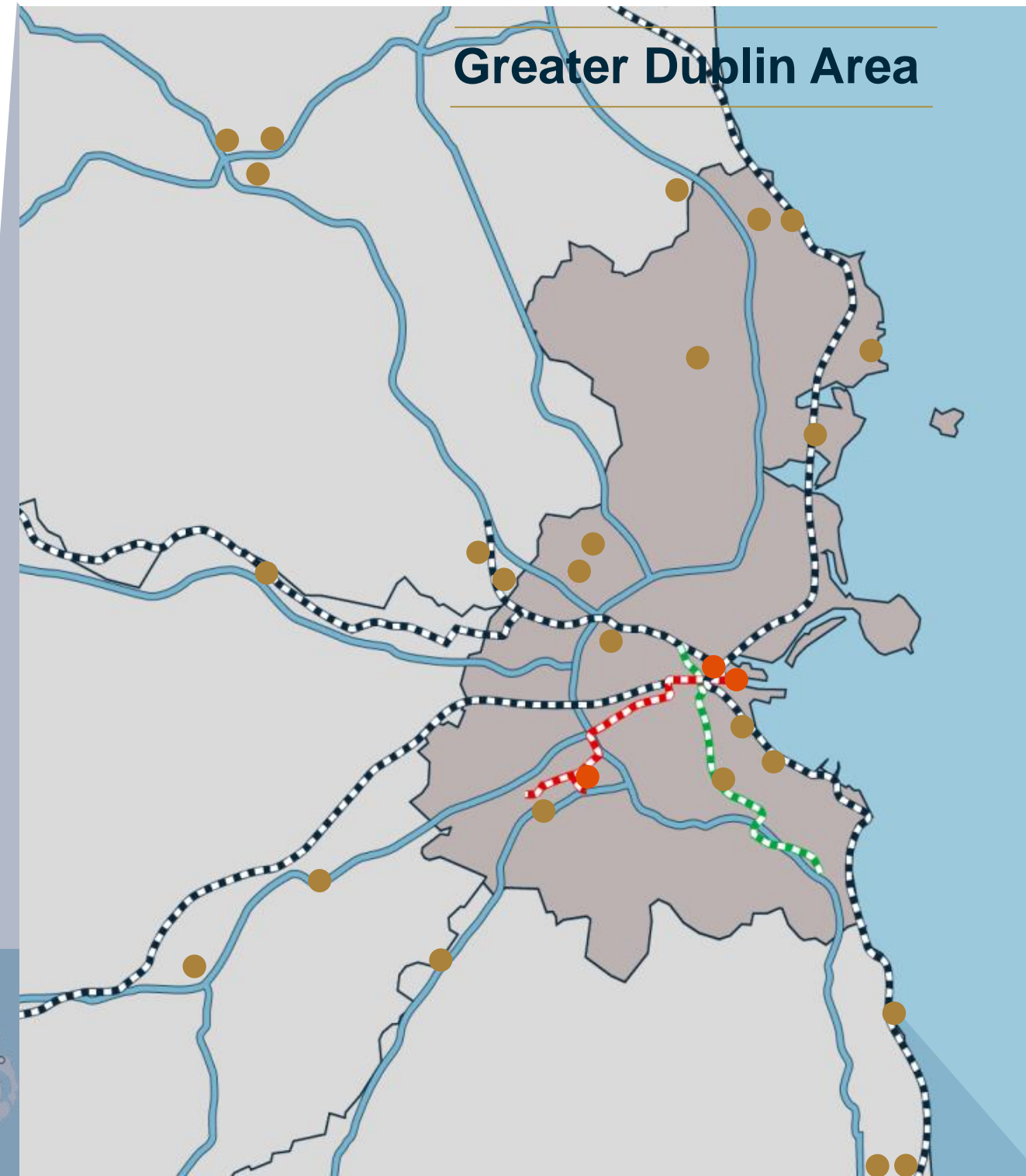


# Introduction

## Glenveagh: a resilient, volume homebuilder in Ireland



- Commuter Rail
- Luas Green Line
- Luas Red Line
- National Road



- Homes
- Living



Location of Units	Potential Units / % of total
Greater Dublin Area	9,656 / 83%
Other Key Locations	1,978 / 17%



Two complementary business units – Homes and Living



Homes develops and builds starter, mid-size, high-end and executive houses and apartments with an emphasis on starter homes



Living focusses on delivering PRS and Partnership opportunities

Focused and disciplined land acquisitions to drive shareholder value - Key criteria:

Location	Margins	Infrastructure	Quick turn of landbank
Developing in attractive locations where the demand supply imbalance is most chronic	Disciplined focus to achieve attractive margins in line with projections	Availability of infrastructure, including site services and transportation (rail and road)	Early units delivery for the years 2018 to 2020

Operational and Financial Targets		
Unit delivery (p.a.)	Gross margin	ROCE
Long-term target of c.2,500+ <sup>1</sup>	Long-term target of 20%+ from 2020	Long-term target of 25%+

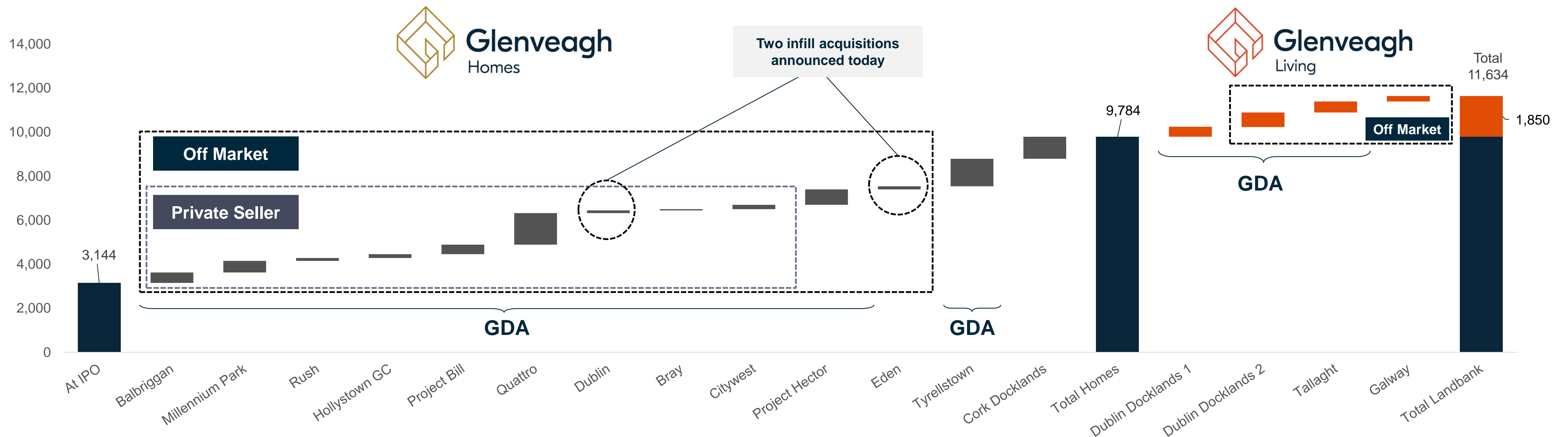
**Glenveagh is on track to become Ireland's volume homebuilder**

Note 1: Homes and Living combined. Updated guidance to be provided when balance of Capital Raise proceeds have been deployed

# Our Attractive Development Land Portfolio

## Landbank assembled largely off-market – c.75%<sup>1</sup>

- The Group has strategically grown its development portfolio by 270% since IPO and now possesses a landbank in excess of 11,600 units across Homes and Living
- Recent acquisitions include Eden, Cork and the first instalment of a site assembly in Co. Dublin
- The portfolio remains Greater Dublin Area (“GDA”) focussed (83%), with a weighting toward starter home product (70%+ sub €350k<sup>2</sup>), along with an attractive PRS portfolio



**We have a demonstrable track record in buying land off-market**

Note 1: By site cost  
 Note 2: Based on 2018-2021 deliveries



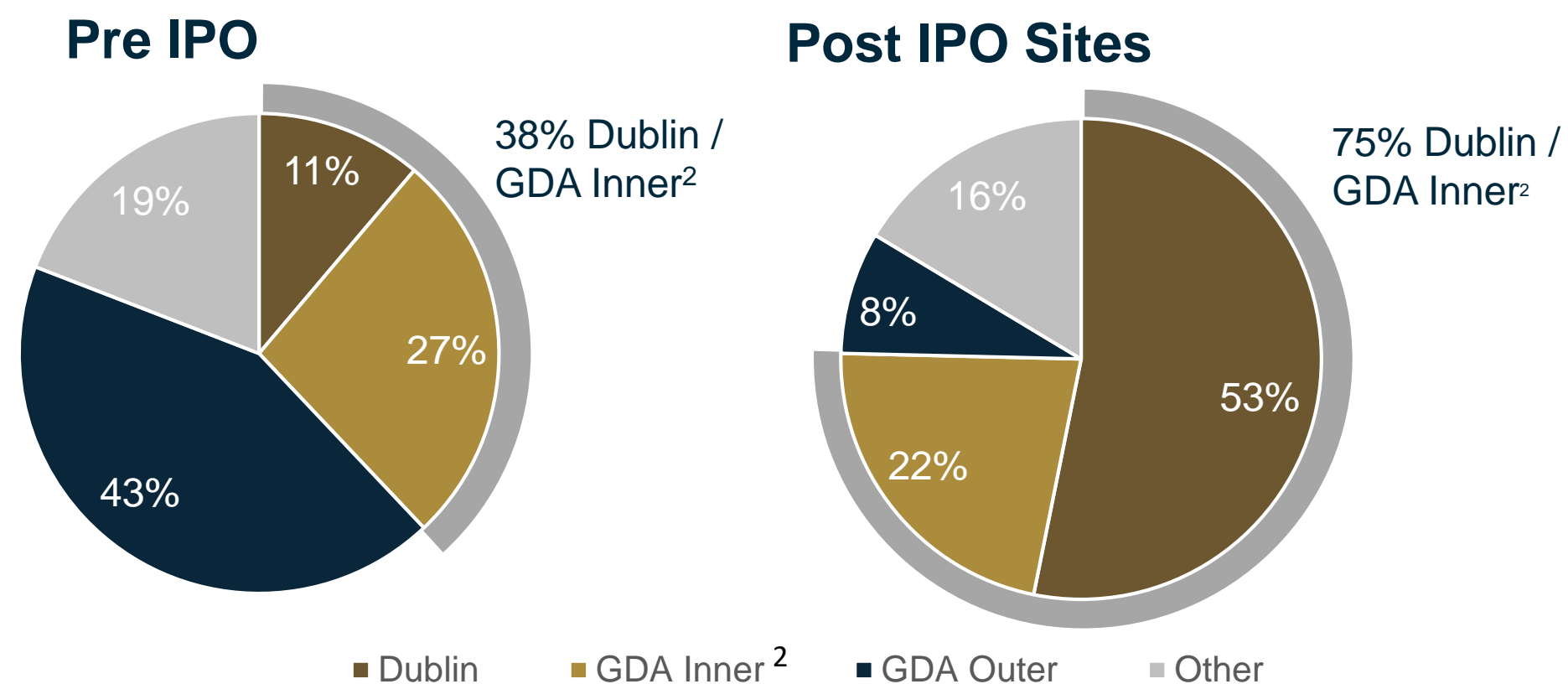
# Our Attractive Development Land Portfolio

## GDA focussed landbank assembled off-market at attractive values

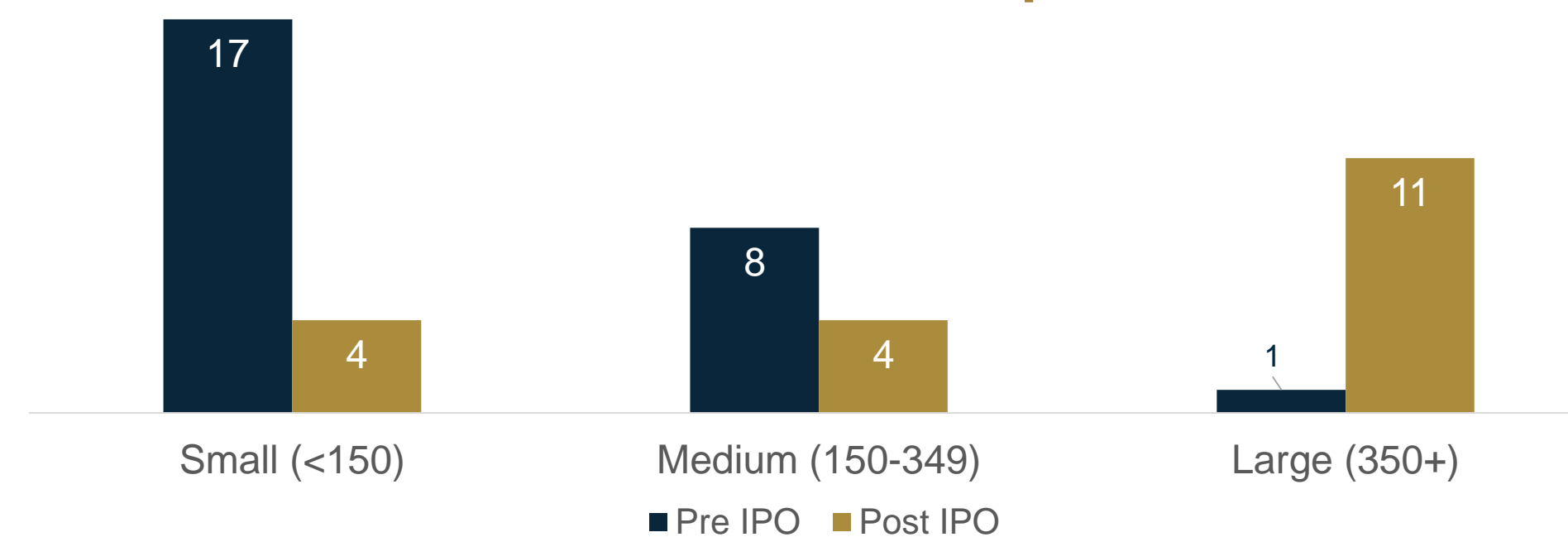
- Current landbank of 11,634 units (up from c. 3,000 at IPO)
  - Portfolio now Dublin centric (c.53% vs.11% at IPO)
- Development landbank has been assembled at attractive rates – c.18% of Net Development Value (“NDV”)
- 70%+ of portfolio is focused on unit selling prices sub €350k<sup>3</sup>
- Multi-year sites de-risk delivery and allow for standardisation and footprint optimisation
- Targeting 60-70 sold units per site per annum
  - Site diversification reduces selling risk

### Increasingly attractive portfolio...

#### Increasingly attractive site locations

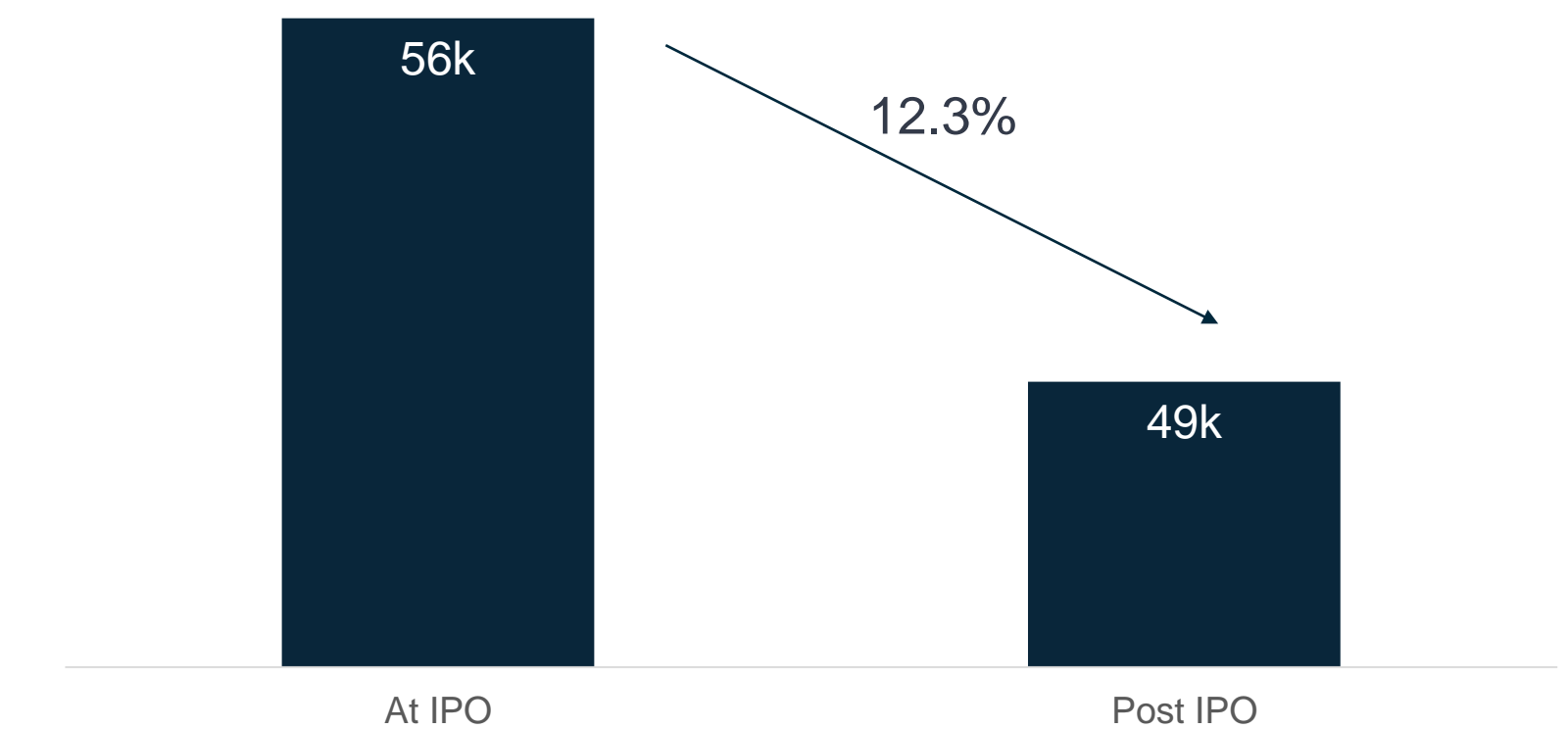


#### ....with a balanced site size and portfolio mix

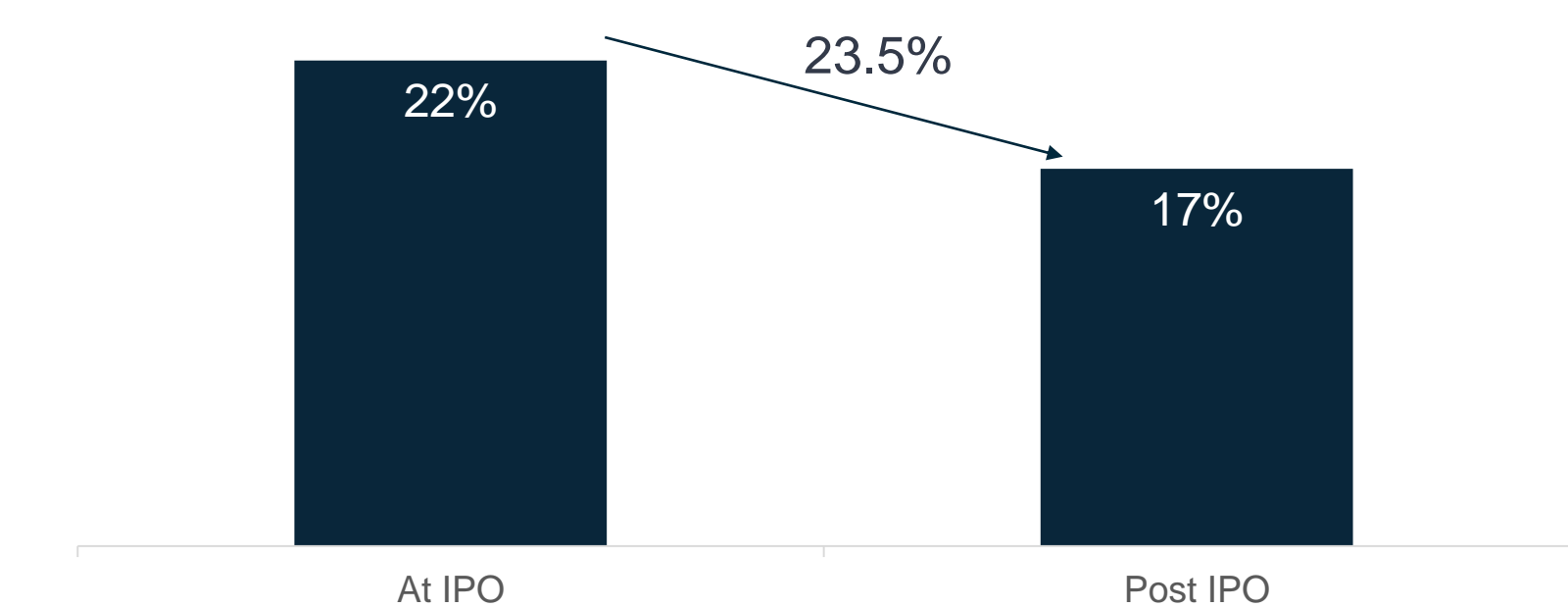


### ...assembled at attractive creation values

#### Lower average site cost per unit(€)<sup>1</sup>



#### Lower site cost as a % of NDV<sup>1</sup>



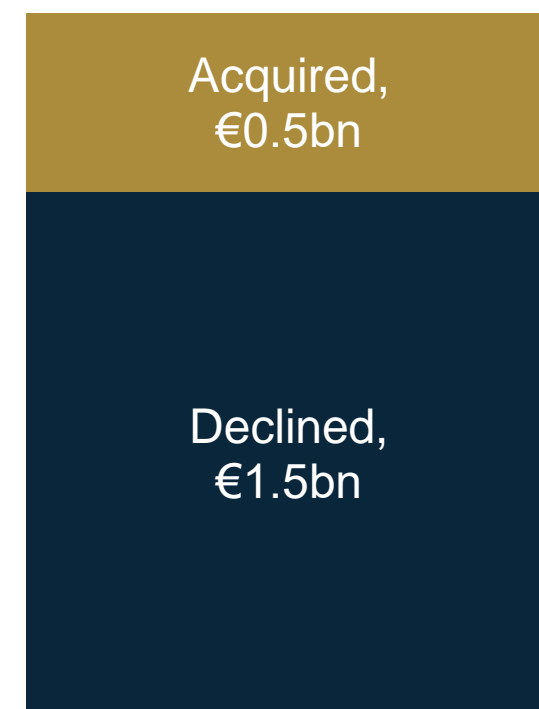
**We have improved our portfolio at the same time as reducing cost per site and cost as a percentage of NDV**

Note 1: Ex. fees and stamp duty  
 Note 2: Less than 45km or 1 hour from Dublin City Centre  
 Note 3: Based on 2018-2021 releases

# Our Attractive Development Land Portfolio

## Attractive pipeline of land opportunities continues to exist

Over €2.0bn of land opportunities assessed



- **Disciplined deployment of equity proceeds in line with key underwriting criteria (financial and operational)**

Strengthening long-term landbank via further acquisitions

- Increase exposure to certain GDA locations which are currently underweight
- Allocate capital to selective sites closer to Dublin City
- Increase our long-term margin opportunity
- Continue to acquire attractive ROCE sites to assist in delivering our long-term target (25%+)
- Further de-risk the ramp-up in deliveries

Near term opportunities:

	Estimated no. of sites	Estimated cost <sup>(1)</sup>	Potential no. of units
Exclusivity	1	€2.9m	80
Advanced negotiations	9	€123m	2,269
Active consideration	11	€494m	7,010




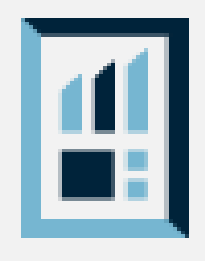



1. Excluding stamp duty and transaction costs



# Construction Progress and Operations

## Managing CPI by capitalising on our scale advantages

Glenveagh's scale advantages, and our experience in utilising various construction methodologies<sup>1</sup>, mean we are able to minimise CPI impact at each delivery stage - c.4% guidance maintained

 <p><b>Site Clearance</b></p> <p>Infill quarry acquisition for the disposal of inert material, such as topsoil and overburden</p>	 <p><b>Infrastructure Delivery</b></p> <p>Long-term fixed price rates with key delivery partners across each multi-year development site</p>	 <p><b>Procurement</b></p> <p>Centralised procurement and the introduction of volume linked rebates</p>	 <p><b>Construction</b></p> <p>Utilising timber frame to reduce construction times and guarantee delivery</p>	 <p><b>Standardisation</b></p> <p>Standard house type roll-out progressing with work continuing on apartment standardisation</p>
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Current CPI – c.4%		2018 Costs Fixed	2019 Costs Fixed	Future CPI
Labour / Materials Mix	60/40			<ul style="list-style-type: none"> <li>2020 costs will be largely locked in by March 2019</li> <li>Benefits of scale and standardisation through 2020 and beyond</li> </ul>
Labour Inflation	c.6%	>99%	73%	
Materials Inflation	c.2%			

Active cost control and underwriting during 2018 means limited re-pricing risk going forward – c.4% CPI guidance maintained

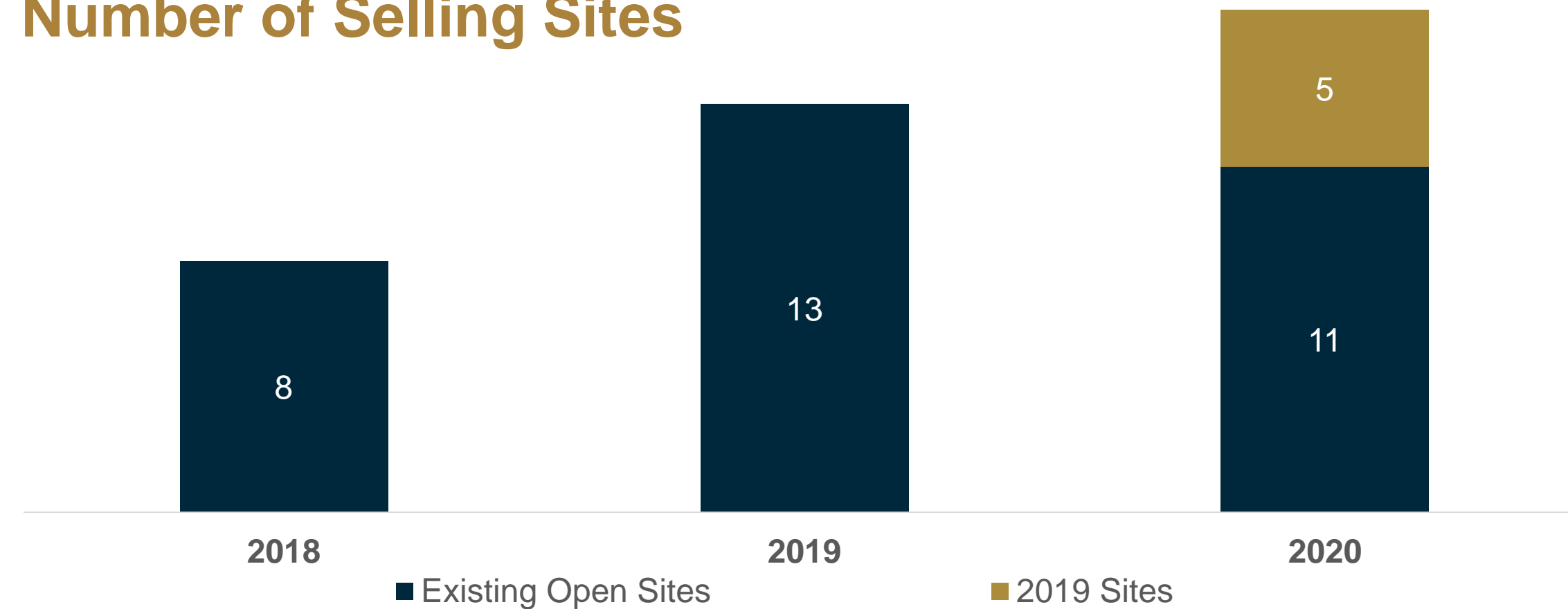
Note 1: Timber frame, masonry and modular



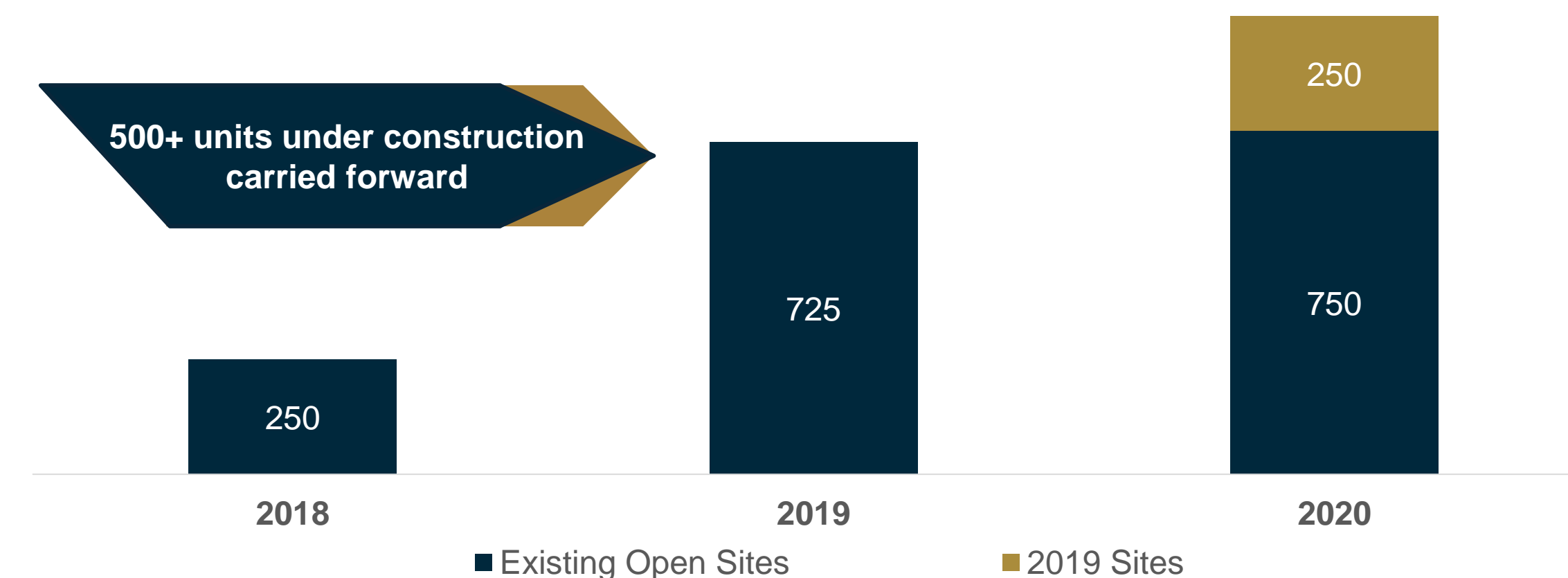
# Active Selling Sites

## Clear path to 1,000 units by 2020

### Number of Selling Sites



### Unit Numbers from Selling Sites
























- **2018 delivery target - 250 units**
  - On track to hit 250 completed sales target for 2019
  - Confirmation of exact sales outturn in January 2019 trading update
  - Completed units are weighted towards starter home sites
- **2019 delivery target - 725 units**
  - All sites necessary to deliver 2019 are now open
  - We are already constructing 500+ of our 725 target
- **2020 delivery target – 1,000 units**
  - Our 2020 target of 1,000 units can be delivered on land from our existing landbank
  - 75% will be delivered where we are actively constructing, with the remainder delivered from five sites within our portfolio opening in 2019
  - We also plan to open further construction sites in 2019 to continue to de-risk our 2020 target
- **Targeting 2,500+ units by 2023 across Homes and Living**

**Strong visibility on delivering our 2020 unit targets without deploying further capital - all sites active by H2 2019**



# Active Selling Sites

## Strong demand and HPI in our multi-year starter homes schemes

		2018	2019	2020	Sales Rate (Weekly) <sup>3</sup>	Starting Price <sup>4</sup>	
		Deliveries <sup>1</sup>	Deliveries	Deliveries		2-Bed	3-Bed
2018 Deliveries Sites	 Glenveagh Taylor Hill	224			1.95 sales per site per week	€260k	€290k
	 Glenveagh Cois Glaisin					€225k	€260k
	 Glenveagh Cluain Adain					€220k	€280k
Other Active Starter Home Sites	 Glenveagh Cnoc Dubh	Opened Q2 2018			N/A	€325k	€340k
	 Glenveagh Knightsgate	Opened Q2 2018				-	€310k
	 Glenveagh Semple Woods	Opened Q2 2018				-	€370k
	 Glenveagh Ledwill Park	Opened Q4 2018				€275k	€295k

- **Glenveagh's landbank is well positioned to deliver starter homes across the multi-year sites in our portfolio**
- We believe that this segment of the market is the deepest and has the greatest capacity for HPI given the LTI rules – prices start at €220k
- **Going forward the starter home product will represent 70%+ of Homes output**
- Despite a standing start and lack of open show villages in H1 2018 the Group's multi-year starter home sites have made significant progress in H2
- **The quality of the build and attractive price points has also resulted in significant demand from the end customer**
- 2 & 3 bed units represent c.85% of product

**YTD HPI of 6% on starter home sites delivering in 2018<sup>2</sup>**

Note 1: Full year estimates

Note 2: Annualised. Includes sites launched mid-year

Note 3: Occupied units only.

Note 4: Prices include VAT and therefore do not correspond to Company revenue



# Conclusion

## Delivering on our 2019 & 2020 unit guidance<sup>1</sup>

**100%** • We own all the land needed to deliver our 2019 and 2020 Targets

**88%**

- Necessary active planning permissions already in place
- Clear pathway to de-risk planning to 2020 and beyond

**88%**

- Necessary active construction sites (14 out of 16)
- Ability to open additional sites from within our portfolio to further de-risk our unit Targets

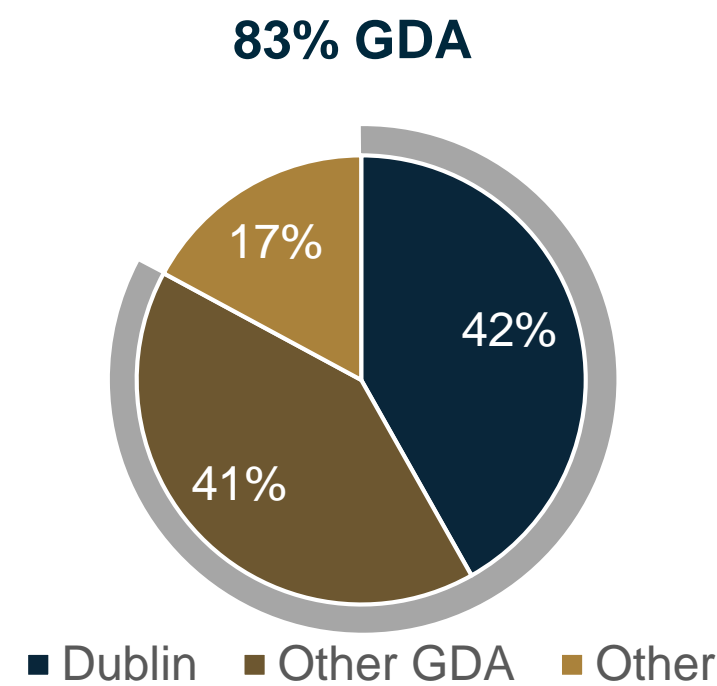
**69%**

- Homes already under construction for 2019 (500 out of 725)
- Great progress on sites utilising timber frames and continued product innovation and standardisation

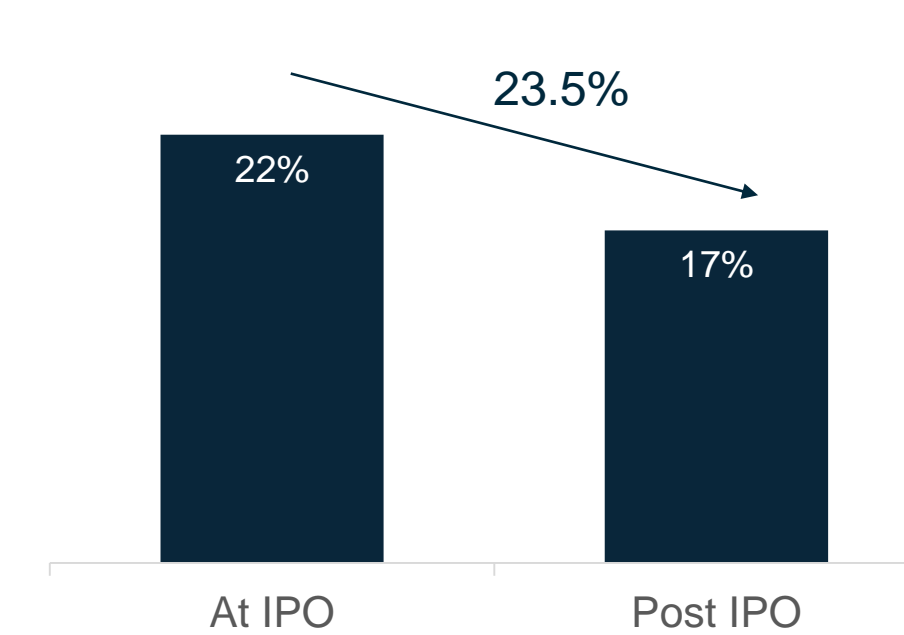
**250**  
**725**  
**1,000**

- Management confident in hitting its 2018, 2019 and 2020 Targets

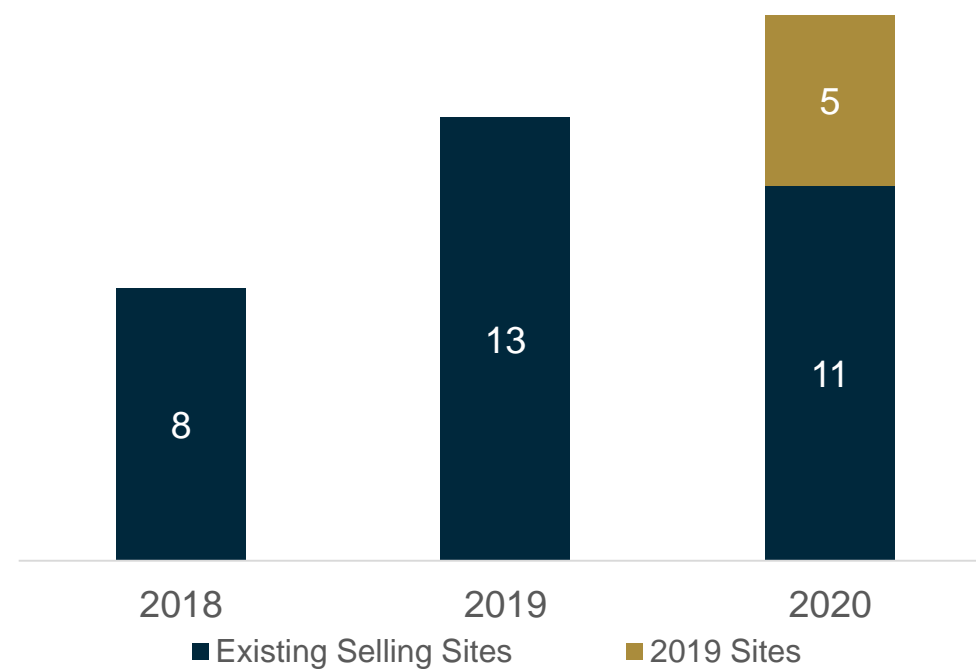
### Strong landbank locations



### Assembled at attractive creation values



### With near-term deliveries covered



### We have eight active starter home schemes with more to open in 2019 and 2020



 **Glenveagh**  
Taylor Hill



 **Glenveagh**  
Cois Glaisin



 **Glenveagh**  
Cluain Adain

Note 1: 2023 target 2,500 units+ at a Group level. See Appendix I for further detail  
Note 2: As at 09/11/18



# Conclusion

## Beyond 2020

### Key IPO Financial Metrics Unchanged

ASP targets, net of VAT

ASP  
€330k - €350k from 2021

Gross margin

- 20% by 2020
- Long-term target of 20%+

Central costs

- c.5% of revenue by 2020
- Less than 5% from 2021

Leverage

€250m of leverage available through working capital facility. Our maximum leverage threshold is 25% of net assets

ROCE

Long-term target of 25%+

### Unit Delivery Targets – Increased from IPO

A minimum of 2,500 units per annum at scale across both business units



- Minimum of 1,000 units by 2020
- Minimum of 2,000 units by 2023



- Existing 1,850 PRS pipeline delivered by 2024 (1<sup>st</sup> completions H2 2021)
- Future Mixed-Tenure deliveries are incremental to Group delivery targets

Further annual volume guidance will be provided once the proceeds from our recent Capital Raise have been deployed

We remain confident about our business and market, in our ability to hit our Targets, and to deliver shareholder value



# Conclusion

## Next investor update

## Financial & investor calendar

13 November 2018	Posting of Conference Season Presentation
13 November 2018	Investec Best Ideas Conference
16 November 2018	Goodbody Boston Conference for Irish Property and Financial CEOs
30 November 2018	Goodbody Annual Equities Conference
04 December 2018	BAML Construction, Chemicals and Paper Conference
04 January 2019	Davy Annual Equities Conference
<b>January 2019</b>	<b>2018 Trading Update</b>
<b>04 March 2019</b>	<b>Full-Year Results Announcement</b>

**Full-year  
Results  
March  
2019**

- We will release our full-year results on 4 March 2019
- At that time we will update investors on:
  - Further progress in de-risking our medium-term targets
  - The strategy for our Glenveagh Living business in delivering PRS and Mixed-Tenure
  - Our progress in deploying the proceeds from our recent Capital Raise

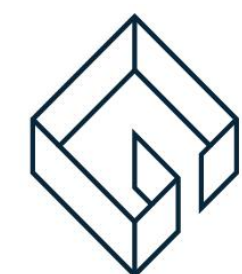






# Appendix I Business Unit Overview

Glenveagh Cluain Adain, Navan, Co. Meath



**Glenveagh**  
Cluain Adain



# Business Unit Overview

## Glenveagh Homes

### Glenveagh Homes' primary focus is on delivering high quality starter homes

#### Land

- 67% of private buyers are first time buyers
- Focus on the Greater Dublin Area (c.83%) with selective deployment of capital in Cork and Limerick
- Focus on multi-year delivery opportunity
- Ability to source sites at attractive margins both on and off-market

**41/9,784<sup>1</sup>**  
Number of sites / number of potential units

**c.800**  
Units under construction during 2018

**14<sup>1</sup>**  
Sites Open

#### Delivery

- High quality of construction
- Standardisation of product
- 1,000+ strong sub-contractor network, up from 650+ at IPO
- Multi-year framework agreements with key suppliers

**8**  
Active selling sites

**1,000+**  
Sub-contractor network

**Delivering modern, well built, space efficient and value for money homes in areas of highest demand**

# Business Unit Overview

## Glenveagh Living




### Glenveagh Living designs, develops and delivers residential solutions for institutional investors and public bodies

- Complementary to Glenveagh Homes business
- Increases access to prime site opportunities
- Diversifies risk through Mixed-Tenure delivery
- Efficient capital deployment with emphasis on ROCE

	Partnerships		Private Rental Sector (PRS)
	Mixed-Tenure	Joint Ventures	
What	<ul style="list-style-type: none"> <li>• Collaboration with Local Authorities</li> <li>• Delivering placemaking schemes at scale</li> </ul>	<ul style="list-style-type: none"> <li>• Collaboration with land owners to unlock value</li> <li>• Utilises Glenveagh’s scale, planning expertise and deep relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Delivery of new homes specifically designed for rental accommodation</li> <li>• Portfolio of 1,850 potential units assembled since IPO</li> </ul>
Advantages	<ul style="list-style-type: none"> <li>• Less capital intensive</li> <li>• Multi-year building opportunities</li> <li>• Creation of annuity like revenue streams even in a market downturn</li> </ul>	<ul style="list-style-type: none"> <li>• Less capital intensive</li> <li>• Lowers risk</li> <li>• Delivers additional built units over current targets</li> </ul>	<ul style="list-style-type: none"> <li>• Capitalise on Ireland’s structural shift to rental</li> <li>• Demographics and investor appetite strongly support demand for PRS, particularly in Dublin and gateway cities</li> </ul>
Potential Partners	<ul style="list-style-type: none"> <li>• Local Authorities</li> <li>• Approved Housing Bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Private landowners without capacity to develop land</li> <li>• NAMA, not for-profits and religious orders</li> </ul>	<ul style="list-style-type: none"> <li>• Institutional investors</li> <li>• Pension funds</li> <li>• SWFs</li> </ul>

Provides attractive returns and mitigates risk through the cycle





# Appendix II Case Study – Taylor Hill, Balbriggan

Glenveagh Taylor Hill, Balbriggan, Co.Dublin



**Glenveagh**  
Taylor Hill



# Case Study - Glenveagh Taylor Hill, Balbriggan

- Capacity to deliver at least 610 homes
- Phase 1 completion Q4'18 (135 units)
- Full planning permission in place to deliver Phase II and we have optionality to drive additional apartment mix in future phases
- Use of timber-frame construction for houses
- Started selling from pre-sales units in February and show home from May 2018
- 90 units sold, signed or reserved for 2018 representing sales rate of 1.95 units per week
- Prices from €260k (2 bed) to €350k (4 bed)
- Strong HPI achieved on two and three bed units





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