

Summary Points of Update provided to AGM by David Kelly, CEO FBD Hotels & Resorts

Introduction:

- At last year's AGM in August 2020, our Irish Hotels had re-opened in late June and were trading well, while Spain was still at a virtual standstill due to the restrictions in travel
- By year end, Ireland suffered 2 further lockdowns, in mid-October and late December, and the restrictions on travel to Spain never lifted
- This meant we were open for only 25 weeks in Ireland, and virtually only 10 weeks in Spain in 2020
- Covid19 has been the biggest challenge in the history of the Global Hospitality Industry, and in the history of FBD Hotels & Resorts
- However, we are now starting to see good progress as lockdowns are eased. Market demand is very strong

Results for the Year 2020

- All of the closures of our businesses meant our total revenue fell €39m or 62% in 2020 - Spain was down 75%, while Ireland was down 50%
- Spain's visitor numbers fell from 82m to 19m - 77% fall
- Our Group loss for the year was €1.6m - Leisure minus €3m and Property plus €1.5m
- Our losses came in at the lower end - we were forecasting €3m/€4m losses at one stage
- Our property sales in La Cala had a good year in the circumstances - 32 built units sold for €11m Gross (€2.5m to us) - 46 units closed/handed over for €4.1m to us versus €3.4m in 2019
- Property closings were key for our cash
- €15.75m liquidity at year end 2020 - €10.8m Cash and €5m of unused facilities
- We entered 2020 with strong cash and a strong balance sheet with low leverage
- We availed of moratoriums from AIB, borrowed more from our Spanish Banks, €6m, added more bank facilities as a buffer, minimised costs and availed of all Government supports
- We have not needed any support from our shareholder
- At year end 2020 we had Net Debt of €39.2m - Liquidity of €10.8m and Bank Debt of €50m- This is €4.5m higher than at year end 2019 - Net Debt to Asset MV €190M of 21%-18% at YE 2019
- No material movement in our Asset Values - €190m versus €150m in our Balance Sheet

Where we are today/Outlook

- Our Irish Hotels were closed for 5 months and re-opened on 2nd June - trading has been excellent since we re-opened-Faithlegg and The Heritage are full and Castleknock Hotel is significantly ahead of the Dublin market -Summer trading should be excellent
- Spain is still significantly hampered by travel restrictions but progress has started - net positive bookings in past 8 weeks from July onwards
- The UK's stop/start on travel is a negative for Spain and Ireland
- Property in La Cala has had an excellent 2021 so far - 23 units sold for €6.6m Gross and 27 units closed for €2.55m to us
- Last week €2m of sales in La Cala in 5 days
- Still huge uncertainties / early days / still unstable

Summary Points of Update provided to AGM by David Kelly, CEO FBD Hotels & Resorts

- Leisure Revenue will be down circa 40 / 50% this year - Spain minus 60% and Ireland minus 40% - we have lost 5 months trading in Ireland and Spain still very limited
- We expect Ireland to be hitting pre Covid levels in 2022 and Spain to be behind by 20/30% in 2022 and back to pre-Covid levels in 2023
- Leisure back to profitability this year and Property to be in profit - however still unstable and 2021 will not be a full trading year
- We currently have 380 units in JVs with Taylor Wimpey (TW) at La Cala - 265 or 70% are sold - 55% were sold at the end of 2019
- Another 190 units to be transferred into our JVs by year end to bring total to 570 units
- Minimum amounts guaranteed by TW - We have earned €22m so far from TW sales-Of the units in JVs €27m is guaranteed and a further €8m guarantee for the 190 new units to be put in by year end-we have sold €97.7m Gross of property sales with TW in LCR in 6 years- underpins cash flow going forward
- However, we need to remain cautious and focus on liquidity
- All our Irish people back-starting to bring back some Spanish

Conclusion

- Cautious optimism
- Still huge uncertainties / far from stable
- Ireland ahead of Spain in terms of recovery by about 12 months
- Focus on what we can control
- Property holding up well-Post covid - property will be good
- Liquidity still king
- With no further lockdowns we are making progress
- No further lockdowns = profits in 2021