

Farmer Business Developments plc

2023 Annual General Meeting

Friday, 9th June 2023

**Irish Farm Centre
Dublin**

Farmer Business Developments plc



**Padraig Walshe,
Chairman, Farmer Business Developments plc, 2010-2023**

Chairman's Presentation to Shareholders

**Pat Murphy
Chairman**

2022 Highlights

- **€17.9m Profit after Tax**
- **Excellent performance by FBD Hotels & Resorts:**
 - Strong Leisure recovery after lifting of Covid restrictions
 - Purchase of Killashee Hotel for €25m in April 2022
 - Record Property sales in La Cala
- **Solid results by FBD Holdings plc**
 - Resumption of dividend payment after Covid

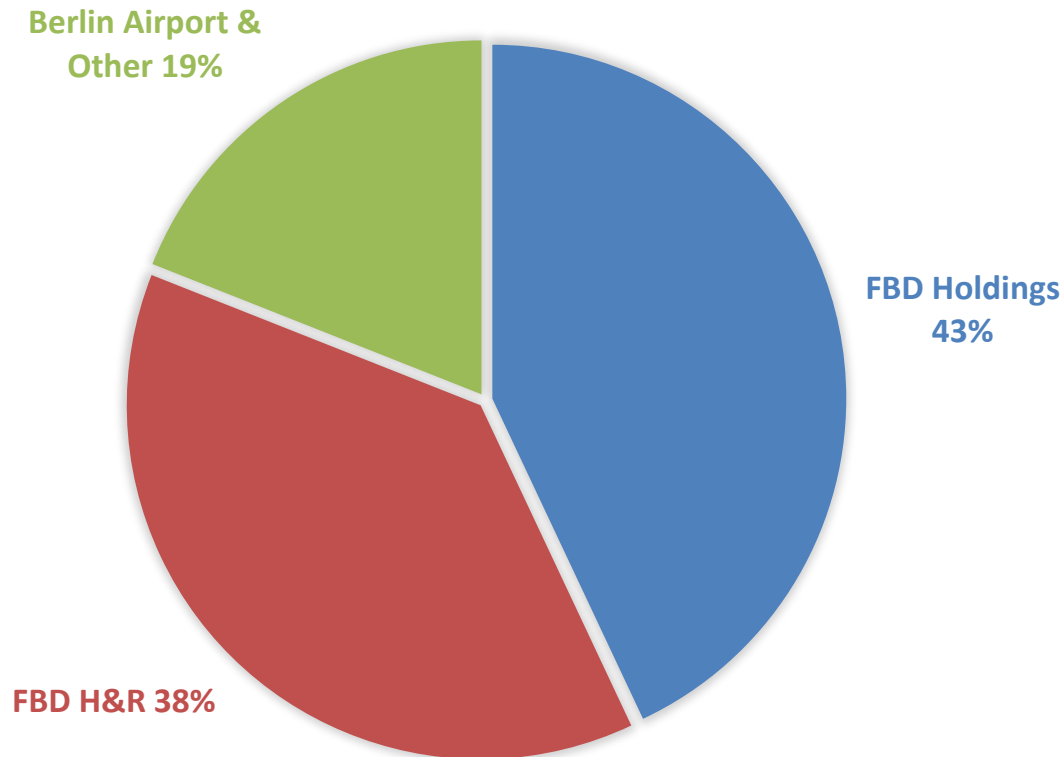
2022 Results: Divisional Summary

- **FBD H&R EBITDA:** €18.7m (2021: €13.1m)
- **Bulberry Berlin (61% stake) EBITDA:** - €960K
 - No land sales in 2022
- **Investments:** net mark-down - €0.2m (2021: €2.9m)
- **FBD Dividend & Bond Income:** €9.8m (2021: €1.1m)
- **Interest expense** €2.38m
- **Taxation** €2.5m
- **Group Profit after tax:** €17.9m (2021: €9.9m)

Shareholders' Funds €272.5m at Dec. 2022

Up €41m (18%) from €231m at Dec. 2021
after returning €8.2m to shareholders in 2022

Investment Allocation



FBD Holdings plc



- **Solid operating performance for 2022**
 - €73.7m Profit before Tax
 - Strong underwriting profitability of €85.7m impacted by losses on investments in a difficult year
 - €1 Dividend per share paid
- **Strong capital ratio of 226%**
 - FBD intends to return further capital in the short and medium term
- **FBD Strategy:**
 - Focus on its strengths to deliver profitable growth
 - Strengthen relationships with its core Farming & business customers
 - Maintain underwriting discipline
- **Our policy: hold our 24% stake as a long-term investment**

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New Willy Brandt Airport, Berlin



Berlin I

– Bulberry Properties 61% owned

- **Bulberry owns 8.2ac of prime development land**
 - Attractive to developers because of its proximity to the new Berlin airport & excellent transport links to city etc
 - Land is carried in our consolidated accounts at €13m
- **Bulberry has €42m of shareholders' equity**
 - We value our 61% stake at €25.7m
 - It is our 3rd largest investment – representing 9% of Shareholders' Funds

Berlin II

– Bulberry Properties 61% owned

- **Berlin property market stagnates in 2022 & into 2023**
 - Unease over Russian war in Ukraine
 - Energy cost increases & supply issues
 - Inflation & interest rate rises
 - Uncertainty over post-Covid office requirements
- **Berlin strategy**
 - Keep a close eye on the market to ensure we realise full value on exit in due course
 - Confident we will achieve a substantial premium on our €13m carrying value
 - Accumulate all cash receipts in Bulberry
 - Pay all taxes and costs
 - Liquidate Bulberry & distribute cash to Bulberry's shareholders, including ourselves

Summary of other investments

- **Carried at €24.4m**
 - Tiger Global US private equity funds €8m
 - International equities via investment funds €5m
– through Davy
 - Other equities, private equity, real estate €10.5m
– ten investments
 - Irish venture capital €0.9m – managed by Investec

FBD Hotels & Resorts

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Dividend

- **Board is recommending 9c per share**
 - Increase of 28% on 2022 dividend of 7c
 - Worth €933 to average shareholder with 10,369 shares
 - We are committed to a sustainable dividend policy

- **Payable on 27th June 2023**

Initiatives to improve liquidity for Shareholders **- Proposed Voluntary Share Buy-back**

- **2022 scheme proved popular with shareholders**
 - Board increased funding to €4.4m - bought back & cancelled 2.88m shares
- **New Voluntary Share Buy-back proposed for June 2023**
 - Buy-back price: €1.91 per share – 25% higher than last year's price of €1.53
 - Company will commit €3m to the scheme
 - If oversubscribed, preference will be given to the first 10,369 shares offered by each shareholder and a scale back applied.
 - **Timeline, if approved** by special resolution
 - 19 June - letter to shareholders with application form. Applications close 21 July
 - 18 August – payment for shares sold

- Proposed Share Sale

- Regulatory restrictions prevented the launch of in-house share trading which would have facilitated buyers
- **Board is therefore proposing a Sale of Treasury Shares**
 - At a price of €1.91 per share (same as buy-back price)
 - Company currently holds 2.9m treasury shares
 - **Details & Timeline, if approved** by special resolution
 - 21 August: Letter to shareholders inviting applications which close on 22 Sept;
 - Applicants may subscribe for a minimum of 3,000 and a maximum of 50,000 shares;
 - Applications will be accepted from existing shareholders, approved new farmer investors and Directors
 - If oversubscribed, preference will be given to the first 3,000 shares subscribed per applicant and applications will then be scaled back proportionately;

Improving Diversity

- **The Board is committed to improving diversity,** particularly as regards female Directors.
- As an initial step, we are proposing to amend the Company's constitution to require that at least one of the four Directors appointed by our co-op shareholders must be a female Director.
- If approved by special resolution, we would expect the first female Director to be appointed by the co-ops this September

Our auditor Sinead McHugh of Deloitte will comment on our audit.

We open the meeting to the floor for comments and questions.

Thank you

Resolutions

Record of proxies available to the Chairman & of Withheld votes

Resolution 1

To consider the Directors' Report, Auditor's Report & Financial Statements for the year ended 31 December 2022 and to review the Company's affairs.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
8,283,323	98.2	155,942	1.8	0

Resolutions

Resolution 2

To confirm a dividend on the 14% non-cumulative preference shares.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
8,260,698	97.9	178,567	2.1	0

Resolutions

Resolution 3

To confirm a dividend on the 11% non-cumulative preference shares.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
8,247,954	98.0	166,311	2.0	25,000

Resolutions

Resolution 4

To declare a dividend of 9 cent on the ordinary shares.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
8,272,954	98.0	166,311	2.0	0

Resolutions

Resolution 5A

To elect as a Director:

Mr Pat Murphy, Smithstown, Maddoxtown, Co Kilkenny.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,867,707	97.9	169,192	2.1	14,656

Resolutions

Resolution 5B

To elect as a Director:

Mr Michael Kennedy, Killyloughnane, Nenagh, Co Tipperary.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,867,707	97.9	169,192	2.1	14,656

Resolutions

Resolution 6

To approve the remuneration of the Directors.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
8,160,409	97.2	237,905	2.8	40,951

Resolutions

Resolution 7

To authorise the Directors to fix the remuneration of the auditors.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
8,238,704	98.0	165,192	2.0	35,369

Resolutions

Resolution 8

To pass a special resolution to authorise the buy-back of ordinary shares at a price of €1.91 per share.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
8,272,629	98.0	166,311	2.0	325

Resolutions

Resolution 9

To pass a special resolution to authorise the sale of Treasury Shares at a price of €1.91 per share.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
8,247,629	98.0	166,636	2.0	25,000

Resolutions

Resolution 10

To pass a special resolution to amend the Company's Articles of Association to require that at least one of the four Co-operative Society Directors be female.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
8,221,808	97.7	190,036	2.3	27,421