

Farmer Business Developments plc

2024 Annual General Meeting

Thursday, 27th June 2024

**Irish Farm Centre
Dublin**

Chairman's Presentation to Shareholders

**Pat Murphy
Chairman**

2023 Highlights

- **€21.3m Profit after Tax**
- **Exceptional performance by FBD Hotels & Resorts**
 - EBITDA of €24.1m in a strong post-Covid recovery
 - Record Property sales at La Cala
- **Strong results by FBD Holdings plc**
 - Started returning surplus capital to shareholders in 2023
- **We are proposing a 14c dividend at this AGM to shareholders**

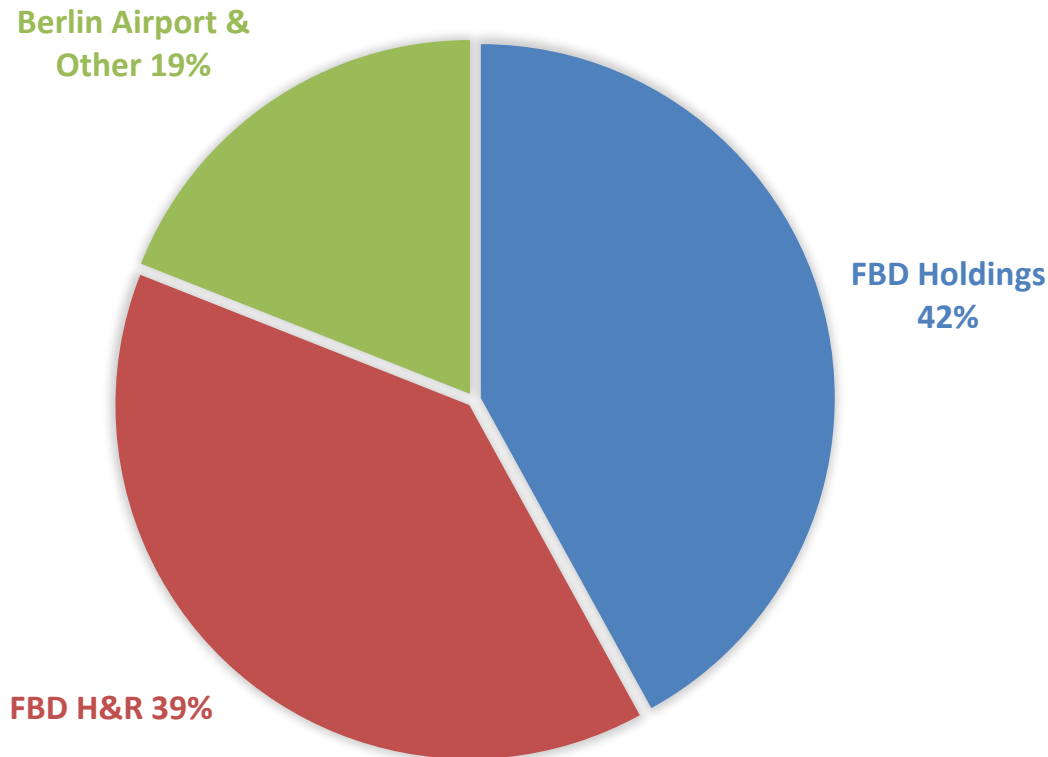
2023 Results: Divisional Summary

- **FBDH&R EBITDA:** €24.1m (2022: €18.7m)
- **Bulberry Berlin** (61% stake) EBITDA: €256K (2022: - €960K)
 - No land sales in 2023
 - Land write down of €5.9m
- **Investments:** net mark-down €2.9m (2022: - €0.2m)
 - 2021: + €2.9m
- **FBD Dividends:** €17.3m (2022: €8.7m)
- **Interest** expense €4.0m (2022: €2.4m)
- **Taxation** €3.8m (2022: €2.5m)
- **Group Profit after tax:** €21.3m (2022: €17.9m)

Shareholders' Funds €285.8m at Dec. 2023

Up €13.3m (5%) after
returning €13.1m (26c per share) to shareholders in 2023

Investment Allocation



FBD Holdings plc



- **Excellent results for 2023**
 - €81.4m Profit before Tax
 - Strong underwriting result of €76.5m
 - FBD paid €1 ordinary dividend & €1 special dividend in 2023
- **Strong capital ratio of 213%**
 - FBD says it intends to return further capital
 - Indicates the possibility of another special dividend later this year.
- **FBD Strategy:**
 - To deliver sustainable, profitable growth
 - Strengthen relationships with its core Farming & business customers
- **Our policy: hold our 24% stake as a long-term investment with positive expectations on dividend income**

Berlin

– Bulberry Properties 61% owned

- **Berlin property market remains subdued**

- War in Ukraine, interest rates, inflation & hybrid working have hit the property market
- Following independent valuation, Bulberry has written down its remaining plot by €5.9m to €7.5m
- We carry our 61% stake in Bulberry at €22.6m, ie our third largest investment at 9% of shareholders' funds.

- **Berlin strategy**

- Bide our time for market recovery
- Confident of achieving a substantial premium on €7.5m valuation
- Sell final plot, pay all taxes & costs, liquidate Bulberry & distribute cash to its shareholders.

Summary of other investments

- **21 separate investments carried at €25.4m representing 9% of shareholders' funds**
 - Tiger Global US private equity – seven funds €5.9m
 - Remainder are mainly international equity funds, private equity & company buy-out funds, and stakes in private companies invested in N America, Europe & emerging markets, and US\$ & € liquidity funds €18.9m
 - Irish venture capital €0.6m – managed by Investec

FBD Hotels & Resorts

Farmer Business Developments plc



FAITHLEGG



THE
HERITAGE
∞



KILLASHEE
HOTEL • SPA • LEISURE



La Cala
GOLF HOTEL SPA
MIJAS  SPAIN


Sunset
Beach Club



FBD Hotels & Resorts

Presentation to the AGM of Farmer Business Developments plc.

27th June 2024

Contents

Page

- | | |
|--|-------|
| 1. Highlights. | 1 |
| 2. Performance 2023. | 2-5 |
| 3. Overview of Market – Spain & Ireland. | 6,7 |
| 4. Priorities / Outlook. | 8,9 |
| 5. Property Images. | 10-20 |

HIGHLIGHTS

FBD HOTELS & RESORTS - HIGHLIGHTS

1. HIGHLIGHTS

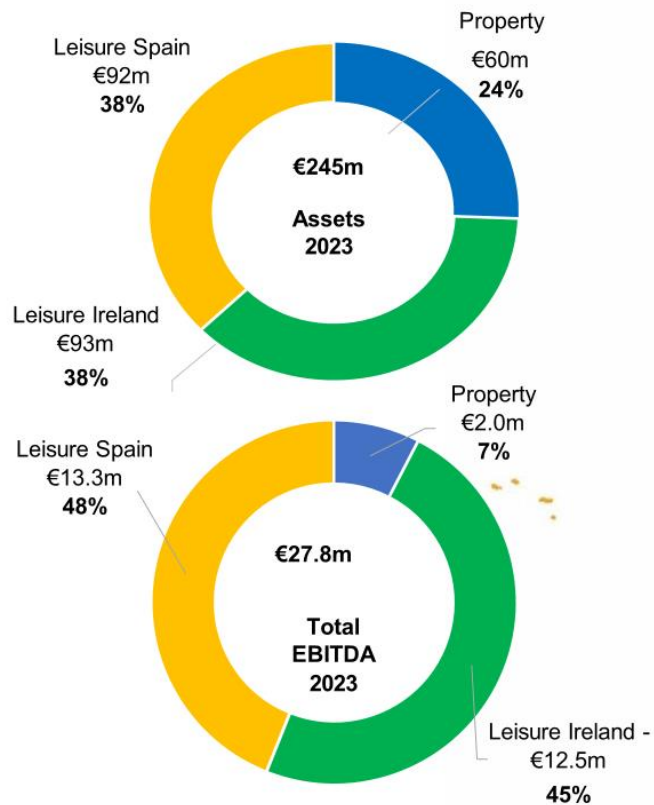
- Record year with Operating Profits of **€24.13m** versus **€18.75m** in 2022, +29%.
- Total Leisure Revenue of **€110m** (+19% on 2022).
- Our Property Development in La Cala had a positive year with **53 units sold**.
- Net Assets of **€112m** at year end 2023 (+8% on 2022).
- Net Debt to Asset Value of **13%** and Return on Equity of **10.48%**.
- Our new asset Killashee, continues to make excellent progress.
- Good progress on our People, IT/Innovation and ESG Strategies.
- Strategy Refresh completed with new targets for 2024 and 2025.
- Dividends of €3.5m paid in June 2023 and €5m in June 2024.

PERFORMANCE 2023

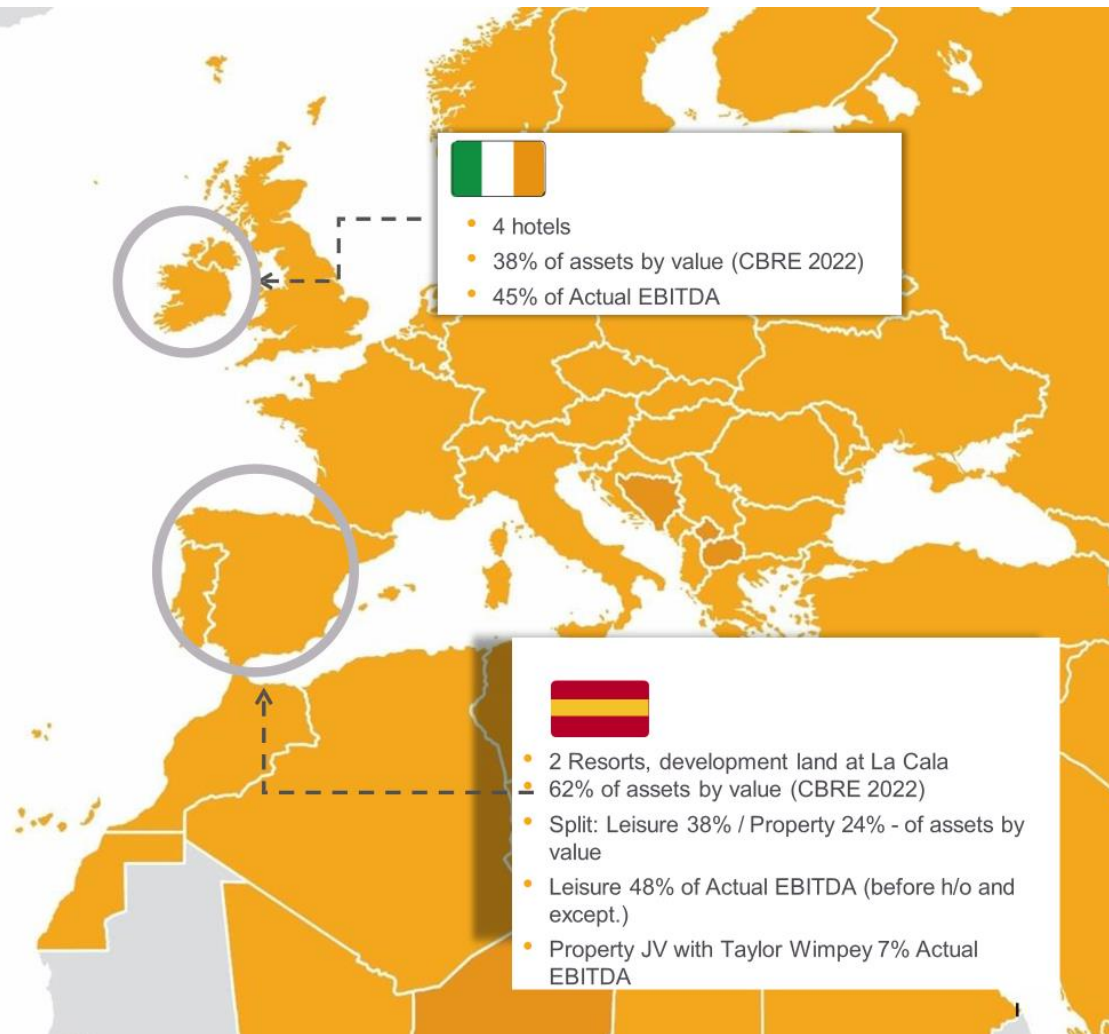
2. Performance 2023

1. Leisure Revenue increased to **€110m in 2023 versus €93m in 2022, +19%**.
2. Our Leisure Revenue in 2019 was **€64m – this was €110m in 2023, +72%**.
3. Actual Leisure **EBITDA was €22.13m versus €15.59m last year, +42%** - record year.
4. Adding property profits in 2023 of €2m brought **total profits 2023 to €24.13m - +29% on 2022**.
5. **Our Leisure EBITDA in 2019 was €10.32m – this was €22.13m last year – an increase of 114% - 84% of this organic and 30% re: Killashee Hotel.**
6. Net assets at year-end of €112m – cash balances at year end of €28m.
7. We paid a dividend of €3.5m in 2023 (30% of free cash flow), and a dividend of €5m in June 2024.(50% of free cash flow)
8. Net debt (debt minus cash) at €32.86m at year end '23 versus €40.2m at year end 2022. This is **1.48 times core leisure earnings** (2.58 times in 2022).-Very healthy.

FBD HOTELS & RESORTS – PERFORMANCE



* Without deduction for Central Costs



FBD HOTELS & RESORTS – PERFORMANCE

Strong Balance Sheet



Asset Backed
(€245m)



Low Leverage
(25% LTV)



Cash Resources
€28m



Cash
Generative



Strong
Shareholder

Leverage (Dec 2023)

Fixed Assets	€245.0m
Bank Loans	€60.8m
GROSS LTV	25%

Net Debt (Dec 2023)

Bank Loans	€60.8m
Cash	€28.0m
Net Debt	€32.8m

NET Debt / LTV Ratio

Net Debt	€32.8m
Fixed Assets	€245.0m
Ratio	13%

EBITDA Leisure

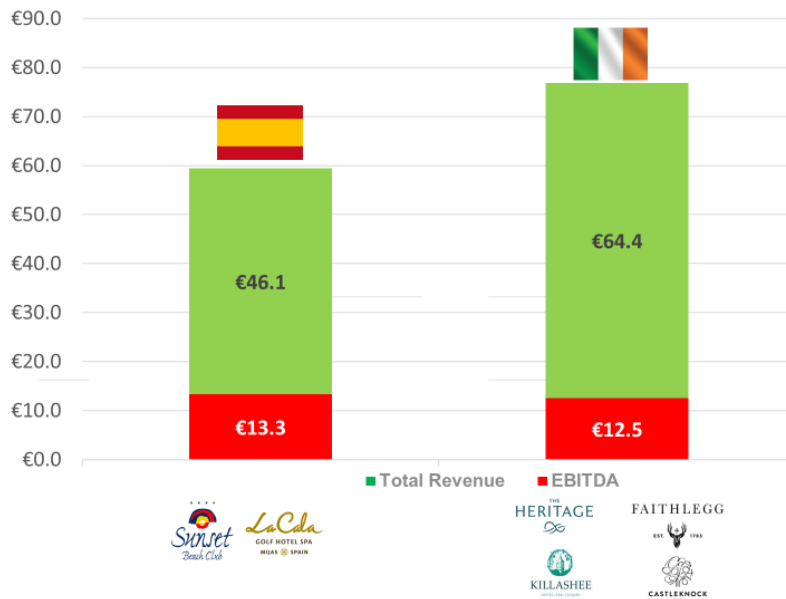
Without deductions for
Central Costs

2023	€25.8m
2022	€19.3m
Improvement	+ 34%

FBD HOTELS & RESORTS – PERFORMANCE

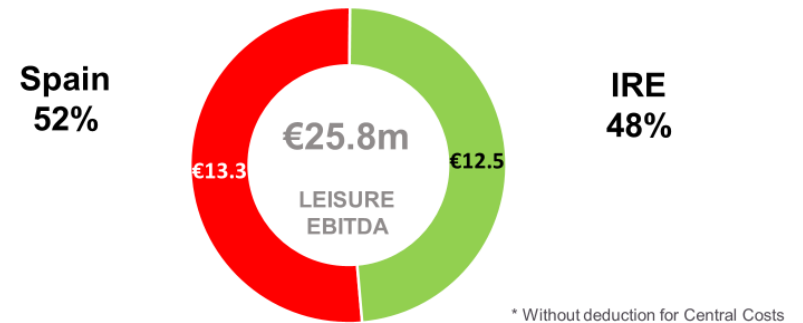
Leisure Performance

2023 Leisure EBITDA and Revenue by Country(€ 'm)

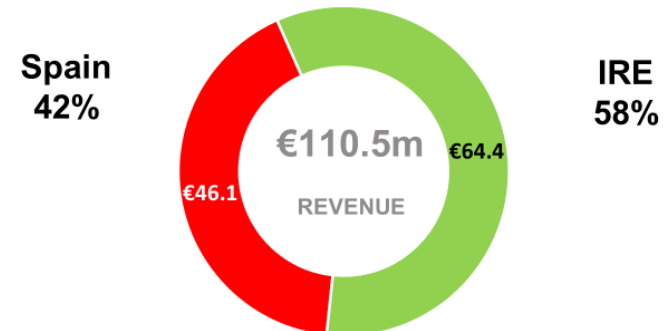


* Without deduction for Central Costs

2023 Leisure EBITDA by Country (€'m)



2023 Leisure REVENUE by Country (€'m)



SPAIN

FBD HOTELS & RESORTS – OVERVIEW OF MARKET – SPAIN & IRELAND

3. SPAIN

- Spain had a record tourism year in 2023.
- Hit 85m visitors in 2023 (83m in 2019).
- Costa Del Sol has had its best Summer in history with a 30% increase in Tourism Revenue. - 6m tourists visited the Costa Del Sol in June/August 2023, pumping €8 billion into the local economy.
- Spanish domestic market is slow.
- Malaga Hotel rates are +33% on 2019.
- Prediction that demand for Spain will increase by 24% by 2031.
- Spanish Hotel transactions €3 billion in 2023.
- Political instability on a National and Local level – higher business tax agenda.
- Spanish unemployment still high (15%) compared to other EU Countries.
- Authorities have from nowhere become very aggressive on the use of water.
- Lack of rain is a big issue – restrictions in place.
- Supply of air seats to the Costa Del Sol has increased by 23% in Winter 23/24. Malaga airport has hit 20m passengers in a 12-month period for the first time ever.
- Ryanair now has 77 routes to/from Malaga – 6 new routes last Winter.

IRELAND

3. IRELAND

- Visitor numbers matched 2019 in 2023 at circa 11m people.
- Hotel trading was positive and ahead of 2019.
- Room rates ahead of 2022, and expected to continue to grow, albeit at a more modest pace.- Irish average rate was +6% on 2022.
- Labour availability and cost still a big challenge. – Minimum wage increase 12%, pension auto enrolment, sick pay, etc.
- Hotel investment activity was down in 2023, due mainly to higher interest rates. 2024 activity has increased with a number of transactions.
- All hotels are trading well, but on transactions there is a dis-joint between sellers and buyers on price, but this is easing with positive outlook on interest rates.
- New build Hotel projects have slowed with number of new rooms coming on stream decreasing. 2,600 new rooms in pipeline in Dublin over 21 schemes – (mainly this year and 2025).
- About 15% of Hotel stock taken up by the refugee crisis – particularly high in the West of the Country. This is here to stay for the foreseeable future but is easing especially in Dublin.

PRIORITIES / OUTLOOK

4. PRIORITIES/OUTLOOK GOING FORWARD

1. YTD Trading is summed up as Spain strong and Ireland soft.
2. YTD to 23rd June, Leisure Revenue is €52m, which is + 8% on last year. Spain is +18% and Ireland is +2%.
3. Property sales YTD at record levels – 56 units sold to 23rd June, with a record 26 sold in March alone.
4. Budget 2024 – Leisure Revenue +6%; Profits total 2024, €25m versus €24m this year, +4.3%.
5. Focus on maximising Spain in light of the very positive market conditions.
6. Accelerate next property sectors in La Cala with Taylor Wimpey in light of the excellent start to the year.
7. Try to claw back in H2 the soft trading we've experienced in Ireland YTD.
8. Maximise all assets – some are achieving very high returns so growth will be more modest i.e. Sunset, Castleknock, Faithlegg. Some can grow more – La Cala; The Heritage and Killashee.

4. PRIORITIES/OUTLOOK GOING FORWARD – *continued*

9. Projects 2024/25/26 – La Cala Roads/Parking; Killashee guest house; Faithlegg Options; La Cala bedroom refurbishment; La Cala Commercial Centre.
10. Continue our People Focus.
11. Continue our IT/Innovation Focus.
12. Continue to look at suitable opportunities.
13. Continue to maximise Shareholder Return/Dividends.

FBD HOTELS & RESORTS – PRESENTATION TO FBDEVS AGM



La Cala Solar Panels

Executive Summary	TOTAL
Location	
Coverage	377 PV Panels
Area Covered	1,285 M2
Cost of System	€182,000
Expected	
Generation	300,000 KWH PA
(Approx)	
Expected Savings	€48,000 PA
(Approx)	
Expected Payback	3.8 YRS



Solar Panels

Over 160kw of clean energy generated by solar panels powers La Cala's Clubhouse and maintenance facility for sustainability.

FBD HOTELS & RESORTS – PRESENTATION TO FBDEVS AGM



La Cala – Golf Resort of the Year
Spain – IAGTO 2024 Awards



Geo Sustainability
Certification 2024

LA CALA – PROPERTY – SOLANA VILLAGE

- Latest development with Taylor Wimpey. Gross Sales value circa €75m.



197 units
105 Phase I
92 Phase II

85 Phase I
sold - 81%

FBD HOTELS & RESORTS – PRESENTATION TO FBDEVS AGM



Sunset Beach Club
New Entrance

FBD HOTELS & RESORTS – PRESENTATION TO FBDEVS AGM



Sunset Beach Club
New Lobby & Reception Area

FBD HOTELS & RESORTS – PRESENTATION TO FBDEVS AGM



Sunset Beach Club
Newly Refurbished Oasis
Restaurant

FBD HOTELS & RESORTS – PRESENTATION TO FBDEVS AGM



Sunset Beach Club –
Terrace Addition and Extension.



Castleknock Hotel
New Terrace

FBD HOTELS & RESORTS – PRESENTATION TO FBDEVS AGM



Killashee Hotel
Refurbished
Ballroom

FBD HOTELS & RESORTS – PRESENTATION TO FBDEVS AGM



The Heritage Hotel
Refurbished
Bedrooms



FBD HOTELS & RESORTS – PRESENTATION TO FBDEVS AGM



Faithlegg Hotel
Refurbished
Bedrooms

Padraig Walshe Centre for Sustainable Animal & Grassland Research

- **Announced last December in Teagasc Moorepark**
 - Ella & other Walshe family members present
 - This Company, FBD Holdings & FBD Trust came together with €6m funding
 - To be matched by State funding
- **Will develop a world class centre**
 - To deliver scientific solutions
 - To support Irish farmers in achieving climate targets & environmental sustainability
 - Named after Padraig Walshe.

Board changes

- **Following AGM approval of an amendment to our articles**
 - Last Sept, saw the election of our first female Director, Ann Moore
 - Fintan McSweeney was also elected
- **In March, IFA appointed Jim Mulhall a Director**
- **I welcome Ann, Fintan & Jim to the Board**
- **Want to acknowledge work & contribution of the retired Directors, Edmund Lynch & Eddie Downey.**

Dividend

- **Based on our strong results, the Board is recommending 14c per share**
 - Increase of 5c per share on 2023 dividend of 9c
 - Worth €1,452 to our average shareholder with 10,369 shares
 - We are committed to a sustainable dividend policy
- **Payable on Friday 5th July 2024**

That completes my presentation.

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

Resolution 1

To consider the Directors' Report, Auditor's Report & Financial Statements for the year ended 31 December 2023 and to review the Company's affairs.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,345,175	100.0	-	0.0	3,406

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	%	
7,335,212	99.8	13,369	0.2	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	%	
7,345,175	100.0	-	0.0	3,406

Resolutions

Resolution 4

To declare a dividend of 14 cent on the ordinary shares.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,345,175	100.0	-	0.0	3,406

Resolutions

Resolution 5

To elect as a Director:

Mr Barry Donnelly, Conicare, Abbey, Loughrea, Co Galway.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,305,687	99.5	36,988	0.5	5,906

Resolutions

Resolution 6

To approve the remuneration of the Directors.

Shareholders appointing the Chairman as proxy:

For		Against		Withheld
Votes	%	Votes	%	
7,274,773	99.5	36,988	0.5	36,820

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	%	
7,319,056	99.7	20,369	0.3	9,156

THANK YOU