

Chairman's Statement



Pat Murphy
Chairman

RESULTS

I am pleased to report to you that Farmer Business Developments plc ("the Group") performed very strongly in 2024 recording a Group profit before tax of €36.36m up from €25.04m in the prior year.

To assist shareholders in understanding our results, we have produced a Divisional Summary Statement below, which separates the results for the Group, and we explain the main elements before commenting on each division in more detail later.

Divisional Summary Statement	2024	2023
	€000s	€000s
FBD Hotels & Resorts EBITDA	27,226	24,130
Bulberry Properties EBITDA	505	256
Bulberry Land Write down	-	(5,943)
Farmer Business Developments Investment EBITDA	(467)	(2,868)
Depreciation	(6,237)	(5,489)
Dividend income	17,401	17,271
Profit Before Interest and Tax	38,428	27,357
Interest Income	1,585	1,673
Interest Expense	(3,650)	(3,995)
Profit Before Taxation	36,363	25,035
Taxation	(5,017)	(3,766)
Profit after taxation	31,346	21,269
Shareholders' funds attributable to the owners	312,134	285,797

The Summary Statement shows the excellent performance in 2024 of FBD Hotels & Resorts business, recording an EBITDA of €27.23m, an increase of 13% on the €24.13m EBITDA number in 2023.

The Berlin vehicle, Bulberry Properties, in which we have a 61% stake, did not transact in any land deals during 2024 and made a net profit of €0.51m from investment income. On investments, there was a €0.5m net mark-down recorded in 2024, compared to a mark-down of €2.9m in 2023.

On the income side, we have total dividend income at €17.4m (2023: €17.27m).

Interest income of €1.59m mainly relates to the FBD Holdings plc Loan Note 5% coupon.

The interest expense is down by €0.35m to €3.65m in 2024 reflecting the decrease in interest rates throughout 2024.

This leaves our Group profit after taxation at a healthy €31.35m for 2024, an 11% return on 2023 Shareholders' funds.

Our Balance Sheet shows the value attributable to the shareholders was €312.1m at end of 2024, up €26.3m (+9%) for the year. This is after paying total dividends of €15.8m to our shareholders.

REVIEW OF INVESTMENTS

A) FBD HOLDINGS PLC

FBD Holdings plc produced another robust set of results for 2024, reporting a profit before tax of €77.1m supported by a strong underwriting result of €66.6m the fourth consecutive year of double digit ROE returns.

The performance of the insurance business was positive with gross written premium up 12.5%, policy count up 6.3% and a solvency capital ratio of 197% providing a substantial capital buffer. The net asset value per share increased from €13.30 at the end of 2023 to €13.46 at the end of 2024.

With a robust capital position and continued profitability, FBD Holdings plc announced an ordinary dividend payment of €1 per share for the 2024 financial year. This follows the €1 ordinary and €1 special dividends paid during 2024.

The FBD Holdings plc share price closed the year at €12.65 per share, up 11.5% from €11.35 on the previous year, resulting in a €11.09m increase in the book value of our 23.77% stake to €110.54m. Including the €21.1m bond investments our overall investment in FBD Holdings plc is €132m or 42% of our shareholder funds.

The strategy of FBD Insurance is to focus on its strengths to deliver measured profitable growth while maintaining a resilient and stable balance sheet. FBD has an unrivalled knowledge of farm enterprises through over 50 years of protection and the closest relationship with the farming community.

Our policy is to maintain our stake in FBD Holdings plc as a long-term investment, with the expectation also of dividend income.

FBD INSURANCE DISCOUNT

I take this opportunity to remind our individual farm family shareholders, who hold at least 10,000 ordinary shares in our Company, that their investment is recognised and rewarded through a discount of 10% on their general insurance premiums with FBD Insurance. FBD has a proven track record of delivering a superior product and service to its core farming customers.

B) FBD HOTELS & RESORTS ("FBDH&R")

I am pleased to report another excellent year of results in 2024 for FBDH&R with an EBITDA of €27.23m, with Leisure contributing €25.73m and Property €1.5m. This compares to an EBITDA result of €24.13m in 2023, a 13% increase year-on-year. Coupled with 2023, earnings have risen 45% in 2 years, which is a tremendous business performance, and I want to acknowledge the contributions of the leadership team, management and staff of FBDH&R in delivering these results.

Overall, leisure revenue for 2024 was €118.6m, up 7.4% compared to €110.5m in 2023. Ireland leisure revenue of €67.3m was up 4.6% on 2023 revenue, with Spain leisure revenue of €51.4m up 11.3% on 2023.

On Property, our partnership with developer Taylor Wimpey at La Cala Resort had another record year with the sale of 85 built units, while we sold four villa plots. As at 31 December 2024, we have sold a total of 518 property units in our joint-venture in La Cala. The second development agreement signed with Taylor Wimpey in 2023 supports the positive outlook we have for property

Chairman's Statement (continued)

sales in the medium term, and the first development in Phase II commenced in 2024. The €3.4m cash generated from sales closings at La Cala in 2024 has contributed to FBDH&R's strong cash/liquidity position.

On 28 February 2025, we successfully acquired The Grand Hotel in Malahide for €55m, an asset that we feel is a strong strategic fit for us. The property brings strong fundamentals in historical performance, brand, location and asset quality and will add circa 15% to the FBDH&R earnings in its first 12 months. Our strong performance and Balance Sheet has enabled us to add to the Group and we are confident that this acquisition will deliver superior shareholder returns in the medium term.

The positive performance of FBDH&R has enabled it to increase dividend payments to its parent, Farmer Business Developments plc, with €5m paid in June 2024 (2023: €3.5m), with a further €5.5m (+10%) to be paid in 2025. Maximising dividend return to the parent company is the key FBDH&R priority.

Our start to 2025 has been slower, with subdued demand and adverse weather, both in Ireland and Spain, however trading has improved as we head into quarters two and three. The outlook for our business in 2025 remains cautiously optimistic, although some adverse factors in the global environment will put a drag on growth and demand. In common with all companies operating in this sector, the Group faces broader economic risks associated with geopolitical instability and international trade disruption, all of which have the potential to adversely impact consumer spending patterns and the input costs of our business. With a strong balance sheet and liquidity, FBDH&R is well positioned to meet the challenges, maximise opportunities and continue to deliver strong returns to our shareholder.

C) BULBERRY PROPERTIES LIMITED (BERLIN)

Our third largest investment is our 61% stake in Bulberry Properties which holds a prime plot of 33,067 sqm (3.3ha) of development land at Schönefeld, close to Berlin's new Willy Brandt Airport, which is now the only airport serving the German capital.

The property market in Berlin and the greater Berlin area remains subdued mainly due to the unsettling impact of the war in Ukraine and high inflation costs impacting the construction sector. Euro interest rates however are falling which should have a positive impact

on the property market. The Board remains confident in the long term prospects for this land and therefore continues to hold our prime plot and keep a close eye on the market to ensure that we realise its full value when we exit this investment.

The Bulberry group is well financed and made a net profit of €0.5m after all costs. At 31 December 2024, the Group carried its investment in Bulberry at €22.77m, which represents 7% of shareholders' funds. The remaining development land is carried in our consolidated accounts at circa €7.5m and we remain confident that we will achieve a premium on that carrying value in due course.

D) OTHER INVESTMENTS

Our remaining Balance Sheet consists of a portfolio of smaller investments totalling €30.64m, cash net of current liabilities of €6.45m and other net assets of €1.25m. The investments include international equities, private equity funds and stakes in private companies, together with an Irish venture capital fund. In 2024, we materialised a gain of €0.31m on the 2023 year-end valuations.

DIVIDEND

As a result of the strong performance in 2024, the Directors are pleased to recommend a dividend of 16 cents per ordinary share for the year 2024. The record date for dividend purposes is 30 May 2025 and, subject to approval at the AGM on 12 June 2025, the dividend will be paid on 20 June 2025. Your Board is committed to a sustainable dividend policy of using available resources to benefit shareholders. We have a strong balance sheet with modest debt levels and have confidence that our businesses and investments will continue to deliver superior returns to our loyal shareholders.

SHARE REGISTRARS

MUFG Corporate Markets (formerly Link Registrars Limited), has administrative responsibility for share dividend payments, updating shareholder records and for the registration and certification of share transfers arising from the settlement of estates and private transactions. MUFG Corporate Markets deals with shareholder queries in writing, by telephone and on email. They may be contacted at 01-5530050, enquiriesireland@cm.mpms.mufg.com and at MUFG Corporate Markets, 149 The Capel Building, Mary's Abbey, Dublin 7, D07 DP79.

CONCLUSION

Our Company is in good shape and has demonstrated its ability to withstand challenges and grow revenues with excellent Group results for 2024.

FBDH&R continues to perform well in both Spain and Ireland, is well capitalised and is clearly focussed on maximising business opportunities and growing shareholder value, as the recent acquisition of The Grand Hotel demonstrates. Strong property sales at La Cala were critical to our cash flow and the property outlook remains positive with a strong start in 2025. FBD Holdings plc produced a solid set of results in 2024 growing premium income while maintaining underwriting discipline in a very competitive market. We are biding our time with our Berlin investment to ensure we maximise its value at exit.

Following a strong performance in 2024, the Group is confident for 2025. With a resilient and growing balance sheet, we remain confident of delivering sustainable progressive returns for our shareholders.

Thank you for your support.



Pat Murphy
Chairman

09 May 2025