

PLL Property & Leisure Ltd.

Presentation to the AGM of Farmer Business Developments plc.

15th June 2022

PLL Property & Leisure - Update on 2021 Performance

Contents	Page
1. Introduction	1
2. Performance 2021	2,3
3. Strategic Review	4,5
4. Purchase of Killashee Hotel March 2022	6-10
5. Outlook 2022 and Beyond	11

INTRODUCTION

1. INTRODUCTION

- As we said in last year's Annual Report, Covid-19 delivered the biggest challenge in the history of the global hospitality industry. At the time of last year's AGM, the extremely challenging trading environment was continuing and it was impossible to give a definite outlook for 2021.
- I am pleased to report that once trading resumed in our locations in June 2021, performance was positive and FBDHR **has recorded an EBITDA of €13.1m in 2021 (Leisure €6.4m and Property €6.7m). This compares to a loss of €1.6m in 2020 and a profit of €13.7m in 2019.**
- This is a very positive outcome for 2021, and is testimony to the Management and Staff of FBDHR, who have performed excellently over the unprecedented past two years.

PERFORMANCE 2021

2. UPDATE ON 2021 PERFORMANCE

- Very satisfactory result in what was a very challenging year.
- Group Operating Profit (EBITDA) of **€13.1m, in 2021**, versus €1.6m loss in 2020 and €13.7m profit in 2019.

EBITDA Property €6.7m + Leisure € 6.4m - 2021.

EBITDA Property €3.4m + Leisure €10.3m - 2019.

- Irish Hotels leading the recovery (Revenue 78% of 2019.)
- Spain slower but started to make solid progress later in 2021 – especially La Cala Resort.
- Property sales – record year 86 units sold (68 Taylor Wimpey, 10 Villa Plots and 8 Townhouse Plots) for €28.3m gross and €8.8m to us.

2. UPDATE ON 2021 PERFORMANCE - *Continued*

- Cashflow strong in 2021 from property closings - €6.2m.
- Liquidity very strong at year end 2021 at €30.6m (€25.5m cash +€5.1m unused facilities). This was €16m at year end 2020.
- Bank debt at €49m at year end (€50m at year end 2020).
- Net debt (cash minus debt) of €24m versus €39m at year end 2020.
- €6.4m at 0% interest owed to Irish Revenue at year end 2021 under Tax warehousing scheme – we have started to repay this in 2022.
- Overall a very satisfactory outcome to 2021.

STRATEGIC REVIEW

Vision

“Return to 2019 profitability and grow organically by 15% by 2024, maintaining and enhancing our premium 4* customer experience at all properties in the family of hotels. We will actively seek acquisition opportunities consistent with the Group’s strategic profile.”

Purpose

“To create a balanced investment portfolio of cash generative and capital appreciative assets that are a strategic fit and generate maximum shareholder return within a high performance culture where our people are motivated and rewarded.”

**PURCHASE OF KILLASHEE HOTEL
MARCH 2022**

BACKGROUND

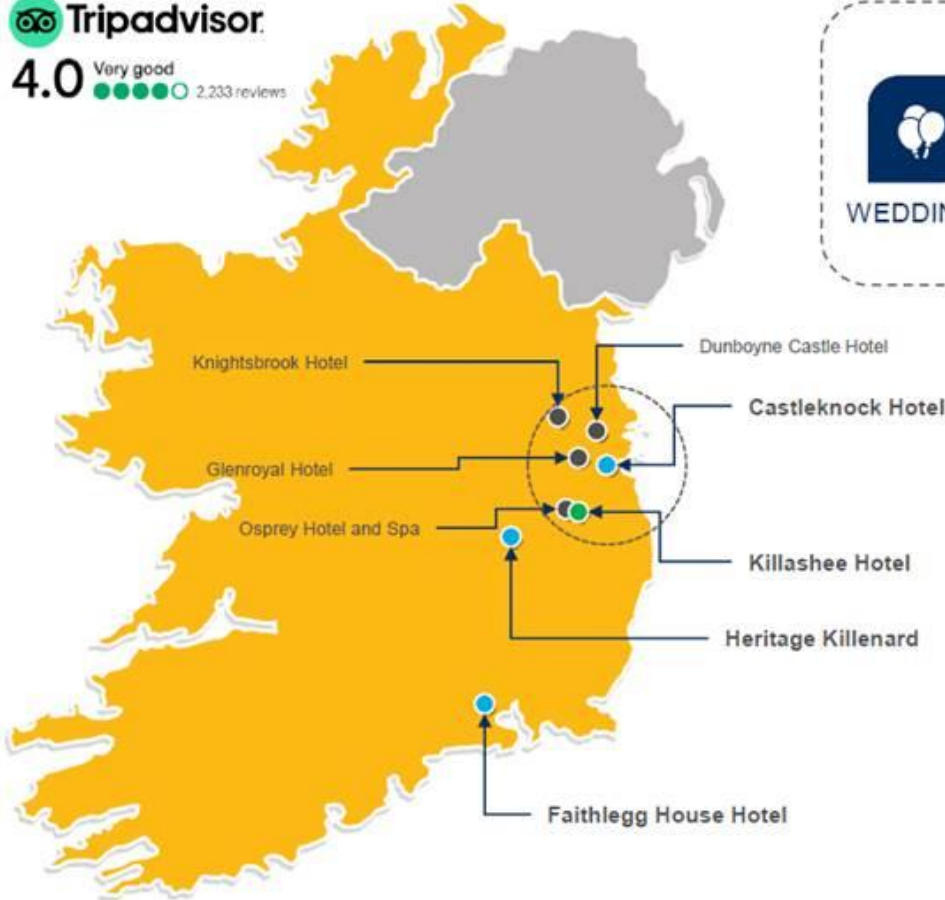
- Killashee is a 141 bedroom hotel with extensive conference, wedding, spa and leisure facilities located 30km from Dublin City Centre, located between Naas and Kilcullen Co. Kildare.
- It was originally converted/built in the early 2000's by a local builder and entered NAMA in 2013.
- Purchased by private equity company Tetrarch Capital in 2013 – majority Shareholder Swiss investor.
- Tetrarch are now exiting hotels (5/7 year investment horizon) and focussing on residential/office.

BACKGROUND - *continued*

- Killashee Hotel has always been a profitable/cash generative asset with a well known brand.
- Asset made an operating profit of €2.7m in 2019 and €2.2m in 2021.
- We paid €25m (9.3 times 2019 earnings), after a very competitive bidding process.

PLL Property & Leisure Ltd. – Purchase of Killashee Hotel

Tripadvisor
4.0 Very good
 2,233 reviews



Killashee - Key Service Offerings

- WEDDINGS
- CORPORATE MEETINGS
- LEISURE FACILITIES
- FOOD AND BEVERAGE

FBD Hotels & Resorts

We'd love to have you stay

FBD Portfolio (No. Rooms)		
Castleknock Hotel	Dublin	190
Faithlegg House Hotel	Waterford	82
The Heritage	Laois	103
Current FBD Portfolio		375
Killashee	Kildare	141

Killashee Hotel is a strong strategic fit for FBD Hotels & Resorts, with similar service standards and offerings to its existing Irish portfolio.

WHY IS THIS A GOOD FIT FOR US?

- Fine piece of real estate, scope to add on in the future.
- Solid fundamentals – location, brand, historical performance.
- Strong strategic fit – consistent with the asset space we are in.
- Established profit history.
- Significant scope for improvement.

WHY IS THIS A GOOD FIT FOR US?– *Continued*

- Behind benchmark on a lot of KPI's e.g. occupancy, rate, customer satisfaction – we see opportunity.
- Solid returns on investment expected.
- Investment needed but this will fuel return.
- Well placed asset for post Covid-19 recovery e.g. Corporates.

OUTLOOK 2022 AND BEYOND

5. OUTLOOK

- Renewed optimism as we near the end of half year 2022.
- Ireland in strong recovery mode – strong demand; all segments strong.
- Spain making very good progress, abatement of travel restrictions fuelling demand.
- Property sales are strong (54 sales YTD and outlook for property in the medium term is positive).
- Our liquidity is a strong €26m at 1st June.
- Inflation/cost pressures especially labour, energy and food.
- Attraction and retention of people is key.
- Our 3 year strategic plan for 2022/24 is in place and provides clear focus.
- Our vision and our purpose is clear – Shareholder return is at the core of it.