

# **FBD Hotels & Resorts**

**Presentation to the AGM of  
Farmer Business Developments plc.**

**9<sup>th</sup> June 2023**

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**HIGHLIGHTS**

# FBD HOTELS & RESORTS - HIGHLIGHTS

## 1. HIGHLIGHTS

- Record year with Operating Profits of **€18.75m** versus **€13.13m** in 2021 and **€13.70m** in 2019. – This despite energy costs being up an unprecedented 102% on 2019 at €4.6m.
- On a like for like basis Profits were **up 25%** on 2019.
- Ireland and Spain bounced back to pre-Covid levels with Ireland first to recover.
- Net Assets of €101.8m at year end 2022 (+9% on 2021).
- Net Debt to Asset Value of 16% and Return on Equity of 12.1%.
- Our new asset Killashee has made excellent progress.
- Our Property Development in La Cala in Spain had a record year.

### 1. HIGHLIGHTS - *continued*

- Second Joint Venture with Taylor Wimpey signed for the majority of our remaining residential land in La Cala.
- Refinance of our borrowings with AIB now agreed until February 2028.
- Dividends of €6.25m paid to the Shareholder in 12 months.
- Good Progress on our People Agenda.
- Good Progress on our ESG Strategy.
- Good Progress on our IT/Innovation Agenda.
- Ahead of our 2022/24 Strategic Targets.

**PERFORMANCE 2022**

## 2. SUMMARY OF PERFORMANCE 2022

- Record result for the Group.
- **Total Group Operating Profit (EBITDA) of €18.75m in 2022 versus €13.70m profit in 2019. +37% (+25% like for like excluding Killashee Hotel).**
- **EBITDA Property €3.16m + Leisure €13.99m + Killashee €1.60m – 2022 – Total €18.75m.**
- **EBITDA Property €3.38m + Leisure €10.32m – 2019 – Total €13.70m.**
- **Return on Shareholder's Equity of 12.1% versus 9.4% in 2019.**

## 2. SUMMARY OF PERFORMANCE 2022 – *Continued*

- Total leisure revenue 2022 was (excluding Killashee) **€80.55m - +27% on 2019** – La Cala +23%; Sunset +3%; Ireland +46%.
- Killashee 9 months revenue €12.54m and €1.60m profit.
- Energy costs for the Group €4.6m in 2022 versus €1.78m in 2019 (+102% like for like).
- Spain recovery quicker than expected – La Cala and Sunset better than 2019.
- Property sales – **record year 78 units sold** (73 Taylor Wimpey, 5 Villa Plots for €31.95m gross and €6.7m to us).
- Cashflow very strong in 2022 from property closings - **€10.76m gross.**



### 2. SUMMARY OF PERFORMANCE 2022 – *continued*.

- Liquidity very strong at year end 2022 at **€30.7m** (€22.45m cash +€8.25m unused facilities). This was the same at year end 2021.
- Bank debt and Revenue debt at **€63m at year end (€56m at year end 2021)**.
- Net debt (cash minus debt) of **€40m versus €30m at year end 2021**. This after paying €26m for Killashee, paying €2.75m dividend to Farmers in July and paying off Irish Revenue warehousing debt of €6m.
- **Net debt to asset value 16% at year end 2022** – same as at end 2021.
- Net Assets of **€101.8m** at year end 2022 (**+9%** on 2021).
- Total Dividend of €6.25m paid to Shareholder in 12 months.
- Overall, a very satisfactory outcome to 2022.

**SPAIN**

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

## SPAIN

- 82m visitors in 2019 – fell to 20m in 2020 - 30m in 2021 and back to 72m last year – expect to exceed 2019 levels this year. (circa 85m visitors expected)
- Ryanair/Easy Jet/Wizz Air/Jet 2 and TUI all reporting strong bookings for Spain.
- Domestic economy and employment still at lower end in the E.U.
- Total transaction activity very strong in 2022 – push towards major cities and the resort market.
- Second home market very strong in 2022 – some levelling off expected this year.
- Energy increases not as high as Ireland; +36% Spain +156% Ireland.
- Like all – Inflation/Cost of living big issue.
- Cost and availability of debt a factor.

**IRELAND**

## IRELAND

- Record bounce back in hotels in 2022 – our RevPAR +43% on 2019.
- 25% of total hotel stock in Ireland out of the market due to Refugees.
- VAT back to 13.5% in September (6 months grace).
- Inflation and Cost Pressures acute but easing.
- Energy has stabilised but still way ahead of 2019.
- Slowdown of new hotel construction.
- Cost and availability of debt a factor.

**OUTLOOK**

# FBD HOTELS & RESORTS - OUTLOOK

## OUTLOOK

- Total Leisure Revenue YTD of €39m is plus 22% like for like basis on 2022 and plus 8% on Budget.
- Demand is strong in Ireland and Spain.
- Forward bookings in Spain very strong.
- MICE/Corporate market strong.
- Weddings positive since start of year.
- Pricing strong – Budget to increase RevPAR in Ireland by 8%.
- Pricing very strong in La Cala – catching up.
- Energy costs have stabilised – down 40% on last September.
- Cost pressures still in Labour, Linen, Food, etc.
- Property sales in La Cala are solid.
- We are optimistic for 2023.

**PRIORITIES**



# FBD HOTELS & RESORTS - PRIORITIES

## PRIORITIES

- Drive our Revenue and Result – Group Budget Leisure Revenue 2023 €100m; Targeting a profit of €20m in 2023.
- Continue focus on costs.
- Energy – fix where possible to take some risk off the table (substantially complete).
- 5-year re-fi to February 2028 agreed with AIB, and half our borrowings at a fixed 3-year rate. - Borrowing costs have doubled in the market.
- Joint Venture 2 with Taylor Wimpey in La Cala Resort – now agreed.

### **PRIORITIES - *Continued***

- Continue to drive our agenda in Killashee.
- Strategy re-fresh following on from 2022 performance.
- People/People/People – Big Agenda. New Head of People/Attraction/Retention/Employee Value Proposition/Great Place to Work Award achieved.
- Our ESG Agenda – ESG has now become a big topic – Staff/Customers/Banks/Asset Valuations/Asset Spends/Regulation/Reporting.
- Our IT/Innovation Agenda
- Continue to keep an eye on opportunities.
- Continue to maximise Shareholder Returns/Dividends.