

CHAIR'S LETTER

A new era of scale and growth

John Mulcahy
Chairman



I am pleased to present our Annual Report for 2023. The business consistently demonstrates strong operational progress, with improved profitability and robust returns. This is underpinned by the commitment and enthusiasm of everyone at Glenveagh.

Planning delays, the continued inflationary environment, and a rising interest rate cycle provided a challenging backdrop to the year, presenting significant headwinds. While these pressures tested our resilience, it is a testament to our strategy, our operational platform, and, of course, our people, that we continued to grow and thrive in the face of these obstacles.

Improved profitability and margins

In 2023, Glenveagh delivered solid financial progress throughout the year.

Total revenue for the year was €608m (2022: €645m) in what remained a challenging operational environment. Excluding the one-off €63 million disposal of the East Road site in 2022, there was a modest increase in Group revenue in 2023. This primarily comprised 1,328 suburban unit sales completed (2022: 1,354) alongside urban revenue from ongoing contracted developments and the first contribution from our Partnerships segment. Gross profit increased by 4% to €113 million and earnings per share increased to 8.0 cent (2022: 7.6 cent). Our ROE was 6.9% (2022: 7.1%).

Net debt was maintained at prudent levels and represented a modest 7% of net assets (2022: 2%). We continue to implement a disciplined capital allocation strategy focused on three priorities: land, work-in-progress ('WIP'), and investment in the supply chain and manufacturing. Capital efficiency improved further in 2023, while we completed our current investment in NUA and invested in WIP to underpin future growth in the business. We also returned approximately €63m to shareholders during the year.

**CHAIR'S LETTER CONTINUED**

The Board will continue to review the capital allocation framework to ensure it remains effective and appropriate for Glenveagh, its stakeholders, and the external environment.

We anticipate that the Irish market environment will remain favourable in 2024, notwithstanding the broader economic and inflationary challenges that continue to face us. The long-term demand outlook for the Irish residential housing market also remains very positive. You can read more about these in Our Market Position on page 16.

A milestone year

It is gratifying to report that 2023 was a milestone year marking the first time that all three of our business segments generated revenue and profits. This is a validation of the strength of our strategy, hard work and the power of our business model developed since our IPO.

Our Suburban segment performed well, despite the planning challenges at the outset of 2023. We completed 1,328 suburban units during the year, broadly in line with 2022 levels, reflecting the Group's strong operational performance in a challenging environment.

In 2022, Urban revenue was significantly boosted by the sale of the East Road site for €63 million. As a result, revenue in 2023 was €120m, compared with €190 million in 2022. Nevertheless, we made good operational progress, completing two of our key contracted urban projects at Marina Village and the Premier Inn hotel, with three more – Cluain Mhuire, Citywest and Castleknock – all on track for delivery in 2024.

I am particularly pleased that we generated our first revenue and profits in our Partnerships business in 2023. This milestone represents the culmination of many years of collaboration with public sector entities, social housing bodies, and local communities. It vindicated our ability to deliver value for money, sustainable, and high quality homes through a range of channels for owner-occupiers, renters, and people who need social and affordable housing.

This year also marked the launch of NUA, our manufacturing brand and another strategic milestone for Glenveagh. NUA employs cutting-edge technology in three strategically located factories to drive innovation and precision manufacturing techniques. The launch cements our leadership in modern methods of construction and prepares Glenveagh for the future.

Empowering our colleagues

Glenveagh is only ever as good as its people, and their success is our success. Attracting, retaining, and developing high-calibre talent is what makes us competitive. Our motivated and engaged workforce ensures we consistently deliver strong results and outstanding customer satisfaction.

'Valuing and Developing Our Colleagues', is the strategic pillar that outlines our ambitions for all our colleagues who are integral to delivering on every one of our strategic priorities across the business. Through regular engagement, we support and empower our people. By better understanding their needs, we can offer personal and professional development and training that supports their growth and demonstrates the value of their contributions to the Company's success.

We also place a strong emphasis on the wellbeing of our colleagues, developing our senior leaders and improving our employee engagement. In recognition of this, we are delighted to have been certified as a Great Place to Work for 2024.

In the business, health and safety is paramount, and we work relentlessly to embed this in everything we do. This year, we initiated a detailed programme of engagement to enhance and embed the safety culture within Glenveagh. Tailored training and awareness sessions established a deeper understanding of day-to-day safety concerns, promoting greater accountability, commitment, and ownership across the business.

In 2023 we were awarded the 'House Building' award in the Construction category at the annual National Irish Safety Organisation's ('NISO') awards ceremony. This provides us with a strong

benchmark of our performance against industry peers and earns us recognition within the industry for our safety efforts.

Advancing our sustainability agenda

Glenveagh has a strong reputation for its community support, and we play a positive role in combating climate change by minimising our environmental impact. We made very encouraging progress in reducing our emissions in 2023 and you can read more about this in our Sustainability report on page 64.

Our Biodiversity Strategy, 'Building a Better Habitat', was launched in January 2024 and integrates biodiversity conservation into the core of our strategy. We also published our Circular Economy Strategy in February 2024, which sets out actions we will take to move towards circular design, reduce resource use and the waste associated with it. We have set a target to prepare 70% of construction and demolition (non-hazardous) waste for reuse, recycling and other material recovery.

Governance

Following a search led by the Nomination Committee, the Board oversaw a non-executive director appointment process in the first half of the year which resulted in the appointment of Emer Finnan on 1 July 2023. In addition, Robert Dix retired from the Board during 2023, having served as a Non-executive Director for the six years since the Company's IPO in 2017, and he was succeeded as Senior Independent Director by Pat McCann. Following the financial year-end, the Board was pleased to announce the appointment of two further non-executive directors, Lorna Conn and Max Steinebach, with effect from 1 February 2024.

Further details in relation to Board composition and nomination activities in 2023 are set out in the Corporate Governance Report and the Nomination Committee Report at pages 100 and 112 respectively.

An external Board effectiveness review was undertaken in late 2023. Following completion of

the review process, the results were analysed and key findings were extracted and presented to the Board. As Chairman, I was pleased to see that the results clearly demonstrated that the Board is operating effectively and continues to evolve and mature with the business. The report recognised the breadth and depth of experience on the Board and the committed engagement from our members in challenging and holding management to account.

An overview of the full evaluation process is set out on page 115.

Conclusion & outlook

2023 marked a year of strong progress in a challenging environment. I would like to thank my fellow Board members, our colleagues, customers, suppliers, and investors for their ongoing commitment and support in helping to drive our business forward in accordance with our vision and values.

We have embarked on our journey into 2024 with a strong platform for growth. Our healthy land portfolio and forward order book are supported by highly developed operational and manufacturing capabilities that capitalise on modern methods of construction and embrace sustainability. Our knowledge and expertise mark us out as an industry leader and the trusted partner of choice for state agencies as we collaborate to tackle the accommodation shortage in Ireland. As a result, we are well-placed to grow at scale.

Your Board and executive leadership team are confident about the future of Glenveagh and will remain focused on delivering long-term value creation for all our stakeholders in 2024 and beyond.

John Mulcahy
Chairman