

COO's Review

Our business has grown significantly during the Group's first full year of operation exceeding expectations across a number of our KPIs, particularly in construction.

This was made possible by the dynamic and innovative team we have assembled who continue to drive the Group towards the fulfilment of our objectives.

Land Acquisitions

Building a starter-home landbank which can deliver our long-term business goals is a key objective for the Group. During 2018 we enhanced our existing landbank through off-market deals at attractive rates. These included:

Project Quattro

Project Quattro saw the Group acquire four sites in the Greater Dublin Area ("GDA"): two in Donabate, Co. Dublin; one at Dunboyne, Co. Meath; and one at Stamullen, Co. Meath, which are capable of delivering 1,435 starter-homes and apartments, subject to planning. Each of these locations are well served by connections to major transport networks. We are actively constructing in Donabate (Semple Woods) and the site will start to deliver homes from 2019.

Kilcock, Co. Kildare (Ledwill Park)

In June Homes exchanged contracts to acquire a c.16.2-hectare site of zoned residential land in the GDA which has the potential to deliver c.400 residential units subject to planning. The acquisition



1,100

Including sold units the business was actively constructing on over 1,100 units in 2018 across 14 sites

2,000

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Chief Operations Officer

further strengthened Glenveagh's focus on delivering starter-homes in the GDA in proximity to transportation nodes. The Group acquired the site off-market and commenced construction in H2 2018. The site will deliver homes in 2019.

Tyrrellstown

In August the Group exchanged contracts to acquire a c.113-hectare site (39-hectares of which are zoned residential) in Tyrrellstown, Dublin 15 which has the potential to deliver over 1,250 units on land currently zoned residential. The acquisition is adjacent to our existing site at Hollystown Golf Club and we expect to lodge a Strategic Housing Development ("SHD") application later in 2019.

The benefits of scale and permanent capital are such that we were able to assemble our landbank at better rates as the year progressed with land cost as a percentage of NDV decreasing meaningfully since IPO.

As we have already de-risked our deliveries for 2019 and 2020, we are increasingly selective on the characteristics required for future land acquisitions. Our pipeline of future opportunities remains strong. The vacant site levy should help bring additional sellers to the market and ensure a steady supply of land over the coming years.

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Construction

2018 delivered significant progress on the construction front. With activity accelerating through the year, the team continued to deliver on site openings and unit construction. In 2018 the business was actively constructing on over 1,100 units across 14 sites. It is this level of activity which is helping ensure we meet our unit guidance for the 2019 and 2020 financial years. The vast majority of our construction efforts are on our starter-homes sites including; Taylor Hill; Cois Glaisin; Cluain Adain; Cnoc Dubh; Kinghtsgate; Semple Woods and Ledwill Park.

Importantly we are demonstrating that we can open sites quickly after acquisition with Semple Woods and Ledwill Park both active within the financial year of acquisition. We have already commenced enabling work in Maryborough Ridge, a site which was acquired in late December 2018.

The Group continues to focus and invest in ensuring the highest standards of health and safety across all areas of activity in the Group. At the end of 2018 and as part of the 2019 plans, the Group has begun to introduce turnstile access to all sites which ensures only authorised personnel with all safety accreditations are allowed on site. Digital technology is also used to review all our sub-contractor documentation and records, such as their SafePass, construction skills certification, safety statements and insurances prior to providing access to site. In addition, the Group are introducing biometric scanning at the entrance and exit to all sites. This will allow Glenveagh to understand who is present on what site at a point in time to further control health and safety and minimise the risk of incidents arising.



Taylor Hill, Balbriggan, Co. Dublin



Cnoc Dubh, Ballyboughal, Co. Dublin

Standardisation

We continue to innovate our design and construction solutions in order to optimise margin performance in the medium term, while also delivering at scale helped by the standardisation of processes and production across our developments. Through repetition we can speed up the construction process and drive down our costs which in turn will help us deliver product faster and return a stronger margin.

Attracting and Retaining Construction Resource

A positive development from our first full year of operation was the extent to which we are viewed as the partner of choice for employees, sub-contractors, suppliers and industry colleagues.

Glenveagh's offering to our partners has a number of advantages over our local non-PLC competition:

- The scale of the opportunity as a partner of Glenveagh is unrivalled given the 2,000+ unit per annum output target in Homes;
- We offer continuity of work on our multi-year sites which are delivering a consistent number of units on an annual basis – this gives sub-contractors the confidence to grow their business with us;
- Sub-contractors are now familiar with our process and product. As a result, they know the key risks and the man hours involved in delivering housing for the Group which delivers keener pricing than would otherwise be the case; and
- We reduce the capital requirements of our sub-contractors by procuring their material packages separately. This is particularly relevant for trades that have high a material component such as plumbing.

Combined these efforts help ensure we are a compelling partner for sub-contractors.

Sales and Marketing

In 2018 we sold 275 units which exceeded our initial target of 250 units by 10% and 451 of our 725 unit target for 2019 are sold, signed or reserved as of 5 March 2019. Given the significant ramp up required and the lead-in times for construction, this was a challenging target which the team more than delivered on.

Our sales offering is compelling with value-for-money homes in attractive locations with exceptional levels of customer service, which combined with our site opening track record means Glenveagh is well positioned to meet our long-term sales objectives.

Conclusion

I would like to take this opportunity to acknowledge our employees and extensive network of c.1,000 contractors across a variety of disciplines who play a key role in supporting and enhancing our operations, enabling us to deliver quality homes for the Irish residential market. We look forward to broadening this vibrant network into the future and working together to maintain our momentum and strengthen our operations in 2019 and beyond.

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275
We exceeded our target to deliver on 250 closed sales for 2018 reaching 275