



## Irish Residential Properties REIT plc

### Q3 Trading Update

#### Continued strong operational delivery, good progress against strategic initiatives

**22 November 2024, Dublin** | Irish Residential Properties REIT plc (“the Company” or “I-RES”), Ireland’s largest provider of private rental accommodation, today provides a trading update for the three months ending 30 September 2024 (the “third quarter” or “Q3”), along with a progress update on initiatives announced as part of the Company’s Strategic Review (“the Strategic Review”), which concluded in August.

#### Operating Highlights

- Occupancy levels across the portfolio continue to remain strong and stood at 99.4% at 30 September 2024 (30 June 2024: 99.6%). Market leading occupancy reflects the high quality of our properties, the efficiency of our operating platform, and the exceptional demand for rental properties in Dublin.
- The Company remains on course to deliver a full-year 2024 Net Rental Income (“NRI”) margin broadly in line with the margin reported in the first half of the year (H1 2024: 76.5%), which includes the impact of strategically identified disposals completed during the year.
- The Company remains in a strong financial position, underpinned by a robust balance sheet. Reflecting the impact of the below disposals, LTV<sup>1</sup> has reduced to 45.0% at 21 November 2024 (45.4% at 30 June 2024), well below the 50% limit set out by the Company’s debt covenants and Irish REIT legislation.

#### Progress on Strategic Review Initiatives

- The Company has made significant progress in advancing Strategic Review initiatives, including as follows:
  - The Company has now completed the disposal of 37 units in total as part of the previously announced target of 315 units, selling 20 assets in line with book value in a bulk sale and selling a further 17 units to individual purchasers achieving sales premiums<sup>2</sup> of c. 25%.
  - Completion of the investment sale of 25 units outside of the 315-unit programme, also in line with book values<sup>2</sup>.
  - The Company expects to complete the disposal of at least a further 50 units in 2025, at an average sales premium<sup>2</sup> of between 15% and 20%.

- In total, the above disposals are expected to generate total gross sales proceeds of between €35 and €37 million.
- Based on the initial success of the programme, the Company is actively reviewing how best to accelerate and increase the scale of the programme where value for shareholders can be achieved in line with strategic objectives and good asset management.
- The Company is in the early stages of implementing additional income generating and cost reduction initiatives as identified in the Strategic Review and has successfully executed initiatives across c. 4% of the portfolio, with an expected annualised NRI increase of 8-10% for these units.
- The Company has now completed a strategic exit from the Cork market. This is an important step towards improving cost structures and margins. Focusing on the greater Dublin area maximises efficiencies and the future operating leverage of the Group.

## Capital Allocation

- The Board remains committed to maximising value for shareholders and addressing the discount between the Company's current market capitalisation and Net Asset Value. In line with this objective, proceeds from the previously announced asset recycling programme are expected to be deployed towards:
  - Continuing to actively manage LTV within the Board's target range of between 40% and 45%, and subsequently;
  - Prioritising excess capital towards enhancing shareholder returns through an efficient return of capital to shareholders.
- Management will continue to concentrate on the above value accretive capital allocation strategies for so long as the share price trades at a steep discount to Net Asset Value.
- The Company expects to provide shareholders with a further update on progress around the scale of excess capital and how it will be deployed in relation to the above initiatives at the release of the 2024 full year results in February 2025.

## Eddie Byrne, CEO of I-RES, commented:

*"We are pleased to report strong progress with our strategic review initiatives and are encouraged by the positive momentum of the business. The execution of our recycling programme is ahead of our expected timeframe and will further strengthen our financial position. While we will continue to consider all opportunities to enhance shareholder value, we are confident about the long-term market opportunity which is underpinned by our high-quality portfolio and market leading operating platform."*

<sup>1</sup> LTV net of cash based on portfolio valuation at 30 June 2024

<sup>2</sup> Based on 30 June 2024 book values

**END**

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## **About Irish Residential Properties REIT plc**

Irish Residential Properties REIT plc ("I-RES") is a growth oriented Real Estate Investment Trust providing quality professionally managed homes in sustainable communities in Ireland. The Group owns 3,672 apartments and houses for private rental in Dublin. I-RES aims to be the provider of choice for the Irish living sector, known for excellent service and for operating responsibly, minimising its environmental impact, and maximising its contribution to the community. The Company's shares are listed on Euronext Dublin. Further information at [www.iresreit.ie](http://www.iresreit.ie).

### **This note applies if and to the extent that there are forward-looking statements in this Announcement.**

This Announcement may contain forward-looking statements, which are subject to risks and uncertainties because they relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company or the industry in which it operates, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements referred to in this paragraph speak only as at the date of this Announcement. Except as required by law or by any appropriate regulatory authority, the Company will not undertake any obligation to release publicly any revision or updates to these forward-looking statements to reflect future events, circumstances, unanticipated events, new information or otherwise.