



ANNUAL REVIEW

YOUR VISION, OUR DUTY.



20
23



WHO WE ARE

Mercury is the European leader in construction solutions.

We build and manage complex engineering and construction projects for the world's leading corporations.

Our solutions help deliver technologies and life changing advancements that connect people, communities, and businesses, giving them the power to achieve incredible things. Our people have the courage to be innovative.

Their determination and sharp focus enable us to deliver with certainty, time and time again.



YOUR VISION, OUR DUTY.

OUR PURPOSE

We deliver our clients' vision through leading edge construction solutions. Our commitment to the client puts them at the centre of everything and positions Mercury as a strategic partner. We encourage and back our people to realise their vision of themselves.

We place them at the heart of what we do, providing challenging opportunities to develop within a great team in a supportive environment that allows them to reach their full potential.

We go beyond the call of duty with a bold promise that Mercury will always deliver. This serious dedication turns clients into partners, people into teams, and builds relationships that thrive.



WORKSAFE | HOMESAFE

Safety is our anchor value.

It underpins everything that we do. It's a mindset that's firmly fixed in every individual, team, and rank throughout Mercury. Safety is embedded in our DNA. It's the bedrock of our delivery, training, and processes.

We insist that it is a fundamental component of every facet of our business. We never, ever take this for granted. Without our people we are nothing. This fact means that every individual within Mercury is accountable. Safety isn't just our policy, it's our duty.



BRAVE

We believe you have to be brave to achieve incredible things. Bold and confident, we're proud of who we are and our plans for the future. We stand over everything we say and do, commit through logic, only deliver certainty.

We're direct and to the point because we respect our clients, their time and needs. We think through their lens, continually looking for ways to transcend industry norms. With a generous spirit and vibrant energy, hard work is made easy because we genuinely enjoy what we do.



DYNAMIC

As market leaders, we redefine industry standards. We're a global player with powerful capabilities, yet it is our agility that sets us apart. We adapt quickly, unafraid of change because we understand its true potential. We are strategic and make calculated decisions that will benefit in the long term.

It starts with our people and our entrepreneurial spirit. It challenges us, pushing us to new territories, roles, and ways of delivery. A commitment to partnership means we balance ambition with accountability. It lives in every individual, team, and rank throughout Mercury.



MAKE IT HAPPEN

No matter the client or sector, we always deliver. It's our commitment and promise because success is the only option for us. We enable our people to reach their potential every day, so our partners only get the very best. We appreciate that a reputation can be lost in a moment.

It keeps us pushing forward, never complacent. It's our delivery, training, processes that make it happen. This relentless dedication earns a trust, security and assurance that is second to none. It turns clients into partners and builds relationships that grow and prosper with time.





€1.6bn

FY 2023 Revenue
(-6.4%)



€104.6m

Net cash generated from
operating activities



€123.3m

FY 2023 Gross Profit
(+15.1%)



7.7%

Gross Margin
(+145bps)



€72.9m

FY 2023 Operating Profit
(+19.4%)



4.6%

Operating Margin
(+98bps)



*The metrics disclosed are extracted from the Group Audited financial statements which are available on request.



€1.6bn

FY 2023 Revenue



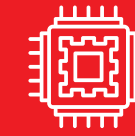
Rest of Europe: €46m*

* includes €4.3m on smaller projects outside of EU

REVENUE BY SECTOR



Data centre
€1.23bn



Semiconductor
€204m



Live environment
€115m



Life sciences
€43m



Employees & supply chain

7,500



EU Locations

20



Nationalities

56



L&D hours

71,795



Safety AFR

0.04



Ecovadis

Silver



* awarded in 2023

Modular Facilities

65

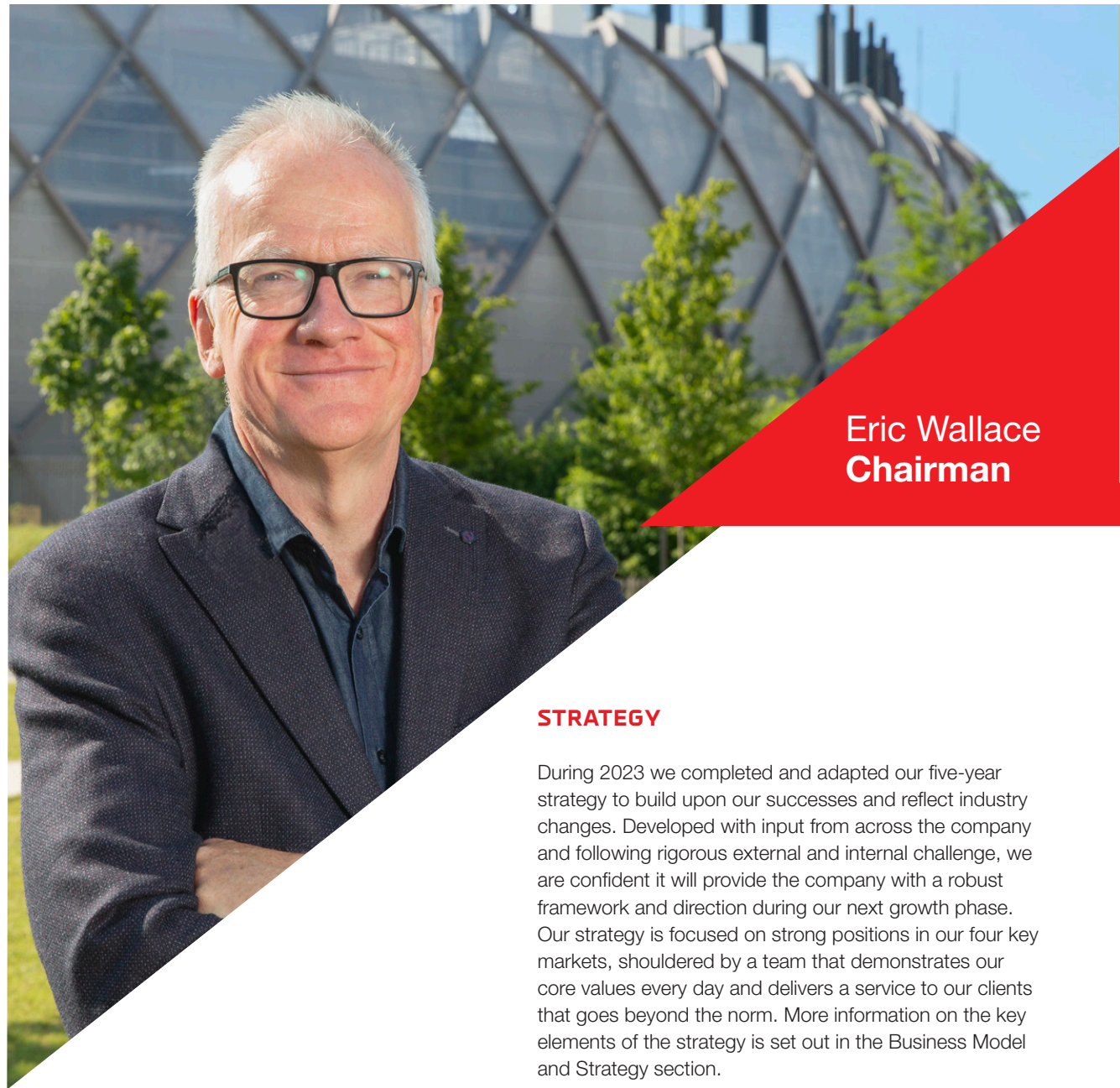


CDP Score

B



* awarded in 2024



Eric Wallace
Chairman

STRATEGY

During 2023 we completed and adapted our five-year strategy to build upon our successes and reflect industry changes. Developed with input from across the company and following rigorous external and internal challenge, we are confident it will provide the company with a robust framework and direction during our next growth phase. Our strategy is focused on strong positions in our four key markets, shouldered by a team that demonstrates our core values every day and delivers a service to our clients that goes beyond the norm. More information on the key elements of the strategy is set out in the Business Model and Strategy section.

BOARD SUCCESSION

To continue building on Mercury's success, our board has grown to reflect the greater breadth of experience and knowledge needed to drive Mercury into our next phase of growth. We were delighted to welcome Albert Manifold to the board in May 2023 followed by Tanya Horgan and Frank Quirk to the board as a non-executive director and

CHAIRMAN'S INTRODUCTION

On behalf of the board, I am pleased to introduce Mercury's 2023 annual review. In the year, our focus on disciplined contract selection, driving consistency, and investment in process improvement has led to an improved quality of earnings and provided a sound foundation as we look forward to 2024.

“This past year, our focus on disciplined contract selection, driving consistency, and investment in process improvement has led to an improved quality of earnings and provided a sound foundation as we look forward to 2024.”



executive director in December 2023. Tanya brings over 25 years' experience of compliance, risk management, and corporate governance in large-scale organisations, and has agreed to take the chair of the Audit Committee. Frank has over 35 years' experience of delivering large-scale projects and will add a detailed operational expertise to the board table.

After a 50-year association with Mercury, Declan Dooher has decided to step down from the board with effect from March 2024. Declan joined the board over 10 years ago and has provided invaluable support and guidance during that period. On behalf of the board and the company, I wish to express our appreciation for all that Declan has done during that time. I would also like to thank all board members for their contribution, support, and insight in 2023.

EXTERNAL AUDIT

Following the approval of our 2022 accounts, Keveney Monahan was succeeded as our external auditors by KPMG. Joe Keveney and Philip Monahan have provided outstanding and independent service to Mercury for almost 50 years, and on behalf of the board I would like to recognise and thank them for their professionalism and support throughout that time.

OUR CLIENTS

In order to remain relevant in an increasingly challenging global climate, our business strategy, operations, and people are agile but focused on delivering certainty for our clients. We are their strategic partner who enables them to achieve their vision through our leading edge construction and engineering solutions. I would like to express my gratitude to all our clients, many of whom we have relationships that span decades.

OUR PEOPLE

Mercury has evolved into a pan-European company operating in 16 countries with a diverse workforce ~3,000 people representing over 50 nationalities. As we continue to expand our workforce and diversify into increasingly complex technologies and industries it is our duty to continue supporting our people to realise their vision. Only by building a dedicated, empowered workforce can we continue to deliver and maintain our exemplary reputation wherever we go. It is thanks to our people that we can make this happen.

BOARD VISITS TO GROUP BUSINESSES

Following the relaxation of COVID restrictions, the board took the opportunity to hold its June meeting on site. This enabled board members to visit a number of projects, experience the scale and complexity of our activities, see and examine safety on the ground, and

hear direct from teams on challenges, opportunities, and strategy. The board was impressed by what they saw and heard and welcomed the chance to see Mercury's core values in action.

CONCLUSION

Our strong performance in 2023 could not have been achieved without the outstanding contribution of our people. The board would like to thank them and our supply chain partners for their commitment and dedication throughout the year. On behalf of the board, I would also like to welcome those who joined us during 2023. Underpinning our work is a dedication to Mercury's clear purpose and values. As we break ground in new sectors and regions, it is all the more necessary to have a shared purpose that firmly aligns with our future business strategy. As Chairman of Mercury, I'm pleased to see Mercury continue to consistently deliver for its clients by committing to its forward-thinking strategy and attracting a skilled workforce that strives to achieve its full potential.

We have a strong position, a great team, and a track record of delivery. I am confident that Mercury is well positioned for further success.



Eoin Vaughan
CEO



COMPANY DIRECTION

2023 was a considerable year of operational change for Mercury. Emerging from the impact of COVID and the effects from the war in Ukraine in the previous two years, Mercury set its focus on consistency and efficient processes to ensure we undertook our duty to always deliver our clients' visions. After achieving our exceptional growth targets between 2017 and 2022, 2023 was a year where the business was able to reflect and listen to its clients and employees to invest and refine our operating structure. Our strategy, purpose, and organisational structure are the vital components that lay the foundation for a clear path towards our 2030 targets.

As part of our strategic evolution, Mercury initiated an organisational restructure that could allow us to continue meet our commitments to

our clients. The appointment of a new Chief Operating Officer Frank Quirk, the restructure of our eight business units, and a clear focus on our strategic plan, purpose, and charter underpinned our 2023 performance. We have delivered on our theme of consistency; consistency in our safety standards, project performance, predictability to our clients, and on-boarding teams.

SAFETY RESULTS

2023 delivered our best safety performance in the last six years. Our teams worked over 13.5 million hours across multiple complex sites in Europe and achieved a 0.04 Accident Frequency Rate as well as achieved zero LTIs on over 50 projects. Delivering this performance on our most important metric demonstrates our commitment to our anchor value, WorkSafe | HomeSafe. Safety is a mindset that underpins everything

we do, and we continue to explore AI technology and behaviour changes to reach our goal of zero AFR.

COMMITMENT TO OUR CLIENTS

Throughout 2023, we have delivered on multiple data centre projects for our clients across Europe to our high-quality standards and have opened avenues in new, exciting sectors. Growth in Life Sciences has ignited a wave of exciting opportunities for Mercury. With 40 years of expertise in this sector, our teams have the knowledge and core skills necessary to strengthen our presence as a major European player in this field. We continue to grow our Semiconductor operations in an industry which is on the verge of massive growth. Our continued dedication to evolving our commissioning and handover

protocol means even more predictability for our clients. Our commitment to our capital investment in Germany through developing a new OSM and fabrication HQ for mainland Europe demonstrates the commitment to the next phase of our ambitions as a pan-European leader in the semiconductor space. Our track record in delivering certainty for our clients, many of whom we share relationships that span decades, has resulted in a record forward pipeline which is testimony to our trust in each other.

OUR PEOPLE

We continue to invest in our people, evolving our training and development offering to give multiple and continuous routes to our employees to fulfil their ambition. Our Leadership Development Programme develops the most sought-after leaders in our sectors. Meanwhile, our Graduate Programme has reached its 15th year of operations and has set almost 400 young professionals on the path to becoming key players in the industry. As one of the largest employers of apprentices in Ireland, we continue to innovate our in-house training at our state-of-the-art Apprentice Centre. We are undertaking further improvements to our Apprentice Scholarship Programme to ensure tomorrow's leaders evolve in dynamic ways. We value a diverse workforce with a wide range of nationalities, genders, and skill sets. We are focused on absorbing the flow of diverse talent into Mercury. This approach makes us stronger and help us stay ahead in the industry.

ESG STRATEGY

Mercury is committed to our sustainability strategy with a focus on deeply embedding the ESG requirements into our business model. In 2023, we scored an overall B from the Carbon Disclosure Project (CDP) for our carbon management practices. The CDP recognises the impact of our coordinated efforts to tackle issues related to climate change. A key aspect of our work involves addressing the needs of the communities we operate in to leave a lasting positive impact. Last year, Mercury partnered with more than 60 organisations across Europe contributing €420,000 to support in their journey to fight poverty, hunger, social, and gender inequalities. Mercury is committed to adopting and promoting good corporate governance approaches across all our operations, guaranteeing a safe and sustainable environment for our clients, employees, value chain partners, and the communities in which we operate.

RISK MANAGEMENT

Risk management represents an integral element of Mercury's business process and corporate governance. The goal is to identify, assess, manage, and report on risks that may impair Mercury's performance. Identifying risks that may impact on the achievement of business and strategic objectives and consistently assessing and responding to these, is essential to balancing risk taken in line with our risk appetite. The business continues to improve the culture of risk awareness within the organisation to support the delivery of sustainable profitable growth.

OUTLOOK

Our focus on targeted sectors in construction has been a strategic, calculated decision that benefits us in the long term. Our market research confidently forecasts an overall compound annual growth rate (CAGR) of 8% through to 2030. As we continually review and refresh our strategy to align with business opportunities and sustainable growth, our purpose is always clear: deliver leading edge construction solutions to our clients and give our people the opportunities to reach their full potential. Our goal is to be the strategic partner of choice for the world's leading corporations and be the employer of choice across the European construction workforce.

“Our strategy, purpose, and organisational structure are the vital components that lay the foundation for a clear path towards our 2030 targets.”



Ronan Lynch
CFO



INTRODUCTION

Continuing the trend from 2022, the financial year 2023 was a year of further progression and organic growth for Mercury. We were able to focus on refining the operational structure of the Group, leading to some financial highlights in the short term but also positioning the business for long-term future growth.

Highlights include continued strong performance in the Data Centre sector, growth in the Life Sciences sector, and scope for the business to expand our Semiconductor operations in Europe.

Following the approval and completion of our 2022 Financial Statements, KPMG were appointed as the Group auditors. The appointment of KPMG allows the Group to align the consolidation and statutory audit service providers for both Group and European companies. This is part of the Group strategy and alignment process from our five-year plan. I look forward to building a strong working relationship with KPMG over

the coming periods. I would like to thank our previous auditors Keveney Monahan Limited for the excellent and robust service they have provided for many years.

GROUP PERFORMANCE

Total Group revenue for the year was €1,591.4m (2022: €1,700.1m) which was split across 16 countries:

- €512.0m from the Republic of Ireland and United Kingdom, which predominantly relates to the Advanced Technology sector.
- €1,075.1m from Europe, which is mainly focused on the delivery of data centres in our key markets of Germany (€496.3m) and France (€235.8m) and Benelux (€57.8m). The Nordics also performed well with €48.8m activity achieved.
- €4.3m in the rest of world on smaller projects.

Mercury continues to service some of the largest global blue-chip customers and develop our relationship with them in new sectors and jurisdictions, leading to exciting new business opportunities for the Group. Strong customer relationships have enabled the Group to forecast a challenging and ambitious five-year strategic plan to grow the business.

Strong growth in Group operating profit to €72.9m was achieved for the year (2022: €61.1m). The Group's administrative expenses for the year were €50.6m (2022: €46.1m).

The ongoing inflationary environment continues to be a concern for the Group. The Group has sought to mitigate this through working closely with our customers and supply chain, continuing to prepare detailed project analysis and plans, and continuing to enhance our models and processes. This ensures that projects are delivered for clients with certainty of budget and within expected delivery schedules.

During 2023, the European Central Bank ("ECB"), in their efforts to combat inflation, announced a series of interest rate increases. Fortunately, the Group was not materially impacted by the increase as we are currently lowly geared (15.2%) with external bank loans of €18.5m on fixed margin at year end.

WORKING CAPITAL & CASH MANAGEMENT

In accordance with our Group business model, the business has continued to operate a strong balance sheet throughout the period and has grown net assets to €119.1m (2022: €100.1m). The trade debtors balance increased to €149.7m (2022: €87.8m) at the end of the year, with all amounts being considered current and recoverable post year end. The increase is principally driven by timing of invoicing of projects compared to prior year with amounts recoverable on contracts reducing to €110.4m (2022: €154.1m). The Group cash at bank and in hand increased to €225.5m (2022: €169.1m) at the end of the year due to operational results and timing of movements in working capital.

As part of the five-year plan, the Group has committed to capital investment in Germany and acquired a site in Magdeburg where we plan to develop a new offsite manufacturing and fabrication headquarters for mainland Europe. This should position the Group to grow and expand our Semiconductor and Life

Sciences operations which is becoming an increasingly important industry.

In April 2023, the Group renewed our finance facilities for five years with the option of two additional years. In addition to a term loan of €21.5m, the Group now has access to a €60m revolving credit facility (RCF) which will give Mercury the ability to take advantage of future opportunities that may arise. I would like to thank our banking partners Bank of Ireland (BOI) and Allied Irish Bank (AIB) for their continued support.

OUTLOOK

We see strong long-term demand for Mercury's services across all sectors in which we operate. The Group has a strong order book for FY 2024 with 88% of the forecasted revenue secured for FY 2024 by the end of the FY 2023. Backlog (which we measure as contracted and awarded work not completed) amounted to €2,092.1m at year end.

Mercury continues to see a strong pipeline of work in the Data Centre sector which aligns with our business model for a high quality order book and good visibility. We expect the business divisions to grow in FY 2024. In addition, the Group sees great growth opportunities in the Life Sciences sectors.

As a result of the positive order book and new sector opportunities, the Group expects to generate strong revenue and profit growth across the business in FY 2024. This will be underpinned by our strong operational capabilities and considered approach to management of working capital.

It is an exciting time for the Group as we continue to expand and challenge ourselves. I look forward to the future with optimism while also being cautious of the wider macro environment and threats which may arise through political instability, environmental regulation and reporting, and social and technological changes.

“Strong customer relationships have enabled the Group to forecast a challenging and ambitious five-year strategic plan to grow the business.”



Mercury is the European leader in construction solutions. We are focused on building and managing construction projects for the world's leading corporations across the Data Centre, Semiconductor, and Life Sciences sectors.



Mercury is the European leader in construction solutions

WHAT WE DO

We are proud to deliver solutions that support leading edge technology, life changing advancements, and the infrastructure to power an increasingly digital world. Headquartered in the Republic of Ireland, we trade under the Mercury name throughout Europe. We offer a highly skilled workforce and established supply chain that support a flexible business model capable of mobilising and delivering solutions across multiple geographies. Mercury is Europe's largest builder of data centres, which support the exponential growth in personal data consumption, growth in the digital economy, and shift to the cloud.

We are one of the largest companies in the construction and fit-out of semiconductor plants (FABs) in Europe which promote the proliferation of electronic devices and IT innovation.

We also have a dedicated Life Sciences business to properly leverage our high technical capabilities that require specialists in this sector. Mercury was established over 50 years ago as a specialist engineering company in the provision of Mechanical and Electrical, IT, and Communications work. These technical capabilities remain an important part of our DNA and source of competitive advantage when we operate as a general contractor.

WHO WE WORK FOR

Mercury supports the growth plans of some of the largest technology and life sciences corporations, data centre operators and REITs in the world. Our commitment to our clients positions us as a strategic partner which rewards us with a pipeline order book that extends over 12 months.

By building strong relationships with our clients, we enjoy better visibility with regular repeat business as they continually expand. Our serious dedication and commitment to our clients has moved our contractual relationships towards framework agreements.

Frameworks are a multi-year procurement vehicle which provide greater opportunities for deeper, collaborative working; support the achievement of wider strategic and social goals; allow for a better understanding between parties; promote early mitigation of risks; and ultimately lead to repeat business.

FOUNDATIONS FOR THE FUTURE

Our leading positions in thriving markets, strong financial foundations, and a progressive but disciplined culture provide an engine for controlled growth.

STRONG CULTURE OF DISCIPLINE & RISK AWARENESS

Our approach to running a good construction business that can perform consistently and predictably revolves around the right people who share our purpose and values. We have a strong culture of discipline and risk management and only pursue opportunities within our target markets where we have the expertise, resources, and contractual conditions to be successful.

HIGH-QUALITY ORDER BOOK & GOOD VISIBILITY OF PIPELINE

We are selective about the work we take considering factors such as geography, client, project size, technical complexities, and our proven experience. We focus on bottom line growth over revenue which drives a high-quality order book which is characterised by its quantum; longevity through frameworks; a repeat client base and embedded cash and margin profiles. Our pipeline visibility enables us to effectively resource projects with our people and supply chain. This approach underpins our strategy and facilitates controlled growth.

WORKING CAPITAL MANAGEMENT

It is important to us that our clients know we can deliver for them in the long term, and that our supply chain knows we are a partner that will pay them promptly. Our working capital management allows us to invest in our people, technology, and business and to continuously develop our capabilities. It also provides us the agility to react quickly to strategic opportunities as they arise.

Our Strategic Pillars provide the foundation for our adapted five-year strategy and lay the foundation of our annual goals.

BEST PEOPLE

We are the employer of choice in the pan-European construction sector with a reputation for excellent career progression and retention. We have seamless onboarding of new hires and a fluid network across our projects and operations for exchanging ideas and innovations.

WINNING CULTURE

Our 5,000 direct staff is diverse. Our workforce is multicultural, and our DNA has been strengthened by it, but our Mercury culture dominates everywhere we operate.

CONSISTENCY IN OPERATIONS

Our operations are streamlined to support project delivery across Europe. Our predictability and project performance earns us a reputation for consistency. Our strong WorkSafe | HomeSafe culture is enhanced through embedded human behaviour and AI technology. We are also dedicated to delivering on our ESG commitments, with ratings meeting our stakeholder's expectations.

DIGITAL ENGINEERING & OSA

Our Digital, Engineering, and OSA capabilities are seen as one of our USP's. We are engaged early in design process and our Engineering and OSA value add is driven within business units but shared across the Group.

DATA CENTRE

We are the undisputed leading player in the EU Data Centre sector and work with all top 10 players in the market as a general contractor and on fit out/retro fit projects. Our contracts are through framework partnerships agreements with a pipeline of work of long-term clients.

SEMICONDUCTOR

We are the market leader in the EU trade Semiconductor sector. We are a nominated trade partner for our clients, delivering projects in continental Europe, supported from our well-established base in Magdeburg, Germany.

LIFE SCIENCES

We are positioned as a key player in the Life Sciences sector. We prequal on all targeted projects as we are well known and respected across Europe for delivering projects concurrently through a seasoned, standalone business unit team.

NEW MARKETS

We continue to explore new markets that match our specialist offering of delivering complex engineering solutions to a blue-chip client base that values a premium supply chain partner that shares their business and social values.





YOUR VISION, OUR DUTY.

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