



FULL YEAR FY21 FINANCIAL RESULTS



ABOUT CEDAR WOODS

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111 Overton Road, Williams Landing, VIC



COMPANY OVERVIEW

- ▶ S&P ASX 300 property company; market capitalisation of ~\$540m
- ▶ Products: land estates, townhouses, apartments & commercial
- ▶ 9,600+ lots in pipeline; 31 projects across VIC, SA, WA, QLD
- ▶ Stable Board & Management with strong governance structures and corporate reputation
- ▶ Excellent track record in growing earnings and outperforming peers



Grace Apartments, Glenside, SA

PURPOSE, VISION & VALUES

Purpose, Vision & Values inform every decision we make, guide our conduct internally & our relationships with our staff business partners, customers & investors



HOW WE CREATE VALUE



Property Acquisitions

Disciplined approach to acquisitions:

- Tactical & research-based decisions to identify projects
- Rigorous assessment & conservative assumptions
- Structure contracts to minimise risks & optimise returns



Development

Research, design, planning and delivery:

- Sustainable designs that optimise quality, functionality & returns
- Collaborative approach with community & authorities
- Negotiate timely, value-adding approvals
- Structure contracts to minimise risks
- Manage construction closely



Marketing & Sales

Integrated approach to optimise results:

- Positioning projects to maximise demand
- Pre-sell to underwrite projects
- Quality brands & marketing material
- Lead generation & sales conversion
- Customer nurturing & referrals

STRATEGY

To grow our national project portfolio, diversified by geography, product type and price point, so that it continues to hold broad customer appeal and performs well in a range of market conditions



Geography

Good geographic spread of well-located projects in 4 states



Product Type

Range of housing lots, townhouses, apartments & commercial



Price Point

Wide range of price points offered throughout the portfolio

STRATEGIC PRIORITIES

Financial Strength

Optimising performance through disciplined capital management, a commercial focus, cost minimisation and maintaining a strong balance sheet



FY21 PROGRESS

Continued support from our 3 banks with facilities extended; Gearing at low end of target range; Significant facility headroom to fund growth

Earnings Growth

Pursuit of earnings growth is the key metric to achieve our primary objective of creating long-term value for our shareholders. This may be achieved organically, by mergers and acquisitions or through new business areas



Maintained growth mindset to capitalise on favourable buying conditions – 2 sites acquired in FY21

Operational Excellence

Being operationally strong and safe through renewed and integrated systems and technologies, and having a strong corporate brand with quality, sustainable projects



Developing leading, integrated systems to create efficiencies, superior controls, real time data, and workforce mobility; Strong safety record; Projects with excellent sustainability credentials. Enhanced ESG practices and reporting

High Performance Culture

Creating a progressive, high-spirited work environment with strong staff alignment to values and objectives, where top talent work collaboratively and high performance is rewarded



Strong culture serving as a form of advantage; staff surveys demonstrating high satisfaction levels

ESG STRATEGY

- ▶ Significant enhancement of ESG strategy & reporting in FY21
- ▶ Informed by the Task Force on Climate-related Financial Disclosures (TCFD)
- ▶ Builds on Cedar Woods' strong track record on sustainability and social responsibility
- ▶ Performance against metrics and targets will evolve over coming years



Taskforce on Climate-related Financial Disclosures (TCFD)

recommendations incorporated into risk management framework



Smith Family Partnership

Cedar Woods joins the Smith Family to make a difference in the lives of disadvantaged children



Over \$150m

total development spend and over

1,000 jobs

created in the economy



State Award

for Environmental Excellence at Bushmead (WA)



87%

Participation in staff survey



Implementing roadmap for best-practice in

cyber security

New east-coast based Director appointed

Ellendale (QLD)
recognised for Excellence in Land Management



Jackson Green TOD (VIC)

wins 'Transit Oriented Development of the Year'

19

internal promotions

We are people developers



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FINANCIAL

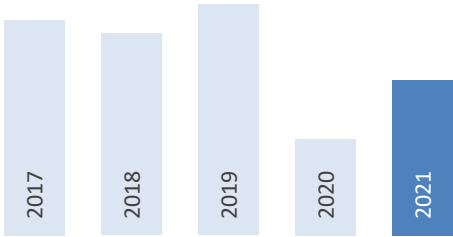
Jackson Green Apartments, VIC



FY21 SUMMARY

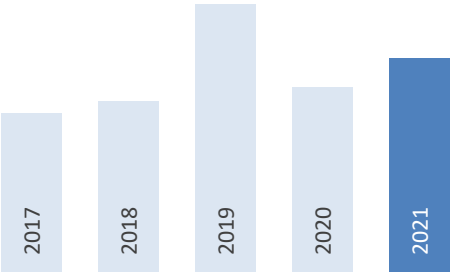
NET PROFIT
AFTER TAX

\$32.8m



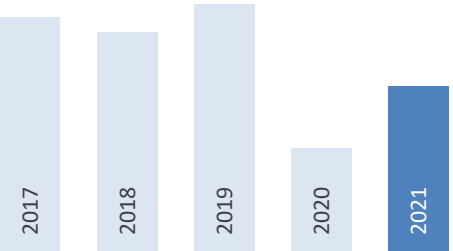
TOTAL REVENUE

\$299.8m



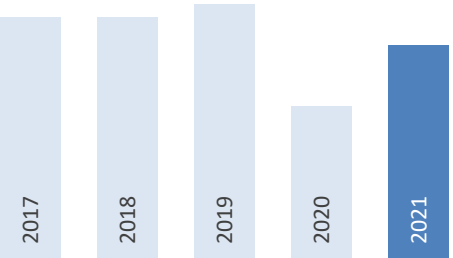
EARNINGS
PER SHARE

40.7c



FULL YEAR
DIVIDENDS

26.5c



RETURN
ON EQUITY



8.2%

Above FY2021 target return

TOTAL SHAREHOLDER
RETURN



31.9%

Outperformed All Ordinaries of 30.2% &
S&P ASX300 of 28.5%, underperformed
Small Industrials of 33.0%

PRESALE
CONTRACTS



\$478m

↑ Up \$118m or 33%

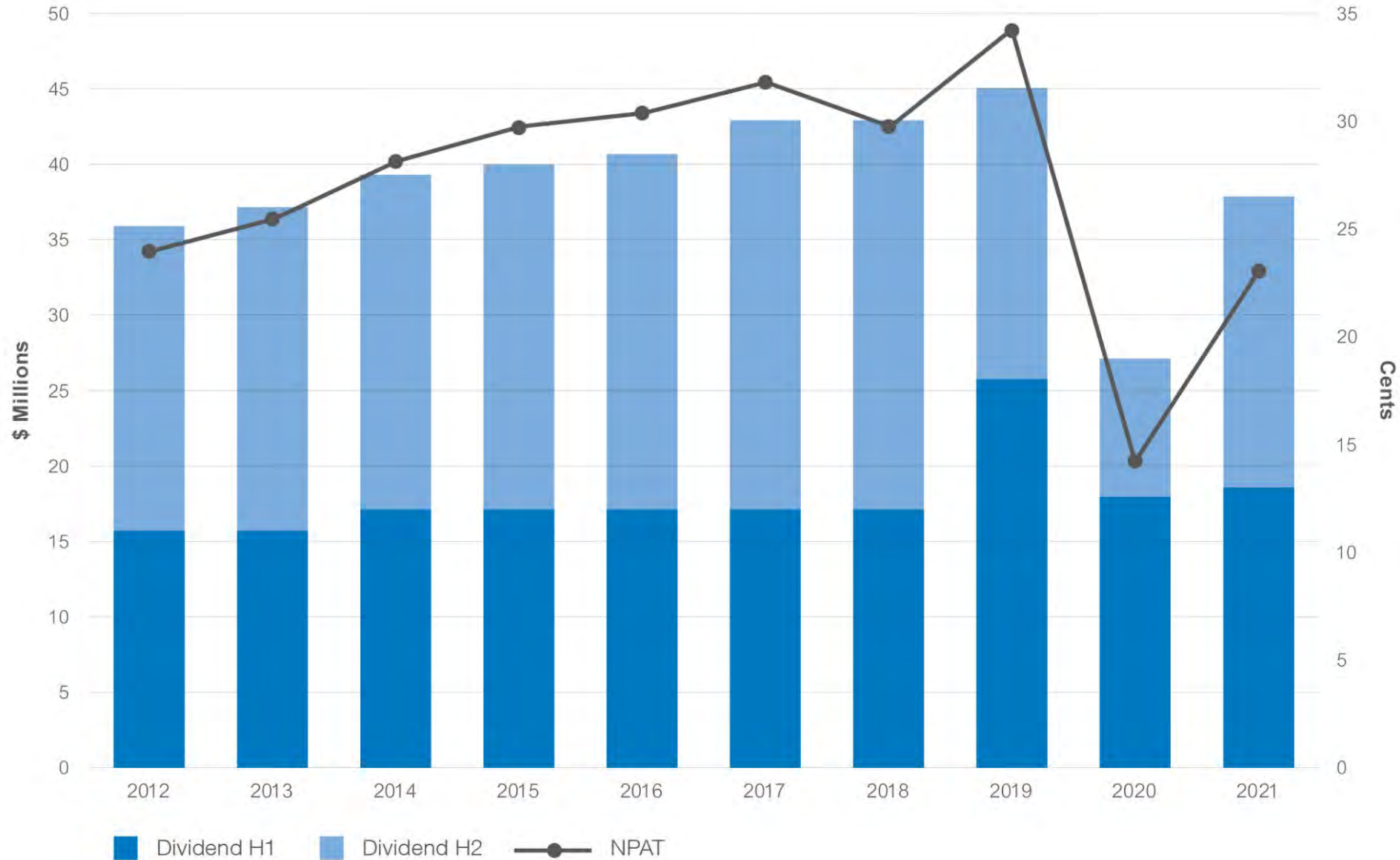
NET BANK DEBT
TO EQUITY



28.3%

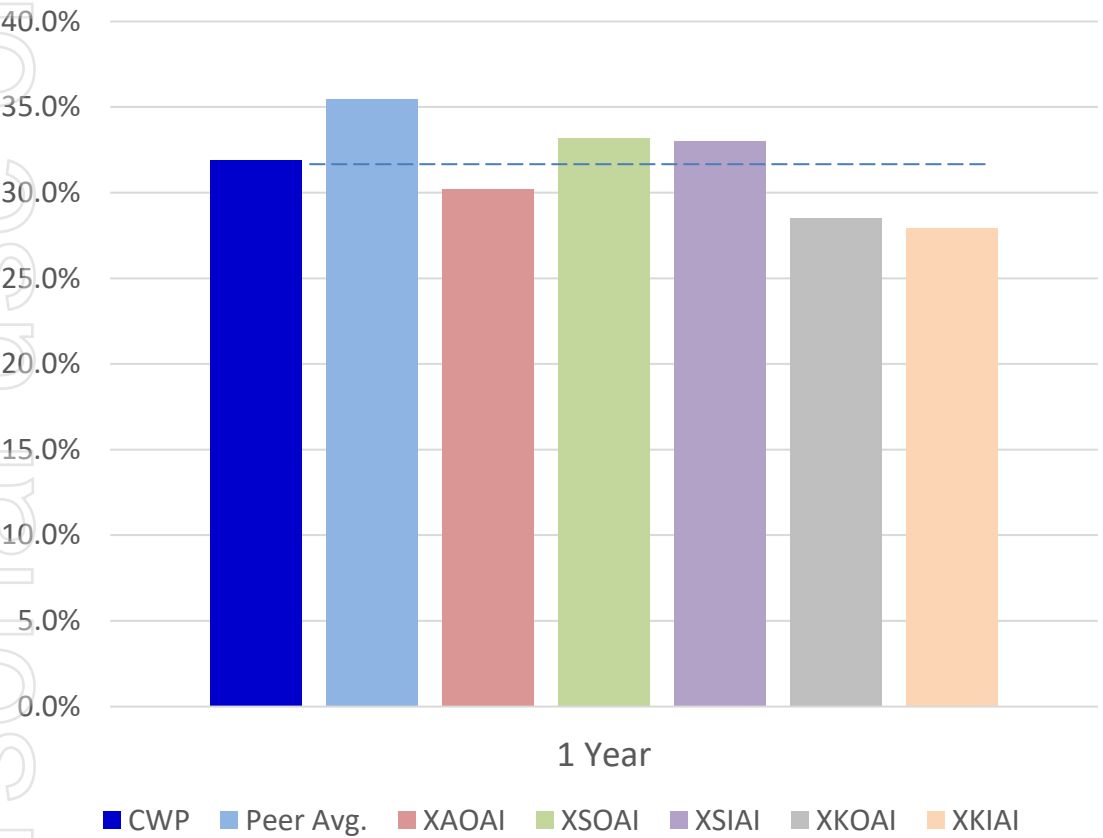
At the lower end of target
range of 20%-75%

HISTORY OF PROFITS & DIVIDENDS



TOTAL SHAREHOLDER RETURN (TSR)

1-Year TSR Performance



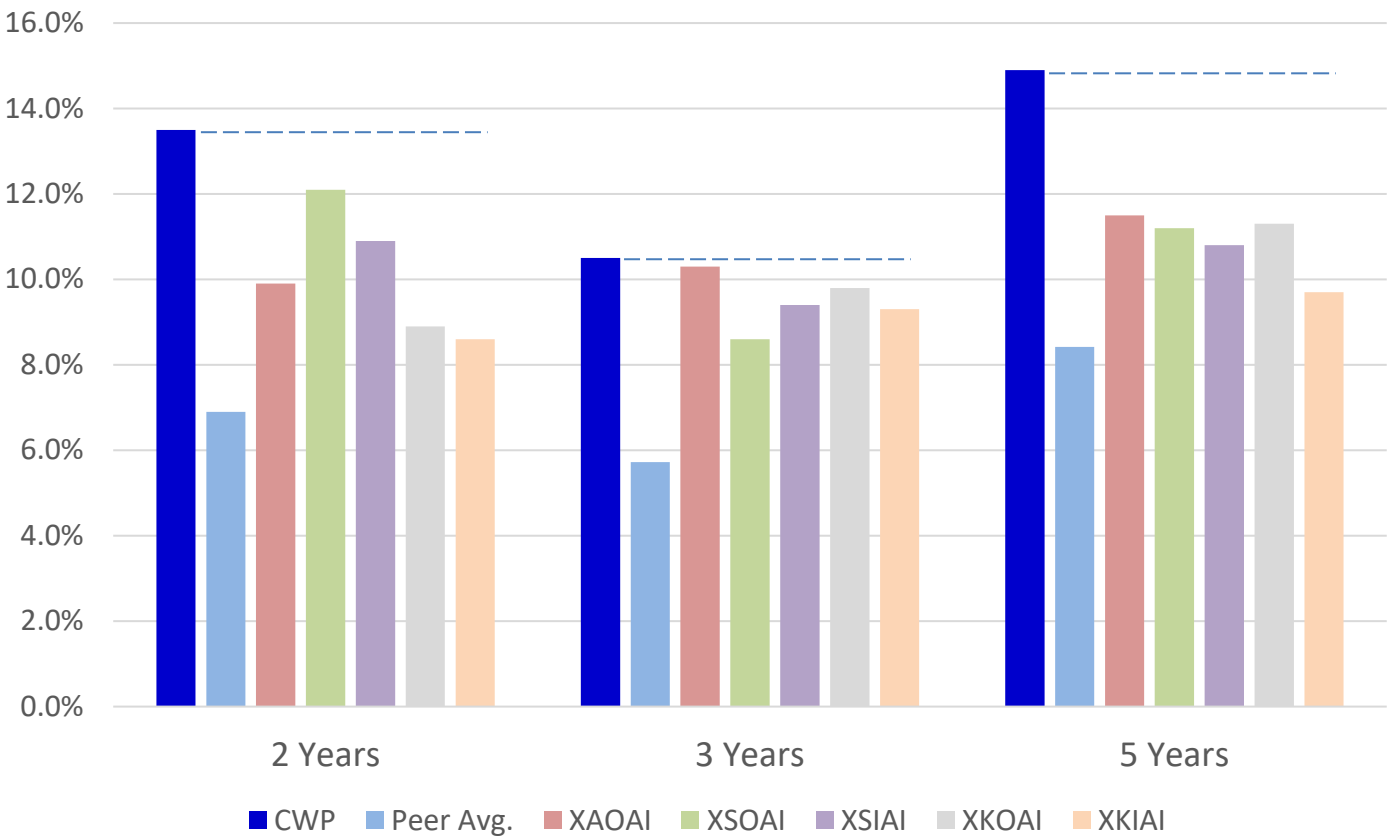
CWP - Cedar Woods

XSIAI - Small Industrials

Peer Avg - Peer Group Average

XKOAI - S&P ASX300

Medium to Long Term TSR Performance



XAOAI - All Ordinaries

XKIAI - S&P ASX300 Industrials

XSOAI - Small Ordinaries

BALANCE SHEET

	30 Jun 2021	30 Jun 2020
Total assets (book value)	\$651.8m	\$644.1m
Net assets (equity)	\$400.4m	\$376.8m
Net tangible assets per share	\$4.92	\$4.68
Net bank debt	\$113.3m	\$142.7m
Net bank debt to equity	28.3%	37.9%
Net bank debt to total tangible assets (less cash)	17.6%	22.3%
Finance facilities	\$235.0m	\$235.0m
Finance facilities headroom	\$94.0m	\$68.7m
Interest cover (annual)	12.1 x	5.9 x



OUR PORTFOLIO

SUMMARY

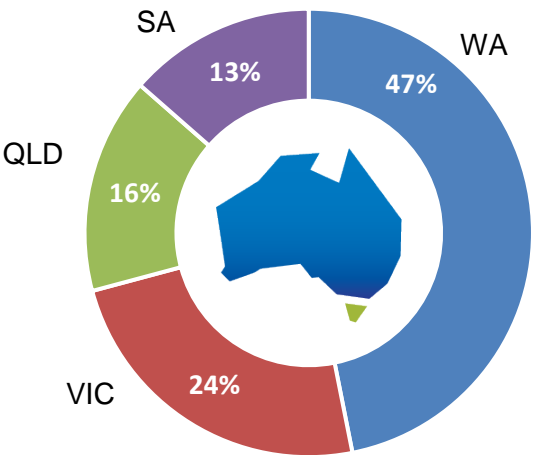
- ▶ 9,600+ lots/dwellings/units (including conditional acquisitions)
- ▶ 31 projects across 4 states -VIC, WA, SA, QLD
- ▶ Land estates, townhouses, apartments & commercial projects
- ▶ High amenity locations & often located adjacent to train stations
- ▶ Projects positioned as quality developments within their respective markets



DIVERSIFIED BY LOCATION & PRODUCT

PORTFOLIO BY LOCATION

lots/homes/offices

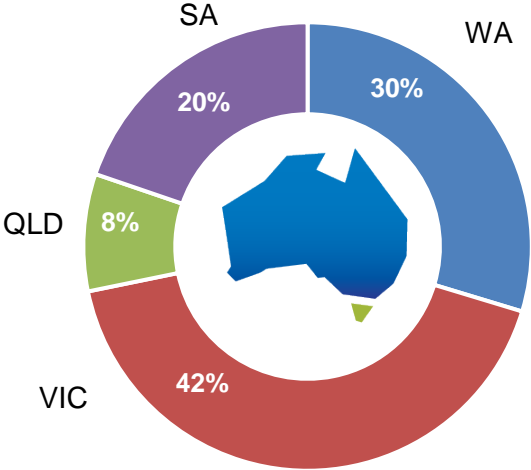


State	Lots/Units*	%
WA	4,500+	47%
VIC	2,300+	24%
QLD	1,500+	16%
SA	1,300+	13%
Total	9,600+	100%

* Includes conditional acquisitions totalling ~1,000 lots.

PRESALES BY LOCATION

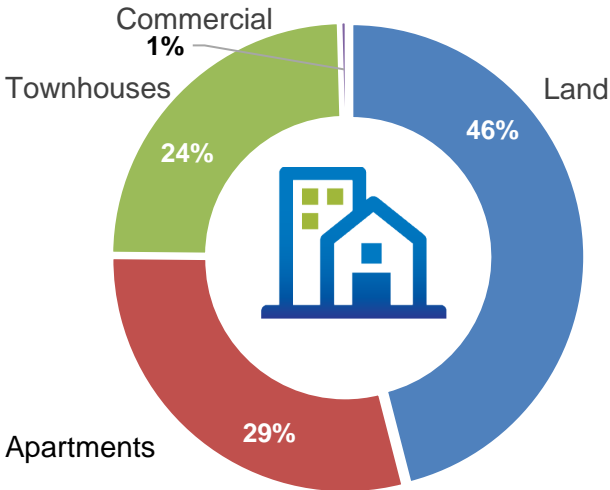
lots/homes/offices



State	Lots/Units	%
WA	344	30%
VIC	488	42%
QLD	98	8%
SA	229	20%
Total	1,159	100%

PRESALES BY PRODUCT TYPE

lots/homes/offices



Product	Lots/Units	%
Land	533	46%
Apartments	338	29%
Townhouses	283	24%
Commercial	5	1%
Total	1,159	100%



MARKET CONDITIONS

NEW HOUSING SECTOR

- ▶ Low interest rates & unemployment are supporting the new housing sector, resulting in strong sales conditions
- ▶ Confidence levels recently impacted by lockdowns in some states, but expected to sharply recover
- ▶ Demand across most product types is strong & this is expected to continue for some time
- ▶ Price growth is outpacing cost increases in most markets, but we are watching costs closely as builders process large volumes of sales
- ▶ Immigration will need to return to sustain the new housing sector's performance, & when it does, sales conditions are anticipated to be favourable
- ▶ Overall, we expect demand for new housing to continue to be elevated for at least the medium term, but with some interim volatility due to COVID-19

BY STATE

MARKET OUTLOOK

MELBOURNE

- Strong demand for growth area housing and established housing
- Low apartment demand, few apartment projects in market
- Ongoing lockdowns
- Exodus of temporary residents, high rental vacancy rates
- Limited growth area land lots available
- HIA forecast Vic housing starts -12.3% in FY22, following +7.0% in FY21

BRISBANE

- Market driven by relative affordability and significant interstate migration from Melbourne and Sydney
- Low vacancy rates, strong rental growth
- Strong demand for housing
- Apartment market recovering
- Stock shortages, leading to strong price growth
- HIA forecast Qld housing starts +8.7% in FY22, following +19.1% in FY21

PERTH

- Market driven by relative affordability, pent up demand and interstate migration
- Low vacancy rates, strong rental growth
- Strong demand for housing
- Apartment market recovering
- Stock shortages, leading to price growth
- HIA forecast WA housing starts +5.4% in FY22, following +76.6% in FY21

ADELAIDE

- Largest employment sectors government and health not impacted by pandemic
- Low vacancy rates, strong rental growth
- Strong demand for housing
- Apartment market recovering
- Stock shortages, leading to strong price growth
- HIA forecast SA housing starts -17.0% in FY22, following +27.2% in FY21

CEDAR WOODS' EXPERIENCE

MELBOURNE

- Land sales strong, townhouse, apartment and office sales moderate
- Reduced incentives
- Price increases for land & townhouses but stable for apartments & offices
- Modest cost increases
- Few fall overs but some settlements extended

BRISBANE

- Strong selling conditions across land and townhouses
- Price growth
- Improving apartment market
- Cost increases for townhouses and apartments, mitigated by price growth

PERTH

- Moderate to strong selling conditions across land and townhouses
- New stages released to meet demand
- Delays to new housing starts as home builders work through stimulus orders
- Rising home building costs
- Improving apartment market
- Reduced fall over rate

ADELAIDE

- Strong selling conditions across townhouses and premium apartments, price growth
- Moderate selling conditions for mid-level apartments
- Cost increases for townhouses, mitigated by price growth

OUR PROJECTS

The Brook at Byford, WA



WESTERN AUSTRALIA

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- ▶ 11 projects, more than 4,500 lots / dwellings
- ▶ Projects catering for a range of buyer types
- ▶ Land subdivision, townhouses & apartments
- ▶ 2 new developments delivering first contributions in FY21, Solaris and Ariella (northern precinct)
- ▶ Strong sales continued in H2 FY21
- ▶ Hamersley project secured subject to approvals

ARIELLA (WA)

- Initially acquired in 2013, subsequent 20.5ha addition in 2019
- Located in Perth's popular North-East corridor
- Vacant land subdivision, total yield of 880 lots
- Strong performing, high margin project selling 100+ lots p.a.
- Final settlements anticipated to occur in FY25



INCONTRO, SUBIACO (WA)

- ▶ Inner ring site located 5km from CBD, in sought after suburb of Subiaco
- ▶ Masterplan with 151 townhouses & apartments
- ▶ Townhouses 100% presold with construction underway
- ▶ Building works commenced on site, stage 1 settlements September 2022
- ▶ Planning approval for apartments being sought – expected later in 2021
- ▶ Registration of interest campaign for apartments underway
- ▶ Apartment sales to launch in Q2 FY22



VICTORIA

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- ▶ 11 projects (4 currently at Williams Landing)
- ▶ More than 2,300 lots / dwellings / offices + 17 hectares of commercial / apartment sites
- ▶ Land subdivision, townhouses, apartments & commercial projects
- ▶ Challenging development conditions under COVID-19 restrictions in Victoria
- ▶ Strong sales and settlements continuing across Victorian projects
- ▶ Increased pipeline by 725+ lots with recent Fraser Rise and Fieldstone acquisitions

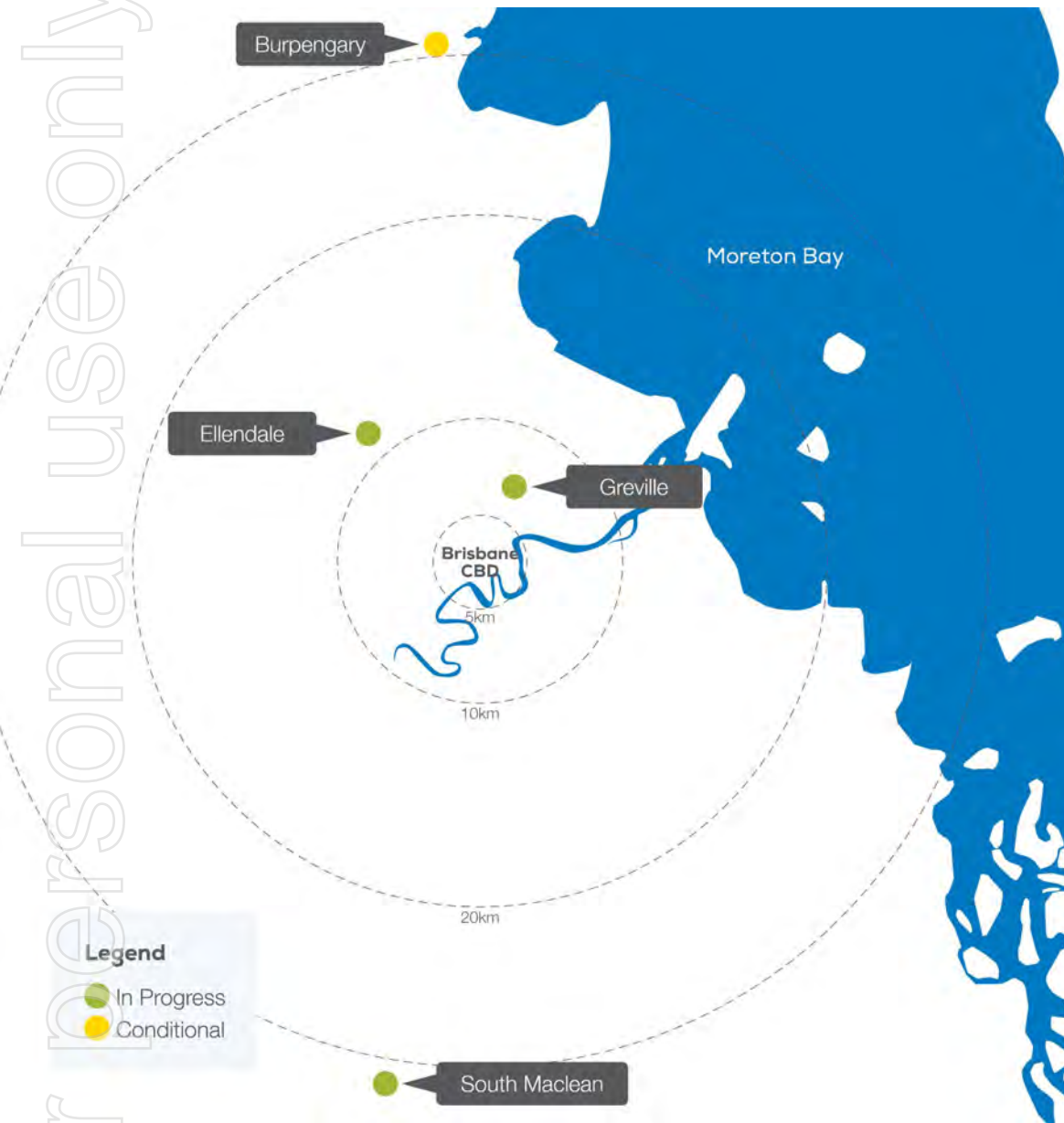
WILLIAMS LANDING

- ▶ Large scale, masterplanned development with over 3000 homes & a large mixed use town centre
- ▶ Diverse mix of land, townhouses, apartments & commercial developments
- ▶ Up to 10 years remaining project life
- ▶ Numerous projects underway



QUEENSLAND

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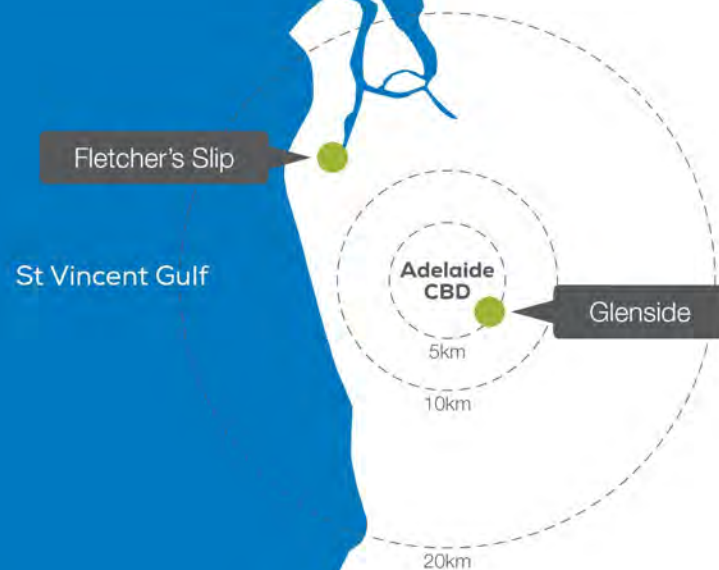
- ▶ 5 projects (2 at Greville)
- ▶ More than 1,500 lots / dwellings
- ▶ Land subdivision, townhouses, apartments & commercial
- ▶ Strong market conditions being experienced with significant price growth being achieved
- ▶ Increased pipeline by 515 lots with the South Maclean acquisition

GREVILLE

- ▶ 3.7 ha site, 6km north of Brisbane CBD
- ▶ Mix of townhouses, apartments & childcare
- ▶ Close to 2 train stations, schools & shops
- ▶ Townhouses selling well with strong price growth
- ▶ Increased construction costs
- ▶ Apartment sales launching around Q2 FY22



SOUTH AUSTRALIA



Legend

- In Progress
- Conditional

- ▶ 4 well located projects (including 3 projects at Glenside)
- ▶ Acquisitions from State Government
- ▶ More than 1,300 townhouses & apartments remaining
- ▶ Strong market conditions

GLENSIDE

- ▶ 17 Ha, 3km from Adelaide CBD
- ▶ 1,000 townhouses & apartments
- ▶ 8 – 10 year project duration
- ▶ Grace apartments - settled in July 21
- ▶ Monarch apartments - sales commenced, 40% sold within weeks
- ▶ 62 fully presold townhouses under construction, to settle in Q4 FY22



FLETCHER'S SLIP

- ▶ 14km north west of the CBD
- ▶ Around 500 dwellings, townhouses and apartments
- ▶ Adjacent to train station, beach, close to submarine building precinct
- ▶ Stage 1 subdivision works completed, Stage 2 underway
- ▶ Construction commencing on 75 townhouses
- ▶ First apartment building – sales commencing in Q2 FY22



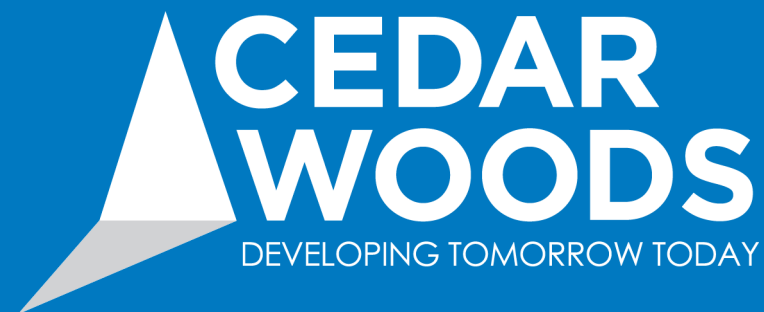
OUTLOOK

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- ▶ Low interest rates & unemployment are supporting the new housing sector
- ▶ Demand across most product types is currently strong & this is expected to continue for some time, although with variability due to the impacts of COVID-19
- ▶ Outlook underpinned by pre-sales of \$478m, partially de-risking future earnings
- ▶ Continued growth in earnings expected in FY22, subject to market conditions and assuming that restrictions will ease by the end of 2021 as vaccination targets are reached
- ▶ Long pipeline of quality projects, many in high demand locations with low competition
- ▶ Actively restocking the pipeline with some major new acquisitions announced



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