

FY2018 Financial Results
22 August 2018



Financial highlights

Total Revenue

\$239.7m

Up 7.8 per cent



Presales

\$320m

Up 23 per cent



Net Profit

\$42.6m

Net profit of \$42,603,000
Down 6.3 per cent



Return on Equity

12.1%

Return on equity above company benchmark



Full Year Dividends

30.0¢

Full year dividends of 30.0 cents per share
In line with previous year



Total Shareholder Return

16.5%

Strong one year total shareholder return



Earnings Per Share

53.9¢

Earnings per share of 53.9 cents
Down 6.4 per cent



Net Bank Debt to Equity

30.9%

Net bank debt to equity at lower end of target range



Our purpose, vision & values



Cedar Woods' strategy

To grow and develop 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, townhouse, apartment and office products.



Price Point

Wide range of price points offered with Western Australia, South Australia and Queensland offering good affordability.

Strategic priorities

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.



Financial Strength

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



Operational Excellence

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



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.

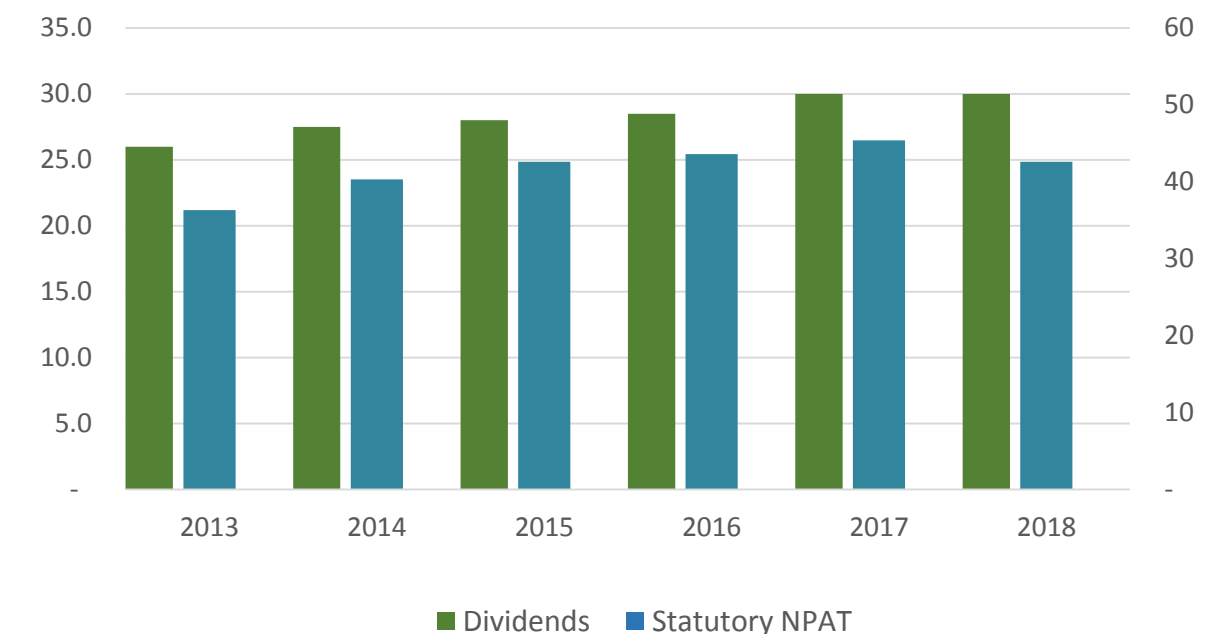


Solid return metrics

A strong track record of consistent profitability and dividends

	FY18	FY17	Change
Net profit after tax	\$42.6m	\$45.4m	6.3% ↓
Earnings per share	53.9 cents	57.6 cents	6.4% ↓
Dividends per share (fully franked)	30.0 cents	30.0 cents	No change
Dividend yield (based on 30 June share price)	5.2%	5.3%	0.1% ↓
Presales	\$320m	\$260m	23% ↑
Return on equity	12.1%	13.8%	1.7% ↓

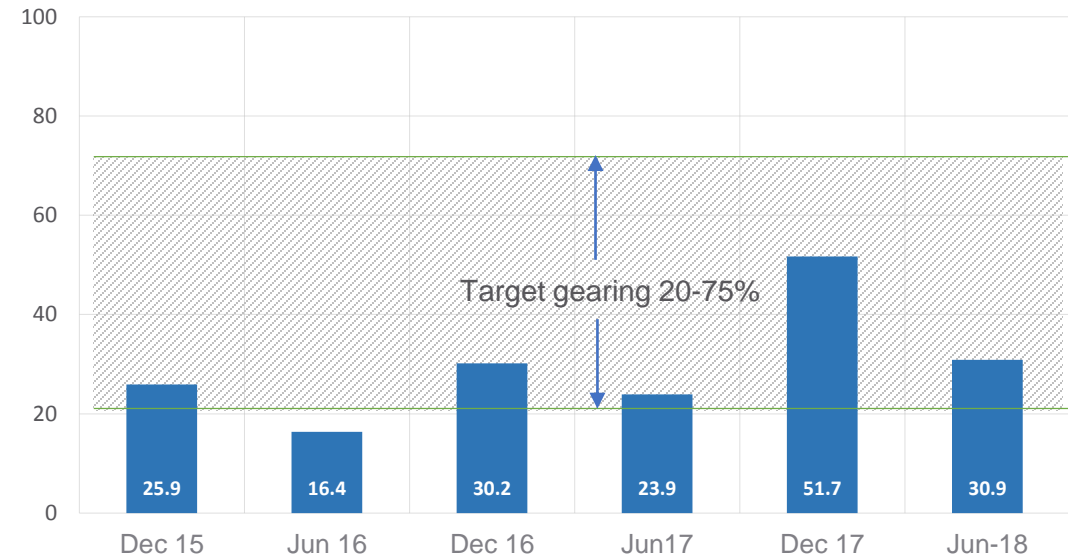
Dividends per Share (cents)



Balance sheet strength and access to funding

	30 June 2018 \$m	30 June 2017 \$m
Total assets (book value)	\$601.5m	\$505.6m
Net bank debt	\$109.1m	\$78.9m
Net assets (equity)	\$353.2m	\$330.2m
Net bank debt to equity	30.9%	23.9%
Net bank debt to total tangible assets (less cash)	18.9%	15.9%
Finance facilities	\$297.1m	\$205.0m
Finance facilities headroom	\$146.9m	\$102.0m
Interest cover (times)	8.5x	13.9x

Gearing (%)



- Net bank debt to equity at 30.9%, at the lower end of target range.
- \$297 million in finance facilities, ample headroom, corporate facility extending to November 2020.

Portfolio summary

Products

Land, townhouses, apartments
& commercial development



30

Projects across 4 states -
VIC, QLD, WA & SA



9,500

dwelling/lots/commercial units



Location

Well located projects, many adjacent
to rail stations, schools & shops



10.6%

Share price growth
over the year



16.5%

Total one year shareholder
return



Project locations

WA

Major Projects

Ariella
Bushmead
Harrisdale Green
Karmara
The Rivergums
Millars Landing
Byford on the Scarp
The Brook at Byford



SA

Glenside
Port Adelaide

QLD

Ellendale
Woolloowin

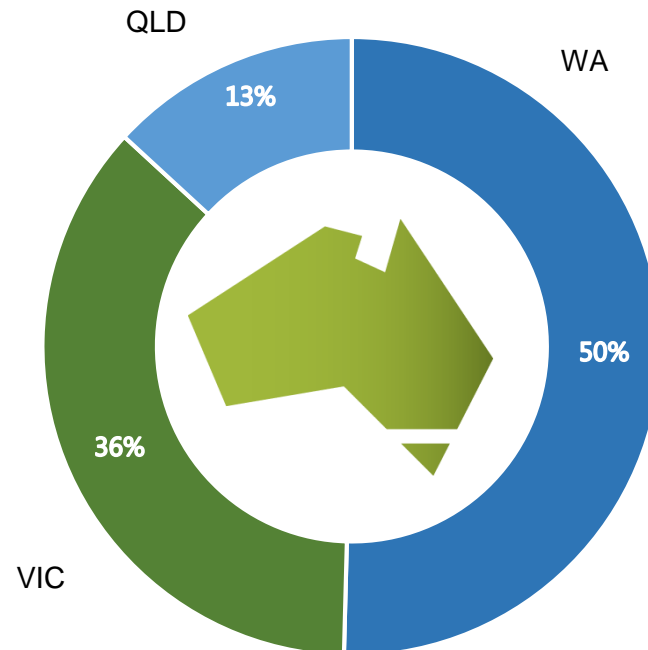
VIC

Williams Landing
Oxford Apartments
111 Overton Offices
Lancaster Apartments
Target HQ
St. A
Carlingford
Jackson Green
Wattle Apartments
Gardenia Apartments
Leveson Steet

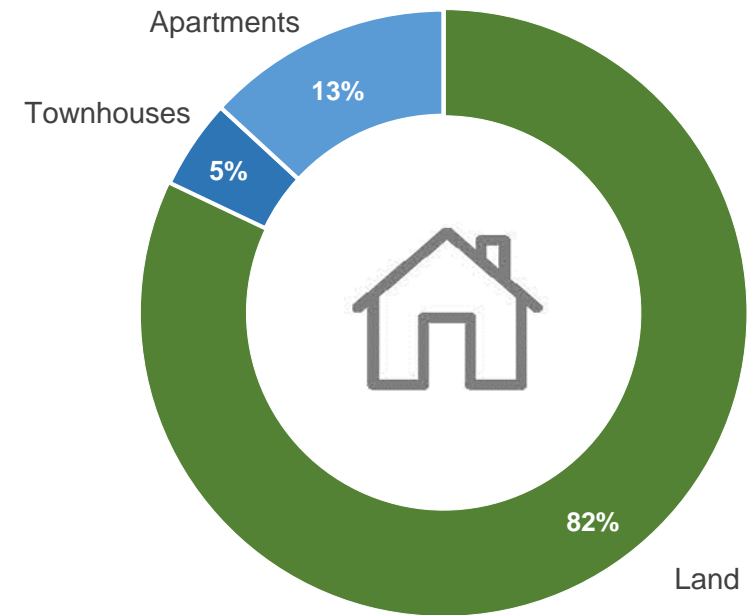
Diversified portfolio

- Wide range of locations, product type, and price points

Location
FY18 Settlements

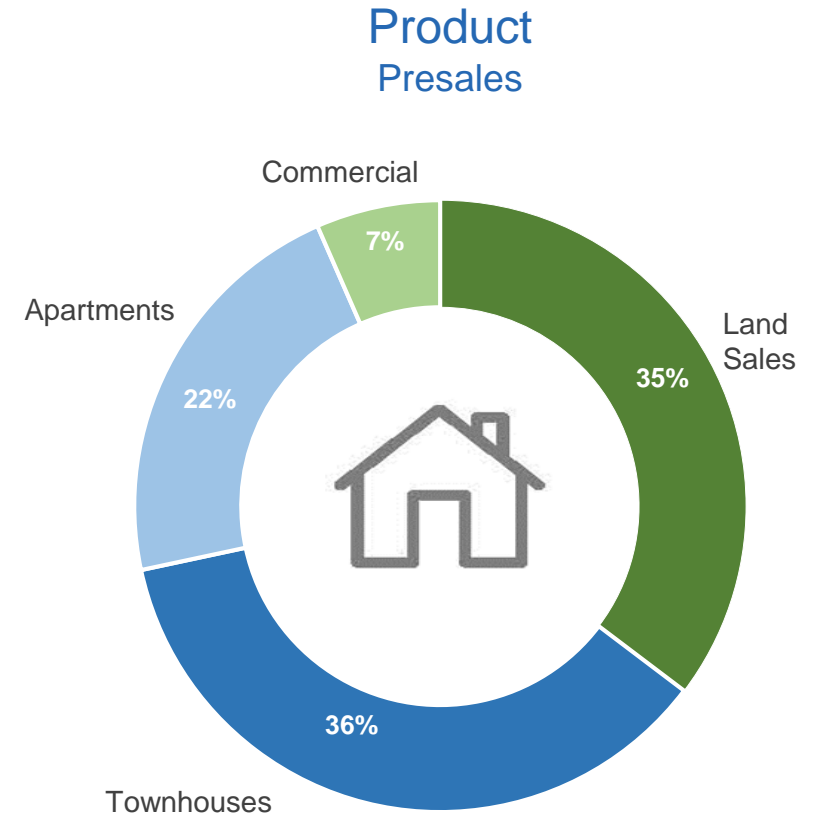
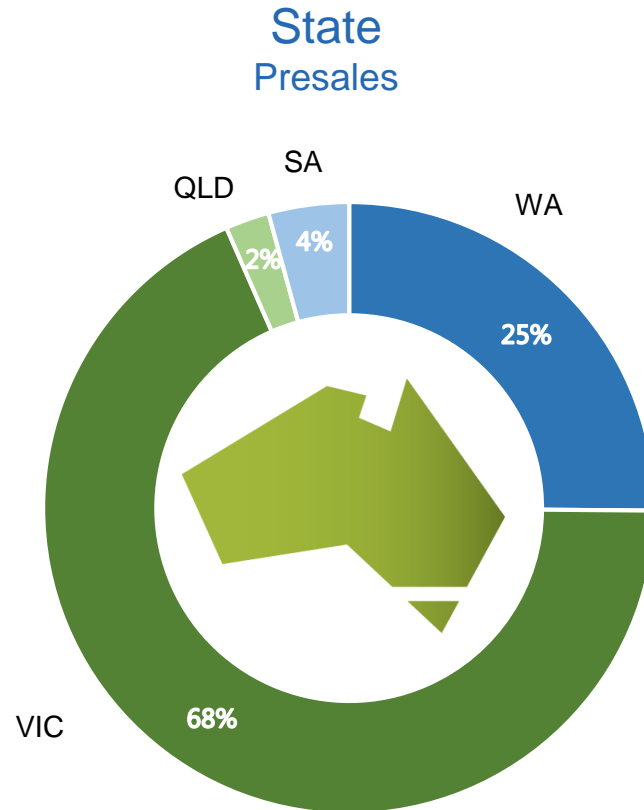


Product
FY18 Settlements



Diversified portfolio

- Sales occurring across 4 states
- Increasing product diversity.



How we create value



Property Acquisitions

Disciplined approach to acquisitions

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



Development

Research, design, planning and delivery

- ▶ Sustainable designs that optimise quality, functionality, environmental outcomes and returns
- ▶ Collaborative approach with community and authorities
- ▶ Negotiate deliverable and speedy 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 and marketing material
- ▶ Lead generation and sales conversion
- ▶ Customer nurturing and referrals

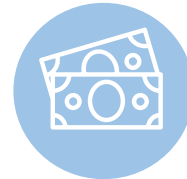
Positioned for continued growth – new projects

Project	State	Project Life (Years)
Ellendale ⁽¹⁾	QLD	8
Wooloowin	QLD	5
Jackson Green	VIC	4
St. A	VIC	3
107 Overton Rd Strata Office	VIC	1
Millars Landing	WA	10+
Bushmead	WA	8
Karmara	WA	1
Forrestdale	WA	5
Glenside	SA	5-10
Port Adelaide	SA	7

(1) Initial approval for 480 lots. It is anticipated that further stages will be approved in due course.

Market conditions

Historically low interest rates and continued population growth supporting solid fundamentals.



	Population growth continuing ¹	GDP growth robust ²	Unemployment stable ³
VIC	2.3%	2.75%	5.0%
QLD	1.7%	3.00%	6.1%
WA	0.8%	3.25%	6.0%
SA	0.6%	2.25%	5.7%

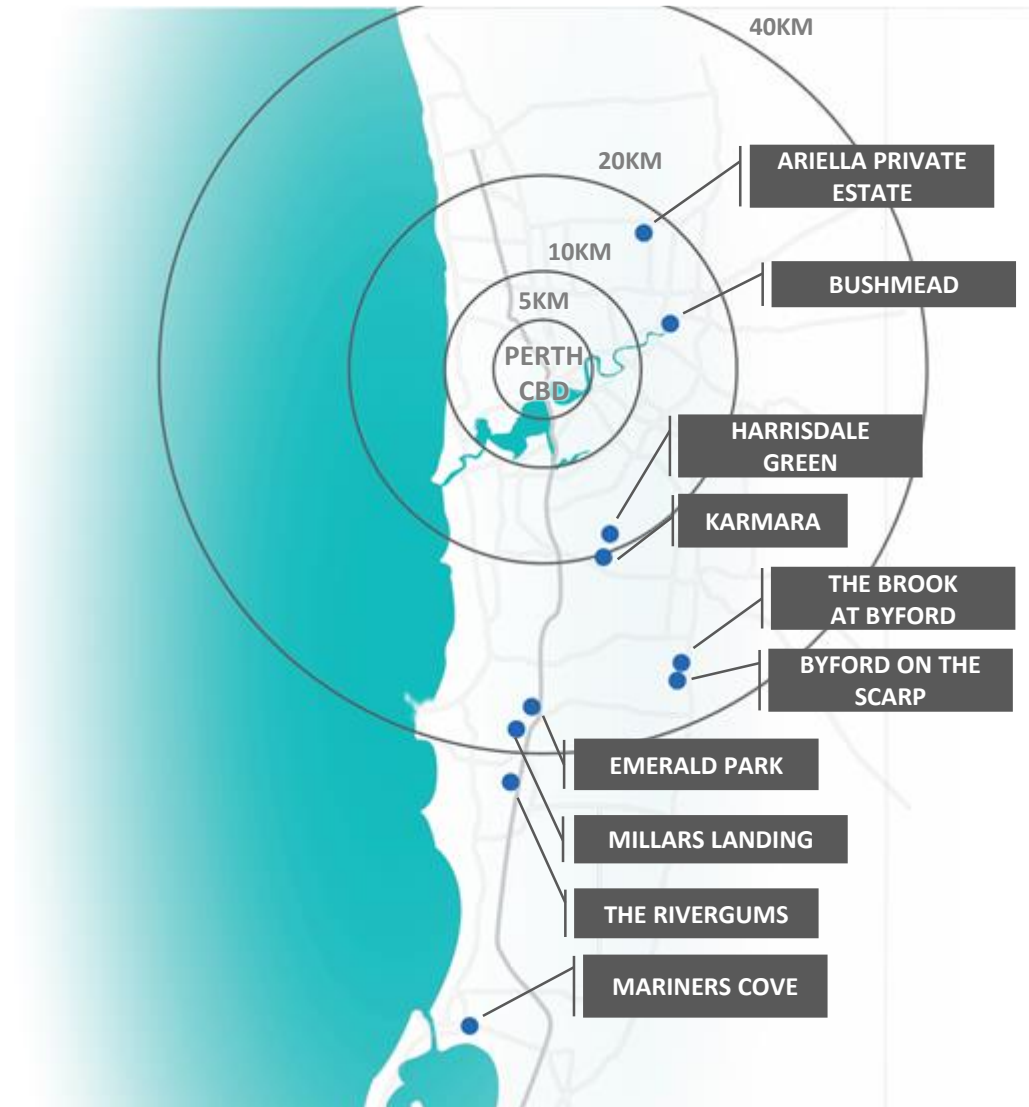
Notes: (1) ABS: Australian demographic statistics December 2017, (2) State Treasuries: Forecast Gross State Product growth per FY2019 State Budgets, (3) ABS: July 2018 seasonally adjusted unemployment.

Market conditions

VIC	Strong population growth & first home buyer incentives are contributing to continued strong sales activity. Sales volumes to investors & foreign buyers have reduced, although partially offset by increased first home buyer activity. Increased pricing over the year has more than offset cost increases resulting from high levels of construction activity.
QLD	Sound fundamentals, including improved population growth & first home buyer incentives are contributing to good sales activity in South East Queensland. The market is experiencing a steady increase in volumes in the land & established housing sector. Relative affordability will continue to support this market.
WA	The WA economy appears to have turned the corner with many indicators showing improvement. Property market conditions remain subdued although the wider economic recovery & relative affordability should translate to further improvement in conditions over FY19.
SA	Steady overall conditions with continued demand for residential property supported by relative affordability compared to Melbourne and Sydney. The Department of Defence's \$50 billion submarine project near Port Adelaide is expected to provide a boost to the economy over the project period.

Western Australia portfolio update

- 15 projects & approximately 6,000 lots
- Projects catering for a range of buyer types
- Land subdivision & townhouses
- Projects in varying stages of lifecycle
- Several major new developments starting to contribute



Western Australia: sample projects

Bushmead

- 950+ lot estate, strong margins, contributed 1st full year FY18
- Project duration of 8 years
- Price range \$168,000 - \$360,000



Bushmead

Millars Landing

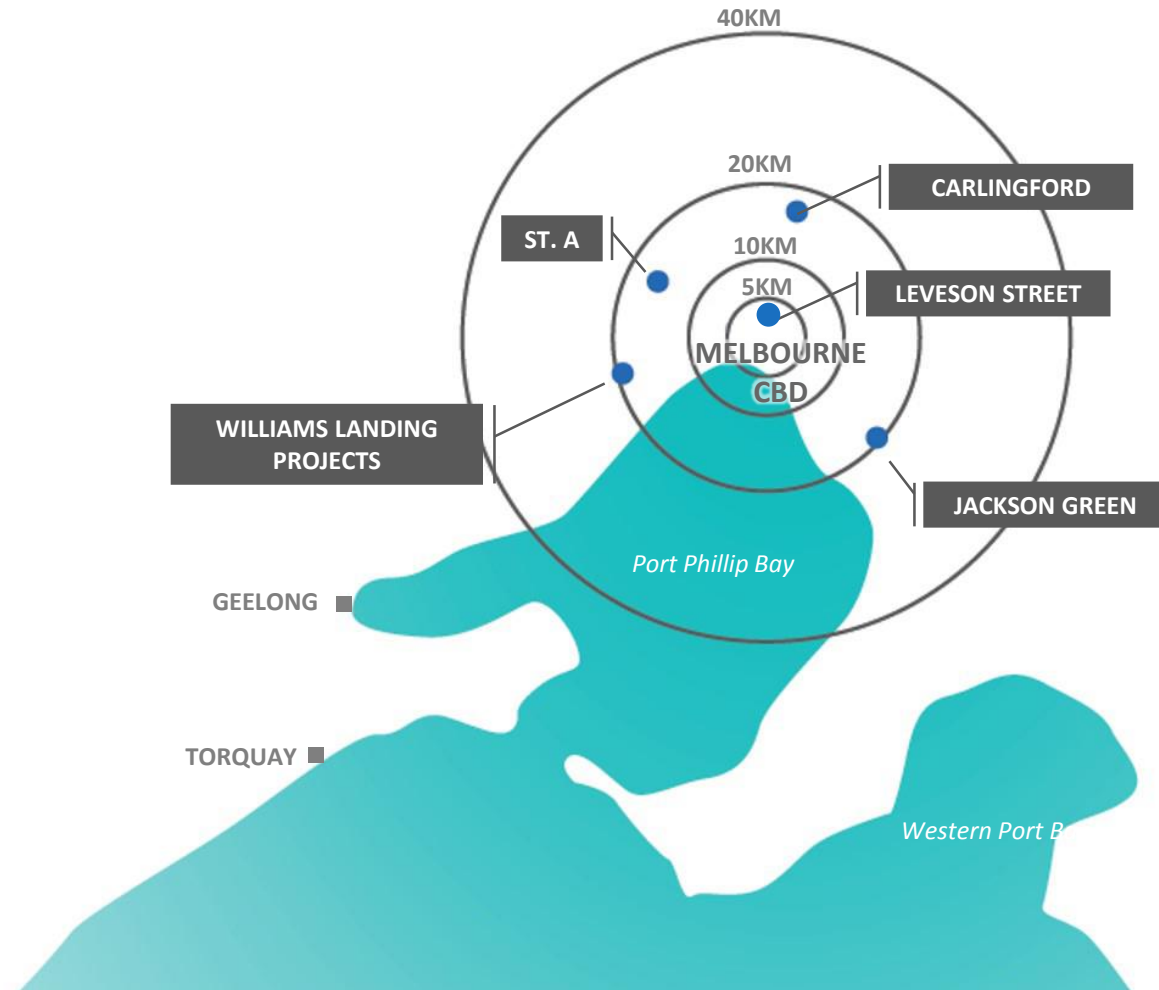
- 1,600+ lots
- First settlements occurred in FY18, 10-15 years project
- First stage complete & sales centre open
- Price range \$190,000 - \$210,000



Millars Landing

Victoria portfolio update

- 11 projects (7 currently at Williams Landing)
- Approximately 1,500 lots/dwellings/strata offices
- Projects catering for a range of buyer types
- Land subdivision, townhouses, apartments & commercial projects
- Resilient projects in high performing locations with low competition



Victoria: sample projects

St A (St Albans)

- 260+ townhouses & apartments
 - Strong sales & price growth
 - First stage settlements expected in Q2 FY19
 - some construction delays
 - Price range \$450,000 - \$650,000
-

Jackson Green (Clayton South)

- 500+ townhouses & apartments
- Strong presales
- Settlements commenced in FY18
- Price range \$350,000 - \$950,000



Victoria: Williams Landing

- 9 years+ remaining project life
- Diverse mix of land, townhouses, apartments & commercial
- Pipeline of 20 commercial / residential sites & over 200 dwellings outside of town centre
- Numerous projects underway (townhouses, apartments, commercial)
- 3 office developments now underway & presold
- Shopping centre: built & retained stage 1; planning underway for future stages



Queensland:

Ellendale (Upper Kedron)

- 228 ha site, 12km west of Brisbane CBD
- 480 lots approved on 1/3 of site
- Rezoning of balance expected in 2018
- Price range \$290,000 to \$482,000



Bexley (Woolloowin)

- 3.8 ha site, 6km north of Brisbane CBD
- 279 dwellings with mix of townhouses / apartments / childcare.
- Stage 1(24 townhouses) sales & construction start in H1 FY19
- Close to two train stations & several shops
- Price range \$450,000 to \$1 million+



South Australia:

Glenside

- 3km south east of CBD, 1,000 townhouse & apartments
- Blue chip, highly sought after suburb
- Stage 1 approved - 61 townhouses & 136 apartments
- Strong presales at average price of \$880,000
- Construction of first 34 townhouses underway
- First apartment building to be released for sales in mid FY19



Port Adelaide

- 14km north west of the CBD
- 500 dwellings, mostly townhouses
- Adjacent to train station & close to submarine building precinct
- Site preparation works forecast to commence in mid FY19
- Sales set to commence in H2 FY19



Outlook

Positive outlook underpinned by pre-sales of \$320 million, up 23% on same time last year (\$260 million)

Development program is on track

Strong uplift in profit expected in FY19

Earnings will be skewed to second half, but less so than FY18

Positive growth outlook for future financial years, with new projects contributing

Investment proposition

- ✓ Track record of consistent profits & dividends.
- ✓ Strong dividend yield of 5.2% fully franked (at year end).
- ✓ Strong earnings growth outlook.
- ✓ No further acquisitions needed to achieve FY19 & FY20 profit growth.
- ✓ Well positioned to benefit from WA turnaround.
- ✓ Our diversification strategy is a key point of difference.

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Appendix 1: Project life

PROJECT NAME	CORRIDOR / LOCATION	PROJECT TYPE	LOTS / UNITS PROJECT	LOTS / UNITS REMAIN	PROJECT LIFE						
					FY19	FY20	FY21	FY22	FY23	FY24	
<i>(As of 1/7/18)</i>											
WESTERN AUSTRALIA - PERTH											
Mariners Cove, Mandurah	South	Residential Land	982	25							
Ariella, Brabham	North East	Residential Land	492	229							
The Brook at Byford	South East	Residential Land	423	241							
Rivergums, Baldivis	South	Residential Land	1,414	380							
Byford on the Scarp	South East	Residential Land	312	227							
Karmara, Piara Waters	South East	Residential Land	128	88							
Forrestdale	South East	Residential Land	295	295							
Bushmead	East	Residential Land	954	817							
Millars Landing, North Baldivis	South	Residential Land	1,610	1,582							
Pinjarra	South	Residential Land	1,080	1,080							
WESTERN AUSTRALIA - REGIONAL											
Elements South Hedland	Pilbara	Residential Land	136	14							
WESTERN AUSTRALIA - "JV" PROJECTS											
Cedar Woods Wellard (Emerald Park)	South	Residential Land	665	82							
Batavia Coast Marina Apartments	Mid-West	Apartments	54	25							
Harrisdale Green	South East	Residential Land and Townhouses	482	280							
Western Edge, South Hedland	Pilbara	Residential Land	600	600							
				5,965							
VICTORIA - MELBOURNE											
Carlingford, Lalor	North	Residential Land	580	67							
St A, St Albans	North West	Townhouses	268	268							
Jackson Green, Clayton South	South East	Townhouses and Apartments	513	432							
North Melbourne	North West	Townhouses	15	15							
Williams Landing	West	Residential Land, Townhouses, Apartments	2,269	265							
Williams Landing	West	Target Head Office (12,919m ²)	1	1							
Williams Landing	West	Oxford Apartments	103	57							
Williams Landing	West	Lancaster Apartments	42	42							
Williams Landing	West	111 Overton Road Strata Offices	47	47							
Williams Landing	West	Apartments	382	325							
Williams Landing	West	Commercial (20 hectares)									
				1,519							
QUEENSLAND - BRISBANE											
Bexley, Wooloowin	Inner North	Townhouses and Apartments	279	279							
Ellendale, Upper Kedron	North West	Residential Land	480	255							
				534							
SOUTH AUSTRALIA - ADELAIDE											
Glenside	Inner South East	Townhouses and Apartments	1,018	1,018							
Port Adelaide (proposed)	North West	Townhouses and Apartments	502	502							
				1,520							
TOTAL GROUP				9,538							

Planning, Design & Rezoning Development & Sales Leasing, Development & Sales