

HALF YEAR FY22 FINANCIAL RESULTS



Grace Apartments, Glenside, SA

AGENDA

1. About Cedar Woods

Company Overview
Strategy
ESG

2. Financial Results

FY22 H1 Summary
Balance Sheet
Quarterly Net Sales

3. Market Conditions

New Housing Sector
By State

4. Our Portfolio

Diversified by Location & Product
Western Australia
Victoria
Queensland
South Australia

5. Outlook

New projects to deliver first earnings
Outlook

ABOUT CEDAR WOODS



COMPANY OVERVIEW

- ASX listed property company; market capitalisation of ~\$420m
- Products: land estates, townhouses, apartments & commercial
- 10,000+ lots in pipeline; 33 projects across VIC, SA, WA, QLD
- Stable Board & Management with strong governance structures & corporate reputation
- Excellent track record in growing earnings & outperforming peers



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

ESG

- Significant enhancement of ESG strategy & reporting in FY21
- Builds on Cedar Woods’ strong track record on sustainability & social responsibility
- National relationship with Smith Family – financing the education of disadvantaged children
- Working harder to reduce climate impact of our projects and operations more generally
- Rewarding workplace with strong engagement & satisfaction scores



Taskforce on Climate-related Financial Disclosures (TCFD)

first reported in FY21 annual report

Staff member wins UDIA WA Young Development Professional Award 2021.



Executive appointment boosts gender diversity.



Enhanced Flexible Working policy and new COVID vaccination policies

to protect staff and other stakeholders



Smith Family Partnership

Cedar Woods and The Smith Family making a difference in the lives of disadvantaged children

93%

staff engaged in staff survey



Implementing roadmap for best-practice in

cyber security



Scope 1 & 2 emissions

carbon footprint mapping commenced



7.7 star

NatHERS Energy Rating at Monarch Apartments

MSCI ESG RATINGS



CCC B BB BBB A AA AAA

MSCI gives Cedar Woods 'A' ESG rating.

[Disclaimer](#)



500,000

trees planted at Bushmead and new nature trail

We think about tomorrow

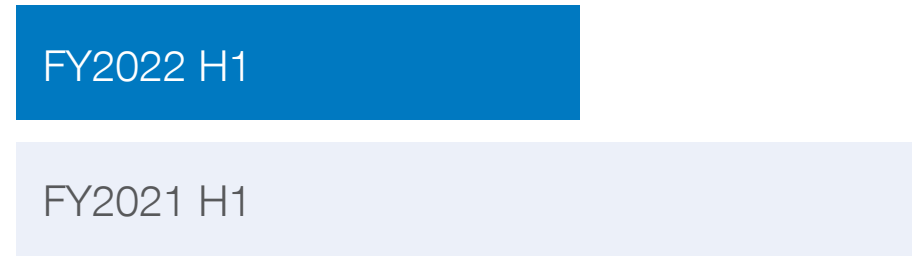
FINANCIAL RESULTS



FY22 H1 SUMMARY

NET PROFIT
AFTER TAX

\$14.1m



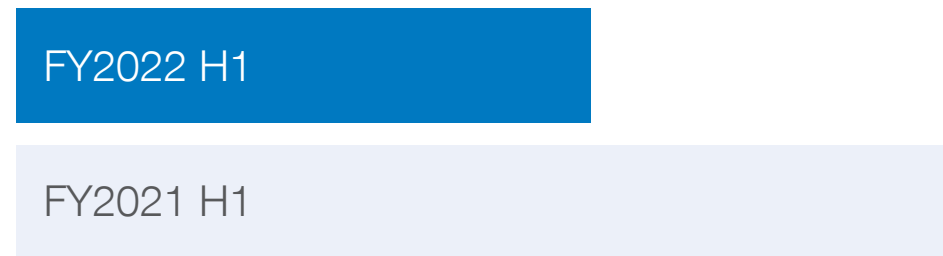
TOTAL REVENUE

\$174.4m



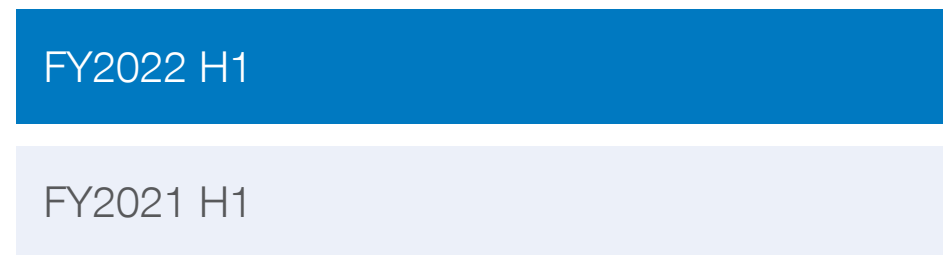
EARNINGS
PER SHARE

17.2c



INTERIM DIVIDEND
PER SHARE

13.0c



NET
SALES



682 lots

Lots / homes / offices sold in H1

PRESALE
CONTRACTS



\$560m

Up \$180m or 47% on pcp

SETTLEMENTS



500 lots

Lots / homes / offices settled in H1

ACQUISITIONS



1816 lots

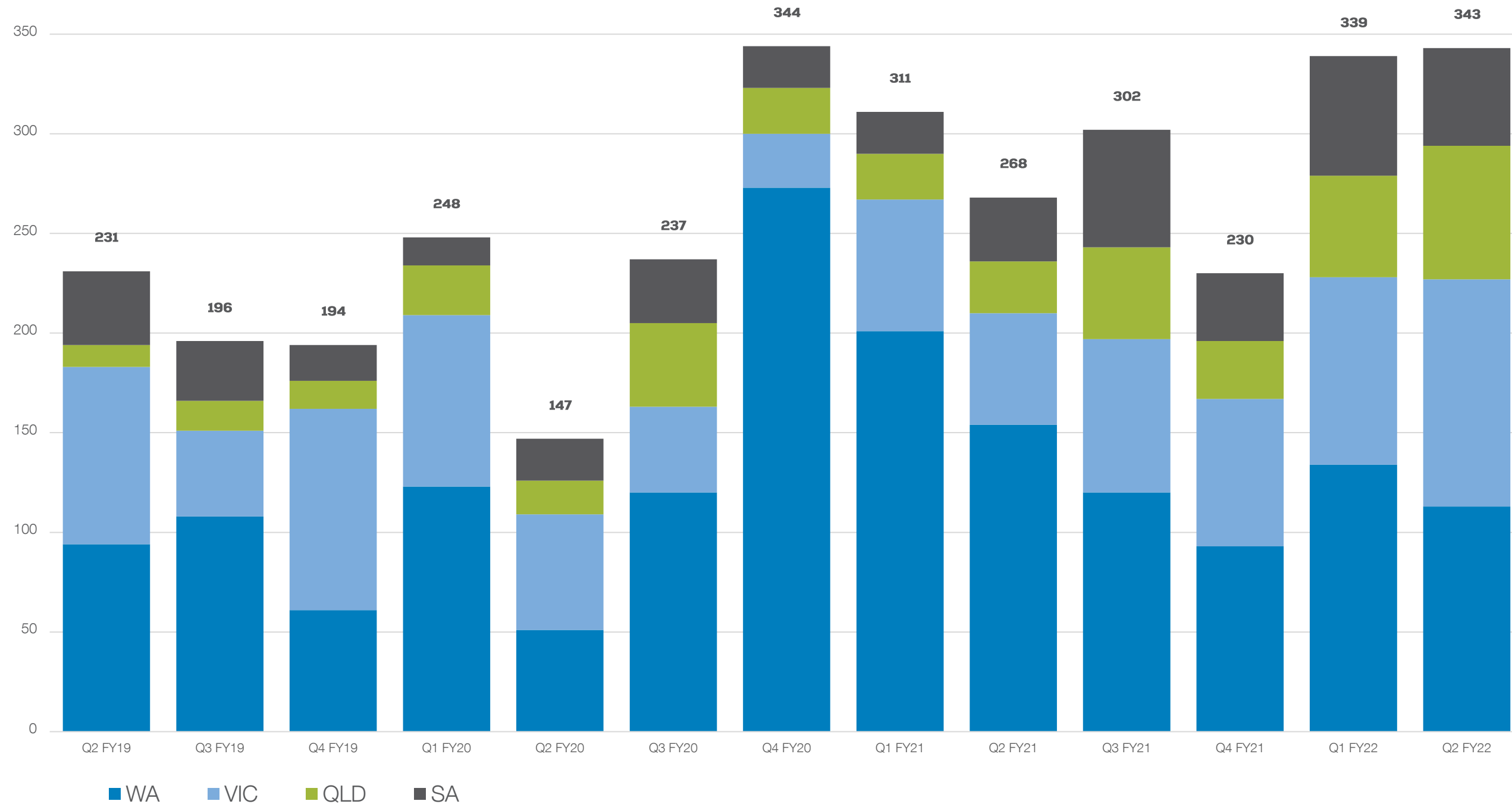
Lots added to property portfolio in H1

BALANCE SHEET

	31 Dec 2021	30 Jun 2021
Total assets (book value)	\$723.2m	\$651.8m
Net assets (equity)	\$408.2m	\$400.4m
Net tangible assets per share (book value not market value)	\$4.97	\$4.92
Net bank debt	\$196.0m	\$113.3m
Net bank debt to equity	48%	28%
Net bank debt to total tangible assets (less cash)	27%	18%
Finance facilities	\$330.0m	\$235.0m
Finance facilities headroom	\$86.1m	\$94.0m
Interest cover (annual)	9.5x	12.1x

QUARTERLY NET SALES

Net sales by quarter



- Net sales up 28% on pcp
- Consecutive quarters of strong sales performance
- Highest net sales result since Q4 FY20 (when stimulus was announced)
- Second highest quarterly net sales result in last 3 years

MARKET CONDITIONS



NEW HOUSING SECTOR

- Low interest rates, low unemployment and favourable economic conditions supporting strong sales conditions
- Annual inflation has risen to 3.5%, raising the prospect of interest rate rises in 2022 or 2023
- Housing affordability is being stretched in Sydney and Melbourne whilst Brisbane, Perth & Adelaide remain relatively affordable; but prices rising rapidly in Brisbane where median prices increased by ~30% in 2021
- Rental vacancies decreased in all major Australian capital cities in 2021 and with rents that continue to rise, will see investors numbers continuing to grow and support sales volumes
- New loan commitments: 12% increase for Owner Occupiers and 74% increase for Investors in year to December 2021
- Price growth has exceeded cost increases in most markets to date, however there is potential for further localised cost increases and program delays due to construction workforce and supply chain COVID-19 impacts
- Australia's international border restrictions easing, and with strong demand for workers nationally, overseas migration is expected to return. Net migration to increase to 1.4% in CY2024/2025
- New housing supply is being limited by construction sector constraints, which will serve to support future demand

BY STATE

MARKET CONDITIONS

NATIONAL

- Low interest rates & unemployment are key drivers of the high sales volumes & price growth being experienced. Increased interest rates will dampen demand
- All housing types, across all jurisdictions, experiencing moderate to strong enquiry & sales
- Australia’s international border restrictions are easing, and with strong demand for workers nationally, overseas migration is expected to return
- COVID-19 related constraints in construction sector causing some program delays & higher costs, but which will ultimately mean less supply being delivered
- Limitations to new supply will help underpin demand across most markets with the more affordable states set to perform stronger over CY2022
- Rental vacancy rates continue to drop, and rents continue to rise in most jurisdictions, with investors being drawn to favourable rental yields

MELBOURNE

- Past the Omicron peak
- Rental vacancy rates dropping
- Strong demand for growth area housing
- Increased apartment approvals
- HIA forecast Vic housing starts -9% in FY2022, -11% in FY2023

BRISBANE

- Low vacancy rates, rental growth
- Strong demand for homes
- High construction cost escalation
- House price growth likely to moderate in 2022
- HIA forecast Qld housing starts +13% in FY22, -6% in FY23

PERTH

- State border opening delay
- Increasing Omicron cases
- Low vacancy rates, rental growth
- Strong demand for established homes
- High construction cost escalation
- HIA forecast WA housing starts +10% in FY22, -6% in FY2023

ADELAIDE

- Low vacancy rates, rental growth
- Strong demand for homes
- Increased apartment approvals
- Stock shortages, leading to moderate / strong price growth
- HIA forecast SA housing starts -8% in FY2022, -12% in FY2023

CEDAR WOODS’ PORTFOLIO CONDITIONS

MELBOURNE

- Strong land sales, slow apartment sales
- Moderating price growth

BRISBANE

- Strong selling conditions
- Significant price growth
- New releases being brought forward

PERTH

- Varying sales volumes across estates – between moderate & strong
- Supply shortages
- Reduced fallover rate

ADELAIDE

- Strong selling conditions
- Moderate to strong price growth across various projects
- New releases being brought forward

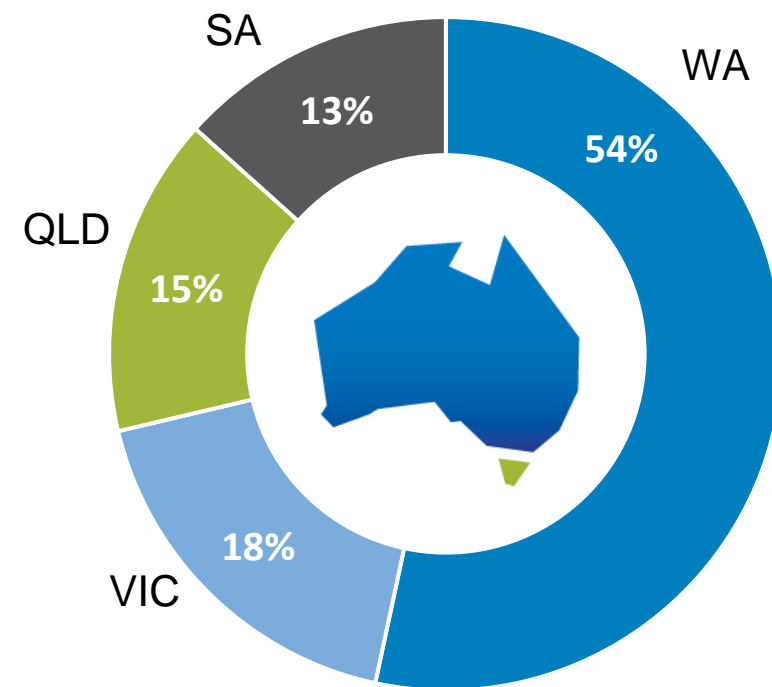
OUR PORTFOLIO



DIVERSIFIED BY LOCATION & PRODUCT

PORTFOLIO BY LOCATION

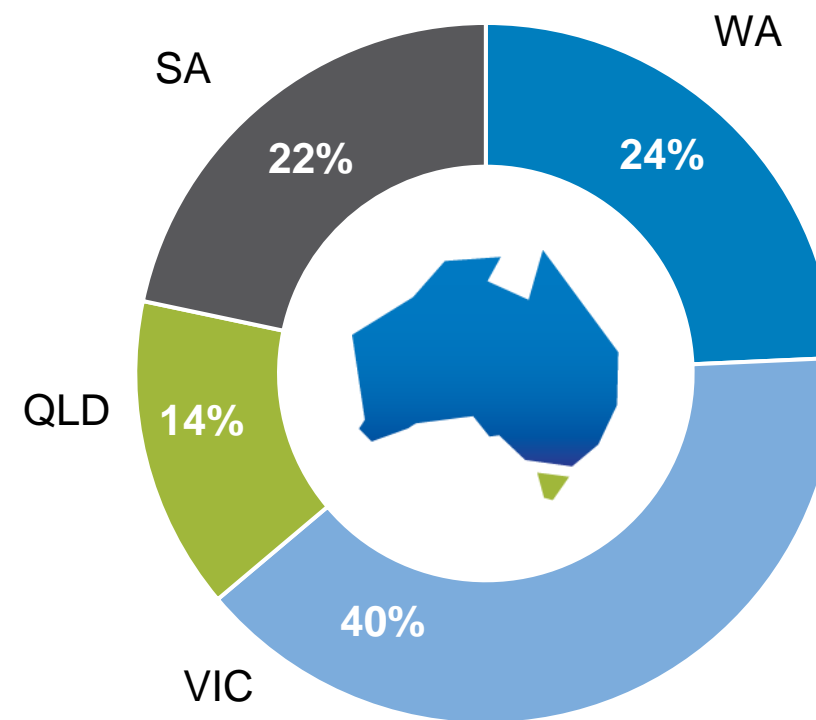
lots/homes/offices



State	Lots/Units*	%
WA	5,391	53%
VIC	1,813	18%
QLD	1,550	15%
SA	1,348	13%
Total	10,102	100%

PRESALES BY LOCATION

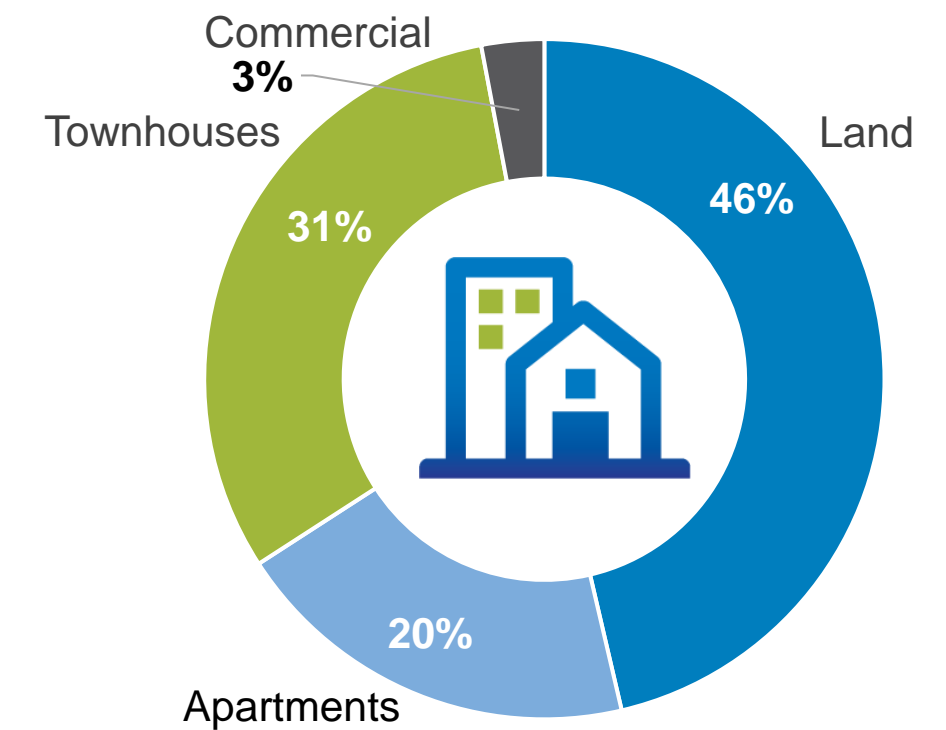
lots/homes/offices



State	Lots/Units	%
WA	326	24%
VIC	531	40%
QLD	194	14%
SA	291	22%
Total	1,342	100%

PRESALES BY PRODUCT TYPE

lots/homes/offices



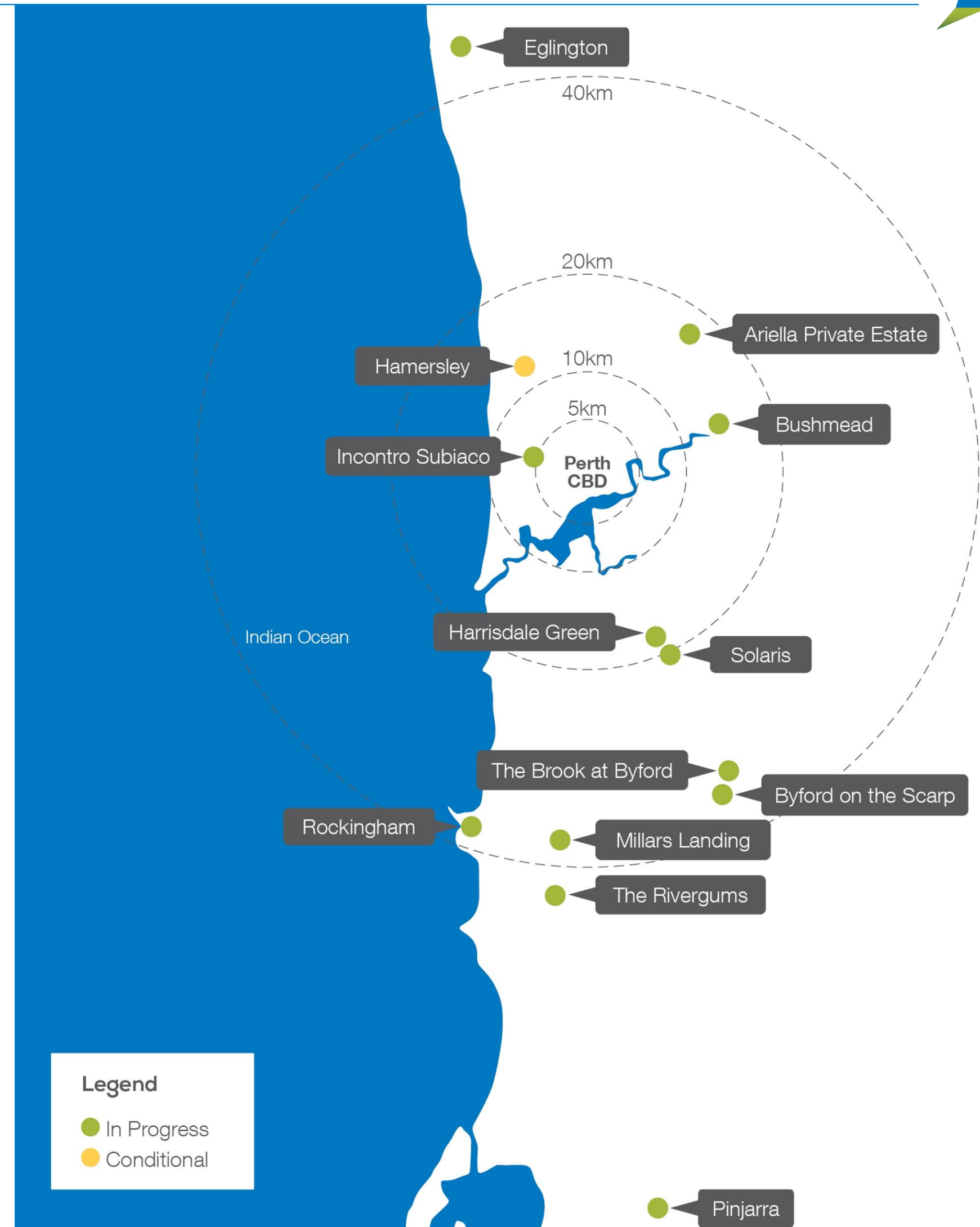
Product	Lots/Units	%
Land	622	46%
Apartments	262	20%
Townhouses	418	31%
Commercial	40	3%
Total	1,342	100%

WESTERN AUSTRALIA



WESTERN AUSTRALIA

- 11 projects, more than 5000 lots / dwellings
- Projects catering for a range of buyer types
- Land subdivision, townhouses & apartments
- 2 new projects secured, Rockingham & Eglington
- Price growth experienced in most projects
- Moderate sales volumes in H1 FY2022
- Hamersley project secured subject to approvals



BUSHMEAD

- 900+ lot estate - 60% complete
- Now selling & delivering premium section of the project, which is elevated with city views
- 20% price growth in last 12 months
- Diverse buyer profile with large downsizer representation
- Trading at circa 100 settlements p.a.
- Excellent sustainability credentials, & widely considered one of the best designed estates in WA



EGLINTON

- 86 hectare site in Perth's north-west growth corridor acquired for \$49.5m
- Located 500 metres from the new Eglinton train station forecast to open in 2023
- Will include residential neighbourhoods, primary school, commercial hub & open space
- Adds over 1,200 lots to development pipeline
- Expected to contribute to earnings over 11 years from FY2024



VICTORIA



VICTORIA

- 11 projects (Currently 4 at Williams Landing)
- More than 1,800 lots / dwellings / offices + 17 hectares of commercial / apartment sites
- Land subdivision, townhouses, apartments & commercial projects
- Range of price points and buyer types
- Strong enquiry and sales across Victorian land projects
- Increased pipeline with recent Fraser Rise and Fieldstone acquisitions



WILLIAMS LANDING

- Major masterplanned community with mixed use town centre; 8-10 year project life remaining
- Commercial - 101 Overton Road strata offices sold out Dec 2021. New strata office building, Boston Commons, achieved 62% pre-sales in H1 FY2022
- Shopping Centre - performing well & 100% leased; market value significant premium over book value
- Lincoln Apartments under construction; 100% presold, settlements forecast for H1 FY23
- Marshal Place land settlements to commence in Q3 FY2022



MASON QUARTER

- New 800+ lot estate in Melbourne's north
- Planning approval received for initial stages
- Buoyant sales conditions with strong demand from first home buyers, upgraders & investors
- 83 sales in H1 FY2022 & 169 since project launch
- Civil works set to commence in Q3 FY2022

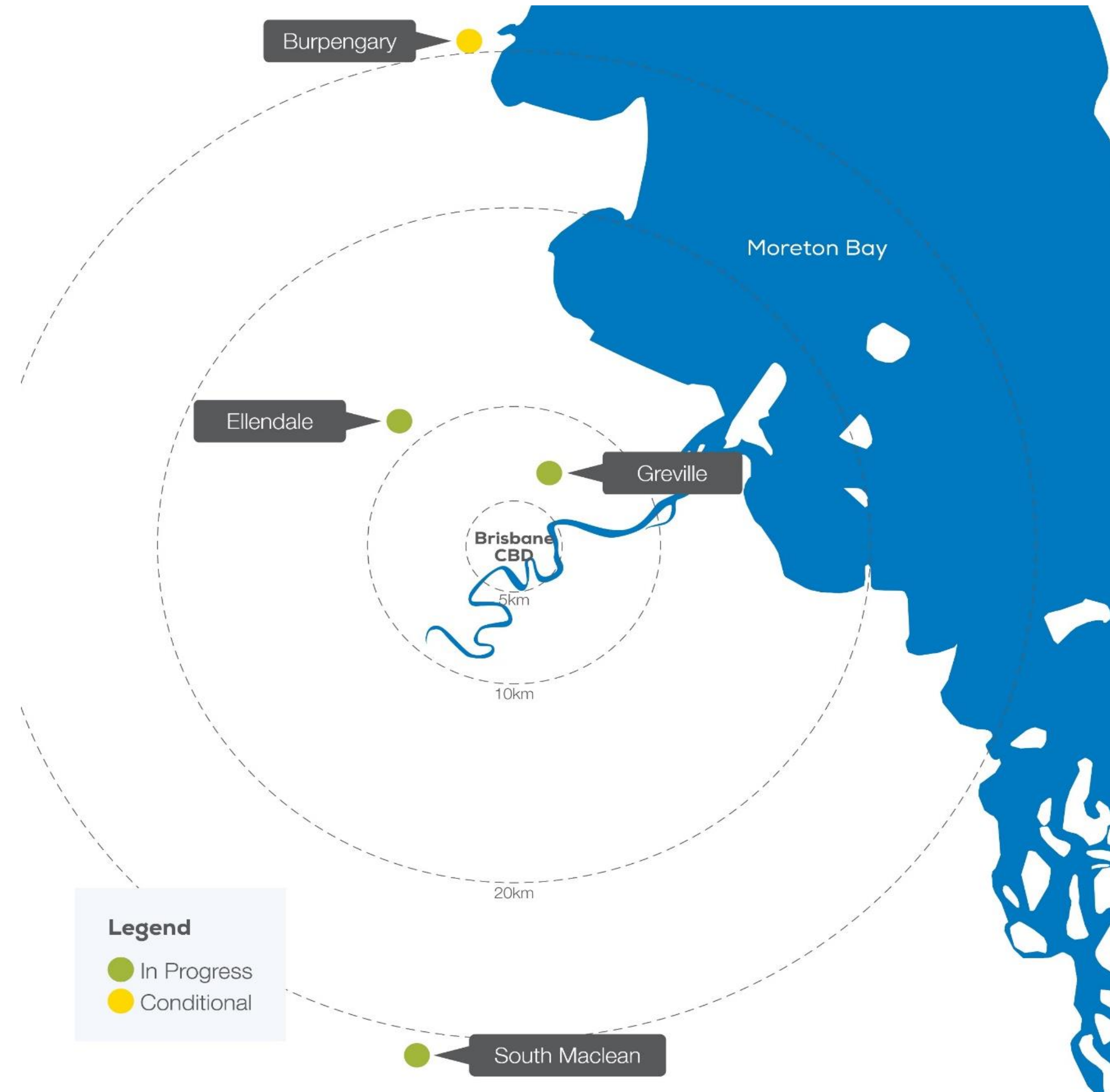


QUEENSLAND



QUEENSLAND

- 5 projects (including 2 at Greville)
- More than 1,500 lots / dwellings
- Land estates, townhouses & apartments
- Strong market conditions with significant price growth
- Increased pipeline by 516 lots with the South Maclean acquisition
- Burpengary planning approval for 329 lots received; first sales release in H2 FY2022



GREVILLE

- Urban renewal project with over 280 townhouses and apartments
- Located 5km northeast of Brisbane CBD; adjacent to train station
- First four stages of townhouses 100% sold with construction commencing
- Launched Francis Apartments in H1 FY2022, achieved 50% pre-sales



ELLENDALE

- Masterplanned community with ~900 residential lots
- Located 12km northwest of Brisbane CBD; adjacent to national park
- Approximately 50% complete
- 108 presales settling in FY2022 & FY2023
- Price growth of ~30% recorded over past 12 months

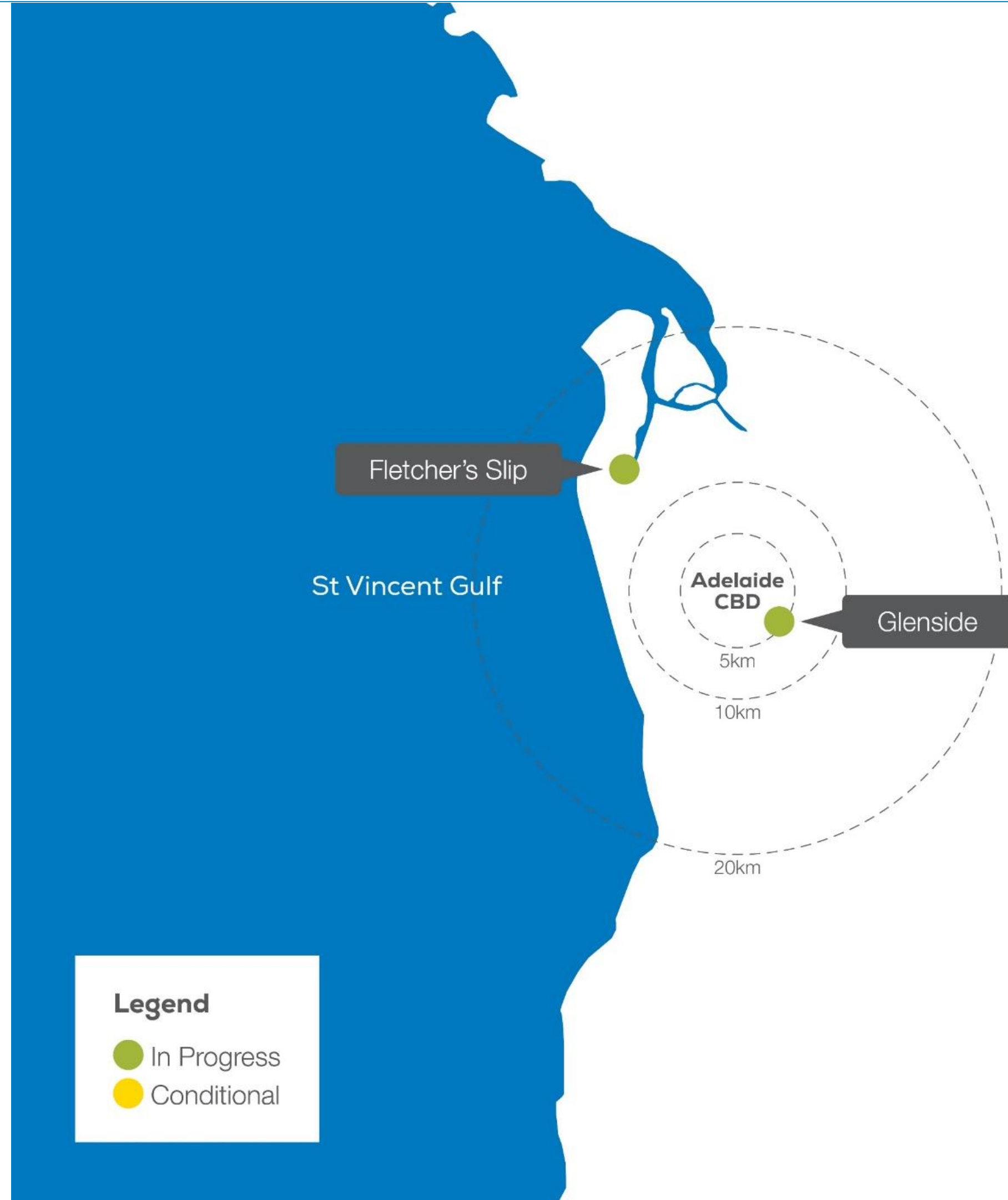


SOUTH AUSTRALIA



SOUTH AUSTRALIA

- 5 well located projects (including 3 projects at Glenside and 2 at Fletcher's Slip)
- More than 1,300 townhouses & apartments remaining
- Projects have strong sustainability credentials
- Strong market conditions



GLENSIDE

- 17 Ha, 3km from Adelaide CBD
- 1,000+ townhouses & apartments
- Monarch apartments 95% sold
- Banksia apartments to be released in coming weeks
- 62 townhouses settling mid 2022
- New townhouses to be released in coming weeks to meet significant demand



FLETCHER'S SLIP

- 14 km north-west of the CBD
- 500+ townhouses & apartments
- Adjacent to train station & harbour, walking distance to the beach & shops
- 75 fully presold townhouses under construction, with settlements over FY2022 & FY2023
- Launch of first apartments, 'Sirocco' in coming weeks



OUTLOOK



NEW PROJECTS TO DELIVER FIRST EARNINGS

FY2022

- Huntington apartments, VIC
- Grace apartments, SA
- Fletcher's Slip townhouses, SA

FY2023

- Incontro townhouses, WA
- Lincoln apartments, VIC
- Aster apartments, VIC
- Mason Quarter residential land, VIC
- Clara residential land, VIC
- Greville townhouses, QLD
- Burpengary residential land, QLD
- Monarch apartments, SA

FY2024

- Eglinton residential land, WA
- Rockingham residential land, WA
- Incontro apartments, WA
- Boston Commons offices, VIC
- Addison apartments, VIC
- South MacLean residential land, QLD
- Francis apartments, QLD
- Heritage Park, QLD
- Sirocco apartments, SA

Future years

- Hamersley residential land, WA
- Fieldstone residential land, VIC
- Williams Landing town centre apartments, offices & commercial, VIC

Note: anticipated financial year of first earnings is indicative and subject to market and construction sector conditions and approvals. Includes conditional acquisitions.

OUTLOOK

- Positive economic conditions, with low interest rates and low unemployment, to support favourable sales conditions
- Presence in relatively affordable markets (Qld, WA & SA), which are expected to perform well
- Price growth is expected to moderate as interest rates increase
- Outlook underpinned by record pre-sales of \$560m, partially de-risking future earnings
- Moderate growth in earnings is expected in FY2022 & strong growth is anticipated over the medium-term subject to market & construction sector conditions
- Portfolio of over 10,000 lots/dwellings in quality locations to support future earnings



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APPENDICES



PROJECT PIPELINE

Project Name	Corridor/Location	Project Type	Lot/Units Project	Lot/Units Remain	FY22	FY23	FY24	FY25	FY26	FY27	
WESTERN AUSTRALIA - PERTH											
Mariners Cove, Mandurah	South	Residential Land and Townhouses	982	1							
Ariella, Brabham	North East	Residential Land	880	242							
The Brook at Byford	South East	Residential Land	428	91							
Rivergums, Baldivis	South	Residential Land	1,438	292							
Byford on the Scarp	South East	Residential Land	281	70							
Solaris, Forrestdale	South East	Residential Land	310	196							
Bushmead	East	Residential Land	946	499							
Millars Landing, North Baldivis	South	Residential Land	1,555	1,422							
Eglinton	North	Residential Land	1,200	1,200				*			
Pinjarra	South	Residential Land	1,080	1,080							
Incontro, Subiaco	Inner East	Townhouses and Apartments	131	131		*					
WESTERN AUSTRALIA - "JV" PROJECTS											
Cedar Woods Wellard (Emerald Park)	South	Residential Land	665	-							
Harrisdale Green	South East	Residential Land and Townhouses	465	167							
			5,391								
VICTORIA - MELBOURNE											
Carlingford, Lalor	North	Residential Land	580	-							
St A, St Albans	North West	Townhouses	254	70							
Jackson Green, Clayton South	South East	Townhouses and Apartments	413	128							
Jackson Green, Clayton South	South East	Huntington Apartments	166	17	*						
88 Leveson, North Melbourne	North West of CBD	Townhouses	15	15			*				
Mason Quarter, Wollert	North	Residential Land	834	834			*				
Clara Place, Fraser Rise	North West	Residential Land	225	225			*				
Williams Landing	West	Residential Land, Townhouses, Apartments	2,348	182							
Williams Landing	West	Lincoln Apartments	69	69			*				
Williams Landing	West	101 Overton Road Strata Offices	74	4							
Williams Landing	West	Future Apartments / Offices / Townhouses	268	269							
Williams Landing	West	Commercial (17 hectares)	-	-							
			1,813								
QUEENSLAND - BRISBANE											
Greville, Woolloowin	Inner North	Townhouses and Apartments	223	223			*				
Greville, Woolloowin	Inner North	Francis Apartments	58	58				*			
Ellendale, Upper Kedron	North West	Residential Land	889	433							
South Maclean	South	Residential Land	516	516				*			
Burpengary	North	Residential Land	320	320				*			
			1,550								
SOUTH AUSTRALIA - ADELAIDE											
Glenside	Inner South East	Townhouses and Apartments	857	795							
Botanica apartments, Glenside	Inner South East	Apartments	77	1							
Grace apartments Glenside	Inner South East	Apartments	44	1	*						
Monarch Apartments	Inner South East	Apartments	49	49		*					
Fletcher's Slip, Port Adelaide	North West	Townhouses and Apartments	502	502	*						
			1,348								
TOTAL GROUP			10,102								
The project pipeline excludes conditional acquisitions and Lots/units Remain relates to unsettled lots/units					Planning, Design & Rezoning		Development & Sales		* First Settlements		Leasing, Development & Sales