

FY22 FINANCIAL RESULTS



AGENDA

1. About Cedar Woods
2. Financial Results
3. Market Conditions
4. Our Portfolio
5. Outlook

GRACE

ABOUT CEDAR WOODS

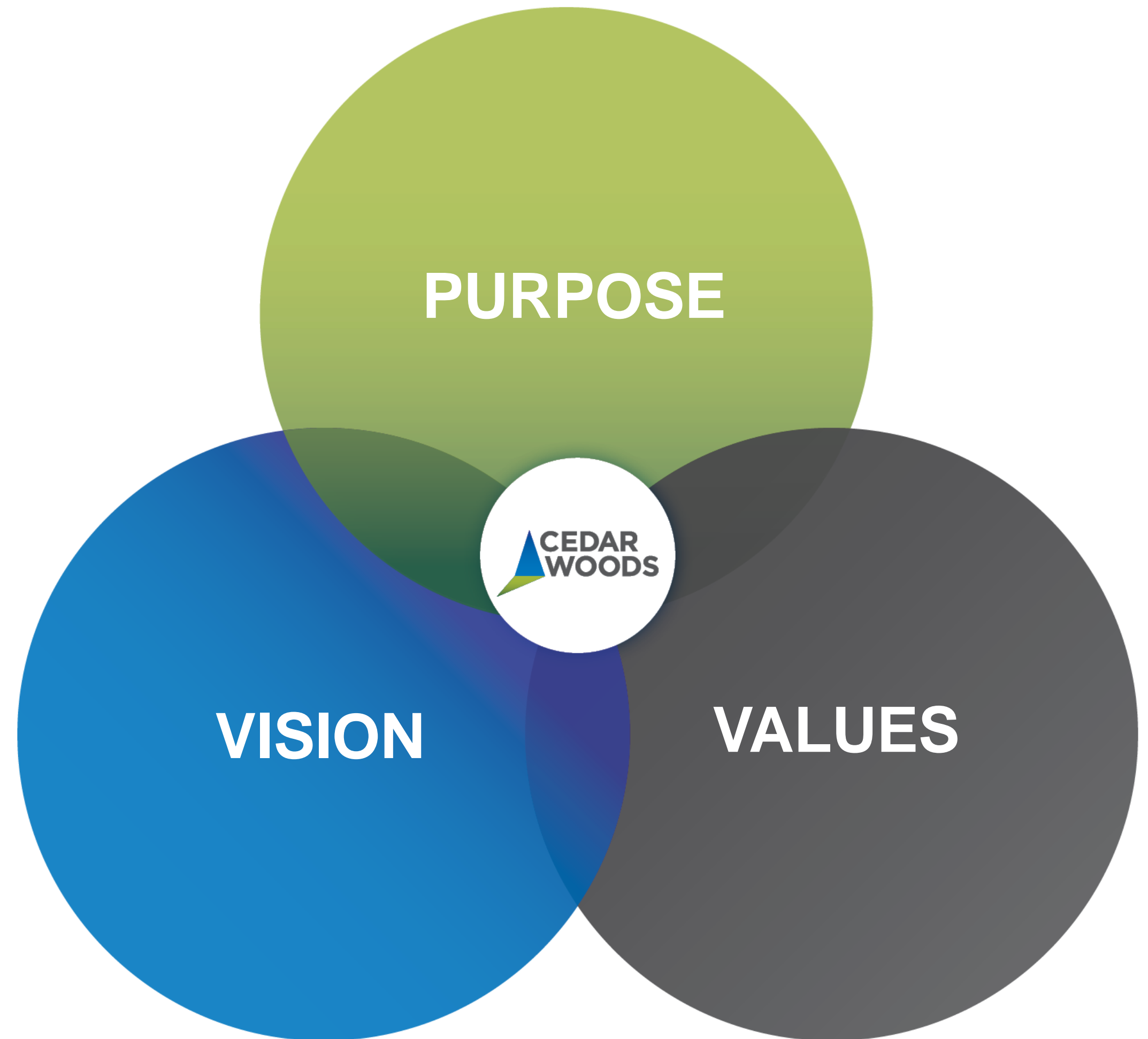


COMPANY OVERVIEW

- ASX listed property company; market cap. of ~\$370m
- Products: land estates, townhouses, apartments & commercial
- 10,300+ lots in pipeline;
- 34 projects across VIC / SA / WA / QLD
- Quality & sustainability feature strongly across projects
- Excellent long term track record in growing earnings & outperforming peers

PURPOSE, VISION & VALUES

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



STRATEGY

To grow our national project portfolio, diversified by geography, product type & price point, so that it continues to hold broad customer appeal & 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

HOW WE CREATE VALUE



Acquisitions

Disciplined approach to property acquisitions:

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



Development

Research, design, planning & 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

STRATEGIC PRIORITIES

Financial Strength

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



FY22 PROGRESS

Continued support from our 3 banks with facilities increased & extended; Gearing in the middle of target range; Significant facility headroom & long secure tenure

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 & acquisitions or through new business areas



Maintained growth mindset to capitalise on well- priced sites – 5 sites acquired in FY22

Operational Excellence

Being operationally strong & safe. Systems & technologies providing business advantage. Quality, sustainable projects. Progressive ESG positioning.



Further systems integration delivered; New HR management system implemented; New capability in data analytics & reporting; Strong safety record; Minimum sustainability standards developed for projects

High Performance Culture

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



Strong culture serving as a form of advantage; staff surveys demonstrating high satisfaction levels; accountability & reward systems enhanced; new career management initiatives implemented

ESG

- Continued implementation of revised ESG strategy & reporting in FY22
- Implementing initiatives to better understand carbon emissions & reduce climate impact of our projects & operations
- National relationship with Smith Family – financing the education of disadvantaged children
- Rewarding workplace with strong engagement & satisfaction scores
- Strong safety record in FY22



First Carbon Footprint Mapping

completed in FY2022 for Greenhouse Gas Emissions.



Executive appointment boosts gender diversity.

Nest boxing programs

at Ellendale and Glenside achieve diversity of resident fauna.



Enhanced Flexible Working policy and new COVID vaccination policies

to protect staff and other stakeholders.



Smith Family Partnership

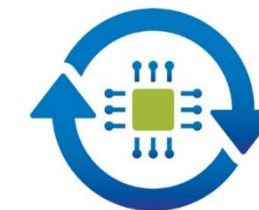
Cedar Woods and The Smith Family making a difference in the lives of disadvantaged children.



staff satisfaction in staff survey.

On-going digital transformation

achieves milestones in human resource management systems.



Cloud strategy & e-contracts

implementation reduces carbon footprint.



CCC B BB BBB A AA AAA

MSCI gives Cedar Woods 'A' ESG rating.

Disclaimer



Car sharing, electric vehicle hire and charging stations

installed at 4 new apartment buildings.

We do what we say we'll do.

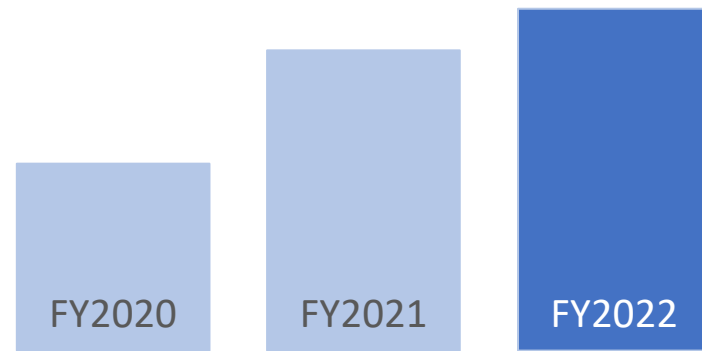
FINANCIAL RESULTS



FY22 SUMMARY

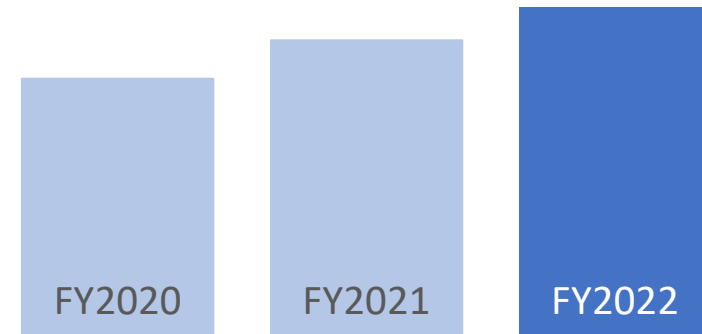
NET PROFIT
AFTER TAX

\$37.4m



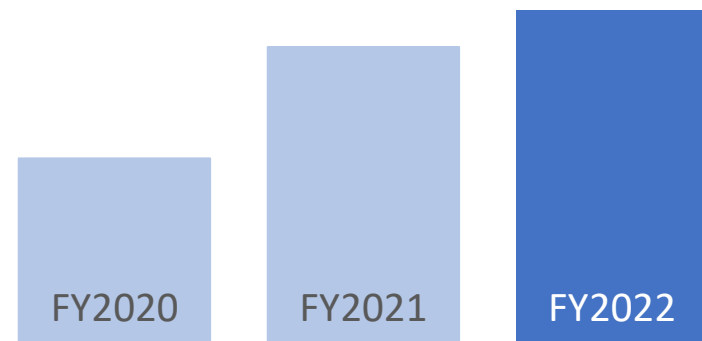
TOTAL REVENUE

\$333.0m



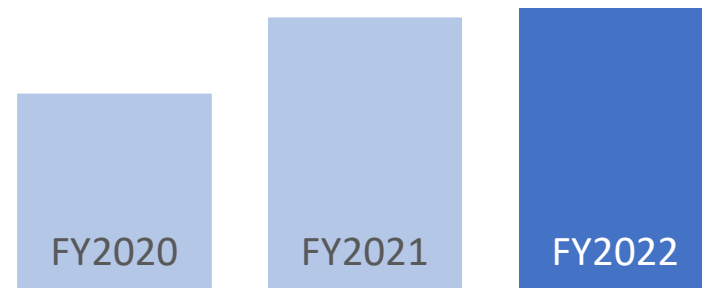
EARNINGS
PER SHARE

45.7c



FULL YEAR
DIVIDENDS

27.5c



NET
SALES



1108 lots

Lots / homes / offices sold

PRESALE
CONTRACTS



\$500m

Up \$22m on pcp

SETTLEMENTS



955 lots

Lots / homes / offices settled

RETURN ON
EQUITY



8.9%

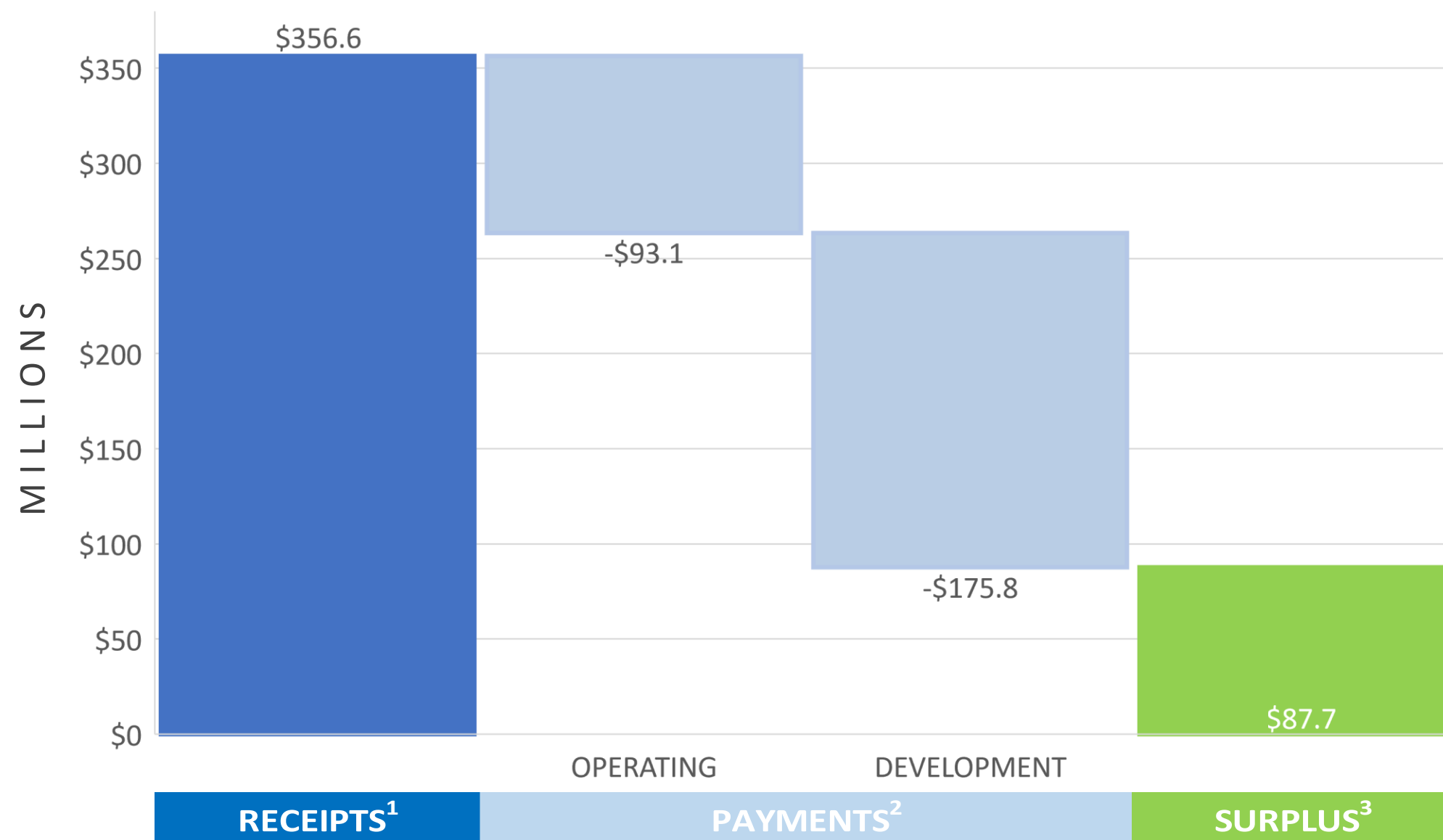
Above FY22 target return

BALANCE SHEET

| | 30 Jun 2022 | 30 Jun 2021 |
|-------------------------------------------------------------|-------------|-------------|
| Total assets (book value) | \$779.8m | \$651.8m |
| Net assets (equity) | \$421.2m | \$400.4m |
| Net tangible assets per share (book value not market value) | \$5.13 | \$4.92 |
| Net bank debt | \$198.7m | \$113.3m |
| Net bank debt to total tangible assets (less cash) | 25.6% | 17.6% |
| Net bank debt to equity | 47.2% | 28.3% |
| Finance facilities | \$330.0m | \$235.0m |
| Finance facilities headroom | \$87.8m | \$94.0m |
| Interest cover (annual) | 9.1x | 12.1x |

CASH FLOW

OPERATING CASH FLOW BEFORE LAND ACQUISITIONS



1. Receipts include receipts from customers (incl. GST), interest received and other income.
2. Operating payments include payments to suppliers & employees (incl. GST), borrowing costs and income taxes. Development payments include construction of housing lots, homes and offices.
3. Surplus represents operating surplus before acquisitions of new land.

- Strong liquidity position
- Strong operating cash flow produced by the business before acquisitions (\$87.7m in FY22)
- Undrawn facility headroom of \$87.8m
- Excess of current assets over current liabilities of \$74.0m
- Invested \$153.5m in new land acquisitions in FY22 funded by operating cashflow & corporate finance facility

MARKET CONDITIONS

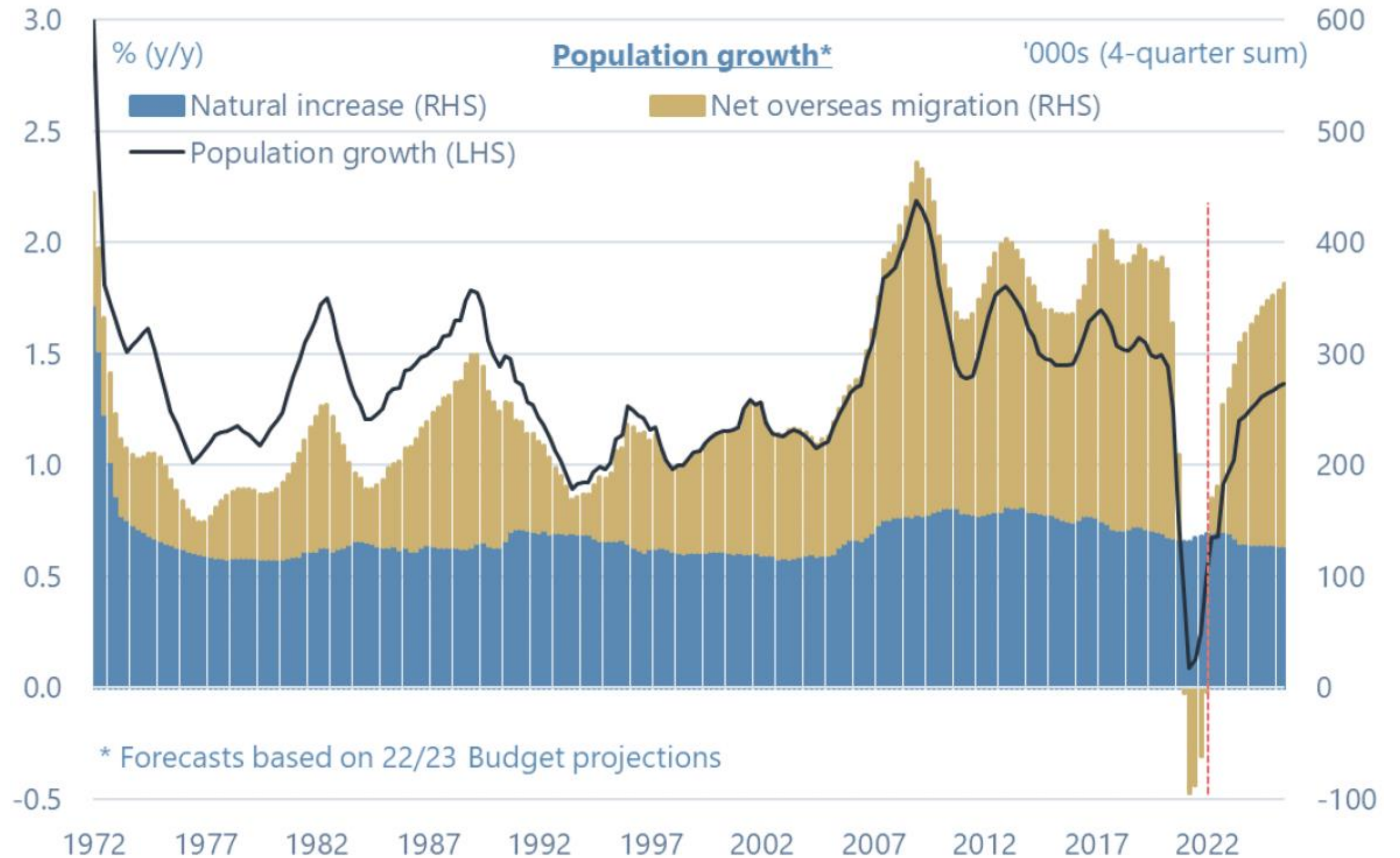


NEW HOUSING SECTOR CONDITIONS

- Sound fundamentals - record low unemployment, population growing, supply constrained
- Rising interest rates & inflationary pressures are currently impacting demand with lower sales volumes in Q4 FY22 & the potential for this to persist over FY23 in some states
- Households are in a strong position to weather interest rate increases due to job security, wage growth & savings
- The more affordable markets of WA, SA & Qld are expected to outperform NSW & Vic.
- Investor demand to remain strong, driven by low supply of rental stock & rapidly rising rents
- Limited supply of new housing across most product types & jurisdictions is likely to put a floor on values & volumes & resulting in a short downcycle, all else being equal.
- New dwelling commencements already dropping, mainly due to construction delays & cost rises, including industry wide project deferrals, especially apartments.
- FY22 saw the construction sector deliver significantly on the sales generated from the stimulus, paving the way for improved conditions for the construction sector in 2023.
- Strong population growth is expected as government responds to nationwide skills shortages. Immigration & worker numbers are expected to be increased & brought forward by Government in response.

POPULATION GROWTH

- 60% of Australia's population growth comes from net overseas migration (NOM) providing a tailwind for new housing as it returns
- NOM was ~240k pa pre covid, generating significant housing demand
- September Federal Jobs & Skills Summit likely to result in improved migration settings in response to labour shortages.



Source: ABS, Australian Government

NEW HOUSING SUPPLY CONSTRAINTS

- Dwelling commencements Q1 CY22 (49,017) reflected an 11% drop in standalone houses
- Many approved projects aren't being delivered due to construction sector capacity limitations & costs
- Development finance availability is also restricting supply
- Rental vacancy rates nationally at very low levels, & still dropping
- As population growth returns & investor demand remains high, supply shortfalls across most product types & geographies are considered likely
- Those with supply that are ready in 2023 are expected to benefit
- Apartments & townhouses especially expected to perform

Dwelling commencements by type, quarterly

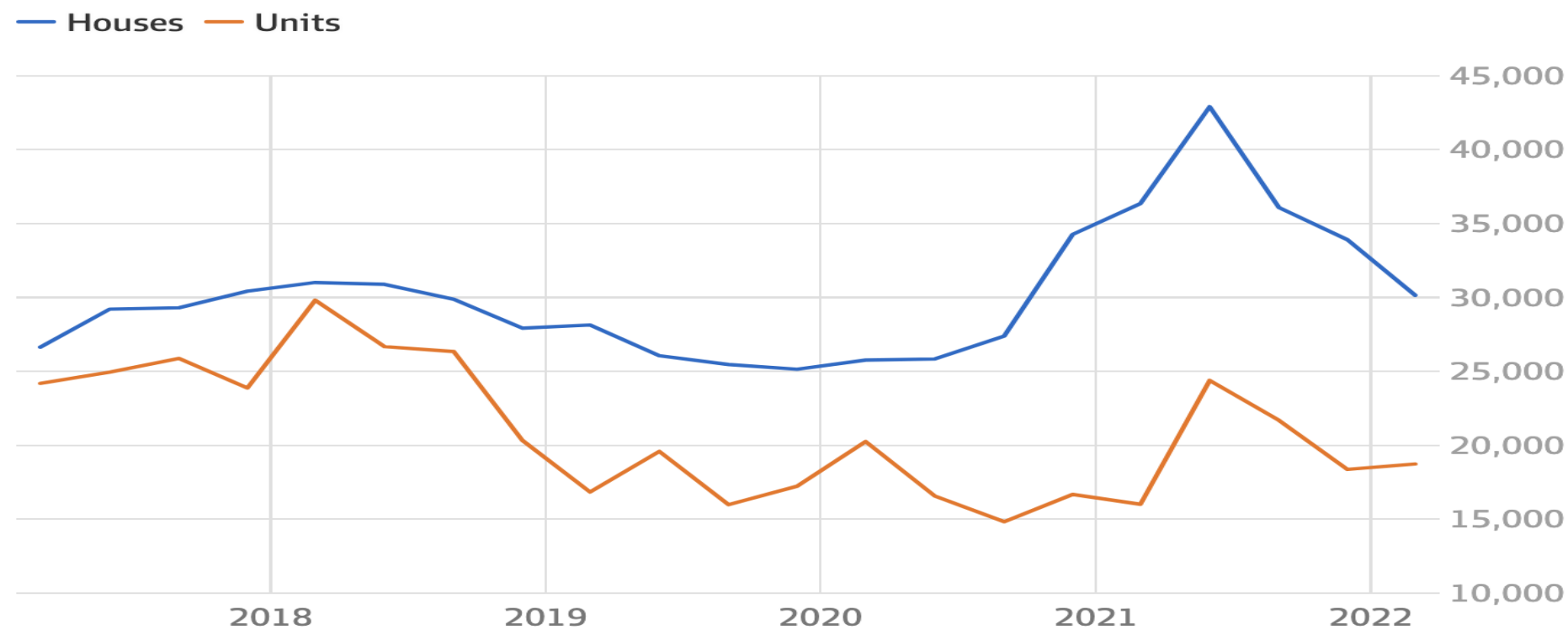
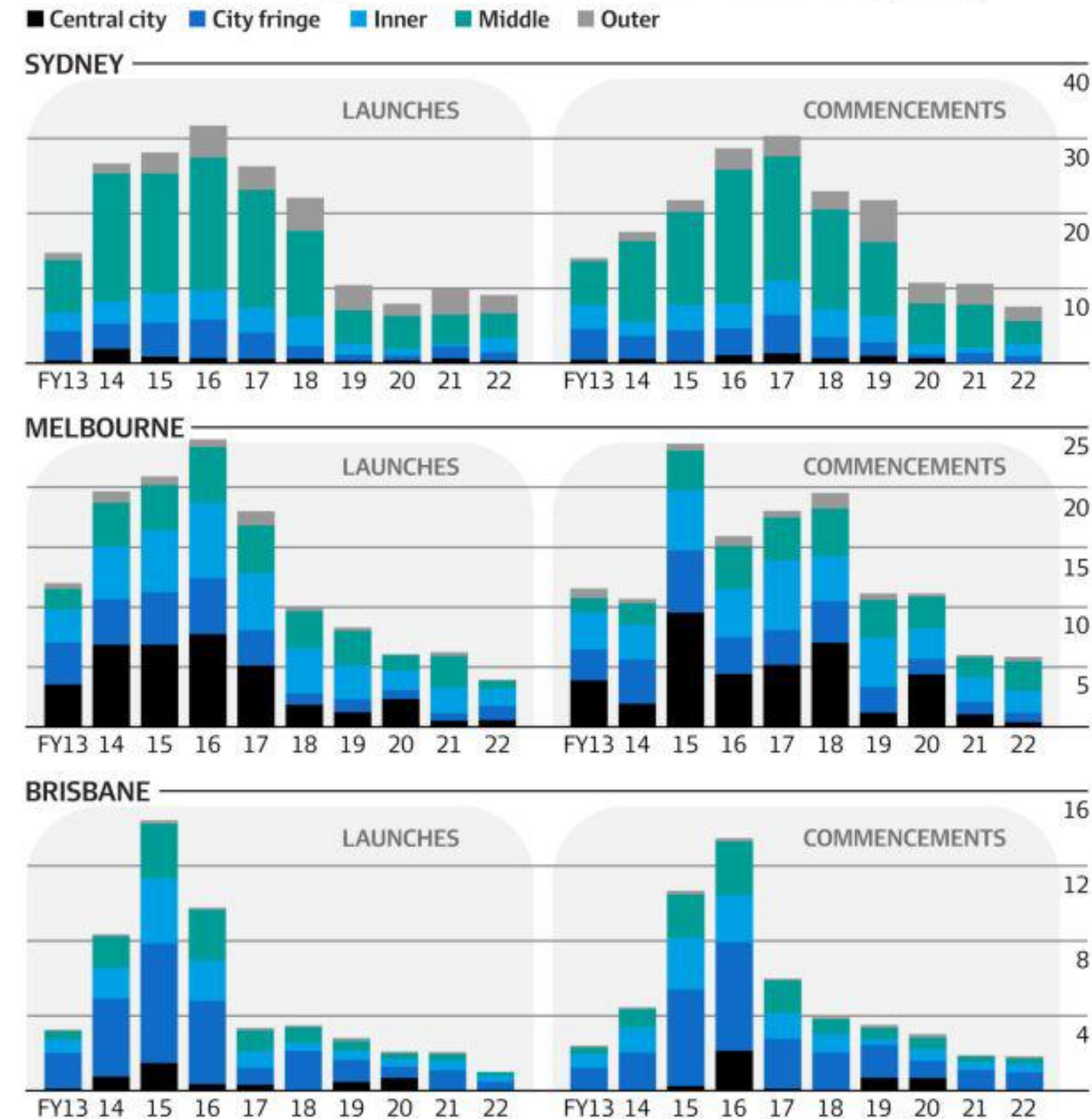


Chart: Financial Review • Source: ABS

Number of residential apartment launches and commencements ('000s)



SOURCE: CHARTER KECK CRAMER

OUR PORTFOLIO

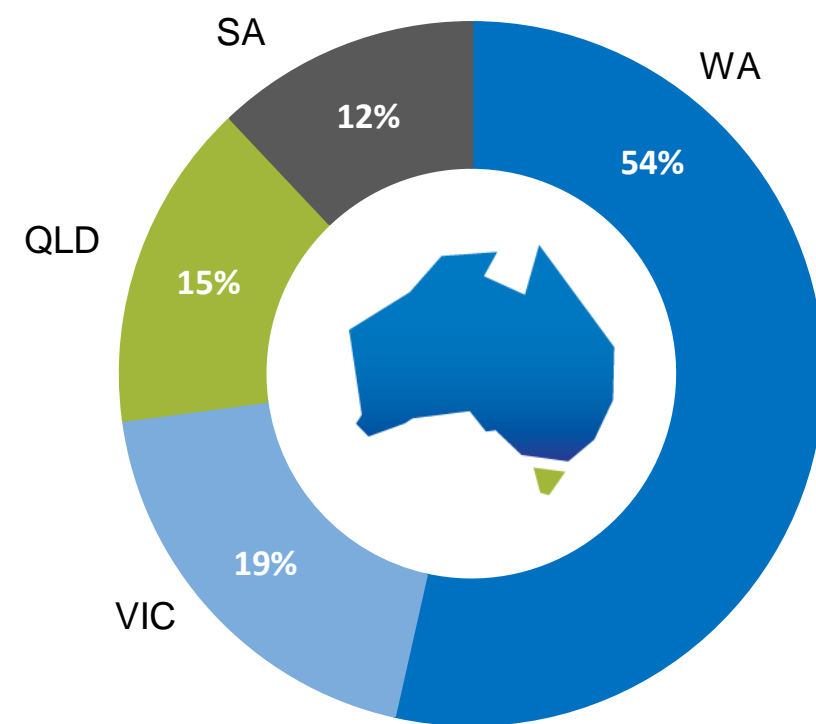


Millars Landing, WA

DIVERSIFIED BY LOCATION & PRODUCT

PORTFOLIO BY LOCATION

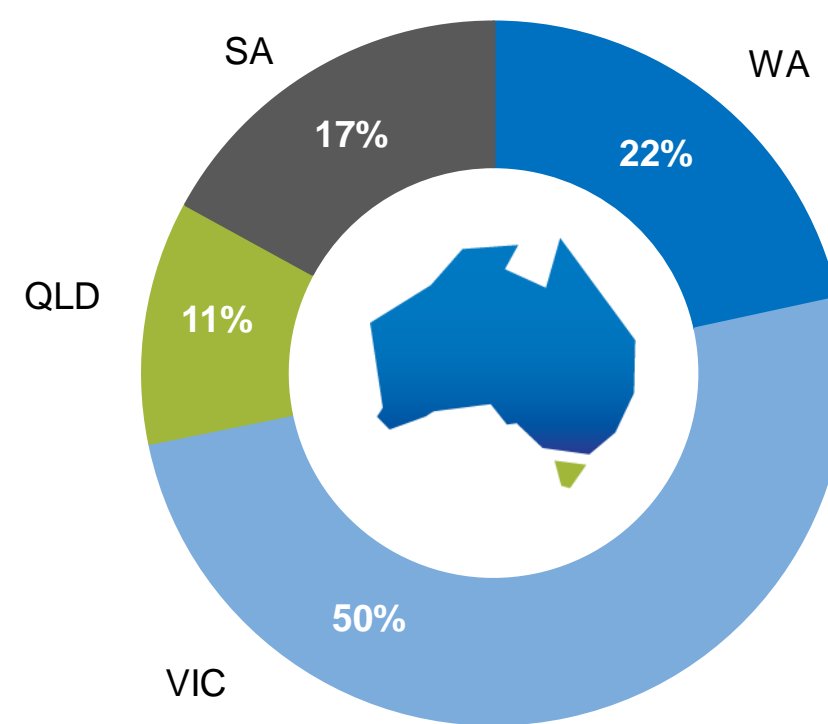
lots/homes/offices



| State | Lots/Units * | % |
|-------|--------------|------|
| WA | 5,513 | 54% |
| VIC | 1,997 | 19% |
| QLD | 1,557 | 15% |
| SA | 1,240 | 12% |
| Total | 10,307 | 100% |

PRESALES BY LOCATION

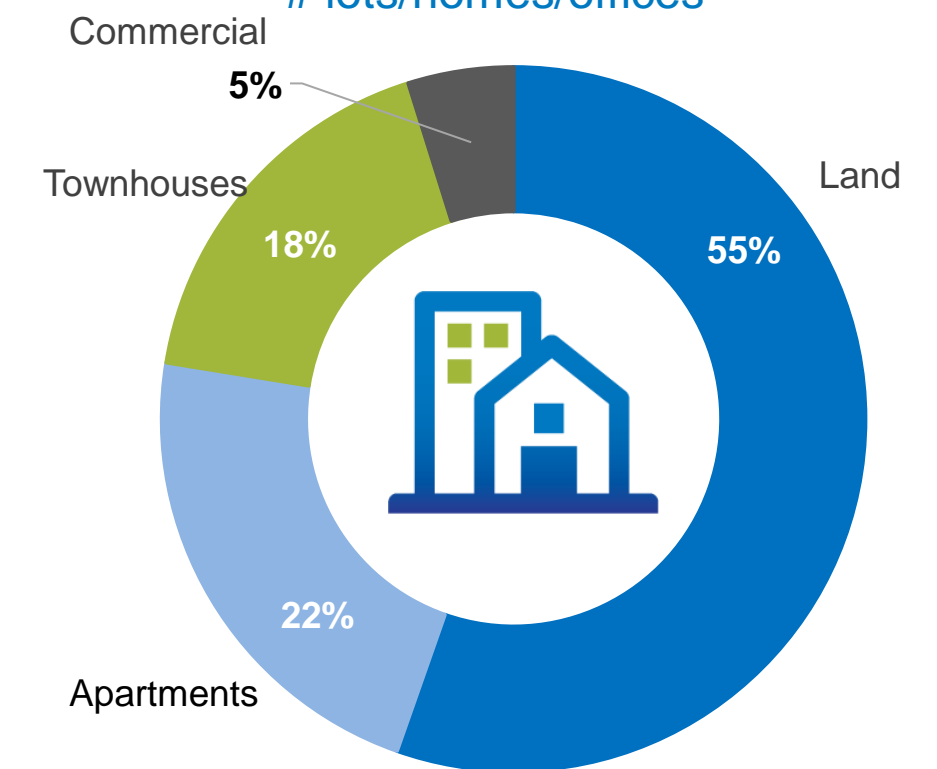
lots/homes/offices



| State | Lots/Units | % |
|-------|------------|------|
| WA | 259 | 22% |
| VIC | 602 | 50% |
| QLD | 134 | 11% |
| SA | 204 | 17% |
| Total | 1,199 | 100% |

PRESALES BY PRODUCT TYPE

lots/homes/offices



| Product | Lots/Units | % |
|------------|------------|------|
| Land | 664 | 55% |
| Apartments | 266 | 22% |
| Townhouses | 211 | 18% |
| Commercial | 58 | 5% |
| Total | 1,199 | 100% |

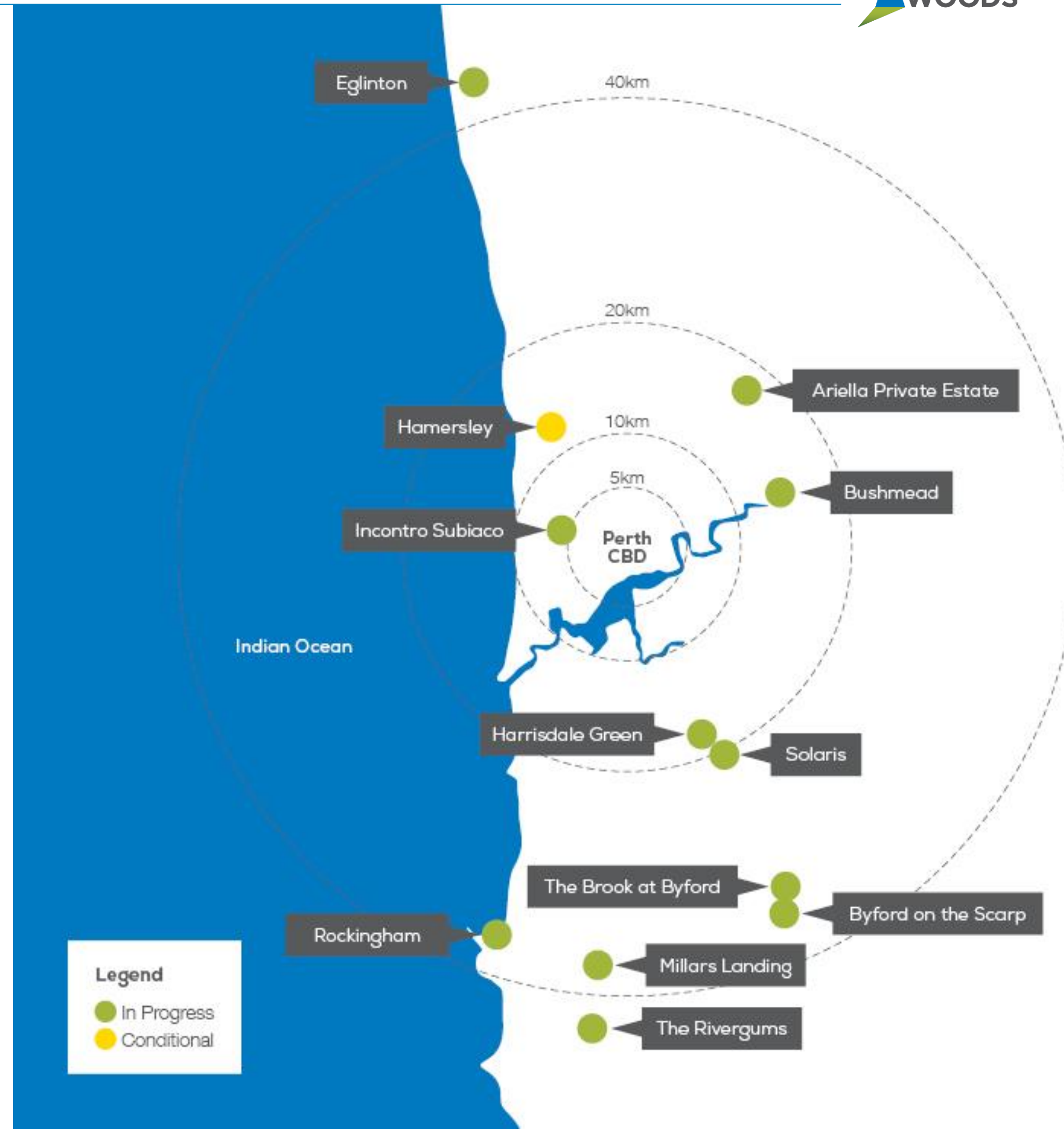
* Does not include 17ha of land at Williams Landing Town Centre or conditional acquisitions

WESTERN AUSTRALIA



WESTERN AUSTRALIA

- 13 projects, more than 5,500 lots / dwellings
- Projects catering for a range of buyer types
- Land subdivision, townhouses & apartments
- 3 new projects secured - Rockingham, Eglinton & Henley Brook as extension of Ariella Private Estate.
- Price growth low to moderate across various estates
- Sales slowed towards the end of the FY



PROJECT EXAMPLE: ARIELLA

- 1,150+ lot masterplanned community projects
- Additional land acquired in 2019 & 2022.
- 18 km north east of Perth CBD
- 500+ lots remaining - including Henley Brook
- Trading at 100 settlements pa.
- 15% price growth in last 12 months
- Strong presence of first homebuyers
- Investor interest has increased since start of FY23

PROJECT EXAMPLE: EGLINTON

- 86 hectare site in Perth's north-west growth corridor
- Located 500 metres from the new Eglinton train station (to open in 2023).
- 1200 lots to be delivered in several neighbourhoods.
- Will include residential neighbourhoods, primary school, commercial hub & open space
- Expected to contribute to earnings over 11 years from FY2024
- First stage approvals secured; preparing for sales launch

VICTORIA



VICTORIA

- 11 projects (Currently 4 at Williams Landing)
- More than 1,900 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 in FY22
- Increased pipeline with recent Clara Place and Southbank acquisitions



PROJECT EXAMPLE: WILLIAMS LANDING

- Major masterplanned community with mixed use town centre; 3000 homes across several neighbourhoods
- 8-9 year project life remaining
- Over 15 sites with planning approval ready to be developed for apartments, townhouses, offices, education & retail
- Actively bidding for single tenant office opportunities that can significantly boost earning when secured
- Successfully pioneered strata office development in Melbourne's west. Third building, Boston Commons, is almost 70% pre-sold & 4th building in design phase.
- Shopping Centre - performing well & 98% leased; market value shows significant premium over book value
- Residential presales settling in FY23. Commercial presales settling FY24

PROJECT EXAMPLE: MASON QUARTER

- 800+ lot estate in high performing suburb of Wollert
- 26 km north of Melbourne CBD
- 200+ pre-sales achieved since launch in 2021
- Significant price growth since launch
- Construction underway for first three stages
- First settlements in H2 FY23

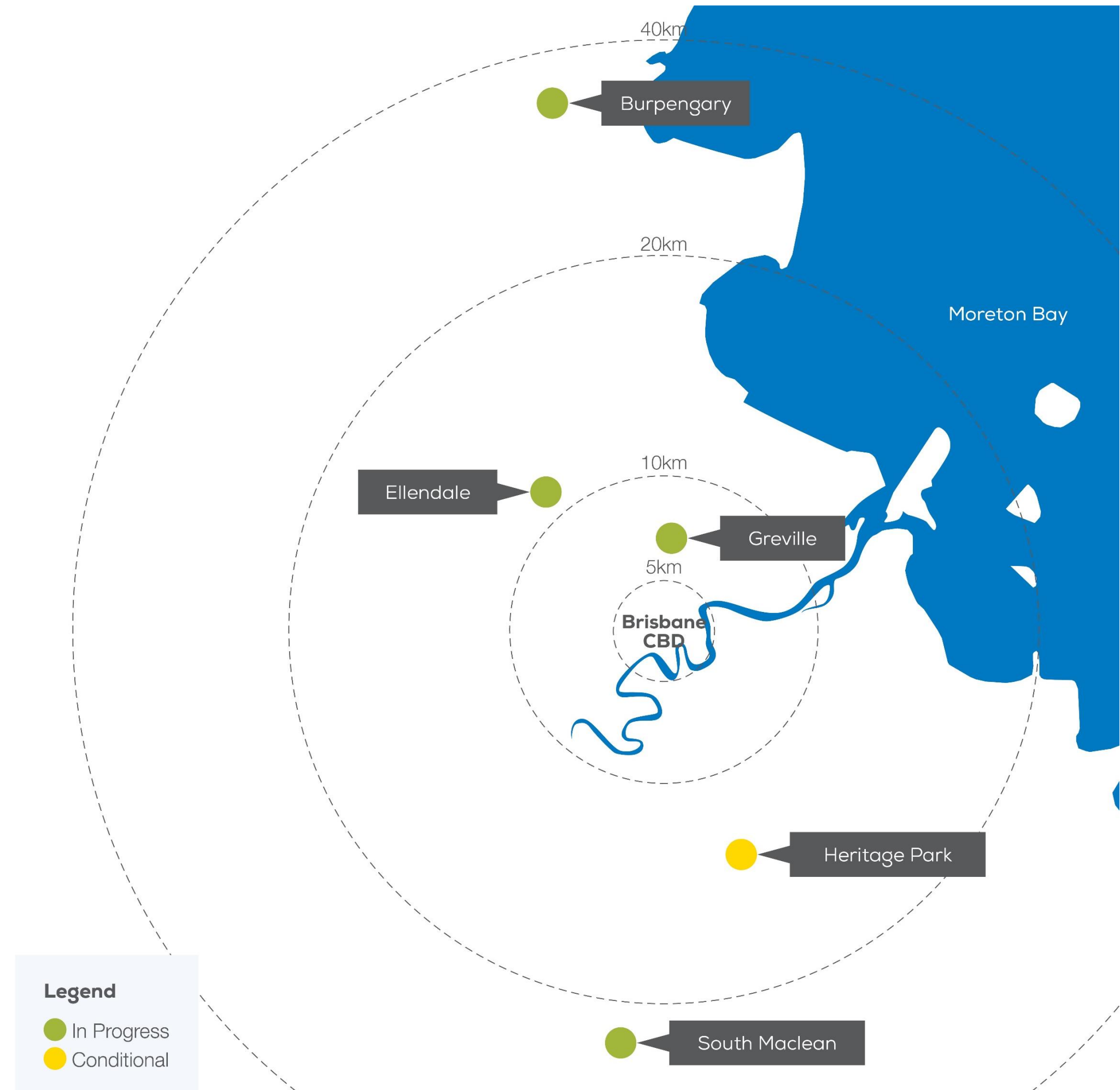


QUEENSLAND



QUEENSLAND

- 5 projects
- More than 1,500 lots / dwellings
- Land estates, townhouses & apartments
- Notwithstanding strong market conditions experienced in FY22, ongoing challenges in Queensland’s construction sector has resulted in project delays
- Increased the pipeline with the conditional Heritage Park acquisition and additional land adjacent to the Burpengary project
- Burpengary planning approval for the first 329 lots received; first sales release in H1 FY2023



PROJECT EXAMPLE: ELLENDALE

- Masterplanned community with ~900 residential lots
- Located 12km northwest of Brisbane CBD in suburb of Upper Kedron; adjacent to national park
- Approximately 50% complete
- Significant presales with strong profit margins

PROJECT EXAMPLE: SAGE PARK

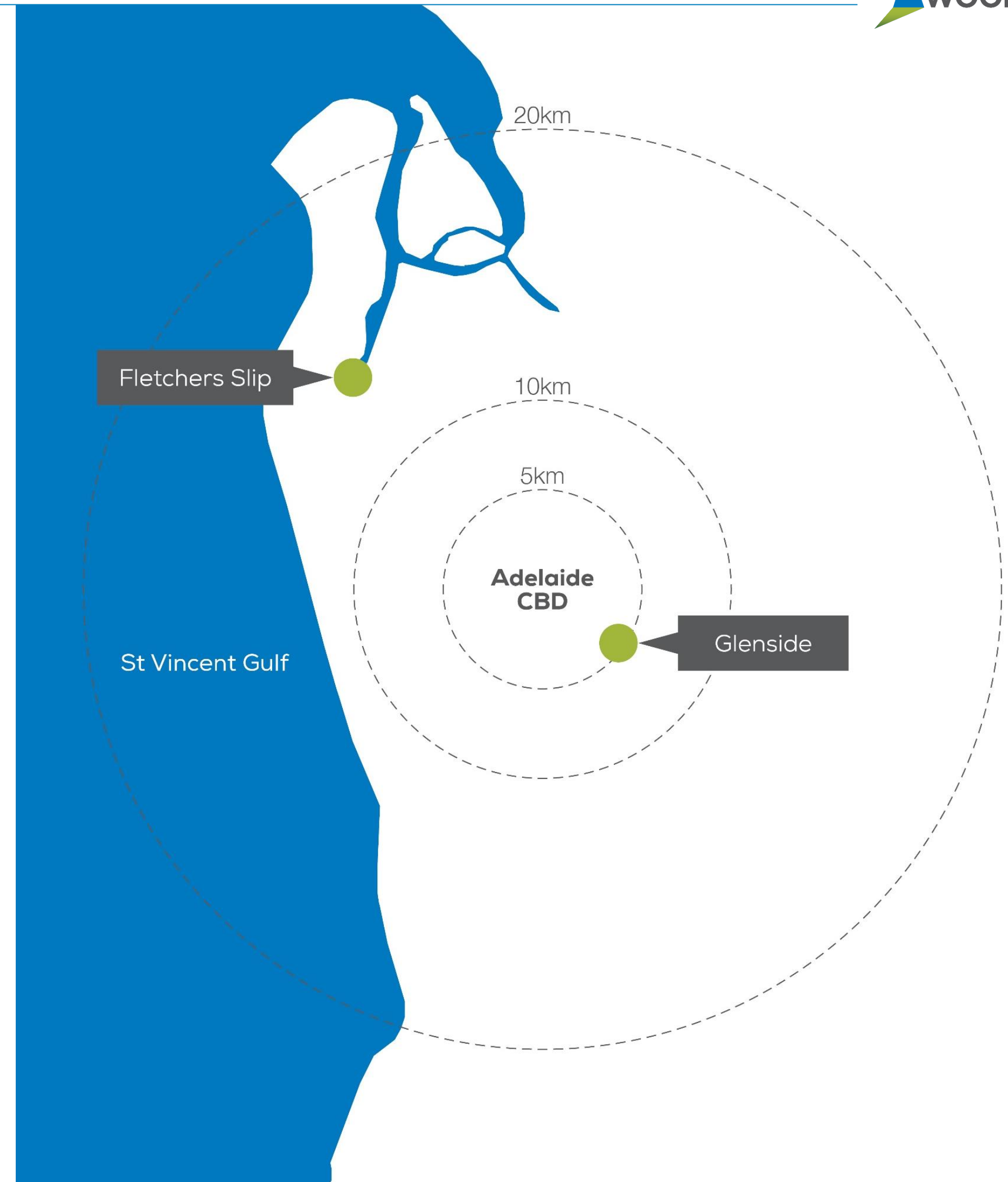
- Masterplanned community with over 300 residential lots
- Located 40km north of Brisbane CBD in suburb of Burpengary
- Planning approval received
- Launch to market Q1 FY23
- Provides price point diversity in Queensland portfolio

SOUTH AUSTRALIA



SOUTH AUSTRALIA

- 5 well located projects (including 3 projects at Glenside & 2 at Fletcher's Slip)
- More than 1,200 townhouses & apartments remaining
- Projects have strong sustainability credentials
- High performing projects with demonstrated demand



GLENSIDE

- 17 Ha, 3km from Adelaide CBD
- 1,000+ townhouses & apartments
- Monarch apartments 100% sold and under construction
- Banksia apartments 40% sold
- New releases in the coming weeks to meet significant demand

FLETCHER'S SLIP

- 14 km north-west of the CBD
- 500+ townhouses & apartments
- First stage townhouses recently settled
- Adjacent to train station & harbour, walking distance to the beach & shops
- Significant enquiry and sales recorded
- 'Sirocco' apartments to commence construction late 2022.

OUTLOOK

NEW PROJECTS TO DELIVER FIRST EARNINGS

FY2023

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

FY2024

- Eglinton residential land, WA
- Rockingham residential land, WA
- Clara Place residential land, VIC
- Boston Commons strata offices, VIC
- South MacLean residential land, QLD
- Sirocco apartments, SA

Future years

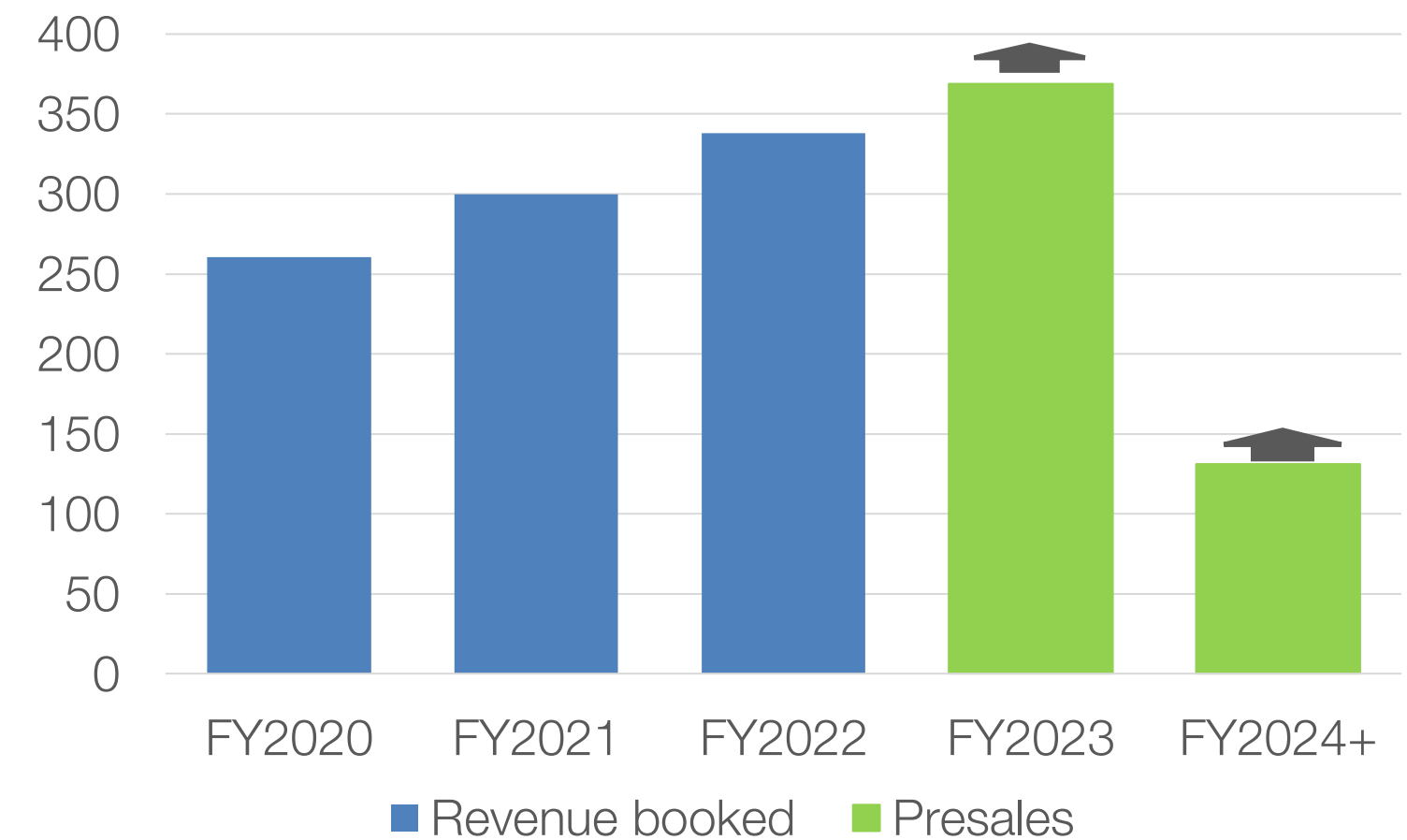
- Incontro apartments, WA
- Fieldstone residential land, VIC
- South Bank apartments, VIC
- Williams Landing town centre apartments, offices & commercial, VIC
- Greville townhouses & apartments, QLD
- Banksia apartments, SA
- Future apartment projects at various existing landholdings

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

OUTLOOK

- Sound fundamentals of low unemployment, job security & wage growth, however rising interest rates are impacting sentiment
- Short & sharp interest rate cycle expected with peak around end 2022
- Presence in relatively affordable markets (Qld, WA & SA), which are expected to outperform
- Supply constraints, at the same time as migration is returning & investor demand is strong, will put a floor on pricing & sales volumes
- Outlook underpinned by record pre-sales of \$500m, partially de-risking future earnings
- Growth in earnings is expected in FY2023 subject to market & construction sector conditions
- Portfolio of over 10,300 lots/dwellings in quality locations to support medium term earnings

REVENUE & PRESALES





cedarwoods.com.au

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