

# Barrenjoey Emerging Property Companies Day

1 May 2025

Ariella Private Estate, Henley Brook, WA





# COMPANY OVERVIEW

- Property development company with 35+ year track record of delivering earnings for shareholders
- Portfolio of 37 quality projects & a pipeline of over 9,700 lots/units to support future earnings
- Product diversification – mix of projects delivering apartments, townhouses, master-planned communities & commercial.
- Proven & stable management team
- Favourable time in cycle for the business with supportive macro environment & a significant, nationwide housing shortage
- Favourable state & federal policy environment
- Sticking to proven strategy, & disciplined execution.



# 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 four states



## Product Type

Range of housing lots,  
townhouses, apartments  
& commercial



## Price Point

Wide range of price  
points offered throughout  
the portfolio



# EXAMPLE PROJECT

## Glenside, SA

- 17 Ha, 3km from Adelaide CBD
- 1,000+ townhouses & apartments
- 3 apartment projects under construction & mostly presold
- Recent launch of Elegan apartments with 88% sold
- Bloom retirement product meeting strong demand
- Significant price growth achieved
- Shortage of housing in SA
- Buyer profiles – professional singles & couples; empty nesters & retirees



# EXAMPLE PROJECT

## Eglinton, WA

- Total yield 1,270 lots
- 500m from new train station
- 200 lots either completed / under construction
- First settlements occurred in FY24
- Over 1,000 lots left to sell & 10 years project life remaining
- Current average lot size & price – 375sqm; \$330,000, up more than 30% during FY24
- Microgrid with rooftop solar offering energy cost savings to homebuyers
- Buyer profiles: First home buyers, local & interstate investors, upgraders & downsizers

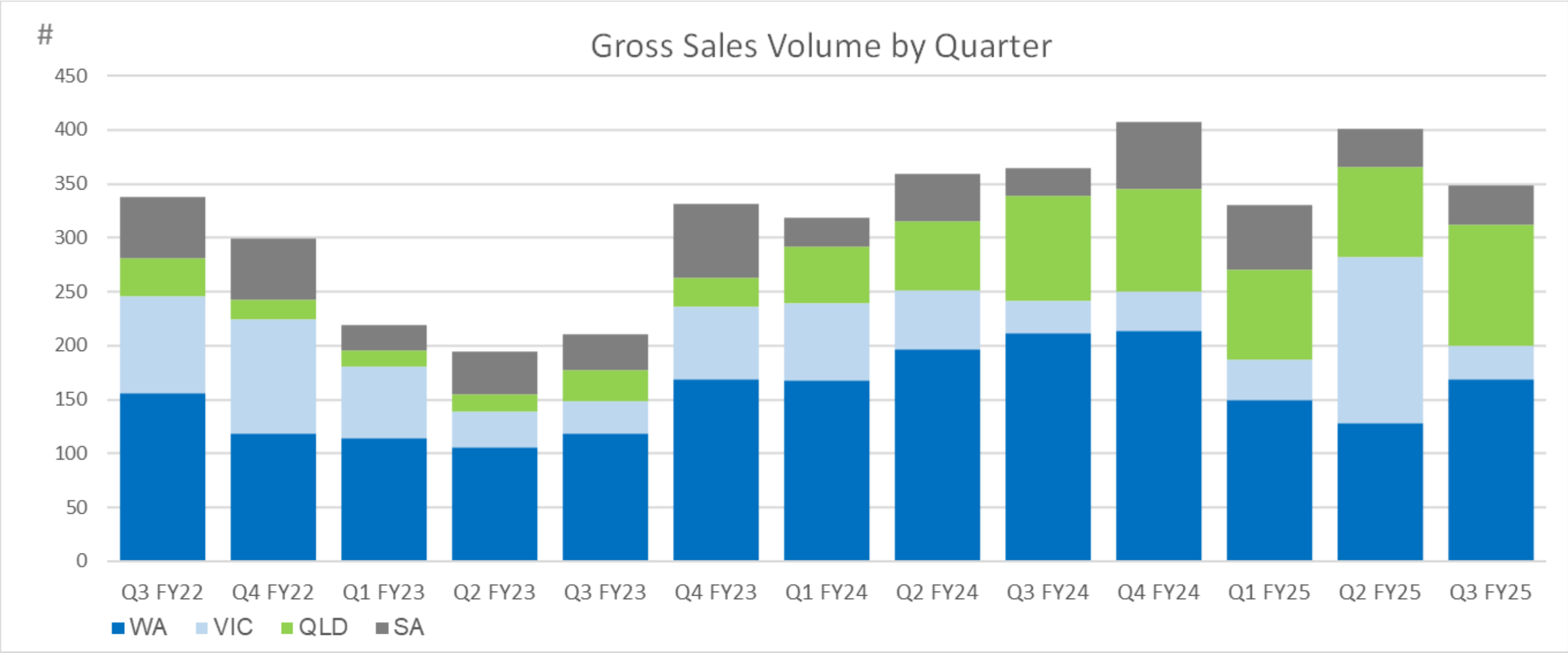




# THIRD QUARTER UPDATE

*Released 30 April 2025*

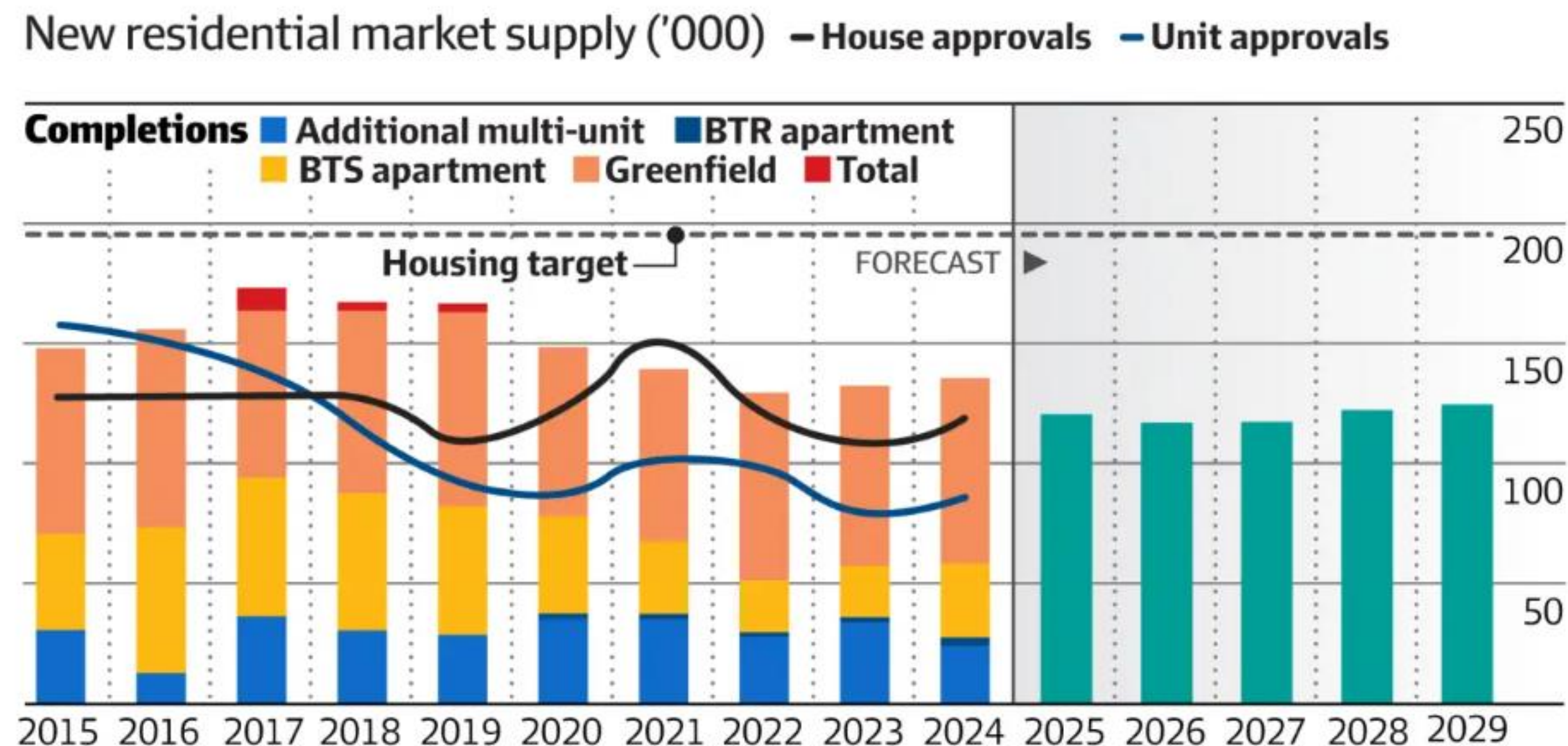
- On track for strong profit in H2
- Upgraded target guidance of approximately 15% NPAT growth for FY25
- Presales of more than \$700m at the end of Q3 (\$570m pcg), up 23%
- Sales volumes occurring at good levels, especially in QLD & for more affordable product nationally
- Solid balance sheet with liquidity of over \$90m (undrawn finance facilities + cash)
- Confirmed expectation of further strong growth in NPAT in FY26 with significant presales for that year already secured.
- Favourable state & federal policy environment





# CHRONIC SHORTFALL OF HOUSING

- Housing supply shortfalls are set to continue – at least 5 years needed to provide meaningful levels of supply
- Housing completions to fall short of Govt target by 393,000 for the combined capital cities alone by 2029
- Population continuing to grow
- Shortfalls will underpin pricing levels and sales volumes for medium term
- Cedar Woods has 37 projects and a total of 9700 dwellings to supply into these conditions

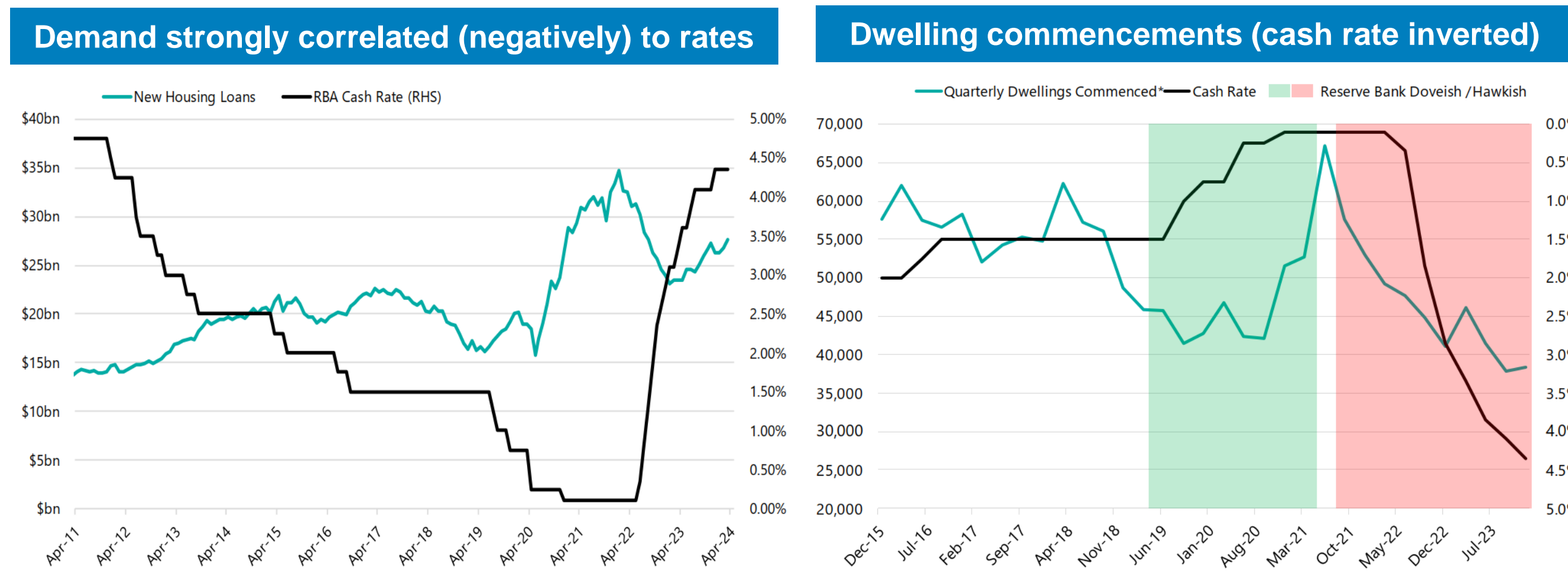


SOURCE: UDIA



# INTEREST RATES

- 0.25% interest rate reduction announced & further easing expected over 2025
- Affordability & interest rates hold back some buyers – reduced interest rates will help sustain or propel demand for housing
- Rate cutting cycles historically have seen material surges in sales volumes. Looking at prior cycles, volumes generally rise ~26% over the cycle
- This would support both owner occupier & investor demand across our products, but especially the first home buyer, to which many of our projects appeal



Source: Bell Potter



# FAVOURABLE POLICY ENVIRONMENT

- The housing shortfall is a key Federal election issue with both major parties offering solutions & significant funding
- State Governments are seeking to fast track planning & environmental approvals
- Various incentives in place to stimulate supply & demand sides:
  - Stamp duty relief
  - First home-owner grants
  - Incentives for 'Off the plan' purchases
  - Infrastructure grants
- Federal policies enacted post election (May 25) will further support the new housing sector
- Initiatives supporting new supply & first home buyers
- \$10b in funding being offered by both major parties
- Most of Cedar Woods projects have product catering for first home buyers





# PARTNERSHIPS

- Some future acquisitions to be undertaken in partnerships
- Scale up business & earnings – Partnerships leverage the existing skill base, allow operations to be expanded & further diversified, generate recurring fee income & diversify funding sources
- Two major partnering arrangements in place – QIC & Tokyo Gas Real Estate (TGRE)
- QIC
  - QIC is an owner of major shopping centres around Australia
  - QIC & CWP are in a JV to develop land adjacent to Robina in QLD – 400+ dwellings
  - QIC & CWP are exploring opportunities to expand relationship beyond Robina
- TGRE
  - TGRE & CWP are working in partnership to jointly develop projects around Australia
  - TGRE has announced that it plans to deploy \$600m into property globally, particularly Australia
  - Three joint ventures – with one just successfully completed at Glenside; additional projects being explored







Incontro, WA

## OUTLOOK

- Favourable conditions for the sector: low supply, low rental vacancy, strong population growth, low unemployment
- Easing interest rates & supportive policy environment
- New record presales of \$700 million at 31 March 2025
- Solid balance sheet with liquidity of over \$90m (undrawn finance facilities + cash)
- Accelerating acquisitions efforts / boosting acquisitions resources
- Partnerships with QIC & TGRE progressing, with first TGRE project completed
- Guiding full year NPAT growth of approximately 15% for FY25
- Strong profit growth also anticipated in FY26



# INVESTMENT SUMMARY

## 1. Positive residential market conditions

- Significant housing shortage
- Favourable government policies
- Reducing interest rates

## 2. High quality portfolio

- 37 projects with over 9,700 lots diversified across states and product

## 3. Strong growth outlook

- FY25 NPAT guidance of 15% growth on FY24
- Strong profit growth expected in FY26, underpinned by record presales

## 4. Compelling long term track record

- Consistently delivering profits and dividends
- Prudent balance sheet and cost management
- Stable leadership team

## 5. Attractive value proposition

- Trading at 7% discount to book NTA (with assets recorded largely at historical cost rather than market value)<sup>1</sup>
- PE ratio 9.2x<sup>2</sup>
- Fully franked dividend yield of 5.5%<sup>3</sup>

<sup>1</sup> Share Price at 28 April 2025, book NTA at 31 December 2024

<sup>2</sup> Share Price at 28 April 2025, forecast FY25 earnings (~15% growth on FY24 NPAT of \$40.5m)

<sup>3</sup> Share Price at 28 April 2025, FY25 dividend based on 50% payout ratio of forecast FY25 NPAT



Fletcher's Slip, SA





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