

HALF YEAR FY24 FINANCIAL RESULTS



Monarch Apartments, Glenside, SA

ACKNOWLEDGEMENT OF COUNTRY

Cedar Woods acknowledges the traditional custodians of this land.

We pay our respects to the Elders past, present & emerging.

For they hold the memories, the traditions & the culture of Aboriginal & Torres Strait Islander people across the nation.



COMPANY OVERVIEW



- Property development company with 35 year track record of delivering earnings for shareholders
- Portfolio of 35 quality projects & total pipeline of ~ 9,700 lots to support future earnings
- Strategy of diversification - mix of projects delivering apartments, townhouses, commercial & masterplanned residential communities
- Earnings per share growth focussed, with long term track record of outperforming peers
- Proven management team
- Favourable time in cycle for the business with supportive macro environment & a significant, nationwide housing shortage
- 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

NEW PARTNERSHIPS

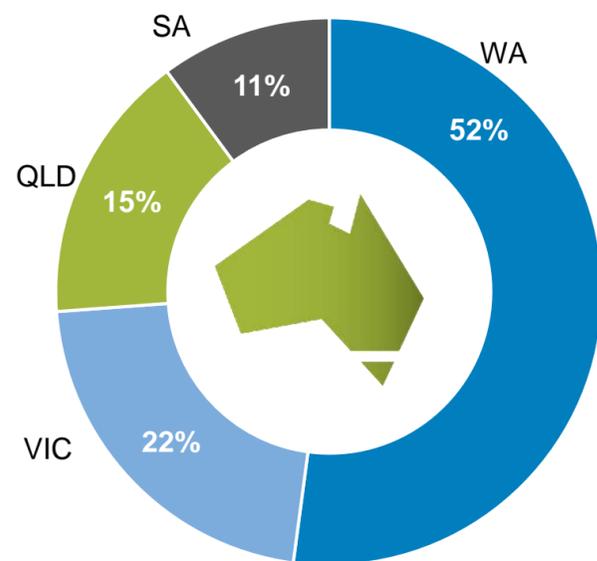
- Some future acquisitions to be undertaken in partnership in strategic shift.
- Partnerships leverage the existing skill base, allow operations to be expanded & further diversified, generate recurring fee income & diversify the Company's funding sources.
- Two major new partnering arrangements are in place - QIC & Tokyo Gas Real Estate (TGRE)
- QIC
 - QIC is an owner of many major shopping centres around Australia
 - QIC & CWP have formed a JV to develop land adjacent to Robina Town Centre in QLD - 400 apartments / townhouses
 - QIC & CWP are exploring opportunities to expand the relationship beyond Robina
- TGRE
 - TGRE & CWP have struck a partnership to jointly develop projects around Australia, starting with the Banksia apartment project at Glenside in Adelaide
 - A 2nd project is now being undertaken under joint venture, the Bloom apartments, also in SA

DIVERSIFIED PORTFOLIO

Portfolio of 35 quality projects & total pipeline of 9,700 lots/apartments to support future earnings

LOTS BY LOCATION

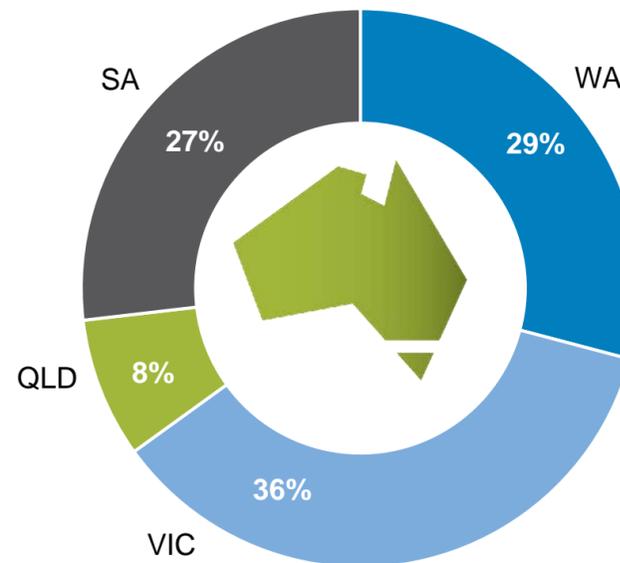
lots/homes/offices



State	Lots/Units *	%
WA	5,030	52%
VIC	2,097	22%
QLD	1,453	15%
SA	1,103	11%
Total	9,700	100%

PRESALES BY LOCATION

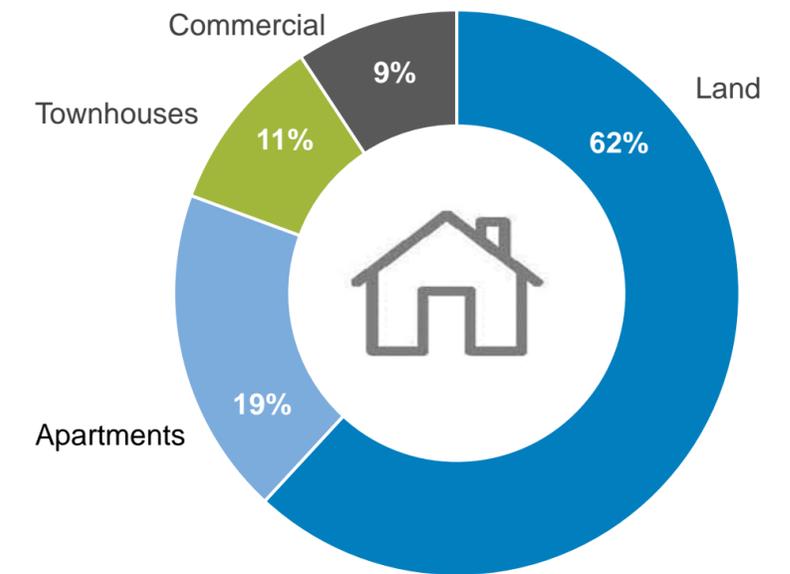
lots/homes/offices



State	Lots/Units	%
WA	348	29%
VIC	430	36%
QLD	97	8%
SA	321	27%
Total	1,196	100%

PRESALES BY PRODUCT TYPE

lots/homes/offices



Product	Lots/Units	%
Land	740	62%
Apartments	224	19%
Townhouses	121	11%
Commercial	111	9%
Total	1,196	100%

* Does not include 13ha of land at Williams Landing Town Centre in VIC or Robina JV units in QLD

SALE OF WILLIAMS LANDING SHOPPING CENTRE (WLSC)

- Unconditional sale of WLSC & 1 hectare of adjacent land for \$60m
- Settlement of WLSC to occur in H2 FY24, with adjacent land to settle in H1 FY25
- NPAT of approximately \$16.8m to be realised mainly in H2 FY24.
- Purchaser experienced in owning and managing shopping centres
- \$30m WLSC funding facility to be retired upon settlement
- Transaction will significantly reduce gearing & increase corporate finance facility headroom
- CWP retains a significant pipeline at Williams Landing of more than 15 development-ready sites covering commercial, residential & mixed-use opportunities



H1 FY24 SUMMARY



NET PROFIT
AFTER TAX

\$2.6m

As guided, NPAT is significantly weighted to H2 in FY24



TOTAL
REVENUE

\$123.2m



EARNINGS
PER SHARE

3.2c



INTERIM
DIVIDEND
PER SHARE

8.0c

NET
SALES



529 lots

Lots / homes / offices sold

PRESALE
CONTRACTS



\$525m

SETTLEMENTS



417 lots

Lots / homes / offices settled

ACQUISITIONS



\$28m

Land acquisition payments funded in H1

INCOME STATEMENT

- Lower revenue & higher finance costs in the current period has resulted in a lower profit result for H1 FY24, notwithstanding improved gross margin and stable administration overhead

	31 Dec 2023 \$m	31 Dec 2022 \$m	
Revenue	123.2	152.3	← Revenue 19% lower in H1 FY24 due to lower value land settlements
Cost of sales/services	(90.9)	(114.4)	
Gross profit	32.3	37.9	← Gross margin improved from 25% to 26%, although gross profit lower due to lower revenue
Project operating costs	(11.5)	(10.5)	← Higher land holding costs (land taxes) from recent acquisitions in H1 FY24
Administration	(13.0)	(13.2)	
Other expenses/income	0.2	0.3	
Operating profit	8.0	14.5	
Finance costs	(5.2)	(1.5)	← Finance cost higher from higher average debt balance, higher base interest rates, wind out of interest rate hedges and accrued interest on financial liabilities
Profit before tax	2.8	13.0	
Income tax expense	(0.2)	(3.9)	
Net profit after tax	2.6	9.1	← Lower tax expense in H1 FY24 resulted from the lower profit and the establishment of an Employee Share Trust that will provide future tax deductions for existing employee share plans

BALANCE SHEET & FUNDING

	31 Dec 2023	30 Jun 2023
Total assets (book value)	\$838.1m	\$783.4m
Net assets (equity)	\$428.6m	\$431.1m
Net tangible assets per share (book value not market value)	\$5.20	\$5.21
Net bank debt	\$274.0m	\$195.8m
Net bank debt to total tangible assets (less cash)	33.1%	25.3%
Net bank debt to equity	63.9%	45.4%
Finance facilities (\$360m corporate facility ¹ + \$30m project facility)	\$390.0m ¹	\$360.0m
Finance facilities headroom	\$50.2m	\$106.6m
Interest cover (annual)	2.3x	3.7x
Weighted average cost of debt ²	5.8%	4.9%
Weighted average debt maturity ³	3.2 years	3.0 years

¹ Includes \$60m capacity for bank guarantees and \$30m temporary increase in corporate facility, expiring 31 May 2024

² WACD as at 31 Dec 2023 & 30 June 2023 (including base rate, margin, line fees & hedging)

³ Excludes \$30m project facility secured over asset classified as available for sale

CASH FLOW & CAPITAL MANAGEMENT

Long term support from financiers

- Undrawn corporate finance facility headroom of \$50.2m
- Corporate facility limit temporarily increased by \$30m to \$360m in Dec 2023 to provide additional capacity until significant settlements take place in H2 FY2

Operating cash flow & recycling of capital

- Strong positive operating cashflow expected for H2 FY24 from significantly larger revenue
- Significant settlements in March & April 2024 from Glenside, Clara Place, Sage and Mason Quarter will return facility headroom to above \$100m
- Williams Landing Shopping Centre proceeds will be used to retire \$30m project facility, and further paydown the corporate finance facility

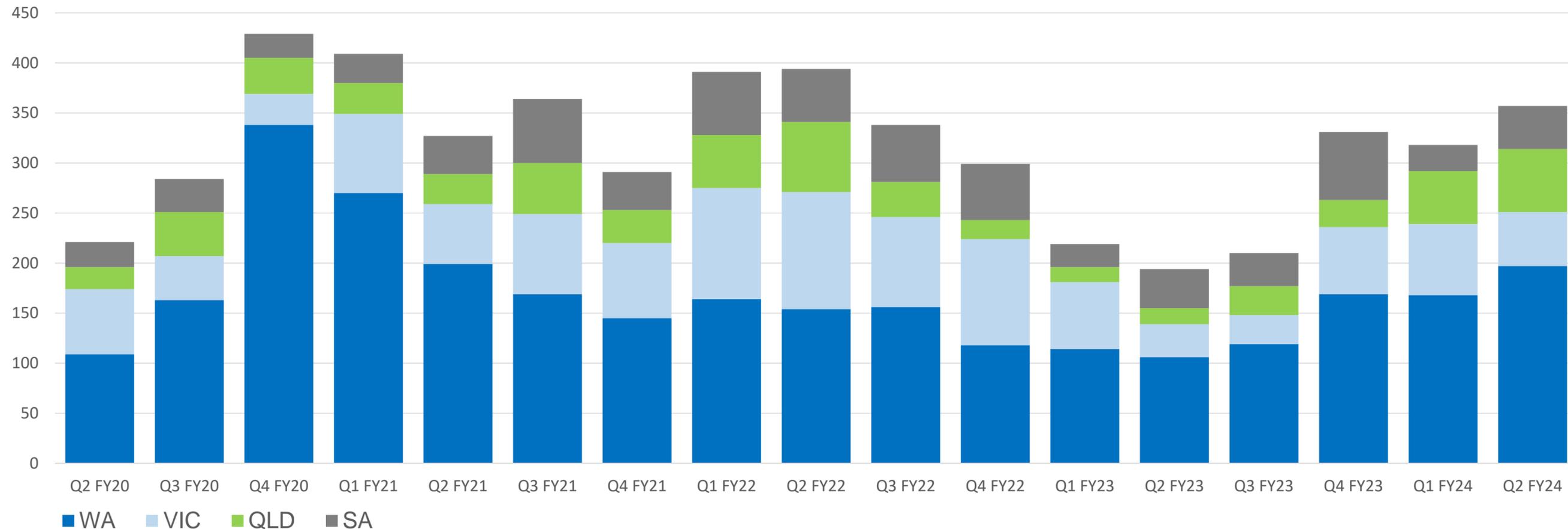
Measured acquisitions strategy with a long-term view of market cycles to support company growth

- Invested \$28.7m in new land acquisitions in H1 FY24 funded by corporate finance facility
- Approximately \$8.9m of committed acquisitions to fund in H2 FY24 & \$35.2m in H1 FY25

NEW HOUSING SECTOR CONDITIONS

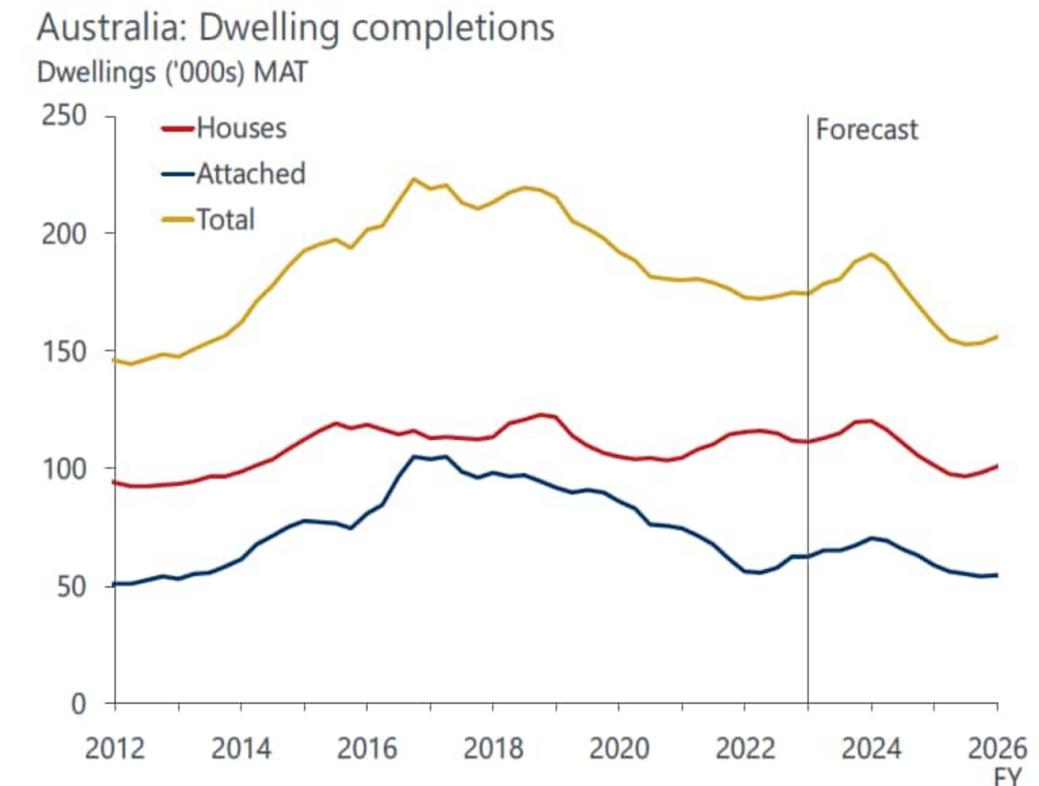
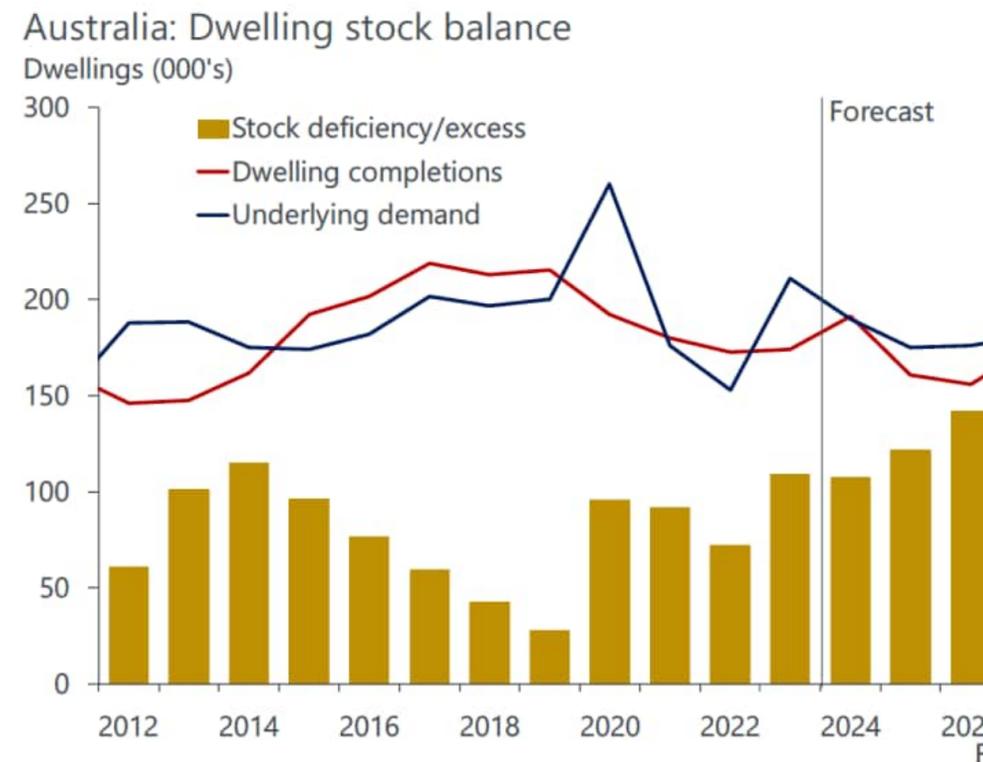
- Sales momentum continued in Q2 FY24, with the strongest quarterly sales result recorded in the last 2 years (357 sales vs 2-year average of 283)
- Sound fundamentals with sales driven by investors, downsizers & first home buyers. First home buyer enquiry improving, especially in WA, being most affordable state
- Sales prices increased across WA, SA & Qld projects over Q2. WA prices were increased 5% - 13% in H1 FY24 alone & further increases Feb 2024
- Momentum expected to build further upon peaking of interest rates, which may now have occurred
- Construction sector conditions are progressively improving, with costs growth slowing significantly & builder availability improving

Gross Sales by Quarter



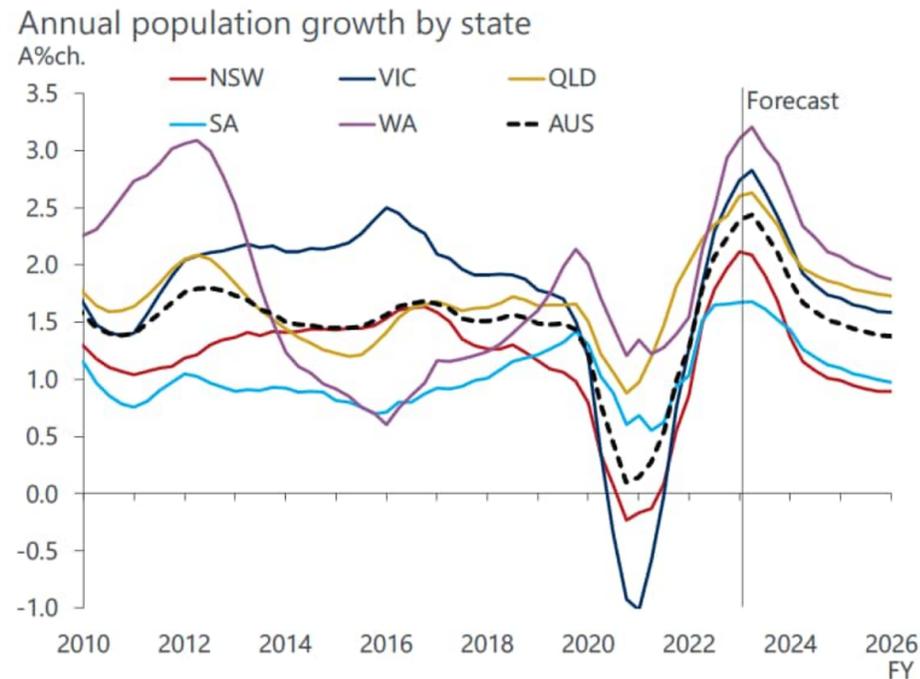
NEW HOUSING SUPPLY SHORTAGES

- Supply shortages of all forms of residential housing, across the country
- Q1 FY24 dwellings starts fell q/q to lowest since 2012 (148k annualised)
- A 21% fall in total dwellings completions is forecast from FY24 to FY26
- Very low residential vacancy rates, with rents continuing to rise
- Supply shortfalls creating upwards pressure on house prices
- Those with a supply pipeline are set to benefit - Cedar Woods has built up its portfolio to 35 projects, ~9700 lots, many are shovel ready
- Designs and planning approvals for projects and stages have been advanced in readiness
- Favourable planning environment with Governments duly expediting planning approvals



POPULATION GROWTH

- Elevated population growth is adding materially to underlying housing demand
- Net Overseas Migration (NOM) reached 518,087 in FY23, a major variation from the permanent intake level (208,750)
- Australia's population grew by a significant 2.4% over FY23
- NOM is projected to reduce to 375,000 in FY24 & 250,000 by FY26, resetting Australia's annual population growth to a still robust 1.4%
- Net outflows from NSW are set to remain elevated near term, to the benefit of WA & Qld. WA has come out in front, with growth of 3.1% in FY23. It is expected to remain the fastest growing state to mid-decade, tailed by Qld.



Source: ABS, Oxford Economics

BUYER PROFILES

- National new home loan commitments (excl. refinancing) lifted in value by 11.7% in 2023 with both investor (+20.4%) & owner-occupier (+7.4%) lending showing strong increases
- First Home Buyers (FHBs) lending increased in value by 21.0% in 2023. Support from families is helping some households fund the necessary deposit. Low rental vacancies and government incentives are also pushing younger households to buy
- FHB's are expected to come back even more strongly once interest rates start to reduce & consumer confidence returns



Source: ABS, Oxford Economics

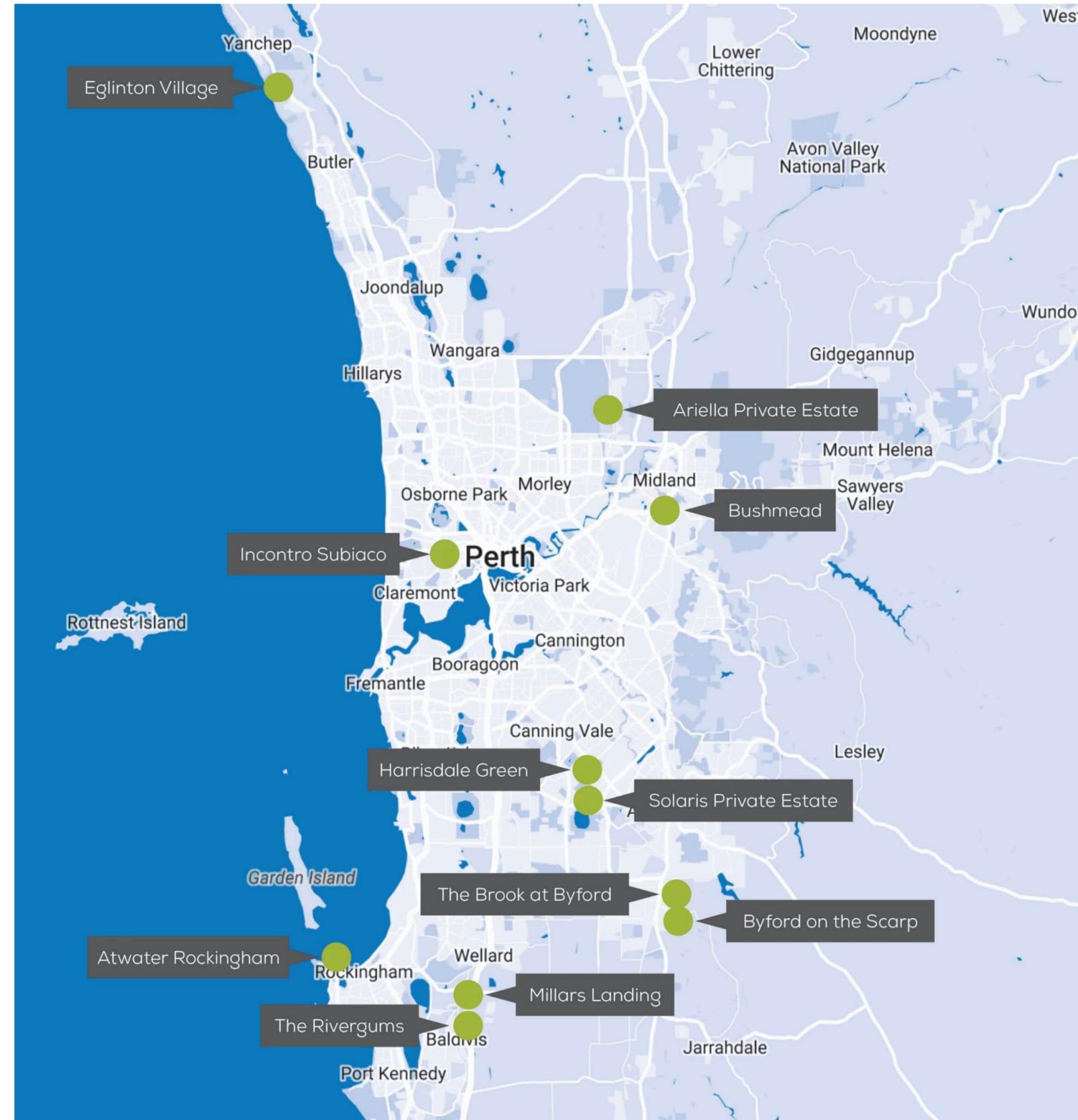
ESG

- Projects and workplaces have good sustainability credentials & emissions reduction practices
- Work ongoing in measuring & reducing project & corporate GHG emissions
- Delivery of Eglinton microgrid commenced in August 2023
- National relationship with The Smith Family continued – supporting the education of disadvantaged children
- Community Grants Program active throughout the country, supporting grass roots organisations
- Rewarding workplace with strong staff satisfaction scores



WESTERN AUSTRALIA

- 13 projects, more than 5,000 lots / dwellings
- Projects catering for a range of buyer types, with First Home Buyers being the largest cohort
- Product type includes land subdivision, townhouses & apartments
- Three new projects - Atwater, Eglinton Village & Ariella extension
- Strong price growth in various estates
- Strong sales from Q4 FY23 – Q2 FY24
- Good presales in hand for H2 FY24, starting to build for FY25



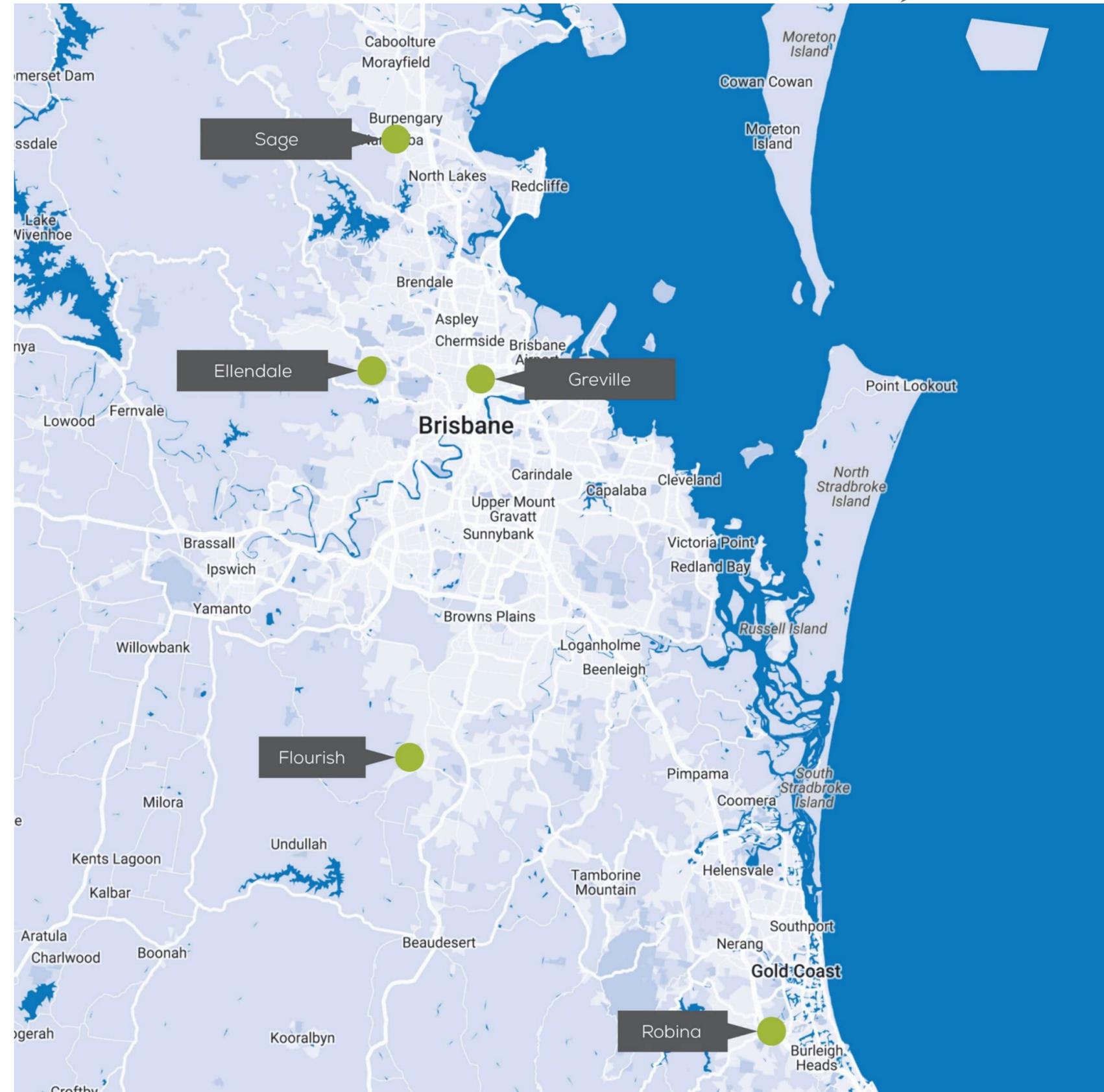
VICTORIA

- 9 projects, including 3 at Williams Landing
- More than 2,000 lots / dwellings / offices plus 13 ha of mixed-use sites
- Product type includes land subdivision, townhouses, apartments & commercial projects
- Range of price points & buyer types
- Soft sales conditions continued through H1 FY24



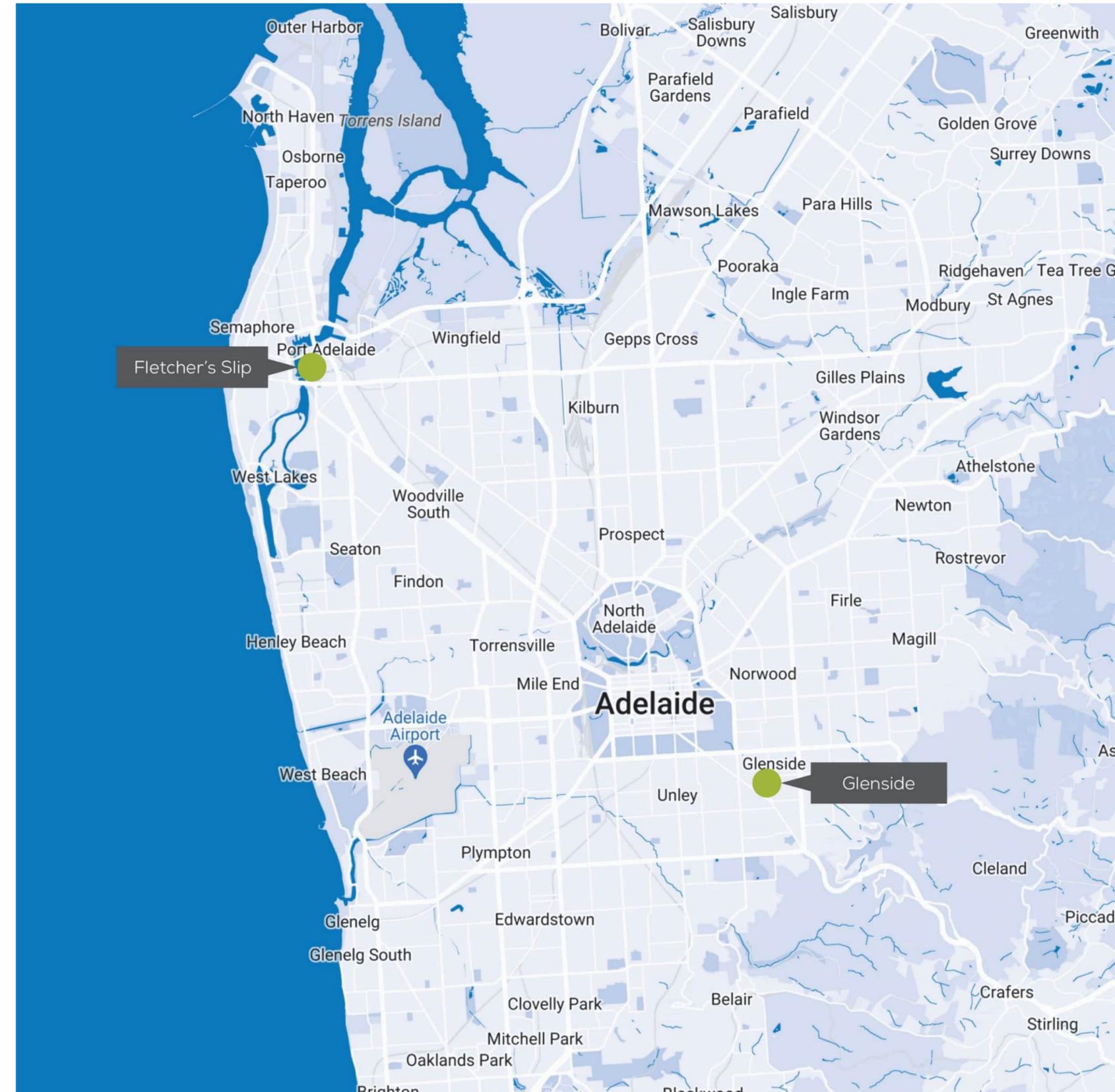
QUEENSLAND

- 6 projects, including 2 at Greville
- More than 1,400 lots / dwellings in the pipeline
- Product type includes land estates, townhouses & apartments
- QLD pipeline to increase with strategic partnership with QIC ~400 apartments & townhouses in Robina
- Demand underpinned by strong interstate migration & affordability relative to NSW & ACT
- Ongoing challenges in QLD's apartment construction sector arising from elevated costs & limited capacity of builders



SOUTH AUSTRALIA

- 7 well located projects at Glenside & Fletcher's Slip
- Glenside – 3 projects under construction, 1 project in sales phase
- Fletcher's Slip - 2 projects under construction, 1 project in sales phase
- More than 1,100 townhouses & apartments remaining
- High performing projects with demonstrated & sustained demand



NEW PROJECTS TO DELIVER FIRST EARNINGS

FY2024

- **Eglinton Village** residential land, WA
- **Atwater** residential land, WA
- **The Acreage at Dalyellup** residential land, WA
- **Clara Place** residential land, VIC
- **Boston Commons** strata offices, VIC
- **Sage** residential land, QLD

FY2025

- **88 Leveson** townhouses, VIC
- **Greville** townhouses, QLD
- **Flourish** residential land, QLD
- **Banksia** apartments, SA
- **Bloom** apartments, SA
- **Sirocco** apartments, SA

Future years

- **Incontro** apartments, WA
- **Fieldstone** residential land, VIC
- **Southbank** apartments, VIC
- **Hudson Hub** strata offices, VIC
- **Williams Landing** townhouses, apartments, offices & commercial, VIC
- **Greville** apartments, QLD
- **Robina** townhouses & apartments, QLD
- **Ancora & Marella** 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.

COMPANY OUTLOOK

- Enquiry & sales levels at two-year highs, with WA leading the way
- First home buyer demand is picking up, supporting strong sales for other buyer categories in most states
- Macro-economic factors indicate the new housing sector has a strong medium-term outlook: positive economic outlook, low unemployment, record immigration, low supply & government support
- Housing supply shortages nationwide will last several years, generating a supportive approvals environment, price growth & more reliable sales volumes
- Strong presence in the more affordable markets (Qld, WA & SA) where the impact of interest rates is less pronounced
- Well placed to roll out 'shovel ready' projects & stages
- Significant pre-sales of over \$525m at end of H1 FY24, partially de-risking future earnings
- Significantly stronger second half expected from the sale of WLSC & planned residential settlements: anticipating full year FY24 NPAT in the range of \$36m - \$39m, subject to timing of settlements.
- The catalyst for a sustained improvement in sales volumes is expected to be a combination of the peaking of interest rates & improvement in builder capacity, both of which will more broadly restore buyer confidence
- Portfolio of approximately 9,700 lots/dwellings in quality locations to support medium term earnings



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PROJECT PIPELINE

PROJECT NAME	CORRIDOR / LOCATION	PROJECT TYPE	LOTS/UNITS PROJECT	LOTS/UNITS REMAIN	FY24	FY25	FY26	FY27	FY28	FY29
WESTERN AUSTRALIA - PERTH										
Ariella, Brabham	North East	Residential Land	1,215	439						
The Brook at Byford	South East	Residential Land	421	16						
Rivergums, Baldivis	South	Residential Land	1,429	147						
Byford on the Scarp	South East	Residential Land	274	17						
Solaris, Forrestdale	South East	Residential Land	323	106						
Bushmead	East	Residential Land	915	321						
Millars Landing, North Baldivis	South	Residential Land	1,553	1,376						
Eglinton Village	North	Residential Land	1,270	1,270	★					
Pinjarra	South	Residential Land	1,080	1,080						
Incontro, Subiaco	Inner East	Townhouses and Apartments	151	110						
The Acreage at Dalyellup	South	Residential Land	41	41	★					
Atwater, Rockingham	South	Residential Land and Townhouses	82	55	★					
WESTERN AUSTRALIA - "JV" PROJECTS										
Harrisdale Green	South East	Residential Land and Townhouses	404	72						
				5,050						
VICTORIA - MELBOURNE										
Jackson Green, Clayton South	South East	Townhouses and Aster Apartments	580	3						
88 Leveson, North Melbourne	North West of CBD	Townhouses	15	15		★				
Mason Quarter, Wollert	North	Residential Land	851	661	★					
Clara Place, Fraser Rise	North West	Residential Land	287	287						
South Bank	South of CBD	Apartments and Commercial	183	183					★	
Fieldstone	West	Residential Land	529	529				★		
Williams Landing	West	Residential Land, Townhouses, Apartments	2,296	33						
Williams Landing	West	Boston Commons Strata Offices	81	81	★					
Williams Landing	West	Hudson Hub Strata Offices	84	84			★			
Williams Landing	West	Future Apartments / Offices / Townhouses	615	221						
Williams Landing	West	Commercial (13 hectares)								
				2,097						
QUEENSLAND - BRISBANE										
Greville, Woolloowin	Inner North	Townhouses and Apartments	291	290						
Ellendale, Upper Kedron	North West	Residential Land	895	305						
Flourish, South Maclean	South	Residential Land	512	512	★					
Sage, Burpengary	North	Residential Land	375	343	★					
				1,450						
SOUTH AUSTRALIA - ADELAIDE										
Glenside	Inner South East	Townhouses and Apartments	806	560						
Monarch Apartments, Glenside	Inner South East	Apartments	49	-						
Banksia Apartments, Glenside	Inner South East	Apartments	72	72		★				
Bloom Apartments, Glenside	Inner South East	Apartments	59	59		★				
Bloom 2 Apartments, Glenside	Inner South East	Apartments	60	60		★				
Fletcher's Slip, Port Adelaide	North West	Townhouses and Apartments	403	253						
Sirocco Apartments, Fletcher's Slip	North West	Apartments	41	41		★				
Ancora Apartments, Fletcher's Slip	North West	Apartments	35	35			★			
Marella Apartments, Fletcher's Slip	North West	Apartments	23	23			★			
				1,103						
TOTAL GROUP				9,700						
The project pipeline excludes Robina JV lots/units and Lots/units Remain relates to unsettled lots/units					Planning, Design & Rezoning	Development & Sales	★ First Settlements	Leasing, Development & Sales		

CASE STUDY 1: EGLINTON VILLAGE, WA

- Total yield 1,268 lots plus shopping centre
- 500 meters from train station
- 114 lots completed & sold
- First settlements March 2024
- Over 1,150 lots remaining for development
- Project life remaining ~ 10 years
- Average lot size & price - 400m²; \$266,000
- Microgrid offers energy efficiency to homebuyers
- Primary buyer profiles: First Home Buyers, local & interstate investors, upgraders / downsizers

CASE STUDY 2: GLENSIDE, SA

- Large scale urban infill development
- Over 1000 apartments & townhouses
- 17 Ha, 3km from Adelaide CBD
- 786 dwellings remaining - 7+ years to go
- 224 presales in hand, average price \$933,000
- 73 settlements forecast FY24
- Primary buyer profiles – downsizers, retirees, investors
- Strong sustainability credentials