

HALF YEAR FY23 RESULTS



AGENDA

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

ACKNOWLEDGEMENT OF COUNTRY

Cedar Woods would like to acknowledge the traditional custodians of this land. We pay our respects to the Elders past, present and emerging. For they hold the memories, the traditions and the culture of Aboriginal and Torres Strait Islander people across the nation.



ABOUT CEDAR WOODS



COMPANY OVERVIEW

- ASX listed property company; established in 1987
- Diversified national portfolio built on the back of proven business strategy
 - Products: land estates, townhouses, apartments & commercial
 - 10,500+ lots in pipeline;
 - 33 projects across VIC / SA / WA / QLD
- Excellent long term track record in growing earnings
- Disciplined capital management has delivered sector leading returns
- Experienced Board & Executive team
- Property is a long-term generator of reliable returns for 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

STRATEGIC PRIORITIES

Financial Strength

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



FY23 PROGRESS

Continued support from our 3 banks with facilities increased & extended; long secure facility tenure; Gearing within target range & expected to fall in H2.

Earnings Growth

Pursuit of earnings growth is the key metric to achieve our primary objective of creating long-term value for our shareholders.



Targeting earnings and dividend growth in FY23.

Maintained growth mindset to capitalise on well priced sites – confirmed Fieldstone acquisition & settled sites to extend Ariella. Entered into partnership with Tokyo Gas to develop Banksia Apartments in Adelaide.

Operational Excellence

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



Deployed new data & analytics platform, providing improved visibility of decision making information; New HR management system fully implemented providing improved & integrated employee experience; Strong safety record; New project sustainability standards implemented.

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 & engagement levels; employee value proposition enhanced; succession planning for executives refreshed.

ESG

- New project sustainability standards implemented
- First carbon footprint mapping results disclosed in FY22 ESG Report
- 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
- Community Grants Scheme supporting grass roots community organisations
- Rewarding workplace with strong engagement & satisfaction scores
- Strong safety record in H1 FY23



First Carbon Footprint Mapping
completed in FY2022 for Greenhouse Gas Emissions.



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



Cloud strategy
implementation reduces carbon footprint.



Diversity & Inclusion Committee
formed to assist with diversity objectives.



MSCI ESG RATINGS
CCC B BB BBB **A** AA AAA
MSCI gives Cedar Woods 'A' ESG rating.
*Disclaimer



71%
staff satisfaction under new methodology.



On-going digital transformation
achieves milestones in human resource management systems.



Enhancements to cyber security under on-going digital transformation.

We create community connection.

FINANCIAL RESULTS



FY23 H1 RESULTS SUMMARY

NET PROFIT
AFTER TAX

\$9.1m



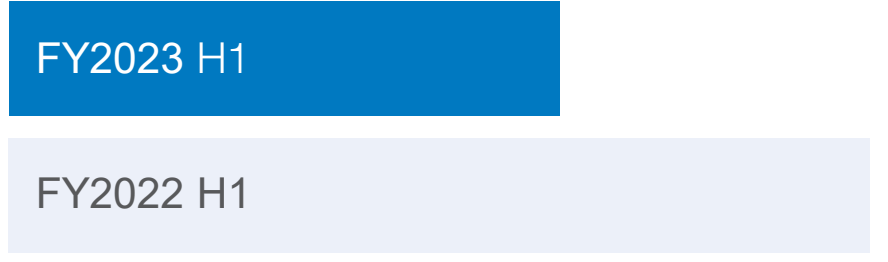
TOTAL REVENUE

\$152.3m



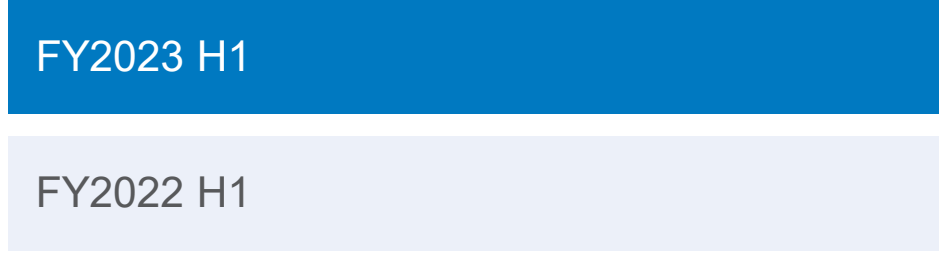
EARNINGS
PER SHARE

11.0c



INTERIM DIVIDEND
PER SHARE

13.0c



SETTLEMENTS



356 lots

Lots / homes / offices settled in H1

ACQUISITIONS



529 lots

Lots added to project pipeline in H1

NET
SALES



287 lots

Lots / homes / offices sold in H1

PRESALE
CONTRACTS



\$509m

152% of prior year revenue

BALANCE SHEET & FUNDING

	31 Dec 2022	30 Jun 2022
Total assets (book value)	\$827.6m	\$786.3m
Net assets (equity)	\$419.0m	\$421.2m
Net tangible assets per share (book value not market value)	\$5.10	\$5.13
Net bank debt	\$233.4m	\$198.7m
Net bank debt to total tangible assets (less cash)	28.6%	25.6%
Net bank debt to equity	55.7%	47.2%
Finance facilities (\$300m corporate facility + \$30m project facility)	\$330.0m ¹	\$330.0m
Finance facilities headroom	\$42.4m	\$87.8m
Interest cover (annual)	5.2x	9.1x
Weighted average cost of debt ³	4.9%	3.6%
Weighted average debt maturity	2.4 years ²	3.3 years

¹ increased to \$360m at 31 January 2023

² increased to 3.2 years at 31 January 2023

³ WACD as at 31 December 2022 and 30 June 2022 (including base rate, margin, line fees and hedging)

CASH FLOW & CAPITAL MANAGEMENT

Long term support from financiers

- Undrawn finance facility headroom of \$42.4m
- Corporate facility limit increased by \$30m to \$330m in January 2023 to provide additional capacity

Recycling of capital when appropriate

- Excess of current assets over current liabilities of \$100.5m to be realised over the next 12 months
- Williams Landing shopping centre sale expected to add \$30m+ to free cash after retirement of project debt, in addition to generating a substantial profit
- Positive operating cashflow produced by the business in H1 before acquisitions

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

- Invested \$25.7m in new land acquisitions in H1 funded by operating cashflow & corporate finance facility
- Approximately \$53.4m of committed acquisitions to fund in H2 FY23

MARKET CONDITIONS

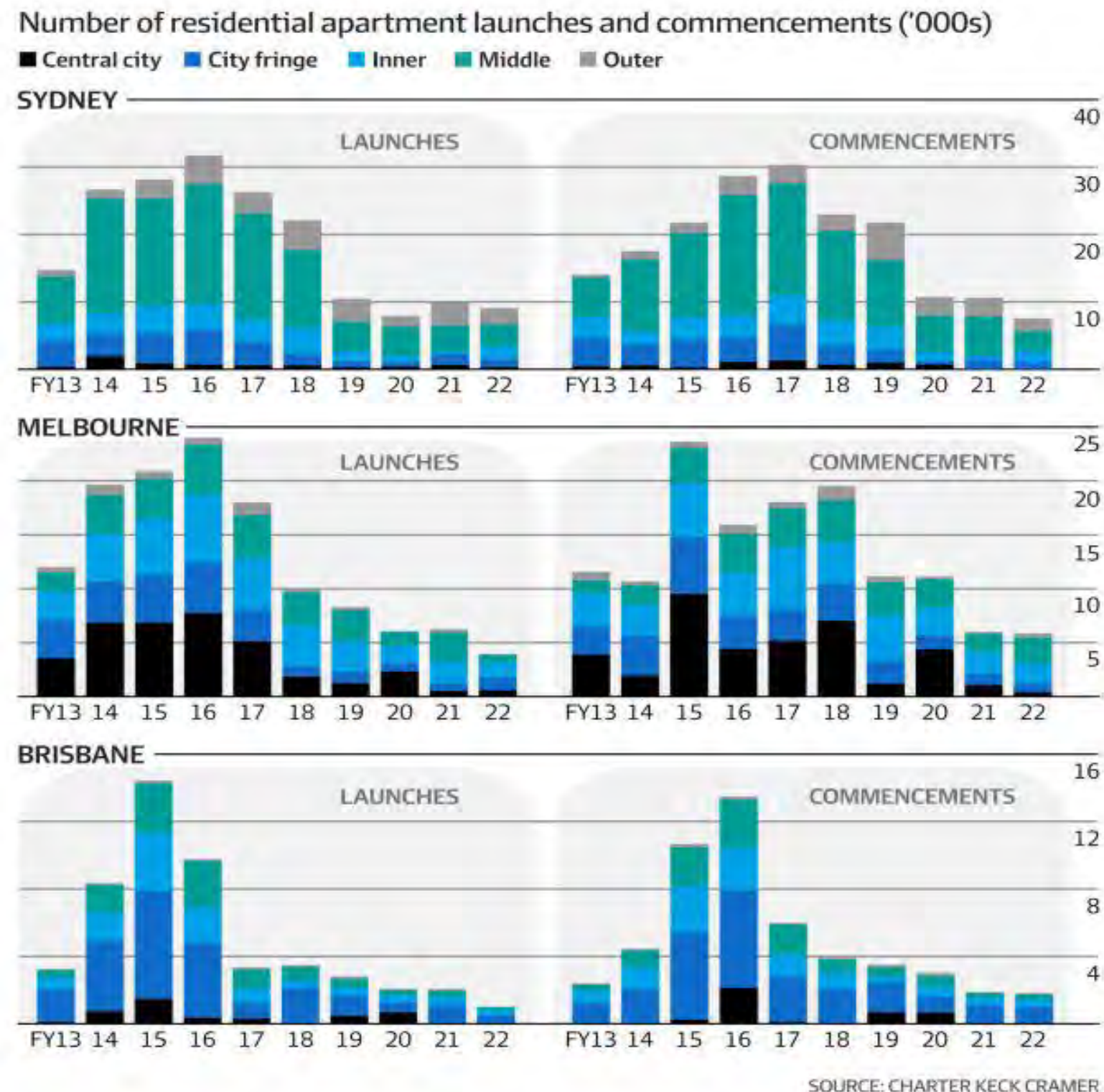


NEW HOUSING SECTOR CONDITIONS

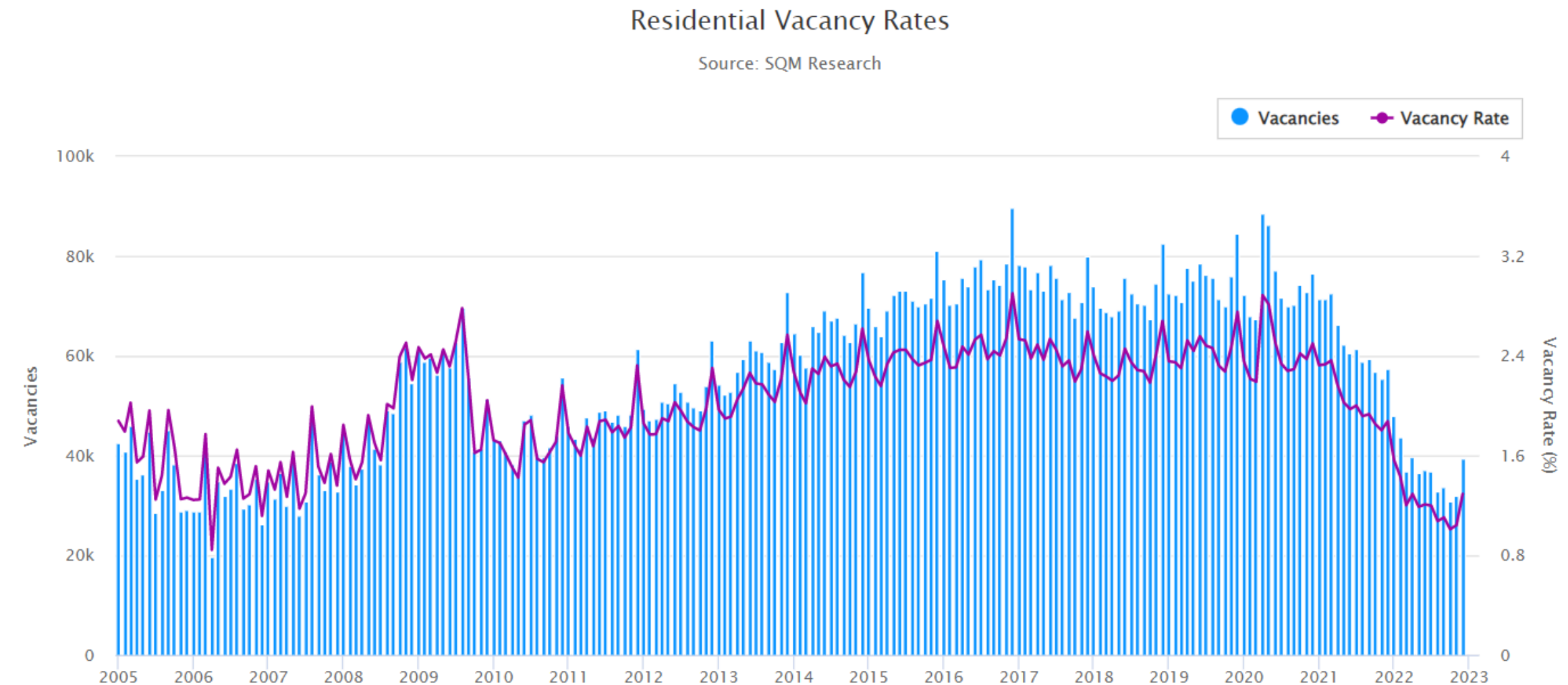
- Supportive macro themes & fundamentals – low unemployment, increasing migration, supply constrained
- Rising interest rates, inflationary pressures & resultant low sentiment continue to impact demand with lower sales volumes persisting across most jurisdictions
- Established housing sector - conditions vary across the country with some markets remaining robust & others softer. Some further price moderation expected but pricing currently stable in the more affordable markets (SA & WA). Prices expected to remain above pre-covid levels given the extent of rises in 2021
- The more affordable markets of WA & SA are expected to outperform for new housing
- Investor demand to continue, driven by low supply of rental stock, rapidly rising rent & strong yields
- Construction sector continues to deliver the sales generated from the stimulus, but builders report forward orders dropping off significantly & front-end labour & materials prices starting to moderate
- Limited supply of new housing across most product types & jurisdictions is likely to result in a shorter than expected downcycle, pending the peak in interest rates

MACRO THEMES SUPPORTIVE – NEW HOUSING SUPPLY

- Historically low supply levels expected to underpin demand & pricing going forward



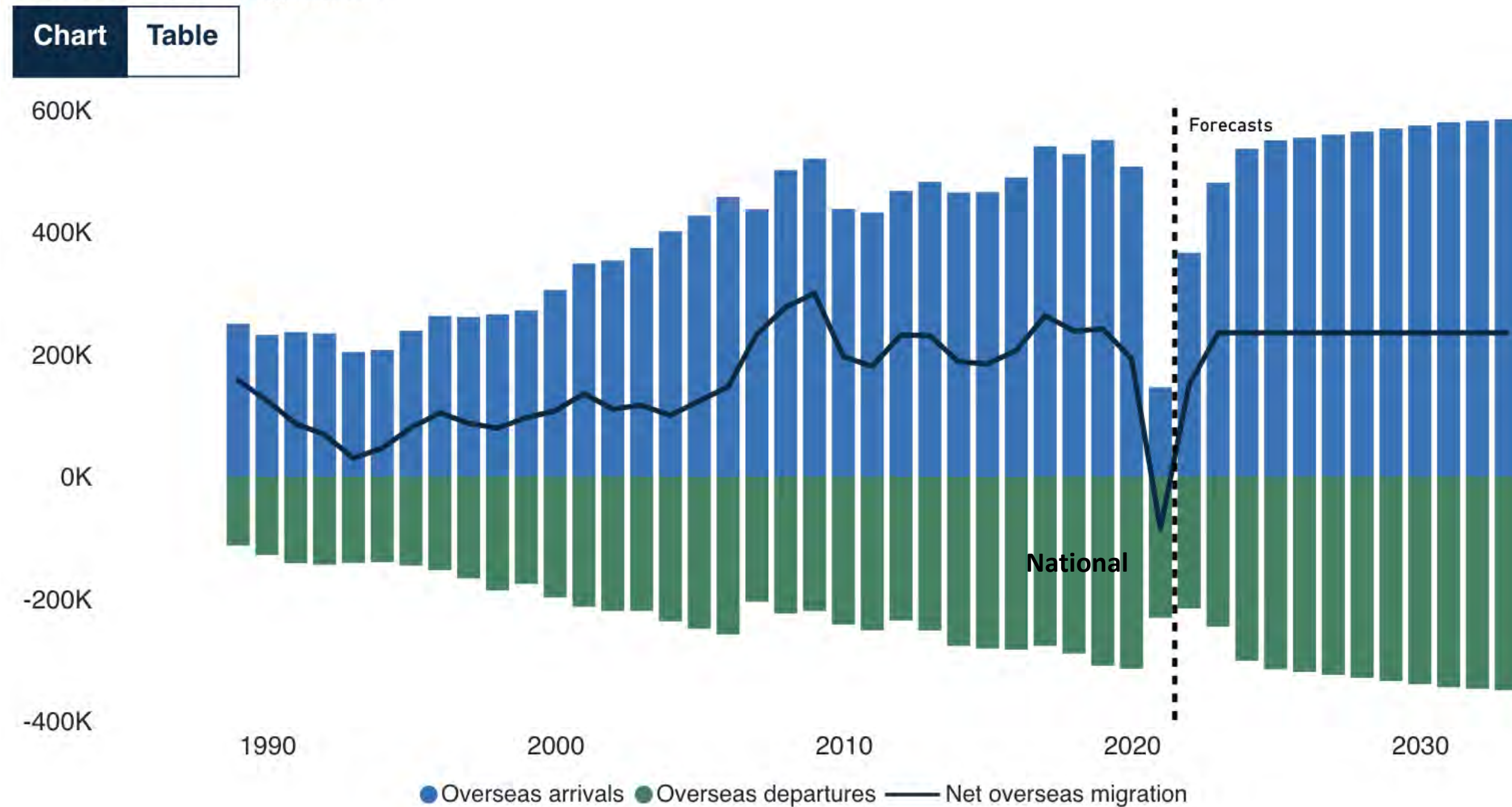
NATIONAL



MACRO THEMES SUPPORTIVE - POPULATION GROWTH

- Historically high levels of overseas migration to drive demand for new housing

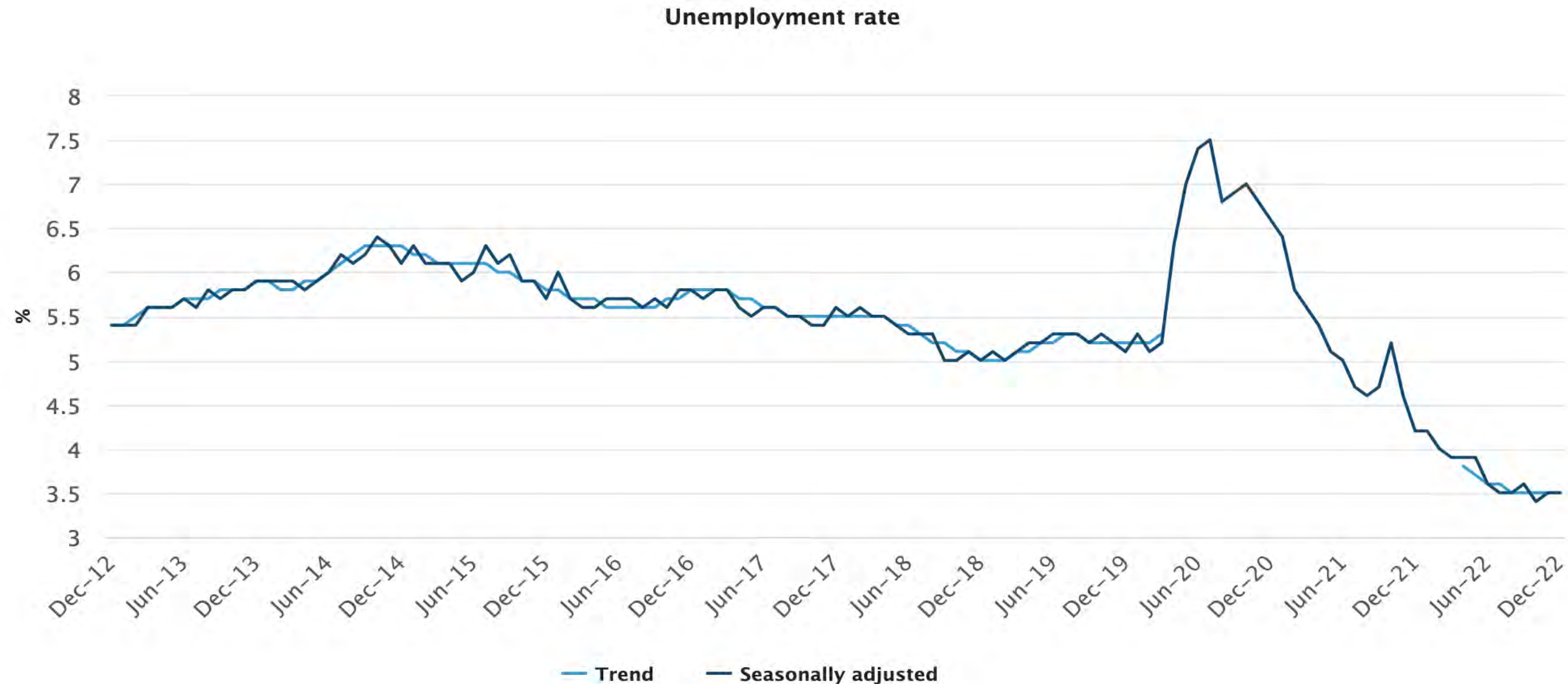
Net overseas migration



Source: ABS

MACRO THEMES SUPPORTIVE - LOW UNEMPLOYMENT & JOB SECURITY

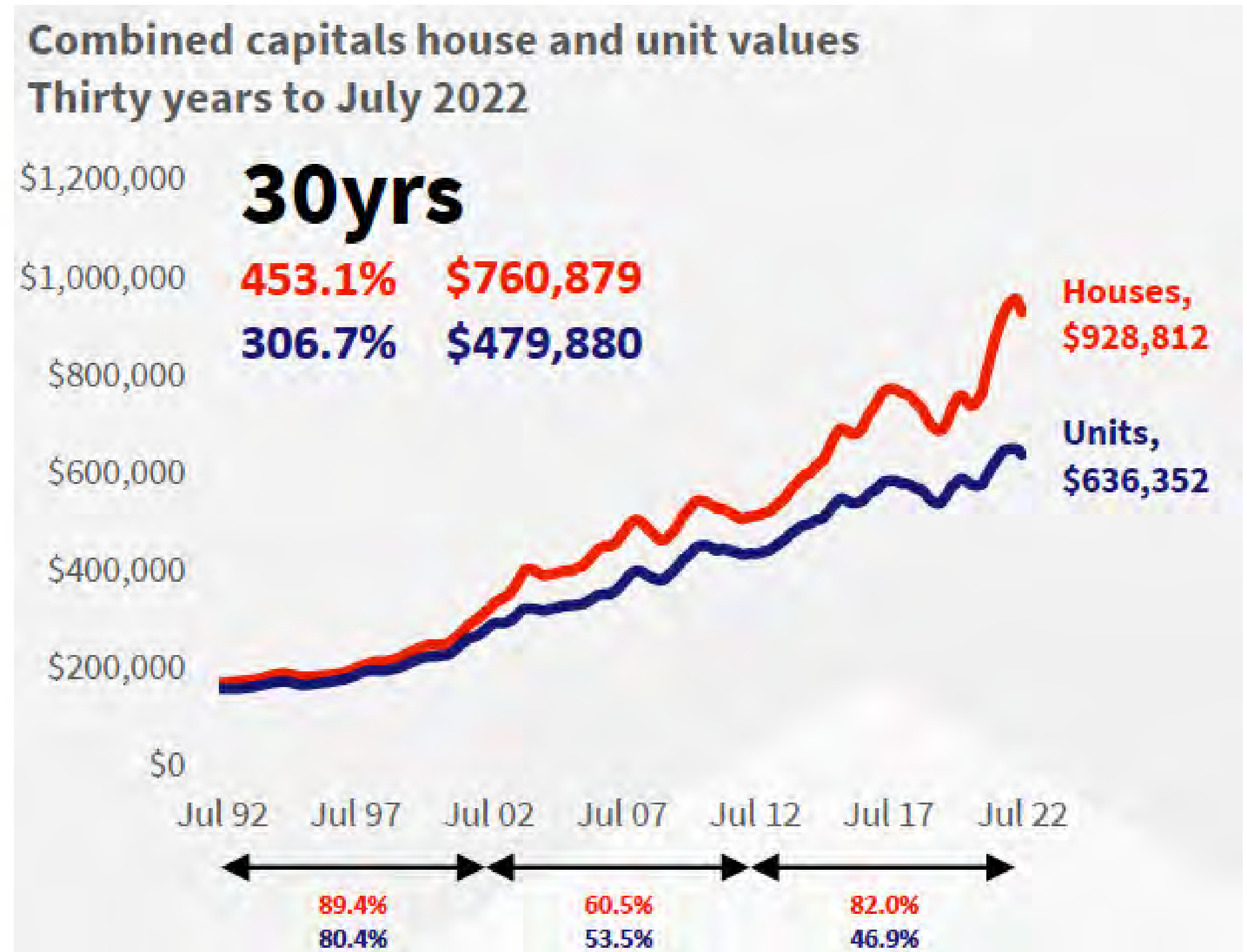
- Unemployment expected to remain at historically low levels
- Job security is a key driver of sentiment, which in turn is key to the new housing sector performance



Source: ABS Dec 22

PROPERTY IS A LONG TERM GENERATOR OF POSITIVE, RELIABLE RETURNS FOR INVESTORS

Region	COVID trough to peak growth	Decline from recent peak	Month of recent peak
Sydney	27.7%	-12.7%	Jan 22
Melbourne	17.3%	-8.3%	Feb 22
Brisbane	42.7%	-9.4%	Jun 22
Adelaide	44.7%	-1.3%	Jul 22
Perth	25.9%	-0.6%	Jul 22
Hobart	37.7%	-9.3%	May 22
Darwin	31.1%	-1.2%	Aug 22
ACT	38.3%	-7.6%	Jun 22



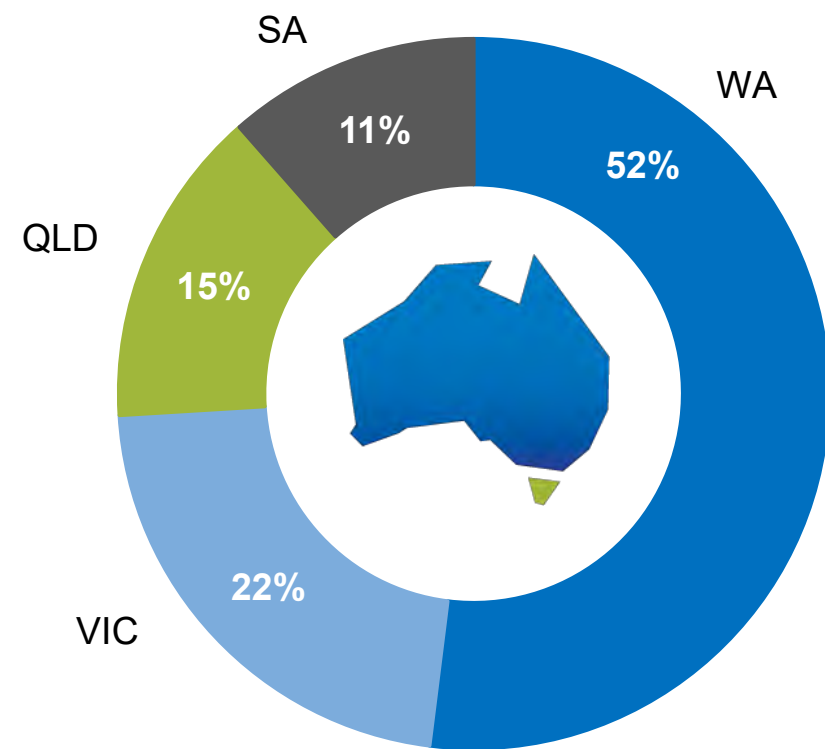
OUR PORTFOLIO



DIVERSIFIED BY LOCATION & PRODUCT

PORTFOLIO BY LOCATION

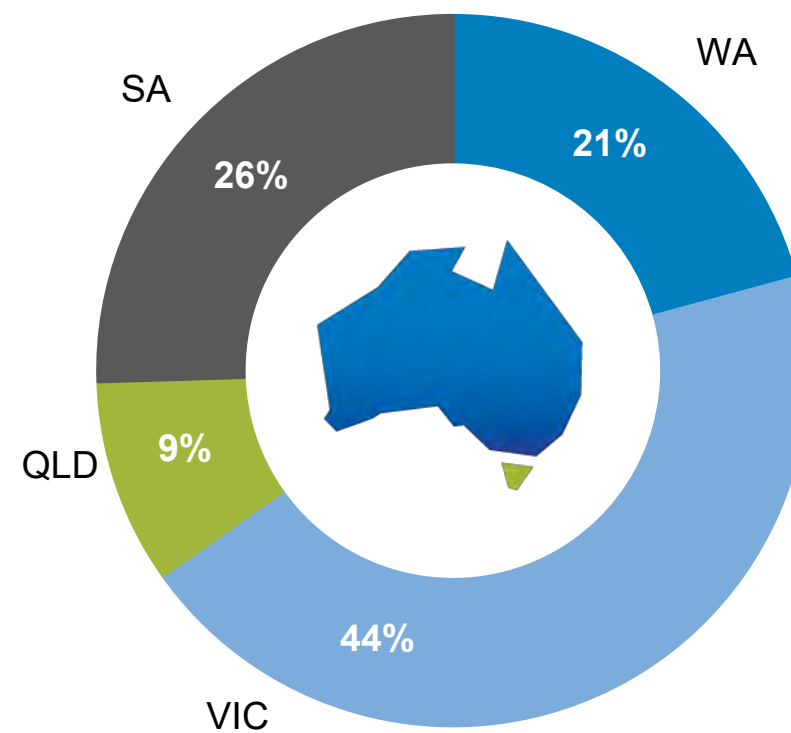
lots/homes/offices



State	Lots/Units *	%
WA	5,473	52%
VIC	2,315	22%
QLD	1,529	15%
SA	1,210	11%
Total	10,527	100%

PRESALES BY LOCATION

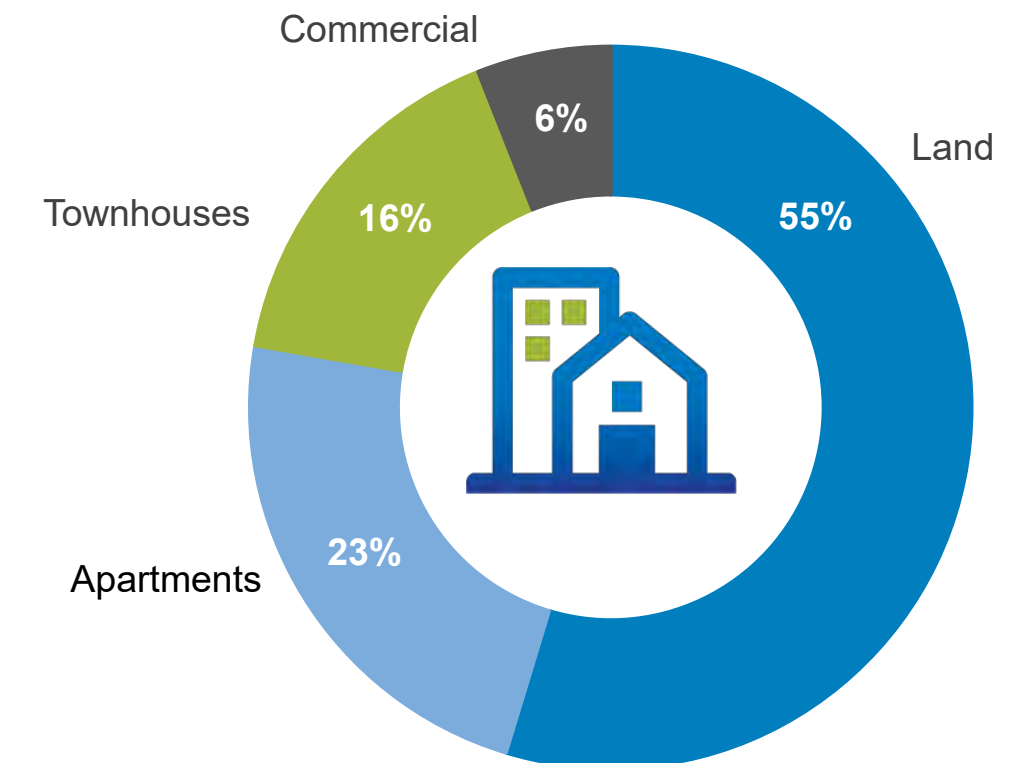
lots/homes/offices



State	Lots/Units	%
WA	257	21%
VIC	549	44%
QLD	115	9%
SA	315	26%
Total	1,236	100%

PRESALES BY PRODUCT TYPE

lots/homes/offices

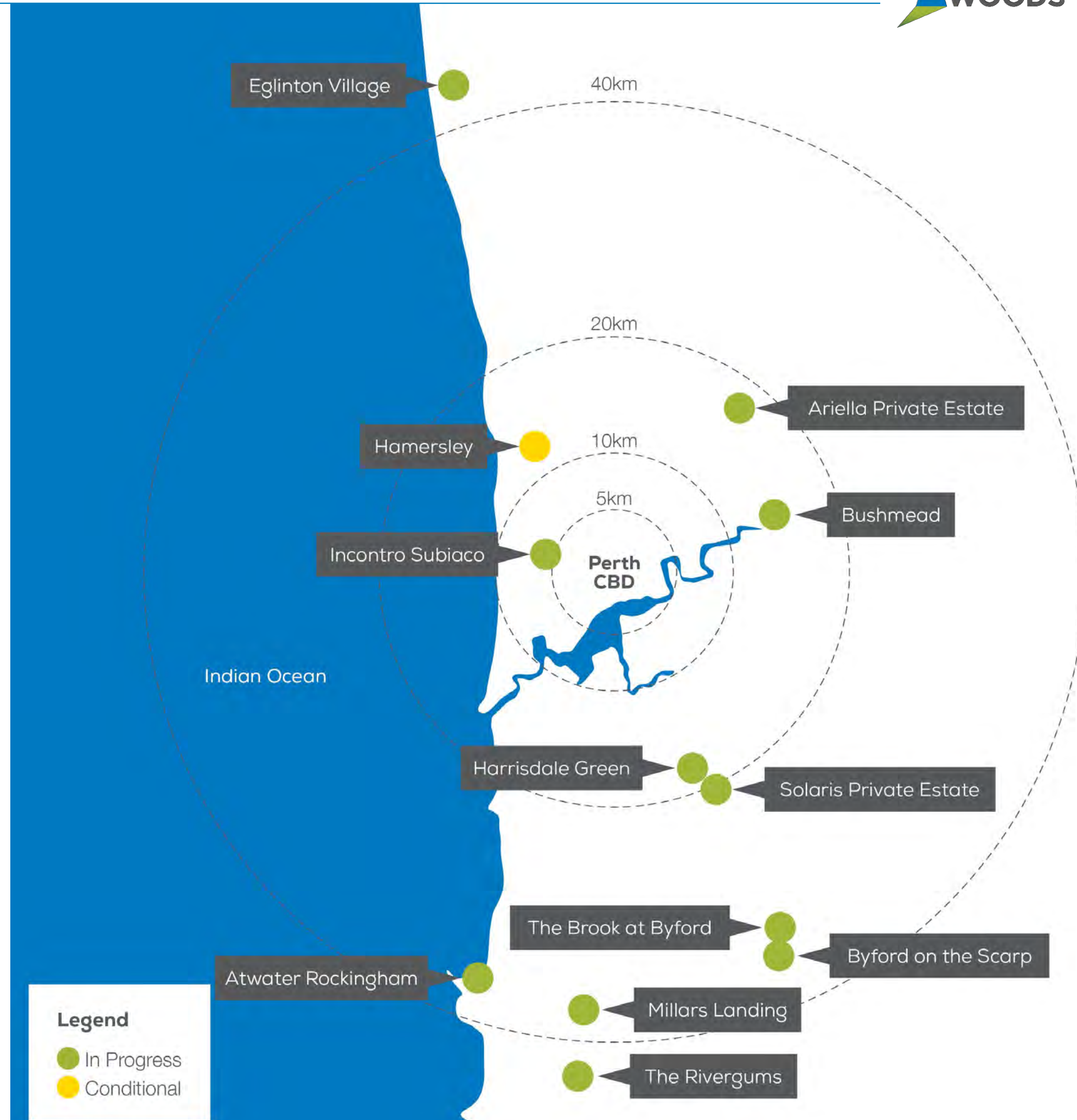


Product	Lots/Units	%
Land	676	55%
Apartments	285	23%
Townhouses	201	16%
Commercial	74	6%
Total	1,236	100%

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

WESTERN AUSTRALIA

- 13 projects, more than 5,400 lots / dwellings
- Projects catering for a range of buyer types
- Land subdivision, townhouses & apartments
- Mixed sales results in H1 FY24, with north-western and southern corridors remaining most resilient



PROJECT EXAMPLE: ATWATER

- Former Palm Beach caravan park, purchased from Defense Housing Australia (DHA)
- Prime infill location close to the centre of Rockingham
- Mix of residential densities – small land lots & townhouses
- Sales launched in December 2022, with strong local interest from down sizers & investors
- Civil contractor mobilised in February 2023
- To contribute to earnings FY24 & FY25



ATWATER
ROCKINGHAM

PROJECT EXAMPLE: EGLINTON VILLAGE

- 86 ha site in Perth's north-west growth corridor
- Located 500 metres from the new Eglinton train station (to open in 2025)
- 1200+ lots to be delivered in several neighbourhoods
- Will include residential neighbourhoods, primary school, commercial hub & open space
- Stage 1 earthworks and civil works underway, initial revenue to occur early FY24
- Retail sales launch in Feb 24 with strong builder interest
- Sales within north-west corridor remain resilient
- Sustainability focus on energy efficiency

VICTORIA

- 9 projects (Currently 3 at Williams Landing)
- More than 2,300 lots / dwellings / offices + 17 hectares of commercial / apartment sites
- Land subdivision, townhouses, apartments & commercial projects
- Range of price points & buyer types
- Sales have been relatively soft in H1FY23 across product types



PROJECT EXAMPLE: WILLIAMS LANDING

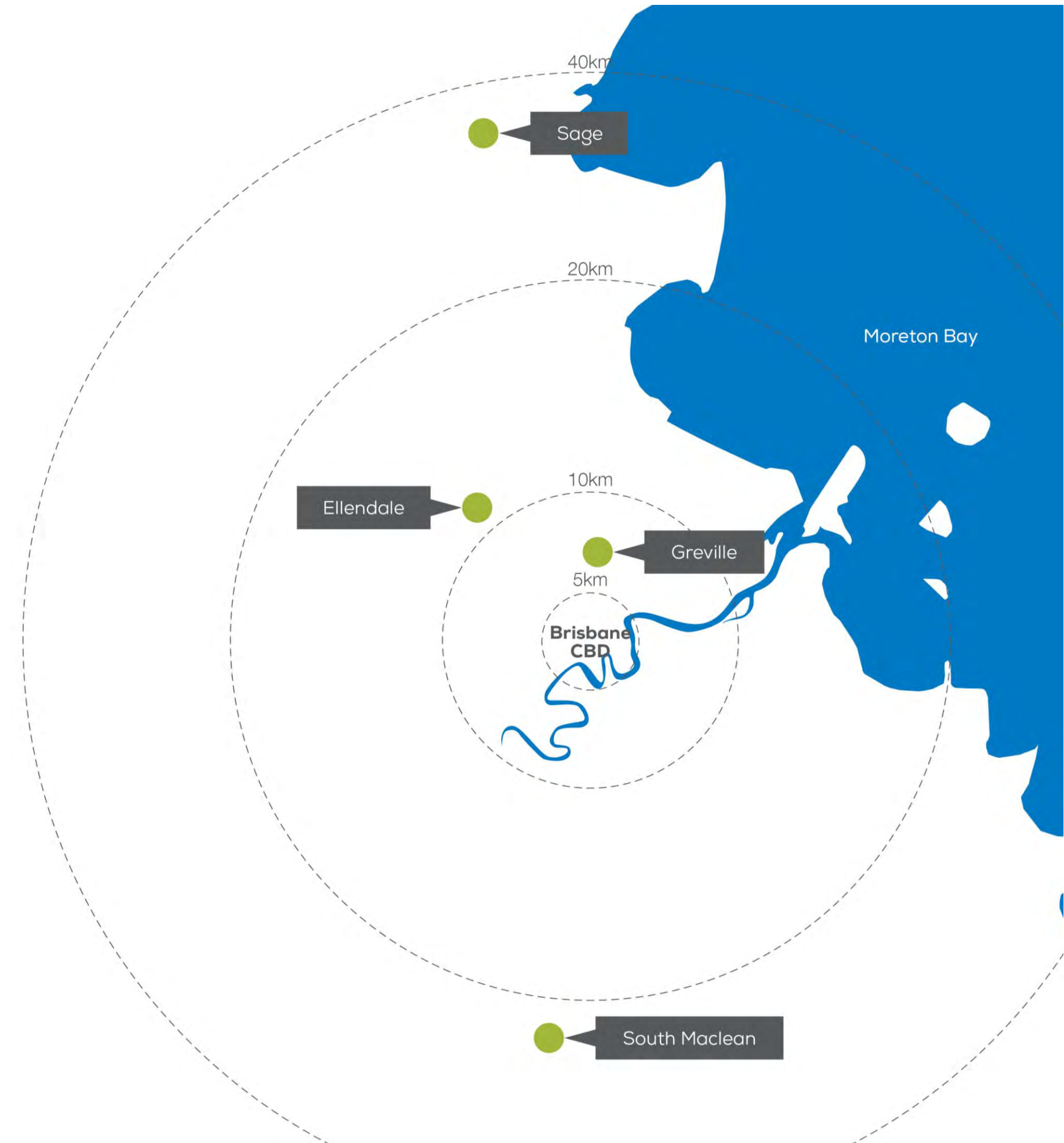
- Major masterplanned community with mixed use town centre
- Over 15 sites ready to be developed for apartments, townhouses, offices, education & retail
- Actively bidding for single tenant office opportunities that can significantly boost earnings when secured
- Third strata office building, Boston Commons, is 90% presold. Building includes EV charging stations & recently commenced construction
- Shopping Centre - performing well & 99% leased; to be offered for sale via international E.O.I in early 2023

PROJECT EXAMPLE: MASON QUARTER

- 800+ lot residential estate in high performing suburb of Wollert
- 26 km north of Melbourne CBD
- 250+ pre-sales achieved
- Predominantly a first home buyer market.
- Significant price growth since project launch
- Construction underway for first five stages
- First settlements in H2 FY23

QUEENSLAND

- 5 projects
- More than 1,500 lots / dwellings
- Land estates, townhouses & apartments
- Notwithstanding strong market conditions experienced in FY22, ongoing capacity challenges in Queensland's construction sector has resulted in project delays
- Sage, Burpengary launched H1 FY2023, construction commenced



PROJECT EXAMPLE: ELLENDALE

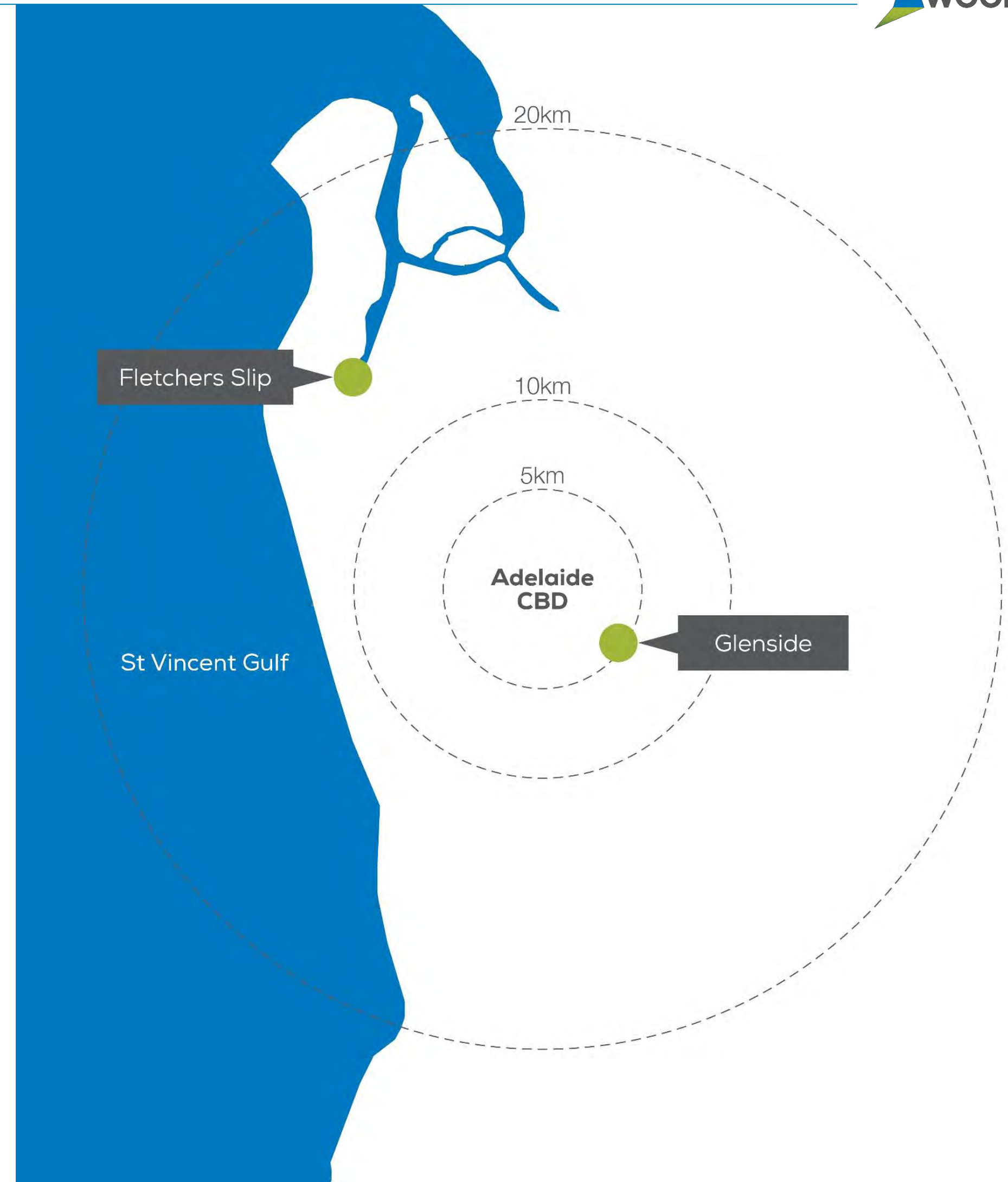
- Masterplanned community with ~900 residential lots
- Located 12km northwest of Brisbane CBD in suburb of Upper Kedron; adjacent to national park
- Approximately 50% complete
- First, 2nd & 3rd home buyer markets
- Limited direct competition
- Significant presales with strong profit margins
- Significant conservation outcome and initiatives

PROJECT EXAMPLE: SAGE PARK

- Masterplanned community with over 300 residential lots
- Located 40km north of Brisbane CBD in suburb of Burpengary
- Launched to market Q1 FY23 with good pre-sales achieved
- Sales Office launching March 2023. The sales office will be off-the-grid, featuring solar panels, batter power & on-site water tanks
- Construction commenced
- Provides price point diversity in Queensland portfolio

SOUTH AUSTRALIA

- 6 well located projects (including 4 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
- Mix of buyer profiles - downsizers, first home buyers, investors
- Wide range of price points to attract different markets



GLENSIDE

- 17 Ha, 3km from Adelaide CBD
- High end suburb of Glenside in Adelaide's inner east
- 1,000+ townhouses & apartments
- Monarch apartments 100% sold & under construction
- Banksia apartments 80% sold & construction started, co-development with Tokyo Gas
- 70 townhouses 50% sold & construction commencing soon
- Mix of buyer profiles Downsizers singles, professional couples & investors



FLETCHER'S SLIP

- 14 km north-west of the CBD
- 500+ townhouses & apartments
- Adjacent to train station & harbour, walking distance to the beach & shops
- Significant enquiry & sales recorded
- 'Sirocco' apartments 100% sold & under construction
- 36 presold townhouses under construction
- Mix of buyer profiles - First home buyers, down sizers & investors.

OUTLOOK



NEW PROJECTS TO DELIVER FIRST EARNINGS

FY2023

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

FY2024

- Eglinton Village, WA
- Atwater Rockingham residential land, WA
- The Acreage Dalyellup residential land, WA
- Clara Place residential land, VIC
- Boston Commons strata offices, VIC
- Burpengary residential land, QLD
- Sirocco apartments, SA

Future years

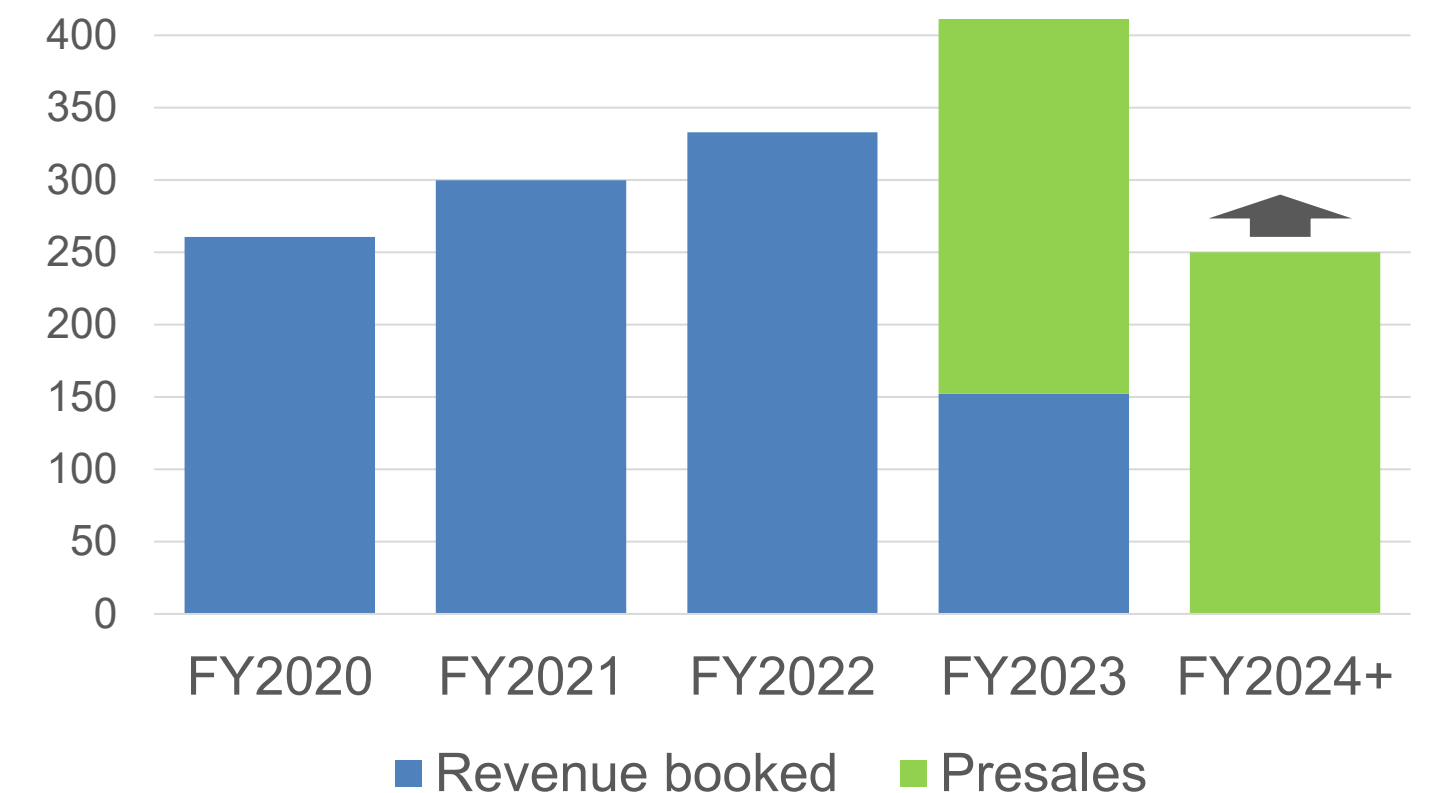
- Incontro apartments, WA
- Hamersley residential land, WA
- Fieldstone residential land, VIC
- South Bank apartments, VIC
- Williams Landing town centre apartments, offices & commercial, VIC
- South MacLean residential land, QLD
- Greville townhouses & apartments, QLD
- Banksia apartments, SA
- Bloom 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 Hamersley conditional acquisition.

OUTLOOK

- Supportive macro themes & fundamentals, however rising interest rates, inflationary pressures & soft sentiment are expected to continue to impact sales over FY23
- When interest rates & inflation stabilise, the rapid return of immigration & housing supply shortfalls are expected to drive a strong recovery
- Presence in relatively affordable markets of WA & SA, which are expected to outperform & see sales increase more quickly
- Outlook underpinned by pre-sales of \$509m, partially de-risking future earnings
- Expect to meet or exceed the prior year’s earnings in FY23 subject to weather & construction sector conditions that can impact the timing of settlements
- Well positioned when market recovers with portfolio of over 10,500 lots/dwellings in quality locations

REVENUE & PRESALES





cedarwoods.com.au

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APPENDIX 1: PROJECT PIPELINE

PROJECT NAME	CORRIDOR / LOCATION	PROJECT TYPE	LOTS/UNITS PROJECT	LOTS/UNITS REMAIN	FY23	FY24	FY25	FY26	FY27	FY28
WESTERN AUSTRALIA - PERTH										
Ariella, Brabham	North East	Residential Land	1,225	516						
The Brook at Byford	South East	Residential Land	421	45						
Rivergums, Baldvis	South	Residential Land	1,429	245						
Byford on the Scarp	South East	Residential Land	277	36						
Solaris, Forrestdale	South East	Residential Land	307	138						
Bushmead	East	Residential Land	915	386						
Millars Landing, North Baldvis	South	Residential Land	1,553	1,385						
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	151	★					
The Acreage at Dalyellup	South	Residential Land	41	41		★				
Atwater, Rockingham	South	Residential Land and Townhouses	85	85		★				
WESTERN AUSTRALIA - "JV" PROJECTS										
Harrisdale Green	South East	Residential Land and Townhouses	431	95						
				5,473						
VICTORIA - MELBOURNE										
Jackson Green, Clayton South	South East	Townhouses and Aster Apartments	580	129						
88 Leveson, North Melbourne	North West of CBD	Townhouses	15	15		★				
Mason Quarter, Wollert	North	Residential Land	854	853	★					
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	2,363	35						
Williams Landing	West	Boston Commons Strata Offices	81	81		★				
Williams Landing	West	Future Apartments / Offices / Townhouses	597	203						
Williams Landing	West	Commercial (17 hectares)								
				2,315						
QUEENSLAND - BRISBANE										
Greville, Wooloowin	Inner North	Townhouses and Apartments	291	290	★					
Ellendale, Upper Kedron	North West	Residential Land	897	394						
South Maclean	South	Residential Land	516	516			★			
Sage, Burpengary	North	Residential Land	329	329		★				
				1,529						
SOUTH AUSTRALIA - ADELAIDE										
Glenside	Inner South East	Townhouses and Apartments	842	596						
Monarch Apartments, Glenside	Inner South East	Apartments	49	49	★					
Baksia Apartments, Glenside	Inner South East	Apartments	72	72			★			
Bloom Apartments, Glenside	Inner South East	Apartments	59	59			★			
Fletcher's Slip, Port Adelaide	North West	Townhouses and Apartments	461	393						
Sirocco Apartments, Fletcher's Slip	North West	Apartments	41	41		★				
				1,210						
TOTAL GROUP				10,527						
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		