

Bell Potter Foundations Virtual Real Estate Conference November 2023

22nd November 2023



Fletcher's Slip, SA

AGENDA

1. Company Overview & Results
2. Market Conditions
3. Our Portfolio
4. Outlook

COMPANY OVERVIEW

- ASX listed property company; market cap. of ~\$400m
- Products: land estates, townhouses, apartments & commercial
- Approx. 10,000 lots in pipeline
- 35 projects across VIC / SA / WA / QLD
- Quality & sustainability feature strongly across projects
- Stable board & management

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
- Utilising 3rd party capital, through strategic partnerships & joint ventures.



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

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

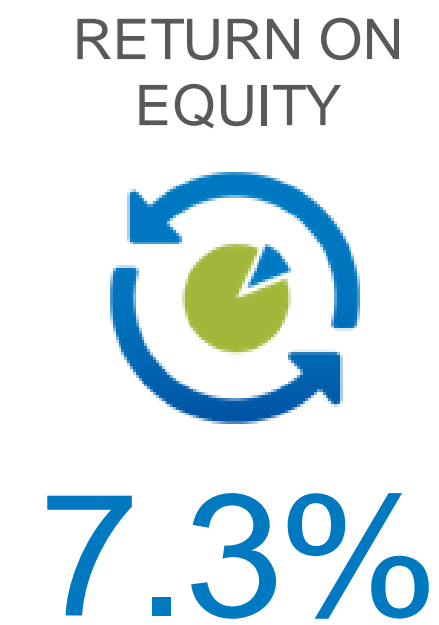
Range of housing lots, townhouses, apartments & commercial



Price Point

Wide range of price points offered throughout the portfolio

FY23 SUMMARY



STRATEGY & PERFORMANCE: SETTING US APART

■ Macro themes supportive

- Population growth, relative economic strength, job security/low unemployment rate
- Significant portfolio of shovel ready projects, able to deliver into an undersupplied market
- Supply shortfall will likely last for balance of decade

■ **Strategy:** Diversification strategy is a key differentiator

■ **Reliable financial performance:** Demonstrated performance over the long term

■ **Disciplined capital management & strategy execution**

■ **Acquisitions:** 30 year track record of consistently identifying & securing quality sites

■ **Transparency & business simplicity**

■ **Strong financier support & superior relative cost of debt**

■ **Proven & stable management team**

NEW PARTNERSHIPS: QIC & TGRE AUSTRALIA

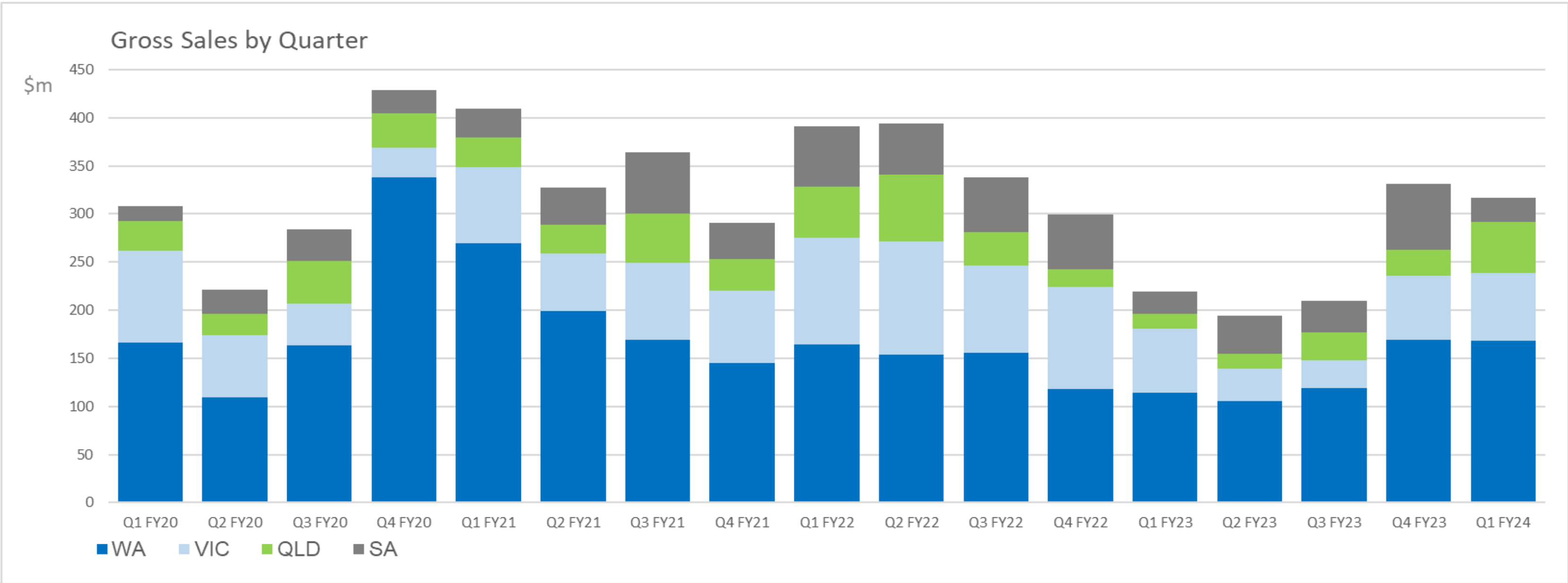
- Two major new partnering arrangements announced in 2023 - QIC & Tokyo Gas Real Estate (TGRE) Australia
- They leverage the existing skill base, allow operations to be expanded & further diversified, & generate recurring fee income.
- QIC
 - QIC is an owner of many major shopping centres around Australia.
 - QIC & Cedar Woods have formed a Joint Venture to develop land adjacent to Robina Town Centre in QLD
 - The project is 400 apartments / townhouses
 - QIC & Cedar Woods are exploring opportunities to expand the relationship beyond Robina Town Centre
- TGRE
 - TGRE & CW have struck a partnership to jointly develop projects around Australia, starting with the Banksia apartment project at Glenside in Adelaide.
 - A second project is now being undertaken under joint venture, the Bloom apartments, also at Glenside.



MARKET CONDITIONS

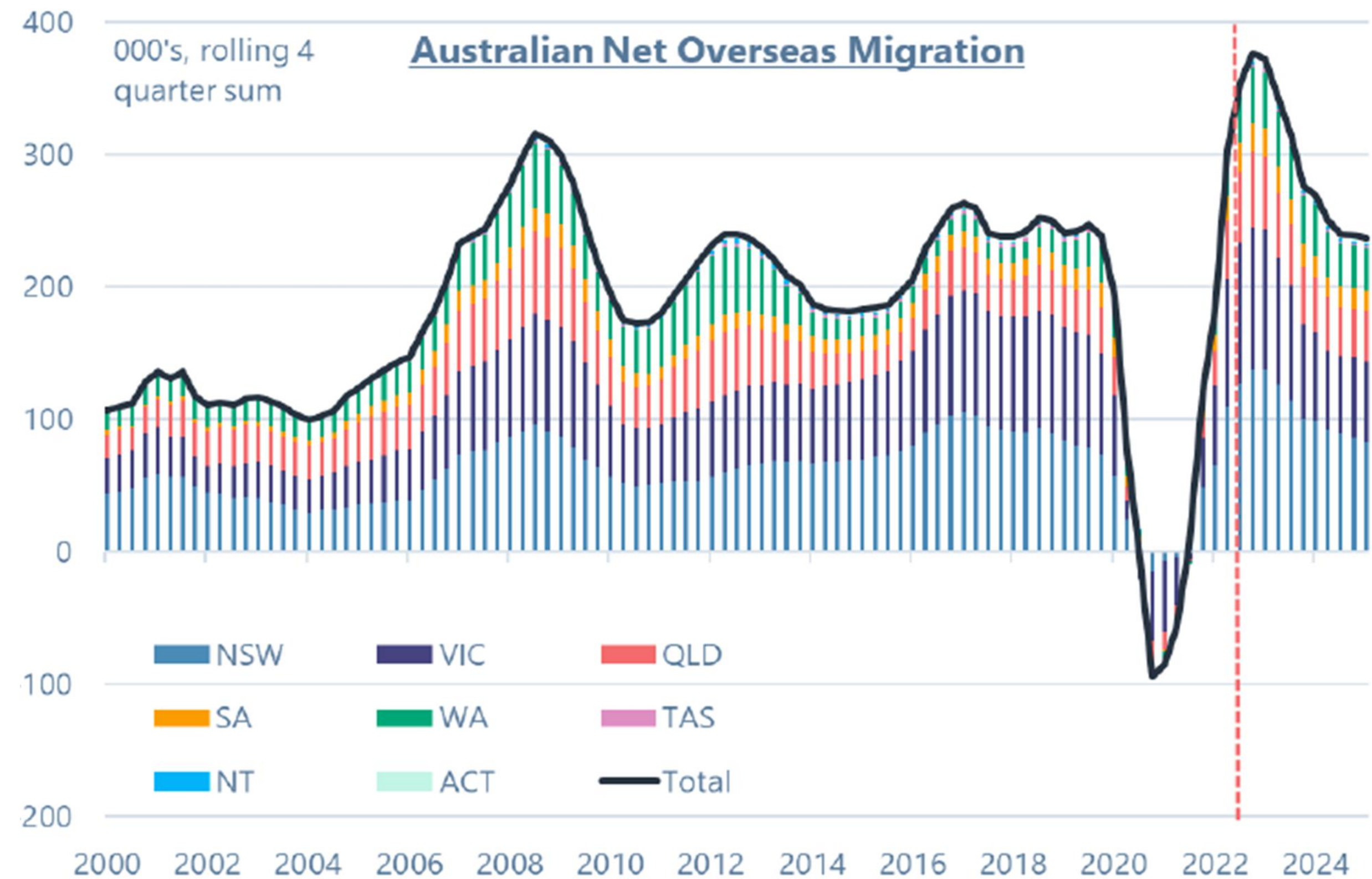
NEW HOUSING SECTOR CONDITIONS

- Sales momentum experienced in Q4 FY23 has been maintained in Q1 FY24
- Sound fundamentals with sales driven by investors, downsizers & upgraders, but with first home buyer sales remaining subdued. Strong investor sales in WA
- Sales prices increased across many projects over September & October, especially in WA
- Primary catalysts for momentum to build further are expected to be the peaking of interest rates & improved builder availability
- Construction sector continuing to experience challenges with high work volumes & labour shortages, though this is progressively improving



POPULATION GROWTH

- Strong population growth boosts market demand for housing
- Net Overseas Migration at record highs over FY23, & expected to gradually reduce but to historically high levels (>230k p.a.)
- Population and migration (& visas), continues to surprise materially to the upside. Specifically, in Q1-23 migration lifted by a record high of 152k q/q and 454k y/y; which is over double the Australian Government 'migration cap'.
- Migration (NOM basis) in 2023 will likely exceed 500k & means population growth is now already ~2½% y/y, a new high.



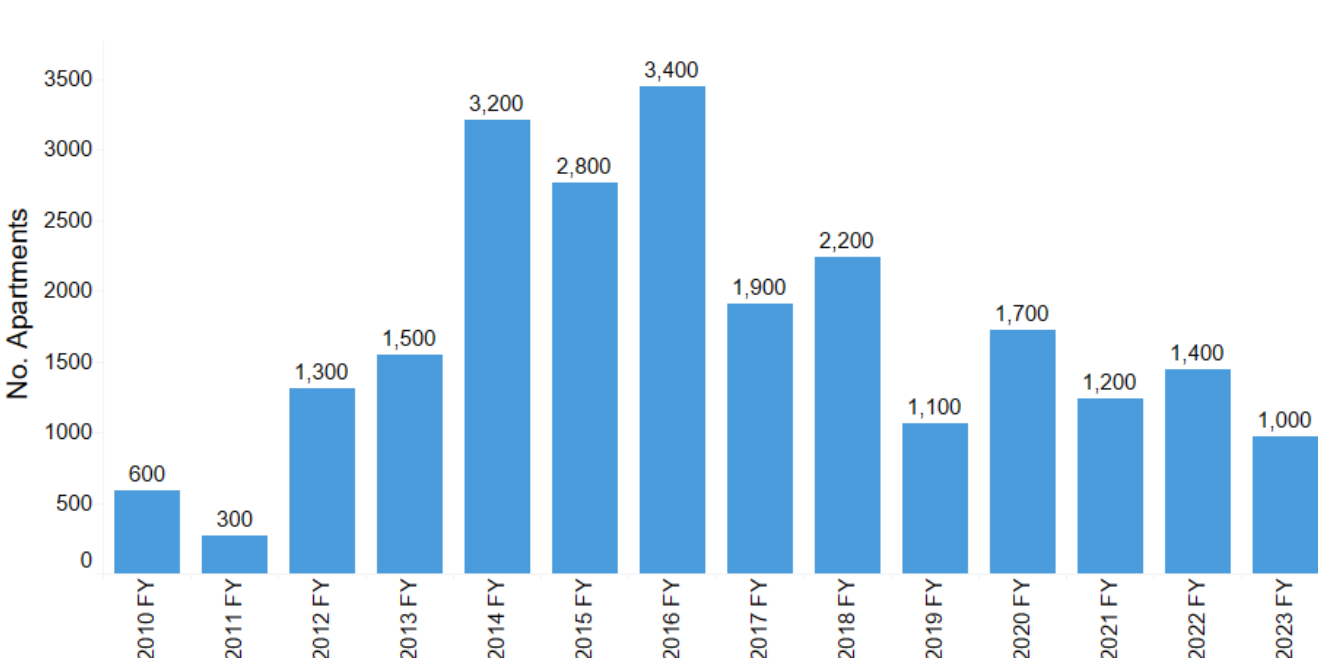
Source: ABS, Jarden



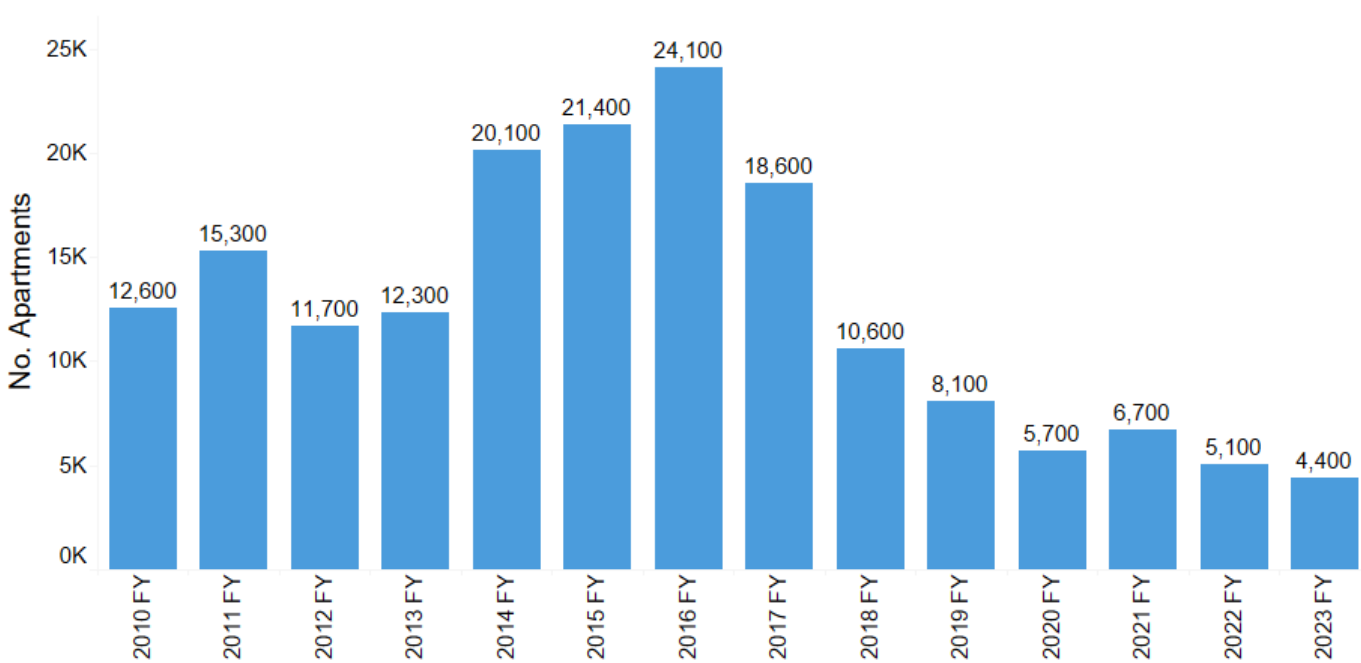
HOUSING SUPPLY SHORTAGES

- Limited supply of new housing across most product types & jurisdictions is supporting sales values & will likely result in upward pricing pressure over FY24
- Last year, Australia saw an increase of almost 500,000 people. Approx. 200,000 extra homes needed for that number of migrants. Approx. 173,000 homes built last year - shortfall of ~27,000 homes in just that year
- Investor demand to remain strong, driven by very low vacancy rates & rapidly rising rents
- Many approved projects aren't being delivered due to construction sector capacity limitations & costs
- Cedar Woods is ready with many approved projects & stages, for when conditions improve

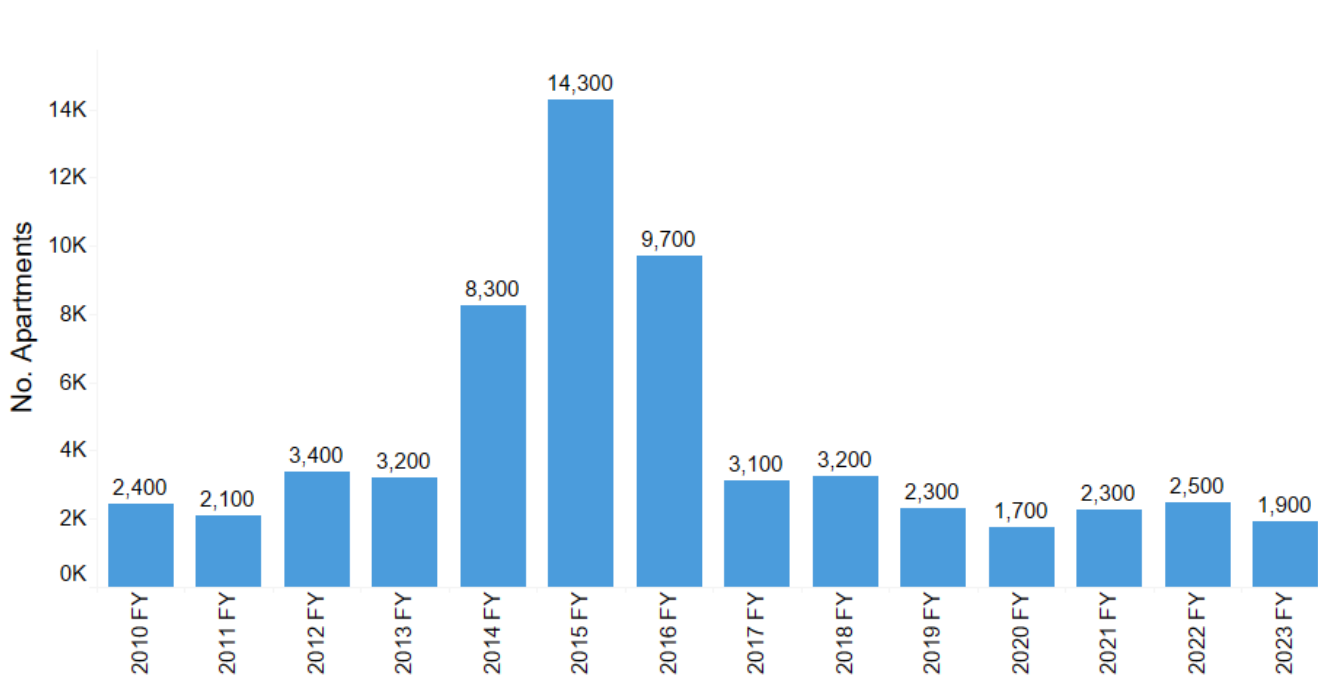
Perth – Apartment Supply – By Launch Year



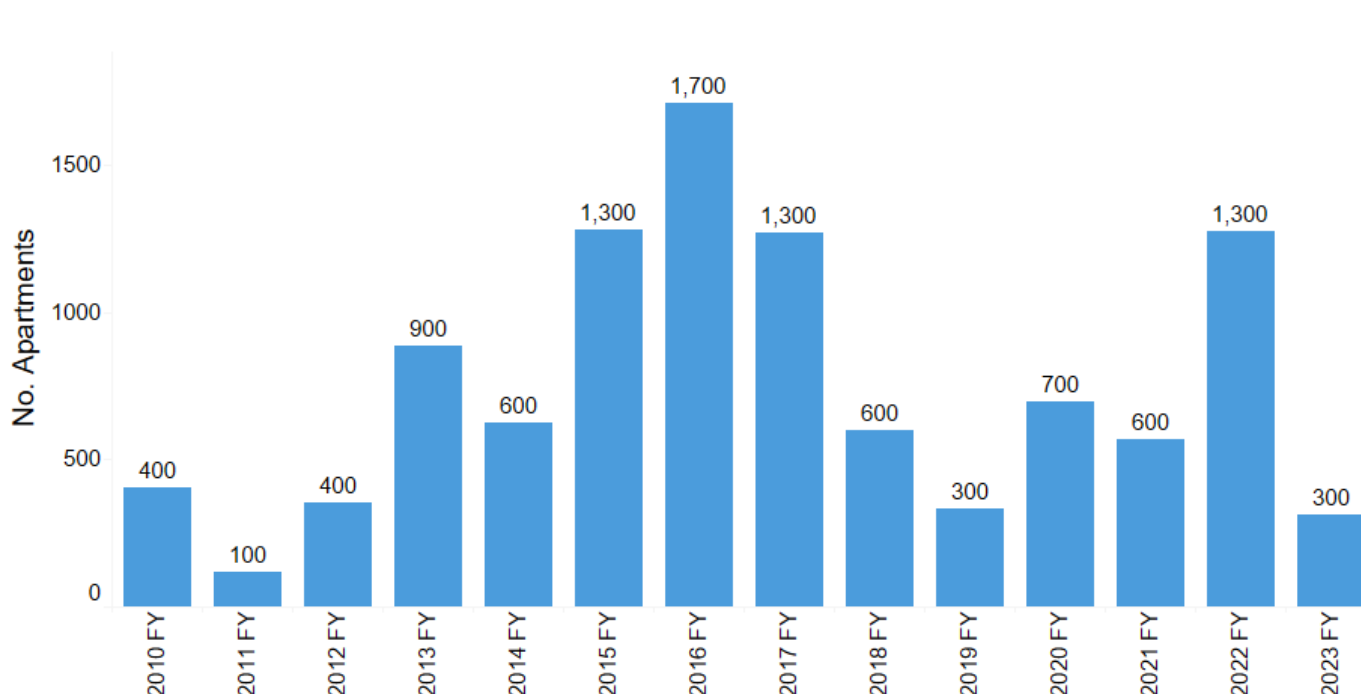
Melbourne – Apartment Supply – By Launch Year



Brisbane – Apartment Supply – By Launch Year



Adelaide – Apartment Supply – By Launch Year



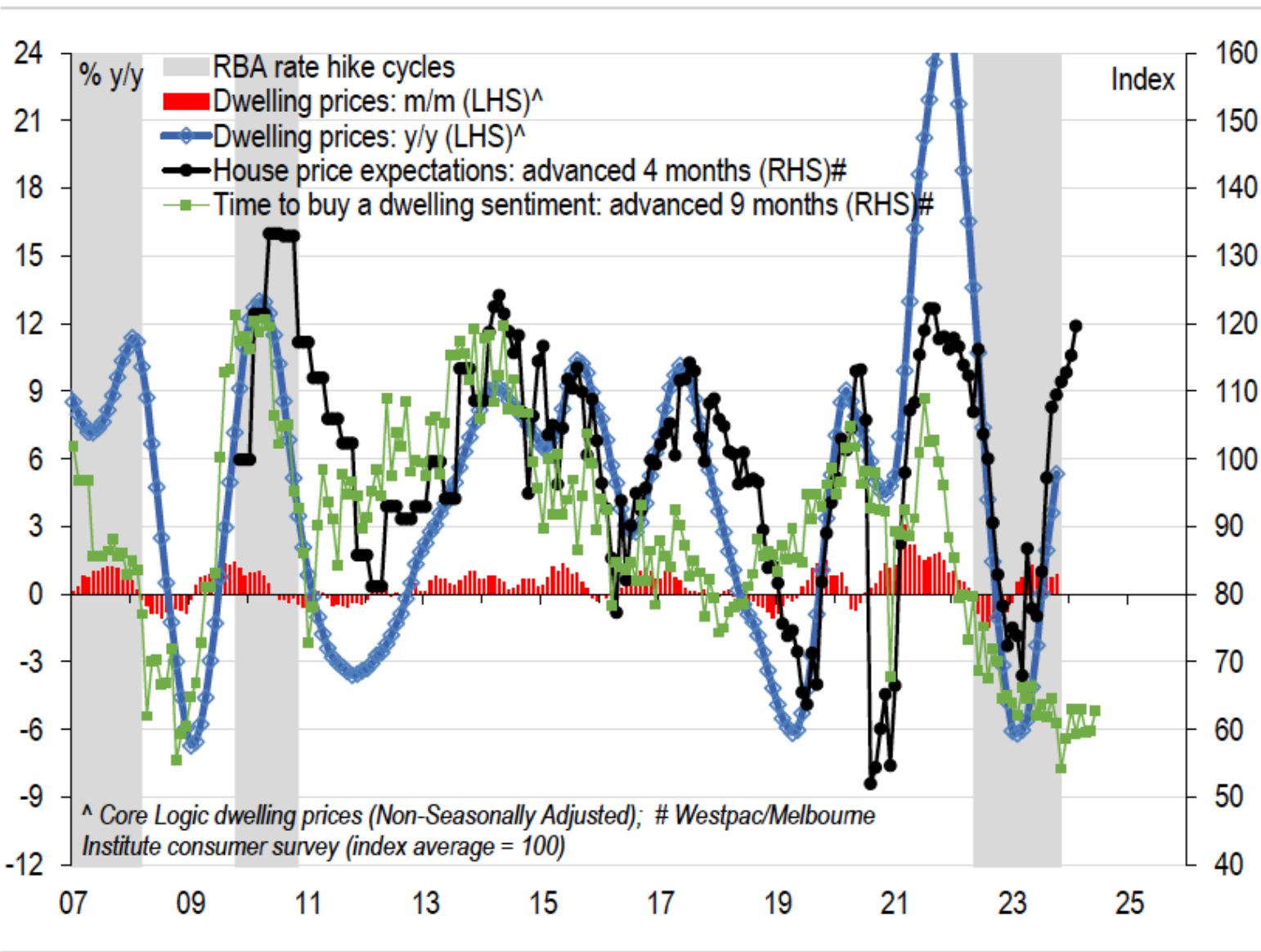
Source: Chart Keck Kramer



IMPLICATIONS: HOUSING UNDER-SUPPLY WILL GET WORSE

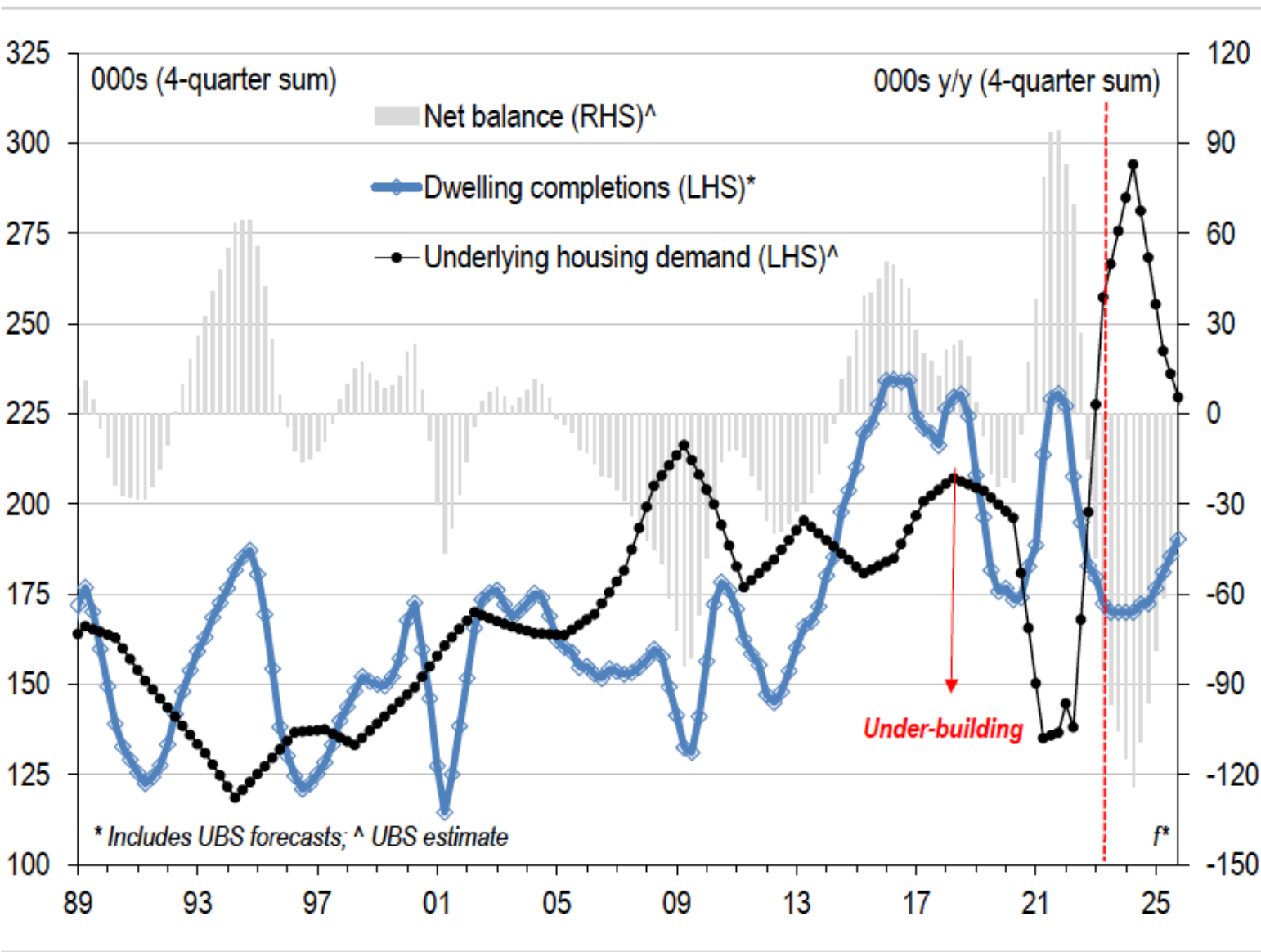
Under-supply to get even worse ahead; with strong demand from high migration, but low supply from weak residential building approvals. Rental vacancy rate is near a record low currently around 1%, resulting in rents & dwelling prices that are tracking to lift towards 10% y/y. Furthermore, we expect this under-supply of housing is increasingly structural, & will see rents & prices continue to increase strongly this decade by ~4%-5% y/y

Figure 21: Dwelling prices are booming, and household surveys expect price rises to continue (despite RBA hikes)



Source: ABS, CoreLogic, Macrobond, Westpac, Melbourne Institute, RBA, UBS

Figure 22: Housing under-supply will likely continue to get even worse ahead; with strong migration, but low supply



Source: ABS, Macrobond, UBS

Source: UBS

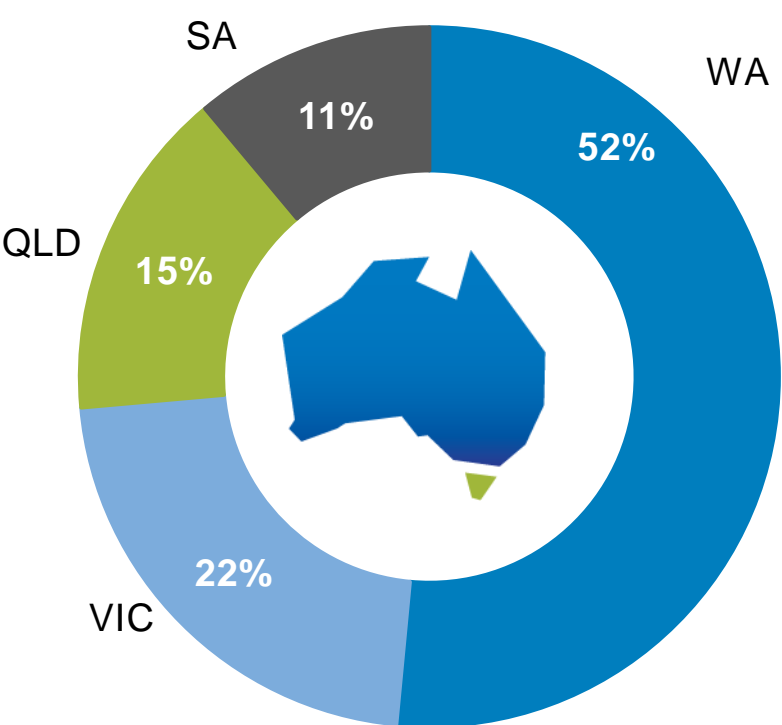
OUR PORTFOLIO



DIVERSIFIED BY LOCATION & PRODUCT

PORTFOLIO BY LOCATION

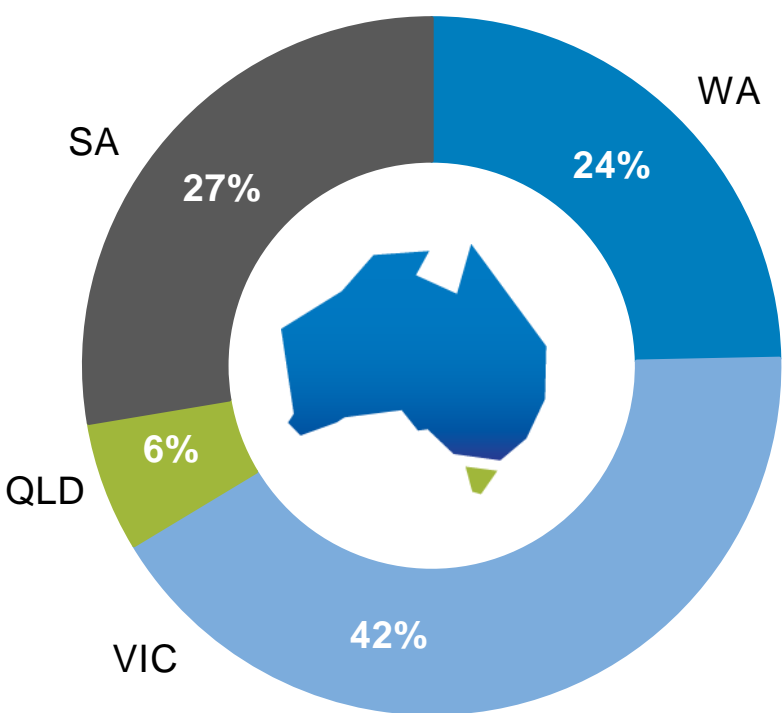
lots/homes/offices
at 30 June 2023



State	Lots/Units *	%
WA	5,227	52%
VIC	2,241	22%
QLD	1,455	15%
SA	1,125	11%
Total	10,048	100%

PRESALES BY LOCATION

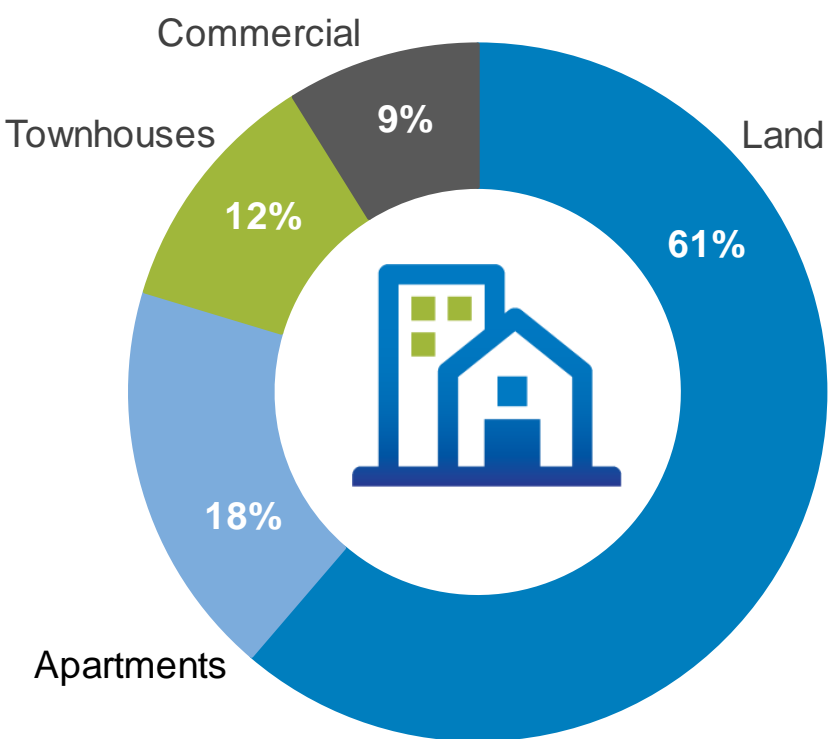
lots/homes/offices
at 30 June 2023



State	Lots/Units	%
WA	267	24%
VIC	451	42%
QLD	65	6%
SA	299	28%
Total	1,082	100%

PRESALES BY PRODUCT TYPE

lots/homes/offices
at 30 June 2023

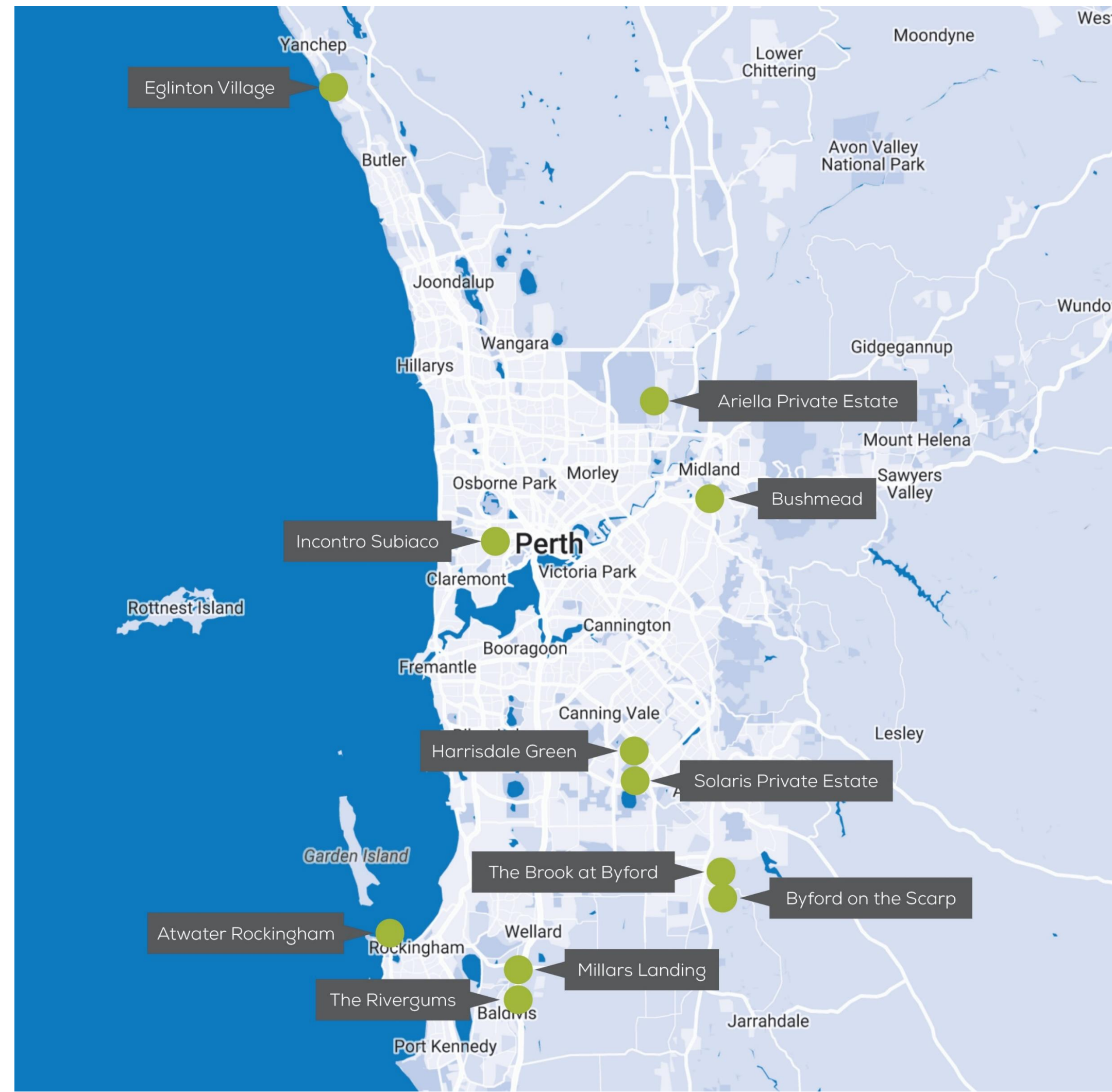


Product	Lots/Units	%
Land	663	61%
Apartments	199	18%
Townhouses	124	12%
Commercial	96	9%
Total	1,082	100%

* Does not include 13ha of land at Williams Landing Town Centre, Robina JV units or conditional acquisitions

WESTERN AUSTRALIA

- 13 projects, more than 5,000 lots / dwellings
- Projects catering for a range of buyer types
- Land subdivision, townhouses & apartments
- 3 new projects - Atwater, Eglinton & Ariella (Henley Brook)
- Price growth across various estates
- Sales improved in Q4 FY23 and were maintained in Q1 FY24; good presales in hand for FY24



PROJECT EXAMPLE: EGLINTON VILLAGE



- 86 hectare site in Perth's north-west growth corridor
- Located 500 metres from the new Eglinton train station (to open in 2024)
- 1200+ lots to be delivered in several neighbourhoods
- Will include residential, primary school, commercial hub & open space
- Pre-leasing for neighbourhood centre anchor tenant commenced with strong interest received
- Expected to contribute to earnings over 11 years from FY2024
- Strong pre-sales achieved in stages 1 & 2

VICTORIA

- 9 projects (currently 3 at Williams Landing)
- More than 2,200 lots / dwellings / offices plus 13 ha of mixed use sites.
- Land subdivision, townhouses, apartments & commercial projects
- Range of price points & buyer types
- Soft sales conditions throughout most of FY23





Aster Apartments, Jackson Green



Mason Quarter townhouses



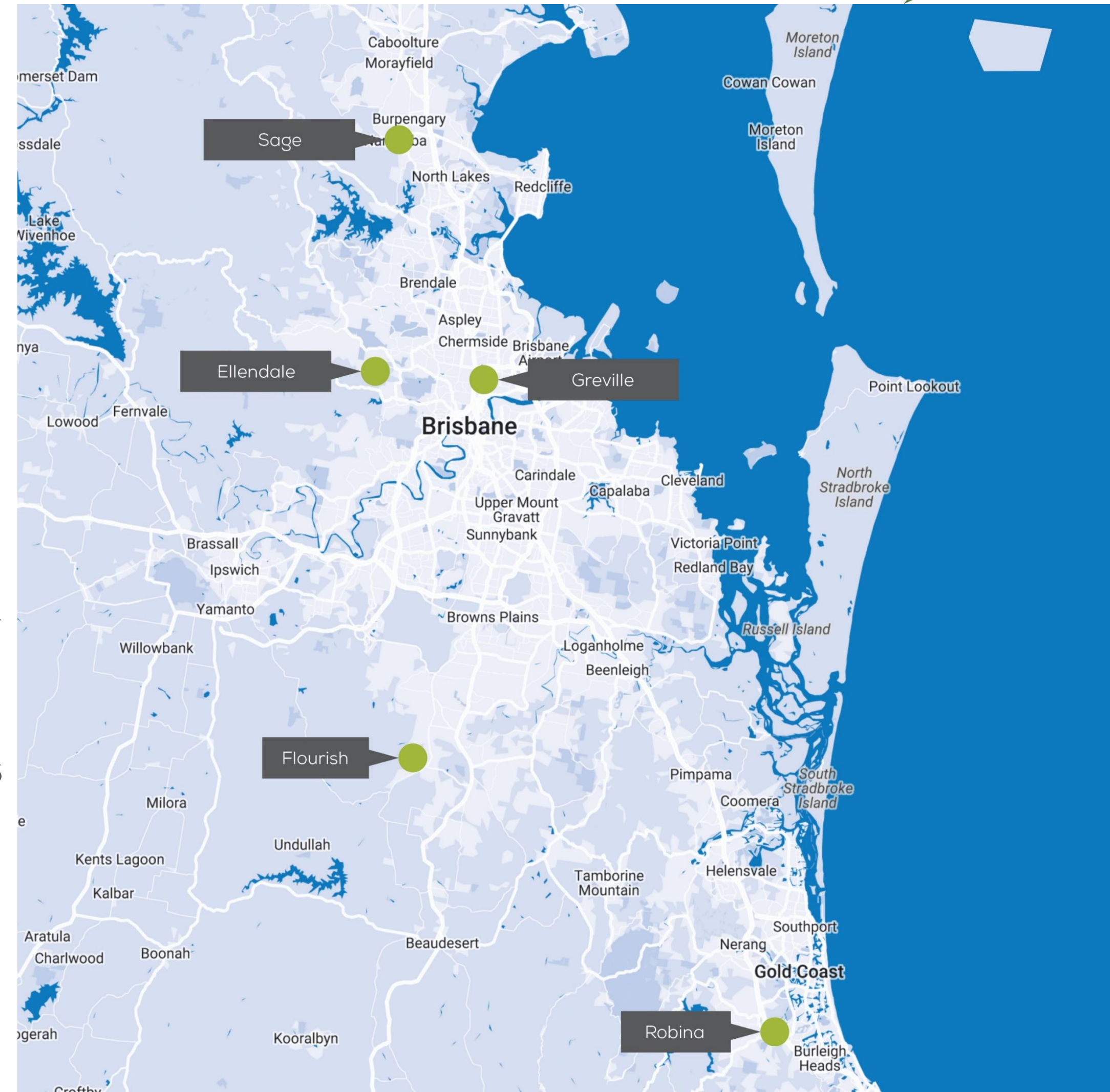
St A, St Albans



Boston Commons, Williams Landing

QUEENSLAND

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



PROJECT EXAMPLE: FLOURISH



- Master planned community comprising 510 residential lots plus childcare centre
- Located 35km south of Brisbane CBD in suburb of South Maclean
- Planning approval for first 500 lots received; Located in major growth corridor featuring in-demand affordable product
- Good enquiry received since project launch October 2023 with sales to commence in coming weeks

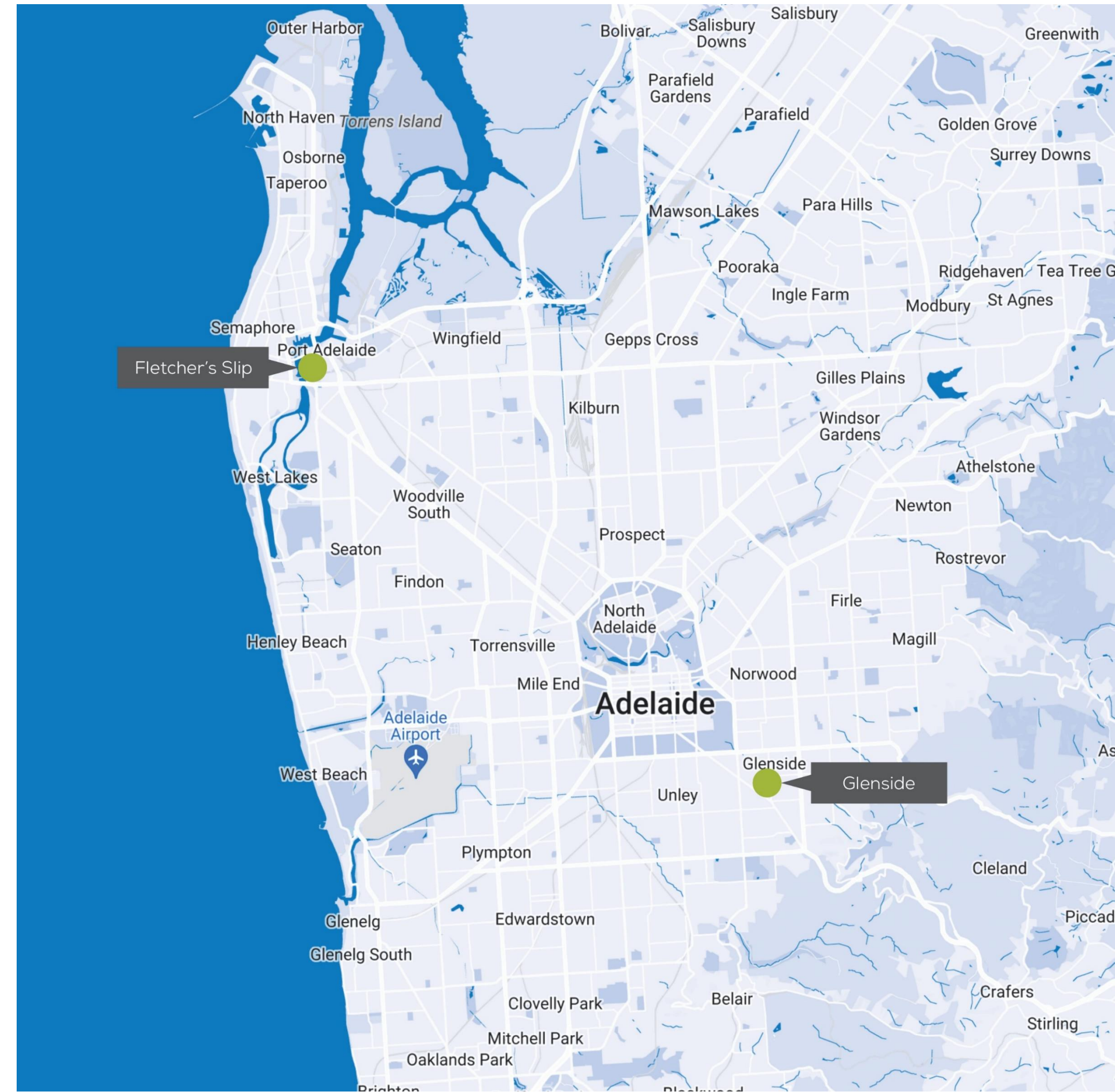
Pebble Creek Estate



Existing Homes

SOUTH AUSTRALIA

- 7 well located projects (including 4 projects at Glenside & 3 at 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
- Projects have strong sustainability credentials
- High performing projects with demonstrated & sustained demand





Monarch Apartments, Glenside, SA



Fletchers Slip townhouses, SA



Monarch Apartments, Glenside, SA

OUTLOOK



NEW PROJECTS TO DELIVER FIRST EARNINGS

FY2024

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

FY2025

- 88 Leveson townhouses, VIC
- Greville townhouses, QLD
- Banksia apartments, SA
- Bloom apartments, SA
- Sirocco apartments, SA

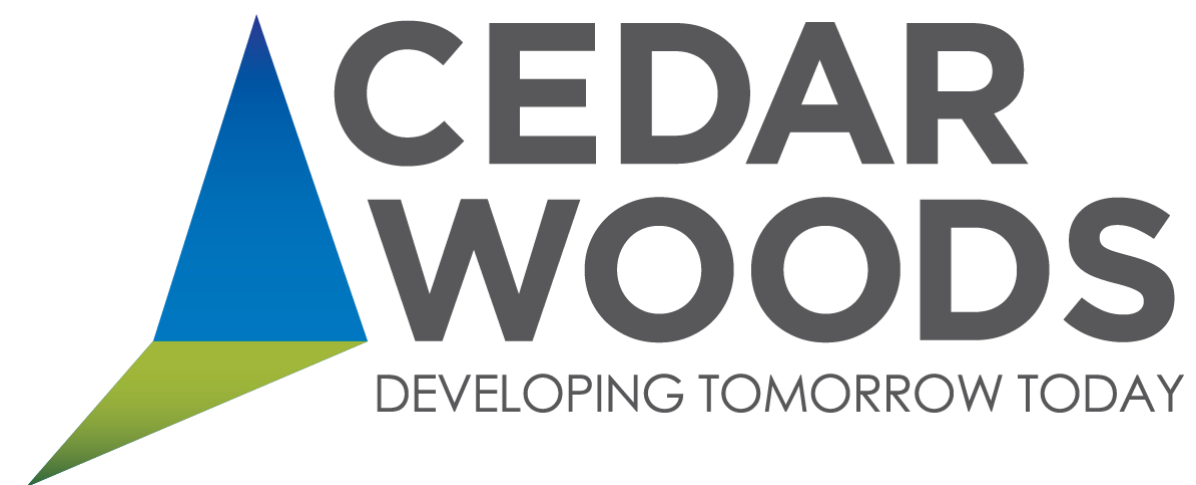
Future years

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

OUTLOOK

- Rising interest rates & broad-based inflation continue to impact sentiment & demand
- Sound fundamentals: low unemployment, record immigration & low supply
- Cedar Woods well placed to roll out 'shovel ready' projects & stages as conditions allow
- Presence in relatively affordable markets (Qld, WA & SA); impact of interest rates is less pronounced
- Significant pre-sales of over \$500m at end of Q1, partially de-risking future earnings
- Earnings guidance to be provided when there is greater clarity on sales volumes, the delivery program & the sale of the Williams Landing shopping centre
- 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 help restore buyer confidence
- Portfolio of approximately 10,000 lots/dwellings in quality locations to support medium term earnings



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