

Cedar Woods Properties Limited

# 2017 Annual General Meeting

9 November 2017



# Agenda

---

1	<b>Chairman's Address</b> Mr William G Hames
2	<b>Managing Director's Review</b> Mr Nathan J Blackburne
3	<b>Formal Business</b> <ul style="list-style-type: none"><li>▪ Ordinary Business: Consideration of financial report</li><li>▪ Ordinary Resolution 1: Re-election of retiring director William G Hames</li><li>▪ Ordinary Resolution 2: Re-election of retiring director Jane M Muirsmith</li><li>▪ Ordinary Resolution 3: Remuneration report</li><li>▪ Ordinary Resolution 4: Performance rights for Nathan J Blackburne</li><li>▪ Ordinary Resolution 5: Retirement benefits for Paul S Sadleir</li></ul>
4	<b>Questions</b>

# Chairman's Address

---



Chairman  
Mr William G Hames

# FY2017 Financial Performance Summary

	FY17	FY16	Change
Revenue	\$222.3m	\$175.2m	26.9% ▲
Net profit after tax	\$45.4m	\$43.6m	4.2% ▲
Earnings per share	57.6 cents	55.3 cents	4.2% ▲
Dividends per share, 100% franked	30.0 cents	28.5 cents	5.3% ▲

## HIGHLIGHTS FOR FY2017



Seventh consecutive year of record profit.



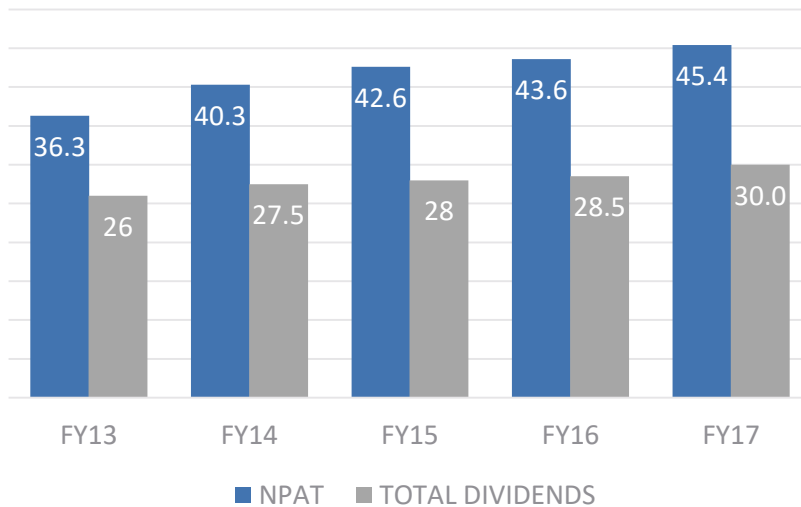
Record earnings per share.



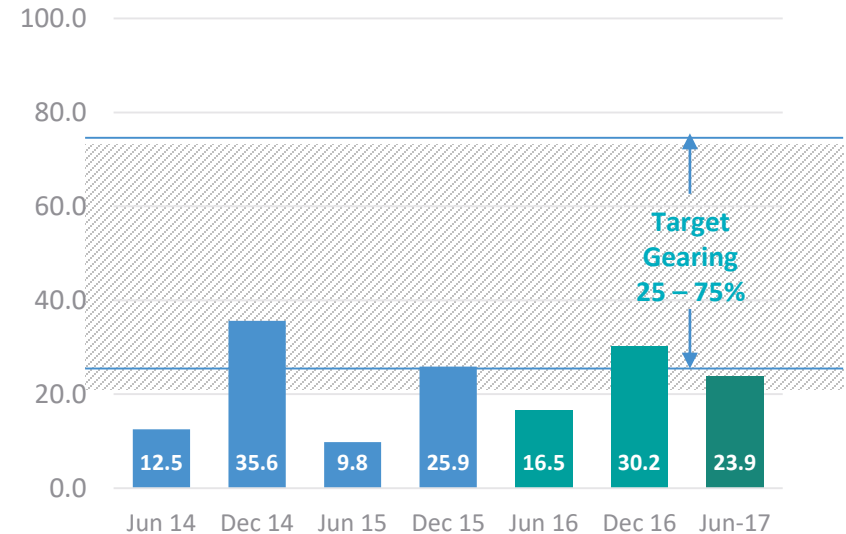
Record dividends per share.

# Track record of growth and balance sheet strength

NPAT (\$m) / Total Dividend (cps)



Gearing (%)



**\$1.40/SHARE**

Total dividends paid over the last 5 years.

**23.9%**

Net bank debt to equity at 30/6/17 – expected to be within target range for FY18.

**\$205m**

in finance facilities, more than \$100m in headroom at 30 June 17.

**13.9x**

Strong interest cover confirms comfortable debt servicing ability.

# Corporate Governance

---



Appointment of independent Non-Executive Director Mrs Jane Muirsmith has strengthened the Board and broadened its expertise.



Managing Director succession was planned and executed effectively, resulting in a smooth transition.



Feedback from investors and proxy advisors on recent corporate governance initiatives has been positive.



Proxy advisors supporting all 2017 AGM shareholder resolutions.

# Agenda

---

1	Chairman's Address Mr William G Hames
2	<b>Managing Director's Review</b> <b>Mr Nathan J Blackburne</b>
3	Formal Business <ul style="list-style-type: none"><li>▪ Ordinary Business: Consideration of financial report</li><li>▪ Ordinary Resolution 1: Re-election of retiring director William G Hames</li><li>▪ Ordinary Resolution 2: Re-election of retiring director Jane M Muirsmith</li><li>▪ Ordinary Resolution 3: Remuneration report</li><li>▪ Ordinary Resolution 4: Performance rights for Nathan J Blackburne</li><li>▪ Ordinary Resolution 5: Retirement benefits for Paul S Sadleir</li></ul>
4	Questions

# Managing Director's Review

---



Managing Director  
Mr Nathan J Blackburne



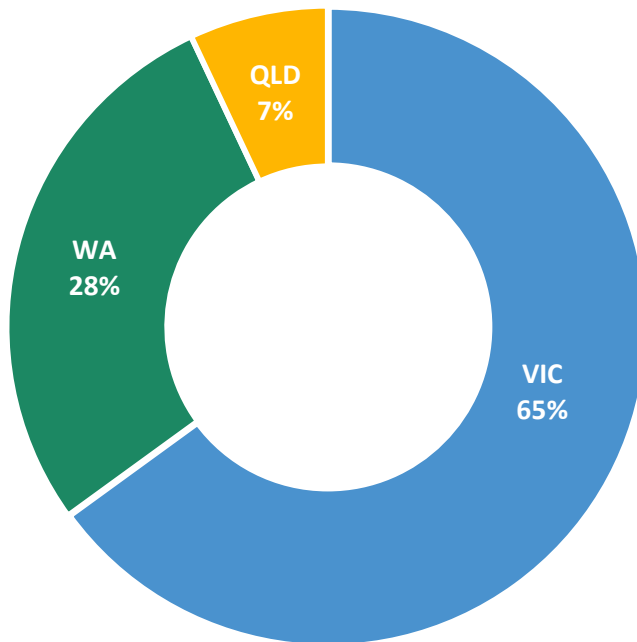
# Portfolio Overview

---

- **Significant, high quality development pipeline:**
  - » Strategically located projects near amenity and infrastructure.
  - » 11,000+ lots/dwellings in pipeline across 31 projects.
  - » 20+ additional mixed use/commercial sites at Williams Landing.
  - » 8-10 years of undeveloped stock.
- **Product is diverse, consistent with our strategy:**
  - » Across 4 states – VIC, QLD, WA and SA.
  - » Land subdivisions, townhouses, apartments, commercial, mixed use.
  - » 3,000 of the 11,000+ lots/dwellings pipeline are townhouses and apartments.
  - » Diversity of buyer profiles and price points.

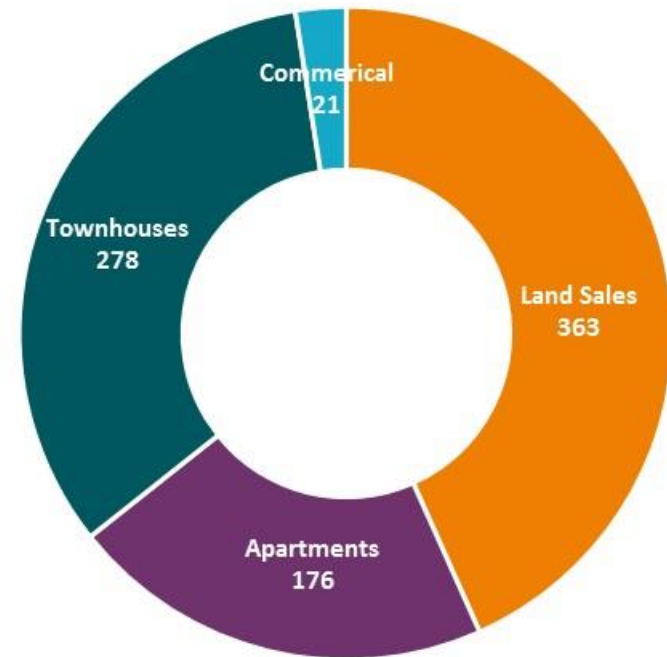
# Portfolio Overview

## PRESALES BY STATE - Q1



Sales commencing from SA in 2H18

## NUMBER OF PRESALES BY PRODUCT – Q1



# New Phase of Growth

- Targeting strong medium term earnings growth:
  - » Driven by current portfolio – not dependent on acquisitions.
  - » 11 new projects contributing for the first time (FY18-FY20).
  - » Sales across 4 states.
- Well-placed to capitalise on WA market recovery.
- Disciplined and methodical acquisition procedures.
- Financing facilities support funding of current portfolio and future growth opportunities.



# Queensland: Portfolio Overview

## Ellendale

- Stage 1 completed.
- 135 lots settled; 186 sales.
- Stage 2 construction underway.
- Display village opening H2 FY18.
- Rezoning of the 160ha balance underway; expected FY18.
- Price range \$300,000 to \$600,000.



## Woolloowin

- Approvals anticipated H1 FY18.
- Planning for 279 townhouses and apartments.
- Construction scheduled to commence H2 FY18.
- Price range \$380,000 to \$1m.





# South Australia: Portfolio Overview

## Glenside

- 3kms from Adelaide CBD.
- Blue chip, highly sought after suburb.
- Planning for 1,000 townhouses and apartments.
- Site works underway.
- Sales launch in H2 FY18.



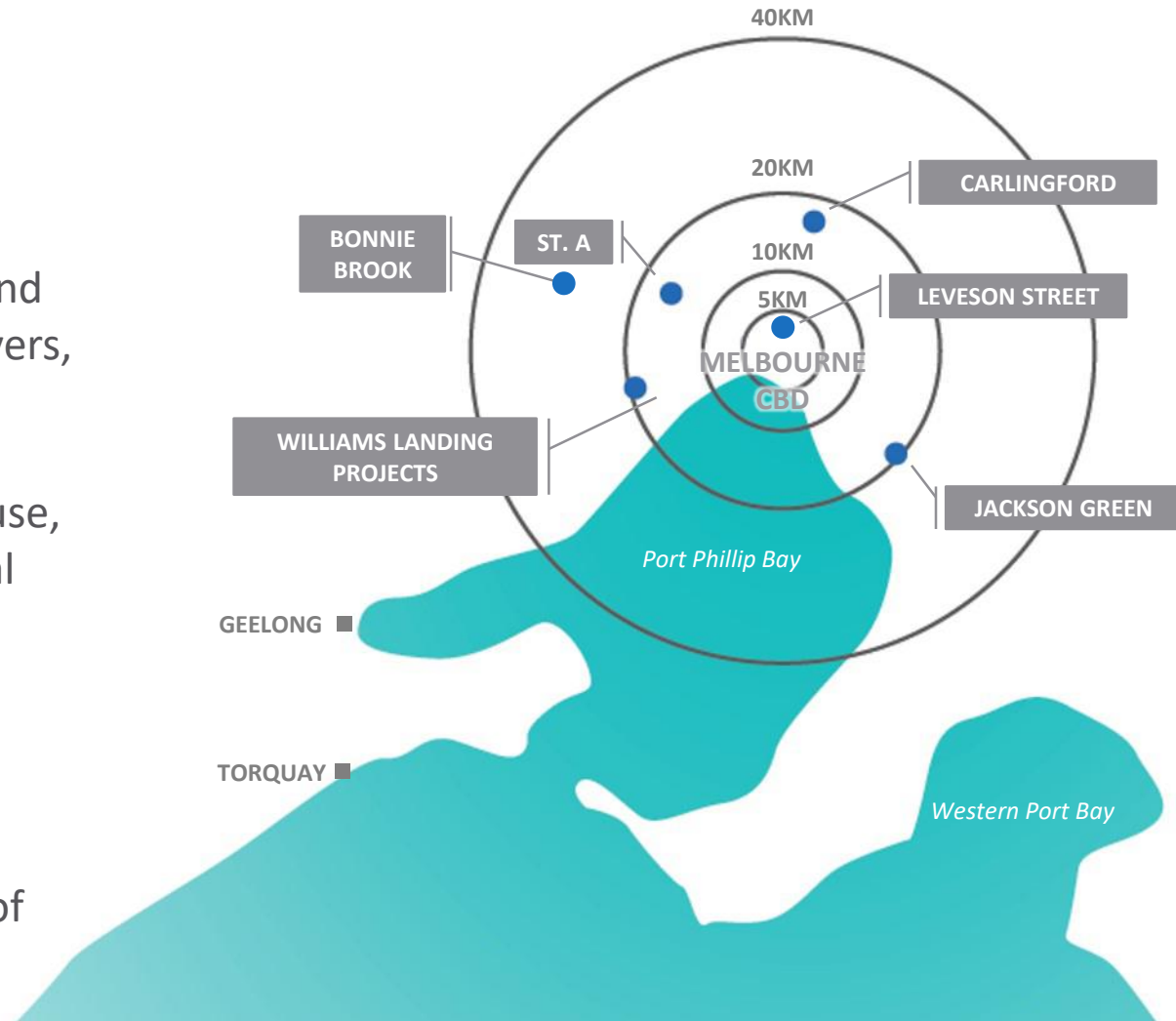
## Port Adelaide

- 14km from Adelaide CBD.
- 500 dwellings, mostly town houses.
- Sale to Cedar Woods approved.
- Significant regeneration proposed for local area.



# Victoria: Portfolio Overview

- 12 projects (7 currently at Williams Landing).
- 2,100 lots/dwellings.
- Projects catering for 1st, 2nd and subsequent home buyers, and investors.
- Land subdivision, townhouse, apartment and commercial projects.
- Resilient projects in high performing locations.
- Projects in varying stages of lifecycle.



# Victoria: Portfolio Overview *cont.*

## St A (St Albans)

- 250+ townhouses and apartments.
- Excellent presales.
- Construction underway, contributing 1st time in FY18.
- Price range \$300,000 - \$600,000.



## Jackson Green (Clayton South)

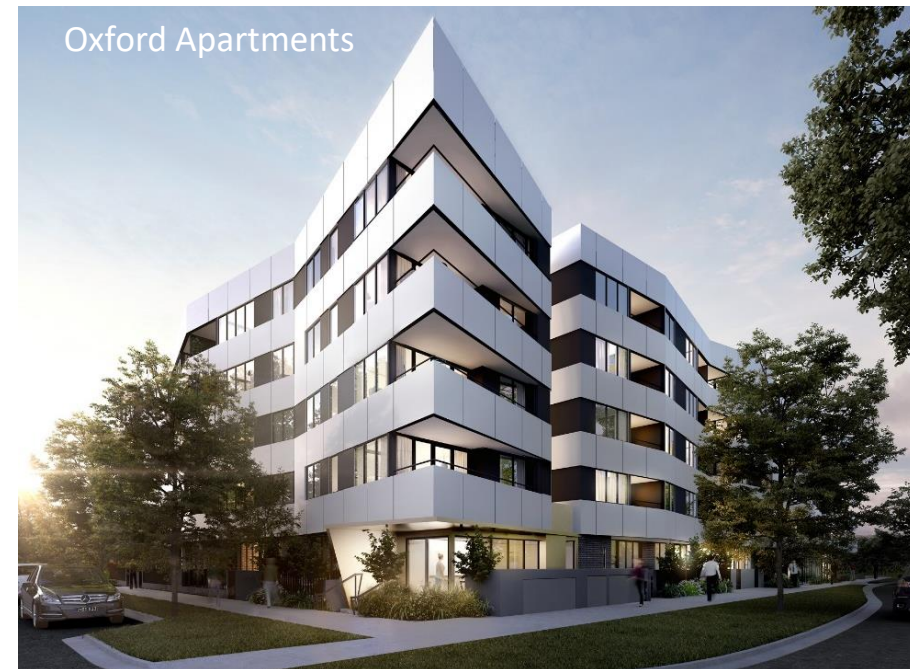
- 400+ townhouses and apartments.
- Excellent presales.
- Construction underway, contributing 1st time in FY18.
- Price range \$350,000 - \$950,000.





# Victoria: Williams Landing

- 10 years+ remaining.
- Diverse mix of land, townhouses, apartments and commercial.
- Residential neighbourhoods: Pipeline of over 500 lots/townhouses/apartments.
- Town centre: Pipeline of approximately 550 apartments.
- 7-8 projects underway at any one time (townhouses, apartments, commercial).
- Market for strata offices has been proven; 65% presales and pre-leases on first development.
- Shopping centre: built and retained stage 1; planning underway for future stages.





# Williams Landing: Target HQ

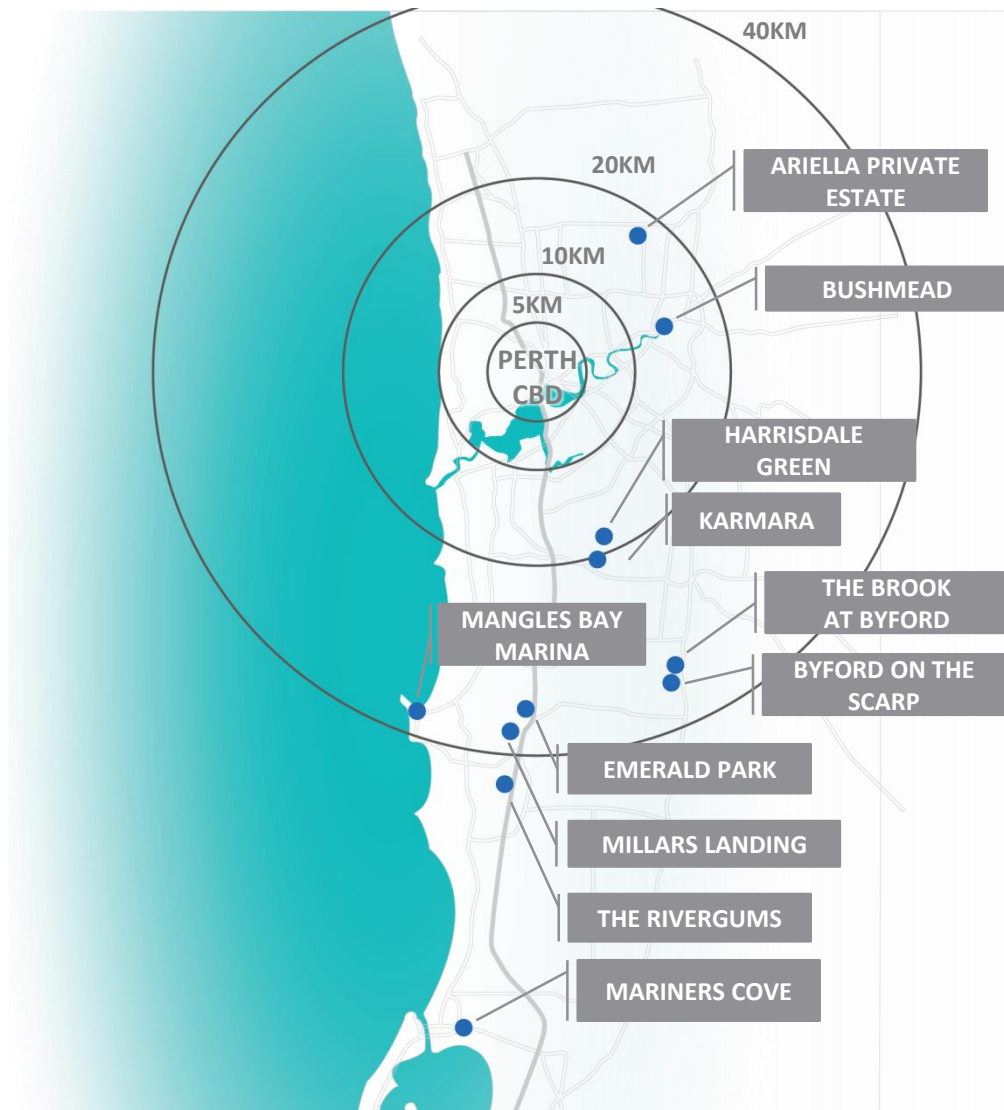
- 12,600m<sup>2</sup> leased to Target for new HQ.
- 800+ employees.
- Hacer appointed to construct.
- Project running to program and within budget.
- Completion expected early 2019.
- Presold to Centuria Property Funds for \$58.23m.
- Settlement in FY19.



Target HQ Development (7 November 2017)

# Western Australia: Portfolio Overview

- 16 projects and approximately 7,000 lots.
- Projects catering for 1st, 2nd and subsequent home buyers, and investors.
- Land subdivision and built form projects.
- Projects in varying stages of lifecycle.
- Several major new developments starting to contribute to earnings.





# Western Australia: Portfolio Overview *cont.*

## Bushmead

- 1,050 lots, strong margins, contributing 1st full year FY18.
- Anticipated sales duration a further 7-9 years.
- Price range \$240,000 - \$350,000



## Millars Landing

- 1,580 lots.
- Construction underway, contributing for 10-15 years from FY18.
- Price range \$190,000 - \$210,000



# Western Australia: Portfolio Overview *cont.*

## Mangles Bay

- Mixed use, marina-based project.
- Attractive, established location.
- Federal environmental approvals achieved.
- Planning delays experienced - rezoning anticipated mid FY18.
- Early construction works planned for 2019.



## Karmara

- 124 lots, 1st stage construction commenced.
- Strong sales recorded, contributing for 2-3 years.
- Price range \$280,000 - \$300,000

**KARMARA**  
PIARA WATERS

# Outlook

---

Positive outlook underpinned by pre-sales of \$310m, up 35% on last year (\$230m).

Development program is on track.

Earnings anticipated to be skewed significantly to the second half of FY18, with first half similar to last financial year.

Given the difficulty of forecasting the exact timing of settlements of pre-sales at a number of projects, earnings guidance will be provided later in the financial year.

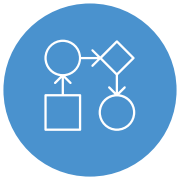
New projects commencing, and already under construction, provide positive growth outlook for FY19 and future financial years.

# Priorities and Opportunities

---



Develop and maintain a high performance culture.



Strive for operational excellence, across all areas of the Company.



Pursue future growth in a strategic and focussed manner.



Maintain strong financial discipline.

# CWP: Investment Proposition

---



Track record of earnings growth and attractive fully franked dividend yield.



Strong and proven management team, high performance culture.



National portfolio, diversified by product type, price point and geography.



On the cusp of a new growth phase (11 new projects coming online).



Well placed to benefit as WA market recovery continues.



Record level of presales de-risk short to mid-term earnings.



Strong balance sheet and capacity to fund growth.





# Agenda

---

1	<b>Chairman's Address</b> Mr William G Hames
2	<b>Managing Director's Review</b> Mr Nathan J Blackburne
3	<b>Formal Business</b> <ul style="list-style-type: none"> <li>▪ Ordinary Business: Consideration of financial report</li> <li>▪ Ordinary Resolution 1: Re-election of retiring director William G Hames</li> <li>▪ Ordinary Resolution 2: Re-election of retiring director Jane M Muirsmith</li> <li>▪ Ordinary Resolution 3: Remuneration report</li> <li>▪ Ordinary Resolution 4: Performance rights for Nathan J Blackburne</li> <li>▪ Ordinary Resolution 5: Retirement benefits for Paul S Sadleir</li> </ul>
4	<b>Questions</b>


# 1. Ordinary Business

---

To receive and consider the financial statements for the year ended 30th June 2017 and the accompanying directors' report, directors' declaration and auditor's report.

# Poll procedure

A poll will be conducted for Ordinary Resolutions 1-5


  
**Cedar Woods**  
 PROPERTIES LIMITED  
 ABN 47 009 269 081

**ANNUAL GENERAL MEETING**  
**9 November 2017**


**SHAREHOLDER/PROXYHOLDER  
ADMISSION & VOTING CARD**

THE DIRECTORS OF CEDAR WOODS PROPERTIES LIMITED  
 THANK YOU FOR YOUR ATTENDANCE

PLEASE RETAIN THIS CARD UNTIL THE CLOSE OF THE MEETING

  
 1

Please read the instructions on the reverse before voting

  
 1

**SHAREHOLDER VOTING INSTRUCTIONS**

If you wish to cast all your votes for or against a motion, place a mark in the appropriate FOR box or AGAINST box for that motion.

If you wish to cast some of your votes for a motion and some of your votes against the motion write in the FOR box the actual number or percentage of votes you are casting for the motion and write in the AGAINST box the actual number or percentage of votes you are casting against the motion. The sum of the votes cast or the percentages FOR and AGAINST a motion must not exceed your voting entitlement or 100%.

**PROXYHOLDER VOTING INSTRUCTIONS**

Please refer to Summary of Proxy Votes Form attached to this card for instructions.

	For	Against	Abstain
Resolution 1 Re-election of William G Hames as a Director	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 2 Re-election of Jane M Muirsmith as a Director	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 3 Remuneration report	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 4 Approval for the issue of 36,434 Performance Rights under the Long Term Incentive (LTI) Plan to Mr Nathan Blackburne or his nominee	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 5 Approval of retirement benefits for the retired Managing Director, Mr Paul Sadleir	<input type="text"/>	<input type="text"/>	<input type="text"/>

\_\_\_\_\_   
 Name of Shareholder/Proxyholder Signature

## 2. Ordinary Resolution 1



### Re-election of retiring director

That William G Hames, having retired in accordance with the company's constitution and, being eligible, offers himself for re-election, be re-elected as a director of the company.

Summary of 286 proxy votes received totaling 46,222,005 shares

	#	%
For	42,585,529	92.85
Against	2,407,749	5.25
Open	874,037	1.90
Abstain	354,690	-

### 3. Ordinary Resolution 2



#### Re-election of retiring director

That Jane M Muirsmith, having retired in accordance with the company's constitution and, being eligible, offers herself for re-election, be re-elected as a director of the company.

Summary of 286 proxy votes received totaling 46,222,005 shares

	#	%
For	44,938,742	97.97
Against	61,036	0.13
Open	875,537	1.90
Abstain	346,690	-

## 4. Ordinary Resolution 3

### Remuneration Report

That the remuneration report that forms part of the directors' report for the financial year ended 30 June 2017, be adopted.

Summary of 286 proxy votes received totaling 27,873,471 shares

	#	%
For	26,239,904	95.76
Against	298,145	1.08
Open	866,504	3.16
Abstain	468,918	-

## 5. Ordinary Resolution 4

### Approval for the issue of Performance Rights under the LTI Plan to Mr Nathan Blackburne or his nominee

That, for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act and for all other purposes, Shareholders authorise and approve the issue of 36,434 Performance Rights under the LTI Plan by the Company to Mr Nathan Blackburne or his nominee on the terms and conditions set out in the Explanatory Memorandum.

Summary of 286 proxy votes received totaling 46,222,005 shares

	#	%
For	44,438,480	97.16
Against	419,979	0.92
Open	879,556	1.92
Abstain	483,990	-

## 6. Ordinary Resolution 5

### Approval of retirement benefits for the retired Managing Director, Mr Paul Sadleir

That, for the purposes of Section 200E of the Corporations Act and for all other purposes, Shareholders authorise and approve the giving of the following benefits to Mr Paul Sadleir in connection with his retirement from the office of managing director of the Company:

- (a) the waiver of the “ service condition “ under the LTI Plan in respect of the 18,762 performance rights granted to Mr. Sadleir in 2015 and the 28,965 performance rights granted to Mr Sadleir in 2016 and approved by Shareholders, respectively, at the 2015 AGM and the 2016 AGM ; and
- (b) the exercise of discretion by the Human Resources & Remuneration Committee under the STI Plan, and the consequential payment to Mr Sadleir of the sum of \$74,523

on the terms and conditions set out in the Explanatory Memorandum.

#### Summary of 286 proxy votes received totaling 46,222,005 shares

	#	%
For	43,829,167	95.78
Against	1,057,765	2.32
Open	869,296	1.90
Abstain	465,777	-



# Agenda

---

1	<b>Chairman's Address</b> Mr William G Hames
2	<b>Managing Director's Review</b> Mr Nathan J Blackburne
3	<b>Formal Business</b> <ul style="list-style-type: none"><li>▪ Ordinary Business: Consideration of financial report</li><li>▪ Ordinary Resolution 1: Re-election of retiring director William G Hames</li><li>▪ Ordinary Resolution 2: Re-election of retiring director Jane M Muirsmith</li><li>▪ Ordinary Resolution 3: Remuneration report</li><li>▪ Ordinary Resolution 4: Performance rights for Nathan J Blackburne</li><li>▪ Ordinary Resolution 5: Retirement benefits for Paul S Sadleir</li></ul>
4	<b>Questions</b>



---

### **Perth Office**

Ground Floor, 50 Colin Street  
West Perth WA 6005  
T: (08) 9480 1500  
E: [email@cedarwoods.com.au](mailto:email@cedarwoods.com.au)

### **Brisbane Office**

Level 6, 12 Creek Street  
Brisbane QLD 4000  
T: (07) 3007 2900  
E: [brisbane@cedarwoods.com.au](mailto:brisbane@cedarwoods.com.au)

### **Melbourne Office**

Level 1, 476 St Kilda Road  
Melbourne VIC 3004  
T: (03) 9820 1777  
E: [melbourne@cedarwoods.com.au](mailto:melbourne@cedarwoods.com.au)

### **Adelaide Office**

Level 21, 25 Grenfell Street  
Adelaide SA 5000  
T: (08) 8424 2343  
E: [adelaide@cedarwoods.com.au](mailto:adelaide@cedarwoods.com.au)

---

### **Disclaimer of liability**

While every effort is made to provide complete and accurate information, Cedar Woods Properties Limited does not warrant or represent that the information in this presentation is free from errors or omissions or is suitable for your intended use. Subject to any terms implied by law and which cannot be excluded, Cedar Woods Properties Limited accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by you as a result of any error, omission or misrepresentation in information in this presentation. All information in this presentation is subject to change without notice.

This presentation is not financial advice or a recommendation to acquire Cedar Woods Properties Limited securities and has been prepared without taking into account the objectives, financial situation or needs of individuals.