



<b>Company</b>	<b>Cedar Woods Properties</b>
<b>Code</b>	<b>CWP</b>
<b>Meeting</b>	<b>AGM</b>
<b>Date</b>	<b>6 November 2019</b>
<b>Venue</b>	<b>Kings Park Function Centre</b>
<b>Monitor</b>	<b>Kevin Bowman &amp; John Ferguson</b>

<b>Number attendees at meeting</b>	Approximately 70 shareholders plus visitors
<b>Number of holdings represented by ASA</b>	N/A
<b>Value of proxies</b>	Approximately \$1.6m
<b>Number of shares represented by ASA</b>	Approximately 227,500 shares
<b>Market capitalisation</b>	\$583m
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with NED Valerie Davies, MD Nathan Blackburne, Company Secretary Paul Freedman.

## **Building record growth under new management in a flat market**

Chair William Hames pointed to another very profitable year with the net profit increasing by 14% on the previous year and dividends increasing by 5% to 31.5 cents. The total shareholder return was 5.3% for the year.

Mr Hames made mention of a healthy balance sheet and a housing sector that continues to be supported by a low interest rate environment. The investment community continues to recognise CWP as a truly national company but providing good exposure to an emerging improvement in the Western Australian economy. Mr Hames attributes the company's success to a well-disciplined acquisition policy and a focus on a diverse range of high-quality developments, products across four Australian states and a variety of price points.

The Managing Director, Nathan Blackburne took to the podium to provide an overview of the company's operations. He talked about the "High performance culture" that had been introduced, rewarding employees for out-performance. He also mentioned that Cedar Woods had received several industry awards and feedback from several staff surveys were extremely positive.

Pre-sales across the four states were up \$33m to \$409m on the same time last year and there is a strong pipeline of potential new projects. He expected a moderate lift in profits for FY20. The company is leveraged to an uplift in the WA economy and competition in Victoria, South Australia and Queensland is low. He then spoke in some detail on the Glenside project in South Australia and the Bushmead Development in WA. In the latest financial year, the company has made 5 new acquisitions in Victoria and WA. Further details are on the Cedar Woods ASX.

Although the ASA supports the re-election of the Chair and Deputy Chairman Robert Brown, we did question whether there was any succession plan and an opportunity for Board renewal in place. The Chair directed the question to the Chair of the Nominations Committee, Ms Valerie Davies who indicated that the matter was under continual discussion, but no decision has yet been taken.

Another shareholder asked a general question about how far the metropolitan area would continue to expand. The Chair indicated that all governments worldwide wanted more infill and it would become a fact of life in Perth.

The ASA questioned the continual increase in the Franking Credits held within the company and any plans to pass these back to the shareholders. This issue had been raised at our previous meeting and we gave an example such as the method adopted by Harvey Norman. The MD indicated that they would not support the method used by Harvey Norman but were looking at other options. Cedar Woods does not have surplus cash because of the need to continually seek further acquisitions and not wanting to increase their gearing to fund any significant special dividend to shareholders at this stage.

A further question from the ASA made reference to issues about the quality of apartments brought to market in the Eastern States (faulty concrete, flammable external claddings) and how CWP manages these issues. The Chair said that the company is highly conscious of its brand in the marketplace and therefore is rigorous with its contracts and only works with builders having a quality track record and not just accepting the cheapest quote.

All Resolutions were passed with healthy majorities. The actual figures are on the Cedar Woods and ASX websites.

**Meeting closed at 11.10am**