



Company	Cedar Woods Properties
Code	CWP
Meeting	AGM
Date	3 November 2021
Venue	Online and offices of Corrs Chambers Westgarth, Brookfield Place Tower 2, 123 St Georges Terrace, Perth, WA.
Monitor	John Ferguson

Number attendees at meeting	25
Number of holdings represented by ASA	29
Value of proxies	\$880,000
Number of shares represented by ASA	149,202
Market capitalisation	\$484.56 m – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting	Yes, with William Hames, Nathan Blackburne, Val Davies and Paul Freedman.

Solid pipeline of growth lies ahead

The hybrid AGM ran smoothly under the expert guidance of Chairman William Hames.

All resolutions were passed with thumping majorities of 99% or more, with the exception of the resolution for the award of performance rights to CEO Nathan Blackburne – an 89% majority.

The current result represents a sharp rebound in financial results from the COVID affected FY2020 results. The NPAT of \$32.8m was up 61% on the back of a company record of 1065 property settlements. This recovery is testament to the resilience of the company's business model which is based on a diversity of assets across geographies, product types and price points. The company's previous investment in the digital transformation of the company helped weather the COVID storm by having things like work from home an "easy to do" strategy.

The company's 17ha Glenside project 3kms from central Adelaide was presented as a good example of the company's value creation. Bidding for the Glenside site was described as "audacious" given the unfashionable appeal of Adelaide real estate. However, apartments in the development are currently in hot demand, so much so, sales have attracted a 5% premium

compared to similar sales within the company's portfolio. So far there has been \$131m of sales from the two Adelaide sites.

The medium-term outlook for the company is buoyant, given \$460m of presale contracts (up from \$332m at the same time in the previous year) and 9,500 development lots over 30 projects. These lots provide sufficient development opportunity into FY2025 and beyond. Queensland is shaping as the State with excellent development opportunities.

The ASA representative asked what options the Board has considered in releasing to shareholders the \$100m (the equivalent of \$1.23 ps) of surplus franking credits on the company's books. The Board has reviewed a number of research papers on the topic and has decided to retain a high level of profits to fund capital intensive growth initiatives. Mr Hames mentioned Board flexibility in setting the dividend pay-out ratio and providing bonus dividends.

Other questions covered: an annual land tax to replace current property transfer taxes (industry is unanimous in support of the annual land tax and it would be of significant benefit to the company); land acquisitions in regional towns (unlikely because company resources get too thinly spread); impact of immigration levels (very important in sustaining the demand for new housing); more investment in WA (even though the company is always on the look out for compelling opportunities, it already has 4,400 lots on its books which is sufficient).

At the same time the company posted on line the results of the AGM, Australian Super announced a 11.41% share ownership (up from 6.75% at the same time in 2020).