

The background of the slide is a photograph of a modern residential development. It features a row of two-story houses with grey roofs and light-colored facades. A large, mature tree with green leaves stands prominently in the foreground on the right. A paved road and a grassy area are visible. The entire image is covered with a semi-transparent blue overlay.

**CAIRN**

# Investment in growth

**Cairn Homes plc**  
2022 Interim Results Presentation

# 2022 Interim Results Presentation – 8 September 2022

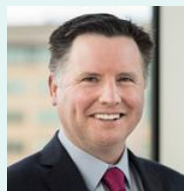
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**Michael Stanley**  
Chief Executive Officer



**Shane Doherty**  
Chief Financial Officer



**Declan Murray**  
Head of Investor Relations

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# 01

## H1 2022 Highlights & Review

CAIRN

Harpur Lane, Leixlip

# H1 2022 Key Highlights – KPIs

## Strongest Ever H1 Sales Performance

**547**

Closed sales (36% of FY22 guidance)

**1,988**

Current closed and forward sales with a net sales value in excess of **€760m**

## Revenue and Operating Profit

**€240.3m** (+84%)

Revenue from core activities

**€36.2m** (+209%)

Operating profit and an operating margin of **15.1%**

## On Target for Current Year Guidance

**1,500**

Closed new home sales

**€600m+**

Revenue

**21.5%**

Gross margin

**€100m**

Operating profit

**€115m**

Minimum shareholder returns

## Investment in Growth

**€78m**

Net investment in WIP in H1 with **€346m** invested in our scaling construction activities

**€64m** invested in new sites in H1

## Construction Meeting Demand

**5**

New site commencements in H1, growing to 7 year to date

**22**

Active site nationwide supporting over **3,000** full-time positions

# Competitive Average Starter Home Sales Prices

## H1 2022 Average Selling Prices\*

Sales	Units	ASPs €'k				Revenue
		Starter Homes	Trade Up/Down	Apartments	Overall	
H1 2022	547	330	509	472	439	€240.3m
H1 2021	403	327	458	301	324	€130.4m
Movement	+36%	+1%	+11%	+57%	+35%	+€109.9m



Realisable demand further improved by newly launched Government support

5

Cairn developments where FTBs have availed of the First Home scheme to date

**Competitive starter home price points achieved by continuing to drive significant efficiency and innovation through our supply chain, partnerships and business operations**

# Macroeconomic Backdrop

In the context of the current considerable cost of living increases and unpredictable energy markets, the fundamentals of the Irish economy as one of the best performing in Europe are expected to provide some resilience to the housing market:

## Ireland's Economic Performance is a Key Differentiator



### Population

Has grown by **362,000 (7.6%)** since 2016, including **2.2%** in 2021 to **5.12m**

### Employment

**2.55m** in employment today from **2.08m** in 2016 (**+23%**). Growing faster (**+476,000**) than our population

### Exchequer Returns

**Surplus** of **€6.3bn** in the eight months to August 2022 (compared to a **deficit** of **€6.7bn** in 2021)

### Household Savings

Household deposits grew by **€28.1 billion** between **March 2020** and **June 2022**

### Capitalised Banks

Average **core tier 1 capital ratio** of **16%** in our main domestic banks

### Mortgage Market

FTB approval volumes (c. 30k) are **19%** ahead of drawdowns in the year to **June 2022**

## Underpinned by Supportive & Impactful Government Policies



### Housing for All

10 year Government strategy with **€20bn** committed capital funding to 2025

### Shared equity loan

Launched in July 2022. Equity stake of up to 30% (reducing by 10% with Help to Buy)

### Help to Buy

Enhanced scheme continuing for the remainder of 2022 with **80,000+** applicants since launch

### Croí Cónaithe

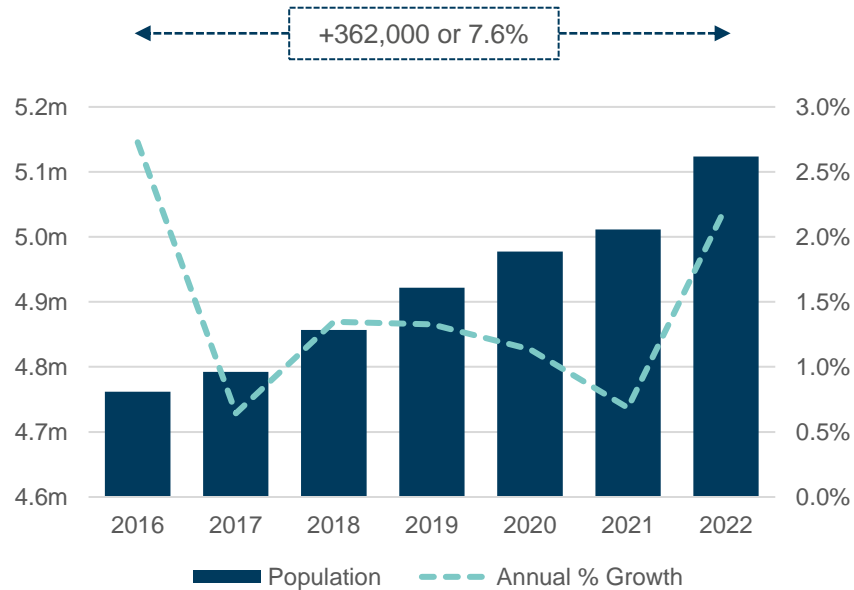
**€450m** to fund delivery of owner occupier apartments with subsidy of up to **€140k** per unit

Government target: **300,000** new homes to be built in Ireland by **2030**

European Commission forecasts Irish GDP growth of **5.3% 2022** and **4.0% in 2023**

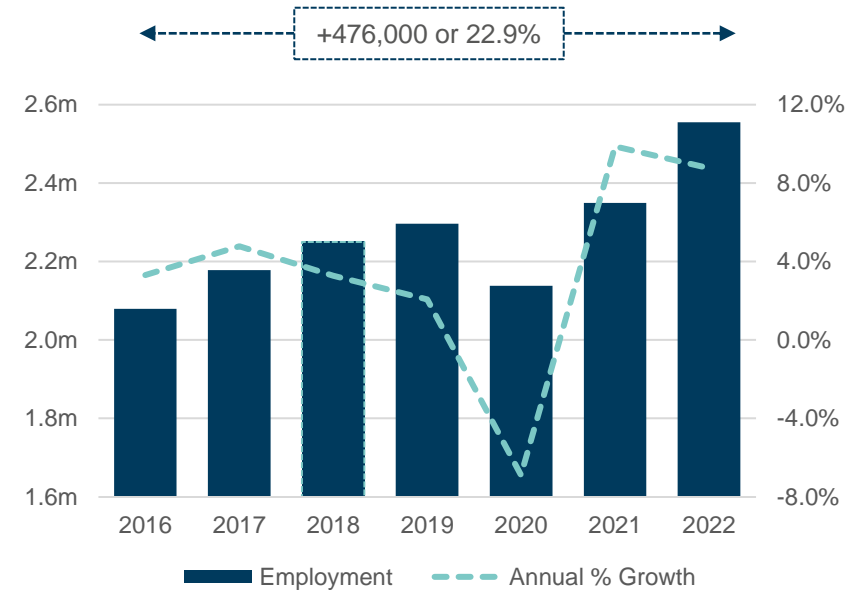
# Population and Employment Growth Underpinning Demand

## Fastest Population Growth in EU27



- Average annual population growth of 1.3% (EU27: 0.1%, UK: 0.5%)
- Net migration of 190k people in the six years

## Record Employment Growth\*



- 66% of all migrants in the six-year period had third level qualifications which supported the growth in employment

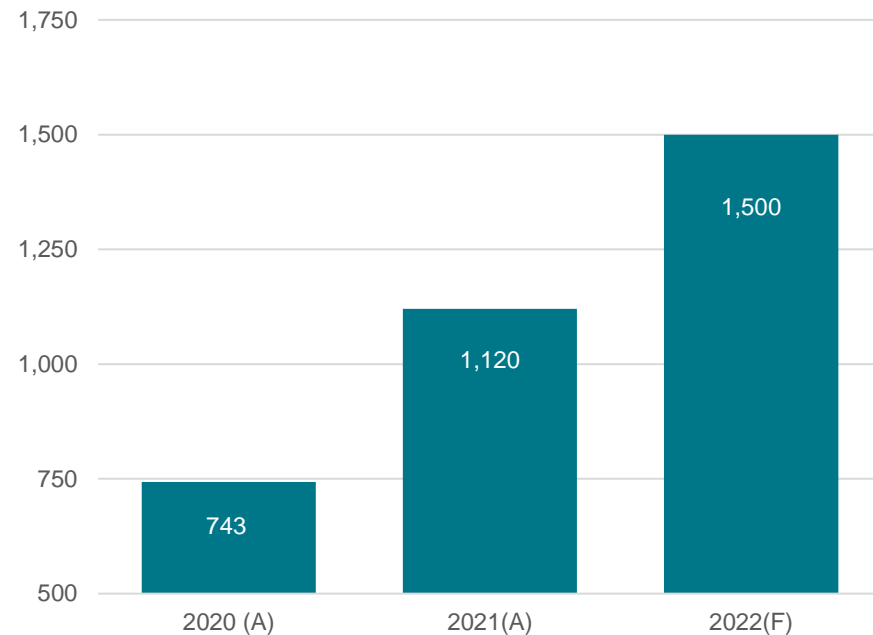
**1.3 jobs created for every 1 person increase in our population between 2016 and 2022**



# Playing a Leading Role in Providing Housing Solutions Across All Tenures

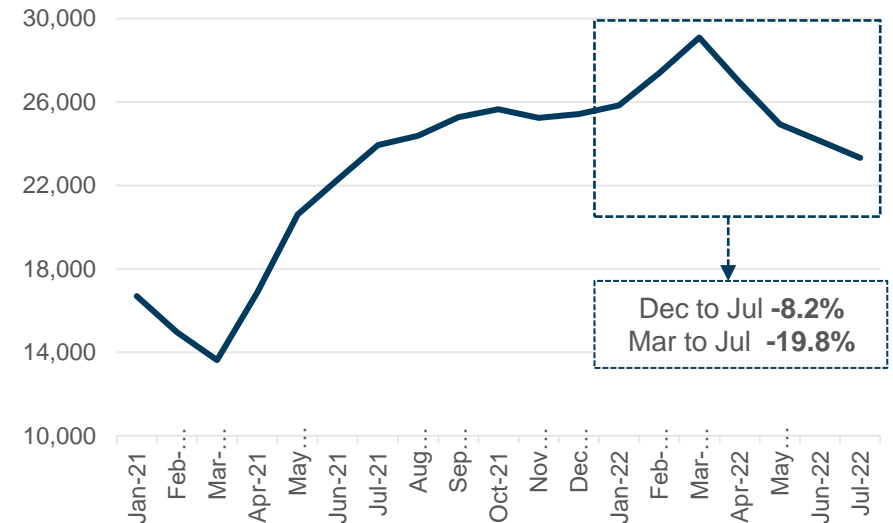
## Our Growth Trajectory

New Home Completions



## Industry Annual Rolling New Home Commencements\*

New Homes



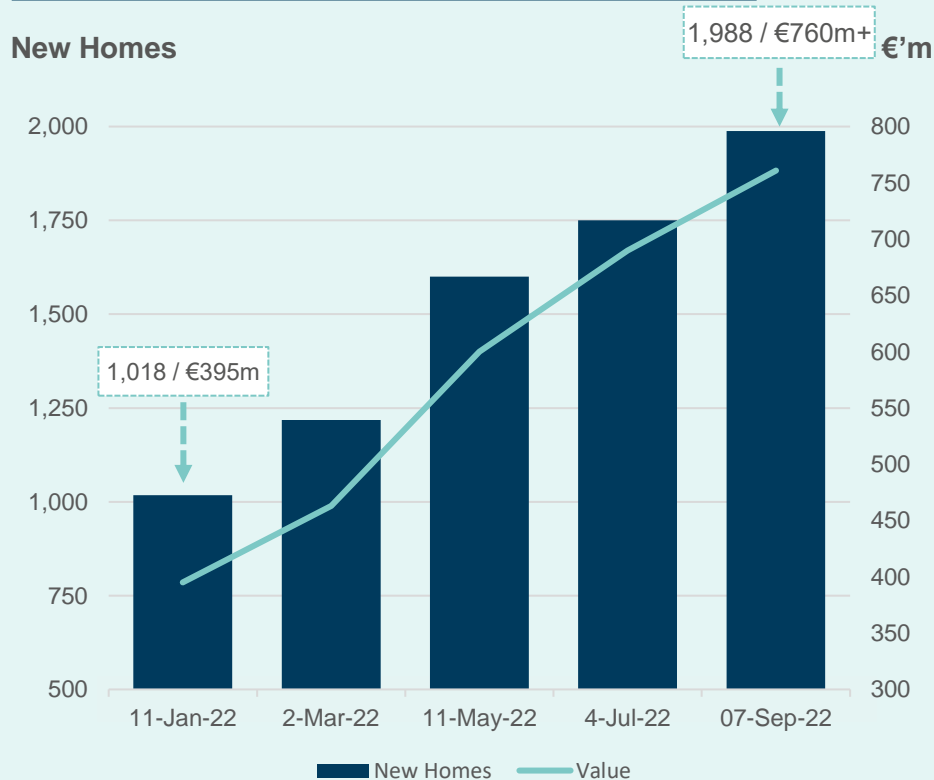
**Cairn 2022 : 7 sites started and  
>10% of total YTD market commencements**

**Strong year-on-year growth in Cairn completions will continue in 2023 and see us deliver  
5,000 to 5,500 new homes between 2022 and 2024**

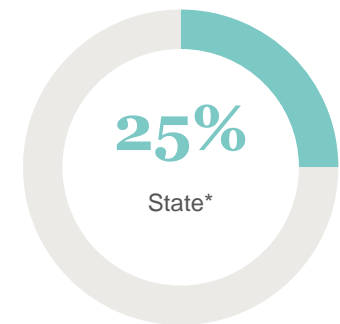
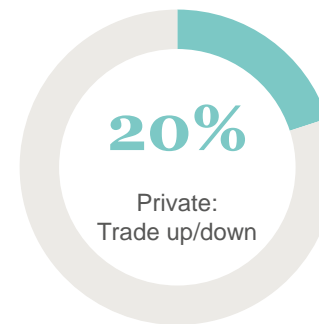
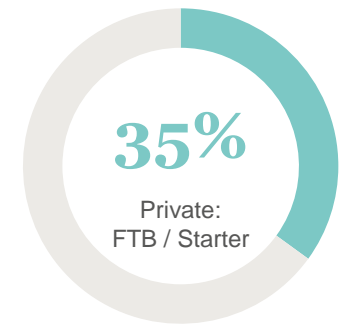
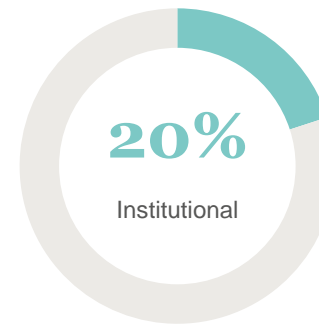


# Demand For Our Product Strong Across All Buyer Profiles

## 2022 Growth in our Closed and Forward Order Book





## Buyer Profile of Sales



**Over 25,000 customers on enquiry lists for Cairn's current developments**

## We Get Planning – We Build Straight Away

### Fast Track Planning Has Supported Our Growth

		Applications	Units
	Successful SHD and SDZ planning grants	25	7,900
	Commenced	23	7,100



**Of our guided unit volumes to 2024  
have Full Planning Permission**

**27 development sites are currently forecasted to deliver our 5,000 to 5,500  
closed sales guidance in the three years to 2024  
The Company are currently active on 22 of these sites**

# Driving Delivery Efficiencies in an Inflationary Environment

## Increasing Productivity & Efficiencies Strategic initiatives in managing build cost inflation:

- 01** **Product development:** advancing OSM (off-site manufacturing), MMC (modern methods of construction) and design with supply chain partners
- 02** **Assembly:** faster assembly in a more productive off and on-site environment
- 03** **Scale and track record:** Cairn continues to be Ireland's largest self-build developer of apartments, which are a critical requirement of Ireland's future housing stock
- 04** **Standardisation:** through our Library of Homes, delivering productivity improvements through repeatability
- 05** **Production Controls:** measuring on-site performance to drive productivity and more efficient delivery
- 06** **Lean Construction Principles:** adaption across production teams becoming more important as we scale

**€17,500 - €20,000 (7 – 8%)** expected cost increase for each new home built for **2022** across infrastructure, labour and materials – the impact of energy costs remains a key risk

# Case Study – Innovation and Productivity

## Library of Homes

- An important element of our delivery strategy continues to be standardisation
- We have a Library of Homes which we use to form the design and delivery of our schemes
- The internal layout and each of our house types are broadly identical
- Front elevation changes and tweaks to specification and finishes depending on price points are the only differentiating factor
- Assembly on and off-site replacing construction will continue to drive our innovation agenda

### Cairn Three-Bedroom Semi Detached New Home: Five Different Elevations on the Same House Type



Hawkins Wood



Graydon



Archers Wood



Mercer Vale



Harpur Lane

**Standardisation and technology driving innovation and productivity**



# Clonburris – An Ambitious New Suburb for 25,000 Residents in Dublin

**25,000**

Residents to be housed

**9,000**

Mixed tenure homes

**10,000**

Jobs in commercial and retail

**13km**

From Dublin City Centre



## Social Amenities

- 8 new schools
- 10 creches
- 90 hectares of parks
- 12.5km of walkways and cycleways
- 3.3km canal frontage
- 2 train stations serving Dart+ South West

## Community / Civic

- Community centres
- Local community / youth activity
- Places of worship
- Public library
- Health centre
- Fire station



Kishoge Station



Dublin City  
20 minutes



M50  
5 minutes

Clondalkin/  
Fonthill Station  
5 minutes

Grand Canal Dock  
40 minutes

Dublin City Centre  
20 minutes

Dublin City  
(Heuston Station)  
15 minutes

Dublin Airport  
22 minutes

Multi-annual infrastructure  
Government grant of  
**€186m**  
approved

The background of the slide is a composite image. The left half is a semi-transparent blue overlay containing the text. The right half is a clear aerial photograph of a large-scale construction project. Two prominent red tower cranes are visible against a blue sky with scattered clouds. Below them, the construction site shows concrete foundations, rebar structures, and some completed multi-story residential or commercial buildings. A parking lot with several cars is visible on the right side of the construction area.

# 02

## H1 2022 Financial Results & Guidance

**CAIRN**

Phase 3, Citywest

# H1 2022 Financial Performance

	June 2022 Unaudited	June 2021 Unaudited	Movement
	€m	€m	
<b>Revenue</b>	<b>240.4</b>	<b>130.6</b>	<b>+84%</b>
Cost of sales	(188.7)	(106.4)	<b>+77%</b>
<b>Gross profit</b>	<b>51.7</b>	<b>24.2</b>	<b>+114%</b>
<i>Gross margin %</i>	21.5%	18.5%	+300bps
Opex	(15.5)	(12.5)	<b>+24%</b>
<b>EBIT</b>	<b>36.2</b>	<b>11.7</b>	<b>+209%</b>
<i>EBIT margin %</i>	15.1%	8.9%	+620bps
<b>PBT</b>	<b>31.8</b>	<b>7.6</b>	<b>+318%</b>
<b>PAT</b>	<b>27.1</b>	<b>6.4</b>	<b>+323%</b>
EPS	3.8 cent	0.9 cent	+2.9 cent
<b>Net assets</b>	<b>727.9</b>	<b>759.2</b>	
<b>NAV per share</b>	<b>104 cents</b>	<b>101 cents</b>	
<b>Land at cost</b>	<b>667.5</b>	<b>676.2</b>	

**Significant profit generation supporting meaningful shareholder returns**

# Ongoing WIP Investment Driving Forward Sales Pipeline

## Closed & Forward Sales Pipeline (as at 7 September 2022)

	Units	Revenue
H1 2022 – closed sales	547	€240m
H2 2022 – forward sales	929	€346m
2023 – forward sales	512	€175m
<b>Total closed and forward sales pipeline</b>	<b>1,988</b>	<b>€761m</b>

**1.5X**

**Cover of €346m  
WIP investment**

**Ongoing strategic investment in WIP driving positive business momentum**



## Balance Sheet as at 30 June 2022

	30 June 2022 Unaudited €m	31 December 2021 Audited €m	Change
Land held for development	667.5	671.7	
Construction work in progress	346.0	268.3	€77.7m
Other receivables	42.2	29.9	
Other assets and liabilities	(101.7)	(81.6)	
<b>Net assets (excluding net debt)</b>	<b>954.0</b>	<b>888.3</b>	
Net debt	(226.1)	(109.5)	(€116.6m)
<b>Net assets</b>	<b>727.9</b>	<b>778.8</b>	
<b>Balance sheet KPIs</b>			
Shareholder distributions	82.7	39.9	€42.8m
Debt to GAV	25.2%	15.3%	
<b>Total</b>			<b>+€3.9m</b>

# Syndicate Refinance – Maintaining Total Debt Facilities at €350m

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## Sustainability Linked Facility

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- €277.5 million syndicate refinance completed after period end in **July 2022**
- Maturity in **June 2027**
- Sustainability linked facility where targets are **linked directly to key elements of our sustainability strategy**:
  - decarbonisation
  - biodiversity
  - people
- Business has maintained **€350 million in long-dated debt facilities** following refinance

Refinance linked to our vision to lead the future of homebuilding in Ireland by valuing people, building responsibly and creating vibrant, sustainable communities

## Driving Delivery Efficiencies – Supply Chain Collaboration

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- Over **90%** of forecast **c. €450m** spend procured for **2022** and c. **60%** procured on active sites for **2023**
- Many of the **commodity prices peaked in H1**, notwithstanding energy price volatility
- **Leveraging our scale** with **c. €1.4bn** procurement in the three years to 2024
- **Broadened the depth of our supply chain** as scaled regional expansion progresses
- Increased the number of our **strategic and preferred partners by over 30%**
- Strong security of labour and supply, particularly with **core building products and materials**

**€17,500 - €20,000 (7 – 8%)** expected cost increase for each new home built for **2022** across infrastructure, labour and materials – the impact of energy costs remains a key risk

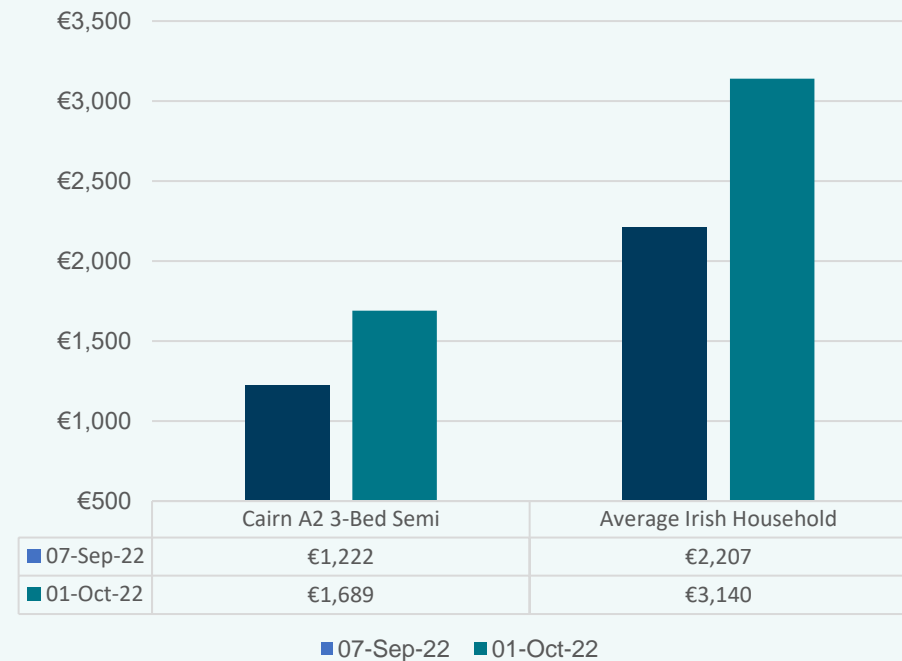
# The Energy Efficiency of a Cairn A2 Rated New Home

## Significant energy cost savings with an A2 rated home

- Our new homes have a **minimum A2 BER** (Building Energy Rating) and are **nZEB compliant** (Nearly Zero Energy Buildings)
- Using **current energy rates** (VAT inclusive) and recently announced October 2022 price increases, the energy costs of our homes are:
  - **€985 per annum cheaper** than an equivalent C2 rated home
  - **Increasing to €1,451 per annum** from October
- This analysis is based on a comparison to average house and energy consumption data from the **Central Statistics Office** and the **Commission for Energy Regulation** for an average Irish household (which has a C2 BER)

*(Refer to page 34 for detailed assumptions)*

**€985 less expensive today, increasing to €1,451 in October 2022**



**Energy costs €120 a month less expensive for a Cairn A2 rated new home from October 2022**



# First Home Shared Equity Scheme Launched – Impactful Initiative for FTBs

	2021 Help to Buy	2022 First Home & Help to Buy
Cairn average starter home price (incl. VAT)	€375,000	€375,000
Help to Buy (lower of €30k or 10%)	€30,000	€30,000
Deposit from own funds	€7,500	€7,500
Shared equity	-	€75,000
Mortgage (A)	€337,500	€262,500
Salary required (A / 3.5x)	€96,429	€75,000
Monthly mortgage repayment (B)	€1,438	€1,044
Net monthly income (C)	€6,051	€5,131
DSR (B / C)	23.8%	20.3%

**Including cost of living challenges, the monthly disposable income of a FTB previously renting increases by over €1,000 whilst also paying towards an asset they own 80% of**

Average Monthly Rent For an Equivalent Home

**€2,000+**

Impact of 20% Shared Equity on a €375k Starter Home

Reduced salary from **€96k** to **€75k** required **c. 150,000** households in Ireland earn between **€75k** and **€95k**

## Reaffirming Increased March 2022 Full Year Guidance

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**FY 2022**

<b>Revenue &amp; Sales Volumes</b>	In excess of €600m 1,500 sales completions
<b>Gross Margin</b>	21.5%
<b>Operating Profit &amp; Margin</b>	€100m c. 16.5% from core operating activities
<b>Shareholder Returns</b>	Minimum €115m (with €95m committed to date)
<b>ROE</b>	11%

## Continued Growth to 2024

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### Three Years to 2024

**Sales Volumes**

5,000 to 5,500

**ROE**

11% in 2022 growing to 15% in 2024

**Operating Cashflow \***

€500m after investment in WIP for future growth

**The positive trajectory of our business will sustain and we will continue to lead the market in the delivery of much needed new homes**

# 03

## Leading Sustainably

CAIRN



Whitethorn, Naas



# Progress in Implementing our Sustainability Strategy

## Tracking our 2022 Sustainability Commitments

- Published our inaugural Sustainability Report in April 2022
- SBTi Scope 1, 2 and 3 committed in January 2022
- New sites with biodiversity improvements measured in line with international best practice
- Social and Environmental metrics linked to remuneration
- Expanded our 'Home Together' initiative
- Established a Sustainability Forum to target specific green initiatives, including biodiversity net gain, for Clonburris, a new town where we will deliver 5,500 new homes from 2023
- Refreshing our Materiality Assessment which was originally completed in 2020 to confirm which priorities remain most important to our stakeholders



# 04 Outlook

CAIRN



Mariavilla, Maynooth

## 2022 and Medium-Term Outlook



### Economy

strong fundamentals expected to provide some resilience to the housing market



### Market

demand for new homes driven by demographics and strong employment

**1,500**  
completions

**€600m+**  
revenue

**21.5%**  
gross margin

**€100m**  
operating profit

**c. 16.5%**  
operating margin

**€115m**  
minimum  
shareholder returns



**15% ROE**

in 2024



**5,000 – 5,500**

new home sales completions in the three years to 2024



### Impactful Government Policies

focused on social and affordable housing and providing greater access to new homes for first time buyers



# 05

## Appendices



# 2022 Sustainability Progress

## People

### Engagement

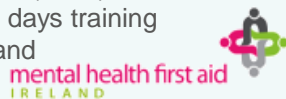
- Marked improvement in both eNPS score and response rates underpinning strong employee engagement in 2022

### Equality, Diversity & Inclusion

- LGBTQ+ Allyship session held with all employees
- External speaker presented to our leadership team and all senior managers on unconscious bias

### Health & Safety (“H&S”)

- H&S Initiative Awards launched to recognise and reward subcontractors for Excellence in Health, Safety & Environmental Practices
- Mental Health First Aiders (“MHFAs”) increased from 20 (2021) to 36, with all receiving two days training from MHFA Ireland



## Homes



We have committed to setting **SBTi targets** for Scope 1, 2 and 3 aligned to a 1.5 degree Celsius future

Ongoing focus on **offsite manufacturing** with the successful launch of prefabricated balconies and improved standardisation of timber frames with increased offsite elements, including roof trusses, reducing waste and emissions from transport to site

We advanced our **Light Gauge Steel (LGS)** capability across three new developments with apartment blocks and duplex buildings utilising this methodology

**Carbon Disclosure Project** submission completed July 2022. Grade B awarded for 2021

## Places

- All of our new developments are subject to **Biodiversity Assessments** and a commitment to protecting biodiversity - targets aligned to best practice are included within our 2022 remuneration framework
- Meaningful initiatives to add more habitats to our developments include our **nesting box project** completed in collaboration with Birdwatch Ireland at Archers Wood

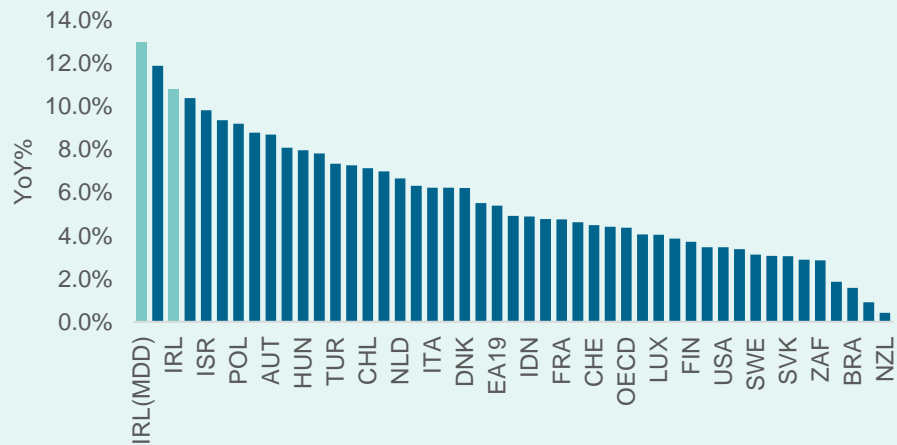


- As part of **Heritage Week 2022** we welcomed over 300 people to our site in Blessington where the Irish Archaeology Consultancy took the public through the dig site, their process, and the archaeological items they have found to date
- We expanded and extended **Home Together Initiative** to three new developments; **Whitethorn, Donnybrook Gardens** and **Graydon**

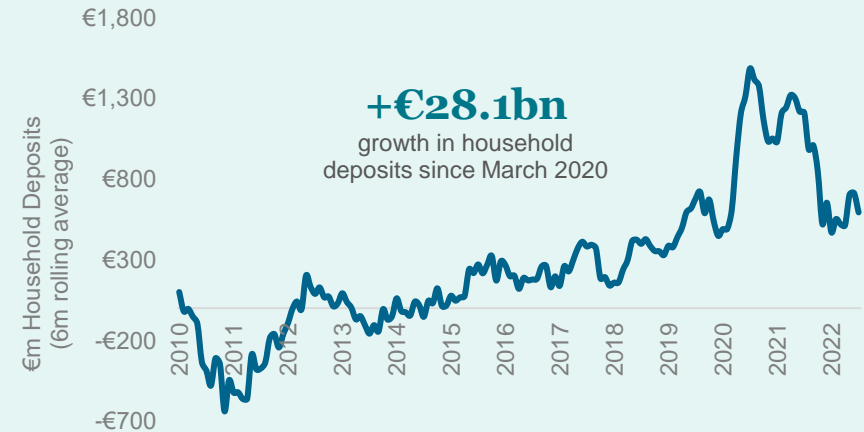


# Demand Drivers

## Strong momentum entering expected tougher economic period



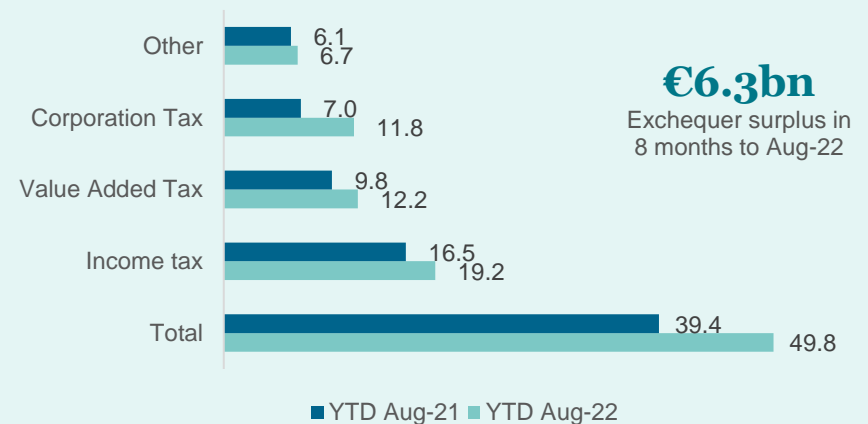
## High level of monthly household savings



## Record employment levels continue in Q2 2022

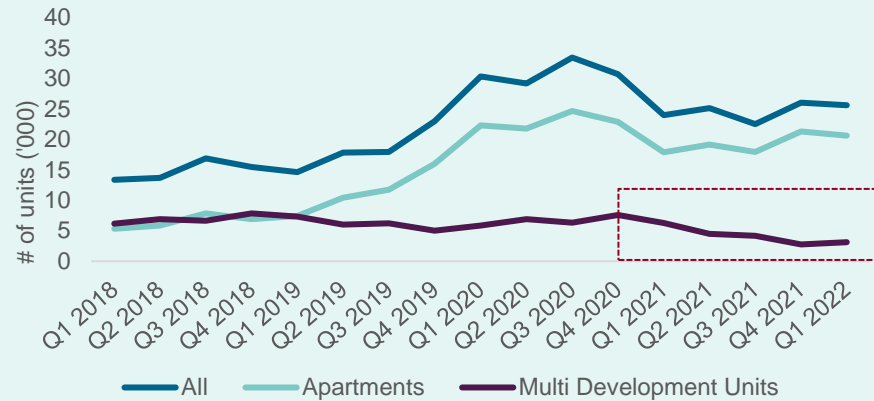


## Record exchequer receipts to August 2022

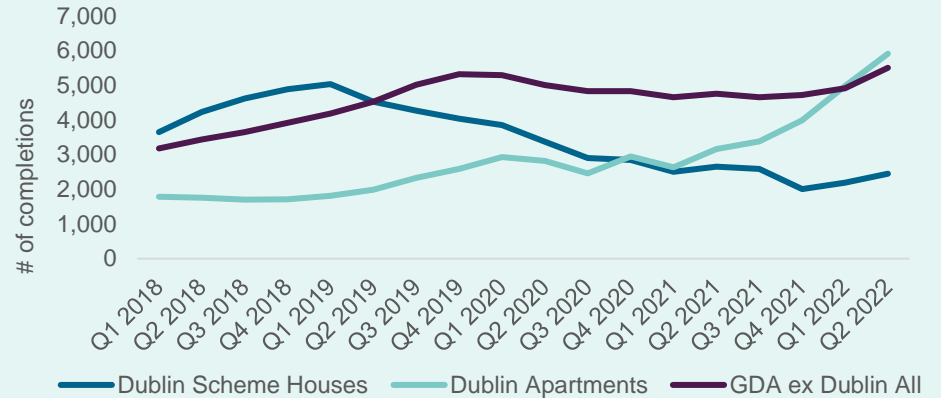


# New Homes Supply Indicators

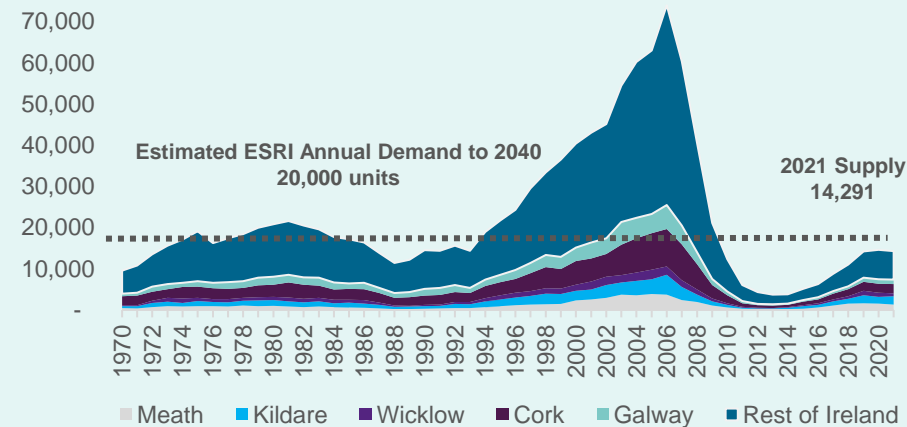
## GDA housing planning grants still falling (12m rolling)



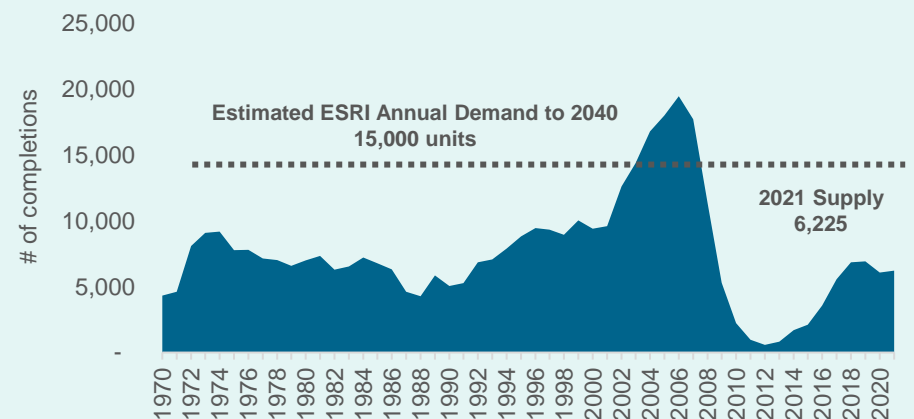
## Dublin housing completions still challenged (12m rolling)



## Rest of Ireland – a historic supply perspective



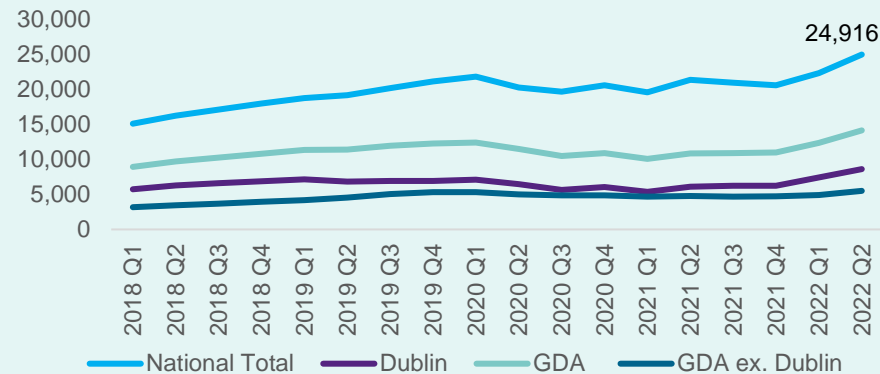
## Dublin – a historic supply perspective



# New Homes Supply Indicators (contd.)

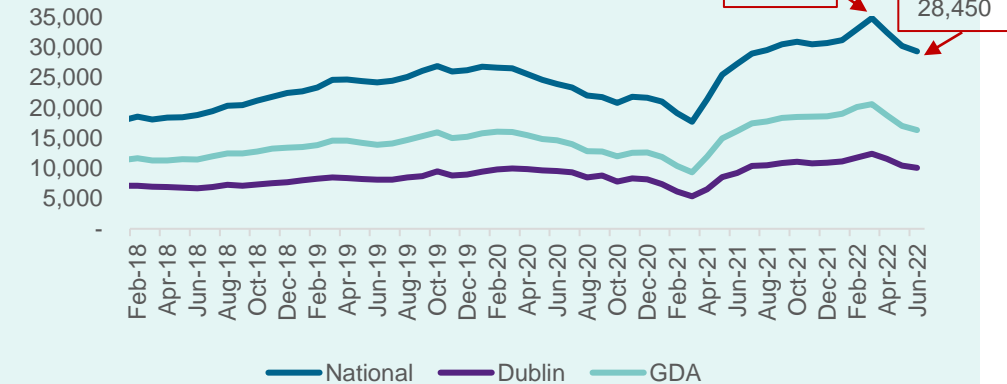
## Completions

Rolling 12m Total



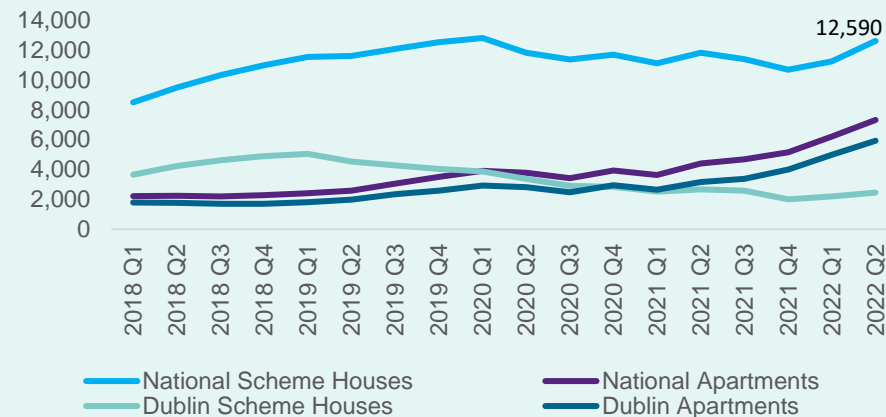
## Commencements – down 18.4% between March and July 2022

Rolling 12m Total (incl. one-off)



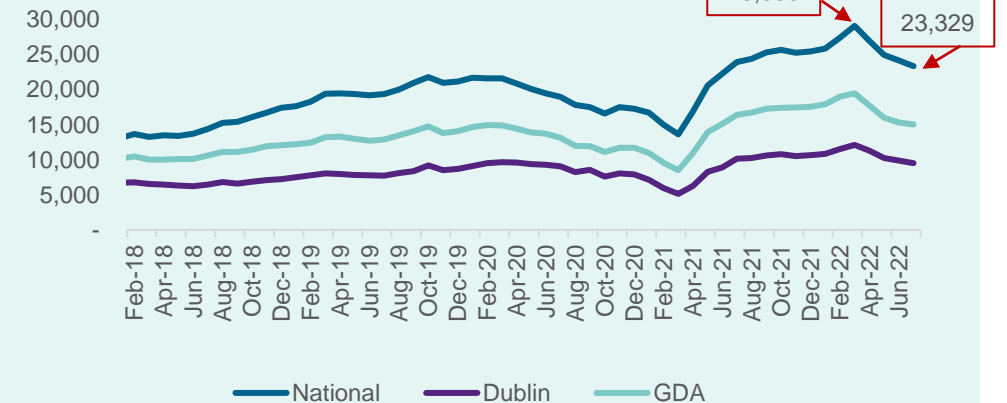
## Completions: more apartments and less houses in Dublin

Rolling 12m Total



## Commencements (excl one-off) down 19.8% in the same period

Rolling 12m Total (excl. one-off)

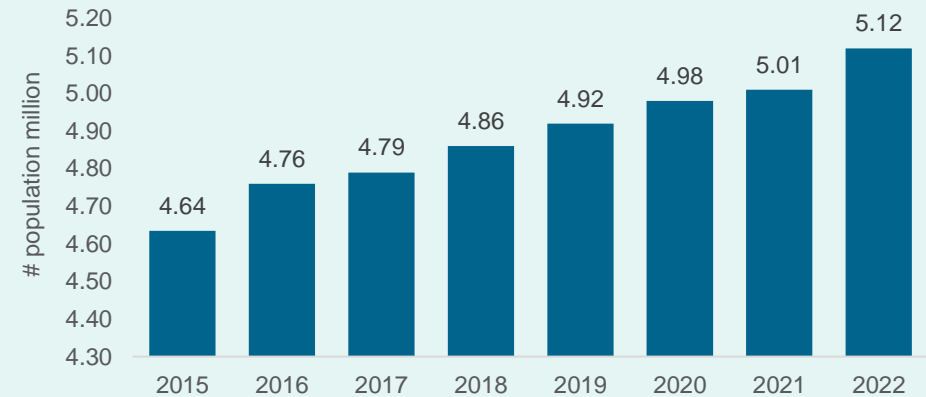


# 2022 Census Indicates Higher Population Than Forecast

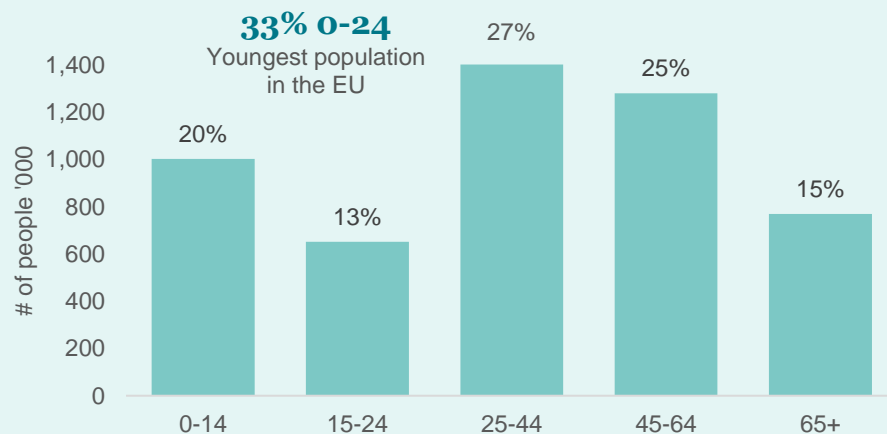
## Strong population growth

- Population of 5.12m as at April 2022, the highest since 1851, an increase of 7.6% since Census 2016
- The ESRI forecast population growth to 5.6m by 2040, however this forecast may now already be out of date given the higher than anticipated preliminary 2022 census population results
- Net migration of 190k people since 2016, accounting for 52% of our population increase
- The number of third level educated immigrants, nearly all of whom will require housing, moving to Ireland increased significantly in 2022

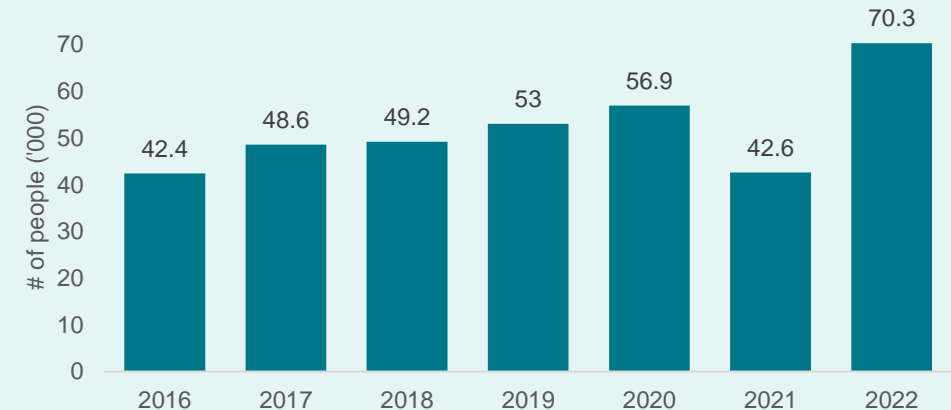
## Average 1.3% annual population growth since 2015



## Irish 2022 population by age category



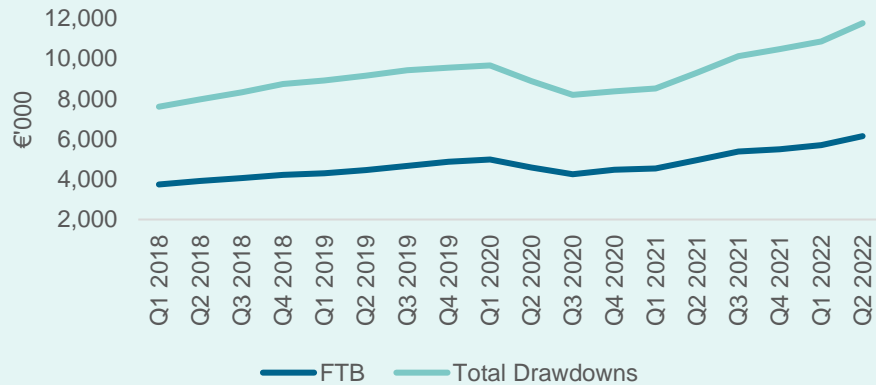
## Immigration of third level educated immigrants has increased significantly



# Mortgage Market

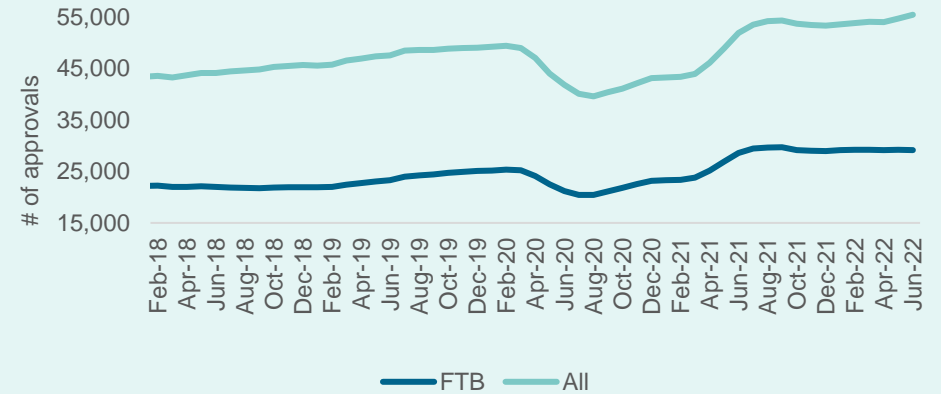
## Mortgage drawdowns

Rolling 12m

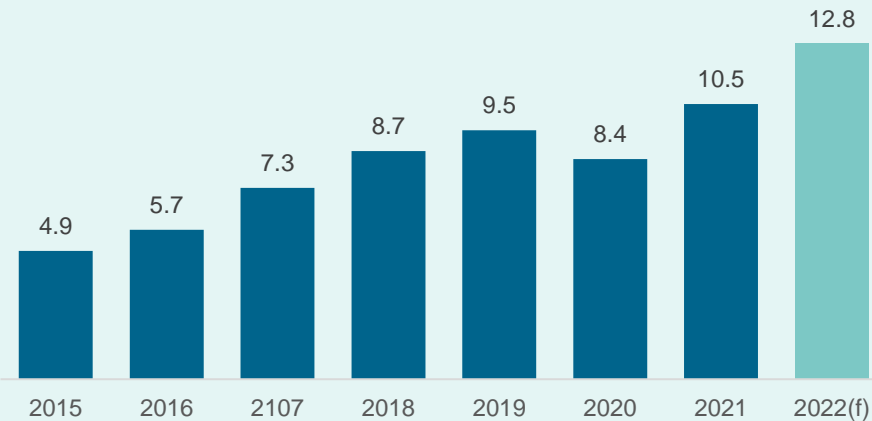


## Mortgage approvals

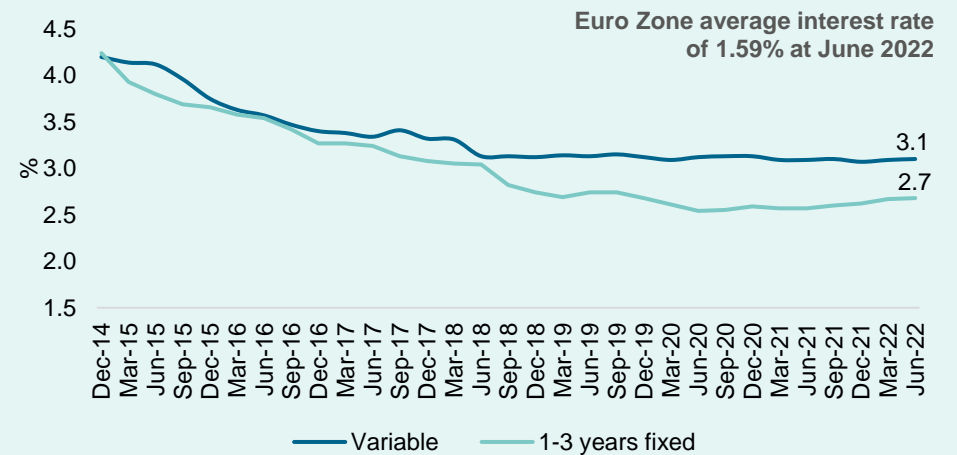
Rolling 12m Total



## Mortgage market (€bn) forecast to grow by c. 22% in 2022



## Ireland's average mortgage rates 2<sup>nd</sup> highest in Europe





# The Energy Efficiency of a Cairn A2 Rated New Home – Assumptions

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## Energy cost calculations based on:

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- prevailing energy rates (VAT inclusive) at the end of August 2022 and recent price rise effective from 1 October 2022 (electricity +26.7% and gas +37.5%) announced by Electric Ireland; and
- average Irish house and energy consumption data from the Central Statistics Office and the Commission for Energy Regulation

## Sources:

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- Electric Ireland smart meter Home Electric+ plan and Home Dual+ plan figures reflecting current and recently announced price increases from 1 October 2022
- BER rating – Central Statistics Office Domestic Building Energy Ratings  
<https://www.cso.ie/en/methods/surveybackgroundnotes/domesticbuildingenergyratings/>
- Average Irish household – Commission for Energy Regulation
- <https://www.cru.ie/wp-content/uploads/2017/07/CER17042-Review-of-Typical-Consumption-Figures-Decision-Paper-1.pdf> and  
<https://www.cso.ie/en/releasesandpublications/ep/p-dber/domesticbuildingenergyratingsquarter22022/>
- All data validated by Davy Horizons

## Cairn Development Brands

HARPUR  
LANE

LINDEN  
DEMESNE

Graydon

Swanbrook

OAK PARK

Mercer Vale  
CHERRYWOOD

ARCHERS WOOD

DONNYBROOK  
GARDENS

Park  
Side

HAWKINS  
WOOD

GLENHERON  
GREYSTONES

SHACKLETON  
LUCAN

MARIAVILLA

Aldborough

Whitethorn

GRIFFITH  
WOOD

EDENBROOK  
CITYWEST

ROSTREVOR  
PLACE

The Quarter  
At Citywest

GANDON  
PARK

Churchfields

SIX HANOVER QUAY

Marianella

Elsmore.

ALBANY

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