



Trading Update for the year ended 31 December 2019 Over 1,800 Units Closed and Forward Sold in The Full Year

16 January 2020: Cairn Homes plc (“Cairn”, or the “Company”) (Euronext Dublin/LSE: CRN), the leading Irish homebuilding company, today issues a Trading Update for the year ended 31 December 2019 in advance of full year results to be announced on 3 March 2020.

2019 Trading Update:

For the financial year ended 31 December 2019, the Company expects to report 1,080 closed unit sales, an increase of 34% from 2018. Total revenues grew by c. 29% in 2019 to c. €434 million (2018: €337 million). Revenues, excluding non-core site sales, were c. €402 million (2018: €294.2 million), a c. 37% increase.

Cairn’s sales performance during 2019 was very strong with a total of 1,820 closed and forward sold residential homes in the period. We enter 2020 with a forward sales pipeline today of 740 units with a sales value of €227.2 million of which c. 600 units with a sales value of c. €185 million are expected to close in 2020. Our increasing forward order book reflects our broadening buyer pool and our more diverse product mix.

The full year gross margin is expected to be approximately 19.6% (2018: 20.5%), with a stronger gross margin of approximately 20.4% delivered in H2 2019. Operating profit for the year ended 31 December 2019 is expected to increase by c. 28% to c. €68 million (2018: €53.2 million).

The strong demand which the Company experienced for new homes during 2019 was underpinned by the competitiveness of our average selling price (excluding VAT) at €372,000 (2018: €366,000). Our first-time buyer starter home average selling price (excluding VAT) in 2019 was €314,000 (2018: €312,000). Cairn’s model will continue to deliver a large volume of new homes to the market at these price levels where first time buyers can get access to mortgage finance.

Added to the demand for our starter homes, the Company also delivered a strong performance in closed and forward sales to multi-family private rental sector (“PRS”) operators, due to both the excellent location of our sites and our demonstrable delivery capability.

Increasing Share Buyback Programme to €60 Million:

The €25 million share buyback programme announced on 12 September 2019 completed on 13 January 2020. In total, 20,855,102 shares were repurchased at an average purchase price of €1.20. All repurchased shares have been cancelled.

Cairn today announces that it intends to increase the size of the share buyback programme by another €35 million, for a total of €60 million. It is expected that the buyback will recommence today, 16 January 2020.

A final ordinary dividend will be proposed when we announce our full year results on 3 March 2020. The Company expects to have generated c. €500 million in free cash by the end of 2022 and the announcement today reconfirms our commitment to capital returns.

Michael Stanley, Co-Founder and CEO of Cairn, commented:

“2019 was another year of exceptional execution by our talented team at Cairn. We increased our revenues to c. €434 million, moved 1,080 customers into their new homes and we start 2020 with 740 homes already forward sold. With more certainty around Brexit, the robust performance of the Irish economy and the fact that housing supply still falls significantly short of demand, we believe our business model is well positioned to take full advantage and we look forward with real confidence to 2020 and beyond.”

“We expect to generate c. €500 million in free cash to the end of 2022 and our announcement today that we are increasing our current share buyback programme to €60 million demonstrates our longstanding commitment to creating value for our shareholders. We will continue our policy of progressive ordinary dividends and will declare a final dividend in March 2020.”

-ENDS-

For further information, contact:

Cairn Homes plc

+353 1 696 4600

Michael Stanley, Co-Founder and CEO
Ian Cahill, Head of Finance
Declan Murray, Head of Investor Relations

Drury Communications

+353 1 260 5000

Billy Murphy
Louise Walsh

Finsbury

+44 207 251 3801

Gordon Simpson
Charles O'Brien

Notes to Editors

Cairn Homes plc ("Cairn") is the leading Irish homebuilder committed to building high-quality, competitively-priced, sustainable new homes in great locations. At Cairn, the homeowner is at the very centre of the design process and we strive to provide an unparalleled customer service throughout each stage of the home-buying journey. A new Cairn home is thoughtfully designed and built to last with a focus on creating shared spaces and environments where communities prosper. Cairn owns a c. 17,400 unit land bank across 35 residential development sites, over 90% of which are located in the Greater Dublin Area ("GDA") with excellent public transport and infrastructure links. Cairn is today building on 15 sites in the GDA, which will deliver over 5,250 new homes.