

Trading Update for the Year Ended 31 December 2023 Very Strong Sales and Profitability in H2 2023 with a Record Sales Pipeline of over €900 Million Entering 2024

Dublin / London, 16 January 2024: Cairn Homes plc (“Cairn”, “the Company” or “the Group”) (Euronext Dublin: C5H / LSE: CRN) today issues a trading update for the year ended 31 December 2023 in advance of full year results to be announced on 29 February 2024.

FY23 Trading Update

The Company delivered our strongest ever financial and operational performance in 2023 in another year of strong growth for our business:

- Closed 1,741 new home sales (2022: 1,526), generated revenue of c. €665.0 million (2022: €617.4 million) and expect to deliver a gross margin of c. 22.1% (2022: 21.7%).
- Generated operating profit of c. €113.4 million (2022: €103.0 million) and an operating margin of c. 17.0% (2022: 16.7%).
- Clearly illustrating the current demand for our homes across all tenures, the Company sale agreed over 2,800 new homes in the full year. As a result our forward order book at year-end was over €900 million (net of VAT) and 2,350 homes, which compares to a forward order book value of €374 million at this time the previous year.
- Build cost inflation continued to moderate throughout 2023 in line with our expectations to less than €10,000 per new home built or c. 4% of hard build costs (2022: €20,000 and 8%).
- The Company’s sustainable and growing profitability is supporting significant investment in our construction activities. Four new sites and new phases across six of our existing large-scale, multi-year, developments were commenced. The Company was active on 20 sites nationwide during 2023.
- New home commencements continue to focus on our core starter homes market. Over 80% of Cairn’s starter homes are available to our customers at prices which are below State support pricing caps. This allows more of our prospective customers to qualify for the State’s impactful initiatives including Help to Buy and the First Home shared equity scheme. Our mature business platform and low land cost allow the delivery of competitively priced First Time Buyer homes in locations of proven demand.
- Agreement and approval has been reached for our first three forward fund transactions with a number of different State supported counterparties. Construction is well underway across these mixed tenure developments at Seven Mills (Clonburris – 318 new homes), Parkside (Dublin 13 – 368 new homes) and Piper’s Square, Charlestown (Dublin 11 – 590 new homes). This funding mechanism, on transactions which historically would have concluded on a forward sale basis, will enhance the scale, pace and delivery certainty of apartment developments to our partners. It also enables Cairn to materially increase our delivery of Social & Affordable apartments in areas of exceptionally high demand in the most efficient manner over the coming years.
- Completed €42.6 million of our €75 million share buyback programme and acquired 38.7 million shares. The remaining €32.4 million in the FY23 share buyback programme is expected to be completed during the early months of 2024 subject to market conditions.
- Dividends paid to shareholders during 2023 amounted to 6.2 cent per ordinary share (€41.9 million). Significant cash generation in 2024 and beyond will continue to fund consistent and growing shareholder returns.

FY24 Outlook & Guidance

Cairn starts 2024 with a forward sales pipeline of 2,350 new homes. Momentum is very strong entering the year with over 500 new homes due to close in the first three months of the year and 1,600 of our current forward sales pipeline expected to close in 2024.

Cairn is therefore poised to deliver an exceptional output and financial performance in 2024, and expects to deliver year-on-year turnover and profit growth of c. 30% and:

- c. 2,200 new homes¹;
- operating profit of c. €145 million; and
- 15% return on equity².

The Company will provide a further update when we release our full year 2023 results on 29 February 2024.

Commenting on the full year 2023 trading update, Michael Stanley, Chief Executive Officer, said:

“Our Company is experiencing sustained positive momentum. We are building record numbers of new homes and we have delivered our strongest ever operational and financial performance in 2023. Continued reinvestment in our building platform and a €900 million sales pipeline as we start the new year leaves us poised to grow our business by a further 30% in 2024.”

“We are passionate about the homes we build and after closing 1,741 homes last year, over 20,000 people now live in the 7,500 Cairn homes we have built to date. We look forward to doubling that number over the next few years.”

“More broadly, year-on-year housing supply is growing. Yet, despite essential Government supports, a mere 10% of annual housing transactions are newly built homes purchased by First Time Buyers. Only just over 5,000 young families received keys to new homes in Ireland in the past 12 months.”

“Encouragingly, awareness and take up of the First Home shared equity scheme is improving. However, a significant increase in the supply of new homes is needed, and at sales prices below the caps set by the Government for this crucial support.”

“In the absence of enough of these affordable homes for First Time Buyers to purchase, the Government is now also prioritising the completion of well-located affordable rental apartment developments. These scaled new developments, which, in the main, will be State-owned assets, could offer truly affordable, long-term or transitional housing solutions for tens of thousands of young people working in our economy.”

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Notes to Editors

Cairn Homes plc (“Cairn”) is an Irish homebuilder committed to building high-quality, competitively priced, sustainable new homes and communities in great locations. At Cairn, the homeowner is at the very centre of the design process. We strive to provide unparalleled customer service throughout each stage of the home-buying journey. A new Cairn home is expertly designed, with a focus on creating shared spaces and environments where communities thrive. Cairn owns a c. 16,300-unit landbank across 35 residential development sites, over 90% of which are located in the Greater Dublin Area (“GDA”) with excellent public transport and infrastructure links.

¹ The accounting treatment for forward fund units is on an equivalent unit basis

² Defined as Profit after Tax divided by Total Equity at year end