

## **Trading Update for the Six Months Ended 30 June 2022**

### **1,264 Closed Sales in the Last 12 Months and Full Year Guidance Reiterated**

**Dublin / London, 5 July 2022:** Cairn Homes plc (“Cairn”, “the Company” or “the Group”) (Euronext Dublin / LSE: CRN) today issues a Trading Update for the six months ended 30 June 2022 in advance of interim results to be announced on 8 September 2022.

#### **H1 2022 Highlights**

- Closed 547 new home sales and generated total core revenue of c. €240 million (H1 2021: 403 closed sales and €131 million revenue). Momentum has been very strong since the end of the second construction lockdown in May 2021 and Cairn has closed 1,264 new home sales in the last 12 months.
- The Company also witnessed our strongest ever first half sales period with over 750 new homes agreed for sale with a net sales value in excess of €295 million. This represents a sales rate per active selling scheme of 4.6 new homes per week.
- Build cost increases are being fully offset by improving product mix, operational efficiencies, and stronger pricing with a full year 21.5% gross margin guidance for 2022 maintained.
- Closed and forward sales pipeline of over 1,750 new homes with a net sales value in excess of €690 million<sup>1</sup>. This very significant order book reflects the strength of Cairn’s market position and the extreme supply demand imbalance in the market.
- €75 million share buyback programme continuing with over €62 million returned through the repurchase of 52 million ordinary shares since 13 January 2022.
- The Board intends to announce a €20 million dividend (c. 2.9 cent per ordinary share based on current ordinary shares in issuance) when we release our 2022 interim results on 8 September 2022.
- Commenced five new sites in the period in Dublin, Kildare, Meath and Limerick. We are now active on 20 development sites nationally.

#### **H1 2022 – General Trading Environment**

- Our sales are supported by a growing mortgage market with over 29,000 first time buyer mortgages approved in the year to May 2022 (+8.6% year on year compared to May 2021 and +30% compared to May 2020).
- The preliminary results of Census 2022 estimate the Irish population at 5.124 million, a 7.6% increase (+362,000) since Census 2016. This is more than 100,000 higher than the most recent estimate in April 2021. This highlights the urgent need for a significant increase in the supply of new homes required across all tenures. Additionally, Ireland’s employment levels are at record levels and economic consensus forecasts economic growth in both 2022 and 2023.
- The Irish Government recognises the severe challenges faced by those aged under 40 in buying their first home. Cairn estimates only c. 12% of this cohort owns their own home, and we welcome the introduction this week of the shared equity First Home scheme in support of our prospective customers.
- Cairn currently expects total build cost inflation for FY22 to be c. 6 - 7% (c. €15,000 - €17,500 per unit) across infrastructure, labour and materials based on our experiences in H1 and anticipated H2 pricing levels. We are working closely with our supply chain partners and implementing our procurement strategic initiatives to guarantee the competitive supply of both labour and materials.

#### **New €277.5 Million Sustainability Linked Syndicate Facility**

- The Company has successfully completed a debt refinancing of our €277.5 million syndicate facility into a Sustainability Linked term loan and revolving credit facility with Allied Irish Banks, Bank of Ireland and Barclays Bank Ireland, maturing in June 2027. With the refinance complete, we are maintaining our total debt facilities at €350 million.
- The sustainability performance targets underpinning the new green facilities are linked directly to key elements of our broader sustainability strategy including decarbonisation, biodiversity and people.
- This follows the publication of our inaugural Sustainability Report in April 2022 which outlines our continued commitment to making a significant and sustainable contribution to Irish society, having sold over 6,000 new homes since 2016.

---

<sup>1</sup> As at 4 July 2022

## **Market Guidance**

- Following a strong operational and financial performance in H1 2022, current full year guidance is reaffirmed:
  - turnover in excess of €600 million from 1,500 closed new home sales;
  - core housebuilding gross margin of 21.5%;
  - €100 million operating profit delivering an operating margin of c. 16.5%; and
  - return on equity<sup>2</sup> (“ROE”) of 11% and minimum shareholder returns for FY22 of €115m from both ordinary dividends and share buybacks.
- Cairn will continue to invest in new site commencements and expects to start up to five new sites in H2 2022, including our largest development in Clonburris which will be a significant contributor to our continued volume growth.
- In the short-term, we will continue to grow our annual volumes and expect to deliver up to 5,500 new homes in the three year period to the end of 2024. This will generate in excess of €500 million in operating cashflow<sup>3</sup>, leading to significant shareholder returns while also growing our ROE to 15%.

Commenting on the H1 2022 trading update, Michael Stanley, Chief Executive Officer, said:

“Continued reinvestment in increased new homes output remains our core strategy. Our current performance and profitability in a challenging environment has allowed us to commence a significant number of new developments. Today, we are building in 20 separate locations nationally with 1,750 closed and forward sold new homes across these developments.

The standard and quality of new homes being built in Ireland today is appropriately high. However, rising material costs have further stretched the affordability gap for the current generation of homebuyers. In the present environment, new homes output would materially reduce without the sensible Government interventions for first time buyers, including the First Homes initiative and Croí Cónaithe.”

The Company will release our 2022 interim results on 8 September 2022.

For further information, contact:

### **Cairn Homes plc**

Michael Stanley, Chief Executive Officer  
Shane Doherty, Chief Financial Officer  
Ian Cahill, Head of Finance  
Declan Murray, Head of Investor Relations

**+353 1 696 4600**

### **Drury Communications**

Billy Murphy  
Morwenna Rice  
Claire Rowley

**+353 1 260 5000**

## **Notes to Editors**

Cairn Homes plc (“Cairn”) is a 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. 17,700 unit land bank across 37 residential development sites, over 90% of which are located in the Greater Dublin Area (“GDA”) with excellent public transport and infrastructure links.

<sup>2</sup> Defined as Profit after Tax divided by Total Equity at Year End

<sup>3</sup> Before any capital allocation considerations, including reductions of debt, dividends, accretive strategic acquisitions, JVs or investments