

CAIRN

Built For Good

Cairn Homes plc
2023 Preliminary Results Presentation





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Contents

- 01.** FY 2023 Highlights

- 02.** FY 2023 Financial Results

- 03.** Sustainability Update

- 04.** Outlook

- 05.** Appendices



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01.
**FY 2023
Highlights**

Built For Good

Key Financial Highlights

FY 2023 KPIs

Exceptional Market Demand for Cairn Homes*

€946m

Record current closed and forward order book

2,473

New homes including 1,600+ for delivery in FY24

Mature Scaled Delivery Platform with Significant Momentum

1,741

Sales completions in FY23 (14% growth)

c.2,200

Unit** forecast in FY24

Leading to Consistent and Attractive Margins

22.1%

Gross margin in FY23

17.0%

Operating margin in FY23

Growing Profits and Progressing Balance Sheet Efficiency

€113.4m

Operating profit growing to c.€145m in FY24

11.3%

ROE on track to increase to 15% for FY24

Key Financial Highlights

FY 2023 KPIs

Operating Platform Growing Capacity

2,100

New home commencements (21% growth yoy), active across **20** sites, with over **4,000** in full-time employment

9+

New site commencements planned in the next **12 months**

Market Demand Underpinning Our Continued Investment

2.8x

€334m WIP investment is 2.8 times covered by our **€946m** forward order book

c.1,300

Accelerated delivery of Social & Affordable apartments across three forward fund transactions

Asset Backed Balance Sheet

€1,039.9m

Including **€609.2m** invested in our c. 16,300 unit landbank and **€334.3m** in WIP across active sites

Delivering for Shareholders

€315m+

Shareholder returns since 2019 represents one third of current market capitalisation

3.2c

Final dividend proposed today for a FY23 total dividend of 6.3c

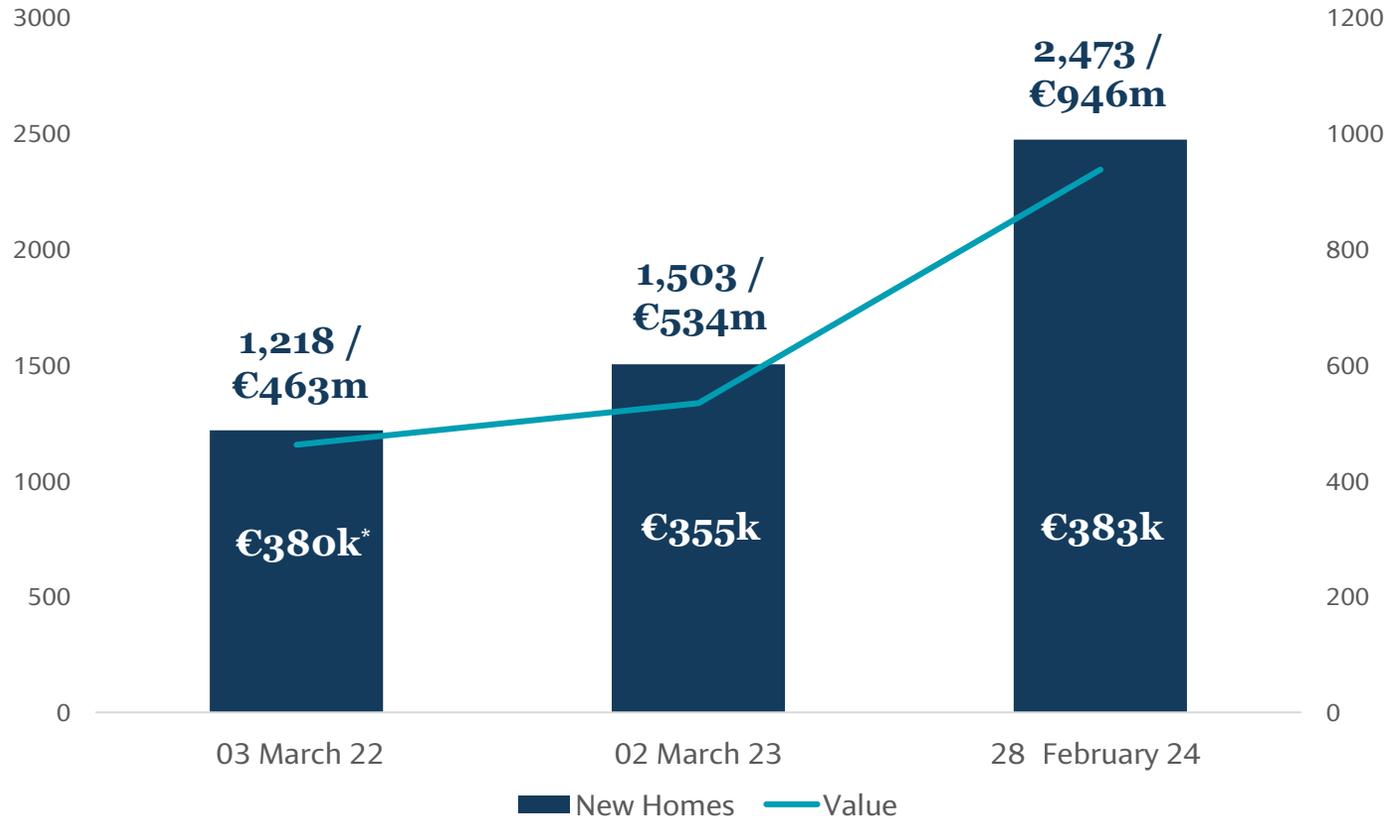
Will complete current **€75m** buyback in the next few months. The Company will issue a further capital allocation update at this time

Exceptional Demand and Momentum for Cairn New Homes

Growth in our Closed and Forward Order Book

Our pipeline has increased by c. 1,000 new homes (c. €400m) in the last 12 months

New Homes



€383,000

net ASP in our closed and forward order book

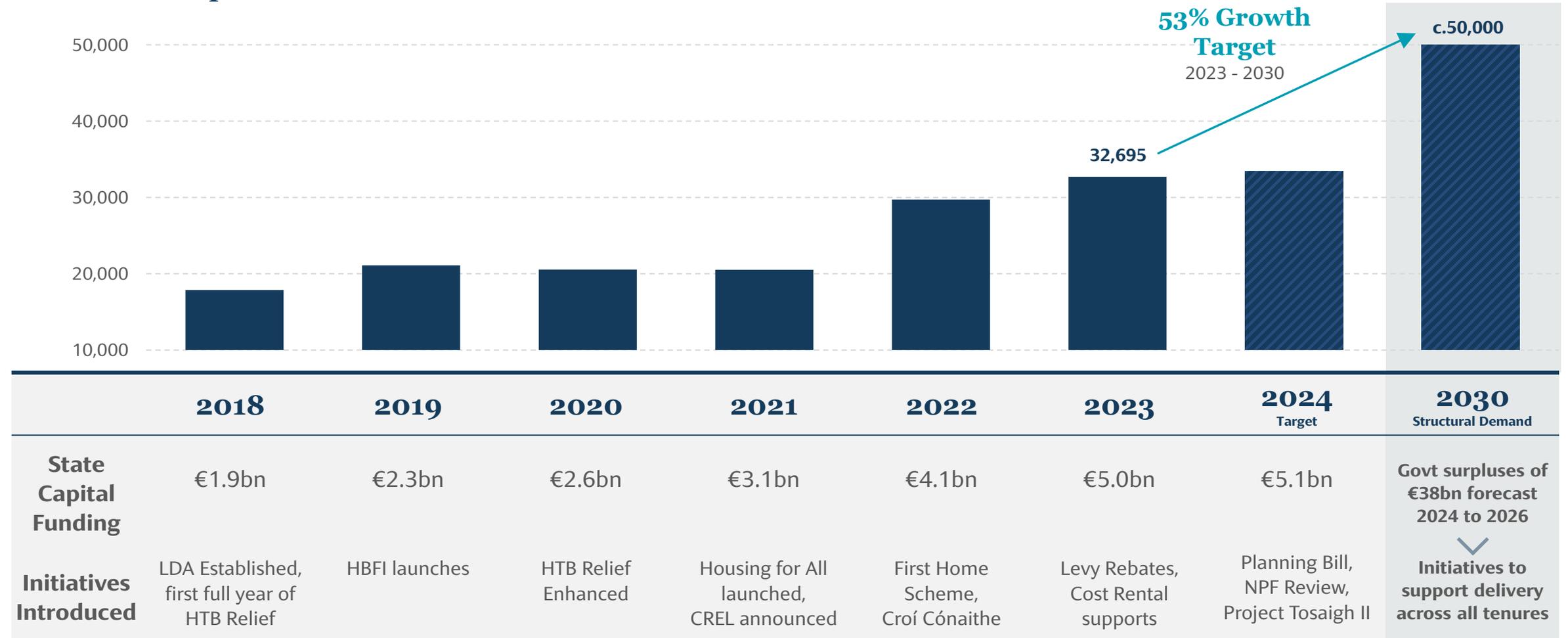
Multi-year order book of well-located and scaled Social & Affordable apartments

Increasing our core starter home market sites at competitive ASPs



Supportive Environment for Increased Housing Output

New Home Completions



Sales Pricing in FY 2023

New Homes Average Selling Prices

Period	Closed Sales	ASPs €'k (Net of VAT)			
		Starter Homes	Trade Up/Down	Apartments	Overall
2023	1,741	344	461	377	389
2022	1,526	327	469	431	402
Movement	+14.1%	+5.3%	-1.7%	-12.6%	-3.2%



Impactful supports for FTBs

80%+

Our platform and competitive advantage allows the majority of our homes to qualify for these supportive schemes



Supply Chain, Innovation and Planning

Mature Scale Delivery Platform

€440m

WIP spend in 2023 growing to **c.€550m** in 2024

€2.0bn

Projected procurement spend 2024 - 2026

Forward Procurement - Margin protection

75%+

procured on current active sites for 2024

BCI range 2% - 4% for 2024

50%+

procured for 2025

Established Subcontractor Base

Average spend of **c.€15m+** with Top 20 subcontractors in FY 2023

Digitalisation & Innovation

Investment in **IT and Digital Transformation**

Project manage our **Strategic Innovation Evaluation Framework**

Standardisation

Cairn Technical Design Library

Standardisation Tool Kit

Library of Homes and Apartments

Planning

Nine grants of planning in 2023

Obtained permissions for over 2,350 new homes

Leveraging our Proven Apartment Delivery Capability

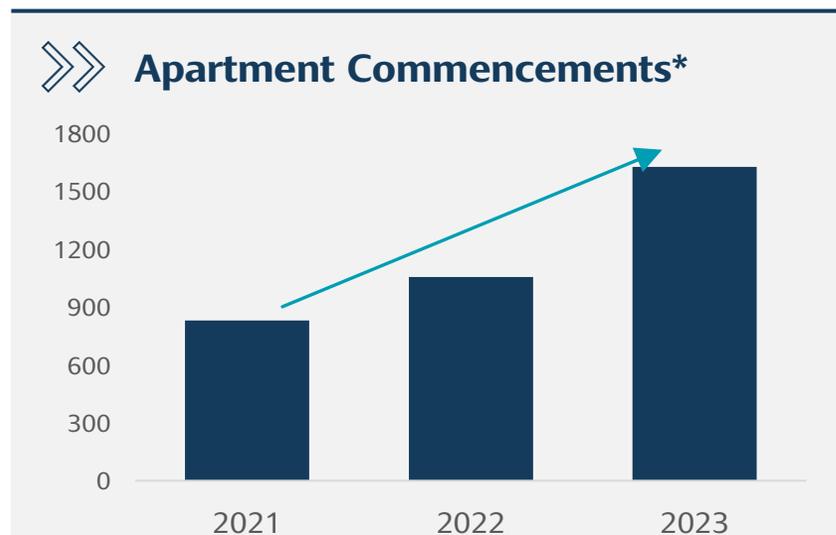
4,500

apartments delivered or under construction

Strong demand for large, well located new apartment developments on multimodal transport links and in areas of high employment

Delivering energy efficient apartments at pace and scale

Transitioning to Passivhaus standard to meet our customer expectations



First three forward fund transactions will materially increase our delivery of Social & Affordable apartments

Seven Mills
(Clonburris)

318 new homes

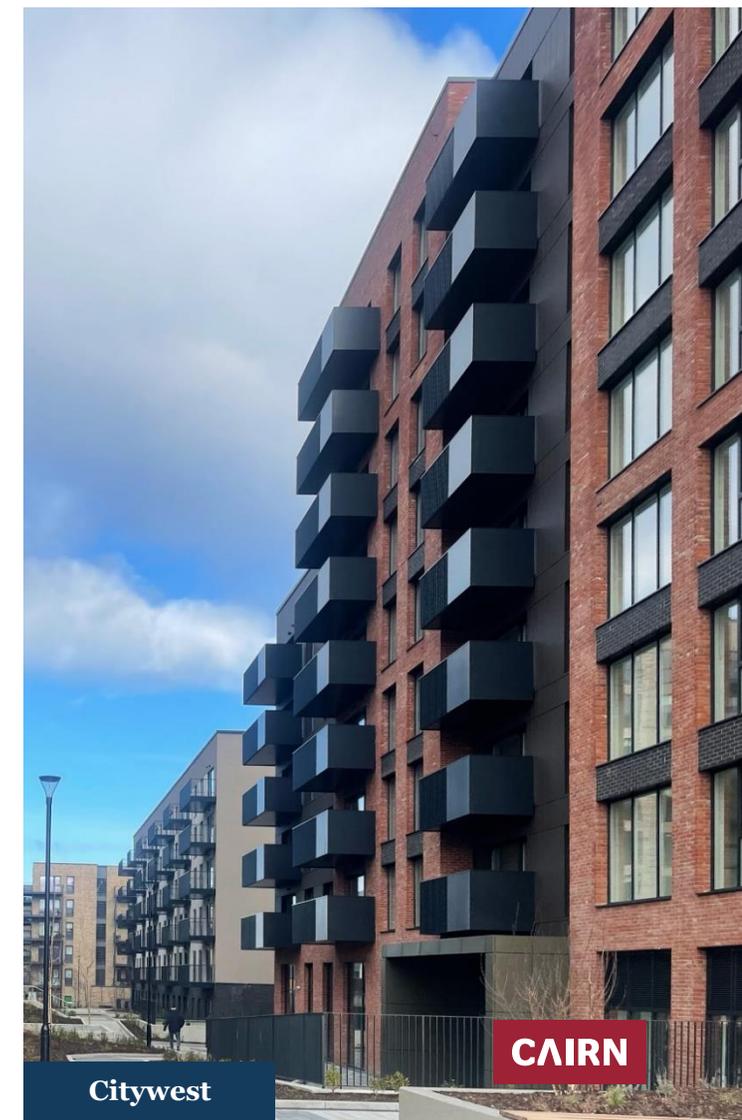
Parkside
(Dublin 13)

368 new homes

Piper's Square, Charlestown
(Dublin 11)

598 new homes

Cairn delivery timeline beats the broader market by at least 15%**



Progressing Delivery of Our €2bn GDV* Seven Mills Development



December 2022



January 2024

Seven Mills Overview

25,000

Residents to
be housed

9,000

Mixed tenure
homes

10,000

Jobs in commercial
and retail

13km

From Dublin
City Centre

Construction Status Update

Phases 2 & 3 commencements:

January 2024 of 765 new homes

500+ people:

Working on site daily

€200m+ infrastructure works:

Ongoing throughout our current and future phases



Sustainability Focus

Passive House:

Commenced our second Passive House apartment development (608 units)

Biodiversity Net Gain (“BNG”):

Progress including: full BNG site assessment, propagation and replanting and the creation of nature-based surface water management



Sales Update

Autumn / Winter (2023)

First private launches with all 140 homes released sold

March – September (2024)

Up to 150 private homes to be released

Forward Fund

Funding for 318 new homes in Phase 1 agreed and approved

Built For Good in Communities

The Cairn Academy



A **Cairn** initiative to address the labour challenges in the construction sector. Cairn is investing **€10 million** over the next **5 years** to increase the number of people retained and employed in the industry.

Home Together



A **community** creation initiative within **Cairn** developments that fosters and grows connections between new residents. The program is run in partnership with **Neighbourhood Network** and Cairn will invest upwards of **€2 million** to ensure our **communities thrive**.

Cairn Community Games



A new headline sponsorship agreement whereby **Cairn will invest €3 million** over a 4-year period to grow awareness and participation in **Cairn Community Games**. Annually **Cairn Community Games** takes place in **430 towns** in Ireland with **160,000** young people taking part.

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02.

FY 2023 Financial Results

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FY2023 Financial Performance

	2023 Unaudited	2022 Audited	Movement
	€m	€m	
Revenue	666.8	617.4	+8%
Cost of Sales	(519.2)	(483.1)	+7%
Gross profit	147.6	134.2	+10%
<i>Gross margin %</i>	22.1%	21.7%	+40bps
Opex	(34.2)	(31.2)	+10%
EBIT	113.4	103.0	+10%
<i>EBIT margin %</i>	17.0%	16.7%	+30bps
Finance costs	(14.1)	(9.6)	+47%
PBT	99.4	93.5	+6%
PAT	85.4	81.0	+5%
EPS	12.7 cent	11.5 cent	+1.2 cent
Net assets	757.2	751.8	+1%
NAV per share	1.156	1.096	+6c
Land at cost	609.2	628.3	(€19.1m)

The Company delivered our strongest ever financial and operational performance in 2023

Significant unit, revenue and profit growth delivered

Revenue and Sales Performance KPIs

Closed and Forward Sales Pipeline (as at 28 February 2024)	Units	Revenue (Net)
2024 – closed and forward sales	1,685	€635m
2025/2026 – forward sales	788	€311m
Total closed and forward sales pipeline	2,473	€946m

WIP Investment Underpinned by Forward Sales	FY20	FY21	FY22	FY23
Closed & Forward sales – units*	925	1,218	1,503	2,473
Closed & forward sales – value*	€307m	€463m	€534m	€946m
Closing WIP (at financial year end)	€278m	€268m	€339m	€334m
Forward sales coverage of WIP	1.1x	1.7x	1.6x	2.8x

Multi-year closed and forward order book matched to low-density housing and high-density apartment delivery

De-risked WIP investment supporting expected volume growth of 26% in 2024

Balance Sheet as at 31 December 2023

	31 December 2023 Unaudited	31 December 2022 Audited	Change
	€m	€m	
Land held for development	609.2	628.3	(€19.1m)
Construction work in progress	334.3	339.0	(€4.7m)
Other receivables	54.4	20.5	
Other assets and liabilities	(92.4)	(86.7)	
Net assets (excluding net debt)	905.5	901.1	
Net debt	(148.3)	(149.3)	+€1.0m
Net assets	757.2	751.8	+€5.4m
Balance sheet KPIs			
Shareholder distributions	84.6	117.0	(€32.4m)
Debt to GAV	17.9%	17.3%	+60bps

Asset backed balance sheet underpinned by committed and flexible debt facilities

Key Cash Flow Movements

	Dec-23	Dec-22	Movement
	€m	€m	€m
Net Debt	148.3	149.3	(1.0)
Key Movements			
EBITDA			121.5
Decrease in land held for development			19.2
Decrease in construction work in progress			4.7
Increase in receivables/liabilities			(41.6)
Purchase of intangibles/tangibles			(4.1)
Dividend paid			(41.9)
Share buyback			(42.7)
Finance costs			(14.1)

Net debt was relatively flat year on year at **€148.3m**, resulting in available liquidity of **€200.6m** at year end.

Land reduced by **€19.2m** following the release of land held from our 1,741 sales completions in 2023, offset by strategic land acquisitions

€4.7m net WIP movement following the release of WIP held from our 1,741 sales completions of **€444.7m** offset by WIP investment of **€439.9m** across 20 active sites.

WIP investment is more than **2.8x** covered by our forward sales pipeline.

Increase in receivables/liabilities **€41.6m** includes a balance of **€22.1m** relating to funds due from a block sale to a customer which was subsequently received.

Shareholder returns of **€84.6m**, including **€42.7m** relating to share buybacks.

Year-end net debt reduced to **€148.3m** from **€228.6m** at half year following strong H2 cash generation.

Capital Allocation: Delivering Significant Value For All Stakeholders

Sustained positive momentum

Continued annual growth in volumes, revenue and profitability supported by timely and tactical land acquisitions

Driving significant cash generation and monetisation of our landbank

Balance Sheet Discipline

Focus on balance sheet efficiency and growing ROE to 15% in FY24

Shareholder Returns

We will continue to distribute surplus capital after investing in our business to shareholders through a combination of progressive ordinary dividends, share buybacks and/or special dividends

FY24 Guidance

c.30%

Growth

c.2,200

Units

c.€145m

Operating profit

15%

ROE

Committed shareholder returns as we continue our progressive dividend policy (40 – 50% payout ratio) and share buyback



Archers Wood

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03.
**Sustainability
Update**

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ESG – Tracking Progress

Environmental



Retained CDP Grade A-

Scope 1-3 short term targets approved by Science Based Targets initiative (SBTi)

SBTi 2050 Net-Zero commitment made

Biodiversity Net Gain achieved on 42% of commencements

Passive House pilot development – Piper’s Square Charlestown 598 apartments



Social



Cairn Apprenticeship Scheme announced - €10 million funding

Founding member of Supply Chain Sustainability School launched in January 2024

Safe T Cert Grade A maintained & reduction of 19% in Lost Time Incidents

Cairn Community Games which will take place in 430 towns with over 160,000 people taking part. We will invest €3m over 4 years



Governance



Alignment with UN Sustainable Development Goals in 2023 Sustainability Report

Continued preparation for upcoming EU reporting requirements Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy

Triple ISO Certification:

- 9001 management
- 14001 environmental
- 45001 health & safety



The next phase of Passivhaus standard implementation

The most sustainable scaled apartment developments in Ireland



Piper's Square, Charlestown

Units:
598 apartments

Commencement Date:
October 2023

Delivery Date:
From June 2025

Certification:
Best practice by the Passivhaus Institute



Phase 2, Seven Mills

Units:
608 apartments

Commencement Date:
January 2024

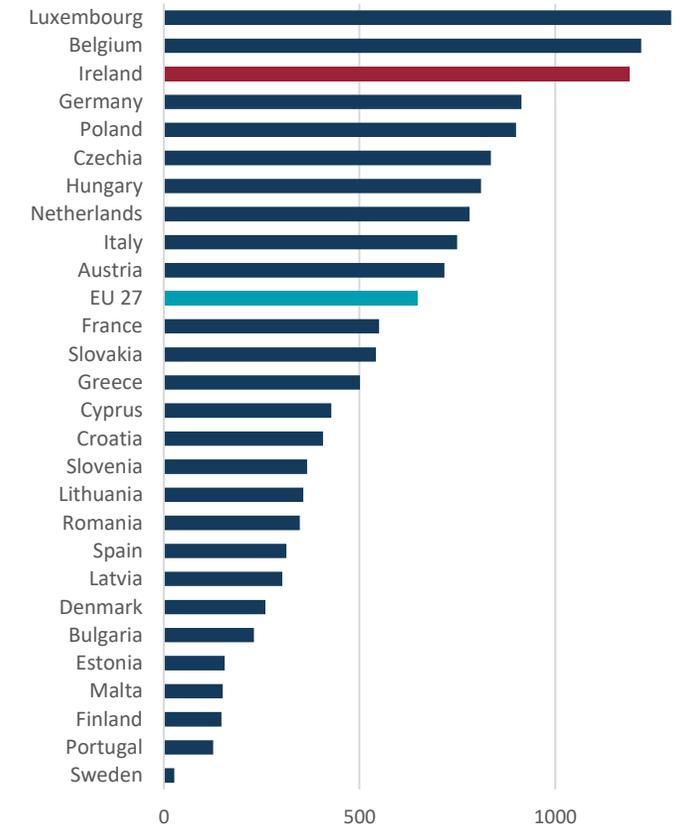
Delivery Date:
From June 2025

Certification:
Best practice by the Passivhaus Institute

80 sqm Apartment	Utility Bills p.a.
nZEB compliant	€1,355
Passivhaus standard	€806
Annual saving €	€549
Annual saving %	-41%
Lifetime* saving per apartment (undiscounted) €	€32,940
Lifetime* saving across both schemes (undiscounted) €	€39,725,640

Refer to Page 33 for detailed assumptions

Greenhouse gas emissions by households for heating and cooling CO2 equivalent**



2024 Green Construction Award Winners

We are extremely proud to have won the prestigious 2024 Green Construction Awards

The Green Awards recognise the extraordinary contribution and commitment that companies now make towards growing a greener future in Irish business today.

We won this award as a result of our:

- **Decarbonisation** progress across scope 1, 2 and 3;
- Comprehensive **Waste and Water Management Strategies**;
- Industry leading **Biodiversity** actions; and
- Leadership in the sector through **Responsible Sourcing Programme** and as a Founding Partner of the **Supply Chain Sustainability School**.



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04. Outlook

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Outlook

Our Business

Mature and sustainable business platform with significant momentum

Exceptional demand for our quality built, energy efficient homes in great locations

Market leading position, competitive pricing and focus on value for money

Significant cash generation in 2024 and beyond will continue to fund consistent shareholder returns

Strong economic growth and significant pent up demand for new homes

Supportive State Policies

Policy backdrop now delivering tangible results

Shared equity (up to 30%) gaining traction and Help to Buy (10%) well established

Levy rebates are effective at unlocking low-density viability

Significant focus on apartment delivery (enhanced CREL and CALF funding, Croí Cónaithe)

Compact Growth Guidelines likely to benefit some of our sites

National Planning Framework under review and potential revision of Housing for All targets

FY24 Guidance Recap

c.30%

Growth

c.2,200

Units

c.€145m

Operating profit

15%

ROE

Committed shareholder returns as we continue our progressive dividend policy (40 – 50% payout ratio) and share buyback

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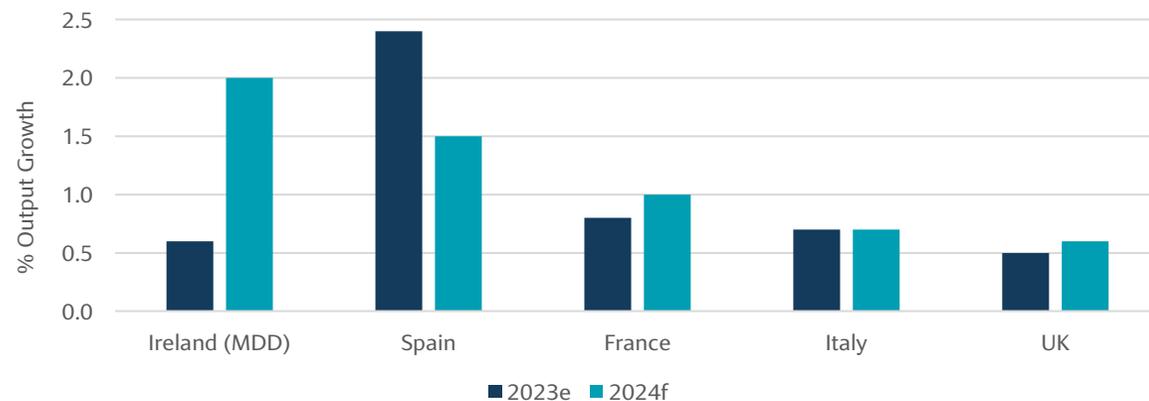


05. Appendices

Built For Good

Strong Macroeconomic Backdrop

Ireland is forecast to outpace other European economies in 2024



Ireland will record the largest budget surplus in the EU this year



Continued Steady Growth

Growth in the Irish domestic economy is expected to pick up to 2.0% in 2024, a significant increase from 2023, where growth of 0.6% is expected to have been recorded.

Demographics Support Housing Demand

Near-record levels of net migration have helped push Ireland’s population to 5.28 mn people, up nearly 100,000 in the year to April.

Record Levels of Employment

A record 2.71 million people were in employment in Ireland in Q4 2023, reflecting an economy at near full employment.

Strong Personal Balance Sheets

Despite cost-of-living pressures, household deposits have grown by €42bn since 2019 to €153bn (€4.1bn in 2023) while consumer spending grew by +3.6% in the year to Q3 2023.

Mortgage Backdrop

FTB mortgage market continues to grow (FTB mortgage approvals €8.8 bn). Green mortgages offer large discounts.

Robust Public Finances

Ireland is forecasting a general government surplus of €8.4bn in 2024 and a cumulative 2023 – 2026 surplus of over €46bn. Tax revenues grew by 6% in 2023, to €88bn.

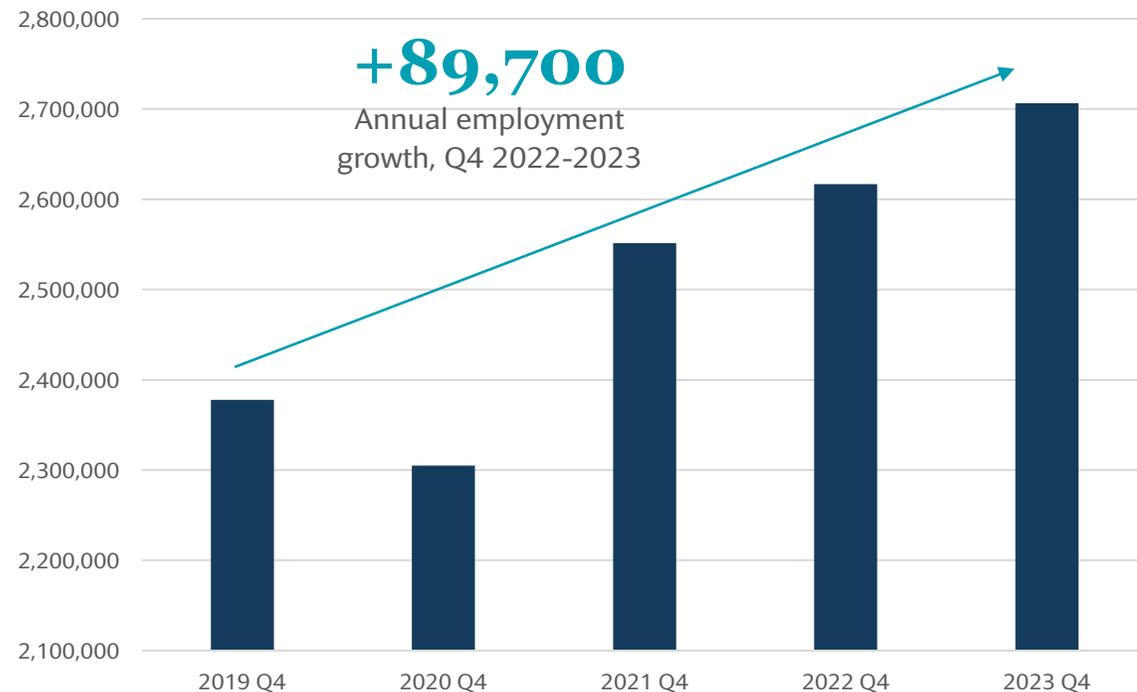
All Supporting Ambitious Housing for All Targets

Over 300,000 new homes by 2030, including 142,000 Social & Affordable homes through Local Authorities, Approved Housing Bodies and the Land Development Agency underpinned by €21 bn capital funding to 2025.

Employment and Population Growth are Driving Housing Demand

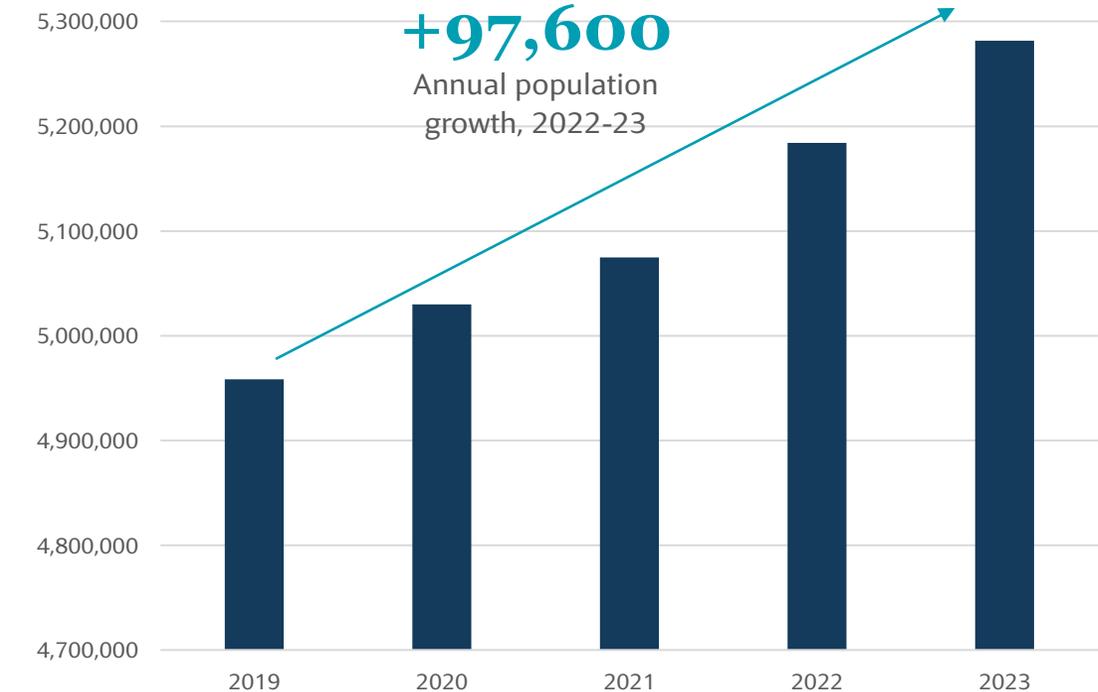
Record levels of employment with 2.71 million in employment

The labour market was at near full-employment in Q4, with 2.71 million people in jobs. Net job creation of nearly 90,000 jobs was recorded in the last year.



Strong population growth driven by net inward migration

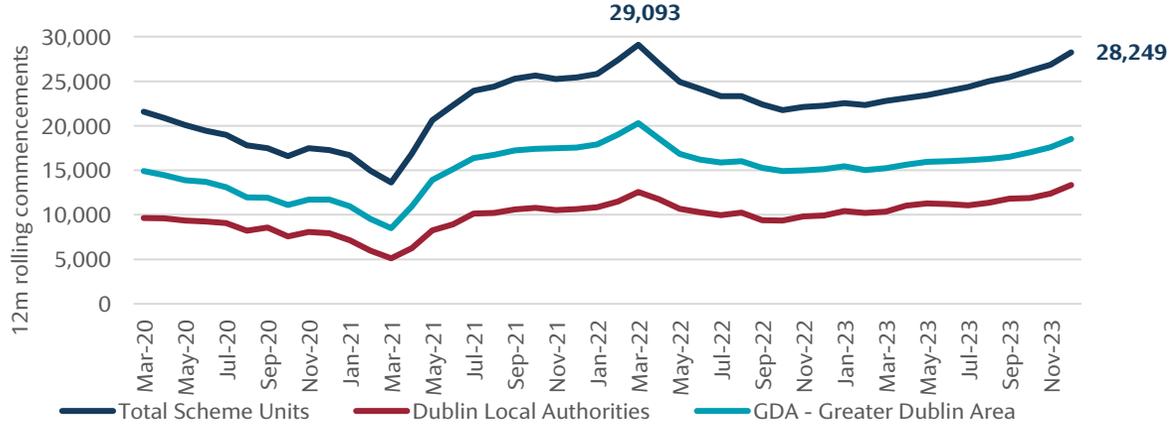
Ireland's population stood at 5.28 million in April – reflecting continued immigration. The continued growth helps drive employment growth and housing demand.



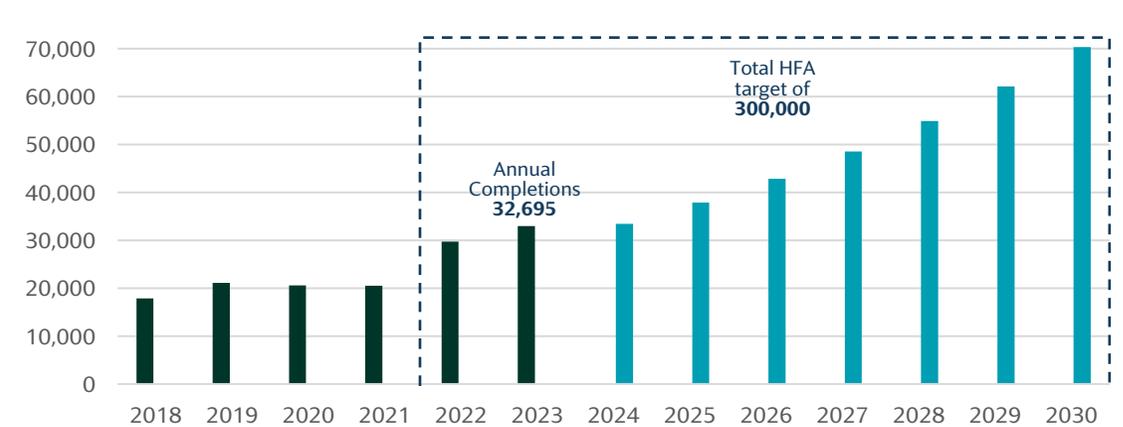
Ireland has created more than 1 job for every additional 1 person increase in population since 2019

Supply is Still Significantly Below Structural Demand

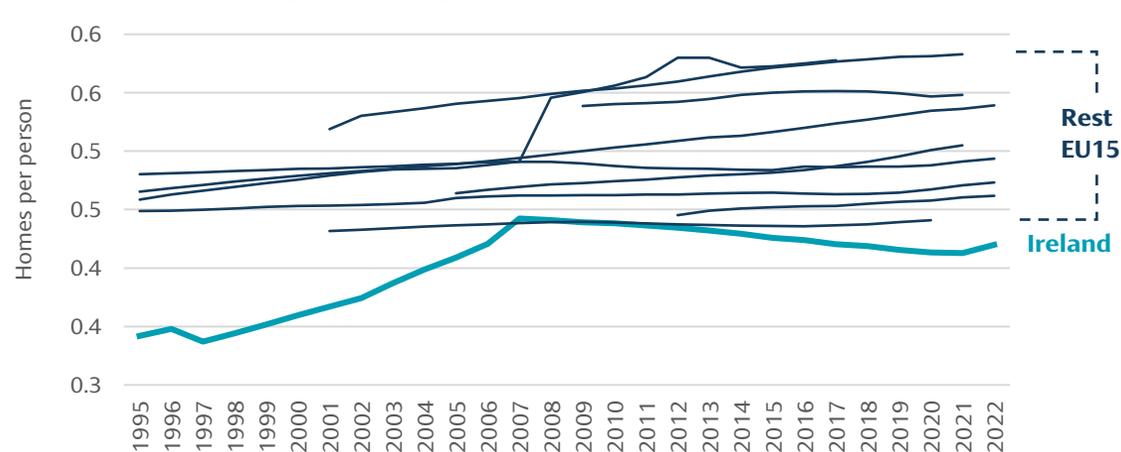
New home commencements have rebounded (excl. one-off)



Significant increase needed to achieve HFA target by 2030



Ireland's housing stock lags peer countries



THE IRISH TIMES

31 January 2024

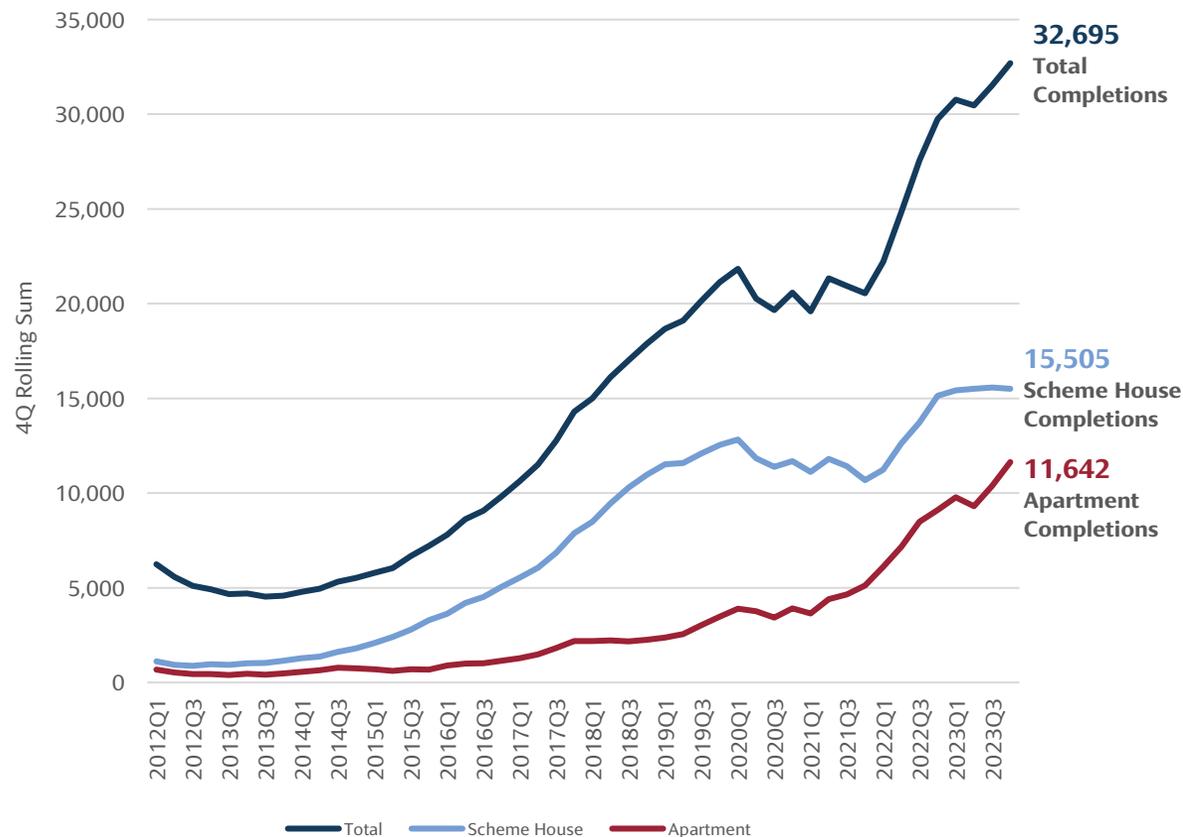
An extra 120,000 homes may be needed by 2030, Ministers warned

“Sources say ...the cabinet committee on housing ... were also informed that ... it was likely revised demand would be about 50,000 new homes every year until at least 2030.”

Leading indicators point to supply growth into 2024

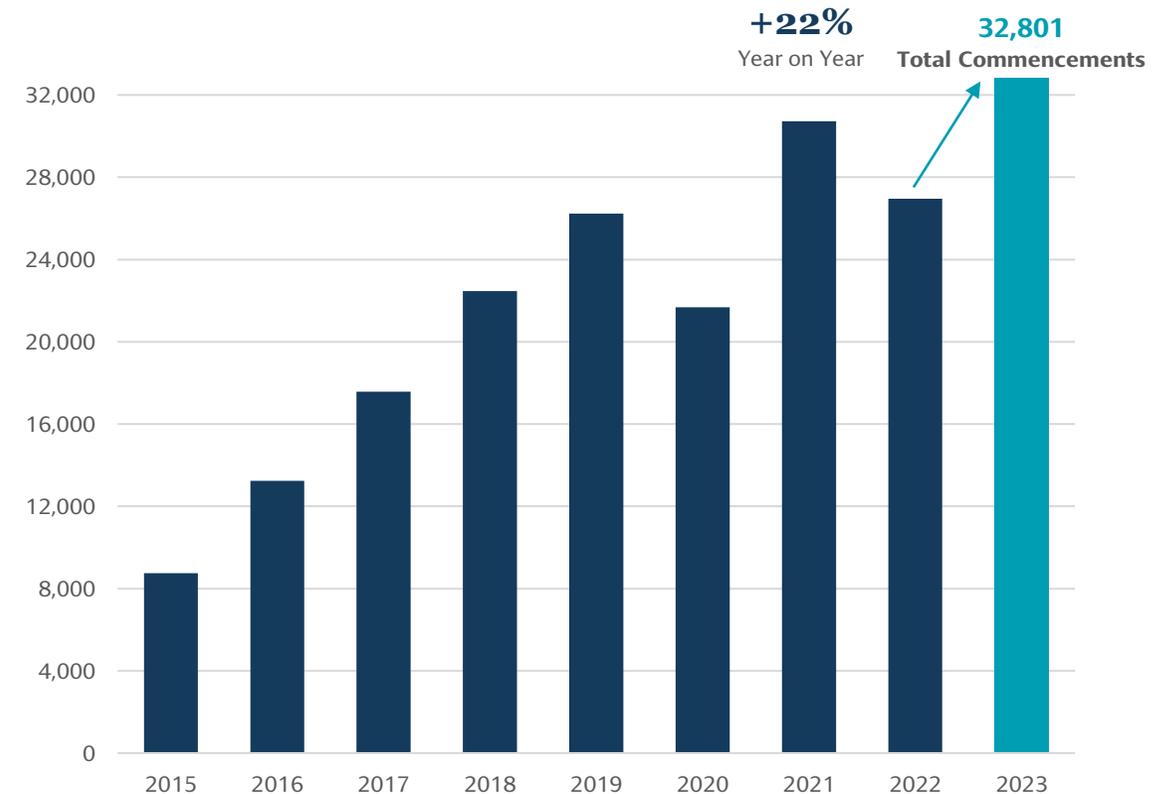
Nearly 33,000 units completed in 2023

32,695 new homes were completed last year – the highest level since 2008. This increase was largely driven by a 28% increase in apartment completions.



Strong momentum sees 22% growth in annual commencements

Annual commencements of over 30,000 indicate a strong pipeline of units into 2024. This is the highest annual figure since the current series began in 2014.



Supportive Government Policies and Initiatives Delivering for FTBs

Help to Buy
28,000

Record applications submitted by FTBs in the 11 months to November 2023 (+19% on 2022)

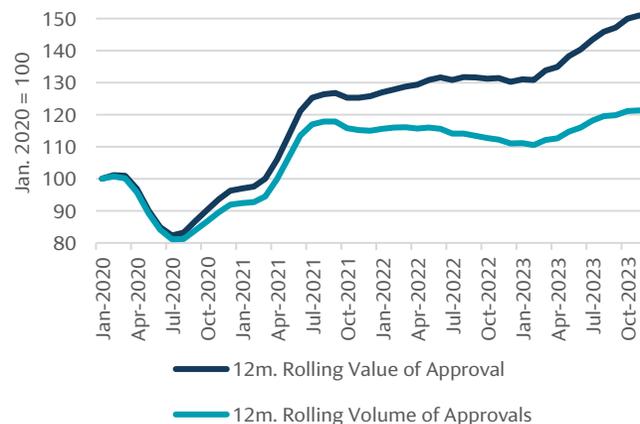
First Homes Scheme
3,803

Applications since July 2022, of which 3,111 buyers were approved to purchase new homes benefitting from State equity support

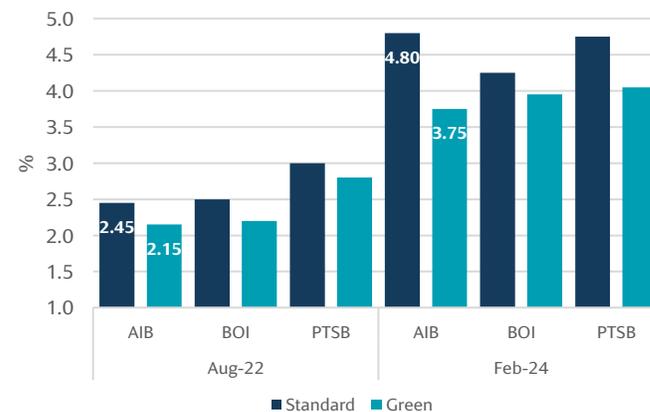
FTB Mortgage Approvals
€8.8bn

Value of mortgage approval for FTBs grew by 16% in 2023

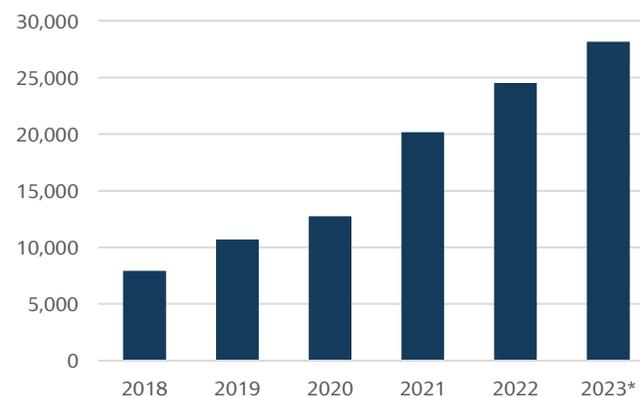
Volume of FTB mortgage approvals up 9%



Green mortgages continue to offer large discounts

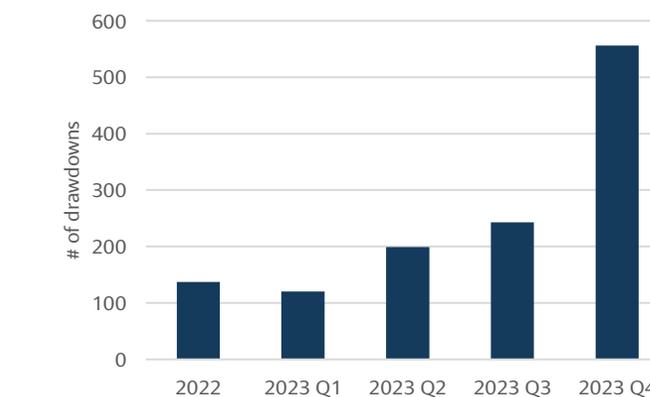


Record Help to Buy applications



* 2023 represents Nov-23 YTD

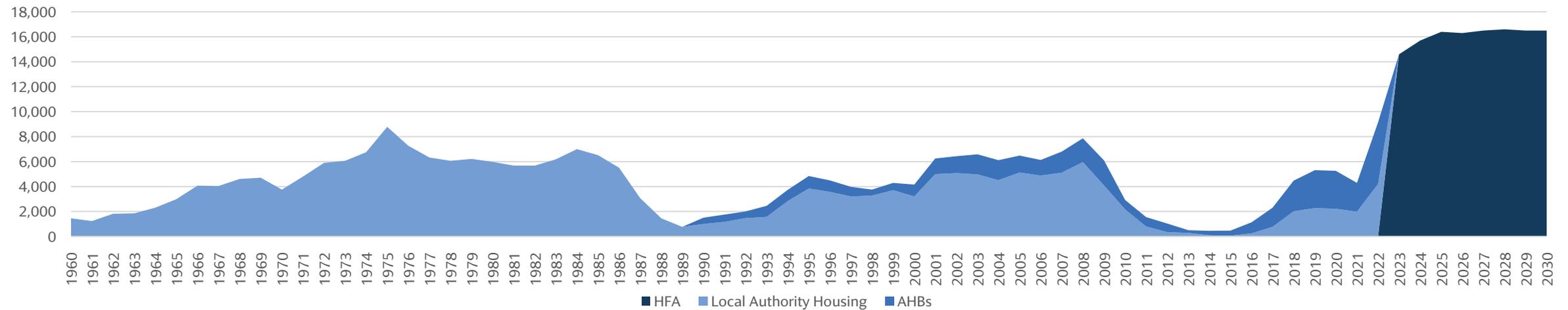
Surge in First Home Shared Equity Drawdowns



Housing for All

Ambitious Plan to Deliver 140,000+ Social & Affordable New Homes

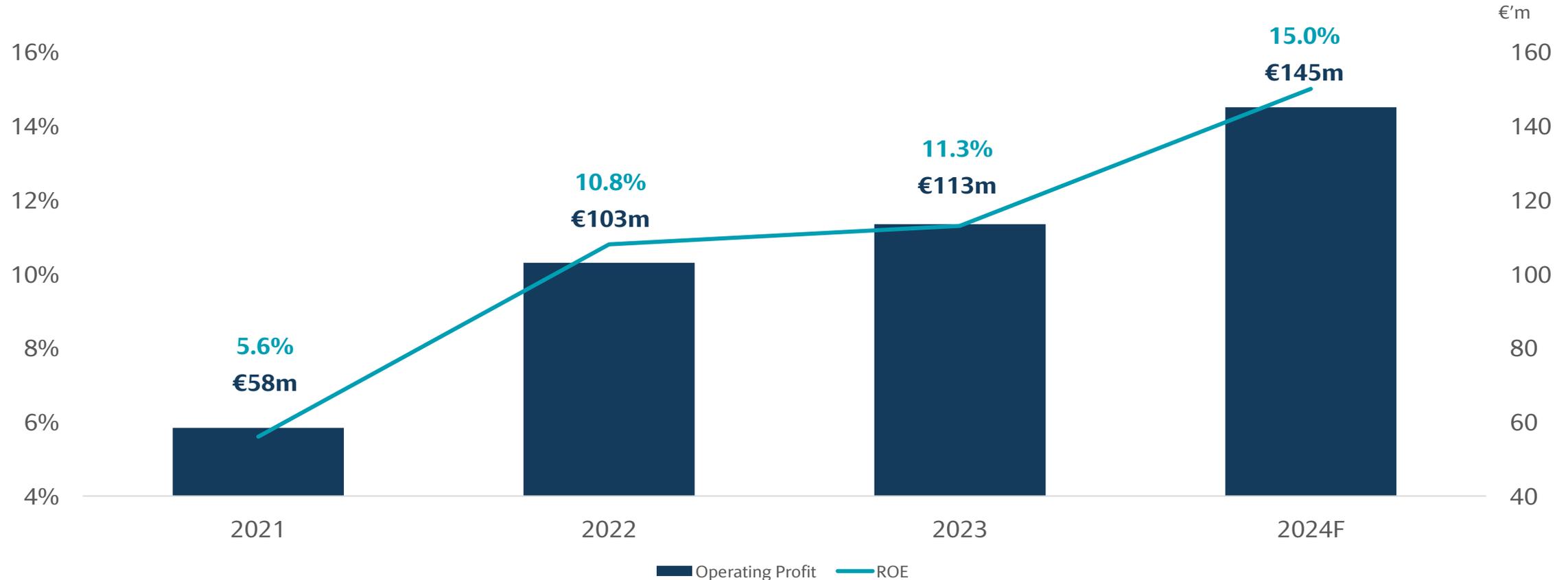
Historic delivery of social housing in Ireland highlights the ambitions of Housing for All



Annual Social & Affordable targets to 2030

Tenure	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Social Homes	9,000	9,100	9,300	10,000	10,200	10,200	10,200	10,200	10,200	88,400
Affordable & Cost Rental Homes	4,100	5,500	6,400	6,400	6,100	6,300	6,400	6,300	6,300	53,800
Total	13,100	14,600	15,700	16,400	16,300	16,500	16,600	16,500	16,500	142,200
Units Delivered	12,020	14,000f								

Balance Sheet Discipline Generating Shareholder Value



Impressive operating profit growth with line of sight to 15% ROE in 2024

Supporting Calculation to Passive House Savings

80 sqm apartment	Night/ Day rate	Development 1 nZEB		Development 2 Passive House	
		kWh	Cost	kWh	Cost
Electricity (Heating HW Vent)	Night	11.25	€1.58	16.86	€2.36
	Day	11.25	€2.81	11.24	€2.81
Electricity (Household)	Day	19.60	€4.90	19.60	€4.90
Gas		52.00	€7.64	0.00	€0.00
Total (energy usage)	kWh / sqm	94.1		47.7	
Costs of Energy	per sqm (80)		€16.93		€10.07
Utility Bills p.a.			€1,354.52		€805.63
Saving					-40.5%

This table breaks down the calculation of the energy savings for a scheme designed to the Passive House standard versus a standard nZEB A2 development.

The costs have been calculated based on day and night electricity and gas rates from the SEAI (Sustainable Energy Authority of Ireland) and includes an allowance for unregulated energy (plug loads) but excludes standing charges.

The all-electric Passive House development has a significantly lower overall energy usage.

Cairn Brands



Elsmore.



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