

1 February 2021

### **Business Review Paying Off in FY21**

Tamawood has recorded a net profit after tax result, subject to audit clearance, of \$3.159 million for the half year ended December 2020 (December 2019: \$1.768 million) an increase of 78%. TWD proposes to pay an interim fully franked dividend of 11 cents based on the 2020 first half result in March 2021. The first half FY21 would have been a better improvement on first half FY20 if not for delays in contract signings caused by the introduction of the Federal Government 'HomeBuilder' Grant, due to the initial lack of clarity as to its conditions and consequently the late release of application forms.

As previously announced, TWD has recorded significant sales increases due to the 'HomeBuilder' Grant and ordinarily as a result, the Board would expect that TWD would easily restore the total fully franked dividends of 27 cents for the 2021 financial year.

Unfortunately, as I have previously advised and discussed in the Financial Review, the industry may experience a number of issues due to the conditions and timing of the 'Homebuilder' Grant introduction.

- There may be significant delays in build times caused by a shortage of subcontractors as all builder's source trades from the same pool of labour,
- There may be a shortage of materials as local manufacturing capacity is limited,
- There may be delays with the importation of Australian approved building materials.
- Many Builders may experience cash flow issues due to delays in construction.

Our Directors, Management and Staff have done everything we identified as necessary to mitigate these issues and believe that we are in a better position than most, being debt free with long standing supply and trade relationships and fully digitized enterprise management systems. However, we will continue to monitor this position closely as there is no doubt there will be an impact within the industry and we cannot predict how and when we will be affected.

Authorised by:  
Robert Lynch  
Chairman