

ASX Announcement



Cedar Woods: Market Update

In light of the uncertainty surrounding the impact of the COVID-19 pandemic, Cedar Woods Properties Limited (ASX: CWP) ('Cedar Woods' or 'the Company') provides the following market update.

Response to COVID-19 and Earnings Guidance

The Company has taken proactive measures across the business to safeguard staff, customers and other stakeholders and to ensure as much as possible the smooth running of its property developments.

Cedar Woods' Managing Director, Nathan Blackburne said: "The Board and management have acted quickly and, based on the best available information at this time, taken every reasonable measure to mitigate the impact of the pandemic against the long-term prospects of the Company.

"With our digital transformation process recently completed, we have the technology and business continuity systems in place to support a mobile and flexible workforce. This will allow us to remain engaged with our staff, clients and business partners, and to continue to operate effectively.

"While Cedar Woods is currently on track to complete the pre-sold developments scheduled for delivery in FY20, the ongoing uncertainty caused by the COVID-19 pandemic means the Company is unable to confirm guidance for 'moderately lower full year earnings in FY20 compared to FY19' due to matters including potential disruption that could arise from construction workers, local councils and other certifying authorities being unable to attend work. While a significant number of settlements are due in the last quarter of FY20, settlements that don't complete in FY20 are largely expected to fall into early FY21".

"The situation remains very fluid. We will continue to monitor events on a daily basis, and to keep investors, and stakeholders more broadly, fully informed," Mr Blackburne concluded.

Capital Management

Cedar Woods continues to be supported by three major banks who provide the Company's corporate finance facility which currently offers more the \$80 million undrawn headroom and has facility tenure to 30 January 2023 (for approximately 80% of the \$205 million limit) and 30 January 2025 (for the balance) respectively.

20 March 2020

Cedar Woods Properties Limited

ASX Code: CWP

Highlights:

- Cedar Woods has acted quickly in implementing measures across the business in response to COVID-19
- Developments on track, while unable to confirm earnings guidance due to uncertainty caused by COVID-19
- Strong balance sheet, low gearing and more than \$80 million in finance facility headroom
- DRP and BSP suspended for interim dividend

For further information

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The Company continues to exercise disciplined capital management, with gearing sitting at the lower end of the Company's target range of 20% to 75%.

The Company was pleased that on 19 March it settled the \$25.93 million 107 Overton Road office building at Williams Landing in Victoria and has substantial presales, many of which are expected to settle over the next four months, further strengthening the Company's balance sheet.

In light of the current volatility in equities markets, the Board has resolved to suspend the Bonus Share Plan (BSP) and Dividend Reinvestment Plan (DRP) for the interim dividend for the year ending 30 June 2020, to be paid on 24 April 2020. Hence for all shareholders, the 12.5 cents fully franked interim dividend will be paid in cash.

Cedar Woods' prudent capital management, balance sheet strength and continued support from its financiers, combined with the Company's quality portfolio – diversified by geography, product and price point – position the Company well to navigate the unpredictable conditions currently facing the economy.

Authorised by:
The Cedar Woods Board

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