

FLEETWOOD
AUSTRALIA

Half Year Results FY22

FEBRUARY 2022



Operating Segments

FLEETWOOD
BUILDING SOLUTIONS

WA

SA

VIC

NSW

QLD

FLEETWOOD
COMMUNITY SOLUTIONS

Searipple
Karratha

osprey
village

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RV SOLUTIONS

CAMEC

NRV
NORTHERN RIVER VALLEY

RVC

Highlights H1 FY22

- + Underlying EBITA loss of \$1.5m
 - + Building Solutions impacted by cost increases on major projects and COVID-19 lockdowns
 - + Community Solutions in line with expectations and H2 FY21 ahead of major project demand
 - + RV Solutions continues to benefit from domestic travel and is likely to remain strong in H2
- + \$56.2m in net cash
- + Interim Dividend of 2.0 cps
- + Appointment of two key executives to drive the diversification of revenue and to deliver the manufacturing transformation
- + Key contract wins on the Centres for National Resilience in Melbourne, Brisbane and Perth
- + Demand for Searipple strengthening
- + Cost and price management in RV Solutions led to an excellent result



Denham Court Public School, New South Wales

COVID-19 Update

- + Lockdowns in H1 FY22 had a cumulative impact on our operations with construction site, factories and border barriers all impacting our business
- + Lifting of restrictions in December introduced a new challenge with the Omicron variant, resulting in further labour restrictions and uncertainty
- + Absenteeism peaked at 12% of the workforce in January but is now improving



Installation of Upfield Kindergarten, Victoria

Earnings Summary

- + Solid results from RV and Community Solutions, offset by Building Solutions
- + Building Solutions:
 - + Two under-performing major contracts
 - + COVID-19 shutdowns impacted east coast performance and progress
 - + Centres for National Resilience contracts performing to plan and drove revenue growth in Q2
- + Community Solutions results similar to H2 FY21 as expected
- + Domestic travel boom drove RV Solutions performance
- + Price increases achieved in RV Solutions
- + Carrying value review of Building Solutions resulted in significant items and provisions of \$39.8m

\$ Million	H1 FY22	H1 FY21
Revenue	209.2	169.9
EBITDA	6.8	24.4
Depreciation	8.3	8.4
EBITA	(1.5)	16.0
Amortisation of contract intangible	1.1	1.9
Finance costs	0.7	0.7
Pre-tax profit	(3.4)	13.4
Tax expense (benefit)	(1.2)	4.1
Underlying NPAT	(2.2)	9.3
Significant items	39.8	0.0
Tax expense (benefit)	(3.4)	0.0
Significant items after tax	36.5	0.0
Continuing operations NPAT	(38.6)	9.3
Loss from discontinued operations	(0.5)	(0.7)
Statutory NPAT	(39.1)	8.6
NPATA	(1.4)	10.7

Cashflow Summary

- + Prudent management of cash delivered solid cashflow despite operational challenges
- + Tax payments have recommenced
- + Working capital contained despite revenue growth
- + Project finance advance returned in July 2021
- + Dividend payments of \$9.9m

\$ Million	H1 FY22	H1 FY21
EBITDA	6.8	24.4
Cash outflows from discontinued businesses	(0.5)	(1.2)
Interest paid (net)	(0.7)	(0.3)
Tax	(3.9)	1.8
Working capital (and other)	7.3	(0.9)
Operating cashflow	9.0	23.8
Net capex	(5.5)	(1.0)
Free cashflow	3.5	22.8
Net acquisitions	0.0	0.0
Project finance advance	8.7	(8.7)
Lease repayments and other	(3.7)	(3.9)
Dividends paid	(9.9)	(11.3)
Financing cashflows	(4.9)	(23.9)
Opening net cash (debt)	57.6	65.7
Closing net cash (debt)	56.2	64.6

Balance Sheet Summary

- + Strong cash position
- + No balance sheet debt. Credit facilities totalling \$85m drawn to \$23m for performance bonds
- + Significant items. Intangibles \$33.6m, working capital \$6.2m
- + Working capital well contained despite revenue growth

\$ Million	H1 FY22	FY21
Net working capital	17.9	35.1
Property Plant and Equipment	40.5	39.8
Intangibles	47.0	81.6
Other	12.4	8.4
Capital employed	117.8	164.9
Net debt (cash)	(56.2)	(57.6)
Shareholders funds	174.0	222.5
Capital employed	117.8	164.9

Building Solutions Performance

- + Revenue of \$151m compared with H1 FY21 of \$117m
- + Centres for National Resilience contracts are delivering to expectations and drove revenue growth in Q2
- + Two key projects underperformed during H1 FY22
- + Both contracts were unrelated and future impacts mitigated
- + Cost increases also experienced on some smaller projects
- + COVID-19 related challenges also affected performance across several states
- + The order book has grown to \$189m during the half from \$103m in June 2021
- + Manufacturing transformation has commenced to leverage our national footprint and reduce our costs

\$ Million	H1 FY22	H1 FY21
Revenue	151.4	117.0
EBITA	(8.5)	4.1



Transportation of modules to the Centre for National Resilience, Melbourne

Building Solutions Strategy and Outlook

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Strategy

- + Lead the Australian modular industry by:
 - + Diversifying and growing our revenue base by leveraging the benefits of modular as an alternative to insitu building
 - + Expand existing industry market segments to increase revenue
 - + Generate more balanced and sustainable revenue sources at each operation to optimise capacity
- + Transforming our building business to a manufacturer to improve efficiency, costs and customer outcomes

Outlook

- + Absenteeism from Omicron is improving quickly
- + Lower impact expected from east coast lockdowns
- + Under-performing major projects contained in H1
- + Order book \$189m in December 2021 compared with \$103m in June 2021
- + Leveraging our national footprint to mitigate the impact of cost increases and availability of raw materials and labour shortages but risk remains



Springfield Pavilion, Victoria

Community Solutions Performance

- + Community Solutions results similar to H2 FY21 as expected
- + COVID-19 rosters benefitted H1 FY21 not repeated this year
- + Osprey Village in Port Hedland remains fully occupied with a substantial waitlist
- + Short term oversupply in the Pilbara region

\$ Million	H1 FY22	H1 FY21
Revenue	16.4	22.4
EBITA	4.7	10.9



Osprey Village, South Hedland Western Australia

Community Solutions Strategy and Outlook

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Strategy

- + Identify select project opportunities as Build, Own, Operate and Transfer
- + Target sectors include mining, residential and aged care sectors
- + Building Solutions provides the opportunity to build new villages at a competitive cost

Outlook

- + Demand for Searipple is expected to strengthen to support significant future capital projects in the oil and gas, fertiliser and green energy sectors
- + Beyond the resources industry and outside WA, Community Solutions is progressing opportunities in the residential and affordable housing sectors on the east coast



Searipple Village, Western Australia

RV Solutions Performance

- + OEM and aftermarket segments experienced strong trading conditions
- + Lockdowns had a limited impact during the half
- + Strong aftermarket created demand for parts, accessories, repairs and renovations
- + Price increases implemented
- + Continued strong management of raw materials, freight and operating costs

\$ Million	H1 FY22	H1 FY21
Revenue	41.4	30.6
EBITA	5.1	3.7



RV Solutions Strategy and Outlook

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Strategy

- + Expand products and renovations offering in the aftermarket
- + Commercialise new products such as sandwich panel walls and aluminium frames

Outlook

- + Medium-term outlook remains strong for domestic travel market
- + Uncertainty surrounding overseas travel is likely to remain for the time being
- + Price increases are holding
- + Challenges include product sourcing, freight and skilled labour shortages



Summary and Outlook

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- + Two major projects underperformed during H1 FY22
- + COVID related challenges also affected performance across the east coast
- + The order book has grown to \$189m during H1

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- + Demand for Searipple is expected to strengthen to support significant future capital projects
- + Beyond the resources industry, opportunities in the residential and affordable housing sectors are progressing

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- + Domestic tourism likely to remain strong due to the uncertainty surrounding overseas travel
- + No clear timeline for when international travel will be reintroduced for all Australians

OVERALL

- + Focus on revenue growth, sustainably improving margins, increasing utilisation and reducing overheads
- + Return to profitability in the second half of FY22

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