

31 August 2022

FLEETWOOD DELIVERS FY22 ANNUAL RESULT

CORPORATE HIGHLIGHTS

	FY22	FY21
	\$ million	\$ million
Revenue	446.1	360.1
EBITA (loss)	(12.3)	26.3
Pre-tax profit (loss)	(14.9)	21.2
NPATA (loss) ¹	(9.6)	17.3

DIVISIONAL RESULTS

	FY22	FY21
	\$ million	\$ million
Building Solutions		
Revenue	333.1	249.1
EBITA (loss)	(24.3)	9.6
Community Solutions		
Revenue	31.7	38.3
EBITA	8.3	14.6
RV Solutions		
Revenue	81.2	72.4
EBITA	9.8	7.8

¹NPATA = Underlying NPAT plus after-tax amortisation of contract intangible.

Fleetwood Limited (ASX: FWD) (Fleetwood or the Company) announces today full year earnings for FY22, recording a NPATA loss of \$9.6 million during the period. The Building Solutions business experienced difficult conditions related to two major projects, weather impacts, materials and labour shortages, as well as COVID-19 pandemic construction industry lockdowns in the first half. The majority of the losses related to the Rio Tinto Ti Tree Rail Camp Upgrade mining project which experienced significant delays and cost escalation and a further onerous contract provision of \$8.9 million was taken at year end.

Despite this, the Company has maintained a strong cash position of \$55.3m. The cash position remains well-matched to the Company's ongoing requirements.

RV Solutions continued to perform well with the ongoing popularity in domestic travel. Community Solutions (formerly Accommodation Solutions) delivered a similar annualised H2 FY21 run rate as expected, with new supply entering the Karratha market ahead of major project commencements.

Fleetwood has recorded an earnings before interest, tax and amortisation (EBITA) loss of \$12.3m (30 June 2021: \$26.3m profit) on a 24% increase in revenue to \$446.1m (30 June 2021: \$360.1m).

Given the results for the year and the continuing challenges in the construction industry, including supply chain disruption and labour shortages, the Board considered it prudent for Fleetwood not to pay a final dividend for FY22.

The Company's dividend policy remains to pay out 100% of net profit after tax (NPATA basis).



CEO COMMENT

Commenting on the full year results Managing Director Bruce Nicholson said:

“The loss in the Building Solutions business is clearly not acceptable and we are focussed on stabilising this business and achieving an acceptable level of return for our shareholders.

“I am confident we have the platform in place to return to profitability in the year ahead.

“RV Solutions has continued to deliver outstanding performance in a buoyant market. The domestic RV market also experienced significant cost pressures requiring disciplined management to maintain margins.

“Community Solutions delivered strong earnings despite the impact of additional regional room supply in the Karratha market. Looking forward, Community Solutions has a positive outlook with the signing of a new 5-year agreement with Rio Tinto at the end of FY22.

“A significant portion of the loss in Building Solutions reflected issues on the Ti Tree contract with Rio Tinto and the provisions we have made for that. We are committed to completing the project and will continue to pursue a number of material claims which remain the subject of ongoing commercial negotiations.

“The order book remains solid at \$130 million, and our decision to pivot away from large complex projects in the second half of the year has seen us significantly reduce our exposure to this segment. Multiple opportunities remain available for Building Solutions, in lower risk, less complex projects that better match our capability.

“The Company will continue to implement our Build, Transform, and Grow strategy that provides the roadmap for the pathway to improve the quality and consistency of our earnings. This strategy will position our capability, systems, and processes to maintain and grow margins as revenue streams are diversified and allow productivity efficiencies to be captured and retained.

“I look forward to the sharing the results of these programs with shareholders in the coming year.”

Full details of the FY22 results can be found in the 2022 Preliminary Final Report.

This announcement was authorised by the Fleetwood Limited Board.

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