

FLEETWOOD
AUSTRALIA

Full Year Results FY22

AUGUST 2022



Operating Segments

FLEETWOOD
BUILDING SOLUTIONS

WA

SA

VIC

NSW

QLD

FLEETWOOD
COMMUNITY SOLUTIONS

Searipple
Karratha


GLYDE

 osprey
village

FLEETWOOD
RV SOLUTIONS

 **CAMEC**

 **NRV**
NORTH RIVER VILLAGE

 **RVC**

Our Vision Our Values

Vision

To be the leader in
reimagining sustainable spaces.

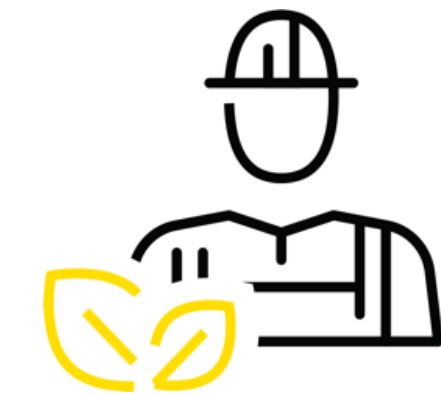
Purpose

To create innovative
spaces so people can thrive.

Our Values



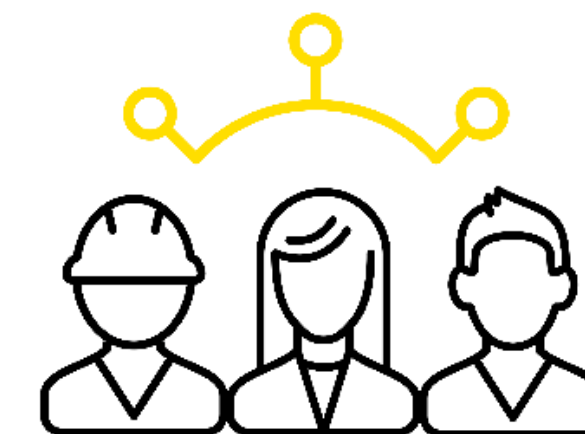
Growth through
innovation



Zero harm



Collaboration



Accountability



Integrity



Overview FY22

- + Underlying EBITA loss of \$12.3m (vs \$26.3m profit in FY21).
- + Building Solutions impacted by cost increases on major projects, material and labour shortages and COVID-19 lockdowns. EBITA loss of \$24.3m.
- + Community Solutions EBITA of \$8.3m ahead of major project demand.
- + RV Solutions continuing to benefit from domestic travel demand. EBITA of \$9.8m.
- + \$55.3m in net cash.
- + Appointment of three key executives to drive operational improvement, diversification of revenue and to deliver the manufacturing transformation. Executive team re-build not yet complete.
- + Demand for Searipple strengthening.
- + Cost and price management in RV Solutions led to an excellent result.



Building Solutions

Major Project Overview

- + Approximately 80% of the \$24.3m loss in Building Solutions was as a result of major project underperformance.
- + The Rio Tinto Ti Tree Rail Camp Upgrade mining project in Western Australia accounted for the vast majority of these losses.
- + Fleetwood will continue to pursue a number of material claims which remain the subject of ongoing commercial negotiations.
- + These claims have not been accounted for in the result.
- + Other major projects impacted operations during the year.
- + Ongoing exposure to major projects reducing (50% December 2021 order book, 15% June 2022 order book).



Earnings Summary

- + RV Solutions delivered record results in FY22 offset by a quieter year from Community Solutions and a loss for Building Solutions.
- + The Building Solutions loss reflects the impact of major project cost overruns, COVID-19 shutdowns and ongoing materials and labour shortages.
- + Searipple Village saw new supply enter the Karratha market ahead of major project demand.
- + COVID-19 rosters benefitted Searipple in H1 FY21.
- + The domestic travel boom continued to drive RV Solutions performance.
- + Carrying value review of Building Solutions resulted in significant impairment and provisions of \$39.8m in H1.

\$ MILLION	FY22	FY21
Revenue	446.1	360.1
EBITDA	4.3	42.5
Depreciation	16.6	16.2
EBITA	(12.3)	26.3
Amortisation of contract intangible	1.1	3.8
Finance costs	1.5	1.3
Pre-tax profit	(14.9)	21.2
Tax expense (benefit)	(4.5)	6.6
Underlying NPAT	(10.4)	14.6
Significant items	(39.8)	0.0
Continuing operations NPAT	(46.9)	14.6
Loss from discontinued operations	(0.6)	(1.3)
STATUTORY NPAT	(47.5)	13.3
NPATA	(9.6)	17.3

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 \$11.8m.

\$ MILLION	FY22	FY21
EBITDA	4.3	42.5
Cash outflows from discontinued businesses	0.0	(0.3)
Interest paid (net)	(1.4)	(1.1)
Tax	(6.7)	0.5
Working capital (and other)	19.0	(14.9)
Operating cashflow	15.3	26.7
Net capex	(7.0)	(1.3)
Free cashflow	8.2	25.4
Net acquisitions	0.0	0.0
Project finance advance	8.7	(8.7)
Lease repayments and other	(7.5)	(7.8)
Dividends paid	(11.8)	(17.0)
Financing cashflows	(10.6)	(33.5)
Opening net cash (debt)	57.6	65.7
Closing net cash (debt)	55.3	57.6



Balance Sheet Summary

- + Strong cash position retained.
- + Total debt and bonding facilities of \$85 million drawn to \$27 million for performance bonds.
- + Significant items. Intangibles \$33.6m, working capital \$6.2m.
- + Onerous contract provision reduced working capital.
- + No final dividend. Policy remains to pay out 100% of future NPATA.

\$ MILLION	FY22	FY21
Net working capital	8.7	35.1
Property Plant and Equipment	36.9	39.8
Intangibles	46.8	81.6
Other	15.8	8.4
Capital employed	108.3	164.9
Net debt (cash)	(55.3)	(57.6)
Shareholders funds	163.5	222.5
Capital employed	108.3	164.9



Building Solutions Performance

- + FY22 recorded an EBITA loss of \$24.3m on revenue of \$333.1m.
- + Revenue growth driven by the approximately \$75m of work performed on the Centre for National Resilience programs.
- + Earnings impacted by the underperformance of key projects, particularly the Ti Tree project in WA.
- + Weather delays, input cost increases, material and labour shortages have all negatively affected the business.
- + COVID related shutdowns impacted operations at different times.
- + The order book remains solid at \$130 million and without any new material complex projects.

\$ MILLION	FY22	FY21
Revenue	333.1	249.1
EBITA	(24.3)	9.6



Building Solutions

Strategy and Outlook

Strategy

- + Build, Transform, Grow roadmap to drive improved quality and consistency of earnings.
- + Improve capability, systems, processes and brand awareness to underpin long term, sustainable growth.
- + Revenue diversification and moving from being a builder to manufacturer.

Outlook

- + Fleetwood is positioning to supply to lifestyle villages, affordable housing and defence sectors.
- + Adopting technology will enable collaboration, product innovation, and scalability.
- + Increased integration across the business will increase utilisation, realise procurement opportunities and reduce supply chain risks.
- + Standardising product platforms will reduce complexity.



Centre for National Resilience, Victoria

Community Solutions Performance

- + Finished FY22 with EBITA of \$8.3 million on revenue of \$31.7 million.
- + Return to normal occupancy patterns in FY22 after COVID-19 related rosters in H1 FY21 boosted revenue and earnings.
- + FY22 also saw the full impact of increased room supply in the Karratha market.
- + Osprey Village in Port Hedland remains fully occupied with a waitlist of potential tenants.

\$ MILLION	FY22	FY21
Revenue	31.7	38.3
EBITA	8.3	14.6



Searipple Village, 'Seafest', Western Australia

Community Solutions

Strategy and Outlook

Strategy

- + Base utilisation secured with potential for large demand uplift as planned projects gain momentum.
- + Glyde technology platform can position Fleetwood as a digital and ESG market leader and extend and enrich our relationships with customers.

Outlook

- + WA's Northwest has significant future projects planned in the oil and gas, fertiliser, and green energy sectors.
- + The recent five-year Rio Tinto agreement underpins utilisation and profitability and creates a strong negotiating position for discussions with additional clients.
- + Additionally, Build Own Operate/Transfer (BOOT) or Build to Rent (BTR) opportunities in the mining, residential and aged care sectors remain under consideration.
- + Building Solutions provides the opportunity to build new villages at a competitive cost.



Osprey Village, Western Australia

RV Solutions Performance

- + Strong FY22 performance produced EBIT of \$9.8 million on revenue of \$81.2 million.
- + Driven by strength in both the OEM and aftermarket segments and excellent trading conditions created by buoyant domestic tourism.
- + Strong management of increased material and freight costs allowed margins to be improved.

\$ MILLION	FY22	FY21
Revenue	81.2	72.4
EBITA	9.8	7.8



RV Solutions

Strategy and Outlook

FLEETWOOD
AUSTRALIA

Strategy

- + Expand retail offering in the aftermarket and increase visibility and engagement with caravan buyers.
- + Commercialise new products in the OEM segment.
- + Update IT systems to take advantage of current technological capability and improve productivity.

Outlook

- + The medium-term outlook remains positive with OEM order books at high levels and recent sales growth likely to support the aftermarket.
- + New products such as sandwich panel walls and aluminium wall frames are under development.
- + Challenges include raw material supply and price, freight costs, access to skilled labour and potential impact of interest rate rises.



Summary and Outlook

FLEETWOOD BUILDING SOLUTIONS

- + Roadmap to improve quality and consistency of earnings outlined with Build, Transform, Grow Strategy.
- + Solid order book of \$130m without any new material complex projects.
- + Revenue quality improvement and operating efficiency measures identified to leverage the advantages of modular building.

FLEETWOOD COMMUNITY SOLUTIONS

- + Recent 5-year agreement with Rio Tinto underpins future utilisation.
- + Significant projects in planning across multiple sectors driving additional demand.
- + Additional opportunities identified in mining, residential and aged care.

FLEETWOOD RV SOLUTIONS

- + Medium term outlook for domestic travel market remains positive.
- + Leverage opportunities to service aftermarket.
- + New products such as sandwich panel walls and aluminium wall frames are under development.

OVERALL

- + **Focus on revenue quality, sustainably improving margins, increasing utilisation and reducing overheads**
- + **Annual dividend payout policy of 100% of future profits (NPATA) retained**

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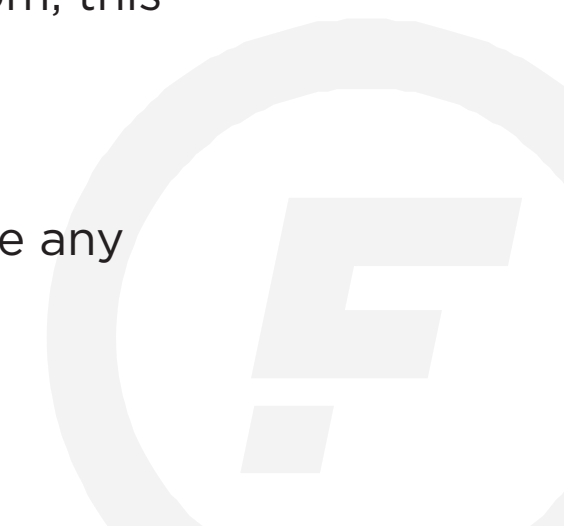
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