

FLEETWOOD
AUSTRALIA

Half Year Results FY21

FEBRUARY 2021



Operating Segments

FLEETWOOD
BUILDING SOLUTIONS

WA

SA

VIC

NSW

QLD

FLEETWOOD
ACCOMMODATION SOLUTIONS

*Searipple
Karratha*

osprey
village

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RV SOLUTIONS

CAMEC

NRV

RVC

Highlights H1 FY21

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- + Underlying EBITA of \$16.0m, up 26%
- + Building Solutions up 46%
- + Accommodation Solutions up 13%
- + RV Solutions up 53%
- + **\$64.6m in net cash**
- + **Interim dividend of 6 cps**



Earnings Summary

+ Building Solutions:

- + Government demand and infrastructure spending remains strong
- + Operational integration issues, COVID-19 restrictions and delayed starts on awarded contracts impacted results
- + Searipple Village in Karratha benefitted from COVID-19 related rostering changes early in the half
- + Increased domestic travel drove a strong second quarter in RV Solutions

\$ Million	H1 FY21	H1 FY20	Change
Revenue	169.9	161.3	5%
EBITDA	24.4	20.7	18%
Depreciation	8.4	7.9	6%
EBITA	16.0	12.8	26%
Amortisation of contract intangible	1.9	2.1	-8%
Finance costs	0.7	0.6	11%
Pre-tax profit	13.4	10.1	34%
Tax expense (benefit)	4.1	3.1	31%
Underlying NPAT	9.3	6.9	35%
Loss from discontinued operations	(0.7)	(0.8)	n/a
Statutory NPAT	8.6	6.2	40%
NPATA	10.7	8.4	27%

Cashflow Summary

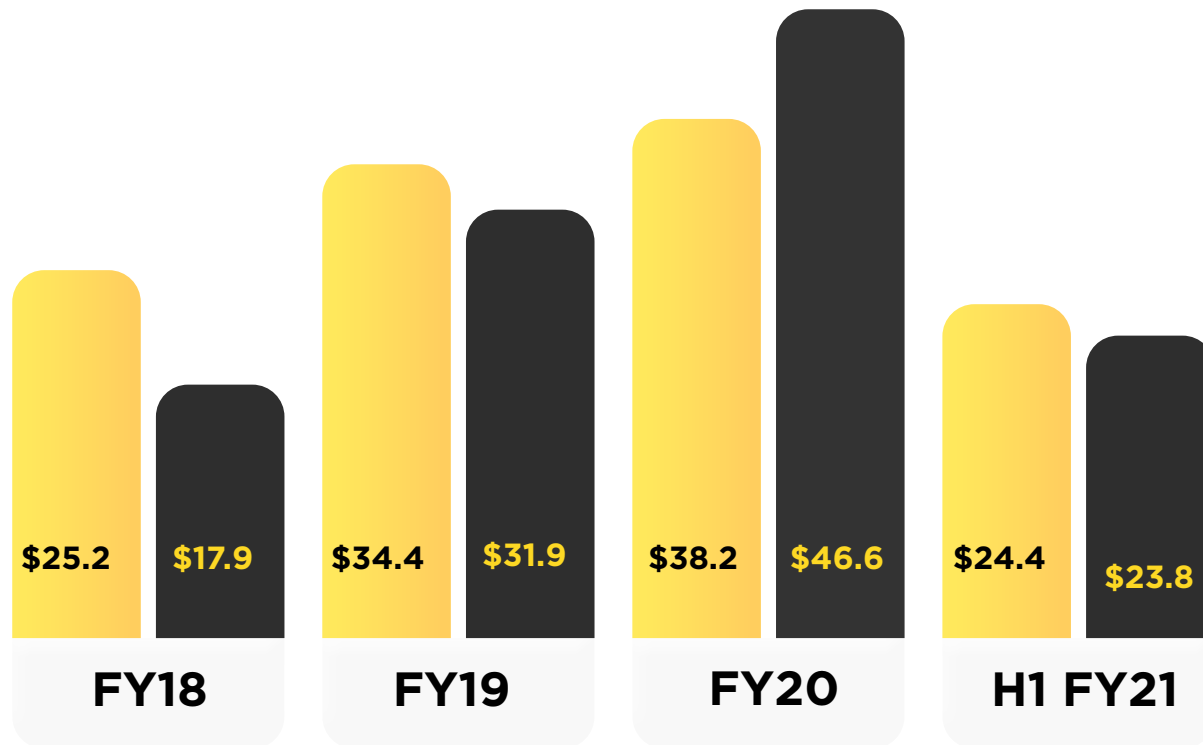
- + Solid working capital performance
- + Warranty provision use from former caravan manufacturing division in discontinued outflows
- + Tax payments to remain low in FY21
- + Capex to increase in H2 due to expanding capability in Building Solutions facilities
- + Dividend payments of \$11.4m

\$ Million	H1 FY21	H1 FY20
EBITDA	24.4	20.7
Cash outflows from discontinued businesses	(1.2)	(0.8)
Interest paid (net)	(0.3)	(0.5)
Tax	1.8	(0.4)
Working capital (and other)	(0.9)	(15.6)
Operating cashflow	23.8	3.4
Net capex	(1.0)	(4.2)
Free cashflow	22.8	(0.7)
Net acquisitions	0.0	(0.9)
Project finance advance	(8.7)	0.0
Lease repayments	(3.8)	(3.3)
Dividends paid	(11.4)	0.0
Financing cashflows	(23.9)	(3.3)
Opening net cash (debt)	65.7	33.6
Closing net cash (debt)	64.6	28.7

Cashflow and EBITDA (\$ Million)

 = Cashflow

 = EBITDA



Balance Sheet Summary

- + Strong cash position
- + No balance sheet debt. Credit facilities totalling \$80m drawn to \$18m for performance bonds
- + Annualised return on capital employed 20%

\$ Million	H1 FY21	FY20
Net working capital	16.0	18.7
Property Plant and Equipment	41.5	45.0
Intangibles	83.5	85.1
Other	18.6	12.0
Capital employed	159.5	160.8
Net debt (cash)	(64.6)	(65.7)
Shareholders funds	224.2	226.5
Capital employed	159.5	160.8

Building Solutions Performance

- + Earnings performance impacted by:
 - + Operational integration issues in New South Wales
 - + COVID-19 restrictions on building activity in some States
 - + Decision making delayed starts on already-awarded contracts
- + Order book strong at \$140 million (excluding on-going education panel works)
- + Strategy being implemented to improve earnings

\$ Million	H1 FY21	H1 FY20
Revenue	121.3	106.6
EBITA	4.1	2.8



Building Solutions Strategy and Outlook

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Strategy

- + Diversify and grow the revenue base
- + Expand existing industry market segments to increase revenue
- + Generate more balanced and sustainable revenue sources at each operation to optimise State-by-State capacity
- + Nationalise and integrate the business
- + Implement a framework of operational excellence

Outlook

- + Well placed to benefit from anticipated Government stimulus spending
- + Investing in facilities to take advantage of growth opportunities



Accommodation Solutions Performance

- + Searipple Village in Karratha benefitted from COVID-19 related rostering changes
- + Underpinning contracts secured
- + Osprey Village in Port Hedland fully occupied

\$ Million	H1 FY21	H1 FY20
Revenue	22.4	22.5
EBITA	10.9	9.6



Accommodation Solutions

Strategy and Outlook

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Strategy

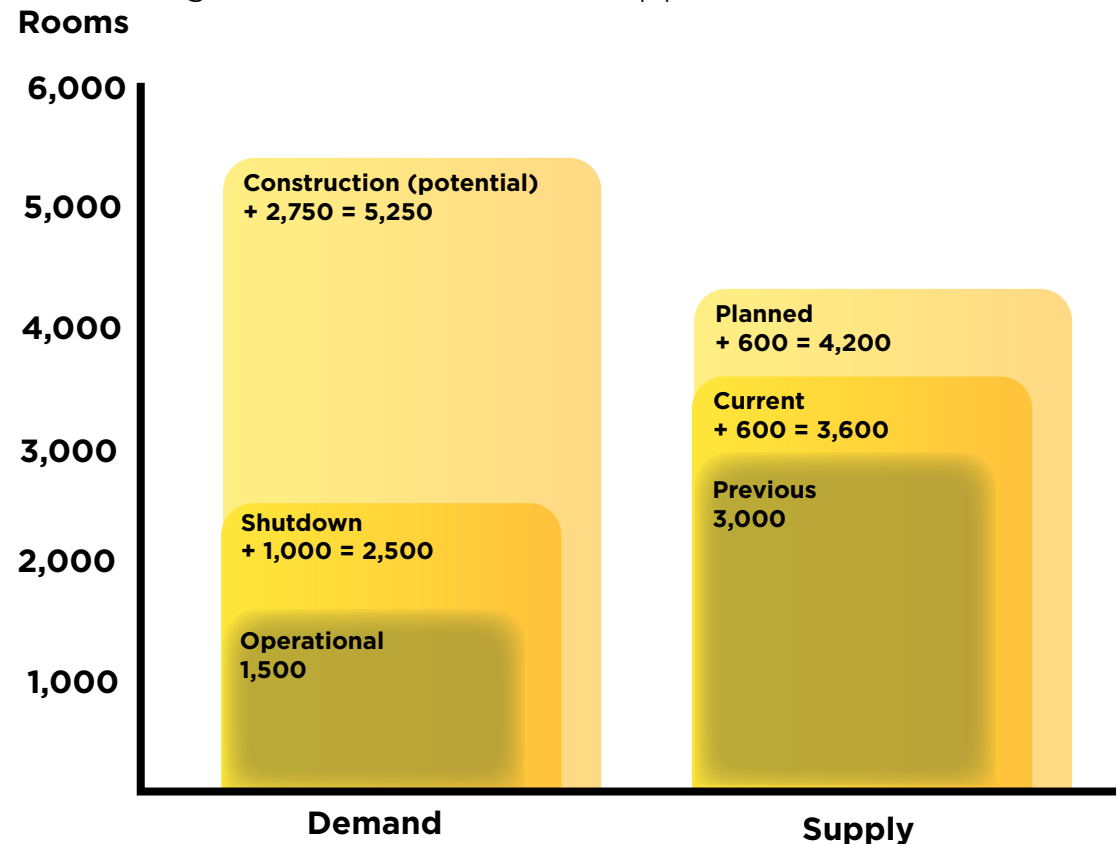
- + Identify select project opportunities as Build, Own, Operate and Transfer
- + Target sectors include mining, residential and aged care sectors
- + Building Solutions provides the opportunity to build new villages at a competitive cost

Outlook

- + H2 results not expected to match strong H1 earnings on the back of rostering stability and additional village capacity at Karratha
- + Significant construction activity is expected to drive strong demand for fly-in fly-out (FIFO) rooms over the medium term

Karratha FIFO market (Rooms)

- + Short term market oversupply
- + Significant medium term opportunities available



RV Solutions Performance

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- + Q1 FY21 operations substantially disrupted by the Victorian COVID-19 lockdown
- + Pandemic-driven boom in domestic travel boosted second quarter - trend continuing
- + Aftermarket channels remain strong

\$ Million	H1 FY21	H1 FY20
Revenue	31.2	35.6
EBITA	3.7	2.5



RV Solutions Strategy and Outlook

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Strategy

- + Expansion of aftermarket offering
- + Commercialise intellectual property retained by Fleetwood from the former caravan manufacturing business

Outlook

- + Surge in domestic travel driven by international shutdowns to continue into the second half
- + No clear timeline for when international travel will be reintroduced for Australians



Summary and Outlook

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- + Well placed to benefit from anticipated Government stimulus spending
- + Investing in facilities to take advantage of growth opportunities

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- + H2 results not expected to match strong H1 earnings on the back of rostering stability and additional village capacity at Karratha
- + Significant construction activity is expected to drive strong demand for fly-in fly-out (FIFO) rooms over the medium term

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- + Surge in domestic travel driven by border shutdowns to continue into the second half
- + No clear timeline for when international travel will be reintroduced for Australians

OVERALL

- + Focus on revenue growth, sustainably improving margins, increasing utilisation and reducing overheads
- + Annual dividend payout 100% of profits (NPATA basis)

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