

DELIVERING THE PROMISE

# Fleetwood

## FY2017 Full Year Results

Teleconference 28 August 2017  
9:30am AWST, 11:30am AEST  
Conference ID 5437 7052  
Dial-in 1800 123 296

# GROUP STRUCTURE

Fleetwood is a small conglomerate, focused on education, affordable housing and recreation

Modular  
Accommodation

Affordable Housing  
Education  
Commercial



Parts and  
Accessories

Camec  
Flexiglass  
Bocar



Village  
Operations

Searipple Village  
Osprey Village



Recreational  
Vehicles

Coromal  
Windsor



# TURNAROUND PLAN

Significant progress made. Still more to achieve

## 3 YEARS AGO

- High debt level
- Searipple losing money
- Reliant on Mining
- Caravan manufacturing lost its way in a growing market
- Board underperforming

## TODAY

- Minimal debt – Osprey deal
- Searipple profitable
- WA restructure, now break-even
- Largest player in affordable housing
- Turnaround underway in RV manufacturing
- Board renewed

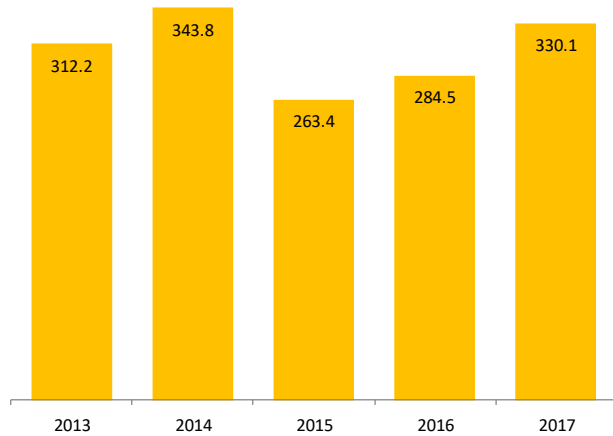
## PLAN COMPLETE

- Appropriate gearing
- Material earnings from Villages
- Dominant in affordable housing
- RV manufacturing profitable

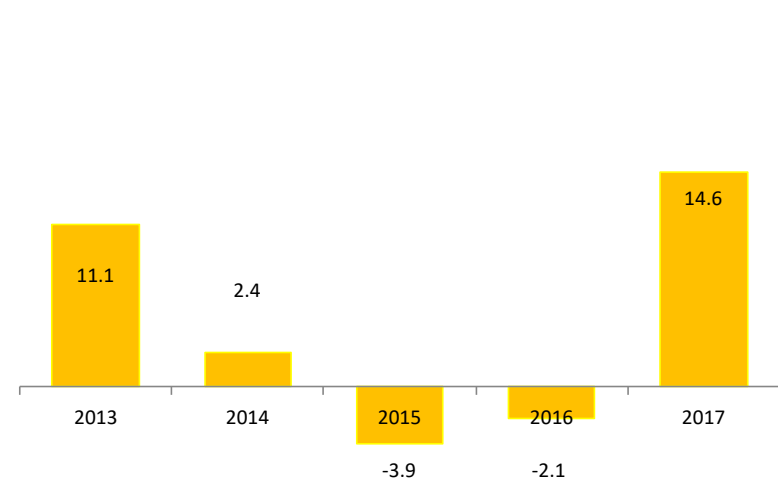
# FINANCIAL PERFORMANCE

Growing revenue and EBIT, reducing capital employed

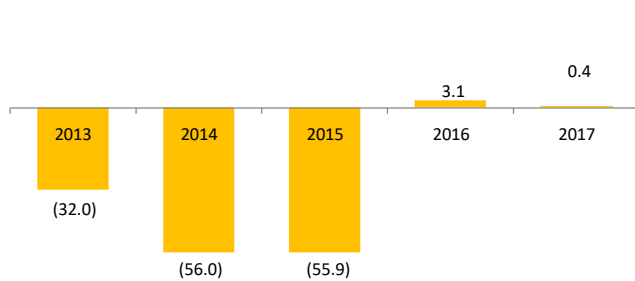
### Group Revenue (\$m)\*



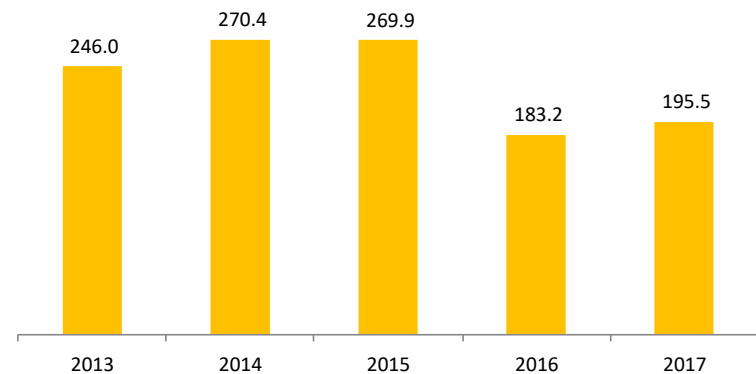
### Group Underlying EBIT (\$m)\*



### Net Cash (Debt) (\$m)



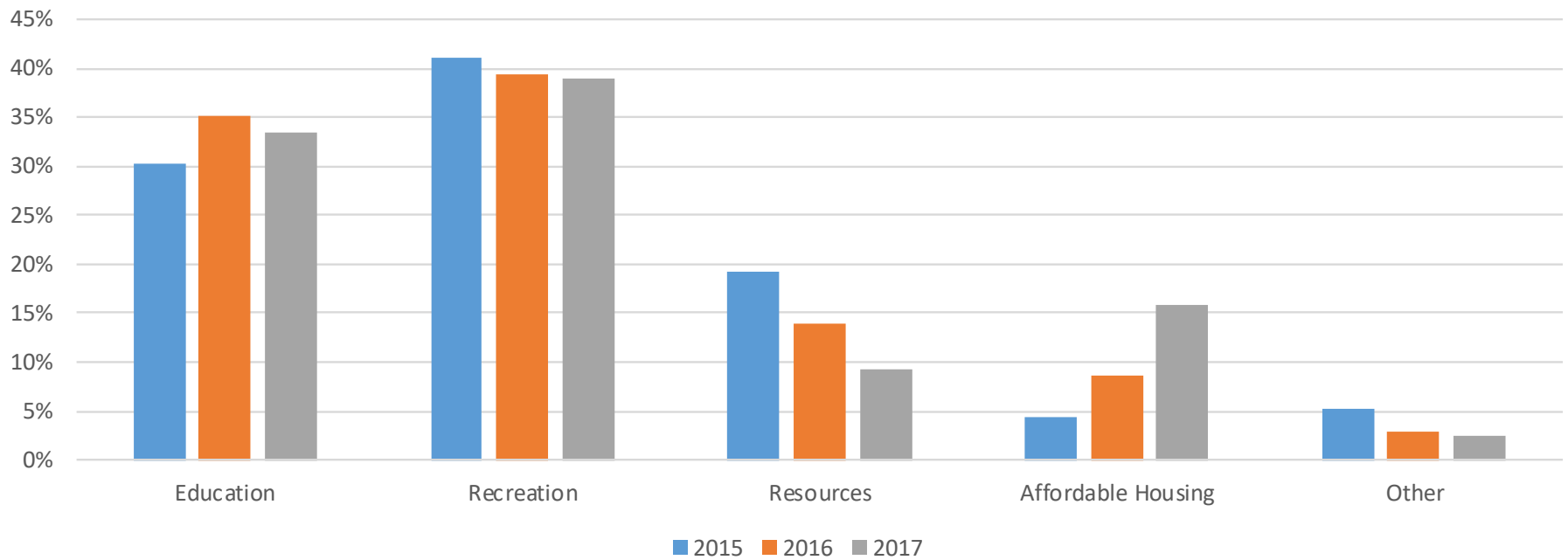
### Capital Employed (\$m)



\*Group Revenue & Underlying EBIT excludes the impacts of the discontinued operation, impairment & one-off adjustment to capital value of Osprey Village

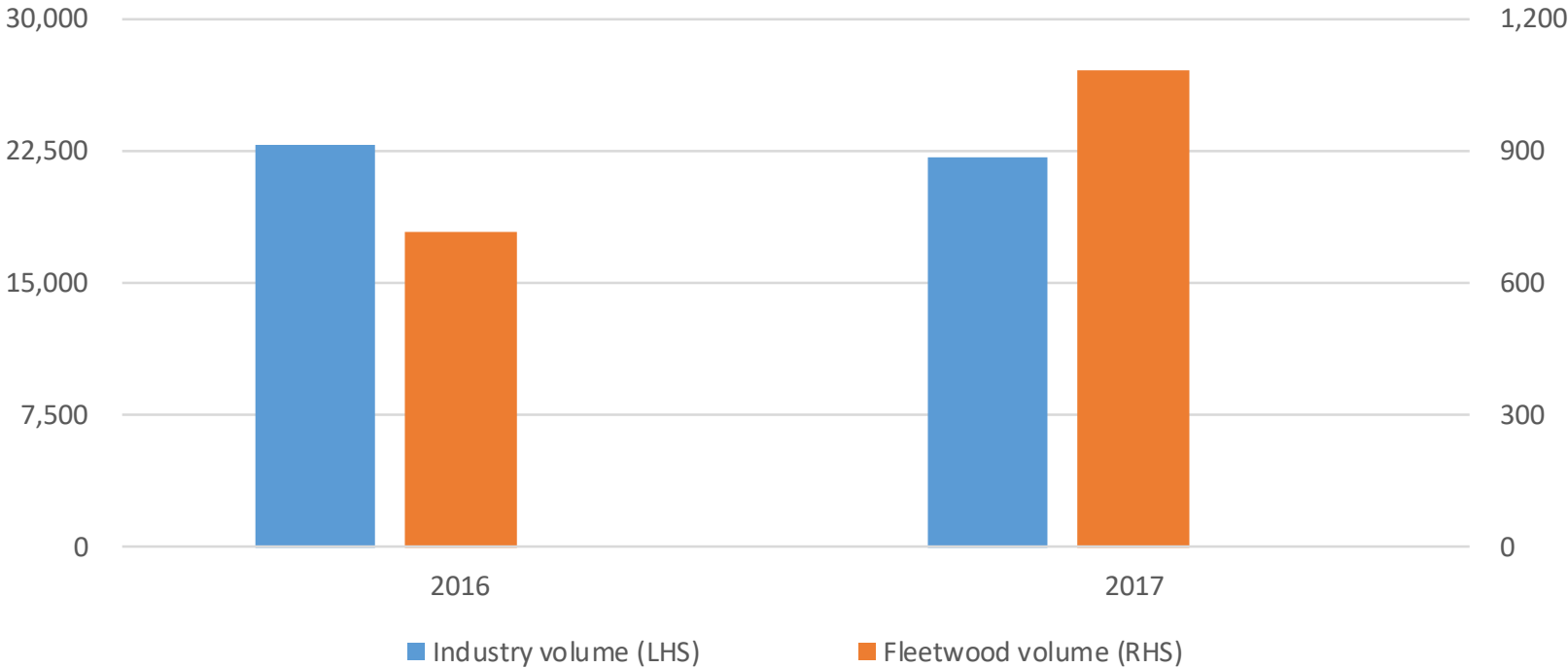
# FINANCIAL PERFORMANCE

Business refocused on growth sectors



# RECREATIONAL VEHICLES

Manufacturing volume increased by over 50% into a soft market



# RECREATIONAL VEHICLES



## Commitment to the business

- Long history in the industry
- Strong and valuable brands
- Renewed management team
- Volume and revenue growth in a declining market

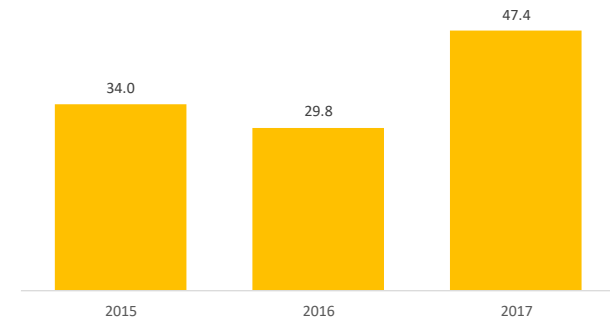
## 2017

- Refreshed product range launched
- Dealership numbers increased
- Increased order book
- Production focus

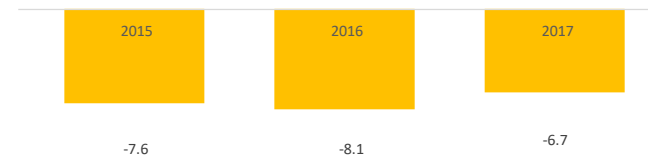
## Outlook

- Product range continues development
- Increased single franchise dealerships
- Factory efficiency key – mix, materials, labour
- Market has softened, market share increasing

## Revenue



## EBIT



# PARTS AND ACCESSORIES



## Operations

- Camec - Australian and overseas manufacture of RV parts
- Flexiglass – Thai and Chinese manufacture of after market vehicle components
- Branch operations throughout Australia and NZ

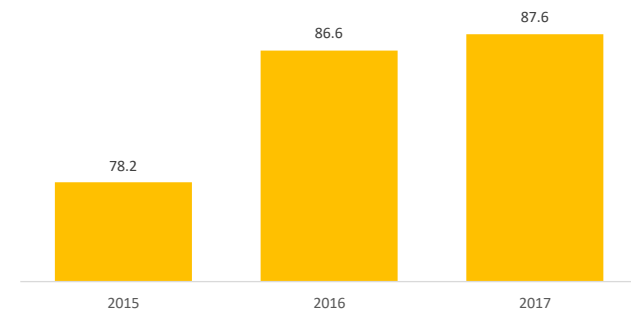
## 2017

- RV industry slowed to a degree in 2017
- Improved revenue, particularly at Camec
- Camec factory efficiency improved

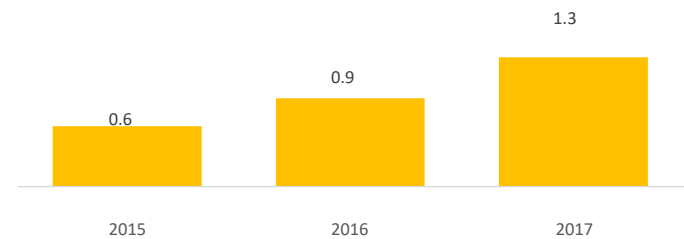
## Outlook

- Camec's Australian manufacturing becoming more competitive
- Product development a key focus
- Stronger customer relationships

## Revenue



## EBIT





# MODULAR ACCOMMODATION



## Operations

- Manufacturing facilities in Victoria, WA, QLD and NSW
- Education and Affordable Housing markets

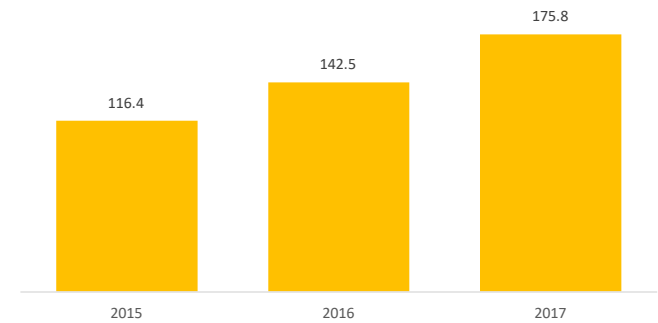
## 2017

- Strong education volume
- Key affordable accommodation customers important
- WA restructure benefitted FY2017

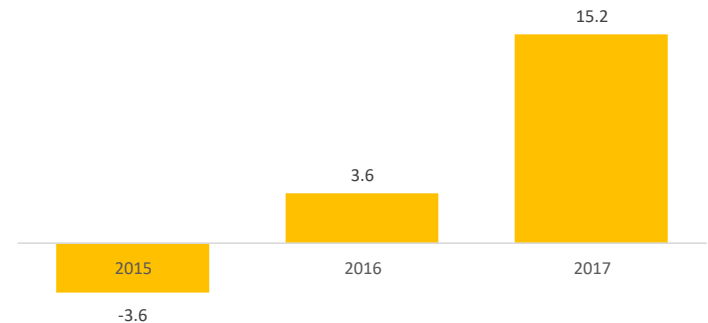
## Outlook

- Further opportunities exist in affordable housing
- Establishment of NSW facility opens opportunities to tender
- Option over any recovery in the mining sector

## Revenue



## EBIT



# MODULAR ACCOMMODATION

Significant Education, Government and Affordable Housing Demand



**Cash splash for Victorian schools in \$924m education building blitz in state budget**

revealed: the \$5b plan to tackle overcrowding crisis in NSW schools

**Victoria Budget 2017-18: New Victorian jail, more frontline police on \$2b boost**

**Victorian state budget 2016: Labor pledges \$1.1 billion education spending blitz**

the Department of Education predicting NSW will need 164,000 public school places by 2031, Premier Gladys Berejiklian said the Budget showed her government was responding to the "once-in-a-generation" like, with the budget committing a 61 per cent rise in education spending.

Monday, June 12, 2017

**\$1.8 billion Housing Strategy to transform lives, create jobs and revitalise neighbourhoods**

The Palaszczuk Government is investing \$1.8 billion to build more than 5,000 extra homes, create thousands of building and construction jobs while providing more Queenslanders with a safe, secure and affordable place to call home.

**BRIEF-Fleetwood Corp entered into supply agreement with Gateway Lifestyle**

**NSW govt commits \$4.2b to schools funding**

**NSW budget 2017-18: 'Historic spend' as schools brace for long-term enrolment boom**

**NSW budget: \$3.8b to fund thousands of extra beds in crowded jails**

By State Political Reporter Lucy McKeally  
Updated 16 Jun 2016, 11:51am

# VILLAGE OPERATIONS



## Operations

- Searipple Village in Karratha
- Osprey Village in Port Hedland

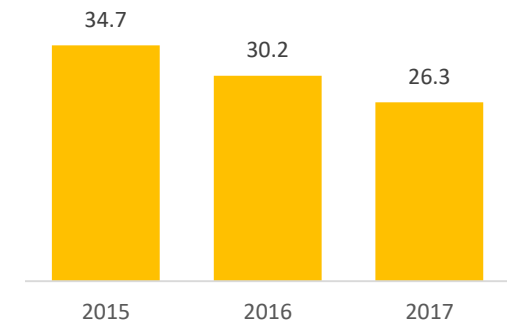
## 2017

- Osprey village underpinned by agreement with WA State Government
- Rio Tinto preferred supplier agreement at Searipple
- Cost reductions resulted in improved earnings

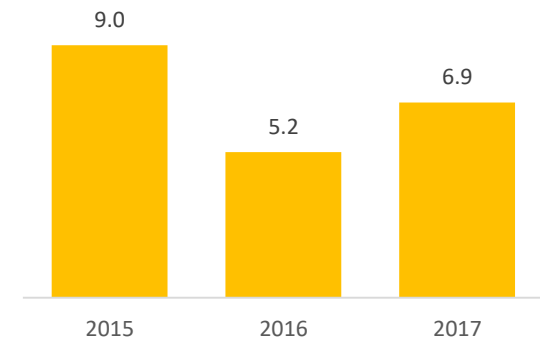
## Outlook

- Blue chip clients
- Strong cash flow

## Revenue



## EBIT



# SUMMARY



## Transition well underway

- Board and management changes
- Refocused on growth markets
- Underperforming operations restructured
- Sustained commitment to the RV industry
- Dividends resumed, large franking balance
- Strong balance sheet

# APPENDIX 1: SUMMARY PROFIT AND LOSS

| <b>\$ million</b>             | <b>2017</b> | <b>2016</b> | <b>Change</b> |
|-------------------------------|-------------|-------------|---------------|
| Revenue                       | 330.1       | 284.5       | 16%           |
| Underlying EBITDA             | 21.9        | 7.2         | 204%          |
| Depreciation and Amortisation | 7.3         | 9.3         | -22%          |
| Underlying EBIT               | 14.6        | -2.1        | n/a           |
| Finance costs                 | 0.9         | 1.0         | -5%           |
| Pre-tax profit                | 13.7        | -3.0        | n/a           |
| Tax expense (benefit)         | 4.3         | -0.4        | n/a           |
| Underlying NPAT               | 9.4         | -2.6        | n/a           |
| Adjusting items pre-tax       | 0.0         | -10.3       | n/a           |
| Tax on adjusting items        | 0.0         | 1.9         | n/a           |
| Net adjusting items           | 0.0         | -8.4        | n/a           |
| Statutory NPAT                | 9.4         | -11.0       | n/a           |

## APPENDIX 2: SEGMENT EARNINGS

| \$ million                | 2017  | 2016  | Change |
|---------------------------|-------|-------|--------|
| <b>Revenue</b>            |       |       |        |
| Recreational Vehicles     | 47.4  | 29.8  | 59%    |
| Parts and Accessories     | 87.6  | 86.6  | 1%     |
| Modular Accommodation     | 175.8 | 142.5 | 23%    |
| Village Operations        | 26.3  | 30.2  | -13%   |
| Unallocated               | 0.3   | 0.1   | n/a    |
| Intersegment eliminations | -7.3  | -4.7  | 56%    |
| Total revenue             | 330.1 | 284.5 | 16%    |
| <b>Underlying EBIT</b>    |       |       |        |
| Recreational Vehicles     | -6.7  | -8.1  | 17%    |
| Parts and Accessories     | 1.3   | 0.9   | 46%    |
| Modular Accommodation     | 15.2  | 3.6   | 325%   |
| Village Operations        | 6.9   | 5.2   | 34%    |
| Unallocated               | -2.1  | -3.6  | 43%    |
| Total underlying EBIT     | 14.6  | -2.1  | n/a    |

## APPENDIX 3: SUMMARY BALANCE SHEET

|                               | 2017  | 2016  |
|-------------------------------|-------|-------|
| <b>Current assets</b>         |       |       |
| Cash and cash equivalents     | 5.4   | 6.1   |
| Trade and other receivables   | 65.0  | 40.6  |
| Inventories                   | 63.2  | 49.3  |
| Assets held for sale          | 20.2  | 25.8  |
| Total current assets          | 153.8 | 121.9 |
| <b>Non-current assets</b>     |       |       |
| Trade and other receivables   | 1.4   | 0.4   |
| Property, plant and equipment | 46.8  | 45.8  |
| Intangible assets             | 0.1   | 1.1   |
| Goodwill                      | 55.2  | 55.2  |
| Deferred tax assets           | 10.2  | 14.1  |
| Total non-current assets      | 113.7 | 116.7 |
| Total assets                  | 267.5 | 238.6 |

|                                | 2017  | 2016  |
|--------------------------------|-------|-------|
| <b>Current liabilities</b>     |       |       |
| Trade and other payables       | 58.8  | 42.2  |
| Interest bearing liabilities   | 5.0   | 3.0   |
| Provisions                     | 5.8   | 5.6   |
| Other financial liabilities    | 0.4   | 0.3   |
| Total current liabilities      | 70.0  | 51.1  |
| <b>Non-current liabilities</b> |       |       |
| Provisions                     | 1.6   | 1.2   |
| Total liabilities              | 71.6  | 52.3  |
| Net assets                     | 195.9 | 186.3 |