DELIVERING THE PROMISE

Fleetwood

FY2018 Half Year Results

Teleconference 26 February 2018
9:30am AWST, 12:30pm AEST
Conference ID 4649 668
Dial-in 1800 123 296

GROUP STRUCTURE

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

Modular Accommodation	Parts and Accessories	Village Operations	Recreational Vehicles
Affordable Housing Education Commercial	Camec	Searipple Village Osprey Village	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

TODAY

- Minimal debt – Osprey deal
- Searipple profitable and growing
- WA restructure, now break-even with option on resource sector recovery
- Largest player in affordable housing
- RV manufacturing review outcomes announced
- Board renewed

PLAN COMPLETE

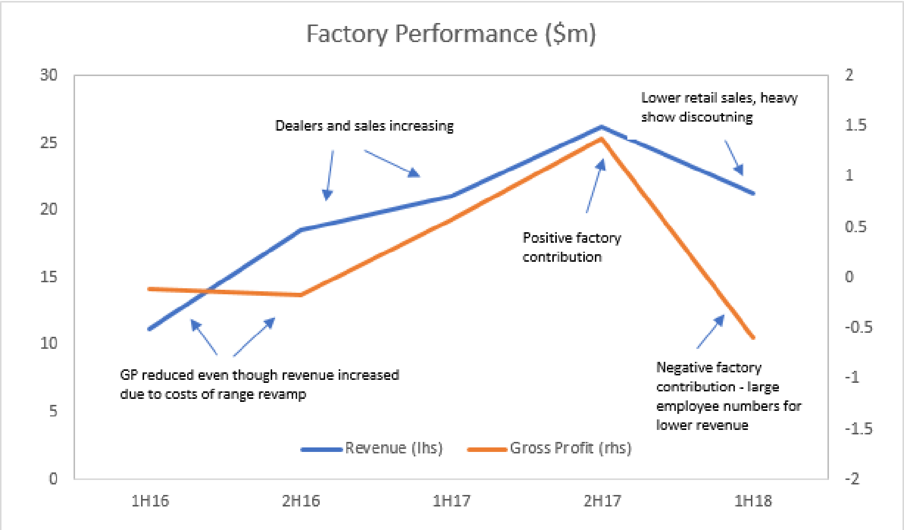
- Appropriate gearing
- Material earnings from Villages
- Dominant in affordable housing
- RV manufacturing turnaround or alternate structure

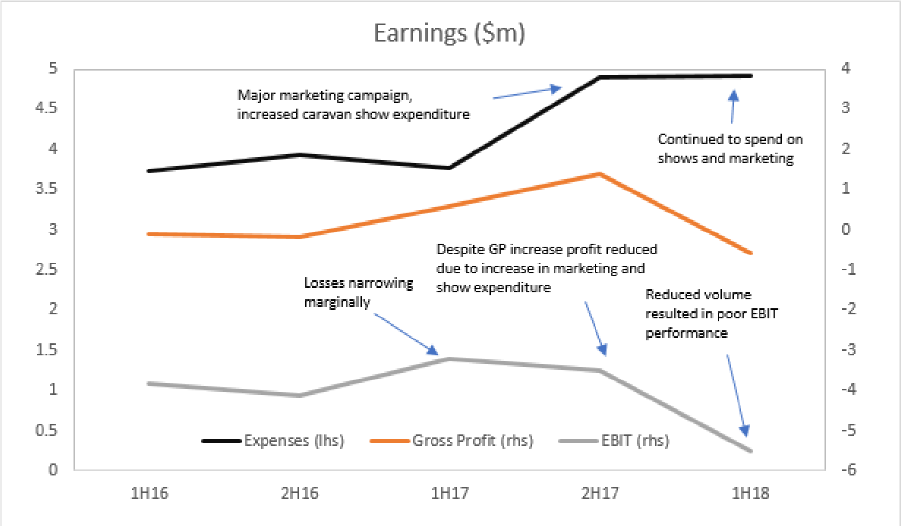
RV REVIEW

Breakeven target now July 2019 with six monthly progress reviews

Background

- Factory amalgamation in 2013
- 2015-2017 product range revamp at a cost of approximately $5m expensed through the profit and loss
- FY17 saw a positive factory contribution offset by an increased marketing spend
- H1 FY18 saw reduced retail demand and industry overproduction





RV REVIEW

Breakeven target now July 2019 with six monthly progress reviews

Vantage Performance Review

- Full external strategic and operational review undertaken from November 2017 to January 2018
- Breakeven target date now July 2019 and is based on 1,500 units at 20% gross profit margin
- Will need improved labour and materials efficiency, reduction in re-work, and improved dealer and employee engagement

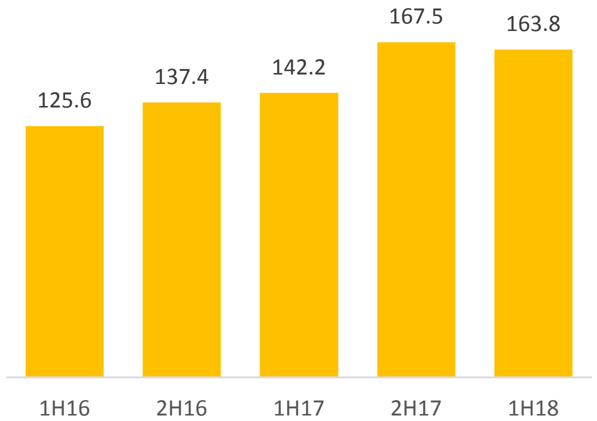
Future

- The plan has board support, but in six month increments
- Key targets for August 2018 are as follows:
    - 20% improvement in major capital city caravan show sales
    - 15% improvement in labour efficiency compared to 1H18
    - 7.5% improvement in material cost per unit compared to 1H18
    - Positive employee and dealer net promoter scores
- The board is also considering all structural and corporate alternatives

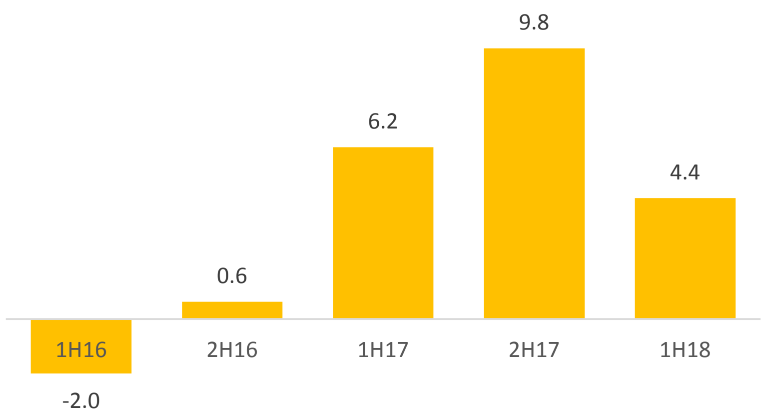
FINANCIAL PERFORMANCE

Growing revenue and EBIT, reducing capital employed

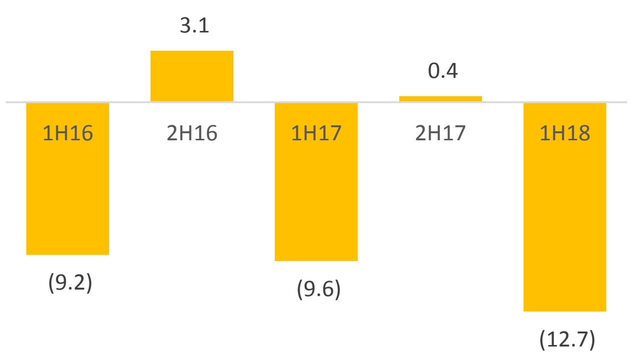
Group Revenue ($m)*



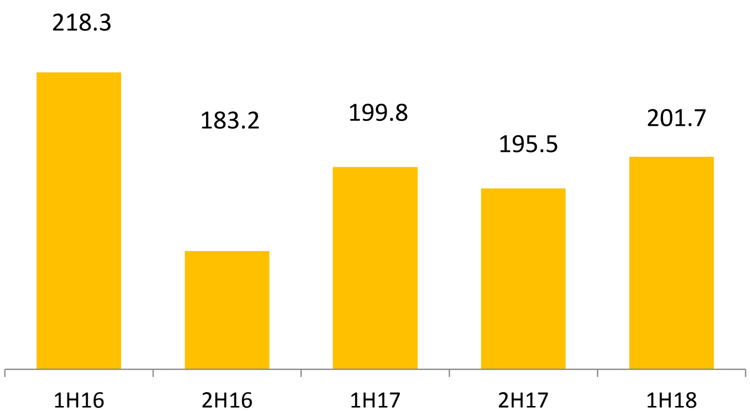
Group Underlying EBIT ($m)*



Net Cash (Debt) ($m)



Capital Employed ($m)



*Group Revenue & Underlying EBIT excludes the impacts of the discontinued operations and impairment.

FINANCIAL PERFORMANCE

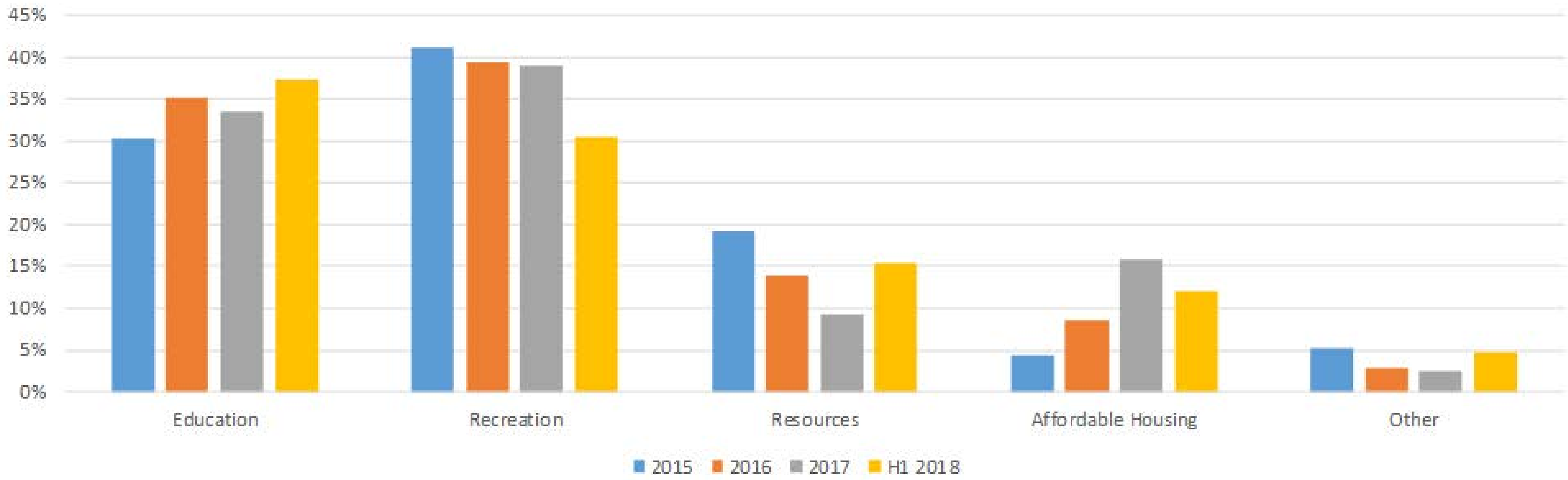
Cashflow progression

$ million	H1 2017	H2 2017	H1 2018
EBITDA	**9.3**	**12.6**	**7.7**
Interest paid (net)	(0.3)	(0.6)	(0.5)
Tax	(0.1)	(0.0)	(0.7)
Working capital (and other)	(15.9)	0.9	(9.2)
Operating cashflow	**(7.0)**	**12.9**	**(2.8)**
Net capex	(5.7)	(2.9)	(7.9)
Free cashflow	**(12.7)**	**10.0**	**(10.7)**
Financing cashflows	0.0	0.0	(2.4)
Opening net cash (debt)	3.1	(9.6)	0.4
Closing net cash (debt)	**(9.6)**	**0.4**	**(12.7)**

- Working capital peaks in H1 due mainly to the peak of education activity
- Capex is mostly for new educational hire classrooms and should remain at similar levels in H2

FINANCIAL PERFORMANCE

Business refocused on growth sectors with the resources sector now growing



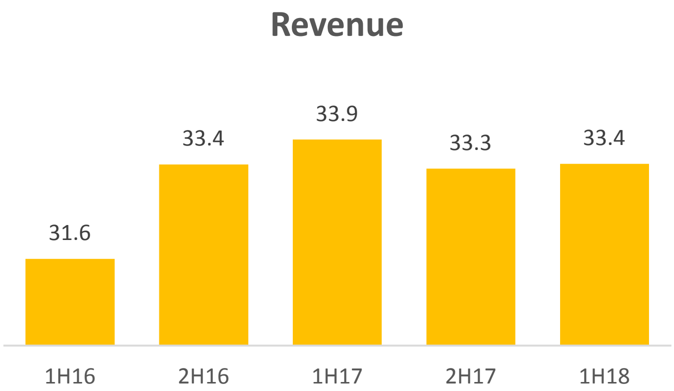
PARTS AND ACCESSORIES

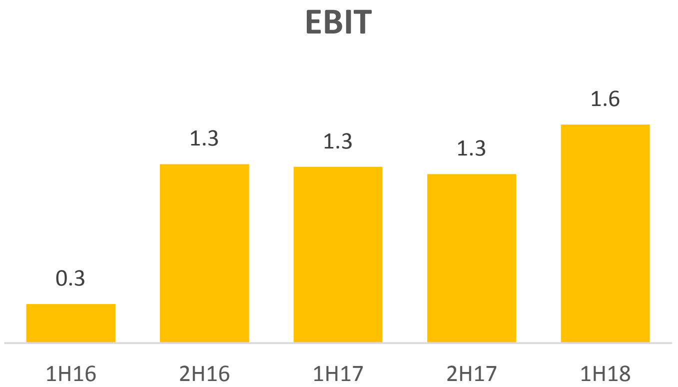
Operations
- Camec - Australian and overseas manufacture of RV parts
- Branch operations throughout Australia and NZ
- Sale of Flexiglass

H1 2018
- RV OEM industry flat to down saw flat revenue
- Camec factory efficiency improved
- Cost control and new product development saw EBIT up strongly

Outlook
- Product development and logistics a key focus
- Stronger customer relationships
- Improving ROCE

Rolling 12 return on capital employed: 9.4% (Camec)





MODULAR ACCOMMODATION

Operations

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

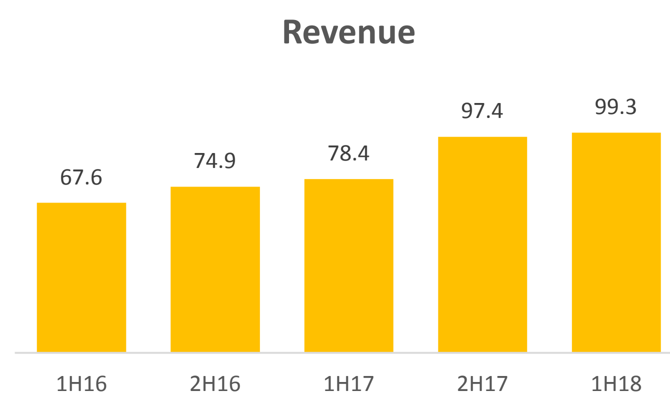
H1 2018

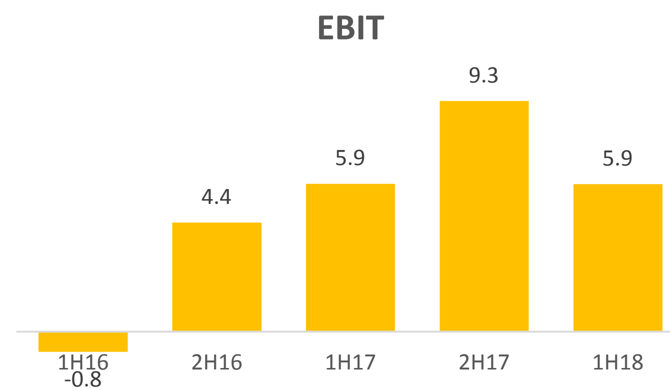
- Strong education volume
- Strong revenue growth from new programs and scope expansions
- Lower margin due to new facilities start up and bespoke orders

Outlook

- Government spending outlook looks strong
- Significant new customer wins:
  - Victorian Permanent Modular Program
  - Crown Parks Holiday Trust
  - Building Management Works (WA Education)
  - Department of Education and Training (ACT)
- Resource sector and WA economy improving

Rolling 12 return on capital employed: 16.1%





VILLAGE OPERATIONS

Operations

- Rio Tinto preferred supplier agreement at Searipple extended
- Osprey village underpinned by agreement with WA State Government

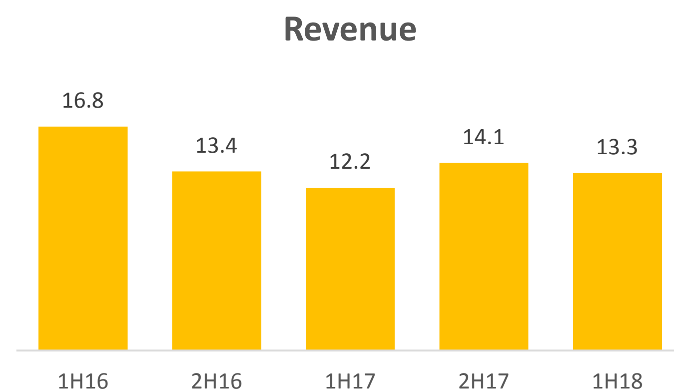
H1 2018

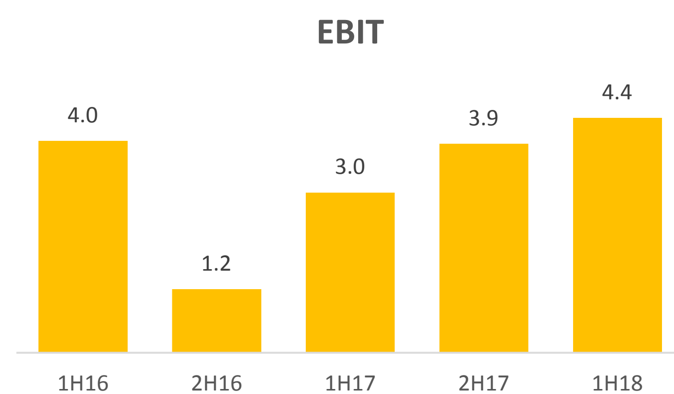
- Occupancy increased driven by shutdowns
- Cost reductions and variablisation resulted in improved earnings
- Osprey steady

Outlook

- Continued resource sector recovery and emerging potential for construction demand
- Working to increase village occupancy and duration

Rolling 12 return on capital employed: 38.5%





SUMMARY AND OUTLOOK

Summary:

- Board and management changes settling
- Refocused on growth markets
- Underperforming operations restructured
- Dividends resumed, large franking balance
- Strong balance sheet

Outlook:

- Focus on RV recovery, improving returns and cashflow
- Strong H2 skew in earnings driven by resources sector timing and RV
- Outlook for an EBIT result marginally ahead of 2017 unchanged

APPENDIX 1: SUMMARY PROFIT AND LOSS

$ million	H1 2018	H1 2017	Change
Revenue	163.8	142.2	15%
Underlying EBITDA	7.7	9.3	-18%
Depreciation and Amortisation	3.3	3.1	6%
Underlying EBIT	4.4	6.2	-29%
Finance costs	0.6	0.3	64%
Pre-tax profit	3.8	5.9	-35%
Tax expense (benefit)	1.2	1.7	-33%
Underlying NPAT	2.7	4.1	-35%
Adjusting items pre-tax	(3.8)	0.0	n/a
Tax on adjusting items	1.1	0.0	n/a
Net significant items	(2.7)	0.0	n/a
Continuing operations NPAT	0.0	4.1	-100%
Loss from discontinued operations	(4.9)	(0.8)	n/a
Statutory NPAT	(4.9)	3.3	n/a

APPENDIX 2: SEGMENT EARNINGS

$ million	H1 2018	H1 2017	Change
Revenue			
Recreational Vehicles	21.3	21.1	1%
Parts and Accessories	33.4	33.9	-1%
Modular Accommodation	99.3	78.4	27%
Village Operations	13.3	12.2	9%
Unallocated	0.0	0.0	n/a
Intersegment eliminations	(3.5)	(3.4)	n/a
Total revenue	163.8	142.2	15%
Underlying EBIT			
Recreational Vehicles	(5.6)	(3.0)	n/a
Parts and Accessories	1.6	1.3	24%
Modular Accommodation	5.9	5.9	0%
Village Operations	4.4	3.0	47%
Unallocated	(2.1)	(1.1)	n/a
Total underlying EBIT	4.4	6.2	-29%

APPENDIX 3: SUMMARY BALANCE SHEET

	H1 2018	2017
Current assets		
Cash and cash equivalents	9.3	5.4
Trade and other receivables	58.9	65.0
Inventories	67.7	63.2
Assets held for sale	21.3	20.2
Other financial assets	0.1	0.0
Total current assets	157.4	153.8
Non-current assets		
Trade and other receivables	2.7	1.4
Property, plant and equipment	47.4	46.8
Intangible assets	1.9	0.1
Goodwill	50.8	55.2
Deferred tax assets	11.0	10.2
Total non-current assets	113.8	113.7
Total assets	271.3	267.5

	H1 2018	2017
Current liabilities		
Trade and other payables	53.2	58.8
Interest bearing liabilities	0.0	5.0
Provisions	5.5	5.8
Other financial liabilities	0.0	0.4
Total current liabilities	58.7	70.0
Non-current liabilities		
Interest bearing liabilities	22.0	0.0
Provisions	1.5	1.6
Total non-current liabilities	23.5	1.6
Total liabilities	82.2	71.6
Net assets	189.1	195.9