

25 February 2019

H1 FY19 FINANCIAL RESULTS

Fleetwood Corporation Limited (ASX: FWD) (**Fleetwood**) is pleased to announce financial results for the half-year ended 31 December 2018. The group reported revenue of \$167.5 million (1HFY18: \$142.6m, up 17%), underlying EBITA \$15.6 million (1HFY18: \$9.9m, up 57%) and NPAT from continuing operations of \$9.5 million (1HFY18: \$6.6m, up 44%). Statutory NPAT was \$3.1 million (1HFY18 loss of \$4.9m) after allowing for losses from discontinued operations (primarily Caravan Manufacturing).

These results reflect the first contributions from Modular Building Systems and Northern RV to their segments with both delivering results in line with their respective acquisition cases.

Fleetwood Managing Director and CEO Brad Denison said that the half-year result was a pleasing start to the financial year, with Revenue, EBITA and NPAT all considerably improved compared to the prior corresponding period.

"We have had excellent first-time contributions from both recent acquisitions into Modular Accommodation and Parts and Accessories, which together with an improvement in Village Operations has seen better results across all our segments.

"In Modular Accommodation we are seeing very good fundamental demand drivers across most areas, with large numbers of new schools confirmed in both New South Wales and Victoria, as well as new prison cells for New South Wales and overcrowding in most other states.

"Whilst the inherent short time frames involved in Modular Accommodation build times, and the project nature of the work limit order book visibility beyond six to nine months, the quality of the Modular Accommodation product for both schools and corrections, and previous sales success gives Fleetwood significant confidence in capturing a share of future spend. An increasing number of small mining projects also points to healthy order flow from the resources sector, counterbalanced by subdued affordable housing volumes.

"Village Operations is encountering potential favourable timing changes to the accommodation market, with increased shutdown demand in FY19, and new competing capacity now expected to come on later than previously anticipated.

"Parts and Accessories continues to look to servicing more of the imported caravan market, as well as after market sales, to hedge against tough conditions in local caravan builds.

"The group has also had a significant focus on improved working capital management, resulting in cash flow from operations of \$7.8 million, compared to an outflow of \$2.8 million in the first half of 2018," Mr Denison said.

A detailed discussion of Fleetwood's trading results is included in the Interim Financial Report.

About Fleetwood

Fleetwood is a provider of innovative affordable modular accommodation solutions and parts and accessories.

Established in 1964 and employing people in Australia and New Zealand, Fleetwood aims to outperform by providing genuine value. Our beliefs and commitment are outlined in the company's statement of values "Delivering the Promise".

For more, please visit www.fleetwoodcorporation.com.au



Fleetwood's 1HFY19 financial results are summarised as follows:

\$ million	H1 FY19	H1 FY18	Change
Revenue			
Parts and Accessories	38.5	33.4	15%
Modular Accommodation	116.1	99.3	17%
Village Operations	19.2	13.3	44%
Unallocated	0.1	0.0	n/a
Intersegment eliminations	(6.4)	(3.5)	n/a
Total revenue	167.5	142.6	17%
EBITA			
Parts and Accessories	3.0	1.6	81%
Modular Accommodation	8.6	5.9	44%
Village Operations	6.7	4.4	51%
Unallocated	(2.7)	(2.1)	n/a
Total EBITA	15.6	9.9	57%
Amortisation of contract intangible	1.5	0.0	n/a
Finance costs	0.4	0.5	-18%
Pre-tax profit	13.6	9.4	45%
Tax expense (benefit)	4.2	2.8	47%
NPAT from continuing operations	9.5	6.6	44%
Loss from discontinued operations	(6.4)	(11.5)	n/a
Statutory NPAT	3.1	(4.9)	n/a

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