

2019 Half Year Results

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Group structure

Modular Accommodation

Parts & Accessories

Village Operations

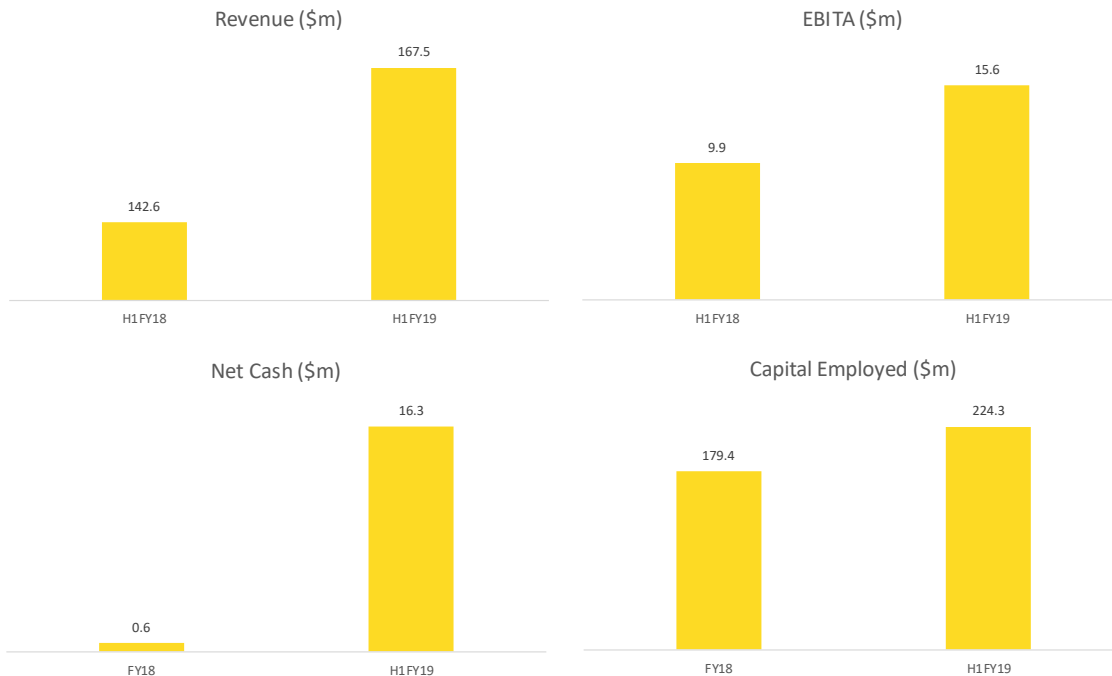


First half highlights

- Completion of MBS and NRV acquisitions and associated capital raising
- First completion achieved on Caravan Manufacturing business. Last caravan manufactured at half year end
- H1 EBITA from continuing operations of \$15.6m, up 57% on pcp
- Strong H1 from MBS partially offset by lower Victorian volumes in Modular Accommodation
- Modular Accommodation opportunity pipeline remains at high levels
- Continued recovery in Village Operations
- Solid result from NRV in difficult market conditions
- Net cash of \$16.3m. Funding lines totalling \$65m available



Financial Performance: Summary



Note: The above charts exclude the impacts of the discontinued operations and impairment.

Financial Performance: Segment Earnings

\$ 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%
Underlying 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 underlying EBITA	15.6	9.9	57%

Financial Performance: Cashflow

\$ million	H1 FY19	H1 FY18
EBITDA	19.7	12.9
Cash outflows from discontinued businesses	(12.9)	(7.3)
Interest paid (net)	(0.4)	(0.5)
Tax	(1.0)	(0.7)
Working capital (and other)	2.4	(7.2)
Operating cashflow	7.8	(2.8)
Net capex	(3.9)	(7.9)
Free cashflow	3.8	(10.7)
Net acquisitions	(45.5)	0.0
Financing cashflows	57.3	(2.4)
Opening net cash (debt)	0.6	0.4
Closing net cash (debt)	16.3	(12.7)

Modular Accommodation

Operations

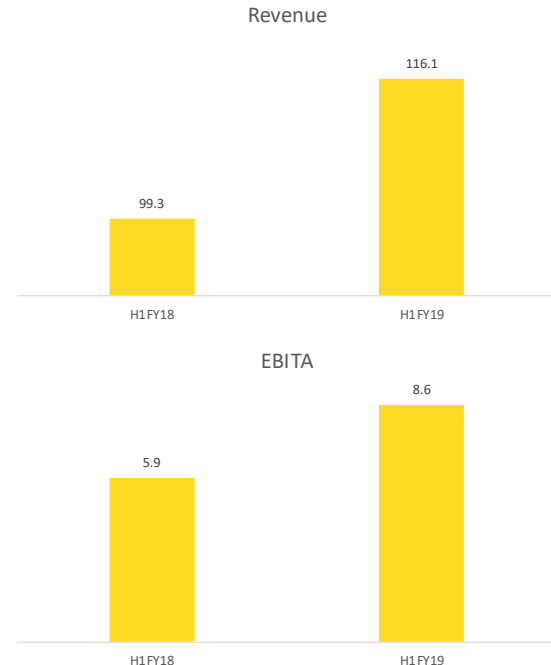
- Manufacturing facilities in Victoria, WA, QLD and NSW
- Key market segments: Education, Corrections, Resources and Affordable Housing

H1 FY19

- Strong six months from MBS driven by corrections work
- Victorian education demand subdued ahead of State election. First permanent modular schools delivered
- Lower volume in the affordable retirement market
- WA business results improved due to resource sector work

Outlook

- Government spending outlook strong on the East Coast, particularly education and corrections
- Resource sector and WA economy improving
- Pursuing further revenue diversification
- Business remains subject to timing of contract awards



Outlook by sector– Modular Accommodation

Sector	H1 FY19	Balance of FY19	Medium term
Education	Lower volume in Victoria	Increased spend announced by Victorian and NSW Governments	Population growth to drive enrolments
Corrections	Strong spend in NSW	Spending levels to be lower in H2 as current contract expires	Overcrowding in most States will drive capacity expansion
Affordable housing	Low demand	Low demand	Ownership change of key customers
Resources	Recovery from low levels	Timing of contract awards could be a factor in H2 FY19	Dependant on commodity prices

- All sectors remain sensitive to the timing of contract awards

Parts and Accessories

Operations

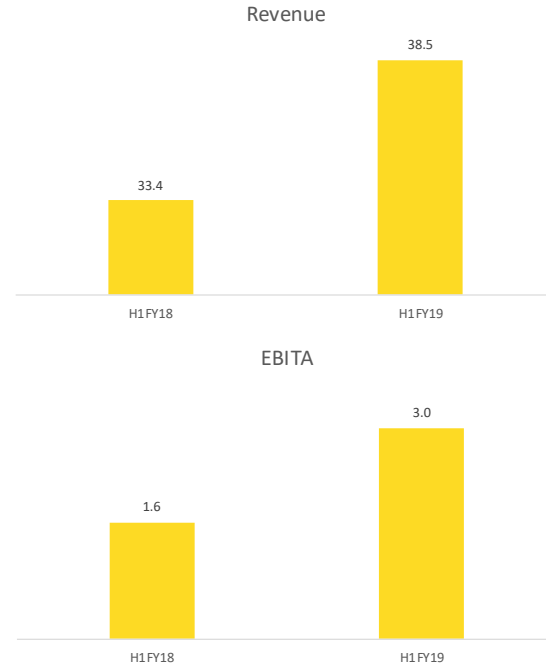
- Australian and overseas manufacture of RV parts and accessories
- Plumbing and electrical services to OEM's and the aftermarket

H1 FY19

- Tough market conditions continued mostly offset by market share gains in Camec
- Growth in aftermarket revenue
- 4% reduction in overheads
- Solid five month contribution from NRV

Outlook

- Continued growth in aftermarket business
- New product introduction
- Complete integration of the NRV business into the Parts and Accessories division



Profit drivers – Parts and Accessories

Sector	H1 FY19	Balance of FY19	Medium term
Imported caravans	Imports continue to grow	Trend likely to continue	NRV to benefit from this trend as it certifies imported caravans
Aftermarket	Overall caravan registrations continue to grow	Further market share gains targeted	Steady growth in registrations likely to continue
FX levels	Lower AUD hurts earnings in isolation	Unknown	Unknown

- A US 10c movement in exchange rates can move earnings by \$0.5m annually

Village Operations

Operations

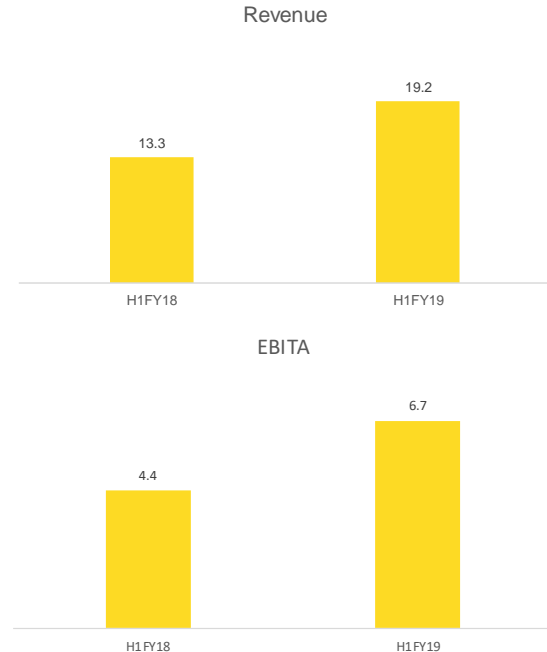
- Rio Tinto preferred supplier agreement at Searipple
- Osprey village underpinned by agreement with WA State Government

H1 FY19

- Occupancy increase driven by both operational and shutdown demand
- Major construction projects advanced
- Osprey steady

Outlook

- Near term demand to remain healthy
- Shutdowns booked into FY20
- New village capacity may impact results towards the end of FY19
- Construction activity likely to drive demand in the longer term



Profit drivers – Village Operations

Sector	H1 FY19	Balance of FY19	Medium term
Operational workforce	Improved demand	Steady	Steady in the absence of major new capex
Shutdowns	Increased demand	Forward bookings into FY20	Trend likely to continue due to age of plants
Construction workforce	No demand	No demand	Likely significant demand based on project announcements
New capacity	None	Possible towards the end of the financial year	Two new village openings likely

- Village Operations earnings will be sensitive to the timing of new village openings and large capital projects

Outlook

- **Village Operations:** Good returns are being generated in the Karratha accommodation market. Upcoming resource development in the region is expected to provide further medium to long term opportunity
- **Parts and Accessories:** Now generating double digit returns through both corporate transactions and organic growth. Opportunities to further grow this segment remain
- **Modular Accommodation:** The Australian modular building industry is still in its infancy. Fleetwood intends to be at the forefront of this industry as it develops
- Fleetwood is today the largest Modular Accommodation business in Australia generating significant economies of scale and the ability to offer solutions to clients that our competitors are unable to offer
- Targeting diversification into new geographic regions and new market segments that lend themselves to modular build technology



Appendix 1: Summary Profit and Loss

\$ million	H1 FY19	H1FY 18	Change
Revenue	167.5	142.6	17%
EBITDA	19.7	12.9	53%
Depreciation	4.2	3.0	41%
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	9.5	6.6	44%
Loss from discontinued operations	(6.4)	(11.5)	n/a
Statutory NPAT	3.1	(4.9)	n/a

Appendix 2: Summary Balance Sheet

	H1 FY19	FY18
Current assets		
Cash	16.4	6.6
Receivables	49.4	39.3
Inventories	68.7	60.0
Held for sale	9.1	9.2
Other	0.2	0.1
Total	143.7	115.2
Non-current assets		
Receivables	2.8	2.8
PP&E	58.3	57.5
Intangibles	15.6	1.4
Goodwill	86.5	50.7
Tax assets	8.0	12.4
Total non-current	171.1	124.9
Total Assets	314.8	240.1

	H1 FY19	FY18
Current liabilities		
Payables	59.3	43.4
Interest bearing	0.1	2.0
Provisions	9.7	10.0
Other	0.8	0.0
Total	69.9	55.4
Non-current liabilities		
Interest bearing	0.0	4.0
Provisions	0.7	0.6
Other	3.7	0.0
Total non-current	4.3	4.6
Total liabilities	74.2	60.1
Net assets	240.6	180.0

Appendix 3: Permanent Modular Program Examples



Yallourn Primary School, Victoria



Elwood College Project, Victoria

Thank you

