

23 February 2023

FLEETWOOD DELIVERS H1 FY23 RESULT

CORPORATE HIGHLIGHTS

\$ million	H1 FY23	H1 FY22
Revenue	223.1	209.2
EBITA	0.2	(1.5)
Pre-tax profit	(0.5)	(3.4)
NPATA ¹	(0.8)	(1.4)

DIVISIONAL RESULTS

	H1 FY23	H1 FY22
Building Solutions		
Revenue	168.2	151.4
EBITA	(2.3)	(8.5)
Community Solutions		
Revenue	13.1	16.4
EBITA	2.6	4.7
RV Solutions		
Revenue	41.6	41.4
EBITA	3.9	5.1

¹NPATA = Underlying NPAT plus after-tax amortisation of contract intangible.

Fleetwood Limited (ASX: FWD) (Fleetwood or the Company) announces today half year earnings for FY23, recording a NPATA loss of \$0.8 million during the period. Business performance for the half year was mixed with an improved result in Building Solutions offset by lower earnings from the remaining businesses.

RV Solutions performed well at the sales level with the ongoing popularity in domestic tourism. Community Solutions was below H1 FY22 due to the timing of major projects this year. Earnings were as expected with ongoing low demand ahead of planned major projects.

Work on all major projects in Building Solutions has been completed and efforts are now focussed on commercial negotiations and final close outs. Going forward, the business has continued to target projects aligned with its current capability.

The Company has maintained a stable net cash position of \$39.9m during 1H FY23 after allowing for substantial payment of the \$14.1m onerous provision taken late in FY22.

The Company recorded earnings before interest, tax and amortisation (EBITA) of \$0.2m (31 December 2021: \$1.5m loss) on a 7% increase in revenue to \$223.1m (31 December 2021: \$209.2m).

The Company's dividend policy remains to pay out 100% of net profit after tax.

Given the results for the half year and the continuing challenges in the construction industry, including supply chain disruption and labour shortages, the Board considered it prudent for Fleetwood not to declare an interim dividend for H1 FY23.



CEO COMMENT

Commenting on the half year results Managing Director Bruce Nicholson said:

“I am pleased to see the progress the Company has made over the past 6 months, dealing with challenges as they arose, and building the platform for our Company to return to profitability during the year ahead.

RV Solutions has continued to deliver a positive performance in a buoyant market. The domestic RV market also experienced significant cost pressures requiring disciplined management.

Community Solutions delivered lower first half earnings due mostly to the timing of client shutdowns this year and the ongoing impact of low demand in the Karratha market ahead of planned major projects. Looking forward, Community Solutions has a bright future with activity in the region picking up on the back of signing the new 5-year agreement with Rio Tinto at the end of FY22.

The loss in Building Solutions reflected the runoff of FY22 major projects at very low margins and the underperformance of a project in NSW. Pleasingly, the H1 performance of the Rio Tinto Ti Tree Rail Camp Upgrade mining project in Western Australia was within FY22 estimates. We continued to pursue a number of material claims which remain the subject of ongoing commercial negotiations.

We are beginning to see the impact from materials and labour shortages ease as inflation and supply chains begin to normalise.

The order book remains solid at \$87 million. Multiple growth opportunities remain available for Building Solutions, notably in the affordable and lifestyle housing sectors.

The Company will continue to implement the Build, Transform, and Grow strategy that provides the roadmap for the long-term journey to improve the quality and consistency of earnings. This strategy will position our capability, systems, and processes to maintain and grow margins as revenue streams are diversified and allow productivity efficiencies to be captured and retained.

I look forward to the sharing the results of these programs with all shareholders in the coming year.”

Full details of the H1 FY23 results can be found in the H1 FY23 Financial Report.

This announcement was authorised by the Fleetwood Limited Board.

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