

**FLEETWOOD**  
AUSTRALIA

# 2019 Annual General Meeting

NOVEMBER 2019



**BUILDING SOLUTIONS**



**VILLAGE SOLUTIONS**



**RV SOLUTIONS**

# Operating Segments

**FLEETWOOD**  
AUSTRALIA

**FLEETWOOD**  
BUILDING SOLUTIONS

**MBS** modular building partners

**FLEETWOOD**  
VILLAGE SOLUTIONS

Searipple  
Karratha

**osprey**  
village

**FLEETWOOD**  
RV SOLUTIONS

**CAMEC**

**NRV**  
NORTH RIVER VILLAGE

**RVC**

# Management Team



**Andrew  
Wackett**

CHIEF FINANCIAL OFFICER &  
COMPANY SECRETARY



**Elizabeth  
Maynard**

GENERAL COUNSEL &  
COMPANY SECRETARY



**Jarrod  
Waring**

CHIEF OPERATING OFFICER  
BUILDING SOLUTIONS



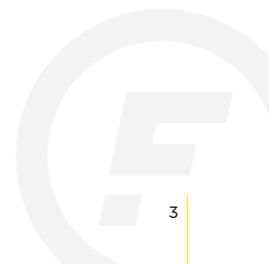
**Dominic  
Letts**

CHIEF OPERATING OFFICER  
VILLAGE SOLUTIONS



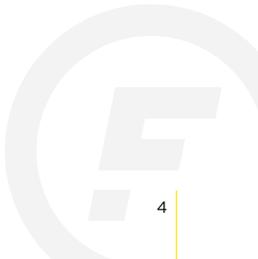
**Manny  
Larre**

CHIEF OPERATING OFFICER  
RV SOLUTIONS



# Fleetwood Corporation from then till now

**FLEETWOOD**  
AUSTRALIA



# Highlights FY19

## Financial Results

- + Revenue from continuing operations up 18% to \$315m
- + EBITA from continuing operations up 34% to \$25.3m
- + Net Cash at 30 June of over \$33m

## Structural

- + Two acquisitions completed, funded by \$60m capital raise
- + \$12m realised from sale of caravan business plus \$5m in assets yet to sell

## Near Term Outlook

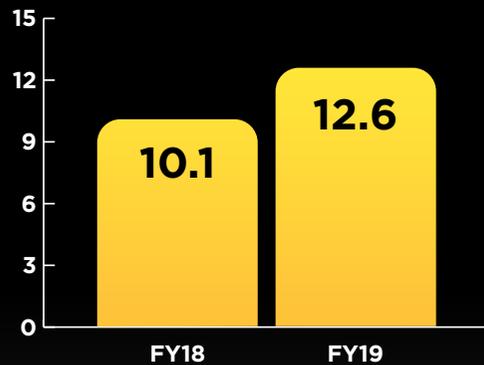
- + Targeting similar EBITA result in FY20
- + Future dividends at circa 30% of profits (subject to capital requirements)



# Segment Performance

## Building Solutions

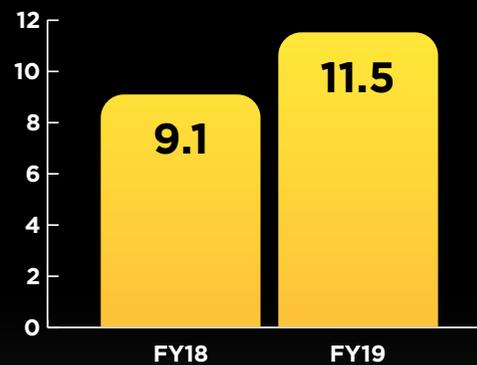
EBITA



- + MBS performed strongly in its first year. Solid H2 profit
- + Volume from the affordable housing sector fell amid the housing downturn and customer ownership changes
- + Victoria well down on pcp and impacted by State election. However, Q4 recovered strongly and good momentum into FY20
- + WA remains patchy, earnings fell in H2

## Village Solutions

EBITA



- + Searipple benefited from unusually high levels of customer maintenance during the year
- + Osprey Village in Port Hedland performed at similar levels to FY18 as expected

## RV Solutions

EBITA



- + NRV 11 month contribution in line with the acquisition case
- + Camec OEM revenue fell in line with industry
- + Aftermarket sales flat

# Forward Strategy



**FLEETWOOD**  
BUILDING SOLUTIONS



**FLEETWOOD**  
VILLAGE SOLUTIONS



**FLEETWOOD**  
RV SOLUTIONS



**FLEETWOOD**  
AUSTRALIA

Fleetwood has successfully commenced **adapting traditional areas of the construction industry** towards modular. Based on overseas experience there are significant further opportunities, as well as traditional modular markets Fleetwood does not presently have exposure to.

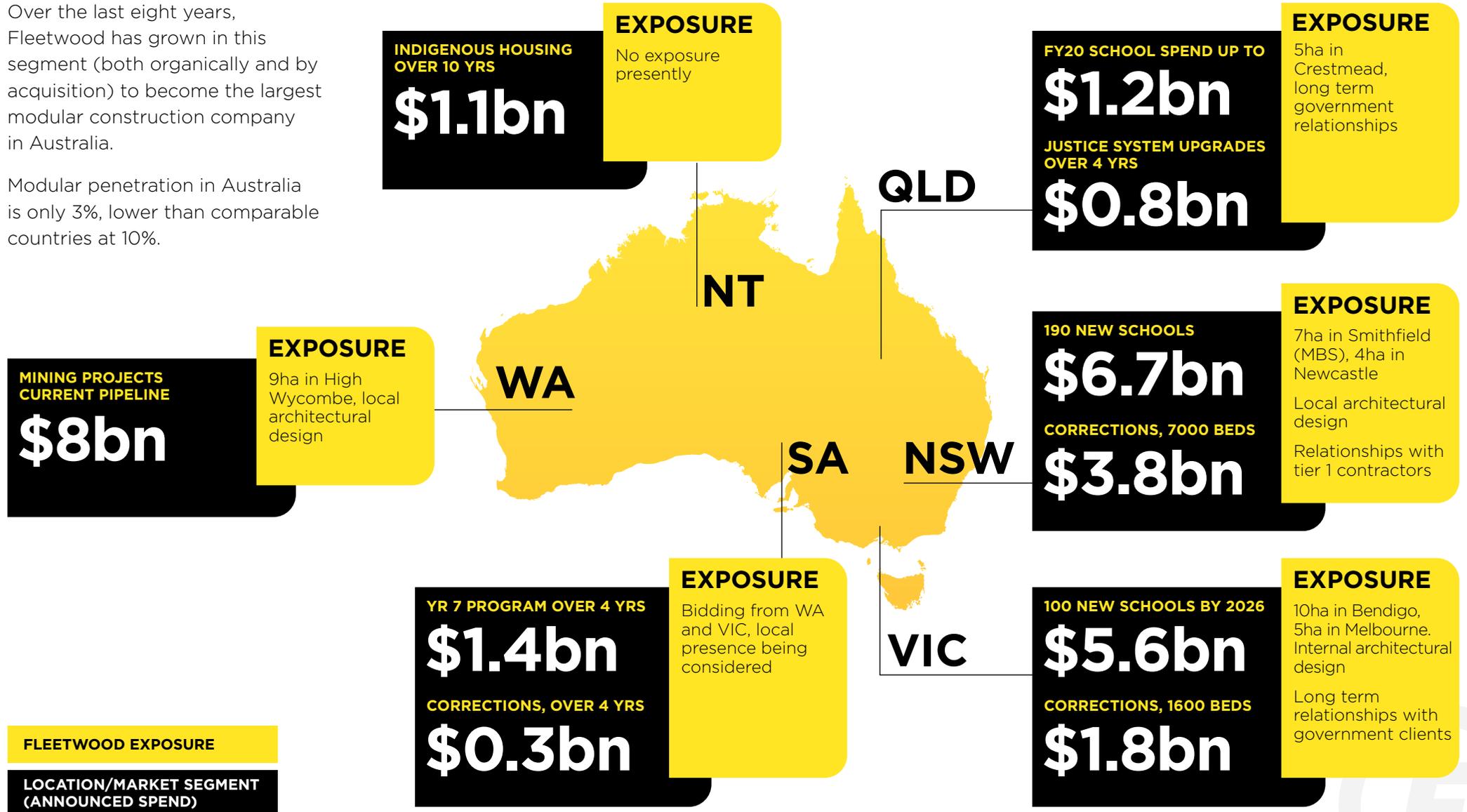
Developing a **larger underlying base** from Village Solutions will **improve overall quality of earnings** in the medium term.

**Diversifying** sources of revenue in the RV Solutions business will make this segment more resilient to fluctuations in industry demand. Expansion of the earnings base will be driven by a **focus on services**, both aftermarket and pre-delivery along with operational efficiencies.

# Building Solutions Market Exposure

Over the last eight years, Fleetwood has grown in this segment (both organically and by acquisition) to become the largest modular construction company in Australia.

Modular penetration in Australia is only 3%, lower than comparable countries at 10%.



# Building Solutions

## Competitive Advantage

### In-house Architectural Design

- + Allows deep engagement with clients at concept, budget or FEED stage
- + Provide services to assist scoping or setting out projects
- + Ultimate request for tender can include Fleetwood design elements

### Advanced Manufacturing Techniques

- + **Mass Customisation:** Ability to produce buildings of different designs and specifications, from a small range of “kits of parts”
- + **BIM (Building Information Management):**  
First in industry to use prefabricated delivery mechanism for BIM
- + **Vertical integration** in many areas of the supply chain. For example in-house wall framing, in-house transport assets



# Building Solutions

## Mass Customisation Example

**FLEETWOOD**  
AUSTRALIA

- + The two projects below are based on the same “kit of parts”, just configured differently. Results in significant manufacturing efficiencies and speed to market

### Two storey open plan layout

**FAIRFIELD PRIMARY SCHOOL**  
COMPLETED APRIL 2019

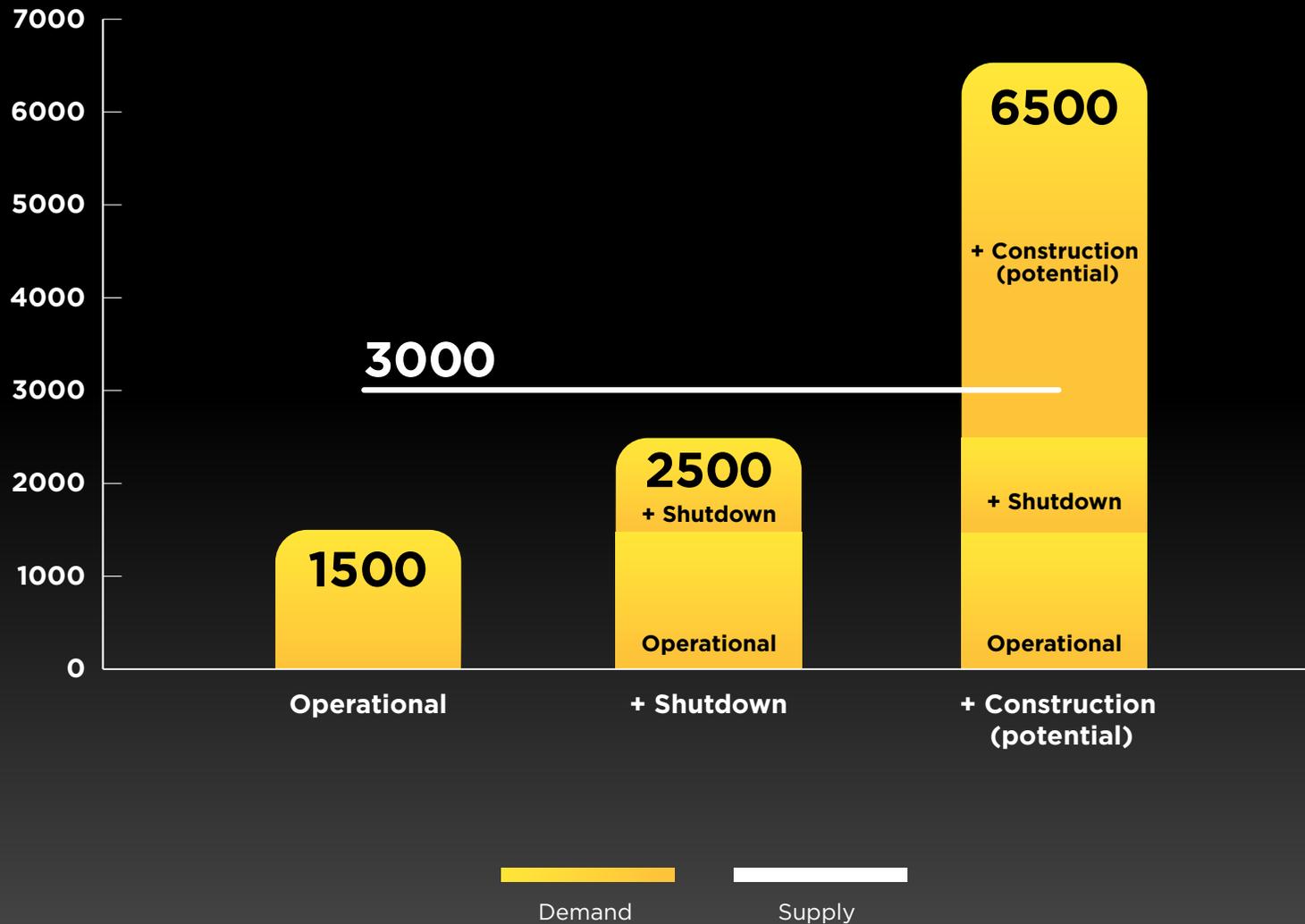


### Three storey configuration

**ELWOOD COLLEGE**  
COMPLETED OCTOBER 2019

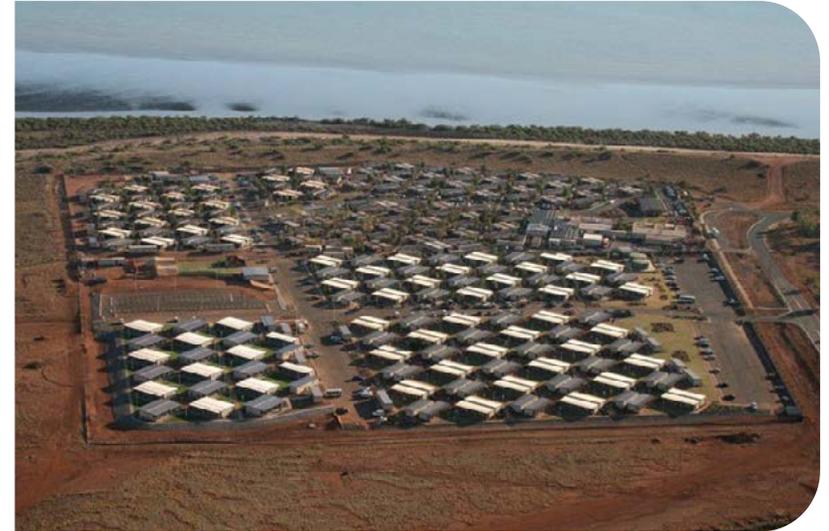


# Village Solutions Overview of Karratha/Dampier Market



# Village Solutions Expansion Strategy

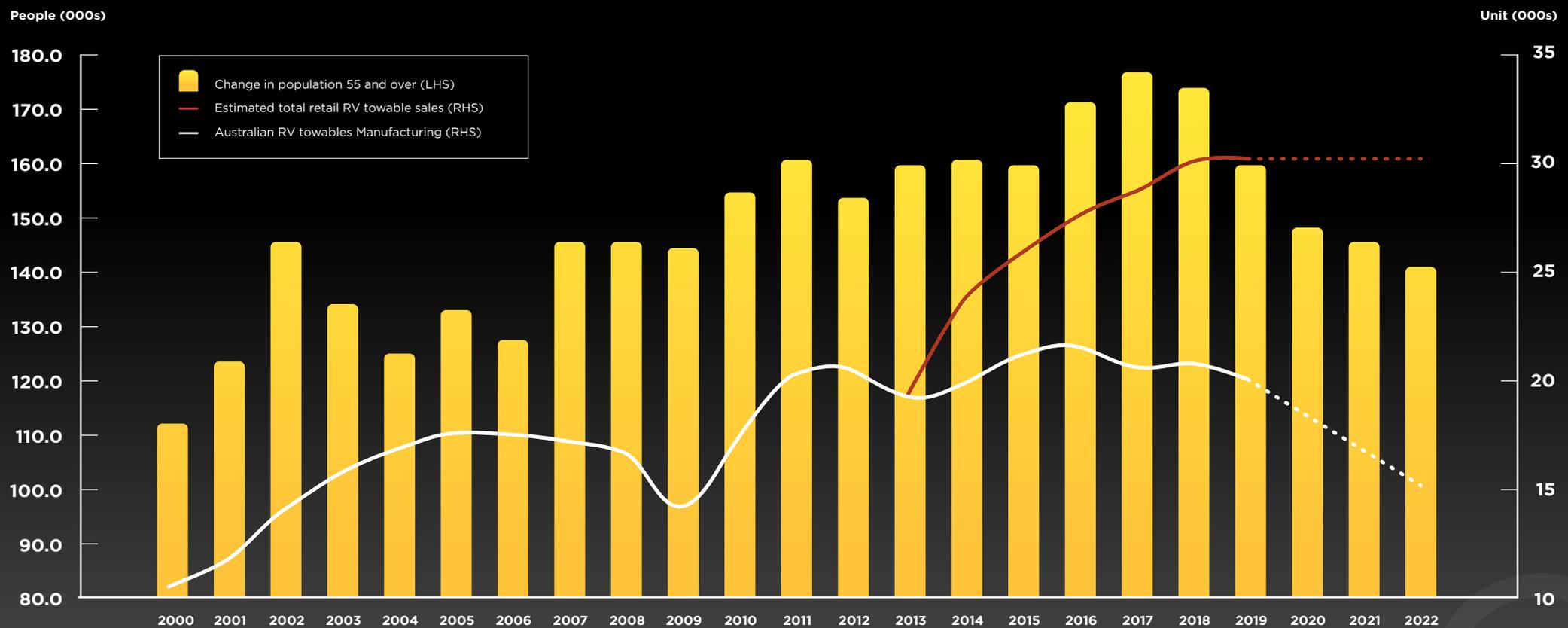
- + Expanding our footprint in this segment will improve Fleetwood's overall quality of earnings
- + Fleetwood's modular business provides the ability to develop new villages at a cost lower than potential competitors



# RV Solutions Competitive Advantage

- + The RV market is undergoing structural change and is facing the threat of increasing imports
- + As industry concentration increases, this is providing the opportunity to provide services to smaller manufacturers and growth in the aftermarket

- + Our strategy in response to these trends is:
  - + To embed further into the OEM caravan manufacturing base through high service levels and new products
  - + Continued focus on growing aftermarket segments This includes major retailers and repair services
  - + Improve speed to market with new products



Change in Core RV Buying Demograph v Australian RV Sales/Production

# Outlook

**FLEETWOOD**  
AUSTRALIA

**FLEETWOOD**  
BUILDING SOLUTIONS

- + 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 targeting diversification into new geographic regions and new market segments that lend themselves to modular build technology

**FLEETWOOD**  
VILLAGE SOLUTIONS

- + Benefited from unusually high activity levels in FY19 which are unlikely to repeat in FY20
- + Solid start to FY20
- + Result likely to be similar to FY19

**FLEETWOOD**  
RV SOLUTIONS

- + OEM market to remain tough in FY20. Targeting growth from the aftermarket, new products and cost savings

## OVERALL

- + Targeting similar EBITA result in FY20, subject to contract awards
- + Contract timing to drive skew to H2
- + Future dividends at circa 30% of profits (subject to capital requirements)

# From the ashes



# Important Notices and Disclaimer

The information contained in this presentation is provided by Fleetwood Corporation Limited ACN. 009 205 261 (Fleetwood) for informational purposes only and does not constitute an offer, invitation or recommendation to subscribe for or purchase any securities and neither this presentation nor anything contained in it shall form the basis of any contract or commitment. No party other than Fleetwood has authorised or caused the issue of this document, or takes responsibility for, or makes any statements, representations or undertakings in this presentation.

## **Summary information**

This presentation contains summary information about Fleetwood and its activities which is current as at the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Fleetwood or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth). This presentation should be read in conjunction with Fleetwood's other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

## **Not investment advice**

The information contained herein is not investment or financial product advice and has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. The views, opinions and advice provided in this presentation reflect those of the individual presenters only.

## **Cautionary statement concerning forward looking information**

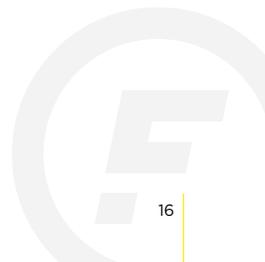
This presentation may contain certain forward looking statements. The words "anticipate", "believe", "expect", "future", "project", "estimate", "forecast", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward looking statements. Forward looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about industry trends, which are based on interpretations of current market conditions. Indications of, and guidance on, performance of Fleetwood are also forward looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Fleetwood, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. You should not place undue reliance on forward looking statements and, to the full extent permitted by law, neither Fleetwood nor any of its directors, employees, advisers or agents assume any obligation to update such information.

## **Disclaimer**

This presentation has been prepared in good faith, but no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, correctness, reliability or adequacy of any statements, estimates, opinions or other information, or to the reasonableness of any assumption or other statement, contained in the presentation (any of which may change without notice). To the maximum extent permitted by law, Fleetwood and its professional advisers and their related bodies corporate, affiliates and each of their respective directors, officers, partners, employees, advisers and agents and any other person involved in the presentation disclaim all liability and responsibility (including, without limitation, any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use of or reliance on anything contained in, or omitted from, this presentation.

## **Other jurisdictions**

The distribution of this presentation in other jurisdictions may be restricted by law. Persons into whose possession this presentation comes should inform themselves of and observe any such restrictions.



# Thank you

---

**FLEETWOOD**  
AUSTRALIA

## **Investor Relations**

**T** 08 9323 3300

**E** [info@fleetwood.com.au](mailto:info@fleetwood.com.au)