

29 August 2024

FOUNDATION ESTABLISHED TO DELIVER IMPROVED EARNINGS

Fleetwood Limited (ASX: FWD) (“Fleetwood” or “Company”) today announced its full year financial results for 30 June 2024.

Fleetwood’s full year result⁽¹⁾ highlights against the prior corresponding period include:

- **Earnings Before Interest & Tax (EBIT):** \$8.2 million, up 95% ▲
- **Net Profit After Tax (NPAT):** \$3.8 million, up 90% ▲
- **Final Dividend:** Fully franked dividend of 2.5 cents per share
- **Full Year Dividend:** Fully franked dividends declared of 5.0 cents per share, up 138% ▲
- **Cash Conversion:** 79% cash conversion, up 45% ▲
- **Free Cash Flow:** \$5.7 million in free cash flow, up \$7.0 million ▲

SEGMENT RESULTS

\$ Million	FY24	FY23	Var
Community Solutions			
Revenue	33.7	33.7	0.0
EBIT	11.5	10.2	1.3
<i>EBIT %</i>	<i>34.1%</i>	<i>30.3%</i>	<i>3.8%</i>
Building Solutions			
Revenue	309.6	295.9	13.8
EBIT	2.2	-5.5	7.7
<i>EBIT %</i>	<i>0.7%</i>	<i>-1.9%</i>	<i>2.6%</i>
RV Solutions			
Revenue	75.5	80.6	-5.1
EBIT	1.3	6.9	-5.5
<i>EBIT %</i>	<i>1.7%</i>	<i>8.6%</i>	<i>-6.9%</i>

- Community Solutions’ results improved in the second half as occupancy ramped up with Rio Tinto’s additional contracted rooms coming online. The full year occupancy at Searipple was 34%.
- Building Solutions returned to profitability meeting its medium term EBIT% target supported by the initiatives embedded to focus on delivering quality revenue suitable for modular, diversification of the revenue base, increasing utilisation to defray fixed costs and managing costs to grow margins. Delays in decision making on key projects adversely impacted Building Solutions revenue in 2H24, while the order book significantly improved toward the end of FY24 providing a solid foundation for FY25.
- RV Solutions’ business faced economic challenges as cost-of-living pressures negatively impacted consumer discretionary spend right across the industry.

(1) Variance’s % are calculated on financial results rounded in millions to one decimal place



For personal use only

CAPITAL MANAGEMENT

- Cash conversion improved in the year to 79% through improved collections and inventory management to offset the unwinding of a \$20 million pre-paid contract at the end of June 2023.
- Capital expenditure was up \$5.4 million to \$12.2 million due to an extensive refurbishment in Searipple to refresh the rooms, gymnasium, and general facilities to support the upcoming Karratha demand.
- The share buy-back announced to the market on 14 May 2024 resulted in the acquisition of 144,000 shares to the end of June. The buy-back remains on foot.
- The Board declared a fully franked final dividend of 2.5 cents per share. The total fully franked dividends declared and paid for FY24 were 5.0 cents per share, an increase of 138% on FY23, reflecting the strong balance sheet and the Board's optimism over the outlook. The Company's dividend policy to pay-out 100% of net profit after tax remains in place.
- The Board will continue to review the Group's capital structure with a focus on maximizing returns to shareholders while maintaining balance sheet strength and flexibility.

OUTLOOK

- The outlook for Community Solutions is encouraging, particularly for Searipple in Karratha which is set to benefit from a range of projects in the oil and gas, fertilizer and green energy sectors. The contracted FY25 occupancy for Searipple is currently 65%, with further opportunity to optimise revenue and benefit from growing demand in the region.
- The outlook for Building Solutions has improved significantly with a current order book of \$178 million, up 40% from \$127 million in June 2023 and includes the recent contract with Q-Build for 60 homes in Queensland, key worker accommodation contracts and a major project with Transport NSW. In addition to the order book, Building Solutions derives ~40% of its revenue from long terms panel agreements, positioning it to generate high single digit revenue growth in FY25. The continued focus on the Build, Transform & Grow strategy will support meeting the medium term 15% ROCE within two years through a more simplified business model focussed on improving utilisation and productivity.
- The near term outlook for RV Solutions is soft, while the medium to longer term outlook remains positive, supported by a large fleet of caravans and RVs in service across Australia that will continue to support aftermarket demand for our products and services. RV Solutions is expected to remain profitable.

MD & CEO COMMENT

Commenting on the results and outlook Managing Director & CEO Bruce Nicholson said:

"We are pleased with our improved financial performance this year, which reflects our progress and commitment to delivering on the Build, Transform & Grow strategy to improve returns for our shareholders. The significant uplift in the Building Solutions order book and contracted rooms of 65% at Searipple provides Fleetwood with a solid foundation to deliver further earnings improvement in FY25."

MARKET BRIEFING

Fleetwood will hold a conference call today, 29 August at 10.00am AEST, hosted by Bruce Nicholson (Managing Director & CEO) and Cate Chandler (CFO).

Participants are asked to pre-register to the conference call by using the following link:

<https://s1.c-conf.com/diamondpass/10040736-4tg5bz.html>

Registered participants will receive a dial-in number and a unique access code upon registration. Please allow up to 5 minutes for the Passcode and PIN to validate. Both numbers are required to join the conference.

This announcement was authorised by the Fleetwood Limited Board of Directors.

For further information, please contact:

Cate Chandler
Chief Financial Officer
0419 186 575

For media queries, please contact:

Michael Weir
Morrow Sodali
0402 347 032

FORWARD LOOKING STATEMENTS

This announcement includes forward looking statements and references which, by their very nature, involve inherent risks and uncertainties. These risks and uncertainties may be matters beyond Fleetwood's control and could cause actual results to vary (including materially) from those predicted. Forward looking statements are not guarantees of future performance.