

25 August 2021

FLEETWOOD DELIVERS SOUND ANNUAL RESULTS

CORPORATE HIGHLIGHTS

\$ million	FY21	FY20	Change
Revenue	360.1	329.9	9%
EBITA	26.3	22.3	18%
Pre-tax profit	21.2	16.7	27%
NPATA ¹	17.3	14.9	16%

DIVISIONAL RESULTS

Building Solutions	FY21	FY20
Revenue	249.1	223.2
EBITA	9.6	6.6
Accommodation Solutions		
Revenue	38.3	43.6
EBITA	14.6	16.2
RV Solutions		
Revenue	72.4	62.9
EBITA	7.8	3.7

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

Fleetwood Limited (ASX: FWD) (Fleetwood or the Company) is pleased to announce sound full year financial earnings for FY21, driven by combined performances across all three operating divisions.

Fleetwood has delivered an 18% increase in earnings before interest, tax and amortisation (EBITA) to \$26.3 million on a 9% lift in revenue to \$360.1 million.

Shareholders will receive a final dividend of 10.5 cents per share taking the full-year payout to 16.5 cents per share. Fleetwood introduced a dividend payout policy of 100% of net profit after tax (NPATA basis) in February 2021.

Solid cashflow continues to be generated resulting in FY21 net cash of \$57.6 million (compared to \$65.7 million at 30 June 2020). This is after accounting for dividend payments of \$17.0 million and a project finance advance of \$8.7 million. Cash levels at the end of the period were lower than at 1H21 due to the working capital requirements of two major building projects. The Company has also largely utilised its tax losses and has recommenced tax payments.

However, cash levels and the balance sheet in general, remain strong and are well-matched to the Company's ongoing requirements.

Earnings per share was 18.1 cents per share on an NPATA¹ basis up 15%.

CEO COMMENT

Commenting on the full year results, Chief Executive Officer Bruce Nicholson, who joined the Company on July 1, said:

"It is pleasing to come into a company with such a solid platform of operations from which we can grow.

"All three business units have contributed to the result with Building Solutions and RV Solutions delivering improved profits partially offset by a weaker second half for Accommodation Solutions, which was impacted by additional regional room supply coming into the market.



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"In just a short space of time I've been very impressed with what I have seen across the Company.

"The Building Solutions business had strong operational performances in Victoria and Western Australia, driven by the mining and housing sectors, but offset by operational integration issues in New South Wales.

"Pleasingly, we have a strong order book of \$103 million and a bid pipeline totalling \$438 million of tenders submitted. I believe there are outstanding growth opportunities for Building Solutions with stimulus spending evident across the country and increasing desire to use modular construction in sectors such as education, corrections, mining and affordable housing.

"The forward strategy for Building Solutions is also robust. This three-part strategy is focused on diversifying and growing the revenue base, nationalising and integrating the business, and implementing a framework of operational excellence.

"Increased room supply in Karratha and a return to more normal occupancy levels impacted results for Accommodation Solutions. However, our research tells us that the current room oversupply situation is only temporary, and we anticipate increased demand for fly-in fly-out accommodation in the region. We are also pursuing opportunities elsewhere where we can leverage sister business Building Solutions for potential Build Own Operate/Transfer (BOOT) or Build to Rent (BTR) projects in all sectors.

"RV Solutions continues to benefit from the strength in domestic travel with international border closures, but even better results are being hamstrung by challenges with product sourcing, freight and skilled labour. Our strategic review of RV Solutions has been completed and the decision has been made to maintain the business as a core part of our portfolio. We will continue to execute the strategic plan which is focussed on expanding the product and renovation offering in the aftermarket and commercialising OEM products such as sandwich panels and aluminium framing.

"I am impressed with the strong strategic focus on revenue growth, increasing utilisation and reducing overheads across the group to improve earnings and I'm looking forward to driving Fleetwood to sustainable growth in coming years.

"As confident as I am with the foundations of business, we must be mindful of the impact that COVID-19 is once again having. Our operations in July and August have been directly impacted by the shutdowns in New South Wales and the ongoing risk of shutdowns in other jurisdictions.

"It would be unrealistic to suggest that we will see a full recovery before the end of the first half. Having said that, we continue to monitor and act where we can, to minimise the effect on the Company. We should be in a better position to provide a further update at the time of our Annual Meeting."

Full details of the FY21 results can be found in the Directors' Report Review of Operations in the 2021 Annual Report.

This announcement was authorised by the Fleetwood Limited Board.

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