

DELIVERING THE PROMISE

Fleetwood

Macquarie Western Australia Forum

GROUP STRUCTURE

Fleetwood is focused on education, affordable housing and recreation

Modular
Accommodation

Affordable Housing
Education
Commercial



Parts and
Accessories

Camec
Flexiglass
Bocar



Village
Operations

Searipple Village
Osprey Village



Recreational
Vehicles

Coromal
Windsor



TURNAROUND PLAN FOR CURRENT OPERATIONS

Significant progress made. Still more to achieve

3 YEARS AGO

- High debt level
- Searipple losing money
- Reliant on Mining
- Caravan manufacturing lost its way in a growing market

TODAY

- Minimal debt – Osprey deal
- Searipple profitable
- WA restructure, now break-even
- Largest player in affordable housing
- Turnaround underway in RV manufacturing
- Board renewal continuing

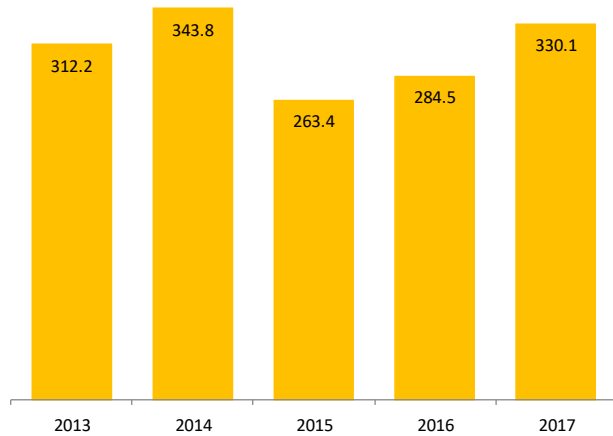
WHEN PLAN COMPLETE

- Appropriate gearing
- Material earnings from Villages
- Dominant in affordable housing
- RV manufacturing profitable

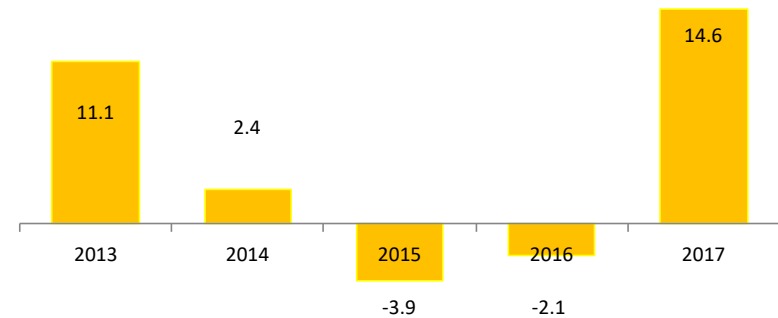
FINANCIAL PERFORMANCE

Growing revenue and EBIT, reducing capital employed

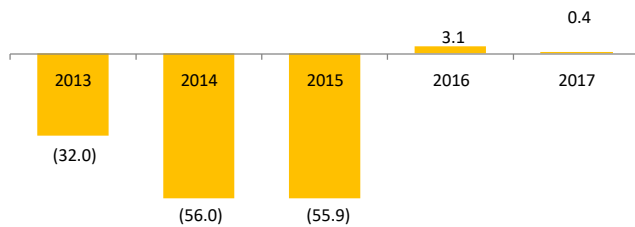
Group Revenue (\$m)*



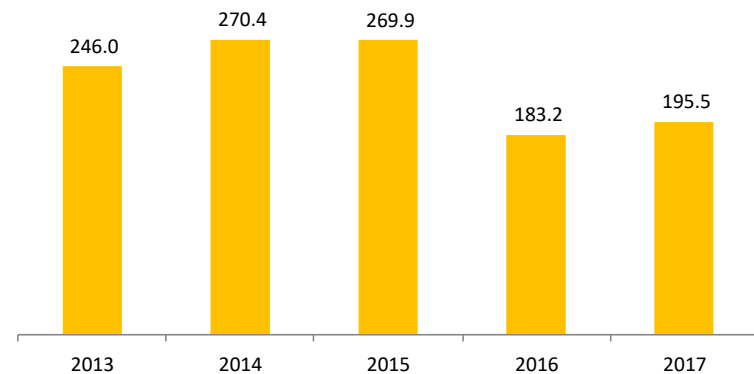
Group Underlying EBIT (\$m)*



Net Cash (Debt) (\$m)



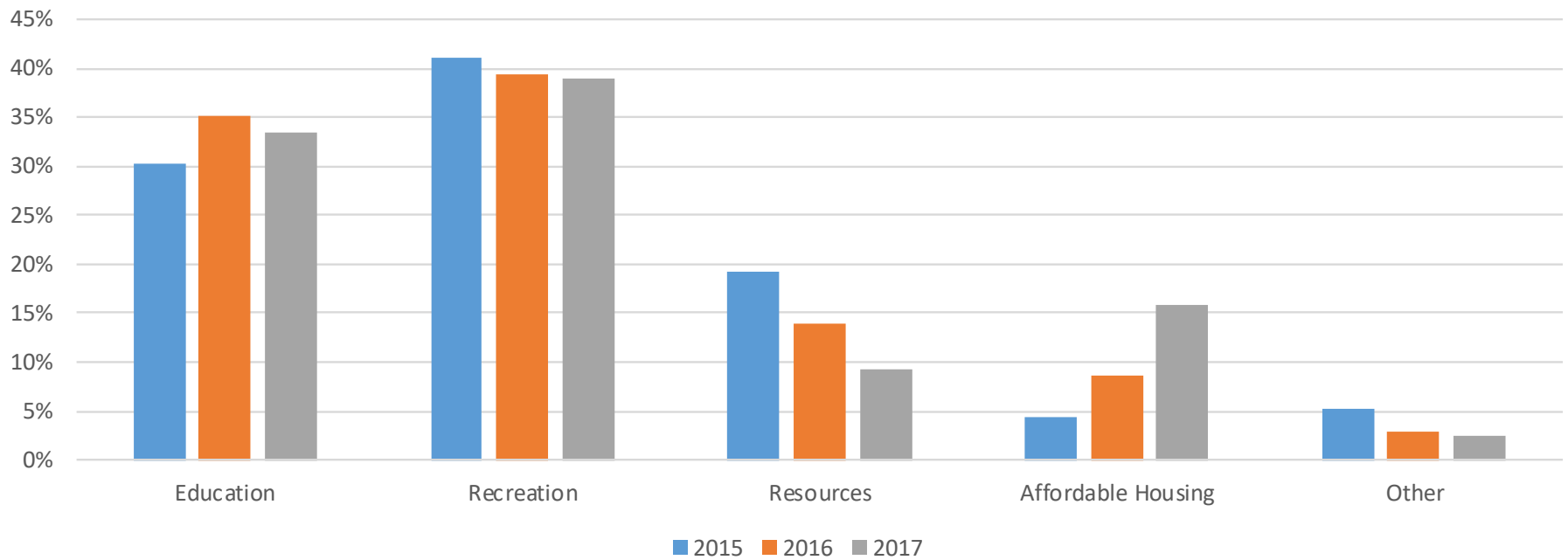
Capital Employed (\$m)



*Group Revenue & Underlying EBIT excludes the impacts of the discontinued operation, impairment & one-off adjustment to capital value of Osprey Village

FINANCIAL PERFORMANCE

Business refocused on growth sectors



Key priorities for FY18



Our key internal priorities for FY18 are:

- Improving cash-flow management
- Generating higher returns across the group
- Addressing the two loss making businesses in the group
- Diversifying our Modular accommodation business
- Capitalising on any sustained resources sector recovery

RECREATIONAL VEHICLES



Commitment to the business

- Long history in the industry
- Strong and valuable brands
- Renewed management team
- Volume and revenue growth in a declining market

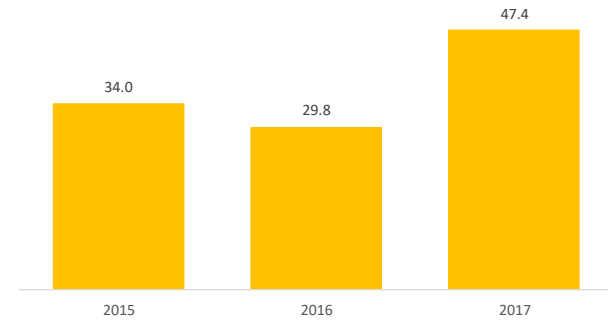
2017

- Refreshed product range launched
- Dealership numbers increased
- Increased order book during the year
- Production focus, volume up over 50%

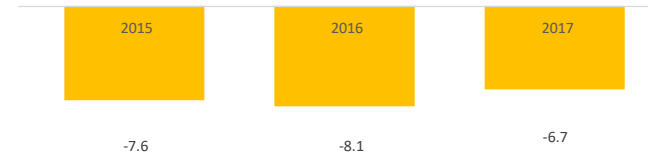
FY18 so far

- Order book beginning to strengthen
- Sales mix improving
- Factory efficiency key – materials, labour
- Benefits to be felt in the second half of FY18

Revenue



EBIT



PARTS AND ACCESSORIES



Operations

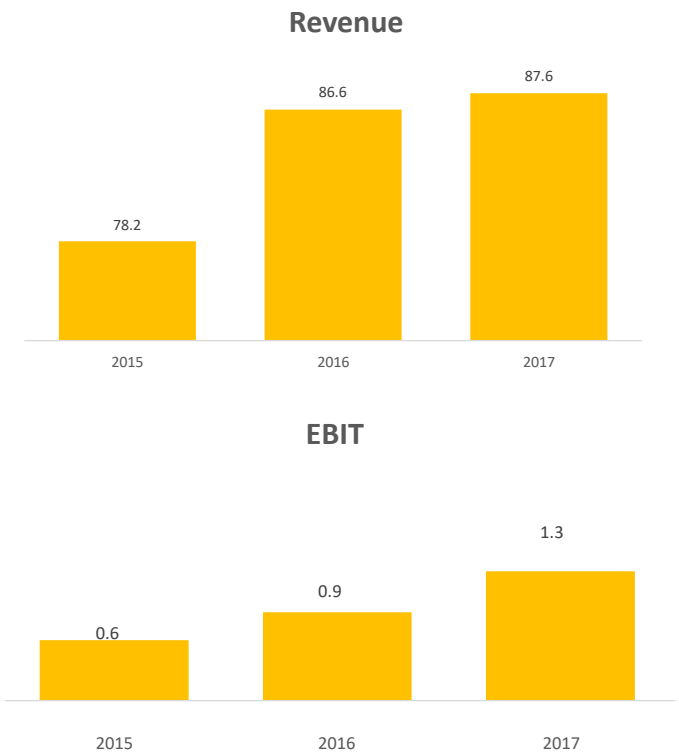
- Camec - Australian and overseas manufacture of RV parts
- Flexiglass – Thai and Chinese manufacture of after market vehicle components
- Branch operations throughout Australia and NZ

2017

- RV industry slowed to a degree in 2017
- Improved revenue, particularly at Camec
- Camec factory efficiency improved

FY18 so far

- RV industry more stable
- Product development a key focus



MODULAR ACCOMMODATION



Operations

- Manufacturing facilities in Victoria, WA, QLD and NSW
- Education and Affordable Housing markets

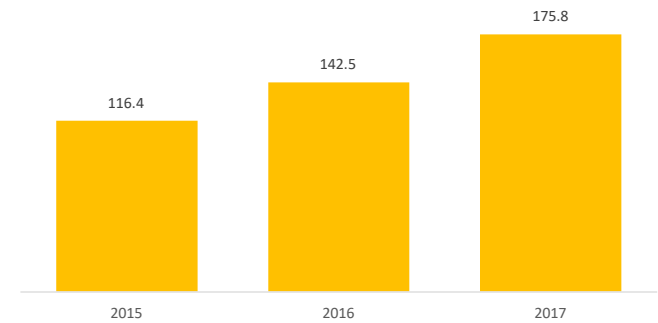
2017

- Strong education volume
- Growth from key affordable accommodation customers
- WA restructure benefitted FY2017

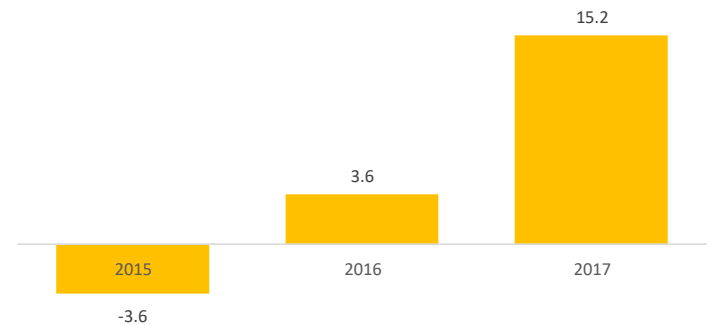
FY18 so far

- Further opportunities in education markets
- NSW facility opening up opportunities
- Early signs of recovery in the mining sector

Revenue



EBIT



MODULAR ACCOMMODATION

Significant Education, Government and Affordable Housing Demand



Cash splash for Victorian schools in \$924m education building blitz in state budget

revealed: the \$5b plan to tackle overcrowding crisis in NSW schools

Victoria Budget 2017-18: New Victorian jail, more frontline police on \$2b boost

Victorian state budget 2016: Labor pledges \$1.1 billion education spending blitz

the Department of Education predicting NSW will need 164,000 public school places by 2031, Premier Gladys Berejiklian said the Budget showed her government was responding to the "once-in-a-generation" like, with the budget committing a 61 per cent rise in education spending.

Monday, June 12, 2017

\$1.8 billion Housing Strategy to transform lives, create jobs and revitalise neighbourhoods

The Palaszczuk Government is investing \$1.8 billion to build more than 5,000 extra homes, create thousands of building and construction jobs while providing more Queenslanders with a safe, secure and affordable place to call home.

BRIEF-Fleetwood Corp entered into supply agreement with Gateway Lifestyle

NSW govt commits \$4.2b to schools funding

NSW budget 2017-18: 'Historic spend' as schools brace for long-term enrolment boom

NSW budget: \$3.8b to fund thousands of extra beds in crowded jails

By State Political Reporter Lucy McKeally
Updated 16 Jun 2016, 11:51am

VILLAGE OPERATIONS



Operations

- Searipple Village in Karratha
- Osprey Village in Port Hedland

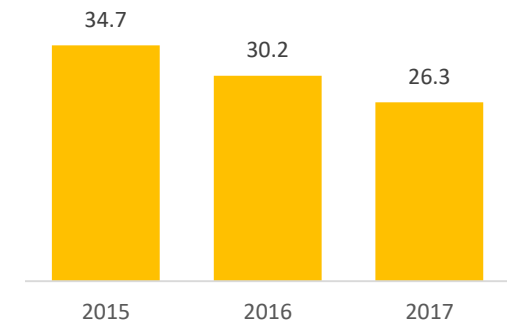
2017

- Osprey village underpinned by agreement with WA State Government
- Rio Tinto preferred supplier agreement at Searipple
- Cost reductions resulted in improved earnings

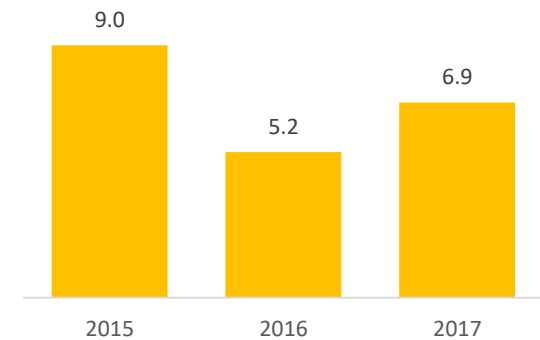
FY18 so far

- Continuing signs of solid demand

Revenue



EBIT



SUMMARY



Turnaround plan well underway

- Board and management changes
- Refocused on growth markets
- Underperforming operations restructured
- Sustained commitment to the RV industry
- Cash-flow receiving increased attention
- Dividends resumed, large franking balance
- Strong balance sheet

APPENDIX 1: SUMMARY PROFIT AND LOSS

\$ million	2017	2016	Change
Revenue	330.1	284.5	16%
Underlying EBITDA	21.9	7.2	204%
Depreciation and Amortisation	7.3	9.3	-22%
Underlying EBIT	14.6	-2.1	n/a
Finance costs	0.9	1.0	-5%
Pre-tax profit	13.7	-3.0	n/a
Tax expense (benefit)	4.3	-0.4	n/a
Underlying NPAT	9.4	-2.6	n/a
Adjusting items pre-tax	0.0	-10.3	n/a
Tax on adjusting items	0.0	1.9	n/a
Net adjusting items	0.0	-8.4	n/a
Statutory NPAT	9.4	-11.0	n/a

APPENDIX 2: SEGMENT EARNINGS

\$ million	2017	2016	Change
Revenue			
Recreational Vehicles	47.4	29.8	59%
Parts and Accessories	87.6	86.6	1%
Modular Accommodation	175.8	142.5	23%
Village Operations	26.3	30.2	-13%
Unallocated	0.3	0.1	n/a
Intersegment eliminations	-7.3	-4.7	56%
Total revenue	330.1	284.5	16%
Underlying EBIT			
Recreational Vehicles	-6.7	-8.1	17%
Parts and Accessories	1.3	0.9	46%
Modular Accommodation	15.2	3.6	325%
Village Operations	6.9	5.2	34%
Unallocated	-2.1	-3.6	43%
Total underlying EBIT	14.6	-2.1	n/a

APPENDIX 3: SUMMARY BALANCE SHEET

	2017	2016
Current assets		
Cash and cash equivalents	5.4	6.1
Trade and other receivables	65.0	40.6
Inventories	63.2	49.3
Assets held for sale	20.2	25.8
Total current assets	153.8	121.9
Non-current assets		
Trade and other receivables	1.4	0.4
Property, plant and equipment	46.8	45.8
Intangible assets	0.1	1.1
Goodwill	55.2	55.2
Deferred tax assets	10.2	14.1
Total non-current assets	113.7	116.7
Total assets	267.5	238.6

	2017	2016
Current liabilities		
Trade and other payables	58.8	42.2
Interest bearing liabilities	5.0	3.0
Provisions	5.8	5.6
Other financial liabilities	0.4	0.3
Total current liabilities	70.0	51.1
Non-current liabilities		
Provisions	1.6	1.2
Total liabilities	71.6	52.3
Net assets	195.9	186.3