

27 August 2018

FY18 FINANCIAL RESULTS

Fleetwood Corporation Limited ACN 009 205 261 (ASX: FWD) (**Fleetwood**) is pleased to announce its first financial results following the recent completion of the final strategic initiatives associated with its turnaround plan. The group reported revenue of \$267.0 million (FY17: \$262.4 million), underlying EBIT \$18.8 million (FY17: \$22.7 million) and underlying NPAT \$12.2 million (FY17: \$15.2 million). Statutory NPAT was a loss of \$13.5 million after allowing for losses from discontinued operations (Flexiglass and Caravan Manufacturing).

Fleetwood has now settled its corporate structure which includes the following:

- **Modular Accommodation:** Fleetwood Australia modular construction business and the newly acquired Modular Building Systems
- **Parts & Accessories:** Camec and the newly acquired bolt on electrical and parts supplier Northern RV
- **Village Operations:** Ownership of the Searipple and Osprey accommodation villages in the northwest of Western Australia

Fleetwood Managing Director and CEO Brad Denison said “FY18 has been all about completing the major initiatives associated with our turnaround plan and we’re very pleased to say we’ve achieved everything we set out to do, including the sale of our loss making Flexiglass and Caravan Manufacturing businesses, acquisition of complementary businesses in our Modular Accommodation and Parts & Accessories businesses at attractive prices and a \$60 million equity raising.

“We have now repositioned Fleetwood for growth. With our reset operational and financial structure, FY19 is all about integrating our acquisitions and delivery of results. We’re very enthusiastic about the opportunities the MBS and NRV acquisitions provide our core businesses and expect them to be EPS and ROE accretive.

“Our underlying FY18 saw some softness largely as a result of a change in procurement method by the Victorian Education Department to a rental model as opposed to a straight sale model in the final quarter ahead of their May State Budget. We expect to see that translate into increased rental income in FY19.

“In addition, the business was impacted to a lesser degree by lower volume from the affordable retirement sector, particularly into the fourth quarter, and establishment of two new factories in Melbourne to meet anticipated higher future demand.”

A detailed discussion of Fleetwood’s trading results is included in the Operations Review released today with the 2018 Financial Report.

About Fleetwood

Fleetwood is a provider of innovative affordable modular accommodation solutions and parts and accessories.

Established in 1964 and employing people in Australia and New Zealand, Fleetwood aims to outperform by providing genuine value. Our beliefs and commitment are outlined in the company’s statement of values “Delivering the Promise”.

For more, please visit www.fleetwoodcorporation.com.au



Fleetwood's FY18 financial results are summarised as follows:

\$ million	2018	2017	Change
Revenue			
Parts and Accessories	66.6	67.2	-1%
Modular Accommodation	179.3	175.8	2%
Village Operations	27.9	26.3	6%
Unallocated	0.2	0.3	-36%
Intersegment eliminations	(7.0)	(7.3)	n/a
Total revenue	267.0	262.4	2%
Underlying EBIT			
Parts and Accessories	3.6	2.6	39%
Modular Accommodation	10.1	15.2	-34%
Village Operations	9.1	6.9	32%
Unallocated	(4.0)	(2.1)	n/a
Total underlying EBIT	18.8	22.7	-17%
Finance costs	1.2	0.8	56%
Pre-tax profit	17.6	21.9	-20%
Tax expense (benefit)	5.4	6.7	-20%
Underlying NPAT	12.2	15.2	-19%
Loss from discontinued operations	(25.7)	(6.2)	n/a
Statutory NPAT	(13.5)	9.0	n/a

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