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Cavco Industries, Inc.

Nasdaq: CVCO



FACTORY-BUILT HOUSING SOLUTIONS

Cavco
HOMES

Cavco
PARK MODELS & CABINS

Fleetwood
HOMES

NATIONWIDE
Homes

Palm
Harbor
Homes

Destiny
Homes

FAIRMONT
HOMES

STANDARD
CASUALTY COMPANY

Chariot
EAGLE

CountryPlace
MORTGAGE

INVESTOR PRESENTATION NOVEMBER 2020

Company Overview

Factory-built housing

- 20 manufacturing production lines
- 3rd largest U.S. Builder (2019 HUD building code)
- 13% market share (2019 HUD building code)
- 40 Retail Stores
- Serving 42 states and Canada
- Commercial loan programs

Financial Services

- Mortgage origination & servicing
- Property & casualty insurance

Profile

- \$1.7 billion market capitalization
(November 2, 2020)
- \$1.1 billion net revenue
(through March 28, 2020)
- 5,000 Employees

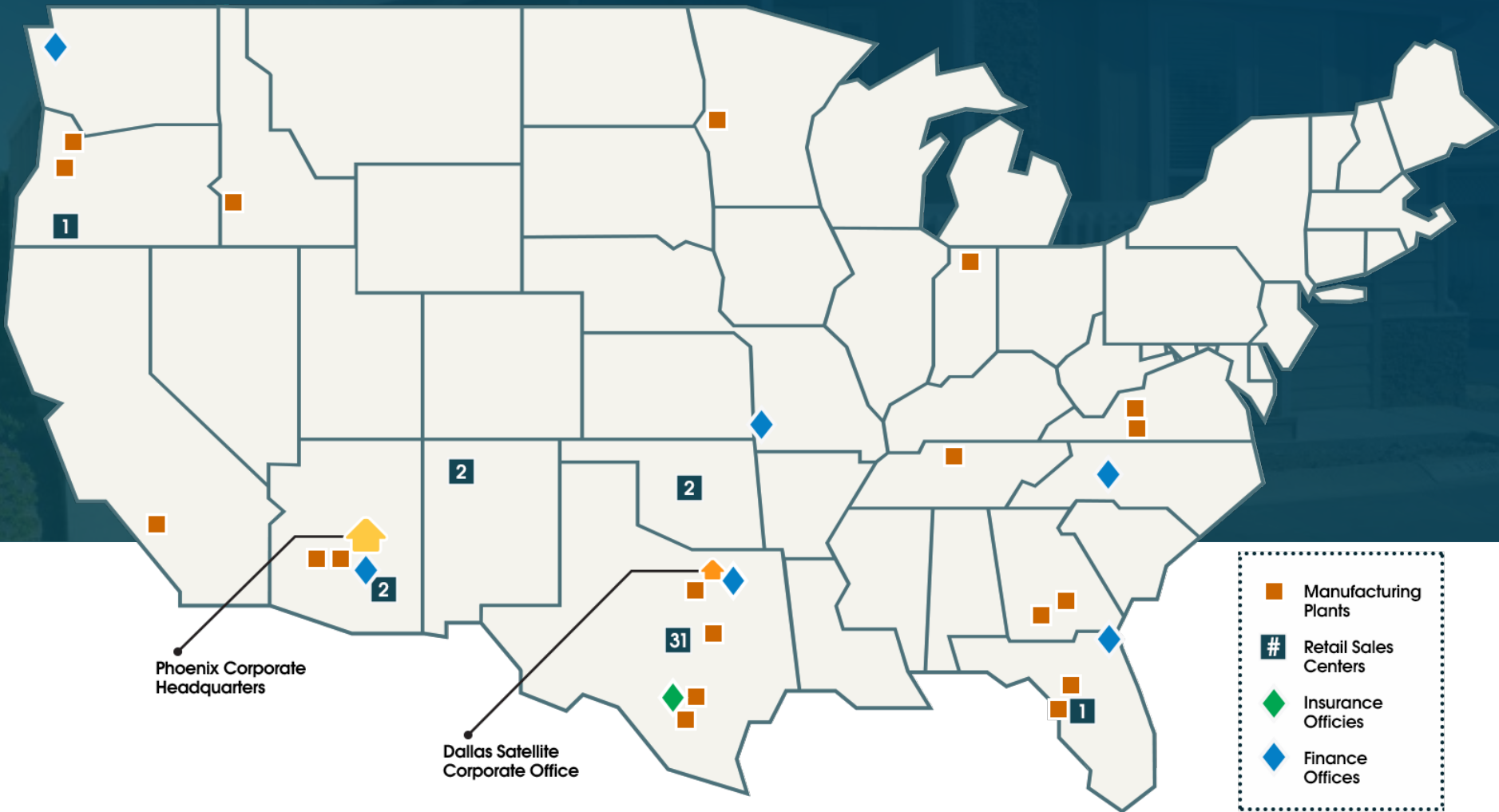
Portfolio of Brands



Comprehensive Product Offering



Operating Locations



Business Update on COVID-19 Pandemic

- The Company continued to operate substantially all of its homebuilding and retail sales facilities while working to follow the COVID-19 health guidelines.
- The Company has worked to minimize exposure and transmission risks by implementing enhanced facility cleaning, social distancing and related protocols while continuing to serve its customers.
- Operational efficiencies declined from adjusting home production processes to comply with health guidelines, managing higher factory employee absenteeism, limited new-hire availability and certain building material supply shortages.
 - The Company's total average plant capacity utilization rate was approximately 65% during the second fiscal year quarter of 2021, ending the quarter at 70%. This is compared to pre-pandemic levels of more than 80%.
- Sales activity continuously improved during the second fiscal quarter of 2021 to the point where sales order rates were nearly 65% higher than the comparable prior year quarter.
- It is difficult to predict the future impacts on housing demand or the nature of our operations due to the COVID-19 pandemic.



Manufactured Housing Industry Profile

33

Corporations

134

Homebuilding
Factories

4,000

Home Sales
Centers

40,000

Land-Lease
Communities

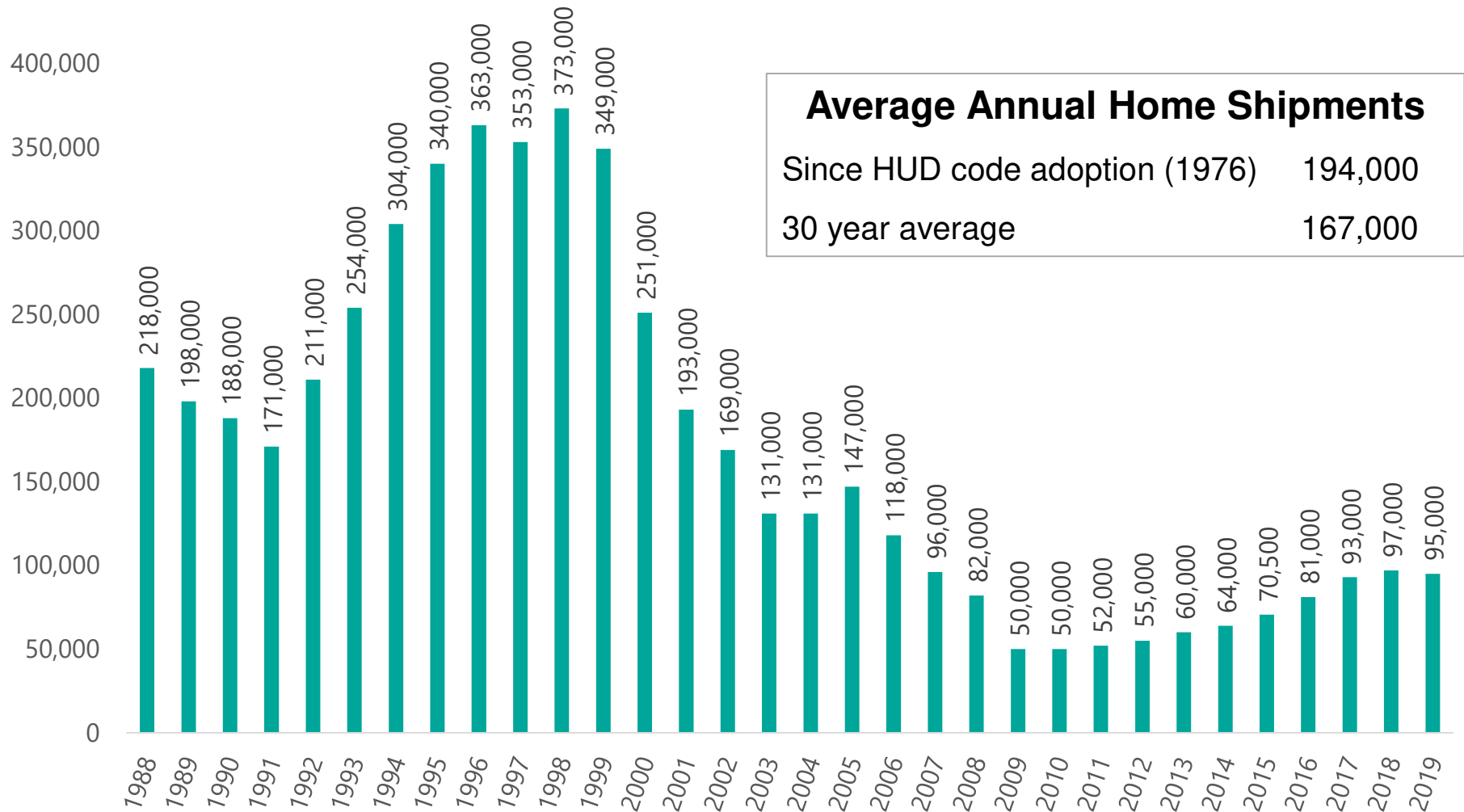
For the first eight months of 2020, manufactured housing accounted for:

- **59%** of all new homes sold under **\$200,000**
- **89%** of all new homes sold under **\$150,000**

2 of every **3** manufactured homes are in rural areas

Manufactured Housing Industry

30 year annual shipments

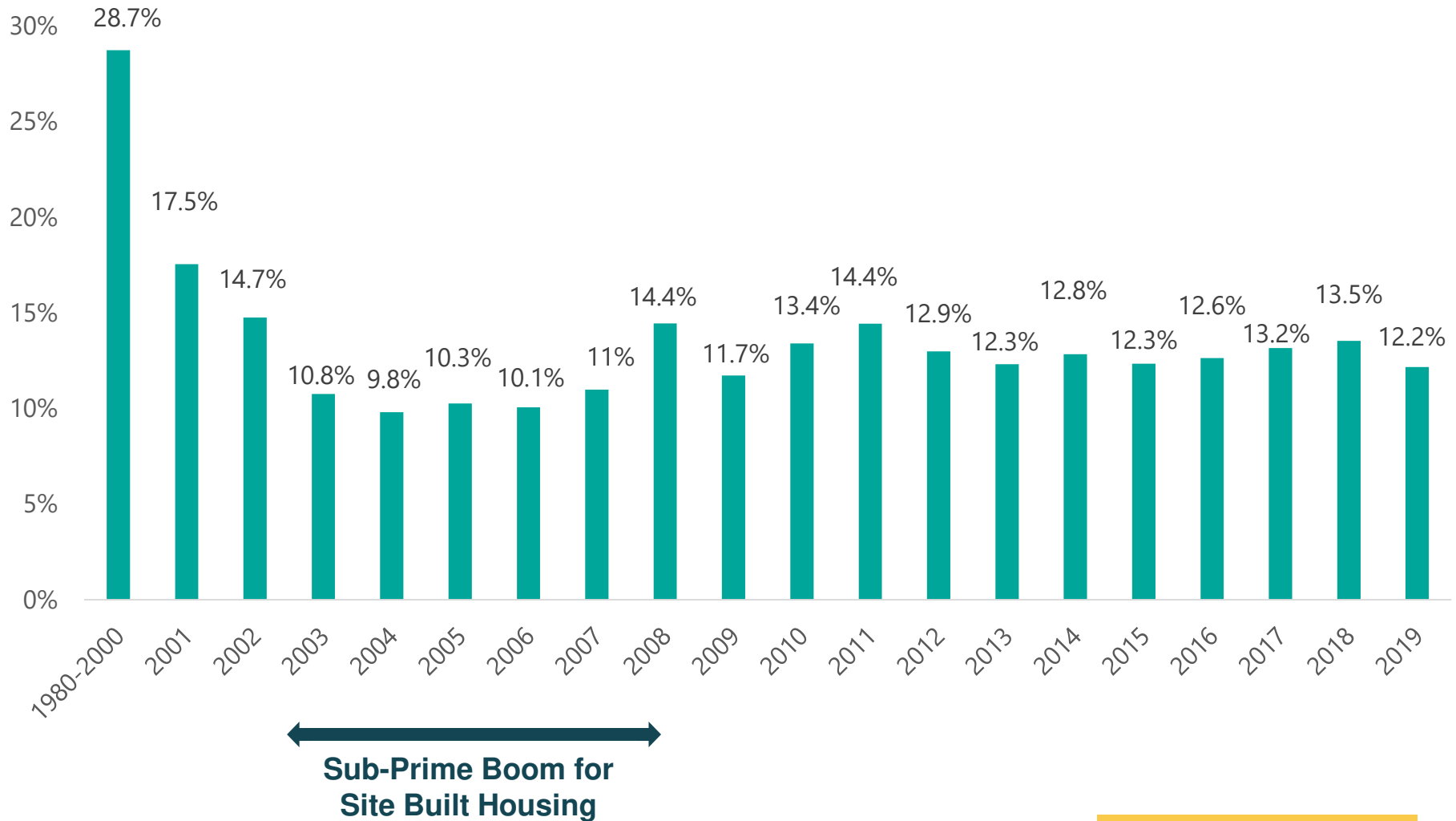


Source: Manufactured Housing Institute.

2005 includes approximately 17,000 units built for FEMA. While not as significant, the industry also produced FEMA units from 2016-2018.



Manufactured Home Shipments as a percent of New Single-Family Home Sales



Source: Manufactured Housing Institute and U.S. Census Bureau



Investment Considerations

Liquidity

Solid balance sheet and liquidity position

Positioning

Well positioned in the affordable housing market
Demonstrated ability to adjust to market conditions:
profitable in all but one year during entire
housing/economic downturn

Growth Potential

Facilities in most major geographic regions
Substantial sales growth with modest capital spending

Financial Performance

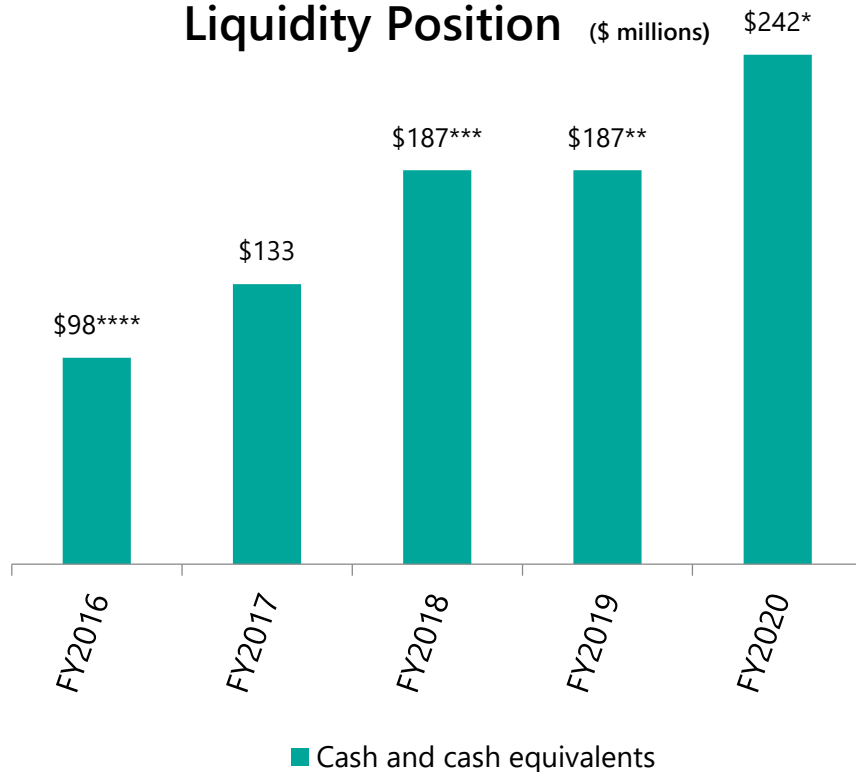
Considerable operating and financial leverage with
excess production capacity

NASDAQ symbol: **CVCO**



Liquidity and Capital Allocation Strategy

Liquidity Position (\$ millions)



- * Securitized loan repurchase and 1 cash acquisition
- ** Securitized loan repurchase
- *** 1 cash acquisition
- **** 2 cash acquisitions

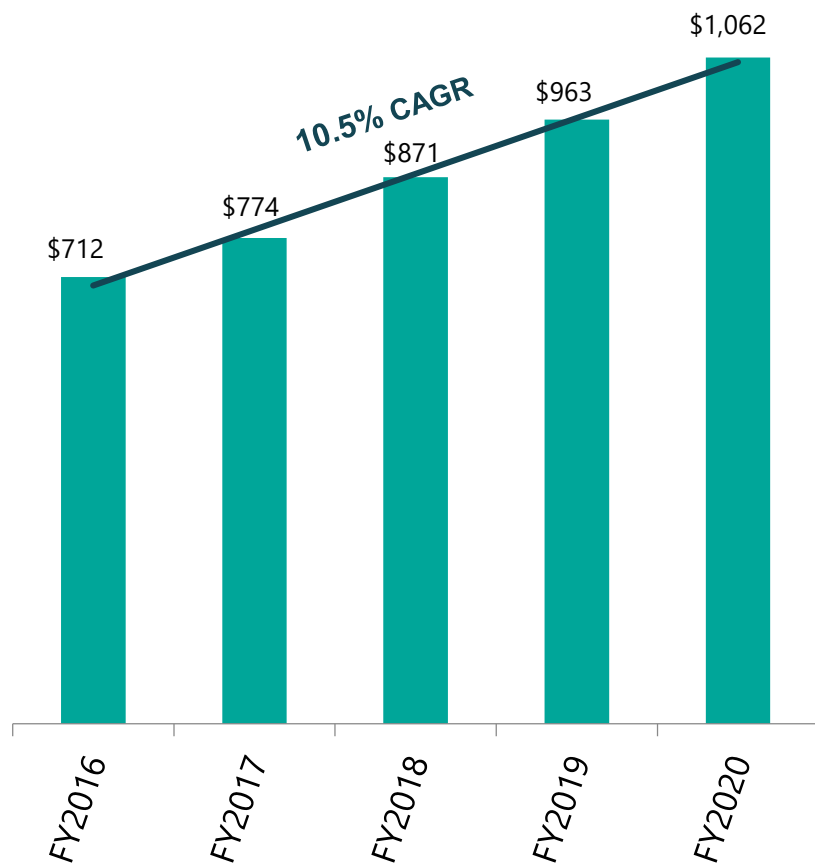
Capital Allocation Opportunities

- 1) Support organic growth programs
 - Consumer and commercial lending
 - Manufacturing expansion
 - Product development
- 2) Pursue attractive M&A
- 3) Initiate dividend / stock buybacks

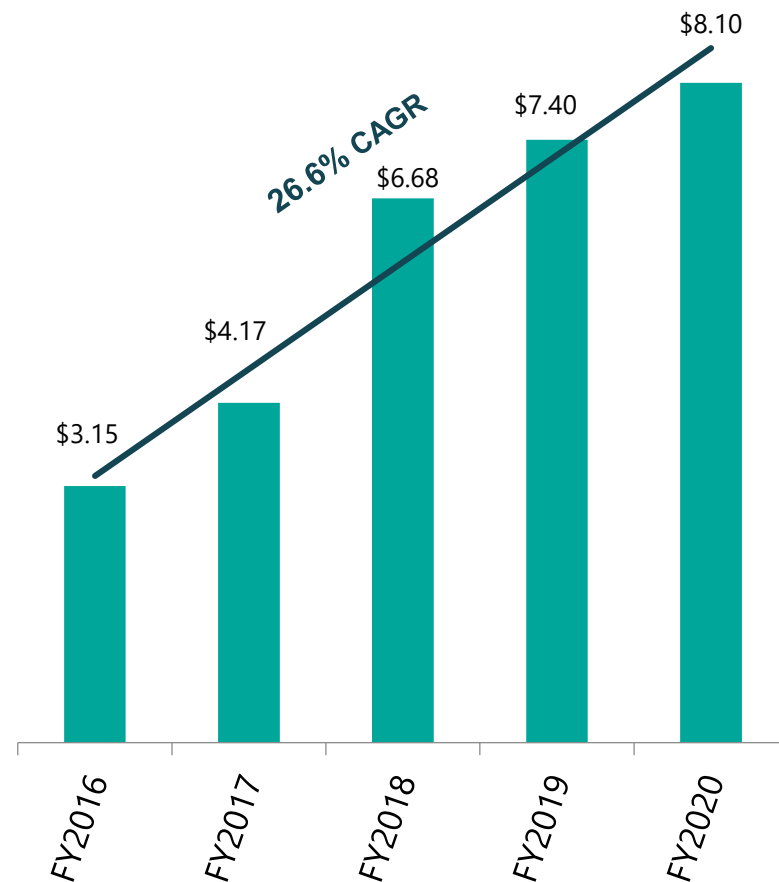


Strong Financial Performance

Net Revenue (\$ millions)



Diluted EPS



Manufactured Housing Market

Critical Component of U.S. Housing Needs

- Affordable housing
 - Most affordable form of home ownership
 - Ownership at monthly cost comparable to apartment rents
 - Average retail sales price approximately \$82,000 (home only)
- Custom and larger homes at better value than site built
 - Flexible production process allows more custom features at lower cost
 - Greater purchasing power than most builders
 - Precision built, with three layers of quality oversight nationally administered by HUD



Manufactured Housing Market

Critical Component of U.S. Housing needs (continued)

- Rural housing, communities and urban in-fill
 - Construction process reduces labor and material usage
 - Faster production through controlled building environment
- Environmental advantages
 - Less disruption to the environment
 - Energy efficient materials, green and alternative energy home designs

Manufactured Housing Market

Two main financing options

- Traditional mortgage
 - Conforming mortgage loans which comply with the requirements of FHA, VA, USDA or GSE loans or non-conforming mortgages
 - MH Advantage and ChoiceHome products
- Personal property loan (home-only or chattel loans)
 - CountryPlace Mortgage also develops and invests in home-only lending programs
 - Growing participation in home-only lending may provide additional sales growth opportunities



Manufactured Homeowners

Large and Diverse Markets

- First-time home buyers
- First-time move-up buyers
- Immigrants
- Baby boomers, empty nesters, and retirees
 - Lifestyle oriented homebuyers – age-restricted communities
- Second home and seasonal living
 - Attractively priced, low-maintenance alternative to on-site construction



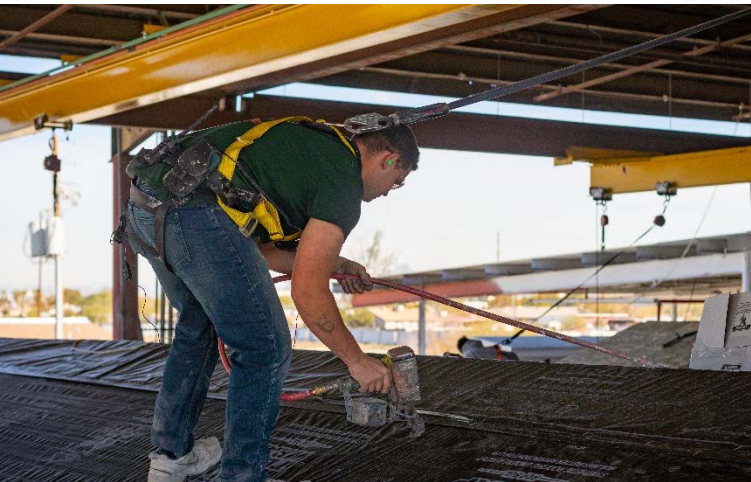
Favorable Demographic Trends

U.S. Demographic Indicators

- U.S adult population estimated to expand by 9 million between 2020 and 2025
- Home ownership rises with age
 - Over 75% of the population age 55+ are homeowners
 - The 55+ category is reported to be the fastest growing segment of the U.S. population
- Gen Y (age 18-39) is largest group ~99 million in 2019
 - Late-stage Gen Y in peak household formation and home-buying years

Key Considerations

1. Strategic growth has developed a strong national footprint
2. Affordable homes
3. Dynamic segment of the housing industry, well positioned for growth
4. Attractive investment factors
5. Positive consumer demographics and trends



For further
information on the
Company, visit
www.Cavco.com



Forward Looking Statements

Certain statements contained in this release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities and Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. In general, all statements that are not historical in nature are forward-looking. Forward-looking statements are typically included, for example, in discussions regarding the manufactured housing and site-built housing industries; our financial performance and operating results; and the expected effect of certain risks and uncertainties on our business, financial condition and results of operations. All forward-looking statements are subject to risks and uncertainties, many of which are beyond our control. As a result, our actual results or performance may differ materially from anticipated results or performance. Factors that could cause such differences to occur include, but are not limited to: the impact of local or national emergencies including the COVID-19 pandemic, including such impacts from state and federal regulatory action that restricts our ability to operate our business in the ordinary course and impacts on (i) customer demand and the availability of financing for our products, (ii) our supply chain and the availability of raw materials for the manufacture of our products, (iii) the availability of labor and the health and safety of our workforce and (iv) our liquidity and access to the capital markets; our ability to successfully integrate past acquisitions or future acquisitions and the ability to attain the anticipated benefits of such acquisitions; the risk that any past or future acquisition may adversely impact our liquidity; involvement in vertically integrated lines of business, including manufactured housing consumer finance, commercial finance and insurance; information technology failures or cyber incidents; curtailment of available financing from home-only lenders; availability of wholesale financing and limited floor plan lenders; our participation in certain wholesale and retail financing programs for the purchase of our products by industry distributors and consumers, which may expose us to additional risk of credit loss; significant warranty and construction defect claims; our contingent repurchase obligations related to wholesale financing; market forces and housing demand fluctuations; net losses were incurred in certain prior periods and our ability to generate income in the future; a write-off of all or part of our goodwill; the cyclical and seasonal nature of our business; limitations on our ability to raise capital; competition; our ability to maintain relationships with independent distributors; our business and operations being concentrated in certain geographic regions; labor shortages and the pricing and availability of raw materials; unfavorable zoning ordinances; loss of any of our executive officers; organizational document provisions delaying or making a change in control more difficult; volatility of stock price; general deterioration in economic conditions and turmoil in the credit markets; governmental and regulatory disruption, including federal government shutdowns; extensive regulation affecting manufactured housing; potential financial impact on the Company from the subpoenas we received from the SEC and its ongoing investigation, including the risk of potential litigation or regulatory action, and costs and expenses arising from the SEC subpoenas and investigation and the events described in or covered by the SEC subpoenas and investigation, which include the Company's indemnification obligations and insurance costs regarding such matters, and potential reputational damage that the Company may suffer; and losses not covered by our director and officer insurance, which may be large, adversely impacting financial performance; together with all of the other risks described in our filings with the SEC. Readers are specifically referred to the Risk Factors described in Item 1A of the 2020 Form 10-K, as may be amended from time to time, which identify important risks that could cause actual results to differ from those contained in the forward-looking statements. Cavco expressly disclaims any obligation to update any forward-looking statements contained in this release, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on any such forward-looking statements.