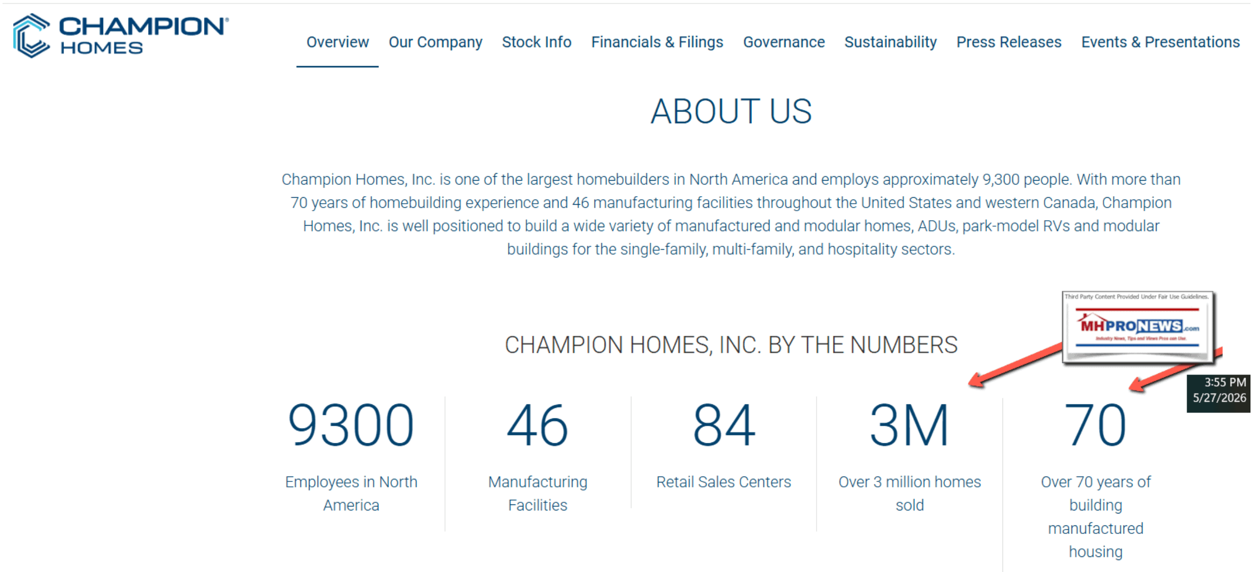
Pre-publication draft for submission to third-party artificial intelligence (AI) for facts-evidence-analysis (FEA) check for a developing report on MHProNews

Champion Homes (SKY) Q4 2026 Earnings Call Transcript. Homes Direct Deal. Record HUD Sales? Community Sales Down.

"**People live better when they have less financial stress**," Lindsey Bostick said. "**They can do more of what they really want to do with their lives when they pay less for their home**." Bostick, then with Sunshine Homes, added: "**I didn't sacrifice by buying a manufactured home, I'm money ahead. The intelligent, informed professionals, business people, builders, real estate agents and others who are buying and selling manufactured homes are proof that the industry has evolved**." Her remarks are a microcosm of what an industry image/education campaign might look like. That is from an article that included a quote from then Skyline Homes (SKY) senior management executive, Terry Decio (see below). Straight talk can be compared and contrasted with posturing, diversionary, or misleading expressions to see what lessons emerge. As MHProNews has reported for years, some statements can be technically true but can still be misleading. Paltering and other forms of misleading language or red herring/razzle dazzle or style distractions can mask or distract what's occurring. That article that included quotes from Lindsey Bostick that included remarks by Terry Decio, included a historic letter from then MHI vice president Lesli Gooch, Ph.D., to HUD officials on the topic of zoning. As that letter from "Dr. Gooch," now CEO of MHI will help frame what MHI member Champion Homes (SKY) CEO Tim Larson said during their recent earnings all (see Part I below). There were arguably several misleading remarks in the Champion earnings call discussion that follows in Part I which will be unpacked in Part II.

1. But to further frame the issues, Champion's asserted record year for production will be considered. The 'old Champion,' then known as Champion Enterprises-(NYSE:CHB), last high-water mark was achieved in 1998. As part of the 5.27.2026 earnings call in Part I below, Champion CEO Larson said, "we earned the business of 26,622 customers in fiscal 2026, the record number of homes sold since the company went public in 2018." Per their investor relations pitch, that represents all homes sold of whatever type in all of North America. What that fails to mention is that the firm says they are over 70 years old (see screen shot below). In calendar 1998, Champion produced 68,264 HUD Code manufactured homes. So, based on 87 percent of their total factory-built housing production being HUD Code manufactured homes (per their investor relations pitch on page 11 here), that would represent about **23,161** (26,622 x .87 = 23,161.14) new HUD Code manufactured homes. To further frame that comparison, the estimated 23,161 HUDs Champion (SKY) produced in 2026 would have made them the #6 builder back during the industry's glory days.



CHAMPION HOMES

Overview Our Company Stock Info Financials & Filings Governance Sustainability Press Releases Events & Presentations

ABOUT US

Champion Homes, Inc. is one of the largest homebuilders in North America and employs approximately 9,300 people. With more than 70 years of homebuilding experience and 46 manufacturing facilities throughout the United States and western Canada, Champion Homes, Inc. is well positioned to build a wide variety of manufactured and modular homes, ADUs, park-model RVs and modular buildings for the single-family, multi-family, and hospitality sectors.

CHAMPION HOMES, INC. BY THE NUMBERS

9300	46	84	3M	70
Employees in North America	Manufacturing Facilities	Retail Sales Centers	Over 3 million homes sold	Over 70 years of building manufactured housing

2. Total U.S. HUD Code manufactured home production by firm, ranked 1-6.

1. Champion Enterprises, Auburn Hills, MI (NYSE:CHB) 68,264
2. Fleetwood Enterprises, Riverside, CA (NYSE: FLE) 66,222
3. Oakwood Homes, Greensboro, N.C. (NYSE: OKW) 38,237
4. Clayton Homes, Knoxville, TN (NYSE: CMH) 28,429
5. Cavalier Homes, Addison, AL (NYSE: CAV) 24,387
6. Skyline Corp., Elkhart IN (NYSE: SKY) 17,286

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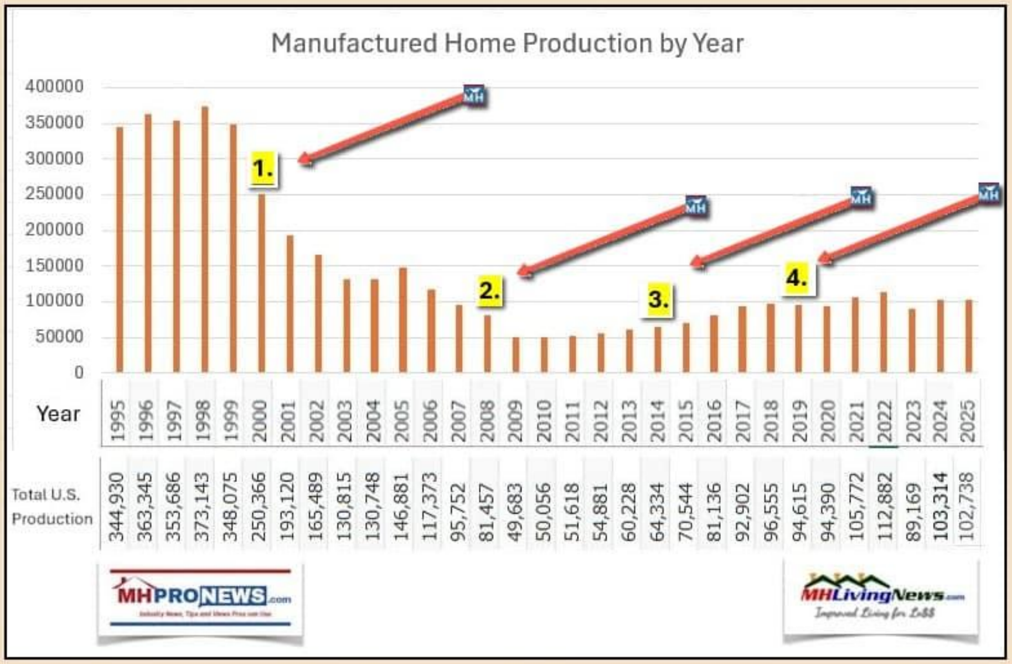

Year	Total U.S. Production
1995	344,930
1996	363,345
1997	353,686
1998	373,143
1999	348,075
2000	250,366
2001	193,120
2002	165,489
2003	130,815
2004	130,748
2005	146,881
2006	117,373
2007	95,752
2008	81,457
2009	49,683
2010	50,056
2011	51,618
2012	54,881
2013	60,228
2014	64,334
2015	70,544
2016	81,136
2017	92,902
2018	96,555
2019	94,615
2020	94,390
2021	105,772
2022	112,882
2023	89,169
2024	103,314
2025	102,738

1. Due in part to a lack of robust enforcement by HUD, the 2000 Reform Law was followed by a sharp decline in production. Some identify that industry consolidation began with Berkshire Hathaway (BRK) taking a stake in vertically integrated Oakwood (2002) and Clayton Homes (2003).

2. HERA 2008 and its "Duty to Serve" (DTS) has never been properly implemented on single family manufactured housing by the FHFA, which was part of its intent. Production fell and stayed low. It was until 2016 that production recovered to a similar level as the year when HERA was DTS enacted. MHProNews notes that while single family manufactured housing has not bee provided by Fannie Mae and Freddie Mac, those Government Sponsored Enterprises (GSEs) has provided billions in lending on land lease communities. Consolidation surged in the manufactured home community (MHC) sector as that lending became popular for purchase money or refinancing of land-lease properties.

3. In 2014, Richard "Dick" Jennison told MHProNews in a video recorded interview that the industry should 'grow slowly.' That is in fact what occurred in MHVille, a slow rebound from the roughly 50,000 home production levels in 2009 and 2010. That slow growth continued despite the fact that Jennison said the next year in another MHProNews video recorded remark to dozens of industry pros that they industry's goal should be 500,000 new homes produced and shipped annually.

4. The new class of manufactured homes was later rebranded as CrossMod® and in 2019 the industry was told that their commissioned research showed that term was far more popular than "manufactured home." The next year, production dipped modestly instead of growing sharply.

Restated, MHI leadership in much of the 21st century history reveals claims made without promised delivery on better results following.

This chart and annotations were created by manufactured housing industry expert using human intelligence (HI).

https://www.manufacturedhomepronews.com/what-happens-if-congress-passes-housing-reform-yet-manufactured-home-industry-growth-stalled-will-govt-shareholders-affordable-housing-seekers-residents-sue-mhi-corps-institutional-investors-fea/ [/caption]

3. The above is per the data collected by the now defunct Merchandiser. That list of the top 6 was selected because today, Champion Homes (SKY) is the product of the merger between Champion and Skyline. If those two firm's totals for the year above were added together (since those two firms later merged) as a point of reference, that would yield. 68,264 + 17,286 = 85,550. That 85,550 new HUD Code homes produced by those two firms in 1998 would be equal to about 83.27 percent of all the production in 2025 (total U.S. production 102,738). Even #1 Clayton Homes (BRK) today is unlikely to exceed the total production for either Champion Enterprises (CHB) or Fleetwood Enterprises (FLE) achieved in 1998.

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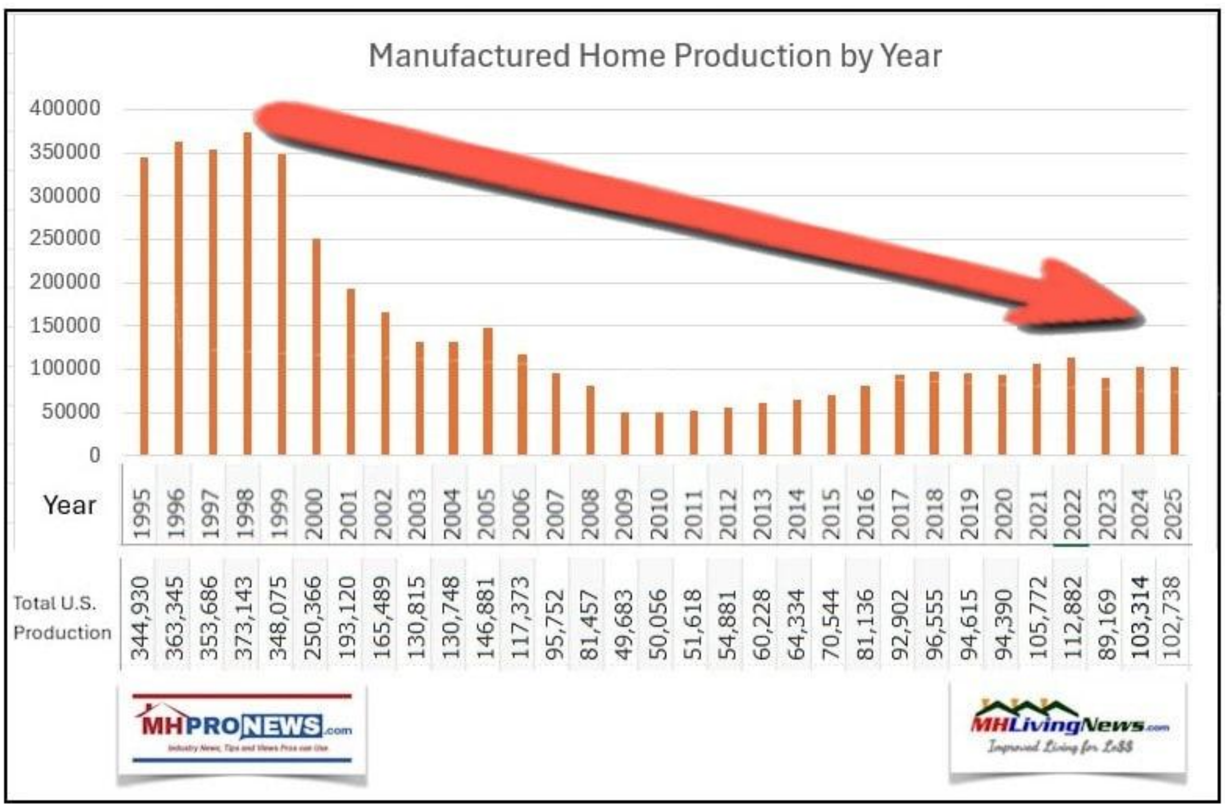

https://www.manufacturedhomepronews.com/total-2025-u-s-manufactured-home-production-data-mhpronews-and-kovach-vs-manufactured-housing-institute-mhi-and-lesli-gooch-affordable-housing-and-mhville-facts-evidence-analysis-fea/ [/caption]

4. From the MHProNews flashback report in 2018 linked here.

The Masthead

" I'm tired of being the best kept secret. I'm ready to help house America." – Terry Decio, Skyline Homes, to MHProNews. What happened? The Rest of the Story, 1... Several of the brands that the industry knows today are not the same brand as they were a decade or more ago.

5. The Champion Homes (SKY) press release and related facts-evidence-analysis (FEA) is found below. It is useful reading for this specific report, as the 'Homes Direct Deal' is cited multiple times.

[caption id="attachment_232480" align="aligncenter" width="600"]

https://www.manufacturedhomepronews.com/champion-homes-announces-definitive-agreement-to-acquire-retail-locations-from-homes-direct-per-berkshire-hathaway-via-businesswire-and-champion-homes-sky-mhville-facts-evidence-analysis/[/caption]

6. That letter from Dr. Gooch on behalf of MHI linked here. The letter was addressed to: Edward L. Golding, Principal Deputy Assistant Secretary at HUD and Helen R. Kanovsky, General Counsel at HUD. Gooch's letter on behalf of MHI said in part the following.

Dear Mr. Golding and Ms. Kanovsky:

On behalf of the Manufactured Housing Institute (MHI), I wanted to bring to your attention a growing trend of municipalities using zoning ordinances to mandate manufactured housing construction standards beyond the HUD Code and as a result effectively "zoning out" manufactured housing.

Unchecked, this trend could reduce the supply of critically needed affordable housing across the country.   We ask that HUD develop a more robust pre-emption policy based on the 2000 Manufactured Housing Improvement Act and take a more proactive role in discouraging these efforts.

That letter was dated, May 26, 2016. That's a decade ago. Since then, several developments have occurred, but for the most part, the concerns raised in that letter remain much the same. Some asserted, things regarding zoning and placement barriers may be worse in various jurisdictions. Reports about two MHI linked organizations are shown below.

[caption id="attachment_230462" align="aligncenter" width="600"]

https://www.manufacturedhomepronews.com/perception-is-greatest-challenge-to-affordable-housing-particularly-for-manufactured-housing-testimony-of-pennsylvania-manufactured-housing-assoc-evp-mary-gaiski-senate-policy-committee-fea/
[/caption][caption id="attachment_226298" align="aligncenter" width="600"]

https://www.manufacturedhomepronews.com/manufactured-housing-association-files-suit-2025-004477-cz-vs-govt-case-specifics-plus-broader-insights-why-is-purported-manufactured-housing-improvement-act-linked-case-under-reported-fea/[/caption]

7. More from that MHI/Gooch letter to Golding and Kanovsky.

We believe that HUD has the authority to move beyond a case-by-case approach to this challenge. The Manufactured Housing Improvement Act of 2000 (the Amended Act) significantly strengthened the preemptive language originally contained in the National Manufactured Housing

Construction and Safety Standards Act of 1974. One of the purposes of the Amended Act is to "ensure uniform and effective enforcement of Federal construction and safety standards for manufactured homes." The amended statute also specifies; "Federal preemption....shall be broadly and liberally construed to ensure that disparate State or local requirements or standards do not affect the uniformity and comprehensiveness of the standards...." Yet, despite this broadened authority that was granted in 2000, the last time HUD updated its guidance in this area was in 1997. Though this guidance prohibited municipalities from using manufactured housing construction and safety code standards that are different from the HUD code to regulate or exclude manufactured housing, we believe the Amended Act largely renders this guidance obsolete.

...

It is past time for HUD to revise and update its 1997 policy on pre-emption to affirm that local zoning actions cannot be used to "affect the uniformity and comprehensiveness" of the federal preemptive standard and to ensure that no state or municipality "adopt or enforce standards that have the effect of precluding or restricting manufactured homes from being installed as permanent residences on any site zoned for residential uses." Further, state and local governments should only subject a manufactured home and the site upon which it is placed to the same development standards as a single family dwelling. Additionally, there may be cases, such as in Richmond VA, where aggressive code enforcement, or changes to locally enforced manufactured housing construction standards, could adversely impact protected classes under Fair Housing statutes.

As further background, we have attached our correspondence with the Office of Manufactured Housing Programs (OMHP) and the Office of the General Counsel (OGC) on these matters in June 2015, December 2015, and March of 2016. We have not received any response to these letters.

Let's presume for discussion's sake that each point is accurate (as far as it goes). Then that letter begs questions. Why didn't MHI sue? Why didn't firms like Clayton Homes (BRK), Champion Homes (SKY), and Cavco Industries (CVCO) sue to get their rights enforced under existing law? MHARR very publicly made such an offer. Why didn't MHI and/or MHI linked firms join forces with MHARR and sue to get the federal 2000 Reform law and "enhanced preemption" enforced? Or why didn't MHI and its leader brands, in concert with an MHI affiliate like Texas, sue to get their rights enforced?

[caption id="attachment_145993" align="aligncenter" width="600"]

https://manufacturedhousingassociationregulatoryreform.org/the-incredible-shrinking-zoning-problem-september-2019-mharr-issues-and-perspectives/ [/caption]

From CEO Tim Larson's remarks in Part I below regarding the pending legislation known as 21st Century ROAD to Housing Act. To set the table for what follows, much of this discussion is about overcoming zoning barriers at the state level (KY, TX, MT).

Yes. That's great. I mean big picture, it's encouraging to see the bill pass in the House. And obviously, we look forward to continue with the legislative process. We'll see how long that time takes. I would say the activity that's https://www.manufacturedhomepronews.com/systemic-issue-impacts-companies-investors-consumers-better-understanding-earnings-calls-and-role-of-analysts-using-example-of-champion-homes-q3-2025-earnings-call-transcript-mhville-fea/going on not only at the federal level, but we are seeing in some states. We've talked about Kentucky, Texas, recently, we had Montana that's deployed an approach that gives more parity to offsite built homes. You'd like to see those proof points. And hopefully, that extends to other states with even greater populations.

In terms of the timing, that's going to come down to how long do we get through the legislative process, the rulemaking then ultimately HUD, their ability to put it into the regs.

Posturing activity for the sake of optics is not necessarily the same thing as taking the most logical steps that would in fact achieve the claimed goal of increased production and thus "growth." When prior Champion CEO was at the Trump-Pence White House along with Lesli Gooch for a discussion on removing barriers for more affordable housing, where is the meeting readout that clearly insisted on getting HUD to enforce the 2000 Reform Law and "enhanced preemption" enforcement? Why didn't Champion (and others in the MHI orbit) insist on suing to get the law enforced AND insist on amendments to the pending legislation that would mandate enforcement of laws that have heretofore been ignored, as Gooch's letter cited above clearly revealed?

8. It is with those background points that this MHVille mashup of facts-evidence-analysis (FEA) is underway.

Part I. Earnings Call Transcript per the *Motley Fool* at this link here. MHProNews notes the Fool offered commentary and other insights not shown below. What follows is provided under fair use guidelines for media. Highlighting is added by MHProNews. A few apparent typos were adjusted by MHProNews.

Full Conference Call Transcript

Timothy Larson: Thank you, Ellen. It's great to welcome you to Champion Homes as our new Director of Investor Relations. Good morning, everyone. Fiscal 2026 results reflect a year of strong execution and performance. We navigated a challenged macro environment by being agile and active across the business with our customer-centric approach as our North Star. On our call a year ago, we shared our strategic priorities, and we are encouraged by the progress of our team and the impact we are experiencing in the marketplace. This is best reflected in the fact that across Champion, we earned the business of 26,622 customers in fiscal 2026, the record number of homes sold since the company went public in 2018.

Off-site built homes continue to be a compelling affordable solution to the national housing crisis. With the average price of a home in the U.S. hovering near $500,000, Champion Homes provides today's buyers with a high-quality, attractive brand-new home at a fraction of that cost. That relative value proposition only becomes more powerful in a higher cost, higher uncertainty environment. And that's one of the reasons why we are so encouraged by the road ahead at Champion. We're pleased that the ECN transaction closed last month. and we're putting a portion of that capital to work towards our strategic priorities by expanding our retail channel and elevating the customer experience.

In support of those strategies, we announced today the acquisition of Homes Direct. Homes Direct is a beacon of the manufactured housing industry with locations in Arizona, California, Colorado, New Mexico and Oregon. This acquisition expands our presence in the West adding 11 retail locations and will bring our number of company retail stores in the U.S. to 95. Homes Direct's founder is Ray Gritton, an industry pioneer and well-respected leader. It's personally been a pleasure to work with him on this transaction. He and his team had a business model that's a great fit with our vision and culture, and we look forward to further collaborating with Ray and the Homes Direct team.

The 11 retail locations have annualized revenues of approximately $70 million, and we see a strong pipeline of local market demand and commercial opportunities. We expect the transaction to close in our fiscal second quarter. The Homes Direct transaction demonstrates our commitment to expanding our retail presence and utilizing our capital to support our strategy. Our team's agile execution across our strategic priorities is creating meaningful differentiation in our products and overall customer experience. And that's why we continue to outperform the industry. Performance that was also recognized this recent quarter with two industry honors that reflect how our homes are evolving and elevating.

The team was honored by the National Association of Homebuilders with their Best in American Living Gold Award, and the team earned a 12th consecutive excellence award from the Manufactured Housing Institute. Each reflects our enduring commitment to innovation and operating excellence. Now I'll review our fourth quarter and full year performance. Fourth quarter net sales were $621.3 million, up 4.6% versus the prior year and above our sales expectations for the quarter. Although extreme weather caused some headwinds early in the quarter, our team managed through it effectively. Manufacturing capacity utilization, including idle facilities, was 59% in the fourth quarter consistent with the third quarter sequentially and slightly below the 60% we reported in the same period last year.

Manufacturing orders increased 7% year-over-year in the fourth quarter. Manufacturing backlog ended the quarter at $316 million, up $50 million or approximately 19% sequentially. The average backlog lead time was 8 weeks, consistent with both the prior quarter and the same period last year. We continue to pace production with demand in each market, and we are encouraged by where our backlog stands today. Having entered into our key spring selling season, as additional context on the quarter, HUD industry shipments were down approximately 9% in the 3-month period that ended in March 2026 compared to the prior year.

Champion Homes outperformed the broader market during this period, only slightly down low single digits, further reflecting the team's execution, tenacity and strength of our product portfolio. From a channel perspective, sales to our independent retailers increased year-over-year. We continue to receive positive feedback and adoption of our dealer portal and its capabilities reflecting our commitment to invest in the growth of our dealers. This channel worked through inventory levels through the first 3 quarters, and it was back to more normal ordering levels through Q4. Our captive retail channel delivered another quarter of year-over-year growth, including continued strong execution as we've integrated Iseman.

Captive retail sales represented 37% of consolidated sales in the fourth quarter versus 35% in the same period last year. The retail team continues to provide timely new homes at the right price value for today's buyers. In the community channel, as anticipated, sales were down in the fourth quarter versus the same period last year. This included some impact from the extended weather in the northern markets. Despite the fourth quarter impact, sales in this channel grew year-over-year. In the builder developer channel, sales grew year-over-year, continuing the momentum in this strategically important channel. We recently announced our offsite construction event that will be in June in York, Nebraska.

This one-of-a-kind event offers builders an in-person experience to see how offsite construction can help them grow their business. We hosted a similar event last year in Cleveland with over 200 attendees. These events help educate homebuilders on what's possible with offsite as they hear directly from builders growing their business with Champion. Our joint venture with Triad continues to produce strong results and provides diverse financing options for our retailers and consumers. As I noted earlier, an investor group led by Warburg Pincus completed the acquisition of Triad's parent company, ECN. In our current fiscal first quarter, we received the proceeds from the sale of our 19% ownership interest of ECN of CAD 189.1 million.

We are pleased to continue our joint venture with Triad and to collaborate with the new ECN leadership team. On the legislative and regulatory front, we are very encouraged with the continued progress since our last call. Last week, the House of Representatives passed the 21st Century Road to Housing Act with an overwhelming majority supporting the bill. It is now headed back to the Senate for final approval before it will be sent to the White House for signature. It's clear the bipartisan focus on solving the affordable housing crisis remains strong including support for manufactured housing. More broadly, we continue to monitor HUD code evolution, chassis rulemaking and zoning reform activity at the state and local levels.

Each of these represent a potential catalyst that could further expand the addressable market for our best-in-class homes. Looking ahead, despite continued macro uncertainty in the market, I remain confident in our team's ability to be agile and evolve while advancing our strategic initiatives. With the spring selling season underway, we're pleased with the order activity we've seen so far albeit with the backdrop of a dynamic consumer and economic environment. Our team remains focused on driving results and building on the momentum I shared earlier. Our balance sheet is strong, and our capital allocation strategy is disciplined. We remain focused on investing in our strategic priorities that support sustainable growth and create shareholder value.

I will now turn the call over to Dave to further discuss our financial performance.

David McKinstray: Thanks, Tim, and good morning, everyone. I will begin by reviewing our fourth quarter fiscal 2026 financial results, including a discussion on our balance sheet and cash flows. I'll then finish with our outlook for the first quarter of fiscal 2027. Net sales for the fourth quarter were $621.3 million, an increase of 4.6% compared to the prior year period, coming in slightly ahead of our expectations of low single-digit revenue growth. In the United States, the number of homes sold in the fourth quarter decreased 0.6% to 5,908 with the total for the full fiscal year coming to 25,718 homes. The average selling price per U.S. homes sold in the fourth quarter increased 4.6% to $98,600.

This was driven by a shift towards more multi-section homes and higher prices on homes sold through our company-owned retail sales centers. Captive retail sales represent 37% of our consolidated sales in the fourth quarter compared to 35% in the same period last year. In Canada, homes sold increased to 243 from 230 in the prior year. Canadian revenue increased year-over-year, benefiting from higher volume and favorable foreign exchange rates. Adjusted gross profit increased 4.6% to $159.4 million with an adjusted gross margin of 25.7%, which is essentially flat compared to the fourth quarter of last year. The company's effective tax rate for the fourth quarter was 20.3% versus an effective tax rate of 17.1% for the year ago.

Adjusted net income attributable to Champion Homes in the fourth quarter increased 1% to $37.7 million or $0.68 per diluted share compared to $36.3 million or $0.63 per diluted share in the prior year. Adjusted EBITDA for the fourth quarter increased 6.3% to $55.9 million. Adjusted EBITDA margin increased slightly to 9% compared to 8.9% in the prior year. Now let's turn to cash flow, which continues to underscore the strength of our operating model. As of March 28, 2026, we had $638.3 million in cash and cash equivalents. For the full fiscal year, net cash provided by operating activities was $303.9 million. This is an increase of 26.2% compared to $240.9 million in fiscal 2025.

That strong operating cash flow generation reflects the earnings power of the business and disciplined working capital management. During the fourth quarter, we continued to return capital to shareholders repurchasing and retiring $50 million of our common stock. For the full fiscal year, we repurchased a total of $200 million worth of shares. Additionally, earlier this month, our Board refreshed our share repurchase authorization back to $150 million. This is part of our broader capital allocation strategy to drive shareholder value. I'll now share a view of our first quarter of fiscal 2027. Looking at the first quarter of fiscal 2027, our team is staying focused on executing on our strategic priorities.

We remain cautiously optimistic while acknowledging several macro uncertainties. The consumer environment reflects ongoing affordability challenges with CPI remain elevated and consumer purchasing power under pressure. In this context, Champion Home's value proposition as attainable housing solution becomes even more compelling. We continue to monitor the macroeconomic environment and its impact on supply chain dynamics, energy costs and broader consumer sentiment. Our team is actively tracking developments and managing these variables. Looking ahead to the first quarter of fiscal 2027, we expect revenue to be approximately flat versus the prior year as the team continues to constructively manage through a challenging environment for the consumer.

Looking at adjusted gross margin, we expect near-term adjusted gross margin in the 24.5% to 25.5% range. As we mentioned last quarter, the market continues to experience inflationary pressures which accelerated throughout Q4 and now into Q1. While we're managing margins through efficiency and value, these initiatives lag input cost inflation. Additionally, we expect modest headwinds from channel and product mix. In the near term, these factors will impact margins, but over the long term, we expect stability as inflation moderates and our margin initiatives are implemented. We continue to manage SG&A prudently with a focus on advancing our strategic growth priorities and driving execution.

In Q1, we expect adjusted SG&A as a percent of sales to be in the 16% to 17% range, which is consistent with our run rate following the Iseman acquisition. As a reminder, ENERGY STAR tax [threats] expire July 1, which is expected to increase the fiscal 2027 effective tax rate by approximately 3% to 4% compared to fiscal 2026. It's important to note that our outlook does not include the impact of Homes Direct acquisition as we expect that to close in Q2. Lastly, we expect to continue to drive strong operating cash flow, which provides flexibility to deploy capital in a disciplined way to support our strategy.

We're investing our balance sheet and growth through our announced acquisition of Homes Direct, while also returning capital to shareholders through our share repurchase program. These actions reflect a balanced approach to maximizing shareholder value. With that, I'll turn the call back to Tim.

Timothy Larson: Thank you, Dave. We appreciate the time to share our results. They reflect the Champion team's unwavering commitment to our customers and executing on their strategic priorities. We look forward to continue to expand demand for our products, growing the adoption of off-site build homes across the U.S. and Canada and driving long-term value for our shareholders. And now let's open the line for questions. Operator, please proceed.

Operator: *[Operator Instructions]* We'll take our first question from Daniel Moore with CJS Securities.

Dan Moore: Maybe just talk a little bit about the cadence of order rates and traffic that you're seeing over the past few months and thus far into fiscal Q1. And any update on just the general health and outlook as far as community and builder developer would be great.

Timothy Larson: Dan, I appreciate your question. Yes, certainly, we reflected in our backlog, the momentum we started to see in March, and that was encouraging. And I would say the environment at our captive retail, we can see good traffic. As we progress through the quarter, we've also seen some uptick in aspects of our community channel. As you know, the community channel is pretty broad, but we're encouraged by some of those operators that are looking to have orders filled here.

I would say, at the consumer level, you're seeing a broad array of consumer dynamics, part of why we have a good portfolio of products as we can appeal to some of those site-built buyers looking for an affordable home, and that helps us in the environment, albeit with the entry-level consumer maybe on a bit more pressure. But on the balance, we're encouraged as we look at the orders so far within the quarter and we'll obviously be updating that at our next quarter. But overall, the backlog was helpful as we go into this quarter.

Dan Moore: Really helpful. And I appreciate the outlook and the color on gross margins. Just talk a little bit more about incremental input cost pressures, what you're seeing? And if you kind of think about the expectations for margins, given where we sit today as we move forward, do we see fiscal Q1 as sort of bottoming, leveling off? Obviously, dependent on the direction of those factors, but any color beyond kind of the current build would be great.

David McKinstray: Yes, Dan. So I think just generally speaking, we're seeing it through the marketplace. We actually signaled on our Q3 call that we had started to see inflation tick up on some of our larger categories forest products. We've seen it on lumber. We've seen it in OSB. As we move through Q4, what we saw ultimately was some more inflation on things like steel. And then obviously, we're seeing it on petroleum products as well.

So a lot of our portfolio is starting to see some of those input cost pressures, which then, as I mentioned in the prepared remarks, we're taking actions to offset whether it be through efficiency or value or mix and how we drive that to the consumer. But those actions are lagging the rate of inflation that we're seeing. So as we think about it, we know that it will have a probably an outsized impact, that difference, if you will, on Q1. It's hard to say how we get beyond that. But that will obviously have an impact. The other thing that I'd mention is the mix impact.

So beyond just inflation, just the mix impact Tim mentioned just a moment ago about the community channel, as we see that come back, that's a little bit of a headwind to us. And then the other thing that I'd mentioned, obviously, the consumer being a little bit more, maybe, price conscious. We're seeing them manage that, which has an impact on our mix as well. So those are the things I'd call out in margin here in Q1. And then as we think about it going forward, obviously, we're just going to have to monitor all those different factors that drive it.

Operator: Really helpful. Last one and I'll jump back down but any -- just any additional color on the Homes Direct acquisition? 11 retail locations, purchase price, expected accretion and whether or not that's an area that those regions are an area where you expect to continue to look to build out organically or via M&A as we move forward.

David McKinstray: Yes. Thanks, Dan. No, the Homes Direct acquisition is really a great opportunity for us and the collective Homes Direct team. If you think about the West Coast for us, we've got great plant locations, including a great plant in Chandler, Arizona, that today works with Homes Direct, which is right adjacent to the plant gives us the model that we can replicate across those other 10 locations as those locations now work even more with our plants. We do business with them today, and that's been a key part of the relationship, but they still have other products that they carry other brands.

We're going to migrate those over time like we have with Iseman and obviously, we've had success there that you've seen in our results. So we're very encouraged by it. The other great thing about Homes Direct is they have a really great customer experience and post-sale experience on the service side, they're highly rated for that. That just speaks to the strength of their team, their people and their processes and when you combine that with what we've been able to do on our other captive retail integrations and the playbook that's being built, we really see opportunity as we go forward and accretively growing that business. We've demonstrated that with Iseman, obviously, with regional.

So we're really encouraged by adding another 11 stores to our West Coast operating and our overall retail footprint.

Operator: We will move next with Greg Palm with Craig-Hallum.

Greg Palm: I wanted to follow up on gross margin commentary a little bit because it seems like you're -- I understand some of the input cost inflation, but you're getting at least like sequentially obviously, much higher utilization. I forget if you said mix was going to be a headwind sequentially, but you've also got JV flow-through income, which presumably was a pretty big tailwind in Q4. I'm guessing that continues. So can you just -- I mean, can you quantify maybe how much is directly from input costs? And just to be clear, I mean, is there anything else going on?

I mean, I don't know, competitively, is there anything that's a little bit more of a concern now versus 3 or 6 months ago?

Timothy Larson: Yes, I think we hit on a large majority of that. The biggest piece is going to be the input cost, but the mix piece is another factor that we're seeing drive through in Q1. So the largest portion of our gross margin headwind is going to be the input cost inflation, as I mentioned, those actions that we're taking to offset it will lag just a little bit. And then the mix impact is going to be the kind of secondary item. From an overall competitive, we mentioned the consumer and where the consumers had that impact on mix. But as we look at the other variables, we don't see anything that will be significant.

As we look at price, we expect our price to be relatively sequentially flat as we move forward in time. Again, the mix impact may impact that a little bit. But there isn't anything out of those things that are going to be really big drivers to the sequential impact.

Greg Palm: Okay. And sorry, is the mix from less homes going through captive? Or is it just more homes going through community channel? What exactly is the mix impact?

David McKinstray: Yes. So it's going to be a couple of things. We did talk about the community channel. The community channel will be a little bit of a headwind for us as we think about Q1. The other one isn't as much of a channel dynamic but more of a product mix dynamic and that's going to be more as the consumers looking to hit price points that maybe are a little bit lower from a monthly payment perspective and what that does is essentially says, "Okay, this is the price point I have to hit.

This is the product that goes with it", and that's going to be the secondary impact is more of that product mix as the consumer manages their overall spend.

Greg Palm: Yes. Okay. Makes sense. And then, I guess, in light of the Road to housing Act, Tim, I'd love to just get some more of your comments on kind of the longer-term benefits, how long some of this stuff might take to play out, but there's obviously some pretty sizable opportunities going on behind the scenes. So just kind of curious to get more thoughts around that.

Timothy Larson: Yes. That's great. I mean big picture, it's encouraging to see the bill pass in the House. And obviously, we look forward to continue with the legislative process. We'll see how long that time takes. I would say the activity that's going on not only at the federal level, but we are seeing in some states. We've talked about Kentucky, Texas, recently, we had Montana that's deployed an approach that gives more parity to offsite built homes. You'd like to see those proof points. And hopefully, that extends to other states with even greater populations.

In terms of the timing, that's going to come down to how long do we get through the legislative process, the rulemaking then ultimately HUD, their ability to put it into the regs. And that process we're anticipating. We're working through as much as we can proactively but we know that's going to take some time. In advance of that, not only are we working on [indiscernible] from a product perspective and a readiness. We continue to work, for example, in our builder developer channel with local municipalities to have more proof points to demonstrate how offsite built homes can solve affordability and then get the benefit of the tailwinds as these things roll out. So it's encouraging.

We've been very active on the policymaking front, not only things that I've mentioned, but obviously, you heard about the potential for the institutional investor impact, and that was really key that we advocated on our behalf of community customers and the critical element that they provide on renting and affordability solutions for a range of consumers. So Greg, I look at it's positive. It's just going to be a question of how long in time does it take and we're certainly preparing for those aspects and are encouraged by the progress that we're seeing.

Operator: We will move next with Matthew Bouley with Barclays.

Matthew Bouley: Maybe just one here on the guide for Q1. I think you said flat revenue year-over-year. I just wanted to unpack that a little. It sounds like you have positive order rate price/mix has obviously been positive. I think you said it's going to be consistent sequentially. So I guess that would still be up year-over-year. And correct me if I'm wrong. And then you've got the Home Direct acquisition. So I guess how much does that acquisition contribute to the quarter? Is that included in that guide? And then just maybe if you could kind of break out those pieces of volume and price mix and kind of why the revenue would end up flat.

Timothy Larson: Yes. Thanks. So first, Homes Direct is not in the guide. We don't expect to close that until our fiscal second quarter. So Homes Direct is not included in that guide. From a net sales perspective, in the flat guide, so what I did say on prices, we expect it to be relatively flat sequentially. Now what that means from a year-on-year perspective is the amount of growth in our rate of price will be not as high as it was in Q4. So recall, and we've mentioned this in the past that we took price within our captive retail. So we've now lapped that as we head into Q1.

So while we'll still realize price year-on-year, it won't be at the same rate that we did in Q4. So that's an important thing to keep in mind. The other thing that I would note here is as we look at -- especially in our year ago comp. We shipped a little bit heavier in Q1 as opposed to Q4. So there is kind of a benefit, if you will, of some of the production that we had in Q4 of last year that went into Q1.

As we think about them this year, really, we're managing -- ramping up our production with the orders or producing with the orders that we see in hand and then matching it to our shipments, whereas again, we got a little bit of a benefit of production helping Q1 shipments in the year ago. So those are the two things that I would call out to watch on the flat year-on-year guide going forward.

Matthew Bouley: Okay. Perfect. Thank you for clarifying on Homes Direct. I missed that. You said that. And then so maybe just another one here on the numbers. You had mentioned the petroleum impact. Obviously, you guys own your own fleet. I'm curious, I mean, in some cases, does that actually advantage you competitively versus if any -- versus someone, let's say, have to use a common carrier? And then specifically, in terms of your own costs, I mean, do you use surcharges? Do you try to build petroleum and fuel into the price of the product? How do you actually kind of mechanically go about offsetting this kind of headwind?

Timothy Larson: Yes. So a couple of things. I'd start with as we think about the fleet. The petroleum costs are typically built into the rates that are charged from a competitive lane rate perspective. So while the advantage wouldn't come necessarily within the fuel price, it comes more from a service and everything else. Now as you think about petroleum and the input cost of petroleum, it's not just diesel fuel. I think there's petroleum that goes into a ton of the products that we play in our homes every day. So as we mentioned that, that drives the input costs on the materials that go into our homes. It's not necessarily the cost of the diesel fuel itself.

Those of you who think about it, we are seeing those lane rates go up. And that's part of how we think about the overall cost of our homes as we go forward. And how we manage that, of course, is how do we drive efficiency within our supply chain to make sure that we're delivering homes and building homes that have the right quality, the right cost and everything that goes with it as we think about all the other levers, how do we manufacture most efficiently in our plants and then how do we balance making sure that we're competitive and offering the right value to our consumers in each of the markets we serve.

Operator: We will move next with Mike Dahl with RBC Capital Markets.

Michael Dahl: The first one is a follow-up on cost dynamics. So obviously, a lot of moving pieces, but can you bucket for us or quantify roughly speaking, kind of, a, the total percentage that you're facing in terms of inflation on a year-on-year basis? And then if there's any way to break down what's kind of wood-based versus things like plastics or steel. I think that would be helpful. And then on the offset side, I think when things were really stressed during kind of the COVID boom period, you also had some tools like escalator clauses.

Maybe that's not as applicable when you have shorter lead times and backlog today, but just remind us if there's any other levers like that, that could kind of kick in and help to quickly mitigate?

Timothy Larson: Yes. I'll first hit kind of the big picture pieces. As we think about the pricing in this market, we're going to work with our dealers, our communities appropriately, but we've got to be balanced to that from a consumer perspective because they're looking to get the home that's the best value for their consumer. So we do have those levers if needed but the macro picture is how do we balance volume, price, margin capacity utilization for the best outcome. And so we have to be thoughtful on those drivers, and I'll let Dave speak a little bit to your questions and some of the cost input.

David McKinstray: Yes, we won't get into the specifics of each of the cost buckets. But I think if you look at the year-on-year pressure we have in gross margin, the majority of that is going to come through the cost increase we're seeing with a couple of other smaller drivers in there that I've already mentioned. But if you think about then the size of our spend categories, the forest products is going to be the largest of our spend categories. We know we're seeing cost pressure in that. You can see that through any public market data as well. So that can give you an idea of what we're seeing on the forest product side.

Steel is not going to be near the size of our forest product spend, but we're definitely seeing the rate of inflation within the steel category. And then as I mentioned, the petroleum price impact and what it has on the rest of our spend buckets, that's kind of across the board, if you will, or maybe more widespread is probably better said. So you're going to see that impact across many different smaller categories within our spend buckets.

Timothy Larson: And I think the thing to keep in mind is the timing of these elements, as Dave mentioned earlier, the actions we take around there, whether it be price related or operational efficiency, those can be a little bit paced post this immediate impact. a bigger picture as we go forward longer term, whether it's our product portfolio, our various channels, we've got the opportunity to continue to have strong margins and things that you've seen historically. It's just [true] as we work through this window, we've got to balance that and manage that for the factors that I mentioned.

Michael Dahl: Got it. Okay. That's helpful. Just shifting gears to the Homes Direct acquisition, kind of have a 2-parter here, First, you did mention that you already do some business through Homes Direct or with Homes Direct. So of the $70 million in annualized run rate revenue, is that incremental? Or could you help us understand what portion of that is incremental versus what you already sell through them? And the second part is you mentioned a couple of things that seem kind of unique about this specific business within the retail landscape.

And I was hoping you could go into a little more detail about some of those dynamics in terms of -- it looks like how they deal with the customers. it's more of an end-to-end kind of support platform. So maybe just talk a little more about what's unique and how portable some of that will be to the rest of your locations?

Timothy Larson: Yes. Great question, and I'll start where you ended. So Homes Direct really does look at it end to end. And when I met Ray a few years ago, we had introduced to have a few minute conversation, it turned into an hour because we're talking about the customer experience and where that could go and it's because they really see the opportunity to help that customer all the way from when they're online through their living in their home and that end to end and they take care in both their team's training and the ways the homes are displayed in retail. Some of you have been to the Chandler location.

You know what I'm talking about in terms of that overall experience. The other element you asked about is what percent of volume are we today? We don't break it out specifically, but what I can share with you at each of those other 10 locations, there's a number of other brands on the store and on the lot. And so there's meaningful opportunities for us over time to migrate those to all of our Champion brands and portfolio of products across the plants in the West. So you'll see that over time come through. And obviously, we've had the benefit you've seen in our Iseman acquisition, how we've added our own products over time.

So that -- there is accretive opportunity and upside there as we go forward. And obviously, the $70 million they do today is in those 11 stores, and we're a portion of that, but we're certainly not all of it.

Operator: We will move next with Philip Ng with Jefferies.

Philip Ng: Any color on how we should think about the margin profile from a Homes Direct standpoint? Will this be additive, whether it's gross margins and EBITDA? and when we think about cost synergies, any more color in terms of what are the big buckets here?

Timothy Larson: Phil, in terms of Homes Direct, it certainly is going to be positive. We get the benefit of the retail margin in addition to the manufacturing margin. As we move more products that they today get from other sources to our sources, that helps the plant because you get better utilization. So there's a positive element on the margin side from those drivers. In terms of the cost side. For us, they're a retail operator. They don't have manufacturing. So some of those traditional synergies we see, we don't see in that aspect.

But what we do see is the opportunity to build on the playbook of our retail and sharing the best practices not only with Homes Direct, they're going to be sharing with us that affects our other 83 location. So there's some synergies in terms of the effectiveness of retail and then because we've added retail stores over the years, we do have some cost benefit because we can have some common capabilities around marketing, our overall staff levels that support retail but it's more about the organic growth and the growth in the West, that's the opportunity versus a cost play.

Philip Ng: Okay. That's helpful. Once this is properly integrated, Tim, what percentage of your sales mix is captive retail?

Timothy Larson: Yes. Certainly, right now, you see us in that mid- to upper 30s depending on the quarter, so that -- this is going to benefit that. But we're also growing our other channels, whether it be builder developer and depending on the cycle community. So that's going to move around. But ultimately, we see it as growing our path to retail.

Philip Ng: Okay. Helpful. A question for Dave. I mean you gave some color, Dave, for 1Q gross margins in that 24% to 25.5% range, appreciating some of the continuous improvement in cost out initiatives you're looking to ramp up hasn't kicked in yet, but is there a path perhaps in the back half where margins get back in that 26%, 27% range? And is taking price, especially on your captive retail side of things a consideration right now?

David McKinstray: Yes. So I think as we think about it, a lot of variables going into the -- beyond Q1, right? So what is the rate of inflation we're going to see beyond the quarter from where we're at today, what are we going to see from all the different dynamics within our mix portfolio and really the impact that is happening to the consumer because of the general macro trends. So those are some of the unknown questions. As we think about it, obviously, you mentioned some of the efficiency things that we spoke about. We're going to start implementing here as we move through the quarter and into the back half of the year.

The other thing that I would mention, you asked about the price side of things. we're always trying to balance the competitive side on pricing. So that's really a regional by market discussion that we're always constantly having is what is the right price point to meet the demand for our consumer, manage our overall margin profile with the capacity within our plants. The products that we offer, all those different levers that go into it. So something that we're always looking at. But it's a more dynamic discussion as we think about it.

So as we think about it, we'll see how all those factors come together in the back half of this calendar year and really update you as we go forward.

Philip Ng: Okay. A follow-up, I guess. Is the expectation -- I mean it's very dynamic. But based on what you know today, should we expect inflation peaking in 1Q and then you kind of build off of that? Or that inflation dynamic you actually could pick up even more as the year progresses based on what you know today? And on the freight side of things, is that a pure pass-through or you have to take price there?

Timothy Larson: Yes. So dynamic market, you said it. It's a dynamic market. So it's hard to say exactly where it will be beyond Q1 as we head into Q2 and Q3. From a freight perspective, it is mostly a pass-through, but it's part of the broader cost side of things that we're looking at with each of our partners as we go forward and ultimately, the consumer. So yes, it's broadly a pass-through. But again, it impacts the total price of our homes.

Operator: We will move next with Jesse Lederman with Zelman & Associates.

Jesse Lederman: Dave, it sounded like when you talked about mix shift from a price point perspective in fiscal 1Q '27 coming up here, you expected kind of a shift back to more single-section homes, whereas that momentum has been shifting more towards multi-section perhaps as the lower end of the income spectrum is priced out or people are mixing down to a larger manufactured home perhaps. Can you just talk through maybe what you've seen in the last couple of quarters and how that's trending so far in the first quarter?

David McKinstray: Yes. I'd say bigger picture, longer term, we have seen more trend to the multi-section. I do think as we go forward here in Q1. We mentioned the community channel and maybe some more optimistic outlook. Obviously, it's a little bit mixed. But that has -- they tend to be more single unit. So that will have an impact. That's kind of a channel mix. As we think about the product mix, it's not necessarily multi versus single. There's a lot of dynamics with it, right? There's going to be options and all the different customizations that consumers can make. Those are choices that they're making to manage the overall price point.

So it's not necessarily as easy as single versus double. But as we think about going forward, our consumer's a broad spectrum. It's not just a single consumer. And so we are seeing more consumers who stepped in from traditional site built who are buying more of the multi-section. At the same time, you have community operators who tend to be more single section and then you have all the in between, right? And that's going to be a mix of both single multi, but then again, back to the different product variations that we have and the options that we offer our consumer.

And I think that's really a testament to the strength of our overall portfolio and the different products and options that we can offer to the consumers.

Jesse Lederman: Awesome. Appreciate that. With the Triad JV and based on some commentary the team has made in the past, it sounds like you have a really good grasp on the potential home buyers and their different metrics and qualification. Is there anything you could share from that perspective on what you're seeing over time in the last few quarters, maybe quarter-to-date on the health of the prospective buyer. And anything you can quantify would be great.

Timothy Larson: Yes. Great question, Jesse. So big picture, we know that the industry in the first 3 months of the calendar year was down 9%. So obviously, you had some pressure at the consumer levels that affected year-over-year. On the positive side, we outperformed that pretty significantly, and part of the benefit was we were to bring in consumers that were maybe traditional site-built buyers. We see that in our data and the product portfolio Dave just mentioned. Now that group of customers, obviously, is against 100,000 annual units. So it's going to take time over time to bring more of those customers in as we grow the overall addressable market.

But one of the things we're seeing on the entry-level consumer, as you can imagine, is inflation is going to more disproportionately impact that entry-level buyer because when they look at their monthly payment, their cash flows, when things like gas prices jump up, et cetera, there's some more pressure there. So what we've been doing is making sure we have the right entry-level price point product. At times, that means a little less options. And then as Dave mentioned, there is that trend in the community channel as well.

So that's why we want to continue to have a broad growth products, a range of channels to reach those customers and then our online and marketing digital efforts were creating a broader reach to engage a broader set of buyers. And those buyers are tying back to the various segments that you referenced that we can start to learn from that data and really look at how we make sure that we are matching to the broadest set of buyers in the market. So that's why these nuanced elements are so key because you're working in a very multifaceted environment across channels, across consumers, and we're very fortunate to have better data in order to drive that.

Jesse Lederman: Dave, really helpful. Last one for me. I'd love to get a little bit more color on the community channel, maybe if you have a better sense now than the last couple of quarters of what kind of caused the slowdown kind of later last year and what your confidence is for the recent inflection hire to maintain into the balance of the year here.

Timothy Larson: Yes. Thanks, Jesse. So as we think about the community channel, you've got a range of operators and each of them have various portfolios of projects, some new builds and expansions, more lots in their communities, some are these change outs of existing homes. They also have the factors, which is are they heavy rental or are they more land lease and those all have factors in terms of their cycles. Are they upgrading existing homes rather than purchasing new.

So when we work with each of those operators, we're working with their plans and their build outs relative to those factors, and we are seeing some operators that are more in adding of those lots and new homes or those replacements. We do have some operators that are more just managing their portfolio and do more in the updates. And so what we're signaling is, this quarter, we saw more of an uptick whereas in previous they were managing more inventory or coming off of, if you will, the growth that they had throughout the pandemic. So I would say it's encouraging, but it's mixed depending on the community operator.

And obviously, we're working closely with them by regions of the country. And what I'm encouraged by our plant teams, et cetera, is how they're working with them on specific products to really hit the need for their price points and their initiatives within each of those operators.

Operator: And at this time, there are no further questions in queue. I will now turn the meeting back to Tim for closing comments.

Timothy Larson: Yes. I appreciate everybody joining, and I just want to congratulate the Champion Homes team on a really strong F '26, obviously, a record number of year of homes, and we're carrying that momentum and we really appreciate all of you joining us today and the continued interest. And obviously, there's so much opportunity ahead with the broader housing market as we navigate the current environment, and we look forward to updating you on our next quarter call. Thanks so much.

Operator: Thank you. This brings us to the end of today's meeting. We appreciate your time and participation. You may now disconnect.

Part II. Additional MHProNews Facts-Evidence-Analysis (FEA) and Information from Sources as Shown.

In no particular order of importance.

1. The following are pull quotes from Champion CEO Larsen, from the transcript in Part I above. In no particular order of importance. Lower case letters are added by MHProNews.

a) On the legislative and regulatory front, we are very encouraged with the continued progress since our last call. Last week, the House of Representatives passed the 21st Century Road to Housing Act with an overwhelming majority supporting the bill. It is now headed back to the Senate for final approval before it will be sent to the White House for signature. It's clear the bipartisan focus on solving the affordable housing crisis remains strong including support for manufactured housing. More broadly, we continue to monitor

HUD code evolution, chassis rulemaking and zoning reform activity at the state and local levels.

Each of these represent a potential catalyst that could further expand the addressable market for our best-in-class homes. Looking ahead, despite continued macro uncertainty in the market, I remain confident in our team's ability to be agile and evolve while advancing our strategic initiatives.

b) Off-site built homes continue to be a compelling affordable solution to the national housing crisis.

c) We remain focused on investing in our strategic priorities that support sustainable growth and create shareholder value.

d) The consumer environment reflects ongoing affordability challenges with CPI remain elevated and consumer purchasing power under pressure. In this context, Champion Home's value proposition as attainable housing solution becomes even more compelling.

e) We're investing our balance sheet and growth through our announced acquisition of Homes Direct, while also returning capital to shareholders through our share repurchase program. These actions reflect a balanced approach to maximizing shareholder value.

f) I would say, at the consumer level, you're seeing a broad array of consumer dynamics, part of why we have a good portfolio of products as we can appeal to some of those site-built buyers looking for an affordable home, and that helps us in the environment, albeit with the entry-level consumer maybe on a bit more pressure.

g) Homes Direct…but they still have other products that they carry other brands. We're going to migrate those over time like we have with Iseman and obviously, we've had success there that you've seen in our results.

h) The community channel will be a little bit of a headwind for us as we think about Q1.

i) Yes. That's great. I mean big picture, it's encouraging to see the bill pass in the House. And obviously, we look forward to continue with the legislative process. We'll see how long that time takes. I would say the activity that's going on not only at the federal level, but we are seeing in some states. We've talked about Kentucky, Texas, recently, we had Montana that's deployed an approach that gives more parity to offsite built homes. You'd like to see those proof points. And hopefully, that extends to other states with even greater populations.

j) In terms of the timing, that's going to come down to how long do we get through the legislative process, the rulemaking then ultimately HUD, their ability to put it into the regs.

k) We continue to work, for example, in our builder developer channel with local municipalities to have more proof points to demonstrate how offsite built homes can solve affordability and then get the benefit of the tailwinds as these things roll out. So it's encouraging.

l) We've been very active on the policymaking front, not only things that I've mentioned, but obviously, you heard about the potential for the institutional investor impact, and that was really key that we advocated on our behalf of community customers and the critical element that they provide on renting and affordability solutions for a range of consumers.

m) Now as you think about petroleum and the input cost of petroleum, it's not just diesel fuel. I think there's petroleum that goes into a ton of the products that we play in our homes every day. So as we mentioned that, that drives the input costs on the materials that go into our homes. It's not necessarily the cost of the diesel fuel itself.

n) what I can share with you at each of those other 10 locations, there's a number of other brands on the store and on the lot. And so there's meaningful opportunities for us over time to migrate those to all of our Champion brands and portfolio of products across the plants in the West. So you'll see that over time come through. And obviously, we've had the benefit you've seen in our Iseman acquisition, how we've added our own products over time.

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https://www.manufacturedhomepronews.com/mhi-board-risk-legal-precedent-shows-

directors-liable-for-oversights-if-negligence-is-gross-personal-liability-can-pierce-protections-like-do-insurance-civil-crimi/ [/caption]

To the longtime Skyline Corp executive Terry Decio's remarks cited in the preface above.

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Terry's comment begs the question. Why is it that MHI, Berkshire Hathaway or other giants are failing to properly promote manufactured housing? See what prior MHI chairman Joe Stegmayer had to say in a video posted at this link here: *https://www.manufacturedhomepronews.com/joe-stegmayer-cavco-industries-mhi-chairman-insights-from-innovative-housing-showcase/* [/caption][caption id="attachment_227973" align="aligncenter" width="600"]

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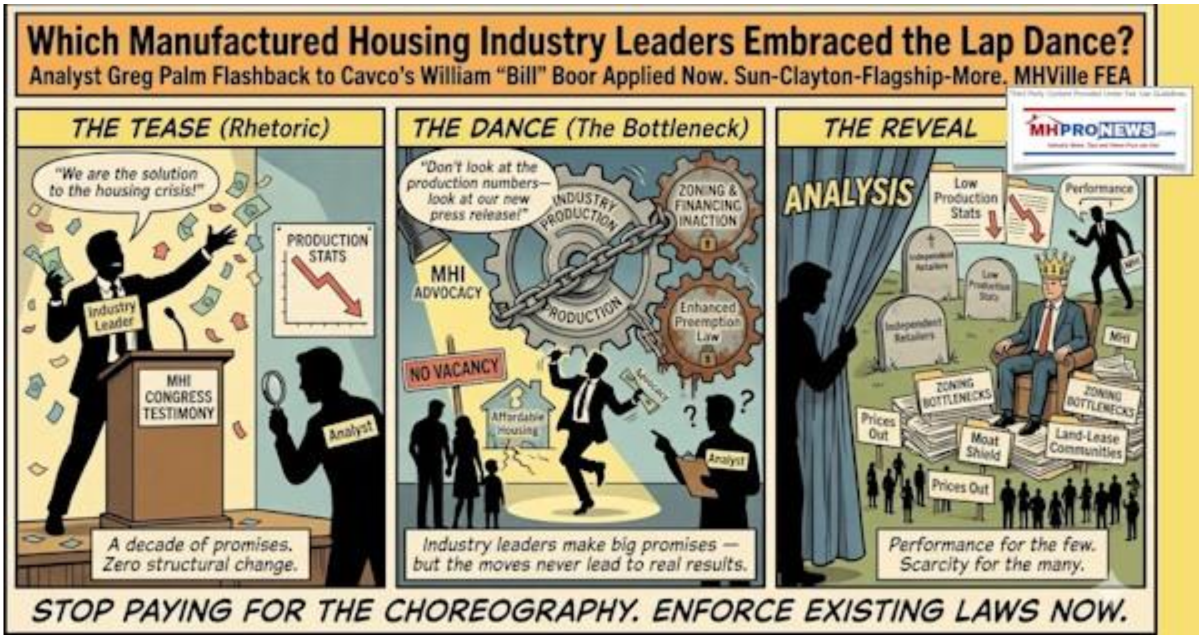

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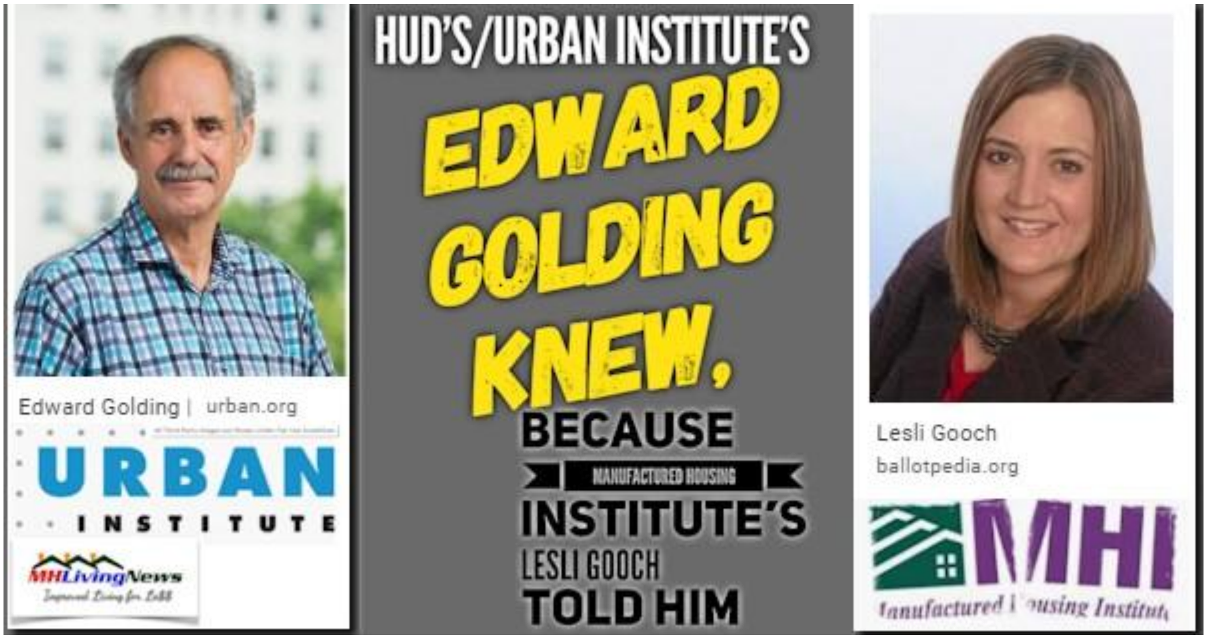

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MHI

Manufactured Housing Institute

NEWS & UPDATES

July 22, 2020

Manufactured Housing at the White House

President Trump delivers remarks about "Rolling Back Regulations to Help All Americans"

Vice President Mike Pence delivers remarks about "Rolling Back Regulations to Help All Americans"

Mark Yost, Skyline Champion President & CEO
MHI Board Member

MHI CEO Lesli Gooch

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From that same MHI email on the date above was the following below that image collage.

MHI and Skyline Champion Join President Trump to Address Eliminating Regulatory Barriers

Skyline Champion President and CEO and MHI Board Member Mark Yost and MHI CEO Lesli Gooch joined an exclusive group at the White House last week where President Trump spoke about the Administration's efforts to promote economic growth and prosperity by eliminating regulatory barriers. As the only representatives from the manufactured housing industry in attendance, MHI and its members are working closely with the Administration to prioritize manufactured housing as a critical unsubsidized affordable housing option.

Skyline Champion, the largest publicly traded factory-built housing company in the country, was invited by the Administration last June to display two fully furnished, HUD Code manufactured homes on the National Mall. Skyline Champion leaders have also participated in roundtable discussions with HUD Secretary Carson to carry out President Trump's Executive Order directing federal agencies to work together to facilitate the production of affordable housing and alleviate regulatory barriers at the federal, state, and local levels. Yost testified before the Senate Banking Committee last November and, as a result of his testimony, Congress passed legislation to support the inclusion of manufactured homes in state and local community development planning.

Through the advocacy of MHI and its members, this Administration has comprehensively reviewed HUD's policies and regulations over manufactured housing and HUD has proposed the first extensive changes to the HUD Code in nearly a decade. The HUD Code has not been so broadly or substantially updated in years. Proposed changes include new standards for attached garages, carports, decks, and accessory buildings.

Further, at the direction of the Administration, Fannie Mae, Freddie Mac, and the Federal Housing Administration have continued their efforts to improve access to financing for manufactured housing.

During the COVID pandemic, the Administration acted quickly to resolve supply chain challenges by issuing its first-ever, industry-wide Alternative Construction letter allowing manufacturers to provide homes throughout the crisis.

MHI commends President Trump for taking the necessary steps to create a better regulatory environment for American businesses. The reversal of burdensome overregulation to support our national infrastructure will help ensure affordable housing is available in rural communities and across the country where it is most needed. MHI is committed to continuing our work with the Administration to create a better regulatory environment for the industry.

That email, the letter to HUD officials, and other relevant points beg the question. At what point will MHI take definitive steps besides posturing and photo ops?

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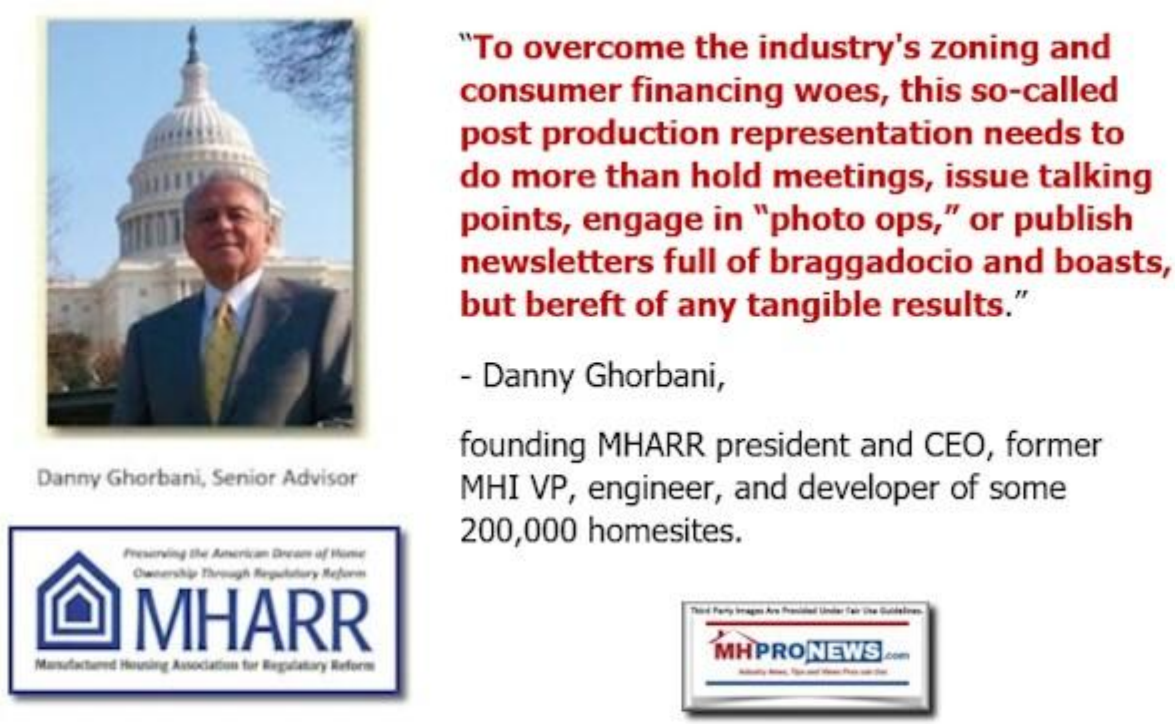

https://www.manufacturedhomepronews.com/ghorbani-nails-zoning-answers-to-how-and-who/ [/caption][caption id="attachment_213599" align="aligncenter" width="598"]

"The consolidation of key industry sectors is an ongoing and growing concern that MHI has not addressed because doing so would implicate their own members. Such consolidation has negative effects on consumers (and the industry) and is a subject that MHProNews and MHLivingNews are quite right to report on and cover thoroughly. This is important work that no one else in the industry has shown the stomach or integrity to address." Mark Weiss, J.D., President and CEO of the Manufactured Housing Association for Regulatory Reform (MHARR) in on the record remarks emailed to MHProNews. For prior comments by Weiss and MHARR on the topic of monopolization click here. See also
See also: https://www.manufacturedhomepronews.com/consolidation-of-key-mh-industry-sectors-ongoing-growing-concern-mhi-hasnt-addressed-because-doing-so-would-implicate-their-own-members-plus-sunday-weekly-mhville-headlines-recap/ [/caption][caption id="attachment_184828" align="aligncenter" width="600"]

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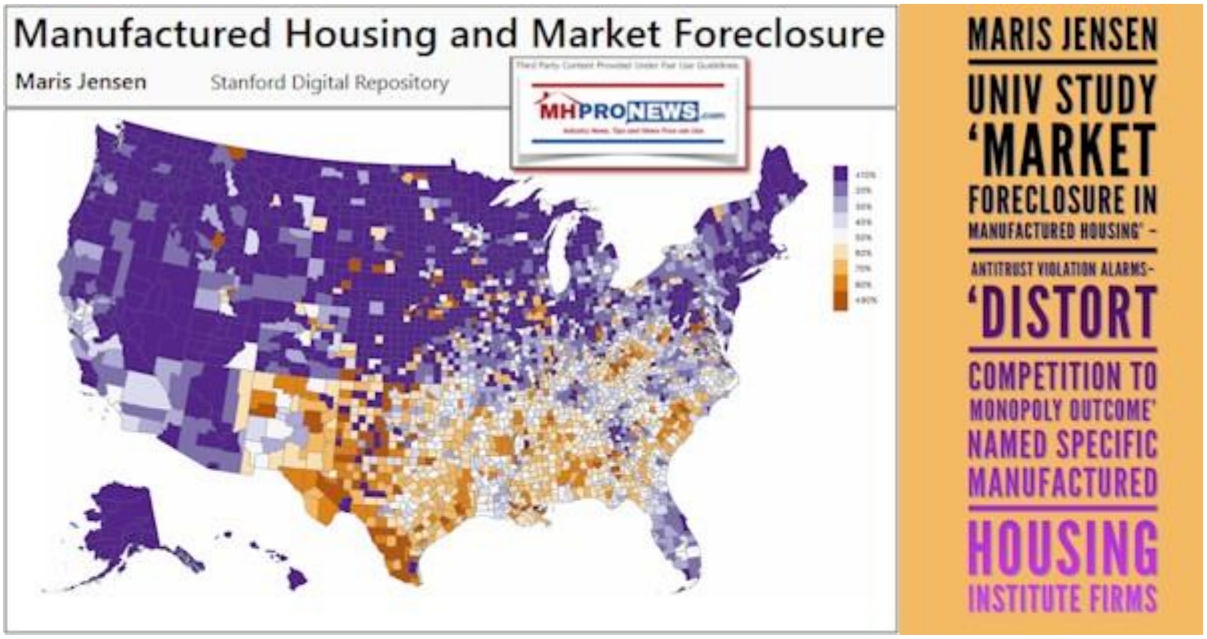
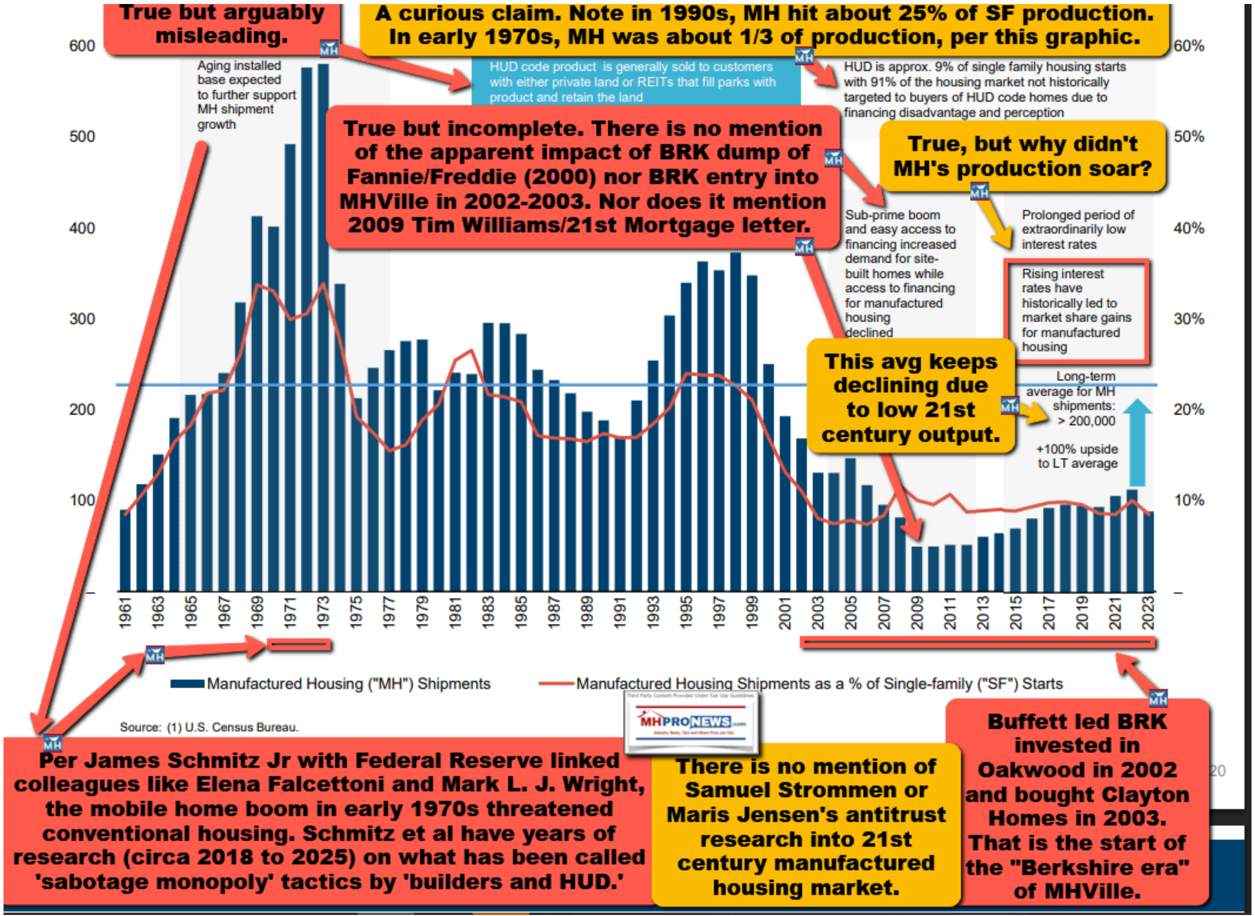
Strommen Manufactured Housing Institute remark: MHI is a mouthpiece of the Big 3 - in apparent Restraint of Trade and Should Not Get NOERR protection.

https://www.manufacturedhomepronews.com/masthead/true-tale-of-four-attorneys-

[research-into-manufactured-housing-what-they-reveal-about-why-manufactured-homes-are-underperforming-during-an-affordable-housing-crisis-facts-and-analysis/]()[/caption][caption id="attachment_213474" align="aligncenter" width="600"]



[https://www.manufacturedhomepronews.com/maris-jensen-univ-study-market-foreclosure-in-manufactured-housing-antitrust-violation-alarms-distort-competition-to-monopoly-outcome-named-specif/]() [/caption][caption id="attachment_213683" align="aligncenter" width="650"]



MHProNews Note depending on your browser or device, many images in this report and others on MHProNews can be clicked to expand. Click the image and follow the prompts. For example, in some browsers/devices you click the image and select 'open in a new window.' After clicking that selection you click the image in the open window to expand the image to a larger size. To return to this page, use your back key, escape or follow the prompts. [/caption][caption id="attachment_208281" align="aligncenter" width="600"]

https://www.manufacturedhomepronews.com/mass-production-of-homes-in-u-s-factories-first-and-only-experiment-was-tremendous-success-by-elena-falcettoni-james-a-schmitz-jr-mark-l-j-wright-plus-sunday-weekly-mhville-head/ [/caption][caption id="attachment_230968" align="aligncenter" width="600"]https://www.manufacturedhomepronews.com/economic-liberties-impact-of-financing-land-hoarding-consolidation-on-housing-market-including-manufactured-housing-manufactured-housing-spread-mass-homeownership-by-mass-production/

https://www.manufacturedhomepronews.com/economic-liberties-impact-of-financing-land-hoarding-consolidation-on-housing-market-including-manufactured-housing-manufactured-housing-spread-mass-homeownership-by-mass-production/[/caption][caption id="attachment_223168" align="aligncenter" width="600"]

https://www.manufacturedhomepronews.com/affordable-housing-unaffordable-credit-concentration-high-cost-lending-for-manufactured-homes-sebastian-doerr-andreas-fuster-bis-exploit-market-power-manufactured-housing-borrowers/[/caption][caption id="attachment_231247" align="aligncenter" width="600"]

https://www.manufacturedhomepronews.com/shelterforce-making-homeownership-

affordable-bringing-fannie-and-freddie-back-to-mission-and-illusion-of-competition-ameregcorp-update-plus-sunday-weekly-mhville-headli/[/caption]

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