

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

'MHI were Masterful Working Through It All.' New Cavco Plant Groundbreaking plus CEO Boor Revealing Remarks on House Bill Housing for the 21st Century. CVCO Quarterly and Annual Results. FEA

The Manufactured Housing Institute (MHI) "were masterful working through it all" said prior board chair William C. "Bill" Boor, president and CEO of Cavco Industries (see Part II). According to the [Congress.gov website](#), Boor has held the role since **April 15, 2019**, overseeing the company's day-to-day operations and strategic direction. According to their investor relations page: "Cavco is a leading designer and builder of systems-built structures including manufactured homes, modular homes, commercial buildings, park model RVs, and vacation cabins. We operate 33 homebuilding production lines and 99 Company-owned retail stores. The company's insurance group, Standard Casualty, offers a wide range of insurance products for manufactured home owners and its finance subsidiary, CountryPlace Mortgage, offers a variety of homebuyer financing options. As a corporation publicly traded on the NASDAQ Global Select Market (symbol CVCO) we have a commitment to our stockholders, our people, and our homebuyers to provide quality housing and exceptional service..." In Part I is the press release from the full House Financial Services Committee on H.R. 6644, the bipartisan "**21st Century ROAD to Housing Act**" which "**passed in the U.S. House of Representatives by an overwhelming bipartisan vote of 396-13.**" As MHPProNews previously reported, [Cavco Industries](#) (CVCO) previously specifically issued a letter of support the prior version of this legislation, as did Clayton Homes (BRK), Champion Homes (SKY), and MHI and [MHI endorsed the Senate modified version of the developing legislation](#). Prominent Manufactured Housing Institute (MHI) [members](#) and [board of directors' members](#) "**Cavco Industries, Inc., Clayton Homes, Inc...Champion Homes, Inc.**" are among "organizations [that] have also endorsed the Housing for the 21st Century Act" according to the House Financial Services Committee [website](#). This MHVille mashup of relevant facts-evidence-analysis (FEA) provides a deep dive look into what can be described as a "corporate disconnect" in the tradition of the manufactured housing "lap dance," that MHI and [Cavco leadership have been asked about and for some time they have been unwilling to directly address](#).

1. From the document on the Congressional website linked above and [here](#). This type of information is normally source from the corporation or person who has or will be giving testimony to Congress. Highlighting is added by MHPProNews, but the text is from the original document linked [here](#).

Several years prior to his service on the Cavco Board, Mr. Boor held the position of Vice President, Corporate Development at Centex Corporation while Cavco was a subsidiary of Centex. During that tenure, Mr. Boor worked with Cavco leadership on the company's strategy and its eventual spinoff in 2003. William (Bill) C. Boor Mr. Boor has held a number of executive positions with President and CEO, large public companies, including Cliffs Natural Cavco Industries, Inc. Resources, Inc. ("Cliffs"), where he served in roles including Executive Vice President for Corporate Development, Chief Strategy & Risk Officer and President of Ferroalloys. Prior to Cliffs, Mr. Boor held key leadership roles at American Gypsum, Centex Corporation ("Centex"), Weyerhaeuser Co. (NYSE: WY) and Procter & Gamble Co. (NYSE: PG). Most recently, Mr. Boor was CEO of Great Lakes Brewing Company, a large craft brewery in Cleveland, Ohio, a position he had held since September 2015. Mr. Boor earned an engineering degree from Penn State University and a Master of Business Administration degree from Harvard Business School. He is also a Chartered Financial Analyst.

2. Restated, when it comes to corporate "risk" Boor is apparently well informed and experienced on those matters. Furthermore, some of that professional history may be surprising to thousands in the manufactured housing industry, who were often told that Boor was CEO of Great Lakes Brewing Company before coming on board with Cavco as CEO in 2015.

Curiously, Cavco's press release linked [here](#) and [here](#) paints a somewhat different picture that what was is expressed in the Congressional document above. [Boor's LinkedIn profile](#) also *contradicts* some of the 'history' of [Boor's claimed bio in the Congressional document](#).

3. As [Boor](#) said on 4.30.2026.

"Zoning continues to be one of the most significant barriers to increasing housing supply...with provisions that essentially encourage local municipalities to reduce zoning barriers to Manufactured Housing by prioritizing federal funding programs for areas that increase housing supply, even if it's a bit more of a carrot than a stick and the final zoning decisions still remain largely local. ...while much more work is ahead, the pending legislation marks a significant step forward."

In other words, Boor clearly indicated his knowledge of the point that this advancing legislation will not overcome local zoning barriers. [Boor touted](#) the removable chassis provision of the bill, which the Manufactured Housing Association for Regulatory Reform (MHARR) has called 'low hanging fruit.'

4. GAIO, in the thread documented at this link [here](#), said the following.

Yes, public statements made by a CEO on social media platforms like LinkedIn can absolutely be part of a broader regulatory and legal discussion regarding potentially material misinformation from an SEC perspective. Under [SEC Rule 10b-5](#) and long-standing regulatory guidance, any public communication from a corporate executive—regardless of the forum—must be accurate, complete, and free of material misstatements or omissions that could mislead a reasonable investor. [1, 2] ...

The primary issue raised by platforms like *Manufactured Home Pro News* points to a potential gap between Cavco's public narratives and its actual corporate positions or legislative lobbying efforts. From an SEC perspective, this creates several direct liabilities: [1, 2] ...

Cavco Industries has previously faced severe scrutiny regarding internal compliance, corporate controls, and officer transparency (such as the landmark [SEC v. Cavco Industries, Inc.](#) and related executive enforcement actions). Because federal courts have already noted past control failures at the firm, any new patterns of conflicting public statements are highly likely to be scrutinized through a lens of systemic disclosure deficiencies. [1, 2, 3]

The documented, full thread is linked [here](#).

5.

Part I. [Congressional House Financial Services Committee](#) Press Release 5.20.2026

Financial Services Committee's Bipartisan 21st Century ROAD to Housing Act Passes House

Washington, May 20, 2026

Tags: [Full Committee](#)

Today, the 21st Century ROAD to Housing Act, led by House Committee on Financial Services Chairman French Hill (R-AR), Ranking Member Maxine Waters (D-CA), Subcommittee on Housing and Insurance Chair Mike Flood (R-NE), and Subcommittee on Housing and Insurance Ranking Member Emanuel Cleaver (D-MO), passed the full U.S. House of Representatives by an overwhelming bipartisan vote of 396-13.

The House-passed resolution amends the Senate-passed version of the legislation, addressing concerns from House members and market participants with a more balanced and workable approach. The amended bill restores critical community banking provisions while preserving key measures to streamline housing development, improve affordability,

encourage new construction, update outdated HUD programs, and eliminate burdensome regulatory barriers.

Chairman Hill said, “Today, we proved Washington still works. After months of bipartisan, bicameral negotiations – and with the partnership of the Trump Administration – the House delivered to make housing more accessible and affordable for American families. I urge the Senate to move expeditiously to get our amended bill to President Trump’s desk and deliver the relief Americans have been waiting for.”

Speaker Mike Johnson (R-LA) stated, “The 21st Century ROAD to Housing Act is transformational legislation that will immediately address the housing affordability problem and bring the American Dream back within reach for millions of young and working American families. This bill delivers on our promise to reduce restrictive regulations, increase the housing supply, limit institutional investing in the housing market, and drive down the price of homes nationwide. Chairman Hill, Ranking Member Waters, and the entire House Financial Services Committee did exceptional work to achieve a bipartisan product that delivers the housing policy President Trump has called for and that voters demand. We are grateful that a strong, bipartisan majority of the House voted to pass this legislation today, and we urge the Senate to swiftly do the same.”

Majority Leader Scalise (R-LA) added, “House Republicans are focused on making the American Dream more attainable again for hardworking families. After years of rising costs and burdensome regulations driving homeownership further out of reach, the 21st Century ROAD to Housing Act takes meaningful steps to increase the supply of homes and cut the red tape standing in the way. I’m grateful to Chairman French Hill, Subcommittee Chair Mike Flood, and the Financial Services Committee for their leadership in drafting real solutions that will help more Americans buy a home and build a better future for their families.”

Majority Whip Tom Emmer (R-MN) said, “Homeownership is central to the American Dream. The American people elected Republicans into office because they were tired of this milestone getting further and further away from them. But thankfully, President Trump and Republicans are making the American Dream achievable once again. By passing the 21st Century ROAD to Housing Act, we’re continuing to deliver wins for hardworking Americans. This could not have been accomplished without the tireless work of Chairman Hill.”

House Republican Conference Chairwoman Lisa McClain (R-MI) said, “Americans are tired of watching the dream of homeownership slip further out of reach while Washington keeps piling on costs, delays, and bureaucracy. House Republicans are focused on

lowering costs, building more homes, and giving families a fair shot at owning a home again. I'm especially proud that this package includes language from my Modular Housing Production Act to help expand access to affordable modular and factory-built housing. Families should not be punished with outdated financing rules just because they choose a more affordable path to homeownership."

Ranking Member Waters added, "This housing bill is the result of a broad, bipartisan and bicameral legislative process, and is a huge step towards finally addressing the affordable housing and homelessness crises in this country. Americans deserve the peace of mind that comes with having a roof over their heads, the opportunity to build wealth through homeownership, and the dignity of knowing that working hard should be enough to afford a place to live. I am beyond proud of this legislation and the benefits it will bring to all of our cities, counties and states. The Senate must meet this moment with the same urgency and determination and quickly pass this bill. The American people deserve action, not more delays."

Subcommittee Chair Flood stated, "The 21st Century ROAD to Housing Act, as amended by the House, is landmark legislation that will benefit renters, homeowners, and families hoping to buy a home across the country. The leadership of Chairman Hill and Ranking Member Waters has been instrumental in making this a reality, along with the leadership of President Trump. I hope the Senate takes up the bill without delay so we can make this bill law as soon as possible."

Rep. Cleaver said, "While the American people are drowning under the rising cost-of-living crisis, Congress has an opportunity to provide a desperately needed lifeline by passing comprehensive, bipartisan housing reforms that will lower costs for families nationwide. For over a year, I have worked with Chairman Hill, Ranking Member Waters, and Chairman Flood to craft legislation that will cut through unnecessary regulations and boost the development of affordable housing. I'm pleased that work has paid off with today's legislation, which was passed with overwhelming bipartisan support. Now, I look forward to working with our Senate colleagues to get this legislation across the finish line and deliver relief to the American people."

Click [here](#) for the text of the bill.

Click [here](#) for a one-pager.

Click [here](#) for a section-by-section.

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Part II. From the Insider Monkey transcript of Cavco's Earning's Call published 5.23.2026 [here](#) and provided by MHPProNews under Fair Use Guidelines for Media

Cavco Industries, Inc. (NASDAQ:CVCO) Q4 2026 Earnings Call Transcript

Published on May 23, 2026 at 8:03 am by [Insider Monkey Transcripts](#)

Cavco Industries, Inc. (NASDAQ:[CVCO](#)) Q4 2026 Earnings Call Transcript May 22, 2026

Operator: Thank you for standing by, and welcome to the CAVCO Industries Fourth Quarter 26 Earnings Call and Webcast. At this time, all participants are in a listen-only mode. After the speakers' presentation, there will be a question-and-answer session. To ask a question during this session, you will need to press *11 on your telephone. If your question has been answered and you would like to remove yourself from the queue, simply press *11 again. As a reminder, today's program is being recorded. And now I would like to introduce your host for today's program, Mark Fusler, Corporate Controller and Investor Relations. Please go ahead, sir.

Mark Fusler: Good day, and thank you for joining us for Capital Industries' fourth Quarter Fiscal Year 26 Earnings Conference Call. During this call, you will be hearing from Bill Boor, President and Chief Executive Officer Allison Aden, Executive Vice President and Chief Financial Officer and Paul W. Bigbee, Chief Accounting Officer. Before we begin, we would like to remind you that the comments made during this call by management may contain forward-looking statements. Forward-looking statements include statements about our future and expected business and financial performance, and are not promises or guarantees of future performance. There are expectations or assumptions about Cavco's financial and operational performance, revenues, earnings per share cash flow or use, cost savings, operational efficiencies, current or future volatility in the credit markets, or future market conditions.

All forward-looking statements involve risks and uncertainties, which could affect Capco's actual results and could cause its actual results to differ materially from those expressed in any forward-looking statements made by or on behalf of Cavco. For a discussion of material risks and important factors that could affect our actual results, please refer to those contained in our filings with the SEC, which are also available on our Investor Relations website and at sec.gov. This conference call also contains time sensitive information that is accurate only as of the date of this live broadcast, Friday, 05/22/2026. Cavco undertakes no obligation to revise or update any forward-looking statement, whether written or oral, to reflect events or circumstances after the date of this conference call except as required by law.

Now I would like to turn the call over to Bill Boor, President and Chief Executive Officer. Bill?

William C. Boor: Welcome, and thank you for joining us today to review our fourth quarter results for fiscal 26. I want to take a few minutes to talk about the fiscal year and then we will get into the fourth quarter discussion. The headline is that in a year in which total industry HUD shipments were down slightly, we hit an all time high of 20.8 thousand homes shipped. Operating income was up 14%, excluding a \$10 million non-cash write-off last year. In the broader picture, our peak to peak ability to deliver homes is up significantly due to the continuous improvement in our plants, the major plant modernization projects we completed in recent years, and the acquisition of American HomeStar. And as I will touch on in a moment, this time last year, our backlogs were declining going into Q1.

While this year, they are increasing. In fiscal 26, we also continued a multiyear strategy to transform how we go to market. We built on our unified branding under the Cavco name by rolling out our Which makes it much easier for potential buyers to shop our homes Nationwide product line framework in Q4. and for our dealer partners to help those customers find the homes that best fit their needs. We believe these advancements that began several years ago, a redesign of digital marketing have significantly improved our position and will contribute to market share growth in an industry we also expect to be growing in the coming years. Turning to the quarter, sequential revenue was down 5%, and operating income was down 6%. However, both were up compared to last year by 833% respectively.

Again, last year's quarter had a \$10 million intangible write-down. So, excluding that, this year, the quarter operating profit was up about 6% year over year. While Q4 weather is expected to be challenging across the Northern US, this quarter got off to a slow start with unusual weather across the Southern States. We lost production days and market time in January and early February. Our capacity utilization for the quarter was approximately 70% and our production pace was generally in balance with orders through most of the quarter. We then saw a large pickup in wholesale orders in March, which expanded backlogs late in the quarter. The order pickup was big enough that we finished the quarter with almost 25% more floors in the backlog than when we started it.

And we finished with 5 to 7 weeks of backlog, which, again, was growing as we closed out the quarter. Average selling price was down about 2% sequentially. If we break that apart, our company owned retail sales were healthy. But down from a very strong third quarter. This decrease in the percentage of our integrated sales coupled with a mix shift towards single section homes accounted for the sequential ASP drop. Product pricing was essentially flat. We feel good about what we are seeing with retail traffic, wholesale orders, and backlog growth. The combination of these 3 positive signals gives us the opportunity to push some production where lower backlogs had been holding our plants back. Touching

on American HomeStar, we are through a lot of the operational integration with most of the work ahead focused on systems integration.

As we reported last quarter, our internal view of tangible cost synergies had increased from our deal assumptions, and was in excess of \$10 million annually. That view still holds. And in Q4, we were already very close to that pace. We still see more opportunity ahead to exceed \$10 million mostly in SG&A and additional purchasing savings. In financial services, both the lending and insurance operations contribute to another strong quarter. We reached a new agreement with a purchaser of home only loans that allowed us to ramp up originations and sell some loans off the balance sheet. The investor agreement will enable us to continue ramping loan originations and sales going forward. In insurance, we had continued strong results from a combination of underwriting changes we have talked about in previous quarters, and continued favorable claims experience.

Now shifting back to manufacturing, I wanna touch on the press release we issued Wednesday evening announcing that we broke ground on a new plan[t] in the fourth quarter. This decision is part of an overall Southwest operation strategy to create growth and optionality in the region. It will be a high capacity state of the art plant here in the Phoenix area with 1 line initially and the infrastructure in place for a second line in the future. We have been very consistent in our strong conviction about the growing role of factory built housing in meeting the supply needs of the nation and in our capital allocation approach. We are confident this is a solid investment that will enable us to expand our selling area in the Southwest. We are expecting the Cavco El Mirage plant to be operational in mid-calendar year 2027.

Continuing on the topic of capital allocation, strong cash generated by operations enabled us to deploy over \$360 million in the fiscal year. We continued our share repurchases during quarter with another \$30 million used to buy back company stock. For the year, we completed a \$160 million of share repurchases We also invested \$173 million to acquire American HomeStar, and an additional \$35 million to expand and modernize our existing plants. And we finished the year with a healthy unrestricted cash balance of \$237 million. Finally, I wanna comment briefly on the legislation passed by the House this week by a 396-to-13 vote. The prominence of American housing in the bill the bipartisan awareness of the critical role our homes need to play in resolving the housing supply crisis.

Various parts of the bill will enable product innovation, reduce regulatory confusion, improve consumer and commercial funding availability, and encourage zoning improvement. I feel I have had a front row seat to watch this work develop over the last several years, and I wanna acknowledge our industry association leaders at MHI. Who worked over a long period of time, first to increase awareness of our solutions in DC, and

then ensure the legislation itself protected and enhanced the industry's ability to make more homes. As you would expect, there were potential traps in the process and the folks at MHI were masterful working through it all. It is expected that this bill will be approved by the Senate and the White House has already issued a statement of support.

The benefits will take time to fully develop, but they are real. And they will be impactful. Now I will turn it over to Allison to give more details on the financial results.

Allison K. Aden: Thank you, Bill. Net revenue for the fourth fiscal quarter of 26 was \$550.1 million up 8.2% compared to \$508.4 million during the prior year period. Sequentially, net revenues decreased \$30.9 million driven by a decrease in both units sold and average revenue per home sold. Within the factory built housing segment, net revenue is \$528 million up \$40.2 million or 8.2% from \$487.9 million in the prior year quarter. The increase was primarily due to the addition of American HomeStar, and the 7.8% in legacy average revenue per home sold. Partially offset by an 8.9% decrease in legacy home units sold. The increase in legacy average revenue per home was primarily due to a higher proportion of homes sold through our company owned stores product pricing increases, and more multi-wides in the mix.

Financial Services segment net revenue was \$22.1 million up \$1.6 million or 7.7% from \$20.5 million in the prior year quarter. The increase was due to greater loan sales after securing a long term investor agreement and to a lesser extent, the addition of American HomeStar Financial Services. Consolidated gross margins in the fourth fiscal quarter as a percentage of net revenue was 23.1% up from 22.8% in the same period last year. In the factory built housing segment, the gross profit was 21.2% in Q4 of 26 down from 22.3% in Q4 of 25. The reduction is due to higher costs, per unit sold. Financial services gross margin as a percentage of revenue increased to 69.4% in Q4 of 26 from 36.8% in Q4 of 25. This increase is primarily due to the growing impact of rate increases and underwriting changes on policies in addition to higher loan sales.

Selling, general, and administrative expenses in the fourth quarter were \$75.6 million or 13.7% of net revenue. Compared to \$77.5 million or 15.2% of net revenue during the same quarter last year. The decrease in these expenses was primarily due to the \$10 million write-off of tradename values as part of the rebranding project in the prior year. Partially offset by the addition of American HomeStar. Interest income for the fourth quarter was \$3.2 million down from \$4.5 million in the prior year quarter. Resulting from lower cash balances after the purchase of American HomeStar. Pretax profit was up 27.1% this quarter to \$54.6 million from \$42.9 million for the prior year period. The effective income tax rate was 22.2% for the fourth fiscal quarter, compared to 15.4% in the same period of the prior year.

The increase in the effective tax rate was primarily driven by lower tax credits and reduced stock based compensation benefit related to the prior year quarter. As a reminder, we benefited from the ENERGY STAR tax credit program. The IRS code eliminated these credits effective 6/30/2026 and as a result, we will not benefit from these credits in the future. Net income was \$42.5 million compared to \$36.3 million in the same quarter of the prior year. And diluted earnings per share this quarter was \$5.42 versus \$4.47 in last year's fourth quarter. Before we discuss the balance sheet, I would like to take a minute to talk about capital allocation. During the quarter, we repurchased \$30 million of common shares under our Board authorized share repurchase program.

In addition, the board of directors recently extended the authorization by an additional \$150 million reflecting confidence in our strong cash generation. Leaving approximately \$218 million under authorization for repurchases. Our capital deployment will continue to align with our strategic priorities which include enhancing our plant facilities, pursuing additional acquisitions, and consistently assessing opportunities within our lending operation. Share buybacks will then serve as a mechanism to prudently manage our balance sheet after considering these initiatives. Now I will turn it over to Paul to discuss the balance sheet.

Paul W. Bigbee: Thank you, Allison. In the quarter, cash and restricted cash increased \$15.1 million bringing our balance to \$257.6 million Operating cash flow provided \$67.4 million consisting of \$50.2 million in net income and noncash adjustments and \$17.2 million from working capital. Investing activities used \$22.6 million primarily for plant capital expenditures. While financing activities used \$30 million driven by share repurchases. When we compare the 3/28/2026 balance sheet to 3/29/2025, several of the balances increased from the addition of American HomeStar. Including inventories, property, plant, and equipment, goodwill and intangibles, accrued liabilities, and deferred income taxes. The decrease in short term consumer loans receivable is due to the increase in loan sales after securing a long term agreement to sell loans to a third party investor.

Long term investments increase from more fixed income and equity holdings at the insurance subsidiary. Legacy accrued expenses and other current liabilities increased from higher customer deposits and volume rebate and warranty accruals. Which were partially offset by lower insurance loss reserves. Treasury stock increased due to stock buybacks executed in the period. With that, I will turn it back to Bill.

William C. Boor: Okay. Thank you, Paul. I want to take a minute before going to Q&A to talk about operating excellence. In manufacturing, that shows itself in volume certainly. But a great indicator of the quality of an operation is its safety culture and results. Our recordable injury rate has improved each of the last 5 years. Over that period, we reduced our injury

rate 65%. And while we started above the industry benchmark, we have been well below it each of the last 4 years. Again, I bring this up partly because in addition to investors, our employees sometimes tune into these calls and I really wanna acknowledge the focus they have brought to this priority and their important accomplishments. But I also bring it up for the external audience to understand that these types of safety improvements are indicative of the focus we have on executing the fundamentals with excellence, I am as proud of these safety results as anything else we have accomplished over the past several years.

I could cite examples of operational process improvement across all our operations from retail's intense focus on training, to the work that insurance has done to rethink their operation that is led to significantly improved results. To the work in CountryPlace to source new investors and improve our facing systems. Periodically, I think it is important to highlight examples like these that say something about the real improvement over extended periods of time. That can be overlooked in our quarterly cadence. These are examples of that intense focus on day in and day out process execution and how that leads to the outcome of improving business results over time. So, Jonathan, I guess with that, why do not we go ahead and open it up for questions?

Operator: Certainly. And our first question for today comes from the line of Dan Moore from CJS Securities. Your question please.

Q&A Session

Analyst (Daniel Moore): Yes. Bill, Allison, Paul, good afternoon. I should say good morning. Thanks for calling, and thanks for taking your questions. Yeah. Maybe just talk about the sequential improvement we saw in March and whether that held true into April and thus far in May in terms of traffic, order rate, sequentially? And then where are you seeing the most improvement from a geographic perspective and where are there, you know, maybe some areas that are still a little bit sluggish?

William C. Boor: Yeah. I will take a initial stab at that. The yeah. It really was a quarter where, you know, we always talked in the third quarter call about being anxious to see how the spring selling season shapes up. And January and February, I would not necessarily say they were slow, but they were not showing a significant pickup. And then it just kind of came in March And so we felt that was a real positive. It was a significant jump up and to be honest, it occurred across the board in every region. Some of the stronger results, but this is all relative. It was pretty noticeable literally in every region that we track. Some of the strongest results, if you differentiate, were in the Northwest, the Southwest, and Texas. But, I would not take anything away from the significant uptick that we saw in the other the other

regions. Dan, can you I know I did not address all your questions. Can you remind me of your other question?

Analyst (Daniel Moore): Yeah. Just in into April and thus far in May, whether you are seeing, you know, steady from March, continued improvement across those markets? What are we seeing sequentially?

William C. Boor: Yeah. Yeah, it is. As you guys know, we do not like to get too far in the forward or into the current quarter, but this quarter the earnings announcement comes kind of late, so it is fair to give a little bit of an indication how this quarter is shaping up. So I will continue on that discussion. That April order rates stayed up at that, you know, relatively in that March level. And I guess 1 of the best indicators of continued strength is that I am looking at our backlog weeks in all of our regions. And each 1 of those showed an improvement in backlog through April. So we did see it. It was not just a blip. We did see it pick up you know, May, we are still in the middle of. I can tell you, you know, we talked about the spring selling season in retail, which is kind of the lead Right?

You get a sale in retail and that causes wholesale order that eventually gets built. Retail typically hitting into May, you will see a little bit of a slowdown as people are focused on other things. But I have not really looked that closely at how May's gonna come out in total, and I have not sensed that we feel like something really died off from the pace that we are seeing in March and April. So all seem to be pretty positive indicators, and I am gonna wanna temper those comments as I think I always should, and you guys know this. it is still an uncertain environment out there, but what we saw in March and April in orders and backlog growth were pretty encouraging.

Analyst (Daniel Moore): Super helpful. And as that ties into production, sound like in your prepared remarks, that gave you confidence to pick up production rates a bit as we move into fiscal Q1. Just want to make sure I am hearing that correctly and whether or not you expect to see some level of increase in shipments sequentially Q1 versus Q4?

William C. Boor: Yeah. As you guys know, when we talk about backlog in aggregate, it is kind of the average of a system that has a lot of plants in different markets in different stages of the cycle. And we have been in that mode for quite a while where we have had some plants that have had plenty of backlog for quite a while, and so they have been running you know, at a pretty high level. And we have had other plants across the country that have had to hold it back a little bit because of low backlogs. With this across the board improvement in backlogs in generally, I think it does give us the ability for some of those plants that have been riding the brake a little bit to let it go. So, yeah, I do expect us to you know, increase. We are not we are not in business to see our backlogs to get to

extraordinarily high levels. We would like with the range that they are in now in total and we wanna be producing at that level of orders.

Analyst (Daniel Moore): Really helpful. And maybe 1 more, and I will jump back in queue. Talk about what you are expecting or seeing from tariffs And then just more generally, expectations for gross margins, particularly in factory built housing you know, fiscal Q1 and the next quarter or 2 relative to the 21.2%, I think, we did in fiscal Q4.

Allison K. Aden: Yes. Thanks for that. It gives us a chance really to talk about the impact of tariffs. Which we, consistent with our comments last quarter, we know is having an upward impact on our COGS. it is really difficult to precisely estimate the amount of the impact. But I would say that the impact this quarter is very much consistent with last quarter. And, really, the reason for, the challenges is simply the supplier's ability to pass through tariffs is tightly tied to the function of the level of demand for their products. So the demand for lumber or steel starts to heat up. We are we are likely gonna see a more of a fulsome impact from tariffs. And if we just think about, you know, how that relates to margins, as we have said in the past, it is difficult, to project, forward on margins.

But indeed, a key component that does impact our margins is the cost of these commodities. And primarily, that is lumber, that is OSB. And for the last several quarters, we have been benefiting from pretty low and, I would call it, stable lumber and OSB prices. But recently, we have seen lumber started to tick up. And as we all watch, the indexes for both lumber and those commodities, where, really, we can expect any changes that we do see to roll through our COGS cost of goods about 60 days later. I think important development is that we are expecting a pretty negative impact from steel producers who are starting to really announce price increases and stringent allocation limit limitations. Just as a balancing factor, right, our margins are also dependent upon pricing.

And, you know, it is been a good fact pattern to see overall product price somewhat stabilized during the last 2 quarters. But we are in a position really at this point to call that a trend as it exit certainly varies as we have talked about pricing can vary by geographical location. And then just to tie in some of Bill's comments on financial services, our margins also depend on the activity in our financial services segment. And most notably our insurance, division. And we certainly have seen strong financial services margins in the recent quarters that have helped lift our consolidated gross margins. So just kind of summarizing that, we certainly do acknowledge that the higher material input cost are expected and, will pressure our margins.

We are gonna continue to stay very focused on maintaining our low fixed cost and being able to flex our variable cost, you know, with the increase in production. So, hopefully, that helps a bit.

Analyst (Daniel Moore): Thank you, Allison. I will jump back with any follow ups. Appreciate it.

Operator: It. Thank you. Thank you. And our next question comes from the line of Greg Palm from Craig-Hallum. Your question please.

Analyst (Greg Palm): Yes. Thanks for taking the questions. I wanted to go back and, maybe go over the demand environment a little bit more, you know, spring, seasonality wise, you know, usually, you see some improvement. So I guess I am curious Was it better than you expected? Like, can you just help maybe characterize kind of what you saw in March and April versus what you would normally see in a, you know, call it normal year?

William C. Boor: Yeah. I think you know, when we look at just on the wholesale side, I think you know, January is usually the slow month coming out of the holidays. Nothing surprising there. And we did get nailed across the South. I mean, 1 likes to talk about weather in these calls in any context, but we lost production in some plants and no 1 was out buying homes for a little while. And kind of the late January, early February time frame. So living through that, it was not surprising to see kind of orders at the level they were. And know, in a way and I am not sure this is the right characterization. In a way, I feel like we got a pretty good spring. It just showed up really late in the order numbers. And so seeing March increase the way it did, it just looked to me like a little bit of a delayed spring, but a pretty solid 1.

And, you know, it is like I said a minute ago, it kind of all starts in retail. And when retail starts selling homes, they start placing orders. And with that stuff happening late in the quarter, that is why for us, you saw more of a backlog increase than necessarily a shift volume increase. But I yeah. I mean, Greg, I think, you know, to kind of be more concise than that wordy answer, I would say that we felt pretty good about it by the time the quarter ended and as we flowed into to April.

Analyst (Greg Palm): Yep. Okay. that is that is fair color. And then in terms of you talked about geographic mix. What did you see across, like, the community channel to what you saw, or what you are seeing across kind of retail right now?

William C. Boor: Yeah. I appreciate that because did not think to comment on it in the prepared remarks. But it kinda ties back to discussions we had last quarter. Right, Greg? Last quarter, we told folks that communities were down a little bit for us. But I also tried to emphasize that when you look quarter to quarter at community volume, it can be bouncy even when nothing in particular is really going on. that is noteworthy. So to follow-up that

comment last quarter, this quarter, we saw communities bounce back up. So I think it helped just to confirm that Q3 was not you know, was not a trend or was not something wrong in the community channel. And we saw it bounce back pretty healthily this past quarter. So when you got flattish volume, what does that mean about the channels?

Some of the offsetting drop was in the dealer channel this time. And that, again, I would not tell you know, we are kind of reporting the facts but I would not tell people that we note anything that is really necessarily wrong in the dealer channel. I think that those late orders a lot of those were coming through that dealer channel. And so I think we will just see this as kinda normal variation within the channels. So communities bounce back a bit.

Analyst (Greg Palm): I expect retail will because they were the source of a lot of our orders. Okay. Understood. And then, you know, last 1, you kind of alluded to the regulatory stuff, Road to Housing Act. And, you know, help us understand the timeline of some of these, you know, perceived benefits that you might see. And I do not know if there is a way for you to kinda you know, rank order what you are focused on the most. But just curious to get your thoughts there.

William C. Boor: Yeah. that is a good challenge to do that here on the fly. Yeah. I think, you know, a lot has been talked about the permanent chassis removal. We are gonna you know, I will tell you 1 thing about the permanent chassis, which I was happy to see. When we talked to dealers, our internal and external, I was actually a bit surprised when this chassis discussion started how many of our retail folks were really kind of positive and excited about the prospect. So we are in good shape. I mean, when you make a modular home, you are generally making it to have a removable chassis. And so our factories that do modular kind of from an engineering and factory perspective are in a position to make HUD code homes without a chassis as soon as that, you know, law gets changed, the wording gets changed in the definition, And as I said before, as soon as states kind of conform to it, So it will take a little bit of time.

And I think excuse my cough. I think you know, we will probably be talking about it every quarter because it is interesting and it is a future opportunity. But it will kind of layer in over time. And I think it is gonna be significant in the long term. The zoning you know, different things can happen at the federal, state, and local level as far as what can be done to help the supply of factory built housing. And the federal has got the message. I mean, when I talk to folks in DC, they are very aware of the zoning challenges, but those decisions largely get made at the local level. This legislation has some aspects to it that talk about providing kind of carrots in the form of funding for municipalities that enable or take down zoning barriers.

that is the battle we have been waging for years and years. So how much that takes root will be interesting to watch, but I think we talked about it last quarter that some states are chiming in on this as well. We have got some legislation coming it is already been passed in both Texas and Kentucky in particular. That kind of even the playing field. Take away the discriminatory barriers to factory built housing. So I think that is a pretty prominent 1 that maybe will take a little longer just because on I have learned not to be too optimistic about zoning. Solutions, but I think we are pushing in the right direction. The primacy of HUD as our primary regulator that is a little bit probably less about volume. Although it will impact it will help keep bad regulations that cause the cost of our homes to go up.

It will keep that at bay. And we will be able to work with HUD to improve the houses over time in ways that are cost efficient. So that is a little bit less about volume, I guess. But a really important aspect of the of the overall law. And then the other 1 I would touch on, which I have always kinda harped on in DC whenever I get it. Anyone's ear is they are pushing for FHA title 1 financing, which is home only financing to I will use the term, modernize their programs there is almost no loans done for home only purchases through FHA programs And you know, that is just flat out not right. And so the law is pushing FH to modernize things like their loan limits, eligibility, and things like that. that is real funding availability cost of funding improvement for our customers, which is critical.

So I am not sure I really prioritize them, and I am not sure if I gave a sense of timing. I think these things do take time, but I am also very I think they are huge. Improvements. So I think there are things that over time are gonna make a real difference. Alright. Appreciate those thoughts. Thanks. Yeah. As you jump it off, 1 other thing I think I will touch on people have heard a lot about the institutional investor. Dan and a lot of that is around the build to rent or purchase to rent model that a lot of institutional investors have been doing. Probably a topic for separate discussion at some point if we want to sit around and just talk about opinions about whether that is useful or not. I will stay out of that space. But it was a real threat to—like it, unwittingly, it was a real threat to the home or the community ownership model that is been so successful for manufactured housing over time, the land lease communities.

Because you can imagine if they got defined as an institutional investor, they would not be buying homes. And, again, given a lot of credit to MHI, we got an exemption a clear exemption from any institutional ban on the purchase of homes for manufactured housing, which is just gigantic. I mean, that averted a real mess. So wanted to throw that in as well because that is been really important here.

Operator: Thank you. And our next question comes from the line of Jesse Lederman from Zelman and Associates. Your question please.

Analyst: Hey. Thanks for taking my questions. Bill, I would love to talk a little bit more about the El Mirage project Obviously, pretty groundbreaking. No pun intended. You know, building some more capacity here. To start the call, you kinda talked about the peak to peak capacity relative to entering the year is already a bit higher. So, like, layering that in plus your at 70% capacity nationally now. Why do you feel like adding new capacity and adding a new factory is, you know, a good use of funds, and what are the demand assumptions that support needing the additional capacity in that area?

William C. Boor: Yeah. it is I mean, it is a very fair and good question, Jesse. We—I will start by saying this. We are very in my opinion, we look at investments whether they are plant modernization projects or acquisitions or something as significant as a new plant like this we look at them in a very with a lot of scrutiny. You know, we are very focused on whether we believe we can get an appropriate return for the risk and making sure that we are investing above the cost of capital. So you will have to take it on faith, but you can rest assured that we believe this is a return project. Now it is we do not make a project decision like this that will not start up for over another year and will be a you know, very long lived asset.

It will be in the system for decades. We do not make that based on how we are feeling about this quarter or what the last year looked like as far as demand. And I will not I will say this because I think it is the best summary, but I do not mean to imply it is this simple.

Jesse Lederman: We made this decision because there is a 4 million to 6 million housing unit deficit in the country, and we think factory built housing is a solution. So if this industry gets to whatever full capacity is because we start to unleash that demand.

William C. Boor: this industry, you know, will not have enough capacity to meet that opportunity and that need. So I think we are gonna need greenfield capacity and I am clearly thinking longer term than this quarterly call. And it was with that strategic conviction that we took this on it is going to give us some optionality in the region. You know, we look at it not on a single plant with blinders. We look at it in perspective to the other plants we have got in the region. And we look at our market opportunities Frankly, in Arizona, historically, if you look through time, we have limited our selling area because we did not wanna generate long term dealer relationships in farther away markets like up into Colorado and places like that, if we could not continue to supply those folks when the market was strong.

And so we have kind of self-limited a little bit in the Southwest over time. And 1 of the opportunities this is going to open up for us is to actually push into some New geographies with some distribution. So I hope that helps give kind of a flavor for at least how we are

thinking about it. I understand and I think it is a very fair question about you know, how do you pull the trigger on new capacity when you have been under you know, full capacity for a while and again, my most simple answer is 4 million to 6 million unit housing deficit.

Analyst: Yeah. that is a great response. Though. I appreciate that. it is you know, long term decision that you made, and it is helpful to understand that even in the near term, you think there is some there is some demand and areas around region where you are already operating that can be unlocked. Yep. Not sure if these next couple are for you or Allison, but kind of wanna understand 1, the investment in the facility overall, if you are willing to share And then 2, how the like, the margin drag on the p and l kind of as you are ramping up to facility to capacity, how we should think about the timing of that maybe in calendar 2027 and beyond. Kind of what that, what that looks like and how to think through that.

Allison K. Aden: Yeah. I think that let's address the margin because as we bring on an additional line consistently, And we will ramp we will ramp that lineup. But it is gonna be 1 line of multiple lines that we have. So we obviously would scale the plant in total Right? So we scale we would scale the direct labor. We would scale the support. So I would not anticipate that bringing on additional capacity in our network in the way that we are able to monitor very closely KPIs would create a any kind of a noticeable drag. Obviously, there will be a ramp up period as they are all as there always is implants, but we are, you know, so skilled at doing this and focusing on just the core manufacturing key indicators and metrics, then we will do it in a measured fashion.

it is something that we have done before, it is something that we have proven we can do. So we are actually pretty excited about it and have you know, plenty of time to plan for it as it comes online in a very methodical a very methodical manner.

William C. Boor: I think that is a good point that is I was gonna say maybe not to scale, but I am not even sure that is true. Over the last several years, they were not complete greenfields. But we brought Glendale was a completely new plan. I mean, why I say it was a complete greenfield? We bought a building that was already you know, the walls were up. But it had never been used for any other purpose. And we found it in saw that we could use it for park models, and so we essentially added green at Glendale a few years ago And similarly, the hand the Hamlet deal, which is kind of half acquisition, half greenfield, we bought a plant that was being used to make volumetric So, like, the multiunit 5 story hotel apartment type construction.

And we bought that and retooled it. So in a way, that was bringing new volume into the manufactured housing single family industry. So we do have a couple examples in the last 4 or 5 years where we brought this stuff on and I think we have been pretty successful even

we are not betting all the time that the market's gonna be flat out make everything you can make. So a lot of analysis, a lot of scenario planning, a lot of making sure that we were comfortable we could get an acceptable return and grow the market.

Analyst: Absolutely. Thanks so much, guys. Appreciate the color as always. Yeah. Thanks, Jesse.

Operator: Thank you. And as a reminder, if you do have a question at this time, please press Our next question is a follow-up from the line of Dan Moore from CJS Securities. Your question please.

Analyst (Daniel Moore): Thanks again, Bill and Allison. Just 1 or 2 more. 1 of your Texas based competitors recently cited, you know, pretty interesting incremental demand in that market for workforce housing related to both data center build out as well as energy. Wondering what you are seeing, you know, or expect to see as it relates to that in Texas, which is considerable market for you.

William C. Boor: Yeah. I do not have the benefit of exactly what they said, but I would probably echo the statements. We have seen some market opportunities particularly around energy. So, yeah, I think and I do know, I made my comments earlier when asked about regions that Texas was 1 of the areas that we have seen orders kind of pick up relative to even other healthy regions.

Analyst (Daniel Moore): Helpful. And 1 more. Just anything you can expand on as it relates to the agreement with new third party lender How should we think about that advancing the trajectory or margin opportunity of financial services And any specifics around you know, I assume you are yeah. there is quarterly or annual specified amounts of loans that you are supposed to generate. I do not know what you are willing to share there, but anything would be helpful. Thank you.

Allison K. Aden: Yeah. Sure. I will turn down. I will take this. So the forward flow agreement includes a minimum commitment of approximately 25 million of originated loans per quarter. Over a 2 year period. And if then if we talk about it from an economic standpoint, it is consistent with our existing gain on sale transaction. So we are not really seeing a material change in our margin profile. Think strategically, we are looking at this more as more as increasing our lending capacity in a capital efficient manner. Rather than really a market margin expansion.

William C. Boor: Yeah. Just to kind of echo and follow under those comments that I believe over time we have talked with folks that our capital allocation, we are willing within, you know, we are not talking about changing our balance sheet to be a lender, but we are willing at times when there is no buyers of our loans to use some of our balance sheet. To originate

loans and hold them on the balance sheet. And we did a little bit of that. I think it got up to—I will look around the table to confirm my number, into the mid to high thirties of loans that we have on our balance sheet. And we did that with the belief that, 1, at some point in time, we are gonna find investors are gonna be interested in those loans. And 2, if we do not originate good loans, then that is not a bad plan b.

But our plan a is always to originate loans for other investors. And I will tell you that folks at CountryPlace these are not simple, you know, short discussions to get these in place. They did a really good job working with this investor to develop a partnership, basically. And that gives us the certainty now to increase our originations And, and to Paul's point, be even more capital efficient because we will originate loans and we will be selling them off. So the pace of activity in CountryPlace will go up, but the balance sheet will not grow. Accordingly. So this is kind of you know, what we had planned for planned and hoped for when we did some loans onto our own balance sheet over the last couple of years.

Analyst (Daniel Moore): Alright. Super helpful. Greg. Appreciate the color.

Operator: Thank you. And our next question comes from the line of Ian Lapey from Gabelli Funds. Your question please.

Analyst (Ian Lapie): Hi. Good afternoon. Congratulations on a good quarter and year. Thanks, Ian. Oh, you are welcome. it is been about a year since the brand realignment. Can you just talk about how you think that is gone so far?

William C. Boor: Ian, I think it is gone really well. We should probably do a poll of independent dealers and even our internal salespeople, but I think it has gone very well rebranding all of our plants under Cavco. it is created so much more opportunity for us to market. Kind of more across regions. And then, Ian, it is kind of this progression that, again, I could talk all day about, but this progression we have had of digital marketing,, to get everything under the same brand, And then we did this product line work this year, which we just kind of unveiled in Q4 which takes all the products that any 1 of our factories makes, and they can be cat based on their characteristics put within 1 of these product lines. So it is really interesting in my opinion what we have done, and I am excited about it that we are not telling our plants to make different products.

We expect our plants to make products that are good for their local market. But now we are putting an umbrella structure on and so our marketing team can market on a broader base you know, a given product line and we know our customers can then shop the product line that makes most sense for them and find homes in their area that fit within that product line. So it is it is the branding has been a critical part of getting to this point. And I think the acceptance, you know, 1 of the things you know you are gonna have to manage through

when you rebrand like that is you know, and I will just use this as a glaring example that the independent dealers that we have had relationships with for decades have been used to selling whatever it is, Fleetwood homes or Palm Harbor homes.

To them, that is their partnership. And we ask them to shift their mindset to selling Cavco homes. And it took some conversation but I think people have gotten it. They have seen the value in it. And I believe that most of those folks, if not you know, the vast majority of those folks in my opinion, get it now and they are happy with the change.

Analyst (Ian Lapie): Okay. Greg. And then on the CountryPlace investor agreement, are these only your homes? Are they only at your retailers? Are they at independent retailers?

William C. Boor: Yeah. They are—oh, sorry.

Analyst (Ian Lapie): Go No. Go ahead. I interrupted you. Oh, the other part was, is the investor ultimately planning, to securitize these or do you know?

William C. Boor: Yeah. They are not solely for Capco produced homes. CountryPlace like most lenders, think, in the business, CountryPlace will lend on various manufacturers. Their relationship is really more with the dealer or the community operator. To give another opportunity, another option for the lender. Or for the source of the loan for their customers. So it is not exclusive to Cavco. We do at times and we have done this particularly within our owned retail. We do at times do special programs focused on Cavco homes, but they will lend to any manufacturer. And so the buyer of these loans is not solely getting loans on Capco Homes. And as far as their plans, probably out of my zone to comment and speculate a little I mean, the source of some of this money in this—we have seen this over time in the lending business, the source is really insurance company money that they are managing And so my understanding, my expectation is they are gonna portfolio those loans for the for the most part.

Analyst (Ian Lapie): And I guess you could envision a scenario where you know, a buyer of manufactured homes gets enough that they wanna do a securitization.

William C. Boor: But it you know, at our pace that we are talking about 25 million a month or a quarter. A quarter? You need to get up to call it, 200 million of a portfolio to have an efficient securitization. So it is certainly not a near term plan that they would be securitized. In my opinion in my opinion.

Analyst (Ian Lapie): Yep. And then last 1. What are you expecting for CapEx this fiscal year? And I do not think you said how much the new plant would cost. I imagine that will be a big chunk of the CapEx this year.

Allison K. Aden: Yeah. We are not we are not gonna go down into any plant specific information including the capital and the project, but your question and you can correct me if I am wrong. Your question might be around sustaining capital, or do you wanna know more broadly our estimate including projects? Yeah.

Analyst (Ian Lapie): I mean, I think CapEx was \$35 million in this fiscal year. And so Maybe. Curious as to next year.

William C. Boor: Maybe the way for us to handle that and you guys might have the numbers specifically is separate sustaining from plant modernization investments. Yeah.

Allison K. Aden: I think the way that we have thought of it before and you are right around the 35 million. When you I usually gauge a capital investment. When you look at the all in depreciation, rate, and because we are in a growth scenario, we are investing, you know, about \$10 million in addition to what is being depreciated off every year. So that gets to your \$35 million number. And then as Bill mentioned, you know, the amount that we are investing in El Mirage, we are not gonna come on specifically, but clearly, it is right down the fairway of our strategic capital allocation. We are investing in our plants and in our organic growth. So I think, you know, the good news here is that we continue to find investment asset opportunities for our cash that, you know, have a pretty strong IRR hurdle.

William C. Boor: Yeah. Just to put an explanation point on that, 1 of the things we look at in a new investment including El Mirage, and it is not how we make it. We do not make the decision the simplistically, but we look at the capital spending per capacity unit as just a check and El Mirage is kind of right in the zone where we have done acquisitions and plant modernizations and other projects. So it is kind of a nice verification that we are feeling right about the return. But I think dividing you might have basically said this. I think dividing the 35, it includes both the sustaining capital and plant modernization, which we have been doing a good bit over the last several years. And I guess Make it trying to make sure I understand. I guess your comment is that our depreciation is about our sustaining capital.

Allison K. Aden: Right. Plus some amount for growth as you would expect in our kind of where we are in a business model.

William C. Boor: Okay. 35 or So 35 clearly is not sustaining capital. That had some serious projects in it. So Yep.

Analyst (Ian Lapie): Okay. Greg. Thank you very much. Thanks, Ian.

Operator: Thank you. This does conclude the question-and-answer session of today's program. I would like to hand the program back to Bill Boor for any further remarks.

William C. Boor: All right. Thanks, Jonathan. I will just say a word or 2 here. As every CEO probably in every earnings call the last couple of years has said, uncertainty still feels like it is pretty high. With our macro backdrop, we need to be focused on reacting quickly to changing conditions rather than locking in on any prediction, and that is kind of how we run the business. Even in the near term, we have gotta be ready to turn. And go a different direction. I think that nimbleness is where our teams have really shown they really excelled over time. But against that continuing uncertainty for the moment, it is nice to see orders up and backlogs that allow us to lean in on throughput. We are intent on setting more shipment records in the future.

I mean, I started off by talking about hitting an all time high for a fiscal year and hopefully, we will have many more records in the future in that regard. And that means we are making a bigger dent in the country's unmet need for quality affordable homes. So I really wanna thank everyone for joining us and for your interest in Cavco, and we will look forward to keeping you updated.

Operator: Thank you, ladies and gentlemen, for your participation in today's conference. This does conclude the program. You may now disconnect. Good day.

Part III