



# INVESTOR PRESENTATION

DECEMBER 2023

SKYLINE  CHAMPION

## FORWARD-LOOKING STATEMENTS

Statements in this presentation and discussions that follow, including those about the industry shipments, demographic trends, financing availability, the potential results of operational improvements, strategic initiatives, and future market demand are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally can be identified by use of words such as "believe," "expect," "future," "anticipate," "intend," "plan," "foresee," "may," "could," "should," "will," "potential," "continue," or other similar words or phrases. Similarly, statements that describe objectives, plans, or goals also are forward-looking statements. Such forward-looking statements involve inherent risks and uncertainties, many of which are difficult to predict and are generally beyond the control of Skyline Champion. Skyline Champion cautions that a number of important factors could cause actual results to differ materially from those expressed in, implied, or projected by such forward-looking statements. Risks and uncertainties include regional, national and international economic, financial, public health and labor conditions, and the following: supply-related issues, including prices and availability of materials; labor-related issues; inflationary pressures in the North American economy; the cyclical and seasonality of the housing industry and its sensitivity to changes in general economic or other business conditions; demand fluctuations in the housing industry, including as a result of actual or anticipated increases in homeowner borrowing rates; the possible unavailability of additional capital when needed; competition and competitive pressures; changes in consumer preferences for our products or our failure to gauge those preferences; quality problems, including the quality of parts sourced from suppliers and related liability and reputational issues; data security breaches, cybersecurity attacks, and other information technology disruptions; the potential disruption of operations caused by the conversion to new information systems; the extensive regulation affecting the production and sale of factory-built housing and the effects of possible changes in laws with which we must comply; the potential impact of natural disasters on sales and raw material costs; the risks associated with mergers and acquisitions, including integration of operations and information systems; periodic inventory adjustments by, and changes to relationships with, independent retailers; changes in interest and foreign exchange rates; insurance coverage and cost issues; the possibility that all or part of our intangible assets, including goodwill, might become impaired; the possibility that our risk management practices may leave us exposed to unidentified or unanticipated risks; the potential disruption to our business caused by public health issues, such as an epidemic or pandemic, and resulting government actions; and other risks set forth in the "Risk Factors" section, the "Legal Proceedings" section, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section, and other sections, as applicable, in our Annual Reports on Form 10-K, including our Annual Report on Form 10-K for the fiscal year ended April 1, 2023 previously filed with the Securities and Exchange Commission ("SEC"), as well as in our Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, filed with or furnished to the SEC.

If any of these risks or uncertainties materializes or if any of the assumptions underlying such forward-looking statements proves to be incorrect, the developments and future events concerning Skyline set forth in this presentation and any discussions that follow may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this document. We anticipate that subsequent events and developments will cause our expectations and beliefs to change. Skyline assumes no obligation to update such forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, unless obligated to do so under the federal securities laws.

## NON-GAAP FINANCIAL MEASURES

This presentation includes certain non-GAAP financial measures. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. We believe that the presentation of these financial measures enhances an investor's understanding of Skyline's financial performance. Non-GAAP measures should be read only in conjunction with consolidated financials prepared in accordance with GAAP. We believe that these financial measures are useful financial metrics to assess our operating performance from period to period by excluding certain items that we believe are not representative of our core business. These financial measures should not be considered as alternatives to net income (loss) or any other performance measures derived in accordance with GAAP as measures of operating performance or as measures of liquidity. Pursuant to the requirements of SEC Regulation G, Skyline has provided reconciliations within these slides, as necessary, of the non-GAAP financial measures to the most directly comparable GAAP financial measure.



# COMPANY OVERVIEW

Skyline Champion Corporation is rethinking and transforming construction across the United States and Western Canada. We are making it possible for people to have a home that is built better, built faster and is more attainable today. We achieve this by providing offsite solutions that are more innovative, affordable, and sustainable housing solutions for our customers and the end consumer.



## HOMEOWNERSHIP AFFORDABILITY

Manufactured housing is the largest source of unsubsidized affordable housing in the U.S.<sup>1</sup>

The average price per sq ft of factory-built homes is 50% less than that of site built<sup>2</sup>

Average cost of a new factory-built HUD code home is \$108,100<sup>2</sup>

Average cost of site-built home is \$365,904, excluding land<sup>2</sup>

Price premium between the average new site-built home and manufactured home is ~\$100k for similar features and amenities<sup>2</sup>



## LABOR COSTS

Centralized, indoor facilities for home building process

Training and onboarding completed within weeks

Skilled trade labor force becoming more scarce

Increased utilization of advanced power tools and automation to enhance safety, quality, and reduce dependency on manual processes

Mostly rural locations offering higher availability of labor



## PRODUCTION EFFICIENCY AND QUALITY

Factory construction can achieve an overall labor savings of up to 25% compared with traditional onsite construction and reduce construction time by 20% - 50%

Standardization of processes and materials

Rigorous inspection process

Controlled environment benefits (no weather delays)

Efficient construction process results in reduced energy usage and material waste

Turn-key solution that can aid the consumer buying process



## PRODUCT IMPROVEMENT AND INNOVATION

Designed flexibility

Advancements in engineering allow for configurable, smart living spaces as well as multi-story structures

Sustainable materials and improved energy efficiency

Factory production has less social impact than site-built construction by reducing noise, parking and traffic disruption and environmental impacts<sup>1</sup>

Incorporates advances in energy efficiency, thereby using resources more responsibly and reducing residents' utility bills<sup>1</sup>

<sup>1</sup> Source: Consumer Finance Protection Bureau – Manufactured Housing Finance Report (May 2021)

<sup>2</sup> Source: MHI 2022 Manufactured Housing Facts Industry Overview (August 2022)

# CORPORATE RESPONSIBILITY

## SUSTAINABILITY

ENERGY STAR certified homes

Strict standards under federal building codes for energy efficient equipment, upgraded insulation, high performance windows, and low flow plumbing fixtures

Homes cost up to 50% less per sq ft than conventional site-built homes

## HEALTH AND SAFETY

Ongoing behavior-based safety and training programs with a goal of zero injuries

Investment in tools and equipment with added safety features

Responsibility for ensuring a safe work environment shared by EHS team, executive management and our Board of Directors

## COMMUNITY OUTREACH

Encourage civic involvement at local community level

Local teams provide support and assistance to charitable organizations through initiatives such as food and coat drives, tutoring and mentoring programs, blood drives, and other causes

## GOVERNANCE

Code of conduct certification required at all levels within the company (Board of Directors, management, and employees)

Broadened diversity of Board of Directors with appointment of additional members and Bylaw revision to further engage with proposed diverse members

## HUMAN CAPITAL

Commitment to equal opportunity in hiring, recruitment, development and training

Foster a safe, inclusive and respectful workplace free of discrimination and harassment

Value unique skills and diversity of thought

## STAKEHOLDER ENGAGEMENT

Open and transparent communication with all our stakeholders – shareholders, employees, customers, suppliers, and communities we serve

Social responsibility to homebuyers, customers, employees and the communities in which they live and work

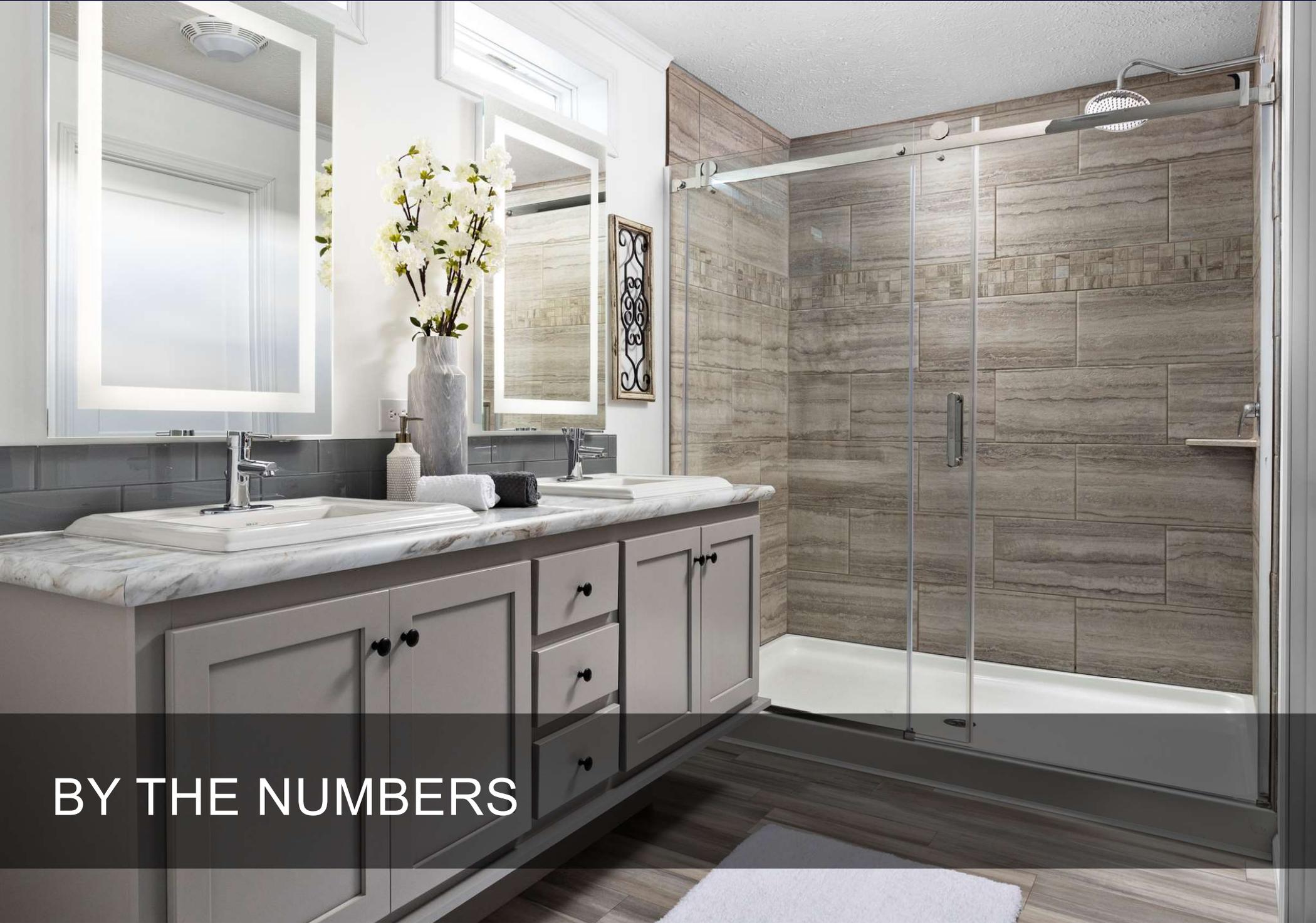
## ENVIRONMENTAL FOCUS

Reforestation commitment to plant one tree for every tree used in construction

Minimize environmental footprint with reuse and recycle programs

Completed ESG Materiality Assessment





BY THE NUMBERS



\$2.6

BILLION REVENUE



25,910

HOMES SOLD IN NORTH AMERICA



\$98

THOUSAND US AVERAGE HOME SELLING PRICE



20.4%

HUD MARKET SHARE BASED ON SHIPMENT DATA



21%

ADJUSTED EBITDA MARGIN <sup>1</sup>



\$493

MILLION FREE CASH FLOW <sup>2</sup>



\$402

MILLION NET INCOME



\$7.00

EARNINGS PER SHARE



31.4%

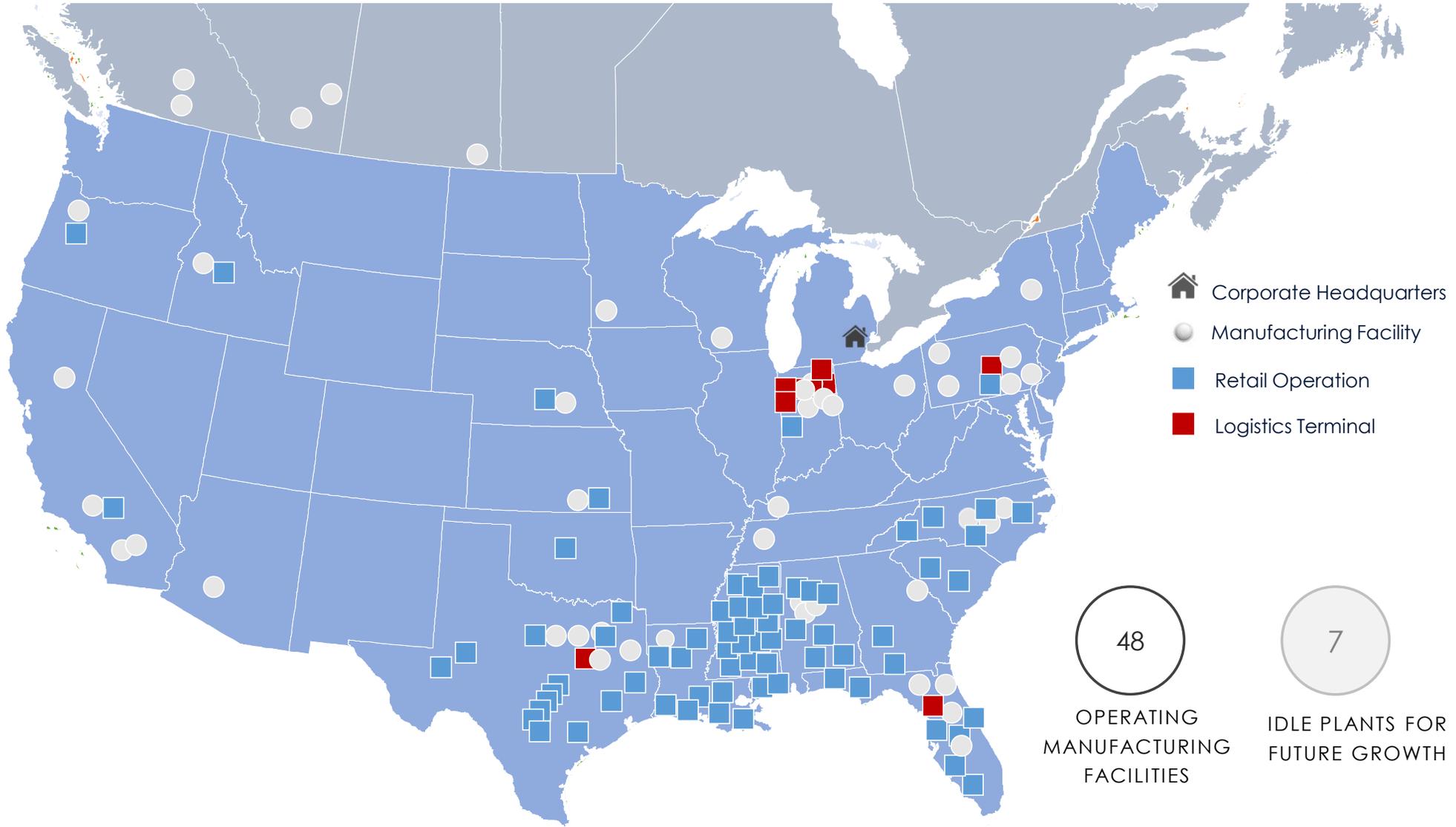
GROSS MARGIN



\$545

MILLION ADJUSTED EBITDA <sup>1</sup>

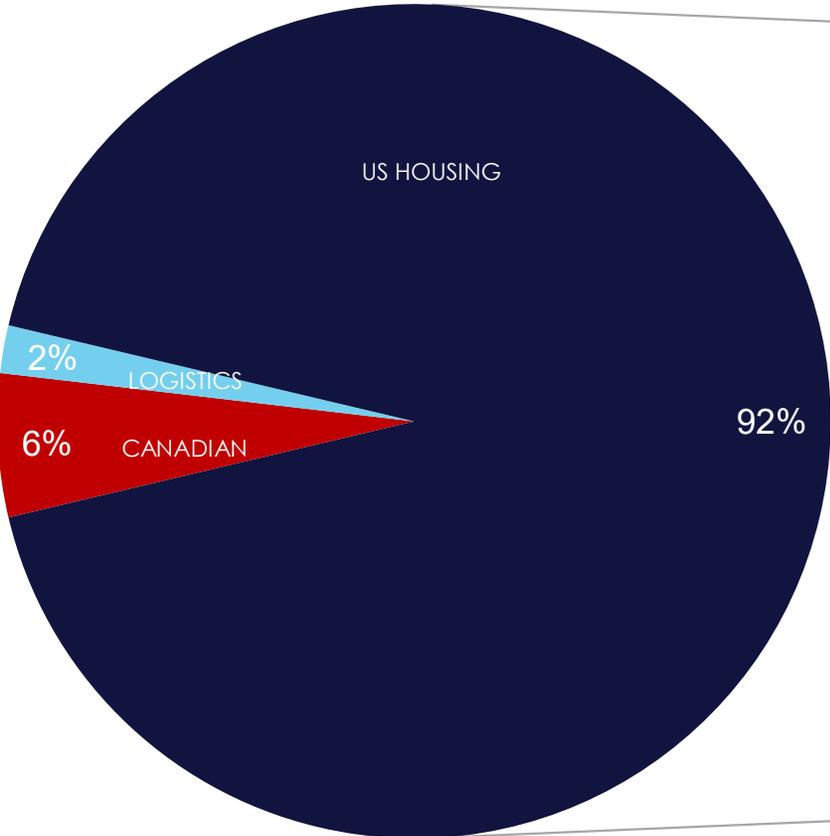
1. Adjusted EBITDA is EBITDA (defined as net Income plus income tax expense, interest expense, and depreciation and amortization) plus or minus certain adjustment. See reconciliation in Appendix.  
2. Defined as Adj. EBITDA less capex. See reconciliation in Appendix.



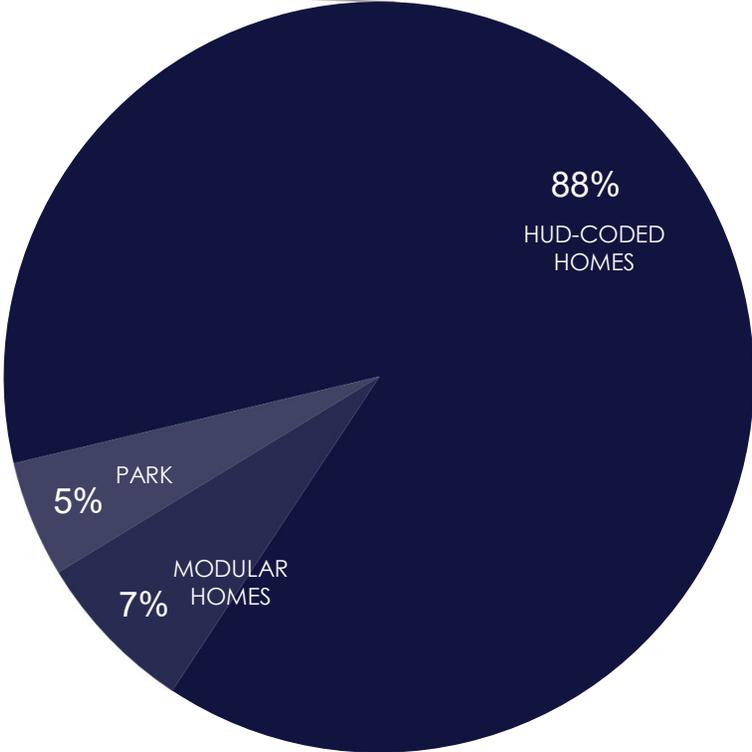
19 MANUFACTURING FACILITIES  
ARE IN THE 10 STATES WITH  
THE HIGHEST NUMBER OF  
MANUFACTURED HOME SHIPMENTS

Note: Facilities stats as of 12/30/2023.

% OF FISCAL 2023 REVENUE



% OF US MANUFACTURING



2%

LOGISTICS, CORPORATE+



6%

CANADIAN HOUSING



92%

US HOUSING



88%

HUD-CODED HOMES



7%

MODULAR HOMES



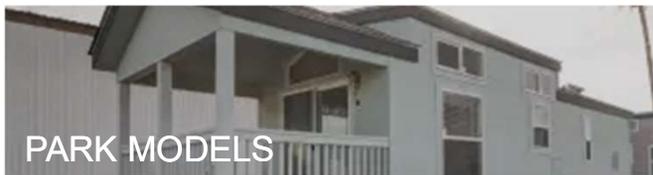
5%

PARK MODEL

## INDUSTRY-LEADING BRANDS



## COMPREHENSIVE PRODUCT OFFERING



TYPE / STYLES		SIZE / PRICE RANGE
Single-section Multi-section	Single-family Single-story	400 – 3,100 sq. ft. / \$40 – \$90 per sq. foot
Multi-section	Single-family Single-story	1,000 – 3,100 sq. ft. / \$60 – \$110 per sq. foot
Multi-section Duplexes Apartments	Single & Multi family Ranch / Cape Cod Single & Two-story	720 – 5,000 sq. ft. / \$70 – \$140 per sq. foot
Cabins Lofts Rentals	Coastal Rustic Traditional	399 sq. ft. / \$70 – \$185 per sq. foot
Flex use space Extra living space Rentals	Coastal Rustic Traditional	435 – 1,100 sq. ft. / \$80 – \$175 per sq. foot



The Genesis off-site component approach to homebuilding gives builders, developers and housing innovators a near turnkey solution to affordable housing.

Genesis alleviates the challenges of managing multiple sub-contractors and reduces risk of project delays with the factory-built process.

Genesis housing solutions are offered at 16 U.S. manufacturing campuses.

Collectively, these locations will deliver homes to all 48 contiguous states.

Alternative Dwelling Units (ADUs) are innovative, smaller living spaces.

ADUs are generally equipped with smart home technology and modern finishes.

They were developed to meet the growing demand for backyard units in regions where municipalities are re-writing zoning laws.





OPPORTUNITY

**INCREASE OPERATING CAPACITY AND MARGIN**

- Refine product floor plan designs and options to offer “designed flexibility” to our customers
- Execute on continuous improvement initiatives and enhancing the efficiency and sustainability of our products
- Standardizing manufacturing processes employing metrics-driven accountability



**PRODUCTION AUTOMATION AND ENTERPRISE-WIDE DIGITAL TECHNOLOGIES**

- Investment in production automation technology to reduce material waste, improve precision in our operations and reduce reliance on labor
- Implementation of an enterprise-wide integrated platform that will offer real-time analytics for improved decision making and additional improvements in our manufacturing operations

**MARKET SHARE GAINS AND EXPANDED OFFERINGS**

- Growth in the builder/developer channel with expansion of our Genesis models
- Turn-key solutions to enhance simplicity of doing business
- Capture share from small regional players and other competitors

**ORGANIC AND ACQUISITION-BASED GROWTH STRATEGY**

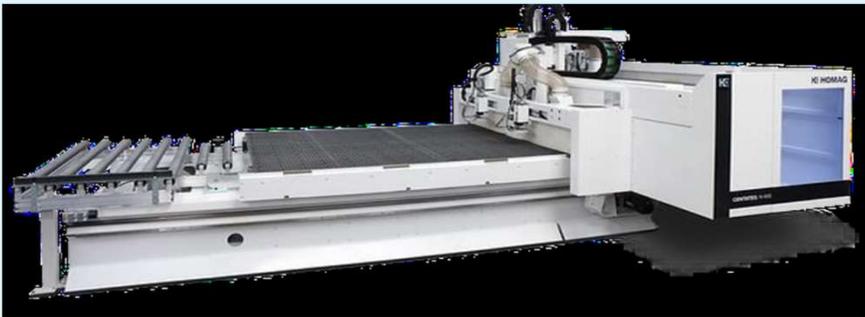
- Opportunity to expand to new geographies through organic and acquisition strategies
- Track-record of executing accretive acquisitions – Regional Homes, Factory Expo, Manis Custom Builders, ScotBilt Homes, Skyline, and IBS
- Brownfield opening of Navasota, TX and Pembroke, NC in F23 and Decatur, IN and Bartow, FL in F24

**ENHANCE CUSTOMERS’ ONLINE DIGITAL EXPERIENCE**

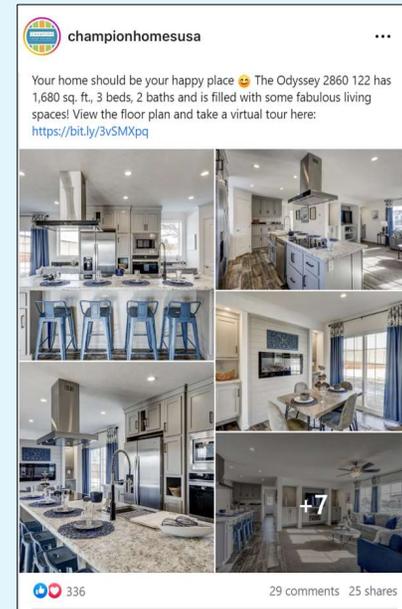
- Give homebuyers the ability to shop, design, configure, and price homes online
- Enhance retail experience using online and digital tools to drive additional sales to our channel partners
- Faster response to market and rollout of streamlined product

## PRODUCTION AUTOMATION

- Leverage industrial solutions to automate component level manufacturing
- Build custom-designed automation technology to develop competitively differentiating technologies
- Eliminates ergo stressors in physically demanding positions
- Improves product yield with precision cutting
- Improves quality for superior customer experience



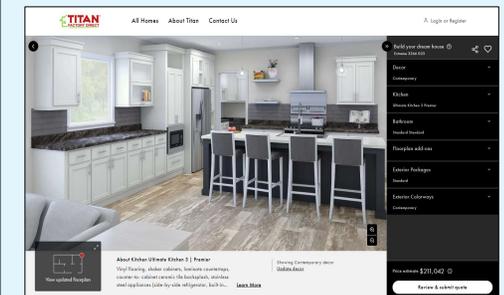
## ONLINE DIGITAL EXPERIENCE



Engaging new customers on socials



Virtual home tours



Online home configuration

- Engaging new customers via social media, 875,000 followers and growing
- Significantly growing online leads
- Deploying lead management technology
- Expanding online configuration to improve the customer experience and product optimization
- Capturing real-time consumer insights on products and features

## HIGHLIGHTS

- Founded in 2006, now the 4<sup>th</sup> largest company in the industry, with the largest independent retail footprint
- Strong relationship with federal and state disaster relief housing programs in AL, FL, LA, MS, and TX
- Headquartered in Flowood, Mississippi
- Owned by Heath Jenkins - trusted, and well-respected leader in the industry
- Closed on October 13, 2023



## KEY STATISTICS



- Operates 3 manufacturing facilities in Northwest Alabama
- Services low-to-high product segments with Hamilton Home Builders, Embark Home Builders, Bravo Home Builders, and Winston Home Builders brands
- 43 retail locations across the Southeastern US
- Approximately 5,000 homes sold in calendar 2022
- Approximately 1,200 employees

## TRANSACTION RATIONALE

- Combines #2 SKY with #4 Regional Homes enhancing combined procurement and national digital marketing leverage
- Expands SKY's market share in complimentary geographies including Alabama and Mississippi which are the #3 and #10 largest states for manufactured housing<sup>(1)</sup>
- Strengthens SKY's captive retail organization and our ability to accelerate the digital, direct-to-consumer, and builder developer channels as well as provide a larger platform for our future captive finance partnership with Triad Financial Services and ECN Capital
- Has strong industrial logic with potential to generate \$10-15M in operational and procurement synergies

(1) Based on wholesale shipments in CY23 of new manufactured homes based on U.S. Census data

## EQUITY INVESTMENT

- SKY purchased shares of ECN for \$138M
  - 27.450M preferred shares
  - 33.550M common shares
- SKY owns 19.9% interest in ECN
- SKY nominated Tawn Kelly as director to ECN's Board
- Investment subject to a standstill up to 24 months
  - Right to match unsolicited offers
  - Joint decisioning on future M&A
- Preferred shares
  - 4% annual dividend
  - Convertible at any time, at common share price with no premium
  - Mandatory conversion after 5 years
  - Liquidation preference

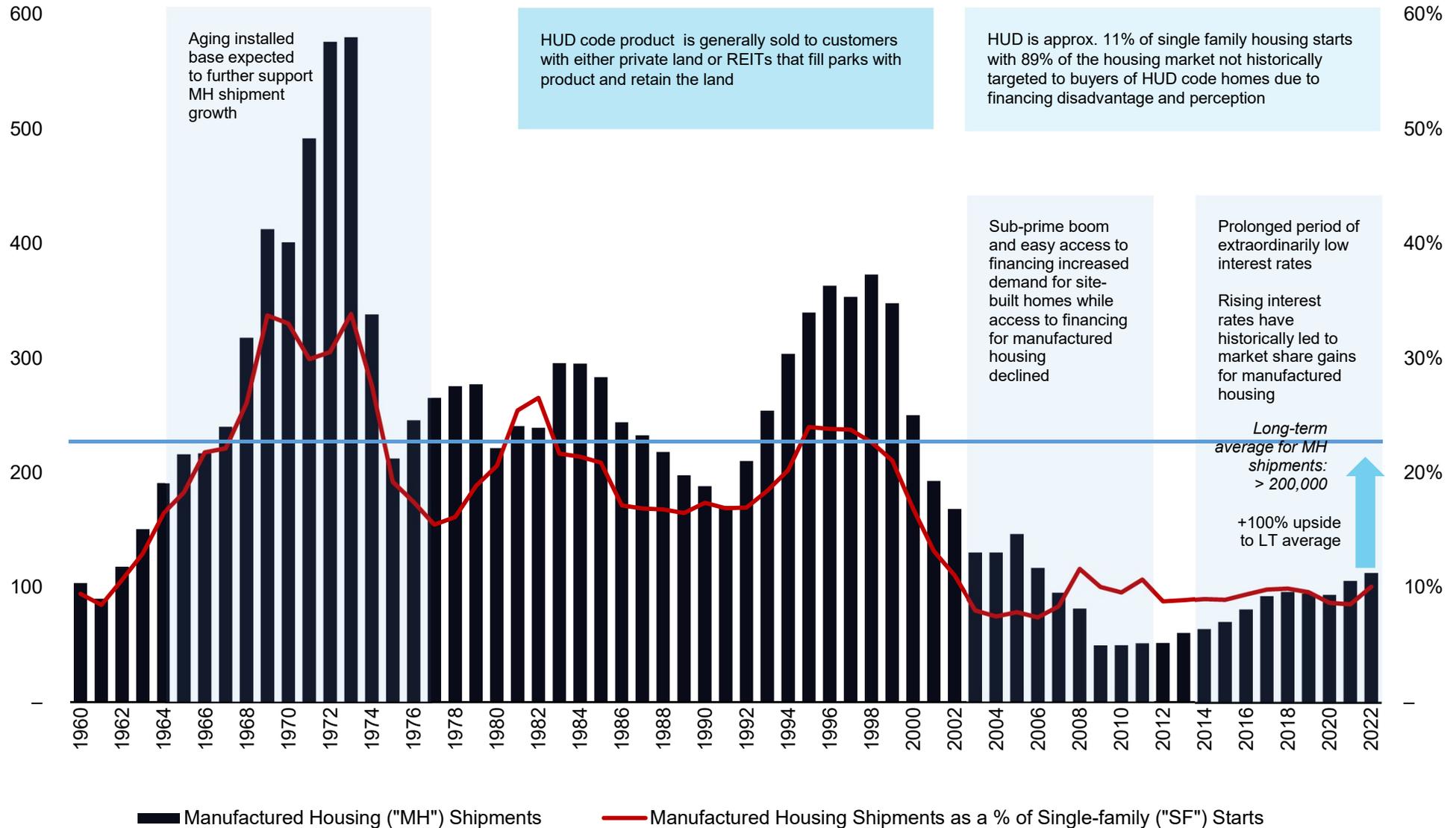
## CHAMPION FINANCING

- Captive finance partnership owned 51% by SKY / 49% by Triad Financial
- Provides tailored retail finance programs
- Provides a branded floorplan offering
- Dedicated Loan origination and servicing provided by Triad Financial
- Asset-light structure with no loan risk on Skyline Champion's balance sheet
- Limited overhead costs
- All services provided by Triad, including capital usage, will be recovered on a cost basis

## TRANSACTION RATIONALE

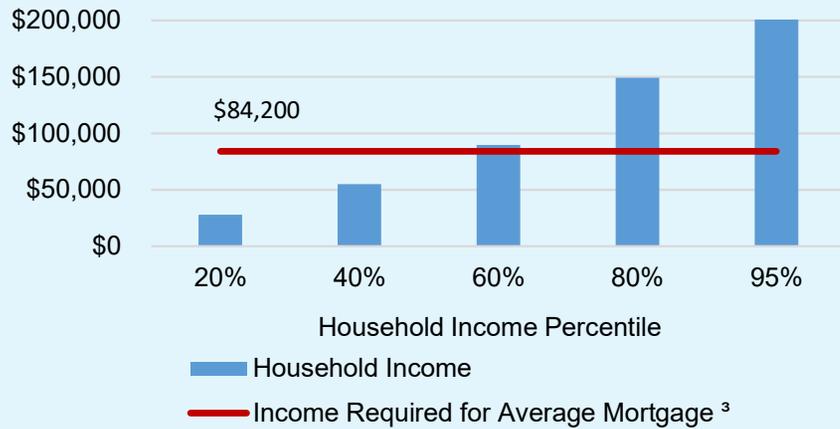
- Drives growth by providing broader and more attractive financing options and services for Skyline Champions' customers through captive finance company
- Magnifies the benefits of our digital and direct-to-consumer strategic investments
- Ability to offer financing without the loan risk on our balance sheet
- Enhanced customer engagement including a comprehensive turnkey solution for homebuyers
- Strengthens dealer relationships with floorplan capabilities
- Contractual profit-sharing structure allows us to participate in the growth of the partnership with limited start-up and operating costs
- Deepens relationship and optionality with ECN Capital/Triad, the largest independent MH lender.

## THE MANUFACTURED HOUSING INDUSTRY (HUD PRODUCT) HAS SIGNIFICANT UPSIDE AS FINANCING RETURNS

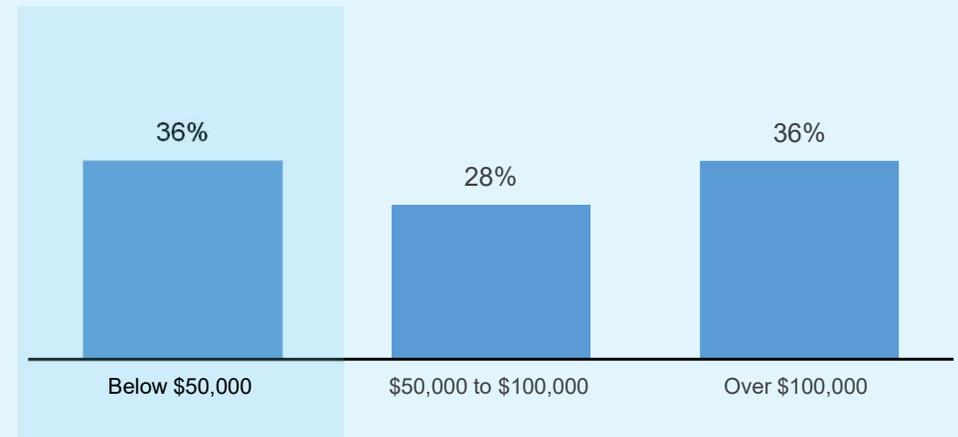


Source: (1) U.S. Census Bureau.

## 60% OF THE US POPULATION CANNOT AFFORD A TRADITIONAL HOME (1)

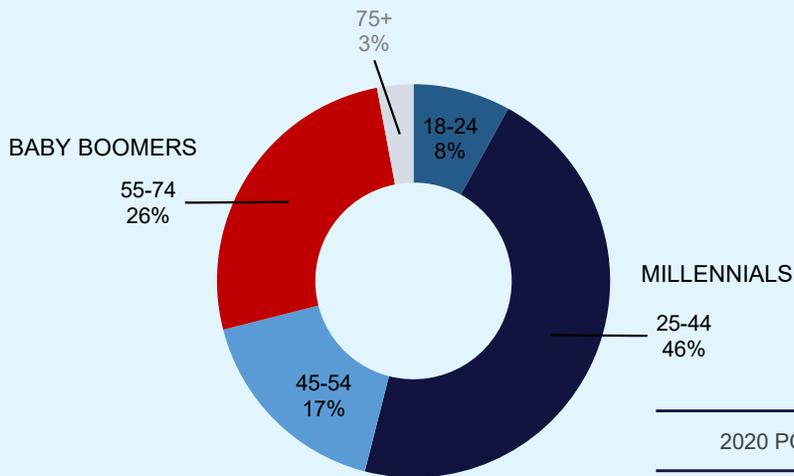


## 2022 US HOUSEHOLD INCOME DISTRIBUTION (1)

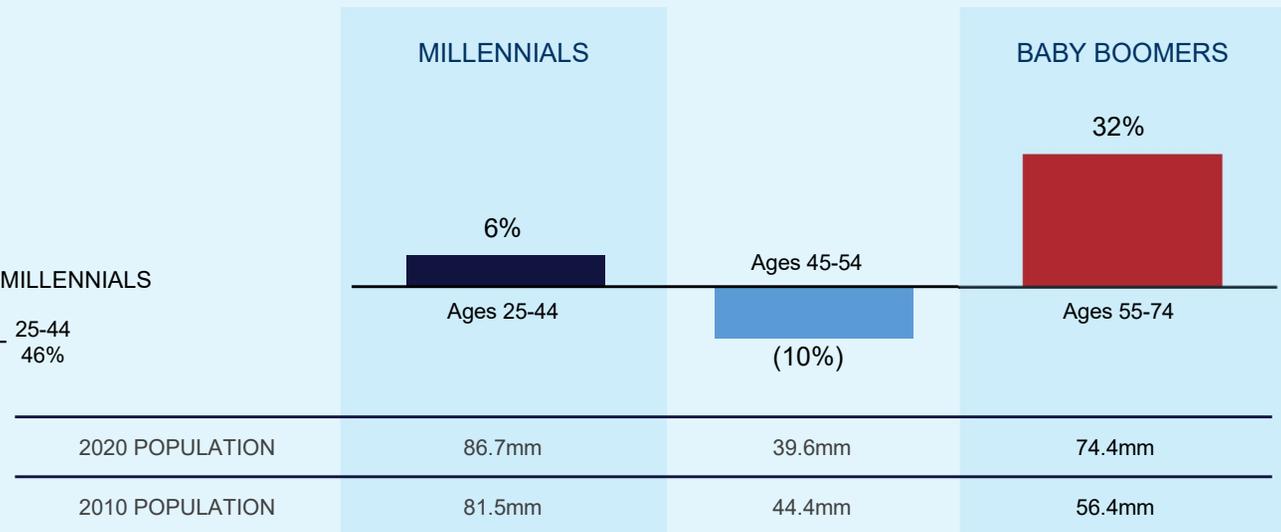


## FAVORABLE US POPULATION CHARACTERISTICS

### MILLENNIALS AND BABY BOOMERS MAKE UP OVER 70% OF MANUFACTURED HOME SALES (2)



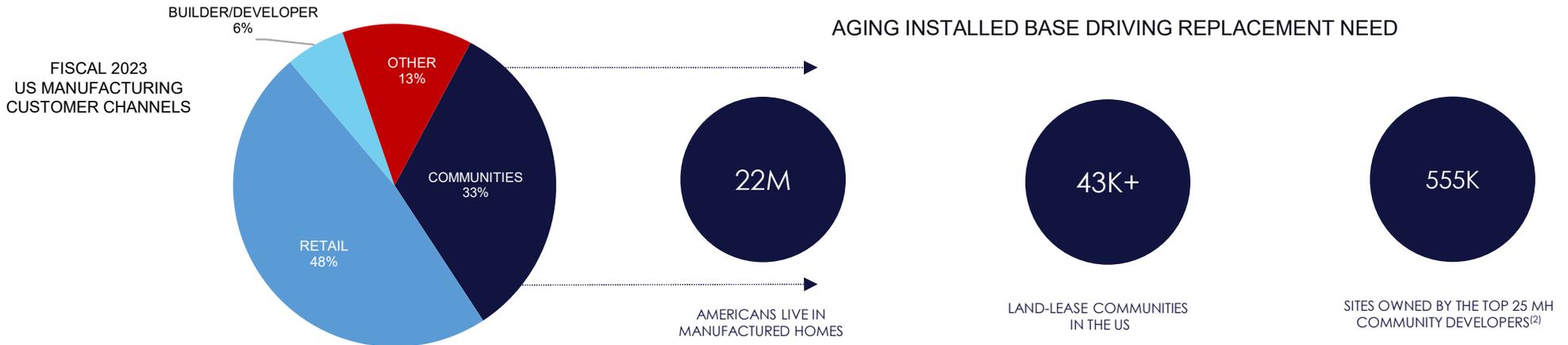
### MILLENNIALS AND BABY BOOMERS MAKE UP THE FASTEST GROWING POPULATION AGE SEGMENTS (1)



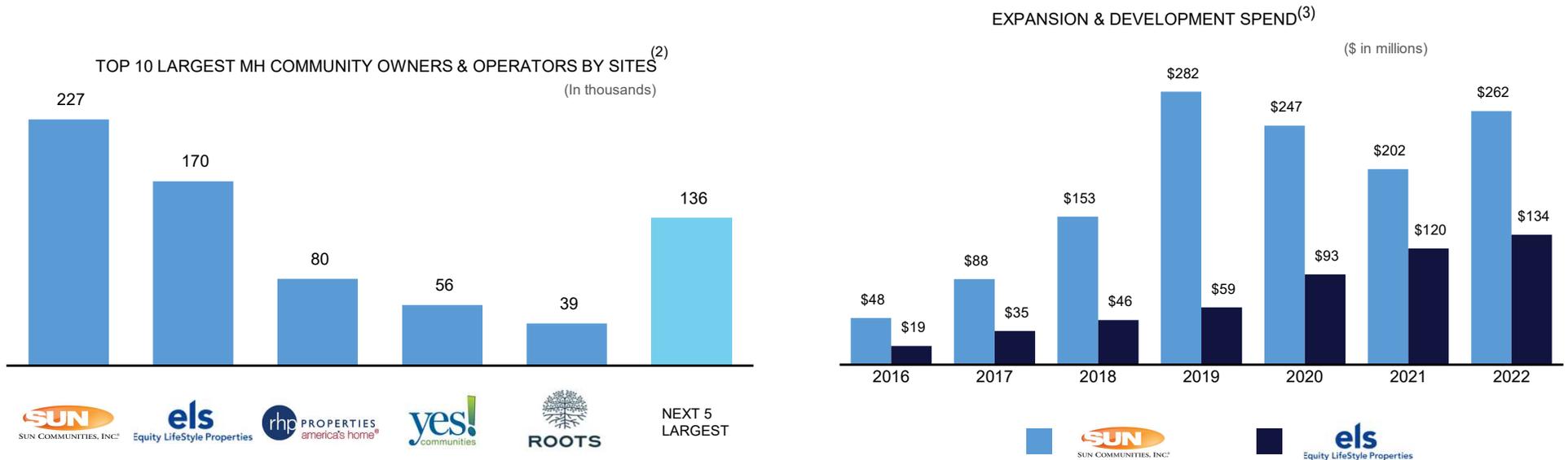
(2021 US manufactured housing residents by age)

Source: (1) US Census Bureau  
 (2) Manufactured Housing Institute  
 (3) 2023 Mortgage Bankers Association national median mortgage application (January 2023). Based on recommended housing less than 28% of income, household income required is \$84,200

MANUFACTURED HOUSING COMMUNITIES ARE KEY CUSTOMERS OF MANUFACTURERS<sup>(1)</sup>



MANUFACTURED HOUSING COMMUNITIES ARE INVESTING FOR GROWTH<sup>(3)</sup>



Source:

- (1) Data from 2022 Manufactured Housing Facts (updated August 2022) Industry Overview except when noted.
- (2) Data from MHPHOA as of 2022.
- (3) Data from SUI and ELS SEC filings.

CHALLENGING HISTORICAL FINANCING ENVIRONMENT

Many manufactured homes are financed as a personal property loan (chattel) since the homes are not affixed to the land or are purchased outright with cash

There has been limited financing and liquidity for manufactured homes after financial institutions exited the market from 1999 through 2002

Resulted in an environment for manufactured housing borrowers characterized by very restrictive lending terms and significantly higher interest rates relative to site-built home borrowers

Lack of financing constrained the addressable market of potential manufactured housing buyers

IMPROVING FINANCING ENVIRONMENT AS LENDERS RETURN TO MARKET

Fannie Mae has introduced MH Advantage® and Freddie Mac CHOICEHome® as part of their Duty to Serve programs to provide additional financing options for HUD-coded manufactured homes that have terms similar to traditional mortgages and are affixed to land

Both GSE entities plan to purchase more loans that were used to finance manufactured homes titled as real property, enhance current products and create new offerings, and enhance tenant protections in manufactured housing communities

Separate from the Fannie Mae and Freddie Mac initiatives, there have been several secondary market private placement offerings of chattel loans since September 2019

EASING REGULATION AN ADDITIONAL TAILWIND

HUD is actively assisting the industry by including support for production of manufactured housing in its strategic plans to update safety standards to improve efficiency of production, and is reducing the regulatory burden placed on manufacturers and dealers by updating the code and regulatory requirements

Included in President Biden’s 2022 Housing Supply Action Plan are steps to support production and availability of manufactured housing

The Dodd-Frank Reform bill<sup>(1)</sup> signed by President Trump in May 2018 includes several provisions that make it easier for retail customers to buy manufactured homes

Executive order signed in June 2019 focused on alleviating regulatory barriers that impede the production of affordable housing

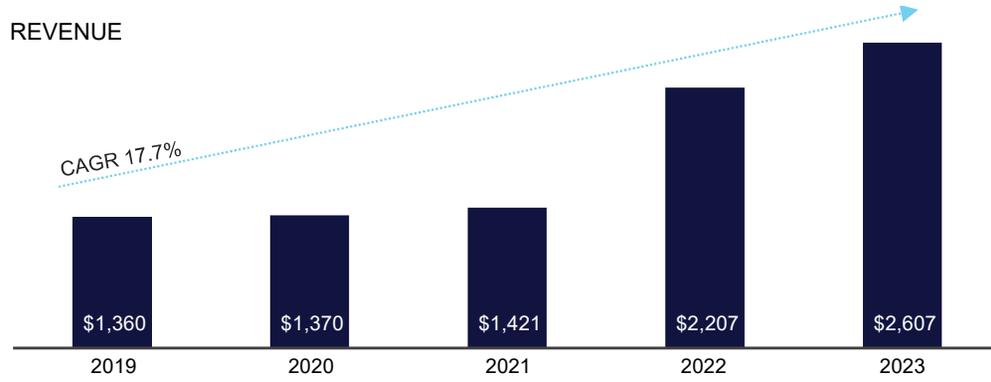
(1) Economic Growth, Regulatory Relief and Consumer Protection Act of 2018.



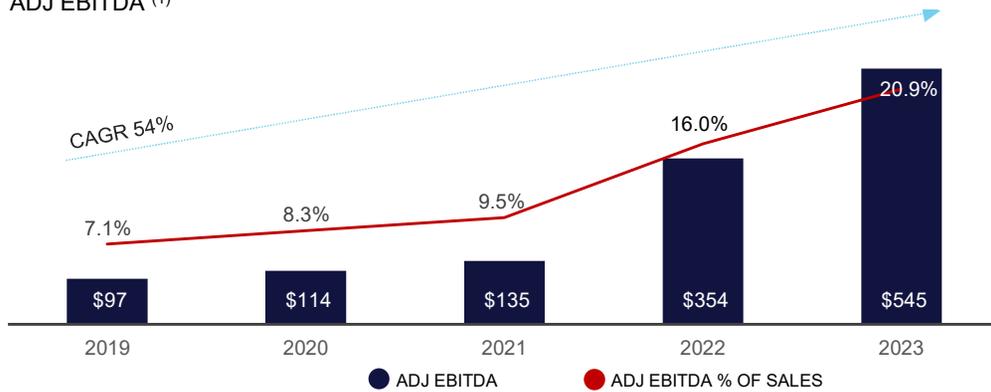
# FINANCIAL HIGHLIGHTS

## HISTORICAL FINANCIALS

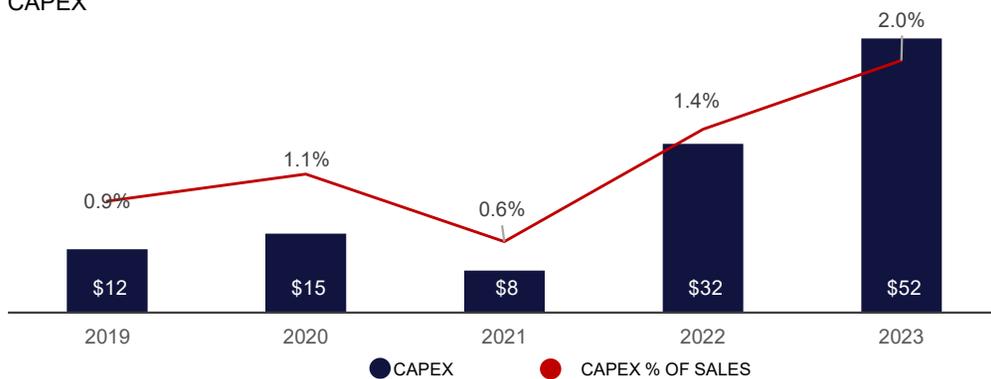
### REVENUE



### ADJ EBITDA <sup>(1)</sup>



### CAPEX



## COMMENTARY

Manufacturing footprint expansion since 2019 includes organic expansions in Leesville, LA, Navasota, TX, and Pembroke, NC

Manufacturing acquisitions of ScotBilt in FY21 and Manis in FY23

Retail acquisition of 12 Factory Expo locations in F23

Additional throughput in existing facilities achieved from product streamlining and rationalization

Additional EBITDA generated from footprint expansion

Margin improvement from product streamlining and rationalization, material purchasing leverage, and price increases to offset rising input costs

Increased throughput generated increased fixed cost utilization

Increased average selling price due to pricing actions taken in response to rising input costs and product mix

Retail expansion from 13 sales centers in 2019 to 31 in 2023

F23 margins positively impacted by Delivery Disaster Relief Order from FEMA and lower input costs

Managed and reduced SGA expenses in F21 in response to COVID-19

Maintenance Capex averaged approx. \$200k - \$300k per plant each year

Modest capital needs, but expanded growth capex to capitalize on investment opportunities

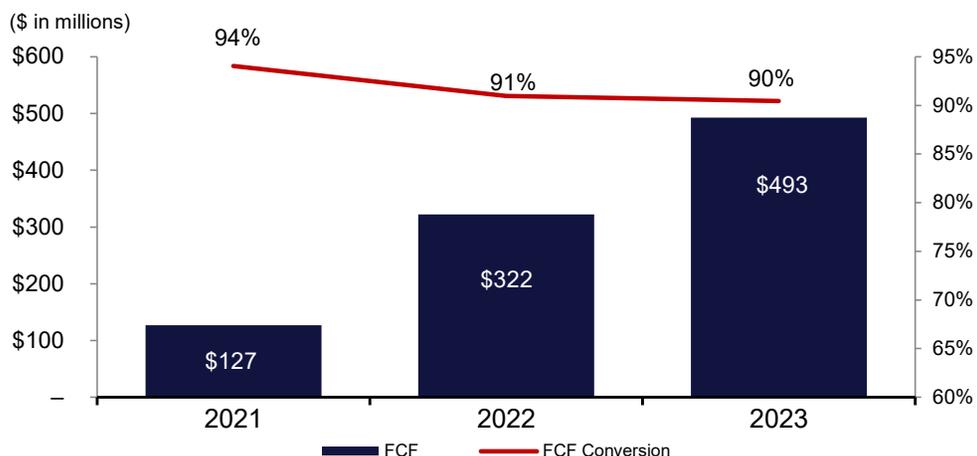
2019 - 2020 expansion including adding a plant on the campus of Leola, PA facility and opening of Leesville, LA facility and increased investment in safety and automation

Reduced cap ex spend in 2021 due to COVID-19. Purchased 2 idle facilities in Pembroke, North Carolina.

2022 - 2023 expansion included purchasing and beginning production in the Navasota, TX plant, beginning production in one of the Pembroke, North Carolina facilities, as well as investments in plant improvements and automation.

(1) See reconciliation in Appendix.

## STRONG FREE CASH FLOW GENERATION<sup>(1)(2)</sup>



## FLEXIBLE BALANCE SHEET

(\$ in millions)	4/1/2023
Cash and equivalents	\$ 747
Revolver (\$200mm)	-
Industrial revenue bonds (3)	12
<b>Total Debt</b>	<b>\$ 12</b>
Net Debt	(735)
LTM Adjusted EBITDA	545
Total Debt / LTM Adjusted EBITDA	0.0x
Net Debt / LTM Adjusted EBITDA	(1.3x)

## COMMENTARY

INVESTMENTS IN AUTOMATION IN FY 2023 REDUCED FREE CASH FLOW CONVERSION RATES

INVESTMENTS IN INVENTORY IN FY 2022 TO SUPPORT SAFETY STOCK AND BROWNFIELD PLANT OPENINGS

OPERATING LEVERAGE DRIVES STRONG FREE CASH FLOW

MINIMAL CAPEX AS A % OF SALES

\$200 MILLION REVOLVING CREDIT FACILITY PROVIDES LIQUIDITY AND CAPITAL FOR GROWTH

CONSERVATIVE FINANCIAL POLICIES AND GROWTH-ORIENTED CAPITAL ALLOCATION STRATEGY

COMMITTED TO CREATING AND DELIVERING VALUE FOR OUR STAKEHOLDERS

CAPITAL ALLOCATION PRIORITIES – BALANCE SHEET MAINTENANCE, BUSINESS REINVESTMENT INCLUDING PRODUCTION AUTOMATION AND DIGITIZATION

ACQUISITION POTENTIAL IF INVESTMENT CRITERIA ARE MET (GEOGRAPHIC DIVERSITY, PRODUCT DIVERSITY, AND SYNERGIES)

(1) Free Cash Flow defined as Adj. EBITDA less capex. See reconciliation in Appendix.  
 (2) Free Cash Flow conversion defined as Adj. EBITDA less capex, divided by Adj. EBITDA.  
 (3) Industrial revenue bonds are LC collateralized.



APPENDIX

## RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA AND FREE CASH FLOW

(\$ in thousands)	2019	2020	2021	2022	2023
<b>Net income from continuing operations</b>	\$ (58,208)	\$ 58,160	\$ 84,899	\$ 248,044	\$ 401,802
Interest expense (income), net	3,290	1,401	3,248	2,512	(14,977)
Income tax expense (benefit)	16,905	26,894	26,501	82,385	132,094
Depreciation and amortization	16,079	18,546	17,704	20,936	26,726
<b>EBITDA</b>	\$ (21,934)	\$ 105,001	\$ 132,352	\$ 353,877	\$ 545,645
<b>Adjustments:</b>					
Transaction costs	8,201	-	1,044	-	339
Acquisition and integration costs	7,966	2,674	-	-	-
FX loss (gain)	123	235	-	-	-
Equity based compensation (for awards granted prior to 12/31/18)	101,025	4,576	1,359	-	-
Gain on sale of non-operating facilities	-	-	-	-	-
LCM adjustment of development inventory	-	-	-	-	-
Other non-operating items	1,710	1,878	-	-	(973)
<b>Adjusted EBITDA</b>	\$ 97,091	\$ 114,364	\$ 134,755	\$ 353,877	\$ 545,011
Capex	12,092	15,389	8,016	31,979	52,244
<b>Free cash flow</b>	\$ 84,999	\$ 98,975	\$ 126,739	\$ 321,898	\$ 492,767
<b>Free Cash Flow Conversion</b>	87.5%	86.5%	94.1%	91.0%	90.4%
<b>Net Sales</b>	\$ 1,360,043	\$ 1,369,730	\$ 1,420,881	\$ 2,207,229	\$ 2,606,560
<b>Adjusted EBITDA margin</b>	7.1%	8.3%	9.5%	16.0%	20.9%