REFINITIV

DELTA REPORT

10-Q

SKY - SKYLINE CHAMPION CORP

10-Q - JUNE 29, 2024 COMPARED TO 10-Q - DECEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1234
CHANGES	253
DELETIONS	376
ADDITIONS	605

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 30, June 29, 20232024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-04714

Skyline Champion CorporationHomes, Inc.

(Exact name of registrant as specified in its charter)

Indiana	35-1038277
(State of Incorporation)	(I.R.S. Employer Identification No.)
755 West Big Beaver Road, Suite 1000 Troy, Michigan	48084
(Address of Principal Executive Offices)	(Zip Code)

(248) 614-8211

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	SKY	New York Stock Exchange

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filers,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act:):

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of common stock outstanding as of January 30, 2024 July 30, 2024: 57,753,517

57,579,729

SKYLINE

CHAMPION CORPORATION HOMES, INC.

FORM 10-Q

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EXPLANATORY NOTE

On August 1, 2024, Skyline Champion Corporation changed its name to Champion Homes, Inc., which we refer to in this Quarterly Report on Form 10-Q as the "name change." Unless the context otherwise requires, references herein to the "Company," "we," "us," or "our" refer to Skyline Champion Corporation for periods ending on or before the name change and to Champion Homes, Inc. for any references to the Company after the name change.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Skyline Champion Corporation Homes, Inc.

Condensed Consolidated Balance Sheets

(Dollars and shares in thousands, except per share amounts)

	December 30, 2023	April 1, 2023	June 29, 2024	March 30, 2024
	(unaudited)		(unaudited)	
ASSETS				
Current assets:				
Cash and cash equivalents	$ 497,907	$ 747,453	$ 548,933	$ 495,063
Trade accounts receivable, net	48,659	67,296	72,706	64,632
Inventories, net	290,542	202,238	319,958	318,737
Other current assets	33,057	26,479	34,331	39,870
Total current assets	870,165	1,043,466	975,928	918,302
Long-term assets:				
Property, plant, and equipment, net	287,708	177,125	293,390	290,930
Goodwill	359,260	196,574	357,973	357,973
Amortizable intangible assets, net	79,320	45,343	73,459	76,369
Deferred tax assets	22,255	17,422	27,645	26,878
Other noncurrent assets	250,711	82,794	258,735	252,889
Total assets	$ 1,869,419	$ 1,562,724	$ 1,987,130	$ 1,923,341
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Floorplan payable	$ 80,389	$ —	$ 92,858	$ 91,286
Accounts payable	43,810	44,702	61,448	50,820
Other current liabilities	215,098	204,215	264,388	247,495
Total current liabilities	339,297	248,917	418,694	389,601
Long-term liabilities:				
Long-term debt	24,663	12,430	24,684	24,669
Deferred tax liabilities	6,867	5,964	7,060	6,905

Other liabilities	76,634	62,412	85,945	79,796
Total long-term liabilities	108,164	80,806	117,689	111,370
Stockholders' Equity:				
Common stock, $0.0277 par value, 115,000 shares authorized 57,636 and 57,108 shares issued as of December 30, 2023 and April 1, 2023, respectively	1,600	1,585		
Common stock, $0.0277 par value, 115,000 shares authorized, 57,579 and 57,815 shares issued as of June 29, 2024 and March 30, 2024, respectively	1,598	1,605		
Additional paid-in capital	563,019	519,479	574,365	568,203
Retained earnings	868,598	725,672	889,837	866,485
Accumulated other comprehensive loss	(11,259)	(13,735)	(15,053)	(13,923)
Total stockholders' equity	1,421,958	1,233,001	1,450,747	1,422,370
Total liabilities and stockholders' equity	$ 1,869,419	$ 1,562,724	$ 1,987,130	$ 1,923,341

See accompanying Notes to Condensed Consolidated Financial Statements.

Skyline Champion Corporation Homes, Inc.

Condensed Consolidated Income Statements

(Unaudited, dollars in thousands, except per share amounts)

	Three months ended		Nine months ended	
	December 30, 2023	**December 31, 2022**	**December 30, 2023**	**December 31, 2022**
Net sales	$ 559,455	$ 582,322	$ 1,488,460	$ 2,115,028
Cost of sales	418,183	408,233	1,101,026	1,437,498
Gross profit	141,272	174,089	387,434	677,530
Selling, general, and administrative expenses	85,091	71,820	219,984	228,017
Operating income	56,181	102,269	167,450	449,513
Interest (income), net	(4,309)	(5,409)	(24,090)	(7,293)
Other expense (income)	756	—	2,821	(634)
Income before income taxes	59,734	107,678	188,719	457,440
Income tax expense	12,764	24,865	44,811	113,384
Net income	$ 46,970	$ 82,813	$ 143,908	$ 344,056
Net income per share:				
Basic	$ 0.81	$ 1.45	$ 2.51	$ 6.04
Diluted	$ 0.81	$ 1.44	$ 2.49	$ 6.00

	Three months ended	
	June 29, 2024	**July 1, 2023**
Net sales	$ 627,779	$ 464,769
Cost of sales	463,564	335,096
Gross profit	164,215	129,673
Selling, general, and administrative expenses	108,827	70,439

Operating income	55,388	59,234
Interest (income), net	(4,249)	(9,301)
Other (income)	(1,219)	—
Income before income taxes	60,856	68,535
Income tax expense	13,719	17,266
Net income before equity in net loss of affiliates	47,137	51,269
Equity in net loss of affiliates	1,343	—
Net income	$ 45,794	$ 51,269
Net income per share:		
Basic	$ 0.79	$ 0.90
Diluted	$ 0.79	$ 0.89

See accompanying Notes to Condensed Consolidated Financial Statements.

Skyline Champion Corporation Homes, Inc.

Condensed Consolidated Statements of Comprehensive Income

(Unaudited, dollars in thousands)

	Three months ended		Nine months ended		Three months ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022	June 29, 2024	July 1, 2023
Net income	$ 46,970	$ 82,813	$ 143,908	$ 344,056	$ 45,794	$ 51,269
Other comprehensive income (loss):						
Other comprehensive (loss) income, net of tax:						
Foreign currency translation adjustments	2,408	1,008	2,476	(6,591)	(1,130)	2,183
Total comprehensive income	$ 49,378	$ 83,821	$ 146,384	$ 337,465	$ 44,664	$ 53,452

See accompanying Notes to Condensed Consolidated Financial Statements.

Skyline Champion Corporation Homes, Inc.

Condensed Consolidated Statements of Cash Flows

(Unaudited, dollars in thousands)

	Nine months ended		Three months ended	
	December 30, 2023	December 31, 2022	June 29, 2024	July 1, 2023

Cash flows from operating activities				
Net income	$ 143,908	$ 344,056	$ 45,794	$ 51,269
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	24,017	19,341	10,612	7,592
Amortization of deferred financing fees	255	266	93	69
Equity-based compensation	15,231	11,631	6,090	5,428
Deferred taxes	(3,115)	3,581	(653)	(997)
Loss (gain) on disposal of property, plant, and equipment	145	(143)		
Foreign currency transaction loss	(184)	844		
Loss on equity method investment	217	—		
Loss on disposal of property, plant, and equipment	43	1		
Foreign currency transaction loss (gain)	212	(207)		
Equity in net loss of affiliates	1,343	—		
Dividends from equity method investment	522	—		
Change in fair value of contingent consideration	7,912	—		
Change in assets and liabilities:				
Accounts receivable	39,340	42,847	(8,088)	16,676
Floor plan receivables	(4,978)	—	(10,603)	—
Inventories	47,696	30,470	(1,375)	6,173
Other assets	(10,756)	(9,895)	5,541	(6,974)
Accounts payable	(15,309)	(52,663)	10,950	1,375
Accrued expenses and other liabilities	(17,850)	(26,291)	16,223	(5,548)
Net cash provided by operating activities	218,617	364,044	84,616	74,857
Cash flows from investing activities				
Additions to property, plant, and equipment	(40,986)	(38,177)	(10,712)	(10,341)
Cash paid for equity method investment	(2,250)	—		
Cash paid for investment in ECN common stock	(78,858)	—		
Cash paid for investment in ECN preferred stock	(64,520)	—		
Investment in floor plan loans	(18,466)	—	—	(18,466)
Proceeds from floor plan loans	14,646	—	1,606	3,184
Acquisitions, net of cash acquired	(284,545)	(6,810)		
Proceeds from disposal of property, plant, and equipment	556	224	24	8
Net cash used in investing activities	(474,423)	(44,763)		
Net cash used in provided by investing activities	(9,082)	(25,615)		
Cash flows from financing activities				
Changes in floor plan financing, net	4,474	(35,460)	1,573	—
Payments on long term debt	(67)	—	(1)	—
Payments on repurchase of common stock	(20,000)	—		
Stock option exercises	506	596	75	—
Tax payments for equity-based compensation	(983)	(1,363)	(2,251)	(961)
Net cash provided by (used in) financing activities	3,930	(36,227)		
Net cash used in financing activities	(20,604)	(961)		
Effect of exchange rate changes on cash and cash equivalents	2,330	(6,019)	(1,060)	1,983
Net (decrease) increase in cash and cash equivalents	(249,546)	277,035		
Net increase in cash and cash equivalents	53,870	50,264		
Cash and cash equivalents at beginning of period	747,453	435,413	495,063	747,453
Cash and cash equivalents at end of period	$ 497,907	$ 712,448	$ 548,933	$ 797,717

See accompanying Notes to Condensed Consolidated Financial Statements.

Skyline Champion Corporation Homes, Inc.

Condensed Consolidated Statements of Stockholders' Equity

(Unaudited, dollars and shares in thousands)

	Three months ended December 30, 2023						Three months ended June 29, 2024					
	Common Stock						Common Stock					
	Shares	Amount	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total	Shares	Amount	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at September 30, 2023	57,162	$ 1,587	$ 530,645	$ 821,628	$ (13,667)	$ 1,340,193						
Balance at March 30, 2024	57,815	$ 1,605	$ 568,203	$ 866,485	$ (13,923)	$ 1,422,370						
Net income	—	—	—	46,970	—	46,970	—	—	—	45,794	—	45,794
Equity-based compensation	—	—	4,288	—	—	4,288	—	—	6,090	—	—	6,090
Net common stock issued under equity-based compensation plans	19	—	247	—	—	247	56	2	72	(2,242)	—	(2,168)
Common stock issued for business combination	455	13	27,839	—	—	27,852						
Common stock repurchases	(292)	(9)	—	(20,200)	—	(20,209)						
Foreign currency translation adjustments	—	—	—	—	2,408	2,408	—	—	—	—	(1,130)	(1,130)
Balance at December 30, 2023	57,636	$ 1,600	$ 563,019	$ 868,598	$ (11,259)	$ 1,421,958						

	Nine months ended December 30, 2023					
	Common Stock					
	Shares	Amount	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at April 1, 2023	57,108	$ 1,585	$ 519,479	$ 725,672	$ (13,735)	$ 1,233,001
Net income	—	—	—	143,908	—	143,908
Equity-based compensation	—	—	15,231	—	—	15,231
Net common stock issued under equity-based compensation plans	73	2	470	(982)	—	(510)
Common stock issued for business combination	455	13	27,839	—	—	27,852
Foreign currency translation adjustments	—	—	—	—	2,476	2,476
Balance at December 30, 2023	57,636	$ 1,600	$ 563,019	$ 868,598	$ (11,259)	$ 1,421,958
Balance at June 29, 2024	57,579	$ 1,598	$ 574,365	$ 889,837	$ (15,053)	$ 1,450,747

	Three months ended December 31, 2022	Three months ended July 1, 2023
	Common Stock	

	Shares	Amount	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at October 1, 2022	56,925	$ 1,580	$ 511,250	$ 587,720	$ (14,807)	$ 1,085,743
Net income	—	—	—	82,813	—	82,813
Equity-based compensation	—	—	3,878	—	—	3,878
Foreign currency translation adjustments	—	—	—	—	1,008	1,008
Balance at December 31, 2022	56,925	$ 1,580	$ 515,128	$ 670,533	$ (13,799)	$ 1,173,442

	Nine months ended December 31, 2022											
	Common Stock						Common Stock					
	Shares	Amount	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total	Shares	Amount	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at April 2, 2022	56,838	$ 1,573	$ 502,846	$ 327,902	$ (7,208)	$ 825,113						
Balance at April 1, 2023	57,108	$ 1,585	$ 519,479	$ 725,672	$ (13,735)	$ 1,233,001						
Net income	—	—	—	344,056	—	344,056	—	—	—	51,269	—	51,269
Equity-based compensation	—	—	11,631	—	—	11,631	—	—	5,428	—	—	5,428
Net common stock issued under equity-based compensation plans	87	7	651	(1,425)	—	(767)	25	1	—	(961)	—	(960)
Foreign currency translation adjustments	—	—	—	—	(6,591)	(6,591)	—	—	—	—	2,183	2,183
Balance at December 31, 2022	56,925	$ 1,580	$ 515,128	$ 670,533	$ (13,799)	$ 1,173,442						
Balance at July 1, 2023	57,133	$ 1,586	$ 524,907	$ 775,980	$ (11,552)	$ 1,290,921						

Components of accumulated other comprehensive loss consisted solely of foreign currency translation adjustments.

See accompanying Notes to Condensed Consolidated Financial Statements.

Skyline Champion Corporation Homes, Inc.

Notes to Condensed Consolidated Financial Statements

1. Basis of Presentation and Business

Nature of Operations: The operations of Champion Homes, Inc., formerly known as Skyline Champion Corporation's Corporation (the "Company") operations, consist of manufacturing, retail, construction services, and transportation activities. At December 30, 2023 June 29, 2024, the Company operated 43 manufacturing facilities throughout the United States ("U.S.") and five 5 manufacturing facilities in western Canada that primarily construct factory-built, timber-framed manufactured and modular houses that are sold primarily to independent retailers, builders/developers, and manufactured home community operators. In addition to its core home building business, the Company provides construction services to install and set-up factory-built homes. The Company's retail operations consist of 73 72 sales centers that sell manufactured houses to consumers across the U.S. The Company's construction services business provides installation and set-up services of factory built homes. The Company's transportation business engages independent owners/drivers to transport recreational vehicles throughout the U.S. and Canada and manufactured houses in certain regions of the U.S. The Company also has a holding company located in the Netherlands.

Basis of Presentation: The accompanying unaudited condensed consolidated financial statements of the Company have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for Quarterly Reports on Form 10-Q and Article 10 of SEC Regulation S-X. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP") have been condensed or omitted pursuant to such rules and regulations.

The condensed consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries after elimination of intercompany balances and transactions. In the opinion of management, these statements include all normal recurring adjustments necessary to fairly state the Company's consolidated results of operations, cash flows, and financial position. The Company has evaluated subsequent events after the balance sheet date through the date of the filing of this report with the SEC. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes to the audited consolidated financial statements included in the Company's Annual Report on Form 10-K, which was filed with the SEC on May 30, 2023 May 29, 2024 (the "Fiscal 2023 2024 Annual Report").

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and the accompanying notes thereto. Actual results could differ from those estimates. The condensed consolidated income statements, condensed consolidated statements of comprehensive income, and condensed consolidated statements of cash flows for the interim periods are not necessarily indicative of the results of operations or cash flows for the full year.

The Company's fiscal year is a 52- or 53-week period that ends on the Saturday nearest to March 31. The Company's current fiscal year, "fiscal 2024, 2025," will end on March 30, 2024 March 29, 2025 and will include 52 weeks. References to "fiscal 2023" 2024" refer to the Company's fiscal year ended April 1, 2023 March 30, 2024. The three and nine months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023 each included 13 and 39 weeks, respectively.

The Company's allowance for credit losses on financial assets measured at amortized cost reflects management's estimate of credit losses over the remaining expected life of such assets, measured primarily using historical experience, as well as current economic conditions and forecasts that affect the collectability of the reported amount. Expected credit losses for newly recognized financial assets, as well as changes to expected credit losses during the period, are recognized in earnings. Accounts receivable are reflected net of reserves of $1.7 1.8 million and $1.9 million at both December 30, 2023 June 29, 2024 and April 1, 2023. March 30, 2024, respectively.

Floor plan receivables consist of loans the Company purchased from Triad Financial Services, Inc. ("Triad") in the first quarter of fiscal 2024 for $18.5 million, of which approximately $3.8 1.1 million remains outstanding at December 30, 2023 June 29, 2024, and amounts loaned by the Company through that financial institution to certain independent retailers for purchases of homes manufactured by the Company, of which $5.2 24.2 million was outstanding at December 30, 2023 June 29, 2024, both of which are carried net of payments received and recorded at amortized cost. The Company intends to hold the floor plan receivables until maturity or payoff. These loans are serviced by the financial institution, to which we pay a servicing fee. Upon execution of the financing arrangement, the floor plan loans are generally payable at the earlier of the sale of the underlying home or two years from the origination date. At December 30, 2023 June 29, 2024, floor plan receivables are included in Other Current Assets other current assets and Other Noncurrent Assets other noncurrent assets in the accompanying Condensed Consolidated Balance Sheets.

The floor plan receivables are collateralized by the related homes, mitigating loss exposure. The Company and the financial institution evaluate the credit worthiness of each independent retailer prior to credit approval, including reviewing the independent retailer's payment history, financial condition, and the overall economic environment. We evaluate the risk of credit loss in aggregate on existing loans with similar terms, based on historic experience and current economic conditions, as well as individual retailers with past due balances or other indications of heightened credit risk. The allowance for credit losses related to floor plan receivables was not material as of December 30, 2023 June 29, 2024. Loans are considered past due if any required interest or curtailment payment remains unpaid 30 days after the due date. Receivables are placed on non-performing status if any interest or installment payments are past due over 90 days. Loans are placed on nonaccrual status when interest payments are past due over 90 days. At December 30, 2023 June 29, 2024, there were no floor plan receivables on nonaccrual status and the weighted-average age of the floor plan receivables was eight six months.

Interest income from floor plan receivables is recognized on an accrual basis and is included in Interest Income interest income in the accompanying Condensed Consolidated Income Statements. Interest income from floor plan receivables for the three and nine months ended December 30, 2023 June 29, 2024 and July 1, 2023 was $0.5 million and $0.3 million, and $0.9 million, respectively. There were no floor plan receivables as of December 31, 2022 or related interest income for the three and nine months then ended.

Recently issued accounting pronouncements: In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, *"Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures"*, which expands disclosures about a public entity's reportable segments and requires more enhanced information about a reportable segment's expenses, interim segment profit or loss, and how a public entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. The update will be effective for annual periods beginning after December 15, 2023 (fiscal 2025). We are assessing the effect of this update on our consolidated financial statements and related statement disclosures.

In December 2023, the FASB issued ASU 2023-09, *"Income Taxes (Topic 740): Improvements to Income Tax Disclosures"*, which expands disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. The update will be effective for annual periods beginning after December 15, 2024 (fiscal 2026). We are assessing the effect of this update on our consolidated financial statements and related statement disclosures.

2. Business Combinations

Regional Homes Acquisition

On October 13, 2023, the Company acquired all of the outstanding equity interests in Regional Enterprises, LLC and related companies (collectively, "Regional Homes") for total purchase consideration of $350.9 316.9 million, net of assumed indebtedness and preliminary working capital adjustments. The purchase consideration consisted of net cash of $317.2 279.5 million, the issuance of 455,098 shares of common stock equal to approximately $27.9 million, and contingent consideration with an estimated fair value of $5.9 million. The contingent consideration is related to an earnout provision in the event certain conditions are met per the terms of the purchase agreement, with a maximum earnout amount of $25.0 million. The initial fair value of the earnout was established using a Monte Carlo simulation method and the resulting liability is recorded in Other Liabilities other liabilities in the accompanying condensed consolidated balance sheets. Subsequent to Condensed Consolidated Balance Sheets. In the acquisition date, first quarter of fiscal 2025, the Company adjusted method and timing of measuring the preliminary purchase price by earnout was amended, which resulted in a charge of $5.0 7.9 million pursuant to which is reflected in selling, general, and administrative expense in the working capital provisions included within the purchase agreement. accompanying Condensed Consolidated Income Statements. The Company accounted for the acquisition as a business combination under the acquisition method of accounting provided by FASB ASC 805, Business Combinations ("ASC 805"). As such, the purchase price was allocated to the net assets acquired, inclusive of intangible assets, with the excess fair value recorded to goodwill. The purchase price allocation is based upon preliminary valuation information available to determine the fair value of certain assets and liabilities, including goodwill, and is subject to change as additional information is obtained about the facts and circumstances that existed at the valuation date. The Company expects to finalize the fair values of the assets acquired and liabilities assumed during the one-year measurement period.

The following table presents the consideration transferred and the purchase price allocation:

Description		Amount
Fair value of consideration transferred		
Fair value of Champion Homes, Inc. common stock issued as consideration (455,098 shares at $61.20)	$	27,852
Cash consideration, net of cash acquired		279,545
Working capital adjustment		3,644
Estimated earn out consideration		5,904
Total consideration	$	316,945
Preliminary purchase price allocations:		
Trade accounts receivable		16,300
Inventories		138,933
Other current assets		3,002
Property, plant, and equipment, net		86,174
Amortizable intangible assets, net		41,800
Other noncurrent assets		10,640
Floor plan payable		(75,916)
Accounts payable		(14,427)
Other current liabilities		(35,662)
Long-term debt		(12,233)

Other liabilities		(3,065)
Identifiable net assets acquired		**155,546**
Goodwill		161,399
Total purchase price	**$**	**316,945**

Skyline Champion Corporation Homes, Inc.

Notes to Condensed Consolidated Financial Statements - Continued

The following table presents the consideration transferred and the preliminary purchase price allocation as of December 30, 2023:

Description		Amount
Fair value of consideration transferred		
Fair value of Skyline Champion common stock issued as consideration (455,098 shares at $61.20)	$	27,852
Cash consideration		317,164
Preliminary working capital adjustment		5,000
Estimated earn out consideration		5,904
Total consideration	$	355,920
Preliminary purchase price allocations:		
Cash and cash equivalents	$	37,619
Trade accounts receivable		20,654
Inventories		135,669
Other current assets		3,212
Property, plant, and equipment,		86,174
Amortizable intangible assets		41,800
Other noncurrent assets		9,199
Floorplan payable		(75,916)
Accounts payable		(14,427)
Other current liabilities		(35,452)
Long-term debt		(12,233)
Other liabilities		(3,065)
Identifiable net assets acquired		**193,234**
Goodwill		162,686
Total purchase price	**$**	**355,920**

Goodwill, which is deductible for income tax purposes, is primarily attributable to expected synergies from the combination of companies and was allocated to reporting units within the Company's U.S. Factory-built Housing segment, which includes its U.S. manufacturing and retail operations.

Cash, trade Trade accounts receivable, other assets, floor plan and accounts payable, long-term debt and other liabilities are generally stated at historical carrying values as they approximate fair value. Retail inventories are reflected at manufacturer wholesale prices. Intangible assets include $16.9 million in customer relationships and $24.9 million in trade names and are based on an independent appraisal. The fair value of customer relationships was determined using the multi-period excess earnings method and fair value of the trade name was determined using the relief-from-royalty method. The Company estimates estimated that each intangible asset has a weighted average useful life of ten years from the acquisition date. Fair value estimates of property, plant, and equipment were based on independent appraisals, giving consideration to the highest and best use of the assets. Key assumptions used in the appraisals were drawn from a combination of market, cost, and sales comparison approaches, as appropriate. Level 3 fair value estimates of $86.2 million related to property, plant, and equipment and $41.8 million related to intangible assets were recorded in the accompanying consolidated balance sheet as of the acquisition date. For further information on acquired assets measured at fair value, see Note 5, Goodwill, Intangible Assets and Intangible Assets. Cloud Computing Arrangements.

The acquisition of Regional Homes was a taxable business combination. Therefore, the Company's tax basis in the assets acquired and the liabilities assumed approximate the respective fair values at the acquisition date.

The Company's consolidated net sales and net income for the three and nine months ended December 30, 2023 included $119.7 million and $5.7 million, respectively, from Regional Homes. The following unaudited pro forma information presents a summary of the operating results as if the acquisition of Regional Homes had been completed on April 3, 2022, which is the beginning of the comparable annual reporting period:

	Three months ended		Nine months ended	
	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022
Pro forma net sales	$ 568,045	$ 679,444	$ 1,750,936	$ 2,492,411
Pro forma net income	$ 47,058	$ 87,672	$ 159,351	$ 379,416

The pro forma results for the three and nine months ended December 30, 2023 and December 31, 2022 reflect amortization of intangible assets, depreciation of property, plant and equipment, reduction of interest expense to reflect the new capital structure, elimination of sales between the Company and Regional Homes, the impact of the fair value step up of Regional Homes' inventory, and the tax effects of the related adjustments. The unaudited pro forma financial information has been prepared for comparative purposes only and it is not necessarily indicative of the results of operations as they would have been had the acquisition occurred on the assumed date, nor is it necessarily an indication of future operating results.

Other Acquisitions

In May 2022, the Company acquired certain operating assets from Manis Custom Builders, Inc. ("Manis"). In July 2022, the Company acquired 12 Factory Expo retail sales centers from Alta Cima Corporation. The purchase price and net assets acquired for both transactions were not material to the accompanying condensed consolidated financial statements.

3. Inventories, net

The components of inventory, net of reserves for obsolete inventory, were as follows:

(Dollars in thousands)	December 30, 2023	April 1, 2023	June 29, 2024	March 30, 2024
Raw materials	$ 98,780	$ 100,379	$ 101,828	$ 101,429
Work in process	21,774	23,157	23,880	23,436
Finished goods and other	169,988	78,702	194,250	193,872
Total inventories, net	$ 290,542	$ 202,238	$ 319,958	$ 318,737

At December 30, 2023 June 29, 2024 and April 1, 2023 March 30, 2024, reserves for obsolete inventory were $10.3 10.0 million and $7.9 10.1 million, respectively.

4. Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Depreciation is calculated primarily on a straight-line basis, generally over the following estimated useful lives: land improvements – 3 to 10 years years; ; buildings and improvements – 8 to 25 years; and vehicles and machinery and equipment – 3 to 8 years. Depreciation expense for the three months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023 was $6.9 7.7 million and $3.8 million, respectively. Depreciation expense for the nine months ended December 30, 2023 and December 31, 2022 was $16.2 million and $11.7 4.6 million, respectively.

The components of property, plant, and equipment were as follows:

(Dollars in thousands)	December 30, 2023	April 1, 2023	June 29, 2024	March 30, 2024
Land and improvements	$ 71,919	$ 41,749	$ 72,447	$ 72,188
Buildings and improvements	168,562	119,226	185,534	183,109
Machinery and equipment	126,315	91,007	149,609	142,870
Construction in progress	41,815	30,010	21,397	20,469
Property, plant, and equipment, at cost	408,611	281,992	428,987	418,636
Less: accumulated depreciation	(120,903)	(104,867)	(135,597)	(127,706)
Property, plant, and equipment, net	$ 287,708	$ 177,125	$ 293,390	$ 290,930

5. Goodwill, Intangible Assets, and Cloud Computing Arrangements

Goodwill

Goodwill represents the excess of the cost of an acquired business over the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed in a business combination. At December 30, 2023 June 29, 2024 and April 1, 2023 March 30, 2024, the Company had goodwill of $359.3

million and $196.6 358.0 million, respectively. The change million. Goodwill is allocated to reporting units included in goodwill is attributed to the acquisition of Regional Homes. U.S. Factory-built Housing segment, which include the Company's U.S. manufacturing and retail operations. At December 30, 2023 June 29, 2024, there were no accumulated impairment losses related to goodwill.

Intangible Assets

The components of amortizable intangible assets were as follows:

(Dollars in thousands)	December 30, 2023			April 1, 2023			June 29, 2024			March 30, 2024		
	Customer Relationships & Other	Trade Names	Total	Customer Relationships & Other	Trade Names	Total	Customer Relationships & Other	Trade Names	Total	Customer Relationships & Other	Trade Names	Total
Gross carrying amount	$ 83,035	$ 46,446	$ 129,481	$ 66,013	$ 21,497	$ 87,510	$ 82,856	$ 46,373	$ 129,229	$ 82,909	$ 46,393	$ 129,302
Accumulated amortization	(38,100)	(12,061)	(50,161)	(32,103)	(10,064)	(42,167)	(41,606)	(14,164)	(55,770)	(39,825)	(13,108)	(52,933)
Amortizable intangibles, net	$ 44,935	$ 34,385	$ 79,320	$ 33,910	$ 11,433	$ 45,343	$ 41,250	$ 32,209	$ 73,459	$ 43,084	$ 33,285	$ 76,369

During the three months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023, amortization of intangible assets was $2.8 2.9 million and $3.0 million, respectively. During the nine months ended December 30, 2023 and December 31, 2022, amortization of intangible assets was $7.8 million and $7.7 million, respectively.

Cloud Computing Arrangements

The Company capitalizes costs associated with the development of cloud computing arrangements in a manner consistent with internally developed software. At December 30, 2023 June 29, 2024 and April 1, 2023 March 30, 2024, the Company had capitalized cloud computing costs, net of amortization of $25.9 25.5 million and $25.0 25.7 million, respectively. Cloud computing costs are included in other noncurrent assets in the accompanying condensed consolidated balance sheets. Condensed Consolidated Balance Sheets. Amortization of capitalized cloud computing costs for both the three and nine months ended December 30, 2023 was $0.3 million June 29, 2024 and $0.7 million, respectively. Amortization of capitalized cloud computing costs for the three and nine months ended December 31, 2022 July 1, 2023 was $0.2 million and $0.6 million, respectively. million.

6. Investment in ECN Capital Corporation

In September 2023, the Company entered into a share subscription agreement with ECN Capital Corp. ("ECN") and made a $137.8 million equity investment in ECN on a private placement basis. The Company purchased 33.6 million common shares, representing approximately 12% of the total outstanding common shares of ECN, and 27.5 million mandatory convertible preferred shares (the “Preferred Shares”). The Preferred Shares receive cumulative cash dividends at an annual rate of 4.0%. Following the private placement, the Company owns approximately 19.9% of the voting shares of ECN.

The Company's interest in the common stock investment in ECN is accounted for under the equity method and the Company’s share of the earnings or losses of ECN are recorded on a three-month lag. For the three and nine months ended December 30, 2023 June 29, 2024, the Company's share of ECN's losses of was $0.2 1.2 million are reflected in Other expense (income) in the accompanying condensed consolidated income statements. million. There were no earnings or losses recognized related to the equity method investment for the three and nine months ended December 31, 2022 July 1, 2023. Dividends received on the investment in common stock of ECN are reflected as a reduction to the investment balance and are presented on the Condensed Consolidated Statements of Cash Flows using the nature of the distribution approach. At December 30, 2023 June 29, 2024, the investment in the common stock of ECN totaled $78.7 70.1 million, including $3.1 million of capitalized transaction costs, and is included in Other Noncurrent Assets other noncurrent assets in the accompanying Condensed Consolidated Balance Sheets. The aggregate value of the Company’s investment in the common stock of ECN based on quoted market price of ECN’s common stock at June 29, 2024 was approximately $41.0 million. We assess our investment in ECN common stock for other than temporary impairment on a quarterly basis or when events or circumstances suggest that the carrying amount of the investment may be impaired. We do not consider the difference in the fair market value of ECN common stock and our investment balance to be other than temporary at June 29, 2024.

The Company's investment in the Preferred Shares is included in Other Noncurrent Assets other noncurrent assets in the accompanying condensed consolidated balance sheets. Condensed Consolidated Balance Sheets. The investment is measured using the measurement alternative for equity investments without a readily determinable fair value. The carrying amount of $65.1 64.5 million at December 30, 2023 June 29, 2024 represents the purchase price and capitalized transaction costs of $2.5 million and accrued dividends. million. There have been no adjustments to the carrying amount or impairment of the investment. For the three and nine months ended December 30, 2023 June 29, 2024, the

Company has reflected dividend income of $0.6 1.2 million in Other expense other (income) on the accompanying condensed consolidated income statements Condensed Consolidated Income Statements from the dividend income on the investment in ECN Preferred Shares. There was no dividend income from the ECN Preferred Shares for the three and nine months ended December 31, 2022 July 1, 2023.

Amounts due to ECN, a related party, were not material at December 30, 2023. ECN, through its wholly-owned subsidiary Triad Financial Services ("Triad"), provides loan servicing for the Company's floor plan receivables, for which we pay a fee that was immaterial for the period subsequent to the investment in ECN. three months ended June 29, 2024. Triad also provides floor plan financing of the Company's products to independent retailers. At December 30, 2023 June 29, 2024, the Company had repurchase commitments of $61.8 100.9 million on retailer floor plan loans outstanding with Triad.

7. Other Current Liabilities

The components of other current liabilities were as follows:

(Dollars in thousands)	December 30, 2023	April 1, 2023	June 29, 2024	March 30, 2024
Customer deposits	$ 73,044	$ 69,285	$ 81,405	$ 80,833
Accrued volume rebates	28,508	25,084	23,030	21,169
Accrued warranty obligations	40,681	28,576	42,418	39,176
Accrued compensation and payroll taxes	33,853	41,422	40,565	35,063
Accrued insurance	15,896	15,075	14,473	12,772
Accrued product liability - water intrusion	34,500	34,500		
Other	23,116	24,773	27,997	23,982
Total other current liabilities	$ 215,098	$ 204,215	$ 264,388	$ 247,495

8. Accrued Warranty Obligations

Changes in the accrued warranty obligations were as follows:

	Three months ended		Nine months ended		Three months ended	
(Dollars in thousands)	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022	June 29, 2024	July 1, 2023
Balance at beginning of period	$ 37,362	$ 35,755	$ 35,961	$ 32,832	$ 50,869	$ 35,961
Warranty expense	17,494	12,958	45,327	40,718	18,688	12,856
Acquired warranty obligations	11,043	—	11,043	—		
Cash warranty payments	(15,833)	(12,575)	(42,265)	(37,412)	(15,446)	(13,727)
Balance at end of period	50,066	36,138	50,066	36,138	54,111	35,090
Less: noncurrent portion in other long-term liabilities	(9,385)	(7,026)	(9,385)	(7,026)	(11,693)	(7,385)
Total current portion	$ 40,681	$ 29,112	$ 40,681	$ 29,112	$ 42,418	$ 27,705

9. Debt and Floor Plan Payable

Long-term debt consisted of the following:

(Dollars in thousands)	December 30, 2023	April 1, 2023	June 29, 2024	March 30, 2024
Obligations under industrial revenue bonds due 2029	$ 12,430	$ 12,430	$ 12,430	$ 12,430
Notes payable to Romeo Juliet, LLC, due 2026	5,314	—	5,314	5,314
Notes payable to Romeo Juliet, LLC, due 2039	2,036	—	2,036	2,036
Note payable to United Bank, due 2026	4,883	—	4,904	4,889
Revolving credit facility maturing in 2026	—	—	—	—
Total long-term debt	$ 24,663	$ 12,430	$ 24,684	$ 24,669

On July 7, 2021, the Company entered into an Amended and Restated Credit Agreement with a syndicate of banks that provides for a revolving credit facility of up to $200.0 million, including a $45.0 million letter of credit sub-facility ("Amended Credit Agreement"). The Amended Credit Agreement replaced the Company's previously existing $100.0 million revolving credit facility. The Amended Credit Agreement allows the Company to draw down, repay and re-draw loans on the available facility funds during the term, subject to certain terms and conditions, matures in July 2026, and has no scheduled amortization.

On May 18, 2023, the Company further amended the Amended Credit Agreement, which removed references to the London Interbank Offer Rate ("LIBOR") and clarified language pertaining to the Secured Overnight Financing Rate ("SOFR") in regards to the interest rate on borrowings. The interest rate on borrowings under the Amended Credit Agreement is based on SOFR plus a SOFR adjustment, plus an interest rate spread. The interest rate spread adjusts based on the consolidated total net leverage of the Company from a high of 1.875% when the consolidated total net leverage ratio is equal to or greater than 2.25:1.00, to a low of 1.125% when the consolidated total net leverage ratio is below 0.50:1.00. Alternatively for same day borrowings, the interest rate is based on an Alternative Base Rate ("ABR") plus an interest rate spread that ranges from a high of 0.875% to a low of 0.125% based on the consolidated total net leverage ratio. In addition, the Company is

obligated to pay an unused line fee ranging between 0.15% and 0.3% depending on the consolidated total net leverage ratio, in respect of unused commitments under the Amended Credit Agreement. At December 30, 2023 June 29, 2024 the interest rate under the Amended Credit Agreement was 6.58 6.56% and letters of credit issued under the Amended Credit Agreement totaled $34.0 31.5 million. Available borrowing capacity under the Amended Credit Agreement as of December 30, 2023 June 29, 2024 was $166.0 168.5 million.

The Amended Credit Agreement contains covenants that restrict the amount of additional debt, liens and certain payments, including equity buy-backs, investments, dispositions, mergers and consolidations, among other restrictions as defined. The Company was in compliance with all covenants of the Amended Credit Agreement as of June 29, 2024.

Obligations under industrial revenue bonds are supported by letters of credit and bear interest based on a municipal bond index rate. The weighted-average interest rate at December 30, 2023 June 29, 2024, including related costs and fees, was 5.48 5.35%. The industrial revenue bonds require lump-sum payments of principal upon maturity in 2029 and are secured by the assets of certain manufacturing facilities.

As part of the acquisition of Regional Homes, the Company assumed notes payable to Romeo Juliet, LLC, a subsidiary of Wells Fargo Community Investment Holdings, Inc. ("WFC"). The weighted-average interest rate on those notes at December 30, 2023 June 29, 2024 was 5.4 5.42%. The notes are secured by certain assets of Regional Homes. In addition, the Company assumed a note payable to United Bank with an interest rate of 3.85% that is secured by a Note Receivable note receivable from HHB Investment Fund, LLC, a subsidiary of Wells Fargo Community Investment Holdings, Inc. (“WFC”).
The Amended Credit Agreement contains covenants that restrict the amount of additional debt, liens and certain payments, including equity buybacks, investments, dispositions, mergers and consolidations, among other restrictions as defined. The Company was in compliance with all covenants of the Amended Credit Agreement as of December 30, 2023. WFC.

Floor Plan Payable

The Company’s retail operations utilize floor plan financing to fund the purchase of manufactured homes for display or resale. At December 30, 2023 June 29, 2024 and March 30, 2024, the Company had outstanding borrowings on floor plan financing agreements of $80.4 92.9 million. million and $91.3 million, respectively. Total credit line capacity provided under the agreements was $248.0 223.0 million as of December 30, 2023 June 29, 2024. The weighted average interest rate on the floor plan payable was 7.36% at June 29, 2024. Borrowings are secured by the homes and are required to be repaid when the Company sells the related home to a customer. There were no floor plan borrowings at April 1, 2023.

10. Revenue Recognition

The following tables disaggregate the Company's revenue by sales category:

	Three months ended December 30, 2023				Three months ended June 29, 2024			
(Dollars in thousands)	U.S. Factory-Built Housing	Canadian Factory-Built Housing	Corporate/ Other	Total	U.S. Factory-Built Housing	Canadian Factory-Built Housing	Corporate/ Other	Total
Manufacturing and retail	$ 521,124	$ 30,803	$ —	$ 551,927				
Transportation	—	—	7,528	7,528				
Total	$ 521,124	$ 30,803	$ 7,528	$ 559,455				

	Nine months ended December 30, 2023							
(Dollars in thousands)	U.S. Factory-Built Housing	Canadian Factory-Built Housing	Corporate/ Other	Total				
Manufacturing and retail	$ 1,378,041	$ 86,179	$ —	$ 1,464,220				
Manufacturing	$ 380,294	$ 20,799	$ —	$ 401,093				
Retail	219,239	—	—	$ 219,239				
Transportation	—	—	24,240	24,240	—	—	7,447	7,447
Total	$ 1,378,041	$ 86,179	$ 24,240	$ 1,488,460	$ 599,533	$ 20,799	$ 7,447	$ 627,779

	Three months ended December 31, 2022				Three months ended July 1, 2023			
(Dollars in thousands)	U.S. Factory-Built Housing	Canadian Factory-Built Housing	Corporate/ Other	Total	U.S. Factory-Built Housing	Canadian Factory-Built Housing	Corporate/ Other	Total
Manufacturing and retail	$ 541,838	$ 31,342	$ —	$ 573,180				
Manufacturing	$ 345,257	$ 26,120	$ —	$ 371,377				
Retail	83,528	—	—	83,528				
Transportation	—	—	9,142	9,142	—	—	9,864	9,864
Total	$ 541,838	$ 31,342	$ 9,142	$ 582,322	$ 428,785	$ 26,120	$ 9,864	$ 464,769

	Nine months ended December 31, 2022			
(Dollars in thousands)	U.S. Factory-Built Housing	Canadian Factory-Built Housing	Corporate/ Other	Total
Manufacturing and retail	$ 1,956,797	$ 115,602	$ —	$ 2,072,399
Commercial	359	—	—	359
Transportation		—	42,270	42,270
Total	$ 1,957,156	$ 115,602	$ 42,270	$ 2,115,028

Champion Homes, Inc.

Notes to Condensed Consolidated Financial Statements - Continued

11. Income Taxes

For the three months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023, the Company recorded $12.8 13.7 million and $24.9 17.3 million of income tax expense and had an effective tax rate of 21.4 22.5% and 23.1%, respectively. For the nine months ended December 30, 2023 and December 31, 2022, the Company recorded $44.8 million and $113.4 million of income tax expense and had an effective tax rate of 23.7% and 24.8 25.2%, respectively.

The Company's effective tax rate for the three and nine months ended December 30, 2023 differs from the federal statutory income tax rate of 21.0% due primarily to the effect of state June 29, 2024 and local income taxes, non-deductible expenses, tax credits, and results in foreign jurisdictions. The Company's effective tax rate for the three and nine months ended December 31, 2022 July 1, 2023, differs from the federal statutory income tax rate of 21.0% due primarily to the effect of state and local income taxes, non-deductible expenses, tax credits, and results in foreign jurisdictions.

At December 30, 2023 June 29, 2024, the Company had no unrecognized tax benefits.

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12. Earnings Per Share

Basic net income per share attributable to the Company was computed by dividing net income attributable to the Company by the average number of common shares outstanding during the period. Diluted earnings per share is calculated using our weighted-average outstanding common shares, including the dilutive effect of stock awards as determined under the treasury stock method.

The following table sets forth the computation of basic and diluted earnings per common share:

	Three months ended		Nine months ended		Three months ended	
(Dollars and shares in thousands, except per share data)	December 30, 2023	December 31, 2022	December 30, 2023	December 31, 2022	June 29, 2024	July 1, 2023
Numerator:						
Net income attributable to the Company's common shareholders	$ 46,970	$ 82,813	$ 143,908	$ 344,056	$ 45,794	$ 51,269
Denominator:						
Basic weighted-average shares outstanding	57,644	56,971	57,364	56,946	57,865	57,183
Dilutive securities	492	406	478	444	470	475
Diluted weighted-average shares outstanding	58,136	57,377	57,842	57,390	58,335	57,658
Basic net income per share	$ 0.81	$ 1.45	$ 2.51	$ 6.04	$ 0.79	$ 0.90
Diluted net income per share	$ 0.81	$ 1.44	$ 2.49	$ 6.00	$ 0.79	$ 0.89

13. Segment Information

Financial results for the Company's reportable segments have been prepared using a management approach, which is consistent with the basis and manner in which financial information is evaluated by the Company's chief operating decision maker in allocating resources and in assessing performance. The Company's chief operating decision maker, the Chief Executive Officer, evaluates the performance of the Company's segments primarily based on net sales, before elimination of inter-company shipments, earnings before interest, taxes, depreciation, and amortization ("EBITDA") and operating assets.

The Company operates in two reportable segments: (i) U.S. Factory-built Housing, which includes manufacturing and retail housing operations and (ii) Canadian Factory-built Housing. Corporate/Other includes the Company's transportation operations, corporate costs directly incurred for all segments and intersegment eliminations. Segments are generally determined by geography. Segment data includes intersegment revenues and corporate office costs that are directly and exclusively incurred for each segment. Total assets for Corporate/Other primarily include cash and certain U.S. deferred tax items not specifically allocated to another segment.

Selected financial information by reportable segment was as follows:

(Dollars in thousands)	Three months ended December 30, 2023	Three months ended December 31, 2022	Nine months ended December 30, 2023	Nine months ended December 31, 2022	Three months ended June 29, 2024	Three months ended July 1, 2023
Net sales:						
U.S. Factory-built Housing	$ 521,124	$ 541,838	$ 1,378,041	$ 1,957,156	$ 599,533	$ 428,785
Canadian Factory-built Housing	30,803	31,342	86,179	115,602	20,799	26,120
Corporate/Other	7,528	9,142	24,240	42,270	7,447	9,864
Consolidated net sales	$ 559,455	$ 582,322	$ 1,488,460	$ 2,115,028	$ 627,779	$ 464,769
Operating income:						
U.S. Factory-built Housing EBITDA	$ 71,862	$ 115,483	$ 210,847	$ 476,332	$ 79,021	$ 74,233
Canadian Factory-built Housing EBITDA	6,473	5,893	17,000	27,361	2,879	4,764
Corporate/Other EBITDA	(13,271)	(12,323)	(39,201)	(34,205)	(16,024)	(12,171)
Other expense (income)	756	—	2,821	(634)		
Other (income)	(1,219)	—				
Depreciation	(6,862)	(3,824)	(16,195)	(11,660)	(7,702)	(4,633)
Amortization	(2,777)	(2,960)	(7,822)	(7,681)	(2,910)	(2,959)
Equity in net loss of affiliates	1,343	—				
Consolidated operating income	$ 56,181	$ 102,269	$ 167,450	$ 449,513	$ 55,388	$ 59,234
Depreciation:						
U.S. Factory-built Housing	$ 6,332	$ 3,245	$ 14,658	$ 9,787	$ 7,104	$ 4,128
Canadian Factory-built Housing	372	277	1,084	903	437	356
Corporate/Other	158	302	453	970	161	149
Consolidated depreciation	$ 6,862	$ 3,824	$ 16,195	$ 11,660	$ 7,702	$ 4,633
Amortization of U.S. Factory-built Housing intangible assets:	$ 2,777	$ 2,960	$ 7,822	$ 7,681	$ 2,910	$ 2,959
Capital expenditures:						
U.S. Factory-built Housing	$ 16,670	$ 11,181	$ 38,091	$ 34,892	$ 9,527	$ 9,678
Canadian Factory-built Housing	1,091	1,163	2,032	2,592	426	466
Corporate/Other	378	220	863	693	759	197
Consolidated capital expenditures	$ 18,139	$ 12,564	$ 40,986	$ 38,177	$ 10,712	$ 10,341

(Dollars in thousands)	December 30, 2023	April 1, 2023	June 29, 2024	March 30, 2024
Total Assets:				
U.S. Factory-built Housing (1)	$ 1,180,081	$ 708,573	$ 1,239,898	$ 1,239,338
Canadian Factory-built Housing (1)	133,363	124,673	133,030	132,420
Corporate/Other (1)	555,975	729,478	614,202	551,583
Consolidated total assets	$ 1,869,419	$ 1,562,724	$ 1,987,130	$ 1,923,341

(1) Deferred tax assets for the Canadian operations are reflected in the Canadian Factory-built Housing segment. U.S. deferred tax assets are presented in Corporate/Other because an allocation between segments is not practicable.

14. Commitments, Contingencies, and Legal Proceedings

Repurchase Contingencies and Guarantees

The Company is contingently liable under terms of repurchase agreements with lending institutions that provide wholesale floor plan financing to retailers. These arrangements, which are customary in the manufactured housing industry, provide for the repurchase of products sold to retailers in the event of default by the retailer on its agreement to pay the financial institution. The risk of loss from these agreements is significantly reduced by the potential resale value of any products that are subject to repurchase and is spread over numerous retailers. The repurchase price is generally determined by the original sales price of the product less contractually defined curtailment payments. Based on these repurchase agreements and our historical loss experience, we established an associated loss reserve which was $1.9 million and $2.5 1.8 million at December 30, 2023 June 29, 2024 and April 1, 2023 March 30, 2024, respectively. Excluding the resale value of the homes, the contingent repurchase obligation as of December 30, 2023 June 29, 2024 was estimated to be $286.6 280.0 million. Losses incurred on homes repurchased were immaterial during the three and nine months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023.

At December 30, 2023 June 29, 2024, the Company was contingently obligated for $34.0 31.5 million under letters of credit, consisting of $12.6 million to support long-term debt, $21.1 18.5 million to support the casualty insurance program, and $0.3 million to support bonding agreements. The letters of credit are issued from a sub-facility of the Amended Credit Agreement. The Company was also contingently obligated for $32.8 15.9 million under surety bonds, generally to support performance on long-term construction contracts and license and service bonding requirements.

The Company has received claims for damage related to water intrusion in homes built in one of its manufacturing facilities. The Company is investigating the cause of the damage and assessing its responsibility to remediate. While it is reasonably possible that the Company will receive future claims that could result in additional costs to repair that could be significant in the aggregate, the Company is unable to estimate the number of such claims or the amount or range of any potential losses associated with such claims at this time.

In the normal course of business, the Company's former subsidiaries that operated in the United Kingdom historically provided certain guarantees to two customers. Those guarantees provide contractual liability for proven construction defects up to 12 years from the date of delivery of certain products. The guarantees remain a contingent liability of the Company which declines over time through October 2027. As of the date of this report, the Company expects few, if any, claims to be reported under the terms of the guarantees.

Product Liability - Water Intrusion

The Company has received consumer complaints for damages related to water intrusion in homes built in one of its manufacturing facilities prior to fiscal 2022. The Company has investigated, and believes, the cause of the damage is the result of materials that did not perform in accordance with the manufacturer's contractual obligations. The Company has identified that certain homes constructed over that period that may be affected. Based on the results of ongoing investigation and repair efforts, the Company has developed and HUD has approved a remediation plan under Subpart I of the HUD code. The plan calls for inspection and repair of affected homes if there is evidence of damage, or procedures to mitigate the opportunity for future damage. As a result of the proposal, the Company recorded charges to execute the remediation plan of $34.5 million during the fourth quarter of fiscal 2024. The Company estimated the charges by establishing a range of total expected costs determined by an actuary using a Monte Carlo simulation. The analysis resulted in a range of losses between $34.5 million and $85.0 million. The Company was not able to determine a value in the range that was more likely than any other value, and as prescribed by U.S. GAAP, recorded the charge for remediation based on the low end of the range of potential losses. The Company will monitor the results of the inspection and repair activities, including actual repair costs, and may revise the amount of the estimated liability, which could result in an increase or decrease in the estimated liability in future periods. The liability is included in other current liabilities in the accompanying Condensed Consolidated Balance Sheets.

Based on the Company's investigation into the cause of the water intrusion, including third-party testing of the material at issue, the Company believes it is possible that it will recover some or all of the estimated remediation costs. The Company will attempt to recover those costs from the manufacturer of the material, the distributor of the material, their related insurance providers or from the Company's insurance providers. However, the Company is unable to record an offset for any estimated costs at this time in accordance with U.S. GAAP.

Legal Proceedings

The Company has agreed to indemnify counterparties in the ordinary course of its business in agreements to acquire and sell business assets and in financing arrangements. The Company is subject to various legal proceedings and claims that arise in the ordinary course of its business. As of the date of this filing, the Company believes the ultimate liability with respect to these contingent obligations will not have, either individually or in the aggregate, a material adverse effect on the Company’s financial condition, results of operations, or cash flows.

Item 2. ***MANAGEMENT’ S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS***

The following should be read in conjunction with Skyline Champion Corporation’s Homes, Inc.’s condensed consolidated financial statements and the related notes that appear in Item 1 of this Report.

Overview

Champion Homes, Inc., formerly known as Skyline Champion Corporation (the “Company”), is a leading producer of factory-built housing in the U.S. and Canada. The Company serves as a complete solutions provider across complementary and vertically integrated businesses including factory-built home manufacturing, company-owned retail locations, construction services, and transportation logistics services. The Company markets its homes under several nationally recognized brand names including Skyline Champion Homes, Champion Home Builders, Genesis Homes, Skyline Homes, Regional Homes, Athens Park Models, Dutch Housing, Atlantic Homes, Excel Homes, Homes of Merit, New Era, Redman Homes, ScotBilt Homes, Shore Park, Silvercrest, and Titan Homes in the U.S., and Moduline and SRI Homes in western Canada. The Company operates 43 manufacturing facilities throughout the U.S. and five manufacturing facilities in western Canada that primarily construct factory-built, timber-framed, manufactured and modular houses that are sold primarily to independent retailers, builders/developers, and manufactured home community operators. The Company’s retail operations consist of 73 72 sales centers that sell manufactured homes to consumers across the U.S. The Company’s transportation business engages independent owners/drivers to transport manufactured homes, recreational vehicles, and other products throughout the U.S. and Canada.

Acquisitions and Expansions

Over the last several years, demand for affordable housing in the U.S. has increased. As a result, the The Company is focused on operational improvements to increase capacity utilization and profitability at its existing manufacturing facilities as well as executed measured expansion of its manufacturing and retail footprint through facility and equipment investments and acquisitions. Those investments will help improve the Company's ability to satisfy demand for affordable housing. During fiscal 2023, robust demand for housing began to slow as inflation and higher interest rates made housing less affordable. Even though demand in the The current economic environment drives an even greater need for attainable housing markets has returned to more normal levels recently, solutions. As a result, the Company continues to focus on growing in strong housing markets across the U.S. and Canada, as well as expanding products and services to provide more holistic and affordable solutions to homebuyers.

In October 2023, the Company acquired Regional Homes, which operates operated three manufacturing facilities in Alabama and 43 44 retail sales centers across the Southeast U.S. Regional's Regional Home's strong presence in large HUD markets in the Southeast U.S. markets. greatly expanded our captive retail and manufacturing distribution in the that region. In July 2022, the Company acquired 12 Factory Expo retail sales centers from Alta Cima Corporation, which expanded the internal retail network across a broader portion of the U.S. In May 2022, the Company acquired Manis Custom Builders, Inc. ("Manis") in order to expand its manufacturing footprint and further streamline its product offering in the Southeast U.S. In February 2021, the Company acquired ScotBilt Homes, LLC and related companies (collectively, "Scotbilt"), which operated two manufacturing facilities in Georgia providing affordable housing throughout Alabama, Florida, Georgia and the Carolinas. The ScotBilt acquisition complemented the Company’s prior manufacturing footprint in the attractive mid-south region.

In addition to those acquisitions, the Company is also focused on growing enhancing its U.S. manufacturing production capacity through various plant start-ups. The start-ups in strategic locations. As a result, the Company began production in a previously idled facility or acquired facilities in Decatur, Indiana and Bartow, Florida in the first quarter of fiscal 2024. In January 2021, the Company acquired two idle facilities 2024 and a facility in Pembroke, North Carolina one of which began production in the fourth quarter of fiscal 2023. In June 2021, the Company acquired two idle facilities in Navasota, Texas and began production at one of those facilities during the fourth quarter of fiscal 2022. The Company opened a previously idled facility owns six idle manufacturing facilities that could be used for further manufacturing capacity expansion in Bartow, Florida, which began production in the third quarter of fiscal 2024. future periods.

In September 2023, the Company entered into a share subscription agreement with ECN Capital Corp. ("ECN") in which During fiscal 2024, the Company made a $137.8 million an equity investment in ECN on a private placement basis to purchase 33.6 million common shares, representing approximately 12% ECN. The investment, in part, facilitated the creation of the total outstanding common shares of ECN, and 27.5 million mandatory convertible preferred shares. Following the private placement, the Company owns approximately 19.9% interest in ECN. In conjunction with the investment, the Company and ECN entered into a joint venture agreement to develop a captive finance company which allows us to leverage ECN's knowledge and systems to develop tailored dealer in partnership with Triad, a subsidiary of ECN. The captive finance company, Champion Financing, provides factory-built home floor plan and retail consumer lending products which loans to manufactured home retailers and homebuyers. The Company believes this offering will facilitate further growth. provide customers needed financing solutions and improve the Company's market share.

The Company's acquisitions and investments are part of a strategy to grow and diversify revenue with a focus on increasing the Company’s home building homebuilding presence in the U.S. as well as improving the results of operations through streamlining production of similar product categories. These acquisitions and investments are included in the Company's consolidated results for periods subsequent to their respective acquisition dates.

Industry and Company Outlook

Since July 2020, the U.S. and Canadian housing industry demand has generally been robust. The limited availability of existing homes for sale and the broader need for newly built affordable, single-family housing has driven continued to drive demand for new homes in those the U.S. and Canadian markets. In recent

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years, manufactured home construction experienced revenue growth due to a number of favorable demographic trends and demand drivers in the U.S., United States, including underlying growth trends in key homebuyer groups, such as the population over 55 years of age, the population of first-time homebuyers, home buyers, and the population of households earning less than $60,000 per year. More recently, we have seen a number of market trends pointing to increased sales of accessory dwelling units ("ADUs") ADUs and urban-to-rural migration as customers accommodate working-from-home patterns, as well as people seeking rent-to-own single-family options.

The rise

Because of the need for affordable housing, the Company saw an increase in interest rates in response to inflation have impacted customers orders during three months ended June 29, 2024 versus the demand for the Company's products in both the U.S. and Canada. In addition, many of our community customers have reduced order rates in response to excess inventory in their sales channels. same period last year that outpaced production rates. As a result, the Company's backlog was $290.4 million $404.8 million as of December 30, 2023 June 29, 2024 compared to $532.0 million $260.0 million as of December 31, 2022 July 1, 2023.

For the nine three months ended December 30, 2023 June 29, 2024, approximately 88% of the Company's U.S. manufacturing sales were generated from the manufacture of homes that comply with the U.S. Department of Housing and Urban Development ("HUD") code construction standard in the U.S. Industry shipments of HUD-code homes are reported on a one-month lag. According to data reported by the Manufactured Housing Institute, HUD-code industry home shipments were 61,622 27,024 and 76,802 22,217 units during the eight three months ended November 30, 2023 May 31, 2024 and 2022, 2023, respectively. Based on industry data, the Company's U.S. wholesale market share of HUD code homes sold was 18.9% 21.3% and 20.9% 18.0%, for the eight three months ended November 30, 2023 May 31, 2024 and 2022, 2023, respectively. Annual HUD-code industry shipments have generally increased since calendar year 2009 when only 50,000 HUD-coded manufactured homes were shipped, the lowest level since the industry began recording statistics in 1959. Annual industry shipments have generally increased each year since calendar year 2009 when only 50,000 HUD-coded manufactured homes were shipped, the lowest level since the industry began recording statistics in 1959. While shipments of HUD-coded manufactured homes have improved modestly in recent years, current manufactured housing's most recent annual shipment levels housing shipments are still operate at lower levels than the long-term historical average of over 200,000 units annually. per year. Manufactured home sales represent approximately 11% 9% of all of U.S. single family home starts. Our market share in the U.S. U.S total housing market was approximately 2.0% 2.5% for the twelve three months ended December 30, 2023. June 29, 2024 compared to 1.9% for the same period in the prior year.

UNAUDITED INCOME STATEMENTS RESULTS OF OPERATIONS FOR THE THIRD FIRST QUARTER OF FISCAL 2024 2025 VS. 2023 2024

	Three months ended		Three months ended	
(Dollars in thousands)	**December 30, 2023**	**December 31, 2022**	**June 29, 2024**	**July 1, 2023**
Income Statements Data:				
Net sales	$ 559,455	$ 582,322	$ 627,779	$ 464,769
Cost of sales	418,183	408,233	463,564	335,096
Gross profit	141,272	174,089	164,215	129,673
Selling, general, and administrative expenses	85,091	71,820	108,827	70,439
Operating income	56,181	102,269	55,388	59,234
Interest income, net	(4,309)	(5,409)	(4,249)	(9,301)
Other expense	756	—		
Other income	(1,219)	—		
Income before income taxes	59,734	107,678	60,856	68,535
Income tax expense	12,764	24,865	13,719	17,266
Net income before equity in net loss of affiliates	47,137	51,269		
Equity in net loss of affiliates	1,343	—		
Net income	$ 46,970	$ 82,813	$ 45,794	$ 51,269
Reconciliation of Adjusted EBITDA:				
Net income	$ 46,970	$ 82,813	$ 45,794	$ 51,269
Income tax expense	12,764	24,865	13,719	17,266
Interest income, net	(4,309)	(5,409)	(4,249)	(9,301)
Depreciation and amortization	9,639	6,784	10,612	7,592
Transaction costs	1,188	—		
Equity in net loss of ECN	1,179	—		
Change in fair value of contingent consideration	7,912	—		
Adjusted EBITDA	$ 66,252	$ 109,053	$ 74,967	$ 66,826
As a percent of net sales:				
Gross profit	25.3%	29.9%	26.2%	27.9%
Selling, general, and administrative expenses	15.2%	12.3%	17.3%	15.2%
Operating income	10.0%	17.6%	8.8%	12.7%
Net income	8.4%	14.2%	7.3%	11.0%
Adjusted EBITDA	11.8%	18.7%	11.9%	14.4%

NET SALES

The following table summarizes net sales for the three months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023:

(Dollars in thousands)	Three months ended				Three months ended			
	December 30, 2023	December 31, 2022	$ Change	% Change	June 29, 2024	July 1, 2023	$ Change	% Change
Net sales	$ 559,455	$ 582,322	$ (22,867)	(3.9%)	$ 627,779	$ 464,769	$ 163,010	35.1%
U.S. manufacturing and retail net sales	$ 521,124	$ 541,838	$ (20,714)	(3.8%)	$ 599,533	$ 428,785	$ 170,748	39.8%
U.S. homes sold	5,643	5,749	(106)	(1.8%)	6,538	4,817	1,721	35.7%
U.S. manufacturing and retail average home selling price	$ 92.3	$ 94.2	$ (1.9)	(2.0%)	91.7	$ 89.0	$ 2.7	3.0%
Canadian manufacturing net sales	$ 30,803	$ 31,342	$ (539)	(1.7%)	$ 20,799	$ 26,120	$ (5,321)	(20.4%)
Canadian homes sold	249	273	(24)	(8.8%)	167	221	(54)	(24.4%)
Canadian manufacturing average home selling price	$ 123.7	$ 114.8	$ 8.9	7.8%	$ 124.5	$ 118.2	$ 6.4	5.4%
Corporate/Other net sales	$ 7,528	$ 9,142	$ (1,614)	(17.7%)	$ 7,447	$ 9,864	$ (2,417)	(24.5%)
U.S. manufacturing facilities in operation at end of period	43	37			43	39		
U.S. retail sales centers in operation at end of period	73	31			72	31		
Canadian manufacturing facilities in operation at end of period	5	5			5	5		

Net sales for the three months ended December 30, 2023 June 29, 2024 were $559.5 million $627.8 million, a decrease an increase of $22.9 million $163.0 million, or 3.9% 35.1%, compared to the three months ended December 31, 2022 July 1, 2023. The following is a summary of the change by operating segment.

U.S. Factory-built Housing:

Net sales for the Company's U.S. manufacturing and retail operations decreased increased by $20.7 million $170.7 million, or 3.8% 39.8%, for the three months ended December 30, 2023 June 29, 2024 compared to the three months ended December 31, 2022 July 1, 2023. The decrease increase was primarily due to a 1.8% decrease the inclusion of $151.5 million of net sales from Regional Homes in the fiscal 2025. The number of new homes sold during the period as well as a 2.0% decrease in increased 35.7% and the average selling price per new home selling price. increased 3.0%. The decrease increase in the number of homes sold was due to lower higher customer demand and production volumes compared to the prior year, partially offset by and the addition inclusion of $119.7 million of net sales from the Regional Homes acquisition. in fiscal 2025. The decrease increase in average selling price was due to the decrease in material surcharges and changes in product mix, including customers choosing smaller homes with fewer or lower cost options. The decline in average selling price per home was partially offset by the increase in the number of units sold through our company-owned retail sales centers. centers, also in part a result of the addition of Regional Homes. The mix of wholesale unit sales versus homes sold through our company-owned stores impacts average selling price. During the three months ended June 29, 2024, wholesale average selling price per home. new home decreased due to the decrease in material surcharges and changes in product mix, including customers choosing homes with fewer or lower cost options.

Canadian Factory-built Housing:

The Canadian Factory-built Housing segment net sales decreased by $0.5 million $5.3 million, or 1.7% 20.4% for the three months ended December 30, 2023 June 29, 2024 compared to the same period in the prior fiscal year, primarily due to a 8.8% 24.4% decrease in homes sold partially offset by a 7.8% 5.4% increase in average home selling price. The increase in average home selling price was primarily due to a change in product mix. The decrease in homes sold is due to slowing demand. On a constant currency basis, net sales for the Canadian segment were unfavorably impacted by approximately $0.1 million $0.2 million due to fluctuations in the translation of the Canadian dollar to the U.S. dollar during the three months ended December 30, 2023 June 29, 2024 as compared to the same period of the prior fiscal year.

Corporate/Other:

Net sales for Corporate/Other includes the Company's transportation business and the elimination of intersegment sales. For the three months ended December 30, 2023 June 29, 2024, net sales decreased $1.6 million $2.4 million, or 17.7% 24.5%, primarily attributable to the decrease continued decreases of shipments of recreational

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vehicles as part of a shift in recreational vehicle shipments. focus of this business unit to expanding shipments of manufactured housing.

GROSS PROFIT

The following table summarizes gross profit for the three months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023:

	Three months ended				Three months ended			
(Dollars in thousands)	December 30, 2023	December 31, 2022	$ Change	% Change	June 29, 2024	July 1, 2023	$ Change	% Change
Gross profit:								
U.S. Factory-built Housing	$ 128,050	$ 162,092	$ (34,042)	(21.0%)	$ 154,341	$ 118,424	$ 35,917	30.3%
Canadian Factory-built Housing	9,066	8,471	595	7.0%	5,352	7,028	(1,676)	(23.8%)
Corporate/Other	4,156	3,526	630	17.9%	4,522	4,221	301	7.1%
Total gross profit	$ 141,272	$ 174,089	$ (32,817)	(18.9%)	$ 164,215	$ 129,673	$ 34,542	26.6%
Gross profit as a percent of net sales	25.3%	29.9%			26.2%	27.9%		

Gross profit as a percent of sales during the three months ended December 30, 2023 June 29, 2024 was 25.3% 26.2% compared to 29.9% 27.9% during the three months ended December 31, 2022 July 1, 2023. The following is a summary of the change by operating segment.

U.S. Factory-built Housing:

Gross profit for the U.S. Factory-built Housing segment decreased increased by $34.0 million $35.9 million, or 21.0% 30.3%, during the three months ended December 30, 2023 June 29, 2024 compared to the same period in the prior fiscal year. Gross profit was 24.6% 25.7% as a percent of segment net sales for the three months ended December 30, 2023 June 29, 2024 compared to 29.9% 27.6% in the same period of the prior fiscal year. The decrease in gross profit as a percent of segment net sales is being driven by lower product wholesale average selling prices and changes in product mix including the impact of the Regional Homes acquisition. Regional Homes' core product margins are generally to homes with fewer or lower than the legacy Skyline Champion U.S. operations' gross margins. cost options. In addition, Regional Homes' gross margins were negatively impacted by the effect of purchase accounting increases to the carrying value of inventory that was acquired in the Regional Homes acquisition.

Canadian Factory-built Housing:

Gross profit for the Canadian Factory-built Housing segment increased decreased by $0.6 million $1.7 million, or 7.0% 23.8%, during the three months ended December 30, 2023 June 29, 2024 compared to the same period in the prior fiscal year. The increase decrease in gross profit is primarily due to lower sales volumes, partially offset by higher average selling prices, partially offset by lower sales volumes. prices. Gross profit as a percent of net sales was 29.4% 25.7% for the three months ended December 30, 2023 June 29, 2024, compared to 27.0% 26.9% in the same period of the prior year, primarily the result due to less absorption of higher average selling prices. fixed costs due to lower sales volumes.

Corporate/Other:

Gross profit for the Corporate/Other segment increased $0.6 million $0.3 million, or 17.9% 7.1%, during the three months ended December 30, 2023 June 29, 2024 compared to the same period of the prior fiscal year.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

Selling, general, and administrative expenses include foreign currency transaction gains and losses, equity compensation, and intangible amortization expense. The following table summarizes selling, general, and administrative expenses for the three months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023:

(Dollars in thousands)	Three months ended December 30, 2023	Three months ended December 31, 2022	$ Change	% Change	Three months ended June 29, 2024	Three months ended July 1, 2023	$ Change	% Change
Selling, general, and administrative expenses:								
U.S. Factory-built Housing	$ 65,298	$ 52,813	$ 12,485	23.6 %	$ 85,334	$ 51,279	$ 34,055	66.4 %
Canadian Factory-built Housing	2,965	2,857	108	3.8 %	2,910	2,620	290	11.1 %
Corporate/Other	16,828	16,150	678	4.2 %	20,583	16,540	4,043	24.4 %
Total selling, general, and administrative expenses	$ 85,091	$ 71,820	$ 13,271	18.5 %	$ 108,827	$ 70,439	$ 38,388	54.5 %
Selling, general, and administrative expense as a percent of net sales	15.2 %	12.3 %			17.3 %	15.2 %		

Selling, general, and administrative expenses were $85.1 million $108.8 million for the three months ended December 30, 2023 June 29, 2024, an increase of $13.3 million $38.4 million, or 18.5% 54.5%, compared to the same period in the prior fiscal year. The following is a summary of the change by operating segment.

U.S. Factory-built Housing:

Selling, general, and administrative expenses for the U.S. Factory-built Housing segment increased $12.5 million $34.1 million, or 23.6% 66.4%, during the three months ended December 30, 2023 June 29, 2024 as compared to the same period in the prior fiscal year. Selling, general, and administrative expenses, as a percent of segment net sales increased to 12.5% 14.2% for the three months ended December 30, 2023 June 29, 2024 compared to 9.7% 12.0% during the comparable period of the prior fiscal year primarily due to lower sales volume in relation to certain fixed costs and year. The acquisition of Regional Homes was the inclusion primary driver of the increase. In addition, the Company incurred a charge of $7.9 million in the first quarter of fiscal 2025 related to the change in fair value of the contingent consideration included in the acquisition of Regional Homes acquisition. Company-owned retail sales centers generally incur a higher rate of selling, general and administrative expenses as a percentage of sales than our manufacturing operations. The increase in SG&A from the Regional Homes acquisition was partially offset by lower sales commissions and incentive compensation from our legacy Skyline Champion U.S. operations, which is generally based on sales volume or a measure of profitability. Homes.

Canadian Factory-built Housing:

Selling, general, and administrative expenses for the Canadian Factory-built Housing segment increased $0.1 million $0.3 million, or 3.8% 11.1%, for the three months ended December 30, 2023 June 29, 2024 when compared to the same period of the prior fiscal year. Selling, general, and administrative expenses as a percent of segment net sales increased to 9.6% 14.0% for the three months ended December 30, 2023 June 29, 2024 compared to 9.1% 10.0% during the comparable period of the prior fiscal year due to less absorption of fixed costs caused by from lower sales.

Corporate/Other:

Selling, general, and administrative expenses for Corporate/Other includes the Company's transportation operations, corporate costs incurred for all segments, and intersegment eliminations. Selling, general, and administrative expenses for Corporate/Other increased $0.7 million $4.0 million, or 4.2% 24.4%, during the three months ended December 30, 2023 June 29, 2024 as compared to the same period of the prior fiscal year year. The increase was due primarily to higher incentive and stock-based compensation expense. expenses and investments made to enhance our online customer experience and support systems.

INTEREST (INCOME), NET

The following table summarizes the components of interest (income) expense, , net for the three months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023:

	Three months ended

(Dollars in thousands)	December 30, 2023	December 31, 2022	$ Change	% Change
Interest expense	$ 1,927	$ 998	$ 929	93.1 %
Less: interest income	(6,236)	(6,407)	171	(2.7 %)
Interest (income), net	$ (4,309)	$ (5,409)	$ 1,100	*
Average outstanding floor plan payable	$ 70,564	$ 27,244		
Average outstanding long-term debt	$ 23,168	$ 12,430		

* indicates that the calculated percentage is not meaningful

	Three months ended			
(Dollars in thousands)	June 29, 2024	July 1, 2023	$ Change	% Change
Interest expense	$ 2,197	$ 377	$ 1,820	482.8 %
Less: interest income	(6,446)	(9,678)	3,232	(33.4 %)
Interest (income), net	$ (4,249)	$ (9,301)	$ 5,052	(54.3 %)
Average outstanding floor plan payable	$ 92,072	$ —		
Average outstanding long-term debt	$ 24,677	$ 12,430		
Average cash balance	$ 521,998	$ 772,585		

Interest income, net was $4.3 million $4.2 million for the three months ended December 30, 2023 June 29, 2024, compared to $5.4 million $9.3 million in the same period of the prior fiscal year. The change was primarily due to lower interest income from lower average invested cash balances and higher interest expense from larger average balances of floor plan payables and long-term debt balances assumed in the acquisition of Regional Homes.

OTHER EXPENSE (INCOME)

The following table summarizes other expense (income) for the three months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023:

	Three months ended				Three months ended			
(Dollars in thousands)	December 30, 2023	December 31, 2022	$ Change	% Change	June 29, 2024	July 1, 2023	$ Change	% Change
Other expense	$ 756	$ —	$ 756	100.0 %				
Other (income)	$ (1,219)	$ —	$ (1,219)	100.0 %				

Other expense (income) for the three months ended December 30, 2023 June 29, 2024 represents transaction costs incurred for the acquisition of Regional of $1.2 million and a loss on the equity method investment in ECN of $0.2 million, partially offset by dividend income of $0.6 million from the investment in ECN Preferred Shares.

INCOME TAX EXPENSE

The following table summarizes income tax expense for the three months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023:

	Three months ended				Three months ended			
(Dollars in thousands)	December 30, 2023	December 31, 2022	$ Change	% Change	June 29, 2024	July 1, 2023	$ Change	% Change

Income tax expense	$ 12,764	$ 24,865	$ (12,101)	(48.7%)	$ 13,719	$ 17,266	$ (3,547)	(20.5%)
Effective tax rate	21.4%	23.1%			22.5%	25.2%		

Income tax expense for the three months ended December 30, 2023 June 29, 2024 was $12.8 million $13.7 million, representing an effective tax rate of 21.4% 22.5%, compared to income tax expense of $24.9 million $17.3 million, representing an effective tax rate of 23.1% 25.2% for the three months ended December 31, 2022 July 1, 2023.

The Company's effective tax rate for the three months ended December 30, 2023 differs from the federal statutory income tax rate of 21.0% due primarily to the effect of state and local income taxes, non-deductible expenses, tax credits, and results in foreign jurisdictions. The Company's effective tax rate for the three months ended December 31, 2022 differed from the federal statutory income tax rate of 21.0% due primarily to the effect of state and local income taxes, non-deductible expenses, tax credits, and results in foreign jurisdictions.

ADJUSTED EBITDA

The following table reconciles net income, the most directly comparable U.S. GAAP measure, to Adjusted EBITDA, a non-GAAP financial measure, for the three months ended December 30, 2023 and December 31, 2022:

	Three months ended			
(Dollars in thousands)	**December 30, 2023**	**December 31, 2022**	**$ Change**	**% Change**
Net income	$ 46,970	$ 82,813	$ (35,843)	(43.3%)
Income tax expense	12,764	24,865	(12,101)	(48.7%)
Interest (income), net	(4,309)	(5,409)	1,100	(20.3%)
Depreciation and amortization	9,639	6,784	2,855	42.1%
Transaction costs	1,188	—	1,188	*
Adjusted EBITDA	$ 66,252	$ 109,053	$ (42,801)	(39.2%)

* indicates that the calculated percentage is not meaningful

Adjusted EBITDA for the three months ended December 30, 2023 June 29, 2024 was $66.3 million, a decrease of $42.8 million from the same period of the prior fiscal year. The decrease is primarily a result of lower operating income due to decreases in sales volume, average selling prices and gross margins, as well as higher SG&A expenses, offset by additional Adjusted EBITDA from the Regional Homes acquisition.

UNAUDITED INCOME STATEMENTS FOR THE FIRST NINE MONTHS OF FISCAL 2024 VS. 2023

	Nine months ended	
(Dollars in thousands)	**December 30, 2023**	**December 31, 2022**
Income Statements Data:		
Net sales	$ 1,488,460	$ 2,115,028
Cost of sales	1,101,026	1,437,498
Gross profit	387,434	677,530
Selling, general, and administrative expenses	219,984	228,017
Operating income	167,450	449,513
Interest income, net	(24,090)	(7,293)
Other expense (income)	2,821	(634)
Income before income taxes	188,719	457,440
Income tax expense	44,811	113,384
Net income	$ 143,908	$ 344,056
Reconciliation of Adjusted EBITDA:		
Net income	$ 143,908	$ 344,056
Income tax expense	44,811	113,384

Interest income, net	(24,090)	(7,293)
Depreciation and amortization	24,017	19,341
Transaction costs	3,253	338
Other	—	(973)
Adjusted EBITDA	$ 191,899	$ 468,853
As a percent of net sales:		
Gross profit	26.0%	32.0%
Selling, general, and administrative expenses	14.8%	10.8%
Operating income	11.2%	21.3%
Net income	9.7%	16.3%
Adjusted EBITDA	12.9%	22.2%

NET SALES

The following table summarizes net sales for the nine months ended December 30, 2023 and December 31, 2022:

	Nine months ended			
(Dollars in thousands)	**December 30, 2023**	**December 31, 2022**	**$ Change**	**% Change**
Net sales	$ 1,488,460	$ 2,115,028	$ (626,568)	(29.6%)
U.S. manufacturing and retail net sales	$ 1,378,041	$ 1,957,156	$ (579,115)	(29.6%)
U.S. homes sold	15,302	19,836	(4,534)	(22.9%)
U.S. manufacturing and retail average home selling price	$ 90.1	$ 98.7	$ (8.6)	(8.7%)
Canadian manufacturing net sales	$ 86,179	$ 115,602	$ (29,423)	(25.5%)
Canadian homes sold	702	928	(226)	(24.4%)
Canadian manufacturing average home selling price	$ 122.8	$ 124.6	$ (1.8)	(1.4%)
Corporate/Other net sales	$ 24,240	$ 42,270	$ (18,030)	(42.7%)
U.S. manufacturing facilities in operation at end of period	43	37		
U.S. retail sales centers in operation at end of period	73	31		
Canadian manufacturing facilities in operation at end of period	5	5		

Net sales for the nine months ended December 30, 2023 were $1,488.5 million, a decrease of $626.6 million, or 29.6%, compared to the nine months ended December 31, 2022. The following is a summary of the change by operating segment.

U.S. Factory-built Housing:

Net sales for the Company’s U.S. manufacturing and retail operations decreased by $579.1 million, or 29.6%, for the nine months ended December 30, 2023 compared to the nine months ended December 31, 2022. The decrease was primarily due to a 22.9% decrease in the number of homes sold during the period, as well as an 8.7% decrease in the average home selling price. The decrease in the number of homes

sold was due to the lack of disaster relief housing sales to FEMA in fiscal 2024, lower customer demand and lower production volume compared to the prior year, partially offset by the addition of Regional Homes in the third quarter of fiscal 2024. The average selling price decrease was due, in part, to the impact of disaster relief housing sales of $200.3 million to FEMA in the first half of fiscal 2023, as well as customers choosing smaller homes with fewer or lower cost options and a reduction in material surcharges. FEMA units generally have more specifications than our typical products and therefore drive a higher average selling price per home. The decline in sales was partially offset by sales from the start-up of new plants and the addition of Regional Homes which contributed $119.7 million in net sales for the nine months ended December 30, 2023.

Canadian Factory-built Housing:

The Canadian Factory-built Housing segment net sales decreased by $29.4 million, or 25.5% for the nine months ended December 30, 2023 compared to the same period in the prior fiscal year, primarily due to a 24.4% decrease in homes sold and a 1.4% decrease in average home selling price. The decrease in homes sold is due to slowing demand. On a constant currency basis, net sales for the Canadian segment were unfavorably positively impacted by approximately $3.0 million due to fluctuations an increase in the translation recognition of the Canadian dollar to the U.S. dollar during the nine months ended December 30, 2023 as compared to the same period of the prior fiscal year.

Corporate/Other:

Net sales for Corporate/Other includes the Company's transportation business and the elimination of intersegment sales. For the nine months ended December 30, 2023, net sales decreased $18.0 million, or 42.7%, primarily attributable to the decrease in recreational vehicle shipments.

GROSS PROFIT

The following table summarizes gross profit for the nine months ended December 30, 2023 and December 31, 2022:

	Nine months ended			
(Dollars in thousands)	**December 30, 2023**	**December 31, 2022**	**$ Change**	**% Change**
Gross profit:				
U.S. Factory-built Housing	$ 351,558	$ 628,473	$ (276,915)	(44.1%)
Canadian Factory-built Housing	24,101	36,436	(12,335)	(33.9%)
Corporate/Other	11,775	12,621	(846)	(6.7%)
Total gross profit	$ 387,434	$ 677,530	$ (290,096)	(42.8%)
Gross profit as a percent of net sales	26.0%	32.0%		

Gross profit as a percent of sales during the nine months ended December 30, 2023 was 26.0% compared to 32.0% during the nine months ended December 31, 2022. The following is a summary of the change by operating segment.

U.S. Factory-built Housing:

Gross profit for the U.S. Factory-built Housing segment decreased by $276.9 million, or 44.1%, during the nine months ended December 30, 2023 compared to the same period in the prior fiscal year. Gross profit was 25.5% as a percent of segment net sales for the nine months ended December 30, 2023 compared to 32.1% in the same period of the prior fiscal year. The decrease in gross profit as a percent of segment net sales is being driven by lower unit volume and changes in product mix, including the decrease in FEMA sales which are generally at higher prices than our core products, and the impact of Regional Homes' sales which are generally at a lower gross margin than the legacy Skyline Champion business.

Canadian Factory-built Housing:

Gross profit for the Canadian Factory-built Housing segment decreased by $12.3 million, or 33.9% during the nine months ended December 30, 2023 compared to the same period in the prior fiscal year. The decrease in gross profit is primarily due to lower sales volumes. Gross profit as a percent of net sales was 28.0% for the nine months ended December 30, 2023, compared to 31.5% in the same period of the prior year, primarily the result of decreased leverage of fixed manufacturing costs.

Corporate/Other:

Gross profit for the Corporate/Other segment decreased $0.8 million, or 6.7%, during the nine months ended December 30, 2023 compared to the same period of the prior fiscal year.

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

Selling, general, and administrative expenses include foreign currency transaction gains and losses, equity compensation, and intangible amortization expense. The following table summarizes selling, general, and administrative expenses for the nine months ended December 30, 2023 and December 31, 2022:

	Nine months ended			
(Dollars in thousands)	**December 30, 2023**	**December 31, 2022**	**$ Change**	**% Change**
Selling, general, and administrative expenses:				
U.S. Factory-built Housing	$ 163,191	$ 169,608	$ (6,417)	(3.8%)
Canadian Factory-built Housing	8,185	9,979	(1,794)	(18.0%)

Corporate/Other	48,608	48,430	178	0.4 %
Total selling, general, and administrative expenses	$ 219,984	$ 228,017	$ (8,033)	(3.5 %)
Selling, general, and administrative expense as a percent of net sales	14.8 %	10.8 %		

Selling, general, and administrative expenses were $220.0 million for the nine months ended December 30, 2023, a decrease of $8.0 million, or 3.5%, compared to the same period in the prior fiscal year. The following is a summary of the change by operating segment.

U.S. Factory-built Housing:

Selling, general, and administrative expenses for the U.S. Factory-built Housing segment decreased $6.4 million, or 3.8%, during the nine months ended December 30, 2023 as compared to the same period in the prior fiscal year. Selling, general, and administrative expenses, as a percent of segment net sales increased to 11.8% for the nine months ended December 30, 2023 compared to 8.7% during the comparable period of the prior fiscal year primarily due to lower sales volume in relation to certain fixed costs, additional costs tax credits related to the investment in new plant operations, and the acquisitions sale of Regional Homes and Factory Expo. Generally, selling, general and administrative expenses at our company-owned retail sales centers are at a higher percent of sales than our manufacturing operations. The overall decrease in selling, general, and administrative expenses primarily resulted from lower commission and incentive compensation which is generally based on sales volume or a measure of profitability, partially offset by selling, general, and administrative expenses from the acquisition of Regional Homes.

Canadian Factory-built Housing:

Selling, general, and administrative expenses for the Canadian Factory-built Housing segment decreased $1.8 million, or 18.0%, for the nine months ended December 30, 2023 when compared to the same period of the prior fiscal year. Selling, general, and administrative expenses as a percent of segment net sales increased to 9.5% for the nine months ended December 30, 2023 compared to 8.6% during the comparable period of the prior fiscal year due to less absorption of fixed costs caused by lower sales. The decrease in selling, general, and administrative expenses is due primarily to a reduction in incentive compensation which is based on sales volume or profitability.

Corporate/Other:

Selling, general, and administrative expenses for Corporate/Other includes the Company’s transportation operations, corporate costs incurred for all segments, and intersegment eliminations. Selling, general, and administrative expenses for Corporate/Other increased $0.2 million, or 0.4%, during the nine months ended December 30, 2023 as compared to the same period of the prior fiscal year due primarily to higher stock-based compensation expense.

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INTEREST (INCOME) EXPENSE, NET

The following table summarizes the components of interest (income) expense, net for the nine months ended December 30, 2023 and December 31, 2022:

	Nine months ended			
(Dollars in thousands)	**December 30, 2023**	**December 31, 2022**	**$ Change**	**% Change**
Interest expense	$ 2,666	$ 2,893	$ (227)	(7.8 %)
Less: interest income	(26,756)	(10,186)	(16,570)	*
Interest (income), net	$ (24,090)	$ (7,293)	$ (16,797)	*
Average outstanding floor plan payable	$ 23,348	$ 34,342		
Average outstanding long-term debt	$ 15,983	$ 12,430		

* indicates that the calculated percentage is not meaningful

Interest income, net was $24.1 million for the nine months ended December 30, 2023, compared to $7.3 million in the same period of the prior fiscal year. The change was primarily due to higher interest income from higher average invested cash balances, prior to the acquisition of Regional Homes, and higher interest rates earned on invested cash.

OTHER EXPENSE (INCOME)

The following table summarizes other expense (income) for the nine months ended December 30, 2023 and December 31, 2022:

	Nine months ended			
(Dollars in thousands)	**December 30, 2023**	**December 31, 2022**	**$ Change**	**% Change**
Other expense (income)	$ 2,821	$ (634)	$ 3,455	(545.0 %)

Other expense of $2.8 million for the nine months ended December 30, 2023 represents transaction costs incurred for the acquisition of Regional Homes of $3.3 million and a loss on the equity method investment in ECN of $0.2 million, partially offset by dividend income of $0.6 million from the investment in ECN Preferred Shares. Other income of $0.6 million for the nine months ended December 31, 2022 was a result of insurance proceeds for partial settlement of certain Champion Home Builders' pre-bankruptcy workers compensation claims, which was partially offset by transaction costs incurred for the acquisition of Manis.

INCOME TAX EXPENSE

The following table summarizes income tax expense for the nine months ended December 30, 2023 and December 31, 2022:

(Dollars in thousands)	Nine months ended December 30, 2023	Nine months ended December 31, 2022	$ Change	% Change
Income tax expense	$ 44,811	$ 113,384	$ (68,573)	(60.5%)
Effective tax rate	23.7%	24.8%		

Income tax expense for the nine months ended December 30, 2023 was $44.8 million, representing an effective tax rate of 23.7%, compared to income tax expense of $113.4 million, representing an effective tax rate of 24.8% for the nine months ended December 31, 2022. energy efficient homes.

The Company's effective tax rate rates for the nine three months ended December 30, 2023 differs from the federal statutory income tax rate of 21.0% due primarily to the effect of state June 29, 2024 and local income taxes, non-deductible expenses, tax credits, and results in foreign jurisdictions. The Company's effective tax rate for the nine months ended December 31, 2022 differed July 1, 2023 differ from the federal statutory income tax rate of 21.0% due primarily to the effect of state and local income taxes, non-deductible expenses, tax credits, and results in foreign jurisdictions.

26 **EQUITY IN NET LOSS OF AFFILIATES**

The following table summarizes equity in net loss of affiliates for the three months ended June 29, 2024 and July 1, 2023:

(Dollars in thousands)	Three months ended June 29, 2024	Three months ended July 1, 2023	$ Change	% Change
Equity in net loss of affiliates	$ 1,343	$ —	$ 1,343	100.0%

The Company's investment in ECN is accounted for under the equity method and the Company's share of the earnings or losses of ECN are recorded on a three-month lag. Equity in net loss of affiliates of $1.3 million for the three months ended June 29, 2024 represents a loss on the equity method investment in ECN of $1.2 million and net losses from other equity method investments of $0.1 million. There were no earnings or losses recognized related to equity method investments for the three months ended July 1, 2023.

ADJUSTED EBITDA

The following table reconciles net income, the most directly comparable U.S. GAAP measure, to Adjusted EBITDA, a non-GAAP financial measure, for the nine three months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023:

	Nine months ended				Three months ended			
(Dollars in thousands)	December 30, 2023	December 31, 2022	$ Change	% Change	June 29, 2024	July 1, 2023	$ Change	% Change
Net income	$ 143,908	$ 344,056	$ (200,148)	(58.2%)	$ 45,794	$ 51,269	$ (5,475)	(10.7%)
Income tax expense	44,811	113,384	(68,573)	(60.5%)	13,719	17,266	(3,547)	(20.5%)
Interest (income), net	(24,090)	(7,293)	(16,797)	*	(4,249)	(9,301)	5,052	(54.3%)
Depreciation and amortization	24,017	19,341	4,676	24.2%	10,612	7,592	3,020	39.8%
Transaction costs	3,253	338	2,915	*				
Other	—	(973)	973	*				
Equity in net loss of ECN	1,179	—	1,179	*				

Change in fair value of contingent consideration	7,912	—	7,912	*				
Adjusted EBITDA	$ 191,899	$ 468,853	$ (276,954)	(59.1 %)	$ 74,967	$ 66,826	$ 8,141	12.2 %

* indicates that the calculated percentage is not meaningful

Adjusted EBITDA for the nine three months ended December 30, 2023 June 29, 2024 was $191.9 million $75.0 million, a decrease an increase of $277.0 million $8.1 million from the same period of the prior fiscal year. The decrease increase is primarily a result of lower operating income due to decreases in higher sales volume, average selling prices volumes and gross margins, profit, partially offset by lower higher SG&A expenses, and primarily due to the incremental operating income generated by inclusion of Regional Homes for the period after the acquisition. Homes.

The Company defines Adjusted EBITDA as net income or loss plus expense or minus income: (a) the provision for income taxes; (b) interest (income) expense, net; (c) depreciation and amortization; (d) gain or loss from discontinued operations; (e) non-cash restructuring charges and impairment of assets; (f) equity in net earnings or losses of ECN; (g) charges related to the remediation of the water intrusion product liability claims; and (f) (h) other non-operating income and costs, including but not limited to those costs for the acquisition and integration or disposition of businesses, including the change in fair value of contingent consideration, and idle facilities. Adjusted EBITDA is

not a measure of earnings calculated in accordance with U.S. GAAP, and should not be considered an alternative to, or more meaningful than, net income or loss, net sales, operating income or earnings per share prepared on a U.S. GAAP basis. Adjusted EBITDA does not purport to represent cash flow provided by, or used in, operating activities as defined by U.S. GAAP, which is presented in the Statement of Cash Flows. In addition, Adjusted EBITDA is not necessarily comparable to similarly titled measures reported by other companies.

Adjusted EBITDA is presented as a supplemental measure of the Company's financial performance that management believes is useful to investors, because the excluded items may vary significantly in timing or amounts and/or may obscure trends useful in evaluating and comparing the Company's operating activities across reporting periods. Management believes Adjusted EBITDA is useful to an investor in evaluating operating performance for the following reasons: (i) Adjusted EBITDA is widely used by investors to measure a company's operating performance without regard to items such as interest income and expense, taxes, depreciation and amortization and equity-based compensation, other non-operating income or loss, which can vary substantially from company to company depending upon accounting methods and the book value of assets, capital structure and the method by which assets were acquired; and (ii) analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies in the industry.

Management uses Adjusted EBITDA for planning purposes, including the preparation of internal annual operating budget and periodic forecasts: (i) in communications with the Board of Directors and investors concerning financial performance; (ii) as a factor in determining bonuses under certain incentive compensation programs; and (iii) as a measure of operating performance used to determine the ability to provide cash flows to support investments in capital assets, acquisitions and working capital requirements for operating expansion.

BACKLOG

Although orders from customers can be canceled at any time without penalty, and unfilled orders are not necessarily an indication of future business, the Company's unfilled U.S. and Canadian manufacturing orders at December 30, 2023 June 29, 2024 totaled $290.4 million $404.8 million compared to $532.0 million $260.0 million at December 31, 2022 July 1, 2023. The decrease increase in backlog is due to higher net orders and the reduction in overall housing demand. In addition, many acquisition of our community customers have reduced order rates in response to excess inventory in their sales channels.

Regional Homes.

Liquidity and Capital Resources

Sources and Uses of Cash

The following table presents summary cash flow information for the nine three months ended December 30, 2023 June 29, 2024 and December 31, 2022 July 1, 2023:

(Dollars in thousands)	Nine months ended December 30, 2023	Nine months ended December 31, 2022	Three months ended June 29, 2024	Three months ended July 1, 2023
Net cash provided by (used in):				
Operating activities	$ 218,617	$ 364,044	$ 84,616	$ 74,857
Investing activities	(474,423)	(44,763)	(9,082)	(25,615)
Financing activities	3,930	(36,227)	(20,604)	(961)
Effect of exchange rate changes on cash, cash equivalents	2,330	(6,019)	(1,060)	1,983
Net (decrease) increase in cash and cash equivalents	(249,546)	277,035		
Net increase in cash and cash equivalents	53,870	50,264		
Cash and cash equivalents at beginning of period	747,453	435,413	495,063	747,453
Cash and cash equivalents at end of period	$ 497,907	$ 712,448	$ 548,933	$ 797,717

The Company's primary sources of liquidity are cash flows from operations and existing cash balances. Cash balances and cash flows from operations for the next year are expected to be adequate to cover working capital requirements, capital expenditures, and strategic initiatives and investments. The Company has an Amended Credit Agreement which provides for a $200.0 million revolving credit facility, including a $45.0 million letter of credit sub-facility. At December 30, 2023 June 29, 2024, $166.0 million $168.5 million was available for borrowing under the Amended Credit Agreement. The Company's revolving credit facility includes (i) a maximum consolidated total net leverage ratio of 3.25 to 1.00, subject to an upward adjustment upon the consummation of a material acquisition, and (ii) a minimum interest coverage ratio of 3.00 to 1.00. The Company anticipates compliance with its debt covenants and projects its level of cash availability to be in excess of cash needed to operate the business for the next year and beyond. In the event operating cash flow and existing cash balances were deemed inadequate to support the Company's liquidity needs, and one or more capital resources were to become unavailable, the Company would revise its operating strategies.

Cash provided by operating activities was $218.6 million $84.6 million for the nine three months ended December 30, 2023 June 29, 2024 compared to $364.0 million $74.9 million for the nine three months ended December 31, 2022 July 1, 2023. The decrease increase was primarily driven by lower net higher income before non-cash charges related to the change in fiscal 2024, partially offset by fair value of the contingent consideration for the Regional Homes acquisition and the loss on equity method investments, and more favorable changes in working capital items during the first nine three months of fiscal 2024 2025 as compared to the same period of the prior year.

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Cash used in investing activities was $474.4 million $9.1 million for the nine three months ended December 30, 2023 June 29, 2024 compared to $44.8 million $25.6 million for the nine three months ended December 31, 2022 July 1, 2023. The increase decrease in cash used for investing activities was related to the Company's acquisition of Regional Homes for $284.6 million, net of cash acquired, and the Company's investment in ECN common and preferred stock of $143.4 million floor plan loans in fiscal 2024. 2024, which did not recur in fiscal 2025.

Cash provided by financing activities was $3.9 million for the nine months ended December 30, 2023 compared to cash used in financing activities of $36.2 million was $20.6 million for the nine three months ended December 31, 2022 June 29, 2024 compared to $1.0 million for the three months ended July 1, 2023. The change in cash between periods was primarily due to net repayments share repurchases of $20.0 million in the first quarter of fiscal 2025. As of June 29, 2024, there was approximately $80.0 million remaining on floor plan financing facilities in fiscal 2023 compared a board-approved share repurchase program. On August 1, 2024, the Company's Board of Directors approved an increase to net borrowing of $2.3 million in fiscal 2024. the share repurchase program to increase the authorization to repurchase the Company's common stock by an additional $20.0 million.

Critical Accounting Policies

For a discussion of our critical accounting policies that management believes affect its more significant judgments and estimates used in the preparation of our Consolidated Financial Statements, see Part II, Item 7 of the Fiscal 2023 2024 Annual Report, under the heading "Critical Accounting Policies." There have been no significant changes in our significant accounting policies or critical accounting estimates discussed in the Fiscal 2023 2024 Annual Report, other than those included in Note 1, "Basis of Presentation".

Recently Issued Accounting Pronouncements

For information on the impact of recently issued accounting pronouncements, see Note 1, “Basis of Presentation – Recently Issued Accounting Pronouncements,” to the condensed consolidated financial statements included in this Report.

Forward-Looking Statements

Some of the statements in this Report are not historical in nature and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements about our expectations regarding our future liquidity, earnings, expenditures, and financial condition. These statements are often identified by the words “will,” “could”, “should,” “anticipate,” “believe,” “expect,” “intend,” “estimate,” “hope,” or similar expressions. These statements reflect management’s current views with respect to future events and are subject to risks and uncertainties. There are risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from those in our forward-looking statements, including 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 cyclicality 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; issues, including those related to the remediatio the water intrusion claims;
- data security breaches, cyber security 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 our supply chain, 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 all or part of our investment in ECN Capital Corp. ("ECN") 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;
- the possibility our share repurchase program will not enhance long-term stockholder value, could increase the volatility of our stock price, and diminish our cash reserves; and
- other risks described in Part I — Item 1A, "Risk Factors," included in the Fiscal 2023 2024 Annual Report, as well as the risks and information provided from time time in our other periodic reports filed with the Securities and Exchange Commission (the “SEC”).

If any of the risks or uncertainties referred to above materializes or if any of the assumptions underlying our forward-looking statements proves to be incorrect, then differences may arise between our forward-looking statements and our actual results, and such differences may be material. Investors should not place undue reliance on our forward-looking statements, which speak only as of the date of this report. We assume no obligation to update, amend or clarify them to reflect events, new information or circumstances occurring after the date hereof, except as required by law.

Item 3. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

For a discussion of the Company's interest rate and foreign exchange risks, see Part II, Item 7A of the Fiscal 2023 2024 Annual Report, under the heading "Quantitative and Qualitative Disclosures about Market Risk." There have been no significant changes in such risks since April 1, 2023 March 30, 2024.

Item 4. ***CONTROLS AND PROCEDURES***

Evaluation of disclosure controls and procedures

The Company maintains disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized, and reported within the specified time periods and accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, with the participation of the CEO and CFO, evaluated the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15(e) of the Exchange Act at December 30, 2023 June 29, 2024. Based upon this evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective as of December 30, 2023 June 29, 2024.

Changes in internal control over financial reporting

There have been no changes in our internal control over financial reporting during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. In October 2023, we completed the acquisition of Regional Homes and are currently integrating Regional Homes into our operations, compliance programs and internal control processes. Regional Homes constituted approximately 26% of our total assets as of December 30, 2023 June 29, 2024, including the goodwill and intangible assets recorded as part of the purchase price allocation and approximately 8% 24% of our net sales for the nine three months ended December 30, 2023 June 29, 2024. United States Securities and Exchange Commission guidance allows companies to exclude acquisitions from their assessment of the internal control over financial reporting during the first year following an acquisition while integrating the acquired company. We have excluded the acquired operations of Regional Homes from our assessment of the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. ***LEGAL PROCEEDINGS***

We are involved from time to time in various legal proceedings and claims, including, without limitation, commercial or contractual disputes, product liability claims and other matters. For additional information on legal proceedings, see Note 14 "Commitments, Contingencies and Legal Proceedings – Legal Proceedings," to the condensed consolidated financial statements included in this Report.

Item 2. ***UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS***

31 Issuer Purchases of Equity Securities

On May 16, 2024, Champion Homes, Inc.'s Board of Directors approved a share repurchase program for up to $100.0 million of the Company's common stock. On August 1, 2024, the Company's Board of Directors approved an increase to this share repurchase program to repurchase up to an additional $20.0 million of the Company's common stock. Under this share repurchase program, the number of shares ultimately purchased, and the timing of purchases are at the discretion of management and subject to compliance with applicable laws and regulations. The share repurchase program does not expire. The Company funded the program from existing cash. Share repurchases are made in the open market or in privately negotiated transactions in compliance with applicable state and federal securities laws and other legal requirements. The level of repurchase activity is subject to market conditions and other investment opportunities. The repurchase program does not obligate the Company to acquire any particular amount of common stock and may be suspended or discontinued at any time. Share repurchase activity during the three months ended June 29, 2024 was as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of the Publicly Announced Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Programs (in thousands)
6/2/2024 - 6/29/2024	291,778	$ 68.53	291,778	$ 80,000
	291,778		291,778	

Item 5.*OTHER INFORMATION*

During the three months ended June 29, 2024, none of the Company's directors or Section 16 officers adopted or terminated a Rule 10b5-1 Trading Plan or "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K.

Item 6. *EXHIBITS*

Exhibit Number	Description
10.1	Form of Restricted Stock Unit Award Agreement for Executives with written employment agreements granted in fiscal 2025. †*
10.2	Form of Restricted Stock Unit Award Agreement for Non-Employee Directors granted in fiscal 2025. †*
31.1	Certification of Chief Executive Officer pursuant to Exchange Act rules 13a-4 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. †
31.2	Certification of Chief Financial Officer pursuant to Exchange Act rules 13a-4 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. †
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. †
101 (INS)	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101(SCH)	Inline XBRL Taxonomy Extension Schema With Embedded Linkbases Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

† Filed herewith.

* Management contract or compensatory plan, contract, or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Skyline Champion Corporation Homes, Inc.

Registrant

Signature	Title	Date
/s/ Mark Yost	President and Chief Executive Officer	February 6, August 7, 2024
Mark Yost	(Principal Executive Officer)	
/s/ Laurie Hough	Executive Vice President, Chief Financial Officer and Treasurer	February 6, August 7, 2024
Laurie Hough	(Principal Financial Officer)	

EXHIBIT 10.1

Name:	
Number of Restricted Stock Units subject to Award:	
Date of Grant:	
Vesting Commencement Date	

CHAMPION HOMES, INC.

2018 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT (EMPLOYEES)

This agreement (this "**Agreement**") evidences an award (the "**Award**") of restricted stock units granted by Champion Homes, Inc. (the "**Company**") to the individual named above (the "**Participant**"), pursuant to and subject to the terms of the Company's 2018 Equity Incentive Plan (as amended from time to time, the "**Plan**").

1. Grant of Restricted Stock Unit Award. The Company grants to the Participant on the date set forth above (the "**Date of Grant**") the number of Restricted Stock Units set forth above giving the Participant the conditional right to receive, without payment and pursuant to and subject to the terms, conditions and limitations set forth in this Agreement and in the Plan, one share of Stock (a "**Share**") with respect to each Restricted Stock Unit forming part of the Award, subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof. For the avoidance of doubt, the term "Restricted Stock Units" used throughout this Agreement refers to the Restricted Stock Units granted pursuant to this Agreement and not to restricted stock units that may or have been granted pursuant to a separate document.

2. Meaning of Certain Terms. Except as otherwise defined herein, all capitalized terms used herein shall have the same meaning as provided in the Plan. The following terms shall have the following meanings:

(a) "**Change in Control**"means (i) any transaction or series of related transaction in which any Person (or group of Persons acting together) acquires more than fifty percent (50%) of all of the Shares or more than fifty percent (50%) of all the voting power of the Shares, whether by reason of merger, consolidation or recapitalization or any other transaction (including the issuance of new Shares), whether or not the Company is a party thereto; or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Company to any Person (or group of Persons acting together); provided, that no event shall be a Change in Control under this Agreement unless such event constitutes a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation under Section 1.409A-3(i)(5) of the United States Treasury Regulations.

(b) "**Dividend Equivalent**" means a dividend equivalent received in connection with (x) any regular dividend declared on Shares that is payable in cash or (y) any regular dividend declared on Shares that is payable in Shares, for each Share deliverable in respect of a Restricted Stock Unit.

(c) "**Good Reason**" shall have the same meaning as set forth in the Participant's employment, severance-benefit or other similar agreement with the Company or a subsidiary that contains a definition of "Good Reason." The Good Reason-related provisions of this Agreement shall cease to apply in the event that the agreement identified in the immediately preceding sentence ceases to be in effect.

(d) "**Person**" means any natural person, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, governmental authority or other legal entity of any nature whatsoever.

3. Vesting; Cessation of Employment.

(a) Vesting. Unless earlier terminated, forfeited, relinquished or expired, the Restricted Stock Units will vest as set forth in this Section 3(a), subject to the Participant remaining in continuous Employment from the Date of Grant through such vesting date.

(i) Subject to Section 3(a)(ii) and Section 3(a)(iii) below, one-third of the Restricted Stock Units will vest on each of the firs anniversaries of the Vesting Commencement Date, with the number of Restricted Stock Units that vest on any such da being rounded down to the nearest whole Share and the Award becoming vested as to one-hundred percent (100%) o Restricted Stock Units on the third anniversary of the Vesting Commencement Date.

(ii) Subject to Section 3(a)(iii) below, in the event the Participant's Employment is terminated by the Company or one of its subsidiaries without Cause or if the Participant terminates his or her Employment for Good Reason (each such termination of Employment, a "**Qualifying Termination**"), and to the extent that any Restricted Stock Units are outstanding immediately prior to such Qualifying Termination but not then vested, that number of Restricted Stock Units that, in the absence of such Qualifying Termination, would have become vested on the next vesting date following such Qualifying Termination pursuant to the vesting schedule set forth in Section 3(a)(i) hereof will automatically vest in full upon the occurrence of such Qualifying Termination.

(iii) In the event of the termination of the Participant's Employment due to the Participant's death or the Company's or a subsidiary's termination of the Participant's Employment due to the Participant's Disability, and to the extent that any Restricted Stock Units are outstanding immediately prior to such termination of Employment but not then vested, all su unvested Restricted Stock Units shall become fully-vested upon the occurrence of such termination of Employment.

(iv) Notwithstanding anything in this Paragraph 3 to the contrary, the RSUs shall become fully vested upon the occurrence (A) a Change in Control and (B) a Qualifying Termination that occurs within twelve months following the Change in Co

(b) Cessation of Employment. Unless as set forth in Sections 3(a)(ii) and 3(a)(iii) above or as otherwise determined by the Administrator in connection with the final sentence of this Section 3(b), automatically and immediately upon the cessation of the Participant's Employment (i) the unvested portion of this Award, including corresponding Dividend Equivalents, will terminate and be forfeited for no consideration, and (ii) the vested portion of this Award, if any (including corresponding Dividend Equivalents), will terminate and be forfeited for no consideration if the Participant's Employment is terminated for Cause or occurs in circumstances that in the determination of the Administrator would have constituted grounds for the Participant's Employment to be terminated for Cause. For the avoidance of doubt, the Administrator shall have discretion to determine vesting treatment of any then-unvested Restricted Stock Units in the event the Participant's Employment terminates due to retirement, including establishing a policy permitting vesting based on the Participant's age and years of service.

4. Restrictive Covenants. The Participant acknowledges and agrees that he or she shall be bound by the Covenants Regarding Competition, Solicitation and Confidentiality set forth in Exhibit A attached hereto.

5. Delivery of Shares and Dividend Equivalents.

(a) Delivery. Subject to Section 5(b), Section 6, and Section 9(a) below, the Company shall effect delivery of the Shares with respect to such vested Restricted Stock Units to the Participant (or, in the event of the Participant's death, to the person to whom the Award has passed by will or the laws of descent and distribution) upon (i) the vesting of such Restricted Stock Units. No Shares will be issued pursuant to this Award unless and until all legal requirements applicable to the issuance or transfer of such Shares have been complied with to the satisfaction of the Administrator.

(b) Dividend Equivalents. Any Dividend Equivalents credited with respect to the Shares associated with the Restricted Stock Units shall be delivered on the same date on which such Shares are delivered, if at all. For the avoidance of doubt, in the event any Share with respect to a Restricted Stock Unit is not delivered due to the operation of Section 3, the Dividend Equivalent with respect to such Share shall be forfeited and cancelled without any consideration therefor.

6. Forfeiture; Recovery of Compensation. The Administrator may cancel, rescind, withhold or otherwise limit or restrict this Award at any time if the Participant is not in compliance with all applicable provisions of this Agreement and the Plan. By accepting, or being deemed to have accepted, this Award, the Participant expressly acknowledges and agrees that his or her rights, and those of any permitted transferee of this Award, under this Award,

including the right to any Shares acquired under this Award or proceeds from the disposition thereof, are subject to Section 6(a)(5) of the Plan (including any successor provision). Nothing in the preceding sentence shall be construed as limiting the general application of Section 11 of this Agreement.

7. Dividends; Other Rights.This Award may not be interpreted to bestow upon the Participant any equity interest or ownership in the Company or any subsidiary prior to the date on which the Company delivers Shares to the Participant. The Participant is not entitled to vote any Shares by reason of the granting of this Award. The Participant will have the rights of a shareholder only as to those Shares, if any, that are actually delivered under this Award. The Participant will be entitled to receive Dividend Equivalents with respect to Restricted Stock Units in accordance with this Section 7. Any such Dividend Equivalents will entitle the Participant to receive, subject to the terms of this Agreement, a payment equal to the amount that the Participant would have received as a regular dividend had the Participant held the Shares deliverable in respect of such Restricted Stock Units at the time such dividend was paid. Any Dividend Equivalents with respect to an unvested Restricted Stock Unit will be paid, if at all, in cash, in the case of a cash dividend, or in cash and/or Shares, as determined by the Administrator, in the case of a distribution of Shares, in either case, in accordance with Section 5 of this Agreement.

8. Nontransferability. This Award may not be transferred except as expressly permitted under Section 6(a)(3) of the Plan.

9. Taxes.

(a) The Participant expressly acknowledges that the settlement of the Restricted Stock Units acquired hereunder and the payment o Dividend Equivalents shall give rise to “wages” subject to withholding. No Shares will be delivered or Dividend Equivalents paid pursuant to this Award unless and until the Participant has remitted to the Company in cash or by check (or by such other mean may be acceptable to the Administrator and permitted under the Plan) an amount sufficient to satisfy all taxes required to be with connection with such settlement or payment. For the avoidance of doubt, the Participant may pay any taxes contemplated by thi Section 9 consistent with the method for paying such taxes as described in the last sentence of Section 6(a)(6) of the Plan.

(b) The Participant authorizes the Company and its subsidiaries to withhold any amounts due in respect of any required tax withhold payments from any amounts otherwise owed to the Participant, but nothing in this sentence shall be construed as relieving the Participant (or any permitted transferee) of any liability for satisfying his or her obligation under the preceding provisions of this S 9.

(c) In no event will the Company have any liability relating to the failure or alleged failure of any payment or benefit under this Agree comply with, or be exempt from, the requirements of Section 409A.

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10. Effect on Employment. Neither the grant of this Award, nor the issuance of Shares under this Award, will give the Participant any right to be retained in the employ or service of the Company or any of its subsidiaries, affect any right of the Company or any of its subsidiaries to discharge or discipline the Participant at any time, or affect any right of the Participant to terminate his or her Employment at any time, except as otherwise set forth in Participant’s employment, severance, or other similar agreement with the Company.

11. Provisions of the Plan. This Agreement is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the Date of Grant is available to the Participant upon request. By accepting, or being deemed to have accepted, all or any portion of the Award, the Participant agrees to be bound by the terms of the Plan and this Agreement. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan will control.

12. Acknowledgements. The Participant acknowledges and agrees that (i) this Agreement may be executed in two or more counterparts, each of which will be an original and all of which together will constitute one and the same instrument, (ii) this Agreement may be executed and

exchanged using facsimile, portable document format (PDF) or electronic signature, which, in each case, will constitute an original signature for all purposes hereunder, and (iii) such signature by the Company will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Participant.

13. Stock Ownership and Holding Guidelines. The Award and any Shares delivered under the Award are subject to any stock ownership and holding guidelines as may be adopted by the Company and are in effect from time to time (the "**Guidelines**"). By accepting or being deemed to have accepted the Award, the Participant acknowledges and agrees to comply with the terms and conditions of the Guidelines.

[Signature page follows.]

The Company, by its duly authorized officer, and the Participant have executed this Agreement as of the date first set forth above.

CHAMPION HOMES, INC.

Agreed and Accepted:

Signature Page to Restricted Stock Unit Award Agreement

EXHIBIT A

Covenants Regarding Competition, Solicitation and Confidentiality

Restricted Activities. The Participant agrees that some restrictions on his or her activities during and after his or her Employment are necessary to protect the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates.

1. Non-compete, Non-solicitation, Non-disclosure. During Employment and for eighteen (18) months after the Participant terminates Employment (the "Restricted Period"), the Participant shall not, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete with the Company or any of its Affiliates within any geographic area in which the Company or any of its Affiliates do business or undertake any planning for any business competitive with the Company or any of its Affiliates in the United States, the United Kingdom or Canada. Specifically, but without limiting the foregoing, the Participant agrees not to engage in any manner in any activity that is directly or indirectly competitive or potentially competitive with the business of the Company or any of its Affiliates as conducted or under consideration at any time during the Participant's Employment by the Company or any of its Affiliates, and further agrees not to work or provide services, in any capacity, whether as an employee, independent contractor or otherwise, whether with or without compensation, to any Person who is engaged in any business that is competitive with the business of the Company or any of its Affiliates for which the Participant has provided services, as conducted or in planning during his or her Employment. For the purposes of this Exhibit A, the business of the Company and its Affiliates shall be defined to include all Products and the Participant's undertaking shall encompass all items, products and services that may be used in substitution for Products. The foregoing, however, shall not prevent the Participant's passive ownership of two percent (2%) or less of the equity securities of any publicly traded company.

The Participant agrees that, during Employment, he or she will limit his or her outside activity, whether or not competitive with the business of the Company or any of its Affiliates, so that it does not and, could not reasonably be expected to, give rise to a conflict of interest or otherwise unreasonably interfere with his or her duties and obligations to the Company or any of its Affiliates.

The Participant agrees that, during the Restricted Period, the Participant will not directly or indirectly (a) solicit or encourage any customer of the Company or any of its Affiliates to terminate or diminish its relationship with them; or (b) seek to persuade any such customer or prospective customer of the Company or any of its Affiliates to conduct with anyone else any business or activity which such customer or prospective customer conducts or could conduct with the Company or any of its Affiliates; provided that these restrictions shall apply (y) only with respect to those Persons who are or have been a customer of the Company or any of its Affiliates at any time within the immediately preceding two year period or whose business has been solicited on behalf of the Company or any of its Affiliates by any of their officers, employees or agents within said two year period, other than by form letter, blanket mailing or published advertisement, and (z) only if the Participant has performed work for such Person during his or her Employment or been introduced to, or otherwise had contact with, such Person

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as a result of his or her Employment or his or her consultancy with the Company or any of its Affiliates or has had access to Confidential Information which would assist in the Participant's solicitation of such Person.

The Participant agrees that during the Restricted Period, the Participant will not, and will not assist any other Person to, (a) hire or solicit for hiring any employee of the Company or any of its Affiliates or seek to persuade any employee of the Company or any of its Affiliates to discontinue employment or (b) solicit or encourage any independent contractor providing services to the Company or any of its Affiliates to terminate or diminish its relationship with them. For the purposes of this Exhibit A, an "employee" of the Company or any of its Affiliates is any person who was such at any time within the preceding twelve (12) months.

The Participant agrees that during the Restricted Period, the Participant will not provide information about the Company or any of its Affiliates, their business or the industries in which they are engaged to any Person (including without limitation, any organization), whether as an employee, an independent contractor or otherwise, without the advance written consent of the Company, except disclosure that is required by law.

Until forty-five (45) days after the conclusion of the Restricted Period, the Participant shall give notice to the Company of each new business activity he or she plans to undertake, at least ten (10) days prior to beginning any such activity. Such notice shall state the name and address of the Person for whom such activity is undertaken and the nature of the Participant's business relationship(s) and position(s) with such Person. The Participant shall provide the Company with such other pertinent information concerning such business activity as the Company may reasonably request in order to determine the Participant's continued compliance with his or her obligations under this Exhibit A.

2. Confidentiality and Related Matters.

The Participant acknowledges that the Company and its Affiliates continually develop Confidential Information (as defined herein); that the Participant may have developed or had access to Confidential Information through his or her Employment and other associations with the Company and its Affiliates. The Participant agrees that he or she shall not disclose to any Person or use any Confidential Information, other than as required for the proper performance of the services or as required by applicable law after notice to the Company and a reasonable opportunity for it to seek protection of the Confidential Information prior to disclosure. For avoidance of doubt, "reasonable opportunity" shall be determined under the circumstances, provided that the Participant shall make every effort to provide notice as expeditiously as is reasonably possible to the Company. The Participant understands and agrees that this restriction is in addition to any restrictions to which he or she is bound as a result of his or her prior Employment and that this restriction, as well as any earlier agreed restrictions, shall continue to apply both during Employment and thereafter, regardless of the reason for its termination.

All documents, records, disks and other media of every kind and description containing Confidential Information, and all copies, (the "Documents"), whether or not prepared by the Participant, shall be the sole and exclusive property of the Company. The Participant shall return to the Company no later than the date on which his or her Employment terminates, and at such earlier time or times as the Company may specify, all Documents as well as all other property of the Company and its Affiliates, then in the Participant's possession or control.

During Employment and thereafter, the Participant shall not give any statement or make any announcement, directly or indirectly, orally or in writing, publicly or to the media (electronic, print or otherwise) about the Company or any of its Affiliates, without the prior written consent of the Board or its expressly authorized representative.

3. Assignment of Rights to Intellectual Property. The Participant shall promptly and fully disclose to the Company all Intellectual Property (as defined herein). The Participant hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Participant's full right, title and interest in and to all Intellectual Property. The Participant agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. All copyrightable works that the Participant creates in the performance of his or her services hereunder shall be considered "work made for hire" and shall, upon creation, be owned exclusively by the Company.

4. Enforcement of Covenants. The Participant acknowledges that he or she has carefully read and considered all the terms and conditions of the Restricted Stock Unit Award Agreement, including the restraints imposed upon him or her pursuant to this Exhibit A. The Participant agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him or her from obtaining other suitable employment during the period in which the Participant is bound by these restraints. The Participant further agrees that he or she will never assert, or permit to be asserted on his or her behalf, in any forum, any position contrary to the foregoing. The Participant further acknowledges that, were he or she to breach any of the covenants contained in this Exhibit A, the damage to the Company would be irreparable. The Participant therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Participant of any of said covenants, without having to post bond. So that the Company and its Affiliates may enjoy the full protection of these bargained-for restrictions, the parties agree that the period of restriction in any of the covenants in this Exhibit A shall be tolled, and shall not run, during any period the Participant is in breach thereof. The parties further agree that, in the event that any provision of this Exhibit A shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

5. Definitions. For purposes of this Exhibit A, the following definitions shall apply. To the extent a term is capitalized and not defined in this Exhibit A, such term shall have the meaning as ascribed to such term in the Restricted Stock Unit Award Agreement or the Plan, as applicable.

a. "Affiliate" shall mean, with respect to any specified Person at any time, any other Person that directly or indirectly controls, or is controlled by, or is under common control with, such specified Person at such time.

b. "Confidential Information" means any and all information of the Company and its Affiliates that is not generally known by those with whom the Company or any of its Affiliates competes or does business, or with whom the Company or any of its Affiliates plans to compete or do business and any and all information, publicly known in whole or in part or not, which, if disclosed by the Company or any of its Affiliates would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Affiliates, (ii) the Products, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Affiliates, (iv) the identity and special needs of the customers of the Company and its Affiliates and (v) the people and organizations with whom the Company and its Affiliates have business relationships and the nature and substance of those relationships. Confidential Information also includes any information that the Company or any of its Affiliates has received, or may receive hereafter, belonging to customers or others with any understanding, express or implied, that the information would not be disclosed.

c. "Intellectual Property" means inventions, discoveries, developments, methods, processes, compositions, works, concepts and ideas (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Participant (whether alone or with others, whether or not during normal business hours or on or off the Company premises) during the Participant's Employment that relate to either the Products or any prospective activity of the Company or any of its Affiliates or that make use of Confidential Information or any of the equipment or facilities of the Company or any of its Affiliates.

d. "Person" shall mean any natural person, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, governmental authority or other legal entity of any nature whatsoever.

e. "Products" mean all products planned, researched, developed, tested, manufactured, sold, licensed, leased or otherwise distributed or put into use by the Company or any of its Affiliates, together with all services provided or planned by the Company or any of its Affiliates, during the Participant's Employment.

EXHIBIT 10.2

Name:	
Number of Restricted Stock Units subject to Award:	
Date of Grant:	
Vesting Commencement Date	

CHAMPION HOMES, INC.
2018 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT (NON-EMPLOYEE DIRECTORS)

This agreement (this "**Agreement**") evidences an award (the "**Award**") of restricted stock units granted by Champion Homes, Inc. (the "**Company**") to the individual named above (the "**Participant**"), pursuant to and subject to the terms of the Company's 2018 Equity Incentive Plan (as amended from time to time, the "**Plan**").

1. Grant of Restricted Stock Unit Award. The Company grants to the Participant on the date set forth above (the "**Date of Grant**") the number of Restricted Stock Units set forth above giving the Participant the conditional right to receive, without payment and pursuant to and subject to the terms, conditions and limitations set forth in this Agreement and in the Plan, one share of Stock (a "**Share**") with respect to each Restricted Stock Unit forming part of the Award, subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof. For the avoidance of doubt, the term "Restricted Stock Units" used throughout this Agreement refers to the Restricted Stock Units granted pursuant to this Agreement and not to restricted stock units that may or have been granted pursuant to a separate document.

2. Meaning of Certain Terms. Except as otherwise defined herein, all capitalized terms used herein shall have the same meaning as provided in the Plan. The following terms shall have the following meanings:

(a) "**Change in Control**"means (i) any transaction or series of related transaction in which any Person (or group of Persons acting together), other than the Principal Shareholders (or any one of them), acquires more than fifty percent (50%) of all of the Shares or more than fifty percent (50%) of all the voting power of the Shares, whether by reason of merger, consolidation or recapitalization or any other transaction (including the issuance of new Shares), whether or not the Company is a party thereto; or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Company to any Person (or group of Persons acting together), other than the Principal Shareholders (or any one of them); provided, that no event shall be a Change in Control under this Agreement unless such event constitutes a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation under Section 1.409A-3(i)(5) of the United States Treasury Regulations.

(b) "**Dividend Equivalent**" means a dividend equivalent received in connection with (x) any regular dividend declared on Shares that is payable in cash or (y) any

regular dividend declared on Shares that is payable in Shares, for each Share deliverable in respect of a Restricted Stock Unit.

(c) "**Person"** means any natural person, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, governmental authority or other legal entity of any nature whatsoever.

(d) "**Principal Shareholder**" means each shareholder of the Company who beneficially owned five percent (5%) or more of the total Shares immediately prior to the August 7, 2018 closing of the underwritten offering of nine million (9,000,000) Shares.

3. Vesting; Cessation of Employment.

(a) Vesting. Unless earlier terminated, forfeited, relinquished or expired, the Restricted Stock Units will vest as set forth in this Section 3(a), subject to the Participant remaining in continuous service as a Director from the Date of Grant through such vesting date.

(i) Subject to Section 3(a)(ii) and Section 3(a)(iii) below, one-hundred percent (100%) of the Restricted Stock Units will ve the earlier of (i) the first anniversary of the Vesting Commencement Date, (ii) the date of the 2025 Annual Meeting of th Shareholders, or (iii) a Change in Control.

(ii) In the event of the termination of the Participant's service as a Director due to the Participant's death or the Company's termination of the Participant's service due to the Participant's Disability, and to the extent that any Restricted Stock Ur outstanding immediately prior to such termination of service but not then vested, all such unvested Restricted Stock Ur shall become fully-vested upon the occurrence of such termination of service.

(b) Cessation of Service. Unless as set forth in Section 3(a)(ii) above or as otherwise determined by the Administrator in connection with the final sentence of this Section 3(b), automatically and immediately upon the cessation of the Participant's service as a Director (i) the unvested portion of this Award, including corresponding Dividend Equivalents, will terminate and be forfeited for no consideration, and (ii) the vested portion of this Award, if any (including corresponding Dividend Equivalents), will terminate and be forfeited for no consideration if the Participant's service is terminated for Cause or occurs in circumstances that in the determination of the Administrator would have constituted grounds for the Participant's service to be terminated for Cause.

4. Intentionally Left Blank

5. Delivery of Shares and Dividend Equivalents.

(a) Standard Delivery. Subject to Section 5(b), Section 6, and Section 9(a) below, the Company shall effect delivery of the Shares with respect to such vested Restricted Stock Units to the Participant (or, in the event of the Participant's death, to the person to whom the Award has passed by will or the laws of descent and distribution) upon the earlier of (i) the vesting date, and (ii) the occurrence of a Change in Control. No Shares will be issued pursuant to this Award unless and until all legal requirements applicable to the issuance or transfer of such Shares have been complied with to the satisfaction of the Administrator.

(b) Delivery in the Event of Death or Disability. Subject to Section 6 and Section 9(a) below, in the event that the Participant's service is terminated as described in Section 3(a)(ii) herein, and to the extent there are outstanding vested Restricted Stock Units with respect to which Shares have not on the date of such termination of service been delivered, the delivery of all such Shares shall occur on the earlier of (i) the delivery date specified in Section 5(a) above, and (ii) the one-year anniversary of the termination of service described in Section 3(a)(ii) herein.

(c) Dividend Equivalents. Any Dividend Equivalents credited with respect to the Shares associated with the Restricted Stock Units shall be delivered on the same date on which such Shares are delivered, if at all. For the avoidance of doubt, in the event any Share with respect to a Restricted Stock Unit is not delivered due to the operation of Section 3, the Dividend Equivalent with respect to such Share shall be forfeited and cancelled without any consideration therefor.

6. Forfeiture; Recovery of Compensation. The Administrator may cancel, rescind, withhold or otherwise limit or restrict this Award at any time if the Participant is not in compliance with all applicable provisions of this Agreement and the Plan. By accepting, or being deemed to have accepted, this Award, the Participant expressly acknowledges and agrees that his or her rights, and those of any permitted transferee of this Award, under this Award, including the right to any Shares acquired under this Award or proceeds from the disposition thereof, are subject to Section 6(a)(5) of the Plan (including any successor provision). Nothing in the preceding sentence shall be construed as limiting the general application of Section 11 of this Agreement.

7. Dividends; Other Rights.This Award may not be interpreted to bestow upon the Participant any equity interest or ownership in the Company or any subsidiary prior to the date on which the Company delivers Shares to the Participant. The Participant is not entitled to vote any Shares by reason of the granting of this Award. The Participant will have the rights of a shareholder only as to those Shares, if any, that are actually delivered under this Award. The Participant will be entitled to receive Dividend Equivalents with respect to Restricted Stock Units in accordance with this Section 7. Any such Dividend Equivalents will entitle the Participant to receive, subject to the terms of this Agreement, a payment equal to the amount that the Participant would have received as a regular dividend had the Participant held the Shares deliverable in respect of such Restricted Stock Units at the time such dividend was paid. Any Dividend Equivalents with respect to an unvested Restricted Stock Unit will be paid, if at all, in

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cash, in the case of a cash dividend, or in cash and/or Shares, as determined by the Administrator, in the case of a distribution of Shares, in either case, in accordance with Section 5 of this Agreement.

8. Nontransferability. This Award may not be transferred except as expressly permitted under Section 6(a)(3) of the Plan.

9. Taxes.

(a) The Participant expressly acknowledges that the delivery of the Restricted Stock Units acquired hereunder and the payment of a
Dividend Equivalents shall give rise to "wages". The Company shall annually provide Participant a statement of wages for any y
which Participant served as a Director.

(b) In no event will the Company have any liability relating to the failure or alleged failure of any payment or benefit under this Agree comply with, or be exempt from, the requirements of Section 409A.

10. Effect on Employment. Neither the grant of this Award, nor the issuance of Shares under this Award, will give the Participant any right to be retained in the service of the Company or any of its subsidiaries, or affect any right of the Participant to terminate his or her service at any time.

11. Provisions of the Plan. This Agreement is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the Date of Grant has been furnished to the Participant. By accepting, or being deemed to have accepted, all or any portion of the Award, the Participant agrees to be bound by the terms of the Plan and this Agreement. In the event of any conflict between the terms of this Agreement and the terms of the Plan, the terms of the Plan will control.

12. Acknowledgements. The Participant acknowledges and agrees that (i) this Agreement may be executed in two or more counterparts, each of which will be an original and all of which together will constitute one and the same instrument, (ii) this Agreement may be executed and exchanged using facsimile, portable document format (PDF) or electronic signature, which, in each case, will constitute an original signature for all purposes hereunder, and (iii) such signature by the Company will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Participant.

13. Stock Ownership and Holding Guidelines. The Award and any Shares delivered under the Award are subject to any stock ownership and holding guidelines as may be adopted by the Company and are in effect from time to time (the "**Guidelines**"). By accepting or being deemed to have accepted the Award, the Participant acknowledges and agrees to comply with the terms and conditions of the Guidelines.

[Signature page follows.]

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The Company, by its duly authorized officer, and the Participant have executed this Agreement as of the date first set forth above.

CHAMPION HOMES, INC.

Agreed and Accepted:

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Mark Yost, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Skyline Champion Corporation; Homes, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Dated:	February 6, August 7, 2024
By:	/s/ Mark Yost
	Mark Yost
	Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Laurie Hough, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Skyline Champion Corporation; Homes, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 6, August 7, 2024

By: /s/ Laurie Hough

Laurie Hough

Executive Vice President, Chief Financial Officer, and Treasurer

(Principal Financial Officer)

Exhibit 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Skyline Champion Corporation Homes, Inc. (the "Registrant") for the period ending December 30, 2023 June 29, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Registrant hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to his or her knowledge:

1. The Report fully complies with the requirements of Sections 13(a) - 15(e) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

February 6, August 7, 2024

/s/ Mark Yost

Mark Yost

Chief Executive Officer (Principal Executive Officer)

/s/ Laurie Hough

Laurie Hough

Executive Vice President, Chief Financial Officer, and Treasurer

(Principal Financial Officer)

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