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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## 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 June 28, 2025  
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: 000-08822

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### CAVCO INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

56-2405642

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

3636 North Central Ave, Ste 1200

Phoenix Arizona 85012

(Address of principal executive offices, including zip code)

(602) 256-6263

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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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, par value \$0.01	CVCO	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

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 filer," "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 ☒

As of July 24, 2025, 7,917,647 shares of the registrant's Common Stock, \$0.01 par value, were outstanding.

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**CAVCO INDUSTRIES, INC.**  
**FORM 10-Q**  
**June 28, 2025**

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# PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

### CAVCO INDUSTRIES, INC. CONSOLIDATED BALANCE SHEETS (Dollars in thousands, except per share amounts)

	June 28, 2025	March 29, 2025
ASSETS	(Unaudited)	
Current assets		
Cash and cash equivalents	\$ 344,626	\$ 356,225
Restricted cash, current	23,213	18,535
Accounts receivable, net	116,261	105,849
Short-term investments	17,821	19,842
Current portion of consumer loans receivable, net	37,795	35,852
Current portion of commercial loans receivable, net	47,102	43,492
Current portion of commercial loans receivable from affiliates, net	1,850	2,881
Inventories	258,068	252,695
Prepaid expenses and other current assets	68,536	74,815
Total current assets	915,272	910,186
Restricted cash	585	585
Investments	19,362	18,067
Consumer loans receivable, net	20,152	20,685
Commercial loans receivable, net	53,403	48,605
Commercial loans receivable from affiliates, net	5,247	4,768
Property, plant and equipment, net	231,880	227,620
Goodwill	121,969	121,969
Other intangibles, net	16,359	16,731
Operating lease right-of-use assets	34,118	35,576
Deferred income taxes	1,270	1,853
Total assets	\$ 1,419,617	\$ 1,406,645
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 42,077	\$ 37,195
Accrued expenses and other current liabilities	275,203	265,971
Total current liabilities	317,280	303,166
Operating lease liabilities	30,188	31,538
Other liabilities	7,316	7,359
Total liabilities	354,784	342,063
Stockholders' equity		
Preferred stock, \$0.01 par value; 1,000,000 shares authorized; No shares issued or outstanding	—	—
Common stock, \$0.01 par value; 40,000,000 shares authorized; Issued 9,453,363 and 9,436,732 shares, respectively; Outstanding 7,916,350 and 8,008,012 shares, respectively	95	94
Treasury stock, at cost; 1,537,013 and 1,428,720 shares, respectively	(474,993)	(424,624)
Additional paid-in capital	289,821	290,940
Retained earnings	1,249,805	1,198,163
Accumulated other comprehensive income	105	9
Total stockholders' equity	1,064,833	1,064,582
Total liabilities and stockholders' equity	\$ 1,419,617	\$ 1,406,645

See accompanying Notes to Consolidated Financial Statements

**CAVCO INDUSTRIES, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Dollars in thousands, except per share amounts)  
(Unaudited)

	Three Months Ended	
	June 28, 2025	June 29, 2024
Net revenue	\$ 556,857	\$ 477,599
Cost of sales	427,351	374,197
Gross profit	129,506	103,402
Selling, general and administrative expenses	69,148	64,851
Income from operations	60,358	38,551
Interest income	5,103	5,511
Interest expense	(164)	(90)
Other (expense), net	—	(111)
Income before income taxes	65,297	43,861
Income tax expense	(13,655)	(9,432)
Net income	<u>\$ 51,642</u>	<u>\$ 34,429</u>
Comprehensive income		
Net income	\$ 51,642	\$ 34,429
Reclassification adjustment for securities sold	117	9
Applicable income tax expense	(24)	(2)
Net change in unrealized position of investments held	4	65
Applicable income tax expense	(1)	(14)
Comprehensive income	<u>\$ 51,738</u>	<u>\$ 34,487</u>
Net income per share		
Basic	<u>\$ 6.49</u>	<u>\$ 4.15</u>
Diluted	<u>\$ 6.42</u>	<u>\$ 4.11</u>
Weighted average shares outstanding		
Basic	<u>7,953,720</u>	<u>8,286,476</u>
Diluted	<u>8,041,008</u>	<u>8,372,254</u>

See accompanying Notes to Consolidated Financial Statements

**CAVCO INDUSTRIES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Dollars in thousands)**  
**(Unaudited)**

	Three Months Ended	
	June 28, 2025	June 29, 2024
<b>OPERATING ACTIVITIES</b>		
Net income	\$ 51,642	\$ 34,429
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	5,169	4,761
Provision for credit losses	(64)	89
Deferred income taxes	558	7
Stock-based compensation expense	3,564	2,195
Non-cash interest income, net	(239)	(286)
Loss on sale or retirement of property, plant and equipment, net	80	11
Gain on investments and sale of loans, net	(1,054)	(177)
Changes in operating assets and liabilities, net of acquisitions		
Accounts receivable	(10,390)	(7,977)
Consumer loans receivable originated	(15,231)	(20,833)
Proceeds received on consumer loans receivable	13,774	14,504
Inventories	(5,373)	(3,505)
Prepaid expenses and other current assets	7,561	5,648
Commercial loans receivable originated	(42,378)	(26,750)
Principal payments received on commercial loans receivable	34,532	22,356
Accounts payable, accrued expenses and other liabilities	13,372	22,921
Net cash provided by operating activities	55,523	47,393
<b>INVESTING ACTIVITIES</b>		
Purchases of property, plant and equipment	(9,138)	(4,975)
Proceeds from sale of property, plant and equipment	—	10
Purchases of investments	(6,438)	(4,547)
Proceeds from sale of investments	7,861	4,163
Net cash used in investing activities	(7,715)	(5,349)
<b>FINANCING ACTIVITIES</b>		
Payments for taxes on stock option exercises and releases of equity awards	(4,709)	(2,349)
Proceeds from exercise of stock options	29	—
Payments on finance leases and other secured financings	(49)	(51)
Payments for common stock repurchases	(50,000)	(29,463)
Net cash used in financing activities	(54,729)	(31,863)
Net (decrease) increase in cash, cash equivalents and restricted cash	(6,921)	10,181
Cash, cash equivalents and restricted cash at beginning of the fiscal year	375,345	368,753
Cash, cash equivalents and restricted cash at end of the period	\$ 368,424	\$ 378,937
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for income taxes	\$ 5,419	\$ 4,720
Cash paid for interest	\$ 68	\$ 22
<b>Supplemental disclosures of noncash activity</b>		
Change in GNMA loans eligible for repurchase	\$ 563	\$ 76
Right-of-use assets recognized and operating lease obligations incurred	\$ —	\$ 1,315

See accompanying Notes to Consolidated Financial Statements

**CAVCO INDUSTRIES, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**1. Basis of Presentation**

The accompanying unaudited Consolidated Financial Statements of Cavco Industries, Inc. and its subsidiaries (collectively, "we," "us," "our," the "Company" or "Cavco") 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 U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to such rules and regulations. In addition, references throughout to numbered "Notes" refer to these Notes to Consolidated Financial Statements (Unaudited), unless otherwise stated.

In the opinion of management, these financial statements include all adjustments, including normal recurring adjustments, which are necessary to fairly state the interim results for the periods presented. We have evaluated subsequent events after the balance sheet date through the date of the filing of this report with the SEC, and there were no disclosable subsequent events other than those mentioned in Note 19. These Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and the Notes to the Consolidated Financial Statements included in our 2025 Annual Report on Form 10-K for the year ended March 29, 2025, filed with the SEC ("Form 10-K").

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying Notes. Due to uncertainties, actual results could differ from the estimates and assumptions used in preparation of the Consolidated Financial Statements. The Consolidated Statements of Comprehensive Income and Consolidated Statements of Cash Flows for the interim periods are not necessarily indicative of the results or cash flows for the full year. The Company operates on a 52-53 week fiscal year ending on the Saturday nearest to March 31<sup>st</sup> of each year. Each fiscal quarter consists of 13 weeks, with an occasional fourth quarter extending to 14 weeks, if necessary, for the fiscal year to end on the Saturday nearest March 31<sup>st</sup>. The current fiscal year will end on March 28, 2026 and will include 52 weeks.

For a description of significant accounting policies used in the preparation of our Consolidated Financial Statements, please refer to Note 1 of the Notes to Consolidated Financial Statements included in the Form 10-K.

**2. Recent Accounting Pronouncements**

The Company considers the applicability and impact of all Accounting Standards Updates ("ASUs") issued by the Financial Accounting Standards Board ("FASB"). ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Company's Consolidated Financial Statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires companies to enhance the disclosures about segment expenses. The new standard requires the identification and disclosure of the Company's Chief Operating Decision Maker ("CODM"), expanded incremental line-item disclosures of significant segment expenses used by the CODM for decision-making, and the inclusion of previous annual only segment disclosure requirements on a quarterly basis. This ASU should be applied retrospectively for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. We adopted ASU 2023-07 effective for the annual period beginning March 31, 2024, and for interim periods beginning March 30, 2025. ASU 2023-07 is applied retrospectively to all prior periods presented in the accompanying Consolidated Financial Statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Taxes Disclosures, which requires greater disaggregation of income tax disclosures. The new standard requires additional information to be disclosed with respect to the income tax rate reconciliation and income taxes paid disaggregated by jurisdiction. This ASU should be applied prospectively for fiscal years beginning after December 15, 2024, with retrospective application permitted. The Company is currently evaluating the impacts of this guidance on the Company's Consolidated Financial Statements.

In November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03"), and in January 2025, the FASB issued ASU No. 2025-01, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date ("ASU 2025-01"). ASU 2024-03 requires additional disclosure of the nature of expenses included in the income statement as well as disclosures about specific types of expenses included in the expense captions presented in the income statement. ASU 2024-03, as clarified by ASU 2025-01, is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Both early adoption and retrospective application are permitted. The Company is currently evaluating the impact that the adoption of these standards will have on its Consolidated Financial Statements.

### 3. Revenue from Contracts with Customers

The following table summarizes Net revenue disaggregated by reportable segment and source (in thousands):

	Three Months Ended	
	June 28, 2025	June 29, 2024
Factory-built housing		
Home sales	\$ 509,736	\$ 436,429
Delivery, setup and other revenues	25,958	21,619
	<u>535,694</u>	<u>458,048</u>
Financial services		
Insurance agency commissions received from third-party insurance companies	1,410	1,406
All other sources	19,753	18,145
	<u>21,163</u>	<u>19,551</u>
	<u>\$ 556,857</u>	<u>\$ 477,599</u>

### 4. Cash and Cash Equivalents and Restricted Cash

The following table provides a reconciliation of Cash and cash equivalents and Restricted cash reported within the Consolidated Balance Sheets to the combined amounts shown in the Consolidated Statements of Cash Flows (in thousands):

	June 28, 2025	March 29, 2025
Cash and cash equivalents	\$ 344,626	\$ 356,225
Restricted cash, current	23,213	18,535
Restricted cash	585	585
	<u>\$ 368,424</u>	<u>\$ 375,345</u>

## 5. Investments

Investments consisted of the following (in thousands):

	June 28, 2025	March 29, 2025
Available-for-sale debt securities	\$ 20,359	\$ 21,415
Marketable equity securities	11,805	11,425
Non-marketable equity investments	5,019	5,069
	37,183	37,909
Less short-term investments	(17,821)	(19,842)
	<u>\$ 19,362</u>	<u>\$ 18,067</u>

The amortized cost and fair value of our investments in available-for-sale debt securities, by security type, are shown in the table below (in thousands):

	June 28, 2025		March 29, 2025	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Residential mortgage-backed securities	\$ 5,175	\$ 5,226	\$ 4,122	\$ 4,120
State and political subdivision debt securities	6,483	6,531	6,955	6,976
Corporate debt securities	8,568	8,602	10,326	10,319
	<u>\$ 20,226</u>	<u>\$ 20,359</u>	<u>\$ 21,403</u>	<u>\$ 21,415</u>

The amortized cost and fair value of our investments in available-for-sale debt securities, by contractual maturity, are shown in the table below (in thousands). Expected maturities may differ from contractual maturities as borrowers at times have the right to call or prepay obligations, with or without penalties.

	June 28, 2025	
	Amortized Cost	Fair Value
Due in less than one year	\$ 5,697	\$ 5,674
Due after one year through five years	7,100	7,180
Due after five years through ten years	1,931	1,949
Due after ten years	323	330
Mortgage-backed securities	5,175	5,226
	<u>\$ 20,226</u>	<u>\$ 20,359</u>

Net investment gains and losses on marketable equity securities were as follows (in thousands):

	Three Months Ended	
	June 28, 2025	June 29, 2024
Marketable equity securities		
Net gain (loss) recognized during the period	\$ 599	\$ (454)
Less: Net loss (gain) recognized on securities sold during the period	56	(552)
Unrealized gain (loss) recognized during the period on securities still held	<u>\$ 655</u>	<u>\$ (1,006)</u>



## 6. Inventories

Inventories consisted of the following (in thousands):

	June 28, 2025	March 29, 2025
Raw materials	\$ 78,964	\$ 79,098
Work in process	32,368	29,808
Finished goods	146,736	143,789
	<u>\$ 258,068</u>	<u>\$ 252,695</u>

## 7. Consumer Loans Receivable

The following table summarizes consumer loans receivable (in thousands):

	June 28, 2025	March 29, 2025
Loans held for investment, previously securitized	\$ 13,030	\$ 13,775
Loans held for investment	12,122	12,196
Loans held for sale	30,155	27,981
Construction advances	4,257	4,210
	<u>59,564</u>	<u>58,162</u>
Deferred financing fees and other, net	(709)	(686)
Allowance for loan losses	<u>(908)</u>	<u>(939)</u>
	57,947	56,537
Less current portion	<u>(37,795)</u>	<u>(35,852)</u>
	<u>\$ 20,152</u>	<u>\$ 20,685</u>

The consumer loans held for investment had the following characteristics:

	June 28, 2025	March 29, 2025
Weighted average contractual interest rate	7.8 %	7.9 %
Weighted average effective interest rate	7.9 %	10.3 %
Weighted average months to maturity	225	221

The following table is a consolidated summary of the delinquency status of the outstanding principal balance of consumer loans receivable (in thousands):

	June 28, 2025	March 29, 2025
Current	\$ 58,034	\$ 56,401
31 to 60 days	284	1,082
61 to 90 days	141	4
91+ days	1,105	675
	<u>\$ 59,564</u>	<u>\$ 58,162</u>

The following table disaggregates the outstanding principal balance of consumer loans receivable by credit quality indicator and fiscal year of origination (in thousands):

	June 28, 2025						Total
	2026	2025	2024	2023	2022	Prior	
Prime- FICO score 680 and greater	\$ 5,204	\$ 13,661	\$ 9,045	\$ 322	\$ 91	\$ 13,386	\$ 41,709
Near Prime- FICO score 620-679	1,659	3,401	1,205	—	—	9,836	16,101
Sub-Prime- FICO score less than 620	14	322	—	—	—	651	987
No FICO score	—	65	440	—	—	262	767
	<u>\$ 6,877</u>	<u>\$ 17,449</u>	<u>\$ 10,690</u>	<u>\$ 322</u>	<u>\$ 91</u>	<u>\$ 24,135</u>	<u>\$ 59,564</u>

	March 29, 2025						Total
	2025	2024	2023	2022	2021	Prior	
Prime- FICO score 680 and greater	\$ 18,133	\$ 9,209	\$ 323	\$ 92	\$ 761	\$ 13,197	\$ 41,715
Near Prime- FICO score 620-679	2,948	1,210	—	—	1,026	9,000	14,184
Sub-Prime- FICO score less than 620	537	—	—	—	17	680	1,234
No FICO score	317	441	—	—	—	271	1,029
	<u>\$ 21,935</u>	<u>\$ 10,860</u>	<u>\$ 323</u>	<u>\$ 92</u>	<u>\$ 1,804</u>	<u>\$ 23,148</u>	<u>\$ 58,162</u>

As of June 28, 2025, 53% of the outstanding principal balance of the consumer loans receivable portfolio was concentrated in Texas. As of March 29, 2025, 54% of the outstanding principal balance of the consumer loans receivable portfolio was concentrated in Texas and 11% was concentrated in Florida. Other than Texas and Florida, no state had concentrations in excess of 10% of the outstanding principal balance of the consumer loans receivable as of June 28, 2025 or March 29, 2025.

## 8. Commercial Loans Receivable

The commercial loans receivable balance consists of direct financing arrangements for the home product needs of our independent distributors, community owners and developers.

Commercial loans receivable, net consisted of the following (in thousands):

	June 28, 2025	March 29, 2025
Loans receivable (including from affiliates)	\$ 108,143	\$ 100,297
Allowance for loan losses	(338)	(361)
Deferred financing fees, net	(203)	(190)
	107,602	99,746
Less current portion of commercial loans receivable (including from affiliates), net	(48,952)	(46,373)
	<u>\$ 58,650</u>	<u>\$ 53,373</u>

The commercial loans receivable balance had the following characteristics:

	June 28, 2025	March 29, 2025
Weighted average contractual interest rate	8.0 %	8.3 %
Weighted average months outstanding	10	10

Nonperforming status includes loans accounted for on a non-accrual basis and accruing loans with principal payments 90 days or more past due. As of June 28, 2025 and March 29, 2025, there were no commercial loans considered nonperforming. The following table disaggregates the outstanding principal balance of our commercial loans receivable by fiscal year of origination (in thousands):

	June 28, 2025						
	2026	2025	2024	2023	2022	Prior	Total
Performing	\$ 33,246	\$ 49,507	\$ 19,163	\$ 4,910	\$ 998	\$ 319	\$ 108,143

  

	March 29, 2025						
	2025	2024	2023	2022	2021	Prior	Total
Performing	\$ 66,843	\$ 24,215	\$ 7,006	\$ 1,014	\$ 1,219	\$ —	\$ 100,297

As of June 28, 2025 and March 29, 2025, approximately 16% of our outstanding commercial loans receivable principal balance was concentrated in California. As of June 28, 2025 and March 29, 2025, approximately 14% and 17%, respectively, was concentrated in New York. As of June 28, 2025, Arizona and North Carolina each had approximately 12% concentrations.

We had concentrations with one independent third-party and its affiliates that equaled 12% and 10% of the net commercial loans receivable principal balance outstanding, all of which was secured, as of June 28, 2025 and March 29, 2025, respectively. The risks created by these concentrations have been considered in the determination of the adequacy of the allowance for loan losses.

## 9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	June 28, 2025	March 29, 2025
Salaries, wages and benefits	\$ 47,431	\$ 45,640
Customer deposits	47,145	46,934
Estimated warranties	34,383	33,189
Unearned insurance premiums	34,322	33,863
Accrued volume rebates	27,660	21,208
Accrued insurance	13,239	13,094
Insurance loss reserves	13,118	16,201
Other	57,905	55,842
	<u>\$ 275,203</u>	<u>\$ 265,971</u>

## 10. Warranties

Activity in the liability for estimated warranties was as follows (in thousands):

	Three Months Ended	
	June 28, 2025	June 29, 2024
Balance at beginning of period	\$ 33,189	\$ 31,718
Charged to costs and expenses	16,625	12,091
Payments and deductions	(15,431)	(11,994)
Balance at end of period	<u>\$ 34,383</u>	<u>\$ 31,815</u>

## 11. Other Liabilities

The following table summarizes secured financings and other obligations (in thousands):

	June 28, 2025	March 29, 2025
Finance lease liabilities	\$ 6,066	\$ 6,086
Other secured financing	1,567	1,594
	<u>7,633</u>	<u>7,680</u>
Less current portion included in Accrued expenses and other current liabilities	(317)	(321)
	<u>\$ 7,316</u>	<u>\$ 7,359</u>

## 12. Debt

We are party to an Amended and Restated Credit Agreement among the Company, Bank of America, N.A., as administrative agent, swing line lender, letter of credit issuer, and the guarantors party thereto (the "Credit Agreement"), providing for a \$75 million revolving credit facility (the "Revolving Credit Facility"), including a \$10 million letter of credit sub-facility.

The Revolving Credit Facility is guaranteed, on a joint and several basis, by certain of the Company's subsidiaries. Subject to certain conditions and requirements set forth in the Credit Agreement, including the availability of additional lender commitments, the Company may request from time to time one or more term loan facilities, or increases in the aggregate commitments under the Revolving Credit Facility, in an aggregate amount not exceeding \$75 million up to \$150 million.

As of June 28, 2025 and March 29, 2025, there were no borrowings outstanding under the Revolving Credit Facility and we were in compliance with all covenants.

## 13. Reinsurance and Insurance Loss Reserves

Certain of Standard Casualty Company's premiums and benefits are assumed from and ceded to other insurance companies under various reinsurance agreements. We remain obligated for amounts ceded in the event that the reinsurers do not meet their obligations.

The effects of reinsurance on premiums written and earned were as follows (in thousands):

	Three Months Ended			
	June 28, 2025		June 29, 2024	
	Written	Earned	Written	Earned
Direct premiums	\$ 12,151	\$ 11,532	\$ 13,503	\$ 12,302
Assumed premiums—nonaffiliated	11,482	10,870	11,735	9,504
Ceded premiums—nonaffiliated	(7,710)	(7,710)	(8,185)	(8,185)
	<u>\$ 15,923</u>	<u>\$ 14,692</u>	<u>\$ 17,053</u>	<u>\$ 13,621</u>

Typical insurance policies written or assumed have a maximum coverage of \$0.4 million per claim, of which we cede \$0.2 million of the risk of loss per reinsurance. Therefore, our risk of loss is limited to \$0.3 million per claim on typical policies, subject to the reinsurers meeting their obligations. After this limit, amounts are recoverable through reinsurance for catastrophic losses in excess of \$4.0 million per occurrence, up to a maximum of \$90 million in the aggregate for that occurrence.

The following details the activity in the incurred but not reported reserve for the three months ended June 28, 2025 and June 29, 2024 (in thousands):

	Three Months Ended	
	June 28, 2025	June 29, 2024
Balance at beginning of period	\$ 16,201	\$ 10,540
Net incurred losses during the period	11,103	17,963
Net claim payments during the period	(14,186)	(9,576)
Balance at end of period	<u>\$ 13,118</u>	<u>\$ 18,927</u>

#### 14. Commitments and Contingencies

*Repurchase Contingencies.* The maximum amount for which the Company was liable under the terms of repurchase agreements with financial institutions that provide inventory financing to independent distributors of our products approximated \$133 million at June 28, 2025 and March 29, 2025, without reduction for the estimated resale value of the homes. In the three months ended June 28, 2025, we did not receive any demand notices. Our reserve for repurchase commitments, recorded in Accrued expenses and other current liabilities, was \$3.2 million at June 28, 2025 and \$3.3 million at March 29, 2025.

*Construction-Period Mortgages.* Loan contracts with off-balance sheet commitments are summarized below (in thousands):

	June 28, 2025	March 29, 2025
Construction loan contract amount	\$ 10,368	\$ 12,366
Cumulative advances	(4,257)	(4,210)
	<u>\$ 6,111</u>	<u>\$ 8,156</u>

*Representations and Warranties of Mortgages Sold.* The reserve for contingent repurchases and indemnification obligations was \$0.5 million as of June 28, 2025 and \$0.6 million as of March 29, 2025, included in Accrued expenses and other current liabilities on the Consolidated Balance Sheets. There were no claim requests that resulted in the repurchase of any loans during the three months ended June 28, 2025 or June 29, 2024.

*Interest Rate Lock Commitments ("IRLCs").* As of June 28, 2025 and March 29, 2025, we had outstanding IRLCs with a notional amount of \$24.1 million and \$16.3 million, respectively. For the three months ended June 28, 2025 and the three months ended June 29, 2024, we recognized insignificant non-cash gains on outstanding IRLCs.

*Forward Sales Commitments.* As of June 28, 2025 and March 29, 2025, we had \$18.7 million and \$20.8 million in outstanding forward sales commitments for sales of mortgage backed securities and whole loan commitments (collectively, the "Commitments"), respectively. During the three months ended June 28, 2025, we recognized insignificant non-cash gains on Commitments. During the three months ended June 29, 2024, we recognized insignificant non-cash losses.

*Legal Matters.* We are party to certain lawsuits in the ordinary course of business. Based on management's present knowledge of the facts and (in certain cases) advice of outside counsel, management does not believe that loss contingencies arising from pending matters are likely to have a material adverse effect on our consolidated financial position, liquidity or results of operations after taking into account any existing reserves, which reserves are included in Accrued expenses and other current liabilities on the Consolidated Balance Sheets. However, future events or circumstances that may currently be unknown to management will determine whether the resolution of pending or threatened litigation or claims will ultimately have a material effect on our consolidated financial position, liquidity or results of operations in any future reporting periods.

## 15. Stockholders' Equity

The following tables represent changes in Stockholders' equity during the three months ended June 28, 2025 and June 29, 2024, respectively (dollars in thousands):

	Common Stock		Treasury stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income	Total
	Shares	Amount					
Balance, March 29, 2025	9,436,732	\$ 94	\$(424,624)	\$ 290,940	\$1,198,163	\$ 9	\$1,064,582
Net income	—	—	—	—	51,642	—	51,642
Other comprehensive income, net	—	—	—	—	—	96	96
Net issuance of common stock under stock incentive plans	16,631	1	—	(4,682)	—	—	(4,681)
Stock-based compensation	—	—	—	3,563	—	—	3,563
Common stock repurchases	—	—	(50,369)	—	—	—	(50,369)
Balance, June 28, 2025	<u>9,453,363</u>	<u>\$ 95</u>	<u>\$(474,993)</u>	<u>\$ 289,821</u>	<u>\$1,249,805</u>	<u>\$ 105</u>	<u>\$1,064,833</u>

	Common Stock		Treasury stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive (loss) income	Total
	Shares	Amount					
Balance, March 30, 2024	9,389,953	\$ 94	\$(274,693)	\$ 281,216	\$1,027,127	\$ (333)	\$1,033,411
Net income	—	—	—	—	34,429	—	34,429
Other comprehensive income, net	—	—	—	—	—	58	58
Net issuance of common stock under stock incentive plans	11,104	—	—	(2,348)	—	—	(2,348)
Stock-based compensation	—	—	—	2,194	—	—	2,194
Common stock repurchases	—	—	(29,204)	—	—	—	(29,204)
Balance, June 29, 2024	<u>9,401,057</u>	<u>\$ 94</u>	<u>\$(303,897)</u>	<u>\$ 281,062</u>	<u>\$1,061,556</u>	<u>\$ (275)</u>	<u>\$1,038,540</u>

## 16. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (dollars in thousands, except per share amounts):

	Three Months Ended	
	June 28, 2025	June 29, 2024
Net income	\$ 51,642	\$ 34,429
Weighted average shares outstanding		
Basic	7,953,720	8,286,476
Effect of dilutive securities	87,288	85,778
Diluted	8,041,008	8,372,254
Net income per share		
Basic	\$ 6.49	\$ 4.15
Diluted	\$ 6.42	\$ 4.11
Anti-dilutive common stock equivalents excluded	602	257

## 17. Fair Value Measurements

The book value and estimated fair value of our financial instruments were as follows (in thousands):

	June 28, 2025		March 29, 2025	
	Book Value	Estimated Fair Value	Book Value	Estimated Fair Value
Available-for-sale debt securities	\$ 20,359	\$ 20,359	\$ 21,415	\$ 21,415
Marketable equity securities	11,805	11,805	11,425	11,425
Non-marketable equity investments	5,019	5,019	5,069	5,069
Consumer loans receivable	57,947	59,672	56,537	59,365
Commercial loans receivable	107,602	98,675	99,746	89,216
Other secured financing	(1,567)	(1,555)	(1,594)	(1,569)

See Note 20, Fair Value Measurements, and the Fair Value of Financial Instruments caption in Note 1, Summary of Significant Accounting Policies, in the Form 10-K for more information on the methodologies we use in determining fair value.

*Mortgage Servicing.* Mortgage Servicing Rights ("MSRs") are recorded at fair value in Prepaid expenses and other current assets on the Consolidated Balance Sheets.

	June 28, 2025	March 29, 2025
Number of loans serviced with MSRs	3,595	3,647
Weighted average servicing fee (basis points)	34.45	34.74
Capitalized servicing multiple	176.69 %	179.97 %
Capitalized servicing rate (basis points)	60.87	62.52
Serviced portfolio with MSRs (in thousands)	\$ 444,256	\$ 451,080
MSRs (in thousands)	\$ 2,704	\$ 2,820

## 18. Business Segment Information

We operate principally in two segments: (1) factory-built housing, which includes wholesale and retail factory-built housing operations and (2) financial services, which includes manufactured housing consumer finance and insurance, and qualifies as other activity under the segment reporting guidance as it does not meet the quantitative thresholds to be reported separately. The factory-built housing segment generates revenue from building and selling manufactured and modular homes to both wholesale customers and end consumers through Company owned retail stores. The Financial services segment generates revenue through lending products for manufactured home purchasers, and through writing and holding insurance policies for manufactured homes. The Company's Chief Executive Officer is the chief operating decision maker ("CODM"). The CODM assesses segment performance and allocates resources, including reinvesting profits and making acquisitions, based on Gross profit and Income before income taxes. The CODM also uses these metrics in the budgeting process when determining how to allocate resources. The CODM is not provided asset information by reportable segment. The following tables provide selected financial data by segment (dollars in thousands):

	Three Months Ended June 28, 2025		
	Factory-built housing	Financial services	Consolidated
Net revenue	\$ 535,694	\$ 21,163	\$ 556,857
Cost of sales	414,850	12,501	427,351
Gross profit	120,844	8,662	129,506
Selling, general and administrative expenses	63,154	5,994	69,148
Income from operations	57,690	2,668	60,358
Interest income	5,103	—	5,103
Interest expense	(164)	—	(164)
Income before income taxes	62,629	2,668	65,297
Income tax expense	(13,128)	(527)	(13,655)
Net Income	\$ 49,501	\$ 2,141	\$ 51,642

	Three Months Ended June 28, 2025		
	Factory-built housing	Financial services	Consolidated
Depreciation	\$ 4,735	\$ 62	\$ 4,797
Amortization	\$ 366	\$ 6	\$ 372
Capital expenditures	\$ 9,009	\$ —	\$ 9,009



	Three Months Ended June 29, 2024		
	Factory-built housing	Financial services	Consolidated
Net revenue	\$ 458,048	\$ 19,551	\$ 477,599
Cost of sales	354,537	19,660	374,197
Gross profit	103,511	(109)	103,402
Selling, general and administrative expenses	59,720	5,131	64,851
Income from operations	43,791	(5,240)	38,551
Interest income	5,511	—	5,511
Interest expense	(90)	—	(90)
Other expense, net	(111)	—	(111)
Income before income taxes	49,101	(5,240)	43,861
Income tax expense	(10,656)	1,224	(9,432)
Net Income	<u>\$ 38,445</u>	<u>\$ (4,016)</u>	<u>\$ 34,429</u>

	Three Months Ended June 29, 2024		
	Factory-built housing	Financial services	Consolidated
Depreciation	\$ 4,304	\$ 65	\$ 4,369
Amortization	\$ 386	\$ 6	\$ 392
Capital expenditures	\$ 4,852	\$ 62	\$ 4,914

	June 28, 2025	March 29, 2025
Total assets:		
Factory-built housing	\$ 1,186,689	\$ 1,191,216
Financial services	232,928	215,429
Consolidated	<u>\$ 1,419,617</u>	<u>\$ 1,406,645</u>

## 19. Subsequent Events

On July 4, 2025, the new tax law commonly referred to as the One Big Beautiful Bill Act was enacted. We are in the process of evaluating its impact on our Consolidated Financial Statements.

On July 14, 2025, the Company entered into a definitive agreement to acquire American Homestar Corporation and its subsidiaries (collectively, "American Homestar"), a Houston-based company best known in the market as Oak Creek Homes. American Homestar operates two manufacturing facilities, nineteen retail locations, writes and sells a limited number of manufactured home loans and acts as an agent for third party insurers.

Cavco will acquire American Homestar for \$190 million in cash, subject to customary purchase price adjustments. The acquisition is intended to be funded entirely from the Company's cash on hand and is expected to close in the Company's third quarter of fiscal year 2026, subject to applicable regulatory approvals and the satisfaction of certain customary closing conditions.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **Forward-Looking Statements**

Statements in this Quarterly Report on Form 10-Q (the "Report") include "forward-looking statements," within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "will," "intends," "plans," or "anticipates," or by discussions of strategy, plans or intentions. Forward-looking statements include, for example, discussions regarding the manufactured housing and site-built housing industries; discussions regarding our efforts and the efforts of other industry participants to develop the home-only loan secondary market; our financial performance and operating results; our strategy; our liquidity and financial resources; our outlook with respect to Cavco Industries, Inc. and its subsidiaries (collectively, "we," "us," "our," the "Company" or "Cavco") and the manufactured housing business in general; the expected effect of certain risks and uncertainties on our business, financial condition and results of operations; economic conditions, including concerns of a possible recession, and consumer confidence; trends in interest rates and inflation; potential acquisitions, strategic investments and other expansions; the sufficiency of our liquidity; that we may seek alternative sources of financing in the future; operational and legal risks; how we may be affected by any pandemic or outbreak; geopolitical conditions; the cost and availability of labor and raw materials; governmental regulations and legal proceedings; the availability of favorable consumer and wholesale manufactured home financing; and the ultimate outcome of our commitments and contingencies. Forward-looking statements contained in this Report speak only as of the date of this Report or, in the case of any document incorporated by reference, the date of that document. We do not intend to publicly update or revise any forward-looking statement contained in this Report or in any document incorporated herein by reference to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, except as required by law.

Forward-looking statements involve risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, many of which are beyond our control. To the extent that our assumptions and expectations differ from actual results, our ability to meet such forward-looking statements may be significantly hindered. Factors that could affect our results and cause them to materially differ from those contained in the forward-looking statements include, without limitation, those discussed under Risk Factors in Part I, Item 1A of our 2025 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "Form 10-K").

### **Introduction**

The following should be read in conjunction with the Company's unaudited Consolidated Financial Statements and the related Notes that appear in Part I, Item 1 of this Report. References to "Note" or "Notes" pertain to the Notes to our unaudited Consolidated Financial Statements.

### **Company Overview**

Headquartered in Phoenix, Arizona, we design and produce factory-built homes primarily distributed through a network of independent and Company-owned retailers, planned community operators and residential developers. We are one of the largest producers of manufactured homes in the United States, based on reported wholesale shipments. We are also a leading producer of park model RVs, vacation cabins and factory-built commercial structures. Our finance subsidiary, CountryPlace Acceptance Corp. ("CountryPlace"), is an approved Federal National Mortgage Association and Federal Home Loan Mortgage Corporation seller/servicer, and a Government National Mortgage Association ("GNMA") mortgage-backed securities issuer that offers conforming mortgages, non-conforming mortgages and home-only loans to purchasers of factory-built homes. Our insurance subsidiary, Standard Casualty Company, provides property and casualty insurance primarily to owners of manufactured homes.

We operate a total of 31 homebuilding production lines with domestic locations in Millersburg and Woodburn, Oregon; Riverside, California; Nampa, Idaho; Phoenix, Glendale and Goodyear, Arizona; Deming, New Mexico; Duncan, Oklahoma; Austin, Fort Worth, Seguin and Waco, Texas; Montevideo, Minnesota; Dorchester, Wisconsin; Nappanee and Goshen, Indiana; Lafayette, Tennessee; Douglas and Moultrie, Georgia; Shipperville (two lines) and Emlenton, Pennsylvania; Martinsville and Rocky Mount, Virginia; Crouse and Hamlet, North Carolina; Ocala and Plant City, Florida; and two international lines in Ojinaga, Mexico. We distribute our homes through a large network of independent distribution points and 80 Company-owned U.S. retail stores, of which 46 are located in Texas.

## **Company and Industry Outlook**

According to data reported by the Manufactured Housing Institute, industry home shipments for the calendar year through May 2025 were 44,927, an increase of 5.3% compared to 42,650 shipments in the same calendar period last year. The manufactured housing industry offers solutions to the housing crisis with lower average price per square foot than a site-built home and the comparatively lower cost associated with manufactured home ownership, which remains competitive with rental housing.

The two largest manufactured housing consumer demographics, young adults and those who are age 55 and older, are both growing. "First-time" and "move-up" buyers of affordable homes are historically among the largest segments of new manufactured home purchasers. Included in this group are lower-income households that are particularly affected by periods of low employment rates and underemployment. Consumer confidence is especially important among manufactured home buyers interested in our products for seasonal or retirement living.

We employ a concerted effort to identify niche market opportunities where our diverse product lines and custom building capabilities provide us with a competitive advantage. We are focused on building quality, energy efficient homes for the modern home buyer. Our green building initiatives involve the creation of an energy efficient envelope, including higher utilization of renewable materials and provide lower utility costs. We also build homes designed to use alternative energy sources, such as solar.

We maintain a conservative cost structure in an effort to build added value into our homes and we work diligently to maintain a solid financial position. Our balance sheet strength, including the position in cash and cash equivalents, helps avoid liquidity problems and enables us to act effectively as market opportunities or challenges present themselves.

We continue to make certain commercial loan programs available to members of our wholesale distribution chain. Under direct commercial loan arrangements, we provide funds for financed home purchases by distributors, community operators and residential developers (see Note 7, Commercial Loans Receivable, to the unaudited Consolidated Financial Statements). Our involvement in commercial lending helps to increase the availability of manufactured home financing to distributors, community operators and residential developers and provides additional opportunities for product exposure to potential home buyers. While these initiatives support our ongoing efforts to expand product distribution, they also expose us to risks associated with the creditworthiness of this customer base and our inventory financing partners.

The lack of an efficient secondary market for manufactured home-only loans and the limited number of institutions providing such loans results in higher borrowing costs for home-only loans and continues to constrain industry growth. We work independently and with other industry participants to develop secondary market opportunities for manufactured home-only loan and non-conforming mortgage portfolios and expand lending availability in the industry. We also develop and invest in home-only lending programs to grow sales of homes through traditional distribution points. We believe that growing our investment and participation in home-only lending may provide additional sales growth opportunities for our factory-built housing operations and reduce our customers' dependence on independent lenders for this source of financing.

Key housing building materials include wood, wood products, steel, gypsum wallboard, windows, doors fiberglass insulation, carpet, vinyl, fasteners, plumbing materials, aluminum, appliances and electrical items. Fluctuations in the cost of materials and labor may affect gross margins from home sales to the extent that an increase in costs cannot be efficiently matched to the home sales price. Pricing and availability of certain raw materials have been volatile due to a number of factors in the current environment. We continue to monitor and react to inflation in the cost of these materials by maintaining a focus on our product pricing in response to higher materials costs, but such product pricing increases may lag behind the escalation of such costs. From time to time and to varying degrees, we may experience shortages in the availability of materials and/or labor in the markets served. Availability of these inputs has not caused significant production halts in the current period, but we have experienced periodic shutdowns in other periods and shortages of primary building materials have caused production inefficiencies as we have needed to change processes in response to the delay in materials. These shortages may also result in extended order backlogs, delays in the delivery of homes and reduced gross margins from home sales.

Our backlog at June 28, 2025 was \$200 million compared to \$197 million at March 29, 2025, an increase of \$3 million, and down \$32 million compared to \$232 million at June 29, 2024.

While it is difficult to predict the future of housing demand, employee availability, supply chain and Company performance and operations, maintaining an appropriately sized and well-trained workforce is key to meeting demand. We continually review the wage rates of our production employees and have established other monetary incentive and benefit programs, with a goal of providing competitive compensation. We are also working to more extensively use web-based recruiting tools, update our recruitment brochures and improve the appearance and appeal of our manufacturing facilities to improve the recruitment and retention of qualified production employees and reduce annualized turnover rates.

## Results of Operations

### *Net Revenue*

	Three Months Ended			
	June 28, 2025	June 29, 2024	Change	
(\$ in thousands, except revenue per home sold)				
Factory-built housing	\$ 535,694	\$ 458,048	\$ 77,646	17.0 %
Financial services	21,163	19,551	1,612	8.2 %
	<u>\$ 556,857</u>	<u>\$ 477,599</u>	<u>\$ 79,258</u>	<u>16.6 %</u>
Factory-built homes sold				
by Company-owned retail sales centers	1,023	1,013	10	1.0 %
to independent retailers, builders, communities and developers	4,393	3,708	685	18.5 %
	<u>5,416</u>	<u>4,721</u>	<u>695</u>	<u>14.7 %</u>
Net factory-built housing revenue per home sold	\$ 98,910	\$ 97,024	\$ 1,886	1.9 %

Factory-built housing Net revenue increased for the three months ended June 28, 2025 due to higher home sales volume and an increase in Net revenue per home sold.

Net factory-built housing revenue per home sold is a volatile metric dependent upon several factors. A primary factor is the price disparity between sales of homes to independent distributors, builders, communities and developers and sales of homes to consumers by Company-owned retail stores. Wholesale sales prices are primarily comprised of the home and the cost to ship the home from a homebuilding facility to the home-site. Retail home prices include these items and retail markup, as well as items that are largely subject to home buyer discretion, including, but not limited to, installation, utility connections, site improvements, landscaping and additional services. Our homes are constructed in one or more floor sections ("modules") which are then installed on the customer's site. Changes in the number of modules per home, the selection of different home types/models and optional home upgrades create changes in product mix, also causing fluctuations in this metric.

For the three months ended June 28, 2025, Financial services Net revenue increased primarily due to higher insurance premiums.

### ***Gross Profit***

(\$ in thousands)	Three Months Ended		Change	
	June 28, 2025	June 29, 2024		
Factory-built housing	\$ 120,845	\$ 103,510	\$ 17,335	16.7 %
Financial services	8,661	(108)	8,769	NM
	<u>\$ 129,506</u>	<u>\$ 103,402</u>	<u>\$ 26,104</u>	<u>25.2 %</u>
Gross profit as % of Net revenue				
Consolidated	23.3 %	21.7 %	N/A	1.6 %
Factory-built housing	22.6 %	22.6 %	N/A	— %
Financial services	40.9 %	(0.6)%	N/A	41.5 %

Factory-built housing Gross profit for the three months ended June 28, 2025 increased due to higher sales volume. Gross profit as a percentage of Net revenue for the three months was flat as increased Net revenue per home sold was offset by increased input costs driven largely by increased material costs.

Financial services Gross profit in dollars and as a percentage of Financial services Net revenue for the three months increased due to higher insurance premiums, lower claim losses and reduced costs from improved underwriting guidelines.

### ***Selling, General and Administrative Expenses***

(\$ in thousands)	Three Months Ended		Change	
	June 28, 2025	June 29, 2024		
Factory-built housing	\$ 63,154	\$ 59,720	\$ 3,434	5.8 %
Financial services	5,994	5,131	863	16.8 %
	<u>\$ 69,148</u>	<u>\$ 64,851</u>	<u>\$ 4,297</u>	<u>6.6 %</u>
Selling, general and administrative expenses as % of Net revenue	12.4 %	13.6 %	N/A	(1.2)%

Factory-built housing Selling, general and administrative expenses increased for the three months ended June 28, 2025 as a result of variable compensation driven by higher incentive compensation due to higher earnings compared to the prior year period.

Financial services Selling, general and administrative expenses for the three months increased primarily due to increases in compensation year over year.

### *Other Components of Net Income*

(\$ in thousands)	Three Months Ended		Change	
	June 28, 2025	June 29, 2024		
Interest income	\$ 5,103	\$ 5,511	\$ (408)	(7.4)%
Interest expense	(164)	(90)	74	82.2 %
Other expense, net	—	(111)	111	100.0 %
Income tax expense	(13,655)	(9,432)	4,223	44.8 %
Effective tax rate	20.9 %	21.5 %	N/A	(0.6)%

Interest income consists primarily of interest earned on cash balances held in money market accounts, and interest earned on commercial floorplan lending. Interest expense consists primarily of interest related to finance leases.

Other (expense), net primarily consists of realized and unrealized gains and losses on corporate investments and gains and losses from the sale of property, plant and equipment.

Income tax expense increased compared to the prior year period due to higher profit before income taxes.

### **Liquidity and Capital Resources**

We believe that cash and cash equivalents at June 28, 2025, together with cash flow from operations, will be sufficient to fund our operations, cover our obligations, provide for our planned acquisition of American Homestar and provide for growth for the next 12 months and into the foreseeable future. We maintain cash in U.S. Treasury and other money market funds, some of which is in excess of federally insured limits, but we have not experienced any losses with regards to such excesses. We expect to continue to evaluate potential acquisitions of, or strategic investments in, businesses that are complementary to the Company, as well as other expansion opportunities. Such transactions may require the use of cash and have other impacts on our liquidity and capital resources. We believe we have sufficient liquid resources including our \$75 million Revolving Credit Facility, which may be increased from time to time through additional term facilities by up to an aggregate amount of \$75 million up to \$150 million. No amounts are currently outstanding. Depending on our operating results and strategic opportunities, we may choose to seek additional or alternative sources of financing in the future. There can be no assurance that such financing would be available on satisfactory terms, if at all. If this financing were not available, it could be necessary for us to reevaluate our long-term operating plans to make more efficient use of our existing capital resources at such time. The exact nature of any changes to our plans that would be considered depends on various factors, such as conditions in the factory-built housing industry and general economic conditions outside of our control.

State insurance regulations restrict the amount of dividends that can be paid to stockholders of insurance companies. As a result, the assets owned by our insurance subsidiary are generally not available to satisfy the claims of Cavco or its other subsidiaries. We believe that stockholders' equity at the insurance subsidiary remains sufficient and do not believe that the ability to pay ordinary dividends to Cavco at anticipated levels will be restricted per state regulations.

The following is a summary of the Company's cash flows for the three months ended June 28, 2025 and June 29, 2024, respectively:

(in thousands)	Three Months Ended		
	June 28, 2025	June 29, 2024	\$ Change
Cash, cash equivalents and restricted cash at beginning of the fiscal year	\$ 375,345	\$ 368,753	\$ 6,592
Net cash provided by operating activities	55,523	47,393	8,130
Net cash used in investing activities	(7,715)	(5,349)	(2,366)
Net cash used in financing activities	(54,729)	(31,863)	(22,866)
Cash, cash equivalents and restricted cash at end of the period	<u>\$ 368,424</u>	<u>\$ 378,937</u>	<u>\$ (10,513)</u>

Net cash provided by operating activities increased primarily from higher Net income, partially offset by changes in Accounts receivable and Inventory due to increased working capital needs on higher revenue and reduced cash provided by Accounts payable, accrued expenses and other liabilities compared to the prior year due largely to lower insurance loss reserves in the current period.

Consumer loan originations decreased \$5.6 million to \$15.2 million for the three months ended June 28, 2025 from \$20.8 million for the three months ended June 29, 2024, and proceeds from consumer loans decreased 0.7 million to \$13.8 million for the three months ended June 28, 2025 from \$14.5 million for the three months ended June 29, 2024.

Commercial loan originations increased \$15.6 million to \$42.4 million for the three months ended June 28, 2025 from \$26.8 million for the three months ended June 29, 2024. Proceeds from the collection on commercial loans provided \$34.5 million this year, compared to \$22.4 million in the prior year, a net increase of \$12.1 million.

The change in Net cash used in investing activities is primarily due to an increase in cash paid for property plant and equipment in the current year.

The change in Net cash used in financing activities was primarily due to the repurchase of more shares of common stock and at a higher average daily stock price.

*Obligations and Commitments.* There were no material changes to the obligations and commitments as set forth in the Form 10-K.

### Critical Accounting Estimates

There have been no significant changes to our critical accounting estimates during the three months ended June 28, 2025, as compared to those disclosed in Part II, Item 7 of the Form 10-K, under the heading "Critical Accounting Estimates," which provides a discussion of the critical accounting estimates that management believes are critical to the Company's operating results or may affect significant judgments and estimates used in the preparation of the Company's Consolidated Financial Statements.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes from the quantitative and qualitative disclosures about market risk previously disclosed in the Form 10-K.



#### **Item 4. Controls and Procedures**

##### **(a) Disclosure Controls and Procedures**

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including its President and Chief Executive Officer and its Chief Financial Officer, of the effectiveness of its disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based upon that evaluation, the Company's President and Chief Executive Officer and its Chief Financial Officer concluded that, as of June 28, 2025, its disclosure controls and procedures were effective.

##### **(b) Changes in Internal Control Over Financial Reporting**

There has been no change in the Company's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the fiscal quarter ended June 28, 2025 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.



## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

See the information under the "Legal Matters" caption in Note 13, Commitments and Contingencies to the unaudited Consolidated Financial Statements, which is incorporated herein by reference.

### Item 1A. Risk Factors

In addition to the other information set forth in this Report, you should carefully consider the factors discussed in Part I, Item 1A, Risk Factors, in the Form 10-K, which could materially affect our business, financial condition or future results. The risks described in this Report and in the Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or future results.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### Issuer Purchases of Equity Securities

The following table sets forth repurchases of our common stock during the first quarter of fiscal year 2026:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>1</sup>	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in thousands)
March 30, 2025 to May 3, 2025	55,744	\$ 479.62	55,744	\$ 51,028
May 4, 2025 to May 31, 2025	24,813	459.65	24,813	189,623
June 1, 2025 to June 28, 2025	27,736	427.55	27,736	177,765
	<u>108,293</u>		<u>108,293</u>	

The payment of dividends to Company stockholders is subject to the discretion of the Board of Directors, and various factors may prevent us from paying dividends. Such factors include Company cash requirements, covenants of our credit agreement and liquidity or other requirements of state, corporate and other laws.

<sup>1</sup>The stock repurchase plan announced on October 31, 2024 approved \$100 million in stock repurchases. There is \$28 million dollars remaining as of June 28, 2025 from this approval. The stock repurchase plan announced on May 22, 2025 approved \$150 million in stock repurchases and has \$150 million dollars remaining as of June 28, 2025 from this approval. These plans do not have an expiration date.

### Item 5. Other Information

#### Rule 10b5-1 Trading Plans

During the three months ended June 28, 2025, no director or officer of the Company adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

## Item 6. Exhibits

<b><u>Exhibit No.</u></b>	<b><u>Exhibit</u></b>
<a href="#"><u>10.1</u></a>	(1) <a href="#"><u>Agreement and Plan of Merger, dated July 14, 2025, by and among Cavco Industries, Inc., Cavco Merger Sub, Inc., American Homestar, Inc., and the Shareholder Representative party thereto.*</u></a>
<a href="#"><u>10.2</u></a>	(2) <a href="#"><u>Consent and Second Amendment to the Amended and Restated Credit Agreement, dated as of July 14, 2025, among Cavco Industries, Inc., the guarantors party thereto, and Bank of America, N.A., as administrative agent.</u></a>
<a href="#"><u>31.1</u></a>	(2) <a href="#"><u>Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Rule 13a-14(a)/15d-14(a)</u></a>
<a href="#"><u>31.2</u></a>	(2) <a href="#"><u>Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Rule 13a-14(a)/15d-14(a)</u></a>
<a href="#"><u>32</u></a>	(3) <a href="#"><u>Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. 1350, Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>
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 Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the U.S. Securities and Exchange Commission upon request.

- (1) Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed on July 14, 2025.
- (2) Filed herewith.
- (3) Furnished herewith.

All other items required under Part II are omitted because they are not applicable.

## 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.

**Cavco Industries, Inc.**

Registrant

Signature	Title	Date
<u>/s/ William C. Boor</u> William C. Boor	Director, President and Chief Executive Officer (Principal Executive Officer)	August 1, 2025
<u>/s/ Allison K. Aden</u> Allison K. Aden	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	August 1, 2025

CONSENT AND SECOND AMENDMENT TO THE AMENDED AND RESTATED CREDIT  
AGREEMENT

THIS CONSENT AND SECOND AMENDMENT TO THE AMENDED AND RESTATED CREDIT AGREEMENT (this “Amendment”), dated as of July 14, 2025, to the Credit Agreement referenced below, is by and among CAVCO INDUSTRIES, INC., a Delaware corporation (the “Borrower”), the Guarantors identified on the signature pages hereto, the Lenders identified on the signature pages hereto and BANK OF AMERICA, N.A., in its capacity as Administrative Agent (in such capacity, the “Administrative Agent”).

W I T N E S S E T H

WHEREAS, the Borrower, the Guarantors party thereto, the Lenders and the Administrative Agent entered into that certain Amended and Restated Credit Agreement (as amended, modified, supplemented, increased and extended from time to time, the “Credit Agreement”), dated as of November 12, 2024; and

WHEREAS, the Borrower has informed the Administrative Agent that the Borrower intends to acquire all of the issued and outstanding shares of stock in American Homestar Corporation, a Texas corporation (“AHC”), pursuant to that certain Agreement and Plan of Merger to be dated on or about the date hereof by and among the Borrower, Cavco Merger Sub, Inc., AHC and the Shareholder Representative (as defined therein) (the “AHC Acquisition”); and

WHEREAS, the Administrative Agent and the Lenders are willing to consent to the AHC Acquisition; and

WHEREAS, the Borrower has requested certain modifications to the Credit Agreement and the Required Lenders have agreed to the requested modifications on the terms set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement.
1. Amendments to Credit Agreement. The Credit Agreement is amended as follows:

2.1 Section 1.01 Defined Terms. The following terms and their respective definitions appearing on Section 1.01 of the Credit Agreement are hereby amended and restated to read as follows:

“AHC Acquisition” is defined in the Second Amendment.

“Permitted Acquisition” means (1) the AHC Acquisition, or (2) an Investment consisting of an Acquisition by the Borrower or any Subsidiary (the Person or division, line of business or other business

unit of the Person to be acquired in such Acquisition shall be referred to herein as the “Target”); provided that, solely with regard to this clause (2):

- (i) no Default shall have occurred and be continuing or would result from such Acquisition;
- (ii) such Acquisition shall not be a “hostile” Acquisition;
- (iii) if the aggregate purchase price for such Acquisition exceeds \$150,000,000, the Borrower shall have delivered to the Administrative Agent at least five (5) Business Days prior to the consummation of such Acquisition a quality of earnings report with respect to the Target from an independent certified public accountant of nationally recognized standing or another accounting firm or financial advisory or consulting firm reasonably acceptable to the Administrative Agent;
- (iv) after giving effect to the Acquisition on a Pro Forma Basis, the Consolidated Total Leverage Ratio shall not exceed 3.25:1.00, recomputed as of the end of the most recently ended Measurement Period;
- (v) the aggregate purchase price paid by the Borrower and its Subsidiaries for all Foreign Acquisitions *plus* the aggregate outstanding amount of all Foreign Investments shall not exceed \$50,000,000 during the term of this Agreement;
- (vi) the Target shall not be an Excluded Subsidiary or assets of the type used in the Mortgage Lending Business; and
- (vii) after giving effect to such Acquisition and any Borrowings made in connection therewith, the sum of the aggregate principal amount of Revolving Loans available to be borrowed under Section 2.01 plus the aggregate amount of unrestricted cash and Cash Equivalents of the Borrower and its Subsidiaries shall be at least \$75,000,000.

“Second Amendment” means, that certain Consent and Second Amendment to the Amended and Restated Credit Agreement, dated as of July 14, 2025, by and among the Borrower, the Guarantors party thereto, the Lenders and the Administrative Agent.

1. Condition Precedent. This Amendment shall become effective as of the date hereof upon receipt by the Administrative Agent of counterparts of this Amendment executed by the Loan Parties, the Required Lenders and the Administrative Agent.
  2. Amendment is a “Loan Document”. This Amendment is a Loan Document and all references to a “Loan Document” in the Credit Agreement and the other Loan Documents (including all such references in the representations and warranties in the Credit Agreement and the other Loan Documents) shall be deemed to include this Amendment.
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1. Representations and Warranties; No Default. Each Loan Party represents and warrants to the Administrative Agent and each Lender that after giving effect to this Amendment (a) the representations and warranties of each Loan Party contained in Article V of the Credit Agreement and in each other Loan Document are true and correct in all material respects, except for any representation and warranty that is qualified by materiality or reference to Material Adverse Effect which such representation and warranty shall be true and correct in all respects, as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date and (b) no Default exists as of the date hereof.
- 
1. Reaffirmation of Obligations. Each Loan Party (a) acknowledges and consents to all of the terms and conditions of this Amendment, (b) affirms all of its obligations under the Loan Documents and (c) agrees that this Amendment does not operate to reduce or discharge, or constitute or establish a novation with respect to, such Loan Party’s obligations under the Loan Documents.

1. Reaffirmation of Security Interests. Each Loan Party (a) affirms that each of the Liens granted in or pursuant to the Loan Documents are valid and subsisting and extend to the Credit Agreement as amended by this Amendment and (b) agrees that this Amendment does not in any manner impair or otherwise adversely affect any of the Liens granted in or pursuant to the Loan Documents.
1. No Other Changes. Except as expressly modified hereby, all of the terms and provisions of the Loan Documents (including the Guaranty and indemnity of each Guarantor) shall remain in full force and effect.
1. Counterparts; Delivery. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of this Amendment by fax transmission or e-mail transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Amendment.
1. Governing Law. This Amendment shall be deemed to be a contract made under, and for all purposes shall be construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Consent and Second Amendment to be duly executed and delivered as of the date first above written.

BORROWER: CAVCO INDUSTRIES, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name: Allison K. Aden  
Title: Chief Financial Officer

GUARANTORS: ELLIOTT MANUFACTURED HOMES, INC.,  
an Oklahoma corporation  
KESTERSON RETAIL LLC,  
a Texas limited liability company  
SH ACQUISITIONS, LLC,  
a Delaware limited liability company  
SOLITAIRE MANUFACTURED HOMES, L.L.C.,  
an Oklahoma limited liability company  
SOLITAIRE HOMES, LLC,  
a Texas limited liability company

By: \_\_\_\_\_

Treasurer

Name: Allison K. Aden

Title: Executive Vice President, Chief Financial Officer and

CAVCO MANUFACTURING, LLC,  
a Delaware limited liability company  
PALM HARBOR VILLAGES, INC.,  
a Delaware corporation

By: \_\_\_\_\_

Name: James P. Glew

Title: Vice President and Secretary

[SIGNATURE PAGES CONTINUE]

ADMINISTRATIVE AGENT: BANK OF AMERICA, N.A., as Administrative Agent

By: \_\_\_\_\_

Name:

Title:

LENDERS:

BANK OF AMERICA, N.A., as a Lender

By: \_\_\_\_\_

Name:

Title:

**Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, William C. Boor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cavco Industries, 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 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 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: August 1, 2025

By: /s/ William C. Boor  
William C. Boor  
President and Chief Executive Officer  
(Principal Executive Officer)



**Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Allison K. Aden, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cavco Industries, 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 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 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: August 1, 2025

By: /s/ Allison K. Aden  
Allison K. Aden  
Executive Vice President, Chief Financial  
Officer & Treasurer  
(Principal Financial Officer)

**Certification 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 of Cavco Industries, Inc. (the "Registrant") on Form 10-Q for the period ending June 28, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, William C. Boor, President and Chief Executive Officer, and Allison K. Aden, Executive Vice President, Chief Financial Officer & Treasurer, of the Registrant, each certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

August 1, 2025

/s/ William C. Boor

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William C. Boor

President and Chief Executive Officer  
(Principal Executive Officer)

/s/ Allison K. Aden

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Allison K. Aden

Executive Vice President, Chief Financial Officer  
& Treasurer  
(Principal Financial Officer)