
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 September 27, 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

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)

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 ☒

Non-accelerated Filer ☐

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 October 23, 2025, 7,805,037 shares of the registrant's Common Stock, \$0.01 par value, were outstanding.

CAVCO INDUSTRIES, INC.
FORM 10-Q
September 27, 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)

	September 27, 2025	March 29, 2025
ASSETS	(Unaudited)	
Current assets		
Cash and cash equivalents	\$ 374,978	\$ 356,225
Restricted cash, current	24,391	18,535
Accounts receivable, net	115,654	105,849
Short-term investments	16,865	19,842
Current portion of consumer loans receivable, net	33,493	35,852
Current portion of commercial loans receivable, net	43,468	43,492
Current portion of commercial loans receivable from affiliates, net	2,227	2,881
Inventories	258,423	252,695
Prepaid expenses and other current assets	65,048	74,815
Total current assets	934,547	910,186
Restricted cash	585	585
Investments	24,341	18,067
Consumer loans receivable, net	19,390	20,685
Commercial loans receivable, net	56,458	48,605
Commercial loans receivable from affiliates, net	5,292	4,768
Property, plant and equipment, net	236,709	227,620
Goodwill	121,969	121,969
Other intangibles, net	15,987	16,731
Operating lease right-of-use assets	33,791	35,576
Deferred income taxes	—	1,853
Total assets	<u>\$ 1,449,069</u>	<u>\$ 1,406,645</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 44,075	\$ 37,195
Accrued expenses and other current liabilities	273,975	265,971
Total current liabilities	318,050	303,166
Operating lease liabilities	30,360	31,538
Other liabilities	7,258	7,359
Deferred income taxes	7,264	—
Total liabilities	362,932	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 9,470,820 and 9,436,732 shares, respectively; Outstanding 7,866,737 and 8,008,012 shares, respectively	95	94
Treasury stock, at cost; 1,604,083 and 1,428,720 shares, respectively	(511,347)	(424,624)
Additional paid-in capital	294,984	290,940
Retained earnings	1,302,186	1,198,163
Accumulated other comprehensive income	219	9
Total stockholders' equity	1,086,137	1,064,582
Total liabilities and stockholders' equity	<u>\$ 1,449,069</u>	<u>\$ 1,406,645</u>

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		Six Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net revenue	\$ 556,527	\$ 507,461	\$ 1,113,384	\$ 985,060
Cost of sales	422,120	391,339	849,471	765,536
Gross profit	134,407	116,122	263,913	219,524
Selling, general and administrative expenses	72,229	66,997	141,377	131,848
Income from operations	62,178	49,125	122,536	87,676
Interest income	5,046	5,692	10,149	11,203
Interest expense	(112)	(125)	(276)	(215)
Other income, net	142	258	142	147
Income before income taxes	67,254	54,950	132,551	98,811
Income tax expense	(14,873)	(11,135)	(28,528)	(20,567)
Net income	<u>\$ 52,381</u>	<u>\$ 43,815</u>	<u>\$ 104,023</u>	<u>\$ 78,244</u>
Comprehensive income				
Net income	\$ 52,381	\$ 43,815	\$ 104,023	\$ 78,244
Reclassification adjustment for securities sold	136	262	253	271
Applicable income tax expense	(29)	(55)	(53)	(57)
Net change in unrealized position of investments held	8	(11)	12	54
Applicable income tax (expense) benefit	(1)	3	(2)	(11)
Comprehensive income	<u>\$ 52,495</u>	<u>\$ 44,014</u>	<u>\$ 104,233</u>	<u>\$ 78,501</u>
Net income per share				
Basic	<u>\$ 6.62</u>	<u>\$ 5.33</u>	<u>\$ 13.12</u>	<u>\$ 9.48</u>
Diluted	<u>\$ 6.55</u>	<u>\$ 5.28</u>	<u>\$ 12.96</u>	<u>\$ 9.38</u>
Weighted average shares outstanding				
Basic	<u>7,909,326</u>	<u>8,226,298</u>	<u>7,931,589</u>	<u>8,256,664</u>
Diluted	<u>7,992,745</u>	<u>8,305,326</u>	<u>8,024,720</u>	<u>8,337,671</u>

See accompanying Notes to Consolidated Financial Statements

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

	Six Months Ended	
	September 27, 2025	September 28, 2024
OPERATING ACTIVITIES		
Net income	\$ 104,023	\$ 78,244
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	10,502	9,520
Provision for credit losses	(64)	(260)
Deferred income taxes	9,071	88
Stock-based compensation expense	7,093	4,907
Non-cash interest income, net	(457)	(527)
Loss (gain) on sale or retirement of property, plant and equipment, net	(15)	26
Gain on investments and sale of loans, net	(2,551)	(1,694)
Changes in operating assets and liabilities, net of acquisitions		
Accounts receivable	(9,783)	(17,261)
Consumer loans receivable originated	(29,807)	(39,914)
Proceeds received on consumer loans receivable	33,922	34,045
Inventories	(5,728)	(2,686)
Prepaid expenses and other current assets	10,463	1,017
Commercial loans receivable originated	(83,163)	(54,724)
Principal payments received on commercial loans receivable	75,438	55,147
Accounts payable, accrued expenses and other liabilities	15,050	36,146
Net cash provided by operating activities	133,994	102,074
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(18,870)	(9,854)
Proceeds from sale of property, plant and equipment	38	127
Purchases of investments	(15,590)	(12,433)
Proceeds from sale of investments	14,273	11,131
Net cash used in investing activities	(20,149)	(11,029)
FINANCING ACTIVITIES		
Payments for taxes on stock option exercises and releases of equity awards	(4,932)	(2,921)
Proceeds from exercise of stock options	1,884	1,793
Payments on finance leases and other secured financings	(102)	(177)
Payments for common stock repurchases	(86,086)	(72,276)
Net cash used in financing activities	(89,236)	(73,581)
Net (decrease) increase in cash, cash equivalents and restricted cash	24,609	17,464
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	\$ 399,954	\$ 386,217
Supplemental disclosures of cash flow information		
Cash paid for income taxes	\$ 15,192	\$ 18,825
Cash paid for interest	\$ 137	\$ 30
Supplemental disclosures of noncash activity		
Change in GNMA loans eligible for repurchase	\$ (212)	\$ 496

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 31st 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 31st. 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		Six Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Factory-built housing				
Home sales	\$ 509,750	\$ 469,676	\$ 1,019,486	\$ 906,105
Delivery, setup and other revenues	25,367	16,667	51,325	38,286
	535,117	486,343	1,070,811	944,391
Financial services				
Insurance agency commissions received from third-party insurance companies	1,514	1,268	2,924	2,674
All other sources	19,896	19,850	39,649	37,995
	21,410	21,118	42,573	40,669
	<u>\$ 556,527</u>	<u>\$ 507,461</u>	<u>\$ 1,113,384</u>	<u>\$ 985,060</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):

	September 27, 2025	September 28, 2024
Cash and cash equivalents	\$ 374,978	\$ 364,113
Restricted cash, current	24,391	21,519
Restricted cash	585	585
	<u>\$ 399,954</u>	<u>\$ 386,217</u>

5. Investments

Investments consisted of the following (in thousands):

	September 27, 2025	March 29, 2025
Available-for-sale debt securities	\$ 23,197	\$ 21,415
Marketable equity securities	12,859	11,425
Non-marketable equity investments	5,150	5,069
	41,206	37,909
Less short-term investments	(16,865)	(19,842)
	<u>\$ 24,341</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):

	September 27, 2025		March 29, 2025	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Residential mortgage-backed securities	\$ 8,753	\$ 8,836	\$ 4,122	\$ 4,120
State and political subdivision debt securities	6,193	6,314	6,955	6,976
Corporate debt securities	7,974	8,047	10,326	10,319
	<u>\$ 22,920</u>	<u>\$ 23,197</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.

	September 27, 2025	
	Amortized Cost	Fair Value
Due in less than one year	\$ 3,649	\$ 3,640
Due after one year through five years	6,355	6,471
Due after five years through ten years	1,541	1,567
Due after ten years	2,622	2,683
Mortgage-backed securities	8,753	8,836
	<u>\$ 22,920</u>	<u>\$ 23,197</u>

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

	Three Months Ended		Six Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Marketable equity securities				
Net gain recognized during the period	\$ 993	\$ 514	\$ 1,592	\$ 60
Less: Net (gain) loss recognized on securities sold during the period	(47)	88	9	(464)
Unrealized gain (loss) recognized during the period on securities still held	<u>\$ 946</u>	<u>\$ 602</u>	<u>\$ 1,601</u>	<u>\$ (404)</u>

6. Inventories

Inventories consisted of the following (in thousands):

	September 27, 2025	March 29, 2025
Raw materials	\$ 77,535	\$ 79,098
Work in process	34,349	29,808
Finished goods	146,539	143,789
	<u>\$ 258,423</u>	<u>\$ 252,695</u>

7. Consumer Loans Receivable

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

	September 27, 2025	March 29, 2025
Loans held for investment, previously securitized	\$ 12,168	\$ 13,775
Loans held for investment	12,048	12,196
Loans held for sale	25,086	27,981
Construction advances	5,126	4,210
	<u>54,428</u>	<u>58,162</u>
Deferred financing fees and other, net	(675)	(686)
Allowance for loan losses	(870)	(939)
	<u>52,883</u>	<u>56,537</u>
Less current portion	<u>(33,493)</u>	<u>(35,852)</u>
	<u>\$ 19,390</u>	<u>\$ 20,685</u>

The consumer loans held for investment had the following characteristics:

	September 27, 2025	March 29, 2025
Weighted average contractual interest rate	7.8 %	7.9 %
Weighted average effective interest rate	8.3 %	10.3 %
Weighted average months to maturity	222	221

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

	September 27, 2025	March 29, 2025
Current	\$ 52,812	\$ 56,401
31 to 60 days	167	1,082
61 to 90 days	190	4
91+ days	1,259	675
	<u>\$ 54,428</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):

	September 27, 2025						
	2026	2025	2024	2023	2022	Prior	Total
Prime- FICO score 680 and greater	\$ 12,512	\$ 7,954	\$ 4,676	\$ 320	\$ 90	\$ 13,125	\$ 38,677
Near Prime- FICO score 620-679	2,372	1,918	622	—	—	9,230	14,142
Sub-Prime- FICO score less than 620	—	320	—	—	—	598	918
No FICO score	172	65	202	—	—	252	691
	<u>\$ 15,056</u>	<u>\$ 10,257</u>	<u>\$ 5,500</u>	<u>\$ 320</u>	<u>\$ 90</u>	<u>\$ 23,205</u>	<u>\$ 54,428</u>

	March 29, 2025						
	2025	2024	2023	2022	2021	Prior	Total
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 September 27, 2025, 47% of the outstanding principal balance of the consumer loans receivable portfolio was concentrated in Texas and 15% was concentrated in Florida. 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 September 27, 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):

	September 27, 2025	March 29, 2025
Loans receivable (including from affiliates)	\$ 108,038	\$ 100,297
Allowance for loan losses	(387)	(361)
Deferred financing fees, net	(206)	(190)
	107,445	99,746
Less current portion of commercial loans receivable (including from affiliates), net	(45,695)	(46,373)
	<u>\$ 61,750</u>	<u>\$ 53,373</u>

The commercial loans receivable balance had the following characteristics:

	September 27, 2025	March 29, 2025
Weighted average contractual interest rate	7.7 %	8.3 %
Weighted average months outstanding	9	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 September 27, 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):

	September 27, 2025						
	2026	2025	2024	2023	2022	Prior	Total
Performing	\$ 55,071	\$ 34,448	\$ 15,641	\$ 2,201	\$ 392	\$ 285	\$ 108,038

	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 September 27, 2025, our outstanding commercial loans receivable principal balance was concentrated primarily in California (14%), New York (14%), Arizona (14%), and North Carolina (11%). As of March 29, 2025, concentrations were 16% in California and 17% in New York.

We had concentrations with one independent third-party and its affiliates that equaled 11% and 10% of the net commercial loans receivable principal balance outstanding, all of which was secured, as of September 27, 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):

	September 27, 2025	March 29, 2025
Salaries, wages and benefits	\$ 49,184	\$ 45,640
Customer deposits	46,449	46,934
Estimated warranties	35,577	33,189
Unearned insurance premiums	34,010	33,863
Accrued volume rebates	29,194	21,208
Accrued insurance	12,689	13,094
Insurance loss reserves	10,260	16,201
Other	56,612	55,842
	<u>\$ 273,975</u>	<u>\$ 265,971</u>

10. Warranties

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

	Three Months Ended		Six Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Balance at beginning of period	\$ 34,383	\$ 31,815	\$ 33,189	\$ 31,718
Charged to costs and expenses	17,023	13,990	33,648	26,081
Payments and deductions	(15,829)	(12,724)	(31,260)	(24,718)
Balance at end of period	<u>\$ 35,577</u>	<u>\$ 33,081</u>	<u>\$ 35,577</u>	<u>\$ 33,081</u>

11. Other Liabilities

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

	September 27, 2025	March 29, 2025
Finance lease liabilities	\$ 6,045	\$ 6,086
Other secured financing	1,535	1,594
	<u>7,580</u>	<u>7,680</u>
Less current portion included in Accrued expenses and other current liabilities	(322)	(321)
	<u>\$ 7,258</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 September 27, 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			
	September 27, 2025		September 28, 2024	
	Written	Earned	Written	Earned
Direct premiums	\$ 9,292	\$ 11,184	\$ 9,380	\$ 12,177
Assumed premiums—nonaffiliated	11,716	10,963	11,303	10,095
Ceded premiums—nonaffiliated	(7,654)	(7,654)	(8,880)	(8,880)
	<u>\$ 13,354</u>	<u>\$ 14,493</u>	<u>\$ 11,803</u>	<u>\$ 13,392</u>

	Six Months Ended			
	September 27, 2025		September 28, 2024	
	Written	Earned	Written	Earned
Direct premiums	\$ 21,443	\$ 22,716	\$ 22,883	\$ 24,479
Assumed premiums—nonaffiliated	23,198	21,833	23,038	19,599
Ceded premiums—nonaffiliated	(15,364)	(15,364)	(17,065)	(17,065)
	<u>\$ 29,277</u>	<u>\$ 29,185</u>	<u>\$ 28,856</u>	<u>\$ 27,013</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 and six months ended September 27, 2025 and September 28, 2024 (in thousands):

	Three Months Ended		Six Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Balance at beginning of period	\$ 13,118	\$ 18,927	\$ 16,201	\$ 10,540
Net incurred losses during the period	7,782	14,128	18,885	32,091
Net claim payments during the period	(10,640)	(18,435)	(24,826)	(28,011)
Balance at end of period	<u>\$ 10,260</u>	<u>\$ 14,620</u>	<u>\$ 10,260</u>	<u>\$ 14,620</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 \$137 million and \$133 million at September 27, 2025 and March 29, 2025, respectively, without reduction for the estimated resale value of the homes. During the three and six months ended September 27, 2025, we received a demand notice for one home. The inventory was obtained and resold. Our reserve for repurchase commitments, recorded in Accrued expenses and other current liabilities, was \$3.3 million at September 27, 2025 and March 29, 2025.

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

	September 27, 2025	March 29, 2025
Construction loan contract amount	\$ 10,459	\$ 12,366
Cumulative advances	(5,126)	(4,210)
	<u>\$ 5,333</u>	<u>\$ 8,156</u>

Representations and Warranties of Mortgages Sold. The reserve for contingent repurchases and indemnification obligations was \$0.6 million as of September 27, 2025 and 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 six months ended September 27, 2025 or September 28, 2024.

Interest Rate Lock Commitments ("IRLCs"). As of September 27, 2025 and March 29, 2025, we had outstanding IRLCs with a notional amount of \$25.2 million and \$16.3 million, respectively. For the three and six months ended September 27, 2025, and September 28, 2024, we recognized insignificant non-cash gains on outstanding IRLCs.

Forward Sales Commitments. As of September 27, 2025 and March 29, 2025, we had \$14.4 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 and six months ended September 27, 2025, we recognized insignificant non-cash gains on Commitments. During the three and six months ended September 28, 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 six months ended September 27, 2025 and September 28, 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	9,453,363	\$ 95	\$(474,993)	\$ 289,821	\$1,249,805	\$ 105	\$1,064,833
Net income	—	—	—	—	52,381	—	52,381
Other comprehensive income, net	—	—	—	—	—	114	114
Net issuance of common stock under stock incentive plans	17,457	—	—	1,633	—	—	1,633
Stock-based compensation	—	—	—	3,530	—	—	3,530
Common stock repurchases	—	—	(36,354)	—	—	—	(36,354)
Balance, September 27, 2025	<u>9,470,820</u>	<u>\$ 95</u>	<u>\$(511,347)</u>	<u>\$ 294,984</u>	<u>\$1,302,186</u>	<u>\$ 219</u>	<u>\$1,086,137</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	9,401,057	\$ 94	\$(303,897)	\$ 281,062	\$1,061,556	\$ (275)	\$1,038,540
Net income	—	—	—	—	43,815	—	43,815
Other comprehensive income, net	—	—	—	—	—	198	198
Net issuance of common stock under stock incentive plans	16,275	—	—	1,220	—	—	1,220
Stock-based compensation	—	—	—	2,713	—	—	2,713
Common stock repurchases	—	—	(44,509)	—	—	—	(44,509)
Balance, September 28, 2024	9,417,332	\$ 94	\$(348,406)	\$ 284,995	\$1,105,371	\$ (77)	\$1,041,977

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		Six Months Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net income	\$ 52,381	\$ 43,815	\$ 104,023	\$ 78,244
Weighted average shares outstanding				
Basic	7,909,326	8,226,298	7,931,589	8,256,664
Effect of dilutive securities	83,419	79,028	93,131	81,007
Diluted	7,992,745	8,305,326	8,024,720	8,337,671
Net income per share				
Basic	\$ 6.62	\$ 5.33	\$ 13.12	\$ 9.48
Diluted	\$ 6.55	\$ 5.28	\$ 12.96	\$ 9.38
Anti-dilutive common stock equivalents excluded	—	257	264	428

17. Fair Value Measurements

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

	September 27, 2025		March 29, 2025	
	Book Value	Estimated Fair Value	Book Value	Estimated Fair Value
Available-for-sale debt securities	\$ 23,197	\$ 23,197	\$ 21,415	\$ 21,415
Marketable equity securities	12,859	12,859	11,425	11,425
Non-marketable equity investments	5,150	5,150	5,069	5,069
Consumer loans receivable	52,883	54,402	56,537	59,365
Commercial loans receivable	107,445	97,352	99,746	89,216
Other secured financing	(1,535)	(1,534)	(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.

	September 27, 2025	March 29, 2025
Number of loans serviced with MSRs	3,550	3,647
Weighted average servicing fee (basis points)	34.25	34.74
Capitalized servicing multiple	170.69 %	179.97 %
Capitalized servicing rate (basis points)	58.46	62.52
Serviced portfolio with MSRs (in thousands)	\$ 438,870	\$ 451,080
MSRs (in thousands)	\$ 2,566	\$ 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 September 27, 2025		
	Factory-built housing	Financial services	Consolidated
Net revenue	\$ 535,117	\$ 21,410	\$ 556,527
Cost of sales	412,623	9,497	422,120
Gross profit	122,494	11,913	134,407
Selling, general and administrative expenses	65,757	6,472	72,229
Income from operations	56,737	5,441	62,178
Interest income	5,046	—	5,046
Interest expense	(112)	—	(112)
Other income, net	142	—	142
Income before income taxes	61,813	5,441	67,254
Income tax expense	(13,661)	(1,212)	(14,873)
Net income	\$ 48,152	\$ 4,229	\$ 52,381

	Six Months Ended September 27, 2025		
	Factory-built housing	Financial services	Consolidated
Net revenue	\$ 1,070,811	\$ 42,573	\$ 1,113,384
Cost of sales	827,473	21,998	849,471
Gross profit	243,338	20,575	263,913
Selling, general and administrative expenses	128,911	12,466	141,377
Income from operations	114,427	8,109	122,536
Interest income	10,149	—	10,149
Interest expense	(276)	—	(276)
Other income, net	142	—	142
Income before income taxes	124,442	8,109	132,551
Income tax expense	(26,789)	(1,739)	(28,528)
Net income	\$ 97,653	\$ 6,370	\$ 104,023

	Three Months Ended September 27, 2025		
	Factory-built housing	Financial services	Consolidated
Depreciation	\$ 4,898	\$ 63	\$ 4,961
Amortization	\$ 366	\$ 6	\$ 372
Capital expenditures	\$ 9,861	\$ —	\$ 9,861

	Six Months Ended September 27, 2025		
	Factory-built housing	Financial services	Consolidated
Depreciation	\$ 9,633	\$ 125	\$ 9,758
Amortization	\$ 732	\$ 12	\$ 744
Capital expenditures	\$ 18,870	\$ —	\$ 18,870

	Three Months Ended September 28, 2024		
	Factory-built housing	Financial services	Consolidated
Net revenue	\$ 486,343	\$ 21,118	\$ 507,461
Cost of sales	374,823	16,516	391,339
Gross profit	111,520	4,602	116,122
Selling, general and administrative expenses	61,440	5,557	66,997
Income (loss) from operations	50,080	(955)	49,125
Interest income	5,692	—	5,692
Interest expense	(125)	—	(125)
Other income, net	258	—	258
Income (loss) before income taxes	55,905	(955)	54,950
Income tax expense	(11,099)	(36)	(11,135)
Net income (loss)	<u>\$ 44,806</u>	<u>\$ (991)</u>	<u>\$ 43,815</u>

	Six Months Ended September 28, 2024		
	Factory-built housing	Financial services	Consolidated
Net revenue	\$ 944,391	\$ 40,669	\$ 985,060
Cost of sales	729,361	36,175	765,536
Gross profit	215,030	4,494	219,524
Selling, general and administrative expenses	121,160	10,688	131,848
Income (loss) from operations	93,870	(6,194)	87,676
Interest income	11,203	—	11,203
Interest expense	(215)	—	(215)
Other income, net	147	—	147
Income (loss) before income taxes	105,005	(6,194)	98,811
Income tax (expense) benefit	(21,755)	1,188	(20,567)
Net income (loss)	<u>\$ 83,250</u>	<u>\$ (5,006)</u>	<u>\$ 78,244</u>

	Three Months Ended September 28, 2024		
	Factory-built housing	Financial services	Consolidated
Depreciation	\$ 4,312	\$ 63	\$ 4,375
Amortization	\$ 378	\$ 7	\$ 385
Capital expenditures	\$ 4,878	\$ 27	\$ 4,905

	Six Months Ended September 28, 2024		
	Factory-built housing	Financial services	Consolidated
Depreciation	\$ 8,616	\$ 128	\$ 8,744
Amortization	\$ 764	\$ 13	\$ 777
Capital expenditures	\$ 9,729	\$ 90	\$ 9,819

	September 27, 2025	March 29, 2025
Total assets:		
Factory-built housing	\$ 1,210,524	\$ 1,191,216
Financial services	238,545	215,429
Consolidated	<u>\$ 1,449,069</u>	<u>\$ 1,406,645</u>

19. Subsequent Events

As announced on September 30, 2025 in a current report on Form 8-K, we completed the acquisition of American Homestar Corporation and other related entities (collectively "American Homestar"), including their two manufacturing facilities, nineteen retail locations and financial service operations. The addition of American Homestar to our existing manufacturing and retail system strengthens our position in the South Central U.S.. The purchase price totaled \$190 million, before certain customary adjustments, and was funded with cash on hand.

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.

As of September 27, 2025 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 79 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 August 2025 were 70,757, an increase of 3.2% compared to 68,550 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 8, 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 September 27, 2025 was \$210 million compared to \$197 million at March 29, 2025, an increase of \$13 million, and down \$66 million compared to \$276 million at September 28, 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			
	September 27, 2025	September 28, 2024	Change	
(\$ in thousands, except revenue per home sold)				
Factory-built housing	\$ 535,117	\$ 486,343	\$ 48,774	10.0 %
Financial services	21,410	21,118	292	1.4 %
	<u>\$ 556,527</u>	<u>\$ 507,461</u>	<u>\$ 49,066</u>	<u>9.7 %</u>
Factory-built homes sold				
by Company-owned retail sales centers	1,187	1,032	155	15.0 %
to independent retailers, builders, communities and developers	3,991	3,881	110	2.8 %
	<u>5,178</u>	<u>4,913</u>	<u>265</u>	<u>5.4 %</u>
Net factory-built housing revenue per home sold	\$ 103,344	\$ 98,991	\$ 4,353	4.4 %
	Six Months Ended			
	September 27, 2025	September 28, 2024	Change	
(\$ in thousands, except revenue per home sold)				
Factory-built housing	\$ 1,070,811	\$ 944,391	\$ 126,420	13.4 %
Financial services	42,573	40,669	1,904	4.7 %
	<u>\$ 1,113,384</u>	<u>\$ 985,060</u>	<u>\$ 128,324</u>	<u>13.0 %</u>
Factory-built homes sold				
by Company-owned retail sales centers	2,210	2,045	165	8.1 %
to independent retailers, builders, communities and developers	8,384	7,589	795	10.5 %
	<u>10,594</u>	<u>9,634</u>	<u>960</u>	<u>10.0 %</u>
Net factory-built housing revenue per home sold	\$ 101,077	\$ 98,027	\$ 3,050	3.1 %

Factory-built housing Net revenue increased for the three and six months ended September 27, 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 and six months ended September 27, 2025, Financial services Net revenue increased primarily due to higher insurance premiums.

Gross Profit

(\$ in thousands)	Three Months Ended		Change	
	September 27, 2025	September 28, 2024		
Factory-built housing	\$ 122,493	\$ 111,520	\$ 10,973	9.8 %
Financial services	11,914	4,602	7,312	158.9 %
	<u>\$ 134,407</u>	<u>\$ 116,122</u>	<u>\$ 18,285</u>	15.7 %

Gross profit as % of Net revenue				
Consolidated	24.2 %	22.9 %	N/A	1.3 %
Factory-built housing	22.9 %	22.9 %	N/A	— %
Financial services	55.6 %	21.8 %	N/A	33.8 %

(\$ in thousands)	Six Months Ended		Change	
	September 27, 2025	September 28, 2024		
Factory-built housing	\$ 243,338	\$ 215,030	\$ 28,308	13.2 %
Financial services	20,575	4,494	16,081	357.8 %
	<u>\$ 263,913</u>	<u>\$ 219,524</u>	<u>\$ 44,389</u>	20.2 %

Gross profit as % of Net revenue				
Consolidated	23.7 %	22.3 %	N/A	1.4 %
Factory-built housing	22.7 %	22.8 %	N/A	(0.1)%
Financial services	48.3 %	11.1 %	N/A	37.2 %

Factory-built housing Gross profit and Gross profit as a percentage of Net revenue for the three and six months ended September 27, 2025 increased due to higher sales volume and an increase in Net revenue per home sold.

Financial services Gross profit in dollars and as a percentage of Financial services Net revenue for the three and six months ended September 27, 2025 increased due to higher insurance premiums and lower claim losses. The claim loss reduction resulted from policy underwriting improvements and severe weather events in the prior year periods.

Selling, General and Administrative Expenses

(\$ in thousands)	Three Months Ended		Change	
	September 27, 2025	September 28, 2024		
Factory-built housing	\$ 65,757	\$ 61,440	\$ 4,317	7.0 %
Financial services	6,472	5,557	915	16.5 %
	<u>\$ 72,229</u>	<u>\$ 66,997</u>	<u>\$ 5,232</u>	<u>7.8 %</u>
Selling, general and administrative expenses as % of Net revenue	13.0 %	13.2 %	N/A	(0.2)%

(\$ in thousands)	Six Months Ended		Change	
	September 27, 2025	September 28, 2024		
Factory-built housing	\$ 128,911	\$ 121,160	\$ 7,751	6.4 %
Financial services	12,466	10,688	1,778	16.6 %
	<u>\$ 141,377</u>	<u>\$ 131,848</u>	<u>\$ 9,529</u>	<u>7.2 %</u>
Selling, general and administrative expenses as % of Net revenue	12.7 %	13.4 %	N/A	(0.7)%

Factory-built housing Selling, general and administrative expenses increased for the three and six months ended September 27, 2025 as a result of variable compensation driven by higher incentive compensation due to higher earnings compared to the prior year periods.

Financial services Selling, general and administrative expenses for the three and six months ended September 27, 2025 increased primarily due to increases in compensation year over year.

Other Components of Net Income

(\$ in thousands)	Three Months Ended		Change	
	September 27, 2025	September 28, 2024		
Interest income	\$ 5,046	\$ 5,692	\$ (646)	(11.3)%
Interest expense	(112)	(125)	(13)	(10.4)%
Other income, net	142	258	(116)	45.0 %
Income tax expense	(14,873)	(11,135)	3,738	33.6 %
Effective tax rate	22.1 %	20.3 %	N/A	1.8 %

(\$ in thousands)	Six Months Ended		Change	
	September 27, 2025	September 28, 2024		
Interest income	\$ 10,149	\$ 11,203	\$ (1,054)	(9.4)%
Interest expense	(276)	(215)	61	28.4 %
Other income, net	142	147	(5)	3.4 %
Income tax expense	(28,528)	(20,567)	7,961	38.7 %
Effective tax rate	21.5 %	20.8 %	N/A	0.7 %

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 income, 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 September 27, 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 six months ended September 27, 2025 and September 28, 2024, respectively:

(in thousands)	Six Months Ended		\$ Change
	September 27, 2025	September 28, 2024	
Cash, cash equivalents and restricted cash at beginning of the fiscal year	\$ 375,345	\$ 368,753	\$ 6,592
Net cash provided by operating activities	133,994	102,074	31,920
Net cash used in investing activities	(20,149)	(11,029)	(9,120)
Net cash used in financing activities	(89,236)	(73,581)	(15,655)
Cash, cash equivalents and restricted cash at end of the period	<u>\$ 399,954</u>	<u>\$ 386,217</u>	<u>\$ 13,737</u>

Net cash provided by operating activities increased primarily from higher Net income, a decrease in Consumer loans originated compared to the prior year period and a decrease in Prepaid expenses and other current assets. The increase was partially offset by an increase in Commercial loans originated.

Consumer loan originations decreased \$10.1 million to \$29.8 million for the six months ended September 27, 2025 from \$39.9 million for the six months ended September 28, 2024, and proceeds from consumer loans decreased \$0.1 million to \$33.9 million for the six months ended September 27, 2025 from \$34.0 million for the six months ended September 28, 2024.

Commercial loan originations increased \$28.5 million to \$83.2 million for the six months ended September 27, 2025 from \$54.7 million for the six months ended September 28, 2024. Proceeds from the collection on commercial loans provided \$75.4 million this year, compared to \$55.1 million in the prior year, a net increase of \$20.3 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 six months ended September 27, 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 September 27, 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 September 27, 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 second 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 ¹	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (in thousands)
June 29, 2025 to August 2, 2025	—	\$ —	—	\$ 177,765
August 3, 2025 to August 30, 2025	12,500	486.84	12,500	171,680
August 31, 2025 to September 27, 2025	54,570	549.73	54,570	141,681
	<u>67,070</u>		<u>67,070</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.

¹The stock repurchase plan announced on October 31, 2024 approved \$100 million in stock repurchases. As of September 27, 2025 there is nothing remaining from this approval. The stock repurchase plan announced on May 22, 2025 approved \$150 million in stock repurchases and there is \$142 million dollars remaining as of September 27, 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 September 27, 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

<u>Exhibit</u>		<u>No.</u>	<u>Exhibit</u>
<u>31.1</u>	(1)		<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>
<u>31.2</u>	(1)		<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>
<u>32</u>	(2)		<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>
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)

(1) Filed herewith.

(2) 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)	October 31, 2025
<u>/s/ Allison K. Aden</u> Allison K. Aden	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	October 31, 2025