
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 26, 2026

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 22, 2026, 7,630,411 shares of the registrant's Common Stock, \$0.01 par value, were outstanding.

CAVCO INDUSTRIES, INC.
FORM 10-Q
September 26, 2026

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1. Financial Statements</u>	
<u>Consolidated Balance Sheets as of September 26, 2026 (unaudited) and March 28, 2026</u>	<u>1</u>
<u>Consolidated Statements of Comprehensive Income (unaudited) for the three and six months ended September 26, 2026 and September 27, 2025</u>	<u>2</u>
<u>Consolidated Statements of Cash Flows (unaudited) for the six months ended September 26, 2026 and September 27, 2025</u>	<u>3</u>
<u>Notes to Consolidated Financial Statements (unaudited)</u>	<u>4</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>21</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>29</u>
<u>Item 4. Controls and Procedures</u>	<u>29</u>
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1. Legal Proceedings</u>	<u>30</u>
<u>Item 1A. Risk Factors</u>	<u>30</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>30</u>
Item 3. Not applicable	
Item 4. Not applicable	
<u>Item 5. Other Information</u>	<u>30</u>
<u>Item 6. Exhibits</u>	<u>31</u>
<u>SIGNATURES</u>	<u>32</u>

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	September 26, 2026	March 28, 2026
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 271,911	\$ 236,721
Restricted cash, current	25,386	20,306
Accounts receivable, net	139,244	108,288
Short-term investments	17,166	16,233
Current portion of consumer loans receivable, net	19,713	19,207
Current portion of commercial loans receivable, net	41,835	54,841
Current portion of commercial loans receivable from affiliates, net	1,510	1,836
Inventories	311,110	295,671
Prepaid expenses and other current assets	54,554	71,630
Total current assets	882,429	824,733
Restricted cash	585	585
Investments	43,416	38,151
Consumer loans receivable, net	17,474	18,974
Commercial loans receivable, net	65,715	55,801
Commercial loans receivable from affiliates, net	3,993	3,519
Property, plant and equipment, net	321,398	278,890
Goodwill	211,667	208,841
Other intangibles, net	26,859	28,067
Operating lease right-of-use assets	37,992	33,578
Total assets	\$ 1,611,528	\$ 1,491,139
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 68,047	\$ 44,168
Accrued expenses and other current liabilities	352,184	291,230
Total current liabilities	420,231	335,398
Operating lease liabilities	32,955	30,747
Other liabilities	6,977	7,096
Deferred income taxes	14,362	14,716
Total liabilities	474,525	387,957
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 9,509,421 and 9,474,288 shares, respectively; Outstanding 7,661,911 and 7,738,700 shares, respectively	95	95
Treasury stock, at cost; 1,847,510 and 1,735,588 shares, respectively	(646,225)	(585,865)
Additional paid-in capital	298,032	300,208
Retained earnings	1,486,424	1,388,714
Accumulated other comprehensive (loss) income	(1,323)	30
Total stockholders' equity	1,137,003	1,103,182
Total liabilities and stockholders' equity	\$ 1,611,528	\$ 1,491,139

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 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Net revenue	\$ 656,378	\$ 556,527	\$ 1,266,337	\$ 1,113,384
Cost of sales	508,766	422,120	984,135	849,471
Gross profit	147,612	134,407	282,202	263,913
Selling, general and administrative expenses	77,710	72,229	159,545	141,377
Income from operations	69,902	62,178	122,657	122,536
Interest income	3,595	5,046	6,858	10,149
Interest expense	(282)	(112)	(414)	(276)
Other income, net	136	142	38	142
Income before income taxes	73,351	67,254	129,139	132,551
Income tax expense	(17,912)	(14,873)	(31,429)	(28,528)
Net income	<u>\$ 55,439</u>	<u>\$ 52,381</u>	<u>\$ 97,710</u>	<u>\$ 104,023</u>
Comprehensive income				
Net income	\$ 55,439	\$ 52,381	\$ 97,710	\$ 104,023
Reclassification adjustment for securities sold	(1,571)	136	(1,703)	253
Applicable income tax benefit (expense)	329	(29)	357	(53)
Net change in unrealized position of investments held	5	8	(9)	12
Applicable income tax (expense) benefit	(1)	(1)	2	(2)
Comprehensive income	<u>\$ 54,201</u>	<u>\$ 52,495</u>	<u>\$ 96,357</u>	<u>\$ 104,233</u>
Net income per share				
Basic	<u>\$ 7.22</u>	<u>\$ 6.62</u>	<u>\$ 12.70</u>	<u>\$ 13.12</u>
Diluted	<u>\$ 7.17</u>	<u>\$ 6.55</u>	<u>\$ 12.59</u>	<u>\$ 12.96</u>
Weighted average shares outstanding				
Basic	<u>7,679,380</u>	<u>7,909,326</u>	<u>7,693,552</u>	<u>7,931,589</u>
Diluted	<u>7,734,777</u>	<u>7,992,745</u>	<u>7,760,165</u>	<u>8,024,720</u>

See accompanying Notes to Consolidated Financial Statements

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

	Six Months Ended	
	September 26, 2026	September 27, 2025
OPERATING ACTIVITIES		
Net income	\$ 97,710	\$ 104,023
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	13,576	10,502
Provision for credit losses	(489)	(64)
Deferred income taxes	(33)	9,071
Stock-based compensation expense	7,153	7,093
Non-cash interest income, net	(465)	(457)
Loss (gain) on sale or retirement of property, plant and equipment, net	265	(15)
Gain on investments and sale of loans, net	(4,275)	(2,551)
Changes in operating assets and liabilities		
Accounts receivable	(31,043)	(9,783)
Consumer loans receivable originated	(59,307)	(29,807)
Proceeds from sales of consumer loans receivable	59,782	31,037
Principal payments received on consumer loans receivable	2,703	2,885
Inventories	(15,439)	(5,728)
Prepaid expenses and other current assets	18,270	10,463
Commercial loans receivable originated	(87,489)	(83,163)
Principal payments received on commercial loans receivable	90,841	75,438
Accounts payable, accrued expenses and other liabilities	79,099	15,050
Net cash provided by operating activities	170,859	133,994
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(55,197)	(18,870)
Proceeds from sale of property, plant and equipment	55	38
Purchases of investments	(10,819)	(15,590)
Proceeds from sale of investments	4,626	14,273
Net cash used in investing activities	(61,335)	(20,149)
FINANCING ACTIVITIES		
Payments for taxes on stock option exercises and releases of equity awards	(9,143)	(4,932)
Proceeds from exercise of stock options	59	1,884
Payments on finance leases and other secured financings	(170)	(102)
Payments for common stock repurchases	(60,000)	(86,086)
Net cash used in financing activities	(69,254)	(89,236)
Net increase in cash, cash equivalents and restricted cash	40,270	24,609
Cash, cash equivalents and restricted cash at beginning of the fiscal year	257,612	375,345
Cash, cash equivalents and restricted cash at end of the period	\$ 297,882	\$ 399,954
Supplemental disclosures of cash flow information		
Cash paid for income taxes	\$ 10,764	\$ 15,192
Cash paid for interest	\$ 67	\$ 137
Supplemental disclosures of noncash activity		
Change in GNMA loans eligible for repurchase	\$ (168)	\$ (212)

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. These unaudited 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 2026 Annual Report on Form 10-K for the year ended March 28, 2026, 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 April 3, 2027 and will include 53 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 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 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Factory-built housing				
Home sales	\$ 603,191	\$ 509,750	\$ 1,162,054	\$ 1,019,486
Delivery, setup and other revenues	30,545	25,367	57,654	51,325
	<u>633,736</u>	<u>535,117</u>	<u>1,219,708</u>	<u>1,070,811</u>
Financial services				
Insurance agency commissions received from third-party insurance companies	2,325	1,514	4,263	2,924
All other sources	20,317	19,896	42,366	39,649
	<u>22,642</u>	<u>21,410</u>	<u>46,629</u>	<u>42,573</u>
	<u>\$ 656,378</u>	<u>\$ 556,527</u>	<u>\$ 1,266,337</u>	<u>\$ 1,113,384</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 26, 2026	September 27, 2025
Cash and cash equivalents	\$ 271,911	\$ 374,978
Restricted cash, current	25,386	24,391
Restricted cash	585	585
	<u>\$ 297,882</u>	<u>\$ 399,954</u>

5. Investments

Investments consisted of the following (in thousands):

	September 26, 2026	March 28, 2026
Available-for-sale debt securities	\$ 38,950	\$ 34,141
Marketable equity securities	15,919	14,634
Non-marketable equity investments	5,713	5,609
	<u>60,582</u>	<u>54,384</u>
Less short-term investments	(17,166)	(16,233)
	<u>\$ 43,416</u>	<u>\$ 38,151</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 26, 2026		March 28, 2026	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Residential mortgage-backed securities	\$ 18,821	\$ 17,956	\$ 14,076	\$ 14,064
State and political subdivision debt securities	10,939	10,516	9,225	9,264
Corporate debt securities	10,865	10,478	10,803	10,813
	<u>\$ 40,625</u>	<u>\$ 38,950</u>	<u>\$ 34,104</u>	<u>\$ 34,141</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 26, 2026	
	Amortized Cost	Fair Value
Due in less than one year	\$ 893	\$ 893
Due after one year through five years	10,130	9,891
Due after five years through ten years	3,480	3,326
Due after ten years	7,301	6,884
Mortgage-backed securities	18,821	17,956
	<u>\$ 40,625</u>	<u>\$ 38,950</u>

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

	Three Months Ended		Six Months Ended	
	September 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Marketable equity securities				
Net (loss) gain recognized during the period	\$ (80)	\$ 993	\$ 1,520	\$ 1,592
Less: Net (gain) loss recognized on securities sold during the period	(5)	(47)	272	9
Unrealized (loss) gain recognized during the period on securities still held	<u>\$ (85)</u>	<u>\$ 946</u>	<u>\$ 1,792</u>	<u>\$ 1,601</u>

6. Inventories

Inventories consisted of the following (in thousands):

	September 26, 2026	March 28, 2026
Raw materials	\$ 99,025	\$ 87,180
Work in process	39,700	34,968
Finished goods	172,385	173,523
	<u>\$ 311,110</u>	<u>\$ 295,671</u>

7. Consumer Loans Receivable

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

	September 26, 2026	March 28, 2026
Loans held for investment, previously securitized	\$ 9,242	\$ 13,265
Loans held for investment	12,199	11,437
Loans held for sale	15,470	12,622
Construction advances	1,667	2,245
	<u>38,578</u>	<u>39,569</u>
Deferred financing fees and other, net	(774)	(601)
Allowance for loan losses	<u>(617)</u>	<u>(787)</u>
	37,187	38,181
Less current portion	<u>(19,713)</u>	<u>(19,207)</u>
	<u>\$ 17,474</u>	<u>\$ 18,974</u>

The consumer loans held for investment had the following characteristics:

	September 26, 2026	March 28, 2026
Weighted average contractual interest rate	7.4 %	7.4 %
Weighted average effective interest rate	7.1 %	8.9 %
Weighted average months to maturity	217	212

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

	September 26, 2026	March 28, 2026
Current	\$ 36,974	\$ 37,792
31 to 60 days	234	826
61 to 90 days	265	—
91+ days	1,105	951
	<u>\$ 38,578</u>	<u>\$ 39,569</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 26, 2026						
	2027	2026	2025	2024	2023	Prior	Total
Prime- FICO score 680 and greater	\$ 10,883	\$ 675	\$ 308	\$ 1,041	\$ 314	\$ 10,040	\$ 23,261
Near Prime- FICO score 620-679	3,083	310	271	139	—	8,174	11,977
Sub-Prime- FICO score less than 620	—	60	—	—	—	475	535
No FICO score	1,050	—	—	201	—	1,554	2,805
	<u>\$ 15,016</u>	<u>\$ 1,045</u>	<u>\$ 579</u>	<u>\$ 1,381</u>	<u>\$ 314</u>	<u>\$ 20,243</u>	<u>\$ 38,578</u>

	March 28, 2026						
	2026	2025	2024	2023	2022	Prior	Total
Prime- FICO score 680 and greater	\$ 9,750	\$ 1,353	\$ 1,859	\$ 318	\$ 39	\$ 11,725	\$ 25,044
Near Prime- FICO score 620-679	2,557	784	261	—	—	8,375	11,977
Sub-Prime- FICO score less than 620	61	—	—	—	—	537	598
No FICO score	—	64	202	—	—	1,684	1,950
	<u>\$ 12,368</u>	<u>\$ 2,201</u>	<u>\$ 2,322</u>	<u>\$ 318</u>	<u>\$ 39</u>	<u>\$ 22,321</u>	<u>\$ 39,569</u>

As of September 26, 2026, 40% of the outstanding principal balance of the consumer loans receivable portfolio was concentrated in Texas and 12% was concentrated in Florida. As of March 28, 2026, 44% of the outstanding principal balance of the consumer loans receivable portfolio was concentrated in Texas and 13% 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 26, 2026 or March 28, 2026.

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 26, 2026	March 28, 2026
Loans receivable (including from affiliates)	\$ 113,623	\$ 116,688
Allowance for loan losses	(420)	(546)
Deferred financing fees, net	(150)	(145)
	<u>113,053</u>	<u>115,997</u>
Less current portion of commercial loans receivable (including from affiliates), net	<u>(43,345)</u>	<u>(56,677)</u>
	<u>\$ 69,708</u>	<u>\$ 59,320</u>

The commercial loans receivable balance had the following characteristics:

	September 26, 2026	March 28, 2026
Weighted average contractual interest rate	7.3 %	7.5 %
Weighted average months outstanding	10	9

The following table disaggregates the outstanding principal balance of our commercial loans receivable by fiscal year of origination (in thousands):

	September 26, 2026						
	2027	2026	2025	2024	2023	Prior	Total
Performing	\$ 51,224	\$ 40,375	\$ 13,382	\$ 7,627	\$ 592	\$ 423	\$ 113,623

	March 28, 2026						
	2026	2025	2024	2023	2022	Prior	Total
Performing	\$ 84,177	\$ 20,123	\$ 10,720	\$ 1,071	\$ 597	\$ —	\$ 116,688

As of September 26, 2026, approximately 15% of our outstanding commercial loans receivable principal balance was concentrated in New York, 13% in Arizona, and 11% in North Carolina. As of March 28, 2026, approximately 14% of our outstanding commercial loans receivable principal balance was concentrated in Arizona, 12% in each of California and New York, and 11% in North Carolina. No other state had concentrations in excess of 10% of the principal balance of the commercial loans receivable as of September 26, 2026 or March 28, 2026.

We had concentrations with one independent third-party and its affiliates that equaled 5% and 12% of the net commercial loans receivable principal balance outstanding, all of which was secured, as of September 26, 2026 and March 28, 2026, respectively. The risks created by these concentrations have been considered in the determination of the adequacy of the allowance for loan losses.

9. Goodwill and Other Intangibles, net

Goodwill and other intangibles, net, consisted of the following (in thousands):

	September 26, 2026			March 28, 2026		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived						
Goodwill	\$ 211,667	\$ —	\$ 211,667	\$ 208,841	\$ —	\$ 208,841
Trademarks and trade names	7,020	—	7,020	7,020	—	7,020
State insurance licenses	1,100	—	1,100	1,100	—	1,100
	219,787	—	219,787	216,961	—	216,961
Finite-lived						
Customer relationships	28,300	(9,611)	18,689	28,300	(8,475)	19,825
Other	1,114	(1,064)	50	1,114	(992)	122
	<u>\$ 249,201</u>	<u>\$ (10,675)</u>	<u>\$ 238,526</u>	<u>\$ 246,375</u>	<u>\$ (9,467)</u>	<u>\$ 236,908</u>

Changes to Goodwill for the six months ended September 26, 2026 were due to immaterial measurement period adjustments for the American Homestar acquisition. See Note 19, Acquisitions.

Amortization expense recognized on intangible assets for the three and six months ended September 26, 2026 was \$0.6 million and \$1.2 million, respectively. Amortization expense recognized on intangible assets for the three and six months ended September 27, 2025 was \$0.4 million and \$0.7 million, respectively. Customer relationships have a weighted average remaining life of 8.8 years and other finite lived intangibles have a weighted average remaining life of 0.2 years.

Expected future amortization is as follows (in thousands):

Remainder of fiscal year 2027	\$	1,206
Fiscal 2028		2,199
Fiscal 2029		2,215
Fiscal 2030		1,935
Fiscal 2031		1,795
Fiscal 2032		1,795
Thereafter		7,594
	\$	<u>18,739</u>

10. Accrued Expenses and Other Current Liabilities

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

	September 26, 2026	March 28, 2026
Customer deposits	\$ 87,295	\$ 54,128
Salaries, wages and benefits	54,182	49,819
Estimated warranties	45,544	40,818
Unearned insurance premiums	33,704	33,498
Accrued volume rebates	28,961	25,159
Accrued insurance	15,665	13,709
Other	86,833	74,099
	<u>\$ 352,184</u>	<u>\$ 291,230</u>

11. Warranties

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

	Three Months Ended		Six Months Ended	
	September 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Balance at beginning of period	\$ 43,322	\$ 34,383	\$ 40,818	\$ 33,189
Charged to costs and expenses	21,421	17,023	41,705	33,648
Payments and deductions	(19,199)	(15,829)	(36,979)	(31,260)
Balance at end of period	<u>\$ 45,544</u>	<u>\$ 35,577</u>	<u>\$ 45,544</u>	<u>\$ 35,577</u>

12. Other Liabilities

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

	September 26, 2026	March 28, 2026
Finance lease liabilities	\$ 6,049	\$ 6,046
Other secured financing	1,242	1,388
	<u>7,291</u>	<u>7,434</u>
Less current portion included in Accrued expenses and other current liabilities	(314)	(338)
	<u>\$ 6,977</u>	<u>\$ 7,096</u>

13. 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 matures on November 12, 2029.

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 \$150 million.

As of September 26, 2026 and March 28, 2026, there were no borrowings outstanding under the Revolving Credit Facility and we were compliant with the covenants.

14. 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 26, 2026		September 27, 2025	
	Written	Earned	Written	Earned
Direct premiums	\$ 8,380	\$ 10,689	\$ 9,292	\$ 11,184
Assumed premiums—nonaffiliated	11,546	11,086	11,716	10,963
Ceded premiums—nonaffiliated	(6,882)	(6,882)	(7,654)	(7,654)
	<u>\$ 13,044</u>	<u>\$ 14,893</u>	<u>\$ 13,354</u>	<u>\$ 14,493</u>

	Six Months Ended			
	September 26, 2026		September 27, 2025	
	Written	Earned	Written	Earned
Direct premiums	\$ 19,242	\$ 21,645	\$ 21,443	\$ 22,716
Assumed premiums—nonaffiliated	23,413	21,947	23,198	21,833
Ceded premiums—nonaffiliated	(13,787)	(13,787)	(15,364)	(15,364)
	<u>\$ 28,868</u>	<u>\$ 29,805</u>	<u>\$ 29,277</u>	<u>\$ 29,185</u>

Typical insurance policies written or assumed are recoverable through reinsurance for catastrophic losses in excess of \$4.0 million per occurrence, up to a maximum of \$75 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 26, 2026 and September 27, 2025 (in thousands):

	Three Months Ended		Six Months Ended	
	September 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Balance at beginning of period	\$ 10,848	\$ 13,118	\$ 9,778	\$ 16,201
Net incurred losses during the period	8,014	7,782	18,232	18,885
Net claim payments during the period	(9,379)	(10,640)	(18,527)	(24,826)
Balance at end of period	<u>\$ 9,483</u>	<u>\$ 10,260</u>	<u>\$ 9,483</u>	<u>\$ 10,260</u>

15. 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 \$135 million and \$141 million at September 26, 2026 and March 28, 2026, respectively, without reduction for the estimated resale value of the homes. Our reserve for repurchase commitments, recorded in Accrued expenses and other current liabilities, was \$3.4 million at September 26, 2026 and \$3.9 million at March 28, 2026.

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

	September 26, 2026	March 28, 2026
Construction loan contract amount	\$ 4,889	\$ 4,429
Cumulative advances	(1,667)	(2,245)
	<u>\$ 3,222</u>	<u>\$ 2,184</u>

Representations and Warranties of Mortgages Sold. The reserve for contingent repurchases and indemnification obligations was \$0.5 million as of September 26, 2026 and March 28, 2026, 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 26, 2026 or September 27, 2025.

Interest Rate Lock Commitments ("IRLCs"). As of September 26, 2026 and March 28, 2026, we had outstanding IRLCs with a notional amount of \$82.9 million and \$71.6 million, respectively. For the three and six months ended September 26, 2026 we recognized insignificant non-cash gains on outstanding IRLCs. For the three and six months ended September 27, 2025, we recognized insignificant non-cash gains on outstanding IRLCs.

Forward Sales Commitments. As of September 26, 2026 and March 28, 2026, we had \$5.5 million and \$6.4 million in outstanding forward sales commitments for sales of mortgage backed securities and whole loan commitments (collectively, the "Commitments"), respectively. For the three and six months ended September 26, 2026, we recognized insignificant non-cash gains on Commitments. For the three and six months ended September 27, 2025, we recognized insignificant non-cash gains on Commitments.

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.

16. Stockholders' Equity

The following tables represent changes in Stockholders' equity during the six months ended September 26, 2026 and September 27, 2025, respectively (dollars in thousands):

	Common Stock		Treasury stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total
	Shares	Amount					
Balance, March 28, 2026	9,474,288	\$ 95	\$(585,865)	\$ 300,208	\$1,388,714	\$ 30	\$1,103,182
Net income	—	—	—	—	42,271	—	42,271
Other comprehensive loss, net	—	—	—	—	—	(115)	(115)
Net issuance of common stock under stock incentive plans	30,645	—	—	(8,536)	—	—	(8,536)
Stock-based compensation	—	—	—	4,101	—	—	4,101
Common stock repurchases	—	—	(30,507)	—	—	—	(30,507)
Balance, June 27, 2026	9,504,933	\$ 95	\$(616,372)	\$ 295,773	\$1,430,985	\$ (85)	\$1,110,396
Net income	—	—	—	—	55,439	—	55,439
Other comprehensive loss, net	—	—	—	—	—	(1,238)	(1,238)
Net issuance of common stock under stock incentive plans	4,488	—	—	(793)	—	—	(793)
Stock-based compensation	—	—	—	3,052	—	—	3,052
Common stock repurchases	—	—	(29,853)	—	—	—	(29,853)
Balance, September 26, 2026	9,509,421	\$ 95	\$(646,225)	\$ 298,032	\$1,486,424	\$ (1,323)	\$1,137,003

	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	9,470,820	\$ 95	\$(511,347)	\$ 294,984	\$1,302,186	\$ 219	\$1,086,137

17. 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 26, 2026	September 27, 2025	September 26, 2026	September 27, 2025
Net income	\$ 55,439	\$ 52,381	\$ 97,710	\$ 104,023
Weighted average shares outstanding				
Basic	7,679,380	7,909,326	7,693,552	7,931,589
Effect of dilutive securities	55,397	83,419	66,613	93,131
Diluted	7,734,777	7,992,745	7,760,165	8,024,720
Net income per share				
Basic	\$ 7.22	\$ 6.62	\$ 12.70	\$ 13.12
Diluted	\$ 7.17	\$ 6.55	\$ 12.59	\$ 12.96
Anti-dilutive common stock equivalents excluded	—	—	21	264

18. Fair Value Measurements

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

	September 26, 2026		March 28, 2026	
	Book Value	Estimated Fair Value	Book Value	Estimated Fair Value
Available-for-sale debt securities	\$ 38,950	\$ 38,950	\$ 34,141	\$ 34,141
Marketable equity securities	15,919	15,919	14,634	14,634
Non-marketable equity investments	5,713	5,713	5,609	5,609
Consumer loans receivable	37,187	40,308	38,181	43,264
Commercial loans receivable	113,053	101,953	115,997	96,598
Other secured financing	(1,242)	(1,198)	(1,388)	(1,376)

See 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 26, 2026	March 28, 2026
Number of loans serviced with MSRs	3,381	3,487
Weighted average servicing fee (basis points)	33.64	33.83
Capitalized servicing multiple	200.95 %	176.44 %
Capitalized servicing rate (basis points)	67.60	59.69
Serviced portfolio with MSRs (in thousands)	\$ 416,790	\$ 432,632
MSRs (in thousands)	\$ 2,817	\$ 2,583

19. Acquisitions

Fiscal Year 2026

American Homestar Acquisition

On September 29, 2025 (the "Acquisition Date"), we completed the acquisition of American Homestar, including its two manufacturing facilities, 19 wholly-owned retail locations and financial service operations, by acquiring 100% of the outstanding stock for total consideration of \$181.3 million paid with cash on hand. This purchase enhances our position in the South Central U.S. while adding coverage and scale with high quality products. We believe this purchase will have a positive financial impact with accretive earnings and cash flow and meaningful improvement opportunities including cost, purchasing and product optimization synergies.

The following table presents the fair values of the assets that we acquired and the liabilities that we assumed as of the Acquisition Date (in thousands). During the second fiscal quarter of 2026, we finalized the purchase price allocation which did not have a material effect on the Consolidated Financial Statements:

	September 29, 2025	Adjustments	September 29, 2025 (as adjusted)
Cash	\$ 8,484	\$ —	\$ 8,484
Accounts receivable	5,310	—	5,310
Other current assets	2,574	238	2,812
Inventories	47,855	—	47,855
Property, plant and equipment	37,160	(49)	37,111
Consumer loans receivable	1,870	—	1,870
Operating lease right-of-use asset	2,952	(459)	2,493
Intangible assets ⁽¹⁾	13,300	—	13,300
Accounts payable and accrued liabilities	(16,757)	(1,635)	(18,392)
Operating lease liability	(2,952)	459	(2,493)
Deferred tax liability	(5,700)	(1,114)	(6,814)
Net identifiable assets acquired	94,096	(2,560)	91,536
Goodwill ⁽²⁾⁽³⁾	85,834	3,898	89,732
Net assets acquired	<u>\$ 179,930</u>	<u>\$ 1,338</u>	<u>\$ 181,268</u>

⁽¹⁾ Consists of \$13.3 million assigned to customer-related intangibles, subject to a useful life of 14 years amortized on a straight-line basis. Fair value was derived from an income approach, specifically a multi-period excess earnings method, which incorporates assumptions including customer attrition rates, projected revenues, and discount rates.

⁽²⁾ Attributable to the Factory-built housing segment and not deductible for income tax purposes.

⁽³⁾ Change in Goodwill due to adjustments to net identifiable assets acquired and an increase in purchase price of \$1.3 million due to finalization of closing adjustments.

Pro Forma Impact of American Homestar Acquisition (Unaudited). The following table presents supplemental pro forma information as if the above acquisition had occurred on March 30, 2025 (in thousands, except per share data):

	September 27, 2025	
	Three Months Ended	Six Months Ended
Net revenue	\$ 603,345	\$ 1,213,657
Net income	\$ 54,360	\$ 110,756
Diluted net income per share	\$ 6.80	\$ 13.80

20. 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 26, 2026		
	Factory-built housing	Financial services	Consolidated
Net revenue	\$ 633,736	\$ 22,642	\$ 656,378
Cost of sales	499,761	9,005	508,766
Gross profit	133,975	13,637	147,612
Selling, general and administrative expenses	69,625	8,085	77,710
Income from operations	64,350	5,552	69,902
Interest income	3,595	—	3,595
Interest expense	(282)	—	(282)
Other income, net	136	—	136
Income before income taxes	67,799	5,552	73,351
Income tax expense	(16,969)	(943)	(17,912)
Net income	<u>\$ 50,830</u>	<u>\$ 4,609</u>	<u>\$ 55,439</u>

	Six Months Ended September 26, 2026		
	Factory-built housing	Financial services	Consolidated
Net revenue	\$ 1,219,708	\$ 46,629	\$ 1,266,337
Cost of sales	963,714	20,421	984,135
Gross profit	255,994	26,208	282,202
Selling, general and administrative expenses	143,595	15,950	159,545
Income from operations	112,399	10,258	122,657
Interest income	6,858	—	6,858
Interest expense	(414)	—	(414)
Other income, net	38	—	38
Income before income taxes	118,881	10,258	129,139
Income tax expense	(29,486)	(1,943)	(31,429)
Net income	<u>\$ 89,395</u>	<u>\$ 8,315</u>	<u>\$ 97,710</u>

	Three Months Ended September 26, 2026		
	Factory-built housing	Financial services	Consolidated
Depreciation	\$ 6,230	\$ 52	\$ 6,282
Amortization	\$ 603	\$ —	\$ 603
Capital expenditures	\$ 29,704	\$ —	\$ 29,704

	Six Months Ended September 26, 2026		
	Factory-built housing	Financial services	Consolidated
Depreciation	\$ 12,270	\$ 98	\$ 12,368
Amortization	\$ 1,206	\$ 2	\$ 1,208
Capital expenditures	\$ 55,097	\$ 100	\$ 55,197

	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	<u>\$ 48,152</u>	<u>\$ 4,229</u>	<u>\$ 52,381</u>

	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 (loss)	<u>\$ 97,653</u>	<u>\$ 6,370</u>	<u>\$ 104,023</u>

	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

	September 26, 2026	March 28, 2026
Total assets:		
Factory-built housing	\$ 1,350,431	\$ 1,235,105
Financial services	261,097	256,034
Consolidated	<u>\$ 1,611,528</u>	<u>\$ 1,491,139</u>

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 disclaim any obligation 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 2026 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, unless otherwise noted.

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 33 homebuilding production lines with domestic locations in Millersburg and Woodburn, Oregon; Riverside, California; Nampa, Idaho; Glendale, Goodyear and Phoenix, Arizona; Deming, New Mexico; Duncan, Oklahoma; Austin, Fort Worth (two lines), Lancaster, 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 92 Company-owned U.S. retail stores, of which 57 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 2026 were 67,792, a decrease of 4.2% compared to 70,757 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). 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 result in higher borrowing costs for home-only loans and continue to constrain industry growth. We work independently and with other industry participants to develop secondary market opportunities for manufactured home-only loans and non-conforming mortgage portfolios and expand lending availability in the industry. Additionally, we continue to invest in community-based lending initiatives that provide home-only financing to residents of certain manufactured home communities. 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 exposure to the actions of independent lenders.

From time to time and to varying degrees, we may experience shortages in the availability of materials and/or labor in the markets served. Key building materials include wood and wood products, gypsum wallboard, steel, windows, appliances, insulation and other petroleum-based products. There can be no assurance that sufficient supplies of these and other raw materials will continue to be available to us. Sudden increases in price or lack of availability of raw materials can be caused by a natural disaster, regulation or other market forces, as has occurred in recent years. We have experienced production halts from shortages of primary building materials in the past, and although we attempt to increase the sales prices of our homes in response to higher materials costs, such increases may lag behind the escalation of material costs. 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 26, 2026 was \$348 million compared to \$195 million at March 28, 2026, an increase of \$153 million, and up \$138 million compared to \$210 million at September 27, 2025.

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

(\$ in thousands, except revenue per home sold)	Three Months Ended		Change	
	September 26, 2026	September 27, 2025		
Factory-built housing	\$ 633,736	\$ 535,117	\$ 98,619	18.4 %
Financial services	22,642	21,410	1,232	5.8 %
	<u>\$ 656,378</u>	<u>\$ 556,527</u>	<u>\$ 99,851</u>	<u>17.9 %</u>
Factory-built homes sold				
by Company-owned retail sales centers	1,394	1,187	207	17.4 %
to independent retailers, builders, communities and developers	4,578	3,991	587	14.7 %
	<u>5,972</u>	<u>5,178</u>	<u>794</u>	<u>15.3 %</u>
Net factory-built housing revenue per home sold	\$ 106,118	\$ 103,344	\$ 2,774	2.7 %

(\$ in thousands, except revenue per home sold)	Six Months Ended		Change	
	September 26, 2026	September 27, 2025		
Factory-built housing	\$ 1,219,708	\$ 1,070,811	\$ 148,897	13.9 %
Financial services	46,629	42,573	4,056	9.5 %
	<u>\$ 1,266,337</u>	<u>\$ 1,113,384</u>	<u>\$ 152,953</u>	<u>13.7 %</u>
Factory-built homes sold				
by Company-owned retail sales centers	2,772	2,210	562	25.4 %
to independent retailers, builders, communities and developers	8,857	8,384	473	5.6 %
	<u>11,629</u>	<u>10,594</u>	<u>1,035</u>	<u>9.8 %</u>
Net factory-built housing revenue per home sold	\$ 104,885	\$ 101,077	\$ 3,808	3.8 %

Factory-built housing Net revenue increased for the three and six months ended September 26, 2026 primarily due to the acquisition of American Homestar which contributed \$68.9 million and \$121.8 million, respectively. Net revenue excluding American Homestar increased for the three months ended September 26, 2026 primarily due to higher sales volume, and for both periods due to higher Net factory-built housing 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 26, 2026, Financial services Net revenue increased primarily due to increased loan sale volume and increased retained insurance premium net of reinsurance payments.

Gross Profit

(\$ in thousands)	Three Months Ended		Change	
	September 26, 2026	September 27, 2025		
Factory-built housing	\$ 133,975	\$ 122,493	\$ 11,482	9.4 %
Financial services	13,637	11,914	1,723	14.5 %
	<u>\$ 147,612</u>	<u>\$ 134,407</u>	<u>\$ 13,205</u>	<u>9.8 %</u>

Gross profit as % of Net revenue				
Consolidated	22.5 %	24.2 %	N/A	(1.7)%
Factory-built housing	21.1 %	22.9 %	N/A	(1.8)%
Financial services	60.2 %	55.6 %	N/A	4.6 %

(\$ in thousands)	Six Months Ended		Change	
	September 26, 2026	September 27, 2025		
Factory-built housing	\$ 255,994	\$ 243,338	\$ 12,656	5.2 %
Financial services	26,208	20,575	5,633	27.4 %
	<u>\$ 282,202</u>	<u>\$ 263,913</u>	<u>\$ 18,289</u>	<u>6.9 %</u>

Gross profit as % of Net revenue				
Consolidated	22.3 %	23.7 %	N/A	(1.4)%
Factory-built housing	21.0 %	22.7 %	N/A	(1.7)%
Financial services	56.2 %	48.3 %	N/A	7.9 %

Factory-built housing Gross profit for the three and six months ended September 26, 2026 increased due to higher sales volume and an increase in Net revenue per home sold. Gross profit as a percentage of Net revenue decreased for both periods due to higher input costs.

Financial services Gross profit in dollars and as a percentage of Financial services Net revenue for the three and six months ended September 26, 2026 increased primarily due to loan sales volume, higher retained insurance premium net of reinsurance premium and lower commissions on insurance policies written.

Selling, General and Administrative Expenses

(\$ in thousands)	Three Months Ended		Change	
	September 26, 2026	September 27, 2025		
Factory-built housing	\$ 69,625	\$ 65,757	\$ 3,868	5.9 %
Financial services	8,085	6,472	1,613	24.9 %
	<u>\$ 77,710</u>	<u>\$ 72,229</u>	<u>\$ 5,481</u>	<u>7.6 %</u>
Selling, general and administrative expenses as % of Net revenue	11.8 %	13.0 %	N/A	(1.2)%

(\$ in thousands)	Six Months Ended		Change	
	September 26, 2026	September 27, 2025		
Factory-built housing	\$ 143,595	\$ 128,911	\$ 14,684	11.4 %
Financial services	15,950	12,466	3,484	27.9 %
	<u>\$ 159,545</u>	<u>\$ 141,377</u>	<u>\$ 18,168</u>	<u>12.9 %</u>
Selling, general and administrative expenses as % of Net revenue	12.6 %	12.7 %	N/A	(0.1)%

Factory-built housing Selling, general and administrative expenses increased for the three and six months ended September 26, 2026 primarily as a result of the addition of American Homestar which added \$8.7 million and \$16.1 million, respectively. Additionally, both periods in fiscal 2027 saw increases in compensation and employee-related expenses. These increases were partially offset by a one-time \$7 million benefit from a return of insurance premium related to additional director & officer insurance purchased in 2019.

Financial services Selling, general and administrative expenses for the three and six months ended September 26, 2026 increased primarily due to increases in compensation year over year.

Other Components of Net Income

(\$ in thousands)	Three Months Ended		Change	
	September 26, 2026	September 27, 2025		
Interest income	\$ 3,595	\$ 5,046	\$ (1,451)	(28.8)%
Interest expense	(282)	(112)	170	151.8 %
Other income, net	136	142	(6)	4.2 %
Income tax expense	(17,912)	(14,873)	3,039	20.4 %
Effective tax rate	24.4 %	22.1 %	N/A	2.3 %

(\$ in thousands)	Six Months Ended		Change	
	September 26, 2026	September 27, 2025		
Interest income	\$ 6,858	\$ 10,149	\$ (3,291)	(32.4)%
Interest expense	(414)	(276)	138	50.0 %
Other income, net	38	142	(104)	73.2 %
Income tax expense	(31,429)	(28,528)	2,901	10.2 %
Effective tax rate	24.3 %	21.5 %	N/A	2.8 %

Interest income consists primarily of interest earned on cash balances held in money market accounts and interest earned on commercial floorplan lending. Interest income was lower in both periods due to reduced cash balances following the cash purchase of American Homestar in the third quarter of fiscal 2026. 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.

The effective tax rate increased compared to the prior year period primarily due to a reduction in expected Energy Star tax credits. As a result of the passage of the One Big Beautiful Bill Act, the Energy Star tax credit was repealed effective June 30, 2026. Consequently, fewer of our homes are expected to qualify for the credit compared to the prior year, reducing the amount of tax credits anticipated to be received during fiscal 2027 and increasing our expected annual effective tax rate.

Liquidity and Capital Resources

We believe that cash and cash equivalents at September 26, 2026, together with cash flow from operations, will be sufficient to fund our operations, cover our obligations 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 have sufficient liquid resources including our \$75.0 million Revolving Credit Facility, of which no amounts were outstanding at September 26, 2026. The Revolving Credit Facility is part of the Credit Agreement which includes the following financial covenants: (i) as of the end of any fiscal quarter, the Consolidated Total Leverage Ratio (as defined in the Credit Agreement) cannot exceed 3.25 to 1.00 and (ii) a requirement to maintain Consolidated EBITDA (as defined in the Credit Agreement) for any period of four fiscal quarters of at least \$75 million. The Credit Agreement also contains customary representations and warranties, and affirmative and negative covenants. The Company anticipates compliance with its debt covenants and projects its level of cash availability to be in excess of cash needed to operate the business for the next year. 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 26, 2026 and September 27, 2025, respectively:

(in thousands)	Six Months Ended		
	September 26, 2026	September 27, 2025	\$ Change
Cash, cash equivalents and restricted cash at beginning of the fiscal year	\$ 257,612	\$ 375,345	\$ (117,733)
Net cash provided by operating activities	170,859	133,994	36,865
Net cash used in investing activities	(61,335)	(20,149)	(41,186)
Net cash used in financing activities	(69,254)	(89,236)	19,982
Cash, cash equivalents and restricted cash at end of the period	<u>\$ 297,882</u>	<u>\$ 399,954</u>	<u>\$ (102,072)</u>

Net cash provided by operating activities increased primarily by higher Accounts payable, accrued expenses and other liabilities; higher principal payments received on commercial loans; and cash provided by Prepaid expenses and other current assets. These increases were partially offset by increases in Accounts receivable and Inventories to support increased Net revenue.

Consumer loan originations increased \$29.5 million to \$59.3 million for the six months ended September 26, 2026 from \$29.8 million for the six months ended September 27, 2025, and sales from consumer loans increased \$28.8 million to \$59.8 million for the six months ended September 26, 2026 from \$31.0 million for the six months ended September 27, 2025. The increases in both consumer loan originations and sales are due to new agreements with investors to purchase our loans.

Commercial loan originations increased \$4.3 million to \$87.5 million for the six months ended September 26, 2026 from \$83.2 million for the six months ended September 27, 2025. Principal payments received on commercial loans provided \$90.8 million this year, compared to \$75.4 million in the prior year period, a net increase of \$15.4 million.

The change in Net cash used in investing activities is primarily due to a \$36.1 million increase in cash paid for property, plant and equipment in the current year. The increase in property, plant and equipment is primarily due to the development of a new manufacturing plant in El Mirage, Arizona.

The change in Net cash used in financing activities was primarily due to the repurchase of fewer shares of common stock, partially offset by a higher average price paid per share.

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 26, 2026, 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 26, 2026, 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 26, 2026 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 15, 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 Board approved \$150 million for the stock repurchase program as announced on May 22, 2025, and another \$150 million as announced on May 21, 2026. The repurchase program is funded using our available cash. The repurchases may be made in the open market or in privately negotiated transactions in compliance with applicable state and federal securities laws and other legal requirements. The level of repurchase activity is subject to market conditions, applicable legal requirements and other strategic capital needs and opportunities. The repurchase program does not obligate us to acquire any particular amount of common stock and may be suspended or discontinued at any time. The following table sets forth repurchases of our common stock during the second quarter of fiscal year 2027:

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 28, 2026 to August 1, 2026	26,100	\$ 579.01	26,100	\$ 172,771
August 2, 2026 to August 29, 2026	20,300	582.18	20,300	160,953
August 30, 2026 to September 26, 2026	5,536	554.34	5,536	157,884
	<u>51,936</u>		<u>51,936</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.

¹There is \$158 million remaining in the stock repurchase program as of September 26, 2026. The program does not have an expiration date.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the three months ended September 26, 2026, no director or officer of the Company adopted 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 No.</u>	<u>Exhibit</u>
31.1	(1) Certification of Principal Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended
31.2	(1) Certification of Principal Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended
32	(2) 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
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 30, 2026
<u>/s/ Allison K. Aden</u> Allison K. Aden	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)	October 30, 2026