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

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): October 26, 2022**

**CAVCO INDUSTRIES INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-08822**  
(Commission  
File Number)

**56-2405642**  
(IRS Employer  
Identification No.)

**3636 North Central Avenue, Suite 1200**  
**Phoenix Arizona 85012**

(Address of principal executive offices, including zip code)

**Registrant's telephone number, including area code: (602) 256-6263**

**Not applicable**

(Former name or former address, if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common Stock, par value \$0.01	CVCO	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

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## **Item 8.01. Other Events**

On October 26, 2022, Cavco Industries, Inc., (the "Company") signed a binding offer to acquire the business of Solitaire Homes, Inc. and other related entities (collectively "Solitaire Homes"), including its four manufacturing facilities, twenty-two retail locations and its dedicated transportation operations.

## **Item 7.01. Regulation FD Disclosure**

On October 27, 2022, the Company issued a press release announcing the planned acquisition of Solitaire Homes. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

On October 28, 2022, the Company also posted an investor presentation to the Investor Relations section of its website [www.cavcoindustries.com](http://www.cavcoindustries.com), in connection with a presentation that its management will be making during a conference call and webcast on October 28, 2022, at 9:45 a.m. ET to discuss the transaction. Interested parties can access a live webcast of the conference call at <https://investor.cavco.com>. A copy of the investor presentation is attached hereto as Exhibit 99.2.

As provided in General Instruction B.2 to Form 8-K, the information furnished in this Item 7.01, including Exhibits 99.1 and 99.2, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as shall be expressly provided by specific reference in such filing.

## **Cautionary Note Regarding Forward-Looking Statements**

This Current Report on Form 8-K includes "forward-looking statements" within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. Forward-looking statements are subject to known and unknown risks and uncertainties, many of which may be beyond the Company's control. The Company cautions that the forward-looking information presented in this Current Report is not a guarantee of future events, and that actual events and results may differ materially from those made in or suggested by the forward-looking information contained in this Current Report. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "plan," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue" or the negative thereof or variations thereon or similar terminology. A number of important factors could cause actual events and results to differ materially from those contained in or implied by the forward-looking statements, including those risk factors set forth in the Company's filings with the Securities and Exchange Commission, including the most recent Annual Report on Form 10-K. Any forward-looking information presented herein is made only as of the date of this Current Report, and the Company does not undertake any obligation to update or revise any forward-looking information to reflect changes in assumptions, the occurrence of unanticipated events or otherwise.

## **Item 9.01. Financial Statements and Exhibits**

### **Exhibit**

### **Number Description**

[99.1](#) [Press Release, dated October 27, 2022](#)

[99.2](#) [Investor Presentation, dated October 28, 2022](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

## 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 hereunto duly authorized.

CAVCO INDUSTRIES, INC.

By: /s/ Mickey R. Dragash  
Mickey R. Dragash  
Executive Vice President, General Counsel,  
Corporate Secretary  
& Chief Compliance Officer

Date: October 27, 2022



## News Release

***For additional information, contact:***

**Mark Fusler**

Corporate Controller and Investor Relations

**Email:** investor\_relations@cavco.com

**Phone:** 602-256-6263

**On the Internet:** www.cavcoindustries.com

**FOR IMMEDIATE RELEASE**

### **CAVCO INDUSTRIES ANNOUNCES PLANNED ACQUISITION OF MANUFACTURED HOME BUILDER AND RETAILER, SOLITAIRE HOMES**

PHOENIX, Ariz., October 27, 2022 (GLOBE NEWSWIRE) – Cavco Industries, Inc. (Nasdaq: CVCO) (“Cavco” or the “Company”) announced today that it has signed a binding offer to acquire the business of Solitaire Homes, Inc. and other related entities (collectively “Solitaire Homes”), including its four manufacturing facilities, twenty-two retail locations and its dedicated transportation operations. Solitaire Homes is headquartered in Duncan, Oklahoma. For the calendar year ending December 31, 2021, Solitaire Homes had pro-forma earnings before taxes, depreciation and amortization of \$16.5 million.

Solitaire has over 950 employees and operates manufacturing facilities in New Mexico, Oklahoma and Mexico. The New Mexico and Mexico facilities produced nearly 1,600 homes in calendar year 2021. The Duncan, Oklahoma facility was recently reopened in 2022. For its two Mexico facilities, a dedicated warehouse in Presidio, Texas acquires and stores raw materials, which are then assembled directly across the border in Ojinaga, Mexico. Retail stores are located in New Mexico, Oklahoma and Texas and exclusively sell homes built by Solitaire Homes manufacturing facilities. Solitaire Homes’ transportation business enables them to control the delivery of its homes and reduces reliance on third parties.

The purchase price totals \$93 million, before certain adjustments that will be determined upon close of the transaction. Cavco expects to fund the acquisition entirely with cash on hand. The transaction is expected to close early in the Company’s fourth quarter of fiscal year 2023, subject to applicable regulatory approvals and the satisfaction of certain customary conditions.

Cavco’s President and Chief Executive Officer Bill Boor said, “Pete Hogstad and the Elliott family have built a strong company with a well-deserved reputation for quality homes. The addition of Solitaire Homes to our existing manufacturing and retail system strengthens our position in the Southwest and expands our manufacturing capabilities into Mexico. We look forward to working with the Solitaire team to continue building on their record of success.”

Solitaire Homes’ President D.J. Hogstad commented, “We are very pleased to be joining Cavco. The combination of our companies will provide new and exciting opportunities to continue the growth we have experienced in recent years, not only for our appreciated customers, but also our valued employees.”

#### **Highlights of the proposed transaction:**

- **Financial Impact:** Cavco expects this proposed acquisition to be accretive to earnings and cash flow from operations.
- **Cross-Border Manufacturing:** Solitaire Homes has successfully operated a cross border plant for over thirteen years, providing low cost production for the U.S. market.
- **Geographic Footprint and Complementary Product:** The addition of the Solitaire Homes plants provides added coverage and scale in the Southwest with high quality products that complement our existing home offerings. The geographic and product positioning fits extremely well with our existing network.

- **Potential for operational and revenue synergies:** Shared best practice implementation will create significant manufacturing cost and efficiency improvements. Additionally, product mix across the combined retail network will be optimized.
- **Capital Allocation:** Following this strategic deployment of existing cash, Cavco will still maintain a significant cash position available for other strategic investments.

TN Capital Advisors LLC (“True North”) acted as exclusive financial advisor and Polsinelli served as legal advisor to Cavco for the transaction. Hartzog Conger Cason served as legal advisor to Solitaire Homes.

### **Conference Call and Webcast Details**

Cavco's management will hold a conference call and webcast to discuss the transaction tomorrow morning, October 28, 2022, at 9:45 a.m. (Eastern Time). Interested parties can access a live webcast of the conference call on the Internet at <https://investor.cavco.com> or via telephone. To participate by phone, please register at <https://register.vevent.com/register/B19685eea6b7e34c3ebb992cbab71fa23d> to receive the dial in number and your PIN. An archive of the webcast and presentation will be available for 60 days at <https://investor.cavco.com>.

### **About Cavco**

Cavco Industries, Inc., headquartered in Phoenix, Arizona, designs and produces factory-built housing products primarily distributed through a network of independent and Company-owned retailers. We are one of the largest producers of manufactured and modular homes in the United States, based on reported wholesale shipments. Our products are marketed under a variety of brand names including Cavco, Fleetwood, Palm Harbor, Nationwide, Fairmont, Friendship, Chariot Eagle, Destiny, Commodore, Colony, Pennwest, R-Anell, Manorwood and MidCountry. We are also a leading producer of park model RVs, vacation cabins and factory-built commercial structures. Cavco's finance subsidiary, CountryPlace Mortgage, is an approved Fannie Mae and Freddie Mac seller/servicer and a Ginnie Mae 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, provides property and casualty insurance to owners of manufactured homes. Additional information about Cavco can be found at <https://www.cavcoindustries.com>.

### **About Solitaire Homes**

Solitaire Homes was founded in 1965 by Jerry and Helen Elliott. It operates manufacturing facilities in New Mexico, Oklahoma and Mexico, with retail locations across New Mexico, Oklahoma and Texas. Additional information about Solitaire Homes can be found at [www.solitairehomes.com](http://www.solitairehomes.com).

## **Forward-Looking Statements**

*Certain statements contained in this release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. In general, all statements that are not historical in nature are forward-looking. Forward-looking statements are typically included, for example, in discussions regarding the expected benefits of the acquisition of Solitaire Homes. All forward-looking statements are subject to risks and uncertainties, many of which are beyond our control. As a result, our actual results or performance may differ materially from anticipated results or performance. Factors that could cause such differences to occur include, but are not limited to: the impact of local or national emergencies including the COVID-19 pandemic, including such impacts from state and federal regulatory action that restricts our ability to operate our business in the ordinary course and impacts on (i) customer demand and the availability of financing for our products, (ii) our supply chain and the availability of raw materials for the manufacture of our products, (iii) the availability of labor and the health and safety of our workforce and (iv) our liquidity and access to the capital markets; labor shortages and the pricing and availability of transportation or raw materials; increased health and safety incidents; our ability to negotiate reasonable collective bargaining agreements with the unions representing certain employees; increases in the rate of cancellations of home sales orders; our ability to successfully integrate past acquisitions or future acquisitions; involvement in vertically integrated lines of business, including manufactured housing consumer finance, commercial finance and insurance; information technology failures or cyber incidents; our ability to maintain the security of personally identifiable information of our customers, suppliers and employees; our participation in certain financing programs for the purchase of our products by industry distributors and consumers, which may expose us to additional risk of credit loss; our exposure to significant warranty and construction defect claims; our exposure to claims and liabilities relating to products supplied to the Company or work done by subcontractors; our contingent repurchase obligations related to wholesale financing provided to industry distributors; a write-off of all or part of our goodwill; our ability to maintain relationships with independent distributors; our business and operations being concentrated in certain geographic regions; taxation authorities initiating or successfully asserting tax positions which are contrary to ours; governmental and regulatory disruption, including prolonged delays by Congress and the President to approve budgets or continuing appropriations resolutions to facilitate the operation of the federal government; curtailment of available financing from home-only lenders and increased lending regulations; the effect of increasing interest rates on our customer's ability to finance home purchases; availability of wholesale financing and limited floor plan lenders; market forces, rising interest rates and housing demand fluctuations; the cyclical and seasonal nature of our business; competition; general deterioration in economic conditions and turmoil in the financial markets; unfavorable zoning ordinances; extensive regulation affecting the production and sale of manufactured housing; potential financial impact on the Company from the recently settled regulatory action by the SEC against the Company, including potential higher insurance costs as a result of such action, potential reputational damage that the Company may suffer and the Company's potential ongoing indemnification obligations related to ongoing litigation not involving the Company; losses not covered by our director and officer insurance, which may be large, adversely impacting financial performance; loss of any of our executive officers; liquidity and ability to raise capital may be limited; and organizational document provisions delaying or making a change in control more difficult; together with all of the other risks described in our filings with the SEC. Readers are specifically referred to the Risk Factors described in Item 1A of the Company's Annual Report on Form 10-K for the year ended April 2, 2022 as may be updated from time to time in future filings on Form 10-Q and other reports filed by the Company pursuant to the Securities Exchange Act of 1934, which identify important risks that could cause actual results to differ from those contained in the forward-looking statements. Cavco expressly disclaims any obligation to update any forward-looking statements contained in this release, whether as a result of new information, future events or otherwise, as required by law. Investors should not place undue reliance on any such forward-looking statements.*





Planned Acquisition of Solitaire Homes, Inc.  
October 28, 2022



# Solitaire Homes Overview

- Solitaire Homes (“Solitaire”) is a family-owned, vertically integrated factory-built housing manufacturer and retailer
- Owned and operated by the Elliott family since its founding in 1965
- Headquartered in Duncan, OK

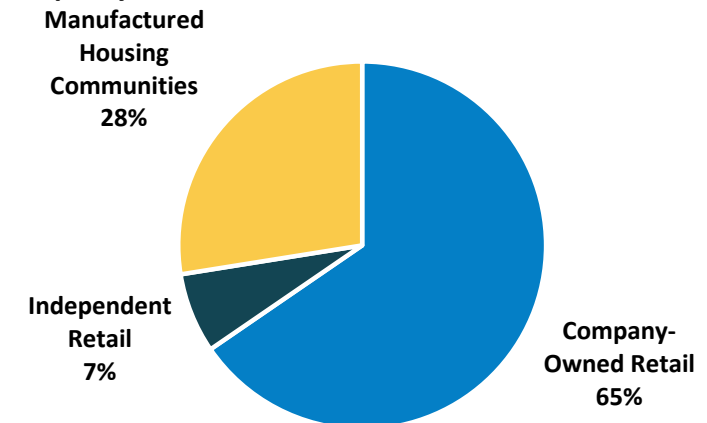
## Overview of Manufacturing Facilities

Deming, NM	Duncan, OK	Ojinaga, MX (2)
<ul style="list-style-type: none"><li>• Focused on building multi-section models</li><li>• Plant opened in 2001</li></ul>	<ul style="list-style-type: none"><li>• Previously idled facility outside company headquarters</li><li>• Focused on building multi-section models</li><li>• Restarted production in 2022</li></ul>	<ul style="list-style-type: none"><li>• 2 manufacturing facilities located in Ojinaga, Mexico across the border from Presidio, Texas</li><li>• Focused on building single-section models</li><li>• Dedicated warehouse in Presidio houses raw materials and finished product, which is assembled in Ojinaga</li></ul>

## Key Statistics

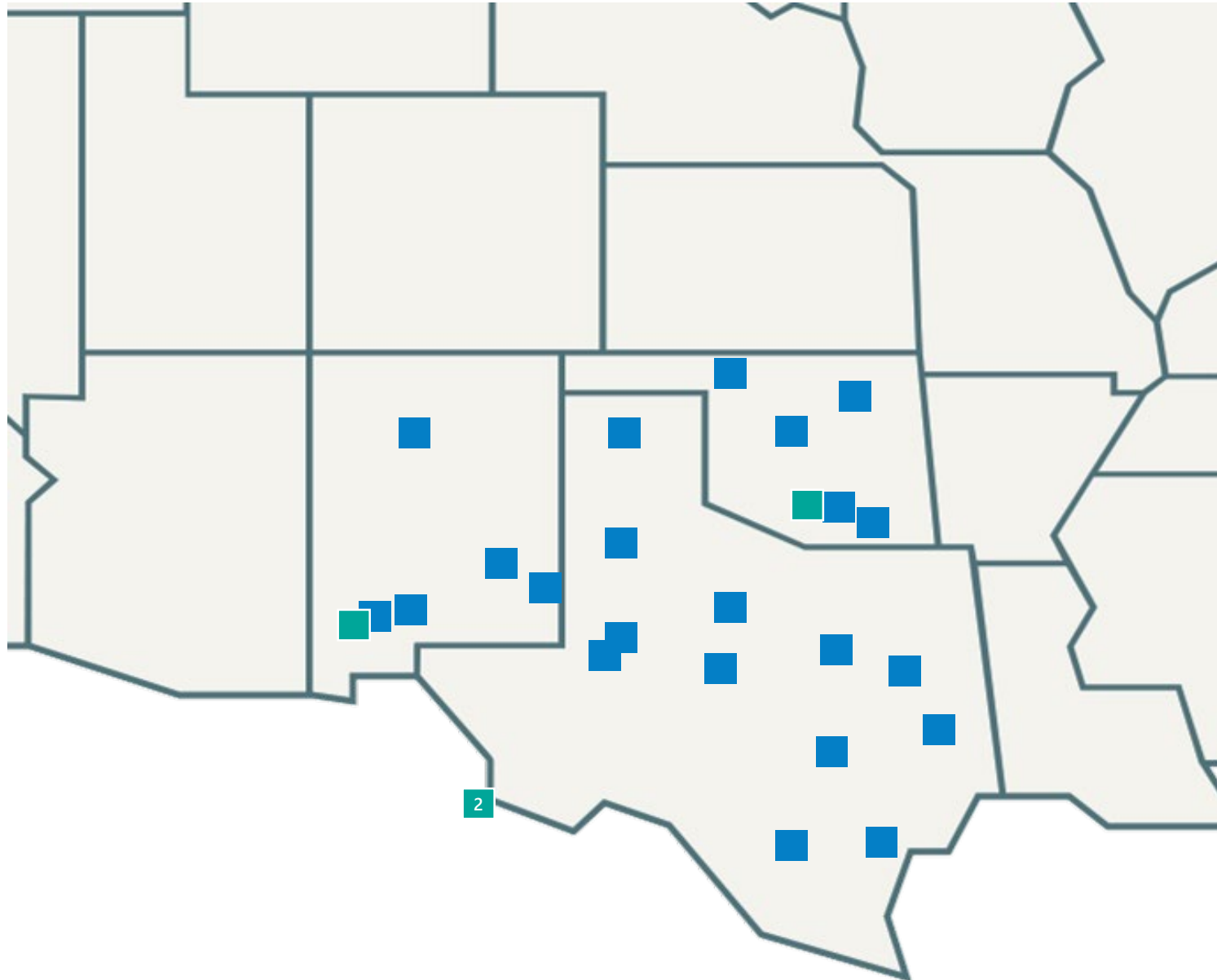
- 4 manufacturing facilities
- 1,577 homes sold in 2021 (excludes the Duncan, Oklahoma facility start-up)
- 22 retail stores
- Dedicated transportation operations

## Distribution Channels (% of 2021 Homes Sold)





# Solitaire Homes Geographic Footprint



Note: 10 of the 22 retail locations are currently in an unconsolidated joint venture, which Cavco will be purchasing full ownership.

# Transaction Rationale

- Accretive transaction on an earnings and cash flow from operations basis at an attractive price based on industry benchmarks
- Provides Cavco with unique, cross-border manufacturing complex
- Expands Cavco's manufacturing footprint in the Southwest region and manufactures product that complements our existing home offerings
- Potential for operational and revenue synergies across manufacturing and retail
- Maintain strong liquidity position subsequent to the purchase

# Transaction Summary

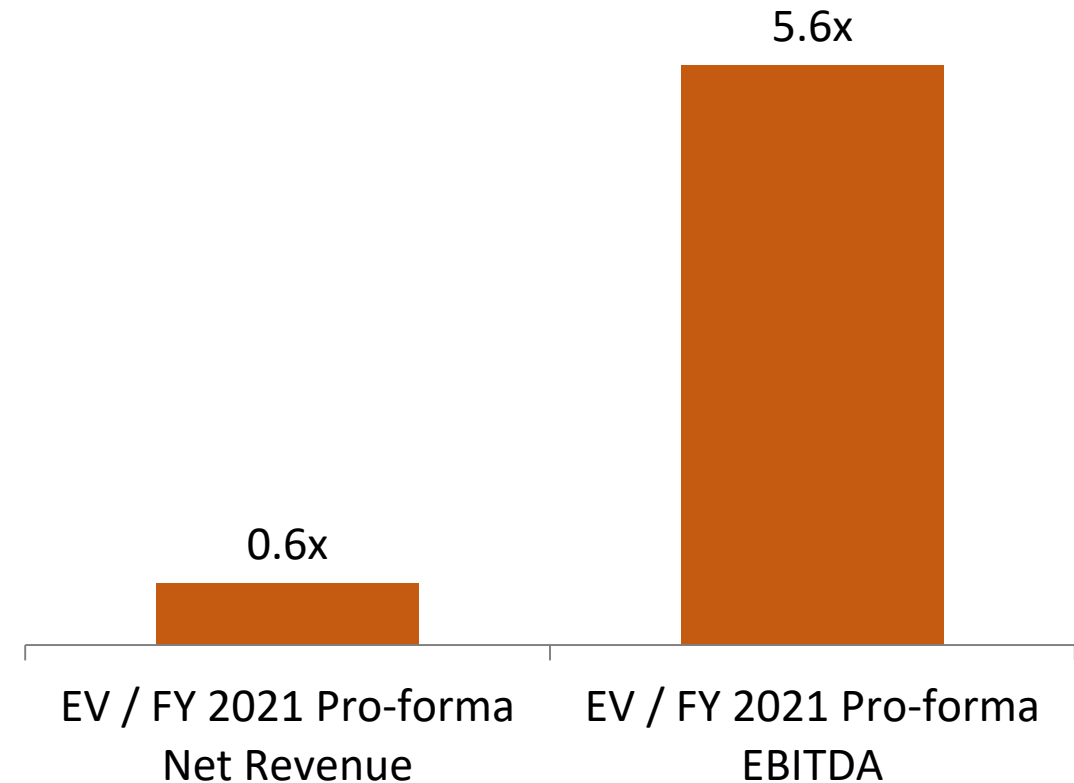
## Purchase Price

\$93 million, subject to certain closing adjustments and transaction costs

## Financial Results <sup>(1)</sup>

<u>FY 2021 Pro-forma Net Revenue</u>	<u>FY 2021 Pro-forma EBITDA</u>
\$156.3	\$16.5

## Enterprise Value (“EV”) Multiples

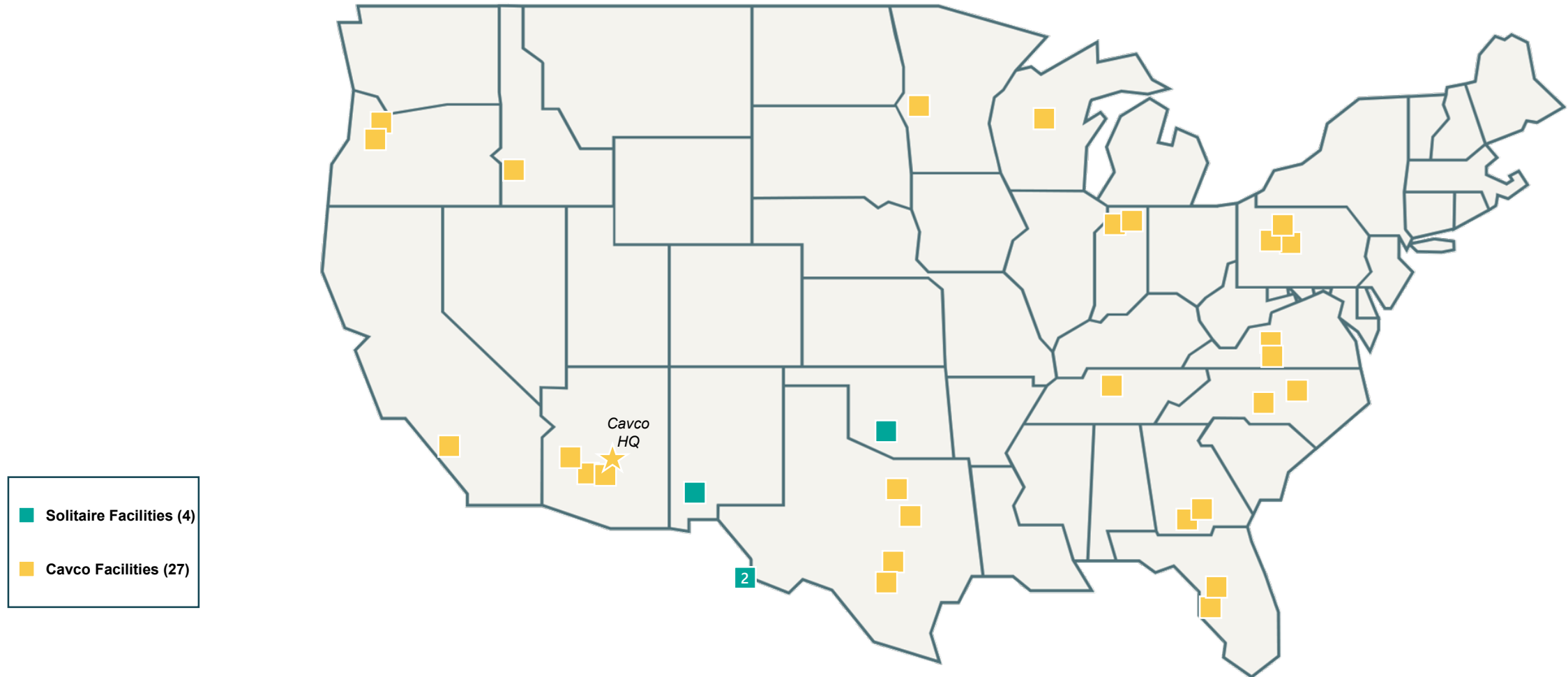


Note: Dollars in millions. Solitaire Fiscal Year ends the December 31.

(1) Financial figures include earnings from Solitaire’s unconsolidated joint venture. Immaterial earnings from Solitaire’s Mexico operations are excluded. Both are within the transaction perimeter. See Appendix page 8 for additional detail and non-GAAP reconciliation.

# Pro Forma Manufacturing Locations

Builds on Cavco's manufacturing footprint in the Southwest, expanding its presence in Texas and adding manufacturing capacity in New Mexico and Oklahoma





# Appendix



FACTORY-BUILT HOUSING SOLUTIONS





# Non-GAAP Reconciliation

	<u>FY 2021</u>
Solitaire Net Revenue	\$103.7
Unconsolidated Joint Venture Net Revenue	52.6
<b>Total Pro-forma Net Revenue</b>	<b>\$156.3</b>
Solitaire Net Income	\$12.1
Solitaire Interest Expense	0.3
Solitaire Depreciation	1.2
<b>Solitaire EBITDA</b>	<b>\$13.6</b>
Unconsolidated Joint Venture Net Income	2.9
Unconsolidated Joint Venture Depreciation	0.0
<b>Total Pro-forma EBITDA</b>	<b>\$16.5</b>

Note: Dollars in millions. Solitaire Fiscal Year ends the December 31. Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") are metrics not calculated in accordance with Generally Accepted Accounting Principles in the U.S. ("GAAP"). Management believes EBITDA is useful because they provide additional tools to compare business performance across companies and periods and are commonly used by financial analysts in evaluating operating performance. Unconsolidated Joint Venture line items add the financial impact of the non-Solitaire owned equity interest in a retail joint venture that has also been acquired as part of the transaction perimeter. Financial figures exclude earnings from Solitaire's Mexico operations.

# Forward Looking Statements

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Factors that could cause such differences to occur include, but are not limited to: the impact of local or national emergencies including the COVID-19 pandemic, including such impacts from state and federal regulatory action that restricts our ability to operate our business in the ordinary course and impacts on (i) customer demand and the availability of financing for our products, (ii) our supply chain and the availability of raw materials for the manufacture of our products, (iii) the availability of labor and the health and safety of our workforce and (iv) our liquidity and access to the capital markets; labor shortages and the pricing and availability of transportation or raw materials; increased health and safety incidents; our ability to negotiate reasonable collective bargaining agreements with the unions representing certain employees; increases in the rate of cancellations of home sales orders; our ability to successfully integrate past acquisitions or future acquisitions; involvement in vertically integrated lines of business, including manufactured housing consumer finance, commercial finance and insurance; information technology failures or cyber incidents; our ability to maintain the security of personally identifiable information of our customers, suppliers and employees; our participation in certain financing programs for the purchase of our products by industry distributors and consumers, which may expose us to additional risk of credit loss; our exposure to significant warranty and construction defect claims; our exposure to claims and liabilities relating to products supplied to the Company or work done by subcontractors; our contingent repurchase obligations related to wholesale financing provided to industry distributors; a write-off of all or part of our goodwill; our ability to maintain relationships with independent distributors; our business and operations being concentrated in certain geographic regions; taxation authorities initiating or successfully asserting tax positions which are contrary to ours; governmental and regulatory disruption, including prolonged delays by Congress and the President to approve budgets or continuing appropriations resolutions to facilitate the operation of the federal government; curtailment of available financing from home-only lenders and increased lending regulations; the effect of increasing interest rates on our customer's ability to finance home purchases; availability of wholesale financing and limited floor plan lenders; market forces, rising interest rates and housing demand fluctuations; the cyclical and seasonal nature of our business; competition; general deterioration in economic conditions and turmoil in the financial markets; unfavorable zoning ordinances; extensive regulation affecting the production and sale of manufactured housing; potential financial impact on the Company from the recently settled regulatory action by the SEC against the Company, including potential higher insurance costs as a result of such action, potential reputational damage that the Company may suffer and the Company's potential ongoing indemnification obligations related to ongoing litigation not involving the Company; losses not covered by our director and officer insurance, which may be large, adversely impacting financial performance; loss of any of our executive officers; liquidity and ability to raise capital may be limited; and organizational document provisions delaying or making a change in control more difficult; together with all of the other risks described in our filings with the SEC. Readers are specifically referred to the Risk Factors described in Item 1A of the Company's Annual Report on Form 10-K for the year ended April 2, 2022 as may be updated from time to time in future filings on Form 10-Q and other reports filed by the Company pursuant to the Securities Exchange Act of 1934, which identify important risks that could cause actual results to differ from those contained in the forward-looking statements. Cavco expressly disclaims any obligation to update any forward-looking statements contained in this release, whether as a result of new information, future events or otherwise, as required by law. Investors should not place undue reliance on any such forward-looking statements.*