Fletcher Building

Investor Day
June 2025

Agenda

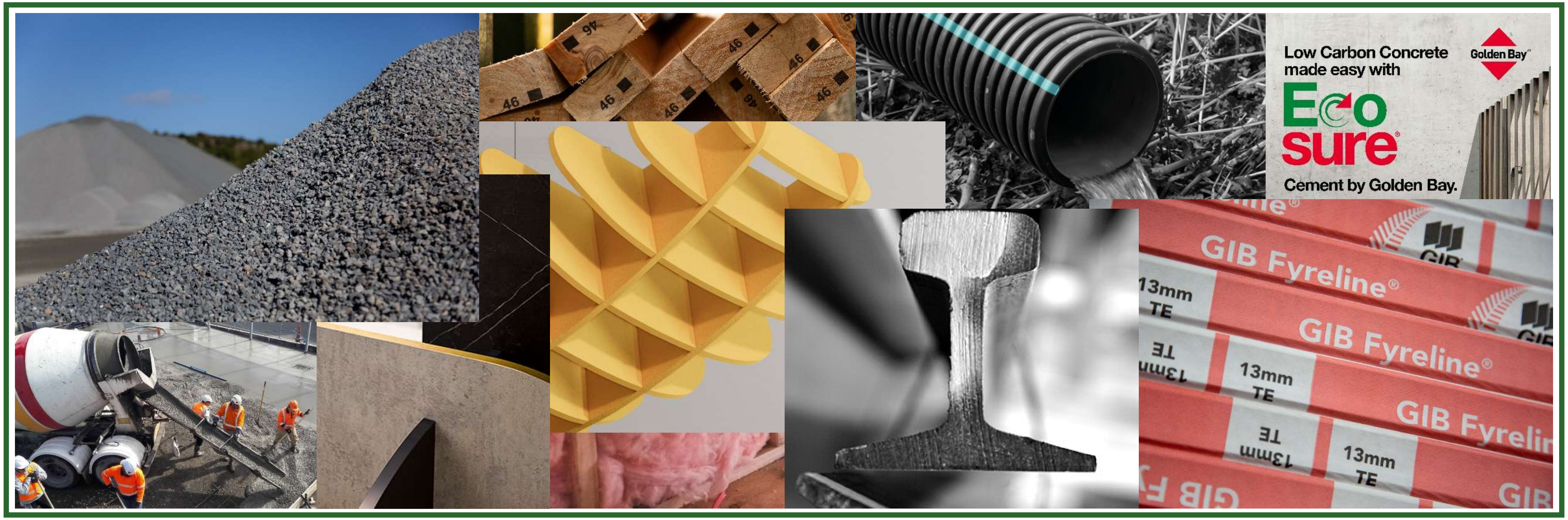
24 June 2025

NZT	Section	Presenter	Duration (mins)
9:00am	Overview	Peter Crowley	10
9:10	Strategic review outcomes and immediate priorities	Andrew Reding	30
9:35	Balance sheet settings and capital allocation	Will Wright	20
10:00	Trading conditions & FY25 update	Andrew Reding	15
10:15	Combined Q&A	Andrew Reding & Will Wright	30
10.45	*Coffee Break*		*15*
11:00	PlaceMakers	James Peters	30
11:30	Construction Materials	Thornton Williams	30
12:00pm	OSB and FOSB	Hamish McBeath	30

Overview

Peter Crowley, Chair

Medium term focus on manufacturing and distribution of building products and materials



Board of Directors

Chair appointed, refresh is now complete

PETER CROWLEY
Chair and Independent Non-Executive Director
Term of office:
Appointed Director in 2019
Appointed Board Chair in 2025

SANDRA DODDS
Independent Non-Executive Director / Chair of the Audit & Risk Committee
Term of office:
Appointed Director in Sep 2023
Last elected in 2023

CATHY QUINN
Independent Non-Executive Director
Term of office:
Appointed Director in Sep 2018
Last elected in 2024

TONY DRAGICEVICH
Independent Non-Executive Director
Term of office:
Appointed Director in Aug 2024

JACQUI COOMBES
Independent Non-Executive Director
Term of office:
Appointed Director in Feb 2025,
Effective Apr 2025

JAMES MILLER
Independent Non-Executive Director
Term of office:
Appointed Director in Dec 2024,
Effective Jun 2025

ANDREW REDING
Group Chief Executive Officer & Managing Director
Term of office:
Appointed Director in Aug 2024

- Peter Crowley appointed as Chair
- Board refresh now complete
- Highly experienced Board with relevant industry exposure

Executive Leadership Team

Refresh is complete now complete with six new appointments occurring throughout 2024

ANDREW REDING
Group Chief Executive Officer & Managing Director
Term of office:
Appointed Director in Aug 2024,
Managing Director & Group CEO in Sep 2024

HAMISH MCBEATH
Chief Executive Light Building Products
Term of office:
Joined in 2002,
Appointed in 2018

HAYDN WONG
Group General Counsel and Company Secretary
Term of office:
Appointed in Apr 2024

JAMES PETERS
Chief Executive Distribution
Term of office:
Appointed in May 2024

KYLIE EAGLE
Chief People Officer
Term of office:
Joined in 2021,
Appointed in Exec role Nov 2024

PHIL BOYLEN
Chief Executive Construction
Term of office:
Joined in 2019,
Appointed in 2022

STEVE EVANS
Chief Executive Residential and Development
Term of office:
Joined in 2013,
Appointed in 2015

THORNTON WILLIAMS
Chief Executive Heavy Building Materials
Term of office:
Joined in 2011,
Appointed in Nov 2024

WENDI BAINS
Chief Safety & Sustainability Officer
Term of office:
Appointed in 2018

WILL WRIGHT
Group Chief Financial Officer
Term of office:
Appointed in Nov 2024

Reflections from the Chair

We acknowledge past unacceptable performance and lessons have been learnt. A major turnaround is underway

1 Balance Sheet reset	✓ **\$700m capital raising** and **sale of Tradelink for ~A\$170m** both helped to reduce debt, improve financial resilience and also provide time for management while other strategic reviews were underway
2 Execution of strategic review	✓ **Strategic review** of the portfolio, operating model and identification of underperforming Business Units ✓ **Capital structure review** to determine the financial settings required to deliver on our strategy
3 Moving forward with the turnaround	✓ Achieved **significant cost reductions:** ✓ **~\$200m of total gross cost savings** and ~620 FTE reduction in FY25; and ✓ **~\$15m of annualised fixed cost savings** announced in May ✓ Profit improvement plans for the short and medium term have been identified ✓ We have maintained our **strong safety culture,** with robust systems across the business

Where are we heading?

A simplified business, operating with capital and operational discipline

Medium term (3-5 year) focus on manufacturing and distribution of building products and materials

Business unit returns meeting or exceeding cost of capital

Simple and de-centralised portfolio structure

Net Debt target $400m to $900m – no dividends until target met

Disciplined capital allocation

Growth in earnings driven by sustainable competitive advantages

Introduction

Andrew Reding, Managing Director & CEO

Why I took the role

Energised by the opportunity to realise the value of the great businesses within our Group

Under-appreciated assets with portfolio

- There is a significant opportunity to help rejuvenate a business with substantial latent potential
- The core businesses continue to perform, but this achievement has been clouded by the Group structure and under-performance of specific business units
- Fletcher Building is an important company in New Zealand and helping return it to a strong footing will have a greater impact than financial outcomes alone

Empowering great people

- Fletcher Building’s business units have great people and continue to attract strong talent
- Our empowered business unit leaders will have more autonomy, control and accountability

Our medium term strategy

Four internal levers together with external market dynamics will drive our performance

Medium term focus on manufacturing and distribution of building products and materials

1 Urgent action

- Clear plan with immediate priorities already implemented and next stages identified
- Urgency and speed will be maintained throughout

2 Focus on high performance

- Business units and the Group will measure return against industry-specific WACC targets
- Underperforming business units evaluated

3 Empower our leaders

- Fletcher Building's business units are led by talented people, but more autonomy and recognition of BU-specific needs is required
- Develop and integrate performance-driven culture across business units

4 Resilient Capital structure

- Dividend paused until net debt target of \$400m - \$900m (pre IFRS-16) achieved
- Target investment grade credit metrics

Supportive macro economic trends

How our strategy will deliver

We have the ingredients to build on strong competitive positions with a leaner cohort of BUs, lead by focussed GMs

- **High performing strategic business units**
- Market position, operational and capital discipline and high calibre leadership

A performance culture with empowered leaders

- The operating model changes give General Managers the tools to succeed and accountability if they don't

Efficient, well capitalised manufacturing facilities

- Where the focus will constantly be on operational excellence, profitability and capital efficiency

Strong competitive positions and brand equity (GIB, Winstone Aggregates, Golden Bay, PlaceMakers, Iplex, Laminex)

- Unique assets that cannot be easily replicated, but can be improved with ongoing commitment to customers

Immediate actions

Andrew Reding, Managing Director & CEO

Urgently moving forward with the turnaround

The strategic review identified immediate priorities that we are already executing on

Strategic review	• Completed a comprehensive, in-depth review of all business unit's performance through the cycle, and their strategic fit • Identified business units that have not achieved WACC returns and/or are non-strategic • Plans under development to improve and retain, or exit, underperforming and/or non-strategic business units
Immediate Divisional opportunities	• Disestablished Australian and Steel Divisions and allocated business units back to sector-specific divisions • Corporate has been restructured • ~$15m of annualised structural cost savings
Other "no regrets" Cost savings	• ~$200m of total gross cost savings achieved across FY25 • Clever Core shut down • MADE by Laminex shut down • Closure of Laminex Monkland • Restructure of Group information technology functions • CSP divestment underway • New insurance structure negotiated and to be launched in FY26 (~15%-25% like-for-like reduction in premiums)
Other "no regrets" Capital savings	• PlaceMakers Frame & Truss repurposed to former Clever Core site (saves capex, releases excess property for sale) • SAP programme stopped • Exiting industrial land development • Significant capex saving from stopping further spend on new Steel distribution centre

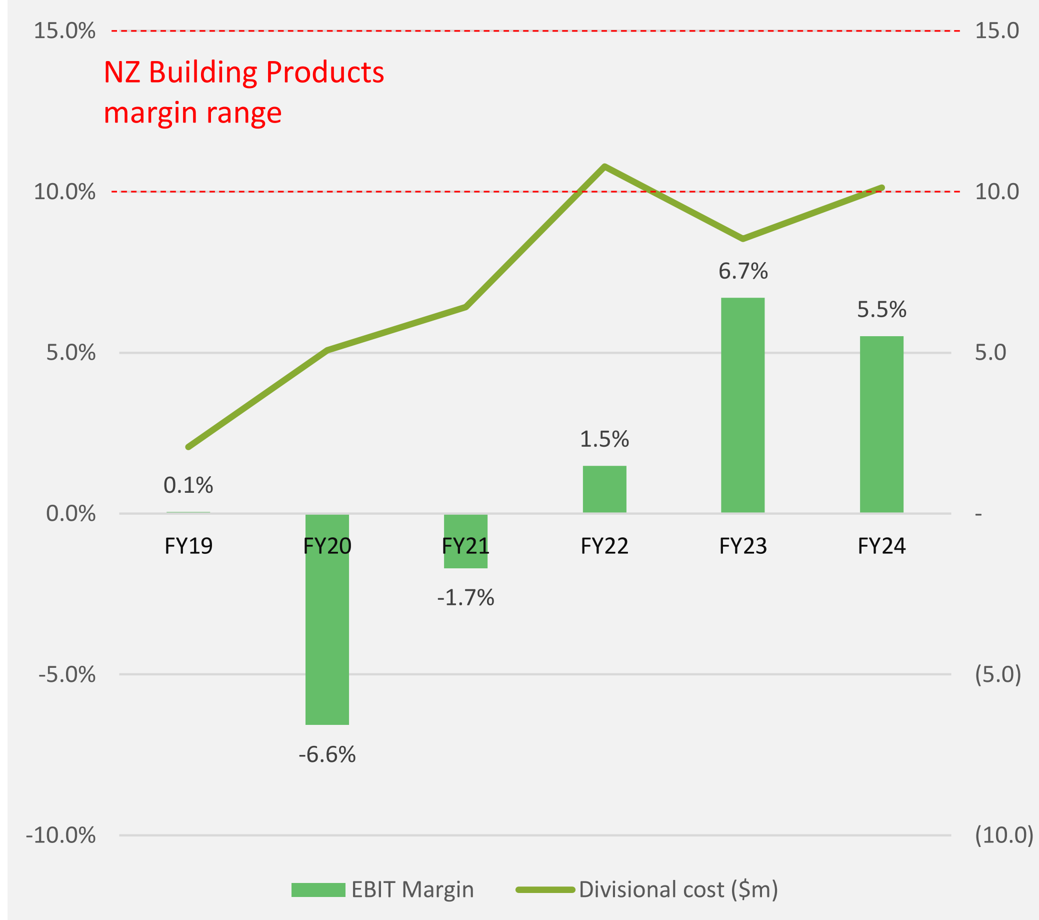
Disestablishment of Australian Division

Organising in verticals has created significant cost synergies and will improve coordination

- Australian divisional costs increased materially since 2019, to a level similar to divisional costs for all NZ manufacturing and distribution businesses combined
- Allocating business units into sector-specific divisions reduces costs, enables greater integration & potential synergies, while maintaining diversification benefits from exposure to a larger, faster growing market
- These businesses need to deliver acceptable through cycle returns compared to their cost of capital or they will not fit in the portfolio in the medium term

AUSTRALIAN DIVISION EBIT MARGIN & DIVISIONAL COST

FY19 – FY25, (incl. Sig Items, ex associate income), LHS % EBIT Margin, RHS $M Divisional costs,



Note EBIT Margin displayed excludes associate income derived from (non-operational) investments in Wespine and Hexion JVs, FY20 impacted by Covid disruptions

Turnaround plan

Urgent priorities have been actioned decisively and there is a clear path of continuous improvement ahead

Implemented

- ☑ Australia, Steel & Corporate restructure (~$15m saving)
- ☑ Clever Core shut down (~$8m saving)
- ☑ MADE by Laminex shut down
- ☑ CSP divestment underway
- ☑ SAP rollout stopped
- ☑ Several other capital and operational initiatives

Short term

- ☐ Finalise and implement divisional restructure
- ☐ Further decentralise corporate functions
- ☐ Capital allocation and structure reset
- ☐ Sale of surplus real estate assets

Medium term

- ☐ Fully implement new operational model
- ☐ Execute on portfolio simplification opportunities
- ☐ As portfolio simplifies, continuously improve central costs
- ☐ As balance sheet targets are met, reset dividend policy and return to dividend-paying status

Focus on high performance

Andrew Reding, Managing Director & CEO

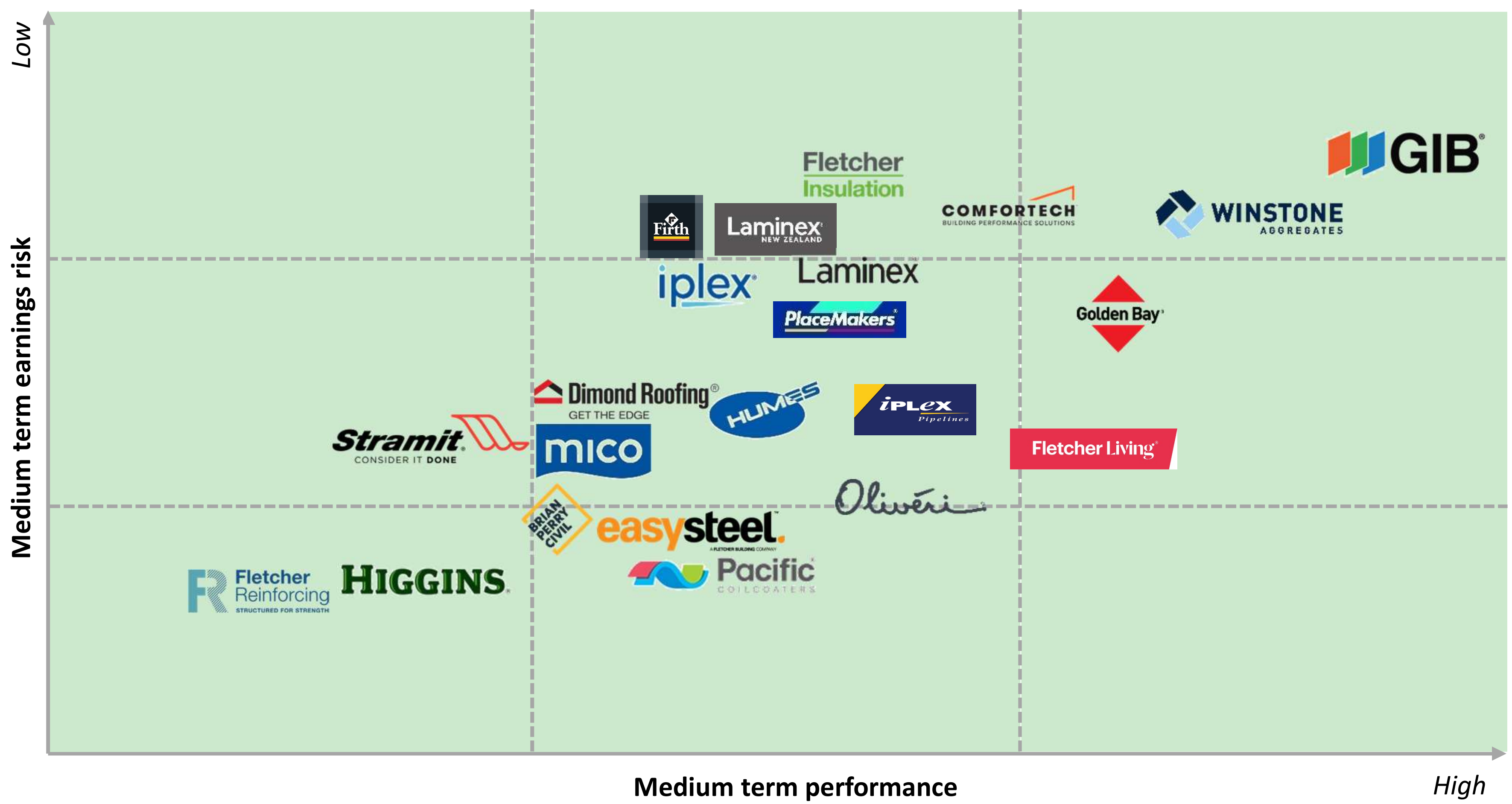
The current portfolio

Our operations span multiple verticals and a wide set of management skills are required to manage business units with differing markets and operational risks

Sector / skill set	Business Unit
Primary & Secondary Processing	**Concrete**: Winstone Aggregates, Firth, Humes, Golden Bay **Steel**: Stramit, Dimond Roofing, easysteel, Fletcher Reinforcing, Pacific Coilcoaters **Wood & Panels**: GIB, Laminex, Waipapa Pine **Water**: iplex, Iplex Pipelines, Oliveri **Insulation**: Fletcher Insulation, Comfortech
Distribution	**New Zealand Distribution**: PlaceMakers, mico
Construction & Project Delivery	**Residential & Development**: Fletcher Living, vivid living **Infrastructure**: Higgins, Brian Perry Civil, Fletcher

A focus on high performing businesses

The objective of divisional and operating changes is to make our business units leaner, closer to their customers and unencumbered by corporate overhead



Note: Medium term performance based on EBIT margins over FY19-FY25F, medium term earnings risk reflects margin volatility over the same period

Building a simpler and more focused business

The first step to simplifying our portfolio is reducing it to five Divisions

Light Building Products

Wood & Panels
- GIB
- Laminex
- Waipapa Pine Timber Products New Zealand

Water
- Iplex Pipelines
- iplex
- Oliveri

Insulation
- Fletcher Insulation
- Comfortech Building Performance Solutions

Heavy Building Materials

Construction Materials
- Winstone Aggregates
- Golden Bay
- Humes
- Firth

Steel
- easysteel
- Pacific Coilcoaters
- Dimond Roofing – Get the edge
- Stramit – Consider it done
- Fletcher Reinforcing – Structured for strength

Distribution
- PlaceMakers
- mico

Residential & Development
- Fletcher Living
- vivid living

Construction
- Fletcher
- Brian Perry Civil
- Higgins

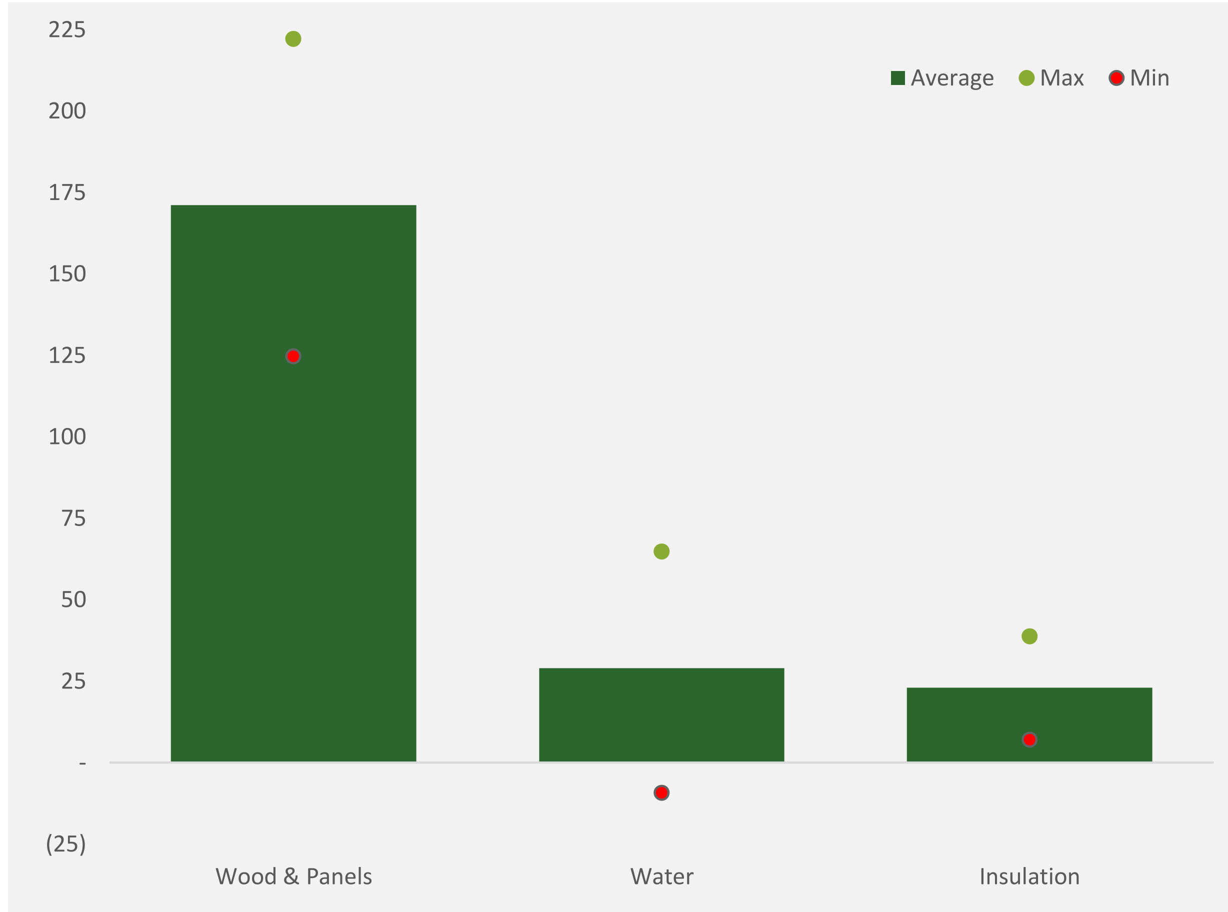
Light Building Products

Privileged positions, with efficient low-cost manufacturing facilities

- ☑ A world class plasterboard business
- ☑ Unique insulation platform with strong ANZ assets and further growth potential with investment
- ☑ Exposure to demand from historic under-investment in water infrastructure with Iplex offerings
- ☑ Consistent performers that deliver earnings and have meaningful growth prospects

DIVISIONAL VERTICAL AVERAGE EBIT CONTRIBUTION

FY19 – FY24, $M (ex. Sig Items, pre divisional costs)



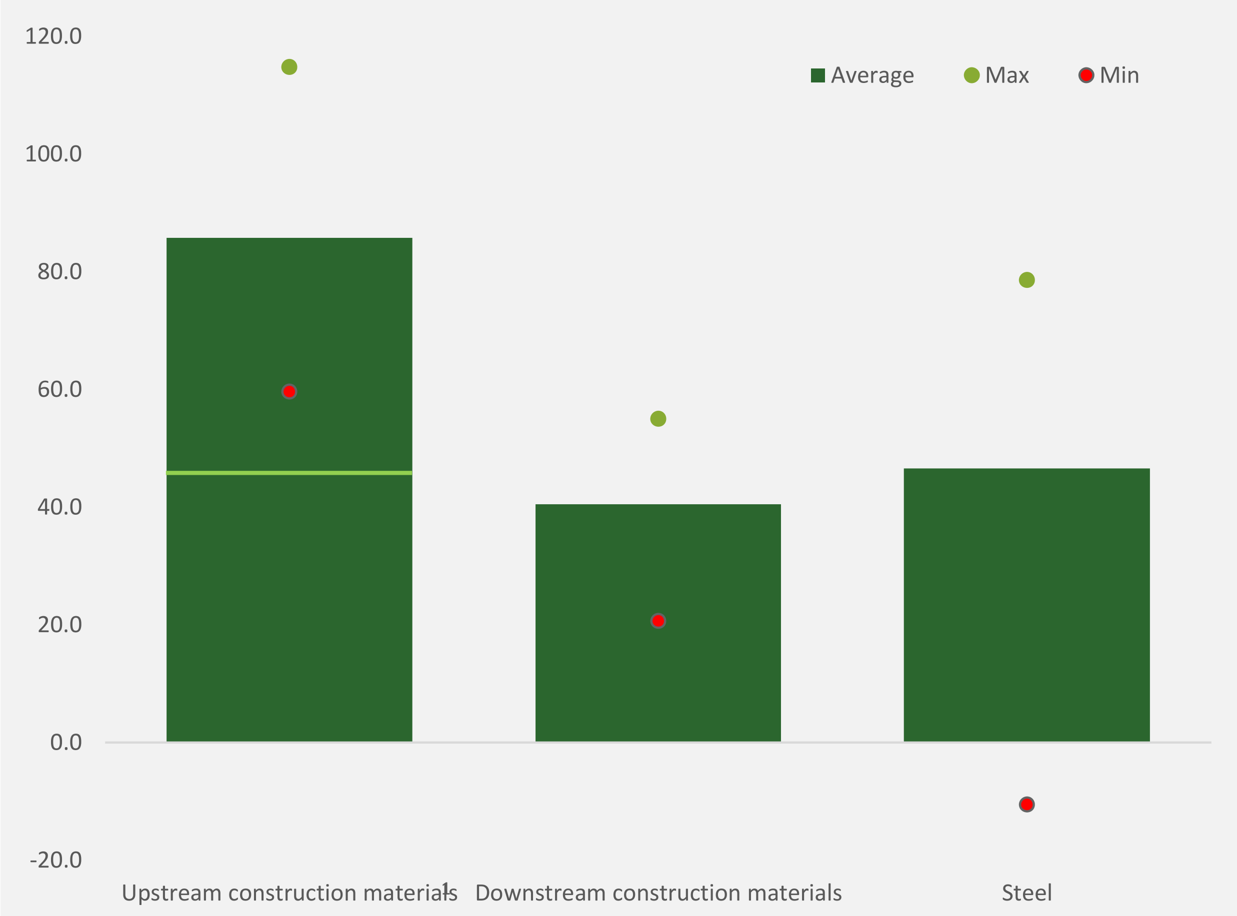
Heavy Building Materials

A leader in New Zealand aggregates, cement, concrete and steel, with strong brands and a unique footprint

- ☑ Network of highly profitable, strategic quarry assets that is unable to be easily replicated
- ☑ Unique domestic clinker assets with flexible future capex options
- ☑ Well positioned downstream channels through Firth & Humes for upstream construction materials
- ☑ Steel assets with strong market positions and latent turnaround potential

DIVISIONAL VERTICAL AVERAGE EBIT CONTRIBUTION

FY19 – FY24, $M (ex. Sig Items, pre divisional costs)



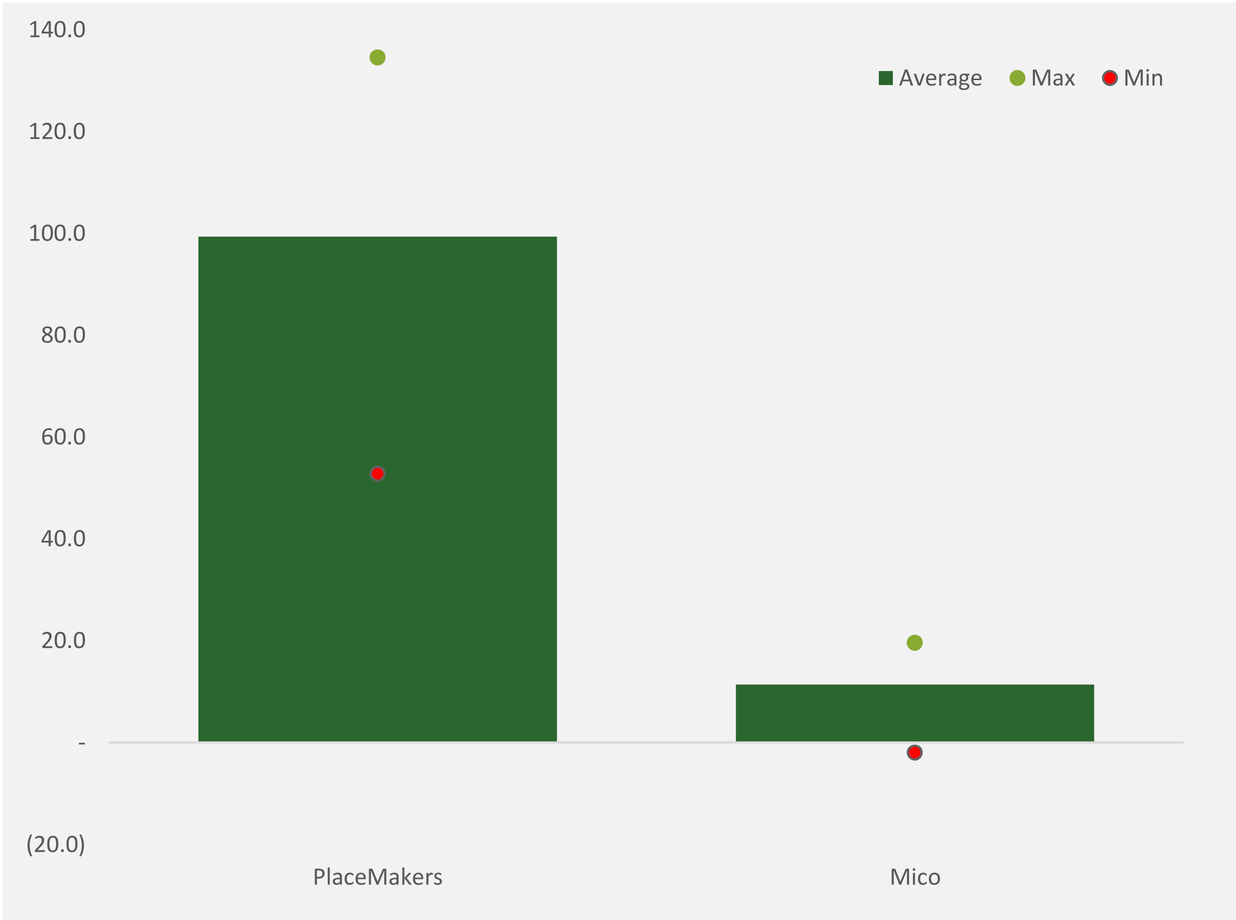
1. horizontal line represents split between quarry earnings (lower half) and cement earnings (upper half),

Distribution

A leading national distributor of building and plumbing supplies via trusted and respected brands

- ☑ Iconic brands with strong connection to the building trade for over 40 years
- ☑ PlaceMakers returning to successful regional JV model and "Know How, Can Do" focus
- ☑ Nationwide footprint of 66 PlaceMakers stores, 8 Frame and Truss facilities and 68 Mico branches
- ☑ Meaningful turnaround underway, with upside potential from market share and market volume

BUSINESS UNIT AVERAGE EBIT CONTRIBUTION
FY19 – FY24, $M (ex. Sig Items, pre divisional costs)



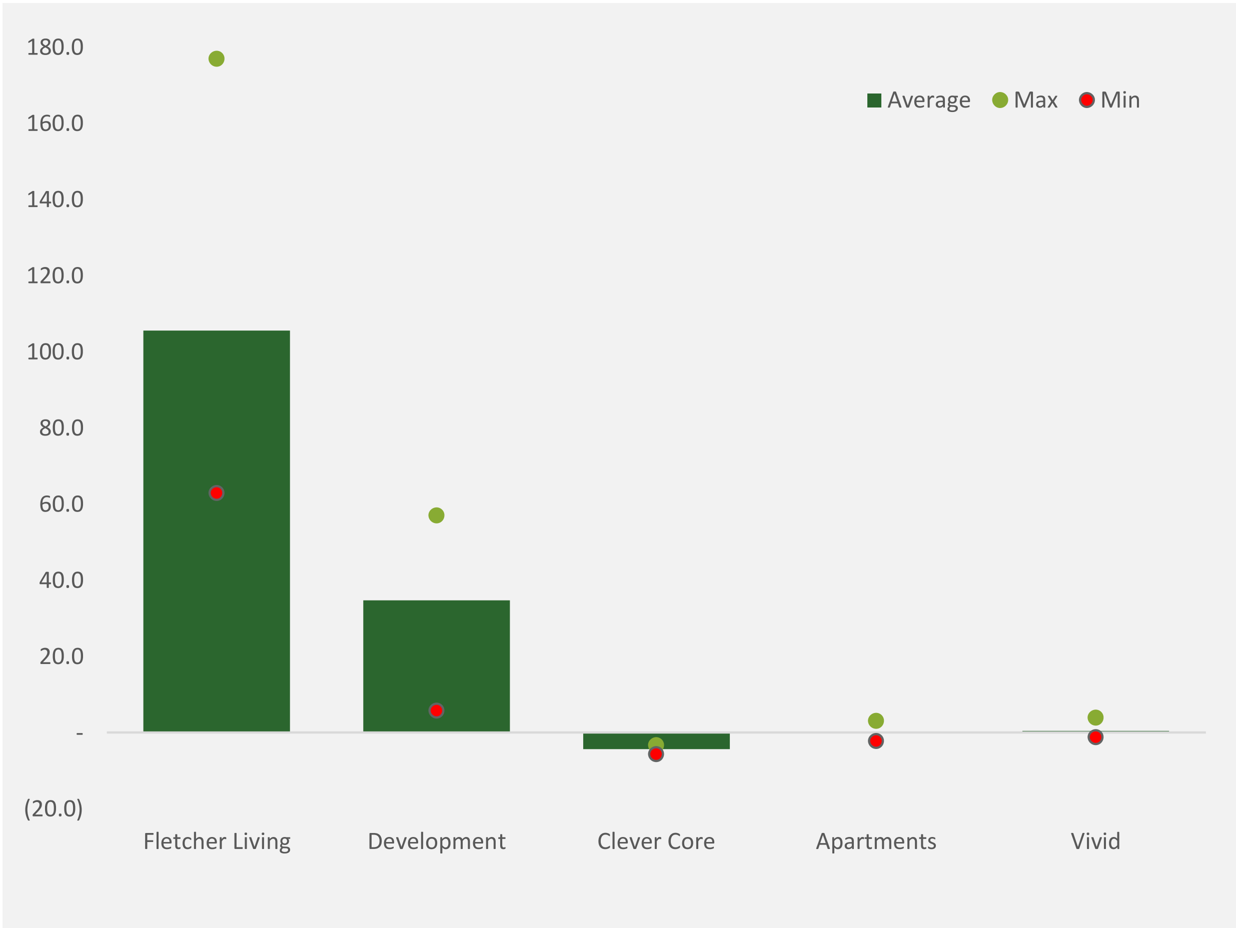
Residential and Development

The Residential and Development Division is one of the largest private sector developers of residential homes and communities in Auckland and Christchurch

- ☑ Track record of high (but volatile) margins and return on capital through the housing cycle
- ☑ High-quality residential asset portfolio across Auckland and Christchurch
- ☑ Experienced management team with extensive real estate experience
- ☑ Positioned to capitalise on recent regulatory developments and government focus on housing

R&D BUSINESS UNIT AVERAGE EBIT CONTRIBUTION

FY19 – FY24, $M (ex. Sig Items, pre divisional costs)



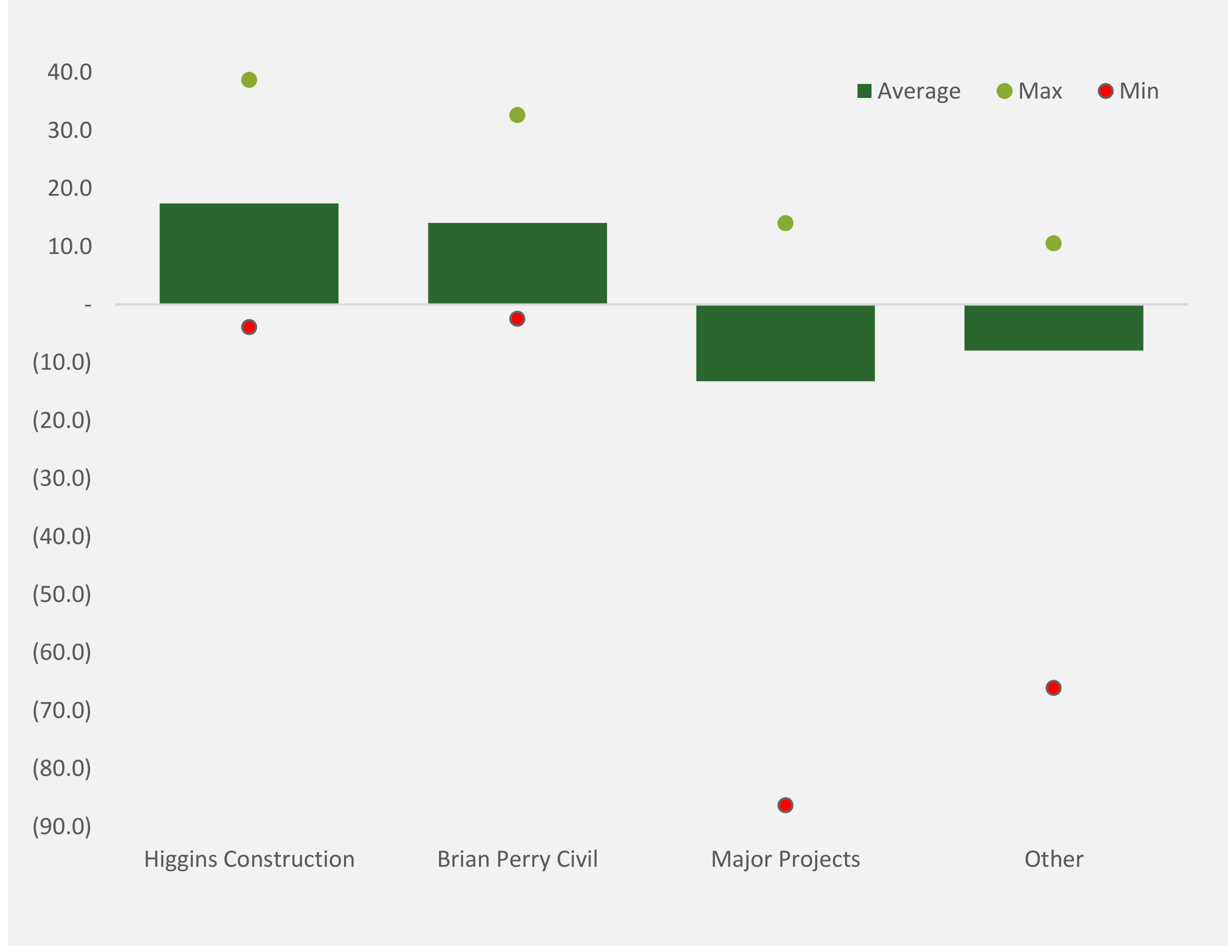
Construction

A leading engineering & construction platform in New Zealand with embedded sector expertise, credentials and relationships

- ☑ Has been re-orientated towards infrastructure and legacy projects are nearing completion
- ☑ Strong forward-pipeline of contracted work comprising a large volume of smaller projects
- ☑ Experienced local executive leadership team with extensive civil and infrastructure experience
- ☑ Deeply embedded stakeholder relationships and strong customer engagement

CONSTRUCTION BUSINESS UNIT AVERAGE EBIT CONTRIBUTION

FY19 – FY24, $M (ex. Sig Items, pre divisional costs)



Note, "Other" comprises Buildings and South Pacific

Expected benefits

The new divisional model reduces cost and improves integration by bringing similar business units together

- Removes duplication and enable greater integration across similar skill sets/markets
- Unifies ‘affiliate’ businesses in New Zealand and Australia (Laminex, Iplex, Insulation) and supports improved coordination across both Australian and New Zealand markets
- Heavy Building Materials to integrate NZ Steel assets whilst also delayering and simplifying structure
- Stramit also moves into Heavy Building Materials to leverage potential capability, procurement & market specific synergies

Empowering our operational leaders

Andrew Reding, Managing Director & CEO

Issues with a centralised operating model

A centralised approach did not deliver anticipated gains and decreased the agility of business unit management

Slower decision making	• The concentration of decision-making power at the centre has resulted in less agility when responding to market changes, customer demands and competitor actions
Unnecessary layers and costs	• Corporate and divisional levels both add material cost and headcount to profit-making business units and have not always provided "value for money" with leadership/managerial oversight
Lack of accountability	• Blurred decision-making lines and limited autonomy for business unit and divisional management has led to a lack of accountability for both performance and risk
One size fits all approach to governance and systems	• In an attempt to standardise operations, business units were encumbered by reporting structures and systems that were inappropriate for the specific industry sector or size of the business unit

New decentralised model

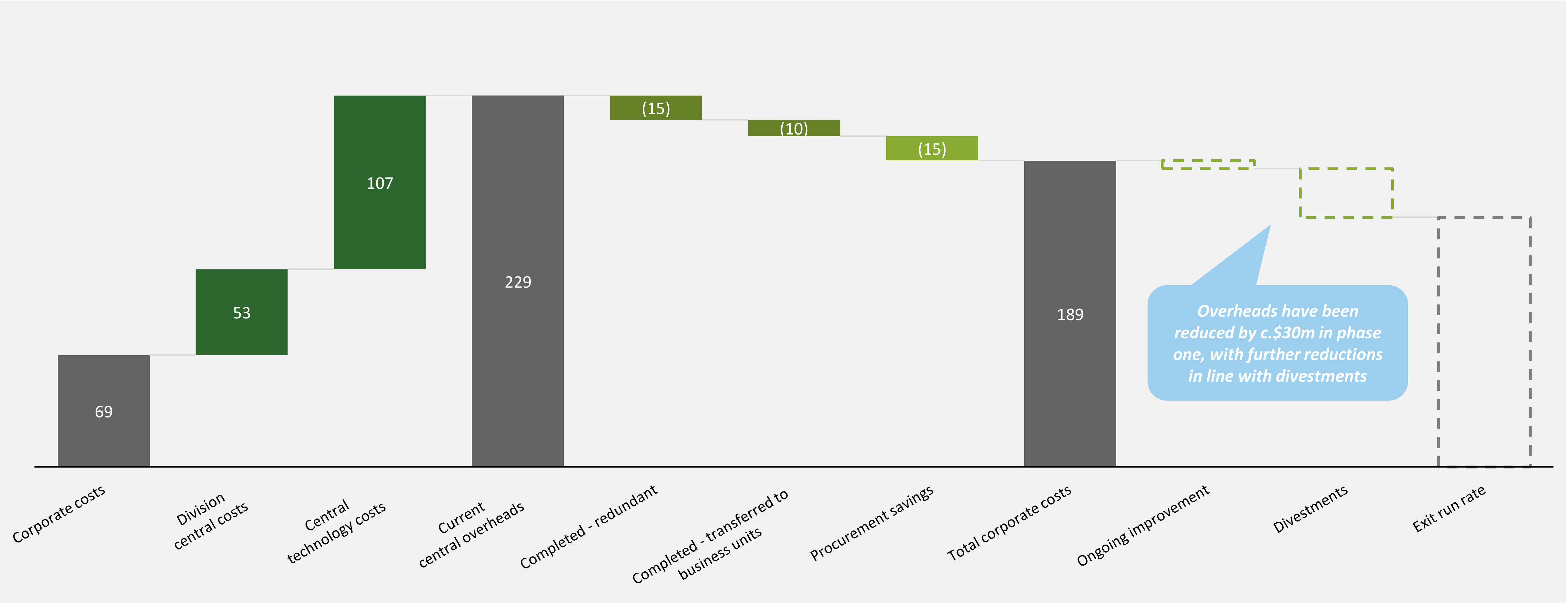
Accountability shifts towards business units. Each management layer has designated roles and distinct capabilities

Business Units	Divisions	Holding co.
"We know our customers, own our value chains and differentiate to become market leaders"	*"We know our markets, and manage & invest to build attractive positions"*	*"We provide strategic direction, manage our capital & portfolio for attractive returns"*
Profit Generator	**Market Expert**	**Capital Governor**
▪ **Standalone** – Business units will be equipped with the tools, resources, capabilities and autonomy to succeed ▪ **Accountable** – Each business unit will be accountable for its performance while benefiting from Fletcher Building's Group advantages, including access to capital, shared expertise, and a disciplined, performance-driven culture that fosters growth and operational excellence.	▪ **Designated Market Expertise** – Divisions will be organised around specific markets and sectors in which their business units operate ▪ **Collaboration** – adjacent business units operating in similar markets or sectors will be more closely connected to allow collaboration and sharing specialist knowledge	▪ **Lean Group** – The Holding Company is in the process of streamlining activities towards a cost-efficient structure ▪ **High-value functions** – Strategic oversight, risk management and capital allocation will be the future focus areas at a Group level

A leaner operating model

The move to a decentralised model has significant financial and operational benefits

CENTRAL COSTS
Exit FY25F[1], $m



1. Reflects annualised costs as at May 2025

Expected benefits

The new organisational model allows for faster decision making, customer centricity, role clarity and cost efficiencies

- Stronger focus on core capabilities
- Accountability where it counts
- Quicker decision-making
- Closer to customers and markets

- Faster response to market opportunities
- Empowering business units and GMs
- Clearer roles and responsibilities
- A culture of ownership and performance

Building a resilient capital structure

Will Wright, CFO

A clearly defined financial framework

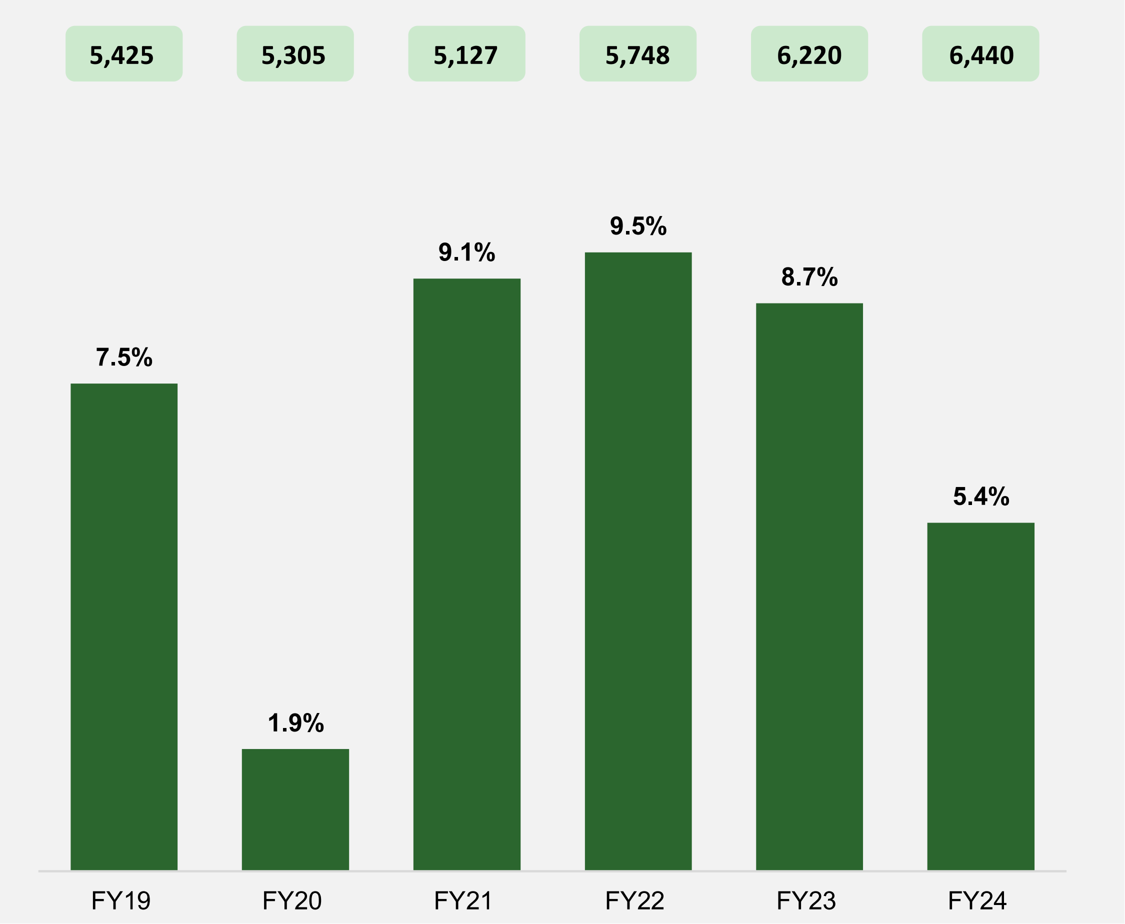
Strong focus on driving financial performance and disciplined allocation of capital

1 Focus on Shareholder Returns	• Targeting a ROIC greater than WACC through the cycle • Ensure all businesses have ROIC targets reflective of the sectors in which they operate • Retarget incentives for management • Transparency of financial information and value drivers to the market
2 Resilient Balance Sheet	• Target Net Debt of $400m to $900m over the medium term • Target investment grade credit metrics • Reduce the seasonality of working capital
3 Disciplined Capital Allocation	• Stay in business capex broadly in line with depreciation • Clear and appropriate hurdle rates in place for new investment • Greater oversight of, and accountability for, opex investment decisions • Dividend policy will be reassessed and communicated as the target balance sheet levels are achieved

Focus on Shareholder Returns

Targeting returns above cost of capital through the cycle and improved disclosure to drive accountability

FY19 - FY24 Group ROIC[1]
ROIC (%) and average invested capital[2] ($m)



- Business units to be assessed against industry-specific ROIC targets
- Intention for FY25 Cashflow Statements to be presented in alignment with IFRS18
- To initiate quarterly shareholder letter, which will include volume information
- Analysis also underway on asset velocity, cash operating margins and efficiency of the asset base
- Taken together, these changes will provide a more granular view of performance within the Group and across different Divisions

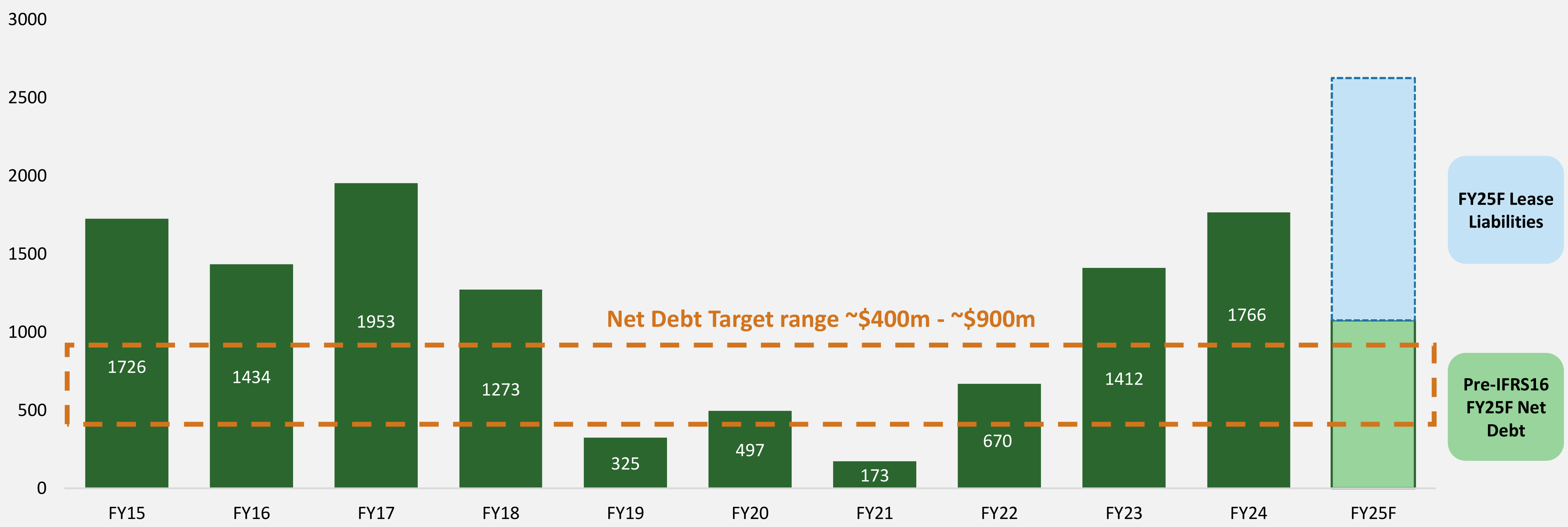
Notes: (1) ROIC defined as NOPAT (ex Sig Items) divided by monthly average invested capital in any given financial year; (2) Invested capital is comprised of net operating assets (i.e., working capital, fixed assets, investments, ROU assets) and includes Goodwill.

Capital structure through the cycle

Medium term Net Debt target adjusted to $400m - $900m providing the business with a foundation to deliver long term growth, while also maintaining sufficient headroom to absorb potential market volatility

NET DEBT / (CASH): FY15 TO FY25F

Pre IFRS-16 as at 30 June, $m



	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25F
EBITDA[1]($m)	854	876	728	924	830	290	776	863	900	617	
Actual leverage[2]	2.0x	1.6x	2.7x	1.4x	0.4x	1.7x	0.2x	0.8x	1.6x	2.9x	
Implied leverage $400m	0.5x	0.5x	0.5x	0.4x	0.5x	1.4x	0.5x	0.5x	0.4x	0.6x	
Implied leverage $900m	1.1x	1.0x	1.2x	1.0x	1.1x	3.1x	1.2x	1.0x	1.0x	1.5x	

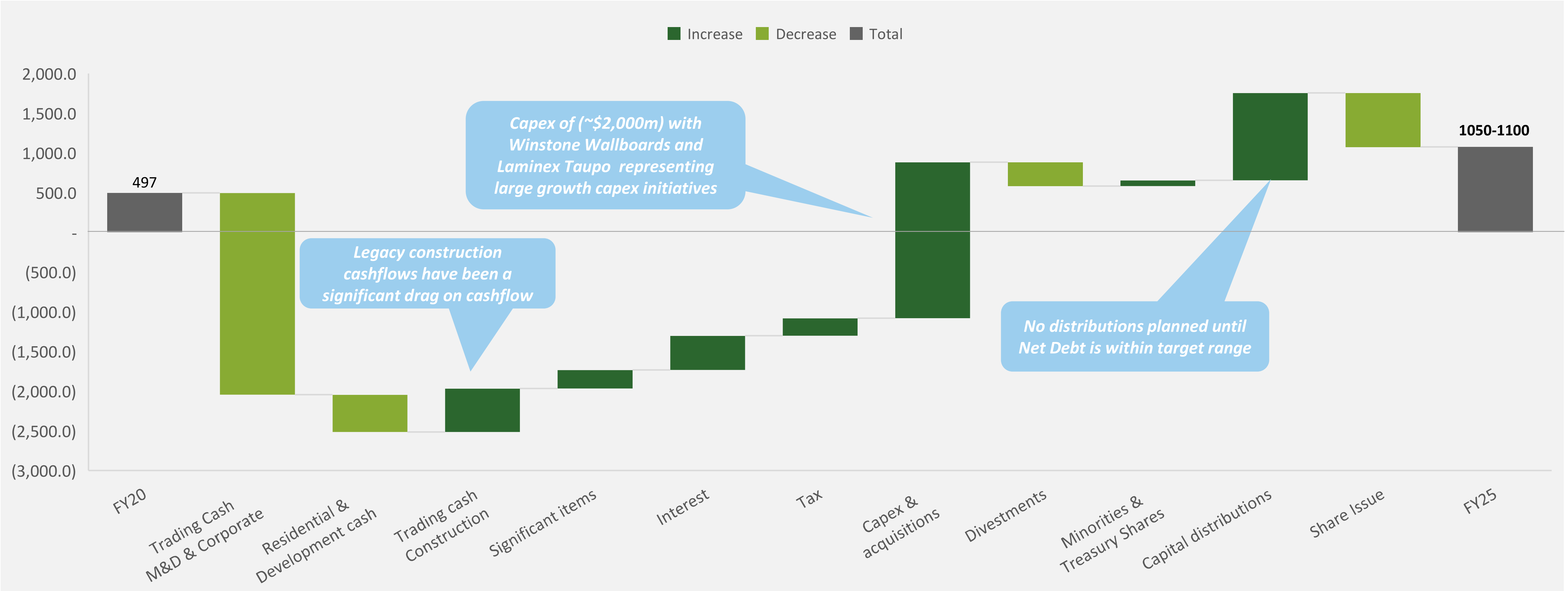
Note: [1] EBITDA before Sig Items & B&I (Pro forma Pre-IFRS-16 from FY20), [2] Net debt pre IFRS-16 / EBITDA before Sig Items & B&I (Pro forma Pre-IFRS-16 from FY20)

Net Debt through time

A number of items have been a drag on Fletcher Building's balance sheet over the past 5 years but, looking forward, greater discipline, a simplified portfolio and improved operational performance should result in greater cash generation

NET DEBT MOVEMENTS FY20 TO FY25F

Pre IFRS-16 as at 30 June, $m



Balance Sheet levers

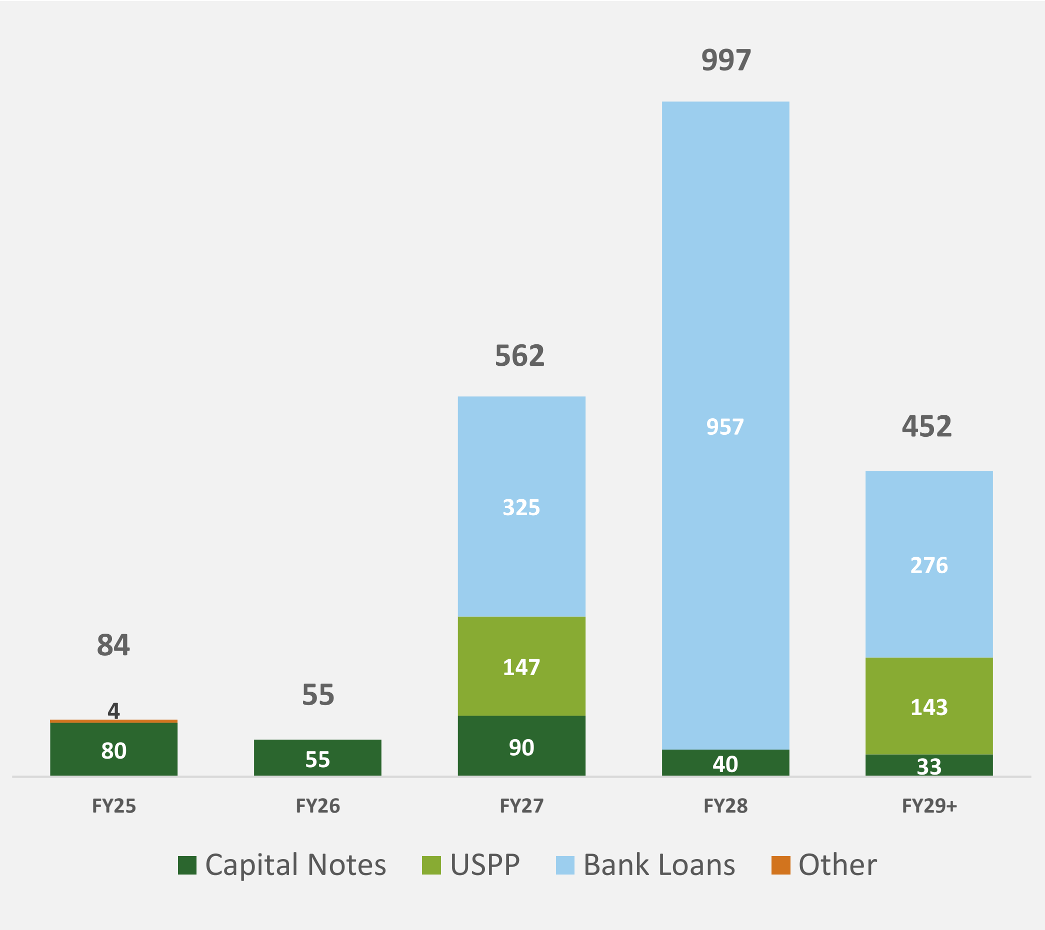
Achieving and then maintaining Net Debt within the target range will require a combination of "one-off" capital releases and longer term capital allocation and dividend discipline

Shareholder distributions	• Dividend will remain suspended until net debt reaches the middle-lower end of the target range, at which point the dividend policy will be reviewed and communicated to the market
Capital expenditure	• Increased focus on forecasting and ensuring growth capex in particular is correctly sized
Land acquisition & divestment	• Continue to analyse the land portfolio and where possible release capital from excess holdings and/or inefficient sites • Optimise timing and conditions of any future Residential and Development land purchases
Strategic portfolio divestments	• Medium term portfolio divestments will release capital but also unlock further central cost savings, supporting longer term earnings resilience

Funding mix

The current debt profile is overly complex and expensive for our current and future needs

DEBT MATURITY PROFILE
As at 31 December 2024, $M



FUTURE TARGET STATE

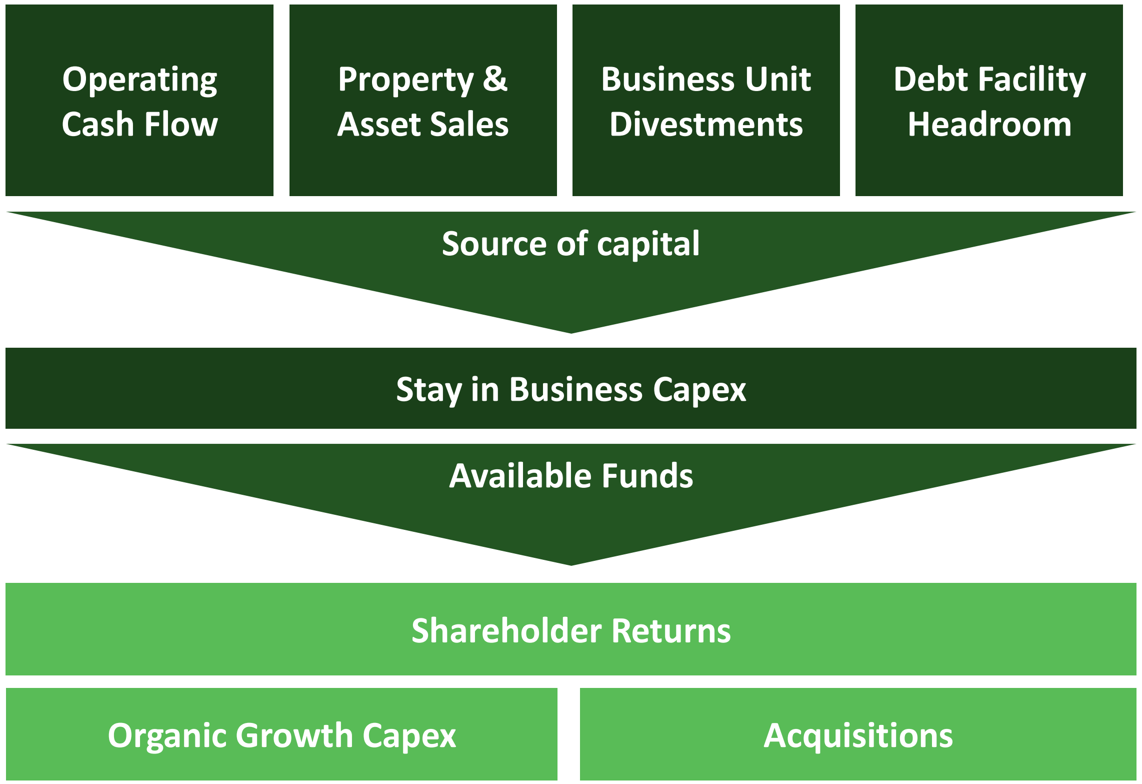
- Lower Net Debt levels of $400m - $900m (pre IFRS-16)
- Investment grade credit metrics
- Simplified funding mix with increased flexibility
- Average funding costs currently ~6.1% (pre line fees)[1]

1. As at 31 December 2024

Disciplined Capital Allocation

Capital expenditure is crucial to ongoing sustainment of earnings and growth, but is subject to well defined controls both prior to commitment and during project execution

TARGET FUNDING MIX



- Stay in business and growth capex (organic or external) are all subject to a staged approval process
- Prior to commitment, a project goes through a formal committee approval process prior to final CEO or Board approval (depending on size)
  - CEO approval required for projects between $1m-$10m
  - Board approval required for projects >$10m
- Hurdle rates specific and appropriate to the industry in which the business unit operates are applied as part of the approval process
  - Will be aligned to group and divisional ROIC targets

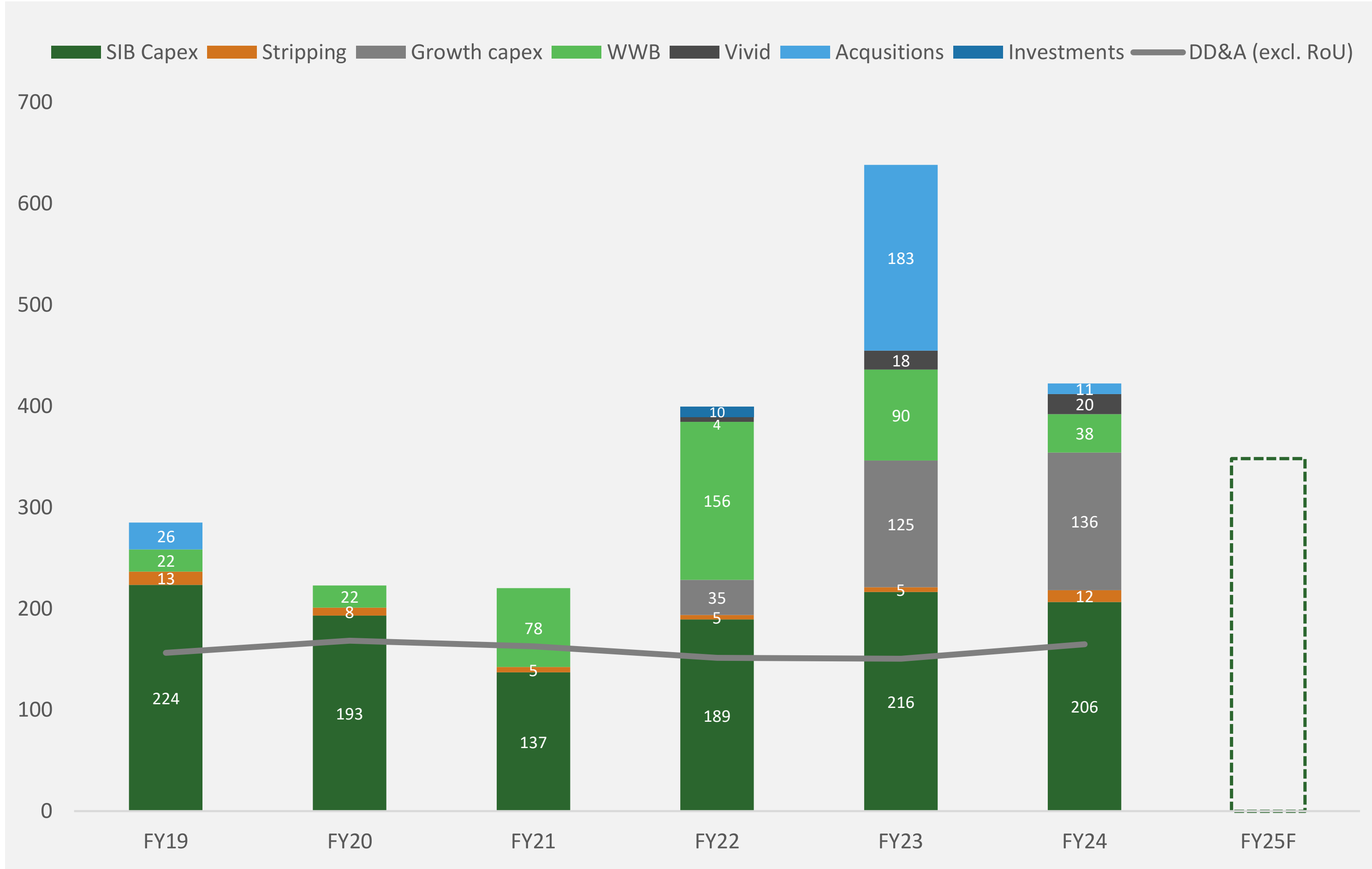
Disciplined Capital Allocation

Target SIB capex equal to depreciation, with major upcoming growth projects focused on key Light Building Product and Heavy Building Material assets

- Where SIB investment is required to support business units with ageing, (predominately depreciated) assets it will be appropriately scaled and phased through time. We will also review local manufacture vs import
- Winstone Wallboards and the acquisitions of Waipapa Timber and Tumu were responsible for the majority of growth-related expenditure up to FY23
- From FY23 onwards, expenditure on Laminex's OSB manufacturing facility in Taupo has been the largest consumer of growth capex
- Historically SIB has remained close to DD&A and the intention is to remain at that level

CAPEX SPENDING AND FORECAST

FY19-FY24,FY25F; $m

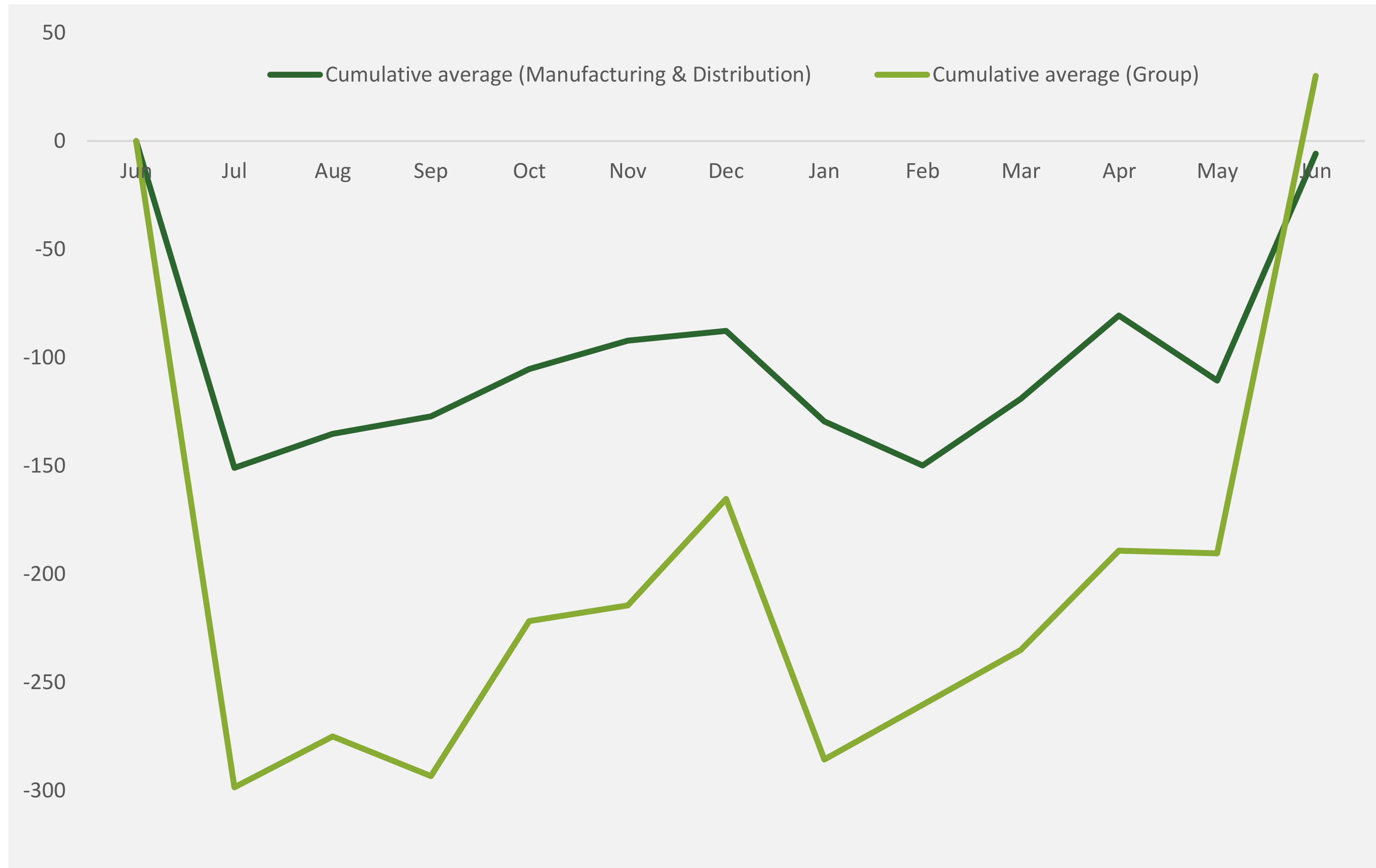


Working Capital Strategy

Close management of working capital will remain a key part of the overall financial strategy

- Fletcher Building operates large working capital balances and over the course of a financial year significant cash movements can occur
- There has always been a focus on working capital management, with an emphasis on year-end cash flows, but greater focus will be put on reducing volatility (where commercially viable)
- The Residential and Development and Construction Divisions have a substantial impact on intra-year volatility

CUMULATIVE AVERAGE MONTHLY ΔTRADING CASH[1]
(FY19 – FY24); $m



1. Average monthly change in trading cash for the period from FY19-FY24 accumulated over 12 months

Key messages

Strong focus on driving financial performance and disciplined allocation of capital

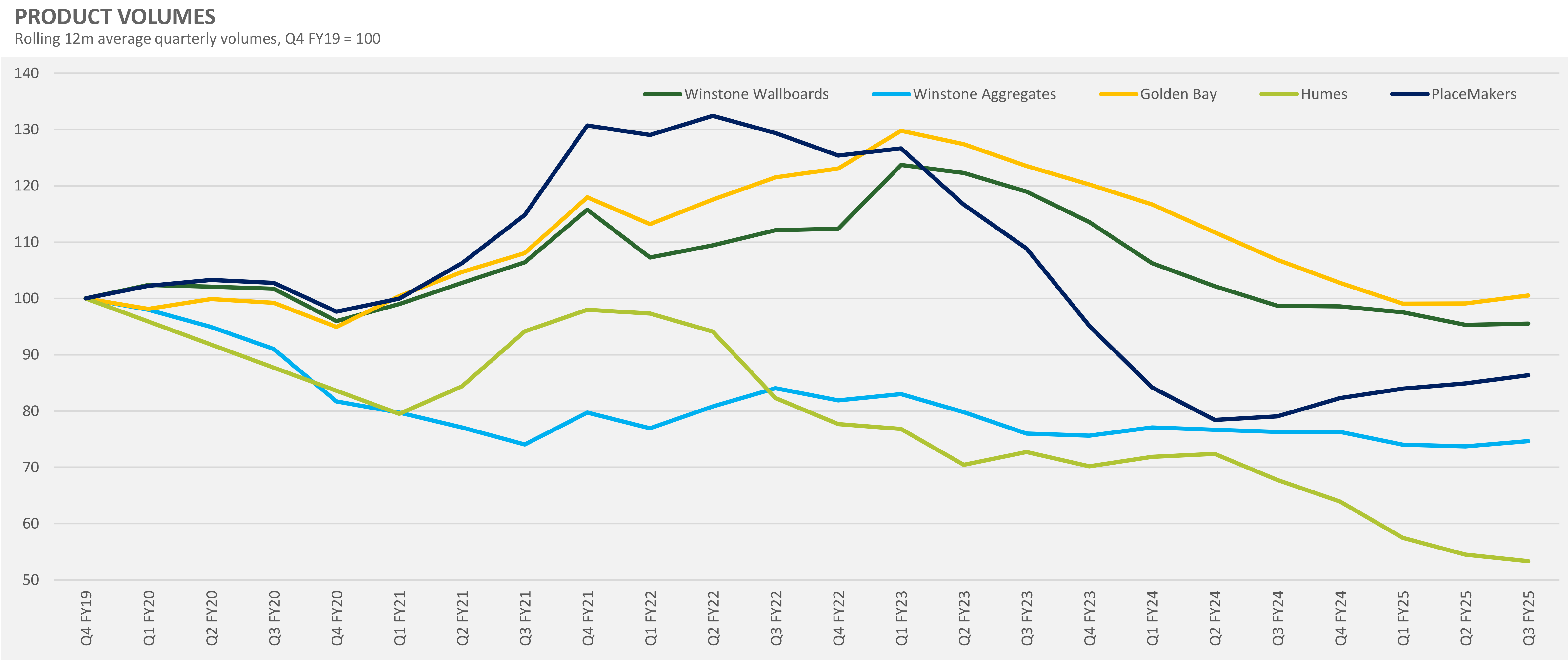
- Targeting ROIC greater than WACC across all business units
- Transparent and consistent financials
- Net Debt target - $400m to $900m
- Reduce working capital cyclicality
- Disciplined capital allocation
- Dividend policy reviewed as target Net Debt level achieved

Macro trends & outlook

Andrew Reding, Managing Director & CEO

Where in the New Zealand cycle are we?

Sales volumes of key products across the portfolio provide a view of market conditions and potential outlook



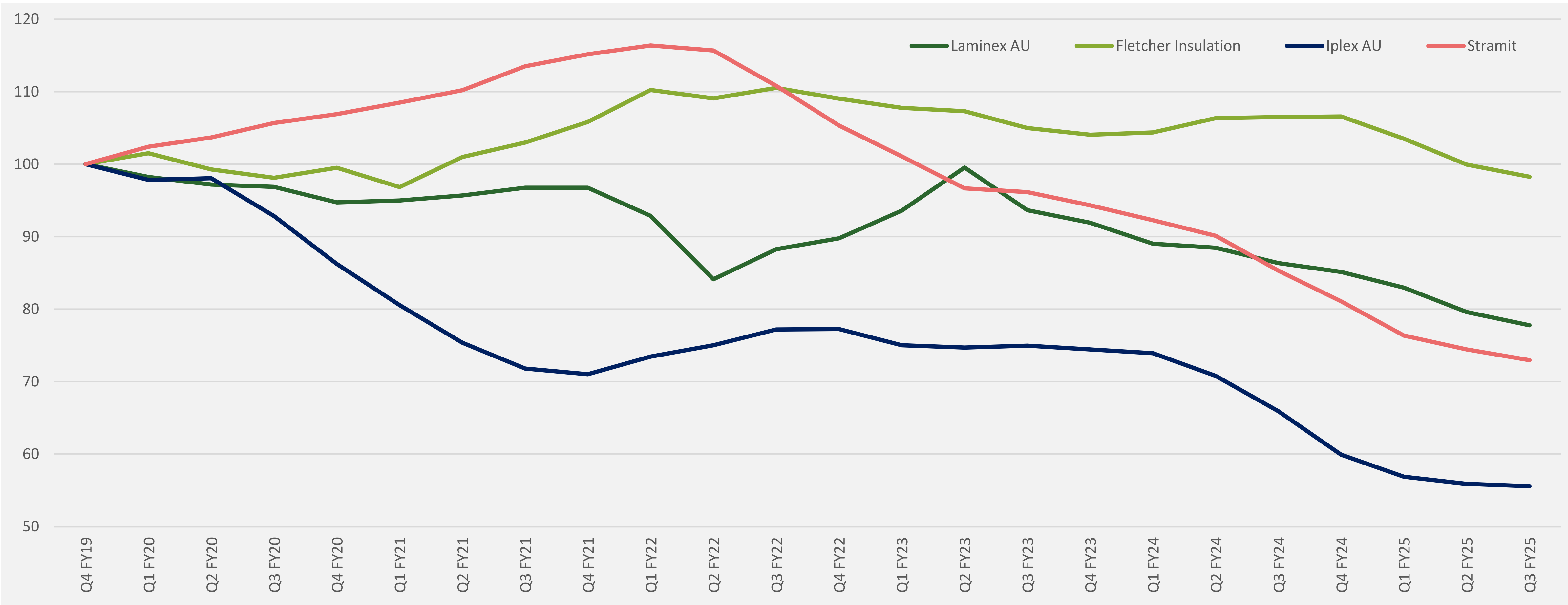
Note: WWB – Domestic Board volume (m^2),
Humes – Concrete pipe volume (tonnes) – for FY19&FY20 annual data only available, monthly data has been averaged out,
PM – Frame & Truss (m^3),
WA – sales volume (tonnes),
GBC – domestic cement volumes (tonnes)

Where in the Australian cycle are we?

Sales volumes of key products across the portfolio provide a view of market conditions and potential outlook

PRODUCT VOLUMES

Rolling 12m average quarterly volumes, Q4 FY19 = 100

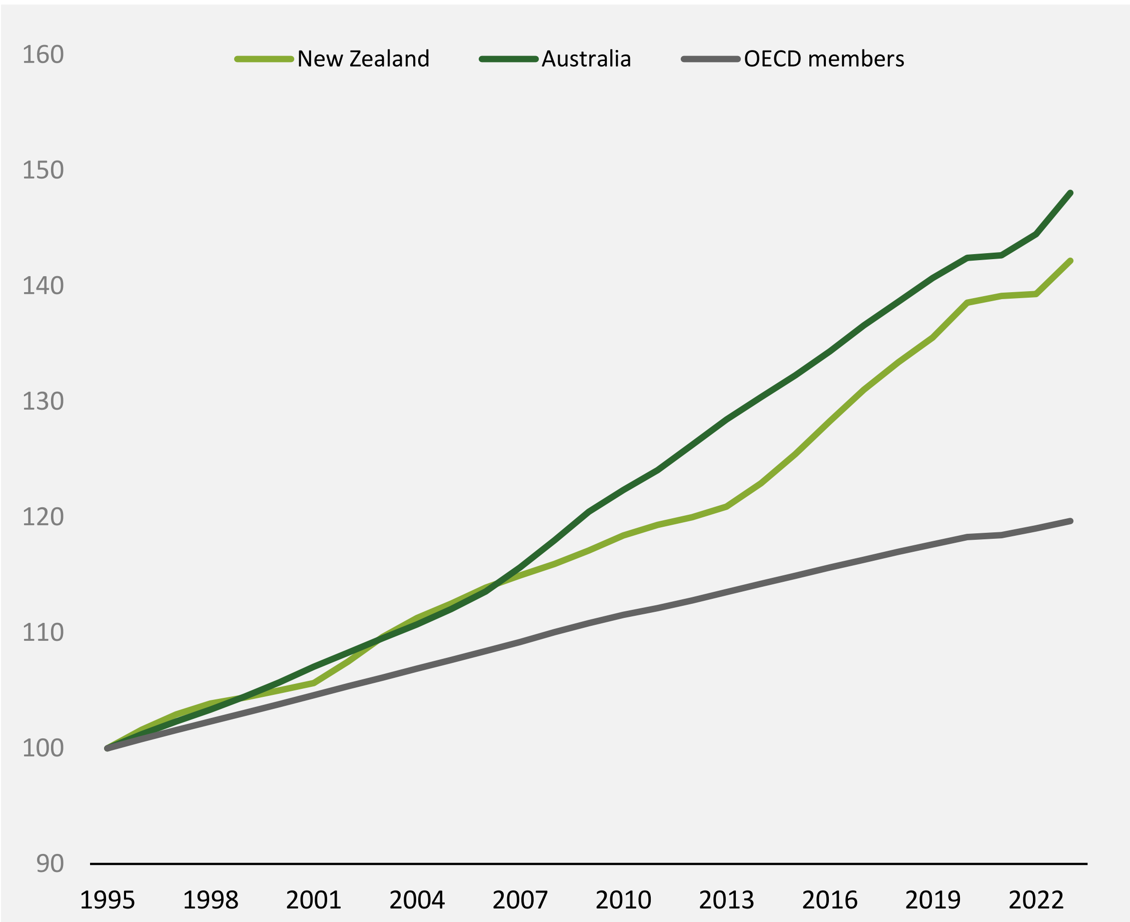


Note: Laminex AU – Board Laminate volume (m^2),
Fletcher Insulation – Glasswool sales volume (tonnes),
Iplex AU – Plastic pipe and other sales volume (tonnes),
Stramit – Total manufacturing volumes (tonnes)

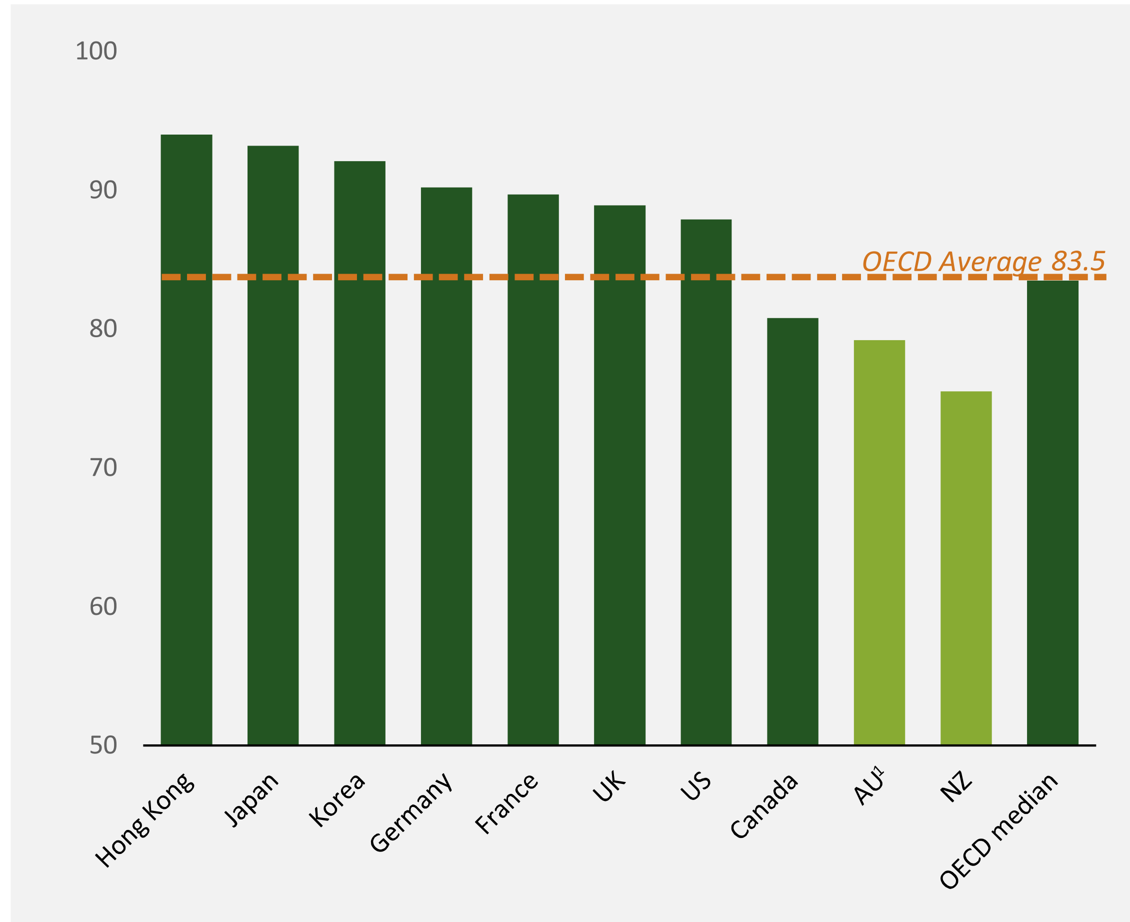
Market fundamentals

We operate in structurally attractive markets, with higher population growth and infrastructure deficits driving demand for infrastructure and the materials required to construct it

POPULATION GROWTH
1995 = 100



INFRASTRUCTURE QUALITY INDEX
2021



Source: OECD Questionnaire on Affordable and Social Housing (2023 & 2021), World Bank Group (April 2025); OECD.org 2021

FY25F update

Operating volumes continue to subdued, impacting operating leverage and profitability

FY25F EBIT Outlook

- FY25F EBIT (pre Significant Items) expected to be between $370m and $375m inclusive of the $16.4m loss incurred as a consequence of the settlement reached with NZTA in relation to the P2W project (disclosed on 20 June)
- Excluding the P2W settlement impact, FY25F EBIT (pre Significant Items) is expected to be between $386.4m and $391.4m
- Guidance is subject to market conditions for the remainder of the month and uncertainty with regard to the timing of house settlements

FY25F Significant Items guidance

- At the HY25 results, $251m of Significant Items primarily relating to Iplex Australia pipes ($177m) and Tradelink disposal ($58m) were announced
- In June an expected provision of ~$12m - ~$15m on the increased cost to complete NZICC was announced
- In addition to the Significant Items already announced
  - ~$10m - ~$15m is expected to be incurred in relation to defending construction legacy and WA plumbing issues
  - As a result of the strategic review actions taken, additional non-cash Significant Items of between ~$250m - ~$440m and cash Significant Items of between ~$50m - $60m are expected in FY25; these will be finalised as part of year end reporting
    - These primarily relate to restructuring and redundancy costs, goodwill and brand impairments, closure costs and the write off and provision for onerous contracts associated with ERP projects
- Altogether the total Significant Items announced at the full year FY25 results are expected to be between ~$573m - ~$781m

FY25F Significant Items guidance ($m)	
HY25 reported	**251**
NZICC cost to complete	**12 - 15**
Legal cost - WA plumbing & Legacy construction	**10 - 15**
Strategic review non-cash items	**250 - 440**
Strategic review cash items	**50 - 60**
Total	**~573 - ~781**

Closing remarks

Andrew Reding, Managing Director & CEO

What does this mean for shareholders?

Fletcher Building's new strategic direction will lead to a leaner more focused organisation

1	***Strong core portfolio***	• **Heavy Building Materials** – a leader in New Zealand aggregates, cement, concrete and steel, with strong brands and footprint • **Light Building Products** – privileged positions, with efficient low-cost manufacturing facilities • **Distribution** – a leading national distributor of building and plumbing supplies via trusted and respected brands
2	***A clear strategy for future growth***	• **Vertically integrated** positions in building materials & products, from raw materials through to distribution • **Lean operating model** with business units empowered with the tools, resources and autonomy they need to succeed, while bearing accountability for performance
3	***Favourable market tailwinds***	• **NZ economic cycle poised for improvement** driven by falling interest rates, pro-investment Government, undersupply of residential dwellings and an infrastructure deficit • **Government policy supportive of growth** in housing supply and infrastructure with "RONS" procurement beginning • **Australian market forecasting growth** driven by increasing infrastructure spend, lower interest rates and increased housing starts to meet shortfall in cumulative historic housing construction
4	***Refreshed board and management capability***	• **Refreshed Board** with strong experience in building manufacturing and distribution • **Experienced management team** with deep industry knowledge combined with knowledge of the portfolio
5	***Capital structure ready to support growth***	• **New Net Debt target** of $400m - $900m over the medium term • **Final legacy construction projects near-complete** • **Possible future divestments and surplus land disposals** provide capital release to support balance sheet target and capex

Appendix

ROIC framework

A disciplined capital allocation framework driving investment decisions, performance accountability and sustainable value creation across business units

NOPAT (trailing 12-months) ÷ **Invested capital** (Average month end for LTM) = **ROIC**

NOPAT calculation

EBIT (pre significant items) × (1 – tax rate)

Invested capital components

Net working capital + Investments + Fixed assets + ROU assets + Intangibles

ROIC framework

- ROIC serves as the primary investment decision framework, ensuring all capital allocation decisions are evaluated against value creation potential
- Business units operate within industry-specific ROIC targets that exceed WACC through the cycle
- All capital expenditure proposals must demonstrate alignment with the assigned ROIC thresholds before approval
- Continuous monitoring of ROIC performance against targets, with regular assessment of invested capital efficiency across all business units

Additional financial information

Further financial information including:

- Re-stated divisional metrics; and
- Indexed volume data

Is available in excel form via the Fletcher Building Investor relations website:

https://fletcherbuilding.com/investor-centre/financial-results-and-announcements