Fletcher Building

OSB and FOSB

The future of engineered wood products

JUNE 2025

What is OSB and FOSB?

Oriented strand board (OSB)

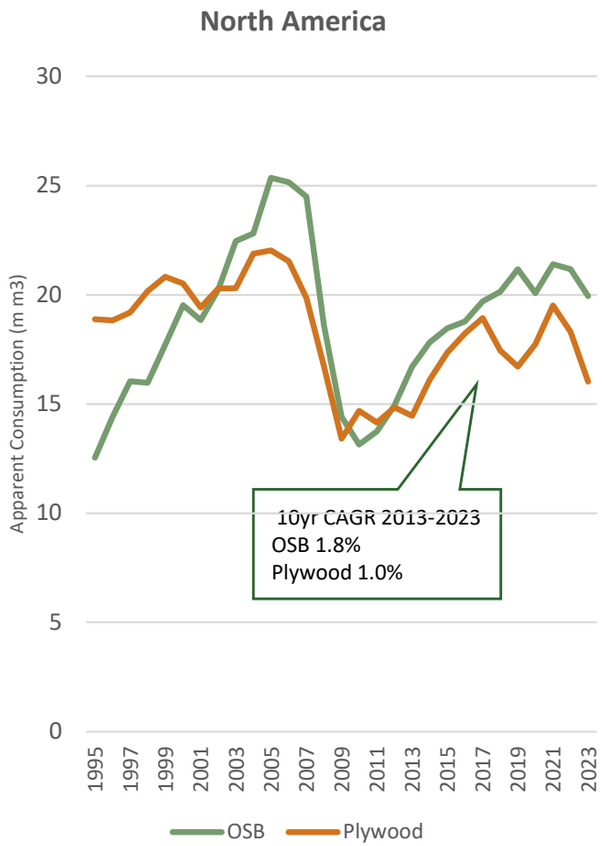
OSB is a reconstituted wood panel formed by layering wood strands together at specific orientations to achieve structural properties of plywood at a reduced manufacturing cost

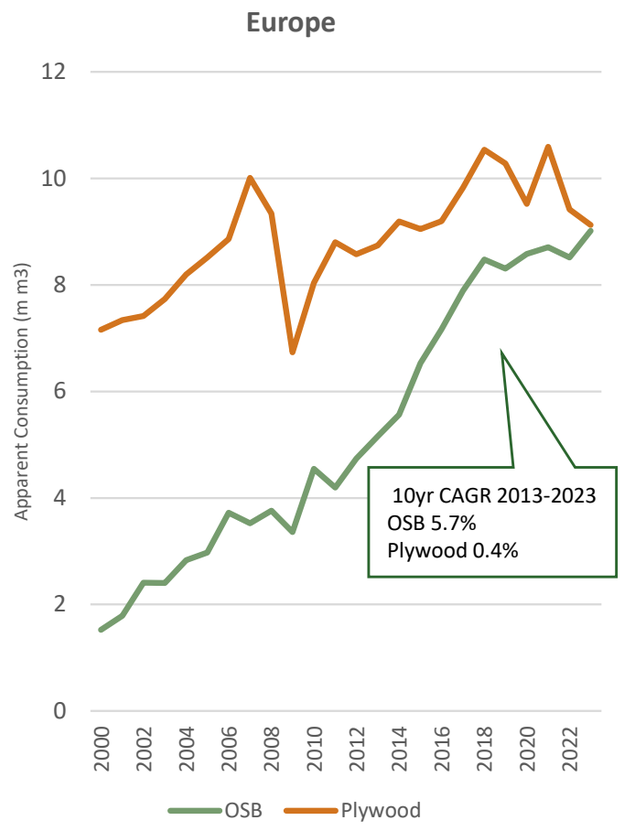
Fine OSB (FOSB)

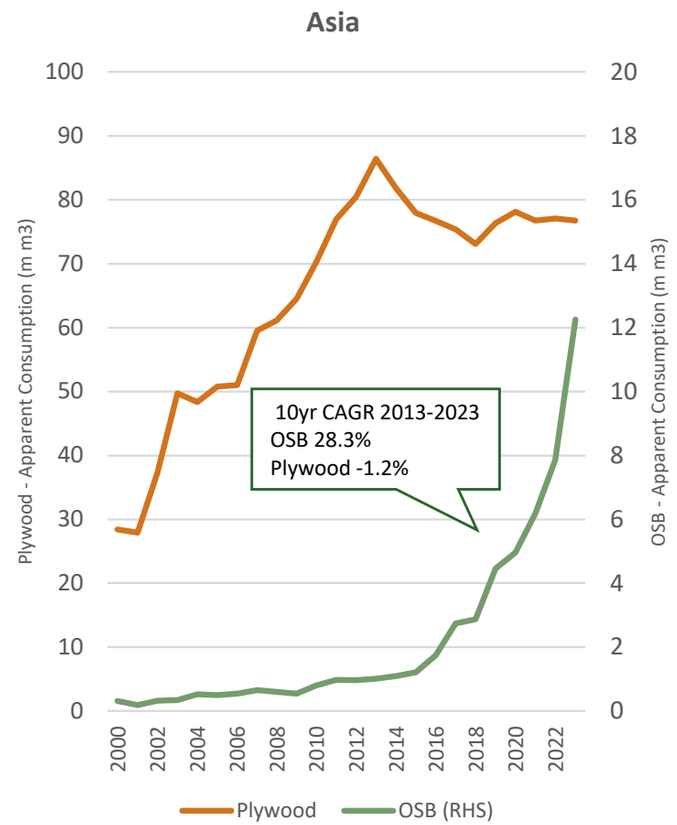
FOSB is a wood panel with an OSB core and ‘fine’ surface layers; this provides a board with a surface finish similar to MDF but enhanced structural integrity

Why OSB?

OSB is a ubiquitous building product in North America and Europe, on par with structural plywood. In Asia, OSB consumption is rapidly growing (10yr CAGR: 28%) and displacing structural plywood as observed in other geographies







Sources: FAO Data
(1) Apparent consumption = Production + Imports – Exports
(2) Note: Plywood includes LVL

Why FOSB?

FOSB is intrinsically superior to PB and MDF in most properties

Material		Particleboard	FOSB	MDF
Fabricator | Joiner	**Processing Machine impact**	Prone to edge breakout	FOSB & MDF Similar	FOSB & MDF Similar
	Weight / Handling	600-650 kg/m2	620-680 Kg/m2	720-740 Kg/m2
	Screw holding	Less likely to split on edge	Less likely to split on edge	
	Face and edge finishing	Superior edge tape adherence	Superior edge tape adherence	
Home Owner	**Strength / Rigidity**		Sag 50% of MDF	
	Moisture resilience Durability		Superior vs MR MDF and particleboard MR	
	Laminating		Smoothness & colour are key	Smoothest
	Indoor air quality	UF/MUF resin	PMDI resin (No added formaldehyde)	UF/MUF resin

FOSB advantages over PB

- ➔ Strength, stiffness and moisture resistance
- ➔ No added formaldehyde resin
- ➔ Ability to control board properties, density etc, for specific uses

FOSB advantages over MDF

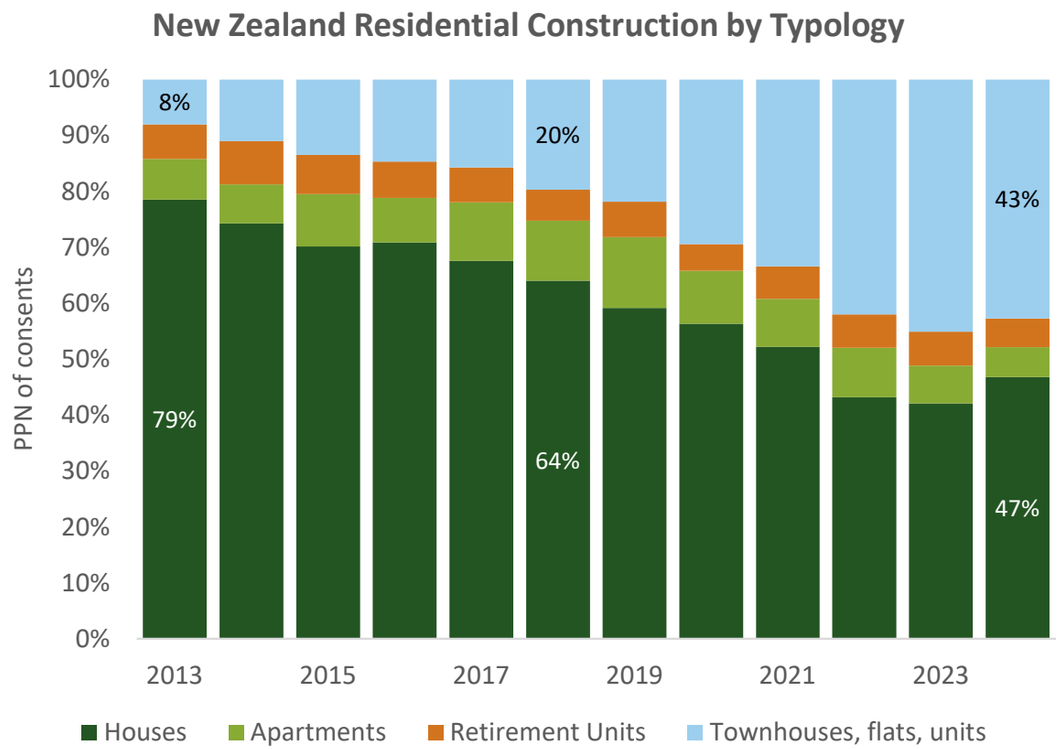
- ➔ As above, plus lighter weight
- ➔ Less likely to split when screwing into edges

MDF advantages over FOSB are limited

- ➔ Premium market finishes including face machining for vinyl wrap or lacquer finish
- ➔ Market inertia given the established market position of MDF

Supportive macro construction trends

Key construction sector trends are driving increased demand and intensity of construction wood panels



Insights:

- Increasing demand of multi-unit residential construction leading to increased flooring requirements and optionality
- Rising demand for lightweight construction materials over traditional concrete and steel e.g. wood panel based commercial mid-floor systems
- Increasing uptake of new residential construction systems e.g. Rigid Air Barriers (RAB)
- Sustainable building materials with environmental credentials

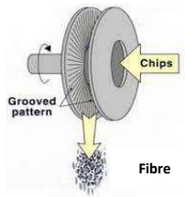
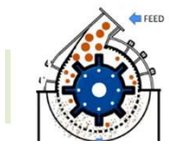
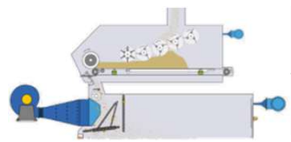
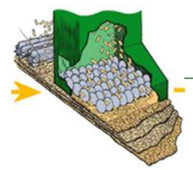
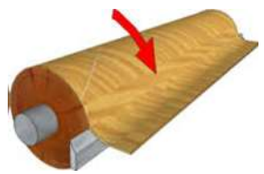
Plant overview – Laminex Taupō

Leading investment in the New Zealand wood panels manufacturing industry

- New plant will utilise advanced technology to produce a wide range of quality, cost competitive and superior products with diverse applications in furniture, joinery and the broader construction sector
- Provides a platform to explore innovative engineered wood product (EWP) opportunities across wall systems, roof sheathing and mass timber
- The new wood panel production line will supersede the current particleboard line which will be decommissioned
- At production of 120,000m3, the investment is expected to generate mid-cycle incremental EBIT of approximately $40m by FY31

Capacity	Health & Safety	Sustainability	Competitive Products	Local economy	Innovation & Productivity	Incremental returns @ mid cycle
160,000m3 p.a. Capacity will enable supply to domestic & export markets	Best practice safety standards through automation and earthquake resilience	On-site biomass energy generation derived from production waste	Creates a leading wood panels position in NZ	150+ people onsite during delivery, positively contributing to the local economy	Investment in advanced technologies improving NZ productivity	EBIT of c.$40m by FY31

Manufacturing process

Process	Raw Materials	Wood Processing	Gluing Drying	Forming & Pressing	Finishing	Finished Product
MDF	 Pulp log & Residues	 Refine		Fibre Distribution Density is important		
PB	 Residues	 Mill		 Particle Classification FOSB		
OSB	 Pulp log/Residues	 Strand		 Strand Orientation		
Plywood	 Unpruned Peeler Log	 Peel		Orientation of veneer layers		

Product innovation pipeline

The new plant will enable the development of a wide range of engineered wood products

Wall systems / SIPs

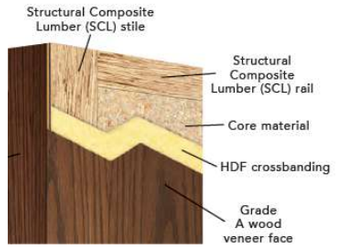
Expanded flooring and structural range

- Up to 40mm thickness
- Large format panels up to 7m long

Strand lumber

Rigid Air Barrier, Roof Sheathing

High Performance & Solid Core Doors



Delivery programme

Plant nearing completion, 1st board targeted in early FY27