



Annual Report 2025

Fletcher Building Industries Limited



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This report and our previous reports are available at
<https://fletcherbuilding.com/investor-centre>.

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This Annual Report is dated 20 August 2025
and is signed on behalf of the Board by:

	
Peter Crowley Chair	Andrew Reding Managing Director & CEO

Chair's Report



Peter Crowley, Chair

Fletcher Building Industries Limited (the Company) is a wholly owned subsidiary of Fletcher Building Limited (the Group). The contents of this annual report should be read in conjunction with the Fletcher Building Limited 2025 annual report which can be viewed at fletcherbuilding.com.

Results for the year

The Company reported a net loss of \$7 million for the year ended 30 June 2025, compared to a net loss of \$1 million in the prior year. The increased loss primarily reflects the continued underperformance of the New Zealand operations, which remained challenged by subdued market conditions, weaker volumes, and margin pressure across key segments. In addition, the Group recognised a \$222 million impact arising from its operational and strategic review of its New Zealand businesses. This review resulted in a number of one-off charges, including asset impairments, restructuring costs, and the exit or planned divestment of underperforming businesses, aimed at reshaping the portfolio and aligning it to a more sustainable earnings profile going forward.

Business activities

The Company issues capital notes and those funds are invested in other Fletcher Building group companies. The Company owns 20% of the shares in Fletcher Building Holdings New Zealand Limited which currently holds all of the shares in the Group's New Zealand operating subsidiaries.

Fletcher Building Group performance

Fletcher Building Limited guarantees all of the capital notes issued by Fletcher Building Industries Limited on an unsecured subordinated basis. The financial performance of the Company should be considered in conjunction with the financial statements of the Group. The Group reported a net loss of \$419 million for the year ended 30 June 2025, compared to net loss of \$227 million in the prior year.

The financial position of the Company is dependent on that of Fletcher Building Limited. Further information on the operations and performance of Fletcher Building Limited is available on its website, fletcherbuilding.com, and I recommend that you take the opportunity to review it.

A handwritten signature in black ink, appearing to read 'P. Crowley', written over a thin horizontal line.

Peter Crowley
Chair

Financial Statements

Income statement

For the year ended 30 June 2025

	Note	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Share of (losses)/profits of associate	5	(6,059)	738
(Losses)/Earnings before interest and taxation		(6,059)	738
Interest expense		(23,728)	(23,690)
Interest income		22,843	21,847
Funding costs	3	(885)	(1,843)
Losses before taxation		(6,944)	(1,105)
Taxation benefit	4	247	516
Net losses		(6,697)	(589)

Statement of comprehensive income

For the year ended 30 June 2025

	Note	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Net losses		(6,697)	(589)
Share of associate's other comprehensive income/(losses)	5	2	(598)
Total comprehensive losses		(6,695)	(1,187)

Statement of movements in equity

For the year ended 30 June 2025

	Note	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Total equity at the beginning of the year		660,295	661,482
Total comprehensive losses		(6,695)	(1,187)
Total equity		653,600	660,295

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Balance sheet

As at 30 June 2025

Assets	Note	As at Jun 2025 NZ\$'000	As at Jun 2024 NZ\$'000
Current assets:			
Amounts owed by related companies	13	106,184	107,348
Current taxation asset	8	247	516
Total current assets		106,431	107,864
Non-current assets:			
Amounts owed by related companies	13	261,086	361,440
Investment in associate	5	692,267	698,324
Total non-current assets		953,353	1,059,764
Total assets		1,059,784	1,167,628
Liabilities			
Current liabilities:			
Accrued interest		6,198	7,348
Capital notes	9	99,986	100,000
Total current liabilities		106,184	107,348
Non-current liabilities:			
Capital notes	9	300,000	399,985
Total non-current liabilities		300,000	399,985
Total liabilities		406,184	507,333
Equity			
Share capital	6	346,000	346,000
Reserves	7	307,600	314,295
Total equity		653,600	660,295
Total liabilities and equity		1,059,784	1,167,628

The accompanying notes form part of and are to be read in conjunction with these financial statements.

On behalf of the Board, 20 August 2025.


Peter Crowley
Chair


Sandra Dodds
Director, Chair of Audit and Risk Committee

Statement of cash flows

For the year ended 30 June 2025

	Note	Year ended Jun 2025 NZ\$'000	Year ended Jun 2024 NZ\$'000
Cash flow from operating activities:			
Interest paid		(24,876)	(23,041)
Interest received from related parties	3	22,843	21,847
Net cash from operating activities	14	(2,033)	(1,194)
Cash flow from financing activities:			
Collection of advances from related companies		102,033	1,194
Issue of capital notes			100,000
Redemption of capital notes		(100,000)	(100,000)
Net cash from financing activities		2,033	1,194
Net movement in cash held			
Add opening cash and liquid deposits			
Closing cash and liquid deposits			

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of accounting policies

For the year ended 30 June 2025

General information

The financial statements presented are those of Fletcher Building Industries Limited (the Company).

The Company is domiciled in New Zealand, registered under the Companies Act 1993 and is an FMC Reporting Entity under Financial Markets Conduct Act 2013. The Company is a for-profit entity.

The registered office of the Company is 810 Great South Road, Penrose, Auckland.

The Company is a wholly owned subsidiary of Fletcher Building Limited (the Group), which is also the ultimate holding company.

Nature of operations

The Company continues to own 20 per cent of the shares in Fletcher Building Holdings New Zealand Limited (FBHNZL).

The Company accounts for this investment in its financial statements using the equity method (refer note 5).

FBHNZL is incorporated in New Zealand, is an unlisted corporate holding company and currently holds all of the shares in the Group's New Zealand operating subsidiaries.

The Company is therefore exposed to the trading risks of those New Zealand businesses, particularly through the building products and construction cycle. However, the capital notes have the benefits of a guarantee from the Group. Further details are provided in note 9.

Basis of presentation

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, which is the New Zealand equivalent to International Financial Reporting Standards (NZ IFRS). They also comply with International Financial Reporting Standards.

These financial statements are presented in New Zealand dollars (\$), which is the Company's functional and presentation currency and rounded to the nearest thousand unless otherwise stated.

The financial statements comprise the income statement, statement of comprehensive income, statement of movements in equity, balance sheet, statement of cash flows, and statement of accounting policies, as well as the notes to these financial statements.

Accounting convention

The financial statements are based on the general principles of historical cost accounting, except that certain financial assets and liabilities, as described below are stated at their fair value.

The accounting policies have been applied consistently throughout all periods presented, except as disclosed below, 'Changes in accounting policies, interpretations, and agenda decisions.

Estimates

The preparation of financial statements in conformity with NZ IFRS requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis.

Borrowings

Interest bearing borrowings are initially recognised at fair value on transaction date, less directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

Associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates are accounted for using the equity method.

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in the income statement, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment when declared.

When the Company's share of losses in an associate equal or exceed its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Derivative financial instruments

Company policy specifically prohibits the use of derivative financial instruments for trading or speculative purposes. Any of the Company's derivative financial instruments are held to hedge risk on underlying assets, liabilities, forecast and committed sales and purchases, and are measured at fair value.

Taxation

The provision for current tax is the estimated amount due for payment during the next 12 months by the Company. The provision for deferred tax has been calculated using the balance sheet liability method. Deferred tax is recognised on the temporary difference between the carrying amount of assets and liabilities and their taxable value. Deferred tax assets are not recognised unless recovery is considered probable.

Creditors

Trade creditors and other liabilities are stated at cost or estimated liability where accrued.

Provisions

A provision is recognised when the Company has a current obligation and it is probable that an economic benefit will be required to settle it.

Intercompany guarantees

The Company enters into financial guarantee contracts to guarantee the performance or indebtedness of other companies within the Group. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Share capital

Ordinary shares are classified as shareholders' funds. Costs directly attributable to the issue of new shares or options are shown in shareholders' funds as a reduction from the proceeds. Dividends are recognised as a liability in the period in which they are declared.

Income determination

Funding costs

Funding costs comprise interest expense, interest income, amortisation of prepaid expenses and gains/losses on certain financial instruments that are recognised in the income statement.

Interest expense and income are recognised on an accrual basis in the income statement using the effective interest method.

Group function

Cash and borrowings are managed by the Group. For tax purposes, the Company is part of a consolidated tax group on which basis, tax is settled at a Group level.

Notes to the Financial Statements

1. COMPARATIVE INFORMATION

Where necessary, certain comparative information has been reclassified to conform to changes in presentation in the current year.

2. CHANGES IN ACCOUNTING POLICIES, INTERPRETATIONS, AND AGENDA DECISIONS

There are no new or amended standards and interpretations that became effective for the year ended 30 June 2025 that have a material impact to the Company.

In May 2024, the XRB issued NZ IFRS 18 Presentation and Disclosure in Financial Statements, as a replacement for NZ IAS 1, effective for the Company's financial year beginning 1 July 2027. The requirements in the new standard are designed to achieve comparability of the financial performance of similar entities, especially related to how "operating profit or loss" is defined. It also requires new disclosures for some management-defined performance measures. The Company is in the process of assessing the impact of adopting the new standard and, based on its preliminary assessment, does not expect the adoption to have a material impact on the financial statements.

3. FUNDING COSTS

	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Capital notes interest expense	(23,710)	(23,583)
Bank fees, share registry and issue expenses	(18)	(107)
Interest income - Fletcher Building Limited advances	22,843	21,847
	(885)	(1,843)

4. TAXATION BENEFIT

	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Earnings/(losses) before taxation	(6,944)	(1,105)
Taxation at 28 cents per dollar	1,944	309
<i>Adjusted for</i>		
Non-accessible (losses)/income	(1,697)	207
	247	516

Notes to the Financial Statements (Continued)

5. INVESTMENT IN ASSOCIATE

	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Carrying amount of associate – Fletcher Building Holdings New Zealand Group		
Carrying amount at the beginning of the year	698,324	698,184
Share of (losses)/profits of associate	(6,059)	738
Share of associate's other comprehensive income/(losses)	2	(598)
Investment in associate	692,267	698,324
Associate information – Fletcher Building Holdings New Zealand Group		
Balance sheet information for associate – 100%		
External assets	5,615,088	5,763,854
External liabilities	(2,074,660)	(2,139,438)
Intercompany	(1,556,860)	(1,604,033)
Non-controlling interest	(4,719)	(11,246)
Equity	1,978,849	2,009,137
Equity – Fletcher Building Holdings New Zealand Group – 20%	395,770	401,827
Goodwill acquired at cost	296,497	296,497
Investment in associate	692,267	698,324
Equity accounted earnings for Fletcher Building Holdings New Zealand Group comprise:		
Summarised income statement for associate – 100%		
Gross revenue	5,932,551	6,413,023
Net (losses)/earnings*	(30,293)	3,690
Net (losses)/earnings – Fletcher Building Industries Limited share – 20%	(6,059)	738

* Net losses include significant item costs of \$222 million (June 2024: \$307 million) recognised in Fletcher Building Holdings New Zealand Group of which 20% is represented in Fletcher Building Industries Limited's share of net earnings.

The Company tests indefinite life intangible assets, including goodwill and brands, for impairment on an annual basis. The Company reported a net loss of \$7 million for the year ended 30 June 2025, compared to a net loss of \$1 million in the prior year. The increased loss primarily reflects the continued underperformance of the New Zealand operations, which remained challenged by subdued market conditions, weaker volumes, and margin pressure across key segments. In addition, the Group recognised a \$222 million impact arising from its operational and strategic review of its New Zealand businesses. This review resulted in a number of one-off charges, including asset impairments, restructuring costs, and the exit or planned divestment of underperforming businesses, aimed at reshaping the portfolio and aligning it to a more sustainable earnings profile going forward.

6. CAPITAL

	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Share capital:		
Share capital outstanding	346,000	346,000
Number of shares:		
Number of shares outstanding	346,000	346,000

All ordinary shares are issued and fully paid, and carry equal rights in respect of voting, dividend payments and distribution upon winding up.

Notes to the Financial Statements (Continued)

7. RESERVE MOVEMENTS

	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Revenue reserve:		
Carrying amount at the beginning of the year	314,295	315,482
Net losses	(6,697)	(589)
Other comprehensive income/(losses)	2	(598)
	307,600	314,295

8. CURRENT TAX ASSET

	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Opening current asset	516	1,018
Taxation benefit in the income statement	247	516
Related party transfer to Fletcher Building Holdings Limited	(516)	(1,018)
	247	516

9. CAPITAL NOTES

	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Listed capital notes:		
Current portion	99,986	100,000
Non-current portion	300,000	399,985
	399,986	499,985

Listed capital notes

Listed capital notes are fixed rate unsecured subordinated debt instruments that are traded on the NZDX. The indebtedness of the Company in respect of the capital notes is guaranteed on an unsecured subordinated basis by the Group. On each election date, the coupon rate and term to the next election date of that series of the capital notes are reset. Holders may then choose either to keep their capital notes on the new terms or to convert the principal amount and any accrued interest into shares of the Group, at approximately 98 per cent of the current market share price. Instead of issuing shares to holders who choose to convert, the Group may, at its option, purchase or redeem the capital notes for cash at the principal amount plus any accrued interest.

Under the terms of the capital notes, non-payment of interest is not an act of default although unpaid interest is accrued and is interest bearing at the same rate as the principal of the capital notes. Each of the Company and Group has covenanted not to pay dividends to its shareholders while interest that is due and payable on capital notes has not been paid.

The weighted average interest rate on the listed capital notes is 5.24% (June 2024: 4.97%).

The listed capital notes do not carry voting rights and do not participate in any change in value of the issued shares of the Group.

If the principal amount of the listed capital notes held at 30 June 2025 were to be converted to shares, 141 million (June 2024: 180 million) Group shares would be issued at the share price as at 30 June 2025, of \$2.89 (June 2024: \$2.83).

At 30 June 2025, \$183 million (June 2024: \$202 million) of listed capital notes were held by the Fletcher Building Holdings Limited as treasury stock. Fletcher Building Holdings Limited is a wholly owned subsidiary of the Group.

	Fletcher Building Industries and its associate	
	2025	2024
Net tangible asset backing per capital note issued as at 30 June	2.63	2.32

10. CREDIT RATING

The Company does not currently hold a credit rating from an accredited rating agency. Fletcher Building Limited (the Group) guarantees all of the capital notes issued by the Company on an unsecured subordinated basis. As at 30 June 2025, the Group was assigned a rating of Baa3 from Moody's Investors Service which was affirmed on 25 July 2025, with the stable outlook remaining unchanged.

Notes to the Financial Statements (Continued)

11. FINANCIAL RISK MANAGEMENT OVERVIEW

Exposures to credit, liquidity and funding, and interest rate risks arise in the normal course of the Company's business. The Company does not have an independent policy regarding capital structure, credit, liquidity and funding, and interest rates but is governed by the Group's principles and policy documents approved by the Board. The policy documents identify the risks and set out the Group's objectives, policies and processes to measure, manage and report the risks. The policies are reviewed periodically to reflect changes in financial markets and the Group's businesses. Risk management is carried out by the Group's central treasury function, which ensures compliance with the risk management policies and procedures.

The Company does not enter into derivative financial instruments for trading or speculative purposes. Any derivative transactions entered into are to hedge risk on underlying exposures arising from normal business activities.

The financial position of the Company is dependent on that of the Group.

Risks and mitigation

(a) Credit risk

To the extent the Company has a receivable from another party there is a credit risk in the event of non-performance by that counterparty which arises principally from receivables from customers, derivative financial instruments and short-term cash deposits. The Company only has credit risk exposure to the Group and has no external credit risk exposure.

The Company has not renegotiated the terms of any financial assets that would otherwise be past due or impaired.

(b) Liquidity and funding risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial commitments as they fall due. Funding risk is the risk, that the Company under the normal circumstances, will not be able to refinance its maturing debts in an orderly manner. The Group manages the liquidity and funding risk of the Company by having a spread of maturity dates of the Group's debt facilities and significant committed headroom available. At balance date, the Group had \$2,054 million of committed funding facilities of which \$916 million were undrawn (June 2024: \$2,837 million; \$760 million) as well as \$139 million of cash and cash equivalents available for general use by the Group (June 2024: \$223 million).

The following maturity analysis table sets out the remaining contractual undiscounted cash flows, including estimated interest payments for non-derivative liabilities.

June 2025				
	Contractual cash flows NZ'\$000	Up to 1 year NZ'\$000	1 - 2 years NZ'\$000	2 - 5 years NZ'\$000
Capital notes	400,000	100,000	100,000	200,000
Non-derivative liabilities – Principal cash flows	400,000	100,000	100,000	200,000
Contractual interest cash flows	59,360	20,940	18,140	20,280
Total contractual cash flows	459,360	120,940	118,140	220,280

June 2024				
	Contractual cash flows NZ'\$000	Up to 1 year NZ'\$000	1 - 2 years NZ'\$000	2 - 5 years NZ'\$000
Capital notes	500,000	100,000	100,000	300,000
Non-derivative liabilities – Principal cash flows	500,000	100,000	100,000	300,000
Contractual interest cash flows	84,200	24,840	20,940	38,420
Total contractual cash flows	584,200	124,840	120,940	338,420

(c) Interest rate risk

Interest rate risk is the risk that the value of borrowings or cash flows associated with borrowings will change due to changes in market interest. The Group manages the fixed interest rate component of its debt and capital notes obligations of the Company and aims to maintain this ratio between certain ranges over specific time periods. Cross currency interest rate swaps, interest rate swaps and forward rate agreements and options are used by the Group to manage this position and none are held by the Company.

Notes to the Financial Statements (Continued)

The following tables set out the interest rate repricing profile of financial assets and liabilities:

	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Fixed up to 1 year	99,986	100,000
Fixed 1 – 2 years	100,000	100,000
Fixed 2 – 5 years	200,000	299,985
Total	399,986	499,985

(d) Sensitivity analysis

Foreign currency and interest rate risks are governed and managed by the Group. At balance date, the Company does not have exposure to floating interest rates.

(e) Fair values

The estimated fair values of the company's financial assets and liabilities compared to their carrying values in the balance sheet, are as follows:

		Jun 2025		Jun 2024	
	Classifications	Carrying value NZ'\$000	Fair value NZ'\$000	Carrying value NZ'\$000	Fair value NZ'\$000
Capital notes	Amortised cost	399,986	389,980	499,985	461,370
Amounts owed by related companies	Amortised cost	367,270	367,270	468,788	468,788

Fair value measurement

No financial instruments are measured and recognised at fair value.

Fair value disclosures

The fair values of borrowings used for disclosure are measured under level 2, by discounting future principal and interest cash flows at the current market interest rate that are available for similar financial instruments.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) other than quoted prices included within level 1.

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

12. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments as at 30 June 2025 (30 June 2024: nil).

The Group borrows certain funds based on covenants and a negative pledge arrangement that is subject to certain covenants. The principal financial covenants relate to leverage and interest cover. The Group was in compliance with all financial covenants as at balance date.

The negative pledge includes a cross guarantee between a number of wholly owned subsidiaries of the Group and ensures that external senior indebtedness ranks equally in all respects, and includes the covenant that security can be given only in very limited circumstances.

At balance date, the Group had debt subject to the negative pledge arrangement and associated covenants of \$964 million (June 2024: \$1,779 million).

Notes to the Financial Statements (Continued)

13. RELATED PARTY TRANSACTIONS

	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
<i>Amount owed by related companies:</i>		
Fletcher Building Limited*	367,270	468,788
	367,270	468,788

* This unsecured advance is at call and pays 5.35% interest (2024: 4.67%) per annum.

All audit fees were paid by Fletcher Building Limited, the ultimate holding company. There were no other services provided by the auditor to the Company.

The Company does not operate its own bank account. All cash receipts and payments are processed through Fletcher Building Limited, a related party, and are recorded in the balance sheet under "Amounts owed by related parties". Amounts reflected in the statement of cash flows therefore reflect transactions of this nature.

14. RECONCILIATION OF NET EARNINGS TO NET CASH FROM OPERATING ACTIVITIES

	Year ended Jun 2025 NZ'\$000	Year ended Jun 2024 NZ'\$000
Net losses	(6,697)	(589)
<i>Adjust for non-cash items:</i>		
Share of losses/(profits) of associate	6,059	(738)
Taxation	(247)	(516)
Accruals	(1,150)	583
Unwind of premium/discount	2	66
Net cash from operating activities	(2,033)	(1,194)

As a corporate holding and funding entity, the Company presents interest paid and interest received as operating cash flows.



Shape the future
with confidence

Independent auditor's report to the shareholder of Fletcher Building Industries Limited **Report on the audit of the financial statements**

Opinion

We have audited the financial statements of Fletcher Building Industries Limited (the "Company") on pages 4 to 13, which comprise the balance sheet of the Company as at 30 June 2025, and the income statement, statement of comprehensive income, statement of movements in equity and statement of cash flows for the year then ended of the Company, and the notes to the financial statements including material accounting policy information.

In our opinion, the financial statements on pages 4 to 13 present fairly, in all material respects, the financial position of the Company as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholder. Our audit has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Company. Partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent Auditor's Report (Continued)

Investment in associate

Why significant	How our audit addressed the key audit matter
<p>The Company owns 20% of the shares in Fletcher Building Holdings New Zealand Limited ("FBHNZ") which holds all of the shares in Fletcher Building Limited's New Zealand operating subsidiaries. This investment in FBHNZ represents the vast majority of the Company's assets.</p> <p>The investment in FBHNZ is accounted for using the equity method. The carrying value of the investment is assessed for impairment when there are indicators that its value may be impaired.</p> <p>Disclosures regarding the Investment in associate are disclosed in note 5.</p>	<p>In obtaining sufficient appropriate audit evidence, we:</p> <ul style="list-style-type: none"> evaluated the basis of accounting and its appropriateness; recalculated the share of the equity accounted profits and assessed the accounting entries applied; considered our work performed on the New Zealand operating subsidiaries of FBHNZ as part of the Fletcher Building Limited group audit and assessed the impact of any relevant findings on our audit of the Company; evaluated the Company's assessment of potential impairment of the carrying value of the investment, including assessing the discounted cash flow model prepared by management that indicated the recoverable amount was greater than the carrying value; and assessed the adequacy of the disclosures in the financial statements.

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial statements

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

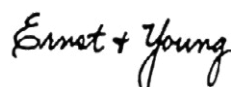
In preparing the financial statements, the directors are responsible for assessing on behalf of the entity the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-2/>. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Graeme Bennett.



Chartered Accountants
Auckland
20 August 2025

Statutory Disclosures

Fletcher Building Industries Limited has issued 400,000,000 capital notes that are quoted on the NZX Debt Market (NZDX). These capital notes can (subject to their terms) convert to Fletcher Building Limited ordinary shares on the basis of 98% of the then current market value of the shares. Unless the capital notes convert into Fletcher Building Limited ordinary shares, they carry no voting rights in Fletcher Building Limited. Fletcher Building Holdings Limited held 182,811,918 capital notes as at 30 June 2025.

DISTRIBUTION OF NOTEHOLDERS AND HOLDINGS AS AT 30 JUNE 2025

Detailed below is the distribution of noteholders and holdings as at 30 June 2025 of capital notes issued by Fletcher Building Industries Limited.

	Total holders	% of noteholders	Holding quantity	% of holding quantity
2.80% Capital Notes Maturing 15 March 2026 (FBI200)				
1 – 5,000	103	13.02%	505,500	0.51
5,001 – 10,000	192	24.27%	1,815,500	1.82
10,001 – 100,000	458	57.90%	13,902,500	13.90
100,000 over	38	4.80%	83,776,500	83.78
Total	791	100.00%	100,000,000	100.00
4.75% Capital Notes Maturing 15 March 2027 (FBI210)				
1 – 5,000	119	13.66%	433,000	0.43
5,001 – 10,000	199	22.85%	1,772,000	1.77
10,001 – 100,000	517	59.36%	16,712,500	16.71
100,000 over	36	4.13%	81,082,500	81.08
Total	871	100.00%	100,000,000	100.00
6.50% Capital Notes Maturing 15 March 2028 (FBI220)				
1 – 5,000	192	33.68%	609,166	0.61
5,001 – 10,000	141	24.74%	1,208,333	1.21
10,001 – 100,000	217	38.07%	6,131,750	6.13
100,000 over	20	3.51%	92,050,751	92.05
Total	570	100.00%	100,000,000	100.00
6.89% Capital Notes Maturing 15 March 2029 (FBI230)				
1 – 5,000	85	11.81%	417,500	0.42
5,001 – 10,000	188	26.11%	1,798,500	1.80
10,001 – 100,000	420	58.33%	13,453,000	13.45
100,000 over	27	3.75%	84,331,000	84.33
Total	720	100.00%	100,000,000	100.00

DIRECTORS' HOLDINGS OF CAPITAL NOTES AS AT 30 JUNE 2025

Class of Capital Notes	Cathy Quinn ⁽¹⁾
2.80% Capital Notes Maturing 15 March 2026 (FBI200)	7,945,000
4.75% Capital Notes Maturing 15 March 2027 (FBI210)	7,598,500
6.50% Capital Notes Maturing 15 March 2028 (FBI220)	426,000
Total	15,969,500

(1) Non-beneficial interest as a director/shareholder in Pin Twenty Limited. Pin Twenty Limited traded in capital notes during the year ended 30 June 2025.

Statutory Disclosures (Continued)

BOARD OF DIRECTORS

The table below sets out the names of the directors of Fletcher Building Industries Limited as at 30 June 2025.

Directors
Peter Crowley
Cathy Quinn
Sandra Dodds
Tony Dragicevich
Andrew Reding
Jacqui Coombes
James Miller

Barbara Chapman resigned as a director with effect from 30 April 2025.

NZX WAIVERS

There were no waivers granted by NZX or relied on by Fletcher Building Industries Limited in the 12 months preceding 30 June 2025.

20 LARGEST NOTEHOLDERS AS AT 30 JUNE 2025

2.80% Capital Notes Maturing 15 March 2026 (FBI200)	Number of capital notes	% of holding quantity
FLETCHER BUILDING HOLDINGS LIMITED	45,071,500	45.07
PIN TWENTY LIMITED	7,945,000	7.95
FNZ CUSTODIANS LIMITED	6,727,000	6.73
FORSYTH BARR CUSTODIANS LIMITED	5,865,000	5.87
CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	4,000,000	4.00
CUSTODIAL SERVICES LIMITED	3,867,000	3.87
NZX WT NOMINEES LIMITED	1,454,000	1.45
FORSYTH BARR CUSTODIANS LIMITED	766,000	0.77
INVESTMENT CUSTODIAL SERVICES LIMITED	754,000	0.75
PUBLIC TRUST - NZCSD	600,000	0.60
PHILIP MAURICE CARTER	500,000	0.50
WOOLF FISHER TRUST INCORPORATED	500,000	0.50
KEVIN GARRY WALKER & KARAKA & PURIRI TRUSTEE LTD	496,000	0.50
MASFEN SECURITIES LIMITED	450,000	0.45
JBWERE (NZ) NOMINEES LIMITED	415,000	0.42
FORSYTH BARR CUSTODIANS LIMITED	405,000	0.41
NICOLA SUSAN SLADDEN	400,000	0.40
KHIA GOOM PHUA	315,000	0.32
JOERI YVONNE JOZEF SELS	269,000	0.27
SIRIUS CAPITAL LIMITED	227,000	0.23
Total	81,026,500	81.03

Statutory Disclosures (Continued)

20 LARGEST NOTEHOLDERS AS AT 30 JUNE 2025 (CONTINUED)

4.75% Capital Notes Maturing 15 March 2027 (FBI210)	Number of capital notes	% of holding quantity
CUSTODIAL SERVICES LIMITED	16,947,000	16.95
FNZ CUSTODIANS LIMITED	14,393,500	14.39
FORSYTH BARR CUSTODIANS LIMITED	11,369,500	11.37
FLETCHER BUILDING HOLDINGS LIMITED	10,400,500	10.40
PIN TWENTY LIMITED	7,598,500	7.60
INVESTMENT CUSTODIAL SERVICES LIMITED	3,335,000	3.34
NORWOOD INVESTMENTS LTD	2,000,000	2.00
THE TINDALL FOUNDATION INC	2,000,000	2.00
NZX WT NOMINEES LIMITED	1,703,000	1.70
JBWERE (NZ) NOMINEES LIMITED	1,108,500	1.11
FORSYTH BARR CUSTODIANS LIMITED	1,066,500	1.07
FLETCHER BUILDING EDUCATIONAL FUND LIMITED	1,000,000	1.00
WOOLF FISHER TRUST INCORPORATED	1,000,000	1.00
FNZ CUSTODIANS LIMITED	941,000	0.94
ANZ CUSTODIAL SERVICES NEW ZEALAND LIMITED - NZCSD	754,000	0.75
FORSYTH BARR CUSTODIANS LIMITED	679,000	0.68
KEVIN GARRY WALKER & KARAKA & PURIRI TRUSTEE LTD	580,000	0.58
BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD	547,000	0.55
FNZ CUSTODIANS LIMITED	470,000	0.47
FORSYTH BARR CUSTODIANS LIMITED	462,000	0.46
Total	78,355,000	78.36

6.50% Capital Notes Maturing 15 March 2028 (FBI220)	Number of capital notes	% of holding quantity
FLETCHER BUILDING HOLDINGS LIMITED	60,180,418	60.18
FORSYTH BARR CUSTODIANS LIMITED	20,065,250	20.07
NZX WT NOMINEES LIMITED	2,260,795	2.26
FNZ CUSTODIANS LIMITED	1,599,333	1.60
CUSTODIAL SERVICES LIMITED	1,450,500	1.45
INVESTMENT CUSTODIAL SERVICES LIMITED	1,372,455	1.37
FORSYTH BARR CUSTODIANS LIMITED	876,000	0.88
FORSYTH BARR CUSTODIANS LIMITED	843,000	0.84
ROBERT WILLIAM BENTLEY MORRISON & ANDREW JAMES STEWART & ANTHONY JAMES WILLIAM HOWARD	696,000	0.70
PIN TWENTY LIMITED	426,000	0.43
JBWERE (NZ) NOMINEES LIMITED	401,500	0.40
WAYNE LESLIE STECHMAN	400,000	0.40
KPS SOCIETY LIMITED	325,000	0.33
FORSYTH BARR CUSTODIANS LIMITED	317,500	0.32
DON STEWART MEMORIAL TRUST	206,000	0.21
STEPHEN PAUL GREENWOOD & DIANE DENISE GREENWOOD	200,000	0.20
INTERNATIONAL TECHNICAL SERVICES LIMITED	115,000	0.12
ALAN RICHARD MILLWARD & ALISTAIR JEFFREY NICHOLSON	107,000	0.11
BURGESS INVESTMENTS LIMITED	105,500	0.11
PAUL DALE CALLISTER & JUDITH ANNE GALTRY	103,500	0.10
Total	92,050,751	92.08

Statutory Disclosures (Continued)

20 LARGEST NOTEHOLDERS AS AT 30 JUNE 2025 (CONTINUED)

6.89% Capital Notes Maturing 15 March 2029 (FBI230)	Number of capital notes	% of holding quantity
FLETCHER BUILDING HOLDINGS LIMITED	67,159,500	67.16
JBWERE (NZ) NOMINEES LIMITED	2,556,000	2.56
CUSTODIAL SERVICES LIMITED	2,117,500	2.12
FNZ CUSTODIANS LIMITED	2,012,000	2.01
FLETCHER BUILDING EDUCATIONAL FUND LIMITED	2,000,000	2.00
JANE ELGIN SWINBURNE & ROBERT MAXWELL GOOD & ENYTH ELGIN GOOD	1,500,000	1.50
NZX WT NOMINEES LIMITED	1,334,000	1.33
INVESTMENT CUSTODIAL SERVICES LIMITED	832,000	0.83
FORSYTH BARR CUSTODIANS LIMITED	774,000	0.77
FORSYTH BARR CUSTODIANS LIMITED	525,000	0.53
WIDE TRUST LIMITED	500,000	0.50
JBWERE (NZ) NOMINEES LIMITED	300,000	0.30
DUNEDIN DIOCESAN TRUST BOARD	250,000	0.25
PALMER OLIVER HOLDINGS LIMITED	220,000	0.22
CLAUDE MARK EUGENE KAHN & SOPHIE GEORGINA KAHN	200,000	0.20
CLINTON ARTHUR BIRD & VICTORIA MARGARET ELIAS	200,000	0.20
EESHALA NOMINEES LIMITED	200,000	0.20
HENRY & WILLIAM WILLIAMS MEMORIAL TRUST INCORPORATED	200,000	0.20
JBWERE (NZ) NOMINEES LIMITED	200,000	0.20
FORSYTH BARR CUSTODIANS LIMITED*	175,000	0.18
GRANT KUEN-CHAO LIN*	175,000	0.18
TECK MING YONG*	175,000	0.18
Total	83,605,000	83.61

* These noteholders are ranked equally as 20th.

CLIMATE STATEMENTS

Fletcher Building Industries Limited qualifies as a climate reporting entity under the Financial Markets Conduct Act 2013. However, the Financial Markets Conduct (Climate-related Disclosures - Fletcher Building Industries Limited) Exemption Notice 2024 exempts the Company from Part 7A of the Act, including the requirement to prepare climate statements.

As a result of this exemption, the Company has not prepared separate climate statements and is also exempt from the related record-keeping duties that would otherwise apply. Instead, as a subsidiary of Fletcher Building Limited, the Company will be included in the Fletcher Building Group Climate Statements, which are available at: <https://fletcherbuilding.com/sustainability/sustainability-reports-publications-and-policies>.

