Governance Briefing

OCTOBER 2026

Fletcher Building

Agenda

FY26 at a glance

FY26 key takeaways

1. Steady performance in a tough macro environment
2. Progressed the execution of our strategy
3. Resilient balance sheet, with net debt in target range
4. Group ROIC improved, but more work to do
5. Operating cashflows strong, but continue to be impacted by legacy projects

FY26 financial summary

Revenue[1]	EBIT[1,2]	EBIT Margin[1,2,3]	Net Earnings
$6.0b	**$414m**	**6.9%**	**$228m**
7.3% higher than FY25	$85m higher than FY25	vs 5.9% FY25	vs -$419m net loss FY25

Net Cash from Operating Activities	Capital Expenditure	Net Debt	ROIC[1,2,3]
$715m	**$288m**	**$637m**	**5.3%**
vs $501m FY25	vs $280m FY25	vs $999m FY25	vs 4.1% at FY25

1. Continuing operations
2. Before Significant Items
3. Excluding surplus property sales, EBIT Margin was 6.2% (FY25: 5.8%) and ROIC was 4.7% (FY25: 4.1%)

Turnaround plan

FY26 delivered on portfolio simplification, providing a platform for future ROIC improvement

Implemented

- ☑ Construction Division divested
- ☑ Reinforcing & Wire divested
- ☑ NX2 and CSP divested
- ☑ Property portfolio optimisation (Cheltenham, Felix St, Elizabeth)
- ☑ MADE by Laminex shut down
- ☑ Clever Core shut down
- ☑ Frame & Truss repurposed to former Clever Core site (~$100m cash benefit)
- ☑ Stopped industrial land development
- ☑ Australian and Steel divisional restructure
- ☑ Group IT restructure
- ☑ Group-wide SAP rollout stopped
- ☑ Initial phase of corporate cost out and decentralisation restructure
- ☑ Completion of NZICC, and legacy projects provisioned
- ☑ Golden Bay Cement long-term domestic manufacturing secured
- ☑ Simplified capital structure and USPP exit

Future

- ☐ Assess and execute on growth options inside core divisions
- ☐ Continue to assess wider portfolio for strategic fit and ROIC performance
- ☐ Complete strategic review of Residential & Development
- ☐ Further decentralise corporate functions and drive lower costs
- ☐ Reset dividend policy as free cash flow and balance sheet targets are met

FY26 operational highlights

- **PlaceMakers'** new Cavendish Drive Frame & Truss plant now operational
- **Firth** new flagship Auckland batching plant opened in Penrose - a significant investment in Auckland's ready-mix capacity
- **The Urban Quarry** opened a new site in Tamahere, improving cleanfill options for Waikato construction projects, with total tonnage growing 28% YoY and cleanfill growing 35% YoY
- **Winstone Aggregates** Hunua Quarry fast track expansion lodged
- **Fletcher Insulation AU** successfully delivered the new Sonata Acoustics plant, establishing a platform for future growth in the higher-value acoustic solutions market
- **Iplex NZ** recycling programme has diverted more than 15,000 tonnes of pipe off-cuts from landfill, reinforcing the business's circular economy ambitions
- **Iplex AU** successfully commissioned a new PVC high speed foam core line in Strathpine, and additional large bore BlackMax capacity in Albury
- **Laminex AU** improved performance through a disciplined cost-out programme spanning logistics, network, labour, raw materials and overheads

Board composition

Board Composition

The Board is well equipped to oversee Fletcher Building, following significant recent renewal

Director Diversity (43%)	Appointed Average Tenure (3.6 yrs)	Role Independence (86%)	Committee Memberships				
			Audit & Risk	Disclosure	Nominations	People & Remuneration	Safety, Health, Environment, Sustainability
 **Peter Crowley**	*1 Oct 2019; Chair 3 Feb 2025*	Independent Board Chair		Member	Chair		
 **James Miller**	*1 Jun 2025; Deputy Chair 15 Dec 2025*	Independent Deputy Chair	Member	Member	Member	Member	
 **Andrew Reding**	*22 August 2024; MD/Group CEO: 30 Sept 2024*	MD and Group CEO					
 **Jacqui Coombes**	*14 Apr 2025*	Independent NED			Member	Chair	
 **Sandra Dodds**	*1 Sept 2023*	Independent NED	Chair	Member			Member
 **Tony Dragicevich**	*1 Aug 2024*	Independent NED				Member	Member
 **Cathy Quinn**	*1 Sept 2018*	Independent NED	Member	Chair			Chair

FY26 Remuneration framework and outcomes

FY26 Remuneration Framework

Remuneration is comprised of three components. Short-term incentives were reviewed ahead of FY26, with long-term incentives now also updated.

Fixed Remuneration

No Change

- Benchmarked against NZ and AU peers, comparable in **size**, **complexity** and **industry**.
- Based on **job size**, **individual capability and performance.**

Short-term Incentive (STI) plan

Reviewed ahead of FY26, to focus on financial performance

Opportunity (% of base) and deferred component:

Role	At target	At Maximum	2 year deferral
Group CEO	100%	1.5 x target	50%
Chief Executives	70% - 80%	1.5 x target	40%

Performance measures:

Financial (80%), Safety (10%), Individual business improvement (10%)

Gates:

Safety leadership interactions is a gate to the entire STI. In the event of a fatality, the safety component is automatically forfeited for all Chief Executives and accountable BU leaders

EBIT is a gate to eligibility for individual goals

Executive Long-Term Share Scheme (ELSS)

Reviewed in FY26, to reflect on Fletcher Building's revised strategy and financial framework

Period:

- 3 year period from 1 July 2025 to 30 June 2028

Measures:

- **Absolute Total Shareholder Return (aTSR) –50%,** determined by achievement of a Cumulative Annual Growth Rate (CAGR) set with reference to Fletcher Building's Cost of Equity (CoE), with 15.0% CAGR at target and 16.8% at maximum.
- **Return on Invested Capital (ROIC) – 50%**, set with consideration of Fletcher Building's weighted average cost of capital (WACC), given ROIC was significantly below WACC at the time of the offer (~4.5% vs 8-9%), the target was set at 7.3%, with maximum vesting at 8%. This reflects a path to strong improvement, with the expectation that targets will move to WACC levels of at least 8% with the 2026 offer.

Minimum shareholding requirement (% of base): The Group CEO and Executives have requirements of 100% and 75% respectively. No vested shares may be sold until this requirement is met and no LTIs would count towards the minimum requirements unless they vest. As at 30 May 2026, the Group CEO's shareholding was 26.5% of base salary.

Chief Executive LTI Update

Long-term incentive changes strengthen alignment with the Group's turnaround strategy, linking reward more directly to sustainable earnings, capital discipline and long-term value creation.

	Short-term:	Medium-term:	Long-term:
Strategic Focus	Decentralisation Divestment of businesses not focused on the manufacturing and distribution of building products and materials	Fully implement new operating model Portfolio simplification return to dividend-paying status	Sustainable value creation for shareholders
Performance measures & period	**Period:** • 3 year period from 1 July 2025 to 30 June 2028 (to align to FB's financial year). **Measures (equally weighted):** • **Absolute Total Shareholder Return (aTSR)**, to drive increased shareholder value, with performance hurdles considering Cost of Equity, with 15.0% CAGR at target and 16.8% at maximum. • **Return on Invested Capital (ROIC)**, set with consideration of Fletcher Building's weighted average cost of capital (WACC), targeting 7.3% with maximum vesting at 8%.		**Review:** Consider replacing ROIC with an alternative performance measure that better supports sustainable long-term growth.
Quantum *(as a % base)*	**Group CEO:** • **Target =** 150% of base salary **Chief Executives:** • **Target =** 70% of base salary (from 2026 onwards) **Maximum opportunity is 1.05x Target** for all participants	• From the FY27 offer, the ELSS will be offered as share rights rather than the current loan share scheme. • The ELSS Performance measures (aTSR and ROIC) will be re-reviewed ahead of the FY29 offer. This approach enables the ELSS to evolve aligned to the Group's medium- and longer-term strategies.	

FY26 STI Outcomes – Group CEO

Category	Measure	Scorecard weighting payout range	Actual outcome (% of maximum)	Comment
Safety gate	Gate for any payment			Continued to champion the Protect Strategy by maintaining a strong on-site presence, undertaking safety walks and engaging directly with teams across Fletcher Building's operations.
Financial goals (80%)	FB Group EBIT (gate to individual goals)	0% - 50%		After applying Board discretion, the annual EBIT result was between the threshold and target performance hurdles. The goal was partially achieved.
	FB Group Free Cash H1	0% - 15%		The half year free cash result was above the maximum performance hurdle. The goal was fully achieved.
	FB Group Free Cash FY	0% - 15%		The full year free cash result was below the threshold performance hurdle. The goal was not achieved.
Safety goals (10%)	Safety lead goal: Successfully achieve 75% controlled critical risks	0% - 5%	Forfeited	While this goal was achieved (78% controlled critical risks), the entire safety component was forfeited due to a fatality. The focus on the roll-out of critical risk initiatives is key in driving the right behaviours and creating a safe workplace.
	FB Group Total Recordable Injury Frequency Rate (TRIFR) reduced from 2.9 to 2.6 or below	0% - 5%		Group TRIFR has increased from 2.9 to 3.7 during FY26. While this partly reflects the impact of divested businesses, it also highlights the need for improved safety performance. As such we will review and refresh our Protect framework in FY27.
	Note: Full safety component forfeited due to the fatality in Vanuatu during FY26. Details of the fatality and three serious injuries that occurred in FY26, together with the specific measures taken in response are outlined in the FY26 Remuneration Report.			
Individual goals (10%)	Achieve net debt within the target range of $400m to $900m by the end of FY26	0% - 4%		Net debt closed at $637 million in FY26, comfortably within the target range and significantly below the FY25 forecast range of $1.05b to $1.10b, reflecting strong balance sheet management and cash discipline.
	Deliver a further $30m of corporate cost savings on an annualised run-rate basis by the end of FY26	0% - 4%		Savings in excess of $30 million were achieved, including more than $20 million from Corporate Centre initiatives and approximately $13 million from the removal of corporate and divisional overhead costs, following the divestment of the Construction division.
	Establish succession plans for all critical senior leadership roles (CEO and Chief Executives) by the end of FY26	0% - 2%		A structured succession planning framework was established for the CEO and Chief Executive roles, including a Board-led CEO succession programme, successor identification, readiness assessments, and targeted development planning to strengthen leadership pipeline depth over the medium and long term.
FY26 STI Outcome (as a % of maximum)		**0% - 150%**		**37.5%**

Key: At or above maximum | Between target and maximum | Between threshold and target | At or below threshold

FY26 LTI Outcomes

<table>
<tr><th>Date of offer</th><th>Shares offered</th><th>% vested</th><th>% forfeited</th><th>Context</th></tr>
<tr><td>July 2025</td><td>1,637,863</td><td colspan="2" rowspan="3">In-flight</td><td>As per the updated ELSS design introduced in FY26, grant and test dates were aligned to Fletcher Building’s financial year from the 1 July 2025 offer.</td></tr>
<tr><td>September 2024</td><td>1,302,514</td><td>-</td></tr>
<tr><td>September 2023</td><td>776,435</td><td>-</td></tr>
<tr><td>September 2022</td><td>638,499</td><td>0%</td><td>100%</td><td>As per the LTI changes introduced in FY23, grant and test dates were aligned to the announcement of the Group’s full year results, and the retests were removed.</td></tr>
<tr><td>July 2021</td><td>395,085</td><td>0%</td><td>100%</td><td>The restrictive period for the 2021 grant was extended for 12 months until 30 June 2025. Fletcher Building's TSR did not meet the minimum vesting threshold for the period ended 30 June 2025. Therefore, 100% of the shares in the 2021 grant have been forfeited in August 2025.</td></tr>
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FY26 Non-executive Director Remuneration

Director fees are paid within the total directors' remuneration pool of $2 million per annum, approved by shareholders in 2011.

Board/Committee[1]	Role	FY25 Remuneration	FY26 Remuneration
Board of Directors	Chair	$320,000	$320,000
	Deputy Chair	-	$200,500
	Non-executive director	$155,500	$155,500
Audit and Risk	Chair	$38,000	$38,000
	Member	$19,500	$19,500
Disclosure	Chair	-	$20,000
	Member	-	$10,000
Nominations	Chair	-	-
	Member	$8,500	$8,500
People and Remuneration	Chair	$29,000	$29,000
	Member	$14,500	$14,500
Safety, Health, Environment and Sustainability	Chair	$29,000	$29,000
	Member	$14,500	$14,500

Notes:

1. In addition to the Board and Committee fees, overseas based directors are paid an annual travelling allowance of $18,000 in recognition of the additional time spent travelling to and from New Zealand for company-related matters. Moreover, the Board may agree to pay additional fees to one or more directors to address unscheduled, additional work required for the Company. Fees for such additional work will be time based, currently $1,200 per half day, to address the variable nature of that work. While no such fees are budgeted or planned, the aggregate amount of such fees is limited to $70,000 in the year and any one director is limited to receiving no more than $14,500 in the year (being the same amount as paid to a member of the Remuneration Committee) without further approval of the Board.

Looking ahead: FY27 remuneration framework changes

FY27 Remuneration framework changes

The following key changes were made following the comprehensive review:

Variable remuneration	Rationale
• **Introduction of a Group EBIT gate to cap Division/BU plans at target:** A minimum level of collective Group financial performance is required before Divisions/BUs are eligible for above-target payments. • **Removal of the Group EBIT goal from Division/BU plans:** With Group EBIT now operating as a gate to outperformance for Division/BU plans, all financial measures on these plans are based on Division/BU performance – aligned to our refreshed strategy. Overall Group performance carries significant weight in the overall incentive opportunity (STI plus LTI) given the ELSS for Chief Executives (CEs) includes Group goals only. • **Consistent safety measures across all role types:** Safety lead goals historically differed by role type. From FY27, the lead goal will be based on % critical risks controlled for all role types, providing simplification.	• **The introduction of a Group EBIT gate** to cap payments, is an important governance mechanism to prevent payment for outperformance at a Division/BU level when the collective Group has materially underperformed. • **A stronger focus on Division/BU performance** for business leaders aligns to our decentralised operating model and strategic BU focus, balanced with the newly introduced Group EBIT gate. • **Focusing all roles on % critical risks controlled** acknowledges the importance of this measure, to which all participants can meaningfully contribute, to drive our focus on zero serious injuries across the Group.

FY29: The ELSS Performance measures (aTSR and ROIC) will be re-reviewed ahead of the FY29 LTI offer.

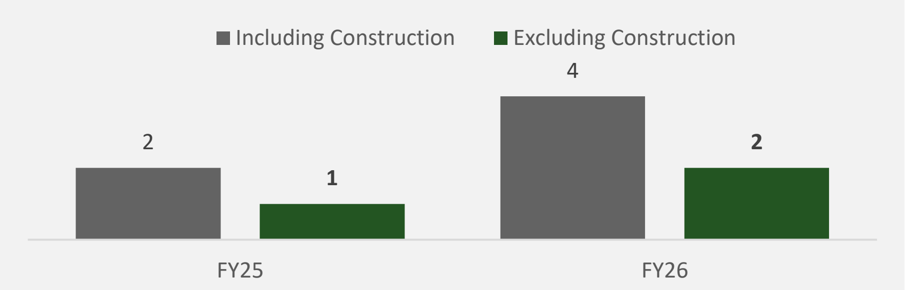
Our stakeholders

Our safety

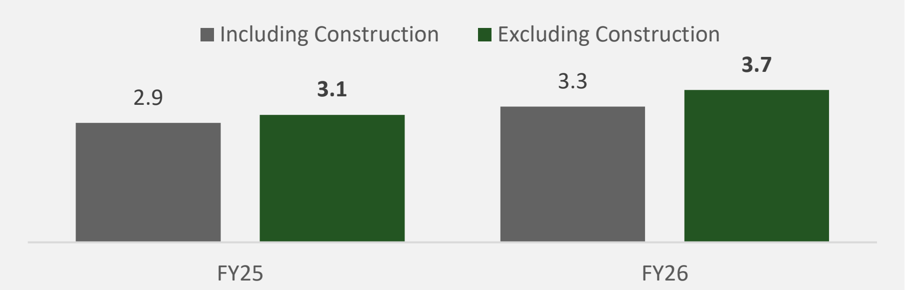
Refreshing our commitment to Protect

- In July 2025, we tragically lost one of our colleagues, Max, in a fatal event in Vanuatu (Construction Division). Our thoughts remain with his family and colleagues, and the safety and wellbeing of our people continues to be our highest priority
- Since resetting Protect nearly seven years ago, we have seen a 90% reduction in serious injuries (down from an average of 24 a year to two) and a 50% reduction in our recordable injuries (down from an average of 300 to 150 p.a.)
- All sites have been assessed for their safety performance and cultural maturity to ensure visibility by leadership of all sites, with plans put in place for each site
- In FY27, we will be reviewing and refreshing our Protect framework – in particular our Safety Leadership Programme and our Critical Risk Framework

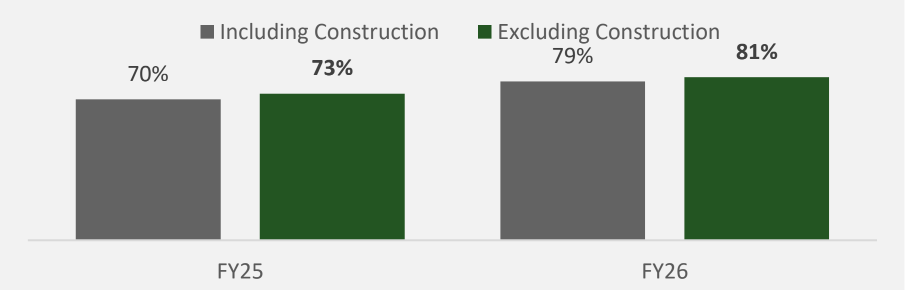
SERIOUS INJURIES
As at 30 June 2026



TRIFR
Total Recordable Injury Frequency Rate, as at 30 June 2026



CRITICAL RISKS (% CONTROLLED)
As at 30 June 2026



Our people

Targeted investment in leadership, skills and culture is lifting engagement and building capability to deliver our strategy

Senior leader engagement

Focus on leadership development and strategy communication has seen GM engagement lift. In April 2026, eNPS reached +59, reflecting an increase of 21 since October 2025, in the upper quartile against external benchmarks. This represents the strongest uplift at any job level.

Stronger GM engagement supports leadership continuity and reduces succession risk across the business

Employee Education Fund (EEF)

The EEF continues to invest in our people to develop the skills that will support our businesses to perform.

This includes leadership development to support talent pipelines and succession planning; programmes that continue to build diversity, particularly in leadership; and training to build skills and capabilities across our businesses

Continuing to grow diversity

Fletcher Building continues to show clear progress towards a more inclusive workplace. Women now make up 25.1% of the workforce and 23.7% of leadership roles, with improvements in pay parity, retention and engagement.

This work has created stronger systems, leadership accountability and talent pathways that also widen diversity outcomes

Reconciliation Action Plan

Our RAP commitments in Australia are coming to life with initiatives that celebrate culture and connect with community.

These include supporting 70 First Nations children by funding school resources, and senior leaders giving their time as mentors at local high schools. We have also hosted ‘Work Inspiration Days’

Our community

Supporting the communities in which we operate

For many years, the Mico team, together with our customers, suppliers and partners, has supported Make-A-Wish.

We've helped raise over $450,000, helping to grant life-changing wishes to children living with critical illnesses.

Tukapa Rugby & Sports Club in Taranaki has received a brand-new roof. The project was a result of a community partnership led by Dimond Roofing, alongside ColorCote, Farnsworth Roofing, Cunningham Construction, Bremick, and Lifestyle Building & Construction.

Fletcher Living Canterbury team members swapped their desks for the slopes of the Port Hills, planting 300 native trees in Horotane Valley as part of an ongoing effort to help restore Christchurch's natural landscape. The initiative aims to restore native forest to designated areas across the Hills, with the team returning throughout the year to help maintain them.

Meals for the Mob provides free, healthy meals to First Nations families, community groups and services experiencing food insecurity. Working from the Abbotsford kitchen alongside FareShare and SecondBite volunteers - Fletcher Insulation, Stramit, Iplex and Laminex staff contributed over 2,000 meals for the community.

Our customers

We're proud of the products and people helping our customers build their future

Firth mobilises mobile plants for two major wind farms

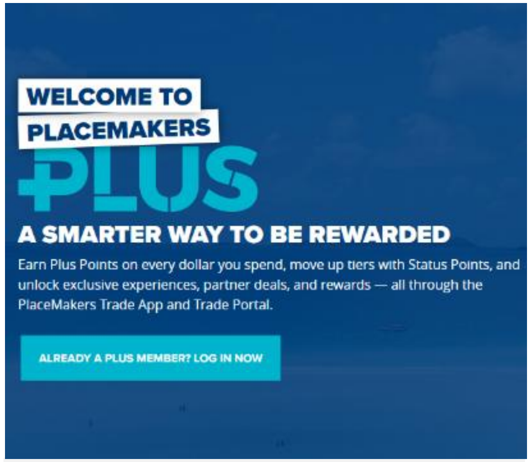
Firth continues to set the standard in supplying concrete to New Zealand's most remote sites, deploying four mobile plants for two major wind farm projects: Kaiwera Downs - 15 km southeast of Gore, and Kaiwaikawe - 12 km northwest of Dargaville.
Both projects are being constructed by Higgins for Mercury Energy

Iplex AU - driving efficient urban infrastructure delivery

Delivery of essential sewer infrastructure for the expanding Flagstone community near Brisbane with SewerMax gravity sewer system. Combining durability, ease of installation, and long-term corrosion resistance, SewerMax helped improve construction efficiency while providing a reliable, future-ready network to support ongoing population growth and urban development

Laminex Calm & Cohesive finishes chosen for flagship clinic

Designing Auckland Radiology's new patient-centred clinic, specialist architects Klein designed a healthcare interior that counters anxiety and feels warm and familiar. Across Laminex's integrated Formica and Melteca collections, the designers had access to the coordinated finishes needed for a healthcare interior where ambience matters as much as hygiene



PlaceMakers PLUS

PlaceMakers launched its new customer loyalty programme in February 2026, designed to strengthen customer relationships. This marks the biggest evolution of the PlaceMakers loyalty offering to date. PlaceMakers Plus is now integrated into the PlaceMakers Trade Portal and Trade App, where customers can view their points balance, tier status and other benefits

Our environment

Supporting our local environment and improving our operational sustainability

Carbon emissions
21%
lower
vs FY18 baseline[1]

76%
of revenue from Sustainably Certified Products

86%
of waste diverted from landfill

CDP	CDP
Leadership	*Supplier Engagement*
A-	**A**

CRAIGS INVESTMENT PARTNERS	Jefferies
ESG Rating	*ESG Rating*
4.5	**71**

MSCI	FORSYTH BARR
ESG Rating	*ESG Rating*
AAA	**B**

Golden Bay Cement supported the re-introduction of around 450 wētāpunga (giant wētā) to Matakohe Limestone Island, in partnership with local iwi, community groups and conservation organisations

THE URBAN QUARRY

Urban Quarry opened a new site in Tamahere, offering managed and cleanfill solutions to clients in the central North Island. Urban Quarry throughput over 250k tonnes of cleanfill in FY26 (+35% YoY)

Golden Bay Cement also received the Carbon Reduction Award at the 2025 Concrete NZ Conference Awards. GBC produces NZ's lowest carbon general-purpose cement, ~15%-20% lower than imported alternatives[1,2]

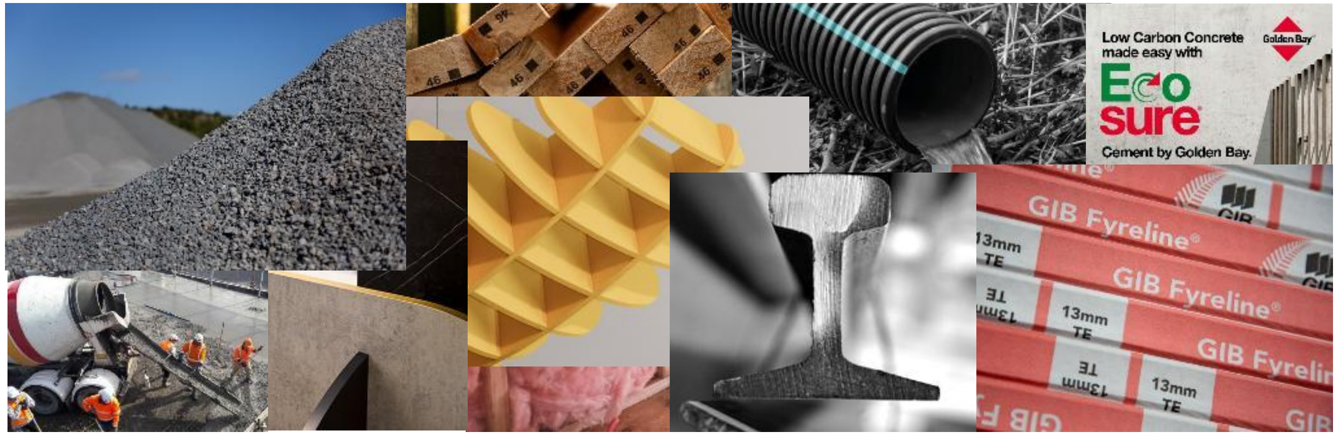
Comfortech has partnered with Lodestone Energy to match 100% of electricity used at Penrose site with solar generated renewable energy

Note: 1. Scope 1 & 2 Emissions (market-based method); 2. Based on published Environmental Product Declarations (EPDs)

Appendix

Fletcher Building at a Glance

- A leading **building materials manufacturer and distributor** across New Zealand and Australia
- NZX and ASX listed (FBU), with **market cap of ~NZ$4bn**
- **FY26 Revenue of $6.0b and EBIT[1] of $414m** (continuing operations)
- Operates through a portfolio of **19 core business units,** which employ 9,000+ people across Australia and New Zealand



Note: 1. Before Significant Items

Thank you