Fletcher Building 2022 Macquarie Australia Conference

Auckland, 3 May 2022: Fletcher Building Limited will today present at the 2022 Macquarie Australia Conference. Attached is the presentation.

#Ends

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Macquarie Australia Conference Presentation

Fletcher Building Limited

Ross Taylor
Chief Executive Officer

3 May 2022

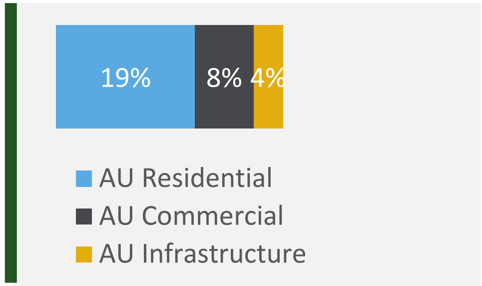
Significant NZ & Australia player, focused on the building products and distribution sectors

Australia

c.4,600 people

FY21 External Revenue	FY21 EBIT[1]
$2.7b	$0.1b

Total FB Revenue by Market (%)



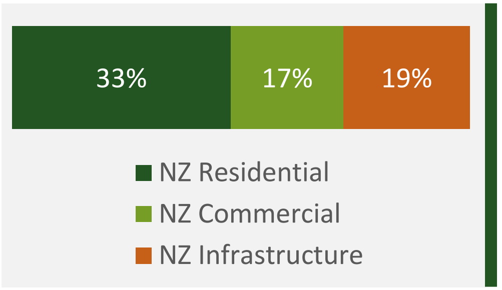
c.14,500 people
c.NZD $8.1 billion revenue
NZX/ASX listed: FBU

New Zealand

c.9,100 people

FY21 External Revenue	FY21 EBIT[1]
$5.2b	$0.6b

Total FB Revenue by Market (%)



1. Before significant items

Leading NZ sector exposures with strong market positions and brands

New Zealand	Market share[1]	Sites	Revenue[2]	Brands
Building Products	32%	c.65	$1.4b	GIB, Laminex New Zealand, Tasman, Forman Building Systems, Iplex, Humes, Altus, CSP Pacific, Fletcher Steel, Pacific Coilcoaters, easysteel, Dimond Roofing, Dimond Structural, Fletcher Reinforcing
Distribution	20%	140 points of presence	$1.7b	PlaceMakers, mico
Concrete	38%	c.100	$0.8b	Firth, Golden Bay Cement, Winstone Aggregates
Residential & Development	#2 largest homebuilder 800 homes p.a.	Auckland Christchurch	$0.7b	Fletcher Living – Love your new home, Clever Core New Zealand
Construction	7%		$1.4b	Fletcher, Brian Perry Civil, Higgins

1. Estimates based on the markets in which we participate, e.g. SME, Commercial, Plumbing, Bathroom, Group Home Builders and Retail for PlaceMakers and Mico
2. FY21 Gross Revenue

Australia position smaller but scale in specific sectors

Australia	Market share[1]	Sites	Revenue[2]	Brands
Building Products	29%	74	$2.8b	Laminex, iplex, Fletcher Insulation, Stramit
Distribution	19%	221		Tradelink, Oliveri

1. Estimates based on the markets in which we participate, e.g. Plumbing distribution market for Tradelink
2. FY21 Gross Revenue, includes Rocla

Strategic goals focused on continuing to drive operational performance and growth

Vision

To be the leader in New Zealand and Australian building products and solutions

Purpose

Improving the world around us through smart thinking, simply delivered

Strategic Goals

- Zero injuries every day
- Market leading customer solutions and services
- Lowest delivered cost
- Economic performance of each business in industry top quartile
- Leadership in innovation, sustainability, and growth via disruption

Our strategy positions us well to drive shareholder value in the short- and long-term

01

Significant near-term profit growth

02

Plans and runway for further operational & margin improvement

03

Strong enduring financial position and returns

04

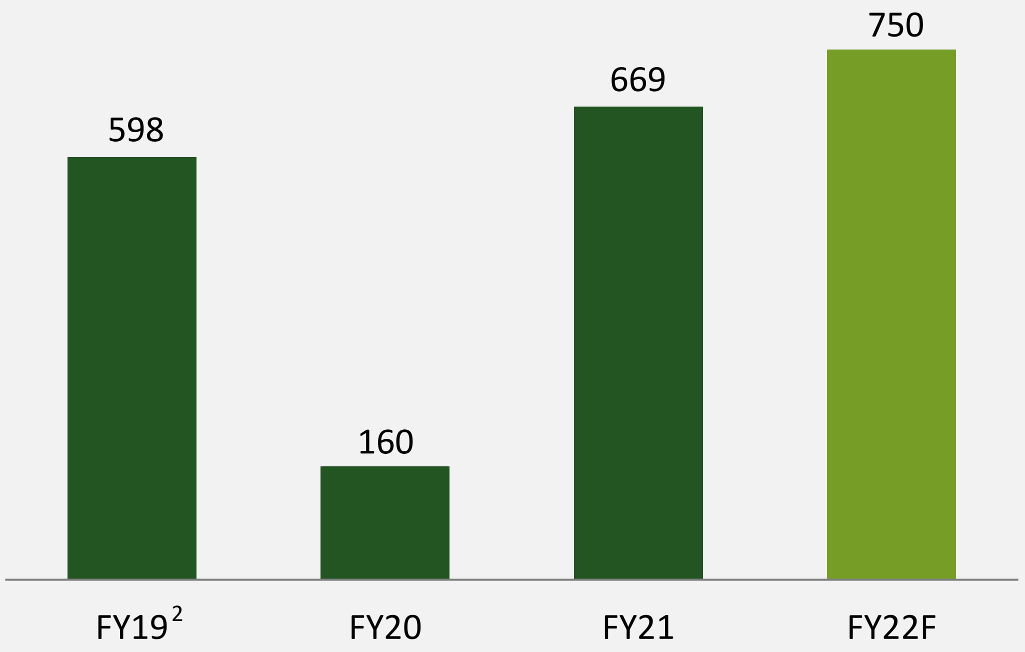
Established pipeline for sustainable growth

05

Well positioned for macro trends and any economic cycle

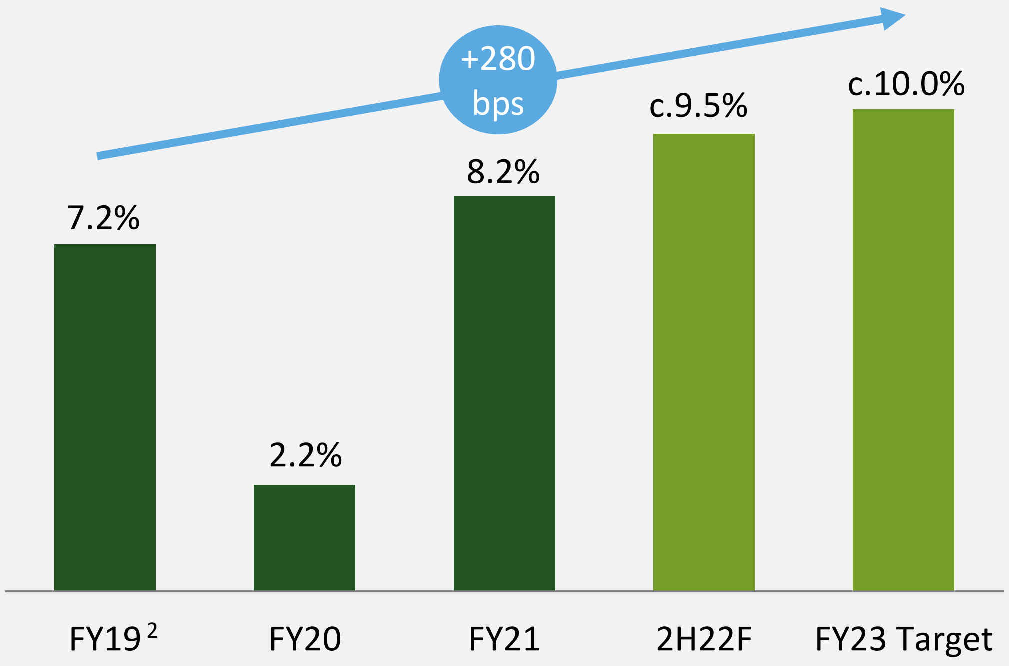
1. Significant near-term profit growth, FY23 further boosted by no lockdowns

EBIT[1] ($m)



➔ FY22F includes $105m EBIT impact due to COVID lockdowns in 1Q22

EBIT Margin[1] (%)



1. Before significant items
2. FY19 is a pro forma number adjusted for discontinued operations and IFRS16 to allow for like-for-like comparison

2. Plans for operational and margin improvements beyond FY23

Manufacturing Automation

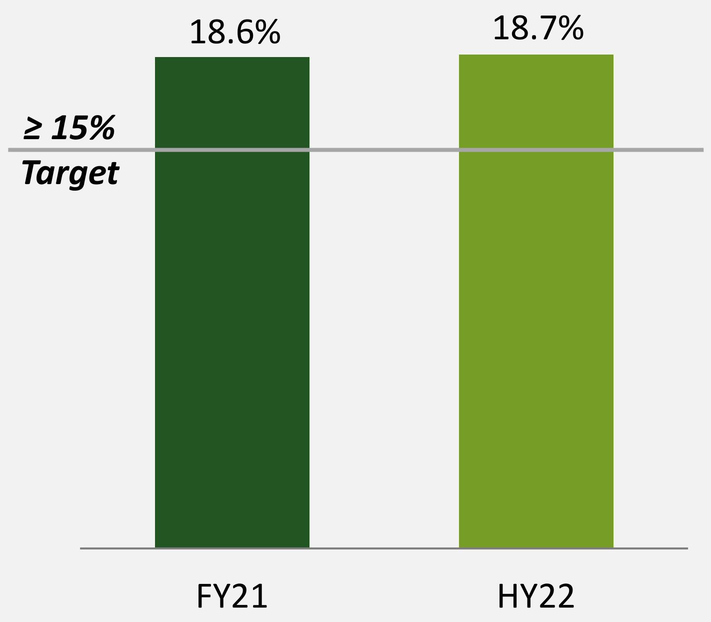
Continued new product development

Network & supply chain optimisation

Digitising end-to-end supply chain

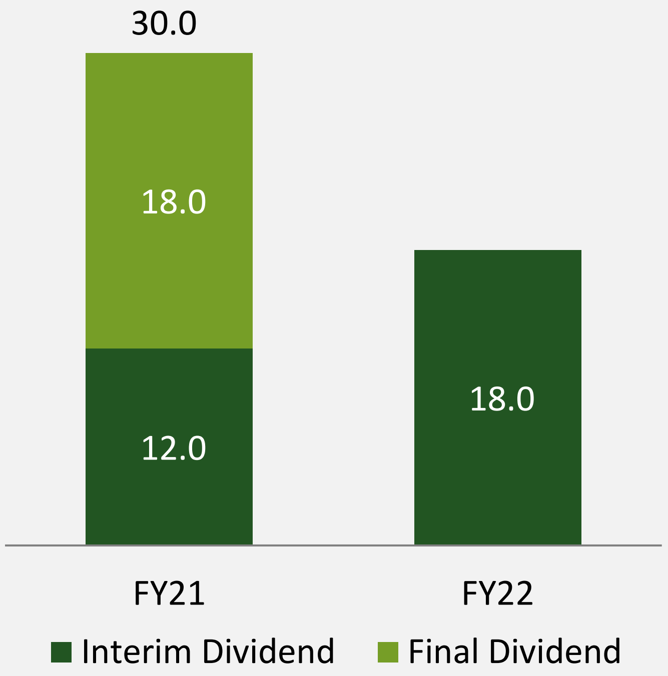
3. Enduring financial position and returns

ROFE[1] (%)



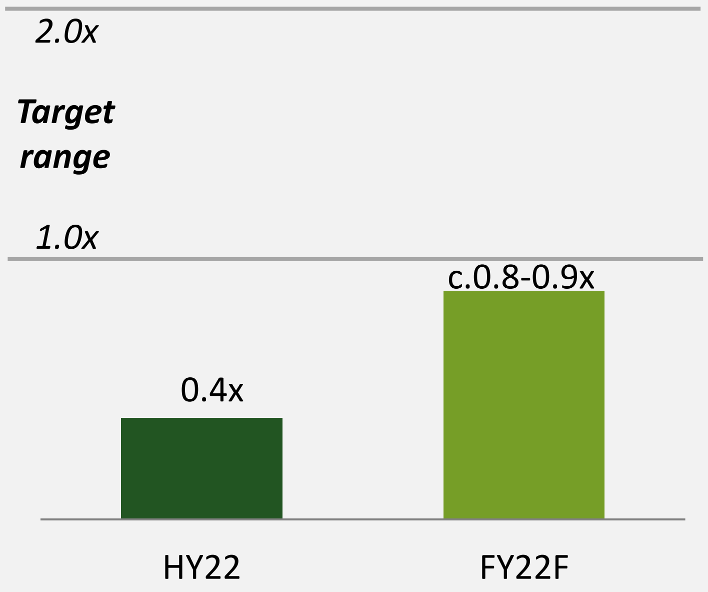
➔ Exceeded ROFE ≥ 15% target

Dividends (cps)



➔ $300m buyback underway, c.75% through

Leverage[2] & Funding



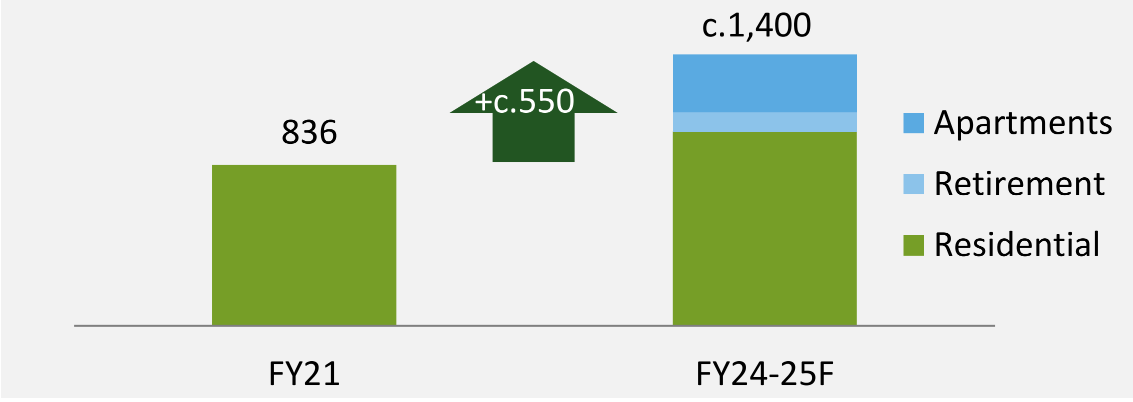
➔ Total debt facilities $1.8b, liquidity $1.3b at HY22

1. *Return on Funds Employed (ROFE) is EBIT excluding significant items to average funds (net debt and equity less deferred tax asset)*
2. *Leverage = Net Debt / EBITDA*

4. Established pipeline of larger growth opportunities

- **Building Products -** insulation building code change, Laminex NZ wood fibre based products
- Digital focus & network expansion incl. earnings accretive TUMU stores acquisition in **Distribution**
- **Concrete -** lowest carbon offer in market; scale up alternative fuels & raw materials, & SCM, expand solutions
- Scaling Laminex **Australia**'s innovative new product suite & Haven Kitchens; continued Tradelink margin improvement
- **Residential Division** growth in housing, apartments, retirement offering & off-site manufacturing
- **Construction** benefiting from its higher margin order book
- **Strong pipeline of additional opportunities** under investigation

Residential Units Taken to Profit

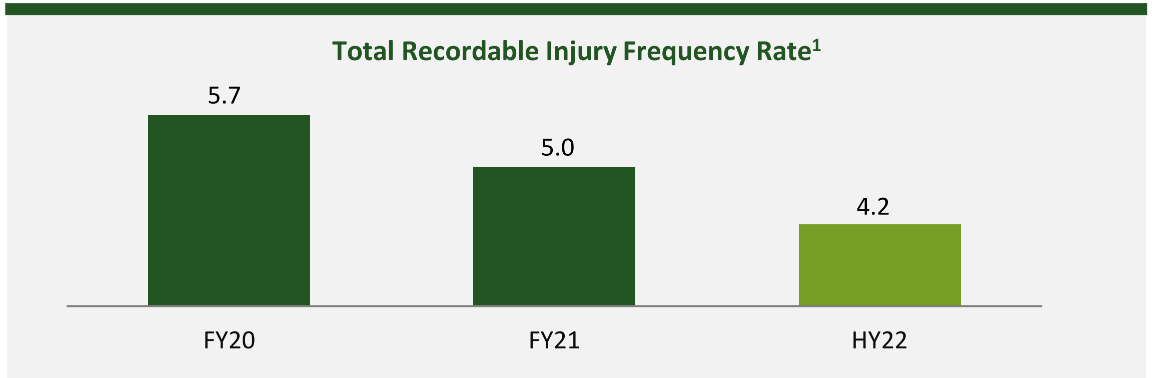


Investment focus

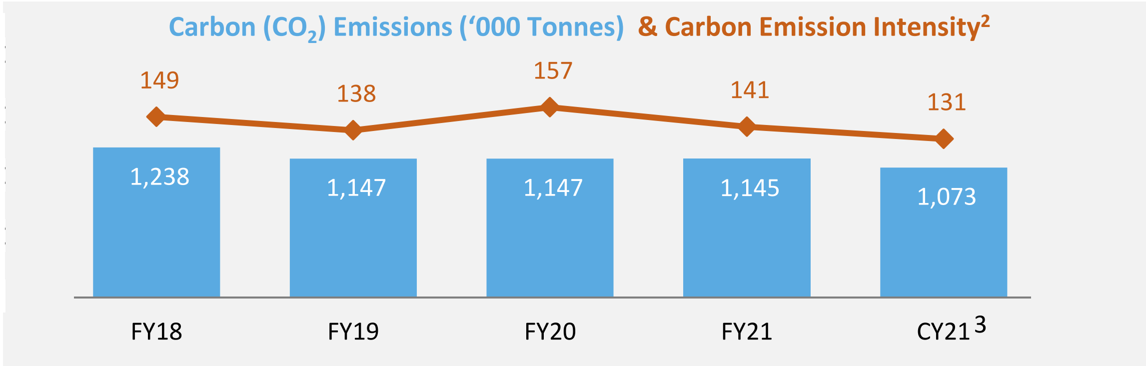
- Base capex envelope expected to average c. $200m-$250m p.a.
- Above this base capex, planned larger growth opportunities (primarily organic). Potential for above base growth investment of c. $150m p.a. for FY23 to FY25. Target ROFE of 15%+

We are making good progress on safety and lowering our carbon emissions

Safety: Good progress continues



Sustainability: Driving 30% lower carbon from FY18



➔ **93%** sites injury free

➔ **TRIFR** well below industry average

➔ **>10% sustainable reduction in emissions** from FY18

AUSTRALASIA EPD® ENVIRONMENTAL PRODUCT DECLARATION

CDP DISCLOSURE INSIGHT ACTION

Dow Jones Sustainability Indexes

1. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries
2. Carbon Emission Intensity = FBU CO_2 Tonnes for every $1m or revenue. ISO 14064-1
3. CY21 = Calendar Year 2021, 12 months ended 31 December 2021

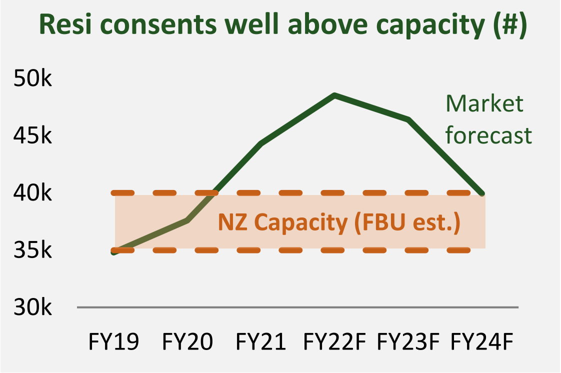
5. Well positioned for macro-trends; driving change through being an innovation fast follower with ‘in-country’ advantage

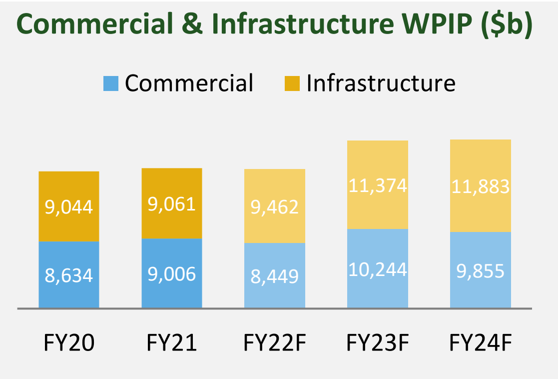
- ESG
- Product Innovation and solutions
- Modular Construction
- Multi-residential
- Role of Distribution & Digital
- Supply Chain

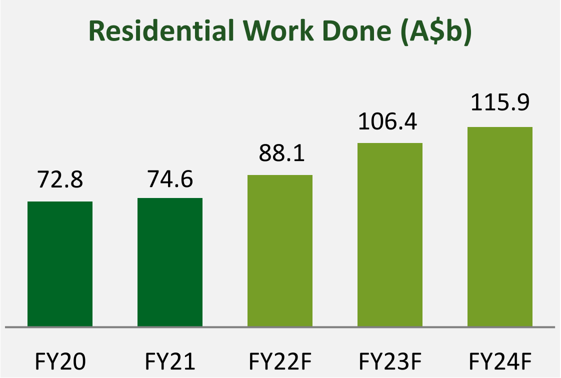
NZ and Australia markets – outlook remains robust

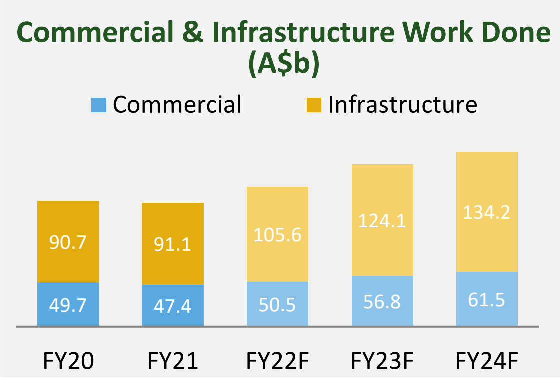
NZ residential consenting expected to ease, though coming off high base in a capacity-constrained market

Historical and Forecast









New Zealand:

- Residential consenting activity expected to ease over medium term - industry capacity constraints mean that work put in place is forecast to run broadly at current levels
- Committed project pipelines indicates ongoing growth across both Infrastructure & Commercial sectors beyond FY23

Australia:

- Residential market activity expected to remain robust over the medium term
- Strong outlook for Infrastructure supported by government investments; sustained improvement of forward market activity in Commercial

Source: MBIE (National Construction Pipeline Report 2021); Stats NZ; Infometrics, BIS Oxford Economics (Dec-21)
WPIP = Work Put In Place

Well positioned for growth in FY22 and beyond

COVID risks easing, expect operational performance improvements to feature more directly in our earnings

FY22 operational performance

- Robust market conditions continue
- Strong pricing disciplines to cover inflation increases
- Targeted working capital investments into the business as flagged – providing supply chain resilience
- Concrete & Distribution on track to deliver short term margin targets earlier than expected
- Expect ongoing improvements across balanced scorecard
- **Expect EBIT margins[1] c. 9.5% in 2H22** (up c. 230 bps from 7.2%[2] in 2H21)
- **FY22 Full Year EBIT[1] expected to be c. $750m**

FY23 and longer term growth

1. **Robust market outlook for FY23 & beyond**
2. **COVID impacts easing – no lockdowns, open borders**
3. **On track to deliver group EBIT margins[1] in FY23 of c. 10%**
4. **Maturing investment pipeline to drive growth past FY23**

1. Before significant items
2. Excluding Industrial Development to show on a like-for-like basis

Questions

Fletcher Building Limited

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