Annual Shareholders' Meeting documents and trading update

Auckland, 27 October 2023: Fletcher Building is holding its 2023 Annual Shareholders' Meeting today at 10.30am NZDT. Attached are the:

- Chair's address
- Chief Executive Officer's address
- ASM presentation

Included in the Chief Executive Officer's address is an update on trading for the FY24 year.

In his address to shareholders, CEO Ross Taylor said: "For our New Zealand materials and distribution businesses, the infrastructure and commercial sectors remain robust, while volumes in the residential sector are around 5% softer than our prior guidance. Our market shares are stable and we are seeing solid pricing in our materials businesses, however there is strong price competition in the merchant distribution channel. As such, EBIT (before significant items) for the New Zealand materials and distribution businesses is tracking slightly behind our previous expectations.

"In Australia, the Division is trading well. We expect 1H24 EBIT (before significant items) to be broadly in line with 1H23, despite a softer market.

"Encouragingly we are seeing "green shoots" in the New Zealand housing market. House sales for our Residential and Development Division are tracking well, averaging 20-25 per week so far this year. House prices have stabilised and are starting to trend up slightly. If this momentum in sales continues, there could be upside to our prior 700-800 unit sales target in FY24. We continue to expect earnings to be weighted to the second half due to the profile of settlements.

"On our Construction legacy projects, we are on track to finish physical works on the final three projects through the 2024 calendar year. As we noted in August 2023, there continues to be some cost risk to manage as we complete these projects. We also need to secure claims and insurance recoveries, and manage any wash up issues that may arise, to hold our current provisions. Resolution of the claims and recoveries, particularly on the NZICC and Puhoi to Warkworth projects, is likely to take until FY25-FY26. On Wellington Airport carparks, we are working with the Airport to determine an agreed remediation, but any costs we decide to take in that regard are not covered by present provisions.

"We expect trading cash flows (excluding legacy construction) to be robust in FY24. As previously guided, our leverage (net debt / EBITDA) is expected to move to the upper end of our 1x-2x range, however we are committed to remaining within this target range."

"On the Western Australian plumbing issues, we continue to use the A$15 million interim fund (put in place earlier in FY23) to support the industry and homeowners while causation of the plumbing failures is better understood. And we will work with the industry and regulators to help develop an effective solution.

"We are well positioned to perform through the cycle and then drive both further performance improvements and upside volumes when the cycle turns. We are very advanced on our $800 million of committed growth projects, which we are confident will be delivered well, and will set us up for significant extra earnings in the next two to three years. There remain plenty of other growth opportunities, which we can take advantage of, once we have a firmer sense of when the cycle is returning to growth.

"Reflecting on the past year, I'm pleased with the way our people have continued to show their resilience, innovative spirit and commitment to supporting our customers and each other. I also wish to acknowledge and thank our shareholders, customers, and suppliers for their continued support."

#Ends

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Friday 27 October 2023

FLETCHER BUILDING LIMITED 2023
Annual Shareholders' Meeting
Chair's Address

FY23 key financial results

On behalf of the Board, I am pleased to report that in FY23 Fletcher Building delivered strong underlying earnings of $798 million, and a strong EBIT margin (excluding significant items) of 9.4%.

This performance was well ahead of the prior year, and was achieved despite a slowing residential market and disruption from severe weather events. We believe that it reflects the significant operational improvements made in the business in recent years.

I acknowledge it was disappointing that we needed to book additional fire-related provisions on the NZ International Convention Centre in the year. These were the main reason for the drop in our Net Earnings After Tax, to $235 million for the year. I will speak further to the legacy construction projects, as well as the Western Australian plumbing matter, later in my address.

On dividend, the Board paid total dividends of 34 cents per share for the financial year. This reflects a solid FY23 earnings result, while also having regard to the expected cash flow impact of the legacy construction projects through FY24.

FY23 key non-financial results

The Board remains committed to driving strong outcomes across a range of ESG measures and continuing to drive a performance culture. As with our financial performance, we also made progress on our key non-financial measures and outcomes during the year.

We continued to make our workplace safer. Protect, our multi-year safety programme, produced further improvements with a TRIFR of 3.1, representing a 12% reduction on last year. This translated to 90% - or 903 of our sites - being injury free.

On sustainability, we continued to make very good progress on reducing our carbon emissions, which are now down 16% from our 2018 base levels.

Service performance to our customers also improved through the year, and our Net Promoter Score increased to an average of 40. This reflects ongoing improvements in on-time deliveries, stock availability, and online offerings.

Importantly, we also saw our overall employee engagement increase to an employee net promoter score of 26. While the improvement was pleasing, this result only places us in the median for global organisations, so we do have more work to do if we are going to achieve global "best in class" levels of 40 and above.

Western Australia Plumbing

Turning to the Western Australia plumbing matter, I would like first to acknowledge the impact and distress on homeowners from the plumbing failures that are occurring.

I wish to assure our shareholders and all our stakeholders that the Board is taking this matter very seriously. We have a dedicated Board committee in place, which provides strong oversight on the developing matters.

The Company's approach has had three aspects:

- First, we have put in place an interim A$15 million fund to support builders and plumbers to repair leaks and any associated damage for homeowners while causation of the plumbing failures is better understood.

- We have undertaken detailed product testing with global experts, and gathered evidence on installation practices from hundreds of homes. To date, we have not found fault with our product, but we have kept, and will keep, an open mind.

- For its part, Fletcher Building is committed to help find an industry solution. A proportionate and evidence-based solution is in everyone's interests, especially those homeowners who have been affected.

Ross will build on this further in his address.

Where did we start from in 2018?

At this point, I would like to reflect on how the Company has evolved over the past six years or so since the current Board was appointed.

In 2018, our underlying businesses in New Zealand had strong market positions, but they had been underinvested and margins were on the decline. A key reason for this was our international business, which was capital-hungry, spread across about 30 countries, and so stretched both our balance sheet and Board and management attention.

Our businesses in Australia were contributing a good proportion of revenue, but close to nil margins. They were reporting into three separate operating divisions, which served to mask their underperformance across many operational dimensions.

Meanwhile, Construction had assembled an order book that was overweight in higher risk, lower margin projects which took up a disproportionate amount of Board and management time as issues arose.

Of further concern was that our non-financial metrics were below par. While we had a safety programme in place, an embedded safety culture did not exist. We had no carbon reduction plans and we were not putting the right focus on our customers or our people.

What has the Board's approach been?

In response to this situation, we took decisive action to firstly stabilise the Company:

- We appointed a new CEO, capable of handling the enormous task ahead.
- We completed a full Board refresh and implemented more rigorous governance protocols.
- We oversaw a capital raise, and moved to divest the International business with the implementation of a new strategy focused on New Zealand and Australia.

In combination, the business was refocused and the balance sheet strengthened.

We successfully achieved much of this through 2018-2019 but we knew we had much more to do beyond that. This included dealing with the legacy issues and repositioning the go forward business, which I will speak on the following slides.

Clean up legacy issues – Construction projects

The legacy construction projects have been a major undertaking. We started with around 80 legacy projects. These had been brought into the Group when it had a different tolerance for risk in winning construction work prior to 2017. There are now three projects left to complete, which Ross will provide detail on.

The Board and management share the frustration of our shareholders that these legacy projects have taken longer, and have cost more to complete, than planned. Ongoing COVID lockdowns and the fire at NZICC added complexity to the tail legacy projects and have made it harder.

We accept that there are remaining risks to manage on these projects. These matters are a major focus for the Board, with regular review of management progress in place.

At the same time, we have also had to focus on building a better construction business for the future, rather than clearing up the past. We made the decision to exit the vertical Building sector. Our teams have made excellent progress on lifting the skills, operating disciplines, and governance across all the construction businesses. The best evidence of the success of this is a rebuilt forward order book, with the right risk profile and margins.

Reposition the go forward business for performance and growth

The final part of the Board's strategy over the past five to six years was to reposition the go-forward business to deliver improved performance and growth.

Combined with the issues in Construction, we had a challenged Australia business which was dragging down our overall margin. We had a set of NZ assets with good market positions but needing both investment and improved operating disciplines.

This slide shows the Group's EBIT (excluding significant items) and margin performance over time.

As we have taken the necessary actions, the operational gains we have made over the past six years have been in a few key areas: cost efficiency, getting sharper on the products and segments where we participate, and ensuring our pricing is both well-controlled and linked to the value we deliver.

In addition, we have been focused on investing for the future. We are close to completing the new $400 million Wallboards plant. This future proofs one of our most valuable assets. And we have a mature programme of mainly organic growth projects underway.

Our strategic focus on the New Zealand and Australian geographies has enabled us to both uncover and execute on these opportunities. Ross will touch on them more in a moment.

Reposition the go forward business for performance and growth

Our approach to non-financial performance has been, in many ways, similar to the financials. In the areas of safety, sustainability, customer and engagement our approach has been to understand what best-in-class performance looks like, and the operating disciplines needed to achieve it. We then hold ourselves to account against these standards.

Pleasingly, progress on these over the past five years has been positive, in particular on safety and sustainability. But we recognise that we now need to get more consistent and move closer to "best in class" across our customer experience, and the capability and engagement of our people.

Where are we now?

To summarise, the past six years have seen a significant turnaround of Fletcher Building.

The Company has been stabilised and we have pursued a consistent strategy focused on our home markets in New Zealand and Australia.

We have completed almost 80 legacy construction projects, and will be through the final three by the end of next year. This does not take away from the Board's disappointment at the additional fire-related provisions on the Convention Centre booked in FY23.

Equally, we are cognisant of the risks that still exist as we complete the final legacy projects, and we are highly focused on managing these, and on the resolving the Western Australia plumbing issues, in a satisfactory way.

Overall, though, over the past six years the financial and non-financial metrics of Fletcher Building have improved significantly. We believe the go-forward business is well-positioned for performance and growth over the medium-term.

I would like to take the opportunity to thank our management team and all of our 15,000 people for their considerable efforts over this period, and particularly over the past year. The Board is very proud of the work that you have done, and continue to do, to improve Fletcher Building and position it well for the long-term.

We also thank our shareholders for your continued support.

Ends

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Friday 27 October 2023

FLETCHER BUILDING LIMITED 2023
Annual Shareholders' Meeting
Chief Executive Officer's Address

FY23 - continuing operational improvements across the base business

The Fletcher Building base businesses are performing well. We are nicely positioned to navigate the softer markets over the next year or so, and then to grow again from there.

As Bruce has covered the recent results in some detail, I will just make a few points on the 2023 financial year. Our overall EBIT margin (excluding significant items) increased to 9.4%, and pleasingly the Australian division delivered 6% margins. Our progress in achieving a world class safety culture and performance levels continues, and it is nice to see this being reflected in lower injury rates across all our businesses.

We remain confident there is more financial performance upside in the medium term, but this will be driven by getting our people fully engaged, genuinely passionate about what we do, and really focused on our customers.

Against this backdrop it was pleasing to see improvements across both our customer and people metrics through the year. A particular "call out" was the engagement score of our top 300 leaders - this now sits at an industry leading eNPS score of 50. This sets us up well to achieve the further overall performance improvements we are looking for into the future.

We are investing for growth

We continue to take a longer-term view and are actively investing in a significant number of growth opportunities. As we have flagged previously, we have now committed around $800 million of capital to these opportunities.

We show on the slide a few examples of the investments we are making in New Zealand. These are across the timber, insulation, automation in frame & truss and in the broader circular economy.

We expect these investments to hit their full earnings run rate in the 2027 financial year, and to deliver over $120 million per annum of extra profits to the bottom line from then on.

Outlook on Construction legacy

Pleasingly, we are on track to finish physical works on the final three construction legacy projects through the 2024 calendar year.

The Puhoi to Warkworth motorway was opened in June this year. The final works will be completed in the second quarter of 2024, and then it will be a matter of working through the major claims on the project with Waka Kotahi.

We have now completed and handed over all the carpark levels on the Convention Centre. We expect the hotel to be complete in December, and the balance of the project by the end of 2024.

As we noted in August 2023, there continues to be some cost risk to manage as we complete these projects. We also need to secure claims and insurance recoveries, and manage any wash up issues that may arise, to hold our current provisions. Resolution of the claims and recoveries, particularly on the NZICC and Puhoi to Warkworth projects, is likely to take until FY25-FY26. On Wellington Airport carparks, we are working with the Airport to determine an agreed remediation, but any costs we decide to take in that regard are not covered by present provisions.

Outlook on Western Australia plumbing issues

There are no material updates on the detailed presentation I gave on the Western Australian plumbing issues two weeks ago. For those of you that did not see this and are interested in it, the full presentation and webcast are available on the Fletcher Building website in the online investor centre.

As Bruce outlined, we continue to use the A$15 million interim fund put in place earlier this year to allow us to support the industry and homeowners while causation of the plumbing failures is better understood. We also continue to work with the industry and regulators to develop an effective solution.

Our evidence, which is a combination of extensive testing of the pipes and a comprehensive review of leaks occurring in the home, points to installation as the failure.

Repair scenarios built on this evidence suggest an overall industry cost to repair these leaks of between A$50 million to A$100 million.

At this stage we have not made any provisions to contribute to this repair bill.

FY24 trading update

Starting with our New Zealand Materials and Distribution businesses, I will now talk to the trading conditions we are seeing so far this financial year.

The Infrastructure and Non-Residential sectors remain robust, but the Residential sector volumes are around 5% softer than our prior guidance. This puts them down around 25% from the peak we saw in late 2021. Our market shares are stable, and we are seeing solid pricing in our materials businesses, but strong price competition in the merchant distribution channel. As such, our profits for these businesses are tracking slightly behind our previous expectations.

In Australia, the division is trading well. We expect profits in the first half of this year to be broadly in line with last year, despite a softer market.

Encouragingly, we are seeing "green shoots" in the residential house sale market in our Residential and Development division. So far this year, house sales are tracking well (averaging 20-25 per week), and house prices have stabilised and are now starting to trend up slightly. If this momentum in sales continues, there could be upside to our prior 700-800 unit sales target for the financial year. We continue to expect profit margins to be slightly below 15% through the year, and profits to be weighted to the second half due to the profile of settlements. This market trend is a positive for our NZ Materials and Distributions businesses, as increased activity across the residential end market will ultimately flow into the volumes across these businesses.

In Construction the work outlook in the market remains very solid, and our order book remains strong. But a slower start to key projects will see our profits weighted to the second half of this financial year.

FY24 underlying trading cash flows robust & balance sheet well positioned

The outlook for our trading cashflows continues to look robust, and our balance sheet remains well positioned.

As previously guided, we expect leverage to move to the upper end of our 1 to 2 times range, which still has material head room to our banking covenants. We have $2.8 billion of debt facilities in place, and this ensures we will maintain healthy levels of liquidity through this year and beyond. And we now have a Moody's credit rating in place at Baa2 (stable).

Fletcher Building is well positioned for the medium term

All these things leave us well positioned for the future:

- We are getting close to having the legacy construction projects in our rear-view mirror;
- We are well positioned to perform through the cycle, and then drive both further performance improvements and upside volumes when the cycle turns;
- We are very advanced on our $800 million of committed growth projects, which we are confident will be delivered well and set us up for significant extra earnings in the next 2 to 3 years; and
- There remain plenty of other growth opportunities, which we can take advantage of once we have a firmer sense of when the cycle is returning to growth.

We have clear aspirations for our performance on non-financial measures

Our improvement aspirations extend beyond just the economics of the business, we also have ambitious targets across our non-financial outcomes.

As we look forward:

- We are earnestly working towards being injury free as an organization;
- We want to continue to lead our sector in sustainability - by decarbonising ahead of the competition, having the most sustainable products, and being heavily involved in the circular economy;
- We want to provide products and services to our customers that are at global best in class levels; and
- We want to have a diverse, talented and highly engaged workforce that just love being a part of Fletcher Building.

We are well advanced across all of the key areas that will make Fletcher Building a great company, and will provide exciting outcomes for Fletcher Building's people, customers and shareholders.

Tena koutou, Tena koutou, Tena koutou katoa.

Ends

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2023 Annual Shareholders’ Meeting

27 October 2023

Bruce Hassall

Chair

Directors

Bruce Hassall, Chair

Martin Brydon

Barbara Chapman

Peter Crowley

Sandra Dodds

Rob McDonald

Doug McKay

Cathy Quinn

Meeting agenda

- Chair’s address
- Chief Executive Officer’s address
- Voting on Resolutions
- General Q&A
- Refreshments

FY23 key financial results

Revenue

$8,469m

FY22 $8,498m

EBIT[1]

$798m

FY22 $756m

Net Earnings

$235m

FY22 $432m

EPS

30.0c

FY22 53.5c

Cash flows from operating activities

$388m

FY22 $592m

EBIT[1] margin

9.4%

FY22: 8.9%

Return on funds employed[1]

17.1%

FY22: 19.3%

Dividend

34.0cps

FY22: 40.0cps

1. Measures before significant items are non-GAAP measures used by management to assess the performance of the business and have been derived from Fletcher Building's financial statements for the 12 months ended 30 June 2023. Details of significant items can be found in note 2 of the financial statements

FY23 key non-financial results

TRIFR[1]

3.1

FY22 3.4

CO_2 reduction[2] **since 2018**

16%

FY22: 12%

Customer NPS[3]

40

FY22: 36

Employee Engagement eNPS

26

FY22: 23

1. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. Excludes Rocla, Tumu & Waipapa
2. Carbon Emissions are '000 Tonnes Combined Scope 1 and Scope 2 emissions for Group; Carbon Emissions Intensity = FBU CO_2 Tonnes for every $1m of revenue. ISO 14064-1
3. Net Promoter Score (NPS) measures how satisfied our customers are with our business (excludes the Group JVs and associates)

WA plumbing

1
SUPPORT CUSTOMERS & HOMEOWNERS

2
ESTABLISHING CAUSATION

3
INDUSTRY SOLUTION

BOARD COMMITTEE IN PLACE TO GOVERN WA PLUMBING

Where did we start from in 2018?

2018 Position – Financial & Operational

NZ underlying business: reasonable margins but in decline, renewed focus & investment required

International: multiple geographies, capital hungry, exit required

Australia: low and falling margins, declining competitivity, extensive turnaround required

Construction: c.80 loss-making projects, putting FCC in loss. Total business reset required

2018 Position – Non-Financial

Safety
Safety culture lacking

Customer NPS[1]
33

CO_2
No reduction plans

Employee Engagement eNPS
24

1. Net Promoter Score (NPS) measures how satisfied our customers are with our business (excludes the Group JVs and associates)

What has the Board’s approach been?

1 Stabilise the Company, sold International, focus on NZ & AU

2 Clean up legacy issues

3 Reposition the go-forward business for performance and growth

Clean up legacy issues – Construction projects

Where we started

FCC & legacy projects have been a major undertaking

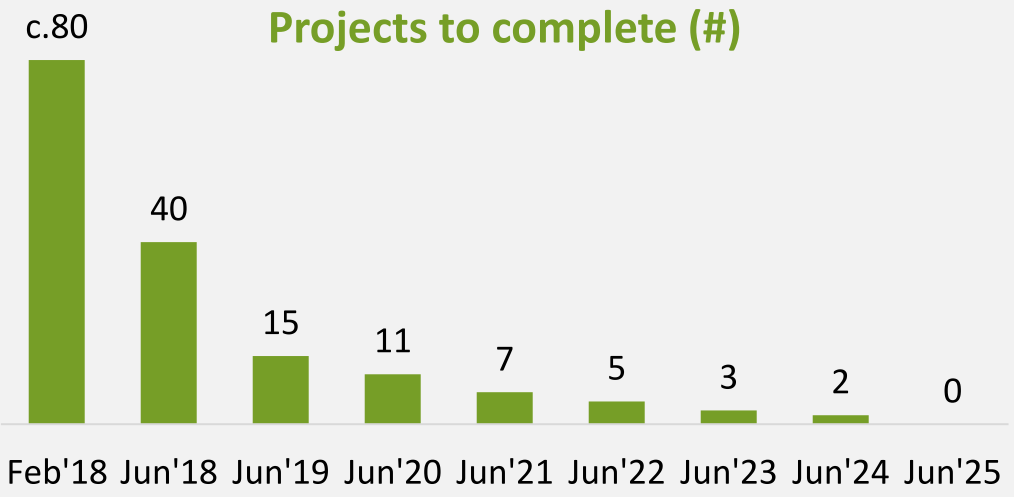
Legacy projects

- c.80 projects, mainly in vertical Buildings business
- Including 8 highly complex projects >$250m each

FCC business

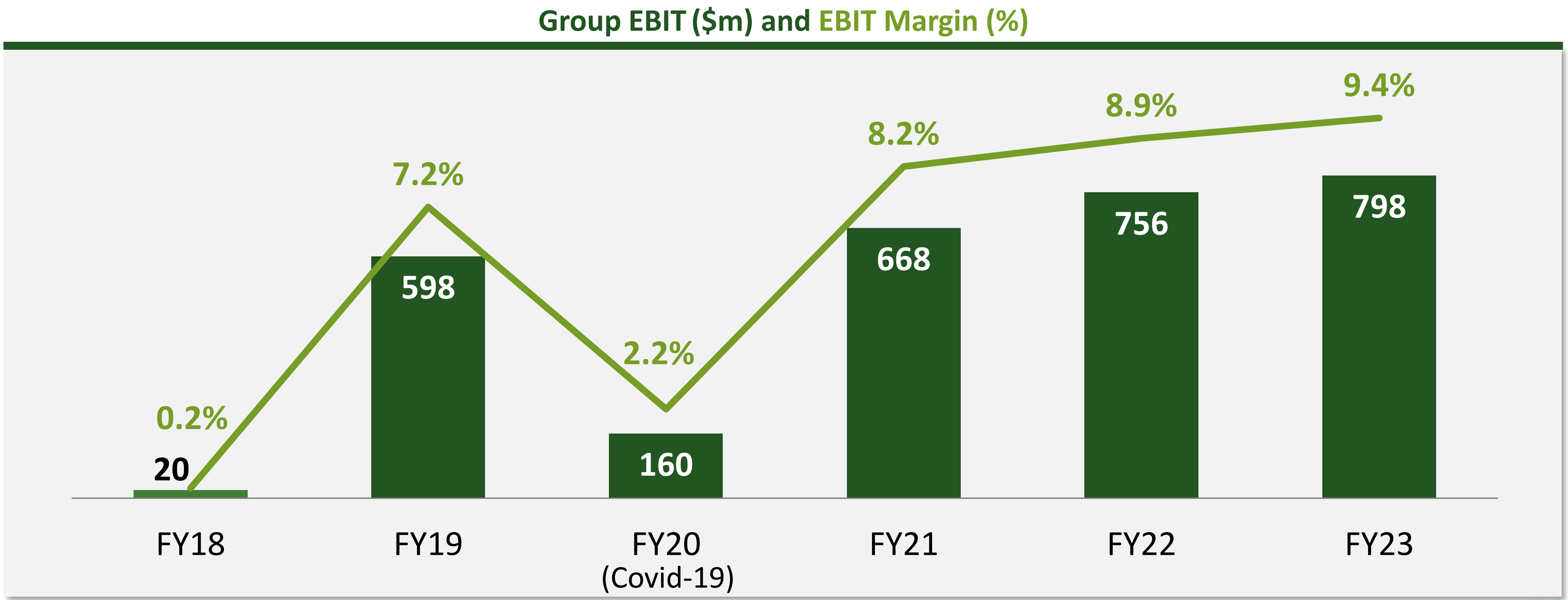
- Highly exposed to riskier, lower-margin, fixed-priced projects
- Systems and skills less well-suited
- Bid approach, risk framework not sustainable
- Low morale

We are almost done



- Physical works on remaining 3 projects complete end of CY24
- Need to secure P2W claims & NZICC insurance recoveries
- Board highly focused on remaining risks, incl. potential claims

Reposition the go forward business for performance and growth

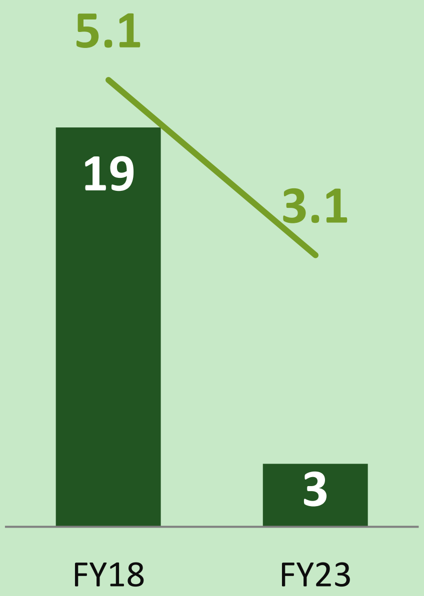


Note: EBIT and EBIT Margin exclude significant items; FY18 and FY19 are proforma numbers adjusted for discontinued operations and IFRS16; FY20 was significantly impacted by COVID lockdowns

Reposition the go forward business for performance and growth

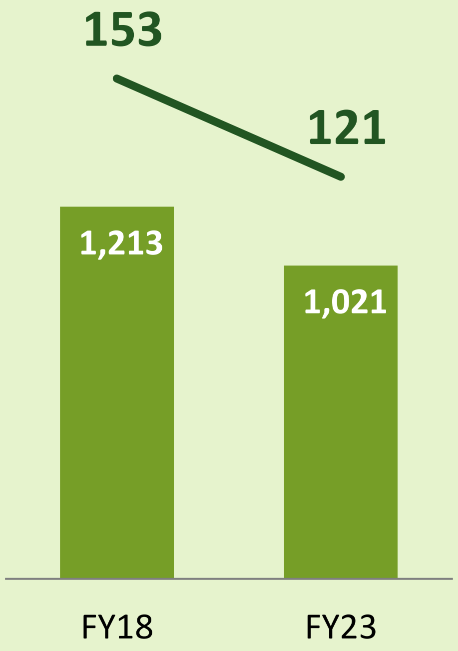
Safety

Serious Injuries and TRIFR[1]



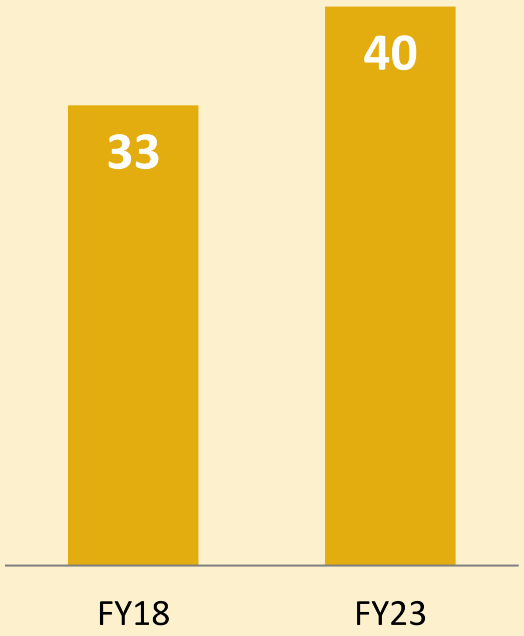
Sustainability

Carbon (CO_2) Emissions & Intensity[2]



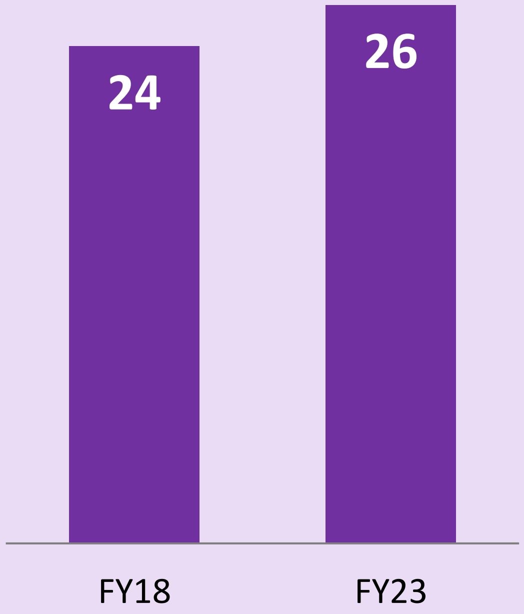
Customer

Net Promoter Score[3]



Engagement

Employee Engagement Rating (eNPS)



1. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. Excludes Rocla, Tumu & Waipapa
2. Carbon Emissions are '000 Tonnes Combined Scope 1 and Scope 2 emissions for Group; Carbon Emissions Intensity = FBU CO_2 Tonnes for every $1m of revenue. ISO 14064-1; FY18 baseline has been adjusted to account for the divestment of Rocla and the acquisition of Tumu
3. Net Promoter Score (NPS) measures how satisfied our customers are with our business (excludes the Group JVs and associates)

Where are we now?

1. Stable foundation, consistent strategy
2. 3 legacy construction projects to complete, strong focus on resolving WA plumbing – governance of these risks are a priority for the Board
3. Significant operational gains, well-positioned for medium-term performance & growth

Ross Taylor

Chief Executive Officer

Fletcher Building Limited
Annual Shareholders' Meeting 2023

FY23 - continuing operational improvements across the base business

FY23 - Operating highlights

EBIT[1] margin increased to 9.4%: NZ businesses strong; Australia now at 6% margins

Safety: Culture transformation well advanced & showing up in significantly lower injury numbers

Customer NPS[2] 40: Service improvements, online offering & innovation recognised by customers

Employees more engaged: Engagement across top 300 leaders at an industry leading eNPS of 50

All key metrics improved

Metric	FY23	FY22
EBIT[1] margin	9.4%	FY22: 8.9%
Customer NPS[2]	40	FY22: 36
TRIFR[3]	3.1	FY22: 3.4
Employee Engagement	26	FY22: 23

1. Before significant items
2. Net Promoter Score (NPS) measures how satisfied our customers are with our business (excludes the Group JVs and associates)
3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. Excludes Rocla, Tumu & Waipapa

We are investing for growth - having made $800m+ of commitments which sets us up for $120m+ of profit growth from FY27

Waipapa Timber

Laminex Taupō

Comfortech

Frame & Truss

Circular economy

ALTERNATIVE FUELS

THE URBAN QUARRY

CONSTRUCTION & DEMOLITION WASTE

CLINKER SUBSTITUTION

Outlook on Construction legacy

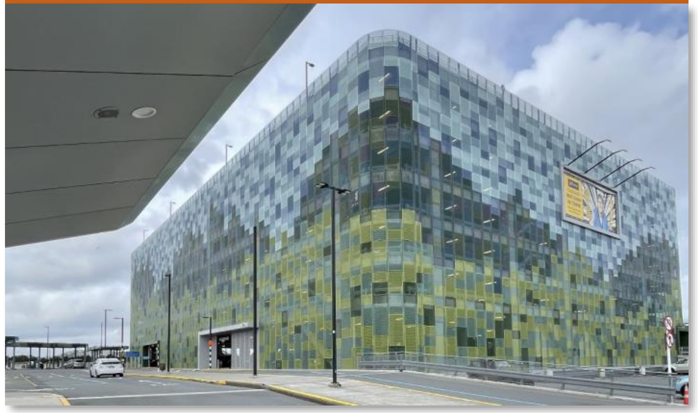
Pūhoi to Warkworth motorway (P2W)

- Opened in June 2023, some final works to be completed in FY24
- Project has lodged a number of claims (>$200m, of which FB share is 50%). Successful resolution of these claims needed to hold current project provision – cash receipts assumed to flow in FY25

International Convention Centre (NZICC)

- Carparks complete, hotel & ICC steel remediation complete by Dec 2023, overall project complete in late 2024
- Cost risk remains until project completion
- Securing insurance recoveries likely to require court based legal proceedings through FY25-26. May present net revenue upside, however timing disconnected from cost recognition
- Risk of “wash up” claims from SkyCity

Wellington International Airport



- Working with Airport to agree a remediation solution to quality issues and settlement of counter claims

Outlook on WA plumbing issues

Our approach remains:

A$15m INTERIM FUND IN PLACE FOR FY24

1 ***SUPPORT CUSTOMERS & HOMEOWNERS***

2 ***SEEK EVIDENCE-BASED CONSENSUS AROUND CAUSATION***

3 ***HELP INDUSTRY DEVELOP A SOLUTION***

- ➔ Our evidence points to **installation failures** as the reason leaks are occurring
- ➔ Our **testing** on the product is **well advanced**. Our tests to date continue to show that our **Pro-fit product is not defective**
- ➔ Looking to **work with WA regulators and industry to develop an industry solution** which is proportionate to the problem and evidence based
- ➔ **Good working relationship with all WA builders/plumbers** except BGC who have chosen not to work with Iplex or industry
- ➔ Scenarios built on our evidence to date suggest **industry cost to repair** affected Perth houses could be **c.A$50m - $100m over several years**

FY24 trading update

NZ MATERIALS & DISTRIBUTION

- Infra. & Comm. sectors remain robust; Resi sector volumes c.5% softer than prior guidance
- Market share stable, solid pricing being achieved in the materials businesses but strong price competition in the merchant distribution channel
- EBIT[1] tracking slightly behind expectations on softer Resi. sector & price pressure in Distribution

AUSTRALIA

- Business trading well
- Expect 1H24 EBIT[1] broadly in line with 1H23 despite lower market

RESIDENTIAL & DEVELOPMENT

- House sales tracking well, averaging 20-25 per week YTD
- House prices have stabilised, starting to trend up slightly
- Potential upside to 700-800 unit sales target in FY24 if sales momentum continues
- Continue to expect EBIT[1] margins slightly below 15% in FY24; EBIT[1] weighted to 2H24 due to profile of settlements

CONSTRUCTION

- Solid order book, some slippage in ramp-up of civil projects
- EBIT[1] weighted to 2H24 due to normal seasonality

1. Before significant items

FY24 underlying trading cash flows robust & balance sheet well positioned

- **Expect robust trading cash flows in FY24** (excl. legacy) as working capital managed tightly
- **Leverage (net debt / EBITDA) to move to upper end of 1x-2x range** due to FCC legacy cash flows and growth capex investments
- **Committed to remaining within our 1x-2x target leverage range;** provides significant headroom under banking agreements
- **Moody's credit rating in place at Baa2 (stable),** good alignment with FB capital structure settings
- **Strong debt facilities of $2.8bn in place**, expect to retain healthy liquidity despite higher debt levels in FY24
- **Credit rating supports issuance into local bond markets** when conditions are supportive

FY24 Key Cash Flow Components

- Cash flow usual 2H seasonal weighting, however expect materially improved HY24 vs HY23 (excl. legacy impact)
- Legacy cash flow: c.$375m in FY24, subject to risk on cost & timing of insurance recoveries; outflow weighted to 1H24 (c.$275m)
- Funding costs: $140m-$150m (excludes ROU leases interest)
- Capex: base capex $200m-$250m; growth capex c.$250m; final WWB plant capex c.$30m

1. Before significant items

Fletcher Building is well positioned for the medium term

	FY24	FY25	FY26	FY27	FY28
Legacy - Physical Work Completed	→				
Macro	*Residential headwinds* →		*Market tailwinds* →		
Margins	*Preserve operational gains* →	*Further operating margin improvements / + any cycle upside*			
Growth	*\$800m+ in committed growth capex @ 15% ROFE* →			*\$120m+ EBIT from FY27*	
			Significant further organic opportunities available		

We have clear aspirations for our performance on non-financial measures

Safety

Zero serious injuries

100%

sites injury free

Customer NPS[1]

≥55

Online Sales

c.$1.5b

In FY25

CO_2 reduction

30% by FY30[2]

Net Zero carbon

by FY50

70%

waste diverted from landfill by FY26

75%

revenue from sustainably certified products by FY26

Employee Engagement eNPS

≥40

30%

women in leadership[3] by FY27

1. Net Promoter Score (NPS) measures how satisfied our customers are with our business (excludes the Group JVs and associates)
2. From FY18 baseline. Carbon Emissions are '000 Tonnes Combined Scope 1 and Scope 2 emissions for Group
3. Leadership includes all employees that are classified as frontline leaders, leaders of leaders, GMs & CEs

Resolutions and Voting

Resolutions

- Ordinary Resolutions
  - Resolution 1 – Re-election of Bruce Hassall
  - Resolution 2 – Re-election of Barbara Chapman
  - Resolution 3 – Re-election of Martin Brydon
  - Resolution 4 – Election of Sandra Dodds
  - Resolution 5 – Auditor fees and expenses
  - Resolution 6 – Director’s remuneration (pool) - Withdrawn

2023 Annual Shareholders’ Meeting

27 October 2023

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