



## **Fletcher Building reports FY23 result, final dividend of 16 cps**

Auckland, 16 August 2023: Fletcher Building today announced its audited financial results for the year ended 30 June 2023 (FY23). The company also announced a fully imputed final dividend of 16.0 cents per share.

- Revenue of \$8,469 million, compared to \$8,498 million in FY22
- EBIT before significant items of \$798 million, up 6% from \$756 million in FY22
- EBIT margin of 9.4%, compared to 8.9% in FY22
- Net Profit After Tax of \$235 million (including significant items of \$301 million), compared to \$432 million in FY22
- Return on Funds Employed before significant items 17.1%, compared to 19.3% in FY22
- Cash flows from operations of \$388 million, compared to \$592 million in FY22
- Fully imputed final dividend 16 cents per share, bringing full-year FY23 dividend to 34 cps

Fletcher Building chief executive Ross Taylor said: "Fletcher Building's FY23 financial result continues to build on the progress we have made in both EBIT levels and EBIT margins over the last several years.

"Despite softer residential markets in New Zealand and Australia, and the major New Zealand weather events in the second half, Group EBIT before significant items grew by 6% in FY23 to \$798 million. Group EBIT margin of 9.4% in FY23 lifted from 8.9% in FY22, a good performance in a slowing market. Our return on funds employed (ROFE) remained ahead of target at 17.1%.

"Net profit after tax was \$235 million, impacted by significant items charges of \$301 million. The significant items related mainly to additional provisions of \$255 million on the New Zealand International Convention Centre and Hobson Street Hotel ('NZICC') project.

"Cash flows from operating activities were \$388 million, compared to \$592 million in FY22. Adjusting for tax, funding costs and lease principal repayments, Fletcher Building businesses generated trading cash flows of \$475 million compared to \$462 million in FY22. Our balance sheet remains strong with \$1.4 billion liquidity.

"The Board has approved a fully imputed and unfranked final dividend for the year ended 30 June 2023 of 16.0 cents per share to be paid on 5 October 2023. Combined with the 18.0 cents per share interim dividend, this brings the total dividend to 34.0 cents per share for the FY23 year.

"Looking forward to FY24, we expect some further tightening in our overall volumes and so our focus remains on strong customer performance, cost control and pricing disciplines across our businesses. We have shown we are well equipped to continue performing solidly through the cycle.



“We also continue to look beyond the cycle and are now well into our \$800 million growth investment programme for the period FY23-FY26. Identified opportunities have been assessed against robust criteria including exceeding our ROFE target rates of 15%. These include the Laminex Taupo wood panels plant, Comfortech insulation, a new Frame & Truss plant, and the acquisitions of Tumu and Waipapa Timber. These will progressively mature over the coming couple of years and by FY27 we would expect to see a full run-rate EBIT uplift of approximately \$120 million to our underlying earnings base.

“Our \$400 million investment in Winstone Wallboards GIB® plasterboard manufacturing and distribution facility in Tauranga has now commenced production and will be fully operational by the end of October 2023. The new plant’s state-of-the-art technology delivers more production capacity allowing for product innovation and future growth.

“Reflecting on all we’ve accomplished over 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.”

*Authorised by:*

Andrew Clarke

Company Secretary

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