

16 May 2025

Fletcher Building Announces Divisional Restructuring and Associated Executive Changes

Fletcher Building has announced that, coming out of its ongoing strategic review, its Australian Division will be disestablished as a standalone division, with its operating businesses integrated into two new trans-Tasman divisions:

- **Light Building Products:** includes most of Fletcher Building's New Zealand building products businesses (Comfortech, Winstone Wallboards, Iplex, Laminex and Wood Products), now combined with Oliveri Australia, Iplex Australia, Laminex Australia and Fletcher Insulation from the former Australian Division. Hamish McBeath, previously Chief Executive of New Zealand Building Products, will lead this division.
- **Heavy Building Materials:** encompassing its concrete-related businesses (Winstone Aggregates, Golden Bay Cement, Firth Concrete and Humes), the New Zealand steel businesses, and Australia's Stramit. Thornton Williams, formerly Chief Executive of the Concrete Division, will lead this division.

As a result of this restructuring, Gareth O'Reilly, Chief Executive of the former Australian Division, will leave the company. Group CEO and Managing Director Andrew Reding acknowledged Mr O'Reilly's significant contributions and wished him well.

Fletcher Building's other three divisions (Distribution, Construction and Residential & Development) and executive team roles remain unchanged.

Alongside this restructuring, a further review of the Company's corporate structure has been carried out and it is anticipated that this will deliver ~\$15 million annualised savings in structural costs in the short term (which are in addition to the ~\$200m of cost out targeted for FY25). The review is ongoing, and the Group will continue to identify opportunities for further material cost reductions. Investors will be provided with further updates on the cost out review as material changes are made, and at the Group's Investor Day on 24 June.

This restructuring forms a first step in a broader evolution of Fletcher Building's operating model which will focus on empowering strategic Business Units with the decision-making authority, tools, resources and capabilities they need to succeed in their market, while bearing full accountability for their performance.

A leaner corporate centre will prioritise strategic alignment, capital allocation and value creation.

Andrew Reding said: "Fletcher Building is strategically positioned in the growing markets of Australia and New Zealand, where our businesses target leadership in segments with attractive long-term fundamentals. Our operating companies are deeply embedded in their local markets, giving them strong insight into customer needs, agility in decision-making, and the ability to respond quickly to changing market dynamics. We want to leverage these strengths, evolving Fletcher Building into a more decentralised, high-performing portfolio company.

"Our businesses will operate with greater accountability, supported by a streamlined Group centre. We are in the process of working through these proposed changes as we devolve activities into our operating divisions and business units. We will be working to support those of our people who may be impacted by the changes over the coming weeks."

Commenting on the Group's recent performance, Andrew Reding said: "Since our interim results, our businesses have seen no significant improvement in market conditions, with market volumes continuing to be challenging due to macroeconomic uncertainties and the lack of any material momentum in the recovery of New Zealand's economy. Our businesses operating in the commercial and infrastructure segments continue to face reduced or deferred spending, partly due to recent weather events and reduced sub-division activity. Meanwhile, residential property sales also remain at subdued levels, reflecting lower levels of liquidity across the market."

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Authorised for release to the market by Haydn Wong, Company Secretary.

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