



Wednesday 26 October 2022

FLETCHER BUILDING LIMITED
2022 Annual Shareholders' Meeting
Chair's Address

FY22 results at a glance

On behalf of the Board, I'm pleased to report that Fletcher Building delivered a very strong set of financial results in FY22. Given that the year continued to feel the impacts of the global pandemic, this performance takes into account the significant COVID disruptions and lockdowns which occurred during the first quarter.

The Group delivered improved year-on-year revenue, profit and margins while return on funds employed was ahead of target. EBIT was up 13% for the year and net earnings improved significantly to \$432 million, up 42% on FY21. Cash management has been an important focus through the disruptions and the year. Cash flows from operating activities were solid at \$592 million and our balance sheet remains strong. Against this backdrop of continued operational improvements and the strong financial result, the Board was pleased to pay total dividends of 40 cents per share for the financial year. The up to \$300 million buyback programme was also completed during the year.

The result continues to demonstrate we remain on the right track and are achieving key milestones for continued performance and delivering stable results for success.

Focused on driving wider improvements for our stakeholders – safety and engagement

The Board remains very focused on 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.

The left hand box on this slide shows the continued improvements on safety. TRIFR was 3.4 at the end of the year, 32% down on last year. This translated to 90% of our sites being injury free through the year. The Board will continue to prioritise these critically important outcomes, focusing on making achieving 'zero injuries, every day' possible and that everyone returns home from work safely.

After the challenges of resetting our cost base through the early stages of the COVID years, the Board was pleased to see overall employee engagement improving to 69%. We will maintain our effort so this continues. We have overseen the implementation of a materially enhanced parental leave policy, gender affirmation leave, an improved remuneration structure and we are continuing to work towards pay parity across the Group.



Focused on driving wider improvements for our stakeholders – sustainability and customer

Moving to sustainability on the left hand side of this slide. We believe sustainability, in what we do and the products we make, is central to building a better tomorrow. Over the past few years, we have focussed our energies on decarbonising, recycling, minimising waste and continually innovating to produce better, more sustainable products and homes. We continue to make good progress on reducing carbon and improvements on other sustainability initiatives. Group carbon emissions are now 12% below our 2018 base levels and we diverted 51% waste from landfill. We also published our first Climate-related Disclosure report.

Finally on this slide, the Covid disruptions that occurred to demand and supply chains over the last couple of years impacted on our customer Net Promoter score, which softened slightly to 36 through the year. The Board acknowledges this has been a difficult time for many of our end customers. The lessons regarding the supply challenges over the last two years have been learned and we have changed our operational and risk management processes as a result to help safeguard against them occurring again.

But looking forward, most building product supplies (including plasterboard) are moving back into balance. Capacity has been added and international and local supply chains are starting to sort themselves out. Beyond this, we are very focused on improving our own performance and value proposition to our customers including driving ecommerce and innovative product solutions.

Overall we are pleased with the progress we are making on safety, our people, sustainability and our customers but we recognise that there is still work to do

Overseeing longer-term focus and delivering long term value for shareholders

Finally on this slide, as we look ahead to driving the long-term success of Fletcher Building, the Board is focused on a number of key themes.

Firstly, continuing to oversee the performance culture that is becoming embedded to deliver long term sustainable performance across both financial and non-financial metrics. To this end, we are today announcing our commitment to an enhanced sustainability strategy and targets. As Ross will outline shortly, these initiatives are ambitious, but we see that we need to continue to play our part in the communities we operate and drive leadership across a number of fronts.

Climate change is an urgent global priority and we are committed to minimising our impact and managing the climate-related risks to our organisation including on carbon and waste.

We want to lead the way with continued innovation in producing sustainable products and are committed to driving a circular economy.



We value the importance of diversity and inclusion of our people by fostering an inclusive culture and having better gender and ethnicity balance in leadership. Importantly, this focus is aligned to driving meaningful outcomes for our people and customers.

Despite all the uncertainty and disruption of the past year, as a Board we never lost sight of our agenda and core responsibilities to ensure Fletcher Building has the right strategy and execution, talent and risk management to deliver value in the near- and longer-term.

The investments we are making across the business will further enhance the strength of our business and is critical for future success and in delivering stable returns to our shareholders. We are very confident about the current momentum and the direction Fletcher Building is on for delivering continued success is very well-positioned for the future, both in NZ and Australia.

Before handing over to Ross, I would like to express my thanks, on behalf of the Board, to our people who have worked so hard to deliver a successful year... particularly amidst the uncertainties of COVID.

We also thank our shareholders for your continued support. With that, I now invite Ross to provide his address.

ENDS