

2022 Annual Shareholders' Meeting

26 October 2022

Fletcher Building Limited
Annual Shareholders' Meeting 2022



Bruce Hassall

Chair

Fletcher Building Limited
Annual Shareholders' Meeting 2022



Directors



Martin Brydon



Barbara Chapman



Peter Crowley



Rob McDonald



Doug McKay



Cathy Quinn



Meeting agenda

Chair's address

Chief Executive Officer's address

Voting on Resolutions

General Q&A

Refreshments



FY22 results at a glance

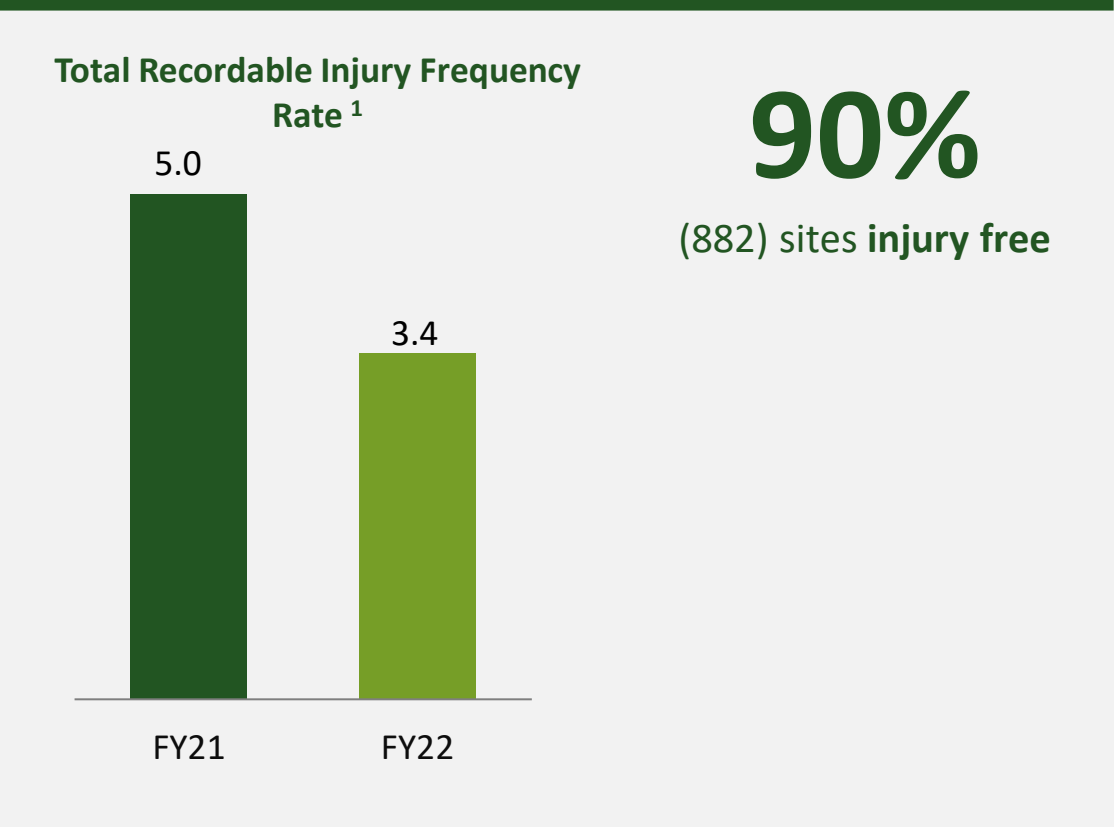
| | | | |
|--|--|--|---|
| <p>Revenue</p> <p>\$8,498_m</p> <p>FY21 \$8,120m</p> | <p>EBIT¹</p> <p>\$756_m</p> <p>FY21 \$668m</p> | <p>Net Earnings</p> <p>\$432_m</p> <p>FY21 \$305m</p> | <p>EPS</p> <p>53.5_c</p> <p>FY21 37.0c</p> |
| <p>Cash flows from operating activities</p> <p>\$592_m</p> <p>FY21 \$879m</p> | <p>EBIT¹ margin</p> <p>8.9%</p> <p>FY21: 8.2%</p> | <p>Return on funds employed¹</p> <p>19.3%</p> <p>FY21: 18.8%</p> | <p>Dividend</p> <p>40.0_{cps}</p> <p>FY21: 30.0cps</p> |



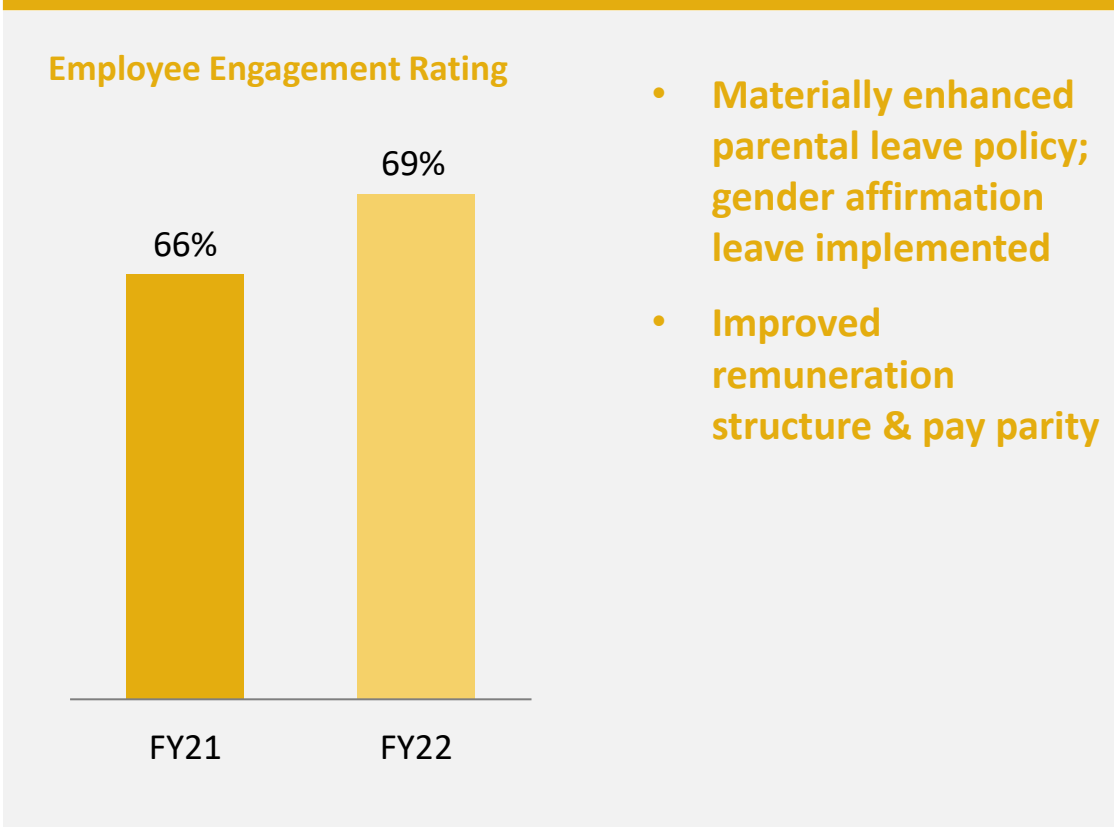
Focused on driving wider improvements for our stakeholders

Good progress on driving safety and employee culture

Safety: good progress continues



Engagement: focus on continued improvement



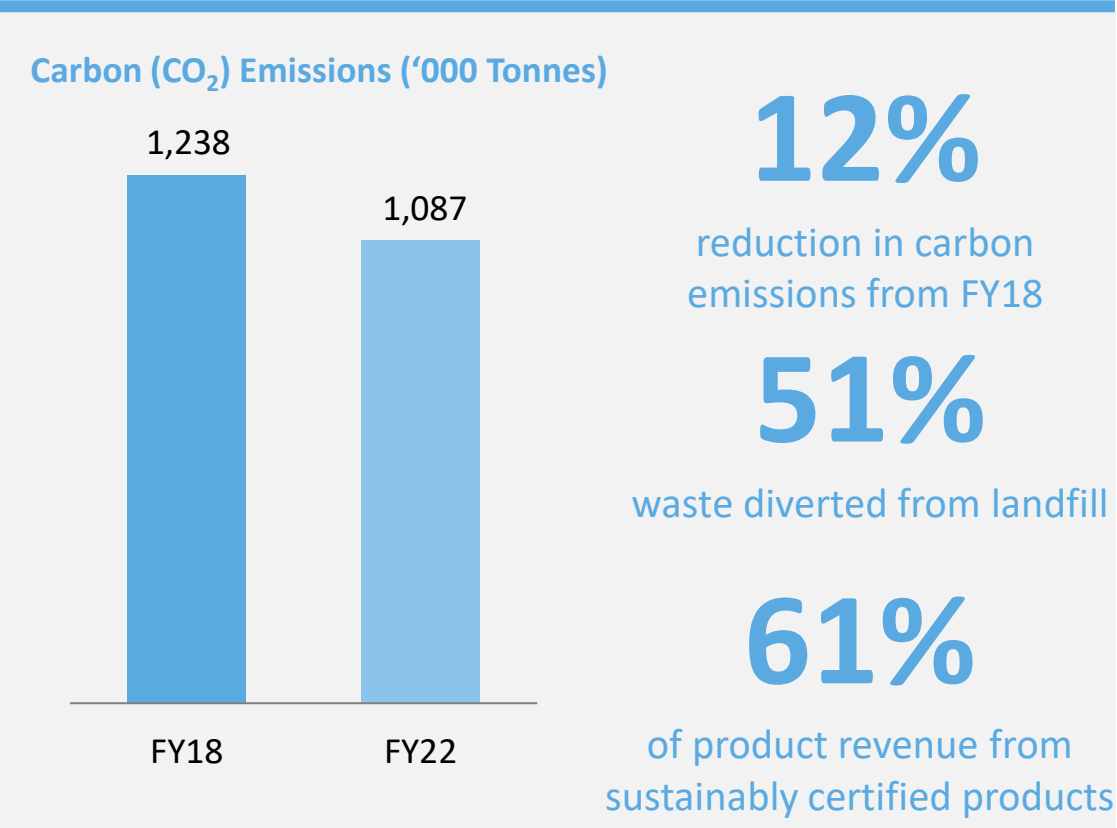
1. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries



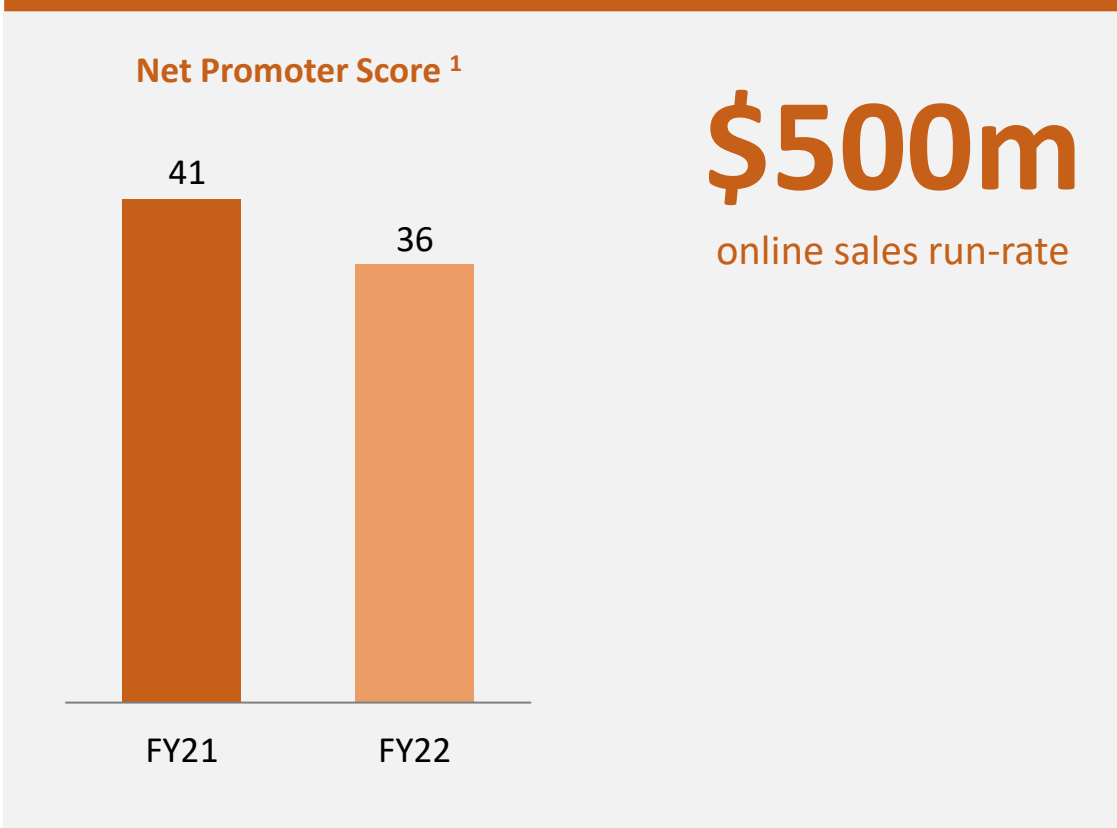
Focused on driving wider improvements for our stakeholders

Good progress on lowering carbon emissions

Sustainability: 30% lower carbon by 2030



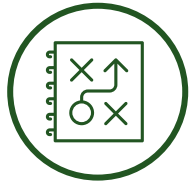
Customer: driving customer solutions & services



1. Net Promoter Score (NPS) measures how satisfied our customers are with our business.



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



➔ Driving **strategy and investing for longer term** sustainable performance



➔ Committed to **enhanced sustainability strategy and targets**



➔ Delivering stable **returns to shareholders**



Ross Taylor

Chief Executive Officer



Our vision, purpose and strategic goals continue to underpin the next steps of our journey

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



“Improving the world around us through smart thinking simply delivered”

We will ensure our growth is achieved while remaining true to our purpose:

- A safe, diverse and inclusive workplace**
- Our community at the heart of what we do**
- Move progressively to a net positive environmental impact**
- Lead the way in sustainable building products & solutions**
- Circular economy commitment across our businesses**



Safe, diverse & inclusive workplace

*Our people can bring their whole selves to work and go home safely at the end of the day
We are a diverse organisation that aspires to reflect the communities we operate in and the customers we serve*



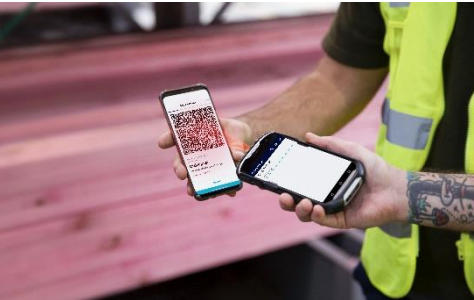
- Driving to no serious injuries each year
- Injury rates down 32% to 3.4
- Gender balance targets in management goals, driving to 30% women in leadership¹ (by FY27)
- Engagement target ≥ 80

¹ Leadership includes all employees that are classified as frontline leaders, leaders of leaders, GMs & CEs



Our community at the heart of what we do

Our actions enrich our customers' lives and the communities we operate in



- Customer NPS¹ target ≥ 55
- 190,000 customers on digital platforms
- Our systems integrate seamlessly with customer mobile devices & business systems
- Community activities by our employees
- \$3 million community donations & sponsorship

1. NPS = Net Promotor Score



Net positive environmental impact

Our mindset & actions focus on making a positive impact on our environment



- Carbon down 12%, net zero target by FY50
- EcoSure® launched, 27% lower carbon cement than ISCA¹ Baseline
- Restoring ecosystems in old quarries



Leading the way in sustainable building products & solutions

We innovate to deliver sustainable building products & solutions, and work with the industry to achieve this



- 75% revenue from sustainably certified products¹ (by FY26)
- LowCO home construction underway: 7x less embedded & operating carbon than standard home



Circular economy commitment across our businesses

We consciously eliminate waste and create ways to reuse products & materials



- ➔ 70% waste avoided, recycled and/or reused (by FY26)
- ➔ New Winstone Wallboards plant at Tauriko can use up to 10% recycled gypsum initially
- ➔ Circular materials offering, eg recycled concrete, glass, timber plastic



Trading update and outlook

- Trading in the products & distribution divisions in line with expectations. Input cost inflation being managed effectively. Current indicators point to volumes remaining at or around current levels for the balance of FY23
- Watching lead indicators closely, clear playbook if activity shows signs of softening in late FY23 / into FY24
- House prices & margins in line with expectations at c.10% below the peak in late 2021. House sales volumes have been mixed: solid through Jul-Aug, soft in Sep, customer visitation levels currently picking up into the spring sales season
- Group earnings & cash flows expected to be weighted to the second half in FY23 due to timing of revenues and working capital build in the Residential and Development and Construction divisions
- Continue to expect Group leverage to move to c.1.0x in FY23, slightly higher level at HY23 due to cash flows phasing
- Fletcher Building reconfirms FY23 EBIT target of \$855m+



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

01



Significant near-term profit growth

FY23 EBIT target \$855m+

02



Plans and runway for further margin improvement

Medium-term targets:
+100-200bps in a flat market

03



Established pipeline of growth investments – primarily organic

c.\$500m growth capex over FY23-25

04



Strong enduring financial position and returns

Leverage at lower-end of 1-2x range
ROFE \geq 15%

05



Well-positioned for economic cycle

Industry backlog supports FY23 activity
9-10% through-the-cycle margins



Resolutions and Voting



Resolutions

→ Ordinary Resolutions

→ Resolution 1 – Re-election of Peter Crowley

→ Resolution 2 – Auditor fees and expenses



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