



**Fletcher Building Industries Limited**  
2023 Interim Financial Results

# Financial Statements

## Income Statement (Unaudited)

For the six months ended 31 December 2022

	Notes	Six months Dec 2022 NZ\$'000	Six months Dec 2021 NZ\$'000	Year ended Jun 2022 NZ\$'000
Share of profits of associate	5	20,298	37,037	92,813
Earnings before interest and taxation		20,298	37,037	92,813
Funding costs		(1,502)	(4,605)	(9,071)
Earnings before taxation		18,796	32,432	83,742
Taxation benefit	2	420	1,289	2,540
<b>Net earnings</b>		<b>19,216</b>	<b>33,721</b>	<b>86,282</b>

## Statement of Comprehensive Income (Unaudited)

For the six months ended 31 December 2022

	Notes	Six months Dec 2022 NZ\$'000	Six months Dec 2021 NZ\$'000	Year ended Jun 2022 NZ\$'000
Net earnings		19,216	33,721	86,282
Share of associate's other comprehensive income/(losses)		(892)	80	1,547
<b>Total comprehensive income</b>		<b>18,324</b>	<b>33,801</b>	<b>87,829</b>

## Statement of Movements in Equity (Unaudited)

For the six months ended 31 December 2022

	Notes	Six months Dec 2022 NZ\$'000	Six months Dec 2021 NZ\$'000	Year ended Jun 2022 NZ\$'000
Total equity at the beginning of the period		594,009	506,180	506,180
Total comprehensive income		18,324	33,801	87,829
<b>Total equity</b>		<b>612,333</b>	<b>539,981</b>	<b>594,009</b>

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

## Statement of Cash Flows (Unaudited)

For the six months ended 31 December 2022

	Six months Dec 2022 NZ\$'000	Six months Dec 2021 NZ\$'000	Year ended Jun 2022 NZ\$'000
<b>Cash flow from operating activities:</b>			
Dividend received			130,000
Interest paid	(10,991)	(10,960)	(21,722)
Interest received from related parties	8,982	5,997	11,852
<b>Net cash from operating activities</b>	<b>(2,009)</b>	<b>(4,963)</b>	<b>120,130</b>
<b>Cash flow from financing activities:</b>			
Advances from/(to) related companies	2,009	4,963	(120,130)
Issue of capital notes			100,000
Redemption of capital notes			(100,000)
<b>Net cash from financing activities</b>	<b>2,009</b>	<b>4,963</b>	<b>(120,130)</b>
Net movement in cash held			
Add opening cash and liquid deposits			
<b>Closing cash and liquid deposits</b>			

## Reconciliation of Net Earnings to Net Cash from Operating Activities (Unaudited)

For the six months ended 31 December 2022

	Six months Dec 2022 NZ\$'000	Six months Dec 2021 NZ\$'000	Year ended Jun 2022 NZ\$'000
Net Earnings	19,216	33,721	86,282
<b>Adjusted for non-cash items:</b>			
Share of profits from associate	(20,298)	(37,037)	(92,813)
Dividend received from associate			130,000
Taxation	(420)	(1,289)	(2,540)
Accruals		1	(81)
Other	(507)	(359)	(718)
<b>Net cash from operating activities</b>	<b>(2,009)</b>	<b>(4,963)</b>	<b>120,130</b>

# Balance sheet (Unaudited)

As at 31 December 2022

Assets	Notes	As at Dec 2022 NZ\$'000	As at Dec 2021 NZ\$'000	As at Jun 2022 NZ\$'000
<b>Current assets:</b>				
Amounts owed by related companies		382,206	253,658	384,215
Current taxation asset		2,960	6,753	2,540
<b>Total current assets</b>		<b>385,166</b>	260,411	386,755
<b>Non-current assets:</b>				
Investment in associate	5	733,499	786,850	714,093
<b>Total non-current assets</b>		<b>733,499</b>	786,850	714,093
<b>Total assets</b>		<b>1,118,665</b>	1,047,261	1,100,848
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Accrued interest		6,321	6,403	6,321
Capital notes	4	100,148	100,000	100,518
<b>Total current liabilities</b>		<b>106,469</b>	106,403	106,839
<b>Non-current liabilities:</b>				
Capital notes	4	399,863	400,877	400,000
<b>Total non-current liabilities</b>		<b>399,863</b>	400,877	400,000
<b>Total liabilities</b>		<b>506,332</b>	507,280	506,839
<b>Equity</b>				
Share capital		346,000	346,000	346,000
Reserves		266,333	193,981	248,009
<b>Total equity</b>		<b>612,333</b>	539,981	594,009
<b>Total liabilities and equity</b>		<b>1,118,665</b>	1,047,261	1,100,848

The accompanying notes form part of and are to be read in conjunction with these interim financial statements.

On behalf of the Board, 15 February 2023



**Bruce Hassall**  
Chair



**Robert McDonald**  
Director

# Notes to the Financial Statements

## 1. CORPORATE INFORMATION

The condensed interim financial statements presented are those of Fletcher Building Industries Limited (the "Company"). The Company is domiciled in New Zealand, registered under the Companies Act 1993 and is a FMC Reporting Entity under Financial Markets Conduct Act 2013. The Company is a for-profit entity.

### Basis of presentation

The condensed interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and the requirements of the Financial Markets Conduct Act 2013.

The condensed interim financial statements comply with NZ IAS 34 and IAS 34 Interim Financial Reporting and should be read in conjunction with Fletcher Building Limited and Fletcher Building Industries Limited's 2022 audited annual financial statements for the period ended 30 June 2022 available at [www.fletcherbuilding.com](http://www.fletcherbuilding.com).

The accounting policies have been applied consistently by the Group and are in line with prior year.

Where necessary, certain comparative information has been reclassified to conform to changes in presentation in the current year.

2. TAXATION BENEFIT	Six months Dec 2022 NZ\$'000	Six months Dec 2021 NZ\$'000	Year ended Jun 2022 NZ\$'000
Earnings before taxation	18,796	32,432	83,742
Taxation at 28 cents per dollar	(5,263)	(9,081)	(23,448)
<i>Adjusted for:</i>			
Non-assessable income	5,683	10,370	25,988
	420	1,289	2,540

## 3. CONTINGENCIES AND COMMITMENTS

There were no contingent liabilities or capital commitments as at 31 December 2022 (December 2021: nil; June 2022: nil).

## 4. FAIR VALUE MEASUREMENT

The estimated fair values of the company's financial assets and liabilities compared to their carrying values in the balance sheet, are as follows:

	Classifications	Dec 2022		Jun 2022	
		Carrying value NZ\$'000	Fair value NZ\$'000	Carrying value NZ\$'000	Fair value NZ\$'000
Capital Notes	Amortised cost	500,011	478,023	500,518	482,649
Amounts owing by related companies	Amortised cost	382,206	382,206	384,215	384,215

### Fair value measurement

No financial instruments are measured and recognised at fair value.

### Fair value disclosures

The fair values of borrowings used for disclosure are measured under level 2, by discounting future principal and interest cash flows at the current market interest rate that are available for similar financial instruments.

**Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.**

**Level 2 Inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) other than quoted prices included within level 1.**

**Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).**

The interest rates across all currencies used to discount future principal and interest cash flows are between 6.10% and 6.75% (June 2022: 5.20% and 5.65%) including margins.

### Fair values of intercompany receivables

Due to the on demand nature of the intercompany receivables, their carrying amount is considered to be the same as their fair value.

## Notes to the Financial Statements (Continued)

5. INVESTMENT IN ASSOCIATE	31 Dec 2022 NZ\$'000	31 Dec 2021 NZ\$'000	30 Jun 2022 NZ\$'000
<b>Carrying amount of associate - Fletcher Building Holdings New Zealand Group</b>			
Carrying amount at the beginning of the period	714,093	749,733	749,733
Share of profits of associate	20,298	37,037	92,813
Share of associate's other comprehensive income (losses)	(892)	80	1,547
Dividend received from associate	-	-	(130,000)
<b>Investment in associate</b>	<b>733,499</b>	<b>786,850</b>	<b>714,093</b>
<b>Associate information - Fletcher Building Holdings New Zealand Group</b>			
<b>Balance sheet information for associate - 100%</b>			
External assets	5,384,130	4,380,319	4,827,787
External liabilities	(2,343,275)	(2,062,711)	(2,185,026)
Intercompany	(837,915)	146,689	(539,829)
Non-controlling interest	(17,931)	(12,533)	(14,952)
<b>Equity</b>	<b>2,185,009</b>	<b>2,451,764</b>	<b>2,087,980</b>
Equity - Fletcher Building Industries Limited share - 20%	437,002	490,353	417,596
Goodwill acquired at cost	296,497	296,497	296,497
<b>Investment in associate</b>	<b>733,499</b>	<b>786,850</b>	<b>714,093</b>
<b>Equity accounted earnings for Fletcher Building Holdings New Zealand Group comprise:</b>			
<b>Summarised income statement for associate - 100%</b>			
Gross Revenue	3,130,957	3,035,778	6,443,250
Net earnings*	101,489	185,185	464,065
<b>Net earnings - Fletcher Building Industries Limited share - 20%</b>	<b>20,298</b>	<b>37,037</b>	<b>92,813</b>

\* Net earnings include significant item costs of \$111 million (net of income tax) recognised in Fletcher Building Holdings New Zealand Group of which 20% is represented in FBIL's share of net earnings.

## 6. RELATED PARTY TRANSACTIONS

At 31 December 2022, \$141 million of listed capital notes were held by Fletcher Building Holdings Limited ("FBHL") as treasury stock (December 2021: \$140 million; June 2022: \$151 million). The Company and FBHL are wholly owned subsidiaries of Fletcher Building Limited (the "Group").



# Independent auditor's review report to the shareholder of Fletcher Building Industries Limited

## Conclusion

We have reviewed the interim financial statements of Fletcher Building Industries Limited ("the Company") on pages 2 to 6 which comprise the balance sheet as at 31 December 2022, and the income statement, statement of comprehensive income, statement of movements in equity and statement of cash flows for the six months ended on that date, and a summary of significant accounting policies and other explanatory information. Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements on pages 2 to 6 of the Company do not present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the six months ended on that date, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting*.

This report is made solely to the Company's shareholder. Our review has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our review procedures, for this report, or for the conclusion we have formed.

## Basis for conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial statements* section of our report. We are independent of the Company in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Other than in our capacity as auditor we have no relationship with, or interest in, the Company. Partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company.

## Directors' responsibility for the interim financial statements

The directors are responsible, on behalf of the Entity, for the preparation and fair presentation of the interim financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting*.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on those interim financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Brent Penrose.

Chartered Accountants  
Auckland  
15 February 2023

