



Interim Financial Results 2025

Fletcher Building Industries Limited



Interim Financial Statements

Income statement

For the six months ended 31 December 2024

	Note	Unaudited Six months Dec 2024 NZ'\$000	Unaudited Six months Dec 2023 NZ'\$000	Audited Year ended Jun 2024 NZ'\$000
Share of profits of associate	5	17,463	3,334	738
Earnings before interest and taxation		17,463	3,334	738
Interest expense		(12,542)	(11,652)	(23,690)
Interest income		12,034	10,988	21,847
Funding costs		(508)	(664)	(1,843)
Earnings/(losses) before taxation		16,955	2,670	(1,105)
Taxation benefit	2	142	186	516
Net earnings/(losses)		17,097	2,856	(589)

Statement of comprehensive income

For the six months ended 31 December 2024

	Note	Unaudited Six months Dec 2024 NZ'\$000	Unaudited Six months Dec 2023 NZ'\$000	Audited Year ended Jun 2024 NZ'\$000
Net earnings/(losses)		17,097	2,856	(589)
Share of associate's other comprehensive income/(losses)	5	331	(585)	(598)
Total comprehensive income/(losses)		17,428	2,271	(1,187)

Statement of movements in equity

For the six months ended 31 December 2024

	Note	Unaudited Six months Dec 2024 NZ'\$000	Unaudited Six months Dec 2023 NZ'\$000	Audited Year ended Jun 2024 NZ'\$000
Total equity at the beginning of the year		660,295	661,482	661,482
Total comprehensive income/(losses)		17,428	2,271	(1,187)
Total equity		677,723	663,753	660,295

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

Balance sheet

As at 31 December 2024

Assets	Note	Unaudited As at Dec 2024 NZ'\$000	Unaudited As at Dec 2023 NZ'\$000	Audited As at Jun 2024 NZ'\$000
Current assets:				
Amounts owed by related companies	4	468,283	468,357	468,788
Current taxation asset		658	1,204	516
Total current assets		468,941	469,561	469,304
Non-current assets:				
Investment in associate	5	716,118	700,933	698,324
Total non-current assets		716,118	700,933	698,324
Total assets		1,185,059	1,170,494	1,167,628
Liabilities				
Current liabilities:				
Accrued interest		7,350	6,765	7,348
Capital notes	4	100,000	99,976	100,000
Total current liabilities		107,350	106,741	107,348
Non-current liabilities:				
Capital notes	4	399,986	400,000	399,985
Total non-current liabilities		399,986	400,000	399,985
Total liabilities		507,336	506,741	507,333
Equity				
Share capital		346,000	346,000	346,000
Reserves		331,723	317,753	314,295
Total equity		677,723	663,753	660,295
Total liabilities and equity		1,185,059	1,170,494	1,167,628

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

On behalf of the Board, 19 February 2025.



Peter Crowley
Chair



Sandra Dodds
Director

Statement of cash flows

For the six months ended 31 December 2024

	Note	Unaudited Six months Dec 2024 NZ'\$000	Unaudited Six months Dec 2023 NZ'\$000	Audited Year ended Jun 2024 NZ'\$000
Cash flow from operating activities:				
Interest paid		(12,539)	(11,594)	(23,041)
Interest received from related parties		12,034	10,988	21,847
Net cash from operating activities	7	(505)	(606)	(1,194)
Cash flow from financing activities:				
Advances to related companies		505	606	1,194
Issue of capital notes		-	-	100,000
Redemption of capital notes		-	-	(100,000)
Net cash from financing activities		505	606	1,194
Net movement in cash held				
Add opening cash and liquid deposits				
Closing cash and liquid deposits				

Notes to the Interim Financial Statements

1. CORPORATE INFORMATION

The interim condensed 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 the Financial Markets Conduct Act 2013. The Company is a for-profit entity.

Basis of presentation

The 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 interim financial statements comply with NZ IAS 34 and IAS 34 Interim Financial Reporting and do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with Fletcher Building Limited and Fletcher Building Industries Limited's 2024 audited annual financial statements for the period ended 30 June 2024 available at 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	Unaudited Six months Dec 2024 NZ'\$000	Unaudited Six months Dec 2023 NZ'\$000	Audited Year ended Jun 2024 NZ'\$000
Earnings/(losses) before taxation	16,955	2,670	(1,105)
Taxation at 28 cents per dollar	(4,747)	(748)	309
<i>Adjusted for</i>			
Non-accessible income	4,889	934	207
	142	186	516

3. CONTINGENCIES AND COMMITMENTS

There were no contingent liabilities or capital commitments as at 31 December 2024 (31 December 2023: nil; 30 June 2024: 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 2024 (Unaudited)		Jun 2024 (Audited)	
		Carrying value NZ'\$000	Fair value NZ'\$000	Carrying value NZ'\$000	Fair value NZ'\$000
Capital notes	Amortised cost	499,986	478,515	499,985	461,370
Amounts owing by related companies	Amortised cost	468,283	468,283	468,788	468,788

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).

Notes to the Interim Financial Statements (Continued)

5. INVESTMENT IN ASSOCIATE	Unaudited Dec 2024 NZ'\$000	Unaudited Dec 2023 NZ'\$000	Audited Jun 2024 NZ'\$000
Carrying amount of associate – Fletcher Building Holdings New Zealand Group			
Carrying amount at the beginning of the period	698,324	698,184	698,184
Share of profits of associate	17,463	3,334	738
Share of associate's other comprehensive income/(losses)	331	(585)	(598)
Investment in associate	716,118	700,933	698,324
Associate information – Fletcher Building Holdings New Zealand Group			
Balance sheet information for associate – 100%			
External assets	5,667,545	5,782,317	5,763,854
External liabilities	(1,933,698)	(2,107,430)	(2,139,438)
Intercompany	(1,631,526)	(1,629,479)	(1,604,033)
Non-controlling interest	(4,216)	(23,229)	(11,246)
Equity	2,098,105	2,022,179	2,009,137
Equity – Fletcher Building Holdings New Zealand Group – 20%	419,621	404,436	401,827
Goodwill acquired at cost	296,497	296,497	296,497
Investment in associate	716,118	700,933	698,324
Equity accounted earnings for Fletcher Building Holdings New Zealand Group comprise:			
Summarised income statement for associate – 100%			
Gross revenue	3,029,812	3,145,949	6,413,023
Net earnings*	87,313	16,672	3,690
Net earnings – Fletcher Building Industries Limited share – 20%	17,463	3,334	738

* Net earnings include significant item costs of \$4.3 million (net of income tax) (December 2023: \$129 million; June 2024: \$316 million) recognised in Fletcher Building Holdings New Zealand Group of which 20% is represented in Fletcher Building Industries Limited's share of net earnings.

6. RELATED PARTY TRANSACTIONS

At 31 December 2024, \$202 million of listed capital notes were held by Fletcher Building Holdings Limited ("FBHL") as treasury stock (December 2023: \$157 million; June 2024: \$202 million). The Company and FBHL are wholly owned subsidiaries of Fletcher Building Limited (the "Group").

7. RECONCILIATION OF NET EARNINGS TO NET CASH FROM OPERATING ACTIVITIES

	Unaudited Six months Dec 2024 NZ'\$000	Unaudited Six months Dec 2023 NZ'\$000	Audited Year ended Jun 2024 NZ'\$000
Net earnings/(losses)	17,097	2,856	(589)
Adjust for non-cash items:			
Share of profits of associate	(17,463)	(3,334)	(738)
Taxation	(142)	(186)	(516)
Accruals	-	-	583
Unwind of premium/discount	3	58	66
Net cash from operating activities	(505)	(606)	(1,194)

Notes to the Interim Financial Statements (Continued)

8. SUBSEQUENT EVENTS

Amendment to conditions of Capital Notes and redemption of FBI190 capital notes

On 28 January 2025, Fletcher Building Industries Limited (FBI) announced that the trustee for the noteholders of each series of Capital Notes has agreed to amend the conditions of the Capital Notes. This is to allow FBI to elect to redeem all Capital Notes of a series on the applicable Election Date for that series, as an alternative to the procedure for rollover of the Capital Notes on new terms. FBI has elected to redeem all of the FBI190 Capital Notes when they are due to rollover on 17 March 2025, presented as current in the balance sheet.



Independent Auditor's Review Report to the Shareholder of Fletcher Building Industries Limited

Conclusion

We have reviewed the interim condensed financial statements of Fletcher Building Industries Limited ("the Company") on pages 2 to 7 which comprise the balance sheet as at 31 December 2024, 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 explanatory notes. 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 7 of the Company do not present fairly, in all material respects the financial position of the Company as at 31 December 2024, 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 (NZ IAS 34)* and International Accounting Standard 34: *Interim Financial Reporting (IAS 34)*.

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, 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 NZ IAS 34 and IAS 34 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 NZ IAS 34 and IAS 34.

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 Graeme Bennett.

The Ernst & Young logo is written in a black, cursive script font.

Chartered Accountants
Auckland
19 February 2025

