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Fletcher Building announces HY25 Results

Fletcher Building today announced its financial results for the first half of FY25.

- Revenue from continuing operations of $3,583 million, down 7% from $3,860 million in HY24
- EBIT before significant items from continuing operations of $167 million, $96 million lower than HY24
- Net Loss After Tax of $134 million, compared to Net Loss After Tax of $120 million in HY24
- $700 million capital raise applied to repay $511 million bank debt and reduce USPP by $169 million
- Cost-out programme ahead of plan

Fletcher Building Managing Director & CEO Andrew Reding said: "The first half of the 2025 financial year continued to be a challenging period for our businesses as very difficult trading conditions continued across all our segments. This included a broad-based slowing of demand, intense competitive forces and persistent inflationary pressures. Our businesses navigated these obstacles by focusing on optimising operational performance and tightly managing the things within our control. We are pleased with the progress achieved to date on our key priorities which have been: resetting governance and leadership roles of the Group; the ongoing strategic review; the Group-wide cost reduction programme; cash; being prudent with capital expenditure; and progressing the resolution of outstanding legacy issues."

Overall, Group revenue from continuing operations was $3,583 million in HY25, down 7% versus $3,860 million in the prior period. Market volumes continued to decline in the half, particularly in businesses more heavily exposed to the residential sector. In the New Zealand Materials and Distribution divisions, volumes were down 5-10% half year on half year, but some businesses benefitted from major projects like the Auckland Airport expansion. In Australia, market activity continued to decline, down 15% half year on half year.

Andrew Reding said: "Performance in the Residential and Development division reflected the overall housing market in New Zealand, with 115 fewer units contracted and sold versus the prior period, with average market prices also down approximately 2% on the prior period. However, some tentative signs of improvement began to appear post the first OCR cut late in 2024, with sales up 17% between September-December 2024, as compared to July-August 2024.

“Pleasingly, the Construction division performed well with revenue up 16%, with higher work volumes arising from key infrastructure projects.”

Earnings before interest and tax (EBIT) from continuing operations and before significant items was $167 million, down from $263 million in the prior period. The lower market volumes for the Materials and Distribution divisions were the most significant driver of the earnings reduction, contributing $80 million lower EBIT before significant items. However, Construction EBIT before significant items was up $21 million half on half.

Fletcher Building has remained focused on improving cash flows. Overall cash flows from operating activities were an outflow of $5 million, impacted by lower earnings in the current half, $134 million legacy outflows, and the normal seasonal investment in working capital during the period. Trading cash flows from continuing operations (excluding legacy and significant items) were $138 million, compared to $225 million in the prior period.

Andrew Reding said: ”Beyond our financial performance, we continue to enhance the sustainability of our operations, reaching key milestones along the way. One standout achievement is the ongoing reduction of coal usage at our Golden Bay cement plant in Northland, which now exceeds 55% substitution as of HY25. This has been driven by the increased use of wood waste and end-of-life tyres, alongside the disposal of unused COVID PPE and biomass-based industrial sludges. As a result, we diverted 46,000 tonnes of waste from landfills during the period and reduced process CO2 emissions by approximately 50,000 tonnes as compared to traditional coal use at Golden Bay®. At a Group level, our greenhouse gas emissions continue to decline, with a 21% reduction since FY18.

“We are also making progress in resolving our remaining Construction legacy projects. The New Zealand International Convention Centre project is now in its final stages, with major construction works substantially completed. Our focus has shifted to finishing, testing, and commissioning, and we remain committed to delivering the project, with handover scheduled by 30 June 2025.

“Macroeconomic pressures are expected to persist and economic activity to remain subdued at below mid-cycle levels for the remainder of the financial year. Despite this, we remain focused on what we can control: delivering operational excellence, tightly managing costs, prioritising safety, and providing the best possible service to our customers. I look forward to sharing further details on our strategic review prior to our upcoming Investor Day in June 2025.”

ENDS

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

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