18 February 2026

Fletcher Building Announces FY26 Half Year Results

Fletcher Building today reported its results for the six months ended 31 December 2025 (1H FY26), with the Group continuing to reshape the business and delivering a stable underlying performance against a backdrop of challenging market conditions across New Zealand and Australia.

1H FY26 highlights

- Revenue from continuing operations of $2,866 million, broadly in line with the prior corresponding period (pcp)
- EBIT from continuing operations before Significant Items of $145 million, reflecting stable underlying performance
- EBIT margin before Significant Items of 5.1%, consistent with pcp
- Net cash from operating activities of $156 million, improved from $87 million in pcp
- Net debt of $1,164 million, was below internal expectation, reflecting disciplined capital allocation and working capital management
- Total available liquidity of approximately $0.8 billion as at 31 December 2025, providing sufficient headroom through the current market cycle
- Return on invested capital before Significant Items (ROIC) of 4.3% (1H FY25: 4.6%)

Managing Director and Chief Executive Officer Andrew Reding said the Group had continued to make progress in difficult trading conditions: "The first half of FY26 was another demanding period for the building industry, with subdued markets across New Zealand and Australia. Conditions differed between a particularly weak first quarter and a more stable second quarter. In that environment, our core manufacturing businesses held up well, supported by disciplined cost control and better operational execution. Just as importantly, we continued to make real progress on our strategy around simplifying the Group, strengthening the balance sheet, and embedding a decentralised operating model that improves accountability and performance."

Mr Reding said the announced sale of the Construction division (announced 20 January) was a key milestone in the Group's transformation: "The sale of Construction is a major step in reshaping Fletcher Building into a simpler, more focused building products manufacturing and distribution group. Combined with the cost and capital discipline we have put in place, it positions the Group well to benefit as market conditions recover."

Financial summary

Revenue from continuing operations was $2,866 million, broadly in line with pcp. Lower volumes in New Zealand residential and civil markets and continued competitive pressure, particularly in the Distribution division, were largely offset by stable performance across the Group's core manufacturing businesses.

EBIT from continuing operations before Significant Items was $145 million, with margin pressure in parts of the portfolio partially offset by structural cost reductions and operational improvements.

Net cash from operating activities increased to $156 million, reflecting improved working capital management and cost-out benefits. Disciplined capital allocation resulted in net debt of $1,164 million at the half, below internal expectations.

Available liquidity (cash on hand and undrawn committed facilities) for the Group was approximately $0.8 billion as at 31 December 2025, including a new $200 million bank liquidity facility and extensions to key syndicated banking facilities.

Lease liabilities reduced following a reassessment of lease terms and further reductions are expected from the Construction divestment.

Outlook

Mr Reding said market conditions were expected to remain challenging in the near term: "In New Zealand, residential and civil demand is likely to remain relatively subdued through FY26, with a more meaningful recovery not anticipated until calendar year 2027. In Australia, early signs of stabilisation are emerging in parts of the portfolio, although conditions remain uneven."

Looking ahead, Fletcher Building expects the benefits of actions already taken on costs, portfolio simplification, and capital discipline to progressively support performance as market conditions improve.

In line with the Group's capital structure settings, no interim dividend has been declared for 1H FY26.

ENDS

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

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