

20 January 2026

Fletcher Building announces sale of Fletcher Construction

Fletcher Building today announced that it has entered into a binding agreement to sell its Construction Division to major international construction group VINCI Construction (VINCI) for \$315.6 million.

The purchase price is subject to a potential increase of up to \$18.5 million in aggregate pending the final outcome of a small number of key contracts for the Division currently under negotiation, which would take the headline enterprise value of the transaction to \$334.1 million.

Commenting on the announcement, Fletcher Building Managing Director and Chief Executive Officer Andrew Reding said: "Over the past year we have been clear that Fletcher Building's future lies in being a focused building products manufacturer and distributor, supported by a strong balance sheet and disciplined capital allocation. The sale of Fletcher Construction is a significant step forward in delivering that strategy, while continuing the work underway to simplify the portfolio, lower debt and improve shareholder returns."

Andrew Reding said "Fletcher Construction is a great business with excellent people, deep technical capability and a proud legacy as one of New Zealand's most iconic construction companies. Over many decades it has delivered some of the country's most complex and important infrastructure projects, and that track record is a testament to the quality of its teams and leadership. However, following our strategic review in 2025, we received strong inbound interest for the Construction business.

"Having undertaken extensive market soundings, we are confident that the sale to VINCI is the right transaction for our shareholders, Fletcher Construction and the broader New Zealand construction industry. VINCI knows Fletcher Construction well and has a deep commitment to New Zealand and the country's infrastructure pipeline. That makes it an excellent long-term owner for the business and its people, customers and partners. I believe Fletcher Construction will find a strong home with VINCI, whose strengths are well aligned with the business, and which has a proven track record of successfully delivering major infrastructure projects globally."

The transaction is structured as the sale of Fletcher Construction Holdings together with its three New Zealand business units:

- Higgins: an integrated national civil construction business delivering major infrastructure, road maintenance, regional works and bitumen-based roading products.
- Brian Perry Civil: a specialist civil, structures and foundations contractor.
- Fletcher Construction Major Projects: which delivers large, complex infrastructure projects in partnership with public and private-sector clients, including contracts delivered in conjunction with Higgins and Brian Perry Civil.

The purchase price is subject to typical adjustments for working capital and net debt.

Fletcher Construction's South Pacific operations are excluded from the transaction and are being dealt with separately as part of the wider strategic review process. Residual responsibilities associated with Fletcher Construction's completed legacy vertical construction projects, including the New Zealand International Convention Centre (NZICC), are also excluded from the transaction. Fletcher Building will retain responsibility for those matters, together with certain historic civil construction projects that are beyond their defect liability periods.

Completion of the transaction is subject to regulatory approvals, including from the New Zealand Overseas Investment Office and (if required) the New Zealand Commerce Commission, receiving counterparty consent under certain key contracts and completion of the restructuring out of the Construction Division of the South Pacific operations. It is expected that these conditions will be satisfied by Q1 FY27 and for completion to therefore occur before the end of calendar 2026. Completion is also subject to there being no material adverse change relating to damage to, or destruction of, the Division's key physical assets prior to completion.

The Group expects to recognise additional provisions of between ~\$55 million to \$65 million for probable future claims relating to legacy construction contracts retained following the divestment. This reflects a reassessment of the likelihood and expected cost of resolving these claims. The provision does not include any allowance for potential litigation liability associated with the NZICC project.

Following completion, Fletcher Construction's approximately 2,300 employees will transfer with the Division, providing continuity for customers, project partners and our teams across New Zealand.

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About VINCI Construction:

VINCI Construction is a global leader in construction and part of the wider VINCI Group. With a presence in about 100 countries through 1,300 business units, VINCI Construction brings together unrivalled expertise spanning the entire construction value chain. Thanks to its combined global-local business model, VINCI Construction is ideally positioned to serve markets driven by the environmental transition and the increasing demand for resilient, sustainable infrastructure and buildings. With over 117,000 employees, VINCI Construction is committed to delivering sustainable and innovative solutions, building structures that support the environmental transition, contribute to regional development and will benefit future generations. www.vinci-construction.com

About VINCI:

VINCI is a global leader in concessions, energy services and construction, employing 285,000 people across more than 120 countries. The Group designs, finances, builds and operates infrastructure and facilities that enhance daily life and mobility for all. Guided by its commitment to all-round performance, VINCI acts beyond economic and financial results by operating in an environmentally and socially responsible manner. Because its projects serve the public interest, the Group considers active engagement and dialogue with all stakeholders essential to the way it conducts its activities. Its ambition is to create long-term value for customers, shareholders, employees, partners and society at large. www.vinci.com

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

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