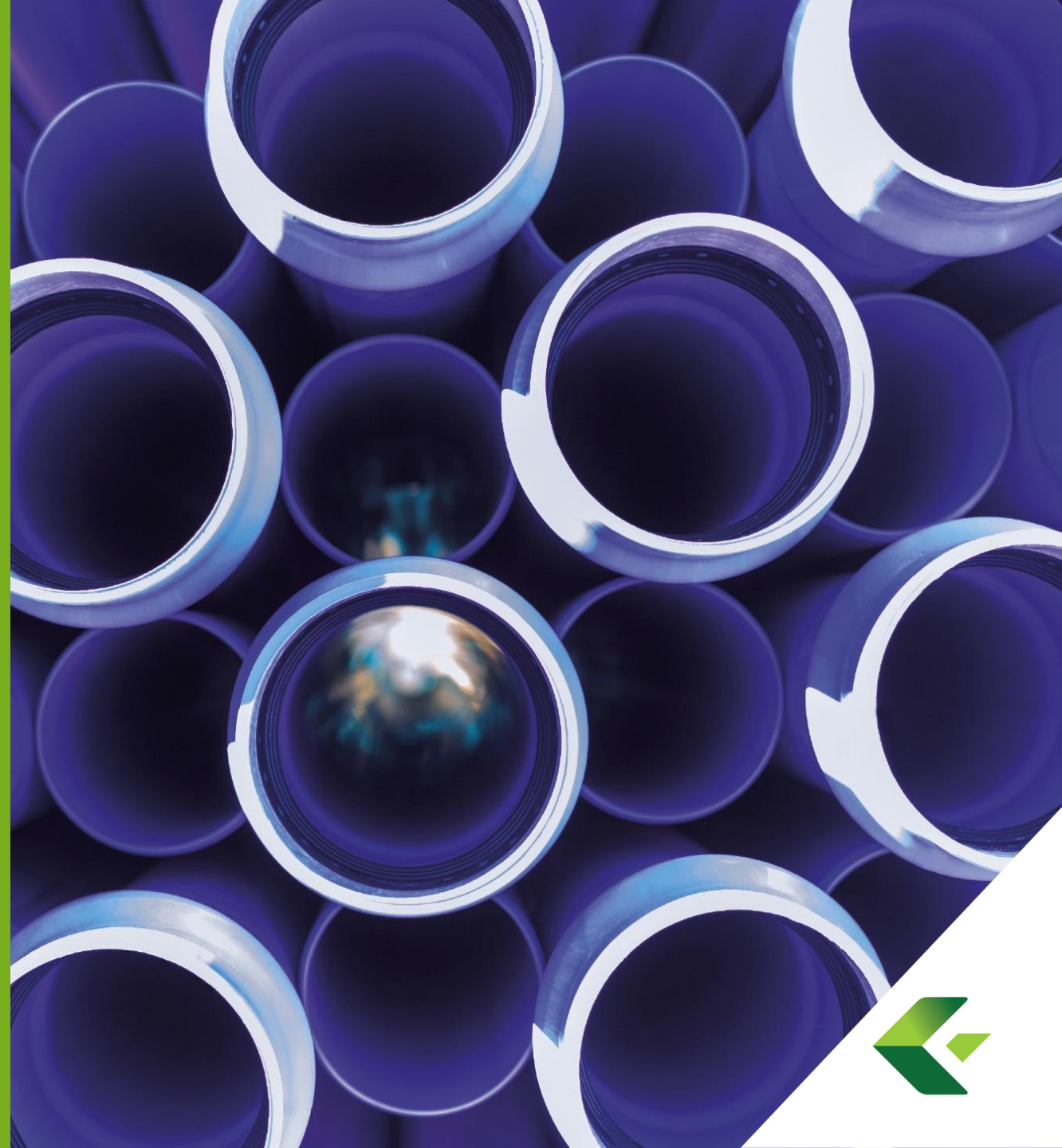


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2018 Annual Shareholders' Meeting

20 November 2018

Fletcher Building Limited
Annual Shareholders' Meeting 2018



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Bruce Hassall

Chairman

Fletcher Building Limited
Annual Shareholders' Meeting 2018



Directors



Martin Brydon



Tony Carter



Barbara Chapman



Alan Jackson



Rob McDonald



Doug McKay



Cathy Quinn



Steve Vamos



Meeting agenda

Chairman's address

Chief Executive Officer's address

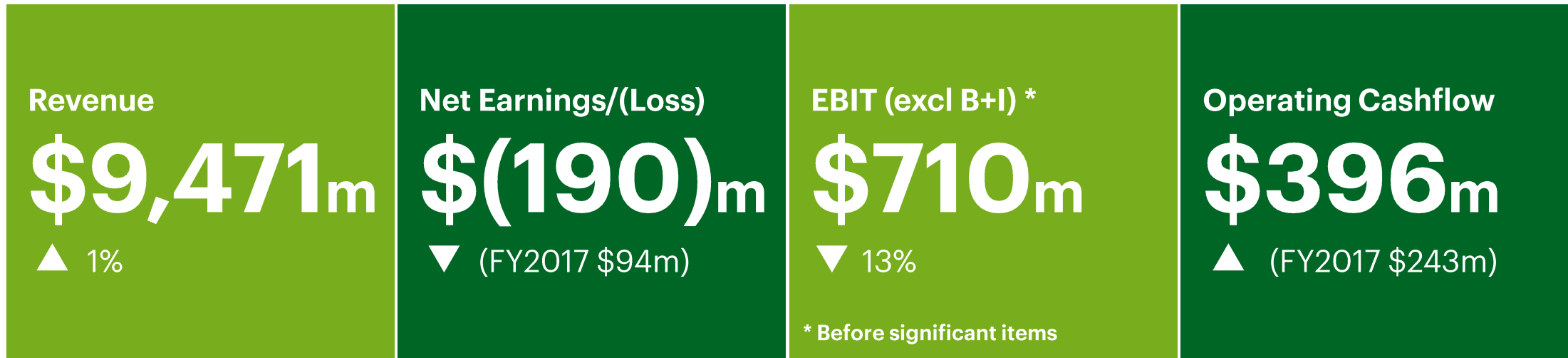
Voting on Resolutions

General Q&A

Refreshments



FY2018 results at a glance



Reset through FY2018

Key FY2018 actions:

- New CEO appointed
- B+I review & provisioning
- Construction Governance
- Capital raise
- Five-year strategy
- New operating model

Fletcher Building Vision:

To be the undisputed leader in New Zealand and Australian building solutions – with products and distribution at our core



Board reset to support strategy

- Five new directors appointed in September
- Reset to support the new strategy
- High calibre individuals who enhance the experience and diversity of the Board
- Bring a mix of commercial, operational and governance expertise
- Broad range of stakeholder relationships and knowledge
- Board committees refreshed, each with a new Chair and members with relevant experience



Enhanced governance focus

- Bespoke induction plan introduced for new directors
- Overhaul of internal delegation framework, policies, golden rules and bid criteria
- Rigorous implementation of construction bidding and review process
- Board committee review process for major bids embedded and functioning effectively



Building strong foundations for the future

Fletcher Building Vision:

To be the undisputed leader in New Zealand and Australian building solutions – with products and distribution at our core

- Focussed approach (NZ/Australia only)
- Plays to company strengths
- Well performing businesses
- Growth potential
- Investment in innovation
- Aiming to recommence dividend



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Ross Taylor

Chief Executive Officer

Fletcher Building Limited
Annual Shareholders' Meeting 2018



Executive Team

Operational Heads



**MICHELE
KERNAHAN**
Chief Executive
Building Products



**STEVE
EVANS**
Chief Executive
Residential &
Development



**DEAN
FRADGLEY**
Chief Executive
Australia



**PETER
REIDY**
Chief Executive
Construction



**BRUCE
McEWEN**
Chief Executive
Distribution



**IAN
JONES**
Chief Executive
Concrete



**HAMISH
MCBEATH**
Chief Executive
Steel



**FRANCISCO
IRAZUSTA**
Chief Executive
International

Functional Heads



**BEVAN
McKENZIE**
Chief Financial
Officer



**CLAIRE
CARROLL**
Chief People &
Communications
Officer



**CHARLES
BOLT**
Company
Secretary &
General Council



**JOHN
BELL**
Chief Information
Officer



**WENDI
CROFT**
Chief Health &
Safety Officer

~10 years average time in FBU

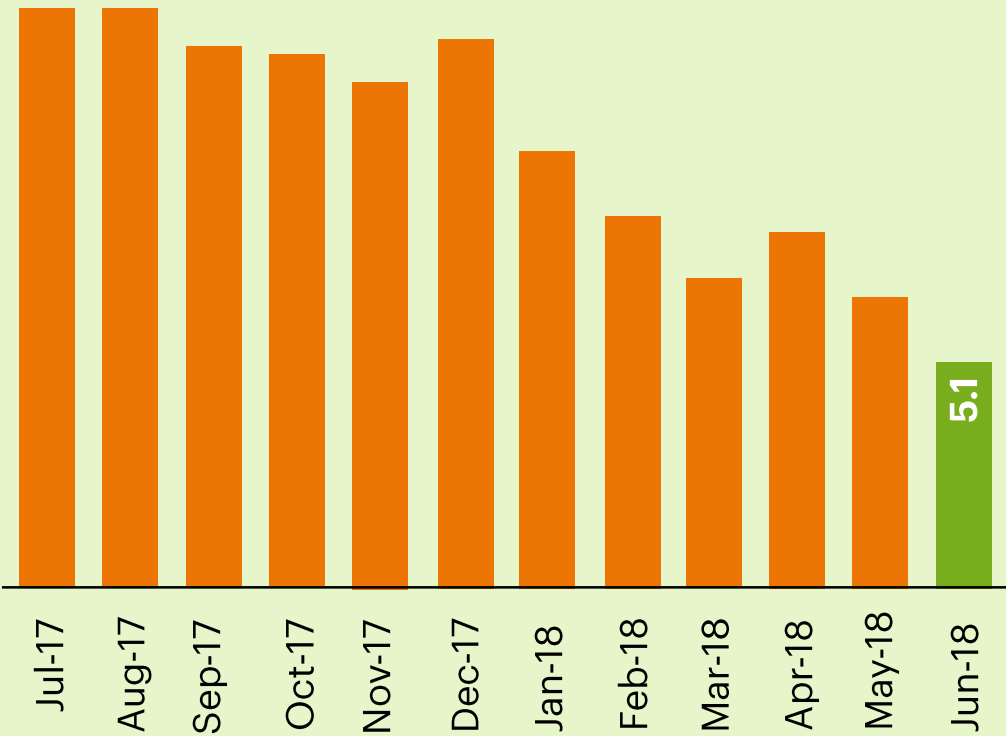
~20 years average industry experience

Proven P&L performers



Material improvement in Health & Safety

Total Recordable Injury Frequency Rate



Compared to FY2017

26% ▼
decrease in Total Recordable Injury Frequency Rate

36% ▼
reduction in Serious Injury Frequency rate



FY2018 results overview

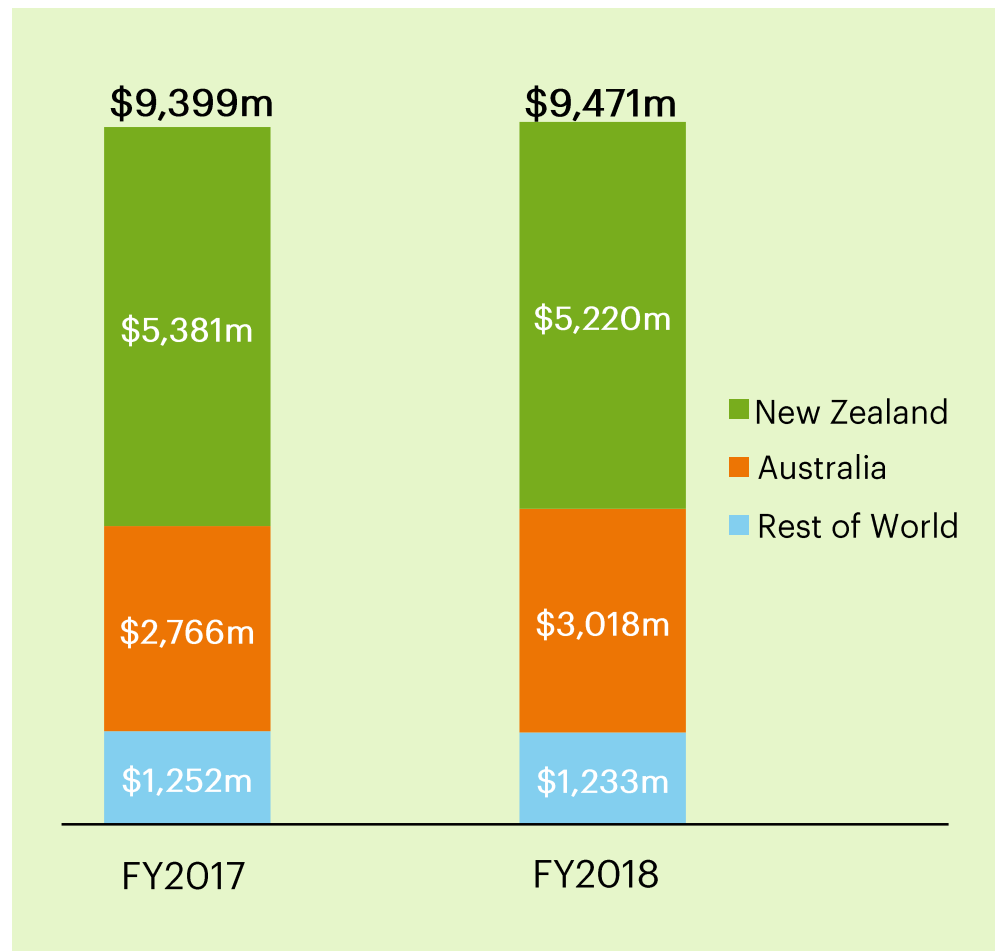
NZ\$m	June 2017 12 months	June 2018 12 months	Change \$m
Revenue	9,399	9,471	72
Operating earnings before significant items ex B+I ¹	817	710	(107)
Operating earnings	273	(118)	(391)
Net earnings	94	(190)	(284)
Cashflow from operating activities ²	243	396	153
Basic earnings per share (cents)	13.5	(25.5)	(39.0)
Dividends declared per share (cents)	39.0	0.0	(39.0)
Net debt	1,953	1,273	(680)

1. Operating earnings before significant items is a non-GAAP measure used by management to assess the performance of the business and has been derived from Fletcher Building's financial statements for the year ended 30 June 2018. Measure excludes the impact of the Building + Interiors (B+I) business unit

2. Cashflow from operating activities is EBITDA less net interest, less cash tax, less provisions and net of working capital movements



Solid revenue performance



New Zealand

- NZ revenue decreased 3% mainly due to Construction
- Excluding Construction, revenues up 7% supported by broader market

Australia

- Revenues increased 9% due to Rocla and Iplex improvement, and Tradelink same store sales growth

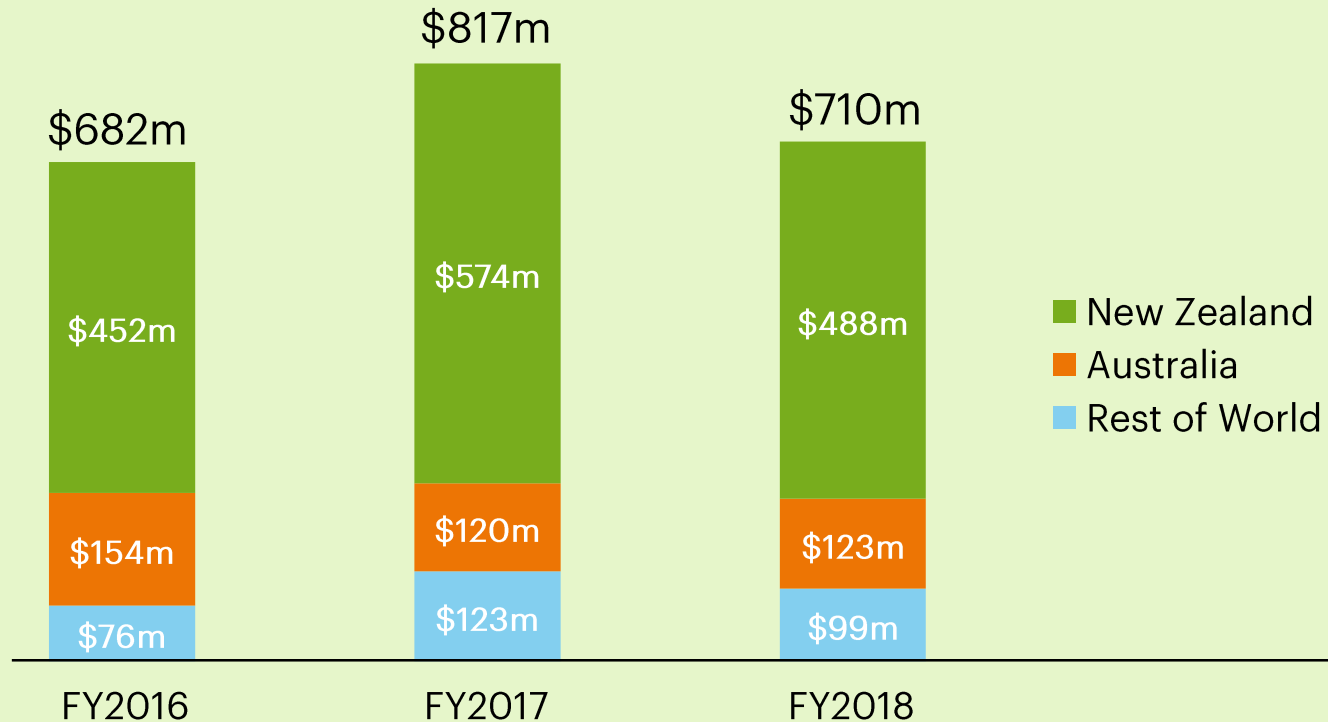
Rest of World

- Strength in Formica offset by Roof Tile Group weakness



Underlying EBIT reflects core business performance

Underlying EBIT¹



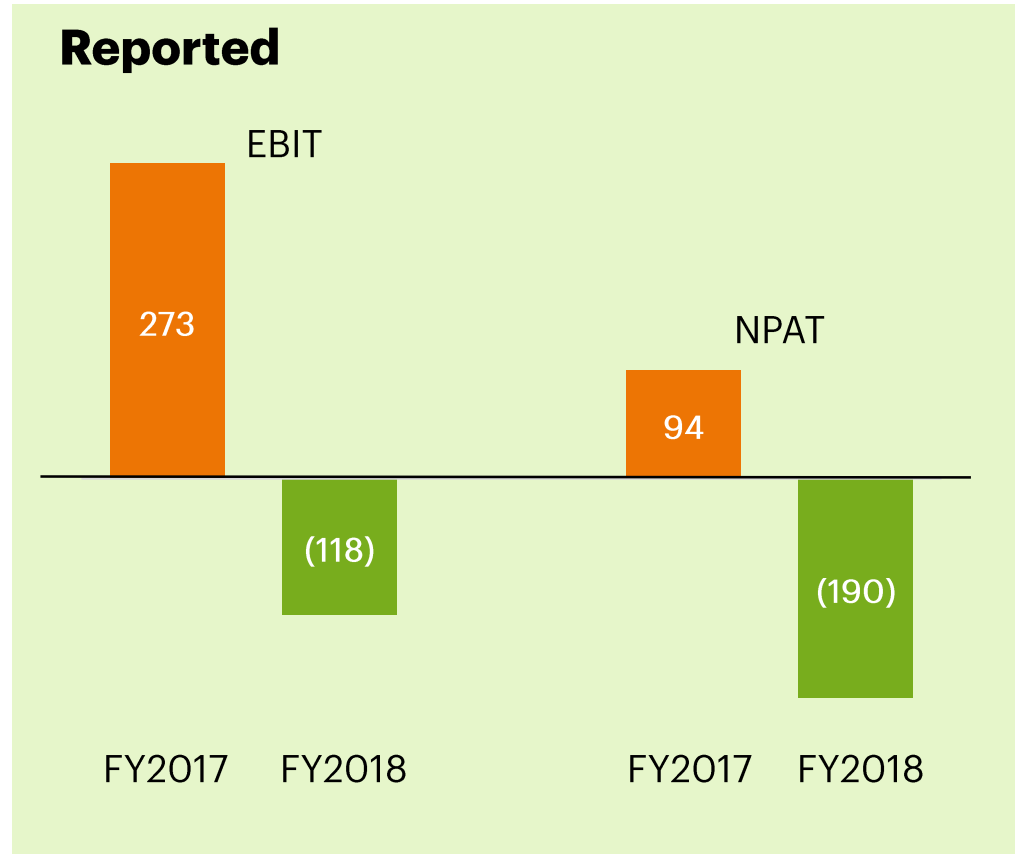
¹ EBIT before significant items and excluding B+I losses in FY2017 and FY2018

FY2018 Underlying results

- Core businesses delivered \$710m EBIT
- FY2018 more comparable to FY2016
 - Large construction projects impacted FY2017 profits
 - Lower contributions from Concrete and Building Products in NZ versus FY2017 broadly in line with FY2016
 - Number of one-off benefits in FY2017, detractors in FY2018
- Increased prices but cost pressures
- Roof Tile Group performance weighed on Rest of World



Reported earnings impacted by B+I losses



Reported results

- B+I losses impacted both years' results
 - FY2018 losses of \$(660)m reduced EBIT to \$(118)m
- Significant items negatively impacted on NPAT in FY2018
 - Impairments of \$(99)m after tax
 - Rocla, Roof Tile Group
 - Other significant items of \$(31)m after tax
 - Gains on sale of \$37m
 - Restructuring charges \$(68)m



Cash and capital funding

NZ\$m	June 2017 12 months	June 2018 12 months	Change \$m
Trading cashflow ¹	467	639	172
Less cash tax paid	(99)	(85)	14
Less interest paid	(125)	(158)	(33)
Cashflow from operating activities	243	396	153
Free cashflow ²	49	250	201
Net debt	1,953	1,273	(680)

¹ Trading cashflow = EBITDA + Change in working capital + provisions and other adjustments

² Free cashflow = Trading cashflow less capex less cash tax

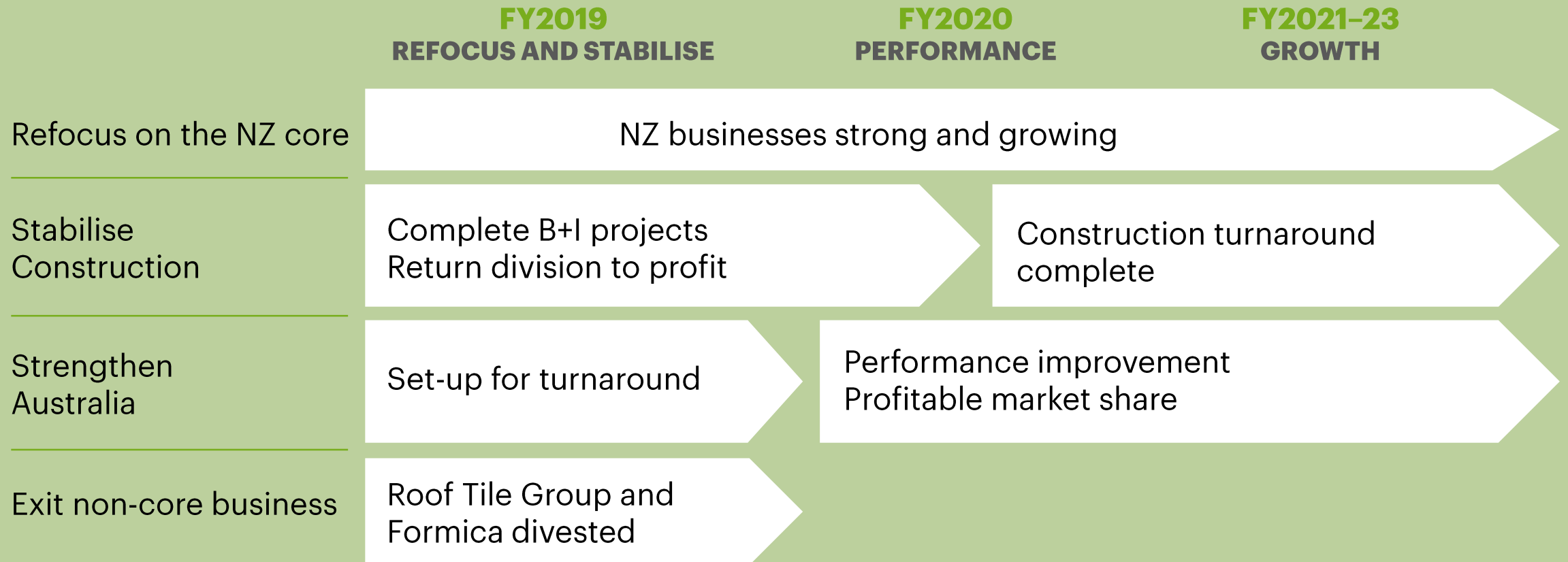


FY2018 reset provides foundation for vision & strategy

Vision	To be the undisputed leader in NZ and AU building solutions – with Products and Distribution at our core					
Where to Play	1. Refocus on the NZ core		2. Stabilise Construction	3. Strengthen Australia	4. Exit non-core businesses	
How to win	Highly engaged and capable people	Simpler and leaner, decentralised operating model	Leading innovation	Disciplined performance improvement	Prioritised capital allocation	Adding infills and adjacencies



Strategy timeframes



Firmly focussed on the future

Residential:

- Flooring solutions in low rise apartments
- Panelisation trials and commercialisation

Distribution:

- Digitisation of customer facing processes
- Launch of Snappy – online hardware supplies

Steel:

- Low carbon paint coating for ColorCote®
- Self-cleaning roof panels through Nano-Coating
- Pre-insulated steel panels

Construction:

- Investments in Higgins – including specialty bitumen

Australia:

- Major Laminex product refresh
- Next generation Tradelink stores and showroom



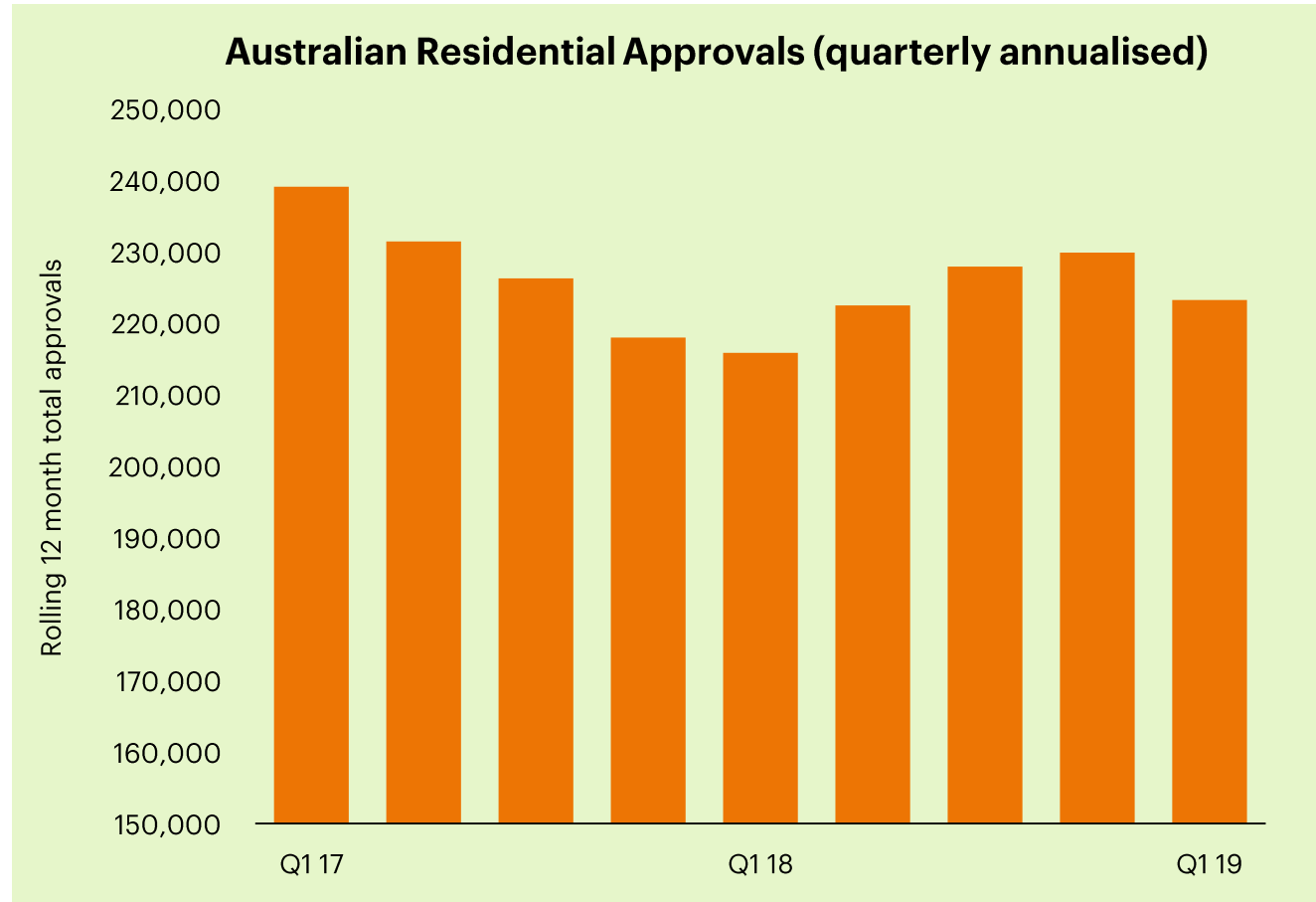
Market outlook – New Zealand

- Residential activity accounts for 44% of Fletcher Building's NZ revenue
- Experienced very strong growth in recent years
- Activity remains robust, especially Auckland, but has plateaued and softened slightly overall
- Residential consents reduced in the first quarter of FY2019 – in line with expectations
- Infrastructure activity solid



Market outlook – Australia

- Residential activity accounts for 40% of Fletcher Building’s Australian revenue
- Activity has recently been at historical peaks of around 230k annual approvals
- Now contracting sharply, particularly in apartment sector
- Other Australian fundamentals are supportive (e.g. employment, migration), however current residential environment is marked by uncertainty and has slowed faster than expected
- Infrastructure far more robust, especially in civil market on east coast



FY2019 year to date trading

New Zealand

- Trading in line with market – flat to slightly down on FY2018
- Fletcher Living house sales volumes lower than expected – longer time to settlement and timing of available stock
- Golden Bay Cement impacted by four week outage of cement mill – \$8m-11m EBIT impact in HY2019
- No change to B+I provisions

Australia

- Team implementing business turnaround strategy
- Challenging trading conditions for majority of businesses as residential sector cools
- Infrastructure-exposed businesses doing better
- Input cost increases continue to put pressure on margins

International

- Formica trading to plan, strong performance particularly in Asia
- Roof Tile Group sold
- Weaker NZD helping translation of earnings



FY2019 guidance

- FY2019 EBIT before significant items expected to be in the range of \$630m to \$680m
- Lower than FY2018 due to impact of:
 - Sharp Australian residential slowdown;
 - Golden Bay Cement mill outage;
 - Reduction in land development earnings to medium term average
- HY2019 EBIT before significant items is expected to be approximately 10% below HY2018 EBIT before significant items (excl. B+I)
 - mainly due to challenging Australian trading conditions and timing of house sales in NZ



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Resolutions and Voting

Fletcher Building Limited
Annual Shareholders' Meeting 2018



Resolutions

- **Resolution 1 – Election of Martin Brydon**
- **Resolution 2 – Election of Barbara Chapman**
- **Resolution 3 – Election of Rob McDonald**
- **Resolution 4– Election of Doug McKay**
- **Resolution 5 – Election of Cathy Quinn**
- **Resolution 6 – Re-election of Steve Vamos**
- **Resolution 7 – Auditor fees and expenses**



Important Information

This presentation dated 20 November 2018 should be read in conjunction with, and subject to, the explanations and views of future outlook on market conditions, earnings and activities given in the 2018 Annual Report and management commentary published on 22 August 2018.

In certain sections of this presentation the Group has chosen to present certain financial information exclusive of the impact of Significant Items and/or the results of the Building + Interiors (B+I) business unit, consistent with previous market guidance. Where such information is presented, it is clearly described and marked with an appropriate footnote. This allows the readers of this presentation to better understand the underlying operations and performance of the Group.

The Group's financial results, including comparative information, have been presented in accordance with the revised divisional structure announced on 21 June 2018.

