

Building Products

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Fletcher Building Limited



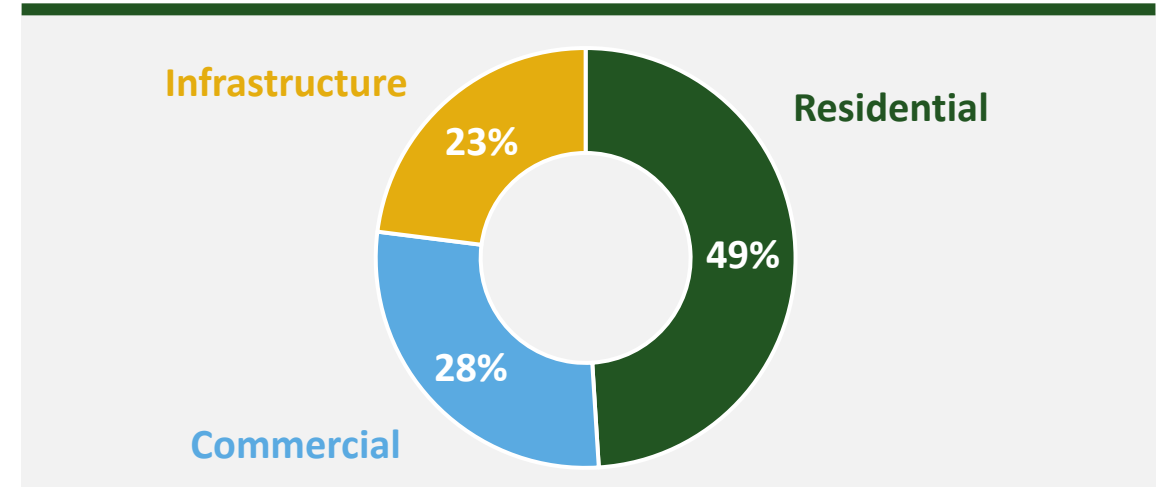
Leading platform for sustainable growth based solutions provider with unrivalled network

- Four **light building products** in-country manufacturing businesses (only manufacturer of plasterboard & glasswool insulation); strong brands & all #1 or #2 market positions
- Balanced **Metals** portfolio consisting of Fletcher Steel businesses including EasySteel, Roofing (PCC & Dimond), CSP, Reinforcing and Cyclone Wire. 50% JV of Altus gives good exposure to extruded windows and industrial aluminium distribution
- **Wood** as emerging sector, plans to continue to expand over next five years, recently acquired Waipapa Pine

Strong, well-known brands

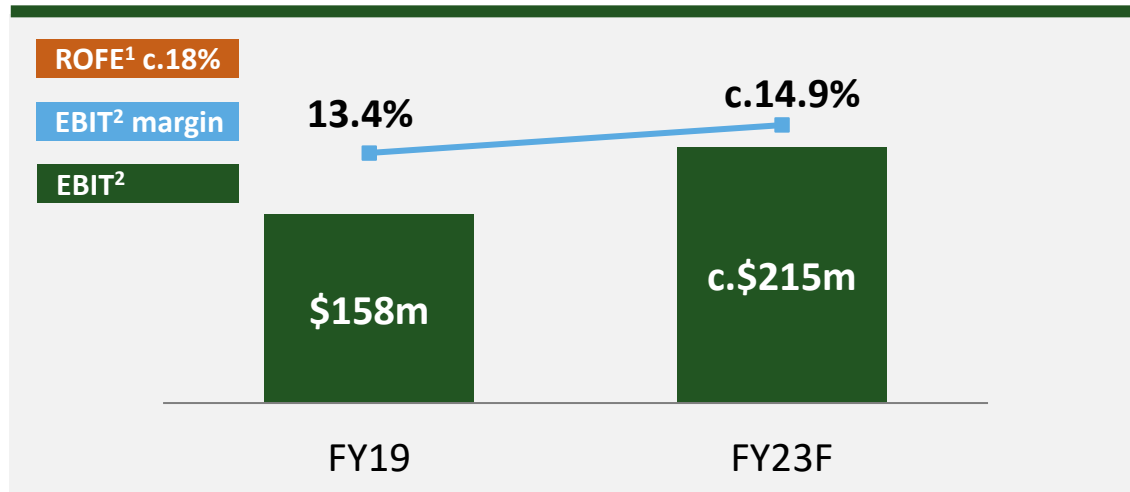
Light Building Products		 BUILDING PERFORMANCE SOLUTIONS	 NEW ZEALAND	 Pipelines
Metals			 Industrial Aluminium & Window Systems	
Wood	 TIMBER PRODUCTS NEW ZEALAND			

Revenue Weighted Sector Exposure¹



Continued investment and performance improvement has division well-positioned for sustained TTC performance

Key financial metrics



Non-financial metrics

SAFETY	CUSTOMER	ENVIRONMENT	PEOPLE
3.0 (TRIFR ³)	49 (NPS)	75% (PRODUCTS SUSTAINABLY CERTIFIED)	41 (eNPS)

Top performing businesses with strong attributes

- # 1 / 2 market positions, **strong market share**
- **Top quartile margin performance**
- **Plant / activity cost base strongly positioned against local & international competition**
- **Product & service proposition provides competitive advantage**
- H1 **Building Code changes** providing growth in some areas of residential
- **Product embodied carbon favourably positioned** against benchmarked competitors
- **TRIFR average top quartile** across these businesses
- Continued YoY **improvement on customer NPS**
- Top quartile industry staff engagement with **eNPS above 40**



Continued investment and performance improvement will support medium term performance ahead of larger organic investments commissioning

CUSTOMER

- **Best-in-class service** standard set by WWB and Comfortech
- Customer & employee experience improvements with **expanded digital ordering solutions**
- Lower embodied carbon product offerings in roofing giving customers real choice
- Delivery management (real time) progressively rolling out across the brands over 3 years

NEW PRODUCTS & SERVICES

- **Market share gains** & more **product innovation** post WWB Tauriko plant opening
- Building code changes increasing **volumes** through Comfortech
- Revitalising NZ shed offer via Dimond & ecomm solution rollouts across Steel
- Broadened civil range and new rainwater solutions in Iplex



Tauriko WWB plant – project on track & budget, plasterboard production trials commenced 15 May 23

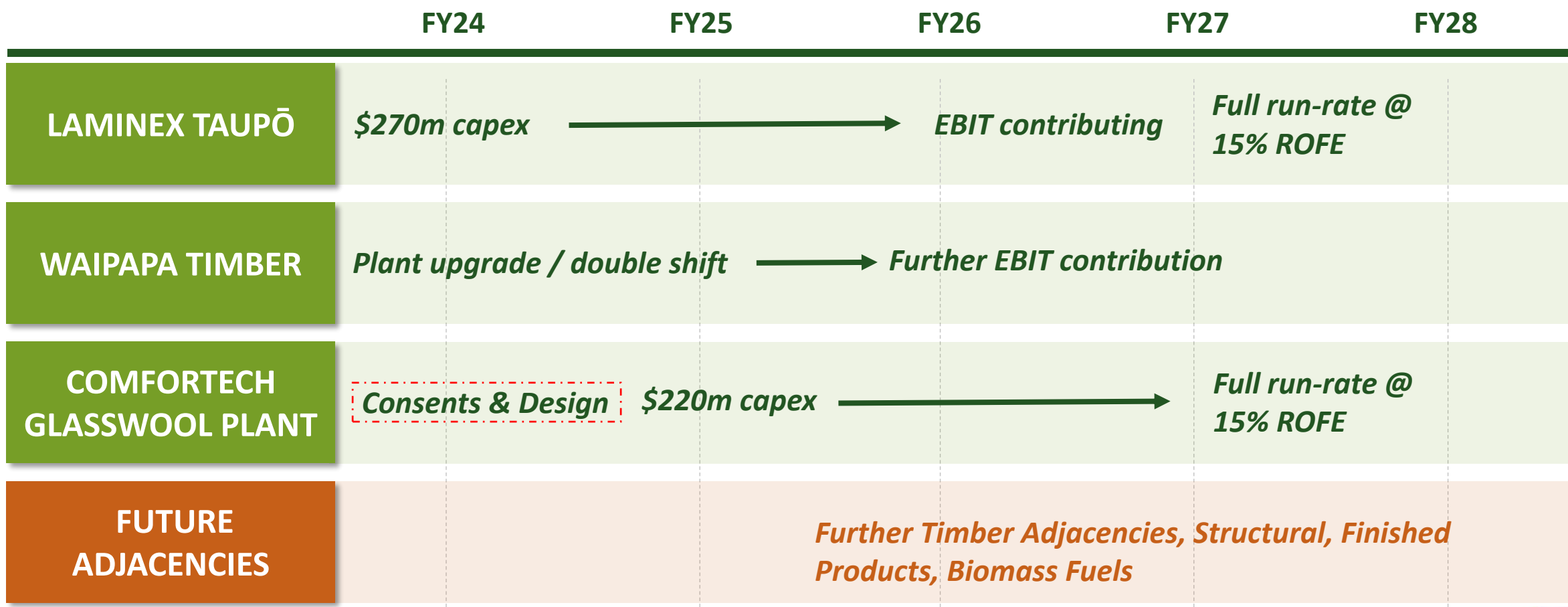
How we drive WWB's performance



- ***Market-leading direct to site service model***
- ***Adding 30% in-country production capacity, easily supporting existing demand & providing significant future capacity***
- Increased ability to innovate on products, by allowing for better formulation optionality & changeover speeds
- Onsite warehousing combined with improved cross dock facilities enabling continued customer service capability enhancements
- Onsite Finished product warehousing equivalent to c.25 sales days. Nationally c.55 sales days
- Overall, 13% reduction in CO₂ emissions upon commissioning with additional options to reduce a further 30% with investment
- Waste plasterboard recycling facility – up to 10% recycled material feed back into the process; zero manufacturing trade waste



Growth opportunities through organic adjacencies & disciplined M&A give the division a longer term growth trajectory



Waipapa Timber transacted 9 Jun 23, post OIO approval; Year 1 earnings c.\$12.5m EBIT



Driving performance at Waipapa

- Integration planning & execution with focus on people, safety and customers
- Retention of the Vendors in the business for 12 months to facilitate knowledge transfer and drive operating performance. The earn-out metrics are well aligned between Vendor interest & Fletcher growth targets
- Bolster relationships with Northland community including log supply, community, and local customers
- Increase customer service with focus on order to delivery process to support volume growth
- Extend current shift pattern from early 2024 to deliver an extra 15% capacity
- With planned investments we are aiming to increase the volume within the first three years. Requires additional people to support a two shift pattern and c.\$25m of capital in order to remove constraints
- Any volume above existing customers demand can be flexed to PlaceMakers branch network, renewable fuels has additional growth opportunities



Medium term portfolio outlook

TTC RESILIENCE

- FY24 margins expected to track slightly lower towards mid-cycle levels
- Focused on pricing disciplines & manufacturing efficiencies
- Businesses have the ability to flex down further if market softens but equally if volumes are there, then well positioned to outperform

MEDIUM TERM PERFORMANCE

- Manage transition to WWB Tauriko supply & deliver new products
- Optimise Comfortech stock holdings through building code change for more insulation requirements
- Continue to execute on Laminex and Steel digital solutions
- New products continually launched across the portfolio FY24/25

GROWTH

- c.\$12.5m EBIT from Waipapa in FY24
- c.\$500m growth capex committed for Comfortech and Laminex; ROFEs @15% with full run-rate EBIT from FY27

Strong market positions with strong capex programme adding to EBIT and margins over the medium term

