

Distribution

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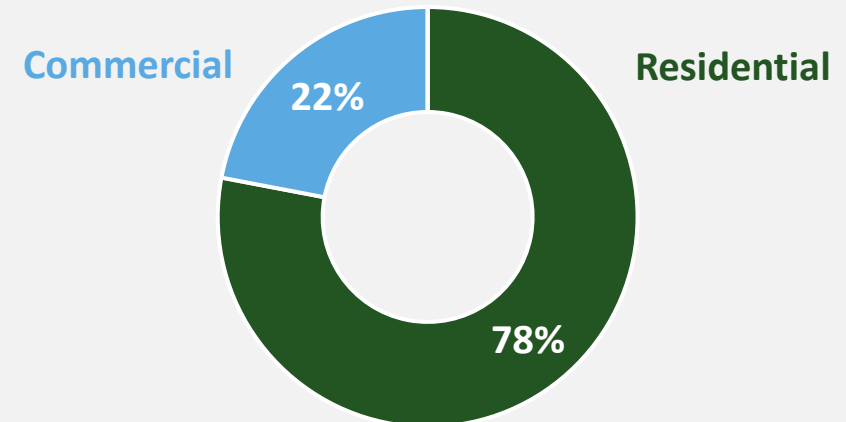
Leading trade distribution businesses in New Zealand

- **A leading national distributor** of building & plumbing supplies via trusted & respected brands: **PlaceMakers, Tumu HB & Mico**
- Supported by our leading timber PlaceMakers & Tumu **frame & truss manufacturing** operations across New Zealand
- **Primarily targeted at trade customers** across the SME, commercial and national customer segments

Strong, well-known brands

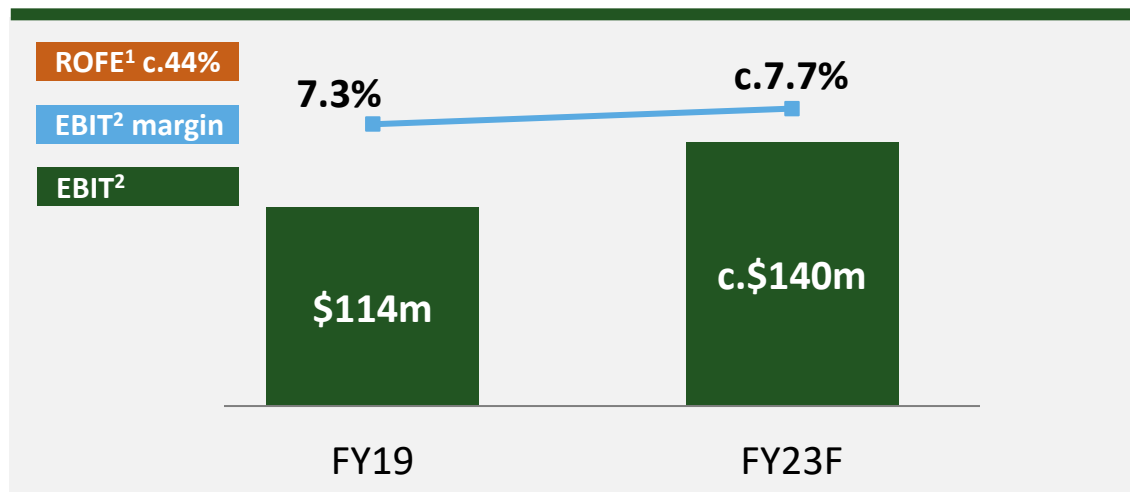


Revenue Weighted Sector Exposure¹



Well-positioned for through-the-cycle performance

Key financial metrics



Non-financial metrics

SAFETY	CUSTOMER	ENVIRONMENT	PEOPLE
5.2 (TRIFR ³)	30 (NPS)	70% (Waste diverted from landfill)	30 (eNPS)

Strong customer connections

- **#1 or #2 market positions** held by each of our businesses
- **Strong EBIT margin performance**
- Offering a **market-leading customer experience** in DIFOT, track & trace delivery and a truly seamless omni-channel experience
- Deep customer connections, leading technical knowledge & strong grass roots presence through **leading respected brands**
- **Strategically positioned across the key metro markets, with strong regional presence**, to diversify sales & earnings risk
- **Strong pricing disciplines & capability** to recover inflation
- **Effective cost management**, driven through ongoing workforce optimisation & network configuration (established hubs) to drive scale efficiencies

1. ROFE (Return on Funds Employed) calculated based on closing funds; FY23F

2. Before significant items; FY19 is adjusted for proforma IFRS16 to allow like-for-like comparison

3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. 11 months ended 31 May 23



Performance will be driven by relentless customer focus, supported by ongoing efficiency improvements to deliver higher margins

CUSTOMER

- **Best in class customer support** – underpinned by customer centric leadership
- **Capability build of our sales & support teams** – Sales & Service Transformation and advanced data & analytics across our businesses
- **Highly efficient frame & truss operation**, key to market share and margin uplifts

NETWORK OPTIMISATION

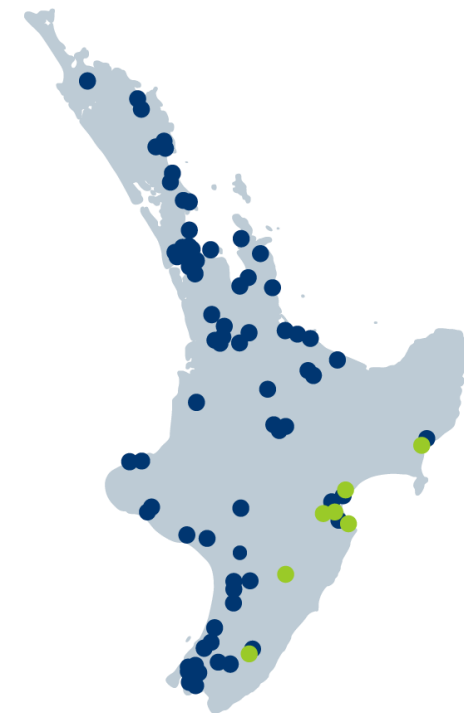
- **Store format optimisation** including introduction of smaller formats as part of ongoing innovation of the best from offshore markets
- **Market leading fulfilment** through digitisation of end-to-end supply chain, with distribution hubs in key strategic locations & direct-to-site delivery by manufacturers



Successful integration of the Tumu Hawkes Bay acquisition

Successful integration of Tumu, with expected FY24 ahead of business case

- Acquired six Tumu branches and a frame & truss plant in Sep 22
- Successfully integrated the business and its c.200 staff into the Distribution division – focusing on:
 - Retaining key talent in the team & maintaining a strong team culture
 - Retaining our key customers, through great service & tracking of customer performance
 - Delivering strong EBIT, particularly given the weather events in the region in 2H23; well-positioned for growth
- Expected FY24 EBIT & EBIT margin ahead of our acquisition business case



● PlaceMakers,
F&T & Mico sites



Network gaps filled in East Coast on North Island



Growth opportunities for market share gains through automation, efficiencies & digital

	FY24	FY25	FY26	FY27	FY28
PLACEMAKERS & TUMU	<i>Sales & Service transformation, best in class customer service</i>				
	<i>Network format optimisation</i>		<i>Optimised network/DC fulfilment/densification</i>		
PLACEMAKERS FRAME & TRUSS	<i>New automated frame & truss plant driving volumes & share of wallet to grow market share</i>				
MICO	<i>Driving turnaround through ongoing digital platform upgrades & network performance</i>				
DIGITAL OPPORTUNITIES	<i>Digital transformation with advanced data analytics, automation, and real-time decision making support</i>				



Investment in automated frame & truss manufacturing driving efficiencies and new capability



Continuing to invest in our future

- Investment in a new automated frame & truss plant centred in Auckland
- Technology & automation enabling greater efficiency and new product innovation in margin-accretive segments
- Safer operating environment for our people
- Improved product quality in dimension & tolerance, synergies with offsite manufacturing
- Increased capacity enabling capture of increased share of wallet on balance-of-house customer spend
- Targeting FY25 as Year 1 of operation



Distribution division well-positioned for TTC performance, and continuing to drive growth & margin expansion

TTC RESILIENCE

- Strong financial performance, with growing EBIT margins & strong ROFE
- Disciplined pricing methodologies & capability to offset inflation
- Relentless customer-centric focus

MEDIUM TERM PERFORMANCE

- Profitable network expansion / optimisation & investment in growth corridors
- Ongoing innovation in customer-focused digital solutions to support full omnichannel experience

GROWTH

- PlaceMakers' automated frame & truss manufacturing
- Network optimisation of market leading brands, formats & locations

Sustainable customer centric earnings growth through efficiencies, automation and digital to deliver ongoing EBIT margin expansion

