



Fletcher Building Investor Day May 2021

Hamish McBeath
CE, Building Products

26 May 2021

Agenda

1. Introduction, Fletcher Building Overview	Ross Taylor
2. Group Financials	Bevan McKenzie
3. Safety	Wendi Croft
4. Building Products	Hamish McBeath
5. Concrete	Nick Traber
6. Distribution	Bruce McEwen
7. Residential and Development	Steve Evans
8. Construction	Peter Reidy
9. Australia	Dean Fradgley
10. People, Innovation and Sustainability	Claire Carroll
11. Concluding Remarks and Q+A	Ross Taylor



- Appointed CE of the Building Products Division in June 2019. Prior to this, he was CE of the Steel Division
- Having risen through the business from shift manager, Hamish has deep operational knowledge of our manufacturing plants, supply chains and customer

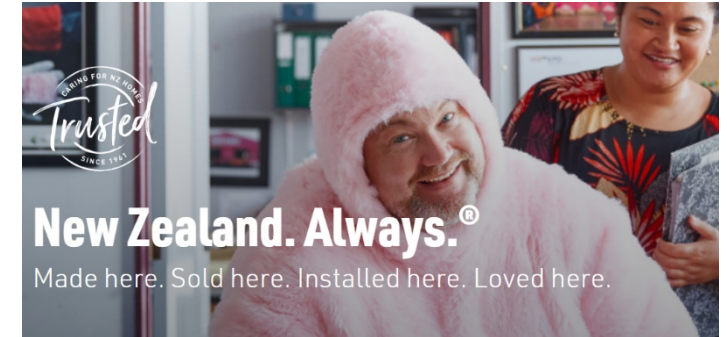


Building Products

The leading New Zealand building products solutions provider

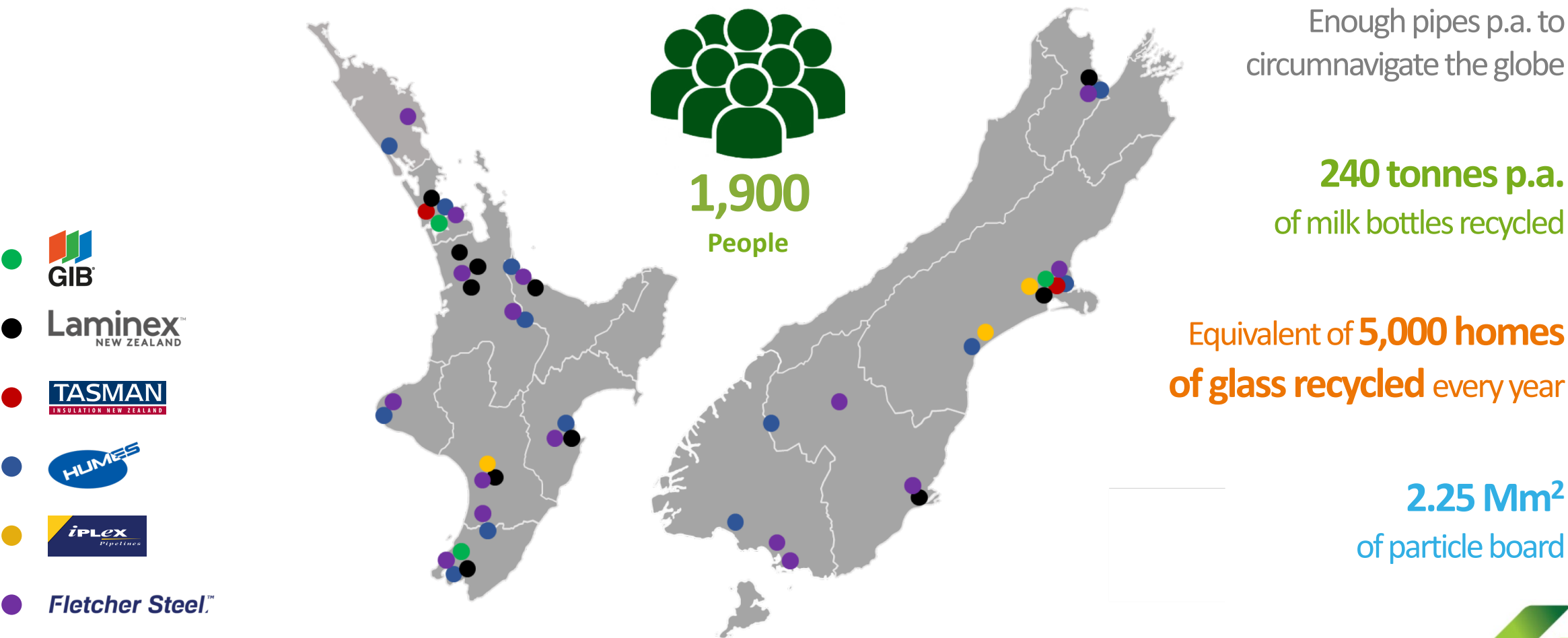
- ➔ Market leading building products brands for the finishing trades with world leading technical product knowledge
- ➔ Integrated value chain in pipes, servicing a wide range of customers
- ➔ Balanced portfolio of Steel businesses holding No. 1 or No. 2 position across its categories

	Business Unit	Overview
Products		<ul style="list-style-type: none">Winstone Wallboards is NZ's only manufacturer and distributor of plasterboard and drywall systems under the iconic GIB® brand
		<ul style="list-style-type: none">Laminex NZ provides a range of decorative surfaces and panel products. It manufactures particle board and low pressure laminated products and distributes a range of products including Strand board, Formica HPL and Caesarstone
		<ul style="list-style-type: none">TINZ is New Zealand's only manufacturer and distributor of glass wool insulation under the Pink Batts brand. Supported by a nationwide installer network trading as Pinkfit
Pipes		<ul style="list-style-type: none">Humes is a manufacturer of concrete pipes, precast concrete products and a distributor of drainage products and solutions via its 14 distribution sites
		<ul style="list-style-type: none">Iplex is a manufacturer of plastic pipe, offering a broad range of products / solutions for the civil, rural, plumbing, energy and communication sectors
Steel	Fletcher Steel™	<ul style="list-style-type: none">Portfolio of businesses, operating under the umbrella of Fletcher Steel, includes EasySteel; Pacific Coilcoaters; Dimond Roofing; Fletcher Reinforcing; CSP Pacific; and Fletcher Wire Products



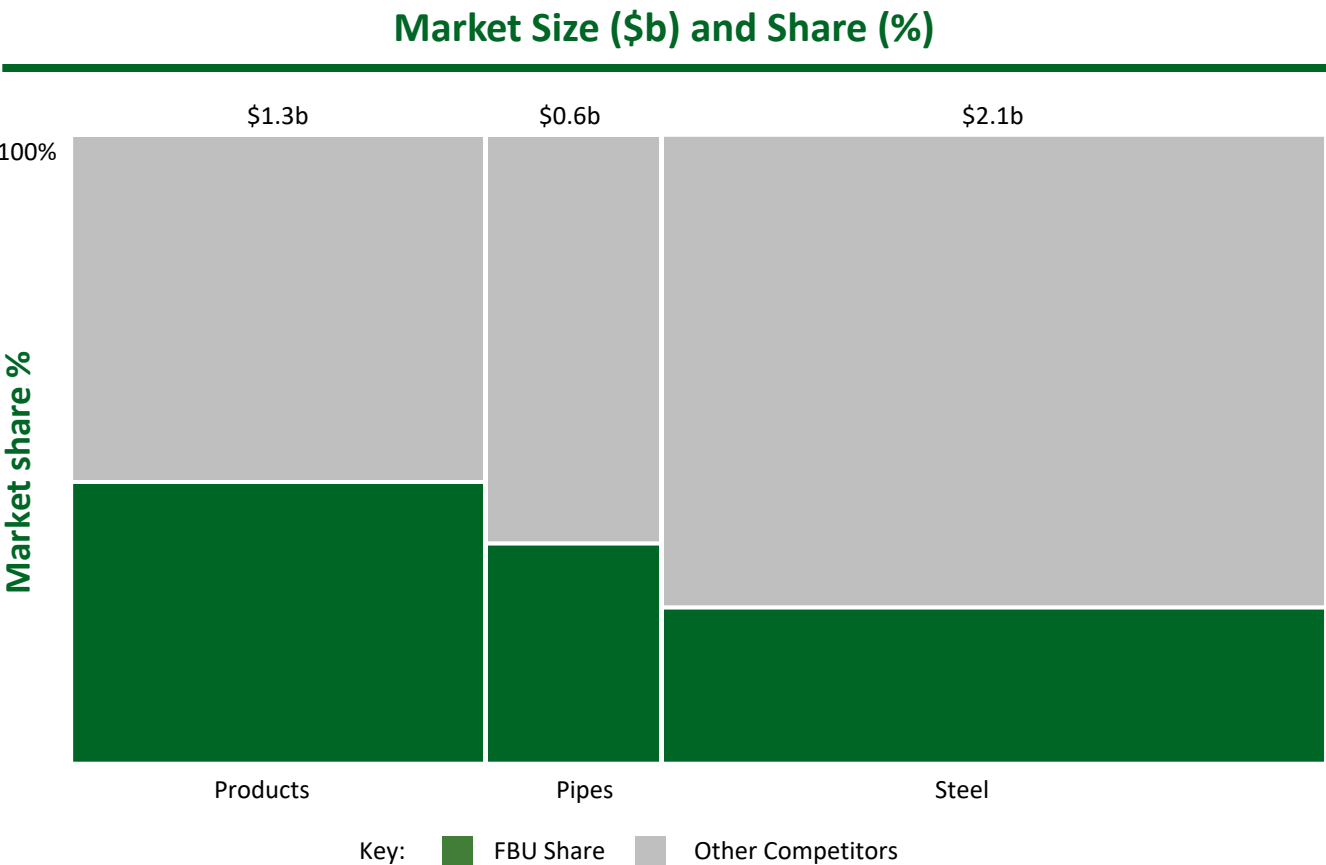
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We have an unrivalled network across New Zealand

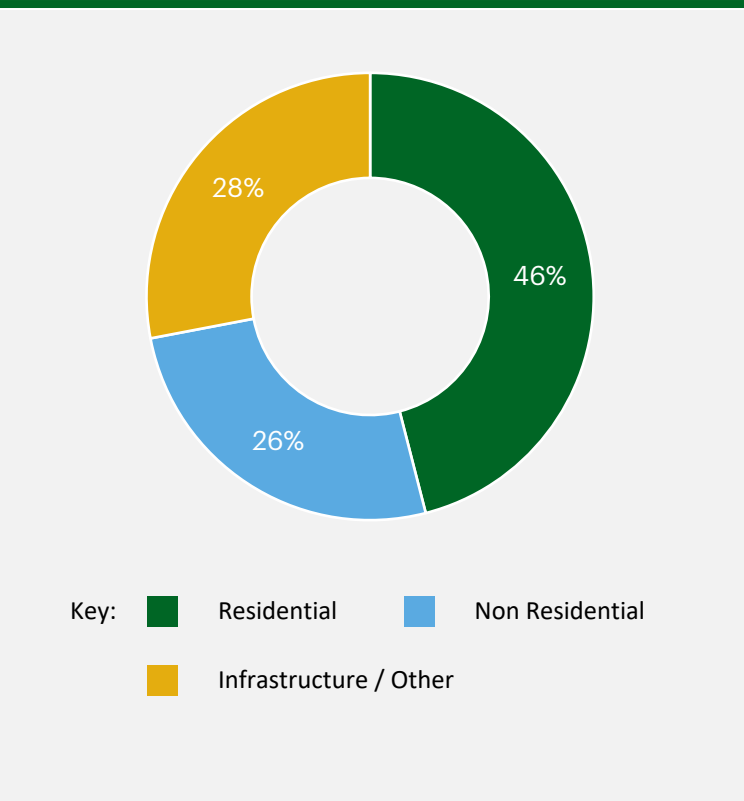


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Leading market positions across the building products, pipes and steel verticals



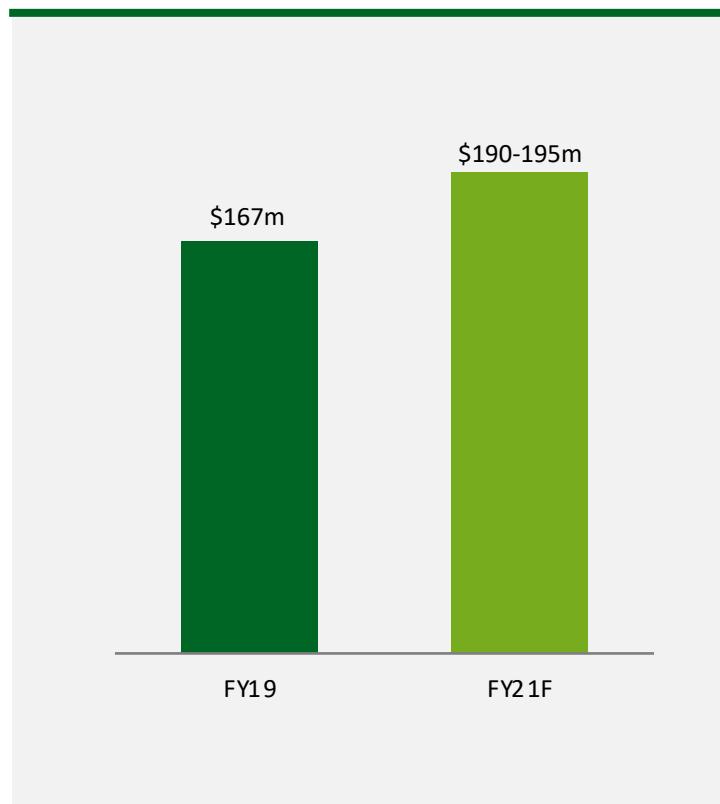
HY21 Revenue Weighted Sector Exposure



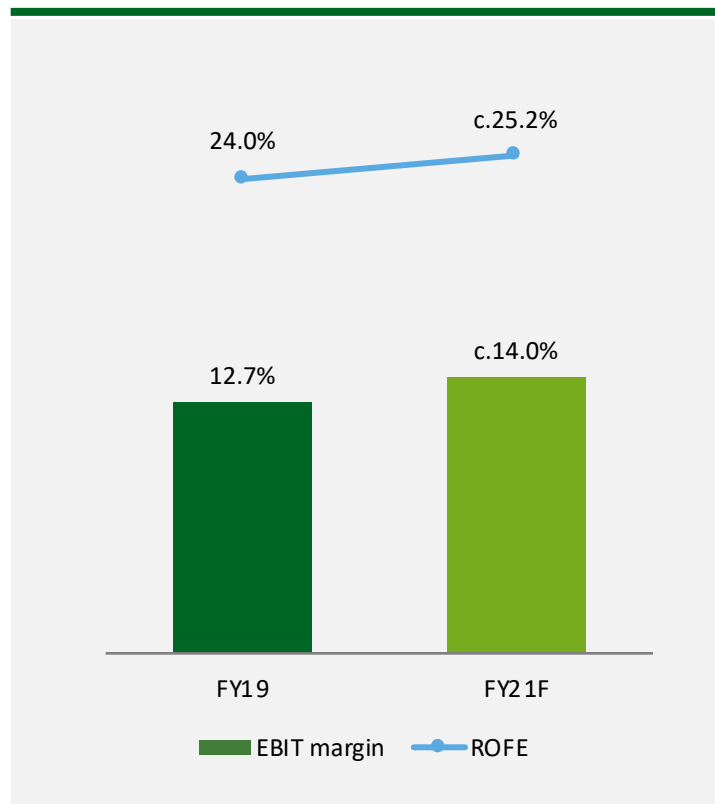
Building Products

Business strategies and cost bases reset, c.14% EBIT margin sustainable

EBIT (\$m)¹



EBIT Margin¹ (%) and ROFE² (%)



Key Non-financial Measures

	FY19	YTD21
TRIFR ³	6.4	7.6
NPS	35	46
Engagement	72%	73%
Carbon ('000t) ⁴	62	50



Building Products

Investing in the foundations for future growth

Market leading
customer
solutions and
services

Lowest
delivered cost

Economic
performance
of each
business in
industry top
quartile

Leadership in
innovation,
sustainability,
and growth via
disruption

Automation

- Automation of manufacturing and supply chain

New product development

- Products – Weatherline, Barrierline, expanded commercial insulation offer
- Pipes – rainwater, PE long-run and coiling solutions, expansion into new segments with existing products
- Steel – solar profiles, EV charging solutions

Innovation

- Continued development and expansion of digital capability, providing greater customer intimacy
- Commenced work on broader gypsum board range to optimise new Tauriko plant capability post commissioning

New ventures

- Dedicated team funded in FY22 and FY23 to identify and execute on medium-term growth adjacencies



Building Products

Strong focus on efficient sites and new product development

Lowest delivered cost

Leadership in innovation, sustainability, and growth via disruption

Automation of manufacturing and supply chain















- TINZ Bagger and Bag Placer
- Productivity improvement ~7%



- Laminex LPL Rainbow Packer
- Sorts, stores and restacks LPL sheets into rainbow packs
- Allows customer orders to be consolidated, lowering cost to serve and increasing throughput

Programme of new product development – Laminex

	FY21 Actions in Progress				FY22				FY23			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Benchtop/Counter tops		Alucci HPL EBC 	Caesartone update 	Laminam update 		Compact Colorcore 	HPL Renovation 		CONFIDENTIAL			
							Q3					
Panels (cabinetry, walls, partitions, furniture, doors)	Woodgrain 			Laminam Update 	Melleca Update 	Premium 25mm 	CONFIDENTIAL	ESC cabinetry 	CONFIDENTIAL	Acrylic Gloss 	CONFIDENTIAL	CONFIDENTIAL
Building products						EO Particle board 		CONFIDENTIAL	CONFIDENTIAL	CONFIDENTIAL	CONFIDENTIAL	
Facades									CONFIDENTIAL			



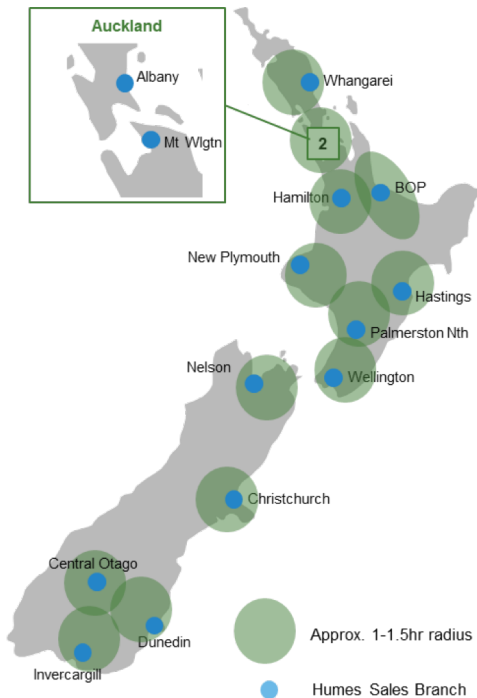
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A simplified distribution business and a low cost, efficient manufacturing footprint

Lowest delivered cost

FY21

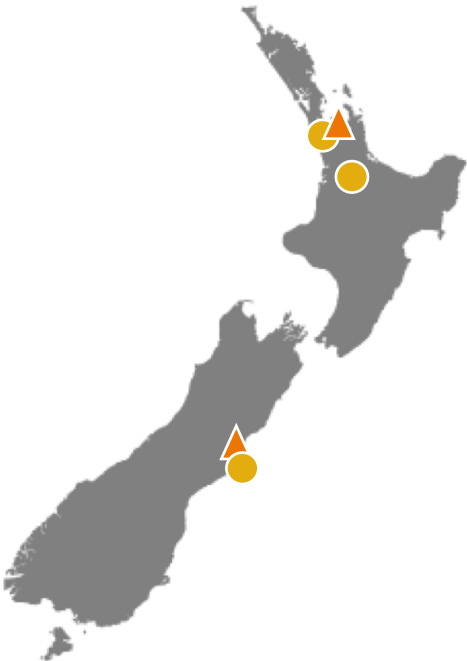
14 Distribution Sites



- Consolidating North Island pipe manufacturing
- Expanding operational footprint in Papakura
- Upgrading plant equipment to automate processes

FY23

▲ 2 Pipe Manufacturing Plants ● 3 Precast Sites



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Steel well-positioned for ongoing share gain

Market leading customer solutions and services

Lowest delivered cost

Economic performance of each business in industry top quartile

Leadership in innovation, sustainability, and growth via disruption

Best-in-class manufacturing

- Upgrade of PCC ovens commencing FY22. Will generate improved operational efficiencies, product offerings and significant reduction in carbon emissions c.50%
- Plant modernisation programme across Reinforcing, Dimond and Easysteel processing sites continued

Category review

- Have rebalanced our categories, with an improved cost to serve focus, introduced specialist product roles
- Adding new product solutions in roofing and infrastructure

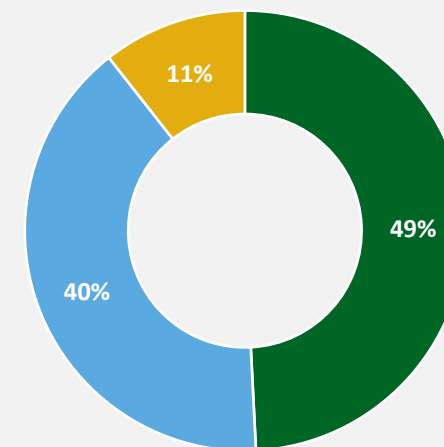
Network optimisation

- Closed two sites in the South Island and moved to a new purpose-built site in Wellington
- National footprint optimised to provide short lead-time, local availability on core products

Service focus

- Developing digital solutions that are in line with customers' needs and reduce cost to serve
- Fletcher Steel NPS of 43 for FY21 YTD

EBIT Weighting FY21F

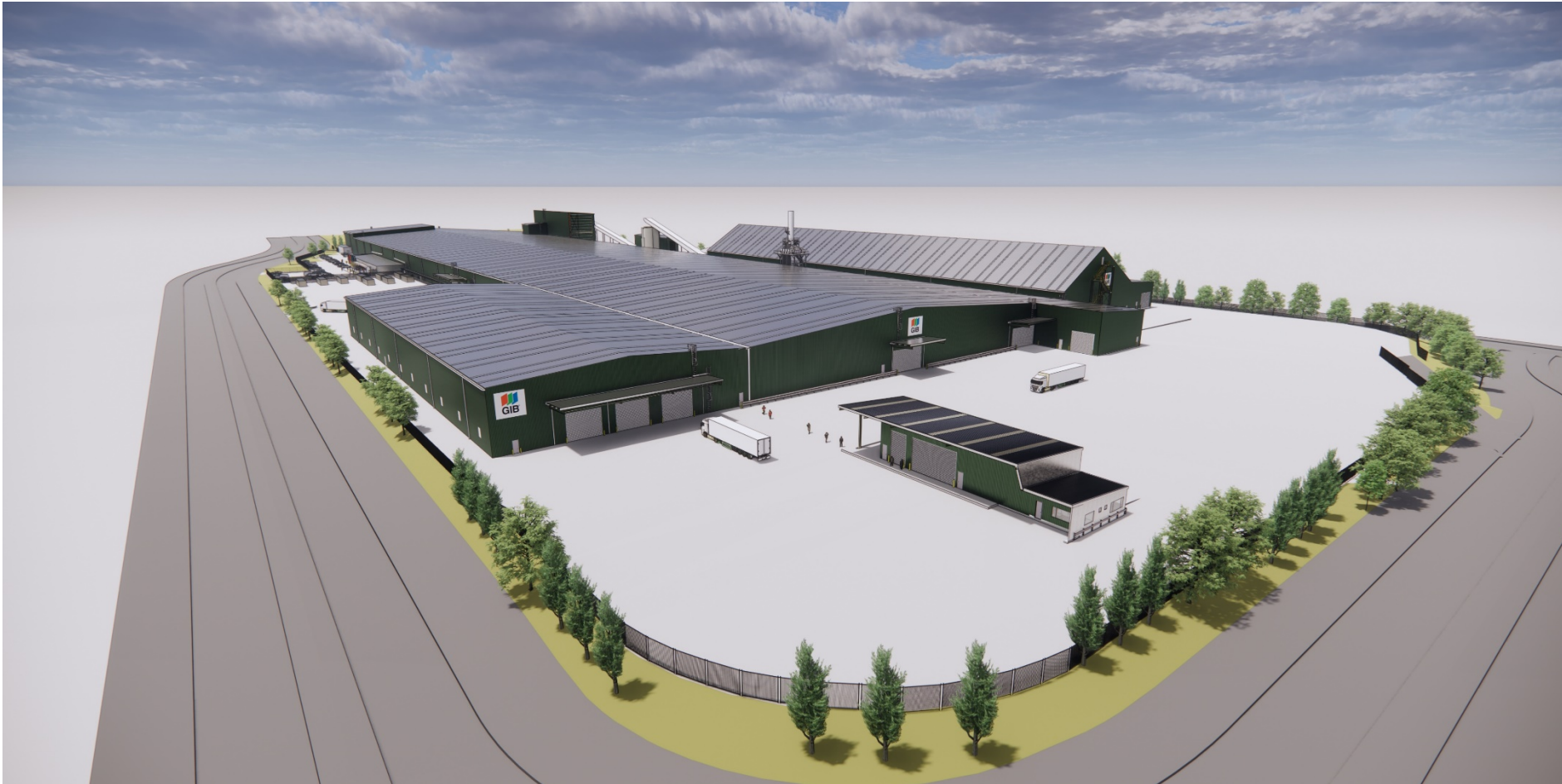


Key: ■ Roofing ■ Distribution ■ Infrastructure



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Winstone Wallboards investment delivering capacity and innovation



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Closing summary

- Business strategies and cost bases reset
- Strong focus on modern, automated manufacturing plants to drive operational efficiency
- Good programme of NPD aimed at broadening our addressable market
- Opportunities to push into adjacent sectors to deliver medium-term growth

Significant improvement in performance, maintaining EBIT margin at c.14% sustainable at current activity levels



Questions

