1. Near-term profit growth

We expect FY22 EBIT of c.$750m, with an FY23 target for a $100m+ uplift (assuming a broadly flat market)

FY22F EBIT[1] by Division ($m)

Building Products	c.$210m
Distribution	c.$135m
Concrete	c.$125m
Australia	c.$115m
Residential and Development	c.$215m
Construction	c.$30m
Corporate	c.$(65)m
Intercompany eliminations (new WWB plant)	c.$(15)m
Group	**c.$750m**

2H22F EBIT Margin **c.9.5%**

FY23 EBIT[1] Target

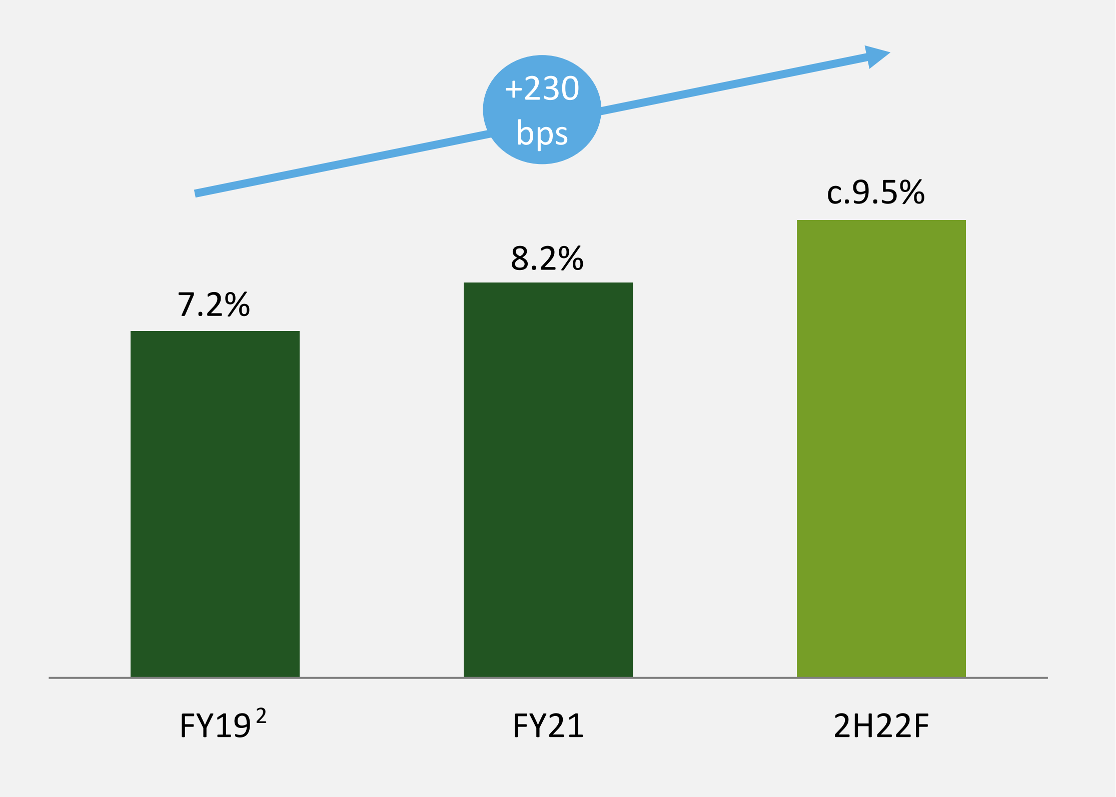
- FY23 target is for $100m+ uplift in Group EBIT (vs. FY22F)
- Key assumptions:
  - Broadly flat market activity in FY23 (vs. 2H22F)
  - c.10ppt lower margins in residential development (vs. FY22F)
  - c.$20m of Industrial Development business EBIT (vs. $48m in FY22F)
  - c.$75m of corporate costs, including $15m of additional opex for the Digital@Fletcher Foundations ERP project

1. Before significant items

2. Margin

EBIT margin has improved by 200bps (vs. FY19), driven by cost-out, improved pricing and revenue mix

Group EBIT[1] Margin (%)



Key levers driving improvement over FY19-22

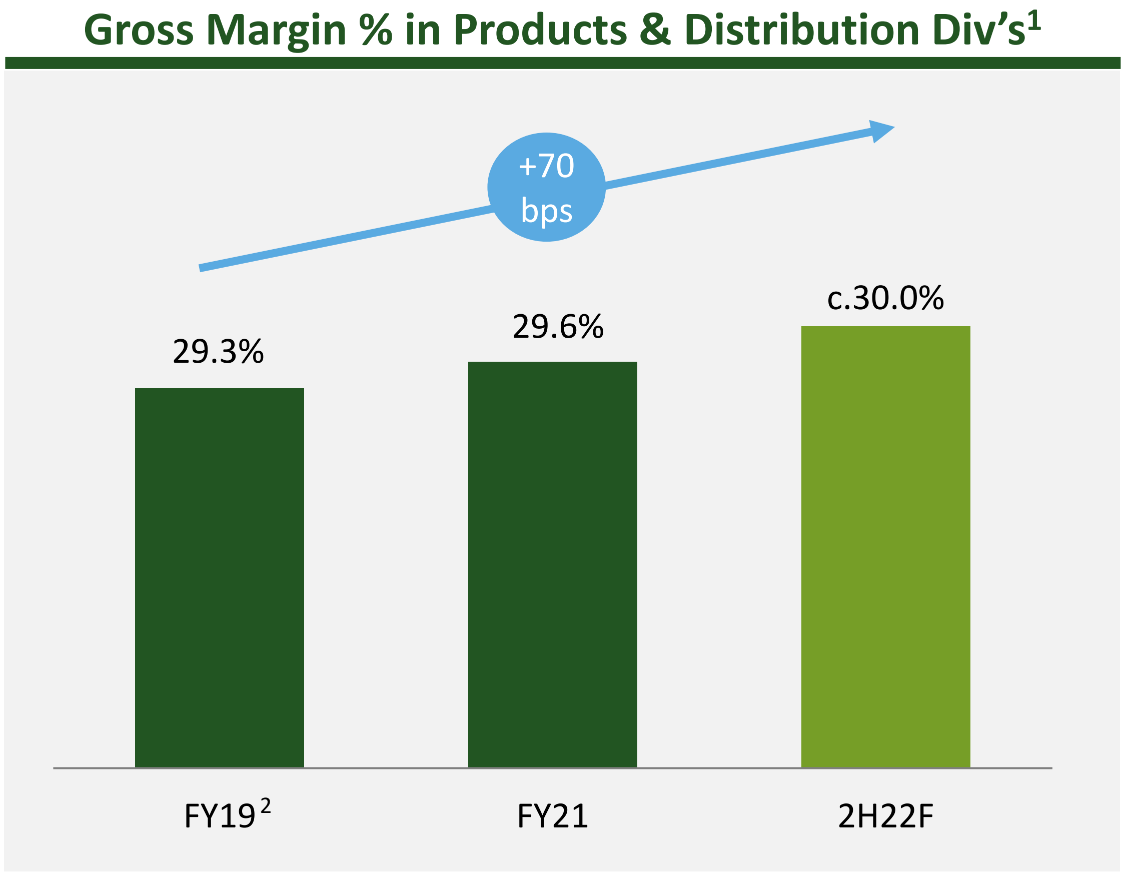
- **Cost-out:** Gross cost reduction of >$250m, focused particularly on supply chain and overheads
- **Efficiency:** c.$100m investments in manufacturing rationalisation and automation across the period
- **Pricing:** Improved segment-based pricing and management of rebates / discounts, driving improved gross margin
- **Revenue mix:** Growth in accretive segments across the products, distribution and residential businesses

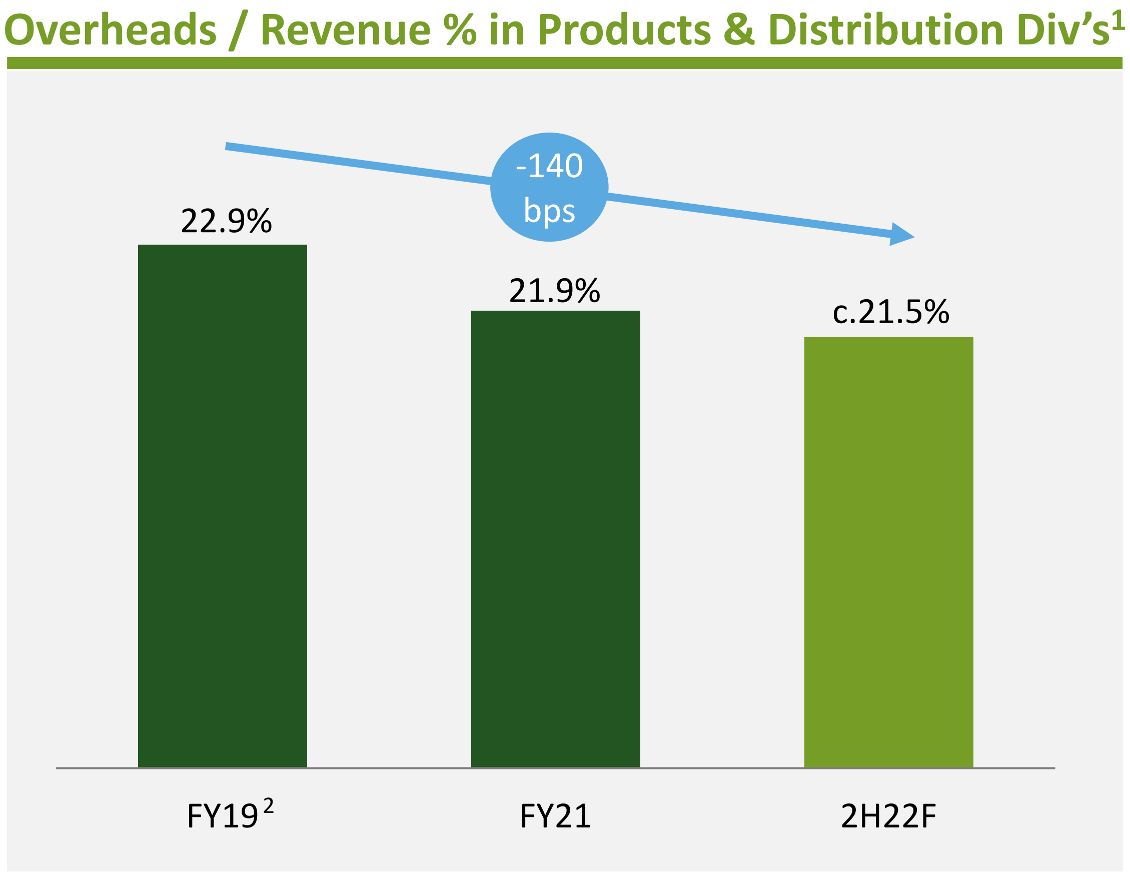
Note: FY19 included $57m of Industrial Development EBIT (vs. nil in 2H22F). FY19 EBIT margin excluding Industrial Development is 6.6%

1. Before significant items
2. FY19 is a pro forma number adjusted for discontinued operations and IFRS16 to allow for like-for-like comparison

2. Margin

Price effectiveness and cost efficiency have been key drivers of margin improvement



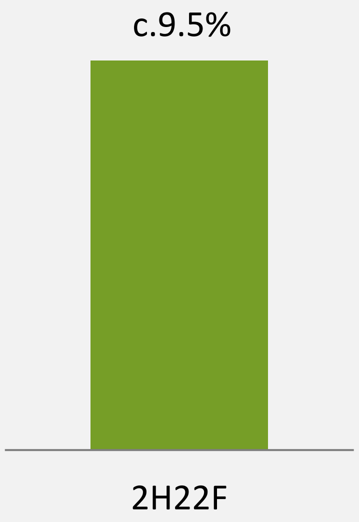


1. Building Products, Concrete, Distribution and Australia
2. FY19 is a pro forma number adjusted for discontinued operations and IFRS16 to allow for like-for-like comparison

2. Margin

Targeting 100-200bps of further EBIT margin expansion at current activity levels; 9-10% target at mid-cycle

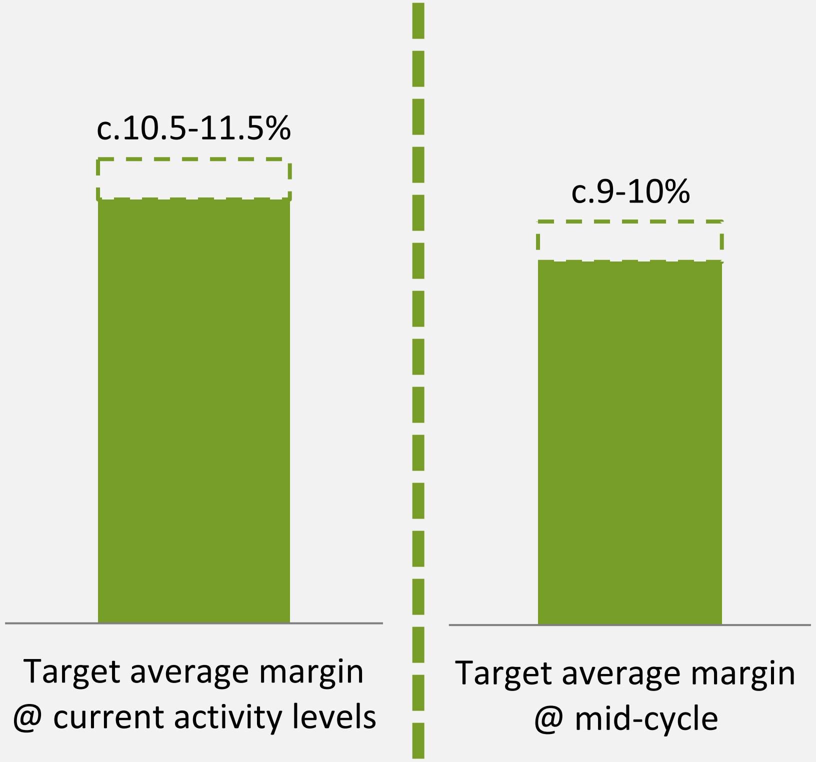
Current EBIT[1] Margin (%)



Drivers of Margin Expansion

Growth in margin-accretive **NZ segments** (i.e. materials, distribution, & residential development)	**+50-100 bps**
Improved performance in **Australia** EBIT[1] margins from c.4.5% to 6-7%	**+25-50 bps**
More focused & profitable **Construction** business	**+25-50 bps**

Medium-Term Target EBIT[1] Margin (%)



1. Before significant items

2. Margin

Fletcher Construction order book well-placed to deliver 3-5% margins, with two legacy projects to complete

Fletcher Construction

- Committed forward order book of $3.1b
- Underpins c.80% of FY23F revenue
- Focus on NZ civil infrastructure: roading, marine, airports & water. Strong forward pipeline of investment in these sectors
- Order book is predominantly low-to-medium risk contracts; larger infrastructure projects are contracted under alliance model
- Gross margins >10% and EBIT margins 3-5% (excl. legacy projects)
- Two legacy projects to complete:
  - Puhoi to Warkworth motorway: 2023 completion; currently negotiating claims settlements including for COVID-related delays
  - International Convention Centre: 2025 completion

Waikato Expressway

3. Investment

‘Base’ capex of $200-250m p.a. to support underlying business; focus is on digital, efficiency & sustainability

‘Base’ Capex: $200-250m p.a.

Maintenance

- **$150-175m p.a.** to maintain current asset base
- Compares to underlying depreciation[1] of $165m p.a. in FY22

Digital

- **$25-50m p.a.**
- Acceleration of improvements to ERP systems data & analytics and customer-facing eCommerce tools

Efficiency & Sustainability

- **$25-50m p.a.**
- Focus on cost reduction & carbon emissions reduction

Note: Base capex does not include new WWB plant remaining spend of $100-125m in FY23

1. Excludes Right-of-Use Depreciation

3. Investment

‘Above base’ growth capex of c.$500m over FY23-25, mainly on organic investments into NZ adjacencies

‘Above Base’ Growth Capex: c.$500m over FY23-25, targeting ROFE ≥ 15% and $75m+ of EBIT uplift at maturity

- c.$500m of investment in product & network adjacencies over FY23-25
- Current pipeline is mainly organic, focused on New Zealand:
  - Wood-fibre based panel products
  - Glasswool insulation expansion (building code change)
  - Aggregates resource & low-carbon cement binders
  - Distribution network and Frame & Truss expansion
- Targeting ROFE ≥ 15% at mid-cycle activity levels
- Margins expected to be accretive to 9-10% mid-cycle target
- Will continue to explore additional opportunities in NZ & AU

1. Excludes Right-of-Use Depreciation

3. Investment

Residential Development investment based on through-the-cycle metrics, with sensible capital allocation

Residential Development Business: Investment Approach and Resilience

Disciplined approach to investing for growth

- Land pipeline secured to deliver growth to c.1,400 units in FY25
- Focusing on strategic locations which make sense through-the-cycle
- Investment hurdle is ROFE > 15% and EBIT margins of 15-20%+

Business model has built in resilience to softening NZ house prices

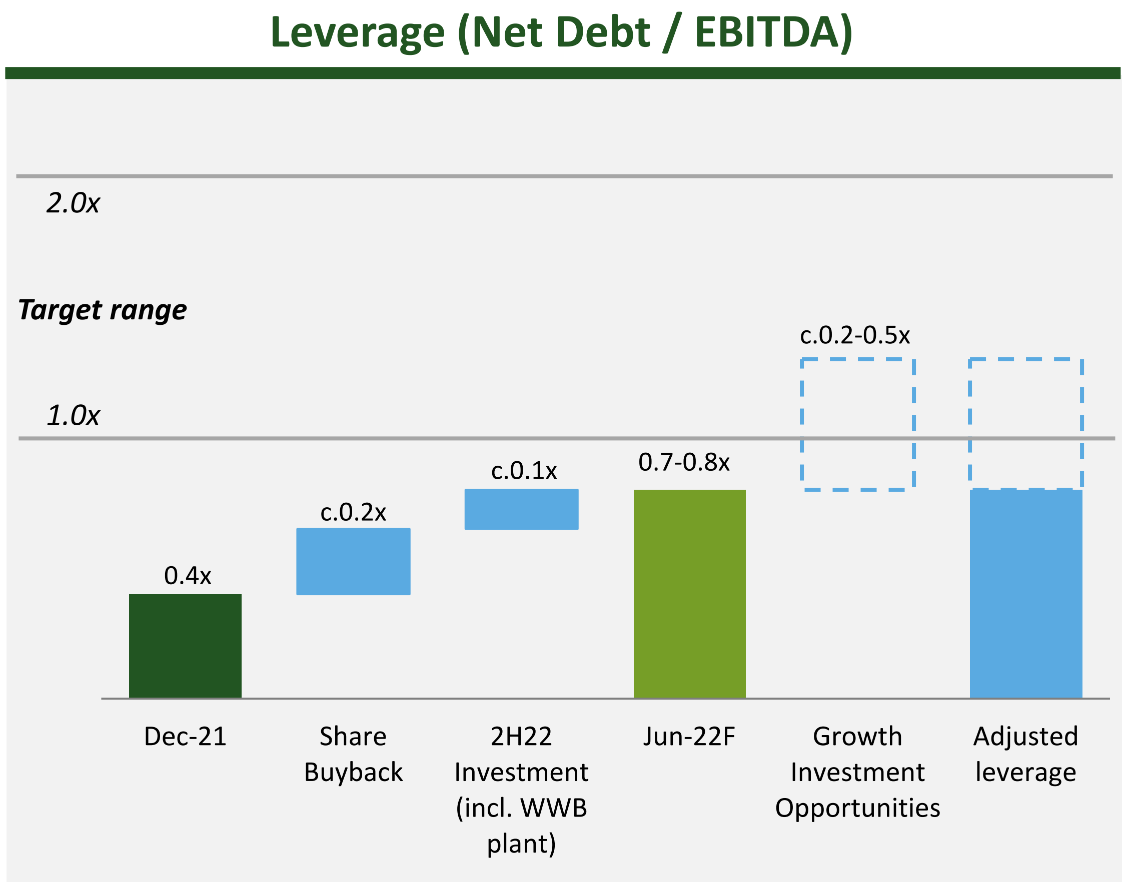
- Value-add from: attractive locations that make sense through the cycle; efficiencies of building at scale; targeting a lower-to mid price point; flexing housing typologies
- Market value of current land independently assessed at c.$350-400m higher than book value of c.$400m – i.e. c.2x higher than book

Sensible capital allocation vs. balance of Group

- Growth in Residential Development achieved whilst maintaining sensible limits on investment – will remain less than 20% of Group funds

4. Financial position and returns

We expect to operate at the lower end of our target leverage range – resilient balance sheet settings

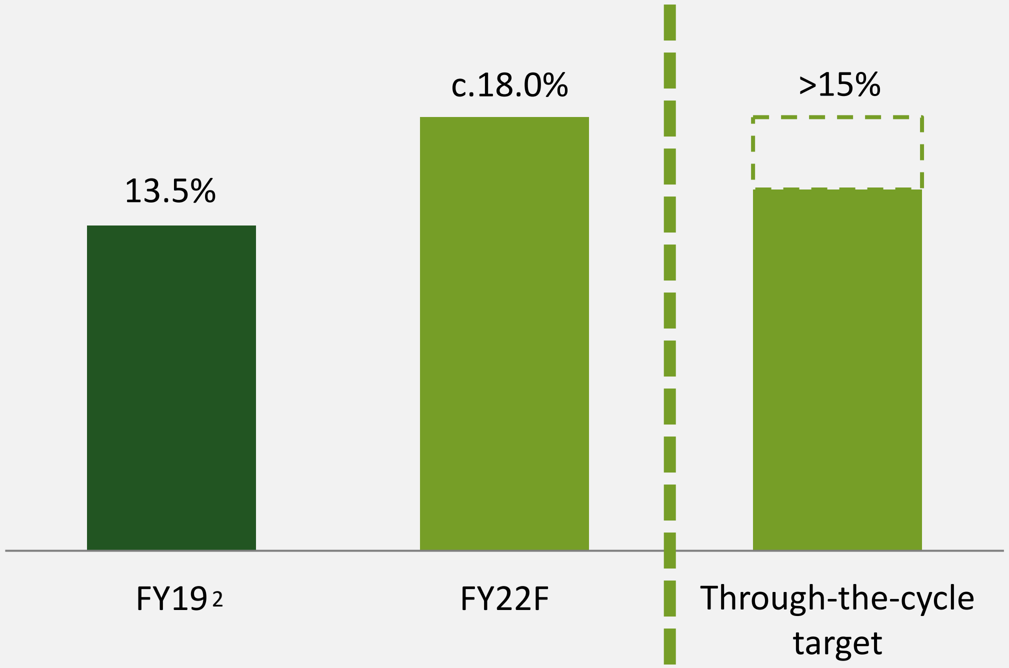


- Strong balance sheet to support growth investments
- Investments may lift the Group's leverage by c.0.2x to 0.5x over the FY23-25 period – with a lag between capex and earnings for organic opportunities
- The Group will maintain a preference for relatively conservative balance sheet metrics to ensure resilience through any economic cycle
- The Group expects to continue to operate at the lower end of our target leverage range in the medium-term

4. Financial position and returns

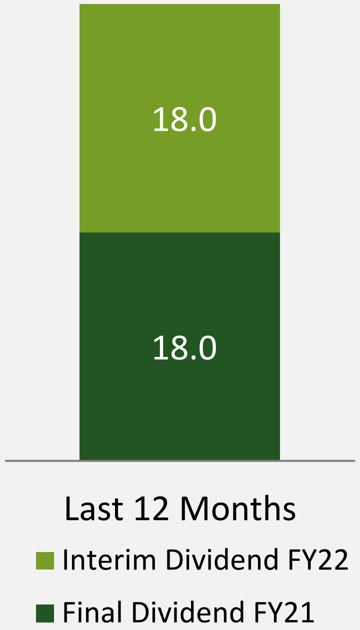
Material improvement in ROFE; strong and sustainable shareholder returns

ROFE[1] (%)



Returns

Dividends (cps)



Share buyback

41.2m

shares repurchased for

$275m

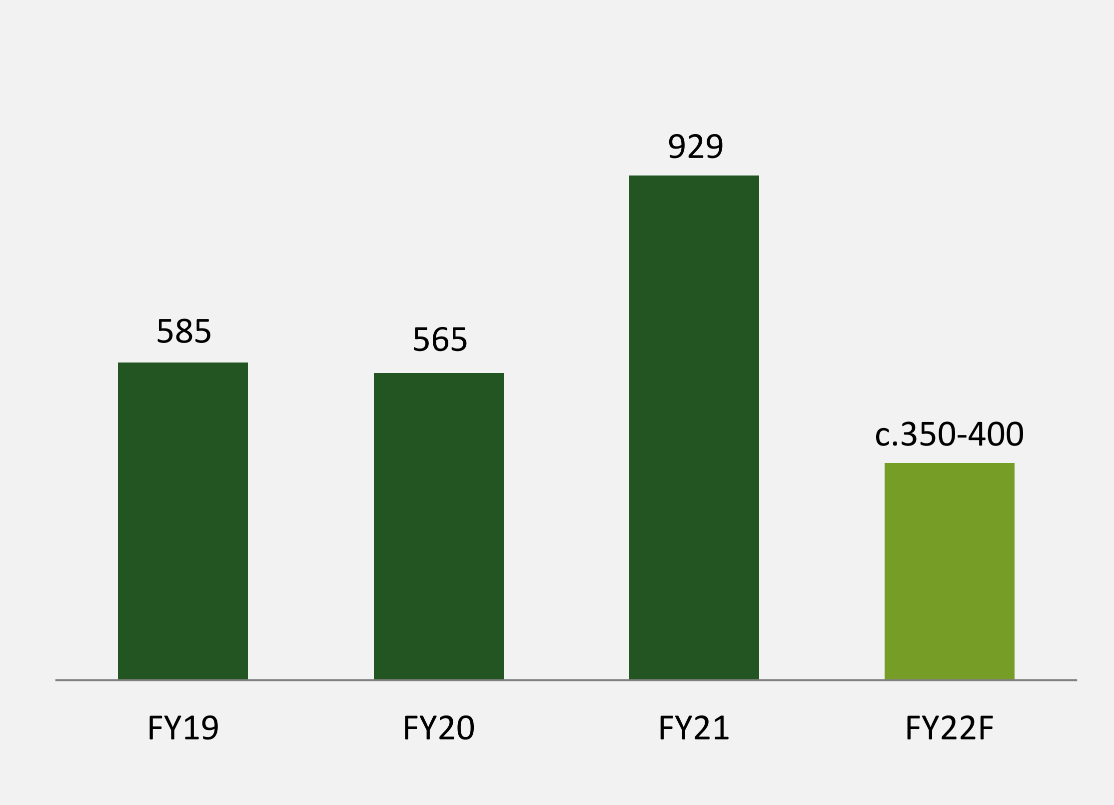
completed in May-22

1. Return on Funds Employed (ROFE) is EBIT to average funds (net debt and equity less deferred tax asset)
2. FY19 adjusted for IFRS 16 to allow like-for-like comparison

4. Financial position and returns

Shareholder returns supported by underlying trading cash flows

Underlying Trading Cash Flow[1] ($m)



- c.$2.5b of total underlying trading cash flow in FY19-22F
- FY22F trading cash flow lower on investments in inventory
  - Draw-down of stocks in FY21
  - Investments in FY22 to support customer service levels in disrupted supply chain environment
- In FY23, we expect broadly stable working capital levels in the products and distribution divisions

1. Trading Cash Flow = EBITDA less Lease Principal Payments & Lease Interest Paid plus / minus Working Capital Movements. Underlying trading cash flow excludes FCC Legacy cash flow and Significant Items
2. Working capital cycle for products and distribution divisions

5. Market outlook – summary

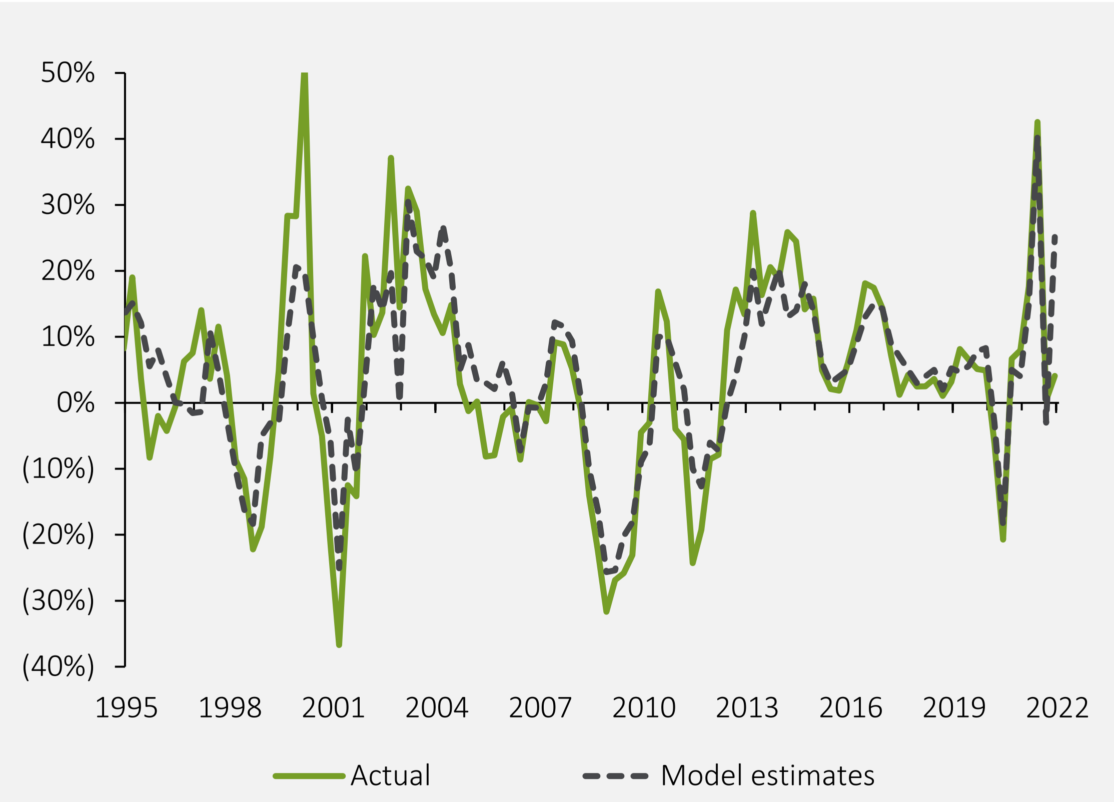
Current volumes strong; backlog to support activity over next 12-18 months

- Current trading volumes in the business remain strong
- Demand is running ahead of industry capacity to build in residential, particularly in New Zealand
  - NZ residential consents of c.50k p.a. are 20-30% above capacity
- Backlog of residential activity in NZ and Australia, as well as a solid pipeline of non-residential work, are likely to support robust market volumes over the next 12-18 months
  - FBU FY23 earnings guidance is based on the assumption of a broadly flat market compared to the second half of FY22
- Market outlook for FY24 and beyond has a heightened degree of uncertainty
  - Focus on ensuring operating disciplines (especially pricing & cost management) remains strong, ensuring we can adapt to any market softening
  - Balance sheet settings strong and resilient to any economic cycle

5. Market outlook – macroeconomic impact

Given heightened macro uncertainty, we asked Deloitte to look at the relationship between key economic variables and activity in our markets – and to provide an independent view of the medium-term outlook

Model Example: NZ Residential WPIP

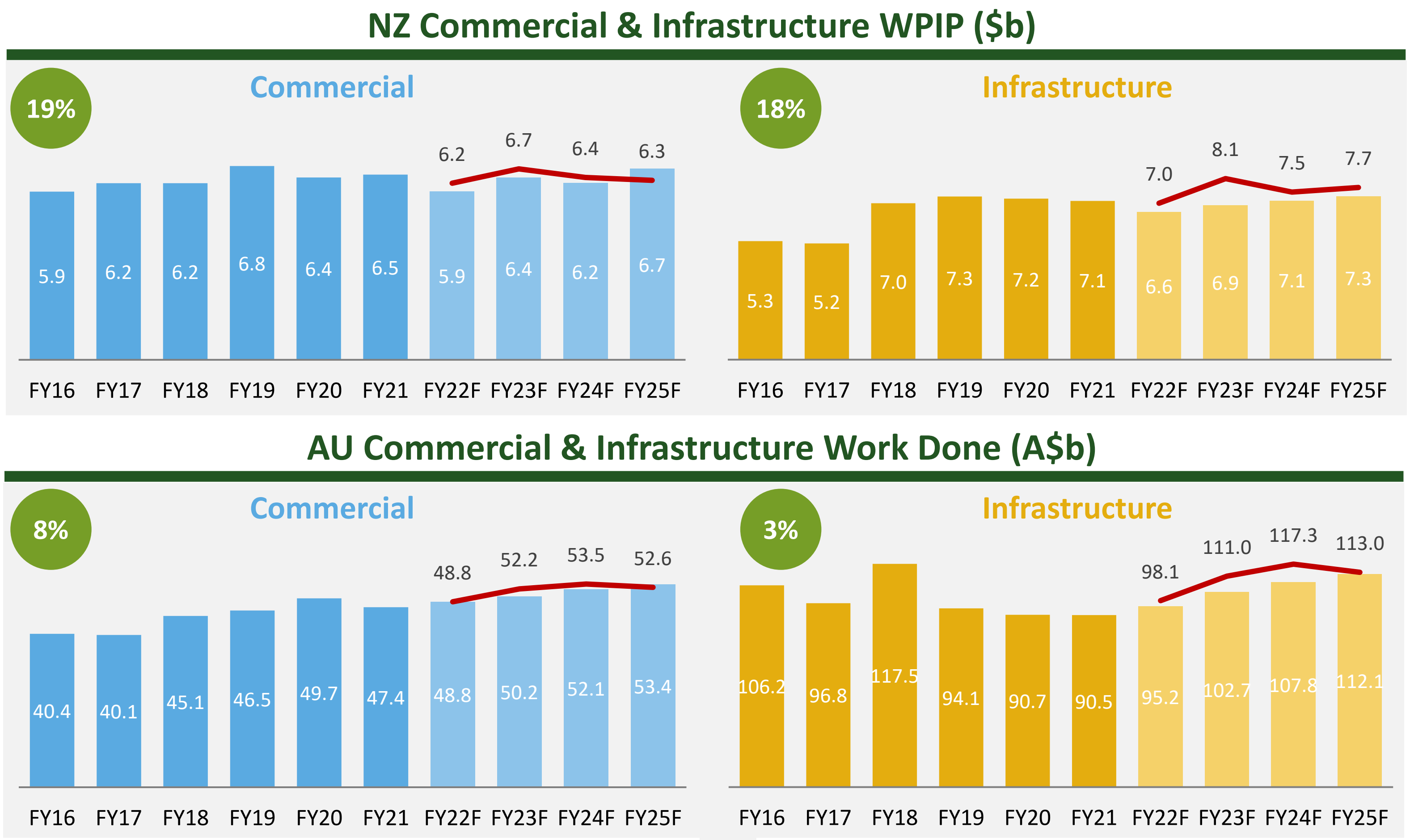


- Deloitte Access Economics' model draws on movement in key economic variables, notably:
  - Inflation
  - Employment and household disposable income
  - Mortgage rates
  - House prices
  - Population growth
  - Public and private investment
- Across all FB markets (i.e. residential and non-residential, NZ and AU), Deloitte established strong historical relationships between movement in these variables and work put in place (WPIP) in NZ or work done in AU
- Deloitte has provided FB with a view of WPIP / work done for FY23-25F, based on its outlook for key economic variables in NZ & AU

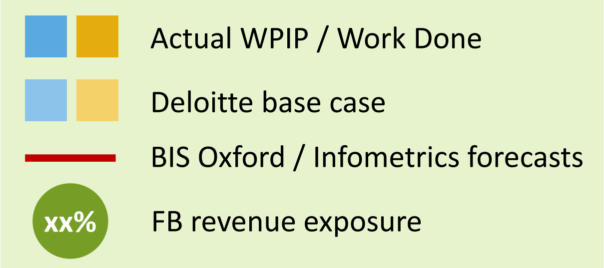
Note: The analysis was conducted on 9th May 2022
Source: Deloitte Access Economics

5. Market outlook – non-residential NZ & AU

NZ & AU non-residential are 45-50% of FB's market exposure. Pipeline of work expected to be solid



- ➔ Non-residential activity is expected to remain supportive over the medium-term, driven in particular by public sector investment
- ➔ Outlook is for flat to slightly higher activity (in real terms) vs. 2H22F
- ➔ Infometrics / BIS Oxford and Deloitte forecasts are broadly aligned

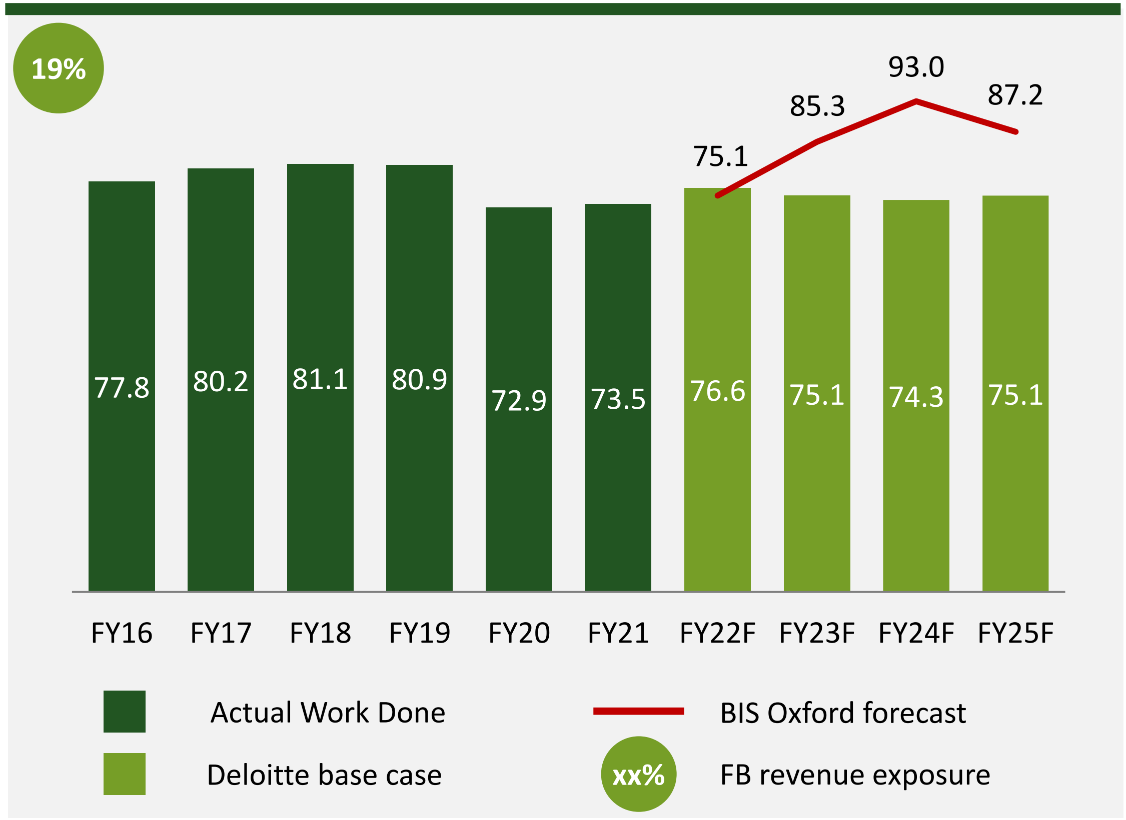


Note: WPIP = Work Put In Place
Source: BIS Oxford Economics (May-22) for AU – 2019/20 prices; Infometrics (Apr-22) for NZ – 2009/10 prices

5. Market outlook – residential AU

AU residential activity is currently at an average of the past five years – material near-term backlog and solid outlook

AU Residential Work Done (A$b)

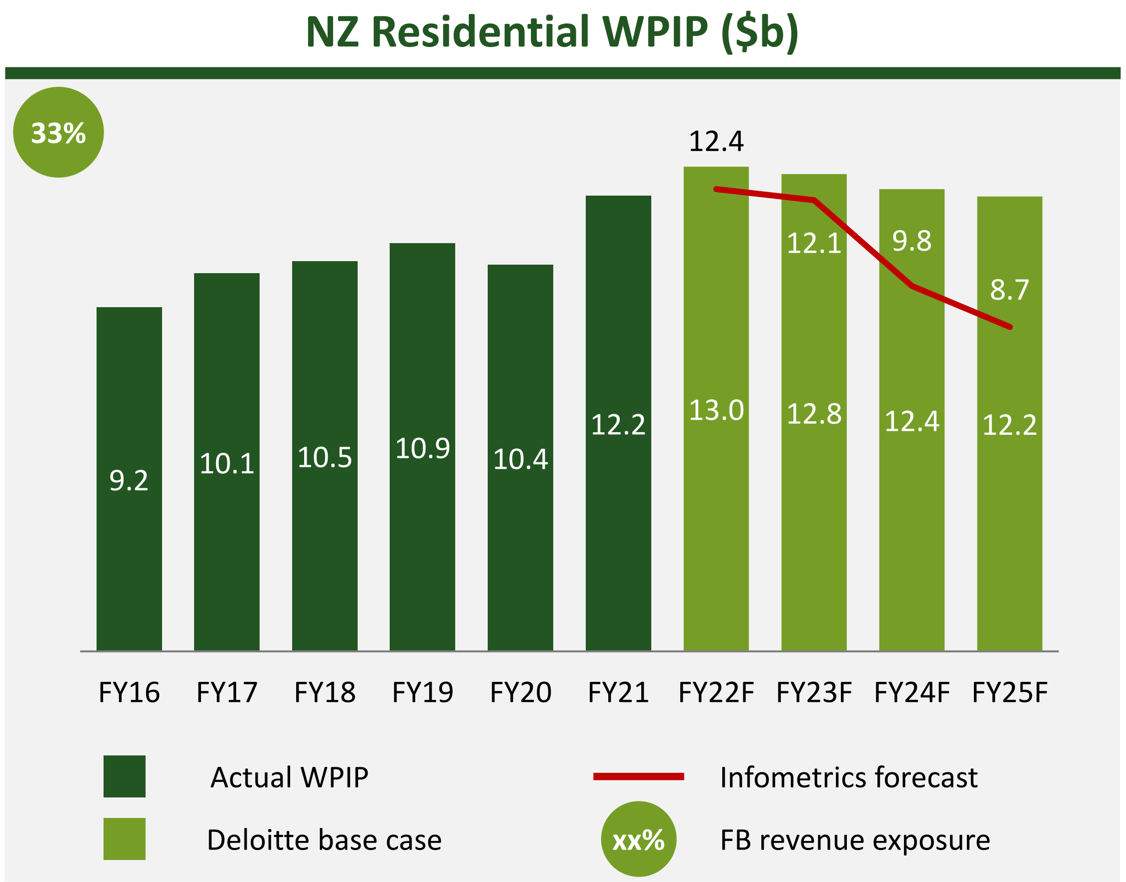


- AU residential activity is currently at an average of the past five years
- Recent levels of consenting, plus disruptions to activity in the past 12 months (e.g. COVID, supply chain and floods) are expected to support market volumes through FY23
- BIS Oxford's current forecast appears bullish on the medium-term outlook. Deloitte Access Economics' forecast is pointing to a roughly flat market

Source: BIS Oxford Economics (May-22) – 2019/20 prices

5. Market outlook – residential NZ

NZ residential currently at capacity – backlog likely to support next 12-18 months; FY24 softening expected



- Current consenting levels of c.50k p.a. are c.20-30% above industry capacity to build
- This backlog is likely to support market volumes at or around current levels over the next 12-18 months
- Stats NZ analysis shows that the proportion of new dwelling consents cancelled has historically been ~2-7%
- Infometrics & Deloitte Access Economics both forecast a softening in NZ residential activity from FY24
- Deloitte is slightly more optimistic (vs. Infometrics) on medium-term outlook
- FB bases its through-the-cycle targets on NZ residential volumes being at c.15-20% below current activity – equating to c.30k p.a. of housing completions

Source: Infometrics (Apr-22) for NZ – 2009/10 prices
WPIP = Work Put In Place

Summary

We will drive ongoing performance and growth – building a sustainably better, more resilient business

01

Significant near-term profit growth

FY22F EBIT c.$750m

FY23 EBIT target $100m+ growth

02

Plans and runway for further margin improvement

Medium-term targets:

+100-200bps in a flat market

9-10% through-the-cycle

03

Established pipeline of growth investments – primarily organic

c.$500m growth capex over FY23-25

Disciplined investment approach in residential development

04

Strong enduring financial position and returns

Leverage at lower-end of 1-2x range

ROFE ≥ 15%

05

Well-positioned for macro trends and any economic cycle

Scale in-country operations in NZ/AU

Industry backlog supports next 12-18 months

Note: EBIT and margin are before significant items

Questions