

## Agenda

1. Building for tomorrow	Ross Taylor / Bevan McKenzie
2. Building Products	Hamish McBeath
3. Distribution	Bruce McEwen
4. Concrete	Nick Traber
5. Australia	Dean Fradgley
6. Residential and Development	Steve Evans
7. Concluding Remarks	Ross Taylor

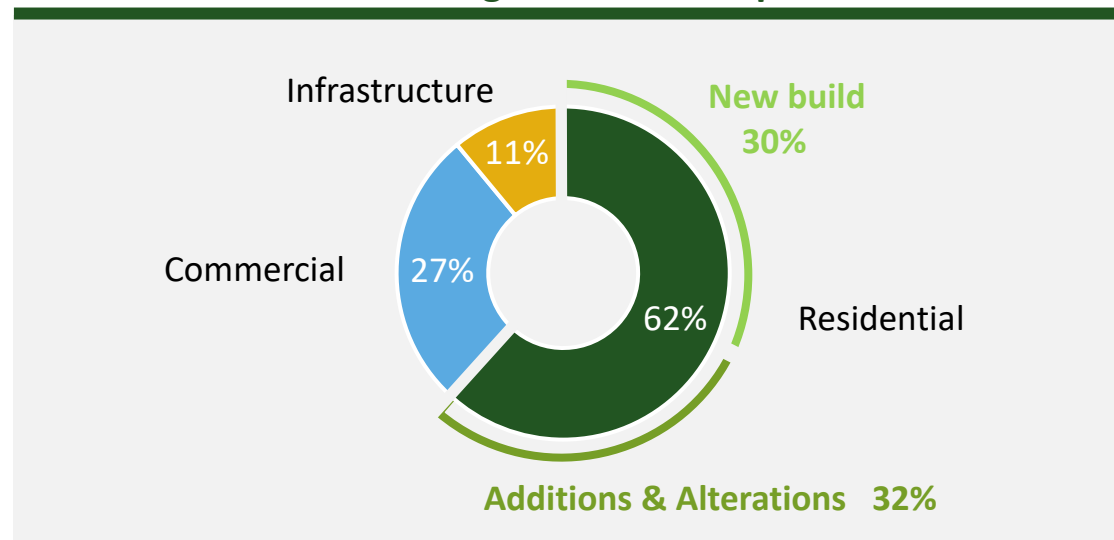


# Well-established businesses & brands that operate across manufacturing & distribution, with momentum to grow

- ➔ Well-positioned businesses with strong brands; scale in respective markets
- ➔ Leading manufacturer of decorative surfaces, plastic pipes, insulation and steel
- ➔ Leading plumbing supplier of own brand and other products servicing trade plumbers
- ➔ Providing product solutions and delivering growth across key markets

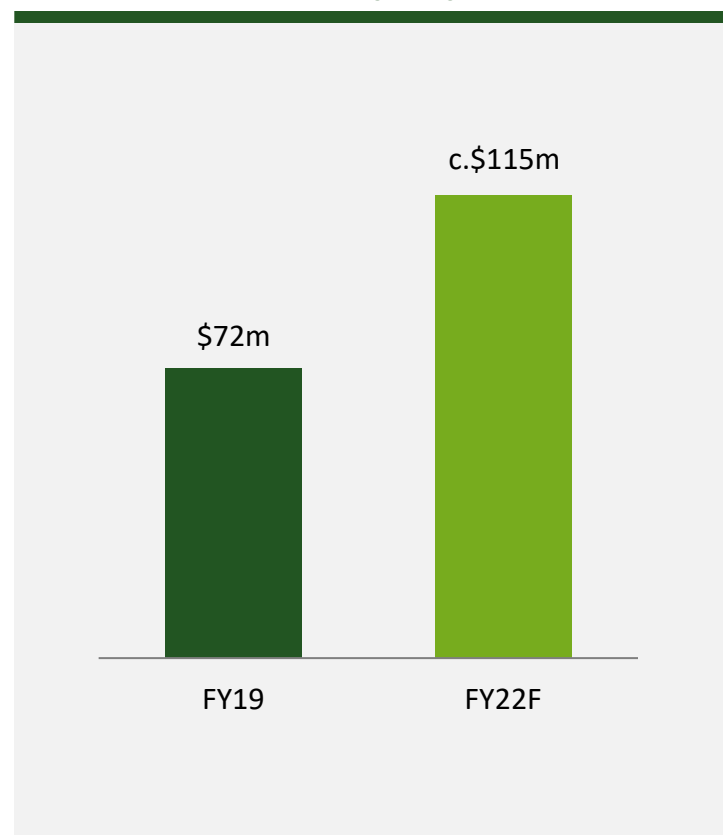
	Business Unit	Market Share <sup>1</sup>	Position
Products	<b>Laminex®</b>	c.40%	#1
	<b>iplex</b> <small>We Flow Water</small>	c.30%	#1
	<b>Fletcher Insulation</b> <small>Building Better, Together</small>	c.35%	#2
Distribution	<b>Tradelink</b> ® <b>Oliveri</b>	c.22%	#2
Steel	<b>Stramit</b>	c.20%	#2

Revenue Weighted Sector Exposure<sup>2</sup>

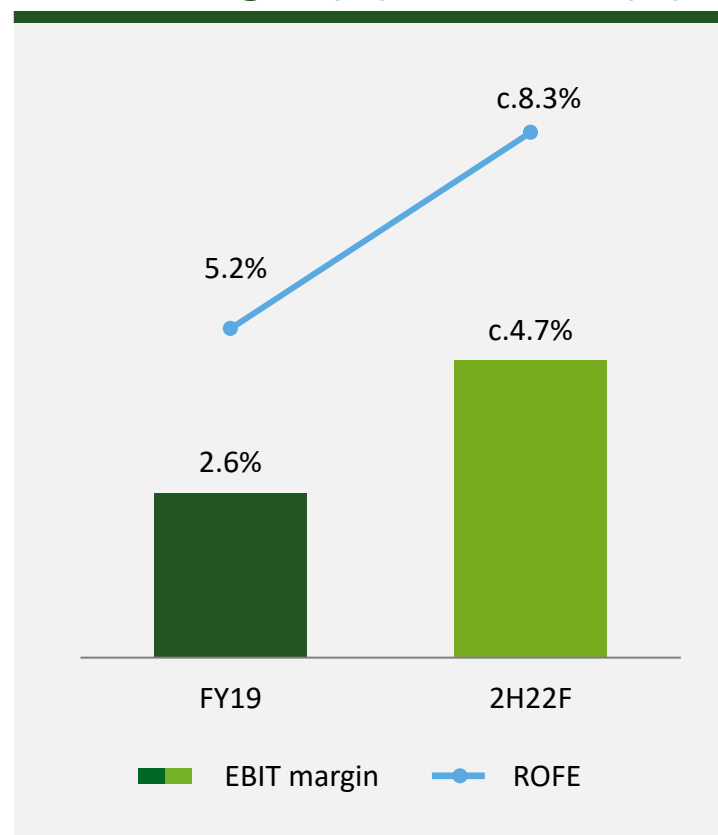


Material profit improvement continues, with EBIT margin exit run-rate of c.4.7% – we are confident in the sustainability of this earnings growth

EBIT (\$m)<sup>1</sup>



EBIT Margin<sup>1</sup> (%) and ROFE<sup>2</sup> (%)



Key Non-financial Measures

	FY19	YTD22
TRIFR <sup>3</sup>	5.4	3.5
NPS	33	15
Engagement	59% <sup>4</sup>	61%
Carbon ('000t) <sup>5</sup>	359	313



Australia has more than doubled margins since FY19 and will deliver 5%+ returns in FY23. There is strategic momentum to deliver +200-300bps in the medium-term

### Driving operational performance through top & bottom line initiatives

- Pricing strategies beyond cost price recovery, removed low margin revenue
- Permanent structural changes made to lift performance
- Category focus driving revenue and margins
- Own brand performance



### Growth levers in play to deliver medium-term margin growth

- Digital expansion & omni-channel
- Adjacencies & white space
- Increased revenues in repair & maintenance / A&A which are less susceptible to market cycles
- Automation for labour efficiency





# Laminex

Performing well in-market; a well-positioned business heading towards double-digit EBIT margins

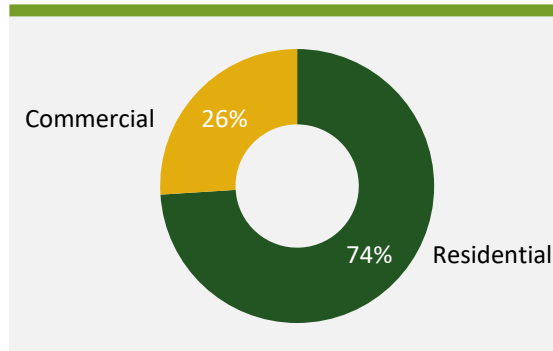
## Operational performance & growth strategies...

- Targeted segmental growth in core categories; leading the market in decorative
- Pricing strategies more than offsetting inflation
- Digital transactions now accounting for 30% of revenue, attracting & retaining customers and reducing our cost-to-serve

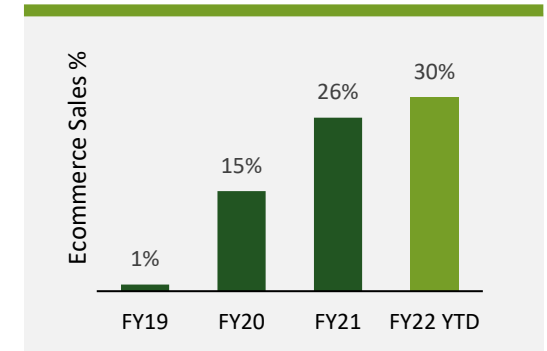
## ... being delivered to achieve double digit EBIT margins

- Product innovation: Surround by Laminex generating higher margins with \$50m of targeted sales in the medium-term
- Adjacencies that solve customers' problems and fill gaps in the market; pilot stores for Haven Kitchens in place
- Continuation of digital strategies, creating new revenue streams, driving incremental online sales, and lifting margins
- Dual brand strategy for margin expansion

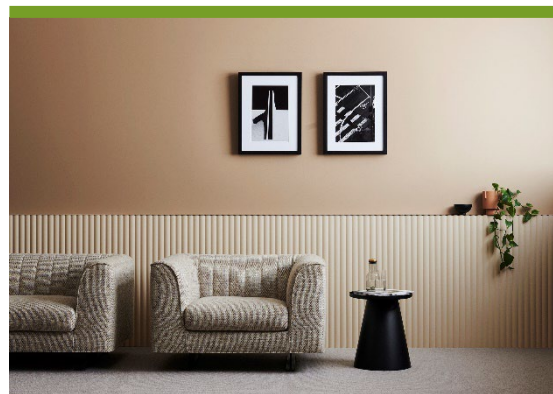
## Revenue Weighted Sector Exposure



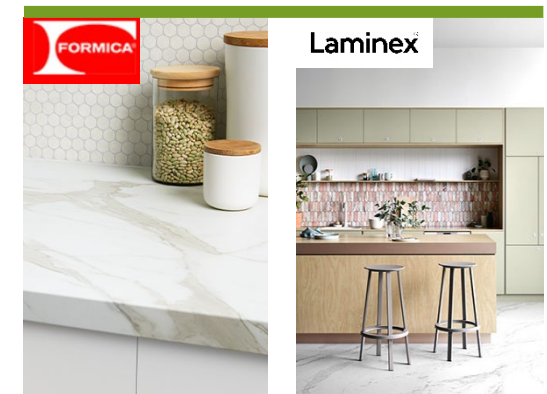
## Ecommerce Sales



## Surround by Laminex



## Dual Brand Strategy

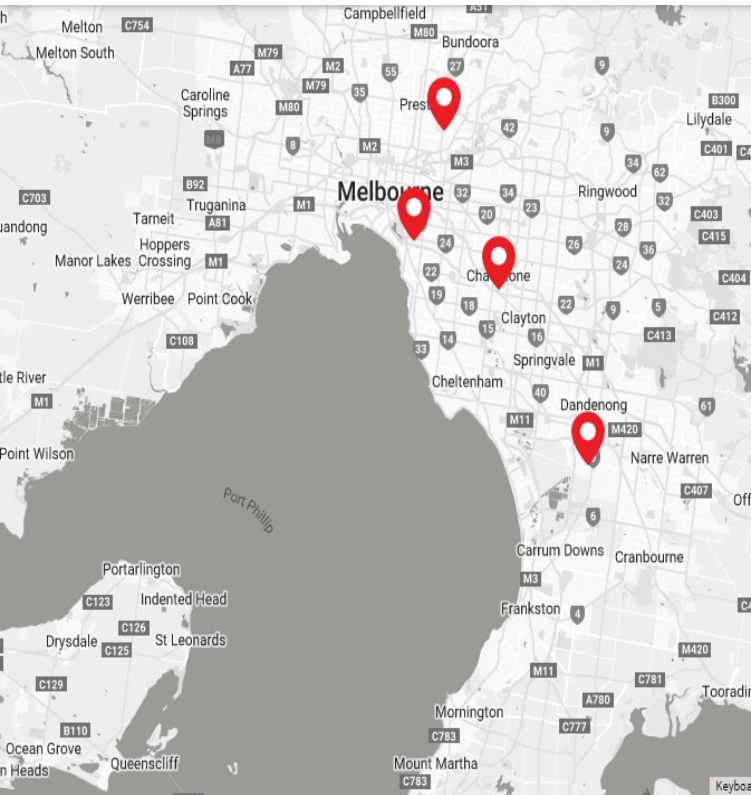


# Laminex

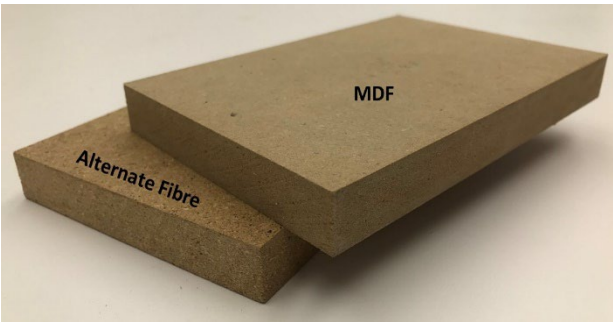
Laminex<sup>®</sup>

Strategy in action; pilot stores for Haven Kitchens in place and alternative fibre trials underway

## Haven Kitchens – Pilot Stores in Melbourne



## Research & Product Development



# Plumbing Distribution

Margins have grown by c.200bps over three years; momentum will add 100bps p.a. in the medium-term

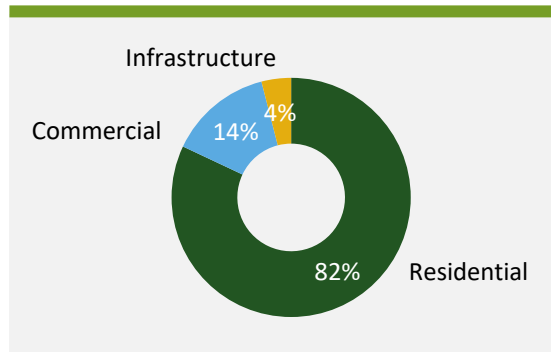
## Operational performance & growth strategies...

- Sustainable gross profit improvement driven by segmental growth
- SME plumber weighting of total revenue continues to grow
- Own brand & private label driving margin accretion; own brand front-of-wall now at 30%

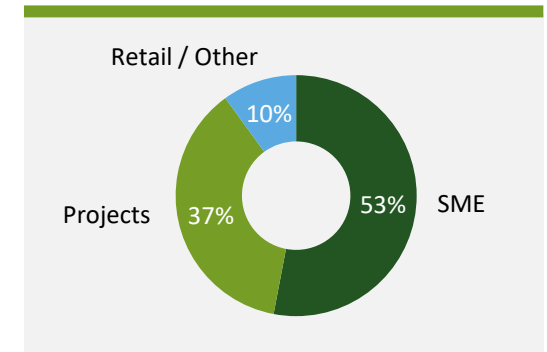
## ... delivering growth to achieve 5%+ EBIT margins

- Driving primary demand in own brand, delivering improved profits
- Rolling programme of showroom upgrades to strengthen the customer value proposition
- Digital strategies creating new revenue streams and increasing margins; >\$50m p.a. of online sales from FY23
  - B2C website growing revenues
  - B2B offering launched
  - Reducing cost-to-serve

## Revenue Weighted Sector Exposure



## SME Participation



## Own brand



## Investment in showrooms

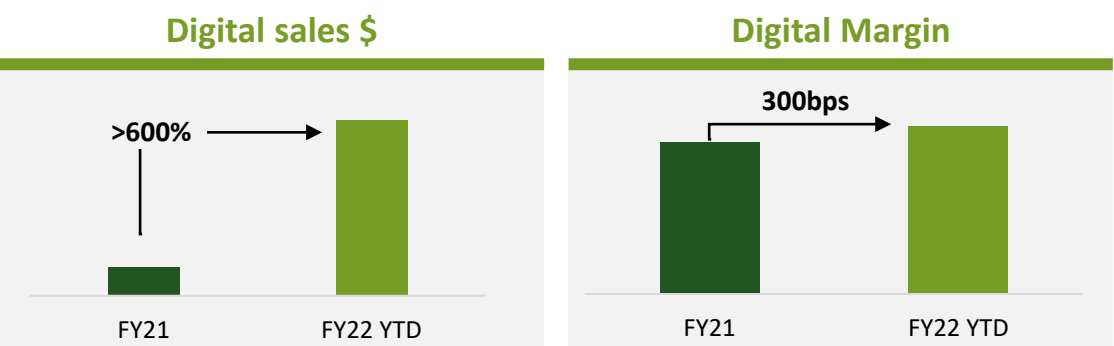




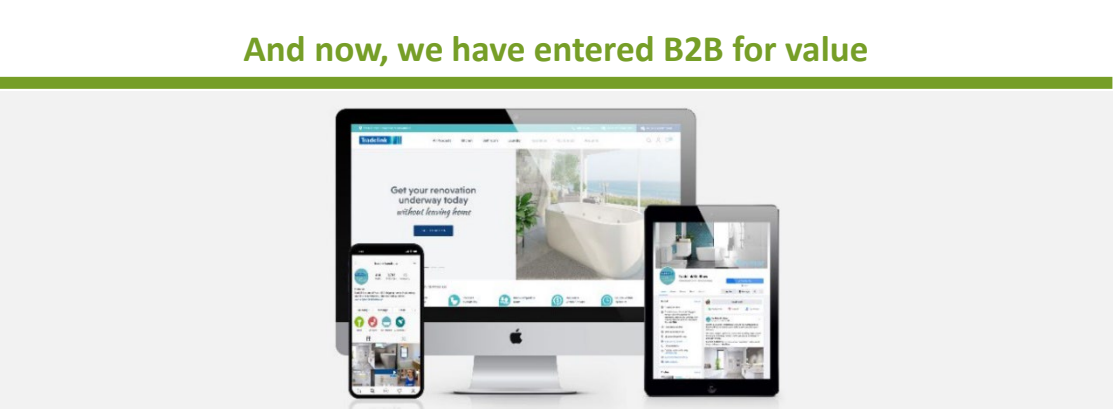
# Plumbing Distribution

Strategy in action; complete digital offer and own brand penetration are driving margin expansion

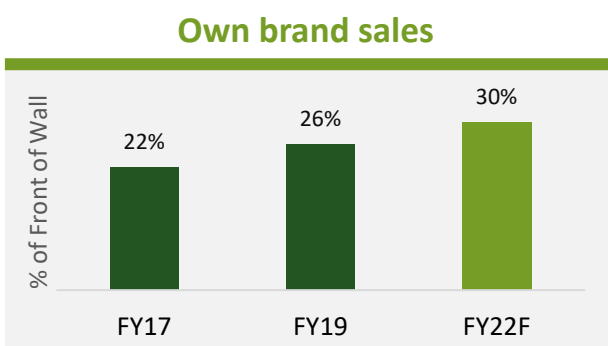
## Tradelink into 2<sup>nd</sup> year of digital sales



And now, we have entered B2B for value



## Own brand driving growth



We are now accelerating into back-of-wall with own brand hot water systems





# Fletcher Insulation

Delivered 700bps of EBIT margin improvement over three years – well-positioned for future growth

## Better margins from operational performance & growth

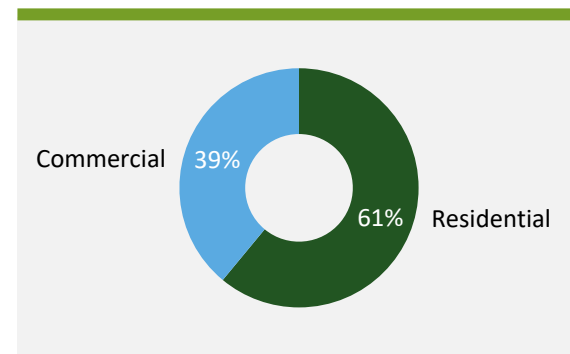
- Optimised manufacturing and distribution footprint; investment in automation has driven the lowest cost-to-serve in target markets
- Segmental growth delivered through expansion into installed solutions
- Winning in core products and markets

## Delivering growth

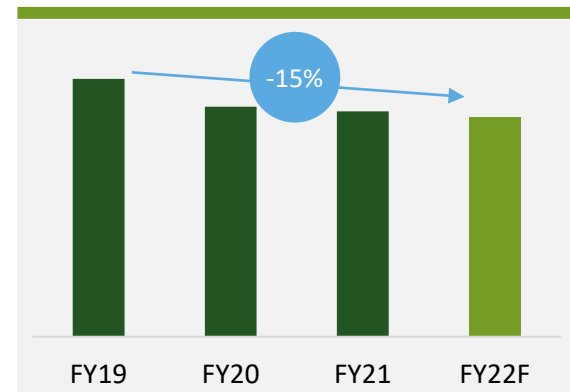
- Continued manufacturing automation programmes for efficiency
- Strengthening our digital offer will see attraction of new customers
- White space adjacency, bringing new products to market and delivering customer solutions and margin accretion



## Revenue Weighted Sector Exposure



## Manufacturing cost per tonne<sup>1</sup>



# Stramit

Stramit has performed reasonably well in a challenging year within a highly constrained domestic steel market

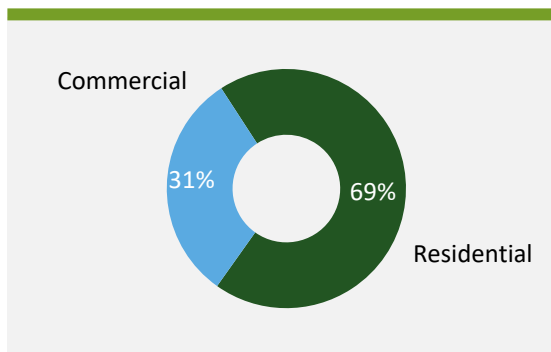
## Better margins from operational performance & growth

- Pricing strategies have seen margin recovery
- Targeted segmental growth in sheds, with strong demand in a highly constrained environment
- Steel supply chain disruption and raw material shortages have been challenging

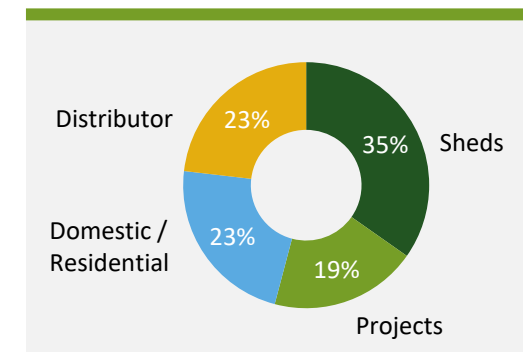
## Delivering growth

- Sheds and doors driving margin enhancement
- Manufacturing efficiency and automation
- Digital offer improving customer experience and reducing cost-to-serve

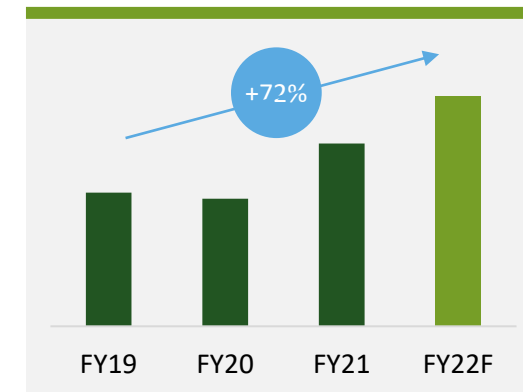
## Revenue Weighted Sector Exposure



## Sheds Participation



## Sheds Revenue



# Iplex

Enhanced strategy is improving the quality of earnings through-the-cycle

## Better margins from operational performance & growth

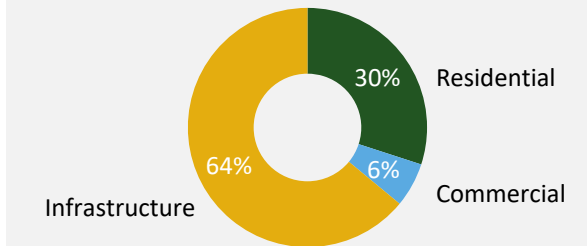
- Optimised our manufacturing footprint
- Redefined our core markets to play in more attractive profit pools
- Expansion in master distributed products

## Delivering growth

- Bringing innovation to current categories and growing the business in products with differentiated value propositions
- Driving growth in specification and primary demand with water authorities and municipal asset owners
- Manufacturing investment in automation to ensure lowest cost to manufacture and serve



## Revenue Weighted Sector Exposure



## Investment in low cost manufacturing



# Healthy momentum delivering 5%+ in FY23; line of sight to 200-300bps growth over the medium-term



**Strong  
operational  
discipline**



**Locked in  
improved quality  
of earnings**



**Strong digital  
cadence**



**Ahead of our  
ESG targets**



**Commitment to  
zero harm**



**Delivering 5%+ EBIT margins in FY23 – well-positioned for further EBIT growth through adjacencies, digital maturity, margin accretive products, and innovation**





# Questions

