



Fletcher Building Announces Sale of Tradelink

Auckland, 12 August 2024: Fletcher Building Limited (the “Company”) today announced that it has entered into an agreement with Metal Manufactures Pty Limited (MM) to sell 100% of the shares in Tradelink, the Company’s Australian plumbing supplies and distribution business, for A\$170 million.

The transaction is made up of a cash payment of A\$160 million payable on the settlement date expected to occur on 30 September 2024. There are no regulatory or other conditions to be satisfied to complete the transaction. The remaining A\$10 million will be a deferred cash payment based on achieving separation milestones. Separation is expected to take up to two years and be completed by September 2026.

The sale price of A\$170 million is on a cash and debt-free basis. After adjustments for working capital, and cash and debt-like items in the business at completion, the net proceeds to the Company from the sale will be subject to:

- Transaction and stranded costs (expected to be ~A\$10 million); and
- Separation costs (expected to total ~A\$20 million over a period of up to 24 months from completion).

Based on the forecast net sale proceeds, Fletcher Building expects to record a non-cash impairment of the Tradelink business of ~A\$32.5 million in its FY24 accounts. When the transaction completes, it also expects to recognise a NZ\$54m non-cash loss from the derecognition of the Foreign Currency Translation Reserve balance for Tradelink.

Fletcher Building announced its decision to divest Tradelink in February 2024 following a comprehensive strategic review which concluded that, whilst Tradelink has maintained a strong position in the Australian plumbing industry, it is not a natural fit with the Company’s long-term strategic focus.

Fletcher Building Acting CEO Nick Traber said: “We are pleased to have signed the Tradelink sale agreement in line with our target timing, and to have achieved an attractive outcome for both parties. We believe MM is an ideal proprietor for Tradelink given their long and successful history operating in the Australian trade distribution sector. The sale will enable us to concentrate our efforts on the performance and growth of Fletcher Building’s core businesses”. Mr. Traber said that the Company would apply the sale proceeds to pay down debt.



“We want to thank the Tradelink team for their professionalism and focus throughout this process and extend our appreciation to Tradelink’s loyal customers and vendors for their continued support over the years. We wish MM and Tradelink every future success,” Mr. Traber said.

The Company will release its FY24 annual results on 21 August 2024.

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