

Fletcher Building returns to profit in year of strong execution

Auckland, 21 August 2019: Fletcher Building Limited's FY19 financial results reflect a solid NZ performance, a return to profitability, and successful execution of the first year of its five-year strategy aimed to refocus and grow the business.

Summary:

- Revenue from continuing operations of \$8,308 million, up 1% on FY18
- Net Profit After Tax of \$164 million, compared to a loss of \$190 million in FY18
- Final dividend of 15 cents per share declared, to be paid on 19 September 2019
- EBIT before significant items \$631 million, up from \$50 million in FY18
- Balance sheet materially strengthened, NZ\$300 million share buyback programme

| \$m | Continuing Operations ¹ | | | Total Operations | | |
|--|------------------------------------|--------|-------|------------------|--------|-------|
| | FY19 | FY18 | Var | FY19 | FY18 | Var |
| Revenue | 8,308 | 8,211 | +97 | 9,307 | 9,471 | (164) |
| EBIT before significant items ² | 549 | (29) | +578 | 631 | 50 | +581 |
| NPAT | 246 | (239) | +485 | 164 | (190) | +354 |
| EPS (cps) | 28.8 | (32.1) | +60.9 | 19.2 | (25.5) | +44.7 |

Fletcher Building Chief Executive Ross Taylor said: "FY19 was an important transition year for the Company and we made significant progress on our five-year strategy. Fletcher Building delivered a solid financial performance for the year, and I am pleased with the work we carried out to stabilise and refocus the Company."

Revenue from continuing operations of \$8,308 million increased slightly compared to the prior year. Total EBIT before significant items was \$631 million, which was within the Company's earnings guidance range and compared to \$50 million in the prior year.

¹ Continuing operations excludes the divested Roof Tile Group, Formica, Dongwha & Sims Pacific Metals operations.

² EBIT before significant items is a non-GAAP measure used by management to assess the performance of the Group and has been derived from Fletcher Building Limited's financial statements for the year ended 30 June 2019.

“In New Zealand our core building products and distributions businesses delivered good results, maintaining strong market positions and revenues despite operating in a highly competitive environment. The Construction division stabilised which led to a return to profitability, and we are on track to complete the remaining legacy B+I projects within the provisions we set in February 2018.

In Australia, the performance reflected tough market conditions, rising input costs and poor operating disciplines in some areas. Turnaround plans are well underway to reset these businesses and deliver growth in FY20.

The Company's decision to operate in a more focused geographic footprint led to the sale of international businesses Roof Tile Group and Formica during the year. Both sales were completed ahead of schedule and the proceeds received were above expectations. The sale of Formica for NZ\$1.2 billion materially strengthened the Company's balance sheet, we have commenced our NZ\$700-800 million debt reduction and will distribute up to NZ\$300 million to shareholders through an on-market share buyback.

The Company reinstated dividend payments during FY19 with a total dividend for the year of 23 cents per share which was weighted to the final payment. The final dividend of 15 cents per share will be paid to shareholders on 19 September 2019 and will be unimputed and unfranked for NZ and Australian taxation purposes. The dividend reinvestment plan will not be operative for this dividend payment.

“FY19 was a year of solid execution against the Company's strategy. We have landed a leaner organisation and end the year with a more manageable footprint and a strong balance sheet. Looking ahead, we will drive performance across the business in FY20.”

#Ends

For further information please contact:

MEDIA

Simone Rosentreter
Senior External Communications Advisor
+64 21 137 4137
simone.rosentreter@fbu.com

INVESTORS AND ANALYSTS

Aleida White
Head of Investor Relations
+64 21 155 8837
aleida.white@fbu.com