NEWS RELEASE

Fletcher Building delivers strong FY21 result, final dividend of 18 cps

Auckland, 18 August 2021: Fletcher Building today announced its audited financial results for the year ended 30 June 2021 (FY21).

Summary:

- **Revenue of $8,120 million, up from $7,309 million in FY20**
- **Net Profit After Tax of $305 million, compared to a loss of $196 million in FY20**
- **EBIT before significant items of $669 million**
- **Return on Funds Employed before significant items of 18.6%**
- **Cash flows from operations of $889 million**
- **Strong balance sheet with net debt of $173 million and liquidity of $1.6 billion**
- **Final dividend 18 cents per share, bringing full-year FY21 dividend to 30 cps**
- **On-market share buyback programme of up to NZ$300 million through to Jun-22**

Chief executive Ross Taylor said: "Fletcher Building's strong FY21 financial result reflects the significant work carried out over the past three years to reset and simplify the business. We are confident we have a sustainable base from which we can drive further performance improvements and growth.

"FY21 saw increases across all our key financial metrics. EBIT before significant items of $669 million was ahead of our full-year guidance. EBIT margin of 8.2% and Return on Funds Employed of 18.6% were both materially higher than FY19 (our most recent comparable year). Cash flows from operating activities were very strong at $889 million, partially benefitting from low stock levels in our manufacturing and housing businesses, which we expect to rebuild through FY22. Our balance sheet finished the year in a strong position, with net debt of $173 million and $1.6 billion liquidity at 30 June 2021. Just after year end, we were pleased to reach an agreement to sell Rocla for AU$55 million.

"Having delivered a strong earnings and cash flow result, the Board has approved a final dividend for the year ended 30 June 2021 of 18 cents per share (unimputed and unfranked) to be paid on 17 September 2021. Combined with the 12.0 cents per share interim dividend, this brings the total dividend to 30 cents per share for the FY21 year. Our share buyback programme of up to $300 million started in June and will continue through FY22.

"We continue to make targeted investments to deliver on our strategy. This includes a mix of capital and operating spend, and remains focused in three areas: key maintenance investments, such as the new Winstone Wallboards plasterboard facility; initiatives which support our sustainability ambition, such as the waste tyre recycling facility at our cement plant; and growth investments in product adjacencies and digital capabilities. Our focus on digital includes an acceleration of our programme to create a backbone system environment that is fit-for-purpose.

"As we look ahead, we believe that the economic trends in our key markets remain supportive for further growth. In New Zealand, the activity pipeline continues to look 'stronger for longer,' especially in the residential sector. With ongoing supply chain and labour constraints having the effect of smoothing the recent sharp rises in building consents over a longer period, this is likely to mean an extended period of solid building activity through FY22 and beyond. In Australia, the residential outlook also remains resilient, particularly across detached housing and renovations, while the apartments, commercial and key civil sectors are likely to stabilise at current levels.

"There does remain some uncertainty around the impact of COVID-19 on activity in our markets. We will continue to monitor and manage this closely.

"Overall, the combination of a clear strategy, a favourable market outlook and a strong balance sheet means Fletcher Building is well-positioned to deliver future performance and growth.

"Finally, there's no doubt that the past year has seen many challenges and disruptions resulting from the global pandemic. Against this backdrop, I would like to thank our more than 14,500 people who have delivered this performance while remaining focused on supporting our customers and each other."

#Ends

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