Fletcher Building Investor Day June 2022

Building for tomorrow

22 June 2022

Outline for today

Session 1	**Divisional expos**
Session 2	**Presentations and Q&A (Hybrid)**
Session 3	**Site visits**
Session 4	**Evening event**

Fletcher Building – Building for Tomorrow

Section		Presenter	AEST / NZT	Duration
1.	**Building for tomorrow**	Ross Taylor / Bevan McKenzie	8:00am / 10:00am	55 mins
2.	**Building Products**	Hamish McBeath	8:55am / 10:55am	20 mins
3.	**Distribution**	Bruce McEwen	9:15am / 11:15am	20 mins
	Coffee break		*9:35am / 11:35am*	*10 mins*
4.	**Concrete**	Nick Traber	9:45am / 11:45am	20 mins
5.	**Australia**	Dean Fradgley	10:05am / 12:05pm	20 mins
6.	**Residential and Development**	Steve Evans	10:25am / 12:25pm	20 mins
7.	**Concluding Remarks**	Ross Taylor	10:55am / 12:55pm	5 mins

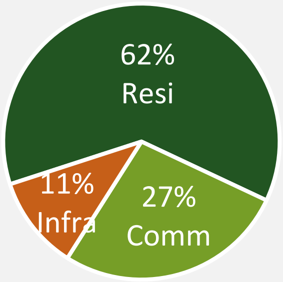
A scale NZ & Australia in-country manufacturer of building products with complementary distribution, development & construction businesses

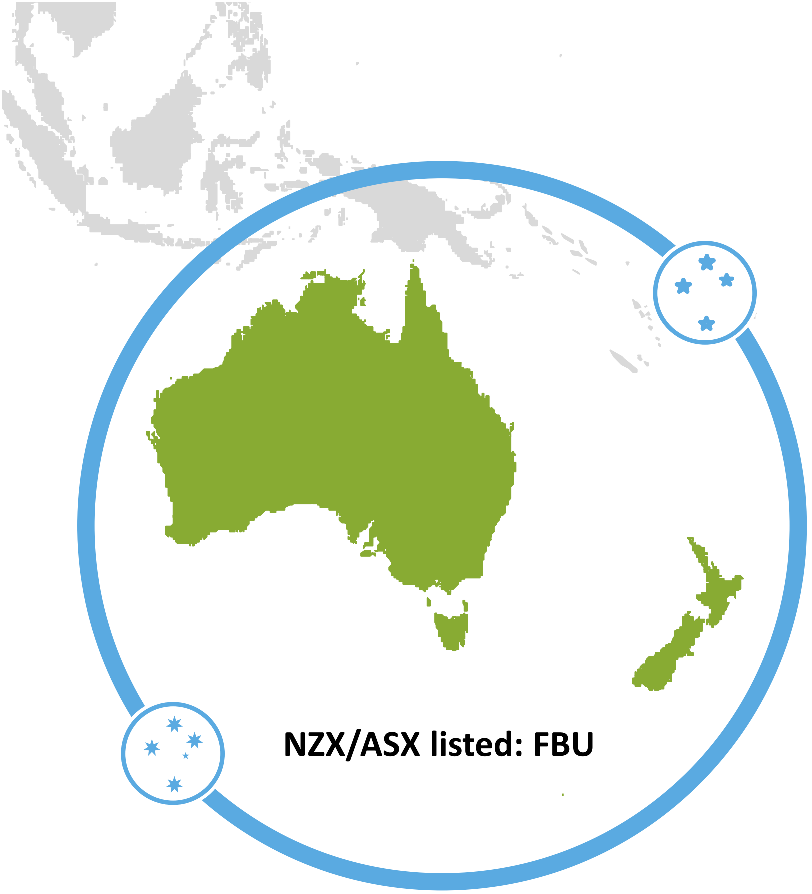
Australia

FY22F | $2.8b Rev | $115m EBIT | 4,600 people

- Nationwide but East Coast focus
- Businesses across light building products & distribution
- Assets well invested and cost competitive
- Ongoing opportunity to build further on performance improvements achieved over last three years

Revenue Weighted Sector Exposure



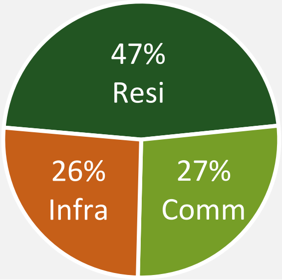


New Zealand

FY22F | $6.5b Rev | $635m EBIT | 9,100 people

- Nationwide presence
- Businesses across heavy & light building products & distribution, residential development, and roading / infrastructure construction
- Assets well invested & cost competitive
- Significant growth opportunities in adjacencies & disruptive plays

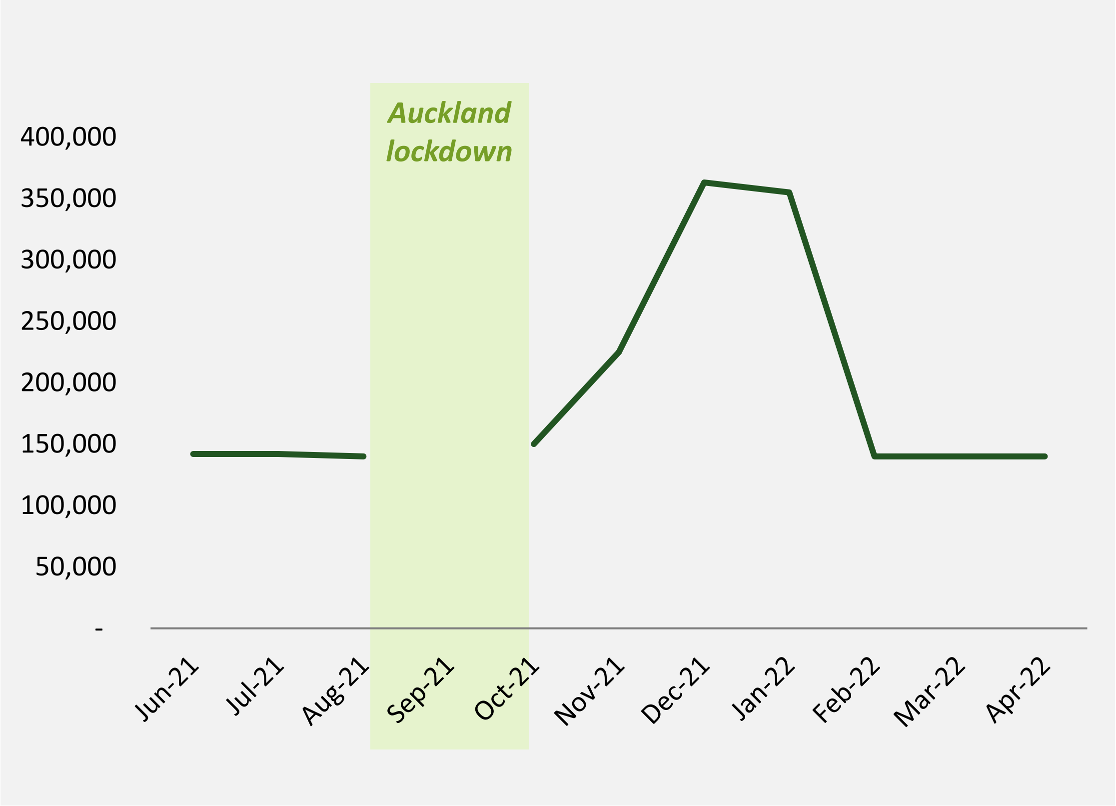
Revenue Weighted Sector Exposure



Note: Rev is Gross Revenue; EBIT is EBIT before significant items, NZ includes corporate costs of $65m
All currency in this presentation is in NZD. All revenue weighted sector exposures in this presentation are for HY22

It is likely the New Zealand Plasterboard market will come back into equilibrium by October 2022

WWB Average Daily Orders (sqm)



- Plasterboard market volumes were being met to customers up to August 2021
- Following the Auckland lockdown, industry shortages across a range of key building supplies including timber, insulation, and plasterboard caused customers to bring forward their orders to ensure they had stock
- Order volumes for plasterboard more than doubled through Nov-21 to Feb-22 – this volume is approximately twice the industry's current capacity to build
- We were able to meet some extra demand through this period by drawing down on inventory below normal levels and by importing some additional volume out of Australia. Our supplier paused supply to us in Nov-21 due to high industry demand in Australia
- Due to the extent of the demand surge, we introduced an allocation model in Feb-22 to give merchants certainty on what we could supply, and to allow us to clear the order backlog
- In addition, we reconfigured our factory through Mar-22 to May-22 to lift production effective Jul-22, and our import availability will resume from Aug-22 (as international capacity issues start to ease)
- We have also granted 10 trademark royalty-free licenses so far to allow others to import boards
- These moves will increase our supply into the NZ market by around 10%. This should see the market come back into equilibrium by around October 2022
- In the interim PlaceMakers (and other merchant customers) will run an emergency allocation fund to alleviate smaller customer hardship issues

New WWB plant at Tauriko opens in 2023 and will add an extra 30% of capacity to the NZ market

- New plant was approved in 2019 when consents were running at 35,000 p.a. vs. the current level of c.50,000 p.a.
- Plant was delayed by around 12 months due to COVID lockdown impacts and border closures
- Project progressing well and scheduled to commence full production in May 2023
- At completion the Tauriko plant will add an additional 30% in-country production capacity, easily supporting existing demand and providing significant future capacity
- The new plant provides increased ability to innovate on products, by allowing for better formulation optionality and changeover speeds
- Onsite warehousing combined with improved cross dock facilities will facilitate continued service capability enhancements to customers

Tauriko plant on track for a May 2023 opening

Our vision, purpose and strategic goals will continue to underpin the next steps of our journey…

Vision	To be the leader in New Zealand and Australian building products and solutions
Purpose	Improving the world around us through smart thinking, simply delivered

Strategic Goals

Zero injuries every day	Market leading customer solutions and services	Lowest delivered cost	Economic performance of each business in industry top quartile	Leadership in innovation, sustainability, and growth via disruption

… which we are confident can deliver strong growth at present market levels and materially improve through-the-cycle performance

	FY22F		Medium-term targets at current market levels
EBIT[1]	**c.$750m**	→ Significant pipeline of growth investments in adjacencies	**+ $150-300m**
		→ Continued push to higher margin products / segments	
EBIT[1] Margin (2H22F)	**c.9.5%**	→ Further improvements in Australia margins	**+ 100-200bps**
		→ Smaller, more focused FCC	
ROFE[2]	**c.18%**	→ Continued operational & customer focus	**≥ 15%**

c.9-10% EBIT margin and ROFE ≥ 15% through-the-cycle

1. Before significant items
2. Return on Funds Employed (ROFE) is EBIT to average funds (net debt and equity less deferred tax asset)

Our confidence is underpinned by a proven & capable leadership team which continues to grow & evolve in line with our aspirations (1/2)

Operational Leaders

PHIL BOYLEN
Chief Executive Construction

- International design & construction experience
- Deep industry knowledge across large complex projects & maintenance-style contracts; delivered BPC turnaround
- 30 years industry experience / 3 years FBU

DEAN FRADGLEY
Chief Executive Australia

- International distribution & manufacturing sector experience
- Experienced leader in B2B & B2C with successful track record of growth & turnaround strategies
- 30 years industry experience / 9 years FBU

BRUCE McEWEN
Chief Executive Distribution

- Distribution sector experience across multiple industries with deep operational experience
- Proven track record of driving change & delivering growth; driving digital innovation
- 15 years industry experience / 8 years FBU

STEVE EVANS
Chief Executive Residential and Development

- Global residential & construction experience
- Established successful Residential & Development business, driving significant growth
- 35 years industry experience / 8 years FBU

HAMISH McBEATH
Chief Executive Building Products

- Deep operational knowledge of our manufacturing plants & supply chains
- Driving manufacturing enhancements
- 20 years industry experience / 20 years FBU

NICK TRABER
Chief Executive Concrete

- Global career in building materials, circular & distribution business
- Leadership track record of driving sustainable growth, particularly via innovation & decarbonisation
- 20 years industry experience / 1.5 years FBU

Our confidence is underpinned by a proven & capable leadership team which continues to grow & evolve in line with our aspirations (2/2)

Fletcher Building Group Team

ROSS TAYLOR
Chief Executive Officer

- Global career in engineering, construction, building products & sector value chain
- Proven experience leading business turnarounds & improving performance
- 39 years industry experience / 4.5 years FBU

CLAIRE CARROLL
Chief People Officer

- Successful development & delivery of comprehensive people strategies
- Led significant culture change & focused on supporting safety, performance, diversity & talent development
- 24 years industry experience / 9 years FBU

WENDI CROFT
Chief Health and Safety Officer

- Leading & driving Protect safety at FBU
- Deep experience in health & safety leadership for international organisations in multiple jurisdictions
- 18 years industry experience / 4 years FBU

BEVAN McKENZIE
Chief Financial Officer

- 20 years international experience in strategy, M&A & commercial / finance roles
- Driven FBU programmes to turnaround cost, margin, cash and balance sheet position
- 8 years at FBU

ANDREW CLARKE
Group General Counsel and Company Secretary

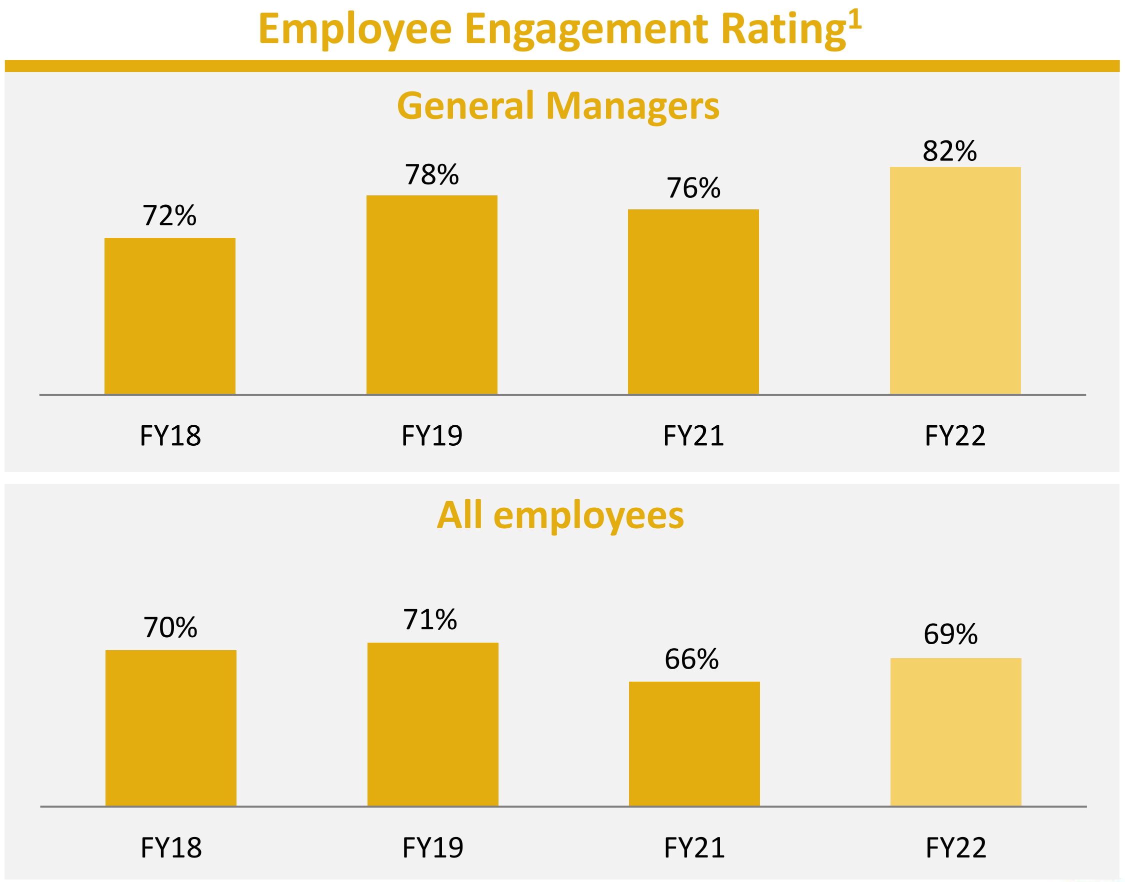
- Highly experienced lawyer
- Former Head of M&A at a global investment bank
- 13 years experience as Group General Counsel
- 3 years FBU

JOE LOCANDRO
Chief Information Officer

- Global experience in leading digital technology strategies , and IT functions in major organisations
- Proven experience in digital transformations & ERP implementations
- 25 years industry experience / 3 months FBU

This is further reinforced by an experienced GM team and good progress across all people metrics

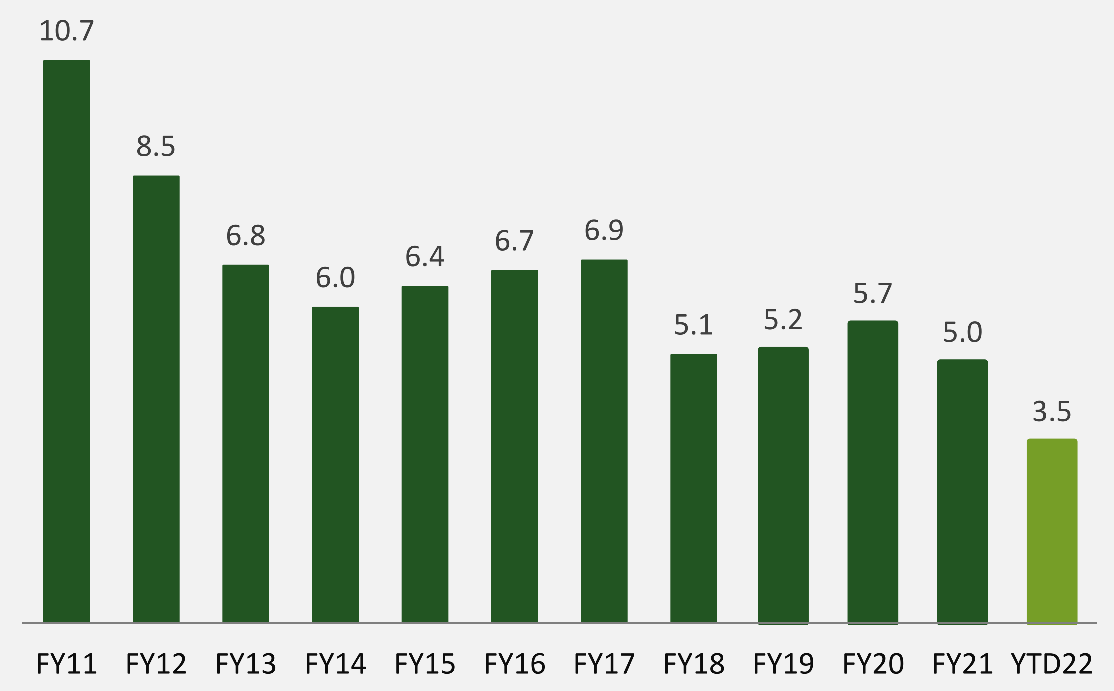
- 82% engagement across a stable team of General Managers (GMs), which has been in place & driven the business reset
- +300bps improvement in engagement across all employees since FY21, following COVID & cost-out in FY20
- Focus is on improving diversity & fostering an inclusive culture:
  - We have >50% women in functional roles
  - Women account for 20% of operational roles and 14% of operational leadership roles. We are on track to increase the proportion of women in operational roles
  - Pay parity has improved to 96%, up 1.5% on prior year. We have plans to close this gap over the next two years
  - Programmes in place to increase ethnicity in leadership



1. *The employee engagement survey did not take place in March 2020 due to COVID-19 and NZ being in 'Level 4' lockdown*

We are making good progress on safety and getting everyone home safely each & every day

Total Recordable Injury Frequency Rate[1]



protect
zero injuries every day

- 32% reduction in TRIFR
- 91% (or 890) sites injury free
- Four businesses injury free
- 2,337 leaders trained in Safety Leadership
- 3,440 risk containment sweeps

1. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries
2. Serious Injury include immediate treatment as an in-patient at hospital for more than 24 hours or immediate treatment for a serious injury or illness as defined by Safe Work Australia
YTD22 = 11 months ended 31 May 22

We are driving market leading customer solutions and services

Customer

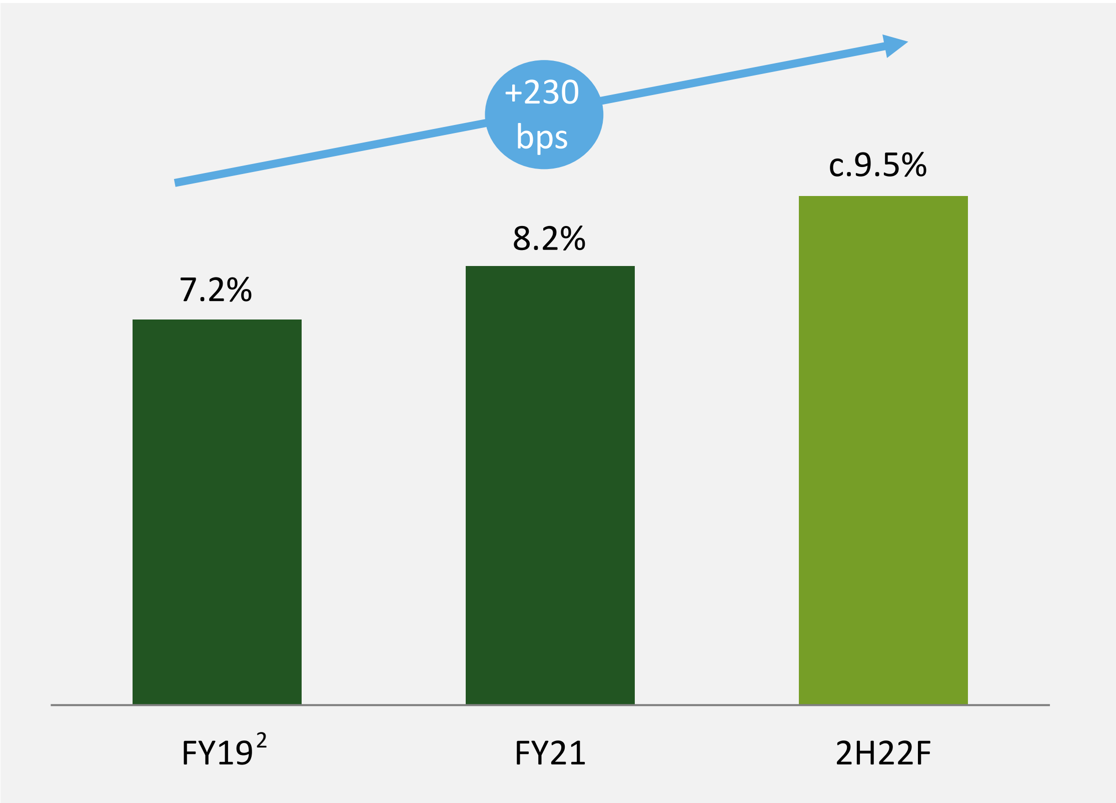
Net Promoter Score[1]	Online sales run-rate
37	$500m
+4 since FY18	(vs. nil in FY18)

- Maintaining customer NPS despite supply chain disruptions
- 190,000 customers now on our online / omnichannel systems
- 50% of our businesses now have industry leading fulfilment promise & outcomes
- $25-50m p.a. ongoing investment in systems, digital and data & analytics

1. Net Promoter Score (NPS) measures how satisfied our customers are with our businesses. Prior years' NPS have been restated to reflect business units currently in the NPS programme; excludes Altus and the Construction Division

Our relentless focus on operational improvements will continue into the future

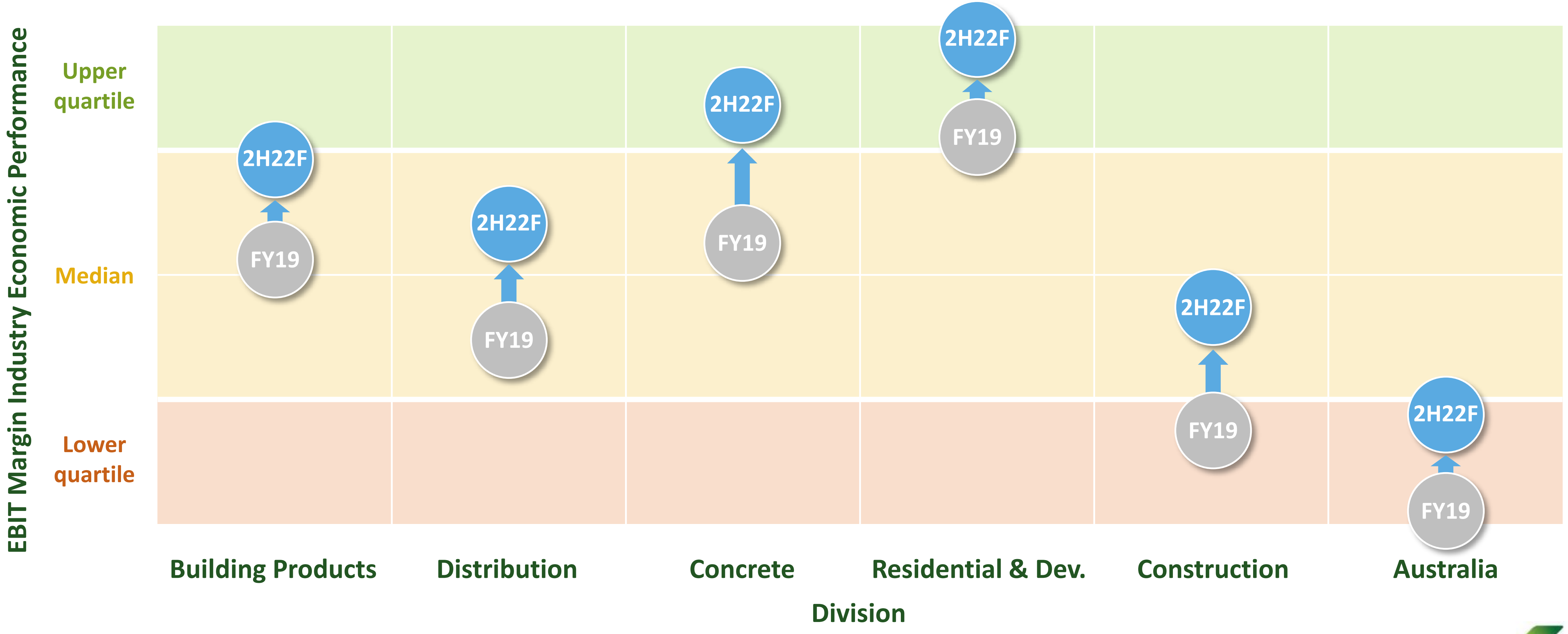
EBIT[1] Margin (%)



- ➔ Cost structures constantly benchmarked against local / international competition
- ➔ $200-250m p.a. base capex including maintenance & ongoing efficiency gains
- ➔ Continue to improve pricing disciplines and ensure inflation headwinds are recovered
- ➔ Digital, digitisation & automation continue to be implemented, driving further efficiencies
- ➔ Distribution & logistics continue to evolve, including omnichannel, in-store, large DC's and direct from supplier

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

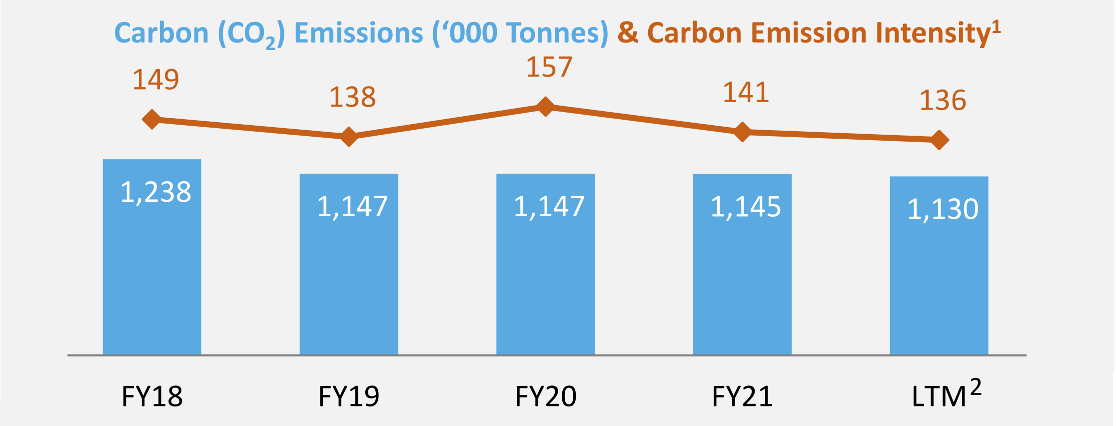
We are driving economic performance of each business to be in its industry upper quartile



Note: As assessed against global listed peers – EBIT margins for peers are for the last twelve months as at May 2022
Source: CapitalIQ

We have a compelling suite of growth opportunities in front of us arising from the sustainability, innovation and disruption trends we see across our sectors

Driving 30% lower carbon from FY18



We are making good progress on driving sustainability

- c.9% sustainable reduction in emissions from FY18
- 46% waste diverted from landfill, compared to 39% in FY20
- 50% of revenue with Environmental Product Declarations

We are actively driving innovation and looking for disruption opportunities

- 300 start-ups / disruptors reviewed in innovation scans
- Many of these being implemented and trialled in our businesses

This has translated to a compelling suite of growth opportunities

- c.$500m of investment over FY23-25
- Targeting ROFE ≥ 15% at mid-cycle activity levels

1. Carbon Emission Intensity = FBU CO_2 Tonnes for every $1m or revenue. ISO 14064-1
2. LTM = Last twelve months; 12 months ended 31 March 2022

Our strategy positions us well to drive shareholder value in the short- and long-term

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

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

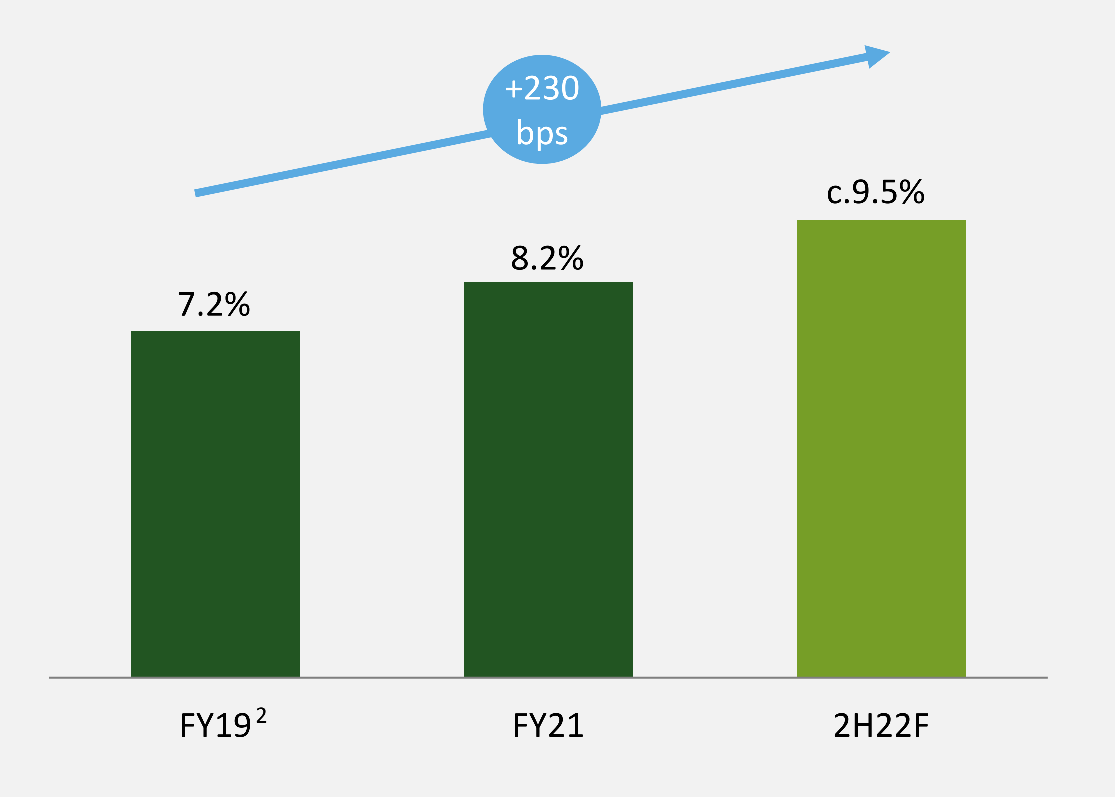
- FY23 target is for $100m+ uplift in Group EBIT (vs. FY22F)
- Key assumptions:
  - Broadly flat market activity in FY23 (vs. 2H22F)
  - c.10ppt lower margins in residential development (vs. FY22F)
  - c.$20m of Industrial Development business EBIT (vs. $48m in FY22F)
  - c.$75m of corporate costs, including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

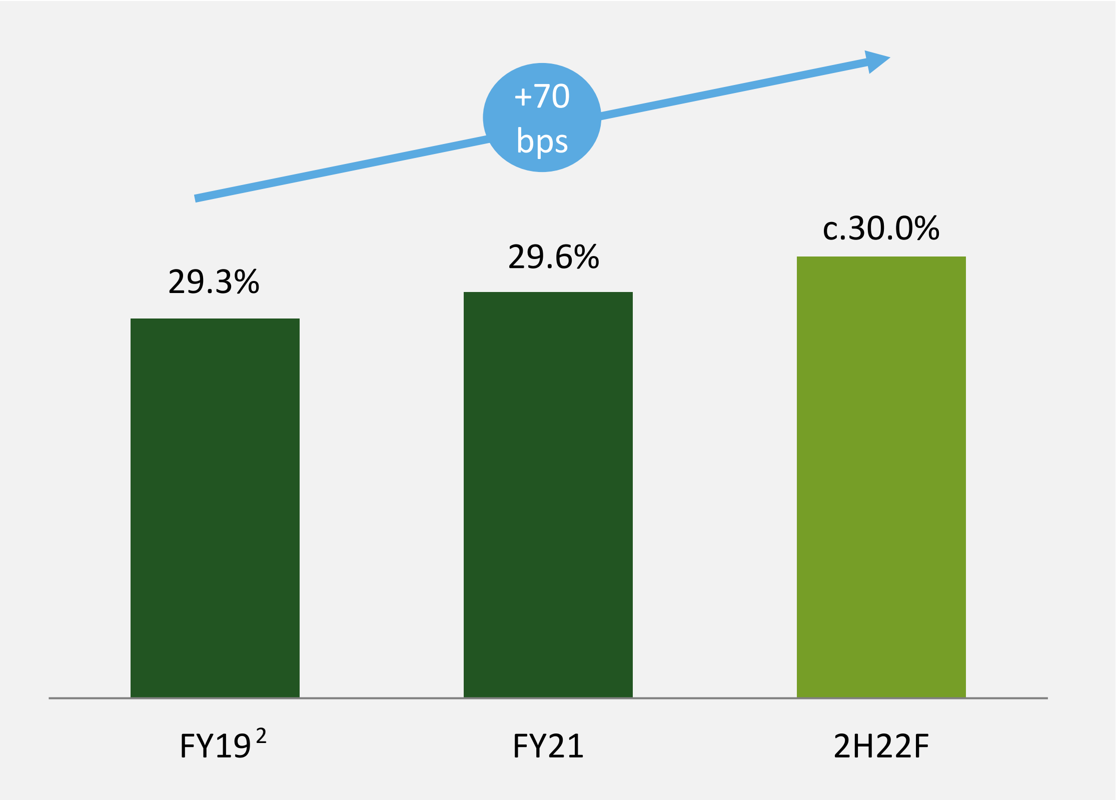
Note: FY19 included $57m of Industrial Development EBIT (vs. nil in 2H22F).
FY19 EBIT margin excluding Industrial Development is 6.6%

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

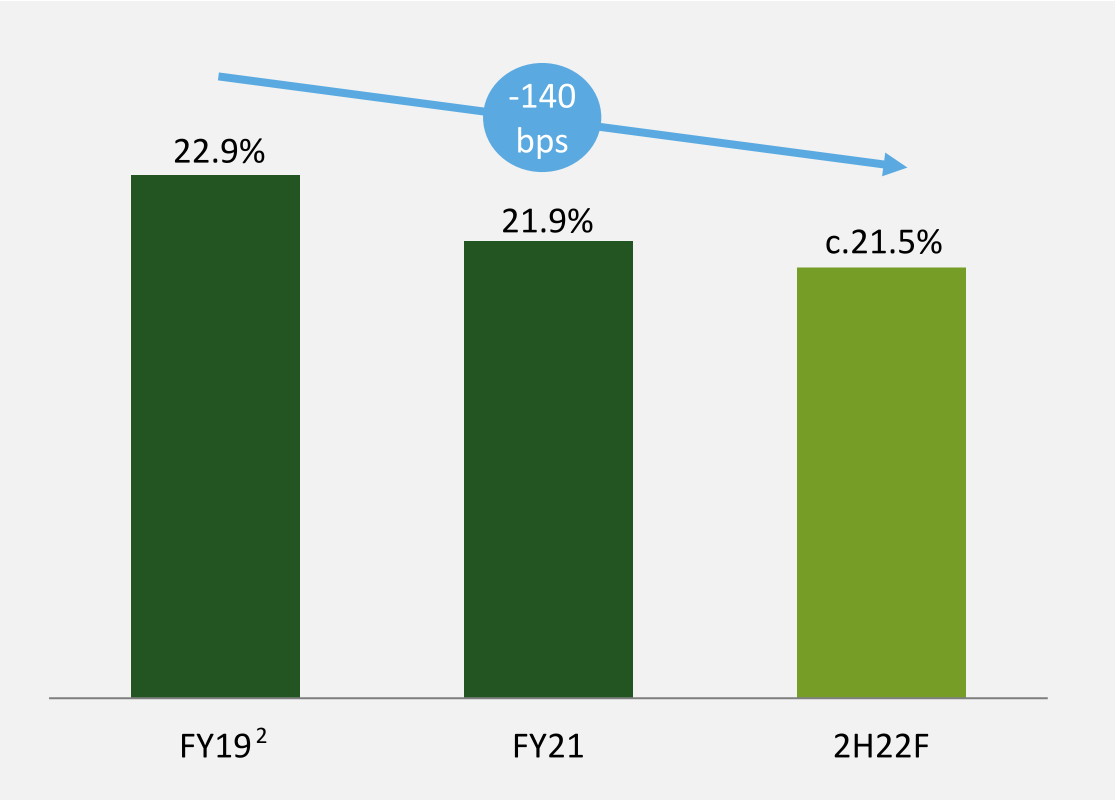
2. Margin

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

Gross Margin % in Products & Distribution Div's[1]



Overheads / Revenue % in Products & Distribution Div's[1]

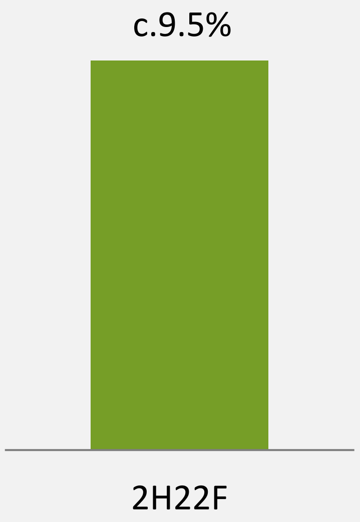


1. Building Products, Concrete, Distribution and Australia
2. FY19 is a pro forma number adjusted for discontinued operations and IFRS16 to allow for like-for-like comparison

2. Margin

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

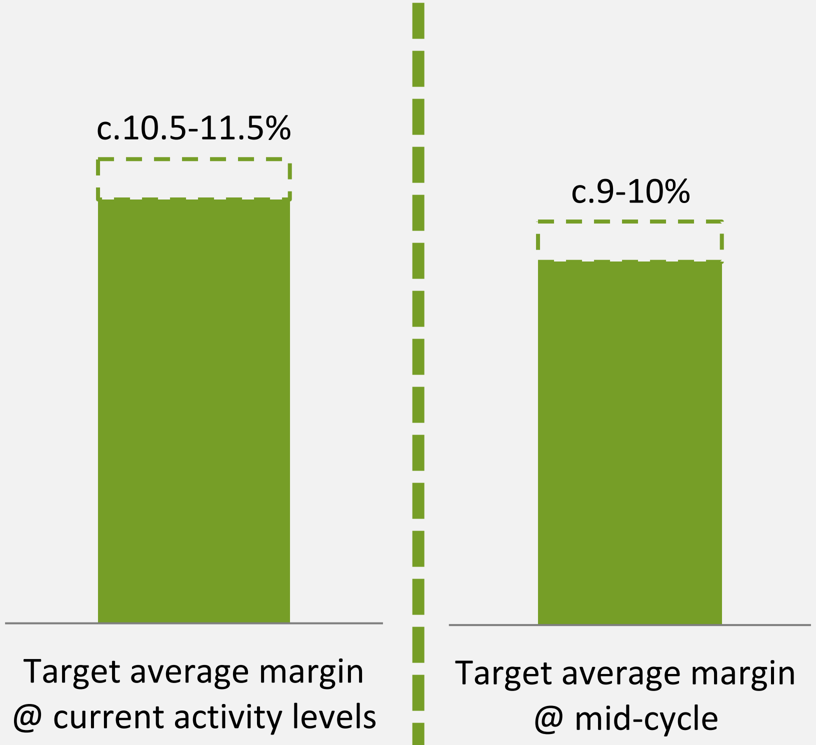
Current EBIT[1] Margin (%)



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

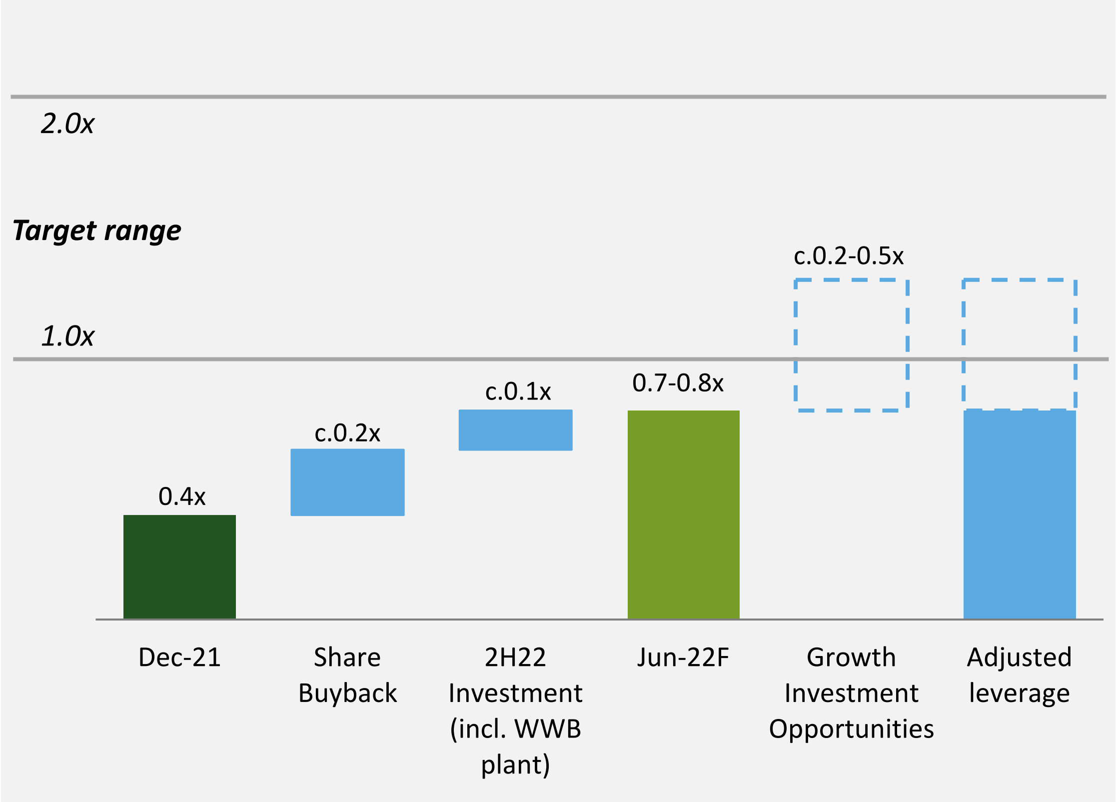
Sensible capital allocation vs. balance of Group

- ➔ 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

Leverage (Net Debt / EBITDA)

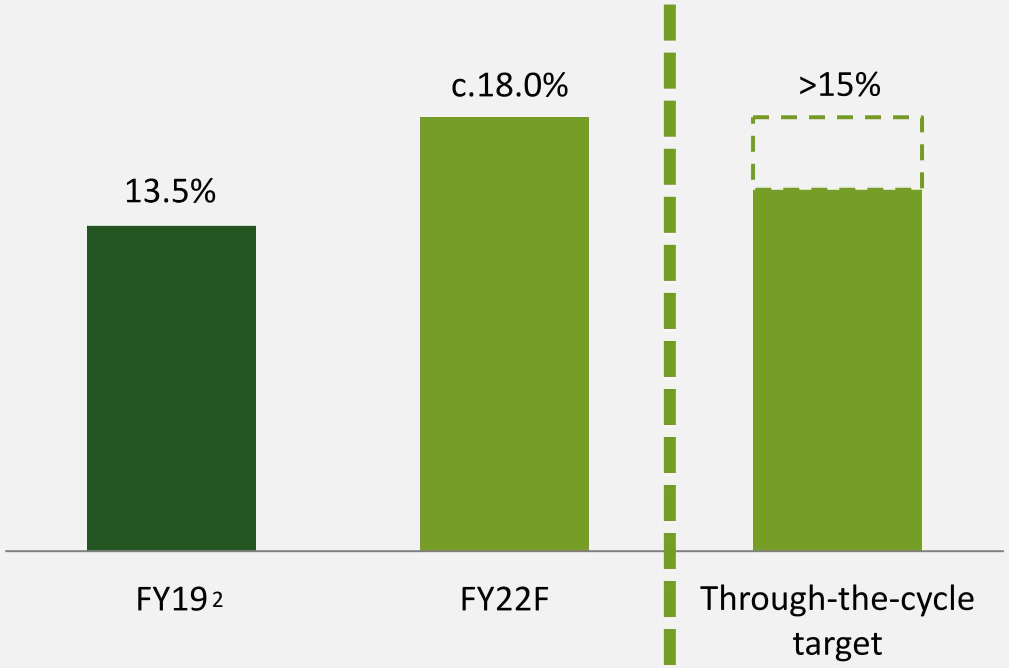


- Strong balance sheet to support growth investments
- Investments may lift the Group's leverage by c.0.2x to 0.5x over the FY23-25 period – with a lag between capex and earnings for organic opportunities
- The Group will maintain a preference for relatively conservative balance sheet metrics to ensure 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

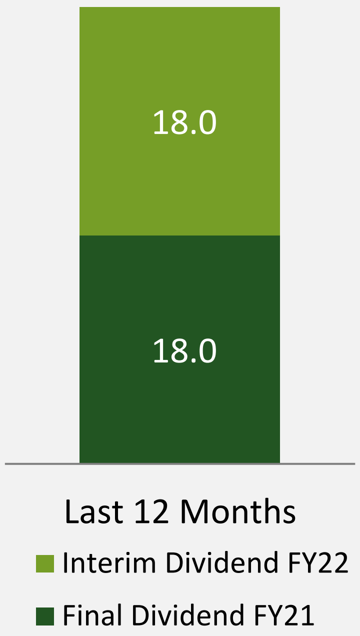
Material improvement in ROFE; strong and sustainable shareholder returns

ROFE[1] (%)



Returns

Dividends (cps)



Share buyback

41.2m

shares repurchased for

$275m

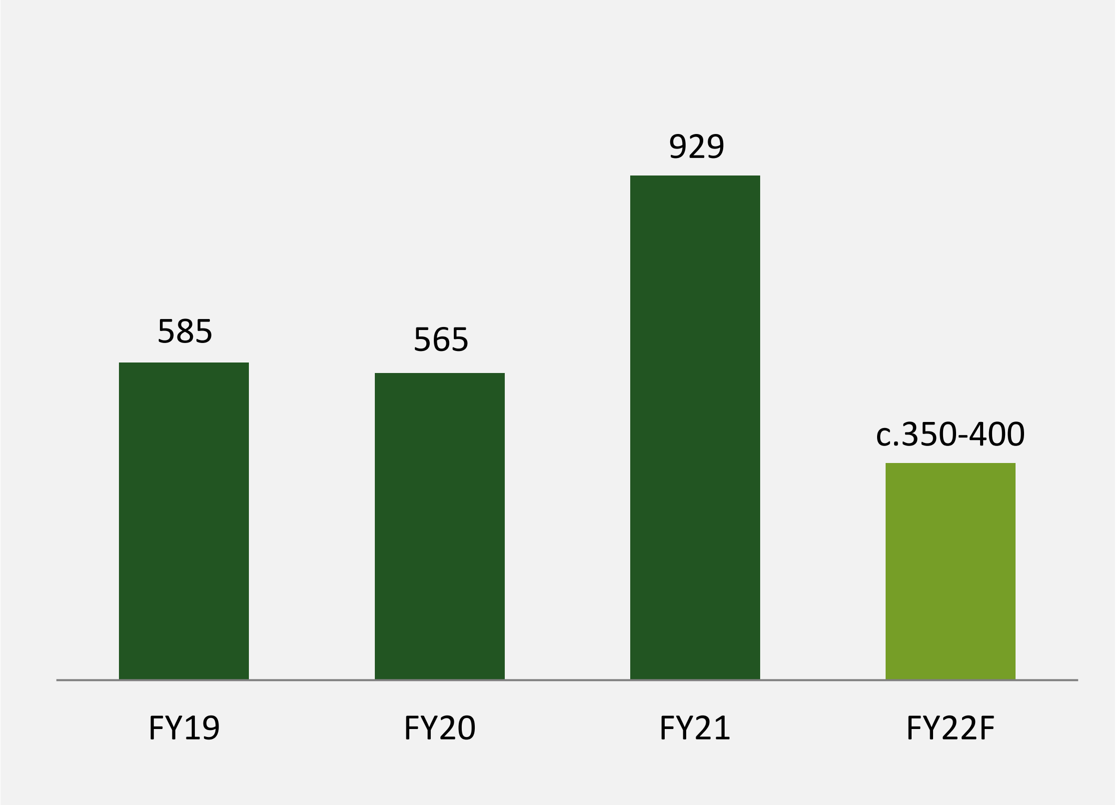
completed in May-22

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

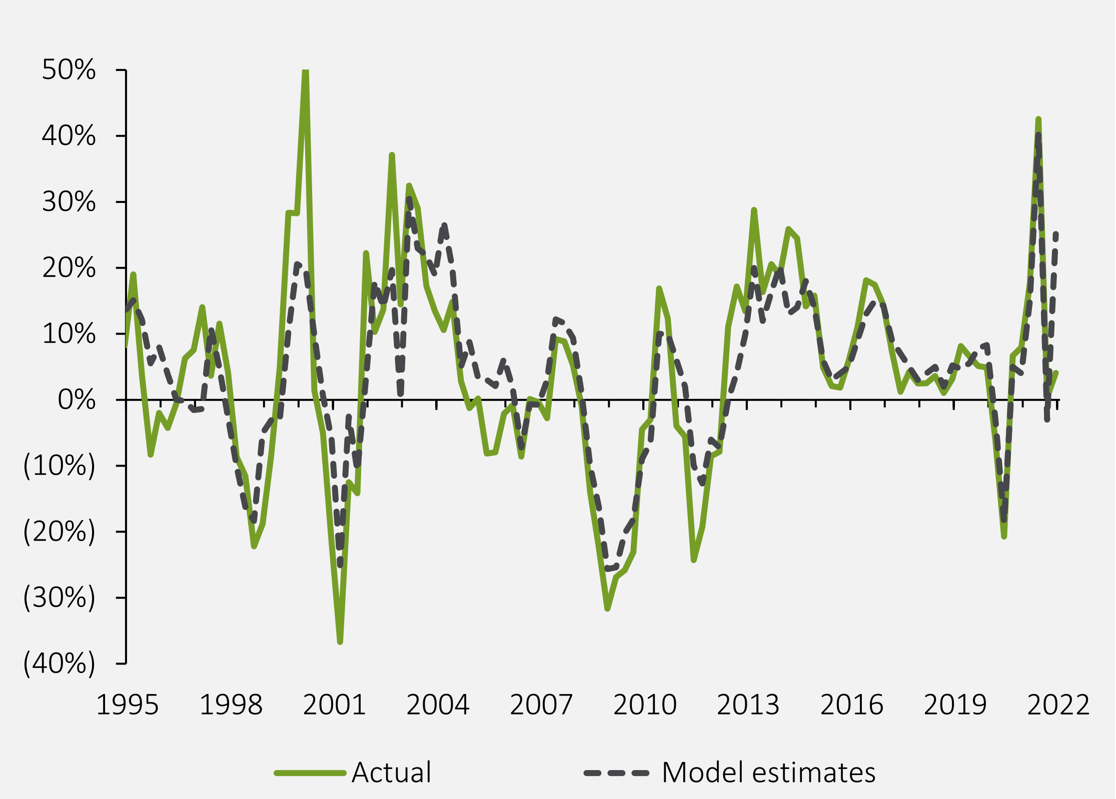
Current volumes strong; backlog to support activity over next 12-18 months

- 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

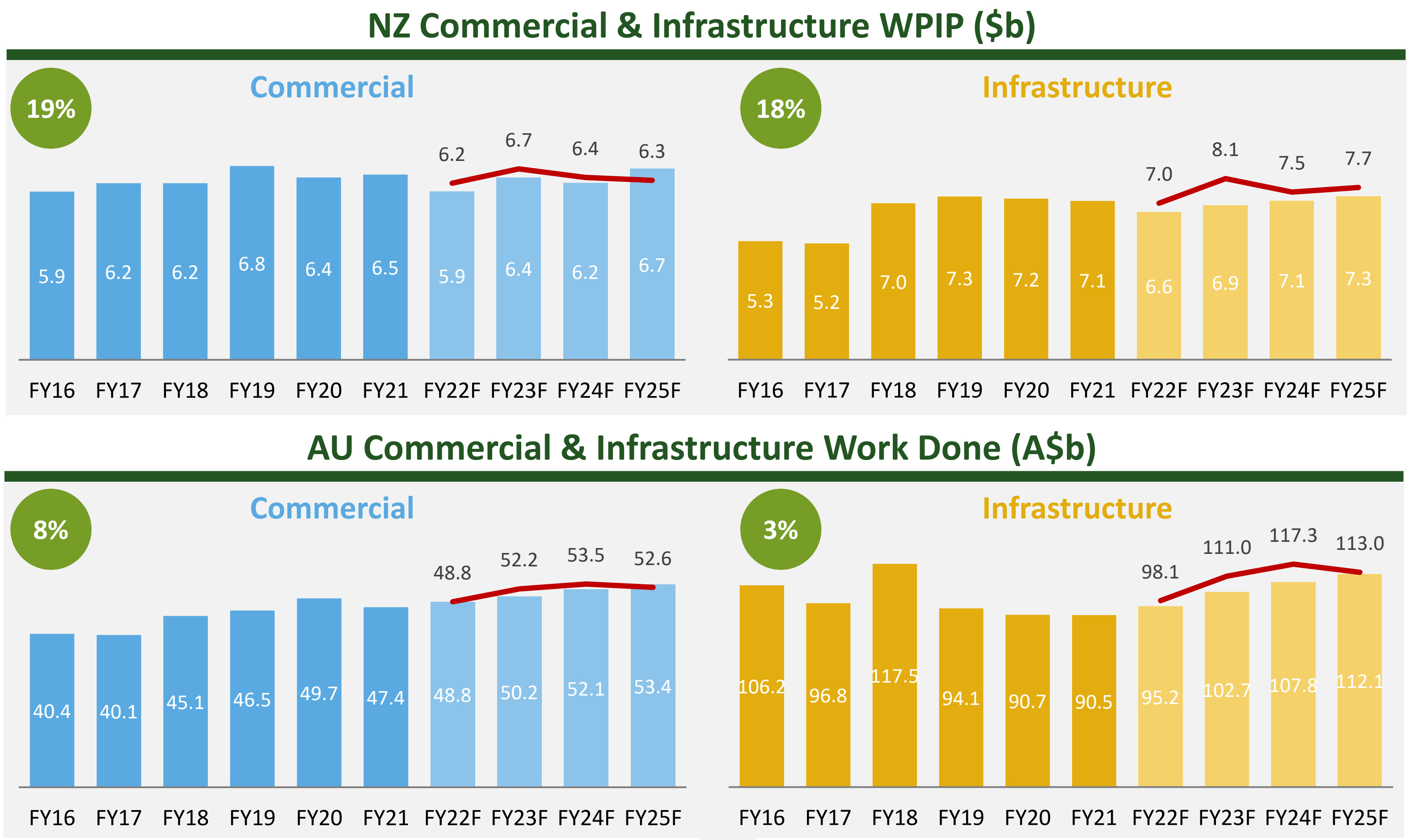


- Deloitte Access Economics' model draws on movement in key economic variables, notably:
  - Inflation
  - Employment and household disposable income
  - Mortgage rates
  - House prices
  - Population growth
  - Public and private investment
- Across all FB markets (i.e. residential and non-residential, 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

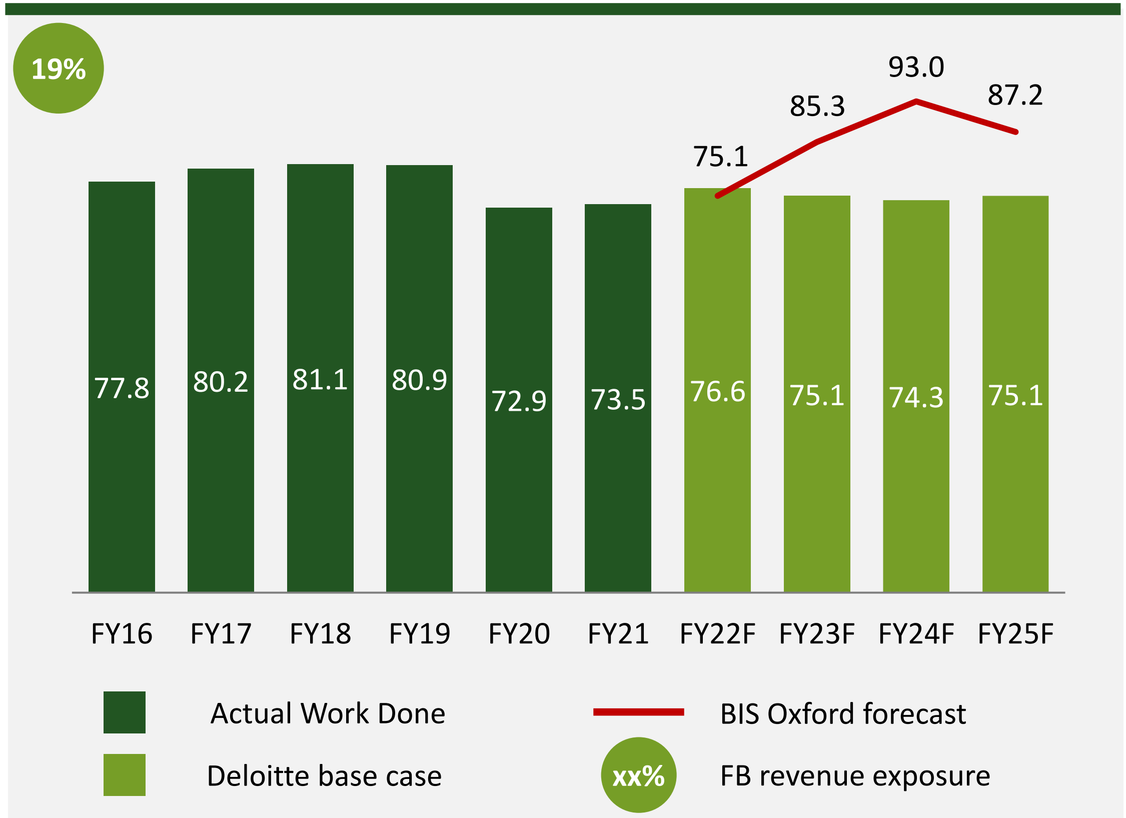
Actual WPIP / Work Done
Deloitte base case
BIS Oxford / Infometrics forecasts
xx% FB revenue exposure

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)



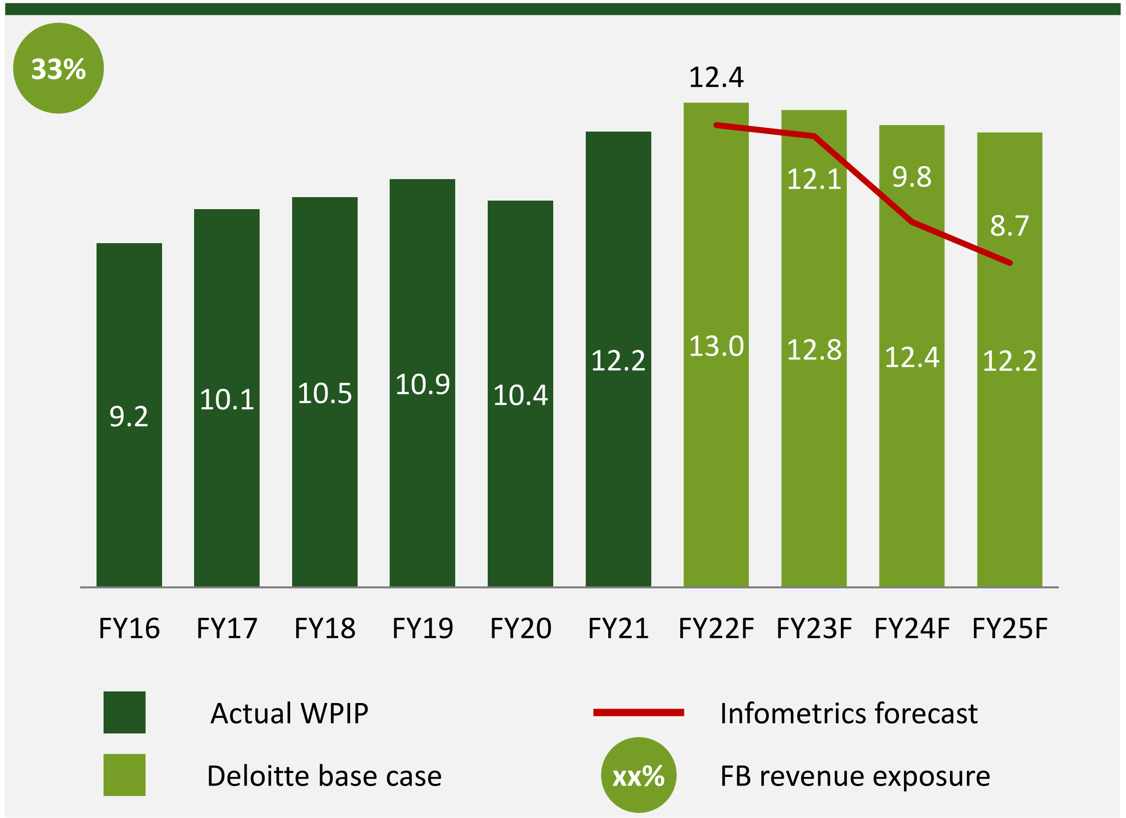
- AU residential activity is currently at an average of the past five years
- Recent levels of consenting, plus disruptions to activity in the past 12 months (e.g. COVID, supply chain and floods) are expected to support market volumes through FY23
- BIS Oxford's current forecast appears bullish on the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

NZ Residential WPIP ($b)



- 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

Agenda

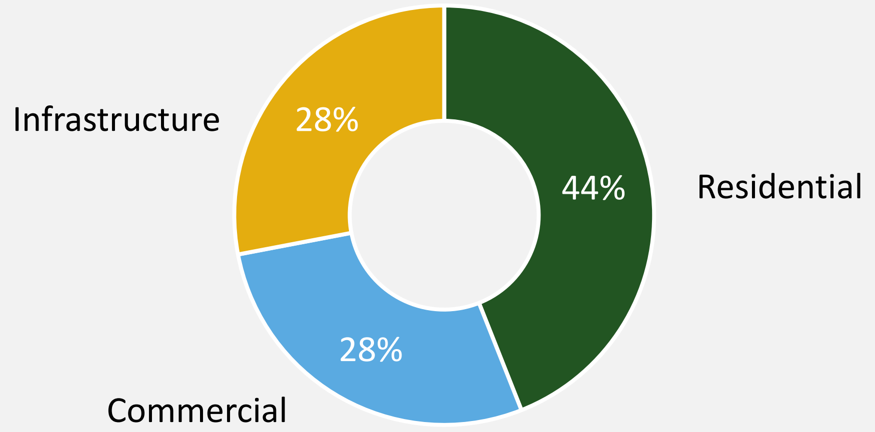
1. Building for tomorrow	Ross Taylor / Bevan McKenzie
2. Building Products	Hamish McBeath
3. Distribution	Bruce McEwen
4. Concrete	Nick Traber
5. Australia	Dean Fradgley
6. Residential and Development	Steve Evans
7. Concluding Remarks	Ross Taylor

The leading New Zealand building products solutions provider with unrivalled network

- Market leading building products brands for the finishing trades with world leading technical product knowledge
- Strong in-country manufacturing presence, providing a large range of decorative surfaces & panel products. The only manufacturer of plasterboard & glasswool insulation
- Integrated value chain in concrete & plastic pipes, servicing a wide range of customers with solutions into multiple sectors
- Balanced portfolio of Steel businesses including EasySteel, Pacific Coilcoaters, Dimond Roofing, CSP Pacific, and Reinforcing & Wire Products

	Business Unit	Market Share[1]	Position
Products	GIB, Laminex New Zealand, Tasman Insulation New Zealand	c.45%	#1 / #2
Pipes	Humes, iPlex Pipelines	c.35%	#2
Steel	Fletcher Steel	c.25%	#1 / #2

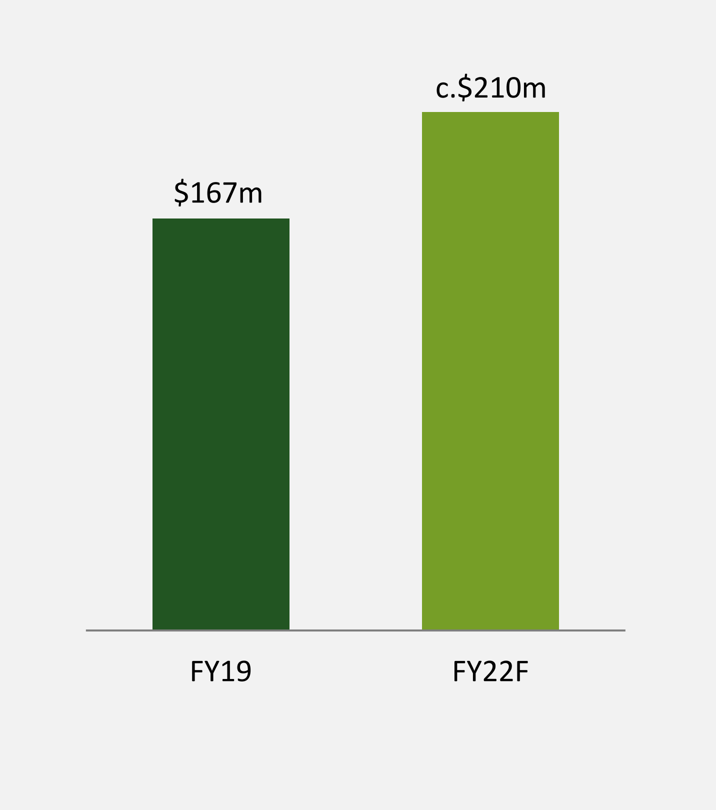
Revenue Weighted Sector Exposure[2]



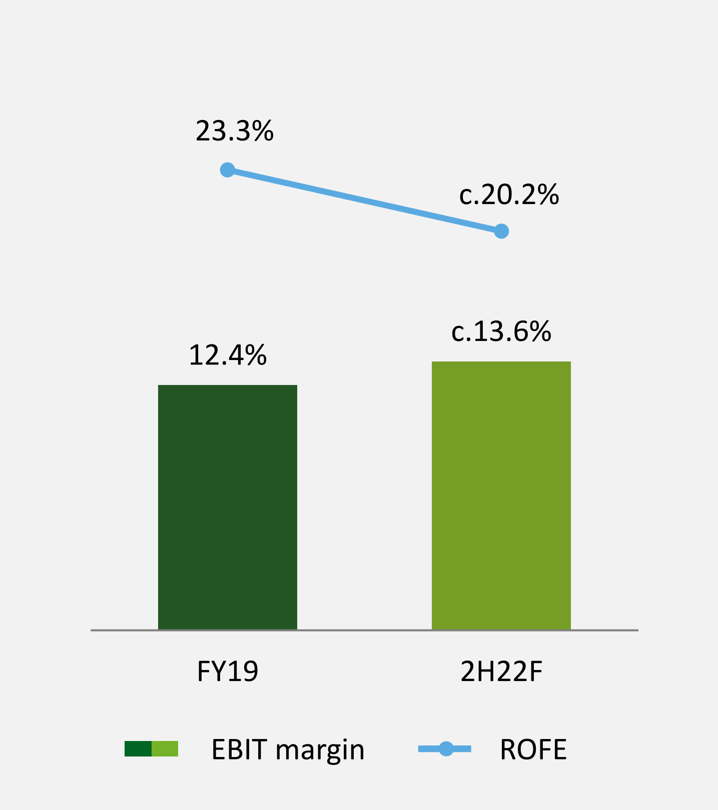
1. FBU Management estimates
2. For HY22

EBIT margin growing to c.14% through pricing disciplines, new products and manufacturing efficiency investments; ROFE decline reflects investment in inventory

EBIT ($m)[1]



EBIT Margin[1] (%) and ROFE[2] (%)



Key Non-financial Measures

	FY19	YTD22
TRIFR[3]	6.4	2.7
NPS	36	48
Engagement	72%	74%
Carbon ('000t)[4]	58	62

1. Before significant items; FY19 is adjusted for proforma IFRS16 to allow like-for-like comparison. FY19 also restated to include Forman
2. ROFE (Return on Funds Employed) calculated based on closing funds; FY22F
3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. YTD22 = 11 months ended 31 May 22
4. Combined Scope 1 & 2 carbon emissions. FY19 represents FY18 baseline. YTD22 = 12 months ended 31 Mar 22

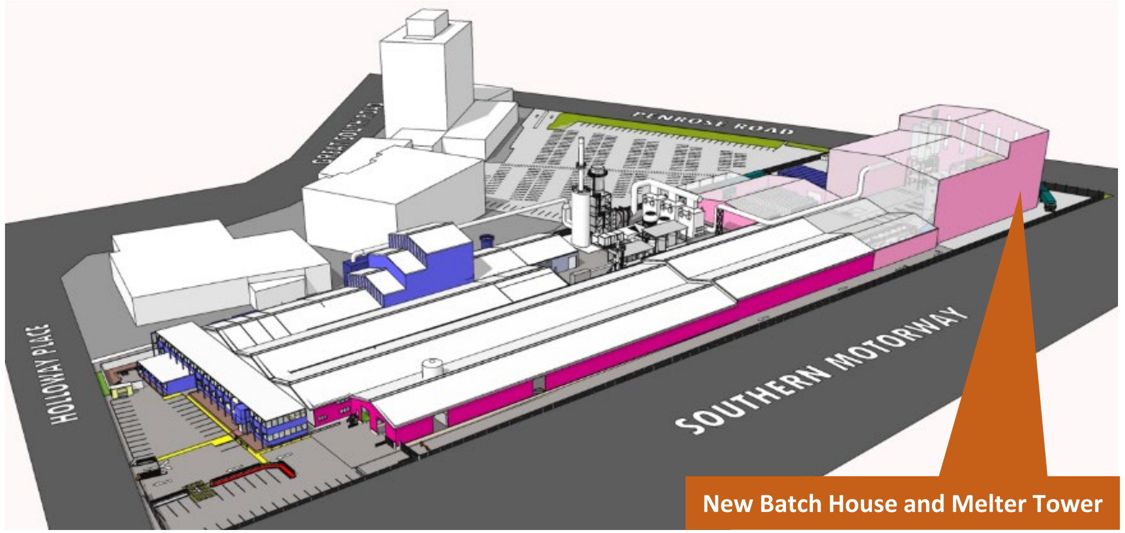
Driving growth with new glasswool insulation plant

Current plant at full capacity; responding to Building Code change requiring c.2x current bales of insulation

Driving operational performance (top & bottom line)

- Pricing disciplines in place to offset inflation
- Ongoing gains in existing plant manufacturing efficiencies is continuing to deliver small capacity enhancements to meet current market demands
- Finalising offshore supply arrangements to boost supply options prior to new plant commissioning
- TINZ and Forman businesses merged – will trade as Comfortech
  - Comfortech will offer solutions in thermal comfort, acoustic performance, moisture / vapour control and fire barriers

Delivering growth through code change requirements



- Final stages of scoping new production line – to be installed next to existing line
- Will triple existing line and be able to produce latest generation glasswool insulation, facilitating volume & market share growth from late FY24
- Old line approaching end-of-life and will be decommissioned

Laminex NEW ZEALAND

Laminex Taupo plant upgrade

Delivering growth through modernisation, adjacencies & higher margin products

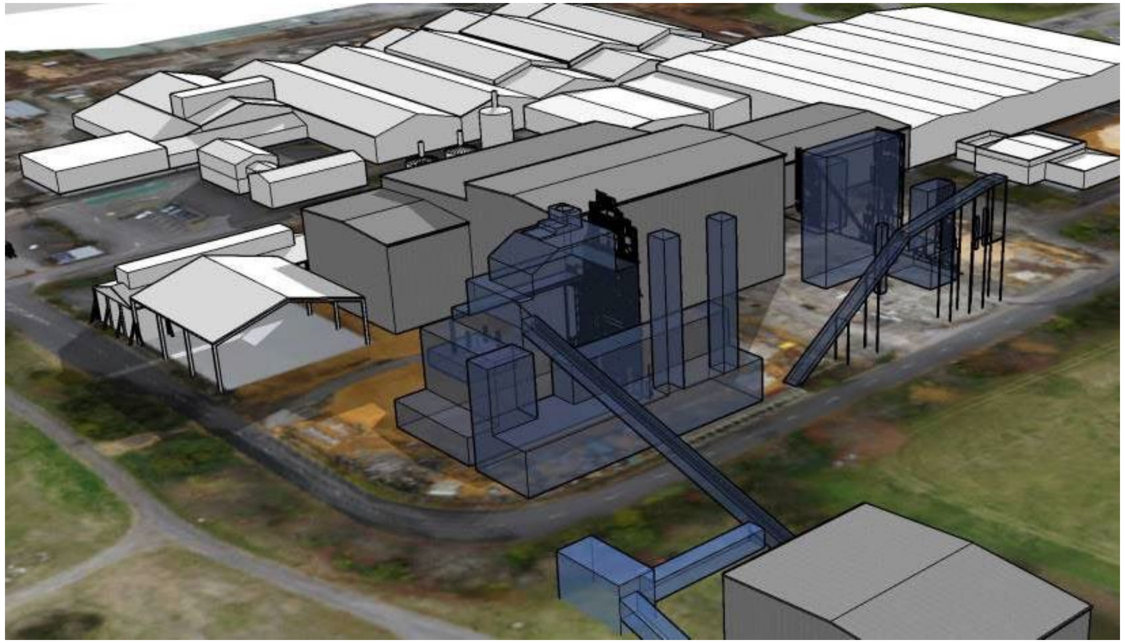
Laminex Taupo plant upgrade for wood-fibre products

- Final stages of vendor selection for new panels plant in Taupo
- New plant will offer a wider range of latest generation wood-fibre based panel products not currently available in NZ
- Capacity will allow us to meet demand for export sales
- Once complete, will generate c.$20m of mid-cycle earnings uplift from FY27

Driving operational performance (top & bottom line)

- Product range refresh and product category growth driving higher sales & better margins
- Introduced Surround by Laminex: higher margin & paint alternative
- Continued development of digital capability and offering – now 30% of sales and growing rapidly

Laminex upgrade site footprint



Grey and translucent blue indicates new plant and equipment to be built beside existing end-of-life plant which will be decommissioned on completion

Fletcher Steel™

Steel

Investing to achieve world-class logistics, cost & operating efficiencies as well as market share

Steel manufacturing efficiencies

- 1st stage of infrared ovens installed successfully, final stage due Dec/Jan, strong confidence on delivery of improved operational efficiencies, product offerings & reduction in carbon emissions
- New purlin mill (triple existing capacity & broader range) ordered; will commission on new site in Mar-24 (earlier than rest of the site)

Driving operational performance (top & bottom line)

- Steel plate processing upgraded and new machines added, facilitating growth options
- CSP in final stages of new barrier development which will enable international IP licensing opportunities
- Strong price / mix processes driving improved distribution margins
- Digital upgrade programme underway which will deliver enhanced freight management & online sales opportunities from end of FY23

New Steel site delivering best-in-class manufacturing

- Purpose-built steel distribution & processing centre to be constructed by FY26, delivering significant handling capacity & efficiency gains

Humes

2-year manufacturing upgrade programme nearing completion, delivering low-cost, efficient manufacturing

Manufacturing footprint

- Completed site consolidation, resulting in two nationwide pipe manufacturing sites and three nationwide precast sites
- Upgrades of existing plant and addition of new process technology will lift available capacity by 30%
- New product development now possible

Driving operational performance (top & bottom line)

- Improved product offerings increasing exposure to civil infrastructure and civil subdivision
- Distribution Branch Refresh Programme well underway – aiming to complete over the next 18 months
  - New branches opened in Taupo and Timaru in FY22
  - Two additional new branches planned for opening in FY23
- Point-of-sale digital solutions

Papakura manufacturing plant automation

- Humes Papakura manufacturing plant automation will be operational from Aug-22
- Will deliver production efficiencies, with the automation of a number of previously manual production processes

Building Products continuing to strengthen & grow existing manufacturing positions in NZ via ongoing innovation & investments

- ➔ Improved modern & automated manufacturing plants expected to drive operational efficiency and address capacity constraints to facility share growth
- ➔ Solid programme of new product development aimed at broadening our addressable market
- ➔ Rolling out opportunities by pushing into adjacent sectors to deliver medium-term growth
- ➔ ROFE will settle at 16-17% by FY27 once new investments materialise to balance sheet

Growing margins to c.14% through pricing disciplines, new products and manufacturing efficiency investments

Questions

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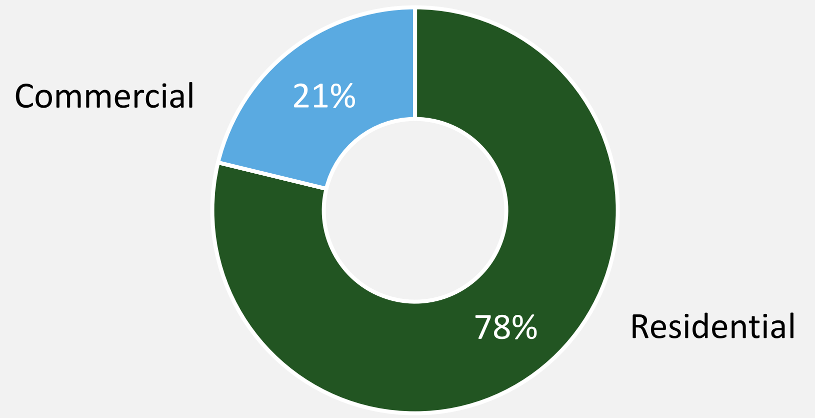
Leading trade distribution businesses in New Zealand

- A leading trade distributor of building & plumbing supplies across the NZ market, with strong geographic network reach
- Deep customer connections, leading technical knowledge, and strong grass roots presence through leading respected brands
- Strategically positioned across the key metro markets; strong regional presence diversifying sales & earnings risk
- Investing in capability to deliver market leading customer service through an integrated digitised supply chain
- Harnessing digital capability to enable our customers to transact when & where they need it

Business	Sector	Market share[1]	Position
PlaceMakers	SMEs	c.26%	#1
	Commercial	c.30%	#2
PlaceMakers FRAME & TRUSS	GHBs	c.35%	#2
	Plumbing	c.35%	#1
mico	Bathroom	c.25%	#1

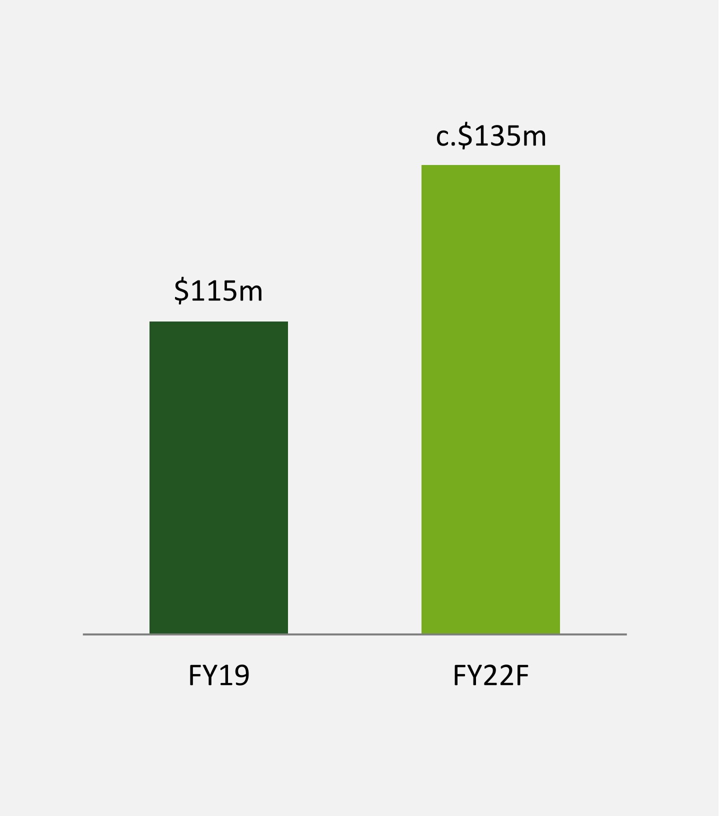
Revenue Weighted Sector Exposure[2]



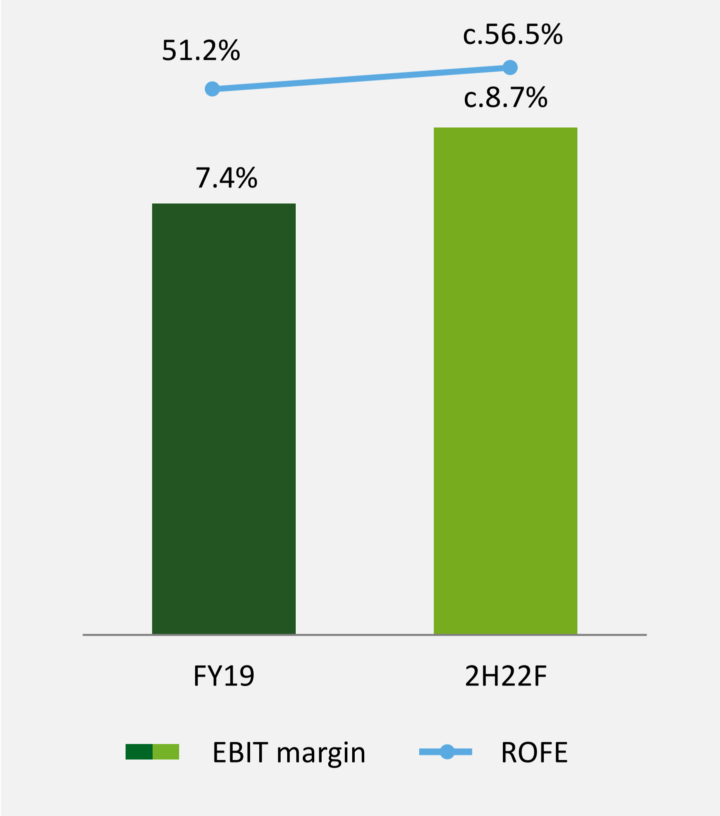
1. *FBU Management estimates*
2. *For HY22*

Sustainable performance improvement through strong operating disciplines

EBIT ($m)[1]



EBIT Margin[1] (%) and ROFE[2] (%)



Key Non-financial Measures

	FY19	YTD22
TRIFR[3]	5.8	4.8
NPS	44	27
Engagement	75%	71%
Carbon ('000t)[4]	7	9

1. Before significant items; FY19 is adjusted for proforma IFRS16 to allow like-for-like comparison. FY19 also restated to exclude Forman
2. ROFE (Return on Funds Employed) calculated based on closing funds; FY22F
3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. YTD22 = 11 months ended 31 May 22
4. Combined Scope 1 & 2 carbon emissions. FY19 represents FY18 baseline. YTD22 = 12 months ended 31 Mar 22

Growth delivered through top line sales growth, embedded pricing disciplines and cost efficiencies

Disciplined sales growth through top line initiatives

- Strong pricing disciplines & capability to recover inflation
- Sales excellence to capture targeted market share
- Digitised end-to-end supply chain to deliver best-in-class fulfilment

Embedded cost efficiencies

- In-sourced delivery fleet to control costs and increase service
- Enhanced network configuration to drive scale efficiencies
- Cost base reset with ongoing workforce optimisation

Network expansion centred around our customers to drive ongoing growth

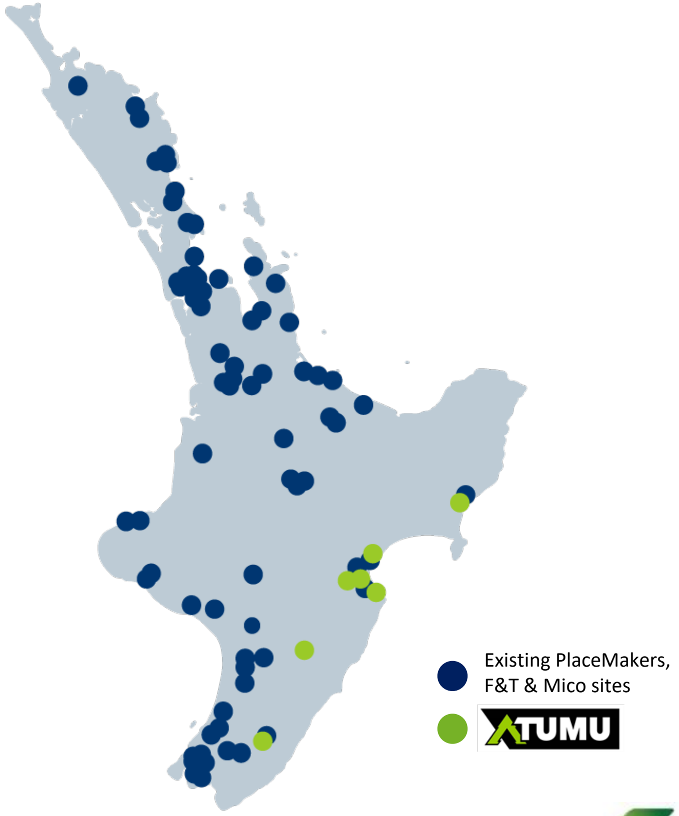
Tumu stores expected to deliver earnings uplift…

- Six branches & one Frame & Truss manufacturing facility
- c.200 staff with deep community connection
- $130-140m sales; $10-12m EBIT p.a.
- Commerce Commission approval expected in Q1 FY23

Continued network optimisation

- New or refurbished branch openings across PlaceMakers & Mico networks to improve customer offer
- 10 regional hubs covering 65% of PlaceMakers' sales volume, delivering scale efficiencies & consistency of execution

… and strengthen market positions in growth areas



Scaling up Frame & Truss manufacturing

Investing in automation

- Safer operating environment for our people
- Improved quality product in dimension and tolerance
- Technology & automation enabling innovation in new products
- Increased capacity enabling potential for capturing increased share of wallet on balance-of-house spend

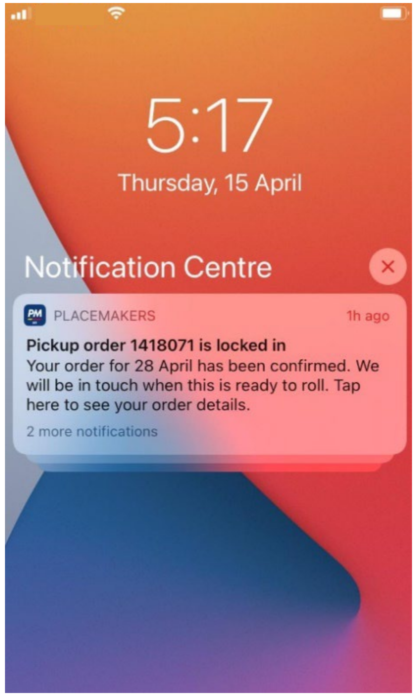
Automation equipment to drive safety & innovation and improve quality

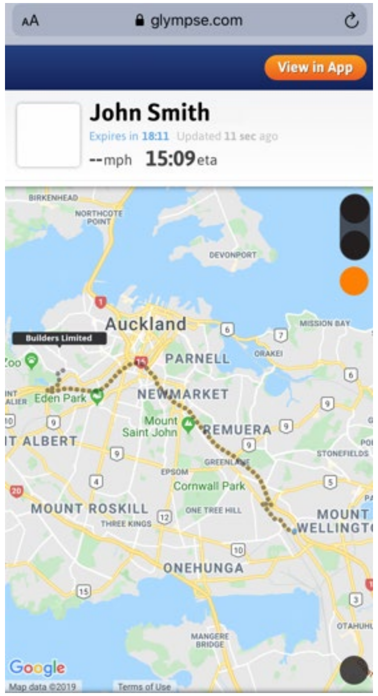
Innovation in digital tools differentiating the business for sustainable returns

Digitising our operations / end-to-end supply chain

- Continued development of digital tools driving ease of integration into customers ecosystems
- Making it easy for our customers to order & quote to increase share of customers' spend
- Digital sales growth through e-tools >$100m (or >7% of total sales)
- 60% of PlaceMakers trade customers registered on e-tools
- 150,000 advanced delivery notifications to customers per month
- Mico e-tools, mobile app & portal capability launched in Q1FY23

Enhancing our customer experience



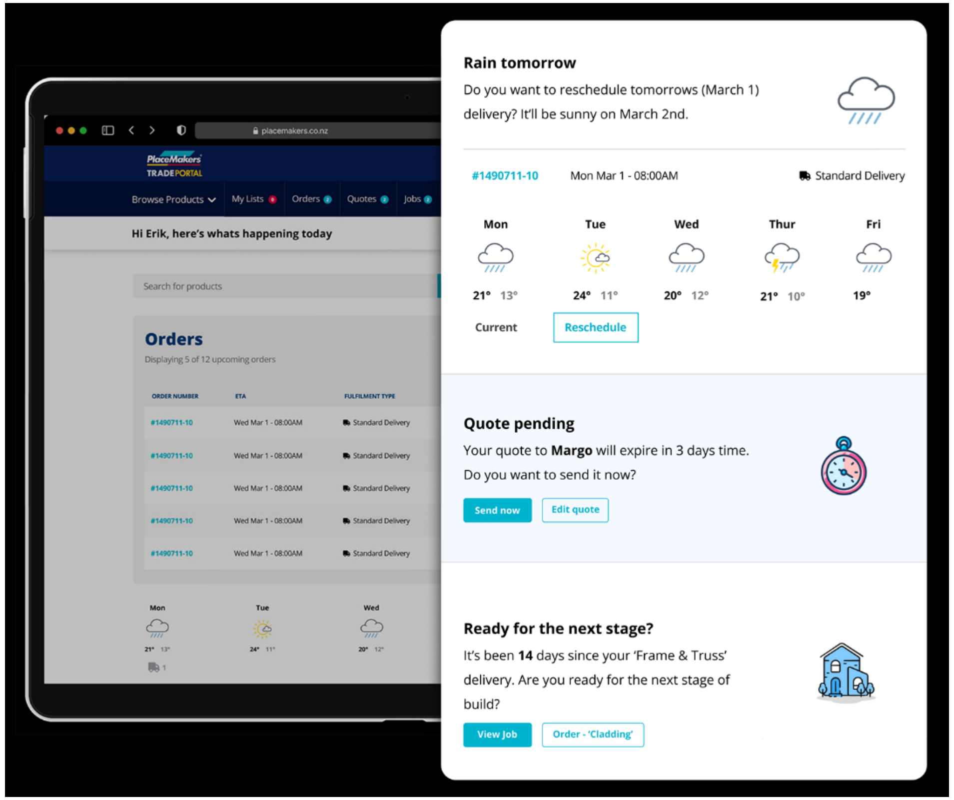


Insights via data & analytics enabling customer experience personalisation

Focus on solving key challenges with data & analytics

- Data & analytics team established; tech foundations built
- Core customer data cleansed; personalisation enabled for:
  - Digital onboarding
  - Lapsed customer engagement
  - Test & learn targeted promotions to enhance share of wallet
- Customer segmentation by recency, frequency & monetary (RFM) engagement
- Addressing customer pain points with opportunity to further enhance share of wallet

Harnessing tech capabilities to differentiate



Distribution Division driving growth & margin expansion through continued innovation & operational discipline

- Strong financial performance with growing EBIT margins & strong ROFE
- Profitable network expansion & investment in growth corridors
- Disciplined pricing methodologies & capability in place to offset inflation
- Ongoing innovation in customer-focused digital solutions, making it easier for our customers
- Key transformation initiatives underway for future positioning in a competitive market
- Market leading brands and capability to capture greater share of customer spend to grow market share in key segments

Sustainable earnings growth through focused top-line sales growth (incl. network expansion), pricing disciplines and cost efficiencies – to deliver ongoing EBIT margin expansion of 50-100bps

Questions

Coffee Break

Presentations will resume at 9:45am AEST / 11:45am NZT

Agenda

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4. Concrete	Nick Traber
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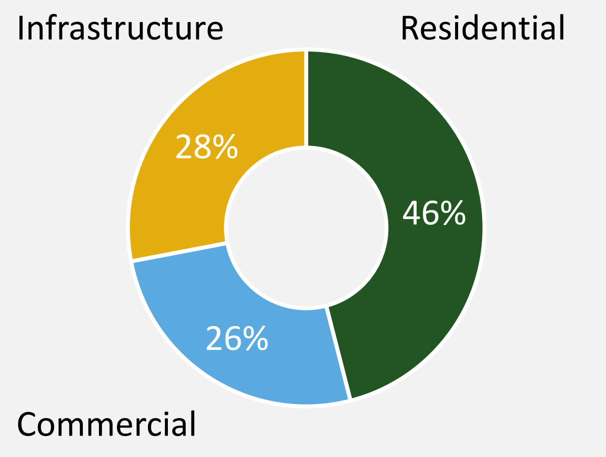
7. Concluding Remarks	Ross Taylor

NZ leader in sustainable binder & concrete – underpinned by strong brands, unique footprint & technical capabilities

- Well-positioned in NZ's fastest growing markets, with a well-balanced mix of major sector exposures (across residential, commercial & infrastructure)
- Unique footprint & logistics network, strong technical capabilities and brands
- Covering the full value chain – the only domestic manufacturer of cement, supporting resilience of the NZ construction industry

Business Unit	Overview	Position
Firth	Leader in Certified Concrete (ready-mix), masonry & Dricon (bagged dry concrete) 75 certified, six masonry, and two Dricon plants	#1
Golden Bay	Only local integrated manufacturer of binder & distribution services A state-of-the-art plant at Portland with dedicated shipping, trucking & rail distribution; six service centres	#1
Winstone Aggregates	Leader in aggregates, recycling / clean fill & transportation services 11 active quarries, and four clean fills – with a dedicated trucking & delivery service nationwide	#2

Revenue Weighted Sector Exposure[1]

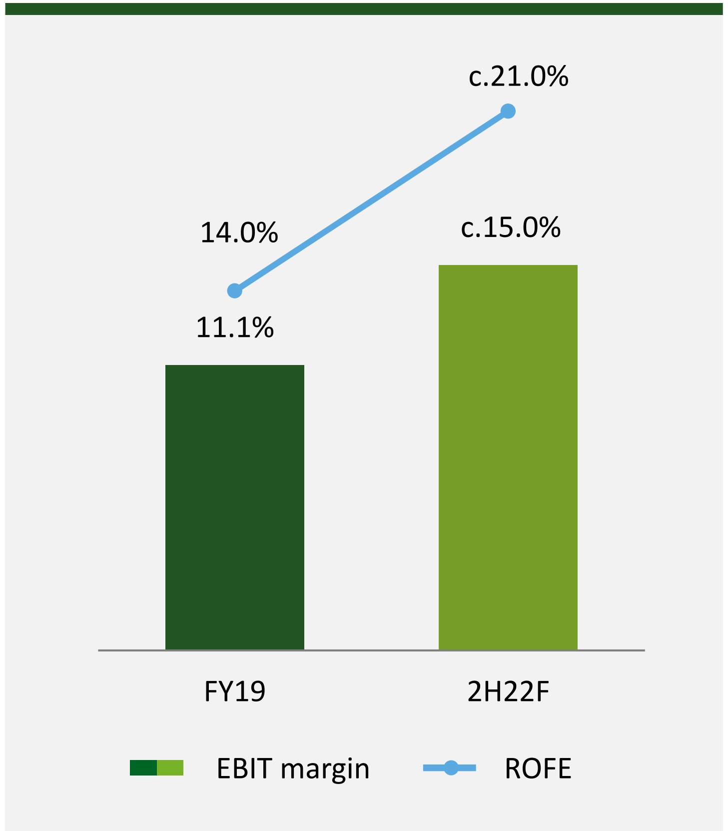


1. For HY22

Sustainable margin and profit improvement based on strengthened market position, improved cost base and investment discipline

EBIT ($m)[1]

EBIT Margin[1] (%) and ROFE[2] (%)



Key Non-financial Measures

	FY19	YTD22
TRIFR[3]	2.0	2.6
NPS	51	61
Engagement	75%	74%
Carbon (‘000t)[4]	771	695
Carbon intensity[5]	728kg[5]	701kg

1. Before significant items; FY19 is adjusted for proforma IFRS16 to allow like-for-like comparison
2. ROFE (Return on Funds Employed) calculated based on closing funds; FY22F
3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. YTD22 = 11 months ended 31 May 22
4. Combined Scope 1 & 2 carbon emissions. FY19 represents FY18 baseline. YTD22 = 12 months ended 31 Mar 22
5. Carbon intensity of cement expressed in kg of CO_2 per tonne of cement. FY19 represents FY18 baseline. YTD22 = forecast 12 months ended 30 Jun 22

Strong sustainable growth platform driven by continuous improvement of our core business and capturing future growth opportunities

Base business: Drive operational performance & efficiency

Top line

- Strengthened market position and expanded footprint
- Capacity upgrades & debottlenecking
- Enhanced product & service offering

Bottom line

- Operational excellence initiatives
- Production & supply chain optimisation across the Division
- Lean support organisation; local P&L ownership

Driving growth plans: Innovation, digital & sustainability

Innovation

- Leader in low carbon binders & concrete
- Innovative sustainable solutions

Digital

- Operational & supply chain optimisation; product quality controls
- Digital customer experience; customer portal; online concrete ordering

Sustainability

- Alternative fuels & raw materials; waste management
- Circular offering: recycling & reuse

Firth's growth is underpinned by extended footprint & operations and fast scaling of low carbon product & solutions

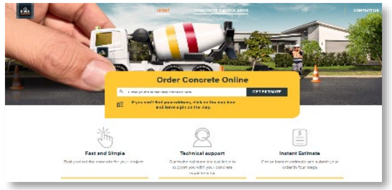
From industry leading concrete products…

Extended Certified footprint

Expanded ready-mix plant & truck network, increasing capacity by ~10% to support future growth

Strengthened masonry operations

Extended & optimised masonry production; automation at flagship Hunua plant increasing capacity by ~5-10%



Digital customer experience

First to market B2C online sales portal;
>50% of Certified processes now digital with Firth Mobile Ticket

… to low carbon construction solutions

Launching mid-FY23:

EcoMix low carbon concrete

NZ's first low carbon concrete at scale;
20-40% lower carbon vs. the ISCA[1] baseline

Smart design solutions

X-Pod foundation system for efficient and resource reduced construction;
100% recyclable and made from recycled materials

1. *ISCA = Infrastructure Sustainability Council of Australia*

Golden Bay's performance is driven by increased supply chain capacity, leading operational & carbon performance, and scaling of waste management

Golden Bay

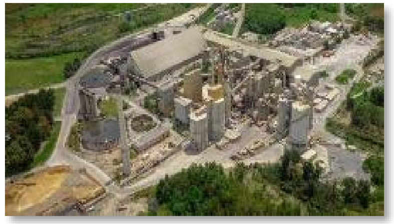
From leading carbon and operational performance…

Supply chain optimisation

Major terminal upgrades (New Plymouth, Wellington), resulting in ~5-10% of increased shipping capacity

Alternative fuels & raw materials

~50% coal substitution achieved, resulting in >80kt of waste tires & wood chips being diverted from landfill and ~$5m p.a. of profit contribution



Operational excellence

Relentless focus on operational excellence, delivering ~2-3% EBIT margin expansion and world-leading carbon performance

… to sustainable binder and waste management

Launching mid-FY23:

Eco™ sure

EcoSure low carbon binder

NZ's first low carbon binder at scale; domestically manufactured & sourced; 30% lower carbon than the ISCA[1] baseline

Fast scale waste management

80% coal substitution as next milestone; fast scale waste management; alternative raw materials to deliver unique solution to key NZ waste issues

1. ISCA = Infrastructure Sustainability Council of Australia

Winstone Aggregates is capturing growth from capacity upgrades, geographic expansion & scale-up of circular offering

From leading aggregates supplier…

Enhanced service offering

Leveraging transport capability to deliver superior service to customers, with over 30% of sales delivered to customers' sites

Capacity upgrades & debottlenecking

Investment in key operations to capture growth, such as >100% capacity increase at Whitehall and upgrades at flagship quarries (i.e. Hunua, Belmont)

Operational excellence

Improving utilisation and cost efficiency across quarries and transport, delivering ~3-4% of EBIT margin expansion

… to circular materials management

Geographic expansion

Expansion into attractive regions; ~5-10% volume uplift from recent land purchase in the South Island by FY25

Circular materials offering

Job site materials offer leveraging transport, clean fill & recycling capabilities; scaling use of recycled concrete from deconstruction; closing material cycles

Concrete Division offers an attractive platform for sustainable growth

- Leading concrete business based on strong brands, capabilities and footprint
- Underlying performance improvement initiatives delivering ahead of plan
- Driving growth plans to capture opportunities in innovation, digital and sustainability
  - First low carbon binder & concrete at scale in NZ to be launched by FY23
  - Leveraging digital to enhance customer experience and process optimisation
  - Fast tracking of recycling / circular offer and waste management services

Initiatives in place to drive 100-200bps of margin expansion and above-market growth over the short- and medium-term

Questions

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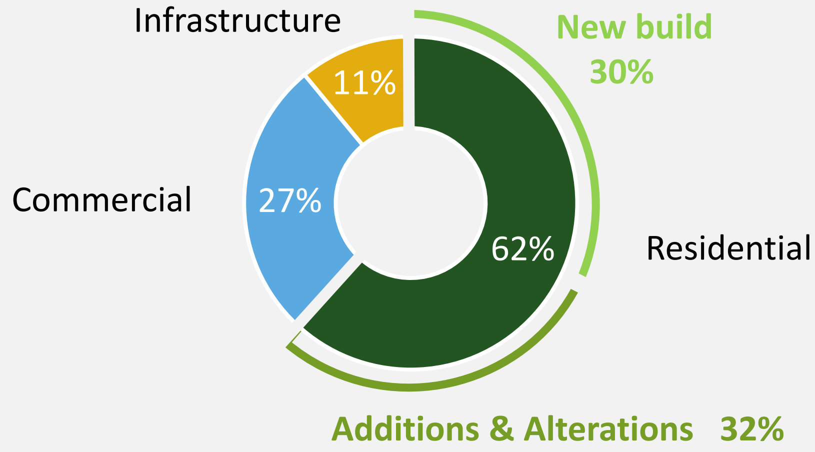
Well-established businesses & brands that operate across manufacturing & distribution, with momentum to grow

- 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[1]	Position
Products	Laminex	c.40%	#1
Products	iplex We Know Water	c.30%	#1
Products	Fletcher Insulation Building Better, Together	c.35%	#2
Distribution	Tradelink, Oliveri	c.22%	#2
Steel	Stramit	c.20%	#2

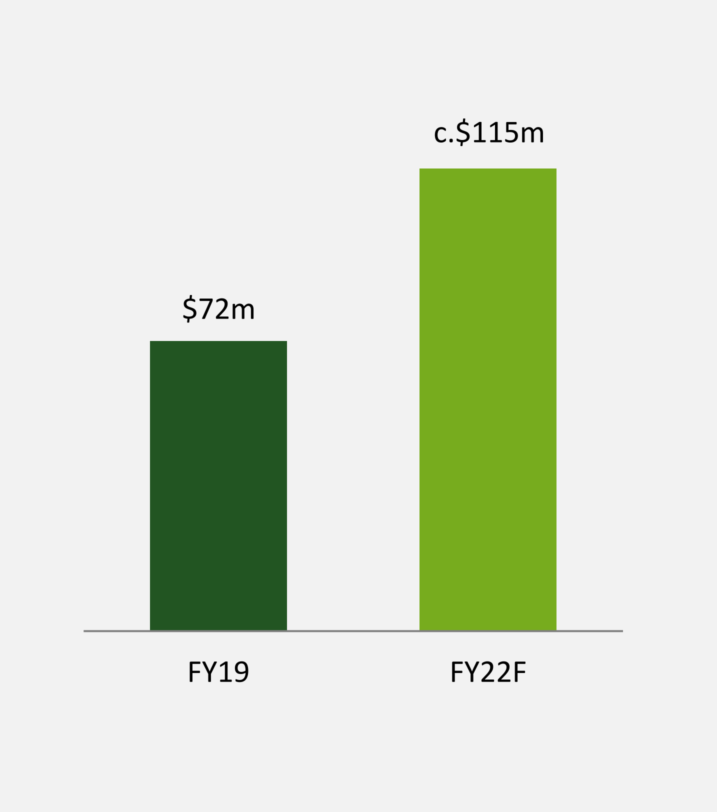
Revenue Weighted Sector Exposure[2]



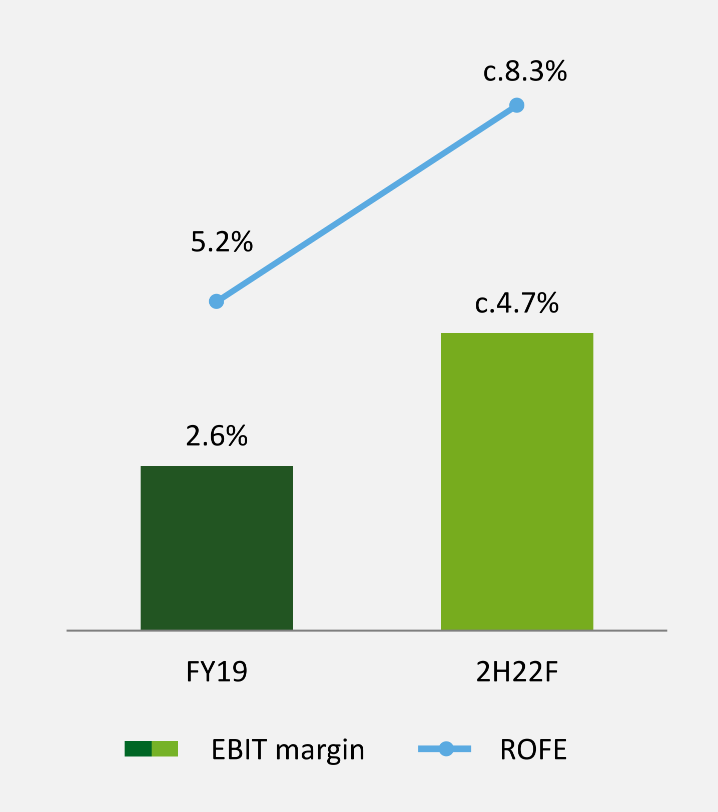
1. FBU Management estimates
2. For HY22

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)[1]



EBIT Margin[1] (%) and ROFE[2] (%)



Key Non-financial Measures

	FY19	YTD22
TRIFR[3]	5.4	3.5
NPS	33	15
Engagement	59%[4]	61%
Carbon ('000t)[5]	359	313

1. NZD for ongoing operations before significant items; FY19 is adjusted for proforma IFRS16 to allow like-for-like comparison
2. ROFE (Return on Funds Employed) calculated based on closing funds; FY22F
3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. YTD22 = 11 months ended 31 May 22
4. 58% represents FY21 reported
5. Combined Scope 1 & 2 carbon emissions. FY19 represents FY18 baseline. YTD22 = 12 months ended 31 Mar 22

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

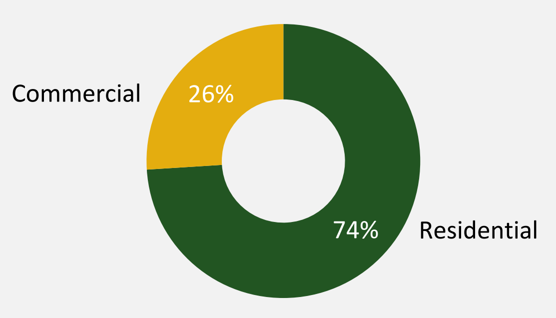
Operational performance & growth strategies…

- 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

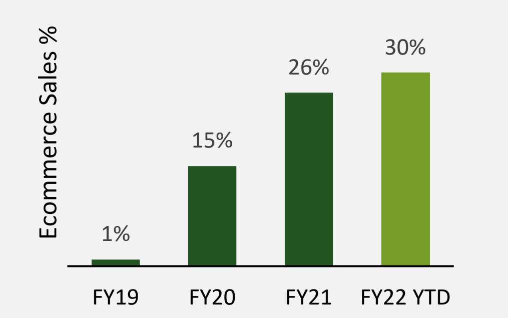
… being delivered to achieve double digit EBIT margins

- 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

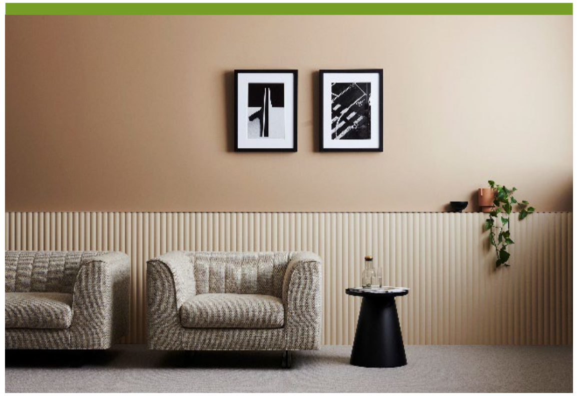
Revenue Weighted Sector Exposure



Ecommerce Sales



Surround by Laminex



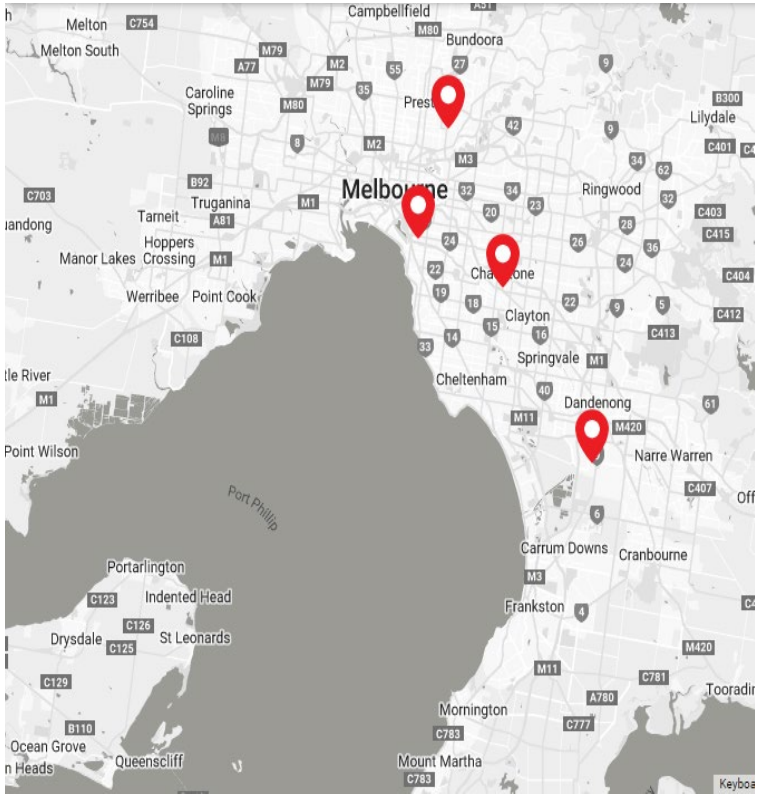
Dual Brand Strategy

Laminex

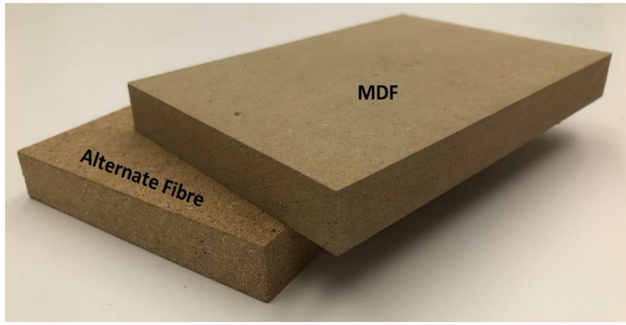
Laminex

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

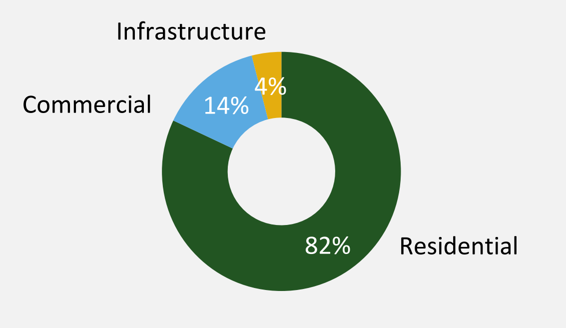
Operational performance & growth strategies…

- 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%

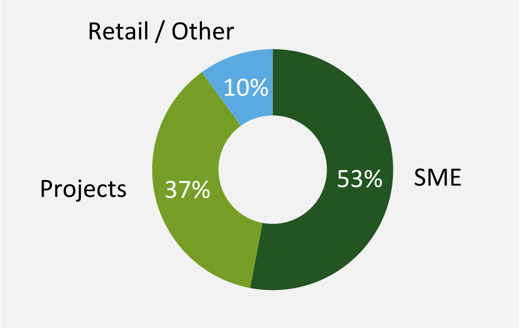
… delivering growth to achieve 5%+ EBIT margins

- 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

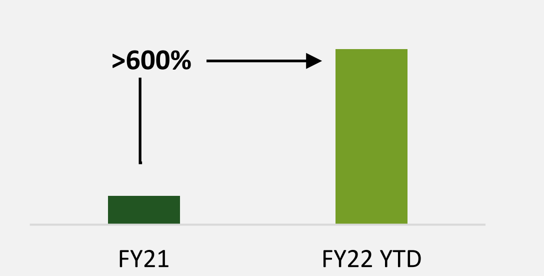
Investment in showrooms

Plumbing Distribution

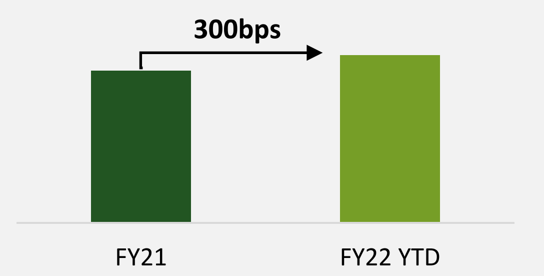
Strategy in action; complete digital offer and own brand penetration are driving margin expansion

Tradelink into 2nd year of digital sales

Digital sales $



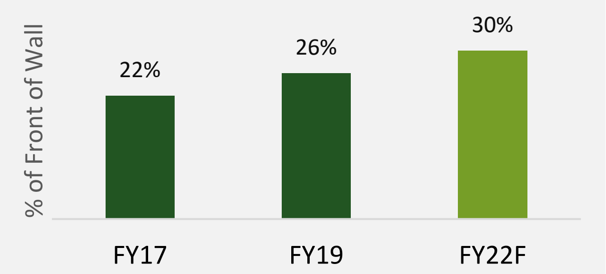
Digital Margin



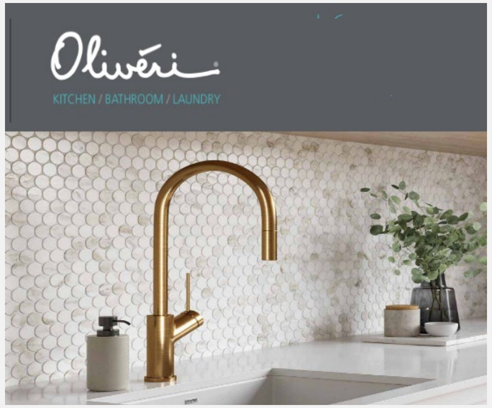
And now, we have entered B2B for value

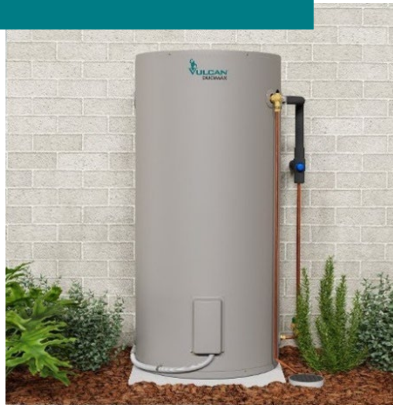
Own brand driving growth

Own brand sales



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





Fletcher Insulation

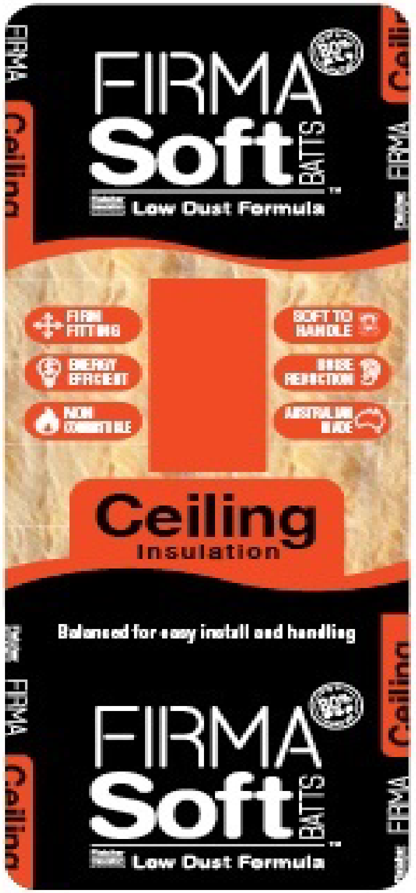
Delivered 700bps of EBIT margin improvement over three years – well-positioned for future growth

Better margins from operational performance & growth

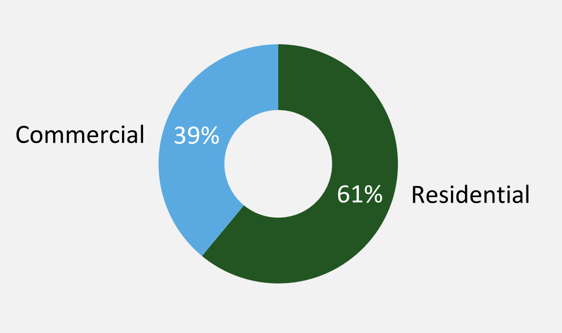
- Optimised manufacturing and distribution footprint; investment in automation has driven the lowest cost-to-serve in target markets
- Segmental growth delivered through expansion into installed solutions
- Winning in core products and markets

Delivering growth

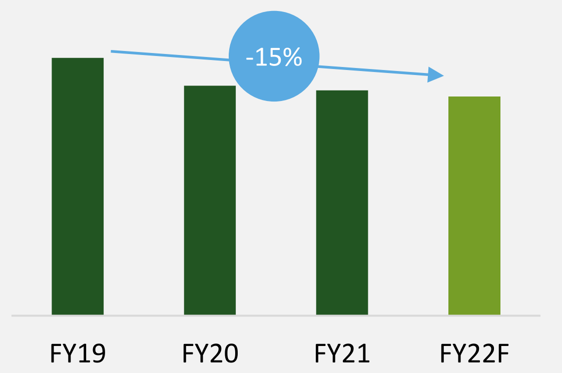
- Continued manufacturing automation programmes for efficiency
- Strengthening our digital offer will see attraction of new customers
- White space adjacency, bringing new products to market and delivering customer solutions and margin accretion



Revenue Weighted Sector Exposure



Manufacturing cost per tonne[1]



1. Excluding raw materials

Stramit

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

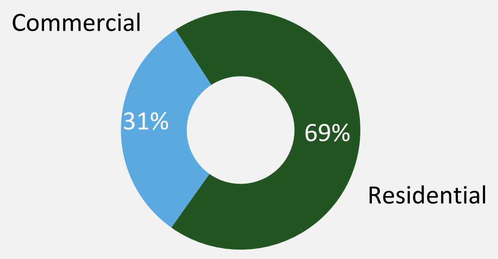
Better margins from operational performance & growth

- 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

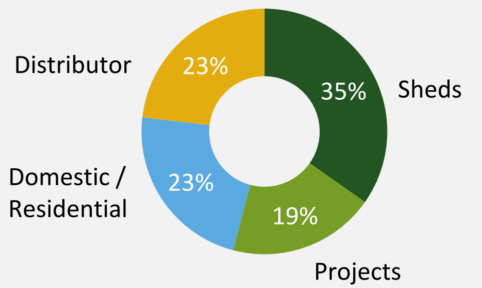
Delivering growth

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

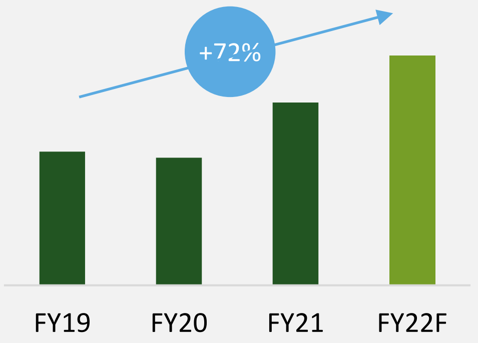
Revenue Weighted Sector Exposure



Sheds Participation



Sheds Revenue



Iplex

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

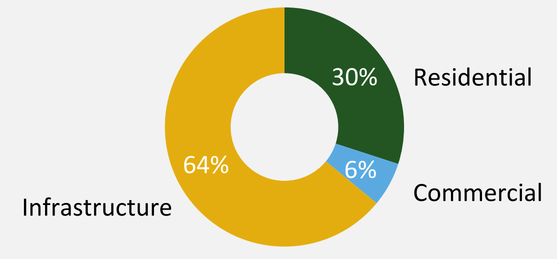
Better margins from operational performance & growth

- 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

protect
zero injuries every day

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

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

Continuing to grow and shape the businesses, building off our well-established strengths and market brands

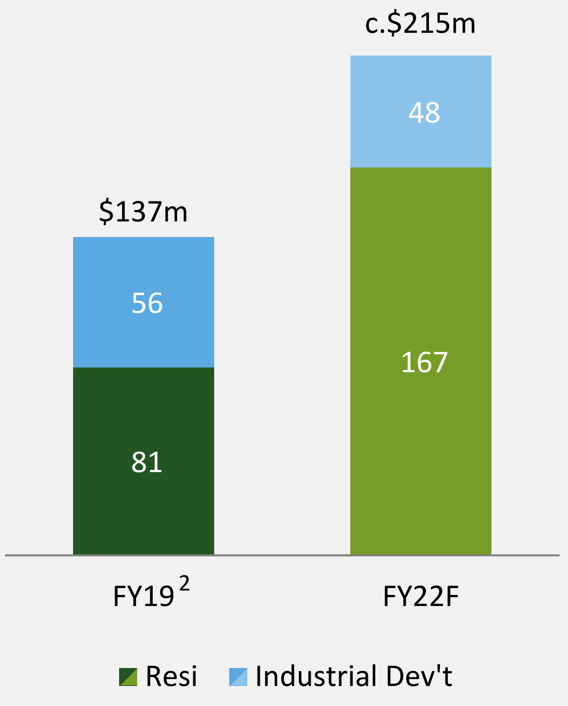
- Centred around Auckland & Christchurch, delivering new master-planned communities at scale for the last 10+ years
- Existing communities continue to show great demand as we deliver quality homes to the most robust parts of the market
- Land secured to grow Apartments business to c.300 apartments p.a. in FY25 – we will deliver >100 apartments in FY23 in existing communities
- Clever Core continuing to grow – first projects delivered to Kāinga Ora; looking at larger facility to meet demand post-FY25

Business Unit	Overview
Fletcher Living Love your new home	Fully integrated developer of communities at scale Strong relationships with iwi & government; providing access to quality land Extensive land pipeline to support delivery of 1,000+ homes sold p.a. Apartments business delivering higher density schemes on FRL sites and outside central-city locations
CLEVER CORE New Zealand	Offsite manufacturer of panelised homes targeting 250 homes for FY23
vivid living.	Retirement business established, first homes expected to be occupied in FY23 Differentiated market proposition with ORAs[1] based on 15% DMF[2], share of capital gains
Industrial Development	Blending disposal of FB properties with consenting and development of new land Continue to target $25m EBIT p.a.

1. Occupational Right Agreement
2. Deferred Management Fee

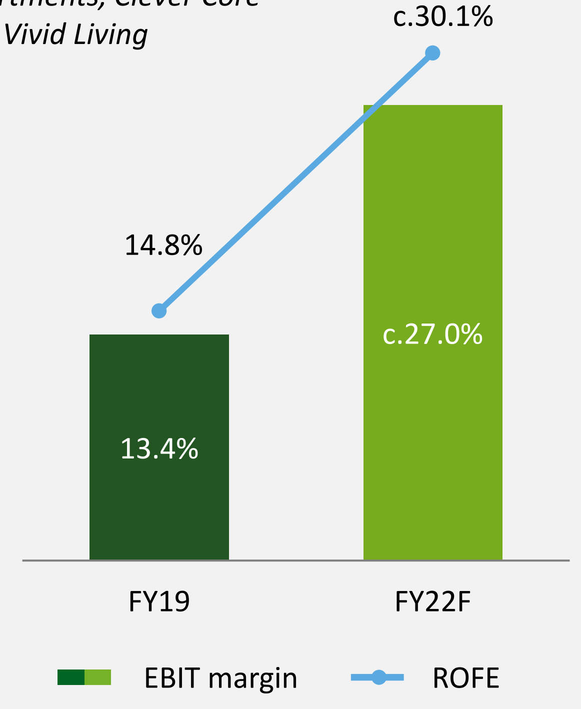
A strong base established with performance driven by measured growth; anticipating that EBIT margins will return to c.20%

EBIT ($m)[1]



Residential EBIT[1] Margin & ROFE[3] (%)

Residential includes Apartments, Clever Core and Vivid Living



Key Non-financial Measures

	FY19	YTD22
TRIFR[3]	6.0	3.9
NPS	63	79
Engagement	85%	81%
Carbon ('000t)[4]	0.3	0.3

	FY22F
Lots under control[5]	5,566
Units taken to profit	c.700

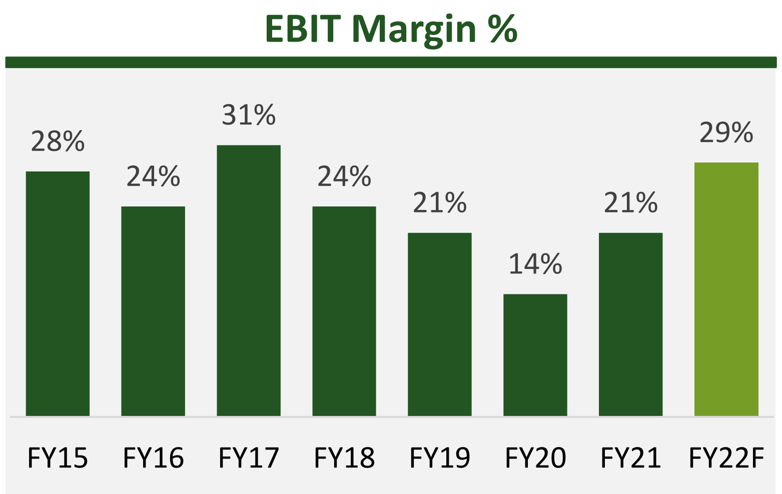
1. Before significant items; FY19 is adjusted for proforma IFRS16 to allow like-for-like comparison
2. ROFE (Return on Funds Employed) calculated based on closing funds; FY22F
3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. YTD22 = 11 months ended 31 May 22
4. Combined Scope 1 & 2 carbon emissions. FY19 represents FY18 baseline. YTD22 = 12 months ended 31 Mar 22
5. Zoned lots under control excludes rural land at Taupaki

Combination of pragmatic financial assumptions & strong product positioning gives us confidence our Residential Development business is well-positioned through-the-cycle

- Factoring in a c.10% drop in EBIT margins in FY23 (vs. FY22F) due to a combination of price and cost

- Products located in the most robust parts of the market with the most depth
- Resilient sales due to community building focus (not just houses)
- Extension of communities into apartments & retirement from strong IP developed, densification & changing demographics

- Strong land bank, acquired through prudent investment guardrails / a through-the-cycle perspective
- Ability to slow / ramp-up development works & house building through changing market conditions, rather than alter price



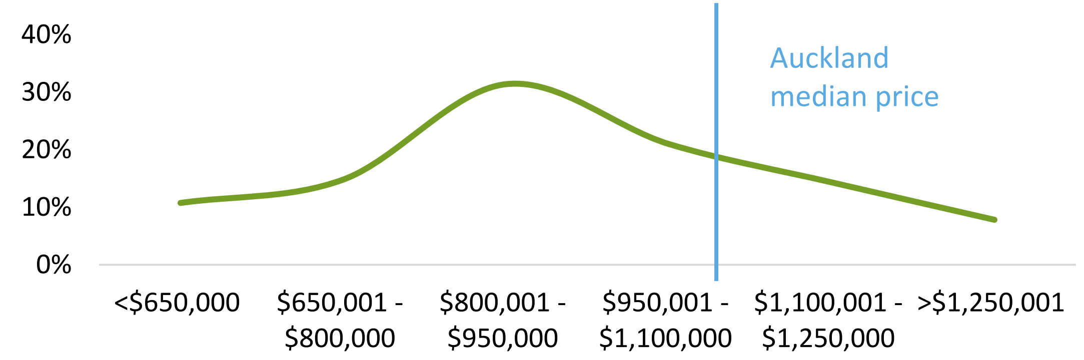
Fletcher Living
Love your new home

Growing to 1,000 homes p.a. in Auckland & Christchurch, strengthening position and providing prudent / sensible market presence

Growing from a strong base

- Existing locations continue to show robust demand, and new locations are in strong demand locations
- Strong competitive position – great locations, building whole communities with a variety of home typologies, and targeting the market where there is the most depth
- Leveraging innovation into new typologies plus customer solutions to densification, to continue to deliver houses in below median price points
- Industry leadership through solutions to address climate change challenges (including the launch of LowCO home in Waiata Shores) provides an "at scale" response. Utilising technology around solar energy, low carbon concrete, water use & recycling, and passive house level insulation

Distribution of FY22F residential sales

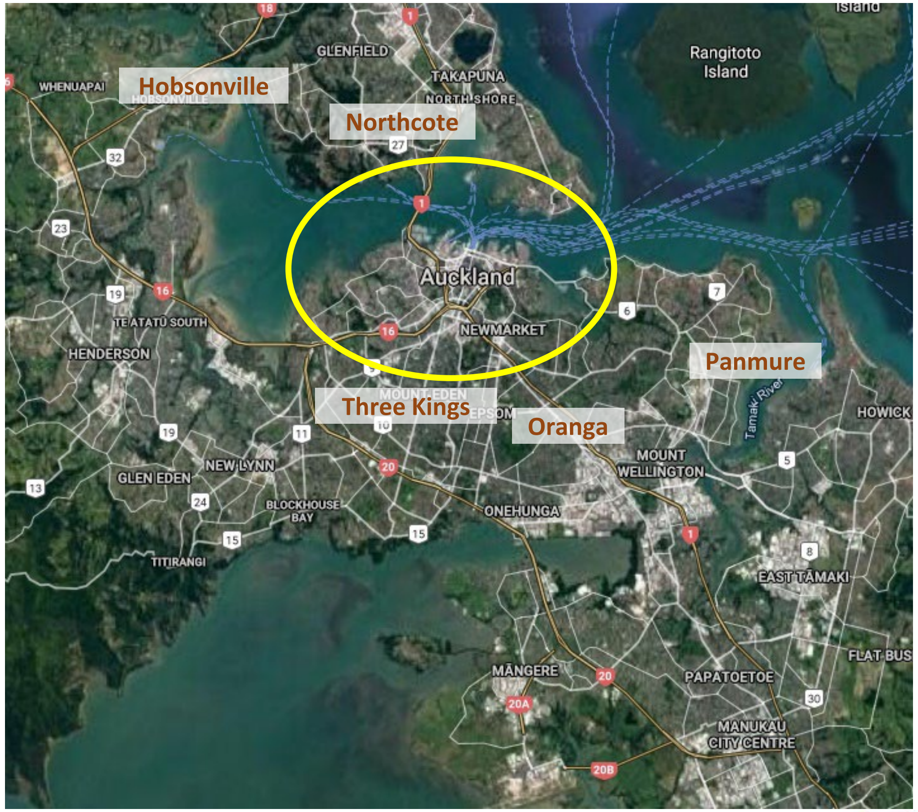


LowCO home

Targeted locations and prudent fundamentals support our Apartments business

- Auckland densification providing significant opportunities in non-central but inner urban locations, where we already have a market presence and higher density is a logical extension to our communities. These are the locations which provide solid returns without the volatility of central city locations
- 120 apartments to be delivered in FY23, c.40% of which are already sold; further 20% in KiwiBuild price points where demand is strong
- Innovation IP developed through Clever Core, allowing faster build times
- An experienced team established to deliver apartments with specialist construction management, design & sales competency
- Great locations, prudent fundamentals continue to enable scaling of business to c.300 apartments p.a. by FY25, targeting ROFE ≥ 15% and driving costs down through clever design and smart procurement

Auckland Apartments in non-CBD Locations



vivid living.

Retirement adding to our communities and expanding our product reach

- A new offering for 70+ year old residents inside our established master-planned communities, targeting retirees wanting independent living with ability to access care through a healthcare partner
- A significantly underserved part of the market, with a high proportion of downsizers who are unable to find suitable offerings and are unlikely to want to enter a traditional 'full service' retirement village
- Attractively priced 1-, 2- & 3-bedroom duplexes, apartments and terraces (ORA[1] with only 15% DMF[2] and share of capital gains[3])
- Communal facility based around a residents' lounge; villages well-located in existing FRL developments, to take advantage of local services & community assets
- Leveraging partnerships to deliver key healthcare and digital services in a capital-light manner
- First units to be occupied in FY23; continued confidence in market to deliver c.150 homes p.a. by FY25

1. Occupational Right Agreement
2. Deferred Management Fee
3. Residents receive 50% of capital gains on termination of ORA net of refurbishment costs

Offsite manufacturing delivering speed & volume benefits; high level of IP established

CLEVER CORE New Zealand

- Third year of production, with c.100 homes in FY22F and c.250 homes in FY23F
- External customer sales through Kāinga Ora & Group Home Builders
- Innovation & start-up nature resulting in evolution of Clever Core's design, manufacturing & installation efficiency
- Established high level of IP and a significant barrier to entry
- Well set for improved returns and potential to leverage learnings by establishing a new larger site to scale up the customer offering in the future
- Faster build time with working capital savings, safety benefits & significantly reduced waste – to date, this has reflected a premium cost to traditional stick build

Assembling Clever Core panels at Whenuapai

Industrial Development blending rehabilitation & upgrade of legacy FB sites with new opportunities

- Recent development income through decontamination & repositioning of FB assets at Emu Plains, Rooty Hill & Gailes in Australia
- Continuing to focus on delivering new assets across the wider FB Group, including Humes Steel into Papakura, expansions at Taupo Laminex, and WWB Christchurch
- Competitive advantage in ability to source land and navigate the complex rezoning process of land in Auckland region, particularly in mixed use areas. Recent sites secured include Silverdale, Whenuapai, Penrose and Papakura
- Further potential to leverage FB operations as cornerstone tenants of new developments in Auckland (e.g. Firth plant at 882 Great South Rd, Penrose)
- Aim to use the industrial land development business to provide sustainable earnings of c.$25m p.a. by FY25 and 15% ROFE

Kauri Rd, Whenuapai mixed Industrial & Residential development

Strong land pipeline with through-the-cycle perspective on land purchases and WIP base

Strong land pipeline and through-the-cycle perspective on purchases

- c.5,600[1] lots under control support future growth pipeline
- Does not include lots that will result from rezoning our positions outside the present urban boundary (c.2,000 extra lots)
- Balanced approach to serving land (i.e. ready now, progressive drawdown, and un-zoned), with our focus moving to larger land parcels where we can add more value
- Funds in land on balance sheet is currently c.$400[2] million
- We maintain a through-the-cycle perspective on land purchases, resulting in a c.$350-400m valuation buffer in our land bank when comparing purchase price with today's valuation

Work-In-Progress (WIP) will continue to grow & get efficient, but has off-ramps if market does not support

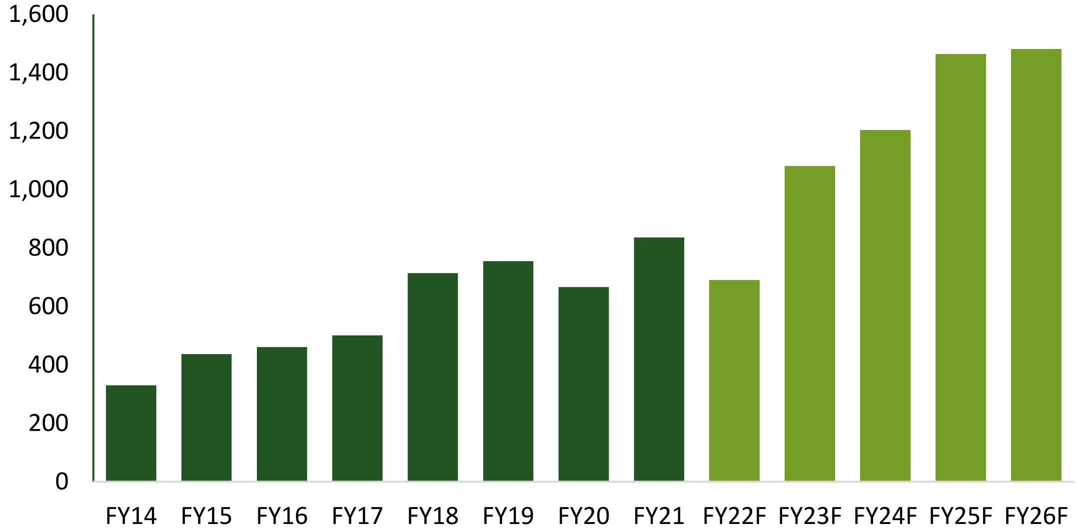
- Our WIP consists of Development (land infrastructure) and House Build WIP
- Current book value on balance sheet is c.$300[2] million
- WIP will be positively impacted by faster speed of build (e.g. through further use of Clever Core), which proportionally reduces WIP against volumes on a year-to-year basis
- WIP can largely be turned on or off to suit market conditions

1. Excludes rural land at Taupaki
2. As at 31 May 2022 and includes costs to develop land to serviced lots, where applicable

Growth outlook underpinned by great locations, diversified product and our community offering

- Division well-positioned in terms of product price points, locations, range of products to deliver consistent through the cycle earnings
- A land bank procured which is balanced between land available now and land to be developed for homes over the next 10 years
- Well-located land operating in the most robust parts of the market
- A significant base of Residential earnings which is able to respond to market conditions
- The emergence of Retirement and Apartments earnings, responding to customer demand in our existing communities
- Use of innovation to deliver faster build times, reduced build costs, and continually evolving product to meet the lower price points of the market

Total Volume of Residential Units Taken To Profit



Delivering strong & stable earnings with 15-20%+ EBIT margins and ROFE above 20% – highly accretive to Group margin and returns

Questions

Our strategy positions us well to drive shareholder value in the short- and long-term

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

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