Fletcher Building Investor Day June 2023

21 June 2023

Proven & capable leadership team with strong tenure

Fletcher Building Group Team

ROSS TAYLOR
Chief Executive Officer

CLAIRE CARROLL
Chief People Officer

WENDI CROFT
Chief Health and Safety Officer

BEVAN McKENZIE
Chief Financial Officer

ANDREW CLARKE
Group General Counsel & Company Secretary

JOE LOCANDRO
Chief Information Officer

Operational Leaders

PHIL BOYLEN
Chief Executive Construction

DEAN FRADGLEY
Chief Executive Australia

BRUCE McEWEN
Chief Executive Distribution

STEVE EVANS
Chief Executive Residential & Development

HAMISH McBEATH
Chief Executive Building Products

NICK TRABER
Chief Executive Concrete

Investor Day Agenda

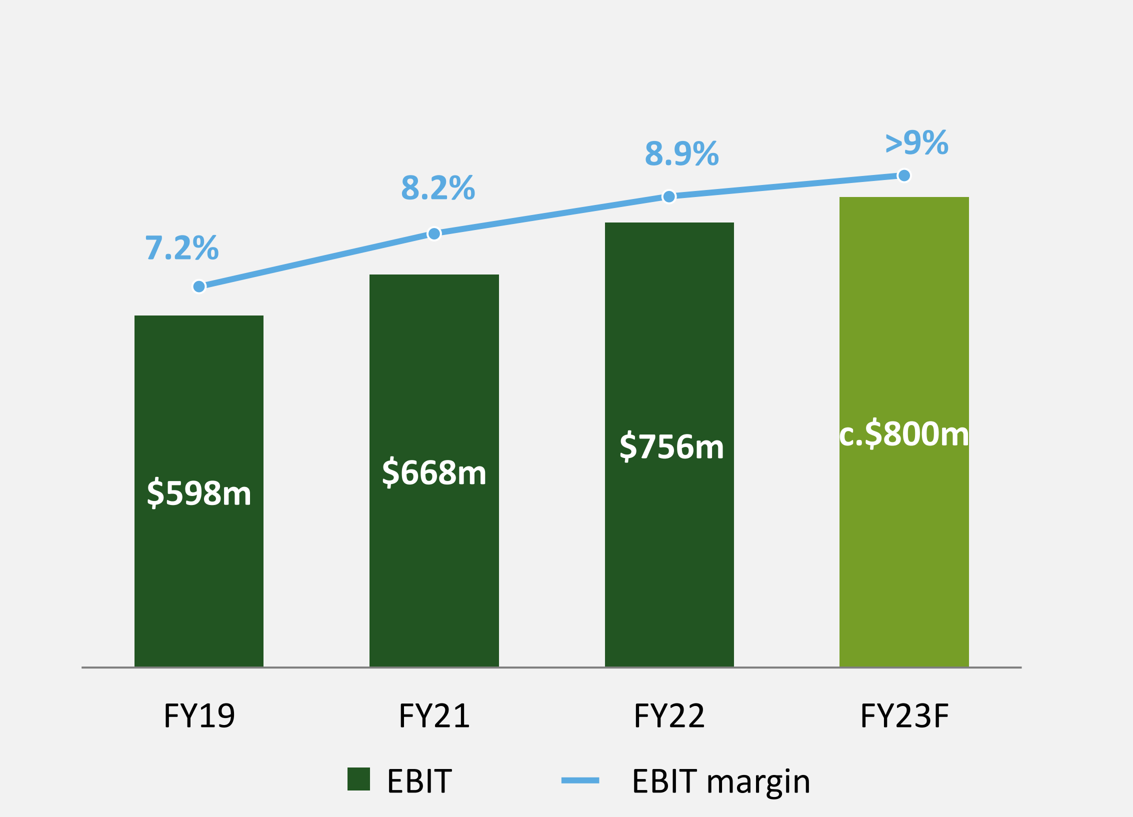
Section		Presenter	AEST / NZT	Duration
1.	**Overview**	Ross Taylor / Bevan McKenzie	6:30am / 8:30am	40 mins
2.	**Concrete**	Nick Traber	7:10am / 9:10am	20 mins
3.	**Building Products**	Hamish McBeath	7:30am / 9:30am	20 mins
4.	**Distribution**	Bruce McEwen	7:50am / 9:50am	20 mins
	Coffee break		*8:10am / 10:10am*	*15 mins*
5.	**Construction**	Phil Boylen	8:25am / 10:25am	20 mins
6.	**Residential and Development**	Steve Evans	8:45am / 10:45am	20 mins
7.	**Australia**	Dean Fradgley	9:05am / 11:05am	20 mins
8.	**Concluding Remarks**	Ross Taylor	9:25am / 11:25am	5 mins

Outlook

Ross Taylor, CEO

FY23 EBIT expected to be c.$800m; margins >9%, solid performance despite softer market & wet weather in 2H23

EBIT ($m) and EBIT Margin (%)



Drivers of FY23F Financial Performance

- **NZ & AU Materials & Distribution**: market activity softer in 2H23, also impacted by wet weather. Overall FY23 volumes 5%-7% below peak in 2H22. Margins robust on pricing/cost control
- **Residential & Development**: c.650 house sales in FY23, below prior target but a good performance in a tough housing market. Ind. Devt. earnings of c.$30-40m
- **Construction**: in line with guidance, strong order book
- **Cash flows** strong in 2H23
- FY23 EBIT of c.$800m excludes Significant Items. Iplex Australia Pro-fit costs will be classified as a Significant Item; previously announced A$15m provision as we work through cause and extent of the issues

Note: EBIT and EBIT Margin exclude significant items; FY19 is a proforma number adjusted for discontinued operations and IFRS16 to allow for like-for-like comparison; FY20 not included as the year was significantly impacted by COVID lockdowns, so not comparable

FY24, expect market to tighten further, focused on performing through the cycle (TTC), will continue with committed growth investments

NZ & AUSTRALIA MATERIALS & DISTRIBUTION

- Expect c.8% market volume decline in FY24 vs. FY23, softer residential, ongoing solid commercial / infrastructure
- Focused on preserving operational gains through FY24 as we drive medium term margin improvements

RESIDENTIAL & DEVELOPMENT

- Market showing signs of stabilising, targeting c.700-800 unit sales in FY24
- Average YoY margins likely to contract in FY24 before recovery in FY25
- Maintain tight control of funds invested in the business until housing market recovers

CONSTRUCTION

- Go forward business focused on strong operational disciplines and building on the high-quality order book
- Convention Centre close to completion / work through Legacy Project disputes

ORGANIC GROWTH

- Strong organic growth plans continue, committed investment of $800m+ FY23-FY26. Leverage (Net Debt / EBITDA) will lift in FY24 on growth investment & FCC legacy cash outflows, but remaining within target 1x-2x range. Strong liquidity in place

Construction legacy projects nearing conclusion; remaining risks to manage are related mainly to claim settlements

Pūhoi to Warkworth motorway (P2W)

- Fletcher Construction (FCC) is a 50-50 JV partner with Acciona
- Opened in June 2023, some deferred works to complete through FY24
- Project has lodged a number of claims (>$200m, of which FB share is 50%), mainly related to COVID delays. Successful resolution of these claims needed to hold current project provision – cash receipts assumed to flow in FY25 (see slide 31)

International Convention Centre (NZICC)

- Continuing to track to target completion in late 2024; nearly fully procured; building weather-tight in Nov 2023
- Cost risk reducing as scope is better defined, risk estimated at $0m-$50m
- Assume we will secure remaining insurance proceeds c.$150m, plus c.$50m 'BAU' client revenues (i.e. for work that was still to complete at time of fire)
- As completion nears, dispute with SkyCity possible. No claims received to date and project forecast does not allow for any

All other legacy projects (c.80 in total) now complete, disputes/defects have emerged in a small number of projects

- Wellington International Airport claim for remedial works on carpark project: c.$40m claim, which FCC disputes

Medium Term Outlook

Fletcher Building Limited

FB is focused on the NZ & AU Building Sector: this sector is attractive, resilient & is supported by long-term macro tailwinds

Isolated markets

Geographic isolation & relative smaller market scale, provide natural hurdles for imports & disruption

Population growth

Population growth (incl. net migration) + Housing & infrastructure deficits underpin long term solid overall sector growth

Disruption opportunities

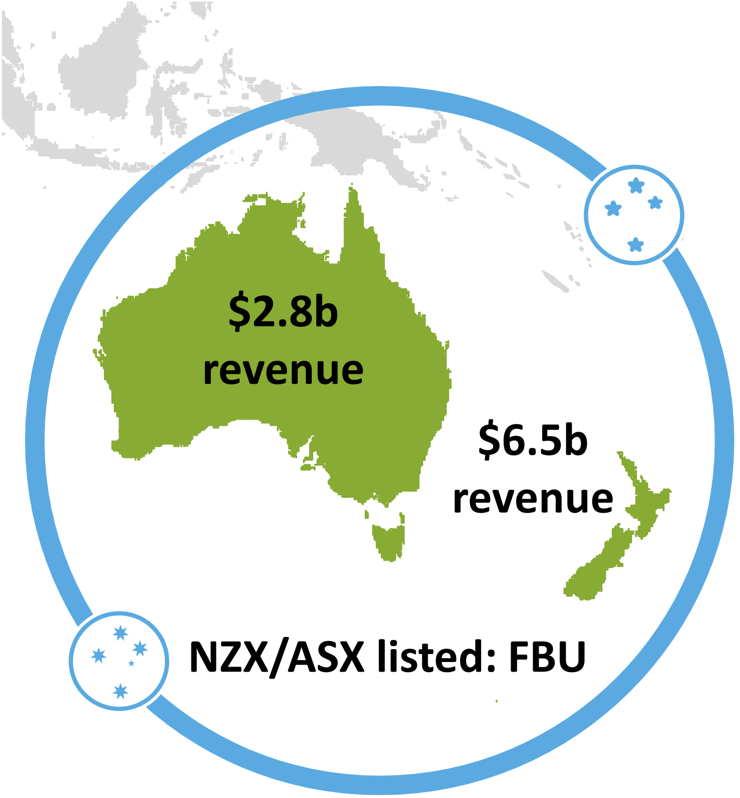
Sector generally & region specifically have been slow adopters & innovators relative to other sectors – creating disruption & "step" opportunities in the value chain

Stable government

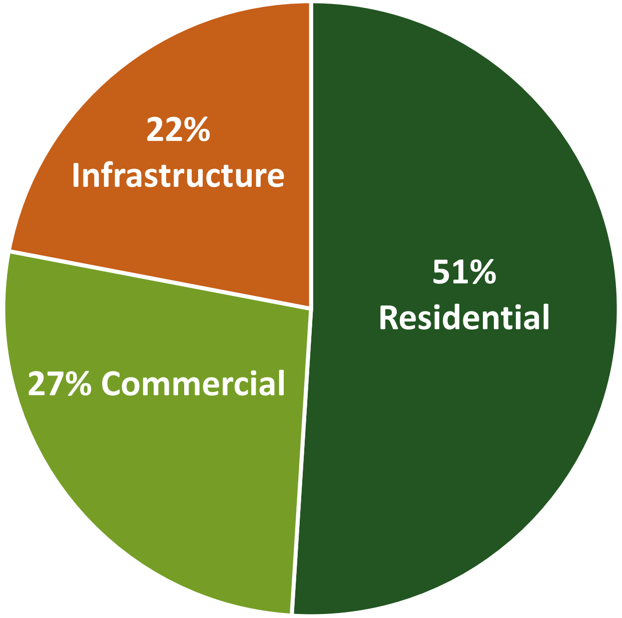
Economy & politics are stable, transparent & feature strong governance

FB has a highly attractive & diverse set of businesses across the building value chain

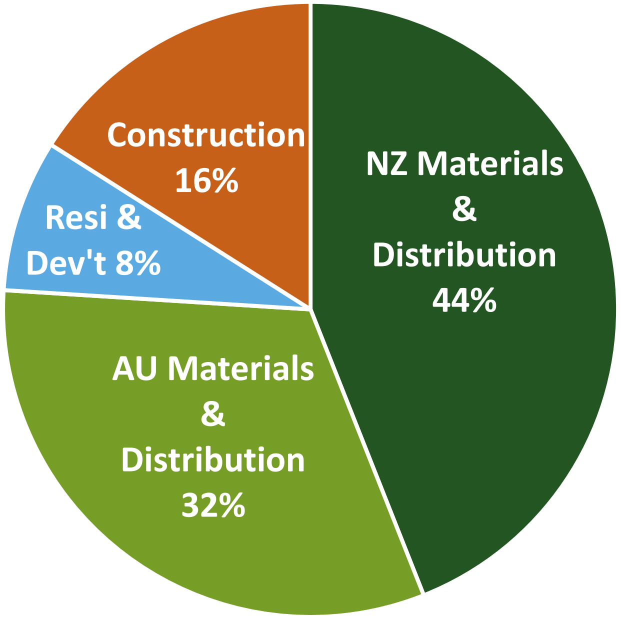
Focus across NZ & Australia



Revenue weighted to market



Value chain revenue



Note: Key figures are for FY22. Revenue is Gross Revenue

We invest in businesses across the building products & solutions value chain that align with our purpose

OUR PURPOSE

“IMPROVING THE WORLD AROUND US THROUGH SMART THINKING, SIMPLY DELIVERED

We identify the **ATTRACTIVE MARKETS & SECTORS** we believe we can win in

We hold businesses:

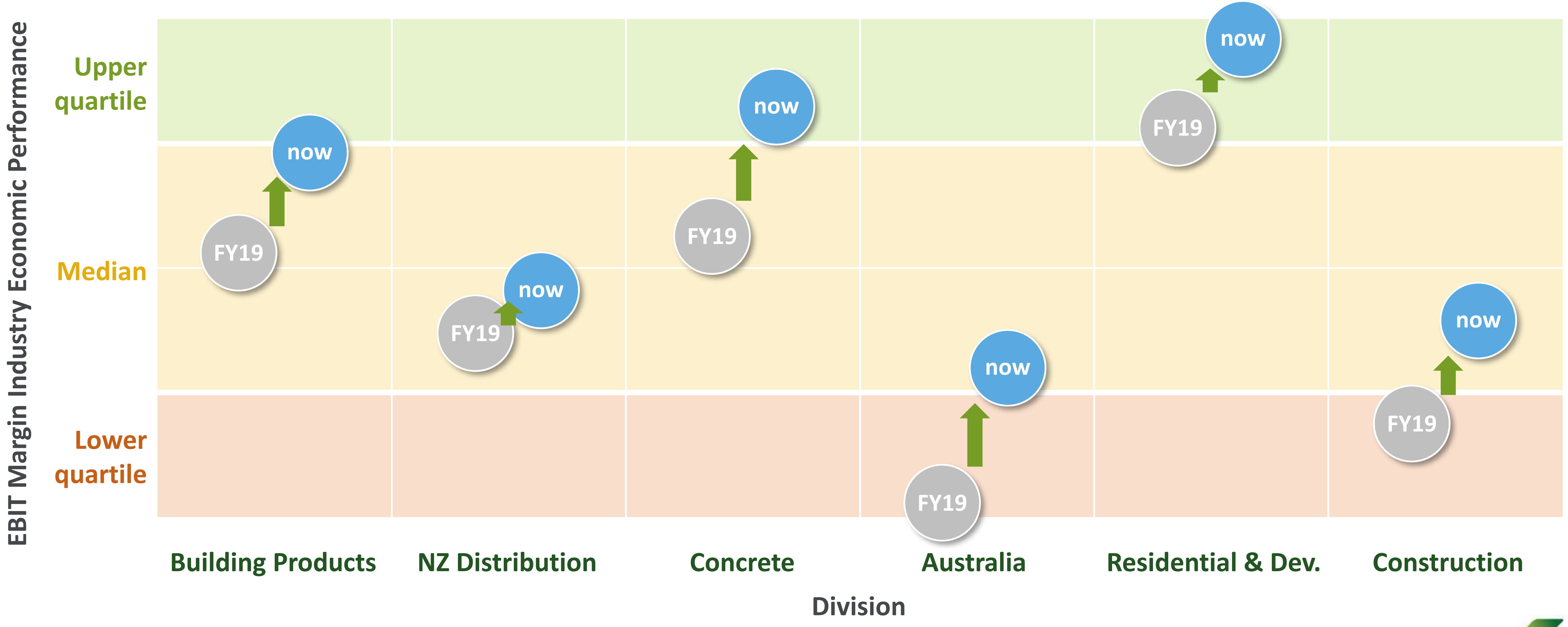
- That are or can be **#1 or #2** in their markets
- Which have or can achieve, **SUFFICIENT SCALE** to allow investments to position the business with a **SUSTAINABLE COMPETITIVE ADVANTAGE** against local & global competition

We source, understand & **APPLY GLOBAL BEST PRACTICE** in the local market context to each business ensuring a **SUSTAINABLE COMPETITIVE ADVANTAGE** can be achieved

We drive performance in each business through a now proven set of operating disciplines

- SAFETY
- CUSTOMER
- OPERATIONAL & FINANCIAL PERFORMANCE
- INNOVATION & GROWTH
- SUSTAINABILITY
- CAPABLE & HIGHLY ENGAGED PEOPLE

This has seen us drive material margin performance improvements across all our businesses over the last few years…



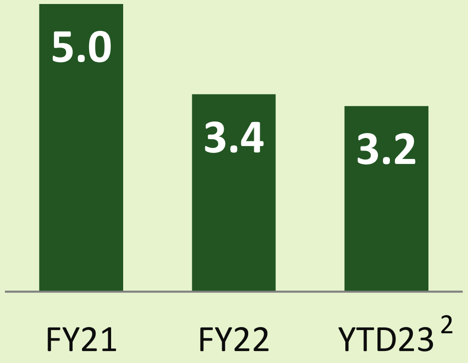
Note: As assessed against global listed peers – EBIT margins for peers are for the last twelve months as at April 2023 and for Fletcher Building - FY23F; excludes significant items
Source: Capital IQ

Progress in Safety & Sustainability has also been good and we are well positioned to take these to “best in class” in the near term

Safety: good progress continues

Now

Total Recordable Injury Frequency Rate[1]



90%

(878) sites **injury free[2]**

Target

NO INJURIES

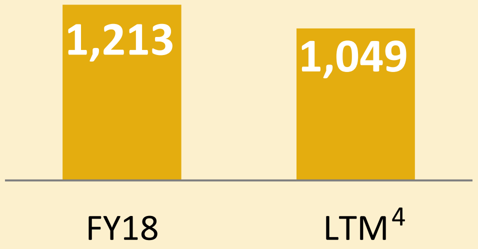
100%

sites **injury free**

Sustainability: 30% lower carbon by 2030, net zero by 2050

Now

Carbon (CO_2) Emissions[3]



51%

waste diverted from landfill[5]

Target

Carbon (CO_2) Emissions[3]

30% FY30

NET ZERO FY50

70%

waste avoided, recycled and/or reused by FY26

1. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries;
2. YTD23 is 11 months ended 31 May 2023
3. ‘000 Tonnes; FY18 baseline has been adjusted to account for the divestment of Rocla and the acquisition of TUMU
4. LTM = Last twelve months; 12 months ended 31 March 2023
5. FY22

Our emphasis to drive the next leg of performance improvements now moves to our other key operating disciplines

MAINTAIN FOCUS & MOMENTUM IN THESE AREAS

SAFETY	CUSTOMER	OPERATIONAL & FINANCIAL PERFORMANCE	INNOVATION & GROWTH	SUSTAINABILITY	CAPABLE & HIGHLY ENGAGED PEOPLE
3.2 *TRIFR*	**40** *NPS*	**>9%** *EBIT MARGINS*	**$800m+** *COMMITTED INVESTMENT*	**-13%** *CO_2 EMISSIONS*	**26** *eNPS*

ALL UPPER QUARTILE BUSINESSES DO THESE AREAS REALLY WELL

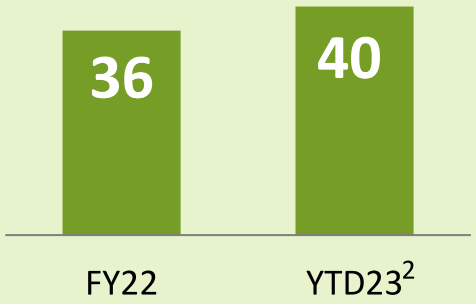
Note: TRIFR is 11 months ended 31 May 2023, NPS is 11 months ended 31 May 2023; EBIT margins is FY23F; CO2 Emissions is 12 months ended 31 March 2023 vs FY18 baseline; eNPS is FY23

We now want to get our Customer performance from “Good” to “Great” across all our businesses

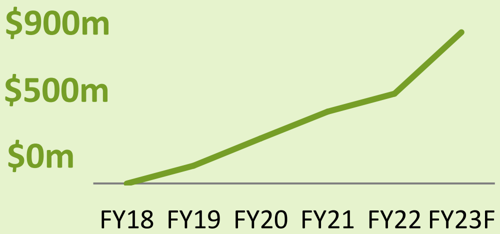
Customer: driving customer solutions & services

Now

Net Promoter Score[1]



Online sales run-rate



Target

Net Promoter Score[1]

≥ 55

Online Sales

c.$1.5b

FY25

- We have made strong progress in our Customer journey
  - Our focus on improved service offerings, product availability, DIFOT[3] & product innovation, has seen NPS increase to 40 in FY23 YTD
  - However, our competitive benchmark NPS (customers & non-customers) sits on average <10
  - This focus will continue - there remains a large opportunity to differentiate, as our industry is generally poor at customer service & solutions
- We are growing our online presence and full suite of omni channel offerings
  - Online sales at $900m p.a. - expected c.$1.5b p.a. in 2025

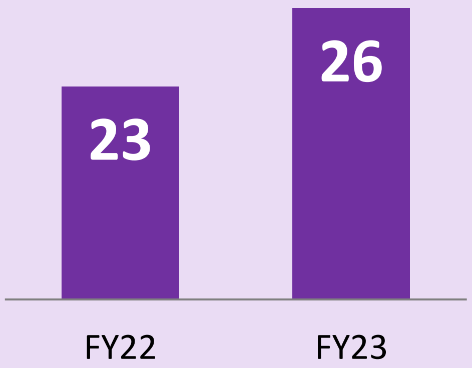
1. Net Promoter Score (NPS) measures how satisfied our customers are with our business (excludes the Group JV’s and associates)
2. YTD23 is for the 11 months ended 31 May 2023
3. DIFOT = Delivered In Full On Time

Achieving industry leading employee engagement is an equally important part of the puzzle… our people wanting to go “above and beyond”

Engagement: focus on continued improvement

Now

Employee Engagement Rating



20%

women in leadership[1]

Target

Employee Engagement Rating

≥ eNPS 40

30%

women in leadership[1] by FY27

- Our engagement target for FB Group is >40 – global upper quartile
  - FB Group presently sits “about average” with an eNPS of 26
  - General Manager engagement is a very strong eNPS of 62
- We are working across several fronts to improve this:
  - GMs getting their front line genuinely connected to their business purpose and aspiration
  - Continuing to improve on recent diversity gains – targeting 30% women in leadership by FY27
  - Build on recent improvements to parental leave, transition leave, across other key people policies
  - Complete our pathway to pay parity (now 96%) over the next couple of years.
  - Programmes in place to increase ethnicity in leadership

1. Leadership includes all employees that are classified as frontline leaders, leaders of leaders, GMs & CEs

We have a strong growth outlook having made $800m+ of commitments @ 15% ROFEs, which will mature in FY27, and a significant number of other opportunities available to us

Waipapa Timber	***Laminex Taupō***	***Comfortech***
		

FY24	FY25	FY26	FY27	FY28

Growth

$800m+ in committed growth capex @ 15% ROFE → ***Full run-rate returns from FY27***

Significant further organic opportunities available

Putting all this together - Fletcher Building is well positioned for a tougher FY24, and then moving to both margin expansion and material growth in the years beyond this

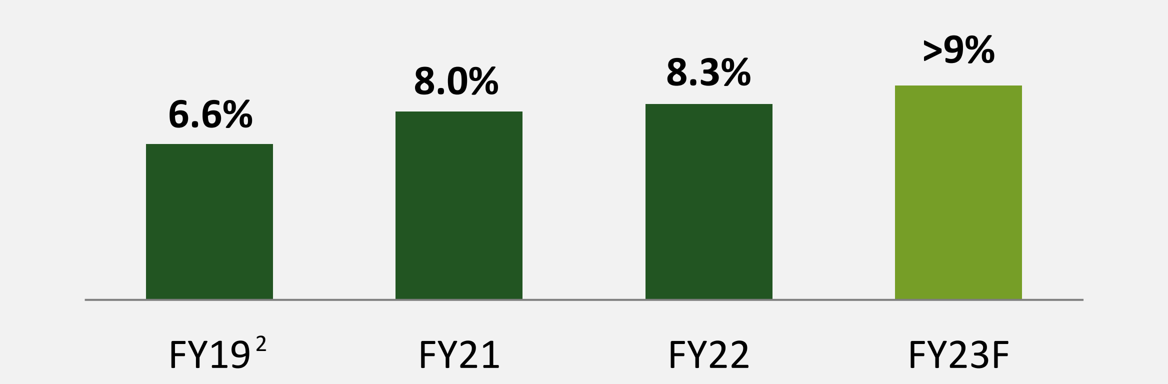
	FY24	FY25	FY26	FY27	FY28
Macro	*Residential headwinds* →		*Market tailwinds* →		
Margins	*Preserve operational gains* →	*Further operating margin improvements / + any cycle upside*			
Growth	*$800m+ in committed growth capex @ 15% ROFE* →			*Full run-rate returns from FY27*	
			Significant further organic opportunities available		

Medium Term Outlook

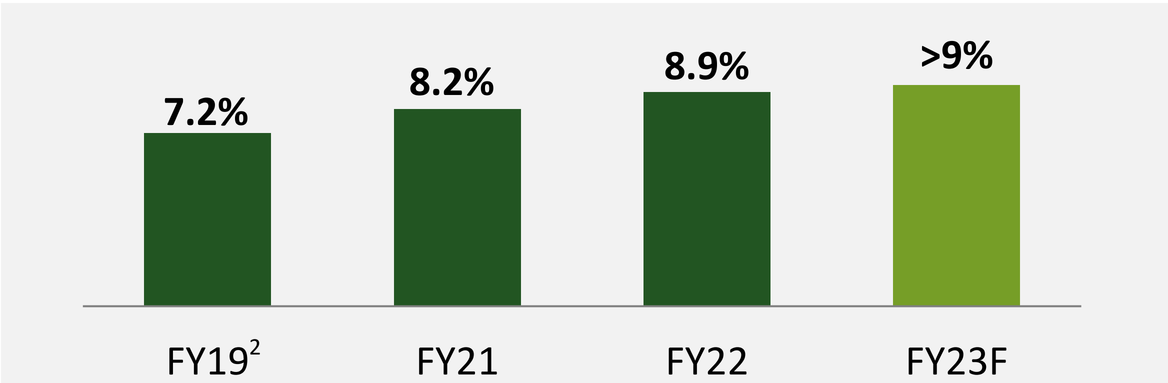
Bevan McKenzie, CFO

We have established a solid base of operational performance

EBIT[1] Margin: NZ and AU Materials & Distribution Divisions



EBIT[1] Margin: Group



- Sustained margin uplift delivered from FY19 to FY23
- Driven mainly by operational improvements in our NZ and AU Materials & Distribution businesses
  - Fixed cost reductions (>$250m gross cost out FY18-FY20)
  - Exit of unprofitable categories
  - Investment in automation / efficiency in our manufacturing sites and supply chains
  - Improved pricing disciplines
- Building cycle has been supportive to margins, however offset by dilutionary impact of inflation

1. Before significant items; FY20 not included as the year was significantly impacted by COVID lockdowns, so not comparable
2. FY19 is a pro forma number adjusted for discontinued operations and IFRS16 to allow for like-for-like comparison

Our FY23 margins have been delivered in a market already softening off the peak – outlook for FY24 is for activity to move to around mid-cycle levels

Market volumes	This year: FY23 vs. 2H22	Outlook: FY24 vs. FY23
	↓ ~7%	↓ ~8%
	↓ ~5%	↓ ~8%

Outlook has heightened degree of uncertainty, esp. in NZ residential. Current indicators point to overall FY24 market volumes c.8% down on FY23 and a total of c.15% below 2H22. This would put FY24 at c. mid-cycle levels.

In the medium term, our sectors are supported by solid macro tailwinds

Residential

- Long-term housing stock undersupply
- Rebound of immigration to NZ & AU post-border closures
- Demographic change impacting housing typologies

Commercial

- Commercial investment continues in a positive trajectory, esp. in logistics, health & education

Infrastructure

- Infrastructure deficit will require decades of large investment across key asset classes, esp. water and transport

We are focused on locking-in the operational gains we have made and driving further margin expansion over the medium term

Drivers of Medium Term Margin Expansion

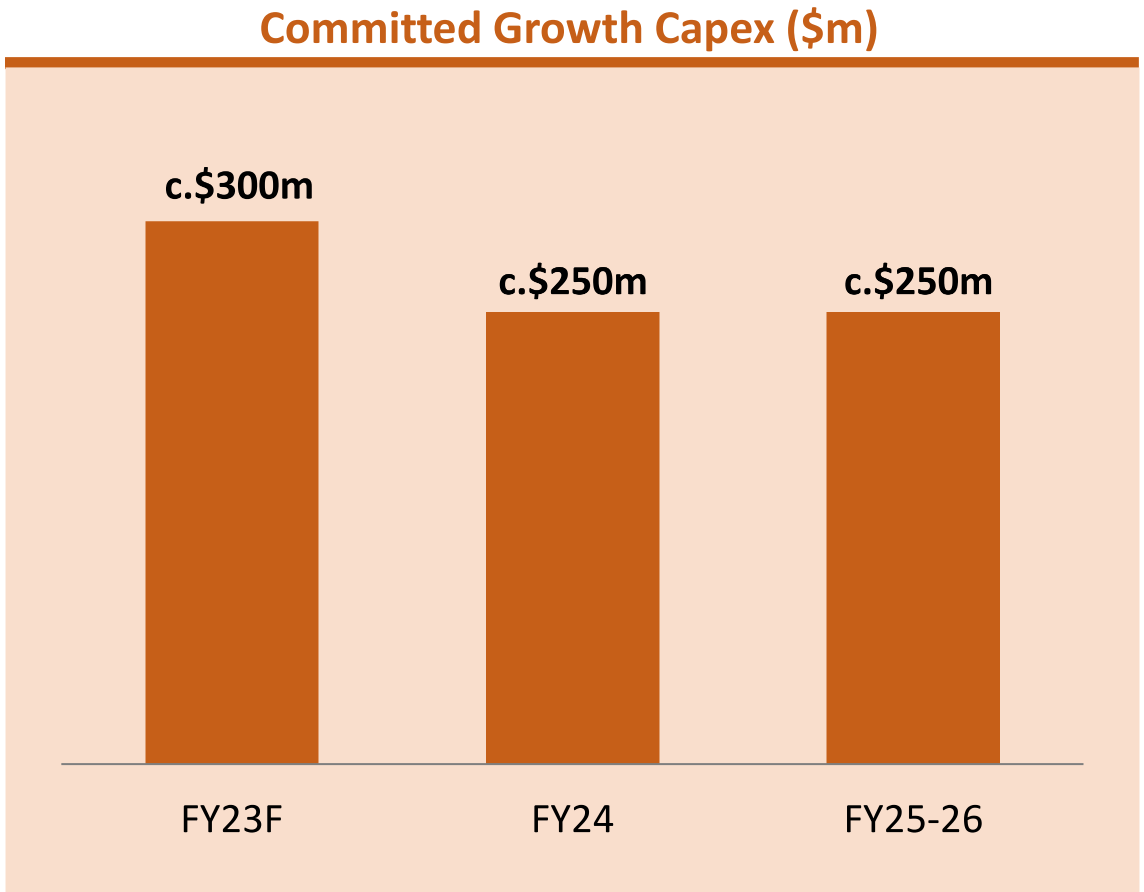
NZ & AUSTRALIA MATERIALS & DISTRIBUTION	▪ **Investment in growth adjacencies** – $800m+ committed, mainly organic NZ focus ▪ **Customer services and solutions** – differentiation to drive share gains on an efficient cost base	**+50-100 bps**
RESIDENTIAL & DEVELOPMENT	▪ **Scaling of house sales on a well-positioned land bank** – but only when market conditions permit	**+25-50 bps**
CONSTRUCTION	▪ **More focused & profitable Construction business** – delivering consistent 5% margins	**+25-50 bps**

Targeting 1%-2% margin expansion over the medium term @ mid-cycle activity levels – a stronger cycle provides opportunity above this

Growth investment programme well advanced, strong ROFEs & earnings uplift

	$800m+ growth invest's FY23-26		Screened against robust criteria	$120m+ full run-rate EBIT growth
M&A	Waipapa Timber acquisition	Tumu acquisition	ROFE ≥ 15%	c.$35m EBIT from Waipapa, Tumu, and circular acquisitions in FY24
	Circular economy		Resilient, attractive markets at Mid-Cycle levels	
Organic	Insulation (Code Change)	New Frame & Truss plant (automation)		c.$85m EBIT from organic investments contributing from FY25/26
	Timber / wood panels	Circular economy & binders	Rapid runway to earnings	

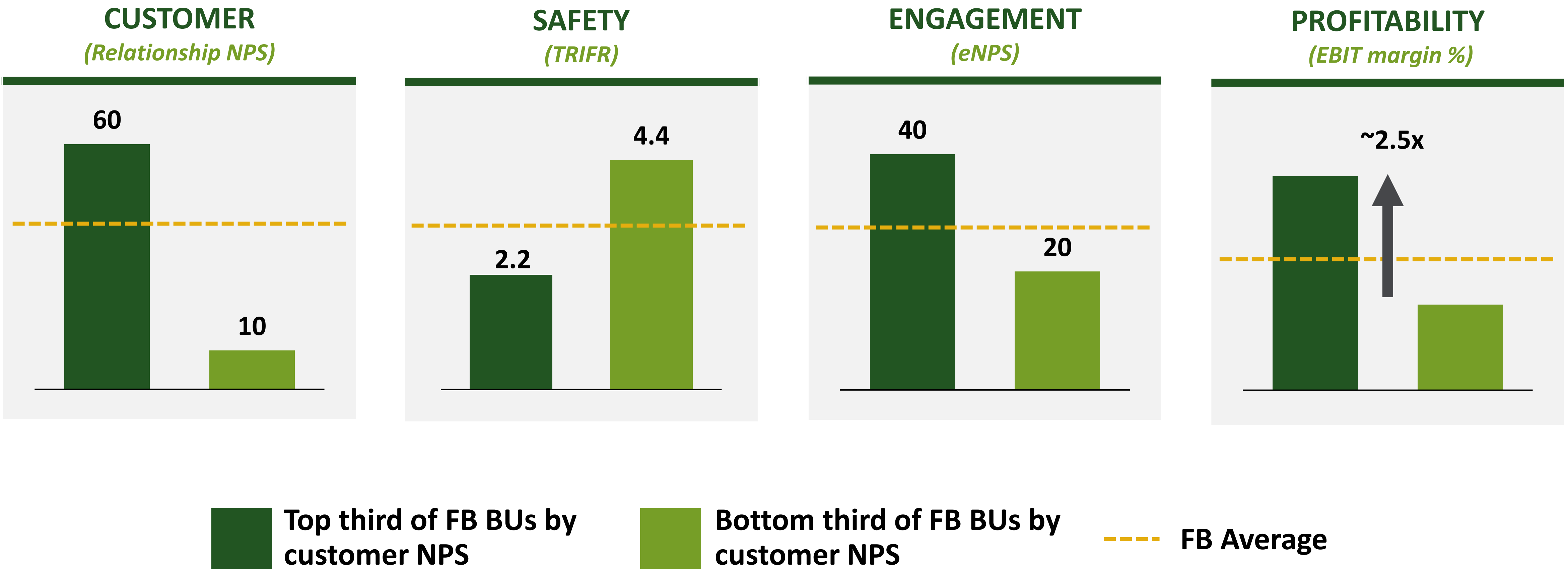
Committed growth investment of $800m+ is phased over FY23-FY26



Further significant organic opportunities available in FY26 onwards

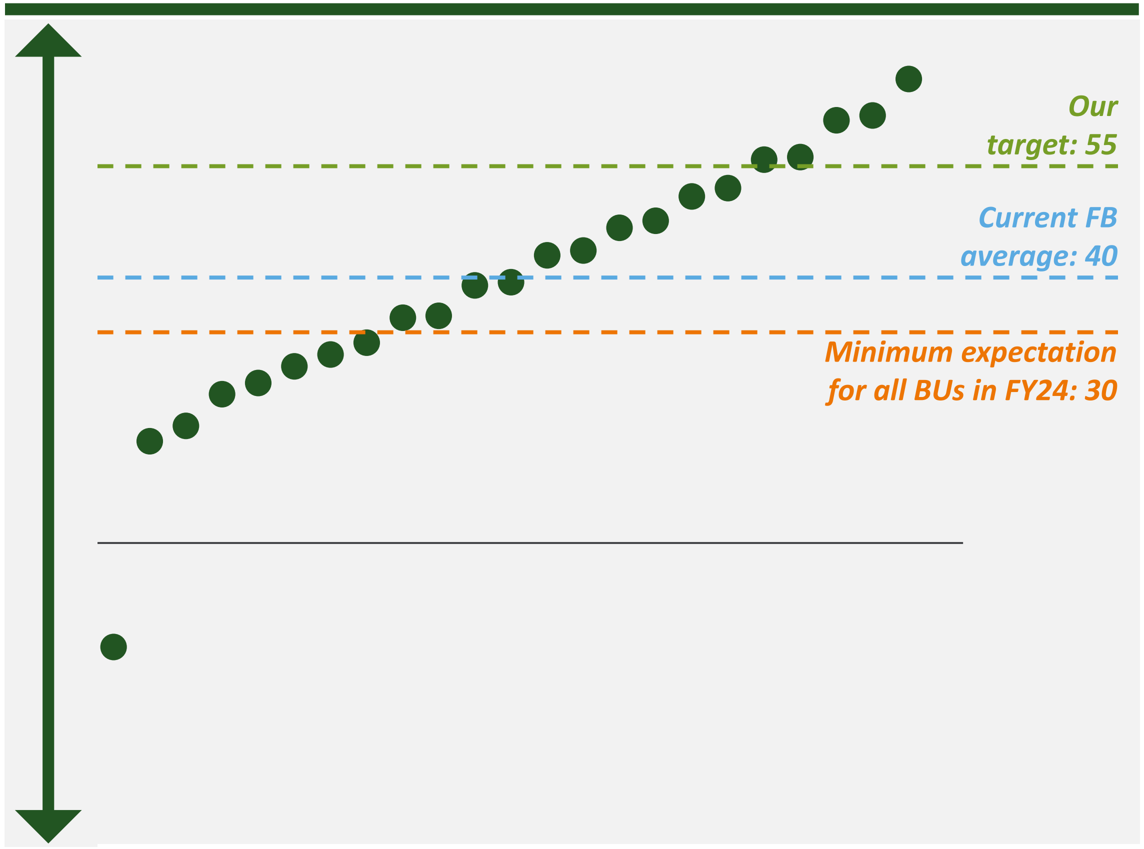
Note: Excludes WWB Tauriko plant and base capex envelope of $200m-$250m p.a.

Customer: great customer outcomes are strongly linked to performance across all key metrics

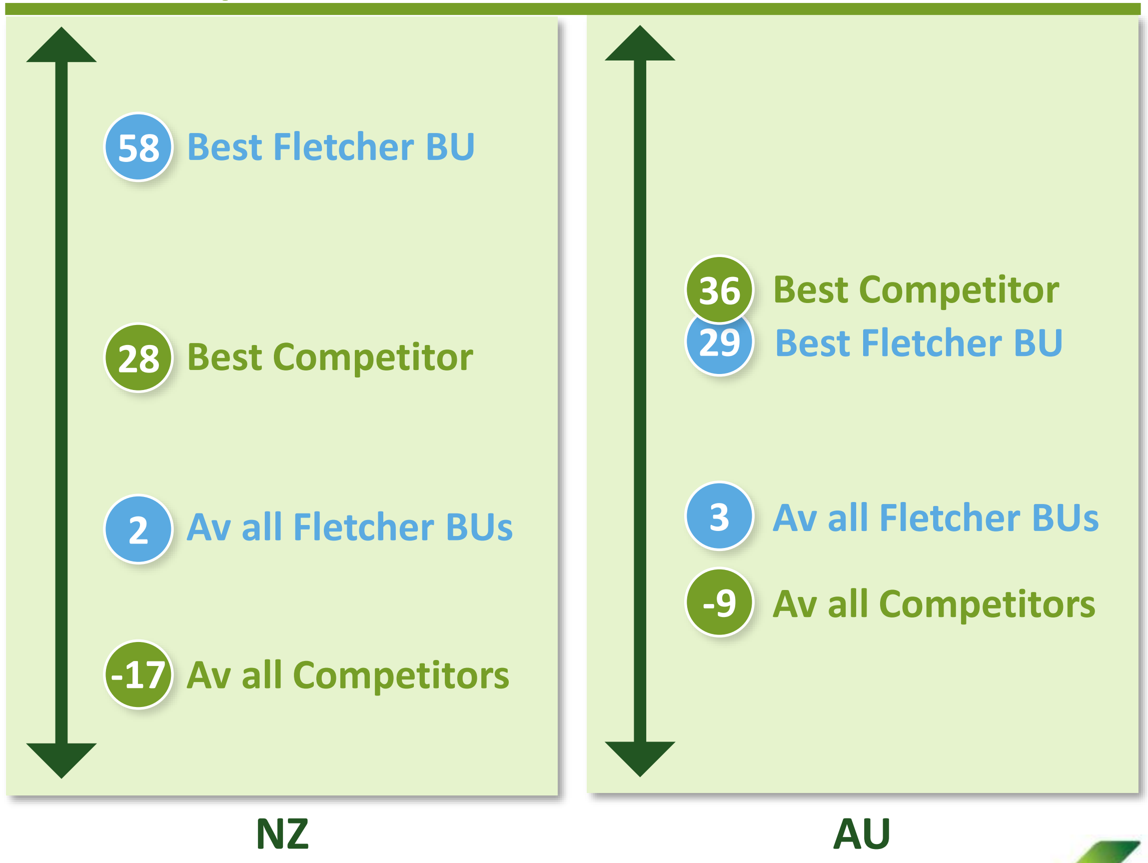


Customer: our performance is solid, but too variable across BUs – consistent delivery at target levels represents a massive opportunity in our industry

FB Relationship[1] NPS Results FY23 – by Business Unit



Competitive Benchmark NPS Results 2022-23



Note: [1] Relationship NPS results based on FY23 YTD, where unavailable FY22 is used;

Customer: we are focused on improving service and solutions in four areas

THE FUNDAMENTALS

PRODUCT QUALITY, AVAILABILITY, & DELIVERY

Right product, right place, on time, every time – DIFOTIS

RESPONSIVE, JOINED UP CUSTOMER SERVICE

Seamless customer experience & communication across all channels

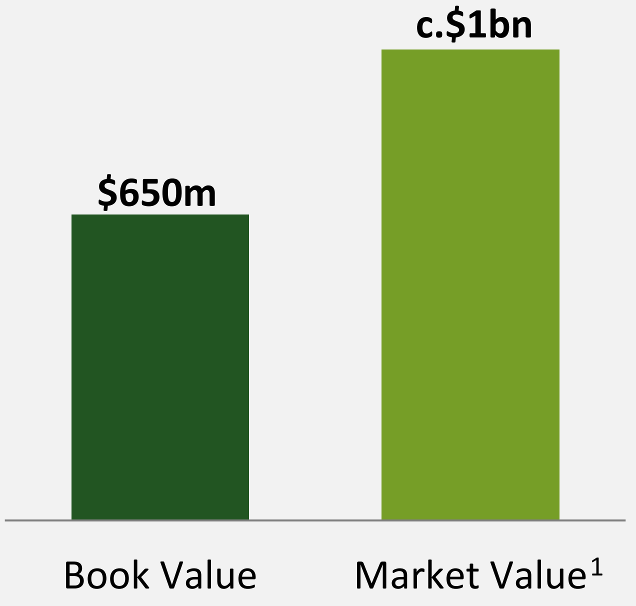
SHAPING THE FUTURE

LEADERSHIP IN SUSTAINABILITY

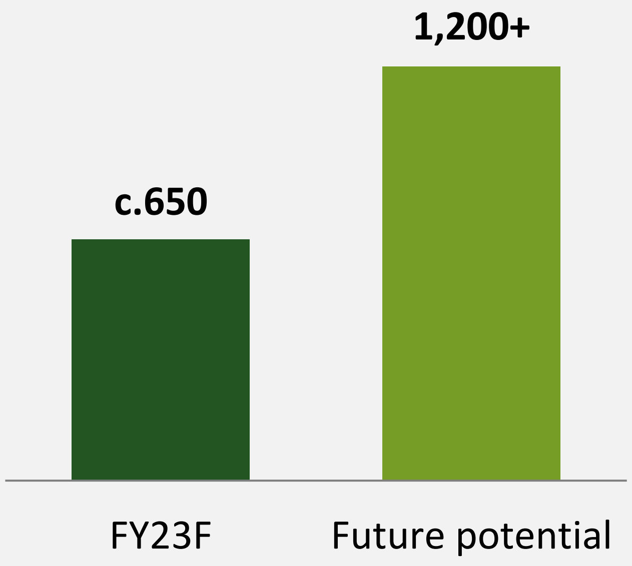
BRINGING INNOVATIVE NEW SOLUTIONS TO MARKET

Housing: we are well-positioned to grow unit sales in the future – but only once we are confident of a NZ market recovery

Valuation of Land on Balance Sheet



Growth Potential in Stronger Market (units)



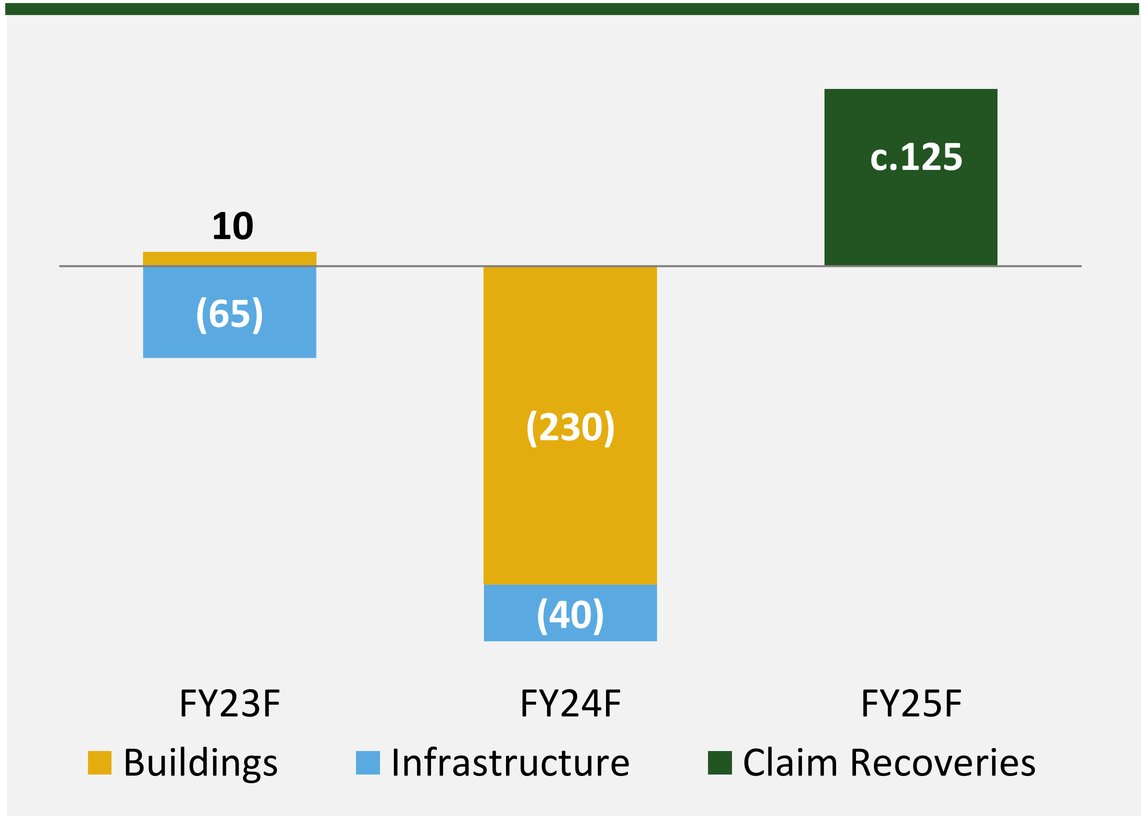
- High-quality communities built at scale, avg. price <$1m = deepest part of market
- Land bank[2] of 5,000+ units in proven locations; land on bal. sheet is materially in the money
- c.650 units sold in tough FY23 market; some apartment developments paused to manage funds. Targeting c.700-800 unit sales in FY24
- Can scale delivery to 1,200+ units in the future – only when conditions permit

Funds invested in Residential & Development expected to remain relatively flat at c.$800m-$850m ahead of a NZ housing market recovery

1. Market value of land on balance sheet is as at Jun 2023 and includes cost to develop land to serviced lots, where applicable
2. Land pipeline = lots under our control, consist of a mix of raw land, land under development and finished sections

Construction legacy projects are a cash outflow in FY23-FY24 before assumed claim recoveries in FY25

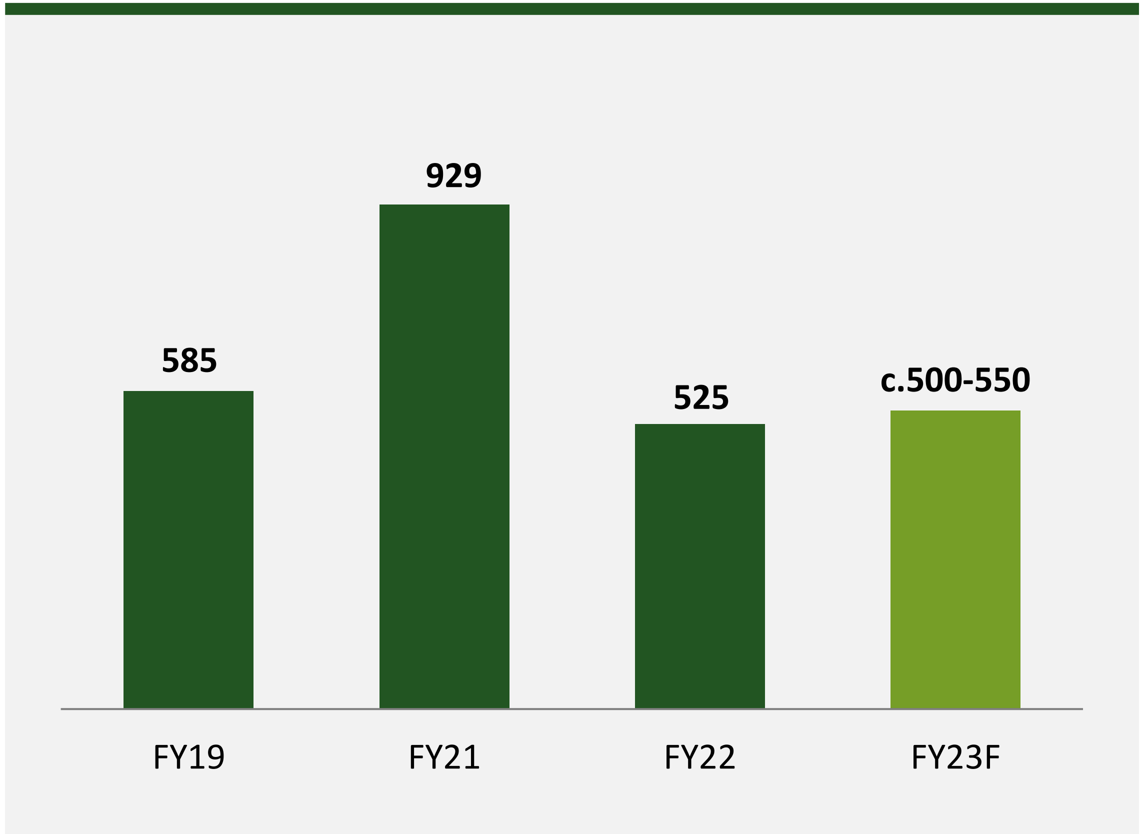
Forecast FCC Legacy Project Cash Flows ($m)



- **Buildings**: remaining net cash outflows relate to losses on fire reinstatement works and final 'BAU' works; outflows are concentrated in FY24 following partial settlement received from Contracts Works insurers in 2H23
- **Infrastructure**: outflows relate mainly to completion of Pūhoi to Warkworth ahead of assumed claims settlement
- FY25F assumed cash inflow relates to final claims settlements. Actual amounts are subject to resolution of claims
- All cash flows shown are pre-tax

Underlying cash flows and balance sheet settings remain robust

Underlying Trading Cash Flow[1] ($m)



- Underlying FY23 cash flows robust, strong second half delivered in line with prior guidance
- Forecast balance sheet metrics at Jun-23F:
  - Net debt c.$1.5b
  - Funding facilities c$2.8b
  - Liquidity c.$1.3b
  - Leverage ratio c.1.3x vs. target range of 1x-2x
- Growth capex and FCC legacy cash outflows will lift leverage ratio through FY24, but remaining within 1x-2x target range

1. Trading Cash Flow = EBITDA less Lease Principal Payments & Lease Interest Paid / minus Working Capital Movements. Underlying trading cash flow excludes FCC Legacy cash flow and Significant Items

Well positioned for cycle, disciplines & culture driving performance, with clear pathway for growth

- Solid FY23 delivered in softer trading conditions
- FY24 focus on preserving operational gains as market reverts to mid-cycle levels
- Construction legacy nearing completion, some risk to manage, go-forward business is more focused and lower-risk
- Medium-term outlook remains positive, all sectors supported by macro tailwinds
- Strategic focus shifting from cost / efficiency to top-line growth, especially investment in adjacencies, improved customer service & solutions and people focus
- Balance sheet in good shape to support $800m+ committed growth investment
- Pipeline of further growth opportunities available once we have certainty of cycle

Questions

Concrete

Nick Traber, CE

NZ leader in sustainable binders & concrete with leading positions based on strong brands, unique footprint & technical capabilities

- **Unique NZ wide footprint & network** and well-balanced sector exposure mix
- **Strong technical capabilities** & leading brands
- **Strong positions -** only domestic manufacturer of **cement**, strong position in **aggregates & recycling, ready-mix** concrete, **masonry** & Dricon (**bagged dry concrete**) and **pipelines & solutions supplier**

Strong, well-known brands

Firth

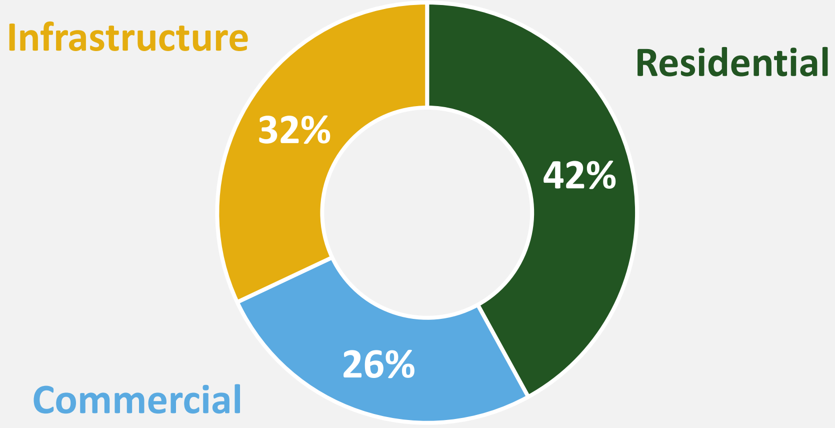
DRICON

Golden Bay

WINSTONE AGGREGATES

HUMES

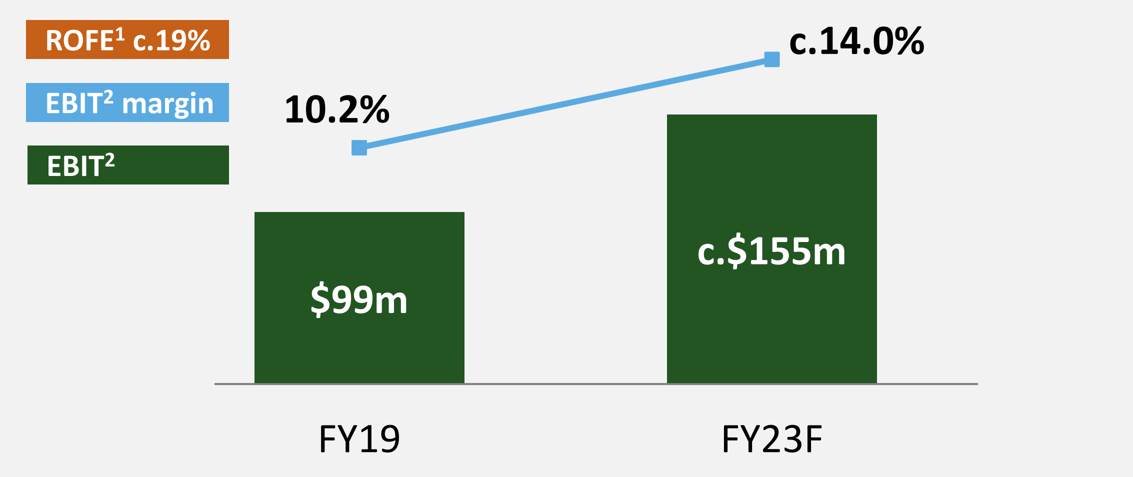
Revenue Weighted Sector Exposure[1]



1. For HY23, restated to include Humes

Resilient business model to perform through the cycle with strong FY23 performance despite a softening market, inflation & weather events

Key financial metrics



Non-financial metrics

SAFETY	CUSTOMER	ENVIRONMENT	PEOPLE
2.9 *(TRIFR[3])*	55 *(NPS)*	-13% *(CARBON[4])*	28 *(eNPS)*

Resilient business model

- **Balanced sector exposures** with differentiated offers for commercial & infrastructure compensating soft residential market
- Strengthened position in the **resilient South Island and maintenance & repair markets**
- **Increased capacity to serve key constrained markets** (roading aggregates, waste management, recycling, insulation)
- **Improved operational performance and flexible supply chain** to quickly adjust to energy volatility and transport disruption
- **Decentralised P&L ownership & lean organisation** allowing for fast adjustments and reallocation of resources to market demand

1. ROFE (Return on Funds Employed) calculated based on closing funds; FY23F
2. Before significant items; FY19 is adjusted for proforma IFRS16 and Humes to allow like-for-like comparison
3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. 11 months ended 31 May 23
4. Combined Scope 1 & 2 carbon emissions. GBC 12 months ended 31 Mar 23 vs FY18 baseline

Initiatives to drive mid-term performance through innovation, digital & sustainability customer solutions

CUSTOMER DRIVEN

- **Differentiated and innovative solutions** supporting asset owners and specifiers to decarbonise the built environment
- Making it **easy for customers** to trade with us, leveraging digital
- Strengthened **market coverage and product availability** through capacity increases and bolt-ons

PERFORMANCE FOCUS AREAS

- **INNOVATION:** Leading the transition in low carbon and circular construction in NZ
- **DIGITAL:** Leverage digital for customer experience, production and supply chain optimisation
- **SUSTAINABILITY:** Fast scale alternative fuels & raw materials, waste management, supplementary cementitious materials, concrete recycling & reuse

Leading the transition to low carbon construction with industry's largest range of low carbon products & solutions

Leader in low carbon products...

Low Carbon Cement

NZ's lowest carbon GP cement, 30% lower carbon than international baseline[1]

Launched 2022, >80% FY23F cement sales

Carbon Neutral Cement

NZ's first carbon neutral[2] cement, remaining carbon offset through carbon credits. Exclusive to PlaceMakers

Launched 2023, >20% of bagged cement sales

Low Carbon Concrete

NZ's first low carbon concrete at scale;
20-40% lower carbon than international baseline[1]

Launched 2022, >70% FY23F concrete sales

...and low carbon solutions

RIBRAFT X-POD

Smart Foundation Systems

Fully recyclable foundation system for efficient and resource reduced construction

Launched 2019, >$5m total sales

Firth RIBRAFT HOTEDGE

Thermal Flooring Solutions

Thermal insulated flooring solution to meet new H1 Building Code changes

Launched 2023, 10x capacity increase

WAFFLESUITE

Digital Foundation Design Tool

Digital solution making low carbon floor design easy for architects and engineers

Launched 2022, >200 users

1. International baseline as defined by the Infrastructure Sustainability Council of Australia
2. EcoZero's carbon neutral status is calculated from cradle to gate of Golden Bay's Portland Manufacturing facility. The offsets purchased, cancel the carbon credits from manufacture and exclude any carbon from transport from Portland to the retailer.

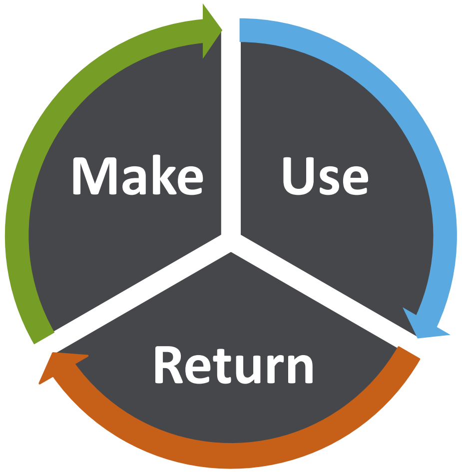
At the forefront of the circular economy with a platform to fast-scale waste management and recycling services offering

>100,000 tonnes waste recycled or reused in FY23

ALTERNATIVE RAW MATERIALS

Reclaimed waste replacing virgin raw materials from process industry:

- Ashes
- Mineral processing wastes
- Sludges



ALTERNATIVE FUELS

Waste diverted from landfill, replacing coal:

- Treated construction timber waste
- Wood processing waste
- End of life tyres
- Waste plastic
- Industrial wastes

CONSTRUCTION & DEMOLITION WASTE

THE URBAN QUARRY

Recycled materials utilised from deconstruction and demolition:

- Excavation, clean fill
- Waste concrete
- Bricks, blocks and masonry
- Asphalt, glass

CLINKER SUBSTITUTION

Supplementing clinker by utilising waste from industry:

- Ashes
- Silica fume
- Slag

Strong pipeline of opportunities across Division & organic and bolt-on adjacencies to drive future growth

	FY24	FY25	FY26	FY27	FY28
FIRTH / DRICON	*New flagship Auckland plant*	*Expanded bagged product range*		*Roading and permeable solutions*	
GOLDEN BAY	*Investment in production & supply chain to decarbonise, increase capacity and resilience* →				
HUMES	*Major plant upgrade commissioned*		*Expand water solutions*		
WINSTONE AGGREGATES		*Scale circular materials offering*	*Resource extension / expansion*		
FUTURE ADJACENCIES	*Further organic and bolt-on opportunities for circular & decarbonisation opportunities*				

Leading platform for sustainable growth based on resilient business model with a portfolio of initiatives to innovation, digital & sustainability

TTC RESILIENCE

- Improved performance in FY23 despite a softening market, high inflation and weather events
- Resilient business model, well-positioned to perform through the cycle

PERFORMANCE

- Customer initiatives to drive mid term performance
- Differentiated customer solutions driven by innovation, digital and sustainability

GROWTH

- Strong pipeline of growth opportunities across division
- Further opportunities for circular & decarbonisation growth

Pipeline of initiatives in place to drive future growth through innovation, digital & sustainability

Questions

Building Products

Hamish McBeath, CE

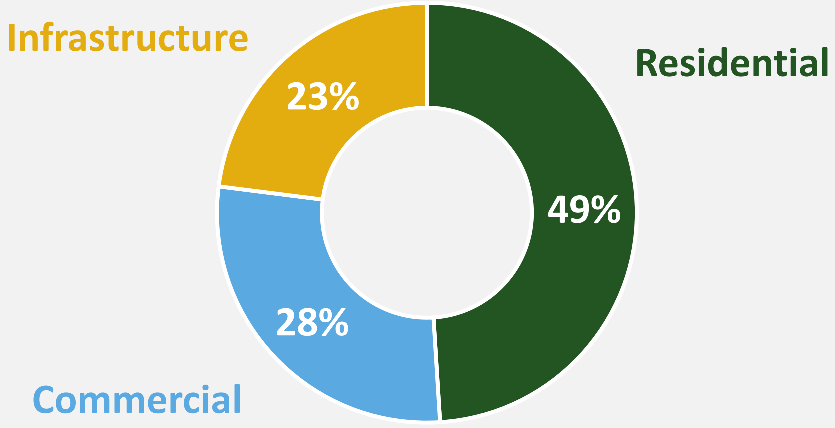
Leading platform for sustainable growth based solutions provider with unrivalled network

- Four **light building products** in-country manufacturing businesses (only manufacturer of plasterboard & glasswool insulation); strong brands & all #1 or #2 market positions
- Balanced **Metals** portfolio consisting of Fletcher Steel businesses including EasySteel, Roofing (PCC & Dimond), CSP, Reinforcing and Cyclone Wire. 50% JV of Altus gives good exposure to extruded windows and industrial aluminium distribution
- **Wood** as emerging sector, plans to continue to expand over next five years, recently acquired Waipapa Pine

Strong, well-known brands

Light Building Products	GIB; COMFORTECH BUILDING PERFORMANCE SOLUTIONS; Laminex NEW ZEALAND; iPLEX Pipelines
Metals	Fletcher Steel; altus Industrial Aluminium & Window Systems
Wood	WAIPAPA PINE TIMBER PRODUCTS NEW ZEALAND

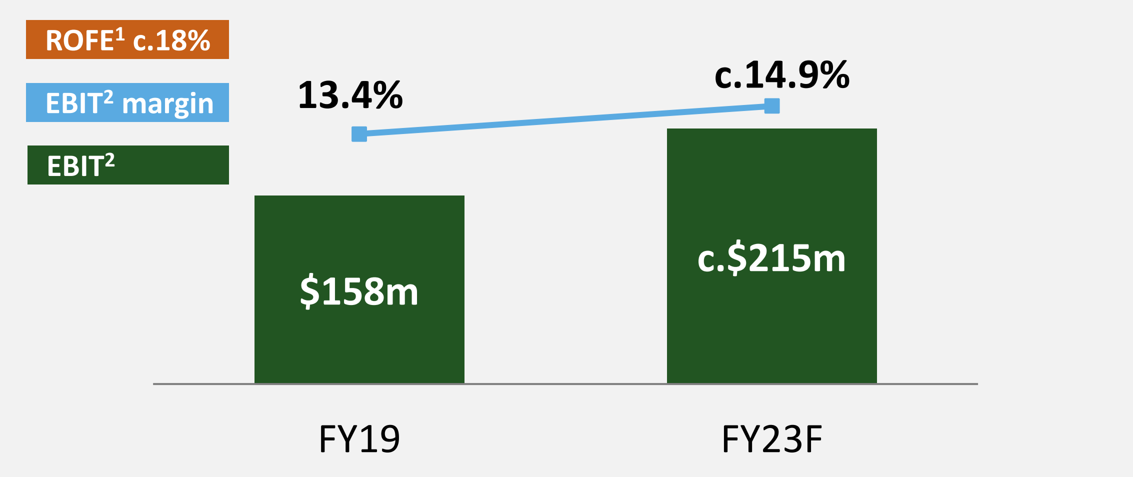
Revenue Weighted Sector Exposure[1]



1. For HY23, restated to exclude Humes which is now in the Concrete Division and excludes Waipapa Timber which was acquired in Jun 2023

Continued investment and performance improvement has division well-positioned for sustained TTC performance

Key financial metrics



Non-financial metrics

SAFETY	CUSTOMER	ENVIRONMENT	PEOPLE
3.0 *(TRIFR[3])*	**49** *(NPS)*	**75%** *(PRODUCTS SUSTAINABLY CERTIFIED)*	**41** *(eNPS)*

Top performing businesses with strong attributes

- # 1 / 2 market positions, **strong market share**
- **Top quartile margin performance**
- **Plant** / activity cost base **strongly positioned against local & international competition**
- **Product & service** proposition provides **competitive advantage**
- H1 **Building Code changes** providing growth in some areas of residential
- **Product embodied carbon favourably positioned** against benchmarked competitors
- **TRIFR average top quartile** across these businesses
- Continued YoY **improvement on customer NPS**
- Top quartile industry staff engagement with **eNPS above 40**

1. ROFE (Return on Funds Employed) calculated based on closing funds; FY23F
2. Before significant items; FY19 is adjusted for proforma IFRS16 and Humes to allow like-for-like comparison
3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. YTD23 = 11 months ended 31 May 23

Continued investment and performance improvement will support medium term performance ahead of larger organic investments commissioning

CUSTOMER

- **Best-in-class service** standard set by WWB and Comfortech
- Customer & employee experience improvements with **expanded digital ordering solutions**
- Lower embodied carbon product offerings in roofing giving customers real choice
- Delivery management (real time) progressively rolling out across the brands over 3 years

NEW PRODUCTS & SERVICES

- **Market share gains** & more **product innovation** post WWB Tauriko plant opening
- Building code changes increasing **volumes** through Comfortech
- Revitalising NZ shed offer via Dimond & ecomm solution rollouts across Steel
- Broadened civil range and new rainwater solutions in Iplex

Tauriko WWB plant – project on track & budget, plasterboard production trials commenced 15 May 23

How we drive WWB's performance

- ***Market-leading direct to site service model***
- ***Adding 30% in-country production capacity, easily supporting existing demand & providing significant future capacity***

- Increased ability to innovate on products, by allowing for better formulation optionality & changeover speeds
- Onsite warehousing combined with improved cross dock facilities enabling continued customer service capability enhancements
- Onsite Finished product warehousing equivalent to c.25 sales days. Nationally c.55 sales days
- Overall, 13% reduction in CO_2 emissions upon commissioning with additional options to reduce a further 30% with investment
- Waste plasterboard recycling facility – up to 10% recycled material feed back into the process; zero manufacturing trade waste

Growth opportunities through organic adjacencies & disciplined M&A give the division a longer term growth trajectory

	FY24	FY25	FY26	FY27	FY28
LAMINEX TAUPŌ	*$270m capex* →		*EBIT contributing*	*Full run-rate @ 15% ROFE*	
WAIPAPA TIMBER	*Plant upgrade / double shift* →		*Further EBIT contribution*		
COMFORTECH GLASSWOOL PLANT	*Consents & Design*	*$220m capex* →		*Full run-rate @ 15% ROFE*	
FUTURE ADJACENCIES			*Further Timber Adjacencies, Structural, Finished Products, Biomass Fuels*		

Waipapa Timber transacted 9 Jun 23, post OIO approval; Year 1 earnings c.$12.5m EBIT

Driving performance at Waipapa

- Integration planning & execution with focus on people, safety and customers
- Retention of the Vendors in the business for 12 months to facilitate knowledge transfer and drive operating performance. The earn-out metrics are well aligned between Vendor interest & Fletcher growth targets
- Bolster relationships with Northland community including log supply, community, and local customers
- Increase customer service with focus on order to delivery process to support volume growth
- Extend current shift pattern from early 2024 to deliver an extra 15% capacity
- With planned investments we are aiming to increase the volume within the first three years. Requires additional people to support a two shift pattern and c.$25m of capital in order to remove constraints
- Any volume above existing customers demand can be flexed to PlaceMakers branch network, renewable fuels has additional growth opportunities

Medium term portfolio outlook

TTC RESILIENCE

- FY24 margins expected to track slightly lower towards mid-cycle levels
- Focused on pricing disciplines & manufacturing efficiencies
- Businesses have the ability to flex down further if market softens but equally if volumes are there, then well positioned to outperform

MEDIUM TERM PERFORMANCE

- Manage transition to WWB Tauriko supply & deliver new products
- Optimise Comfortech stock holdings through building code change for more insulation requirements
- Continue to execute on Laminex and Steel digital solutions
- New products continually launched across the portfolio FY24/25

GROWTH

- c.$12.5m EBIT from Waipapa in FY24
- c.$500m growth capex committed for Comfortech and Laminex; ROFEs @15% with full run-rate EBIT from FY27

Strong market positions with strong capex programme adding to EBIT and margins over the medium term

Questions

Distribution

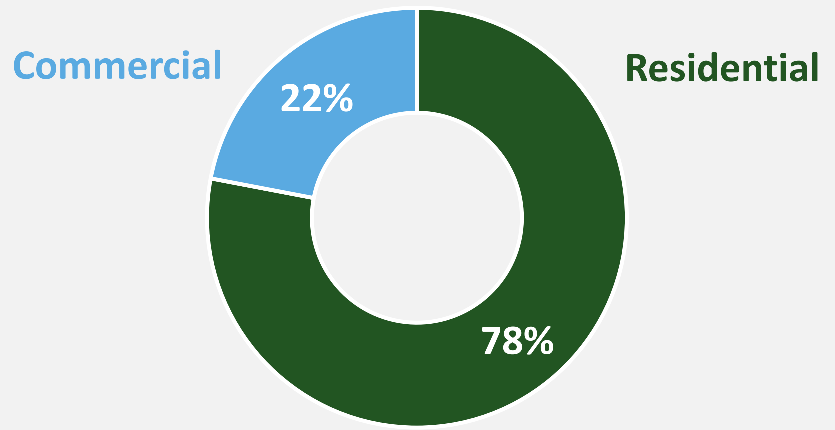
Bruce McEwen, CE

Leading trade distribution businesses in New Zealand

- **A leading national distributor** of building & plumbing supplies via trusted & respected brands: **PlaceMakers, Tumu HB & Mico**
- Supported by our leading timber PlaceMakers & Tumu **frame & truss manufacturing** operations across New Zealand
- **Primarily targeted at trade customers** across the SME, commercial and national customer segments

Strong, well-known brands

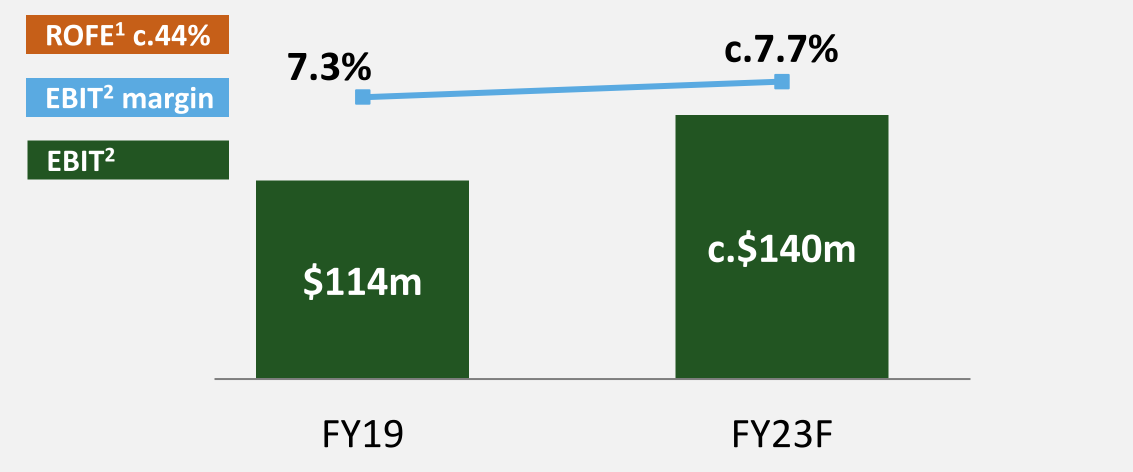
Revenue Weighted Sector Exposure[1]



1. For HY23

Well-positioned for through-the-cycle performance

Key financial metrics



Non-financial metrics

SAFETY	CUSTOMER	ENVIRONMENT	PEOPLE
5.2 *(TRIFR[3])*	**30** *(NPS)*	**70%** *(Waste diverted from landfill)*	**30** *(eNPS)*

Strong customer connections

- **#1 or #2 market positions** held by each of our businesses
- **Strong EBIT margin performance**
- Offering a **market-leading customer experience** in DIFOT, track & trace delivery and a truly seamless omni-channel experience
- Deep customer connections, leading technical knowledge & strong grass roots presence through **leading respected brands**
- **Strategically positioned across the key metro markets, with strong regional presence**, to diversify sales & earnings risk
- **Strong pricing disciplines & capability** to recover inflation
- **Effective cost management**, driven through ongoing workforce optimisation & network configuration (established hubs) to drive scale efficiencies

1. ROFE (Return on Funds Employed) calculated based on closing funds; FY23F
2. Before significant items; FY19 is adjusted for proforma IFRS16 to allow like-for-like comparison
3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. 11 months ended 31 May 23

Performance will be driven by relentless customer focus, supported by ongoing efficiency improvements to deliver higher margins

CUSTOMER

- **Best in class customer support** – underpinned by customer centric leadership
- **Capability build of our sales & support teams** – Sales & Service Transformation and advanced data & analytics across our businesses
- **Highly efficient frame & truss operation**, key to market share and margin uplifts

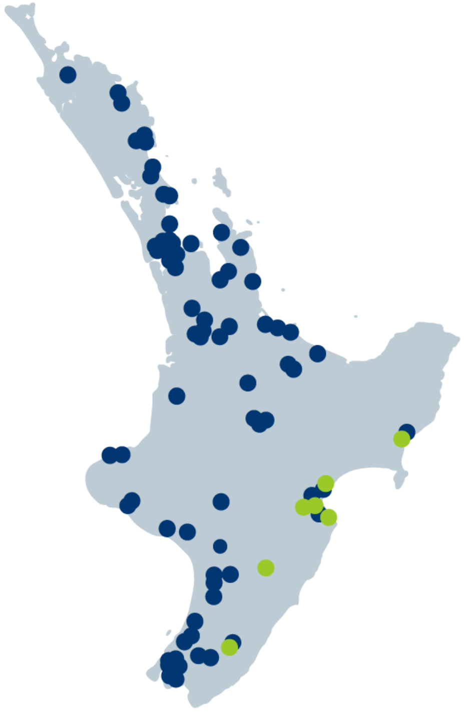
NETWORK OPTIMISATION

- **Store format optimisation** including introduction of smaller formats as part of ongoing innovation of the best from offshore markets
- **Market leading fulfilment** through digitisation of end-to-end supply chain, with distribution hubs in key strategic locations & direct-to-site delivery by manufacturers

Successful integration of the Tumu Hawkes Bay acquisition

Successful integration of Tumu, with expected FY24 ahead of business case

- Acquired six Tumu branches and a frame & truss plant in Sep 22
- Successfully integrated the business and its c.200 staff into the Distribution division – focusing on:
  - Retaining key talent in the team & maintaining a strong team culture
  - Retaining our key customers, through great service & tracking of customer performance
  - Delivering strong EBIT, particularly given the weather events in the region in 2H23; well-positioned for growth
- Expected FY24 EBIT & EBIT margin ahead of our acquisition business case



Network gaps filled in East Coast on North Island

Growth opportunities for market share gains through automation, efficiencies & digital

	FY24	FY25	FY26	FY27	FY28
PLACEMAKERS & TUMU	*Sales & Service transformation, best in class customer service* *Network format optimisation*		*Optimised network/DC fulfilment/densification*		
PLACEMAKERS FRAME & TRUSS		*New automated frame & truss plant driving volumes & share of wallet to grow market share*			
MICO	*Driving turnaround through ongoing digital platform upgrades & network performance*				
DIGITAL OPPORTUNITIES	*Digital transformation with advanced data analytics, automation, and real-time decision making support*				

Investment in automated frame & truss manufacturing driving efficiencies and new capability

Continuing to invest in our future

- Investment in a new automated frame & truss plant centred in Auckland
- Technology & automation enabling greater efficiency and new product innovation in margin-accretive segments
- Safer operating environment for our people
- Improved product quality in dimension & tolerance, synergies with offsite manufacturing
- Increased capacity enabling capture of increased share of wallet on balance-of-house customer spend
- Targeting FY25 as Year 1 of operation

Distribution division well-positioned for TTC performance, and continuing to drive growth & margin expansion

TTC RESILIENCE

- Strong financial performance, with growing EBIT margins & strong ROFE
- Disciplined pricing methodologies & capability to offset inflation
- Relentless customer-centric focus

MEDIUM TERM PERFORMANCE

- Profitable network expansion / optimisation & investment in growth corridors
- Ongoing innovation in customer-focused digital solutions to support full omnichannel experience

GROWTH

- PlaceMakers' automated frame & truss manufacturing
- Network optimisation of market leading brands, formats & locations

Sustainable customer centric earnings growth through efficiencies, automation and digital to deliver ongoing EBIT margin expansion

Questions

Coffee Break

Presentations will resume at 8:25am AEST / 10:25am NZT

Construction

Phil Boylen, CE

Fletcher Construction is a leading NZ focused infrastructure construction & maintenance specialist

- Focused on **infrastructure construction & services** with **lower-risk order book of $2.2b**
- Positioned in **growth sectors** of transport, water and marine with a strong pipeline of public-sector funded works
- Regional self-delivery model, with specialised civil equipment and asphalt production base
- Balance of long-term maintenance contracts, multi-year framework agreements, specialist small works and major engineering projects

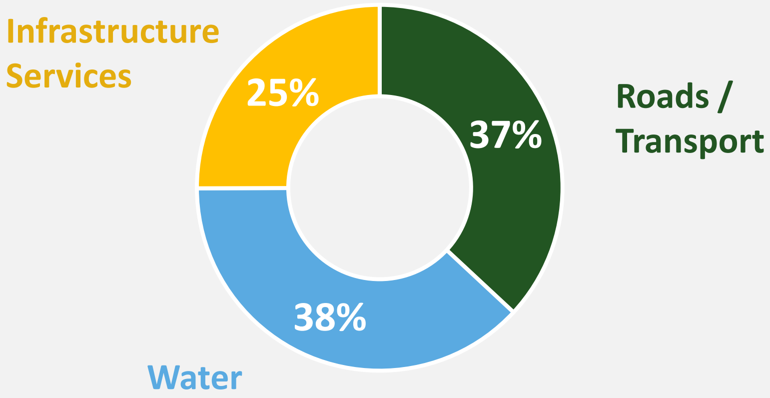
Strong, iconic brands

Fletcher

BRIAN PERRY CIVIL

HIGGINS®

Revenue Weighted Sector Exposure[1]



1 Orderbook as at Apr-23, including c.$300m NZICC revenue to go

FCC's size & focus has been reset to a lower volume of better quality work

Key financial metrics[1]

c.$1.2b divisional revenue

@ c.2.6% EBIT margin

Higgins & BPC EBIT margin: c.4.5%

Non-financial metrics

SAFETY	CUSTOMER	ENVIRONMENT	PEOPLE
2.7 *(TRIFR[2])*	**30** *(NPS)*	**-11%** *(CARBON[3])*	**25** *(FCC eNPS)*

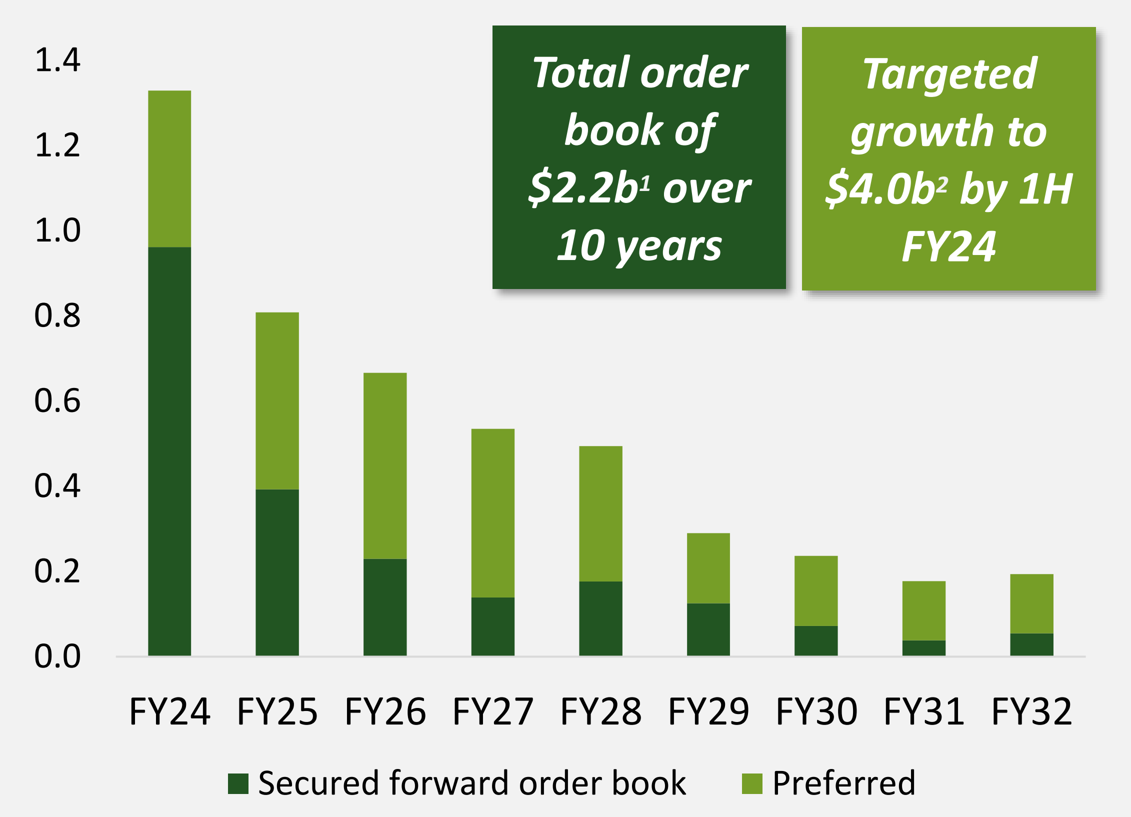
Strong attributes

- **Focused exclusively into the critical infrastructure market**
- Multi-year programmes across transport, water and civil works
- Businesses competitively positioned with engineering, specialist self-perform teams & regional manufacturing footprint
- Well through legacy projects allowing focus on core services brands & new multi-year alliances
- Entering FY24 well-committed with the business 82% sold on revenue & 72% on margin
- Target TRIFR for FY24 of <2.5

1. FY24 forecast, excludes Buildings BU being wound up with remaining legacy projects to complete
2. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. YTD23 = 10 months ended 30 Apr 23
3. Combined Scope 1 & 2 carbon emissions. 12 months ended 31 Mar 23 vs FY18 baseline.

The committed forward order book sits at a strong 1.8x revenue at average gross margins of 12% with a further preferred of c.$2.5b revenue

Orderbook Profile ($bn)



Profile of forward work

- Forward order book primarily lower-risk forms of contracts
  - Alliances, national and local maintenance contracts, and cost-plus / measure & value
- Strong pipeline of preferred projects c.$2.5b (Riverlink, East Coast Recovery Alliance, Eastern Busway, Taxiway Mike, others)
- EBIT margins of c.5% on new work
- Strong NZ infrastructure market, our exposure is to roading, water, airports, marine – also creates synergies with Concrete Division

1. Continuing operations only (i.e. excludes remaining NZ buildings work to complete)
2. $2.2b opening orderbook on continuing operations (i.e. excl. NZICC) plus $2.5b preferred projects less orderbook reduction from 1H FY24 revenue $0.65b continuing operations

Detailed programme of works, repeatable self-delivered scope

Watercare Enterprise Model

- Partnership for the delivery of water and wastewater infrastructure for Auckland
- Works include upgrading and expanding network of pipes, pump stations and treatment plants
- $1.2b+ contract over 10 years to 2029
- Early Contractor Involvement in negotiated packages of low to medium risk work averaging $50m
- Construction packages largely self-delivered by Brian Perry Civil

Responding to critical infrastructure requirements across the regions

Remediation of significant damage to critical roads

East Coast Recovery Alliance

- Multi-year agreement to deliver the required major civil construction work include roads, bridges & rail corridors in the Hawkes Bay Region
- Construction costs estimated >$850m[1] over 6 years
- Negotiated packages of work – target cost (risk is capped at margin)
- Scheduled to execute Project Alliance Agreement mid-July – converts to orderbook
  - Recovery works underway already

1. *Anticipated Fletcher Construction share of total Alliance revenue*

Margin improvement through lower-risk form of contracts

How we are driving performance

- Driving performance through Alliance based contracts that meet specified risk profiles with two new foundation projects:
  - **Eastern Busway Auckland** ($800m+ construction value)
  - **RiverLink Wellington** ($600m+ construction value)
- Negotiated project budgets built up through collaborative framework with the customer – risk is capped at margin
- This transition is forecast to **generate meaningful contributions to earnings** beyond FY24F
  - Projects support the pull-through of specialised services (Higgins & Brian Perry Contractors) and broader Fletcher Building products

Focus is on delivering margin improvement over the medium term to get to 5% EBIT margin

1. **Legacy projects materially completed, teams focused on delivery of new work from a high quality orderbook in critical infrastructure (water, marine, airports & roads)**

2. **New & lower-risk major projects – Wellington RiverLink & Auckland Eastern Busway will start generating substantive returns**

3. **East Coast Recovery Alliance provides further scale to Higgins regional project & maintenance programmes**

Medium term portfolio outlook

MARKET

- ~$172b infrastructure spend next decade, NZ govt committed ~$62b in '22 Budget for 2022 to 2026[1]
- Roads (44%) & water (19%) - well positioned to capture a large share of this activity

ORDER BOOK

- Strong orderbook of $2.2b, expected to grow beyond $4b by end of 1H FY24
- Well positioned with key infrastructure customers to deliver their programmes with specialised regional crews and equipment

PROFITABILITY

- Clear enablers now in place to drive better profitability through reset workbook
- Large investment in past 24 months upgrading systems and processes to support productivity and risk management

Targeted & robust pathway to 5% EBIT over next 24 months

1. Infometrics Infrastructure Pipeline Profile (IPP) report June 2022

Questions

Residential and Development

Steve Evans, CE

Leading developer with strong reputation for quality build

- Developer of residential homes & communities, apartments & retirement living units in Auckland & Christchurch markets
- Only remaining at scale OSM supplier in New Zealand; projects located in market with the most depth – generally <$1 million price point, attracting first home buyers & a wide range of other customers
- Our approach to land & partnerships provides the **ability to slow / ramp-up development works & house building through changing market conditions**, flexing WIP to manage funds appropriately to maintain market leading ROFE as the market moves
- A strong & specialist development skillset assists to deliver group assets & new industrial projects

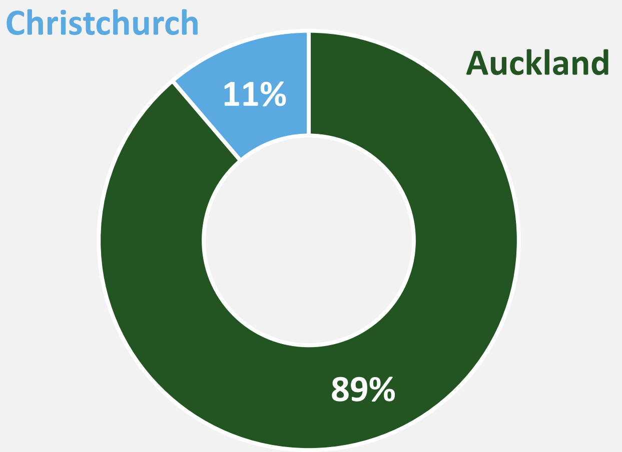
Strong brands

Fletcher Living
Love your new home

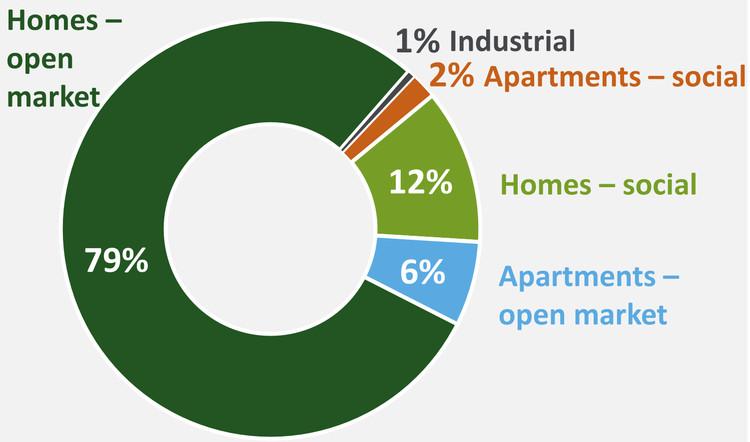
vivid living.

CLEVER CORE
New Zealand

Location of unit sales[1]



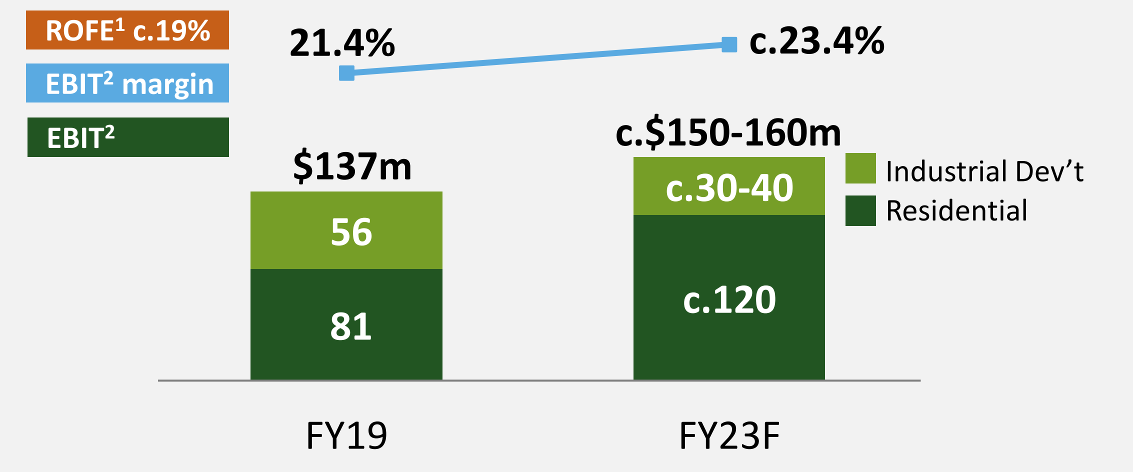
Unit sales split[1]



1. For FY23F

Ability to flex scale & typology in proven locations where most depth of market; strong land bank positions

Key financial metrics



Non-financial metrics

SAFETY	CUSTOMER	ENVIRONMENT	PEOPLE
2.6 *(TRIFR[3])*	**72** *(NPS)*	**LowCO Home** *WASTE REDUCTION*	**40** *(eNPS)*

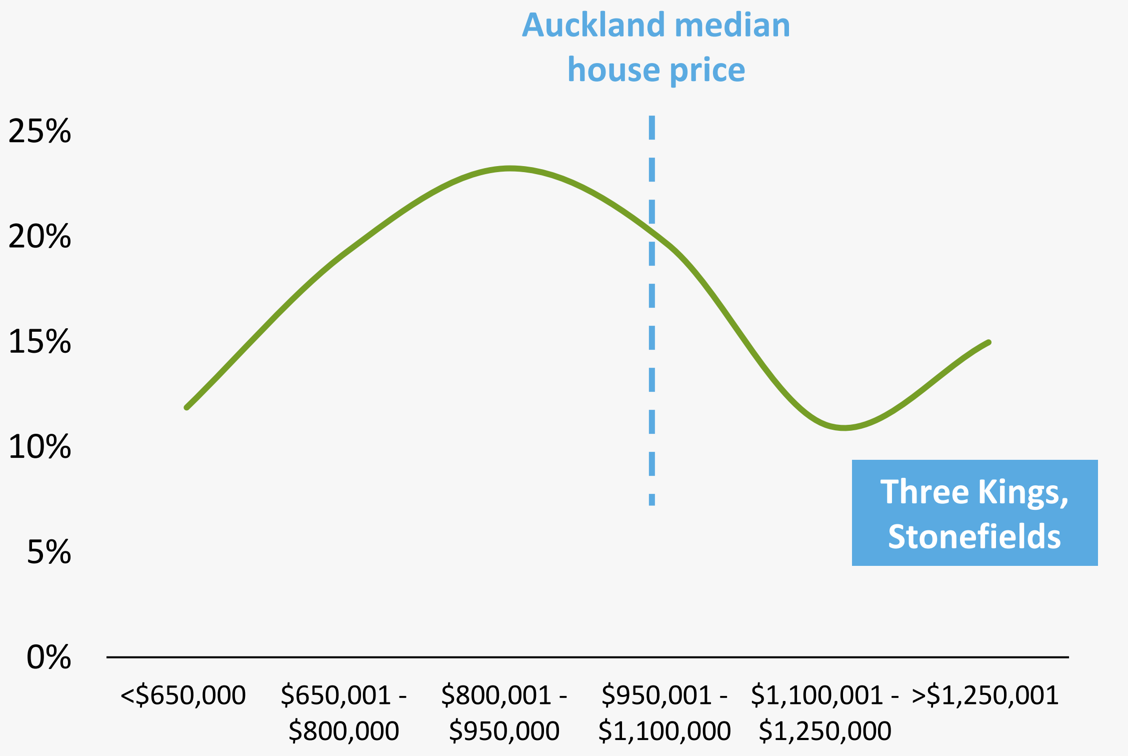
Strong attributes and skillset established

- **Developments in strong / well-proven locations**. Good historic land purchase disciplines have allowed us to maintain volumes at good margins
- **Strong land bank**, acquired through prudent investment guardrails; land bank valuation c.$350m above book value
- Our offer of **completed homes in established developments** has fared better in current tighter market
- **Well-regarded & trusted brand**; customer NPS at 72
- **TRIFR of 2.6** - industry leading
- **Leading sustainability in the residential market** through our development of LowCO, our low carbon home
- Now diverting **40% waste from landfill** (vs 10% 3 years ago)
- **eNPS of 40**, employee engagement top quartile

1. ROFE (Return on Funds Employed) calculated based on closing funds; FY23F
2. Before significant items; FY19 is adjusted for proforma IFRS16 to allow like-for-like comparison
3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. YTD23 = 11 months ended 31 May 23

Pragmatically positioned for market reality with price points and locations in deepest part of market; targeting c.700-800 unit sales in FY24 with average YoY margins likely to contract before recovery in FY25

Distribution of FY23F residential unit sales



Managing well through the softened market

- FY23 business performed strongly through softening market
- FY24 expecting further cost increases and sales price compression before improving volumes and margins in FY25
- We continue to refine our typologies to maintain an average price point below $1m – the deepest part of market supporting our sales target of c.700-800 units through FY24
- Strategic investments in Stonefields and Three Kings satisfies higher price point market and great margins
- Key to success has been our careful management of development and building WIP to maintain robust margins & ROFEs. This has seen us slow / delay some development works & house / apartment building, but continue to get builds ready for when market returns

Managing medium term performance with good disciplines in place

FLETCHER LIVING	▪ Continuing to deliver valued communities with new and existing home typologies, focusing on below median price products in strong demand locations. Volumes to lift when market turns
VIVID LIVING	▪ Continue with rollout, providing innovative solution for aging demographic in our wider residential communities, with ability to share capital gains & with lower DMFs
APARTMENTS	▪ Delivering Three Kings, One Central, Hobsonville and Oranga apartments demonstrates capability, with team focussed on getting faster and cheaper delivery
CLEVER CORE	▪ Now only scale panelisation producer in NZ - improved external customer appetite. New roof line, and interface with new F&T plant allows volume and profit growth without future capex
INDUSTRIAL DEVELOPMENT	▪ Using development skillset and knowledge to source and consent land for future industrial development; whilst continuing to support FB businesses growth

Raw land to new community - Waiata Shores continues to deliver 100+ homes p.a.

How we are driving performance

- Community has gained strength, with part of site sold to Progressive Enterprises has delivered a supermarket & medical centre, both now open
- As Waiata Shores becomes more successful, we are pivoting to greater intensification to maintain price point attractiveness
- New products introduced including smaller terraces around parks, car club units & a bigger Vivid Living site
- Sold >100 units in FY23, this will increase as the market returns
- Still at least three years remaining

Maintaining control of funds invested until housing market recovers; well-positioned to drive significant growth

Flex to market conditions, ready to go when market returns

- **Current market supports c.700-800 unit sales p.a.** without cannibalising price
- Strong brand & marketing keeps business agile for future market movement. We can scale to >1,000 p.a. once market returns
- **Vivid** continues to gain pace, forecast to grow to c.100 units p.a.
- **Development** business continues to consent already secured locations for when the market returns
- Well-located sites in One Central, Three Kings, Northcote **will allow over 200 apartment units p.a. to be delivered**, but only when the market returns
- **Clever Core** is ready to scale up to support this growth
- Our **land bank c.5,000 units**[1], in larger land parcels where a variety of Residential & Vivid solutions can be rolled out

The Hill, masterplanned, well-positioned for c.1,000 units

1. Land pipeline = lots under our control, consist of a mix of raw land, land under development and finished sections

Partnering with iwi and government gives access to more land, and leads to great outcomes

How we are driving performance

- Having partnerships with government & iwi allows access to previously unavailable land
- Partnerships are long term, with multiple projects with Ngāti Whātua and Marutūāhu
- Key to partnership success is common interest, values & outcomes
- Current projects with iwi include Okahukura, Homai, Tauoma, Te Uru and new projects at Waka Moana & Kaipātiki
- Government & local government see the benefit of having proven developer working alongside mana whenua

Resilient business model with ability to navigate TTC and with a strong portfolio of initiatives to drive sustainable growth

TTC RESILIENCE

- Holding market volume delivery through the bottom of the cycle
- Management of funds through build and development WIP but using the downturn to look for strategic land acquisitions
- Continue to drive consenting for growth when market returns

MEDIUM TERM PERFORMANCE

- Strong development team with access to growth areas through longer term relationships through iwi and government
- Continue to grow Vivid Living and apartment businesses driven around sound medium term business rationale
- Delivering LowCO & looking at commercialisation opportunities

GROWTH

- Great land bank in strong locations
- Scale-up home volumes in resi & retirement with well planned land bank
- Clever Core integration with frame & truss allows greater volumes with no additional capex
- Turn the tap back on for consented & build-ready apartments

Performing through the cycle

Margin expansion as the market returns

Future growth

Questions

Australia

Dean Fradgley, CE

Well-established light building products & distribution businesses which have delivered margin improvement with more to come

- Leading manufacturer of decorative surfaces, plastic pipes, insulation, steel roofing, sheds and doors
- Distribution business delivers full range plumbing & bathroom products including higher margin own brand
- Scale in respective markets
- Margin growth delivered with strong opportunities for further upside

Strong, well-known brands

Tradelink

Oliveri

Laminex

Fletcher Insulation

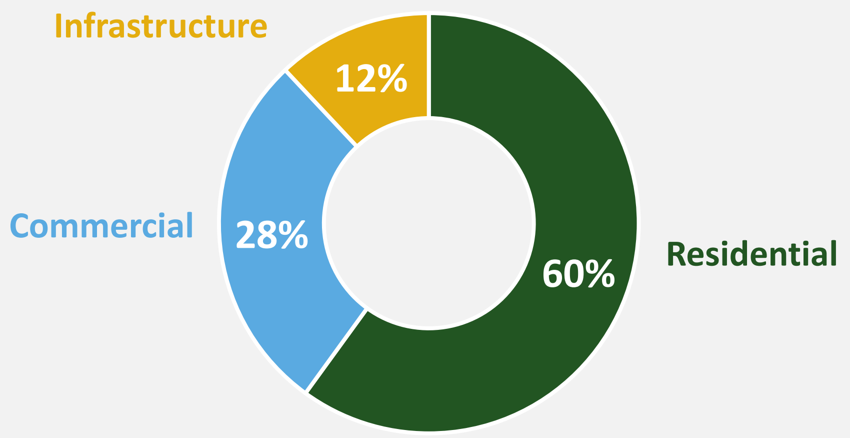
Building Better, Together

iplex

Stramit

CONSIDER IT DONE

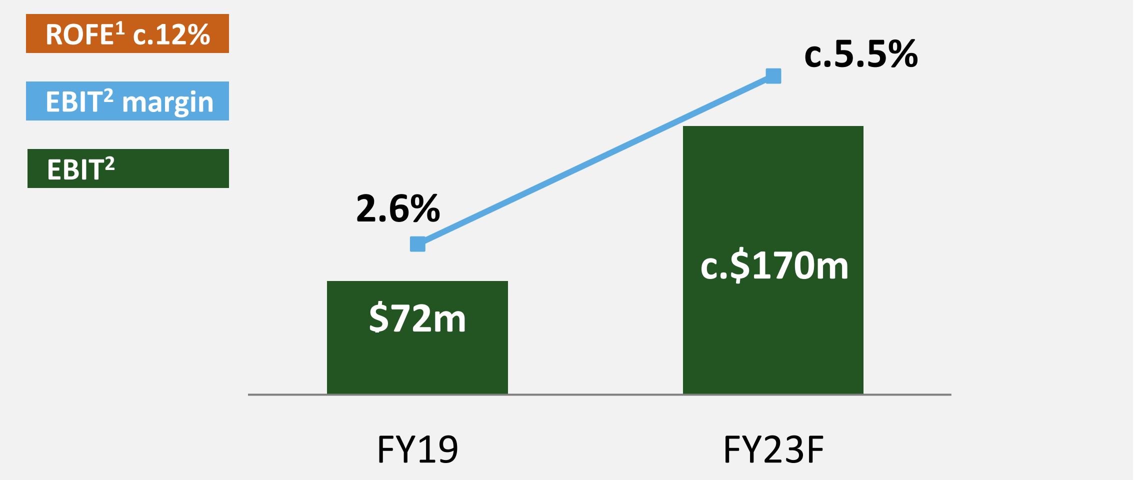
Revenue weighted sector exposure[1]



1. For HY23

Australia's operational disciplines & margin growth has it soundly positioned for this cycle

Key financial metrics



Non-financial metrics

SAFETY	CUSTOMER	ENVIRONMENT	PEOPLE
3.0 *(TRIFR[3])*	26 *(NPS)*	-20% *(CARBON[4])*	14 *(eNPS)*

Attributes

- # 1 or #2 market position in all businesses
- Customer strategies to attract new and retain existing customers
- Performing well in categories that matter
- Cost competitive against local/international competition
- Strong pricing & procurement disciplines backed by governance
- Customer response to digital strategy is strong, delivering higher profits & increased customer retention
- Own brand & private label delivering margin uplift
- High vitality evidenced by new products to market
- Sensible capital investments for growth
- TRIFR average top quartile across these businesses

1. ROFE (Return on Funds Employed) calculated based on closing funds; FY23F
2. Before significant items; FY19 is adjusted for proforma IFRS16 and to allow like-for-like comparison
3. TRIFR = Total no. of recorded injuries per million hours worked. Does not include Restricted Work Injuries. YTD23 = 11 months ended 31 May 23
4. Combined Scope 1 & 2 carbon emissions. YTD23 = 12 months ended 31 Mar 23 vs FY18 baseline

Medium term performance driven by new product development, driving digital & improving customer experience

CUSTOMER

- Ongoing focus on DIFOTIS continues to lift NPS
- Building out digitally based omni-channel solutions providing customers choice in how they transact with us, attracting and retaining customers
- Continued investment in new product development that solve customer problems, i.e. higher margin Laminex Surround™, Fletcher Insulation Firmasoft™

FOCUS AREAS

- Laminex approaching double digit EBIT margins as we continue to drive performance in digital, decorative categories, backed by a strong vitality index
- Stramit's performance is growing at pace as we execute strategies in margin accretive categories, i.e. sheds & doors producing higher margin products
- Tradelink is underperforming and now driving price beyond original plans in light of increasing costs of doing business. Having doubled NPS, the ability to recover price is an opportunity and is now accelerating

Building out digitally based solutions: over 35% of Laminex revenue is now online attracting more customers & delivering improved margins

"Nice user interface. Easy to navigate and order."

Digital NPS **49**

Monthly customer use **40%**

Digital sales of total **35%**

Digital CAGR **32%**

New revenue streams driving incremental online sales

- Laminex digital journey commenced 2019, now largest digital sales in the group accounting for 35% of sales
- Continuous programme of enhancements to improve customer experience
- Strong uptake & repetitive user base with 40% of customers transacting online monthly
- Margin accretive channel

Note: Digital NPS YTD May 23; Monthly customer use is as at May 23; Digital sales % is FY23F; CAGR is FY20 to FY23F

Further growth opportunities primarily through organic adjacencies & innovation lifting to 7-8% EBIT margins in the medium term

	FY24	FY25	FY26	FY27	FY28
LAMINEX	*Product expansion to new decorative categories*		*Targeted automation investments reducing cost to serve*	*Haven kitchen model distribution maturity*	
TRADELINK	*Build out B2B digital offer – mobile app* *Core DIFOT(IS) 95%+, NPS 40+*		*Back of wall own brand build out*	*SME 50%+, Retail 15%+*	
STRAMIT	*Increased manufacturing automation investment*	*Investment in doors expansion*	*Digitally based customer value proposition*		
OTHER BUSINESSES	*Iplex investment in latest manufacturing technologies* *Oliveri expansion into Water Filters*	*Fletcher Insulation expansion into decorative solutions*		*Fletcher Insulation further expansion of installation offer*	

Category focus: Stramit delivering margin accretive sheds & doors segments

Driving performance in highest margin categories

- Stramit is the only roll-forming player with a complete, steel, sheds & door offering
- Taurean door systems expansion underway with capital allocated to meet future market demands in residential, commercial and own brand shed growth
  - Revenue CAGR three times higher than the Stramit group, highest EBIT margin of all products
- Fair dinkum builds revenue growth >50% over the past 5 years providing pull through demand from Stramit core and Taurean Door Systems
  - ~30% of Stramit's revenue now comes from builds & doors

FY23F EBIT growth of c.$50m in a declining market. Well positioned through operational discipline and growth investments to deliver more value over the medium term

TTC RESILIENCE

- Strong operational disciplines in place, demonstrating our ability to get price TTC with lift in customer metrics
- Holding margins at 5%+ through pricing disciplines, manufacturing efficiencies & cost control
- Well-positioned to navigate through forecast market declines in FY24

MEDIUM TERM PERFORMANCE

- Relentless obsession to improve customer metrics
- Digital strategies are strong and continue to attract new and retain existing customers
- A strong pipeline of accretive category growth plans lifting margins

GROWTH

- A suite of committed growth investments in vitality, digital, innovation and automation maturing over the medium term

TTC resilience with EBIT margin holding above 5% in the near term, well positioned to grow a further 200bps+ over the medium term

Questions

Well positioned for cycle, disciplines & culture driving performance, with clear pathway for growth

- Solid FY23 delivered in softer trading conditions
- FY24 focus on preserving operational gains as market reverts to mid-cycle levels
- Construction legacy nearing completion, some risk to manage, go-forward business is more focused and lower-risk
- Medium-term outlook remains positive, all sectors supported by macro tailwinds
- Strategic focus shifting from cost / efficiency to top-line growth, especially investment in adjacencies, improved customer service & solutions and people focus
- Balance sheet in good shape to support $800m+ committed growth investment
- Pipeline of further growth opportunities available once we have certainty of cycle

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Appendix – Humes moved from Building Products to Concrete during FY23

Reported

Building Products	Pro forma 2019[1,2]	Reported 2020[2]	Reported 2021[2]	Reported 2022[2]	Reported 2023 H1
Gross revenue	1,348	1,205	1,471	1,610	835
External revenue	1,044	951	1,167	1,301	684
EBIT before significant items	168	88	199	210	118
Trading cash flow	157	126	248	119	78
Funds	718	702	768	1,024	1,180
Depreciation, depletion & amortisation expense	47	55	59	52	27
Capital expenditure	55	53	111	204	126

Concrete	Pro forma 2019[1]	Reported 2020	Reported 2021	Reported 2022	Reported 2023 H1
Gross revenue	802	740	849	881	487
External revenue	549	503	583	626	344
EBIT before significant items	89	74	113	128	74
Trading cash flow	136	100	164	163	57
Funds	646	607	573	597	631
Depreciation, depletion & amortisation expense	72	74	71	66	33
Capital expenditure	65	50	36	81	21

Restated

Building Products (excl. Humes)	2019[1]	2020[2]	2021[2]	2022[2]	2023 H1
Gross revenue	1,179	1,062	1,308	1,458	768
External revenue	885	818	1,015	1,155	619
EBIT before significant items	158	83	182	192	111
Trading cash flow	140	116	218	110	80
Funds	599	597	658	892	1,039
Depreciation, depletion & amortisation expense	41	49	54	46	24
Capital expenditure	52	51	92	186	125

Concrete (incl. Humes)	2019[1]	2020	2021	2022	2023 H1
Gross revenue	971	883	1,012	1,033	554
External revenue	708	636	735	772	408
EBIT before significant items	99	79	130	146	81
Trading cash flow	153	110	194	172	56
Funds	765	712	683	729	772
Depreciation, depletion & amortisation expense	78	80	76	72	36
Capital expenditure	68	52	55	95	22

1. Pro forma adjusted IFRS 16 and excludes discontinued
2. Pro forma adjusted Forman Buildings segmental change (Distribution to Building Products)

Sustainability important part of our DNA

"Improving the world around us through smart thinking, simply delivered"

We have a focused plan to drive sustainability outcomes

We will achieve our growth while remaining true to our purpose:

- A safe, diverse and inclusive workplace
- Our community at the heart of what we do
- Move progressively to a net positive environmental impact, founded in managing climate impact & risk
- Lead the way in sustainable building products & solutions
- Circular economy commitment across our businesses

Leading to world-class sustainability credentials

Sustainability Yearbook S&P Global	Member of S&P Sustainability Yearbook 2023 (Building Products sector, Top 15%)
Dow Jones Sustainability Indexes	Listed in Dow Jones Sustainability Index for Australia (Building Products sector)
CDP DISCLOSURE INSIGHT ACTION	CDP 'A-' rating – in Leadership category for management of our carbon emissions CDP 'A' rating for Supplier Engagement – in CDP Leadership category
MSCI	MSCI 'AA – Leader' ESG rating