

Annual Shareholders' Meeting documents and trading update

Auckland, 23 October 2024: Fletcher Building is holding its 2024 Annual Shareholders' Meeting today at 10.30am NZDT. Attached are the:

- Acting Chair's address
- Managing Director and Chief Executive Officer's address
- ASM presentation

Included in the Managing Director and Chief Executive Officer's address is an update on trading performance and outlook for FY25.

In his address to shareholders, MD & CEO Andrew Reding said: "For our materials and distribution businesses, first quarter FY25 (1Q25) market volumes were 10% - 15% lower year on year (YOY) and September trading saw revenues track 12% lower YOY (vs. -7% YOY in July and August). Gross margin pressure continues in a highly competitive environment, especially in New Zealand."

"Meanwhile in the Residential and Development Division, house sales are averaging 17 per week in 1Q25 compared to 23 per week in 1Q24. September saw an improvement in house sales to 21 per week compared to 14 per week in July and August., however, margins were lower YOY due to the decline in New Zealand house prices in the past c.6 months.

"Pleasingly, the Construction Division has performed solidly with 1Q25 earnings and margins improved YOY.

"We continue to expect FY25 market volumes in our materials and distribution businesses to be c.10% - 15% lower than FY24, and expect FY25 EBIT before significant items to be c.60% weighted to 2H25 mainly due to three factors:

- cost savings of at least \$180 million are expected to be c.60% weighted to 2H25;
- seasonally higher 2H25 house sales in Residential and Development, with c.170-180 additional settlements expected in 2H25 compared to 1H25; and
- non-repeat of c.\$20 million of one-off costs incurred in 1H25 in relation to NZ electricity, Golden Bay MVAC ship outage and restructuring initiatives.



“The key downside risks to the business are further deterioration in materials and distribution market volumes and / or lower-than-target house sales.

“The fundamentals of Fletcher Building’s business remain sound, and we are well positioned to deliver through the cycle as the market recovers. In addition, we have strengthened our balance sheet which allows us to focus on executing operational and strategic initiatives. Our goal is to fulfil our potential and to build a company that our people, customers, communities and our shareholders, can be proud of.”

In her address to shareholders, Acting Chair Barbara Chapman announced her intention to step down from the Board on the appointment of a new Chair. Ms Chapman commented: “It is disappointing to me that we haven’t found a Chair yet, but I can assure shareholders we are working hard to find the best person for the job. This weighs on the share price, and finding a permanent Chair is a priority for the Board. We expect to be able to finalise this process by the first quarter of next calendar year at the latest, following which it is my intention to step down from the Board to allow for further Board renewal.”

ENDS

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