NEWS RELEASE

Fletcher Building

Fletcher Building Annual Shareholders' Meeting documents and 1H21 guidance

Auckland, 25 November 2020: Fletcher Building is today holding its 2020 Annual Shareholders' Meeting (ASM). Attached are the:
- Chair's address
- Chief Executive Officer's address
- ASM presentation

Included in the Chief Executive Officer's address is guidance for 1H21 EBIT before significant items which is expected to be in the range of $305 million to $320 million. In 1H20, EBIT before significant items was $219 million.

Further details are provided in the Chair and Chief Executive Officer's addresses and presentation. A live recording of the meeting will also be broadcast on the Company's website https://fletcherbuilding.com/investor-centre/reports-presentations-and-webcasts/

Note if you are a shareholder and wish to cast your vote during the meeting please follow the Lumi voting instructions contained in your Notice of Meeting documents.

#Ends

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NEWS RELEASE

Wednesday 25 November 2020

FLETCHER BUILDING LIMITED

2020 Annual Shareholders' Meeting

Chair's Address

FY2020 a challenging year comprehensively and effectively dealt with

There's no doubt that 2020 has been an extraordinary year. As with all organisations and industries, the COVID-19 pandemic presented some unique challenges for Fletcher Building which we comprehensively and effectively dealt with.

On this slide, we highlight the 3 areas we have been focused on to deal with the impacts of the COVID-19 pandemic.

Firstly, we needed to act swiftly to respond to a full lockdown in New Zealand and partial business restrictions in Australia.

We then needed to get the business positioned, for the market uncertainty of FY21 and beyond.

And finally, we wanted to move quickly on these activities to ensure we remained focused on our overall plans.

I am extremely proud of our Board, Management and our people as we navigated the challenges. We worked very closely and at a rapid tempo to ensure this was managed well.

I want to take this opportunity to say thank you to the people of Fletcher Building for everything they have done to guide our business through this period and to ensure that we are strongly positioned to play a role in the economic recovery.

Responded quickly to NZ shut down and start up and Australia restrictions

This slide highlights our immediate response to the COVID-19 pandemic.

Our focus was on four key areas: ensuring everything we did was done safely, delivering strong customer performance and support, looking after our people and remaining acutely focused on costs, cash and our balance sheet.

Through March and April we needed to respond to a full lockdown in New Zealand, safely shutting down over 400 locations across the country – which was no small feat – and we recorded virtually no revenue during this time. We also adhered to the necessary social distancing and other safety requirements through the partial business restrictions in Australia.

Importantly, we maintained our focus on customer service and performance.

To support the health and wellbeing of our people through this time we quickly put in place a support hub app, implemented multiple channels of communication and we established a financial hardship fund. We also put in place a bridging pay programme for some 90% of NZ employees during lockdown.

The timing of the COVID-19 shutdown coincided with what is traditionally our busiest and most profitable quarter and in particular could not have been worse from the perspective of our Construction business. It occurred in the middle of the earthworks season on the major roading projects and just days before the planned opening of Commercial Bay. The impacts of these factors were the main driver of $150 million increase in provisions across our legacy Infrastructure and B+I projects. While I appreciate the need for additional provisioning is disappointing, I believe FCC is now increasingly well positioned to focus on its future which Ross will cover off in his presentation shortly.

While all these actions were unable to prevent a material earnings impact – we had a $200 million reduction in earnings in Q4 and incurred significant losses for the year overall – our cash and cost management focus resulted in strong operating cash flows and we preserved our strong balance sheet position.

Actions taken to set up for FY21 and beyond despite market uncertainty

Then as we looked ahead, we had to take decisive action to ensure we were effectively set up for FY21 and beyond. This was in view of the overall uncertainty while still maintaining a focus on our plans for Fletcher Building.

We made some tough, but necessary decisions to reduce our cost base which included a reduction in property footprint, rationalisation across our supply chain and logistics and procurement activities.

Regrettably our workforce was reorganised to match the expected market uncertainty. These were not decisions that were taken lightly. In doing this, we understand it had a large impact on many people and we put in place a range of actions to provide as much assistance as we could.

The costs of implementing this, combined with the impairments to the Rocla business in Australia that we are divesting and the repayment of some of our USPP debt, resulted in $276 million of significant items during FY20. We expect a further $90 million in FY21 as final cost out actions are completed.

The Board also exercised discretion in applying 30% pay reductions for Board and CEO for six months. Our Executive team and our General Managers pay was reduced by 30% and 15% respectively from 25 March to 17 June and no bonuses were paid under our STI scheme in FY20.

We also reduced planned capex spend, cancelled our share buy-back programme and we also proactively renegotiated our debt covenants to preserve liquidity. Unfortunately for our shareholders, we did not pay a dividend. Clearly, we left no stone unturned.

I'd like to take the opportunity now to comment briefly on the situation with the land in Ihumātao as I know this has been a topic of interest for many of our shareholders. We have continued to take assurances from the government that a solution that is acceptable to all parties is close. The delay to its resolution was one of the inevitable COVID-19 impacts and we are confident the government, with us will bring this to a conclusion for all parties in the very near future.

FY2020 results at a glance

This slide summarises our financial results, which were materially impacted by COVID-19 in FY20.

Revenue for the year was $7.3 billion, EBIT before significant items was $160 million and we made a net loss of $196 million.

Pleasingly, cash flows from operations were well up on last year and were a solid $410 million.

Overall, despite the earnings impact of COVID-19, we ended the year with a strong balance sheet which is testament to the efforts of Board and Management going into the pandemic but also in effectively managing the crisis.

Liquidity was maintained at $1.6 billion. Our net debt was only $0.5 billion resulting in our 0.9x leverage ratio remaining below the target range.

And as I have mentioned, the Board paid no dividends for the FY20 year due to the issues that resulted from COVID-19 and the ongoing uncertain outlook.

FY2020 balanced scorecard

On this slide, I provide an update on some of the key non-financial metrics on our balanced scorecard. Starting from the top left, we have continued to put a large amount of effort into safety through the year. Of note, our serious injuries reduced from 20 last year, to 8 in FY20.

Sustainability is now front and centre across all our businesses and embedded into how we think about our future. As part of this focus we have committed Fletcher Building to reduce carbon emissions by 30% below our FY18 levels by 2030. This aligns us with aims to limit global warming to below 2 percent.

While employee engagement is good at 71%, we still have work to do to be in the top quartile of companies. We continue to work on improving this and our target is to be at least 80% across all our businesses. Similarly with customers. While our present net promoter scores are OK at 39, we absolutely need to get these to be best in class across all our operations.

We are working on seeing all these measures continue to improve in the period ahead.

Strong Governance through COVID-19 as well as action on safety, culture and performance

The Board operates with the support of Board committees, three of which are noted here.

All directors took an active part in the Protect Reset and the launch of Fletcher Building's new Protect Value. We continued to focus on delivering the strategy and we have been actively listening to shareholder feedback. We understand the concerns held over company performance in recent years and we are continuing to work hard to address that with sustainable actions.

While we have strong collaboration we also bring different viewpoints through age and gender diversity and experience. We are well balanced between Australia and New Zealand and have complementary skills across industry, manufacturing, sales, governance and finance capabilities. Steve Vamos stepped down from the Board during the year and we thank him for his considerable contribution. Steve's departure does leave a vacancy which we have not yet filled. We will continue to appoint directors who bring the right set of skills and experience to the existing Board.

As a priority, our Safety Health, Environment and Sustainability Committee, continued its focus on the business-wide Protect Reset safety programme, driving the leadership, culture and critical risk approach for success. Our site visits are one example of how we are embedding this.

A strong culture has many facets – people engagement, values, purpose, trust, incentives, diversity and inclusion. Our Remuneration Committee has had an unwavering focus on this through COVID-19. They have focused on ensuring our people are well supported. Importantly, we exercised appropriate discretion on remuneration ensuring all stakeholders were treated fairly. The team also provided enhanced remuneration reporting which delivers better transparency.

Our Audit and Risk Committee provided strong oversight on the financial complexities resulting from COVID-19 ensuring that our strong balance sheet remained intact. We also improved disclosure on our risk reporting, driving transparency to all our stakeholders.

Sustainability strategy

The long-term success of Fletcher Building is driven not only in financial terms, but also in supporting good outcomes for all our stakeholders.

Last year I presented the sustainability strategy and we continue to drive our six key priorities as it is critical for delivering long-term and sustainable growth to our shareholders.

In FY20 our initiatives included focusing on reducing the environmental impact of our products. We increased the number of products we manufacture that hold Environmental Product Declarations and Environmental Choice certifications that are recognised within green building standards.

We set group-wide Science-Based Targets for carbon reduction. In December 2019, Fletcher Building became the first building materials and construction company in New Zealand and Australia to attain an independently verified Science-Based Target for carbon emissions reduction.

We published our supplier code of conduct and we published our human rights policy. This includes our commitment to put processes in place to prevent unethical practices in our operations and supply chains and continuing to move to full environmental, social and governance reporting.

Finally on this slide I make reference to the Dow Jones Sustainability Index which is an assessment of the governance, environmental and social performance of our business. As well as retaining the Australia membership that we gained in 2019, we improved our score this year and have just been included in the Asia-Pacific index as well. This is a great achievement.

Summary

FY20 was without doubt a tough year for all our stakeholders and I am very proud of how the team and board members worked together. We responded quickly to the COVID-19 impacts, set the business up for FY21 and we remained focused on our strategy and ambitions. While COVID-19's long term impacts remain unclear, we have Fletcher Building well positioned for whatever lies ahead.

Two weeks ago we provided an update on our four-month trading to the end of October. Ross will talk in more detail about that result shortly but I would comment that we are very pleased to see that strong trading performance as evidence of the success of the strategy being delivered.

We are financially sound with a strong balance sheet, good cash flows and liquidity. The strength and resilience this gives our business has never been more important than in today's uncertain environment.

Finally, with regard to dividends, it is the Board's expectation that the Group will resume dividend payments in FY21. Shareholders will recall that earlier this year, in response to COVID-19, we moved proactively to agree covenant relief with our lenders, which ensured that we had additional protection for our funding lines until the end of 2021. Part of this agreement was that if we paid a dividend during that period then our additional protection would come to an end. This will be a key consideration for the Board in February and means that the payment of an interim dividend for FY21 is unlikely.

As we look ahead to the full-year though, it is the Board's expectation that we will resume payment of a final dividend for FY21. Further, in the event that there is no interim dividend, our expectation is that the final dividend would reflect a full year of dividend payments.

We look forward to resuming these returns to our shareholders.

Before I hand over to Ross, I would like to say thank you again to all our shareholders, for your continued support of Fletcher Building. We appreciate your commitment to the success of our business and I look forward to sharing further details with you on our progress over the coming months.

ENDS

NEWS RELEASE

Wednesday 25 November 2020

FLETCHER BUILDING LIMITED

2020 Annual Shareholders' Meeting

Chief Executive Officer's Address

FY2020 tough year well handled

Like Bruce, I feel FY20 was a tough year for the business. But one that we handled well. Importantly, we responded quickly and effectively to the COVID-19 crisis, across the shutdowns, the restrictions, and then the progressive restarts. We then got the business set up, for what were, and which continue to be uncertain times. And critically, this work set us up to continue to deliver against the strategies that we've been working on for the last two years.

Unfortunately, these necessary actions came with consequences for all stakeholders and I wanted to acknowledge these impacts on you, our shareholders, on our partners, and on our people, as we worked through these challenges.

I found it a privilege to work in the business through this period, and see everyone lean into this adversity, and get on with what was necessary with little complaint. This was a trait I saw from the shop floor right through to the Board. And I would also like to add my thanks and appreciation to everyone that helped us navigate FY20 and enter FY21 as well as we have.

Two years into strategy - Business is reset and stabilised

As I mentioned, this good work sets us up well to continue on with the plans we laid out back in mid-2018, and which are summarised on this slide. Our aspiration for Fletcher Building is to be the leader in Building Products and Solutions across New Zealand and Australia. Back in mid-2018 we set ourselves a timetable to move the Company convincingly towards this over a 5-year period:

- Through FY19 we successfully stabilised the business, we got our arms around the Construction issues, we refocused the business on the; NZ, Pacific and Australia geographies, we achieved the successful sale of our various international businesses outside of these areas, and ended the FY19 year with a materially stronger balance sheet.
- Through FY20, we were then able to focus on what I call the "self-help" issues and look to drive performance improvements across all areas of our business. This included some major interventions. An organisation-wide safety reboot, the complete overhaul of Fletcher Construction, and the major reset of our Australian business. But it also covered a drive to get better at the basic operational disciplines across all our businesses, making it clear what was expected and providing the training to support this.

- The unexpected twist in FY20 was COVID-19 but because we dealt with its consequences quickly and firmly, it has allowed us to stay on track with our plans to keep driving performance and growth across the entire business.

I will spend the balance of my presentation talking to what we are now focused on and look to bring it to life for you with examples as I go.

Key areas we are driving

Across each area of our business we are constantly looking at five main things:

- Firstly, getting everyone who works for us, or with us, home safely each and every day.
- Secondly, having the customer at the centre of everything we do. We have to ensure we are providing market leading customer services, customer solutions, and customer performance all of the time.
- Thirdly, is our drive to operational excellence. We want to be lean and efficient, with competitive cost structures across all areas of our business.
- Next, we want all our go forward businesses producing economic returns in the top quartile of their respective industry.
- And finally, we want to lead the market and our competition in innovation and sustainability, effectively using both these, as levers to achieve growth above market, and to ensure we're doing the disrupting to others.

Positions us well to drive shareholder returns into the future

Beyond the progress we are making across these five areas, there are a number of other factors that that set us up well, to drive strong shareholder returns into the future.

- We are a much more focused company, with the bulk of our operations now only in New Zealand and Australia.
- We are running similar businesses across both these geographies. And this means that there is a lot of consistency in what we need to get right across all of Fletcher Building.
- There is still a large chunk of improvement that can come from what I call "self-help". This means there are significant upside improvements available to us, from what is "in our control".
- We have a strong balance sheet and good cash flows underpinning these endeavours.
- And, the longer-term trends, are tails winds. Population and immigration growth will reboot and should continue and the relative isolation of both countries means; that in country scale positions have a good competitive advantage, and that we can be a fast follower, and still be first with the introduction of new technologies and innovation in our region.

All this positions us well for a strong future.

Against this backdrop, I remain confident we can deliver against the FY23 targets we set ourselves back in mid-2018, and these are:

- To achieve revenue growth above the background market growth;
- To grow margins across all businesses such that group profitability gets to at least 10%;
- And with this to get ROFE above 15%.

Trading update 4 months ended 31 October 2020 – Safety focus continues with a strong emphasis on critical risks

I want to now move onto the 4-month trading update for FY21 that we provided to the market on the 10th of November. Starting firstly with safety. Our Serious Injury rates and Total Recordable rates are running at similar levels to this time last year. That said, through FY21 we are targeting to improve on last year, as we expect to see the benefits from our safety programs flowing through to the outcomes we are achieving.

Our particular emphasis through this year is to ensure our people have the skills to identify and eliminate critical risks. These are the risks, that should they occur, they would cause a serious injury or fatality.

Trading update 4 months ended 31 October 2020 – Safety focus continues with a strong emphasis on critical risks

The trading update also showed we are making good progress on improving the operating performance across all of our businesses. Through the first 4 months we saw Group revenues up slightly by 1%, Group EBIT of $227 million, up $80 million, Group EBIT margin up 2.9ppts to 8.4% due to improved operating efficiency, and our cash flows and balance sheet remain strong: with net debt at $388 million and available liquidity at $1.4 billion as at 31 October 2020

Looking forward we want to build on this progress and in the coming slides I will outline where our focus and emphasis will be in each of our major business areas.

NZ Core – Key focus areas

Starting with our New Zealand Core businesses which cover our; Building Products, Distribution and Concrete Divisions. Unsurprisingly, our focus across these businesses will continue in 3 key areas:

- Firstly, continuing to drive operational excellence;
- Secondly, building a greater tempo and cadence in driving innovation and sustainability across our products and services;
- And finally, moving at pace to improve on our customer offerings particularly around ecommerce and our digital interfaces.

NZ Core – What we are delivering

Digging into each of these areas a bit more. The graphic on the left of this slide, brings to life the progress we have made on driving margin improvements across our core NZ businesses. Here you can see that through the first 4 months of FY21 we achieved a margin increase of 2.4%. On the right-hand side, we have picked out a few examples of innovation that are occurring across these businesses that are driving both revenue, and cost improvements.

Dimond Steel has developed a methodology that allows the steel roof to be rolled at the site, and up at the roof level. This unique process removes all the joints across a long span roof making installation easier, safer, and the roof far less susceptible to leaks – this methodology was recently used with great success, at a large distribution centre in Auckland

Iplex has introduced a mobile production plant for polyethylene pipes in the South Island, again this allows for much longer pipe lengths to be produced, reducing both the number of joints, and the installation costs.

Winstone Wallboard's weatherline product continues to see good uptake and increasing volumes, particularly across the residential sector. And, our focus on sustainability continues. Two good examples include; the modification of our Portland cement works to consume old tyres as fuel – this prevents up to 60% of waste tyres going to NZ landfill and displaces coal as a fuel source, a double win for the environment. And secondly, the addition of solar panels to the roof top of our Laminex manufacturing plant in Hamilton – this makes it one of NZ's largest solar roof top installation.

NZ Core – What we are delivering

As I mentioned our customer focus across our NZ core is on improving our capability and offers, across the ecommerce, digitisation and data analytics space. And the impacts from the COVID-19 pandemic have only amplified the need for speed in this area.

Pleasingly, we are starting to make some good progress across a number of fronts:

In PlaceMakers we have continued to build on our back of house "in store" digital customer interfaces, and have now added uber style track and trace capabilities to over 70% of our "from branch" deliveries, we have also ramped up our online presence where expect to have more than 50,000 of our products online for sale by January 2021.

The upgrade of our Firth ready mix concrete truck fleet continues - and it now has 35% its fleet digitally enabled. This means we bypass the need for physical paperwork, with the customer now receiving electronic delivery dockets directly.

And Laminex NZ has deployed our successful Laminex Australia ecommerce portal and is already achieving around $1.2 million of sales per month since its launch late last year.

All this however is only the beginning, and we will continue to work hard in this space across all of our core New Zealand businesses.

Residential and Development – Key focus areas

Our Residential and Development business continues to perform strongly and remains well positioned to pursue a number of growth initiatives.

Firstly, we are confident we can continue to grow our present low-rise residential business, from around 750 to 1,000 houses a year over the coming years.

Secondly, we want to progressively scale up Clevercore, our OSM manufacturing business, such that it's manufacturing at least 500 houses per year.

And Thirdly, we will look to also scale up our mid-rise apartments business. We see this as a good opportunity, that follows the trend of increasing densification of housing in larger cities.

Residential and Development – What we are delivering

This year our Residential housing business will deliver between 700 to 800 houses and with around 3,500 future lots under our control, the business remains well positioned to continue performing at this level. The speed with which we will then grow to a 1,000 houses per year, will be dependent on accessing sufficient land at the right price, and on how strong the overall market is. Our land development business pipeline remains robust, and this business should continue to generate at least $25 million per annum into the future. This year our key sales are second half weighted and are likely to include sales of land from two sites in Brisbane and Sydney. These are sites we no longer are using to operate our businesses in Australia.

Residential and Development – What we are delivering

Clever Core is our off-site manufacturing plant for residential housing. This is an important investment for us; both as a business opportunity in its own right, but also it allows us to directly participate in the construction macro trend, for increasingly more modularisation and offsite manufactured components.

Clever Core provides us with an opportunity to disrupt ourselves in this space, and adapt our manufacturing, distribution, and onsite construction techniques to suit where the industry is heading over the coming years.

And finally, with the increasing trend to housing densification in major cities, we are well placed to scale up our apartment business. Like our low-rise housing business, we will position ourselves in the mid-market range, and focus on producing a high quality, and good value for money product for our customers.

Market permitting, we would expect to take around three years to get this business to a meaningful scale and annual throughput.

Construction – Key focus areas

While we remain intent on finishing the legacy Construction projects to a high quality and within provisions, pleasingly, our focus across Fletcher Construction is increasingly about building its future, rather than clearing up the mistakes of the past.

The teams continue to make good progress on lifting the skills, operating disciplines, and governance across all the construction businesses. The best evidence of the success of this, is with our customers, where we continue to successfully build our forward order book, winning the right work, with the right risk profile and margins.

Construction – What we are delivering

This progress is well evidenced on this slide. The graph on the left shows the progress we have made in completing the legacy projects. We now have under $600 million of work remaining, while at the same time we have successfully built a forward order book of over $2.4 billion with much better risk and margin profiles.

Unsurprisingly, with the NZ Government's focus on infrastructure sector investment - much of this new work is focused in this area.

A pleasing recent win was the AMETI Eastern Busway Alliance project in Auckland. This is a major multi-year project, and the consortium we are part of has now been announced as the preferred partner with Auckland Transport.

Australia – Key focus areas

Our Australian business has been through a tough few years, as we dealt with a contracting market, the impacts of COVID-19, and many of our own "home-made" operational issues. Over this period, the team in Australia has stayed focused on what was needed to work through this, and we are now seeing improvements in both profits and profitability. That said, there remains much to do and with that, further upside and opportunity for us to deliver.

To ensure we complete the Australian turnaround, and capture these further improvements we continue to focus across 3 main areas:

- Driving and improving operational excellence;
- Ensuring we have a strong pipeline of product innovation and sustainability improvements;
- And really lift our customer service proposition and performance, with a particular emphasis on ecommerce and digital.

Australia – What we are delivering

The progress we are making in Australia is brought to life well on this slide. In the graphic on the left, you can see the profitability improvements we are now delivering - EBIT profits were 4.0% for the first 4 months of FY21, compared to 2.3% for the same period last year – a pleasing increase.

And the pictures on the right showcase some of what we are doing around product innovation and sustainability:

- In Laminex, we have completed our biggest product launch in 25 years, which saw us refresh the entire brand and range. This has been very well received by our customers and is a big part of what is driving the performance improvements we are seeing across this business;
- In Fletcher Insulation, we have completely refreshed and upgraded our packaging, our range of products, and introduced new and innovative products such as the FirmaSoft wall and ceiling insulation batts. These contain 80% recycled content, have better thermal and acoustic properties, and are easier to handle;
- In Stramit, we have introduced new steel roofing ranges, the Sharpline roof, and InfinitiLine gutter both which have a more modern profile, is our own product, and therefore we can earn better margins;
- And in Oliveri, we have recently launched a whole new bathroom category, this means we now have a "good, better, and best" option across our own range and brands in bathroom products.

Australia – What we are delivering

And in Australia, very much like our focus in New Zealand, we are putting a significant effort into our customer facing, ecommerce and digital capabilities. We show two good examples of our progress on this slide:

- In Laminex, we are now seeing around 27% of our sales occurring through our ecommerce portals, and this has occurred in only an 18-month period.
- And in Tradelink, our new website just went live, and this now provides the ability for customers to purchase and transact online. This had been a critical missing piece in our Tradelink customer offer.

These, and the other steps we are taking around our ecommerce platforms across Australia, are critical components in getting our businesses competitive and fighting fit across the country.

FY2021 outlook

To finish, I would now like to move to the outlook. As we covered in our recent trading update, we expect first half volumes to remain very resilient, and continue in line with the strong trading we have seen so far through FY21. The second half remains less certain but from what we can tell from our present quote activity, and order books, we expect a reasonable start.

But as a result of the ongoing uncertainty caused by COVID-19, we will only be providing half year guidance today. In line with this, we expect our FY21 half year EBIT to be in the range of $305 to $320 million – and this compares favourably to the $219 million we made in the first half of last year. We will also continue to keep a tighter rein on capex through this year, and as such we continue to expect the full year capex to be around $200 million.

In closing, I'd like to thank our employees, suppliers, and customers for their commitment and all they have done through the last 12 months. I also want to thank you, our shareholders, for continuing to support Fletcher Building.

This has been a challenging year for us, which we I feel we've navigated well. Even more pleasing for me, is that we are now seeing the benefits of the work we have been doing over the last two years, start to show up in our performance and results.

Tena koutou, Tena koutou, Tena koutou katoa.

ENDS

2020 Annual Shareholders’ Meeting

25 November 2020

Bruce Hassall

Chair

Fletcher Building Limited
Annual Shareholders' Meeting 2020

Directors

Martin Brydon

Barbara Chapman

Peter Crowley

Rob McDonald

Doug McKay

Cathy Quinn

Meeting agenda

Chair's address

Chief Executive Officer's address

Voting on Resolutions

General Q&A

FY2020 a challenging year comprehensively and effectively dealt with

1. Responded quickly to COVID-19 restrictions, shut down and start-up

2. Business well set up for FY21 and beyond

3. Remained focused on our overall plan, strategy and growth ambitions remain unchanged

Board and Management worked very closely at a rapid tempo to ensure impacts were well managed

Responded quickly to NZ shut down and start up and Australia restrictions

Safely shut down and restarted NZ businesses and dealt with Australia restrictions

Maintained **customer** service and performance

People and mental health and well-being, Support Hub App, Bridging Pay Programme (NZ govt supported), financial hardship fund in place

Strong **focus on costs and cash management**, but significant impact with lost earnings from stringent NZ shutdown, additional Construction provisions

Actions taken to set up for FY2021 and beyond despite market uncertainty

Actions

- Costs reduced and workforce reorganised to prepare for market uncertainty
- Board, Exec and GM remuneration reduced
- No bonuses under STI scheme
- Proactively renegotiated debt covenants to preserve liquidity
- No dividends paid for FY20, share buy back programme suspended

Impact

- Fixed cost reduction of c$150m in FY21
- Additional variable cost reductions to meet market activity
- Significant items (FY20 and FY21)
- Balance sheet strength preserved, strong liquidity

FY2020 results at a glance

Revenue	$7,309m	FY2019 $8,308m
Net Earnings/(Loss)	($196)m	FY2019 $246m
EBIT*	$160m	FY2019 $549m
EPS	(23.5c)	FY2019 28.8c
Cash flows from operating activities	$410m	FY2019 $153m
Leverage ratio	0.9x	Target range: 1.0-2.0x
EBIT margin	2.2%	FY2019: 6.6%
Dividend	nil	FY2019: 23.0cps

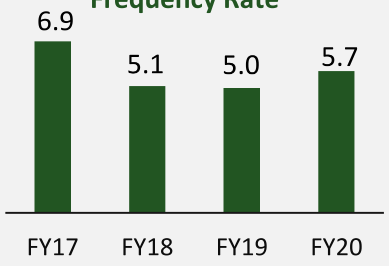
* Before significant items

Note: All metrics are for continuing operations except cash flow from operating activities. RTG and Formica were sold in FY19
Measures before significant items are non-GAAP measures used by management to assess the performance of the business and have been derived from Fletcher Building's financial statements for the 12 months ended 30 June 2020. Details of significant items can be found in note 2 of the financial statements

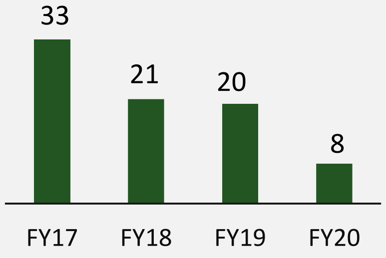
FY2020 balanced scorecard

Safety

Total Recordable Injury Frequency Rate [1]

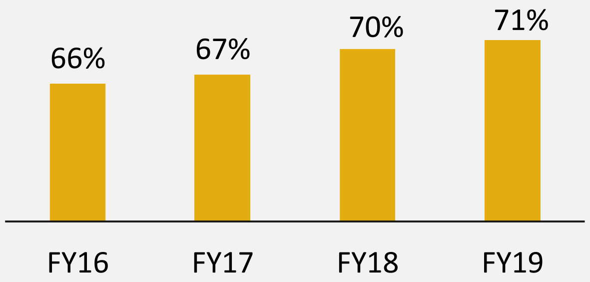


Serious Injuries [2]



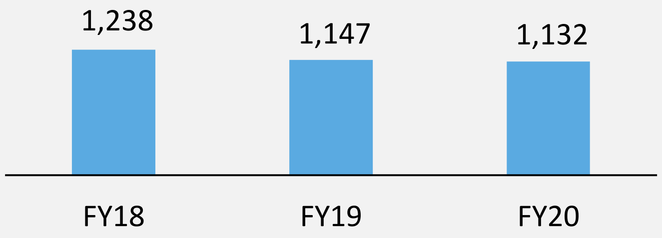
Engagement

Employee Engagement Rating [4]



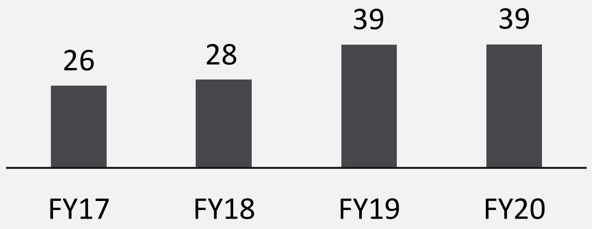
Sustainability

Carbon (CO_2) Emissions (thousand Tonnes) [3]



Customer

Net Promoter Score [5]



[1] TRIFR = Total no. of recorded injuries per million man 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.
[3] Carbon data excludes emissions from the International division which was divested in FY19.
[3] Next employee engagement survey planned for FY21.
[4] Net Promoter Score calculated as % Promoters (9 - 10) minus % Detractors (0 - 6). Prior years have been restated to reflect inclusion of all Business Units in NPS programme

Strong Governance through COVID-19 as well as action on safety, culture and performance

- Protect Reset and Protect Value launch
- Focus on delivery of strategy, listening to shareholders and actioning feedback

Safety, Health, Environment and Sustainability Committee

- Safety leadership, culture and critical risk approach for safety
- 16 site visits; regional site visits during COVID-19
- Strategic commitment to reduce carbon emissions by 30% by 2030

Remuneration Committee

- Culture focus through safety, people engagement, values, diversity, inclusion and incentives
- Supported our people through COVID-19
- Significantly enhanced remuneration disclosure

Audit and Risk Committee

- Strong oversight on complexities through COVID-19, including banking, liquidity and balance sheet
- Risk management policy + framework refreshed; independent review
- Enhanced risk reporting disclosure

Sustainability strategy

BE THE LEADER IN MAKING SUSTAINABLE BUILDING PRODUCTS

TRANSPARENT ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING

CAREFUL MANAGEMENT OF OUR RESOURCES AND EMISSIONS

SUPPORT OUR PEOPLE AND OUR COMMUNITIES

PARTNER WITH OUR SUPPLY CHAIN TO DELIVER SUSTAINABLE OUTCOMES

BUILD HEALTHY HOMES AND DELIVER SUSTAINABLE INFRASTRUCTURE

FIRST

to set a Science Based Carbon Target in our Sector, in New Zealand and Australia

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

MSCI ESG RATINGS A

CCC	B	BB	BBB	A	AA	AAA

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Summary

- FY20 a tough year for all stakeholders
- Proud of how our people and Board members worked together remaining focused on steering the Company through a challenging period while setting up for FY21 and beyond
- Pleasing year-to-date trading performance in FY21
- Balance sheet and liquidity strong
- Dividend:
  - Agreement in place with lenders to provide covenant relief, means FY21 interim dividend unlikely
  - Expect to resume dividend payments at year-end FY21, and for this to reflect a full-year of dividends

Ross Taylor

Chief Executive Officer

Fletcher Building Limited
Annual Shareholders' Meeting 2020

FY2020 tough year well handled

FY20

- Responded quickly to COVID-19 impacts
- Very proud of our people and their resilience
- Sig. items but strong cash & balance sheet

FY21 set-up

- Positioned cost base for potential reduced activity in FY21
- Accelerated key ecommerce activities
- Debt lines and liquidity strong and available

FY21 & beyond

- Strategy and growth ambitions remain unchanged
- Focus on profitability and operational excellence

Two years into strategy – Business is reset and stabilised

To be the undisputed leader in New Zealand and Australian building products & solutions

FY2019
REFOCUS AND STABILISE

FY2020
PERFORMANCE

FY2021–23
PERFORMANCE AND GROWTH

Key areas we are driving

protect

Safety

Customer

Operational disciplines

Business performance

Innovation and Sustainability

Positions us well to drive shareholder returns into the future

- **Focus**
- **Consistency**
- **Leveraged to upside**
- **Strong balance sheet, strong cash flows**
- **Well positioned for macro trends**

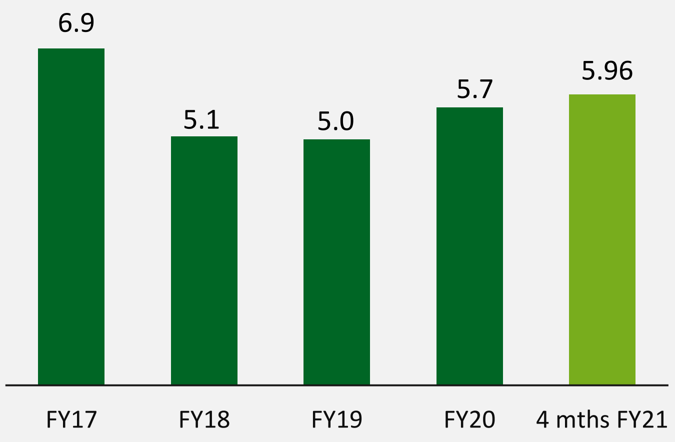
FY23 Key Financial Targets

- Revenue growth > market growth
- Group EBIT margin >10%
- Return on Funds Employed (ROFE) >15%

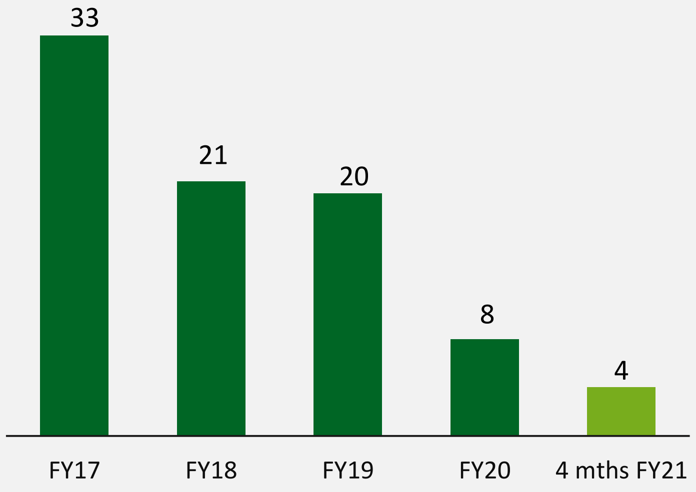
Trading update 4 months ended 31 October 2020
– Safety focus continues with a strong emphasis on critical risks

Safety

Total Recordable Injury Frequency Rate [1]



Serious Injuries [2]

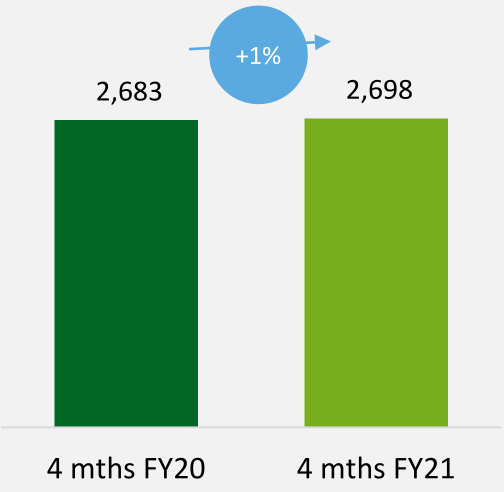


[1] *TRIFR = Total no. of recorded injuries per million man hours worked. Does not include Restricted Work Injuries.*
[2] *Serious Injury include immediate treatment as an in-patient at hospital for more than 24 hours or immediate treatment for a serious injury or illness as defined by Safe Work Australia.*

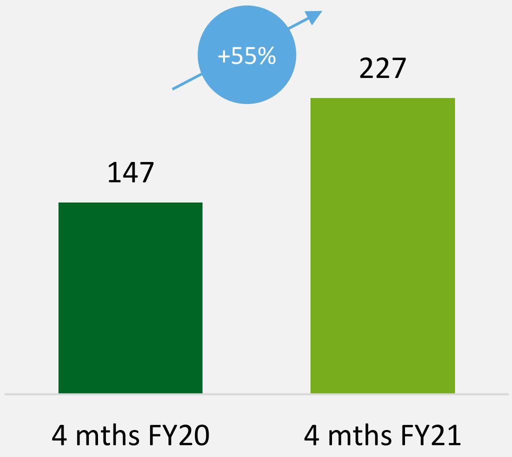
Trading update 4 months ended 31 October 2020 – Improved operating efficiency and margins across all businesses

Performance and Growth

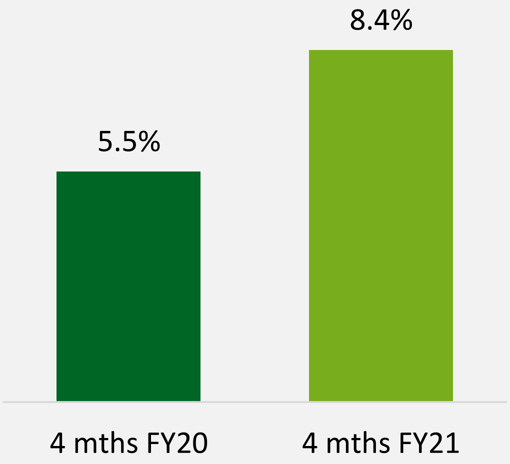
Revenue ($b)



EBIT before sig items ($m)



EBIT margin (%)



- Cash flow and balance sheet remain strong: net debt $388 million, liquidity $1.4 billion as at 31 October 2020

Note: Measures before significant items are non-GAAP measures used by management to assess the performance of the business

NZ Core – Key focus areas

- Building Products
- Distribution
- Concrete

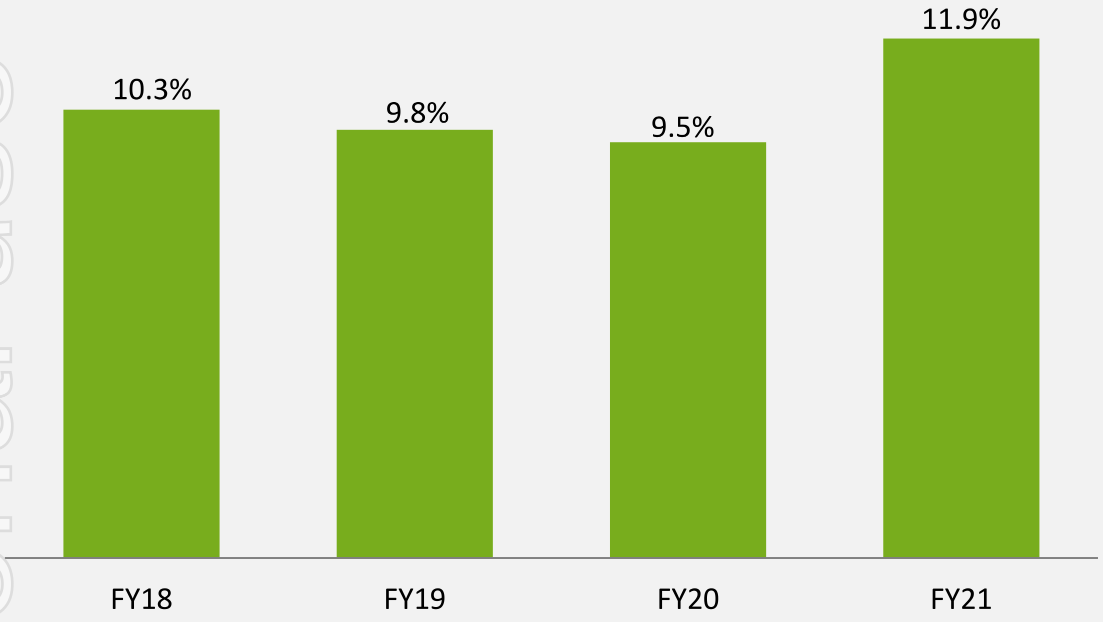
1. Operational excellence
2. Product innovation & sustainability
3. Leading customer services & solutions, esp. via digital

Building Products
Distribution
Concrete

NZ Core – What we are delivering

Operational excellence

EBIT Margin
Jul-Oct, 2018-2021



Product innovation & sustainability


Dimond's largest roll to roof project in NZ


Iplex's new 25m trailer carrying first load from mobile extraction plant


WWB's GIB Weatherline®


GBC's New Tyre Derived Fuel handling arm and feed equipment


NZ's largest "roof-top" solar installation at Laminex's Hamilton factory

Note: Measures before significant items are non-GAAP measures used by management to assess the performance of the business.
FY18 and FY19 EBIT margins have been restated for the impact of IFRS16 lease accounting standard to ensure comparability with FY20 and FY21.

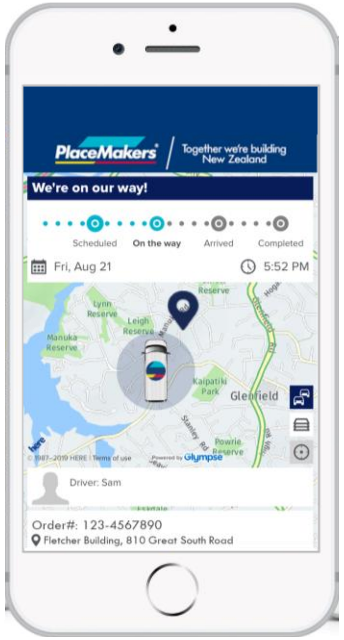
NZ Core – What we are delivering

Leading customer services & solutions, esp. via digital

PlaceMakers digitisation

>50k

products online across **Distribution** by Jan-21



Track & trace delivery in PlaceMakers

70%

of all products delivered from a **PlaceMakers** branch have track & trace capability

~$1.2m

of website / digital sales for **Laminex NZ** in Oct-20

35%

of **Firth**'s trucks now digitally-enabled

Residential and Development – Key focus areas

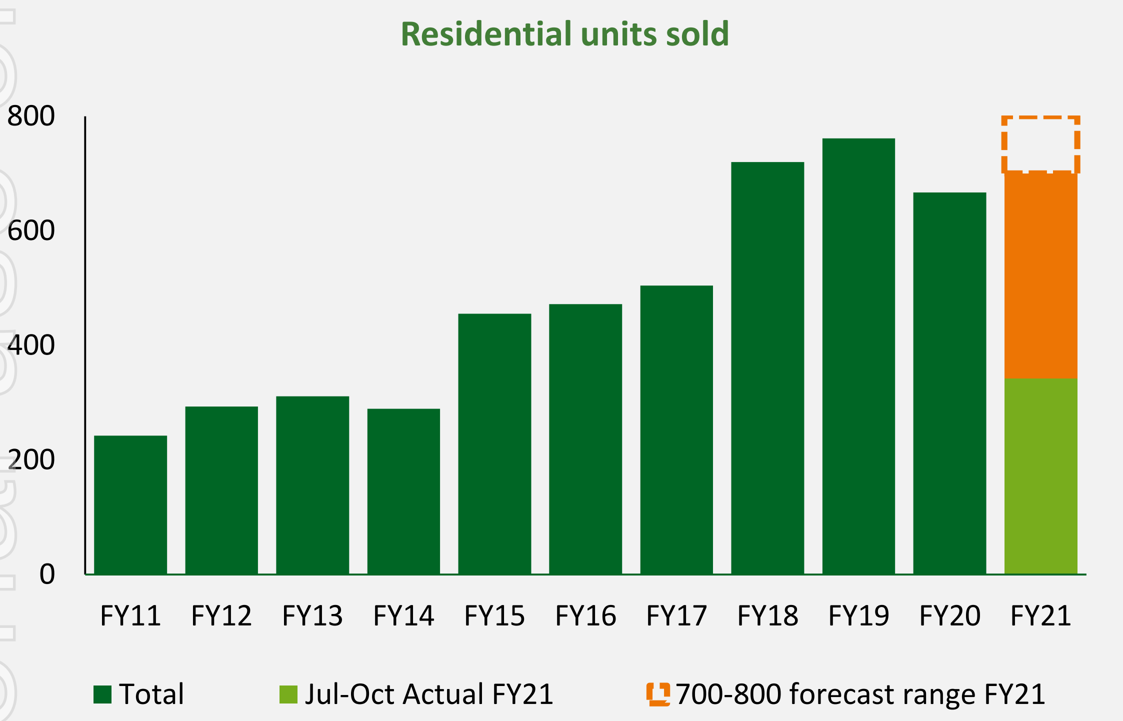
1 Grow to 1,000 units p.a.
Land Dev at least $25m p.a.

2 Clever Core panelisation plant drives speed and quality

3 Scale our apartments business

Residential and Development – What we are delivering

Grow to 1,000 units p.a.



Land Development continues at least $25m EBIT p.a.

- Second transaction of former Crane Copper Tube site in Sydney forecast to settle in H2
- Sale of Rocla site in Brisbane expected in H2, and sale of Rocla site in Sydney planned for FY22
- Future pipeline of land sales from rationalisation of legacy FB sites plus growth of industrial development business

Residential and Development – What we are delivering

Clever Core panelisation plant drives speed and quality

- Productivity uplift, ability to significantly reduce build times vs. traditional stick build
- Building materials waste reduction, streamlined consenting and compliance process
- 61 units delivered to Fletcher Living to date, first external sales planned for FY22
- Mix of terraces, duplexes and standalone houses

Scale our apartments business

- Opportunity to leverage density into own developments and standalone apartment sites
- Continue to deliver to our customers in a key pricing segment
- Committed pipeline of 250 apartments, progressively scale to c.200 p.a. by 2025, depending on market conditions

Construction – Key focus areas

1 Improved operating skills, disciplines and governance

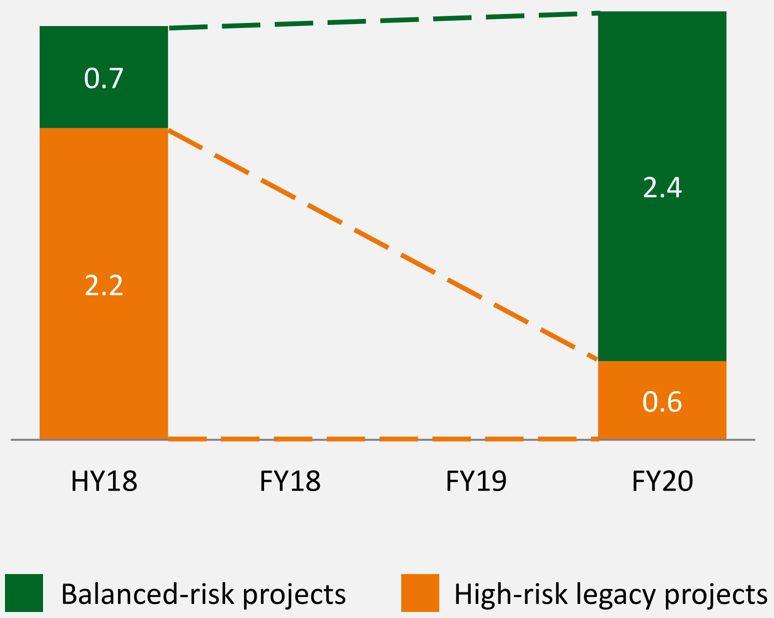
2 Complete legacy projects within provisions

3 Winning the right work with the right customers

Construction – What we are delivering

Reshaping the risk profile of the order book

Work to Complete ($b)



Winning the right work with the right customers

- Watercare Enterprise Model, 10 year contract
- Auckland International Airport Runway
- AMETI[1] Eastern Busway Alliance
- Strong pipeline of pavement and maintenance

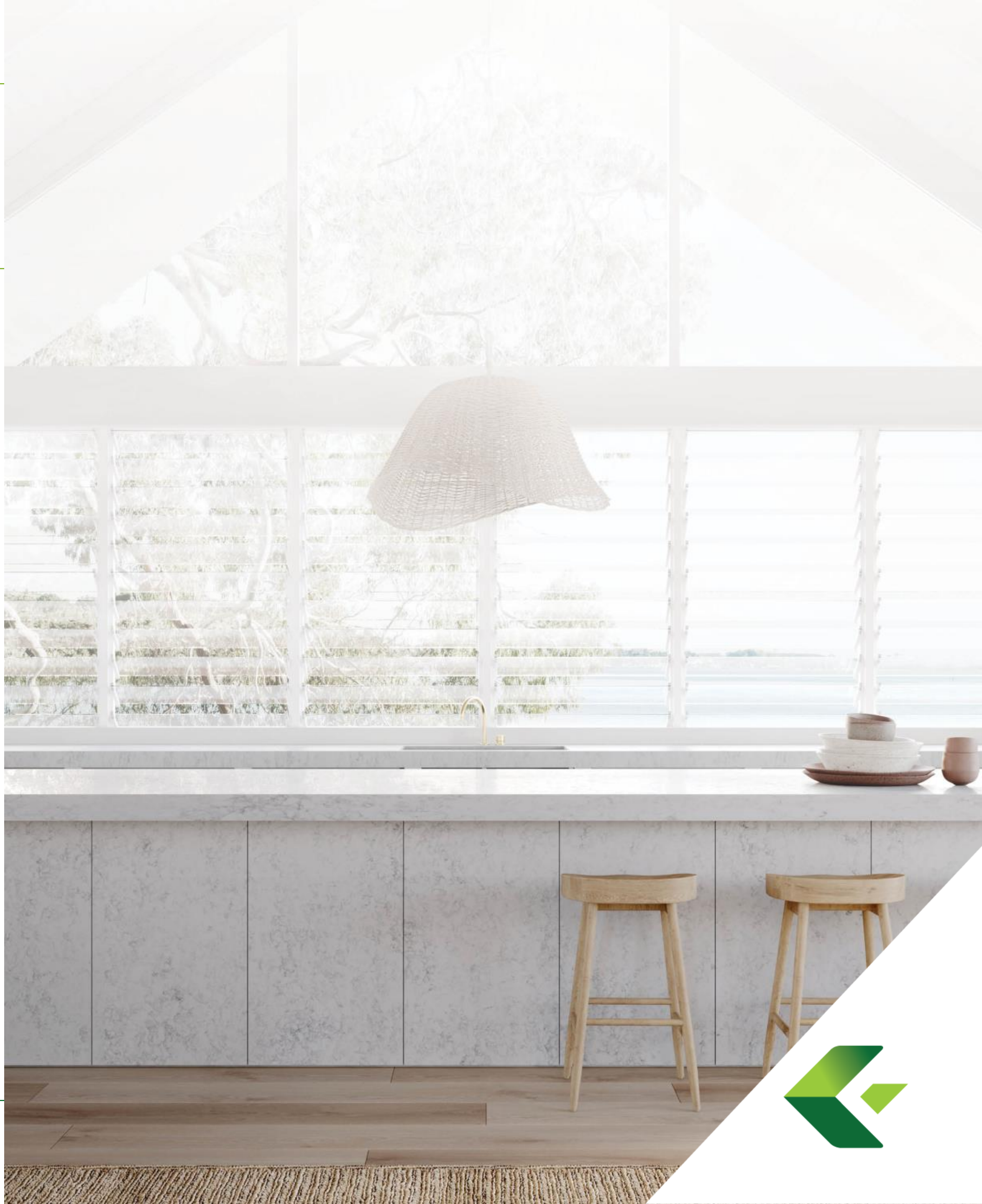
Eastern Busway Alliance

Fletcher | acciona | AECOM | Jacobs

[1] *Auckland Manukau Eastern Transport Initiative (AMETI)*

Australia – Key focus areas

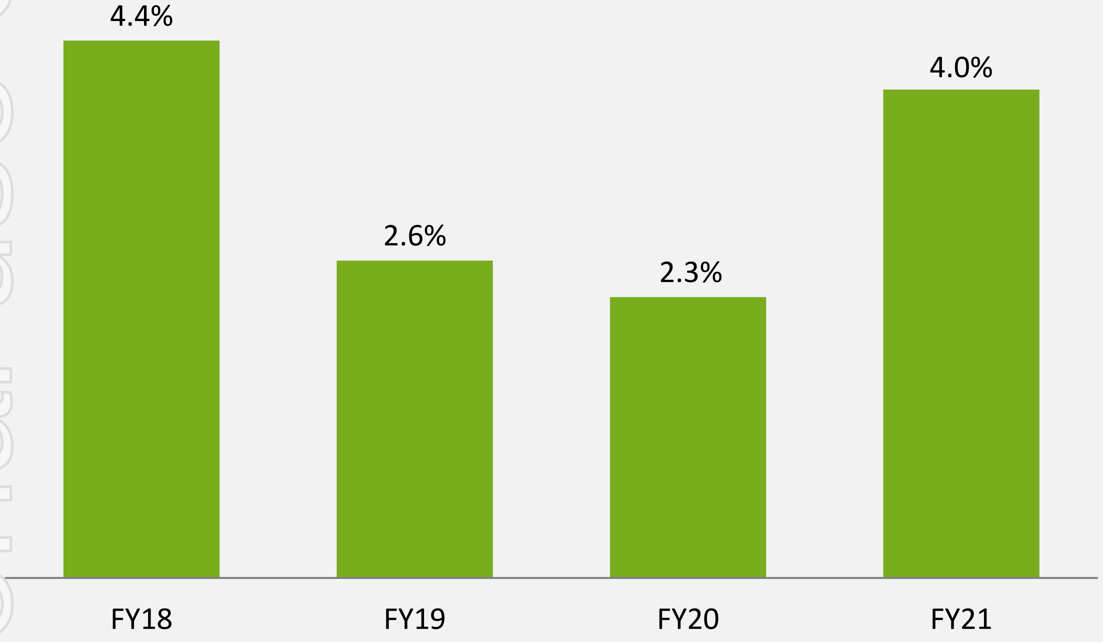
1. Operational excellence
2. Product innovation & sustainability
3. Leading customer services & solutions, esp. via digital



Australia – What we are delivering

Operational excellence

EBIT Margin
Jul-Oct, 2018-2021



Product innovation & sustainability

Laminex AU's largest product launch in 25 years

Fletcher Insulation's FirmaSoft

Stramit's Sharpline® roof

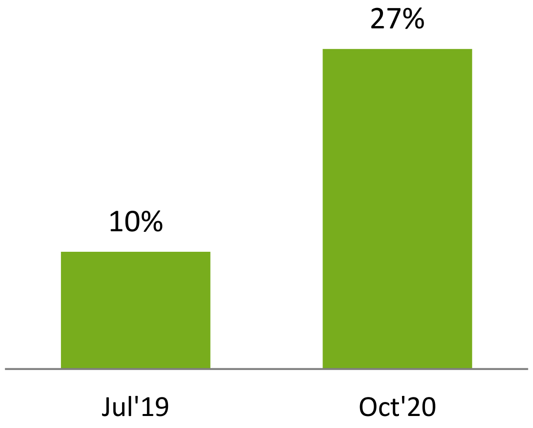
Oliveri's expansion into bathroom category, with its own brand vitreous china range

Note: Measures before significant items are non-GAAP measures used by management to assess the performance of the business.
FY18 and FY19 EBIT margins have been restated for the impact of IFRS16 lease accounting standard to ensure comparability with FY20 and FY21.

Australia – What we are delivering

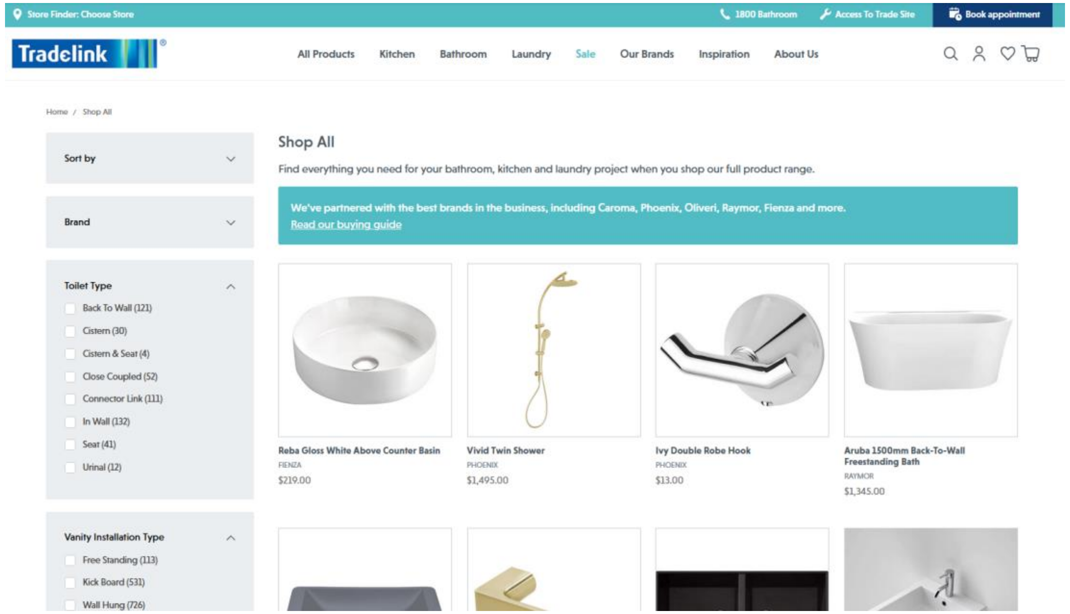
Leading customer services & solutions, esp. via digital

Laminex % total customers digital sales



>$170m

Laminex eCommerce revenue since launch in Apr-19



Tradelink's new B2C transactional website launched in Nov-20

FY2021 outlook

Market outlook

- 1H21 – volumes expected to remain in line with year-to-date trading: NZ slightly higher YOY, AU slightly lower YOY
- 2H21 – trading conditions less certain, impact of macro-economic factors on our markets not yet clear
- Further update on market activity will be provided at the 1H21 results announcement in February

Earnings

- Benefiting from resilient trading conditions
- Our lower cost base positions us well for the remainder of the year
- 1H21 EBIT before significant items expected to be approximately $305 to 320 million, compared to $219 million in 1H20

Capex

- FY21 capex expected to be approximately $200 million, including c$50 million for the new Winstone Wallboards plant

Resolutions and Voting

Fletcher Building Limited
Annual Shareholders' Meeting 2020

Resolutions

Ordinary Resolutions

- Resolution 1 – Re-election of Martin Brydon
- Resolution 2 – Re-election of Barbara Chapman
- Resolution 3 – Re-election of Bruce Hassall
- Resolution 4 – Auditor fees and expenses

Important Information

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In certain sections of this presentation, Fletcher Building has chosen to present certain financial information exclusive of the impact of significant items and/or the results of the businesses divested in the year ended 30 June 2019. For the 12 months ended 30 June 2020, the Group's financial statements are prepared in accordance with the new lease accounting standard NZ IFRS 16, adopted from 1 July 2019. In prior periods, lease costs were fully reported in EBIT. Under NZ IFRS 16, the two components of lease costs are reported separately: (1) the depreciation of right-of-use assets is reported in EBIT and (2) the deemed interest portion of the lease liability is reported in lease interest expense. Financial tables in this presentation (where indicated) show both the reported result for the prior period, as well as a pro forma restatement of the prior period to illustrate the impact of NZ IFRS 16 had it been applied and to allow for a like-for-like comparison. A number of non-GAAP financial measures are used in this presentation which are used by management to assess the performance of the business and have been derived from Fletcher Building's financial statements for the 12 months ended 30 June 2020. You should not consider any of these statements in isolation from, or as a substitute for the information provided in the Financial Statements for the 12 months ended 30 June 2020, which are available at www.fletcherbuilding.com.

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