Results Announcement

(for Equity Security issuer/Equity and Debt Security issuer)

Results for announcement to the market		
Name of issuer	Fletcher Building Limited	
Reporting Period	12 months to 30 June 2026	
Previous Reporting Period	12 months to 30 June 2025	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	$5,994,000	7.3%
Total Revenue	$7,042,000	(2.4%)
Net profit/(loss) from continuing operations	$199,000	N/A
Total net profit/(loss)	$228,000	N/A
Final Dividend		
Amount per Quoted Equity Security	The Board has resolved not to declare a final dividend for FY26.	
Imputed amount per Quoted Equity Security		
Record Date		
Dividend Payment Date		
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	$3.11	$2.76
A brief explanation of any of the figures above necessary to enable the figures to be understood	• Group revenue from continuing operations of $5,994 million, 7.3% up compared to FY25, with higher revenues across all divisions. • EBIT before Significant Items from continuing operations of $414 million compared to $329 million in FY25. • Significant Items expense of $41 million from continuing operations (mainly PIFWA-related costs, Laminex Australia site closures and silicosis-related claims, and the Laminex New Zealand Taupō manufacturing transition) and $1 million gain from discontinued operations. Discontinued operations included the $120 million net gain on the Construction divestment, largely offset by retained legacy Construction costs and provisions and other disposal-related write-downs and costs. • Group Net Profit After Tax of $228 million, compared to Net Loss After Tax of $419 million in FY25.	
Authority for this announcement		
Name of person authorised to make this announcement	Haydn Wong, Group General Counsel and Company Secretary	
Contact person for this announcement	Jeremy Yan, GM Corporate Finance & Investor Relations	
Contact phone number	+64 27 295 2384	
Contact email address	jeremy.yan@fbu.com	
Date of release through MAP	19/08/2026	

Audited financial statements accompany this announcement.

Full Year Results to 30 June 2026

19 AUGUST 2026

Fletcher Building

Important Information

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This presentation provides additional comment on the 2026 Full Year Financial Results, as derived from Fletcher Building's financial statements dated 18 August 2026. As such, it should be read in conjunction with, and subject to, the explanations and views given in those financial statements. Unless otherwise specified, all information as derived from Fletcher Building's financial statements is for the 12 months ended 30 June 2026.

In certain sections of this presentation, Fletcher Building has chosen to present certain financial information exclusive of the impact of Significant Items. A number of non-GAAP financial measures, such as measures before Significant Items, are included 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 2026. You should not consider any of these statements in isolation from, or as a substitute for, the information provided in Fletcher Building's financial statements for the 12 months ended 30 June 2026, which are available at www.fletcherbuilding.com. Details of Significant Items can be found in note 2.2 of those financial statements.

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Agenda

1.	FY26 at a glance	Andrew Reding, Managing Director & CEO
2.	Operating performance	Andrew Reding, Managing Director & CEO
3.	Our stakeholders	Andrew Reding, Managing Director & CEO
4.	Financial results	Will Wright, CFO
5.	Outlook	Andrew Reding, Managing Director & CEO
6.	Conclusion	Andrew Reding, Managing Director & CEO

FY26 at a glance

Andrew Reding,
Managing Director & CEO

FY26 key takeaways

1. Steady performance in a tough macro environment
2. Progressed the execution of our strategy
3. Resilient balance sheet, with net debt in target range
4. Group ROIC improved, but more work to do
5. Operating cashflows strong, but continue to be impacted by legacy projects

FY26 financial summary

Revenue[1]
$6.0b
7.3% higher than FY25

EBIT[1,2]
$414m
$85m higher than FY25

EBIT Margin[1,2,3]
6.9%
vs 5.9% FY25

Net Earnings
$228m
vs -$419m net loss FY25

Net Cash from Operating Activities
$715m
vs $501m FY25

Capital Expenditure
$288m
vs $280m FY25

Net Debt
$637m
vs $999m FY25

ROIC[1,2,3]
5.3%
vs 4.1% at FY25

1. Continuing operations
2. Before Significant Items
3. Excluding surplus property sales, EBIT Margin was 6.2% (FY25: 5.8%) and ROIC was 4.7% (FY25: 4.1%)

Turnaround plan

FY26 delivered on portfolio simplification, providing a platform for future ROIC improvement

Implemented

- ☑ Construction Division divested
- ☑ Reinforcing & Wire divested
- ☑ NX2 and CSP divested
- ☑ Property portfolio optimisation (Cheltenham, Felix St, Elizabeth)
- ☑ MADE by Laminex shut down
- ☑ Clever Core shut down
- ☑ Frame & Truss repurposed to former Clever Core site (~$100m cash benefit)
- ☑ Stopped industrial land development
- ☑ Australian and Steel divisional restructure
- ☑ Group IT restructure
- ☑ Group-wide SAP rollout stopped
- ☑ Initial phase of corporate cost out and decentralisation restructure
- ☑ Completion of NZICC, and legacy projects provisioned
- ☑ Golden Bay Cement long-term domestic manufacturing secured
- ☑ Simplified capital structure and USPP exit

Future

- ☐ Assess and execute on growth options inside core divisions
- ☐ Continue to assess wider portfolio for strategic fit and ROIC performance
- ☐ Complete strategic review of Residential & Development
- ☐ Further decentralise corporate functions and drive lower costs
- ☐ Reset dividend policy as free cash flow and balance sheet targets are met

FY26 operational highlights

- **PlaceMakers'** new Cavendish Drive Frame & Truss plant now operational
- **Firth** new flagship Auckland batching plant opened in Penrose - a significant investment in Auckland's ready-mix capacity
- **The Urban Quarry** opened a new site in Tamahere, improving cleanfill options for Waikato construction projects, with total tonnage growing 28% YoY and cleanfill growing 35% YoY
- **Winstone Aggregates** Hunua Quarry fast track expansion lodged
- **Fletcher Insulation AU** successfully delivered the new Sonata Acoustics plant, establishing a platform for future growth in the higher-value acoustic solutions market
- **Iplex NZ** recycling programme has diverted more than 15,000 tonnes of pipe off-cuts from landfill, reinforcing the business's circular economy ambitions
- **Iplex AU** successfully commissioned a new PVC high speed foam core line in Strathpine, and additional large bore BlackMax capacity in Albury
- **Laminex AU** improved performance through a disciplined cost-out programme spanning logistics, network, labour, raw materials and overheads

Operating performance

Andrew Reding, Managing Director & CEO

FY26 divisional performance

Improvement in core manufacturing performance; however, ROIC remains below acceptable levels

	Light Building Products	Heavy Building Materials	Distribution	Residential	Development (Land Sales)
Gross revenue[1]	$2,305m ↑ 10% from $2,089m	$2,033m ↑ 4% from $1,950m	$1,577m ↑ 3% from $1,528m	$478m ↓ 13% from $550m	$121m $7m in FY25
EBIT (ex Sig Items)[1]	$246m ↑ 22% from $201m	$108m ↑ 8% from $100m	$12m ↓ 37% from $19m	$42m ↓ 21% from $53m	$52m $3m in FY25
EBIT margin (%)	10.7% ↑ 110bps from 9.6%	5.3% ↑ 20bps from 5.1%	0.8% ↓ 40 bps from 1.2%	8.8% ↓ 80 bps from 9.6%	-
ROIC (ex Sig Items)[2]	7.2% ↑ 130bps from 5.9%	5.1% ↑ 60bps from 4.5%	1.4% ↓ 60 bps from 2.0%	3.7% ↓ 120 bps from 4.9%	-
Invested Capital (as at 30 June 2026)	$2,520m ↑ 9% from $2,306m	$1,508m ↓ 2% from $1,545m	$646m ↑ 3% from $628m	$811m ↑ 13% from $718m	-

1. Excl. corporate costs and Group eliminations; 2. ROIC calculated on a 12m rolling basis

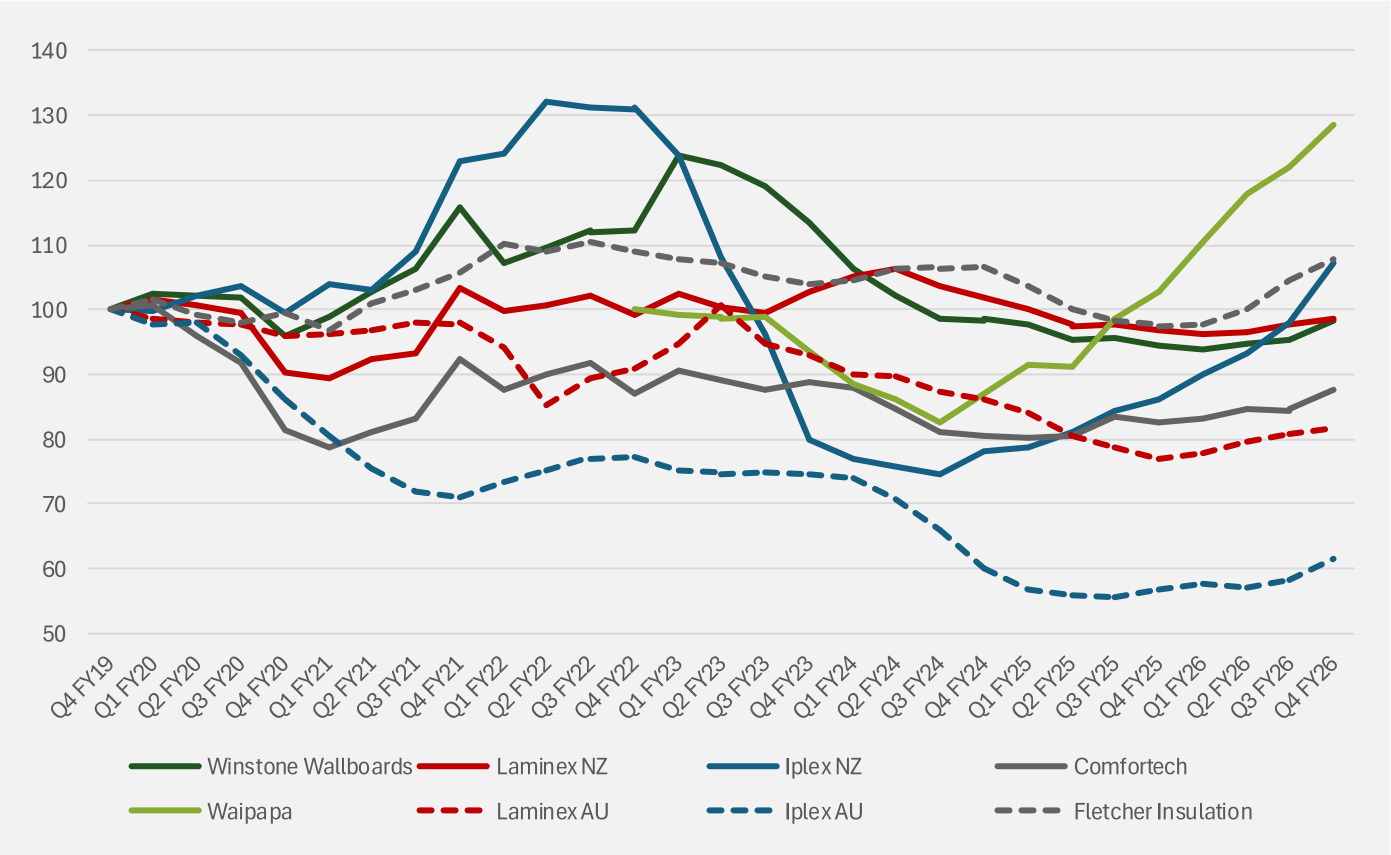
Light Building Products

Additions & Alterations volumes offset weaker North Island new build activity

- Winstone Wallboards volumes +4%, led by a strong South Island market (+11%), renovation activity and specialty board volume growth
- Laminex AU domestic volumes +6%, led by renovation segment growth of ~10%
- Laminex NZ revenues were +6% on strong South Island activity, particularly across low-pressure laminate
- Iplex NZ and AU offset supply chain disruptions through disciplined pricing and fulfilment. Iplex NZ rural and South Island demand remained strong
- Insulation businesses' performance was underpinned by manufacturing efficiency and increased plant output
- Waipapa Pine benefitted from internal portfolio leverage and higher sawmill output

PRODUCT VOLUMES[1]

Rolling 12m average quarterly volumes, Q4 FY19 = 100



Note: 1. Winstone Wallboards: Domestic board volumes (m^2); Laminex NZ, Laminex AU: Domestic laminate sales (m3); Comfortech, Fletcher Insulation: Glasswool sales volume (tonnes); Iplex NZ: Plastic pipe volumes (tonnes); Iplex AU: Plastic pipe and other sales volumes (tonnes); Waipapa: Total sales volumes (m3)

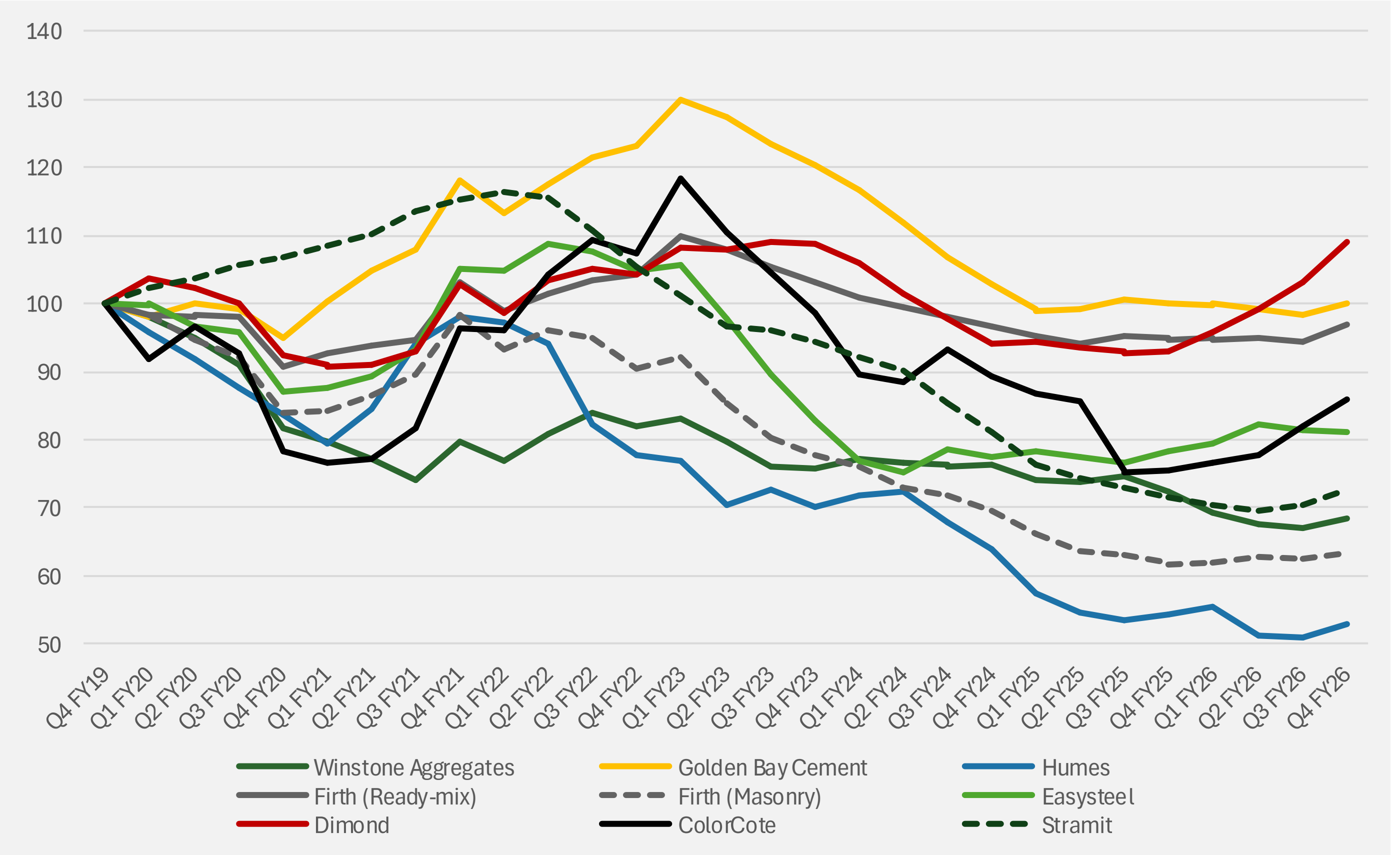
Heavy Building Materials

Improved contribution from Steel businesses

- Winstone Aggregates saw a strong improvement in 2H driven by key project wins and market share growth in The Urban Quarry
- Firth gained market share, benefitting from long-term customer relationships, while margins benefitted from lower energy costs
- Improved volumes in Humes benefitted from cross-sell opportunities, as part of the larger Concrete vertical
- Steel performance improved in 2H, generating ~$10m of EBIT[1] in the half. Whilst not generating an acceptable return, the steel businesses continued to outperform the broader market
- ROIC below acceptable levels, with 5.1% for the Division and 2.2% for Steel businesses

PRODUCT VOLUMES[2]

Rolling 12m average quarterly volumes, Q4 FY19 = 100



Note: 1. Before Significant Items

2. Winstone Aggregates: Aggregates sales volumes (tonnes); Golden Bay Cement: Domestic cement volumes (tonnes); Firth: Ready mix volumes (m3); Firth: Masonry volumes (m2); Humes: Concrete pipe volumes (tonnes); Easysteel: volumes (tonnes), restated to exclude wire; Dimond: Dimond volumes (tonnes); ColorCote: local volumes (tonnes); Stramit: Sales volumes (tonnes)

Distribution

Returned to profitability in 2H FY26

- Weak trading in 1H FY26 amidst sustained margin pressure in response to a market slowdown. Performance materially improved in 2H, delivering $15.8m of EBIT in the half
- South Island market continued to outperform, while North Island remained subdued
- Frame & Truss volumes improved, internal production grew 27%. Reduction in outsourcing enabled improved efficiency (direct cost per m^3 was 7.3% lower vs pcp)
- New Frame & Truss site at Cavendish Drive operational, increasing capacity to support the Auckland market. The plant provides a ~40% uplift in finished product output per direct labour hour
- Successfully relaunched JVs in rural areas, commencing with four branches in Southland
- ROIC decreased to 1.4% due to lower FY earnings and was below acceptable levels

PLACEMAKERS FRAME & TRUSS PRODUCT VOLUMES[1]

Rolling 12m average quarterly volumes, Q4 FY19 = 100

Note: 1. Frame & Truss sales (m3)

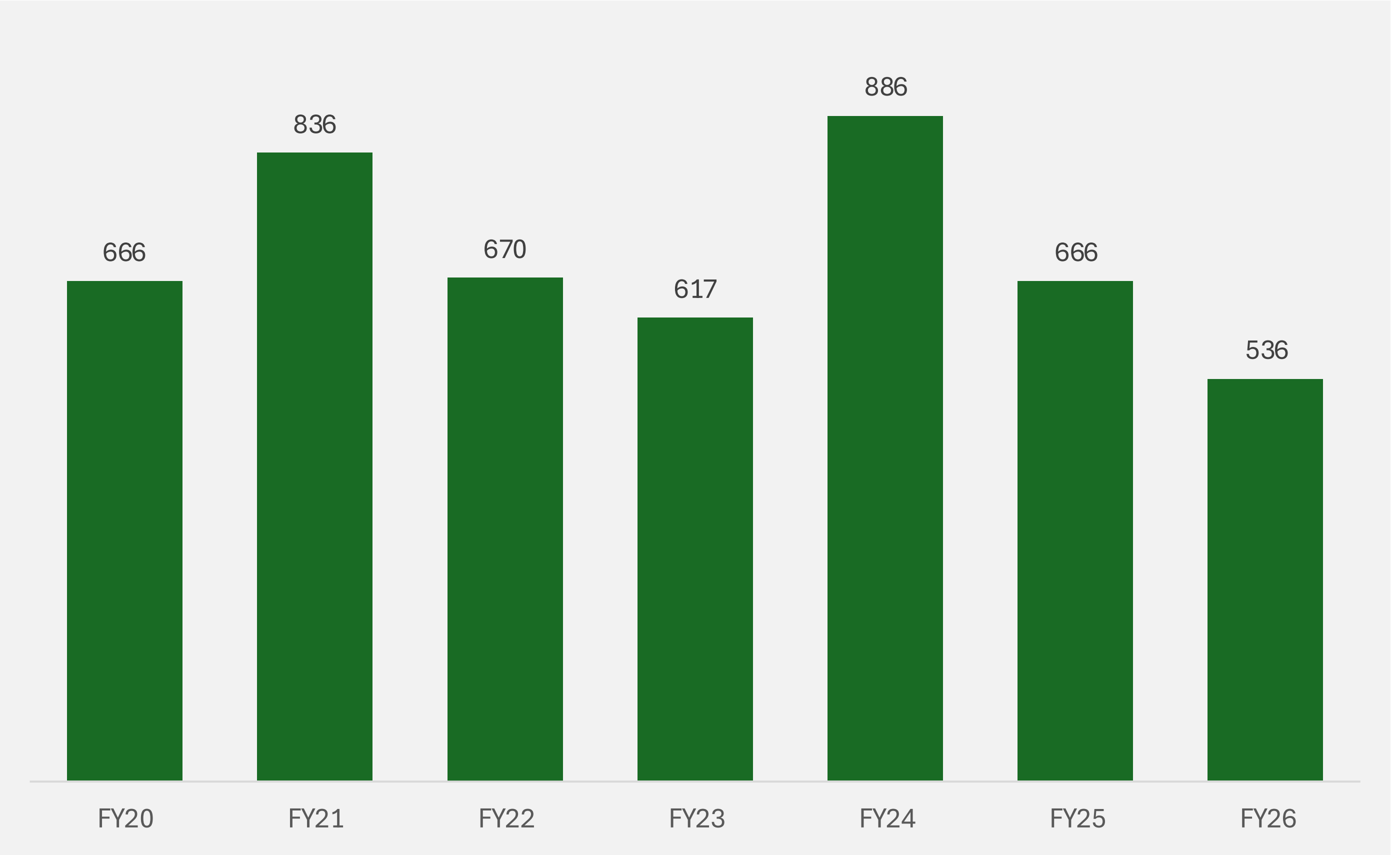
Residential & Development

Subdued property market impacted sales volumes

- 536 units taken to profit in FY26 compared to 666 in FY25 (-130 units)
- EBIT[1] $42m (vs $53m FY25); 8.8% EBIT margin (80 bps lower vs FY25), impacted by lower sales
- Auckland impacted by elevated market inventory and price pressure
- Canterbury remained resilient, with supportive population growth and pricing trends
- Previously contracted land settlement payments were $236m in FY26. Going forward, settlements are expected to be ~$110m in FY27 (1H27: $75m), and ~$37m in FY28

RESIDENTIAL & DEVELOPMENT HOUSE SETTLEMENTS

12mth volumes[2]



Note: 1. Before Significant Items, excluding Group surplus property sales; 2. Residential & apartment units taken to profit

Our stakeholders

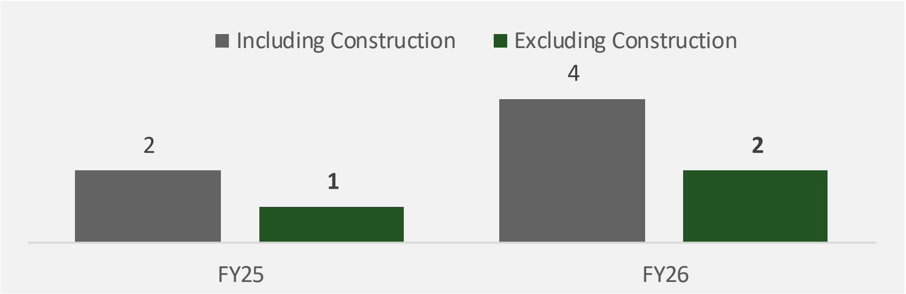
Andrew Reding,
Managing Director & CEO

Our safety

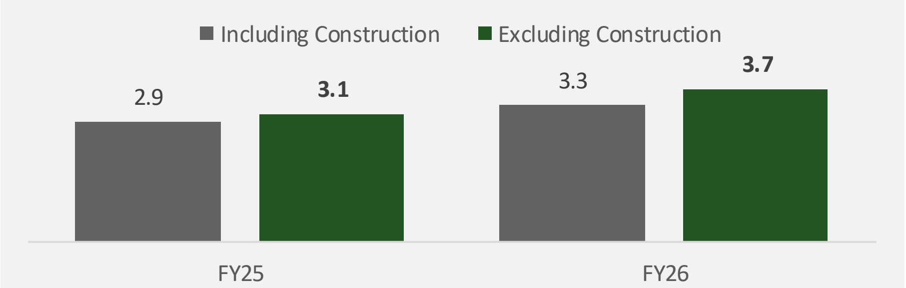
Refreshing our commitment to Protect

- In July 2025, we tragically lost one of our colleagues, Max, in a fatal event in Vanuatu (Construction Division). Our thoughts remain with his family and colleagues, and the safety and wellbeing of our people continues to be our highest priority
- Since resetting Protect nearly seven years ago, we have seen a 90% reduction in serious injuries (down from an average of 24 a year to two) and a 50% reduction in our recordable injuries (down from an average of 300 to 150 p.a.)
- All sites have been assessed for their safety performance and cultural maturity to ensure visibility by leadership of all sites, with plans put in place for each site
- In FY27, we will be reviewing and refreshing our Protect framework – in particular our Safety Leadership Programme and our Critical Risk Framework

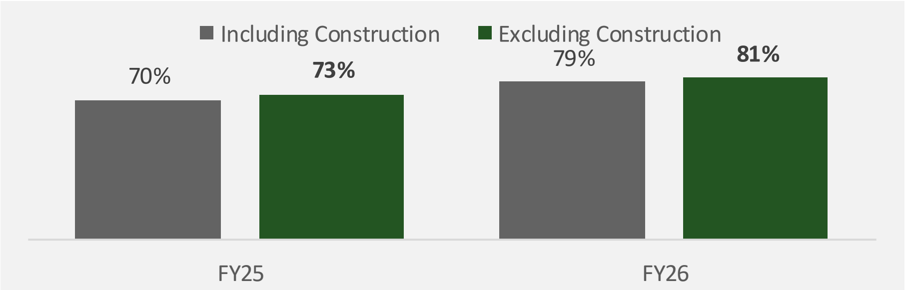
SERIOUS INJURIES
As at 30 June 2026



TRIFR
Total Recordable Injury Frequency Rate, as at 30 June 2026



CRITICAL RISKS (% CONTROLLED)
As at 30 June 2026



Our people

Targeted investment in leadership, skills and culture is lifting engagement and building capability to deliver our strategy

Senior leader engagement

Focus on leadership development and strategy communication has seen GM engagement lift. In April 2026, eNPS reached +59, reflecting an increase of 21 since October 2025, in the upper quartile against external benchmarks. This represents the strongest uplift at any job level.

Stronger GM engagement supports leadership continuity and reduces succession risk across the business

Employee Education Fund (EEF)

The EEF continues to invest in our people to develop the skills that will support our businesses to perform.

This includes leadership development to support talent pipelines and succession planning; programmes that continue to build diversity, particularly in leadership; and training to build skills and capabilities across our businesses

Continuing to grow diversity

Fletcher Building continues to show clear progress towards a more inclusive workplace. Women now make up 25.1% of the workforce and 23.7% of leadership roles, with improvements in pay parity, retention and engagement.

This work has created stronger systems, leadership accountability and talent pathways that also widen diversity outcomes

Reconciliation Action Plan

Our RAP commitments in Australia are coming to life with initiatives that celebrate culture and connect with community.

These include supporting 70 First Nations children by funding school resources, and senior leaders giving their time as mentors at local high schools. We have also hosted ‘Work Inspiration Days’

Our community

Supporting the communities in which we operate

For many years, the Mico team, together with our customers, suppliers and partners, has supported Make-A-Wish.

We've helped raise over $450,000, helping to grant life-changing wishes to children living with critical illnesses.

Tukapa Rugby & Sports Club in Taranaki has received a brand-new roof. The project was a result of a community partnership led by Dimond Roofing, alongside ColorCote, Farnsworth Roofing, Cunningham Construction, Bremick, and Lifestyle Building & Construction.

Fletcher Living Canterbury team members swapped their desks for the slopes of the Port Hills, planting 300 native trees in Horotane Valley as part of an ongoing effort to help restore Christchurch's natural landscape. The initiative aims to restore native forest to designated areas across the Hills, with the team returning throughout the year to help maintain them.

Meals for the Mob provides free, healthy meals to First Nations families, community groups and services experiencing food insecurity. Working from the Abbotsford kitchen alongside FareShare and SecondBite volunteers - Fletcher Insulation, Stramit, Iplex and Laminex staff contributed over 2,000 meals for the community.

Our customers

We’re proud of the products and people helping our customers build their future

Firth mobilises mobile plants for two major wind farms

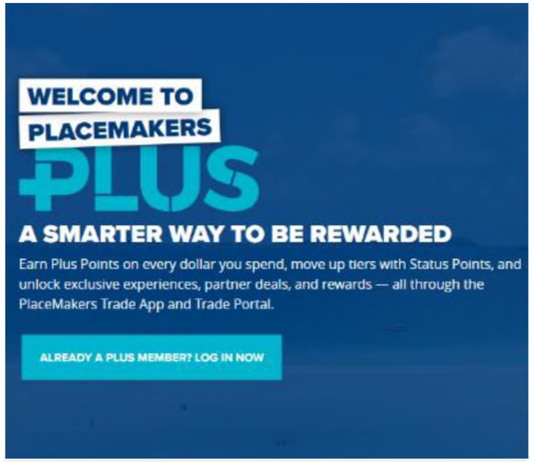
Firth continues to set the standard in supplying concrete to New Zealand’s most remote sites, deploying four mobile plants for two major wind farm projects: Kaiwera Downs - 15 km southeast of Gore, and Kaiwaikawe - 12 km northwest of Dargaville.
Both projects are being constructed by Higgins for Mercury Energy

Iplex AU - driving efficient urban infrastructure delivery

Delivery of essential sewer infrastructure for the expanding Flagstone community near Brisbane with SewerMax gravity sewer system. Combining durability, ease of installation, and long-term corrosion resistance, SewerMax helped improve construction efficiency while providing a reliable, future-ready network to support ongoing population growth and urban development

Laminex Calm & Cohesive finishes chosen for flagship clinic

Designing Auckland Radiology’s new patient-centred clinic, specialist architects Klein designed a healthcare interior that counters anxiety and feels warm and familiar. Across Laminex’s integrated Formica and Melteca collections, the designers had access to the coordinated finishes needed for a healthcare interior where ambience matters as much as hygiene



PlaceMakers PLUS

PlaceMakers launched its new customer loyalty programme in February 2026, designed to strengthen customer relationships. This marks the biggest evolution of the PlaceMakers loyalty offering to date. PlaceMakers Plus is now integrated into the PlaceMakers Trade Portal and Trade App, where customers can view their points balance, tier status and other benefits

Our environment

Supporting our local environment and improving our operational sustainability

Carbon emissions
21%
lower vs FY18 baseline[1]

76%
of revenue from Sustainably Certified Products

86%
of waste diverted from landfill

CDP	CDP	Craigs Investment Partners	Jefferies	MSCI	Forsyth Barr
Leadership	*Supplier Engagement*	*ESG Rating*	*ESG Rating*	*ESG Rating*	*ESG Rating*
A-	**A**	**4.5**	**71**	**AAA**	**B**

Golden Bay Cement supported the re-introduction of around 450 wētāpunga (giant wētā) to Matakohe Limestone Island, in partnership with local iwi, community groups and conservation organisations

THE URBAN QUARRY

Urban Quarry opened a new site in Tamahere, offering managed and cleanfill solutions to clients in the central North Island. Urban Quarry throughput over 250k tonnes of cleanfill in FY26 (+35% YoY)

Golden Bay Cement also received the Carbon Reduction Award at the 2025 Concrete NZ Conference Awards. GBC produces NZ's lowest carbon general-purpose cement, ~15%-20% lower than imported alternatives[1,2]

Comfortech has partnered with Lodestone Energy to match 100% of electricity used at Penrose site with solar generated renewable energy

Note: 1. Scope 1 & 2 Emissions (market-based method); 2. Based on published Environmental Product Declarations (EPDs)

Financial Results

Will Wright, CFO

Income statement for continuing operations

Core manufacturing and distribution divisions' EBIT improved $46m; first positive EPS since FY23

INCOME STATEMENT NZ$m	JUNE 2026 12 MONTHS	JUNE 2025 12 MONTHS
Revenue	5,994	5,587
Cost of goods sold	(4,060)	(3,800)
Gross margin	**1,934**	**1,787**
Warehouse and distribution expenses	(643)	(583)
Selling, general and administration expenses	(885)	(878)
Operating margin	**406**	**326**
Share of profits of associates and joint ventures	15	10
Other income/(expenses)	(7)	(7)
EBIT before Significant Items	**414**	**329**
Significant Items	(41)	(565)
EBIT	**373**	**(236)**
Lease interest expense	(61)	(62)
Funding costs	(64)	(93)
Taxation (expense)/benefit	(41)	63
Net earnings attributable to non-controlling interests	(8)	(2)
Net earnings/(losses) from continuing operations	**199**	**(330)**
Net earnings/(losses) from discontinued operations net of tax	29	(89)
Net earnings/(losses) attributable to the shareholders	**228**	**(419)**
Earnings/(losses) per share, cents	21.2	(41.4)
Earnings/(losses) per share from continuing operations, cents	18.5	(32.6)

- Revenue increased 7.3% vs pcp, with improved volumes across the core manufacturing and distribution divisions
- Continuing operations EBIT before Sig. Items increased to $414m. Core manufacturing and distribution divisions improved $46m, including a $6m FX benefit
- All continuing operations business units were profitable on an EBIT basis in 2H FY26
- Net gain from discontinued operations reflected the gain on the sale of the Construction division, partially offset by additional provisions for retained legacy contracts and impairments, and valuation reductions relating to other businesses held for sale
- Group earnings per share of 21.2c were positive for the first time since FY23

Discontinued operations

The Construction division, Reinforcing & Wire and Vivid businesses have been presented as discontinued operations

FINANCIAL PERFORMANCE & CASHFLOW NZ$m	JUNE 2026 12 MONTHS
Revenue	1,048
Cost of goods sold	(915)
Gross margin	**133**
Selling, general and administration expenses	(106)
Operating margin	**27**
Other income/(expenses)	2
Revaluation gains/(losses)	(12)
Significant Items	1
Earnings before interest and taxation (EBIT)	**18**
Lease interest expense	(8)
Funding costs	(9)
Income tax benefit	28
Net earnings/(losses) from discontinued operations net of tax	**29**
Earnings/(losses) per share (cents)	2.7
Net cash inflow/(outflow) from operating activities	64
Net cash inflow/(outflow) from investing activities	2
Net cash inflow/(outflow) from financing activities[1]	(42)
Net movement in cash generated by discontinued operations	**24**

- New Zealand construction businesses were sold to VINCI (completed 29 May 2026)
- Remaining South Pacific construction operations: Fiji JV sold on 14 May 2026 and remaining Vanuatu & Kiribati construction operations are classified as discontinued
- Residual legacy vertical construction liabilities are presented within discontinued operations as the Group completes the wind-down of its vertical construction business
- Fletcher Reinforcing & Wire transaction expected to close in Q1 FY27
- The Group is actively progressing the divestment of its Vivid Living retirement village operations. At 30 June 2026, the Board assessed that Vivid met the requirements to be classified as held for sale

Note: 1. Excludes benefit of intercompany funding

FY26 Significant Items

Total Group Significant Items of ($40m) in FY26, relating to legal costs, restructure and start-up of new facilities

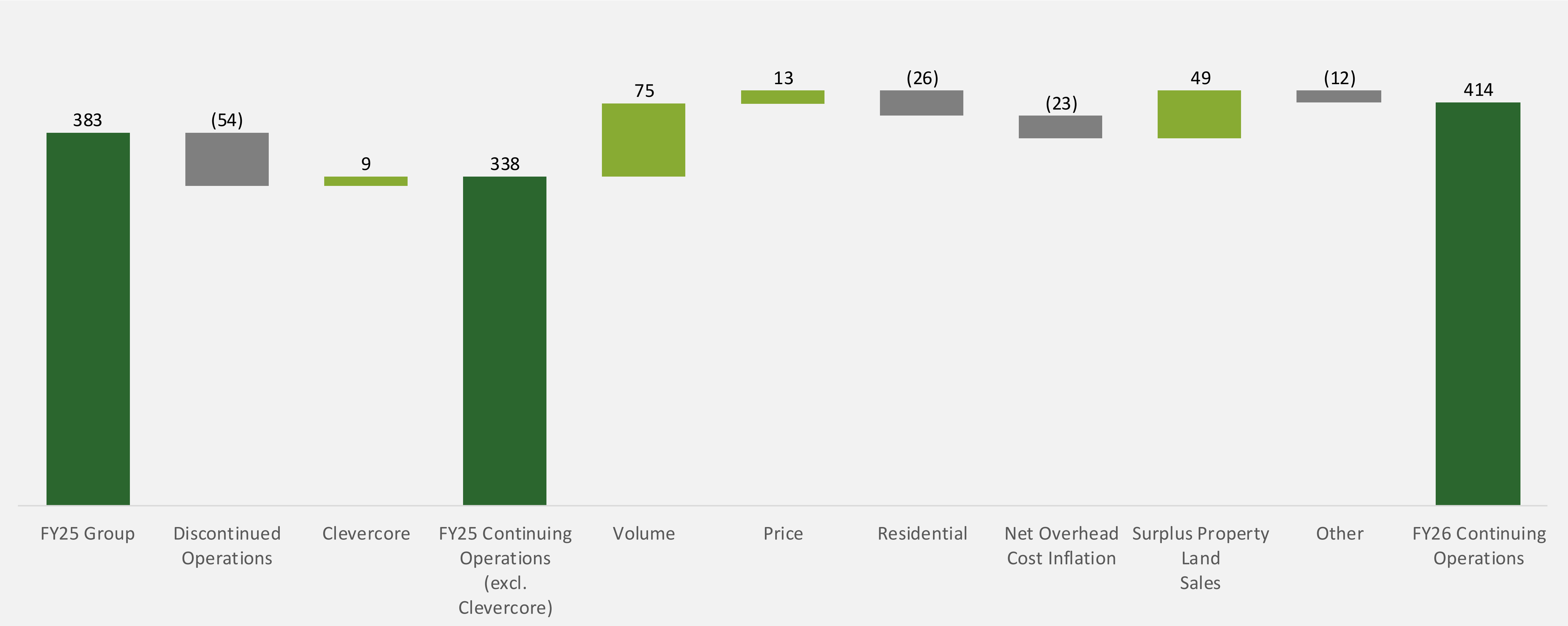
SIGNIFICANT ITEMS NZ$m	FY26
Total from continuing operations	**(41)**
Light Building Products	**(36)**
Iplex AU Western Australia pipes legal costs	(10)
Laminex AU Cheltenham and Monkland site exits	(11)
Laminex AU silicosis-related claims	(7)
Laminex NZ Taupō start up and transition costs	(6)
Winstone Wallboards property rationalisation and prior disposal matters	(2)
Residential & Development	**1**
Corporate	**(6)**
Total from discontinued operations	**1**
Total Significant Items	**(40)**

- **Significant Items from continuing operations include:**
  - Winstone Wallboards remaining costs associated with previously announced exit from two distribution centres
  - Laminex NZ costs associated with establishing operations at the new OSB facility
  - Iplex Pipelines Australia legal costs
  - Laminex Australia costs related to the closure and restructure of the sold Cheltenham property, as well as the reorganisation and exit of the Monkland site
  - Laminex Australia silicosis-related claims based on a reassessment of existing and potential claim numbers, alongside additional legal costs
  - Residential & Development recognised a partial recovery of previously incurred restructuring costs and released related provisions
- **Corporate** $2m of additional onerous costs identified, relating to surplus SAP licence commitments, as well as $4m of divestment costs.
- **Significant Items from discontinued operations.** $1m net gain from the divestment of the Construction division, offset by additional provisions related to legacy construction projects, NX2 divestment, Papua New Guinea closure, South Pacific Fiji JV divestment, CSP Pacific, write-down and provisions related to the sale of Fletcher Reinforcing and the potential sale of Vivid Living

FY25 to FY26 EBIT bridge

Improvements in volume, pricing and tight cost control resulted in EBIT[1] improvement

GROUP EBIT BRIDGE FY25 to FY26
$m



Note: 1. Excluding Significant Items

Balance sheet

Disciplined capital allocation and divestment proceeds improve balance sheet resilience

BALANCE SHEET NZ$m	30 JUNE 2026	30 JUNE 2025
Inventories	1,830	1,905
Debtors	831	849
Creditors	(984)	(1,202)
Other Working capital	(419)	(345)
Property, plant and equipment and investment property	2,282	2,349
Indefinite life intangible assets	653	656
Other Intangible assets	23	47
Investments	216	218
Retirement plan assets	148	150
Right-of-use lease asset	984	1,246
Deferred tax liability - brands	(64)	(63)
Derivatives for foreign currency hedging	(5)	(8)
Current tax balances	20	29
Net Position held for sale[1]	30	0
Invested Capital	**5,545**	**5,831**
Right-of-use lease liability (incl. those classified as held for sale)	(1,240)	(1,497)
Funds	**4,305**	**4,334**
Deferred tax balances (excl. deferred tax on brands)	289	272
Carrying value of borrowings	(789)	(1,172)
Value of hedge derivatives	0	34
Cash and cash equivalents (incl. those classified as held for sale)	152	139
Group Equity	**3,957**	**3,607**

- Invested capital decreased by $286m (-5%) vs FY25. This included an increase of $142m driven by movement in NZD/AUD FX rates
- Right-of-use assets and lease liabilities reduced by ~$262m, of which ~$131m was due to divestments
- Working capital in Residential & Development increased vs pcp, reflecting payments to settle deferred land purchases and joint venture profit-share arrangements, largely offset by lower build and land stock on hand
- Working capital days across the core manufacturing and distribution divisions were broadly in line with FY25
- Provisions increased by $75m, which included $60m in relation to ~15 retained legacy projects following the divestment of the Construction division

Note 1: Adjusted for cash and cash equivalents ($7m) and right-of-use lease liabilities $5m

Cash flows

Improved operating cash of $715m

CASH FLOWS NZ$m	JUNE 2026 12 MONTHS	JUNE 2025 12 MONTHS
Cash flow from operating activities		
Receipts from customers	6,975	7,311
Receipts from residents (new ORAs)	17	27
Payments to suppliers, employees and other	(6,279)	(6,837)
Net income tax refunded	2	
Net cash from operating activities	**715**	**501**
Cash flow from investing activities		
Sale of subsidiaries and investments	296	174
Acquisition of subsidiaries	-	(1)
Investment in joint ventures and associates	(3)	(4)
Dividends & interest received	14	22
Sale of property plant and equipment	20	56
Purchase of property plant and equipment and intangible assets	(288)	(280)
Investment in mining, consenting and stripping	(24)	(16)
Payments for investment property and development	(5)	(12)
Net cash from investing activities	**10**	**(61)**
Cash flow from financing activities		
Funding costs (expensed & capitalised)	(96)	(129)
Lease principal & interest paid	(264)	(261)
Net non-controlling contributions/(distributions)	(8)	37
Net issue/(repurchase) of shares	-	679
Net drawdown/(repayment) of borrowings & capital notes	(365)	(938)
Net cash from financing activities	**(733)**	**(612)**
Net movement in cash held	**(8)**	**(172)**

- Operating cash flow improved by $214m vs pcp, reflecting higher earnings across the core operations, land sale proceeds and lower Construction legacy cash outflows
- Operating cashflows on a normalised basis were $707m if you exclude $64m of inflows from discontinued operations and $56m of outflows relating to legacy matters
- Net cash proceeds from divestments were $296m. Final working capital adjustment for the Construction divestment is expected to complete in 1H FY27
- Capital expenditure was $288m, of which the new Laminex OSB plant was $146m
- Funding costs of $96m, including $9m of debt restructuring fees, were down on pcp $129m, which included $11m of debt restructuring fees
- Net debt reduced from $999m at 30 June 2025 to $637m at 30 June 2026

1. Before Significant Items

Central costs

Group central costs reduced by 21% on a continuing operations basis, pre recharge

CENTRAL COST SUMMARY NZ$m	JUNE 2026 12 MONTHS			JUNE 2025 12 MONTHS		
	Continued	Disc.	Total	Continued	Disc.	Total
Group						
Technology	73	12	**85**	91	13	**104**
Corporate overhead costs	27	0	**27**	42	0	**42**
Property & Penrose campus	10	1	**11**	11	2	**13**
Other Group central costs (legal, payroll and other)	18	4	**22**	16	5	**21**
Digital@Fletcher project costs	0	0	**0**	1	0	**1**
Other income	(1)	0	**(1)**	(1)	0	**(1)**
Group central costs (pre-recharge)	127	17	**144**	160	20	**180**
Group recharges	(81)	(17)	**(98)**	(109)	(20)	**(129)**
Net Group corporate costs	**46**	**0**	**46**	**51**	**0**	**51**
Division[1]						
Divisional central costs (pre-recharge)	24	26	**50**	26	34	**59**
Division recharges	(6)	(17)	**(23)**	(13)	(21)	**(34)**
Net Divisional corporate costs	**18**	**9**	**27**	**13**	**12**	**25**

- Gross Group corporate and divisional costs declined vs FY25 following continued cost discipline, restructure and decentralisation
- Technology costs decreased, driven by decentralisation of Group IT functions, more efficient use of licenses and reduced project work
- Corporate overheads were reduced, as we continued to simplify how we run the business
- Discontinued operations costs were ~$17m at the Group level and ~$26m at the divisional level
- The Group remains focused on further reduction of corporate overheads and simplification over time

Note: 1. Divisional central costs include both Group recharges and direct costs incurred at a divisional level

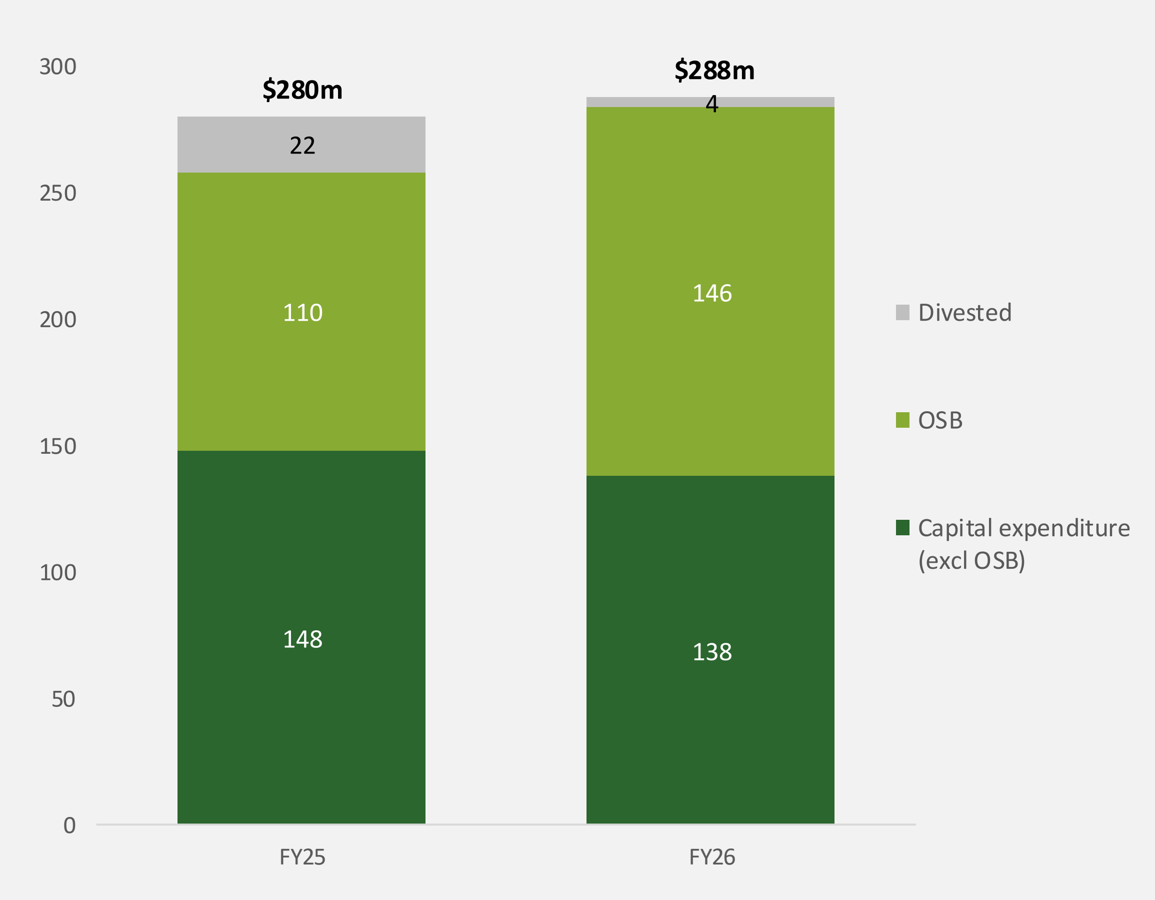
Capital expenditure and stripping

Lower levels of capital expenditure expected as we move towards being a more disciplined capital allocator

- $288m capital expenditure in FY26 vs $280m in FY25
    - Majority of previously committed large projects have become operational: PlaceMakers Frame & Truss, Firth 882 Great South Road batching plant
    - OSB plant is expected to become operational in 1H FY27
    - Divested operations accounted for $4m of capital expenditure in FY26
- Investment in quarry consenting and stripping was $24m in FY26 ($16m in FY25), less than previously indicated due to the timing of quarry land settlements
- Capital expenditure for FY27 is expected to be ~$170m, including ~$40m for OSB. In addition to this, ~$30m is expected to be spent on stripping and quarry land acquisitions
- Consistent with a shift to a more capital-disciplined, cash-focused business, the FY27 capital expenditure profile reflects a material step-down on the prior year, with the Group having spent ~$2bn during the period FY21 to FY25

CAPITAL EXPENDITURE BREAKDOWN

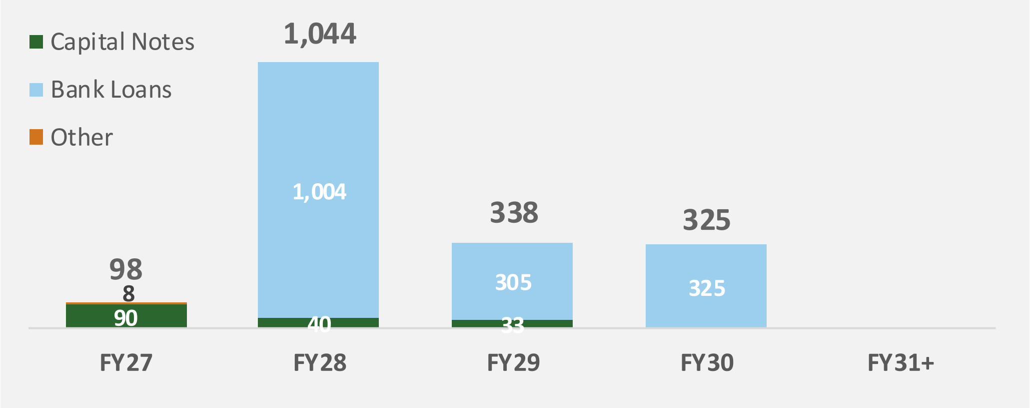
$m, excluding investment property and development and mining, consenting, and stripping



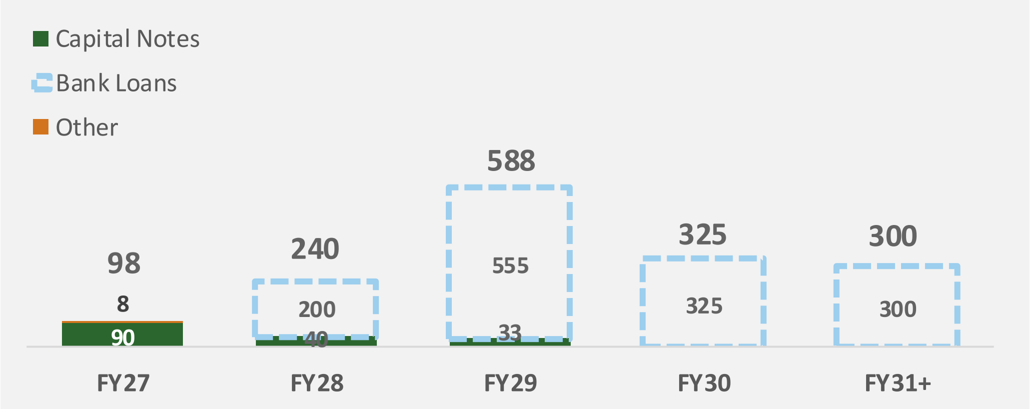
Funding mix

Continued progress on moving to a simpler lower-cost capital structure

TOTAL FACILITIES MATURITY PROFILE
As at 30 June 2026, $m



POST REFINANCE MATURITY PROFILE
Targeted maturities at 30 September 2026, $m



Current Group position

- Undrawn credit lines of $1bn as at 30 June 2026; total liquidity of ~$1.2bn
- FY28 maturities are reflective of a transitional capital structure and their refinancing is underway
- Average interest rate on debt is 6.1% including line fees[1]
- Group gearing after hedging was 15% at 30 June 2026 (22% at June 2025)

Refinance

- The new maturity profile will be in place shortly and can be seen in the chart on the lower left
- Post refinance, weighted average maturity is targeted to increase from 1.6 to 2.6 years as of September 2026

Debt cancellation & redemption

- $200m 2-year bank liquidity facility established in 1H FY26 cancelled on receipt of Construction sale proceeds
- $55m capital notes redeemed in March 2026

Credit rating

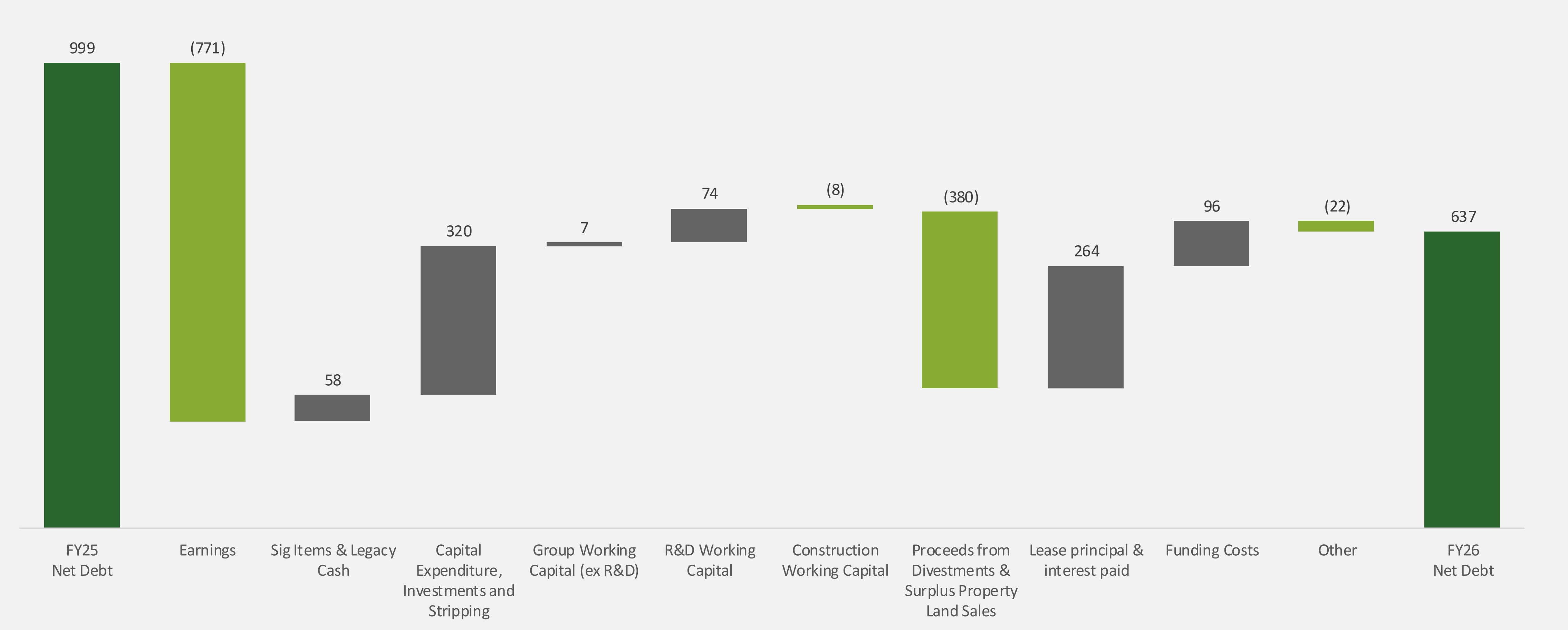
- At Fletcher Building's request, Moody's withdrew its credit rating effective 25 June 2026. Fletcher Building remains committed to maintaining metrics consistent with an investment-grade credit rating

Note: 1. Excludes line fees on undrawn facilities

Net Debt bridge

$362m reduction driven by divestments and property sales

NET DEBT (30 June 2025 – 30 June 2026)
$m



Outlook

Andrew Reding, Managing Director & CEO

Tailwinds and Headwinds

	Residential **49%** revenue exposure	**Commercial** **13%** revenue exposure	**Infrastructure** **7%** revenue exposure
NZ	(–) House prices remained under near term pressure, with inventory levels high. Impact on new build activity uncertain. Robust additions and alterations activity	▼ NZ weak business investment and economic uncertainty continue to constrain demand	▲ Supportive, with civil construction, roads and bridges continuing. Timing for new projects remain uncertain
	Residential **20%** revenue exposure	**Commercial** **7%** revenue exposure	**Infrastructure** **4%** revenue exposure
AU	(–) Population growth and underlying housing demand provide support, however, activity is pressured by elevated interest rates and affordability	(–) Business investment is expected to grow, with the focus on data centres	▲ Strong pipeline, spanning all sectors, including transport, energy, water and Olympic facilities

▲ Positive; (–) Mixed; ▼ Negative

Outlook

- Market volumes recovered gradually through the second half of FY26, with some demand likely brought forward ahead of pricing increases
- The economic, political and geopolitical backdrop remains uncertain and is expected to weigh on performance in the first half of FY27
- Heightened levels of NZ consenting reflect pent-up demand that should be realised, however, timing remains uncertain
- A meaningful recovery in underlying volumes is not expected until calendar year 2027

Conclusion

Andrew Reding, Managing Director & CEO

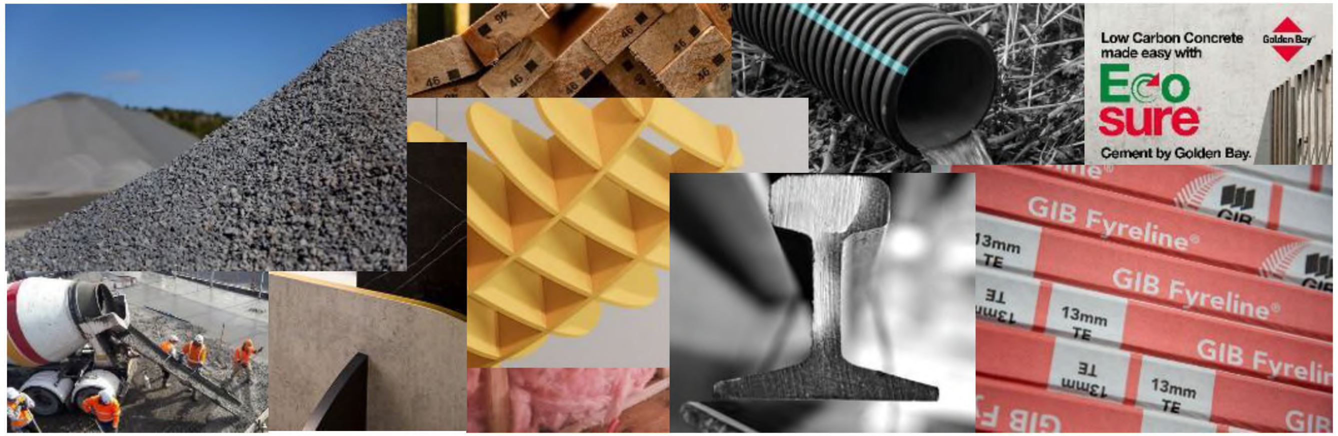
Conclusion

1. Steady performance in a tough macro environment
2. Progressed the execution of our strategy
3. Resilient balance sheet, with net debt in target range
4. Group ROIC improved, but more work to do
5. Operating cashflows strong, but continue to be impacted by legacy projects

Appendix

Fletcher Building at a Glance

- A leading **building materials manufacturer and distributor** across New Zealand and Australia
- NZX and ASX listed (FBU), with **market cap of ~NZ$4bn**
- **FY26 Revenue of $6.0b and EBIT[1] of $414m** (continuing operations)
- Operates through a portfolio of **19 core business units,** which employ 9,000+ people across Australia and New Zealand



Note: 1. Before Significant Items

Light Building Products

- **Winstone Wallboards:** strong earnings supported by robust South Island demand and improved operational performance, particularly at the Tauranga plant, with A-grade board recovery up 2%
- **Laminex AU:** EBIT margin expanded 40bps to 7.3%, assisted by a cost-out programme. Digital channels reached 55% of traded revenue
- **Laminex NZ:** share gains in core categories. Transition to the new OSB facility is a key priority for FY27
- **Waipapa Pine:** returned to profitability, driven by price recovery, favourable product mix, volumes and operational improvements.
- **Comfortech**: PinkFit retrofit model launched to serve residential retrofit and energy-efficiency market. Higher production volumes (+18%), and an 11% reduction in conversion costs
- **Fletcher Insulation AU**: underlying EBIT increased 8.5% (excl. Sonata Acoustics start-up). Glasswool manufacturing costs reduced by 3%
- **Iplex NZ:** volumes increased 25%, driven by the rural sector, South Island and increased geopolitically-driven demand. Working capital cycle improved by 22 days
- **Iplex Australia:** delivered $1.1m of savings despite an inflationary cost environment
- **Oliveri:** returned to profitability through disciplined margin management

	12 months ended 30 June 2026	Change from 12 months ended 30 June 2025	
Gross revenue	$2,305m	↑	10% from $2,089m
External revenue	$2,118m	↑	12% from $1,895m
Gross margin	$868m	↑	11% from $784m
Overheads	$631m	↑	7% from $589m
Operating margin	$237m	↑	22% from $195m
EBIT before Significant Items	$246m	↑	22% from $201m
EBIT margin before Significant Items	10.7%	↑	110 bps from 9.6%
Significant Items	$36m	n/m	From $324m
Invested Capital	$2,520m	↑	9% from $2,306m
ROIC (excl Sig Items)	7.2%	↑	130 bps from 5.9%
Capital expenditure & Investments	$210m	↑	32% from $159m

Heavy Building Materials

- **Winstone Aggregates:** annual volumes impacted by a weaker 1H, with partial 2H recovery driven by key project wins and The Urban Quarry. Operating and overhead cost reductions protected margins alongside continued price discipline
- **Golden Bay:** resilient performance, with earnings growth through improved manufacturing cost performance (particularly energy) and supply chain efficiency
- **Firth:** volumes up 2% vs pcp with share growth. Costs in line with expectations
- **Humes:** 2H volumes recovered and were 6% ahead of pcp through market share growth driven in part by the opening of three new branches in Westgate, Drury and North Christchurch
- **ColorCote:** robust performance with increased production volumes through higher export sales and domestic share growth driving productivity improvements and offsetting continued margin pressure
- **Dimond:** volumes up 17% vs pcp driven by market share and strong uptake of new products. Pricing environment remains competitive
- **Easysteel:** earnings improved on the prior year, supported by higher volumes (up 4% vs pcp) and improved gross margins
- **Stramit:** volumes 2% ahead of pcp coupled with good operational discipline and cost control. Market share stabilised following improved customer service and DIFOTIS focus from new management team

	12 months ended 30 June 2026	Change from 12 months ended 30 June 2025	
Gross revenue	$2,033m	↑	4% from $1,950m
External revenue	$1,719m	↑	4% from $1,646m
Gross margin	$521m	↑	5% from $495m
Overheads	$416m	↑	7% from $389m
Operating margin	$105m	↓	1% from $106m
EBIT before Significant Items	$108m	↑	8% from $100m
EBIT margin before Significant Items	5.3%	↑	20 bps from 5.1%
Significant Items	-	n/m	$83m
Invested Capital	$1,508m	↓	2% from $1,545m
ROIC (excl Sig Items)	5.1%	↑	60 bps from 4.5%
Capital expenditure & Investments	$79m	↓	13% from $91m

Distribution

- The residential construction market improved year on year in 2H FY26, although margins remain constrained as activity is still at historically low levels, leaving excess capacity in the market
- The lower South Island continues to outperform, while activity in northern regions remains subdued
- **PlaceMakers**: revenue up on FY25 with a stronger 2H across the market and a modest gain in market share. Frame & Truss activity increased, providing a strong revenue base, while flat margins reflect a competitive but stable market
- **Mico**: the plumbing supplies market improved versus pcp, with market share gains lifting revenue. Margins remained constrained in a highly competitive market, but the higher revenue drove improved profitability
- An improved 2H for Distribution, with better market conditions and share gains lifting revenue vs pcp. However, earnings remain well below FY25, and the division's key focus is margin recovery and cost management

	12 months ended 30 June 2026	Change from 12 months ended 30 June 2025	
Gross revenue	$1,577m	↑	3% from $1,528m
External revenue	$1,557m	↑	4% from $1,504m
Gross margin	$393m	↑	3% from $381m
Overheads	$382m	↑	6% from $361m
Operating margin	$11m	↓	45% from $20m
EBIT before Significant Items	$12m	↓	37% from $19m
EBIT margin before Significant Items	0.8%	↓	40 bps from 1.2%
Significant Items	-	n/m	$32m
Invested Capital	$646m	↑	3% from $628m
ROIC (excl Sig Items)	1.4%	↓	60 bps from 2.0%
Capital expenditure & Investments	$19m	↓	17% from $23m

Residential & Development

- 536 units Taken To Profit (TTP) in FY26 (incl. 15 apartments), 130 units lower vs FY25
- Development mix transitioned during the year, impacting volumes and margin
- EBIT before Sig. Items $42m, -$11m vs pcp; with lower volume and price pressure partly mitigated through significant build cost reduction and disciplined overhead control
- Invested capital increased by $93m vs June 2025 (inclusive of $236m of pre-committed land purchases)
- Land development / property sales contributed $52m towards Group EBIT before Significant Items

Residential1	12 months ended 30 June 2026	Change from 12 months ended 30 June 2025	
Gross revenue	$478m	↓	13% from $550m
External revenue	$478m	↓	13% from $550m
Gross margin	$96m	↓	19% from $118m
Overheads	$54m	↓	19% from $67m
EBIT before Significant Items	$42m	↓	21% from $53m
EBIT margin before Significant Items	8.8%	↓	80 bps from 9.6%
Significant Items	$(1)m	n/m	$10m
Invested Capital	$811m	↑	13% from $718m
ROIC (excl Sig Items)	3.7%	↓	120 bps from 4.9%

Land/Property Sales	12 months ended 30 June 2026	Change from 12 months ended 30 June 2025	
EBIT before Significant Items	$52m	n/m	$3m

Divisional breakdowns

NZ$m	Gross Revenue	External Revenue*	Gross Margin*	Overheads[1]	Operating Margin	Other income / (expense)[2+]	Equity Accounted Earnings	Reval[3] and other gains / (losses)	EBIT before Sig Items	Sig Items[+]	EBIT	DD&A	EBITDA	EBITDA before Sig Items
12 months to JUNE 2026														
Light Building Products	2,305	2,118	868	(631)	237	(3)	12		246	(36)	210	127	337	373
Heavy Building Materials	2,033	1,719	521	(416)	105		3		108		108	119	227	227
Distribution	1,577	1,557	393	(382)	11	1			12		12	61	73	73
Residential & Development	599	599	152	(54)	98	(4)			94	1	95	1	96	95
Corporate	8	1	8	(53)	(45)	(1)			(46)	(6)	(52)	8	(44)	(38)
Group eliminations	(528)		(8)	8										
Continuing operations	5,994	5,994	1,934	(1,528)	406	(7)	15		414	(41)	373	316	689	730
12 months to JUNE 2025														
Light Building Products	2,089	1,895	784	(589)	195	(1)	7		201	(324)	(123)	119	(4)	320
Heavy Building Materials	1,950	1,646	495	(389)	106	(9)	3		100	(83)	17	110	127	210
Distribution	1,528	1,504	381	(361)	20	(1)			19	(32)	(13)	60	47	79
Residential & Development	557	541	122	(67)	55	1			56	(10)	46	4	50	60
Corporate	10	1	10	(64)	(54)	3			(51)	(116)	(167)	15	(152)	(36)
Group eliminations	(547)		(5)	9	4				4		4		4	4
Continuing operations	5,587	5,587	1,787	(1,461)	326	(7)	10		329	(565)	(236)	308	72	637

Note:
* Comparatives have been reclassified to reflect intra-group sales between continuing operations and Construction Division (discontinued operation), resulting in a gross-up of external revenue and cost of goods sold in continuing operations and corresponding eliminations within discontinued operations, with no impact on total Group results.
+ Comparatives have been represented, refer to note 2.1.
1. Overheads reflect warehouse, distribution, selling, general and administrative expenses.
2. Other income/(expenses) include restructuring and redundancy costs; costs associated with Golden Bay Cement®'s MVAC ship breakdown in FY25; gains/losses from the disposal of assets; and proceeds from the disposal of NZ ETS units.
3. Revaluation gains include gains recognised from the remeasurement of Vivid Living®'s investment properties at each reporting date.

Divisional EBIT breakdowns

	NZ	NZ	AU	AU
Divisional EBIT (before Sig Items) (NZ$m)	12 months to JUNE 2026	12 months to JUNE 2025	12 months to JUNE 2026	12 months to JUNE 2025
Wood & Panels	120	102	60	52
Water	10	4	29	23
Insulation	10	7	17	18
Total Light Building Products EBIT (excl divisional costs)	**140**	**113**	**106**	**92**
Upstream construction materials[1]	72	69	-	-
Downstream construction materials	24	29	-	-
Steel	12	6	4	(0)
Total Heavy Building Materials EBIT (excl divisional costs)	**108**	**104**	**4**	**(0)**
PlaceMakers	13	25	-	-
Mico	1	(3)	-	-
Total Distribution EBIT (excl divisional costs)	**14**	**22**	**-**	**-**
Fletcher Living	42	62	-	-
Development	11	(1)	41	4
Apartments & Clevercore	-	(9)	-	-
Total Residential & Development EBIT (excl divisional costs)	**53**	**52**	**41**	**4**

Note: 1. Upstream construction materials earnings are split approximately 68% / 32% between quarry earnings and cement earnings in FY26 (73% / 27% in FY25)

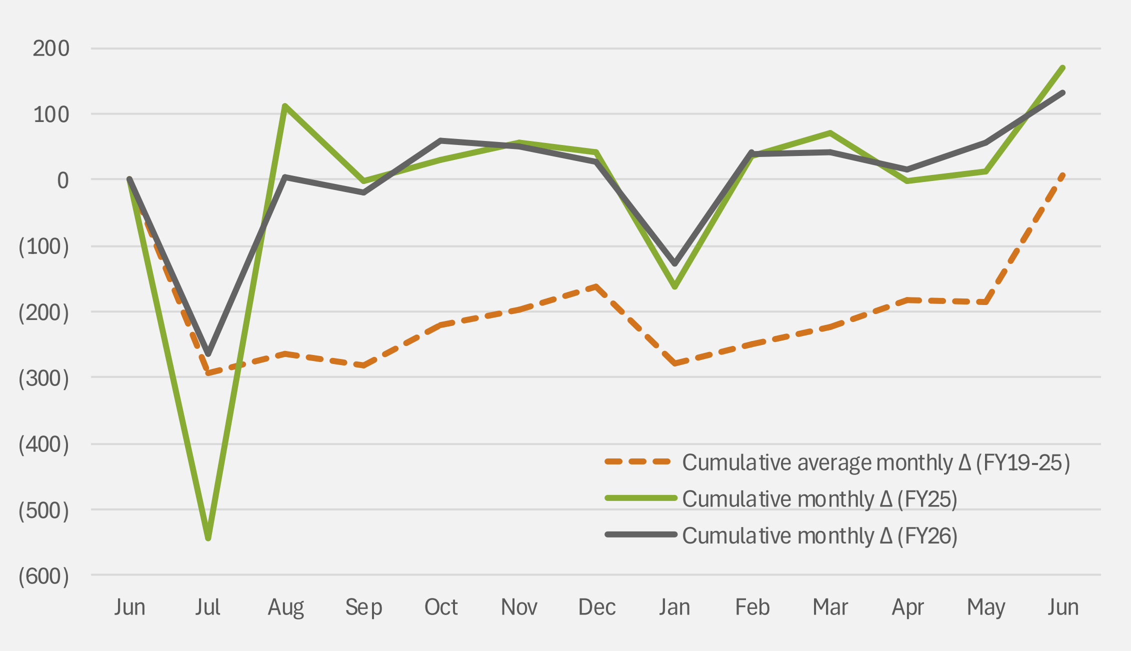
Divisional sector revenue exposures

Estimated Divisional breakdown (FY26)	NZ Residential	NZ Commercial	NZ Infrastructure	AU Residential	AU Commercial	AU Infrastructure
Wood & Panels	31%	10%	1%	39%	19%	-
Water	10%	1%	10%	33%	4%	41%
Insulation	14%	14%	-	52%	20%	-
Total Light Building Products	**24%**	**8%**	**3%**	**39%**	**16%**	**10%**
Upstream construction materials	39%	22%	40%	-	-	-
Downstream construction materials	49%	25%	26%	-	-	-
Steel	27%	20%	3%	39%	11%	-
Total Heavy Building Materials	**36%**	**22%**	**18%**	**19%**	**5%**	-
PlaceMakers	87%	13%	-	-	-	-
Mico	70%	27%	3%	-	-	-
Total Distribution	**84%**	**16%**	**1%**	-	-	-
Fletcher Living	100%	-	-	-	-	-
Development	100%	-	-	-	-	-
Apartments	100%	-	-	-	-	-
Total Residential & Development	**100%**	-	-	-	-	-
Group – continuing operations	**49%**	**13%**	**7%**	**20%**	**7%**	**4%**

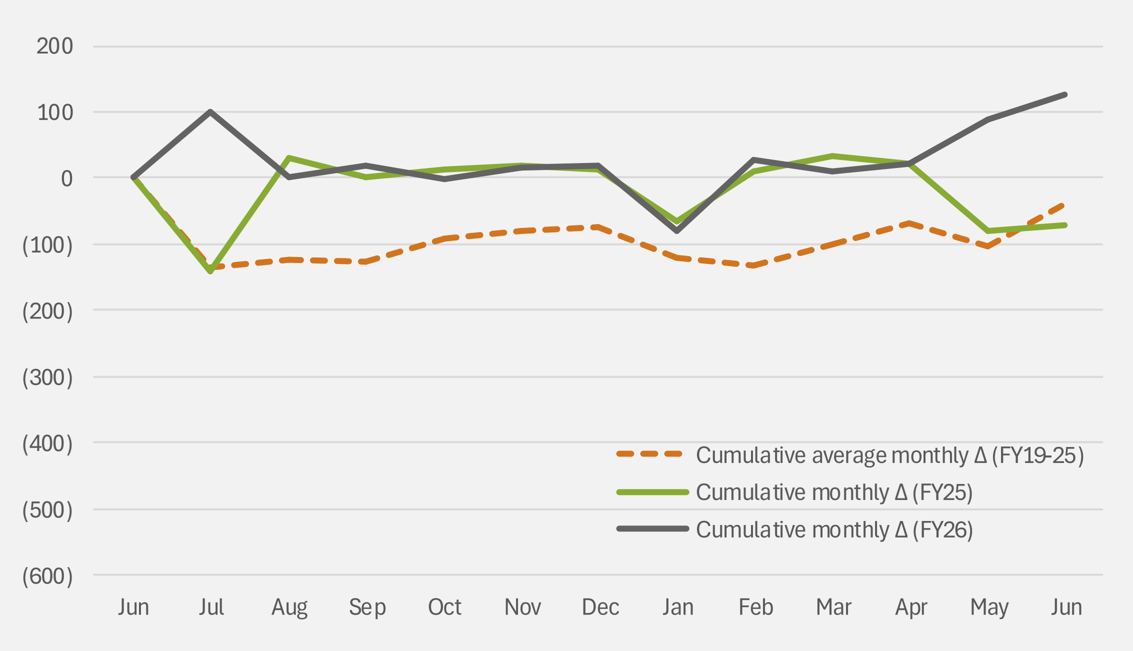
Working capital performance

Working capital volatility has improved and is more in line with long-term averages (excluding R&D)

GROUP CUMULATIVE MONTHLY ΔTRADING CASH (INCL CONSTRUCTION)[1,2]
(FY19 – FY26); $m



GROUP (ex CONSTRUCTION & R&D) CUMULATIVE MONTHLY ΔTRADING CASH[1]
(FY19 – FY26); $m



Note: 1. Average monthly change in trading cash for the period from FY19-FY25 accumulated over 12 months, Trading Cash is defined as net cash from operating activities, excluding income tax paid and including lease principal and interest paid; 2. Excludes the Construction Division in Jun 2026

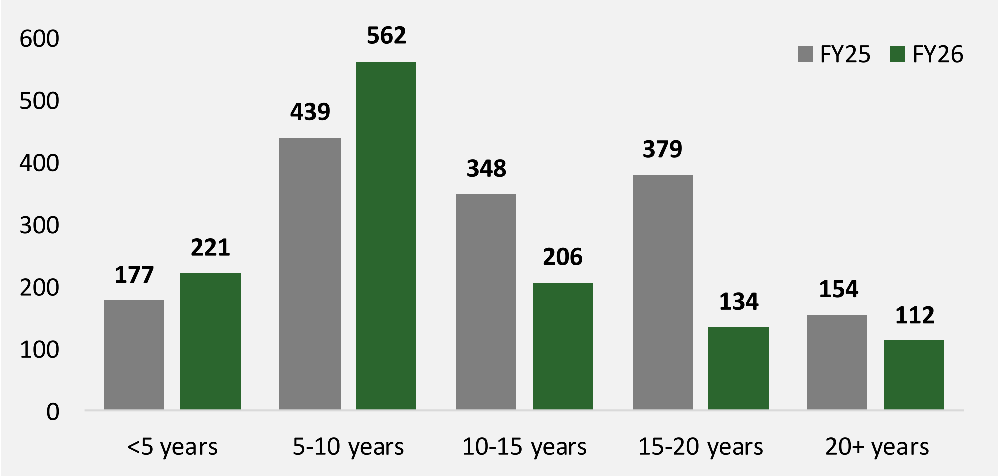
Management of lease portfolio

Reduction in lease liabilities, combined with a reduction in lease tenure

- FY26 lease liabilities were ~$1.2bn, representing ~61% of the Group's gross debt
- Lease terms were re-assessed and materially shortened across the Group, resulting in a ~$126m reduction in continuing operations lease liabilities
- Divestment of Construction and other businesses led to a further reduction of ~$131m
- In Continuing operations, land & buildings accounted for ~83% of leases with plant & machinery accounting for the remainder (~17%)

WEIGHTED AVERAGE LEASE TERM (CONT. OPERATIONS)

As at 30 June 2026, $m, excluding lease liabilities held for sale



Lease Liabilities NZ$m	As at 30 JUN 2026	As at 30 JUN 2025
Light Building Products	(413)	(432)
Heavy Building Materials	(398)	(466)
Distribution	(367)	(373)
Materials & Distribution	**(1,178)**	**(1,271)**
Residential & Development	(1)	(11)
Corporate & Other	(53)	(76)
Continuing operations	**(1,232)**	**(1,358)**
Discontinued operations	(8)	(139)
Group (incl. lease liabilities classified as held for sale)	**(1,240)**	**(1,497)**
Lease liabilities classified as held for sale	5	-
Group (excl. lease liabilities classified as held for sale)	**(1,235)**	**(1,497)**

Credit metrics

Credit metrics & covenants	JUNE 2026 12 MONTHS	JUNE 2025 12 MONTHS
Pre-IFRS 16 Net Debt	$637m	$999m
Senior Leverage Ratio (covenant 3.25x from FY26)	1.1x	1.6x
Senior Interest Cover Ratio (covenant 2.25x, moving to 2.75x in 2H27)	5.1x	3.9x

Iplex Australia

House remediations and pipe replacements building momentum, no change to provisions

- Iplex Australia's Western Australia Industry Response continues to progress within the A$155 million provision recognised in November 2024, with A$31 million utilised to date
- Costs incurred to date under the Industry Response remain in line with the provision and the underlying assumptions disclosed at 30 June 2025
- The Industry Response was launched in November 2024 and now has 56 participating builders who are undertaking the agreed work and remediation program (50 builders at 30 June 2025)
- As at 30 June 2026, 213 homes have been fully remediated, and nearly 5,000 homes have had leak detector units installed
- While most major builders have agreed to participate in the Industry Response, the Buckeridge Group of Companies (BGC), which is responsible for constructing ~55% of the affected WA homes, has not joined the Industry Response
- The provision includes allowances for homes built by BGC, as BGC has the option to participate in the Industry Response at any time

Remediation	Completed as at 31-Dec-24	Completed as at 30-June-25	Completed as at 31-Dec-25	Completed as at 30-June-26
Leak detector Installation	592	2,003	4,188	**4,987**
Ceiling Pipe Replacement	732	996	1,176	**1,385**
Full Home Remediation[1]	5	55	149	**213**

Note: 1. Pipe has been completely removed from the home

Silicosis

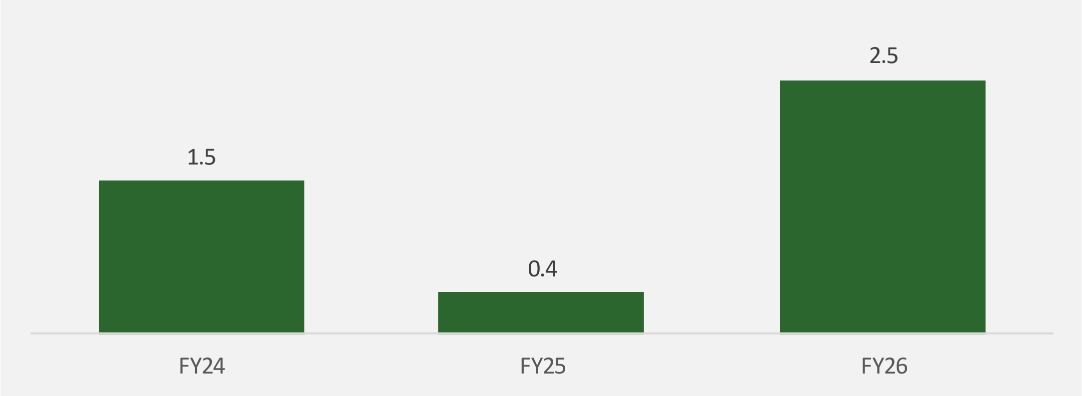
~A$5m increase in Laminex provision to A$13.3m reflects the latest claims data and accounts for current and potential undiagnosed cases

- Laminex Australia (together with other engineered stone manufacturers, distributors, and fabricators in Australia) is the subject of a number of silica-related personal injury claims in Australia
- Laminex Australia has settled the majority of claims that have been brought against it to date
- Laminex Australia contributed A$2.5m in FY26 (FY25: A$0.4m) to claim settlements
- Throughout FY26, the business continued to assess both the existing claims pool, and the potential for additional claims
- As a result, the provision has been increased by A$5.1m to A$13.3m

Silicosis related provision	A$m
FY25 (30 JUN 2025) remaining provision	**10.7**
FY26 Claims paid	**(2.5)**
Additional provision recognised in FY26	5.1
FY26 (30 JUN 2026)	**13.3**

CONTRIBUTIONS TO CLAIM SETTLEMENTS

A$m



19 August 2026

Fletcher Building returns to profit, EBIT up 26%

FY26 financial highlights

- **EBIT from continuing operations before Significant Items** of $414 million up $85 million on FY25
- **Net earnings** of $228 million, an improvement of $647 million on FY25
- **Earnings per share** of 21.2 cents against a 41.4 cent loss in FY25
- **Net cash from operating activities** of $715 million, up from $501 million in FY25
- **Net debt** of $637 million, reduced from $999 million at 30 June 2025

Commenting on the result, Managing Director & CEO Andrew Reding said: "Fletcher Building is significantly more resilient than it was twelve months ago. We have moved at pace to improve our business model, and the strategic reset we set out last year is now starting to deliver tangible results. Our portfolio has been simplified with the divestment of the Construction division and other non-core operating units, and we used the proceeds to strengthen our balance sheet."

"Our core manufacturing divisions performed well in a difficult trading environment, and a sustained focus on operational and capital discipline saw us materially improve net cash from operating activities for the year. We acknowledge there is still more work to do to achieve our targeted returns on capital. However, the Group is now more focused, more resilient and better positioned to benefit once market conditions start to recover."

FY26 EBIT from continuing operations before Significant Items finished approximately 3% above the July guidance range, with the variance primarily attributable to the finalisation of employee-related provisions.

Dividend

The Board has not declared a dividend for FY26. The Group's dividend policy will be reset and communicated to shareholders once the Group is generating positive free cashflow and is in the lower half of the net debt target range.

Outlook

Market volumes recovered gradually through the second half of FY26. The economic, political and geopolitical backdrop remains uncertain, and is expected to weigh on performance in the first half of FY27. A meaningful recovery in underlying volumes is not expected until calendar year 2027.

Andrew Reding said: “Our priorities remain clear: maintain cost and capital discipline, complete the remaining legacy workstreams, and position the Group to capture upside once demand improves."

ENDS

Authorised for release to the market by Haydn Wong, Company Secretary.

For further information please contact:

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For information on Fletcher Building visit **fletcherbuilding.com**

Annual Report 2026

Fletcher Building Limited

Contents

This report and our previous reports and presentations are available at **www.fletcherbuilding.com.**

This Annual Report for the financial year ended 30 June 2026 is dated 18 August 2026 and is signed on behalf of the Board by:

Peter Crowley
Chair

Andrew Reding
Managing Director

When used in this annual report, references to the 'Company' are references to Fletcher Building Limited. References to 'Fletcher Building' or the 'Group' are to Fletcher Building Limited, together with its subsidiaries and its interests in associates and joint ventures. References to $ and NZ$ are to New Zealand dollars unless otherwise stated.

Welcome to the interactive PDF. For the best experience, use Adobe Acrobat Reader. Click on the sections above to go to the desired pages. To go back to the contents, click on the CONTENTS menu button on the top right of each page. The financial statements, notes and references are also clickable for your convenience.

Chair and CEO Letter

Peter Crowley
Chair

Andrew Reding
Managing Director & CEO

Dear Shareholders,

As we did for FY25, this annual report is focused on presenting our FY26 financial statements and required disclosures. Shareholders seeking more detailed commentary on the Group's FY26 performance are encouraged to read the market announcement and investor presentation that accompany our FY26 results – these are available at **https://fletcherbuilding.com/investor-centre**.

At our Investor Day in June last year, we set out how we would change this business. A year on, the portfolio is simpler, net debt is inside our target range, and the Group has returned to profit. We have sharpened our focus on the core building products and materials businesses where we hold a sustainable competitive advantage. We are also steadily addressing the issues that have weighed on performance in recent years.

For the year, the Group reported revenue[1] of $6.0 billion (+7.3%), EBIT[1] before Significant Items of $414 million (+26%) and net earnings[2] of $228 million, a swing of $647 million from last year's loss. This result marked the Group's first positive earnings from continuing operations since FY23 and was a creditable outcome in what was a challenging macro environment in our New Zealand and Australian markets.

Whilst we were pleased to see good improvements in a number of our key metrics, we are conscious that Return on Invested Capital (ROIC) for the Group is still below acceptable levels. We are determined to continue to focus on improving returns from our businesses and being disciplined capital allocators in order to get ROIC sustainably to the levels it needs to be.

Execution of our strategy

Some of the highlights in FY26 included:

- Completing the divestment of Fletcher Construction to VINCI;
- Divesting Fletcher Reinforcing and Wire from our Heavy Building Materials division, expected to complete in 1Q FY27;
- Selling a number of surplus properties, including the former Winstone Wallboards manufacturing site in Auckland, the Laminex HPL manufacturing site in Melbourne and an Iplex Australia site in Adelaide;
- Repurposing the former Clever Core site in Wiri for PlaceMakers' new Frame & Truss plant, which became fully operational in the year;
- Fletcher Insulation successfully delivering the new Sonata Acoustics plant, establishing a platform for future growth in the higher-value acoustic solutions market; and
- Advancing the strategic review and options assessment for the Residential & Development division.

Building a lower risk capital structure

Net debt at 30 June 2026 was $637 million, in the middle of our target range and down from $999 million a year ago. The improvement was delivered from stronger operating cash flows, divestments and property sale proceeds.

We also simplified how we fund the business. We have repaid our US Private Placement notes, put new bank facilities in place and extended our syndicated debt terms, pushing our next material maturity out to FY28. With the capital structure now on a more stable footing, we asked Moody's to withdraw our credit rating, effective 25 June 2026, with the rating sitting at Baa3 stable at the time. We will continue to manage the balance sheet to investment-grade standards.

Disciplined capital allocation

We adopted Return on Invested Capital (ROIC) as the Group's central value metric, sharpening the link between decision-making and long-term value creation. The capital allocation approach is clear and disciplined: prioritising investment in core building products and materials businesses and requiring returns to justify the risks undertaken.

- Business unit leaders are measured against industry-specific weighted average cost of capital (WACC) hurdles under the Group's decentralised model.
- ROIC[1] before Significant Items was 5.3% for FY26 (4.7% excluding the impact of property sales), up from 4.1% in FY25.
- This capital discipline is showing up in returns: 13 out of the 19 core business units improved their ROIC year-on-year, four of them into double digits.
- Returns remain uneven across the portfolio: Distribution (1.4% ROIC) and our Steel businesses are still below acceptable levels relative to their cost of capital. Lifting these returns further remains a key focus for FY27.
- No new land commitments were entered into, though previously contracted land settlements of $236 million were completed during the year.

Dividend

The Board has not declared a dividend for FY26. As previously signalled, the Group's dividend policy will be reset and communicated to shareholders once the Group is generating positive free cash flow and is in the lower half of the net debt target range.

On behalf of the Board and management, we would like to thank our Fletcher Building people for their resilience and outstanding commitment during another year of significant change. And to our shareholders, thank you for your ongoing support, patience and belief in our future.

Peter Crowley
Chair

Andrew Reding
Managing Director & CEO

(1) From continuing operations.
(2) Includes discontinued operations.

Financial Statements

Consolidated Income Statement

For the year ended 30 June 2026

Continuing operations	Note	2026 NZ$M	2025* NZ$M
Revenue	3	5,994	5,587
Cost of goods sold		(4,060)	(3,800)
Gross margin		1,934	1,787
Warehouse and distribution expenses	5	(643)	(583)
Selling, general and administrative expenses	5	(885)	(878)
Operating margin		406	326
Other income/(expenses)	5	(7)	(7)
Share of profits of associates and joint ventures	20	15	10
Significant Items	2.2	(41)	(565)
Earnings/(losses) before interest and taxation (EBIT)		373	(236)
Lease interest expense		(61)	(62)
Funding costs	15	(64)	(93)
Earnings/(losses) before taxation		248	(391)
Taxation (expense)/benefit	24	(41)	63
Earnings/(losses) after taxation from continuing operations		**207**	**(328)**
Net earnings attributable to non-controlling interests		(8)	(2)
Net earnings/(losses) from continuing operations attributable to shareholders		**199**	**(330)**
Net earnings/(losses) from discontinued operations net of tax	2.4	29	(89)
Net earnings/(losses) attributable to the shareholders		**228**	**(419)**

* Comparatives have been represented, refer to **notes 2.1** and **2.4**.

Net earnings/(losses) per share (cents)	4		
Basic		21.2	(41.4)
Diluted		20.9	(41.4)
Net earnings/(losses) per share from continuing operations (cents)	4		
Basic		18.5	(32.6)
Diluted		18.3	(32.6)
Weighted average number of shares outstanding (millions of shares)	4		
Basic		1,075	1,013
Diluted		1,124	1,013
Dividends declared per share (cents)	17		

The accompanying notes form part of and are to be read in conjunction with these consolidated financial statements.

On behalf of the Board, 18 August 2026.

Peter Crowley
Chair

Sandra Dodds
Director, Chair of Audit and Risk Committee

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2026

	Note	2026 NZ$M	2025* NZ$M
Net earnings/(losses) attributable to shareholders		228	(419)
Net earnings attributable to non-controlling interests		8	2
Net earnings/(losses) after tax		**236**	**(417)**
Other comprehensive income/(loss)			
Items that do not subsequently get reclassified to Consolidated Income Statement:			
Movement in pension reserve		(6)	(7)
		(6)	**(7)**
Items that may be reclassified subsequently to Consolidated Income Statement in the future:			
Movement in cash flow hedge reserve		(2)	(7)
Movement in currency translation reserve		127	(14)
Reclassification of foreign currency translation reserve to Consolidated Income Statement	2.4		53
		125	**32**
Other comprehensive income		119	25
Total comprehensive income/(loss) for the year		**355**	**(392)**
Total comprehensive income/(loss) for the year arises from:			
Continuing operations		326	(356)
Discontinued operations		29	(36)
Total comprehensive income/(loss) for the year		**355**	**(392)**

* Comparatives have been represented, refer to **note 2.4**.

The accompanying notes form part of and are to be read in conjunction with these consolidated financial statements.

Consolidated Statement of Movements in Equity

For the year ended 30 June 2026

NZ$M	Note	Share capital	Retained earnings	Share-based payments reserve	Cash flow hedge reserve	Currency translation reserve	Pension reserve	**Total**	Non-controlling interests	**Total equity**
Total equity at 30 June 2024		2,995	288	26	3	(79)	84	3,317	11	3,328
Total comprehensive income/(loss) for the year			(419)		(7)	39	(7)	(394)	2	(392)
Movement in non-controlling interests			2					2	(8)	(6)
Movement in share-based payment reserve		6	4	(12)				(2)		(2)
Issue of shares	18	679						679		679
Total equity at 30 June 2025		**3,680**	**(125)**	**14**	**(4)**	**(40)**	**77**	**3,602**	**5**	**3,607**
Total comprehensive income/(loss) for the year			228		(2)	127	(6)	347	8	355
Movement in non-controlling interests			5					5	(13)	(8)
Movement in share-based payment reserve		7	2	(6)				3		3
Total equity at 30 June 2026		**3,687**	**110**	**8**	**(6)**	**87**	**71**	**3,957**		**3,957**

The accompanying notes form part of and are to be read in conjunction with these consolidated financial statements.

Consolidated Balance Sheet

As at 30 June 2026

Assets	Note	2026 NZ$M	2025 NZ$M
Current assets:			
Cash and cash equivalents	6	145	139
Current tax assets	24	20	29
Contract assets			50
Derivatives	16	9	8
Debtors	7	831	849
Inventories	8	1,269	1,325
Total current assets before held for sale		**2,274**	**2,400**
Assets classified as held for sale	2.4	114	
Total current assets		**2,388**	**2,400**
Non-current assets:			
Property, plant and equipment	11	2,282	2,223
Investment property			126
Intangible assets	12	676	703
Right-of-use assets	13	984	1,246
Investments in associates and joint ventures	20	216	218
Inventories	8	561	580
Retirement plan assets	25	148	150
Derivatives	16	1	43
Deferred tax assets	24	225	209
Total non-current assets		**5,093**	**5,498**
Total assets		**7,481**	**7,898**
Liabilities			
Current liabilities:			
Creditors, accruals and other liabilities	9	964	1,171
Provisions	10	325	278
Lease liabilities	13	198	172
Derivatives	16	11	19
Contract liabilities		5	56
Borrowings	14	98	60
Total current liabilities before held for sale		**1,601**	**1,756**
Liabilities directly associated with assets held for sale	2.4	82	
Total current liabilities		**1,683**	**1,756**
Non-current liabilities:			
Creditors, accruals and other liabilities	9	20	31
Provisions	10	89	61
Lease liabilities	13	1,037	1,325
Derivatives	16	4	6
Borrowings	14	691	1,112
Total non-current liabilities		**1,841**	**2,535**
Total liabilities		**3,524**	**4,291**
Equity:			
Share capital	18	3,687	3,680
Reserves		270	(78)
Shareholders' funds		3,957	3,602
Non-controlling interests	19		5
Total equity		**3,957**	**3,607**
Total liabilities and equity		**7,481**	**7,898**

The accompanying notes form part of and are to be read in conjunction with these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2026

	Note	2026 NZ$M	2025* NZ$M
Cash flow from operating activities			
Receipts from customers		6,975	7,311
Receipts from residents – residents' loans – new occupation right agreements (ORA)		17	27
Receipts from residents – residents' loans – resales of ORA			
Payments to suppliers, employees and other		(6,279)	(6,837)
Net income tax refunded		2	
Net cash from operating activities	6	**715**	**501**
Cash flow from investing activities			
Sale of subsidiaries		277	174
Sale of investments		19	
Sale of property, plant and equipment		20	56
Acquisition of subsidiaries			(1)
Investments in joint ventures and associates		(3)	(4)
Dividends received		11	16
Interest income received		3	6
Purchase of property, plant and equipment and intangible assets		(288)	(280)
Investment in mining, consenting and stripping		(24)	(16)
Payments for investment property and investment property under development		(5)	(12)
Net cash from investing activities		**10**	**(61)**
Cash flow from financing activities			
Funding costs paid and expensed		(82)	(116)
Funding costs paid and capitalised to property, plant and equipment and intangible assets		(14)	(13)
Lease interest paid		(68)	(72)
Principal elements of lease payments		(196)	(189)
Contributions from non-controlling interests		13	42
Distribution to non-controlling interests		(21)	(5)
Issue of shares	18		679
Net (repurchase)/issue of capital notes	14	(55)	(80)
Net (repayment)/drawdown of borrowings	14	(310)	(858)
Net cash from financing activities		**(733)**	**(612)**
Net movement in cash held		(8)	(172)
Add: opening cash and cash equivalents	6	139	311
Effect of exchange rate changes on net cash		21	
Closing cash and cash equivalents	6	**152**	**139**
Less: Cash and cash equivalents classified as held for sale	2.4	(7)	
Closing cash and cash equivalents per Consolidated Balance Sheet	6	**145**	**139**

* Comparatives have been represented, refer to **note 2.1**.

The accompanying notes form part of and are to be read in conjunction with these consolidated financial statements.

Notes to the Consolidated Financial Statements 2026

Contents

Notes to the Consolidated Financial Statements 2026

1. STATEMENT OF ACCOUNTING POLICIES

General information

The consolidated financial statements presented are those of Fletcher Building Limited (the Company) and its subsidiaries (the Group). The Group is primarily involved in the manufacturing and distribution of building materials and residential development. Fletcher Building Limited is domiciled in New Zealand. The registered office of the Company is 810 Great South Road, Penrose, Auckland.

The Company is registered under the Companies Act 1993 and is a Financial Markets Conduct Act (FMCA) 2013 reporting entity in terms of the Financial Reporting Act 2013. The Group is a for-profit entity. The Company is listed on the New Zealand Stock Exchange (NZX), and the Australian Securities Exchange (ASX) as a Foreign Exempt Listing.

Basis of presentation

These consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand and the requirements of the Financial Markets Conduct Act 2013. Generally Accepted Accounting Practice are the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). They also comply with International Financial Reporting Standards.

These financial statements are presented in New Zealand dollars ($), which is the Group's presentation currency, and rounded to the nearest million unless otherwise stated.

The consolidated financial statements comprise the income statement, statement of comprehensive income, statement of movements in equity, balance sheet, statement of cash flows, and statement of accounting policies, as well as the notes to these financial statements.

Accounting convention

Accounting policies have been consistently applied by the Group and unless otherwise stated, are in line with prior year. These financial statements are based on the general principles of historical cost accounting, except for assets and liabilities measured at their fair value, as described below:

- Certain financial assets and liabilities (including derivative instruments) – measured at fair value;
- Defined benefit pension plan asset/liabilities – measured at fair value; and
- Investment property – measured at fair value or revalued amounts.

Where necessary, certain comparative information has been reclassified to conform to changes in presentation in the current year.

Accounting policies are disclosed within each of the relevant notes to the consolidated financial statements and are denoted by the adjacent coloured line.

Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with NZ IFRS requires the Directors to make estimates and judgements that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of sales and expenses during the reporting period. Key estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The estimates and judgements that are critical to the determination of the amounts reported in the consolidated financial statements have been disclosed with the relevant notes in the financial statements and are indicated by the adjacent coloured line, or where applied to the consolidated financial statements as a whole, are detailed in the corresponding notes in the consolidated financial statements.

Basis of consolidation

The consolidated financial statements comprise the Company, its controlled entities and its interest in associates, partnerships and joint arrangements. Intercompany transactions and balances are eliminated in preparing the consolidated financial statements.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are included in the consolidated financial statements using the acquisition method of consolidation, from the date control commences until the date control ceases. The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

Notes to the Consolidated Financial Statements 2026 (Continued)

Foreign currency translation

(i) Translation of the financial statements of foreign operations

The assets and liabilities of the Group's overseas operations are translated into New Zealand currency at the rates of exchange prevailing at balance date. The revenue and expenditure of these entities are translated using an average exchange rate reflecting an approximation of the appropriate transaction rates. Exchange variations arising on the translation of these entities and other currency instruments designated as hedges of such investments are recognised directly in the currency translation reserve and in the Consolidated Statement of Comprehensive Income. The cumulative exchange variations are reclassified subsequently to the Consolidated Income Statement if the overseas operation to which the reserve relates are sold or otherwise disposed of.

(ii) Foreign currency transactions

Transactions in foreign currencies are translated at exchange rates at the date of the transactions. Monetary assets and liabilities in foreign currencies at balance date are translated at the rates of exchange prevailing at balance date.

Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in earnings, except where deferred in the Consolidated Statement of Comprehensive Income as qualifying cash flow hedges and qualifying net investment hedges.

Non-monetary assets in foreign currencies are translated at the exchange rates in effect when the amounts of these assets were recognised.

The following key exchange rates were applied in the preparation of the consolidated financial statements:

NZD/AUD	2026	2025	Change
Average rates	0.8651	0.9138	(5.3)%
Closing rates	0.8205	0.9260	(11.4)%

2. KEY ESTIMATES, JUDGEMENTS, SEGMENTS AND MANAGEMENT PERFORMANCE METRICS

This section provides details of the key estimates and judgements undertaken when preparing these consolidated financial statements.

2.1 CHANGES IN ACCOUNTING POLICIES, INTERPRETATION AND AGENDA DECISIONS

Reclassification of break fees and make-whole costs on termination of US private placement (USPP) notes and related cross currency interest rate swaps (CCIRS)

During the year, the Group reviewed the presentation and classification of break fees and make-whole costs relating to the prepayment of USPP notes and associated CCIRS incurred in the current and comparative periods. These costs were previously classified and presented as Significant Items; however, the Group determined that they are more appropriately presented within funding costs. As a result, $10 million of costs presented as Significant Items in the comparative year ended 30 June 2025 have been reclassified to funding costs. The reclassification also affected the Consolidated Statement of Cash Flows, with amounts reclassified between funding costs paid and net repayment of borrowings within cash flows from financing activities. This adjustment had no effect on total profit, earnings per share, equity or net cash flows.

This change reflects a presentation refinement only and does not represent a change in accounting policy or correction of an error under NZ IAS 8.

Reclassification of net interest on defined benefit pension plans

During FY26, the Group changed its accounting policy for the presentation of the net interest component relating to defined benefit pension obligations under NZ IAS 19. Previously, $7 million was presented in other income/(expenses) as employee-related costs within EBIT for the financial year ended 30 June 2025. The Group now presents this amount within funding costs, below EBIT.

The Group considers that the revised presentation provides more relevant and reliable information by better reflecting the financing nature of the net interest component and improving transparency of the Group's underlying operating performance. The revised presentation is also consistent with the classification principles expected to apply under NZ IFRS 18 Presentation and Disclosure in Financial Statements in future periods.

The change has been applied retrospectively in accordance with NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and comparative information has been reclassified accordingly. The change has no impact on total profit, earnings per share, equity or net cash flows.

New and amended accounting standards and interpretation adopted

The new and amended standards and interpretations that have been issued but are not yet effective, up to the date of issuance of the Group's financial statements, are disclosed below. The Group intends to adopt these new and amended standards and interpretations, where applicable, when they become effective, or earlier where the Group elects to early adopt them.

Notes to the Consolidated Financial Statements 2026 (Continued)

New and amended accounting standards and interpretation not yet effective

NZ IFRS 18 - Presentation and Disclosure in Financial Statements

In May 2024, the XRB issued NZ IFRS 18 Presentation and Disclosure in Financial Statements, as a replacement for NZ IAS 1 Presentation of Financial Statements. NZ IFRS 18 is effective for the Group's financial year beginning 1 July 2027 and will apply retrospectively. Earlier application is permitted.

NZ IFRS 18 introduces new presentation and disclosure requirements designed to improve comparability and transparency in financial statements. The standard introduces a defined structure for the statement of profit or loss, including specified totals and subtotals, and requires income and expenses to be classified into one of five categories: operating, investing, financing, income taxes and discontinued operations. The standard also introduces new disclosure requirements for management-defined performance measures, additional guidance on aggregation and disaggregation, and further requirements for presenting and explaining subtotals of income and expenses.

NZ IFRS 18 also results in consequential amendments to other standards, including narrow-scope amendments to NZ IAS 7 Statement of Cash Flows. These amendments include changing the starting point for the indirect method of presenting cash flows from operating activities from "profit or loss" to "operating profit or loss", and removing existing classification options for certain cash flows, including interest and dividends.

The Group expects to early adopt NZ IFRS 18 for the period ended 30 June 2027. The Group does not expect adoption to have an impact on recognition or measurement in the consolidated financial statements. However, adoption is expected to affect the presentation of the Consolidated Income Statement, the classification of certain income and expense items, and the related note disclosures.

The key expected presentation and disclosure impacts include classification of all income and expenses in the Consolidated Income Statement into the categories required by NZ IFRS 18, presentation of newly required subtotals including operating profit or loss, disclosure of expenses by nature where expenses are presented by function in the operating category of the Consolidated Income Statement, and disclosure of reconciliations between amounts previously presented under NZ IAS 1 and the restated amounts presented on adoption of NZ IFRS 18.

Notes to the Consolidated Financial Statements 2026 (Continued)

2.2 SEGMENT AND NON-GAAP FINANCIAL INFORMATION AND MANAGEMENT PERFORMANCE METRICS

Segmental information

Segmental information is presented in respect of the Group's industry and geographical segments. The use of industry segments as the primary format is based on the Group's management and internal reporting structure, which recognises groups of assets and operations with similar risks and returns.

Change in Divisional Structure

Effective 1 July 2025, the Group implemented a new divisional structure following a strategic review to simplify operations, decentralise decision-making and improve performance accountability. As part of this change:

- the Building Products division was reclassified as the Light Building Products division, with Steel businesses moved into the newly established Heavy Building Materials division;
- the Australia division was disestablished, with its businesses reallocated into the Light Building Products division, with the exception of Stramit®, which was moved into the Heavy Building Materials division; and
- all Concrete division businesses were moved and consolidated into the Heavy Building Materials division.

Comparative information disclosed throughout this note has been updated to reflect the new divisional structure and the presentation of discontinued operations, as described below.

Description of industry segments

Light Building Products	The Light Building Products division is a manufacturer, distributor and marketer of building products used in the residential, industrial and commercial markets in New Zealand and Australia. Businesses include plasterboard, laminates and panels, insulation and piping.
Heavy Building Materials	The Heavy Building Materials division includes the Group's interests in the concrete and aggregates value chain, including extraction of aggregates, cement production, ready-mix concrete and concrete products, which operates primarily in New Zealand. The division also includes the Group's Steel businesses in both Australia and New Zealand.
Distribution	The Distribution division consists of building and plumbing product distribution businesses in New Zealand.
Residential and Development	The Residential and Development division primarily operates in New Zealand, but also in Australia. In New Zealand, the division's operations include building and sale of residential homes and apartments, development and sale of commercial and residential land. In Australia, the division's operations include development and sale of commercial land. Development activity includes sale of land property which are surplus to the Group's operating requirements.
Discontinued operations	Discontinued operations comprise the Tradelink® business, which was classified as held for sale from 1 April 2024 and disposed of on 30 September 2024; the Construction division, which has been presented as a discontinued operation from 31 December 2025, reflecting the divestment of the majority of the division and wind-down of the remaining retained liabilities; and other non-strategic portfolio businesses identified for exit as part of the Group's announced strategic reset, comprising Fletcher Reinforcing and Wire, CSP Pacific® and Vivid Living®. Further details of the change in presentation are set out in **note 2.4**.

Non-GAAP financial information policy

For internal reporting to the Board, the Audit and Risk Committee and external reporting to its stakeholders, the Group uses certain non-GAAP financial measures (alternative performance measures) alongside its NZ IFRS results to provide additional insight into the Group's underlying performance and financial position. These measures – which include earnings before interest, taxation, depreciation, depletion and amortisation expense (EBITDA) before Significant Items, earnings before interest and taxation (EBIT) before Significant Items, net earnings per share before Significant Items, Trading Cash before Significant Items, Free Cash before Significant Items, Invested Capital, Funds, and Net Debt – are not defined or specified under NZ IFRS. The Group believes that these non-GAAP measures, which are not considered to be a substitute for or superior to NZ IFRS measures, provide stakeholders with additional useful information on the performance of the business, with a clearer understanding of the Group's underlying operating results and financial position. Management uses these non-GAAP financial information measures consistently from period to period for internal planning and reporting. The Group adheres to applicable regulatory guidance on non-GAAP disclosures, emphasising transparency, consistency, and comparability in how these metrics are calculated and presented. Importantly, each non-GAAP measure is reconciled to the closest IFRS measure in the accounts so that stakeholders can clearly tie these figures back to audited IFRS results.

Notes to the Consolidated Financial Statements 2026 (Continued)

Description of Non-GAAP Financial Information

EBIT and EBITDA before Significant Items **Net earnings before Significant Items**	The Group makes certain Significant Item adjustments to the statutory profit measures in order to derive non-GAAP measures. The Group discloses certain non-operating items as Significant Items. The Group's policy is to recognise Significant Items for transactions or events outside of the Group's ongoing operations that have a significant impact on reported profit. This policy provides stakeholders with additional useful information as a means to assess the year-on-year trading performance of the Group. On this basis, Significant Items include, but are not limited to, the following: – Gains and losses arising from mergers and acquisition (M&A) activity (i.e. business acquisitions and disposals) and associated costs. – Costs arising from significant Group or divisional restructuring activities, major site closures or significant changes in strategy that are not considered by the Group to be part of the normal operating costs of the business. – Impacts of significant one-off/unusual events that have a material effect on the Group's financial performance and asset valuation. – Impairment charges and provisions that are considered to be significant in nature and/or value to the trading performance of the business. In addition to the above, EBITDA before Significant Items excludes the depreciation and amortisation of fixed, intangible and right-of-use (RoU) assets, while net earnings before Significant Items adjust for the net-of-tax consequences of Significant Items recognised in the period to reflect an "underlying" net earnings for continuing operations.
Trading and Free cash before Significant Items	Trading cash (or trading cash flow) is a non-GAAP measure highlighting cash generated or used by the Group's operations. Derived from NZ IFRS net operating cash flows, it adjusts for non-trading related items. Excluding financing, tax, Significant Items, legacy cash flows, but including lease payments. Trading cash focuses on recurring cash flows from trading activities, aiding in assessing liquidity and operational efficiency. "Trading cash" is adjusted for net capital expenditure invested during the period to reflect the "Free cash" generated or consumed which impacts external borrowings, funding costs and potential dividends to shareholders. "Free cash" at a Group level also includes cash tax payments. Reconciliations to the NZ IFRS cash flow statement are provided below.
Net Debt	Net Debt is the total of all interest-bearing borrowings (loans, USPP, capital notes, other debt), adjusted for debt hedging activities, less cash and cash equivalents. This metric is used in determining the Group's leverage and gearing ratio. It is used by management to assess financial risk and capital structure metrics. Though Net Debt is a non-GAAP measure, it is derived from NZ IFRS line items (borrowings, derivatives used in hedging of borrowings, cash) on the balance sheet. A full reconciliation of Net Debt is included in **note 14**.
Funds and Invested Capital	"Funds" (or funds employed) represents the external assets and liabilities of the Group and is used for internal reporting purposes. At a Group level, funds excludes net debt and deferred tax balances (with the exception of deferred tax on brands) and intercompany eliminations, while at a divisional or segment level, funds excludes net debt, intergroup advances/borrowings, current and deferred tax balances (with the exception of deferred tax on brands). This non-GAAP measure reflects the capital used in operations and assets generating earnings. Funds indicates the capital intensity of the business and is used in return on capital measures. While NZ IFRS does not define "funds" as a single figure, its components are derived from the audited balance sheet including investment in working capital, fixed assets, indefinite life intangible assets and net RoU asset/liability positions. "Invested Capital" is based on the same components as "Funds", with the exception that it excludes RoU lease liability positions.

Notes to the Consolidated Financial Statements 2026 (Continued)

Industry segments: Income statement

2026 NZ$M	Gross revenue	External revenue*	Gross margin	Overheads(1)	Operating margin	Other income/ (expenses)†(2)	Equity-accounted earnings	Revaluation gains/(losses)(3)	EBIT before Significant Items	Significant Items†	EBIT	Depreciation, depletion and amortisation expense	EBITDA	EBITDA before Significant Items
Light Building Products	2,305	2,118	868	(631)	237	(3)	12		246	(36)	210	127	337	373
Heavy Building Materials	2,033	1,719	521	(416)	105		3		108		108	119	227	227
Distribution	1,577	1,557	393	(382)	11	1			12		12	61	73	73
Materials and distribution	**5,915**	**5,394**	**1,782**	**(1,429)**	**353**	**(2)**	**15**		**366**	**(36)**	**330**	**307**	**637**	**673**
Residential and Development	599	599	152	(54)	98	(4)			94	1	95	1	96	95
Corporate	8	1	8	(53)	(45)	(1)			(46)	(6)	(52)	8	(44)	(38)
Continuing operations eliminations	(528)		(8)	8										
Continuing operations	**5,994**	**5,994**	**1,934**	**(1,528)**	**406**	**(7)**	**15**		**414**	**(41)**	**373**	**316**	**689**	**730**
Discontinued operations	1,109	1,074	133	(106)	27	2		(12)	17	1	18	24	42	41
Discontinued operations eliminations	(61)	(26)												
Group	**7,042**	**7,042**	**2,067**	**(1,634)**	**433**	**(5)**	**15**	**(12)**	**431**	**(40)**	**391**	**340**	**731**	**771**

2025 NZ$M	Gross revenue	External revenue*	Gross margin	Overheads(1)	Operating margin	Other income/ (expenses)†(2)	Equity-accounted earnings	Revaluation gains/(losses)(3)	EBIT before Significant Items	Significant Items†	EBIT	Depreciation, depletion and amortisation expense	EBITDA	EBITDA before Significant Items
Light Building Products	2,089	1,895	784	(589)	195	(1)	7		201	(324)	(123)	119	(4)	320
Heavy Building Materials	1,950	1,646	495	(389)	106	(9)	3		100	(83)	17	110	127	210
Distribution	1,528	1,504	381	(361)	20	(1)			19	(32)	(13)	60	47	79
Materials and distribution	**5,567**	**5,045**	**1,660**	**(1,339)**	**321**	**(11)**	**10**		**320**	**(439)**	**(119)**	**289**	**170**	**609**
Residential and Development	557	541	122	(67)	55	1			56	(10)	46	4	50	60
Corporate	10	1	10	(64)	(54)	3			(51)	(116)	(167)	15	(152)	(36)
Continuing operations eliminations	(547)		(5)	9	4				4		4		4	4
Continuing operations	**5,587**	**5,587**	**1,787**	**(1,461)**	**326**	**(7)**	**10**		**329**	**(565)**	**(236)**	**308**	**72**	**637**
Discontinued operations	1,813	1,704	220	(173)	47	1		6	54	(127)	(73)	52	(21)	106
Discontinued operations eliminations	(183)	(74)												
Group	**7,217**	**7,217**	**2,007**	**(1,634)**	**373**	**(6)**	**10**	**6**	**383**	**(692)**	**(309)**	**360**	**51**	**743**

* Comparatives have been reclassified to reflect intra-group sales between continuing operations and Construction Division (discontinued operation), resulting in a gross-up of external revenue and cost of goods sold in continuing operations and corresponding eliminations within discontinued operations, with no impacts on total Group results.

† Comparatives have been represented, refer to **note 2.1**.

(1) Overheads reflect warehouse, distribution, selling, general and administrative expenses.

(2) Other income/(expenses) include restructuring and redundancy costs; costs associated with Golden Bay Cement®'s MVAC ship breakdown in FY25; gains/losses from the disposal of assets; and proceeds from the disposal of NZ ETS units.

(3) Revaluation gains include gains recognised from the remeasurement of Vivid Living®'s investment properties at each reporting date.

Notes to the Consolidated Financial Statements 2026 (Continued)

Significant Items

During the financial year, the Group recognised a number of Significant Items arising from one-off restructuring activities, legacy legal matters, asset recoverability assessments and the decision to divest the Construction division and exit remaining construction activities. These items are non-recurring in nature and do not reflect the Group's continuing underlying operating performance.

Significant Items from continuing operations include:

Light Building Products

Winstone Wallboards® property rationalisation and prior year NZCDS disposal adjustments ($2 million)

During the period, the Group updated its estimate of the remaining costs associated with the previously announced exit from two Auckland distribution centres, resulting in a further $3 million provision. This was partially offset by the reversal of a $1 million provision recognised against a receivable arising from the disposal of New Zealand Ceiling and Drywall (NZCDS). Both amounts have been classified as Significant Items due to their association with previously announced disposal and rationalisation activities.

Laminex® New Zealand Taupō start up and transition costs ($6 million)

The Group commenced the transition to its new Taupō manufacturing plant in FY26, incurring $6 million of start-up and reorganisation costs associated with establishing operations and commissioning production at the new facility. These costs have been classified as Significant Items as they relate to a new major operational investment and are not reflective of the ongoing performance of the business once the site is fully operational.

Iplex® Australia Western Australia pipes legal costs ($10 million)

Iplex® Pipelines Australia (Iplex® Australia) incurred an additional $10 million in legal costs in managing claims and disputes related to the Typlex Pro-Fit matter. These costs have been classified as Significant Items, consistent with the treatment of costs in the prior period.

Laminex® Australia site closures and reorganisation ($11 million)

During the period, the Group completed and announced a programme of site closures and organisational changes across Laminex® Australia as part of an ongoing review of its operating footprint and cost optimisation. The Group recognised costs comprising $9 million of expected redundancy expenses and $2 million of inventory write-downs.

Laminex® Australia silicosis-related claims ($7 million)

During the period, the Group updated its estimate of the provision for silicosis-related claims, resulting in an additional charge of $6 million. Laminex® Australia also incurred a further $1 million of associated legal and other claim-related costs. Further details are provided in **note 10**.

Residential and Development

Release of previously recognised restructuring costs and provisions ($1 million)

During the year, the Residential and Development division recognised a partial recovery of previously provisioned restructuring costs, primarily as a result of subleasing properties vacated following the Auckland branch consolidation. These amounts were classified as Significant Items, consistent with the treatment of the original restructuring costs.

Corporate

SAP licence and corporate divestment related costs ($6 million)

The Group recognised a further $2 million of costs relating to surplus SAP licence commitments associated with the previously announced decision not to proceed with the Digital@Fletcher ERP programme. An additional $1 million of professional advisory and other costs was incurred in connection with divestment activities. The Group also recognised $3 million of corporate asset impairments identified as part of the Construction divestment. These amounts have been classified as Significant Items as they relate to previously announced strategic and divestment activities outside the Group's ongoing operations.

Significant Items from discontinued operations include:

Gain on divestment of the Construction division ($120 million)

During the year, the Group completed the sale of its Construction division for an adjusted purchase price of $316 million. After accounting for the net assets and associated liabilities disposed of, transaction costs, retained liabilities, and completion and separation activities, the Group recognised a net gain on disposal of $120 million, which has been classified as a Significant Item. Refer to **note 2.4**.

Retained legacy construction provisions and related costs ($73 million)

The Group recognised an additional $60 million of provisions relating primarily to legacy vertical projects retained by Fletcher Building following the divestment of the remainder of the Construction division. The provisions cover projected costs associated with known and announced issues, together with potential claims that may arise as construction defects are resolved and the projects are closed out. Refer to **note 10**. A further $13 million of legal and related overhead costs was incurred in managing and responding to claims and disputes associated with these projects, which have been disclosed as Significant Items, consistent with the treatment in prior years.

Notes to the Consolidated Financial Statements 2026 (Continued)

Significant Items from discontinued operations include (continued):

NX2 divestment ($3 million)

The Group completed the sale of its 13.4% interest in the NX2 Pūhoi to Warkworth Public Private Partnership during the period, resulting in a $3 million loss on divestment, which has been classified as a Significant Item.

Papua New Guinea closure ($6 million)

The Group recognised $6 million of net loss in relation to wind-down activities (including sale of all property, plant and equipment) and additional costs to complete a final project as it exits from its Papua New Guinea construction operations.

Higgins® Fiji JV divestment ($9 million)

Following the sale of the Group's 50% interest in the Construction Fiji operations, the Group recognised a loss of $9 million, which has been classified as a Significant Item.

Write-downs and provisions relating to the planned sale of Fletcher Reinforcing and Wire (REO) and CSP Pacific® ($22 million)

The Group classified these businesses as held for sale and recognised a $22 million loss based on the expected disposal proceeds relative to the carrying value of the assets and liabilities to be transferred. The loss has been classified as a Significant Item arising from the agreed sale of these businesses.

Write-downs and provisions relating to the planned sale of Vivid Living® ($7 million)

The Group classified the Vivid Living® operations as held for sale and recognised a $7 million loss based on the expected disposal proceeds relative to the carrying value of the assets to be transferred. The loss has been classified as a Significant Item arising from the planned sale of the business.

Notes to the Consolidated Financial Statements 2026 (Continued)

Industry segments: Cash flow

2026 NZ$M	Cash flow from operating activities	Adjust to exclude: tax payments/ (refunds)	Adjust to include: lease payments	Trading cash	Exclude: Significant Items and legacy cash flows	Trading cash excluding Significant Items	Capital expenditure	Proceeds from divestments	Investments in Subs, associates and JVs	Dividends received	Interest received	Adjust to include: tax receipts	Free cash excluding Significant Items
Light Building Products	314		(75)	239	45	284	(210)	10		7			91
Heavy Building Materials	220		(80)	140		140	(76)		(3)	3			64
Distribution	55	1	(66)	(10)	4	(6)	(19)				1		(24)
Materials and distribution	**589**	**1**	**(221)**	**369**	**49**	**418**	**(305)**	**10**	**(3)**	**10**	**1**		**131**
Residential and Development	88		(1)	87	3	90							90
Corporate	(26)	(7)	(9)	(42)	4	(38)	(3)	296			2	2	259
Continuing operations	**651**	**(6)**	**(231)**	**414**	**56**	**470**	**(308)**	**306**	**(3)**	**10**	**3**	**2**	**480**
Discontinued operations	64	4	(33)	35	2	37	(9)	10		1			39
Group	**715**	**(2)**	**(264)**	**449**	**58**	**507**	**(317)**	**316**	**(3)**	**11**	**3**	**2**	**519**

2025 NZ$M	Cash flow from operating activities	Adjust to exclude: tax payments/ (refunds)	Adjust to include: lease payments	Trading cash	Exclude: Significant Items and legacy cash flows	Trading cash excluding Significant Items	Capital expenditure	Proceeds from divestments	Investments in Subs, associates and JVs	Dividends received	Interest received	Adjust to include: tax payments	Free cash excluding Significant Items
Light Building Products	263	(2)	(68)	193	32	225	(158)	3	(1)	9			78
Heavy Building Materials	201		(72)	129		129	(91)	52		3			93
Distribution	72	1	(63)	10		10	(23)						(13)
Materials and distribution	**536**	**(1)**	**(203)**	**332**	**32**	**364**	**(272)**	**55**	**(1)**	**12**			**158**
Residential and Development	27		(3)	24	(1)	23							23
Corporate	(54)		(9)	(63)	2	(61)	(6)	159			6		98
Continuing operations	**509**	**(1)**	**(215)**	**293**	**33**	**326**	**(278)**	**214**	**(1)**	**12**	**6**		**279**
Discontinued operations	(8)	1	(46)	(53)	121	68	(30)	16	(4)	4			54
Group	**501**		**(261)**	**240**	**154**	**394**	**(308)**	**230**	**(5)**	**16**	**6**		**333**

Notes to the Consolidated Financial Statements 2026 (Continued)

Industry segments: Balance sheet

2026 NZ$M	**Net working capital**	Property, plant and equipment and investment property	Indefinite life intangible assets	Other intangible assets	Investments & retirement plan assets	Right-of-use lease asset*	Deferred tax liability – brands	Derivatives for foreign currency hedging	Current tax balances	**Invested Capital**	Right-of-use lease liability*	Deferred tax balances (excl. deferred tax on brands)	Net debt	**Funds / Group Equity**
Light Building Products	191	1,370	478	2	192	337	(50)			2,520	(413)			2,107
Heavy Building Materials	252	821	118	9	24	298	(14)			1,508	(398)			1,110
Distribution	180	78	57	8		323				646	(367)			279
Materials and distribution	**623**	**2,269**	**653**	**19**	**216**	**958**	**(64)**			**4,674**	**(1,178)**			**3,496**
Residential and Development	824	4				1				829	(1)			828
Corporate and other	(95)	9		4	148	25		(5)	20	106	(53)	289	(644)	(302)
Continuing operations	**1,352**	**2,282**	**653**	**23**	**364**	**984**	**(64)**	**(5)**	**20**	**5,609**	**(1,232)**	**289**	**(644)**	**4,022**
Discontinued operations	(144)	78		1		2			(1)	(64)	(8)		7	(65)
Group	**1,208**	**2,360**	**653**	**24**	**364**	**986**	**(64)**	**(5)**	**19**	**5,545**	**(1,240)**	**289**	**(637)**	**3,957**

2025 NZ$M	**Net working capital**	Property, plant and equipment and investment property	Indefinite life intangible assets	Other intangible assets	Investments & retirement plan assets	Right-of-use lease asset*	Deferred tax liability – brands	Derivatives for foreign currency hedging	Current tax balances	**Invested Capital**	Right-of-use lease liability*	Deferred tax balances (excl. deferred tax on brands)	Net debt	**Funds / Group Equity**
Light Building Products	169	1,193	440	4	175	369	(44)			2,306	(432)			1,874
Heavy Building Materials	249	800	112	6	20	372	(14)			1,545	(466)			1,079
Distribution	167	68	57	8		328				628	(373)			255
Materials and distribution	**585**	**2,061**	**609**	**18**	**195**	**1,069**	**(58)**			**4,479**	**(1,271)**			**3,208**
Residential and Development	767	2				10				779	(11)			768
Corporate and other	(95)	15		9	150	43		(8)	29	143	(76)	272	(999)	(660)
Continuing operations	**1,257**	**2,078**	**609**	**27**	**345**	**1,122**	**(58)**	**(8)**	**29**	**5,401**	**(1,358)**	**272**	**(999)**	**3,316**
Discontinued operations	(50)	271	47	20	23	124	(5)			430	(139)			291
Group	**1,207**	**2,349**	**656**	**47**	**368**	**1,246**	**(63)**	**(8)**	**29**	**5,831**	**(1,497)**	**272**	**(999)**	**3,607**

* Following the Group's strategic reset, management reassessed lease extension options under NZ IFRS 16 on a lease-by-lease basis and removed extension periods no longer considered reasonably certain to be exercised. This resulted in lower right-of-use assets and lease liabilities in the current reporting period compared with the comparative periods.

Notes to the Consolidated Financial Statements 2026 (Continued)

Geographic segments

NZ$M	2026 External revenue	2026 EBIT before Significant Items	2026 Funds*	2026 Non-current assets†	2025 External revenue	2025 EBIT before Significant Items‡	2025 Funds*	2025 Non-current assets†
New Zealand	4,945	279	3,339	3,506	5,175	285	3,502	3,955
Australia	2,046	148	947	1,212	1,997	97	836	1,143
Other*	51	4	(329)	1	45	1	(731)	2
Group	**7,042**	**431**	**3,957**	**4,719**	**7,217**	**383**	**3,607**	**5,100**

* Funds "other" includes net debt and taxation.

† Non-current assets exclude deferred tax assets, retirement plan surplus and financial instruments.

‡ Comparatives have been represented, refer to **note 2.1**.

Net earnings per share before Significant Items

Earnings per share is disclosed in full in **note 4**. The below disclosure has been included to provide additional useful information by removing the impact of Significant Items in the current year and prior year, and the resulting impact on the earnings per share measure. The effect of Significant Items on earnings from continuing operations per share is as follows:

NZ$M	2026	2025‡
Net earnings/(losses) after taxation from continuing operations (as per Consolidated Income Statement)	199	(330)
Add back: Significant Items before taxation (**note 2.2**)	41	565
Less: tax benefit on Significant Items (**note 24**)	(13)	(103)
Net earnings from continuing operations before Significant Items	**227**	**132**
Net earnings per share from continuing operations before Significant Items (cents)	**21.1**	13.0
Net earnings/(losses) per share (cents) from continuing operations - as reported per Consolidated Income Statement	**18.5**	**(32.6)**

‡ Comparatives have been represented, refer to **note 2.1**.

Notes to the Consolidated Financial Statements 2026 (Continued)

2.3 INTANGIBLE ASSET IMPAIRMENT TESTING

Goodwill and intangible assets with indefinite useful lives

The Group tests indefinite life intangible assets, including goodwill and brands, for impairment on an annual basis. Each cash generating unit (CGU) to which goodwill is allocated is valued using a discounted cash flow model. This is representative of the higher of fair value less costs to dispose and value-in-use.

Management has used its past experience of revenue growth, operating costs and margin, and external sources of information where appropriate, to determine cash flow projections for the future. These cash flow projections are principally based on the business units' forecast five-year plan, which are risk adjusted where appropriate, except where management considers a longer explicit forecast period appropriate having regard to the nature and circumstances of the relevant CGU. Cash flows beyond five years have been extrapolated using estimated terminal growth rates, which do not exceed the long-term average growth rate for the industries and countries in which the business units operate. Cash flows are discounted using a nominal rate specific to each business and jurisdiction.

The Group performs its annual impairment assessment and considers indicators of impairment at each reporting date. This assessment includes consideration of the relationship between the Group's market capitalisation and its book value, together with the current and forecast performance of individual businesses and developments in the markets in which they operate.

During the year, trading conditions across a number of the Group's core end-markets remained subdued. Residential construction activity in New Zealand and Australia continued to be affected by affordability constraints, lower consent volumes and delayed development activity. Non-residential and infrastructure markets remained active in selected segments, although longer decision cycles, competitive pressure and project timing continued to affect near-term demand, margins and earnings visibility. While external forecasts indicate a gradual improvement in residential activity over the medium term, the timing and extent of the recovery remain uncertain, with geopolitical developments continuing to create risks for market confidence, supply chains and input costs.

The Group's forecasts assume a gradual recovery in its core markets over the medium term, supported by business-specific initiatives relating to pricing, operational efficiency, service levels, market share and growth opportunities. While the external economic outlook has improved modestly, the timing and extent of the recovery remain uncertain.

Recoverable amounts were principally determined using value-in-use calculations based on Board-approved budgets and longer-term forecasts, together with updated trading performance, market outlook assumptions and valuation inputs. For Laminex® New Zealand, which has undertaken significant capital investment in its new Taupō manufacturing facility resulting in a material increase in the carrying amount of the CGU, a ten-year explicit forecast period was used. Management considers the longer forecast period appropriate given the scale and long-term nature of the investment and the time required to achieve expected utilisation levels and associated manufacturing and product-mix benefits. Discount rates and terminal growth assumptions are updated to reflect prevailing market conditions and the risks associated with the forecast cash flows.

The assessment included a detailed review of businesses that were impaired or identified as having an increased impairment risk in the prior year. In particular, Iplex® New Zealand, Humes®, Stramit®, Waipapa Pine and PlaceMakers® were assessed using updated forecasts and business plans. These plans include initiatives intended to improve profitability, operational performance and market share as market conditions recover.

Based on the Group's impairment assessment, the recoverable amounts of the Group's CGUs exceeded their respective carrying amounts and no impairment losses were recognised for the year ended 30 June 2026. The valuations of certain CGUs remain sensitive to reasonably possible changes in key assumptions, including the timing and extent of market recovery, achievement of forecast margins and market share, delivery of operational and growth initiatives, and changes in discount rates. Further information on the assumptions and sensitivities relating to these CGUs is provided below.

General New Zealand CGU assumptions

The goodwill and brand balances for fourteen New Zealand CGUs represent 43% of the Group (2025: 49%). Discount rates between 10.0% and 11.4% (2025: between 10.5% and 12.1%) have been used for New Zealand business units, reflecting the risk profile and the regions in which they operate. An average annual growth rate of 0.15% (2025: (0.32)%) has been used over the five-year forecast period for New Zealand business units, except for Laminex® New Zealand, based on past performance and management's expectations of market development. The terminal growth rate employed for New Zealand businesses was 2.3% (2025: 2.0%).

General Australian CGU assumptions

The goodwill and brand balances for two Australia CGUs represent 57% of the Group (2025: 51%). Discount rates of 10.2% and 11.1% (2025: 9.8%) have been used for Australian business units, reflecting the risk profile and the regions in which they operate. An average annual growth rate of 0.79% (2025: 1.88%) has been used over the five-year forecast period for Australian business units, based on past performance and management's expectations of market development. The terminal growth rate employed for Australia businesses was 2.5% (2025: 2.5%).

Notes to the Consolidated Financial Statements 2026 (Continued)

Watchlist CGUs and sensitivity disclosures

The following table sets out the goodwill and brands balance for those CGUs, where a reasonably possible change in key assumptions could result in impairment:

2026	Iplex® New Zealand NZ$M	Waipapa Pine New Zealand NZ$M	Humes® New Zealand NZ$M	Stramit® Australia NZ$M	PlaceMakers® New Zealand NZ$M
Goodwill	37	52	19	15	56
Brands	7			46	

Iplex® New Zealand

Key Assumptions	Value attributed
Revenue growth (5-year Cumulative Average Growth Rate (CAGR))	4.80%
EBIT margin (5-year average)	10.90%
Discount rate	10.30%

Iplex® New Zealand continued to operate in challenging market conditions during the year, although its performance improved compared with the prior period. The business achieved year-on-year volume growth and recovered market share in selected segments, supported by improved commercial execution and customer engagement. However, subdued construction activity, excess industry capacity and increased competitive intensity continued to place pressure on selling prices, earnings and margin recovery. Elevated warehouse and distribution costs also constrained performance.

Management has continued to implement the business's turnaround plan, with initiatives focused on improving operational efficiency, optimising production and distribution, strengthening service levels and pursuing targeted growth opportunities across selected product categories and commercial markets. The updated impairment assessment assumes that these initiatives, together with a gradual recovery in market activity, will support further improvements in profitability over the medium term. The principal risk to the valuation relates to external market conditions, particularly the imbalance between industry capacity and demand, increased commoditisation and the resulting pressure on pricing and margins.

The recoverable amount of the Iplex® New Zealand CGU was assessed using a value-in-use discounted cash flow method. The valuation was based on a five-year business plan reviewed by the Board and formulated with consideration of the business's historical performance, current trading conditions and expected market recovery. A terminal growth rate of 2.3% (2025: 2.0%) and a post-tax discount rate of 10.3% (2025: 10.75%) were applied. The recoverable amount exceeded the carrying amount of the CGU and, accordingly, no impairment was recognised. The assessment reflects improved operating performance compared with the prior year, while remaining dependent on forecast margin improvement and a gradual rebalancing of industry capacity and demand sufficient to support pricing and profitability.

Iplex® New Zealand remains on the Group's impairment watchlist as at 30 June 2026 due to the continued sensitivity of its valuation to changes in operating and valuation assumptions.

Impact of possible changes in key assumptions (Iplex® New Zealand)

The recoverable amount of the Iplex® New Zealand CGU would equal its carrying amount if the five-year average EBIT margin decreased by 170 basis points to 9.2%, the post-tax discount rate increased by 150 basis points to 11.8%, or the five-year revenue compound annual growth rate decreased by 80 basis points to 4.00%. Each sensitivity has been assessed independently.

Notes to the Consolidated Financial Statements 2026 (Continued)

Waipapa Pine

Key Assumptions	Value attributed
Revenue growth (5-year Cumulative Average Growth Rate (CAGR))	16.20%
EBIT margin (5-year average)	16.50%
Discount rate	11.40%

Waipapa Pine continued to perform below the expectations established at the time of its acquisition, with earnings affected by timber price pressure and subdued residential construction activity. These impacts were partly mitigated by higher production volumes, market share gains, recent market price increases and continued improvements in operational performance.

Management's strategy includes progressing the planned transition to a double-shift operating model, which is expected to increase production capacity and improve operating leverage. The updated impairment assessment assumes that the double-shift investment proceeds, consistent with the strategic rationale for the acquisition and the Group's commitments under the Overseas Investment Office approval. The valuation also assumes a gradual recovery in market demand and timber pricing over the medium term.

The recoverable value of the Waipapa Pine CGU was assessed using a value-in-use discounted cash flow method. The valuation was based on a five-year business plan reviewed by the Board and formulated with consideration of the business's performance since acquisition, current trading conditions and external market forecasts. A terminal growth rate of 2.3% (2025: 2.0%) and a post-tax discount rate of 11.4% (2025: 10.80%) were applied. The recoverable value exceeded the carrying value of the CGU and, accordingly, no impairment was recognised. The assessment remains dependent on delivery of the planned double-shift investment, recovery in timber pricing and achievement of the forecast production, sales and margin improvements.

Waipapa Pine remains on the Group's impairment watchlist as at 30 June 2026 due to the continued sensitivity of its valuation to changes in operating assumptions and the execution of its growth and capital programme.

Impact of possible changes in key assumptions (Waipapa Pine)

The recoverable amount of the Waipapa Pine CGU would equal its carrying amount if the five-year average EBIT margin decreased by 130 basis points to 15.2%, the post-tax discount rate increased by 70 basis points to 12.1%, or the five-year revenue compound annual growth rate decreased by 70 basis points to 15.5%. Each sensitivity has been assessed independently.

Humes®

Key Assumptions	Value attributed
Revenue growth (5-year Cumulative Average Growth Rate (CAGR))	7.30%
EBIT margin (5-year average)	6.50%
Discount rate	10.00%

Humes® continued to operate in challenging market conditions during the year, with earnings affected by subdued construction activity, delays in major projects and subdivision development, and lower demand across higher-margin concrete and precast segments. The business remained in a recovery and rebuild phase, with pricing and operational improvements partly offsetting the impact of weaker volumes and continued competitive pressure.

Management has continued to progress its turnaround strategy, supported by initiatives focused on branch expansion, pricing transformation, manufacturing and network optimisation, and targeted growth in precast, rural and stormwater markets. The updated impairment assessment assumes these initiatives, together with a gradual recovery in market activity, are expected to support improvements in market share, margins and profitability over the medium term. Execution risk remains, particularly in relation to the timing of the market recovery and delivery of the forecast operational and commercial improvements.

The recoverable value of the Humes® CGU was assessed using a value-in-use discounted cash flow method. The valuation was based on a five-year business plan reviewed by the Board and formulated with consideration of the business's historical performance, current trading conditions and external market forecasts. A terminal growth rate of 2.3% (2025: 2.0%) and a post-tax discount rate of 10.0% (2025: 10.60%) were applied. The recoverable value exceeded the carrying value of the CGU and, accordingly, no impairment was recognised. The assessment remains dependent on recovery in market activity, achievement of forecast market share and margins, and successful execution of the business's strategic initiatives.

Humes® remains on the Group's impairment watchlist as at 30 June 2026 due to the continued sensitivity of its valuation to changes in operating and valuation assumptions.

Impact of possible changes in key assumptions (Humes®)

The recoverable amount of the Humes® CGU would equal its carrying amount if the five-year average EBIT margin decreased by 220 basis points to 4.3%, the post-tax discount rate increased by 380 basis points to 13.8%, or the five-year revenue compound annual growth rate decreased by 120 basis points to 6.1%. Each sensitivity has been assessed independently.

Notes to the Consolidated Financial Statements 2026 (Continued)

Stramit®

Key Assumptions	Value attributed
Revenue growth (5-year Cumulative Average Growth Rate (CAGR))	7.80%
EBIT margin (5-year average)	3.40%
Discount rate	11.10%

Whilst Stramit® earnings remained below longer-term expectations in FY26, the business made significant progress in stabilising operations, improving customer service and delivering above budget results in the year. Management continues to focus on restoring performance in the core roll-forming business while progressing targeted growth opportunities.

The business's transformation programme includes initiatives focused on service improvement, productivity and operational performance, together with growth in market share. The updated impairment assessment assumes a gradual recovery in market share and profitability in the medium term, through recovery across core roll-forming business and continued growth in higher margin doors and shed segments. While progress has been made, execution risk remains, particularly in relation to sustaining market share gains and delivering the forecast benefits from these initiatives.

The recoverable amount of the Stramit® CGU was assessed using a value-in-use discounted cash flow method. The valuation was based on a five-year business plan reviewed by the Board and formulated with consideration of the business's historical performance, current trading conditions and expected market recovery. A terminal growth rate of 2.5% (2025: 2.5%) and a post-tax discount rate of 11.1% (2025: 9.8%) were applied. The recoverable amount exceeded the carrying amount of the CGU and, accordingly, no impairment was recognised. The assessment remains dependent on recovery in the core business, achievement of forecast market share and margins, and successful execution of the business's operational and growth initiatives.

Stramit® remains on the Group's impairment watchlist as at 30 June 2026 due to the continued sensitivity of its valuation to changes in operating assumptions and delivery of growth initiatives.

Impact of possible changes in key assumptions (Stramit®)

The recoverable amount of the Stramit® CGU would equal its carrying amount if the five-year average EBIT margin decreased by 80 basis points to 2.6%, the post-tax discount rate increased by 410 basis points to 15.2%, or the five-year revenue compound annual growth rate decreased by 30 basis points to 7.50%. Each sensitivity has been assessed independently.

Placemakers®

Key Assumptions	Value attributed
Revenue growth (5-year Cumulative Average Growth Rate (CAGR))	3.90%
EBIT margin (5-year average)	2.30%
Discount rate	10.70%

PlaceMakers® was added to the Group's impairment watchlist during FY26 due to market trading conditions and lower valuation headroom. Trading conditions remained mixed, with lower residential construction activity earlier in the year, regional variability and competitive pressure affecting volumes and margins, particularly in the Auckland market.

Management has continued to progress key initiatives focused on improving efficiency, range and product availability. The updated impairment assessment assumes that these initiatives, together with a conservative and gradual recovery in residential construction activity, will support improvements in revenue, margins and profitability over the medium term. Risk remains, particularly in relation to the pace of market recovery, and consequential timing of benefits from initiatives.

The recoverable value of the PlaceMakers® CGU was assessed using a value-in-use discounted cash flow method. The valuation was based on a five-year business plan reviewed by the Board and formulated with consideration of the business's historical performance, current trading conditions and external market forecasts. A terminal growth rate of 2.3% (2025: 2.0%) and a post-tax discount rate of 10.7% (2025: 10.5%) were applied. The recoverable value exceeded the carrying value of the CGU and, accordingly, no impairment was recognised. The assessment remains dependent on recovery in residential construction activity, achievement of forecast margin improvements and successful execution of the business's pricing, product and customer initiatives.

Impact of possible changes in key assumptions (Placemakers®)

The recoverable amount of the PlaceMakers® CGU would equal its carrying amount if the five-year average EBIT margin decreased by 40 basis points to 1.9%, the post-tax discount rate increased by 150 basis points to 12.2%, or the five-year revenue compound annual growth rate decreased by 10 basis points to 3.80%. Each sensitivity has been assessed independently.

Notes to the Consolidated Financial Statements 2026 (Continued)

2.4 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable within 12 months from the classification date, and the asset or disposal group is available for immediate sale in its present condition.

Property, plant and equipment, intangible assets and right-of-use assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the Consolidated Balance Sheet.

Discontinued operations are reported when a component of the Group has been disposed of or is classified as held for sale, and represents a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately in the Consolidated Income Statement as a single amount comprising the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the disposal or remeasurement to fair value less costs to sell. Comparative information in the Consolidated Income Statement is represented to reflect the classification of operations as discontinued from the start of the earliest period presented. This separate presentation enables users to distinguish the financial performance of operations that have been exited, or are being exited, from the Group's continuing operations and provides a clearer basis for assessing the ongoing performance of the Group.

Construction divestment

On 29 May 2026, the Group completed the sale of its Construction division to VINCI Construction, the construction arm of the VINCI Group. The transaction comprised the sale of Fletcher Construction Holdings and its three New Zealand business units: Higgins®, Brian Perry Civil® and Fletcher Construction Major Projects. The sale consideration was approximately $334 million, and remains subject to customary working capital and net debt adjustments.

The results of the Construction division have been presented as a discontinued operation in the consolidated financial statements, with comparatives represented. The results of the discontinued operation include the trading results of the businesses disposed of up to the completion date, together with the gain or loss recognised on disposal.

Following completion, the assets and liabilities of the disposed Construction businesses have been derecognised from the Group's Consolidated Balance Sheet. Fletcher Construction's South Pacific operations in Vanuatu and Kiribati were excluded from the transaction and are expected to be divested separately. Residual responsibilities associated with completed legacy vertical construction projects, including the New Zealand International Convention Centre, were also excluded from the transaction and are retained by the Group, together with certain historic civil construction projects that are beyond their defect liability periods.

Fletcher Reinforcing and Wire (REO) and CSP Pacific® divestment

During the year, the Group entered into an agreement with United Industries Limited to sell Fletcher Reinforcing and Wire for $15.7 million, and separately progressed the disposal of CSP Pacific®. These disposals form part of the Group's broader restructuring and portfolio rationalisation programme.

Subsequent to year-end, the remaining completion conditions relating to the divestment of Fletcher Reinforcing and Wire, including the required approval from the New Zealand Commerce Commission and certain third-party consents, were satisfied. Completion of the transaction is expected by the end of August 2026. The purchase price remains subject to customary adjustments for working capital and net debt.

The assets and liabilities of Fletcher Reinforcing and Wire met the criteria for classification as held for sale on 28 April 2026, when the sale became highly probable and was announced to the market. Fletcher Reinforcing and Wire has also been presented within discontinued operations.

Judgement was required in determining whether the business qualified for presentation as a discontinued operation under NZ IFRS 5. In making this assessment, the Group considered the business's separately identifiable operations and cash flows, asset base, historical and forecast losses, the impairment recognised on classification as held for sale, and the strategic significance of the disposal as part of the Group's announced portfolio reset. The Group also considered whether separate presentation would provide users with more useful information about the financial performance of the Group's continuing operations.

On balance, these factors supported the conclusion that Fletcher Reinforcing and Wire should be presented as a discontinued operation.

Vivid Living®

The Group is actively progressing the divestment of its Vivid Living® retirement village operations at Karaka and Red Beach. At 30 June 2026, the associated disposal group, comprising investment property, other operating assets and liabilities arising under occupational right agreements, was classified as held for sale.

Investment property within the disposal group continues to be measured at fair value in accordance with NZ IAS 40. In determining fair value at 30 June 2026, the Group considered the indicative values identified through the preliminary sales process, together with other available market evidence. This resulted in a fair value decrease of approximately $12 million, which was recognised in profit or loss.

Notes to the Consolidated Financial Statements 2026 (Continued)

Financial performance and cash flow information for discontinued operations

Construction

The financial performance and cash flow information presented for the Construction division reflects the full years ended 30 June 2026 and 30 June 2025. For the year ended 30 June 2026, the results include the South Pacific operations and retained operations being wound down for the full year, while the results of the material component sold to VINCI are included only up to the date of disposal on 29 May 2026.

Steel businesses and Vivid Living®

The financial performance and cash flow information for Fletcher Reinforcing and Wire and CSP Pacific® (together as Steel businesses) and Vivid Living® presented are for the year ended 30 June 2026 and the year ended 30 June 2025.

Tradelink®

The financial performance and cash flow information for Tradelink® presented are for the year ended 30 June 2025 including the results from 1 July 2024 and up to the date of disposal of 30 September 2024.

2026	Construction NZ$M	Vivid Living® NZ$M	Steel businesses NZ$M	Total NZ$M
Revenue	966	2	80	1,048
Cost of goods sold	(842)	(2)	(71)	(915)
Gross margin	**124**		**9**	**133**
Selling, general and administrative expenses	(86)	(3)	(17)	(106)
Operating margin	**38**	**(3)**	**(8)**	**27**
Other income/(expenses)	2			2
Revaluation gains/(losses)		(12)		(12)
Significant Items	30	(7)	(22)	1
Earnings/(losses) before interest and taxation (EBIT)	**70**	**(22)**	**(30)**	**18**
Lease interest expense	(7)		(1)	(8)
Funding costs	(5)	(4)		(9)
Income tax benefit	17	2	9	28
Net earnings/(losses) from discontinued operations net of tax	**75**	**(24)**	**(22)**	**29**
Other comprehensive income - reclassification of foreign currency translation reserve on disposal				
Total comprehensive income/(loss) from discontinued operations	**75**	**(24)**	**(22)**	**29**
Net earnings/(losses) per share from discontinued operations (cents)				
Basic	7.0	(2.2)	(2.1)	2.7
Diluted	6.7	(2.1)	(2.0)	2.6
Net cash inflow/(outflow) from operating activities	55	12	(3)	64
Net cash inflow/(outflow) from investing activities	7	(5)		2
Net cash inflow/(outflow) from financing activities*	(33)	(4)	(5)	(42)
Net increase/(decrease) in cash generated by the discontinued operations	**29**	**3**	**(8)**	**24**

* Excludes the benefit of intercompany funding.

Notes to the Consolidated Financial Statements 2026 (Continued)

2025	Construction NZ$M	Vivid Living® NZ$M	Steel businesses NZ$M	Tradelink® NZ$M	Total NZ$M
Revenue	1,358	1	69	202	1,630
Cost of goods sold	(1,206)	(1)	(58)	(145)	(1,410)
Gross margin	**152**		**11**	**57**	**220**
Selling, general and administrative expenses	(102)	(3)	(17)	(51)	(173)
Operating margin	**50**	**(3)**	**(6)**	**6**	**47**
Other income/(expenses)	1				1
Revaluation gain/(losses)		6			6
Significant Items	(58)		(11)	(58)	(127)
Earnings/(losses) before interest and taxation (EBIT)	**(7)**	**3**	**(17)**	**(52)**	**(73)**
Lease interest expense	(7)		(1)	(2)	(10)
Funding costs	(7)	(5)			(12)
Income tax (expense)/benefit	(4)	3	5	2	6
Net earnings/(losses) from discontinued operations net of tax	**(25)**	**1**	**(13)**	**(52)**	**(89)**
Other comprehensive income - reclassification of foreign currency translation reserve				53	53
Total comprehensive income/(loss) from discontinued operations	**(25)**	**1**	**(13)**	**1**	**(36)**
Net (losses)/earnings per share from discontinued operations (cents)					
Basic	(2.5)	0.1	(1.3)	(5.1)	(8.8)
Diluted	(2.5)	0.1	(1.3)	(5.1)	(8.8)
Net cash inflow/(outflow) from operating activities	(21)	19	1	(7)	(8)
Net cash inflow/(outflow) from investing activities	(1)	(11)		(2)	(14)
Net cash inflow/(outflow) from financing activities*	(37)	(5)	(4)	(12)	(58)
Net increase/(decrease) in cash generated by the discontinued operations	**(59)**	**3**	**(3)**	**(21)**	**(80)**

* Excludes the benefit of intercompany funding.

Notes to the Consolidated Financial Statements 2026 (Continued)

The carrying amounts of assets and liabilities as at the date of sale

	Construction 29 May 2026 NZ$M	Tradelink® 30 September 2024 NZ$M
Assets classified as held for sale		
Cash and cash equivalents	22	4
Property, plant and equipment	130	29
Intangible assets	47	12
Contract assets	68	
Tax assets		15
Right-of-use assets	74	105
Debtors	39	110
Inventories	17	160
Total assets of disposal group held for sale	**397**	**435**
Liabilities directly associated with assets classified as held for sale		
Creditors, accruals and other liabilities	105	126
Lease liabilities	78	132
Provisions	28	19
Contract liabilities	10	
Tax liabilities	5	
Total liabilities of disposal group held for sale	**226**	**277**
Net assets	**171**	**158**

Details of disposals of Tradelink® and Construction division

	Construction 29 May 2026 NZ$M	Tradelink® 30 September 2024 NZ$M
Consideration received or receivable	334	186
Purchase price adjustment paid or payable	(18)	(2)
Separation and transaction costs	(25)	(31)
Total disposal consideration	**291**	**153**
Carrying amount of net assets sold	(171)	(158)
Gain/(loss) on disposal before reclassification of foreign currency translation reserve	**120**	**(5)**
Reclassification of foreign currency translation reserve		(53)
Gain/(loss) on disposal	**120**	**(58)**

Construction - VINCI sale

The sale price is approximately $334 million, subject to customary adjustments for working capital and net debt. The transaction completed on 29 May 2026 and the assets and liabilities disposed of were derecognised from that date.

The final gain or loss on disposal remains subject to finalisation of completion adjustments, including working capital and net debt. Any adjustment to the final consideration, or to the carrying value of the net assets disposed, will be recognised in the period in which the final amount is determined.

The gain of $120 million on disposal has been presented as a Significant Item from discontinued operations. See **note 2.2**.

Tradelink®

In the prior year, the Group disposed of Tradelink® for consideration comprising a $175 million completion payment and an $11 million milestone payment linked to the delivery of transitional services. A loss of $58 million was recognised as a Significant Item within discontinued operations.

The final loss remains subject to resolution of the ongoing dispute with MML Holdings regarding the completion statements. Any resulting adjustment will be recognised in the period in which it is determined.

Notes to the Consolidated Financial Statements 2026 (Continued)

Assets and liabilities held for sale

The following assets and liabilities were classified as held for sale in relation to South Pacific, Steel businesses and Vivid Living® as at 30 June 2026:

2026	South Pacific NZ$M	Steel businesses NZ$M	Vivid Living® NZ$M	Total NZ$M
Cash and cash equivalents	7			7
Investment property			75	75
Property, plant and equipment	1	2		3
Intangible assets		1		1
Right-of-use assets		2		2
Debtors	6	7		13
Inventories		13		13
Total assets	**14**	**25**	**75**	**114**
Creditors, accruals and other liabilities	2	4	60	66
Lease liabilities		5		5
Tax liabilities	1			1
Contracts	8			8
Provisions	1	1		2
Total liabilities	**12**	**10**	**60**	82
Net assets	**2**	**15**	**15**	**32**

Financial Review

This section explains the results and performance of the Group, including earnings per share.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group revenue is derived from the following streams:

- Sale and delivery of building products and materials
- Development and sale of properties

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale and delivery of building products and materials

The materials and distribution businesses within the Group recognise revenue when control of the goods has passed to the customer, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and there is a high probability that a significant reversal in the revenue recognised will not occur. Revenue is measured net of returns, trade discounts and volume rebates. The timing of the transfer of control varies depending on the individual terms of the sales agreement. For most sales, this occurs when the product is delivered to the customer.

Development and sale of properties

Through the Residential and Development division the Group derives income from the sale of completed houses and apartments, and the sale of development sites surplus to Group requirements. Revenue is recognised when control passes to the customer for each type of transaction. Residential unit sales are commonly recognised at the time of settlement, when title passes to the customer and payment is received. Land development sales are recognised in line with the requirements of the specific sale and purchase agreement.

Performance obligations vary between the types of transactions. The sale of a completed house to a customer is a single performance obligation, as residential units are not constructed under contract for a customer. For development sales, the division reviews the terms of the sale to determine whether the performance obligations are distinct and separately identifiable.

Notes to the Consolidated Financial Statements 2026 (Continued)

	2026			2025		
NZ$M	Point in time	Over time	Total revenue	Point in time	Over time	Total revenue
Sale and delivery of building products and materials	5,394		5,394	5,047		5,047
Development and sale of properties	599		599	539		539
Lease contract revenue		1	1		1	1
Total from continuing operations	**5,993**	**1**	**5,994**	**5,586**	**1**	**5,587**

4. NET EARNINGS PER SHARE

Earnings per share is the portion of a company's profit allocated to each outstanding ordinary share and is calculated by dividing the earnings attributable to shareholders by the weighted average of ordinary shares on issue during the year including treasury stock. Capital notes and options are convertible into the Company's shares and may therefore result in dilutive securities for purposes of determining the diluted net earnings per share. The Group may, at its option, purchase or redeem the capital notes for cash at the principal amount plus any accrued but unpaid interest.

	2026	2025
Net earnings/(losses) per share (cents)		
Basic	21.2	(41.4)
Diluted	20.9	(41.4)
Net earnings/(losses) per share from continuing operations (cents)		
Basic	18.5	(32.6)
Diluted	18.3	(32.6)
	NZ$M	**NZ$M**
Numerator		
Net earnings/(losses)	228	(419)
Numerator for basic earnings/(losses) per share	228	(419)
Dilutive capital notes	7	
Numerator for diluted net earnings/(losses) per share	**235**	**(419)**
Numerator (continuing operations)		
Net earnings/(losses)	199	(330)
Numerator for basic earnings/(losses) per share	199	(330)
Dilutive capital notes	7	
Numerator for diluted net earnings/(losses) per share from continuing operations	**206**	**(330)**
Denominator (millions of shares)		
Weighted average number of shares outstanding	1,075	1,013
Conversion of dilutive capital notes	49	
Denominator for diluted net earnings/(losses) per share	**1,124**	**1,013**

Notes to the Consolidated Financial Statements 2026 (Continued)

5. CONSOLIDATED INCOME STATEMENT DISCLOSURES

The following items are specific disclosures, either required or provided for transparency, and are included within cost of goods sold, warehouse and distribution expenses, selling, general and administrative expenses, and other income/expenses from continuing operations (excluding Significant Items) in the Consolidated Income Statement:

	2026 NZ$M	2025 NZ$M
Employee related short-term costs (1)	1,130	1,082
Other long-term employee related benefits	55	52
Depreciation of property, plant & equipment	141	134
Amortisation of intangible assets	8	11
Depreciation of right-of-use assets	167	162
Short-term and low-value lease asset expense	43	52
Repairs and maintenance	133	136
Bad debts written off	3	3
Net periodic pension service cost	2	2
Research and development expenditure	2	2
Donations and sponsorships	3	3
Other (income)/expenses		
Restructuring costs	5	5
Golden Bay Cement®'s MVAC ship breakdown		6
Other sundry income	(3)	(6)
(Gains)/losses on disposal/impairment of asset	5	2

(1) Short-term employee benefits for the executive committee included in the above are disclosed in **note 21**.

Auditor's remuneration

	2026 NZ$000's	2025 NZ$000's
Audit and review of the financial statements (1)	3,117	3,974
Other assurance services and other agreed-upon procedures engagements (2)	206	10
Taxation services (3)		8
Other services (4)	42	158
Total non-audit services	248	176
Total auditor's remuneration	**3,365**	**4,150**

(1) The audit includes fees for both the annual audit of the financial statements (including subsidiary level statutory financial statements) and the review of the interim financial statements.

(2) Other assurance services relate to agreed-upon procedures ($11,000) and limited/reasonable assurance over the Group's greenhouse gas emissions disclosures in New Zealand and Australia ($195,000).

(3) Taxation services in the comparative period relate to taxation compliance ($8,000) relating to the Group's Fiji-based subsidiaries.

(4) Other services relate to remuneration benchmarking ($35,000) and delivery of sustainability-related training ($7,000).

Notes to the Consolidated Financial Statements 2026 (Continued)

Working Capital Management

This section provides details of the key elements of working capital which include cash, receivables, inventories and short-term liabilities.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and demand deposits with banks that are readily convertible to cash.

	2026 NZ$M	2025 NZ$M
Cash and bank balances	102	74
Contract retention bank balances	12	18
Cash held in joint operations - Group's share	23	24
Cash balances subject to certain restrictions	8	23
Cash and cash equivalents per Consolidated Balance Sheet	**145**	**139**
Cash and cash equivalents classified as held for sale	7	
Cash and cash equivalents	**152**	**139**

At 30 June 2026, approximately $7 million (2025: $23 million) of total cash and deposits were held in subsidiaries that operate in countries where exchange controls and other legal restrictions apply and are not immediately available for general use by the Group.

Reconciliation of net earnings/losses to net cash from operating activities

	2026 NZ$M	2025 NZ$M
Net earnings/(losses)	228	(419)
Net earnings attributable to non-controlling interests	8	2
	236	(417)
Add/(less) non-operating cash flow items:		
Interest expense*	139	188
Interest income	(3)	(6)
Add/(less) non-cash items:		
Depreciation, depletions and amortisation expenses	340	360
Other non-cash items*	111	566
Taxation	15	(69)
Net (gains)/losses on disposal of businesses, property, plant and equipment	(114)	61
	488	1,100
Net working capital movements		
Residential and Development	(10)	(8)
Construction	8	(95)
Other divisions:		
Debtors	(127)	(7)
Inventories	9	18
Creditors	111	(90)
	(9)	(182)
Net cash from operating activities	**715**	**501**

* Comparatives have been represented, refer to **note 2.1**.

Notes to the Consolidated Financial Statements 2026 (Continued)

7. DEBTORS

Debtors are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 to 90 days and are therefore all classified as current. Debtors are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's credit risk policies and the calculation of the loss allowance are provided in **note 16.4**.

	2026 NZ$M	2025 NZ$M
Trade debtors	726	618
Contract debtors		93
Contract retentions	11	29
Less: expected credit loss provisions	(15)	(16)
Trade and contract debtors	722	724
Other receivables	109	125
	831	**849**
Current	634	642
0 – 30 days over standard terms	70	68
31 – 60 days over standard terms	9	10
61+ days over standard terms	24	20
Provision	(15)	(16)
Trade and contract debtors	**722**	**724**

Fair value of debtors

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Recoverability and risk exposure

Information about the recoverability of trade receivables and the Group's exposure to foreign currency risk and credit risk can be found in **notes 16.1** and **16.4**.

8. INVENTORIES, INCLUDING LAND AND PROPERTY DEVELOPMENTS

Raw materials, stores, work in progress and finished goods

Raw materials, stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on a first-in, first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs and replacement costs in the consumable stores and spares necessary to make the sale.

Property and land inventories

Residential units and freehold land held for resale are stated at the lower of cost and net realisable value. Freehold land under development comprises land acquisition and development costs as well as any direct or indirectly attributable overheads. Residential units, both completed and under development, comprise apportioned land costs as well as direct materials, labour costs, site overheads, associated professional charges and other attributable overheads. Net realisable value represents the estimated selling prices less all estimated costs of completion and overheads.

Notes to the Consolidated Financial Statements 2026 (Continued)

	2026 NZ$M	2025 NZ$M
Manufacturing, distribution and other inventories		
Raw materials	153	178
Work in progress	39	18
Finished goods	593	584
Consumable stores and spare parts	65	59
	850	**839**
Inventories held at cost	775	780
Inventories held at net realisable value	75	59
	850	**839**
Property and land inventories		
Freehold land	88	75
Freehold land under development	449	541
Properties under development	380	315
Completed properties	63	135
	980	**1,066**

All property and land inventories are held at cost.

	2026 NZ$M	2025 NZ$M
Total inventories		
Current portion	1,269	1,325
Non-current portion	561	580
	1,830	**1,905**

Inventory classified as non-current

The non-current portion of inventories relates to land and developments that are expected to be held for greater than 12 months.

Land and property commitments

The Group's Residential and Development division has commitments for the purchase of land and construction services totalling $166 million (2025: $236 million), of which $90 million is expected to be delivered in the year ending 30 June 2027.

Emissions units

Emissions units held for own use are allocated to the Group under the New Zealand Emissions Trading Scheme (NZ ETS) and used to settle the Group's emissions obligation. The units are initially recognised at cost with subsequent reassessment for lower of cost or net realisable value. Emissions units held by the Group as at 30 June 2026 have been recognised at nil value (2025: nil).

9. CREDITORS, ACCRUALS AND OTHER LIABILITIES

Trade creditors and other liabilities are stated at cost or estimated liability where accrued. Employee entitlements include annual leave which is recognised on an accrual basis and the liability for long service leave which is measured as the present value of expected future payments to be made in respect of services provided by employees.

Assumptions in determining long service leave relate to the discount rate, estimates relating to the expected future long service leave entitlements, future salary increases, attrition rates and mortality.

Notes to the Consolidated Financial Statements 2026 (Continued)

	2026 NZ$M	2025 NZ$M
Trade creditors	486	469
Contract retentions	10	20
Accrued interest	7	14
Other liabilities	310	525
Employee entitlements	164	164
Workers' compensation schemes	7	10
	984	**1,202**
Current portion	964	1,171
Non-current portion	20	31
Carrying amount at the end of the year	**984**	**1,202**

The non-current portion of creditors and accruals as at 30 June 2026 primarily relates to long service employee entitlement obligations and deferred land purchases.

Put option liability

Included in “Other liabilities” is $98 million (2025: $102 million) reflecting put options held by partners in residential developments. These represent the Group’s contractual obligations to purchase the partners’ interests under specified conditions. In accordance with NZ IAS 32 Financial Instruments: Presentation, these put options are classified as financial liabilities and measured at amortised cost using the effective interest method. As the risks and rewards of the partnership interests are expected to be retained by the partner, any subsequent remeasurement of the liability is done through non-controlling interests in reserves.

Deferred land settlement

Included within “Other liabilities” is $23 million (2025: $142 million) of deferred payables for residential land acquisitions contracted to by the Group.

10. PROVISIONS

Provisions for restructuring, service and environmental warranties and other provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses other than losses recognised on onerous contracts. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate at the end of the reporting period of the expenditure required to settle the present obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

Restructuring

Restructuring provisions are recognised when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan. Costs relating to ongoing activities are not provided for.

Warranty and environmental

Warranty provisions represent an estimate of potential liability for future rectification work in respect of products sold and services provided. Environmental provisions represent an estimate for future liabilities relating to environmental obligations.

Onerous contracts

An onerous contract is a contract under which the unavoidable costs (i.e. the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e. both incremental costs and an allocation of costs directly related to contract activities).

Make good

Make good provisions are recognised for obligations to restore leased sites to the original condition. Costs are estimated based on lease terms, discounted where material, and capitalised into the related asset.

Other

Other provisions relate to miscellaneous matters, across the Group.

Notes to the Consolidated Financial Statements 2026 (Continued)

2026	Restructuring NZ$M	Warranty & environmental NZ$M	Onerous contracts NZ$M	The Industry Response NZ$M	Make good NZ$M	Other NZ$M	Total NZ$M
Carrying amount at the beginning of the year	10	12	37	154	49	77	339
Charged to earnings	14	5	63		5	27	114
Settled or utilised	(11)	(2)	(5)	(22)		(29)	(69)
Released to earnings		(1)				(3)	(4)
Recognised on balance sheet		4			4	11	19
Currency translation	1			19	3	2	25
Classified as held for sale					(5)	(5)	(10)
	14	**18**	**95**	**151**	**56**	**80**	**414**

2025	Restructuring NZ$M	Warranty & environmental NZ$M	Onerous contracts NZ$M	The Industry Response NZ$M	Make good NZ$M	Other NZ$M	Total NZ$M
Carrying amount at the beginning of the year	15	18	78		26	62	199
Charged to earnings	7	1	37	170		36	251
Settled or utilised	(9)	(7)	(78)	(14)	(3)	(19)	(130)
Released to earnings	(4)					(1)	(5)
Recognised on balance sheet					26	(1)	25
Currency translation	1			(2)			(1)
	10	**12**	**37**	**154**	**49**	**77**	**339**

	2026 NZ$M	2025 NZ$M
Current portion	325	278
Non-current portion	89	61
Carrying amount at the end of the year	**414**	**339**

During the year, the Group utilised $11 million (2025: $9 million) in respect of restructuring obligations across various businesses. The $14 million remaining provision, in relation to restructuring, is expected to be utilised within the next 3 years. Warranty and environmental provisions are generally expected to be utilised over the next five years. However, certain environmental provisions relate to resource consent obligations that extend beyond 20 years.

Retained legacy construction provisions

The Group continues to retain responsibilities associated with Fletcher Construction's completed legacy vertical construction projects and South Pacific operations following the divestment of the remainder of the New Zealand Construction division to VINCI Construction on 29 May 2026. As a result, the Group continues to have exposure to defects in construction projects, arising from obligations under contract and at law. As at 30 June 2026, the Group was subject to a number of claims of this nature. In assessing these claims, the Group has applied significant estimates and judgements, including consideration of the merits of each claim, the estimated cost of remediation, and the likelihood of recoveries from third parties. These estimates and judgements may change as the claim or repair work progresses.

The Group recognised an additional provision of $60 million in its interim financial statements as at 31 December 2025, primarily relating to legacy vertical construction projects that are being retained by Fletcher Building. The provision covers projected costs associated with known and announced issues and also provides for potential claims that, while currently uncertain or not yet identified, are expected to arise as part of discharging the Group's present obligations for post completion defects as stipulated in project contracts at law. The provision represents management's best estimate of the costs required to close out construction defects on those projects. The recognition of the additional provision reflects a change in the Group's assessment of the risks and costs associated with managing future claims following the divestment, including the absence of an ongoing construction business.

The Group has considered its overall exposure to claims received to date and, where appropriate, has provided for them. Notwithstanding this, there remains a risk that the Group's ultimate exposure to these claims may exceed the amount currently provided.

Notes to the Consolidated Financial Statements 2026 (Continued)

New Zealand International Convention Centre (NZICC)

The New Zealand International Convention Centre (NZICC) achieved practical completion and was formally handed over to SkyCity in November 2025. The assessment of the project position continues to involve significant estimates and judgements, with the final outcome subject to uncertainty, primarily relating to exposures to potential defects, the close-out of final subcontractor claims, litigation liability and any recoveries under the NZICC third-party liability insurance policy. On 6 June 2025, SkyCity commenced proceedings against Fletcher Construction and the Company in relation to alleged delays to the NZICC project. Fletcher Construction disputes SkyCity's claims for additional liquidated damages above the contractual cap and continues to defend the proceedings. The Group continues to pursue recoveries under the NZICC third-party liability insurance policy and related legal actions; however, no recovery has been recognised as at 30 June 2026 as the proceeds are not considered virtually certain in accordance with NZ IAS 37.

Silicosis

Laminex® Australia (together with other engineered stone manufacturers, distributors and fabricators in Australia) is the subject of a number of silica related personal injury claims in Australia. Laminex® Australia has settled the majority of claims that have been brought against it to date, and in FY26 Laminex® Australia contributed $2.9 million (2025: $0.4 million) to claim settlements. Estimating the number and cost of future silica related personal injury claims is subject to uncertainties and assumptions, as further detailed below. The Group has considered the exposure Laminex® Australia may have for the existing and future claims and, to the extent it considers appropriate to do so, has provided for them. Based on currently available information, an additional provision of $6 million has been recognised underpinned by more reliable information of current diagnosed potential claims. While regulators in multiple States are currently seeking a greater contribution from the industry to settlement amounts than has been the case historically, Laminex® Australia does not accept the basis for seeking greater contribution, however there is a risk that the proportionate contribution by the industry to settlement amounts may increase in future claims. Notwithstanding the information obtained from settling claims in recent years, there remains significant uncertainty in relation to the Group's full exposure to these claims, including:

- the number of workers affected by silicosis as a result of engineered stone provided by manufacturers and fabricators in Australia;
- the number of claims that may be received and the timing of them;
- the nature of those claims and the amounts sought to be recovered, which vary considerably based on the condition and circumstances of the injured worker;
- the size of any settlement amounts agreed or damages awarded, particularly given different laws in various States; and
- the degree to which other parties, such as the worker's employer and other manufacturers, are liable to (and do) contribute to any amount owed to the worker.

As a result, there remains a risk that, ultimately, the final exposure of Laminex® Australia to these claims will be greater than the amount currently allowed.

The Western Australia (WA) plumbing failures Industry Response

Fletcher Building subsidiary, Iplex® Pipelines Australia (Iplex® Australia) has been addressing claims raised against Iplex® Australia in respect of a hot and cold water polybutylene pipe product it previously manufactured under the name "Pro-fit", primarily relating to plumbing failures impacting some WA homes.

Iplex® Australia started manufacturing Pro-fit with Typlex resin from mid-2017 and those products represented the bulk of sales of hot and cold water residential pipes after that time. Iplex® Australia ceased the sale of Pro-fit in mid-2022. The Pro-fit product was sold in other Australian states (outside WA) but it was not sold in New Zealand.

On 13 November 2024, the Group announced that Iplex® Australia, together with the Western Australian Government and key industry stakeholders, had finalised the Industry Response (the IR) to address the plumbing failures impacting some WA homes constructed using Typlex Pro-Fit pipe. Among other matters, the IR provides builders participating in the IR with funding for an agreed work and remediation programme for affected WA homes. The IR commits Iplex® Australia to fund 80% of the direct costs incurred by participating builders, with the WA Government contributing 20% up to a capped amount of A$30 million (NZ$33 million). The IR is entered into on a no liability, no admissions basis. All participants in the IR have also agreed to a "no sue" provision as part of the agreement.

As a result of its entry into of the IR, Iplex® Australia recorded a provision of A$155 million (NZ$170 million) pre-tax for the expected costs it has agreed and is obligated to incur under the IR, which are classified as a Significant Item. The total provision amount assumes approximately A$125 million (NZ$138 million) for repair costs (net of the A$30 million contribution receivable from the WA Government), A$15 million (NZ$16 million) for the installation of leak detector units, and A$15 million (NZ$16 million) for expected administrative and overhead expenses. These costs are expected to be incurred over at least five years, with higher expenditure anticipated in the initial stages to address urgent remediation work and establish necessary infrastructure (e.g. leak detectors).

As of 30 June 2026, A$31 million (NZ$36 million) of the total provision amount has been utilised, including A$19 million (NZ$22 million) in the current period. Costs incurred to date under the IR remain in line with the provision and the underlying assumptions disclosed as at 30 June 2025.

The IR was launched in November 2024 and now has 56 participating builders who are undertaking the agreed work and remediation programme. This includes remedying plumbing failures and associated damage, replacing pipes in ceilings and rooms, as well as full home pipe replacements (during which the homeowner has the benefit of temporary accommodation where required). The IR also includes a roll out of leak detector units to affected homes, free of charge. As at 30 June 2026, 213 homes have been fully remediated, and over 4,900 homes have had leak detector units installed, under the IR.

Notes to the Consolidated Financial Statements 2026 (Continued)

Costs incurred to date under the IR by Iplex® Australia are in line with the current provision which:

- assumes ~5,300 WA homes will experience one or more plumbing failures over time;
- covers the direct costs of remediation and preventive measures, including leak detector units, pipe repairs, ceiling pipe replacements, and, for WA homes with extensive failures, a full house re-pipe plus temporary accommodation where required;
- excludes builders' overheads or management costs or any margin or cost of expenses incurred directly by them in connection with repairing, rectifying, or remediating any defective workmanship; and
- excludes any legal costs, including litigation defence costs.

While most major builders have agreed to participate in the IR, the Buckeridge Group of Companies (BGC), which is responsible for constructing ~55% of the affected WA homes, has not joined the IR. The provision includes allowances for homes built by BGC, as BGC has the option to participate in the IR at any time. Iplex® Australia remains open to engaging with BGC as to how that could be achieved. To the extent that BGC remains outside the IR, the repair costs and associated cash flows for Iplex® Australia are expected to be somewhat lower. BGC homes are being fitted with leak detectors. However, with BGC still remaining outside the IR, the liability exposure that may arise due to further disputes and claims from BGC remains (see **note 23** for further details).

The total estimated cost of the remediation works under the IR remains subject to significant risk and uncertainty. As noted above, key assumptions underlying the provisioned amount include BGC's participation in the IR and the number of WA homes built with Typlex Pro-Fit pipes that are expected to develop leaks over time. In relation to the latter, the number of homes that has experienced plumbing failures that have been reported via the IR up to 30 June 2026 remains within the number of homes accommodated by the provision and the number of homes experiencing their first plumbing failure continues to decline over time. A second assumption is that not all homes that experience one failure will go on to experience subsequent failures. A third assumption is the cost for remediating each plumbing failure in accordance with the agreed work programme and the timing of that expenditure. If the actual number of affected homes, the extent of failures or the repair costs (or any revised estimate thereof) exceeds current estimates (including, for example, if the distribution of repairs skews towards more extensive and expensive interventions), the provision may be insufficient and need to be increased. While to date these assumptions have been adequately accommodated within the existing provision, they remain subject to review and change over time.

The provision does not account for any risk from litigation or class action (see **note 23** for further details of the existing claims and class action). Two claims against Iplex® Australia, including a class action, are currently on foot in the Federal Court of Australia. The claims include: costs of removing, repairing, replacing and disposing of the affected pipe; repair costs and/or possessions damaged by the affected pipe; reduction in property value, vexation, distress and disappointment. If a current or future claim is successful, it may have a material adverse impact on the Group. Separately, a homeowner has brought a claim against both BGC and Iplex® Australia in the WA District Court, which was subsequently joined to the Federal Court proceedings and stayed.

While the IR is expected to mitigate some risks, it does not extinguish the rights of homeowners or others to pursue claims. A final outcome of a class action may ultimately replace the IR terms for the homes of class members and their successors.

The Group will monitor the provision and will reassess its adequacy if and as new and material information becomes available.

Long-term Investments

This section details the long-term assets of the Group including property, plant and equipment, intangible assets and leases.

11. PROPERTY, PLANT AND EQUIPMENT

Land, buildings, plant and machinery, and fixtures and fittings are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The cost of purchasing land, buildings, plant and machinery, and fixtures and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs that have been incurred in bringing the assets to the location and the condition necessary for their intended service, including subsequent expenditure. To the extent acquisition, development and construction of capital projects extend over a period of 12 months, attributable borrowing costs are capitalised as part of the cost of the asset while the asset is being developed or constructed. On completion of development, all assets included in assets under construction are reclassified appropriately into the relevant categories of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Consolidated Income Statement during the reporting period in which they are incurred.

Depreciation of property, plant and equipment is calculated on the straight-line method. Expected useful lives, which are regularly reviewed, typically range between:

Buildings	30 – 50 years
Plant and machinery	5 – 15 years
Fixtures and equipment	2 – 10 years

Notes to the Consolidated Financial Statements 2026 (Continued)

Resource extraction assets are held at historic cost and depleted over the shorter of the life of the site or right-to-use period. Site development costs incurred in order to commence extraction are capitalised as resource extraction assets.

Assets are reviewed annually for impairment indicators. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Income Statement.

2026	Land NZ$M	Buildings NZ$M	Plant & Machinery NZ$M	Fixtures & Equipment NZ$M	Resource Extraction NZ$M	Capital Work In Progress NZ$M	Total NZ$M
Carrying value at the beginning of the year	174	284	1,110	116	113	426	2,223
Additions			13	3		294	310
Capitalised borrowings						14	14
Classified as held for sale	(1)	(1)	(128)	(3)	(1)	(2)	(136)
Disposals		(1)	(8)	(1)			(10)
Depreciation expense		(12)	(104)	(21)	(11)		(148)
Impairment	(1)		(8)			(1)	(10)
Transfer of assets to inventory	(14)	(4)					(18)
Capitalised to fixed assets	1	14	110	12	11	(148)	
Currency translation	8	9	33	1		6	57
	167	**289**	**1,018**	**107**	**112**	**589**	**2,282**
Represented by:							
Cost	167	431	2,530	362	184	589	4,263
Accumulated depreciation and impairment		(142)	(1,512)	(255)	(72)		(1,981)
Carrying value at the end of the year	**167**	**289**	**1,018**	**107**	**112**	**589**	**2,282**

2025	Land NZ$M	Buildings NZ$M	Plant & Machinery NZ$M	Fixtures & Equipment NZ$M	Resource Extraction NZ$M	Capital Work In Progress NZ$M	Total NZ$M
Carrying value at the beginning of the year	251	268	1,084	110	104	395	2,212
Additions			5	1	5	261	272
Capitalised borrowings						13	13
Disposals			(6)	(1)			(7)
Depreciation expense		(10)	(110)	(24)	(10)		(154)
Impairment			(8)	(2)		(18)	(28)
Transfer to right-of-use assets	(39)						(39)
Transfer of assets to inventory	(37)	(4)					(41)
Capitalised to fixed assets		31	148	32	14	(225)	
Currency translation	(1)	(1)	(3)				(5)
	174	**284**	**1,110**	**116**	**113**	**426**	**2,223**
Represented by:							
Cost	174	438	2,586	361	175	426	4,160
Accumulated depreciation and impairment		(154)	(1,476)	(245)	(62)		(1,937)
Carrying value at the end of the year	**174**	**284**	**1,110**	**116**	**113**	**426**	**2,223**

As at 30 June 2026, property, plant and equipment included $589 million of assets under construction that are not depreciated until they are commissioned and brought into use (2025: $426 million), including $414 million relating to the Laminex® New Zealand Taupō manufacturing plant (2025: $251 million).

Notes to the Consolidated Financial Statements 2026 (Continued)

Physical impacts from climate-related risk

In FY25, the Group completed an external review of its physical climate-related risks in conjunction with Marsh Advisory. The assessment covered 177 owned and operated assets across Australia and New Zealand, representing approximately 92% of Total Insured Value, and considered a range of acute and chronic climate-related hazards under multiple climate scenarios and time horizons.

In FY26, the Group reviewed the prior-year modelling outputs against updated asset numbers and insured values and considered the results through its refreshed climate-related risk and opportunity assessment process. After taking into account the existing controls and insurance arrangements, no material residual acute physical climate-related risk was identified. Accordingly, no material physical climate-related financial impacts were identified that required changes to the carrying values or expected useful lives of the Group's non-current assets.

The assessment identified the following key findings:

- the Group's Annual Average Loss (AAL), representing its average annualised financial exposure to owned and operated assets, was assessed as not material at Group level across scenarios and time horizons modelled;
- heat stress and water stress were identified as dominant long-term physical risk drivers of modelled exposure, particularly for Australian operations; however, the resulting AAL was not expected to have a material impact at Group level; and
- individual low-probability, high-severity events may still result in significant localised damage or disruption, as the AAL methodology does not capture full impact of such individual extreme events.

The Group will continue to monitor key physical risk drivers and material events and periodically reassess its physical climate risk exposures.

Key impacts arising from climate-related transition risk

A significant climate-related transition risk for the Group relates to the New Zealand Emissions Trading Scheme and its impact on Golden Bay Cement®'s operating model. At 30 June 2026, the Group's assessment of the underlying longer-term risk had not materially changed from the position disclosed at 30 June 2025. Uncertainty remains regarding future carbon pricing, industrial allocation settings and the competitiveness of domestically manufactured cement relative to imports.

Subsequent to 30 June 2026, Golden Bay Cement® and the New Zealand Government entered into an agreement that supports the continuation of Golden Bay Cement®'s domestic manufacturing operations up to 2040 and addresses the previously identified near-term risk of closure or transition to an import-only model. Further information is provided in **note 27**.

The Group's current assessment assumes that Golden Bay Cement® will continue to operate under its existing manufacturing model, with the Government support. However, longer-term uncertainty remains beyond 2040 and, in a downside scenario where future policy and regulatory settings adversely affect the competitiveness of domestic manufacturing, Golden Bay Cement® may need to reconsider its operating model. Such a scenario could give rise to non-cash impairment and asset write-downs and bring forward make good ($43.5 million) cash costs. These amounts represent a downside scenario, are subject to significant judgement and estimation uncertainty, and are not the Group's current expected outcome. No impairment or related provision was recognised at 30 June 2026.

12. INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangibles are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Group's intangible assets with indefinite useful lives are not amortised but are tested for impairment annually, either individually or at the cash-generating unit level. Intangible assets with a definite life are amortised on a straight-line basis.

Goodwill is stated at cost, less any impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment, and when an indication of impairment exists. Brands for which all relevant factors indicate that there is no limit to the foreseeable net cash flows are considered to have an indefinite useful life and are held at cost and are not amortised but are subject to an annual impairment test.

For the purposes of considering whether there has been an impairment, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. When the book value of a group of assets exceeds the recoverable amount, an impairment loss arises and is recognised in the Consolidated Income Statement immediately.

Amortisation of definite life intangible assets is calculated on the straight-line method. Expected useful lives, which are regularly reviewed, typically range between:

Intangible assets, including software	5 – 15 years

Cloud computing arrangements

The Group recognises costs incurred in configuring or customising cloud application software as an intangible asset only if the activities create a resource that the Group can control and from which it expects to benefit. Such costs are amortised over the estimated useful life of the software application on a straight-line basis. The remaining useful life is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where the Group cannot determine whether it has control of the cloud application software, the arrangement is deemed to be a service contract. In such cases, any implementation costs (i.e. cost incurred to configure or customise the cloud application software) are expensed to the Consolidated Income Statement as incurred.

Notes to the Consolidated Financial Statements 2026 (Continued)

Where the provider of the cloud application software provides both configuration and customisation services, judgement is required to determine whether these services are distinct from the underlying use of the software application. Distinct configuration and customisation costs are expensed as incurred as the software application is configured or customised (i.e. upfront). Non-distinct configuration and customisation costs, that significantly enhance or modify the cloud-based application, are recognised as a prepaid asset and expensed over the contract term on a straight-line basis.

To the extent the acquisition and development of capital intangible projects extend over a period of 12 months, attributable borrowing costs are capitalised as part of the cost of the asset while the asset is being developed. On completion, all costs included in asset under development are reclassified as "Other intangibles" and amortised when available for use.

Assessing the carrying value of goodwill and indefinite life brands requires management to estimate future cash flows to be generated by the related cash-generating unit. The key assumptions used in the value-in-use or fair value less costs of disposal basis include the expected rate of growth of revenues and earnings, the EBIT margin and the appropriate discount rate to apply, and are detailed in **note 2.3**.

2026	Goodwill NZ$M	Brands NZ$M	Other Intangibles NZ$M	Total NZ$M
Carrying value at the beginning of the year	445	211	47	703
Additions			8	8
Disposals			(4)	(4)
Classified as held for sale	(29)	(19)	(14)	(62)
Impaired/derecognised			(3)	(3)
Amortisation expense			(11)	(11)
Currency translation	23	22		45
	439	**214**	**23**	**676**
Represented by:				
Cost	439	315	210	964
Accumulated impairment/amortisation		(101)	(187)	(288)
Carrying value at the end of the year	**439**	**214**	**23**	**676**

2025	Goodwill NZ$M	Brands NZ$M	Other Intangibles NZ$M	Total NZ$M
Carrying value at the beginning of the year	644	232	158	1,034
Additions			3	3
Impaired/derecognised	(195)	(19)	(97)	(311)
Amortisation expense			(17)	(17)
Currency translation	(4)	(2)		(6)
	445	**211**	**47**	**703**
Represented by:				
Cost	445	312	250	1,007
Accumulated impairment/amortisation		(101)	(203)	(304)
Carrying value at the end of the year	**445**	**211**	**47**	**703**

Impairment of software assets

In June 2025, the Group stopped its Digital@Fletcher ERP transformation programme following the decision to decentralise decision-making to individual business units. Following the migration of the SAP S/4 Hana system to the SAP RISE cloud platform, the Group determined that it no longer controlled the previously capitalised ERP software asset under NZ IAS 38 Intangible assets and derecognised its $95 million carrying amount.

Notes to the Consolidated Financial Statements 2026 (Continued)

Significant intangible balances within cash-generating units (CGUs)

	Goodwill 2026 NZ$M	Goodwill 2025 NZ$M	Brands 2026 NZ$M	Brands 2025 NZ$M
Laminex® Australia	176	156	139	123
Comfortech®	43	43	11	11
Iplex® New Zealand	37	37	7	7
Stramit®	15	14	46	41
PlaceMakers®	56	56		
Waipapa Pine	52	52		
Higgins®		24		19
Humes®	19	19		
Winstone Aggregates®	14	14		
Other	27	30	11	10
	439	**445**	**214**	**211**

The goodwill allocated to significant CGUs accounts for 94% (2025: 80%) of the total carrying value of goodwill. The remaining "other" CGUs, which comprise 7 (2025: 9) in total, are each less than 2% of total carrying value (2025: 7%). The significant brand assets account for 95% (2025: 90%) of the total carrying value of brands. The remaining "other" brand assets are each less than 5% of total carrying value (2025: 6%).

13. LEASES

The Group leases various offices, warehouses, retail stores, equipment and vehicles. Rental contracts are typically made for fixed periods, but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for property leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost and include, after consideration of the initial measurement of the lease liability, any lease incentives, initial direct costs and any make good costs associated with the lease. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If it is reasonably certain the Group will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the Consolidated Income Statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Extension options

The Group has some lease contracts that include extension options. The Group assesses at lease commencement date whether it is reasonably certain it will exercise the extension options. The Group reassesses whether it is reasonably certain it will exercise the options if there is a significant event or significant change in circumstances within its control. These options provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

As at 30 June 2026, three of the six largest property lease contracts (2025: five) have related extension options included in the estimated lease term (where management is reasonably certain to exercise the options), resulting in future lease payments being included in the measurement of the lease liability recorded in the Consolidated Balance Sheet.

Notes to the Consolidated Financial Statements 2026 (Continued)

Right of use assets

2026	Land NZ$M	Buildings NZ$M	Plant & Machinery NZ$M	Total NZ$M
Opening net book value at the beginning of the year	58	967	221	1,246
Additions and renewals	2	29	58	89
Classified as held for sale	(4)	(22)	(38)	(64)
Depreciation	(2)	(109)	(69)	(180)
Impairment	(1)	(18)		(19)
Terminations/revisions of extension options	(3)	(107)	(2)	(112)
Currency translation		22	2	24
Closing balance at the end of the year	**50**	**762**	**172**	**984**

2025	Land NZ$M	Buildings NZ$M	Plant & Machinery NZ$M	Total NZ$M
Opening net book value at the beginning of the year	12	963	216	1,191
Additions and renewals	10	211	86	307
Depreciation	(2)	(113)	(74)	(189)
Impairment	(1)	(7)		(8)
Terminations/revisions of extension options		(83)	(7)	(90)
Transfer of assets from property, plant and equipment	39			39
Currency translation		(4)		(4)
Closing balance at the end of the year	**58**	**967**	**221**	**1,246**

Lease liabilities	2026 NZ$M	2025 NZ$M
Opening balance	1,497	1,436
Additions and renewals	85	335
Classified as held for sale	(83)	
Repayments	(184)	(177)
Terminations/revisions of extension options	(118)	(92)
Currency translation	38	(5)
Closing balance	**1,235**	**1,497**
Current portion	198	172
Non-current portion	1,037	1,325
Carrying amount at the end of the year	**1,235**	**1,497**

Notes to the Consolidated Financial Statements 2026 (Continued)

Funding and Financial Risk Management

This section includes details on the Group's funding and outlines the market, credit and liquidity risks that the Group is exposed to and how these risks are managed, including the use of derivative financial instruments.

Capital risk management

The Group's objectives when managing capital are to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure that safeguards the Group's ability to continue as a going concern. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, undertake share buybacks, issue new shares or sell assets to reduce net debt.

The Group has various debt facilities and covenants in place. A key measure used by the Group is net debt. Net debt represents the value of the Group's drawn borrowings adjusted for debt hedging activities and available cash funding. The Group has set a net debt target range of $400 million to $900 million, with dividends to be suspended until the dividend policy is reset and communicated to shareholders.

Credit rating

As at 30 June 2026, the Group does not hold an external credit rating. The Group's previous Baa3 credit rating from Moody's Investors Service was withdrawn on 25 June 2026 at the Group's request.

14. BORROWINGS

The Group borrows in the form of private placements, bank loans, capital notes and other financial instruments. Funding costs associated with the Group's borrowings are shown in **note 15**.

> Borrowings are initially recognised at fair value net of attributable transaction costs, and are subsequently measured at amortised cost using the effective interest rate method. Any borrowings that have been designated as hedged items are carried at amortised cost plus a fair value adjustment under hedge accounting requirements. Borrowings denominated in foreign currencies are retranslated to the functional currency at each reporting date.

Economic debt represents the face value of drawn borrowings adjusted for foreign currency movements hedged with derivative instruments. The Group uses cross currency interest rate swaps, interest rate swaps and forward foreign exchange contracts to manage its exposure to interest rates and borrowings sourced in currencies different from that of the borrowing entity's reporting currency. Details of debt hedging activities and instruments used are included in **note 16**.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's net debt arising from financing activities, including both cash and non-cash changes.

	2025 NZ$M	Drawdowns / Cash inflows NZ$M	Repayments / Cash outflows NZ$M	Currency translation NZ$M	Other non-cash movements (including hedge accounting) NZ$M	2026 NZ$M
Private placements	323		(356)	23	10	
Bank loans	627	610	(645)	27		619
Capital notes	217		(55)			162
Other loans	5	3				8
Carrying value of borrowings (as per Consolidated Balance Sheet)	**1,172**	**613**	**(1,056)**	**50**	**10**	**789**
Less: value of derivatives used to manage changes in hedged risks on debt	(34)		78	(34)	(10)	
Economic debt	**1,138**	**613**	**(978)**	**16**		**789**
Less: Cash and cash equivalents	(139)		8	(21)		(152)
Net debt	**999**	**613**	**(970)**	**(5)**		**637**

Notes to the Consolidated Financial Statements 2026 (Continued)

	2024 NZ$M	Drawdowns / Cash inflows NZ$M	Repayments / Cash outflows NZ$M	Currency translation NZ$M	Other non-cash movements (including hedge accounting) NZ$M	2025 NZ$M
Private placements	489		(198)	14	18	323
Bank loans	1,302	629	(1,302)	(2)		627
Capital notes	297		(80)			217
Other loans	20		(15)			5
Carrying value of borrowings (as per Consolidated Balance Sheet)	**2,108**	**629**	**(1,595)**	**12**	**18**	**1,172**
Less: value of derivatives used to manage changes in hedged risks on debt	(31)		18	(13)	(8)	(34)
Economic debt	**2,077**	**629**	**(1,577)**	**(1)**	**10**	**1,138**
Less: Cash and cash equivalents	(311)	172				(139)
Net debt	**1,766**	**801**	**(1,577)**	**(1)**	**10**	**999**

Carrying value of borrowings included within the Consolidated Balance Sheet as follows:

	2026 NZ$M	2025 NZ$M
Current borrowings	98	60
Non-current borrowings	691	1,112
Total borrowings	**789**	**1,172**
At reporting date, the Group had the following funding facilities:		
Utilised facilities	789	1,138
Unutilised bank loan facilities	1,015	916
Total facilities	**1,804**	**2,054**

Debt repayment

In November 2025, the Group fully prepaid and cancelled all remaining US private placement (USPP) notes with a total settlement value of approximately $298 million. The prepayment comprised principal of $293.4 million, accrued interest including coupon step-up of $4.3 million, and a make-whole payment of $0.5 million. In conjunction with the repayment, the Group terminated the associated cross currency interest rate swaps (CCIRS) used to hedge the underlying USPP borrowings, resulting in a termination cost of $8.2 million recognised within funding costs in the current period. The prepayment was funded through drawings under the Group's Australian debt facilities (syndicated revolving credit facilities (SFA) Tranches D1 and D2), totalling A$261 million.

Capital notes

At 30 June 2026 the Group had issued $162 million of listed capital notes to retail investors (2025: $217 million) with maturities between 2027 and 2029. The capital notes do not carry voting rights and do not participate in any change in value of the issued shares of Fletcher Building Limited.

On 28 January 2025, the Group through its subsidiary Fletcher Building Industries Limited (FBI) announced that the trustee for the noteholders of each series of capital notes had agreed to amend the conditions of the capital notes. This allows FBI to elect to redeem all capital notes of a series on the applicable election date for that series, as an alternative to the procedure for rollover of the capital notes on new terms. On 27 January 2026, FBI elected to redeem all of the FBI200 Capital Notes that were due to rollover on 16 March 2026.

Listed capital notes are long-term fixed rate unsecured subordinated debt instruments that are traded on the NZDX. On election date, holders may choose either to keep their capital notes on new terms or convert the principal amount and any interest into shares of Fletcher Building Limited, at approximately 98% of the current market price. If the principal amount of these notes held at 30 June 2026 were to be converted to shares, 49 million (2025: 77 million) Fletcher Building Limited shares would be issued at the share price as at 30 June 2026, of $3.39 (2025: $2.89).

Instead of issuing shares to holders who choose to convert, Fletcher Building may, at its option, purchase or redeem the capital notes for cash at the principal amount plus any accrued interest.

As at 30 June 2026, the Group held $138 million (2025: $183 million) of its own capital notes. The capital notes disclosed are presented net of the Group's self-held capital notes.

Notes to the Consolidated Financial Statements 2026 (Continued)

Bank loans

Syndicated revolving credit facilities

At 30 June 2026, the Group had a NZ$836 million (2025: NZ$836 million) and A$654.5 million (2025: A$654.5 million) syndicated revolving credit facility on an unsecured, negative pledge and borrowing covenant basis. The participating lenders are both New Zealand registered and offshore banks. The facility comprises the following tranches: NZ$311 million expiring on 1 July 2027, NZ$200 million expiring on 31 May 2028, NZ$325 million expiring on 31 October 2029, and A$654.5 million expiring in two tranches including July 2027 (A$404.5 million) and June 2029 (A$250 million). The funds under the syndicated revolving credit facility can be borrowed in Australian and New Zealand dollars only.

Approximately NZ$0.8 billion of the Group's syndicated revolving credit facilities mature on 1 July 2027. The Group has commenced a refinancing process to extend and smooth its debt maturity profile. The refinancing is expected to be completed by 30 September 2026 and, on completion, total committed facilities are expected to reduce from NZ$1.8 billion to approximately NZ$1.55 billion.

Other loans

At 30 June 2026, the Group had other loans of $8 million (2025: $5 million) and all were subject to the negative pledge. Other loans include bank overdrafts, short-term loans, working capital facilities and vendor loans.

Negative pledge

The Group borrows certain funds based on a negative pledge arrangement. The negative pledge includes a cross guarantee between a number of wholly owned subsidiaries and ensures that external senior indebtedness ranks equally in all respects and includes the covenant that security can be given only in very limited circumstances. At 30 June 2026, the Group had debt subject to the negative pledge of $627 million (2025: $920 million).

Covenants

The Group's financial covenants under its senior borrowing arrangements include senior interest cover ratio and senior leverage ratio. Senior interest cover ratio measures the Group's EBIT relative to senior interest expense and is used to assess the Group's capacity to service interest obligations. Senior leverage ratio measures the Group's senior net debt relative to EBITDA and is used to assess the Group's financial leverage. The Group was in compliance with all financial covenants during the year and at balance date.

Liquidity and funding risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial commitments as they fall due. Funding risk is the risk that the Group under normal circumstances, will not be able to refinance its maturing debts in an orderly manner. The Group manages its liquidity and funding risk by maintaining a target level of undrawn committed credit facilities and an appropriate spread of maturity dates in respect of the Group's debt facilities which it reviews on an ongoing basis.

The following maturity analysis table sets out the remaining contractual undiscounted cash flows, including estimated interest payments for non-derivative financial liabilities and derivative financial instruments. Creditors and accruals are excluded from this analysis as they are not part of the Group's assessment of liquidity risk because these are offset by debtors with similar payment terms.

2026	Contractual cash flows NZ$M	Up to 1 Year NZ$M	1–2 Years NZ$M	2–5 Years NZ$M	Over 5 Years NZ$M
Bank loans	619		294	325	
Capital notes	162	90	40	32	
Private placements					
Other loans	8	8			
Borrowings – principal cash flows	**789**	**98**	**334**	**357**	
Gross settled derivatives – to pay	(449)	(169)	(130)	(150)	
Gross settled derivatives – to receive	**449**	**169**	**130**	**150**	
Debt derivatives financial instruments – principal cash flows					
Total principal cash flows	**789**	**98**	**334**	**357**	
Contractual interest cash flows	**28**	**20**	**6**	**2**	
Total lease cash flow	**1,828**	**257**	**224**	**522**	**825**
Total contractual cash flows	**2,645**	**375**	**564**	**881**	**825**

Notes to the Consolidated Financial Statements 2026 (Continued)

2025	Contractual cash flows NZ$M	Up to 1 Year NZ$M	1–2 Years NZ$M	2–5 Years NZ$M	Over 5 Years NZ$M
Bank loans	627		325	302	
Capital notes	217	55	90	72	
Private placements	332		170	162	
Other loans	5	5			
Borrowings – principal cash flows	**1,181**	**60**	**585**	**536**	
Gross settled derivatives – to pay	(709)	(125)	(347)	(237)	
Gross settled derivatives – to receive	666	125	324	217	
Debt derivatives financial instruments – principal cash flows	**(43)**		**(23)**	**(20)**	
Total principal cash flows	**1,138**	**60**	**562**	**516**	
Contractual interest cash flows	**76**	**36**	**21**	**19**	
Total lease cash flow	**2,043**	**234**	**212**	**507**	**1,090**
Total contractual cash flows	**3,257**	**330**	**795**	**1,042**	**1,090**

15. NET FUNDING COSTS

Interest income and expense are recognised on an accrual basis in the Consolidated Income Statement using the effective interest method.

Interest costs relating to qualifying assets under development are capitalised as a component of the cost of development or construction. Where funds are borrowed specifically for qualifying projects, the actual borrowing costs incurred are capitalised. Where the projects are funded through general borrowings, the borrowing costs are capitalised based on the weighted average cost of borrowing. Borrowing costs incurred after commencement of commercial operations are expensed in the Consolidated Income Statement.

Funding costs also include the changes in fair value relating to derivatives used to manage interest rate risk, and the associated changes in fair value of the borrowings designated in a hedge relationship attributable to the hedged risk.

	2026 NZ$M	2025* NZ$M
Interest income	(3)	(6)
Interest on borrowings and derivatives	64	96
Interest capitalised to balance sheet	(14)	(13)
Net interest income on pension assets	(7)	(7)
Other interest expense	8	7
Net interest expense	**48**	**77**
Changes in fair value relating to:		
Borrowings designated in a hedging relationship	(10)	(18)
Derivatives designated in a hedging relationship	10	18
Total changes in fair value		
Bank fees, registry and other expenses	1	1
Line fees	15	16
Debt restructure fees	9	11
Net funding costs	**73**	**105**
Net funding costs from continuing operations	**64**	**93**
Net funding costs from discontinued operations	9	12

* Comparatives have been represented, refer to **note 2.1**.

Included in interest on borrowings and derivatives is the net settlement of the Group's interest derivatives. This consists of $19 million of interest income and $25 million of interest expense (2025: $34 million interest income; $42 million interest expense). Other expenses include credit valuation adjustments (CVA)/debit valuation adjustments (DVA) on derivatives and interest on deferred settlements.

Notes to the Consolidated Financial Statements 2026 (Continued)

Capitalisation of borrowing costs

The Group funds capital projects with general borrowings and, where newly acquired or constructed assets meet qualifying criteria of NZ IAS 23 Borrowing costs, interest costs have been capitalised to their cost at a weighted average capitalisation rate of 4.36% (2025: 5.62%), resulting in $14 million of capitalised borrowing costs in the year ended 30 June 2026 (2025: $13 million). The capitalised amount mainly relates to Laminex® New Zealand's Taupō manufacturing plant ($14 million).

Interest rate risk

At 30 June 2026, 77% of the Group's debt was subject to a fixed interest rate (2025: 59% fixed).

(i) Interest rate repricing

The following tables set out the interest rate repricing profile of interest bearing financial liabilities assuming floating rate facilities are utilised to maintain debt levels.

	2026 NZ$M	2027 NZ$M	2028 NZ$M	2029 NZ$M	2030 NZ$M	2031 NZ$M
Fixed financial liabilities	611	293	33			
Floating financial liabilities	178	496	756	789	789	789
Economic Debt	**789**	**789**	**789**	**789**	**789**	**789**
% Fixed	77%	37%	4%			

The Group's overall weighted average interest rate (based on year-end borrowings) excluding fees is 5.46% (2025: 5.60%).

(ii) Interest rate risk

It is estimated a 100 basis point increase in interest rates would result in an increase in the Group's interest costs by approximately $2 million pre-tax on the Group's debt portfolio exposed to floating rates at balance date (2025: $8 million) assuming that all other variables remain constant.

16. FINANCIAL RISK MANAGEMENT

Exposures to credit, liquidity, foreign currency, interest rate and commodity price risks arise in the normal course of the Group's business. The principles under which these risks are managed are set out in policy documents approved by the Board. The policy documents identify the risks and set out the Group's objectives, policies and processes to measure, manage and report the risks. The policies are reviewed periodically to reflect changes in financial markets and the Group's businesses.

Derivative financial instruments, including forward foreign exchange contracts, interest rate swaps, foreign currency swaps, cross currency interest rate swaps, options, forward rate agreements and commodity price swaps are utilised to reduce exposure to market risks. All the Group's derivative financial instruments are held to hedge risk on underlying assets, liabilities, and forecast and committed trading and funding transactions. The Group policy specifically prohibits the use of derivative financial instruments for trading or speculative purposes.

Derivative financial instruments and hedge accounting

Derivatives are recorded at fair value with the resulting gain or loss on remeasurement recognised in the Consolidated Income Statement unless the derivative is designated into an effective hedge relationship as a hedging instrument, in which case the timing of recognition in the Consolidated Income Statement depends on the nature of the designated hedge relationship. For a derivative instrument to be classified and accounted for as a hedge, it must be highly correlated with, and effective as a hedge of the underlying risk being managed. This relationship is documented from inception of the hedge. The fair values of derivative financial instruments are determined by applying quoted market prices, where available, or by using inputs that are observable for the asset or liability.

The Group may designate derivatives as:

- Fair value hedges (where the derivative is used to manage the variability in the fair value of recognised assets and liabilities);
- Cash flow hedges (where the derivative is used to manage the variability in cash flows relating to recognised liabilities or forecast transactions); or
- Net investment hedges (where borrowings or derivatives are used to manage the risk of fluctuation in the translated value of its foreign operations).

The Group holds derivative instruments until expiry except where the underlying rationale from a risk management point of view changes, such as when the underlying asset or liability that the instrument hedges no longer exists, in which case early termination occurs.

Notes to the Consolidated Financial Statements 2026 (Continued)

16.1 FOREIGN CURRENCY RISK

(i) Currency transaction risk

Foreign currency transaction risk arises from foreign currency denominated revenue, expenditure, capital expenditure and other committed transactions. The Group manages this risk using foreign exchange forward contracts and options to hedge material foreign currency exposures. The majority of these transactions have maturities of less than one year from the reporting date.

Cash flow hedge accounting is applied to forecast transactions and short-term intra-Group cash funding. The Group designates the spot element of foreign exchange forwards and swaps to hedge its currency risk and applies a hedge ratio of 1:1. The Group's policy is for the critical terms of the foreign exchange forwards and swaps to align with the hedged item. The main currency hedged is the Australian dollar. The gross value of these foreign exchange derivatives at 30 June 2026 was $473 million (2025: $645 million).

(ii) Currency translation risk

Foreign currency translation risk arises from the translation of the Group's foreign operations, assets and liabilities into New Zealand dollars for reporting purposes. The Group manages this risk through the currency composition of its borrowings. Where required, derivative instruments may be used and they are designated as net investment hedges.

No derivative instruments were used to manage currency translation risk as at 30 June 2026. The Group's Australian subsidiary had Australian dollar denominated debt of $150 million as a natural hedge of the Group's investment in its Australian operations.

16.2 INTEREST RATE RISK

Interest risk is the risk that the value of borrowings or cash flows associated with the borrowings will change due to changes in market rates. The Group manages the fixed interest rate component of its borrowings by entering into CCIRS, interest rate swaps, forward rate agreements and options. The Group maintains an appropriate mix of fixed and floating rate borrowings, with a minimum fixed interest rate cover of 20% over the next three years.

Cash flow hedge accounting is applied to interest rate swaps designated as hedges of floating-rate borrowings. The Group applies a hedge ratio of 1:1. There was no material hedge ineffectiveness recognised in the Consolidated Income Statement during the year.

At 30 June 2026, the notional principal amount of interest rate swaps designated in hedge relationships was $449 million (2025: $378 million). The hedging loss recognised in Other Comprehensive Income was $5 million (2025: $14 million).

The impact of debt hedging activities on borrowings

	Underlying borrowing exposure		Economic debt exposure		
2026	**Fixed rate NZ$M**	**Floating rate NZ$M**	**Fixed rate NZ$M**	**Floating rate NZ$M**	**% Fixed**
New Zealand Dollar	162	436	562	36	94%
Australian Dollar		191	49	142	26%
Total	**162**	**627**	**611**	**178**	**77%**

16.3 COMMODITY PRICE RISK

Commodity price risk arises from committed or highly probable trade transactions that are linked to commodities. The Group manages its commodity price risks through negotiated supply contracts and, for certain commodities, by using commodity price swaps and options.

Cash flow hedge accounting is applied to commodity derivative contracts. At 30 June 2026, the Group has hedged a portion of its electricity and diesel usage for the period 1 July to 31 December 2030 and 30 June 2027 respectively. The average hedged electricity price is NZ$144/MWh and the average hedged diesel price (ex-Singapore) is NZ$1.06/Litre.

A 10% increase in the New Zealand electricity spot price at balance sheet date would result in an increase to equity of approximately $2 million and no material impact on the Consolidated Income Statement.

A 10% increase in the New Zealand diesel spot price at balance sheet date would not have a material impact on the Group's earnings or equity position.

16.4 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from receivables from customers, derivative financial instruments and the investment of cash.

The Group manages credit risk through customer credit assessments, ongoing monitoring of receivable balances and limits on exposures to financial institutions. Owing to the Group's industry spread at balance date, there were no significant concentrations of credit risk in respect of trade receivables. Refer to **note 7** for debtor balances and ageing analysis.

Notes to the Consolidated Financial Statements 2026 (Continued)

(i) Impairment of financial assets

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The identified impairment loss for cash and cash equivalents was immaterial.

Expected credit losses are estimated using historical loss experience, adjusted where appropriate for current and forward-looking information. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors.

The table below provides movement in the Group's expected credit loss provision:

	2026 NZ$M	2025 NZ$M
Opening provision for expected credit losses	(16)	(15)
Receivables written off during the year as uncollectible	1	3
Increase in provision for doubtful debts recognised in the Consolidated Income Statement		(4)
Closing provision for expected credit losses	**(15)**	**(16)**

Trade receivables are written off where there is no reasonable expectation of recovery.

(ii) Derivative financial instruments and the investment of cash

The Group enters into derivative financial instruments and invests cash with counterparties that are subject to Board-approved credit limits. There were no significant concentrations of credit risk in respect of these financial instruments and no material credit losses are expected. The carrying amount of non-derivative financial assets represents the maximum credit exposure.

16.5 FAIR VALUES

The estimated fair value measurements for financial assets and liabilities compared to their carrying values in the Consolidated Balance Sheet, are as follows:

		2026		2025	
	Classification	Carrying value NZ$M	Fair value NZ$M	Carrying value NZ$M	Fair value NZ$M
Financial assets					
Cash and liquid deposits	Amortised cost	145	145	139	139
Debtors	Amortised cost	764	764	743	743
Forward exchange contracts – fair value through profit or loss	Fair value	4	4	1	1
Forward exchange contracts – cash flow hedge	Fair value	4	4	5	5
Cross currency interest rate swaps – split designation	Fair value			26	26
Cross currency interest rate swaps – cash flow hedge	Fair value			11	11
Interest rate swaps – cash flow hedge	Fair value				
Commodity price swaps – cash flow hedge	Fair value	2	2	8	8
Total financial assets		**919**	**919**	**933**	**933**

Notes to the Consolidated Financial Statements 2026 (Continued)

	Classification	2026 Carrying value NZ$M	2026 Fair value NZ$M	2025 Carrying value NZ$M	2025 Fair value NZ$M
Financial liabilities					
Creditors and accruals	Amortised cost	848	848	1,002	1,002
Bank loans	Amortised cost	619	619	627	627
Private placements	Amortised cost			323	339
Other loans	Amortised cost	8	8	5	5
Capital notes	Amortised cost	162	165	217	211
Forward exchange contracts – fair value through profit or loss	Fair value	1	1	5	5
Forward exchange contracts – cash flow hedge	Fair value	3	3	2	2
Cross currency interest rate swaps – split designation	Fair value			5	5
Interest rate swaps – cash flow hedge	Fair value	5	5	10	10
Commodity price swaps – cash flow hedge	Fair value	6	6	3	3
Total financial liabilities		**1,652**	**1,655**	**2,199**	**2,209**
Total financial instruments		**(733)**	**(736)**	**(1,266)**	**(1,276)**

Fair value measurement

All of the Group's derivatives are in designated hedge relationships and are measured and recognised at fair value.

All derivatives are level 2 valuations based on accepted valuation methodologies. Forward exchange fair value is calculated using quoted forward exchange rates and discounted using yield curves derived from quoted interest rates matching maturity of the contract. The fair value of commodity price swaps is measured using a derived forward curve and discounted using yield curves derived from quoted interest rates matching the maturity of the contract.

Interest rate derivatives are calculated by discounting the future principal and interest cash flows at current market interest rates that are available for similar financial instruments.

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) other than quoted prices included within level 1.
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value disclosures

The fair values of borrowings used for disclosure are measured under level 2, by discounting future principal and interest cash flows at the current market interest rate plus an estimated credit margin that is available for similar financial instruments with a similar credit profile to the Group.

The interest rates across all currencies used to discount future principal and interest cash flows are between 3.9% and 6.1% (2025: 1.8% and 8.1%) including margins, for both accounting and disclosure purposes.

Notes to the Consolidated Financial Statements 2026 (Continued)

Group Structure and Related Parties

This section details the Group's capital, non-controlling interest of subsidiaries, investments in associates and joint ventures and information relating to transactions with other related parties.

17. DIVIDENDS AND SHAREHOLDER TAX CREDITS

Dividends	2026 NZ$M	2025 NZ$M
Full year dividend declared/paid		

The Board determined that it would not declare a final dividend for the 2026 financial year.

Shareholder tax credits

Imputation and franking credits allow the Company to transfer the benefit from the tax it has paid in New Zealand and Australia respectively to its shareholders when it pays dividends.

	2026 NZ$M	2025 NZ$M
Imputation credit account		
Imputation credits at the beginning of the year	5	3
Taxation (received)/paid	(3)	2
Imputation credits available for use in subsequent accounting periods	**2**	**5**

	2026 A$M	2025 A$M
Franking credit account		
Franking credits at the beginning of the year	38	38
Franking credits available for use in subsequent accounting periods	**38**	**38**

18. CAPITAL

Ordinary shares are classified as shareholders' funds. Costs directly attributable to the issue of new shares or options are shown in shareholders' funds as a reduction from the proceeds. Acquired shares are classified as treasury stock and presented as a deduction from share capital under the treasury stock method, as if the shares are cancelled, until they are reissued or otherwise disposed of.

	2026 NZ$M	2025 NZ$M
Reported capital at the beginning of the year excluding treasury stock	3,680	2,995
Issue of shares		679
Vested share-based payment	7	6
Reported capital at the end of the year excluding treasury stock	**3,687**	**3,680**

All ordinary shares are issued and fully paid and carry equal rights in respect of voting, dividend payments and distribution upon winding up.

	2026	2025
Number of ordinary shares issued and fully paid		
Number of shares on issue at the beginning of the year	1,074,897,372	783,043,596
Issue of shares*	664,395	291,853,776
Total number of shares on issue	1,075,561,767	1,074,897,372
Less shares accounted for as treasury stock	(3,413,220)	(4,303,432)
	1,072,148,547	**1,070,593,940**

* The 664,395 shares issued during the year relate to award shares that vested under the FBuShare employee share purchase scheme. The associated equity movement is included in vested share-based payment.

Notes to the Consolidated Financial Statements 2026 (Continued)

19. NON-CONTROLLING INTERESTS

Non-controlling interests are allocated their share of profit for the year in the Consolidated Income Statement and are presented separately within equity in the Consolidated Balance Sheet. The effect of all transactions with non-controlling interests that change the Group's ownership interest but do not result in a change in control are recorded in equity.

	2026 NZ$M	2025 NZ$M
Share capital	9	9
Reserves	(9)	(4)
		5

20. INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND JOINT OPERATIONS

A joint arrangement is an arrangement where two or more parties have joint control. The Group classifies its joint arrangements as either joint operations or joint ventures depending on the legal, contractual and other rights and obligations.

Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Consolidated Income Statement, and the Group's share of movements of the investee's other comprehensive income in the Consolidated Statement of Comprehensive Income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Investment in joint ventures and associates

Investments in associates and joint ventures are measured using the equity method. The equity method has been used for associate entities over which the Group has significant influence but not control.

Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the consolidated financial statements under the appropriate headings.

	2026 NZ$M	2025 NZ$M
Investment by associate/joint venture:		
Wespine Industries Pty Ltd	84	70
Hexion Australia Pty Ltd	28	25
Altus® NZ Limited	80	80
NX2 Hold LP		23
Other	24	20
	216	**218**
Equity-accounted earnings comprise:		
Sales – 100%	446	469
Earnings before taxation – 100%	41	48
Earnings before taxation – Fletcher Building share	21	13
Taxation expense	(6)	(3)
Earnings after taxation – Fletcher Building share	**15**	**10**

Notes to the Consolidated Financial Statements 2026 (Continued)

Interest in joint operations

The Group recognises its interest in the assets, liabilities, revenue and expenses of joint operations.

Name of joint operation	Principal activity	Principal place of business	2026 %	2025 %
Liveable Streets	Maintenance	Auckland		50%
P2W Construction JV	Construction	Auckland	50%	50%
Eastern Busway Alliance	Construction	Auckland		60%
Waterview Connection Joint Operations	Maintenance	Auckland		23%
Hamilton Expressway	Construction	Waikato		61%
Mackays to Peka Peka	Construction	Wellington	75%	75%
Transport Rebuild East Coast	Maintenance	Hawke's Bay		33%

21. RELATED PARTY DISCLOSURES

The disclosures below set out transactions and outstanding balances that Group companies and other related parties have with each other.

Key management personnel are defined as the Executive Committee and Board of Directors.

2026	Sales to related parties NZ$M	Purchases from related parties NZ$M	Amounts owing from related parties (within debtors) NZ$M	Amounts owing to related parties (within creditors) NZ$M
Wespine Industries Pty Ltd and Hexion Australia Pty Ltd		46		8
Altus® NZ Limited		7		1
Others	5	13		
2025				
Wespine Industries Pty Ltd and Hexion Australia Pty Ltd		39		7
Altus® NZ Limited		5		
NX2 Hold LP	(10)			
Higgins Fiji			5	
Others	4	12	1	

As at 30 June 2026, the Group held no material cash deposits on behalf of the alliance/joint operation (Mackays to Peka Peka). The Group holds 75% interest in this alliance/joint operation.

	2026 NZ$M	2025 NZ$M
Key management personnel compensation		
Directors' fees	1	2
Executive committee remuneration paid, payable or provided for:		
Short-term employee benefits	12	13
Long-term employee benefits		(1)
Termination benefits		4

Fletcher Building Retirement Plan

As of 30 June 2026, Fletcher Building Nominees Limited, as trustee of the New Zealand retirement plan, held no shares in Fletcher Building Limited (2025: nil).

Notes to the Consolidated Financial Statements 2026 (Continued)

Other Information

This section provides additional required disclosures that are not covered in the previous sections.

22. CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure commitments are those where future expenditure has been committed at year end, but not recognised as liabilities as follows:

	2026 NZ$M	2025 NZ$M
Committed at year end		
Property, plant and equipment and other long-term assets	63	111

23. CONTINGENT LIABILITIES

Contingent liabilities are possible legal or constructive obligations arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or the amount of the obligation cannot be reliably measured. When the Group has a present obligation, an outflow of economic resources is assessed as probable and the Group can reliably measure the obligation, a provision is recognised.

The Group, in the normal course of business, may be subject to legal claims and other exposures in respect of which no provision has been made. Obligations assessed as having probable future economic outflows capable of reliable measurement are recognised as provisions at reporting date. Matters assessed as having possible future economic outflows, where the outflows are capable of reliable measurement, are disclosed as contingent liabilities. Contingent liabilities that cannot be reliably quantified are described but not included in the total amount disclosed below.

Individually significant matters, including narrative on potential future exposures incapable of reliable measurement, are disclosed below, to the extent that disclosure does not prejudice the Group.

Guarantees

In certain circumstances, the Group guarantees the performance of particular business units in respect of their obligations. This includes bonding and bank guarantee facilities used primarily by the construction business as well as performance guarantees for certain of the Group's subsidiaries.

Contingent liabilities in relation to guarantees, quantifiable claims and others

	2026 NZ$M	2025 NZ$M
Contingent liabilities with respect to guarantees extended on trading transactions, performance bonds and other transactions	142	241
Contingent liabilities with respect to quantifiable claims	50	30
	192	**271**

Class action proceedings: Western Australia plumbing failures

On 6 August 2024, the Group announced that a class action proceeding had been filed in the Federal Court of Australia against Iplex® Pipelines Australia (Iplex® Australia), on behalf of persons, Australia-wide, who acquired polybutylene pipes manufactured by Iplex® Australia composed of a resin known as Typlex-1050. The class action alleges that the Pro-fit product was not of acceptable quality at the time of supply and seeks a broad range of damages (unquantified), including: costs of removing, repairing, replacing and disposing of the affected pipe; repair costs and/or possession damaged by the affected pipe; reduction in property value, vexation, distress and disappointment. Iplex® Australia is defending the action and has brought cross-claims against certain WA builders and plumbers.

On 27 August 2024, the Group announced that Western Australian home builder, BGC, had filed legal proceedings against Iplex® Australia in relation to the Pro-Fit pipes issues, making similar allegations to those raised in the class action. Iplex® Australia is defending the BGC proceedings. On 12 December 2025, Fletcher Building was joined as a respondent to this proceeding.

An additional claim has been filed by one homeowner in the WA District Court against both BGC and Iplex® Australia. This claim was recently joined to the Federal Court proceedings and stayed.

The Federal Court proceedings are in the discovery phase and are expected to remain in that phase for at least the rest of the calendar year. They have also been listed for a preliminary 12-week trial commencing on 8 May 2028.

Notes to the Consolidated Financial Statements 2026 (Continued)

The outcome of these proceedings and associated liabilities, if any, remains uncertain at the date of this report. Ultimately, if Iplex® Australia is found to bear full or part responsibility for the amounts claimed, the cost to it in meeting any damages claims could have a material impact on the Group's financial position. It is not practicable as at 30 June 2026 to provide an estimate of the financial effect, including any quantum of costs or any penalty, or the timing of their incurrence, and disclosure of any possible impact would be materially prejudicial to the Group's commercial interests.

Commerce Commission Winstone Wallboards® proceedings

On 1 November 2024, the Group announced that the New Zealand Commerce Commission had filed legal proceedings against Winstone Wallboards®, seeking declarations that Winstone Wallboards® contravened the Commerce Act 1986 in relation to its historical use of volume rebates, together with associated civil pecuniary penalties.

As previously reported, the volume rebates were discontinued by Winstone Wallboards® in 2022. Winstone Wallboards® remains of the opinion that its previous use of volume rebates, which are widespread in the industry, did not breach the Commerce Act and is defending the proceedings.

The proceedings are progressing in accordance with the Court timetable, with trial currently scheduled to commence at the Auckland High Court on 5 July 2027.

The claims made by the Commission remain subject to substantive dispute and are being actively defended, but cannot be quantified at this time. As at 30 June 2026 and at this stage, it is not practicable to provide, in relation to these proceedings: (a) an estimate of financial effect; (b) an indication of the uncertainties in relation to the amount or timing of any outflow; or (c) the possibility of any pecuniary penalty.

Class action proceedings: Building + Interiors disclosures

On 13 March 2023, the Group announced that class action proceedings had been filed against it in the Supreme Court of Victoria making allegations that between 17 August 2016 and 23 October 2017 the Group misrepresented the performance and financial position of its Building + Interiors (B+I) business and failed to disclose information as to its true financial position. The claim is brought on behalf of shareholders who acquired an interest in fully paid ordinary shares in the Group on the Australian Securities Exchange or NZX Main Board between those dates. The Group is defending the proceedings. Based on current status of the proceedings, the claims made on behalf of shareholders have not yet been and are not required to be quantified. As at 30 June 2026, it is not practicable to provide: (a) an estimate of the financial effect; (b) an indication of the uncertainties relating to the amount or timing of any outflow; or (c) the possibility of any reimbursement.

24. TAXATION

The provision for current tax is the estimated amount due for payment during the next 12 months by the Group. The provision for deferred tax has been calculated using the balance sheet liability method.

Deferred tax is recognised on tax losses, tax credits and on the temporary difference between the carrying amount of assets and liabilities and their taxable value where recovery is considered probable. Deferred tax is not recognised on the following temporary differences:

- The initial recognition of goodwill; and
- The initial recognition of asset and liabilities for a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

There are no significant deferred tax liabilities in respect of the undistributed profits of subsidiaries and associates.

Judgements are required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty as there is a possibility of future changes in the interpretation and/or application of tax legislation. This may impact the amount of current and deferred tax assets and liabilities recognised in the Consolidated Balance Sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Consolidated Income Statement.

The Group has assessed the impact of the OECD Pillar Two Global Minimum Tax rules and the legislation enacted in jurisdictions in which it operates. Based on this assessment, the Group qualifies for one or more of the available transitional safe harbour provisions in all jurisdictions for the reporting period. Accordingly, no material Pillar Two top-up tax liability is expected to arise in respect of the year ended 30 June 2026, and no provision has been recognised in these financial statements. The Group will continue to monitor developments in Pillar Two legislation and the ongoing applicability of the safe harbour provisions in future reporting periods.

Notes to the Consolidated Financial Statements 2026 (Continued)

Below is the reconciliation of earnings before taxation to taxation expense:

	2026 NZ$M	2025 NZ$M
Earnings/(losses) before taxation - continuing operations	**248**	**(391)**
Taxation at 28 cents per dollar	69	(109)
Adjusted for:		
Difference in tax rates	1	(2)
Non-assessable income	(6)	(6)
Non-deductible expenses	2	56
Tax losses for which no deferred tax asset was previously recognised	(15)	
Tax in respect of prior years	(10)	(2)
Tax expense/(benefit) on earnings - continuing operations	**41**	**(63)**
Income tax expense/(benefit) on continuing operations is attributable to:		
Tax on earnings before Significant Items*	54	40
Tax benefit on Significant Items*	(13)	(103)
Tax expense/(benefit) on earnings - continuing operations	**41**	**(63)**
Income tax expense/(benefit) on discontinued operations is attributable to:		
Tax expense/(benefit) on earnings before Significant Items	7	8
Tax benefit on Significant Items	(35)	(14)
Tax benefit on earnings - discontinued operations	**(28)**	**(6)**
Income tax expense/(benefit) is attributable to:		
Total current taxation expense/(benefit)	9	
Total deferred taxation expense/(benefit)	4	(69)
Tax expense/(benefit) on earnings	**13**	**(69)**

* Comparatives have been represented, refer to **note 2.1**.

Current tax assets		
Included within the Consolidated Balance Sheet as follows:		
Current tax assets	20	29
	20	**29**
Movement in current tax assets during the year:		
Opening provision for current tax assets	29	28
Current period tax benefit	(2)	(8)
Prior period adjustments	(6)	8
Non-controlling interest share of taxation expense	3	1
Tax recognised directly in reserves		1
Net tax payments	(3)	
Currency movement	(1)	(1)
	20	**29**
Provision for deferred tax assets		
Included within the Consolidated Balance Sheet as follows:		
Deferred tax assets	225	209
	225	**209**

Notes to the Consolidated Financial Statements 2026 (Continued)

	2026 NZ$M	2025 NZ$M
Movement in deferred tax assets during the year:		
Opening deferred tax assets	209	136
Current period deferred tax benefit	(20)	75
Classified as held for sale	3	
Prior period adjustment	18	(3)
Tax recognised directly in reserves	1	2
Currency movement	14	(1)
	225	**209**
Composed of:		
Provisions and other liabilities	170	146
Inventories	16	14
Debtors	4	5
Property, plant and equipment	(70)	(67)
Brands	(64)	(63)
Tax losses	103	117
Right-of-use assets	(272)	(345)
Lease liabilities	338	408
Other		(6)
	225	**209**

The net deferred tax asset balance of $225 million at 30 June 2026 (2025: $209 million) largely comprises New Zealand and Australia carried forward tax losses incurred in the current and prior periods, timing differences on the Group's provisions and net deferred tax asset on the Group's right-of-use assets/liabilities. It is expected there will be sufficient future earnings in New Zealand and Australia to utilise the deferred tax asset in each of these jurisdictions.

25. RETIREMENT PLANS

Fletcher Building Limited is the principal sponsoring company of a plan that provides retirement and other benefits to employees of the Group in New Zealand and Australia. Participation in this plan has been closed for a number of years, although defined contribution savings plans have been made available.

The Group's plan assets and liabilities in respect of individual defined benefit retirement plans are calculated separately for each plan by an independent actuary, as being the fair value of the plan's assets less the present value of the future obligations to the members. The value of the asset recognised cannot exceed the present value of any future refunds from the plans or reductions in future contributions to the plans, unless a constructive right to a refund of the surplus exists, in which case the amount to be refunded is recognised as an asset. In the Group's balance sheet, plans that are in a surplus position are not offset with plans that are in a liability position. The refund of the New Zealand surplus is subject to Financial Markets Authority (FMA) approval under FMCA 2013 Section 177.

Principal assumptions made in the actuarial calculation of the defined benefit obligation relate to the discount rate, rate of salary inflation and life expectancy. The calculation of the defined benefit obligations is based on years of service and the employees' compensation during their years of employment. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future. A discount rate of 4.62% has been applied in 2026 on benefit obligations (2025: 4.52%). In applying sensitivity analysis, a 1% lower discount rate assumption increases the defined benefit obligation by $10 million (2025: $11 million), whilst adding one additional year of life expectancy of scheme members decreases the obligation by $7 million (2025: $7 million decrease).

The following table provides the weighted average assumptions used to develop the net periodic pension cost and the actuarial present value of projected benefit obligations for the Group's plans:

	2026 %	2025 %
Assumed discount rate on benefit obligations	4.62	4.52
Annual rate of increase in future compensation levels	2.36	2.30

Notes to the Consolidated Financial Statements 2026 (Continued)

Fletcher Building Limited has an obligation to ensure that the funding ratio of the New Zealand plan's assets is at least 115% of the plan's actuarial liability. At 31 March 2026, the value of the plan assets was 211% of the actuarial liability and the funded surplus was $147 million (31 March 2025: 210%, $153 million). The Pension Plan Trust Deed permits the Trustees to grant discretionary additional benefits of up to one month's pension annually, conditional on maintaining a minimum post-payment funding ratio of 140%. Any residual surplus on wind-up remains attributable to the Company, subject to FMA approval.

During the year the Group contributed less than $1 million (2025: less than $1 million) in respect of its Australian defined benefit plans. The Group is currently not contributing to the New Zealand plan. It contributed $59 million (2025: $56 million) in respect of its defined contribution plans worldwide, including Kiwisaver and Australia Superannuation.

	2026 NZ$M	2025 NZ$M
Recognised net asset		
Assets of plans	350	363
Projected benefit obligation	(202)	(213)
Funded surplus	148	150
Asset ceiling effect		
Recognised net asset	**148**	**150**
Movement in recognised net asset		
Recognised net asset at the beginning of the year	150	152
Actuarial movements for the year	(6)	(7)
Net periodic pension cost	4	5
Recognised net asset	**148**	**150**
Assets of the plans		
Assets of plans at the beginning of the year	363	367
Actual return on assets	8	25
Total contributions	1	1
Benefit payments	(22)	(30)
	350	**363**
Assets of the plans consist of:		
Australasian equities	26	27
International equities	104	103
Property	2	2
Bonds	162	164
Cash and short-term deposits	39	48
Other assets	17	19
	350	**363**
Projected benefit obligation		
Projected benefit obligation as at the beginning of the year	(213)	(215)
Service cost	(2)	(2)
Interest cost	(9)	(10)
Actuarial loss arising on changes in demographic assumptions		(10)
Member contributions	(1)	(1)
Actuarial loss arising on changes in financial assumptions	(2)	(3)
Actuarial loss arising on other assumptions - experience adjustments		(3)
Benefit payments	22	29
Currency translation	3	2
	(202)	**(213)**
Amounts recognised in the Consolidated Income Statement		
Service cost - recognised in earnings before interest and taxation	(2)	(2)
Net interest income - recognised in funding costs	7	7
Net periodic pension income	**5**	**5**

Notes to the Consolidated Financial Statements 2026 (Continued)

26. SHARE-BASED PAYMENTS

The Group has a number of employee incentive schemes, and whilst some are offered to all employees, others are offered only to specific individuals.

All schemes are equity-settled share-based payment arrangements, accounted for under NZ IFRS 2 Share-based Payments and are measured at fair value at grant date. The fair value of shares or options granted to employees is recognised as an employee expense in the Consolidated Income Statement over the restrictive period, with the restrictive period being the period over which the service requirement of the particular scheme is met, with a corresponding increase in the employee share-based payment reserve.

When shares or options vest and shares are awarded to employees, the amount in the share-based payment reserve relating to those instruments is transferred to share capital. When share-based payments do not vest as a result of market conditions not being met, the amount in the share-based payment reserve is reclassified to retained earnings. When share-based payments do not vest due to a performance condition not being met, any amount previously recognised is released to the Consolidated Income Statement.

Long-term incentive (LTI) share scheme

The Group has a long-term share-based performance incentive scheme targeted at selected employees most able to influence the results of the Group (invited to participate at the discretion of the Company). The aim is to drive long-term, sustainable results and create shareholder value by aligning our most senior people with the shareholders' interests.

The long-term share scheme allows scheme participants to acquire shares in the Company at market value (i.e. face value at the time of grant), funded by an interest-free loan from the Group. The scheme participants are entitled to vote on the shares and to receive cash dividends, the proceeds of which are used to reduce the loan. The shares are held in trust for the scheme participants by the Trustee, Fletcher Building Share Schemes Limited.

Entitlement under the scheme for the 2023 and 2024 offers is dependent upon the Group's relative Total Shareholder Return (rTSR) exceeding the 51st percentile of an Australasian comparator group and Return on Funds Employed (ROFE) exceeding the Group's Weighted Average Cost of Capital (WACC) over a three-year restricted period.

At the end of the restrictive period, the Group will pay a bonus to the executives to the extent that performance hurdles have been met, the after-tax amount of which will be generally sufficient for the scheme participants to repay the balance of the loan in respect of the shares which are to be transferred.

If the performance hurdles are not met or are only partially met and the shares do not transfer to the scheme participants, the amount in the share-based payments reserve will remain in equity and will not be released to earnings, with the trustee acquiring the beneficial interest in some or all of the relevant shares. The loan provided in respect of those shares which do not transfer to the scheme participants (the forfeited shares) will be novated to the trustee and will be fully repaid by the transfer of the forfeited shares.

During the 2025 calendar year, the relative Total Shareholder Return measure was replaced with an absolute Total Shareholder Return (aTSR) measure and the Return on Funds Employed (ROFE) measure was replaced with Return on Invested Capital (ROIC). These performance measures are equally weighted at 50% each and vest on a straight-line basis between threshold and maximum performance levels. The aTSR measure includes an above-target performance opportunity, allowing vesting of up to 110%, whereas vesting under the ROIC measure is capped at 100% for maximum performance.

The following are details with regard to the scheme:

	2025 Award	2024 Award	2023 Award	2022 Award	2021 Award
Grant date	1 July 2025	1 September 2024	1 September 2023	1 September 2022	1 July 2021
Number of shares granted	1,637,863	1,302,514	776,435	638,499	395,085
Market price per share at grant date	$3.14	$2.96	$4.88	$5.61	$7.48
Total value at grant date (NZ$)	$5,142,890	$3,855,441	$3,789,003	$3,581,979	$2,955,236
Vesting date	30 June 2028	31 August 2027	31 August 2026	31 August 2025	30 June 2024
Number of shares:					
Number of shares originally granted	1,637,863	1,302,514	745,440	616,654	395,085
Additional shares granted			30,995	21,845	
Less: forfeited/unvested over life of scheme	(67,678)	(139,051)	(333,623)	(638,499)	(395,085)
Less: vested over life of scheme					
Number of shares held at 30 June 2026	**1,570,185**	**1,163,463**	**442,812**		
Cumulative number of shares held	**3,176,460**	**1,606,275**	**442,812**		

Notes to the Consolidated Financial Statements 2026 (Continued)

	2026 NZ$M	2025 NZ$M
Total fair value expense in year for LTI		(1)
Amount recognised at year end in the share based payment reserve	3	5

Fair value for the 2025 scheme has been determined using the Binomial Option Pricing model.

Deferred short-term incentive (STI) plan

A senior short-term incentive (STI) share-based payment scheme has been put in place for selected senior employees (invited to participate at the discretion of the Company), which is recognised on the achievement of the Group and individual performance objectives using a balanced scorecard. The aim is to align the financial interests of participating senior employees with the Company's shareholders and recognise the differing priorities, and development phases in which our businesses are operating through individual targets and measures.

The scheme's grant date is 1 July each year, with 1 July 2021 being the first scheme offered. Following the release of the final audited financial year results, the selected employees' STIs are split between a cash payment and a deferred STI portion entitling the employee to share rights. Achievement is calculated based on various non-market conditions specific to the individual business improvement, safety goals, as well as financial goals. Performance is assessed against the applicable non-market conditions one year after the grant date, generally in September, with the cash component settled at this time. The share rights portion of the award converts into Fletcher Building ordinary shares two years from achievement date, where the number of share rights awarded is determined based on the share price at 30 June, one year after grant date. For most employees, the award is subject to the participant remaining employed with the Group for three years.

	2026 NZ$M	2025 NZ$M
Total fair value expense in year for deferred STI	(1)	(1)

Employee retention share scheme

The employee retention share scheme is a one-off share-based arrangement granted to certain senior management and executives as a targeted retention measure. The total fair value expense recognised in respect of this scheme was less than $500,000 in each of the two financial years presented.

Employee share purchase scheme – FBuShare

FBuShare is Fletcher Building's employee share purchase scheme available to all eligible Group employees. The plan aims to connect our people with our performance, and to promote employee engagement and retention. Employees purchase Fletcher Building shares (purchased shares) at market prices and, if they continue to be employed after a three-year qualification period, they become entitled to receive one bonus award share for every two shares purchased in the first year of each qualification period and still owned at the end of that period. FBuShare does not require any performance criteria to be met. FBuShare has a minimum contribution rate of NZ$250 per annum and a maximum contribution rate of NZ$5,000 per annum (or the equivalent currency in other countries) of the employees after-tax pay. Directors are not eligible to participate in FBuShare.

Dividends paid will be re-invested in additional shares. Employees will receive award shares on any additional shares, subject to the same conditions set out above. The employees are responsible for any income tax liability payable on dividends and on the value of any award shares.

At the end of each three-year qualification period, employees may continue to hold any purchased, additional and award shares or they may sell some or all of the shares.

During the year, approximately 0.6 million award shares vested. At 30 June 2026, approximately 1.5 million shares would be required to satisfy the obligation to provide award shares to FBuShare participants based on the purchased share balances. No new FBuShare offer was made during the year.

	2026 NZ$M	2025 NZ$M
Total fair value expense in year for employee share purchase scheme	(2)	

Notes to the Consolidated Financial Statements 2026 (Continued)

27. SUBSEQUENT EVENTS

Government support for Golden Bay Cement®

Subsequent to the reporting date, Golden Bay Cement® and the New Zealand Government entered into an agreement under which the Government will provide up to $60 million of support for the continued operation of Golden Bay Cement®'s Northland plant. Golden Bay Cement® has committed to continue domestic cement production until at least 2040 and to invest at least $150 million through to 2040 in continued operations, resilience and decarbonisation initiatives.

Following the agreement, Golden Bay Cement® acquired 1,051,000 New Zealand Units (NZUs) for $59.1 million and received the grant of $59.1 million. The NZUs are expected to be used to meet Golden Bay Cement®'s Emissions Trading Scheme surrender obligations over the period from 2030 to 2040.

This represents a non-adjusting event after the reporting period. Accordingly, no amounts relating to the agreement or the NZU acquisition have been recognised in the consolidated financial statements as at 30 June 2026.

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Independent auditor's report to the shareholders of Fletcher Building Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Fletcher Building Limited (the "Company") and its subsidiaries (together the "Group") on pages 5 to 63, which comprise the consolidated balance sheet of the Group as at 30 June 2026, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of movements in equity and consolidated statement of cash flows for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 5 to 63 present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2026 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standard 1.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Ernst & Young provides agreed upon procedures, remuneration benchmarking, delivery of sustainability related training, taxation compliance, financial statement preparation services and other assurance related services to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Provisions – Iplex® Australia Industry Response

Why significant	How our audit addressed the key audit matter
In November 2024, the Group recognised a provision in relation to the Iplex Australia Industry Response with a remaining balance of $151m reported as at 30 June 2026. NZ IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* provides criteria for recognition and assessment of liabilities for such matters. The application of this standard required significant judgement in determining whether the provision could be reliably measured and measurement of the recorded provision. There is complexity in relation to the assessment of this matter and uncertainty as to the outcome and quantification of associated future economic outflow. Accordingly, we considered this to be a key audit matter. Disclosures regarding the provision recognised are included in **notes 2.2** and **10** of the financial statements.	In obtaining sufficient appropriate audit evidence, we: • evaluated the Group's assessment as to whether a present obligation exists arising from past events based on the available facts and circumstances; • in order to assess the facts and circumstances: – held discussions with the Group's internal and external legal counsel; – held discussions with management, reviewed Board and Audit & Risk Committee papers, and attended Audit and Risk Committee meetings to understand progress on the matter; – considered the documentation prepared by management and other relevant documents; and – analysed forecast leak trend and costs against actual leak experience and costs incurred to date. • involved our EY specialists to consider the reasonableness of selected leak rate assumptions adopted by management; • evaluated the methodology adopted to calculate the provision in accordance with relevant accounting standard, and assessed whether the assumptions such as leak rate, leak mix, costs to be incurred for each leak type and estimated amounts were reasonable; and • considered the adequacy of the associated disclosures in the financial statements including whether they appropriately describe the assumptions made and uncertainties in estimating the industry response provision.

Goodwill and intangible assets with indefinite useful lives impairment assessment

Why significant	How our audit addressed the key audit matter
The Group held goodwill and intangible assets with indefinite useful lives of $653 million at 30 June 2026. The recoverable amount of the Group's Cash Generating Units ("CGUs") with Goodwill is determined each reporting period by reference to valuations prepared using discounted cash flow models ("DCF models"). DCF models contain significant judgement and estimation in respect of future cash flow forecasts, discount rate and terminal growth rate assumptions. Changes in certain assumptions can lead to significant changes in the assessment of the recoverable amount. Disclosures regarding the Group's key assumptions adopted and the sensitivity to reasonably possible changes in key assumptions which could result in impairment for higher risk CGUs are included in **note 2.3** of the financial statements.	In obtaining sufficient appropriate audit evidence, we: • understood the Group's goodwill and intangible assets with indefinite useful lives impairment assessment process and identified relevant controls; • assessed the Group's determination of CGUs and considered which CGUs had a higher likelihood of impairment based on our understanding of the nature and financial performance of the Group's business units; • obtained the Group's DCF models and, compared earnings before interest and tax forecasts to the business units' FY27 budget; • assessed key inputs to the DCF models including future cash flow forecasts, allocation of corporate costs, discount rates and terminal growth rates; • considered the accuracy of previous Group cash flow forecasting to inform our evaluation of forecasts included in the DCF models; • for those CGUs with a higher likelihood of impairment, involved our valuation specialists to assess the Group's discount and terminal growth rates. Our valuation specialists were also involved in benchmarking the Group's assessed recoverable amounts with relevant market multiples and assessing the clerical accuracy of the DCF models; • performed sensitivity analysis in relation to the discount rate, terminal growth rate and forecast cash flows to consider the potential impact of changes in these assumptions to the recoverable amounts; • considered the adequacy of the associated disclosures in the financial statements including the disclosure of the CGUs where the impairment assessment is sensitive to reasonably possible changes in assumptions.

Independent Auditor's Report (Continued)

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the other information. The other information comprises the annual report, which includes the Climate Statements but does not include the financial statements and our auditor's report thereon. We obtained the annual report other than the Climate Statements prior to the date of this auditor's report. The Climate Statements is expected to be made available to us after the date of this report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon in this auditor's report. We expect to issue a separate assurance report on Greenhouse gas emissions included in the Climate Statements as will be explained in that assurance report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the Climate Statements, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if uncorrected, to take appropriate action to bring the matter to the attention of users for whom our auditor's report was prepared.

Directors' responsibilities for the financial statements

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website: **https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/**. This description forms part of our auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Graeme Bennett.

Ernst + Young

Chartered Accountants
Auckland
18 August 2026

Mandatory Disclosures

1. CORPORATE GOVERNANCE

Fletcher Building's Corporate Governance Statement, current as at 18 August 2026, is available on the Group's website at **https://fletcherbuilding.com/investor-centre/corporate-governance**.

During the financial year ended 30 June 2026, Fletcher Building followed all of the recommendations in the NZX Corporate Governance Code dated March 2026 other than in the following respects (as approved by the Board):

Code Principle	Code recommendation	Key difference	Commentary
Principle 5: The remuneration of directors and executives should be transparent, fair and reasonable.	An issuer should have a remuneration policy for remuneration of executives which outlines the relative weightings of remuneration components and relative performance criteria.	The Company's remuneration policy for executives does not outline the relative weightings of remuneration components or relative performance criteria.	Because the weightings of remuneration components and performance criteria can change over time, these matters are disclosed annually through the Company's Remuneration Report which is considered at the Annual Shareholders' Meeting.
	An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short-term incentives and long-term incentives and the performance criteria used to determine performance based payments.	The full details of the Company's Managing Director are not set out in this annual report.	The remuneration arrangements of the Company's Managing Director will be set out in the Remuneration Report that will be made available to shareholders on the Group's website in connection with the Company's 2026 Notice of Annual Shareholders' Meeting.

2. CLIMATE-RELATED DISCLOSURES

Fletcher Building's Climate Statements are available on the Group's website at **https://fletcherbuilding.com/sustainability/sustainability-reports-publications-and-policies**. Fletcher Building will release its 2026 Climate Statements on the Group's website by 20 October 2026, in accordance with applicable reporting requirements.

3. DIRECTORS

The table below sets out the names of the directors of Fletcher Building as at 30 June 2026.

The Board considers that all of the directors are independent other than Andrew Reding. Andrew Reding is considered by the Board to be a non-independent director because he is employed as the Managing Director and Chief Executive Officer of Fletcher Building. In summary 'independence' means that the director is not an employee and does not have any direct or indirect position, association or relationship that could reasonably influence, or could reasonably be perceived to influence, in a material way, the director's capacity to:

(a) bring an independent view to decisions in relation to Fletcher Building; or

(b) act in the best interests of Fletcher Building; or

(c) represent the interests of Fletcher Building's financial product holders generally,

including having regard to the factors described in the NZX Corporate Governance Code that may impact on director independence, if applicable.

Director	Role
Peter Crowley	Independent Chair
James Miller[(1)]	Independent Deputy Chair
Andrew Reding	Non-independent Managing Director
Cathy Quinn	Independent Director
Sandra Dodds	Independent Director
Tony Dragicevich	Independent Director
Jacqui Coombes	Independent Director

(1) Director, appointed Deputy Chair effective 15 December 2025.

Mandatory Disclosures (Continued)

DIRECTOR ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The table below shows directors' attendance at Board and Committee meetings during the year ended 30 June 2026.

Board/Committee	Number of meetings held	P Crowley[1]	C Quinn	S Dodds	T Dragicevich	A Reding[2]	J Coombes	J Miller[3]
Board	**16**	16*	16	15	16	16	16	14
Audit & Risk	**5**	5#	5	5*		5#	1#	5
Disclosure	**10**	10	10*	10	1#	2#	1#	10
Nominations	**2**	2*		1#	1#	1#	2	2
People & Remuneration	**3**	2#			3	3#	3*	3
Safety, Health, Environment & Sustainability	**5**	4#	5*	5	5	5#		

* Chair of Board or Committee.

Attended as an observer.

(1) Attended Committee meetings in an ex officio capacity.

(2) Attended Committee meetings at the request of the Committee, and in his capacity as an employee of the Company.

(3) Director appointed as Deputy Chair of Board and a member of People & Remuneration Committee effective 15 December 2025.

Where a director is not a member of a committee but attended meetings, they did so as an observer.

The directors' meetings referred to in the table above do not include additional ad hoc or transactional committee meetings held through the year.

DIRECTORS' REMUNERATION STRUCTURE

The current total directors' remuneration pool approved by shareholders in 2011 is $2 million per annum. Directors receive remuneration determined by the Board, provided that the directors' aggregate remuneration per annum does not exceed the shareholder-approved remuneration pool. There are no schemes for retirement benefits for non-executive directors. The remuneration scale for directors is outlined below:

Board/Committee	Role	FY26[1]
Board of Directors	Chair[2]	$320,000
	Deputy Chair[3]	$200,500
	Non-executive director	$155,500
Audit & Risk	Chair	$38,000
	Member	$19,500
Disclosure	Chair	$20,000
	Member	$10,000
Nominations	Chair	-
	Member	$8,500
People & Remuneration	Chair	$29,000
	Member	$14,500
Safety, Health, Environment & Sustainability	Chair	$29,000
	Member	$14,500

(1) FY26 fees were paid effective from 1 July 2025.

(2) No additional fees are paid to the Board Chair for committee roles.

(3) Deputy Chair fees introduced and effective from 15 December 2025.

In addition to the above, overseas based directors are entitled to an annual travelling allowance of $18,000 in recognition of the additional time spent travelling to and from New Zealand for Company-related matters.

Any fees paid to directors for unscheduled additional work are time-based and payable at the rate of $1,200 per half day. The aggregate amount of such fees is limited to $70,000 in the year and any one director is limited to receiving no more than $14,500 in the year. Directors do not receive any further remuneration for also being directors of Fletcher Building Industries Limited, the NZX-listed issuer of the Group's capital notes. Directors' fees exclude GST, where appropriate. Board members are entitled to be reimbursed for costs directly associated with carrying out their duties, including travel costs.

Mandatory Disclosures (Continued)

DIRECTORS' REMUNERATION

Details of the total remuneration received by each director during the financial year ended 30 June 2026 are as follows:

Director	P Crowley(1)	C Quinn	S Dodds	T Dragicevich	A Reding(2)	J Coombes	J Miller(3)	Total
Board Fees	$320,000*	$155,500	$155,500	$155,500		$155,500	$179,875	$1,121,875
Audit & Risk Committee		$19,500	$38,000*				$19,500	$77,000
Disclosure Committee		$20,000*	$10,000				$10,000	$40,000
Nominations Committee						$8,500	$8,500	$17,000
People & Remuneration Committee				$14,500		$29,000*	$7,854	$51,354
Safety, Health, Environment & Sustainability Committee		$29,000*	$14,500	$14,500				$58,000
Ad hoc Committee(4)		$13,292	$13,292					$26,584
Overseas based directors' travelling allowance	$18,000		$18,000	$18,000				$54,000
Total Remuneration	**$338,000**	**$237,292**	**$249,292**	**$202,500**	**$-**	**$193,000**	**$225,729**	**$1,445,813**

* Chair of Committee
(1) Attended Committee meetings in an ex officio capacity.
(2) Managing Director and Group CEO, no Director fees payable.
(3) Director, appointed Deputy Chair effective 15 December 2025; appointed People & Remuneration Committee member effective 15 December 2025.
(4) Ad hoc committees include those established for the construction contracts review process.

MANAGING DIRECTOR'S AND GROUP CEO'S REMUNERATION

The remuneration Andrew Reding received for FY25 and FY26 is set out below.

For completeness, Andrew has not received any additional Board fees for his role as Managing Director since commencing as Group CEO.

	FY26	FY25(1)
Base remuneration	$1,450,005(2)	$1,093,255
Other benefits(3)	$6,392	$1,720
Total fixed remuneration	**$1,456,397**	**$1,094,975**
Short-term incentive paid in the financial year (4)	-	-
Long-term incentive vested in the financial year (5)	-	-
Total remuneration received (6)	**$1,456,397**	**$1,094,975**

Long-term incentives **Granted but only awarded after 3 years, if performance criteria are met**		
Long-term incentive – number of shares granted	422,532(7)	447,607(8)
Long-term incentive – face value of grant	$2,175,000	$2,175,000

Refer to the Remuneration Report for details of the Short- and Long-Term incentives.
(1) Andrew Reding was appointed as the Managing Director and Group CEO on 30 September 2024. The FY25 year therefore reflects the period of 30 September 2024 to 30 June 2025.
(2) The Managing Director and Group CEO's received base remuneration was $5 higher than his contracted base salary ($1,450,000) due to the payment of annual leave taken within his first 12 months of employment, as required by Holidays Act 2003 averaging methodology.
(3) Other benefits include medical insurance. The value for FY25 reflects that medical insurance was only taken up part way through the year, while the FY26 value reflects a premium change effective August 2025.
(4) No short-term incentive was paid during FY25 or FY26. The amount of any short-term incentive accrued during FY26, for payment in FY27, will be set out in the Remuneration Report referred to below.
(5) As the Managing Director and Group CEO only started in FY25, he was not eligible for any LTI vesting.
(6) This table sets out remuneration awarded for the relevant financial year.
(7) Based on a share price of NZ$3.14 being the volume weighted average price for the thirty business days prior to 1 July 2025. The number of shares granted under the LTI is calculated after deducting income tax for the relevant financial year.
(8) Based on a share price of NZ$2.96 being the volume weighted average price for the five business days prior to 1 September 2024. The number of shares granted under the LTI is calculated after deducting income tax for the relevant financial year.

Further details of the remuneration arrangements of the Managing Director and Group CEO will be set out in the Remuneration Report that will be made available to shareholders on the Company's website in connection with the Company's 2026 Notice of Annual Shareholders' Meeting.

Mandatory Disclosures (Continued)

DISCLOSURE OF INTERESTS BY DIRECTORS

The following are particulars of entries made by directors in the Company's interests register during the 12 months ended 30 June 2026, pursuant to section 140(2) of the Companies Act 1993. The director will be regarded as interested in all transactions between Fletcher Building and the disclosed entity. Changes to entries disclosed during the year to 30 June 2026 are noted in brackets, for the purposes of section 211(1)(e) of the Companies Act 1993.

Peter Crowley	Fletcher Building Industries Limited	Chair
	Riverside Marine Holdings Pty Limited (resigned effective 31 March 2026)	Director
Cathy Quinn	Tourism Holdings Limited	Chair
	Fletcher Building Industries Limited	Director
	Fonterra Co-operative Group Limited	Director
	Rangatira Limited	Director
	Pin Twenty Limited	Director/Shareholder
	MinterEllisonRuddWatts	Consultant
	Council of the University of Auckland	Member
	Council of the University of Auckland (resigned effective 1 April 2026)	Pro-Chancellor
	Fertility Associates Holdings Limited (resigned effective 29 April 2026)	Chair
Sandra Dodds	Contact Energy Limited	Director
	Fletcher Building Industries Limited	Director
	OceanaGold Corporation	Director
	Snowy Hydro Limited (resigned effective 31 March 2026)	Director
Tony Dragicevich	Capral Limited	Managing Director & CEO
	Fletcher Building Industries Limited	Director
Andrew Reding	Fletcher Building Industries Limited	Director
	AR Sharetrading Limited	Director/Shareholder
	Avertana Limited	Shareholder
	Hydroxsys Holdings Limited	Shareholder
	Tectonus Limited	Director/Option holder
Jacqui Coombes	Fletcher Building Industries Limited	Director
	Guzman y Gomez Limited	Director
James Miller	Channel Infrastructure Limited	Chair
	Fletcher Building Industries Limited (Director, appointed Deputy Chair effective 15 December 2025)	Deputy Chair
	Ryman Healthcare Limited	Director
	Vista Group International Limited	Director
	Mercury NZ Limited (retired effective 19 September 2025)	Director

There were no specific disclosures made by any directors during the year of any interests in transactions entered into by them with Fletcher Building or any of its subsidiaries.

INFORMATION USED BY DIRECTORS

There were no notices from directors of the Company requesting to disclose or use Company information received in their capacity as directors.

INDEMNITY AND INSURANCE

In accordance with section 162 of the Companies Act 1993 and the constitution of the Company, Fletcher Building has continued to indemnify and insure its directors, executives and employees acting on behalf of the Company against potential liability or costs incurred in any proceeding, except to the extent prohibited by law. The insurance does not cover liabilities arising from criminal actions.

Mandatory Disclosures (Continued)

DIRECTORS' HOLDING OF SECURITIES

The policy of the Board is that non-executive directors (or their associated persons) are required to hold a beneficial interest in at least 40,000 ordinary shares of the Company or ordinary shares with an aggregate value on purchase equivalent to a director's base fee at the time of joining the Board, to demonstrate their commitment to and alignment with the Company. Directors have three years from their date of appointment to accumulate that holding. Non-executive directors do not participate in any Company share or option plan.

DISCLOSURE OF DIRECTORS' INTERESTS IN SECURITIES

Set out below is a table of the securities of the Company and Fletcher Building Industries Limited (a wholly-owned subsidiary of the Company) in which each director had a relevant interest at 30 June 2026.

Director	Ownership	Ordinary Shares	Capital Notes
Peter Crowley	Beneficial	72,270	
Cathy Quinn	Beneficial	57,816	
	Non-Beneficial(1)	175,181	8,024,500
Sandra Dodds	Beneficial	31,680	
Tony Dragicevich	Beneficial	70,000	
Andrew Reding	Beneficial	113,281	
	Beneficial interest in shares under the Executive Long Term Share Scheme	870,139	
Jacqui Coombes	Beneficial	16,314	
James Miller	Beneficial	10,000	

(1) Cathy Quinn holds a non-beneficial interest in Fletcher Building shares and Fletcher Building Industries Limited capital notes as a director/shareholder of Pin Twenty Limited.

DISCLOSURE OF DIRECTORS' INTERESTS IN SHARE TRANSACTIONS

Directors disclosed, pursuant to section 148(2) of the Companies Act 1993, the following transactions involving relevant interests in Fletcher Building shares and Fletcher Building Industries Limited capital notes during the year ended 30 June 2026.

Director	Date of transaction	Nature of transaction	Nature of relevant interest	Consideration	Number of securities
Jacqui Coombes	25 August 2025	Acquisition of ordinary shares	Beneficial interest	$49,433	16,314
James Miller	25 August 2025	Acquisition of ordinary shares	Beneficial interest	$30,200	10,000
Andrew Reding	24 February 2026	Award of LTI interest in ordinary shares	Beneficial interest under executive LTI scheme	-	422,532
Cathy Quinn	26 February 2026	Transfer of capital notes to a new registered holder	Non-beneficial interest(1)	-	8,024,500
Cathy Quinn	16 March 2026	Redemption of capital notes on maturity	Non-beneficial interest(1)	$7,945,000 plus accrued interest	7,945,000
Peter Crowley	20 April 2026	Transfer of ordinary shares to a new registered holder	Beneficial interest	N/A	72,270

(1) As a director/shareholder of Pin Twenty Limited, Cathy Quinn disclosed (a) a non-beneficial interest in the transfer of Fletcher Building Industries Limited capital notes to FNZ Custodians Limited on 26 February 2026; and (b) a non-beneficial interest in Pin Twenty Limited's 7,945,000 Fletcher Building Industries Limited capital notes redeemed on 16 March 2026.

Mandatory Disclosures (Continued)

4. OTHER DISCLOSURES

GENDER COMPOSITION

Set out in the table below is a quantitative breakdown as at 30 June 2026, and as at 30 June 2025, of the number of directors and officers who self-identify as male, female and gender diverse.

	2026			2025 (1)		
	Female	Male	Gender Diverse	Female	Male	Gender Diverse
Board of Directors (2)	3 (43%)	4 (57%)	0 (0%)	3 (43%)	4 (57%)	0 (0%)
Executive Committee (2)	2 (22%)	7 (78%)	0 (0%)	2 (22%)	7 (78%)	0 (0%)
Senior Management (3)	19 (33%)	38 (67%)	0 (0%)	18 (32%)	38 (68%)	0 (0%)
All employees (4)	26%	72%	0%	26%	72%	0%

(1) FY25 gender composition figures have been restated to exclude the Construction Division which was divested in FY26, enabling a like-for-like comparison with FY26 results.

(2) Andrew Reding (Managing Director and Group CEO) has been counted in both the Board of Directors and Executive Committee data. The Executive Committee, for these purposes, comprises those persons who report directly to the Managing Director and Group CEO. The members of the Executive Committee are 'Officers' for the purposes of NZX Listing Rule 3.8.1(c).

(3) Senior Management for these purposes includes any leader who reports to a member of the Executive Committee.

(4) Based on employees who disclose gender information.

DIVERSITY AND INCLUSION

The Board is satisfied with the initiatives being implemented by the Group and its performance with respect to the Inclusion and Diversity Policy.

AUDITOR'S FEES

EY has continued to act as auditors of the Group. Details of the fees and expenses paid to EY are provided in **note 5** of the consolidated financial statements within this Annual Report. Any additional work performed by EY beyond the statutory audit was pre-approved in accordance with the Auditor Independence Policy, available on the Company's website.

CREDIT RATING

As at 30 June 2026, the Group does not hold an external credit rating. The Group's previous credit rating from Moody's Investors Service was withdrawn on 25 June 2026 at the Group's request.

DONATIONS

Please refer to **note 5** of the audited consolidated financial statements for donations made in FY26. All political donations must be approved by the Board.

Mandatory Disclosures (Continued)

EMPLOYEE REMUNERATION

Section 211(1)(g) of the Companies Act 1993 requires disclosure of the number of employees or former employees of the Group whose remuneration and any other benefits received during the year in their capacity as employees, was equal to or exceeded $100,000 per annum and to state the number of such employees or former employees in brackets of $10,000. These amounts are included below and include all applicable employees or former employees of Fletcher Building worldwide. The remuneration amounts include all monetary amounts and benefits actually paid during the year, including redundancies and the face value of long-term incentives vested.

From NZD to NZD	New Zealand business activities	International business activities	Total
100,000 – 110,000	665	215	880
110,000 – 120,000	521	227	748
120,000 – 130,000	445	245	690
130,000 – 140,000	342	190	532
140,000 – 150,000	230	168	398
150,000 – 160,000	172	140	312
160,000 – 170,000	141	119	260
170,000 – 180,000	96	118	214
180,000 – 190,000	92	96	188
190,000 – 200,000	69	90	159
200,000 – 210,000	50	60	110
210,000 – 220,000	51	59	110
220,000 – 230,000	32	38	70
230,000 – 240,000	36	33	69
240,000 – 250,000	15	26	41
250,000 – 260,000	22	26	48
260,000 – 270,000	18	17	35
270,000 – 280,000	14	8	22
280,000 – 290,000	12	13	25
290,000 – 300,000	12	11	23
300,000 – 310,000	7	10	17
310,000 – 320,000	9	6	15
320,000 – 330,000	4	6	10
330,000 – 340,000	8	4	12
340,000 – 350,000	8	2	10
350,000 – 360,000	8	6	14
360,000 – 370,000	3	6	9
370,000 – 380,000	6	2	8
380,000 – 390,000	5	2	7
390,000 – 400,000	2	2	4
400,000 – 410,000	3	1	4
410,000 – 420,000	3	0	3
420,000 – 430,000	2	0	2
430,000 – 440,000	4	2	6
440,000 – 450,000	2	1	3
450,000 – 460,000	2	1	3
460,000 – 470,000	1	0	1
470,000 – 480,000	1	1	2
480,000 – 490,000	2	5	7
490,000 – 500,000	0	2	2
500,000 – 510,000	2	2	4
510,000 – 520,000	1	2	3
520,000 – 530,000	1	0	1
530,000 – 540,000	0	2	2
540,000 – 550,000	2	0	2
610,000 – 620,000	1	1	2
630,000 – 640,000	1	1	2
640,000 – 650,000	1	0	1
690,000 – 700,000	2	0	2
720,000 – 730,000	0	1	1
750,000 – 760,000	1	0	1
770,000 – 780,000	1	0	1
780,000 – 790,000	1	0	1
820,000 – 830,000	0	1	1
830,000 – 840,000	1	0	1
930,000 – 940,000	1	0	1
980,000 – 990,000	1	0	1
1,000,000 – 1,010,000	1	0	1
1,030,000 – 1,040,000	1	0	1
1,100,000 – 1,110,000	0	1	1
1,380,000 – 1,390,000	1	0	1
1,450,000 – 1,460,000	1	0	1
1,700,000 – 1,710,000	1	0	1
2,190,000 – 2,200,000	1	0	1
Total	**3,138**	**1,969**	**5,107**

The FY26 highest-paid employee population includes two leaders in the Construction Division (now divested) who received one-off project completion incentives related to the New Zealand International Convention Centre (NZICC). These incentives were established to retain key leaders over a six-year period to deliver NZICC through recovery, remediation and completion. The leaders successfully led the project to practical completion and handover, achieving a critical milestone for Fletcher Building.

The number of individuals above $1 million in FY26 is 7 (compared to 17 in FY23, 9 in FY24 and 13 in FY25).

This table is required by law and sets out remuneration that has been received during this year and so includes amounts that relate to prior periods (due to timing of payments).

Mandatory Disclosures (Continued)

STOCK EXCHANGE LISTINGS

Fletcher Building's ordinary shares are listed and quoted on the Main Board of NZX Limited and the Australian Securities Exchange (ASX) under the company code 'FBU'. Fletcher Building's listing on the ASX is as a Foreign Exempt Listing. Fletcher Building must comply with the NZX Listing Rules but is exempt from almost all of the ASX Listing Rules. For the purposes of ASX Listing Rule 1.15.3, Fletcher Building confirms that it continues to comply with the NZX Listing Rules.

EXERCISE OF NZX/ASX DISCIPLINARY POWERS

Neither NZX nor ASX has taken any disciplinary action against Fletcher Building during the financial year ended 30 June 2026 and there was no exercise of powers by NZX under NZX Listing Rule 9.9.3 (relating to powers to cancel, suspend or censure an issuer) with respect to Fletcher Building during the reporting period.

NZX WAIVERS

There were no waivers granted by NZX or relied on by Fletcher Building in the 12 months ended 30 June 2026.

DISTRIBUTION OF SHAREHOLDERS AND HOLDINGS

The total number of voting securities of Fletcher Building at 30 June 2026 was 1,075,561,767 fully paid ordinary shares, each conferring on the registered holder the right to one vote on a poll at a meeting of shareholders.

Size of holding	Number of shareholders	% of shareholders	Number of ordinary shares	% of ordinary shares
1 – 1,000	13,696	48.19	5,536,938	0.51
1,001 – 5,000	9,783	34.42	23,767,658	2.21
5,001 – 10,000	2,457	8.64	17,599,319	1.64
10,001 – 100,000	2,324	8.18	56,821,412	5.28
100,001 Over	161	0.57	971,836,440	90.36
Total	28,421	100.00	1,075,561,767	100.00

SUBSTANTIAL PRODUCT HOLDERS

According to notices given under the Financial Markets Conduct Act 2013, the following persons were substantial product holders of Fletcher Building as at 30 June 2026. The total number of voting securities of Fletcher Building Limited at 30 June 2026 was 1,075,561,767 fully paid ordinary shares.

Substantial product holder	Number of ordinary shares in which relevant interest is held	Date of notice
Allan Gray Australia Pty Ltd and its related bodies corporate	212,288,501	2 April 2026
Schroders Investment Management Australia Limited and its related bodies corporate	65,903,472	26 May 2025

Mandatory Disclosures (Continued)

20 LARGEST REGISTERED HOLDERS AS AT 30 JUNE 2026

Holder Name	Number of ordinary shares	% of issued capital
CITICORP NOMINEES PTY LIMITED	152,950,256	14.22
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	133,799,279	12.44
JP MORGAN NOMINEES AUSTRALIA LIMITED	131,131,623	12.19
BNP PARIBAS NOMINEES (NZ) LIMITED - NZCSD	89,049,680	8.28
CITIBANK NOMINEES (NEW ZEALAND) LIMITED - NZCSD	64,174,380	5.97
JPMORGAN CHASE BANK NA NZ BRANCH - NZCSD	40,246,336	3.74
HSBC NOMINEES (NEW ZEALAND) LIMITED - NZCSD	39,191,291	3.64
HSBC NOMINEES (NEW ZEALAND) LIMITED A/C STATE STREET - NZCSD	37,871,349	3.52
BNP PARIBAS NOMINEES PTY LTD	36,293,318	3.37
HSBC NOMINEES A/C NZ SUPERANNUATION FUND NOMINEES LIMITED - NZCSD	25,640,732	2.38
ACCIDENT COMPENSATION CORPORATION - NZCSD	19,815,271	1.84
NEW ZEALAND DEPOSITORY NOMINEE LIMITED	17,698,233	1.65
APEX CUSTODIAN NOMINEES (NZ) LIMITED - NZCSD	15,390,024	1.43
JBWERE (NZ) NOMINEES LIMITED	15,227,080	1.42
GENERATE KIWISAVER PUBLIC TRUST NOMINEES LIMITED - NZCSD	14,602,071	1.36
SIMPLICITY NOMINEES LIMITED - NZCSD	14,373,784	1.34
JBWERE (NZ) NOMINEES LIMITED	10,579,164	0.98
PT (BOOSTER INVESTMENTS) NOMINEES LIMITED	9,993,949	0.93
CUSTODIAL SERVICES LIMITED	7,590,784	0.71
BNP PARIBAS NOMS PTY LTD	7,174,276	0.67
Total	**882,792,880**	**82.08**

New Zealand Central Securities Depository Limited (NZCSD) provides a custodial depository service which allows electronic trading of securities to members. It does not have a beneficial interest in these securities. As at 30 June 2026, the total number of ordinary shares held in NZCSD was 373,106,344 which amounted to 34.69% of the ordinary shares on issue.

Mandatory Disclosures (Continued)

SUBSIDIARY COMPANY INFORMATION

The persons listed below respectively held office as directors of Fletcher Building Limited or one or more of its subsidiary companies as at 30 June 2026, or in the case of those persons with the letter (R) after their name ceased to hold office during the year. Except where shown below, Fletcher Building's indirect ownership interest in these companies as at 30 June 2026 was 100%.

No employee of Fletcher Building appointed as a director of a Fletcher Building company retains any remuneration or other benefits, as a director. The remuneration and other benefits of such employees, received as employees, are included in the relevant bandings for remuneration disclosed in the "Employee Remuneration" section. Except where shown below, no other director of any subsidiary company within the Group receives director's fees or other benefits as a director.

Company	Directors
Amatek Holdings Pty Limited	A King, W Wright, F Hopkins (R)
Amatek Industries Pty Limited	A King, W Wright, F Hopkins (R)
Amatek Investments Pty Limited	A King, W Wright, F Hopkins (R)
Baron Insulation Pty Ltd	H McBeath, A Rowe, W Wright (R)
Belvedere FRL No 1 General Partner Limited (51%)	S Evans, P Majurey
Belvedere FRL No 1 Limited Partnership (51%)	
Belvedere FRL No 2 General Partner Limited (51%)	S Evans, P Majurey
Belvedere FRL No 2 Limited Partnership (51%)	
Building Prefabrication Solutions Limited	J Peters, W Wright
Burnham 2020 Limited	T Williams, W Wright
Cleaver Building Supplies Limited (75%)	M Cleaver, J Peters
Crane Enfield Metals Pty Limited	C Gatt, W Wright, F Hopkins (R)
Crane Group Pty Limited	C Gatt, W Wright, F Hopkins (R)
Crevet Pipelines Pty Ltd	C Gatt, H McBeath, P Lavelle (R), W Wright (R)
Crevet Pty Ltd	C Gatt, H McBeath, F Hopkins (R) W Wright (R)
CTCI Pty Limited	P Lavelle, H McBeath, S Leagh-Murray (R), W Wright (R)
Delcon Holdings (No. 11) Limited	T Williams, W Wright
ee-Fit Pty Limited	H McBeath, A Rowe, W Wright (R)
FBHS (Aust) Pty Limited	A King, T Williams, F Hopkins (R), W Wright (R)
FBSOL Pty Limited	A King, T Williams, F Hopkins (R), W Wright (R)
Fletcher Building (Australia) Pty Ltd	P Lavelle, W Wright, F Hopkins (R)
Fletcher Building Educational Fund Limited	K Eagle, J McDonald, R Rendle
Fletcher Building Holdings Limited	H Wong, W Wright
Fletcher Building Holdings New Zealand Limited	H Wong, W Wright
Fletcher Building Industries Limited	J Coombes, P Crowley, S Dodds, A Dragicevich, J Miller, C Quinn, A Reding
Fletcher Building Limited	J Coombes, P Crowley, S Dodds, A Dragicevich, J Miller, C Quinn, A Reding
Fletcher Building Nominees Limited	M Binns, J Chapman, H McKenzie, C Munkowits, G Niccol, T Williams
Fletcher Building Products Australia Pty Ltd	P Lavelle, W Wright, F Hopkins (R)
Fletcher Building Products Limited	H McBeath, W Wright
Fletcher Building Share Schemes Limited	J Chapman, G Niccol
Fletcher Building Welfare Fund Nominees Limited	D Lucas, S Schulz, D Sixton, C Stewart
Fletcher Challenge Building UK Limited	H Wong, W Wright, S Evans (R)
Fletcher Challenge Forest Industries Limited	H Wong, W Wright, S Evans (R)
Fletcher Concrete and Infrastructure Limited	T Williams, W Wright, H McBeath (R)
Fletcher Construction (Solomon Islands) Limited	A Brown, W Wright, P Boylen (R), A Henderson (R), A Scoggins (R)
Fletcher Construction Company (Fiji) Pte Limited	A Kumar, W Wright, P Boylen (R)
Fletcher Development Limited	S Evans, W Wright
Fletcher Distribution Limited	J Peters, W Wright
Fletcher Industries Australia Pty Limited	P Lavelle, W Wright, F Hopkins (R)

Mandatory Disclosures (Continued)

Company	Directors
Fletcher Insulation Pty Limited	H McBeath, A Rowe, W Wright (R)
Fletcher Morobe Construction Limited	A Brown, R Simpson, P Boylen (R)
Fletcher Pacific (Samoa) Ltd	A Brown, W Wright, P Boylen (R), A Henderson (R)
Fletcher Property Limited	H Wong, W Wright
Fletcher Residential Limited	S Evans, W Wright
Fletcher Steel Limited	T Williams, W Wright, H McBeath (R)
Fletcher Wood Products Limited	H McBeath, W Wright
Gatic Pty Limited	C Gatt, H McBeath, P Lavelle (R), W Wright (R)
Geraldton Independent Building Supplies Pty Limited	P Lavelle, H McBeath, S Leagh-Murray (R), W Wright (R)
Homai MFR General Partner Limited (51%)	S Evans, P Majurey
Homai MFR Limited Partnership (51%)	
HotForm Products Limited (51%)	C Lee, J Mainwaring, R Sutherland, D Sutton
Iplex Pipelines Australia Pty Limited	C Gatt, H McBeath, P Lavelle (R), W Wright (R)
Iplex Pipelines NZ Limited	H McBeath, W Wright
Iplex Properties Pty. Limited	C Gatt, H McBeath, P Lavelle (R), W Wright (R)
Kaipatiki FRL General Partner Limited (51%)	S Evans, P Majurey
Kaipatiki FRL Limited Partnership (51%)	
Key Plastics Pty. Ltd.	C Gatt, H McBeath, P Lavelle (R), W Wright (R)
Kingston Bridge Engineering Pty Ltd	C Gatt, H McBeath, P Lavelle (R), W Wright (R)
Kinsey Kydd Building Supplies Limited	W Wright
Kusabs Building Supplies Limited (75%)	J Peters, G Kusabs
Laminex Group Pty Limited	P Lavelle, H McBeath, S Leagh-Murray (R), W Wright (R)
Leary Building Supplies Limited (75%)	B Leary, J Peters
Macready Building Supplies Limited (75%)	J Peters, J Macready (R)
Matt Orr Building Supplies Limited (75%)	M Orr, J Peters
McGill Building Supplies Limited (75%)	J McGill, J Peters
McInnes Building Supplies Limited	W Wright
Mico New Zealand Limited	J Peters, W Wright
Milnes Holdings Pty Limited	C Gatt, H McBeath, F Hopkins (R), W Wright (R)
Moire Road General Partner Limited (51%)	N Donnelly, S Evans
Moire Road Limited Partnership (51%)	
Morinda Australia Pty Limited	A King, T Williams, F Hopkins (R), W Wright (R)
Northern Iron and Brass Foundry Pty. Ltd.	G Gatt, H McBeath, P Lavelle (R), W Wright (R)
Ōkahukura GP Limited (51%)	D Clay, S Evans
Ōkahukura Limited Partnership (51%)	
Oliveri Solutions Pty Limited	H McBeath, J Woodcock, F Hopkins (R), W Wright (R)
Paul Robinson Building Supplies Limited (75%)	J Peters, P Robinson
PlaceMakers Co 1 Limited	J Peters, W Wright
PlaceMakers Co 2 Limited	J Peters, W Wright
PlaceMakers Co 3 Limited	J Peters, W Wright
PlaceMakers Co 4 Limited	J Peters, W Wright
PlaceMakers Co 5 Limited	J Peters, W Wright
PlaceMakers Co 6 Limited	J Peters, W Wright
PlaceMakers Gisborne Limited (75.28%)	J Peters, W Wright
PlaceMakers Hawkes Bay Limited (94.06%)	J Peters, W Wright
PlaceMakers Invercargill Limited	J Peters, W Wright
PlaceMakers Limited	J Peters, W Wright
PlaceMakers Southland Limited	J Peters

Mandatory Disclosures (Continued)

Company	Directors
PlaceMakers Supply, Fix & Install Limited	J Peters, W Wright
PlaceMakers Waiheke Limited (75%)	D Banks, J Peters
PlaceMakers Wanaka Limited (80%)	J Peters, B Stanley-Joblin
Polymer Fusion Education Pty Ltd	C Gatt, H McBeath, P Lavelle (R), W Wright (R)
Raylight Aluminium Limited (80%)	C Mearns, J Peters
Reece Building Supplies Limited (75%)	J Peters, J Reece
Renewable Wood Fuels Limited	H McBeath, W Wright
S Cubed Pty Limited	A King, T Williams, F Hopkins (R), W Wright (R)
Selwyn Quarries Limited	T Williams, W Wright
Shed Boss NZ Limited	T Williams, W Wright
Sonata Acoustic Panels Pty Limited	H McBeath, A Rowe, W Wright (R)
Stanley Building Supplies Limited	J Peters, W Wright
Stramit Corporation Pty Limited	A King, T Williams, F Hopkins (R), W Wright (R)
Tasman Australia Pty Limited	H McBeath, A Rowe, F Hopkins (R), W Wright (R)
Tasman Building Products Pty Limited	H McBeath, A Rowe, F Hopkins (R), W Wright (R)
Tasman Insulation New Zealand Limited	H McBeath, W Wright
Tauoma FRL GP Limited (51%)	S Evans, P Majurey
Tauoma FRL Limited Partnership (51%)	
TBP Group Pty Limited	H McBeath, A Rowe, F Hopkins (R), W Wright (R)
Te Tau Waka General Partner Limited (51%)	D Clay, S Evans
Te Tau Waka Limited Partnership (51%)	
Terrace Insurances (PCC) Limited	K Burke, J Crowder, M Rogers
The Fletcher Construction Company (Fanshawe Street) Limited	H Wong, W Wright, P Boylen (R)
The Fletcher Construction Company Limited	H Wong, W Wright, P Boylen (R)
The Fletcher Organisation (Vanuatu) Limited	A Brown, J Huteau, P Boylen (R), A Care (R)
The Fletcher Trust and Investment Company Limited	T Williams, W Wright, P Boylen (R)
Vivid Living Limited	H Wong, W Wright, S Evans (R)
Waipapa Pine Limited	H McBeath, W Wright
Water Filters Australia Pty Limited	H McBeath, J Woodcock, W Wright (R)
Wednesday Pte Limited	A Kumar, T Williams, P Boylen (R)
Winstone Wallboards Limited	H McBeath, D Thomas, W Wright

Mandatory Disclosures (Continued)

As at 30 June 2026, Fletcher Building held an indirect ownership interest in the following associates and joint ventures.

Company	Ownership
Altera Apartments General Partner Limited	50%
Altera Apartments Limited Partnership	50%
Altus NZ Limited	50%
Bellus Apartments General Partner Limited	50%
Bellus Apartments Limited Partnership	50%
Greenraft Limited	33.33%
Hexion Australia Pty Ltd	50%
Ilico Apartments General Partner Limited	50%
Ilico Apartments Limited Partnership	50%
Interpipe Holdings Limited	50%
JFC Pumps Limited	50%
Oamaru Shingle Supplies Limited	33.33%
Rangitikei Aggregates Limited	50%
Rodney Aggregates Supplies Limited	50%
Roys Hill Aggregates Limited	50%
Verto Apartments General Partner Limited	50%
Verto Apartments Limited Partnership	50%
Wespine Industries Pty Ltd	50%

Fletcher Building