



## Fletcher Building Provides Golden Bay Shipping Update

**Auckland, 29 July 2024:** Fletcher Building's Golden Bay cement business is currently experiencing operational issues with the Marine Vessel Aotearoa Chief (MVAC) which is owned and operated by a third-party provider. The ship transports cement around the North Island from Golden Bay's Portland manufacturing facility.

Due to a mechanical issue, the vessel is currently docked at Northport while inspections and repairs are made by the owner. The timeframe required to make the necessary repairs, and source replacement parts, is not known at this time.

Our key priority is maintaining the supply chain and this is being actively worked through in order to minimise any potential disruption to North Island customers while the MVAC is being repaired. Golden Bay has made significant investments over the past several years which puts the company in a position to offer contingencies in the event of disruption to its distribution network.

Golden Bay is engaging with its customers and has enacted its contingency plans, which include the immediate use of alternative transport options to distribute cement. These options include the use of its existing coastal barge and the greater use of road and rail options.

The company is also investigating longer term solutions, which include potentially sourcing the use of alternative cement supplies from domestic and offshore suppliers along with securing the use of a replacement ship if required.

Fletcher Building's preliminary assessment is that it expects the impact on FY25 earnings due to the disruption to be in the range of \$10 million to \$30 million, driven by the anticipated increased costs of supply from the range of mitigating actions expected to be adopted by it. However, the actual impact will depend on a number of variables that are not yet known, including the duration of the issue, the mitigation actions available, the third-party costs associated with those mitigating actions and the impact on operations.

The company will update the market as more information becomes available on the status of the MVAC.

**#Ends**

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