

17 June 2026

Fletcher Building Trading Update – June 2026

Summary

- Moody's credit rating to be withdrawn
- FY26F EBIT expected to be \$375m-\$380m, excluding discontinued operations and inclusive of ~\$40m of earnings from property sales
- Six recent divestments and property sales to deliver ~\$450m of cash

Credit rating

As stated at its June 2025 Investor Day, Fletcher Building's intention is to operate within a \$400m-\$900m net debt target range, to target investment grade credit metrics and to ultimately transition to a simplified capital structure.

Following the settlement of the Construction division divestment and the other completing property sales, Fletcher Building will have significantly reduced its net debt and is forecasting to be, as at 30 June 2026, marginally above the middle of its \$400m-\$900m net debt target range.

With the transition to a more stable capital structure now well advanced, Fletcher Building has notified Moody's that it wishes to withdraw its credit rating. Fletcher Building will continue to target investment grade credit metrics.

Trading conditions and outlook

The Group continues to monitor the impact of the Middle East crisis and, notwithstanding the recent announcement of an agreement to end hostilities between the United States and Iran, there are a number of operational and financial issues that still present material risk and uncertainty.

Despite the volatile trading conditions, FY26 performance has been relatively stable and FY26 EBIT is expected to be between \$375m and \$380m, excluding discontinued items (Construction, Reinforcing & Wire, and CSP) and including ~\$40m of property-related earnings (see below for details).

Fletcher Building's assessment is that existing construction projects continue to progress, supporting ongoing demand for materials. However, rising fuel costs and broader cost inflation are leading to delays and, in some instances, cancellations of new projects -

particularly within the commercial sector. If sustained, this trend is likely to weigh on Group performance in the first half of FY27.

Recent transactions

Fletcher Building has previously announced six transactions in 2H FY26, with three already settled, two settling before the end of FY26 and the remaining transaction expected to settle in 1H FY27.

- **Divestments**

- **Construction (New Zealand)** - Settled on 29 May 2026, ~\$315m in net proceeds (subject to final working capital and net debt adjustments).
- **Construction (Fiji JV)** - Settled on 14 May 2026, sale of remaining 50% to existing JV partners; non-material proceeds.
- **Fletcher Reinforcing and Wire** - Announced on 28 April 2026, expected to settle before the end of calendar year 2026. Sale price of \$15.7 million.

- **Property sales**

- **South Australian property** - Unconditional agreement announced on 15 May 2026, and settling June 2026. Sale price of ~A\$20.05m. A gain on sale of ~A\$10m is expected to be recognised in FY26 EBIT.
- **Laminex Cheltenham property** - Divestment announced on 8 May 2026, went unconditional on 16 June 2026 and is settling June 2026. Sale price of ~A\$53.8m. A gain on sale of ~A\$14m is expected to be recognised in FY26 EBIT.
- **Felix Street property** - Unconditional agreement announced on 11 February 2026 and settled May 2026. Sale price of ~\$53.5m. A gain on sale of ~\$11m is expected to be recognised in FY26 EBIT.

Together, these transactions are expected to contribute approximately \$450m of net cash proceeds in 2H FY26 which will be applied to debt reduction.

ENDS

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

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