

October 10th 2025

Fletcher Building Limited (FBU)



The company will hold its Annual Shareholders Meeting at **10.30am Wednesday 22 October 2025.**

The location is **World Cup Lounge, South Stand, Eden Park 42 Reimers Avenue, Kingsland, Auckland** and online [at this link](#).

Company Overview

The company manufactures a wide range of building products from insulation to cement. The company operates businesses from resource extraction, product manufacture and distribution, through to property development and construction in New Zealand and Australia.

In the recent past the company has experienced some difficulties which we have covered in previous years Reports.

In July 2025, the Company announced it had commenced exploring potential divestment options in relation to its Construction Division and its Higgins, Brian Perry Civil and Fletcher Construction Major Projects business units, including the appointment of financial advisers.

James Miller was appointed to the Board in June 2025, Barbara Chapman, former Chair resigned in April 2025 and Peter Crowley was appointed Chair in February 2025. Jacqui Coombs was appointed to the Board in April 2025.

The company has offered a slimmed-down annual report in FY25, with cross-references to a separate [corporate governance statement](#) and other documents.

Current Strategy

The company held an Investor Day in June 2025 where it made a series of detailed presentations around its future strategy. The presentations are available [at this link](#).

Previous Year Shareholder Meeting

NZSA recorded the following key items at last year's annual shareholder meeting:

1. NZSA had a full set of questions prepared as we headed into the meeting, and we were not alone.
2. NZSA has been vociferous in its requirements for both accountability and a return to performance.
3. With few exceptions, the presentations and discussion offered humility instead of arrogance, empathy instead of coldness and an ability to listen.

The meeting report is available [at this link](#).

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Key

The following sections calculate an objective rating against criteria contained within NZSA policies.

Colour	Meaning
G	Strong adherence to NZSA policies
A	Part adherence or a lack of disclosure as to adherence with NZSA policies
R	A clear gap in expectations compared with NZSA policies
n/a	Not applicable for the company

Governance

NZSA assessment against its key policy criteria are summarised below.

G Directors Fees: Excellent disclosure. We note Directors can receive special exertion payments, but these are capped in total and per Director. We note \$27,000 was paid in FY25 with an explanation of the work undertaken.

G Director Share Ownership: Directors are required to hold at least 40,000 shares, as per the company's [non-executive Director's Remuneration Policy](#). While NZSA does not generally support compulsion, for reasons of diversity, we note in mitigation that the directors have three years in which to acquire the shares.

G CEO Remuneration: The company discloses its remuneration policy on its website, which includes an overview of the remuneration philosophy applicable to the company. The People and Remuneration Committee are responsible for implementing the policy.

With the departure of previous CEO Ross Taylor and the appointment of Andrew Reding as Managing Director we note the CEO remuneration has been extensively reviewed both as to quantum and the emphasis on long-term performance.

Incentives: The CEO is paid a short-term incentive (STI) 50% in cash and 50% in deferred equity and a long-term incentive by way of share rights.

NZSA encourages fulsome disclosure in relation to any incentive payments made to the CEO, including disclosure of measures (or measure 'groups'), weightings, targets, and the level of achievement versus target for each component associated with any awards. This methodology is supported by the new [NZX Remuneration Reporting Template](#).

The STI is 100% of base salary. The measures, weightings, and level of achievement against each component are well-disclosed. No award was made in FY25.

Performance rights are awarded under the LTI at 150% of base salary. Vesting then occurs after a three-year performance assessment period. The measures include total shareholder returns (TSR) which is favoured by NZSA.

The company does not disclose the gender pay gap and CEO/employee remuneration ratio.

Golden Parachutes: In the interests of transparency, NZSA believes there should be explicit disclosure around the severance terms and notice periods associated with the CEO, including whether specific termination payments are offered.

The details around the Managing Directors severance terms were disclosed in the announcement of his appointment dated [20 August 2024](#). We would encourage a summary of this to be included in each Annual Report.

G **Director Independence:** A majority of Directors are independent.

A **Board Composition:** The Corporate Governance Statement includes a collective skills matrix. NZSA prefers an individual skills matrix to demonstrate who each Director contributes to the governance of the company.

The company does not participate in the IoD's Future Director programme designed to develop and mentor the next generation of Directors. NZSA expect NZX50 companies to participate as part of a responsibility to develop and mentor the next generation of Directors.

G **Director Tenure:** NZSA looks for evidence of ongoing succession or 'staggered' appointment dates that reduce the risks associated with effective knowledge transfer in the event of succession. We also prefer a term maximum of 9-12 years, unless there are exceptional circumstances that may apply. Current appointments range from 2018 to 2025.

G **ASM Format:** Fletcher Building Limited is running a 'hybrid' meeting, (i.e., physical, and virtual), a format preferred by NZSA as a way of promoting shareholder engagement while maximising participation.

G **Independent Advice for the Board & Risk Management:** NZSA looks for evidence, through disclosures, that a Board has access to appropriate internal and external expertise to support board assurance activities. We also look for evidence that Boards are across their risk management responsibilities.

In both cases there are comprehensive disclosures. Fletcher Building offers clear disclosure of strategic, business, and financial risks, as well as the processes that support risk management.

The [Board Charter](#) notes that *"Directors have access to counsel and advice from the Chair, the Company Secretary and the Group General Counsel, and are able to seek independent professional advice at Fletcher Building's expense, after consultation with the Chair."*

We also note the statements in the Annual Report that Board members undertake site visits and can observe and assess on-site risks.

Audit

NZSA assessment against its key policy criteria are summarised below.

G **Audit Independence:** Good disclosure.

A **Audit Rotation:** Whilst the company ensures the Lead Audit Partner is rotated at 5 years as required by the NZX Listing Rules, it does not disclose the appointment date of the Audit firm. NZSA also expects disclosure of the appointment dates of the Lead Audit Partner and Audit Firm to improve transparency for investors.

Environmental Sustainability

In their 2025 Annual Report, Fletcher Building provide some commentary of their environmental performance and make reference to their climate-related disclosures. However, the full climate reporting is not available until the end of October (after the shareholders meeting).

NZSA encourages the company to align reporting dates in future reporting cycles.

Ethical and Social

NZSA assessment against its key policy criteria are summarised below.

G **Whistleblowing:** Good disclosure.

R **Political Donations:** We note the Annual Report states that “*All political donations must be approved by the Board.*” NZSA policy is that companies should not make political donations.

Financial & Performance

Policy Theme	Assessment
Capital Management	G
Takeover or Scheme	n/a

Fletcher Building’s share price rose from \$3.05 to \$3.31 (as of 30th September 2025) over the last 12 months – a 9% increase, and a significant change in the context of the long-term trend associated with the FBU share price. This compares favourably with the NZX 50 which rose 6% in the same period. The capitalisation of FBU is \$3.6b placing it 18th out of 115 companies on the NZX by size and makes it a large company.

Metric	2021	2022	2023	2024	2025	Change
Revenue	\$8,120m	\$8,498m	\$8,469	\$7,683m	\$6,994m	-9%

NPAT	\$305m	\$432m	\$254m	-\$79m	-\$365m	n/a
Gross Margin Pct	29%	30%	31%	28%	28%	n/c
Inventory Turnover	4.81	4.45	3.73	3.81	3.88	2%
EPS ¹	\$0.371	\$0.552	\$0.30	-\$0.11	-\$0.341	n/a
PE Ratio	20	9	15	n/a	n/a	
Capitalisation	\$5.9b	\$4.0b	\$3.6b	\$2.4b	\$3.6b	49%
Current Ratio	1.59	1.52	1.51	1.53	1.37	-10%
Debt Equity	1.15	1.24	1.47	1.67	1.19	-29%
Operating CF	\$889m	\$592m	\$388m	\$398m	\$501m	26%
NTA Per Share ¹	\$3.12	\$3.38	\$3.10	\$2.90	\$2.70	-7%
Dividend ¹	\$0.30	\$0.40	\$0.34	\$0.00	\$0.00	n/c

¹ per share figures based off actual shares at balance date (not weighted average)

Significant items (of a negative kind) seem to be a recurring theme for FBU. FY25 was no different with [another \\$644m](#) (see Note 2.2) being accounted for. For FY25, Revenues fell another 9% to \$6,994m, with the impact mitigated by a steady Gross Margin percentage of 28%, leading to a 10% fall in Gross Margin of \$1,950m.

Following on from these declining metrics and significant items, NPAT came in negative at **-\$365m**. EPS attributable to shareholders were **-\$0.341** and no dividends were paid. If we exclude “significant items” the company is likely to state they are operationally trading positively.

Inventory turnover held steady at 3.88 on slightly rising inventory level and operating cashflows increased substantially by 26% to \$501m.

The balance sheet has been restructured and bolstered by the issue of 290m shares which raised approximately \$679m. Long-term interest-bearing debt has been reduced by \$910m to \$1,112 giving a much lower debt equity of 1.19, which seems more manageable into the longer term. With interest rates falling, and debt levels also falling, we expect interest expenses also to fall substantially.

Following on from the capital raise at \$2.40, NTA per continued its decline, down another 7% to \$2.70. The company trades at a 29% premium to NTA which is better than prior years, indicating a potential shift in market sentiment.

On page 46 of an investor presentation, Fletcher Building state they [expect](#) operating volumes to be subdued in FY26, impacting operating leverage and profitability.

Shares are reasonably widely held with the top 20 shareholders (institutions) comprising 78.61% of shares on issue.

Resolutions

1. To re-elect Peter Crowley as an Independent Director.

Peter Crowley was appointed to the Board 1 October 2019 and Chair 3 February 2025. He has over 40 years of experience in the construction materials and building products industries across Australia, New Zealand, Asia, Europe, and North America. From 2003 to 2015, he served as managing director and CEO of GWA Group Limited, a leading Australian supplier of building fixtures and fittings to households and commercial premises. He also spent 18 years in the heavy construction materials industry, including various chief executive roles with The Rugby Group plc. and a variety of managerial roles with Queensland Cement and its parent company Holcim. Peter is a non-executive director of Riverside Marine Holdings Pty Limited.

We will vote undirected proxies **IN FAVOUR** of this resolution.

2. To elect Jacqui Coombes as an Independent Director.

Jacqui Coombes was appointed to the Board 14 April 2025 and is therefore required to offer herself for election. Her management career includes senior leadership roles with Bunnings including, most recently, as Group HR Director across Australia and New Zealand. Prior to that, Jacqui led Bunnings' New Zealand business for 10 years. Jacqui was an executive director of Bunnings Group from 2017 to 2021 and Bunnings NZ from 2011 to 2021. Before that, Jacqui was General Manager Operations for Spotlight Stores with overall responsibility for New Zealand, and for retail operations in Australia, Singapore, and Hong Kong. Her other senior executive roles have been with a range of large New Zealand and international businesses including Noel Leeming, Bond, and Bond, PixiFoto, Woolworths, Aldi, and Texaco. Jacqui is a non-executive director of ASX listed Guzman Y Gomez Limited.

We will vote undirected proxies **IN FAVOUR** of this resolution.

3. To elect James Miller as an Independent Director.

James Miller was appointed to the Board 1 June 2025 and is therefore required to offer himself for election. He is currently non-executive chair of Channel Infrastructure NZ, and a non-executive director of Ryman Healthcare and Vista Group International. His previous governance roles include serving on the boards of Auckland International Airport, Accident Compensation Corporation, Mercury NZ, NZX and Vector, and as a member of the Financial Accounting Standards Board and the Financial Markets Authority board. James previously held executive leadership positions at Craigs Investment Partners and ABN AMRO. James is a Distinguished Fellow of INFINZ, a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of the Institute of Directors. He is a certified securities analyst professional, holds a Bachelor of Commerce from Otago University and is a graduate of the Harvard Business School Advanced Management Program.

We will vote undirected proxies **IN FAVOUR** of this resolution.

4. That the Board is authorised to fix the auditor's remuneration for the coming year.

This is an administrative resolution.

We will vote undirected proxies **IN FAVOUR** of this resolution.

5. To adopt the Remuneration Report.

On the basis that the Annual Report and other documents includes most disclosures expected by NZSA we will vote undirected proxies **IN FAVOUR** of this resolution.

Proxies

You can vote online or appoint a proxy at <https://www.investorvote.com.au/>

Instructions are on the Proxy/voting paper sent to you.

Voting and proxy appointments close **10.30am Monday 20 October 2025.**

Please note you can appoint the Association as your proxy. We will have a representative attending the meeting.

The Team at NZSA