Presentation for update on NZICC and WIAL Carpark projects

Auckland, 5 February 2024: Fletcher Building earlier today announced an update on the New Zealand International Convention Centre and Hobson Street Hotel project ("NZICC") and the Wellington International Airport Carpark project ("WIAL Carpark").

A short presentation is attached relating to today's briefing.

Conference call to be held today

Fletcher Building management will host a Q&A briefing for investors and analysts **today at 12:00pm NZDT / 10:00am AEDT** to discuss today's announcement. Participants can register for the conference by navigating to the following link:

https://s1.c-conf.com/diamondpass/10036826-yu785e.html

Upon registration you will be provided with the dial in number, passcode, and your unique access PIN. To join the conference simply dial the number and enter the passcode followed by your PIN, and you will join the conference instantly.

A replay facility will be available after the conference call.

#Ends

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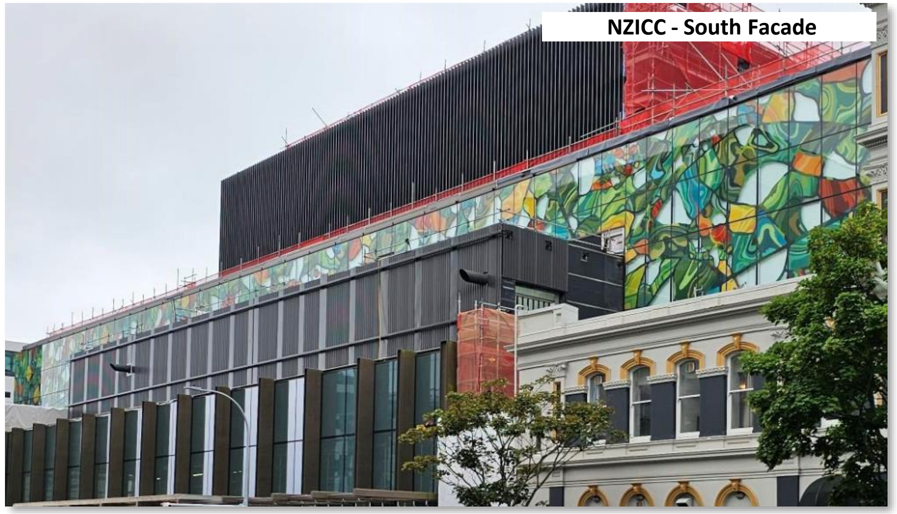
Update on NZICC and WIAL Carpark Projects

5 February 2024

Fletcher Building Limited

NZICC Update

Project remains on track for completion by end of calendar 2024, significant milestones delivered


NZICC - South Facade


Airbridge connecting Horizon Hotel & NZICC


NZICC – Operable Wall Install

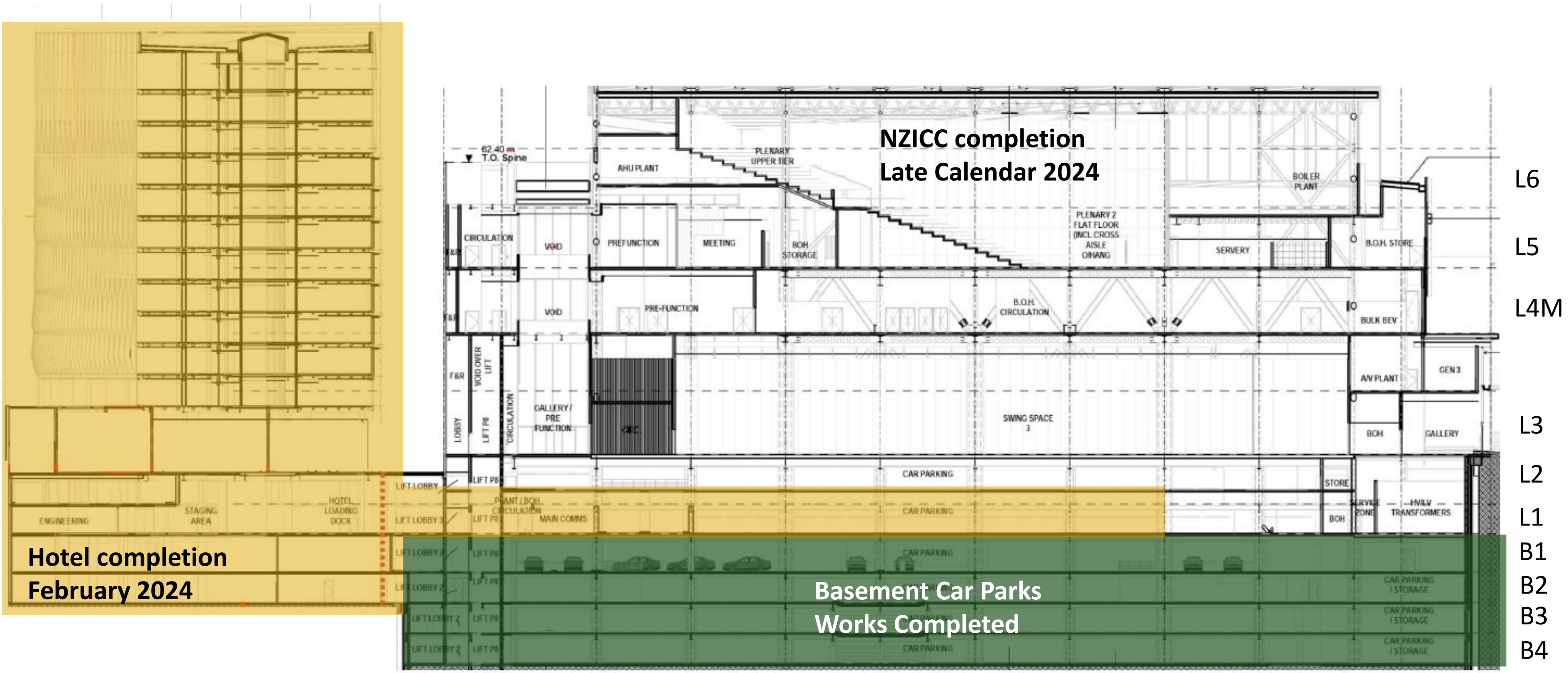
- NZICC remains on track for final completion by end of calendar 2024
- Milestones to date:
  - Carparks complete
  - Steel remediation 98% complete
  - Hobson Street Hotel in final commissioning phase, hand over in Feb-24


Underground Entrance to Horizon Hotel


NZICC Theatre Seating

NZICC Update

Fire remediation works close to complete - majority of remaining scope back to completing original contract works



NZICC Update

Additional provision announced today of $165m is mainly from higher costs of steel remediation, and the updated forecasts to complete the interior fit-out & operating systems install from the original contract scope

- Additional NZICC provision mainly due to higher actual and forecast costs to complete the project
- Largest single cost increase from steel remediation: work now broadly complete, but productivity has been lower than forecast – greater resources required for a longer period
  - Encapsulation, stripping/blasting, repainting 3 coats on all NZICC primary and secondary steel
  - Up to 500 people, plus encapsulation and access equipment, burn rate c$750k / day
- Other cost increases from refining scope and procuring subcontractor resource to complete remaining parts of project: esp. internal fit-out and installation of operating systems
  - c. 5000 drawings, c. 200 subcontractor packages on remaining scope
  - Some original suppliers insolvent or no longer available (e.g. operable doors, theatre/AV), work packages re-tendered
  - Limited capacity in commercial trades, pressure on rates
- Some challenges in securing remaining Contract Works Insurance (CWI) revenue, smaller portion of latest provision due to risk of non-recovery of these revenues
- Cost and revenue risk remains through to completion of project
- Consistent with prior position, no Third Party Liability (TPL) revenue is included in the project forecast. FBU is pursuing TPL claims of >$100m, likely to take significant period to resolve (FY25+)


NZICC - L5 Stage Wall Blackout


Horizon Hotel Corridor

NZICC Update

Cash flow impact of additional provision is expected to be spread across 2H24 and 1H25

- Previous expectation was for a cash outflow on NZICC of c. $300m in FY24, ahead of a small positive cash inflow in FY25
- Based on the latest provision, the cash outflow in FY24 is now expected to be c. $370m, followed by a cash outflow in FY25 of c.$80m
- Cash flow phasing remains subject to risk on timing of claim recoveries and project costs
- No Third Party Liability (TPL) revenue is included in the cash flow forecasts
- All cash flows shown are pre-tax

NZICC cash-flow	FY24 Total	FY25
Prior Forecast	c.$300m outflow	c.$15m inflow
Latest Forecast	c.$370m outflow	c.$80m outflow

Wellington Airport Carpark Update

Provision of $15m for estimated costs to remediate quality issues

- Fletcher Construction (FCC) has been discussing technical solutions with Wellington International Airport Limited (WIAL) to remediate quality issues on the airport carpark
- While the solution has not yet been agreed with WIAL, FCC considers that it now has an effective solution and a robust estimate of the cost to undertake the remediation. The $15m provision reflects these expected remediation costs
- Cash-flow impact of the provision is expected to be through calendar 2024
- Additional claims exist in both directions between FCC and WIAL. Upside and downside risk exists on settlement of these claims

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