STEEL & TUBE HOLDINGS LIMITED
FY18 ANNUAL RESULTS PRESENTATION

29 August 2018

FY18 FINANCIAL SUMMARY

No change from unaudited results announced 7 August 2018

- Revenues impacted by issues with ERP system implementation affecting customer service
- $53.8m of non-trading impacts from legacy issues recognised in FY18 following detailed review
- Normalised EBIT slightly ahead of earnings guidance of $16.0m
- No FY18 final dividend – plan to resume FY19 interim
- Change programme underway and benefits are being recognised

	FY18	FY17
Revenue	$495.8m	$511.4m
EBIT	$(36.2)m	$31.6m
Normalised EBIT	$16.5m	$31.2m
NPAT	$(32.0)m	$20.0m
Normalised NPAT	$7.8m	$19.7m
Final Dividend	-	7 cps

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FY18 KEY EVENTS

OPERATIONAL KEY EVENTS

- Refreshed Board and Management team
- Deployment of new ERP (Enterprise Resource Planning) IT system - implementation issues in FY18, now resolved
- Company-wide review from late 2017.
- Initiated change programme
- Business aligned into Distribution and Infrastructure divisions
- Commenced 'Project Strive'- business transformation initiatives
- Opened two new facilities in Christchurch
- Announced planned exit from S&T Plastics

FINANCIAL EVENTS

Revised guidance resetting the business, 23 May 2018

Results slightly ahead of guidance - Revenue $495.8 million, Earnings Before Interest and Tax (EBIT) $(36.2) million, Normalised EBIT $16.5 million[(1)], Net Loss $(32.1) million

Post financial year-end - initiated expected $80.9 million capital raising to strengthen the balance sheet and provide financial flexibility to execute business transformation initiatives and achieve longer term strategic objectives

FY19 GREENSHOOTS

Early benefits already being seen from Project Strive business transformation initiatives; positive sales trajectory seen in last quarter of FY18 has continued into FY19

1) Earnings Before Interest and Tax (EBIT). FY18 normalised earnings is EBIT excluding non-trading adjustments of $53.8m and a $1.1m timing benefit from reduced software amortisation costs due to the ERP implementation delay.

OUR BUSINESS

Processing and distributing New Zealand's most comprehensive range of processed steel

Value chain position

Primary processing

- ✗ **Mining**
- ✗ **Primary processing**
  - *Primary processing of steel in New Zealand is by BlueScope and PacificSteel*

Imports from small number of pre-qualified Asian suppliers

Secondary Processing

Steel & Tube core business

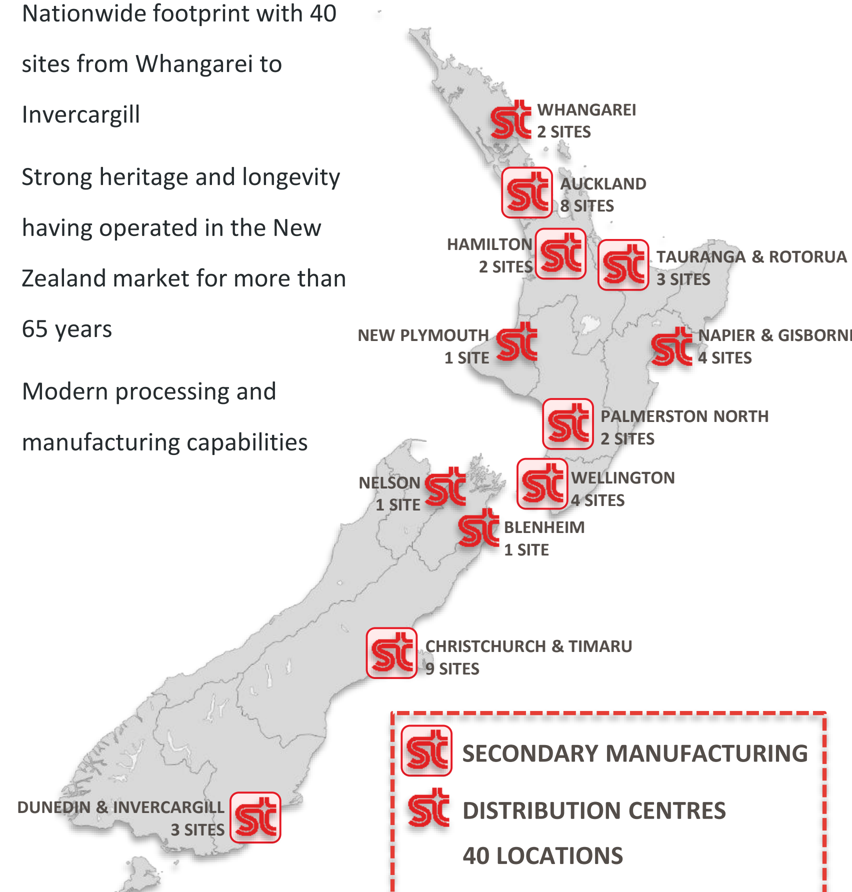
- ✓ **Secondary processing of New Zealand primary processed products**
- ✓ **Secondary processing of imported primary processed products**
- ✓ **Direct importation of some secondary processed products to distribute**

Distribution

- ✓ **Distribution of primary processed products** *(Some customers prefer to process themselves)*
- ✓ **Distribution of secondary products to end customer**
- ✓ **Installation of secondary products for end customer**

Steel & Tube locations

- Nationwide footprint with 40 sites from Whangarei to Invercargill
- Strong heritage and longevity having operated in the New Zealand market for more than 65 years
- Modern processing and manufacturing capabilities



SECONDARY MANUFACTURING

DISTRIBUTION CENTRES

40 LOCATIONS

15,000+ CUSTOMERS

~1,000 STAFF

OUR BUSINESS DIVISIONS

Distribution

- Products are sourced from preferred steel mills and distributed through Steel & Tube’s national network of branches
- **FY18:**
  - ~58% of revenue

STEEL

Comprehensive range of structural steel, bar and plate products, and hollow steel sections to meet the requirements of demanding new building designs

PIPING SYSTEMS

Pipes, valves and fittings for New Zealand’s petrochemical, power generation, mining, irrigation, fire protection, building services, water and wastewater industries

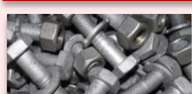
CHAIN & RIGGING

High-quality lifting, loading and lashing equipment, services and solutions. Also offers design, testing and certification services to ensure safety and compliance

RURAL PRODUCTS

Manufacturer and distributor of reinforcing, fencing, wire, gates and nail products for use in primary industries and rural construction sector

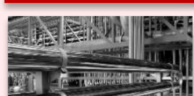
Hurricane



FASTENINGS

Diverse range of metal fastening solutions for construction, manufacturing, general engineering and fabrication sectors

FORTRESS FASTENERS



STAINLESS STEEL

Stainless steel products, including coil, sheet, plate, pipe, hygienic tube and associated fittings as well as a variety of structural bar, handrail and architectural products

Infrastructure[1]

- Products are processed before sale and typically on a contract or project basis, including onsite installation services
- **FY18:**
  - ~42% of revenue

Roll-forming

ROOFING

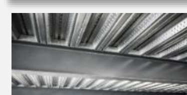
Manufacturer and supplier of profile metal roofing, cladding and rainwater products to provide a range of roofing thicknesses, materials and finishes

COIL PROCESSING

Galvanised, aluminised, enamelled and Colorsteel sheet/coil solutions for the manufacturing, construction, steel framing and sheetmetal sectors

PURLINS

HST Steel Purlins, Girts and Tophats are high strength lipped profile sections which are supplied punched and cut to a specified length as required



COMFLOR®

ComFlor® is the new generation in composite steel floor decking systems

ComFlor™

REO / CFDL

REINFORCING

Fabricated reinforcing steel meshes, bars, ties, piles, beams and columns for the building and construction industry, as well as engineered reinforcing solutions

CFDL

Market leading technical expertise in installation of floor decking systems and sole distributor of S&T Comflor® in NZ

Studwelders Composite Floor Decks Ltd.

1) *Excludes S&T Plastics which Steel & Tube plans to exit following its strategic review.*

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STRATEGIC INITIATIVES

Our goal is to be the leader in buying, selling, processing and placing steel products in New Zealand

STRIVING FOR EXCELLENCE

COMMITMENT TO SAFETY & QUALITY

- SAFE AND HEALTHY WORK ENVIRONMENT
- QUALITY PROCESSES
- QUALITY PRODUCTS
- CONTINUAL IMPROVEMENT

OPERATIONAL AND SUPPLY CHAIN EXCELLENCE

- LEVERAGE OUR PROCUREMENT AND SUPPLY CHAIN SCALE
- EXCELLENT INVENTORY MANAGEMENT
- EMPLOY DATA ANALYTICS TO BETTER SERVICE OUR CUSTOMERS
- DRIVE EFFICIENCIES

PUTTING THE CUSTOMER AT THE HEART OF OUR BUSINESS

- PRODUCTS AND SERVICES TO MEET CUSTOMER NEEDS
- LEVERAGE OUR TECHNICAL EXPERTISE
- DELIVERY ON TIME AND ON SPEC

SUPPORTING A WINNING TEAM

- DEVELOP LEADERS
- EVERYONE MATTERS
- RECOGNISE PERSONAL AND TEAM CONTRIBUTIONS
- PROVIDE A REWARDING WORKPLACE

OUR GOAL

TO BE THE LEADER IN BUYING, SELLING, PROCESSING AND PLACING STEEL PRODUCTS IN NEW ZEALAND

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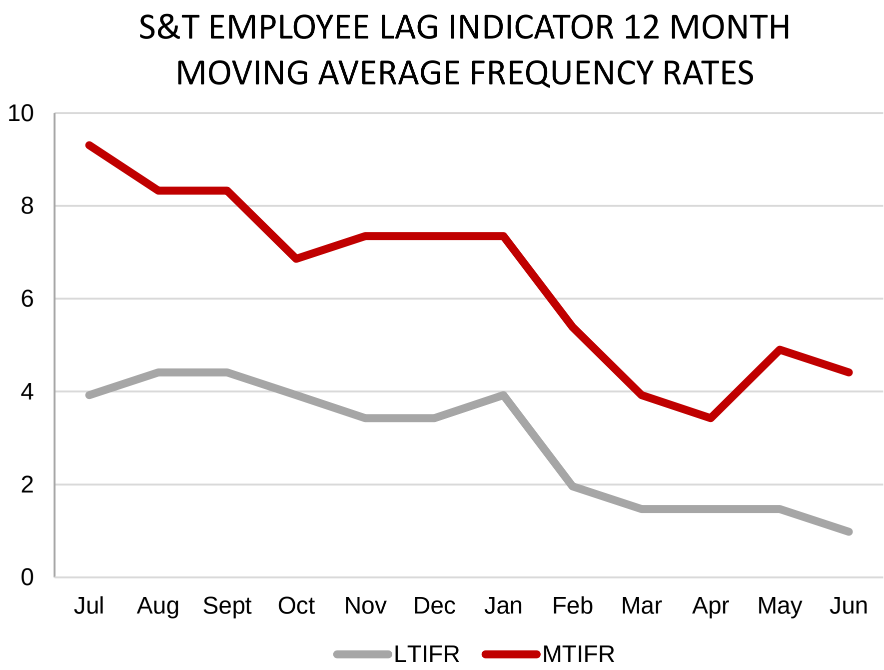
PRIORITY FOCUS: PEOPLE, QUALITY, HEALTH & SAFETY



ENGAGED AND PROACTIVE WORKFORCE

- Regular internal communications to ensure clarity of purpose
- Excellence Awards to recognise and celebrate contributions and achievements
- June 2018 Workplace Engagement Survey (70%)

- Board Quality, Safety and Environment Committee
- Strengthened quality and safety function within the company, direct report to the CEO
- Monthly stewardship covering lead and lag indicator performance, Lost Time Incidents (LTIs) and Medical Treatment Incidents (MTIs), high potential risk incidents and non-conformance reviews
- Improvement in lag indicators over FY18
  - Strong Health & Safety engagement
  - WorkSafe based programme on the power of Speaking Up
  - Robust return to work programme following Christmas break

CHANGE PROGRAMME

Embarked on an extensive company-wide reset to drive long-term sustainable earnings improvement in late-2017

Refreshed Leadership

Susan Paterson and Mark Malpass' appointments to the Board represents the beginning of Steel & Tube's movement towards refreshed leadership, strategy and direction

Detailed Organisational Review

Late calendar 2017 extensive company-wide review by Board and Management

Change Programme and Operational Reset Initiated

Right sizing of inventory, facilities and staff
Integration of M&A and rationalisation of Distribution & Reinforcing facilities

2017

2018

Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun

Susan Paterson appointed to the Board. Appointed Chair effective Feb-17

Mark Malpass appointed to the Board

New Dunedin facility opened

ComCom charges filed against S&T in relation to historical issues

Greg Smith announced as CFO (effective Oct-17)

Mark Malpass steps down from Board -appointed Interim CEO

Deployment of new ERP system

Chris Ellis appointed to the Board

Steve Reindler appointed to the Board

Marc Hainen appointed as GM Distribution

Business formally aligned into two divisions - Infrastructure and Distribution

Change programme initiated

New Christchurch coil processing facility opened

Mark Malpass appointed CEO

New purpose built distribution centre in Christchurch

Company wide stock takes undertaken

Review of legacy issues complete

PROJECT STRIVE

Business Transformation Initiatives

	FY18 · FY19 · FY20 · FY21	Key Value Drivers
Commitment to safety and quality	Group-wide update to ISO 9001:2015 Third party audits of steel mills Traceability enhancements including barcode scanning	Disciplined company-wide practices Customer promise Reputation
Put the Customer at the heart of our business	Sales account alignment, management and sales excellence programme Product investment growth Product investment growth Customer loyalty and value growth Call centre activation E-Commerce and digital platforms	Sales disciplines CFDL / C&R new products Point of difference
Operational and supply chain excellence	Supply Chain improvements Operational excellence and efficiency Freight efficiencies Facility footprint consolidations Leverage procurement scale	Pricing & margin growth Inventory practices Operational excellence (Roofing & Reinforcing) Freight route & recoveries Acquisition integrations / external warehousing Steel purchasing
Supporting a winning team	Ongoing employee engagement development programme Providing a rewarding workplace	Retain & attract talent

FY18 NON-TRADING IMPACT

As previously announced, the detailed organisational review uncovered a number of legacy issues and unusual transactions, materially impacting FY18 earnings

	FY18P EBIT Impact	Description
Inventory write-downs	$(24.0)m	▪ New ERP increased visibility of inventory management ▪ Extensive stock takes confirmed extent of aged / obsolete inventory ▪ Aged inventory value adjustments of $15.3m and stock take write-offs of $8.7m
Exit from S&T plastics and associated impairment	$(10.9)m	▪ Downturn in irrigation market and further capex requirements identified ▪ Sale of assets deemed to be best solution for shareholders
Impairment of intangible assets and ERP system	$(12.1)m	▪ Review of carrying value of intangible assets identified need for impairment ▪ Partial write-down of investment in ERP system
Rationalisation of Distribution and Reinforcing	$(2.7)m	▪ Costs incurred to rationalise property footprint to remove unnecessary duplication, lower operating costs and improve customer service ▪ Costs incurred to rationalise and re-organise manufacturing operations and delivery logistics to improve efficiency ▪ Independent reviews of operating structure to streamline and improve operations
Organisational restructuring	$(3.3)m	▪ Improving capabilities, removing duplication and inefficiencies ▪ Capturing synergies from acquisitions
Other	$(0.8)m	▪ Includes increased doubtful debts and contract disputes provisions following detailed review, offset by net gain on sale of properties and settlement of acquisition earn-out payments
Total	**$(53.8)m**	

As a direct result of the write-downs and impairments, Steel & Tube expected to breach a banking covenant at 30 June 2018 – a waiver was obtained from the banks on 29 June 2018

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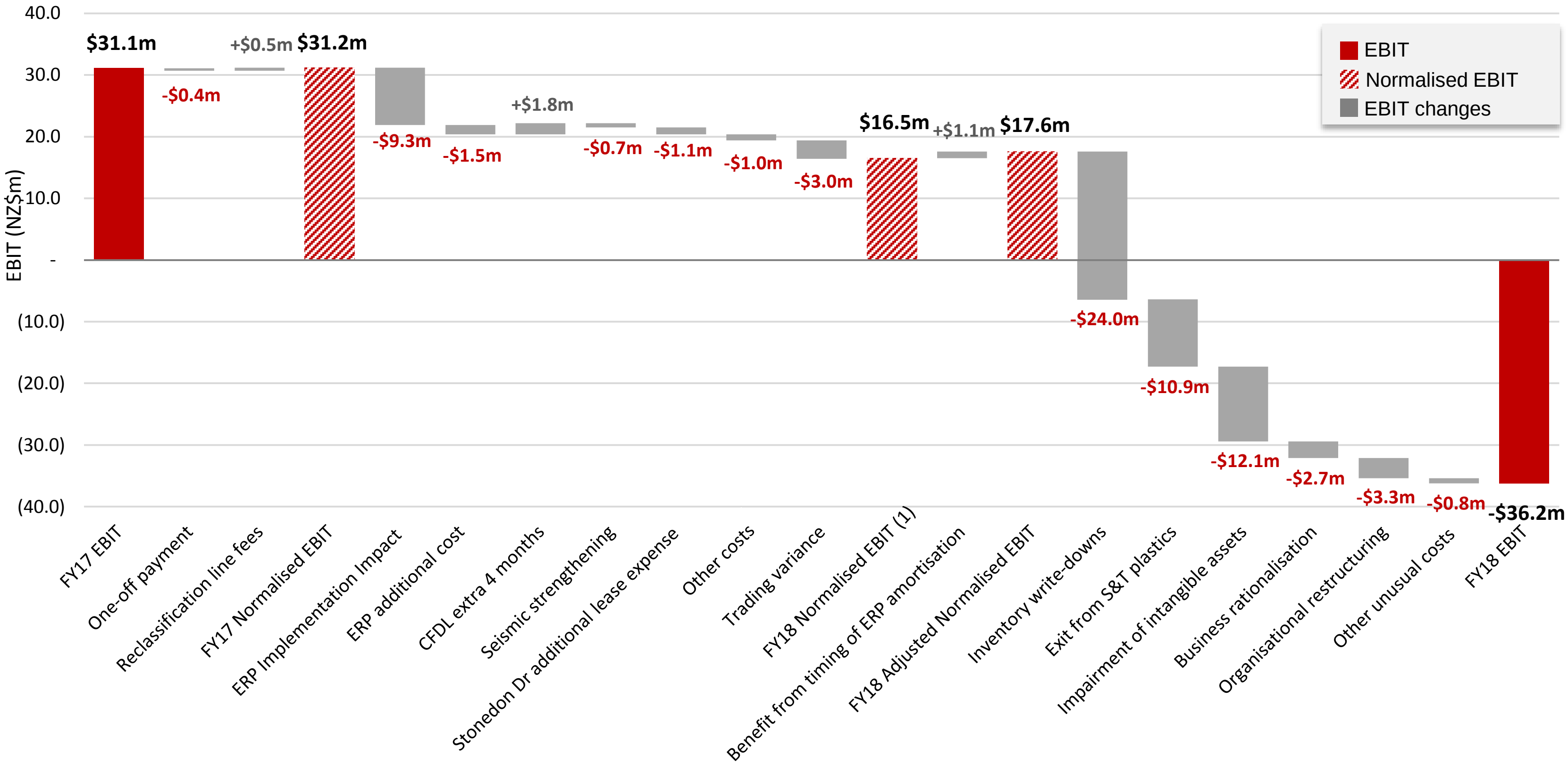
EARNINGS BEFORE INTEREST AND TAX (EBIT)

- Revenues impacted in FY18 by issues with ERP system implementation affecting customer service
- $53.8m of non-trading impacts recognised as part of clearing up legacy issues
- Management are now addressing issues to improve customer service and stock availability

EBIT BRIDGE FROM FY17 TO FY18



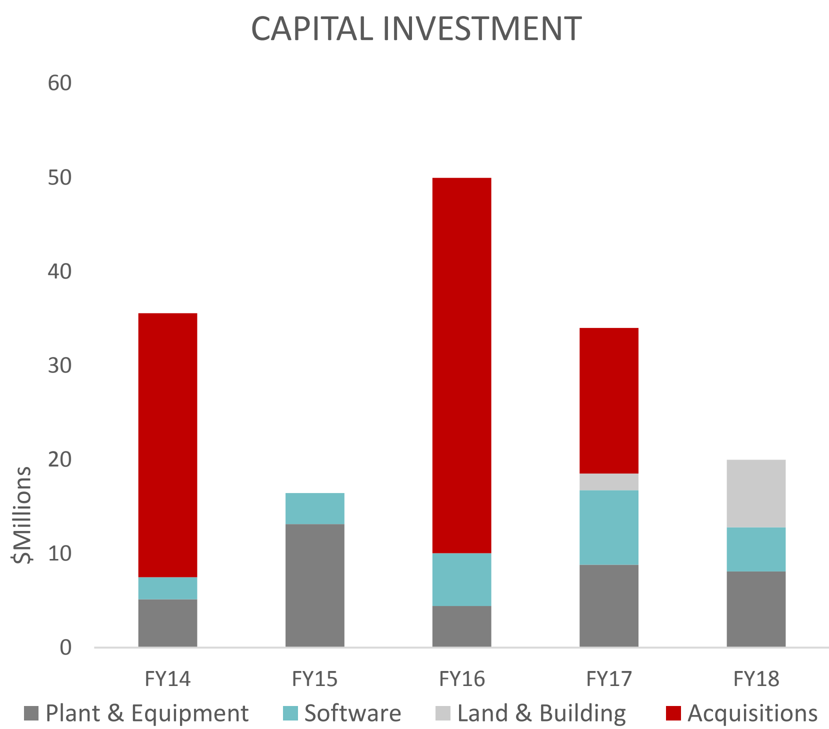
1) S&T reports its FY18 Normalised EBIT as $16.5m. FY18 normalised earnings before interest and tax is EBIT excluding non-trading adjustments of $53.8m and a $1.1m timing benefit from reduced software amortisation costs due to the ERP implementation delay .

BALANCE SHEET

$Millions	FY18	FY17
Inventories	116.0	143.1
Debtors	99.2	93.5
Trade and other Creditors	(49.9)	(54.4)
Working Capital	**165.4**	**182.2**
Cash and cash equivalents	5.6	6.5
Property, plant and equipment	52.7	102.6
Intangibles	57.4	66.8
Other	14.6	0.2
Total Assets	**345.5**	**412.7**
Borrowings	109.9	133.4
Other	13.1	12.9
Total Liabilities	**172.9**	**200.6**
Shareholders Equity	**172.6**	**212.1**

- FY18 balance sheet reflects inventory and intangible asset write downs, exit of S&T Plastics, and property sales
- Net debt reduction benefited from sales of Stonedon Drive and Blenheim Road properties
- Excluding property sales, net debt increased, reflecting the impacts of lower revenues, capital investments in FY18 and working capital
- A clear focus is on improving the Group's working capital position
- Capital raise expected proceeds ($80.9m gross) will be applied to repaying borrowings

CAPITAL EXPENDITURE



- Acquisitions totalling $80 million over a four- year period
  - S&T Stainless (FY14)
  - MSL (FY16)
  - S&T Plastics (FY16)
  - CFDL (FY17)
- Capex funded through a mix of debt and operating cashflow
- FY18 end of a high capital investment programme over the last two years on plant & equipment, property and new IT system
- Expected to return to lower levels of ‘normal business capex’ on plant and equipment, H&S improvements, efficiency projects, digital capabilities and leveraging technology investment to date

CAPITAL STRUCTURE POLICY

Capital Metrics	FY18	FY17
Net Debt: Net Debt + Equity	37.7%	37.4%
Net Debt: EBITDA (2)	4.6	3.3

Dividends per Share

Cents per share	Interim	Final
FY14	7	9
FY15	9	10
FY16	9	13.5*
FY17	9	7
FY18	7	Nil

*FY16 dividend reflects gain on sale of Bowden Road

S&T revised annual capital structure targets

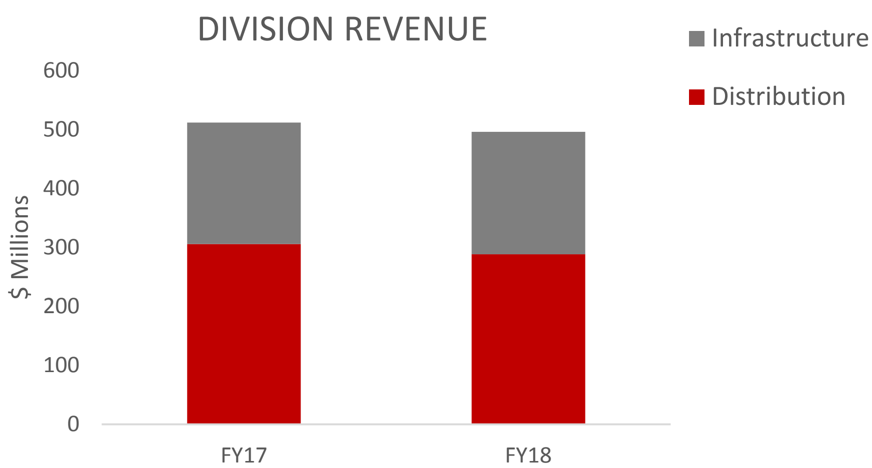
- Net debt to net debt + equity within target range of < 30% - 35%
- Net debt to EBITDA < 2.0x [1]
- Post capital raise S&T expects to operate within these targets

Dividend

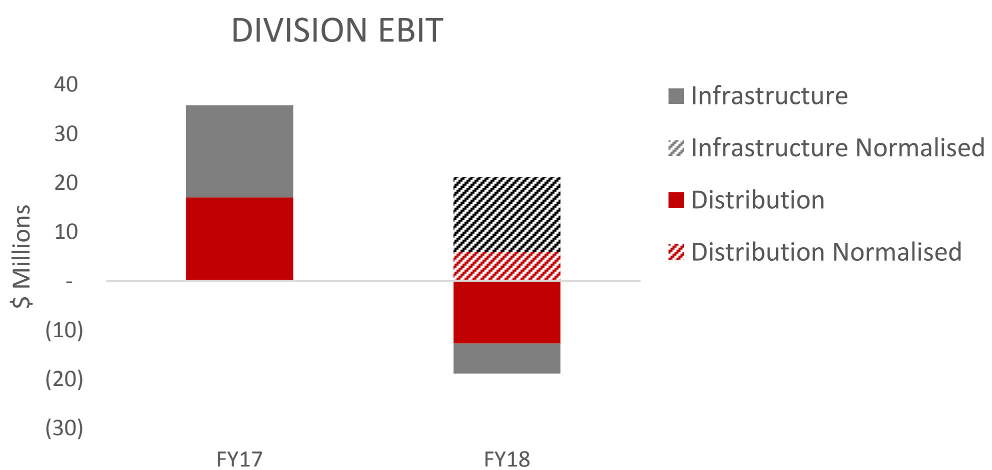
- No Final Dividend for FY18, plan to commence dividends FY19 Interim, in line with Dividend Policy
- Dividend Policy - dividend payout ratio target of between 60% and 80% of ‘normalised’ net earnings adjusted for any material non-trading items and subject to relevant factors at the time including working capital and opportunities for growth

1) Updated from 2.75x, as announced 7 August 2018
2) FY18 Normalised EBITDA is adjusted for a full year’s impact of the additional operating leases in relation to the sale of Stonedon Drive and Blenheim Road

OPERATING SEGMENTS



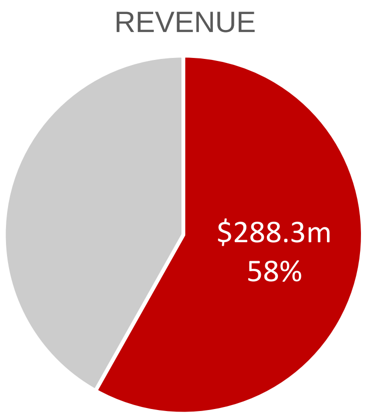
Revenue impacted significantly from ERP implementation as well as volume and margin pressures; this was partially offset by additional CFDL revenue and a number of large projects for S&T Plastics in the first half of the year

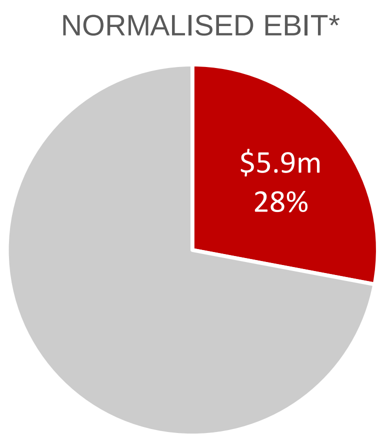


EBIT impacted from ERP implementation and significant non-trading items recognised in FY18

DISTRIBUTION

- Distribution's performance was materially impacted by ERP implementation issues, which are now resolved
- The majority of non-trading costs consisted of impairment of inventory following extensive stock takes and detailed review, as well as business rationalisation costs
- Opened new Distribution Centre in Christchurch
- Project Strive – identified business transformation initiatives
  - Customer service and driving sales
  - Sales and Operations Planning (S&OP)
  - Streamlining duplicated sites
  - Inventory management efficiencies and improvements
- Benefits of business transformation initiatives are having a positive effect. Number of large project wins in late FY18 are now coming online. Further efficiency initiatives expected to deliver additional savings in FY19



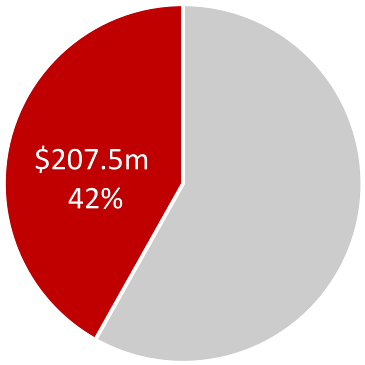


*FY18 normalised earnings is EBIT excluding non-trading adjustments of $5.9m. Including non-trading adjustments of $(18.7)m, earnings were a loss of $(12.8)m.

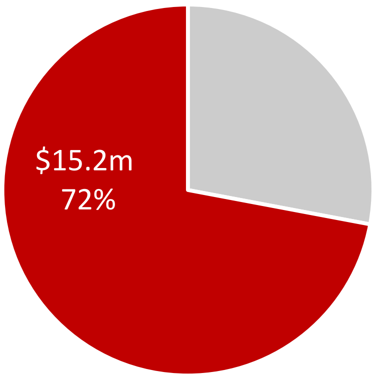
INFRASTRUCTURE

- Non- trading adjustments including the impairment of Plastics and inventory
- Reinforcing repositioned as a leader in quality products and service
- Roll-forming overcame ERP implementation issues
- CFDL retained strong performance albeit with some softening in the South Island market
- Opened new coil processing hub in Christchurch
- Project Strive - initiatives identified and underway
  - Building customer base
  - Delivering further manufacturing and operating efficiencies
  - Positive wins are being seen on majority of projects along with a lift in manufacturing efficiencies

REVENUE



NORMALISED EBIT*



*FY18 normalised earnings is EBIT excluding non-trading adjustments of $15.2m. Including non-trading adjustments of $(21.3)m, earnings were a loss of $(6.1)m.

OPERATING OUTLOOK

OPERATING SECTORS

Well balanced across construction, manufacturing and rural sectors

Construction

- Exposure to infrastructure, commercial (non-residential) and residential construction
- A highly competitive market with the North Island experiencing high demand
- Construction expected to drive reinforcing, piping, roll-forming and structural steel revenue

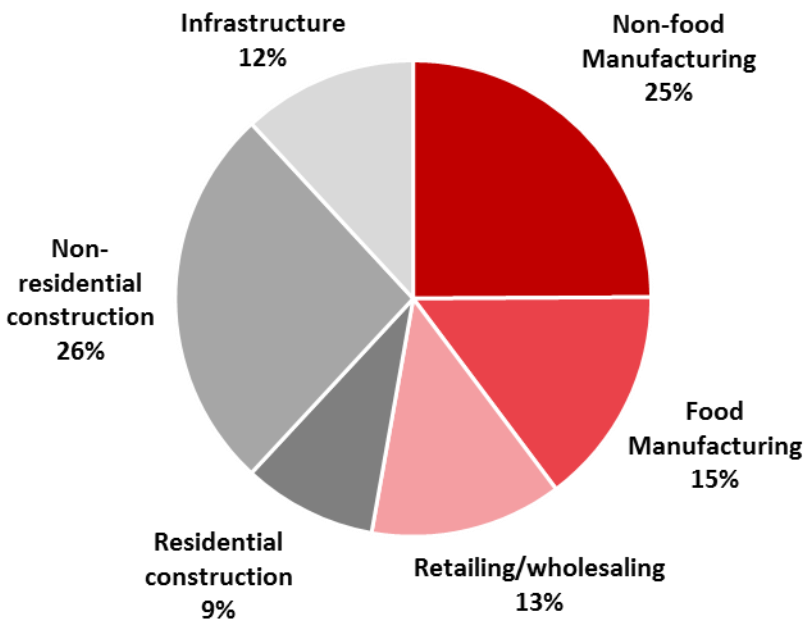
Manufacturing

- The manufacturing sector expected to remain stable with significant opportunities in the food subsector
- Demand expected to drive growth in plates, coils, sections and fasteners

Rural sector

- Driving demand for stainless steels

Steel & Tube Group Sector Exposure 2018



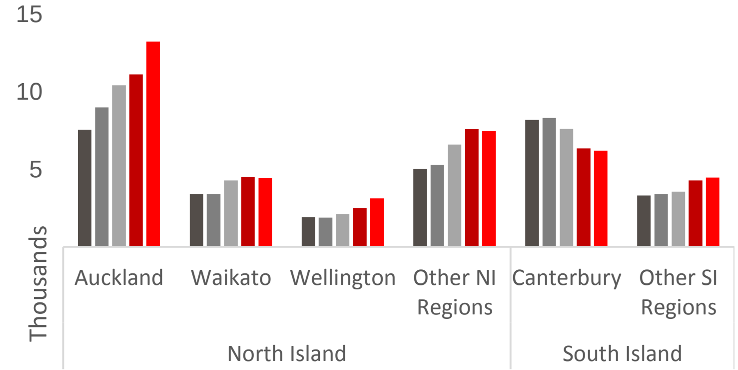
Sales data, based on June YTD figures

CONSTRUCTION SECTOR

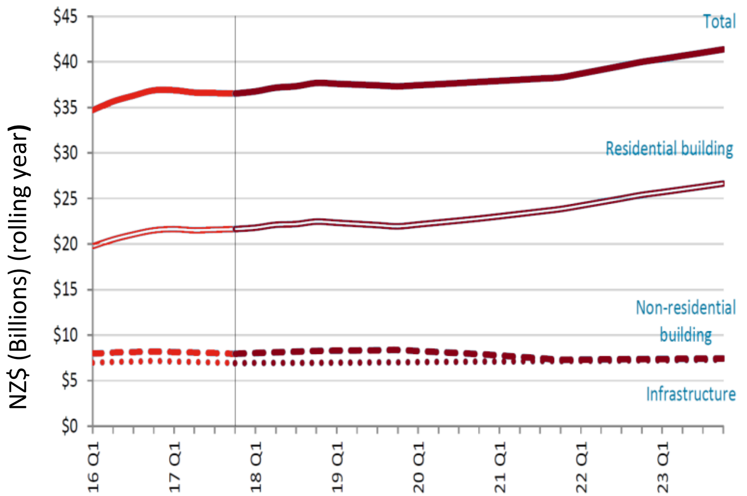
Forecast is for solid long-term growth

- Growth from the prior year of 10% in non-residential consents and 7.9% in new dwellings; North Island's main centres and the regions driving demand
- The National Construction Pipeline 2018 report forecast is for consistent building and construction activity in the next few years with stronger growth expected toward the end of the five year period
- Total construction is expected to grow steadily to a forecast high of $41.4 billion in 2023
- Residential building value is expected to hold steady in the next few years before increasing to a forecast high at $26.6 billion in 2023
- Non-residential building value is forecast to peak in 2019 at $8.4 billion
- Infrastructure is forecast to remain relatively unchanged, increasing marginally to $7.3 billion in 2023

BUILDING CONSENTS BY REGION (1)
(2014 - 2018 Annual)



ALL CONSTRUCTION NATIONALLY
(By Activity Type) (2)



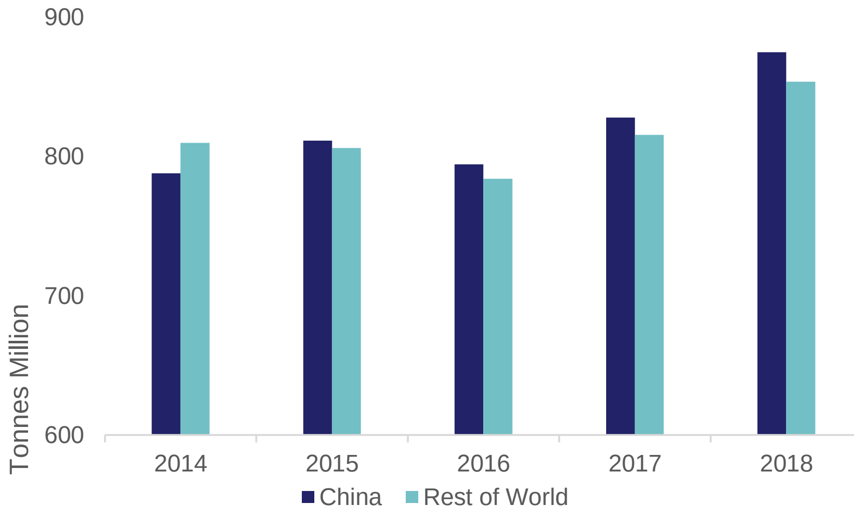
1) Source: Statistics New Zealand June 2018 Report
2) Source: BRANZ / Pacifecon

OPERATING ENVIRONMENT

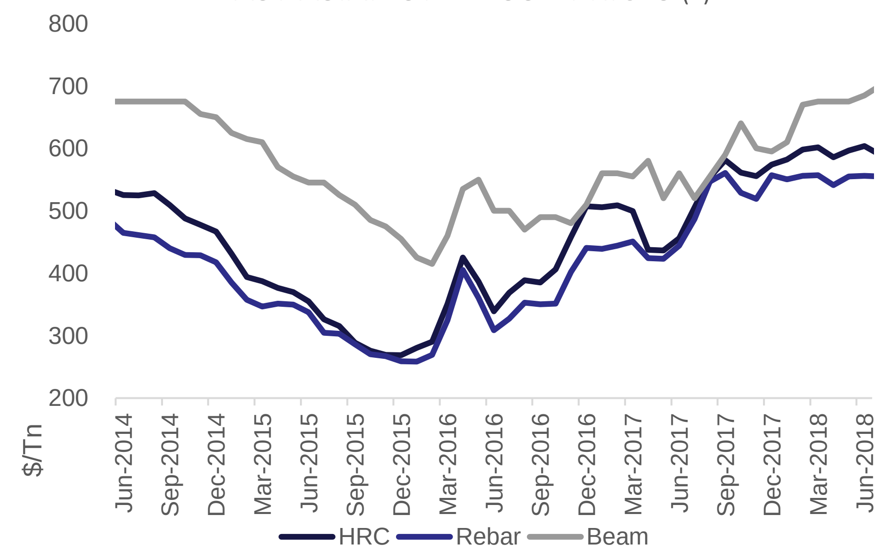
Global Steel Market Trend

- Global crude steel production increased by 5.2% to 1.729b tonnes during 2018
- China's increased output of 5.7% over the year which was mainly consumed domestically
- East Asian steel prices continued the upward trend but flattened out in the second half of the year, although softening New Zealand dollar putting pressure on domestic prices

GLOBAL CRUDE STEEL ANNUAL PRODUCTION (1)



EAST ASIAN STEEL USD PRICES (2)



1) Source: World Steel Association
2) Source: S&P Global Platts

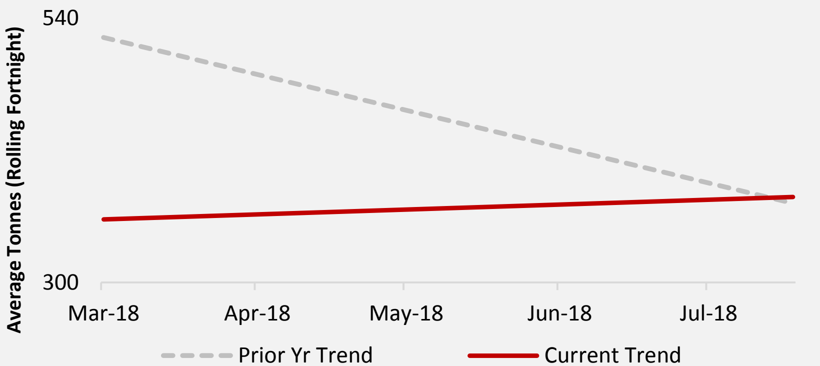
POSITIVE IMPACT OF INITIATIVES NOW BEING SEEN

Steel & Tube has begun to see positive results from the implementation of its change programme – specifically increasing both volumes and sales

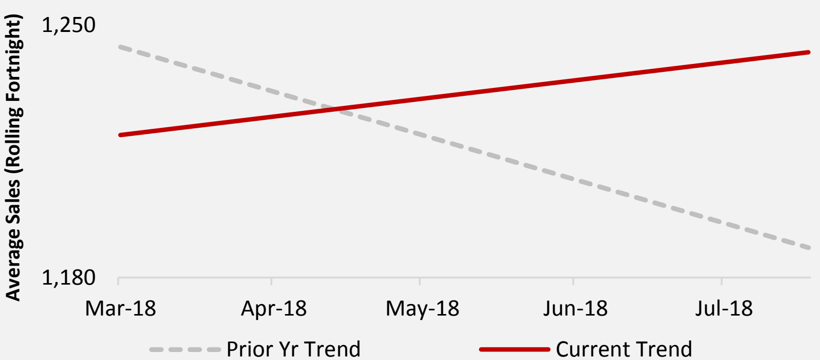
Distribution

Distribution (combined Heritage Distribution, Stainless and Fasteners)

Distribution volumes (tonnes)



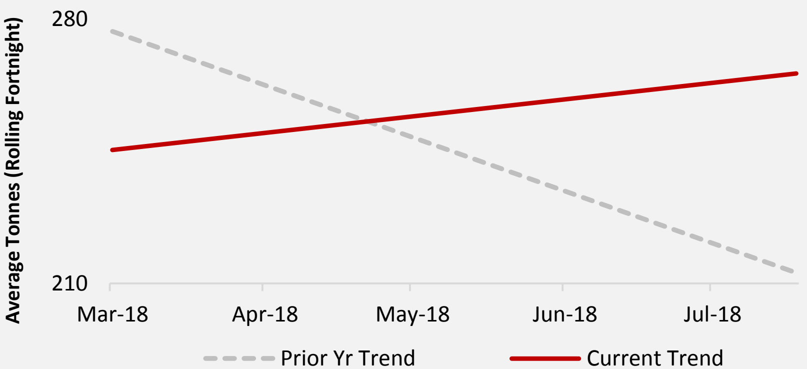
Distribution Sales



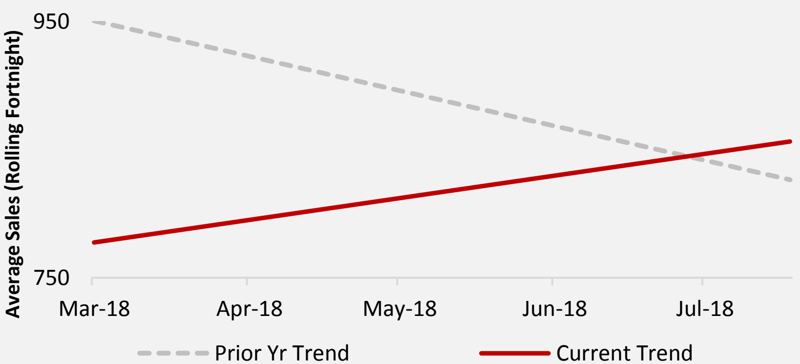
Infrastructure

Roll-forming (Roofing, Coil Processing, Purlins, Comflor) and Reo/CFDL

Infrastructure volumes (tonnes)



Infrastructure Sales

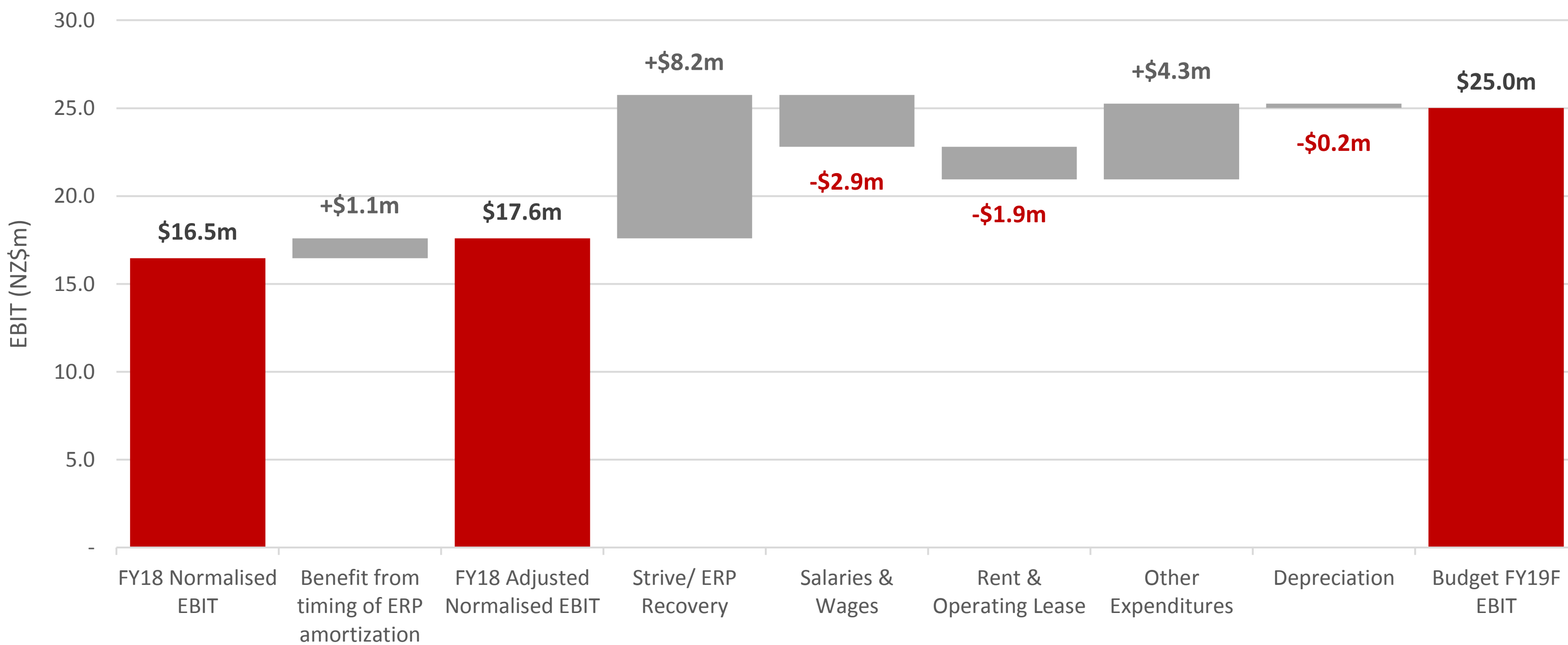


FY19 OUTLOOK

FY19 EBIT guidance of $25m

- Legacy issues behind us and major financial restructuring completed
- Beginning journey to significantly improved operating and financial performance
- Recent increases in volumes are encouraging as ERP stabilised and focus has shifted to servicing customers
- Structural changes through Strive programme gaining momentum
- Operating cost reductions forecast to realign with sales
- Safety and quality disciplines underpinning supply chain and operational excellence

EBIT BRIDGE FROM FY18 TO FY19F

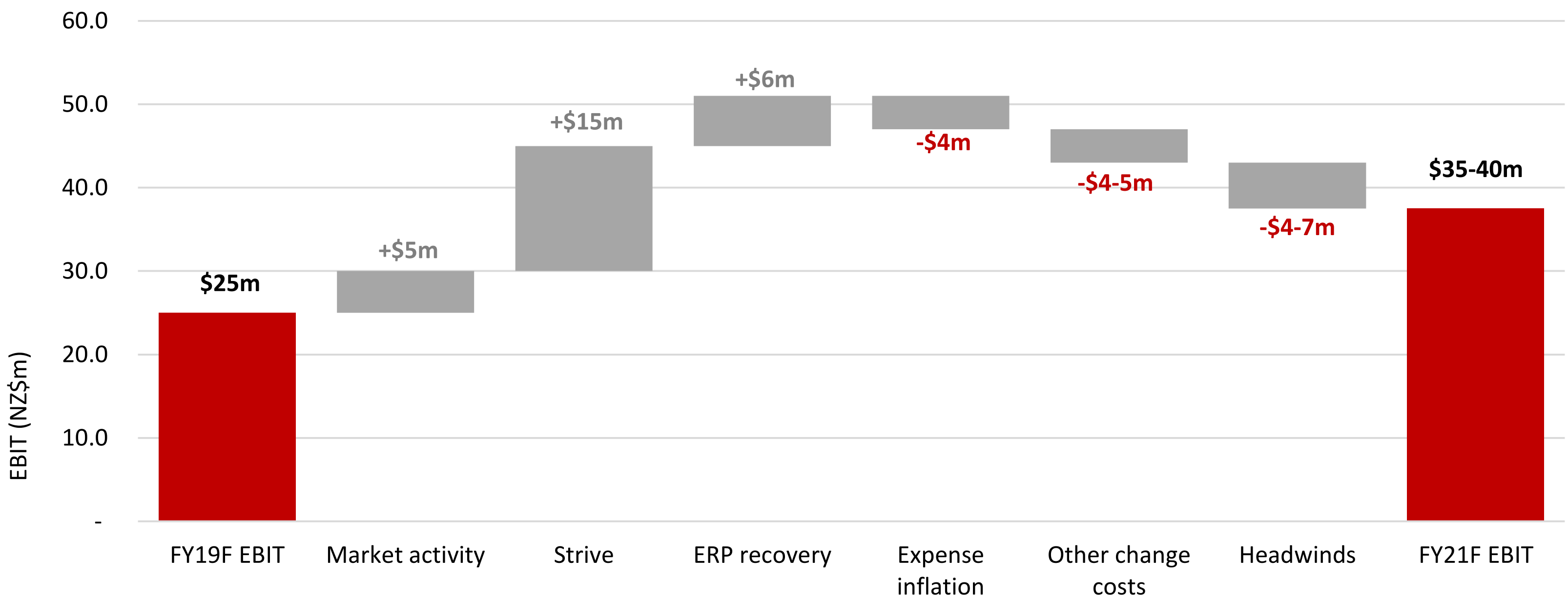


MEDIUM TERM OBJECTIVES

Normalised EBIT of $35m to $40m expected in the next three years

- Commitment to quality and customer service
- Leverage technology to harness sales and cost saving opportunities
- Improve working capital through disciplined practices and enhanced visibility
- Recognise and nurture a talented workforce

EBIT BRIDGE FROM FY19F TO FY21F



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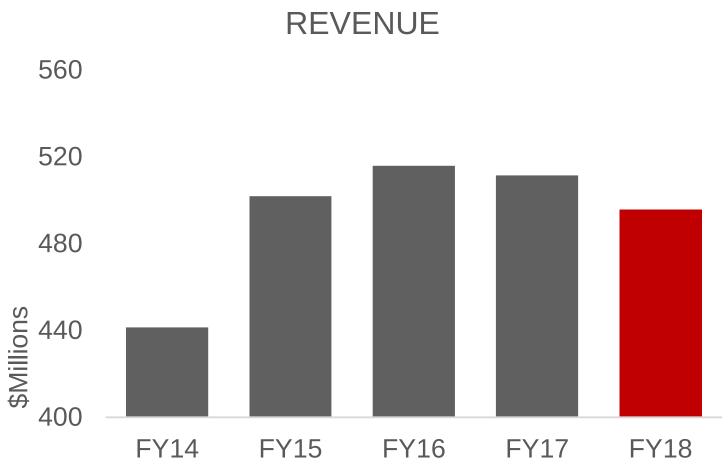
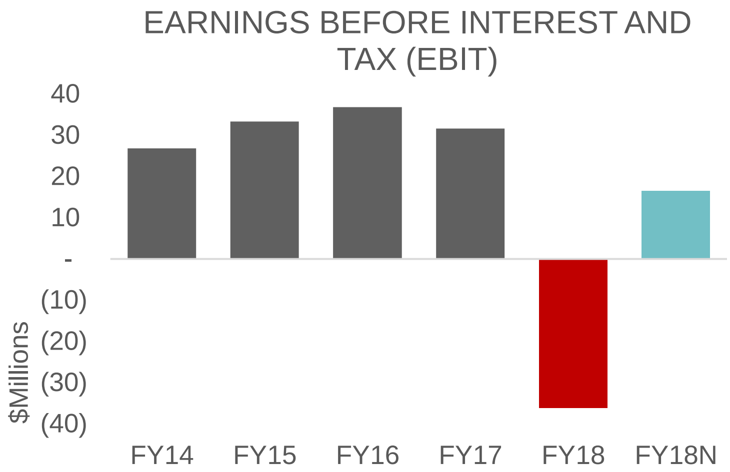
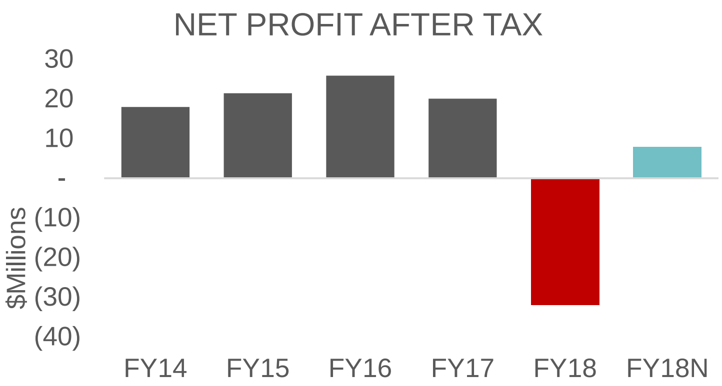
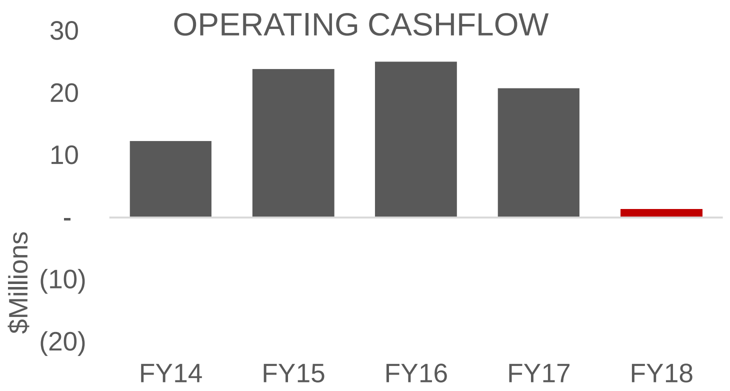
APPENDIX: FULL YEAR PERFORMANCE





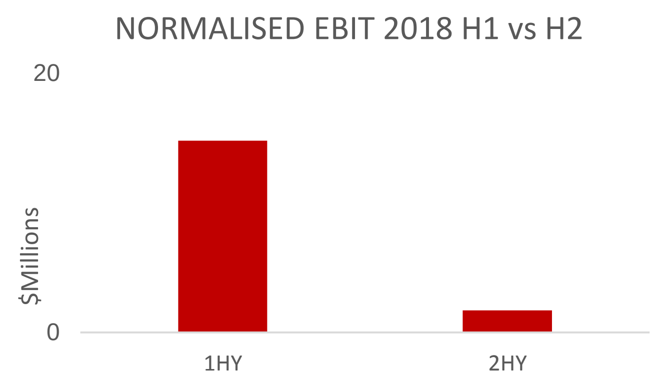




1. FY16 NPAT includes $6.3m gain on property sale
2. FY18N EBIT and NPAT normalised excluding non-trading impact $(53.8m)

APPENDIX: FY18 HALF YEAR PERFORMANCE

- H2 Normalised EBIT of $1.7m was $13.1m lower than H1 Normalised EBIT of $14.8m
- Shortfall largely due to impact of ERP implementation issues in the third quarter, losses made by S&T Plastics in H2 reflecting the project nature of the business, and some weakening in the South Island market
- H2 Operating cashflow was also affected by these issues and improving working capital management is a key focus for FY19
- Fourth quarter saw improving sales and volumes as the ERP implementation issues were resolved



NON-GAAP FINANCIAL INFORMATION

Non-GAAP financial information: Steel & Tube uses several non-GAAP measures when discussing financial performance. These include normalised EBIT and working capital. Management believes that these measures provide useful information on the underlying performance of Steel & Tube's business. They may be used internally to evaluate performance, analyse trends and allocate resources. Non-GAAP financial measures should not be viewed in isolation nor considered as a substitute for measures reported in accordance with NZ IFRS.

Non-trading adjustments/Unusual transactions: The financial results for FY18 include a number of unusual transactions, considered to be non-trading in either their nature or size. These transactions are excluded from normalised earnings. The following reconciliation is intended to assist readers understand how the earnings reported in the Financial Statements for the year ended 30 June 2018 reconcile to normalised earnings. Non-trading adjustments of $(53.8) million were included in the FY18 results

Steel & Tube's unaudited reconciliations of non-GAAP measures to GAAP measures for the financial year ended 30 June 2018 are detailed below.

RECONCILIATION OF GAAP TO NON-GAAP MEASURES Year ended 30 June 2018 ($'000)	**FY18**	**FY17**
GAAP: (Loss)/Earnings before Interest and Tax (EBIT)	(36,187)	31,629
Add Back Unusual Transactions/Non-Trading Adjustments:		
Inventory write-downs and write-offs (Note B1)	24,005	-
Exit from S&T Plastics (Note C4)	10,849	-
Impairment of Intangible assets (Note C2)	12,127	-
Business Rationalisation	2,727	-
Organisational Restructuring	3,317	-
Other unusual costs	762	-
One-off payment by subsidiary vendor	-	(442)
Normalised EBIT – non-GAAP	17,600	31,187
Unexpected benefit from timing of ERP IT system amortisation	(1,132)	-
Normalised EBIT comparable to May 2018 Earnings Guidance – non-GAAP	16,468	31,187

Note references included in the table above are to specific notes in the Financial Statements. More detailed disclosure is included in the Financial Statements and Note Disclosures.

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GLOSSARY OF TERMS

Business rationalisation: Includes business change costs incurred to rationalise Steel & Tube's property footprint including onerous leases, rationalisation and re-organisation of manufacturing operations and delivery logistics operations, and costs incurred in reviewing and streamlining operations. These costs are included in Note E2 to the Financial Statements.

Organisational restructuring: Includes the costs incurred to improve capabilities, remove duplication and inefficiencies and capture synergies from acquisitions. These costs are included in Note E2 to the Financial Statements.

Unusual Costs: Primarily these are business rationalisation and organisational restructuring costs. Other unusual costs include significant doubtful debt and contract disputes provisions, offset by a net gain on sale of properties and settlement of acquisition earn out payments. Other unusual costs are included in Notes B2, B3, E2 and Section C to the Financial Statements.

Revenue: FY18 sales revenue of $495.8 million, was slightly lower year on year sales reflecting the short term impact of ERP implementation issues, alongside highly competitive trading conditions in some businesses.

EBIT: This means (loss) / earnings before interest and tax and is calculated as profit for the period before net finance costs and tax. FY18 EBIT was impacted by a number of non-trading adjustments totalling $(53.8) million, as shown in the table above.

Normalised EBIT: This means EBIT after normalisation adjustments. Steel & Tube reports its normalised EBIT as $16.5m for FY2018. This is directly comparable to the earnings guidance issued on 23 May 2018, which forecast normalised EBIT of $16m. Subsequent to this announcement, the amortisation start date for the new ERP system was amended. This reduced amortisation expenditure by $1.1m in comparison to that included in the May 2018 forecast.

Normalised Net Profit after Tax: This means Net Profit after Tax after normalisation adjustments net of tax

Working Capital: This means the net position after current liabilities are deducted from current assets. The major individual components of working capital for the Group are Inventories, Trade and other receivables and Trade and other payables. How the Group manages these has an impact on operating cashflow and borrowings.

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