



1H26 Results Presentation

For 6 months ended 31 December 2025
25 February 2026

1H26 Outtakes

Primed for upside as the cycle turns

Persistent economic headwinds

- Continued tough economic environment
- Some volume improvement however base business margins squeezed
- Growth investments have mitigated base declines
- Outperformance from Perry galvanizing acquisition

Balance sheet discipline

- Working capital continues to be prioritised
- Debt increased to fund Perry galvanizing acquisition and ongoing operations
- Close cash control mechanisms in place

Emerging market recovery

- Maintaining market share
- Loyal customer base supported through strong service offer
- Market indicators starting to track positively e.g. PMI, consents
- Government spend expected to increase in the latter half of calendar 2026

1H26 Financial Summary

Growth investments supporting results

Volume

54,213t

1H25: 48,667t

Normalised EBITDA

\$2.8m

1H25: \$2.0m

Normalised OPEX

\$39.1m

1H25: \$36.0m

Product Margin %

31.1%

1H25: 28.7%

Inventory

\$115.9m

1H25: \$109.6m

Revenue

\$211.9m

1H25: \$196.0m

Normalised EBIT

-\$10.3m

1H25: -\$9.5m

NPAT/NLAT

-\$12.4m

1H25: -\$10.4m

Operating Cash Flows

\$5.6m

1H25: \$23.1m

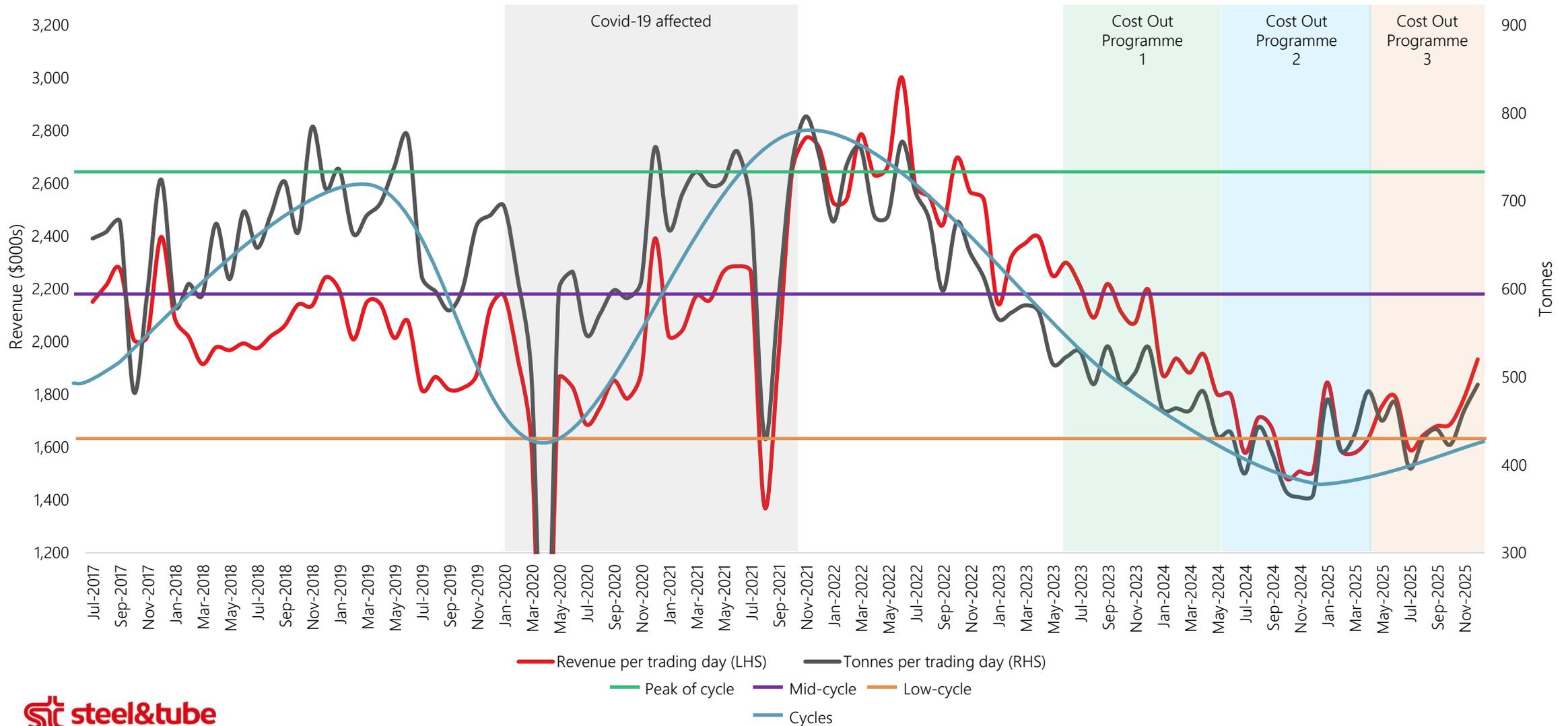
Net Debt/Cash

-\$43.0m

1H25: \$17.5m

Normalised Earnings Before Interest and Tax (EBIT), Normalised Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), Net Profit After Tax (NPAT)
Non-GAAP earnings reconciliation at the end of the presentation
Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided

Cyclical stock; executed three cost out programmes



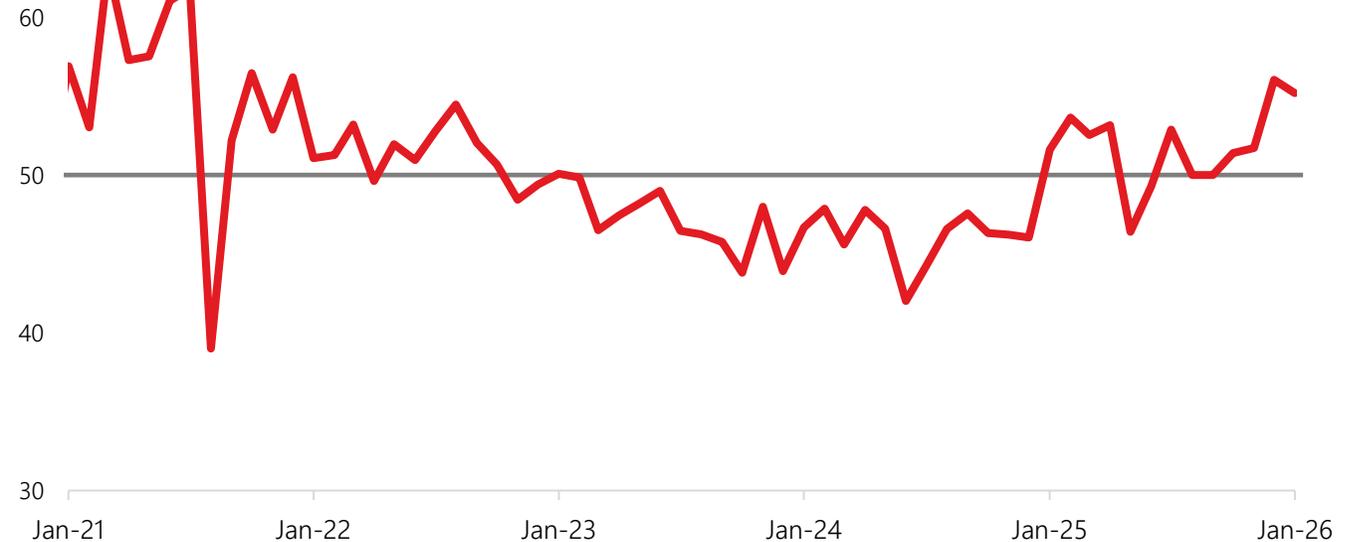
Fundamentals driving the business

Diversified sector exposure, focused on growth markets

		1H26	Long-term avg. ¹
Construction	 Manufacturing	39%	36%
	 Non-Residential (Commercial)	27%	31%
	 Residential	19%	19%
	 Infrastructure	4%	8%
	 Agriculture and other	11%	6%

Manufacturing (39% of revenue): improving business confidence and investment in the manufacturing sector

Performance of Manufacturing Index (PMI)



Long-term construction forecast

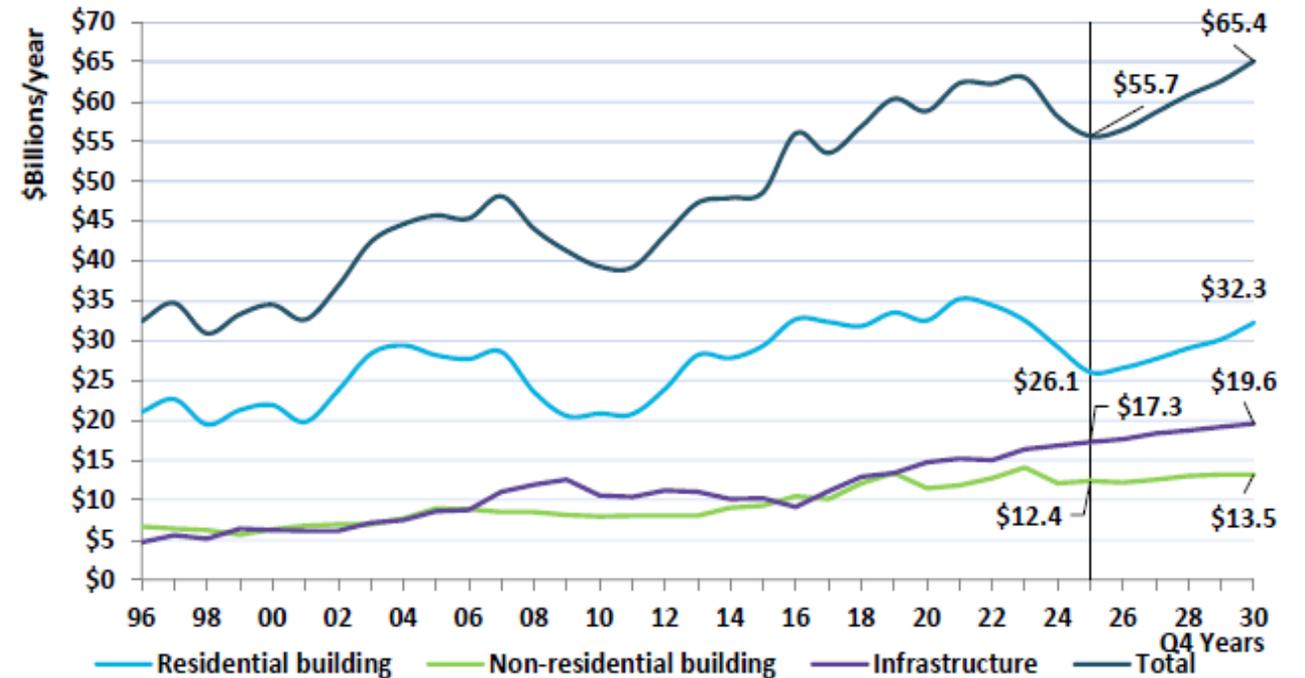
Gradual recovery and trend upwards to \$65.4b in 2030

Non-residential (27% of revenue): forecast to recover and rise steadily

Residential (19% of revenue): home consents have increased in the past few months and property prices are expected to rise over the next year. Lower interest rates and better credit access will help stimulate demand

Infrastructure (4% of revenue): New Zealand Infrastructure Commission's September 2025 National Infrastructure Pipeline included \$181b of initiatives underway and in planning reported as having full funding, part funding or a confirmed funding source. Pipeline of projects includes land transport, hospitals, social infrastructure, energy, water and education

MBIE National Construction Pipeline Report 2025

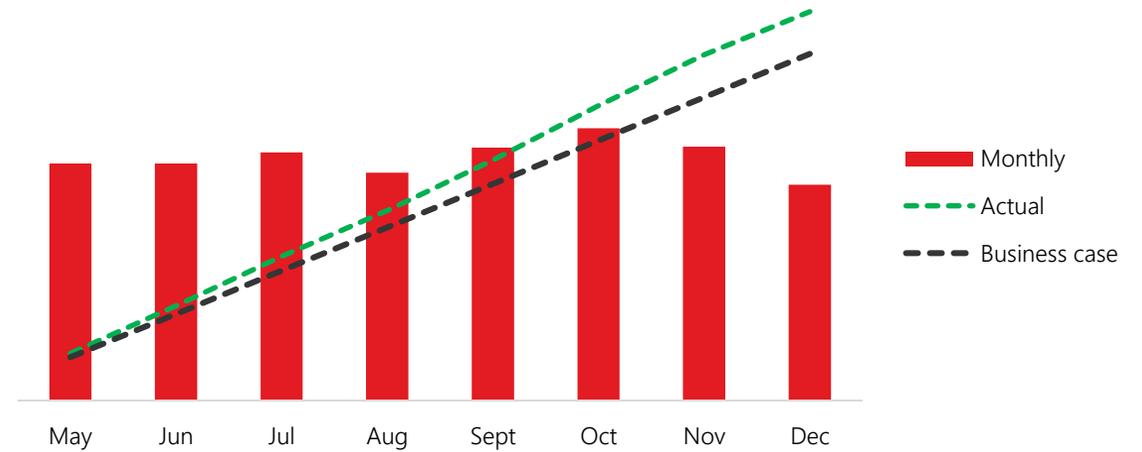


Perry Metal Protection

Measured and strategic buy at the bottom of the cycle

- Strong endorsement of strategic initiative to grow into higher value product and services
- Bottom of the cycle purchase, favourable deal structure
- Consistent earnings through the cycle
- Exceeded year 1 normalised EBIT before corporate levy target within the first 8 months of ownership
- Integration on track and delivering revenue synergies above expectations
- Maintained market share at 44%

Revenue Trending



EBIT Trending



EBIT excludes corporate levy.

Perry Metal Protection

Initial business case scorecard

Business case expectation	Assessment
Revenue	Exceeding
EBIT	Exceeding
Earnings per share	Exceeding
Cross-sell synergies	Exceeding
Cost synergies	On track
Integration plan	Exceeding
Health and safety	Now aligned with Steel & Tube standards
Operational resilience	Ongoing manufacturing operational excellence

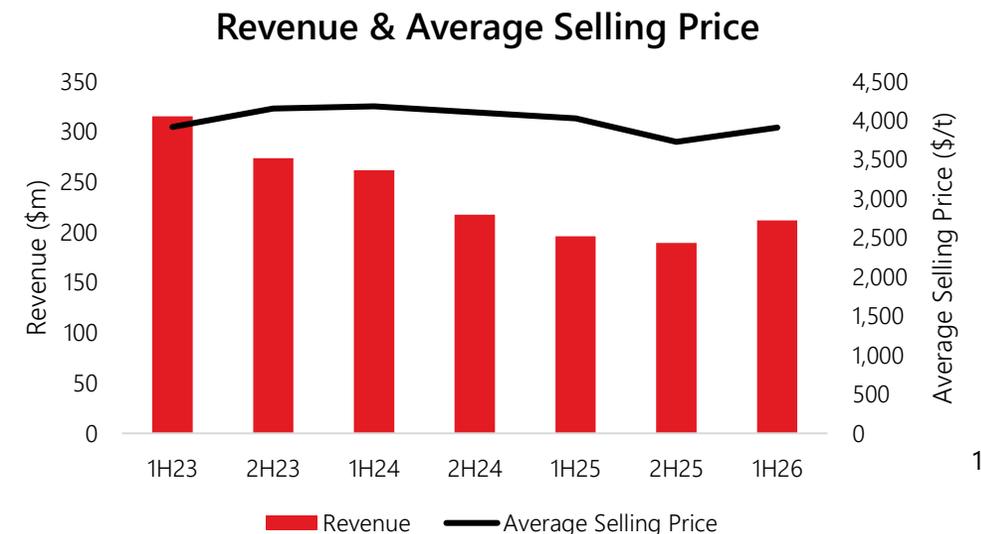
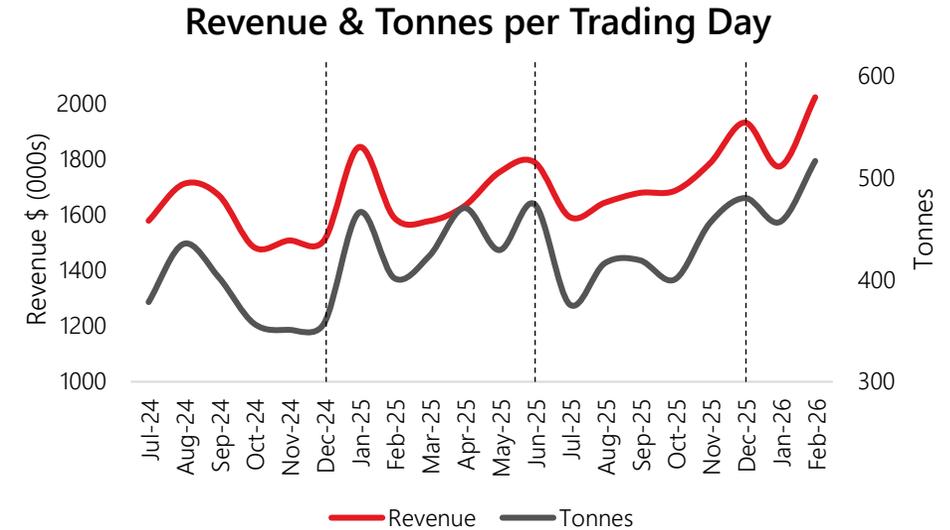
Actively managing market challenges

Market Challenges	1H25	2H25	1H26	Response and Mitigation
Continuing weak economic drivers	High	High	High	<ul style="list-style-type: none"> • Continuous focus on optimising the cost structure • Expanding existing customer share of wallet • Focus on higher value products and services • Diversified business with limited exposure to any one sector
Lack of infrastructure spend	High	High	High	<ul style="list-style-type: none"> • Staying close to Government and industry players • Positioned for commencement of Government infrastructure investment • Specialist expertise and technical know-how
Cashflow management	Low	Med	High	<ul style="list-style-type: none"> • Galvanizing acquisition reducing future cash flow risks however increased short to medium term debt • Close control and management of cash, working capital and debtors - minimal levels of bad debt despite increasing construction liquidations
Commodity price volatility	Med	Med	Med	<ul style="list-style-type: none"> • Actively managing inventory cover • Buying the right products, at the right time • Monitoring exchange rates, disciplined buying strategy • Focus on dollar margin capture on existing inventory
Political environment	Med	Med	Med	<ul style="list-style-type: none"> • International - maintaining diversity of suppliers and securing shipping lanes • Domestic – general election, 7 November 2026

Revenue

Economic headwinds persisted, cautious growth outlook

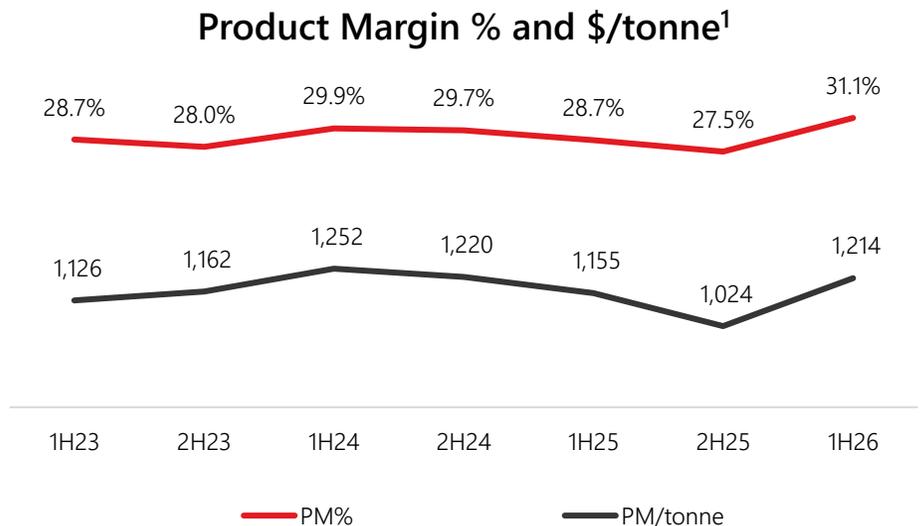
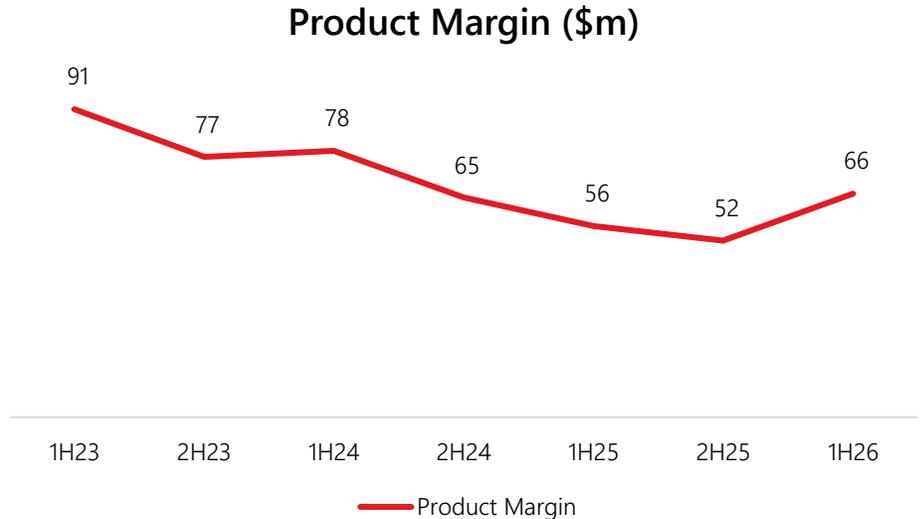
- Volume and revenue increased by 11.3% and 8.1% on 1H25 and 6.7% and 11.9% on 2H25
- Increase in average selling price reflects diversification into galvanizing sector
- Customer satisfaction scores remain at high levels
- Continuing to strengthen value proposition – focus on customer service, delivery in full on time and in spec, pricing discipline and cross selling
- Maintaining market share



Product margins

Improvement driven by growth investments

- Underlying industry margins currently insufficient to provide a fair return on cost of capital
- Diversification into Perry galvanizing sector drove improvement
- Competitive advantage through share of wallet growth into higher value product and services
- Margin expansion expected through operating leverage as volumes recover



1H26 Financial results

Financial performance

Group financial summary

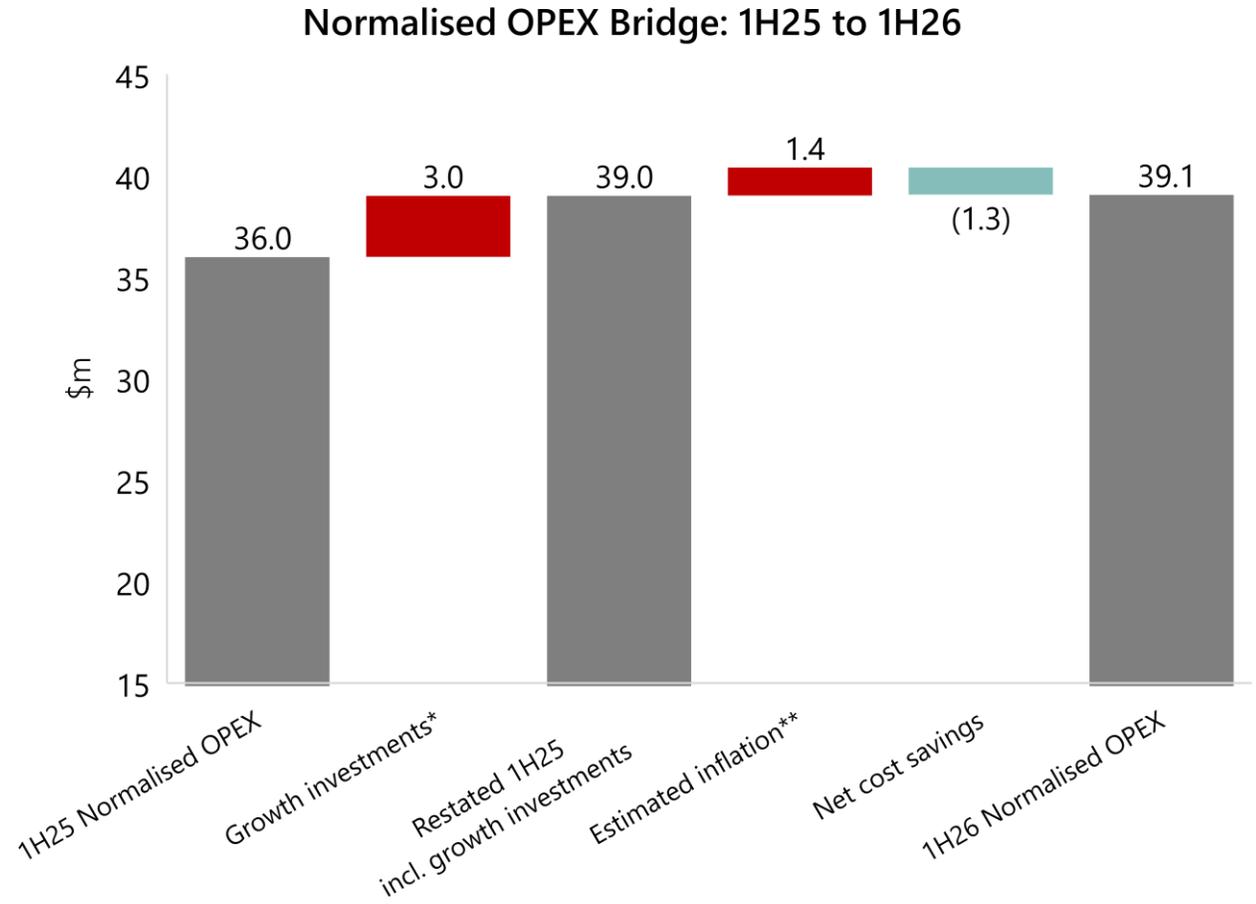
- Strategic growth investments underpinning results
- Significant operating leverage - will drive profit expansion when broader demand returns
- Annualised \$6m cost out programme underway (\$3m direct costs, \$3m OPEX), expected FY26 impact of \$3.5m
- Normalised EBITDA remains positive
- Disciplined cash management delivering positive operating cashflow
- No dividend declared

\$m	1H26	2H25	1H25
Revenue	211.9	189.4	196.0
Volume (Ktonnes)	54.2	50.8	48.7
PM\$/tonne	1,214	1,024	1,155
EBITDA	1.2	(3.1)	0.6
Normalised EBITDA*	2.8	0.1	2.0
EBIT	(11.9)	(15.0)	(10.9)
Normalised EBIT*	(10.3)	(11.9)	(9.5)
NPAT	(12.4)	(14.0)	(10.4)
Net Operating cash flow	5.6	(12.7)	23.1

Normalised operating expenses

Third wave of cost out programme underway: \$3m annualised OPEX benefit from FY27

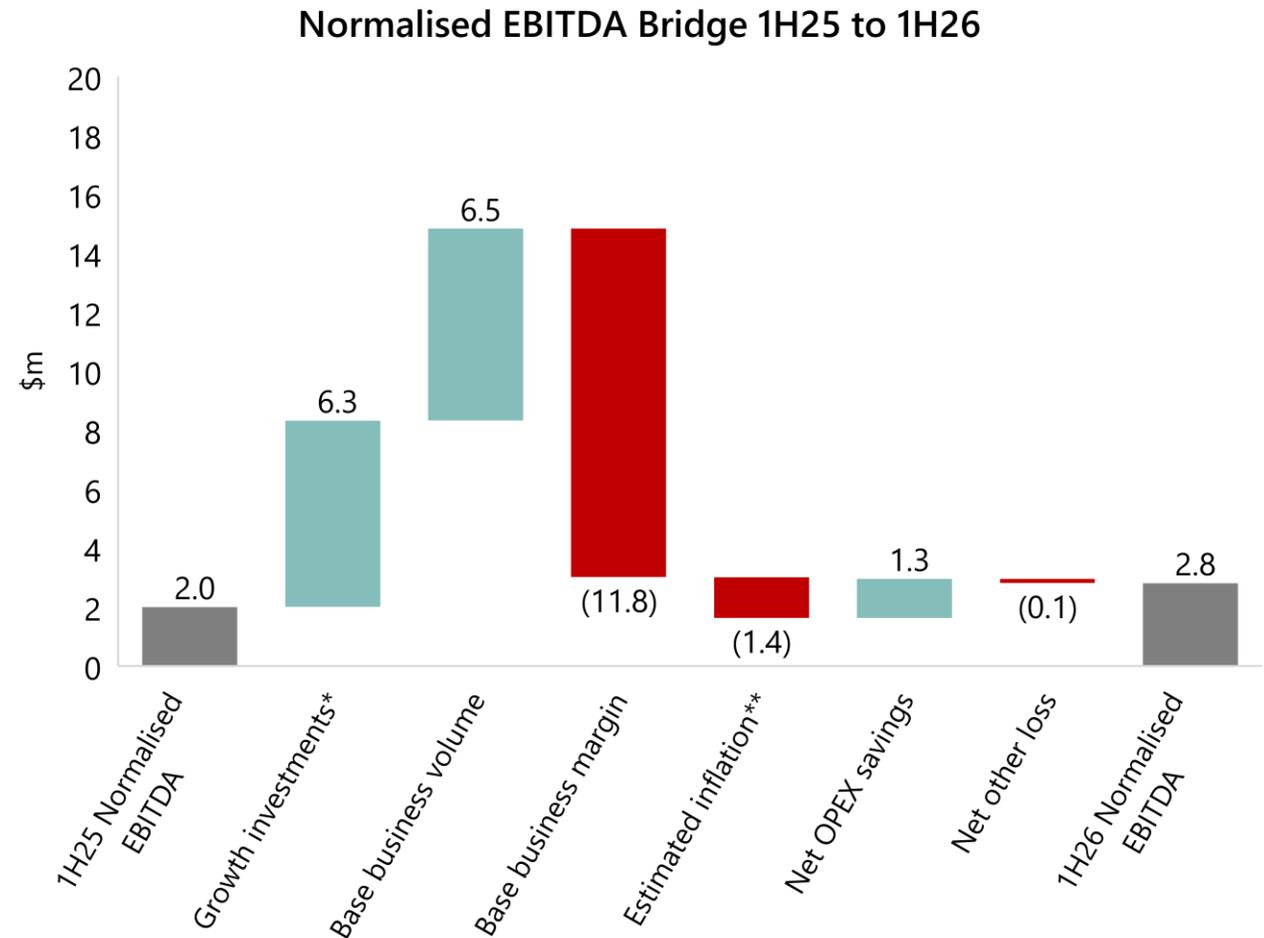
- 9.3% of 1H26 normalised OPEX relates to growth investments
- Normalised OPEX, excluding growth investments, maintained in line with 1H25
- Cost initiatives focused on back-office functions, site consolidations, efficiencies, and close control of discretionary spending
- FY24 and FY25 cost out programmes of \$5m and \$7m offsetting inflation pressures



Normalised EBITDA

Growth investments and opex savings partially offsetting margin impacts

- Positive contribution from new investments and strategic focus on higher value products and services
- Volume increase offset by base business margin decline driven by intense market competition and product mix
- Remain focused on pricing discipline, customer value add to win business
- Further ~\$3.5m of direct and operating expense savings expected in FY26
- Headcount reduced by 5.8% (excluding growth)



Balance sheet summary

Disciplined capital management

- Prudent management of working capital in tough economic conditions
- YOY increase in Net Debt due to funding of ongoing operations and Perry's acquisition – performing well ahead of business case
- M&A activity paused, capital discipline focused on rebuilding balance sheet capacity
- Continued investment in inventory to support customer gains
- Net debt over total debt plus equity 20%

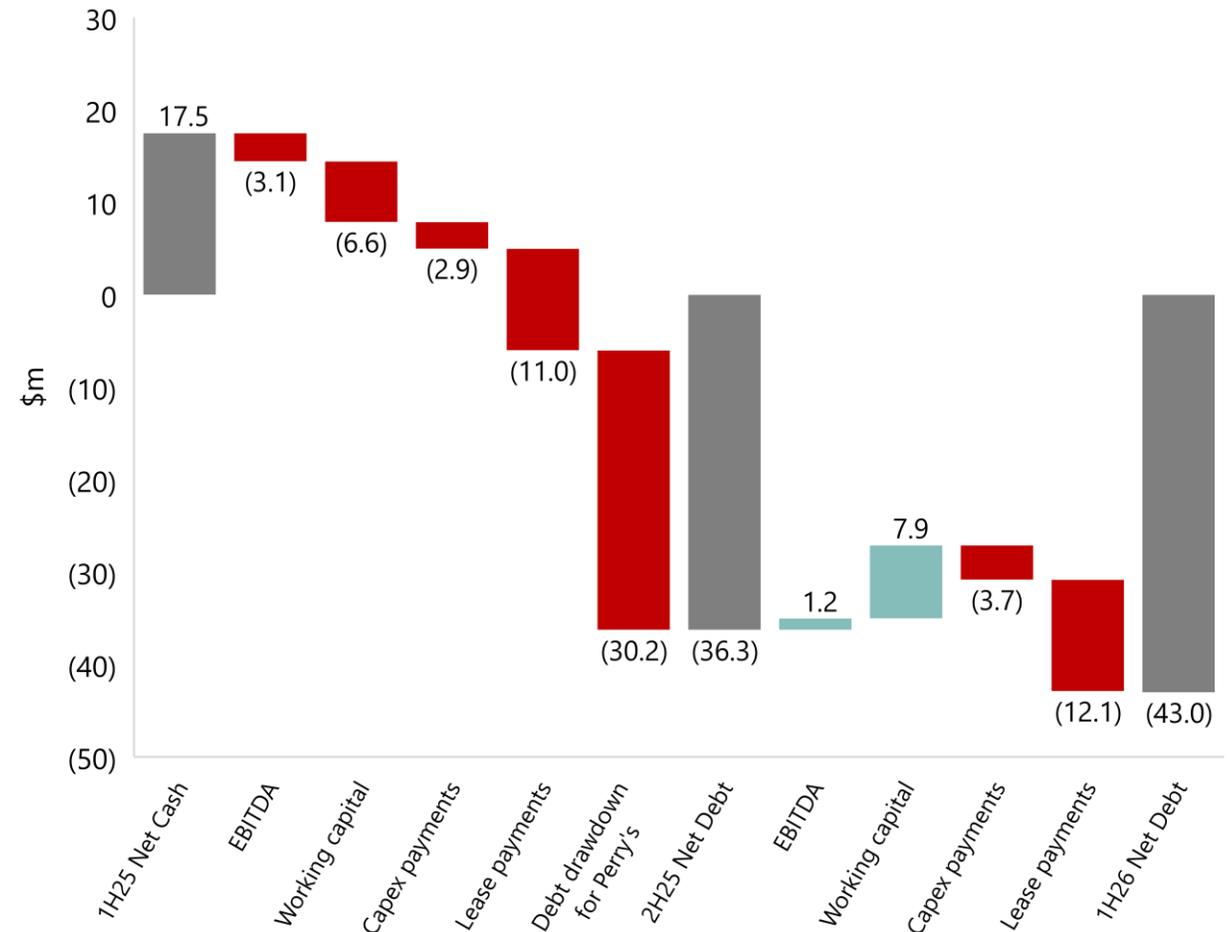
\$m	1H26	2H25	1H25
Trade and other receivables	57.1	63.2	51.4
Inventories	115.9	113.6	109.6
Trade and other payables	(73.1)	(61.7)	(54.0)
Working Capital	99.9	115.1	107.0
Total Facility	80.0	80.0	100.0
Borrowings	(50.0)	(50.0)	-
Available Facility/Undrawn	30.0	30.0	100.0
Cash and cash equivalents	7.0	13.7	17.5
Borrowings	(50.0)	(50.0)	-
Net Cash/(Debt)	(43.0)	(36.3)	17.5
Net Tangible Assets (NTA)	116.1	127.7	172.3
Funds Employed	287.2	301.8	293.6

Cashflow and Net Debt

Staying the course, disciplined cashflow management

- Focus on cash conversion and margin discipline
- Tight working capital management – inventory, receivables, payables
- 1H26 net cash outflow improved on 2H25 excluding Perry's drawdown (\$30.2m, May 2025)
- Cashflow initiatives taken:
 - M&A paused
 - Capex restrictions in place
 - Third wave cost reduction
 - Dividends on hold
- Cashflow improvement to be driven by increased earnings and ongoing reviews of lease consolidation opportunities

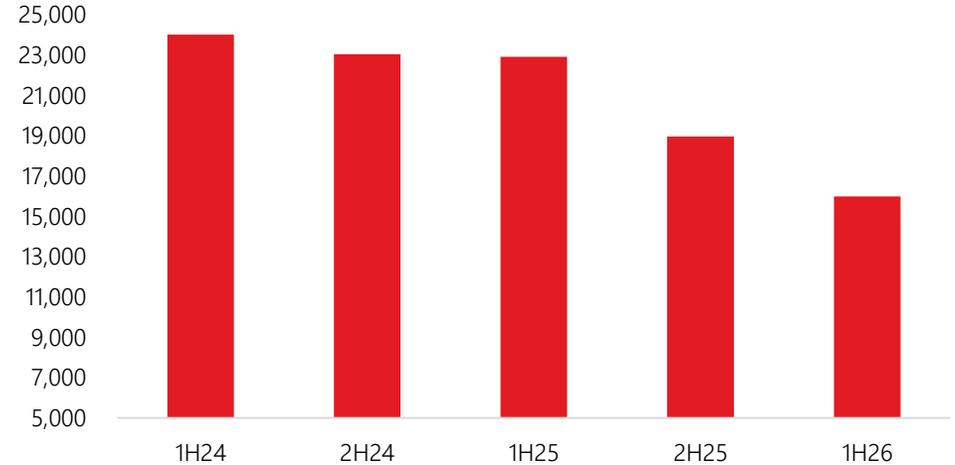
Cash Flow Bridge: 31 Dec 24 to 31 Dec 25



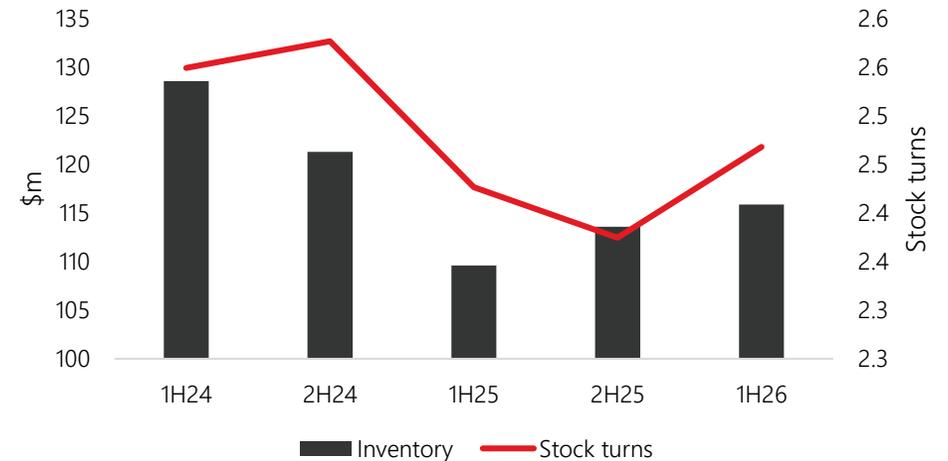
Inventory

- Focused on investing in a high-quality range
- Reduced from 23k to 15k active SKUs from 1H25
- Inventory value up as we invest in availability of key inventory lines
- Actively managing discontinued inventory lines

Number of active SKUs



Inventory turnover



Moving forward

2H26 Market Outlook

- Economy expected to firm over CY 2026, although recovery uneven
- Planned construction work is increasing - will take time to filter through to spades in the ground
- Manufacturing demand on the rise, driven by export market
- Lower interest rates should lead to improved activity
- Infrastructure upside remains over the medium term
- Steel pricing expected to remain stable
- General election could impact 2H26 activity

Key Priorities

Implemented

Disciplined control

- ✔ Customer share of wallet growth embedded
- ✔ Tight focus on customer value (differentiated service, pricing and product availability)
- ✔ Effective integration and value capture from acquisitions
- ✔ M&A activity paused, capex restrictions and dividends on hold
- ✔ Cost discipline – recent third wave of cost out initiatives (includes 60 roles)

Short term

Optimise the recovery

- Building on strategic customer alliances and share of wallet
- Ongoing synergy capture from existing acquisitions
- Continued margin growth initiatives
- Value capture from warehouse and freight initiatives
- Cost discipline - optimisation of supply chain and SKUs leads to better ROIs
- Ongoing focus on balance sheet management

Medium term

Return to growth

- Benefit realisation from growth initiatives:
 - M&A
 - Share of wallet
 - Investment in higher value products and services
- Reduce debt
- Recommence dividend payments
- Re-engage M&A activity



Discussion

Appendix

Non-GAAP financial information

6-month period \$000s	EBITDA			EBIT		
	1H26	2H25	1H25	1H26	2H25	1H25
Reported	1,240	(3,056)	561	(11,893)	(15,031)	(10,922)
Palletised warehouse project costs	-	458	906	-	458	906
Business restructuring costs	240	472	227	240	472	227
Acquisition and integration costs	170	903	-	170	903	-
Software as a Service (SaaS) upfront expenditure	1,159	1,292	309	1,159	1,292	309
Normalised	2,809	69	2,003	(10,324)	(11,906)	(9,480)

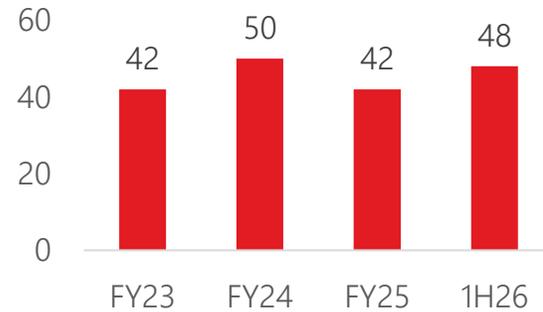
Non-GAAP financial information: Steel & Tube uses several non-GAAP measures when discussing financial performance. These include Normalised EBITDA, Normalised EBIT and Working Capital. Management believes that these measures provide useful information on the underlying performance of Steel & Tube's business. 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 1H26 include transactions considered to be non-trading in either their nature or size. Unusual transactions can be as a result of specific events or circumstances or major acquisitions, disposals or divestments that are not expected to occur frequently. Excluding these transactions from normalised earnings can assist users in forming a view of the underlying performance of the group. The above reconciliation is intended to assist readers to understand how the earnings reported in the periods ended 31 December 2025, 30 June 2025 and 31 December 2024 reconcile to normalised earnings. Non-trading adjustments of \$(1.6) million are included in the 1H26 EBIT & EBITDA.

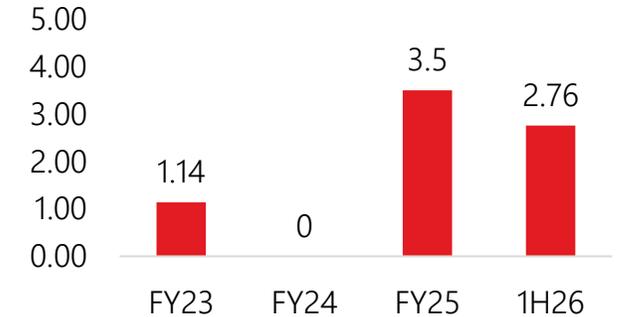
Customer, employee and sustainability update

- Customer satisfaction remains at high levels due to our focus on making life easy for customers, offering best-in-class customer experience and solutions
- Safety outcomes are positive, remain focused on zero harm
- Employee satisfaction remains in the top quartile - emphasis on safety, wellbeing and culture

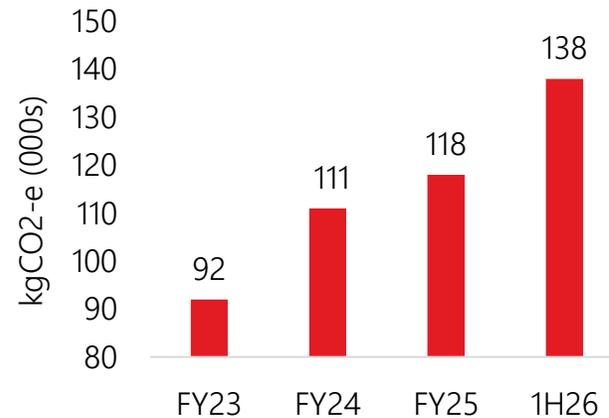
Customer Satisfaction (NPS²)



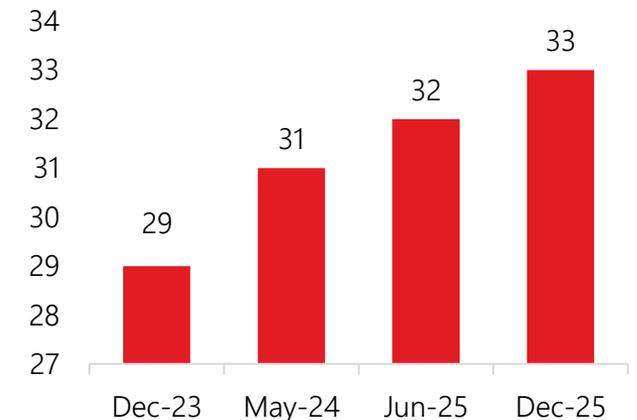
Employee Safety Measure (TRIFR¹)



Emissions kgCO₂e per tonne^{3,4}



Employee Satisfaction (eNPS²)



Our business divisions

Distribution

Products sourced from preferred steel mills and distributed through our national network



Steel **Piping Systems** **Chain & Rigging**



Fastenings **Rural Products** **Stainless Steel**

Processing

Products processed before sale, typically on a contract or project basis, including onsite installation services



Roofing **Coil Processing** **Reinforcing** **Galvanizing** **Grating**



Purlins **ComFlor/CFDL** **Mesh** **Sandblasting**

Business performance

Distribution	1H26	1H25
% of Group revenue	54.9%	58.5%
Revenue (\$m)	116.4	114.7
Product Margin*	23.9%	26.5%
Product Margin \$/tonne	873	1,058

Processing**	1H26	1H25
% of Group revenue	45.1%	41.5%
Revenue (\$m)	95.5	81.4
Product Margin*	37.2%	29.9%
Product Margin \$/tonne	1,591	1,223

Glossary of terms

EBIT: Earnings / (Loss) before the deduction of interest and tax. This is calculated as profit for the period before net interest costs and tax

EBITDA: Earnings / (Loss) before the deduction of interest, tax, depreciation and amortisation. This is calculated as profit for the period before net interest costs, tax, depreciation and amortisation

ROFE: Return on Funds Employed. This is calculated as Normalised EBIT over Average Funds Employed (Net Debt (including Lease Liability) + Equity)

eNPS: Employee Net Promoter Score – assists in measuring employee satisfaction and loyalty within the organisation

NPS: Net Promoter Score – assists in measuring customer satisfaction and loyalty

Normalised EBIT/EBITDA: This means EBIT and EBITDA excluding non-trading adjustments and unusual transactions

TRIFR: Employee Total Recordable Injury Frequency Rate – an important metric to assess safety performance

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 cash flow and borrowings

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