

STU 1H24 Trading and Earnings Update

Steel & Tube Holdings Limited (NZX: STU) has today provided updated unaudited earnings guidance for the six-month period ending 31 December 2023 (1H24)¹.

The company has continued to perform well in the current soft economic conditions and as a result expects the half year financial results will be at the top end of the guidance previously provided on 11 December 2023.

Steel & Tube had previously advised that it expected Normalised EBIT for 1H24 of between \$10m and \$11m and is now updating this to Normalised EBITDA of ~\$22m and Normalised EBIT slightly above \$11m².

Steel & Tube has ended the half year with no bank debt and a positive cash balance of ~\$26m, representing a ~\$20m improvement on 30 June 2023. The company has also achieved a significant reduction in its inventory balance to ~\$129m, down from \$139.2m at 30 June 2023.

CEO of Steel & Tube, Mark Malpass, said: "We have continued to focus on 'controlling the controllables' while providing high levels of service to our customers. Given the current recessionary environment it is important we maintain a strong balance sheet and tight control on costs. We have made good progress on our \$5m cost management programme which has resulted in inflation being offset in the current period. Execution of our strategy has resulted in gross margin \$/tonne improving versus prior period. We continue to review a number of M&A opportunities."

Chair of Steel & Tube, Susan Paterson, said: "Demand for steel continues as it is one of the world's most recycled products and is in increasing demand for seismic and infrastructure strengthening as the globe and indeed NZ face the challenges of preparing for and responding to climatic events."

Steel & Tube expects to release its half year 1H24 results on Tuesday 20 February 2024.

¹All financial numbers are subject to review by the group's external auditors

² Normalised EBITDA has been adjusted to exclude non-trading adjustments of approx. \$0.7m primarily relating to Project Strong and Software as a Service (SaaS) costs. Normalised EBIT has been adjusted to exclude non-trading adjustments of approx. \$1.1m primarily relating to Project Strong and SaaS costs. Non-GAAP financial information is explained in previous presentations <https://www.steelandtube.co.nz/investor/presentations>

ENDS

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