STEEL & TUBE FY24 GUIDANCE AND TRADING UPDATE

Steel & Tube Holdings Limited (NZX: STU) has today provided earnings guidance for the financial year ending 30 June 2024 (FY24) and an update on trading for the eleven months of the year to date.

The company is performing well relative to a challenging market, which has seen demand for steel at even lower levels than during the Global Financial Crisis. Despite this, Steel & Tube has continued to grow margins and maintain market share, strengthen customer relationships and significantly improve operating leverage to position itself for New Zealand's economic recovery.

Steel & Tube is forecasting FY24 Normalised EBIT[1] of $14m to $15m and Normalised EBITDA of $35m to $36m. Net cash on hand is expected to be between $7m and $10m at year end. The Board remains committed to delivering value for shareholders and expects to declare a final dividend for FY24.

Controlling the controllables, positioned well when growth returns

Steel & Tube CEO, Mark Malpass, said: "Whilst the trading environment is challenging, we have controlled the controllables and we are positioned for demand growth once the New Zealand economy improves. Steel & Tube continues to deliver margin growth, cost reductions which have offset inflation and resilient operating profits. Our investment strategy into high value products and services is delivering results and we have built a robust balance sheet which is capable of enabling further growth, both organically and through acquisition.

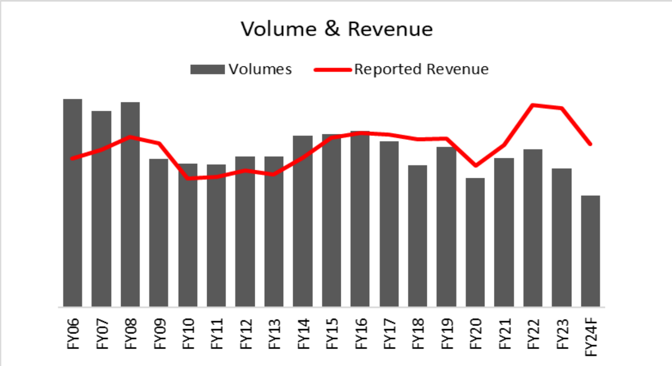
"While the timing and pace of an economic recovery remains unclear, our expectation from our customer mix is that we are near the bottom of the cycle and should start to see demand improve in the 2025 calendar year. Steel & Tube is positioned for demand growth, when it returns, with quality inventory on hand, strong customer relationships and significant operating leverage."

For the eleven months to 31 May 2024

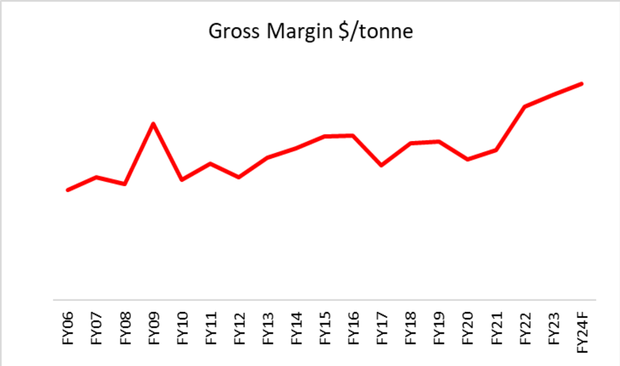
- Average selling prices have remained elevated due to international product costs and a weaker New Zealand dollar, despite market contraction and increased competition
- Gross margin dollars/tonne has improved as a result of pricing disciplines, cost control, improved product mix and customer value add
- The $5m cost out programme has been successfully completed with FY24 operating costs well below prior year. A new cost out programme has commenced targeting a further $5m in savings
- Steel & Tube's net cash balance remains positive, with a relentless focus on working capital discipline

[1] Normalised EBITDA and Normalised EBIT have been adjusted to exclude non-trading adjustments of c.$3.5m relating to Software as a Service costs and Project Strong.

Challenging trading environment – maintaining market share



Margin driven by pricing discipline, investment in products, services and value add



ENDS

For media or investor enquiries, please contact: Jackie Ellis Tel: +64 27 246 2505 or email: jackie@ellisandco.co.nz

For further information please contact:

Mark Malpass
Steel & Tube CEO
Tel: +64 27 777 0327
Email: mark.malpass@steelandtube.co.nz

Richard Smyth
Steel & Tube CFO
Tel: +64 21 646 822
Email: richard.smyth@steelandtube.co.nz