

## STEEL & TUBE HOLDINGS LIMITED ANNUAL MEETING

25 October 2018

### CHAIR AND EXECUTIVE SPEECHES

#### **SLIDE 1. WELCOME**

Tena koutou, good afternoon and welcome. I'm Susan Paterson, the Chair of your company.

Thank you for coming along to our first annual meeting in Auckland for a few years now. Going forward, we will look to alternate between Wellington and Auckland for our meetings, giving us a chance to meet more of our shareholders. We are also planning roadshows to other regions during the year.

I'd also like to welcome our shareholders viewing this meeting online. This is the first time we have webcast our annual meeting as we look to make it easier for all shareholders to hear from us.

It's great to see a strong turn out today – not surprising, given the recent interest shown in our company by Fletcher Building. I'll talk about the Board's view on this shortly. Mark Malpass, our CEO, will also be talking to you today about our strategy and performance.

Following the presentations, we are happy to take questions from shareholders, relating to the presentations.

Please note that the only persons entitled to speak at the meeting are shareholders, proxy holders or corporate representatives of a shareholder.

We will then move to the resolutions contained in the Notice of Meeting. Voting on all resolutions will be by way of a poll and will take place at the end of the meeting, once all the resolutions have been proposed and discussed.

We will then be happy to take any general questions from shareholders, proxy holders or corporate representatives in regards to our Company and operations.

At the close of the meeting, I invite you all to stay and share some light refreshments with the management team and your Board.

Members of the media are welcome to report on proceedings, however I would request no television recording, press photography or radio recordings for broadcast or any other people's recordings for broadcast or distribution while the shareholders' meeting is underway to ensure that shareholders can express themselves freely and frankly. Thank you.

#### **SLIDE 2. BOARD**

Your Board and management team has been refreshed over the last 18 months so there a few new faces. I am incredibly proud of the calibre of the people we have in our company today, and the exciting talent we continue to attract - with more to come. While there are easier assignments on offer, we and our people all work for Steel & Tube as we absolutely believe in the company and value we can add to our customers and indeed to the competitiveness and attractiveness of New Zealand.

A quick introduction to the people up here with me.

All our Directors are here today – please feel free to have a chat to them after the meeting.

From my left, we have Anne Urlwin, who is Chair of our Audit and Risk committee; Steve Reindler, who is chair of our Governance and Remuneration Committee; Chris Ellis; and Rosemary Warnock, who is Chair of our Quality, Health and Safety Committee.

One thing I would like to note about the Steel & Tube's Board is the very high level of industry experience and knowledge. Every one of our Directors has either worked in the industries we operate in or supply, or is involved in directorships in the sector.

Also at the table are Mark Malpass, Steel & Tube's CEO and Greg Smith, our Chief Financial Officer.

Mark was previously chief executive of Fletcher Building's largest division and worked in senior roles for ExxonMobil Corporation. He was originally appointed to the Steel & Tube Board early last year but then stepped down to take on the role of acting CEO when Dave Taylor left. We were delighted when Mark accepted the role of CEO earlier this year and he has been doing a great job of rolling out our new strategy across the company and driving improvements. You'll have a chance to hear from Mark shortly.

Greg Smith, our Chief Financial Officer, joined Steel & Tube about the same time as Mark and is doing a fantastic job of supporting Mark and the team.

Also in the room are a number of Managers, staff and advisers. Welcome to you all.

### **SLIDE 3. CHAIR'S PRESENTATION**

It's been a challenging period in Steel & Tube's history so I'd like to take you through some of the decision making by your Board, which has influenced events over the last 18 months.

### **SLIDE 4. FLETCHER BUILDING OFFER**

At top of mind over the last month has been Fletcher Building's unsolicited approach to acquire all shares in Steel & Tube. I wanted to address this so that everyone is clear on the approach the Board has taken.

Firstly, I can assure you your Board was very responsive. Once the first non-binding offer came in, Mark and I immediately met with Fletcher Building's CEO and Chair. This was followed up straight away with a letter advising we felt the Non-Binding and Indicative Offer of \$1.70/share was below the internal view of Steel & Tube's valuation, and that we did not share Fletcher Building's confidence on Commerce Commission clearance.

It's worth noting that the Steel & Tube share price had been sliding due to historical market share losses, successive downgrades and quality issues. Most recently, it was impacted by the \$54m write down and discounted capital raise. These have been important financial restructures to reset the company but has left the business vulnerable to opportunistic take-overs until the turn-around flows through to the bottom line.

We engaged First NZ Capital to build a valuation model for Steel & Tube and lawyers, Chapman Tripp, to review the likelihood of Commerce Commission clearance.

I should note, when Fletcher Building had bank covenant issues earlier in the year we looked at the possibility of offering to help by acquiring their EasySteel and Reinforcing business. We could see the synergies they no doubt see, but in the end decided not to make an approach due to challenging issues for clearance by the Commerce Commission.

There are plenty of recent examples that led us to believe the process would be very time consuming. The time taken would also impact on value in today's dollars. Worse still, if the proposal was declined, Fletchers could walk away, whilst Steel & Tube's business would likely have been impacted by customer and staff losses during the period.

After not hearing directly from Fletcher Building, we completed our own valuation with FNZC. On 19 September, we provided that valuation range of \$1.95 – 2.36 per share to Fletcher Building and further reiterated our concerns regarding the likelihood of Commerce Commission clearance. We announced Fletcher Building's interest to the market on 3 October when we learnt that it was selectively approaching some of our institutional shareholders.

We heard back from Fletcher Building late on 11 October and again agreed to meet them the next afternoon. We then received a revised non-binding offer of \$1.90 per share on the evening of 12 October. The Steel & Tube Board met with its advisors over the weekend and responded to Fletcher Building that while we viewed \$1.90 per share, excluding synergies, as below the company's intrinsic value, it was close enough for us to resolve to engage an independent expert valuation.

Fletcher Building then made a surprising decision to withdraw their offer. If it believed its revised non-binding offer was fair value, Fletcher Building should have awaited the results of the independent expert valuation report. I would just like to add, that throughout, interactions between us were considered and respectful.

Since this time, Bluescope, the owner of Pacific Steel and NZ Steel in New Zealand and a large supplier to Steel & Tube, has acquired the 15.8% shareholding previously held by Milford Asset Management which, given their recent cost of acquiring shares, was in favour of the Fletcher Building approach. Bluescope are supportive of our company and our strategy and have publicly said they have no intention of taking over Steel & Tube.

We see significant value in your business. The turnaround underway is having a positive impact and adding value to our customers. The Board is confident that management should be able to deliver earnings that will result in share price within the range that we have provided.

## **SLIDE 5. HISTORICAL ISSUES GREATER THAN EXPECTED**

A shareholder recently reminded me that we projected a more positive picture at the AGM last year. Indeed, the impact of historical issues turned out to be greater than we anticipated at that time.

The new executive team was established in October 2017 and their first challenge was to rectify the already committed new Enterprise Resource Planning system, or ERP. As many of you will know, introducing a new, large scale IT platform does not always go easily – statistically more than 25% of IT projects are outright failures and 30 per cent are late, over budget and do not deliver on original expectations.

Disappointingly, despite a lot of challenge and advice, Steel & Tube fell into this category and implementation issues significantly impacted our performance and sales. However, these have now

been resolved and the ERP is working as expected and providing us with much clearer and more robust insights into our business.

This enabled a company-wide review early this year with the resulting write downs of inventory, the decision to exit the Plastics business and other impairments.

Also our borrowings had grown over the last few years as the company expanded through the acquisition of a number of market leading businesses, and capital expenditure on buildings, plant and IT, all of which were primarily funded through debt rather than looking to shareholders for funds through capital raising. During this period, the company maintained a consistently high dividend pay-out.

We are now focussed on optimising the company's balance sheet to ensure that it is well placed to profitably grow, with the sale and lease back of several buildings, a focused effort on working capital management and a cost reduction programme across the business. The recent \$80.9 million rights offer allowed for a significant reduction in borrowings and we now have a strong financial platform to continue our business growth.

#### **SLIDE 6. BUILDING SHAREHOLDER VALUE IS TOP OF MIND**

However, we are cognisant of the fact that Steel & Tube's share price performance has been disappointing. This chart shows the impact of the recent 'capital raise' as previous share prices need to be adjusted to take account of the recent share dilution.

Issues with increasing debt, inventories and reducing market share had been recognised by sophisticated investors and resulted in little share price growth since the GFC.

The decisions we have taken have not been made lightly and we are very mindful of the impact they have had on share price performance and your investment. While of little consolation, I personally disclosed to the market, purchase of shares on market at \$2.50 in February 2017 before the issues emerged – so I am naturally closely aligned with your interests.

Steel & Tube has a very long standing and loyal shareholder base. We are aware that our performance in the past few years has not been up to expectations – yours or ours - and the share price reflects this.

In addition to myself, many of the directors and management team also have shareholdings in Steel & Tube which we recently increased in the rights offer – we also want to see a good return for our investment and we are committed to medium term re-rating along with performance improvements.

#### **SLIDE 7. RESETTING OUR BUSINESS**

Our business transformation process is well underway.

In 2017, we commenced a Board refresh, to bring in directors with relevant skills, expertise and who could bring fresh thinking to the company.

Mark and I were both appointed in early 2017, followed by Chris and Steve in October. Rosemary and Anne provide the continuity and retention of knowledge that is essential on any Board.

Then last year, as mentioned, we began the process of rebuilding and strengthening the leadership team, the company was restructured into two divisions and talented leaders recruited.

I have mentioned the significant financial restructuring undertaken. At the same time, we launched our new strategy, Striving for Excellence, which Mark will talk about in his presentation.

An enormous amount of work has gone into business transformation initiatives over the last six months and the benefits of these are already being seen – our company is stronger, faster, more efficient and delivering a better financial performance.

I would like to thank all the people at Steel & Tube for their exceptional efforts and for continually delivering their best. Their hard work is the reason for the positive turn around we are now seeing in our company.

One of the last events I'd like to touch on is the Commerce Commission case in relation to mesh labelling.

Along with a number of other companies in the market, the Commerce Commission investigated Steel & Tube's application of testing methodologies under a Standard and the inadvertent use of a testing laboratories logo on the bottom of Steel & Tube test certificates and decided to lay charges.

Two companies received warnings, Timber King and Brilliance Steel have been fined and Euro is awaiting prosecution. Steel & Tube's charges related to the Fair Trading Act, and were not in any way related to the performance characteristics of the steel mesh. We co-operated fully with the Commerce Commission from the outset of its enquiry and pleaded guilty to the charges at the earliest opportunity.

The judgement of a fine of \$1.885 million was announced on Wednesday this week. This will not impact on Steel & Tube's financial results. We wish to take this opportunity to apologise to our customers and shareholders for this historical breach of the Fair Trading Act, and want to stress that this was unintentional.

We are very concerned to hear reports of homeowners being targeted by people intent on spreading unnecessary worry, fear and alarm to promote potential litigation. Even if our testing methods at the time did not meet the testing requirements in full, the differences in testing would not have a material impact on the performance of the steel mesh, and as a result, there is no reason people should be concerned.

The Ministry of Business, Innovation and Employment and the Structural Engineering Society of New Zealand have indicated homeowners should not be concerned about the safety or use of the steel mesh in their houses.

Because of the confidence we have in the performance of our products, we will vigorously defend any class action if it proceeds.

A new quality function has now been established within Steel & Tube and we are well progressed with our goal of creating a world class quality management system, which we see as a real competitive advantage. Mark will provide more detail on this and our initiatives shortly.

**SLIDE 8. STEEL & TUBE IS....**

So where to from here?

Steel & Tube is one of New Zealand's oldest listed companies, first listing on the NZX on 26 September 1967.

We have a large and loyal shareholder base and we thank you for your continued support, through the good times and the bad.

Our goal is to be New Zealand's leading provider of steel products and solutions and we are confident we are on the right path to achieve this. We have a committed workforce, best in class businesses and New Zealand's most comprehensive range of steel products, services and solutions.

**SLIDE 9. A STRONGER FUTURE**

One of Steel & Tube's strengths is the diversity of revenue across different sectors – rural, manufacturing and construction. We are seeing positive growth trends across the majority of these and are well positioned to take advantage of this.

The results of our business transformation initiatives are now becoming clear and, following the capital raising, we have a strong financial platform to continue building our position as a leading steel products and solutions provider.

For the past 65 years, we have been an important part of New Zealand's economy and we plan to continue adding value for another 65 years at least.

Shareholder interests are front of mind for the Board. That means delivering value for your investment in Steel & Tube by building a long term and valuable investment with share price growth and dividend payments.

Steel & Tube is the only NZX-listed opportunity for shareholders to invest in the New Zealand steel industry without the additional risks of a conglomerate operating multiple businesses across a number of sectors in both New Zealand and offshore.

Our focus remains firmly on delivering value for our shareholders and we are confident in the company's improving performance.

I will now hand over to Mark to talk in more detail about our strategy and business transformation.

**SLIDE 10. MANAGEMENT PRESENTATION**

Thank you Susan. It's a pleasure to be here today and thank you to everyone who has made the time to come along or join us online.

**SLIDE 11. FY18 FINANCIAL SUMMARY**

As Susan has said, FY18 was a difficult year. The results were obviously disappointing but we are now moving forward under our new strategy, with a clean P&L and balance sheet.

We have provided a lot of detail on our results in previous announcements, our results presentation and the annual report so I don't propose to go into them in depth again today. We will be happy to answer any questions you may have on our financials, after the presentations.

#### **SLIDE 12. OUR DIVISIONS**

Our business is aligned into two strong business divisions.

The Distribution division includes carbon steel distribution as well as our merchant business, fasteners and stainless. These businesses all have common trading activities and having them all under one roof is important to capture synergies and trading advantages. Generally these are all products which we source from preferred mills and distribute through our network of branches.

The second and equally important division is Infrastructure which we have split into two areas – Roll-forming, and Reinforcing and Composite Flooring Decking Limited. These businesses are typically servicing contracting and project type markets, and products are made to order.

#### **SLIDE 13. INDUSTRY LANDSCAPE**

We are already a leader in many of the sectors we operate in. The New Zealand steel market is roughly 900 thousand tonnes and ~\$2.3 billion in value based on our estimates this time last year.

This chart shows our estimated market share, as well as that of Fletchers. As you can see we are in the top three in every segment in the steel market.

This demonstrates part of the reason why we believe the Commerce Commission clearance for Fletcher Building's proposed acquisition of Steel & Tube would have been problematic – an opinion backed up by our independent experts. As you can see, a combined entity would have significant market share and there would be a lot of questions around whether this is in the best interests of the New Zealand marketplace.

Our goal is to be the leader in buying, selling, processing and placing steel in New Zealand and we believe we have the right strategy and the right team in place to achieve this.

#### **SLIDE 14. SECTOR EXPOSURE**

We have a well-balanced exposure across a number of sectors.

About 40% of our revenue is generated from the manufacturing sector and 13% from rural. In these sectors, long term growth trends should benefit our business.

Around 47% is from the construction sector – infrastructure, residential and commercial (non-residential).

Construction remains an important revenue area for us and medium term growth trends are positive, however we are carefully managing our risk and exposure through robust tender reviews. Board review and approval are required for larger projects or where exceptions to standard terms are required.

**SLIDE 15. OUR OPPORTUNITY**

Positive growth trends exist across most of the sectors we are operating in. You can see for yourselves the 140 tower cranes across New Zealand, 90 of them are here in Auckland. Multi-unit dwellings are an increasing share of the residential sector. We also see increased central and local government funded infrastructure, housing and development projects.

Steel remains a preferred building material and we are seeing an increase of its use in buildings due to its versatility, construction speed and efficiency, life cycle benefits and seismic performance.

**SLIDE 16. OUR STRENGTHS**

Our strengths lie in the breadth of our offer, our size and scale, our committed and talented people and an in-depth understanding of our business and opportunities – something that has been strengthened in the last year by the extensive review we undertook.

We have an innovative approach to business and are leveraging technology to deliver better customer service and create a more efficient business.

We have optimised our network over the past year, merging and rationalising sites to gain efficiencies and opening new facilities which add value to our business.

**SLIDE 17. OUR STRATEGY**

One of the key events in the last six months has been the launch of our Striving for Excellence strategy. This frames all we do in to four areas which we see as being fundamental to the success of our company – a commitment to safety and quality; putting the customer at the heart of our business; operational and supply chain excellence; and supporting a winning team.

**SLIDE 18. OUR STRATEGY IN ACTION**

Our Striving for Excellence strategy underpins all we do, so I'd like to share a bit more detail and some insights on how it's benefiting our business.

**SLIDE 19. COMMITMENT TO SAFETY AND QUALITY**

Ensuring our people are kept safe and healthy is fundamental.

Workplace safety procedures are always top of mind and we provide extensive education programmes and have initiatives and daily compliance expectations, which are all designed to keep our people safe at work.

Comprehensive reporting covers risk management, lead and lag indicator performance, and incident and non-conformance reviews.

Pleasingly, we have seen a continuing improvement in our health & safety indicators over the past 12 months, moving us closer to our zero harm goal.



## **SLIDE 20. FOCUS ON QUALITY**

Our ability to deliver quality products and solutions is what sets us apart. We are committed to the principle that all our customers and stakeholders should expect consistent, outstanding service and quality products from the company. All our employees have a responsibility to deliver on this - there are no exceptions.

In the last year, we have strengthened our quality function under the leadership of Damian Miller, our Quality Manager who reports directly to me. We have recently been awarded ISO 9001: 2015 quality certification and have implemented third party audits by Lloyds Register, of our international suppliers and mills across South East Asia, Australia and New Zealand.

Another area of focus is traceability. We have implemented a new barcoding system in our reinforcing business which allows us to trace any particular item through its journey from supplier to our warehouse and onto our customers. We're trialling a similar system in our distribution business.

We have strong governance in place to support this focus including a Board-led Quality, Health, Safety and Environment Committee and also Management sub-committees.

## **SLIDE 21. PUTTING THE CUSTOMER AT THE HEART OF THE BUSINESS**

Everything we do is aimed at meeting and exceeding our customers' expectations. That includes our people providing outstanding solutions and technical support.

We are continually reviewing our offer to make sure we have products and solutions to meet our customers' needs. Delivering these on time and on specification is essential.

Technology is a big enabler, allowing us to improve sales effectiveness and lower our cost to service our customers. Our new ERP information technology system is now performing well and providing us with a platform to deliver better customer service and solutions. Electronic Data Interchange (EDI), which simplifies ordering, invoicing and reconciliation for customers, is just one example.

We are optimising our national branch network and improving the sales model, to allow our customers to access all products and solutions from one point of call.

And we are bringing outsourced services in-house, such as our team of 'fixers' (who install reinforcing) and warehousing. This provides us with even more control over quality outcomes.

## **SLIDE 22. POSITIVE IMPACT OF INITIATIVES**

We are already seeing the positive impact of these initiatives with daily volume and sales trends on a positive trajectory and market share growth in key categories.

This is a result of the work we have put into building customer relationships and upskilling our sales teams. The Board and Management have been involved in relationship building with our key customers and we have seen many customers return to Steel & Tube, now that the initial issues caused by the ERP implementation have been overcome.

We have a broad product offering and we are large enough to offer our customers security, but are nimble enough to adapt our value proposition to support our customers' needs.

### **SLIDE 23. INNOVATION**

Innovation is also an important element in delivering better products and solutions to meet our customers' needs.

We recently launched BIM-Spec, a one-stop portal to make it easier for construction and design professionals to connect with Steel & Tube's products.

We've also reviewed our product ranges with the customer in mind and introduced new, desirable products, such as the new SR flooring platform from Comflor which is already very popular.

You can see our ComFlor products through most large commercial building projects including the Auckland Convention centre and the new Commercial Bay development.

### **SLIDE 24. OPERATIONAL AND SUPPLY CHAIN EXCELLENCE**

Our success is predicated on our ability to source, process, deliver and place steel products. We have to get the right product to the customer at the right time every time in the most efficient and profitable manner possible.

Having an excellent operations and supply chain is essential to achieving our goals.

This means suppliers providing us with high quality products at good prices. And it means working efficiently in our warehouses to get products out to the customer on time and to minimise waste.

We have also established new inventory recording procedures. Excellent inventory management is necessary to make sure we have product available where and when our customers need it.

### **SLIDE 25. SUPPLY CHAIN EXCELLENCE**

Strengthening our supply chain has been a key focus over the last 12 months. We have segmented our inventory into categories, A-lines represent 80% of our sales and we have improved stock availability in this category from 83% to 93%, and we are targeting 98%.

We have established a new sales and operations planning (S&OP) process to optimise inventory and meet customer demand. Strategic sourcing has also been leveraged to ensure we get the benefits of our procurement scale flowing through to reduced sourcing costs.

### **SLIDE 26. OPTIMISING OUR FOOTPRINT**

As part of our reset programme, we have taken the opportunity to integrate our previously acquired businesses. The first step was to combine Heritage Steel & Tube Stainless with the acquired Stainless business. We are doing the same for our Fasteners businesses. This step has enabled us to consolidate our facilities from 50 to 40 locations. Further integrations of facilities in close locations are ongoing, including within manufacturing, delivering added efficiencies while retaining our focus on customer service and product range.

We have also integrated external warehousing into our own facilities as that's our core business. Combined with increased inventory of the right products, the warehouse and facility consolidations have meant we can optimise and reduce freight costs and tender routes. In addition, we have sold and entered into lease back arrangements on two sites.

**SLIDE 27.        MANUFACTURING EXCELLENCE**

Manufacturing excellence has also been a priority. We are making good progress implementing a Lean 5s programme across our manufacturing businesses, these are principally the Reinforcing and Roll-forming businesses. This involves Key Performance targets and systems tracking of machine efficiency and productivity and we are already seeing significant improvements in machine uptime efficiency. Technology is also enabling improved capacity planning and scheduling.

**SLIDE 28.        SUPPORTING A WINNING TEAM**

We are privileged to have talented and dedicated people working at Steel & Tube. They are our greatest asset.

We have more than 1,000 people spread across 40 sites and we are putting more resource into engaging with them and making them part of our drive for excellence. We're recognising their efforts next month with our inaugural Excellence Awards with more than 80 staff members expected to attend the Awards Dinner to celebrate their achievements across each of the four pillars of our Strive strategy.

We're investing in training and programmes to unleash their potential, including our successful Lead2Succeed programme, which focuses on rising and diverse future leaders.

For five years now, we have been committed to supporting the First Foundation, which assists economically disadvantaged but academically talented students within families of our staff to achieve their potential. This year we have announced a further two talented young people are being awarded with S&T First Foundation Scholarships to undertake tertiary education.

**SLIDE 29.        ANNUAL STAFF SURVEY RESULTS**

Eighty-six percent of staff participated in our recent staff survey, and of those, 76% stated they were willing to go the extra mile to contribute to the company's success.

This is a great result and a demonstration of the passion our people have for Steel & Tube and their commitment to turning the company around and achieving our goal.

We've shared the results of the survey with our staff and focus groups from across the company are currently making recommendations on how we can improve engagement and make Steel & Tube an even better place to work.

**SLIDE 30.        STRONG MANAGEMENT TEAM**

In the last year, we have also strengthened the management team and I would like to thank each of them for the support they have given the company.

Each of our senior members is highly experienced with in-depth knowledge of the business and in their areas of expertise.

As Susan noted, we are also attracting key talent in the areas of People & Culture, Strategy and Digital.

**SLIDE 31. TRADING UPDATE AND OUTLOOK**

We have overcome the challenges of the last year and are now well back on track to ensuring Steel & Tube's future as a strong participant in the New Zealand economy.

**SLIDE 32. OPERATING OUTLOOK**

We source the majority of our steel supplies from either New Zealand, Australia or Asia – it's a fairly balanced mix and varies according to product type.

The demand for steel is a dictator of price – the more global demand there is for steel, the higher the price that can be set by the steel mills.

As you can see here, pricing can be quite volatile and after dropping during 2014 to 2016, it has been trending back up for the past two years and is currently at some of the highest prices we have seen since 2014, particularly when the softer NZ dollar is taken into account.

The rising price of raw materials has a direct impact on our margins. Fundamentally we've tried to move to a replacement cost model over the last 12 months where we effectively pass through changes in finished product prices as they occur. This is resulting in more control over our earnings profile. Obviously, it's a competitive market and we watch market pricing on a daily basis.

Demand for steel in New Zealand remains high, correlating with global demand trends as countries such as China invest into large infrastructure projects.

**SLIDE 33. FY19 GUIDANCE**

We are expecting a significant turnaround in results for the financial year ending 30 June 2019 and have confirmed guidance of \$25 million in earnings before interest and tax. This is consistent with the guidance we provided to the market in August when we released our capital raise investor presentation.

Legacy issues are now behind us and we are beginning our journey to improved operating and financial performance. Costs are down, we are operating more efficiently and staff morale is strong. Recent increases in sales and volumes are encouraging and our Strive business transformation initiatives are gaining momentum.

We are confident in our performance and are committed to building Steel & Tube as a leader in the market and delivering value for our shareholders.

**SLIDE 34. HALF YEAR OUTLOOK**

The first half of the year has started well and we are seeing initial benefits already flowing through from Project Strive initiatives. The majority of these benefits will be seen in the second half of the year and we expect to finish the year on guidance.

Thank you and I will now pass you back to the Chair.

ENDS