steel&tube
STRONGER TOGETHER

2026 ANNUAL REPORT

STEEL & TUBE HOLDINGS LIMITED

Set on one of Tauranga's most prominent waterfront corners, this seven-storey development at 2 Devonport Road, Tauranga is a flagship $80 million project contributing to the transformation of the city's CBD. Steel & Tube supplied both reinforcing and ComFlor® composite floor decking as a single solution, bringing different capabilities together under one project and making a complex build more manageable and efficient.

BUILDING NEW ZEALAND

Steel & Tube is one of New Zealand's leading steel distributors, processors and manufacturers, providing the products, expertise and technical capability that help keep the country's infrastructure, construction, manufacturing and industrial sectors moving.

Our nationwide network and specialist businesses enable us to support customers of every size, from everyday steel requirements to some of New Zealand's most complex projects.

Whether sourcing globally, manufacturing locally, processing steel to specification or delivering directly to site, we provide integrated solutions that make life easier for our customers.

We offer one of New Zealand's most comprehensive ranges of steel and related products, complemented by value-added services.

By combining national scale with local expertise, we create opportunities to deliver more for our customers, deepen long-term relationships and grow across multiple sectors.

Behind every solution is a team of knowledgeable, passionate people whose technical expertise, customer focus and commitment to quality have earned Steel & Tube its reputation as a trusted partner for more than 70 years.

2026 ANNUAL REPORT

This year's result reflects the impact of a prolonged market downturn and period of subdued demand, which has continued for longer than anticipated.

Over the past few years, we have maintained a strong focus on the factors within our control, reducing costs while protecting core capability.

This year, as the economic recovery was further delayed, we have accelerated cost and efficiency initiatives alongside a portfolio review and broader business reset, focused on improving returns and building a stronger platform for the future.

This report provides an overview of the actions we are taking to position the business for long-term success.

It also demonstrates why we remain firm in our belief in Steel & Tube's future as one of New Zealand's leading steel solutions businesses.

FY26 tested businesses across many sectors, with improving market conditions interrupted by ongoing economic uncertainty and subdued customer activity.

Through it all, Steel & Tube remained focused on what it does best – supporting customers, maintaining good supply chains, improving productivity, and investing in less cyclical businesses, technology and our people.

Susan Paterson | *Chair* **Mark Malpass** | *CEO*

This report was approved by the Board on 25 August 2026.

This Annual Report and Financial Statements of Steel & Tube Holdings Limited are prepared in accordance with the New Zealand International Financial Reporting Standards, NZX Listing Rules and Corporate Governance Code and Companies Act 1993. The Annual Report contains certain forward-looking statements with respect to the Company's financial position and operational results. This involves a degree of risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Because of this uncertainty, all forward-looking statements have not been reviewed or reported on by our auditor. Due to rounding, numbers presented throughout the financial statements may not add up precisely to the totals provided.

OUR BUSINESS

Approx. **13,000** planned products supporting the manufacturing, construction, rural, distribution and infrastructure sectors

~ **13,000**-plus active customers from large scale enterprise businesses to SMEs, across New Zealand's regional and urban centres

A national network of stores, warehouse hubs and offices

Prior to site consolidations

~ **900** team members

Includes 102 Galvanizing employees and 45 truck drivers

115,261 tonnes of steel sold in FY26

Employee engagement score (NPS) **30**

Customer recommendation score (NPS)[1] **40**

Safety TRIFR[2] **3.43**

[1] Net Promoter Score. Customer NPS is calculated based on 3 months rolling average

[2] TRIFR: Employee Total Recordable Injury Frequency Rate

OUR STRATEGY

Our strategy is grounded in purpose and powered by action – building a diversified and resilient business while capitalising on new avenues of growth.

CORE STRENGTH

We're harnessing our strong foundations to deliver outstanding customer experiences, operational excellence and sustained financial performance.

With a broad product range, nationwide reach, leading digital capabilities and a skilled team, we're positioned to be New Zealand's steel solutions partner of choice.

Sustainability is core to our journey – shaping our actions through environmental responsibility, ethical sourcing and a focus on reducing our carbon footprint.

Best-in-class customer experience

Cross sell products and services

Accelerate shift to digital sales

Drive gross margin $/tonne

Operating efficiency

Smart business

GROWTH OF HIGH VALUE PRODUCTS AND SERVICES

We're growing our business by expanding our offering and investing in innovative products and services that deliver real value to our customers.

While organic growth remains our preferred focus, we're open to exploring strategic opportunities in adjacent sectors, where they align with our vision and create meaningful synergies.

By harnessing our deep industry expertise, strong customer relationships and market insight, we'll continue to identify and seize the opportunities that drive sustainable growth.

High value products, diversified materials and value-added services

Diversify customer segments and build scale

Primary focus is on organic investment and M&A in directly adjacent sectors

OUR STRATEGIC ROADMAP

OUR PURPOSE

TO MAKE LIFE EASIER FOR OUR CUSTOMERS

STRATEGIC GOALS

CUSTOMER	Preferred supplier for steel solutions and products
SHAREHOLDER	Deliver increasing value and returns for our shareholders
GROWTH	Increase value through organic growth and M&A
SUSTAINABILITY	Positive outcomes for our business, our people, our communities and our planet

OUR VALUES

We Care

We Have Respect

We Are Brave

WHAT MATTERS

+ Creating a Successful and Resilient Business
+ Committed to Health, Safety, Quality and Environment
+ A Winning Team and Positive Community Impact
+ Customer First

PERFORMANCE SNAPSHOT

FY26 proved Steel & Tube's ability to deliver when the economic cycle improves

Revenue

▲ **$438.9m**

Up 13.9%

Product Margin %

▲ **30.7%**

Increase 2.6pp

Normalised EBITDA[3]

▲ **$9.9m**

Up $7.7m

Normalised EBIT[3]

▲ **$(16.5)m**

Improved by $4.9m

Net Loss After Tax[4]

▼ **$(61.2)m**

Includes non-cash impairments and adjustments of $(55.7)m

Net Debt

▲ **$48.0m**

FY25 $36.3m

Operating leverage supporting earnings growth off bottom of cycle

Focused execution of strategy driving higher value growth, margin expansion and greater operating efficiency

Acquisitions continue to outperform

Disciplined focus on working capital, debt management and liquidity

Extended banking facilities to September 2027

Portfolio review and proposed business exits providing pathway to simplified business and improved return on invested capital

[3] Excludes non-cash impairment of assets of $(51.9)m and other non-trading adjustments of $(3.8)m. Including these, EBIT was $(72.2)m and EBITDA was $(45.8)m.
[4] Includes impairment and non-trading adjustments.
Comparatives to prior year (FY25 includes two months of Galvanizing results)

CHAIR AND CEO'S REPORT

We are taking decisive steps to build a simpler, stronger business, strengthen returns and capture the benefits of market recovery.

Tēnā koutou

As a cyclical business, our performance is inevitably influenced by market conditions. This year's result reflects an extended period of market weakness with an emerging, but uneven, recovery from the bottom of the cycle. After initially focusing on reducing costs while protecting organisational muscle, we are now undertaking a significant reset to simplify the portfolio, improve returns and position the business for recovery.

The start to FY26 was encouraging and demonstrated the value of our strengthened operating leverage. As early signs of recovery began to emerge in the New Zealand economy, enquiry levels lifted, forward orders improved, and customer sentiment showed some recovery.

The improving trend continued through to Q3 of Steel & Tube's financial year, with the company delivering increasing revenue and volumes, a return to positive normalised earnings (EBIT) for March 2026 and breakeven in May. Gross margin improved, supported by structural changes embedded over recent periods, including cost disciplines, operational efficiencies and a continued focus on higher value products and services.

However, as the year progressed, renewed geopolitical uncertainty, cost inflation, pre-election uncertainty and persistent caution among customers disrupted what had appeared to be the early stages of recovery. Against this backdrop, we have remained focused on our strategy and controlling what we can control.

We have made good progress reducing costs while retaining key capability, and are now taking more significant steps to simplify the portfolio, strengthen the business and position it for the opportunities ahead.

As customer needs and markets continue to evolve, we are also looking ahead at how our business models can further adapt AI and other technology to deliver smarter, more profitable ways of serving our customers while creating lasting value for shareholders.

Building sustainable earnings through the cycle remains the core focus of operational and strategic decisions, alongside rebuilding balance sheet capacity, managing working capital and margin recovery.

Delivering Through the Cycle

Steel markets have always been cyclical. Our focus is on ensuring Steel & Tube is ready to outperform when the recovery arrives.

Over the past several years, we have taken decisive action to reshape the business, strengthen our operating model and build sustainable earnings streams. As volumes return, we expect the structural improvements made over recent years to translate into stronger financial performance.

We saw this in action this year, with positive revenue and volume trends in line with the market recovery. Operating leverage initiatives supported gross margin as volumes lifted, with the cost base further reduced and increasing manufacturing efficiency and productivity.

Portfolio review

In 4Q26, we commenced a comprehensive review to ensure capital is directed towards the highest-value opportunities. We have assessed our current portfolio against clear investment criteria and prioritised products, services and markets where we can create the greatest value. We have also considered new opportunities that offer strong returns, sustainable competitive advantages and long-term growth.

The acquisition of Perry Metal Protection in May 2025 was a demonstration of our strategy in action, expanding our customer offering and strengthening our position in higher-value market segments. Perry's has quickly become one of our highest performing businesses and is delivering the strategic benefits and results we anticipated.

As well as confirming the areas where our recent investments are delivering value and where we see further growth potential, the review has also identified those businesses that no longer meet our investment criteria.

As such, we are exiting (subject to employee consultation) both our reinforcing and wire business, and plate processing operations.

Even with market leading specialist support, outstanding talent and excellent service, the competitive dynamics in the reinforcing and wire market and prolonged low activity across the construction sector, has continued to see returns below the value needed for a sustainably profitable operation.

Plate processing has been one of the outliers of our strategic growth initiatives and despite earlier success, the returns from our investment have been below expectations, due to extensive competitor pressure.

Our priority is to maximise the value of both these businesses through the sale of assets.

We have also reviewed our leased sites and, with the portfolio changes noted, plan to exit two larger sites in addition to seven smaller sites over the next 12 months. This will reduce operating costs and improve returns through more efficient use of asset base. Our regional hubs are not affected and will continue to provide our customers with a one-stop-shop.

Financial Discipline

Maintaining financial strength remains central to our strategy, and a focus on financial discipline underpins our FY26 result. While the normalised results are an improvement on prior year, the continued economic downturn and competitive pressures did not provide the volumes and margins needed to return to profit.

Volumes lifted 15.9% to 115k tonnes, with revenue up 13.9% to $438.9m. Significant operating leverage is supporting earnings growth ahead of revenue, with Normalised EBITDA up 375.9% to $9.9m, and normalised EBIT of $(16.5)m, a 22.7% improvement YoY.[5]

Margins improved driven by the galvanizing business and supported by the group-wide cost out programme and freight and warehouse initiatives. Product margin increased 2.6 percentage points to 30.7%, with product margin $/tonne of $1,167 (FY25: $1,088). Disciplined pricing, a higher value product mix and ongoing cost discipline will deliver further earnings and margin growth as activity returns.

The third phase of the cost out programme commenced in 1H26 will deliver approximately $6m in annualised direct and operating expense savings, and had a positive FY26 impact of $3.5m.

Inventory continues to be managed prudently to ensure best use of working capital, with year-end inventory at $111.0m (FY25: $113.6m). The number of SKUs has been reduced, as we invest in higher value, higher demand products and actively manage old, obsolete and excess inventory lines.

A priority focus has been to rebuild balance sheet capacity. M&A activity has been paused, capex restrictions are in place and dividends are on hold. Net debt at 30 June 2026 was $48.0m, reflecting the ~$30m cash portion of the Perry's acquisition in May 2025. We were pleased to renew our banking arrangements with ANZ until September 2027, building on our strong banking partnership and providing additional financial stability for the company.

This year's result includes a non-cash $51.9m impairment to reflect a write down in the carrying value of our business units (as the result of accounting assessments made at a point in time each year), as well as other non-trading adjustments of $3.8m. We expect a significant proportion of the impairment to reverse in future periods as the economy recovers and the performance of the business units improves. Including these, statutory net loss after tax was $(61.2)m.

It is disappointing to report another loss, and our focus remains firmly on returning the business to sustainable profitability.

5 Normalised EBIT and EBITDA exclude non-cash impairment of assets and other non-trading adjustments. Including these, EBIT was $(72.2)m and EBITDA was $(45.8)m.

Looking Ahead

We enter FY27 as a more focused and more capable organisation than we were at the beginning of this cycle. The actions taken over recent years have strengthened our operating platform, broadened our capabilities and positioned the business to benefit as demand returns.

We are well positioned to capture the benefits of market recovery. Although the timing and pace of this remain uncertain, there are encouraging signs that activity across several sectors, including export and manufacturing, is gradually improving and we remain cautiously optimistic.

This year demonstrated our operating leverage and proved our ability to increase earnings and margin as volumes increase.

Our strategy remains unchanged – to strengthen the core and grow high value products and services. We will continue investing in our people, strengthening customer relationships, allocating capital with discipline and pursuing opportunities that enhance our competitive position and create sustainable shareholder value.

We thank our customers, suppliers, business partners and shareholders for their continued trust and support. We are conscious that many of our customers continue to operate in a challenging market where cost pressures are significant. Our approach is to maintain disciplined pricing, ensuring we deliver fair value while maintaining the quality, service and expertise our customers rely on.

We also acknowledge the dedication of our people, whose commitment and expertise continue to underpin the strength and success of Steel & Tube.

Our shareholders deserve more and we are focused on delivering. Our response is a significant reset of the business, with a clear focus on stronger performance and returns.

We are confident Steel & Tube is well placed for the opportunities ahead and we remain committed to supporting our customers, delivering for our shareholders and helping build New Zealand.

Susan Paterson | *Chair*
On behalf of the Board

Mark Malpass | *CEO*
On behalf of the Executive Team

Mark Malpass
Chief Executive Officer

Susan Paterson
Chair

FIVE MINUTES WITH

James Campbell

National Pricing Manager

Q: What does your role entail?

At its heart, the role is about making sure we price our products in a way that supports customers while delivering sustainable returns for shareholders. We oversee pricing across Steel & Tube's full product range, maintain pricing frameworks, review customer agreements and turn detailed market data into commercial recommendations that help the business make informed decisions.

Q: What influences pricing decisions?

Pricing starts with our customers. We take a tiered approach that reflects purchasing history, long-term relationships, and volume commitments, so pricing recognises the value of each customer relationship rather than applying a one-size-fits-all rate. From there, we factor in our cost base, steel mill prices, freight, and inventory costs, along with market conditions, demand, and project volumes. The past year has proved particularly dynamic: international commodity prices and geopolitical events have moved fast, and the New Zealand market itself sits at a genuine point of inflection off a low base.

Q: How important is data?

It's central to everything we do. We use a series of tools to analyse historic price levels, inbound costs, and inventory positions to build out our tiered pricing structure in support of business strategy. We also use customer feedback and benchmark ourselves against the competitive landscape in New Zealand. That helps us make informed decisions rather than reacting to short-term market movements.

Q: How do you balance competitive pricing with creating value for customers and shareholders?

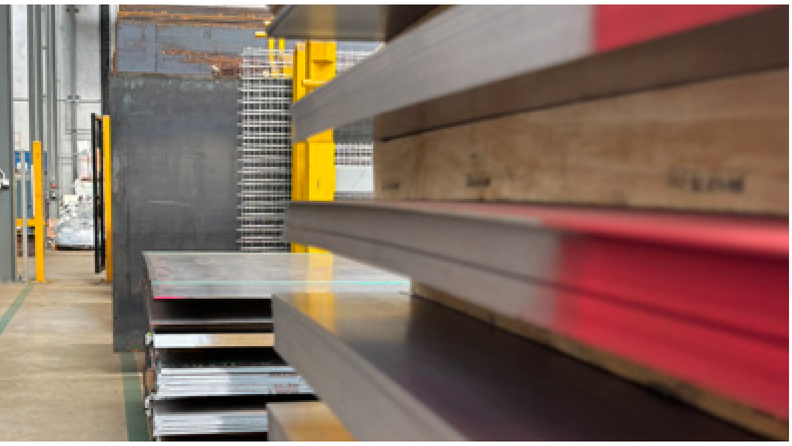
It's about finding the right balance, particularly in a competitive market that is very sensitive to change. Customers value fair, consistent pricing and reliable supply, while shareholders expect disciplined returns. Our pricing framework provides clear parameters for everyday transactions and we have a tiered approach to price and volumes. We work closely with our customers to ensure we have the right stock available at the right price.

Q: Why is pricing discipline so important?

In a competitive market, it can be tempting to chase volume by cutting prices. Without discipline, however, discounts gradually increase, margins erode and profitability suffers. Maintaining pricing discipline helps ensure every sale contributes appropriately to the business, supporting long-term value creation for shareholders while allowing us to continue delivering outstanding service to customers. As market activity begins to recover, disciplined pricing will remain an important contributor to sustainable earnings.

BUSINESS PERFORMANCE

Steel & Tube operates two complementary divisions, bringing together trusted brands, quality products and specialist services. Together, they provide customers with a comprehensive steel solution from the ground up.



Distribution

Carbon and Stainless Steel, Aluminium, Piping, Rural Products, Fasteners, and Chain & Rigging

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

Revenue ($m)

FY26	242.2
FY25	228.9
FY24	276.9

Gross Margin $/Tonne

FY26	600
FY25	653
FY24	852

Processing (including Galvanizing)

Roofing, Coil Processing, Purlins, ComFlor, CFDL, Reinforcing, Galvanizing, Grating, Mesh and Sandblasting

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

Revenue ($m)

FY26	196.7
FY25	156.5
FY24	202.3

Gross Margin $/Tonne

FY26	955
FY25	820
FY24	1,010

DISTRIBUTION

With New Zealand's most extensive range of steel products, our Distribution business helps customers source everything they need from a single supplier. This is a value proposition that works particularly well for SMEs, making it easy for customers to source all their steel needs from one place, saving them time and money.

We offer the country's most comprehensive range of steel products, from HVAC and fire suppression systems through to structural steel, stainless steel, aluminium and fasteners used across the construction and manufacturing sectors. Bulk purchasing from preferred, qualified suppliers enables us to provide customers with reliable supply, competitive pricing and flexible order quantities.

While demand remained subdued for much of the year, we did see some recovery in certain sectors and regions. Cross selling is working well, with customers increasingly buying multiple products from across our range. Customer satisfaction remains high and we continue to win new customers and business, growing volume and revenue.

Our product mix is transitioning from low margin to higher margin products. Demand for aluminium continues to grow rapidly, and fasteners, stainless and engineering steels are also back in growth mode.

While topline growth has been positive, increasing costs, particularly fuel, have had an impact on this year's result.

Several years ago we identified an opportunity to enter the plate processing market. We saw early success, however, extensive competition means returns have been below expectations. Following the recent portfolio review, we are planning to exit this market in FY27.

Distribution sales growth of 13% in volume and 6% in Revenue

Aluminium sales up 58% year on year, further expanded range of product

Strong growth in new customers trading with S&T

Growth in customers buying multiple categories, with 54% buying 3+ categories

Expanded Kiwi Pipe & Fittings range with new flexible sprinkler drop for fire protection applications

David Welsh
General Manager

EVERY SUCCESSFUL PROJECT STARTS WITH A STRONG PARTNERSHIP

Steel & Tube has worked closely with Thermosash, as part of their multi-source sheetmetal supplier network, to ensure a reliable supply of aluminium sheet for their high-performance façade systems. By combining flexible cut-to-length processing, a tailored supply agreement and a dedicated team focused on service, we've helped simplify inventory management, reduce waste and keep projects moving. It's a partnership built on trust, collaboration and a shared commitment to delivering outstanding results for customers across New Zealand.

ROLLFORMING

The Rollforming business comprises roofing and cladding, coil and purlins, and the manufacture of ComFlor composite steel decking.

Demand was varied across product sectors, with improving demand for coil and purlins and Comflor, whilst Roofing remained challenging in a highly competitive market.

Commercial horizontal build projects, such as warehouses, have supported Coil and Purlins demand, with a good short-term pipeline in place. A new purlin line was installed in 1Q26 which expanded manufacturing capacity allowing us to meet growing demand. Alongside this, the manufacturing footprint has been consolidated, with the closure of the South Island plant delivering positive cost benefits.

Comflor volumes also increased, up 52% year on year, and continue to hold strong.

The Roofing market remains highly competitive in a lower volume market. Our focus is on retaining and growing market share, while continuing to innovate and launch new products such as a ventilated roofing solution for residential houses.

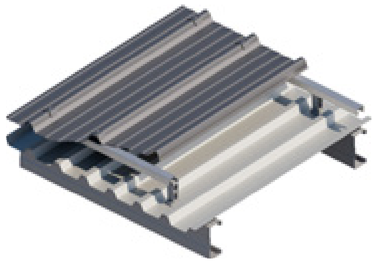
Despite the competitive environment, we remained disciplined in our pricing approach, securing work through trusted customer relationships, specification and technical expertise while focusing on high service standards.

A focus this year has been on process efficiency and we are seeing a good uplift in productivity and machinery efficiency, alongside a reduction in waste and improvement in DIFOTIS.

New purlin line commissioned in 1Q26 providing expanded capacity and improved efficiency

Uplift in specification work as result of strengthened specifications and technical teams

Launch of Warm Roof product in partnership with Roof Logic



Development of cold roof overlay solution for the commercial sector – reducing disruption and time to complete re-roofs

Peter Reiber
General Manager

GALVANIZING

Perry Metal Protection is New Zealand's market leader in hot dip galvanizing, a process that coats black steel in molten zinc to prevent rust and corrosion. The result is steel that can last up to seven times longer, even in the toughest conditions.

Following its acquisition by Steel & Tube in May 2025, the business has continued to outperform, and has been successfully integrated into the wider group, with high levels of customer retention and minimal staff turnover. The expanded service offer has enhanced cross-sell opportunities across both Steel & Tube and Perry's customer bases.

Despite a tough market, galvanizing volumes steadily improved over the year, supported by key sales personnel. Demand has been particularly strong in the heavy structural fabrication, agriculture, horticulture and leisure markets. Examples of work includes milking sheds, vineyards, boat trailers and larger infrastructure projects.

Our focus on service, quality and supporting our customers has reinforced and grown our market leadership.

Steve Halse
General Manager

Grew market leadership position in hot dip galvanizing in the New Zealand market

Successful integration into Steel & Tube group

Favourable trading despite challenging market conditions

Waikato Sandblasting underway with ISO 9001 quality certification process

Investment in plant, equipment, and safety upgrades including pre-treatment platforms and zinc splash protection, resulting in enhanced worker safety and raising the standard of galvanizing across all four operational sites

Introduced new Compliance Lead role, providing an increased focus on health and safety, regulatory compliance and consents

PLAYING THE LONG GAME AT MURIWAI DOWNS

Among the fairways and dramatic coastal terrain of Muriwai Downs, structural steel is helping connect a golf course designed for the world stage.

The project, being delivered by Fort Projects Ltd, has brought together expertise from across the supply chain. Steel & Tube supplied a range of structural steel products to D&H Steel, which fabricated the bridge components. These were then hot-dip galvanised by Perry Metal Protection, part of the Steel & Tube group, providing long-lasting corrosion protection, particularly important in Muriwai's exposed coastal environment.

Timing was critical. With several of the bridges being lifted into position by helicopter, the galvanising needed to be completed within tight deadlines to keep the carefully coordinated installation programme on track.

The project is a great example of Perry's working closely with customers to deliver both quality and reliability. The galvanized coating will protect the steel from corrosion for many years, helping ensure these important structures remain durable and low maintenance over their lifetime.

Photo courtesy of Fort Projects Ltd

Photo courtesy of Fort Projects Ltd

REINFORCING / CFDL

The Reinforcing business supplies reinforcing steel, mesh and ComFlor (a leading composite steel decking product made by Steel & Tube's Rollforming business). CFDL is the home of ComFlor, providing sales, technical advice and specialised installation services.

CFDL had a strong year, with an 87% increase in supply and install year on year. Work was completed on large projects including Hillmorton Hospital and 2 Devonport. This is a higher margin business, that demonstrates the strength of Steel & Tube's integrated business model. Manufactured by our Rollforming business and supplied and installed by CFDL, it combines in-house manufacturing, delivery and specialist installation to deliver a seamless solution for customers.

Mesh and reinforcing volumes lifted year on year, however, margins remain challenging and the business continues to be loss-making. While we are a major market participant, it is a commodity product with low margins and the industry remains crowded, with excess capacity contributing to sustained pricing pressure. Following the recent portfolio review, Steel & Tube is planning to exit this business. This aligns with the company's strategic goal of focusing on higher-margin products and services.

More customers choosing Steel & Tube as their one-stop steel partner, sourcing multiple steel solutions for each project to simplify procurement and delivery

Completed significant projects including Waikato Regional Theatre, the Central Interceptor, Scott Base Fuel Facility (Antarctica) and Hanger 4 at Auckland Airport

Secured and commenced multiple commercial and infrastructure projects across New Zealand

Embedded manufacturing excellence processes to increase machine uptime

Peter Ensor
General Manager

WHAT MATTERS

Our ambition remains clear: to create long-term value for our shareholders by building a stronger, more resilient business that supports New Zealand's future.

We recognise that sustainable success is measured by more than financial performance. It is also reflected in how we support our people, create value for our customers, strengthen the communities we operate in, and control our environmental impact.

Our values continue to guide the way we do business. They shape our culture, underpin good governance and risk management, and help ensure we make decisions that create lasting value for all our stakeholders.

During FY26, we continued to strengthen our business by investing in our people, maintaining a disciplined approach to safety and wellbeing, supporting our communities, and progressing practical initiatives to manage our environmental impact.

Our approach is centered on four pillars. The following pages highlight the progress we have made across each area.

CUSTOMER FIRST

Providing a one-stop-shop for the most essential steel products, and making it easier for our customers to do business with us.

We are committed to making it easy to do business with Steel & Tube by combining quality products, technical expertise and reliable service with a deep understanding of our customers' businesses.

Our broad product offering, nationwide network and specialist services enable customers to source more of their steel requirements from one trusted supplier. This one-stop-shop approach simplifies procurement, creates opportunities to deliver integrated solutions, and helps build stronger, longer-term customer relationships. It is particularly valuable for SME customers who care about service, quality, reliability and access to a wide product range.

During FY26, we continued to invest in the areas that matter most to our customers. We expanded our range of high-demand, high-value products and solutions, strengthened our technical capability, and improved the way customers interact with Steel & Tube. Our Webshop also continues to grow, providing customers with a convenient way to browse products, check availability and place orders whenever it suits them.

Our digital marketing campaigns have proven popular, with a fun and personable approach to purchasing steel products. Combined with the efforts of our nationwide sales team, promotions and local business initiatives, we have expanded our reach and increased brand awareness.

Delivering consistently high service remains a key priority, with continuing high DIFOTIS performance reflecting the dedication of our teams and the strength of our network.

Strong customer relationships are built over time, and they're one of Steel & Tube's greatest strengths. By continuing to invest in the products, expertise and service our customers value most, we're strengthening long-term partnerships and reinforcing Steel & Tube's position as a leading steel solutions provider.

FY26 Metric	
Active customers	**~13,000**
Webshop sales growth	**+6% YoY**
Webshop orders	**18,000-plus**
Customer NPS	**40**
Technical specialists	**13**
Planned SKUs	**~13,000**

CREATING A SUCCESSFUL AND RESILIENT BUSINESS

Always looking for ways to work smarter, and using technology and great thinking to pull it all together and enable a better business.

Robust Supply Chain

Sam Reindler | *GM Logistics and Distribution Centres*

A reliable and efficient supply chain is fundamental to delivering for our customers and supporting profitable growth. Throughout FY26, we continued to strengthen our network, improve efficiency and build resilience, ensuring we can respond quickly as market activity increases.

We continued to invest in our distribution network to improve productivity and customer service. Warehouse layouts were redesigned to optimise product flow, while our palletised warehouse project (completed in late-2024) continues to deliver efficiency gains. We also increased the proportion of customer deliveries made directly from our distribution centres, reducing handling, lowering warehousing costs and shortening delivery times. We have identified a number of opportunities to consolidate smaller sites across the network, simplifying our footprint and supporting long-term efficiency. Our regional hubs are not affected and will continue to provide our customers with a one-stop-shop.

Our expanded in-house truck fleet continues to strengthen our last-mile delivery capability, giving us greater control over service levels while reinforcing Steel & Tube's end-to-end customer offering and strong brand presence across New Zealand.

Building a resilient supply chain remains a priority. During the year, global shipping routes faced renewed disruption, including the conflict in the Middle East. Through strong supplier relationships, diversified sourcing across South East Asia and contractual shipping arrangements that secure freight capacity and rates, we maintained continuity of supply with minimal disruption to our customers.

We also continued to improve the way we manage inventory and working capital. The implementation of our Netstock forecasting platform has strengthened demand planning and inventory visibility, enabling better purchasing decisions, improved product availability and more disciplined stock management. We have continued to reduce slow-moving and obsolete inventory while investing in the products and locations where customer demand is strongest.

Our deep supplier relationships have allowed us to progressively turn towards a more just-in-time inventory model with shorter lead times. This provides greater operational flexibility, supports working capital efficiency and enables us to respond more quickly to changing customer demand.

Together, these initiatives have created a more efficient, resilient and scalable supply chain, well positioned to support customers and capture the benefits of improving market conditions.

Digital innovation

Rafaella del Prete | Chief Digital Officer

We continue to invest in digital and technology initiatives that make it easier to do business with us, while improving operational efficiency and service delivery.

During FY26, we completed the implementation of Netstock and continued to expand our business intelligence capabilities, with new dashboards giving managers greater visibility and supporting faster, more informed decision-making across the business.

Our customer-facing digital platforms also continued to evolve. Enhancements to our Webshop have improved product search, product information and the overall user experience, contributing to a significant uplift in customer satisfaction. Further enhancements are planned as we continue to build a more intuitive and valuable digital experience for customers.

Behind the scenes, increased automation of business processes and transactional activities is making interactions faster and simpler for customers, while allowing our people to spend more time on higher-value customer support and technical expertise.

A comprehensive vendor review during the year also strengthened our technology partnerships, improving service levels while delivering better value for the business.

COMMITTED TO HEALTH, SAFETY, QUALITY AND ENVIRONMENT

Operating at the highest levels to de-risk our business.

John Gordon | *General Counsel & QHSET (Quality, Health, Safety, Environment and Training)*

Health and Safety

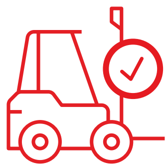
Health, safety and wellbeing remain fundamental to how we operate. We are committed to ensuring everyone goes home safe, every day, and to building a culture where every team member takes ownership of creating a safe and healthy workplace.

Our health and safety management system continues to be underpinned by our internationally certified Integrated Management System, covering quality, occupational health and safety, and environmental management. These certifications provide a strong framework for managing risk, driving continuous improvement and maintaining high operational standards across the business.

During FY26, we strengthened our focus on worker engagement and safety culture, recognising that meaningful participation from our people is essential to achieving lasting safety outcomes. This year, we have extended our Killers and Lifesavers framework into the Perry Metal Protection business. This framework identifies our critical risks ("Killers") and the critical controls and behaviours ("Lifesavers") required to prevent serious harm. Using common language is helping to build greater awareness, accountability and consistency across the business.

We were also pleased to achieve a strong result in our independent SafePlus assessment undertaken by HSE Global. The assessment recognised the maturity of our health and safety systems and reinforced the positive progress being made in leadership, worker engagement and continuous improvement.

Throughout the year, we worked closely with the Perry's team to integrate our systems, standards and ways of working while building on the strong safety foundations already in place.



Product Quality

The quality, reliability and traceability of our products are fundamental to the trust our customers place in Steel & Tube. Our rigorous quality assurance processes ensure products consistently meet New Zealand standards and perform as expected in some of the country's most demanding applications.

We continue to source steel from carefully selected suppliers and are one of the only companies in New Zealand to undertake regular audit programmes at our supplier mills. These independent assessments provide assurance that manufacturing processes, quality systems and production standards meet our stringent requirements before products reach our customers.

Our commitment to quality is further supported by our IANZ-accredited reinforcing steel testing laboratory, comprehensive product quality manual and ISO 9001-certified quality management system.

Together, these provide a robust framework for quality assurance, compliance and continuous improvement across the business.

During FY26, we further strengthened product traceability through the development of new digital dashboards, providing greater visibility of product information throughout the supply chain. These enhancements improve efficiency, support regulatory compliance and give customers confidence in the integrity and provenance of the products they purchase.

Continuous improvement remains central to our approach. Through regular internal and external audits, close collaboration with suppliers and ongoing investment in our quality systems, we continue to strengthen our processes and maintain the high standards our customers expect from Steel & Tube.

Environment

Steel & Tube is committed to reducing its environmental impact and supporting the transition to a lower-emissions future. While we are no longer required to report under New Zealand's climate-related disclosure regime, we remain committed to transparency and continue to report our Scope 1 and Scope 2 greenhouse gas emissions.

Our approach focuses on practical initiatives that improve efficiency and deliver measurable outcomes. Across our operations, we continue to look at how we can reduce electricity and gas consumption, improve transport efficiency and minimise waste. We also work closely with suppliers and customers to identify opportunities that reduce environmental impacts across the value chain.

Steel is inherently well suited to a circular economy. It is durable, endlessly recyclable and can be reused without compromising quality. Through Perry Metal Protection, we help customers extend the life of steel products through galvanizing, reducing the need for replacement and supporting more sustainable infrastructure.

We also continue to offer customers the option of lower-carbon steel products, working with suppliers investing in technologies such as electric arc furnaces and renewable energy. The commissioning of New Zealand Steel's electric arc furnace represents an important step in reducing the carbon footprint of locally produced steel and is providing greater access to lower-emissions steel for New Zealand customers.

The increase in emissions in FY26 primarily reflects the addition of PMP, which uses gas as its primary energy source. This resulted in stationary combustion emissions increasing from 4 tonnes CO_2 in FY25 to 1,482 tonnes CO_2 in FY26 and contributed to a higher emissions intensity per tonne sold. Transport fuel emissions also increased, reflecting growth in the internal truck fleet and the addition of PMP vehicles and equipment following the acquisition in May 2025. In FY25, the increase in emissions compared with FY24 was primarily due to the integration of the truck fleet into the business, while other emissions measures remained relatively stable.

Emissions intensity: kg CO2e per tonne sold

	FY23 (base)	FY24	FY25	FY26 Incl PMP	FY26 Excl PMP
Scope 1 & 2	13.13	16.26	24.78	41.25	25.4

A WINNING TEAM AND POSITIVE COMMUNITY IMPACT

Building one great team across Steel & Tube

Anna Morris | *GM Team and Customer Experience*

Our people are fundamental to Steel & Tube's success. Throughout FY26, we continued to invest in building a capable, connected and resilient workforce while supporting our teams through a period of change.

During the year, we consolidated a number of sites with these changes bringing teams together to create stronger collaboration, share expertise and improve the experience for both our people and our customers.

Developing technical capability remained a key focus. We introduced new learning modules and monthly product education sessions, giving our Customer Experience and Sales teams greater confidence to support customers with specialist advice across our broad product range.
By sharing knowledge across the business, we are making it easier for customers to access the expertise they need, while creating more opportunities for our people to grow.

One of the highlights of FY26 was welcoming back a number of former employees who chose to return to Steel & Tube. Their decision reflects the strength of our culture and the opportunities available within our business.

Our values continue to shape how we work together. Throughout the year, our monthly Manaakitanga Awards recognised team members who demonstrate our values every day, with all nominations acknowledged and celebrated. These awards sit alongside our annual Excellence Awards, recognising outstanding contributions across the business.

We also continued to support employee wellbeing through initiatives such as HealthNow, the Extraordinary Card programme and the work of our employee-led Kaapuia team, helping create a workplace where our people feel included, supported, connected and able to thrive.

Community

As a proud New Zealand business with sites across the country, we believe strong businesses help build strong communities. Our approach is centered on supporting initiatives that create lasting benefits through education, cultural connection and practical local partnerships.

Education continues to be an important focus. We proudly continue our tertiary scholarship programme for the children of Steel & Tube employees, helping young people pursue further education and develop skills for the future. Our annual Back to School Fund also supports families as they prepare for the new school year.

We continue to support the annual Tūrangawaewae Marae Junior Waka Ama Regatta in Ngāruawāhia – a highlight on the youth sporting calendar and a meaningful way to support rangatahi and local hapū.

We're equally proud of the many ways our people contribute outside of work. Whether fundraising, volunteering their time or supporting local events, our teams continue to demonstrate the spirit of giving back that is part of Steel & Tube's culture.

HELPING COMMUNITIES HELP THEMSELVES

Sometimes it's the small things that make the biggest difference.

During FY26, Steel & Tube partnered with the Kiwi House in Otorohanga to design and fund new visitor signage, helping improve the experience for visitors to one of New Zealand's best-loved conservation attractions.

We were inspired by the Kiwi House's commitment to creating sustainable income through local tourism while supporting the efforts of the Department of Conservation. It was a practical way for Steel & Tube to use our expertise to help an organisation that is making a real difference in its community.

While the project itself was relatively small, the impact extends well beyond the signs. More visitors help support the Kiwi House, strengthen the local economy and contribute to the long-term sustainability of this important community asset.

It's a great example of our approach to community partnerships—using our skills, products and people to support initiatives where even small contributions can create lasting benefits.

MEET SOME OF OUR TEAM

From storefront to branch manager

Sam Sutton | *Branch Manager, New Plymouth*

For New Plymouth Branch Manager Sam Sutton, saying yes to new opportunities has taken him from the warehouse floor to leading the branch.

Sam first joined Steel & Tube as a storeman, before moving into customer service. After taking time out for his OE in Europe, he returned in 2017 and has since worked across Fortress, customer service and operations, building his knowledge of the business along the way.

Today, Sam leads the New Plymouth team, combining a hands-on approach with responsibility for sales, inventory and branch performance, while making sure customers get the right products and solutions for the job.

For Sam, it is the variety of the work and the relationships built with customers and colleagues that have kept things interesting.

Competitive, passionate and always ready to get stuck in, Sam has made the most of every opportunity at Steel & Tube. More than a decade on, he still enjoys coming to work each day, working alongside a great team, supporting customers and taking on whatever challenge comes next.

A different kind of counsel

John Gordon | *General Counsel, QHSET*

John joined Steel & Tube as General Counsel in 2019, but this year his brief has expanded considerably. He has taken on responsibility for Quality, Health, Safety, Environment and Training (QHSET) and joined the Executive Leadership Team, bringing together two broad portfolios with a common thread: managing risk, getting things done and building strong teams.

John came to Steel & Tube following a varied career spanning secondary school teaching, criminal and corporate law, and in-house legal roles at IAG and Genesis Energy. A career highlight was working hands-on with NZI claims following the Christchurch earthquakes.

He enjoys the breadth of issues that come across his desk and the opportunity to contribute to Steel & Tube's governance, strategy and key decisions. But he gets just as much satisfaction from helping teams resolve the smaller, stubborn problems and giving people the confidence to tackle challenges themselves. Another highlight has been building Steel & Tube's in-house legal capability and supporting junior lawyers to develop their careers.

Describing himself as flexible, approachable and unpretentious, John says that despite plenty of change since he joined, Steel & Tube is "the best job I have ever had".

Building a career in sales

Rachael Staats | *Sales Manager, Christchurch*

For Christchurch Sales Manager, Rachael Staats, one early customer win helped spark a passion for sales that has shaped a 15-year career at Steel & Tube.

Rachael started in internal sales and has progressed through supervisor, South Island Internal Sales Manager and Account Manager roles before stepping into her current position. Along the way, she has built an in-depth knowledge of Steel & Tube's products, customers and markets, earning her a reputation among colleagues as a "walking steel dictionary".

That first sales win came in her first year, when Rachael put some newly learned questioning skills to work with a relatively small customer. The conversation uncovered a much bigger opportunity and, more than a decade later, that business remains one of Steel & Tube's largest Christchurch customers.

More recently, Rachael has successfully rebuilt relationships with several major Christchurch manufacturing customers and was recognised with a Salesperson of the Year award.

Fast-paced, honest and supportive, Rachael says it is the people, opportunities and sheer variety that have kept her engaged throughout her career.

THE BOARD

Steel & Tube's board currently comprises five independent directors, all of whom have significant relevant industry and market experience, skills and expertise that are of value to the company.

The board has provided important continuity and experience through a period of significant change and challenging market conditions.

Following a comprehensive search process, the board is pleased to welcome Tim Deane and Cassandra Crowley as independent directors from 1 September 2026. Tim and Cassandra bring fresh thinking, valuable experience and a new perspective at an important time for the company.

A board refresh is underway, bringing in new skills, experience and perspectives to support the opportunities ahead. As part of this, three directors appointed in 2017 will progressively be stepping down. Susan Paterson has advised that she will not be standing for re-election at the end of her current term which completes in 2027 and will stand down when a suitable chair replacement has been secured. Chris Ellis will stand down in 2027 when a suitable director with sector experience can be appointed. With the recent appointment of two new directors, Steve Reindler has elected to bring his retirement date forward to 1 September 2026.

This year's Corporate Governance report can be read on pages 81 to 92.

Susan Paterson

Appointed 16 January 2017

Chair and Independent Director

ONZM, CFINSTD, MBA (LDN), BPHARM

Susan was appointed Chair in Feb 2017. A professional director since 1996 Susan became an Officer of the Order of New Zealand (ONZM) in 2015 for her services to corporate governance. Having trained and practiced as a pharmacist, Susan completed her MBA at London Business School, then worked in strategy and IT consulting and management roles in New Zealand, Europe and USA. She worked in the steel sector at Fletcher Challenge and was General Manager of Wiremakers.

Andrew Flavell

Appointed 1 October 2021

Independent Director

NZCE, BE (HONS), ME, DR. ENG

Dr. Flavell has extensive international experience in the information technology space. This includes leading large teams, driving digital transformations, delivering compelling consumer experiences, personalisation and loyalty, privacy and security, and AI and machine learning. In the roles he has held over the past 30 years he has also contributed significantly to risk management and governance in the application of digital technologies.

Steve Reindler

Appointed 28 August 2017
Tenure ending at 2026 ASM

Independent Director

BE MECH (HONS), AMP, FIPENZ, CFINSTD

Steve is an engineer with a background in large-scale infrastructure and heavy industry manufacturing. He has held senior management roles at Auckland International Airport, NZ Steel and BHP Steel. Steve was inaugural chairman of the Chartered Professional Engineers Council and a President of the New Zealand Institution of Professional Engineers.

Chris Ellis

Appointed 29 September 2017

Independent Director

BE, MS, CMINSTD

Chris' background spans the manufacturing, heavy construction and engineering sectors. He qualified with a civil engineering degree from the University of Canterbury, a Master of Science in civil engineering from Stanford University and more recently a senior executive program at Wharton Business School. He is an experienced, strategy-focussed director with an extensive career in the Australasian building industry. He has held CEO roles with Brightwater Group and at Fletcher Building where he was Chief Executive of the Building Products Division.

Karen Jordan

Appointed 10 December 2020

Independent Director

BSOCSC, FCMA, CFINSTD

Karen is experienced across private, public and not-for-profit sectors. She is a Chartered Fellow of both the IOD NZ and of CIMA. Karen has over 20 years' corporate experience in FTSE listed energy companies in the UK energy infrastructure sector. She is currently a director on the Board of Lyttelton Port Company.

LEADERSHIP TEAM

Steel & Tube's leaders are experts in their area and have a proven ability to build and lead successful teams.

Mark Malpass

Chief Executive Officer

MBA, BE (HONS), NZCE

Mark has had significant executive and governance experience both in NZ and overseas. He worked with ExxonMobil Corporation for over 19 years, previously Managing Director of Mobil Oil NZ, and was Chief Executive of Fletcher Building's largest division, Infrastructure Products. Mark was appointed Chief Executive in February 2018, after initially being appointed an Independent Director in March 2017 and then stepping down to take on the interim CEO role in September 2017.

Richard Smyth

Chief Financial Officer

BCOM, FCA

Richard joined the company in 2021. A Fellow Chartered Accountant, Richard has financial and senior level leadership experience across the entertainment and energy sectors. He commenced his career within PwC's audit team, working both in New Zealand and overseas. His most recent role was Deputy Chief Financial Officer at SkyCity.

John Gordon

General Counsel & QHSET

BA, LLB

John joined Steel & Tube in 2019, with more than 20 years of legal experience. John has worked for both large corporate law firms and as in-house legal counsel for companies including nib, Genesis Energy and IAG. In 2026, his role expanded to include Quality, Health, Safety, Environment and Training.

Raffaella del Prete

Chief Digital Officer

BSENG, MSCENG, MRES

Raffaella joined the Steel & Tube team in December 2023, and brings over 20 years of IT experience to the Chief Digital Officer role. She has worked in the UK, France and New Zealand with global businesses such as Vodafone, AIA, BP and Fonterra, giving her exposure to a diverse range of businesses and technologies. Her experience in leading digital transformations along with sustainable technologies experience is a valued addition to the Steel & Tube team.

Sam Reindler

GM Logistics & Distribution Centres

BE MECH (HONS)

Sam started working with Steel & Tube in January 2022 as the National Commercial Manager for Reinforcing. He brings extensive engineering and construction, operational and commercial experience from companies such as KiwiRail, Transport for London, Auckland Transport and Waste Management.

Peter Reiber

GM Rollforming

NZCE, MECHANICAL

Peter re-joined the Steel & Tube team in 2022, building on over 20 years of industry and senior management experience. With a specialisation in process improvement, leadership and business development for manufacturing and technology-driven companies, Peter brings a wealth of knowledge and expertise to the role.

Anna Morris

GM Team & Customer Experience

LLB, BA

Anna joined Steel & Tube in 2019. She is an experienced executive with a background in people and culture, law and corporate services. Anna has worked extensively in the construction and building industry, with her previous role being Head of People & Performance at Fletcher Construction Company Ltd.

David Welsh

GM Distribution

BCA

David joined in 2025 and has extensive general management experience in multiple sectors in the building industry including concrete, aggregates, pipelines and roofing. Prior to Steel & Tube he worked at Fletcher Building and has also held several general management positions in manufacturing including in the UK. David has a customer, sales, and marketing background and is passionate about delivering great customer experiences and outcomes.

Peter Ensor

GM Reinforcing, CFDL and Major Projects

MBA, BE CIVIL (HONS)

Peter joined Steel & Tube in 2021. He brings extensive construction experience with over 25 years' in the industry. Peter brings to Steel & Tube a successful track record of leading and building teams with a focus of health & safety, quality, financial management and customer engagement. Peter is a committee member of Civil Contractors NZ – Auckland Branch, and is the Chair of the Concrete NZ – Reinforcing Processor's Sector Group.

Steve Halse

GM Galvanizing

Steve joined Steel & Tube in May 2025 through the acquisition of Perry Metal Protection. He has led Perry Metal Protection since April 2018, and has a wealth of in-depth knowledge across the galvanizing industry. Steve has a strong background in operations and manufacturing as well as distribution, logistics and supply chain. He has held a variety of management and leadership roles in New Zealand, previously working for SealesWinslow and the Gallagher Group.

FINANCIAL MEASURES

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 are used internally to evaluate performance, analyse trends and allocate resources. Non-GAAP financial measures should not be viewed as a substitute for measures reported in accordance with NZ IFRS.

Non-Trading Adjustments/Unusual Transactions

The financial results for FY26 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 and can assist users in forming a view of the underlying performance of the group.

EBITDA/EBIT

EBITDA is Earnings/(Loss) before the deduction of interest, tax, depreciation and amortisation. EBIT is Earnings/(Loss) before the deduction of interest and tax. These are both non-GAAP financial measures.

Earnings before interest, tax, other gains and losses and impairment represents operating profit for the year before other gains and losses, impairment and deduction of interest and tax. Earnings before interest, tax and impairment represents operating profit for the year including other gains and losses before impairment and deduction of interest and tax.

These are all non-GAAP financial measures. Management believes that these additional measures provide useful information on the underlying performance of the group's business.

Normalised EBITDA/EBIT

Earnings before interest, tax and other (losses)/gains and impairment. FY26 EBITDA and EBIT were impacted by non-trading adjustments totalling $55.7m. Management believes that normalised measures provide a more appropriate measure of Steel & Tube's performance and more useful information on the normalised earnings of the company.

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.

	EBITDA		EBIT	
Reconciliation of Reported to Normalised Earnings Year Ended 30 June	**FY26 $000**	**FY25 $000**	**FY26 $000**	**FY25 $000**
Reported	**(45,815)**	**(2,496)**	**(72,201)**	**(25,953)**
Palletised warehouse project costs	-	1,364	-	1,364
Business restructuring costs	1,379	699	1,379	699
Acquisition and integration expenses	296	903	296	903
Software as a Service (SaaS) expenditure	2,174	1,601	2,174	1,601
Capital & Strategic review costs	489	-	489	-
Asset impairment charge	51,866	-	51,866	-
Fair value gain on contingent consideration	(532)	-	(532)	-
Normalised	**9,857**	**2,071**	**(16,529)**	**(21,386)**

5 YEAR FINANCIAL PERFORMANCE

	2026 $000	2025 $000	2024 $000	2023 $000	2022 $000
Financial Performance					
Sales	**438,864**	385,389	479,126	589,078	599,148
EBITDA	**(45,815)**	(2,495)	31,415	51,876	66,598
Depreciation and amortisation	**(26,386)**	(23,458)	(21,846)	(20,867)	(18,962)
EBIT	**(72,201)**	(25,953)	9,569	31,009	47,636
Net finance costs	**(10,489)**	(7,157)	(5,769)	(7,239)	(5,701)
Profit / (loss) before tax	**(82,690)**	(33,110)	3,800	23,770	41,935
Tax (expense) / benefit	**21,509**	8,740	(1,160)	(6,773)	(11,742)
Profit / (loss) after tax	**(61,181)**	(24,370)	2,640	16,997	30,193
Operating cash inflow / (outflow)	**12,716**	10,427	42,235	98,280	(34,117)
Funds Employed					
Equity	**121,759**	182,334	198,190	208,154	210,101
Non-current liabilities	**139,877**	138,610	98,961	86,509	83,788
	261,636	320,944	297,151	294,663	293,889
Comprises					
Current assets	**190,219**	190,585	198,551	224,940	303,790
Current liabilities	**(100,960)**	(81,655)	(56,658)	(69,426)	(139,971)
Working Capital	**89,259**	108,930	141,893	155,514	163,819
Non-current assets	**172,377**	212,014	155,258	139,149	130,070
	261,636	320,944	297,151	294,663	293,889
Statistics					
Dividends per share (cents) [1]	**-**	-	6.0	8.0	13.0
Basic earnings per share (cents)	**(33.3)**	(14.3)	1.6	10.3	18.3
Return on Sales	**(13.9)%**	(6.3)%	0.6%	2.9%	5.0%
Return on Equity	**(50.2)%**	(13.4)%	1.3%	8.2%	14.4%
Working Capital (times) [2]	**1.9**	1.7	3.5	3.2	2.2
Net tangible assets per share	**$0.40**	$0.70	$1.11	$1.17	$1.22
Equity to total assets	**33.6%**	45.3%	56.0%	57.2%	48.4%
Gearing (debt to debt plus equity)	**33.0%**	21.5%	-	-	19.5%
Net interest cover (times) [3]	**(6.9)**	(3.6)	1.7	4.3	8.4
Ordinary shareholders	**6,250**	6,690	7,051	7,269	7,385
Employees	**901**	933	858	851	829
-Female	**204**	225	239	221	224
-Male	**695**	708	618	630	605
-Gender diverse	**2**	-	1	-	-
Directors & Officers					
-Female	**2**	2	2	2	2
-Male	**5**	6	6	6	6

[1] Dividends per share are calculated based on dividends issued in respect of the financial year

[2] Calculated using current assets/current liabilities

[3] Calculated as EBIT over net finance costs (including NZ IFRS 16 Interest costs)

FINANCIAL REPORT

FINANCIAL STATEMENTS 2026

The Financial Report for Steel & Tube includes these sections:

- Financial Statements
- Performance
- Working Capital
- Fixed Capital
- Funding
- Other

Key Policy

Material accounting policies which are relevant to the understanding of the financial statements are highlighted throughout the report.

Critical Accounting Estimates And Judgements

Preparation of these financial statements requires the exercise of judgements that affect the application of accounting policies, the reported amounts of assets and liabilities, and income and expenses.

Estimates and judgements are continually evaluated, based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The group makes estimates and assumptions about the future. Actual results may differ from these estimates.

Key Judgement

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are highlighted throughout the report.

General Information

Steel & Tube Holdings Limited (the company or Steel & Tube) is registered under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Markets Conduct Act 2013. The company is a limited liability company incorporated and domiciled in New Zealand. The group comprises Steel & Tube Holdings Limited and its subsidiaries.

The registered office of the company is 7 Bruce Roderick Drive, East Tamaki, Auckland, 2013, New Zealand.

Basis of Preparation

These financial statements have been prepared:

- In accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), for which Steel & Tube is a for-profit entity
- To comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and with International Financial Reporting Standards (IFRS)
- In accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules (issued 31 January 2025)
- In New Zealand dollars (which is the company's and subsidiaries' functional currency and the group's presentation currency) and rounded to the nearest thousand dollars
- Under the historical cost convention, as modified by the revaluation of certain assets as identified in specific accounting policies

Going Concern

In preparing these financial statements, the directors have assessed various events, conditions and uncertainties facing the group and how these factors may impact the group's ability to continue as a going concern.

During the financial year, the New Zealand economy continued to face uncertainty driven by ongoing inflationary pressures and heightened geopolitical tensions, especially the conflict in the Middle East. These factors have contributed to volatility across global supply chains, increased input costs and a more cautious economic outlook. The New Zealand economy has been further impacted by uncertainty associated with the general election on 7 November 2026. The challenging trading conditions have resulted in uncertainty around demand.

These events and conditions have impacted the financial results of the group for the year. The group reported a loss before tax for the year ended 30 June 2026 of \$(82.7)m (FY25: \$(33.1)m), net operating cash inflows of \$12.7m (FY25: \$10.4m) and recorded a closing net debt balance of \$48.0m (FY25: \$36.3m), an increase of \$11.7m from the prior year.

While directors expect the New Zealand economy to improve in the coming financial year, these conditions are forecast to continue to impact the group and may impact compliance with the financial covenants within the bank borrowing facilities and may also require additional or alternate funding compared to the group's committed facilities (Note D1).

The group has responded to these events and conditions by the following actions:

- Renewed the group's Revolving Term & Cash Advance Facilities for a further one-year term until September 2027 (which is more than twelve months of the financial statements being approved)
- Agreed revised covenants with its banking partner to ease the earnings and net debt covenants (Note D1) and changed the consequence of covenant breaches from Events of Defaults to Events of Review
- Announced the closure and sale of the assets of the Reinforcing and Wire and Plate Processing operations (Note E6)
- Executed various other initiatives to optimise working capital and manage peak debt
- Closely managing its cash flow requirements and reviewing both its cost and capital structure

Forecasts

The group has prepared cash flow and profit forecasts for the years ending 30 June 2027 and 30 June 2028. Based on the forecasts prepared, the group expects to be compliant with financial covenants over the forecast period.

Key assumptions in preparing the forecast include growth in sales volume, increases in average selling price and margin improvement compared with the FY26 result. The forecast also assumes a market recovery in the second half of FY27. In addition, a number of cost savings initiatives are underway. The FY27 forecast reflects the expected delivery of the following initiatives:

- Consistent with FY26, no incentive programme will be offered to management
- Constraining salary increases, focused on the lowest paid staff and those staff considered retention risks
- Site consolidations, the group is currently implementing seven site consolidations throughout the year. These are expected to delivery an annualised cash saving of ~\$2m
- Improving cash flows by selling slow moving inventory items at reduced margins, relocating inventory held at branch level to minimise inventory purchases, and focusing on high margin products
- Restriction on unnecessary capital expenditures

The preparation of the FY27 forecast involves significant judgement regarding the improvement in trading performance and the Group's ability to successfully implement its planned initiatives. If achieved, the Group expects to remain compliant with its financial covenants and operate within its committed facilities.

Banking Relationship

The group has a long, constructive, relationship with its banking partner, ANZ Bank New Zealand Limited. The group expects the constructive relationship with ANZ Bank New Zealand Limited to continue. During the year the group has agreed several covenant amendments. Current covenants are based on quarterly earnings and net debt targets. In addition, in June 2026 the group agreed a one-year extension of the Revolving Credit & Cash Advance facilities until September 2027. The \$20m Trade Loan Facility continues to be repayable on demand.

The directors expect the group to be compliant with the financial covenants and operate within the committed facilities, but this is highly dependent on assumptions regarding improved trading performance being achieved. Current trading conditions and cash flows remain challenging as noted above. A breach of covenants could constitute an Event of Review of the Revolving Credit & Cash Advance Facilities unless the relevant covenant is modified or waived.

Going Concern Assessment

In assessing the adoption of the going concern assumption in the preparation of the consolidated financial statements, the directors reviewed the group's forecasts for the period from 1 July 2026 to 30 June 2028 and considered the achievability of the assumptions underlying the forecasts, including the above initiatives.

Directors also considered the further mitigants available to the group if financial performance is below expectations. These further mitigants include alternative sources of borrowing, assets sales, further working capital management and additional equity capital. Exploratory work has been undertaken on these options to give us the ability to pursue if needed.

The directors are satisfied that the group's financing position remains sound and will continue to review its funding requirements in line with the evolving needs of the business to ensure the group has sufficient liquidity to discharge its liabilities as they fall due.

Based on the above, the directors have concluded that it is appropriate to prepare these financial statements on a going concern basis.

While the board is confident about the future of the group, it notes that the financial forecasts, the achievability of the various initiatives underway and the availability of additional mitigants in the event of a further decline in steel volumes and margins are dependent on factors outside of the control of the group. The directors note that there are a number of material uncertainties related to unknown future events. These material uncertainties are related to events and conditions that may cast significant doubt on the group's ability to continue as a going concern. In the event the group cannot achieve its key initiatives, its further mitigants, and cannot maintain its banking relationships, the group maybe unable to realise its assets and discharge its liabilities in the normal course of business. These financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Non-GAAP Financial Information

The group's standard profit measure prepared under New Zealand Generally Accepted Accounting Practice (GAAP) is profit for the period, or net profit after tax. The group also uses non-GAAP financial information which is not prepared in accordance with New Zealand International Financial Reporting Standards (NZ IFRS) when discussing financial performance. The directors and management believe that this non-GAAP financial information provides useful information to readers of the financial statements to assist in the understanding of the group's financial performance.

Non-GAAP financial information used in these financial statements are:

- Earnings before interest, tax and other (losses)/gains and impairment
- Earnings before interest, tax and impairment
- Earnings before interest, tax, depreciation and amortisation (EBITDA); and
- Earnings before interest and tax (EBIT)

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

	Notes	2026 $000	2025 $000
Sales revenue	A3	438,864	385,389
Other operating income		451	448
Cost of sales	A2	(355,071)	(315,662)
Operating expenses	A2	(102,843)	(94,554)
Software as a Service (SaaS) upfront expenditure		(2,174)	(1,601)
Earnings before interest, tax and other (losses)/gains and impairment		(20,773)	(25,980)
Other gains		438	27
Earnings before interest, tax and impairment		(20,335)	(25,953)
Impairment of assets	C1/C2/C4	(51,866)	-
Earnings before interest and tax		(72,201)	(25,953)
Finance income	A6	249	590
Finance costs	A6	(10,738)	(7,747)
(Loss)/Profit before tax		(82,690)	(33,110)
Tax credit/(expense)	A5	21,509	8,740
(Loss)/Profit for the year attributable to owners of the company		(61,181)	(24,370)
Items that may subsequently be reclassified to profit or loss			
Other comprehensive gain/(loss) - hedging reserve		262	(232)
Total comprehensive (loss)/income		(60,919)	(24,602)
Basic (loss)/earnings per share (cents)	A1	(33.3)	(14.3)
Diluted (loss)/earnings per share (cents)	A1	(33.3)	(14.3)

Statement of Changes in Equity

For the year ended 30 June 2026

	Notes	Share capital $000	Retained earnings $000	Hedging reserve $000	Share-based payments $000	Total equity $000
Balance at 1 July 2025		**166,921**	**14,566**	**(258)**	**1,105**	**182,334**
Comprehensive income						
Loss after tax		**-**	**(61,181)**	**-**	**-**	**(61,181)**
Other comprehensive income						
Hedging gains and losses		**-**	**-**	**262**	**-**	**262**
Total comprehensive (loss)/income		**-**	**(61,181)**	**262**	**-**	**(60,919)**
Transactions with owners						
Employee share schemes	D3	**-**	**369**	**-**	**(25)**	**344**
Balance at 30 June 2026		**166,921**	**(46,246)**	**4**	**1,080**	**121,759**

	Notes	Share capital $000	Retained earnings $000	Hedging reserve $000	Share-based payments $000	Total equity $000
Balance as at 1 July 2024		**155,127**	**42,050**	**(26)**	**1,039**	**198,190**
Comprehensive income						
Loss after tax		-	(24,370)	-	-	(24,370)
Other comprehensive income						
Hedging gains and losses		-	-	(232)	-	(232)
Total comprehensive income/(loss)		**-**	**(24,370)**	**(232)**	**-**	**(24,602)**
Transactions with owners						
Dividends paid	A1	-	(3,348)	-	-	(3,348)
Employee share schemes	D3	285	234	-	66	585
Dividend reinvestment plan	D3	233	-	-	-	233
Share capital issued relating to business combination		11,276	-	-	-	11,276
Balance at 30 June 2025		**166,921**	**14,566**	**(258)**	**1,105**	**182,334**

Balance Sheet

As at 30 June 2026

	Notes	2026 $000	2025 $000
Current assets			
Cash and cash equivalents	E1	**12,047**	13,738
Trade and other receivables	B2	**64,169**	59,444
Contract assets	A4	**1,487**	2,633
Inventories	B1	**110,955**	113,598
Income tax receivable		**1,139**	1,171
Derivative assets	E1	**422**	1
		190,219	190,585
Non-current assets			
Loan receivable	A6/E1	**1,693**	1,624
Deferred tax	A5	**30,003**	8,909
Property, plant and equipment	C1	**27,224**	45,068
Intangibles	C2	**47,655**	54,619
Right-of-use assets	C4	**65,802**	101,794
		172,377	212,014
Total assets		**362,596**	402,599
Current liabilities			
Trade and other payables	B3	**61,214**	42,371
Borrowings	D1	**20,000**	20,000
Provisions	E2	**522**	247
Derivative liabilities	E1	**-**	1,069
Short term lease liabilities	C4	**19,224**	17,968
		100,960	81,655
Non-current liabilities			
Borrowings	D1	**40,000**	30,000
Trade and other payables	B3	**4,981**	5,504
Provisions	E2	**1,676**	1,629
Long term lease liabilities	C4	**93,220**	101,477
		139,877	138,610
Equity			
Share capital	D3	**166,921**	166,921
Retained earnings		**(46,246)**	14,566
Other reserves		**1,084**	847
		121,759	182,334
Total equity and liabilities		**362,596**	402,599

These financial statements and the accompanying notes were authorised by the board on 25 August 2026.

For the board

Susan Paterson | *Chair*

Karen Jordan | *Director*

Statement of Cash Flows

For the year ended 30 June 2026

	Notes	2026 $000	2025 $000
Cash flows from operating activities			
Customer receipts		435,738	387,451
Interest receipts		180	498
Payments to suppliers and employees		(412,913)	(373,758)
Payments for interest on leases		(6,777)	(6,266)
Income tax refund		33	3,604
Interest payments		(3,545)	(1,102)
Net cash inflow from operating activities		12,716	10,427
Cash flows from investing activities			
Property, plant and equipment disposal proceeds		730	100
Property, plant and equipment and intangible asset purchases		(6,981)	(6,871)
Payment for new business purchase		-	(30,243)
Net cash outflow from investing activities		(6,251)	(37,014)
Cash flows from financing activities			
Net drawdown/(repayment) of bank borrowings		10,000	50,000
Dividends paid	A1	-	(3,115)
Payment for leases		(18,156)	(15,259)
Net cash (outflow)/inflow from financing activities		(8,156)	31,626
Net (decrease)/increase in cash and cash equivalents		(1,691)	5,039
Cash and cash equivalents at the beginning of the year		13,738	8,699
Cash and cash equivalents at the end of the year		12,047	13,738
Represented by:			
Cash and cash equivalents		12,047	13,738
		12,047	13,738
Reconciliation of (loss)/profit after tax to cash flows from operating activities			
(Loss)/Profit after tax		(61,181)	(24,370)
Non-cash adjustments:			
Depreciation and amortisation		26,386	23,458
Deferred tax		(21,509)	(8,740)
Impairment of assets		51,866	-
Gain on lease termination		(6)	(10)
Share scheme expense		657	670
Foreign exchange loss/(gains)		265	(118)
Other non-cash items		(45)	(113)
Gain on items classified as investing activities:			
Loss/(gain) on property, plant and equipment disposals		100	(27)
		(3,467)	(9,250)
Movements in working capital:			
Income tax receivable		32	3,469
Inventories		2,643	7,722
Trade and other receivables		(3,579)	1,760
Trade and other payables and provisions		18,644	6,294
		17,740	19,245
Investing and financing items included in working capital movements		(1,557)	432
Net cash inflow from operating activities		12,716	10,427

PERFORMANCE

Notes to the Financial Statements

For the year ended 30 June 2026

This section focuses on the group's financial performance and returns provided to shareholders.

A1: Dividends and Earnings per Share

No dividends have been declared for the year ending 30 June 2026.

	2026 $000	2025 $000
Dividends paid	-	3,348

Dividends paid includes prior year final dividend.

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of fully paid shares less treasury shares.

Diluted earnings per share represents the group's earnings per share if unvested share rights were exercised. The weighted average number of shares is adjusted by the number of outstanding rights to executive shares that are deemed to vest at their future vesting dates.

As at 30 June 2026, 4,502,012 options (2025: 3,164,454) were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

Earnings per share (EPS)	2026 000	2025 000
(Loss)/Profit after tax	**(61,181)**	(24,370)
Weighted average number of shares for basic EPS	**183,632**	170,565
Weighted average number of shares for diluted EPS	**183,632**	170,565
Basic (loss)/earnings per share (cents)	**(33.3)**	(14.3)
Diluted (loss)/earnings per share (cents)	**(33.3)**	(14.3)

A2: Expenses

Cost of sales and operating expenses:	Notes	2026 $000	2025 $000
Inventories expensed in cost of sales		**314,073**	283,382
Employee benefits		**85,974**	73,708
Depreciation and amortisation	C1/C2/C4	**26,386**	23,458
Information technology expenses		**7,175**	6,999
Defined contribution plans		**2,158**	1,971
Acquisition and integration expenses		**296**	903
Directors' fees		**551**	643
Short term and low value lease costs		**503**	229
Impairment loss/(reversal) on trade receivables		**371**	(3)
Foreign exchange loss/(gains)		**265**	(118)
Other expenses		**20,162**	19,044
Total cost of sales and operating expenses		**457,914**	410,216

Inventory sold during the year is expensed as cost of sales. Inventory write-downs/(ups) of $0.1m (2025: $-0.3m) was incurred in the ordinary course of business which are included within Inventories expensed in cost of sales.

Depreciation of $2m (2025: $1.8m) related to equipment used to manufacture products is included in cost of sales. Depreciation of right-of-use assets and other depreciation is included in operating expenses.

Information technology expenses disclosed in the above table excludes SaaS upfront expenditure. This has been disclosed separately on the Statement of Profit or Loss and Other Comprehensive Income.

Employee benefits expense in the current financial year include restructuring costs of $1.4m (2025: $0.7m) recognised as part of a board approved restructuring plan.

In the current financial year, the group has incurred $0.3m (2025: $0.9m) of acquisition and integration expenses in relation to the acquisition and integration of Perry Metal Protection.

A3: Operating Segments

The group has identified three reporting segments as at 30 June 2026 having regard for the criteria outlined in NZ IFRS 8 Operating Segments (NZ IFRS 8). The group's Chief Operating Decision Maker (being the CEO) receives financial reports which aggregate the activities of the group's various operating segments into three distinct divisions, being Distribution, Processing and Galvanizing.

These reportable segments have been determined by having regard to the nature of products, services and processes the various Business Units undertake to service customers. The group has a diverse range of customers from various industries, with no single customer contributing more than 10% of the group's revenue.

The group derives its revenue from the distribution, processing and galvanizing of steel and associated products. Within the Distribution business, the primary focus is on the distribution of steel products and fasteners, servicing similar customer groups, sharing similar business models and trading skills, and using similar sales channels. The majority of product is traded and sales staff are tasked to know the full range of products. Within the Processing business, product is predominantly steel product which is bought and processed/manufactured in warehouse facilities for project/contract customers. Galvanizing primarily provides hot dip galvanizing services to customers.

The CEO uses EBIT as a measure to assess the performance of segments. The segment information provided to the CEO for the year ended 30 June 2026 is as follows:

2026	Distribution $000	Processing $000	Galvanizing $000	Reconciled to group $000
Timing of revenue recognition				
At a point in time	242,200	108,445	31,559	**382,204**
Over time	-	56,660	-	**56,660**
Revenue from external customers	**242,200**	**165,105**	**31,559**	**438,864**
Depreciation and amortisation	(12,817)	(11,014)	(2,555)	**(26,386)**
Impairment of assets	(33,134)	(18,732)	-	**(51,866)**
Expenses	(242,584)	(166,308)	(23,921)	**(432,813)**
Segment EBIT	**(46,335)**	**(30,949)**	**5,083**	**(72,201)**
Interest on leases	(3,200)	(2,555)	(1,022)	**(6,777)**
Interest - others (net)				**(3,712)**
Reconciled to group loss before tax				**(82,690)**

2025	Distribution $000	Processing $000	Galvanizing $000	Reconciled to group $000
Timing of revenue recognition				
At a point in time	228,875	102,587	5,379	**336,841**
Over time	-	48,548	-	**48,548**
Revenue from external customers	**228,875**	**151,135**	**5,379**	**385,389**
Depreciation and amortisation	(12,503)	(10,561)	(394)	**(23,458)**
Expenses	(231,986)	(152,226)	(3,672)	**(387,884)**
Segment EBIT	**(15,614)**	**(11,652)**	**1,313**	**(25,953)**
Interest on leases	(3,360)	(2,751)	(155)	**(6,266)**
Interest - others (net)				**(891)**
Reconciled to group loss before tax				**(33,110)**

Operating segments are reported in a manner consistent with the internal reports that the CEO uses to assess performance. Depreciation and amortisation recognised as at 30 June 2026 is inclusive of depreciation recognised under NZ IFRS 16 Leases, which is in line with the financial reports received by the CEO.

Interest recognised under NZ IFRS 16 Leases is shown separately in the financial reports provided to the CEO. Other interest income and expense are not allocated to segments as these are driven by the central treasury function, which manages the cash position of the group.

Assets and liabilities are reported to the CEO on a group basis, and are not separately reported with respect to the individual operating segments.

Sales between segments are eliminated on consolidation. The amounts provided to the CEO with respect to segment revenue are measured in a manner consistent with that of the financial statements.

A4: Revenue recognised on construction contracts

Key Policy

Refer to Note E7 for the group's accounting policy on revenue recognised on construction contracts. A contract asset is recognised when the group has completed its performance obligation in advance of the cash consideration (or the group's entitlement to invoice the customer). A contract liability is recognised when the group receives cash consideration (or it is due) in advance of the obligation being performed.

Key Judgement - Construction Contracts

Estimates and judgements are made by the group when assessing construction contracts. These vary between each project based on specific contractual terms. The estimates and judgements inherent in accounting for the group's construction contracts relate to the assessment of the forecast costs to complete the project, which includes an estimation of expected material and labour costs and the quantum and likelihood of any revenue variations that the group is contractually entitled to. If forecast costs are expected to exceed forecast revenues, a provision for onerous contract loss is recognised.

	2026 $000	2025 $000
Contract assets	**1,487**	2,633

The contract assets relate to the group's rights to consideration for work completed but not billed at the reporting date. The group's contract liabilities are not material either in the current or comparative year.

A5: Income and Deferred Tax

Income tax comprises both current and deferred tax.

All entities in the group are part of the same income tax group.

Key Policy

Current tax is the expected payable on the taxable income for the period, using current tax rates, and any adjustment to tax payable in respect of prior periods.

Deferred tax is recognised in respect of temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are only recognised to the extent that it is probable future taxable profits will offset temporary differences. Tax rates used are those that have been enacted or substantially enacted at balance date and which are expected to apply when the deferred tax asset or liability crystalises.

Deferred tax is not provided if it arises from the following differences:

- Goodwill not deductible for tax purposes
- Initial recognition of assets and liabilities in a transaction other than a business combination that affects neither accounting or taxable profit
- Investment in subsidiaries where the timing of the reversal of the temporary difference is controlled by the group to the extent that they will probably not reverse in the foreseeable future

Income and deferred tax

Income tax expense The income tax expense is determined as follows:	**2026 $000**	**2025 $000**
Profit or loss		
Current income tax		
Current year income tax expense	**-**	-
Deferred income tax		
Depreciation, provisions, accruals, tax losses and other	**(21,487)**	(8,781)
Adjustments in respect of prior periods	**(22)**	41
Income tax expense in profit or loss	**(21,509)**	(8,740)

Reconciliation of income tax expense	**2026 $000**	**2025 $000**
(Loss)/Profit before tax	**(82,690)**	(33,110)
Non-deductible expenditure	**5,952**	1,751
	(76,738)	(31,359)
Tax at current rate of 28%	**(21,487)**	(8,781)
Prior period adjustment	**(22)**	41
Total income tax expense	**(21,509)**	(8,740)
Represented by:		
Current tax	**-**	-
Deferred tax	**(21,509)**	(8,740)
	(21,509)	(8,740)

Key Judgement - Tax Losses

The group has gross tax losses available to carry forward of $61.5m (2025: $32.8m). The group has assessed that it is probable that there will be sufficient future taxable profit which will be available against which the tax losses can be utilised. As a consequence, a deferred tax asset of $17.2m was recognised for these losses.

Deferred tax assets and liabilities

The table below shows the movement in the deferred tax balances that are recognised at the beginning and end of the period.

	Opening balance $000	Prior period adjustments $000	Recognised in income $000	Recognised in equity $000	Closing balance $000
Group 2026					
Property, plant and equipment & Intangibles	(7,309)	(60)	5,065	-	(2,304)
Right-of-use assets	(28,815)	-	10,049	-	(18,766)
Lease liabilities	33,444	-	(1,960)	-	31,484
Employee benefits	1,008	-	267	(313)	962
Provisions	1,301	-	99	-	1,400
Cash flow hedging reserve	99	-	-	(102)	(3)
Net taxable losses	9,181	82	7,967	-	17,230
	8,909	22	21,487	(415)	30,003

	Opening balance $000	Prior period adjustments $000	Acquired in business combination $000	Recognised in income $000	Recognised in equity $000	Closing balance $000
Group 2025						
Property, plant and equipment & Intangibles	(2,079)	-	(5,408)	178	-	(7,309)
Right-of-use assets	(27,042)	-	(4,256)	2,483	-	(28,815)
Lease liabilities	31,358	-	4,256	(2,170)	-	33,444
Employee benefits	1,533	-	-	(298)	(227)	1,008
Provisions	1,658	-	-	(357)	-	1,301
Cash flow hedging reserve	9	-	-	-	90	99
Net taxable losses	277	(41)	-	8,945	-	9,181
	5,714	(41)	(5,408)	8,781	(137)	8,909

	2026 $000	2025 $000
The analysis of deferred tax assets and deferred tax liabilities is as follows:		
Deferred tax liabilities	(21,070)	(36,124)
Deferred tax assets	51,073	45,033
	30,003	8,909

Imputation credits available at 30 June 2026 were $26k (2025: $62k).

A6: Net Finance Costs

	2026 $000	2025 $000
Interest income under the effective interest method:		
Interest received	180	498
Financial assets at FVTPL - net change in fair value:		
Interest income - loan receivable*	69	92
Total finance income	249	590
Interest expense under the effective interest method:		
Interest expense - bank	3,437	1,389
Interest expense - lease liabilities	6,777	6,266
Financial liabilities at FVTPL - net change in fair value:		
Interest expense - contingent consideration**	524	92
Total finance costs	10,738	7,747
Net finance costs	(10,489)	(7,157)

*The loan receivable relates to the loan advance provided to a third party, ROBOS International Limited (ROBOS). Included in the arrangement is an equity option. The loan receivable is classified as a financial asset at FVTPL (fair value through profit or loss). $1.5m of the loan was drawn down as at balance date.

**The contingent consideration relates to a business combination in the prior year.

WORKING CAPITAL

Notes to the Financial Statements

For the year ended 30 June 2026

This section contains details of the short term operating assets and liabilities required to service the group's distribution branches and processing sites.

B1: Inventories

Key Policy

Inventories are stated at the lower of cost and net realisable value, with cost determined on a moving average cost basis or standard cost basis. Costs include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, and selling expenses.

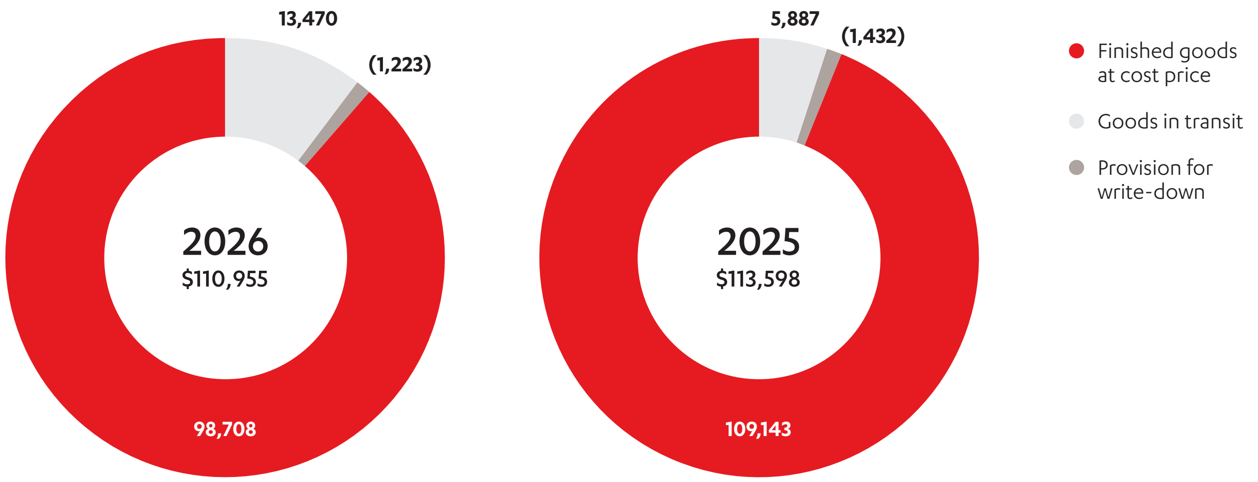
Key Judgement - Inventory Valuation

The majority of the group's inventory comprises steel products and fastenings, which have long lives and generally are not at risk of obsolescence. The group undertook an assessment of its inventory holdings at 30 June 2026 to determine whether the net realisable value (NRV) of inventory was greater than or equal to the current carrying value of inventory. The group has undertaken a full review of all aged inventory to identify any inventory at higher risk, particularly slow moving inventory. Following this review, an impairment provision of $1.2m (2025: $1.4m) continues to be recognised as at 30 June 2026 to record the carrying value of inventory at its NRV where that is considered to be lower than its cost. Judgement was required in determining if the slow moving inventory can be sold and its expected sales price, and therefore whether inventory should be impaired. This includes consideration of current market conditions and prices.

To further support the valuation of inventory the group operates a regular inventory count programme which requires inventory to be counted on a cycle count basis, and through a full wall-to-wall count where required to ensure the accuracy of the group's inventory records.

The group holds inventories valued at $111.0m (2025: $113.6m).

Inventories ($000s)



B2: Trade and Other Receivables

Key Judgement - Provision for Impairment

The group has applied the simplified approach to providing for expected credit losses, which requires the recognition of a lifetime expected loss provision for trade and other receivables.

The expected credit loss (ECL) allowances for financial assets are based on assumptions about the risk of default and expected credit loss rates. The group uses its judgement in making these assumptions and selecting the inputs to the impairment calculation, which is based on the group's historical experience, the aging profile of the financial assets, existing market conditions as well as external economic forecasts at each reporting date. Details of key considerations and judgements are set out below.

The group considers the lifetime expected credit losses associated with its receivables upon initial recognition, and on an ongoing basis at the end of each reporting period. To assess whether there is a specific increase in credit risk, the group compares the risk of default occurring on these receivables at the reporting date with the risk of default at the date of initial recognition. The group considers its trade receivables to be in default when:

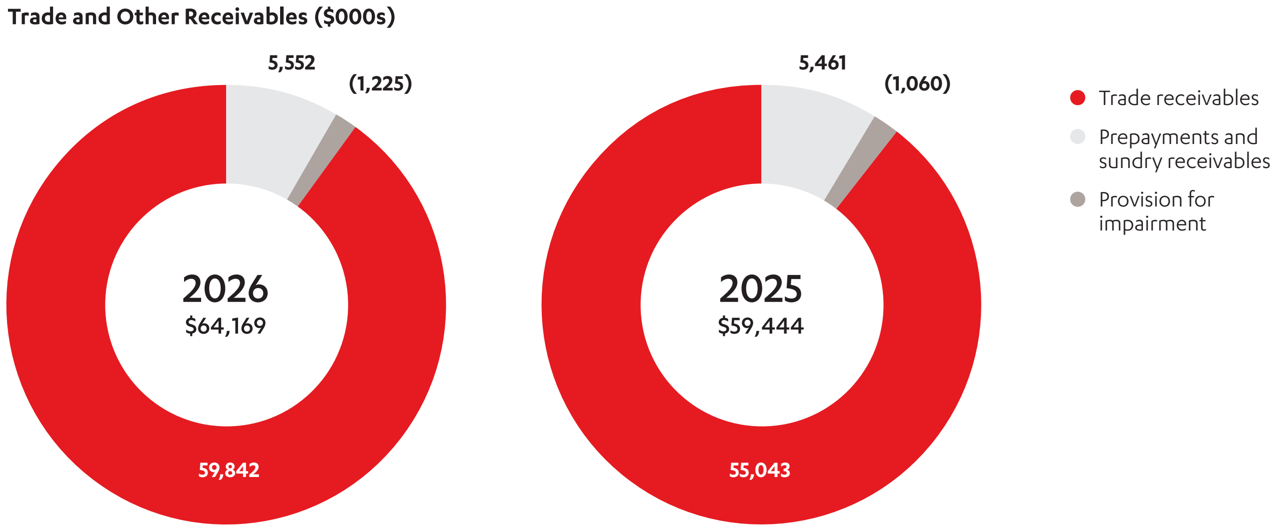
- The debtor is unlikely to pay its credit obligations to the group in full; or
- The receivable is more than 60 days past due (i.e. overdue)

Available forward looking information is considered, including actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer or counterparty's ability to meet their obligations. This also incorporates any objective evidence that indicates that the customers will not be able to pay their debts when due, these include significant financial difficulties of customers and the probability of entering receivership or bankruptcy.

The group has analysed its trade receivables balances using three different characteristics and calculated the ECL allowance by considering the impact of each:

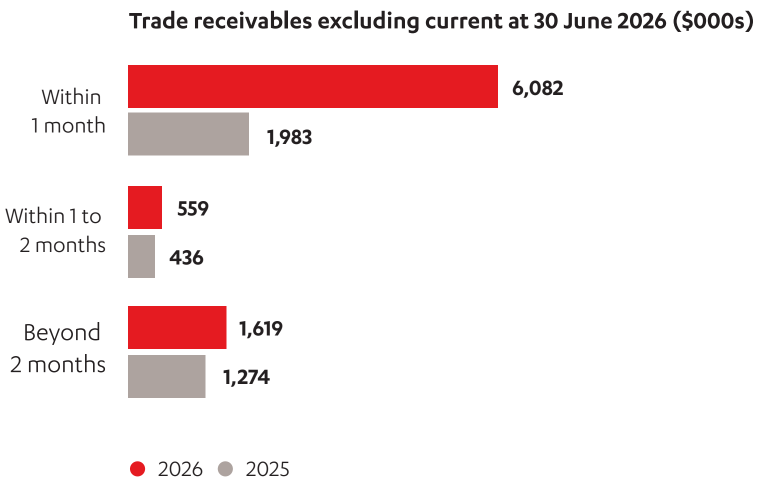
	Consideration/Judgements
Baseline/Aging	The group's "baseline" expectation for credit loss is informed by past experience and the aging profile of the balances, applying an increasing expected credit loss estimate as the balance ages incorporating forward looking information, such as forecasted economic conditions. This expectation incorporates any available objective evidence that the customers will not be able to pay their debts when due, including significant financial difficulties of customers and the probability of entering receivership, administration or liquidation.
Sector	The group has considered the credit risk related to the market sector that the customers operate in and has made an adjustment to the ECL allowance based on assessment of the respective financial strength of each industry sector.
Region	The group has considered the credit risk of its trade receivables portfolio based on the respective financial strength of each geographic region, and has made an adjustment to the baseline ECL allowance to reflect this.

Trade receivables at 30 June 2026 are $59.8m (2025: $55.0m) and are recognised initially at fair value and subsequently at amortised cost less any provision for impairment. The carrying value of trade and other receivables are equivalent to their fair value.



No one customer accounts for more than 3% of trade receivables at 30 June 2026 (30 June 2025: 3%).

The aging profile of the group's customer balances is shown below.



At 30 June 2026, trade receivables of $1.6m (2025: $1.3m) were greater than 60 days overdue. These relate to a number of independent customers for whom there is no recent history of default. The group's credit terms are in line with industry peers. The group does not have any customers with payment terms exceeding one year. As a result, the group does not adjust transaction prices for the time value of money.

Provision for impairment

At 30 June 2026, an impairment provision of $1.2m (2025: $1.1m) was held.

The expected credit loss allowance provision has been determined as follows:

As at 30 June 2026	Current $000	Within 1 Month $000	1 - 2 Months $000	2-3 Months $000	Beyond 3 Months $000	Total $000
Gross carrying amount	**51,582**	**6,082**	**559**	**200**	**1,419**	**59,842**
Baseline/Aging	178	105	39	26	861	1,209
Region	3	2	1	-	2	8
Sector	3	2	1	-	2	8
Expected credit loss allowance	**184**	**109**	**41**	**26**	**865**	**1,225**

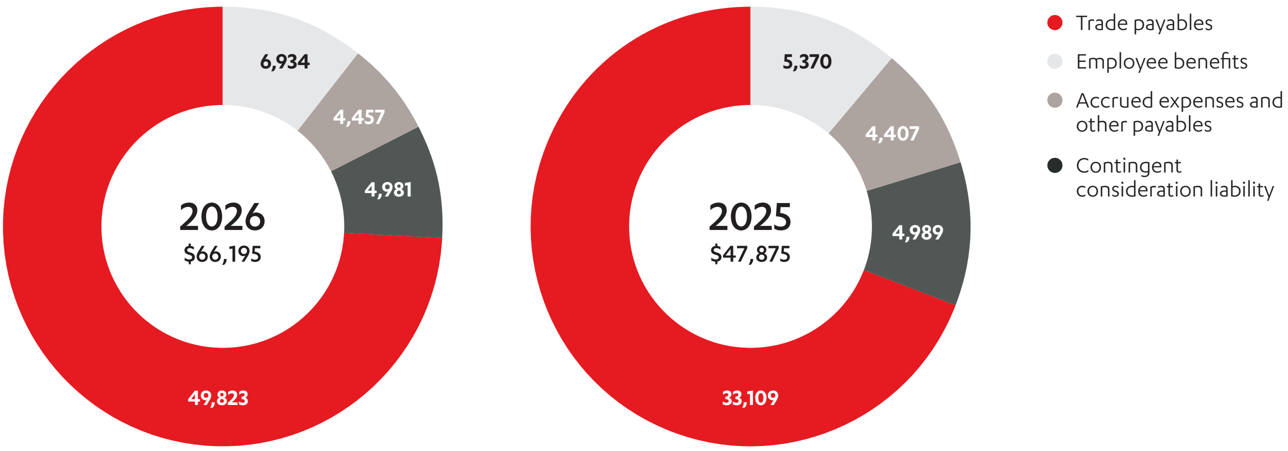
As at 30 June 2025	Current $000	Within 1 Month $000	1 - 2 Months $000	2-3 Months $000	Beyond 3 Months $000	Total $000
Gross carrying amount	**51,350**	**1,983**	**436**	**213**	**1,061**	**55,043**
Baseline/Aging	181	35	41	33	760	1,050
Region	3	1	-	-	1	5
Sector	3	1	-	-	1	5
Expected credit loss allowance	**187**	**37**	**41**	**33**	**762**	**1,060**

Movements in the provision for impairment for the year ended 30 June 2026, are as follows:

Provision for impairment	2026 $000	2025 $000
Provision as at 1 July	**1,060**	1,135
Impairment loss/(reversal) on trade receivables	**371**	(3)
Amounts written off	**(206)**	(72)
Provision as at 30 June	**1,225**	1,060

B3: Trade and Other Payables

Trade and other payables ($000s)



	2026 $000	2025 $000
Current	**61,214**	42,371
Non Current	**4,981**	5,504
	66,195	47,875

The carrying amounts of the above items are equivalent to their fair values and subsequently measured at amortised cost using the effective interest method. Trade and other payables are classified into current and non-current portions based on their contractual maturity. As at 30 June 2026, a balance of $61.2m (2025: $42.4m) is classified as current, representing obligations due within 12 months after the reporting date and a balance of $5.0m (2025: $5.5m) is classified as non-current, representing amounts due beyond 12 months.

FIXED CAPITAL

Notes to the Financial Statements

For the year ended 30 June 2026

This section includes details of the group's long term assets including tangible and intangible assets and related capital commitments.

C1: Property, Plant and Equipment

Key Policy

Plant and equipment are stated at cost less accumulated depreciation. Assets are tested annually for indicators of impairment and adjusted if required.

Depreciation is charged on a straight-line basis over the estimated useful lives of the assets. This allocates the cost of an asset, less any residual value, over its estimated remaining useful life. The residual values and useful lives are reviewed annually.

The estimated useful lives are as follows:

Plant, machinery and motor vehicles	3 – 20 years
Furniture, fittings and equipment	2 – 10 years

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in profit or loss.

2026	Note	Plant, machinery & vehicles at cost $000	Furniture, fittings & equipment at cost $000	Total $000
Opening cost		102,422	21,325	123,747
Opening accumulated depreciation		(59,999)	(18,680)	(78,679)
Opening net book value		42,423	2,645	45,068
Additions		5,017	879	5,896
Disposals		(829)	-	(829)
Depreciation		(4,493)	(869)	(5,362)
Impairment charge	C2	(17,537)	(12)	(17,549)
Closing net book value		24,581	2,643	27,224
Comprised of:				
Cost or fair value		105,970	22,198	128,168
Accumulated depreciation and impairment		(81,389)	(19,555)	(100,944)
Property, plant and equipment		24,581	2,643	27,224
2025				
Opening cost		93,496	21,163	114,659
Opening accumulated depreciation		(56,849)	(17,800)	(74,649)
Opening net book value		36,647	3,363	40,010
Additions		5,710	319	6,029
Acquired through business combination		4,048	59	4,107
Disposals		(101)	-	(101)
Depreciation		(3,881)	(1,096)	(4,977)
Closing net book value		42,423	2,645	45,068
Comprised of:				
Cost or fair value		102,422	21,325	123,747
Accumulated depreciation		(59,999)	(18,680)	(78,679)
Property, plant and equipment		42,423	2,645	45,068

Included within the plant, property and equipment categories is capital work in progress totalling $0.7m (2025: $4.2m).

Further information regarding impairment assessments performed during the year, including key assumptions and impairment losses recognised is included in Note C2 under Key Judgement - Impairment Testing.

C2: Intangibles

2026	Goodwill $000	Software & Licences $000	Brand & Trademarks $000	Customer Relationships $000	Total $000
Opening cost	75,248	32,817	10,597	12,468	131,130
Opening accumulated amortisation and impairment	(47,171)	(26,522)	(410)	(2,408)	(76,511)
Opening net book value	28,077	6,295	10,187	10,060	54,619
Additions	-	1,104	-	-	1,104
Amortisation charge	-	(1,821)	(33)	(566)	(2,420)
Impairment charge	(4,761)	(467)	(171)	(249)	(5,648)
Closing net book value	23,316	5,111	9,983	9,245	47,655
Comprised of:					
Cost	75,248	33,921	10,597	12,468	132,234
Accumulated amortisation and impairment	(51,932)	(28,810)	(614)	(3,223)	(84,579)
Closing net book value	23,316	5,111	9,983	9,245	47,655
2025					
Opening cost	51,932	31,708	443	2,941	87,024
Opening accumulated amortisation and impairment	(47,171)	(24,618)	(382)	(2,188)	(74,359)
Opening net book value	4,761	7,090	61	753	12,665
Additions	-	1,109	366	-	1,475
Acquired through business combination	23,316	-	9,788	9,527	42,631
Amortisation charge	-	(1,904)	(28)	(220)	(2,152)
Closing net book value	28,077	6,295	10,187	10,060	54,619
Comprised of:					
Cost	75,248	32,817	10,597	12,468	131,130
Accumulated amortisation and impairment	(47,171)	(26,522)	(410)	(2,408)	(76,511)
Closing net book value	28,077	6,295	10,187	10,060	54,619

Included within the intangibles categories is capital work in progress totalling $0.5m (2025: $0.5m).

Further information regarding impairment assessments performed during the year, including key assumptions and impairment losses recognised is included in this note under Key Judgement - Impairment Testing.

Key Policy

Goodwill is recognised on a business combination and represents the excess of the acquisition cost over the fair value of the acquired net assets. Goodwill is allocated to cash-generating units, tested annually for impairment, or more frequently if events or circumstances indicate it may be impaired, and is carried at cost less accumulated impairment losses.

Computer software and licences are capitalised on the basis of costs incurred to acquire and use the specific licences and are amortised on a straight-line basis over their estimated useful lives of 3 to 10 years. Computer software and licence amortisation charges are included in other operating expenses.

Customer relationships are capitalised at fair value on acquisition date and are amortised on a straight-line basis over their estimated useful lives of between 10 to 20 years. Amortisation charges are included in operating expenses.

Brands are considered to have an indefinite useful life when there is no foreseeable limit to the period over which the brands are expected to generate net cash flows. These are held at cost and are not amortised but are subject to an annual impairment test. Trademarks and patents are capitalised on the basis of costs incurred to acquire and use the specific licences and are amortised on a straight-line basis over their estimated useful lives of 5 to 10 years.

Software as a Service arrangements are service contracts providing the group with the right to access the cloud provider's application software over the contract period. As such, the group does not receive a software intangible asset at the contract commencement date. For SaaS arrangements, the group assesses if the contract will provide a resource that it can 'control' to determine whether an intangible asset is present. If the group cannot demonstrate control of the software, the arrangement is deemed a service contract and any implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when incurred.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. If distinct, such costs are expensed as incurred when the services is provided. If not distinct, such costs are expensed over the SaaS contract term. In implementing SaaS arrangements, the group has incurred customisation costs which creates additional functionality to a cloud based software. Management has determined that it has rights to the intellectual property and has owned the developed software which meets the definition and recognition criteria for an intangible asset.

Cost incurred for the development of software that enhances or modifies, or creates additional functionality to an on-premise software that meets the definition and recognition criteria of intangible assets are recognised as intangible assets. When these costs are recognised as intangible software assets they are amortised over the useful life of the software on a straight line basis.

Key Judgement - Impairment Testing

NZ IAS 36 Impairment of Assets (NZ IAS 36) requires the group to assess at the end of each reporting period for any indicators of impairment and where indicators are identified, to test the recoverable amount of the group's assets against its carrying value to assess whether any impairment exists. The recoverable amount is the higher of an asset's fair value less costs of disposal (FVLCD) and value-in-use (VIU). For the purpose of assessing impairment, assets are grouped in the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating unit or CGU).

In the prior year, Reinforcing and CFDL were assessed together as a single CGU for impairment purposes. Following the group's plans to discontinue the Reinforcing operations (refer to Note E6), the group has decided to test these as separate CGUs in the current year. The CFDL CGU is not material to the group and has therefore not been separately disclosed.

The following table summarises the total impairment recognised by the group as at 30 June 2026:

	$000
Impairment of individual assets	573
Assessed using VIU as recoverable amount	45,069
Assessed using FVLCD as recoverable amount	6,224
Total impairment recognised in Statement of Profit or Loss and Other Comprehensive Income	**51,866**

Impairment Indicators

Impairment of individual assets

During the year, the group recognised impairment losses of $0.6m ($0.1m in relation to right-of-use leased assets and $0.5m in relation to PPE and intangibles) following the identification of impairment indicators. These included the consolidation of operating sites which resulted in certain assets no longer being expected to generate future economic benefits as previously anticipated. The recoverable amount of the affected assets was determined based on VIU.

The impairment has been recognised as a separate line item on the face of the Statement of Profit or Loss and Other Comprehensive Income as "Impairment of assets".

The group has also concluded that no reversal of the previous impairment of intangible assets should be made following an assessment that previous assumptions applied remain consistent in the current year.

CGU impairment

As at 30 June 2026, the group's market capitalisation was below the carrying value of its net assets. Accounting standards consider this to be an indicator of impairment. The market capitalisation value excludes any control premium and may not reflect the value of 100% of the group's net assets. In addition, the group considered the challenging economic environment in New Zealand, including persistent inflationary pressures, heightened geopolitical tensions and election-related uncertainty. The resulting higher input costs, supply chain volatility and uncertainty around demand were considered as potential external indicators of impairment.

Based on the above indicators, the group performed an impairment assessment of the CGUs identified. The recoverable amount of the CGUs was determined applying both VIU and FVLCD and the higher was adopted as the recoverable amount.

Distribution, Rollforming and Galvanizing CGUs – Value in Use

An impairment loss of $45.1m was recognised where the carrying amount of the CGU exceeded its recoverable amount. The impairment has been recognised as a separate line item on the face of the Statement of Profit or Loss and Other Comprehensive Income as "Impairment of assets". The following table sets out the CGU impairment losses recognised:

CGU	Recoverable amount $000	Impairment $000
Distribution	65,952	32,148
Rollforming	21,273	12,921
Total impairment		**45,069**

The impairment losses have been allocated to the respective asset classes on a pro rata basis as follows:

Asset class	Distribution $000	Rollforming $000	Total $000
Goodwill	4,761	-	**4,761**
Right-of-use assets	20,200	5,604	**25,804**
Property, plant and equipment	6,938	7,146	**14,084**
Intangibles	249	171	**420**
Total impairment	**32,148**	**12,921**	**45,069**

The group has assessed the recoverable amount of these CGUs by reference to its VIU which is determined using a discounted cash flow model over a five-year period. Key assumptions for earnings are based on the board approved budget for the FY27 period with the forecast period growth rates applied over the remaining forecast period (2028 to 2031). The inputs used for the growth in revenue and gross margin in the CGUs reflect past experience and the forecast performance of the group. The FY27 budget assumes some recovery, in comparison to FY26, in volumes, average selling price and margins.

The recoverable amounts of the CGU were estimated based on the following key assumptions:

Key Assumptions	Distribution	Rollforming	Galvanizing
Revenue growth (FY26 to FY31 CAGR)	8.2%	7.7%	6.2%
Gross margin percentage growth (FY26 to FY31 percentage point improvement)	5.5%	2.8%	0.8%
Terminal growth rate	2.1%	2.1%	2.1%

CAGR represents the compound annual growth rate

The group engaged an independent expert to assess the CGU's post-tax weighted average cost of capital which is used as the discount rate. The discount rates applied were:

	2026			2025		
Key Assumptions	Distribution	Rollforming	Galvanizing	Distribution	Rollforming	Galvanizing
Discount rate (post-tax)	10.8%	10.8%	11.0%	11.0%	11.0%	11.0%
Discount rate (pre-tax)	13.5%	13.2%	14.4%	14.4%	14.6%	14.5%

The Galvanizing CGU includes goodwill with a carrying amount of $23.3m with no impairment identified. Sensitivity analysis was undertaken which concluded that the Galvanizing results are not particularly sensitive to changes in the underlying assumptions.

Impact of possible changes in key assumptions on Distribution CGU

If the revenue CAGR assumption used in the VIU calculation had been 100 basis points (bp) lower than the group's current assumption as at 30 June 2026 (7.2% instead of 8.2%), the group would have had to recognise an additional impairment of $25.2m. A 100 bp reduction in the gross margin percentage in FY31 would have resulted in additional impairment of $20.8m against the CGU's carrying amount. If the post-tax discount rate applied to the cash flow projections had been 100bp higher than the group's estimates (11.8% instead of 10.8%), the group would have had to recognise an additional impairment of $11.6m against the carrying amount.

Impact of possible changes in key assumptions on Rollforming CGU

If the revenue CAGR assumption used in the VIU calculation had been 100 basis points (bp) lower than the group's current assumption as at 30 June 2026 (6.7% instead of 7.7%), the group would have had to recognise an additional impairment of $9.9m. A 100 bp reduction in the gross margin percentage in FY31 would have resulted in additional impairment of $9.8m against the CGU's carrying amount. If the discount rate applied to the cash flow projections had been 100bp higher than the group's estimates (11.8% instead of 10.8%), the group would have had to recognise an additional impairment of $3.6m against the carrying amount.

Reinforcing CGU – Fair Value Less Costs of Disposal

In addition to the external impairment indicators mentioned previously, additional impairment indicators were identified for the Reinforcing CGU due to the group's plans to discontinue the operations of the CGU (refer to Note E6). The expected cessation of operations and associated reduction in the future economic benefits generated by the CGU were considered potential indicators that the carrying amounts of the CGU's assets may not be recoverable.

The recoverable amount of the CGU was determined based on fair value less costs of disposal, resulting in an impairment loss of $6.2m. The impairment loss was recognised against the property, plant and equipment being $3.4m and right-of-use leased asset being $2.8m.

The valuation was classified as Level 3 in the fair value hierarchy due to the significance of unobservable inputs.

Key assumptions	Basis for determination
Valuation technique	FVLCD was determined using a discounted cash flow valuation technique by discounting forecast cash flows using a market participant discount rate
Discounted cash flow assumptions	The forecast cash flows were developed based on sub-lease assumptions, including expected sub-lease income, sub-lease term period and discount rate used. Market-participant pricing evidence was used to value the property, plant and equipment

C3: Commitments

Capital commitments

The group has contractual commitments of $0.4m (2025: $0.4m) for purchase of plant and equipment.

C4: Leases

Leases

Under NZ IFRS 16 Leases, the group recognises right-of-use assets and lease liabilities for a number of categories of operating leases, including:

- Property leases - the group has a variety of property leases across its national network of branches and processing facilities. Where the group has entered into sub-leases in respect of its property leases, each sub-lease will be assessed under the standard to determine if it qualifies as a finance lease or an operating lease under NZ IFRS 16
- Motor vehicle leases - the group leases motor vehicles for staff use in sales and day-to-day operations
- Equipment leases - the group leases certain equipment for use in its distribution, manufacturing and warehousing activities. This includes material handling equipment such as forklifts and pallet trucks
- Other leases - other leases includes the lease of assets such as IT equipment, photocopiers and other plant or office equipment

On inception of a new lease, the lease liability is measured at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate at that date. The right-of-use assets are measured at an amount equal to the lease liability, and are depreciated over the estimated remaining lease term on a straight-line basis. The group presents the right-of-use assets and lease liabilities separately on the face of the Balance sheet.

The group has utilised the practical expedients specified in NZ IFRS 16 in respect of short-term and low value leases where appropriate, as well as the use of a single discount rate to a portfolio of leases with reasonably similar characteristics.

The right-of-use assets are depreciated over a period of 1 to 17 years.

Key Judgement – Impairment Testing on Right-Of-Use Assets

The board has approved a site consolidation plan in the current financial year and the group has undertaken an impairment assessment of the impacted sites. This has resulted in an indicator of impairment in respect of the right-of-use leased assets for these sites. The group has assessed the impairment of right-of-use assets based on its ability to recover any value via potential sub-lease arrangements. Further information regarding impairment assessments performed during the year, including key assumptions and impairment losses recognised is included in Note C2 under Key Judgement - Impairment Testing.

The below outlines the recognised right-of-use assets and corresponding lease liabilities by the group as at 30 June 2026:

	Notes	Properties $000	Motor Vehicles $000	Equipment $000	Total $000
Right-of-use assets at 1 July 2025		**92,983**	**4,165**	**4,646**	**101,794**
Additions to right-of-use assets		7,938	545	4,755	13,238
Depreciation		(15,196)	(1,743)	(1,665)	(18,604)
Disposals		(1,887)	(38)	(32)	(1,957)
Impairment charge	C2	(25,674)	(825)	(2,170)	(28,669)
Total right-of-use assets at 30 June 2026		**58,164**	**2,104**	**5,534**	**65,802**

	Properties $000	Motor Vehicles $000	Equipment $000	Total $000
Right-of-use assets at 1 July 2024	**89,215**	**4,258**	**1,864**	**95,337**
Additions to right-of-use assets	4,529	1,603	2,651	8,783
Acquired through business combination	14,009	-	1,192	15,201
Depreciation	(13,737)	(1,685)	(907)	(16,329)
Disposals	(1,033)	(11)	(154)	(1,198)
Total right-of-use assets at 30 June 2025	**92,983**	**4,165**	**4,646**	**101,794**

Amounts recognised as lease liabilities are presented below.

Lease liability maturity analysis	Principal $000	Interest $000	Gross $000
2026			
Between 0 to 1 year	19,224	5,726	24,950
Between 1 to 5 years	54,380	15,336	69,717
More than 5 years	38,840	6,071	44,911
Lease liabilities as lessee	**112,444**	**27,133**	**139,578**
2025			
Between 0 to 1 year	17,968	5,974	23,942
Between 1 to 5 years	56,311	16,613	72,924
More than 5 years	45,166	8,001	53,167
Lease liabilities as lessee	**119,445**	**30,588**	**150,033**

FUNDING

Notes to the Financial Statements

For the year ended 30 June 2026

This section includes details of the group's cash, borrowings and capital reserves which provide funds for current and future activities.

D1 : Borrowings

	2026 $000	2025 $000
Trade Loan facility – current	**20,000**	20,000
Revolving Term & Cash Advance facility – non current	**40,000**	30,000
Bank loans	**60,000**	50,000

Key Policy

Borrowings are recognised initially at fair value and net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between the net proceeds and redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. The movement in borrowings shown in the Statement of Cash Flows is the net of repayments and drawdowns of borrowings. Borrowings are classified as current liabilities if there is no right to defer settlement for greater than 12 months. The group is required to comply with certain financial covenants.

The group has in place committed bank borrowing facilities of $80m, comprising a $20m Revolving Cash Advance facility and a $30m Revolving Term Advance facility with an expiry date of 4 September 2027, and a $30m Trade Loan facility with no expiry date and has the effect of being repayable on demand. The interest rate is variable with reference to a base rate (BKBM bid rate) plus a margin. Borrowing facilities arranged with the group's banking partner can be drawn at any time, subject to meeting the terms of the group's Facility Agreement.

Both facilities are subject to compliance with covenants based on earnings and net debt tested periodically across the next twelve months. If certain of these covenants are breached, this may result in an Event of Review under the facility. If the Event of Review is not satisfactorily resolved, they may render the Revolving Term Advance facility and the Revolving Cash Advance facility payable on demand.

The group had no events of review or default as at 30 June 2026. Accordingly, the drawn down amounts of the Revolving Cash Advance Facility and the Revolving Term Advance Facility are classified as non-current at 30 June 2026 because the group has an existing right to defer settlement for a period at least 12 months after the reporting period.

The group expects to negotiate new bank borrowing facilities when the current facilities expire. Refer to the Going Concern note for commentary regarding the group's future covenant compliance.

D2: Net Debt Reconciliation

	Cash and cash equivalents $000	Borrowings $000	Lease liabilities $000	Total $000
Net debt as at 1 July 2025	**13,738**	**(50,000)**	**(119,445)**	**(155,707)**
Cash flows	**(1,691)**	**(10,000)**	**18,156**	**6,465**
Non-cash movements	**-**	**-**	**(11,155)**	**(11,155)**
Net debt as at 30 June 2026	**12,047**	**(60,000)**	**(112,444)**	**(160,397)**
Net debt as at 1 July 2024	8,699	-	(111,993)	(103,294)
Cash flows	5,039	(50,000)	15,259	(29,702)
Non-cash movements	-	-	(22,711)	(22,711)
Net debt as at 30 June 2025	13,738	(50,000)	(119,445)	(155,707)

D3: Share Capital

The group's capital includes share capital, treasury shares, reserves and retained earnings. The objectives for managing capital are to safeguard the group's ability to continue as a going concern, to provide returns and benefits for shareholders and other stakeholders and to maintain a strong capital base for investor, creditor and market confidence. The group may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to maintain or adjust its capital structure.

Capital Structure Policy Targets

The group's formal capital structure targets are as follows:

1. Net Debt: EBITDA less than 2.0x
2. Gearing ratio less than 30 – 35%
3. Dividend pay-out of between 60% - 80% of Net Profit After Tax (NPAT) adjusted for any significant non-trading items

	Note	2026 $000	2025 $000	2026 Shares	2025 Shares
Fully paid:					
Balance at the beginning of the year		**166,921**	155,127	**183,632,035**	167,385,923
Dividend reinvestment plan		**-**	233	**-**	246,347
Employee share schemes	E5	**-**	285	**-**	523,010
Shares issued relating to business combination		**-**	11,298	**-**	15,476,755
Costs of issuing share capital		**-**	(22)	**-**	-
Balance at the end of the year		**166,921**	166,921	**183,632,035**	183,632,035

Ordinary shares are classified as equity. The holders of ordinary shares are entitled to receive dividends declared from time to time and to one vote per share at meetings of the company.

OTHER

Notes to the Financial Statements

For the year ended 30 June 2026

This section contains additional notes and disclosures which do not form part of the primary sections but which are required to comply with financial reporting standards:

- Financial instruments
- Provisions
- Contingent liabilities
- Auditor remuneration
- Related party and share based plans
- Subsequent events
- Other accounting policies

E1: Financial Instruments

Classification and subsequent measurement

On initial recognition, a financial asset is classified as subsequently measured at amortised cost, FVOCI (fair value through other comprehensive income) or FVTPL (fair value through profit or loss). Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets. Purchases and sales of financial assets are recognised on the date the group has committed to the transaction. Derecognition of financial assets occurs when the rights to receive cash flows have expired or the group has transferred substantially all the risks and rewards of ownership.

Financial liabilities are measured at amortised cost or FVTPL. A financial liability is measured at FVTPL if is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The group classifies its trade and other receivables and cash and cash equivalents as being measured at amortised cost, including any expected credit loss allowance provisions. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period, these are classified as non-current assets. The group classifies its loan receivable as being measured at FVTPL, as it does not meet the criteria for amortised cost or FVOCI. The asset is subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the profit or loss.

Derivatives are measured at fair value. The portion of any fair value movement that is an effective hedge is measured in other comprehensive income, but any ineffective portion is included in profit or loss.

Accounting classification of financial instruments

2026	Financial assets at amortised cost	Financial liabilities at amortised cost	Derivatives for hedging at fair value	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss
Cash and cash equivalents	12,047	-	-	-	-
Trade and other receivables excluding prepayments	61,556	-	-	-	-
Derivative financial instruments	-	-	422	-	-
Loan receivable	-	-	-	1,693	-
Total financial assets	73,603	-	422	1,693	-
Borrowings	-	60,000	-	-	-
Trade and other payables	-	61,214	-	-	-
Derivative financial instruments	-	-	-	-	-
Lease liabilities	-	112,444	-	-	-
Contingent consideration liability	-	-	-	-	4,981
Total financial liabilities	-	233,658	-	-	4,981
2025					
Cash and cash equivalents	13,738	-	-	-	-
Trade and other receivables excluding prepayments	57,137	-	-	-	-
Derivative financial instruments	-	-	1	-	-
Loan receivable	-	-	-	1,624	-
Total financial assets	70,875	-	1	1,624	-
Borrowings	-	50,000	-	-	-
Trade and other payables	-	47,875	-	-	-
Derivative financial instruments	-	-	1,069	-	-
Lease liabilities	-	119,445	-	-	-
Contingent consideration liability	-	-	-	-	4,989
Total financial liabilities	-	217,320	1,069	-	4,989

Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments in the balance sheet, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Contingent consideration	*Discounted cash flows:* The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate	Expected cash flows (30 June 2026: $6.0m) Risk-adjusted discount rate (30 June 2026: 10.2%)	The estimated fair value would increase/(decrease) if: • The expected cash flows were higher/(lower); or • The risk-adjusted discount rate were lower/(higher)
Derivative financial instruments (Forward exchange contracts)	*Forward pricing:* The fair value is determined using forward exchange rates that are quoted in an active market at the reporting date	Not applicable	Not applicable

Cash and cash equivalents comprise cash in bank balances and cash on hand. Loan receivable includes an equity option and is measured at fair value, based on unobservable inputs.

Financial risk management

The group is exposed to financial risk: market risk, credit risk and liquidity risk.

The group's Treasury Policy is approved by the board and is reviewed every four years. The Treasury Policy establishes principles and risk tolerance levels to guide management in carrying out risk management activities to minimise potential adverse effects on the financial performance of the group. Compliance with policy is monitored and reviewed on a monthly basis.

i. Market risk

Market risk is the risk that changes in market price (e.g. foreign exchange rates and interest rates) will affect the group's income or the value of its holdings of financial instruments. The object of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

The group is exposed to foreign exchange risk arising mainly from overseas purchases of inventory. In accordance with its Treasury Policy, committed overseas purchase orders are hedged using forward foreign exchange contracts where payment is made in a foreign currency. The group qualifies for hedge accounting. All of the forward exchange contracts have maturities of less than one year at the balance date. The effective portion of the changes in fair value is recognised in other comprehensive income and accumulated in the hedging reserve in equity as described in section E7.

As at balance date, foreign exchange contracts recorded as assets were $0.42m (2025: $0.001m) and as liabilities were $0.0001m (2025: $1.07m). The notional value of foreign exchange contracts in place as at 30 June 2026 totalled $10.66m (2025: $24.40m). The fair value of the foreign currency forward exchange contracts is as shown on the Balance Sheet.

The following table summarises the sensitivity of the group to foreign exchange risk. There would be no impact on profit or loss, as the group qualifies for hedge accounting and all hedges are 100% effective at balance date. A sensitivity of +/- 5% has been selected against foreign currencies (primarily US dollar). The group believes that this is reasonably possible given the exchange rate volatility observed on a historical basis. All variables other than the applicable exchange rates are held constant:

	2026		2025	
NZ$m	-5%	+5%	-5%	+5%
Foreign exchange rate change				
Impact on hedging reserves (within equity)	**(0.51)**	**0.61**	(1.05)	1.29

Interest rate risk

Interest rate risk is the risk that the value of the group's assets and liabilities will fluctuate due to changes in market interest rates. The group is exposed to interest rate risk through its drawings under the Group's bank borrowing facilities at variable interest rates.

ii. Credit risk

The group is exposed to the risk of customers being unable to pay their debts as they fall due. The maximum exposure is the total value of these balances. Customers who trade on credit terms are subject to credit verification procedures and credit limits are set for each customer. The group's credit policy is monitored regularly. There are no significant concentrations of credit risk in the current or prior years.

The group also has credit risk in respect of financial institutions that hold the group's cash. These institutions have credit ratings of AA-.

iii. Liquidity risk

The group manages its liquidity risk by maintaining availability of sufficient cash and funding via an adequate amount of committed bank borrowing facilities. Owing to the nature of the underlying business, the group aims to maintain funding flexibility through committed credit lines. The group monitors actual and forecast cash flows on a regular basis and rearranges credit facilities where appropriate.

The table below summarises the group's financial liabilities and derivative financial instruments into maturity groupings based on the remaining period from balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

2026	Carrying value $000	Contractual cash flows 6 months or less $000	6 to 12 months $000	1 to 3 years $000	Total $000
Borrowings	**60,000**	**20,000**	**-**	**40,000**	**60,000**
Trade payables & accruals	**66,195**	**61,214**	**-**	**4,981**	**66,195**
Cash flow hedging of derivatives:					
Outflow	**10,660**	**10,660**	**-**	**-**	**10,660**
Inflow	**(11,082)**	**(11,082)**	**-**	**-**	**(11,082)**
	125,773	**80,792**	**-**	**44,981**	**125,773**
2025					
Borrowings	50,000	20,000	-	30,000	50,000
Trade payables & accruals	47,875	42,371	-	5,504	47,875
Cash flow hedging of derivatives:					
Outflow	24,398	24,398	-	-	24,398
Inflow	(23,330)	(23,330)	-	-	(23,330)
	98,943	63,439	-	35,504	98,943

E2: Provisions

	Restructure Provision $000	Make Good Provision $000	Other Provisions $000	Total $000
Opening balance as at 1 July 2025	-	1,783	93	1,876
Additions	372	90	-	462
Used	-	-	(93)	(93)
Unutilised	-	(47)	-	(47)
Closing balance as at 30 June 2026	**372**	**1,826**	**-**	**2,198**
Current	372	150	-	522
Non Current	-	1,676	-	1,676
Closing balance as at 30 June 2026	**372**	**1,826**	**-**	**2,198**

Key Policy

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event. This occurs when it is probable that a cost will be incurred to settle the obligation and a reliable estimate can be made of that obligation. Where material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognised as an expense.

- Restructuring Provision - Costs included within this provision relate to committed restructuring activities, and is expected to be utilised in the next financial year
- Make Good Provision on existing tenanted properties - No costs relating to make good activities were undertaken during the current financial year. Actual payment dates and costs will be known once each lease reaches its expiry date
- Other Provisions - relates to a provision for committed health & safety costs, fully utilised in the current year

E3: Contingent Liabilities

Indemnities given to the group's banking partner in respect of performance bonds were $1.2m (2025: $0.6m) at balance date and were transacted in the ordinary course of business. These relate to performance guarantees held primarily for the construction contracts entered into by the group.

E4: Auditor Remuneration

Fees paid to auditors (KPMG)	2026 $000	2025 $000
Audit or review of financial statements		
Audit of financial statements	503	439
Review of financial statements	-	65
Total fees for services provided by KPMG	**503**	**504**

E5: Related Party and Share Based Plans

The group has related party relationships with its controlled entities and with key management personnel.

The subsidiaries in the group are:

Subsidiaries	Principal Activity	Balance Date	2026 Holding	2025 Holding
Composite Floor Decks Holdings Limited	Non-trading	30 June	**100%**	100%
Studwelders Limited	Non-trading	30 June	**100%**	100%
S & T Plastics Limited	Non-trading	30 June	**100%**	100%
S & T Stainless Limited	Non-trading	30 June	**100%**	100%
Manufacturing Suppliers Limited	Non-trading	30 June	**100%**	100%
Composite Floor Decks Limited	Floor Decking Installer	30 June	**100%**	100%
Steel & Tube Galvanising Limited	Management and employment services	30 June	**100%**	100%

Transactions with Key Management Personnel	2026 $000	2025 $000
Short-term benefits	**4,991**	4,976
Share-based benefits (accounting expense)	**573**	504
Termination benefits	**397**	-
	5,961	5,480

The key management personnel are the non-executive directors and executive management. Included in short term benefits are directors' fees of $0.6m (2025: $0.6m). The aggregate value of sales and purchases transacted with key management personnel in the current financial year amounts to $0.6k (2025: $10k) and $55k (2025: $8k) respectively.

Other Transactions with Related Parties

Certain directors, shareholders and management have relevant interests in a number of companies with which the group has transactions in the normal course of the business. A number of the group's directors are also non-executive directors of other companies, and a register of directors' interests is maintained. Any transactions undertaken with these entities have been entered into in the normal course of business.

Certain directors and management hold shares in the group and receive dividends in the normal course of business.

Performance Rights Plan 2017

In February 2018, a new Executive share plan was approved by the board, known as the Performance Rights Plan 2017 (PRP). The performance period for this scheme runs for 3 years and comprises two performance conditions (50% each) as follows:

a) The Benchmark Comparator (BC) ranks the company's Total Shareholder Return (TSR) relative to the TSR of the NZX 50 Index securities

- Where the company TSR equals the 50th percentile TSR of the Index Companies over the Performance Period, 50% of (BC) Performance Rights will vest
- Where the company TSR equals or exceeds the 75th percentile TSR of the Index Companies over the Performance Period, 100% of (BC) Performance Rights will vest
- Where the company's TSR over the Performance Period exceeds the 50th percentile TSR of the Index Companies but does not reach the 75th percentile, then between 50% and 100% of the (BC) Performance Rights, will vest as determined on a linear pro-rata basis

b) The Absolute Comparator (AC) ranks the company's TSR relative to the company's Cost of Equity (CoE) plus a premium of 2% annualised and compounding

- Where the company TSR is less than or equal to CoE, no (AC) Performance Rights will be vested
- Where the company TSR is equal to or greater than CoE + 2%, 100% of (AC) Performance Rights will vest
- Where the company TSR is greater than CoE but less than (CoE) + 2%, then between 50% and 100% of the (AC) Performance Rights will vest as determined on a linear pro-rata basis.

Performance Rights are only able to be exercised after completion of the three year performance period, providing and only to the extent that the performance conditions, and other relevant service and non-market performance conditions, have been satisfied. An additional Tranche 9 PRP scheme was issued during the current financial year. The Performance Rights for this scheme are only able to be exercised, provided that the non-market performance conditions have been satisfied at the end of the three year period. Any Benchmark and Absolute Comparator Performance Rights that do not vest at the Measurement Date will lapse.

During the year the following movements of rights to shares occurred in accordance with the rules of the share plans:

	No. of Rights Available 2026	No. of Rights Available 2025
Opening balance	**3,572,054**	3,046,283
New shares granted	**3,122,303**	1,582,702
Rights forfeited	**(714,931)**	(10,916)
Rights vested	**-**	(523,010)
Rights lapsed	**(748,341)**	(523,005)
Total	**5,231,085**	3,572,054

Rights Performance Conditions Start Date	Expiry date	Issue date fair value	Total Rights Issued	Rights Available 30 June 2026	Rights Available 30 June 2025
5 September 2022 - Tranche 6	5/09/2025	$1.43	**975,896**	**-**	757,588
4 September 2023 - Tranche 7	4/09/2026	$1.10	**1,336,818**	**1,045,810**	1,231,764
9 September 2024 - Tranche 8	9/09/2027	$0.98	**1,596,019**	**1,360,149**	1,582,702
8 September 2025 - Tranche 9	8/09/2028	$0.69	**2,922,303**	**2,625,126**	-
30 October 2025 - Tranche 9	30/10/2028	$0.71	**200,000**	**200,000**	-
		Total	**7,031,036**	**5,231,085**	3,572,054

	2026	2025
Weighted average remaining contractual life of options outstanding at end of period	**1.51**	**1.40**

	2026 $000	2025 $000
Share-based benefits (accounting expense)	**657**	670

The fair value of rights is determined using a Monte Carlo share price simulation model. The significant inputs into the model for shares granted during the period were the market share price at grant date, an exercise price of zero (as shares are issued to the employees at nil consideration on vesting), volatility of 23.6%, expected option life of between 1 and 3 years and an annual risk free interest rate of 3.1%. Volatility has been calculated based on the annualised volatility for the three years prior to the rights issue.

Key Policy

The Performance Rights Plan 2017 is considered to be an equity settled scheme under NZ IFRS 2 Share-based Payment and the vesting conditions for the scheme include both service and performance conditions.

Performance Rights Plan 2017

The cost associated with this plan is measured at fair value at grant date and is recognised as an expense in profit or loss over the vesting period, with a corresponding entry to the reserve in equity. The estimate of the number of rights for which the service conditions are expected to be satisfied is revised at each reporting date, with any cumulative catch-up adjustment recognised in profit or loss in the period that the change in estimate occurred. Any rights not vested after the expiry of three years are cancelled.

E6: Subsequent Events

Subsequent to year end, the board has approved, subject to the outcome of employee consultation, the closure of the Reinforcing and Wire operations and the Plate Processing operations. The closures are expected to be completed during the next financial year. In relation to the Reinforcing and Wire operations, the group has received a non-binding expression of interest from a potential purchaser to acquire certain property, plant and equipment and key contracts. No binding sale agreement has been entered into as at the date these financial statements were authorised for issue.

The financial impact of the closures and any subsequent asset disposals remains subject to the outcome of the sale processes and cannot yet be reliably estimated.

E7: Other accounting policies

Basis of consolidation

The group applies the acquisition method to account for business combinations. The group financial statements comprise the financial statements of Steel & Tube Holdings Limited and its controlled entities (subsidiaries) (see Note E5).

The group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the group and deconsolidated from the date control ceases.

Consideration transferred is the fair value of assets transferred, liabilities incurred to the former owners of the acquiree and equity interests issued by the group. Consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at acquisition date.

All inter-company transactions and balances between group companies are eliminated.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities at balance date are recognised in profit or loss except when deferred in equity as qualifying cash flow hedges. The group's hedging largely comprises cash flow hedges for future purchases of inventory. The group's current practice is to recognise the accumulated gains or losses on the hedging instrument/derivative against the carrying value of the inventory when inventory is recognised.

Derivatives - Cash flow hedge

The group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational, financing and investing activities. In accordance with its Treasury Policy, the group does not hold or issue derivative financial instruments for trading purposes. Derivative financial instruments are recognised initially at fair value on the date a derivative contract is entered into. Subsequent to initial recognition, derivatives are re-measured at fair value.

The group designates certain derivatives as hedges of a highly probable forecast transaction (cash flow hedge). The effective portion of changes in the fair value of derivatives designated as cash flow hedges is recognised in equity. The gain or loss on the ineffective portion is recognised in profit or loss in other gains/(losses). When the hedged item is a non-financial asset (for example, inventory or property, plant and equipment) the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period the hedged item is recognised in the Statement of Profit or Loss and Other Comprehensive Income. If the hedging instrument no longer meets the criteria for hedge accounting, expires, is sold, terminated or is exercised, any cumulative gain or loss previously recognised in equity remains in equity until the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in equity is immediately transferred to profit or loss within other gains/(losses).

Derivative financial instruments are classified as current if expected to be settled within 12 months; otherwise, they are classified as non-current.

Impairment of non-financial assets

Assets that have indefinite useful lives that are not subject to amortisation and intangible assets not yet available for use are tested annually for impairment. Assets (including intangibles and property, plant and equipment) subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.
The recoverable amount is the higher of an asset's fair value, less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The group derives its revenue from the distribution and processing of steel and associated products. Revenue is recognised when the group transfers control over products and services to its customers.

The table below shows the contract portfolios identified by the group and further information on the revenue recognition. The grouping of the contract portfolios is based on assessment of certain contract characteristics for similarities. The effects on the financial statements of these groupings is not expected to differ materially from applying NZ IFRS 15 to the individual contracts (or performance obligations) within the portfolio. The group regularly undertakes a process to review the contracts' characteristics and assess the appropriate grouping of the contract portfolios. Characteristics considered may include identified risks, contract size and duration, and contractual terms of the contracts.

Contract Portfolio	Description	Key Judgements	Outcome	Timing of Recognition
Cash or Credit Supply Sales	Any sales from individual orders without a formal written contract.	No major judgement required.	There is one performance obligation, being the supply of the product.	*Point in time* Revenue is recognised at point of sale when the product is delivered.
Key Supply and Supply and Installation Sales	Any contracts that contain supply and may contain installation performance obligations which the group has assessed to have similar risk characteristics.	Where the contract contains installation services, determining whether or not the supply and installation components are "distinct" within the context of the contract.	There are two performance obligations, being supply of the product and installation of the product. Installation of the product is considered a distinct performance obligation as supply only contracts are also available on a stand-alone basis.	*Over time* Revenue relating to the supply and where applicable, installation performance obligations are recognised on a stage of completion basis based on the input of labour and materials costs, as this corresponds directly with the value to the customer of the group's performance completed to date.
Other Supply and Installation Sales	Any contracts that contain supply and installation performance obligations and have not been included in the 'Key Supply and Supply and Installation Sales' contract portfolio.	Determining whether or not the supply and installation components are "distinct" within the context of the contract.	There are two performance obligations, being supply of the product and installation of the product.	*Over time* Revenue relating to the supply and where applicable, installation performance obligations are each recognised in the amount to which the group has a right to invoice under the terms of the contract.
Other Supply Only Sales	Any contracts/sales agreements that only have supply of steel product clauses.	Determining whether each act of supply should be treated as a separate performance obligation within the contract.	There is one performance obligation, being the act of the supply. Irrespective of how many supply events occur, the products supplied are all highly interrelated in that they all are required for the same construction project, and therefore represent a series of distinct supply events which are substantially the same and use the same method to measure progress towards completion. They are therefore accounted for as a single performance obligation.	*Over time* The products supplied are required to be modified to a significant extent and do not create an asset with an alternative use to the group. The group has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the group's performance completed to date. Revenue relating to 'Other Supply Only Sales' is recognised in the amount to which the group has a right to invoice under the terms of the contract.

The group has also utilised the practical expedients specified in NZ IFRS 15 Revenue from Contracts with Customers in respect of the requirement to disclose the transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations, where the contract has an original expected duration of one year or less, or where the group has applied the practical expedient to recognise revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the group's performance completed to date. Any volume-based rebates extended to customers by the group are recognised as a deduction from revenue, in line with the pattern of transfer of control of the relevant good or service to the customer, where payment is deemed to be highly probable.

New standards and interpretations issued and effective in the current period

The group adopted all mandatory new and amended NZ IFRS Standards and Interpretations in the current year. No other new standards and interpretations issued and effective in the current period had a material impact on the group's financial statements.

New standards and interpretations issued and not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2026. In April 2024, the International Accounting Standards Board issued IFRS 18 Presentation and Disclosure in Financial Statements, which is effective for accounting periods beginning on or after 1 January 2027. The impact of this standard is being assessed by the group, however it is expected that the standard will affect the presentation of the financial statements. This standard has not been early adopted in preparing these financial statements.

The group is currently assessing the impact of other new standards to the group to determine if they will have a significant impact on future financial statements. On this basis, the group has not adopted and currently does not anticipate adopting, any standards prior to their effective dates.

KPMG

Independent Auditor's Report

To the Shareholders of Steel & Tube Holdings Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements which comprise:

- the balance sheet as at 30 June 2026;
- the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements of Steel & Tube Holdings Limited (the **Company**) and its subsidiaries (the **Group**) on pages 37 to 76 present fairly in all material respects:

- the Group's financial position as at 30 June 2026 and its financial performance and cash flows for the year ended on that date;
- In accordance with New Zealand Equivalents to International Financial Reporting Standards (**NZ IFRS**) issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (**ISAs (NZ)**). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Steel & Tube Holdings Limited in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (**IESBA Code**), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Professional and Ethical Standards 1 and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Material uncertainty related to going concern

We draw attention to the Going Concern disclosure on pages 38 and 39 of the Group consolidated financial statements. The Going Concern disclosure explains that compliance with banking covenants and maintaining sufficient liquidity are highly sensitive to underlying assumptions relating to volumes and margin in the forecast and its achievement and there is a material uncertainty concerning the Group's ability to achieve its financial forecasts and to achieve various initiatives underway. There is also material uncertainty relating to the Group's ability to maintain its banking relationships and to pursue further mitigants which include alternative sources of borrowing, asset sales or further working capital management, if financial performance is below expectations.

These events or conditions along with other matters set forth in the Going Concern disclosure, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. This included:

- Assessing the reasonableness of the FY27 forecast compared to historical performance and results since year end, considering possible downside scenarios and their impact upon covenant compliance and liquidity;
- Assessing significant initiatives, cost saving measures and proposed mitigants for feasibility, quantum and timing. We used our knowledge of the client, its industry and the current status of those initiatives to assess the level of uncertainty;
- Reading banking facility agreements, amendments and correspondence with existing and potential financiers to understand the financing options available to the Group to assess the level of uncertainty, and assess whether the requirements, including covenants, and repayment terms of the existing facility, were appropriately considered in the financial forecasts;
- Evaluating the Group's going concern disclosures in the financial report by comparing them to our understanding of the matter, the events or conditions incorporated into the financial forecasts, the Group's plans to address those events or conditions, and accounting standard requirements. We specifically focused on the principal matters giving rise to the material uncertainty.

Materiality

The scope of our audit was influenced by our application of materiality. Materiality helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the consolidated financial statements as a whole. The materiality for the consolidated financial statements as a whole was set at $2.3m determined with reference to a benchmark of the Group's total revenue. We chose the benchmark because, in our view, this is a key measure of the Group's performance.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. Except for the matter described in the *material uncertainty related to going concern* section of our report, we summarise below those matters and our key audit procedures to address those matters in order that the Shareholders as a body may better understand the process by which we arrived at our audit opinion.

Our procedures were undertaken in the context of and solely for the purpose of our audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements.

The key audit matter

How the matter was addressed in our audit

Impairment assessment

Refer to Note C2 to the financial statements.

At 30 June 2026, the Group has identified indicators of impairment by comparison of the carrying value to the market capitalisation. The Group has assessed the recoverable amount of its cash generating units (CGUs) and recorded impairment of assets of $51.9m relating to goodwill, right-of-use assets, property, plant and equipment and intangible assets within the Distribution, Rollforming and Reinforcing CGUs.

An impairment test has also been performed for the Galvanizing CGU as the CGU contains goodwill of $23.3m with no impairment identified.

Impairment assessment is a key audit matter, due to the inherent uncertainty when estimating recoverable amount. In particular, there is uncertainty in the timing and scale of market recovery and the resulting revenue, gross margin and operating costs of the CGUs.

Furthermore, the value of the recorded impairment is highly sensitive to changes in revenue growth assumptions and gross margins. This further increased our audit effort in this key audit area.

Our procedures to evaluate the impairment assessment and resulting impairment included;

- Assessing whether the methodology adopted was consistent with the accepted valuation approaches of NZ IAS 36 *Impairment of Assets* considering both the value in use and fair value less cost of disposal models prepared by the Group;
- Evaluating the key assumptions within the models including:
  - comparing the discount rates and terminal growth rates applied to relevant benchmarks using KPMG valuation specialists;
  - evaluating the key cash flow assumptions by comparing to historical trends, approved budgets, business plans and where available, external market data as evidence of the feasibility of the forecasts;
  - challenging the above assumptions and judgements by performing sensitivity analysis, considering a range of outcomes based on various scenarios;
- Assessing the allocation of the resulting impairment charge to the relevant asset classes and evaluating whether the impairment had been recognised in accordance with the requirements of NZ IAS 36 *Impairment of Assets*;
- Considering the adequacy of the financial statement disclosure particularly focusing on the disclosure of the recorded impairment and disclosure of sensitivity of the impairment tests to reasonably possible changes in key assumptions.

We have no material findings to report.

Other information

The directors, on behalf of the Group, are responsible for the other information. The other information comprises information included in the Annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated.

If, based on the work we have performed, we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the Shareholders. Our audit work has been undertaken so that we might state to the Shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees, accept or assume any responsibility and deny all liability to anyone other than the Shareholders for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of directors for the consolidated financial statements

The directors, on behalf of the Group, are responsible for:

- the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board and the International Financial Reporting Standards issued by the International Accounting Standards Board;
- implementing the necessary internal control to enable the preparation of a consolidated set of financial statements that is free from material misstatement, whether due to fraud or error; and
- assessing the ability of the Group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

- to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board (XRB) website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our independent auditor's report.

The engagement partner on the audit resulting in this independent auditor's report is Laura Youdan.

For and on behalf of:

KPMG

KPMG
Auckland

25 August 2026

GOVERNANCE

Corporate governance at Steel & Tube is predicated on high standards of ethics and performance and is achieved through robust governance policies, practices and processes to ensure a culture that is open, transparent and focussed on adding value for stakeholders.

The board regularly reviews Steel & Tube's governance structures and processes to identify opportunities for enhancement, ensure they are consistent with best practice and reflect Steel & Tube's operations.

The board believes that the company's corporate governance framework materially complies with the NZX Corporate Governance Code (the Code). A summary of Steel & Tube's governance actions and performance against each of the Principles in the Code is detailed on the following pages.

The information in this report is current as at 25 August 2026 and has been approved by the board of Steel & Tube.

1. Ethical Standards

1.1 Code of Ethics

Steel & Tube's directors and team members are expected to act with integrity and professionalism and undertake their duties in the best interests of the company, taking into account the interest of shareholders and other stakeholders. The board has adopted a Code of Ethics, which is available on the company website and staff intranet. Steel & Tube's policies also include detailed standards of integrity, conduct and behaviour required of all employees. This forms part of the new employee induction programme; alongside regular employee communications.

We encourage employees to speak out if they have concerns. The avenues for doing so are detailed in the company's Whistleblower Policy which is on the company website.

Steel & Tube did not donate to any political parties in FY26.

1.2 Insider Trading Policy

Steel & Tube has an Insider Trading Policy which, along with the Financial Markets Conduct Act 2013, imposes limitations and requirements on directors and employees in dealing in the company's shares. These limitations prohibit dealing in shares while in possession of inside information and impose requirements for seeking consent to trade.

While there is no formal requirement to do so, all directors hold shares in the company either directly or through affiliates.

Details of directors' share dealings are set out on page 98 of this report.

2. Board Composition And Performance

2.1 Board Charter

The roles and responsibilities of the board are detailed in the Board Charter, which is reviewed at least every three years and is available on the company website. The board's primary objective is to enhance shareholder value and protect the interests of other stakeholders by improving corporate performance and accountability.

The board has delegated authority for the day to day management of the business to the CEO and the wider senior management team with specified financial and non-financial limits. A formal Delegated Authorities Policy documents delegated authorities and is reviewed annually by the board.

2.2 Nomination and Appointment of Directors

Membership, rotation and retirement of directors is determined in accordance with the company constitution and NZX Listing Rules.

The board considers director succession on a regular basis, considering such things as tenure, experience and director workload. All current directors are considered to offer valuable and complementary skill sets. Importantly, the majority of Steel & Tube's directors have either worked in or held governance positions within the sector.

The Nominations Committee has delegated responsibility from the board to make recommendations on board composition and nominations, subject to the company constitution.

Directors will retire and may stand for re-election by shareholders at least every three years, in accordance with the NZX Listing Rules. A director appointed since the previous Annual Shareholders' Meeting holds office only until the next Annual Shareholders' Meeting but is eligible for election at that meeting.

Shareholders may also nominate candidates for election to the board. The board asks for director nominations each year prior to the Annual Shareholders' Meeting, in accordance with the company constitution and the NZX Listing Rules.

The board has developed a skills matrix and takes into account a number of factors including qualifications, experience and skills when making directorship recommendations to the shareholders. The collective capability of the current board is assessed against these requirements and the search then focuses on finding a board member who will best complement the current mix of capabilities on the board. The board may engage consultants to assist in the identification, recruitment and appointment of suitable candidates.

Key information is provided to shareholders when a director stands for election or re-election.

2.3 Written Agreements

The company has written agreements with each director, outlining the terms of their appointment. The board is satisfied that each director has the necessary time available to devote to the position, broadens the board's expertise and has the competencies to ensure the effective functioning of the board.

The company has arranged a policy of directors' and officers' liability insurance. This policy covers the directors and officers so that any monetary loss suffered by them, as a result of actions undertaken by them as directors or officers, is insured to specified limits (and subject to legal requirements and/or restrictions).

2.4 Director Information

As at the date of this report, the board comprises five independent directors, who have significant relevant industry and market experience, skills and expertise that are of value to the company. Steve Reindler decided to retire effective 1 September 2026. Two new directors have been appointed from 1 September 2026.

Profiles of directors are available on the company website and are included in the Annual Report. Directors' interests are disclosed on page 97 of the Annual Report.

Director independence is determined in accordance with NZX Listing Rules and with regard to the factors described in Table 2.4 of the NZX Corporate Governance Code. The board has determined that all current directors are independent and have no disqualifying relationships.

Directors are required to notify the company of any interests they have that could impact an assessment of their independence or their ability to act in the best interests of Steel & Tube. Steel & Tube has processes in place to manage any conflicts of interest with directors.

The table below shows the skills for the current directors, as of 25 August 2026. John Beveridge served as director until the company's Annual Meeting on 22 October 2025, at which time he stepped down from the board.

		Susan Paterson	Steve Reindler	Chris Ellis	Karen Jordan	Andrew Flavell
Appointed		Jan 2017 *Chair and Independent Director*	Aug 2017 *Independent Director*	Sep 2017 *Independent Director*	Dec 2020 *Independent Director*	Oct 2021 *Independent Director*
Competency	*Elements*					
Industry & Commercial Capability						
Operations	Manufacturing/processing, construction, multi-site networks, distribution, supply chain, health & safety	Moderate	High	High	High	
Industry	Product knowledge of steel and other metals		High	High	Moderate	Moderate
Customer & Sales	Customer strategy, B2B sales, marketing, customer experience, industry relationships	Moderate		High	Moderate	Moderate
Commercial Acumen	Commercial decision making, financial risk management and controls	High	High	High	High	Moderate
Mergers, Acquisitions & Capital Allocation	Investment evaluation, acquisitions, integration and capital deployment	High	Moderate	Moderate	Moderate	High
Governance & Risk						
Governance & Listed Company Experience	Board governance, NZX oversight, stakeholder management, governance frameworks	High	High	Moderate	High	Moderate
Risk Management	Enterprise risk, security, operational and strategic risk	Moderate	High	High	High	Moderate
Sustainability & ESG	Environmental, social and governance oversight	High	Moderate	Moderate	Moderate	Moderate
Legal & Regulatory Oversight	Compliance, regulatory frameworks, assurance	High	Moderate	Moderate	High	
People & Leadership						
People & Culture	Talent, succession, organisational performance, remuneration, culture and engagement	High	High	High	Moderate	High
Stakeholder Relationships	Investors, regulators, customers, industry bodies	High	Moderate	Moderate	Moderate	Moderate
Future-Focused Capability						
Strategy	Strategy development, identification of emerging trends and opportunities	Moderate	High	High	High	Moderate
Technology & Digital	Technology strategy, digital and AI transformation	Moderate			Moderate	High
Transformation	Transformative business change	Moderate		Moderate	High	Moderate

Rating Scale

High ● Significant skills, expertise and governance experience
Moderate ● Strong working knowledge and relevant experience

Board meetings are scheduled throughout the year, with other meetings to deal with certain matters arising from time to time being held when necessary. The table below sets out director and committee member attendance at board and committee meetings during FY26. There were 7 planned and 10 additional board meetings during the year. Additional meetings were held to enable directors to consider and progress a range of initiatives to support the company's financial performance.

	Board	Audit & Risk	People & Culture	Nomination	QHSET
Total Number of Meetings	17	3	3	3	2
Susan Paterson	17		3	3	
Steve Reindler	17	3	3	3	
Chris Ellis	17		3	3	2
Karen Jordan	16	3		3	2
Andrew Flavell	16	2		3	2
John Beveridge*	2	1			

* John Beveridge stepped down from the Board on 22 October 2025.

Directors may attend any committee meeting on an ex-officio basis which is not recorded in the above table.

More information on Board committees is set out under the heading 'Principle 3'.

2.5 Diversity

Equality and diversity are cornerstones of Steel & Tube's organisational culture, based on the belief that diversity is integral to creating a collaborative workplace culture, competitive advantage and ultimately, sustainable business success. Diversity provides a broad range of perspectives and experience that enhance the quality and depth of decision-making and helps create a united team approach across all levels of the organisation.

The board encourages diversity and will not knowingly participate in business situations where Steel & Tube could be complicit in human rights and labour standard abuses. The company's approach to diversity is outlined in the Diversity and Inclusion Policy, which is available on the company website.

Measurable objectives form part of the People & Culture plan each year and they are agreed and approved by the board. A number of initiatives are in place to support diversity and achievement of Steel & Tube's diversity and inclusion objectives. The board believes the principles in the policy were adhered to in FY26.

Key areas of focus are:

- Recruitment and retention of a diverse workforce
- Fair and consistent reward and recognition
- Flexible working arrangements
- Employee engagement
- Agreed standards of conduct and behaviour

Steel & Tube has a diverse workforce, representing more than 30 different ethnicities. English is a second language for many Steel & Tube team members. To create a safe and supportive working environment Steel & Tube translates documentation into different languages and provides safety training which also helps improve numeracy and literacy levels.

The officers of the company (as defined by the NZX Listing Rules for the purposes of diversity reporting) are the CEO and specific direct reports of the CEO having key functional responsibility, namely the CFO. As at 30 June 2026, females represented 29% of Directors and Officers of the Company (FY25: 25%).

As at 30 June	FY26 Female	FY26 Male	FY26 Gender Diverse	FY25 Female	FY25 Male	FY25 Gender Diverse
Directors	2	3	-	2	4	-
Officers	-	2	-	-	2	-
Overall workforce	23%	77%	0%	24%	76%	0%

2.6 Director Training and Education

Directors are encouraged to undertake appropriate training and education to ensure they remain current on how to best perform their duties. In addition, management provides regular updates on relevant industry and company issues, including briefings from senior executives. All directors are current members of New Zealand Institute of Directors.

All directors have access to executives to discuss issues or obtain information on specific areas in relation to matters to be discussed at board meetings, or other areas as they consider appropriate. The board committees and directors, subject to the approval of the board chair, have the right to seek independent professional advice at the company's expense, to enable them to carry out their responsibilities.

2.7 Board Performance and Review

The board monitors its own performance annually and from time to time commissions external reviews to assess the performance of individual directors and the board's effectiveness.

2.8 Independent Board Majority

All of Steel & Tube's directors have been determined to be independent.

2.9 Independent Chair

Steel & Tube's chair is required to be an independent director and is elected by the directors. Susan Paterson was appointed as chair in January 2017 and is deemed to be independent.

2.10 Separation of the role of Chair and CEO

The board supports the separation of the roles of chair and CEO. Steel & Tube's CEO, Mark Malpass is not a director on the Steel & Tube board.

3. Board Committees

The board has established several standing committees, each of which has a board-approved written charter summarising the role, responsibilities, delegations and membership requirements.

Board committees assist the board by focussing on specific responsibilities in greater detail than is possible in board meetings. However, the board retains ultimate responsibility for the functions of its committees and determines their responsibilities. The board appoints the members and chair of each committee, with the committee chair reporting committee recommendations to the board.

The board regularly reviews the charters of each board committee, the committees' performance against those charters and membership of each committee.

The board believes that committee charters, committee membership and roles of committee members comply with recommendations in the Code.

Current membership of each of the board committees at 30 June 2026 is set out below.

Committee	Role	Members
Audit & Risk	Assist the board in its oversight of the integrity of financial reporting, financial management and controls, external audit quality and independence and the risk management framework.	Karen Jordan (chair) Susan Paterson Steve Reindler Andrew Flavell
People & Culture	Assist the board to establish and maintain a strong governance framework overseeing the management of the company's people, remuneration and diversity policies.	Steve Reindler (chair) Susan Paterson Chris Ellis
Nomination	Assist the board in ensuring appropriate board performance and composition and in appointing directors.	Susan Paterson (chair) Steve Reindler Chris Ellis Karen Jordan Andrew Flavell
Quality, Health, Safety, Environment and Training	Assist the board to meet its responsibilities in relation to the company's Quality, Health and Safety (H&S) and Environment policies, procedures, and legislative compliance.	Chris Ellis (chair) Karen Jordan Andrew Flavell

3.1 Audit & Risk Committee

The board has an Audit & Risk committee which acts as a delegate of the board on financial reporting, internal control and risk management issues. The committee also assists the board with monitoring and reporting the company's strategies, activities and performance regarding sustainability, social responsibility and the environment. There are a minimum of three members, who are all independent directors.

The committee is currently made up of four independent directors. The chair of the committee, Karen Jordan, is not the chair of the board, is independent and has significant accounting and financial expertise. The remaining committee members have a range of qualifications and are all experienced in commercial and operational matters.

The role and responsibilities of the committee are detailed in a written charter which is available on Steel & Tube's website.

3.2 Employee attendance at Audit & Risk Committee meetings

Employee attendance at committee meetings is by invitation only.

3.3 People & Culture Committee

The People & Culture committee assists the board to establish and maintain a strong governance framework overseeing the management of the company's people, remuneration and diversity policies. All members of the committee are independent directors, and it operates to a written charter which is available on Steel & Tube's website.

3.4 Nomination Committee

The Nomination committee assists the board in ensuring appropriate board performance and composition and in appointing directors. The nomination procedures include consideration of the independence of director candidates. All members of the committee are independent directors, and it operates to a written charter which is available on Steel & Tube's website.

3.5 Quality, Health & Safety, Environment and Training Committee

The Quality, Health & Safety, Environment and Training committee assists the board to meet its responsibilities in relation to the company's Quality, Health and Safety and Environment policies, procedures, and legislative compliance. All members of the committee are independent directors, and it operates to a written charter which is available on Steel & Tube's website.

3.6 Control Transaction Protocols

In the case of a control transaction, Steel & Tube would follow its Takeover Protocol including forming a committee comprised of non-conflicted non-executive Directors. This committee will have oversight in respect of the control transaction and ensure compliance with the company's legal obligations and strict process separation and independence from interested Directors.

The composition of the committee would be disclosed at the time the bid is made public.

4. Reporting And Disclosure

4.1 Continuous Disclosure Policy

Steel & Tube is committed to keeping investors and the market informed of all material information about the company and its performance, in a timely manner. In addition to all information required by law, the company also seeks to provide sufficient meaningful information to ensure stakeholders and investors are well informed.

Steel & Tube is committed to providing accurate, timely, consistent and reliable disclosure of information to ensure market participants have fair access to information that may impact on its share price. The company's Continuous Disclosure Policy sets out the principles and requirements of this commitment to timely disclosures.

4.2 Access to Key Governance Policies

Easy access to information about Steel & Tube, including financial and operational information and key corporate governance policies and charters, is available through the company website at www.steelandtube.co.nz.

4.3 Financial Reporting

The board is responsible for ensuring that the financial statements give a true and fair view of the financial position of the company and have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates. The board is also responsible for ensuring all relevant financial reporting and accounting standards have been followed.

The Audit & Risk committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews Steel & Tube's full and half year financial statements and makes recommendations to the board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit. All matters required to be addressed, and for which the committee has responsibility, were addressed during the reporting period.

For the financial year ended 30 June 2026, the directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the company and facilitate the compliance of the financial statements with the Financial Markets Conduct Act 2013.

4.4 Non-financial Reporting

Steel & Tube has a commitment to ensuring that the company adds value for all its stakeholders, from shareholders to staff and the communities the company operates in, as well as reducing the environmental impact of the company's activities. Steel & Tube believes it is the company's corporate responsibility to ensure the company plays its part in making the world a better place.

Health and safety and other non-financial metrics are reported in the Annual Report and other investor communications annually.

Environmental, social and governance (ESG) principles have been identified which will enhance Steel & Tube and support the company's growth. Oversight of ESG is set out in Steel & Tube's Sustainability Policy.

Climate-related Disclosures

The pending amendments to the climate reporting legislation will mean that Steel & Tube will not be required to prepare climate reporting as our market capitalisation is under the new $1bn market capitalisation threshold. Steel & Tube has elected to discontinue the publication of a formal Climate-Related Disclosures report, however, will continue to monitor and track key metrics including Scope 1 and 2 emissions.

5. Remuneration

Remuneration of directors and senior executives is the key responsibility of the People & Culture committee.

The framework for the determination and payment of directors and senior executives' remuneration is set out in Steel & Tube's Remuneration Policy. External advice is sought on a regular basis to ensure remuneration is benchmarked to the market for senior management positions, directors and board committee positions.

Details of director and executive remuneration in FY26 are provided on pages 93 to 96.

5.1 Directors' Remuneration

Shareholders fix the total remuneration available for directors. Approval is sought for any increase in the pool available to pay directors' fees, and any recommendations to shareholders regarding director remuneration are provided for approval in a transparent manner. If independent advice is sought by the board, it will be disclosed to shareholders as part of the approval process.

The last increase in director remuneration was approved by shareholders at the Annual Meeting in September 2022, for a total fee pool of $642,500. Total fees paid in FY26 were $549,925.

Board policy is that no sum is paid to a director upon retirement or cessation of office.

While there is no formal requirement to do so, the directors are expected to hold shares. Currently, all directors hold at least 1,000 shares in the company either personally or through affiliates.

Directors' share dealings and interests in the company are detailed on pages 97 to 98.

Remuneration for each board role as at 30 June 2026 is as follows. Specific payments made to each director during FY26, as well as other related information, is set out in the Remuneration Report on page 93.

Role	Fee
Chair	$165,000
Director	$87,500
Committee Chair – Audit & Risk, QHSET	$15,000
Committee Chair – People & Culture	**$10,000**

5.2 and 5.3 Executive and CEO Remuneration

Steel & Tube's executive remuneration policies and practices are designed to attract, retain and motivate high calibre people and create a performance-focussed culture. Details of executive and CEO Remuneration are set out in the Remuneration Report on pages 93 to 96.

6. Risk Management

6.1 Risk Management Framework

Steel & Tube's ability to deliver appropriate returns to its shareholders requires successful execution of business strategy and the elimination, reduction and mitigation of associated risks. Effective risk management principles are applied across each Business Unit to ensure risk is identified, assessed, categorised and ranked to allow the business to understand its risks.

The board has overall responsibility for the establishment and oversight of the group's risk management framework.

The board is responsible for overseeing and monitoring significant business risks and overseeing management's processes to mitigate the identified risks.

Key risks are owned by members of the executive leadership team. This promotes integration into operations and planning and a culture of proactive risk management. Management regularly reports to the board on significant business risks and treatments for those risks. Legislative compliance is monitored across each Business Unit through a bi-annual legal compliance management survey and site compliance schedule questionnaires completed monthly.

The company is exposed to risks from a number of sources, including operational, strategic, economic and financial risks. Steel & Tube's risk management framework incorporates policies, procedures and appropriate internal controls to identify, assess and manage areas of significant business and financial risks.

Key risks are assessed on a risk profile identifying the likelihood of occurrence and potential severity of impact; and are managed with a focus on decreasing the risk likelihood and minimising the risk impact should it occur. Steel & Tube maintains insurance policies that it considers adequate and practicable to meet its insurable risks.

Key risk areas include:

Key Risk	Description	Mitigation
Maintenance of Steel & Tube's values and culture	Deviation from the company's core values and culture could lead to ethical and reputational issues	• Unified purpose focussed on making life easy for customers • Regular communication and reinforcement of the company's values and culture through inductions, training and workshops • Monitoring of employee engagement surveys and controls environment
Strategy execution	Ineffective implementation of strategic initiatives leading to sub-optimal performance and competitive disadvantage	• Clearly defined strategic goals with measurable objectives and key performance indicators (KPIs) • Clear responsibilities and accountability for strategy implementation • Regular progress monitoring and corrective actions to address deviations from the plan
Quality of products	Risks associated with the production and supply of substandard or faulty products, leading to customer dissatisfaction and potential product under-performance and/or legal liabilities	• Robust quality control processes throughout the production chain • Regular product testing to rigorous standards • Independent audits of supplier mills • Internal audits and ISO certification and compliance • Maintaining compliance with industry standards and regulations
Economic environment and trading conditions	Exposure to economic fluctuations impacting demand, pricing, and overall financial performance	• Diversification of product offerings and customer base to reduce dependency on specific sectors • Regular economic analysis and scenario planning to anticipate and respond to market changes • Syndicated bank debt facility structure • Active financial stewardship

6.2 Quality, Health, Safety and Environment

The board is committed to ensuring a safe and healthy environment for all Steel & Tube people and anyone in the company's workplaces. Ensuring Steel & Tube employees and contractors go home safely every day is the number one priority.

The board is responsible for ensuring that the systems used to identify and manage health and safety risks are fit for purpose, being effectively implemented, regularly reviewed and continuously improved. A mix of lead and lag indicators are reported, and safety performance is tracked to identify patterns to help prevent incidents. Health and safety is reviewed at each board meeting and the chair of the QHSET committee regularly provides updates to the board on committee proceedings.

	2026	2025	2024	2023	2022
Safety TRIFR	3.43	3.50	0.00	1.14	1.13

Product Quality

Steel & Tube's aim is to be the preferred New Zealand supplier for steel products and solutions and its expert people play an important role in that, sharing their knowledge and experience with customers. Ensuring the quality of Steel & Tube's products remains a critical focus and an extensive Quality Management Programme is in place and overseen by the General Manager Quality, Health, Safety and Environment.

More information on the company's approach to Quality and Health & Safety is outlined on page 24.

7. Auditors

7.1 External Audit

Steel & Tube's External Auditor Independence Policy outlines the commitment to ensuring audit independence, both in fact and appearance, so that Steel & Tube's external financial reporting is viewed as being highly objective and without bias.

For the year ended 30 June 2026, KPMG was the external auditor of Steel & Tube. KPMG was first appointed as auditor in 2021 for the audit of the year ended 30 June 2022, with the next lead partner rotation due after the completion of the 30 June 2026 audit.

The Audit & Risk committee monitors the ongoing independence, quality and performance of the external auditors and monitors audit partner rotation. The committee pre-approves any non-audit work undertaken by the external auditors.

There were no non-audit services provided by KPMG in FY26. The fees paid for audit services in FY26 is identified in Note E4 of the Financial Report.

KPMG has provided the Steel & Tube board with written confirmation that, in their view, they were able to operate independently during the year.

7.2 Attendance at Annual Meeting

It is Steel & Tube's practice that the external auditors attend the Annual Shareholders' Meeting each year and are available to answer questions from shareholders relevant to the audit.

7.3 Internal Audit

Steel & Tube operates an outsourced internal audit function, which reports to and is monitored by the Audit & Risk committee.

The committee approves the annual internal audit plan, receives internal audit review reports on the adequacy and effectiveness of Steel & Tube's internal controls and monitors the implementation of recommendations arising from the internal auditor's review findings.

During FY26, BDO acted as the company's outsourced internal audit provider.

8. Shareholder Rights And Relations

8.1 Investor website

Easy access to information about the performance of Steel & Tube is available through the Investor Centre on the company's website at www.steelandtube.co.nz/investor-centre.

8.2 Engagement with shareholders

Steel & Tube is committed to open and regular dialogue and engagement with shareholders. The company's investor relations programme includes semi-annual post-results briefings with investors, analysts and investor meetings, and earnings announcements. In addition, semi-annual Shareholder Newsletters help to keep shareholders informed about the business and the contribution the company makes to New Zealand's economic development and prosperity. The programme is designed to provide shareholders and other market participants the opportunity to obtain information, express views and ask questions.

Shareholders are encouraged to communicate with the company and its share registry electronically. Approximately 69% of Steel & Tube's shareholders have opted for email communications.

Steel & Tube endeavours to make it easy for shareholders to participate in Annual Shareholders' Meetings, which are held in a main centre, streamed live online and recorded and posted on the company website. Shareholders can ask questions and express their views to the board, management and the external auditors at Annual Shareholders' Meetings.

In addition to shareholders, Steel & Tube has a wide range of stakeholders and maintains open channels of communication for all audiences, including the investing community and the New Zealand Shareholders' Association, as well as its staff, suppliers and customers.

8.3 Voting on major decisions

The board considers that shareholders should be entitled to vote on decisions that would change the essential nature of Steel & Tube's business. The board adopts the one share, one vote principle, conducting voting at shareholder meetings by poll.

Shareholders are also able to vote by proxy ahead of meetings without having to physically attend those meetings.

8.4 Equity offers

Steel & Tube did not undertake any capital raising during FY26. Should Steel & Tube consider raising additional capital, we will structure the offer having regard to likely levels of shareholder participation and optimising and enhancing the ability to maximise the level of capital raised. The board will look to give all shareholders an opportunity to participate in any capital raising.

8.5 Notice of meeting

Steel & Tube aims to provide at least 20 working days of the notice of the Annual Shareholders Meeting, which is posted on Steel & Tube's website, announced on the NZX and sent to shareholders prior to the meeting each year. This goal was achieved in 2025.

REMUNERATION

Director Remuneration

As at 30 June 2026, the standard directors' fees per annum were $165,000 for the chair and $87,500 for each non-executive director. Board committee chairs also receive additional fees of between $10,000 – $15,000 for their committee responsibilities.
Directors' fees exclude GST, where applicable. Directors are entitled to be reimbursed for costs directly associated with carrying out their duties, including travel costs. Directors can receive special exertion payments in certain circumstances – none were paid in FY26. Board policy is that no sum is paid to a director upon retirement or cessation of office. Directors do not participate in the company's short or long term incentives.
In FY26, directors volunteered a temporary 20% fee reduction from 1 July 2025 to 30 September 2025. The total amount of remuneration and other benefits received by the directors during the year ended 30 June 2026 was $549,925 as shown in the table below:

Director	Director Fees	Committee Chair Fees	FY26 Total	Responsibility
Susan Paterson	156,750	-	156,750	Board Chair
Steve Reindler	83,125	9,500	92,625	People & Culture Committee Chair
Chris Ellis	83,125	14,250	97,375	QHSET Committee Chair
Karen Jordan	83,125	14,250	97,375	Audit & Risk Committee Chair
Andrew Flavell	83,125	-	83,125	
John Beveridge*	22,675	-	22,675	

* John Beveridge ceased to be a director on 22 October 2025, hence directors' fees paid to him in FY26 are pro-rated up to cessation date

Executive Remuneration

Steel & Tube's remuneration practices are designed to attract, retain and motivate high calibre people at all levels of Steel & Tube. Roles are benchmarked using recognised job sizing comparison processes. Board policy is that no additional amounts are paid to a director or the Chief Executive Officer upon retirement or cessation of office. There were no special joining payments, retention payments or takeover bonuses paid to the Chief Executive in FY26.

Executive remuneration comprises fixed base salary and superannuation. Both elements make up Fixed Annual Remuneration (FAR), against which discretionary performance incentives are applied.

Steel & Tube operates a Short Term Incentive (STI) and Long Term Incentive (LTI) scheme. They are both variable elements of remuneration, with selected employees invited to participate as approved by the board. They are only paid if conditions and targets are met. Due to market conditions no STI scheme was in place in FY26.

Short Term Incentive (STI)

The CEO and executives have the potential to earn a Short Term Incentive (STI) Steel & Tube's STI is based on performance targets and is designed to differentiate performance and reward delivery. STI values for the CEO and executives are set as a percentage of Fixed Annual Remuneration (FAR) based on the scale, complexity and performance expectations of each individual STI participant's role. STI performance targets for all participants including the CEO are based on the following criteria:

Portion of STI	Criteria
50%*	Financial Results (Return on Funds Employed target)
25%	Execution against nominated mid-longer term strategic initiatives in board approved Strategic Initiative Plan. This plan details key operational excellence improvements with milestones to be completed during FY26
10%	QHSET Leadership requiring 100% completion of leadership safety observations throughout the year
8%	Customer Engagement NPS
7%	Employee Engagement ENPS

*(participants can achieve maximum of 150% of target STI for outperformance of financial targets)

Other features of the STI

1. The STI plan includes a company based financial performance hurdle, i.e. no STI is payable to any participant if the year-end results are less than 80% of the company's financial target.
2. If financial results are within 80-99% of target, participants may achieve a maximum of 50% STI based on the achievement of the non-financial components of the targets.
3. The scheme enables a maximum payment of up to 150% STI for stretch performance – achievable only by exceeding the Return on Funds Employed target. There is no outperformance incentive of the non-financial components. If there is a fatality or serious harm where the board deems either the company as a whole or participating individuals are culpable, the board may decide that no STI payment (all components) will be paid to one, some or all of the participants.

Long Term Incentive Scheme (LTI)

The CEO and executives, together with a limited number of non-executive senior managers, also have the potential to earn a Long Term Incentive (LTI). Steel & Tube's LTI is designed to incentivise and retain key personnel, align the interests of executives and shareholders and encourage long-term decision-making. LTI values for the CEO and executives are set as a percentage of FAR.

The current LTI (referred to as the Performance Rights Plan (PRP)) was developed and approved by the board in February 2018. The PRP performance period runs for three years and comprises of two performance conditions (50% each) as outlined in Note E5 of the Financial Report.

CEO Remuneration

The CEO's overall remuneration as at 30 June 2026 consists of a fixed annual remuneration (FAR), an STI at 60% of FAR and an LTI of 40% of FAR. This is reviewed annually by the People & Culture Committee and approved by the board each year.

The performance targets for the CEO for the year ending 30 June 2026 were aligned with the STI scheme and were as follows:

Target KPIs	Weighting
Financial – Return on Funds Employed (ROFE)	50%
Completion of Nominated Strategic Initiatives	25%
Health & Safety – Leading and lagging indicators	10%
Customer Engagement	8%
Employee Engagement	7%

The board ensures that the CEO's remuneration, including base salary, is aligned with appropriate market rates and reflects performance and delivery of sustainable shareholder value.

The table below sets out CEO FAR and the pay for performance components of the CEO's remuneration package on an annualised basis. This table sets out the pay for performance outcomes for STI and LTI assuming 100% is paid out.

Target Remuneration (as at 30 June):

	Fixed Remuneration			Pay for Performance				
	FAR[1]	Non-taxable benefits[2]	Sub total	Target STI[3]	Target LTI Value[4]	No. of LTI Performance Rights*	Subtotal	Total Target Remuneration
2026	$1,106,344	nil	$1,106,344	$663,807	$442,537	649,989	$1,106,344	**$2,212,688**
2025	$1,104,982	nil	$1,104,982	$662,989	$441,993	441,993	$1,104,982	**$2,209,964**
2024	$1,083,316	nil	$1,083,316	$649,990	$433,326	367,226	$1,083,316	**$2,166,632**
2023	$875,500	nil	$875,500	$525,300	$350,200	227,403	$875,500	**$1,751,000**
2022	$875,500	nil	$875,500	$458,556	$409,138	365,302	$867,694	**$1,743,194**

* Each Issue of LTI Performance Rights has a 3 year hurdle in accordance with the terms of the LTI scheme

The financial performance target for the full year to 30 June 2026 was below the scheme's 80% hurdle requirement and accordingly no STI is payable to the CEO (or other participants).

Company Performance and CEO Remuneration Outcomes

	FY26	FY25	FY24	FY23	FY22
ROFE	(5.3)%	(6.7)%	4.8%	9.9%	14.6%
STI Award	No	No	No	Yes	Yes
% of STI paid in respect	-	-	-	110%	150%
LTI Award	No	Yes	Yes	Yes	No
Portion of Rights Vested	-	50%	100%	100%	-
No. of Shares Vested	-	182,651	487,788	328,012	-

Details of what has been paid to the CEO in the past five years are outlined below:

Actual Remuneration Earned (for the financial year ended):

	FAR[1]	Non-taxable benefits[2]	STI earned in FY[3]	Value of LTI vested during FY[4]	Total remuneration earned during FY
FY26	$1,029,726	nil	nil	nil	**$1,029,726**
FY25	$1,069,292	nil	nil	$177,413	**$1,246,705**
FY24	$1,048,680	nil	nil	$516,490	**$1,565,170**
FY23	$875,500	nil	$708,871	$422,321	**$2,006,692**
FY22	$794,786	nil	$687,834	nil	**$1,482,620**

1 FAR includes any KiwiSaver employer contributions

2 There were no costs associated with any other benefits during the year ended 30 June 2026

3 STI target for the full year is subject to achievement of performance targets as agreed with the board in each year. No STI was payable in FY26 as financial threshold was not achieved

4 LTI value of actual Rights granted in each year (which may be exercised after the completion of the three year performance period, providing and only to the extent that the performance conditions have been satisfied)

Pay Gap

The Pay Gap represents the number of times greater the CEO's remuneration is to the remuneration of an employee paid at the median of all Steel & Tube employees. For the purposes of determining the median paid to all Steel & Tube employees, all permanent full-time, permanent part-time and fixed-term employees are included, with part-time employee remuneration adjusted to a full-time equivalent amount.

At 30 June 2026, the CEO's remuneration of $1,029,726 was 13.4 times (30 June 2025: 15.3 times) that of the median employee at $76,728 per annum.

Employee Remuneration

The number of employees or former employees who received remuneration and other benefits valued at or exceeding $100,000 during the year to 30 June 2026 are specified in the table below.

The remuneration noted includes all monetary payments actually paid during the course of the year ended 30 June 2026, any restructuring and redundancy related compensation, value of shares vested under the terms of the long term incentive scheme and all short term performance incentive payments.

The remuneration paid to, and other benefits received by, the CEO for the year ended 30 June 2026 are detailed on page 95 and are excluded from the table.

Remuneration Range $000	2026
100 - 110	39
110 - 120	35
120 - 130	24
130 - 140	13
140 - 150	11
150 - 160	15
160 - 170	6
170 - 180	13
180 - 190	4
190 - 200	2
200 - 210	5
210 - 220	1
220 - 230	2
230 - 240	1
240 - 250	1
250 - 260	2
300 - 310	1
320 - 330	1
340 - 350	3
380 - 390	1
390 - 400	1
400 - 410	1
440 - 450	1
Total	183

DISCLOSURES

Directors' Interests

Directors have made general disclosures of interests in accordance with section 140(2) of the Companies Act 1993. Current interests as at 30 June 2026, including those which ceased during the year, are detailed below:

Susan Paterson	
Theta Systems Ltd	Chair
EROAD Ltd	Director
Reserve Bank of New Zealand Governance Board	Board Member
Les Mills Holdings Ltd	Director
Lodestone Energy Limited	Director

Steve Reindler	
Broome International Airport Group & affiliates	Director
Te Kaha Project Delivery Limited	Director
Port of Auckland Limited	Director
Whitford Community Charitable Trust [1]	Trustee
Museum of NZ Te Papa Tongarewa Governance Group	Independent Advisor
Westland District Council CCO Oversight Committee [1]	Chair

Andrew Flavell	
ASB Technical Advisory Group	Member
Port of Auckland Limited	Director
Les Mills International	Fractional CTO

Chris Ellis	
Ingot Holdco Limited & affiliates	Chair
Disputes Review Board – Central Interceptor Project	Chair
Oxcon CLL Limited	Advisory Chair
John Fillmore Contracting Limited	Advisory Chair
Titan Contracting Group Limited	Advisory Chair
Horizon Energy Distribution Limited & affiliates	Director

Karen Jordan	
Lyttelton Port Company Limited	Director
New Zealand Defence Force (NZDF) Risk and Assurance Committee [1]	Member

[1] Interest no longer held as at 30 June 2026

Information Used by Directors

There were no notices from directors requesting to disclose or use company information received in their capacity as directors that would not otherwise have been available to them.

Directors' Shareholdings

Steel & Tube securities in which each director has a relevant interest as at 30 June 2026 are:

Director	Shares held
Susan Paterson	262,425 beneficially owned
Steve Reindler	115,177 beneficially owned
Chris Ellis	20,197
Karen Jordan	10,000
Andrew Flavell	1,000

Directors' Security Dealings

During the year ended 30 June 2026 directors' disclosed the following securities transactions in respect of section 148(2) of the Companies Act 1993 and sections 297(2) and 298(2) of the Financial Markets Conduct Act 2013.

These transactions took place in accordance with Steel & Tube's Insider Trading Policy.

Director	Date of Transaction	Number of shares acquired / (disposed)	Nature of transaction	Consideration
John Beveridge	27 November 2025	(20,000)	On-market disposal	$12,726

Indemnities and Insurance

In accordance with section 162 of the Companies Act 1993 and Steel & Tube's Constitution, the company has arranged Directors and Officers Liability insurance covering directors and employees of Steel & Tube, including directors of subsidiary companies, for liability arising from their acts or omissions in their capacity as directors or employees. The insurance policy does not cover dishonest, fraudulent, malicious or willful acts or omissions.

Subsidiary Companies Directors

The remuneration of employees appointed as directors of subsidiary companies is disclosed in the relevant banding of remuneration set out under the heading Employee Remuneration. Employees did not receive additional remuneration or benefits for being directors during the year.

Directors of the subsidiary companies as at 30 June 2026 were:

Company	Directors
Steel & Tube Galvanising Limited	Mark Malpass, Richard Smyth
Composite Floor Decks Holdings Limited	Mark Malpass, Richard Smyth
Studwelders Limited	Mark Malpass, Richard Smyth
S & T Stainless Limited	Mark Malpass, Richard Smyth
Manufacturing Suppliers Limited	Mark Malpass, Richard Smyth
S & T Plastics Limited	Mark Malpass, Richard Smyth
Composite Floor Decks Limited	Mark Malpass, Richard Smyth

Steel & Tube Holdings Limited (STU) Analysis Of Shareholding

As at 30 June 2026

Holding Range	Holder Count	Holder Count %	Holding Quantity	Holding Quantity %
1 to 999	1,367	21.87%	544,994	0.30%
1,000 to 4,999	2,046	32.74%	4,876,995	2.66%
5,000 to 9,999	925	14.80%	6,346,984	3.46%
10,000 to 49,999	1,445	23.12%	29,817,306	16.24%
50,000+	467	7.47%	142,045,756	77.35%
Total	**6,250**	**100.00%**	**183,632,035**	**100.00%**

Substantial Security Holder

The company received no substantial security holders notices during the year.

Issued shares in the company at 30 June 2026 comprise:	
Ordinary shares fully paid	183,632,035
	183,632,035

Top 20 Shareholders

As at 30 June 2026

Twenty largest security holders as at 30 June 2026	Ordinary Shares	Percentage
New Zealand Steel Limited	26,274,753	14.31%
Perry Group Ltd	15,476,755	8.43%
Lennon Holdings Limited	9,581,593	5.22%
New Zealand Depository Nominee Limited	6,484,223	3.53%
Accident Compensation Corporation*	5,191,455	2.83%
Custodial Services Limited	3,074,298	1.67%
HPI Avondale Limited	2,103,786	1.15%
Forsyth Barr Custodians Limited	2,023,885	1.10%
Neil Douglas Waites & Anthony Gene Waites & Richard Boyd Waites	1,770,000	0.96%
FNZ Custodians Limited	1,600,512	0.87%
John Francis Managh	1,559,014	0.85%
Leveraged Equities Finance Limited	1,462,558	0.80%
Andrew Paul Lissaman Everist	1,296,998	0.71%
Trevor Jeffrey Corfield	1,054,700	0.57%
John Francis Managh & Jonathan Peter Managh	999,454	0.54%
Citibank Nominees (New Zealand) Limited*	991,024	0.54%
GMH 38 Investments Limited	700,000	0.38%
ASB Nominees Limited*	696,819	0.38%
Public Trust Class 10 Nominees Limited*	687,942	0.37%
Brian Robert Hardgrave	620,000	0.34%
	83,649,769	**45.55%**

* Shares held in New Zealand Central Securities Depository (NZCSD)

Directory

Registered Office

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Auckland 2013, New Zealand

PO Box 58880, Botany, Auckland 2163,
New Zealand

Ph: +64 4 570 5000

Email: info@steelandtube.co.nz

Website: www.steelandtube.co.nz

Directors

Susan Paterson	Chair and Independent Director
Steve Reindler	Independent Director
Christopher Ellis	Independent Director
Karen Jordan	Independent Director
Andrew Flavell	Independent Director

Auditor

KPMG Auckland

18 Viaduct Harbour Avenue, Auckland 1010

Share Registry

Computershare Investor Services Limited
Private Bag 92119, Auckland 1142, New Zealand

Ph: +64 9 488 8777 **Fax:** +64 9 488 8787

Email: enquiry@computershare.co.nz

Website: www.computershare.co.nz

Bankers

ANZ New Zealand

ANZ Centre, 23-29 Albert Street, Auckland 1010

Solicitors

Chapman Tripp Auckland

Level 34, PwC Tower, 15 Customs Street West

PO Box 2206, Auckland 1140

Financial Calendar

Half year results announced February

End of financial year 30 June

Annual results announced August

Annual report August

Stock Exchange

The company's shares trade on the New Zealand Exchange under the code STU

Glossary

EBIT: Earnings / (Loss) before the deduction of interest and tax

EBITDA: Earnings / (Loss) before the deduction of interest, tax, depreciation and amortisation

TRIFR: Employee Total Recordable Injury Frequency Rate per 1 million work hours

ISO: International Organization for Standardization

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

NPAT: Net profit after tax

XRB: External Reporting Board

steel&tube

STRONGER TOGETHER