

## STU 1H26 Interim Results for six months ending 31 December 2025

### Challenging 1H, early recovery in 2H, and upside beyond FY26

- Outperformance from galvanizing acquisition, partially offsetting base business margin squeeze
- Sales revenue up 8% to \$211.9m, volumes up 11% to 54.2 ktonnes
- Normalised EBITDA \$2.8m<sup>1</sup> with reported EBITDA of \$1.2m
- Normalised EBIT \$(10.3)m<sup>1</sup> with EBIT of \$(11.9)m, net loss after tax of \$(12.4)m
- Annualised \$6m cost and efficiency programme underway; will further enhance operating leverage
- Close working capital and cash controls in place to support balance sheet. No dividend has been declared

Steel & Tube Holdings Limited (NZX: STU) has reported its 1H26 results for the six months ended 31 December 2025, with strategic growth investments underpinning the result through the bottom of the cycle, as challenging economic headwinds continued to impact on base business performance.

CEO of Steel & Tube, Mark Malpass, commented: “The acquisition of galvanizing business Perry Metal Protection – a measured and strategic buy at the bottom of the cycle - has done exactly what we wanted: providing consistent high value earnings. The base business continued to be impacted by a stop-start market recovery, particularly across the construction sector, with margins also impacted by the competitive environment. However, we are starting to see some positive signs - manufacturing demand is on the rise, Fast-Track projects will support the near term infrastructure pipeline, and the rollover of fixed mortgages to lower interest rates and easier access to credit will help to stimulate construction.

“We are actively managing market challenges and have continued to improve operating leverage. Importantly, we have maintained market share and customer satisfaction scores remain at high levels as we continue to strengthen our value proposition with a focus on service, pricing discipline, cross selling and high-value products and services that reinforce our competitive advantage. As a cyclical business, Steel & Tube is positioned for the upside, with significant operating leverage, a strong market position, a high-quality team, and a broad product and service offer that has been further enhanced by recent acquisitions.”

### 1H26 performance

Sales revenue was up 8.1% YOY to \$211.9m, with volumes increasing 11.3% to 54.2 ktonnes. Revenue per trading day improved to \$1,933k in December 2025, the highest since December 2023, and product margin lifted to 31.1%.

Normalised EBITDA remained positive at \$2.8m<sup>1</sup>, an improvement on 2H25. Including non-trading adjustments of \$(1.6)m<sup>1</sup>, EBITDA was \$1.2m. Normalised EBIT was \$(10.3)m<sup>1</sup> with EBIT of \$(11.9)m. The company reported a net loss after tax of \$(12.4)m. No dividend has been declared.

Costs have been further reduced with a third cost-out phase underway and expected to deliver an annualised \$3m reduction in operating expenses alongside a \$3m reduction in direct costs. Overall, the multi-year cost

out and efficiency programme has delivered more than \$12m in opex savings to date, offsetting inflationary pressures.

Working capital continues to be prioritised, with close cash control mechanisms in place. Net operating cash was \$5.6m for the period, with year-on-year net debt increase attributable to the galvanizing acquisition and support for ongoing operations. The focus over the short term is on rebuilding balance sheet capacity and capturing value from recent investments and growth initiatives, with M&A activity paused. Enhanced operating leverage alongside growth will drive free cashflow and improve balance sheet flexibility.

\$m	1H26	2H25	1H25
Revenue	211.9	189.4	196
Volume (ktonnes)	54.2	50.8	48.7
Product Margin (%)	31.1%	27.5%	28.7%
EBITDA	1.2	-3.1	0.6
Normalised EBITDA <sup>1</sup>	2.8	0.1	2
EBIT	-11.9	-15	-10.9
Normalised EBIT <sup>1</sup>	-10.3	-11.9	-9.5
NLAT	-12.4	-14	-10.4
Net operating cash flow	5.6	-12.7	23.1

## Outlook

Demand started to stabilise in 2Q26, with improved trading seen in January and into February 2026. A gradual market recovery is expected over CY 2026. Global and economic uncertainty, along with the NZ general election, remain risks to the rate of recovery.

Increased access to credit and lower fixed mortgage rates are expected to boost the construction sector, alongside short term infrastructure projects and continued momentum in the manufacturing sector. As a cyclical business, Steel & Tube is well positioned to benefit from improvement in demand across a broad range of end markets.

## Investor call and webcast

Steel & Tube will be holding an investor call at 10.00am today (25 February 2026) to discuss the 1H26 results, performance and outlook. Details can be found here: <https://www.nzx.com/announcements/466944>

ENDS

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<sup>1</sup> Normalised EBITDA and Normalised EBIT exclude non-trading adjustments of \$1.6m in 1H26. More information is available in the Results presentation.