Company Announcement
18 November 2026

Trading update and extension of bank facilities

Steel & Tube Holdings Limited (NZX: STU) today provides an update on trading performance for the first four-months of the FY27 financial year (July to October 2026), reporting a year-on-year improvement in revenue and volumes, and a significant improvement in normalised earnings.

Key results and progress for the four-month period, including the Reinforcing & Wire business unit which is currently being divested, are as follows:

- Revenue increased 7.6% YoY and volumes increased 4.8% YoY off a historically low base
- Normalised EBITDA* increased to $7.1m (pcp: $1.6m) reflecting stronger gross margin and lower costs
- Return to positive Normalised EBIT* of $1.1m (pcp: loss of $(7.2)m)
- Stable inventory profile with $112.1m as at 31 October 2026 (June 2026: $111.0m)
- Net debt as at 31 October 2026 was $55.8m (June 2026: $48.0m)

Excluding the Reinforcing & Wire business unit, on a like for like basis, revenue increased 8.9% YoY and volumes increased 8%.

Trading conditions remained challenging during July to October, reflecting continued subdued activity across New Zealand's construction and manufacturing sectors. Residential construction activity has been constrained by weak consumer and developer confidence, while commercial and industrial projects continue to show lower investment and experience project delays, as well as the general business uncertainty the economy demonstrates in a pre-election period.

CEO, Mark Malpass, commented: "While the economic recovery remains fragile, improving business and consumer confidence should support a gradual recovery. However, we recognise that it will take time for improving sentiment to translate into stronger demand. In the meantime, we remain focused on delivering for our customers, market share growth, continuing tight management of costs and operational efficiency. The extension of our banking facilities ensures the company has sufficient headroom in place to support our strategic priorities."

Existing banking facilities with ANZ have been extended providing continued funding certainty and flexibility to support the business. The total facility limit remains unchanged at $80m, with new covenants aligned to planned performance. Maturity dates have now been extended to March and September 2028.

The disposal of the Reinforcing & Wire and Plate Processing operations is continuing in line with expectations. The board has elected to apply proceeds from the asset sales to debt reduction.

*Normalised EBITDA and Normalised EBIT are non-GAAP measures and have been adjusted to exclude non-trading adjustments

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