



Vulcan Steel Limited (ASX: VSL, NZX: VSL)

ASX/NZX/Media Release

21 October 2024

Vulcan trading update

Vulcan Steel Limited (**Vulcan**), an Australasian-wide industrial product distributor and value-added processor has announced a market update on trading conditions and the company's performance for the September quarter 2024 (**1Q FY25**) based on unaudited management accounts.

- Revenue fell 13% year-on-year (**YoY**) to NZ\$263.1 million (**m**) in 1Q FY25 (from NZ\$304.0m in 1Q FY24)
- Earnings before interest depreciation and amortisation (**EBITDA**) fell 30% YoY to NZ\$33.1m in 1Q FY25 (from NZ\$47.5m in 1Q FY24)
- Sales volume fell 10% YoY to approximately 57,800 tonnes in 1Q FY25 (from approximately 64,500 tonnes in 1Q FY24)

In million NZ\$ (unless stated)	Reported basis			Pre-IFRS 16 ²		
	1Q FY25	1Q FY24	% Change	1Q FY25	1Q FY24	% Change
Revenue	263.1	304.0	-13%	263.1	304.0	-13%
EBITDA ¹	33.1	47.5	-30%	22.7	37.9	-40%
Sales volume (000 tonnes)	57.8	64.5	-10%	57.8	64.5	-10%

¹ EBITDA - Earnings Before Interest, Tax, Depreciation and Amortisation

² New Zealand IFRS 16 – accounting recognition of right of use assets and corresponding liabilities on leases

Commenting on the results, Vulcan's Managing Director and CEO, Rhys Jones, said:

"Following a challenging end to FY24, business conditions for our industry in 1Q FY25 remained soft and deteriorated across most market verticals and geography, especially in New Zealand. These conditions are expected to continue for the balance of the 2024 calendar year.

Despite challenging conditions in the near term, Vulcan sees encouraging signs for 2025. The reduction in the official cash rate by the Reserve Bank of New Zealand since August 2024 has led to a notable lift in business confidence and pre-sales activity level among our customers, though the timing for this translating into tangible benefits during 2025 calendar year remains uncertain. In Australia, we expect trading conditions for some of our operations to improve as business confidence lifts and when other present industry disruption in that market abates.

With ongoing disciplined management of working capital, our net debt since the end of FY24 has further reduced by \$22m to NZ\$254m at the end of September 2024. We remain in compliance with our current banking covenant thresholds.



In addition, our banking syndicate continues to be supportive and we have entered into an agreement with our lenders to provide a relaxation of the existing banking covenant thresholds for the next fourteen months, with our current covenant thresholds to then apply again from 31 December 2025. We have taken the prudent step to secure these amendments in the event an economic recovery in Australia and New Zealand takes longer to materialise.”

ENDS

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This announcement was authorised by Vulcan’s Board of Directors.

About Vulcan

Founded in 1995, Vulcan is an Australasian-wide industrial product distributor and value-added processor with 66 logistics and processing facilities employing approximately 1,300 employees across the company’s Steel and Metals divisions.