

STU Trading Update

Steel & Tube Holdings Limited (NZX: STU) has provided a trading update for the financial YTD (July to end-October 2025), reporting a challenging four months with improvement expected in latter half of financial year.

Difficult trading conditions have impacted sales volumes, as has been reported by other industry and sector participants. Steel & Tube has maintained its focus on customers and a disciplined approach to cash, inventory and costs (~\$7 million of annualised cost savings in FY25 with further savings underway in FY26). These efforts are delivering increased operating leverage and positioning the company for when volumes return.

For the four months to end-October 2025, revenue of \$145.2 million was up 2.4% on the prior comparable period, while normalised EBIT of \$(7.2) million was \$2.2 million lower than the same period last year, this was a continuation of the second half of FY25.

In light of the ongoing challenges in the operating environment, Steel & Tube considered it prudent to review its capital structure settings after considering feedback from some listed market participants. After careful consideration, and with support from its banking partner, the company has concluded its current capital structure remains suitable.

There are some positive themes that should lead to improved activity over the next 12 to 18 months including lower interest rates, government-funded infrastructure projects, manufacturing sector expansion and increasing commercial and residential building consents. In addition, in FY26, Steel & Tube will have had the benefit of a full year following the successful Perry Metal Protection acquisition which is delivering ahead of forecast, as well as group-wide cost out initiatives implemented in FY25.

CEO Mark Malpass commented: "We are seeing the initial stages of cyclical recovery with increased activity and early signs of margin improvement. Our strengthened operating leverage will deliver margin and profit uplift as volumes return. We are confident in Steel & Tube's ability to capitalise on increasing demand as the New Zealand economy improves."

	4m YTD FY26	4m YTD FY25
Total revenue (\$m)	145.2	141.8
Normalised EBITDA ¹ (\$m)	1.6	2.7
Normalised EBIT ² (\$m)	(7.2)	(5.0)
Sales volumes (000 tonnes)	37.1	35.3

ENDS

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^{1&2} Normalised EBITDA and Normalised EBIT are non-GAAP measures and have been adjusted to exclude non-trading adjustments.

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